

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 22-2417-INV

Determination of 2023 Energy Efficiency Charge Rates	
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Order entered: 11/08/2022

ORDER APPROVING VERMONT GAS’S ENERGY EFFICIENCY CHARGE RATES FOR 2023

I. INTRODUCTION

The Vermont Public Utility Commission (“Commission”) has determined the energy efficiency charge (“EEC”) rates for natural gas customers to take effect with bills rendered on and after February 1, 2023. The Commission’s decision regarding the natural gas EEC is based on the calculations provided by Vermont Gas Systems, Inc. (“Vermont Gas”).¹ The Department of Public Service states that it has no concerns, comments, or objections to Vermont Gas’s proposal. No other comments, questions, or requests for additional process were filed regarding the proposed natural gas EEC rates.

II. DISCUSSION AND CONCLUSION

Commission Rule 5.300 sets forth a formula for calculating the natural gas EEC rates each year. This formula accounts for under- and over-collections in previous years.² Over-collections in a previous year are credited to customers and reduce the amount that needs to be collected in the coming year through the EEC. Under-collections have the opposite effect. Vermont Gas collected approximately \$32,622 less than it anticipated in 2021. Consistent with the Commission’s rule, Vermont Gas proposes to collect the 2021 under-collection from customers in 2023. In addition, Vermont Gas projects 2022 under-collections of \$23,508. Consistent with the Rule, Vermont Gas proposes to collect the 2022 projected under-collection in 2023. Vermont Gas’s EEC calculations also reflect a credit to ratepayers of \$125,693.50 from

¹ Vermont Gas filed its proposed EEC pursuant to Commission Rule 5.300.

² PUC Rule 5.304(D).

unspent 2018-2020 energy efficiency funds.³ This has the effect of reducing the total amount of money that must be collected through the EEC in 2023.

Vermont Gas also reports that it has underspent relative to Commission-approved 2021 and 2022 budgets due to a combination of events, including the completion of many commercial projects at the end of 2020, the COVID-19 pandemic causing commercial projects to take longer before moving forward, higher material costs and limited material availability, and workforce constraints. Vermont Gas proposes to roll the remaining budgets from 2021 and 2022 forward to 2023 and to reflect this in the EEC.

This will be the third year that Vermont Gas will fund its energy efficiency program budgets in part through a Commission-approved financing mechanism. Vermont Gas's EEC calculations reflect the principal and carrying cost amounts for the 2021 investment and estimated 2022 principal and carrying cost amounts that will be trued up next year to reflect actual investments. Due to the uncertainty about the timing of the financing throughout 2023 and therefore the amount of carrying costs, Vermont Gas projected only principal amounts of the 2023 investment in its calculation of 2023 EEC rates, with carrying costs to be recovered in 2024. The projection of principal spending includes a multiplier of 0.75 to reflect the uncertainty of EEC collections relative to spending. A true-up of this amount will be reflected in next year's EEC filing.

The net effect of Vermont Gas's EEC rate proposal is a 1.6% decrease in EEC rates for all customer classes. This decrease is less than the forecasted 5% increase that formed the basis of the Commission-approved budgets and financing levels in Vermont Gas's Demand Resources Plan ("DRP"). That forecast did not contemplate year-to-year over- or under-collections, credits for unspent carry-over funds, or lower carrying costs due to lower investment levels than anticipated.

We conclude that Vermont Gas's filing is consistent with the requirements of Commission Rule 5.300 and the budgets and financing mechanism approved in the DRP. The 2023 natural gas EEC rates shall be as set forth in the table below.

³ *Vermont Department of Public Service request for determination of reallocation of unspent 2018-2020 Energy Efficiency Charge and Thermal Energy and Process Fuel funds*, Case No. 21-1616-PET, Order of 8/31/21.

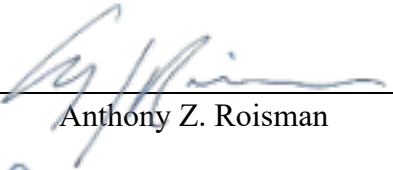
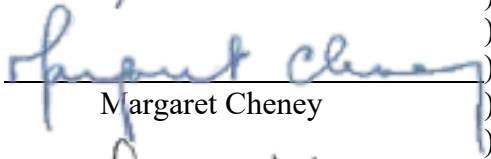
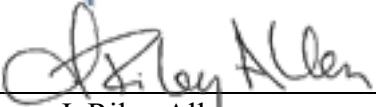
2023 Natural Gas EEC	
	Rate per Ccf
Residential	0.0506
Residential Low Income	0.0405
G1 Class	0.0478
G2 Class	0.0371
G3 Class	0.0373
G4 Class	0.0287
Interruptible	0.0208

The EEC rates shall be implemented with bills rendered on and after February 1, 2023. Vermont Gas shall provide notice to customers of the EEC rates, pursuant to Commission Rule 5.308(A). This is the final judgement regarding the 2023 EEC rates for natural gas customers.⁴

SO ORDERED.

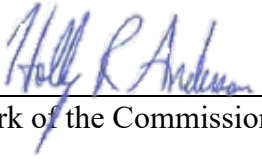
⁴ Commission Rule 2.103 and Vt. R. Civ. P. 54(b).

Dated at Montpelier, Vermont, this 8th day of November, 2022.

	)	
Anthony Z. Roisman	)	PUBLIC UTILITY
	)	
	)	
Margaret Cheney	)	COMMISSION
	)	
	)	
J. Riley Allen	)	OF VERMONT

OFFICE OF THE CLERK

Filed: November 8, 2022

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

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