


BURLINGTON
BOARD OF ELECTRIC COMMISSIONERS
585 Pine Street
Burlington, Vermont 05401
To be held at Burlington Electric Department (and)
Via Microsoft Teams
[+1 802-489-6254](tel:+18024896254)
Conference ID: 636 059 465#

LARA BONN, CHAIR
ALI KENNEY
SCOTT MOODY
ANDY VOTA, VICE CHAIR

AGENDA
Regular Meeting of the Board of Electric Commissioners
Wednesday, October 8, 2025 - 5:00 PM

1. Agenda
2. Minutes of the September 10, 2025 Meeting
3. Public Forum
4. Monthly Impact Minute (Discussion)
5. Commissioners' Corner (Discussion)
6. General Manager's Update (Discussion)
7. August 2025 Financial Review (Presentation & Discussion) – Emily Stebbins-Wheelock
8. FY25 Audit Report (Presentation & Discussion) – Amanda Hurlbut and KPMG
9. Proposed Executive Session to discuss FY25 Audit Report
10. Triennial Customer Satisfaction Survey (Presentation & Discussion) -- Michael Moser, UVM Center for Rural Studies
11. EV Charging License Agreement – (Discussion and Vote) – Emily Stebbins-Wheelock and Munir Kasti
12. Miscellaneous Service Fees – (Discussion and Vote) – Emily Stebbins-Wheelock
13. IT Update – (Presentation & Discussion) – Erica Ferland
14. Proposed Executive Session for Cybersecurity Update
15. Commissioners' Check-In (Discussion)

Agenda prepared by Emily Stebbins-Wheelock

Attest: 
Elena Alexander, Board Clerk

If anyone from the public wishes to speak during the public forum portion of the Commission Meeting and/or wishes to be present for the Meeting of the Board of Electric Commission via Microsoft Teams, please email ealexander@burlingtonelectric.com to receive a link to the Meeting.

Note: Members of the public may speak during the Public Forum, or when recognized by the Chair during consideration of a specific agenda item.

**DRAFT MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, September 10, 2025

The regular meeting of the Burlington Electric Commission was convened at 5:01 pm on Wednesday, September 10, 2025, at Burlington Electric Department, 585 Pine Street, Burlington, Vermont, and on Microsoft Teams.

Attendance

- Channel 17 was present to record this meeting.
- Commissioners Lara Bonn, Ali Kenney, Scott Moody, Andy Vota, and Bethany Whitaker were present.
- Staff members Elena Alexander, Paul Alexander, Chris Burns, Mike Kanarick, Munir Kasti, Lincoln Sprague, Darren Springer, and Emily Stebbins-Wheelock were present at 585 Pine Street, and James Gibbons was present via Microsoft Teams.
- Public member Alan Bjerke was present at 585 Pine Street.

Agenda

There were no proposed changes to the agenda.

Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the July 23, 2025, Commission Meeting; Commissioner Vota seconded the motion. Vote: 5 ayes 0 nays.

Public Forum

Alan Bjerke, Burlington resident: Spoke about miscellaneous service fees, particularly the initial service fee, stating that in March 2024, the City Council approved new fees, such as an initial service fee of \$6 to replace the current \$30 fee. Mr. Bjerke, noting that BED was in the process of seeking a second round (due to correction of calculation errors and to adjust fees to align with current wages and vehicle costs) of regulatory approval to implement the fees, expressed concern about the delay and requested that the Electric Commission help ensure that BED implements the changes by December 15, 2025.

Commissioners' Corner

Commissioners welcomed Ali Kenney to the Commission, expressing enthusiasm for her valuable experience and strategic thinking. The Commission also thanked Commissioner Whitaker for her service and insightful contributions as both a Commissioner and Vice Chair.

Commissioner Vota inquired about the vacancy that will be left by Commissioner Whitaker's resignation, noting that it was not yet posted on the City of Burlington's website, which lists current openings for boards and commissions. Commissioner Vota sought clarity on when the vacancy would be announced. General Manager Springer explained that the next step is for Commissioner Whitaker to formally submit her resignation, triggering the vacancy posting process by the City Clerk's office.

General Manager's Update

General Manager Springer started by reading a communication from Ms. Stebbins-Wheelock to Mr. Bjerke concerning miscellaneous service fees filed on September 3, 2025. Initially, the fees were intended to be pursued, pending PUC approval, but a subsequent withdrawal of the tariff filing occurred after identifying calculation errors, acknowledged by the BED team. Given the elapsed time since the last cost update, a revision based on the latest rates for labor, fringe benefits, and vehicles is necessary. An updated proposal is planned for the October 8, 2025 Commission meeting and subsequently will go to the Board of Finance and City Council for approval before being refiled with the PUC. This thorough revision aims to ensure accuracy and to facilitate a smoother approval process.

Next, GM Springer focused on the August 29, 2025 Department of Public Service (DPS) response to a July 31, 2025 PUC letter. The Department recommended a third-party audit of BED's business and regulatory processes. GM Springer acknowledged past performance issues, including the McNeil REC error, and stated that the team is taking steps to enhance accountability and communication through regular meetings with the Department. GM Springer stated that a comprehensive review of the REC process has been conducted with interdisciplinary meetings that led to a detailed memo to guide future REC reporting activity. GM Springer also acknowledged that energy efficiency programs are under scrutiny and that BED has been closely analyzing its processes in this area, incorporating DPS feedback as BED aims for revised and corrected processes in the coming weeks.

There are two vacancies in the Policy and Planning department that BED seeks to fill to bolster regulatory and power supply efforts. Changes to incentive programs will be paused to concentrate on the successful implementation of existing projects. A new internal regulatory review structure has been introduced to regularly exchange information on deadlines, filings, and responsibilities, with GM Springer directly overseeing all PUC filings to ensure accuracy during this critical period.

GM Springer emphasized that the third-party review will provide valuable recommendations that will be incorporated into BED's efforts to create better processes that will help BED restore regulatory credibility. The third-party firm will not be a traditional auditor (BED's annual financial statements are already audited by an external firm); rather, it is likely to be a consulting firm specializing in municipal utility operations.

Commissioner Vota asked GM Springer his thoughts on staffing, maybe to include a regulatory supervisor. GM Springer noted that, while regulatory tasks currently are handled by a small segment of the team, creating a regulatory supervisor role may be helpful and that any staffing decisions will be postponed until the third-party consultants have completed their review. GM Springer stated that BED is undertaking root cause analyses concerning REC issues and challenges within the energy efficiency program.

Commissioner Vota asked about concerns raised by Mr. Bjerke regarding fee errors. GM Springer clarified that ratepayers were not overcharged, but rather that current fees have complied with the Department's approved fee tariff. GM Springer stated that revised fees are based on recent evaluations. The updated fee structure will be prepared for the October Commission meeting, and GM Springer will advocate for a swift review process from the Board of Finance and City Council.

GM Springer shared plans to test the use of 99 percent renewable diesel at the gas turbine, and plans for an enhanced EV incentives announcement on September 22, 2025 at 1pm.

Financial Review

Ms. Stebbins-Wheelock first presented an update on the preliminary, unaudited financial results for FY25, which show an actual net income of \$2.3 million as compared to the budgeted target of \$3.3 million. A post-closing adjustment to sales to customers related to unbilled revenue improved sales revenue, but the annual adjustment related to pension liability increased expense by \$1.4 million, affecting net income but not the Moody's metric for evaluating revenues available for debt service. Without the pension adjustment, net income would have been approximately \$3.7 million, exceeding budget expectations. Preliminary financial metrics for June show a debt service coverage ratio of 5.03 and an adjusted debt service coverage ratio of 1.29.

For July FY26, the Department reported an actual net loss of \$52,000 compared to a budgeted loss of \$279,000, an outperformance of \$227,000. Sales to customers were \$296,000 higher than budget. Other revenues, mostly energy efficiency utility reimbursement, experienced a negative variance of \$84,000. Net power supply expenses were \$107,000 higher than budgeted, primarily due to higher transmission and purchased power costs offset by fuel savings and capacity and ancillary market revenues. Other operating and maintenance expenses were favorable by \$155,000.

July FY26 capital expenditures were \$240,000 or 2% of the fiscal year budget. Unrestricted cash as of July 31 was \$11.713 million as compared to a budget of \$11.8 million. The debt service coverage ratio for the most recent 12 months is 4.92, the adjusted debt service coverage ratio is 1.24, and days cash on hand were 141 including the \$10 million line of credit.

Commissioner Kenney asked about transmission fees. Mr. Gibbons explained that the transmission cost structure is complex. Variables driving these costs include the ISO New England peak load,

Vermont's peak load, and BED's peak load, and the transmission rate. The Department updates its year-end forecast monthly based on year-to-date information.

Efficiency Programs Update

Director of Energy Services Chris Burns presented an update on the performance and challenges of BED's major energy efficiency programs that are part of BED's energy efficiency utility (EEU) designation, with an emphasis on the 2024-26 program period. Mr. Burns outlined how the EEU energy efficiency charge (EEC) allocations mirror customer sales, with 75 percent distributed to the commercial sector and 25 percent to residential clients, reflecting their respective contributions to overall energy savings.

Mr. Burns highlighted the importance of proactive engagement with businesses to identify energy-saving opportunities, particularly in the HVAC sector, which has seen a shift from simpler retrofitting efforts—like replacing incandescent lights with LEDs—to more complex systems that can last decades.

Engagement with customers has been balanced between those seeking assistance and those proactively contacted by the EEU, with many long-term partnerships formed within the design and contracting communities. Increased customer inquiries regarding high bills during economic challenges demonstrate a growing need for managing operational costs. Additionally, new commercial construction now adheres to stringent energy efficiency standards set by the state, which complicates the claim for savings.

Mr. Burns emphasized that traditional checklist approaches are yielding to energy modeling for measuring the impact of construction programs, as building performance needs monitoring over an extended period to ensure optimal efficiency. In the residential sector, collaborative efforts with VGS are improving energy use in both low-income and market-rate homes, especially through dual-fuel systems and weatherization strategies. Commissioner Moody asked about the effectiveness of window replacement and, in response, Mr. Burns shared that attic insulation and overall air-sealing were much more cost-effective.

The presentation also reviewed the role of heat pumps in enhancing energy efficiency, particularly the integration of ductless systems and the potential for air-to-water heat pumps in homes previously reliant on hydronic systems. The dedication to steering residential consumers toward energy-efficient appliances is evident, as is the commitment to high-performance residential construction exceeding existing codes.

Despite sluggish progress in 2024, particularly in the commercial sector, promising projects are anticipated to invigorate efforts towards achieving performance goals by 2026, including notable progress at Burlington Square and the new Burlington High School. The EEU aims to meet

approximately 80 to 90 percent of its performance targets, while unspent funds may be returned to ratepayers if goals are not met.

Overall, the collaborative policies and initiatives spearheaded by the EEU have led to a significant reduction in energy consumption since 1989, marking a noteworthy achievement in light of Burlington's growth.

Street Lighting Tariff

GM Springer shared that the Burlington Police Department has proposed the installation of security cameras on utility poles to enhance public safety. The Department needed to identify a billing mechanism for the cameras' electricity use, as individually metering each camera would be impractical and costly due to their minimal energy consumption. To address this, the Department is proposing an update to its street lighting tariff that will set flat monthly rates per camera. One camera will be metered to monitor the accuracy of the flat rate. The tariff contains a similar revision to address City-operated parking ban lights. The energy usage and therefore the expected revenue from the cameras and parking ban lights are minor -- approximately \$250 annually for the cameras and \$1,300 annually for the parking ban lights -- leading to the decision to use a streamlined billing strategy. At the same time, the Department is proposing other updates to the tariff to align with current technology and practices.

Commissioner Vota made the motion "I move to approve and recommend that the City Council authorize the Burlington Electric Department to file the updated street lighting tariff with the Vermont Public Utility Commission for approval." Commissioner Whitaker seconded the motion.
Vote: 5 ayes 0 nays

Relevate Power Contract

In public session, Mr. Gibbons asked that the Commission enter into executive session to discuss the terms and pricing of a new hydropower proposal to replace the contract with FirstLight that expires on December 31, 2025. Contracting for replacement energy is essential to maintain the Department's 100 percent renewability and associated statutory exemptions.

Commissioner Moody made the motion "I move that the Commission enter into executive session with BED Staff to discuss the Relevate Power contract terms under the provisions of Title 1, Section 313(a) (1) (A) of the Vermont Statutes." Commissioner Whitaker seconded the motion. Vote: 5 ayes 0 nays

Executive Session start time: 7:06pm

Executive Session end time: 7:38pm

Commissioner Kenney made the motion "I move that the Burlington Electric Commission authorizes the General Manager or his delegee to enter a contract for up to 50,000 MWH of energy and RECs and capacity (i.e. renewable energy) with Relevate Power for a term of up to five years,

beginning no earlier than January 1, 2026, with a cost structure not to exceed that discussed in executive session.” Commissioner Moody seconded the motion. Vote 4 ayes 0 nays (Commissioner Whitaker abstained from the vote)

Commissioner Kenney made the motion “I move that the Burlington Electric Commission further authorizes the General Manager or his delegee to seek approval from the Burlington City Council to extend the just described contract for an additional five-year term (for a total of ten years from its start date) commencing at the end of the initial five-year term, at the same price.” Commissioner Moody seconded the motion. Vote 4 ayes 0 nays (Commissioner Whitaker abstained from the vote)

Commissioners’ Check-In

Commissioner Moody thanked Commissioner Whitaker for her dedication over the last 4 years as Commission Vice Chair and wished her the best in her future endeavors.

Adjourn

Commissioner Moody made a motion to adjourn; the motion was seconded by Commissioner Vota; Commission vote; 4 ayes 0 nays (Commissioner Whitaker was not present for the vote)

The meeting of the Burlington Electric Commission adjourned at 7:42p.m.

Microsoft Teams transcript used to create minutes drafted by Elena Alexander, Board Clerk, and edited by Mike Kanarick, Manager of Customer Care, Communications & Energy Services and Emily Stebbins-Wheelock CFO & Manager of Strategy and Innovation.

Attest:  _____
Elena Alexander, Board Clerk



To: Burlington Board of Electric Commissioners

From: Darren Springer, General Manager

Date: October 3, 2025

Subject: September 2025 Highlights of Department Activities

General Manager – Darren Springer

- Enhanced EV incentives: on September 22, BED was joined by Mayor Emma Mulvaney-Stanak, representatives from Vermont’s congressional delegation and the Sierra Club Vermont, and 19 fifth-graders from Ms. Aziza Malik’s Champlain Elementary School class, announced a temporary increase to BED’s electric vehicle (EV) incentives to help partially offset the upcoming September 30, 2025 expiration of the federal tax credit for EV purchases. BED’s EV rebates on the purchase or lease of new EVs are boosted to \$5,000 (from \$2,300), with enhanced incentives of \$5,700 (from \$3,000) for income-qualified customers. Even larger rebates are available for higher-mileage drivers. Read the press release [here](#).
- Forestry Report: The final report was issued by K2Q Consulting on the McNeil forestry review, and it will be included in the Commission’s packet. John Bryant presented on the report at the TEUC meeting September 30.
- R99 Testing Complete: The R99 testing at the GT is complete, and we await results (sometime in November). This topic will be covered during a new Commission segment called Monthly Impact Minute where members of the BED team who do not always have a chance to present to the Commission can highlight their work.
- REV panel: BED will be participating in the Renewable Energy Vermont conference on a panel focused on utility rates and affordability in Vermont.
- Regulatory Update: At the Commission meeting we can provide an update on where things stand in several regulatory dockets of interest.

Center for Innovation – Emily Stebbins-Wheelock

- Responded to Moody’s annual portfolio review information request.
- FY25 financial statement audit substantially complete.
- Filed proposed 2026 energy efficiency charge calculation for approval with PUC.
- PUC public hearing on 2025 rate case was held on September 24, 2025. Two members of the public provided comments.
- Signed short-term renewable energy purchase contract (hydro for September and October).
- PUC approved commercial flexible load management pilot rate for Building GIANTS program.
- Welcomed UVM Fellow Caroline Caitlin, who will conduct a customer segmentation analysis to support a Net Zero Energy strategic communications plan and support the Department of Permitting and Inspections with Rental Weatherization Ordinance tracking and compliance.
- Sustainability Director Jen Green met with sustainability colleagues from South Burlington, Williston, Winooski, and the CCRPC to discuss EV fleet adoption, energy policy, and code enforcement.

- On behalf of the Mayor, Sustainability Director Jen Green attended the Climate Mayors network meeting in New York City as part of Climate Week and the USGBC Local Leadership meeting in Boston.

Center for Safety and Risk Management – Paul Alexander

Safety

- The Gas Turbine R99 Test Run was completed on 9/17/25. The 2-day event involved a safety site plan that consisted of: daily morning safety briefings to include PPE; hearing protection; heat exhaustion symptoms; daily work plan assignments; GT Do Not Operate status; the transfer of safety rules and hazardous information to the Environmental testing firm, Republic Services and Sulzer engineering. Finally, a morning scaffolding inspection was completed every day prior to workers using it.
- Safety and the Operations Technician successfully evaluated and commissioned the new College Street remote racking device. It was installed & evaluated under a Switching Order that was completed on 8/26/25. The crews can now be at a safe distance of 25ft away from the front of the breaker panel and not be directly exposed to ARC Flash potential.
- As an ongoing part of the new SCADA implementation, System Operations Dispatch issued to Operations the Draft DMS Training & Go-Live Document for review. The specific focus is the FLISR – Fault Location, Isolation & System Restoration & LOV – Loss of Voltage Function

Environmental

- The VT DEC has received payment and now BED McNeil’s Industrial Discharge permit renewal application is complete. The deadline was met, as it was the end of September 2025. Below is a clip from the VT DEC Title 3 letter:
 - **“The Department of Environmental Conservation has determined that your application for renewal is timely and sufficient for the purposes of Title 3 Section 814.”**
- McNeil passed its annual RATA (Relative Accuracy Test Audit). This is the annual accuracy compliance test for the Continuous Emissions Monitoring System (CEMS) that measures emissions from the plant. TRC is the firm that completes the 2-day audit.

Risk Management

- Complied and reported Workers’ Compensation Payroll summary information by category codes for Travelers’ annual audit.
- Coordinated McNeil response to the insurance company engineers/inspection questions (Zurich)
- Revisiting BED’s purchasing policy in conjunction with the COB’s latest document.
- Sat in on our Legal department’s training session on the LawVu software platform.

Purchasing/General Services

- RFP for the all-electric truck we are having vendors give us more information on the battery boom versus drive
- RFP for all electric battery-operated forklift send out & returned.
- Meeting with GE to get ready for the major outage in 2028

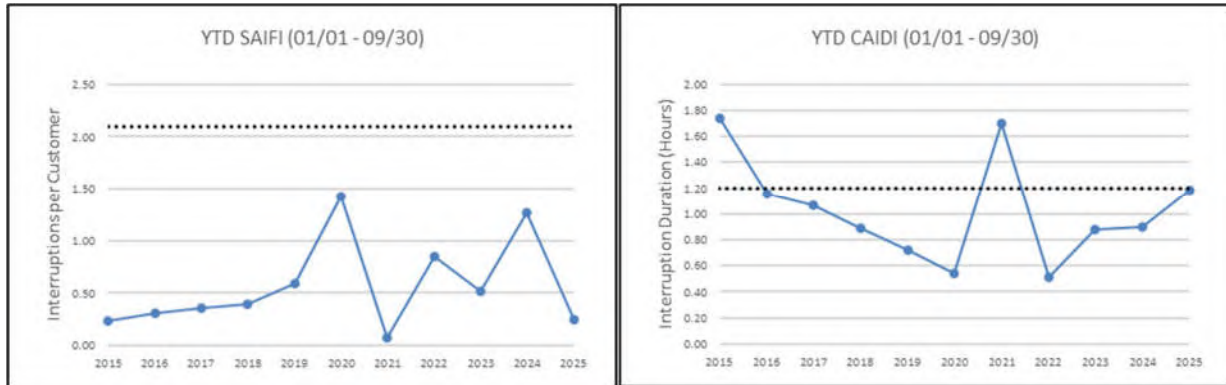
Center for Operations & Reliability – Munir Kasti
Engineering, Grid Services & Operations

- Issued work order for overhead reconductoring work on Institute Road, St. Paul and Wells Streets.
- Completed reconductoring work on South Cove Road, Plattsburg Ave, and Rose Street.
- Completed service upgrades on North Winooski Avenue and Murray Street.
- Replaced three overloaded transformers.

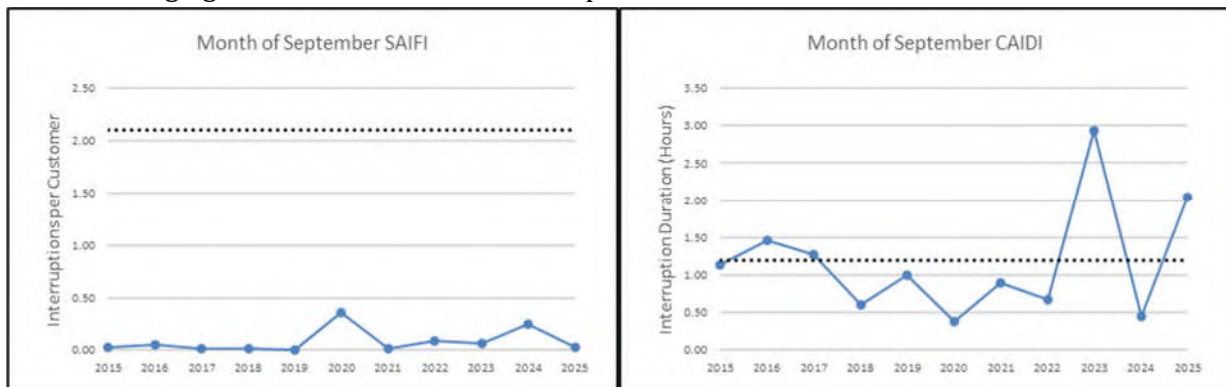
SAIFI & CAIDI Outage Metrics:

BED’s distribution system experienced 15 outages in September 2025 (1 unscheduled and 14 scheduled). BED’s SAIFI for the Month of September was 0.03 interruptions per customer and CAIDI was 2.05 hours per interruption. BED’s YTD SAIFI is 0.24 interruptions per customer and YTD CAIDI is 1.19 hours per interruption. BED experienced a high CAIDI value during the month of September due to an after-hours animal contact and various overloaded transformer upgrades.

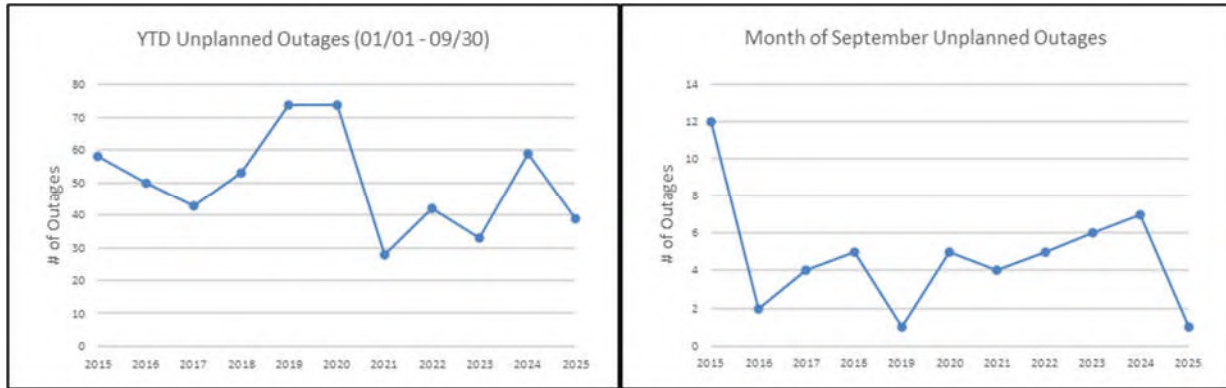
The following figure shows BED’s historical YTD SAIFI and CAIDI:



The following figure shows BED’s historical September SAIFI and CAIDI:



The following figure shows BED’s historical Unplanned Outages:



Generation

McNeil Generating Station

Month Generation: 22,687 MWh
 YTD Generation: 179,405 MWh
 Month Capacity Factor: 63.02%
 Month Availability: 73.29%
 Hours of Operation: 527.72 hours

Sydney Schlitt Started the Yard worker Position September 8, 2025 and is in the process of training to be on shift.

Winooski One Hydroelectric Station

Monthly Generation: 35.4 MWh
 YTD Generation: 12,238 MWh
 Month Capacity Factor: 1%
 Annual Capacity Factor: 25.24%
 Month Availability: 1% due to lack to flows.

Winooski One projects include continuing with the FERC Relicense impact studies and starting the turbine overhauls.

Burlington Gas Turbine

Month Generation: 181.62 MWh
 YTD Generation: 567.7 MWh
 Month Capacity Factor: 4.38%
 Month Availability: 87%
 Hours of Operation Unit A: 11.1 hours
 Hours of Operation Unit B: 11.1 hours

Solar (Pine Street 107 kW)

Month Generation: 11 MWh (same as previous year)
YTD Generation: 90 MWh
Month Capacity Factor: 14.7%
Month Availability: 100%

Solar (Airport 499 kW)

Month Generation: 60 MWh (same as previous year)
YTD Generation: 465 MWh
Month Capacity Factor: 16.7%
Month Availability: 100%

Center for Customer Care & Energy Services – Mike Kanarick
Energy Services

UVM & UVMMC

- ES is working with staff and contractors on several ongoing projects.
- Working with UVM on Howe Library / HVAC Re-Commissioning – UVM’s controls group implemented control sequence improvements in the Howe Library’s DDC during late spring of this year. This included implementation of an occupancy schedule, improved VFD control of ventilation fans, and implementation of an economizer sequence. BED received trending data from UVM this month for electric, chilled water and steam use and we have begun an analysis to determine a magnitude of energy savings for the project.
- Continued working with UVMMC on a main parking garage ventilation fan replacement project that includes two 150-HP blower fans that need to run 24/7 for safety purposes.

Other Services

- Continued Decline in New Development and Energy Efficiency Activity
 - As previously reported, over the past several months few new construction zoning applications have been submitted to Department of Permitting and Inspections (DPI), indicating a decline in near term new development. High lending costs and construction costs continue to slow this market.
 - ES also continues to see a slowdown in EEU and Tier 3 activity with smaller and medium-sized commercial customers. As report widely in the media, these customers continue to face economic headwinds where discretionary energy efficiency, and beneficial electrification improvements, are understandably not a priority. BED and VGS continue to work with the Burlington 2030 District and CEDO/Business and Workforce Development (BWD) to get the word out about our services and that we are here to help.
- ES continues to:
 - Work on new construction projects such as the conversion of the office space at 1 Lawson Lane to 33 apartments, CHT’s 70-unit building at Cambrian Rise, Burlington High School with a geothermal heating and cooling system, the former YMCA conversion to apartments, Burlington Square (aka City Place), CHT’s Post Apartments on S. Winooski Ave and Mater Christi’s Early Education Center.
 - Work on HVAC system replacement projects such as the 60-Ton chiller replacement at the 100 Bank St. office building.

- Support the customer care team with a number of residential and commercial customer high bill concerns.
- Partner with the VGS ES team on a number of residential weatherization and heat pump projects and commercial retrofit projects.

