



Vermont's Energy Transformation Company



Standard & Poor's
November 17, 2017

AGENDA

- ✓ Energy Transformation Company
- ✓ Operational Excellence
- ✓ Rate Case and Regulation Plan Update
- ✓ Power Supply Overview
- ✓ Financial Results & Forecast
- ✓ Organization & Leadership

- Attachments:
 - Audited Financial Statements FY 2017 & FY 2016

WHO WE ARE

Mission

- To be the Best Small Company in America
“Vermont’s Energy Transformation Company”

Strategy

- Build incredible connection with customers and communities through superior service & innovative programs
- Leverage technology and invest in creative, driven and highly trained people
- Target investments that produce value for customers and communities
- Flawless integration
- Deliver on our cost-effective green energy
- First utility to be a certified B Corp, using business as a force for good

Success Factors

- Customer Focus
- Financial Strength
- Technology, Process & System Performance
- Engaged Employees
- Deep and Positive Stakeholder Relationships

B-CORP CERTIFIED

- 1st Utility in the World
- Why B-Corp
 - A redefined success in business that meets a higher standard of social and environmental performance, accountability and transparency.

Certified



Corporation™

bcorporation.net

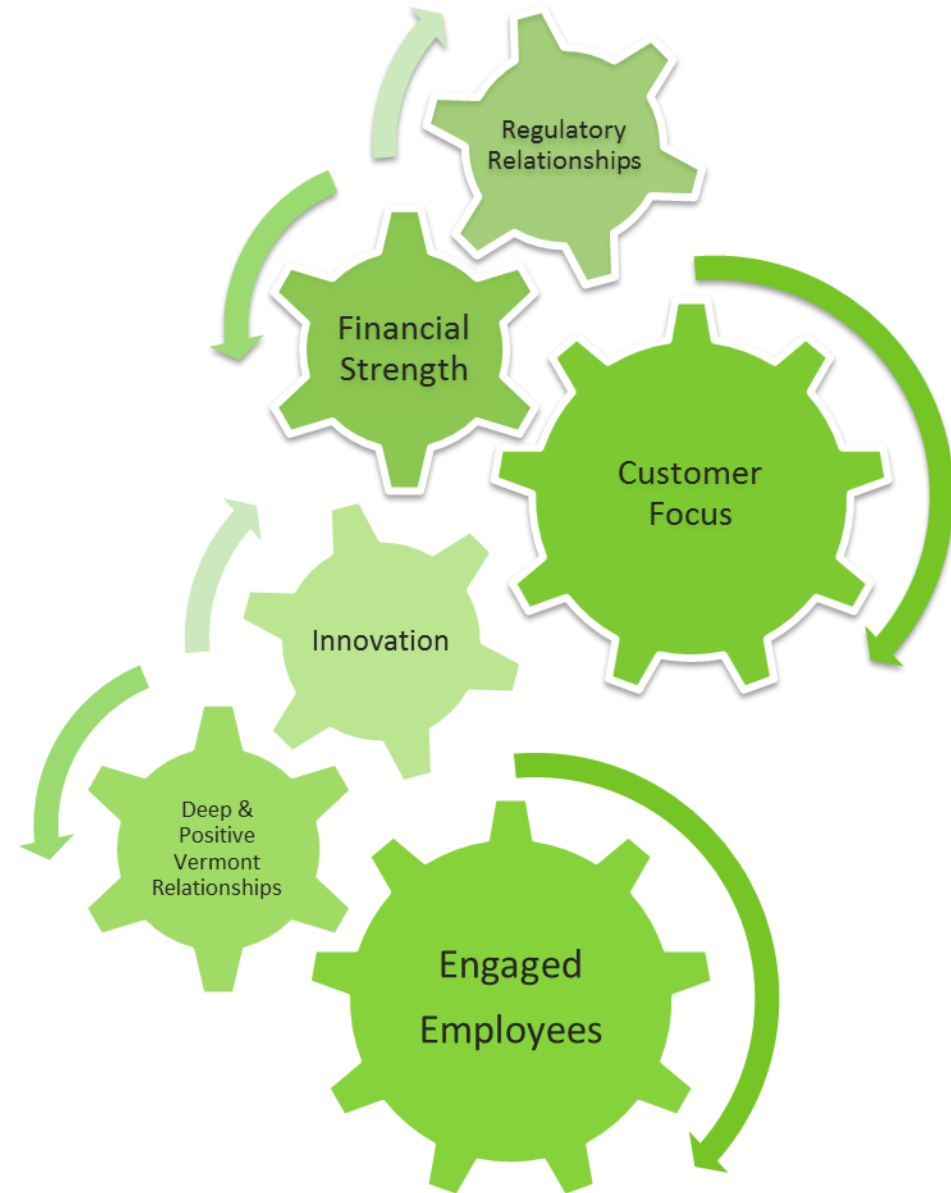
“So that all companies compete to be not only the best in the world, but the best for the world.”

**ENERGY
TRANSFORMATION
COMPANY**

**WORK
HARD
&
BE COOL TO
ALL PEOPLE**

VISION

*To be an
Energy
Transformation
Company
providing innovative
products and services*

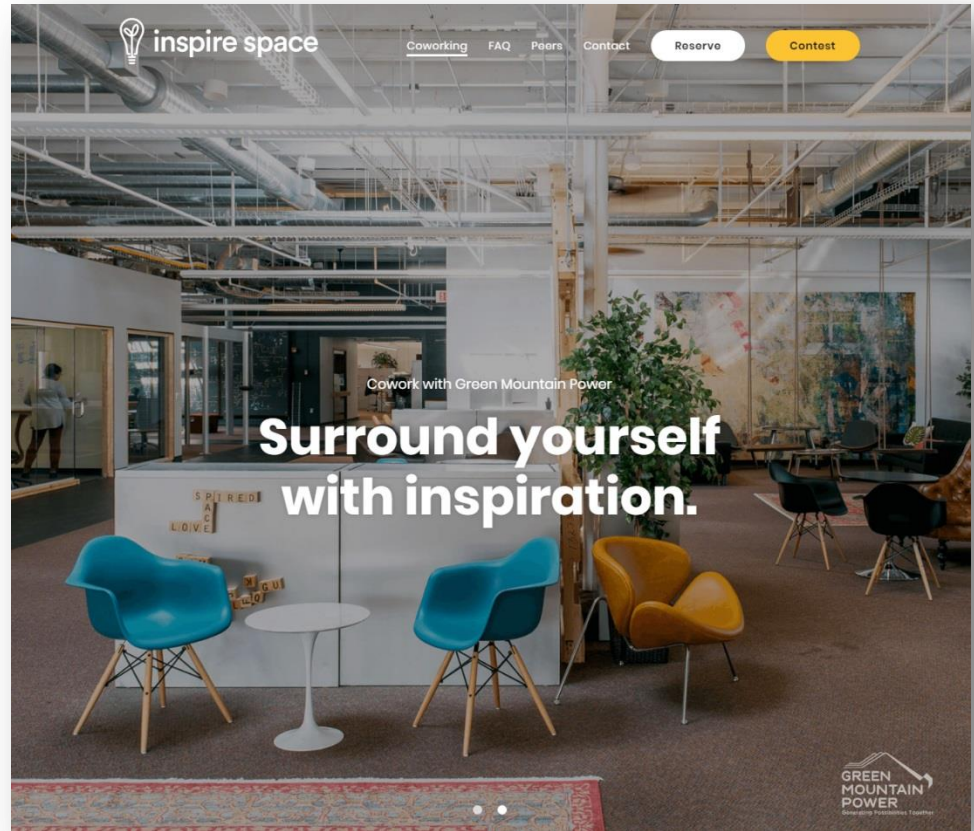


OUR STRATEGY

- ▶ Build incredible connections with customers and communities through superior service & innovative programs
- ▶ Leverage technology and invest in creative, driven and highly trained people
- ▶ Target investments that produce value for customers and communities
- ▶ Flawless integration
- ▶ Deliver on our cost-effective green energy vision

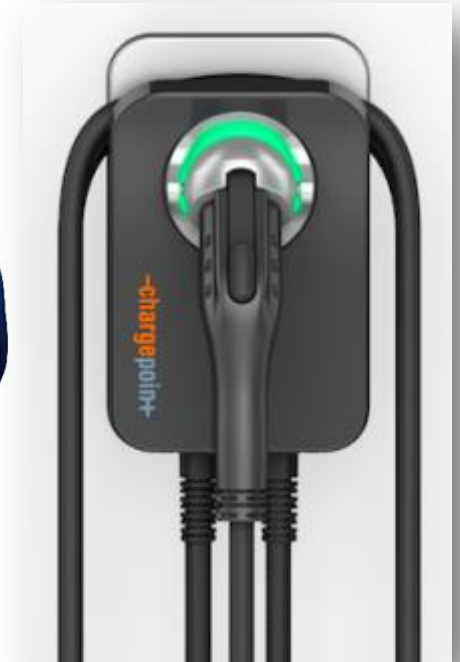
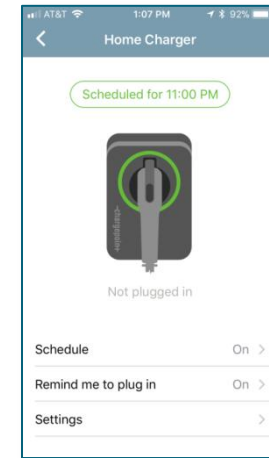
CO-WORKING INSPIRE SPACE

- ▶ Offers a location for starts-ups and entrepreneurs to work for a small fee
- ▶ Builds on successful roll-out of the inspire space



'GMP eCHARGER' HOME CHARGING PROGRAM

- ▶ 8 Customers Installed
- ▶ 23 Customers with signed or pending contract
- ▶ Will be offering this program to the 106 Nissan Leaf Program customers shortly



