

S.60

Introduced by Senator Cummings

Referred to Committee on Finance

Date: February 3, 2021

Subject: Public service; general powers; alternative regulation of electric and
natural gas companies

Statement of purpose of bill as introduced: This bill proposes to allow
municipal and cooperative utilities to offer innovative rates and services to
their customers.

An act relating to allowing municipal and cooperative utilities to offer
innovative rates and services

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1, 30 V.S.A. § 218d(n) is added to read:~~

~~(n)(1) Notwithstanding subsection (a) of this section and section 229 of this
title, a municipal company formed under local charter or under chapter 79 of
this title and an electric cooperative formed under chapter 81 of this title shall
be authorized to change their rates for service to their customers if the rate
change is:~~

~~(A) applied to all customers equally;~~

~~(B) not more than two percent during any twelve-month period, and~~

1 ~~(C) not more than 10 percent from the rates last approved by the~~
2 ~~Commission.~~

3 ~~(2) The municipal company or electric cooperative shall provide written~~
4 ~~notice of a rate change pursuant to this subsection to the Department of Public~~
5 ~~Service and the Commission at least 45 days prior to implementing the rate~~
6 ~~change. Included with the submission shall be a rate analysis describing the~~
7 ~~rationale for the rate change. Unless an objection to the rate change is filed~~
8 ~~with the Commission within 45 days of this notice or the Commission orders~~
9 ~~an investigation on its own motion, the municipal company or electric~~
10 ~~cooperative may implement the rate change.~~

11 ~~(3) A municipal company or electric cooperative shall not be eligible to~~
12 ~~change its rates pursuant to this subsection unless it has received approval for a~~
13 ~~rate change from the Commission after January 1, 2021.~~

14 ~~(4) If a municipal company's or electric cooperative's rate change~~
15 ~~pursuant to this subsection is more than 10 percent from the rates last approved~~
16 ~~by the Commission, the change shall not be approved pursuant to this~~
17 ~~subsection, and the change may only be approved pursuant to another~~
18 ~~subsection of this section or pursuant to section 218 and sections 225–227 of~~
19 ~~this title.~~

20 ~~(5) The Commission may establish, by rule or order, standards and~~
21 ~~procedures for implementing and interpreting this subsection.~~

1 ~~(c)(1) Notwithstanding subsections (a) and (b) of this section and section~~
2 229 of this title, a municipal company formed under local charter or under
3 chapter 79 of this title and an electric cooperative formed under chapter 81 of
4 this title shall be authorized to offer innovative rates or services to their
5 customers as pilot programs without obtaining prior approval from the
6 Commission if the rate or service:

7 (A) is designed to satisfy the requirements of subdivision 8005(a)(3)
8 of this title or to advance the goals of the State Comprehensive Energy Plan;

9 (B) has a duration of 18 months or less; and

10 (C) shall not result in:

11 (i) plant additions of more than two percent of the municipal
12 company's or electric cooperative's net plant capacity; or

13 (ii) an increase in the municipal company's or electric
14 cooperative's overall cost-of-service by more than two percent.

15 (2) The municipal company or electric cooperative shall provide written
16 notice of an innovative rate or service to the Department of Public Service and
17 the Commission at least 45 days prior to offering the innovative rate or service
18 to its customers. Included with the submission shall be the terms and
19 conditions of service. Unless an objection to the innovative rate or service is
20 filed with the Commission within 45 days of this notice or the Commission
21 orders an investigation on its own motion, the municipal company or electric

1 ~~cooperative may commence offering the innovative rate or service to its~~
2 ~~customers.~~

3 (3) The municipal company or electric cooperative shall provide written
4 notice to the Department of Public Service and the Commission at least
5 45 days prior to the end of an innovative rate or service duration period with
6 any proposed modifications to the terms and conditions. Unless an objection
7 to the innovative rate or service is filed with the Commission within 45 days of
8 this notice or the Commission orders an investigation on its own motion, the
9 municipal company or electric cooperative may continue offering the
10 innovative rate or service to its customers. The Commission may allow for the
11 innovative rate or service to remain in effect pending the outcome of an
12 investigation into the notice filing.

