

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 bills rendered on and after September 1, 2024	
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Order entered: 05/01/2025

ORDER APPROVING RATE INCREASE

In this order, the Vermont Public Utility Commission (“Commission”) adopts the following proposal for decision.

PROPOSAL FOR DECISION

I. INTRODUCTION

This case involves the Commission’s investigation into the justness and reasonableness of the City of Burlington Electric Department’s (“BED”) revised tariffs and rate schedules that reflect a 5.50% rate increase that went into effect with bills rendered on or after September 1, 2024.

As discussed below, I recommend that the Commission approve a 5.50% rate increase, or an increase in revenues of \$2,980,056, for BED. This recommendation follows the Vermont Department of Public Service’s (“Department”) testimony and recommendations. The Department recommends that the Commission approve BED’s proposed rate increase.

II. PROCEDURAL HISTORY

On June 14, 2024, BED filed revised tariffs and rate schedules reflecting a proposed 5.50% increase effective with bills rendered on or after September 1, 2024. BED’s filing was accompanied by the prefiled testimony of Emily Stebbins-Wheelock and James L. Gibbons and exhibits ESW-JG-1 through ESW-JG-3.

On July 15, 2024, the Department filed comments recommending that the Commission open an investigation into the justness and reasonableness of BED’s proposed rate increase, under 30 V.S.A. § 225.

On July 25, 2024, the Commission issued an order opening an investigation and appointed me as the hearing officer in this proceeding. Pursuant to 30 V.S.A. § 226(b), BED implemented the tariff by means of an identical 5.5% surcharge on each class of ratepayers subject to the requirement that it refund any amounts collected that are in excess of the amount finally determined to be just and reasonable by the Commission.

On August 19, 2024, I held a scheduling conference.

On August 27, 2024, the parties submitted a joint revised proposed schedule. On September 27, 2024, I issued a scheduling order adopting that proposed schedule with some modifications.

On September 23, 2024, BED filed a motion for a protective order. On October 9, 2024, I issued an order granting the protective agreement.

On October 24, 2024, I conducted a public hearing via videoconference. One member of the public attended the public hearing and made a comment.

The Commission received one written public comment regarding the proposed rate increase.

On December 11, 2024, the Department filed the prefiled testimony of Scott G. Wheeler and the prefiled testimony of Adam Jacobs and exhibits DPS-AJ-1 through DPS-AJ-3. The Department recommended that BED's proposed rate increase be approved by the Commission.

On March 12, 2025, BED and the Department filed briefs.

No party requested an evidentiary hearing in this proceeding. After reviewing the record, I have determined that an evidentiary hearing is not needed to render a proposal for decision in this proceeding. Accordingly, the following prefiled testimony and exhibits are admitted as if presented at a hearing: the prefiled direct testimony of Emily Stebbins-Wheelock and James L. Gibbons and exhibits ESW-JG-1 through ESW-JG-3; the prefiled direct testimony of Scott G. Wheeler; the prefiled direct testimony of Adam Jacobs and exhibits DPS-AJ-1 through DPS-AJ-3.¹

¹ If any party has an objection to any of these documents being entered into evidence, the party must submit its objection within 14 days of the date this order is entered.

III. PUBLIC HEARING AND COMMENTS

One member of the public, living in Underhill, Vermont, attended the public hearing and made a comment regarding the McNeil Generating Station and concerns that it results in unnecessary spending.

The Commission received one written public comment regarding a recent BED convenience fee.

Both comments are discussed more in the Discussion and Conclusion section below.

IV. FINDINGS

Pursuant to 30 V.S.A. § 8(c), and based on the record and evidence before me, I present the following proposed findings of fact to the Commission.