GRID TRANSFORMATION – POWERWALL 2.0

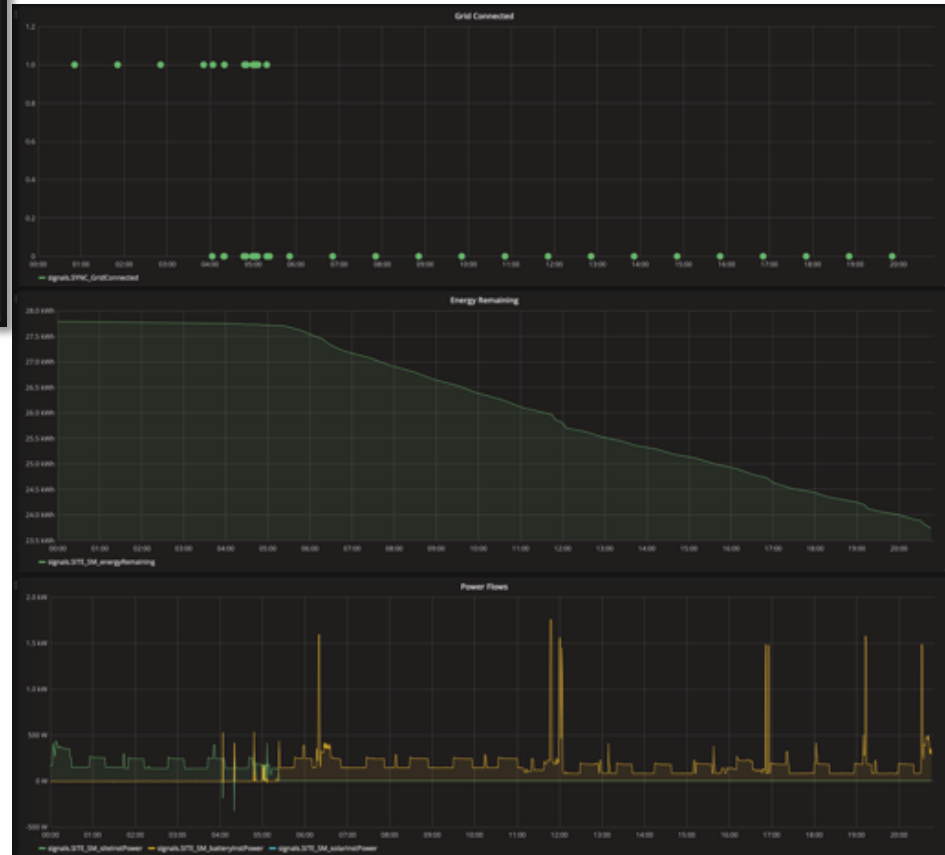
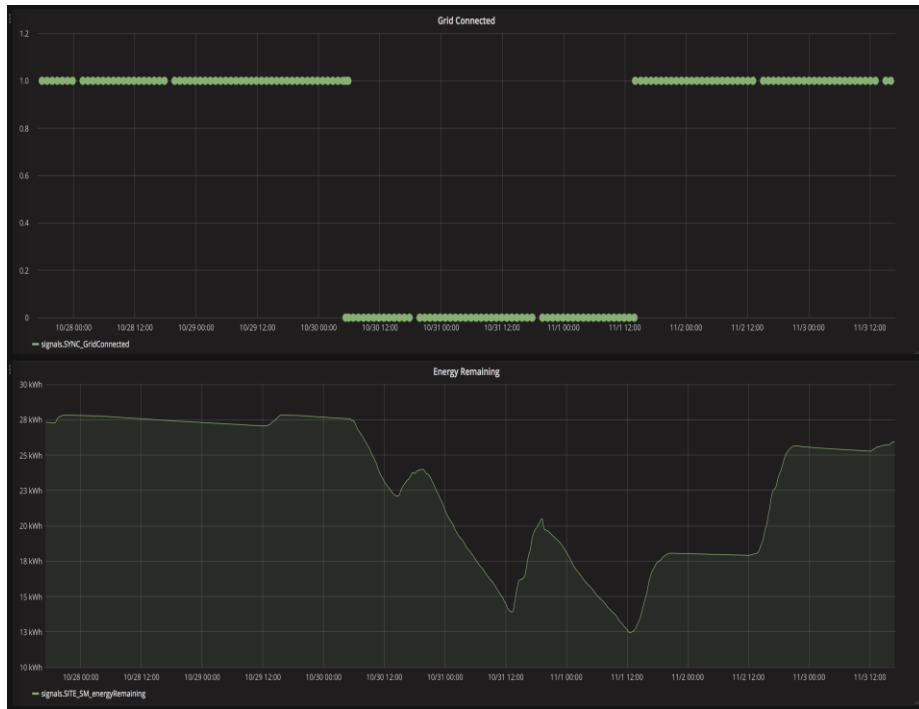
- ▶ As of 11/4
 - ▶ 14 Installation Completed
 - ▶ 40 Installations Scheduled
 - ▶ 72 TOTAL Contracts Executed
- ▶ First significant outage event showed positive results for Powerwall performance



POWERWALL 2.0 OUTAGE PERFORMANCE

Actual Performance Grid-Tied Only

- ▶ Battery provided at least 16 hours of backup with 82% still in the tank!



Actual Performance With Solar

- ▶ Provided 81 hours of backup
- ▶ Battery never dropped below 46% throughout event with solar recharging during the day

A wide-angle photograph of a solar farm. The foreground and middle ground are filled with rows of blue photovoltaic solar panels mounted on metal frames. The panels are tilted towards the sky. The ground is covered in green grass and some concrete bases for the mounting structures. In the background, there are rolling hills and a line of trees under a bright blue sky with scattered white clouds.

OPERATIONAL EXCELLENCE

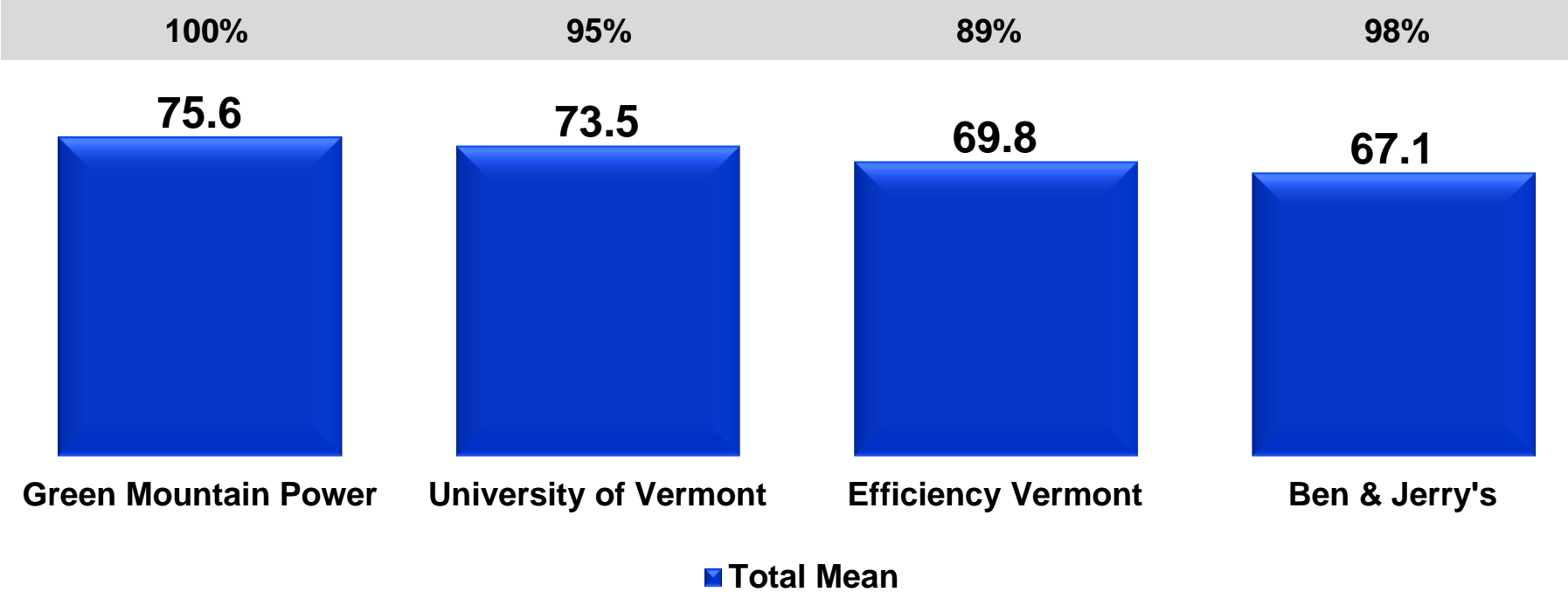
DELIVERING CUSTOMER VALUE

- ▶ Very high customer satisfaction and favorability
- ▶ Third lowest overall rates in New England
- ▶ Delivering on energy vision along with rapid deployment of meaningful distributed generation solutions
- ▶ Investing in distribution and technological systems to deliver incredibly reliable and customer-focused solutions
- ▶ Deploying shared access controlled devices to customers through innovative product offerings
- ▶ Partnering with national innovators like Tesla, to deliver the latest innovations for customer that lead to a more cost-effective and reliable energy future
- ▶ 2017 J.D. Power customer satisfaction study ranked GMP #2 in the East for midsized utilities

