STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Petition of Washington Electric Cooperative, Inc. ("WEC"), for approval of Rate Design Changes and a Change in Rate Schedules Pursuant to 30 V.S.A. § 225 and 226 effective June 17, 2019	)))))	Case No. 19-1270-TF

WASHINGTON ELECTRIC COOPERATIVE, INC.'S INITIAL BRIEF AND PROPOSED FINDINGS

I. INTRODUCTION

There is no dispute that Washington Electric Cooperative's (WEC) proposed rate design is just and reasonable, and fair, efficient and adequate. The only question here is whether WEC must meet an undefined and undeveloped higher standard: whether WEC should "go even further" to promote strategic electrification at the expense of other critical, long-established policies. WEC need not go even further for two reasons.

First, WEC's proposed rate design best and most fairly achieves the mutual goal of strategic electrification without sacrificing other critical policy goals of fairness, stability, energy efficiency, and balanced rate design change. WEC fully agrees with the need to promote strategic electrification. That is the clear and central objective of WEC's Petition. In addition, WEC's proposed rate design promotes two other important policies: (1) mitigating rate shift impacts on its low-use members (some of whom are low income), see 30 V.S.A. § 2(f), and (2) promoting energy efficiency, 30 V.S.A. § 218(b). The Department candidly testifies that its recommendation of "removing the inclining block rate will affect affordability and have a significant impact on low-income, low-use customers." Potter pf 4, lines 18-19. "WEC members who use 200 kWh will see a bill increase of 60%" under the Department's recommendation. Flint pf at 4,[1] lines 4-5, lines 22 and 1. Likewise, the Department asserts that energy efficiency remains an important goal, but seeks to strike the efficiency incentive from WEC's rate design. Potter pf at 5-6.

The important goals of strategic electrification, sensitivity to low use, low-income Vermonters, and energy efficiency are not mutually exclusive. They should, and can, all be met. Further, WEC is a cooperative owned by the member-consumers it serves. It is democratically run with annual votes for a Board of Directors charged with setting policy and direction on behalf of the membership. This rate-design has been vetted through extensive member outreach including focus groups, public meetings, numerous articles, and vigorous debate among the democratically elected Board of Directors. WEC's members and its elected board strongly believe that WEC's proposed rate design best and most fairly achieves the mutual goal of strategic electrification and does not sacrifice other critical policy goals of fairness, stability, energy efficiency, and balanced rate design.

Second, there is no legal or evidentiary basis for second-guessing WEC's undisputedly just and reasonable proposal that meets the above policy goals and is the clear choice of WEC's members. The Department's litigation position that WEC "go even further" – a position unsupported by any analysis or developed policy – is

[1] All of the prefiled testimony was admitted into evidence by stipulation between WEC and the Department.

legally insufficient to disturb WEC's just and reasonable rate design proposal. Indeed, the just and reasonable standard would no longer be a standard if the Department could, on a case-by-case basis, simply recommend that a utility "go even further." It is also important to note that the Department's recommendation, by its own admission, "exacerbates" rate-shift impacts on low-income/low-use WEC members. Flint pf at 4, lines 1-2 ("The Department's proposal to eliminate the inclining block rate exacerbates the increase, impacting more than 5,000 members or 55.9%."). Recognizing this, the Department makes further, unnecessarily complicated recommendations to mitigate the impacts of its core recommendation. But, the Department's further recommendations also come at the expense of core policies – stability, simplicity, and balance. In short, the Department's singular pursuit of a policy at the expense of the other important state policies mandated by 30 V.S.A. §§ 2(f) and 218(b) has impacts that may be neither just and reasonable, nor fair, adequate and efficient.

II. PROCEDURAL HISTORY

WEC's current rate design was approved by the then Public Service Board on September 13, 2010.

On May 1, 2019, WEC filed a petition to adjust its rate design with revised tariffs and supporting testimony and exhibits. Public Notice of WEC's Petition also issued.

On May 13, 2019, the Commission issued a memorandum setting the due date for the Department's recommendation.

On June 3, 2019, the Department recommended that the Commission open an investigation.

On June 13, 2019, the Commission issued an Order Suspending Tariff and Opening Investigation, Suspending Proposed Rate Design Changes, and Notice of Scheduling Conference.

On June 24, 2019, the Department and WEC filed a Proposed Schedule.

On June 28, 2019, a scheduling conference was held.

On July 3, 2019, the Commission issued a Scheduling Order.