Summary of BED's Rate Request

1. BED requested an increase to its annual revenues of 5.5%, or \$2,980,056. Emily Stebbins-Wheelock and James L. Gibbons, BED ("Stebbins-Wheelock and Gibbons") pf. at 4.
2. BED's rate year is the 12-month period beginning August 1, 2024. Stebbins-Wheelock and Gibbons pf. at 4.
3. The proposed rate increase went into effect on a bills-rendered basis on September 1, 2024. BED proposes the bills-rendered basis to avoid complications that were experienced in the 2021 and 2022 rate increase implementations and because BED believes that a bills-rendered effective date is easier to explain to customers. Stebbins-Wheelock and Gibbons pf. at 4, 13.
4. The primary drivers for the rate increase are higher purchased power costs, increased employee salaries and benefits, higher transmission costs, changes in renewable energy credit ("REC") revenue, and increased property taxes. Stebbins-Wheelock and Gibbons pf. at 5; Scott G. Wheeler, Department ("Wheeler") pf. at 3.
5. BED's known and measurable adjustments to the test-year cost-of-service total \$1,515,984.
6. The largest contributors to BED's adjustments are health insurance expenses, which increased by \$473,390, and BED's actuarially determined employer contribution to employee pension benefits, which increased by \$442,342. Stebbins-Wheelock pf. at 6.

7. Reaching a 2.0 times interest earned ratio (“TIER”) results in a potential rate increase of 5.57%. BED proposes a 5.50% rate increase instead, which results in a 1.99 TIER. Stebbins-Wheelock and Gibbons pf. at 4; exh. ESW-JG-1.

8. BED requests to continue the regulatory accounting treatment approved in Case No. 21-2186-TF to amortize over 3 years the expense associated with the calendar year 2024 triennial consulting engineer review of BED’s distribution and generation plants required by BED’s revenue bond covenants. Stebbins-Wheelock pf. at 5.

9. BED includes two separate annual amortization expenses for previously approved amounts pertaining to the McNeil Generating Station, an annual 7-year amortization of \$164,344 for the 2019 turbine overhaul approved in Case No. 21-2186-TF, and an annual 8-year amortization amount of \$520,279 of lost revenues resulting from the difference between forward and actual prices for the sale of excess energy for December 2022 to March 2023 approved in Case No. 23-2044-TF. Adam Jacobs, Department (“Jacobs”) pf. at 3-4.

10. BED proposes that its Public Electric Vehicle (“EV”) Charging tariff not be subject to surcharge because the software that processes payments at BED’s public EV charging stations is not able to present a municipal surcharge and because processing any required refund would be prohibitively difficult. BED proposes to file an amended tariff following a final order in this case that reflects any approved adjustment. This treatment is the same as BED proposed in BED’s last rate case, Case No. 23-2044-TF. Stebbins-Wheelock and Gibbons pf. at 13.

11. BED has not included any ratepayer spending related to District Energy in the rate year, and BED does not expect to expend ratepayer funds on District Energy in the rate year. Jacobs pf. at 4; exh. DPS-AJ-2.

The Department’s Recommendation

12. The Department recommended that BED make no further adjustments to its proposed cost of service. Wheeler pf. at 3.

13. The Department is satisfied that BED’s proposed rate increase will provide adequate cash flow to continue operating safely and reliably despite projections indicating a TIER of slightly less than the traditionally acceptable recommended level of 2.0. Wheeler pf. at 3-4.

14. The Department recommends that BED's proposed rate increase of 5.50% be approved as just and reasonable. Wheeler pf. at 4.

V. DISCUSSION AND CONCLUSION

Discussion of Public Comments

As noted above, the Commission received two public comments in response to BED's filing in this case. Below, I briefly address these public comments before turning to the substance of BED's cost-of-service filing,

First, one member of the public commented on the McNeil Generating Station. As reflected in Finding 11 above, BED stated in discovery that it has not included any ratepayer spending related to the McNeil Generating Station District Energy in the rate year. BED further explained that it does not expect to expend ratepayer funds on District Energy in the rate year. Therefore, this issue does not affect the outcome of the Commission's determination on BED's proposed rate increase as part of this case.

