

# Vermont Department of Public Service

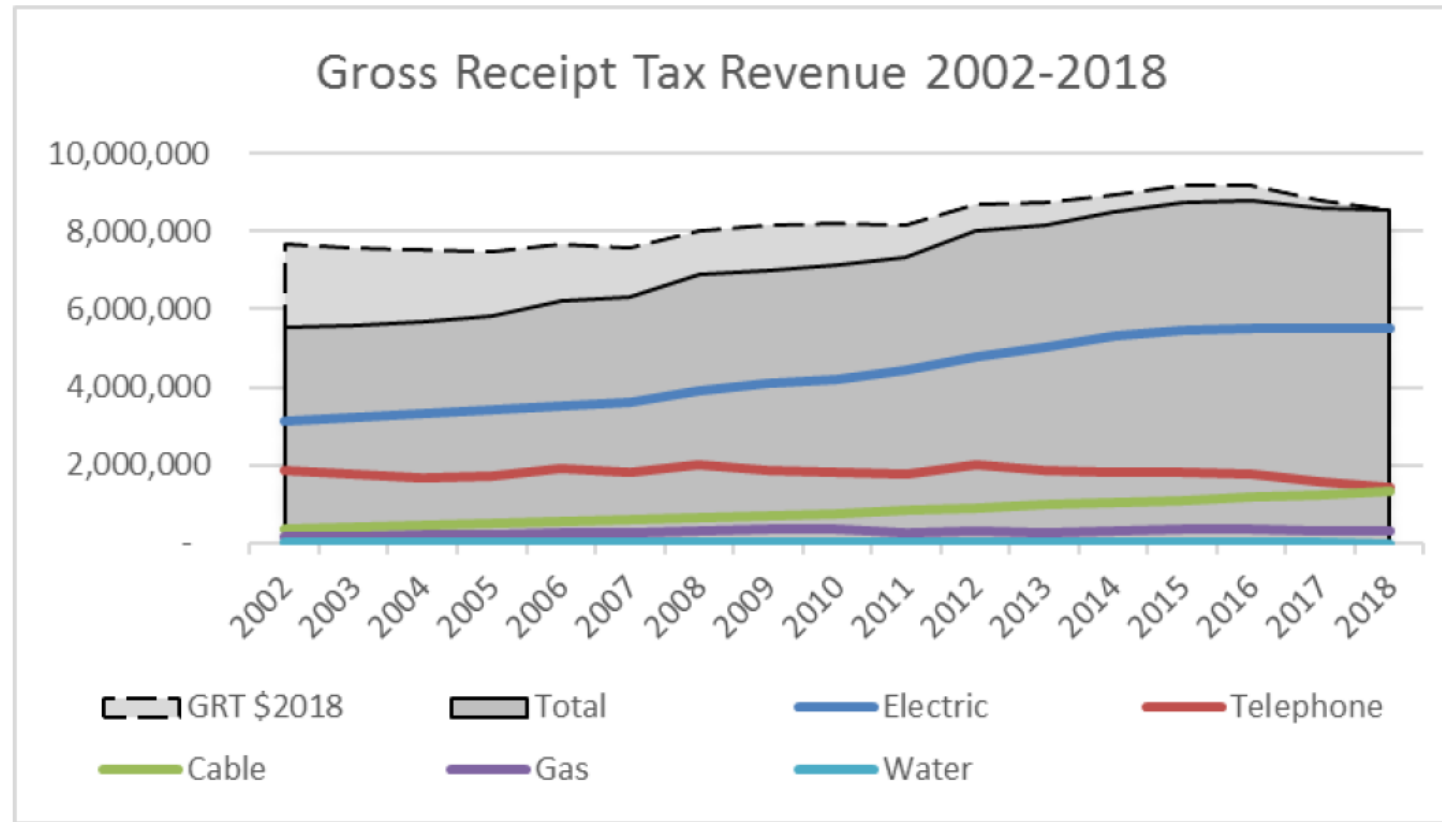
## Fees related to 30 VSA §248c

Riley Allen, Deputy Commissioner

June Tierney, Commissioner

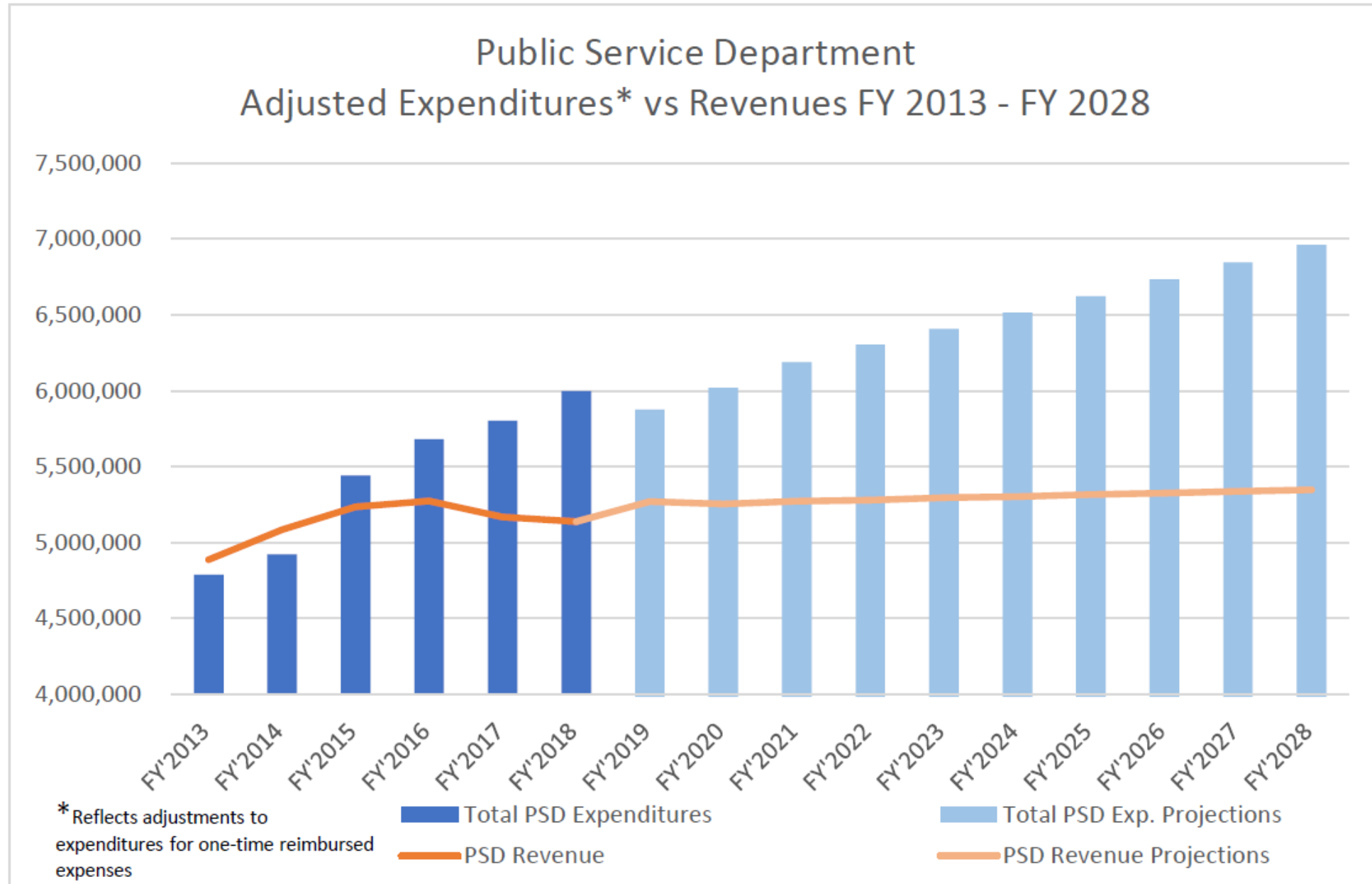
February 13, 2019

Figure 1 -- Gross Receipts Tax Revenue 2002-2018



		2010	2011	2012	2013	2014	2015	2016	2017	2018
Electric		\$ 4,193,263	\$ 4,445,824	\$ 4,782,085	\$ 5,008,103	\$ 5,310,619	\$ 5,470,690	\$ 5,507,514	\$ 5,487,512	\$ 5,505,661
Telephone		\$ 1,836,859	\$ 1,759,004	\$ 1,995,423	\$ 1,846,454	\$ 1,799,615	\$ 1,826,415	\$ 1,747,995	\$ 1,571,085	\$ 1,419,576
Cable		\$ 764,061	\$ 843,298	\$ 907,349	\$ 1,005,051	\$ 1,056,332	\$ 1,071,971	\$ 1,173,788	\$ 1,247,667	\$ 1,325,924
Gas		\$ 347,655	\$ 284,004	\$ 301,622	\$ 282,760	\$ 305,528	\$ 347,410	\$ 358,143	\$ 302,912	\$ 310,285
Water		\$ 1,675	\$ 1,530	\$ 1,172	\$ 2,148	\$ 1,483	\$ 1,549	\$ 1,304	\$ 1,181	\$ 1,008