Written public comment was received on May 22, July 5, July 9, and July 29, 2019. A total of three WEC members submitted comments. One WEC member submitted two separate comments.

On July 31, 2019, the Commission held a workshop regarding WEC's proposed rate design.

On August 5, 2019, the Commission held a public hearing.

On October 22, the Commission held an evidentiary hearing.

III. STANDARD OF REVIEW

Proposed rates must be "just and reasonable." 30 V.S.A. § 218(a). The Commission may only adjust rates or rate design if the proposed rate design is "found unjust, unreasonable, insufficient, or unjustly discriminatory, or are found to be preferential or otherwise in violation of a provision of this chapter." Id; Petition of Green Mountain Power Corp., 131 Vt. 284, 291 (1973) ("In fulfilling this responsibility, it is the duty of the Board to first find that the present rate is unjust or unreasonable, and then it is the duty of the Board to make such changes as it finds will make the rates just and reasonable.") (citing Petition of Milton Water Corp., 125 Vt. 487, 492 (1966)).

IV. PROPOSED FINDINGS

A. WEC'S Rate Design Proposal

1. WEC's power supply is 100% renewable. Richards pf at 8, line 1.[2]
2. The purpose of WEC's proposed rate design is to increase strategic electrification, meet state-wide GHG goals (Act 56), meet goals of the 2016 Comprehensive Energy Plan, and to displace fossil fuel use with renewable electricity. Richards pf at 7-8 & 13-20.
3. The Department does not dispute that the primary purpose of WEC's proposed rate design is to encourage strategic electrification. Transcript at 95-96 (Potter testimony).[3] The Department also agrees that WEC's proposed rate design "moves WEC's residential rate in the right direction, i.e. the reduction lowers the disincentive for customers to invest in strategic electrification." Potter pf at 3, lines 13-14.
4. WEC's current rate design promotes energy efficiency and conservation. Richards pf at 7, 13. WEC has an initial 200 kWh block at the present rate of $0.11350, a tail block at the present rate of $0.25341 and a customer charge of $14.19/month. Exhibit WEC-2-PR-2.

[2] "Richards pf" refers to Ms. Richards' Corrected Prefiled Testimony submitted on August 16, 2019.
[3] "Transcript" refers to the transcript of the October 22, 2019 evidentiary hearing posted on ePUC on October 31, 2019.

5. WEC's proposed rate design would narrow the initial block from 200 to 100 kWh/month at a proposed rate of $0.08000/kWh with a tail block rate of $0.19961/kWh. The monthly customer charge would increase to $25. Id.

6. WEC's proposed rate design is the result of two years of work by WEC staff and the WEC Board of Directors. This work included extensive outreach to WEC members through meetings, annual meetings, numerous issues of WEC's monthly newsletter "Coop Currents," bill messages, one-on-one contacts, and focus groups. Richards pf at 24-33; Richards rebuttal pf at 4-6. In addition, the PUC solicited public comment and held a public hearing.

7. WEC presented various rate design options to WEC members. WEC presented three options to the focus groups, including an option that eliminated the initial block and had one energy rate. Richards pf at 29-31. Several more options were considered by WEC's Board. Id. at 28.

8. The results of the focus groups and other outreach were clear. WEC members want to best incentivize strategic electrification, but also want to continue promoting energy efficiency and limit the economic impacts of bill increases. All participants in the focus groups valued fairness to all WEC members. For those reasons, WEC members that participated in the focus groups and its Board agreed that WEC's proposed rate design

should include a two-tiered energy rate. Id. at 29-31; Transcript at 37-41 (Richards testimony).

9. WEC's membership outreach indicates that the proposed initial block of 100 kWh/month would not confuse WEC members or send a price signal contrary to strategic electrification. Richards rebuttal pf at 5-6.
10. WEC's proposed rate design is revenue neutral. Strong pf at 21, lines 7-8.
11. WEC's proposed rate design is supported by a fully allocated cost of service study. Strong pf at 22, lines 13-16.
12. WEC's customer charge would be $89.67/month if that charge was to recoup all fixed costs. Richards suppl. pf at 7, lines 2-9.
13. WEC's fixed costs are high because its service area is the least dense in the State of Vermont. WEC serves an average of eight customers per mile. In contrast, Burlington Electric Department serves 159 customers per mile, GMP serves 23 customers per mile, and VEC serves 14. Richards suppl. pf at 4, lines 2-6.
14. Raising the monthly customer charge from $14.19 to $25.00 is a reasonable step towards better aligning costs and charges with WECs fixed costs. Strong pf at 23. Such alignment is necessary to best assure recovery of costs and rate stability. Id. at 23-24; Richards pf at 20, lines 16-20 & 21, lines 1-8.
15. Increasing the customer charge will also provide greater rate stability. Id. Richards rebuttal pf at 9, lines 11-20 & 11, lines 10-13.

