

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

Case No. 25-1069-TF

Tariff filing of Green Mountain Power Corporation for approval of a 7.35% increase for its FY26 annual base rate adjustment effective with bills rendered on or after October 1, 2025	
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Order entered: 08/29/2025

**ORDER APPROVING ANNUAL BASE RATE FILING**

**I. INTRODUCTION**

This case concerns the annual base rate filing that Green Mountain Power Corporation (“GMP”) is required to file with the Vermont Public Utility Commission (“Commission”) pursuant to Sections III and IV of GMP’s Multi-Year Regulation Plan (“MYRP”).<sup>1</sup> In this year’s base rate filing, GMP proposes a 7.35% adjustment for FY26, which is 2.1 percentage points higher than the projected annual base rate adjustment of 5.26% that GMP projected last year in its FY25 base rate filing.<sup>2</sup> This year’s filing represents GMP’s last annual base rate filing under the current MYRP.

As discussed below, the Commission concludes that GMP’s proposed base rate filing is consistent with the requirements of the MYRP. Based on this determination, the Commission approves GMP’s requested 7.35% rate increase for FY26, with bills rendered on or after October 1, 2025.

**II. PROCEDURAL HISTORY**

On May 30, 2025, GMP filed its annual base rate adjustment in this case. GMP’s filing included a cover letter, table of contents, revised tariff sheets, the cost of service, and additional supporting documentation.

On July 10, 2025, the Commission issued a request for information to GMP.

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<sup>1</sup> The MYRP was approved by the Commission on August 31, 2022, in Case No. 21-3707-PET, and amended in Case No. 23-0141-PET on March 30, 2023, and Case No. 23-3501-PET, on October 18, 2024.

<sup>2</sup> See Schedule B – Rate Base Summary (dated 5/31/24) in Case No. 24-1709-TF.

On July 22, 2025, GMP filed a response to the information request (“GMP Response”). GMP also informed the Commission of its efforts to respond to customers who filed public comments in this case.

On August 4, 2025, the Department of Public Service made a filing (“Department Recommendation”) recommending that the Commission approve GMP’s requested 7.35% rate increase without further hearings or investigation. The Department states that it has confirmed that GMP’s rate increase request adheres to the regulatory requirements established in the MYRP.

### **III. PUBLIC COMMENTS**

The Commission received 47 public comments from customers regarding this case.<sup>3</sup> Almost all these customers express concern that electric bills are too high in GMP’s service territory and request that the Commission either approve a lower rate increase or deny the rate increase altogether. Many of these customers reference multiple consumer cost increases tied to inflation and ten customers specifically mention the difficulty of accommodating cost increases on a fixed income. Some commenters express frustration with the pay of GMP executives and suggest their pay should be frozen or cut before a rate increase is passed on to customers, believe GMP’s profits are too large, and think GMP should reduce its costs.<sup>4</sup> Others express frustration with service quality, concerns with the accuracy of their billed household electricity usage, and confusion about how regional transmission and energy market costs are passed on to GMP and then ratepayers. Two commenters voice apprehension about increasing electric costs because one installed a heat pump and the other purchased an electric car. One commenter argues that more distribution utility choices might decrease costs for customers. Other commenters are concerned that support for solar net-metering is waning. One commenter is frustrated with paying to support other Vermonters with low income through the Energy Assistance Program (“EAP”). Finally, some commenters feel that public comments are not taken seriously.

In its response to the public comments, GMP states that it reviewed each public comment and reached out to each commenter that it could identify as a customer. We discuss this further in the Discussion section below.

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<sup>3</sup> Public comments filed as of 8/19/2025.

<sup>4</sup> One commenter thinks storm recovery costs, in particular, are too high.

The Commission considered all the comments while reviewing the record to make its final decision in this case. However, the Commission notes that some of the comments — for example, those addressing competitive electric suppliers — raised issues that are either outside the scope of our review of GMP’s base rates or not within the Commission’s statutory authority to implement. We address the two primary issues raised by commenters here.

### **Affordability**

The Commission understands and shares the concerns of Vermonters who are facing cost pressures from inflation and other factors, especially those on fixed incomes. In determining whether to approve a base rate adjustment, the Commission reviews the filing to ensure that GMP is adhering to the requirements of the MYRP. GMP has provided documentation that the proposed rate increase complies with its MYRP and that the costs driving the rate increase meet the statutory and regulatory standards for inclusion in rates.

