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October 30, 2025

Via ePUC

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

Re: FY2025 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 2025 (FY2025 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 FY2025 Q4 is a collection from customers that will be carried forward and also prompts the collection of the prior accumulated balance. Specifically, beginning January 1, 2026, $5.888M 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 5.69% to 5.38%,[2] a 0.31% decrease on this line item.

Power supply and revenue results yielded a net quarterly collection of $13.636M for FY2025 Q4. While there were no Major Storms during this quarter, $0.037M in major storm costs from a previously reported Major Storm were incurred during this quarter. These costs were entirely covered by the $1.541M collected this quarter for the Major Storm Restoration Fund, resulting in no EMSA for the period. As in prior quarters, GMP is requesting that the remaining $1.503M from the Major Storm Restoration Fund be applied to the Current Cumulative Carry Forward balance of $7.391M, resulting in a net collection of $5.888M to begin

[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 through FY27 Q1 ending December 31, 2026.

on January 1, 2026. This quarter's total net collection from customers of $13.636M will be carried forward to the next quarterly report.

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 2025 Results

Attachment 1 to this letter sets forth the accounting details of our FY2025 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 and an explanation of the drivers of the variances between actual results and forecast.

I. Power Supply and Retail Revenue Adjustor – FY2025 Q4 Results

In FY2025 Q4, power supply costs were higher than forecast, while retail revenues were slightly lower than forecast. The net PSRRA calculation resulted in a collection from customers of $13.636M:

Retail Revenue Collected:	$0.095M less than forecast
Power Supply Costs (net):	$13.541M more than forecast Component A: $6.976 M more than forecast Component B: $6.565M more than forecast (after Efficiency Band adjustment)
Total FY2025 Q4 PSRRA:	**$13.636M** 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 $0.095M lower than forecast due to lower retail sales volume.[3] This minor variance from the forecast reflects slightly higher revenues from residential and small commercial and industrial (C&I) customers, more than offset by lower retail revenues

[3] Total retail sales volume was 15,307 MWh, or 1.5% lower than forecast with residential sales 2,268 MWh or 0.6% higher than forecast, small C&I lower than forecast by 5,940 MWh or 1.5%, and large C&I 11,638 MWh or 4.3% lower than forecast. There was a $0.0027 per kWh average rate variance, which was 1.4% higher than forecast.

from large C&I customers. Residential sales were $0.900M higher than forecast, small C&I were $0.150M higher, and large C&I sales were $1.163M lower.

Power Supply

This quarter featured higher power supply costs, due to higher costs from Regional Network Service (RNS) transmission, demand charges including the Day-Ahead Ancillary Services Initiative (DASI), higher purchased energy and RES compliance costs, and lower REC revenues. Offsetting some of these costs were lower expenses related to VELCO VTA charges, lagging pay-for-performance (PFP) credits related to the June 24, 2025, regional Capacity Scarcity Condition and reduced purchased power expense from hydro and wind resources due to the drier, calmer weather than assumed in the forecast. Overall, power supply costs were $14.710M higher than forecast. A detailed breakdown follows:

- Component A

Component A costs were $6.976M higher than forecast for the quarter, primarily driven by increased RNS transmission charges and demand charges. RNS rates increased by more than 20% as of January 2025, affecting this and prior quarters that had forecasted a 7% increase in the benchmark. In addition, peak loads in both July and August were higher than projected, further contributing to the variance.

The ISO demand charges reflect unbudgeted costs from the 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, with net DASI costs of $3.192M in the fourth quarter.

Offsetting these higher costs were lower VELCO charges and lagging PFP credits from the June regional scarcity event. As described in the last quarterly report, in late June, a regional heat wave drove demand to about 26,000 MW, triggering a Capacity Scarcity Condition when supply could not meet real-time demand and reserves. During scarcity events, resources performing above their Capacity Supply Obligation earn credits, while underperforming units incur penalties.[4] Because this event occurred at the end of the third quarter, ISO settlements were not yet available at the time of the FY2025 Q3 financial closing. As a result, an estimated credit of $0.759M was included in FY2025 Q3. The current quarter includes a true-up of an additional $0.425M to reflect GMP's higher total net credit for the event.

- Component B

[4] Overall, the event resulted in a net credit of $1.209M for our units' performance. Wind performed particularly well during this event, with credits exceeding $1.863M for Kingdom Community Wind, Deerfield, Granite and Searsburg. This was offset by some other wholly- and jointly-owned and purchased units (including for example hydro in drought conditions) that underperformed and incurred penalties.

Gross Component B costs were $7.734M higher than forecast, driven primarily by increased ISO-NE balancing purchases due to low hydro and wind generation (both owned and purchased resources), as well as higher net metering costs.