16. WEC's rate design proposal will have rate shift impacts on low-income and low-use members. Flint pf at 3, lines 15-20; Richards pf at 23-27.

17. The Department estimates that approximately 400 of WEC's 10,800 members "may suffer financial hardship from" WEC's proposed rate design. Flint pf at 9, lines 8-9.

18. The majority of WEC's low-income members will see lower rates under WEC's rate-design proposal. Richards pf at 26-27.

19. Narrowing, but maintaining an initial block at the $0.08/kWh rate proposed by WEC mitigates impacts to low-use members, including those that are low-income. Richards pf at 23-24; Flint pf at 4, lines 1-5.

20. Narrowing, but maintaining an initial block also provides some incentive for needed energy efficiency and conservation including use of LED bulbs and efficient appliances. Transcript at 99, lines 11-21 (Potter testimony); see also Richards pf at 23, 26.

21. WEC may consider adjusting its rate design in less than ten years. WEC is also willing to work with the Department on metrics that could determine when it would be appropriate to seek a new rate design. Transcript at 24, lines 21-23, & 34-35, 42-44 (Richards testimony).

B. The Department's Recommendation

22. The Department does not dispute that WEC's proposed rate design is just and reasonable. Transcript at 117-118. The Department presented no

evidence suggesting that WEC's proposed rate design is unjust or unreasonable. See id. and exhibits.

23. The Department does not dispute that WEC's proposed rate design is fair, adequate and efficient. Id. The Department presented no evidence suggesting that WEC's proposed rate design is unfair, inadequate or inefficient. Id.

24. The Department does not suggest that WEC's proposed rate design fails to meet any other standard governing rate design, rates or tariffs, and presented no evidence to that effect. Id.

25. The Department's primary witness, Daniel Potter testified under cross examination as follows:

Q. And you don't assert that WEC's proposal
violates or is contrary to 218(b); do you?
A. No.
Q. Do you testify or assert that WEC's proposal
-- proposed rate design is not just and reasonable?
A. No.
Q. Or that it's not fair or not adequate?
A. No.
Q. Okay. You're simply wanting WEC to go further
to further the single policy of electrification; is that
correct?

A. Yes.

Q. Without the analysis needed to see if it's really worth it in terms of the significant impact on our low use and low-income members.

* * *

Q. Correct?

A. Yes. I believe so.

Transcript at 117-118 (Potter testimony).

26. The Department "suggests that WEC go even further" to promote strategic electrification by eliminating its inclining block rate structure (100 kWh/month at $0.08000) and replacing it with a uniform rate structure. Potter pf at 3, lines 14-17.

27. The Department has no data and has not performed any analysis indicating that eliminating WEC's proposed initial block would support any gain, or even if there would be any gain, in beneficial strategic electrification. Transcript at 114, lines 4-22 (Potter testimony).

28. The Department has not performed any analysis to determine, whether, or the extent to which, eliminating WEC's proposed initial 100 kWh block would increase electrification of heat. Exhibit WEC 10-PR-10 (DPS Discovery Responses) at 3, Response 2; Transcript at 99 (Potter testimony).

29. The Department has not performed any analysis to determine, whether, or the extent to which, eliminating WEC's proposed initial 100 kWh block would increase electrification of transportation. Exhibit WEC 10-PR-10 (DPS Discovery Responses) at 2, Response 1; Transcript at 98 (Potter testimony).

30. The Department has not performed any analysis to determine, whether, or the extent to which, eliminating WEC's proposed initial 100 kWh block would further the State's goal of 90% renewable energy by 2050. Exhibit WEC 10-PR-10 (DPS Discovery Responses) at 4, Response 3; Transcript at 99 (Potter testimony).

31. The Department's recommendation to eliminate WEC's proposed inclining block rate structure is not the result of a developed, well-considered, written, published, or publicly-vetted policy. Transcript 96-98 (Potter testimony); Exhibit WEC 10-PR-10 (DPS Discovery Responses) at 6, Response 5.

