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Via ePUC

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 23-____-TF – Tariff filing of Green Mountain Power’s Fiscal Year 2023 Earnings Sharing Adjustor Mechanism (ESAM)

Dear Ms. Anderson:

Green Mountain Power’s (GMP) annual report for the Earnings Sharing Adjustment Mechanism (ESAM) was filed today in Case No. 23A-4081 for Fiscal Year 2023 (FY23). The ESAM calculation this year is (\$12.3M) outside the Efficiency Band which, as required by Section VI(C) of GMP’s Multi-Year Regulation Plan (MYRP), is to be equally split between GMP and customers.

GMP proposes to amortize the \$6.1M customer part of ESAM through the remaining term of the MYRP, consistent with the approved method applicable to the Power Supply, Retail Revenue, and Major Storm adjustors. If approved, this treatment results in an adjustor of 0.34%. GMP also requests the Commission approve this amount to be incorporated as a one-time adjustment to the existing quarterly adjustor already in effect and reflected on customer energy statements. If approved, the Earnings Sharing Adjustor result would be combined with the PSRRA and EMSA and reflected going forward within the “Current Energy/Major Storm Adjustor” existing line item.

Section VI(C) of the MYRP gives the Commission the discretion to approve requests regarding the mechanism and period of collection for this adjustment:

Earnings Sharing Adjustor Mechanism

The Company’s rates will be subject to an Earnings Sharing Adjustor for each rate period during the Plan term. No later than 60 days after the end of each fiscal year (“ESAM Measurement Period”), the Company shall file with the Commission and Department its Actual Earnings for the ESAM Measurement Period, the proposed Earnings Sharing Adjustor calculation, and supporting information. The Commission shall approve the proposed adjustment no later than 45 days prior to April 1 of the following year, so that

the Earnings Sharing Adjustor amount can be reflected as a separate line item on customer bills for the ensuing 12 months, unless otherwise ordered by the Commission, commencing April 1 of each year (“ESAM Adjustment Period”).

Smoothing the ESAM adjustor outcome for customers over the remaining period of the MYRP, rather than only 12 months, is appropriate because it results in a lower bill change and greater stability for customers. We have gained experience under the regulation plans that have been in place since fiscal year 2020, learning the benefits of smoothing results and making fewer changes to energy statements for customers. A good example that is working well now is the combined power supply, retail revenue and storm adjustors, previously treated as separate line items and now combined to both offset and smooth outcomes for customers. Including the ESAM amount in this existing line item, spread over the same period of time, will promote stability and lower overall changes for customers.

To implement this adjustment, GMP submits the following:

- Clean and redlined record of filing tariff sheets, setting forth the ESAM adjustor results;
- Earnings Sharing Adjustor Line-Item Calculation in accordance with the requested approval herein; and
- Proposed Customer Notice

As reflected in these submissions, if approved by the Commission, the 0.34% ESAM line-item collection would be applied to customer energy statements within the Current Energy/Major Storm Adjustor, beginning April 1, 2024, through September 30, 2026.

Thank you, and if you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Melinda Humphrey". The signature is written in a cursive, flowing style.

Melinda Humphrey

Encls.

cc: Department of Public Service (via ePUC)