

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 23-1852-TF

Tariff filing of Green Mountain Power Corporation for approval of its FY24 Annual Base Rate, October 1, 2023, to September 30, 2024	
---	--

Order entered: 08/23/2023

ORDER SETTING BASE RATES FOR FISCAL YEAR 2024

I. INTRODUCTION

In today's Order, the Vermont Public Utility Commission ("Commission") approves the tariff filing of Green Mountain Power Corporation ("GMP" or the "Company") reflecting a 5.29% increase to GMP's base rates. This is the first annual filing for base rate adjustments made pursuant to GMP's Multi-Year Regulation Plan ("MYRP") that the Commission approved in Case No. 21-3707-PET on August 31, 2022, as amended in Case No. 23-0141-PET on March 30, 2023. A substantial portion of GMP's overall cost of service has been fixed for ratemaking purposes or is adjusted annually relative to inflation, as approved under the MYRP. Remaining costs are reforecast each year.

II. PUBLIC COMMENTS

The Commission received 32 public comments from residential customers in this case. All 32 of these customers expressed concern that electric bills are too high in GMP's service territory and many requested that the Commission deny the rate increase. Several argued against rate increases because GMP allegedly provides unreliable electric service. Others stated that inflation has placed financial strain on customers, particularly senior citizens on fixed incomes. Two commenters expressed frustration that net-metering credits can no longer be used to offset certain non-bypassable charges. A few comments expressed a concern that Vermont's renewable energy programs have not reduced energy costs for customers. Another customer suggested that allowing competitive electric suppliers would reduce power supply costs.

The Commission considered all the comments while reviewing the record to make its

final decision in this case. However, the Commission notes that some of the comments – for example, those addressing the net-metering program and competitive electric suppliers – raised issues that are either outside the scope of our review of GMP’s base rates or not within the Commission’s statutory authority to implement.

Affordability

The Commission understands and shares the concerns of Vermonters who are facing financial pressures because of inflation and other factors. In determining whether to approve a rate increase, the Commission considers whether the new rates are based on costs prudently incurred by a utility to serve its customers. GMP has provided documentation that the proposed rate increase complies with its MYRP and that the costs driving the rate increase meet the statutory and regulatory standards for inclusion in rates.

The Commission encourages low-income customers to apply for GMP’s low-income energy assistance program¹ and encourages all customers to take advantage of incentives for energy efficient products offered by Efficiency Vermont.²

Service Quality

GMP is subject to a Service Quality and Reliability Performance Monitoring and Reporting Plan (“SQRP”), that requires the quarterly tracking and reporting of service quality metrics. The plan includes performance measures regarding specific aspects of GMP’s service, such as customer calls, billing, complaints, safety, and reliability. Additionally, GMP must annually file reliability reports identifying areas of GMP’s system that are experiencing reliability issues. These reports can be viewed online using ePUC.³

¹ More information about the low-income energy assistance program is available at <https://greenmountainpower.com/help/what-is-the-energy-assistance-program-eap/>.

² More information about product rebates offered by Efficiency Vermont is available at <https://www.encyvermont.com/rebates>.

³ Interested persons may review any public report filed with the Commission at <https://epuc.vermont.gov/?q=node/119>. To access GMP’s SQRP filings, select “service quality report” from the report type drop-down menu and enter “Green Mountain Power” into the field for the name of reporting entity.

In a recent order, the Commission found that the “SQRP is in the process of being reviewed and updated by GMP and the Department, and it will be subject to Commission approval.”⁴ In response to the public comments regarding reliability, the Commission requires GMP to make a filing informing the Commission about the status of the discussions between GMP and the Department regarding the SQRP within 30 days of this order.