Electric Vehicles & Charging Stations

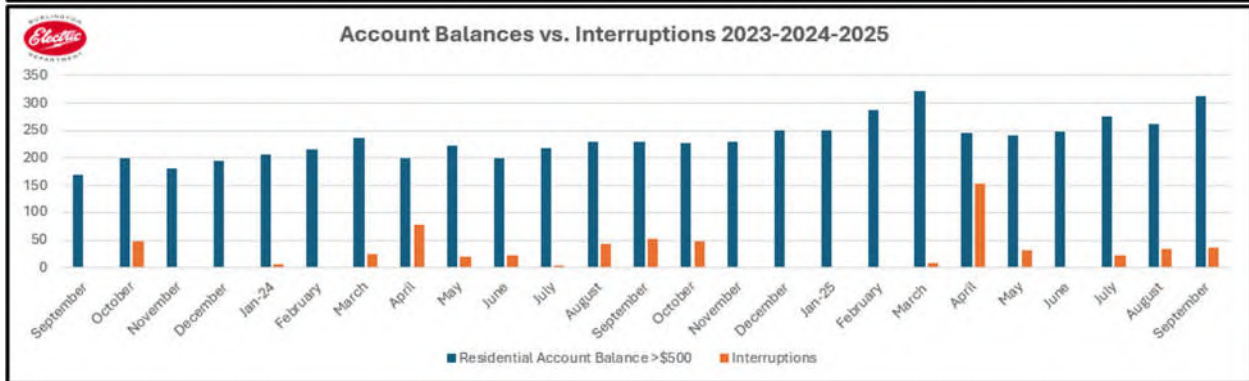
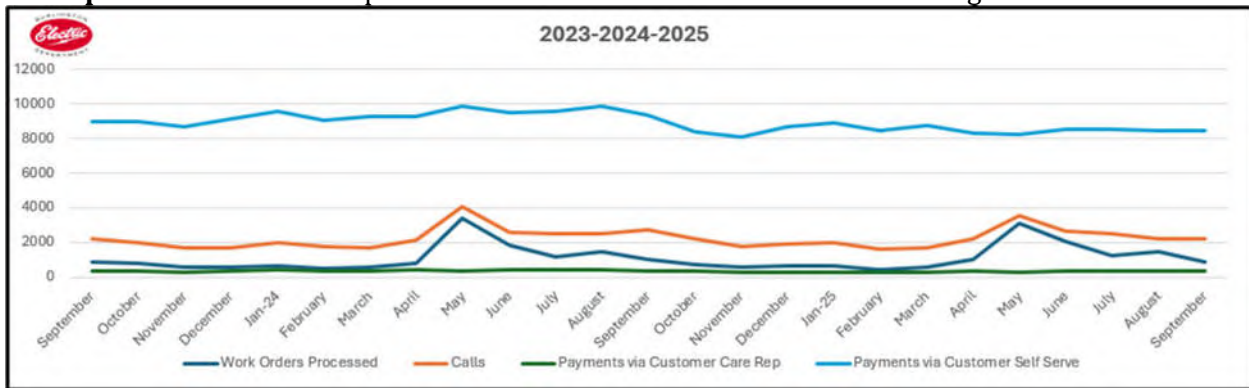
- The EVSE (ChargePoint, Flo & AmpUp) dispensed a total of 40.5MWh and supported 2,231 sessions. The ChargePoint EVSE served 844 unique drivers.
- Approximately 39% (or 15.9 MWh) of the energy sold from the entire network is attributed to the Pine St., Marketplace Garage, and Pease Lot DCFC’s. The Pease Lot DCFC dispensed the most energy.
- EV and PHEV rebates to date – 1,133 (of this 253 LMI rebates to date)
- Customers currently participating in the new EV Charging Rate- 410
- Single-family & multifamily home EV charging stations rebates to date – 359

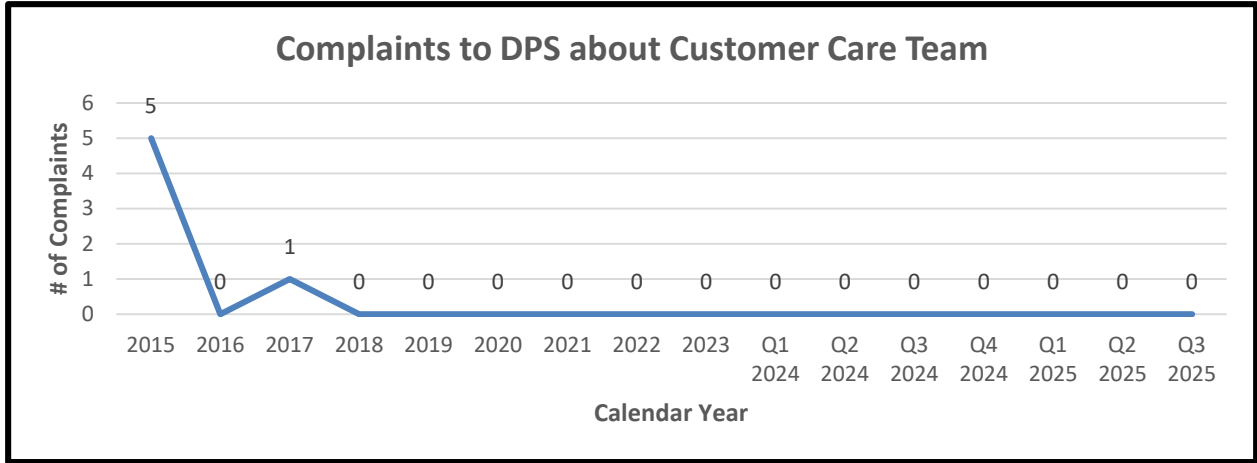
Heat Pump Installations to Date

Total Heat Pump Technology Installations including Multi-Family New Construction Projects & Installations in existing buildings since the September 2019 NZEC announcement – **3,076 installations** (of this 218 LMI rebates to date)

Customer Care

- **Call Answer Time (75% in 20 seconds):** September 2025 75.9%, August 78.4%, July 77.5%, June 69.4%, May 61.4%, April 86.1%. September 2024 75.2%, August 83%, July 76.5%, June 74.6%, May 69.2%, April 85.8%.
- **September 2025 Stats:** please see dashboard for additional metrics categories.








Communications and Marketing

- Net Zero Energy Festival – A Supercharged Day of Family Fun: on Sunday, September 7, BED hosted our 4th annual NZE Fest during Art Hop weekend. Activities for people of all ages focused on reducing fossil fuel use and electrifying everything, including: renewably-powered food trucks; games and activities for children; Star 92.9’s radio personalities Mike & Mary; live music, raffles; E-bike test rides; EV showcase; mobile bike repair unit; bike parking; carshare and biking partners; BED energy experts; and more.
- Art Hop sponsorship: BED sponsored SEABA’s Art Hop weekend (Sept. 5-7), providing grocery store bags and lineworker pens for Kids Hop and hosting the “HOPE” sculpture and again participating in “Light Hop,” with SEABA installing LED lighting on the building at night.
- Renewable Energy Vermont Conference: BED will be tabling at this conference held at the Hilton DoubleTree Hotel in South Burlington on October 15.
- Net Zero Energy Podcast: we invite you to take a listen at burlingtonelectric.com/podcast. Our latest episode features Local Motion Executive Director Christina Erickson.
- Full website visits for September 2025

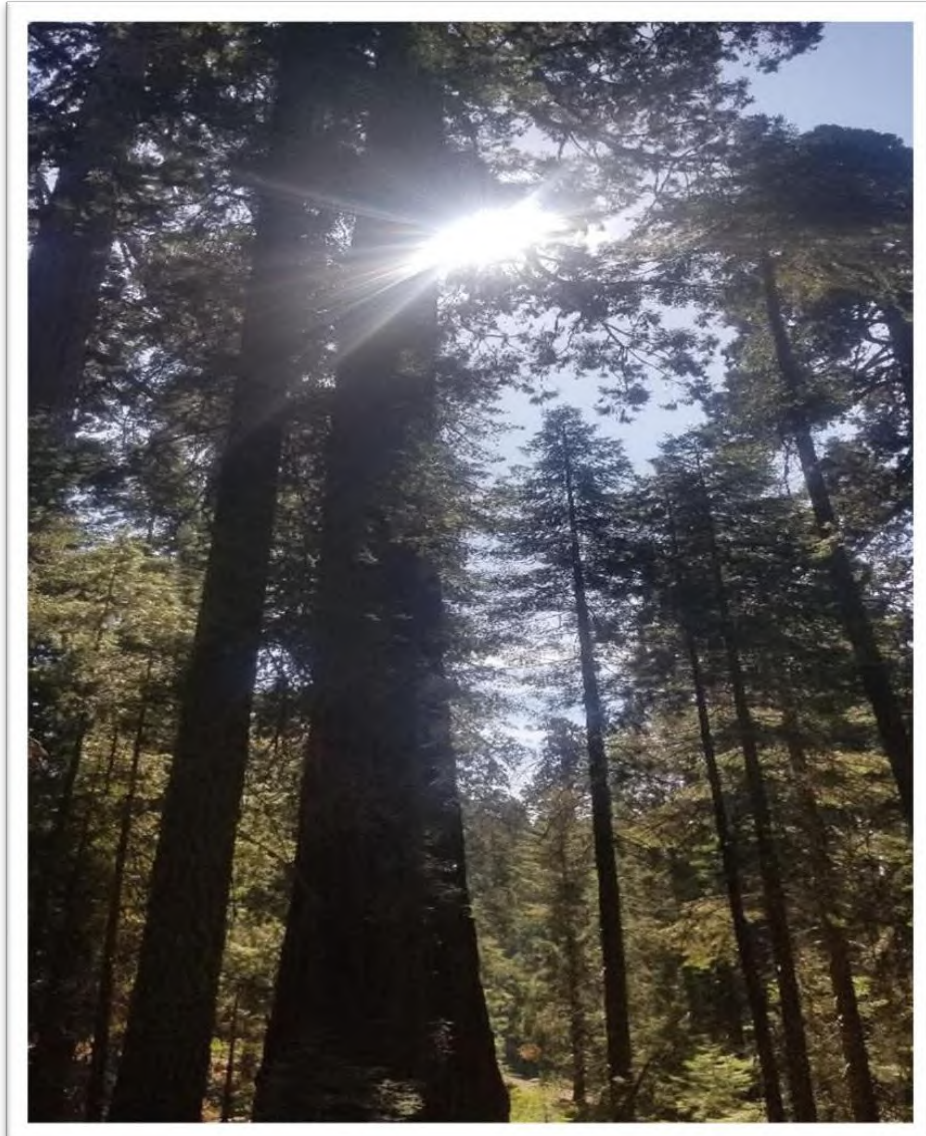


- Top-performing Facebook & Instagram posts

Net Zero Energy Festival

	Come on down to BED's Net Zero Energy F... Photo · Burlington Electric Department	Boost	...	Sun Sep 7, 10:08am	232	4
	Come on down to BED's Net Zero Energy F... Photo · burlingtonelectric	Boost	...	Sun Sep 7, 10:08am	147	9
	NEW DATE! Due to the weather forecast, w... Photo · burlingtonelectric	Boost	...	Thu Sep 4, 8:03am	303	9

Burlington Electric Department
Forestry Assessment and Analysis for McNeil



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September 30, 2025

Introduction

This report serves as an independent review of the forestry assessment and analysis for the McNeil Generating Station ('McNeil'). As owner of K2QC Consulting, LLC ('K2QC'), I contracted with the City of Burlington Electric Company ('BED') on May 2, 2025 to provide a forestry assessment and analysis for McNeil. BED's RFP 014-25C defines report expectations with audit standards detailed in Appendix A. Founded in 2020, K2QC is a forestry consulting company specializing in forestry, forest management, forest operations, and organizational design.

Overview

The policy of BED to accept delivery of whole tree chips from Vermont harvesting operations that are certified by a professional forester and meet the "Harvesting Policy for Whole Tree Chipping Operations in Vermont" are the central issue for the report that follows.

Disclosure Statement

When I submitted my work proposal in late February, I did not know the city of Burlington had a wood chip to energy plant, nor did I know BED had a forestry staff or anything about the supply system in place to provide wood waste to the McNeil plant. After BED's acceptance of my work proposal and the follow-up BED contract completion in early May, I began work in late May with a clean slate and other than information in the McNeil RFP, I know little about the task in front of me. It was an interesting, informative experience.

Executive Summary

BED has been practicing responsible wood residue purchasing and harvest plan certification since the early 1980's using sound, silvicultural based methods to ensure sustainable timber management on sites managed by forestry consultants or BED foresters. The harvesting policy is the foundation for acceptance of wood chips into the McNeil system. During my field visits, I observed no chipping of trees that could be sold to higher use roundwood or sawlog markets. In my opinion, loggers have no incentive to sell or chip trees that could be sold for a higher return to other markets. I identified no significant issues worth noting in this report. This report identifies recommendations for improvement.

Acknowledgement

I want to thank and acknowledge the BED forestry team – Betsy Lesnikoski, Seth Clifford, Don Tobi, and Kevin Fink for their time and efforts to provide requested documents and harvest plans, answer my questions, educate me to the McNeil system certification requirements, and escort me to the chip receiving locations and BED certified logging sites in Vermont and northeast New York.

Chief Forester Betsy Lesnikoski and the BED foresters are well versed in the McNeil system, state laws and regulations in Vermont and New York, logging service contractor ('logger') dynamics, and the McNeil chip purchase certification process. BED's forestry team were excellent resources as I researched pertinent documents, public records, historical discussions, and the extensive BED certification protocols. BED has a history of continuous improvement, public feedback, and regular reviews of their forestry practices.

Biomass - Wood Residues

The term biomass is widely used in various publications and public policy debates, and means many things depending on the derivation of, or end use of the material. For use in this report, I define biomass as ‘**wood residues**’ from timber harvest operations used for energy production – this includes chips, grindings, sawmill residues, trees with no higher use market, and logging yard debris. The wood residues from forestry operations consist of tree tops, branches, damaged, dying, or dead trees, irregular or bent stem sections, and inferior trees with no market that are removed during timber harvest operations to improve growing conditions for the better quality and more desirable trees.

Landowners, foresters, and loggers make decisions on the use of wood residues to benefit landowners economic return, forest stand aesthetics, soil stability during yarding, wildlife habitat, and timber market availability and value. Trees grow in Vermont and northeast New York in an incredibly challenging environment due to rapidly changing weather conditions (floods, extreme wind events, extreme winter cold temperatures, snow, ice, and ever-changing climatic events), insects, and diseases. These conditions create defective trees that compete with the better formed, desirable trees for light, water, and nutrients to grow. Foresters and landowners make periodic decisions regarding preferred tree species, specific forest management objectives, and desired rotation age which impacts decisions on tree removal and retention of tops, branches, and tree stems in a stand.

Ultimately, a robust wood residue chip market provides increased options for forest management decisions, a renewable resource for energy, and a healthier logging community. Strong diverse timber markets are the basis for good forest management practices, when proper harvest planning and oversight are implemented. The McNeil system is a valuable wood residue market for loggers.

Field Visits to Harvest Sites

With the assistance of BED foresters, I visited 14 active and 5 inactive or closed winter harvest sites selected randomly in Vermont and northeast New York to view timber harvest operations and talk with loggers about their planning process, regional timber markets, and impressions of the McNeil system. The loggers visited represent approximately 58% of the 2024 volume delivered to the McNeil system. Given the coordination and time allocated, I did not have time to visit every harvest site or logger – I viewed a good cross section of loggers and diversity of harvest activity.

During my field visits, I had conversations with the following loggers or in-field representatives of the logger.

Darren McDonald	Patrick Remillard	Montgomery Logging
Jason Lathrop	Tom Lincoln	Justin Lathrop
Patrick Gregoire	Mike Parker	Richard Hallstrom Logging
Gabe Parent	Kenny Bigelow	Adirondack Forest Fiber

During my initial visit to Burlington, I toured the McNeil plant and the Swanton yard to understand the process of receiving and using wood chips at the two points of delivery. I reviewed delivery and cost data for the McNeil system to understand trends in recent years. I estimated 60% of the field visits were on Vermont harvest sites with the remaining 40% in New York.

Logging Service Contractor Observations

- a. I was extremely impressed with the diversity of loggers and logging systems in the McNeil supply system, the professionalism and passion for their work, and their ability to maximize the value of timber to the best possible use from harvest sites.
- b. Loggers speak highly of, and rely on, the McNeil system to assure silvicultural objectives are accomplished and local markets are utilized to optimize timber value.
- c. Loggers are extremely complimentary of the Swanton Yard and the efficient process used to unload chip trucks and the yard operators ability to address any issues.
- d. There are legitimate economic challenges for loggers in the McNeil supply system and the long-term supply chain, which will require continued focus on listening to suppliers and working together to ensure future system viability.
- e. Loggers emphasized the importance of a regional wood residue market as it creates jobs in rural, forest-based communities, provides a revenue stream from low-value trees and wood residues, and supports improved silvicultural options.
- f. Vermont has some of the most challenging terrain for forest management and removal of timber. The landscape has been worked for many centuries for dairy farms, agriculture, maple sugar production, timber production, and recreation. I marvel at the ability of local loggers to understand how to work in this landscape and sustainably produce timber products for sale.

Logging Service Contractor Comments

I had four main questions for the loggers interviewed during our field visits; 1) tell me about your timber markets?, 2) what is your process for separating timber for these markets?, 3) what are your thoughts about McNeil and the Swanton yard?, and 4) tell me about your interactions with BED foresters.

Specific comments from loggers (as verbatim as possible given my field notes):

- a. "McNeil is the market of last resort. We only send them wood that does not have another better market or make more money."
- b. "We are not required to manage for rare, threatened, and endangered species ('RTE') and would likely not know if they were present if BED foresters were not involved."
- c. "I have never had a BED forester pressure me to put more wood into a chipper."
- d. "I would not be stopping my operation and move my entire operation if BED did not require protection of endangered bats. BED works with us on that process."
- e. "The delivered price for chipwood is so much less than every other product, we can only afford to chip wood that has no other market."
- f. "When trees come to the landing, we cut them up to maximize the value for the landowner and us – with every part of the tree sent to the highest value market. That is so important to my financial success."
- g. "Sometimes the best use of tops and limbs is to stabilize the trails, so that is where it goes."
- h. "I cannot afford to just chip wood. My operation requires a healthy mix of timber."
- i. "The Swanton yard is very efficient and well run. They get my trucks in and out as soon as possible."
- j. "BED foresters keep me informed and aware of regulatory issues, most notably the bat management issues with Vermont biologists."

- k. “We work with BED foresters to identify alternatives when ground conditions turn poor.”
- l. “BED pays for wood chips received in a very timely manner. They inform us if a payment delay arises. If you run a business, you know how important that is for cash flow.”
- m. “Our business likely would not survive without the McNeil facility.”
- n. “BED foresters are enthusiastic about doing the right thing on the land. We do our best to listen and learn.”
- o. “This equipment you see needs operators, which are in short supply. I am worried about the future. I personally juggle many machines in one day to keep things moving.”
- p. “I depend on the McNeil system to help accomplish my harvest outcomes.’

Harvest Visit Observations

- a. During my visits to ongoing harvests, I observed chipping operations that used either poor quality trees (unmerchantable or with no other market), tops and limbs from trees, or sections of trees that were removed to upgrade a section of the tree to a higher value sawlog or usable section for firewood or pulpwood. All higher-grade trees or sawlogs were separated out for delivery to firewood outlets, pulpwood mills, sawlog markets (US and Canadian), or other local chip using facilities (i.e., Middlebury College).
- b. The harvests utilized a variety of silvicultural systems – primarily single tree selection and group selection techniques. The single tree selection focuses on removal of low-quality, suppressed, short-lived species, and overmature high-risk trees. Group selection focuses on creating openings in the forest to encourage natural regeneration. The silvicultural system is well described in the harvest plan process used by BED or the forest consultant hired by the landowner or logger.
- c. Loggers who chip for the McNeil system use chipping as the lowest priority option. If a harvested tree has a higher value option (sawlogs, veneer, pallet logs, pulpwood, firewood, or other local markets), the logger separates the better-quality section of tree from material to be chipped.
- d. I was extremely impressed with the utilization of trees on the logging operations into piles destined for higher use products – loggers are incentivized to sell to the highest value markets. It is in their company’s interest to move products to the highest value market to optimize returns.
- e. Loggers take pride in assuring any tree removed during the harvest operation ends up in a solid wood form (firewood, pulpwood, or sawlogs).
- f. Loggers diligently focus on keeping logging yards as organized as practicable to assure positive aesthetics and clear understanding of merchandized products – sawlogs, pulpwood, firewood, and lower value material destined for chipping. This is very evident when you visit the landings.
- g. Local consulting foresters or landowner staff foresters are directly involved in 60% of the harvest plans that deliver wood residues to McNeil. BED interacts as required on these jobs; however, most of BED forester efforts focus on jobs where no foresters are involved to ensure BED certification requirements are addressed.
- h. On inactive harvests, the wood residues were piled in preparation for chipping. The higher value roundwood was hauled and the low value chip piles will be chipped later.
- i. On closed winter sites, the log landing was cleared and stabilized to avoid any negative aesthetic reaction.

Noteworthy BED Management Practices

- a. The BED foresters documentation of harvest sites and field inspections are impressive and extremely professional – and, in my opinion, the harvest plan documentation sets a standard for non-public lands in the Northeast US.
- b. BED foresters regularly interact with Vermont biologists, as required, to ensure RTE's and associated habitat are identified and protected during harvest operations.
- c. The BED harvest plan checklist includes a lengthy list of important topics – including ACT 250 permits, protected lands identification, agricultural conversion plans, mapping of RTE habitats, wetlands, deer wintering areas, and rare natural communities. BED foresters understand the requirements and can readily speak to the importance and need for compliance on harvest sites.
- d. Silvicultural prescriptions on BED harvest plans are detailed with extensive forest stand data and descriptions of process and desired outcomes.
- e. BED has an excellent relationship with Vermont's Natural Resource Managers including the State Division of Forests, Parks and Recreation, Vermont Fish and Wildlife, and the Department of Environmental Conservation Wetlands division.
- f. BED foresters regularly conduct and document harvest site inspections from locations where McNeil receives wood residues.
- g. BED foresters work in a compliance and a chip procurement role; however, adherence to BED harvest standards (the compliance role) is the first priority. Working closely with suppliers has allowed BED to maintain standards while procuring sufficient wood residues to keep McNeil on line. This concept can be misleading, yet it is an important public pursuit. In a compliance role, a forester works to assure permitting, harvest plan compliance, and environmental issues are addressed properly. In a procurement role, a forester's primary role is assurance that their market gets the timber or chips from the logger and typically does not oversee the environmental tasks. High accolades to BED foresters who seem to focus on the right tasks given the need to balance compliance to standards while maintaining supply of wood residues. Given my background, it is clear BED foresters clearly know their role in the process.

Noteworthy McNeil System Practices

- a. The Swanton yard receiving system is a success story with recent improvements resulting in a top-notch, well-run yard. Any wood receiving facility that gets delivery trucks in and out quickly will be a preferred delivery destination.
- b. The Swanton yard is required to deliver 75% of the wood residue volume for McNeil by rail. This requires close coordination between the Swanton Yard and McNeil.
- c. The McNeil logger payment process administered by BED appears to be a huge success given discussions with loggers.

BED Harvest Policy Audit Standards (from Appendix A – pages 11 to 17 of the BED RFP 014-25C)

The BED policy standards, *the stated audit question (from the BED RFP)* and **K2QC observations** are noted below.

- A. It will be the policy of BED to accept delivery of whole tree chips only from harvesting operations in Vermont certified by a professional forester as meeting the criteria of “good forestry practice” as outlined below. BED foresters or their authorized agents will conduct periodic on-site inspections to insure compliance with the following practices. Unresolved violations of these practices will result in the termination of chip purchase from the offending producer.

Evaluate whether; 1) harvest sites are periodically inspected, 2) identified issues reach a resolution, and 3) whether unresolved violations result in termination of chip purchasing.

Confirmation of harvest site inspection reports and discussion with BED foresters and loggers support the implementation of this policy. Specific examples were cited to support this policy.

- B. The use of necessary and applicable erosion and sedimentation control practices will be required. Every harvesting contractor will become familiar with the publication AMP’s for Water Quality on Logging Jobs in Vermont. Contractors will be required to implement procedures outlined in the guide to the satisfaction of BED foresters.

Evaluate whether the AMPs are implemented on jobs.

Confirmation of harvest sites and inspection reports, and discussions with BED foresters and loggers support the proper implementation of this policy.

- C. Consideration for visual quality will be required:

1. All refuse will be removed from the landing/logging site prior to termination of the operation. Wood waste will be removed or buried and brush piles leveled to the extent possible.
2. Appropriate techniques will be used adjacent to major hiking trails to protect the integrity of the trail and the hiking experience.
3. Landings will be laid out so as to reduce the adverse visual impact.

Confirm that closeout includes removal of debris and appropriate treatment of woody waste.

Confirmation on inspection reports and discussions with BED foresters support the proper implementation of this policy as stated in 1 and 3. No confirmation on statement 2, as I made no visits to harvest sites adjacent to trails.

- D. Wildlife and fisheries will be given consideration in harvest planning:

1. Landowners will be made aware of any negative impacts to wildlife or fisheries relating to a proposed chip harvest operation on their property.
2. For all sites within Vermont from which wood fuel will be purchased by BED, a BED forester will visit the site with the landowner and/or harvesting contractor and confer in developing a harvesting procedure which meets the forester’s approval.

Demonstrate harvest plan modifications to protect and enhance wildlife and fish habitats.

Significant confirmation on harvest plans and discussions with BED foresters support the implementation of this policy.

- E. Ensure Harvest Notifications include the pertinent information and protection of Deer Wintering Area, Wetlands and Habitats of Rare and Endangered species. When landowner goals require

silvicultural manipulation for wildlife management purposes, guidance may be sought from the Vermont Department of Fish and Wildlife or other qualified source as well as the publication 'A Landowner's Guide to Wildlife Habitat Management for Vermont Woodlands by the Vermont Department of Fish and Wildlife.'

Demonstrate cooperation between BED foresters and VT Fish and Wildlife biologists.

Significant confirmation on harvest plans, visits to harvest sites, and discussions with BED foresters support the proper implementation of this policy.

- F. Protection of fisheries resources will be provided through the use of acceptable erosion and sedimentation control practices including the use of filter strips and protection of streamside shade. Harvesting contractors will be required to implement applicable procedures outlined in the publication Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont to the extent specified by Burlington Electric Department foresters.

Ensure water quality through the implementation of AMPs on all harvest sites.

Significant confirmation of harvest site inspections and discussions with BED foresters support the proper implementation of this policy.

- G. BED foresters will seek guidance in protecting significant archeological sites.

Ensure significant archeological sites are not disturbed by BED harvesting practices.

Significant confirmation from harvest site inspections and discussions with BED foresters support the proper implementation of this policy.

- H. The development of management goals will involve consideration of the objectives of the landowner and alternatives available to him or her, the characteristics of the site and forest stand, and impacts on related resources (water quality, wildlife, scenic quality, and recreation).

Demonstrate that Harvest Sites meet the above goals.

Confirmation of harvest sites and inspection reports, and discussions with BED foresters support the proper implementation of this policy.

- I. The landowner or land manager and/or the harvesting contractor will confer with a professional forester representing BED in developing a harvesting procedure which meets the forester's approval. In all cases, harvesting will incorporate, to the extent reasonably possible, the protection of residual trees, minimization of waste and assurance of rapid and adequate regeneration. Every effort will be made to put harvested products to their most valuable use.

Residual stand damage will be minimized on BED harvests, wood on harvests is efficiently utilized and silvicultural practices meet accepted standards to establish adequate regeneration.

Confirmation of harvest sites, site inspection reports, and discussions with BED foresters support the proper implementation of minimal post-harvest residual damage. Significant confirmation during harvest site inspections support observations of timber efficiently utilized to highest value markets. Confirmation during post-harvest inspections, harvest plan documentation, and discussions with BED foresters support the proper implementation of silvicultural practices.

- J. Specific types of cutting will include but not be limited to Selection System, Seed Tree System, Shelterwood System, Clearcutting, Improvement Cut and Thinning.

Demonstrate that all BED forestry (i.e., non-development/land conversion) harvests rely on a

sound silvicultural system that is appropriate to the site.

Confirmation of harvest sites, inspection reports, and discussions with BED foresters support the proper implementation of this policy. The clearcutting system is not widely utilized on harvest plans. On a limited basis, BED foresters work with Vermont habitat biologists to prescribe small patch clearcuts for wildlife improvement. I visited two harvest sites that employed land clearing for conversion to agricultural uses.

