

July 26, 2018

By ePUC and First Class Mail

Ms. Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier, VT 05620-2701

Re: Case No. 18-0974-TF – Tariff filing of Green Mountain Power requesting a 5.45% increase in its base rates effective with bills rendered January 1, 2019, to be fully offset by bill credits through September 30, 2019

Dear Ms. Whitney:

On July 13, 2018, the Public Utility Commission ("PUC" or "Commission") held a workshop in the above-referenced matter. During the workshop, Petitioner Green Mountain Power ("GMP") received several information requests from the Commission and one request from Renewable Energy Vermont ("REV"). Below, please find GMP's responses to these requests, with supporting documents. A copy of GMP's presentation was also filed via ePUC on July 17, 2018, at the Commission's request.

1. *Request for information regarding Rate Driver Chart in Slide #7*

Slide #7 in GMP's presentation included a chart showing the categories of rate drivers for the 2019 rate period, presented on a year-over-year basis (i.e., 2019 compared to 2018).

Commission Staff requested the supporting calculations for this chart, and a comparison of these year-over-year calculations to the rate-year to test-year Cost of Service calculations contained in Exhibit GMP-ER-1. Please see Attachment GMP.COMM1.Q1, a spreadsheet which provides the requested information. Notes explaining each worksheet and the relevant calculations are included in the spreadsheet.

2. *Request for information supporting calculation of \$7M net power cost impact associated with net-metering projects*

Slide #8 provided a breakdown of the overall power cost drivers in the 2019 rate period.

During the discussion of this slide, the Commission Staff requested further information on the estimated \$7 million increase in total net power costs (from test period to rate period) associated with increasing volumes of net-metered generation, as reflected in Mr. Douglas Smith's Prefiled

Testimony on page 26. Attachment GMP.COMM1.Q2.1 provides a narrative explanation for how this figure was developed, and Attachment GMP.COMM1.Q2.2 is a spreadsheet providing the supporting calculations.

During this discussion, REV also requested information on the attrition factors that were applied to the GMP interconnection queue to develop the anticipated levels of net-metering installations during the rate period. A workpaper supporting GMP's analysis of net-metering installations during the rate period, including attrition factors, was previously provided in discovery as Attachment GMP.DPS1.Q65.1, which is attached here again for convenience.

3. Request regarding Slide #11 – GMP ADIT Return Proposal


Slide #11 provided an overview of GMP's proposal to return \$27 million in Accumulated Deferred Income Tax ("ADIT") collections back to customers as quickly as possible in the 2019 rate period, which results in an overall net 0.5% rate decrease during the rate period.

Commission Staff requested further information on any analysis GMP has conducted on the cost associated with GMP's proposal compared to returning the ADIT funds over a longer period. To address this question GMP has provided a Net Present Value ("NPV") calculation of its proposed one-time ADIT return compared to returning the ADIT over a 33-year period.

Attachment GMP.COMM1.Q3.1 provides a narrative explanation of this analysis and Attachment GMP.COMM1.Q3.2 provides the supporting calculations. As indicated in these documents, the proposed one-time return results in a slightly higher NPV for customers, compared to returning the funds over a longer period of time, and therefore supports GMP's proposed approach.

Please do not hesitate to contact us with any questions regarding these information requests.

Sincerely,



Geoffrey H. Hand, Esq.

cc: Service List (via ePUC)

Encls.