The Commission encourages customers who meet the income eligibility requirements for GMP’s EAP program to apply for enrollment in the program.<sup>5</sup> We also encourage all customers to take advantage of energy saving programs offered by Efficiency Vermont.<sup>6</sup>

### **Service Quality and Meter Tests**

GMP is subject to a Service Quality and Reliability Performance Monitoring and Reporting Plan (“SQRP”) that requires quarterly tracking and reporting on a series of service-quality metrics. The plan includes performance measures regarding specific aspects of GMP’s service, such as customer calls, billing, complaints, safety, and reliability. Additionally, GMP must annually file reliability reports identifying areas of GMP’s system that are experiencing reliability issues. These reports can be viewed online using ePUC.<sup>7</sup>

By statute, customers of electric utilities in Vermont are entitled to a free, once-per-year meter test to ensure the accuracy of the amount of electricity sold to them.<sup>8</sup> Ratepayers who are

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<sup>5</sup> More information about the energy assistance program is available at <https://greenmountainpower.com/help/what-is-the-energy-assistance-program-eap/>.

<sup>6</sup> More information about programs offered by Efficiency Vermont is available at <https://www.efficiencyvermont.com>.

<sup>7</sup> Interested persons may review any public report filed with the Commission at <https://epuc.vermont.gov/?q=node/119>. To access GMP’s SQRP filings, select “Service quality report” from the report type drop-down menu and enter “Green Mountain Power” into the field for the name of the reporting entity.

<sup>8</sup> 30 V.S.A. § 2812.

concerned about the accuracy of their GMP meter are encouraged to make use of this free meter testing.

#### **IV. BASE RATE ADJUSTMENT PROVISIONS UNDER THE MYRP**

Section IV of the MYRP sets out a formulaic and mechanical process that GMP must follow to make its annual base rate adjustments over the term of the MYRP.<sup>9</sup> Absent modifications to the MYRP that are approved by the Commission, GMP must follow this process to calculate its annual base rate adjustment each year.

Section IV of the MYRP provides that the annual base rate adjustment:

will consist of (1) Non-power cost forecast; (2) Power supply & revenue forecast; (3) Cost of debt; (4) Income tax and Accumulated Deferred Income Tax (“ADIT”) forecast; and (5) estimated Return on Equity (“ROE”).

Non-power costs include capital expenditures, depreciation costs, and property taxes. These cost categories were fixed for the term of the MYRP unless subsequently modified by the Commission. Non-power costs also include Operations and Maintenance (“O&M”) costs. O&M cost categories defined under the MYRP include “Other Power Supply, Transmission-Other, Distribution, Customer Accounting, Customer Service and Information, Sales and Administrative, and General Categories.”<sup>10</sup> The MYRP explains that “GMP has the ability to exert various levels of control over certain of these cost types and very limited or no control over other cost types.”<sup>11</sup> Certain cost types over which GMP has some level of control will be either fixed or adjusted for inflation.<sup>12</sup> Cost types over which GMP has little or no control will be reforecast annually based on updated actuarial reports, consultant reports, or bids or other cost-related information.

GMP’s annual forecast for retail revenue and power costs is based on a weather-normalized retail revenue forecast provided by a third-party vendor (Itron, Inc. or a similar

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<sup>9</sup> The current MYRP is set to expire on September 30, 2026. The Commission will assess the annual base rate adjustment process as part of its consideration of any future alternative regulation plan filed by GMP pursuant to 30 V.S.A. § 218d.

<sup>10</sup> MYRP at Section IV.A.2.

<sup>11</sup> *Id.*

<sup>12</sup> Cost types that are adjusted for inflation during each annual base rate filing will be set based on the actual change in the Consumer Price Index – Northeast (“CPI-NE”) for the 12 months ending March 31 of each year. MYRP at Attachment 3. For example, the inflation adjustment for FY26 of 3.2% is set based on the change in the CPI-NE for the 12 months ending March 31, 2025.

outside consultant with expertise in the field of energy forecasting). GMP then prepares a power supply forecast based on that retail revenue forecast.