K. Harvesting contractors are expected to abide by all applicable local, state, and federal regulations.

BED requires and maintains proof of appropriate insurance from suppliers. BED requires suppliers to meet applicable transportation safety and load requirements. BED does not procure wood from contractors who have a record of timber theft or other property destruction or damage.

Discussions with BED foresters support the implementation of this policy.

Afforestation Concerns

In addition to the afore-mentioned harvest policy standards, the BED RFP noted an objective in the scope of work titled ‘Providing qualitative and quantitative assessment of afforestation/deforestation outcomes in areas where wood is harvested for McNeil and the market factors that affect such outcomes.’ The data from 2025 year-to-date timber harvesting notifications in New York and Vermont noted below (provided by Betsy Lesnikoski).

	<u>Notified Plans</u>	<u>Development</u>		<u>Agricultural Conversion</u>	
		Acres	Acres	% of Total	% of Total
New York	7,762.9	198.4	2.6%	222.0	2.9%
Vermont	11,768.6	152.6	1.3%	156.1	1.3%

Year-to-date 2025, Vermont has 2.6% and New York has 5.5% of harvest sites using clearing activity for development and agricultural conversion. These activities are relatively minor and may or may not occur without the McNeil market. The McNeil market does not rely on this activity as a major component of wood residues. Most importantly, these sites are not permanently lost to timber production as natural regenerated forests historically prevail as Vermont farms have a rich history of clearing land for agriculture and subsequently letting it regrow naturally.

The vast majority of timber harvests are partial cuts where the natural regeneration process is the method used to cultivate a new forest stand. Plantation management systems, where where land is cleared and trees are planted on short rotations, are generally not employed in the northern forests of upstate New York and Vermont.

Recommendations For Improvement

Training, Advocacy and Reporting

- a. Support logger training through Professional Loggers of the Northeast or another organization with resources to advocate, train and educate loggers on use of Vermont AMP's and New York Best Management Practices.
- b. Encourage annual workshops with a third-party organization to encourage Vermont loggers on effective use of AMP's.
- c. Regularly update BED education materials to assure the public understands the importance of BED's leadership in protection of RTE species and habitat.
- d. Encourage regional development of alternative forestry bioproducts facilities to create additional markets for low-grade wood residues – the Vermont forest is growing volume faster than current removals, which will become a long-term problem if not properly addressed. Healthy, well-managed forests are the goal to optimize forest carbon sequestration and storage.
- e. Advocate for pragmatic improvements to Vermont's ACT 250. The law has a good foundation, yet it needs to evolve and change with the demands of Vermont's public and rural culture.
- f. Support SLoCAMP (Supporting Loggers Compliance with AMP's), a grant-funded cost-share program to support Vermont loggers in implementing initiative-taking water quality protection practices on their harvest sites. The program is funded by the Vermont Department of Forests, Parks and Recreation and administered by the Professional Logging Contractors of the Northeast.
- g. Consider chain of custody processes to improve verification of chip supply and origination of wood residues.
- h. Consider a trip ticket policy for all loads of timber or wood residues transported from the woods or mill to a wood using facility to ensure site-to-site or site-to-mill timber security.

Harvesting Policy

A review of the BED Harvesting Policy for Whole Tree Operations in Vermont is one of the outcomes in the RFP. The policy is a pragmatic document that covers a wide range of extremely important aspects of harvest planning and implementation.

In my process of reviewing documents pertaining to BED's policies, I reviewed the 2013 report by Pricewaterhouse Coopers which used the 2010-2014 SFI standard to identify gaps in the BED process of procuring wood residues for McNeil. Although there were many similar conclusions as mine, I wanted to highlight more specific actions to improve clarity of the BED Harvesting Policy.

Recommendations To Improve BED's Harvesting Policy for Whole Tree Chipping Operations in Vermont

- a. Improve the overall quality of the BED Harvesting Policy document using a graphic designer or publisher program to enhance readability and the professional appearance. The text of the document is technically clear and professional (other than minor improvements noted below); however, the appearance of the document could use some improvement.
- b. Section 1 – Require annual review/education of Vermont AMP's for all loggers in the BED system. The Professional Logging Contractors of the Northeast could be a good resource to lead a training session.
- c. Section 2a – Define refuse. Require all refuse be removed as soon as practicably possible, especially during winter months when snow and ice can prevent clean-up at season end. At a minimum, require weekly clean-up of refuse.

- d. Section 2c – Add revegetation of landings with grass or natural vegetation within one year.
- e. Section 5b – Reword ‘every effort will be made to put harvested products to their most valuable use’ to ‘timber removed from the designated harvest plan will be utilized to the maximum possible value’.
- f. Section 7 – Reword to state ‘BED foresters will encourage landowners to utilize a stumpage sale contract detailing harvest plan, stand prescriptions, and a list of markets with stumpage prices paid to the landowner’.

Other Observations Addressing Public Concerns

- a. The public has a genuine interest in forest management and desires exemplary work from BED certified harvest plans. As stated earlier, the harvest plan documentation used by BED foresters sets a standard for non-public lands in the Northeast US. The detailed planning and collaboration with State of Vermont Natural Resource Managers is noteworthy, exemplary, and progressive.
- b. The McNeil system receives wood residues from many sources. During my field visits, I observed no chipping of large diameter sawlogs or whole trees that could be sold to higher use roundwood markets. Loggers have no financial incentive to sell or ship timber that could be sold for a higher return.
- c. Land in the Northeast is regularly cleared for farming, housing, or development, especially near farms and larger communities. Vermont has a rich history of balancing farming, sugarbush lands, timber management, and rural communities. Neighboring states admire this balance of public demands. Without a wood residue market, the residues from site conversions would be open burned, which would directly release carbon the atmosphere and avoid use as a power source.
- d. Public comments from the June 24, 2025 TEUC meeting stated that 72% of wood produced in Vermont is burned. I cannot locate any public data that supports the statement. Timber produced in Vermont is sold to over 40 markets from sawlogs to pulpwood to firewood to wood residues. Historically, Vermonters burn wood to heat their homes and generate heat for their sugarbush operations – the use of wood for heat is a source of pride and a fabric of the rural society.

Photos of Active Harvest Sites – Summer 2025 (by John Bryant)

Photo 1: Sorting roundwood from limbed tops



Photo 2: Processing firewood on the logging yard



Photo 3: Piled tops from a winter job ready for chipping



Photo 4: Old fashioned firewood processing on site



Photo 5: Sorting roundwood from wood residues



Photo 6: Large pile of tops prepared for chipping



Photo 7: White Pine sawlogs ready for shipment



Photo 8: Truck loaded with wood chips



Photo 9: High quality hardwood crop trees post-harvest



Photo 10: Multiple wood products utilized for high value markets



Photo 11: Swanton yard wood chip receiving station

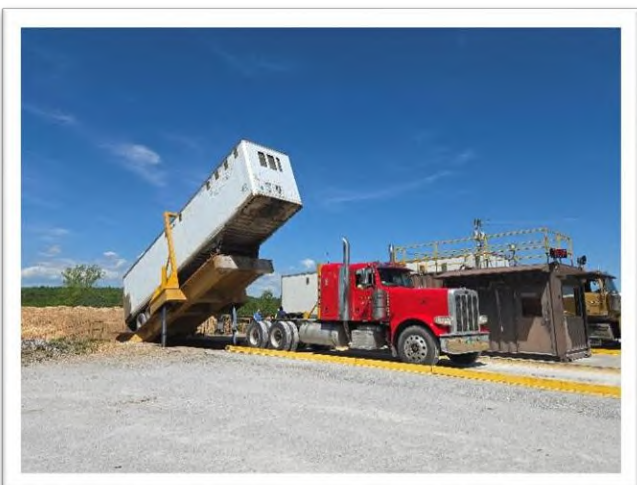


Photo 12: Tops and limbs piled for chipping



Exhibits Reviewed for This Report

- a. RFP 014-25C – BED Request for Proposal – Forestry Assessment and Analysis for McNeil.
- b. Vermont Acceptable Management Guidelines – Manual for Logging Professionals 2019.
- c. Burlington Electric Department – Harvesting Policy for Whole Tree Chipping Operations in Vermont (provided by Betsy Lesnikoski).
- d. Burlington Electric Department – Making A Harvest Plan (provided by Betsy Lesnikoski).
- e. Detailed lists of active 2024 and 2025 Vermont and New York harvest plans and maps under the McNeil certification system by BED Foresters (provided by Seth Clifford).
- f. Northern Woodlands article on Forest Carbon (summer 2025 edition).
- g. Innovative Natural Resource Solutions LLC report on BED’s Biomass Fuel Procurement Assessment (dated June 2016).
- h. Innovative Natural Resource Solutions LLC report on 2023 McNeil Economic Impact Analysis (dated June 2023).
- i. A Guide to Forest Carbon in the Northeast authored by Alexandra M. Kosiba, UVM 2024.
- j. McNeil Operation Certificate Permit dated September 14, 1981 (provided by Betsy Lesnikoski)..
- k. McNeil Operation Certificate Amended Permit dated May 16, 1983 (provided by Betsy Lesnikoski).
- l. BED analysis of 2019 annual purchases compared to net growth (provided by Betsy Lesnikoski).
- m. McNeil system volume delivery summary report for 2022 to 20245 (provided by Betsy Lesnikoski).
- n. Price Waterhouse Coopers report on the BED McNeil Station – SFI Standard Gap Assessment report (dated April 29, 2013).
- o. Maine Woodland Owners article on Silviculture and Carbon Sequestration authored by Bob Seymour dated April 2021.
- p. A Landowners Guide – Wildlife Habitat Management for Lands in Vermont published by Vermont Fish and Wildlife Department (dated 2014).
- q. Northern Woodlands magazine article on New Forest Bioproducts as A Conservation Tool (Summer 2025 edition).
- r. State of Vermont ACT 250 Program and History (from vermont.gov/act250-program website).
- s. TEUC forum discussion and notes from June 19, 2023 public meeting.
- t. TEUC forum notes from August 22, 2024 public meeting.
- u. TEUC meeting notes from June 24, 2025 public meeting.
- v. City of Burlington contract with K2QC Consulting LLC (dated May 2, 2025).
- w. K2QC Consulting LLC proposal for Forestry Assessment and Analysis for McNeil (dated February 18, 2025).

Qualifications, Experience and Education – John Bryant

- a. Retired Northeast Region Manager and Co-owner – American Forest Management (national forestry consulting company) – responsible for client relations and leadership of twenty-eight employees in 2 office locations and 3 timber processing yards in Maine (October 2007 to December 2019).
- b. Owner – K2QC Consulting LLC since January 2020 (forest management, timber value assessment, logger business assessment, and organizational development work).
- c. 42 years' experience as forester and land manager in Maine and New Hampshire for St. Regis Paper Company, Champion International Corporation, International Paper Company, and American Forest Management.
- d. Region Manager – Champion International Corporation, and International Paper from February 2000 to September 2007 – responsible for management of company owned lands and leadership of thirty-five employees in 4 office locations in Maine.
- e. From 2005 to 2019, responsible for managing annual deliveries and quarterly negotiations for an annual fiber supply agreement on 1,100,00 acres of timberland between Verso Paper [and pre-successor mill owner International Paper] and landowner BBC Lands [and pre-successor landowner GMO Renewable Resources]. The annual fiber supply volumes totaled 800-000 tons in 2005 and were amended in later agreements due to mill requests, timber markets, and mill closures.
- f. Manager Land Transactions – Champion International Corporation (April 1996 to January 2000) – responsible for land sales and acquisitions in Maine and northern New Hampshire including lead negotiator for a 22,000-acre Niatous Lake conservation easement between Robbins Lumber Company, Forest Society of Maine, State of Maine, and partner conservation organizations.
- g. Internal Consultant (part-time) – Champion International Corporation from 1990 to 2000 – working with management and work teams to improve team participation and improve company collaborative culture.
- h. Forester in various land management and silviculture positions at St. Regis Paper Company and Champion International Corporation from May 1977 to March 1996, including 8 years as a Field Forester.
- i. Maine Licensed Forester #931 (1982 to present).
- j. 1977 B.S. Forest Utilization degree from University of Maine, Orono.
- k. Advisory Committee Member, Scientific Forest Management Area, Baxter State Park (2014 to present).
- l. Co-Chair, FOR/Maine Executive Committee (2023 to 2025).
- m. Town of Holden Planning Board (1993 to 2014)
- n. President, Holden Land Trust – Holden, Maine (2022 to present).

Respectfully submitted,

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Maine Licensed Forester 931
207-745-9955
Holden, Maine 04429



*FY 2026
Financial Review
August*

September 26, 2025

**Burlington Electric Department
Financial Review**

FY 2026

Table of Contents:

● Financial Highlights	1-2
● Revenues and Expenses	
○ KWH Sales – Total	3
○ Cooling/Heating Degree Days	4
○ KWH Sales – Residential & Commercial	5
○ Net Power Supply Costs	6-11
○ Operating & Maintenance Expense	12
○ Labor Overhead	13
○ Net Income	14
● Capital Spending	15 - 18
● Cash	19

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of August FY26

(\$000)	Full Yr Budget	CURRENT MONTH			YEAR TO DATE		
		Budget	Actual	Variance	Budget	Actual	Variance
Sales to Customers	56,090	5,117	5,199	82	10,755	11,133	378
Other Revenues	3,881	333	159	(174)	697	438	(258)
Power Supply Revenues	7,631	3,000	0	(3,000)	3,000	0	(3,000)
Total Operating Revenues	67,602	8,450	5,357	(3,093)	14,452	11,571	(2,880)
Power Supply Expense (Net)	35,540	3,527	3,348	179	6,994	6,923	71
Operating Expense	22,912	1,904	1,810	94	4,145	3,897	248
Depreciation & Amortization	5,832	495	523	(28)	991	1,036	(45)
Taxes	3,615	319	292	27	627	583	44
Sub-Total Expenses	67,899	6,245	5,973	272	12,757	12,439	318
Operating Income	(298)	2,205	(616)	(2,821)	1,695	(867)	(2,562)
Other Income & Deductions	6,855	333	540	206	823	996	173
Interest Expense	3,204	259	270	(11)	518	527	(9)
Net Income (Loss)	3,354	2,280	(346)	(2,626)	2,001	(398)	(2,400)

Year-to-Date Results:

- **Sales to Customers** up \$378,000 (3.5%). Residential Sales up \$186,300 and Non-Residential Sales up \$184,000.
- **Other Revenues** down \$258,000 (37%)
 - a. DSM billable (customer driven).
- **Power Supply Revenues** down \$3,000,000; timing of REC deliveries
 - a. McNeil REC revenue of \$0 compared to a budget of \$1,786,000.
 - b. Wind REC revenue of \$0 compared to a budget of \$1,101,000.
 - c. Hydro REC revenue of \$0 compared to a budget of \$113,000.
- **Power Supply Expenses (Net)** down \$71,000 (1%)
 - a. Fuel down \$177,000.
 - b. Purchased Power down \$212,000.
 - c. Transmission up \$319,000.
- **Operating Expenses** down \$248,000 (6%)
 - a. Timing: various items were less than budget including outside services (\$218,800), materials & supplies (\$62,300), and RPS Compliance (\$71,800); offset by items higher than budget including A&G clearing \$99,800 and maintenance contracts, \$52,200.
- **Taxes** down \$44,200, (7%)
 - a. Actual Payment in Lieu of Tax (PILOT) is \$162,300 lower than budget assumption for the year.
 - b. Actual Winooski One Property Tax is \$29,700 lower than budget assumption for the year.
- **Other Income & Deductions** up \$173,000 (21%)
 - a. Timing; favorable gain/loss on disposition of plant, \$160,000.
 - b. Timing; favorable customer contribution /grant proceeds \$82,000.
 - c. Offset by timing of jobbing (\$104,000).

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of August FY26

Capital Spending – August YTD				
(\$000s)				
Plant Type	Full Yr. Budget	Budget	Actual	% Spent
Production	\$4,481	\$793	\$54	1%
Other	868	152	29	3%
Transmission	222	0	0	0%
Distribution	6,419	1,049	520	8%
General	3,228	959	94	3%
Total	\$15,218	\$2,951	\$698	5%

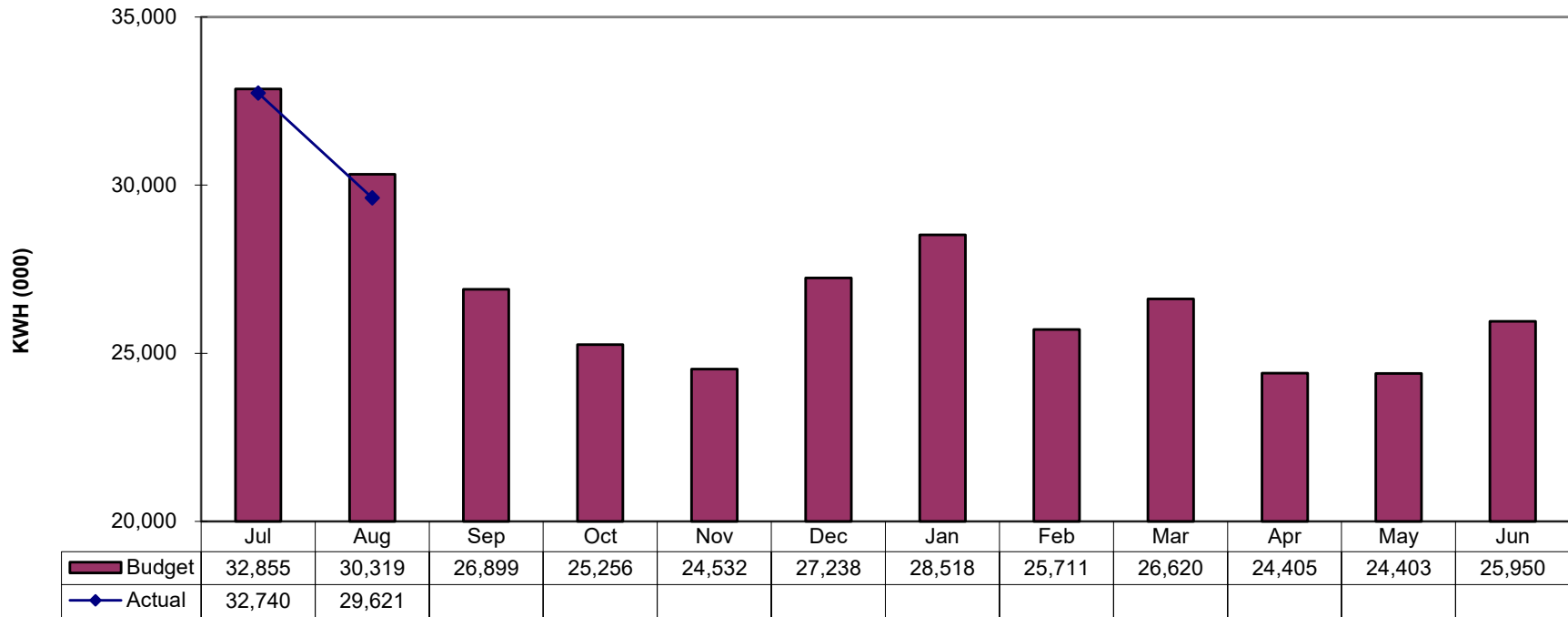
- (1) **Production** – Timing; projects at W1 are under budget including FERC Relicensing (\$238,100) and embankment repair (\$403,600). Also, budget assumed \$50,000 for replacement rail cars in July vs \$0.
- (2) **Distribution** – Transformers under budget due to availability (\$367,100).
- (3) **General** – Timing; budget includes IT Forward projects of \$351,400 vs actual of \$74,900. Also, timing of Forklift EV, \$137,700. RFP is out for proposal.

As of August 31, 2025	
Operating Cash and Investments	
Operating Funds	\$6,198,620
Operating Fund – CD's	\$985,940
CD/Money Market - GOB	\$4,873,840
Total Operating Cash	\$12,058,400

Credit Rating Factors – August 2025				
	"A"	"Baa"	Current	3 Year Average
Debt Service Coverage Ratio	1.25	1.25	5.11	4.27
Adjusted Debt Service Coverage Ratio	1.50	1.10	1.05	1.25
Cash Coverage - Days Cash on Hand	90	30		
- With \$10M Line of Credit			142	133
- Without Line of Credit			81	

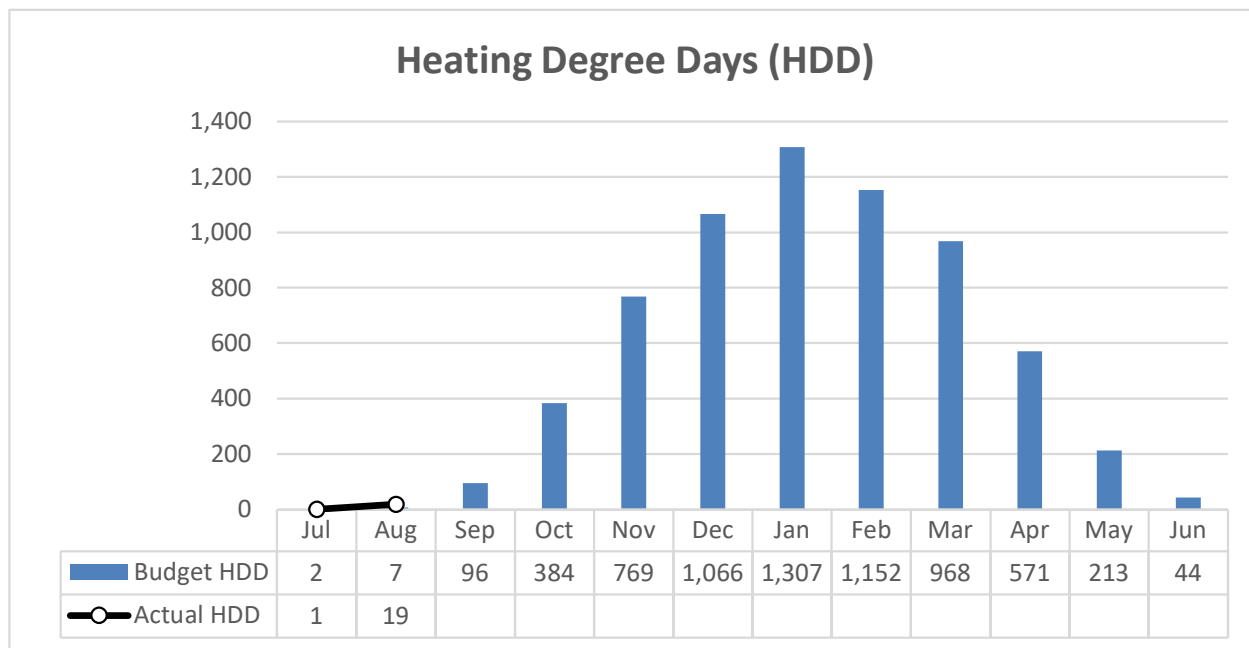
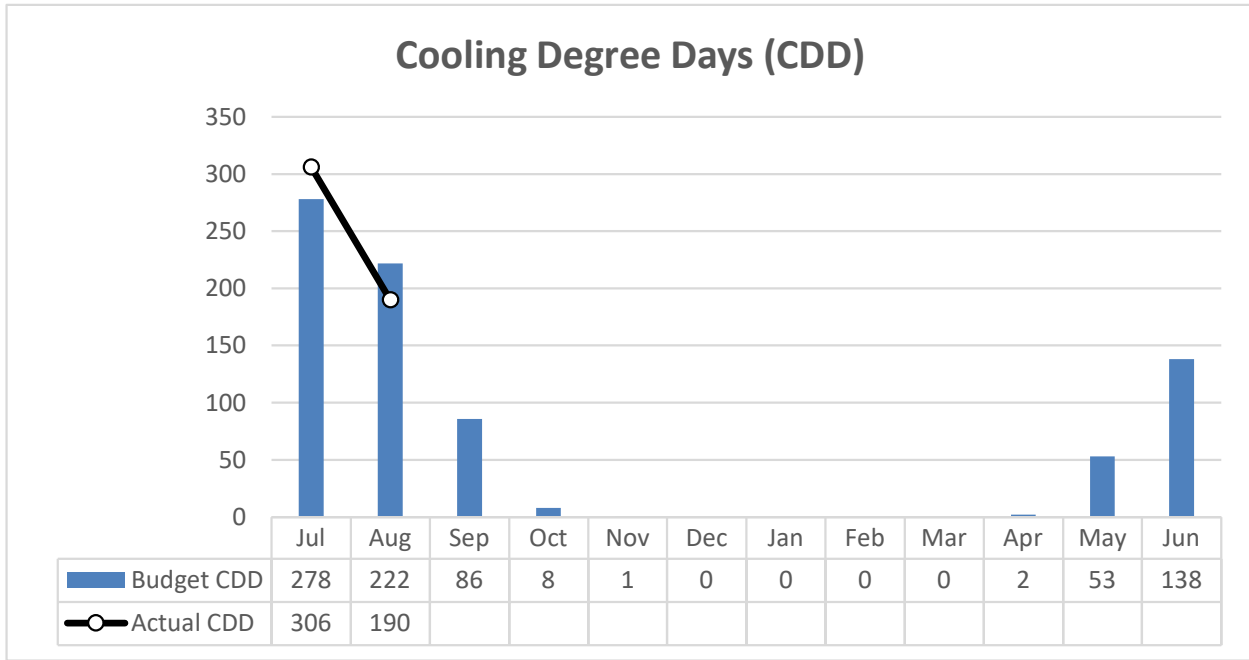
**Burlington Electric Department
Fiscal Year Ending June 30, 2026**

**Total Sales to Customers - KWH
Monthly**



KWH Sales to Customers (YTD)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	32,855	63,173	90,073	115,329	139,861	167,098	195,617	221,328	247,949	272,354	296,757	322,708
Actual	32,740	62,361										

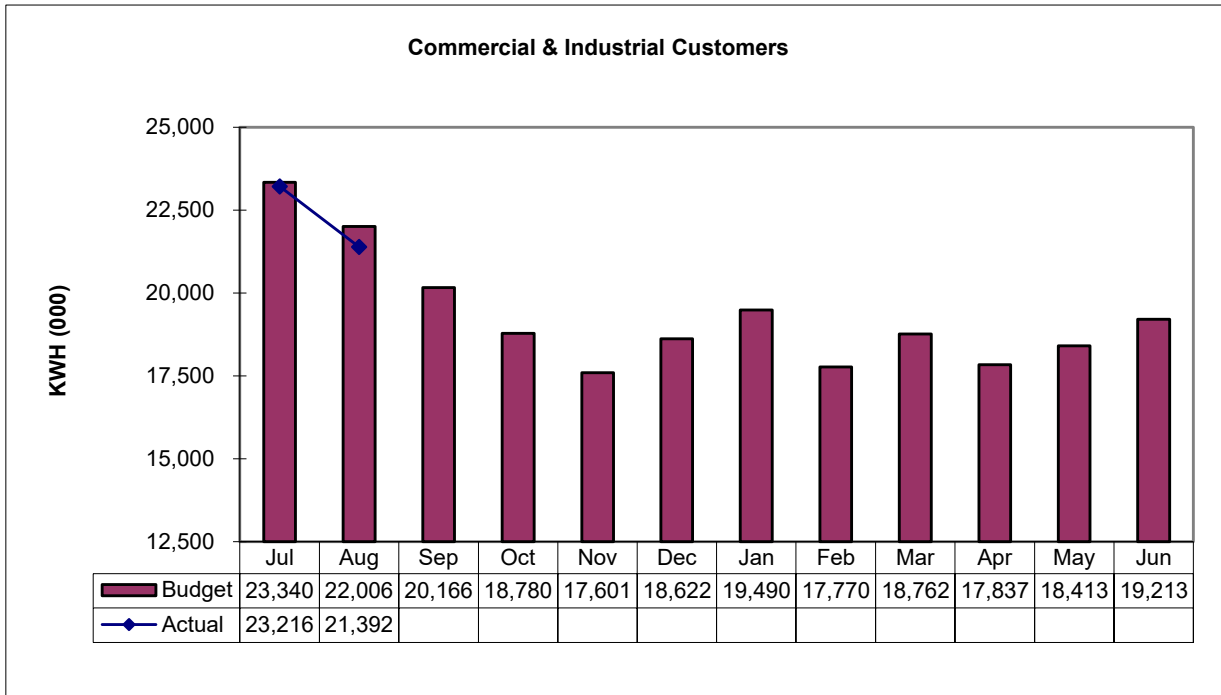
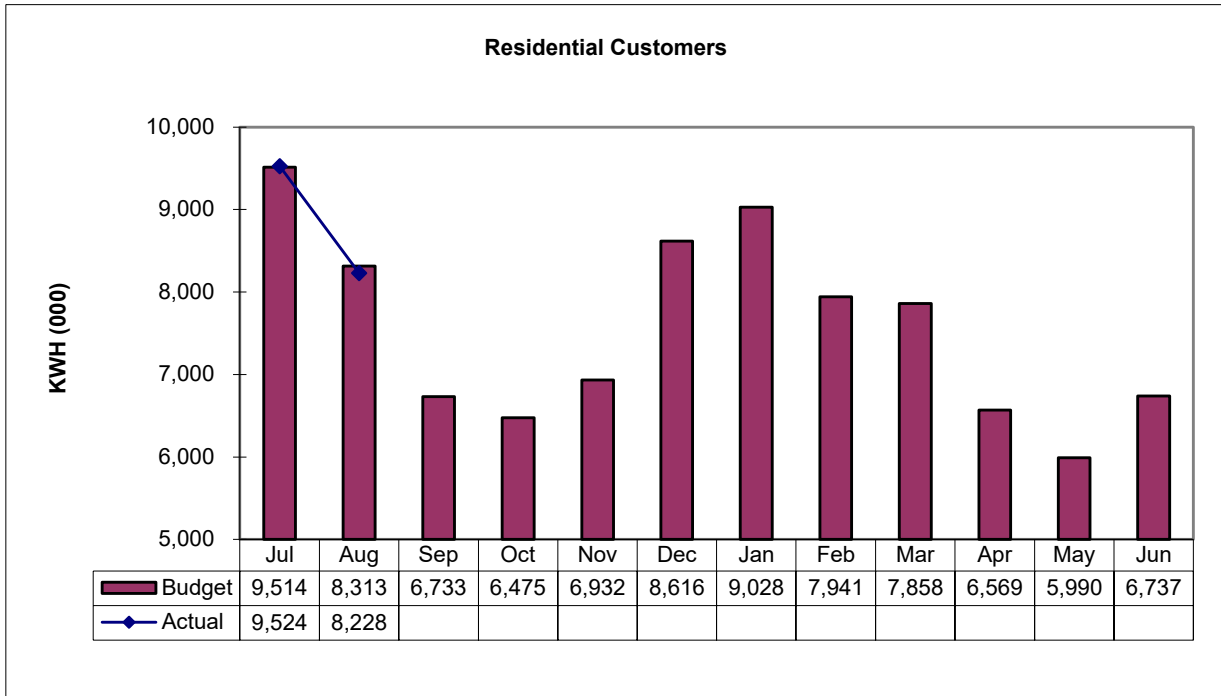
FY 2026



Average Monthly Temperature												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	74	72	65	53	39	30	23	24	34	46	60	68
Actual	75	70										

CDD/HDD definition per National Weather Service : Degree days are based on the assumption that when the outside temperature is 65°F, we don't need heating or cooling to be comfortable. Degree days are the difference between the daily temperature mean (high temperature plus low temperature divided by two) and 65°F. If the temperature mean is above 65°F, we subtract 65 from the mean and the result is Cooling Degree Days. If the temperature mean is below 65°F, we subtract the mean from 65 and the result is Heating Degree Days.

