STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Petition of Green Mountain Power Corporation for approval of its new Multi-Year Regulation Plan pursuant to 30 V.S.A. Sections 108, 209, 218, and 218d	)))	Case No. 25-1955-PET
Tariff filing of Green Mountain Power Corporation for a 7.5% rate increase effective with bills rendered on or after October 1, 2026	)))	Case No. 26-0096-TF

PREFILED REBUTTAL TESTIMONY OF LAURA DOANE & ROB BINGEL ON BEHALF OF GREEN MOUNTAIN POWER

April 15, 2026

Summary of Testimony

Laura Doane and Rob Bingel respond to the Department of Public Service's testimony and recommendations regarding the financial, accounting, and ratemaking provisions of Green Mountain Power's proposed new Multi-Year Regulation Plan. They discuss the areas of agreement between GMP and the Department. They also explain why some of the Department's proposed modifications should not be adopted because they would alter the design and balance of the Plan without customer benefit or would increase complexity without improving outcomes.

Exhibit List

Exhibit GMP-LD-RB-1 (Rev. 2) – MYRP Redline
Exhibit GMP-LD-RB-10 – Example ESAM Calculations

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I. Introduction

Q1. Please state your names and occupations.

A1. **Laura Doane:** My name is Laura Doane, and I am employed by Green Mountain Power as the Manager of Operational Finance.

Rob Bingel: My name is Robert A. Bingel, and I am employed by Green Mountain Power as Manager, Financial Planning and Analysis.

Q2. Have you previously submitted testimony in this proceeding?

A2. Yes, we previously provided prefiled direct testimony in this proceeding on August 29, 2025.

Q3. What is the purpose of your testimony?

A3. We respond to several points raised by the Department's witnesses regarding the financial, accounting, and ratemaking provisions of GMP's proposed new Multi-Year Regulation Plan ("Proposed Plan"). Specifically, we address the Department's recommendations concerning the Earnings Sharing Adjustment Mechanism ("ESAM"); the Major Storm and Non-Storm components of the Exogenous Change Adjustment; the treatment of pre-collection of major storm costs; the treatment of unamortized debt discount and expense; the mechanics of long-term debt and related financings; the treatment of retirements within depreciation; the calculation of property taxes; the return on equity ("ROE"); and the frequency of filings under the Proposed Plan. These are the issues raised by Department witnesses TJ Poor, Jacob Thomas, and Stephen Hunt.

Q4. How would you characterize overall the Department's recommendations regarding the finance and ratemaking aspects of the Proposed Plan?

A4. We appreciate the Department witnesses' perspective that the Proposed Plan framework is appropriate and beneficial overall to customers. Mr. Poor testifies that the Department "remains supportive of the MYRP regulatory structure" overall. Prefiled Direct Testimony of T.J. Poor (Poor PFT) at Q7, page 5. He and other witnesses recognize the value of the MYRP's structure to provide rate stability for customers. Poor PFT at Q7, page 5. Given the volatility regionally and beyond both over the last four years and at this current moment, particularly in the energy sector, that long-term regulatory viewpoint has proven important to customers. Vermont's policy of supporting stability across years – through regulation plans, longer term PPAs, and other programs – has helped insulate customers from the higher prices and swings seen elsewhere in New England and has been a steady hand for Vermonters in uncertain times.

Below, we describe the areas of agreement with the Department's recommendations and then discuss each remaining topic individually, including areas where we have proposed modifications to the Proposed Plan to respond to the Department recommendations and areas where we do not agree changes should be made. Where we differ with the Department, it is because such recommendations should be evaluated as part of the integrated plan rather than in isolation. The elements of the Proposed Plan work together to promote rate stability for customers, maintain efficient administration of these complex regulatory matters, and allocate risk appropriately. When one element is changed, the overall balance of the Plan can shift in ways that are not just and reasonable. Changes must also be considered for their effects over the entire term of the Proposed Plan, not only in the context of a single rate year. The Plan as presented by GMP, with the key changes noted in **Exhibit GMP-LD-RB-1 (Rev. 2)** and summarized below, meets the requirements of Section 218d and we request that it be adopted by the Commission.

II. <u>Department Recommendations GMP Accepts or Substantially Agrees With</u>

Q5. Please briefly list the areas of Department recommendations with which GMP agrees and explain what you have done to reflect that agreement in the Proposed Plan.

