

Village of Johnson Water & Light Department

NOTICE OF PROPOSED RATE CHANGES

On July 15, 2024, the Village of Johnson Water & Light Department filed revised tariffs with the Vermont Public Utility Commission (PUC) requesting an increase in its retail rates of 10.895%. The overall increase in costs for the Electric Department is due largely to increases in the operation and maintenance, power supply, and labor cost categories. The proposed retail rate schedule is to be effective on a service rendered basis beginning September 1, 2024.

To determine the impact on your individual bill, use the proposed rates column and your average monthly consumption. For example, a residential customer using 600 kWh a month would calculate their bill as follows:

		<u>Present Rates</u>		<u>September 1, 2024 Proposed Rates</u>
Customer Charge		\$ 13.03		\$ 14.45
NYPA	100 x \$ 0.11291	\$ 11.29	100 x \$ 0.12521	\$ 12.52
Tail block kWh	500 x \$ 0.17387	\$ 86.94	500 x \$ 0.19281	\$ 96.41
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		\$111.26		\$123.38

The Public Utility Commission has no authority to suspend this rate request. If the PUC decides not to open a formal investigation, the rates will take effect September 1, 2024, on a permanent basis. However, the PUC may order a formal investigation and hearing on the proposed rate changes. Until completion of that formal review by the PUC, the increase would be listed as a surcharge on your bill. Any person wishing to comment on the proposed rate change should file their views in writing via the PUC's electronic filing system which can be found at <https://epuc.vermont.gov/> and use **Case No. 24-2150-TF**. Comments may also be submitted by regular mail at Vermont Public Utility Commission, 112 State Street, Montpelier, Vermont 05620-2701.

Any interested person may examine the tariff change filing at the Village of Johnson Water & Light Department offices during normal business hours.

<u>Rate Class</u>	<u>Present Rates</u>	<u>September 1, 2024 Proposed Rates</u>
STANDARD RESIDENTIAL		
Customer Charge	\$ 13.03	\$ 14.45
0-100 kWh NYPA	0.11291	0.12521
> 100 kWh	0.17387	0.19281
STANDARD SMALL COMMERCIAL		
Customer Charge	\$ 22.82	\$ 25.31
All kWh	0.18834	0.20886
STANDARD PUBLIC AUTHORITY		
Customer Charge	\$ 27.08	\$ 30.03
All kWh	0.18491	0.20506
STANDARD LARGE COMMERCIAL		
Customer Charge	\$ 49.63	\$ 55.04
All KW	22.24	24.66
All kWh	0.12106	0.13425

JOHNSON STATE COLLEGE

Customer Charge	\$ 362.61	\$ 402.12
All KW	24.96	27.68
All kWh	0.11983	0.13289

STANDARD STREET LIGHT

100 Watt High Pressure Sodium	\$ 11.31	\$ 12.54
175 Watt Mercury Vapor	19.66	21.80
250 Watt Metal Halide	23.98	26.59
55 Watt LED	6.43	7.13
77 Watt LED	12.07	13.39
Customer-Owned Fixtures, all poles KWH	0.14782	0.16392
Non-Standard Fixture KWH	0.26801	0.29721

**Village of Johnson Water & Light Department
Retail Rate Tariffs**

Standard Residential Rate

Availability:

This rate is available for single-phase electric service at secondary voltage in single-family dwellings, apartments, and for agricultural use within the service territory of the Village of Johnson Water & Light Department.

Monthly Charges:

Customer Charge	\$14.45
KWH Charge 1 st 100 KWH	\$0.12521
KWH Charge above 100 KWH	\$0.19281

Minimum Charge:

The minimum charge is the customer charge.

Effective:

Effective on service rendered on or after February 6, 2025.

**Village of Johnson Water & Light Department
Retail Rate Tariffs**

Standard Small Commercial Rate

Availability:

This rate is available for electric power service at primary and secondary voltages for all commercial purposes within the service territory of the Village of Johnson Water & Light Department where peak demand does not exceed 20 KW during any month and usage does not exceed 6,000 KWH in any month. A Customer having a measured energy consumption greater than 6,000 KWH or measured demand greater than 20 KW during any month will be served and billed under the provisions of the Standard Large Commercial Rate.

Monthly Charges:

Customer Charge	\$25.31
KWH Charge	\$0.20886

Minimum Charge:

The minimum charge is the customer charge.

Three Phase Power:

Service under either single or three-phase power shall only be available where system limitations permit.

