STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 26-0096-TF

Tariff filing of Green Mountain Power Corporation for a 7.5% rate increase effective with bills rendered on or after October 1, 2026	

PREFILED SURREBUTTAL TESTIMONY OF WALTER (TJ) POOR AND SHAWN ENTERLINE ON BEHALF OF THE VERMONT DEPARTMENT OF PUBLIC SERVICE

June 19, 2026

Summary: Mr. Poor and Mr. Enterline introduce the Vermont Department of Public Service's ("Department" or "DPS") surrebuttal testimony and address: (1) additional context provided by Green Mountain Power Corporation ("GMP") regarding the Day-Ahead Ancillary Services Market and a Federal Energy Regulatory Commission ("FERC") Order that are both expected to impact rates above and beyond GMP estimates; (2) the Utility Cost Test ("UCT") provided by Mr. Eiden as relevant to the Department's resilience spending recommendation; (3) Mr. Eiden's testimony specifically related to Vermont State policy and the use of different benefit-cost analyses ("BCAs"), (4) Mr. Burke's testimony related to the Service Quality and Reliability Plan, (5) the Department's modified position as it relates to GMP's overcompliance with the Renewable Energy Standard ("RES"), and (6) Ms. Lieberman's conclusions regarding return on equity ("ROE") and GMP's risk profile.

Mr. Poor and Mr. Enterline Sponsor the Following Exhibits:

Exhibit DPS-WP-SE-9	Draft Minutes, NEPOOL Markets Committee, May 12-14, 2026
Exhibit DPS-WP-SE-10	Discovery A.DPS.GMP.3-13
Exhibit DPS-WP-SE-11	Discovery A.DPS.GMP.3-17
Exhibit DPS-WP-SE-12	Discovery A.DPS.GMP.3-16 with Attachment
Exhibit DPS-WP-SE-13	Discovery A.DPS.GMP.3-8 with Attachment
Exhibit DPS-WP-SE-14	Discovery A.DPS.GMP.3-7
Exhibit DPS-WP-SE-15	Discovery A.DPS.GMP.3-9
Exhibit DPS-WP-SE-16	Discovery A.DPS.GMP.3-6 with Attachments
Exhibit DPS-WP-SE-17	Discovery A.GMP.DPS.1-18

PREFILED SURREBUTTAL TESTIMONY OF WALTER (TJ) POOR & SHAWN ENTERLINE

Q1. Please state your name, title, and business address.

A1. Mr. Poor: My name is Walter (TJ) Poor. I am the Director of Regulated Utility Planning for the Department. My business address is 112 State Street, Montpelier, Vermont.

Mr. Enterline: My name is Shawn Enterline. I am the Chief of Finance and Economics at the Department, 112 State Street, Montpelier, Vermont.

Q2. Are you the same Mr. Poor and Mr. Enterline who provided testimony previously in this case?

A2. Mr. Poor: Yes

Mr. Enterline: Yes.

Q3. What is the purpose of your surrebuttal testimony in this proceeding?

A3. Mr. Poor & Mr. Enterline: Our testimony introduces the Department's surrebuttal witnesses and addresses: (1) additional context provided by GMP regarding the Day-Ahead Ancillary Services Market and a Federal Energy Regulatory Commission ("FERC") Order that are both expected to impact rates above and beyond GMP estimates; (2) the Utility Cost Test ("UCT") provided by Mr. Eiden as relevant to the Department's resilience spending recommendation; (3) Mr. Eiden's testimony specifically related to Vermont State policy and the use of different benefit-cost analyses ("BCAs"), (4) Mr. Burke's testimony related to the Service Quality and Reliability Plan ("SQRP"), (5) the Department's modified position as it relates to GMP's overcompliance with the Renewable Energy

Standard, and (6) Ms. Lieberman's conclusions regarding return on equity ("ROE") and GMP's risk profile.

Q4. Please indicate the Department's other witnesses in this round of testimony and provide a brief description of their testimony.

