GMP Multi-Year Regulation Plan

Case No. 25-1955-PET | Public Utility Commission Workshop

November 3, 2025

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Workshop Topics

- Proceeding Schedule
- Context for New Multi-Year Regulation Plan ("Proposed Plan")
- Summary of Proposed Plan – focused on continuing components and what's new
- Review of Key Proposed Plan Components
    - Rate Smoothing Mechanisms & Adjustors
    - Innovative Programs
    - Capital
    - Cost of Capital
    - O&M Treatment
    - Performance Metrics

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Schedule

- GMP filed Proposed Plan August 29, 2025
- Workshop – Nov 3, 2025
- Discovery & Testimony
  - November 2025 through June 2026
  - Alignment with FY27 Rate Case after rate case filing in January 2026
- Technical hearing – June 2026
- PUC Order by September 1, 2026, to allow Proposed Plan to cover rates to start October 1, 2026
- GMP's current plan runs through September 30, 2026

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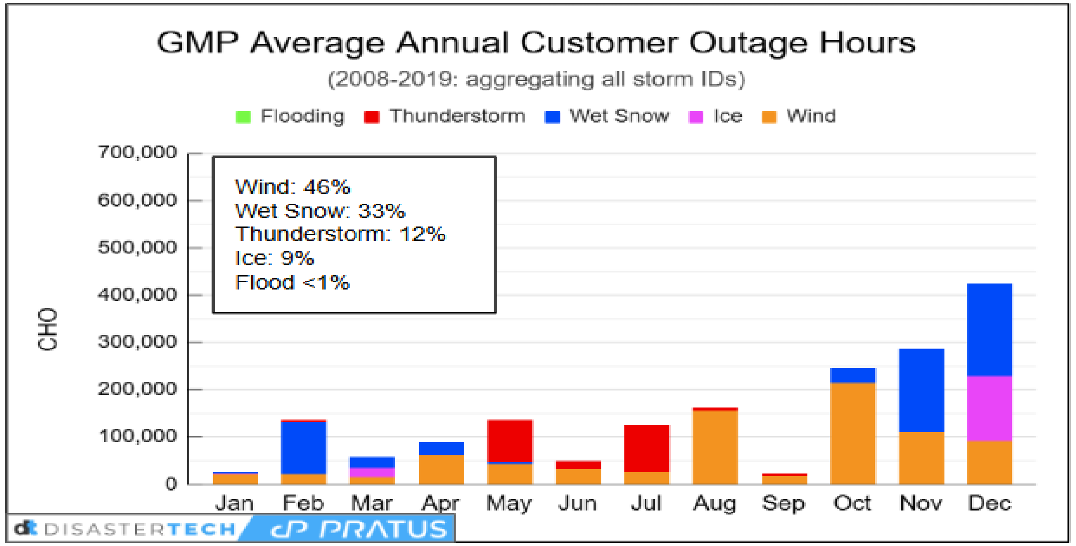
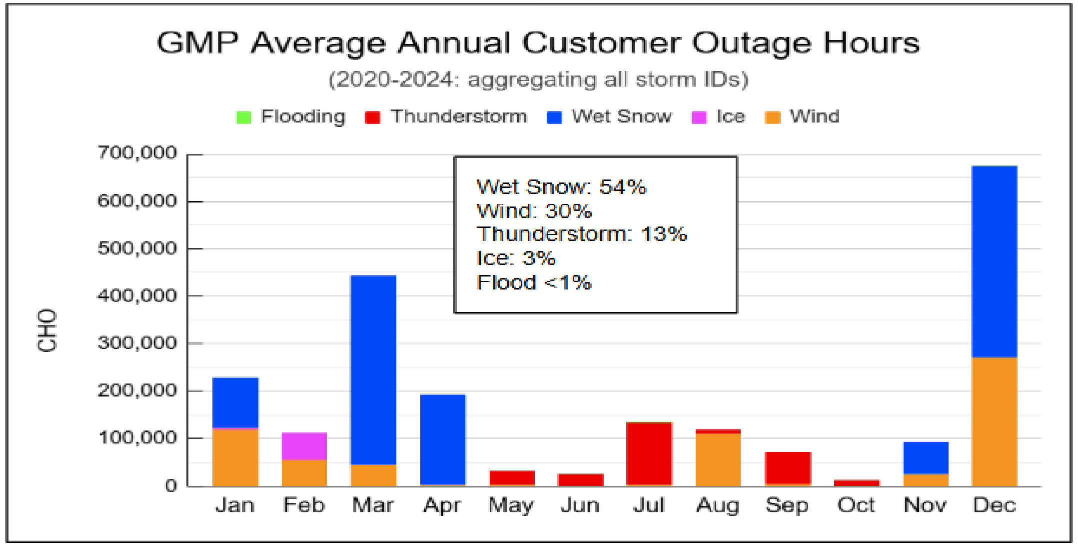
Context for Proposed Plan – Why a MYRP

- Goals of a Multi-Year Regulation Plan:
    - Delivering smooth, predictable rates for customers
    - Advancing strategic resiliency investments that build on the work from earlier proceedings
    - Continuing innovative programs to benefit all customers
    - Adding guardrails to better address unforeseen and material events

Context for Proposed Plan

- During the current plan:
  - **Severe weather impacts:** About $100M in storm costs for FY23–24
    - Storms bringing higher precipitation in all seasons, higher wind speeds = more risk for infrastructure, more outages for customers
  - **Economic pressures: Inflation, higher interest rates, energy market volatility (Ukraine war), supply chain costs**
  - **Customers:** Greater reliance on power for remote work, medical devices, and safety





Aggregates outage events designated by a storm identifier. Data and hazard attribution was quality controlled manually by Disaster Tech.

