~~Exhibit GMP-ER-RB-7~~
~~(GMP-ER-RB-1 rev.)~~
Exhibit PSD-SGW-1

GREEN MOUNTAIN POWER MULTI-YEAR REGULATION PLAN
Proposed September 1, 2021
Revised January 18, 2022
Revised April 20, 2022

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LIST OF ATTACHMENTS

This Plan constitutes a form of regulation for Green Mountain Power ("GMP" or the "Company") under 30 V.S.A. § 218d. The Plan governs the ~~manner in which~~way the electric rates of GMP will be regulated by the Public Utility Commission (the "PUC" or "Commission") during the term of the Plan, and a record of filings of all adjustments occurring out of this Plan shall be filed as a compliance tariff.

I. TERM

The Plan shall take effect on September 1, 2022 for rates effective October 1, 2022 and shall terminate on September 30, 202~~6~~5, unless a one-year optional extension is approved by the Commission. The Plan shall be divided for reference herein into the following rate periods:

FY23	October 1, 2022-September 30, 2023
FY24	October 1, 2023-September 30, 2024
FY25	October 1, 2024-September 30, 2025
~~FY26~~	~~October 1, 2025-September 30, 2026~~

Rates incorporating adjustments allowed under this Plan shall continue beyond the termination date, as provided in Section VI(D) below. The Plan may be terminated or modified upon request of the Company and/or the Department of Public Service ("DPS" or "Department") and subject to approval by the Commission. Unless otherwise ordered by the Commission, GMP shall file a cost-of-service rate case prior to the termination of the Plan to cover rates for the fiscal year following the termination of the Plan.

II. SUMMARY OF MULTI-YEAR REGULATION PLAN COMPONENTS

The proposed Plan consists of several components, which together are designed to address each of the specific elements of GMP's overall cost of service. These include components that will be fixed for the term of the Plan based on a reviewed forecast at the beginning of the Plan; components that are adjusted year to year based on a formula; and components where costs and revenues will be reforecast annually and then adjusted to collect or return actual costs and revenues in each fiscal year. The specific treatment of each aspect of the company's cost of service and rate base are identified in **Attachments t(a), t(b) & t(c)**, which describes whether the component will be fixed at the outset of the Plan, forecasted, and adjusted annually, or based upon a formula or calculation performed annually.

One of the goals of the Plan is to develop a smooth rate path for GMP's customers over ~~four years~~the term of the Plan. This will be accomplished by:

(1) Setting a base rate for the first year of the Plan, FY23, after a cost of service review;

~~(1)~~(2) Developing~~, at the beginning of the Plan,~~ an Initial Projected Smoothed Base Rate change ~~for the term of the Plan~~ after FY23;

~~(2)~~(3) Locking certain non-power costs for the term of the Plan;

~~(3)~~(4) Adjusting annual base rates after FY23 only to incorporate changes in such items as certain O&M costs, power supply costs, revenue, income taxes, changes in ~~return on equity~~cost of capital, and other specific adjustments approved by the PUC under this Plan;

~~(4)~~(5) Providing an option to further smooth annual rate adjustments, as described in Section V of this Plan;

~~(5)~~(6) Continuing the netting of the Revenue, Power Supply and Major Storm Adjustor and only implement collection/return of the netted adjustment when the direction of collection/return goes in the same direction two quarters in a row and is at least $lM, which has proven to be an efficient mechanism to smooth the collection/return of these adjustments; and

~~(6)~~(7) Incorporating a Major Storm Restoration Fund as described in Section VI of the Plan, to offset costs.

The Plan also supports continued innovation and performance by GMP for customers through provisions for Innovative Pilots and reporting metrics to support service quality, resiliency, energy supply, and load control goals, among others.

III. PROCESS FOR ESTABLISHING ANNUAL BASE RATES

A. ~~Initial Year (~~FY23~~)~~ and Initial Forecasted FY24 to FY2~~5~~6 Base Rate Changes

The ~~Initial Base Rates for~~ FY23 base rate change shall be reviewed and established as approved in GMP's FY23 Rate Case. ~~including the Initial Rate-Smoothing Mechanism ("IRSM") described more fully in Section V below.~~

During the FY23 Rate Case, GMP will file its initial forecasts of~~Forecasted~~ the FY24 to FY25~~6~~ base rate changes ("Initial Forecasts") which will set for the term of the Plan many of the FY24 to FY25~~6~~ cost of service and rate base components in accordance with **Attachments t(a), t(b) & t(c)**~~to provide an Initial Projected Smoothed Base Rate for all four years of the Plan, using the rate-smoothing methodology set out in Section V, below~~. The FY24 to FY25~~6~~ Initial Projected Smoothed Base Rate change will be provided on June 1, 2023, when GMP files its FY24 to 25~~6~~ updated forecasts ("Updated Forecasts") prepared in accordance with **Attachments t(a), t(b) & t(c),** as part of its FY24 annual base rate filing, using the rate smoothing methodology set out in Section V, below.