<b>Total</b>		<b>\$ 7,143,514</b>	<b>\$ 7,333,660</b>	<b>\$ 7,987,651</b>	<b>\$ 8,144,516</b>	<b>\$ 8,473,577</b>	<b>\$ 8,718,035</b>	<b>\$ 8,788,743</b>	<b>\$ 8,610,357</b>	<b>\$ 8,562,453</b>
Department	60%	\$ 4,286,108	\$ 4,400,196	\$ 4,792,591	\$ 4,886,710	\$ 5,084,146	\$ 5,230,821	\$ 5,273,246	\$ 5,166,214	\$ 5,137,472
Commission	40%	\$ 2,857,406	\$ 2,933,464	\$ 3,195,061	\$ 3,257,806	\$ 3,389,431	\$ 3,487,214	\$ 3,515,497	\$ 3,444,143	\$ 3,424,981

Figure 5 – Department GRT Fund Expenditures and Projections versus GRT Revenues



# Department Recommendations

- The Department recommends a one-time reallocation from the PUC's \$4.4 million of accumulated carry-over funds;
- The GRT split should be revised to 65%-PSD/35%-PUC;
- **Supplement the GRT mechanism by instituting an administratively determined cost-based fee;**
- Supplement the Department's existing funding with more frequent and expanded use of the billback authority.

# Proposed Fees and Estimated Revenues

	Per registration	Per kW capacity
