STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6217

Investigation into Vermont Electric	)
Cooperative, Inc.'s Integrated Resource Plan	)
filed on January 8, 1999	)

Order entered: 4/10/2000

PROCEDURAL ORDER

I. BACKGROUND

The early procedural history of this case is described in the Public Service Board's ("Board") December 15, 1999, Order in this docket ("Order") and need not be repeated in detail here. Accordingly, this Background section only describes those events which have direct bearing on the issue to be decided in this Order – whether the Board should review Vermont Electric Cooperative, Inc.'s ("VEC") revised Integrated Resource Plan ("IRP") or whether it should close this docket without review of the revised IRP.

On October 13, 1999, VEC filed a Stipulation ("Stipulation") between it and the DPS. The Stipulation provides that "the parties agree that full-scale review and possible revision of VEC's IRP is not warranted at this time, provided that VEC complies with the agreements and obligations set forth herein." Stipulation, ¶ 2, at 1. The Stipulation does not address whether the Board should approve VEC's filed IRP.

On November 5, 1999, VEC filed a revised IRP. This filing stated that the revisions incorporate the Stipulation's provisions, as well as the provisions of the Memorandum of Understanding and Bilateral Agreement between the Vermont Department of Public Service ("DPS") and VEC in Docket 5980 (the Board's investigation into the DPS's proposed energy efficiency plan). The filing also requested that the Board approve VEC's revised IRP.[1]

In its December 15, 1999, Order in this docket, the Board approved the Stipulation and required the DPS to file its recommendations on (1) whether the Board should approve VEC's IRP, and (2) what the next steps should be in this docket, including whether this docket should be closed.

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1. November 5, 1999, letter from Michael L. Burak, Burak Anderson & Melloni on behalf of VEC to Ann Thompson, Hearing Officer, Public Service Board.

The DPS made this filing on December 21, 1999. In its filing, the DPS recommended that (1) this docket be closed without review of VEC's revised IRP, and (2) the revised IRP be reviewed in a manner consistent with the approach outlined for other IRPs in the Clerk of the Board's July 13, 1999 memorandum ("Clerk's Memo")[2], and not advanced ahead of other IRPs that were filed before it. The DPS noted that Paragraph 2 of the Stipulation (which the Board approved in its entirety) specifically stated that a full-scale review of VEC's IRP was not warranted at that time.

On January 7, 2000, VEC filed a response to the DPS's recommendation. In its response, VEC objected to dismissal of this docket without review of the revised IRP. VEC stated it believes such closure will result in a waste of the efforts to date in this docket because circumstances are likely to change before another docket is opened to complete the review of this IRP. In addition, VEC noted that the primary issue in the Clerk's Memo – the settlement in Docket 5980 then pending before the Board – has been resolved. Finally, VEC stated that a distinction should be made between VEC's IRP and the other IRPs mentioned in footnote 5 of the Clerk's Memo because none of the other IRPs have been docketed or reviewed at all.

II. DISCUSSION

The issue before me is a procedural one: should the Board conduct a review of VEC's revised IRP, or should it close this docket without review or approval of the revised IRP. VEC would like a review to be conducted while the DPS would like this docket to be closed without review of the IRP. Both sides have made valid arguments:

> The DPS correctly points out that Paragraph 2 of the Stipulation (which the Board approved in its entirety) explicitly stated that a review of VEC's IRP would not be conducted at that time.

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2. On July 13, 1999, Susan M. Hudson, Clerk of the Board, sent a memorandum to the parties in all pending IRP cases (Dockets 5270-CUC-3, 5270-ROCH-1, 5822, 5826, 5832, 5923 and 6217) regarding the status of pending IRPs. That memorandum stated the Board intended to defer further action in the pending IRP dockets, except for 5270-ROCH-1, 5270-CUC-3, and 6217, until the Board had evaluated the proposed settlement filed in Docket 5980. Footnote 5 of that memorandum stated the Board would refrain from opening dockets to review other previously-filed IRP plans (submitted by City of Burlington Electric Department on 8/28/97, Central Vermont Public Service Corporation on 10/1/97, Green Mountain Power Corporation on 5/31/96, and Village of Hyde Park Electric Department on 1/15/97) until the Board had ruled on the proposed settlement in Docket 5980.

VEC correctly notes that the Board has ruled on the settlement proposal in Docket 5980, and the distinction VEC makes between an IRP that has already undergone some review and one that has undergone none is significant.

After weighing both sides' arguments, I find VEC's position to be persuasive for the reasons set out below.

