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 SURREBUTTALTESTIMONY OF STEVEN D. HUNT ON BEHALF OF THE VERMONT DEPARTMENT OF PUBLIC SERVICE

June 19, 2026

Summary: Mr. Hunt responds to GMP witnesses Ms. Laura Doane & Bob Bingel's rebuttal testimony regarding several proposed adjustments and recommendations for Green Mountain Power Corporation's ("GMP" or "Company") cost of service on behalf of the Vermont Department of Public Service ("Department" or "DPS").

Mr. Hunt Sponsors the Following Exhibits:

Exhibit DPS-SDH–6	Discovery A.DPS.GMP.3-2
Exhibit DPS-SDH-7	Discovery A.DPS.GMP.3-3.a-c with Attachments
Exhibit DPS-SDH-8	Discovery A.DPS.GMP.3-4.a-c with Attachments

PREFILED SURREBUTTAL TESTIMONY OF STEVEN D. HUNT

Q1. Please state your name, address, and occupation.

A1. My name is Steven D. Hunt. My business address is 1850 Parkway Place, Marietta, GA 30067. I am a Principal at the firm GDS Associates, Inc. ("GDS"), a multi-disciplinary engineering and consulting firm offering expertise in regulatory ratemaking, accounting, economics, finance, and engineering on behalf of its clients related to matters associated with electric, gas and water utilities.

Q2. Have you previously submitted testimony in this proceeding?

A2. Yes. I provided prefiled direct testimony on behalf of the Department in this proceeding on April 20, 2026.

Q3. What is the purpose of your surrebuttal testimony?

A3. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of GMP witnesses Laura Doane and Bob Bingel regarding GMP's calculation of Allowance for Funds Used During Construction ("AFUDC") recommendation.

Q4. How is your surrebuttal testimony organized?

A4. My testimony is divided into two parts. First, I summarize the cost of service ("COS") adjustments recommended in my prefiled direct testimony that have been accepted by GMP. Second, I respond to GMP witnesses Laura Doane and Bob Bingel discussion regarding GMP's calculation of AFUDC.

Q5. Please summarize your recommended adjustments to the COS from your prefiled direct testimony that have been accepted by GMP.

A5. GMP has agreed to my recommended disallowance of $49,890 in below-the-line costs from the cost of service for the non-operating expenses identified in Table 1 of my prefiled direct testimony. GMP further agreed to my recommended uncollectable accounts expense ratio of 0.002767 as the basis for the FY27 budget which is calculated using the average of FY24 and FY25 instead of the five-year average that had significant year-to-year variation.

Q6. Please explain your initial recommendation regarding AFUDC?

A6. In my prefiled direct testimony, I recommended that GMP reduce gross plant included in the cost of service by $2.45 million, which will also impact accumulated depreciation, depreciation expense, and any deferred tax effects related to the overstatement of AFUDC. My recommendation was based on the assessment that GMP's AFUDC calculation improperly excluded short-term debt from the capital structure used to derive the AFUDC rate. This would result in an artificially elevated AFUDC rate because it would over-weight higher-cost components of capital, such as long-term debt and equity, while omitting a lower-cost source of financing that is presumed to be used to fund construction activities. As a result, GMP would capitalize financing costs at a rate that exceeds its actual cost of funds. This overstated AFUDC rate would lead to an over-capitalization of plant placed in service, which in turn would increase rate base and result in higher revenue requirements borne by customers.

Q7. Have you reviewed the rebuttal testimony filed by GMP witnesses Ms. Doane and Mr. Bingel discussing GMP's treatment of AFUDC?

A7. Yes. Ms. Doane and Mr. Bingel state that the revolving loan fund I identified as a short-term debt obligation has a maturity period over 12 months, and is therefore properly classified as long-term, not short-term debt under Generally Accepted Accounting Procedures ("GAAP"). As this item is not short-term debt, the rate of borrowing associated with this fund does not set a different ceiling for the overall AFUDC rate, and GMP's calculated AFUDC rate is therefore appropriate.

Q8. Did you request additional information regarding the revolving loan fund and how the loan proceeds are used to support GMP's capital expenditures?

A8. Yes.

Q9. After reviewing the additional discovery information provided on the revolving loan fund, do you continue to believe that GMP improperly excluded the revolving loan fund from short-term debt and ultimately in the calculation of GMP's AFUDC rate?

A9. No. Based on my experience revolving credit facilities are intended to be used as a source of short-term liquidity for a company and carries the characteristics of short-term debt. Based on my analysis of responses to discovery, I observed that GMP utilized the revolving credit facility to draw and repay monies on a weekly or daily basis, consistent with general usage of revolving credit facilities.[1] However, I also observed that GMP maintained a practice whereby it maintained balances outstanding over the duration of the revolving credit facilities.[2] The credit facilities were shown to have a three-year duration and did not require a specific payback period on any specific draws, other than at the maturity date of the revolving credit facility.[3] The most recent amendment to the revolving credit facility was effective July 27, 2025, and matures July 27, 2028.[4] Accordingly, I conclude that based on the stated term of the credit facility of three

[1] See A.DPS.GMP.3-2, provided as **Exhibit DPS-SDH–6**, and A.DPS.GMP.3-3 with Attachments DPS.GMP.3-3.a–c, provided as **Exhibit DPS-SDH–7.**

[2] *See* Exhibit DPS-SDH-7.

[3] See A.DPS.GMP.3-4 and Attachments DPS.GMP.3-4a–c, provided as **Exhibit DPS-SDH–8.**

[4] *Id.*

years and the historical maintenance of outstanding balances for the term of the credit facilities that the credit facility is appropriately classified as long-term debt. I also note that GMP includes the revolving credit facility as a component of its long-term debt balances in its computation of weighted average cost of capital, ensuring that this source of capital is included in the development of rates.

Q10. Based on your analysis, what is your final recommendation regarding GMP's AFUDC?

A10. I do not recommend any modification to GMP's AFUDC rate computation.

Q11. Does this conclude your surrebuttal testimony?

A11. Yes.