

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6987

Investigation into the Energy Efficiency Charge)
for the Year 2005)

Order entered: 8/23/2004

PREHEARING CONFERENCE MEMORANDUM

A prehearing conference was held in this Docket on August 19, 2004. An appearance was entered by Geoffrey Commons, Esq., for the Vermont Department of Public Service ("DPS"). Also in attendance were: Carole Welch, Robert Ide, and Ron Behrns of the DPS; Tom Buckley of the City of Burlington Electric Department; Ken Roberts of Central Vermont Public Service Corporation; David Martin of Green Mountain Power Corporation; Linda Reeve of Vermont Electric Cooperative, Inc. ("VEC"); Greg Needle of the Vermont Public Power Supply Authority; William Powell of Washington Electric Cooperative, Inc.; Jon Aldrich of IBM; and Michael Wickenden, Energy Efficiency Utility Contract Administrator.

Immediately prior to the prehearing conference, Associated Industries of Vermont filed a motion to intervene in this Docket, and provided copies of its motion to attendees at the prehearing conference. In accordance with the schedule shown below, responses to this motion to intervene are due by August 26, 2004.

At the prehearing conference I adopted the following schedule for this Docket:

8/27/04	Deadline for filing motions to intervene; responses to motions to intervene will be due one week after the motions are filed
9/9/04	Technical Workshop ¹

1. This workshop is the appropriate time for parties to raise any issues regarding the methodology set forth in the draft rule that was attached to the order opening this investigation, including any concerns they may have previously raised at the May 28, 2004, workshop regarding the proposed draft rule. The issues discussed at the May 28, 2004, workshop will not automatically be addressed in this Docket. If a party is still concerned about any of those issues, it must raise the issue again in this Docket's proceedings.

- 9/24/04 Parties to file written comments on proposed methodology for 2005 Energy Efficiency Charge ("EEC")
- 10/1/04 Parties to file reply comments
- 10/15/04 Target date for Board order approving 2005 EEC methodology
- 10/22/04 DPS to file calculation of 2005 EEC rates, using the methodology approved by the Board
- 11/1/04 Target date for Board order approving 2005 EEC rates

At the prehearing conference we discussed the procedures to be followed in this Docket. As noted in the Order opening this Docket, the Board will not be using contested case procedures. This means that there will not be any technical hearings, nor will there be a proposal for decision. The Board will base its decision on the record in this proceeding, which will consist of the transcript from the workshop and the parties' written comments and reply comments. In addition, since this is not a contested case, the Board's ex parte rules will not apply. Therefore, I am able to have informal communications with parties regarding matters before the Board in this proceeding. However, parties should be aware that the Board's decision will be based on the record in this Docket, not on information conveyed in any informal communications between one or more parties and myself. Finally, parties are still expected to provide copies of their comments and reply comments to all other parties. No one in attendance at the prehearing conference objected to the use of these procedures.

Attendees at the prehearing conference also discussed the schedule for the calculation of the 2005 EEC rates. The draft rule attached to the opening order in this Docket requires all Vermont electric distribution utilities to provide certain information to the DPS by September 15 of each calendar year prior to the year in which the EEC rates will be in effect, and it requires the DPS to provide its calculation of the EEC rates (if it chooses to perform such a calculation) by October 15 of the year prior to the year in which the EEC rates will be in effect.

The DPS offered to provide all electric distribution utilities with an electronic template for the collection of the utility data necessary to calculate the 2005 EEC rates by next week. I ask each utility to provide this information to the DPS by September 15, 2004, as is contemplated in the draft rule. This data will be required to calculate the 2005 EEC rates regardless of the methodology approved by the Board. That is, the methodology for calculating the EEC rates is a

formula; the utility data will be inputs into whichever formula the Board approves. Therefore, given the limited time to conduct this proceeding and calculate the 2005 EEC rates, it will be most efficient if the electric utilities provide the requested data by September 15, 2004, even though the Board will not have approved a specific methodology by that date. Similarly, I also ask the Contract Administrator to provide the over- and under-collections information described in the draft rule by September 15, 2004.

Because there is not expected to be a Board decision regarding the 2005 EEC methodology until October 15, 2004, it will not be possible for the DPS to provide its calculation of the EEC rates to the Board by that date. However, the DPS has agreed that if a Board order is issued on October 15, 2004, it will provide its calculation to the Board by October 22, 2004. This will enable the Board to continue to use November 1, 2004, as the target date for its order approving 2005 EEC rates, as contemplated in the draft rule.

Finally, VEC provided copies of a memorandum describing a proposed change to the way utilities calculate uncollectible revenues attributable to the EEC in order to reduce VEC's administrative costs associated with this calculation. VEC suggested that a utility be allowed to calculate uncollectible revenues attributable to the EEC using the following formula:

the utility's total uncollectibles * (the utility's total EEC collections / the utility's retail revenues for the same period).

This issue will be discussed further at the September 9, 2004, workshop. I asked the other electric distribution utilities to be prepared to address at the workshop how they determine uncollectible revenues attributable to the EEC.

SO ORDERED.

Dated at Montpelier, Vermont, this 23rd day of August, 2004.

s/Ann Bishop
Ann Bishop
Hearing Officer

OFFICE OF THE CLERK

FILED: August 23, 2004

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: Clerk@psb.state.vt.us)