**Burlington Electric Department
Fiscal Year Ending June 30, 2026
KWH Sales**



Street Lighting is included with Commercial & Industrial Customers.

**Net Power Supply Costs
August - FY 2026**

	(\$000)							
	Current Month			Year-to-Date				
	Budget	Actual	Variance	Budget	Actual	Variance		
Expenses:								
Fuel (p. 7)	\$1,012	\$1,070	(\$59)	(1)	\$2,213	\$2,036	\$177	(1)
Purchased Power (p.11)	1,477	1,253	224	(2)	2,905	2,693	212	(2)
Purchased Power Adjustment (p 11)	43	43	(0)		87	87	(0)	
Transmission Fees - ISO	917	895	22	(3)	1,689	1,828	(139)	(3)
Transmission Fees - Velco	7	22	(15)	(4)	(34)	151	(185)	(4)
Transmission Fees - Other	71	66	5		133	128	5	
Total Expenses	3,526	3,349	177		6,992	6,922	70	
Revenues:								
Renewable Energy Certificates - McNeil	1,786	0	(1,786)	(5)	1,786	0	(1,786)	(5)
Renewable Energy Certificates - Wind	1,101	0	(1,101)	(5)	1,101	0	(1,101)	(5)
Renewable Energy Certificates - Hydro	113	0	(113)	(5)	113	0	(113)	(5)
Renewable Energy Certificates - Other	0	0	0		0	0	0	
Total Revenues	3,000	0	(3,000)	(5)	3,000	0	(3,000)	(5)
Net Power Supply Costs	\$525	\$3,349	(\$2,823)		\$3,992	\$6,922	(\$2,931)	
Load (MWh)	32,140	30,458	(1,682)		65,605	64,138	(1,467)	
\$/MWh	\$16.35	\$109.95	\$93.60		\$60.85	\$107.93	\$47.08	

Current Month:

- (1) See detail on page 7.
- (2) See detail on page 11.
- (3) ISO-NE Peak Load under Budget.
- (4) VELCO Common charges over Budget.
- (5) Timing of REC deliveries.

YTD:

- (1) See detail on page 7.
- (2) See detail on page 11.
- (3) ISO-NE Peak Load over Budget.
- (4) VELCO Common charges over Budget.
- (5) Timing of REC deliveries.

**Net Power Supply Costs
August - FY 2026**

	(\$000)						
	Current Month			Year-to-Date			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
<u>FUEL:</u>							
McNeil	990	1,057	(66)	(1)	2,120	1,984	136 (1)
Gas Turbine	21	14	7	(2)	93	52	41 (2)
Total Fuel	<u>1,012</u>	<u>1,070</u>	<u>(59)</u>		<u>2,213</u>	<u>2,036</u>	<u>177</u>

Current Month:

(1) McNeil production 7% over Budget. Wood Price Per Ton 5% under Budget. (p. 8)

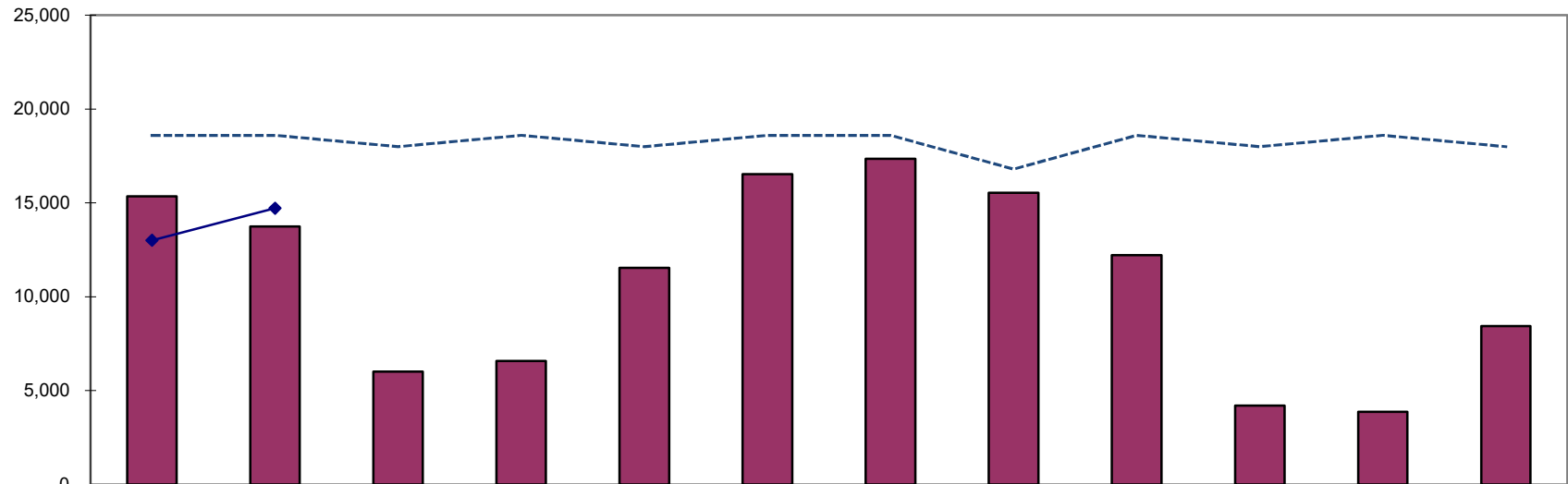
(2) GT production (34 MWh) 33% under Budget.

YTD:

(1) McNeil production 5% under Budget. Wood Price Per Ton 5% under Budget. (p. 8)

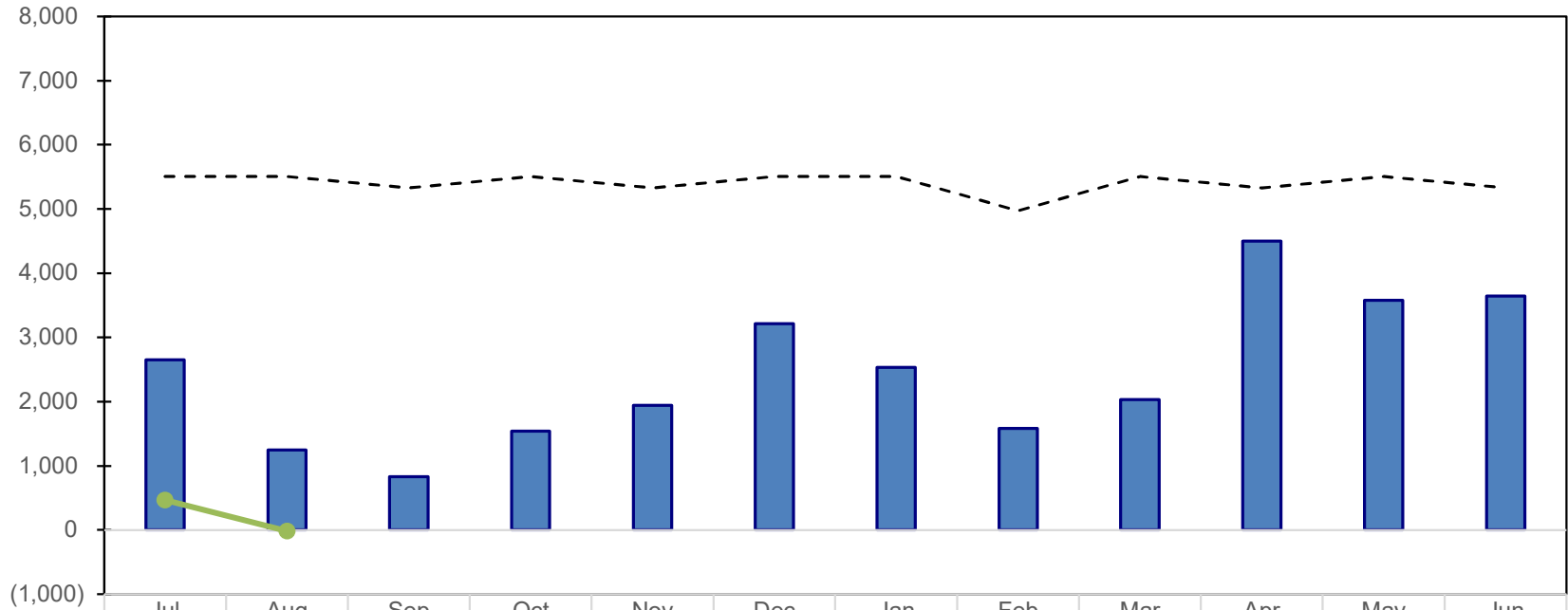
(2) GT production (132 MWh) 27% over Budget. Budget includes \$50,000 in July for R99 testing.

**Burlington Electric Department
McNeil Plant - MWH Production (50%)
FY 2026**



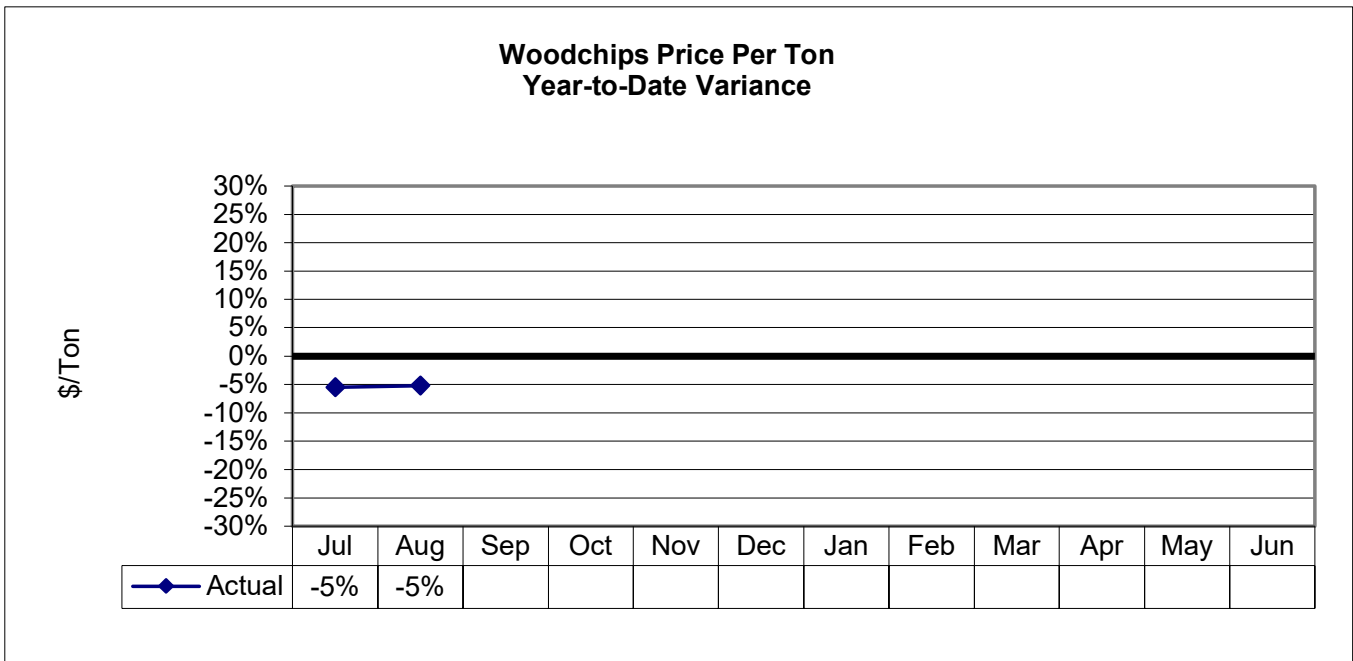
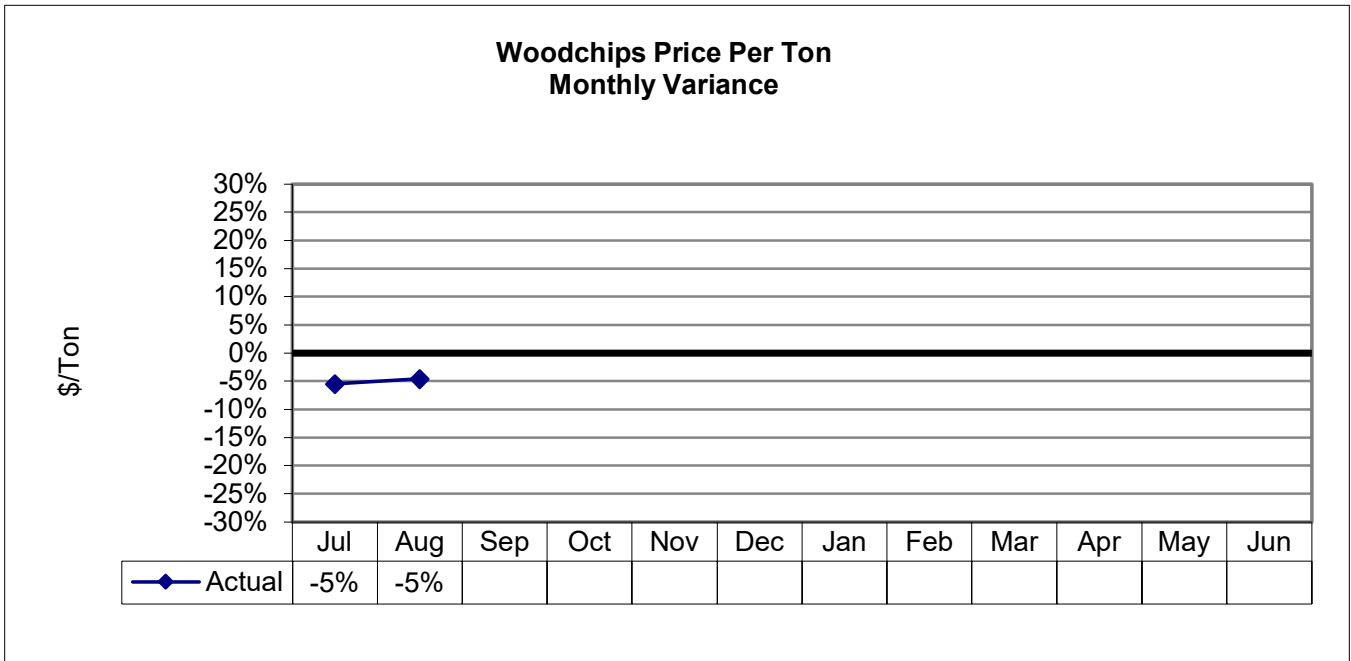
Budget	15,353	13,749	6,000	6,573	11,538	16,538	17,347	15,544	12,227	4,199	3,875	8,431
Actual	13,005	14,717										
Maximum	18,600	18,600	18,000	18,600	18,000	18,600	18,600	16,800	18,600	18,000	18,600	18,000

**Burlington Electric Department
Winooski One - MWH Production
FY 2026**



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	2,650	1,246	832	1,541	1,942	3,216	2,531	1,587	2,032	4,503	3,575	3,643
Actual	468	(13)										
Maximum	5,506	5,506	5,328	5,506	5,328	5,506	5,506	4,973	5,506	5,328	5,506	5,328

Burlington Electric Department Fiscal Year 2026



* Wood only. Does not include other costs.

**Net Power Supply Costs
August - FY 2026**

	(\$000)					
	Current Month			Year-to-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<u>PURCHASED POWER:</u>						
Non-Energy (capacity)	95	68	27	190	(5)	195 (1)
Energy:						
Georgia Mountain Wind	226	185	41 (1)	431	379	52 (2)
Hancock Wind	130	112	18 (2)	260	252	9 (3)
VT Wind	119	83	37 (3)	240	193	47 (4)
Hydro Quebec	300	300	(0)	600	600	(0)
In City Solar Generators	100	107	(7)	215	216	(1)
NYPA	6	5	1	13	12	1
ISO Exchange	291	327	(36) (4)	499	964	(466) (5)
ISO Exchange Adjustment	43	43	(0) (**)	87	87	(0) (**)
FirstLight	122	22	100 (5)	300	122	178 (6)
Velco Exchange	0	(0)	0	0	(1)	1
Total Energy	<u>1,339</u>	<u>1,185</u>	<u>154</u>	<u>2,643</u>	<u>2,823</u>	<u>(179)</u>
Ancillary Charges	19	(35)	54 (6)	24	(192)	216 (7)
VT RES Tier 1 Compliance Expense	0	0	0	0	0	0
Renewable Energy Credit Purchase	0	0	0	0	0	0
Miscellaneous-Other	67	78	(12)	133	154	(20)
Total Purchased Power Expense	<u><u>1,520</u></u>	<u><u>1,296</u></u>	<u><u>224</u></u>	<u><u>2,992</u></u>	<u><u>2,779</u></u>	<u><u>212</u></u>

Special Note ()**

Adjustment to reduce expense and create regulatory asset by amount of ISO Exchange excess winter energy revenue shortfall (\$4,162,233) and record one-eighth (\$520,279) as amortization in FY24.

Current Month:

- (1) Production 18% under Budget.
- (2) Production 14% under Budget.
- (3) Production 31% under Budget.
- (4) Production (Winooski One (101%), FirstLight (82%), and Wind (21%)) under Budget.
- (5) Production 82% under Budget.
- (6) Reserve revenues over Budget.

YTD:

- (1) Includes credit from Pay for Performance event.
- (2) Production 12% under Budget.
- (3) Production 3% under Budget.
- (4) Production 20% under Budget.
- (5) Production (McNeil (5%), Winooski One (88%), FirstLight (59%), and Wind (12%)) under Budget.
- (6) Production 59% under Budget.
- (7) Reserve revenues over Budget.

Burlington Electric Department					
Operating and Maintenance Expense by Spending Category					
FY 2026 - August YTD					
	Budget	Actual	Variance	% Variance	*
Labor-Regular	1,534,492	1,599,735	(65,243)	4%	a
Labor-Overtime	78,707	83,544	(4,837)	6%	
Labor-Temporary	13,200	1,728	11,472	87%	b
Labor-Overhead	664,309	673,361	(9,052)	1%	c
Outside Services	657,474	438,711	218,763	33%	d
DSM (rebates & outside services)	346,000	258,277	87,723	25%	e
Materials & Supplies	207,727	145,392	62,335	30%	f
Insurance	131,184	128,467	2,717	2%	
A & G Clearing	(181,423)	(81,634)	(99,789)	55%	g
Other - RES Tier 3 Compliance	194,946	123,135	71,811	37%	
Other	499,373	526,964	(27,591)	6%	h
Operating & Maintenance Expense	4,145,987	3,897,680	248,307	6%	

(a) Labor is impacted by the amount of capital (vs. expense) work.

(b) Temporary help at McNeil Plant.

(c) See page 13.

(d) Timing; budget assumed GT R99 Testing in July, \$171,000.

(e) Projects are driven almost entirely by customer decisions. The budget is based on information on specific projects or seasonal variations; otherwise the amount is spread evenly across the year.

(f) Timing of various areas.

(g) The credit for A&G ("Admin and General Expenses") charged to Capital projects was less than planned.

(h) Various areas are higher than budget including Maintenance Contracts, \$52,200, Rentals & Leases, \$33,600 and Uncollectible Accounts, \$30,500; offset by areas lower than budget including Transportation Clearing (\$37,400), Dues & Fees (\$11,700), Utilities \$9,800 and Training (\$8,700).

**Burlington Electric Department
Budget vs Actual Spending Analysis
FY 2026 - August YTD**

Labor - Overhead	(000's)			%	
	Budget	Actual	Variance		
Pension	\$308	\$303	\$5	2%	(a)
Medical Insurance	406	383	23	6%	(b)
Social Security Taxes	187	179	8	4%	(c)
Workers Compensation Ins.	74	69	4	6%	(b)
Dental Insurance	16	15	1	4%	(b)
Life Insurance	4	3	1	15%	(b)
Childcare Contribution Tax	11	9	1	14%	(d)
	\$1,005	\$962	\$42	4%	

Rates Table:	Budget
<i>Pension (a)</i>	12.58%
<i>Social Security (c)</i>	7.65%
<i>Childcare Payroll Tax</i>	0.44%

(a) Function of labor cost.

Includes pension per City, \$1,760,100 and amortization of IBEW Pension back payment, \$87,041.

(b) Budget provided by the City during budget development.

(d) New tax as of July 1, 2024 is 0.44% of wages.

Net Income
FY 2026 - August (\$000)

	Ref	Current Month			Year - To - Date		
		Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues							
Sales to Customers	p.3	5,117	5,199	82	10,755	11,133	378
Other Revenues		333	159	(174) (a)	697	438	(258) (a)
Power Supply Revenues	p.6	3,000	0	(3,000)	3,000	0	(3,000)
Total Operating Revenues		<u>8,450</u>	<u>5,357</u>	<u>(3,093)</u>	<u>14,452</u>	<u>11,571</u>	<u>(2,880)</u>
Operating Expenses							
Fuel	p.6	1,012	1,070	(58)	2,213	2,036	177
Purchased Power	p.6	1,520	1,296	224	2,992	2,780	212
Transmission	p.6	994	982	12	1,788	2,107	(319)
Operating and Maintenance	p.12	1,904	1,810	94	4,145	3,897	248
Depreciation & Amortization		495	523	(28)	991	1,036	(45)
Revenue Taxes		70	57	13	130	116	13
Property Taxes Winooski One		27	25	2 (b)	55	50	5 (b)
Payment In Lieu of Taxes		221	210	11 (c)	443	417	26 (c)
Total Operating Expenses		<u>6,244</u>	<u>5,973</u>	<u>271</u>	<u>12,756</u>	<u>12,439</u>	<u>317</u>
Other Income and Deductions							
Interest/Investment Income		42	121	80	73	149	76
Dividends		373	373	0	745	745	0
Customer Contributions/Grant Proceeds		81	114	33 (d)	157	238	82 (d)
Gain/(Loss) on Disp of Plant		(160)	0	160	(160)	0	160
Other		(2)	(69)	(67) (e)	9	(136)	(145) (e)
Total Other Income & Deductions		<u>333</u>	<u>540</u>	<u>206</u>	<u>823</u>	<u>996</u>	<u>173</u>
Interest Expense		259	270	(11)	518	527	(9)
Net Income		<u>2,280</u>	<u>(346)</u>	<u>(2,626)</u>	<u>2,001</u>	<u>(398)</u>	<u>(2,400)</u>

Current Month:

- (a) Energy Efficiency Program cost reimbursement was lower than planned, \$170,100.
(b) Actual Winooski One tax bill is lower than budget assumption by \$29,700 for the year.
(c) Actual Payment in Lieu of Tax (PILOT) is lower than budget assumption by \$162,300 for the year.
(d) Budget includes customer contributions for Champlain Pkwy (\$51,000). Also, grant income for "Building Giants" (Federal 50% share) (\$23,400) and Distributed Energy Resources Management (\$1,500). Actual includes customer contribution for UG billable (\$69,000) and various grant income.
(f) Unrealized loss on investment (\$65,100).

Year - To - Date:

- (a) Energy Efficiency Program cost reimbursement was lower than planned, \$248,300.
(b) Actual Winooski One tax bill is lower than budget assumption by \$29,700 for the year.
(c) Actual Payment in Lieu of Tax (PILOT) is lower than budget assumption by \$162,300 for the year.
(d) Budget includes customer contributions for Champlain Pkwy (\$102,100). Also, grant income for "Building Giants" (Federal 50% share) (\$46,800) and Distributed Energy Resources Management (\$3,500). Actual includes customer contribution for Champlain Parkway (\$69,000), UG billable (\$69,000) and various grant income.
(f) Timing of jobbing unfavorable, (\$104,000) and unrealized loss on investment (\$40,500).