Recent Trend, last 5 years vs previous 12: Wet Snow Outages Occurrence up by 19%

Sources:
Prepared by: Disaster Tech
Contact: Dr. Jay Shafer - jason.shafer@northviewweather.com

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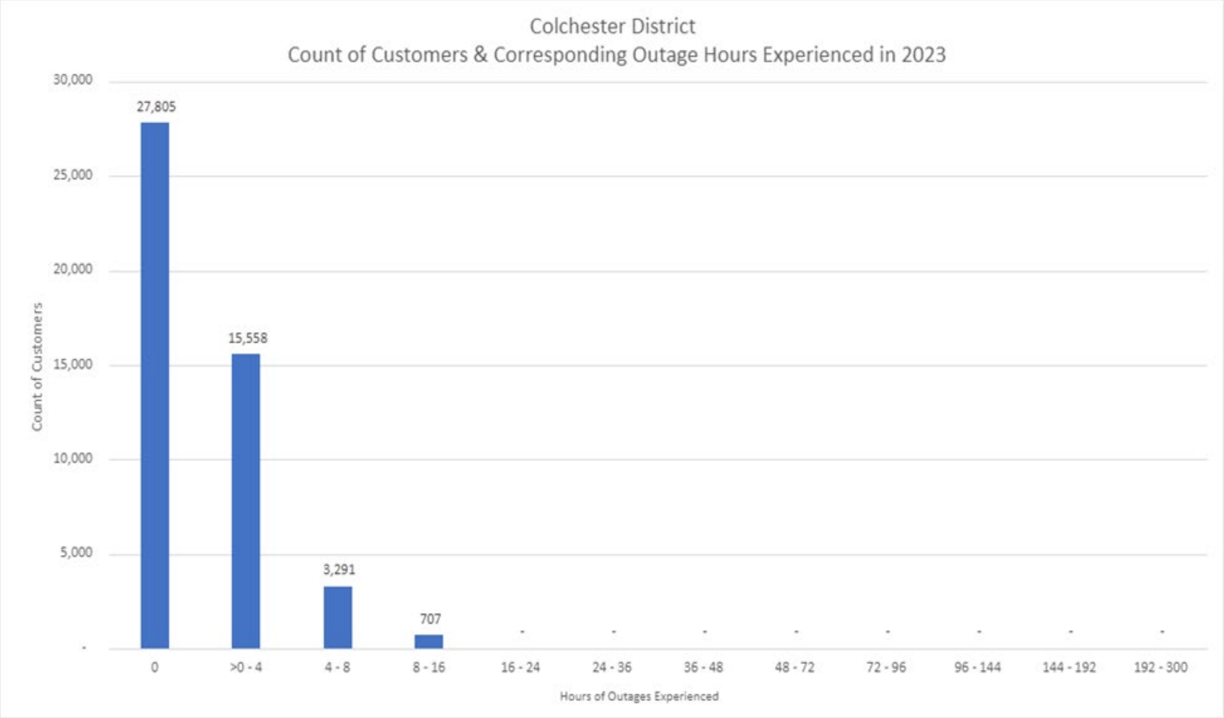