A4. Mr. Poor & Mr. Enterline: Mr. Hunt addresses GMP rebuttal testimony with respect to several of the Department's cost of service ("COS") adjustments and recommendations. Ms. Zamora responds to GMP rebuttal testimony regarding an appropriate ROE and maintains her ROE recommendation. Mr. Ivey responds to GMP rebuttal testimony on pole inspection procedures and discusses additional information provided by GMP. Mr. Thomas presents the revised FY27 GMP COS model representing the surrebuttal positions of all Department witnesses.

Q5. In Ms. Fischer's prefiled rebuttal testimony, she updates the Vermont Public Utility Commission ("Commission") on the ISO-New England ("ISO-NE") Day Ahead Services Initiative ("DASI") and the FERC Transmission ROE Order. Do you have any comments on this update?

A5. Mr. Poor: As Ms. Fischer describes, the DASI[1] went into effect in early 2025 to address a desire for operational flexibility and certainty for the grid operator. Net charges to GMP ratepayers have been approximately $30 Million, substantially higher than originally expected. These charges have been passed through to ratepayers via the Power Supply and Retail Rate Adjustor ("PSRRA") mechanism in the Multi-year Regulation Plan ("MYRP").

[1] The DASI is now often referred to as the Day Ahead Ancillary Services ("DAAS") Market, since it is now in effect. For consistency, in this testimony I will refer to it as DASI.

The ISO-NE Internal Market Monitor recommended changes to the market to reduce costs; those changes are expected to be implemented quickly, reducing costs to ratepayers from DASI. ISO-NE estimates that if the changes had been in place from the start costs would have been reduced by 30%.[2] For GMP in the past year, that would mean that net DASI costs would have been around $21 million (this value would vary, of course, depending on how GMP's resources that receive DASI credits participate in the marketplace). GMP has estimated $6 million to be collected from ratepayers in FY27 for the DASI market.[3] The costs of DASI for FY27 remain unknown, as many market factors impact what these costs will be (including weather, available generators in the region, load, etc.) and the Department continues to support GMP's $6 million estimate for inclusion in base rates; any additional costs will flow through the PSRRA.

Turning to the FERC ROE Order of March 19, 2026, which reduces the allowed ROE for Transmission Owners and requires a retroactive refund of past collection of ROE back to 2011. The Department agrees with GMP's characterization that the impacts to VELCO resulting from the Order are unknown at this time, and that any cost impact associated with the Order will and should flow through Component A of the PSRRA.

While the Department agrees to GMP's proposals for how to treat costs associated with both the DASI and FERC ROE, I highlight them here because they underscore significant

[2] **Exhibit DPS-WP-SE-9** at 11 (Draft Minutes, NEPOOL Markets Committee, May 12-14, 2026)
[3] Case No. 26-0096-TF, Fischer Rebuttal PFT at 9–10.

uncertainty and upside risk to ratepayers related to what GMP's ultimate cost to consumers might be – not only for FY27 but throughout the life of the MYRP. As a reminder, GMP initially proposed a 7.5% rate increase in this case, which they have now lowered to just over 7%. This comes on the heels of a 7.35% base rate increase in FY26, and additional costs associated with DASI in FY26 that were appropriately recovered through the PSRRA. The risk of even higher costs for ratepayers must be considered when considering tradeoffs between affordability and climate and resilience investments, particularly in light of the affordability challenges described previously in prefiled testimony of Ms. Flint and my joint testimony with Mr. Enterline.

Q6. Mr. Eiden's rebuttal testimony responds to the Department and provides on behalf of GMP a benefit-cost analysis ("BCA") using the Utility Cost Test ("UCT") perspective. Please summarize Mr. Eiden's results. Do they change your recommendation for resilience spending?