A5. As we describe topic by topic below, we agree with the Department on several of their recommendations and areas of clarification. We have redlined the Proposed Plan, **Exh. GMP-LD-RB-1 (Rev. 2)** to reflect those changes. In addition, **Exh. GMP-MB-7** provides a summary of GMP's responses to the Department's recommendation.

A. <u>Major Customer Trigger</u>

Q6. Does GMP agree that the current "net loss of major customer" provision should not be approved as requested in GMP's Petition?

A6. Yes, we agree with the Department that the framing of this provision in the Current Plan, that we requested to continue in this Petition, should be changed. Mr. Thomas recommends eliminating altogether the "net loss of major customer" adjustment from the non-storm exogenous provision because, in his view, it is not well defined and is unlikely to be used. While we agree that the current undefined framing should be revised, complete deletion is not appropriate. For context, this item was drafted and approved at a time when GMP had a customer, GlobalFoundries, with an outlier load – nearly 10% of our total, and greater than the size of nearly all other utilities in the state. There were economic concerns in many sectors of the State that the loss of GlobalFoundries (due to moving or other business exigencies) would create major disruption. That was mitigated for GMP customers when the Commission approved GlobalFoundries as its own utility.

No other current customer comes anywhere close to the load level of GlobalFoundries – the next closest customer is less than 4% of GMP's annual load. Thus, we agree with Mr. Thomas that it is unlikely GMP would seek to use this provision and that it should be changed to reflect current circumstances. Rather than removing it altogether, we propose as an alternative that we tighten the "major customer" framing with a clear and objective materiality threshold in line with the other exogenous change thresholds in the Plan. We propose that a major customer exit "representing five percent or more of load" should be the relevant trigger. As now, this would be subject to the Nonstorm Exogenous Change Adjustor request to the Commission only if the loss of such a customer's load exceeded the $1.2M threshold, was not related to a weather event, and was not otherwise recovered in the retail revenue adjustor. We have included that redline in the updated Proposed Plan, **Exh. GMP-LD-RB-1 (Rev. 2)** at Section VI.B.1.

Q7. Why is modifying the provision regarding loss of a major customer load preferable to just deleting the concept?

A7. It is preferable because the revised trigger preserves a narrow mechanism for a truly extraordinary, system-relevant load exit. A discrete customer departure at a scale greater than five percent of total retail sales is not comparable to ordinary customer changes. It can present a sudden and material cost that should be permitted to be treated separately from the more routine variation already addressed elsewhere in the Plan through the retail revenue adjustor. For that reason, the right solution is to define and tighten the trigger substantially, not to eliminate the concept entirely so that the Plan is responsive if a very large single customer load reappears in GMP service territory.

B. Depreciation Retirements

Q8. Does GMP agree with Mr. Hunt's recommendation that the Plan should expressly state that the depreciation adjustments reflect retirements?

A8. Yes. Mr. Hunt recommends clarifying that changes to depreciation cost adjustments should be based on allowed capital expenditures less retirements, and that the Plan should explicitly say so. We agree. Retirements are reflected in the depreciation-related calculations. While the Proposed Plan does refer to this already, we have no objection to further emphasizing that point in the Proposed Plan, as follows: "Depreciation costs shall be fixed for the term of the Plan based on the projected plant in service balance at the beginning of the Plan, the expected annual plant additions, and associated retirements. This forecast will be adjusted to reflect any allowed capital expenditures, net of retirements, approved by the PUC year to year." See **Exh. GMP-LD-RB-1 (Rev. 2)** at Section IV.A.1.ii (underline reflecting added language).

C. Property Taxes

Q9. Does GMP agree with Mr. Hunt's recommendations regarding property-tax clarifications?

A9. In substantial part we do, and the recommendation appears to reflect what GMP already does and intends the Plan to do. Mr. Hunt recommends clarifying that annual property-tax adjustments be based on the actual or effective tax rate and available credits or exemptions for the rate year, and that the adjustment reflect the net of allowed capital expenditures less retirements.