B. Timing for Annual Base Rate Filing (FY24 and~~,~~ FY25~~, FY26~~)

Subsequent base rate filings shall be made on June **1** of each year (starting June 1, 2023) and include the expected base rate adjustments for the following year of the Plan, based on any annual adjustments authorized under the Plan and application of the Rate-Smoothing Adjustment discussed more fully in Section V below. These Annual Base Rate Filings shall be accompanied by a narrative explanation of information reasonably needed to assist in understanding the filing.

C. Notice

The Annual Base Rate Filing shall be posted on the Company website at the time of filing, and the Company shall provide individual customer notice through bill notification of each Plan period's Base Rate Annual Adjustment when its request to effectuate those changes is filed.

D. Review and Approval

The Commission's Order in the FY23 Rate Case ~~along with approval of this Plan's Initial Rate-Smoothing Mechanism, described in Section V,~~ shall set the FY23 ~~Initial~~ Base Rate. The proposed Annual Base Rate filings thereafter shall be subject to DPS review and comment (including independent expert review, as needed), and PUC approval. The Department shall file comments on the Company's Annual Base Rate Filings within 60 days of the filing. Final rates for the coming fiscal year shall be set by the PUC no less than 30 days prior to the start of the fiscal year.

E. Schedule for Filings

The schedule for all required filings under this Plan is outlined in **Attachment 8**, including the Annual Base Rate filings discussed in this section, Adjustor filings discussed in Section VI, and the Innovation and Performance Metrics discussed in Section VIII(D).

IV. COMPONENTS OF ANNUAL FY24 TO FY25~~6~~ BASE RATES

GMP's FY24 to FY25~~6~~ base rate changes shall consist of certain locked non-power cost components, plus forecasted non-power cost components, and forecasted power supply, ~~revenue~~revenue, and income tax components. As set forth below, some cost components will be refreshed annually based on updated forecasts. The forecasted rates will also incorporate a return on equity component, which will be adjusted annually based on an ROE formula set in the Plan.

~~At the beginning of the Plan,~~ On June 1, 2023, GMP will file ~~develop~~ an Initial Projected Smoothed FY 24 to FY25~~6~~ Base Rate change and will use the Initial Rate-Smoothing Mechanism set forth in Section V to smooth out anticipated variation in ~~overall~~ rates during the remaining term of the Plan.

The Forecasted FY24 - FY25~~6~~ base rate changes will consist of:

(l) Non-power cost forecast for FY24 &~~,~~ FY25~~, & FY26~~;
(2) Power supply & revenue forecast for FY24 &~~,~~ FY25~~, & FY26~~; ~~(2)~~(3) Cost of debt for FY24 &~~,~~ FY25~~, & FY26~~
~~(3)~~(4) Income tax, ADIT forecast for FY24 &~~,~~ FY25~~ & FY26~~; plus
~~(4)~~(5) 2 ~~3~~-year estimated ROE.

The treatment of all cost categories year to year (e.g., fixed, forecasted, or annually adjusted) is set forth in **Attachments t(a), t(b), and t(c)**.

Annual Base Rate filings for ~~FY24,~~ FY25~~ and FY26~~ will adjust the Initial Projected Smoothed Base Rates filed with the FY24~~3~~ Rate Case to account for annual adjustments authorized under the Plan. The FY24 and~~,~~ FY25 ~~and FY26~~ Annual Base Rate filings will refresh certain non-power costs, the power supply & revenue forecasts, income taxes

& ADIT, and the adjustment for ROE provided by the formula established in the Plan, plus any other changes authorized by the PUC under the specific provisions of this Plan. These adjustments to the Initial Projected Smoothed Base Rate may be further smoothed as described in Section V below to result in the annual base rate change for ~~FY24,~~ FY25 ~~and FY26~~ filed with the Commission in~~each~~ June and subject to review by the Department and approval by the Commission.

In setting the proposed Annual Base Rates for each fiscal year, the components of GMP's cost of service shall be established as follows, consistent with **Attachments t(a), t(b), and t(c)**:

A. Non-Power Costs (Forecast & Fixed)

1. *Infrastructure Costs (Capital Expenditures, Depreciation, Property Taxes)*

i. Capital Expenditures

Overall base capital expenditures that are closed to Plant In Service during each fiscal year of the Plan is expected to be equal to the following amounts:

FY23 *Set in FY23 Rate Case;*
FY24 *Established as part of FY23 Rate Case;*
FY25 *Established as part of FY23 Rate Case;*
~~FY26 *Established as part of FY23 Rate Case.*~~

These amounts will include GMP's anticipated Plant Additions during each fiscal year, including climate resiliency work ~~similar to~~like work described in the Climate Plan approved by the Commission in Case No. 20-0276-PET, ongoing new initiatives capital ~~projects, and~~projects and forecasted amounts for GMP's anticipated capital spending for customer battery storage such as through an extension of the Energy Storage System ("ESS") program. These amounts will remain fixed in rates unless supplemented with approved new initiative tariff plant additions (see Section IV(A)(l)(iv)), approved Unexpected Circumstances and Strategic Opportunities plant additions (see Section IV(A)(6)), Cybersecurity plant additions (Sections IV(A)(7)), and any annual broadband deployment work as approved by the Commission in Case No. 2l-0544-TF or otherwise allowed in support of the State's broadband deployment goals during the term of the Plan. The actual annual plant additions will vary from year to year based upon the timing of capital project completions and the closing of projects from the Construction Work in Progress balance to the Plant in Service balance, but 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.