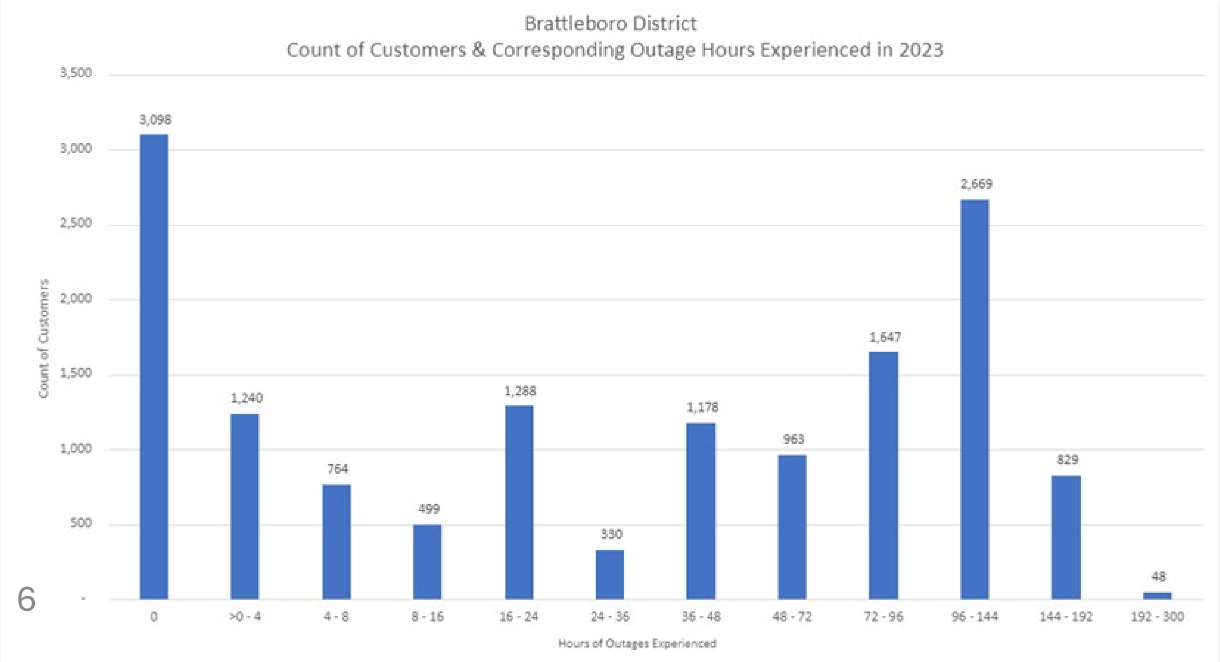

Customer Experience

SQRP reliability is a metric based on statewide averages. This can mask differences in individual customer experience across our service territory, with some having challenging reliability.

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CEMI By District 2023

Count of customers in the District that experience the stated number of interruptions.

CEMI: Customers Experiencing Multiple Interruptions

Count of Customers	Customer Count by District	Number of Interruptions																										
GMP Operating District		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
BRATTLEBORO	14,553	3,098	403	999	978	1,233	695	701	1,094	1,253	831	580	716	753	379	134	227	232	125	53	29	39	1					
COLCHESTER	47,361	27,805	12,169	5,007	1,367	432	348	103	122	8																		
MIDDLEBURY	17,390	7,479	4,139	2,034	1,760	1,319	371	135	99	52	2																	
MONTPELIER	27,970	4,871	5,334	4,734	3,875	2,233	2,715	2,206	890	525	129	80	181	90	39	26	6	35	1									
POULTNEY	9,446	3,831	1,943	899	1,260	687	358	241	142	49	26	7	2	1														
ROYALTON	15,553	1,218	1,979	2,192	1,685	1,410	1,431	1,252	855	1,189	527	569	173	176	253	136	248	124	77	37	17	5						
RUTLAND	26,109	11,878	5,958	2,244	2,427	1,565	1,128	553	206	42	45	18	28	17														
SPRINGFIELD	19,620	4,487	2,418	2,040	1,854	2,217	1,407	1,388	1,160	712	439	325	245	154	134	86	124	113	76	47	14	38	51	52	10	23	5	1
ST. ALBANS	23,080	11,855	5,268	2,711	1,499	839	653	112	142	1																		
ST. JOHNSBURY	12,889	1,738	3,322	2,669	1,572	1,157	897	506	374	230	287	78	28	6	18	6	1											
SUNDERLAND	22,891	3,403	5,882	5,707	3,220	2,061	1,215	592	272	416	60	21	36	6														
VERGENNES	5,355	597	1,379	1,275	715	667	285	342	69	24	1		1															
WESTMINSTER	6,400	679	1,377	936	157	144	161	359	451	282	282	242	187	149	251	302	123	105	142	27	4	40						
WHITE RIVER JCT	13,131	5,110	2,579	2,295	1,274	494	419	224	228	107	117	17	71	37	8	95	18	1		19	12	6						
WILMINGTON	8,494	154	1,879	1,881	1,442	790	259	332	623	170	106	87	183	143	137	141	35	88	13		9	15	1	1			1	4
Grand Total	270,242	88,203	56,029	37,623	25,085	17,248	12,342	9,046	6,727	5,060	2,852	2,024	1,851	1,532	1,219	926	782	698	434	183	85	143	53	53	10	23	6	5

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How This Proposed Plan Helps Customers

- **Resilience Investments**:
  - Proposed framework is a direct response to field experience and seeks to incorporate resilience project investment by building on the Zero Outages Initiative (ZOI) work currently underway. The goal is to protect customers and keep crews safe by strengthening our infrastructure.
- **Reducing Risk and Moderating Volatility**:
  - Proposed plan is designed to reduce risk for customers from economic volatility and unpredictable events which we detail later.
- **Maintaining Rate Stability**:
  - Proposed plan continues rate smoothing over time so rates stay as current and accurate as possible by annually refreshing transmission and energy and using quarterly adjustors.
- **Data reporting**:
  - The proposed plan incorporates GMP's SQRP directly into performance metrics including new resilience metrics to track progress on storm hardening and undergrounding projects.

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Proposed MYRP: Continues Primary Plan Components

What's Working & Proposed to Continue

- **Capital** investments for normal-course projects will be included in base rates and managed across the term of the plan.
- **O&M** costs to be included in base rates – some fixed, some re-forecasted annually, and some adjusted annually, to reflect appropriate risk.
- **ROE** set by a similar formula to now, based on 10-year treasury rate changes.
- **Existing Annual metrics** report (with resiliency updates as noted).
- **Smoothing & Adjustments.**
- **Innovative pilot** structure

Updates

- **Capital resilience** investments will **not** be in base capital investment; instead, each year upfront resilience scoping (including storage if approved at later date) will be provided to PUC with not-to-exceed-investment amounts. Actual investments would only be included in rates in the year after projects are closed, as happens under the current MYRP.
- **Customer energy storage** investment based on a not to exceed amount and added to rates only after projects close to plant, subject to PUC approval.
- **O&M** costs – more categories annually refreshed to account for the volatility seen over the last few years.
- **ROE** formula updated to be longer year over year measurement period (6 months proposed to smooth changes.)
- Annual Metrics: Incorporating SQRP and new resilience metrics
- **Smoothing and Adjustments**:
  - Remove pre-collection line item for Major Storm.
  - Will incorporate short-term debt rate carrying costs for smoothing and adjustors.

