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January 30, 2026

Via ePUC

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

Re: FY2026 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 2026 (FY2026 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, and October 18, 2024, in Case No. 23-3501-PET (the Plan). As detailed below, the net result for FY2026 Q1 is a collection from customers that will be carried forward. This result requires that, beginning April 1, 2026, $12.189 M, the net amount of prior carry forward as described below, be reflected on customer energy statements.[1] When combined with other previously approved amounts already in effect, this results in a change to the Current Power and Major Storm adjustor line item from 7.25% to 7.61%, a 0.36% increase on that line item.[2]

Power supply and revenue results yielded a net quarterly collection of $14.619M for FY2026 Q1. There were no Major Storms during this quarter, resulting in no EMSA for the period. The Major Storm Restoration Fund collected $1.448M, which GMP requests be applied to the Current Cumulative Carry Forward balance of $13.636M, as in prior similar quarters. This results in a net collection of $12.189M beginning on April 1, 2026. Meanwhile, this quarter's total net collection from customers of $14.619M will be carried forward to next quarter under the terms of the Plan.

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

[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. Under this provision, this change in the Current Power and Major Storm adjustor line will be in effect 12 months through FY27 Q2 ending March 31, 2027.

I. Power Supply and Retail Revenue Adjustor Report – First Quarter Fiscal Year 2026 Results

Attachment 1 to this letter sets forth the accounting details of our FY2026 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.

1. Power Supply and Retail Revenue Adjustor – FY2026 Q1 Results

In FY2026 Q1, both power supply costs and retail revenues were higher than forecast. The net PSRRA calculation resulted in a collection from customers of $14.619M:

Retail Revenue Collected:	$1.253M more than forecast
Power Supply Costs (net):	$15.873M more than forecast Component A: $8.452 M more than forecast Component B: $7.421M more than forecast (after adjusting for Buy-Throughs and the Efficiency Band)[3]
Total FY2026 Q1 PSRRA:	**$14.619M** 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 $1.253M higher than forecast, and retail sales were 407 MWh higher than forecast, not including retail sales associated with the buy-through program previously described.[4] This variance reflects higher revenues from residential and small

[3] This does not include $742,197 in retail revenue and associated kWhs from the buy-through program for Rate 63/65 customers that participate in the Curtailable Load Rider. Retail revenues and associated power supply costs from this program are removed from the PSRRA calculation. Rate 63/65 customers on the Curtailable Load Rider agree to reduce their load when requested by GMP in exchange for a lower rate. Those customers may, however, elect to not reduce their load and instead "buy through" the curtailment event and purchase energy at a rate based on the day-ahead market price. The intent of the program is to keep GMP and non-participating customers unaffected by the actions of the participating customers; therefore, the associated revenues, costs and sales volumes are isolated and removed from the calculation of the PSRRA.

[4] Excluding buy-through program purchases, total retail sales volume was 407 MWh, or 0.04% higher than forecast with residential sales 7,867 MWh or 1.8% higher than forecast, small C&I higher than forecast by 2,992 MWh or

commercial and industrial (C&I) customers, that were partially offset by lower retail revenues from large C&I customers. Residential sales were $2.196M higher than forecast, small C&I were $0.959M higher, and large C&I sales were $1.175M lower.

Power Supply

Power supply costs this quarter were meaningfully higher than forecast, primarily due to higher demand charges including the Day-Ahead Ancillary Services Initiative (DASI) and higher purchased energy and Renewable Energy Standard (RES) compliance costs. Offsetting some of these higher costs were lower expenses related to VELCO VTA charges, pay-for-performance (PFP) credits related to the November 23, 2025, regional scarcity event, and reduced purchased power expense from hydro resources. Overall, power supply costs were $17.743M higher than forecast. A detailed breakdown follows:

Component A

Component A costs were $8.452M higher than forecast for the quarter, driven primarily by net DASI charges reflected in the ISO demand charges line of Attachment 1. As previously reported, DASI replaced the Forward Reserve Market (FRM). GMP's benchmark costs were set before there was any operational experience in the DASI market, which launched March 1, 2025. Benchmark costs were based upon the FRM charges; however, net costs under the new structure have been significantly higher than experienced under FRM and have significantly exceeded ISO-NE's original expectations. This has impacted all market participants in the region. Gross DASI charges totaled $12.8 million for the quarter, partially offset by $3.4 million in revenues earned through GMP's active participation in DASI to reduce these impacts, resulting in a net DASI cost of $9.4 million.

Overall transmission costs were generally in line with forecast. Regional Network Service charges were higher due to increased loads but were offset by lower VELCO charges and by PFP net credits of approximately $0.4M. Those credits were related to the regional scarcity event on November 23, 2025, caused by an unexpected regional generator outage at a time of higher-than-expected demand. During such events, resources exceeding their Capacity Supply Obligation earn credits, while underperforming resources incur penalties. Net credits were driven primarily by strong performance from Seabrook Nuclear (owed to GMP by contract) and GMP's peaker units.

