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Via ePUC

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

Re: FY2024 4th Quarter Report of Power Supply, Retail Revenue, and Exogenous Major Storm Adjustors

Dear Ms. Anderson:

In this Quarterly Adjustor Report for the fourth quarter of Fiscal Year 2024 (FY2024 Q4), 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, the net result for the quarter is a credit that will reduce previously accumulated amounts and does not trigger a bill change; net quarterly Major Storm costs reflected in the EMSA are more than offset by the net quarterly power supply and revenue results reflected in the PSRRA.

Specifically, the fourth quarter PSRRA netted a quarterly credit of $5.812M. For the EMSA, the results include the response to a severe storm that caused extensive damage in August, across Vermont and the rest of the region. The costs for this Major Storm, along with additional expenses received this quarter associated with previously reported Major Storms, totaled $5.277M and were partially offset by Major Storm Restoration Fund amounts already received of $1.592M, leaving a collection balance of $3.685M in the EMSA. These combined net results of the PSRRA and EMSA create a credit for customers of $2.128M. Under the Plan, there is no bill change because the prior quarter's Cumulative Carry Forward was net collection,[1] Instead, GMP will reduce the balance carried forward from last quarter by applying this quarter's net result, leaving a total balance of approximately $7.5M to carry forward into the next reporting period.

[1] See MYRP § VI.

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

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

Attachment 1 to this letter sets forth the accounting details of our FY2024 Q4 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 Q4 Results

In FY2024 Q4, overall power supply costs were lower than forecast and retail revenues were slightly higher than forecast. The net PSRRA calculation resulted in a credit to customers of $5.812M:

Retail Revenue Collected:	$0.835M more than forecast
Power Supply Costs (net):	$4.977M less than forecast Component A: $3.109 M less than forecast Component B: $1.868M less than forecast (after Efficiency Band adjustment)
Total FY2024 Q4 PSRRA:	**$5.812M** credit due to net result lower 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 slightly higher than expected, with actual retail revenues $0.835M higher than forecast, despite lower than expected sales volumes.[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 resulting in a higher overall average rate than forecast. Residential sales were $2.4M higher than forecast, small C&I were $0.4M

[2] Total retail sales volume was 17,901 MWh, or 1.7% lower than forecast with residential sales 11,094 MWh or 2.9% higher than forecast, and small and large C&I lower than forecast by 1,571 MWh or 0.4% lower and 27,445 MWh or 9.6% lower, respectively. There was a $0.0038 per kWh average rate variance, which was 2.2% higher than forecast.

higher, and large C&I sales were $2.0M lower, with the higher residential retail revenues driven by a warmer than average July.

Power Supply

This quarter featured lower power supply costs driven by lower costs from purchased power, transmission, capacity, fuel, and line losses. These lower costs were somewhat offset by lower than forecast REC revenues and higher O&M for company owned generation. Overall, power supply costs were $5.182M lower than forecast. Here are the details:

- Component A

Component A was $3.109M lower than forecast for the quarter, driven by lower transmission costs from VELCO, lower capacity costs and lower O&M at joint owned facilities, as well as a one-time $0.5M credit from National Grid.[3] Lower capacity costs were the combined results of a lower capacity load obligation (CLO) for the current capacity period and strong performance by some generators during the two summer scarcity events. GMP's CLO for the period from June 2024 through May 2025 is lower than forecasted as a result of lower than forecasted coincident peak load that occurred in summer 2023.

- Component B

Gross Component B costs were $2.072M lower than forecast. Contract costs were substantially lower than forecasted primarily due to lower delivered energy volumes from several resources, partially offset by unbudgeted short-term purchases to cover load not served by this volume shortfall. Specifically, less energy was purchased from several intermittent resources including Granite, Deerfield, Standard Offer projects, Ryegate biomass, and solar PPAs, resulting in these contracts costing $3.9M lower than forecasted. Our owned wind resources also generated less energy than forecasted for the quarter. By contrast, higher water levels resulting from storms meant that our owned hydro generated more energy than forecasted in the fourth quarter. We also had lower REC revenues than forecasted for the quarter. 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; this is the last quarter that this dynamic will be present.[4]

[3] Per FERC Order ER23-2804-000 and TSA-NEP-114, National Grid issued a $546,822 credit to GMP related to PTF/Non-PTF charges, transformer surcharges, meter surcharges and specific distribution.

[4] 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.

As required by the Plan, GMP retained the full amount of the "Efficiency Band" adjustor, decreasing the Component B variance by $0.204M, yielding a net Component B variance of $1.868M better than forecast for the quarter.[5]

All these variances—Retail Revenue, Component A, and Component B after the Efficiency Band adjustment—net to a PSRRA credit to customers of $5.812M for the quarter.

II. Exogenous Major Storm Adjustor – FY2024 Q4 Results

Vermont and the region experienced significant rain, wind, and flooding at times during the summer, with a storm in August qualifying as a Major Storm as defined in GMP's regulation plan. Included in this report are costs and invoices received through the end of the fourth 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 $5.3M.

Under our 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.[6] 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[7]	Quarterly Major Storm Restoration Fund Collections	Net Exogenous Major Storm Adjustor[8]	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

[5] The Efficiency Band amount was based on a lower per unit Cost Variance ($0.0007/kWh Component B rate variance) coupled with retail sales volume of 1,038,104 MWh.
[6] 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.
[7] Total Major Storm Balance, after application of deductible but before application of any Major Storm Restoration Fund amounts.
[8] 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.

Measurement Period	Reported Quarterly Major Storm Expense	Major Storm Deductible	Major Storm Expense Less Deductible[7]	Quarterly Major Storm Restoration Fund Collections	Net Exogenous Major Storm Adjustor[8]	Major Storm Restoration Fund Balance at end of Quarter
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
FY2024 Q4	$5,276,966	$0	$5,276,966	$1,592,479 (including $71,266 interest)	$3,684,487	$0

III. Quarterly Net Adjustment and Cumulative Carry Forward

Under the Plan, only 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, is the prior Cumulative Carry Forward balance reflected in customer energy statements starting the first day of the next quarter through the remainder of the Plan term, unless otherwise ordered by the Commission. Otherwise, the amount from the current quarter will be netted against the prior accumulated balance and carried forward. Here, the FY2024 Q4 and FY2024 Q3 Quarterly Net Adjustments are in the opposite direction, so there will be no bill adjustment for customers. Instead, the results for these quarters will be netted, lowering the overall balance that will be carried forward to the next report.

The chart below reflects the results of FY2024 Q4, 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

Measurement Period	PSRRA $	Exogenous Major Storm Adjustor $	Quarterly Net Adjustment $	Cumulative Carry Forward $	Collection/ Return Begin Date	Collection (Refund) to Customers
FY2024 Q4	($5,812,293)	$3,684,487	($2,127,806)	$7,554,640	Jan-2025	n/a

Under the Plan, we will combine the FY2024 Q3 Cumulative Carry Forward charge of $9.682M with the FY2024 Q4 Quarterly Net Adjustment of ($2.128M) for a Cumulative Carry Forward balance of $7.555M, 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)*