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Via ePUC

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

Re: FY2026 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 2026 (FY2026 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, and October 18, 2024, in Case No. 23-3501-PET (the Plan). As detailed below, the net result for FY2026 Q3 is a \$7.935M collection from customers that, under the terms of the Plan, will be carried forward and triggers the collection on customer energy statements of \$19.358M, beginning October 1, 2026, all as further described below and in the accompanying tariff filing.¹ When combined with other previously approved amounts in effect or completed and rolling off, this results in a change to the Current Power and Major Storm adjustor line item from 8.15% to 7.52%, a 0.63% reduction² on that line item.³

Power supply and revenue results yielded a net quarterly collection of \$7.935M for FY2026 Q3, driven by higher transmission charges and the continuing impacts of the Day-Ahead Ancillary Services Initiative (DASI). While there were no Major Storms during this quarter, \$0.073M in major storm costs from a previously reported Major Storm were incurred during the quarter. These costs were entirely covered by the \$1.363M collected this quarter for the Major Storm Restoration Fund, resulting in no EMSA for the period. As in prior quarters, GMP requests through our simultaneous tariff filing that the remaining \$1.291M be applied to the

¹ See MYRP § VII.

² The PSRRA and EMSA collection will increase by 1.05%, offset by a 1.68% reduction resulting from the completion of the FY23 and FY24 ESAM collections (0.34% and 1.34%, respectively).

³ 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 June 30, 2027.

Current Cumulative Carry Forward balance of \$20.648M, as was requested and approved in prior similar quarters. This would lower the collection to \$19.358M beginning on October 1, 2026. This quarter's total net collection from customers of \$7.935M 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.

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

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

1. Power Supply and Retail Revenue Adjustor – FY2026 Q3 Results

In FY2026 Q3, power supply costs were higher than forecast while retail revenues were less than forecast. The net PSRRA calculation resulted in a collection from customers of \$7.935M:

<u>Retail Revenue Collected:</u>	<u>\$5.060M less than forecast</u>
<u>Power Supply Costs (net):</u>	<u>\$2.876M more than forecast</u>
	Component A: \$3.263 M more than forecast
	Component B: \$0.387M less than forecast
	(after adjusting for the Efficiency Band)
<u>Total FY2026 Q3 PSRRA:</u>	<u>\$7.935M</u> 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 \$5.060M lower than forecast, and retail sales were 31,521 MWh lower than forecast.⁴ This variance reflects lower revenues across all rate classes.

⁴ Total retail sales volume was 31,521 MWh, or 3.3% lower than forecast with residential sales 9,092 MWh or 2.7% lower than forecast, small C&I lower than forecast by 9,086 MWh or 2.6%, and large C&I 13,367 MWh or 5.2% lower than forecast. There was a \$0.0014 per kWh average rate variance, which was 0.7% higher than forecast.

Residential sales were \$1.460M lower, small C&I sales were \$1.649M lower, and large C&I sales were \$1.979M lower.

Power Supply

Power supply costs were higher than forecast, primarily due to higher transmission and demand charges, including DASI charges. These higher costs were partially offset by lower net metering and standard offer expenses, as well as higher balancing resale value. Overall, nominal power supply costs exceeded forecast by \$3.399M. A detailed breakdown follows:

Component A

Component A costs were \$3.263M above forecast, primarily due to higher transmission charges and net DASI charges recorded in the ISO demand charges line of Attachment 1.

Despite strong performance from our energy storage systems and flexible load resources, Regional Network Service (RNS) charges exceeded forecast due to more extreme weather conditions. In April, May, and June, our load reduction strategies were able to effectively lower our RNS peak loads by 11 MWs, 32 MWs, and 38 MWs, respectively. These actions reduced our RNS charges by more than \$1.2M compared to if no action was taken. However, actual peaks resulted in actual charges that were about \$2.0M higher than budgeted.

As previously reported, DASI replaced the Forward Reserve Market (FRM), effective March 1, 2025. Because GMP's benchmark costs were set before there was any operational experience in the DASI market, forecasted costs were based on historical FRM charges. Gross DASI charges for the quarter totaled \$1.860M and were partially offset by \$0.715M in revenues earned through GMP's active market participation, resulting in net DASI costs of \$1.145M. Although substantially lower than the prior quarter, net DASI costs remained approximately \$0.800M above benchmark. The lower DASI charges were the result of seasonally lower LMPs, as well as the implementation of the first of the IMM's recommended programmatic changes—the reduction of the non-performance factor (NPF) to more accurately reflect resource performance in the region. By the fall, ISO-NE is aiming to implement the other two recommended changes by increasing the strike price and reducing the forecast energy (FER) to better reflect renewable generation; each of these adjustments are expected to yield changes that will moderate costs.

Component B

Gross Component B costs were \$0.136M higher than forecast. Although several individual line items experienced significant variances, favorable and unfavorable impacts largely offset one another, resulting in overall costs that were generally consistent with forecast.

During the quarter, we had net-balancing sales of about 2,700 MWh compared to the benchmark expectations of about 20,000 MWh of net balancing purchases. Following completion of the benchmark budget, GMP entered into new energy purchase and sale agreements with NextEra for the sale of 33,600 MWh, resulting in a \$1.680M favorable variance while reducing net balancing sales. We also executed a 12,000 MWh overnight energy purchase

that was not included in the benchmark. When considering the new transactions with NextEra and BP, higher actual energy deliveries from Great River Hydro, Ryegate and McNeil, and lower loads, our overall net balancing costs for the quarter were about \$1.477M lower than benchmark expectations.