A6. Mr. Poor: In Exhibit DPS-WP-SE-5, I provided what I termed a "rudimentary" UCT. My analysis showed that GMP's resilience investments provide $0.32 of ratepayer value for every dollar invested. Mr. Eiden provided on behalf of GMP in rebuttal testimony a summary of a BCA from the utility ratepayer perspective, using the UCT. This was the first UCT analysis provided by GMP. Along with other updates to the model as described in his testimony, Mr. Eiden reports that under the UCT, GMP's resilience investments provide $0.43 of ratepayer value for every dollar invested.[4] This result supports the initial Exhibit sponsored by the Department, with largely consistent results. The increase in UCT

[4] *See* Case No. 26-0096-TF, Eiden Rebuttal PFT at 26 and Exhibit GMP-AE-3 (Updated BCA Model).

benefit cost ratio estimated by GMP above my initial estimate is marginal, and does not warrant changes to the Department's position on the level of resilience spending.

According to GMP, these investments still get well below $0.50 cents on the dollar under the UCT. While all investments appear beneficial under the Total Resource Cost ("TRC") test, the Department's recommendation maintains the appropriate balance between impact to all ratepayers and benefit for certain ratepayers.

Q7. Mr. Eiden's rebuttal testimony, on page 11, suggests that the Department's recommendation for resilience investment is "akin to status quo reliability-based investment planning." How do you respond?

A7. Mr. Poor: I respectfully disagree. As explained below, the Department explicitly used the TRC test to inform its decision making, *in addition to* the UTC. To my knowledge, this has not been previously part of explicit utility investment planning in Vermont, whether it be for reliability or resilience capital expenditures. In fact, this resulted in the Department explicitly recommending an additional $113.2M above and beyond base capital spending for resilience investments over the course of the proposed MYRP.

I also note that, prior to the so-called Zero Outages Initiative and in the current MYRP, resilience spending was included in GMP's base capital spending. In the proposed MYRP, that resilience spending has been moved out of base capital spending and into a separate resilience category. However, there has not been a concomitant reduction in base capital spending. Instead, base capital spending was held roughly constant in absolute dollars, which is an effective increase when moving resilience spending to a different category.

GMP's own BCA included a "baseline" resilience investment scenario, which assumed approximately $7.6 million in the first year, and an average of $8.4 million over the life of the MYRP.[5] This $33.6 million in "baseline" spending (i.e. "status quo") is nearly $80 million *less* than what was recommended by the Department. Any suggestion that the Department recommended the status quo – either in planning or actual level of investment spending - is misleading and a distraction.

Q8. On page 13 of his rebuttal testimony, Mr. Eiden highlights that the National Standard Practice Manual "expressly cautions against selecting a primary cost test that omits relevant policy goals." Do you agree?

A8. Mr. Poor: Yes. That is precisely why the Department has advocated for the use of multiple cost tests in considering the appropriate levels of investment for resilience. The use of tests that address multiple policy goals has led the Department to recommend $113.2 Million in resilience investments, considering both the UCT and the TRC test. If the Department were only recommending approval of investments that pass a UCT, it would be recommending $0 in resilience investments, because as Mr. Eiden points out, "[u]nder a UCT standard, very few, if any, projects would score above a 1.0 BCR."[6] GMP, however, seems to solely rely on the TRC test in its proposal, which omits critical policy goals. GMP is correct that the Department urged use of the TRC – and that is why the Department was able to recommend such a large amount of resilience investment. The amount is less than GMP proposed because GMP did not appropriately consider – in light of broader

[5] *See* A.DPS.GMP.3-13, provided as **Exhibit DPS-WP-SE-10**.
[6] *See* Case No. 26-0096-TF, Eiden Rebuttal PFT at 12.

affordability concerns - the ratepayer impact of resilience investments, or how the investments fit within the context of increasing costs for ratepayers associated with the changing markets such as DASI or Capacity Auction Reform, increased Renewable Energy Standard obligations concurrent with increased cost and headwind for renewable development, and other operational pressures that all companies, deal with such as health care and property costs. GMP would have Vermont do the very thing that the NSPM cautions against – use solely the TRC test, which does not consider relevant policy goals. The TRC test alone is not the best way to consider Vermont's policy framework.

Q9. What is the proper test to use to align with Vermont's policy framework?

