



Via EPUC

September 1, 2022

Holly R. Anderson
Clerk of the Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case 22-2417-INV Determination of 2023 Energy Efficiency Charge Rates

Dear Ms. Anderson:

Public Utility Commission ("Commission" or "PUC") Rule 5.306 (B) requires an energy efficiency utility ("EEU") to file with the Department of Public Service ("Department") by September 1 if it proposes to utilize an alternate methodology for establishing its energy efficiency charge ("EEC") for the upcoming year.

As the Commission is aware, it approved the VGS financing mechanism to smooth the rate impact of its expanded efficiency proposals in the demand resource proceeding, Case No. 19-3272-PET. VGS does not view this mechanism as an alternate methodology for establishing its EEC. It will still use the formulas and inputs laid out in Rule 5.304(F) and 5.305(G). VGS will change the input to "Total Natural Gas EEU Fund" in 5.305(G)1.b with the intent to limit the rate impact for 2023 and beyond.

While VGS is not proposing an alternate EEC calculation methodology, it is taking this opportunity to alert the Commission to considerations that will be reflected in its upcoming October 1, 2022 EEC calculation proposal for 2023. The October 1, 2022 filing will include budgets approved by the Commission in Case No. 19-3272-PET.



Additionally, it will apply carryover funds to be returned to the rate payers that were approved by the Commission in Case No. 21-1616-PET¹ from 2018-2020.

If you have any questions regarding this, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Karen Horne".

Karen Horne

Regulatory & Energy Efficiency Analyst

khorne@vermontgas.com



603-616-4648 (mobile)

802-951-0320 (work/VGS)

¹ Case 21-1616-PET PUC order 8/31/2021 returning to ratepayer the uncommitted funds from reporting years 2018-2020 for VGS in the amount of \$251,387 with flexibility to determine exact amounts in order to mitigate rate impact. Half was applied in Case 21-2701-INV Investigation into 2022 Energy Efficiency Charge Rates.