<b>Type of Case</b>	<b>\$ <u>100</u></b>	<b>\$ <u>4</u></b>
Generation Projects > 5 MW		<b>\$80,000</b>
Generation Projects >500 kW through 5 MW		<b>\$92,000</b>
NM Generation Projects >50 kW through 500 kW		<b>\$121,628</b>
NM Generation Projects >15 kW through 50 kW	<b>\$5,100</b>	
NM Generation Projects <15 kW	<b>\$305,400</b>	
<b>Total</b>		<b>604,128</b>

Table 6 – Commission Percentage of Personnel Costs by Industry and Work Function

Division		Industry Group - Percentage of Personnel Costs							Energy Efficiency	Sub-Total
		Electric Utility	Merchant Generation	Net-metering	Telecom	Cable	Gas	Water		
	Regulation	11.70%	2.13%	1.11%	4.07%	2.05%	3.09%	2.20%	2.94%	29.28%
	Policy	4.51%	2.91%	2.66%	0.86%	0.05%	0.43%	0.11%	2.73%	14.27%
PUC	Siting	3.72%	9.09%	34.49%	0.46%	0.00%	1.21%	0.00%	0.00%	48.96%
	Compliance	1.59%	1.96%	1.11%	0.10%	0.27%	2.38%	0.05%	0.05%	7.50%
	Sub-total	21.52%	16.09%	39.35%	5.49%	2.36%	7.10%	2.36%	5.72%	100.00%