32. The Department's recommendation is reactive to WEC's Petition in this matter. Id. at 97-98, lines 21-25 & 1-5. It is a litigation position vetted through only Department management. Transcript at 134 (Potter testimony), lines 1-12. There was no consultation with other agencies, utilities, low-income advocacy organizations, efficiency organizations, ratepayers, or the public. See Transcript at 96-98, 133-134.

33. The Department did not conduct any public outreach to Vermont consumers or WEC members regarding price signals or inclining block rates in formulating its recommendation in this matter. Exhibit WEC 10-PR-10 (DPS Discovery Responses) at 11-12, Responses 10 & 11; Transcript 133, lines 4-6 (Potter testimony).

34. The Department agrees that promoting energy efficiency through rate design and protecting the interests of low-income Vermonters are still important policy goals. Transcript at 99-100.

35. The Department's proposal to eliminate WEC's proposed initial block will not promote use of efficient appliances and LED lights. Transcript at 103-104, lines 24-25 & 1-5 (Potter testimony).

36. The Department candidly and affirmatively acknowledges that: "The Department's proposal to eliminate the inclining block rate exacerbates the [rate] increase, impacting more than 5,000 members or 55.9% [of members]." Flint pf at 4, lines 1-2. The Department's "recommendations to eliminate the inclining block rate entirely . . . will increase the adverse impact on some WEC customers." <u>Id</u>. at 9, lines 17-18. "Removing the inclining block rate will affect affordability and have a significant impact on low-income, low-use customers." Potter pf at 4, lines 18-19.

37. The Department's recommendation would result in 60% or more increase in the rates of low-use customers, some of which are low-income members. Flint pf at 4, line 5; Transcript at 51 (Flint testimony).

38. The Department's general practice is to avoid rate shock. Transcript at 89, lines 15-16 (Flint testimony).

39. The Department did no analysis to determine whether the significant impact on low-income, low-use WEC members is warranted by any gain in strategic electrification from eliminating WEC's proposed inclining block structure. Transcript at 118, lines 3-10; 114, lines 15-22 (Potter testimony).

40. The Department's recommendation that WEC eliminate its proposed initial block is to better align WEC's rates with state policies. Potter pf at 5, lines 3-5; Transcript at 101-102 (Potter testimony). However, eliminating WEC's initial block will not better align WEC's rates with the State's policy of giving heightened consideration to the interests of low-income Vermonters. Transcript at 102, lines 4-19; 30 V.S.A. § 2(f).

41. The Department supports WEC's proposed $25/month customer charge. Transcript at 128, lines 10-25 (Potter testimony); Foley pf at 2, lines 16-17 ("The Department, . . . is not proposing to change WEC's request to increase its monthly Residential customer service charge.").

42. To mitigate its recommendation's impact on low-income, low-use WEC members, the Department recommends, in part, that WEC's customer charge be phased in. Flint pf at 9, lines 7-12. However, phasing-in the customer charge "will not eliminate the underlying affordability concern for those customers." Id. at lines 11-12.

43. The Department does not present any analysis comparing the mitigation to low-income, low-use customers provided by WEC's proposed initial block and that provided by phasing-in the $25 customer charge. See generally pf and Transcript.

44. The Department states that: "Maintaining WEC's proposed customer charge but eliminating the inclining block structure would result in a $0.17796 kWh charge for the residential class." Foley pf at 2, lines 19-20.

45. The Department's recommended rate of $0.17796/kWh does not reflect the Department's complete recommendation and its costs. Transcript at 77-78 (Foley testimony).

46. The Department's complete recommendation in response to WEC's proposed rate design includes:

    a. Eliminating the inclining block structure,

    b. That the increased customer charge ($14.19 to $25.00) "be phased-in with four steps over a three year period (step 1 would take effect immediately after approval by the Commission with a commensurate increase each of the next three years)," Foley pf at 3, lines 20-21,

    c. Development of a "support mechanism," "program" or "plan" to mitigate the impacts of the Department's recommendation on low-income WEC members, Flint pf at 9,

d. A time-of-use rate that may require a multi-million-dollar investment in new technology, Transcript at 47, lines 6-11 (Richards testimony), and

e. An EV rate.

Transcript at 77-78 (Foley testimony).

47. The Department's recommended uniform energy rate of $0.17796 does not reflect the higher energy rate needed to assure revenue neutrality if the customer charge would be phased-in in four steps over three years. Transcript at 77, lines 9-17 (Foley testimony).

