



Rate Flexibility Bill S. 60

VPPSA Member Utilities



- **Barton Village**
- **The Village of Enosburg Falls**
- **Hardwick Electric Department**
- **Village of Jacksonville**
- **Village of Johnson**
- **Ludlow Electric Light Department**
- **Lyndonville Electric Department**
- **Morrisville Water & Light**
- **Northfield Electric Department**
- **Village of Orleans**
- **Swanton Village**

About VPPSA

VPPSA was established by the Vermont Legislature in 1979.

- **Provide services and solutions to community-owned utilities**
- **Allow for beneficial consolidation while maintaining local control**

Putting the **Public** in **Power**.





About VPPSA



Power Supply Purchasing



Financial Services



Rates and Planning



Legislative and Regulatory



IT Support



Communication and Outreach



GIS and Field Services



Renewable Energy Standard

Vermont Utilities

Investor Owned

- **Green Mountain Power**

Co-op

- **Vermont Electric Co-Op**
- **Washington Electric Co-Op**

Public Power "Munis"

- **Burlington Electric Department**
- **Stowe Electric Department**
- **Village of Hyde Park**
- **11 VPPSA Members**

Public Power Utilities

- **Non-profit, publicly-owned.**
 - Both VPPSA and its members operate on a not-for-profit basis
 - Any “rate of return” flows to customers
- **Overseen by elected or appointed local governing body**
 - Select Board or Electric Commission
- **Transparent**
 - Public meetings
 - Open books
- **Fully regulated by the Public Utility Commission and Department of Public Service**

Purpose of S. 60

- **Provide the ability to implement *minor rate adjustments* without the added expense of full rate case**
 - Up to 2% annually and 10% cumulatively without full rate case
 - Allow munis and coops to absorb cost drivers
- **Allow munis and coops to offer *innovative rates and services* on a pilot basis**
 - Changing energy landscape is requiring utilities to adapt to industry changes and customer desires
 - Option for these rates or services to become permanent following a pilot period

Rationale for S. 60

- **Facilitates innovation necessary to meet Vermont's energy policies**
 - Increased reliance on renewable resources and carbon reduction goals
- **Allows municipal & cooperative utilities to quickly respond to energy industry transformation**
 - Allows utilities to be flexible and serve modern needs and expectations
- **Reduces costs and administrative burden of regulatory ratemaking processes**
 - Helps minimize utility costs and accompanying electric rate pressure
- **Provides rate stability by minimizing large, sporadic rate increases**
 - Smooths impact on customers
- **Improves municipal credit ratings and reduces ratepayer costs**
 - Vermont's ratemaking environment has been cited as a concern to Moody's

Regulatory Safeguards

- **Requires a traditional rate case to be eligible to implement minor rate adjustments**
 - PUC approval of rates after January 1, 2021
- **Retains DPS and PUC oversight**
 - Requires advance notice of rate adjustments and pilot rates
 - Full PUC authority to investigate a pilot rate or minor rate adjustment at any time
- **Requires periodic full PUC rate proceeding**
 - No more than 2% per year
 - 10% cumulative threshold
- **Rate adjustments require approval of the utility governing body**

Contact Info

Melissa Bailey

Manager of Government
and Member Relations

Phone: (802) 882-8509

P.O. Box 126

5195 Waterbury-Stowe Road

Waterbury Center, VT 05677



Putting the Public in Power.

www.vppsa.com