November 10, 2022

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier, VT 05620

Re: Case 22-2417
REVISED: Electric Efficiency Charge ("EEC") for CY 2023;
Effective 2/1/2023.

Dear Ms. Anderson,

In response to the Hearing Officer's request for additional information, please accept this letter filing as the City of Burlington Electric Department's ("BED") request for approval of a revised electric energy efficiency charge ("EEC") for effect on February 1, 2023. The revised proposed EEC was calculated in accordance with Rule 5.305(F) using the applicable billing determinants and includes accrued interest of $29,850. Accompanying this letter filing is BED's spreadsheet supporting the revised EEC rates. In summary, BED applied an interest rate of 1.5 percent (annualized) on EEC funds carried forward from prior performance periods.

The revised 2023 EEC is expected to generate $1,926,300 in collections, a 10.8 percent overall reduction relative to CYE 2021 calculated collections.

Total EEC to be Billed in 2023 compared to the calculated EEC using 2021 Billing determinants and 2022 EEC rates	$1,926,300	$ 2,159,734	-10.8%

As shown in the summary table below, the revised proposed 2023 EEC rates are lower for all customer classes compared to 2022 EEC rates. Overall, 2023 EEC collections are anticipated to decrease by approximately $233,000 relative to estimated CYE 2022 collections. Changes in the 2023 EEC rates are mainly a function of reduced EEU budgets relative to prior years and customer credits associated with prior EEU carryovers.

Rate Classifications		2023	2022	% diff
w/o Demand Charges	Residential	$0.00666	$0.00690	-3.5%
	Commercial	$0.00598	$0.00703	-15.0%
w/ Demand charges	Commercial			
	kWh	$0.00365	$0.00416	-12.2%
	kW	$0.89116	$1.09775	-18.8%
	Industrial			
	kWh	$0.00305	$0.00323	-5.7%
	kW	$0.79081	$0.86942	-9.0%
Public street lighting		$0.00598	$0.00700	-14.6%

With respect to the 16 net-metered customers without production meters, the revised proposed flat monthly EEC remains the same as the original filing: $2.95 and $2.94 for commercial (SG3) and residential (R3) customers, respectively. The proposed rates are up from $2.87/month (SG3) and $2.93/month (R3).

I have re-inserted, below, the original list of key inputs used for calculating the 2023 EEC, as well as a summary of the accrued interest calculations (shown in ***italics***)

- ***An interest rate of 1.5%[1] was applied to EEC funds carried forward from the 2015 - 2017 performance period, as approved in Case 20-2241. Total accrued interest on this balance amounts to $25,798 for the 24-month period ending 12/31/2022;***
- ***An interest rate of 1.5% was applied to EEC funds carried forward from the 2018 - 2020 performance periods, as approved in Case 21-1616. Total accrued interest on this balance amounts to $4,052 for the 12-month period ending 12/31/2022;***
- 2021 Billed energy (323,011,602 kWh) and demand (526,033 kW);
- 2021 customer charge, energy & demand revenues ($46.3 million);
- "True-up" of actual 2021 uncollectible balances and estimates of 2022 uncollectible balances by rate class; resulting in a net reduction of $9,295(over-collection);

[1] BED referenced the average 12-month federal funds interest rate as a proxy rate for what consumers may have been able to earn on their checking or savings accounts. See; https://fred.stlouisfed.org

- "True-up" of actual 2021 EEC collections by rate class; resulting in a net reduction of $36,411 (over-collection) in expected 2023 EEU requirements;
- Partial "True-up" of 2022 EEC collections by rate class[2]; resulting in a net decrease of $223,896 (over-collection) in expected 2023 EEU requirements;
- 2023 approved demand resource plan budget ($2,691,482); pursuant to PUC Order in Case 19-3272, Aug 26, 2021; and,
- Customer credits reflecting EEU carryovers from previous performance periods;
  - $310,350 (1/3 of $931,050 carried over from 2015-2017 performance period)[3];
  - $175,221 (1/2 of $350,442 carried over from 2018-2020 performance period)[4]; and,
- Gross Revenue Tax & Weatherization fees ($19,841).

With respect to the aforementioned customer credits associated with prior performance period carryovers, BED will incorporate the remaining amounts, and accrued interest, in future EEC calculations. This means that the credit associated with the 2015-2017 performance period will amount to another $310,350 in CY2024. Customer credits of $175,221 that are associated with the 2018 – 2020 performance period will end by CYE2023.

BED appreciates the Hearing Officer's request for additional information and bringing this issue to our attention. Not including accrued interest was an unintentional oversight on our part. BED has shared a copy of this letter and accompanying spreadsheet with the Department of Public Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Thomas Lyle,
Burlington Electric Department
Tel: 802-922-3204

[2] Actual data was incorporated for the months of Jan – Aug 2022; estimates were used for the remaining months of 2022.
[3] Pursuant to Case 20-2241, Order of 11/13/2020.
[4] Pursuant to Case 21-1616, Order of 8/31/2021.