Duration Contract:

Subject to termination upon notice unless another term is specified.

Effective:

Effective on service rendered on or after February 6, 2025.

**Village of Johnson Water & Light Department
Retail Rate Tariffs**

Standard Large Commercial Rate

Availability:

This rate is available for electric power service at primary and secondary voltages for all commercial purposes within the service territory of the Village of Johnson Water & Light Department where peak demand exceeds 20 KW and is less than 350 KW during any month and usage exceeds 6,000 KWH and is less than 150,000 KWH in any month. A customer may elect to cease taking service under this rate, and may elect service under another applicable rate, by demonstrating a measured demand less than 20 KW and a measured energy consumption less than 6,000 KWH for 12 consecutive months.

Monthly Charges:

Customer Charge	\$55.04
KWH Charge	\$0.13425
Demand Charge KW	\$24.66

Minimum Charge:

The minimum is the customer charge plus the demand charge.

Effective:

Effective on service rendered on or after February 6, 2025.

**Village of Johnson Water & Light Department
Retail Rate Tariffs**

Johnson College Rate

Availability:

This rate is available for Primary service to Johnson State College for all purposes within the service territory of the Village of Johnson Water & Light Department.

Monthly Charges:

Customer Charge	\$402.12
KWH Charge all	\$0.13289
Demand Charge	\$27.68

Billing Demand:

The billing demand will be the higher of current metered demand or 85% of the peak billing demand occurring during the previous eleven months.

Minimum Charge:

The minimum is the customer charge plus the demand charge.

Effective:

Effective on service rendered on or after February 6, 2025.

**Village of Johnson Water & Light Department
Retail Rate Tariffs**

Standard Public Authorities Rate

Availability:

This rate is available for electric power service at primary and secondary voltages for public authorities within the service territory of the Village of Johnson Water & Light Department.

Monthly Charges:

Customer Charge	\$30.03
KWH Charge	\$0.20506

Minimum Charge:

The minimum charge is the customer charge.

Three Phase Power:

Service under either single or three-phase power shall only be available where system limitations permit.

Effective:

Effective on service rendered on or after February 6, 2025.

**Village of Johnson Water & Light Department
Retail Rate Tariffs**

Standard Street Lights Rate

AVAILABILITY:

This rate is available for street lighting purposes and is to be billed to the appropriate municipality within the service territory of the Village of Johnson Water & Light Department ("Johnson") for Johnson-owned or Customer-owned street lighting equipment. Mercury vapor street lighting is not available. Service under either single or three-phase power shall only be available where system limitations permit.

DURATION:

The term of service is one year from the date of installation and thereafter until cancelled by the Customer on 60 days written notice.

HOURS OF OPERATION

Street lights which are photo-cell controlled shall be operated from one-half hour after sunset until one-half-hour before sunrise, a total of approximately 4,294 hours each year.

JOHNSON-OWNED STREET LIGHT EQUIPMENT ON JOHNSON POLES

MONTHLY RATE: (Payable in U.S. Currency)

<u>Standard Fixtures:</u>	<u>Per Fixture</u>	<u>Per Month</u>
100 Watt High Pressure Sodium	\$ 12.54	
175 Watt Mercury Vapor	\$ 21.80	
55 Watt LED Lighting	\$ 7.13	
77 Watt LED Lighting	\$ 13.39	

Non-Standard Fixtures:

For non-standard, Johnson owned lighting not specifically listed above, the rate set forth below will be applied to monthly kwh's calculated as follows:
The monthly kWh for photo-cell controlled lighting equipment is based on

the total nominal wattage of the equipment, multiplied by the annual estimated hours of operation (4,294 hours of operation per year), divided by 12 months to determine an average monthly kWh use.

Monthly Non-Standard Fixture Energy Rate

\$0.29721 per kWh (based on the average monthly kWh use described above)

Johnson reserves the sole right to determine the end of a street lighting fixture's useful life and the appropriate replacement.

CUSTOMER-OWNED EFFICIENT STREET LIGHT EQUIPMENT ON CUSTOMER-OWNED POLES

On Customer owned poles, 1) the Customer will furnish and install all poles and associated equipment either overhead or underground with specifications subject to Johnson's prior approval or 2) the Customer may request Johnson to install, in compliance with Johnson standards, all poles and associated equipment based on a time and material bid price. To be eligible for this rate all equipment must be photo-cell controlled. The Customer shall be responsible for maintaining the Customer-owned portion of the streetlight system.

