



IMPORTANT NOTICE REGARDING UPCOMING RATE CHANGES

For over 50 years, VGS has maintained competitive and affordable rates for its 55,000+ customers. As we work to enhance our customer service and make investments in safety and Vermont’s clean energy future, we are committed to keeping those rates low for current and future customers. Thus, we want to let you know about two proposed rate changes pending regulatory approval.

Overall Rate Increase: Case No. 22-0480-TF

On February 15, 2022, VGS filed a request with the Vermont Public Utility Commission (“Commission”) for an overall rate increase of 3.7%. The effective date of this change is dependent on the regulatory review process, but it is anticipated to take effect in November 2022. The overall rate change is comprised of a 0.3% decrease in the Natural Gas Charge portion of your bill and a 6.18% increase in the Daily Access and Distribution Charges. To limit the increase in the Daily Access and Distribution Charges to 6.18%, VGS has also requested that the Commission allow us to return to customers approximately \$3.5 million of the System Expansion and Reliability Fund (“SERF”) that was established in 2011.

Please note that changes in the Natural Gas Charge and voluntary Renewable Natural Gas (RNG) portions of the bill are based on rates in effect as of February 15, 2022. The actual percent change will depend on natural gas costs at the time of the November 2022 rate change and, under our current regulatory framework, the Natural Gas Charge and RNG adders change quarterly.

Purchased Gas Adjustment: Case No. 22-3706-TF

As noted above, VGS adjusts the Natural Gas Charge and voluntary RNG portions of your bill quarterly, up or down, in response to changes in the cost of gas. This is called the “Purchased Gas Adjustment” or “PGA”. On August 29, 2022, VGS filed its proposed PGA for bills rendered on and after November 1, 2022. That filing proposed an increase in the Natural Gas Charge of 7.5%, equivalent to an overall firm rate increase of 3.2%, and a slight downward adjustment to the voluntary RNG Adders, as shown in the chart below.

The Natural Gas Charge increase is driven primarily by the wholesale cost of natural gas, which has been influenced by world events affecting supply, including the Russia/Ukraine crisis, creating the highest natural gas prices that VGS has seen since 2010. It is anticipated that natural gas prices will continue to see significant volatility as market forces continue to adjust to world events. It should be noted, however, that if natural gas prices soften in the coming months, any overcollection from customers will be returned through subsequent Purchased Gas Adjustments. As is set forth in VGS’s Alternative Regulation Plan, the purpose of the PGA is to ensure that customers pay what VGS pays for natural gas – no more and no less.

Low-Income Assistance Program:

Finally, VGS has requested an increase to the Low-Income Assistance Program fee. The Commission-approved program requires VGS to maintain a balance of at least \$300,000. Because the balance has dropped below the minimum requirement, VGS must increase the fees to re-fund the program. Additionally, this increase is necessary to continue supporting this important program through increased program participation and an unprecedented time of volatility in the energy markets. The proposed increases to the Assistance Program fee are shown in the tables below.

We know that these rate increases come at a time when customers are seeing high inflation. As always, we strive to maintain affordable rates for our customers, and will continue our work to do so. Pending regulatory approval, the rate components will be adjusted as follows:

General Service Low Usage, Low Load Factor – Rate G1

Rate Components	Current Rates	Proposed Rates Effective November 2022
Daily Access Charge (per day)	\$1.2879	\$1.3674
Natural Gas Charge (per ccf)	\$0.7262	\$0.7804
Distribution Charge (per ccf)	\$0.5159	\$0.5478
EEU Charge (per ccf)	\$0.0486	\$0.0486
Assistance Program Fee (per meter, per bill)	\$0.58	\$0.92
RNG Adder* (per ccf)	\$1.0298	\$1.0034

Locally Sourced RNG Adder* (per ccf)	\$1.3754	\$1.3293
--------------------------------------	----------	----------

General Service Low Usage, High Load Factor - Rate G2

Rate Components	Current Rates	Proposed Rates Effective November 2022
Daily Access Charge (per day)	\$1.2879	\$1.3674
Natural Gas Charge (per ccf)	\$0.5364	\$0.5765
Distribution Charge (per ccf)	\$0.4294	\$0.4559
EEU Charge (per ccf)	\$0.0377	\$0.0377
Assistance Program Fee (per meter, per bill)	\$0.58	\$0.92
RNG Adder* (per ccf)	\$1.0298	\$1.0034
Locally Sourced RNG Adder* (per ccf)	\$1.3754	\$1.3293

General Service High Usage, Low Load Factor - Rate G3

Rate Components	Current Rates	Proposed Rates Effective November 2022
Daily Access Charge (per day)	\$4.1090	\$4.3627
Natural Gas Charge (per ccf)	\$0.7027	\$0.7551
Distribution Charge (per ccf)	\$0.3957	\$0.4201
EEU Charge (per ccf)	\$0.0379	\$0.0379
Assistance Program Fee (per meter, per bill)	\$3.84	\$6.10
RNG Adder* (per ccf)	\$1.0298	\$1.0034
Locally Sourced RNG Adder* (per ccf)	\$1.3754	\$1.3293

General Service High Usage, High Load Factor - Rate G4

Rate Components	Current Rates	Proposed Rates Effective November 2022
Daily Access Charge (per day)	\$4.1090	\$4.3627
Natural Gas Charge (per ccf)	\$0.5353	\$0.5753
Distribution Charge (per ccf)	\$0.3327	\$0.3532
EEU Charge (per ccf)	\$0.0292	\$0.0292
Assistance Program Fee (per meter, per bill)	\$5.37	\$8.53
RNG Adder* (per ccf)	\$1.0298	\$1.0034
Locally Sourced RNG Adder* (per ccf)	\$1.3754	\$1.3293

*Only applies to customers participating in the voluntary renewable natural gas program.

VGS has submitted the overall rate request and PGA via ePUC, the Commission's online case and document management system. Interested customers can view the filings at <http://www.vermontgas.com/account/rates/> or at <https://epuc.vermont.gov/>.

Comments regarding the filings may be submitted to the Commission via ePUC under Case Number 22-0480-TF (overall rate increase), Case Number 22-3706-TF (Purchased Gas Adjustment), and Case Number 22-2903-TF (Low Income Assistance Program). Alternatively, the Commission accepts comments by mail at 112 State Street, Montpelier, VT 05620-2701, and by email at puc.clerk@vermont.gov. Please note the case number(s) in your comments.

Please call us at (802) 863-4511 if you have any questions or would like to learn more about other options, including renewable natural gas!