

Deciding on Purchasing BIPCo

The pocketbook issues- for ratepayers- and taxpayers

Block Island residents are being presented with an opportunity to purchase and control their own power company. It's a big decision. That's why we're posting as much information as we can in as many venues as we can, with total transparency. The Electric Utility Task Group has been charged since 2008 to purchase the power company and has actively reviewed all public filings available and participated, with the various Town Councils, in all hearings and issues before the PUC involving BIPCo since then. Now the Town has begun its period of "due diligence" under the Agreement and will add to the already available information as we proceed into September.

Due Diligence

- We have hired an Environmental Law firm which, in turn, has engaged SAGE Environmental Group to perform a Phase I Environmental Assessment and this has begun. We will receive a report stating: "These recognizable issues have been found..." That report will be available in two weeks or so.
- We have engaged outside consultants to review the assets and property of BIPCo from an engineering standpoint and maintenance standpoint and we have an outside consultant preparing a valuation analysis. These will be published upon receipt in the next few weeks.

No rate increase for the next year

- For ratepayers- the ability to control expenditures, the formation of a tax free non-profit, the reinvestment of funds will mean rates will stay the same after the purchase.
- Majority ownership- gives ratepayers control over how projects are handled and costs passed on
- Community nonprofit ownership is the only way to begin lowering BIPCO costs (no private owners taking dividends)
- Without the purchase, we are facing certainty of rate increases in 2017

The cost of the purchase.

- To purchase a majority interest (2/3rd) of BIPCo will cost \$1.8M. The Financial Town Meeting has been scheduled by the Town Council for Monday evening, September 26th.
- Financing the purchase will cost \$120-130 thousand per year (approximately \$0.01 per kWh). This cost will be less than savings from not paying dividends, management bonuses or earning a profit.

Determining future BIPCO investments

- There will be upgrades and ongoing repairs needed such as the removal of underground diesel tanks & the eventual upgrade to the distribution system.
- These costs will be passed on to the ratepayers whether or not the Town purchases BIPCo. But, with the Town purchase ratepayers will be able to control the extent and timing of the upgrades and repairs.
- It is the Town's understanding, as substantiated by the initial review of our environmental engineer, that BIPCo is in compliance with all environmental rules, has the appropriate permits, and has conducted environmental monitoring that has shown no red flags as to

contamination levels. As part of due diligence, the Town expects to get further reports on contamination, if any, of the BIPCo site and the costs for any clean up.

Look for regular articles and factual information in the Block Island Times on the New Shoreham Website, and in social media at our Facebook site BUY BIPCo.

Don't forget mark on your calendar for September 26th when the Town has a Financial Town Meeting on the issue.