Rate Smoothing Mechanisms & Adjustors

- **Base rate smoothing continues:** FY27 set in rate case with option for smoothed rate path for FY28–FY30, and additional smoothing for customers available across remaining years

- **True ups and quarterly adjustors continue**:
  - Retail Revenue Adjustor
  - Power Supply Adjustor
  - Exogenous Major Storm Adjustor

- **Major Storm fund pre-collection & line item removed**

- **Earnings Sharing Adjustment Mechanism remains**, with other plan changes to address volatility helping to reduce its role

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Rate Smoothing Mechanisms & Adjustors

- **Retail Revenue Adjustor**: provides complete revenue decoupling by collecting from or returning to customers the difference between actual and forecasted retail electricity sales revenue quarterly.

- **Power Supply Adjustor:** tracks variances in power supply costs quarterly. Costs are split into two components (Comp A & Comp B). Includes asymmetric efficiency band favoring customers.

- **Exogenous Major Storm Adjustor:** recovers incremental maintenance expenses for Major Storms (defined by SQRP criteria: $1.2M cost threshold, 10% customers out, 1% out for >24 hrs). Subject to $1.2M annual deductible.

- **Return/Collection:** Quarterly adjustments in RRA, PSA, & EMSA are netted together; collection/return only triggered if net amount moves in same direction two consecutive quarters & cumulative carry forward balance is over $1.0M.

Rate Smoothing Mechanisms & Adjustors

Adjustor (Return) / Collection	Retail Revenue	Power Supply	Exogenous Major Storm
Deviation from Forecast			
2023	($7.3M)	$28.1M	$42.2M
2024	$3.1M	($13.0M)	$23.5M
2025*	($0.7M)	$28.7M	$7.9M
Total Last 3 years	**($4.9M)**	**$43.8M**	**$73.5M**

- Retail Revenue and Power Supply Adjustor both returned to, and collected costs from, customers.
- Exogenous Major Storm Adjustor prevents overcollection in base rates for these unplanned events.
- Please note that these amounts reflect when they were generated, not collected.

*2025 numbers still under review.

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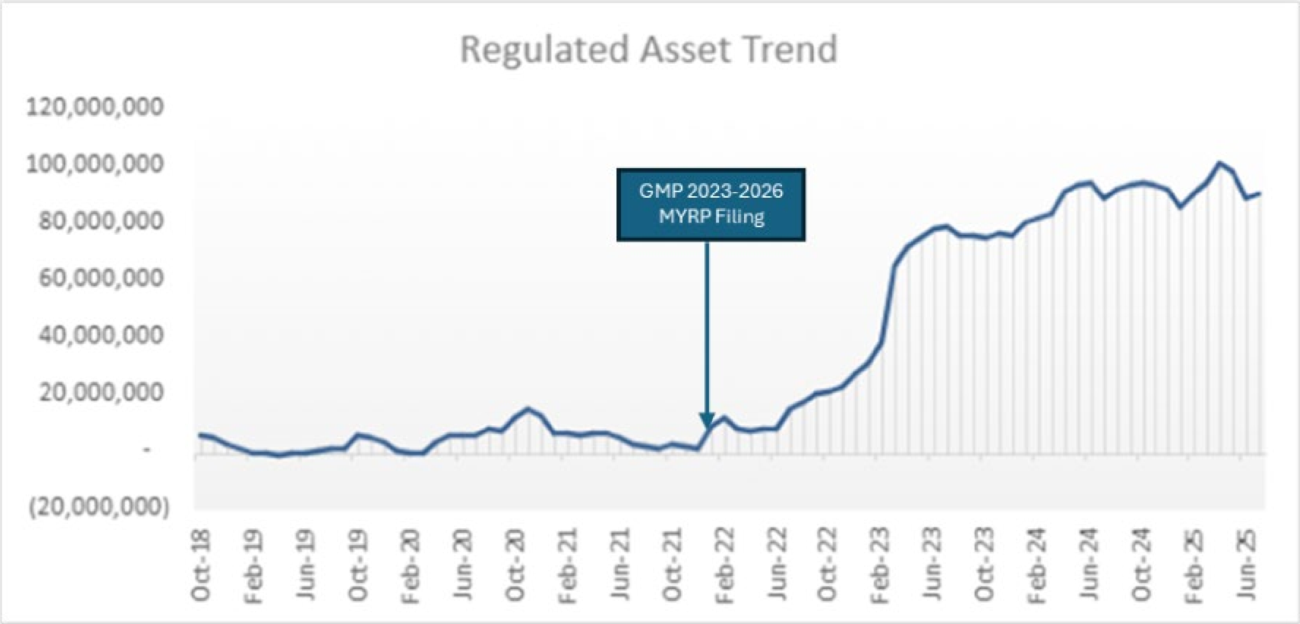
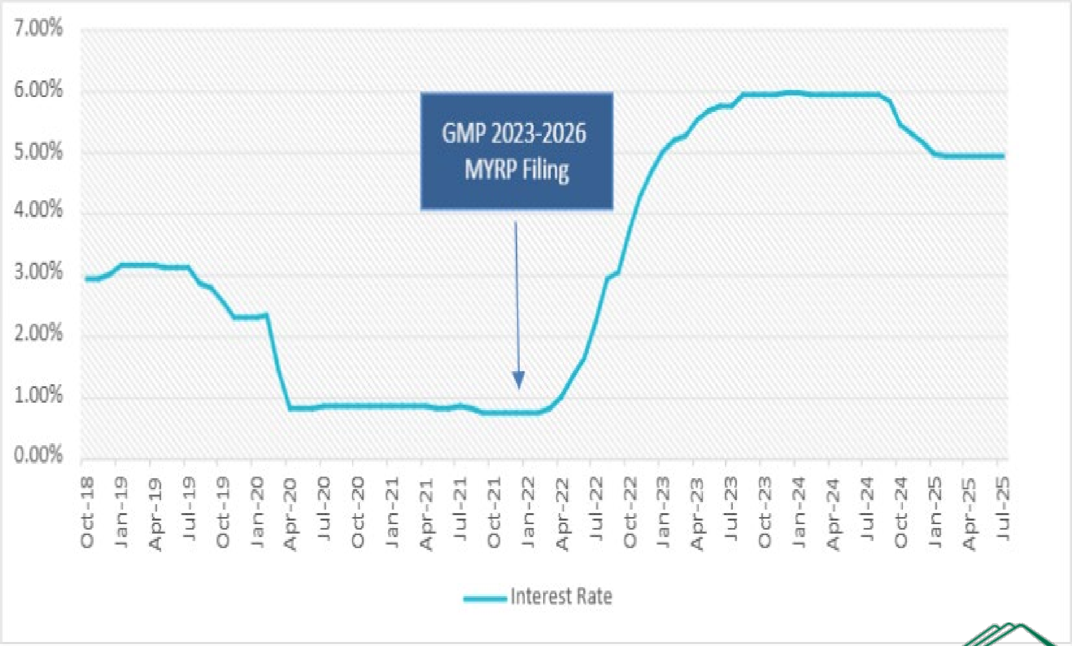
Recovery of Carrying Costs Associated with Adjustors