The MYRP sets GMP's debt-to-equity ratio at 50%/50% plus or minus 1%.<sup>13</sup> GMP's debt level is fixed based on a forecast of anticipated debt balances for each fiscal year.

As part of the annual base rate filing, GMP forecasts state and federal income taxes, accumulated deferred income taxes, and gross revenue and fuel gross receipts taxes based on the other adjustments.

GMP's authorized rate of return on equity is formulaically adjusted annually based on fluctuations in the yield on the 10-Year Treasury Note Rate.<sup>14</sup> Indexing for the following year is based on the ROE in effect for the current year.

Section IV of the MYRP also authorizes GMP to request approval to include capital costs associated with tariffed offerings for New Initiatives Programs. The MYRP provides that:

During the term of the [MYRP], GMP will not seek to recover through rates the cost-of-service impacts of New Initiative capital projects until after the capital project is complete and recorded to plant in service. GMP will separately track and record to a regulatory asset the incremental cost-of-service impacts (return, accumulated deferred income taxes, depreciation expense, property taxes, and O&M costs, offset by incremental other operating revenue) from the time the New Initiative capital project is placed in service until the New Initiative capital project cost-of-service impacts are reflected in base rates.

In this case, GMP has included \$11.3 million in investments associated with its Energy Storage System ("ESS") tariff program that were previously approved by the Commission and closed to plant through March 31, 2025.<sup>15</sup>

Additionally, this filing includes \$15.5 million in investments closed to plant through March 31, 2025, for distribution system hardening and undergrounding projects (GMP refers to these as "Zero Outages Initiative Projects") as approved by the Commission in Case No. 23-3501-PET.<sup>16</sup>

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<sup>13</sup> MYRP at Section IV.A.3.ii.

<sup>14</sup> MYRP at Attachment 3.

<sup>15</sup> *Petition of Green Mountain Power Corporation for treatment of its Energy Storage System tariff as a "tariffed new initiative" pursuant to Section IV(A)(iv) of GMP's Multi-Year Regulation Plan and 30 V.S.A. § 218d*, Case No. 24-1715-TF, Order of 9/10/24.

<sup>16</sup> *Petition of Green Mountain Power for approval of its zero outages initiative as a strategic opportunity pursuant to 30 V.S.A. § 218d and GMP's multi-year regulation plan*, Case No 23-3501-PET, Order of 10/18/24.

The FY26 annual base rate adjustment that is the subject of this proceeding will be applied to GMP's rates after Commission approval starting with bills rendered on or after October 1, 2025. The MYRP also includes other components, including the Retail Revenue and Power Supply Adjustor, the Exogenous Change Adjustment, and the Earnings Sharing Adjustor Mechanism, that are included on bills and affect the ultimate amount paid by GMP's customers for electric service.<sup>17</sup> These adjustors are addressed in other proceedings before the Commission over the term of the MYRP.

## V. DISCUSSION

The Commission reviews GMP's annual base rate adjustments to ensure that GMP is adhering to the terms of its approved MYRP. The MYRP establishes a method for calculating GMP's rates for a four-year period beginning October 1, 2022, and ending on September 30, 2026. GMP's costs and expenses included in rates: (1) were reviewed and approved by the Commission in the FY23 rate case and remain fixed over the term of the MYRP; (2) are updated annually based on a specified inflation index; or (3) are adjusted annually based on a reforecast of GMP-specific information. Specific cost categories and calculations under review in this case are summarized in the previous section.

GMP proposes that the Commission approve a 7.35% base rate increase for FY26, which GMP calculated by following the base rate adjustment mechanisms included in Section IV of the MYRP. The base rate increase is comprised of the following adjustments:

- *Power Costs*: Projected energy costs are approximately 10% higher than previously forecast due to colder-than-expected conditions in the winter of 2024–2025. Regional Network Service (“RNS”) charges have increased by more than 20% since 2024, which is significantly higher than previously forecast. This increase is primarily driven by lower-than-forecasted actual regional loads in 2023, which reduced RNS revenues and triggered a true-up to recover the shortfall.
- *Retail Revenue*: GMP projects a \$13.7 million increase in retail revenue for FY26 based on forecasts prepared by Itron, Inc., which reduces the overall need for increased rates.

