

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. _____

Petition of Green Mountain Power for approval of)
a multi-year regulation plan pursuant to 30 V.S.A.)
§§ 209, 218, and 218d)

**GREEN MOUNTAIN POWER’S PETITION
FOR APPROVAL OF A MULTI-YEAR REGULATION PLAN**

Green Mountain Power (“GMP”) petitions the Public Utility Commission (“Commission”) under 30 V.S.A. §§ 209, 218, and 218d to approve a Multi-Year Regulation Plan (“Plan”) regarding GMP’s rates and service for the period from October 1, 2019 through September 30, 2022. In support of its petition, GMP states as follows:

1. GMP is a Vermont corporation engaged in the manufacture, transmission, distribution, and sale of electricity directly to the public. Its principal office is located at 163 Acorn Lane, Colchester, Vermont 05446.
2. GMP seeks a Multi-Year Regulation Plan as set forth below because with significant shifts in the energy landscape that have altered the assumptions underlying traditional utility regulation, such a plan will better align rate setting with customer and GMP goals of low cost, highly reliable electricity service that is more local, renewable, and innovative.
3. As an integrated electric utility, GMP is subject to the Commission’s regulatory authority over its electric rates and service. *See* 30 V.S.A. §§ 203, 209, 218, 218d, 219, 225, 226, 227.
4. GMP is currently subject to a Temporary Limited Interim Regulation Plan (“Interim Plan”), which ends no later than December 31, 2019. *See Petition of Green Mountain Power Corporation for approval of a temporary limited regulation plan pursuant to 30 V.S.A. §§ 209, 218 and 218d*, Case No. 17-3232-PET (Vt. Pub. Util. Comm’n. May 24, 2018); *Petition of Green*

Mountain Power Corporation for approval of a temporary limited regulation plan pursuant to 30 V.S.A. §§ 209, 218 and 218d, Case No. 17-3232-PET (Vt. Pub. Util. Comm’n. Nov. 29, 2017).

5. On April 13, 2018, GMP filed a traditional rate case seeking to set rates for the period from January 1, 2019 through September 30, 2019 (“2019 Rate Period”). *See* Case No. 18-0974-TF.

6. GMP is requesting that the Multi-Year Regulation Plan take effect on October 1, 2019 for a period of three years (through fiscal year 2022), in order to align with GMP’s current rate filing and provide a smooth path for customers. This three-year period also aligned with the end of the ten-year measurement period for guaranteed customer savings based upon a fixed Operations & Maintenance Platform, as set forth in the CVPS Merger Order, Docket No. 7770.

7. In support of this petition, GMP is filing the proposed Multi-Year Regulation Plan and prefiled testimony and exhibits of Mary G. Powell, Edmund F. Ryan, Doug Smith, Brian Otley, and James F. Coyne.

8. The Multi-Year Regulation Plan is positive for GMP’s customers because it proposes to fix upfront specific yearly spending amounts for GMP in key areas, such as capital projects, through the Plan period and to adjust base rates annually based upon forecasts for other items within the Company’s cost of service. The Plan also requires quarterly collections or returns to customers based upon the variance of the forecasted amounts included in base rates and the actual costs and revenue of the Company for power supply, and includes mechanisms to pay for Major Storms and to promote innovative programs that support energy transformation and cost savings for customers, all as further described in the supporting testimony and exhibits accompanying this petition. GMP built the Plan based upon lessons learned and material

submitted by parties in the Public Utility Commission's "Future of Regulation" workshop, Case No. 17-3142-PET.

9. Under Section 218d, approval of GMP's Multi-Year Regulation Plan requires the Commission find, after a hearing, that the Plan meets the criteria established in 218d(a), (b), and (m). The prefiled testimony and exhibits accompanying this petition demonstrate that the Multi-Year Regulation Plan meets these criteria because the Plan:

1. Establishes a system of regulation in which GMP will have clear incentives to provide lease-cost energy service to its customers (§218d(a)(1));
2. Provides for just and reasonable rates for service to all classes of customers (§218d(a)(2));
3. Results in the delivery of safe and reliable service (§218d(a)(3));
4. Offers incentives for innovations and improved performance that advance state energy policy, such as increasing reliance on Vermont-based renewable energy and decreasing the extent to which the financial success of distribution utilities between rate cases is linked to increased sales to end use customers and may be threatened by decreases in those sales (§218d(a)(4));
5. Promotes improved quality of service, reliability, and service choices (§218d(a)(5));
6. Encourages innovation in the provision of service (§218d(a)(6));
7. Establishes a reasonably balanced system of risks and rewards that encourages GMP to operate as efficiently as possible using sound management practices (§218d(a)(7));
8. Provides a reasonable opportunity, under sound and economical management, to earn a fair rate of return, provided such opportunity must be consistent with flexible design of alternative regulation and with the inclusion of effective financial incentives in such alternatives (§218d(a)(8));
9. Shares savings resulting from the plan with ratepayers (§218d(b));
10. Will not have an adverse impact on GMP's eligibility for rate-regulated accounting in accordance with generally accepted accounting standards (§218d(m)(1)); and
11. Reasonably preserves the availability of equity and debt capital resources to GMP on favorable terms and conditions (§218d(m)(2)).


30 V.S.A. §§ 218d (a), (b), and (m).

WHEREFORE, GMP respectfully requests that the Commission:

- (a) Schedule a prehearing conference on this petition as quickly as possible and issue an order establishing procedural requirements, including scheduling public hearings, workshops, and technical hearings, as the Commission deems appropriate for its review of the Multi-Year Regulation Plan;
- (b) Make findings of fact and conclusions of law with respect to the matters set forth in this petition, and issue an order within the timeframe set forth in Section 218d approving the proposed Multi-Year Regulation Plan, allowing for rates to be set for GMP's fiscal years 2020, 2021, and 2022 commencing in October 1, 2019; and
- (c) Take any other actions the Commission deems necessary or advisable in connection with this petition.

Dated at Burlington, Vermont this 4th day of June, 2018.

GREEN MOUNTAIN POWER CORPORATION

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