



House Energy & Digital
Infrastructure Committee
Health of Municipal Utilities

January 15, 2026

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**.



Our Guiding Principles

Affordability

Local Energy Democracy

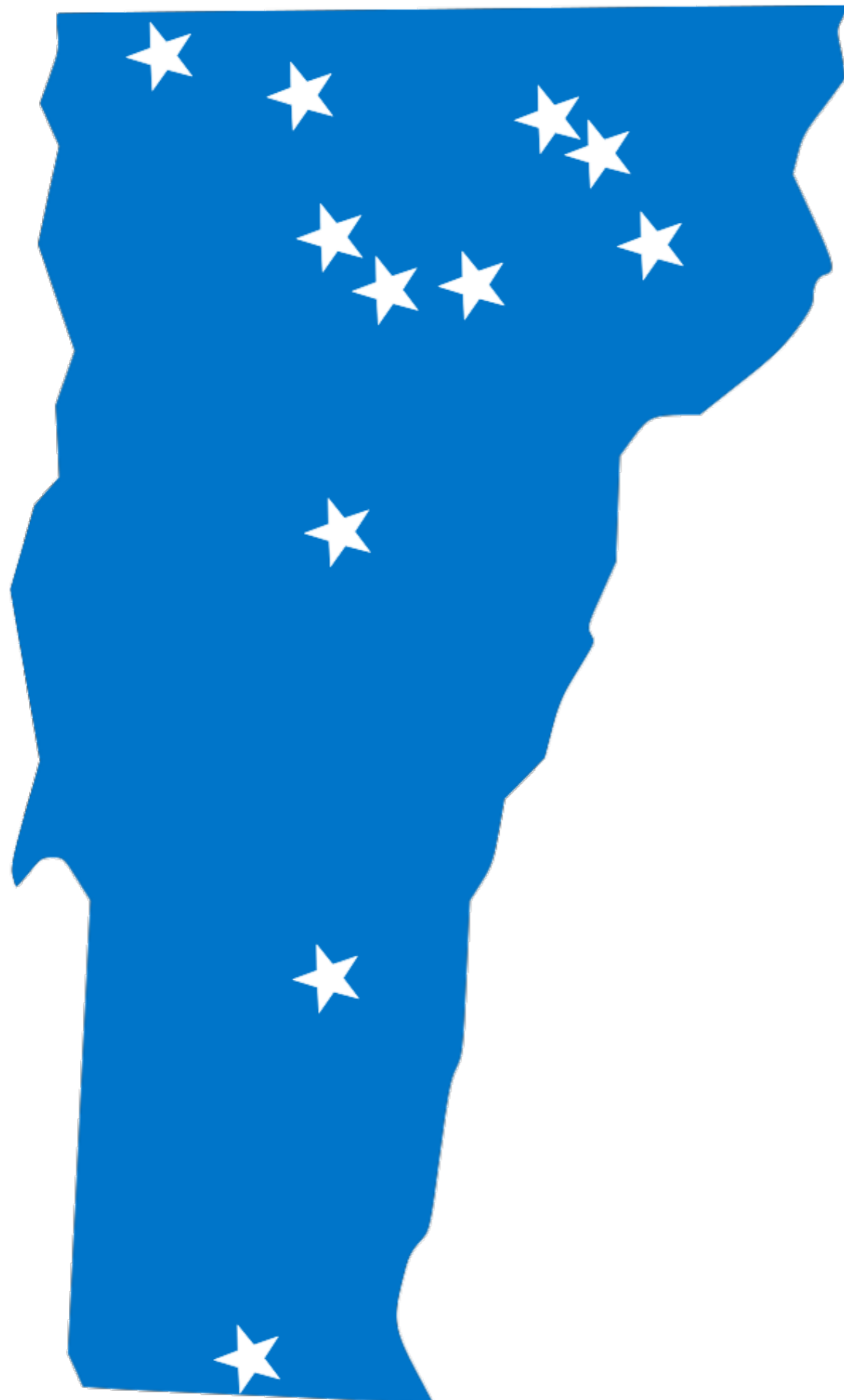


**Community
is at the
Heart of
VPPSA.**

Reliability

**Sustainability
& Growth**

Our Members/Partners



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

Contract

- WEC
- GFPower
- Ashland, NH
- New Hampton, NH
- Fox Island, ME
- Kearsarge Energy
- Hyde Park, VT