Component B

Gross Component B costs were $8.549M higher than forecast excluding buy-through costs. This variance was driven primarily by increased ISO-NE balancing purchases resulting from low hydro generation (both owned and purchased resources), as well as a higher HQUS Purchased Power Agreement (PPA) price that went into effect November 1, and higher RES costs.

0.8%, and large C&I 10,461 MWh or 3.9% lower than forecast. There was a $0.0011 per kWh average rate variance, which was 0.5% higher than forecast.

During the quarter, net balancing purchases were more than 125,000 MWh above budget due to lower-than-expected generation as well as higher loads. Persistent and historic drought conditions lingered this quarter, resulting in reduced hydro generation and driving the need for higher-priced market purchases. Generation from owned, zero-fuel-cost resources (hydro, Kingdom Community Wind, and Searsburg) was more than 41,000 MWh below expectations, requiring energy replacement. Purchased hydro resources, including Great River Hydro, First Light, Sheldon Springs, LaChute, and other small hydro producers, delivered nearly 65,000 MWh less than forecast, similarly impacted by the weather, and requiring replacement market purchases. This impact was most pronounced in December, when average purchased ISO-NE around the clock spot market prices exceeded $136/MWh. Additionally, both McNeil and Millstone generated approximately 12,000 MWh less than forecasted.

In November, the annual HQUS PPA price adjustment took effect. The PPA price is indexed to inflation and market prices, including historical spot prices and forward market quotes. Each October, the PPA price is calculated using actual spot market prices and forward price data from the prior year. At the time the benchmark costs were set in April 2025, approximately half of the data required to calculate the updated PPA price was available, and the remaining inputs were estimated based on then-current market conditions. Ultimately, both forward market prices and inflation exceeded those benchmark assumptions, resulting in a higher PPA price and increased costs. This will continue to flow through the Power Supply Adjustor for the remainder of FY2026.

Also, following completion of the benchmark budget, GMP entered into a new energy purchase agreement for December off-peak energy from NextEra, creating a $0.808M variance for NextEra but reducing GMP's December purchasing needs at a price more than $45/MWh less than actual off-peak spot prices, resulting in savings of more than $0.445M for customers.

Consistent with the Plan, GMP absorbed the full amount of the "Efficiency Band" adjustor, decreasing the Component B variance by $1.128M for customers, yielding a net Component B variance of $7.421M higher than costs forecasted 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 $14.619M for the quarter.

II. Exogenous Major Storm Adjustor – FY2026 Q1 Results

Vermont did not experience any Major Storm as defined in GMP's regulation plan in FY2026 Q1 and did not incur any Major Storm costs.

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

[5] The Efficiency Band amount was based on a higher per unit Cost Variance ($0.008043/kWh Component B rate variance) coupled with retail sales volume of 1,059,213 MWh, which was adjusted for buy throughs.

and, as needed, the EMSA.[6] Consistent with prior quarters, GMP's tariff filing accompanying this report requests that the $1.448 million collected through the Major Storm Restoration Fund during the quarter be credited against Major Storm and PSRRA costs, as reflected 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[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	$1,503,284[10]
FY2026 Q1	$0	$0	$0	$1,447,610 (including $22,672 interest)	$0	$1,447,610 [11]

[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]This amount was applied against the accumulated balance approved for collection as of January 1, 2026, in Case No. 25-1579-TF.
[11]GMP has requested to apply this amount against the accumulated balance proposed for collection as of April 1, 2026, in the accompanying tariff proceeding.

III. Quarterly Net Adjustment and Cumulative Carry Forward

Under the Plan, a bill adjustment for customers occurs 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 or twelve months, whichever is longer, unless otherwise ordered by the Commission. Here, the FY2026 Q1 and FY2025 Q4 Quarterly Net Adjustments are in the same direction, requiring collection. As previously approved, GMP again proposed to apply the remaining Major Storm Restoration balance of $1.448M to the FY2025 Q4 Cumulative Carry Forward balance of $13.636M to lower the required collection to $12.189M, which will be combined with other previously approved amounts and reflected on customers' energy statements beginning April 1, 2026. This quarter's collection of $14.619M will be carried forward to the next quarterly report.

The chart below reflects the results of FY2026 Q1, 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
Adjusted FY2025 Q4 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2026 Q1.		($1,447,610)		$12,188,538		
FY2026 Q1	$14,619,489	$0	$14,619,489	$14,619,489	Apr-2026	$12,188,538

Concurrent with this report, GMP is filing a tariff request to make this adjustment to customers' energy statements. The proposed adjustment will increase the one line item percentage by 0.36%, from the 7.25% approved in the FY25 ESAM proceeding, to 7.61% effective April 1, 2026.

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)*