**Burlington Electric Department
Capital Projects - FY26**

	\$000			
	Full Year Budget	Budget	August Actual	Variance
McNeil (BED 50% Share)				
Analyzer Upgrades for Chemical Treatment	9			0
Ash Silo Pug Mill/Auger Upgrade (312)	13			0
Augers Replaced	30			0
Catalyst Replacement for Nox System (312)	150		2	(2)
CEMS Server Upgrade (312)	15			0
Cooling Tower Timber Replacement	84		0	(0)
Demineralization Resin	20			0
Disk Screen	15			0
ESP Mechanical Field Rebuild	300			0
Farmhouse Improvements (311)	9			0
Freight Elevator Geared Equipment and Controls (311)	180			0
IT Forward - FIS Replacement (McNeil)	37			0
IT Forward - Work & Asset Management (McNeil)	22			0
Live Bottom Rebuild	139	1	1	0
McNeil Relay Engineering Study (315)	134	13	1	13
Network Infrastructure - McNeil Switches	7	7		7
Opacity Replacement (312)	20			0
Reclaimer Rebuild			12	(12) (a)
Replacement Rail Cars (312)	50	50		50
Routine Station Improvements ¹	188	38	1	37
Safety Valve Replacements (312)	25	6		6
Shredder Upgrade (312)	100			0
Station Tools & Tool Boxes (312)	8	1	2	(1)
Well New (311)	185			0
Woodchip Dryer (1 of 3) (312)	626		1	(1)
Other	17	6	3	2 (b)
Total McNeil Plant	2,380	122	23	99

(a) Prior year project.

(b) Budget includes appliances, energy efficiency upgrades, furniture, perimeter fence, replacement scale at Swanton, rigging equipment and switchgear & station upgrades.

Hydro Production 1,926 659 6 653 (a)

(a) Timing; FERC Relicensing, \$238,000 and Embankment Repair & Dam Plate Torque, \$403,600.

Gas Turbine 175 12 26 (13) (a)

(a) Budget assumes Rigging Equipment & Station Improvements. Actual includes prior year GT Roof Replacement, \$2,800 and GT Server Upgrade, \$22,800.

**Burlington Electric Department
Capital Projects - FY26**

	\$000			
	Full Year Budget	Budget	August Actual	Variance
Other				
Direct Current Fast Chargers (Level 3)	159	0	2	(2)
Distributed Energy Resources	34	7		7
Distributed Energy Resources Management System	244	0		0
EV Charger Installations (Level 2)	264	0	2	(2)
EV Chargers/Staging Plan	0	0	25	(25) (a)
P&P R&D	26	5		5
585 Fleet EV Chargers	115	115		115
585 Fleet EV Charging Design Study	25	25		25
Total Other	<u>868</u>	<u>152</u>	<u>29</u>	<u>123</u>
 (a) Prior year project #C20255.				
Transmission Plant				
VT Transco Investment	222	0	0	0
Total Transmission Plant	<u>222</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Distribution Plant-General				
Aerial				
Deforest Road Rebuild	493	247	4	243
Dunder Road Rebuild	0		22	(22) (a)
NZE Transfer Load Between 1L1 to L14	210			0
Rebuild 1L4 from Poles P838 to P2795	173			0
Rebuild Howard Street Pole P655 to P836	41		0	(0)
Rebuild Plattsburgh Ave Poles P3762 to P3752	40		0	(0)
Rebuild St Paul Street Pole P1004 to P1011	27		1	(1)
Rebuild Wells Street Pole P191 to P183	25		1	(1)
Replace Condemned Poles	210		1	(1)
South Cove Rd East Rebuild			80	(80) (a)
South Cove Road West Rebuild			94	(94) (a)
Total Aerial	<u>1,220</u>	<u>247</u>	<u>204</u>	<u>43</u>
 (a) Prior year project.				
Underground				
Battery Street Replacement			2	(2)
Replace UG to UVM Aiken Center	18	18		18
Replace 2L3 from UH303 to 929S	698			0
Rebuild UG St. Paul Street (Bank St to Cherry St)	358			0
Total Underground	<u>1,073</u>	<u>18</u>	<u>2</u>	<u>16</u>

**Burlington Electric Department
Capital Projects - FY26**

	\$000			
	Full Year Budget	Budget	August Actual	Variance
Customer Driven/City Projects				
Champlain Parkway-Billable	400	120	75	45
Champlain Parkway (CAFC)	(340)	(102)	(69)	(33)
City Place Streetlighting	195			0
City Place Streetlighting (CAFC)	(104)			0
Great Street-Main Street	621		7	(7)
Great Street-Main Street (CAFC)	(557)			0
Winooski Bridge Rebuild	34			0
Winooski Bridge Rebuild (CAFC)	(34)			0
Total Underground	<u>215</u>	<u>18</u>	<u>13</u>	<u>5</u>
Other				
Communication Equipment Emergency Repair	16			0
Distribution Transformers-Purchase	1,445	434	67	367
Distribution Transformers-Install	11	2	6	(4)
Fiber Optical Time Domain Reflectometer Unit (OTDR)	12	12		12
Lake Street Battery Bank Replacement	41			0
Replace Failed 920S/921S/922S Switch	63			0
SCADA ADMS Upgrade (Phases 3/4)	1,204	241	149	92
SCADA Field Equipment Replacement	64			0
SCADA Servers PC's and Monitors			15	(15)
Upgrade ArcFM to GIS Pro	318			0
USAmp Upgrade	7	7		7
Other			9	(9)
Total Other	<u>3,181</u>	<u>696</u>	<u>245</u>	<u>451</u>
Total Distribution Plant-General	<u>5,689</u>	<u>979</u>	<u>464</u>	<u>515</u>
Distribution Plant - Blanket				
Aerial	174	3	22	(19)
Aerial (CAFC)	(70)	(1)	(7)	5
Underground	332	25	103	(78)
Underground (CAFC)	(143)	(3)	(87)	84
Meters	133	41	6	35
Lighting	217	5	10	(4)
Tools & Equipment - Distribution/Technicians	40		9	(9)
Replaces Failed SCADA Field Equipment	12		0	(0)
Substation Maintenance	18			0
Substation Camera Replacement	15			0
Total Distribution Plant - Blanket	<u>729</u>	<u>70</u>	<u>57</u>	<u>14</u>
Total Distribution Plant	<u>6,419</u>	<u>1,049</u>	<u>520</u>	<u>529</u>

**Burlington Electric Department
Capital Projects - FY26**

	\$000			
	Full Year Budget	Budget	August Actual	Variance
General Plant				
Computer Equipment/Software	2,724	596	79	517 (a)
Vehicle Replacement	309	309		309
Buildings & Grounds	179	35	15	20 (b)
Gas Detectors	6	6		6
AED Purchase	11	11		11
Total General Plant	3,228	956	94	862

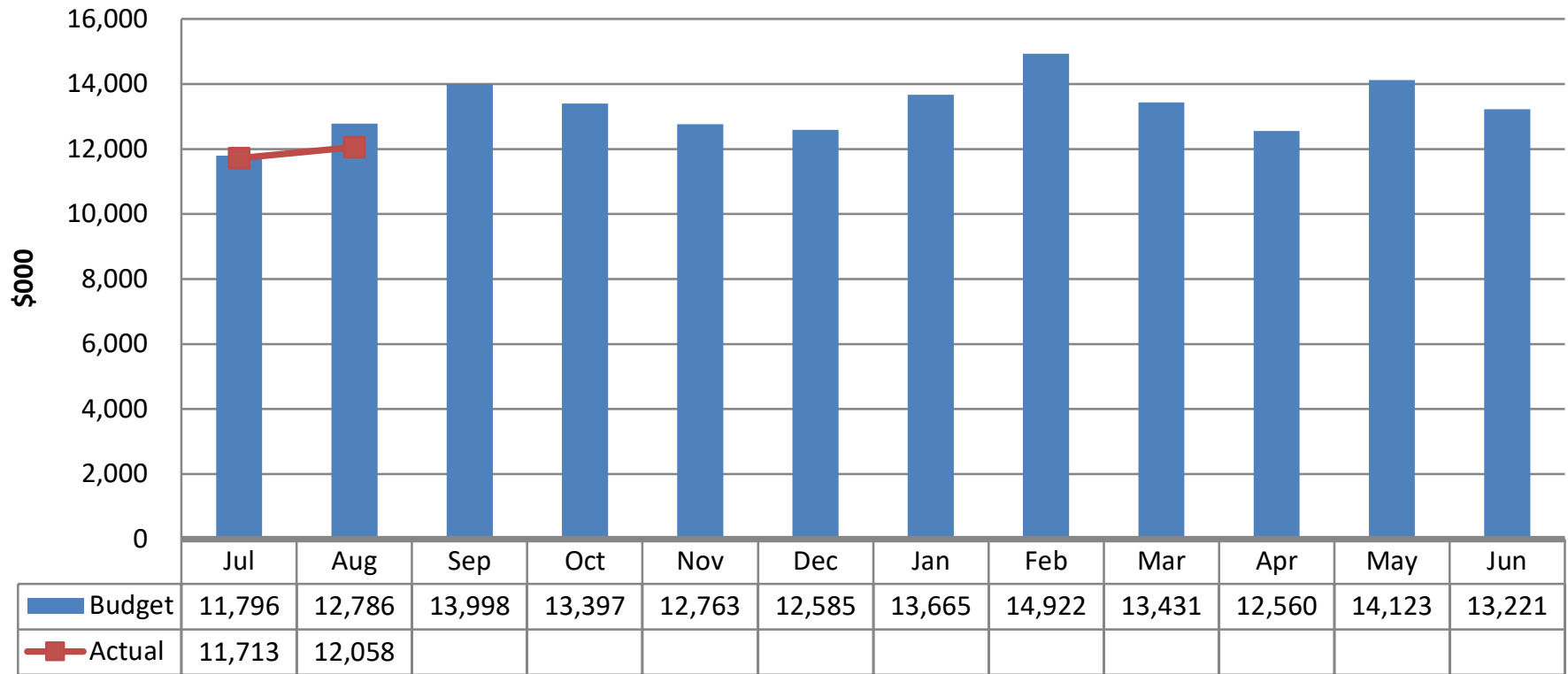
(a) Budget includes IT Forward, \$166,650 vs actual of \$32,670. Other various projects include Internet Firewall.

(b) Budget includes Meter Shop renovation (HVAC) \$35,000. Actual includes new SCADA Room, \$9,200 from prior year.

Sub-Total Plant	\$15,218	\$2,951	\$698	\$2,253
Add: CAFC* reclass to "Other Income"	1,247	106	163	(56)
Total Plant	\$16,465	\$3,057	\$860	\$2,197

* Customer Advances (Contributions) for Construction.

Operating Cash - FY 2026 Monthly Ending Balance



**BED 2025-2026
Strategic Direction Dashboard**

	Target	Sept 2025 Actuals	Aug 2025 Actuals	July 2025 Actuals	June 2025 Actuals	May 2025 Actuals	April 2025 Actuals	March 2025 Actuals	February 2025 Actuals	January 2025 Actuals	2024 Yearly Actual	2023 Yearly Actual	2022 Yearly Actual	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual
Engage Customers and Community																
Call answer time 75% within 20 seconds	75%	76%	78%	78%	69%	61%	86%	90%	90%	86%	avg 81%	avg 82%	avg 82%	avg 82%	avg 81%	
Delinquent accounts >\$500	0	313	262	276	248	242	246	323	287	251	avg 223	avg 168	avg 188	avg 529	avg 201	
Disconnects for non-payment	0	36	34	22	2	31	153	10	34	1	308	224	12	0	45	
Energy Assistance Program Customers (program lifetime)	NA	905	898	887	881	871	869	862	858	852	843	234				
Energy Assistance Program Customers (currently enrolled)	300	784	787	781	776	788	776	776	776	774	770	219				
# of residential weatherization completions	10	0	1	0	0	1	0	0	0	0	7	11	5	5	3	11
Weatherization completions in rental properties		0	0	0	0	0	0	0	0	0	3	8	6	0	0	TBD
# or % of homes or SF weatherized		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	0	TBD	TBD	TBD	TBD	0
# of commercial building with improved thermal envelopes		0	0	0	1	0	0	0	0	0	5	6	4	5	5	0
Total annual mWh saved via the EE programs (annual goal)	4,032	1,414	1,391	1,031	1,003	934	904	877	84	61	1116	2,940	4053			3057
Total residential annual mWh saved via the EE programs (cumulative for year)	724	187	166	142	128	68	64	51	35	28	333	494	862			917
Total commercial sector annual mWh saved via the EE programs (cumulative for year)	3,308	1,227	1,225	889	875	866	840	828	49	33	783	2,447	3191			2140
% of EEU charge from LMI customers spent on EE services for LMI customers (cumulative for 2024- 2026 3-year EEU performance period)	\$ 297,026	\$ 236,194	\$ 233,861	\$ 215,682	\$ 204,228	\$ 200,971	\$ 195,750	\$ 186,013	\$ 178,052	\$ 167,552	\$ 155,814	\$ 504,942	\$ 335,234	TBD	TBD	TBD
# of customers enrolled in DTP mailing list	TBD	852	852	844	826	816	NA	NA	NA	NA	812	800	738	689	698	523
# of large customers participating in DTP		12	12	12	12	12	NA	NA	NA	NA	12	12	11			
# of pageviews, overall website-wide		23,312	20,567	22,866	21,052	28,406	21,747	19,047	18,341	23,653						
# of unique website homepage views		4,551	4,181	4,867	4,621	5,046	4,617	4,251	3,804	4,739						
Strengthen Reliability																
SAIFI (AVG interruptions/customer) (annual target)	< 2.1	0.03	0.0	0.04	0.003	0.03	0.02	0.01	0.05	0.07	1.63	0.56	1.05	0.17	1.48	1.01
CAIDI (AVG time in hrs to restore service) (annual target)	< 1.2	2.05	2.13	0.62	1.09	1.16	2.39	1.94	1.72	0.44		0.94	0.67	1.49	0.55	0.75
Distribution System Unplanned Outages (annual target)	82	1	2	10	6	2	6	4	5	3	69	39	61	44	90	98
McNeil Forced Outages	0	1	0	1	1	1	1	2	1	0	10	5	14	5	21	TBD
W1H Forced Outages	0	0	0	0	0	0	0	1	1	0	3	2	6	9	2	TBD
GT Forced Outages	0	0	0	1	0	1	0	0	0	1	2	9	6	2	3	TBD
Invest in Our People, Processes, and Technology																
Avg. # of days to fill positions under recruitment	120	323	366	311	282	281	217	317	257	232	253	219	100	68	179	
# of budgeted positions vacant	0	8	9	10	11	10	10	9	11	11	avg 12	avg 12	avg 9	avg 9	6	NA

**BED 2025-2026
Strategic Direction Dashboard**

	Target	Sept 2025 Actuals	Aug 2025 Actuals	July 2025 Actuals	June 2025 Actuals	May 2025 Actuals	April 2025 Actuals	March 2025 Actuals	February 2025 Actuals	January 2025 Actuals	2024 Yearly Actual	2023 Yearly Actual	2022 Yearly Actual	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual
Innovate to Reach Net Zero Energy																
<i>Tier 3 Program</i>																
# of residential heat pump installs		13	13	20	20	0	10	18	11	31	176	186	255	315	203	10
# of commercial heat pump installs		0	0	0	0	0	0	0	0	0	5	8	4	4	13	0
# of residential hot water heat pump installs		0	1	0	3	0	5	1	2	5	28	31	26	14	6	4
# of commercial hot water heat pump installs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Heat pump rebates		13	19	22	20	6	10	18	11	31	185	206	271	328	212	0
Heat pump hot water heater rebates		0	1	0	3	0	5	1	2	5	28	47	18	15	3	0
LMI heat pump rebates		4	6	2	4	6	0	1	0	0	35	21	43	28	6	4
Heat pump technology installs in rental properties		0	0	0	0	0	0	0	0	0	3	8	10	14	9	TBD
LMI heat pump hot water heater rebates		2	0	0	4	0	1	0	0	0	2	6	1	2	0	1
EV rebates - new		15	10	3	3	16	11	10	6	18	125	103	53	67	14	36
EV rebates - pre-owned		5	3	1	1	1	3	2	2	1	23	16	18	7	8	2
LMI EV rebates	See NZE Roadmap Goals below	3	2	2	2	4	1	4	2	5	50	26	9	11	7	7
PHEV rebates - new		4	5	2	3	0	2	4	3	7	44	25	27	41	10	17
PHEV rebates - pre-owned		1	1	1	2	3	1	0	0	5	8	6	12	6	5	3
LMI PHEV rebates		0	1	0	1	0	0	0	0	0	11	5	15	13	6	2
Public EV chargers in BTV (total)		41 ports	41 ports	41 ports	41 ports	41 ports	41 ports	41 ports	40 ports	40 ports	40 ports	32 ports	30 ports	27 ports	27 ports	14
Public EV charger energy dispensed (kWh)		40,500	44,400	40,400	36,700	36,700	39,100	38,500	36,400	40800	355500	244,300	151,360	86,570	35,690	78,000
Home EV charging station rebates		0	17	6	3	5	13	8	5	18	82	72	70	32	20	12
EV charging rate customers (total)		410	399	394	389	382	379	364	354	351	347	246	157	40	40	28
Level 2 charger rebates		1	0	11	0	0	0	0	0	1	22	10	11	10	0	1
Level 1 charger rebates		0	0	1	0	0	0	0	0	0	0	0	-	0	1	0
E-bike rebates		15	29	24	36	32	39	22	1	27	169	147	152	88	36	65
E-mower rebates		6	3	8	31	25	10	1	0	2	109	135	159	154	95	142
E-forklift rebates		0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
MWE of Tier 3 measures installed		3,407	2,434	21,135	4,409	1,040	1,400	1,788	1,139	1,977	26,120	22,374	22,837	23,763	35,112	3,342
% Tier 3 obligation met with program measures	100%	160%	146%	136%	49%	30%	26%	20%	13%	8%	122%	117%	131%	159%	283%	31%
<i>Net Zero Energy Roadmap Goals</i>																
# of solar net metering projects installed		4	0	1	2	0	2	2	1	1	13	32	33	29	24	33
No. of homes receiving NZE Home Roadmaps		0	0	0	0	0	0	0	0	0	0	-	7	10	7	
Residential heat pumps for space heating (no. of homes)	2023: 8615	NA	NA	NA	NA	NA	NA	NA	NA	NA	2,320, 18% of goal	1,952	1,749	1,448	1,112	925
Commercial heat pumps for space heating (1000 SF floor space served)	2023: 5397	NA	NA	NA	NA	NA	NA	NA	NA	NA	487, 7% of goal	431	411	405	374	374
Residential heat pumps for water heating (no. of homes)	2023: 4365	NA	NA	NA	NA	NA	NA	NA	NA	NA	344, 4% of goal	289	243	224	208	203
Commercial heat pumps for water heating (1000 SF floor space served)	2023: 1019	NA	NA	NA	NA	NA	NA	NA	NA	NA	6, 0.2% of goal	0	0	0	0	-
EV registrations in BTV (light-duty)	2023: 2294	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,285, 23% of goal	829	699	549	361	296
Greenhouse gas emissions (1000 metric tons CO2)	2023: 150	NA	NA	NA	NA	NA	NA	NA	NA	NA	174, 55% above target	179	193	188	185	214
Fossil fuel consumption (billion BTU)	2023: 2418	NA	NA	NA	NA	NA	NA	NA	NA	NA	2,964, 68% above target	3,044	3,319	3,169	3,185	3,660

**BED 2025-2026
Strategic Direction Dashboard**

	Target	Sept 2025 Actuals	Aug 2025 Actuals	July 2025 Actuals	June 2025 Actuals	May 2025 Actuals	April 2025 Actuals	March 2025 Actuals	February 2025 Actuals	January 2025 Actuals	2024 Yearly Actual	2023 Yearly Actual	2022 Yearly Actual	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual
Demand Response																
# of Defeat the Peak events called		0	0	0	1	0	0	0	0	0	2	3	3	5	3	4
Average kW savings per DtP event		NA	NA	NA	413	NA	NA	NA	NA	NA	342	372	463	419.5	261	242
Manage Budget and Risks Responsibly																
Safety & Environmental																
No. of workers' compensation/accidents per month	0	1	1	0	0	2	2	0	0	0	7	8	16	4	8	
Total Paid losses for workers' compensation accidents (for the month)	annual	\$8,210	\$11,091	\$7,121	\$21,245	\$13,204	\$10,248	\$3,018	\$5,489	\$66,100	\$272,353	\$98,393	\$ 145,102	\$ 93,612	\$ 165,402	\$38,288
Lost Time Incident Rate (days/year) (Dec numbers reflect annual results)	<= 3.5 annual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.99	2.0	1.99	0.0	0.93	0.89
Lost Time Severity Rate (days/year) (Dec numbers reflect annual results)	<= 71 annual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.90	107.4	112.63	0.0	41.71	78.2
Lost work days per month	0	0	0	0	11	16	0	0	0	0	avg 10	avg 12	avg 9	0.0	45	
NOx reporting levels to EPA (Quarterly) (lbs/mmbtu)	<0.075	0.068	0.066	0.067	0.068	0.069	0.091	0.068	0.069	0.068	0.06	0.06	0.06	0.07	0.07	
# of reported spills, waste water incidents (monthly)	0	0	0	0	0	0	0	0	0	0	4	2	6	4	4	
Phosphorus levels to DEC in lbs (monthly/yearly total)	<0.8/37	0.157/1.235	0.172/1.152	0.038/1.053	0.04/1.063	0.013/1.024	0.181/2.082	0.174/1.979	0.165/1.986	0.153/1.965	1.87	0.705	0.688	2.028		1.169
# of new power outage claims reported (monthly)	1	0	0	1	0	0	0	0	0	0	6	3	5	7	4	
# of new auto/property/other liability claims reported (monthly)	2	0	2	2	1	3	3	1	1	4	24	36	27	18	27	
Purchasing & Facilities																
# of Purchase Orders for Inventory (Target: avg for winter months)	42	81	67	108	41	78	67	86	72	51	738	541	636	644	593	
\$ value of Purchase Orders for Inv. (Target: avg dollars spent during winter)	\$78,000	\$889,830	\$493,359	\$1,128,775	\$140,202	\$325,805	\$401,355	\$973,263	\$919,825	\$142,579	\$ 6,613,883	\$2,481,531	\$ 4,861,023	\$ 3,278,620	975,531	
# of stock issued for Inventory (Target: avg during winter months)	320	1000	731	641	732	563	707	730	510	631	7,207	6,777	6,187	4,402	4,545	
\$ value of stock issued for Inventory (Target: avg. during winter)	\$ 65,000	\$ 94,464	\$ 164,571	\$ 66,137	\$ 359,158	\$ 134,027	\$ 190,684	\$ 151,857	\$ 122,341	\$ 66,331	\$ 2,352,360	\$ 1,925,781	\$ 2,200,233	855,456	1,086,478	
# of posters pulled from poles monthly (Target: goal to remove each month)	58	316	125	64	0	121	0	0	0	40	351	592	900	2,728	627	
# of Spark Space and Auditorium setup/breakdowns monthly (Target: Covid impact)	3	17	13	14	11	16	13	19	16	15	199	207	132	88	87	
Finance																
Debt service coverage ratio (avg of previous 12-months)	1.25		5.11	4.92	TBD	4.91	5.47	5.08	5.14	4.95	4.10 FY24	3.81 FY23	4.61 FY22	4.26 FY21	3.77 FY20	3.56 FY19
Adjusted debt service coverage ratio (avg of previous 12-months)	1.5		1.05	1.24	TBD	1.26	1.44	1.32	1.34	1.29	1.25 FY24	1.29 FY23	1.22 FY22	1.08 FY21	0.93 FY20	0.90 FY19
Days unrestricted cash on hand (incl line of credit)	>90		142	141	TBD	144	137	152	156	153	146 FY24	93 FY23	120 FY22	121 FY21	120 FY20	109 FY19
Arrearages >60 days		\$ 616,490	\$568,448	\$561,164	\$ 558,755	\$ 514,677	\$ 486,445	\$ 493,414	\$ 484,303	\$ 480,633	\$ 470,940	\$ 392,196	\$ 408,903	\$ 1,087,769	\$ 749,054	
Regulatory																
Open PUC dockets		29														
Open PUC dockets with deadlines in next 3 months		12														
Power Supply																
McNeil generation (MWH) (100%)	per budget	22,687	29,433	26,010	18,513	13,684	552	10,132	25,714	32,680	197,044	184,798	228,981	273,355	192,696	
McNeil availability factor	100%	73%	87%	76%	61%	67%	2%	29%	81%	100%	66%	84%	67%	80%		
McNeil capacity factor	per budget	63%	79%	72%	51%	37%	1.5%	27%	77%	88%	45%	42.3%	52.4%	62.4%		
Winooski One generation (MWH)	per budget	35	0	471	1,442	2,805	2,974	2,573	854	1,083	29,498	36,318	25,350	24,752	21,194	
Winooski One availability factor	100%	1%	0%	40%	60%	70%	70%	70%	90%	90%	98%	97.2%	98.3%	97%		
Winooski One capacity factor	per budget	25%	0%	48%	27%	56%	56%	47%	17%	20%	48%	56%	41.7%	37%		
Gas Turbine generation (MWH)	NA	181	33.6	97.9	171.7	22.0	17.7	19.0	18.1	6.9	484	475	356	373	441	
Gas Turbine availability factor	100%	87%	99%	99%	86%	89%	100%	100%	100%	97%	98%	46.7%	54.5%	96%		
Gas Turbine capacity factor	NA	4%	0.2%	0.6%	1.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.2%	0.2%	0.21%		
BTV solar PV production (mWh)		565	646	658	632	466	503	410	117	215	5,020	4,681	5,260	5,015	5,182	
Cost of power supply - gross (\$000)			\$3,349	\$3,574	\$3,073	\$2,760	\$4,328	\$3,346	\$2,968	\$2,629	\$34,858	\$30,002	\$36,755	\$30,285	\$31,081	
Cost of power supply - net (\$000)			\$3,349	\$3,574	\$3,073	\$1,829	\$1,559	\$3,346	\$2,968	\$2,629	\$27,984	\$22,710	\$27,487	\$22,134	\$23,388	
Average cost of power supply - gross \$/KWH			\$0.11	\$0.11	\$0.11	\$0.11	\$0.18	\$0.13	\$0.11	\$0.09	\$0.11	\$0.09	\$0.11	\$0.09	\$0.10	
Average cost of power supply - net \$/KWH			\$0.11	\$0.11	\$0.11	\$0.07	\$0.06	\$0.13	\$0.11	\$0.09	\$0.08	\$0.07	\$0.08	\$0.07	\$0.08	



Burlington Electric Department Presentation to the Board of Electric Commissioners

Audit results and strategy for the year ending June 30, 2025

October 8, 2025

Audit results: Overview

Audit Results

Significant audit areas of emphasis:

- Cash
- Investments
- Sales, including renewable energy credits
- Debt
- Utility Plant in Service
- Net Assets
- Procurement, including purchase power, transmission, production costs, and other expenses and related payables
- Payroll and Pension Liabilities
- Overall financial statement presentation, commitments, and contingencies

Auditors' report

We are responsible for forming and expressing an opinion on the financial statements, including an opinion on fiduciary funds, based on our audit, which is performed in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We consider internal control but do not issue an opinion on internal controls.

Uncorrected Misstatements (to date) – Slide 6

- Annually, management estimates the amount of revenue/AR for RGGI. In the current year, this estimate differed from the actual revenue by \$36.8k, which is greater than our posting threshold for EEU.
- In 2019, BED was denied regulatory asset treatment of the 2019 McNeil plant overhaul. The proper way to account for the overhaul would be to add a regulatory asset during a rate case filing, which happened in 2021. As they had received denial of the regulatory asset, they had not recorded anything. Within 2025, BED had recorded the liability as the expense was already included within the rate case filings from 2021 and onward. As such, Management has corrected their regulatory liability to match the rate case filings.