For the FY27 Rate Case and in the Proposed Plan, GMP performs an annual update based on prior-year actual property tax charges, expected changes for the coming year, and the effects of capital additions. This considers the bills and tax decisions by town. GMP's property-tax treatment is driven by prior year effective tax rates, assessed values, and applicable credits or exemptions. The impact of capital investment depends on the specific assets and their assessment treatment; it is not a mechanical function of gross capital additions minus retirements as Mr. Hunt's recommendation assumes. See DPS Discovery Response A.DPS.GMP.1-32. We would be amenable to a further clarification that addresses his point and have included in the redline an edit that further clarifies how we set property taxes in base rates each year:

> Property taxes will be forecasted through FY30 at the outset of the Plan and updated in each Annual Base Rate Filing. This annual update will be based on prior-year actual property tax charges, known changes for the coming year, the assessment treatment of capital additions, including any effect from allowed capital expenditures approved by the PUC year to year as discussed in Section IV.A.1.i above, and any applicable credits or exemptions.~~;~~

> ~~taking into account prior year actual charges, any expected changes for the coming year, and any effect from allowed capital expenditures approved by the PUC year to year as discussed in Section IV.A.1.i above~~.

See **Exh. GMP-LD-RB-1 (Rev. 2)** at Section IV.A.1.iii (underlines and strikeouts reflecting modified language).

D. <u>Long-Term Debt Mechanics</u>

Q10. Does GMP agree with Mr. Hunt's recommendation regarding long-term debt updates?

A10. In substantial part, yes. Mr. Hunt recommends that the weighted average cost of debt reflect prudent financing actions over the term of the Proposed Plan and asks that the proposal be clarified accordingly. To address this comment, we have clarified the proposal to provide that long-term debt costs will be updated annually during the term of the Proposed Plan, which will provide an opportunity to incorporate any prudent changes in debt costs during this period. This revision is reflected in edits in the Proposed Plan as follows:

> The FY27 cost of debt will be set in the FY27 Rate Case. Initial estimates of the FY28 to FY30 debt costs will be established based on the Updated Forecasts for base rates submitted June 1, 2027, for FY28-FY30 base rates. <u>Long term debt costs will then be updated annually as part of the Annual Base Rate Filing to reflect both past and forecasted debt issuances consistent with the approved GMP Debt Issuance Forecast and any other individual Commission approvals.</u>
> ~~Long-term debt rates will be locked based on these initial estimates.~~

See **Exh. GMP-LD-RB-1 (Rev. 2)** at Section IV.A.3.i (underlines and strikeouts reflecting modified language).

III. ESAM

Q11. How does GMP respond to Mr. Thomas's recommendation to narrow the ESAM upside deadband from 50 basis points to 20 basis points?

A11. The current ESAM remains a reasonable mechanism to moderate outcomes outside the efficiency band while supporting rate stability over time. Mr. Thomas acknowledges that the ESAM should remain in the MYRP structure. Prefiled Direct Testimony of Jacob Thomas (Thomas PFT) at Q8 pages 3–4 (or Q18 page 11).

He recommends narrowing the upper deadband from 50 basis points to 20 basis points because, based on the years he reviewed, GMP has not returned excess earnings to customers while customers have experienced upward ESAM adjustments in years when earned returns were below the approved ROE. Thomas PFT at Q17-18, pages 10-11and Q28, page 16.

GMP understands the overall objective of reviewing the design to ensure it remains balanced for customers, though we do not support the recommended change in isolation. As Mr. Thomas notes, GMP's earned ROE has been within the ESAM efficiency band in most years and an ESAM adjustment has been made in only three years. Thomas PFT at Q16, pages 9–10. Two of these have been the most recent years that also featured significant volatility in the energy markets and economy. That history shows that the mechanism has operated as intended under the conditions experienced over several years, serving as a backstop when expectations at the time rates are set vary significantly with actual results. Mr. Thomas states that, had the upside sharing trigger been set at 20 basis points, there would have been an equal number of years in which ratepayers would have received a credit and a charge. GMP does not agree that the objective of the ESAM design is to create that type of "equal" discrete outcome in the number of charges or credits in isolation.

Q12. Do you have any alternative modification to the ESAM for the Commission's consideration?

A12. Yes. Recognizing the purpose of the ESAM and the Department's point that the current upper trigger has not often been achieved, GMP evaluated an alternative that would, like the Department recommendation, move the upper efficiency band from +50 basis points to +20 basis points above the approved ROE. That change should not, however, be made in isolation.

