

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. _____

Petition of Central Vermont Public Service)
Corporation and Green Mountain Power)
Corporation Requesting an Investigation into)
The Establishment of Retail Access)
Policies and Procedures)

STATEMENT OF PROPOSED PROCEDURE FOR
ADMINISTRATION OF THIS PROCEEDING

This statement describes the procedures recommended by Central Vermont Public Service Corporation (“Central Vermont” or “CVPS”) and Green Mountain Power Corporation (“Green Mountain” or “GMP”)(together the “Companies”) for the Public Service Board’s (the “Board” or “PSB”) initial review of the Companies’ Petition and related materials including the proposed Retail Open Access Tariff (“R-OAT”).

The Petition requests that the Board issue such orders and approvals that are necessary or advisable to: (1) permit the Companies to suspend the provision of power supply services (“Generation Service”); (2) permit the Companies to amend their service tariff obligations to clarify that they retain their exclusive service franchises as providers of electric delivery services (“Delivery Service”); (3) permit the Companies to implement a R-OAT that enables customers to choose their power supplier from an array of approved energy service providers (an “ESP” or “ESPs”); (4) select a provider for “Default Service”; (5) determine the desirability of and select a

provider for “Transition Service”; and (6) approve revisions and modifications to the Companies’ tariffs to implement voluntary retail access within the Companies’ respective service territories as called for under the Petition.

The Petition also asks the Board to establish procedures for the initial proceedings in this docket that grant to parties the opportunity to convene working groups which attempt, through informal means, to reach consensus policy and procedural recommendations that can be incorporated within the Companies’ proposals. Within the context of settlement consensus building efforts, all parties should be able to develop a working understanding of the Companies proposals and expeditiously consider alternatives to litigation on each policy issue presented. As discussed in the prefiled introductory testimony of William J. Deehan, a copy of which is included with the Petition, the Companies maintain that working groups, convened within the context of the Board’s investigation, should address the following issues:

1. Scope of regulated utility services;
2. Certification or registration of competitive energy service providers (“ESPs”);
3. Customer enrollment procedures and Electronic Data Interchange (“EDI”) protocol;
4. ESP settlement processes;
5. Default Service;
6. Transition Service Offer;
7. Unbundled utility rate design and cost-of-service;
8. Consumer protections (including environmental labeling and disclosure);
9. Public benefit programs (including emissions portfolio, renewable and low income protection standards); and

10. Consumer education.

The Companies' proposals address each of these issues and provide policy options and recommendations for consideration by the Board and parties to this proceeding.¹

Each of these issues need not be addressed in a separate working group. Issues can be considered together since they are all elements of the introduction of retail open access. The Companies initially propose that working groups be convened to consider the issues within the following areas of focus: (a) scope of utility service including metering and billing; (b) ESP certification and registration; (c) ESP Independent System Operator ("ISO") settlement processes and procedure; (d) EDI procedures; (e) Default and Transition Service including any related requests for proposal, terms and conditions; (f) Consumer protection and education; and (g) Public benefits including environmental protection and low income consumer protection issues. In addition, the Companies recommend that a plenary settlement effort be convened simultaneously with the working groups in order to afford parties the opportunity for a broader and informed discussion on docket issues.

The time for settlement efforts should not be open ended. The parties should attempt to establish a schedule for bringing forward to the Board the results of their efforts, if any, by a date certain. At that time, the Board should convene a status conference to establish an expeditious schedule for the competition of any litigation necessary to resolve the matters presented in this docket.

¹The prefiled introductory testimony of W. J. Deehan provides an overview of the Companies proposals and policy considerations. It also describe issues that should be considered by the working groups. This testimony is preliminary. After completion of the working groups efforts, the Companies will consider incorporating consensus policy recommendations.

The Companies recommend that a status conference be initially convened one hundred and twenty (120) days following the commencement of docket proceedings to consider docket procedure and the prospects for success in the working groups and settlement efforts.

Under the Companies proposal, parties to the docket would not be required to take formal positions, including positions concerning the Companies proposed Retail Open Access Tariff and related materials, until settlement efforts have first been attempted. This will also mean that parties will be able to consider CVPS' and GMP's success in completing related Restructuring Plan elements, including efforts to mitigate the Companies' above market power supply resources, before they must offer formal opinions on the Petition.

Once settlement efforts through the working groups have been completed, the Companies maintain that all parties should be afforded formal process on any unresolved issues. This would include the opportunity for all parties to file testimony on all open issues. A schedule for such proceedings cannot be developed at this time, however, since the scope of the proceedings cannot be determined until after completion of the working group process. The Companies note that the Board successfully deployed a procedure involving the use of structured working groups in Docket No. 5854. The difference between the process used in that investigation and the one requested here is that upon completion of the working groups, the Companies request traditional contested case process to resolve outstanding issues.

The Petition also requests that the Board adopt procedures to enable parties to make maximum use of electronic means in order to facilitate their participation. This includes processes for electronic filings and service. Since the Companies anticipate that a broad array of diverse parties will desire to participate in this docket, the establishment of electronic filing and

service procedures should simply participation and reduce the burden that docket participation causes for many parties.

The approach proposed by the Companies is designed to afford parties maximum flexibility as they begin the process of establishing the rules to govern the introduction of competition, customer choice and retail access within the Companies' service areas. In a very real sense, the Companies have put forward their proposals in introductory form. This is especially true with respect to the strategies to preserve public benefits. As described in Witness Deehan's testimony and the accompanying Memorandum of Law, the Companies believe that it is up to the Board to implement specific certification or registration requirements to assure that the services provided by ESPs comply with any applicable consumer protection and environmental preservation measures. Within a time certain, the procedures proposed by the Companies should afford each party the opportunity to propose alternative policies and make recommendations to the Board concerning future procedures to be employed in the investigation. Since the Petition does not anticipate that the Retail Open Access Tariff will become effective prior to September 1, 2001, the procedures proposed by the Company should afford all parties the opportunity for a formal airing of docket issues in a thorough but expeditious manner -- even if consensus is not fully achieved through the structured negotiations called for under the Companies' procedural recommendation.

DATED at BENSON, VERMONT this 23rd day of November, 1999.

RESPECTFULLY SUBMITTED,

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cc: Vermont Department of Public Service