ii. Depreciation Costs

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 known retirements. _This forecast may only be adjusted to reflect any allowed capital expenditures approved by the PUC year to year as discussed in Section IV(A)(l)(i) above. _GMP will perform an updated depreciation study in FY25, which will be reviewed and incorporated into future rates or regulation plans as approved by the Commission.

iii. Property Taxes

Property taxes are fixed ~~during the Plan term~~ based on the Initial Forecasts ~~a three-year forecast~~ of expected property taxes, ~~taking into account~~considering the fixed capital expenditures identified above._ This forecast may only be adjusted to reflect any allowed capital expenditures approved by the PUC year to year as discussed in Section IV(A)(l)(i) above.

iv. New Initiative Tariffed Offerings

Capital costs associated with tariffed offerings for New Initiative Programs approved by the Commission during the term of the Plan will be added to the total approved plant additions under the Plan._ Any proposed tariffs for New Initiative Programs will be subject to the usual review and approval process for tariffs under 30 V.S.A §§ 225, 226, & 227, including that they will result in just and reasonable rates. _During the term of the Plan, GMP will not seek to recover through rates the cost-of-service impacts of New Initiative capital projects until after the capital project is complete and recorded to plant in service. GMP will separately track and record to a regulatory asset the incremental cost-of-service impacts (return, accumulated deferred income taxes, depreciation expense, property taxes, and O&M costs, offset by incremental other operating revenue) from the time the New Initiative capital project is placed in service until the New Initiative capital project cost-of-service impacts are reflected in base rates.

GMP will accrue a return on the regulatory asset based on GMP's weighted average cost of capital, excluding the deferred debt and equity components of the regulatory asset, but defer collection until the Commission specifically approves including the New Initiative capital project in base rates. The regulatory asset will be included in a future Annual Base Rate filing, or the follow-on rate case for the fiscal year following the termination of the Plan.

2. Operations & Maintenance Costs

Operating and Maintenance costs are the Other Power Supply, Transmission - Other, Distribution, Customer Accounting, Customer Service and Information, Sales and Administrative, and General Categories of the cost of service. A variety of cost types (e.g., payroll and benefits, Digsafe underground protection, non-major storm costs, and various types of outside services, consumables, etc.) make up these cost categories. GMP ~~has the ability to~~can exert various levels of control over certain of these cost types and very limited or no control over other cost types. Cost types that GMP has a level of control over will either be fixed or adjusted for inflation based upon an external, publicly available index (only the inflation rate is adjusted to reflect more current inflation rates), and cost types GMP has little or no control over will be ~~reforecasted~~reforecast annually based on updated actuarial reports, consultant reports, or GMP known and measurable bid or other cost information. Attachment l(c) summarizes how these O&M costs will be calculated for FY24 and~~,~~ FY25~~, and FY26~~.

IX. Financing Costs (Debt)

a. Debt Costs

GMP's debt ~~costs~~ level shall be fixed based on a forecast of anticipated debt balances ~~and costs~~ for each fiscal year of the Plan. The FY23 cost of debt will be set in the FY23 Rate Case while the FY24 to FY25~~6~~ cost will fixed ~~be~~ based on the Updated Forecasts for base rates submitted June 1, 2023 for FY24 base rates. ~~forecasted long-term and credit facility borrowing balances and reflect any change in the average long-term debt interest rate due to redemption of existing bonds and issuance of new bonds. The average credit facility debt interest rate will be forecasted based on terms of GMP's credit facility approved by the Commission in July 2021 and executed in August 2021.~~ These 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 this Plan, which will be incorporated in the next Annual Base Rate update.

ii. Debt to Equity Ratio

GMP shall utilize a 50/50 debt to equity ratio plus or minus 1% in all forecasting under the Plan and shall also endeavor to adhere to that ratio in its operations. To the extent its actual operating ratio differs, GMP shall be subject to the Earnings Sharing Mechanism described below.

4. Earnings in Affiliates

VT Transco investments and equity in earnings and distributions associated with such investments will be updated annually. All other equity-in-earnings, continued investments in, and distribution of earnings, will be fixed based on a Plan period forecast for the following Affiliated Companies that are currently in rates:

- Vermont Yankee Nuclear Power Corporation;
- Maine Yankee, Connecticut Yankee, and Yankee Atomic;
- Green Lantern;
- NE Hydro Trans and NE Hydro Trans Electric;
- VELCO; and
- JV Solar-Storage.

Any proposal to invest in new affiliates during the term of the Plan will require specific PUC approval. The request for approval will include a summary of the cost-of-service impacts and/or benefits of the proposed new affiliate investment.

5. Other Costs & Revenues

Categories of non-power costs and non-retail revenues not addressed in Sections IV(A)(1-4) shall be set for the term of the Plan based on the reviewed forecast of those costs and revenues, as set forth in **Attachment 1(a)**.

