

The Town of Hardwick Electric Department (HED) recently filed for a 13.03% rate increase. Our request was driven primarily by a \$307,000 increase in annual power supply costs, a \$223,000 increase in annual labor costs, and a \$130,000 increase in annual Vermont Renewable Energy Standards program costs.

The Hardwick Electric Department (HED) has delivered a tremendous performance in efficiently and effectively delivering quality, reliable, and economic energy services to our customers – at the exact same stable and economic price for fourteen years – since 2009. In comparison, the inflation rate in the United States during this fourteen-year window has been 39.05%. So – what you could purchase for \$1.00 in 2009 now costs \$1.3905 in 2023. Everything has increased in cost over this time – and drastic increases have occurred in global energy markets during the recent record setting levels of inflation. Today fuel oil costs 72.93% more than it did in 2009, and gasoline costs 55.4% more than it did in 2009. In 2022 the energy sector as a whole experienced the highest cost increases since 1978, and this had a direct impact on HED. This has also contributed to several other Vermont electric utilities filing for rate increases. HED is a “non-profit municipal utility”, and we are proud of this fact. That said we cannot operate at a loss, and must cover the costs necessary to meet our Mission, and Vision...which are:

HED’s Mission is:

- To efficiently and effectively deliver the energy services customers count on, while engaging employees, acting prudently, and fostering collaborative relationships with our regulators and communities.

HED’s Vision is:

- To be the best performing Municipal Electric Department in the State of Vermont. Service Quality and Reliability data as provided to the State by all utilities will be the primary tool to measure success.

If the Public Utility Commission approves our requested rate increase, a basic 400 kWh residential bill at HED will still be less than the present cost at Green Mountain Power, Vermont Electric Cooperative, and Washington Electric Cooperative – and please note that they are each in the process of increasing their respective rates for the same reasons that we are.

One last thing to share is that HED has a clear focus and concern for our fixed income customers. That said, Social Security benefits over the fourteen-year period since 2009 have increased by 36.9% for Cost of Living Adjustments - or an average of 2.64% per year. We are proud that HED’s request represents an average increase of only 0.93% per year – or only one third the inflation rate over this same fourteen-year period. HED believes this puts our 13.03% request in perspective to be both reasonable and minimal.

The Vermont Public Utility Commission is holding a virtual public hearing for HED’s customers to ask questions and provide feedback about our requested increase at 6:30 PM on Tuesday April 4th, and you can follow this link to join <https://meet.goto.com/993890781> or check the PUC website for other options.