

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 24-1848-TF

Tariff filing of City of Burlington Electric Department requesting a 5.5% rate increase effective with service rendered on and after August 1, 2024	
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**PREFILED DIRECT TESTIMONY OF
SCOTT G. WHEELER

ON BEHALF OF THE
VERMONT DEPARTMENT OF PUBLIC SERVICE**

December 11, 2024

Summary: Mr. Wheeler presents the Vermont Department of Public Service’s (“Department”) recommendations on the City of Burlington Electric Department’s (“BED”) proposed 5.50% rate increase. Mr. Wheeler also introduces the Department’s other witness. Mr. Wheeler recommends that BED’s proposed rate increase of 5.50% be approved as just and reasonable.

Q1. Please state your full name, address, and occupation.

A1. My name is Scott G. Wheeler. I am the Utilities Finance and Economics Analyst for the Department. My business address is 112 State Street, Montpelier, Vermont 05620.

Q2. Please describe your educational background and experience.

A2. I am a Certified Management Accountant and have a master's degree in business administration from California Pacific University. I have worked at the Department since October 1, 2018. Prior to joining the Department, I was employed with Sentinel Investments, a regulated mutual fund subsidiary of National Life Group, for over thirty years. During my tenure there I held various positions, most recently Vice President and Assistant Treasurer, which entailed reporting audited financial results of the mutual funds to shareholders and related filings to the Securities and Exchange Commission. I also served as volunteer Chairperson of the Board of Directors of Granite Hills Credit Union for 12 years with my tenure ending on June 30, 2017.

Q3. Have you previously testified before the Vermont Public Utility Commission ("Commission")?

A3. Yes. I have provided testimony in Case Nos. 18-2549-PET, 18-3231-PET, 18-3709-PET, 19-0441-TF, 19-0513-TF, 19-3529-PET, 19-4585-TF, 19-4845-PET, 20-0431-TF, 20-2092-PET, 20-2517-PET, 20-2570-PET, 21-0898-TF, 21-3707-PET, 21-4073-PET, 21-5208-PET, 22-0480-TF, 22-4868-TF, 22-4884-TF, 22-5372-TF, 23-0170-PET, 23-0739-PET, 23-0880-PET, 23-1447-PET, 23-3799-PET, 23-3943-TF, 23-4003-PET, and

24-1106-PET.

Q4. What is the purpose of your testimony in this proceeding?

A4. The purpose of my testimony is to describe the Department's review process of BED's proposed cost-of-service adjustments, introduce the Department's other witness, and summarize the Department's overall conclusions and recommendations on BED's rate filing.

Besides my testimony which focuses on BED's proposed cost-of-service adjustments to areas other than purchased power, transmission, renewable energy credit ("REC") revenues, and power production fuel costs, the Department presents testimony from one other witness as follows:

- Adam Jacobs, Utilities Economic Analyst, provides testimony addressing the accuracy and reasonableness of BED's proposed adjustments to purchased power, transmission, REC revenues, and power production fuel costs.

Q5. Can you please summarize the Department's review of BED's proposed cost-of service adjustments?

A5. Yes. Department staff met with BED personnel prior to and after the rate filing to discuss the substance of the rate request. I reviewed overall operational costs, both test year and rate year. I reviewed BED's testimony and accompanying exhibits in support of its

1 petition and reviewed BED's responses to the Department's discovery requests. All parts
2 of the cost of service were reviewed. The Department's Planning Division focused on
3 BED's purchased power, transmission, REC revenues, and power production fuel costs.
4 Essentially, a thorough audit of the cost-of-service was performed including identifying
5 any clerical errors in the financial model and supporting data.

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7 The Department also reviewed whether appropriate accounting standards and practices
8 for municipally owned electric distribution utilities were being utilized. Ultimately, the
9 Department reviewed whether the operational costs meet both the known and measurable,
10 and just and reasonable standards.

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12 In addition to the Department's normal review process of BED's testimony, discovery
13 responses, and supporting documentation, the Department also placed emphasis on better
14 understanding the drivers behind the need to increase rates including higher purchased
15 power costs, increased employee salaries and benefits, higher transmission costs, changes
16 in REC revenues, and increased property taxes.

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18 **Q6. Can you please detail the results of the Department's investigation?**

19 A6. Yes. Following an exhaustive review, the Department has no recommended adjustments
20 to BED's proposed cost-of-service or rate increase. Through discovery, the Department
21 is also satisfied that BED's proposed rate increase will provide adequate cash flow to
22 continue operating safely and reliably despite projections indicating a times interest

1 earned ratio (“TIER”) of slightly less than the traditionally acceptable recommended
2 level of 2.0.

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4 **Q7. Please summarize the Department’s recommendations.**

5 A7. The Department recommends that BED’s proposed rate increase of 5.50% be approved as
6 just and reasonable.

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8 **Q8. Does that conclude your testimony?**

9 A8. Yes, it does.