6. Unexpected Circumstances and Strategic Opportunities

Notwithstanding the other provisions of this Plan, GMP may petition the PUC for approval at any time during the Plan for incremental plant in service additions, ~~expenses~~expenses, and revenue to be included in rates when either unexpected circumstances or new strategic opportunities arise that provide material benefit to customers.

Strategic opportunities here may include, but are not limited to, categories of investments that provide new opportunities to increase the resiliency of the distribution system or help to better monitor, manage, and operate the distribution system for more effective integration of distributed energy systems and loads that were not reasonably anticipated at the onset of the Plan. These opportunities help

to advance GMP's objectives of lower-cost service to customers and increased integration of distributed energy resources.

In its petition for relief, GMP will bear the burden of demonstrating that the proposed investments, expenses, and revenue for unexpected circumstances or new strategic opportunities are in customers' best interests and will result in just and reasonable rates in the long run. Base rates may be adjusted at the next quarter after any approval under this provision, or at the next Annual Base Rate filing, unless otherwise ordered by the Commission.

7. Cybersecurity Plan

GMP will include presently expected IT and cybersecurity investments in its forecasts for the Plan period. ~~In light of~~Considering rapidly evolving standards and expanding reach of connected resources, and notwithstanding the other provisions of this Plan, GMP may file a Cybersecurity Plan during the term of the Plan proposing additional capital expenditures and/or operational and maintenance expenses for cybersecurity investments. Any such Cybersecurity Plan shall explain why it is in customers' best interest and will result in just and reasonable rates; shall set forth the proposed accounting treatment of any capital costs and expenses associated with the Cybersecurity Plan and the amount of any proposed base rate adjustments; and shall be subject to Commission review and approval.

B. Power Supply Cost and Retail Revenue (Forecasted and Updated Annually)

GMP's annual forecast of retail revenue and power costs shall be established using the following methodology: annually a third-party vendor (Itron, Inc., or a similar outside consultant with expertise in the field of energy forecasting both throughout the country and within Vermont) will provide GMP with a weather-normalized retail revenue forecast and GMP will prepare a power supply forecast based upon the provided retail revenue forecast. The revenue forecast will take into account such factors as historical data, projections about economic growth and efficiency improvements, company tariffs, impacts on retail revenue due to greater solar net-metering, and any other known changes for the upcoming year. The power supply forecast will include expected expenses associated with serving the retail revenue load, including costs and wholesale market revenues related to energy, capacity, transmission, ancillary services, renewable energy credits, and Renewable Energy Standard compliance. These forecasted net expenses will reflect both GMP's production and purchased contract costs, along with interchanges with the wholesale power market. To facilitate the Department's review, GMP shall provide to the Department of Public Service the retail revenue forecast and the power supply forecast promptly upon completion and at least 30 days prior to GMP's Annual Base Rate filing date.

C. Income Taxes & Related Costs (Forecasted and Updated Annually)

GMP will annually forecast State and Federal Income Taxes, ADIT, and Gross Revenue & Fuel Gross Receipt Taxes based on the other authorized adjustments in overall income or power costs. The forecast of these costs will be updated annually and filed with the Annual Base Rate Filing.

D. Financing Costs - Return On Equity (Annual Update Based on Formula)

GMP's return on equity will be updated annually based on the formula established in this Plan. In FY24, GMP's ROE shall be indexed from the ROE approved in the FY23 Rate Case. In FY25~~each ensuing year~~, indexing shall occur from the ROE in effect for ~~the current year~~FY24. The indexing shall be consistent with **Attachment 3.** Calculations showing the appropriate adjustment will be filed annually with the Annual Base Rate Filing.

V. RATE-SMOOTHING MECHANISM

The Plan contains an Initial Rate-Smoothing Mechanism applied to FY24 to FY25~~6at the beginning of the Plan~~ and an option for additional smoothing in FY25~~4-FY26~~ if proposed by GMP and approved by the Commission. The Initial Rate-Smoothing Mechanism is set on June 1, 2023 with the filing of the Updated Forecasts ~~at the beginning of the Plan based on the FY23 Rate Case filing and the Initial Forecasted FY24 to FY26 cost of service.~~ The Initial Rate-Smoothing Mechanism establishes an annual amount that is either added to or subtracted from the revenue requirement for FY24 to FY25~~6each fiscal year of the Plan~~, to set an Initial Projected Smoothed Base Rate path. The Initial Projected Smoothed Base Rate will set the FY24~~3~~ base rate and will represent the projected average annual base rate change for each subsequent fiscal year in the Plan based on current forecasted revenue requirements and a uniform projected annual base rate change for FY24 to FY25~~6all four years of the Plan~~.

A regulatory asset or liability will be established ~~at the beginning of the Plan~~ based on the Initial Rate-Smoothing Mechanism in FY24 to account for any adjustments to the forecasted costs or revenues in each fiscal year that are necessary to establish the Initial Projected Smoothed Rate. The regulatory asset or liability will reverse in~~over~~ FY25 and FY26~~the term of the Plan~~ and will be zero at the end of the Plan.

