STATE OF VERMONT
PUBLIC UTILITY COMMISSION

The Village of Jacksonville Electric Company's tariff filing requesting an overall rate increase in the amount of 17.72%, to take effect July 5, 2026	))))	Case No.26-_____

PREFILED TESTIMONY OF

JILLIAN JURCZYK
(COST OF SERVICE)

ON BEHALF OF
VILLAGE OF JACKSONVILLE ELECTRIC COMPANY

May 21, 2026

Ms. Jurczyk's testimony supports the calculation of Jacksonville's cost of service and explains the adjustments made to test year expenses to arrive at the proposed cost of service.

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Q1. Please state your name, position, and business address.

A1. My name is Jillian Jurczyk. I am a Rates Manager with Utility Financial Solutions, LLC, 185 Sun Meadow Ct., Holland, Michigan 49424.

Q2. Please provide a summary of your background and experience.

A2. My resume is attached as Exhibit JEC-Jurczyk-1.

Q3. Have you previously testified before the Public Utility Commission ("Commission" or "PUC")?

A3. Yes, most recently to support the Village of Ludlow's Electric Light Department's April 14, 2026, PUC Case No. 26-0721-TF, cost of service filing. I have also testified on behalf of

Village of Jacksonville Electric Company's July 17, 2025, PUC Case No. 25-1433-TF, rate case filing, the Town of Lyndon Electric Department's May 15, 2025, PUC Case No. 25-0978-TF, cost of service filing, and Barton Village Inc. Electric Department's April 1, 2023, PUC Case No. 23-0542-TF, cost of service filing.

Q4. What is the purpose of your testimony?

A4. My testimony sets forth the Village of Jacksonville Electric Company's ("JEC" or "Jacksonville") cost of service ("COS") calculation and explains the known and measurable adjustments made to test year expenses in arriving at that proposed COS. The primary COS summary and supporting schedules included with my testimony are:

- Cost of Service Summary — Exhibit JEC-Jurczyk-2
- Summary of Adjustments — Exhibit JEC-Jurczyk-3
- Debt Service Summary — Exhibit JEC-Jurczyk-4
- Comparison of Present & Proposed Rates — Exhibit JEC-Jurczyk-6
- Labor Adjustment Summary — Exhibit JEC-Jurczyk-10A
- Materials, Maintenance, Other Adjustment Summary — Exhibit JEC-Jurczyk-11A

I provide a complete list of my exhibits at the end of my prefiled testimony.

Q5. Please describe generally the overall cost of service study and the magnitude of the rate increase being requested by JEC in this case.

A5. JEC's COS calculation is based on a calendar 2025 test year, taking revenues and expenses from JEC's financial statements. There are twelve (12) adjustments to the test year, as shown on the Summary of Adjustments, Exhibit JEC-Jurczyk-3, that bridge to the COS rate year, July 5, 2026, through July 4, 2027. The test year COS was $1,259,588. Adjustments to the test year amounted to $347,753 resulting in a requested rate year COS of $1,607,341. Adjustments to test year retail revenue, to account for the remainder of a mid-year rate increase in the test year, amounted to $105,797, causing the net adjustment to be $241,957. The requested increase represents a proportional increase to rates across all classes of 17.72%. Exhibit JEC-Jurczyk-6 shows present and proposed rates for the full cost of service.

The $241,957 adjustment is accounted for primarily by a $204,078 adjustment in net income, $35,546 increase in power supply costs, a $105,797 adjustment to test-year retail revenue, and a number of adjustments to other operating expenses. The net income is reset to breakeven from a (negative) ($204,078) in the test year, which results in a $204,078 adjustment. I discuss each adjustment in further detail below.

Q6. Please explain the $35,546 adjustment to Purchased Power on line 1 of the filed COS schedule, Exhibit JEC-Jurczyk-2.

A6. This adjustment represents the net difference between rate year and test year purchased power and transmission by others costs as summarized in Exhibit JEC-Jurczyk-2. In general, the rate year power costs were derived by adjusting the test year power costs for known contract changes, updated to reflect market prices at the time of filing and reflect certain other known and measurable changes. In my power supply related testimony, I discuss the changes from test year power costs in more detail.

Q7. Please explain the Labor Adjustment and how it is applied to various line items in the filed COS schedule, Exhibit JEC-Jurczyk-2.

A7. The Labor Adjustment is summarized on Exhibit JEC-Jurczyk-10A. This exhibit details the test year and rate year values for functional categories of payroll expense, showing a total adjustment to the test year of $12,803. This adjustment reflects two known and measurable changes.

