

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 18-0126

Petition of Green Mountain Power Corporation to refund Electric Assistance Program funds to GMP customers via a one-time bill credit during April 2018	
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**DEPARTMENT OF PUBLIC SERVICE'S RESPONSE TO GREEN MOUNTAIN
POWER'S MOTION TO REFUND EAP FUNDS**

On January 11, 2018, Green Mountain Power ("GMP") filed a motion in Docket 7535 requesting that the Public Utility Commission (the "Commission") authorize GMP to refund \$2,425,000 from the Electric Assistance Program ("EAP") fund to GMP customers in the form of a one-time bill credit that would be issued during the April, 2018 billing cycle. On January 16, 2018, the Commission opened Case No. 18-0126-PET to review GMP's request as a new petition. The Department, however, hereby provides this response to GMP's request pursuant to V.R.C.P. 78 because GMP's filing was initially captioned as a motion.

The Department has reviewed GMP's request, and as noted on pages 4–5 of GMP's motion, the Department supports GMP's proposal to refund excess EAP fund collections directly to GMP ratepayers. Under GMP's present proposal, residential customers will receive a one-time bill credit of \$8.27. Small commercial customers will receive a \$13.82 credit and large commercial customers will receive a \$459.15 credit. All credits will be issued during the April, 2018 billing cycle. If GMP's proposed refund is approved, the EAP fund will retain a surplus of approximately \$1 million, which would allow for a reserve balance of approximately 30 months. This level of reserve should be adequate to ensure continued stability and reliability of the EAP program. Importantly, GMP's request will allow for excess collections to be returned directly to

GMP customers, which is consistent with how the Commission has treated excess collections from the EAP fund in the past.

The Department also supports GMP's request that the Commission allow for EAP funds to be used to retain an independent expert to review the design of the EAP program. The Department believes that GMP has effectively managed the EAP program. The program fund has never run a deficit and program benefits have never been delayed, reduced, or terminated. However, the Department agrees with GMP that an independent expert could provide valuable feedback on how to improve overall management of the program and bring more eligible customers into the program. While GMP's motion is unclear as to which party will be responsible for hiring a consultant, the Department believes that it is the appropriate party to retain and supervise the expert. The Department will issue an open request for proposals ("RFP") that is subject to the State of Vermont's contracting requirements. The state's formal RFP process will ensure that the selection of an expert is an open and transparent process that will identify the ideal independent expert at an appropriate cost. Indeed, the Department expects that it will be possible to retain a well-qualified expert at a cost significantly below the \$75,000 maximum reserve level identified by GMP. The Department would also collaborate with any interested party during the selection process, including GMP, AARP, and other state agencies, to the extent permitted under Vermont law.

In conclusion, the Department supports GMP's request to refund excess EAP fund collections. However, if the Commission authorizes the release of EAP funds to retain an expert to review the EAP program to identify best practices and efforts to increase enrollment, the Department requests that the Commission clarify that the Department shall be responsible for

retaining and supervising such an independent expert. Finally, although the Commission has opened a new case to review GMP's request, the Department believes that this is a matter that can be resolved by the Commission without additional hearings or investigation.

Dated at Montpelier, Vermont, this 24th day of January, 2018.

Vermont Department of Public Service

By: /s/ Daniel C. Burke
Daniel C. Burke
Special Counsel
Department of Public Service
112 State Street
Montpelier, VT 05620
(802) 828-4019
dan.burke@vermont.gov