In ~~FY24,~~ FY25~~, and FY26~~, GMP will have the option of proposing additional rate smoothing of the difference between a fiscal year's actual base rate change and its Initial Projected Smoothed Base Rate Change, where such smoothing would benefit customers by minimizing rate variation over the term of the Plan. GMP will propose any smoothing in the Annual Base Rate filing for each fiscal year, which is subject to Commission review and approval.

VI. DESCRIPTION OF RATE ADJUSTORS, FILING PERIODS, AND EFFECTIVE DATES

The following rate adjustors, filing periods, and effective dates shall be applied during the term of the Plan.

A. Retail Revenue Adjustor & Power Supply Adjustor

1. Retail Revenue Adjustor

The Retail Revenue Adjustor shall collect or return to customers, on a bills--rendered basis as described below, the difference between the actual retail revenue every Measurement Quarter and the forecasted retail revenue amount included in base rates for that quarter (the "Quarterly Retail Revenue Variance Amount"). The measurement periods and filing dates are as follows:

2. Power Supply Adjustor

The Power Supply Adjustor shall collect or return to customers, on a bills-rendered basis as described below, the 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 the Power Supply Efficiency Calculation set forth below. The resulting figure is the "Quarterly Power Supply Variance Amount." The measurement periods and filing dates are as follows:

The Power Supply Adjustor Calculation shall be made as follows:

i. Component A Quarterly Variance

The Component A Quarterly Variance for each Measurement Quarter is the dollar amount of any variation between (a) actual Component A Costs for the Measurement Quarter and (b) the Component A Costs included in the Company's base rates for the corresponding quarter, and shall be summed with the Component B Quarterly Variance described below.

ii. Component B Quarterly Variance

Calculated as follows:

a. The Component B Quarterly Variance for each Measurement Quarter is the dollar amount of any variation between (l) actual total Component B Costs for the Measurement Quarter and (2) forecasted total Component B Costs included in the cost of service underlying the Company's base rates for the corresponding quarter, summed with the result of the Component B Cost Variance calculation.

b. The Component B Cost Variance calculation compares (a) the actual cost per kWh achieved during the Measurement Quarter (actual Component B Costs for the Measurement Quarter divided by actual retail kWh sales volumes for that quarter) with (b) the cost per kWh benchmark (forecasted Component B costs for the Measurement Quarter divided by forecasted retail kWh sales volumes for that quarter), and multiplies the resulting variance (in $ per kWh) by actual retail sales in kWh for the Measurement Quarter. The Component B Cost Variance is then modified by the amounts that GMP will absorb or retain-specifically, all Component B Cost Variance up to the Component B Efficiency Band of +$150,000 (retained by GMP) and -$307,000 (absorbed by GMP), plus 10% of any Component B Cost Variance outside of that Component B Efficiency Band.

A list of the Company's Component A and Component B power supply costs is attached as **Attachment 4**.

The Company shall maintain separate accounts for Component A and Component B costs.

3. *Return/Collection of the Retail Revenue Adjustor and Power Supply Adjustor*

The quarterly adjustment associated with both the Retail Revenue Adjustor and the Power Supply Adjustor shall be filed as described above in Section VI(A)(l) & (2). These adjustors will be calculated separately, as described above, but the return/collection of these adjustments to/from customers will be based on the methodology described in Section VII below.

An example of how the Retail Revenue Adjustor and the Power Supply Adjustor will be calculated is provided as **Attachment 5**. 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 line item ("Current Energy/Major Storm Adjustor") on the customers' bills in accordance with the methodology in Section VII.

4. *GLOBALFOUNDRIES ("GF")*

Revenue received from GF that is retail revenue, PPA revenue, or transition fee revenue during the Plan shall be incorporated into the Power Supply and Retail Revenue Adjustor, whether received from GF under the Term Contract as a retail customer or under the GF utility proposal pending at the time this Plan was filed.

B. Exogenous Change Adjustment

The Exogenous Change Adjustment has three components: (l) Exogenous Non-Storm Changes, (2) Exogenous Major Storm Changes during the Plan, and (3) a Major Storm Restoration Fund. _Each item is described separately below.

1. *Exogenous Non-Storm Changes*

Exogenous Non-Storm Changes shall consist of material cost or revenue changes from the Annual Base Rate filing. Exogenous Non-Storm Changes shall be measured over each fiscal year. _Cost or revenue changes are material if the incremental costs in aggregate exceed $l.2 million in any measurement period, and they relate to the following:

1. Changes in tax laws that impact the Company.
2. Changes in Generally Accepted Accounting Principles.
3. Any Federal Energy Regulatory Commission or New England Independent System Operator rule, tariff, or other changes affecting the Company and not a part of the Power Supply Adjustor.

4. Other regulatory, judicial, or legislative changes affecting the Company not already anticipated in the design of this Plan.

5. Net loss of major customer(s) load not related to weather and not a part of the Retail Revenue Adjustor.

6. Major unplanned costs or investments, such as those incurred due to unexpected major maintenance or operations interruptions (unrelated to storms), major repairs to Company-owned power plants not a part of the Power Supply Adjustor, and major unplanned expense items such as pension settlement accounting.