A9. Mr. Poor: Choosing a BCA test is not an either/or proposition. Vermont's energy policy is articulated in 30 V.S.A § 202a, and calls for balancing adequate, reliable, and secure service while ensuring affordability and encouraging Vermont's economic vitality. This always requires a balance of competing objectives. Such balancing using multiple tests is familiar in Vermont – for example, when determining appropriate levels to invest in electric energy efficiency, the Commission adopts a societal cost effectiveness screening to determine eligible programs or measures, but also requires that Energy Efficiency Utilities' portfolio of investments have a ratepayer benefit cost ratio of at least 1.0. This allows the Commission to transparently strike an appropriate balance of the aforementioned competing objectives.

As noted in the Department's testimony, it is appropriate to consider the balance of costs to ratepayers and benefits to ratepayers, versus benefits to specific customers and broader

society. This is particularly true in light of GMP's Service Quality Reliability Plan ("SQRP") requirement to identify the ten worst performing circuits on its system annually and then institute "economically feasible" measures to improve the reliability of these circuits. GMP's system-wide SQRP target for System Average Frequency Interruption Index (SAIFI) is <= 2.4 (net of major storms). GMP is already meeting this target. GMP has demonstrated some customers are experiencing significantly higher SAIFI, especially when major storms are included – for example in the 10-worst performing circuits – and there are potential equity considerations, to some extent captured by the TRC, that could justify some additional spending in these areas.

The decision the Commission must make in this proceeding is not solely about resilience investments, but about resilience investments considering the entirety of the revenues necessary for GMP to provide electric service, and its resulting rate impact. The TRC provides justification for a limited amount of additional Resilience spending, consistent with the Department's recommendations.

Q10. Mr. Burke noted on page 14 of his rebuttal testimony that "GMP is *required* to propose economically feasible measures on our ten least reliable circuits each year, which is the basis for our proposal to address 40 circuits over the four-year term of the Proposed Plan" (emphasis added). What is your response?

A10. Mr. Poor: As described in A.GMP.DPS.3-17.b, provided here as **Exhibit DPS-WP-SE-11**, "[t]he referenced provision has been a longstanding component of GMP's SQRP, dating back" to before the Company merged with CVPS, and is likely around 25 years old. In A.DPS.3-17c, GMP declined to provide evidence that instituting economically feasible measures on their ten most reliable circuits each year has happened since the inception of the requirement.[7] If it was a requirement, GMP has provided no evidence that it has met it for decades.

"Economically feasible" is not defined in the SQRP, and invoking it as justification for a significant funding proposal as GMP has here necessitates better understanding the definition. A plain reading of the term points to benefits outweighing costs, which brings consideration back around to whether the appropriate viewpoint is ratepayer or societal. The UCT and TRC test provide some guideposts for consideration, which as noted above requires balancing multiple policy objectives. Over the past five years, GMP's annual Rule 4.900 filings have noted the twenty worst-performing circuits for the previous Calendar Year as well as projects implemented within the Calendar Year, presumably implemented to address the twenty worst-performing circuits from the prior Calendar Year. Those

[7] *See* Exhibit DPS-WP-SE-11 (A.DPS.GMP.3-17).

projects generally address some (but certainly not all) of the worst-performing circuits from the prior year, pointing to an interpretation of "economically feasible" by GMP that balances need with available funding. Increasing funding to allow GMP to address each of its ten least reliable circuits in full each year, for a total of 40 circuits as it is requesting, changes this interpretation and balance to an extent that negatively impacts affordability.

Further, GMP's ten worst-performing circuits vary considerably each year. There are, however, a handful of circuits (EJ-G7, CH-G11, CV-G65, DM-G6, BV-G44, LO-G26, EL-G40, EB-Y38, and WK-G81) that have appeared on the list of the twenty worst-performing circuits every year for the last five years. The Department's recommended level of proposed funding is appropriate to balance resilience with affordability, and focuses on addressing these circuits (or circuits that persist in the top twenty as updated annually) over the course of the MYRP.

