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Via ePUC

Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05620-2701

Re: FY2024 3nd Quarter Report of Power Supply, Retail Revenue, and Exogenous Major Storm Adjustors

Dear Ms. Anderson:

In this Quarterly Adjustor Report for the third quarter of Fiscal Year 2024 (FY2024 Q3), Green Mountain Power (GMP) reports on: (1) results for the Power Supply and Retail Revenue Adjustor (PSRRA); (2) results for the Exogenous Major Storm Adjustor (EMSA); and (3) how these results are treated under the Multi-Year Regulation Plan, as filed and approved in Case No. 21-3707-PET, and amended by the Commission on March 30, 2023, in Case No. 23-0141-PET (the Plan). As detailed below, no customer bill change is triggered by the net results for the quarter.

In the third quarter, power supply and revenue results netted a quarterly collection of $3.065M for the PSRRA. Vermont and the region experienced a significant, late season Nor'easter storm in early April. The costs for this Major Storm, as well as for additional expenses received this quarter associated with previously reported Major Storms, totaled $7.623M. These expenses were partially offset by Major Storm Restoration Fund amounts already received of $1.409M, leaving $6.214M of remaining storm costs in the EMSA. While these combined net results create a balance for collection, no bill change will occur at this time because the prior quarter's Cumulative Carry Forward was $0.404M, less than the $1M threshold set under the Plan.[1] As described below, GMP will carry forward last quarter's balance with this quarter's net result, for a total of approximately $9.682M into the next reporting period.

The details supporting the Quarterly Adjustor results are set forth in the Attachments to this filing and described below.

[1] See MYRP § VI.

I. Power Supply and Retail Revenue Adjustor Report – Third Quarter Fiscal Year 2024 Results

Attachment 1 to this letter sets forth the accounting details of our FY2024 Q3 PSRRA, and includes the following information:

- Tab 1: Actual Power Costs;
- Tab 2: Power Supply and Retail Revenue Adjustor Results;
- Tab 3: Variance Explanations;
- Tab 4: Retail Sales and Revenue Variances; and
- Tab 5: Supporting Workpapers – Power Costs

Below is a summary of these results and an explanation of the drivers of the variances between actual results and forecast.

I. Power Supply and Retail Revenue Adjustor – FY2024 Q3 Results

In FY2024 Q3, overall energy costs and retail revenues were consistent with the forecast but there were higher transmission charges and additional Mystic Cost of Service (COS) charges, which are passed on by the region and outside of GMP's control. The net PSRRA calculation resulted in an undercollection of $3.065M:

Retail Revenue Collected:	$0.012M more than forecast
Power Supply Costs (net):	$3.078M more than forecast Component A: $3.785M more than forecast Component B: $0.708M less than forecast (after Efficiency Band adjustment)
Total FY2024 Q3 PSRRA:	**$3.065M** collection due to net result higher than forecast

Primary factors driving the variance between actual results and the forecast for the quarter are as follows:

Retail Revenue and Sales Volume

Overall retail revenues were essentially as expected, with actual retail revenues $0.012M higher than forecast.[2] The variance includes higher revenues from residential and small commercial and industrial (C&I) customers that were offset by lower retail revenues from large C&I customers. Residential sales were $1.4M higher than forecast, small C&I were $1.0M higher, and large C&I sales were $2.4M lower. On a $/MWh basis, the average rate for all rate classes was slightly higher than forecasted.

Power Supply

This quarter featured higher power supply costs driven by unbudgeted, regionally mandated Mystic COS charges (that contract has now expired, though we may see trailing reconciliation charges) and higher transmission costs, along with higher ISO balancing

[2] Retail sales volume was 19,704 MWh, or 2.1% lower than forecast with a $0.0037 per kWh average rate variance, which was 2.1% higher than forecast.

transaction costs and lower REC revenues. These higher costs were somewhat offset by lower costs for contracts, fuel, congestion, and losses. Overall, power supply costs were $3.468M higher than forecast, largely driven by Mystic COS chargers. Here are the details:

- Component A

Component A was $3.785M higher than forecast for the quarter, driven by Mystic COS charges, which totaled $1.992M for the quarter, as well as higher transmission costs from both VELCO and ISO-NE. The regional Mystic COS program ended in May and therefore no new significant charges related to this program will likely be incurred going forward. Partially offsetting these higher than forecasted costs are lower than forecasted line losses that came in $0.678M under forecast and joint-owned O&M costs that were $0.518M lower than forecasted for the quarter, as shown in Attachment 1.

- Component B

Gross Component B costs had limited variance with costs $0.317M lower than forecast. Contract costs were substantially lower than forecasted primarily due to lower delivered energy volumes from several resources. Fewer MWhs were purchased from several resources including Granite, Deerfield, Standard Offer projects, Enel hydro, Great River Hydro and solar PPAs, resulting in contract costs $4.5M lower than forecasted. The lower contract costs were largely offset by higher ISO purchases for replacement power of both our contracted resources as well as our owned hydro, which generated less energy due to lower water levels in the third quarter. Additionally, this quarter had lower REC revenues than forecasted due to lower volumes available because of reduced generation in Q1. As previously reported, there were also accounting adjustments to the Ryegate contract that show up as lower contract costs that are offset by lower REC revenues, a dynamic that will continue through the fiscal year.[3]

As required by the Plan, GMP retained the full amount of the "Efficiency Band" adjustor. Although the nominal Component B costs were lower than benchmark, the average rate was higher than benchmark resulting in GMP absorbing costs which improved the Component B variance for customers by $0.390M, yielding a net Component B variance of $0.708M better than forecast for the quarter.[4]

All these variances—Retail Revenue, Component A, and Component B after the Efficiency Band adjustment—net to a PSRRA collection of $3.065M for the quarter.

