

Summary of New Plan Major Elements - Comparison w/ Current Plan

Category	Element	New Plan (FY23-FY26 + Extension)	Plan Section #	Note on Changes vs. Current Plan
Infrastructure Costs	Capital Expenditures	FY23 set based on known & measurable during FY23 rate case, subsequent years set based upon known project budget targets by department. Includes Climate Plan projects and ongoing New Initiative spending, including any renewal of ESS/BYOD tariffs. Annual plant additions will be based on budgets provided and approved during FY23 rate case. Like Current Plan, GMP shall be held to cumulative plant additions during the term of the Plan not to exceed the total of the annual approved capital expenditure amounts, subject to unexpected circumstances/strategic opportunities exception, described separately below; newly approved tariffs for New Initiatives program costs, also described below; and any approved Broadband Tariff expenses per Commission Order in Case No. 21-0544-TF.	Sec. IV(A)(1)(i)	Updated
	Depreciation	Fixed for the term of the Plan based on FY23 case and projected plant in service balance at the beginning of the Plan, the expected annual plant additions, and known retirements; may only be adjusted to reflect any allowed capital expenditure approved by the PUC under other Plan exceptions. New depreciation study to be conducted FY25 and will be implemented during next traditional rate case or future regulation plan.	Sec. IV(A)(1)(ii)	Updated
	Property Taxes	Fixed during the Plan term based on FY23 case and three-year forecast of expected property taxes, taking into account the fixed capital expenditures identified above; may only be adjusted to reflect any allowed capital expenditure approved by the PUC under other Plan exceptions.	Sec. IV(A)(1)(iii)	No Change
Power Supply Costs and Retail Revenue	Energy, Capacity, RECs, Ancillary Services, Transmission, Generation O&M Costs & Retail Revenue	FY23 case + three-year forecast at beginning of Plan, and then updated annually in Annual Base Rate filing (starting June 1, 2024). Adjustors used to true up power costs and retail revenue. See below.	Sec. IV(B)	No Change
Financing Costs	Debt	FY23 + three-year estimated debt costs will be fixed for the term of the Plan, subject to any changes in debt levels necessitated by the PUC's approval of additional expenditures under the terms of the Plan (which would be incorporated in the next Annual Base Rate update). 50/50 debt/equity ratio for life of Plan.	Sec. IV(A)(3)(i)&(ii)	No Change

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	Equity	Starting Return on Equity set in FY23 rate case. Use same adjustment methodology as in Current Plan (50% change in the 10-year Treasury over three-month measurement period, Feb 16-May 15).	Sec. IV(D) & Attachment 3	No Change
O&M	For subcategories see Attachment 1(c) to New Plan.	With end of merger savings platform, each O&M category will be treated under New Plan as either (1) fixed for term of the Plan based on FY23 + three year-forecast; (2) adjusted annually by formula based on established inflation factor; or (3) reforecast annually for those categories that are outside of GMP control, or are subject to annual fixed price bidding. Updated or reforecasted items will be filed with Annual Base Rate Filing (starting June 1, 2024).	Sec. IV(A)(2) & Attachment 1c	New
Other Costs	Taxes: Federal, State, & Other Non-Prop Taxes	Annually forecasted and adjusted based on adjusted ROE (or based on revenue/power costs for gross revenue and fuel taxes) for each rate year; filed with Annual Base Rate filing (starting June 1, 2024).	Sec. IV(C)	No change
	Earnings in Affiliates	Investments in VT Transco and equity in earnings associated with such investments will be based on FY23 + three-year forecast at beginning of Plan, and updated annually with each Annual Base Rate filing. All other equity in affiliates will remain fixed for term of the Plan based on FY23 + three-year forecast at start of Plan.	Sec. IV(A)(4)	Updated
	Other Costs & Revenues	Categories of non-power costs & revenues not addressed in components above are set for term of the Plan based on FY23 + three-year forecast (per Attachment 1(a) to Plan).	Sec. IV(A)(5)	No Change
Rate-Smoothing Mechanisms	Initial Rate-Smoothing Mechanism	Continues same Initial Rate-Smoothing Mechanism from Current Plan. Initial Projected Smoothed Base Rate established at beginning of Plan based on FY23 rate case and forecasts for FY24-FY26 cost of service, to be provided during FY23 rate case. Regulatory asset or liability account established based on forecast. Annual amount is then either added to or subtracted from forecasted revenue requirement for FY23, FY24, FY25, and FY26 to set projected smoothed base rate for each FY.	Sec. V	No Change