Finally, I note that any sort of standard that calls upon GMP to address its "worst" number of circuits will lead to requirements to work on circuits that may be the worst, but are still performing quite well. This speaks to the need for a specific resilience target – or definition of "reasonably adequate service." Developing such a definition, which would apply broadly to all utilities, would then become a basis for consideration of least cost alternatives to achieve that target.

Q11. Turning to your recommendation to reduce costs to ratepayers associated with GMP's overcompliance with the Renewable Energy Standard ("RES"). Do you have any modifications to your recommendation?

A11. Mr. Poor: Yes. After reviewing Ms. Fischer's rebuttal testimony and discovery responses, I withdraw my recommendation to reduce GMP's power supply expenses in the base rate by $3.75 million. I withdraw this recommendation for two reasons. First, on the cost side I am compelled that instead of calculating the value of selling Renewable Energy Credits ("RECs") using the prevailing REC market price of $4.80/MWh as I had done in my testimony, the value should be calculated using the average cost of Tier I compliance, or $1.98/Mwh. Ratepayers pay for RECs in the year they are retired, and the average cost is more appropriate. Changing that cost changes the cost of overcompliance from $3.75 million to around $1.5 million (GMP's estimated cost of $1.7 million less roughly estimated benefit to Tier 3 programs from having a cleaner portfolio). Second, for the first time, GMP has provided a calculation of the societal value of overcompliance.[8] GMP calculated this for the rate year at over $29 million, using a Social Cost of Carbon ("SCC") of $100/ton. The Vermont Climate Council adopted an SCC that is based on more recently updated Environmental Protection Agency guidance that shows the SCC at $230/ton in 2030 ($190/ton in 2020, both in 2020-dollar terms).[9] This means that the societal value of overcompliance is well over two times what GMP calculated. Given the lowered costs and enormous societal value ($1.5 million in cost for well over $60 million in societal value,

[8] *See* A.DPS.GMP.3-16 with Attachment, provided as **Exhibit DPS-WP-SE-12**.
[9] *See* U.S. Env't Prot. Agency, Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances at 4, available at: https://www.epa.gov/system/files/documents/2023-12/epa_scghg_2023_report_final.pdf.

or well over a 40:1 societal benefit for ratepayer cost), I withdraw my proposed adjustment. This recommendation is consistent with reviewing both the impact on ratepayers and the impact on broader society. I appreciate the additional analysis provided by GMP that allowed me to make this determination.

Q12. Moving on to the Department's ROE recommendation: has Ms. Lieberman shown that the Department's recommended 8.91% ROE is inconsistent with the standards established in *Bluefield* and *Hope*?

A12. Mr. Enterline: No. Ms. Lieberman's rebuttal testimony and discovery responses rely primarily on comparisons to authorized ROEs from other jurisdictions. Those comparisons do not establish that the Department's recommendation is inconsistent with *Bluefield* or *Hope*, because they are analytically flawed in three respects: (1) they rely on historical regulatory outcomes rather than market-based cost-of-equity evidence; (2) they have not been adjusted for differences in risk; and (3) they introduce circular logic into the ROE analysis.

Q13. Please elaborate on the first flaw.

A13. Mr. Enterline: Authorized ROEs are regulatory outcomes that can reflect settlements, compromises among multiple issues, and jurisdiction-specific policy choices. That concern is relevant because about half of the cases underpinning Figure 1 of Ms. Lieberman's rebuttal testimony[10] were settled. This can be seen in GMP's discovery Attachment DPS.GMP.3-8, introduced here as **Exhibit DPS-WP-SE-13**.[11] Using these outcomes as a

[10] *See* Case No. 26-0096-TF, Lieberman Rebuttal PFT at 4.
[11] *See* Exhibit DPS-WP-SE-13 at 3–4, Column "Decision Type." This attachment was provided in response to discovery Q.DPS.GMP.3-8, where the Department asked for the dataset underlying Ms. Lieberman's Figure 1. *See id.* at 1.

primary ROE benchmark is not consistent with *Bluefield* and *Hope* because those decisions require a return commensurate with investments of comparable risk, not a return commensurate with recent ROE settlements or regulatory decisions issued in other proceedings. Said differently, treating prior authorized ROEs as evidence of GMP's required return conflates market-based evidence of comparable returns with regulatory outcomes from other proceedings.