Open Items

- Receipt of legal letters
- Management representation letter
- Finalization of OPEB report from the City of Burlington
- Outstanding actuarial questions from KPMG pension specialist on pension obligation
- Finalization of FS tieout
- Finalization of manager and partner reviews



Required communications to those charged with governance

Prepared on: 9/30/2025

Presented on: 10/8/2025



Audit results required communications and other matters

Matters to communicate		Response	Matters to communicate		Response
Significant unusual transactions	X		Related parties	X	No new related parties identified
Uncorrected audit misstatements	X		Going concern	X	
Corrected audit misstatements	X		Other information	✓	Only the required MD&A
Financial statement presentation and disclosure omissions	X		Subsequent events	✓	Disclosed in note 12 to the financial statements
Non-GAAP policies and practices	X	No new Non-GAAP policies	Noncompliance with laws and regulations	X	
Material weaknesses in internal control	X		Significant difficulties encountered during the audit	X	
Auditors' report	✓	Draft report included in materials	Significant findings or issues discussed, or the subject of correspondence with management	X	
Changes to our risk assessment and planned audit strategy	X		Management's consultation with other accountants	X	
Significant accounting policies and practices	✓	Page 7	Disagreements with management	X	
Significant accounting estimates	✓	Pages 8	Other significant matters	X	
Significant financial statement disclosures	✓	Pages 9			

✓ = Matters to report X = No matters to report

Audit results required communications and other matters

Matters to communicate	
Consultations	There were no difficult or contentious matters for which the auditor consulted outside the engagement team that are relevant to the audit committee's oversight of the financial reporting process.
Illegal acts or fraud	No actual or suspected fraud involving management, employees with significant roles in system of internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.
Written communications	Engagement letter and management representation letter, including summary of uncorrected misstatements to be distributed under separate covers.
Independence	We hereby affirm that as of September 30, 2025, we are independent accountants with respect to the Department under all relevant professional and regulatory standards.
Inquiries	See page 10

Uncorrected audit misstatements

Description of misstatement	Quantitative income statement effect	
	Debit	Credit
Misstatement A – EEU overestimate of Revenue/AR associated with RGGI		
EEU Revenue	\$ 36,802	-
EEU Accounts Receivable	-	\$36,802

Misstatement B – Regulatory liability associated with the McNeil Overhaul (Out of Period Adjustment)	Current Period Debit	Current Period Credit	Prior Period Debit	Prior Period Credit
Regulatory liability	\$657,720	-	-	\$657,720
Depreciation and amortization expense	-	\$657,720	-	-
Unrestricted net position	-	-	\$657,720	-

Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Significant accounting policies and practices

Description of significant accounting policies and practices

- Significant accounting policies and practices are disclosed in Note 1 of the financial statements
- No changes to existing significant accounting policies in FY2025
- One new accounting standard was adopted by the Department in FY2025- GASB 101, *Compensated Absences*. The adoption of the standard resulted in a restatement(reduction) of opening net assets in the amount of \$52 thousand. See note 1x for additional information.

Audit findings

Qualitative aspects

- Our judgements on the quality of the Department's accounting practices are discussed in this meeting

Management Bias

- No matters to report as of the date of this presentation

Effect on the financial statements or disclosures

- The presentation on the financial statements and the related disclosures are in conformity with U.S. GAAP, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes). There were no material omissions of financial statement presentation and disclosures noted.

Significant accounting estimates

Description of significant accounting estimates

- ✓ Fair Market Value of Investments
- ✓ Net Pension Liability

Audit findings

Indicators of possible management bias

- No matters to report

Qualitative aspects

- The Department uses reputable custodians for the valuation of investments. The City engages a qualified actuary to assist in developing methods and assumptions to value the net pension liability. The Department does not have input or oversight over that process as it receives only a proportionate share of the City's overall liability.
- We have priced 100% of investments using our independent pricing desk
- We have utilized a qualified KPMG Actuary to evaluate the methods and assumptions used in the valuation of the pension liability.

Conclusions

Accounting estimates are an integral part of the financial statements. We have evaluated the key factors and assumptions used to develop management's estimates and found them to be reasonable in relation to the financial statements taken as a whole.

Significant financial statement disclosures

Description of significant financial statement disclosures	Audit findings
<p>Disclosures related to:</p> <ul style="list-style-type: none">✓ Capital Assets✓ Cash and Cash Equivalents and Investments✓ Regulatory Assets and Deferred Inflows of Resources✓ Long Term Liabilities✓ Short-Term Debt✓ Production Expenses✓ Retirement Benefits✓ Other Post-Employment Benefits✓ Compensated Absences✓ Commitments and Contingencies	<p>Qualitative aspects</p> <ul style="list-style-type: none">• Our judgements on the quality of the Department's financial statement disclosures are discussed in this meeting

Required inquiries

- What are your views about fraud risks, including management override of controls, at the entity and whether you have taken any actions to respond to these risks?
- Are you aware of, or have you identified, any instances of actual, suspected or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding the entity's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has the entity entered into any significant unusual transactions?
- Are you aware of any matters relevant to the audit, including, but not limited to, any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- Has the entity complied with all covenants during the financial statement period and before the date of the auditor's report?
Have there been any events of default during the financial statement period and before the dates of the auditor's report?
- What is the board of commissioner's understanding of the entity's relationships and transactions with related parties that are significant to the entity?
- Does any member of the board have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
- Have any subsequent events occurred that might affect the financial statements?
- Have there been any correspondence with regulators or licensing authorities?



Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at www.kpmg.com/ACI

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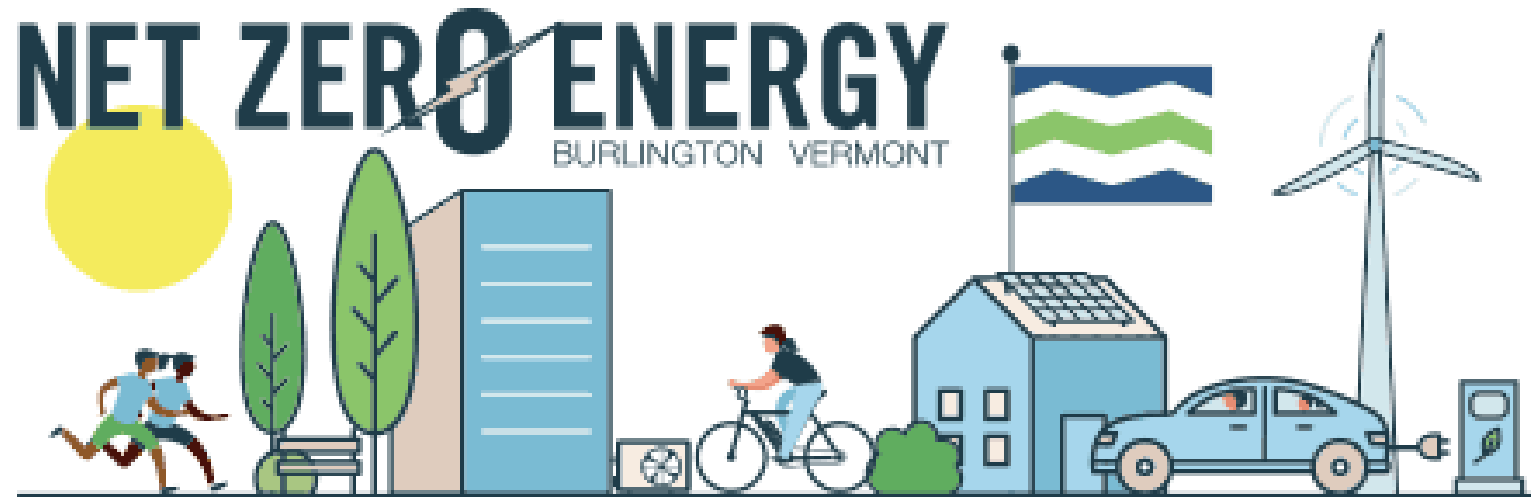
kpmg.com

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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Burlington Electric Department Triennial Customer Satisfaction Surveys 2025



Methodology

- Third-party, unbiased satisfaction study that guarantees respondent confidentiality
- Utilizes BED's Residential and Commercial customer databases
 - Random sample of over 16,000 (unduplicated) residential customers
 - Entire list of over 2,000 (unduplicated) commercial customers
- Email and Telephone data collection conducted in May-June 2025 during daytimes and evenings on weekdays and weekends
- 883 residential and 73 commercial responses collected
 - Residential data have a +/-3.2% margin of error.
 - Commercial data have a +/-11% margin of error.

Residential Demographics Overview

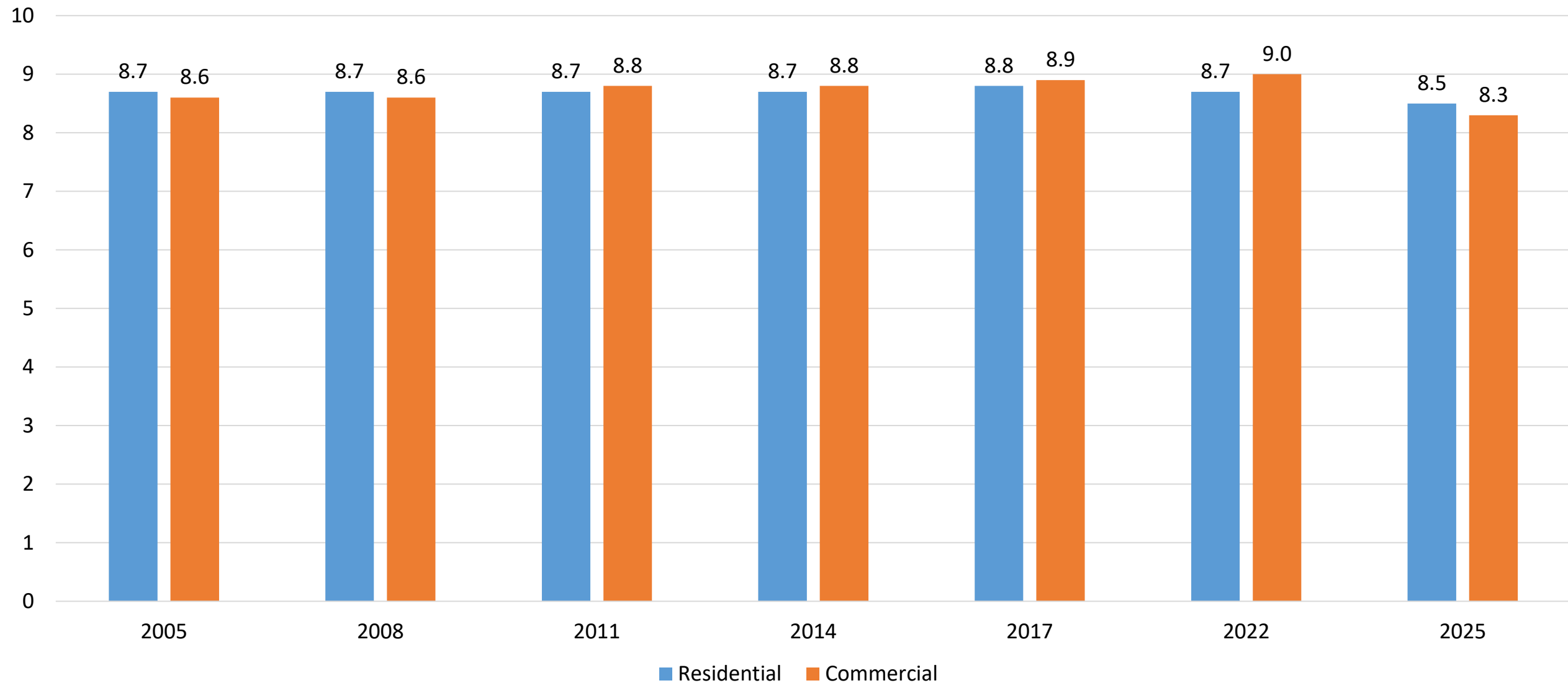
Do you Own or Rent your home?	2014	2017	2022	2025
Own	52.1	49.3	49.3	55.8
Rent	47.9	50.7	50.7	44.2

Do you regularly speak a language other than English in your home?	2022	2025
Yes	6.9	7.1

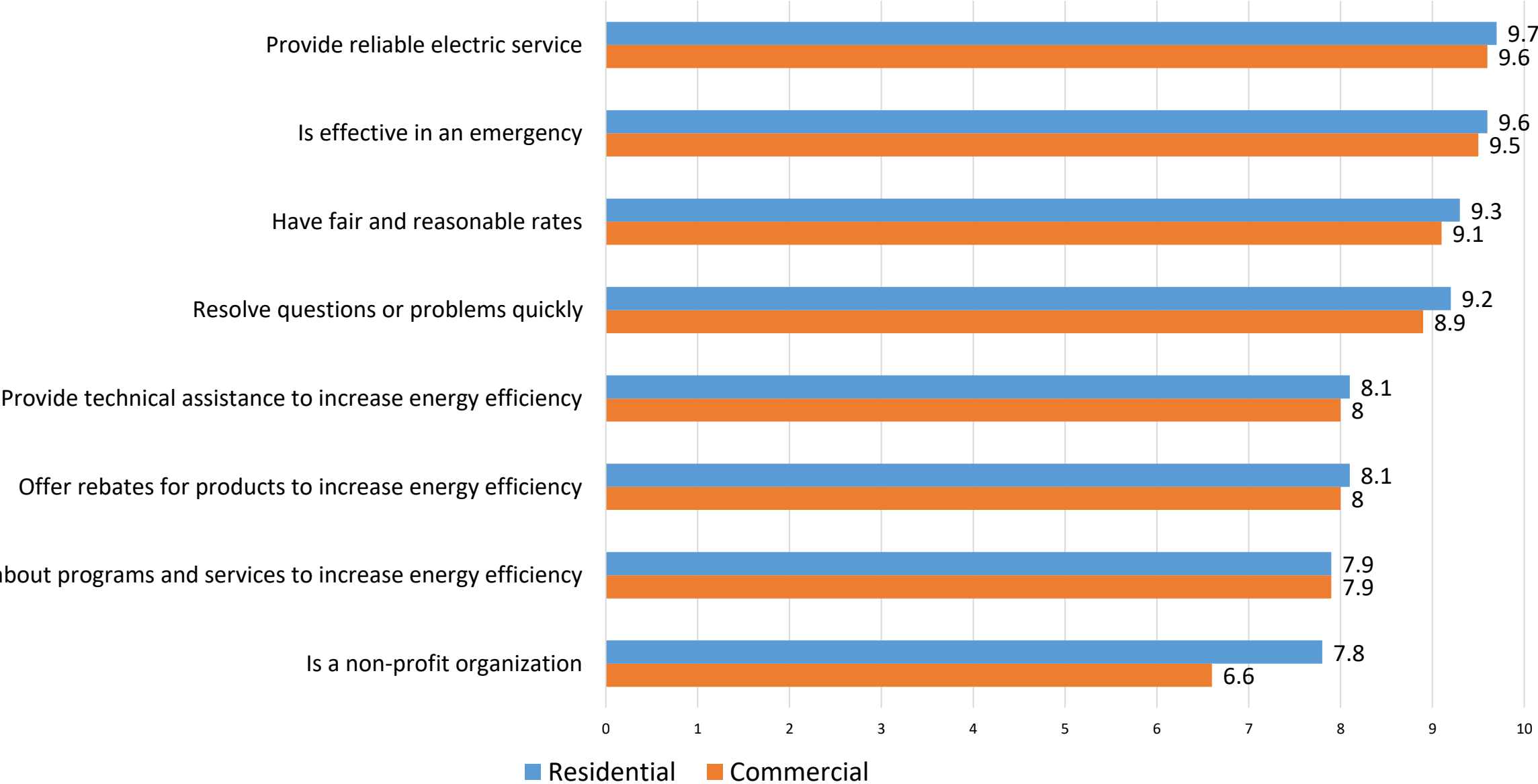
kWh usage category	2014	2017	2022	2025
Low (<=300 kWh)	41.8	44.2	47.3	40.7
Medium (>300<=750 kWh)	48.7	47.4	44.0	48.2
High (>750 kWh)	9.5	8.4	8.7	11.1

Length of service	2014	2017	2022	2025
Less than 1 year	33.1	31.7	20.3	12.3
1-5 years	25.9	29.4	47.6	44.4
Over 5 years	41.0	39.0	32.1	43.4

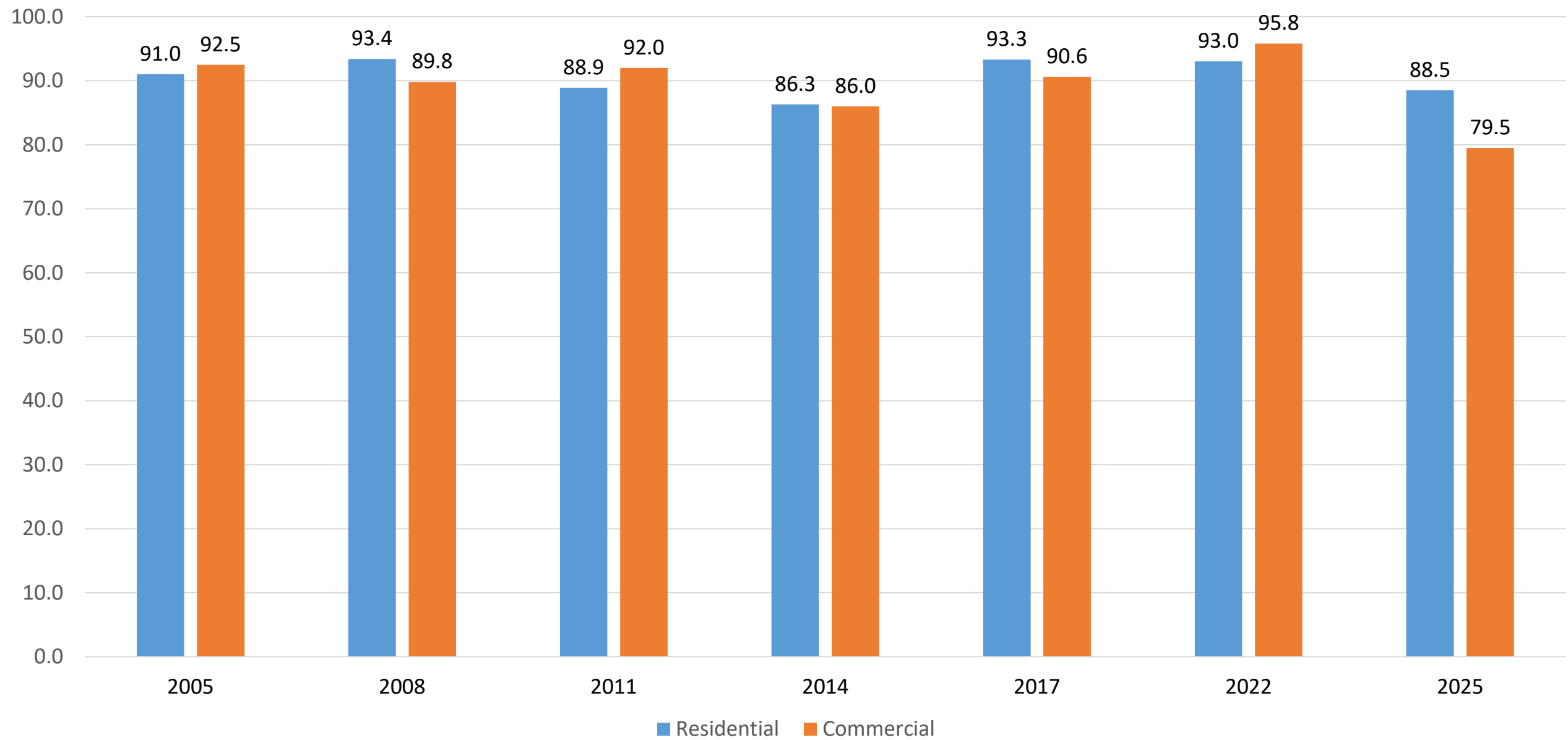
How satisfied overall would you say you are with Burlington Electric Department?



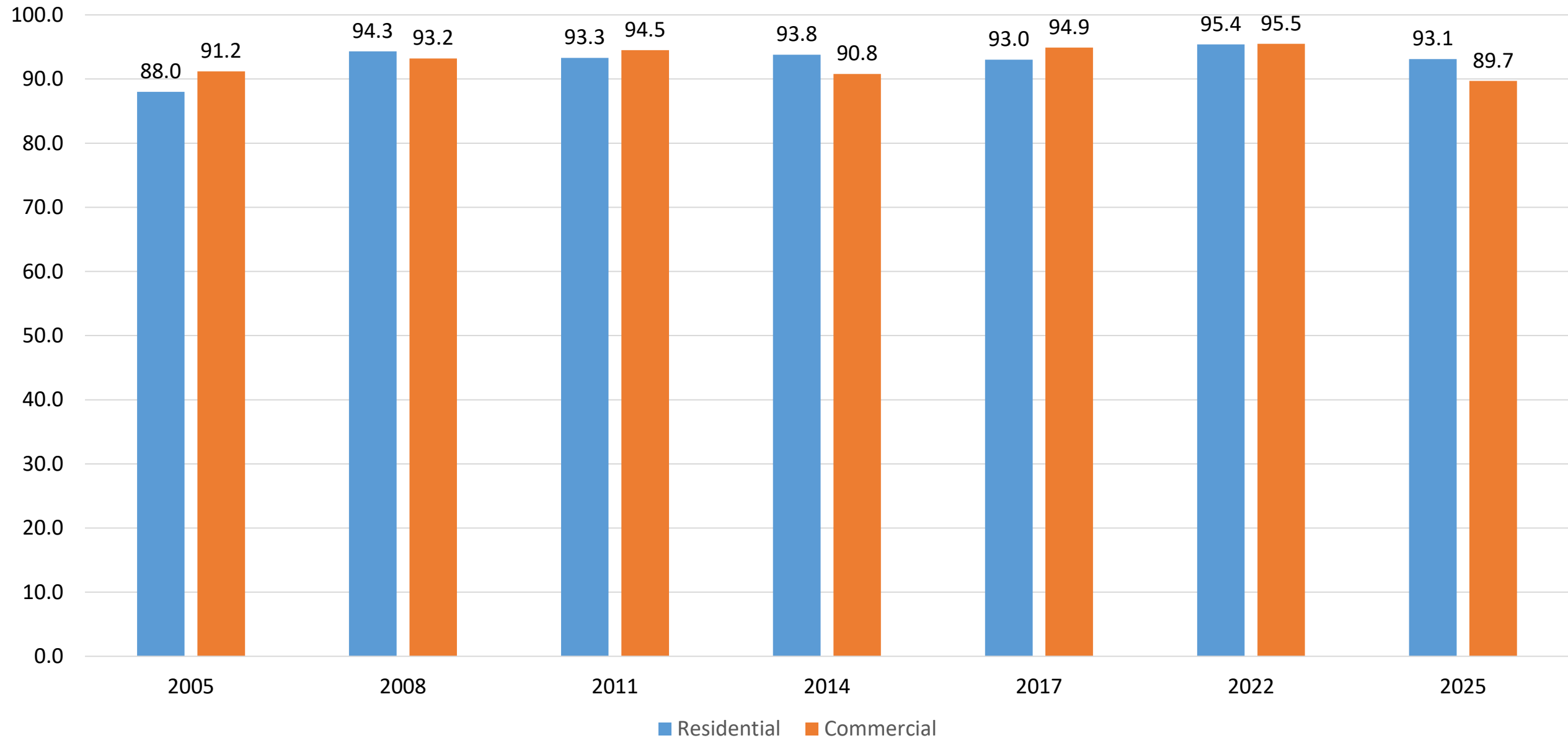
How important is it to you/your company that BED...



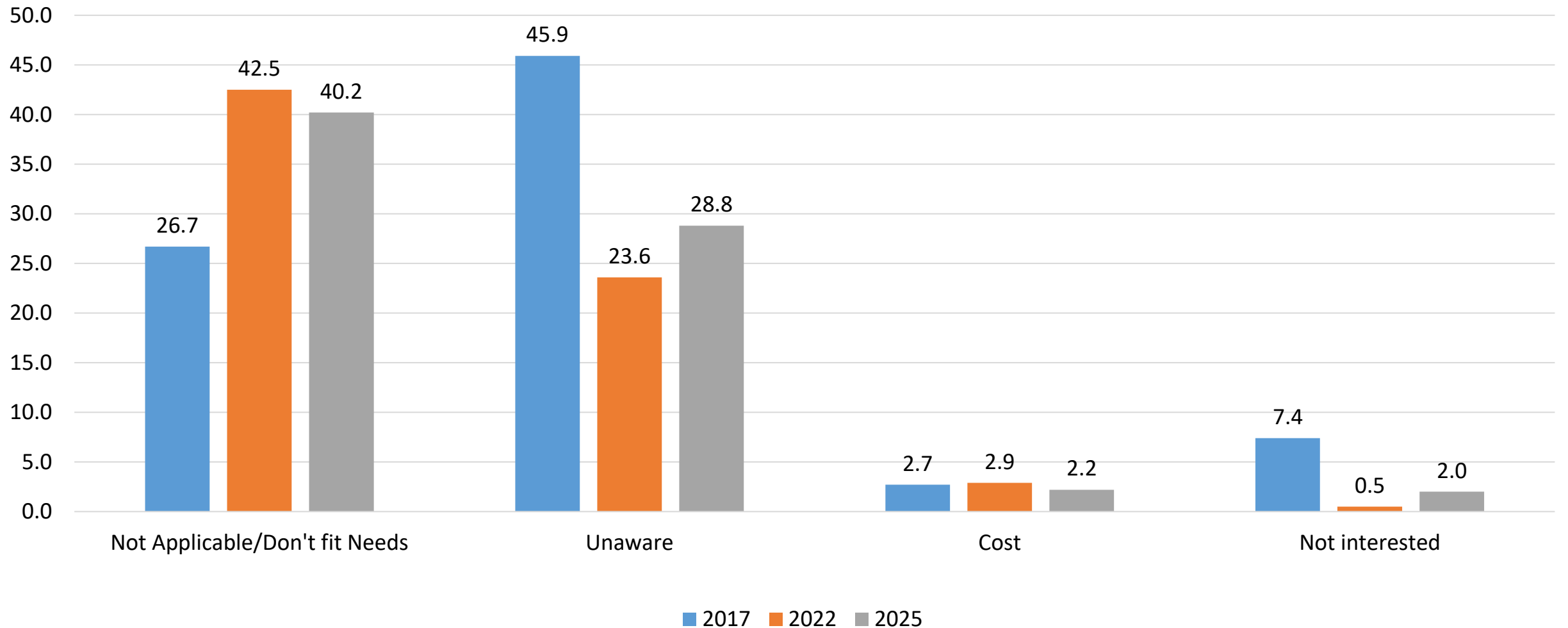
Percent satisfied with how BED handled a question or inquiry.



