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Via ePUC

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

Re: FY2025 1st Quarter Report of Power Supply, Retail Revenue, and Exogenous Major Storm Adjustors

Dear Ms. Anderson:

In this Quarterly Adjustor Report for the first quarter of Fiscal Year 2025 (FY2025 Q1), 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 does not trigger a bill change because it is in the opposite direction of last quarter's result. The calculation is a collection from customers that will get rolled into the existing cumulative carry forward amount.

Specifically, the first quarter PSRRA netted a quarterly collection of $1.253M. For the EMSA, while no Major Storms occurred during the quarter, invoices totaling $0.391M were received for previously reported Major Storms. These storm expenses were fully covered by the $1.490M collected during the quarter for the Major Storm Restoration Fund, resulting in no EMSA for the quarter. Thus, the net result for the quarter is a collection from customers of $1.253M. Under the Plan, there is no bill change because the prior Quarterly Net Adjustment was a credit.[1] Instead, GMP will roll this collection into the Cumulative Carry Forward from last quarter bringing the total to approximately $8.808M collection to carry forward into the next reporting period.

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

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[1] See MYRP § VI.

I. Power Supply and Retail Revenue Adjustor Report – First Quarter Fiscal Year 2025 Results

Attachment 1 to this letter sets forth the accounting details of our FY2025 Q1 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 – FY2025 Q1 Results

In FY2025 Q1, both power supply costs and retail revenues were higher than forecast. The net PSRRA calculation resulted in a collection from customers of $1.253M:

Retail Revenue Collected:	$0.096M more than forecast
Power Supply Costs (net):	$1.350M more than forecast Component A: $0.979 M less than forecast Component B: $2.329M more than forecast (after Efficiency Band adjustment)
Total FY2025 Q1 PSRRA:	**$1.253M** 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 closely aligned with forecasted values, with actual revenues coming in $0.096M higher than forecast, despite lower-than-expected sales volumes.[2] This variance reflects higher revenues from small commercial and industrial (C&I) customers, which were mostly offset by lower revenues from residential and large C&I customers with a slightly higher overall average rate than forecast. Residential sales were $0.710M lower than forecast, small C&I sales were $1.468M higher, and large C&I sales were $0.657M lower.

[2] Total retail sales volume was 7,003 MWh, or 0.7% lower than forecast with residential sales 6,016 MWh or 1.4% lower than forecast, small C&I higher than forecast by 2,826 MWh or 0.8%, and large C&I 3,805 MWh or 1.5% lower than forecast. There was a $0.0014 per kWh average rate variance, which was 0.7% higher than forecast.

Power Supply

This quarter featured higher power supply costs, primarily driven by higher costs from purchased power, and to a lesser extent congestion, Regional Network Service (RNS) transmission, and ancillary services. Offsetting some of these higher costs were lower expenses related to fuel costs, line losses, and VELCO VTA charges. Overall, power supply costs were $1.970M higher than forecast. Detailed breakdowns are as follows:

- Component A

Component A was $0.979M lower than forecast for the quarter, driven by lower transmission costs from VELCO, lower O&M at joint-owned facilities, lower line losses, and lower capacity costs.

- Component B

Gross Component B costs were $2.949M higher than forecast, primarily due to increased energy purchases from ISO-NE. Contract costs were significantly lower than forecasted, primarily driven by lower delivered energy volumes from several resources. Specifically, less energy was purchased from several resources including Seabrook nuclear plant due to an extended refueling outage, Great River and Enel hydro facilities due to a dry quarter, along with a system energy sale to NextEra, resulting in total contract energy costs $3.484M lower than forecasted. The low water levels that caused lower purchased volumes from contracted hydro resources also resulted in much lower generation by our owned hydro facilities, further contributing to the higher volume of energy purchases required from ISO-NE and higher overall costs.

As required by the Plan, GMP absorbed the full amount of the "Efficiency Band" adjustor, decreasing the Component B variance by $0.620M, yielding a net Component B variance of $2.329M higher costs than had been forecast for the quarter.[3]

All these variances—Retail Revenue, Component A, and Component B after the Efficiency Band adjustment—net to a PSRRA collection from customers of $1.253M for the quarter.

II. Exogenous Major Storm Adjustor – FY2025 Q1 Results

Customers did not experience any Major Storms as defined in GMP's regulation plan during the first quarter; however, there were some storm costs invoiced this quarter from previously reported Major Storms, for a total of $0.391M.

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

[3] The Efficiency Band amount was based on a higher per unit Cost Variance ($0.0034/kWh Component B rate variance) coupled with retail sales volume of 1,026,376 MWh.

Major Storms are paid for through two mechanisms, an ongoing Major Storm Restoration Fund and, if needed, the EMSA.[4] 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 start of FY2024, 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[5]	Quarterly Major Storm Restoration Fund Collections	Net Exogenous Major Storm Adjustor[6]	Major Storm Restoration Fund Balance at end of Quarter
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
FY2025 Q1	$391,379	$0	$391,379	$1,489,516(including $82,294 interest)	$0	$1,098,137

III. <u>Quarterly Net Adjustment and Cumulative Carry Forward</u>

Under the Plan, a bill adjustment for customers is required 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. In such cases, the prior Cumulative Carry Forward balance is 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. In this case, the FY2025 Q1 and FY2024 Q4 Quarterly Net Adjustments are in the opposite direction, so there will be no bill adjustment for customers. Instead, the results from this quarter will be netted against the existing Cumulative Carry Forward balance, which will be carried forward to the next reporting period.

[4] 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 of the calendar year.
[5] Total Major Storm Balance, after application of deductible but before application of any Major Storm Restoration Fund amounts.
[6] 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.

The chart below reflects the results of FY2025 Q1, and the calculation of the Cumulative Carry Forward since the start of FY2024:

Measurement Period	PSRRA $	Exogenous Major Storm Adjustor $	Quarterly Net Adjustment $	Cumulative Carry Forward $	Collection/ Return Begin Date	Collection (Refund) to Customers
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
FY2024 Q4	($5,812,293)	$3,684,487	($2,127,806)	$7,554,640	Jan-2025	n/a
FY2025 Q1	$1,253,202	$0	$1,253,202	$8,807,842	Apr-2025	n/a

Under the Plan, we will combine the FY2024 Q4 Cumulative Carry Forward charge of $7.555M with the FY2025 Q1 Quarterly Net Adjustment of $1.253 for a Cumulative Carry Forward balance of $8.808M, 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)*