

STATE OF VERMONT
PUBLIC SERVICE BOARD

Joint Petition of Central Vermont Public Service Corporation)
("CVPS"), Danaus Vermont Corp., Northern New England)
Energy Corporation ("NNEEC") for itself and as agent for Gaz)
Metro Limited Partnership and its parents, Green Mountain Power)
Corporation ("GMP") and Vermont Low Income Trust for)
Electricity, Inc. ("VLITE"), for approval of: (1) the merger of) Docket No. 7770
Danaus into and with CVPS; (2) the acquisition by NNEEC of)
CVPS and certain other Vermont companies; (3) the amendment)
to CVPS's Articles of Association; (4) the merger of CVPS into)
and with GMP; and (5) the acquisition by VLITE of a controlling)
interest in Vermont Electric Power Company, Inc.)

**Surrebuttal Testimony Of Ratepayer Vincent Illuzzi As A Ratepayer To Proposal
Submitted By Green Mountain Power Corporation**

NOW COMES Ratepayer Vincent Illuzzi and hereby files his surrebuttal
testimony to the proposal submitted by Green Mountain Power Corporation for a
Community Energy & Efficiency Development Fund.

Summary

In response to the proposal presented by Green Mountain Power Corporation
(GMP) for a Community Energy & Efficiency Development Fund [Exh. Pet.-RJG-6], and
the pre-filed testimony presented by Dr. Asa Hopkins of the Department of Public
Service [January 20, 2012], as well as the letter sent by the Vermont Community Action
Partnership on January 26, 2012, Ratepayer supports an effort to invest the ratepayer
returns into investments in thermal efficiency for low-income Vermonters.

Surrebuttal Testimony

Q. Did you previously file testimony in this proceeding?

A. Yes. However, this testimony is in response to the proposal of Green Mountain Power Corporation (GMP) for a Community Energy & Efficiency Development Fund.

Q. Please provide a summary of your position regarding the GMP proposed Community Energy & Efficiency Development Fund?

A. Low-income Vermonters pay a significant proportion of their income for energy costs, and investments in extending thermal energy efficiency for the low-income population provide the greatest societal benefit. While the proposed Community Energy and Efficiency Development Fund does include efforts to extend energy efficiency, much of the detail (admittedly brief) provided by GMP focuses on supporting renewable efforts, other demand resources and new clean energy technologies. While these efforts are needed and important, the biggest community need at this point in time is for increased investment in improving building performance. Leveraging existing low-income activities with a significant portion of the Fund's resources would provide the greatest benefit to ratepayers and all Vermonters.

Vermont's Low Income Weatherization Assistance Program has extensive experience in improving buildings to reduce energy burdens, and has proven effective at reducing energy costs for low-income families. A 1998 performance audit conducted by the Vermont Auditor's Office found that the program has achieved its goal and was getting better. The report is available at:

<http://auditor.vermont.gov/sites/auditor/files/weatherization.pdf>

Given that the primary method for helping low-income Vermonters permanently reduce their energy costs is through weatherization, the best mechanism for helping low-income Vermonters improve their energy security is through investment in thermal efficiency.

Q. How will this investment benefit CVPS ratepayers?

A. This investment will benefit ratepayers significantly, and will particularly benefit those ratepayers least able to invest their own resources in energy improvements.

Benefits accrue in reduced costs, greenhouse gases averted, demand for increased capacity averted, and general societal benefits including health and safety of the residents in these homes.

Q. How will this affect low-income ratepayers?

A. In considering the best outcomes for ratepayers, particularly low-income ratepayers, these points should be considered:

- If we are seeking to return value commensurate with the higher rates paid as a result of Docket 6107, we should seek to not only return a direct proportion but also consider the greater impact the increased rates had on lower-income households. They had and have less capacity to absorb rate increases.
- Low-income ratepayers pay a disproportionately high share of their income for energy and should therefore be the primary target for efficiency investments.
- The history of the GMP Efficiency Fund set up via Docket 7213 has shown that thermal efficiency investments have delivered excellent value for ratepayers.

Q. What is the current status of the low-income weatherization program?

Demand for weatherization services has increased as fuel assistance program (LIHEAP) benefits have decreased, and as fuel costs have increased. Forecasts for future Federal

funding are not positive. Currently the waiting list for these services is well beyond 12 months, and funding has not kept pace with demand. As American Recovery and Reinvestment Act funding sunsets, weatherization programs will experience layoffs and significant cutbacks to their programs, as well as extensions to their waiting lists. Please see Exhibit B, Weatherization Fact Sheet 3-8-12, which is attached hereto and incorporated by reference.

Q. How does thermal energy efficiency benefit electrical utility ratepayers?

Weatherization assistance providers provide electrical as well as thermal benefits, and expanding investments in both services results in increased quality of life as well as decreased demand for both state assistance (on the part of the citizens) and electrical generation (on the part of the utilities). For additional benefits of low-income weatherization efforts, please see Exhibit C, ORNL Energy Report.pdf.

Q. Why should these resources be targeted toward low-income Vermonters?

A. As noted in Exhibit A, which is attached hereto and made a part hereof, (Energy-New England.pdf), low-income households in New England have the highest energy burden. The Community Energy & Efficiency Development Fund proposed by Green Mountain Power should be targeted primarily toward the underserved low-income community, to assist those low income Vermonters in achieving economic opportunity and the benefits of improvements in housing stock. As chair of the Senate Economic Development, Housing and General Affairs Committee, it is apparent to me that Vermont's housing stock, both privately and publicly-owned, needs significant investment to allow long-term affordability. Directing these funds toward this purpose is a wise investment for

ratepayers, to achieve the greatest societal benefit and ultimately reduce the demand and cost on programs like the Vermont Low Income Heating Assistance Program (LIHEAP).

Q. Does this conclude your testimony?

A. Yes.

DATED: March 6, 2012

A handwritten signature in cursive script, appearing to read "Vincent Illuzzi".

Vincent Illuzzi, Ratepayer

cc: Distribution List