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STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Docket No. 7535

Investigation into: (1) petition of AARP, for the)
Establishment of reduced rates for low-income)
Consumers of Green Mountain Power Corporation and)
Central Vermont Public Service Corporation: and (2) as)
Expanded to possibly include general applicability to all)
Vermont retail electric utilities)
Certificate of Public Good)

Motion to Refund Electric Assistance Program Funds to Green Mountain Power Customers via a One-time Bill Credit during April 2018

Pursuant to Commission Rule 2.206, Green Mountain Power ("GMP") submits the following Motion requesting authorization to refund $2,425,000 of Electric Assistance Program ("EAP" or the "program") Funds to GMP customers via one-time bill credits during the April 2018 billing cycle and expenditure of up to $75,000 for the purpose of hiring an expert to make recommendations to increase enrollment. GMP submits the following memorandum of law in support of this motion.

MEMORANDUM OF LAW

1. SUMMARY

In December 2016, GMP implemented several changes to the EAP that were designed to increase benefits to program participants. Those changes are operating as expected and their implementation has resulted in the EAP fund balance transitioning from a constant monthly over-collection of EAP funds to a small monthly under-collection of funds. However, the EAP fund balance is $3,589,863 as of August 31, 2017, and GMP expects that it will be able to refund $2,425,000 to customers and expend $75,000 without having to make any other adjustments to the program.

In this filing GMP:

- submits additional factual information in support of this Request;
- provides information on GMP's efforts to consult other parties
- and demonstrates why this Motion should be approved.

2. BACKGROUND

The EAP was established at the end of 2012. The fundamental program design has remained consistent and provides 25% lower rates for participating customers funded by three separate meter fees collected from residential, small commercial, and large commercial customers. The program has also included some form of arrears forgiveness element for customers who may have past due balances. Over the years, the EAP fund balance has increased due to several variables that were difficult to forecast. The number of customers that enroll and continue to participate in the program is uncertain from year to year and therefore has a considerable impact on EAP fund balances. Similarly, the pace of enrollment is a big unknown, as was the level of past due balances that would need to be funded by EAP Fees. All of these variables were known to the parties to this Docket, and the parties knew that over-collections could always be refunded to GMP customers. In fact, in 2014 and 2015 GMP reduced the EAP fund balances via one-time bill credits. The EAP fees were also reduced in 2015.[1]

Most recently, the Commission has approved three changes to the program that were intended to increase benefits to eligible EAP participants.[2] The first change was to provide the 25% discount to all kWh sales to the participants rather than the first 600 kWh per month in the

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[1] See *Investigation into Proposed Changes to Green Mountain Power Corporation's Electrical Assistance Program*, Docket 8500 (Vt. Pub. Util. Comm. Aug. 21, 2015) (Order Approving Program Changes).

[2] See *Tariff Filing of Green Mountain Power Corporation requesting a modification to its Electric Assistance Program ("EAP"), to take effect with service rendered Dec. 1, 2016*, Tariff No. 8621 (Vt. Pub. Util. Comm. Nov. 23, 2016) (Order Approving Tariff Filing).

original program design. The second change was to provide an ongoing arrears forgiveness element of the program for customers who are entering the program. The third change was to provide an ongoing arrears assistance program for customers who make and keep payment arrangements while on the EAP. Those changes are operating as expected and their implementation has resulted in the EAP fund balance transitioning from a constant monthly over-collection of EAP funds to a small monthly under-collection of funds. However, the EAP fund balance has nonetheless grown to $3,589,863 as of August 31, 2017. Given its experience with how the program has functioned over the last several years, GMP expects that it will be able to refund $2,425,000 to customers and expend $75,000 while still funding the program.

