

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-1172-TF

Tariff filing of the City of Burlington Electric Department for an overall rate increase of 4.5% effective on service rendered August 1, 2025, for bills rendered on and after September 1, 2025	
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Order entered: 02/27/2026

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 4.50% rate increase that went into effect with bills rendered on or after September 1, 2025.

As discussed below, I recommend that the Commission approve a 4.33% rate increase, or an increase in annual revenues of approximately \$2.5 million, for BED. This recommendation follows the Vermont Department of Public Service’s (“Department”) testimony and recommendations. The Department recommends that the Commission approve a BED rate increase limited to 4.33%.

II. PROCEDURAL HISTORY

On June 16, 2025, BED filed revised tariffs and rate schedules reflecting a proposed 4.50% increase effective with bills rendered on or after September 1, 2025. BED’s filing was accompanied by the prefiled testimony of Emily Stebbins-Wheelock and James L. Gibbons and exhibits BED-ESW-JG-1 through BED-ESW-JG-4.

On July 16, 2025, 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 31, 2025, 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 4.5% 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 11, 2025, I held a scheduling conference.

On August 11, 2025, the parties submitted a joint proposed schedule. On August 26, 2025, I issued a scheduling order adopting that proposed schedule with minor modifications. On September 25, 2025, I issued a procedural order making additional minor amendments to the schedule.

On September 25, 2025, I conducted a public hearing via videoconference. Two members of the public attended the public hearing and made comments.

On October 13, 2025, November 24, 2025, January 22, 2026, and February 10, 2026, I issued procedural orders requesting that discovery attachments be filed in the case and requesting information from BED. BED provided the discovery attachments and information.

On November 6, 2025, the Department filed the prefled testimony of Scott G. Wheeler and the prefled testimony of Walter (TJ) Poor and exhibits DPS-SGW-1 through DPS-SGW-2. The Department recommended that BED's proposed rate increase be limited to 4.33% and approved by the Commission.

On November 11, 2025, BED filed a letter in which it stipulated to the Department's recommended 4.33% increase and agreed to stipulate to the admission of all pre-filed testimony and exhibits submitted by the parties and forgo additional process in this proceeding.

On December 2, 2025, the Department filed comments supporting BED's proposed stipulations and proposal to forgo additional process in this proceeding.

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 prefled 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 BED-ESW-JG-1 through BED-ESW-JG-4; the prefiled direct testimony of Scott G. Wheeler and exhibits DPS-SGW-1 through DPS-SGW-2; the prefiled direct testimony of Walter (TJ) Poor; and BED's letter dated 11/17/25 ("BED Letter").¹

III. PUBLIC HEARING AND COMMENTS

Two members of the public attended the public hearing and made a comments. The comments included a request that documents provided to the Department in this proceeding be provided to the public. The commenters noted concerns regarding the McNeil Generating Station, including that it results in unnecessary spending, District Energy costs, lobbying expenses, promotion of the net zero energy campaign, Renewable Energy Standard ("RES") compliance costs, and the change in Connecticut renewable energy credits that may exclude the McNeil Generating Station.

The Commission received seven written public comments from three members of the public. One public commenter urged investigation by the Commission. One noted that utility rate increases can have significant impacts and supported the Commission's investigation. One stated that no rate increases should be approved until BED performs certain actions and repeated comments made at the public hearing.

The 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 4.5%, or \$2,587,923. Emily Stebbins-Wheelock and James L. Gibbons, BED ("Stebbins-Wheelock and Gibbons") pf. at 4.

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.

2. Reaching a 2.0 times interest earned ratio (“TIER”) would result in a potential rate increase of 6.01%. BED proposes a 4.50% rate increase instead. Stebbins-Wheelock and Gibbons pf. at 4-5; exh. ESW-JG-1.

3. BED’s rate year is the 12-month period beginning August 1, 2025. Stebbins-Wheelock and Gibbons pf. at 4.

4. The proposed rate increase went into effect on a bills-rendered basis on September 1, 2025. 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; 17.

5. The primary drivers for the rate increase are increased transmission costs, increased compliance costs associated with the RES and ISO-NE exchange, and increased employee salaries and benefits. Stebbins-Wheelock and Gibbons pf. at 6; Scott G. Wheeler, Department (“Wheeler”) pf. at 2-3.