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	Subsequent Year Smoothing Option	New Plan includes option for additional rate smoothing in FY24, FY25, and FY26 to minimize rate variability for customers, subject to Commission approval	Sec. V	New
Adjustors	Power Supply & Retail Revenue Adjustor ("PSRRA")	<p>Power Supply/Retail Revenue Adjustor ("PSRRA") to follow existing approved, revised methodology per Commission Order in Case No. 20-1401-PET, with addition of a \$1M threshold for collections/returns when netted with Major Storm Adjustor.</p> <p>Retail Revenue Adjustor collects or returns to customers the difference between the actual retail revenue every measurement quarter and the forecasted retail revenue amount included in base rates for that quarter.</p> <p>The Power Supply Adjustor collects or returns to customers difference between the actual power supply costs every measurement quarter and the forecasted power supply costs included in base rates for that quarter, as adjusted by Power Supply Efficiency Calculation (for Component B costs).</p> <p>The calculated variance for these two Adjustors will be netted against the Major Storm Adjustor, and collected from or returned to customers through a separate bill line item, according to methodology established in New Plan (which nets adjustments quarter to quarter, and only collects or returns to customers when net quarterly adjustment moves in the same direction two quarters in a row and is greater than \$1M total, otherwise net quarterly adjustment will be carried forward to next quarter and netted against future adjustments).</p>	Sec. VI (A)(1-3) & Sec. VII	Updated

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	Exogenous (including Storm) Adjustor	<p>Non-Storm Exogenous Adjustor and all components of Major Storm Adjustor, including \$1.2M Major Storm Threshold/\$1.2M Major Storm deductible continue as under Current Plan, with minor clarifications of examples of Non-Storm Exogenous Events.</p> <p>Major Storm collection/return continues in the manner presently approved by Commission Order in Case No. 20-1401-PET, with addition of a \$1M threshold for collections/returns, as described above in PSRRA.</p> <p>Separate line item for the “past storm and power fixed charge,” which collected accumulated costs from a prior regulation plan terminates 9/30/2022.</p>	Sec. VI(B)(1), (2) & Sec. VII	Updated
	Major Storm Restoration Fund	Major Storm Restoration Fund added to be used to offset Major Storms or other exogenous events or costs as approved by the Commission during the term of the Plan.	Sec. VI(B)(3)	New
	Earnings Adjustor Sharing Mechanism ("ESAM")	ESAM continues 50+/- efficiency band and asymmetrical sharing bands (50-125bp above and 50-150bp below), with 75% of the revenue benefit above returned to customers, or 50% of the revenue impact of lower earnings collected from customers.	Sec. VI(C)	No Change
Other	Innovative Pilot Program	Innovative Pilot program continues with slightly revised eligibility requirements per Attachment 2 to the Plan. Non-tariffed New Initiatives and Innovative Pilots will be included in base capital amounts.	Sec. VIII (B) & Attachment 2	Updated
	Tariffed New Initiatives	Newly tariffed New Initiative programs approved by the Commission during the term of the Plan will be incorporated into annual capital amounts when approved by Commission following standard tariff review process, which require conclusion that programs will result in just and reasonable rates. See Capital Summary above.	Sec. IV(A)(iv)	New
	Service Quality and Innovation & Performance Metrics	Reporting on both Innovation & Performance metrics and Service Quality & Reliability continues as required under Current Plan.	Sec. VIII(D), (C) & Attachment 7	No Change

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		New Performance Metrics proposed for Fleet Electrification and Low/Moderate Income Programs.	Attachment 7	New
	Cybersecurity Plan & Cloud Capital Expenses	Given evolving cybersecurity risks and developing federal standards, Plan provides opportunity for GMP to seek Cybersecurity Plan during term of the Plan proposing additional capital expenditures and/or operational & maintenance expenses for additional cyber security investments. As part of Cybersecurity Plan, GMP may also propose specific treatment of any associated software as a service or cloud expenses, beyond current GAAP treatment for capitalized implementation costs.	Sec. IV(A)(7)	New
	Opener for Unforeseen Strategic Cap Ex	Unexpected circumstances/strategic opportunities exception continue subject to PUC approval, consistent with Current Plan. Updated to cover expenses and revenues associated with unexpected circumstances/strategic opportunities, not just capital, in light of O&M Platform expiration.	Sec. IV(A)(6)	Updated
	Ability to seek rate case—exit clause	As with Current Plan, New Plan allows GMP or Department to terminate the Plan and go to traditional case if costs become materially disconnected from what is in rates.	Sec. I	No Change
Term and Extension		Four-year term, with first year set based on FY23 rate case + Initial Rate-Smoothing Mechanism. One-year extension possible subject to Commission approval.	Sec. I	New