Paragraph 2 of the Stipulation

Paragraph 2 of the Stipulation cites the circumstances described in the Clerk's Memo and the considerations described in a letter dated June 15, 1999, from counsel for the DPS as justification for the parties' agreement that "full-scale review and possible revision of VEC's IRP is not warranted *at this time*."[3] The key words in Paragraph 2 are "at this time". They presumably refer to the time the Stipulation was signed – early October, 1999, nearly six months ago.

Since the Stipulation was signed, there has been a significant change in the circumstances described in the Clerk's Memo. Most of these circumstances relate to the then-pending settlement in Docket 5980. That issue is resolved. In fact, the entire process of creating the energy efficiency utility (which included work by utility representatives on transition issues) is now complete; *Efficiency Vermont* began operations on March 1, 2000.

I believe this change in circumstances should affect the way Paragraph 2 of the Stipulation is read. When the Stipulation was signed – nearly six months ago – and when the Board's Order approving the Stipulation was issued – nearly four months ago – it was appropriate to refrain from conducting a full-scale review of VEC's IRP. Now that all the issues in Docket 5980 that affect VEC are resolved,[4] and the transition to the new energy efficiency utility is complete, I believe it is appropriate to review VEC's IRP.

VEC's IRP Compared with the IRP Filings Listed in Footnote 5 of the Clerk's Memo

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3. Stipulation, ¶ 2 (emphasis added).

4. There are two remaining issues in Docket 5980, but neither of these affects VEC. The first is whether, in the middle of a calendar year, municipals can petition the Board for a change to the Energy Efficiency Charge paid by their ratepayers. The second is the review of the City of Burlington Electric Department's plan to self-implement several of the Core Programs.

The DPS's December 21, 1999, filing recommended that VEC's revised IRP be reviewed in due course along with the other filed IRPs referred to in footnote 5 of the Clerk's Memo, and stated that "we are not aware of any particular reason to advance review of VEC's revised IRP, filed November 4, 1999, ahead of others that were filed previously."

VEC noted one significant difference between its revised IRP and the IRPs referred to in footnote 5 of the Clerk's Memo: review of VEC's IRP has already begun in this docket, while review of the other IRPs has not yet begun.

I believe another difference is also significant: VEC's revised IRP incorporates the changes resulting from the implementation of the statewide energy efficiency utility in Docket 5980 while none of the other IRPs listed in footnote 5 does so. I recognize this is because VEC's IRP is considerably more recent than the other IRPs.[5] My statement is not intended to be a criticism of the other IRPs, but instead is a substantive reason why it makes sense to advance review of VEC's IRP ahead of these earlier IRPs that are now substantially out of date.

There is additional justification for treating VEC's IRP differently from those listed in footnote 5 of the Clerk's Memo. The Clerk's Memo notes that "many Vermont electric utilities presently need to devote key resources to power supply reform." However, VEC's committed supply resources (as shown in its IRP) are substantially different from those of many other Vermont electric utilities. As a result, VEC is not as affected by many of the significant power supply reform issues facing other Vermont electric utilities, including the four that are listed in footnote 5 of the Clerk's Memo.

Schedule for Review of VEC's IRP

I am sympathetic to the concerns raised by the DPS in its December 21, 1999, filing regarding a schedule for the review of VEC's IRP. I also note that in its January 7, 2000, filing, VEC stated its willingness to work with the DPS on scheduling matters, and committed to expeditiously responding to the DPS's information requests. Accordingly, I direct the parties to file a proposed schedule for further proceedings in this docket by Monday, April 24, 2000. If an

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5. VEC's original IRP in this docket was filed between 15 months and 2½ years after the IRPs listed in footnote 5 of the Clerk's Memo, and VEC's revised IRP was filed only five months ago (after the Board's Order approving the settlement in Docket 5980).

agreement on a proposed schedule cannot be reached, I direct each of the parties to file its proposed schedule separately on that date.

III. CONCLUSION

I have reviewed the parties' filings regarding whether the Board should review VEC's revised IRP or whether it should close this docket without review of the revised IRP. I find that VEC's revised IRP should be reviewed now, and hereby direct the parties to file a proposed schedule for further proceedings in this docket by Monday, April 24, 2000. If an agreement on a proposed schedule cannot be reached, I direct each of the parties to file its proposed schedule separately on that date.

SO ORDERED.

DATED at Montpelier, Vermont, this 10th day of April, 2000.

s/Ann Thompson
Ann Thompson
Hearing Officer

OFFICE OF THE CLERK

FILED: April 10, 2000

ATTEST: s/Susan M. Hudson
Clerk of the Board

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