As the current MYRP reflects, the ESAM is an integrated structure that combines an efficiency band, sharing bands, and different sharing percentages above and below the approved ROE. Under the current Plan, no adjustment occurs within 50 basis points above or below the approved ROE; amounts between 50 and 125 basis points above the approved ROE are shared 75% to customers and 25% to GMP; amounts above 125 basis points flow 100% to customers; amounts between 50 and 150 basis points below the approved ROE are shared 50% to customers and 50% to GMP; and amounts below 150 basis points flow 100% to customers.

GMP therefore evaluated an alternative that would move the upper trigger to 20 basis points above the approved ROE, while pairing that change with corresponding adjustments to the rest of the ESAM structure. Specifically, GMP's alternative narrows the efficiency band on both sides from plus or minus 50 basis points to plus or minus 20 basis points, lowers the upper sharing-band ceiling, and extends the lower sharing band further downward. At the same time, GMP's approach preserves the current MYRP sharing percentages, including the existing 75% customer / 25% GMP sharing within the upper sharing band and the 50% / 50% sharing within the lower sharing band. This will preserve substantially the same overall economic balance as the current mechanism while still addressing the Department's point about where upside sharing begins.

Here is our alternative proposal, as reflected in the redlines included in **Exhibit GMP-LD-RB-1 (Rev. 2)** in Section VI.C.1, compared to the current structure as filed and Mr. Thomas's recommendation on behalf of the Department:

Feature	***Current Plan***	***DPS Proposed***	***GMP Rebuttal Proposal***
Upside			
Upper efficiency band	No adjustment up to +50 bps above allowed ROE	No adjustment up to +20 bps above allowed ROE	No adjustment up to +20 bps above allowed ROE, same as DPS
Upper sharing band	+50 bps to +125 bps	+20 bps to +125 bps	+20 bps to +215 bps
Upper sharing %	75% Customer 25% GMP	No change from current	No change from current
Above upper sharing band	100% Customer	No change from current	No change from current
Downside			
Lower efficiency band	No adjustment down to -50 bps below allowed ROE	No change from current	No adjustment down to -20 bps below allowed ROE
Lower sharing band	-50 bps to -150 bps	No change from current	-20 bps to -180 bps

Lower sharing %	50% Customer 50% GMP	No change from current	No change from current
Below lower sharing band	100% Customer	No change from current	No change from current

Q13. Why is GMP's broader approach to ESAM changes just and reasonable?

A13. GMP's alternative responds to the Department's point while preserving the integrated and customer-protective design of the current ESAM. The Department's recommendation changes only one element of the ESAM and does so in a way that shifts the economics of the mechanism on the upside without considering the rest of the structure. Changing only that trigger would materially increase the amount of upside earnings subject to customer sharing without considering whether rebalances of the other features of the ESAM should also occur. Overall, the ESAM structure is a long-standing and integrated mechanism that has functioned well to ensure GMP's results reasonably reflect expectations. GMP's alternative recognizes that if the Commission decides to lower the upper sharing trigger as recommended by the Department, that change should be accompanied by corresponding adjustments to the sharing band in the ESAM so that the overall balance of risks remains aligned with the structure of the current Plan without the need to implement any other trade-offs.

Exhibit GMP-LD-RB-10 is a chart that shows in dollar values the outcome of the FY2025 ESAM if the Department recommendation or GMP's alternative proposal were applied. As shown, the specific result for customers would be preserved for that year, where the actual performance as filed in the ESAM was lower than expectations when rates were set. Had the year featured results exceeding expectations, GMP's alternative would be somewhat more favorable to customers than the Department's proposal.[1]

GMP's alternative improves the point at which customers begin to participate in upside results, while maintaining the current customer-favoring asymmetry on the upside and making corresponding adjustments on the downside so that the overall operation of the ESAM remains balanced and comparable to the current MYRP design. This addresses the Department's stated point about the upper trigger while preserving the broader customer protections and coordinated design of the current ESAM.

IV. Major Storm Exogenous Change Adjustment

Q14. How does GMP respond to Mr. Thomas's recommendation to revise both the Exogenous Major Storm Change annual deductible and per-storm threshold?

A14. GMP does not support Mr. Thomas' proposals to increase both the current fixed $1.2M annual deductible and the per-storm $1.2M cost threshold to "keep pace with inflationary cost pressures." See Thomas PFT at Q21-23, pages 13–14 and Discovery A.GMP.DPS.2-12. Mr. Thomas's recommendation does not account for the distinct functions of these individual components of the Proposed Plan, or the effects of his recommendations on the overall framework for meeting Major Storm costs.

