

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 18-1633-PET

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

**SUPPLEMENTAL PREFILED TESTIMONY OF
EDMUND F. RYAN
ON BEHALF OF GREEN MOUNTAIN POWER**

October 9, 2018

Summary of Testimony

Mr. Ryan supplements his Direct Testimony of June 4, 2018, submitted as part of the initial filing of this proceeding, by providing details on the effect of the Term Contract settlement entered into between Green Mountain Power (“GMP”) and GlobalFoundries U.S. 2 LLC (“GlobalFoundries”), as filed with the Public Utility Commission (“PUC” or “Commission”) on September 11, 2018 in Case No. 18-3160-PET.

**SUPPLEMENTAL PREFILED TESTIMONY OF
EDMUND F. RYAN
ON BEHALF OF GREEN MOUNTAIN POWER**

1 **Q1. Please state your name and position.**

2 A1. My name is Edmund F. Ryan, and I am employed by Green Mountain Power as
3 Controller.

4

5 **Q2. Have you previously submitted testimony in this proceeding?**

6 A2. Yes, I previously provided prefiled direct testimony in this proceeding dated June 4,
7 2018.

8

9 **Q3. What is the purpose of your testimony today?**

10 A3. I update my testimony to set forth the effects on our Multi-Year Regulation Plan
11 ("Regulation Plan") of the Term Contract entered as a settlement in this matter.

12

13 **Q4. Please summarize the aspects of the Term Contract that affect the proposed**
14 **Regulation Plan.**

15 A4. Kristin Carlson has filed supplement testimony in this matter setting forth in full the
16 Term Contract and its provisions, so that the Commission can review it as needed in this
17 proceeding. The Term Contract has limited impact on the provisions of our proposed
18 Regulation Plan. The Term Contract calls for GMP to provide GlobalFoundries the
19 -2.73% downward adjustment to its rates effective January 1, 2019 as called for in its
20 Rate Design class allocation recommendation for Transmission Class 70 in Case No. 18-

1 2650-TF. It also freezes GlobalFoundries' rates until September 30, 2022, the same
2 ending date proposed for the Regulation Plan. The impact of this rate freeze on other
3 customers ultimately depends upon the rates that GMP seeks in each of the years covered
4 by the proposed Regulation Plan. Based upon current projections, GMP anticipates the
5 rate freeze will cause less rate pressure during each year of the regulation plan period
6 than in the 2019 rate period. If GMP is able to keep rate increases flat in any year, the
7 rate freeze would have zero impact on other customers. Meanwhile, a decrease would
8 mean that the rate freeze would actually have a beneficial impact for other customers.

9 The Term Contract also calls for GlobalFoundries to be exempt from charges or
10 credits that are created by the Power Supply and Exogenous Change (Major Storm)
11 Adjustors proposed by the Regulation Plan.

12
13 **Q5. Does the Term Contract require amendment of the proposed Regulation Plan filed**
14 **in this matter?**

15 A5. No substantive amendment is required. We will add a recitation in the Regulation Plan
16 making clear that we will implement it in conformity with other relevant and effective
17 Commission orders, including the Term Contract if approved.

18
19 **Q6. How does the exclusion of GlobalFoundries from these adjustors affect other**
20 **customers under the current and proposed Regulation Plan?**

21 A6. First let me clarify the interplay between the adjustors in GMP's currently-effective
22 regulation plan and this Term Contract. In the currently-effective regulation plan, there

1 are no Power Adjustors that are being collected from customers that apply to
2 GlobalFoundries. Furthermore, the current regulation plan calls for no further Power
3 Adjustor to affect customers (positively or negatively) until Fiscal Year 2020. The
4 Exogenous Change Adjustor for Major Storms is measured annually, and the next such
5 Adjustor, for the January 1, 2018 to December 31, 2018 measurement period, will be
6 filed no later than June 1, 2019. GMP has made clear in its testimony in this Multi-Year
7 Regulation Plan proceeding that we do not plan to seek any Exogenous Change Adjustor
8 for Major Storm costs through the end of its current regulation plan. Rather, GMP
9 proposes to move to a new way to handle Major Storm collections that reduces the cost
10 pressure of stacked costs for GMP's customers, as set forth in my Direct Testimony in
11 this matter. *See* pages 18 line 6 through page 24 line 3.

12 As to the effect of the Power Supply Adjustor ("PSA") exemption for
13 GlobalFoundries in the proposed Regulation Plan, the impact on other customers will
14 depend upon the level and amount of any credit or charge. Importantly, GlobalFoundries
15 has asked to be exempted altogether from the PSA, even though it knows that the PSA
16 may be beneficial to customers. Stability is the key outcome GlobalFoundries sought
17 from this exemption. The reasoning for their exemption is further described in the
18 testimony sponsored by Kristin Carlson.

19 Regarding the Major Storm Adjustor, GlobalFoundries has consistently argued
20 that it should not pay for repair to GMP's distribution system because it is not connected
21 at the distribution level and instead maintains its own subtransmission and distribution
22 system at significant cost. Under the exemption as applied to GMP's proposed plan, the

1 costs of the \$8 million annual collection would be charged against all customers other
2 than GlobalFoundries, spreading the approximately 6% share of that amount that
3 otherwise would be charged to GlobalFoundries to those customers that are connected to
4 GMP's distribution system. However, any credits back for overcollection also would not
5 flow to GlobalFoundries. Furthermore, GlobalFoundries would be subject to the
6 Exogenous Change Adjustor for expenditures that are reasonably related to transmission
7 infrastructure repairs, as approved by the Commission through GMP's Exogenous
8 Change adjustor filings.

9
10 **Q7. Are there any other impacts of the Term Contract on the proposed Regulation**
11 **Plan?**

12 A7. No.

13
14 **Q8. Does this conclude your testimony?**

15 A8. Yes, it does.