II. Exogenous Major Storm Adjustor – FY2024 Q3 Results

In early April 2024, Vermont and the region experienced a significant Nor'easter storm that included high winds, heavy wet snow, and flooding. This event was a Major Storm as

[3] Specifically, this is the effect from the newly-approved contract structure for the Ryegate plant. Under that structure, the overall contract costs remain similar to the prior contract, but the split between RECs and energy has changed. Specifically, the imputed cost of Ryegate RECs changed from $0.84/REC to $32.12/REC. The energy component of the contract decreased accordingly. This results in lower energy contract costs offset by lower net REC revenues.

[4] The Efficiency Band amount was based on a higher per unit Cost Variance ($0.0012/kWh Component B rate variance) coupled with retail sales volume of 935,078 MWh.

defined in GMP's regulation plan. Included in this report are costs and invoices received through the end of the third quarter for this Major Storm, as well as costs invoiced this quarter from Major Storms that were reported in previous quarters, for a total of $7.623M.

Under GMP's Plan, we set a base level of expected storm restoration costs in our annual budget and carry an annual deductible of $1.2M. Any additional expenses caused by qualifying Major Storms are paid for through two mechanisms: an ongoing Major Storm Restoration Fund and, if needed, the EMSA.[5] The amount received through the Major Storm Restoration Fund is credited against Major Storm costs for the quarter, as shown in the chart below.

The table below shows, by quarter since the inception of the Plan, Major Storm expenses and deductibles, Major Storm Restoration Fund collections, any resulting EMSA after application of Restoration Funds, and any remaining Restoration Fund balance. Please see **Attachment 2** for further details of the reported expenses.

Measurement Period	Reported Quarterly Major Storm Expense	Major Storm Deductible	Major Storm Expense Less Deductible[6]	Quarterly Major Storm Restoration Fund Collections	Net Exogenous Major Storm Adjustor[7]	Major Storm Restoration Fund Balance at end of Quarter
FY2023 Q1	$2,968,830	$1,200,000	$1,768,830	$1,427,273 (including $6,946 interest)	$0	($341,557)
FY2023 Q2	$25,848,701	$0	$25,848,701	$1,672,434 (including $29,382 interest)	$24,517,824	$0
FY2023 Q3	$7,961,929	$0	$7,961,929	$1,441,690 (including $53,946 interest)	$6,520,239	$0
FY2023 Q4	$5,382,140	$0	$5,382,140	$2,401,245 (including $44,589 interest & $814,980 credit)	$2,980,895	$0
FY2024 Q1	$504,948	$0	$504,948	$1,473,423 (including $34,079 interest)	$0	$968,475
FY2024 Q2	$10,078,452	$1,200,000	$8,878,452	$1,662,376 (including $57,842 interest)	$6,247,601	$0
FY2024 Q3	$7,622,668	$0	$7,622,668	$1,409,160 (including $44,105 interest)	$6,213,508	$0

[5] Consistent with the Plan, GMP covers the first $1.2M of any Major Storm expense in a calendar year; this amount was incurred and accounted in the first quarter.
[6] Total Major Storm Balance, after application of deductible but before application of any Major Storm Restoration Fund amounts.
[7] This represents any qualified Major Storm expense amount included in quarterly Cumulative Carry Forward after application of the deductible and any Restoration Fund collections. See MYRP § VII.

III. Quarterly Net Adjustment and Cumulative Carry Forward

Under the Plan, when the Cumulative Carry Forward balance of the prior measurement period is greater than $1M and two consecutive quarterly adjustments are in the same direction, that prior Cumulative Carry Forward balance will be reflected in energy statements starting the first day of the next quarter through the remainder of the Plan term, unless otherwise ordered by the Commission. Here, the FY2024 Q3 and FY2024 Q2 Quarterly Net Adjustments are in the same direction, but the Cumulative Carry Forward from FY2024 Q2 was $0.404, below the $1M threshold resulting in no bill adjustment for customers. Instead, the results for these quarters will be netted and carried forward to the next report.

The chart below reflects the results of FY2024 Q3, and the calculation of the Cumulative Carry Forward since the start of FY2023:

Measurement Period	PSRRA $	Exogenous Major Storm Adjustor $	Quarterly Net Adjustment $	Cumulative Carry Forward $	Collection/ Return Begin Date	Collection (Refund) to Customers
FY2023 Q1	$6,343,620	$0	$6,343,620	$6,343,620	Apr-2023	$12,080,507
FY2023 Q2	$10,059,980	$24,517,824	$34,577,804	$34,577,804	Jul-2023	$6,343,620
FY2023 Q3	$4,360,232	$6,520,239	$10,880,471	$10,880,471	Oct-2023	$34,577,804
FY2023 Q4	($3,129,894)	$2,980,895	($148,999)	$10,731,472	Jan-2024	n/a
FY2024 Q1	($2,041,362)	$0	($2,041,362)	($2,041,362)	Apr-2024	$10,731,472
FY2024 Q2	($3,802,670)	$6,247,601	$2,444,932	$403,570	Jul-2024	n/a
FY2024 Q3	$3,065,368	$6,213,508	$9,278,876	$9,682,446	Oct-2024	n/a

Under the Plan, we will combine the FY2024 Q2 Cumulative Carry Forward charge of $0.404M with the FY2024 Q3 Quarterly Net Adjustment of $9.279M for a Cumulative Carry Forward charge of $9.682M to be rolled forward to the next reporting period.

IV. Conclusion

GMP appreciates the Commission's and Department's review of this report. If you have any questions, please reach out.

Sincerely,

Robert A. Bingel

Encls.

cc: Erin Brennan, Department of Public Service *(via ePUC and email)*
Jim Porter, Department of Public Service *(via ePUC and email)*