

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 21-0544-TF

Tariff filing of Green Mountain Power Corporation for approval of a Temporary Unserved Location Broadband Deployment Rider pursuant to 30 V.S.A. §§ 225–227 to be effective on bills rendered on or after March 15, 2021	
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Order entered: 03/12/2021

ORDER APPROVING TARIFF FILING

I. OVERVIEW

On January 29, 2021, Green Mountain Power Corporation (“GMP”) filed with the Vermont Public Utility Commission (“Commission” or “PUC”) a proposed Temporary Unserved Location Broadband Deployment Rider (the “Program”) pursuant to 30 V.S.A. §§ 225–227,¹ effective with bills rendered on and after March 15, 2021. The Program is intended to support broadband providers offering service to unserved locations in GMP’s service area by providing a discount of up to \$2,000 on make-ready services. In this order, we approve the Program, subject to certain reporting conditions. In a separate order in Case No. 21-0546-PET, we also authorize GMP’s request to implement the Program as a Strategic Opportunity Exception under GMP’s Multi-Year Regulation Plan.

GMP states that there are approximately 7,500 locations in its service area with only satellite or dial-up Internet service, which Vermont defines as “unserved.”² Under the terms of the Program, GMP will provide a discount of up to \$2,000 per unserved location on the make-ready costs³ incurred by a broadband provider to build a network that reaches those unserved locations with speeds that meet or exceed the Federal Communication Commission’s (“FCC”)

¹ The tariff rider will reduce make-ready costs for new third-party broadband installations at locations within GMP’s service territory that currently lack access to quality broadband services.

² Prefiled testimony of Brian Otley, GMP (“Otley pf.”) at 8-9; 30 V.S.A. § 7515b.

³ “Make-ready” is defined as the “work necessary to make a pole available for attachment of additional facilities, including but not limited to rearrangement or transfer of existing facilities, replacement of a pole, complete removal of any pole replaced, or any other changes required to accommodate the attachment of the facilities of the party requesting attachment to the pole.” PUC Rule 3.702(I).

definition of broadband.⁴ GMP will provide the discount to broadband providers on a first-come, first-served basis, with only one credit available per unserved location and a true-up requirement that ensures that the discount does not exceed actual make-ready costs.⁵

GMP calculates a maximum potential cost of \$15 million if all 7,500 unserved locations receive service under the Program, but expects actual costs to be lower because actual make-ready costs will not always exceed \$2,000 and some unserved locations in GMP's territory will not be reached.⁶ After a make-ready project is closed, GMP will treat expenses incurred under the Program as capital costs that will be included in a subsequent cost-of-service filing with the Commission.⁷ GMP forecasts the maximum rate impact of the Program to be less than 0.15% in each year of the three-year period that the Program is available.⁸

II. DISCUSSION OF COMMENTS

GMP

In response to a request for additional information, GMP states that it will broadly promote the availability of the Program to all telecommunications providers that are pole-attaching entities, including Communication Union Districts, and will encourage coordination between participants. GMP acknowledges that the Program will not reach all unserved locations in its territory and that other federal or State support will be necessary to achieve universal broadband coverage, but expects that locations that remain unserved will be closer to a connection and will be easier to serve in the future under different programs. Locations that remain unserved will also see a rate benefit from the effect of the new revenues received from the additional pole attachments and the increased participation in GMP's energy service programs made possible by the broadband expansion.

GMP explains that it considered information received from broadband providers when developing the Program, but did not develop any estimates on how many unserved locations will receive service as a result of the Program. GMP has included safeguards in the Program to

⁴ Otley pf. at 4-5; exh. GMP-BO-1. The FCC uses a benchmark of at least 25 Mbps download speeds and 3 Mbps upload speeds ("25/3 Service") for a service to be considered an advanced telecommunications capability. 2020 Broadband Deployment Report, 25 FCC Rcd 8986, ¶ 13 (April 24, 2020). *See also* 30 V.S.A. § 7515b(a).

⁵ Otley pf. at 14; exh. GMP-BO-1 at VII.A, VIII.

⁶ Otley pf. at 13.

⁷ Prefiled testimony of Edmund Ryan, GMP ("Ryan pf.") at 4-5.

