STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7535

Investigation into: (1) petition of AARP, for the establishment of reduced rates for low-income consumers of Green Mountain Power Corporation and Central Vermont Public Service Corporation; and (2) as expanded to possibly include general applicability to all Vermont retail electric utilities	))))))

Order entered: 5/15/2012

PROCEDURAL ORDER

On July 22, 2011, the Vermont Public Service Board (the "Board") ordered Green Mountain Power Corporation ("GMP") and Central Vermont Public Service Corporation ("CVPS") to develop low-income rate designs for implementation in their respective service territories.[1] On February 2, 2012, GMP and CVPS jointly filed a proposed Final Compliance Plan (the "Joint Compliance Plan") to satisfy their respective obligations under the Phase I Order. In support of the Joint Compliance Plan, GMP and CVPS also filed the joint direct testimony of David Martin and Scott Anderson (the "Martin/Anderson Testimony").

Based on my review of the proposed Joint Compliance Plan, I would ask GMP and CVPS to address the following questions:

1. The Joint Compliance Plan states that "some 'Industrial' customers on GMP's Rate 63 will experience rate impacts of 8%." Exhibit CVPS-GMP-1 at 4.

a. How should the Board reconcile the proposed Joint Compliance Plan's 8% rate impact on some of GMP's Rate 63 customers with Finding 73 of the Phase I Order in which the AARP Proposal was projected to produce a rate impact of 1.77% for GMP's small commercial/industrial customers and a rate impact of 1.47% for GMP's large commercial/industrial customers?

b. How many Rate 63 customers does GMP have? What is the nature of their operations? How many meters does the typical Rate 63 customer have? How

1. Docket 7535, Order of 7/22/11 at 88 (the "Phase I Order.")

many of these customers would experience a rate impact greater than the projected rate impacts (1.77% for small commercial/industrial customers, 1.47% for large commercial/industrial customers) in the Phase I Order?

c. What would the consequences be if all GMP Rate 63 customers were assessed a per-meter fee that results in a rate impact of 1.47% or 1.77% instead of 8%?

d. Is it possible to modify the Joint Compliance Plan in order to mitigate the projected 8% rate impact upon GMP's Rate 63 customers without creating an undue burden for GMP's other customer classes? If yes, please provide such an alternative proposal. If no, please explain this answer in detail.

2. Witness Martin testified that the per-meter fees collected by GMP would produce annual revenues of $2,698,876, of which $905,750 would be collected in the first year of the program in excess of the amount needed to fund a 30% program participation rate. Martin/Anderson pf. at 10-11. Similarly, in the second year of the program, the GMP per-meter fees would collect an excess of $1,724,020. Exh. CVPS-GMP-1 at 7.

a. What was the basis for designing a per-meter fee regimen that apparently will consistently collect revenues well in excess of what is needed to fund the minimum 30% participation rate contemplated in the Phase I Order? See Phase I Order at pp. 42 and 89.

b. What changes could be made to the Joint Compliance Plan in order for GMP to produce sufficient annual revenues to fund a program participation rate of at least 30% without consistently collecting revenues significantly in excess of what is needed to fund a 30% participation rate?

3. Witness Anderson testified that the per-meter fees collected by CVPS would produce annual revenues of $3,085,424, of which $213,704 would be collected in the first year of the program in excess of the amount needed to fund a 30% program participation rate. Martin/Anderson pf. at 10. Similarly, in the second year of the program, the CVPS per-meter fees would collect an excess of $1,547,484. Exh. CVPS-GMP-1 at 6.

a. What is the basis for designing a per-meter fee regimen that apparently will consistently collect revenues well in excess of what is needed to fund the minimum 30% participation rate contemplated in the Phase I Order? See Phase I Order at pp. 42 and 89?

b. What changes could be made to the Joint Compliance Plan in order for CVPS to produce sufficient annual revenues to fund a program participation rate of at least 30% without consistently collecting revenues significantly in excess of what is needed to fund a 30% participation rate?

I note that while I have directed these questions to GMP and CVPS, other parties are welcome to file comments as well. I would ask GMP and CVPS — and any other party who so chooses — to file responses to these questions **in the form of direct testimony** by close of business on June 1, 2012. Furthermore, I hereby set the date of June 15, 2012, as the deadline for any party to file a written objection, if any, to the admission into evidence of either the Anderson/Martin Testimony or the responses to the questions I have posed in this Order.

SO ORDERED.

Dated at Montpelier, Vermont, this 15th day of May, 2012.

s/June E. Tierney
June E. Tierney, Esq.
Hearing Officer

OFFICE OF THE CLERK

FILED: May 15, 2012

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)