

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

CASE NO. 18-0409-TF

IN RE: TARIFF FILING OF VERMONT GAS
SYSTEMS, INC. FOR A CHANGE IN RATES,
AND FOR USE OF THE SYSTEM EXPANSION AND
RELIABILITY FUND

April 11, 2018

7 p.m.

550 Dorset Street
So. Burlington, Vermont

Public Hearing held before the
Vermont Public Utility Commission, at the So. Burlington
High School, 550 Dorset Street, So. Burlington, Vermont,
on April 11, 2018, beginning at 7 p.m.

P R E S E N T

COMMISSION MEMBERS: Anthony Z. Roisman, Chairman
Margaret Cheney
Sarah Hofmann

STAFF: Andrea Poppiti, Utilities
Analyst
Michael Tousley, Staff Attorney
Ann C. Bishop, Chief Economist

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Speaker

Page

Tim Barritt

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1 CHAIRMAN ROISMAN: Good evening.
2 Welcome. This is a public hearing in Case Number
3 18-0409-PET which is the Public Utility Commission's
4 investigation into the petition of Vermont Gas
5 Systems, Inc. for a change in its rates and for use
6 of the System Expansion and Reliability Fund. The
7 overall rate decrease of 3.8 percent is comprised of
8 a 14.8 percent decrease in the natural gas charge
9 portion of bills and a proposed four percent increase
10 in the daily access and distribution charges. These
11 are the non-gas costs.

12 My name is Anthony Roisman, and I am
13 Chair of the Vermont Public Utility Commission. With
14 me today are Commissioners Margaret Cheney to my
15 right, and Sarah Hofmann to my left, as well as
16 members of the commission's staff.

17 There are also representatives from
18 Vermont Gas here as well as representatives from the
19 Vermont Department of Public Service. They conducted
20 an information session just prior to this public
21 hearing, but I gather that our only person who is
22 here from the public missed the session. And if you
23 would like to hear any of that, I'm sure the
24 Department and Vermont Gas would be glad to provide
25 it.

1 The purpose of today's hearing is for
2 the commission to hear comments from the public about
3 VGS's request to change its rates and use funds from
4 the System Expansion and Reliability Fund. Although
5 public comments do not become part of the formal
6 evidence in this case, comments are helpful in
7 raising new issues or perspectives that the
8 commission should consider. So we look forward to
9 hearing your input.

10 This hearing is being transcribed by a
11 court reporter. The transcript of the public hearing
12 will be available on ePUC, the commission's
13 electronic case management system. If you wish to
14 speak, please write your name on the sign-up sheet
15 that is circulating around the room. This will
16 assist the court reporter with the correct spelling
17 of your name and to help make the process more
18 orderly.

19 This is not the only opportunity to
20 participate. You can submit comments at any time
21 through ePUC or by mail or email. You've been handed
22 a sheet that describes to you how the process works.
23 If you want to use ePUC, which is our electronic
24 filing system, and the information is related to this
25 particular case, and make sure that you reference

1 this case in any filing that you make in ePUC.

2 In addition to submitting public
3 comments, certain persons may wish to intervene in
4 this case so that they may participate as a formal
5 party. A formal party gets to present evidence which
6 is received by the commission and becomes part of the
7 formal record. A formal party is entitled to ask
8 questions of the witnesses of the other parties in
9 the case, and present his or her own witnesses in
10 support of their position. They can write briefs to
11 the commission, make motions to the commission, file
12 after the end of the hearing proposed findings of
13 fact and conclusions of law, and if not satisfied
14 with the results of the commission's actions, take an
15 appeal of the commission's decision to the Vermont
16 Supreme Court. Those opportunities are only
17 available to persons who are parties to the
18 proceeding. If you are merely a commenter, your
19 comments will be addressed by the commission in its
20 final decision, but you will not have the privilege
21 of participating actively in the proceeding or being
22 able to file an appeal if you are not satisfied with
23 the results of the proceeding.

24 During the course of this proceeding,
25 the commission may direct Vermont Gas to respond to

1 issues that are raised at the hearing this evening,
2 and at various points in the proceeding the
3 commission will also ask the company questions that
4 may be based on public comments. When the commission
5 rules on the VGS petition, we will issue a written
6 opinion that addresses the issues raised by the
7 public and explains the basis for the commission's
8 ruling.

9 We will now open the floor to public
10 comment. If you would like to speak, please indicate
11 by standing up.

12 (Member of the public raising hand.)