⁸ Otley pf. at 13-14; exh. GMP-BO-3.

ensure that the \$2,000 discount will only be available for unserved locations, and will rescind the discount if broadband service is not provided within 15 months of GMP invoicing the make-ready work costs. Although the discount is only available for unserved locations, GMP states that the expanded broadband infrastructure will benefit both unserved and underserved locations.

Vermont Department of Public Service (“Department”)

On March 1, 2021, the Department filed comments recommending that the Commission allow the Program to take effect on March 15, 2021, as proposed by GMP. The Department acknowledges that the Program is a novel proposal that departs from traditional regulatory policy in Vermont, but concludes that the benefits that will result from expanding broadband Internet access in Vermont justify the departure. The Department explains that its recommendations and support for the Program are based on ensuring equitable access to new and emerging electrification technologies. The Department also explains that limited broadband access could eventually constrain efforts by distribution utilities to support Vermont’s energy policy goals, which include services and technologies that are increasingly dependent on reliable broadband access. The Department also cites the limited maximum financial exposure, limited term, narrow focus on unserved locations, and limited rate impact as additional reasons it supports the Program.

The Department recommends that the Commission require GMP to file an annual report detailing the performance of the Program, including at least the total annual costs, locations served, and expected rate impacts. GMP states that it has no objection to providing an annual report as requested by the Department.

III. MOTION TO INTERVENE

On March 11, 2021, Tilson Technology Management, Inc. (“Tilson”), filed a motion to intervene in the case. Tilson states that it has substantial interests in Vermont that may be affected by this proceeding and that those interests are not adequately represented by the existing parties. Tilson explains that it is actively seeking opportunities to expand its broadband network in Vermont and the Program as proposed would have a significant impact on the economic analysis and potential opportunities for extension by reducing infrastructure deployment costs in the State.

We understand Tilson to be requesting intervention to support the Program. Because the Commission has determined that the Program should be approved without investigation, there is no investigation in which Tilson can intervene and any support Tilson would have offered is not necessary. We therefore deny Tilson's motion to intervene as moot.

IV. CONCLUSION

After reviewing the tariff, the supporting testimony, and the comments received, we approve GMP's Temporary Unserved Location Broadband Deployment Rider. We conclude that the Program will increase broadband availability for GMP's customers, resulting in wider access to GMP's energy service offerings and facilitating GMP's efforts to implement programs consistent with Vermont's energy policy goals and objectives. The Program design ensures that Program costs will be limited to the number of unserved locations that actually receive qualifying broadband access, and no costs will be incurred without a corresponding benefit. Even if fully subscribed, any impact of the Program on rates will be outweighed by the benefit. The reporting requirements recommended by the Department will also allow GMP, the Department, and the Commission to monitor the Program's progress and impacts as it is implemented and make adjustments if necessary.

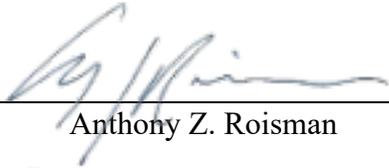
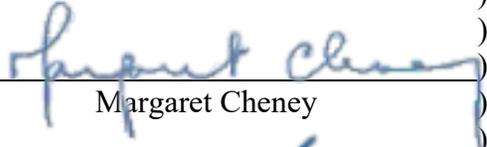
VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Vermont Public Utility Commission (“Commission”) that:

1. The Temporary Unserved Location Broadband Deployment Rider (the “Program”) proposed in this case is approved to take effect with bills rendered on and after March 15, 2021.
2. Annually, during the three-year period that the Program is in effect and until all obligations under contract pursuant to the Program are completed, GMP shall submit a report to the Commission that includes the following data and information:⁹
 - a. The total annual costs of the Program, by year;
 - b. The locations served under the Program; and
 - c. An analysis of the expected rate impacts of the Program.

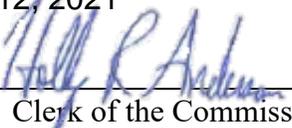
⁹ The report should be submitted in the compliance portion of this case.

Dated at Montpelier, Vermont, this 12th day of March, 2021.

 _____ Anthony Z. Roisman)	PUBLIC UTILITY COMMISSION OF VERMONT
 _____ Margaret Cheney)	
 _____ Sarah Hofmann)	

OFFICE OF THE CLERK

Filed: March 12, 2021

Attest: 

Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

PUC Case No. 21-0544-TF - SERVICE LIST

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