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<sup>17</sup> MYRP at Section V.

Approximately 50% of the difference is attributable to increased sales in the small commercial and industrial customer sector.

- *Operating and Maintenance Costs*: Some categories increased by 3.2% according to the Consumer Price Index – Northeast (“CPI-NE”) inflation index or increased according to other third-party data, resulting in higher health care, insurance, and pension costs for GMP. The accumulated deferred income tax is updated based on calculations provided by Vermont Transco, LLC, and GMP’s latest tax data.
- *Return on Equity*: The ROE for FY26 is adjusted downward to 9.94% based on the MYRP’s formula (the FY25 ROE was 9.97%).
- *Broadband Deployment Rider*: Includes \$0.2 million for the fourth year of GMP’s broadband deployment program as approved by the Commission in Case Nos. 24-0509-TF and 24-0511-PET.
- *Energy Storage Systems*: Includes an additional \$11.3 million for investment in energy storage systems.
- *Other Investments*: Includes \$15.5 million for distribution system hardening and undergrounding investments. The projects included in the FY26 filing focus on southern and central Vermont and the three least-reliable circuits: EJ-G7, CH-G11, and SH-G35.

The Department states that it has conducted a detailed and comprehensive review of the proposed rate increase and vetted documentation and information provided by GMP in response to the Commission’s information requests. The Department reviewed the public comments filed in this case and recognizes that a 7.35% rate increase is “significant” and that “ratepayers have borne the brunt of consistent upward rate pressures in recent years and must still contend with the broader affordability challenges facing all Vermonters.”<sup>18</sup> The Department explains that transmission and power supply cost increases are the most significant drivers of the rate increase and that “without the considerable costs in this area, GMP’s annual base rate adjustment would be at or below the projected rate of 5.26%.”<sup>19</sup> The Department states that it finds that “GMP’s rate filing is consistent with the methodologies and requirements set forth in the MYRP,

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<sup>18</sup> Department Recommendation at 3.

<sup>19</sup> *Id.* at 3-4.

reflecting a combination of formulaic and mechanical adjustments, previously approved capital additions, and re-forecasted costs supported by credible external data.”<sup>20</sup>

We have reviewed GMP’s proposed base rate adjustment and supporting documentation. Additionally, we issued information requests and GMP’s responses provide additional context to support the rate increase, specifically the 2.1 percentage point difference between the proposed 7.35% increase and the 5.26% increase previously projected by GMP for FY26.

GMP states that the 2024–2025 winter was among the coldest in recent years and was characterized by prolonged extreme cold events that significantly increased heating demand and drew down natural gas inventories.<sup>21</sup> This reduction in natural gas inventories increased the regional wholesale price of natural gas. In turn, because natural gas is used as fuel for electricity generation, the regional price of electricity increased as well. GMP explains that after accounting for the partial offset associated with increased revenues from sales of excess energy, the net impact is an increase in total costs of approximately \$2.2 million, which represents 0.28 percentage points of the total 7.35% base rate adjustment.<sup>22</sup>

Additionally, GMP states that 1.29 percentage points of the 7.35% increase is attributable specifically to higher RNS costs. The increase in the RNS rate was primarily driven by two key factors: (1) higher forecasted revenue requirements submitted by the participating transmission owners; and (2) a true-up adjustment resulting from lower-than-anticipated coincident peak loads in 2023.<sup>23</sup> In its recommendation, the Department notes that these changes are consistent with its understanding of transmission cost increases affecting the region.<sup>24</sup> These higher-than-forecasted power supply and transmission costs are the primary drivers behind the difference between the previously estimated base rate adjustment and the 7.35% increase.

After our review of the Department’s recommendation and the supporting information filed by GMP in this case, we conclude that GMP has calculated its FY26 base rate adjustment in accordance with the terms of the MYRP. GMP has appropriately reforecast retail revenue and power costs, adjusted operating and maintenance costs, decreased the return on equity, and

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<sup>20</sup> *Id.* at 3.

<sup>21</sup> GMP Response at 3.

<sup>22</sup> *Id.* at 3.

<sup>23</sup> *Id.* at 2.