6. BED’s known and measurable adjustments to the test-year cost-of-service total \$1,652,925. Exh. BED-ESW-JG-1.

7. The largest contributors to BED’s adjustments are transmission costs due to higher rates from ISO-NE and increased transmission costs under the VELCO 1991 Transmission Agreement, which increased by \$2.27 million, health insurance expenses, which increased by \$501,731, and BED’s actuarially determined employer contribution to employee pension benefits, which increased by \$266,663. Stebbins-Wheelock and Gibbons pf. at 6.

8. BED requests approval of regulatory accounting treatment to amortize over 10 years beginning in FY 2025 its 50% share of a \$96,496 expense incurred in FY 2025 to clean and inspect the fuel oil tank at the McNeil Generating Station. This tank maintenance is performed every 10 years. Stebbins-Wheelock and Gibbons pf. at 10.

9. BED requests approval of regulatory accounting treatment to amortize over six years starting in FY 2026 expenses associated with a turbine and generator overhaul at the Winooski One hydroelectric facility that is planned to occur in FY 2026. BED states that Winooski One logs 50,000 hours about every six years on average. BED has not included any known and measurable change related to this overhaul in the cost of service included with this filing because BED does not yet have a firm contract for this work. Stebbins-Wheelock and Gibbons pf. at 10.

10. BED requests approval of regulatory accounting treatment to amortize over three years expenses associated with an expected contract for the long-term load forecast supporting BED's next integrated resource plan ("IRP"). BED states this request is consistent with the treatment that was requested and approved in Case No. 22-2296-TF to amortize load forecasting expenses for BED's last IRP over FY 2023-2025. BED requests to amortize these new costs over three years starting in FY 2026. BED has not included any known and measurable change related to the next IRP load forecast in the cost of service included with this filing because BED does not yet have a firm contract for this work. Stebbins-Wheelock and Gibbons pf. at 10-11.

11. BED anticipates that American Rescue Plan Act ("ARPA") funding for its Energy Assistance Program ("EAP") will be exhausted in the rate year of this proceeding, in February or March 2026. BED estimates that approximately \$380,000 of ratepayer funds will be used to support the EAP for the three years following the projected exhaustion of ratepayer funds. BED estimates a 0.23% annual rate pressure based on the cost-of-service calculation included in its filing. BED requests that its testimony serve as required notice to the Commission of the expected exhaustion of the ARPA funds, estimate of ratepayer funds to be used to support the EAP for the following three years, and the estimated rate impact on customers. Stebbins-Wheelock and Gibbons pf. at 15-16.

12. 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 cannot present a municipal surcharge to customers 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. The Commission allowed the same treatment in BED's last two rate cases, Case Nos. 23-2044-TF and 24-1848-TF. Stebbins-Wheelock and Gibbons pf. at 17.

13. 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. Walter (TJ) Poor, Department ("Poor") pf. at 8.

The Department's Recommendation

14. The Department recommends that BED remove its estimated overcollection of \$101,545.38 in District Energy costs that were billed in error during BED's previous rate case, Case No. 24-1848-TF, from its proposed cost of service. The Department recommends that BED make no further adjustments to its proposed cost of service. Wheeler pf. at 4; Poor pf. at 8.

15. The Department views the remedy of removing the full \$101,545.38 from the cost of service in this proceeding as a reasonable and effective alternative to direct refund or bill credit because the approach maintains fidelity to the known and measurable standard and ensures that ratepayers are made whole. Wheeler pf. at 3-4.

16. The Department recommends that a reduced rate increase of 4.33% be approved. Wheeler pf. at 5.

17. The Department is satisfied that a rate increase of 4.33% will provide adequate cash flow for BED to continue operating safely and reliably despite projections indicating a times-earned-interest-ratio ("TIER") of 1.68, which is less than the traditionally acceptable level of 2.0. Wheeler pf. at 4-5.

18. The Department understands that BED has no revenue bond covenants or statutory obligations requiring BED to achieve a specific TIER. Wheeler pf. at 5.

19. BED agrees to the 4.33% rate increase recommended by the Department. BED Letter.

V. DISCUSSION AND CONCLUSION

Discussion of Public Comments

Public comments included support for investigating the rate increase and concerns related to costs associated with the McNeil Generating Station and the effect of utility rates more generally. Below, I briefly address these comments before turning to the substance of BED's cost-of-service filing.

Multiple public commenters supported the Commission investigating BED's proposed rate increase. This order is the result of that investigation. BED's increased costs reflect similar cost increases being felt by all households and businesses; as a regulated utility, BED is allowed to recover reasonable costs necessary for providing reliable electric service.

