

This document is being filed electronically in ePUC

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 24-1848-TF

Tariff filing of the City of Burlington Electric Department requesting a 5.5% rate increase to be effective for bills rendered on or after September 1, 2024	
--	--

DECLARATION OF EMILY-STEBBINS WHEELLOCK

I, Emily Stebbins-Wheelock, hereby declare as follows:

1. I am the CFO and Manager of Strategy & Innovation at Burlington Electric Department (“BED”).
2. I, along with James Gibbons, submitted joint testimony to the Vermont Public Utility Commission (“Commission” or “PUC”) in Case No. 24-1848-TF on June 16, 2024.
3. I also was responsible for preparing certain responses to the Department of Public Service’s (“Department’s”) discovery requests in this matter filed on October 7, 2024.
4. In their discovery requests, the Department asked (Q.DPS.BED.1-22) whether any expenses related to District Energy were included in BED’s Rate Year cost of service. I responded, “\$0.00. BED has not included any ratepayer spending related to District Energy in the rate year and BED does not expect to expend funds from any source on District Energy in the rate year.”
5. This response was provided based on my recollection of the timing of BED’s payment to EverGreen Energy, LLC (“EverGreen”) for invoices for District Energy project design and engineering services in calendar year 2023, fiscal year 2024.

6. Starting in May 2023, BED held several EverGreen invoices for payment while awaiting the PUC's decision in Case No. 23-1870 concerning BED's request to transfer some of its energy efficiency utility ("EEU") funds previously approved for traditional thermal energy & process fuels ("TEPF") programs to the District Energy System TEPF program.

7. In November and December 2023, following the PUC's decision in Case No. 23-1870, BED paid all then-outstanding invoices. Because BED's Controller was on parental leave during that time, I oversaw the accounting team's disposition of the invoices and which funding sources were charged in accordance with the PUC's Order in that case.

8. I remembered that all invoices dated through March 2023 (the last of which was paid in April 2023) were charged to BED's TEPF fund, and that subsequent invoices dated April to November 2023 were charged to a combination of TEPF and BED Operating funds. I also remembered that TEPF funds were charged first, up to the limit of additional TEPF funds authorized by the PUC, and that no Operating funds were disbursed to pay District Energy invoices until November 2023.

9. Based on this recollection I responded to the Department's discovery request that no Operating funds were used for District Energy in the test year (FY23) and by extension, none were in the rate year (Aug 1, 2024-July 31, 2025) absent a known and measurable change to the test year to include them in the rate year.

10. On May 15, 2025, while reviewing BED's draft cost of service for the rate filing we plan to make on or before June 16, 2025, I discovered that my response to the Department had been incorrect. Everything about the timing of when invoices were paid and when funds were disbursed as described above is true. What I failed to remember, however, was that while payment was being held, the EverGreen invoices in question were accrued to the relevant

accounting period. Therefore, invoices for work performed in April, May, and June 2023 were accrued to FY 2023.

11. The April invoice in the amount of \$36,045.97 was accrued to TEPF expense (FERC 908) but was manually removed from the May fiscal agent report for BED's EEU so that no reimbursement from TEPF would be requested. The May and June invoices in the amounts of \$57,899.06 and \$42,561.25, respectively, were accrued to BED Operating (non-EEU) expense (FERC 923).

12. In October 2023, BED closed its FY 2023 accounting period. This meant that the total of the May and June invoices, \$100,460.31, remained booked to FY 2023 as accrued BED operating expense in BED's FY 2023 audited financial statements (which were used as the test year), even though the invoices had not yet been paid. BED failed to recognize this when preparing its filed cost of service for Case 24-1848-TF. If we had recognized it, we would have removed this \$100,460.31 of expense from the rate year cost of service justification as a known and measurable change.

13. Since this \$100,460.31 was in fact included in the filed cost of service for the rate year, an accurate response to the Department regarding discovery question (Q.DPS.BED.1-22) should have been: "\$100,460.31 of ratepayer spending related to District Energy is included in the rate year. This amount should have been removed from the rate year cost of service (as would any other non-recurring expense), as BED does not expect to expend funds from any source on District Energy in the rate year."

14. I discussed my findings with colleagues at BED on Thursday, May 15, 2025, and with my supervisor, BED's General Manager, on Friday, May 16, 2025. Also on May 16, 2025, we attempted to contact our attorney in this case, William Ellis of McNeil, Leddy & Sheahan,

but he was unavailable. We were able to discuss the matter with him on Monday, May 19, 2025, and on that date he contacted the Department's attorney in this case, Ben Civiletti, to let him know that we had discovered this error.