Q14. Please elaborate on the second flaw.

A14. Mr. Enterline: In response to discovery, Ms. Lieberman stated that she "did not perform an examination of utility relevant risk-mitigating mechanisms" for the Figure 1 analysis.[12] She also stated that the following information on the companies in Figure 1 was "not gathered": credit rating, decoupling, storm recovery, power-cost adjustment clauses, capital trackers, earnings-sharing mechanisms, and MYRPs.[13] Finally, Ms. Lieberman stated that she "did not make any adjustments to the Figure 1 data or to her conclusions to account for differences in utility risk profiles."[14]

These admissions are important because *Bluefield* and *Hope* require a return commensurate with investments of comparable risk. A high-level comparison to authorized ROEs in other jurisdictions does not, by itself, establish comparable risk. To support a meaningful comparison, the analysis would need to quantify, or at least evaluate, the differences in

[12] *See* Exhibit DPS-WP-SE-13 (A.DPS.GMP.3-8).
[13] *Id.*
[14] *Id*.

regulatory policies, cost-recovery mechanisms, and credit characteristics that affect utility risk.

Q15. Please elaborate on the third flaw.

A15. Mr. Enterline: If prior authorized ROEs are used to justify a new authorized ROE, the analysis can become self-reinforcing and circular. FERC has recognized this concern, finding in the MISO ROE proceeding that "such circularity is particularly direct and acute with the Risk Premium model because it directly relies on past Commission ROE decisions."[15]

Although FERC was addressing the Risk Premium model, a similar concern applies to Ms. Lieberman's comparison because it relies on historical authorized ROEs as evidence of the return required for GMP today. As discussed above, prior authorized ROEs are regulatory outcomes, not independent market evidence of investors' current required return. Prior authorized ROEs can provide regulatory context, but they are not a substitute for a risk-adjusted, market-based cost-of-equity analysis.

Q16. Did GMP provide quantitative support showing that an 8.91% ROE would impair GMP's financial integrity or ability to attract capital?

A16. Mr. Enterline: No. Instead, GMP pointed back to Ms. Lieberman's authorized-ROE comparison. GMP compared Ms. Zamora's 8.91% recommendation to 9.25%, which is described as "the minimum ROE authorized for a vertically integrated electric utility in the

[15] FERC Opinion No. 569, 169 FERC ¶ 61,129 at P 343, page 166. https://www.ferc.gov/sites/default/files/2020-04/E-11_1.pdf.

past three years."[16] This response again relies on a comparison to a regulatory outcome, and does not show that 8.91% would impair GMP's credit rating or its access to capital. In fact, the evidence in the record points in the opposite direction.

As the record reflects, and as discussed in Ms. Zamora's surrebuttal testimony, GMP accessed capital on reasonable terms while operating under authorized ROEs between 8.20% and 8.57% – below the Department's 8.91% recommendation.[17] Based on that experience, an 8.91% ROE would not be expected to impair GMP's ability to raise capital.

Q17. Has Ms. Lieberman quantitatively connected the risks she identifies to the magnitude of the requested ROE premium?

A17. Mr. Enterline: No. Ms. Lieberman identifies numerous risk factors, but provides limited quantitative evidence connecting those risks to the magnitude of the requested ROE premium.[18] Risks that are asserted but not quantitatively tied to a specific premium do not establish that GMP should be placed above the midpoint of the zone of reasonableness.[19]

Q18. What is your assessment of the risks that Ms. Lieberman did quantify?

