

From: Thomas Cheney [tcheney@leg.state.vt.us]
Sent: Wednesday, April 25, 2012 7:18 PM
To: MacLean, Alex
Subject: Fw:
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From: Luke Martland <lmartland@leg.state.vt.us>
To: Thomas Cheney <TCheney@leg.state.vt.us>
Sent: Wed, Apr 25, 2012 18:04:02 GMT+00:00
Subject:

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Joint resolution expressing the General Assembly's expectation that the full range of concerns and issues raised by the general public regarding the merger of Central Vermont Public Service Corporation and Green Mountain Power Corporation will be given full consideration, and that the final agreement must be in the best interests of the ratepayers and people of the State of Vermont

Offered by: Representatives Cheney of Norwich, Botzow of Pownal, Canfield of Fair Haven, Klein of East Montpelier, Kupersmith of South Burlington, Marcotte of Coventry and Ralston of Middlebury

Whereas, currently before the public service board is a petition proposing to merge Vermont's two largest electric utilities, Central Vermont Public Service Corporation (CVPS) and Green Mountain Power Corporation (GMP), and

Whereas, a merger of this magnitude involves many complexities and considerations and, if approved by the public service board, will be significant for the State of Vermont, and

Whereas, in the merger proceeding, the public service board has received testimony from a number of parties setting forth different positions and the evidentiary record is now closed, and

Whereas, the public service board had previously approved windfall sharing mechanisms for both GMP and CVPS, arising out of a Hydro Quebec power purchase agreement, but left the specific procedure in each case as to how the

windfall proceeds would be returned to customers for later resolution at the time of any subsequent acquisition or merger, and

Whereas, on March 26, 2012, the department of public service and GMP entered into a comprehensive memorandum of understanding (MOU) concerning the proposed merger between GMP and CVPS, and several other parties also entered into MOUs regarding issues of concern to those parties, and

Whereas, as part of the March 26th MOU, the department of public service achieved numerous beneficial concessions, in particular with regard to increased public governance of Vermont Electric Power Company (VELCO), so that eight of 13 board seats will represent the public interest compared to the three originally proposed by GMP, and

Whereas, as details about the proposed merger and MOU have become known by the general public, the people of our state have expressed a range of concerns about matters directly and indirectly affecting them, and

Whereas, there is disagreement among the general public as to the best mechanism for returning the \$21 million in windfall proceeds to CVPS ratepayers and as to whether the efficiency investments proposed for these proceeds should be recovered in future rates, and

Whereas, there will be significant operational savings as a result of the merger, but there is a concern as to whether these operational savings should be shared between investors and the ratepayers, and if so, how, and

Whereas, the House of Representatives has taken testimony from the utilities, the department of public service, AARP, and other interested persons and has heard opinions regarding the potential value of the merger, as well as its risks and drawbacks, and on the windfall sharing mechanism in particular, and

Whereas, the public service board has now heard evidence and received briefs setting forth the positions of the parties, as well as public comments, and

Whereas, by law, the public service board exercises independent judgment and has not yet ruled on the proposed merger and acquisition, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly expects that the full range of concerns and issues raised by the general public will be given full consideration, and that the proposed merger must be in the best interests of the ratepayers and people of the State of Vermont, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the department of public service, Green Mountain Power

Corporation, and Central Vermont Public Service Corporation, and that the
department of public service send a copy to all parties in the merger docket.