- Plan includes recovery of actual costs at short-term debt rates to support customer beneficial smoothing adjustors – RRA, PSA, EMSA, ESAM, and Rate-Smoothing Adjustor.
- Driven by: (1) significant increase in regulatory asset balances to support these mechanisms and (2) steep interest rate increases.





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Continuing Innovation

- Innovative Pilot framework continues, building on past examples of success
  - Pilots are designed to deliver value to both participating and non-participating customers
  - Iterative learning → scalable programs: Each pilot tests new ideas incorporating customer feedback, refining before scaling
  - Focus on customer experience and access
  - Regular pilot reporting and collaboration with PUC and DPS
  - Collaboration with technology suppliers (e.g., Tesla, SPAN, Dynamic Organics) accelerates innovation
  - Focus on scalable technologies like home batteries, flexible load, and EV charging

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Examples of Pilot Success

2017 · 2018 · 2019 · 2020 · 2021 · 2022 · 2023 · 2024 · 2025

Residential Energy Storage: From Pilots to Tariffs

Pilot to prove the concept

- Started small (20 Powerwalls) → expanded to 500 → introduced BYOD model.
- Aligned customer and grid benefits (backup + peak reduction).

Tariff

- Regulatory approval for permanent tariffs — first in the U.S.
- Enrollment caps lifted as popularity and benefits proved out.

Maturing scaling phase

- 5,000 customers participating; meaningful contribution to GMP's Virtual Power Plant

Flexible Load Management (FLM): Extending the Model to C&I Customers

Initial Pilot

- Focus on dispatchable commercial loads.
- Software-based automation through building management systems with clear performance incentives.

Iterative Pilot Development

- FLM 1.0 → 2.0 → 3.0, each version improving software integration and automation.
- Demonstrated > 1MW demand reduction in several months of FLM 2.0 and 3.0

