

Draft Report Regarding the Sustainability for PSD and PUC Funding

The Department of Public Service (PSD) has produced a draft report about sustainable funding for both the Department and the Public Utility Commission (PUC). The traditional funding source for the Department and the PUC is the gross receipts tax (GRT) mechanism. The mechanism currently covers approximately 95% of the Commission's costs and 85% of the Department's salaries and comprises approximately 25% of the Department's overall spending authority. The mechanism has existed in this state for at least 45 years with little change. The GRT has served its purpose well during this period. However, circumstances have changed significantly in the intervening 45 years, and alternative approaches are needed to ensure sustainable funding of the PUC and the Department going forward.

Download a copy of the [draft report, released October 8, 2018](#)

The Department of Public Service will hold public meetings to discuss the sustainability of its funding sources. Please join us to learn more about the report and its recommendations and to make comments.

Meetings locations, dates and times:

- Rutland – Monday, October 15, 2018 from 6 PM to 8 PM, [Rutland Free Library, 10 Court St, Rutland, VT](#)
- St. Johnsbury – Tuesday, October 23, 2018 from 6 PM to 8 PM, Black Box Theater, [St. Johnsbury Academy, 1000 Main St, St. Johnsbury, VT](#)
- Montpelier – Wednesday, October 24, 2018 from 5:00 PM to 7:30 PM, [Pavilion Auditorium, 109 State St, Montpelier, VT](#); virtual attendance will be available for this meeting date and location (to be announced)

You may also submit comments in writing about the report and its recommendations by sending an email to [Stacey Drinkwine](#). Please be sure to include Sustainability Study in the subject line.

Purpose of the Report

[Public Act 11 of 2018](#) requires the Commissioner of the Department of Public Service to prepare a report regarding sustainable funding for the PUC and the PSD. Act 11 directs the PSD Commissioner, in consultation with the PUC, to study and make findings and recommendations regarding the gross operating revenue tax on public utilities imposed under [30 V.S.A. § 22](#), as well as the assessments imposed under [30 V.S.A. §§ 20](#) and [21](#). The purpose of the study is to determine whether the existing statutory mechanisms for financing utility regulation in Vermont are appropriate and, if not, how they might be improved to achieve a sustainable general gross receipts tax fund position and to better serve the public interest. The Act further identifies specific issues to consider under both the gross receipts tax and the “bill-back” authority granted to the PUC and PSD under Sections 20 and 21. The full text of the statutory requirement is included as Appendix I of the report.