IMAGE HIGHEST AMONG BRANDS IN THE STATE

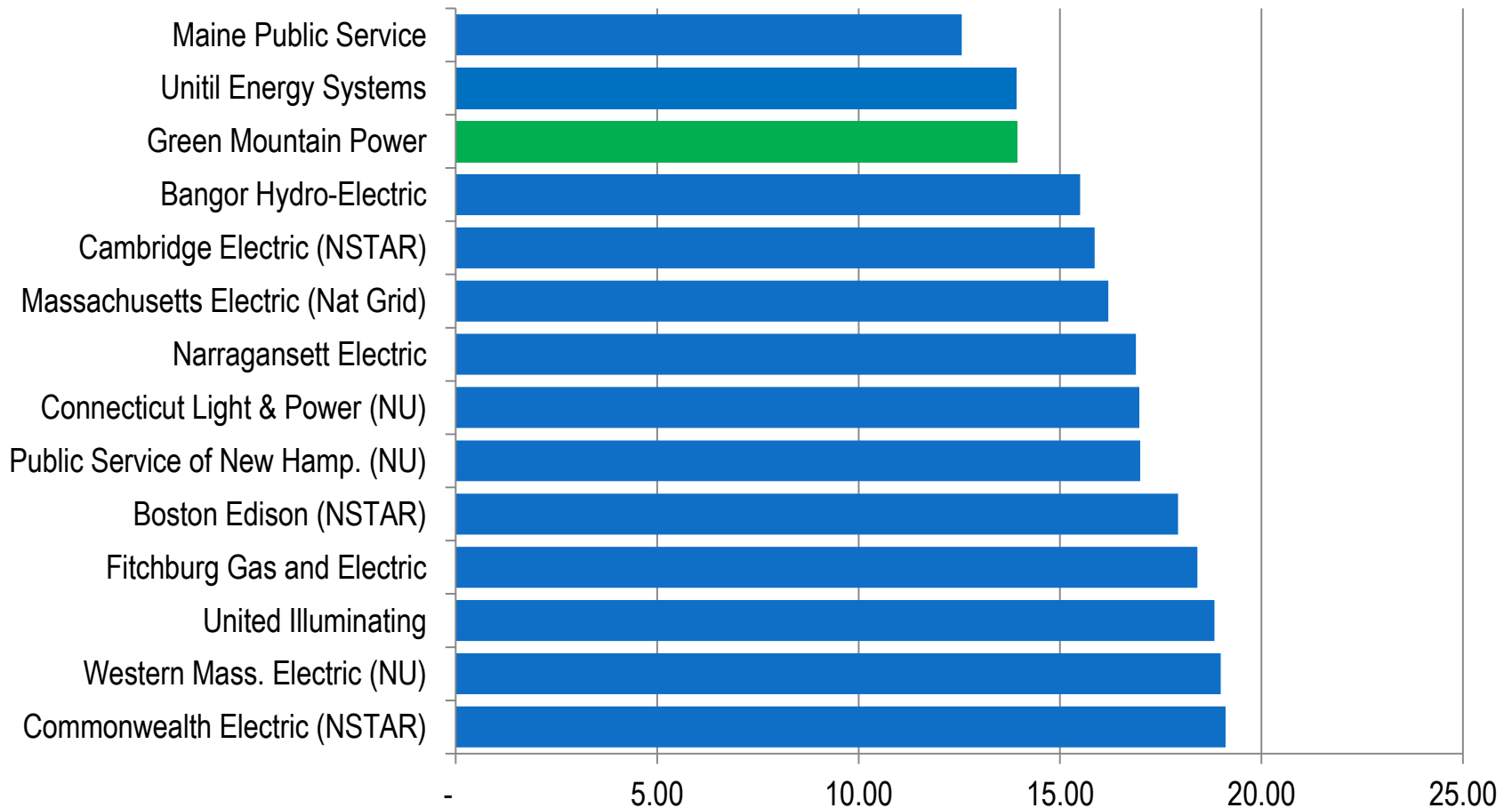
I am going to read you the names of some people and organizations active here in Vermont, and I would like you to tell me what your opinion is of each. Please use a scale from zero to one hundred, with one hundred being a very high and favorable opinion, and zero being a very low and unfavorable opinion. Of course, you can choose any number between zero and one hundred.

% Able to Rate



Source: Public Opinion Strategies – Gene Ulm, Partner September 27-28, 2017
GMP’s customer statewide survey – Key findings from a statewide survey in Vermont from 500 GMP customers

Average Overall Retail Rates of New England Large Investor-Owned Utilities (cents per kwh) 12 months ended December 31, 2016

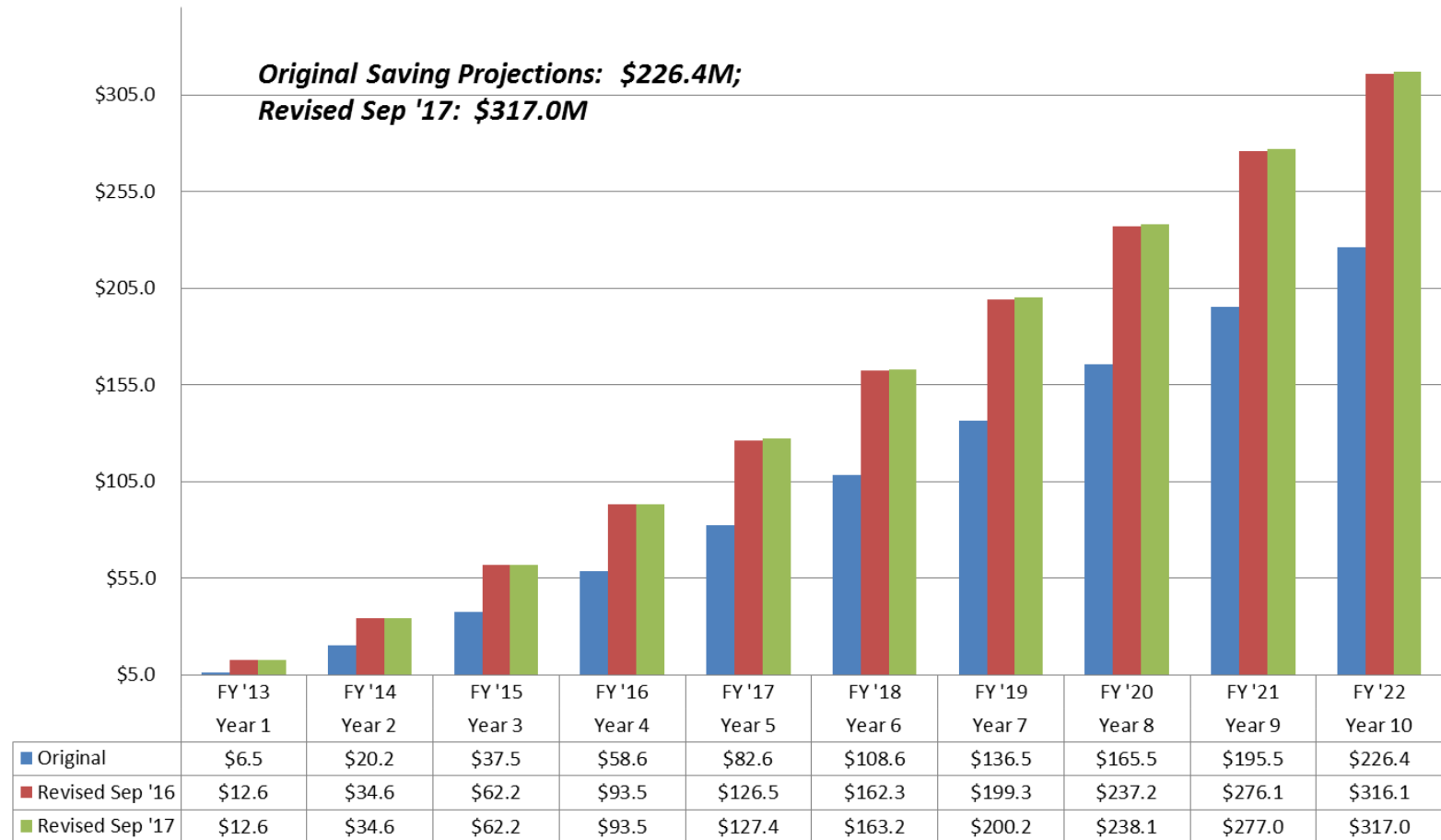


DELIVERING OPERATIONALLY

- ✓ Executing Phase 2 of Tesla partnership with PowerWall 2.0 integration to GridLogic control platform
- ✓ Stafford Hill Solar/Storage Facility delivering system peak cost reductions of ~\$200K plus other benefits.
- ✓ Continue to exceed Merger Savings forecast, which returns more savings sooner to customers
- ✓ In 2017 on track to exceed all (17 or 17) stretch SQRP goals for the third consecutive year
- ✓ Continue deploying “smart grid” distribution system
 - Stafford Hill Facility capable of peak reduction & islanding of Emergency Shelter
 - 300 Water Heaters aggregated and dynamically controlled in partnership with Spirae control platform
 - 150 heat pumps, battery storage systems, smart thermostats connected and controlled via VirtualPeaker control platform

EXCEEDING MERGER SAVINGS TARGETS

Total Cumulative Platform Savings (in 000s) Updated September 2017



Based on the above projections, GMP will have returned \$142M in customer synergy savings by Y/E 9/30/2021



RATE CASE AND REGULATION PLAN UPDATE

Proprietary and Confidential - Attorney-Client Privileged

WHAT MADE UP THE '18 RATE FILING

- ▶ The 2018 rate filing followed traditional cost of service rules and was expected to be formally litigated before the Public Utility Commission.
- ▶ There are 3 main differences between traditional cost of service and alternative regulation base rate adjustments:

1. No growth-related investments (accounts for about **\$15 million in T&D investments** that will be out of the case but earning AFUDC).
2. No adjustment of historic test year (2016) retail sales.
3. ROE is set by reference to competing proposals from experts based on a more **complicated discounted cash flow analysis** (as opposed to a formula based adjustment that follows the treasury note yields under alternative regulation).


OVERVIEW

On April 14, we filed for a **4.98% rate increase**, reflecting the following components:

(1) '18 Base Rate Changes = **5.33% increase**
(before power adjustor)



(2) '16/17 Power Adjustor = **0.35% decrease**
(year over year)



= TOTAL "ALL IN" RATE INCREASE OF **4.98%**

- ▶ **Global Settlement** reached between **GMP** and **DPS**.
 - ▶ **9.1% ROE** for 2018 and **9.3% ROE** for 2019
 - ▶ Removes **\$20 mill** from **capital** in 2018
 - ▶ Removes **JV Microgrids** from 2018 and puts them into 2019
 - ▶ Largely maintains **capital documentation** standards

= 5.37% RATE INCREASE

STRATEGY IS TO “KEEP IT SIMPLE”

Continuation of Current Power Adjustor

Pass through of power costs (subject to \$1.2 million deadband for costs we have some control over)

Important for credit rating

DPS has supported and PUC appeared supportive at hearings.



Continuation of Current Exogenous Adjustor

Pass through of major storm costs (subject to \$1.2 million deductible)

Helps with credit rating
Important for customers to avoid stacking rate pressure

DPS has supported and PUC appeared supportive at hearings.



Innovative Pilot Provision

Enables us to continue innovative pilots under current process with streamlined approval

Important for continued innovation and partnerships

DPS has supported and PUC appeared supportive at hearings.

THREE PRONGED APPROACH

1. DPS has initiated a PUC proceeding to determine what the future of regulation should look like.
 - ▶ Target to complete by end of Q1 of CY18
 - ▶ PUC has asked us to come in and meet to discuss what we would like to see come out of the proceeding
2. GMP has sought an “interim” plan to go into effect on Jan 1, 2018 through creation and approval of new type of regulation (but not later than December 31, 2019).
 - ▶ DPS has formally supported our proposal and in its testimony said it is interested in a 3-year plan coming out of the 19 case.
3. After DPS future of regulation proceeding ends, will file for a GMP specific plan.
 - ▶ Planning to do this in April 2018 as part of 19 rate case.



POWER SUPPLY UPDATE

November 17, 2017

Our strategy is to keep our supply low cost, low carbon, and incredibly reliable.