Table 7 – Department Percentage of Personnel Costs by Industry and Work Function

		Utility/Petitioner Type - Percentage of Personnel Costs										
		Merchant Generation										
Department-wide	Work Function	Electric	Large Scale	Small Scale	Telephone	Cable	Gas	Water	Energy Eff	Net Metering	Other	Sub-total
	Regulation	5.70%	0.51%	0.48%	2.73%	0.87%	0.52%	0.03%	3.90%	0.21%	0.59%	15.54%
	Policy	4.80%	0.57%	0.53%	1.44%	1.23%	0.92%	0.25%	4.17%	1.22%	0.06%	15.19%
	Investigatory	2.78%	1.22%	0.54%	2.34%	1.24%	0.40%	0.03%	1.79%	0.66%	0.00%	11.00%
	Rate Case	0.63%	0.49%	0.00%	1.25%	0.89%	0.00%	0.00%	0.00%	0.00%	0.59%	3.85%
	Other Petitions	7.32%	0.00%	0.31%	0.28%	0.15%	1.73%	1.80%	0.00%	0.04%	0.59%	12.23%
	248 Filings	3.32%	0.51%	0.12%	0.09%	0.37%	0.17%	0.12%	0.41%	0.31%	0.59%	6.01%
	Enforcement	3.48%	2.52%	4.35%	1.83%	0.29%	0.44%	0.29%	0.29%	4.40%	0.00%	17.89%
	Advocate	2.60%	2.70%	0.40%	1.30%	1.13%	7.38%	0.15%	1.98%	0.27%	0.36%	18.29%
	Sub-Total	30.63%	8.52%	6.74%	11.27%	6.16%	11.57%	2.68%	12.54%	7.11%	2.79%	100.00%
												100.00%

Extra Slides for Reference



Table 2 – Number of Cases Filed by Merchant and Net-Metered Projects

<b>Number of PUC Cases Filed by Persons or Companies That Do Not Pay the Gross Receipts Tax</b>					
<b>Type of Case</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>
Generation Projects > 5 MW	0	1	1	0	0
Generation Projects >500 kW through 5 MW	6	8	15	3	11
NM Generation Projects >50 kW through 500 kW	191	145	204	126	58
NM Generation Projects >15 kW through 50 kW	107	51	32	40	65
NM Generation Projects <15 kW	2,973	3,054	1,998	1,238	925
Transmission Projects (merchant transmission lines, national grid projects)	0	1	1	5	2
Other Non-Utility Cases (e.g., sale of a company, standard-offer contract matters, interconnection disputes, Rule 4.100 matters, met towers, NM minor amendments, NM extension requests)	238	29	23	8	6
<b>Total</b>	<b>3,515</b>	<b>3,289</b>	<b>2,274</b>	<b>1,420</b>	<b>1,067</b>

Table 3 – Amount of Additional Capacity Filed by Merchant and Net-Metered Projects

<b>kW of Generation Filed by Persons or Companies That Do Not Pay the Gross Receipts Tax</b>					
<b>Type of Case</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>
Generation Projects > 5 MW	0	20,000	20,000	0	0
Generation Projects >500 kW through 5 MW	24,070	23,000	50,990	49,133	19,720
NM Generation Projects >50 kW through 500 kW	46,690	30,407	52,339	28,803	10,271
NM Generation Projects >15 kW through 50 kW	3,261	1,591	846	1,027	1,243
NM Generation Projects <15 kW	21,106	21,314	12,722	7,904	5,688
<b>Total</b>	<b>95,127</b>	<b>96,312</b>	<b>136,897</b>	<b>86,867</b>	<b>36,922</b>

Table 4 – Net-Metered Cases Over Time

<b>Number of Applications for Net-Metering Certificates of Public Good</b>						
	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Number of Applications Filed	925	1062	1408	2251	3252	3271

Table 5 – Number of Orders and CPGs Issued

<b>Number of orders and CPGs issued</b>				
	<b>FY17</b>	<b>FY17 Percentage</b>	<b>FY18</b>	<b>FY18 Percentage</b>
Electric (not merchant or net-metering)	324	21.12%	246	18.14%
Merchant generation and transmission	276	17.99%	310	22.86%
Net-metering	511	33.31%	355	26.18%
Gas	65	4.24%	46	3.39%
EEU	32	2.09%	44	3.24%
Telecom (not 248a or 248(n))	145	9.45%	64	4.72%
Telecom 248a and 248(n)	126	8.21%	257	18.95%
Water	13	0.85%	15	1.11%
Cable	37	2.41%	10	0.74%
Multi-industry	5	0.33%	9	0.66%
<b>Total orders and CPGs issued</b>	<b>1,534</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>

Number of hearings and workshops held				
	FY17	FY17 Percentage	FY18	FY18 Percentage
Electric (not merchant or net-metering)	49	29.17%	37	30.08%
Merchant generation and transmission	47	27.98%	30	24.39%
Net-metering	32	19.05%	21	17.07%
Gas	15	8.93%	14	11.38%
EEU	12	7.14%	9	7.32%
Telecom (not 248a or 248(n))	2	1.19%	4	3.25%
Telecom 248a and 248(n)	9	5.36%	1	0.81%
Water	1	0.60%	2	1.63%
Cable	1	0.60%	1	0.81%
Multi-industry	0	0.00%	3	2.44%
Administrative rule	0	0.00%	1	0.81%
<b>Total</b>	<b>168</b>	<b>100.00%</b>	<b>123</b>	<b>100.00%</b>