Frequency Regulation: Expanding Residential Storage Value

Initial Pilot

- Testing if residential storage can participate in ISO regulation market

Iterative Pilot Development

- 2.0 Pilot – focus on expanding value for residential storage

Tariff Rider

- Expanding access to Frequency Regulation program

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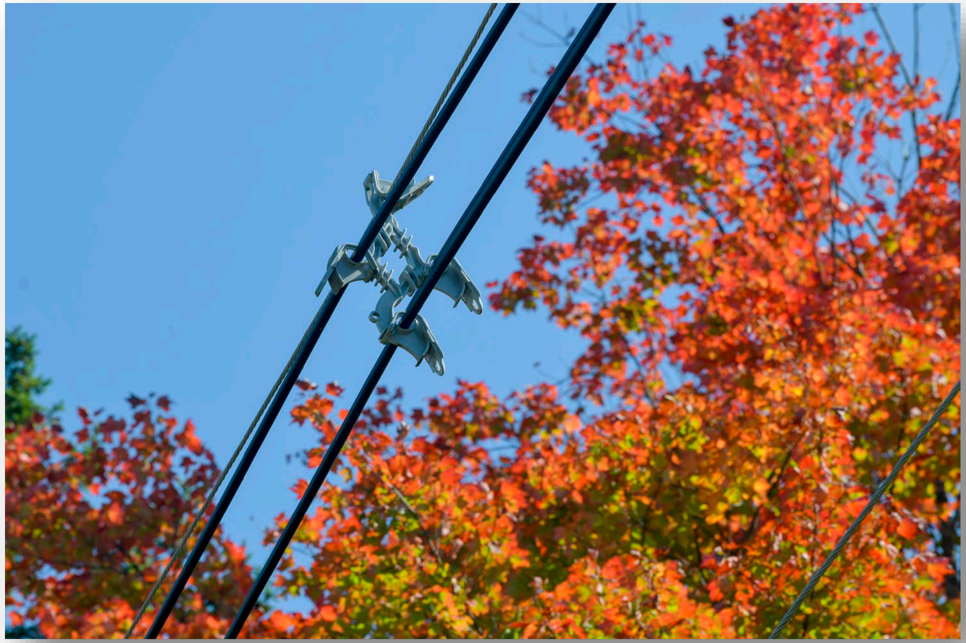
System Investments

- Four-year locked base capital investment plan: balances reliability, service quality, and continued innovation for customers. FY27 set in Rate Case review and forecasts for FY28-30 provided during Plan Review; anticipate $115-$125M in annual base capital investments.
- New Resilience Project Framework: tracked outside base capital. Requires an annual upfront scoping submission with a "not-to-exceed" investment amount, subject to annual review & approval. Projects are included in rates only after completion and PUC approval. Anticipating ~$150M not to exceed cap in FY27.



- Customer Driven Storage: Capital to support customer driven storage is added to rates only after projects close to plant, subject to PUC approval.
- Strategic Opportunities Exception Narrowed: Includes only specific exceptions for two potential generation plant investments (repowering Searsburg Wind and potential purchase of Deerfield Wind). Other opportunities would require petition to amend Plan.

Cost of Capital & Capital Structure

- Proposed Plan continues approved ROE methodology - ROE automatically adjusted annually based on 50% of change in 10-year Treasury Note;
- ROE Measurement period updated to six-months (Oct 1 to March 31), instead of previous three-month period (Feb 15-May 15).
- Long-term debt rates locked in FY27 and FY28; short-term debt rates will be updated annually based on forecasted Secured Overnight Financing Rate (SOFR);
- New Plan includes new upfront Section 108 long-term debt issuance approval process;
- Capital structure proposed in line with current approved (50/50 +/-1%)

O&M Regulatory Treatment

- **O&M costs continue in three primary categories:**
  - (1) fixed based on forecast at beginning of Plan;
  - (2) updated annually based on formula established at beginning of Plan; and
  - (3) external costs over which GMP has limited or no control, or which are not reasonably subject to bidding/forecast more than a year in advance, will be updated annually.
- **Proposed Plan modifies small number of categories to be updated annually** (material changes to payroll, updates to administrative & general costs assigned to capital) to help limit potential ESAM adjustments.

Performance Metrics

- Proposed Plan continues current performance metrics including those focused on reliability, DG, DER, and Innovation/Storage Programs;

- Incorporates expanded Storage report on GMP residential programs;

- Incorporates SQRP (including existing performance based penalties) into Plan performance metrics and data reporting section, ensuring adherence to operational standards;

- Amended SQRP also includes over 30 new resilience-related metrics (consistent with Case No 23-3501-PET), tracking items like total miles undergrounded or storm hardened and CAIDI/SAIFI for rural feeders.