Procurement Strategy

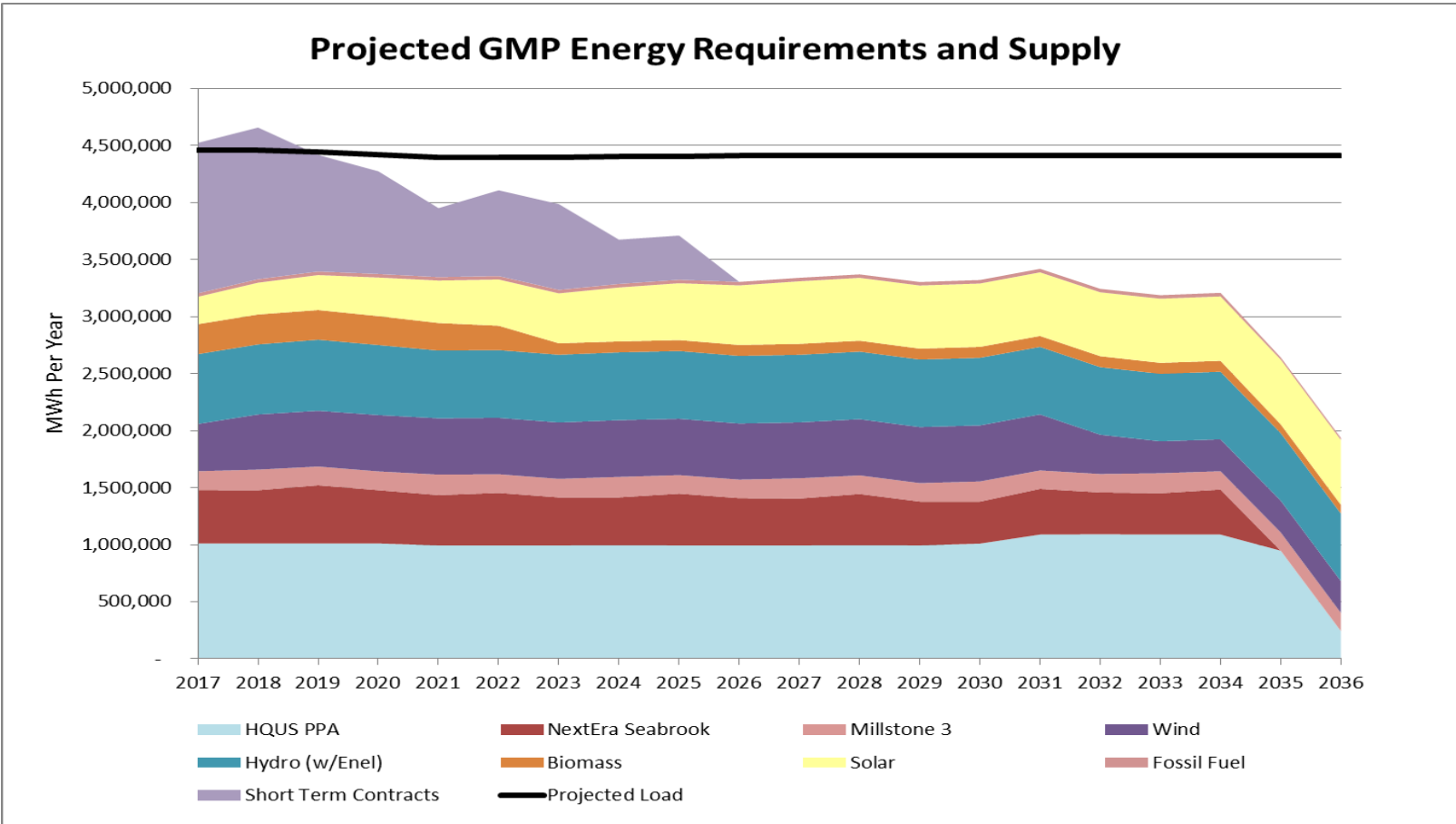
Long-Term Resources = 60-70%

- ▶ Favor low-carbon, low-cost, baseload (24/7) resources (hydro, nuclear)
- ▶ Includes some long-term premium renewables (wind and solar) to achieve RES requirements and limit market exposure
- ▶ Larger contracts have market or inflation escalators

Short-Term Resources = 30-40%

- ▶ Duration of up to 5 years
- ▶ Vary as to shape (24/7; seasonal; peak/off-peak) to fit GMP open positions
- ▶ Make purchases regularly with goal of hedging all power supply expenses for upcoming operating year by June 1

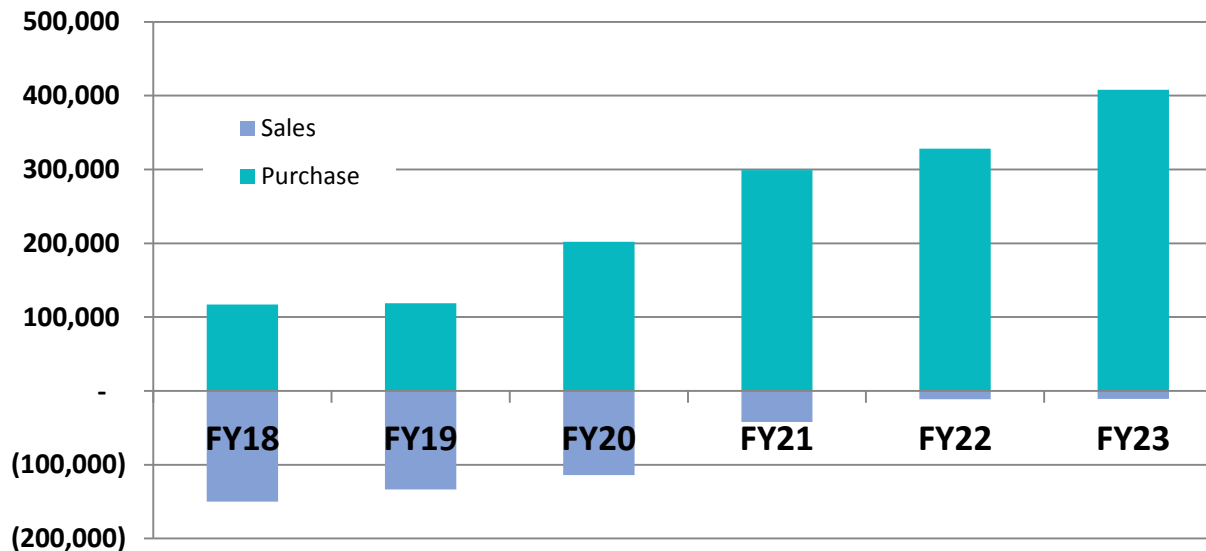
BY DESIGN, GMP'S UNHEDGED ENERGY POSITION OPENS UP AFTER 2023



SHORT TERM ENERGY POSITIONS: 2017-2023

We accelerated our hedging program for short-term purchases through 2025 to take advantage of favorable market conditions. Purchase and sale estimates were updated in Nov 2017 for new transactions and load forecast.

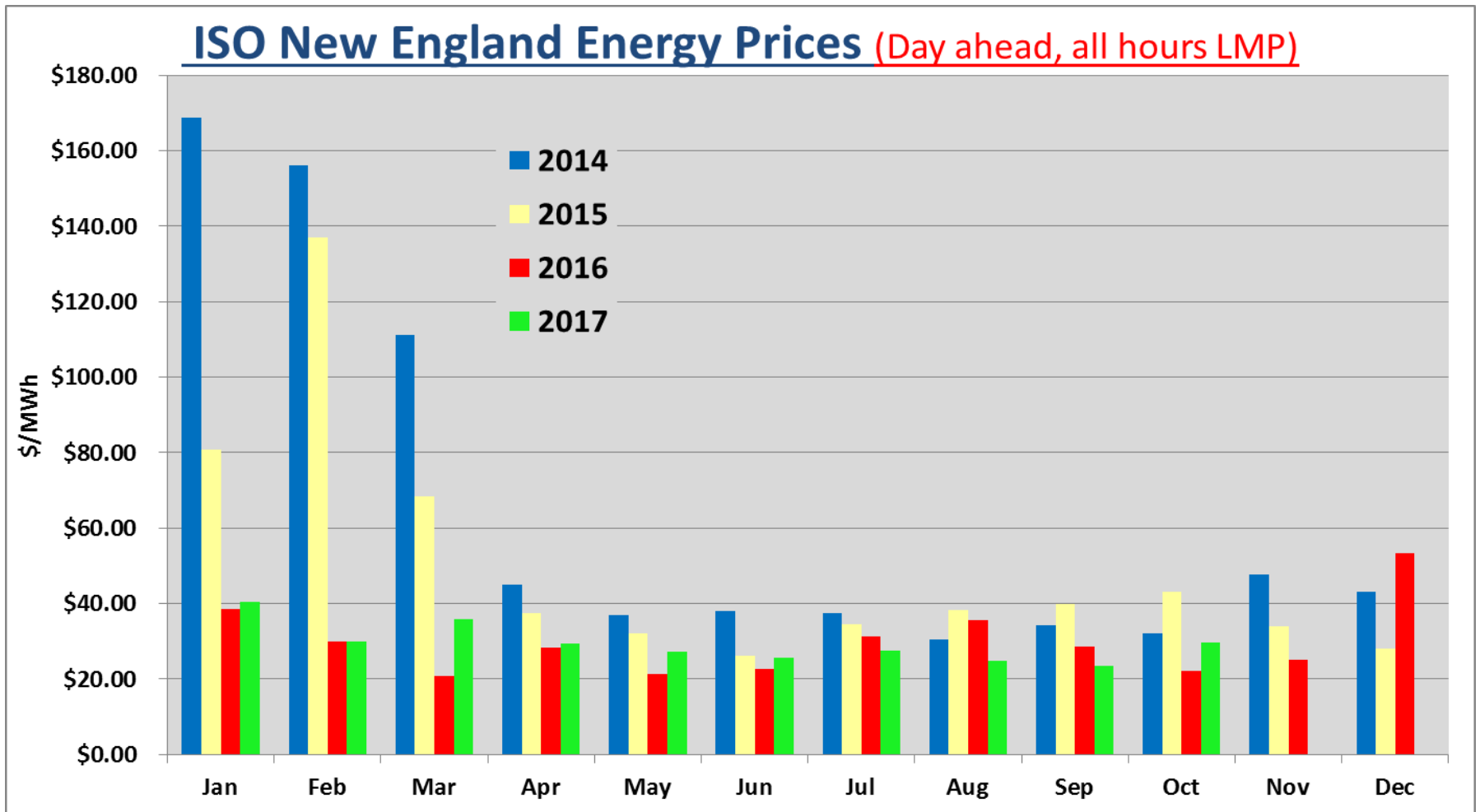
Expected purchase and sale activity by year: (Out of a 4.4 million MWH annual total)



