



October 28, 2022

Holly R. Anderson  
Clerk of the 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. Anderson,

Burlington Electric Department ("BED") submits the following comments in response to the questions presented by the Public Utility Commission ("Commission") in its October 4, 2022, Order Requesting Comment on Model.

#### Five-year average

The five-year average used in the model does not accurately capture the revenue required to fund a potential low-income rate due to customers' costs increasing in the past two years due to the 7.5% rate increase that was approved in Commission Case # 21-2186-TF, the 3.95% rate increase proposed in Case # 22-2296-TF and increases in BED customers' energy consumption over the past five years. To capture current customers' costs more accurately, BED recommends that the model use a shorter time period for this calculation.

#### Average bill calculation

The model is based on the average monthly bill for all residential customers, rather than the average monthly bill for eligible low-income rate customers. During implementation of BED's Temporary Energy Assistance Program ("TEAP") and most recently with its Energy Assistance Pilot Rate ("Pilot Rate"), the average participating customer's bill tends to be higher than the average monthly bill for all residential customers.<sup>1</sup>

#### Collection of funds for the low-income rate from all customers

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<sup>1</sup> The average TEAP participant's customer monthly bill was approximately \$80 while the average customer bill for all customers during the same time period was approximately \$70.

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The model assumes that funds will be collected from all customers, including customers who would participate in the low-income rate. This would result in participants receiving less than the full 25% credit. If participating customers would be charged for the low-income rate along with all other customers, their credit should be identified as whatever percentage credit they would receive after their monthly costs for supporting the credit were accounted for.

Further, the model's accounting practice of applying the 25% credit to both electricity costs and the monthly program fee (estimated at approximately \$1-\$2) would result in a slight under collection of the total revenue required to fund the rate.

#### Statewide Pool

The model includes a row titled "statewide pool." BED is interested in learning how these calculations would be used.

#### Uniform 30% participation rate

While BED recognizes that predicting actual participation rates is not possible, we note that an assumed uniform participation rate of 30% across all utility territories may not be realistic. For instance, participation rates may vary based on different utilities' outreach methods or by varying customers' needs within different utility territories.

#### Include a metric that reflects customer cost per kWh after application of proposed monthly credit

BED recommends that the model include a metric that reflects customer cost per kWh after the proposed 25% monthly credit is applied to allow for comparison of customer costs across the various utility territories.

#### BED's existing Energy Assistance Pilot Rate

BED has internalized the administrative costs of implementing its current Energy Assistance Pilot Rate. It is unclear whether implementation of a statewide low-income rate would incur additional administrative costs.

BED notes that the model could be augmented to include BED's Pilot Rate's parameters as an additional reference point for the model's assumptions, similar to the model's incorporation of the parameters for Green Mountain Power's Energy Assistance Program.

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

Sincerely,



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Burlington Electric Department  
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