The first is a pro-rated wage adjustment for the Office Clerk position. Exhibit JEC-Jurczyk-10C provides the approved pay increases for this position for the next four years. The adjustment is pro-rated for the months of the rate year and equals an adjustment of $1,698 in the A&G - Office expense on line 5 of the Exhibit JEC-Jurczyk-10B. This adjustment is then applied to line 3 of the filed COS study schedule Exhibit JEC-Jurczyk-2.

The second is a pro-rated wage adjustment for the General Manager position. Exhibit JEC-Jurczyk-10C provides the approved pay increases for this position for the next four years. The adjustment is pro-rated for the months of the rate year and equals an adjustment of $11,105 in the A&G - Manager expense on line 6 of the Exhibit JEC-Jurczyk-10B. This adjustment is then applied to line 3 of the filed COS study schedule Exhibit JEC-Jurczyk-2.

Q8. Please explain the adjustment of negative $88 to Distribution expense on line 2 of the filed COS study schedule, Exhibit JEC-Jurczyk-2.

A8. This adjustment consists of an $88 decrease to tree trimming in O&M Distribution. In August 2024, JEC's Board of Trustees signed a resolution to uphold a vegetation management plan, provided as Exhibit JEC-Jurczyk-11D. This plan outlined a commitment to budget and spend $120,000 annually for tree trimming. In 2025, JEC went over this value by $88. The adjustment is made to realign spending with the committed amount. The vegetation management plan is provided as Exhibit JEC-Jurczyk-11D. The signed 2026 contract for tree trimming is provided as Exhibit JEC-Jurczyk-11C. The value outlined in this exhibit totals $72,000 for routine trimming and maintenance. The difference of $48,000 is committed spending for danger trees and additional tree trimming.

Q9. Please explain the adjustment of $118,011 to Admin and General expense on line 3 of the filed COS study schedule, Exhibit JEC-Jurczyk-2.

A9. This adjustment has three components. The first is a $12,803 labor adjustment cost as shown in Exhibit JEC-Jurczyk-10B.

The second component of the A&G adjustment is a $107,141 increase in Admin & General Expense as shown in Exhibit JEC-Jurczyk-11A and Exhibit JEC-Jurczyk-11E. This adjustment to account 923 reflects rate year charges to be billed monthly by VPPSA to JEC under the Agreement for Advance Funding for Receivables owed to VPPSA, provided as Exhibit JEC-Jurczyk-11F. Exhibit JEC-Jurczyk-14 reproduces the January 2025 through May 2029 portion of the amortization schedule supporting the above mentioned rate year charges.

The third component of the A&G adjustment is a $1,933 decrease in the cost of medical insurance benefits detailed in Exhibits:

JEC-Jurczyk-12B – Summary of Providers

JEC-Jurczyk-12C – MVP Health Care 2026 Invoice

JEC-Jurczyk-12D – Delta Dental 2026 Invoice

JEC-Jurczyk-12E – DeltaVision 2026 Invoice

MVP Health Care and Delta Dental costs were included in the test year financials and comprise account 926.1. Adjustments are reflective of cost adjustments effective in the rate year. The rate year cost of the two existing policies was determined by extrapolating the current monthly cost for a full year.

Q10. Please explain the $1,210 adjustment to the Fuel tax shown on line 11 of the filed COS study schedule of Exhibit JEC-Jurczyk-2.

A10. This adjustment is calculated as 0.5% of the overall revenue increase to the retail cost of service shown on line 11 of the filed COS study schedule, Exhibit JEC-Jurczyk-2.

Q11. Please explain the $56 adjustment to the Childcare tax shown on line 12 of the filed COS study schedule of Exhibit JEC-Jurczyk-2.

A11. This adjustment is calculated as 0.44% of the overall payroll expense increase to the retail cost of service shown on line 28 of the Labor Adjustment Summary, Exhibit JEC-Jurczyk-10B.

Q12. Please explain the $1,270 adjustment to the Gross Revenue tax shown on line 13 of the filed COS study schedule, Exhibit JEC-Jurczyk-2.

A12. This adjustment is calculated as 0.525% of the overall revenue increase to the retail cost of service shown on line 13 of the filed COS study schedule, Exhibit JEC-Jurczyk 2.

Q13. Please explain the $1,001 adjustment to the Payroll tax shown on line 14 of the filed COS schedule, Exhibit JEC-Jurczyk-2.

A13. This adjustment is calculated by applying the test year average payroll tax rate to the overall payroll expense adjustment reflected in the case. This calculation is shown on line 27 of the Labor Adjustment Summary, Exhibit JEC-Jurczyk-10B.

Q14. Please summarize JEC's Long-Term Bonds and related interest expense.

A14. JEC's existing long-term bonds are summarized in Exhibit JEC-Jurczyk-4. There is one existing bucket truck bond, with an outstanding balance of $60,766 as of December 31, 2025. Exhibit JEC-Jurczyk-14 reproduces the January 2025 through May 2029 portions of the schedule for principal and interest payments on these bonds on a monthly basis, thus supporting the rate year principal and interest values reflected on Exhibit JEC-Jurczyk-4.