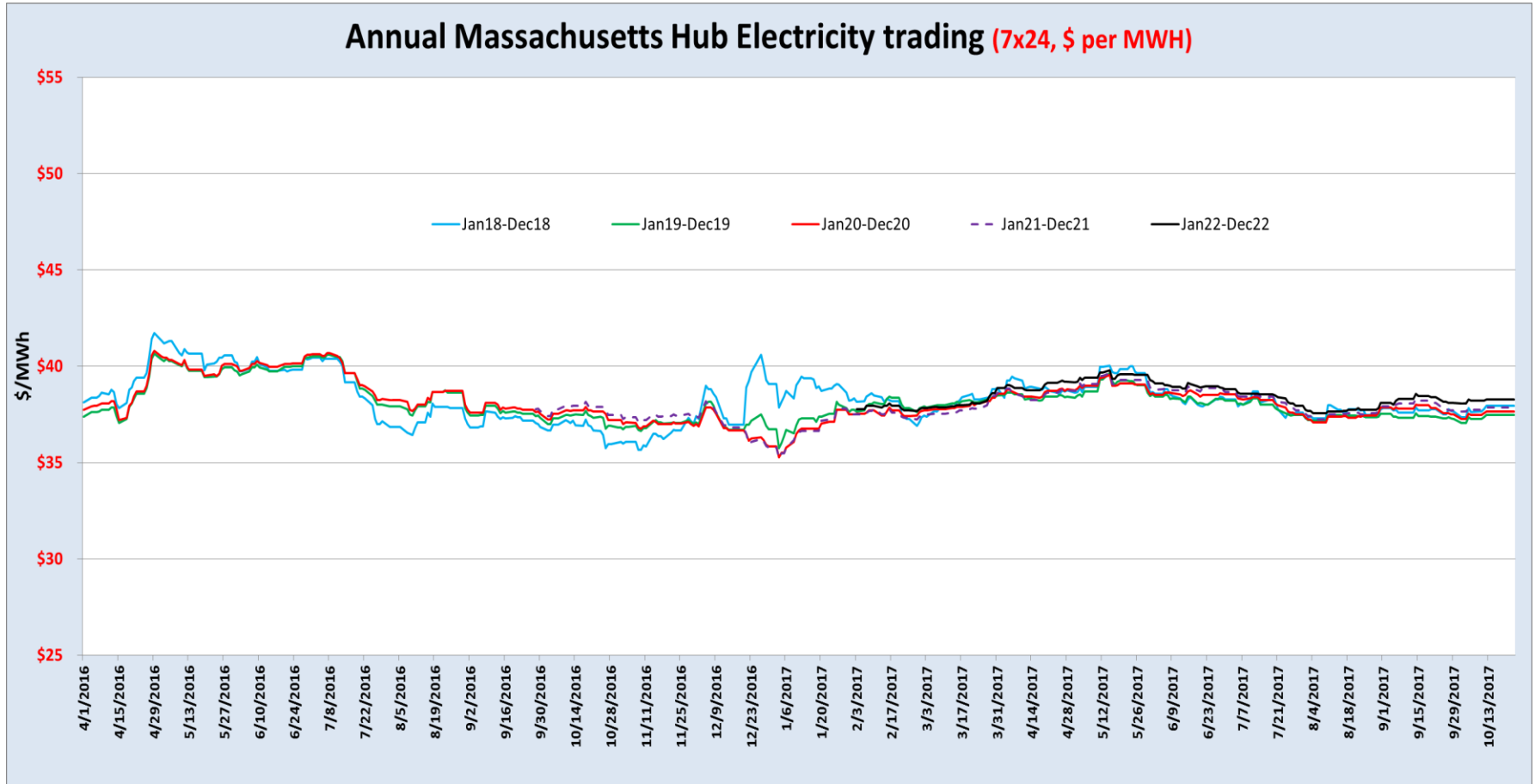
Energy contract activity: Our last significant purchase for the short-term energy-hedging portfolio was NextEra in March 2017, which added volumes through 2025. This locked in today's low market pricing environment and improved our emissions profile. We are continuing to look for further long-term resources (>10 years) post 2021 on an opportunistic basis, but in the near term we are making smaller rebalancing transactions.

ENERGY PRICES: VERY STABLE IN 2017

PRICES IN THE ISO-NEW ENGLAND SPOT MARKET HAVE LARGELY FOLLOWED OUR PROJECTIONS & MODERATE TEMPERATURES HAVE REDUCED VOLATILITY.



FUTURE ENERGY MARKET PRICES: **STABLE**

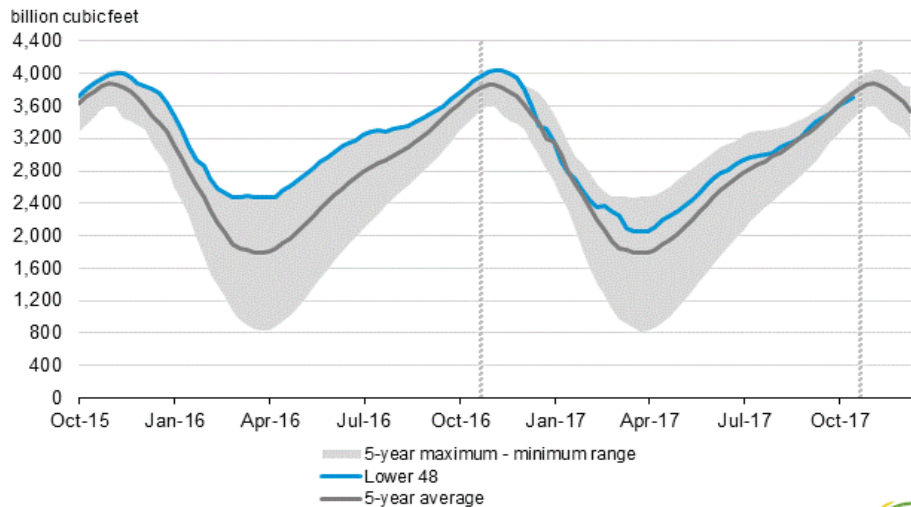


Electricity market price forecast: **No change**

- ▶ New England future electricity prices are trading at similar levels from the last update - **\$38-39 per MWh for all hours through 2022**. The pace of renewable development and pipeline capacity in New England will determine how closely New England electricity tracks national natural gas over the long term.

FUTURE NATURAL GAS PRICES:

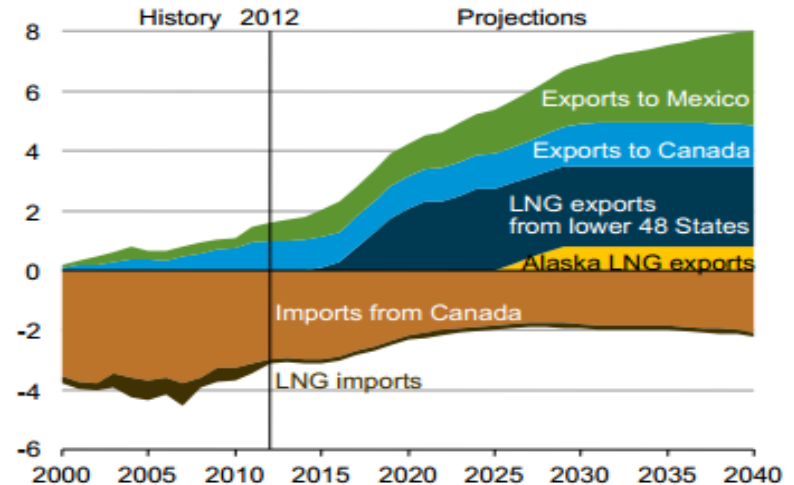
Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration



Figure 4. U.S. natural gas imports and exports, 2000-40 (trillion cubic feet)



Natural gas supply: Demand increasing (which pushes up price over time all things being equal)

- ▶ Storage projected to end injection season very close to the 5-year average (see above).
- ▶ **LNG exports are growing significantly.** In August exports reached 45.5 Bcf, a significant increase from August 2016 when exports were 26.8 Bcf, overall a 70% increase. Also, emerging global LNG capacity surplus could limit upside price exposure next several years.

Pipeline update: Another New England project put on hold as the group of utilities supporting Access Northeast pipeline expansion announced this summer that further development is on hold after a loss of support from state policy matters in CT/MA. **This is the second major expansion project to falter for the region.**

**Natural gas is the primary driver of forward electricity prices in New England. Weather is a secondary driver.*

ENERGY CONTRACTS: Mark-to-Market

- Most of our most recent short-term purchases are marking above market due to 2015-16 **market** decline driven principally by the natural gas market. Most recent price changes are within \$2MWh range—which we view as non-material.

Trade Date	Product & Counterparty	MWh	Contract Value	Mark to Market	Comments
05.15.15	Citi Winter '18, '19, Summer '19, ATC 20	420,675	\$20M	-\$4.8M	Executed in dropping market
07.07.15	NextEra 2x8 Jan '17 – May '18, ATC June '18 – Dec '20	798,575	\$34M	-\$6.1M	Executed in dropping market
12.16.15	Shell ATC Winter '18, ATC Summer '18, Jan-Dec '19-'20, Off-Peak Jan – Dec '18	638,825	\$25M	-\$2.0M	Executed in dropping market
11.09.16	BP ATC Jan-Feb, Jul-Aug '19; ATC Jan-Feb, Jul-Dec '20; ATC Jan-Mar, Jun-Dec cal'21 through cal'23	1,459,000	\$62M	N/A	Flat to market
3.30.17	NextEra ATC June '21 – Dec '25	1,787,200	\$82M	-\$500k	Prices down ~\$1 per MWh since trade.

UPCOMING ISO MARKET CHANGES: TRACKING

- ▶ **CAPACITY: Pay-for-performance (June 2018)**: Starting in June resources with a capacity obligation will realize economic penalties more quickly for bad performance (i.e. failed starts, forced outages) on key reliability days. **GMP action**: Increased communication with operators of GMP's fuel units to reduce outages.
- ▶ **CAPACITY: Competitive Auctions with Sponsored Policy Resources (CASPR)**: ISO **proposed** market redesign to accommodate the entry of state-sponsored resources in the Forward Capacity Market (FCM) over time while maintaining competitively based capacity prices for non-sponsored resources (i.e. prevent harm to unsubsidized suppliers from subsidized suppliers). **GMP action**: None/tracking developments to understand long-term capacity auction price impacts.
- ▶ **ENERGY: Intermittent unit day-ahead offers (June 2019)**. Lead market participants of wind and intermittent hydro units will need to offer full available forecast in DA energy market. **GMP action**: Minor offers changes for KCW required, no other plants meaningfully impacted.

