



Meeting of the Board of Utility Commissioners

Tuesday, September 30, 2025 @ 4:00 PM

Meeting was held at the Power Company

In attendance: Barbara MacMullan, Tom Risom, Ken Lacoste, Mary Jane Balser
Jeffery Wright, Tracy Fredericks, David Lewis, John O’Riordan, Chris Warfel, Steve Corbett, Rene
Myer, Carlos Salinas, David Beby, CPA

Board Chair, Barbara MacMullan called the meeting to order at 4:04 PM.

1. **Public Input** -Chris Warfel asked if the board of directors had received his email to the PUC regarding the Block Island Health Services Solar array. All board members said they had received the email. There was no further discussion.
2. **Commissioner’s Report:** Barbara MacMullan offered that this would have been John Warfel’s last meeting and thanked him for his four years of service.
3. **Review and Act Upon Meeting Minutes:** June 26, July 24, July 31 Regular Meetings and the August 23 Annual Meeting: This was tabled to the next meeting per the request of Tom Risom.
4. **Treasurer’s Report:** Treasurer Tom Risom reported that the Q2 financials are on the website and there is nothing new to report. There were no questions asked.
5. **Review of 2026 Budget (O&M and Capital) for Rate Case:** Dave Bebyn called into the meeting and presented the test year and rate year budget in detail. He and President Jeffery Wright went through each line of the budget, taking and answering questions.

Jeff explained that a test year looks back at BIUD’s last four years of actual revenues and expenses and takes an average of your revenues and expenses and creates the “test year.” The test year for us is based on the actual revenues and expenses from July 1, 2024 -June 30, 2025, and adjusted by the four-year average where appropriate. Once we have the test year done, we can adjust the test year if there are known and measurable changes. Our new insurance expenses are an example of this, since our new insurance rates will be substantially lower. Dave and Jeff explained how the test year was created, the

adjustments and the actual rate year, which is how the rates were calculated, to be filed with the regulators as our budget. The budget will determine what rate increase will be.

A robust discussion was had, and many questions were asked. A summary of those questions follows:

Barbara MacMullan

Q: Why do you remove depreciation from the test year?

A: Dave replied, it's a paper line item which you don't spend money on. The regulators want to know that you have the money.

Steve Corbett-

Q: What is the residential solar credit?

A: Jeffery Wright responded it is the credit applied to those on the new net metering tariff.

Chris Warfel

Q: Are the account numbers used in the budget BIPCO specific or are they industry table of account numbers.

A: Jeffery Wright explained they are based on the FERC account codes.

Q: Is account #440-001 based on energy charge, billable hours.

A: Jeffery Wright explained It is based on kilowatt hours delivered, and that we have three different consumer classes: residential, commercial and general service demand. The demand rate is charged separately and is based on their peak demand set in July or August.

Q: Where are the pole expenses/replacements in the budget?

A: Jeffery Wright replied they are in the capital expenses.

Q: Do we lose money on streetlights?

A: Jeffery Wright responded no, they pay for themselves. We don't capitalize them.

Q: What is the efficiency program expenditure?

A: There is no expense as OER is reimbursing BIUD for all actual expenses.

Q: When will the rate case be brought to the PUC

A: Jeffery Wright answered we will bring it to the PUC in November 2025 and should be done in September 2026.

John O'Riordan

Q: Is this whole process dictated by the PUC?

A: Yes.

David Lewis

Q: Does OER reimburse the expenses of efficiency programs for every power company?

A: Jeff responded that he is not sure.

Carlos Salinas

Q: What does, pg. 5, 931000 environmental refer to?

A: Jeffery Wright explained that this refers to quarterly water testing. BIUD still employs Quonset environmental to help us out with this, we also have to file monthly generator emission reports.

Rene Meyer (BI Times)

Q: Is there any data on how many of these smart meters are failing.

A: Jeffery Wright replied he did not have specific numbers, but the failure rate was not out of the ordinary. He continues to say that at some point we will have to replace the system. In the past we have had system failure, but now we don't have any large-scale failures.

Chris Warfel

Q: Are we going to charge the short-term residential members a different rate than the year-round residential members?

A: Jeffery Wright responded by saying that we spent a great deal of money on our last rate case which included some fairly significant rate design; removing the demand rate from the residential rate among other changes. This rate case is across the board, and we are not doing cost of service study or rate design changes at this time.

Q: Are we (the year-round members) subsidizing the costs of the seasonal residential members?

A: Jeffery Wright responded not with our current rate design.

Q: What is the best way to ask more specific questions about the budget?

A: Come to the next board meeting, that way everyone can hear the answer to any questions or send an email and ask for it to be included at the next board meeting.

Jeffery Wright summarized the discussion explaining that he and Dave are going to work on any adjustments and have a final budget ready to approve in the next meeting.

Motion to adjourn the meeting was made by Ken seconded by Tom, motion was passed unanimously. The meeting adjourned at 5:19 pm