The public comments regarding the McNeil Generating Station ("McNeil") were focused on its expenses and whether they are appropriately reflected in BED's cost of service. The

Department and I requested information from BED to confirm that only appropriately incurred costs, including those associated with McNeil, are included in BED's rates. BED confirmed that no District Energy-related costs are included in rates.² Other expenses related to McNeil also appear to be appropriately incurred.

Another element of the public comments regarding McNeil involved concerns related to a change in the type of renewable energy credits ("RECs") Connecticut will recognize in the future and how that change has the potential to reduce the revenues from selling RECs from McNeil in the future. In BED's discovery responses and responses to my information requests, BED states that McNeil is not eligible for Connecticut Class 1 RECs starting with the fourth quarter of 2025 until a determination is made in a biomass procurement process to be conducted in 2026 by the Connecticut Department of Energy and Environmental Protection. Depending on the results of that procurement process, McNeil might become eligible again for Connecticut Class 1 RECs. In the meantime, however, McNeil became eligible for Maine Class I/IA RECs beginning with the third quarter of 2025, and Maine REC markets for Class I and IA currently trade in a similar, although not identical, range to Connecticut's Class I RECs.³ Thus, the potential effect of the change in Connecticut's purchase of RECs on BED's revenues from the sale of McNeil's RECs is unknown at this time.

Discussion of Rate Filing

Over the course of this proceeding, and after reviewing the information presented by both BED and the Department, I recommend that the Commission find that the proposed rate increase of 4.33% is just and reasonable. The rate increase will allow BED to fund increasing transmission costs, labor expenses, and other costs while achieving a 1.68 TIER. The rate increase also reflects a welcome, though overdue, resolution to the overcollection that resulted from BED's improper inclusion of District Energy-related expenses in its fiscal year 2023 cost of

² BED also confirmed that no District Energy-related costs were included in its cost of service in its previous rate filing, Case No. 24-1848-TF. After the rate was approved by the Commission, BED reported that District Energy-related costs were mistakenly included in rates. Though reporting mistakes are always possible, after the thorough investigation in the current proceeding I am confident that no District Energy-related expenses are included in rates.

³ BED Response to DPS First Set Discovery at 14; BED Response to Information Requests at 2-3.

service.⁴ Accordingly, I recommend that the Commission approve a rate increase of 4.33%, to take effect with service rendered on or after August 1, 2025, and bills rendered on or after September 1, 2025.

Because this rate increase is less than BED's originally proposed rate increase, money has been collected in excess of the approved rate increase and that money must be returned to customers under 30 V.S.A. § 227(b). To facilitate this, I recommend that the Commission require BED to file a refund plan within 10 business days of this order being entered. I also recommend that the Commission require BED to file compliance tariffs consistent with the 4.33% rate increase, as well as an amended Public Electric Vehicle Charging tariff reflecting the 4.33% rate increase, within 10 business days of the issuance of this order in the investigation portion of this case in ePUC.

Discussion of Regulatory Accounting Treatment Requests and EAP Funding

Findings 8, 9, and 10 describe three regulatory accounting treatment requests that are part of BED's filing. The Department did not object to these treatments. I have reviewed the regulatory accounting treatment requests and recommend that the Commission approve them, subject to conditions in the cases of the requests in findings 9 and 10. These requests involve the amortization of costs related to (1) cleaning and inspecting McNeil's fuel oil tank, (2) a turbine and generator overhaul at the Winooski One hydroelectric facility, and (3) the long-term load forecast supporting BED's next IRP. All of these costs provide multi-year benefits to ratepayers, and BED has proposed matching the amortization periods to the length of the benefits (ten years, six years, and three years, respectively). This approach is consistent with the long-standing regulatory principle that ratepayers should pay what it costs a utility to serve them, and would promote intergenerational equity among ratepayers.⁵ However, only the expenses related to

⁴ See *Tariff filing of City of Burlington Electric Department requesting a 5.5% rate increase effective with bills rendered on and after September 1, 2024*, Case No. 24-1848-TF, Order of 8/8/25.

