

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6429

Investigation Into the Energy Efficiency )  
Charge for the Year 2001 )  
Hearing at  
Montpelier, Vermont  
November 8, 2000

Order Entered: 12/5/2000

PRESENT: Ennis John Gidney, Hearing Officer

APPEARANCES: Aaron Adler, Esq.  
for Vermont Department of Public Service  
William F. Ellis, Esq.  
McNeil, Leddy & Sheahan  
for City of Burlington Electric Department  
Morris L. Silver, Esq.  
for Central Vermont Public Service Corporation  
Trevor Lewis, Esq.  
Primmer & Piper, PC  
for 14 Municipals<sup>1</sup>  
Jeffrey Trout, Esq.  
for Green Mountain Power Corporation  
William Powell  
for Washington Electric Cooperative, Inc.  
Victoria J. Brown, Esq.<sup>2</sup>  
Miller, Eggleston & Cramer, Ltd.  
for Citizens Utilities Company  
Craig Kienny<sup>2</sup>

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1. The Fourteen Municipals are: the Villages of Barton, Enosburg Falls, Hyde Park, Jacksonville, Johnson, Ludlow, Lyndonville, Morrisville, Northfield, Orleans, and Swanton Electric Departments, and the Towns of Hardwick, Readsboro and Stowe Electric Departments.

2. Filed written notice of appearance, but did not attend hearing.

for Vermont Electric Cooperative, Inc.

Edward V. Schwiebert, Esq.<sup>2</sup>  
James C. Leary, Esq.<sup>2</sup>  
Reiber, Kenlan, Schwiebert, Hall & Facey, P.C.  
for Vt. Marble Power Div. of OMYA, Inc.

Donald J. Rendall, Jr., Esq.<sup>2</sup>  
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Sheehey Furlong Rendall & Behm, PC  
for Green Mountain Power Corporation

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Rochester Electric Light & Power Company

Leonard H. Singer, Esq.<sup>2</sup>  
Couch White, LLP  
for International Business Machines Corporation

## **I. BACKGROUND**

By the terms of the Stipulations approved by the Vermont Public Service Board ("Board") in Docket 5980, during calendar years 2000 through 2002, the amount to be collected via the energy efficiency charge to fund the energy efficiency utility has already been determined for each service territory. This investigation was opened to set the level of the energy efficiency charge that will result in the collection of the amount approved (including any appropriate adjustments as provided for in the parties' agreements) for each electric utility and to set the charge for the year 2001 on a going-forward basis.

On October 13, 2000, a prehearing conference and technical workshop in this docket was held at the Board hearing room. The technical workshop developed the procedure to set the Energy efficiency charge for the year 2001 for all the state's electric utilities.

The City of Burlington Electric Department ("BED") gave notice in this docket that there is a contested issue concerning the energy efficiency charge being charged to BED by Green Mountain Power Corporation ("GMP") for power transmitted to the Burlington International

Airport ("Airport").<sup>3</sup> BED has asserted that electric bills for power transmitted to the Airport should be exempt from the energy efficiency charge for the year 2001 and beyond, and that the Board should order repayment to BED of the energy efficiency charge paid on the Airport's account for the year 2000.

On November 8, 2000, a technical hearing was held at which the parties submitted a Stipulation settling the rates to be established for the energy efficiency charge, and the bilateral agreements entered into by Central Vermont Public Service Corporation ("CVPS") and GMP, with the concurrence of the Vermont Department of Public Service ("Department" or "DPS").

At the November 8, 2000, technical hearing in this docket, BED represented that it has no interest in delaying the approval of the Stipulation, and that the relief it seeks in connection with the airport issue does not have to be obtained coincident with approval of the energy efficiency charge for 2001.<sup>4</sup> Rather, both BED and the Department acknowledged that if BED prevails on the airport issue, appropriate modifications can be made at the time of the annual adjustment for over- or under- collection of the energy efficiency charge for the year 2001.<sup>5</sup>

I have reviewed the Stipulation, the supporting testimony and exhibits, and the CVPS and GMP bilateral agreements. I conclude that approval of the Stipulation and the bilateral agreements is in the public interest, based on the petition, the supporting testimony and exhibits presented in this Docket, and the bilateral agreements as submitted by CVPS and GMP with the concurrence of the Department.

I also conclude that the airport issue should be the subject of further separate proceedings and that the energy efficiency charge for the year 2001 should be set now, in accordance with the Stipulation, notwithstanding the timing of resolving the airport issue.

I hereby report the following findings and conclusions to the Board in accordance with the provisions of 30 V.S.A. § 8.

## **II. FINDINGS OF FACT**

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3. Letter of William F. Ellis, October 26, 2000.