Table 12 – Public Service Department Spending Authority, Revenues, and Balances (2011-2019)

	Gross Revenue Fund								Projected
<b>INCOME</b>	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Cash Balance Brought Forward from Prior Fiscal Year	24,965	1,666,993	2,786,273	2,119,046	2,273,874	1,784,446	1,402,849	621,076	(175,671)
Adjustment to Carry Forward									
Gross Revenue Tax Receipts	7,347,241	7,990,348	8,149,397	8,476,682	8,667,092	8,855,325	8,380,928	8,668,594	8,828,607
Reimbursement by:									
Administration of Power		91,064	(87,908)						
Federal Grants									
Rate Case Reimbursement	3,462,700	895,752	217,103	(108,035)				439,350	
Sale of Service									
Miscellaneous Receipts	79,106	265,310	2,516	122,324	1,789	100,670	91,026	264,623	
Low-level Radioactive Waste Compact Fund									
Anticipated Receipts									
Interest Income/Dividends	69	23,231	49	(23,136)					
<b>Total Funds Available</b>	<b>10,914,081</b>	<b>10,932,699</b>	<b>11,067,429</b>	<b>10,586,880</b>	<b>10,942,755</b>	<b>10,740,441</b>	<b>9,874,803</b>	<b>9,993,643</b>	<b>8,652,936</b>
<b>EXPENDITURES</b>									
Salary/Benefits	3,279,327	3,175,643	3,572,906	3,842,481	4,336,665	4,271,312	4,904,361	4,702,309	4,900,000
Contracts	2,300,535	1,150,607	152,323	456,696	400,684	517,687	135,589	759,226	130,500
Operating	623,527	624,397	712,282	636,360	304,982	625,554	651,762	779,318	840,500
Grants	-		328,191	37,417	347,403	264,395	105,381	456,372	40,000
Other (Liabilities at Year-End from Prior Year)	49,141		22,765	(50,621)	51,738	1,568	4,263	4,652	
GRT Spending Authority	6,203,388	4,973,850	4,765,702	4,972,954	5,389,734	5,678,947	5,797,092	6,697,224	5,934,658
<b>Total Expenditures</b>	<b>6,252,529</b>	<b>4,950,647</b>	<b>4,788,467</b>	<b>4,922,333</b>	<b>5,441,473</b>	<b>5,680,515</b>	<b>5,801,356</b>	<b>6,701,876</b>	<b>5,911,000</b>
Total Transfers (to Commission, General Fund, etc.)	2,994,559	3,195,779	4,159,917	3,390,673	3,716,837	3,657,076	3,452,371	3,467,438	3,531,443
Ending Balance	1,666,993	2,786,273	2,119,046	2,273,874	1,784,445	1,402,849	621,076	(175,671)	(789,507)



Table 13 -- Public Utility Commission Spending Authority, Revenues, and Balance (FY2015 – FY2019)

Fiscal Year	FY15	FY16	FY17	FY18	FY19
<b>Spending Authority</b>	\$3,399,076.00	\$3,480,181.00	\$3,545,000.00	\$3,647,838.00	\$3,700,815.00
<b>Total Expenditures - Including Billbacks</b>	\$3,130,254.42	\$3,204,301.45	\$3,400,825.59	\$3,647,977.50	
<b>Gross Receipts Tax Revenue</b>	\$3,466,836.65	\$3,522,130.46	\$3,352,371.25	\$3,467,437.72	\$3,531,442.80 *
<b>Billback Revenues</b>	\$33,408.51	\$57,883.45	\$23,031.59	\$80,069.97	\$42,000.00 *
<b>Cash Balance at 6/30</b>	\$4,170,406.27	\$4,573,804.03	\$4,571,936.26	\$4,402,881.38	
<b>GRT + Billback Revenues - Total Expenditures</b>	\$369,990.74	\$375,712.46	-\$25,422.75	-\$100,469.81	-\$127,372.20 *