[1] Attachment 6 to the Proposed Plan, which reflects a prior ESAM example, will be updated as part of a final compliance filing upon Commission approval of any ESAM modifications.

Instead, GMP continues to request that the annual deductible be set at $1.2M, as in the Current Plan, and accepts that the individual per-storm threshold be modified to account for inflation in the same manner as other inflation-adjusted elements of the Plan.

As noted in our opening testimony, routine storm costs are budgeted for each year, based upon historical averages such as currently under review in the FY27 Rate Case. Major Storm costs, by contrast, are recoverable through an adjustor only once certain criteria have been met. This existing framework distinguishes between the annual deductible and the annual threshold. The annual deductible defines the level of costs that GMP must absorb before triggering exogenous recovery – functioning as a materiality trigger for any application of the Exogenous Major Storm Adjustor recovery mechanism, just like the Non-Storm Exogenous Change Adjustor. The per-storm threshold applies once large qualifying storms have occurred and defines by cost whether any particular storm that otherwise meets the relevant Service Quality and Reliability Plan customer outages and duration metrics is a Major Storm under the Plan. These two items are distinct and should not be collapsed into a generalized recommendation to raise both the annual deductible and the per-storm threshold for inflation.

Q15. Why does GMP disagree with revising the Major Storm deductible?

A15. This Major Storm deductible was not designed to be modified through or serve as a general inflation index; it sets a material level of cost GMP is required to absorb before any exogenous recovery for larger storms is available. The Department's recommendation is not tied to any evidence that the current $1.2M deductible, which has been approved in both the current and prior regulation plans, has produced unjust or unreasonable rates for customers or that it has failed to function as intended. That level of cost remains material today, as it was when it was set; an unexpected $1.2M in annual Major Storm costs continues to be a level beyond which unbudgeted Major Storm costs warrant recovery. Increasing that amount further would simply shift additional risk to GMP over time, as damaging storms have increased materially in both frequency and severity.[2]

Moreover, nothing about the annual deductible is tied to GMP's performance in storm recovery – GMP is required to absorb that annual amount of qualifying Major Storm spending regardless of outcome or storm response. In fact, more efficient, lower cost response to those significant storms just falls within the deductible GMP must absorb – which is contrary to a feature that would incentivize strong performance. In our opinion, if changes are to be made at all to this long-standing mechanism, the annual deductible should be removed altogether. To be clear, we are not seeking that outcome so long as the overall structure remains intact; we just do not agree that raising the deductible is just or reasonable when the overall purpose and effect of the feature are considered.

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[2] Mr. Burke testified that since the current plan began, damaging storms have increased "significantly, both in frequency and severity compared to any other time in our history," and that FY23 included "six separate Major Storm events, the most ever in one year." He also testified that over the last four years storm restoration costs have "greatly exceeded anything in GMP's history," including nearly $100M in FY23 and FY24 alone. Burke PFT, (August 29, 2025) at Q10, p.10. GMP's 2025 annual outage report tells the same story. It notes that "7 of the 10 worst storms that have taken place in the last 40+ years have occurred in the last 10 years," and that "[f]our of those have happened in the last 5 years." GMP 2025 4.900 Report at 8 (Case No. 26A-0210).

Q16. What is GMP's position on Mr. Thomas's recommendation to increase the individual Major Storm cost threshold from $1.2M per event to a higher number, perhaps keyed off inflation or GMP's distribution plant in service?

A16. While not intended to be an inflationary measure as designed, we recognize Mr. Thomas's overall point and would agree that the per-storm threshold for Major Storms could be increased in FY27 and at each base rate change thereafter during the plan period by applying the CPI-NE index used elsewhere in the plan. This would adjust the FY26 Major Storm threshold of $1.2 million by the FY27 inflation factor of 2.30% used in the FY27 Rate Case filing. If approved, the FY27 Major Storm threshold would be $1,227,600. In the following years of the Proposed Plan, GMP would apply the same inflation rate as calculated for each subsequent annual official base rate filing. This calculation reflects the year-over-year March values for CPI-U Northeast. The revisions set forth in **Exh. GMP-LD-RB-1 (Rev. 2)** at Section VI.B.2 reflect this revised proposal:

> Exogenous Major Storm Changes shall consist of increased costs experienced by GMP relating to the incremental maintenance expenses incurred for Major Storms (as defined in GMP's Service Quality & Reliability Performance, Monitoring & Reporting Plan (the "SQRP")) and further defined as a storm that causes GMP to incur incremental maintenance expenses in excess of $1.2<u>28</u> million<u> in FY27 and updated annually in each Annual Base Rate filing using the CPI-NE index</u>.