4. Tr. 11/8/00 at 72.

5. Tr. 11/8/00 at 8, 70-72.

1. During calendar year 2001, the energy efficiency charge will be designed to raise the energy efficiency utility budget for that year and the incremental amount of the gross revenue tax (30 V.S.A. § 22) and fuel gross receipts or "weatherization" tax (33 V.S.A. § 2503) attributable to the energy efficiency charge, as adjusted for the amounts described in paragraph 8 of the Stipulation. Exh. DPS 1 at 2.<sup>6</sup>

2. During calendar year 2001, the energy efficiency charge will be calculated as a percent charge on each customer's electric bill, and such percent charge will be the same for all classes in a given service territory. Exh. DPS 1 at 2.

3. During calendar year 2001, the energy efficiency charge for each service territory will be as set out on Attachment A to this Order. The calculation of the energy efficiency charge for each service territory is shown on Attachment B to this Order. In connection with reaching agreement on Attachments A and B, the parties to the Stipulation ("Parties") have reached agreement on the amount of the rate reductions required by the Memorandum of Understanding filed in Docket No. 5980 on April 30, 1999 ("MOU"), and associated bilateral agreements. Stipulations concerning such rate reductions, if applicable, will be filed for effect simultaneously with the commencement of the energy efficiency charge for 2001. Exh. DPS 1 at 2.

4. All retail customers' electric bills will be subject to, and will be used in the calculation of, the energy efficiency charge, except as set out in the bilateral agreements between the Department and CVPS, and between the Department and GMP. Exh. DPS 1 at 2-3.

5. The energy efficiency charge for 2001 will be effected, on bills rendered on or after February 1, 2001, with no proration. Exh. DPS 1 at 3.

6. The Stipulation and Attachment A shall serve as the schedule for the year 2001. Exh. DPS 1 at 3.

7. As required by paragraphs 11 and 13 of the Docket 5980 energy efficiency charge Stipulation, the energy efficiency charge percentages listed on Attachment A include adjustments to address over- or under-collection of the year 2000 energy efficiency charge and amounts of the year 2000 energy efficiency charge which the electric distribution utility was unable to collect. The Parties acknowledge that these adjustments are based, in part, on revenue estimates. The

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6. These amounts are described in Finding of Fact No. 7 of this Order.

Parties agree that, when the energy efficiency charge for 2002 is determined, such estimates shall be compared to the actual revenues for the corresponding period upon which the estimates are based. Based on such comparison, the e

8. Energy efficiency charge for 2002 will be adjusted to reconcile the adjustments contained in the energy efficiency charge for 2001 pursuant to paragraphs 11 and 13 of the Docket 5980 energy efficiency charge Stipulation. Exh. DPS 1 at 3.

9. On or before February 20, 2001, each distribution utility seeking reimbursement for uncollectible amounts relating to the year 2000 energy efficiency charge shall submit an invoice to the Contract Administrator. On or before March 1, 2001, the Fiscal Agent shall pay each energy efficiency utility submitting such an invoice the "total energy efficiency charge uncollectible" amount shown for the energy efficiency utility on Attachment B. Such payments by the Fiscal Agent shall be subject to the Guidelines for Disbursements from the Energy Efficiency Fund adopted by the Board. Exh. DPS 1 at 3.

10. Interest income accrued in or credited to the accounts of the Energy Efficiency Fund shall be paid toward the Department's costs in performing the evaluation and preparing the report called for in paragraph 18 of the MOU. Exh. DPS 1 at 3-4.

11. Each energy efficiency utility agrees (a) to the provisions of the stipulation and to those portions of Attachments A and B which apply to its service territory, and (b) not to oppose those portions of Attachments A and B which apply outside of the energy efficiency utility's service territory. The signing of the Stipulation does not constitute an admission by any Party concerning whether a energy efficiency utility has an interest, outside of the energy efficiency utility's service territory, in the subject matter addressed by the Stipulation and Attachments A and B. Exh. DPS 1 at 4.

12. By signing the Stipulation, each Party that is not a energy efficiency utility agrees (a) to the provisions of the Stipulation and to those portions of Attachments A and B which apply to the service territory in which it is a customer, and (b) not to oppose those portions of Attachments A and B which apply outside of such service territory. The signing of the Stipulation does not constitute an admission by any Party concerning whether an intervenor that is not a energy

efficiency utility has an interest, outside of the service territory in which it is a customer, in the subject matter addressed by the Stipulation and Attachments A and B. Exh. DPS 1 at 4.

