

VIA ePUC
July 31, 2024

Ms. Holly Anderson, Clerk
VERMONT PUBLIC UTILITY COMMISSION
People's United Bank Building, 4th Floor
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 24-2137 VGS Annual Base Rate Filing

Dear Ms. Anderson:

Pursuant to Vermont Gas Systems, Inc.'s ("VGS") Alternative Regulation Plan (the "Plan") approved by the Vermont Public Utility Commission ("Commission") on August 18, 2023, in Case No. 22-5085-PET,¹ the parties are required to file recommendations about how to resolve any disputed issues regarding VGS's Base Rate change for the next Rate Year on or before August 1, 2024. There are no disputed issues regarding VGS's 2024 base rate filing or its request for an exogenous event adjustment. Because the Plan requires Commission approval of an exogenous event adjustment, however, Commission approval of the annual filing is contemplated by August 15, 2024, so that notice of the FY2025 rates can be provided to customers with 60 days' notice.

On June 28, 2024, VGS filed its (1) annual base rate adjustment pursuant to Paragraph 3 of the Plan, (2) comparison of capital expenditures pursuant to Paragraph 7, and (3) request for

¹ *Pet. of Vermont Gas Systems, Inc. to Implement an Alternative Regulation Plan*, Case No. 22-5085-PET, 2023 WL 5447677, at *2 (Vt. P.S.B. Aug. 18, 2023) (hereinafter "ARP Order").

approval of an exogenous event adjustment pursuant to Paragraph 4. This filing was submitted again on July 12, 2024, as a formal tariff filing in the above-referenced case.

On July 26, 2024, the Department of Public Service (“Department”) filed comments on VGS’s filing. The Department’s comments noted that “the material components of the Company’s proposed rate increase are formulaically determined by the terms of VGS’s Commission-approved ARP.” The Department also explained that it “scrutinized [VGS’s annual base rate] filing very closely and has determined that the methodologies employed by VGS in determining the proposed rate increase of 9.42% are consistent with those approved in the ARP.” Accordingly, there are no disputed issues for the Commission to resolve regarding VGS’s annual compliance tariffs under the Plan.

In this case, VGS is also requesting to account for an exogenous event in rates. The parties do not have any disputes regarding this request, however, Paragraph 4(b) of the Plan contemplates that, “If an Exogenous Event occurs, the Company may seek approval from the Commission to account for it in rates, either separate from or as part of the annual Base Rate change.” In this case, VGS’s has proposed to account for the exogenous event as part the annual Base Rate change. Accordingly, because the Plan contemplates express Commission approval for an exogenous event adjustment, it is expected that the Commission will issue an order regarding that issue in the timeframe contemplated under Paragraph 3(c), which provides that, “The Commission shall resolve any disputed issues by August 15 in order to allow VGS to provide customers notice of the proposed November rate change approximately 60 days in advance on a bills-rendered basis and approximately 30 days in advance of service.”

VGS stands ready to provide any additional information the Commission may need on this matter. Please do not hesitate to contact me with any questions.

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Sincerely,

SHEEHEY FURLONG & BEHM P.C.

/s/Owen McClain
Owen J. McClain

OJM/djb

Cc: ePUC service list