Exh. GMP-LD-RB-1 (Rev. 2) at Section VI.B.2 (underlining reflect modified language).

We do not agree, however, that it is justified to tie the per-storm threshold to distribution plant in service, as Mr. Thomas's testimony also suggests. Thomas PFT at Q22, page 14. This idea would be unnecessarily complex to implement and raises questions that his testimony does not answer. For example, how would the threshold move as new resilience plant is added? What plant counts, and how should differences in the storm profile of different facilities (such as undergrounding) be treated? Thomas's proposal does not answer these questions, and it is not clear to us why this proposal would be an improvement from maintaining the straightforward, long-standing plan design currently in place, with updating for inflation at the outset of the Proposed Plan. A major storm threshold should reflect whether a storm is materially significant.

Tying the threshold to total plant in service would instead make exogenous treatment depend on the size of the distribution investment base rather than the nature of the storm event itself. It would also create an automatic ratchet: as GMP invests more in the system, including resilience investments intended to protect customers, the amount of storm cost GMP must absorb before exogenous treatment would automatically rise. That is counterintuitive and not the right result. It would actually weaken the connection between exogenous treatment and storm severity, and it would effectively penalize system investment by making extraordinary storm cost recovery harder to access as plant grows.

Q17. Please summarize GMP's suggested alternative on the existing major storm threshold and annual deductible.

A17. While leaving the current annual deductible and threshold in place at their current levels continues to be justified and preferred by GMP, the alternative we describe above meets the spirit of the Department's recommendation. As we reviewed this in response to the

Department's recommendations regarding the Major Storm annual deductible and per-storm threshold, we kept returning to a key purpose of regulation plans that also underlies the resilience work we are doing for customers: creating better outcomes for customers, in this case outcomes that can avoid outages during damaging storms and other regional events. If that is what the Proposed Plan should support, then it makes sense to keep the annual Major Storm deductible at its current level because it is not meant to be tied to inflationary changes, while instead using the inflation updating suggested by the Department to raise the level for the per-storm threshold, as reflected in the redlines of the Major Storm provisions in **Exh. GMP-LD-RB-1 (Rev. 2)** at Section VI.B.2.

V. Precollection of Major Storm Costs

Q18. How does GMP respond to Hunt's recommendation to maintain pre-collection of major storm costs through the Major Storm Restoration Fund (MSRF)?

A18. GMP continues to disagree that it is beneficial to customers to require this pre-collection to continue into the Proposed Plan. We understand Mr. Hunt's point to be fundamentally one of timing, and we note that implementing it would increase the effective rate change for customers in October 2026. Under GMP's proposal, the $6M per year MSRF collection will cease, leading to an effective decrease on customer bills. This is appropriate for the reasons we stated in opening testimony; the history of the last four years (and earlier) has not shown that the mechanism builds up a sufficient balance justifiable to blunt Major Storm costs for customers; instead, GMP just holds customer funds earlier than needed. We do not agree that continuing this pre-collection is the preferable customer outcome. In the context of both the broader Plan design and the resilience work GMP has underway, actual-cost recovery through the existing mechanism is the more customer-friendly approach, and so we ask the Commission to not adopt this Department recommendation.

VI. Non-Storm Exogenous Change Adjustment Threshold

Q19. How does GMP respond to Thomas's proposal to increase the non-storm exogenous threshold from $1.2M to $1.5M and then index it to CPI?

A19. GMP does not support this recommendation. The non-storm exogenous threshold was not designed as an inflation index. It was designed as a materiality threshold for extraordinary items outside ordinary operations, as Mr. Thomas's discovery response on the subject concedes. See Department discovery response A.GMP.DPS.2-13, page 15. $1.2M remains material today, as it has been since it was set by the Commission. One source of proof is the very infrequent need to even consider the use of this adjustment, with the current threshold in place. Mr. Thomas has not shown that the threshold has ceased to function as a reasonable basis upon which to review extraordinary non-storm events. In addition, Mr. Thomas's recommendation that the increase be tied to inflation from 2019 and then change thereafter creates additional complexity without demonstration that it is needed. The threshold still performs the function it was intended to perform. It identifies a material level beyond which unforeseeable, extraordinary, and not utility-controlled costs may warrant separate treatment. GMP asks that the Commission keep the current threshold in place.