13. The Board shall have jurisdiction to resolve any disputes arising under the Stipulation. Exh. DPS 1 at 4.

14. The Parties agree that the Stipulation and any order approving the Stipulation relates only to those Parties and should not be construed by any Party or tribunal as having precedential or any other impact on other proceedings. The Parties have made compromises on specific issues to reach the Stipulation. The Stipulation and any order approving the Stipulation shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving the Parties except as necessary to ensure implementation of the Stipulation or to enforce an order of the Board resulting from the Stipulation. The Parties reserve the right in future proceedings to advocate positions that differ from those set forth in the Stipulation, and the Stipulation and any order approving the Stipulation may not in any future proceeding be used against any party except as necessary to enforce obligations under the Stipulation or to enforce an order of the Board resulting from the Stipulation. Exh. DPS 1 at 4-5.

15. The Parties specifically acknowledge and agree that the terms of the Stipulation shall not preclude any party from advocating, or preclude the Board from deciding, for calendar years 2002 and beyond, that the Board should or should not implement the energy efficiency charge in the manner set out in paragraph 3 of the Stipulation, or that such implementation is or is not consistent with paragraph 48 of the MOU. Exh. DPS 1 at 5.

16. The Parties waive any rights they may have, under 3 V.S.A. Chapter 25 or otherwise, to an evidentiary hearing, and to provide written comments or request oral argument on a proposal for decision, provided that any proposal for decision or final Board decision on the subject matter of the Stipulation is consistent in all respects with the Stipulation and approves the Stipulation in its entirety. Exh. DPS 1 at 5.

17. The bilateral agreement entered into by and between CVPS and the Department supplements the Stipulation in this Docket. In addition to the agreements contained in the Stipulation, CVPS and the DPS agree as follows:

This CVPS Bilateral Agreement incorporates the Stipulation. Terms defined in the Stipulation shall have the same meaning when used herein, except that in this bilateral agreement the term "Parties" shall mean CVPS and the Department.

Exh. DPS 1; CVPS Bilateral Agreement at 1.

18. The following special contracts with CVPS, which CVPS represents are generation displacement contracts with customers who do not pay for or receive energy efficiency services, will not be used to collect the energy efficiency charge in year 2001:

<u>Customer Designation</u>	<u>PSB Approval Number</u>	<u>Expiration Date</u>
20-17961	402	11/30/01
20-44411	401	11/30/01
80-17413	79	
80-01086	77	

The Parties agree that those contracts listed above which have expiration dates should not be used to collect the energy efficiency charge in 2001 to the extent the contracts are extended further into 2001 and the Board approves such extension. CVPS represents that these customers were each customers whose special contracts were the subject of the bilateral agreement between the Department and CVPS concerning the energy efficiency charge for the year 2000, approved by the Board on November 19, 1999. Exh. DPS 1; CVPS Bilateral Agreement at 1.

19. The CVPS Bilateral Agreement and any order approving that bilateral agreement relate only to CVPS and the Department and should not be construed by any party or tribunal as having precedential or any other impact on other proceedings. CVPS and the Department have made compromises on specific issues to reach the CVPS Bilateral Agreement. The CVPS Bilateral Agreement and any order approving it shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving CVPS and the Department except as necessary to ensure implementation of the CVPS Bilateral Agreement or to enforce an order of the Board resulting from it. CVPS and the Department reserve the right in future proceedings to advocate positions that differ from those set forth in the CVPS Bilateral Agreement, and the CVPS Bilateral Agreement and any order approving it may not in any future proceeding be used against any party except as necessary to enforce obligations under the CVPS Bilateral Agreement or to enforce an order of the Board resulting from it. Exh. DPS 1; CVPS Bilateral Agreement at 2.

20. The bilateral agreement entered into by and between GMP and the Department supplements the Stipulation concerning the energy efficiency charge in this Docket. The Stipulation sets forth agreements of the Department and GMP, as well as other parties to the captioned proceeding, with regard to the energy efficiency charge described in the Stipulation. In addition to the agreements contained in the Stipulation, GMP and the Department agree that: the GMP Bilateral Agreement incorporates the Stipulation. Terms defined in the Stipulation shall have the same meaning when used herein, except that in this bilateral agreement, the term "Parties" shall mean GMP and the Department. Exh. DPS 1; GMP Bilateral Agreement at 1.

21. A special contract between GMP and a GMP customer has been filed with the Board for Board approval. This special contract is intended to replace the special contract denominated number 294 by the Board and is with the same customer. This special contract will not be used to collect the energy efficiency charge in the year 2001. Exh. DPS 1; GMP Bilateral Agreement at 1.