PRIMARY GOALS OF RENEWABLE ENERGY CREDITS SALES STRATEGY

We currently sell RECs from our premium renewable resources to lower rate pressure for customers.

Avoid volatility

Shield customers from significant adverse changes in REC market

Maintain flexibility

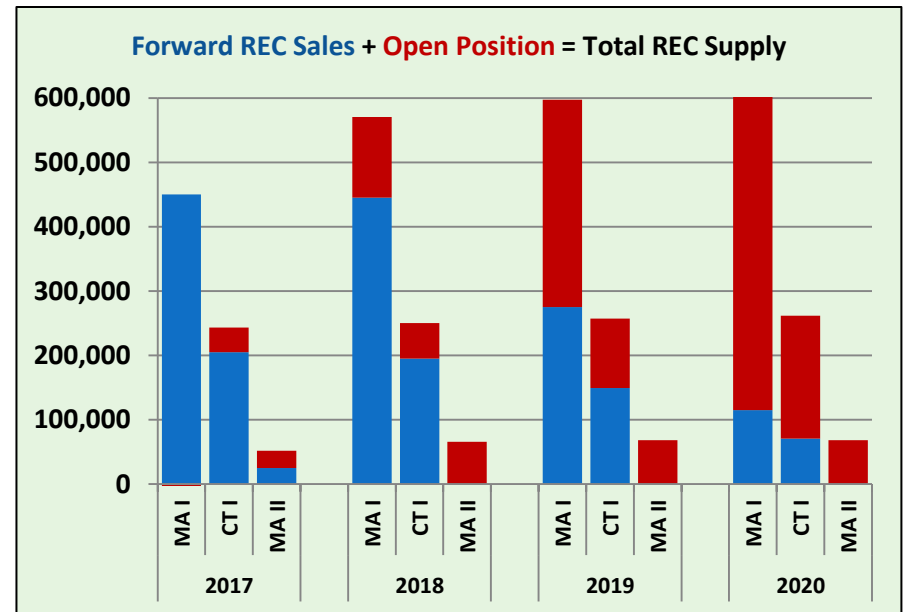
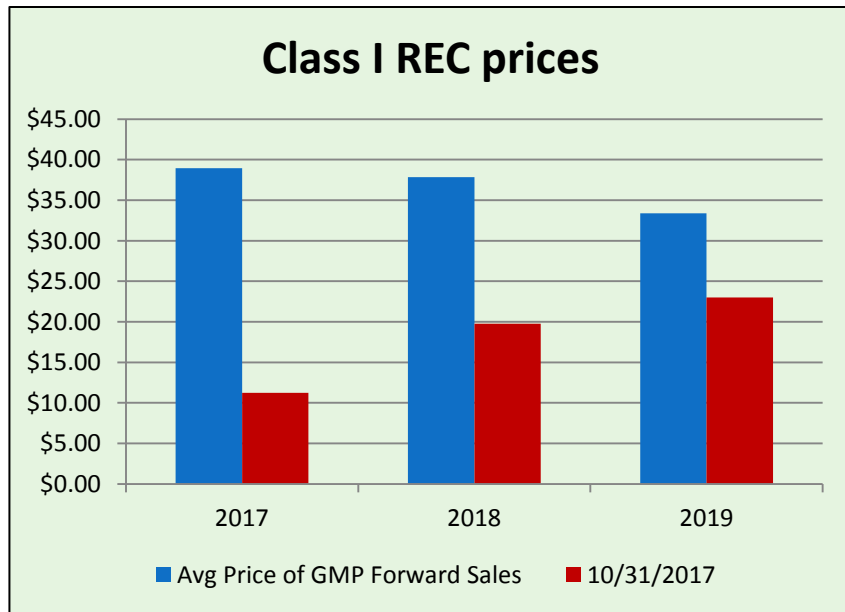
Some ability to vary from benchmark plan to take advantage of market conditions

Keep volume control of sales

Avoid having to sell large volumes quickly into a thin market

PREMIUM REC SALES: PRICES STABLE, DEAL PACE SLOWER

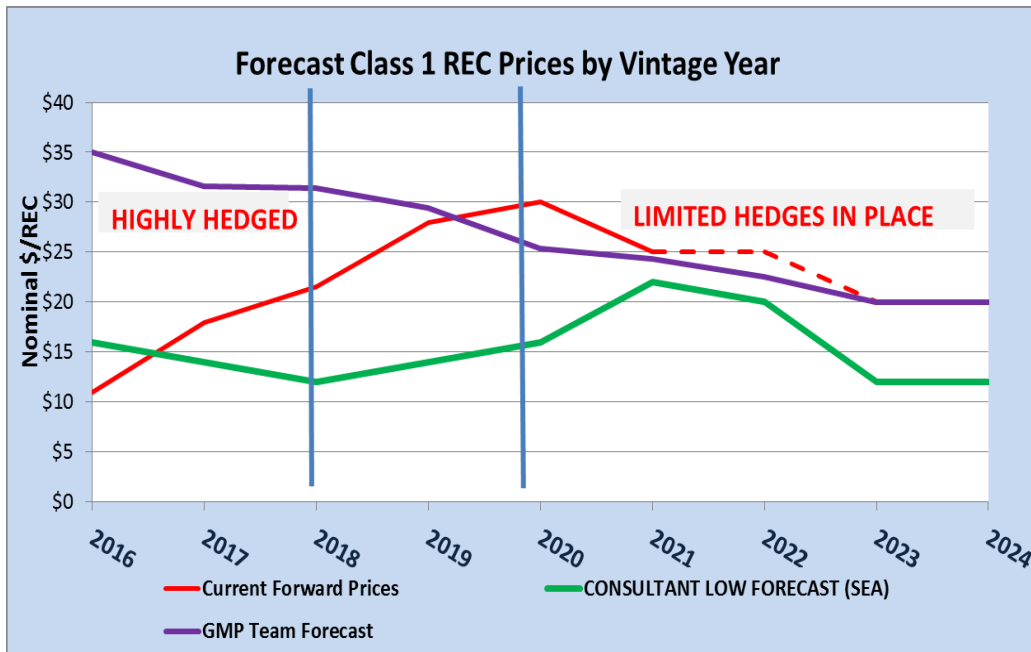
REC prices are much lower than we saw in early 2016. We sold forward aggressively to get ahead of this trend.



Strategy Update: We have met our hedge goals so far for Vintage 2017, Vintage 2018 (90+% and 75+%) and will continue to reduce remaining exposure according to our hedge plan. Premium REC prices for the next few years have averaged values in mid \$20s per REC this quarter; potential for upside appears limited in the near future.

LONG-TERM REC FORECASTS:

High REC revenue certainty in FY18 but meaningful impact in the following years if prices continue to stay low. 2019 rate case estimate (see 5-year chart) reflects new market conditions.



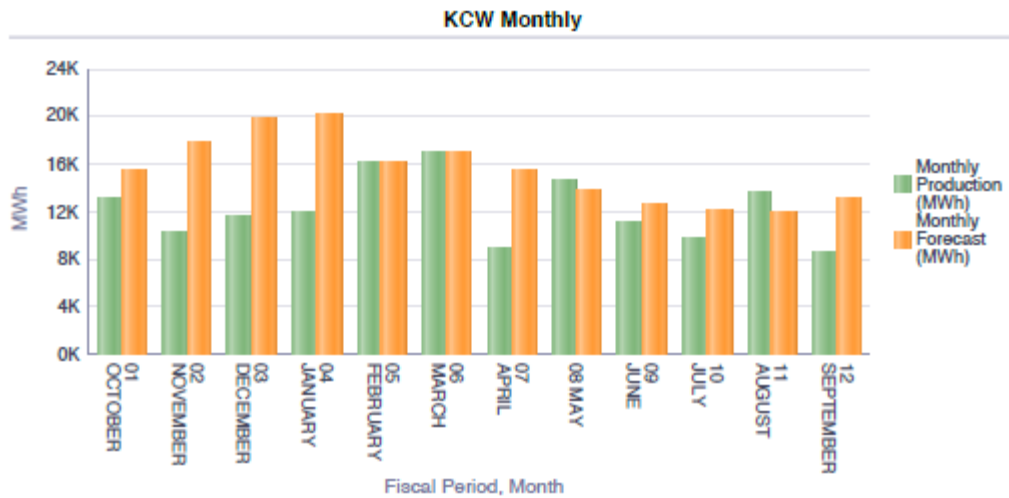
REC contract mark-to-market:

Counterparty:	\$ Delta
BED for McNeil	\$3.04M
Connecticut Municipal Electric	\$2.36M
CP Energy Marketing (US), LLC	\$765K
CT DUs - CL&P & UI	\$344K
Direct Energy Business Marketing	\$5.72M
EDF Trading North America, LLC	\$9.94M
Exelon Generation Company, LLC	\$11.22M
NextEra Energy Power Marketing	\$2.00M
Grand Total	\$35M

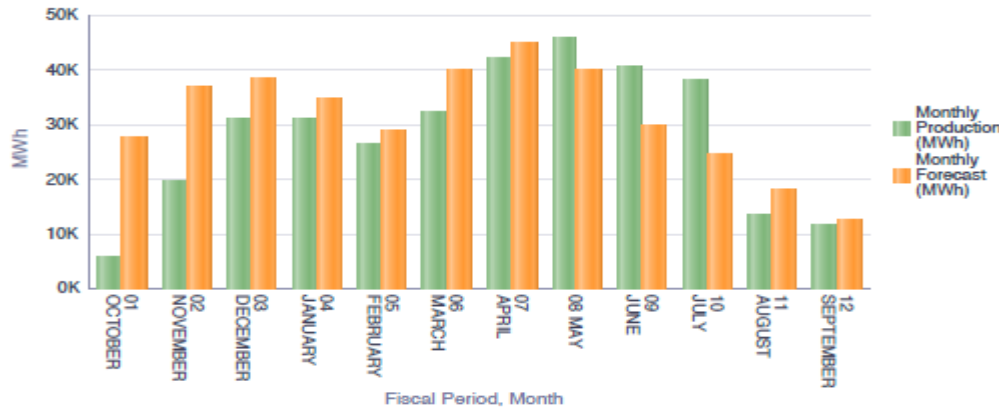
Summary: Current forecasts of future REC prices have been reduced due to new supply/demand expectations. As a result, the GMP team has lowered expected revenues from REC sales in 2019 and beyond. This has increased rate needs (See 5-year projections). Due to accelerated hedging program in 2016 & 2017 we have considerable benefit in our REC sales portfolio of approximately \$35 million.