A18. Mr. Enterline: In her discovery responses, Ms. Lieberman quantified a 78-basis-point premium based on GMP's small size relative to the proxy group. This is the largest

[16] *See* A.DPS.GMP.3-7, provided as **Exhibit DPS-WP-SE-14**.
[17] *See* Case No. 26-0096-TF, Zamora Surrebuttal PFT at 2 and Exhibit DPS-CLZ-2.
[18] *See* A.DPS.GMP.3-9, provided as **Exhibit DPS-WP-SE-15**.
[19] As discussed in my direct testimony, the range of presumptively just and reasonable ROEs can be illustrated with reference to the low, average, and high ROE estimates provided by Ms. Zamora. *See* Case No. 26-0096-TF, Poor & Enterline PFT 28–30.

quantified risk adjustment she identifies, and it is derived from generic size-decile data that does not account for GMP's relationship with its parent company.[20]

The 78-basis-point size premium is not supported by GMP's own credit-rating reports. According to S&P Global, "Our ratings on Green Mountain Power Corp. (GMP) are influenced by that of parent Noverco."[21] S&P gives GMP's rating a one-notch uplift over its stand-alone credit profile ("SACP"), viewing GMP "as a core subsidiary" that benefits from long-term support and "is closely linked to its parent's reputation."[22]

This evidence is directly inconsistent with the basis for Ms. Lieberman's 78-basis-point size premium. That adjustment is derived from Kroll size-decile data, which assigns a premium based on a company's stand-alone size without regard to parent-company support. But S&P's own analysis shows that GMP is not evaluated on a stand-alone basis: it receives a rating uplift precisely because it is a core subsidiary of a much larger and stronger parent. The size premium therefore measures a risk that GMP's actual credit profile does not bear, and it should be rejected.

[20] *See* A.DPS.GMP.3-6(e) and Attachment DPS.GMP.3-6(e) (size premium calculation), provided as **Exhibit DPS-WP-SE-16,** deriving the 78-basis-point figure from Kroll size-decile data.
[21] *See* Exhibit DPS-CLZ-8 at 2 (A.DPS.GMP.2.22 and Attachment).
[22] *See id*. at 2. A similar uplift can be seen in prior credit rating reports. *See* Exhibit DPS-WP-SE-16 (Attachment DPS.GMP.3-6.a.1) (2024 S&P report).

Q19. How do GMP's recent credit rating reports inform the discussion of GMP's risk profile?

A19. Mr. Enterline: They support the conclusion that GMP should not be treated as a high-risk utility for ROE purposes. S&P does identify GMP's risks, including its small customer base and storm exposure. However, S&P also describes GMP as having "Lower risk, regulated electric utility operations under a generally constructive regulatory jurisdiction."[23] S&P further states that, "Rates are set through MYRPs with preapproved capex plans, which enhance GMP's cash flow predictability and mitigate the risks associated with regulatory lag and material disallowances."[24] As discussed in my direct testimony, GMP's MYRP plays a significant role in risk mitigation.[25]

Q20. Based on the evidence discussed above, do you agree with Ms. Lieberman's characterization of GMP's risk profile?

A20. Mr. Enterline: No. Ms. Lieberman's conclusion that GMP should be treated as higher risk is not well supported because her authorized-ROE comparison is not market-based, was not shown to be risk-adjusted, and relies on historical regulatory outcomes as evidence of GMP's current required return. For these reasons, the record does not support placing GMP in the high-risk portion of the zone of reasonableness. GMP's own credit-rating evidence further supports this conclusion. That evidence shows that GMP benefits from risk-mitigating regulatory mechanisms and from its relationship with a much larger and stronger parent company.

[23] Exhibit DPS-CLZ-8 at 2.
[24] *Id.* at 3; *see also* Exhibit DPS-WP-SE-16 (2024 S&P report).
[25] *See* Case No. 26-0096-TF, Poor & Enterline PFT at 30; *see also* A.GMP.DPS.1-18, provided as **Exhibit DPS-WP-SE-17**.

Q21. Does this conclude your testimony?

A21. Mr. Poor & Mr. Enterline: Yes.