Johnson will supply unmetered electric energy for Customer-owned outdoor photo cell controlled street lighting equipment (based on 4,294 hours of operation per year) at the rates set forth below. The monthly kWh for photo-cell controlled lighting equipment is based on the total nominal wattage of the equipment, multiplied by the annual estimated hours of operation, divided by 12 months to determine an average monthly kWh use. A customer must complete an application providing the type of light(s), total wattage of each type of light, number of each type of light being installed and general specifications, instructions, dimensions, etc. that apply to the equipment. No billing adjustments will be made for individual service outages. The Customer is responsible to provide proper and timely maintenance to ensure that photovoltaic cell controls operate properly and equipment is maintained to minimize outage time. MWL reserves the right to discontinue service upon notice under this rate if the system is not properly maintained.

MONTHLY SERVICE RATE: (Payable in U.S. Currency)

MONTHLY ENERGY RATE

\$0.16392 per kWh (based on the average monthly kWh use described above)

CUSTOMER-OWNED EFFICIENT STREET LIGHT EQUIPMENT ON JOHNSON-OWNED POLES

A customer requesting installation of customer-owned lighting on Johnson-owned poles shall supply all equipment specifications for Johnson approval prior to purchase and installation. Johnson, or Johnson designated contractor, shall install customer owned lighting systems on Johnson poles at the customer's expense. Installation charges shall be on an actual time and materials basis during normal business hours. The customer is responsible for providing all of the lighting equipment and appurtenances required to install the fixtures on the poles. Johnson will maintain customer owned lighting systems on Johnson poles on an actual time and materials basis. The customer is responsible for supplying all necessary materials, including any required inventory, as Johnson does not stock material for customer owned systems. Johnson shall own and maintain all poles, wires, and other equipment and apparatus necessary for supplying voltage to customer owned lighting systems on Johnson poles.

Johnson will supply unmetered electric energy for Customer-owned outdoor photo cell controlled street lighting equipment (based on 4,294 hours of operation per year) at the rates set forth below. The monthly kWh for photo-cell controlled lighting equipment is based on the total nominal wattage of the equipment, multiplied by the annual estimated hours of operation, divided by 12 months to determine an average monthly kWh use. A customer must complete an application providing the type of light(s), total wattage of each type of light, number of each type of light being installed and general specifications, instructions, dimensions, etc. that apply to the equipment. No billing adjustments will be made for individual service outages. Johnson will provide proper and timely maintenance to ensure that photovoltaic cell controls operate properly and equipment is maintained to minimize outage time at the Customer's cost..

If lighting equipment owned by the customer must be replaced as a result of vandalism, accident or any other cause, the customer shall pay to Johnson the cost of removal of the existing equipment and the cost of replacement equipment including installation costs. The customer shall provide necessary materials and pay for labor and other costs necessary for maintenance and repairs above and beyond lamp and photo cell maintenance, including repairs and/or the replacement of damaged lighting equipment, regardless of the cause, nature or extent of physical damage. The customer agrees to hold Johnson harmless from any damage or injury relating to the customer owned equipment.

MONTHLY SERVICE RATE: (Payable in U.S. Currency)

MONTHLY ENERGY RATE

\$0.16392 per kWh (based on the average monthly kWh use described above)

CUSTOMER REQUESTED CONVERSION OF EXISTING STREET LIGHTING EQUIPMENT OR SERVICE.

Johnson shall have the right to require those Customers requesting modification or replacement of existing Street Lighting Equipment with alternative equipment or services to reimburse Johnson for the un-depreciated cost of the equipment being converted or replaced, plus all costs, including make-ready costs, not recovered in the monthly charge for the alternative lighting or service. Reimbursement shall take place prior to conversion or removal of existing equipment. For purposes of this rate, HPS and LED street lighting and replacement of Johnson-owned lighting with customer-owned lighting on Johnson poles shall be considered to be alternative lighting equipment.

BILLING AND PAYMENT:

The above rates are net, billed monthly and payable upon presentation of bill. Such other terms and conditions of the Village of Johnson Water & Light Department, in effect from time to time, are a part of this rate. When not paid by the due date, which will be 30 days from date of the bill, service is subject to disconnection.

EFFECTIVE:

Effective on service rendered on or after February 6, 2025.