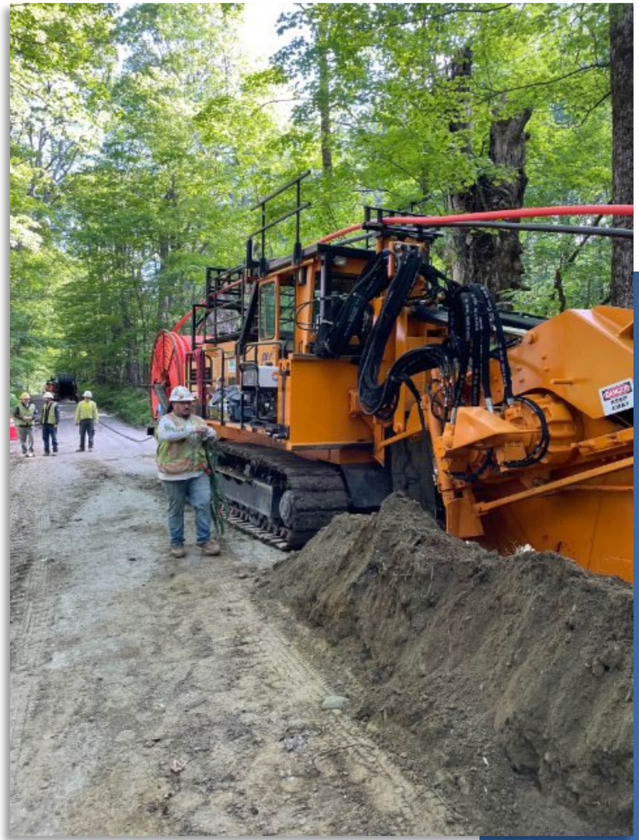
SQRP – Overall Resilience Metrics

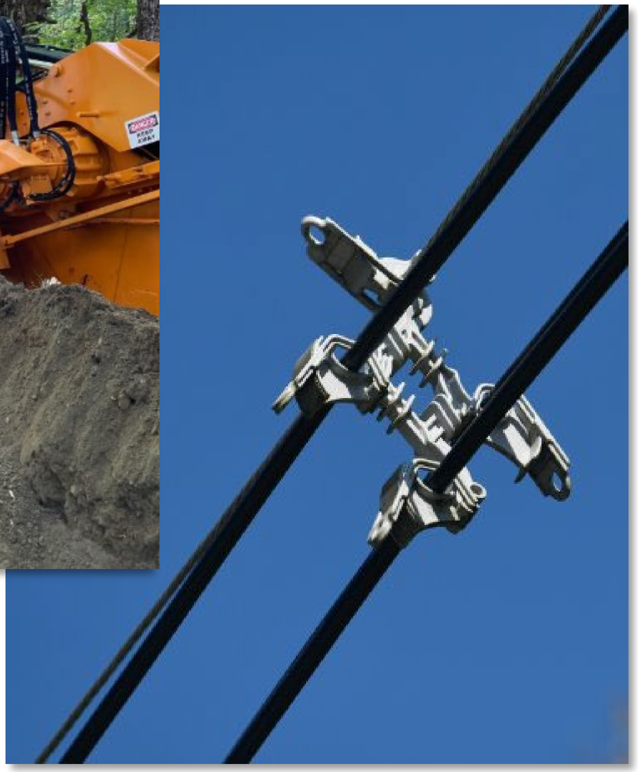
- **SQRP has been amended to include resilience metrics directly into existing reporting.**
  - Metrics are focused on showing improvement in customer experience as resiliency investments are deployed
  - Also include a variety of progress metrics (i.e., miles undergrounded, miles storm hardened, etc.) and metrics per circuit including % undergrounded/storm hardened, critical facilities, lockouts per year, time to restore outages, etc.
  - Other example metrics:
    - Total customer CEMI by district – Customers Experiencing Multiple Interruptions
    - CELID-S: Customers Experiencing Long Interruption Durations – 12 hours or more in a year

Metric*	Measurement Period
Report total customer CEMI(Customers Experiencing Multiple Interruptions) numbers by district	FY
GMP System Miles Undergrounded in FY	FY
GMP System Miles Storm hardened in FY	FY
Per Circuit ZOI metrics *(see next slide)*	FY
CELID-S (customers experiencing long interruption durations; 12 hours or more in the year)	FY
Outages by Environmental Justice Focus Population and Municipality SAIFI at Town Level	FY
ZOI Investment by Environmental Justice Focus Population and Municipality	FY
Customer Experience of Outages	FY
CAIDI for rural feeders	FY
SAIFI for rural feeders	FY

Metrics by Circuit

Metric by ZOI Circuit –Information Only
Total Miles
Percent Existing/Additional (total) storm hardened
Percent Existing/Additional (total) undergrounded
Percent Zone 4 Customer Storage Installed
SAIFI/CAIDI - Including Average for Zone 4
Circuit Breaker Lockouts per Year
Time to Restore Service
Critical Facilities Including # of Outages
Total Customer Minutes Interrupted
Time to Restore 90% of Customers
Number of Customer Outages Exceeding 24, 48, 96, 120 hours
Storm Costs, rolling 5-year average
Battery Failure to Start Index, <1%
FOHMY <3
CEMI-8





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Appendix

Next Multi Year Regulation Plan Elements Detail

Exh. GMP-LD-RB-2
Summary of Major Elements in New Plan (**Bold** indicates updates from Current Plan)

Category	Element	Plan Description	Plan Reference
Infrastructure Costs			
	Base Capital Expenditures	Investments for normal-course projects will be included in base rates and managed across the term of the plan; total base capital investment for FY27 to be set in FY27 Rate Case; FY28-FY30 forecast presented in FY27 Rate Case filed Jan. 2026. GMP will continue to follow required capital documentation process, by project closed to plant.	Sec. IV.A.1.i
	Resilience Investments	**Investments for resilience projects will not be in base capital; instead, annual upfront resilience scoping submission (including storage if approach approved in pending matter) will be provided to PUC each year with "not to exceed" annual investment amount. Actual closed to plant investment for resilience projects will be included in rates in the year after projects are closed, like now, subject to PUC approval.**	**Sec. IV.A.1.iv Attachment 11**
	Customer Driven Storage	**Any base capital annual investment for customer energy storage to be set for term of Plan in GMP's FY27 Rate Case and in any approval of a petition to extend or succeed GMP's Energy Storage System Tariff. Any investments other than base capital required to meet customer demand will be reviewed under the plan provision; actual closed to plant investment beyond base capital will be included in rates in the year after projects are closed, like now for ESS, subject to PUC approval.**	**Sec. IV.A.1.v Attachment 12**
	Base Capital Depreciation	Fixed for the term of the Plan based on FY27 case and projected plant in service balance at the beginning of the Plan. **New Depreciation study is under way now for FY27 that will be in effect this plan period.**	Sec. IV.A.1.ii