15. Although BED proposed a 5.5% rate increase in Case No. 24-1848, BED filed a cost of service that showed a revenue requirement of \$3,019,387, or a 5.57% rate increase, that could be justified based on a net income of 2.0 times-interest-earned ratio (TIER). The Department did not recommend any adjustments to BED's filed cost of service. BED also provided calculations in its filed cost of service showing that BED's requested rate increase of 5.5% equated to an increase in revenues of \$2,980,056, which would yield net income of \$3,103,066, a 1.99 TIER, and 81 days cash on hand. The difference between the additional revenue at 2.0 TIER and the additional revenue at the requested 1.99 TIER is \$39,331.

16. Reducing the FERC 923-Outside Services expense in the filed cost of service by \$100,460.31, the amount of the FY 2023 District Energy expenditures, would result in a 2 TIER revenue requirement of \$2,918,927 or a 5.39% rate increase. The difference between the \$3,019,387 revenue requirement as filed and the \$2,918,927 revenue requirement without the \$100,460.31 of District Energy-related expense is \$61,130, or the net of the \$100,460.31 of District Energy expense and the \$39,331 of rate year cost that was not requested for recovery in rates at the 5.5% level.

17. BED implemented the proposed 5.5% rate increase as a tariff adjustment on bills rendered on or after September 1, 2024. The total tariff adjustment revenue collected from September 1, 2024 through April 30, 2025 is \$1,959,647.60. The difference between the 5.5% rate increase requested and implemented as a tariff adjustment and the 5.39% increase that would result from adjusting the filed cost of service to remove the District Energy expenditures is

0.11%, which is 2% of 5.5%. We can therefore calculate the amount of overcollections in the rate year through April 2025 by taking 2% of total tariff adjustment revenues, which is \$39,192.95. Annualizing this 8-month total over 12 months, we estimate a total overcollection for the rate year, August 1, 2024 to July 31, 2025, of \$58,789.43.

18. BED believes that a rate change of 5.39% is reasonable and justified based on its filed cost of service, as adjusted to remove the FY 2023 District Energy expense. Because of the difference between the additional revenue that could be justified at a 2.0 TIER and the additional revenue that was requested at a 1.99 TIER, however, the estimated rate year overcollection of \$58,789.43 is less than the \$100,460.31 of District Energy expense that was inadvertently included in the rate year cost of service.

19. If the Department and the Commission preferred BED to reduce the requested increase of 5.5% by the full \$100,460.31 of FY 2023 District Energy expenditures and return the difference to ratepayers, one could deduct the \$100,460.31 from the revenue increase at 5.5% of \$2,980,056, resulting in a revenue increase of only \$2,879,596, which would equate to a 5.31% increase over existing rates.

20. To estimate overcollections in this scenario in the same manner as described in 17, above, the difference between the 5.5% rate increase requested and implemented as a tariff adjustment and the 5.31% increase that results from reducing additional revenues by the FY 2023 District Energy expenditures is 0.19%, which is 3% of 5.5%. We can therefore estimate the amount of overcollections, by taking 3% of the \$1,959,647.60 in total tariff adjustment revenues to-date, which is \$67,696.92. Annualizing this 8-month total over 12 months, we obtain an estimated total overcollection for the rate year of \$101,545.38.

21. After consulting with the Department, BED will support reducing the requested increase of 5.5% by the full \$100,460.31 of FY 2023 District Energy expenditures. BED proposes to return the overcollection to its ratepayers by recording a regulatory liability of an estimated \$101,545.38. BED proposes to submit a proposal for use for these funds in its next rate filing, which BED is in the process of preparing for a planned filing by June 16, 2025 (for requested rate changes to take effect as a tariff adjustment on bills rendered on or after September 1, 2025).

22. BED proposes this resolution as a timely way to address the overcollection given BED will be filing its next rate case shortly, and recognizing that this proposal also minimizes financial impacts to BED at this late stage in our current fiscal year which ends June 30, 2025 (the budget for which was based on a 5.5% increase) and is administratively simple and cost-effective to implement.

23. BED files this declaration and Motion to Alter or Amend to be fully transparent and make the Commission and Department aware of this error as soon as practicable after it was discovered. Given the relatively small magnitude of the overcollection and the timing of its discovery late in BED's fiscal year and just one month prior to BED's next rate filing, BED proposes a regulatory liability equal to the overcollection as a fair, timely, and efficient resolution.

24. I hereby state that the foregoing was prepared by me or under my direct supervision. I further certify that I am able to testify as to the validity of the information contained herein. I declare that the above statement is true and accurate to the best of my

knowledge and belief. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

/S/ Emily Stebbins-Wheelock
Name: Emily Stebbins-Wheelock
Title: CFO and Manager of Strategy and Innovation
City of Burlington Electric Department

Date: May 29, 2025