Q15. Please explain the adjustment to Long-Term Interest expense shown on line 19 of the filed COS study schedule, Exhibit JEC-Jurczyk-2.

A15. As indicated on Exhibit JEC-Jurczyk-2, rate year interest expense is $3,874, resulting in a negative ($13,330) adjustment from test year interest expense levels of $17,205. There are two adjustments to long-term interest expense.

The first adjustment is due to the change in interest expense on the bucket truck bond between the test year and rate year of a negative ($2,015).

The second adjustment, a negative ($11,315), is due to the removal of four months of test year, interest only charges, paid under the Agreement for Advance Funding for Receivables, provided as Exhibit JEC-Jurczyk-11F, during the test year that will not recur during the rate year; all rate year charges under the Advance Funding Agreement are reflected in the adjustment to account 923 as explained in A9 above.

Q16. Please explain the $204,078 adjustment to Net Income shown on line 23 of the filed COS study schedule, Exhibit JEC-Jurczyk-2.

A16. This adjustment represents the difference between actual test year net income and a breakeven net income value for the rate year. Given the magnitude of the rate increase requested in this case, JEC has elected to set rate year net income to zero in order to limit the immediate impact on ratepayers.

In addition, while JEC recognizes the importance of building an adequate operating reserve, it has determined that including a reserve adjustment in addition to the other adjustments in this filing would impose an undue burden on ratepayers at this time. JEC intends to pursue a more robust operating reserve adjustment in its next rate case. JEC believes that, with prudent budget management, the revenues authorized under this filing will be sufficient to cover operating expenses and to allow the utility to operate safely and reliably.

Q17. Please provide JEC's projected capital expenditures.

A17. Exhibit JEC-Jurczyk-15 provides JEC's projected capital expenses.

Q18. Please explain the adjustment to Retail Revenue of $105,797 on line 34 of the filed COS study schedule, of Exhibit JEC-Jurczyk-2.

A18. This adjustment is the result of calculating annualized retail revenue at current rates. The annualized revenue, calculated using test year billing determinants and current rates, is the denominator used to calculate the percent increase represented by the proposed cost of service for the rate year. This calculation is shown on Exhibit JEC-Jurczyk-6. For a test year in which the same set of rates is in effect all year, this adjustment will typically be zero. In JEC's case, test year rates changed by 12.479% effective September 1, 2025. The $105,797 adjustment represents the difference between applying those rates for the entire year compared to the portion of the year that the higher rates were actually experienced.

Q19. Does this conclude your testimony?

A19. Yes, it does.

EXHIBIT LIST

Exhibit JEC-Jurczyk-1	Resume of Jillian Jurczyk
Exhibit JEC-Jurczyk-2	Cost of Service Study Summary
Exhibit JEC-Jurczyk-3	Summary of Adjustments
Exhibit JEC-Jurczyk-4	Debt Service Summary
Exhibit JEC-Jurczyk-5	Reserve Estimate Calculation
Exhibit JEC-Jurczyk-6	Comparison of Present & Proposed Tariffs
Exhibit JEC-Jurczyk-7 – 9	[Reserved]
Exhibit JEC-Jurczyk-10A	Labor Adjustment Summary
Exhibit JEC-Jurczyk-10B	Labor Adjustment Support
Exhibit JEC-Jurczyk-10C	Labor Adjustment Support (Salary Increase)
Exhibit JEC-Jurczyk-11A	Materials, Maintenance, Other Adjustment Summary
Exhibit JEC-Jurczyk-11B	Tree Trimming Summary
Exhibit JEC-Jurczyk-11C	Tree Trimming Contract
Exhibit JEC-Jurczyk-11D	Vegetation Management Plan
Exhibit JEC-Jurczyk-11E	Reclassification of Power Supply Reimbursement
Exhibit JEC-Jurczyk-11F	Agreement for Advance Funding
Exhibit JEC-Jurczyk-12A	Insurance and Benefits Adjustment Summary
Exhibit JEC-Jurczyk-12B	Summary of Providers
Exhibit JEC-Jurczyk-12C	MVP Health Care
Exhibit JEC-Jurczyk-12D	Delta Dental
Exhibit JEC-Jurczyk-12E	DeltaVision
Exhibit JEC-Jurczyk-13A	Property Tax Adjustment Summary
Exhibit JEC-Jurczyk-13B	Property Tax Bill
Exhibit JEC-Jurczyk-14	Debt Service
Exhibit JEC-Jurczyk-15	Electric Fund Capital Projects

Exhibit JEC-Jurczyk-16	Exhibit JEC-Jurczyk-2 in live formula, Excel format