RENEWABLE PRODUCTION IN FY17: WIND & HYDRO

Wind is off to a strong start in FY2018 after underperforming in FY2017. Hydro is starting below forecast again but we do not expect the extremely dry conditions seen in fall of 2016 to repeat.



WIND SUMMARY: Winter curtailments due to icing & transmission were unusually high. Summer wind volume was slightly below normal and KCW finished FY17 ~39,000 MWh below forecast.



HYDRO SUMMARY: Spring rains and above-normal precipitation in June helped close the gap but for the year hydro ended down ~38,000 MWh from forecast due to the dry fall in 2016 .

Power Supply Update

CAPACITY PORTFOLIO STRATEGY

Our capacity portfolio strategy reflects a balance of forward hedging and a strategic open position to take advantage of fluctuations in capacity prices.

Goals

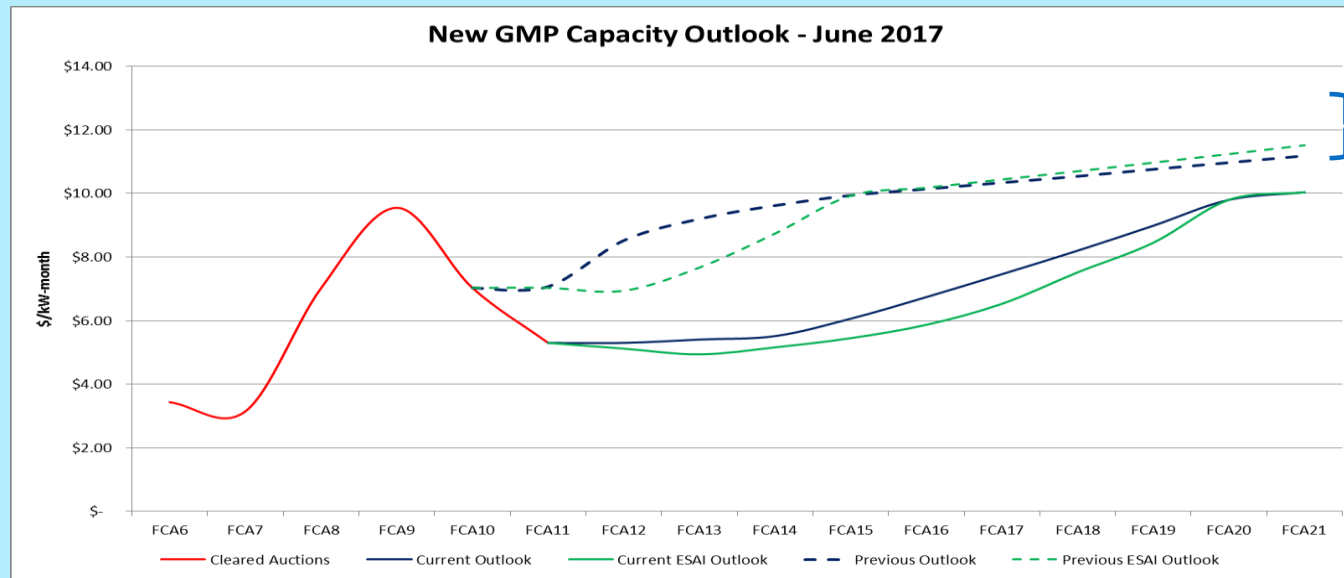
- ▶ Limit customer risks of adverse rate impacts
 - ▶ Hedge against unfavorable capacity auction outcomes
- ▶ Maintain competitive rate position with neighboring New England utilities

Strategy

- ▶ Rolling short-term forward purchases with varying duration
 - ▶ Avoid large, single-year capacity auction exposure
- ▶ Long-term, unit-based purchases when costs are below long-term forecasts and cost of entry

NEW CAPACITY FORECAST: LOWER PRICES EXPECTED

Moderate clearing prices for next few Forward Capacity Auctions

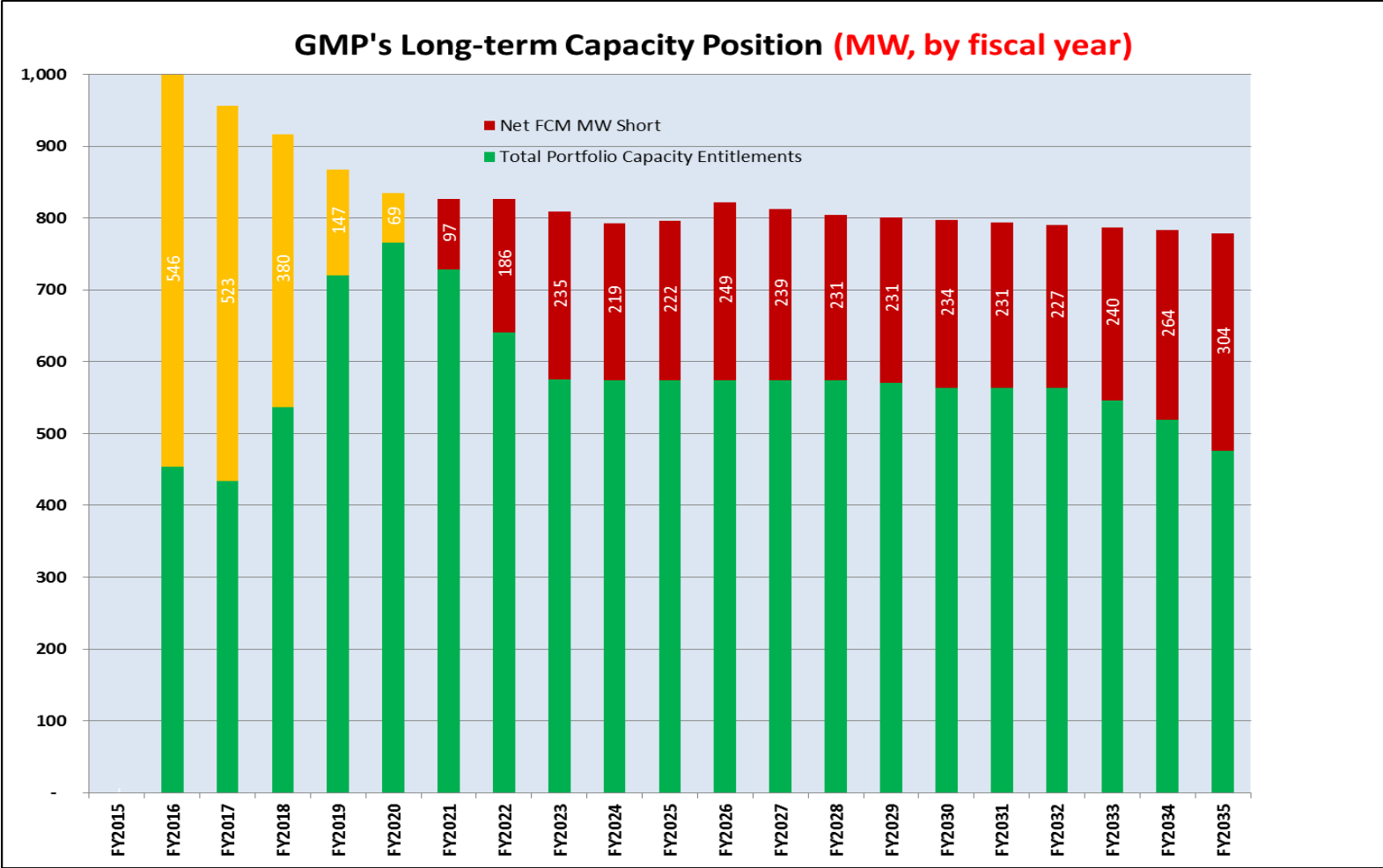


* Our shift reflects ESAI's outlook but we are not quite as bearish

Primary Drivers of a Moderating FCA Price Forecast:

1. Flat peak demand in New England (distributed solar, energy efficiency).
2. Changes to shape of Demand Curve (this determines how much ISO-NE will buy).
3. No major retirements assumed. In FCA11, most existing sources (fossil-fired plants, imports) accepted moderate prices.

WE ARE MAINTAINING A REASONABLE OPEN CAPACITY POSITION GOING FORWARD



Source: ISO cleared (orange bars)

