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 DIRECT TESTIMONY OF
JACOB M. THOMAS
ON BEHALF OF THE
VERMONT DEPARTMENT OF PUBLIC SERVICE

April 20, 2026

Summary: Mr. Thomas presents the FY27 Green Mountain Power Corporation ("GMP" or "Company") cost-of-service ("COS") model representing the positions of all witnesses on behalf of the Vermont Department of Public Service ("Department" or "DPS").

Mr. Thomas Sponsors the Following Exhibits:

Exhibit DPS-JMT–1	Professional Resume of Jacob M. Thomas
Exhibit DPS-JMT-2	Department COS model results
Exhibit DPS-JMT-3	Side-by-side comparison of Department and GMP COS

PREFILED DIRECT TESTIMONY OF JACOB M. THOMAS

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

A1. My name is Jacob M. Thomas. My business address is 1850 Parkway Place, Suite 800, Marietta, Georgia 30067. I am a Principal of the firm GDS Associates, Inc. ("GDS"). I am a registered professional engineer in Georgia and a member of the American Statistical Association.

Q2. Please outline your formal education.

A2. I received a Bachelor of Science in Industrial Engineering from Georgia Institute of Technology in 2000. I received a Master of Business Administration with a concentration in Finance from Auburn University in 2006.

Q3. Please state your professional experience.

A3. I began working with GDS in June of 1996 as a cooperative student while attending the Georgia Institute of Technology. After graduation in December of 2000, I accepted a full-time position in GDS's Distribution Services department and became a Principal in GDS on January 1, 2019. In the past 25 plus years, I have provided statistical, financial, and economic consulting to utilities and regulatory agencies nationwide.

In the area of statistics, I have provided services to clients with respect to load forecasting, market research, sample design, load research, measurement and verification, and other statistical modeling. I have produced dozens of load forecasts, participated in, and managed all aspects of load research studies, managed customer survey processes, and performed impact evaluations of demand response and energy efficiency programs for several clients.

I have also evaluated short-term and long-term price elasticity of demand for forecasting purposes.

In the areas of finance and economics, I specialize in retail and wholesale COS development and design, retail and wholesale rate design, financial forecasting, economic impact analysis, and benefit-cost analysis of demand response programs. My professional resume is provided as Exhibit DPS-JMT-1.

Q4. Have you previously testified before the Vermont Public Utility Commission ("Commission")?

A4. Yes. I have testified on behalf of the Department in Docket No. 7440, in Case No. 18-0974-TF, in Case No. 21-0898-TF, in Case No. 21-3707-PET/Case No. 22-0175-INV, in Case No. 23-3501-PET, and in Case No. 25-1955-PET.

Q5. Have you testified before any other regulatory commissions?

A5. Other than in Vermont, I have submitted testimony before the Federal Energy Regulatory Commission and the following state regulatory bodies:

- Florida Public Service Commission
- Georgia Public Service Commission
- Indiana Utility Regulatory Commission
- Michigan Public Service Commission
- North Carolina Utilities Commission
- North Dakota Public Service Commission
- Public Service Commission of Maryland

- South Carolina Public Service Commission
- Utah Public Service Commission

Q6. For whom are you appearing?

A6. I am testifying on behalf of the Department.

Q7. Were your testimony and exhibits prepared by you or under your direct supervision and control?

A7. Yes, they were.

Q8. Please summarize the purpose of your testimony.

A8. My testimony will present the Department's COS for FY27, representing a model that incorporates all recommended adjustments to GMP's FY27 COS by Department witnesses. The Department recommends approval of a rate increase of 5.14%, or $42.59 million. This represents a reduction to GMP's requested rate increase in FY27 of $62.17 million, or 7.50%. The Department's recommendation is based on modeling the various adjustments or disallowances recommended by Department witnesses Mr. TJ Poor, Mr. Steven Hunt, and Ms. Cythia Zamora. For each recommendation made by the Department witnesses, I will describe how I modeled the impact in GMP's COS framework to arrive at the recommended rate increase of 5.14%. I started with GMP's own COS modeling framework, which makes side-by-side comparisons simple.