<sup>24</sup> Department Recommendation at 3.



incorporated capital spending into rate base that was previously approved by the Commission. Accordingly, the 7.35% rate increase is approved.

The Commission again received a relatively large number of public comments in this case.<sup>25</sup> In last year's base rate adjustment case, the Commission acknowledged GMP's efforts to respond to public comments and encouraged GMP to consider ways to proactively educate customers on the MYRP.<sup>26</sup> We noted that it would be helpful for customers to understand the rate-smoothing effect of the MYRP.

GMP hosted an open house for its customers in St. Johnsbury in May 2025 and intends to host another open house in September, which will be followed by a Facebook live event the next day.<sup>27</sup> GMP states that it discusses the MYRP metrics and mechanics of how it works with customers at events and via phone. In response to public comments in the current case, GMP explains that it connected directly with commenters, or left voicemails, in order to provide additional information, answer questions, and address concerns and that it "provided an overview of how the MYRP is a four-year framework to smooth and control costs, so they are more predictable for customers."<sup>28</sup>

GMP states that as it prepares to file its next MYRP, "it will continue to find ways to connect with customers and keep what is working."<sup>29</sup> GMP explains that the MYRP is posted on its website for customers to access. However, we note that the MYRP is a complex regulatory document and that it would be helpful for customers to have a summary of the MYRP that would assist in understanding how it applies to their bills and rate changes. Last year, we stated that "[c]ustomers would also benefit from information on the mechanics of quarterly adjustments in plain language." Given the complexity of the MYRP, we want to emphasize again the importance of easy-to-understand customer-facing documents as GMP considers ways to educate customers on the MYRP.

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<sup>25</sup> The Commission received 63 comments regarding GMP's base rate adjustment filed last year in Case No. 24-1709-TF. In this case, the Commission received 47 public comments.

<sup>26</sup> *Tariff filing of Green Mountain Power Corporation for approval of a 5.26% increase for its FY25 annual base rate adjustment effective with bills rendered on or after October 1, 2024*, Case No. 24-1709-TF, Order of 8/26/24 at 7.

<sup>27</sup> GMP Response at 6-7.

<sup>28</sup> Letter from Geoffrey H. Hand, Esq., on behalf of GMP, to Holly R. Anderson, Clerk of the Commission, dated July 22, 2025.

<sup>29</sup> GMP Response at 7.

In our order approving the FY25 annual base rate filing, we directed GMP to file an update with its next annual base rate filing on when it intends to: (1) conduct its next fully allocated class-cost-of-service study; and (2) file its proposed rate design changes.<sup>30</sup> In this case, GMP informed the Commission that it has engaged a consultant for this work and that data gathering for the study is underway. GMP states that it is aiming for completion of the work by January 2026 for use and filing as part of its FY27 rate case.<sup>31</sup>

## **VI. CONCLUSION**

Based on our review of GMP's tariff filing and supporting documentation and the Department's recommendation, we conclude that the FY26 annual base rate filing conforms with the requirements of the MYRP. Therefore, we approve GMP's tariff filing for a 7.35% increase in base rates, effective with bills rendered on or after October 1, 2025.


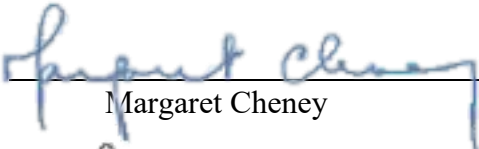
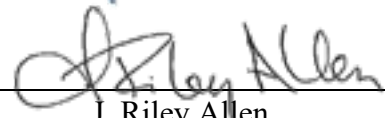
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<sup>30</sup> Case No. 24-1709-TF, Order of 8/26/24 at 8.

<sup>31</sup> GMP Response at 1.

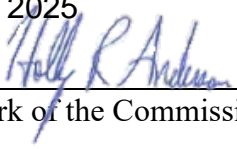
**SO ORDERED.**

Dated at Montpelier, Vermont, this 29th day of August, 2025.

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

OFFICE OF THE CLERK

Filed: August 29, 2025

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](mailto:puc.clerk@vermont.gov))*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of 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 Clerk of the Commission within 28 days of the date of this decision and Order.*

PUC Case No. 25-1069-TF - SERVICE LIST

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