13 (4) The Commission may establish, by rule or order, standards and
14 procedures for implementing and interpreting this section.

15 Sec. 2. EFFECTIVE DATE

16 ~~This act shall take effect on July 1, 2021.~~

~~Sec. 1. 30 V.S.A. § 218d(n) is added to read:~~

Sec. 1. 30 V.S.A. § 218d(n) and (o) are added to read:

(n)(1) Notwithstanding subsection (a) of this section and sections 218, 225, 226, 227, and 229 of this title, a municipal company formed under local charter or under chapter 79 of this title and an electric cooperative formed under chapter 81 of this title shall be authorized to change its rates for service to its customers if the rate change is:

(A) applied to all customers equally;

(B) not more than two percent during any twelve-month period;

(C) cumulatively not more than 10 percent from the rates last approved by the Commission; and

(D) not going to take effect more than 10 years from the last approval for a rate change from the Commission.

(2) The municipal company or electric cooperative shall provide written notice of a rate change pursuant to this subsection to its customers, the Department of Public Service, and the Commission at least 45 days prior to implementing the rate change. Included with the submission shall be a rate analysis describing the rationale for the rate change. Unless an objection to the rate change is filed by the Department of Public Service with the Commission within 45 days of this notice or the Commission orders an investigation on its own motion, the municipal company or electric cooperative may implement the rate change.

(3) If the Department does not object to the change within 30 days, five persons adversely affected by the change may apply at their own expense to the Commission by petition alleging why the change is unreasonable and unjust and asking that the Commission investigate the matter and make such orders as justice and law require.

(4) A municipal company or electric cooperative shall be eligible to change its rates pursuant to this subsection only if it has received approval for a rate change from its governing body at a duly warned meeting held for such purpose prior to filing its written notice with the Department and the Commission.

(5) The Commission shall establish, by rule or order, standards and procedures for implementing this subsection.

(o)(1) Notwithstanding subsections (a) and (n) of this section and sections 218, 225, 226, 227, and 229 of this title, a municipal company formed under local charter or under chapter 79 of this title and an electric cooperative formed under chapter 81 of this title shall be authorized to offer innovative rates or services to their customers as pilot programs without obtaining prior approval from the Commission if the rate or service:

(A) is designed to satisfy the requirements of subdivision 8005(a)(3) of this title or to advance the goals of the State Comprehensive Energy Plan;

(B) has a duration of 18 months or less; and

(C) shall not result in:

(i) ~~plant~~ additions of more than two percent of the municipal company's or electric cooperative's ~~net plant capacity~~ net asset; or

(ii) an increase in the municipal company's or electric cooperative's overall cost-of-service by more than two percent.

(2) The municipal company or electric cooperative shall provide written notice of an innovative rate or service to its customers, the Department of Public Service, and the Commission at least 45 days prior to offering the innovative rate or service to its customers. Included with the submission shall be the terms and conditions of service. Unless an objection to the innovative rate or service is filed with the Commission within 45 days of this notice or the Commission orders an investigation on its own motion, the municipal company or electric cooperative may commence offering the innovative rate or service to its customers.

(3) The municipal company or electric cooperative shall provide written notice to the Department of Public Service and the Commission at least 45 days prior to the end of an innovative rate or service duration period with any proposed modifications to the terms and conditions. Unless an objection to the innovative rate or service is filed with the Commission within 45 days of this notice or the Commission orders an investigation on its own motion, the municipal company or electric cooperative may continue offering the innovative rate or service to its customers. The Commission may allow for the innovative rate or service to remain in effect pending the outcome of an investigation into the notice filing.

(4) The Commission may establish, by rule or order, standards and procedures for implementing and interpreting this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2021.