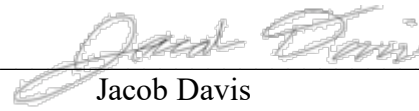
⁵ Intergenerational equity is the principle that current and future ratepayers should only bear those costs that are fairly attributable to the service that they, respectively, receive. This principle is well-established in Commission precedent. See e.g., Docket No. 5360, Order of 11/17/89 at 4 ("in view of the proposed use of this credit line to fund capital investments in generation, transmission, and distribution facilities, a long-term credit instrument would appear to be appropriate. This is especially true from a rate perspective since ratepayers will be benefitting from these facilities over the long term and therefore, capital costs should be spread over a similar period to prevent intergenerational inequities.") See also Docket No. 5810/5811/5812, Order of 2/8/96 at 25-26, 40-41; Docket Nos.

cleaning and inspecting McNeil's fuel oil tank have been incurred, and BED did not provide an estimated amount (or range of amounts) for the Winooski One or IRP costs. Therefore, I recommend that the Commission require BED to submit a compliance filing now that provides the expected amount or range of amounts of the Winooski One and IRP expenses to be amortized and also require BED to submit compliance filings in the future that provide the actual amounts of the expenses and years in which the amortization will occur (in case the expenses are not incurred in FY26 as expected).

BED requests that the Commission accept its testimony as required notice to the Commission of the expected exhaustion of the ARPA funds, the estimate of ratepayer funds to be used to support the EAP for the following three years, and the estimated rate impact on customers.⁶ I recommend that the Commission accept BED's testimony as the required notice regarding BED's EAP but also require BED to file the notice as directed in Case No. 23-4266-TF.⁷

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: February 27, 2026



Jacob Davis
Hearing Officer

5483/5484, Order of 5/15/92 (amended 5/19/92) at 17; Docket No. 6495, Order of 11/9/01; Docket No. 6866, Order of 1/27/04 at 3, 15-16; Docket Nos. 6946 and 6988, Order of 3/29/05 at 115-116.

⁶ The required notice to the Commission was ordered in *Tariff filing of the City of Burlington Electric Department to convert its Energy Assistance Program pilot to tariff to be effective January 29, 2024*, Case No. 23-4266-TF, Order of 5/21/24 at 8.

⁷ I note that the 0.23% figure BED calculated to be the annual upward pressure on rates is likely a slight underestimate of the pressure on rates in percentage terms because the rate increase I recommend the Commissioners approve is less than BED's 4.50% proposed rate increase, which is the rate increase BED used to calculate its figure.

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 4.33%, effective with service rendered on or after August 1, 2025, is just and reasonable, and is approved.

3. BED must file compliance tariffs consistent with the approved 4.33% rate increase within 10 business days of the issuance of this order in the investigation portion of this case in ePUC.

4. BED must file a refund plan within 10 business days of the issuance of this order in the investigation portion of this case in ePUC.

5. BED must file an amended Public Electric Vehicle Charging tariff reflecting the approved rate increase within 10 days of the issuance of this order in the investigation portion of this case in ePUC.

6. BED must amortize its expenses related to cleaning and inspecting the fuel oil tank at the McNeil Generating Station described in finding 8 over 10 years, beginning in FY 2025.

7. BED must amortize its expenses related to turbine and generator overhaul at the Winooski One hydroelectric facility described in finding 9 over six years, beginning in the year the expense is incurred (currently expected to be FY 2026).

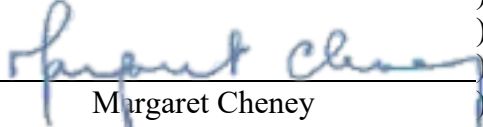
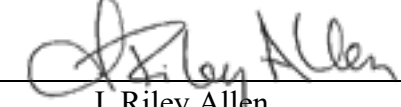
8. BED must amortize its expenses related to the contract for the long-term load forecast supporting BED’s next integrated resource plan described in finding 10 over three years, beginning in the year the expense is incurred (currently expected to be FY 2026).

9. Within 30 days of the issuance of this order, BED must file the expected amount or range of amounts of the expenses referred to in order paragraphs 7 and 8, above. This compliance filing must be filed in this case.

10. Within 30 days of each actual expense referred to in order paragraphs 7 and 8, above, becoming known, BED must submit an additional compliance filing containing the actual expense and the years in which the amortization will occur. These compliance filings must be filed in this case.

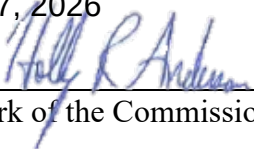
11. BED's request that the Commission accept its testimony in this case as the required notice regarding BED's Energy Assistance Program is approved subject to the requirement that BED also file the notice as directed in Case No. 23-4266-TF.

Dated at Montpelier, Vermont, this 27th day of February, 2026.

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

OFFICE OF THE CLERK

Filed: February 27, 2026

Attest: 

Clerk of the Commission

Notice to Parties: Appeal of this decision to the Supreme Court of Vermont must be filed with 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 Commission within 28 days of the date of this order.

PUC Case No. 25-1172-TF - SERVICE LIST

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