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-2150-TF

Tariff filing of the Village of Johnson Water & Light Department requesting an overall rate increase of 10.895% effective on service rendered on or after September 1, 2024	
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Order entered: 02/06/2025

FINAL ORDER APPROVING RATE INCREASE

In this Order, the Vermont Public Utility Commission (“Commission”) adopts the following Proposal for Decision.

PROPOSAL FOR DECISION

I. INTRODUCTION

This case involves the Commission’s investigation into the justness and reasonableness of the Village of Johnson Water & Light Department’s (“Johnson Water & Light”) revised tariffs and rate schedules that reflect a 10.895% rate increase.

As discussed below, I recommend that the Commission approve a 10.895% rate increase for Johnson Water & Light. The Vermont Department of Public Service (“Department”) filed testimony recommending that the Commission approve the 10.895% rate increase as filed. Although the effective date reflected in the revised tariffs is September 1, 2024, Johnson Water & Light did not implement the proposed rate increase on that date.¹ Accordingly, I also recommend that the Commission require Johnson Water & Light to file compliance tariffs reflecting an effective date that is no earlier than the issuance date of today’s Order.

II. PROCEDURAL HISTORY

On July 15, 2024, Johnson Water & Light filed revised tariffs and rate schedules reflecting a proposed 10.895% increase effective with service rendered on or after September 1, 2024. Johnson Water & Light’s filing was accompanied by the prefiled testimony of Heather D’Arcy and exhibits VOJWL -HD-1 through 13 and the prefiled testimony of Amanda Simard and exhibits VOJWL -Simard 1 through 16.

¹ Letter from Elijah D. Emerson, Esq., to Holly Anderson, Clerk of the Commission, dated January 6, 2025.

On August 14, 2024, the Department filed comments recommending that the Commission open an investigation into the justness and reasonableness of Johnson Water & Light's proposed rate increase, under 30 V.S.A. § 225.

On August 21, 2024, the Commission issued an order opening an investigation and appointed me as the Hearing Officer in this proceeding. Pursuant to 30 V.S.A. § 226(b), Johnson Water & Light was authorized to implement the tariff by means of an identical 10.895% surcharge on each class of ratepayers subject to the requirement that it refund any amounts collected that are in excess of the amount finally determined to be just and reasonable by the Commission. However, Johnson Water & Light did not implement the rate increase at that time.

On September 3, 2024, I held a scheduling conference.

On October 2, 2024, I issued a scheduling order adopting that schedule.

On October 23, 2024, I conducted a public hearing in this proceeding via videoconference. No members of the public attended. The Commission received one written public comment, which is discussed below.

On December 13, 2024, the Department filed the prefiled testimony of Adam Jacobs and exhibits DPS-AJ-1 through 4 and the prefiled testimony of Gina F. McHugh. The Department recommended that the Commission approve Johnson Water & Light's proposed rate increase as filed.

On January 6, 2025, Johnson Water & Light filed a letter requesting that the Commission issue an order approving the proposed rate increase and informing the Commission that it has not yet implemented the proposed rate increase through a surcharge on customer bills.

No party requested an evidentiary hearing in this proceeding. After reviewing the record, I have determined that an evidentiary hearing is not needed to render a proposal for decision in this proceeding. The testimony and exhibits identified above are admitted as if presented at a hearing.²

III. PUBLIC COMMENTS

The Commission received one public comment. This customer expressed concern about the affordability of electricity and Johnson Water & Light's spending priorities.

² If any party has an objection to any of these documents being entered into evidence, the party must submit its objection within 14 days of the date this Order is entered.

The Commission understands and shares the concerns of Vermonters who are facing financial pressures, and we realize that any increase in rates has an adverse effect on ratepayers, particularly customers with low income. However, as further discussed below, the rate increase recommended in this Proposal for Decision is supported by the evidence in this case, and I find that the increase will result in just and reasonable rates in accordance with 30 V.S.A. § 225.

IV. FINDINGS

Pursuant to 30 V.S.A. § 8(c), and based on the record and evidence before me, I present the following proposed findings of fact to the Commission.

