



BLOCK ISLAND UTILITY DISTRICT _____ (MARCH 2024)

Background

The Block Island Utility District (“BIUD” or “Company”) dba Block Island Power Company owns and operates the electric utility on Block Island. It is a quasi-municipal corporation established under the Block Island Utility District Act of 2017. The BIUD began operations on March 25, 2019, and it is the successor to the former stockholder-owned Block Island Power Company.

Basic Statistics – Calendar Year 2022

Rate Class	<u>Customers</u>	<u>Revenues</u>	<u>kWh Sales</u>
Residential	1,636	\$ 2,311,377	7,095,625
Commercial	341	\$ 2,235,112	7,058,575
Totals	1,977	\$ 4,546,490	14,154,200

- Employees: 7
- Peak Demand: 5.311 MW
- Total Assets: \$12M
- Net Plant: \$11M

Power Supply

On May 1, 2017, the Company began receiving its power supply from the mainland through the newly constructed Block Island undersea cable which connected Block Island to the mainland electric grid. Prior to the connection, the Company used four (4) on-island diesel generators for 100% its supply needs and consumed nearly 1,000,000 gallons of diesel fuel annually. The Company still owns and maintains the generators as back-up in the event of a cable outage.

Regulatory Filings

Reoccurring Annual Filings

Power Supply and Transmission Rate Filing. In this filing, BIUD, provides a reconciliation of actual revenue and expenses for the most recent 12-month period and a revenue and expense projection for the upcoming 12 months to in order to set updated power supply and transmission rates. For the past several years BIUD made the annual filing in March with new rates going in place in May. In 2022, BIUD made a second reconciliation filing in November for new rates effective January 2023 in order to align new rates with the start of their fiscal year which is the same as the calendar year. Future annual filings will follow the same timeline. The following are the power supply and transmission rates that went into effect on January 1, 2024:

Factors	Effective Jan 1, 2024
Power Supply	\$0.1204
Transmission	\$0.0758
Total	\$0.1962

Demand Side Management (DSM) Plan

On February 10, 2020, Block Island Utility District filed with the Commission its first energy efficiency plan, also called a Demand Side Management Plan. The Plan Budget was set at \$120,000 to be funded through a combination of \$60,000 in revenues from utility rates and a \$60,000 grant offered by the Office of Energy Resources (OER) from the Renewable Greenhouse Gas Initiative (RGGI) fund. The Plan was approved and went into place on June 1, 2020. The rates were set at \$0.01/kWh for the peak months of July and August, and \$0.00395/kWh for the shoulder months of May, June, September and October and set out zero for the other months of the year. These rates stayed in place for the 2nd Plan Year but resulted in a significant over recovery due to a slow uptake of the program during the first two years. The surplus was sufficient to fund the 3rd year of the program without having to collect any additional funds from ratepayers so the DSM factor was set to \$0.00/kWh.

General Rate Case

In the most recent Rate Case, Docket No. 4975, the Commission approved BIUD’s request to change from a rate structure that included higher distribution rates during the summer peak season which ran from June 1st through September 30th and lower rates for the months of October - May. The new rate structure consists of 3 pricing periods, including a summer period (July and August) that has the highest distribution rates, a shoulder season (May, June, September and October) with lower rates, and the lowest rates occurring during the off-season months of November – April. There were some immediate savings that BIUD realized when it became a not-for-profit. Those savings included the following: Gross Receipts Taxes, Depreciation, Income Taxes, Dividends and Sales Tax, and as a result BIUD’s filing was a revenue neutral filing with no increase in its revenue requirements. The new rates went into effect on June 1, 2020.