

PUC Amendments = **Highlighted in Blue**

VPPSA/VEC Amendments = **Highlighted in Grey**

1 S.60

2 Introduced by Senator Cummings

3 Referred to Committee on

4 Date:

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

7 Statement of purpose of bill as introduced: This bill proposes to allow

8 municipal and cooperative utilities to offer innovative rates and services to

9 their customers. **The bill also proposes to allow municipal and cooperative utilities  
the opportunity to implement minor across-the-board rate increases with streamlined  
regulatory review.**

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

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

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

14 **(n)(1) Notwithstanding subsection (a) of this section and sections 218, 225-227,  
and 229 of this**

15 title, a municipal company formed under local charter or under chapter 79 of

16 this title and an electric cooperative formed under chapter 81 of this title shall

17 be authorized to change their rates for service to their customers if the rate

18 change is:

19 (A) applied to all customers equally;

20                   (B) not more than two percent during any twelve-month period; and  
1                   (C) not more than 10 percent **cumulatively** from the rates last approved by  
the

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

1210                (A) If the Department does not object to the change as provided in this  
1311                Subsection, five persons adversely affected by the change may apply at  
1412                their own expense to the Commission by petition alleging why the change  
1513                is unreasonable and unjust and asking that the Commission investigate the  
1614                matter and make such orders as justice and law require.

1715                (3) A municipal company or electric cooperative shall be eligible to change its  
1816                rates pursuant to this subsection only if it has received approval for a rate  
1917                change from its governing body at a duly warned meeting held for such purpose  
2018                prior to filing its written notice with the Department of Public

**Commented [A1]:** Proposed to clarify who may file and objection. Modelled after existing 226 (c).

2119 Service and the Commission.

**Commented [A2]:** Intended to address concerns raised by Senator MacDonald.

2220 (4) A municipal company or electric cooperative shall be eligible to

2321 change its rates pursuant to this subsection **only if** it has received approval for

2422 a rate change from the Commission **to be effective on or after January 1, 2020.**

**Commented [A3]:** VEC's requested date change.

25

2623 ~~(4)~~ (5) The Commission may establish, by rule or order, standards and

**Commented [A4]:** PUC – “We deleted this paragraph because we think this is already covered by Sec. 1, (n)(1)(C) above.”

2724 procedures for implementing and interpreting this subsection.

1 (o)(1) Notwithstanding subsections (a) and (n) of this section and sections 218,  
2 225-227, and

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

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

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

11 (C) shall not result in:

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

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

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

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.