VII. Unamortized Debt Discount and Expense

Q20. How does GMP respond to Mr. Hunt's recommendation concerning unamortized debt discount and expense?

A20. GMP does not support the Department's proposed change. Mr. Hunt states that debt discount and issuance costs do not provide future economic benefits, are not "used and useful" utility assets, and should instead be treated as part of the cost of debt, potentially through a yield-to-maturity approach. Prefiled Direct Testimony of Steven Hunt (Hunt PFT) at Q16-17, page 9. He acknowledges, however, that the current treatment has been in place for many years and that the Commission has previously accepted rate-base treatment of unamortized debt costs where the differences between methods were small and within the zone of just and reasonable outcomes. Hunt PFT at Q18, page 10.

His testimony mentions but does not describe a possible alternative methodology, or how an alternative would affect risk sharing or produce a material customer benefit in this proceeding. GMP has used the current approach for many years. A shift to yield-to-maturity would need to be evaluated across our debt portfolio and financing practices more broadly. This would be complex; how to implement it is not clear to us, and its net effect on expense timing over time is not obvious. For those reasons, there is not a sufficient basis to change the current treatment.

The Department's discovery responses further confirm that the Department's proposal is not ready for adoption on this record. In discovery, Mr. Hunt acknowledges that he has not calculated the impact to FY27 rates and that under his approach the yield-to-maturity methodology would need to be applied to both existing debt issuances and any new debt issuances. Discovery A.GMP.DPS.2-15 and A.GMP.DPS.2-16, pages 17-18. In discovery, the Department provided an illustrative example that does not translate to GMP's actual debt issuances, cash flows, and portfolio. Discovery A.GMP.DPS.2-14, page 16, and Attachment A.GMP.DPS.2-14. We do not have information that would allow us to analyze how the proposed approach would be implemented for GMP's existing and future debt issuances or what effect it would have on rates. Mr. Hunt also states that whether any resulting difference is "material" is ultimately a regulatory judgment for the Commission and should not be limited to a quantitative assessment. Discovery A.GMP.DPS.2-17, page 19. In short, there is not a showing that this new proposal produces a specific, quantified and material customer benefit, or that it does not create new risks when applied to GMP's full debt portfolio. We ask that the Commission decline to adopt this recommendation by Mr. Hunt in favor of continuing the longstanding approach on this issue.

VIII. Return on Equity

Q21. How does GMP respond to Hunt's recommendation that ROE be fixed for the term of the MYRP?

A21. GMP does not support that recommendation. Mr. Hunt states that GMP has not sufficiently explained the annual Treasury-based formula; He also claims that the formula introduces volatility. Hunt PFT at Q23, page 13-14. The Treasury-based formula has been in place for many years, and in fact was promoted by the Department and adopted by the Commission in the 2020 regulation plan over a different methodology GMP suggested at that time. It has continued into the current MYRP in the same form it was previously approved. See August 31, 2022, Final Order at 7-8 (Case Nos. 21-3707-PET & 22-0175-TF).

GMP supports keeping this overall methodology in place. The annual ROE formula is a limited calibration mechanism intended to preserve the Plan's balance over time. It does not function in isolation; it ensures that the parties do not litigate capital market conditions annually, and it operates as part of the broader Plan design. To the extent that the methodology introduces risk of volatility, that is addressed by GMP's proposal as set forth in the Proposed Plan to extend the measurement period from three months to six months. See Prefiled Direct Testimony of Laura Doane and Rob Bingel at Q33, page 29 & Q53, page 45 and **Exh. GMP-LD-RB-1 (Rev. 2)** at Attachment 3. The Department's fixed-ROE recommendation does not "rebalance risks" but instead locks GMP and customers for four years into a single ROE set at only an initial point in time. This, along with the other simultaneous recommendations to implement other changes to deadbands, storm mechanisms, and cost-recovery features would alter the MYRP in multiple and cumulative ways that fundamentally change GMP's risk. This in turn could impact the view of investors and harm customers in the long run by changing GMP's financial strength which supports its strong customer service and programs. We note that at times when maintaining a flat ROE from one year to the next has been appropriate, just, and reasonable, GMP has proposed such an outcome, with Department support and Commission approval. Nothing about the ROE methodology set forth in the plan prevents that should it be appropriate again in the future. In fact, in the pending FY27 rate case, for example, GMP has suggested maintaining the FY26 ROE despite strong evidence that a higher ROE would be justified. GMP asks that the Commission decline to fix the ROE for the entire term of the Proposed Plan, leaving the current methodology and Proposed Plan provisions in place as proposed by GMP.