Also as reported last quarter, the annual HQUS PPA price adjustment that took effect last November contributed \$0.5M to the unfavorable variance this quarter and that variance will persist through the end of the fiscal year.

GMP's owned zero-fuel-cost resources including hydro, Kingdom Community Wind and Searsburg generated as forecasted. While some purchased hydro resources—including Great River Hydro, FirstLight and other small producers—delivered more energy than projected, others, including Sheldon Springs and LaChute—underperformed. Overall, purchased and owned hydro resources generated 14,000 MWh more than forecast. Offsetting this higher generation was lower generation from net metering standard offer, solar PPAs and owned solar by 13,600 MWh, which also lowered contract costs.

Although the gross Component B cost variance was relatively small, retail sales volumes were more than 3.3% below forecast, resulting in a \$2.468M Component B cost variance under the PSRRA calculation. Consistent with the Plan, GMP absorbed the full amount of the Efficiency Band adjustment, reducing the customer impact by \$0.523M and resulting in a net Component B credit to customers of \$0.387M 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 \$7.935M for the quarter.

II. Exogenous Major Storm Adjustor – FY2026 Q3 Results

Vermont did not experience any Major Storm as defined in GMP's regulation plan in FY2026 Q3, but did report some Major Storm costs associated with a FY2024 Major Storm. Major Storm costs invoiced this quarter totaled \$0.073M.

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.⁶ Consistent with prior quarters, GMP's tariff filing accompanying this report requests that the \$1.291M collected through the Major Storm Restoration Fund that was not used to cover invoices received this quarter be credited against Major Storm and PSRRA costs, as reflected in the chart below, to reduce customer collections.

⁵ The Efficiency Band amount was based on a higher per unit Cost Variance (\$0.00268/kWh Component B rate variance) coupled with retail sales volume of 922,435 MWh.

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 has not yet been incurred.

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
FY2026 Q2	\$0	\$0	\$0	\$1,718,883 (including \$22,588 interest)	\$0	\$1,718,883 ¹²
FY2026 Q3	\$72,606	\$0	\$72,606	\$1,363,485 (including \$22,507 interest)	\$0	\$1,290,879 ¹³

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

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 This amount was applied against the accumulated balance approved for collection as of April 1, 2026, in Case No. 26-0198-TF.

¹² GMP has requested to apply this amount against the accumulated balance proposed for collection as of July 1, 2026, in the accompanying tariff proceeding.

¹³ GMP has requested to apply this amount against the accumulated balance proposed for collection as of October 1, 2026, in the accompanying tariff proceeding.

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, FY2026 Q3 and FY2026 Q2 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 \$1.291M to the FY2026 Q2 Cumulative Carry Forward balance of \$20.648M to lower the required collection to \$19.358M, which will be combined with other previously approved amounts and reflected on customers' energy statements beginning October 1, 2026. This quarter's collection of \$7.935M will be carried forward to the next quarterly report.

The chart below reflects the results of FY2026 Q3, and the calculation of the Cumulative Carry Forward since the start of FY2025:

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
FY2025 Q1	\$1,253,202	\$0	\$1,253,202	\$8,807,842	Apr-2025	n/a
<i>Adjusted FY2025 Q1 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2025 Q2.</i>		(\$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
<i>Adjusted FY2025 Q3 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2025 Q4.</i>		(\$1,503,287)		\$5,888,161		
FY2025 Q4	\$13,636,148	\$0	\$13,636,148	\$13,636,148	Jan-2026	\$5,888,161
<i>Adjusted FY2025 Q4 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2026 Q1.</i>		(\$1,447,610)		\$12,188,538		
FY2026 Q1	\$14,619,489	\$0	\$14,619,489	\$14,619,489	Apr-2026	\$12,188,538
<i>Adjusted FY2026 Q1 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2026 Q2.</i>		(\$1,718,883)		\$12,900,606		

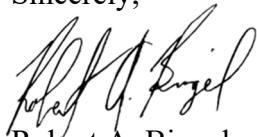
Measurement Period	PSRRA \$	Exogenous Major Storm Adjustor/ Restoration Fund Balance Applied \$	Quarterly Net Adjustment \$	Cumulative Carry Forward \$	Collection/ Return Begin Date	Collection (Refund) to Customers
FY2026 Q2	\$20,648,447	\$0	\$20,648,447	\$20,648,447	Jul-2026	\$12,900,606
<i>Adjusted FY2026 Q2 Cumulative Carry Forward reflecting application of Major Storm Restoration Fund balance at end of FY2026 Q3.</i>		(\$1,290,879)		\$19,357,568		
FY2026 Q3	\$7,935,478	\$0	\$7,935,478	\$7,935,478	Oct-2026	\$19,357,568

Concurrent with this report, GMP is filing a tariff request to make this adjustment to customers' energy statements. If approved, the proposed adjustment will reduce the one line item percentage by 0.63%, from the 8.15% approved in the FY26 Q2 Adjustor proceeding, to 7.52% effective October 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*)