Our Services



Power Supply Purchasing and Generation



Financial Services



Rates and Planning



Legislative and Regulatory



IT Support and Technology Upgrades



Communication and Outreach



GIS and Field Services



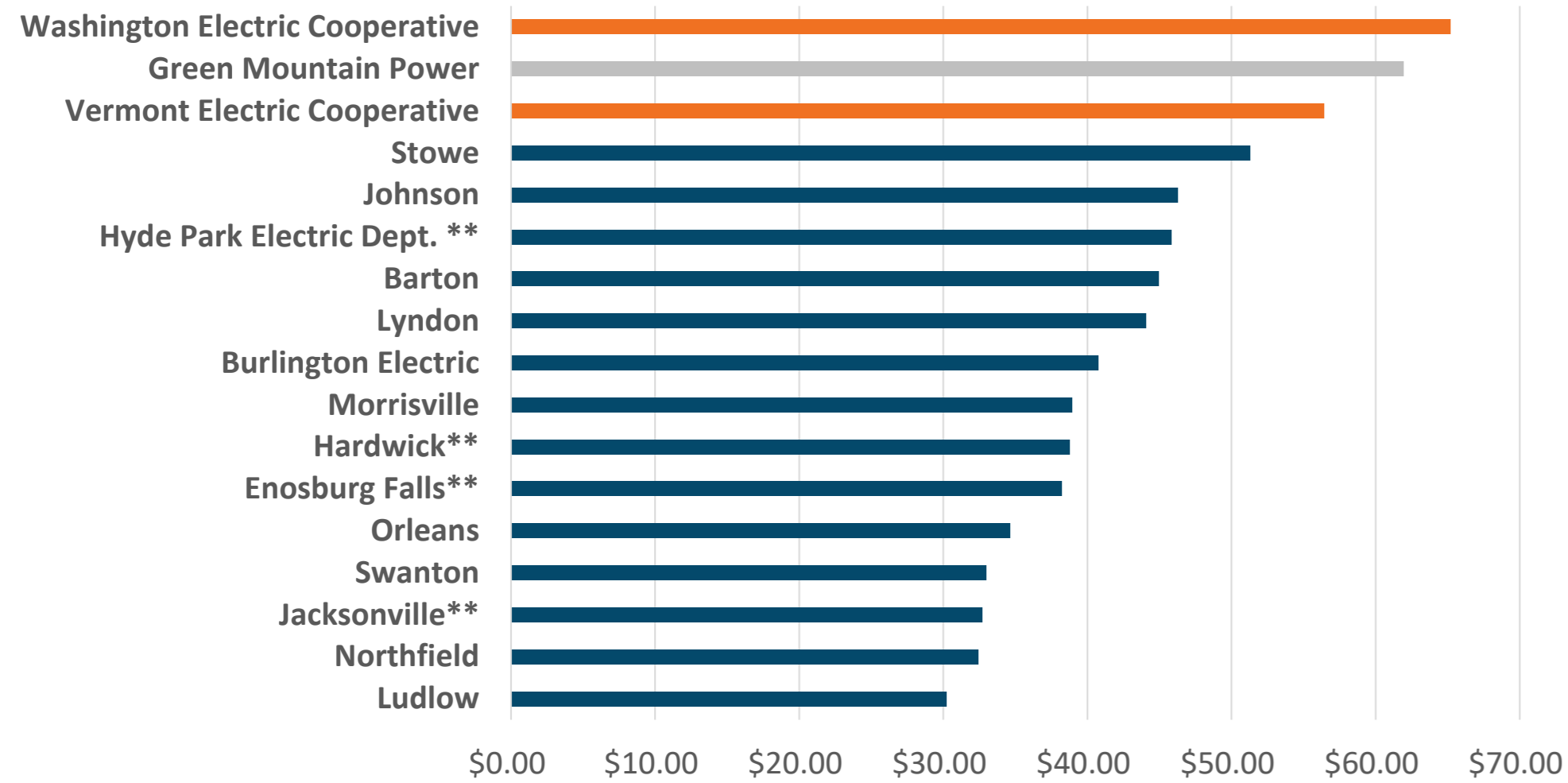
Renewable Energy Standard



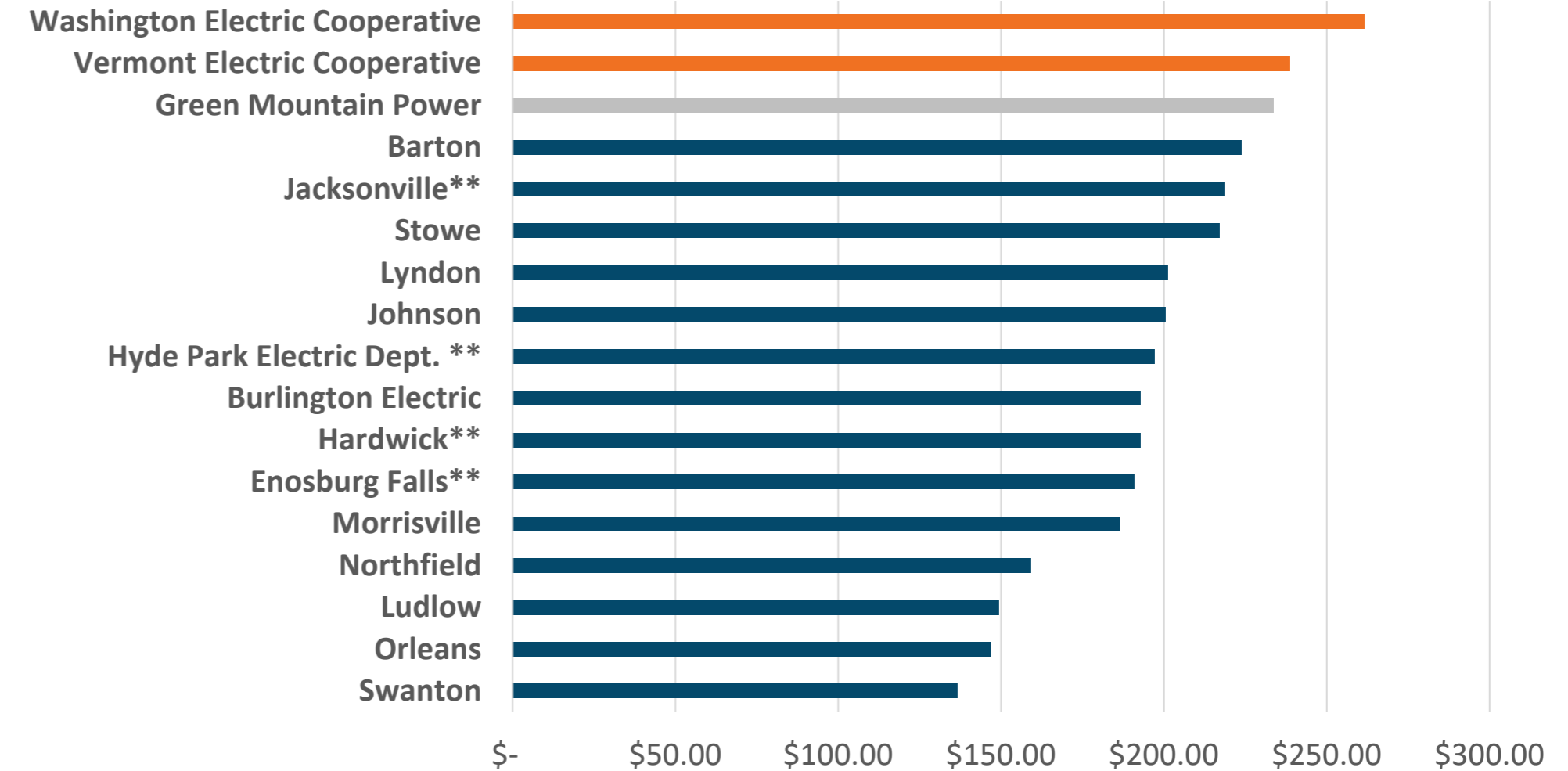