A historically dry summer severely impacted river flows across the region, resulting in reduced hydro generation; combined with calmer than typical conditions, this drove the need for higher-priced market purchases. For example, August was the driest month in Vermont since records started in 1895. Generation from both owned, zero fuel cost resources (hydro, Kingdom Community Wind, and Searsburg) and Purchased Power Agreement (PPA) resources, including Great River Hydro, Granite, Deerfield, Sheldon Springs, LaChute, and other small hydro producers were all below expectations, contributing to $5.3M in balancing costs (purchases, sales, ANI) not budgeted for the quarter.

Meanwhile, the sunny weather meant that net-meter generation, one of the higher cost resources, had a robust quarter with excess generation 25% higher than forecast, costing more than $2.240M higher than budget. Some fuel units were also dispatched more frequently, incurring higher fuel costs, particularly at McNeil. GMP's FirstLight off-peak hydro energy purchase, as previously reported, carries a flat annual rate that was favorable in high priced winter months, but the price exceeded forecasted and actual prices for the past quarter. Finally, GMP's RES compliance costs reflect the most recent statutory change tracking requirements based upon load rather than sales, as well as a true-up for the calendar year 2024 RES compliance filing in August.

As required by the Plan, GMP retained the full amount of the Efficiency Band adjustor, decreasing the Component B variance by $1.169M, yielding a net Component B variance of $6.565M worse 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 collection from customers of $13.636M for the quarter.

II. Exogenous Major Storm Adjustor – FY2025 Q4 Results

Vermont did not experience any Major Storms as defined in the Regulation Plan in FY2025 Q4; however, there were some storm costs invoiced this quarter from previously reported Major Storms, for a total of $0.037M.

Under the 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

[5] The Efficiency Band amount was based on a higher per unit Cost Variance ($0.008691/kWh Component B rate variance) coupled with retail sales volume of 1,027,313 MWh.

and, as needed, the EMSA.[6] 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, with the excess reflected in the last column.

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[7]	Quarterly Major Storm Restoration Fund Collections	Net Exogenous Major Storm Adjustor[8]	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[9]
FY2025 Q3	$7,378,923	$1,200,000	$6,178,923	$1,459,350 (including $100,376 interest)	$4,719,573	$0
FY2025 Q4	$37,310	$0	$37,310	$1,540,597 (including $24,606 interest)	$0	$1,503,287[10]

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

[6] 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.
[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.
[9] This amount was applied against the accumulated balance approved for collection as of July 1, 2025 in Case No. 25-0849-TF.
[10] GMP proposes to apply this amount against the accumulated balance for collection as of January 1, 2026, as set forth below and in the accompanying tariff filing. Note that the balance to be collected includes more than $1.5M in already incurred and approved Major Storm costs, as reflected in the Net Exogenous Major Storm Adjustor column for last quarter.

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 Q4 and FY2025 Q3 Quarterly Net Adjustments are in the same up direction, requiring collection. As previously approved in Case No. 25-0849-TF, GMP again proposes to apply the remaining Major Storm Restoration balance of $1.503M to the FY2025 Q3 Cumulative Carry Forward balance of $7.391M to lower the required collection to $5.888M, which if approved would be combined with other previously-approved amounts and reflected on customers' energy statements beginning January 1, 2026. As noted, the Cumulative Carry Forward balance includes more than $1.5M in accumulated Major Storm costs and so applying the excess Major Storm Restoration Fund balance to lower the collection otherwise needed this quarter is appropriate to reduce customer costs by utilizing funds already received. This quarter's collection of $13.636M will be carried forward to the next quarterly report.

The chart below reflects the results of FY2025 Q4, and the calculation of the Cumulative Carry Forward since the start of FY2024:

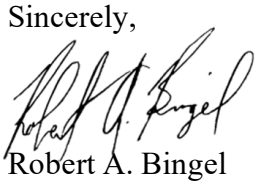
Measurement Period	PSRRA $	Exogenous Major Storm Adjustor/ Restoration Fund Balance Applied $	Quarterly Net Adjustment $	Cumulative Carry Forward $	Collection/ Return Begin Date	Collection (Refund) to Customers
FY2024 Q1	($2,041,362)	$0	($2,041,362)	($2,041,362)	Apr-2024	$10,731,472
FY2024 Q2	($3,802,670)	$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
Adjusted FY2025 Q3 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2025 Q4.		($1,503,287)		$5,888,161		
FY2025 Q4	$13,636,148	$0	$13,636,148	$13,636,148	Jan-2026	$5,888,161

With this Report, GMP is filing a tariff request to make this adjustment to customers' energy statements starting January 1, 2026, through December 31, 2026. Due to the twelve-month period of collection as noted in the tariff filing, the proposed line-item for this amount is 5.38% that will replace the 5.69% 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)*