



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.

First, on February 15, 2023, VGS filed a request with the Vermont Public Utility Commission (“Commission”) for an overall rate increase of 0.1%. The effective date of this change is dependent on the regulatory review process but it is anticipated to take effect with bills rendered in November 2023. A typical residential customer pays about \$1,406.00 a year for natural gas. With this change, that amount would increase by about \$20.00/year or approximately \$1.67/month.

The overall rate change is comprised of a forecasted 14.9% decrease in the Natural Gas Charge portion of your bill and a 10.7% increase in the Daily Access and Distribution Charges. To limit the increase in the Daily Access and Distribution Charges to 10.7%, VGS has also requested that the Commission allow us to return to customers the entire remaining balance of the System Expansion and Reliability Fund (“SERF”) that the Commission authorized in 2011 for future use to help bring natural gas service to more Vermonters. The SERF balance is approximately \$670,000.

Please note that the decrease in the Natural Gas Charge portion of your bill is forecasted, and is based on rates in effect as of February 15, 2023. The actual percent change will depend on natural gas costs at the time of the November 2023 rate change and, under our current regulatory framework, the Natural Gas Charge will continue to change quarterly until then. Quarterly changes to the Natural Gas Charge are requested in proceedings separate from this rate request.

Second, as noted above, VGS adjusts the Natural Gas Charge portion 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 February 24, 2023, VGS filed its proposed PGA for bills rendered on and after May 5, 2023. That filing proposed a decrease in the Natural Gas Charge of 8.5%, equivalent to an overall firm rate decrease of 3.41%. In addition, this PGA proposed small increases to the RNG Adder and Locally Sourced RNG Adder, as shown in the chart below.

As we work toward maintaining our core values of safety, climate, customers, and culture, we are committed to keeping our rates low and stable for current and future customers. Pending regulatory approval, the rate components will be adjusted as follows:

Residential

Rate Components	Current Rates	Proposed Rates Effective May 2023	Proposed Rates Effective November 2023
Daily Access Charge (per day)	\$0.8251	\$0.8251	\$0.9133
Natural Gas Charge (per ccf)	\$0.6061	\$0.5545	\$0.5157*
Distribution Charge (per ccf)	\$0.7040	\$0.7040	\$0.7793
EEU Charge (per ccf)	\$0.0506	\$0.0506	\$0.0506
Assistance Program Fee (per month)	\$0.64	\$0.64	\$0.64
Blended RNG Adder (per CCF) [†]	\$1.0708	\$1.1686	\$1.0708*
Locally Sourced RNG Adder (per CCF) [†]	\$1.3854	\$1.5047	\$1.3854*

General Service Low Usage, Low Load Factor – Rate G1

Rate Components	Current Rates	Proposed Rate Effective May 2023	Proposed Rates Effective November 2023
Daily Access Charge (per day)	\$1.3674	\$1.3674	\$1.5136
Natural Gas Charge (per ccf)	\$0.7045	\$0.6445	\$0.5993*
Distribution Charge (per ccf)	\$0.5478	\$0.5478	\$0.6064
EEU Charge (per ccf)	\$0.0478	\$0.0478	\$0.0478
Assistance Program Fee (per meter, per bill)	\$0.92	\$0.92	\$0.92

RNG Adder (per ccf) [†]	\$1.0708	\$1.1686	\$1.0708*
Locally Sourced RNG Adder (per ccf) [†]	\$1.3854	\$1.5047	\$1.3854*

General Service Low Usage, High Load Factor - Rate G2

Rate Components	Current Rates	Proposed Rates Effective May 2023	Proposed Rates Effective November 2023
Daily Access Charge (per day)	\$1.3674	\$1.3674	\$1.5136
Natural Gas Charge (per ccf)	\$0.5205	\$0.4761	\$0.4429*
Distribution Charge (per ccf)	\$0.4559	\$0.4559	\$0.5047
EEU Charge (per ccf)	\$0.0371	\$0.0371	\$0.0371
Assistance Program Fee (per meter, per bill)	\$0.92	\$0.92	\$0.92
RNG Adder (per ccf) [†]	\$1.0708	\$1.1686	\$1.0708*
Locally Sourced RNG Adder (per ccf) [†]	\$1.3854	\$1.5047	\$1.3854*

General Service High Usage, Low Load Factor - Rate G3

Rate Components	Current Rates	Proposed Rates Effective May 2023	Proposed Rates Effective November 2023
Daily Access Charge (per day)	\$4.3627	\$4.3627	\$4.8292
Natural Gas Charge (per ccf)	\$0.6817	\$0.6236	\$0.5800*
Distribution Charge (per ccf)	\$0.4201	\$0.4201	\$0.4650
EEU Charge (per ccf)	\$0.0373	\$0.0373	\$0.0373
Assistance Program Fee (per meter, per bill)	\$6.10	\$6.10	\$6.10
RNG Adder (per ccf) [†]	\$1.0708	\$1.1686	\$1.0708*
Locally Sourced RNG Adder (per ccf) [†]	\$1.3854	\$1.5047	\$1.3854*

General Service High Usage, High Load Factor - Rate G4

Rate Components	Current Rates	Proposed Rates Effective May 2023	Proposed Rates Effective November 2023
Daily Access Charge (per day)	\$4.3627	\$4.3627	\$4.8292
Natural Gas Charge (per ccf)	\$0.5194	\$0.4751	\$0.4419*
Distribution Charge (per ccf)	\$0.3532	\$0.3532	\$0.3910
EEU Charge (per ccf)	\$0.0287	\$0.0287	\$0.0287
Assistance Program Fee (per meter, per bill)	\$8.53	\$8.53	\$8.53
RNG Adder (per ccf) [†]	\$1.0708	\$1.1686	\$1.0708*
Locally Sourced RNG Adder (per ccf) [†]	\$1.3854	\$1.5047	\$1.3854*

* This rate change is indicative, not proposed. Proposed changes to the Natural Gas Charge and voluntary RNG Adders will be filed with the Commission quarterly.

† This charge only applies to customers participating in the voluntary renewable natural gas program.

Note that the rates proposed in this filing would be affected by VGS's proposed three-year Alternative Regulation Plan. The Plan, as filed in November for review by the Commission, includes a proposal to spread this 10.7% increase in the Daily Access and Distribution Charges over the three-year term of the Plan. If approved, VGS's rates for the three-year period will be established in an efficient and transparent manner, ensuring customers continue to see stable rates and pay only VGS's reasonable costs to provide safe, reliable service aligned with clean energy goals.

VGS has submitted the rate request, Purchased Gas Adjustment, and its proposed Alternative Regulation Plan 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/>.

The Commission will initiate a process for public input; in the meantime customers are encouraged to provide comments to the Commission at any time. Comments regarding these filings may be submitted to the Commission via ePUC under Case No. 23-0561-TF (rate request), Case No. 23-0647-TF (PGA) and Case No. 22-5085-PET (Alternative Regulation Plan). 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 in your comments.

Vermont Gas has the following resources to help manage your bill:

Residential energy efficiency programs: See ideas for saving energy and a description of our programs.

Budget Billing: See Payment Plans to ensure a predictable monthly bill (no cold weather spikes).

Online Account Access & Bill Payment: Check your payments or pay your bill 24/7.

Financial Assistance: See Assistance Programs available to income qualified residential customers.

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