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Summary of Major Elements in New Plan (**Bold** indicates updates from Current Plan)

Category	Element	Plan Description	Plan Reference
	Resilience and Customer Storage Investments Depreciation	**Once Resilience and Customer Storage Investments are approved, depreciation will be included in rates in line with plant investments.**	**Sec. IV.A.1.ii Attachments 11 and 12**
	Additional Enumerated Strategic Investments	**Opportunity to include additional capital spending due to purchase or repower of certain resources. Narrows current "Strategic Exception" to include two known but not yet certain potential investments: repowering Searsburg and purchasing Deerfield. Any other investment would require approval of Plan amendment.**	**Sec. IV.A.1.vi; Sec. IV.A.1.vii**
Power Supply, Transmission, Revenue			
	Energy, Capacity, RECs, Ancillary Services, Transmission, Generation	FY27 + three-year forecast included in FY27 Rate Case and then updated annually in each Annual Base Rate filing (starting June 1, 2027). Adjustors used to report quarterly on and true-up power costs and retail revenue. **No major structural changes except recovery of carrying costs for balances at short-term debt rate.**	Sec. IV.B, VI.E, VII, Attachments 5, 8.
	Power Supply O&M related Costs & Retail Revenue	Same as above.	Sec. IV.B
Financing Costs			
	Debt	50/50 D-E Ratio maintained, plus/minus 1%, forecasted at outset of plan and updated in accordance with any additional investment approvals received (i.e., resilience projects). **New Plan includes annual update to short-term**	Sec. IV.A.3, Attachments 13 & 14

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Summary of Major Elements in New Plan (**Bold** indicates updates from Current Plan)

Category	Element	Plan Description	Plan Reference
		debt costs and upfront GMP debt issuance forecast for review and approval, with streamlined Section 108 notice filing when financings in line with forecast occur.	
	Equity	Set on same formula as currently in place, based on 10-year Treasury rate changes year over year. **Proposing longer and shifted 6-month measurement period to smooth changes and align better with Annual Base Rate filing date.**	Sec. IV.D, Attachment 3
Other Costs			
	O&M	Costs will be included in base rates – some fixed, some reforecasted, and some adjusted annually to reflect appropriate risk. **New Plan has a few more categories with annual updates to address volatility seen in recent years.**	Sec. IV.A.2, Attachment 1c
	Taxes: Federal, State, & Other non-Prop Taxes	Annually reforecasted/adjusted based & filed during Annual Base Rate filing.	Sec. IV.A.5; Sec. IV.C.
	Equity in Affiliates	Annually reforecasted/adjusted based & filed during Annual Base Rate filing. **All affiliate equity investments are to be updated annually as needed, including Transco.**	Sec. IV.A.4
	Property Taxes	FY27 known & measurable amount coupled with FY28-30 forecast provided in FY27 Rate Case, **with annual reset in each Annual Base Rate filing based on actual results of prior year and any other known changes.**	Sec. IV.A.1.iii

Next Multi Year Regulation Plan Elements Detail

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Summary of Major Elements in New Plan (**Bold** indicates updates from Current Plan)

Category	Element	Plan Description	Plan Reference
Rate Smoothing Mechanisms/ Adjustors			
	Power Supply and Retail Revenue Adjustor (PSRRA) & Exogenous Major Storm Adjustor (EMSA)	Continue existing process of quarterly reports and same thresholds for collection/return to customers and offsets of PSSRA and EMSA. **Including recovery of carrying costs for balances at the short-term debt rate.**	Sec. VI.A, Attachments 4 & 5
	Exogeneous Non-Storm Adjustor	Continue existing definitions, filings or adjustment process from Current Plan. **Include recovery of carrying costs for balances at short-term debt rate.**	Sec. VI.B
	Rate Smoothing Adjustor	Continue existing process of forecasting FY28-30 Cost of Service and establish Projected Smoothed Base Rate in FY28. Option to smooth further in FY29 and FY30. **Including recovery of carrying costs for balances at short-term debt rate.**	Sec. V
	Earnings Sharing Adjustor Mechanism (ESAM)	Continue existing process with annual reporting, efficiency band & asymmetrical sharing bands favoring customers. **Including recovery of carrying costs for balances at the short-term debt rate.**	Sec. VI.C
Other Elements			
	Major Storm Fund Collection	**Remove pre-collection line item for Major Storm Fund.**	N/A

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Exh. GMP-LD-RB-2
Summary of Major Elements in New Plan (**Bold** indicates updates from Current Plan)

Category	Element	Plan Description	Plan Reference
	Innovative Pilot Program	Continues per Attachment 2 of the plan.	Sec. VIII.B, Attachment 2.
	Tariffed New Initiatives	**Removed; narrowed to Customer Driven Storage.**	n/a
	Ability to seek rate case/exit clause	No change – GMP or DPS can petition for that if needed.	Sec. I.
	Performance Metrics and Outreach	Robust continued annual data reporting **with SQRP reporting expressly included**, along with customer notice and outreach provisions.	Sec. VIII.C, Attachment 7

Thank you!

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