1. Johnson Water & Light requested an increase to its annual revenues of 10.895%, or \$239,354. Amanda Simard, Johnson Water & Light (“Simard”) pf. at 4.
2. The primary drivers for the rate increase are a net income adjustment to meet a 2.0 times interest earned ratio (“TIER”) and increased power supply costs. Simard pf. at 4.
3. Johnson Water & Light’s net income adjustment from the test year totals \$150,131. This accounts for a -\$145,259 net income in the test year and the need for a net income value of \$4,871 to achieve a 2.0 TIER. Simard pf. at 8.
4. Johnson Water & Light adjusts for a \$167,335 increase in power supply costs in the rate year resulting from the expiration of lower-cost resources, higher-volume entitlements from new higher-cost resources, and higher transmission costs. Heather D’Arcy, Johnson Water & Light (“D’Arcy”) pf. at 3-11; Adam Jacobs, Department (“Jacobs”) pf. at 2.
5. Johnson Water & Light is a Vermont Public Power Supply Authority (“VPPSA”) member and has access to VPPSA’s services for power aggregation. VPPSA member utilities are generally well-hedged against wholesale market volatility. Jacobs pf. at 43.
6. Johnson Water & Light adjusts for a \$115,235 increase in rate-year retail revenue to account for a 7.32% rate increase that was effective December 12, 2023. Simard pf. at 16.
7. The Department finds Johnson Water & Light’s estimated power supply costs to be reasonable and recommends no adjustments. Jacobs at 6.
8. The Department does not recommend any adjustments to Johnson Water & Light’s operating costs. The revenues requested will allow Johnson Water & Light to recover costs that are reasonably incurred and to operate in a safe and efficient manner. Gina F. McHugh,

Department (“McHugh”) pf. at 4.

V. DISCUSSION AND CONCLUSION

In its testimony, the Department explains that it performed a “thorough audit of [Johnson Water & Light’s] cost of service.”³ The Department reviewed whether the operational costs meet the “known and measurable” and “just and reasonable” standards. The Department conducted an extensive review of supporting documentation and analyzed the financial books and records of the utility, including performing spot audits. Additionally, the Department assessed whether appropriate accounting standards and practices for municipally-owned electric distribution utilities are being utilized by Johnson Water & Light. During its review, the Department determined that the rate increase will allow Johnson Water & Light “to recover costs that are reasonably incurred and to operate in a safe and efficient manner.”⁴

Over the course of this proceeding, I have reviewed the information presented by both Johnson Water & Light and the Department in testimony and through discovery, and I find that the proposed additional annual revenue of \$239,354, or a rate increase of 10.895%, is just and reasonable. The rate increase will allow Johnson Water & Light to fund increasing power supply costs and to meet a 2.0 TIER. Accordingly, I recommend that the Commission approve a rate increase of 10.895%. Because Johnson Water & Light did not implement the proposed rate increase on the proposed September 1, 2024, effective date, I also recommend that the Commission require Johnson Water & Light to file compliance tariffs reflecting an effective date that is no earlier than the issuance date of today’s order.

³ McHugh pf. at 3.

⁴ *Id.* at 4.

This Proposal for Decision has not been circulated to the parties pursuant to 3 V.S.A. § 811 because it is not adverse to any party.

Dated at Montpelier, Vermont, this 6th day of February, 2025.

A handwritten signature in cursive script, reading "Andrea C Poppiti", is written over a horizontal line.

Andrea C. Poppiti
Hearing Officer

VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission (“Commission”) of the State of Vermont that:

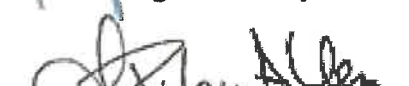
1. The findings, conclusions, and recommendations of the Hearing Officer are adopted. All findings proposed by parties, to the extent that they are inconsistent with this Order, were considered and not adopted.

2. A rate increase by the Village of Johnson Water & Light Department (“Johnson Water & Light”) of \$239,354, or 10.895%, is just and reasonable, and is approved.

3. Johnson Water & Light must file compliance tariffs with an effective date no earlier than the date of today’s Order.⁵ These compliance tariffs must be filed within ten business days of the issuance of this Order in the investigation portion of this case in ePUC.

⁵ Although the effective date in the proposed tariffs is September 1, 2024, Johnson Water & Light did not implement the proposed rate increase on that date.

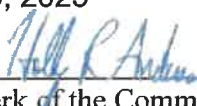
Dated at Montpelier, Vermont, this 6th day of February, 2025.

 _____))	PUBLIC UTILITY
Edward McNamara)	
)	
 _____))	COMMISSION
Margaret Cheney)	
)	
 _____))	OF VERMONT
J. Riley Allen)	
)	

OFFICE OF THE CLERK

Filed: February 6, 2025

Attest: _____


Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 24-2150-TF - SERVICE LIST

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