Over the last six months, the monthly under-collection has averaged about $36,000. At this rate, without a refund of any over-collected balance, GMP estimates that it would take 8.3 years to work down the $3,589,863 EAP fund balance. Reducing the EAP fund balance by $2,500,000 immediately would shorten the period that the fund balance has an excess balance to 2.5 years. GMP proposes to continue to monitor this balance over time and propose any needed changes in the event that it forecasts that the EAP fund balance turns negative.

3. DISCUSSION

A. <u>Bill Credit Calculation and Proposal</u>

GMP proposes to provide one-time bill credits on customer bills during the April 2018 billing cycle. The credits are calculated to return EAP Fee revenue back to customers proportionally to the way that they were collected from rate classes, similar to prior EAP fee credits. Attachment 1, included with this Motion, demonstrates the calculation. For example, the residential classes generate approximately 75% of EAP Fee revenue each month. The proposed one-time bill credit will return this same percentage of the refund to these residential customers. This method of refund is consistent with the mechanics of the 2014 and 2015 refunds approved by the Commission.

Residential customers will receive a one-time bill credit of $8.27. Small commercial customers will receive a bill credit of $13.82. Large commercial customers will receive a bill credit of $459.15. Street lighting customers will not receive a bill credit for street lighting service since these classes did not contribute anything to the EAP fund over-collection.

B. Good Cause Exists to Approve the One-Time Bill Credits

GMP submits that good cause exists for the Commission to authorize this refund at this time. First, it returns over-collected funds to customers on an equi-proportional basis. Second, it maintains the current benefits to enrolled EAP participants that were implemented at the end of 2016.

C. Retention of An Independent Expert to Review Program Design

GMP also appreciates the recommendation of AARP to retain an independent expert to review the design of the program and to make recommendations regarding best practices and efforts to increase enrollment. GMP therefore respectfully requests using up to $75,000 of the $2,500,000 toward retention of this expert. GMP will collaborate with the Department, AARP, the Fuel Office (which is part of the Economic Services Division of the Department for Children and Families), and any other interested parties with respect to the selection and supervision of the expert and will offer a report to the Commission upon receipt of the expert's recommendation and conclusions.

4. POSITION OF THE OTHER PARTIES

GMP has consulted with AARP, GlobalFoundries ("GF") and the Department of Public Service ("Department") regarding the proposal presented in this Motion. GMP is authorized to inform the Commission that AARP and the Department support the filing, and GMP has not yet heard back from GF on this request.

5. CONCLUSION

For all the foregoing reasons, GMP requests that the Commission grant its Motion to authorize GMP to refund $2,425,000 of EAP funds to GMP customers via one-time bill credits ($8.27 residential, $13.82 small commercial and $459.15 large commercial) during the April 2018 billing cycle. GMP also requests authorization to expend up to $75,000 to retain an independent expert to make recommendations to increase enrollment.

Dated at Burlington, Vermont this 11th day of January 2018.

GREEN MOUNTAIN POWER

By: ______________________

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GREEN MOUNTAIN POWER CORPORATION
Proposed EAP Fee Refund by Class with Bill Impacts

	Average No. of Customers	Revenue at Proposed Rates 1-1-2018	Monthly EAP Fee	Monthly EAP Fee Revenue	Equi-proprtional EAP Fee Refund	EAP Fee Refund per Customer	Equivalent Percentage Change Related to EAP Fee Refund
Residential	220,851	$ 269,212,027	$ 1.00	$ 220,851	$ (1,827,075)	$ (8.27)	-0.68%
Small Commercial & Industrial	40,919	231,890,059	1.67	68,335	(565,325)	(13.82)	-0.24%
Large C&I	70	84,654,259	55.50	3,885	(32,140)	(459.15)	-0.04%
Transmission Class	1	38,097,066	55.50	56	(459)	(459.15)	0.00%
Total Large Commercial and Industrial	71	122,751,325		3,941	(32,599)		-0.03%
Street Lighting		2,726,589					
TOTAL		$ 626,580,000		$ 293,126	$ (2,425,000)		-0.39%
		5.37%					

Attachment 1