Key Accounts Program

Municipal Utilities Remain Affordable

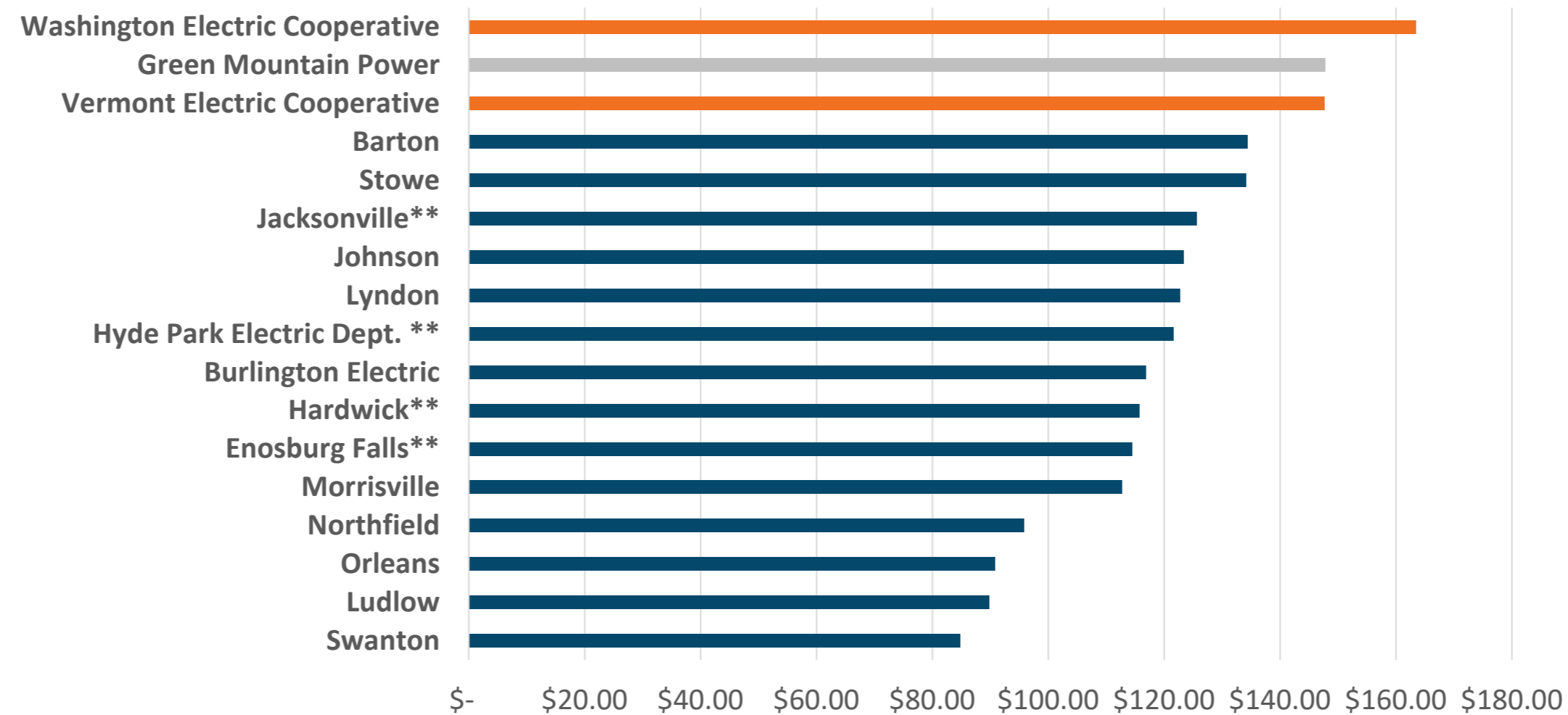
Monthly Consumer