IX. Power Supply

Q22. Do you have anything to add to Ms. Fisher's testimony regarding the Department's recommendations regarding Transmission costs and the Component B Efficiency Band?

A22. Yes. Ms. Fisher addresses those recommendations and others related to Power Supply treatment in the Proposed Plan. We ask that the Department's recommendations be viewed in the context of the overall balance of the Proposed Plan. The recommendations regarding transmission costs and efficiency band adjustments would meaningfully reallocate risk within the MYRP. From a finance perspective, we think it is important to recognize that these proposals are not stand-alone. Instead, they are among several Department recommendations that would change the Plan's existing allocation of risk, would require other changes to the Plan (such as to the adjustor structure), and should therefore be evaluated as part of the broader package rather than in isolation.

X. Filing Frequency and Administrative Mechanics

Q23. How does GMP respond to Hunt's recommendation that rates be adjusted no more than twice per year?

A23. GMP continues to support the current filing schedule, which GMP has proposed to maintain in the Proposed Plan. While we understand Mr. Hunt's point that two filings per year could reduce administrative burden, we do not agree that it would improve things from a customer point of view as the proposal is not a workable alternative that preserves the benefits of the current structure. The illustrative timing of rate filings twice a year, in January and June, as proposed by Mr. Hunt would require substantially reworking the operation of the current adjustors and mechanisms and would by necessity result in fewer but larger rate changes. The recommendation is not preferable to the current filing schedule which in connection with the adjustors mechanisms creates smoother rate changes for customers.

Q24. Why should the existing rate filing cadence be retained?

A24. Quarterly adjustments align more closely with underlying cost and revenue changes and generally results in smaller and more current rate impacts than a less frequent approach would. Fewer rate changes, as proposed by the Department, are not preferable if they come at the cost of greater lag, larger collections, and the build-up of balances that must later be recovered or returned in larger increments. In addition, the structure of the primary adjustor – the Power Supply and Retail Revenue Adjustor, which includes when necessary Major Storm costs – is specifically designed around quarterly filings and includes a feature that smooths the outcome for customers when cost trends are not sustained. While we acknowledge that it is somewhat complex to administer and review, the mechanism is now well-tested and better for customers than less frequent filings that would, of necessity, not include such smoothing. In addition, quarterly filings mean that specific market-driven impacts can be timely reviewed by the Department and the Commission. Therefore, while we remain open to discussing with the Department whether there are targeted improvements to the filing schedule that should be implemented, we ask the Commission to not adopt Mr. Hunt's recommendation.

XI. Conclusion

Q25. What is GMP's overall request of the Commission regarding the Department's recommendations for the Proposed Plan?

A25. We ask that the Commission adopt what we have proposed as areas of agreement and alternatives here, and otherwise not accept the Department's finance and ratemaking related recommendations. Several of GMP's modifications, as noted, accept the Department's recommendations. Adopting the remainder of the Department's recommendations would change selected provisions without sufficient regard to their cumulative impact on the Proposed Plan as a whole. Viewed together, these recommendations would materially alter the economic and administrative balance of the MYRP. Some would shift more risk to GMP. Some would increase the amount or timing of customer collections. Some would add complexity without a demonstrated improvement in customer outcomes. GMP's alternative modifications are set forth in **Exh. GMP-LD-RB-1 (Rev. 2)**. We respectfully request the Commission approve the Proposed Plan as reflected in this exhibit.

Q26. Does this conclude your rebuttal testimony at this time?

A26. Yes, it does.

I, Laura Doane, declare that the testimony and exhibits that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

Dated at Rutland, VT on the 15th day of April, 2026.

Laura Doane
Laura Doane

I, Robert Bingel, declare that the testimony and exhibits that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

Dated at Colchester, Vermont on the 15th day of April, 2026.

Robert Bingel