

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: 07/08/2025

PROCEDURAL ORDER REGARDING MOTION FOR RECONSIDERATION

I. INTRODUCTION AND PROCEDURAL HISTORY

This case involves the Vermont Public Utility Commission's ("Commission") 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.

On May 1, 2025, the Commission approved a 5.50% rate increase, or an increase in revenues of \$2,980,056, for BED, consistent with the testimony and recommendation of the Vermont Department of Public Service ("Department").

On May 30, 2025, BED filed a motion for reconsideration in which it moves the Commission to alter or amend its final order in this proceeding. BED explains that it recently discovered evidence of an error in the cost of service submitted by BED in this case. BED included \$100,460.31 of expenditures on District Energy as accrued BED operating expense for fiscal year 2023.

As a remedy, BED suggests that the Commission amend Finding 11 in the final order and the discussion associated with Finding 11 to reflect the new information and that the Commission should similarly amend the final order to reflect that the final approved rate increase, after removing the District Energy spending, is 5.31% instead of the 5.50% originally approved. BED states that as a result of its error an overcollection has occurred and it estimates that the amount of overcollection is \$101,545.38. BED proposes to return the overcollection to

ratepayers by recording a regulatory liability in the same amount.¹ BED states that it has not yet implemented the 5.50% rate change approved in the May 1, 2025, final order, and does not intend to do so until resolution of BED's motion by the Commission. Currently, the 5.50% rate increase remains on customers' bills as a tariff adjustment.

On June 11, 2025, in its response to BED's motion, the Department concluded that the District Energy expenses of \$100,460.31 were non-recurring, not used and useful, and should have been excluded from BED's cost of service as a known and measurable adjustment. The Department agrees with BED that the rate increase should be reduced to 5.31%. The Department states that it engaged in discussions with BED to identify an appropriate resolution of this issue and that the Department believes that BED's proposed regulatory liability represents the best and most efficient solution to rectify the error. The Department recommends the Commission grant BED's motion.

II. DISCUSSION AND CONCLUSION

Pursuant to 30 V.S.A. § 226 the Commission may not suspend the rate changes of municipal utilities such as BED. BED implemented its initially requested rate change of 5.50% beginning August 1, 2024, and effective with bills rendered on and after September 1, 2024. Because BED has continued collecting from ratepayers amounts using the 5.50% rate increase, the amount of the overcollection has continued and will continue to increase until the appropriate rate is implemented.

BED responded to discovery requests early in this case indicating that District Energy expenditures were not included in its costs of service.² To establish an evidentiary record that might support changed findings or discussion, BED must file a revised cost of service in this proceeding that removes the District Energy expenditures. An examination of the revised cost of service is necessary to confirm that it correctly reflects all costs that may be impacted by the improper inclusion of District Energy expenses, such as the gross receipts tax and the city franchise fee. This revised cost of service must be filed no later than July 14, 2025. The

¹ BED's proposal for use of these funds was filed on June 16, 2025, in Case No. 25-1172-TF, and would use the amount of the regulatory liability to reduce BED's cost of service over five years. *Tariff filing of City of Burlington Electric Department requesting a 4.5% rate increase effective August 1, 2025*, Case No. 25-1172-TF.

² Cf. Case No. 24-0598-PET.

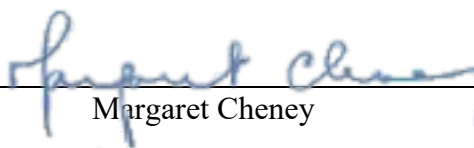
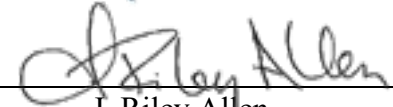
Commission requests that the Department comment on BED's revised cost of service no later than July 28, 2025.

While the Commission reviews BED's request, BED must maintain the 5.50% surcharge, or tariff adjustment, on bills until directed otherwise by the Commission. This tariff adjustment must continue to be reflected as a separate line item on customer bills. As noted above, BED has filed a request for a rate increase in Case No. 25-1172-TF. BED plans to implement the increase effective with service on or after August 1, 2025. BED also seeks to impose a tariff adjustment on customer bills that reflects the requested percentage increase. However, because of BED's disclosed error in this case, the rate increase BED is requesting in Case No. 25-1172-TF cannot accurately reflect the percentage change in BED's revenue requirement.

BED's customers receive and rely on notice of BED's proposed percentage rate increase. Depending on the resolution of BED's request for reconsideration in this proceeding, the notice and tariff adjustment may need to be changed. As such, the Commission will issue a separate order in Case No. 25-1172-TF directing BED to take action that ensures that ratepayers receive accurate notice and that any tariff adjustment reflects BED's requested rate increase.

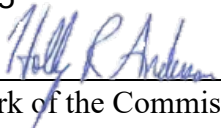
SO ORDERED.

Dated at Montpelier, Vermont, this 8th day of July, 2025.

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

OFFICE OF THE CLERK

Filed: July 8, 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)

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

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