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Via ePUC

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

Re: FY2025 3rd 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 2025 (FY2025 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, the net result for FY2025 Q3 is a collection from customers that will be carried forward. This result requires that, beginning October 1, 2025, the current Cumulative Carry Forward balance of $6.686M will be reflected on customer energy statements, combined with amounts previously approved and already in effect.[1] When combined with other previously-approved amounts, this results in a change to the Current Power and Major Storm adjustor line item from 4.98% to 5.69%.[2]

Power supply and revenue results yielded a net quarterly collection of $2.672M for FY2025 Q3. For storms, the region experienced a significant ice storm at the end of FY2025 Q2 that qualified as a Major Storm under the Plan, with most related costs incurred in Q3. These costs, plus some additional expenses incurred this quarter tied to previously reported Major Storms, totaled $7.379M. The total Major Storm expenses for the quarter were partially offset by the Major Storm Restoration Funds received of $1.459M, and after applying the $1.2M Major Storm deductible, as required by the Plan, $4.720M of storm costs remain in the EMSA. Combined with the power supply and revenue results, the total net collection from customers for

[1] See MYRP § VII.
[2] On March 30, 2023, the PUC approved amendments to the Plan extending the default amortization period of collections or returns to the remaining period of the Plan or twelve months, whichever is longer. See Case No. 23-0141-PET. This change in the Current Power and Major Storm adjustor line will be in effect 12 months, which coincides with the end of the Plan period.

the quarter is $7.391M, which will be carried forward until the request for collection is required under the Plan.

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 – Third Quarter Fiscal Year 2025 Results

Attachment 1 to this letter sets forth the accounting details of our FY2025 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 – FY2025 Q3 Results

In FY2025 Q3, both power supply costs and retail revenues were higher than forecast. The net PSRRA calculation resulted in a collection from customers of $2.672M:

Retail Revenue Collected:	$0.733M more than forecast
Power Supply Costs (net):	$3.405M more than forecast Component A: $3.034 M more than forecast Component B: $0.371M more than forecast (after Efficiency Band adjustment)
Total FY2025 Q3 PSRRA:	**$2.672M** 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

This quarter, retail revenues were $0.733M higher than forecast despite lower retail sales volume.[3] This variance reflects higher revenues from residential customers, which were somewhat offset by lower retail revenues from small and large commercial and industrial (C&I) customers resulting in a higher overall average rate than forecast. Residential sales were

[3] Total retail sales volume was 5,848 MWh, or 0.6% lower than forecast with residential sales 7,669 MWh or 2.3% higher than forecast, small C&I lower than forecast by 2,731 MWh or 0.8%, and large C&I 10,790 MWh or 4.2% lower than forecast. There was a $0.0020 per kWh average rate variance, which was 1.0% higher than forecast.

$2.286M higher than forecast, small C&I were $0.329M lower, and large C&I sales were $1.235M lower.

Power Supply

This quarter featured higher power supply costs, largely driven by higher costs from Regional Network Service (RNS) transmission, demand charges, purchased energy, and lower REC revenues. Offsetting some of these higher costs were lower expenses related to VELCO VTA charges, capacity, losses and congestion, and purchased solar. Overall, power supply costs were $3.801M higher than forecast. Detailed breakdowns are as follows:

- Component A

Component A costs were $3.034M higher than forecast for the quarter, primarily driven by increased RNS transmission charges, demand charges, and joint-owned O&M. As of January 1, 2025, RNS rates increased by over 20%, significantly exceeding the rate assumed in the benchmark forecast. Additionally, the ISO demand charges reflect unbudgeted costs from the Day-Ahead Ancillary Services Initiative (DASI), which launched on March 1, 2025. Although DASI replaces traditional reserve charges, GMP's net costs under the new structure have been meaningfully higher than historical levels. This quarter did, however, have offsetting effects with lower VELCO charges, ISO-NE credits for Pay-for-Performance (PFP), and a true-up credit from the winter Inventoried Energy Program within ancillary services.

