

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-2607-INV

Investigation into the City of Burlington Electric Department's operations and management practices	
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Order entered: 10/22/2025

ORDER OPENING INVESTIGATION

I. INTRODUCTION

On July 31, 2025, the Vermont Public Utility Commission (“Commission”) issued a letter in Case No. 25-1584-INV to the Vermont Department of Public Service (“Department”) seeking a recommendation on an approach to facilitate more effective regulatory engagement by the City of Burlington Electric Department (“BED”). The Commission was prompted to issue the letter after documenting recent regulatory errors, inconsistencies, and shortfalls in BED’s engagement with the Commission. The Commission’s letter listed eleven such examples occurring within the past four years.

On August 29, 2025, the Department responded to the Commission’s letter. The Department recommended that the Commission open an investigation into BED’s internal quality controls. The Department seeks to retain a qualified outside firm to conduct a business process audit of BED with a specific focus on internal quality controls as part of the investigation.

In today’s order, we open an investigation into BED’s operations and management practices.

II. DISCUSSION

The Commission has broad jurisdiction over BED’s “manner of operating and conducting any business . . . so as to be reasonable and expedient, and to promote the safety, convenience, and accommodation of the public.”¹ Commission Rule 2.304 provides that the Commission “may open an investigation, order a response from the utility, and set the complaint for a hearing

¹ 30 V.S.A. § 209(a)(3).

if (assuming the allegations in the complaint to be true) there are reasonable grounds to believe that there has been a violation of tariffs, statutes, rules, or other orders of the Commission.”

As we explained in our letter to the Department, the Commission has observed a pattern of errors, inconsistencies, and deficiencies on the part of BED in satisfying its regulatory obligations. This pattern suggests a possible breakdown in the effective management of BED as both a distribution utility and an energy efficiency utility.

The Department has responded by recommending that the Commission open an investigation into BED’s internal quality controls and suggesting that the Department would engage an appropriately qualified outside firm to conduct a business process audit with a specific focus on BED’s internal quality controls.

We agree that a BED business process audit led by the Department should be a part of this investigation. Such an audit is an important step in identifying the deficiencies that may have led to many of BED’s recent problems and crafting effective remedies for those deficiencies.² We also find it appropriate to incorporate as part of the Department’s proposed business process audit root-cause analyses addressing at least some of the issues identified in the Commission’s July 31 letter where feasible. An understanding of the causes of specific failures may help contextualize both the business process audit and any resulting recommendations. Furthermore, the Commission is interested in the link between BED’s business operations and the instances of regulatory errors, inconsistencies, and shortfalls.³ To that end, the Commission directs the Department to submit a proposed request for proposal (“RFP”) related to the BED audit to the Commission and the parties for review and comment before the Department issues the RFP.

² We recognize that some of the issues identified in the Commission’s July 31 letter are being investigated in separate Commission proceedings. *See, e.g.* Case No. 25-1010-INV. Those investigations will proceed separately but in parallel to this one.

³ We do not intend for the list of issues outlined in our July 31, 2025, letter or the scope of our interest to be either exhaustive or prescriptive.

III. ORDER

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

1. Pursuant to 30 V.S.A. §§ 30 and 209(a), an investigation is opened into the City of Burlington Electric Department’s (“BED”) business processes and internal quality controls and the causes of past BED regulatory deficiencies from 2021 to the present.

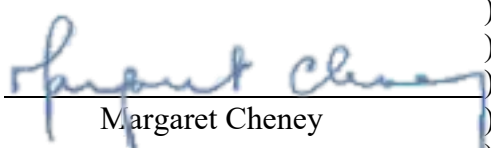
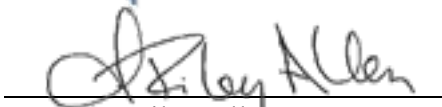
2. The Vermont Department of Public Service (“Department”) will file a proposed business process audit request for proposal (“RFP”) with the Commission by November 19, 2025. Parties may file comments in response to the RFP within 14 days after the Department’s filing.

3. Pursuant to 30 V.S.A. §§ 20 and 21, BED will be responsible for all costs associated with the development and execution of the business process audit recommended by the Department.

4. Pursuant to 30 V.S.A. § 10, a scheduling conference will be held after the Department’s RFP is issued.

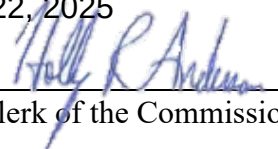
5. Pursuant to 30 V.S.A. §§ 20 and 21, BED will be responsible for all court reporter costs incurred by the Commission during the course of this proceeding and billed back to BED.

Dated at Montpelier, Vermont, this 22nd day of October, 2025.

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

OFFICE OF THE CLERK

Filed: October 22, 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)

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