Bill at 200kwh Usage



Monthly Consumer Bill at 1000kwh Usage



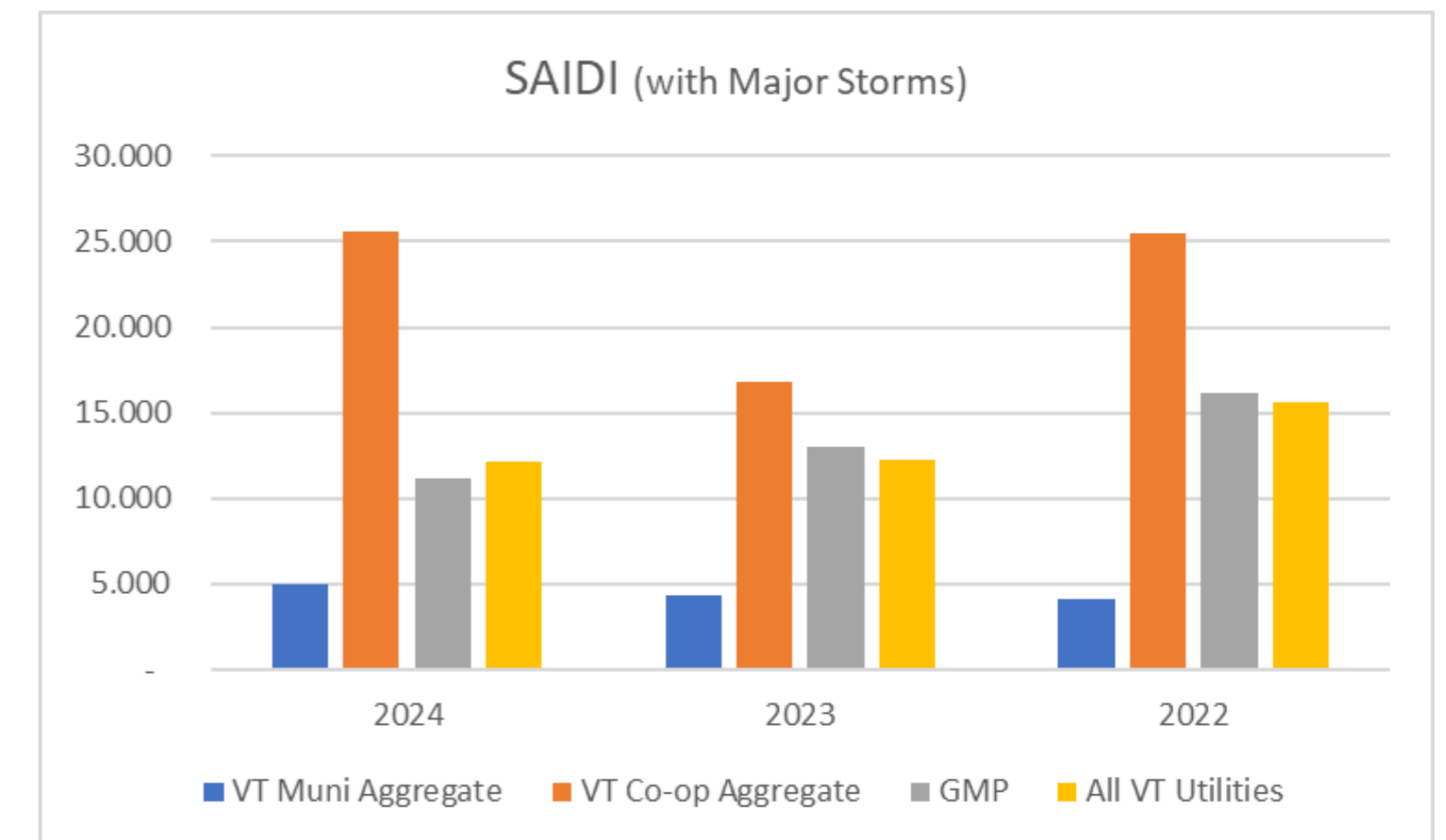
