



June 1, 2020

Judith C. Whitney, Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 20-0203-INV: Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities

Dear Ms. Whitney,

Burlington Electric Department ("BED") submits the following comments in response to the questions presented by the Public Utility Commission ("PUC") in its April 1, 2020 Order Establishing Schedule and Noticing Workshop.

As stated in that Order, the Commission finds the time ripe to investigate two items associated with reduced rates for low-income ratepayers: (1) the best practices associated with GMP's Energy Assistance Program and (2) whether it is appropriate for non-GMP electric distribution utilities (the "Utilities") to develop and implement low-income rate programs of their own. The PUC has presented the following questions in order to gather information for that investigation and BED has provided its responses after each question below:

- *Should this proceeding be broken into two tracks, one track to consider GMP's Energy Assistance Program and a second track to deal with the other Utilities that currently do not have a low-income program?*

Examining the two items the PUC will investigate in this proceeding, (analysis of GMP's existing Energy Assistance Program ("EAP") and whether it is appropriate for non-GMP electric distribution utilities ("DU's") to implement their own low-income rate programs,) in two separate tracks that will inform each other seems like the most logical way to organize this proceeding. In particular, it seems that examining GMP's EAP program as a first phase will allow the PUC to identify elements of that program that are working well, followed by a second phase examination of whether those elements or other program models could or should be implemented in other DU territories. We

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recommend that all parties be included in both of these tracks to maximize opportunities for collaborative input based on respective utility experiences and characteristics.

- *Should the proceeding consider a state-wide low-income program, or should it consider a service-territory-by-service-territory low-income program?*

While a service-territory-by-service-territory low-income program could allow tailoring each program to meet the specific needs of each DU territory, a state-wide low-income program would perhaps be more feasible and avoid potential rate inequities caused by demographic differences between utilities. In addition, in its 7/22/2011 Order in Docket 7535, the PUC and AARP found that GMP's EAP would not work in BED's territory.

Before the AARP Petition was filed, AARP and BED worked together to collect and analyze BED's data to determine whether the AARP Proposal could be implemented in BED's service territory. Ultimately, AARP concluded that the program it had designed with CVPS and GMP in mind would not work for BED. This is because BED has a large percentage of the state's low-income households, a smaller customer base than CVPS or GMP, and a less favorable mix of classes of ratepayers than either of those two utilities. Based on the record in this investigation to date, I concur with AARP's assessment.¹

In the absence of a showing that there are significant changes in BED's residential customer income characteristics, size of customer base or mix of ratepayers, implementing a low-income program similar to GMP's EAP in BED's territory would likely be no more feasible at this time than it was in 2011. In addition, BED notes that, like many of the other public power utilities, BED has retained the "NYPA" or inclining block structure and has a materially lower residential customer charge than GMP which may accomplish some of the same results as its EAP.

- *Should low-income programs be supported by ratepayer funds, by a state tax, or by other means?*

BED would recommend a statewide mechanism that yields comparable electric rate impacts on non-low-income customers statewide but would prefer not to suggest a specific funding mechanism at this time. Additionally, no customer class in Vermont is well positioned to incur additional charges at this time, due to the widespread impacts of the COVID19 pandemic.

- *Should the benchmark for "low-income" be 150 percent of the current federal poverty level, or should it be at another level, such as 180 percent or 200 percent?*

The benchmark for "low-income" for any potential low-income electric rate program should be based on whatever measure is consistent with thresholds for other State low-income programs to

¹ See Vermont PUC Docket 7535, Order of 7/22/2011 at 57.

facilitate efficient program administration. Based on GMP's November 2019 EAP report², while 30 V.S.A. §218(e) defines low-income as 150 percent of the federal poverty level for electric low-income rate programs, this threshold is inconsistent with many of the State's other low-income programs' measures of low-income. BED is not opposed to a statutory change to the 150 percent of federal poverty level definition in 30 V.S.A. §218(e) if a different low-income electric rate threshold would facilitate ease of potential low-income electric rate program administration in conjunction with other State low-income programs. Of course, increases in the threshold will increase the burden on the remaining subset of the utility customer base, and the impacts of increases should be reviewed monetarily before making any final determination.

- *Do the Utilities have access to reliable information about how many qualifying low-income consumers reside in their service territory compared to how many non-low-income consumers?*

BED is researching this question and will follow-up with additional information if and when it becomes available. In the meantime, according to BED's November 12, 2010 brief in Docket 7535, 4409 of BED's 16,273 residential customers at that time (27%) were at or below 150 percent of the federal poverty level. This is consistent with AARP's May 8, 2020 data for BED in Appendix B of this proceeding, which shows that 27.7% of residents within BED's territory are currently at or below 150 percent of the federal poverty level.³

- *Do the Utilities have the technological and human resources infrastructure to design and implement a low-income program?*

Without additional information about which elements of GMP's EAP or other low-income electric rate programs that the PUC would like to replicate throughout Vermont, BED does not have sufficient information to answer this question with specificity at this time. Generally, BED does have the capability to design and implement new rate programs. However, to the extent that a potentially new rate program structure is required that is not compatible with our data management system, BED may require assistance or additional time to update data management or customer information systems to implement that new rate structure.

- *Can the Utilities present potential low-income programs that could illustrate what a low-income program in their respective territories might look like and what it might cost to operate such a program?*

BED does not have sufficient information to answer this question at this stage of the proceeding.

² Assessment of the Green Mountain Power Energy Assistance Program
<https://publicservice.vermont.gov/sites/dps/files/documents/GDS%20Assessment%20of%20the%20GMP%20Energy%20Assistance%20Program%20Nov%202019.pdf>

³ According to the following census.gov guidance, college students who live on campus are counted through the University. As the AARP data in Appendix B of its 5/28/2020 comments was based on census data, this suggest that college students were included as residents in BED territory. <https://www.census.gov/newsroom/press-releases/2020/modifying-2020-operations-for-counting-college-students.html>

Thank you for the opportunity to provide comments on this case. Should you have any questions or concerns, please feel free to contact us at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'AW', is positioned above the typed name.

Amber Widmayer
Regulatory Specialist
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