48. The Department's recommended uniform energy rate of $0.17796 also fails to reflect the costs of a low-income program, time-of-use rate and an EV rate. Transcript at 77-78 (Foley testimony).

49. Accounting for the Department's complete recommendation would increase the recommended $0.17796 rate. Transcript at 77-78

50. In short, the Department's recommended uniform $0.17796/kWh rate is not realistic and does not reflect the costs of its recommendations. See id.

51. Rates reflecting the Department's recommendation will be confusing and complex to ratepayers. Richards rebuttal pf at 7-8; Transcript at 130 (Potter testimony).

52. An increase in the recommended $0.17796 rate would further hurt low-income WEC members. Transcript at 52 (Flint testimony).

53. Higher rates may also impede strategic electrification. Transcript at 132, lines 3-6 (Potter testimony).

54. WEC is the only electric utility that provides weatherization to its low-income members as part of its Tier III program. Transcript at 32-33, 41 (Richards Testimony).

55. The Department did not take WEC's weatherization program into account when it recommended that WEC work with the Department to develop a low-income program. Transcript at 70-71 (Flint testimony). Helping low-income WEC members with weatherization alleviates some of the Departments concerns leading to its recommendation that WEC develop a low-income program. Transcript at 70, lines 13-15.

56. GMP is the only other electric utility in Vermont with a low-income program. Transcript at 71, lines 3-16. The Department is not recommending that any other electric utility develop a low-income program. Id.

57. Increasing WEC's customer charge is important to rate stability. Strong pf at 23-24. Phasing-in WEC's customer charge in four steps over three years deprives WEC of stable revenues and generally does not provide for rate stability. See also Transcript at 116 (Potter testimony).

58. WEC is planning to file for a rate increase by November 15, 2019. Transcript at 30, lines 8-14 (Richards testimony).

59. Rate stability, promoting affordability, and the interests of low-income Vermonters (30 V.S.A. 2(f)) are important aspects of rate design. Richards rebuttal pf at 11 (citing Allen pf in No. 18-2850). The Department's recommendation in this matter fails to strike an appropriate balance and is inconsistent with the Department's position in other rate design proceedings. Id.

60. Some of the Department's concerns leading to its recommendation would be alleviated if WEC was to wait less than ten years before seeking a new rate design. Transcript at 119, lines 5-18 (Potter testimony). See also Potter pf at 5, lines 1-2.

61. The Department agrees that rate design can address more than one policy goal. Transcript at 112 (Potter testimony).

62. The Department presented no data or analysis indicating that WEC's proposed initial block would come at the expense of beneficial electrification. Transcript at 114, lines 15-22 (Potter Testimony).

V. ARGUMENT

A. This Matter is Bounded by the Just and Reasonable Standard

The Departments seeks a departure from applicable standards. As detailed above, it does not assert that WEC's proposed rate design does not meet any applicable standard. It presented no evidence that WEC's proposed rate design is not just and reasonable, and makes no argument to that effect. Rather, the

Department wants WEC to "go even further" and meet some higher, unestablished standard.

The Commission's significant discretion is bounded by: (1) the statutory standard that rates, including rate design, must be just and reasonable, and (2) substantial evidence supporting its exercise of statutory authority. See SEC v. Chenery (Chenery II), 332 U.S. 194, 207 (1947). The Commission may only substitute or make changes to a proposed rate when, after the opportunity for hearing, it finds the rate to be "unjust, unreasonable, insufficient, or unjustly discriminatory, or are found to be preferential or otherwise in violation of a provision of this chapter." 30 V.S.A. § 218(a); 30 V.S.A. § 226 (rates must be just and reasonable and adequate and efficient); 30 V.S.A. § 227(b) (Commission may order investigation on the justness and reasonableness of rates.); Petition of Green Mountain Power Corp., 131 Vt. at 291. The Department's role in this matter is also bounded by the just and reasonable standard. 30 V.S.A. § 225(b) (The Department shall investigate the justness and reasonableness of rate schedules.); see Chenery II, 332 U.S. at 207.

WEC filed its petition under the applicable "just and reasonable" standard. The Department exercised its authority under §§ 225(b) and 226 recommending that the Commission open an investigation "into the justness and reasonableness of the Washington Electric Cooperative, Inc.'s (WEC) proposed rate design adjustments." Department of Public Service's Recommendation (June 3, 2019) at 1. On June 13, 2019, the Commission issued an order providing that: "Based on the

Department's recommendation, we open an investigation into the justness and reasonableness of WEC's rate design proposal and suspend the proposed changes until the final determination in these proceedings." Order Opening Investigation, Suspending Proposed Rate Design Changes, and Notice of Scheduling Conference (June 13, 2019) at 2.