The $l.2 million for Exogenous Non-Storm changes is a threshold, not a deductible. If the threshold is met, the total incremental impact of the Exogenous Non-Storm Change will be reported 60 days after the end of each fiscal year, along with a proposal to collect costs or return revenues to customers. This may include proposing to offset the costs-or apply the revenue against-other annual adjustors in this ~~Plan, or~~Plan or propose a plan to collect from or return these benefits to customers separately through a line-item credit, as it has done for federal tax reform benefits as approved by the Commission in 20l8 and in the Company's 20l9 base rate filing in Case No. l8-0974-TF.

Within 60 days from the end of each measurement period, the calculation associated with the Exogenous Non-Storm Change Adjustor shall be filed and subject to review and comment by the Department. _The Commission shall approve the proposed adjustments no later than 45 days prior to April 1 of the following year, so that the Exogenous Non-Storm Change Adjustor can be reflected as a separate line item on customer bills for the ensuing l2 months, unless as otherwise ordered by the Commission, commencing April 1 of each year.

2. Exogenous Major Storm Changes

Exogenous Major Storm Changes shall consist of increased costs experienced by the Company relating to the incremental maintenance expenses incurred for Major Storms (as defined in the Company's Service Quality & Reliability Performance, Monitoring & Reporting Plan (the "SQRP")), and further defined as a storm that causes the Company to incur incremental maintenance expenses ~~in excess of~~more than $l.2 million.

This per-storm $l.2 million in maintenance costs is a threshold, which defines what qualifies as a "Major Storm," and is not a per-storm deductible.

To the extent the Company experiences one or more "Major Storms," in a fiscal year it may recover those costs from customers, minus a one-time annual $l.2 million deductible that is deducted from the total aggregate cost associated with all qualifying Major Storms in any given fiscal year. The deductible shall not be applied twice to costs associated with any individual storm if collection for those costs extend into a second fiscal year period. Once this annual $l.2 million deductible is met in any fiscal year, GMP will collect costs associated with Major Storms that occur during the term of the Plan in accordance with the methodology described in Section VII below. In the quarter following the qualifying storm, GMP will file a report documenting the invoiced costs associated with all Major Storm costs above the $l.2 million annual deductible that occurred in that quarter. For example, invoices for a storm occurring in January that are received by March 3l would be reported 30 days from the end of the first quarter, and any invoices for this storm received after March 3l would be reported in the next quarter (July l).

3. Major Storm Restoration Fund

This is a regulatory liability account through which the Company will collect funds from customers in a consistent and stable method over the life of the Plan, to be used to off-set costs as described in Section VII below. Specifically, the Company will collect a Major Storm Restoration Fund through a separate line item on the bill on a surcharge percentage basis, in a total amount of $6 million annually from customers in all customer classes. GMP will accrue interest income/expense on the balance of the regulatory liability based on GMP's credit facility interest rate. The amounts collected from customers through this mechanism will be recorded to the Major Storm Restoration Fund and used to offset costs as described in Section VII below. The Major Storm Restoration Fund will incorporate an overall cap of $12.0 million which, once exceeded, would lead to the suspension of customer surcharges in advance of the next billing cycle and be considered for possible return to customers, subject to the Department’s review and Commission’s approval.

C. Earnings Sharing Adjustor Mechanism

The Company's rates will be subject to an Earnings Sharing Adjustor for each rate period during the Plan term. No later than 60 days after the end of each fiscal year ("ESAM Measurement Period"), the Company shall file with the Commission and

Department its Actual Earnings for the ESAM Measurement Period, the proposed Earnings Sharing Adjustor calculation, and supporting information. The Commission shall approve the proposed adjustment no later than 45 days prior to April 1 of the following year, so that the Earnings Sharing Adjustor amount can be reflected as a separate line item on customer bills for the ensuing 12 months, unless otherwise ordered by the Commission, commencing April 1 of each year ("ESAM Adjustment Period"). Actual Earnings will be calculated based on the same methodology as the earnings cap calculation reflected in the PUC's Order in Docket Nos. 6946/6988 (*i.e.,* exclude the Company's disallowed costs and results of unregulated operations (but business services shall be included in cost of service)). Actual Earnings shall include the earnings impact of the adjustments under this Plan. The Variance Amount (as defined below) shall be deferred and amortized over the ESAM Adjustment Period.

The Earnings Sharing Adjustor shall be calculated as follows:

1. Calculation of Variance Amount:

i. If Actual Earnings reflect an ROE that is within a range equal to 50 basis points below and 50 basis points above the Commission-approved ROE during the ESAM Measurement Period, there will be no Earnings Sharing Adjustor. This +/- 50 basis point band is the ESAM Efficiency Band.

ii. If Actual Earnings reflect an ROE that is 50 to 125 basis points above or 50 to 150 basis points below Commission-approved ROE, 75% of the revenue benefit of the higher earnings is returned to, or 50% of the revenue impact of the lower earnings is collected from, customers in the Earnings Sharing Adjustor. These +50 to +125 basis points and -50 to -150 basis points bands are the ESAM Sharing Bands.

iii. If Actual Earnings reflect an ROE that is more than 125 basis points above or more than 150 basis points below the Commission-approved ROE, the entire revenue benefit or impact flows to customers in the Earnings Sharing Adjustor.