22. The GMP and the Department agree that, under the agreements between them approved in Docket 5980, the tax-adjusted amount of GMP's rate reduction attributable to the energy efficiency charge for 2001 is \$850,566. GMP will implement that reduction in Docket 6107 for effect on bills rendered February 1, 2001. Should the Board later issue a final rate order in Docket 6107, GMP and the Department agree that the rates in such order should be set in a manner which neither increases nor decreases the amount of the year 2001 rate reduction stated in this paragraph. Exh. DPS 1; GMP Bilateral Agreement at 1-2.

23. GMP and the Department agree that the GMP Bilateral Agreement and any order approving the GMP Bilateral Agreement relates only to GMP and the Department and should not be construed by any party or tribunal as having precedential or any other impact on other proceedings. GMP and the Department have made compromises on specific issues to reach the GMP Bilateral Agreement. The GMP Bilateral Agreement and any order approving it shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving the GMP and the Department except as necessary to ensure implementation of the GMP Bilateral Agreement or to enforce an order of the Board resulting from it. GMP and the Department reserve the right in future proceedings to advocate positions that differ from those set

forth in the GMP Bilateral Agreement, and the GMP Bilateral Agreement and any order approving it may not in any future proceeding be used against any party except as necessary to enforce obligations under the GMP Bilateral Agreement or to enforce an order of the Board resulting from it. Exh. DPS 1; GMP Bilateral Agreement at 2.

### **III. CONCLUSION**

On the basis of the evidence of record, I recommend that the Board approve the following documents:

- (1) the Stipulation concerning the energy efficiency charge;
- (2) the year 2001 energy efficiency charge percentage as stipulated to in Attachment A;
- (3) the method used to determine the year 2001 energy efficiency charge as presented in Attachment B;
- (4) the bilateral agreement between CVPS and the Department; and
- (5) the bilateral agreement between GMP and the Department.

I also recommend that the airport issue raised by BED be the subject of further separate proceedings, and that the energy efficiency charge for the year 2001 be set now, in accordance with the Stipulation, notwithstanding the timing of resolving the airport issue.

This Proposal for Decision has not been circulated to the parties because all parties to the Stipulation have waived the opportunity to comment on a proposal for decision, and because the decision here is not adverse to any party to this docket. 3 V.S.A. § 811.

Dated at Montpelier, Vermont, this 28<sup>th</sup> day of November, 2000.

s/Ennis John Gidney  
Ennis John Gidney  
Hearing Officer

**IV. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The Hearing Officer's findings and recommendations are adopted.
2. The Stipulation and bilateral agreements between the Vermont utilities and the Vermont Department of Public Service are approved as filed, and the year 2001 energy efficiency charge shall be implemented by each utility at the rate listed in Attachment A.
3. The method used to determine the year 2001 energy efficiency charge is accepted as presented in Attachment B.
4. The Vermont Public Service Board shall give notice to the public of the energy efficiency charge for the year 2001 by newspaper publication and notification by the effected utilities.
5. Utilities that have a rate change associated with the energy efficiency charge shall work with the Clerk of the Board to finalize bill inserts notifying customers of the energy efficiency charge and any associated rate changes.
6. The dispute concerning the energy efficiency charge being charged to the City of Burlington Electric Department by Green Mountain Power Corporation for power transmitted to the Burlington International Airport shall be set for a future determination. Ennis John Gidney is assigned as Hearing Officer and a hearing date for resolution of this dispute will be set.



**ATTACHMENT A TO ENERGY EFFICIENCY CHARGE STIPULATION**

**YEAR 2001 ENERGY EFFICIENCY CHARGE  
BY SERVICE TERRITORY**

UTILITY	PERCENT CHARGE
Barton Village, Inc. Electric Department	1.811
Central Vermont Public Service Corporation	1.872
Citizens Utilities Company	2.260
Village of Enosburg Falls Electric Light Department	2.325
Green Mountain Power Corporation	1.798
Town of Hardwick Electric Department	2.189
Village of Hyde Park Electric Department	2.540
Village of Jacksonville, Inc. Electric Department	2.440
Village of Johnson Electric Light Department	3.410
Village of Ludlow Electric Light Department	2.659
Village of Lyndonville Electric Light Department	2.319
Village of Morrisville Water & Light Department	2.262
Village of Northfield Electric Department	1.795
Village of Orleans Electric Department	2.970
Town of Readsboro Electric Department	2.855
Rochester Electric Light and Power Company	1.734
Town of Stowe Electric Department	2.537
Village of Swanton, Inc. Electric Department	2.316
Vermont Electric Cooperative, Inc.	1.6749
Vermont Marble Power Division of OMYA, Inc.	2.950
Washington Electric Cooperative, Inc.	.49223