The Department does not dispute that WEC's proposed rate design is just and reasonable. It cannot now "move the goal post" to require that WEC "go even further." Such a recommendation is beyond the Department's authority under 30 V.S.A. § 225; see also City of Chicago v. People of Cook Cty., 133 Ill. App. 3d 435, 448, 478 N.E.2d 1369, 1378 (1985) (examining "whether the [Illinois Commerce] Commission so drastically changed its standards as to constitute a denial of due process" to the utility); Application of Nw. Bell Tel. Co., 326 N.W.2d 100, 104 (S.D. 1982) (holding that South Dakota PUC could not replace the statutory "just and reasonable" standard for rate setting with a financial emergency standard without due process (proper notice and hearing)). Further, the Department provides no evidence warranting any departure from the just and reasonable standard. See Chenery II, 332 U.S. at 207 (SEC's action must be based on substantial evidence). It simply emphasizes the importance of strategic electrification. But WEC's proposed rate design will achieve strategic electrification goals, while also mitigating rate shock and respecting its members' investment in efficiency measures.

B. Efficiency and the Interests of Low-Income Vermonters Remain Important

Energy efficiency and protecting the interests of low-income Vermonters are mandated policies that cannot be pushed aside in the singular pursuit of other policies. The Department's mandate includes: "In performing its duties . . . the Department *shall* give heightened consideration to the interests of ratepayer classes who are not independently represented parties in proceedings before the Commission, including . . . low-income . . . consumers." 30 V.S.A. § 2(f) (emphasis added). The Legislature also mandated that: "The Commission *shall* approve rate designs to encourage the efficient use of natural gas and electricity, including consideration of the creation of an inclining block rate structure for residential rate customers with an initial block of low-cost power available to all residences." 30 V.S.A. § 218(b) (emphasis added).

In contrast, the State of Vermont has adopted the non-mandatory "general goal" of a greenhouse gas reduction schedule. 10 V.S.A. § 578; see also Potter pf at 3, lines 19-20 and n. 1. But make no mistake – GHG reduction is more than aspirational to WEC. WEC's electricity comes from 100% renewable sources. WEC is well ahead of the State's GHG reduction goals and Tier III requirements. See 30 V.S.A. § 8005.

It is also important to note that the Department's position in this matter does not stem from well-considered policy or the law. Rather, the Departments position is in reaction to WEC's petition. Transcript at 96-99 (Potter testimony); Exhibit WEC 10-PR-10 (DPS Discovery Responses), response 5. Like any litigation position, the Department's recommendation was vetted through internal management. Transcript at 134, lines 1-12 (Potter testimony). But the Department's recommendation does not bear the hallmarks of well-considered policy. It is not supported by specific analysis or study. Exhibit WEC 10-PR-10 (DPS Discovery Responses), responses 1-5 & 9-11. It was not developed through consultation with other agencies, utilities, consumer organizations, low-income advocates, senior-citizen organizations, efficiency organizations, or any other outside entity. Id. There was no public or legislative review. Id. Most importantly, the law does not support the Department's position of effectively calling for the end of inclining block rates -- 30 V.S.A. § 218(b) mandates the rate design promote efficiency and exclusively specifies inclining block rates as a legitimate means to meet this mandate. Likewise, the law calls for a balanced approach that gives heightened attention to a wide variety of interests, particularly those of low-income Vermonters. 30 V.S.A. § 2. Respectfully, the Department is getting ahead of itself with its singular recommendation in this this matter.

WEC's central purpose here is to promote greater use of its renewable electricity through beneficial electrification. But WEC can do more than simply promote beneficial electrification. Rate design can address more than one policy goal. There is no evidence that WEC's efforts to address energy efficiency and impacts to low-income, low-use members would come at the expense of beneficial electrification. Moreover, WEC is willing to consider revisiting its rate design in less than the typical ten-year period, particularly if there is evidence that WEC's proposed rate design does not effectively promote beneficial electrification.

VI. CONCLUSION

The Commission should approve WEC's proposed rate design. WEC is willing to consider revisiting its rate design in less than ten years. WEC is also willing to work with the Department to develop metrics on the efficacy of its proposed rate design that could determine the timing of WEC's next rate design adjustment.

November 7, 2019

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