2. Calculation and Collection of Earnings Sharing Adjustor

i. The Earnings Sharing Adjustor shall be a positive or negative fraction equal to:

a. the total dollar Variance Amount derived in Section VI(C)(1) above, divided by

b. projected revenues from Company charges during the Earnings Sharing Adjustor Adjustment Period, based on the Forecast Methodology.

ii. The Earnings Sharing Adjustor fraction shall be applied to the revenue from each rate element for each rate class.

iii. Over/under-collections of the Earnings Sharing Adjustor, due to a variance between projected and actual revenues, shall be deferred and included in the next base rate filing.

A sample calculation is attached as **Attachment 6**.

D. Residual Adjustments

The collection/return of all Adjustors under this Plan shall continue beyond the term of the Plan as allowed by this Plan or otherwise ordered by the Commission. Any over/under-collection for any Adjustor under this Plan remaining at the end of its term and not yet subject to a Commission order regarding its collection or return shall be deferred and addressed in a future regulation plan or rate filing.

VII. RECOVERY OF THE RETAIL REVENUE, POWER SUPPLY, AND MAJOR STORM ADJUSTORS

The recovery of the Retail Revenue, Power Supply, and Major Storm Adjustors will be in accordance with the following methodology:

- For each measurement quarter, the quarterly retail revenue and power supply variance ~~amounts~~amounts, and the quarterly qualified major storm amount will be netted. This netted balance shall be referred to as the "Quarterly Net Adjustment."

- If the Quarterly Net Adjustment for the current measurement quarter is in the opposite direction of the Quarterly Net Adjustment for the prior measurement quarter (*i.e.*, the current quarter nets to a return and the prior quarter netted to a collection), then the amounts of the two quarters will be netted against each other and the resulting amount will be carried forward (Cumulative Carry Forward) to the next quarter as a regulatory asset or liability.

- If the Quarterly Net Adjustment for the current measurement quarter is in the same direction as the Quarterly Net Adjustment from the prior measurement quarter and the prior quarter Cumulative Carry Forward is greater than +/- $1M, then the prior quarter Cumulative Carry Forward will be collected /returned to customers, starting on the first day of the next quarter, over the subsequent 12 months unless otherwise requested or ordered by the Commission. If the prior quarter Cumulative Carry Forward is less than +/- $1M it will net against the current measurement quarter Net Quarterly Adjustment and be carried forward to the next quarter.

This adjustment will be calculated such that the street lighting rate class continues to be excluded from any surcharge collections or returns associated with the Retail Revenue and Power Supply Adjustors.

An illustration of this methodology is as follows:

Scenario 1		Adjustor Qtrly Filing Date	Over / (Under) Collection PSA and Revenue	Over / (Under) Collection Storm	Net Quarterly Adjustment	Collection Trigger	Recovery Request Amount	Recovery Request Filing Date	Recovery Period	Cumulative Carry Forward
10/1/XX to 12/31/XX	Q1FYX1	30-Jan	1,000,000	1,000,000	2,000,000		-			2,000,000
1/1/X1 to 3/31/X1	Q2FYX1	30-Apr	(500,000)	-	(500,000)		-			1,500,000
4/1/X1 to 6/30/X1	Q3FYX1	30-Jul	1,000,000	-	1,000,000		-			2,500,000
7/1/X1 to 9/30/X1	Q4FYX1	30-Oct	1,000,000	1,250,000	2,250,000	Q4 Results	2,500,000	30-Oct	Jan 1 - Dec 31	2,250,000
10/1/X1 to 12/31/X1	Q1FYX2	30-Jan	750,000	1,000,000	1,750,000	Q1 Results	2,250,000	30-Jan	Apr 1 - Mar 31	1,750,000
1/1/X2 to 3/31/X2	Q2FYX2	30-Apr	(1,000,000)		(1,000,000)		-			750,000
4/1/X2 to 6/30/X2	Q3FYX2	30-Jul	(400,000)		(400,000)	Q3 Results	Collection Carried forward < $1M			350,000
7/1/X2 to 9/30/X2	Q4FYX2	30-Oct	1,000,000		1,000,000					1,350,000

For the purposes of performing the assessment described above, the Q1FY23 (first quarter under this Plan) Net Quarterly Adjustment will be compared to the Q4FY22 (last quarter under the prior Plan) Net Quarterly Adjustment. Also, any Cumulative Carry Forward at the end of Q4FY22 will be carried forward to Q1FY23.

Within 30 days of the end of each quarter, GMP will file a report summarizing the results of the quarter along with the net amount to be returned to or collected from customers, if any, under the provisions of this Section. GMP will also file a proposed line-item charge for that amount based on a percentage of retail revenue to collect or return this amount over a 12-month period on a bills-rendered basis beginning the first day of the next quarter (i.e., the second quarter after the triggering event quarter), unless otherwise requested or ordered by the Commission. This filing is subject to DPS review and PUC approval.