13 CHAIRMAN ROISMAN: Raise your hand.
14 Please. Yes. You are the public tonight. Thank you
15 for coming.

16 TIM BARRITT: I am the public. My name
17 is John Q. My name is Tim Barritt. I live in South
18 Burlington. I received this notice about this
19 hearing in the mail in my Vermont Gas bill, I think
20 it was the February bill.

21 So let me just preface my comments
22 tonight by saying that I was at the hearing in
23 cafeteria one several years ago when Vermont Gas
24 proposed to break apart their original billing system
25 into three charges, right, which are daily access,

1 distribution and natural gas, and I was not in favor
2 of that at that time because I understood it to be a
3 way for them to obtain their fixed costs back and
4 then de-escalate the process of hedging for increases
5 in natural gas. And at that time natural gas was
6 fluctuating wildly and usually going up in price. So
7 I understood their strategy behind that, but I saw an
8 increase in consumer prices overall and especially
9 their bills, and I think that has been mostly the
10 case.

11 This four percent increase in their
12 daily access and distribution, my February bill is
13 approximately \$100 for those two combined and \$66 for
14 the natural gas. So if I take it correctly, the four
15 percent is for their fixed costs, and that includes
16 their labor, their overhead, the lights in their
17 office, the fuel that they use. And I need to
18 remind the Public Utility Commission that this
19 company is owned by another company in Montreal. All
20 the profits go out of Vermont from this company.
21 They are a monopoly just as the electric company GMP
22 is as well. And they are both owned by the same
23 company. And I feel this four percent increase,
24 although there is a decrease in the price of the
25 natural gas, I mean that's a market rate problem, and

1 I'm in favor of, of course, of them decreasing the
2 rate of anything.

3 But in lieu of the four percent for
4 their fixed costs, I think that's in excess of the
5 rate of inflation. I think a fairer number would be
6 about 1.8 percent and not four percent. And that's
7 in lieu of also all the bad press that this company
8 has received in the last two and-a-half years for the
9 construction of their pipeline south in Addison
10 County. The cost overruns, the mismanagement and
11 with all of that in the past and seeing what's going
12 forward, I just can't advocate on behalf of a four
13 percent increase. I feel like a 1.8 percent increase
14 is much fairer. I'm sure they are negotiating for
15 four hoping to get three. Let them have 1.8, and let
16 that be enough please.

17 That's all I have tonight.

18 CHAIRMAN ROISMAN: Thank you.

19 MR. BARRITT: Because in the summertime
20 when my natural gas usage goes down, right, of course
21 the daily access charge will be the same every month,
22 and that will go up four percent, and that will
23 continue on ad infinitum until they raise the price
24 again.

25 Now I'm done. Thank you.

1 CHAIRMAN ROISMAN: Is there anybody
2 else? We will wait five minutes.

3 Anything that you don't know that you
4 think now that the VGS people are here and the
5 Department people are here that you might have
6 learned at the information session that you would
7 like to ask them?

8 MR. BARRITT: No. Unfortunately your
9 information session was printed in the smaller font
10 than the notice of the time at the beginning of the
11 hearing. Probably a four point reduction in the font
12 so my eyes didn't catch that. I was looking at the
13 time that it started. But I don't have any
14 questions. Thank you.

15 CHAIRMAN ROISMAN: All right. Well I
16 think we will wait just a few minutes to see if
17 anybody else is going to come. And if it gets to be,
18 oh, quarter after on that clock up on the wall, we'll
19 end this public hearing.

20 MR. BARRITT: Thanks for coming.

21 COMMISSIONER HOFMANN: Thank you.

22 CHAIRMAN ROISMAN: Thank you very much.
23 Thanks for your comments.

24 (Recess was taken.)

25 CHAIRMAN ROISMAN: All right. I see

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it's now 7:15. I'll ask one more time. Going once.
No? Very well. Then this public hearing is closed.
Thank you all very much.

(Whereupon, the proceeding was
adjourned at 7:15 p.m.)

C E R T I F I C A T E

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3 I, Kim U. Sears, do hereby certify that I
4 recorded by stenographic means the Public Hearing re:
5 CASE NO. 18-0409-TF, at the So. Burlington High School,
6 550 Dorset Street, So. Burlington, Vermont, on April 11,
7 2018, beginning at 7 p.m.

8 I further certify that the foregoing
9 testimony was taken by me stenographically and thereafter
10 reduced to typewriting and the foregoing 10 pages are a
11 transcript of the stenograph notes taken by me of the
12 evidence and the proceedings to the best of my ability.

13 I further certify that I am not related to
14 any of the parties thereto or their counsel, and I am in
15 no way interested in the outcome of said cause.

16 Dated at Williston, Vermont, this 13th day
17 of April, 2018.

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