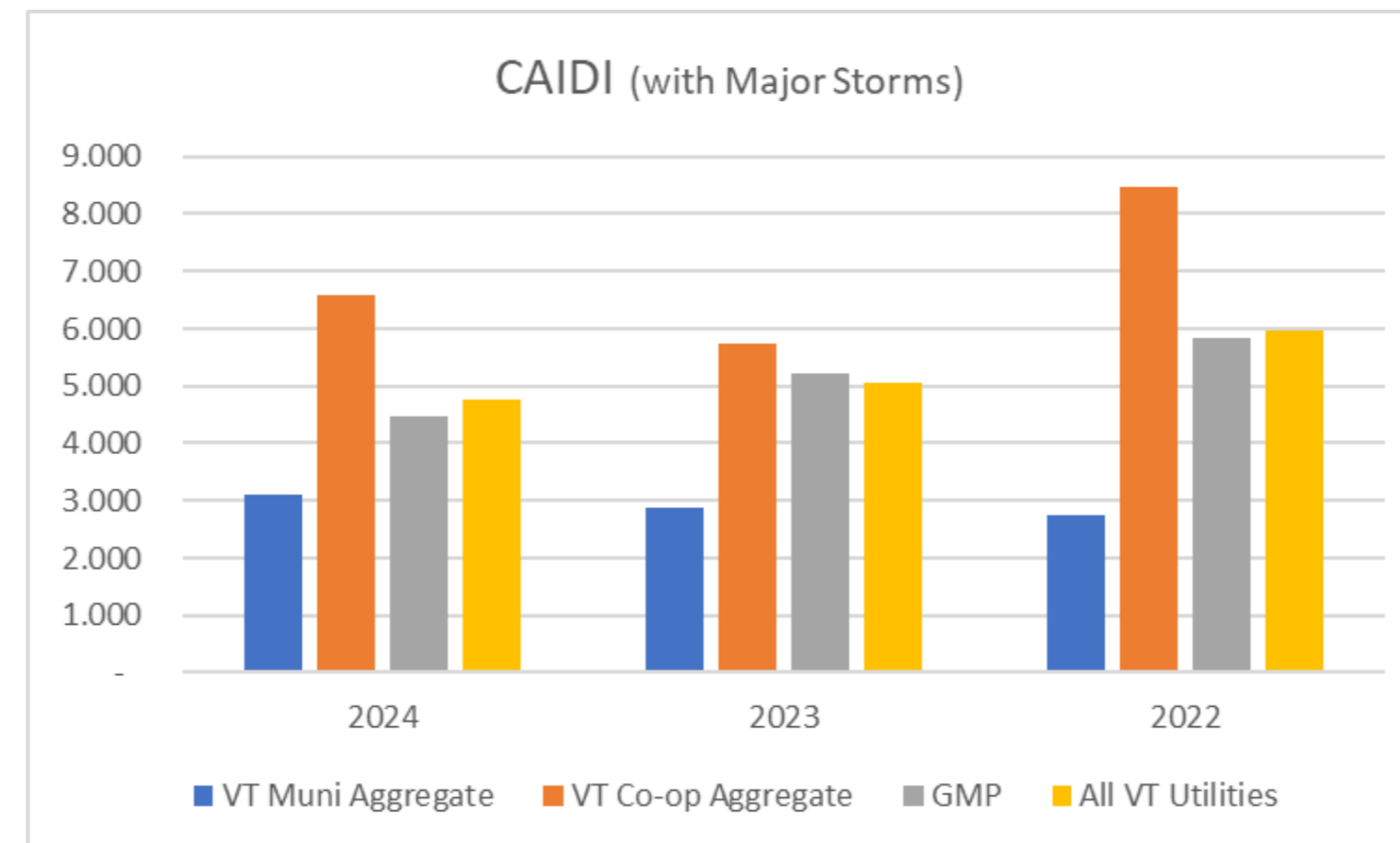
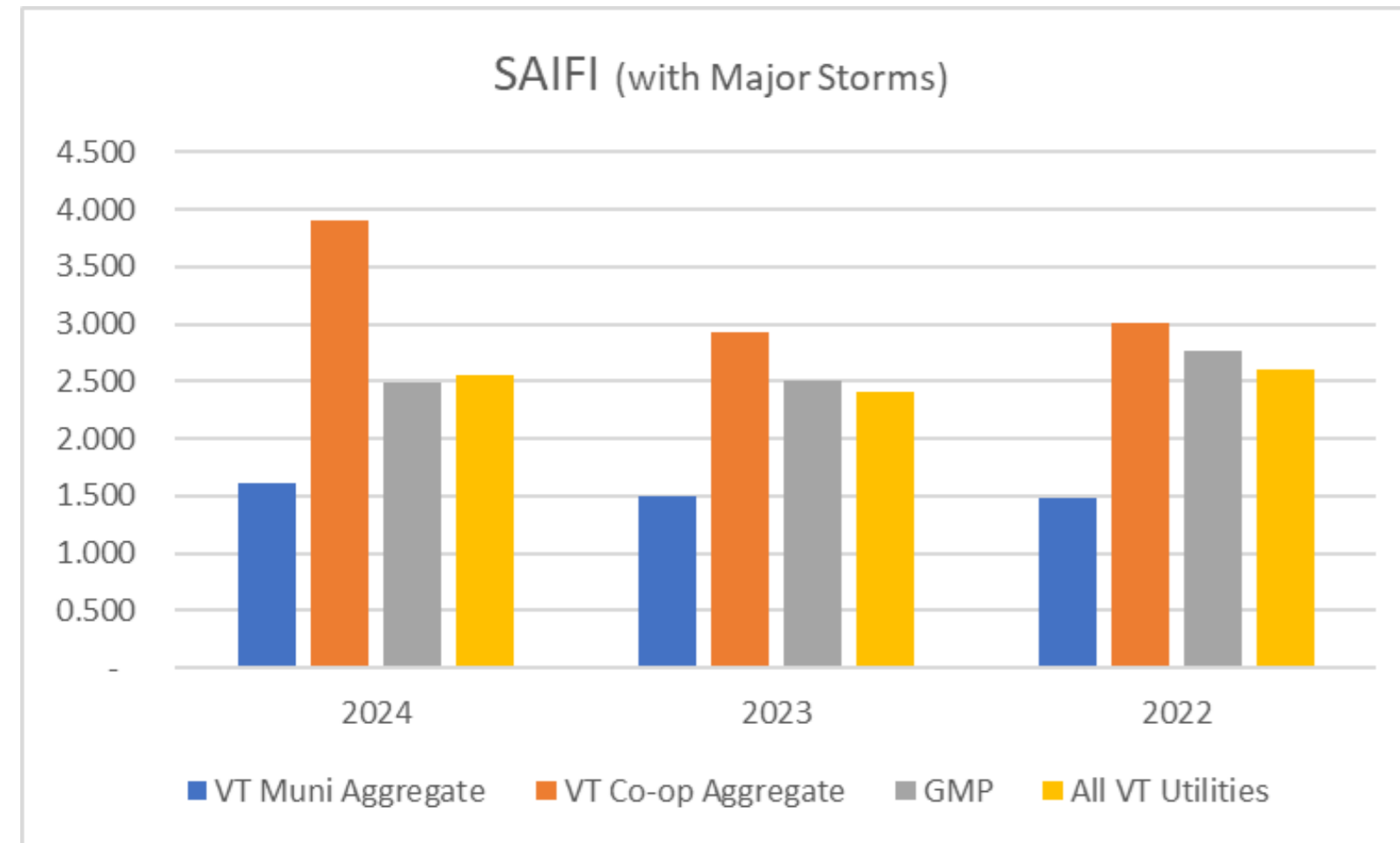
Monthly Consumer Bill at 600kwh Usage



