

To: Bill Botzow, Chairman, and Members of the House Committee on Commerce and Economic Development

From: Public Service Department Commissioner Chris Recchia and Deputy Commissioner Darren Springer

RE: Legislative Priorities for 2014

Date: December 2, 2013

---

**S. 25** – As the Committee is aware the Department continues to support passage of S. 25, as amended during the 2013 legislative session. The bill would make changes to the Department's ratepayer consideration in the process of determining the public good during a Public Service Board docket. As amended it also includes provisions from H. 39, including the ability to move to electronic records for the Public Service Board, clarification that the Department can represent itself before FERC, and alignment of dates for energy planning purposes. The amended bill awaits action on the House floor.

**Telecom Legislation** – The Department plans to propose telecommunications legislation that would look at updates to the Vermont USF, and to ILEC and prepaid wireless obligations relating to the USF. The proposed legislation will also address pole attachment formula through the PSB, and offer a path forward on 248a which is scheduled to sunset in July of 2014.

**Net Metering** – While the Department is not certain whether this bill will fall in the Committee's jurisdiction, the Department would like members of the Committee to be aware that it is working actively on a legislative proposal to update the net metering program now that several utilities hit their statutory cap on customer participation in the program.

**Smart Grid Report** – As required by 30 V.S.A. 2811(c), the Department will submit a report to the Committee in January of 2014 regarding benefits of smart meters and security-related information.

**Electric Vehicle Clarification** – Perhaps as part of a larger electric vehicle package the Department is working on with other agencies and stakeholders, it may be appropriate to clarify that vendors do not need to be regulated utilities subject to PSB jurisdiction in order to operate an electric vehicle recharging station.

**Engineering Legislation** – The Department's Engineering Division is examining several modest legislative changes. They include amending existing law to make clear that underground steam pipes (such as Montpelier's district heat) are subject to the Dig Safe program; making clear that electric energy storage is subject to the 248 permitting process; an increase in civil penalties for gas safety program violations to be consistent with federal requirements; and some changes to 30 V.S.A. 207 to better coordinate VOSHA and DOL investigations of electric safety incidents with the Department's responsibilities.

**Formula Rates** – In 30 V.S.A. 226 there is an automatic suspension of rate increases until the Board makes a determination, however that suspension does not apply to cooperative and municipal utilities. Further, these utilities must apply a rate increase identically to all classes of customers under rate design tariffs previously approved by the Board. Those utilities would like to change the statute for rate increases that result from changes in a formula (for example an ISO-New England tariff) that updates automatically without Board approval. The proposed change would allow suspension of new rate increases created by formula, pending final determination by the Board. The Department is evaluating this proposal with stakeholders.