STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-2841-TF

Tariff filing of Vermont Electric Cooperative, Inc. for a 2.99% rate increase, pursuant to 30 V.S.A. 218d(n), effective with service rendered on or after January 1, 2026	

Order entered: 12/22/2025

ORDER DOCUMENTING REVIEW OF RATE INCREASE

On November 14, 2025, Vermont Electric Cooperative, Inc. ("VEC") filed a proposed rate increase of 2.99% to be effective with service rendered on and after January 1, 2026, pursuant to 30 V.S.A. § 218d(n) and the standards and procedures applicable to the review of municipal and cooperative utility rate changes adopted by the Vermont Public Utility Commission ("Commission").[1]

Section 218d(n) provides an alternative method for municipal and cooperative electric utilities to make limited rate increases, so long as: (1) the percentage rate change is applied equally to all customers; (2) it is not more than 3% over a 12-month period;[2] (3) it is within the 10% threshold for cumulative rate increases from the last rate change approved by the Commission; and (4) it will not take effect more than ten years after a utility's last rate change approved by the Commission using the traditional rate filing process pursuant to 30 V.S.A § 225.[3] The rate increase may go into effect unless the Vermont Department of Public Service ("Department") objects to the rate change or the Commission opens an investigation on its own motion within 45 days of filing with the Commission.

In accordance with the standards and procedures adopted by the Commission, VEC filed a financial analysis demonstrating the need for the rate change. VEC also filed revised and

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[1] *Investigation re: standards and procedures as identified in Act No. 13, which allows municipal and cooperative utilities to implement rate changes and to offer innovative rates and services*, Case No. 21-2642-INV, Order of 10/18/21. The Commission is currently reviewing these standards and procedures in Case No. 24-3200-INV.

[2] The limit on the rate increase under Section 218d(n) was increased from 2% to 3% on July 1, 2024, pursuant to Public Act No. 179 (2024 Vt., Adj. Sess.).

[3] This is the first rate increase request filed by VEC pursuant to V.S.A. § 218d(n) since its last rate increase request pursuant to 30 V.S.A. § 225 took effect on January 1, 2025. The Commission approved a 4.84% rate increase on August 13, 2025, in Case No. 24-3432-TF, *Tariff filing of Vermont Electric Cooperative Inc. for approval of a 4.84% rate increase to be effective on January 1, 2025.*

redlined tariff sheets showing the new rates and documentation of approval of the rate increase by its Board of Directors.

VEC states that this request for a rate increase is driven by increases in costs related to transmission, power supply, and salary and benefits. VEC explains that transmission costs are rising across the region as system upgrades continue and related expenses are passed on to utilities and customers. Additionally, power supply costs are increasing from the test year to the rate year due to higher contract prices, the introduction of new wholesale market charges, and a greater share of capacity costs driven by higher load in the rate year. VEC also states that it faces increasing salary and benefits costs due to union contract increases and the increased cost of health-care-related expenses. VEC notes that the cost of doing business is generally increasing above the rate of inflation.

On December 15, 2025, the Department filed comments on the filing. The Department states that it conducted a review of the proposed 2.99% rate increase and the accompanying materials and concludes that VEC has demonstrated that it meets the requirements of 30 V.S.A. § 218d(n) and the Commission's standards and procedures. The Department recommends that the Commission allow the tariff to go into effect on January 1, 2026.[4]

The Commission has reviewed VEC's filing and is satisfied with the supporting information provided and concludes that VEC's tariff filing meets the criteria set forth in Section 218d(n) which allows municipal and cooperative utilities to implement rate increases of 3% or less without incurring the costs associated with a traditional rate case. This enables VEC to implement rate increases in an incremental and cost-effective fashion, which will help it to smooth rate impacts over time. Additionally, the Department does not object to the rate change. Accordingly, the rate change will go into effect with service rendered on and after January 1, 2026.

SO ORDERED.

[4] In its comments, the Department "recommends that the Commission approve" the rate increase. However, when a proposed rate increase satisfies the requirements of 30 V.S.A. § 218d(n) and neither the Department objects nor the Commission opens an investigation on its own motion, Section 218d(n) does not require Commission approval of the rate increase. Today's order is intended to document the rate change rather than approve it.

Dated at Montpelier, Vermont, this 22nd day of December, 2025.

Edward McNamara	)	PUBLIC UTILITY
	)	
Margaret Cheney	)	COMMISSION
	)	
J. Riley Allen	)	OF VERMONT

OFFICE OF THE CLERK

Filed: December 22, 2025

Attest: ______________________________
Clerk of the Commission

Notice to Parties: Appeal of this decision to the Supreme Court of Vermont must be filed with the Commission within 30 days. Appeal will not stay the effect of this order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Commission within 28 days of the date of this order.

PUC Case No. 25-2841-TF - SERVICE LIST

Parties:

*James Porter, Director of Public Advocacy Vermont Department of Public Service DPS-PA@vermont.gov	(for Vermont Department of Public Service)
Thea Schwartz Vermont Electric Cooperative, Inc. 42 Wescom Road Johnson, VT 05656 tschwartz@vermontelectric.coop	(for Vermont Electric Cooperative Inc.)

*Notice of appearance to be filed.