

## Important Utility Planning Concepts

**“Least Cost” Analysis.** Each regulated electric company is required to prepare and implement a least cost integrated plan for the provision of energy services to its Vermont customers. *See* 30 V.S.A. §218c. A “least cost integrated plan” for a regulated electric utility is a plan for meeting the public’s need for energy services, after safety concerns are addressed, at the lowest present value life cycle cost, including environmental and economic costs, through a strategy combining investments and expenditures on energy supply, transmission and distribution capacity, transmission and distribution efficiency, and comprehensive energy efficiency programs. Id.

**“Need”.** Pursuant to 30 V.S.A. §248 (b)(2), a utility may not construct a transmission or generation facility unless it can demonstrate that the project is required to meet the need for present and future demand for service which could not otherwise be provided in a more cost effective manner through energy conservation programs and measures and energy-efficiency and load management measures. Id.

**“Duty to Serve”.** Electric utilities are subject to a so-called “duty to serve.” Under 30 V.S.A. §219, an electric utility is required to furnish reasonably adequate service, accommodation and facilities to the public. This obligation is further clarified by 30 V.S.A. §2801(a) which provides that such sale and distribution of electricity shall be subject to such reasonable limitations as to the amount of energy to be furnished a purchaser, and shall in no case be beyond what is reasonably necessary.