Q9. Can you briefly summarize the recommendations made by Department Witness Poor that impact the FY27 COS?

A9. Yes. Two of Mr. Poor's recommendations impact the FY27 revenue requirement: (1) removal of the Integrated Energy Storage Pilot program, and (2) removal of costs associated with overcompliance with the Renewable Energy Standard.

Q10. How did you incorporate the impact of removal of the Integrated Energy Storage Pilot program into the Department COS model?

A10. It was particularly difficult to track how capital projects flowed through the COS framework in GMP's native files. The Integrated Energy Storage Pilot program represents a total investment of $7,220,054, comprised of $6,555,000 of direct materials, $359,214 of capitalized Administrative and General, and $305,840 of Allowance for Funds Used During Construction. To effectuate this impact in the COS model, I reduced the rate base by the total $7,220,054. I also reduced distribution expenses by one-twentieth of the total amount, or approximately $361,000, which represents a straight-line depreciation of assets with a twenty-year useful life.

Q11. How did you model the disallowance of overcompliance with Renewable Energy Standards that Mr. Poor recommends?

A11. I reduced purchased power expenses by $3,750,000.

Q12. Does Mr. Hunt make any recommendations that impact the FY27 COS?

A12. Mr. Hunt makes two recommendations that impact the FY27 COS. First, Mr. Hunt recommends that debt discounts/premiums and issuance costs be part of the cost-of-debt calculation and not recorded as a regulatory asset in rate base. Second, Mr. Hunt recommends an adjustment for bad-debt expense.

Q13. How did you model the impact of Mr. Hunt's recommendation regarding debt discounts and issuance costs?

A13. Mr. Hunt's recommendation requires two adjustments to the COS model. First, Mr. Hunt has calculated that the cost of long-term debt in the capital structure should increase from GMP's 4.74% to 4.83% to reflect his recommendation. This adjustment was made directly to the cost of debt in the capital structure of the COS model. Second, I had to remove the regulatory assets associated with this adjustment from rate base. To model this recommendation, I adjusted the Unamortized Debt Discount and Expense to effectively zero out this balance in FY27.

Q14. How did you model Mr. Hunt's recommended adjustment for bad-debt expense?

A14. Mr. Hunt recommends a reduction of $410,000 in bad-debt/uncollectible costs. I directly reduced the FY27 uncollectible costs by the recommended amount.

Q15. What did Ms. Zamora recommend regarding Return on Equity ("ROE"), and how did you model that in the Department's COS?

A15. Ms. Zamora recommended an ROE of 8.91%. The COS model has the capital structure built into it, so it requires simply inputting the recommended ROE and the model computes the impacts associated with the new ROE.

Q16. Can you summarize the Department's COS results?

A16. Yes. The summary outputs of the Department COS model are provided in **Exhibit DPS-JMT-2,** and a side-by-side comparison of GMP's COS and the Department's COS is provided in Exhibit **DPS-JMT-3**. The differences between the two are driven by differences in power costs, depreciation expense, return on rate base, taxes, and uncollectible accounts.

Item	**GMP**	**DPS**	**Difference**
Operating Expenses	834,690	826,828	(7,862)
Return on Rate Base	161,769	150,728	(11,041)
COS before Credits	996,459	977,556	(18,903)
Less: Credits	117,738	117,738	0
Plus: Uncollectible Accts	2,564	2,092	(472)
Plus: Gross Rev & Fuel Taxes	9,542	9,342	(200)
Total Cost to Serve	890,827	871,252	(19,575)
Revenue	828,661	828,661	0
Revenue Deficiency	62,165	42,590	(19,575)
Revenue Adjustment %	7.50%	5.14%	-2.36%

Table 1 – Summary Comparison of COS ($000)

Q17. Does this conclude your direct testimony?

A17. Yes.