

STANDARDS AND PROCEDURES
REGARDING FINANCING PETITIONS AND NOTICES OF EMERGENCY FINANCING

I. Purpose and Applicability

The purpose of these standards and procedures is to facilitate the Vermont Public Utility Commission's ("Commission") review of a petition for an order pursuant to 30 V.S.A. § 108 or a Corporation's (as defined below) notice of emergency financing filed pursuant to 30 V.S.A. § 108(a)(1). These standards and procedures are applicable to: (1) petitions filed by Corporations for Commission approval to mortgage or pledge corporate property, or to issue stocks, bonds, notes, or other evidences of indebtedness; (2) petitions filed by Municipalities (as defined below) for Commission approval to issue bonds or notes or to pledge their net revenues under chapter 53 of Title 24, respecting the ownership or operation of a gas or electric utility; and (3) notices of emergency financing filed by Corporations. The Commission may, upon request of the applicant and for good cause, waive or modify the standards and procedures with respect to a specific petition.

II. Definitions

"Corporation" means a domestic corporation subject to the Commission's jurisdiction that is not a Municipality (as defined below).

"Financing petition" is a petition filed by (1) a Corporation for Commission approval to mortgage or pledge corporate property, or to issue stocks, bonds, notes, or other evidences of indebtedness; or (2) a Municipality for Commission approval to issue bonds or notes or to pledge its net revenues under chapter 53 of Title 24, respecting the ownership or operation of a gas or electric utility.

"Municipality" means a municipality, including a municipal corporation, that owns, operates, or manages a gas or electric utility.

"Notice of emergency financing" is a notice filed with the Commission that a Corporation intends to issue evidences of indebtedness that are payable within one year from the date of issue, that are necessary as an emergency to restore service immediately after damage by disaster, and that would cause the Corporation's total evidences of indebtedness payable within one year to exceed 20 percent of its total assets.

III. How to File Financing Petitions and Notices of Emergency Financing

A Corporation or Municipality must file requests for Commission approval of proposed financings pursuant to 30 V.S.A. § 108 and notices of emergency financing pursuant to 30 V.S.A. § 108(a) with the Commission using ePUC, the Commission's electronic filing system. The Corporation or Municipality must serve the request for Commission approval and accompanying material or the notice of emergency financing and accompanying material on the

Department of Public Service (“Department”) using ePUC.¹ However, if a document in the filing contains information that the Corporation or Municipality alleges is confidential, the Corporation or Municipality must follow the process in Commission Rule 2.226 for filing information that a party asserts to be confidential.²

IV. Financing Petitions

A. Filing Requirements

Requests for Commission approval of proposed financings pursuant to 30 V.S.A. § 108 must include, at a minimum, a petition, the Corporation’s or Municipality’s most recent audited financial statements, and appropriate supporting information including prefiled testimony or an affidavit to enable the Commission and the Department to review the proposed financing. Such filings must also include a request to the Department for a determination under 30 V.S.A. § 202(f), unless such a request has already been submitted to the Department.

B. Schedule for Review

If the Department wishes to file a recommendation regarding the proposed financing and a determination pursuant to 30 V.S.A. § 202(f), it must do so within 30 days of when the financing petition was filed with the Commission. In its recommendation, the Department may request a hearing or further process in cases in which the Department needs further information or evidence before making a recommendation on the merits of the petition. The Commission may request additional information from the Corporation or Municipality at any time while the petition is pending.

C. Issuance of Decision Regarding Financing Petitions

The Commission will seek to issue a final decision regarding a financing petition filed by a Corporation or a Municipality within 60 days of the filing of the petition in any circumstance in which a hearing is not requested and no further information is requested.

A financing petition filed by a Corporation is not approved until the Commission issues an order approving it. Failure to meet the above time frame does not constitute *de facto* approval.

If a hearing is requested on a financing petition filed by a Municipality, the Commission shall issue a decision on the petition within 90 days of the filing of the petition, unless the Municipality consents to an extension of this time frame. As provided in 30 V.S.A. § 108(c)(2), a financing petition filed by a Municipality is deemed to be consistent with the general good of the State if the Commission does not issue an order on the petition within 90 days of the date on which it was filed with the Commission, unless the Municipality consents to an extension of this time frame.

¹ See Commission Rule 2.204(B)(3).

² See Commission Rule 2.226(B).

V. Notices of Emergency Financing

A. Advance Filing Requirement

Any Corporation intending to issue evidences of indebtedness that are payable within one year from the date of issue, that are necessary as an emergency to restore service immediately after damage by disaster, and that would cause the Corporation's total evidences of indebtedness payable within one year to exceed 20 percent of its total assets must file a notice of emergency financing with the Commission and the Department at least 10 days before the proposed issuance.

B. Filing Requirements

Notices of emergency financing must include a petition, the Corporation's most recent audited financial statements, and appropriate supporting information. Such filings must also include a request to the Department for a determination under 30 V.S.A. § 202(f), unless such a request has already been submitted to the Department.

C. Schedule for Review

If the Department wishes to file a recommendation regarding the proposed transaction and a determination pursuant to 30 V.S.A. § 202(f), it must do so within 5 days of when the notice of emergency financing was filed with the Commission. In its recommendation, the Department may request a hearing or further process in cases in which the Department needs further information or evidence before making a recommendation on the merits of the petition. The Commission may request additional information from the Corporation at any time during the 10-day review period.

D. Issuance of Decision

If the Commission determines that further inquiry into a notice of emergency financing is warranted, within 10 days of the filing of the notice, the Commission will issue an order directing the Corporation not to issue such evidences of indebtedness without the consent of the Commission given after opportunity for hearing. If the Commission does not issue such an order within 10 days from the date the notice of emergency financing was filed with the Commission, then the Corporation may issue such evidences of indebtedness without the consent of the Commission and, upon request, the Commission will so notify the Corporation in writing.