

Carl Scott
7 Pelkey Ave., Fair Haven, VT 05743
802/265-4980 (home); 802/558-2238 (cell)

Personal Background. Carl Scott, retired from GMP in 2014 with revenue requirements and cost of service experience.

Comments.

- Over the years, the PSD that has lost its way and mission over the years resulting in
 - excess profits (by industry standards)
 - MOUs that are created with no compliance follow up

GMP.

- Non-public company whose mission is to maximize earnings while maintaining a positive corporate image.
- Success story can be told by repeatedly earning the allowed Return on Equity.

DPS.

- DPS is an entity that has lost its way.
- Designed to be the “competition” for the regulated monopoly.
- Good completion yields razor thin margins while producing a superior quality product.
- Restrained from doing their job due to political pressures.

Concerns.

- **Where are the Merger Savings?**
 - **More than half flow to Canada**
 - No post-merger dip in rates.
- **Who follows up on the MOUs?**
 - A provision of the Board Order in Docket No. 7770 (para. 107) required a post-merger traditional litigated cost of service review. There has never been a detailed audit of these 2011 actual costs
 - ROE has never been reviewed or reset since day 1 of the Alternative Regulation Plans (2007).

Change of Loyalties.

- The old Department played hard ball and advocated for the rate payer.
- The new Department sympathizes with the utility.

Conclusion. The rate payer is not represented under this paradigm. The current PSD structure creates a process that encourages the Department to expand its role beyond that as advocate for least cost service. We need a focused Department that represents the Rate Payers while complying with the rules; not an advocate for the governor while complying with the rules.