** CASES FILED, PENDING ORDER, NOT INCLUDED		
Enosburg Falls**		8.55%
Hardwick**		13.24%
Jacksonville**		12.479%
Hyde Park Electric Dept. **		20.10%

Data from VPPSA Rate Comparison Analysis 12/15/25

Municipal Utilities Remain Reliable



SAIFI = System Average Interruption Frequency Index = Customers Out/Customers Served

CAIDI = Customer Average Interruption Duration Index = Customer Hours Out /Customers Out

SAIDI = Sytem Average Interruption Duration Index = Customer Hours Out/ Customers Served

Data based on VPPSA SQRP
Tracking 1/13/26

Municipal Utilities are Healthy

- **Municipal Utilities face the same challenges as all utilities**
 - Aging workforce
 - Inflationary pressures
 - Evolving federal energy and tax policy
 - Declining volunteerism
 - Increasing pace of technology evolution
 - Increasing customer expectations
- **All evidence indicates that they are meeting those challenges**
 - Maintaining affordability and reliability
 - Expanding technology investments
 - Seeking greater collaboration for efficiency while expanding VPPSA capabilities

Hyde Park

- VPPSA is in a unique position
 - It has been asked to unravel what happened and develop a solution
- Due diligence is still happening
 - Information continues to surface
- A few things have become clear
 - The situation developed over at least 10-years
 - It evaded many parties
 - (two managers, trustees, auditors, banks, DPS, PUC and others)
 - Vermont's regulatory paradigm played a role
 - Various parties were relying on others in their due diligence

Key Issues

- Village structure masked electric department issues
 - Electric, water, and wastewater are broken out in financial statements
 - But, described as aggregate Enterprise Funds in the management discussion and analysis (MD&A)
- Trustee training was lacking in key areas
 - VLCT provides general municipal training – does not cover electric utilities
 - Minimal financial background among Trustees
 - It appears Trustees did not receive key information – did not know to request/demand it
- State Ratemaking policy played a role
 - On average filing a full rate case costs municipals ~\$40,000
 - Hyde Park filed in 2019 for 15.69% and received 7.75%
 - Struggled to find a rate consultant to file follow on cases
 - Used the §218(d) expedited process – not sufficient

VPPSA View of Solutions

- Ironically, less rate regulation
 - Vermont is one of six (6) states that regulate municipal rate setting
 - One of eight (8) states that regulate rate setting outside of the owning municipality borders
 - PUC and DPS always suggest municipals have 60-90 days of operating cash on hand
 - Rate case approvals rarely include this level of reserves
 - Rate setting is based on what you spent in a historical test year with specific “known and measurable” changes
 - Does not work in a dynamic environment with rapid power cost movement and significant system upgrade and technology investments
 - The cost and complexity of submitting a rate case are an incentive to file only when absolutely necessary
- The existing paradigm clouds ultimate responsibility and incentivizes delayed action

VPPSA View of Solutions – Page 2

- **Specific Trustee Training**
 - Electric Department operations in line with PUC regulation and municipal charters
 - Financial literacy
 - Governance in operating multiple governmental and enterprise funds
 - VPPSA is developing a Trustee training program on utility issues
 - Also, working with Hyde Park's counsel to deliver this training in Hyde Park
- **Better financial metrics**
 - Coming out of the municipal assessment discussions with the DPS
 - Will hopefully provide greater clarity in rate case development and review

Needed Legislative Action

- Hyde Park's situation is unique and developed over a decade
- VPPSA, DPS, and PUC are actively responding with concrete actions
 - Actions have been as collaborative as the existing regulatory framework allows
- The process needs to play out and a full understanding needs to be developed/documentated
 - Through the pending PUC investigation
- Once that is completed a further legislative discussion may be warranted

Contact Info

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Community is at the [Heart](#) of VPPSA.