Second, one member of the public commented on and raised concerns about BED's recent implementation of a \$3.50 convenience fee related to bill payment. Consistent with 30 V.S.A. § 225, all rates and fees charged by BED must be included in tariffs approved by the Commission. I have reviewed BED's current tariffs, as approved by the Commission, but none of BED's tariffs appears to authorize a convenience fee related to customer billing. This fee is not directly germane to the cost-of-service rate review at issue in this case. However, to ensure consistency with 30 V.S.A. § 225, I recommend that the Commission require BED to file within 30 days a report responding to the customer's comments to clarify: (1) whether BED is charging its customers a convenience fee for bill payments, and (2) whether and how any such convenience fee is consistent with BED's approved tariffs.

Discussion of Rate Filing and Conclusion

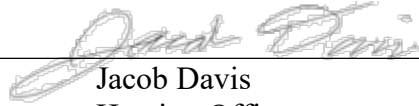
Over the course of this proceeding, I have reviewed the information presented by both BED and the Department and I find that the proposed additional annual revenue of \$2,980,056, or a rate increase of 5.50%, is just and reasonable. The rate increase will allow BED to fund increasing power supply costs, labor expenses, and other costs while achieving a 1.99 TIER. Accordingly, I recommend that the Commission approve the additional annual revenues in the amount of \$2,980,056, or a rate increase of 5.50%, to take effect with service rendered on or

after August 1, 2024, and bills rendered on or after September 1, 2024, subject to the requirement that BED file an amended Public Electric Vehicle Charging tariff reflecting the rate increase in the compliance subcase of this case as explained and proposed by BED in Finding 10. I also recommend that the Commission require that BED file a report on customer convenience fees within 30 days of the issuance of a final order in this case.

Because this rate increase is equal to BED's original proposed rate increase, no money has been collected in excess of the rate increase and no money must be returned to customers under 30 V.S.A. § 227(b).

This proposal for decision has not been circulated to the parties pursuant to 3 V.S.A. § 811 because it is not adverse to any party.

Date: May 1, 2025



Jacob Davis
Hearing Officer

VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission (“Commission”) of the State of Vermont that:

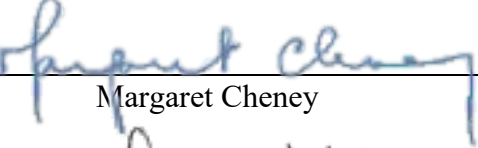
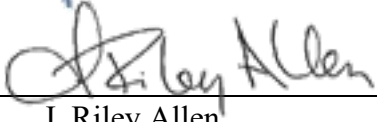
1. The findings, conclusions, and recommendations of the hearing officer are adopted. All findings proposed by parties, to the extent that they are inconsistent with this order, were considered and not adopted.

2. A rate increase by the City of Burlington Electric Department (“BED”) of \$2,980,056, or 5.50%, effective with service rendered on or after August 1, 2024, is just and reasonable, and is approved.

3. BED must file an amended Public Electric Vehicle Charging tariff reflecting the approved rate increase in the compliance subcase of this case as explained and proposed by BED in Finding 10 within ten days of the issuance of this order.

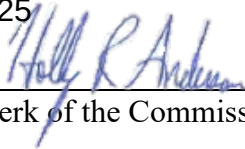
4. BED must file a report explaining: (1) whether BED is charging its customers a convenience fee for bill payments, and (2) whether and how any such convenience fee is consistent with BED’s approved tariffs. The report should be filed within 30 days of the issuance of this order in the compliance subcase of this case in ePUC.

Dated at Montpelier, Vermont, this 1st day of May, 2025.

	)	
Edward McNamara	)	PUBLIC UTILITY
	)	
	)	
Margaret Cheney	)	COMMISSION
	)	
	)	
J. Riley Allen	)	OF VERMONT

OFFICE OF THE CLERK

Filed: May 1, 2025

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 24-1848-TF - SERVICE LIST

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