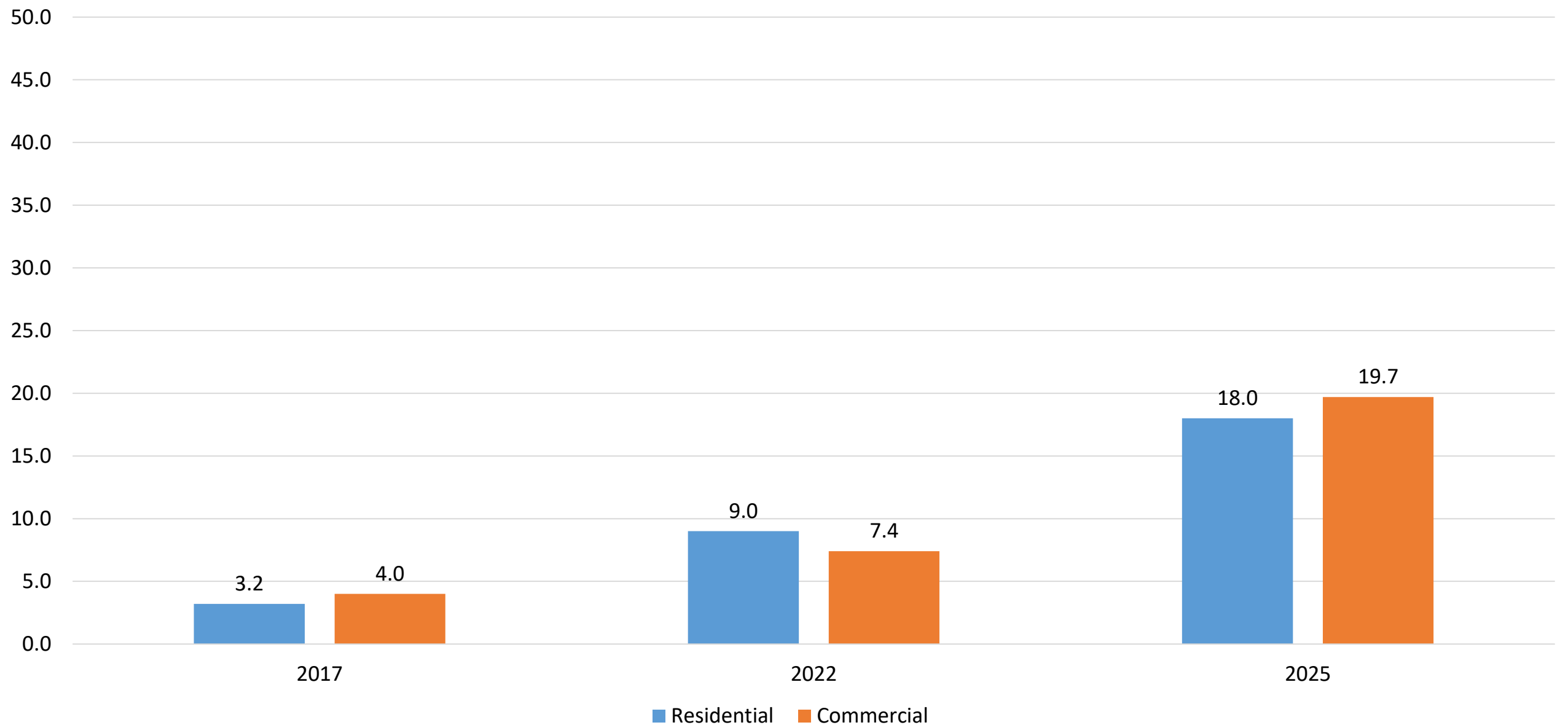
Percent satisfied with BED energy efficiency programs.



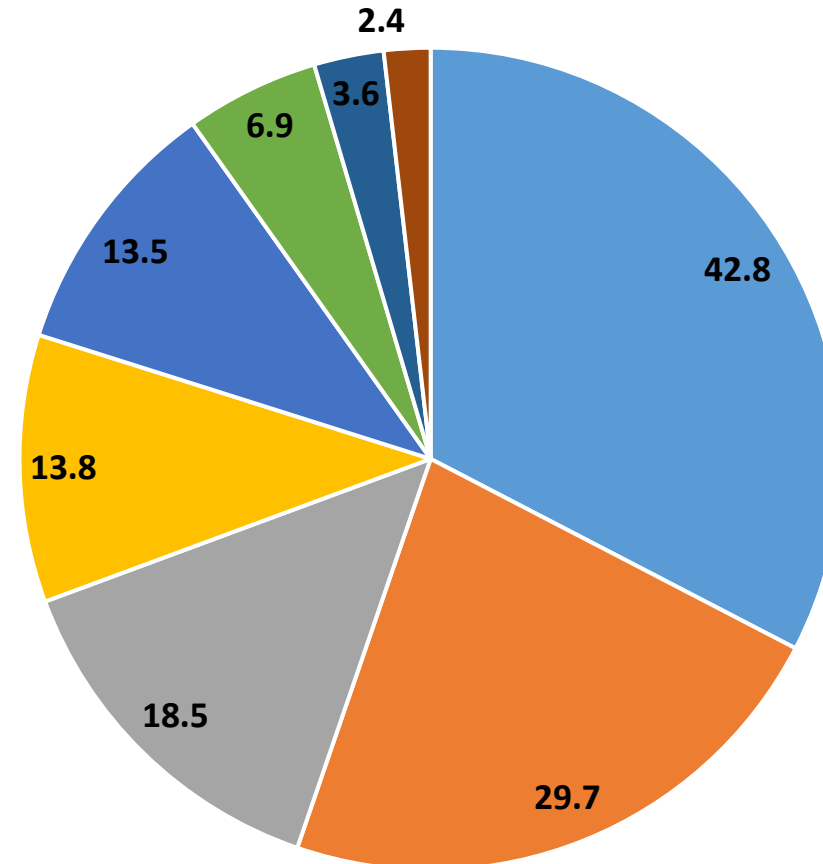
Is there a reason you have not participated in BED's energy efficiency programs including weatherization, lighting rebates or efficient appliances? **Residential**



Do you/your company own an EV or PHEV?



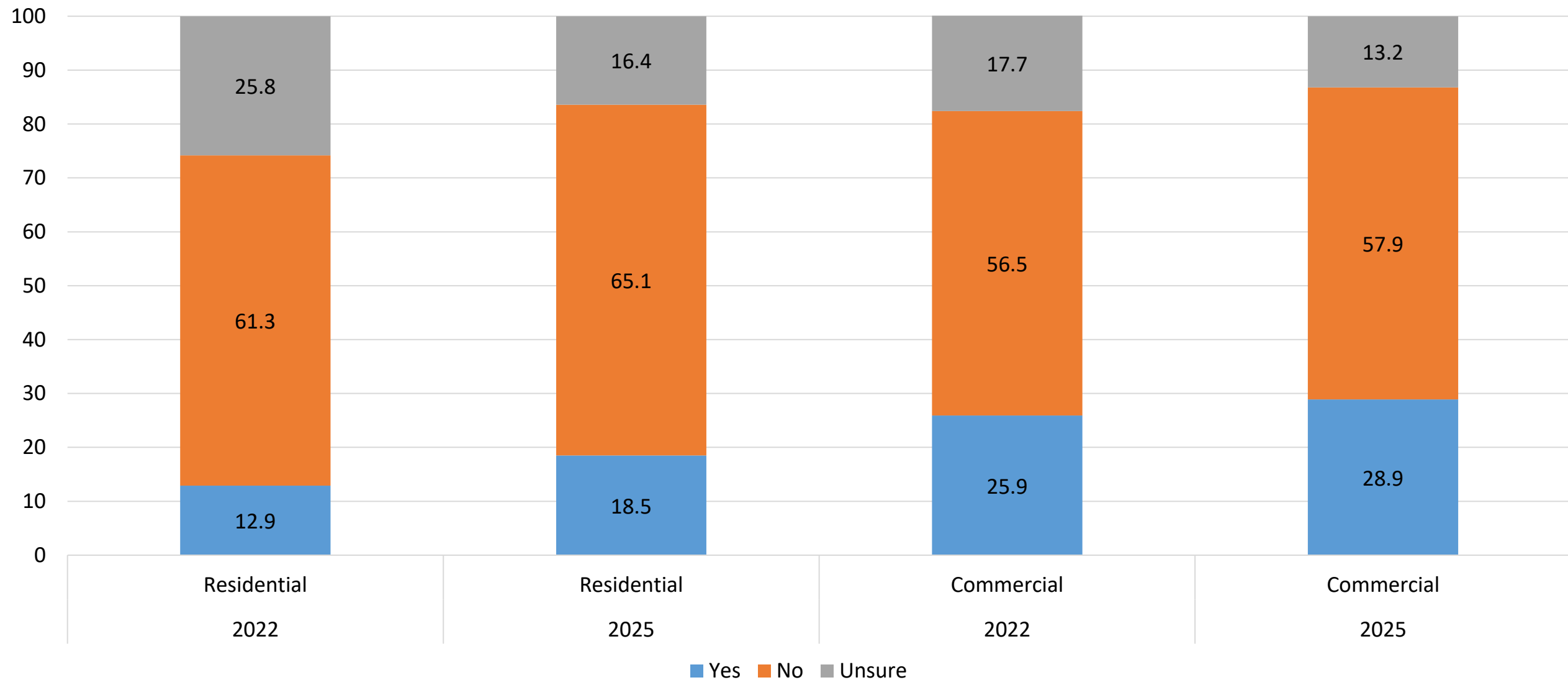
Why have you not used a BED rebate to purchase an EV or PHEV? Residential



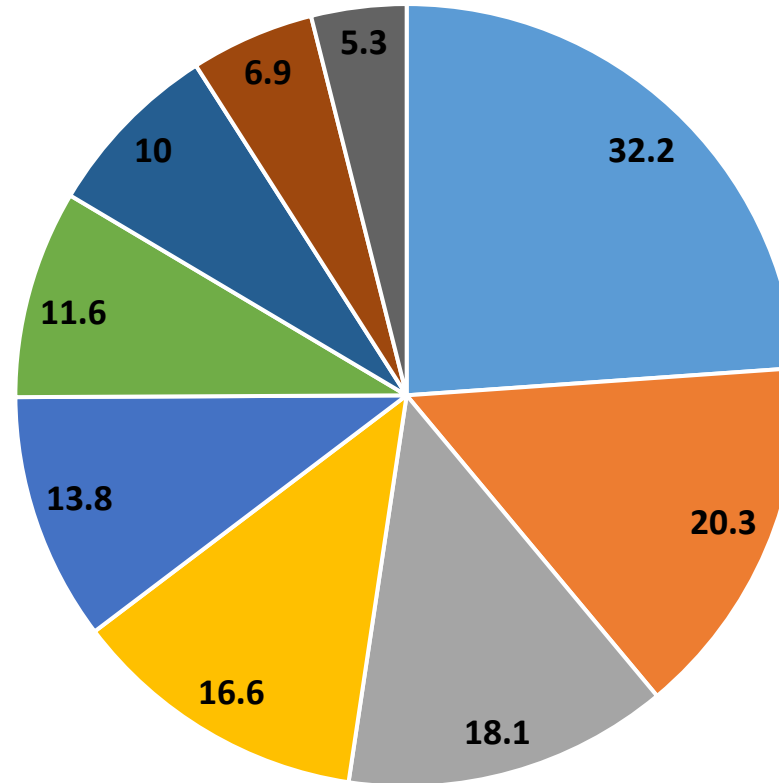
- I am waiting until my current vehicle needs to be replaced
- I already have an EV or PHEV
- I need an electrical panel upgrade to do this
- I am waiting for more electric trucks to be available

- They are too expensive, even with available rebates
- An EV or PHEV does not fit my needs
- I am completely uninterested in buying or leasing an EV
- I am considering an EV or plug-in hybrid now because of higher gas prices

Do you/your company have a Cold Climate Heat Pump (CCHP)?



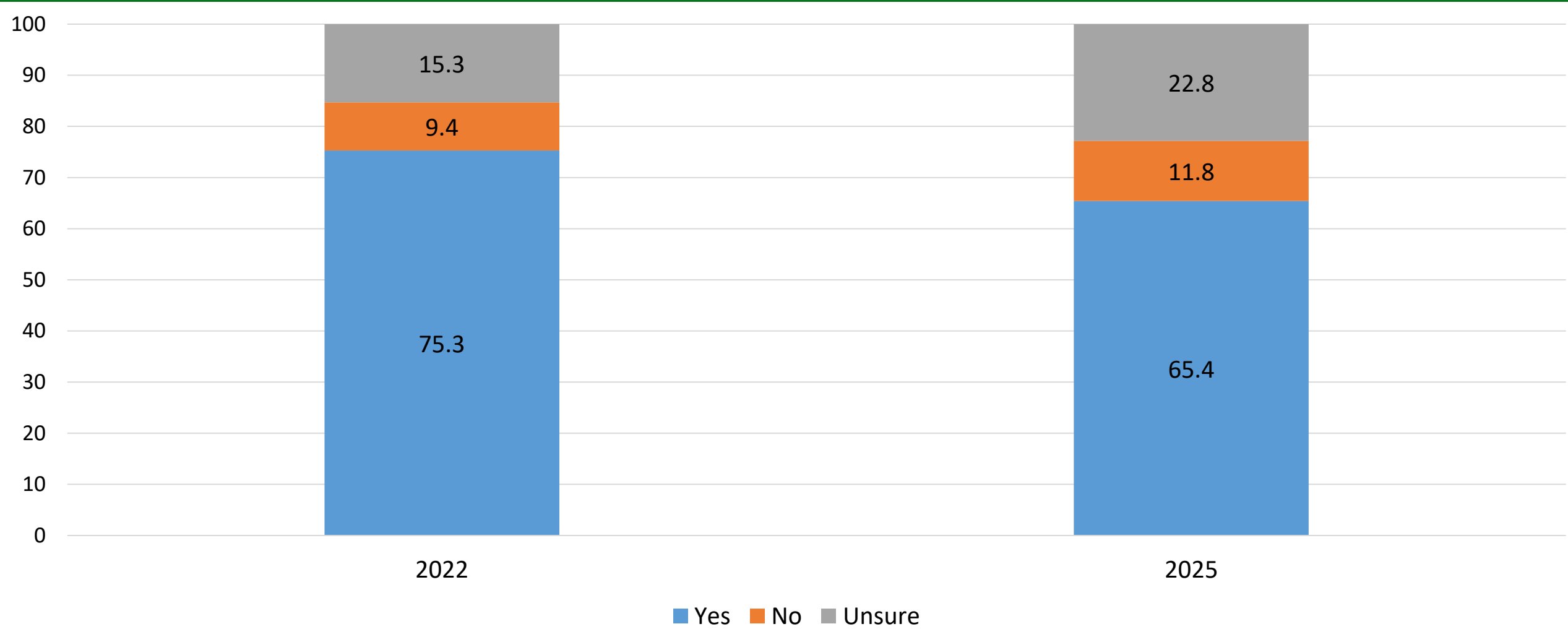
Why have you not used a BED rebate to purchase a CCHP? Residential



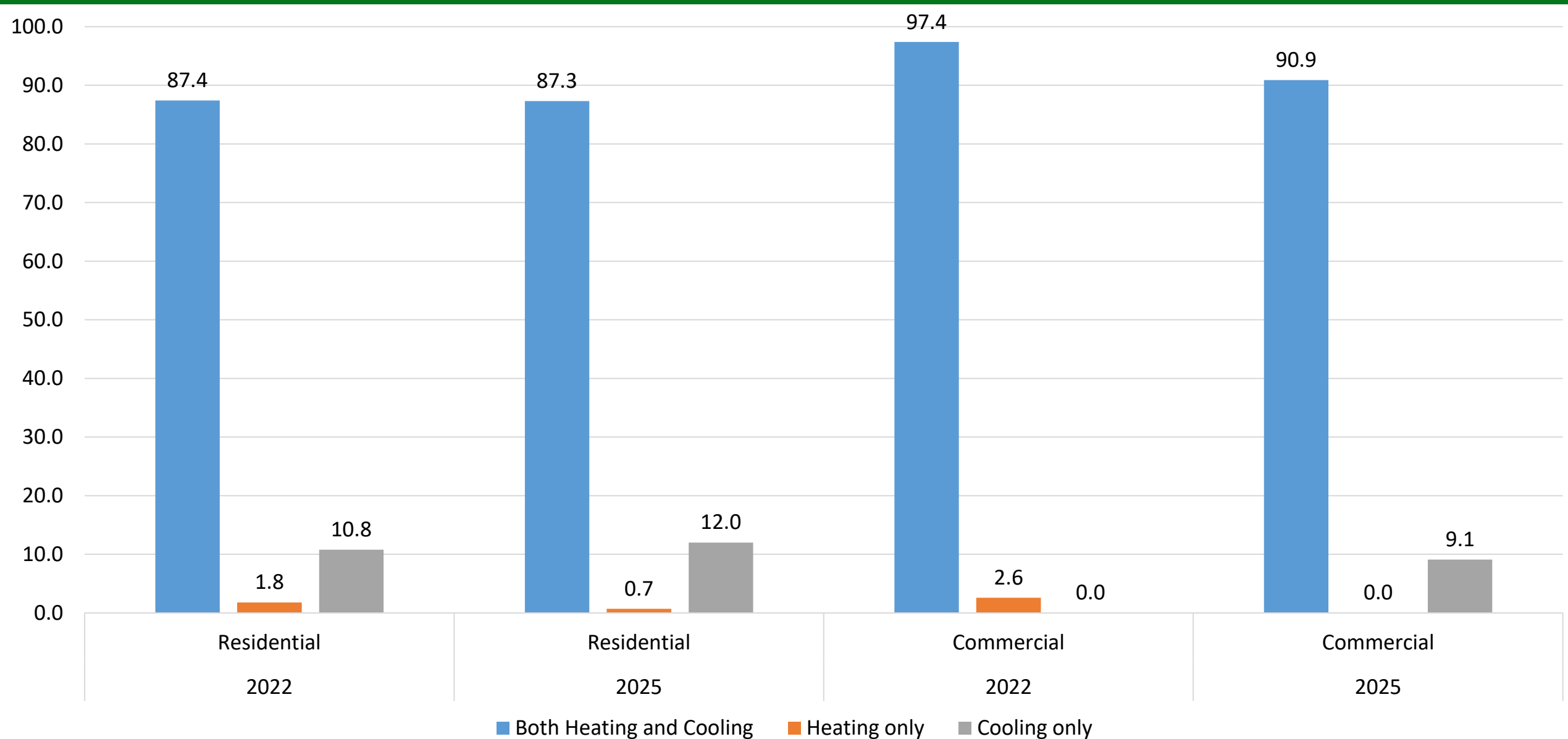
- I am not responsible for heating equipment purchases (renter, etc.)
- They are too expensive, even with available rebates
- A CCHP does not fit my heating needs
- I need an electrical panel upgrade to do this
- I am completely uninterested in buying a cold climate heat pump

- I am waiting until my current heating system must be replaced
- I am considering purchasing one now because I want to use it to cool my home
- I am considering purchasing one now because of climate change
- I am considering purchasing one now because of higher heating costs

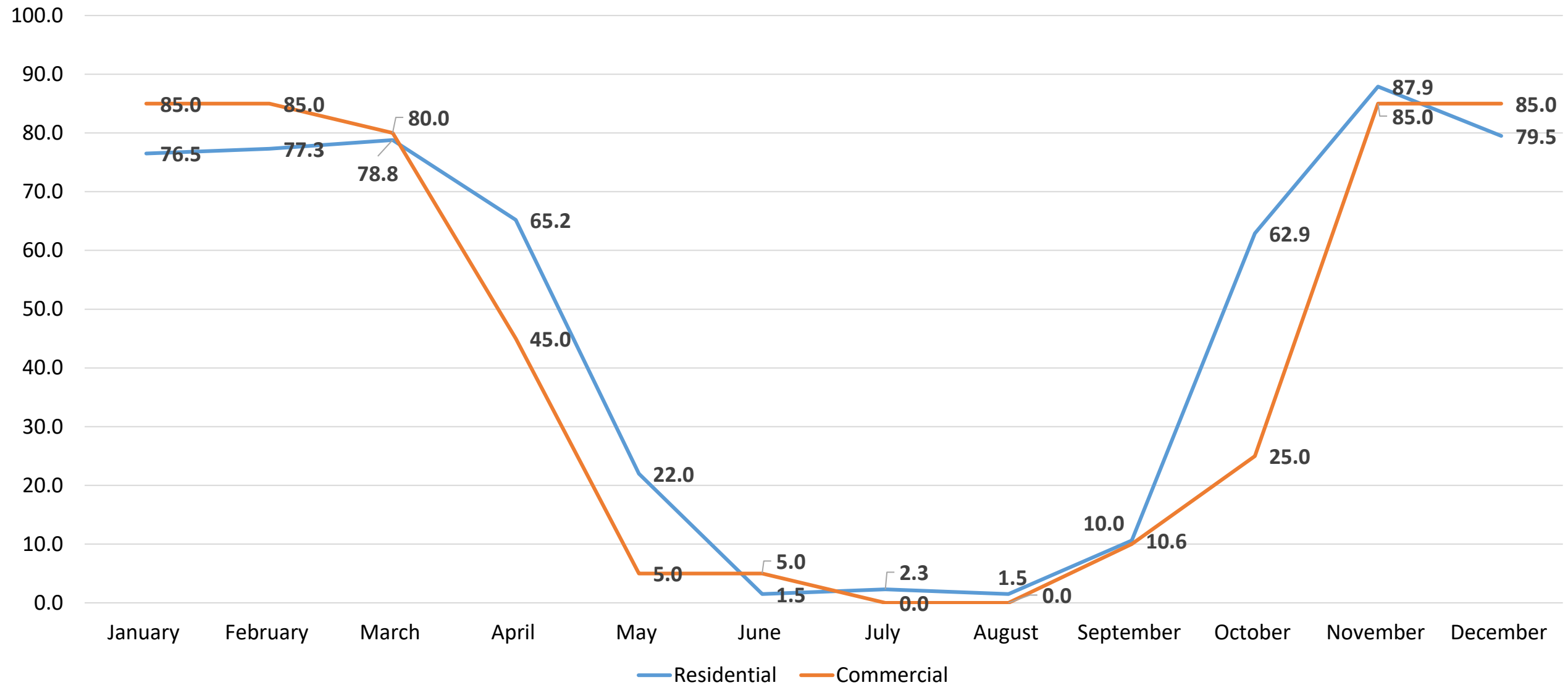
Would you still consider getting a heat pump if the operating cost would be the same or slightly more expensive, but it would benefit the environment? **Residential**



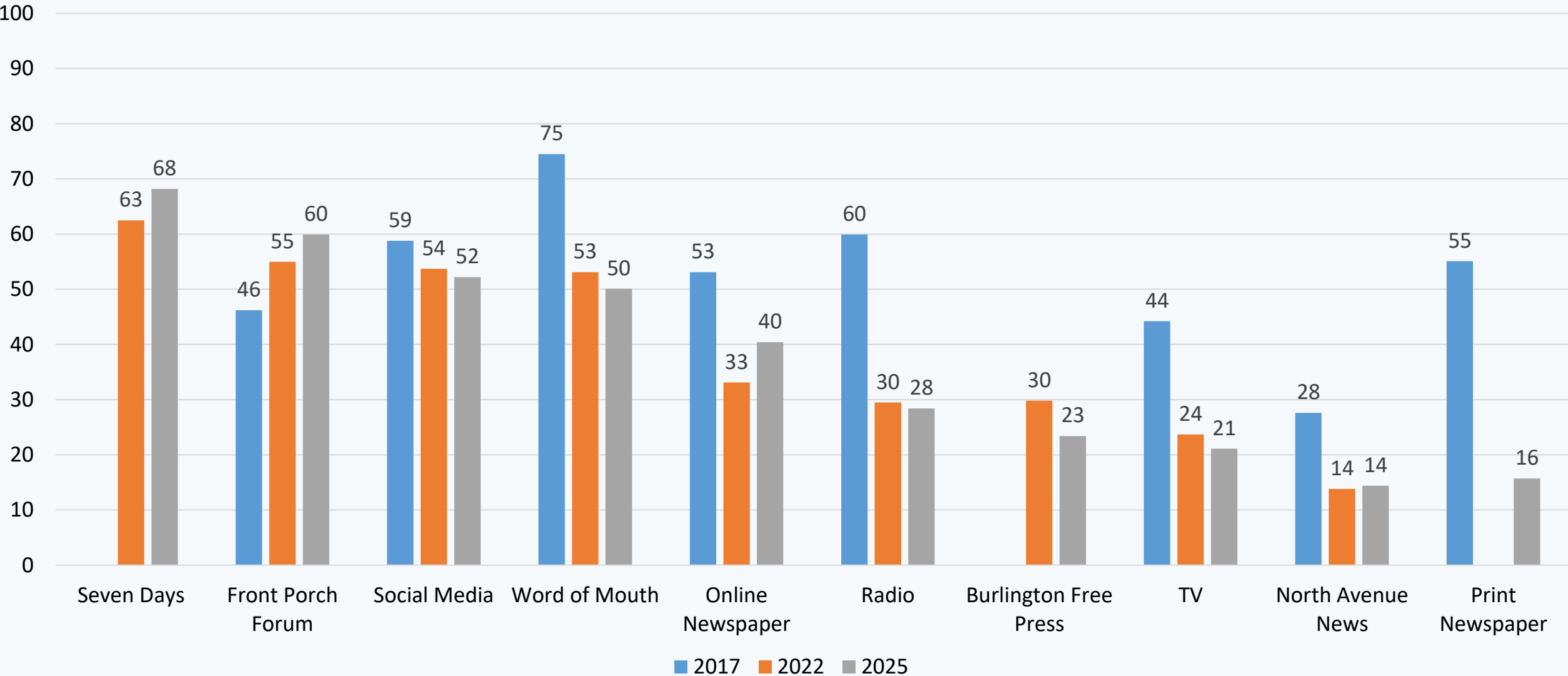
Which of the Following ways do you use your CCHP?



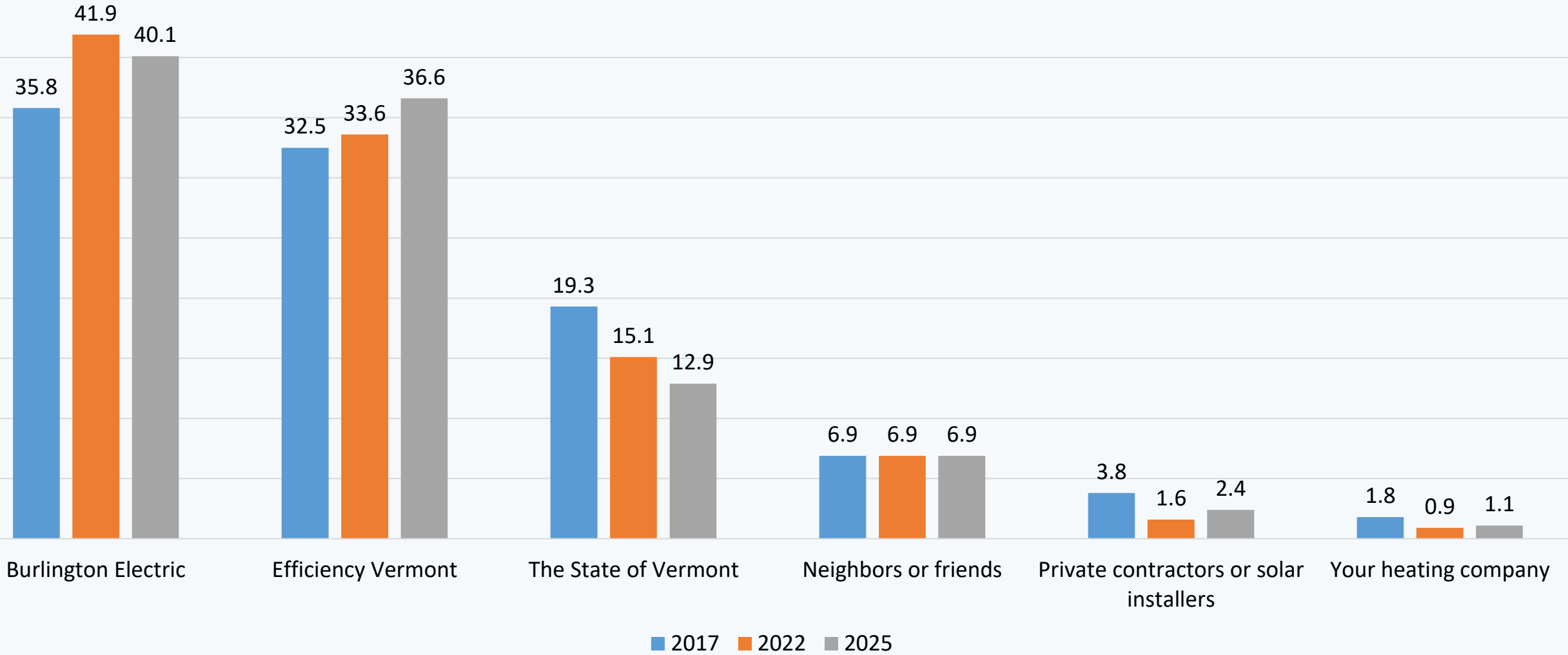
During which months do you/your company use your CCHP for heating?