For accounting purposes, these quarterly variance amounts shall be deferred and amortized in the Return/Collection Period in an amount equal to the revenue increases or decreases that recover or repay the amortized amount.

GMP will include a roll-forward (Fund Beginning Balance, Fund Additions, Fund Uses, Interest Accrued, and Fund Ending Balance) of the Major Storm Restoration Fund and any proposal by GMP to utilize this account to mitigate the impact and volatility of major storm costs, other adjustors or costs as approved by the Commission, in the quarterly Revenue, Power Supply and Major Storm Adjustor report. The proposal for use of the Major Storm Restoration Fund will be subject to DPS review and PUC approval.

At the end of the Plan, any net deferred balances not yet approved for collection/return to customers will be handled consistent with Section VI(D) Residual Adjustments.

VIII. INNOVATION AND PERFORMANCE METRICS AND OTHER PLAN COMPONENTS

A. Plan Support of Vermont Energy Goals and Customer Service Offerings

The Plan is designed to support the Company's continued efforts toward Vermont's statewide energy goals by advancing promising technologies (e.g., electric vehicles, heat pumps, energy storage, renewable power, etc.) and by exploring new services to facilitate efficient, low-carbon energy choices made by electric customers consistent with least cost principles.

The Company will also continue to work with the Department to explore and implement additional innovative service choices and offerings, such as on-bill payments to support decarbonization, load control programs and support, and smart home energy devices in an ever-changing landscape.

B. Innovative Pilot Program

The Innovative Pilot provision of the prior regulation plan continues through this Plan with minor updates, as outlined in **Attachment 2**. New Innovative Pilots developed during the term of the Plan that are not already included in base rates shall not result in any plant additions that cause rate adjustments under this Plan, except insofar as they are specifically requested to be included in base rates under the New Initiative Tariff Offerings provision in Section IV(A)(l)(iv). Any changes to revenue or power supply cost that result from New Initiative programs will be included in adjustments made pursuant to the Retail Revenue Adjustor or the Power Supply Adjustor.

C. Service Quality

The Company's Service Quality & Reliability Performance Monitoring and Reporting Plan ("SQRP"), as it may be amended from time to time, is hereby incorporated into and made a part of this Plan.

D. Innovation & Performance Metrics

The Company shall measure and annually report on the Innovation and Performance Metrics identified in **Attachment 7**. These metrics shall be measured on a fiscal year basis except where otherwise indicated on the attachment and will be provided for purposes of tracking only. There will be no penalties or incentives associated with tracking these metrics during the term of the Plan. An annual report on these metrics shall be filed by January 30 for the preceding fiscal year period, along with a brief narrative evaluation of the effectiveness of the Plan's performance in achieving the goals of 30 V.S.A. § 218d.

E. Low Income

The Company shall match contributions by its customers to the Company's Warmth Program, and the amount of the Company's match shall not be included in rates. In addition, The Company will contribute 5% of any excess earned utility net income above the allowed utility net income to its low-income customer support programs, after consultation with the Department of Public Service and its Consumer Affairs division.

IX. LIMITATIONS ON OTHER RATE CHANGES

No general rate adjustment, other than as allowed and described herein will be implemented between October 1, 2022 and September 30, 2025~~6~~, except that the Company may seek temporary rate increases pursuant to 30 V.S.A. § 226(a), and the Company may file modified or new tariffs for services and adjustments other than for base rates subject to Commission approval pursuant to 30 V.S.A. §§ 218f, 225, 226, 227, or any other statutory provision.

X. MISCELLANEOUS

A. During the term of the Plan, the application of Title 30 including 30 V.S.A. §§ 218(a), 225, 226, 227, and 229 to GMP shall be modified by the provisions of the Plan and the Commission order approving the Plan.

B. The Company shall continue to file concurrently with each Adjustor filing the type of documentation it has previously filed under prior regulation plans with respect to each type of filing.

C. The Company shall describe the Plan in a separate mailing at least one month prior to the first-rate adjustment under the Plan and shall work with the Department in the development of customer communications and materials to be provided to customers. The Company will also hold twice yearly meetings with customers, one in its northern service territory and one in its southern service territory if in person, to answer questions and review its performance under the Plan, including a discussion of the innovation and performance metrics tracked under the Plan.

D. Nothing in the Plan will be interpreted as preventing the Department from requesting a Commission investigation into the Company's rates or the Commission from undertaking such an investigation. The retroactive effect of any such investigation shall be consistent with 30 V.S.A. § 227(b).

E. The Company shall have the option to petition for an extension of the Plan for up to one year beginning October 1, 2025~~6~~, subject to prior discussion and review by the Department and approval of the Commission. No later than January 31, 2024~~5~~, the Company shall file with the Commission and Department any request for Plan extension, along with a proposal regarding how the Plan's terms will apply to set base rates during the period of extension.

F. The Company shall file for any successor regulation plan twelve months prior to its proposed effective date (anticipated to be September 1, 2024~~5~~ or, if a one-year Plan extension is granted, September 1, 2025~~6~~).