In late June, a regional heat wave drove regional peak demand to ~26,000 MW—the highest in over a decade—triggering a scarcity event where the available supply was not able to meet the real-time demand plus the required operating reserves. During scarcity events, resources that perform better than their Capacity Supply Obligation (CSO) are rewarded, while those that underperform are penalized. GMP’s wholly owned resources performed well during this three-hour event, providing 139 MWh more than our CSO, earning a credit of $1.302M for our fleet’s overall performance. However, some joint-owned and purchased units underperformed, incurring penalties. Because this event occurred at the end of the quarter, ISO settlements were not yet available for our financial closing so an estimated credit of $0.759M was included in our financials, and a true-up for actual credits and penalties will be reflected in the next quarterly report.

- Component B

Gross Component B costs were $0.767 million higher than forecast, primarily driven by increased purchased energy costs. Since the benchmark budget was completed, GMP entered into new energy purchase and sale agreements. A contract to purchase off-peak hydro from First Light began in January 2025 at a flat rate of $61.25/MWh. While this price was lower than forecasted winter prices, it exceeded forecasted prices for the April–June period. These higher costs were partially offset by revenues from on-peak energy sales in April and May at prices above forecast. Actual ISO-NE energy prices were higher than forecast in June but lower in April, when GMP was reselling into the market. Overall, for the quarter, we incurred more expenses from ISO balancing purchases and recouped less in balancing resales than projected. Specifically, our balancing purchases averaged more than 35% above budgeted prices, while balancing sales averaged 18% below budgeted prices. These higher costs were partially offset by lower contract costs from solar resources, including net metering, standard offer projects, and solar PPAs.

As required by the Plan, GMP retained the full amount of the "Efficiency Band" adjustor, decreasing the Component B variance by $0.396M, yielding a net Component B variance of $0.371M worse 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 from customers of $2.672M for the quarter.

II. Exogenous Major Storm Adjustor – FY2025 Q3 Results

Vermont experienced one Major Storm as defined in GMP's regulation plan at the end of FY2025 Q2. Costs associated with this Major Storm, as well as costs invoiced this quarter from previously approved Major Storms totaled $7.379M in FY2025 Q3.

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, as needed, the EMSA.[5] The amount received through the Major Storm Restoration Fund has been 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.

[4] The Efficiency Band amount was based on a higher per unit Cost Variance ($0.00128/kWh Component B rate variance) coupled with retail sales volume of 934,500 MWh.
[5] Consistent with the Plan, GMP covers the first $1.2M of any Major Storm expense in a calendar year; for this year, the amount was incurred with the storm that occurred at the end of FY2025 Q2 and is reflected with invoiced storm amounts in this measurement period, FY2025 Q3.

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
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
FY2025 Q2	$48,026	$0	$48,026	$1,798,584 (including $98,891 interest)	$0	$2,848,695[8]
FY2025 Q3	$7,378,923	$1,200,000	$6,178,923	$1,459,350 (including $100,376 interest)	$4,719,573	$0

III. Quarterly Net Adjustment and Cumulative Carry Forward

Under the Plan, a bill adjustment for customers is needed 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. Here, the FY2025 Q3 and FY2025 Q2 Quarterly Net Adjustments are in the same direction, so the Cumulative Carry Forward balance of $6.686M reported in FY2025 Q2 will be combined with other previously approved amounts and reflected on customers' energy statements beginning October 1, 2025. This quarter's collection of $7.391M will be carried forward to the next quarterly report.

The chart below reflects the results of FY2025 Q3, and the calculation of the Cumulative Carry Forward since the start of FY2024:

[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.

[8] This amount was applied against the accumulated balance approved for collection as of July 1, 2025 in Case No. 25-0849-TF.

Measurement Period	PSRRA $	Exogenous Major Storm Adjustor/ Restoration Fund Balance Applied $	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
Adjusted FY2025 Q1 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2025 Q2.		($2,848,695)		$5,959,147		
FY2025 Q2	$6,686,150	$0	$6,686,150	$6,686,150	Jul-2025	$5,959,147
FY2025 Q3	$2,671,876	$4,719,573	$7,391,448	$7,391,448	Oct-2025	$6,686,150

With this Report, GMP is filing a tariff request to make this adjustment to customers' energy statements starting October 1, 2025 through June 30, 2026. The proposed line-item for this amount is 5.69% that will replace the 4.98% amount currently on energy statements.

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)*