III. DEPARTMENT RECOMMENDATION

On August 1, 2023, the Department of Public Service (“Department”) filed its recommendation on GMP’s tariff filing. The Department states that it has reviewed GMP’s filing materials, requested information from GMP, met with the Company to discuss the various rate components, and revisited GMP’s MYRP to ensure that costs comply with the rate plan. The Department states that the proposed rate increase is primarily attributable to increased power supply costs related to the Russian invasion of Ukraine, concerns over winter fuel supply in Europe, and inflation; updated operations and maintenance costs that are indexed to inflation pursuant to the MYRP; and increased capital investments associated with GMP’s Climate Plan and broadband deployment projects.

The Department notes that GMP’s rate request does not include any costs associated with the two-year ISO-New England cost-of-service contract for the Mystic Generating Station. The Department states that these costs have been volatile and unpredictable. Therefore, GMP will incorporate these costs into its rates through the power supply adjustor. The Department finds this treatment of Mystic costs to be reasonable.

The Department verified that GMP correctly calculated each formulaic adjustment required under the MYRP. The Department also states that it scrutinized GMP’s base rate schedules to ensure that GMP’s proposed rate adjustments are consistent with the MYRP. The Department concludes that GMP’s filing and requested rate increase are consistent with the MYRP. The Department does not recommend any adjustments to GMP’s annual base rate filing. Accordingly, the Department recommends that the Commission approve the rate

⁴ *Petition of Green Mountain Power Corporation for approval of a new Multi-Year Regulation Plan pursuant to 30 V.S.A. Sections 209, 218, and 218d*, Case Nos. 21-3707-PET, Order of 8/31/22 at 7.

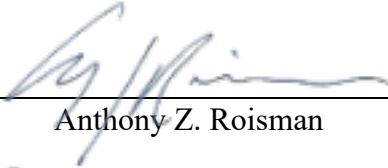
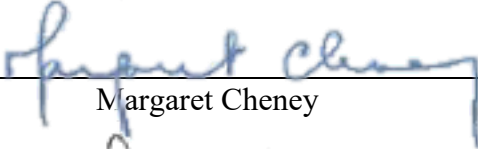
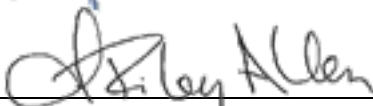
increase without further hearings or investigation.

IV. CONCLUSION

Based on our review of the tariff filing and the Department's recommendation, we conclude that the base rate filing conforms with the requirements of the MYRP. Therefore, we approve GMP's tariff filing for a 5.29% increase in base rates, effective with bills rendered on or after October 1, 2023. GMP is directed to make a filing in this case informing the Commission about the status of the discussions between GMP and the Department regarding the SQRP within 30 days of this order.

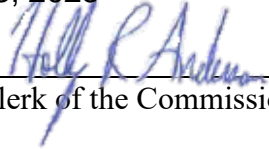
SO ORDERED.

Dated at Montpelier, Vermont, this 23rd day of August, 2023.

)	
Anthony Z. Roisman)	PUBLIC UTILITY
)	
)	
)	COMMISSION
Margaret Cheney)	
)	
)	OF VERMONT
)	
J. Riley Allen)	

OFFICE OF THE CLERK

Filed: August 23, 2023

Attest:  _____
 Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 23-1852-TF - SERVICE LIST

Parties:

Erin C. Brennan, Esq.
Vermont Department of Public Service
112 State Street
Montpelier, VT 05620
Erin.Brennan@vermont.gov

(for Vermont
Department of Public
Service)

Malachi T. Brennan
SRH Law PLLC
91 College Street
PO Box 545
Burlington, VT 05401
mbrennan@srhlaw.com

(for Green Mountain
Power Corporation)

Geoffrey Hand, Esq.
SRH Law PLLC
91 College Street
PO Box 545
Burlington, VT 05402
ghand@srhlaw.com

(for Green Mountain
Power Corporation)

Liz Miller
Green Mountain Power
163 Acorn Lane
Colchester, VT 05446
Liz.Miller@greenmountainpower.com

(for Green Mountain
Power Corporation)