

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: 08/08/2025

ORDER DENYING 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 (“2024 Rate Case”).

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 29, 2025, BED filed a motion for reconsideration in which it moves the Commission to alter or amend its final order in this proceeding. On May 30, 2025, BED filed a revised version of its motion. 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 suggested 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 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 initially proposed 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 that the Commission grant BED's motion.

On July 8, 2025, we issued a procedural order directing BED to do two things: 1) file a revised cost of service that removed the District Energy expenditures no later than July 14, 2025, and 2) maintain the 5.50% surcharge or tariff adjustment on customer bills as a separate line item. We also requested that the Department comment on BED's revised cost of service no later than July 28, 2025.

On July 11, 2025, BED filed a revised cost of service as directed. BED also filed a cover letter with a new proposal for returning its overcollection to customers. That proposal involves a reduction in its requested rate increase in its recently filed rate case, Case No. 25-1172-TF ("2025 Rate Case").

II. DISCUSSION AND CONCLUSION

This case started when BED proposed a 5.50% rate increase, to take effect with bills rendered on and after September 1, 2024. Because the Commission cannot suspend the rate

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.

changes of municipal utilities, BED implemented this rate change.² In our May 1, 2025, final order in this case, we found that BED’s proposed 5.50% rate increase was just and reasonable and approved the rate increase.

On May 29, 2025, BED informed the Commission that it had made an error in the cost of service that was the basis for the requested rate increase. As a result, not only are the rates that the Commission just approved too high, but BED has been over-collecting from its ratepayers since August of 2024.

In a municipal rate case, if the Commission ultimately finds that a lower rate increase was just and reasonable, the Commission would, as required by 30 V.S.A. § 226(b), “require that the municipality or cooperative refund revenues collected in excess of those that are finally determined to be just and reasonable.” This ensures that the municipal utility’s rates are correct on an ongoing basis and any over-collection is refunded to ratepayers.

In the 2024 Rate Case, BED has proposed to correct a finding and the associated discussion as well as the Commission’s final rate determination based on BED’s error. BED proposed taking action in the 2025 Rate Case to address the over-collection. While replacing the factual finding and related discussion in an order on the motion for reconsideration is possible, not all the consequences that should flow from those corrections, particularly resolving the over-collection, would be addressed in such an order. Put differently, the Commission cannot revise the final order in the 2024 Rate Case to match what the Commission would have ordered if the evidence now presented by BED had been disclosed before the final order was issued. Any refund must be ordered in a rate case in which we determine that a rate is too high.³ Therefore, absent BED’s consent, a complete remedy is not possible in this proceeding.⁴

The Commission approved BED’s requested rate increase of 5.50% based on the record of the case before it at the time it rendered its final decision. Therefore, the Commission denies BED’s motion for reconsideration of the findings and decision in the 2024 Rate Case.

Instead, we note that there would have been other more appropriate remedies. For example, under 30 V.S.A. § 225, “a change that in effect decreases . . . rates may be made upon

² See 30 V.S.A. § 226.

³ 30 V.S.A. § 227(b).

⁴ *In re Cent. Vt. Pub. Serv. Corp.*, 144 Vt. 46, 53, 473 A.2d 1155, 1159 (1984) (holding the Commission “has no statutory authority to make whole either the utility company or its customers for inequities that existed in the past.”).

five days' notice to the Commission and Department of Public Service and notice to parties affected as the Commission shall direct." To avoid continued over-collection based on an erroneous cost of service, BED could have immediately filed a rate decrease.⁵

In addition, BED had multiple avenues to correct for its past and continuing over-collection in this case,⁶ but BED chose to propose that the remedies occur in a different case. This is not the appropriate venue for us to consider those proposals. BED's motion for reconsideration is denied.

Finally, given the discussion and decision above, we direct BED to implement the approved rate increase and remove the 2024 Rate Case surcharge or tariff adjustment from ratepayer bills. We also note that the July 28, 2025, filing by the Department on BED's revised cost of service is no longer sought.

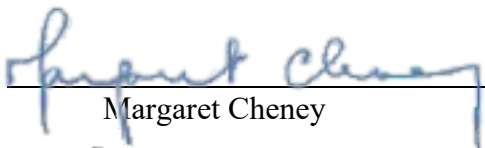
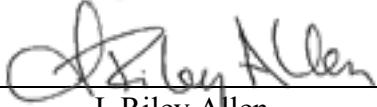
SO ORDERED.

⁵ If BED had immediately filed its request to decrease its rates to the amount it believed to be appropriate given its error, then BED could have avoided confusion about the percentage rate increase in its 2025 Rate Case.

In addition, as BED noted, the amount of the franchise fee collected by BED on behalf of the City of Burlington is also affected by any change in rates. If BED had immediately filed its request to decrease its rates, the amount of the franchise fee would have been adjusted accordingly. The Commission does not have the authority to address the over-collection of the franchise fee.

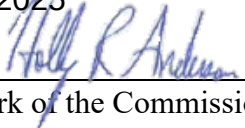
⁶ For instance, BED could have credited the bills of affected ratepayers or issued refunds.

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

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

OFFICE OF THE CLERK

Filed: August 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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