



STATE OF VERMONT
HOUSE COMMITTEE ON NATURAL
RESOURCES AND ENERGY

May 26, 2011

Sarah Hofmann, Deputy Commissioner
Vermont Dept. of Public Service
112 State Street, Drawer 20
Montpelier, VT 05620-2601

Dear Deputy Commissioner Hofmann:

This letter is to request that the Department of Public Service (DPS) provide information estimating the incremental costs of having 20 electric distribution utilities (the status quo) as opposed to scenarios in which the state of Vermont is served by one, two, or three such utilities.

This information should include the costs of DPS and Public Service Board (PSB) regulation, such as staff, counsel, and expert witness or advisor retention; costs of the electric utilities themselves, such as duplicative administrative resources within the utilities, participation in regulatory proceedings, and retention of outside assistance; and an estimate of the savings to ratepayers, if any, that would accrue by reducing the number of utilities. These examples are intended to be illustrative and not exhaustive.

Please contact me at your earliest convenience to discuss a reasonable time frame in which DPS might be able to respond to this request and any questions you may have concerning it.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tony Klein", written over a circular stamp.

Rep. Tony Klein, Chair

2011 MAY 31 A 9:35
STATE OF VERMONT
DEPT OF PUBLIC SERVICE
MONTPELIER, VT.
05620-2601



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June 30, 2011

Representative Tony Klein, Chairman
House Committee on Natural Resources and Energy
Vermont General Assembly
115 State Street
Montpelier, VT 05633-5201

Dear Chairman Klein:

This is to acknowledge receipt of your letter dated May 26, 2011 asking the Department of Public Service to "provide information estimating the incremental costs of having 20 electric distribution utilities (the status quo) as opposed to scenarios in which the state of Vermont is served by one, two, or three such utilities."

Please forgive how long it has taken me to get back to you, but I was waiting for an internal meeting at the Department at which we could discuss the approach and time line. We have now had that meeting and have begun mapping out our methodology and a time line. We will have the information you requested by December 31, 2011. It will involve a good deal of work, reviewing and analyzing information both already in the hands of the Department and that which we will obtain through requests to the utilities. If this timeline is unacceptable, please let me know. We are of course attempting to fulfill this request within our current budget utilizing internal staff.

I will touch base with you periodically to give you progress reports, but don't hesitate to call me anytime with questions. Similarly, if you want to hear about our planned scope of work, please let me know. This is an important and worthwhile project and we look forward to working on it. As always, it is a pleasure working with you.

Very truly yours,

A handwritten signature in blue ink that reads "Sarah Hofmann" followed by a stylized monogram or initials.

Sarah Hofmann
Deputy Commissioner