From which of the following sources do you get community news and events? Residential

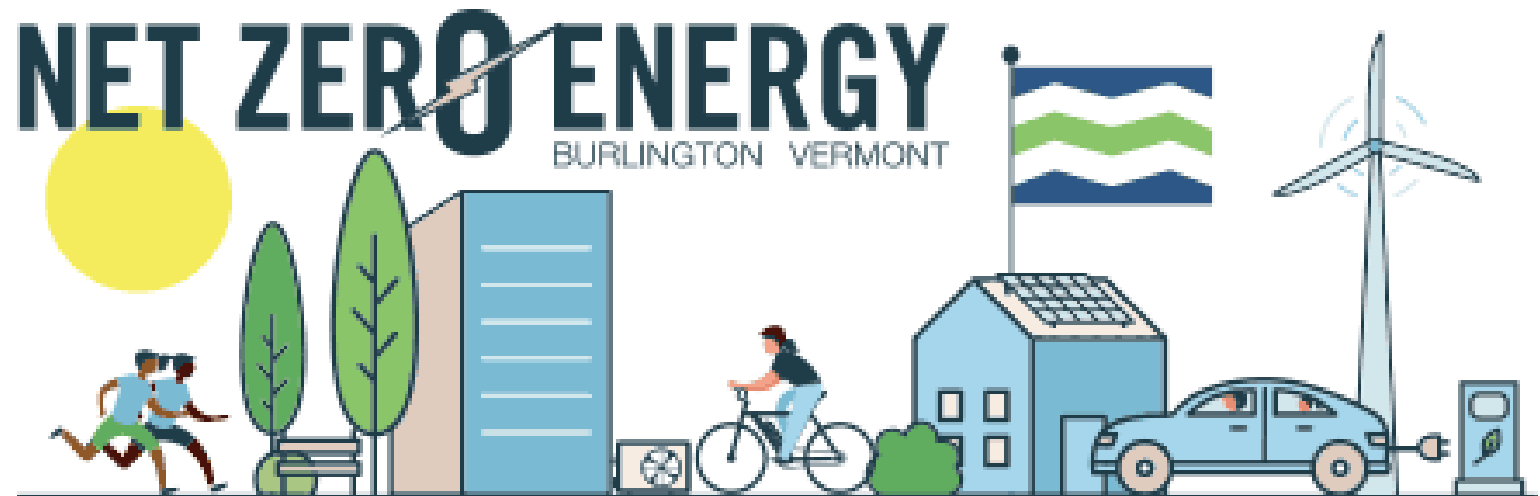


Who do you trust most for energy information? Residential



Thank You.

Questions? Comments?



ELECTRIC VEHICLE CHARGING INFRASTRUCTURE (EVCI) AGREEMENT

CITY OF BURLINGTON
AND
<<PROPERTY OWNER>>

THIS ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AGREEMENT (this “EVCI Agreement”) is made and entered into this ____ day of _____, 2025 by and between the CITY OF BURLINGTON, a Vermont Municipal Corporation located in Chittenden County, acting through its Electric Department (“BED”), and <<PROPERTY OWNER>> its successors or assigns (“ ”) a ____ with principal offices at ____.

WHEREAS, BED and <<PROPERTY OWNER>> desire to enter into this EVCI Agreement to expand the public availability of electric vehicle charging infrastructure within the CITY OF BURLINGTON in order to encourage the increased use of alternatives to fossil fuel-fired transportation;

WHEREAS, BED has built or contracted for a communications platform and administrative mechanism for the purpose of operating and collecting funds for such infrastructure that can be expanded to provide public vehicle charging services within the City of Burlington; and

WHEREAS, BED owns and operates public vehicle charging stations and provides electric vehicle (“EV”) charging services at such stations at rates that are approved by the Vermont Public Utility Commission; and,

WHEREAS, <<PROPERTY OWNER>> owns and or manages all parking areas at the Site Location (as defined by the map in Exhibit A);

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, BED and <<PROPERTY OWNER>> hereby agree as follows:

1. <<PROPERTY OWNER>> hereby grants BED the right to install, operate and maintain up to ____ BED-owned Level <<Two or Three>> vehicle charging stations (individually “Charging Station” and collectively the “Charging Stations” or “EVCI”) at the Site Location at the area marked in Exhibit A. Each such Charging Station will include a dedicated parking space, whereby such parking will be dedicated to electric vehicle charging only and available to the public with such parking restrictions as imposed by <<PROPERTY OWNER>>. <<PROPERTY OWNER>> will not impose any parking limitations that will prohibit or penalize any Charging Station user from obtaining a sufficient battery charge for their vehicle consistent with BED’s public EV charging tariff, and will make every attempt to meet Americans with Disabilities Act (“ADA”) access requirements at each vehicle Charging Station.

2. The initial term of this EVCI Agreement shall be three years beginning xxx, 20__ and ending xxx, 20__ (the “Initial Term”). Upon the expiration of the Initial Term, this EVCI Agreement shall automatically renew for successive one-year periods unless and until terminated by either party pursuant to the terms hereof (any such renewal terms together with the Initial Term, the “Term”).

3. During the Initial Term, BED and <<PROPERTY OWNER>> will install up to ____ Level <<Two or Three>> EV Charging Stations at the Site Location, with specific locations mutually agreed to between the parties and, to the extent such consent is required, the City of Burlington, Vermont. Once agreed to between the parties, a site plan showing the final Site Locations shall be attached to this EVCI Agreement as Exhibit B. The final selected Site Locations shall provide unrestricted and unobstructed access to the Charging Stations as is necessary for (i) charging EVs by any EV owners or operators 24 hours a day and seven days a week, and (ii) maintenance and repair of the Charging Stations by BED or its representatives.

4. BED will provide site assessment and approved construction drawings as needed for each Charging Station location that both parties consider viable for service to be provided to the Charging Stations from BED’s distribution system. <<PROPERTY OWNER>> shall coordinate and agree to provide access for BED to such locations and any associated infrastructure needed for assessment, construction, and operation of the Charging Stations as mutually agreed upon by <<PROPERTY OWNER>> and BED. BED will provide site assessment and EVCI installation, including site work, commissioning and ongoing maintenance of equipment, hardware, and software at no cost to <<PROPERTY OWNER>>. Prior to the initial EVCI installation work performed at the Site Location, BED will provide current insurance certificates for all contractors and subcontractors as outlined in Section 14.

5. <<PROPERTY OWNER>> reserves the right to request removal of any Charging Station or EVCI-associated electrical equipment within the Site Location upon 120 days prior written notice to BED. BED will remove such Charging Stations from the Site Location and restore the Site Location to pre-installation conditions.

6. Following receipt of all necessary consents detailed in this EVCI Agreement, BED shall arrange for installation of all Charging Stations per Exhibit B attached hereto.

7. BED will provide electricity to the EVCI directly from its distribution system. BED will sell, at the same cost, charging services to all users of the EVCI infrastructure. Such cost will be according to tariffs approved by the Vermont Public Utility Commission as may be adjusted from time to time. BED’s public EV charging tariff includes “overstay” pricing to encourage EVCI users to stay in a location no longer than needed to obtain a full battery charge. BED will collect all amounts directly through a transaction that is managed through the BED charging network. BED’s public EV charging tariff is subject to change with the approval of the Vermont Public Utility Commission.

8. BED will have responsibility for the posting of electronic messages that appear on the EVCI user interface screen. <<PROPERTY OWNER>> will have the right to submit electronic

messages to BED for display on the EVCI user interface screen and BED will accommodate such messages to the extent possible. <<PROPERTY OWNER>> may change such messages no more than four times per year.

9. BED and <<PROPERTY OWNER>> agree that the Charging Stations shall at all times be available for access and use by the public 24 hours a day, seven days a week during the Term of this EVCI Agreement; provided, however, that <<PROPERTY OWNER>> shall have the right to restrict access and/or use of the Charging Station during agreed upon dates and times and in cases of emergency.

10. BED shall obtain any and all necessary federal, state, municipal or other licenses, permits and/or approvals for the installation and operation of the Charging Stations, but not including any <<PROPERTY OWNER>> signage pursuant to Section 18 below. <<PROPERTY OWNER>> shall cooperate and assist in obtaining all of such licenses, permits and approvals.

11. BED will be solely responsible for all necessary servicing and repair of the Charging Stations. In the event of any Charging Station failure, damage, or other problem requiring repair, replacement, adjustment or maintenance, <<PROPERTY OWNER>> shall notify BED or a person designated by BED within twenty-four (24) hours of first becoming aware of such failure or problem. <<PROPERTY OWNER>> will not permit anyone, other than an authorized representative or designee of BED, to perform any service or repair work on a Charging Station without BED's prior written approval. BED or its representatives shall at any reasonable time and at all times during business hours have the right to enter into and upon the Site Location for the purpose of inspecting, repairing, maintaining, or upgrading Charging Stations and observing their use. <<PROPERTY OWNER>> shall keep the Site Locations clean and shall maintain the space surrounding Charging Stations in a safe, neat and orderly condition. In the event of problem or failure with the charging station, BED or its designee shall be on-site to assess the situation within three business days of notice from <<PROPERTY OWNER>>, and perform such repairs or replacement in a timely manner, unless extenuating circumstances exist.

12. BED will obtain data remotely through the reporting system in each Charging Station. If requested, BED will provide <<PROPERTY OWNER>> access to EVCI data subject to the redaction of any personally identifiable information.

13. The Charging Stations shall remain at all times the personal property of BED. BED shall be solely responsible for Charging Station property insurance and shall insure the EVCI against loss, theft, damage, or destruction in amounts determined by its sole judgement.

14. BED shall, at its own cost and expense, obtain and maintain in continuous effect a policy, or policies, of commercial general liability insurance with limits of not less than One Million Dollars (\$1,000,000) combined single limit, including coverage for bodily injury and property damage, contractual liability and for property of others in BED's care, custody and control, to include fire, legal liability, commercial automobile liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence, including operation of owned, non-owned and hired vehicles; coverage for workers compensation in accordance with State or Federal statute; and Employers Liability Insurance with limits of not less than One Hundred Thousand

Dollars (\$100,000) per occurrence and Five Hundred Thousand Dollars (\$500,000) annual aggregate. BED shall be responsible for carrying property insurance on its own personal property as well as any improvements or betterments to the Site Location. Should any of the described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. BED shall submit, at the time of signing this EVCI Agreement, proof of all of the above referenced insurance coverages.

15. <<PROPERTY OWNER>> will maintain all aspects of parking and roadways required for the use of Site Locations, including, but not limited to landscaping, snow removal, paving, parking charges and signage.

16. <<PROPERTY OWNER>> represents and warrants that it is the owner of the Site Location or otherwise has the legal authority to enter into this EVCI Agreement.

17. In the event <<PROPERTY OWNER>> transfers ownership of any Site Locations, or if <<PROPERTY OWNER>> sells its business, <<PROPERTY OWNER>> shall notify BED not less than sixty (60) days prior to any such event. In such event, this EVCI Agreement shall automatically terminate.

18. Each party shall, at its option, have the right to publicly advertise the availability of the Charging Stations. Each party shall further, at its option, have the right to install appropriate signage at the Property and the Site Locations. Depending upon the extent of the signage, it may be subject to the prior approval of the City of Burlington. Any and all such advertisements shall be approved by the other party prior to use by such party, such approval not to be unreasonably withheld, conditioned or delayed. Any and all signage shall be approved by the other party prior to use by such party and, to the extent such approval is necessary, the City of Burlington, Vermont.

19. Except to the extent arising out of or related to the negligence or willful misconduct of <<PROPERTY OWNER>>, its agents, employees or servants, BED shall, to the greatest extent permissible by law, indemnify <<PROPERTY OWNER>> and hold it harmless from and against any and all damages, liabilities and expenses incurred in connection with loss of life, personal injury and/or damage to property arising out of the Charging Station or any part thereof, if occasioned wholly or in part by any act or omission of BED, its agents, employees or servants. In the event of any claim for damages, liabilities and expenses incurred in connection with loss of life, personal injury and/or damage to property to the extent arising out of the Charging Station occasioned by the negligence or willful misconduct of <<PROPERTY OWNER>>, <<PROPERTY OWNER>> shall, to the greatest extent permissible by law, indemnify and hold harmless BED from and against any such claim.

20. Either party may terminate this EVCI Agreement, effective thirty (30) days after giving written notice of intent to terminate, upon the occurrence of a material breach provided that such breach continues for thirty (30) days after written notice of such breach. In addition, either party may terminate this EVCI Agreement for convenience at any time upon giving ninety (90) days prior written notice to the other party. Upon termination or expiration of this EVCI Agreement, or in the event that BED chooses to no longer own and operate the Charging Stations, they shall offer <<PROPERTY OWNER>> the option to purchase the EVCI's at depreciated book

value. If <<PROPERTY OWNER>> elects not to acquire the Charging Stations, BED shall remove all of its property and restore the Site Location set forth on Exhibit A, to its prior condition. The condition of Site Locations prior to BED installation of its charging station shall be documented by photo and attached hereto as Exhibit B once the final Site Locations are agreed upon.

21. All notices hereunder shall be in writing and shall be deemed given upon deposit in the United States mail, first class postage fully prepaid, certified mail, return receipt requested, addressed to BED and <<PROPERTY OWNER>> at their respective addresses as listed below. Any party may change its address for notice in accordance with the terms of this section.

If to BED:

Burlington Electric Department
585 Pine Street
Burlington, VT 05401
(802)658-0300

If to <<PROPERTY OWNER>>:

22. If suit or action is instituted to enforce or interpret any of the terms of this EVCI Agreement, the substantially prevailing party shall be entitled to recover from the other party, in addition to costs, such sums as the court may adjudge reasonable for legal fees.

23. <<PROPERTY OWNER>> understands and agrees that BED makes no warranty, express, implied or statutory, as to any matter whatsoever, including the condition of the charging station, its merchantability or fitness for any particular purpose.

24. Neither party shall in any event be responsible to the other party for any lost profits or incidental, consequential, special or indirect damages.

25. Neither party will be liable for failure to perform its obligations under this EVCI Agreement if such failure is due to acts or events beyond such party's reasonable control and not reasonably anticipated at the time of execution of this EVCI Agreement.

26. Neither party may assign or dispose of any of its rights or obligations under this EVCI Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld, conditioned or delayed. This EVCI Agreement is binding on the successors and permitted assigns of the parties.

27. A waiver by either party of a breach of any provision of this EVCI Agreement shall not constitute a waiver of that party's rights to otherwise demand strict compliance with this EVCI Agreement and any and all provisions hereof. Any waiver must be agreed to in writing by the Party waiving its right or rights.

28. This EVCI Agreement, including any schedule or exhibit attached hereto, constitutes the entire EVCI Agreement of the parties with respect to the subject matter hereof. There are no other promises, representations, terms, conditions or obligations other than those contained herein. This EVCI Agreement supersedes all prior communications, representations or EVCI Agreements, oral or written, between the parties and shall not be modified except in writing signed by both parties.

29. This EVCI Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Vermont, without giving effect to principles of conflicts of laws that would require the application of any other law.

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the parties have executed this EVCI Agreement as of the date first written above.

**CITY OF BURLINGTON
BURLINGTON ELECTRIC
DEPARTMENT**

<<PROPERTY OWNER>>

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
SITE LOCATION

DRAFT



MEMORANDUM

To: Burlington Electric Commission
From: Emily Stebbins-Wheelock, CFO and Manager of Strategy & Innovation
Date: October 8, 2025
Subject: Proposed Changes to BED Miscellaneous Service Fees

The Burlington Electric Department (BED) is seeking Electric Commission recommendation to request the City Council's approval to file an updated "Miscellaneous Service Fees" tariff with the Vermont Public Utility Commission.

Background

Miscellaneous Services include utility services undertaken in support of or in response to a request by a unique customer. BED charges distinct fees for these services on a per-occurrence basis under a PUC-approved Miscellaneous Service Fees tariff that is appended to BED's Operating Guidelines. BED charges separately for these services in accordance with the utility rate-making principle of "cost causer pays," because only certain customers request or require such services, it would not be just or fair to assign the cost of these services to all customers through electric service rates.

BED's Miscellaneous Service Fees have not been updated since the current fees became effective July 1, 2010. The current fees were based on FY 2009 costs and were developed prior to BED's deployment of advanced metering infrastructure (AMI), which enabled remote connection and disconnection of meters, among other functionality.

Internal Fee Review

BED began a review of its Miscellaneous Service Fees in 2023 at the Electric Commission's request and has updated that analysis in the past month. The current fee proposal reflects the following changes from the fees currently in effect:

- Reviewed business processes associated with all miscellaneous service fees, including degree and nature of AMI involvement
- Reviewed and updated all time and personnel involvement with each service
- Updated labor rates to FY26 levels
- Updated labor overhead rate to FY25 actual
- Updated minimum call and overtime rates per current IBEW contract
- Updated vehicle rates
- Updated materials costs as of September 2025

- Updated stores clearing rate for materials to FY25 actual
- Analyzed initial service performed for new vs. returning customers
(In 2023, 46% were new customers and 54% returning customers)
- Analyzed depreciation on AMI-related assets (meters, servers, software)

Proposed Changes

The proposed fee changes are outlined in the attached table, which shows the current and proposed fee title, description, and rate. The proposed changes include increases and decreases in rates, addition and elimination of fees, and wording changes, as follows:

- The Initial Service fee would decrease from \$30 and split into two categories, \$5 for Returning Customers and \$15 for New Customers.
- The Initial Service-after-hours fee would decrease from \$195 to \$109.
- The Reconnection fee would increase from \$20 to \$26 and be charged for any reconnection, not just reconnection following a disconnection for non-payment.
- The Reconnection-after hours fee would decrease from \$195 to \$130, be charged for any reconnection (not just reconnection following a disconnection for non-payment), and be charged instead of the initial service fee when reconnection accompanies a request for service.
- The Temporary Service fee would increase from \$535 to \$882.
- The Returned Check fee would increase from \$10 to \$19.
- The Meter Removal/Replacement fee would increase from \$95 to \$165. Title and description changes are proposed that would make the fee more generic and more equitable by allowing BED to charge for meter pulls that are performed for reasons other than siding work.
- The Collection fee would be eliminated.
- BED is proposing that the fees currently titled “customer assistance call” be retitled as “power problem investigation-customer responsibility” based on feedback from customers that indicated that the current label is confusing. BED is also proposing updates to the description of these fees.
 - The Power Problem Investigation-Customer Responsibility fee would increase from \$28 to \$156.
 - The Power Problem Investigation-Customer Responsibility-after hours fee would increase from \$195 to \$562.
- BED is proposing new fees for on-site disconnect/reconnect assistance, to include both single-meter and multi-meter with and without lineworker assistance with underground service. BED performed approximately 275 of these services last year, and currently does not charge for them. Typically, these requests are driven by some work being performed on the customer’s electrical service to expand, upgrade, or bring it up to code, install solar, do work on the roof, or other similar situations.
 - Disconnect/Reconnect - Single-Meter fee would be \$577
 - Disconnect/Reconnect - Single-Meter, Underground fee would be \$796
 - Disconnect/Reconnect - Multi-Meter fee would be \$666

- Disconnect/Reconnect - Multi-Meter, Underground fee would be \$885.

Customer Communication

BED has updated its website to include information on the proposed fees, posted a message about the proposed changes on Front Porch Forum, and will be including a message about the proposed changes on customer bills.

Estimated Revenue Impact

BED estimates that the net effect of the proposed fee changes will be an increase in annual fee revenues of \$38,346, as shown in the table below.

	Test Year - FY 2024			Adjusted Test Year			Difference
	Existing rates	Billing Determinant	Revenues	Proposed rates	Billing Determinant	Revenues	
Initial Service Fee	\$ 30.00	5,698	\$ 170,940	\$ -	-	\$ -	\$ (170,940)
Initial Service Fee-Returning Customer	\$ -	-	\$ -	\$ 5.00	3,077	\$ 15,385	\$ 15,385
Initial Service Fee-New Customer	\$ -	-	\$ -	\$ 15.00	2,621	\$ 39,316	\$ 39,316
Initial Service Fee-After-Hours	\$ 195.00	11	\$ 2,145	\$ 109.00	11	\$ 1,199	\$ (946)
Reconnection	\$ 20.00	175	\$ 3,500	\$ 26.00	175	\$ 4,550	\$ 1,050
Reconnection-After-Hours	\$ 195.00	5	\$ 975	\$ 130.00	5	\$ 650	\$ (325)
Temporary Service	\$ 535.00	0	\$ -	\$ 882.00	0	\$ -	\$ -
Returned Check	\$ 10.00	186	\$ 1,860	\$ 19.00	186	\$ 3,534	\$ 1,674
Meter Removal/Replacement	\$ 95.00	7	\$ 670	\$ 165.00	7	\$ 1,164	\$ 494
Collection	\$ 20.00	0	\$ -	\$ -	0	\$ -	\$ -
Power Problem Investigation-Customer Responsibility (Customer Assistance Call)	\$ 28.00	0	\$ -	\$ 156.00	0	\$ -	\$ -
Responsibility (Customer Assistance Call)-After-Hours	\$ 195.00	0	\$ -	\$ 562.00	0	\$ -	\$ -
	Test Year - CY 2024			Adjusted Test Year			
Disco/Reco Single-Meter	\$ -	125	\$ -	\$ 577.00	125	\$ 72,125	\$ 72,125
Disco/Reco Single-Meter with Lineworker Assistance	\$ -	56	\$ -	\$ 796.00	56	\$ 44,576	\$ 44,576
Disco/Reco Multi-Meter	\$ -	42	\$ -	\$ 666.00	42	\$ 27,972	\$ 27,972
Disco/Reco Multi-Meter with Lineworker Assistance	\$ -	9	\$ -	\$ 885.00	9	\$ 7,965	\$ 7,965
		6,314	\$ 180,090		6,314	\$ 218,435	\$ 38,346

The largest drivers of revenue change are the reduction in the initial service fees and the addition of the new disconnect/reconnect fees. Initial service fee revenue is expected to decrease by approximately \$117,000 per year, but the new disconnect/reconnect fees are expected to increase revenue by approximately \$152,000 per year.

I look forward to answering any questions Commissioners may have on October 8th.

**Burlington Electric Department
Miscellaneous Service Fees Proposal**

Current Fee Title	Current Description	Current Fees as of 9/23/12	Proposed Fees	Proposed Fee Title	Proposed Description
Initial Service	Charged to a customer whenever the electric service is put in that customer's name at a service location	30.00	\$5.00	Initial Service-Returning Customer	Charged to <u>returning</u> customers, <u>including standing orders</u> , whenever the electric service is put in that customer's name at a service location
Initial Service	Charged to a customer whenever the electric service is put in that customer's name at a service location	30.00	\$15.00	Initial Service-New Customer	Charged to a customer <u>new to BED's service territory</u> whenever the electric service is put in that customer's name at a service location
Initial Service Fee - minimum call	Charged whenever BED personnel are called in to work during non-working hours to respond to a customer request for initial service	195.00	\$109.00	Initial Service-after-hours	Charged whenever BED personnel are called in to work <u>outside of business hours</u> to respond to a customer request for initial service
Reconnection	Charged to restore service to a customer who has been disconnected for non-payment of electric services	20.00	\$26.00	Reconnection	Charged to restore service remotely to a customer <u>whose service</u> has been disconnected; <u>this fee will be charged instead of the initial service fee when reconnection accompanies a request for service.</u>
Reconnection - minimum call	Charged whenever BED personnel are called in to work during non-working hours for the purpose of responding to a customer request for reconnection	195.00	\$130.00	Reconnection - after-hours	Charged to restore service remotely <u>outside of business hours</u> to a customer whose service has been disconnected; <u>this fee will be charged instead of the initial service fee when reconnection accompanies a request for service.</u>
Temporary Service	Normally for construction purposes; charged when temporary service of single phase, 240 volt, 100 amp characteristics or less is installed at a site	535.00	\$882.00		No change
Returned Check	Charged each time a check is not honored by the bank	10.00	\$19.00		Charged each time a check <u>or ACH/electronic payment</u> is not honored by the bank
Meter Removal/Replacement for Siding	Charged for removal and replacement of up to two meters at a service location for purpose of installing siding materials on a building	95.00	\$165.00	Meter Removal/Replacement for Siding	Charged for removal and replacement of up to two meters <u>during business hours</u> at a service location for purpose of installing siding materials on a building
Collection	Charged when BED personnel collects funds at a customer's service location. For example, if funds are collected during the course of the disconnection process this fee will be charged versus a disconnection fee.	20.00	\$68.00	NA	NA - recommend eliminating fee and charging only reconnect fee to restore power after payment
Customer Assistance Call	Charged whenever BED personnel are requested to visit a customer's service location and the problem is determined to be the customer's responsibility	28.00	\$156.00	Power Problem Investigation-Customer Responsibility	Charged whenever <u>a customer asks</u> BED personnel to visit <u>the customer's service location to investigate a problem with the customer's power</u> and the problem is determined to be the customer's responsibility. <u>BED will not perform work on equipment that is the customer's responsibility during a Power Problem Investigation.</u>

Current Fee Title	Current Description	Current Fees as of 9/23/12	Proposed Fees	Proposed Fee Title	Proposed Description
Customer Assistance Call - minimum ca	Charged whenever BED personnel are called in to work during non-working hours for the purpose of responding to a customer request for assistance and the problem is determined to be customer's responsibility	195.00	\$562.00	Power Problem Investigation- Customer Responsibility-after-hours	Charged whenever <u>a customer asks BED personnel are called in to visit the customer's service location work outside of business hours to investigate a problem with the customer's power for the purpose of responding to a customer request for assistance and the problem is determined to be customer's responsibility. BED will not perform work on equipment that is the customer's responsibility during a Power Problem Investigation.</u>
NA - new proposed fee	NA - new proposed fee	NA	\$577.00	Disconnect/Reconnect - Single-Meter	A Disconnect/Reconnect-Single-Meter Fee will be charged when a customer or their contractor asks BED field personnel to visit the customer's single-meter property during business hours to perform a disconnection and/or reconnection of electric service where no BED engineering work is required.
NA - new proposed fee	NA - new proposed fee	NA	\$796.00	Disconnect/Reconnect - Single-Meter, Underground	A Disconnect/Reconnect-Single-Meter, Underground Fee will be charged when a customer or their contractor asks BED field personnel to visit the customer's single-meter property during business hours to perform a disconnection and/or reconnection of electric service that requires BED lineworkers to pull underground service but does not require BED engineering work.
NA - new proposed fee	NA - new proposed fee	NA	\$666.00	Disconnect/Reconnect - Multi-Meter	A Disconnect/Reconnect-Multi-Meter Fee will be charged when a customer or their contractor asks BED field personnel to visit the customer's multi-meter property during business hours to perform a disconnection and/or reconnection of electric service where no BED engineering work is required.
NA - new proposed fee	NA - new proposed fee	NA	\$885.00	Disconnect/Reconnect - Multi-Meter, Underground	A Disconnect/Reconnect-Multi-Meter, Underground Fee will be charged when a customer or their contractor asks BED field personnel to visit the customer's multi-meter property during business hours to perform a disconnection and/or reconnection of electric service that requires BED lineworkers to pull underground service but does not require BED engineering work.

Executive Session - Cybersecurity

I move to find that premature general public knowledge regarding cybersecurity would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes.

I move that the Commission enter into executive session to discuss cybersecurity under the provisions of Title 1, Section 313(a)(1)(A) of the Vermont Statutes.

Executive session start time:

Executive session end time:

Executive Session – KPMG

I move to find that premature general public knowledge regarding the FY25 KPMG Audit would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes.

I move that the Commission enter into executive session to discuss the FY25 KPMG Audit under the provisions of Title 1, Section 313(a)(1)(A) of the Vermont Statutes.

Executive session start time:

Executive session end time:

Misc. Fees

I move to recommend that the Board of Finance and City Council authorize BED to submit the proposed changes to the miscellaneous service fee tariff to the Vermont Public Utility Commission for approval.

EV Charging Site License Agreement

I move that the Electric Commission approve and recommend that the City Council approve the use of the proposed electric vehicle charging infrastructure agreement as a generic site license agreement for BED-owned public EV charging stations on private property.