CAPACITY CONTRACTS: Mark-to-Market

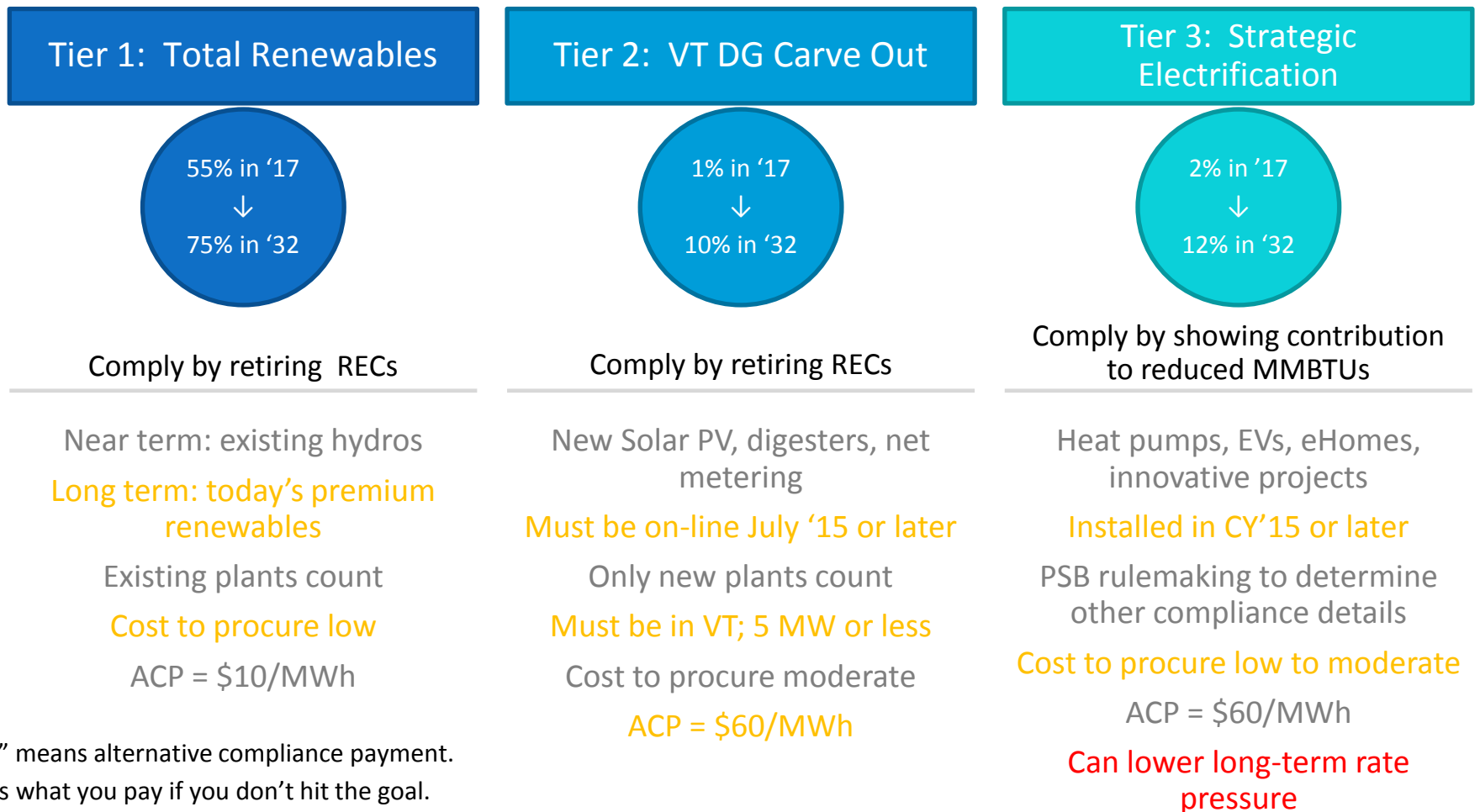
Recent capacity purchases are tracking relatively closely to the yearly auction prices, with the most recent trades slightly below market forecast. In its rate case testimony, the DPS commended all these capacity purchases and acknowledged their current mark to market as just where it should be in terms of hedging strategy.

Trade Date	Product and Counterparty	Capacity Periods	MW	Avg. Price/Contract Value	Mark to Market
10.15.15	Dynergy	FCA 10 – FCA 12	75	\$7.56/\$20.4 M	-\$3.9M
07.07.15	NextEra	FCA 9	150	\$6.75/\$12.1 M	\$5.04M
12.16.15	NextEra	FCA 9 – FCA 11	100	\$7.31/\$26.3M	\$-4.94M
1.28.17	Dynergy	FCA 11 – FCA 13	75	\$5.50/\$20.4 M	-\$-300k

Source: Actuals & ESAI prices

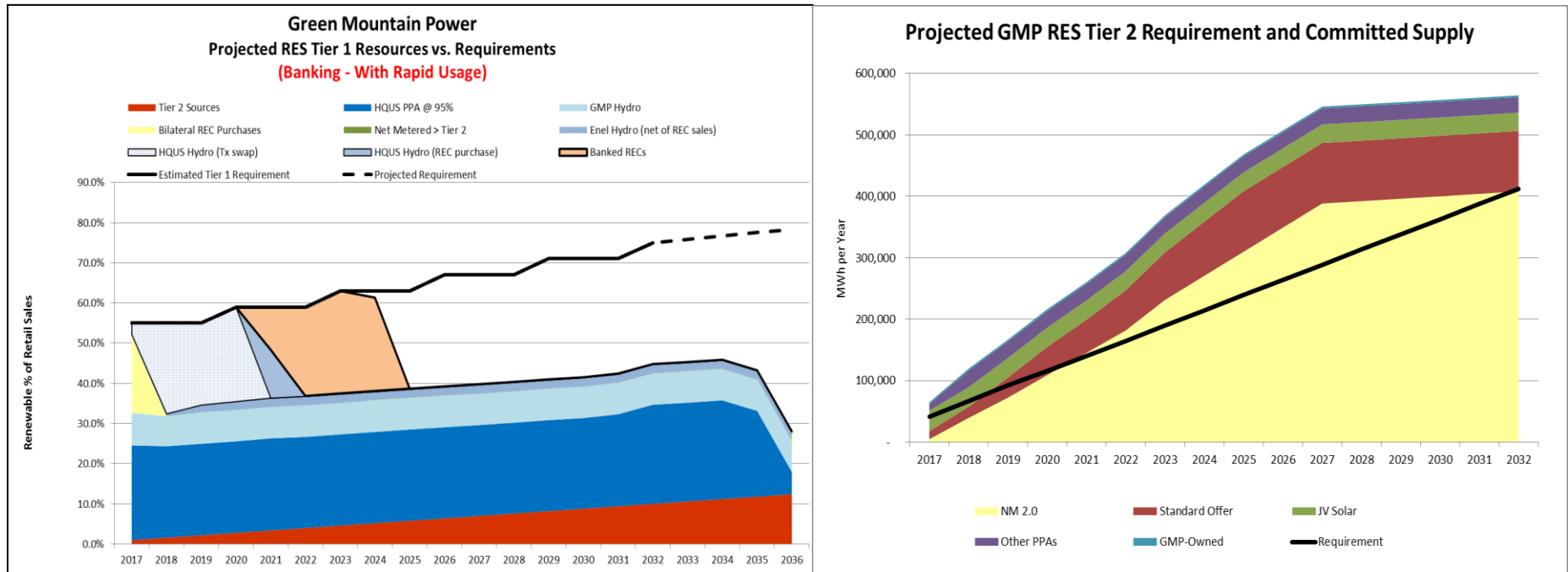
RENEWABLE PORTFOLIO STANDARD

Vermont has a three-tiered Renewable Portfolio Standard for which we are tracking compliance starting in 2017.



“ACP” means alternative compliance payment.
This is what you pay if you don't hit the goal.

GMP RENEWABLE REQUIREMENTS (RES): TIER 1 & 2

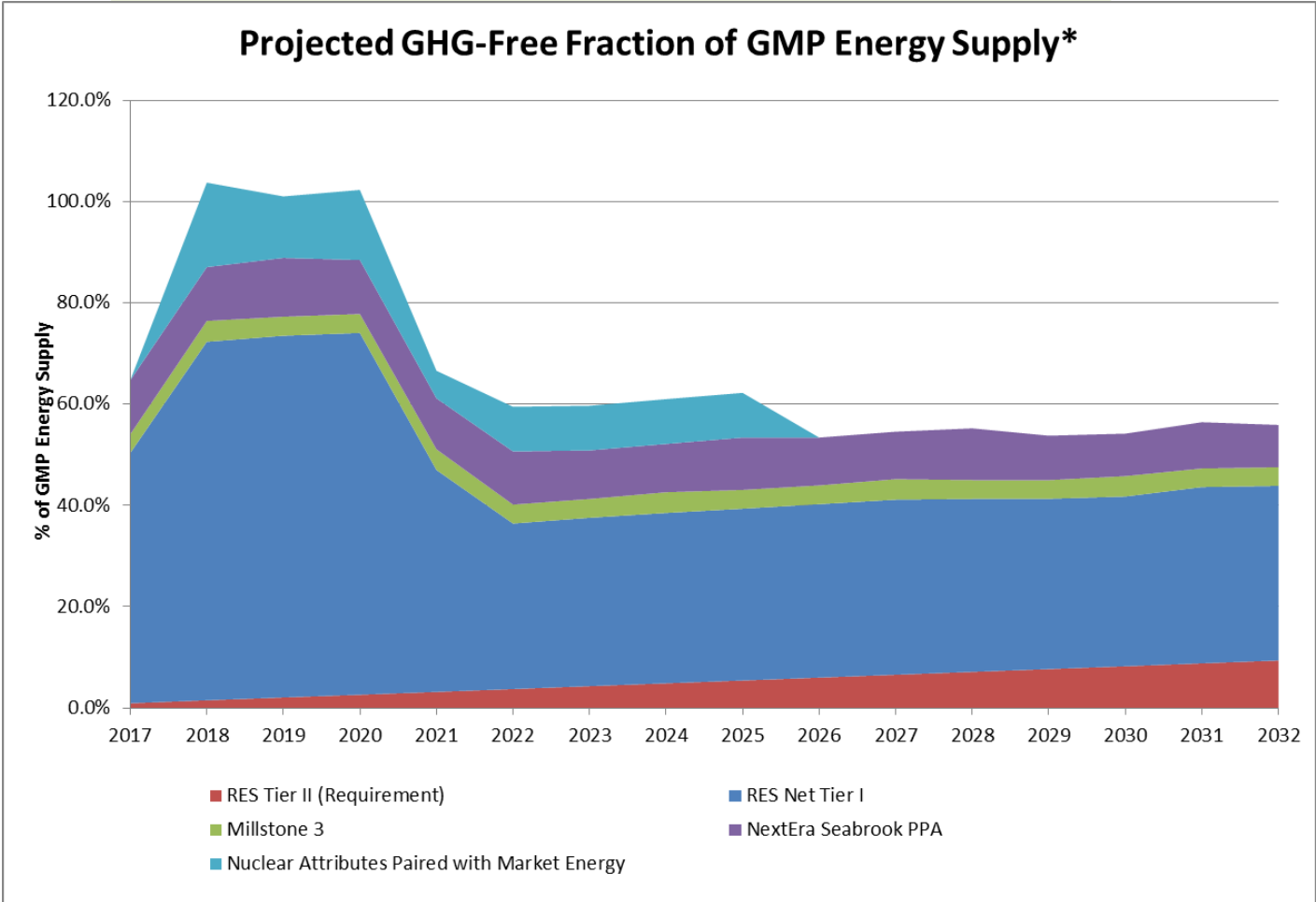


STATUS UPDATE:

TIER 1: GMP is planning to hit 60% renewable in 2017, aided by HQUS system RECs. Due to significant risk of future Tier 1 (Econo-REC) market price escalation, we plan to bank some HQ excess for future periods to extend duration of our hedge (max 2025). Combined with nuclear attributes (including Spring 2017 NextEra trade), **GMP's mix will be 90% carbon-free by 2018 and well over 80% into the 2020's.**

TIER 2: Projected Tier 2 (new DG) supply is ample, with completion of the GMPsolar projects, several smaller PPA projects, and net metering. **GMP will sell surplus Tier 2 RECs, or could bank some for compliance in future years.**

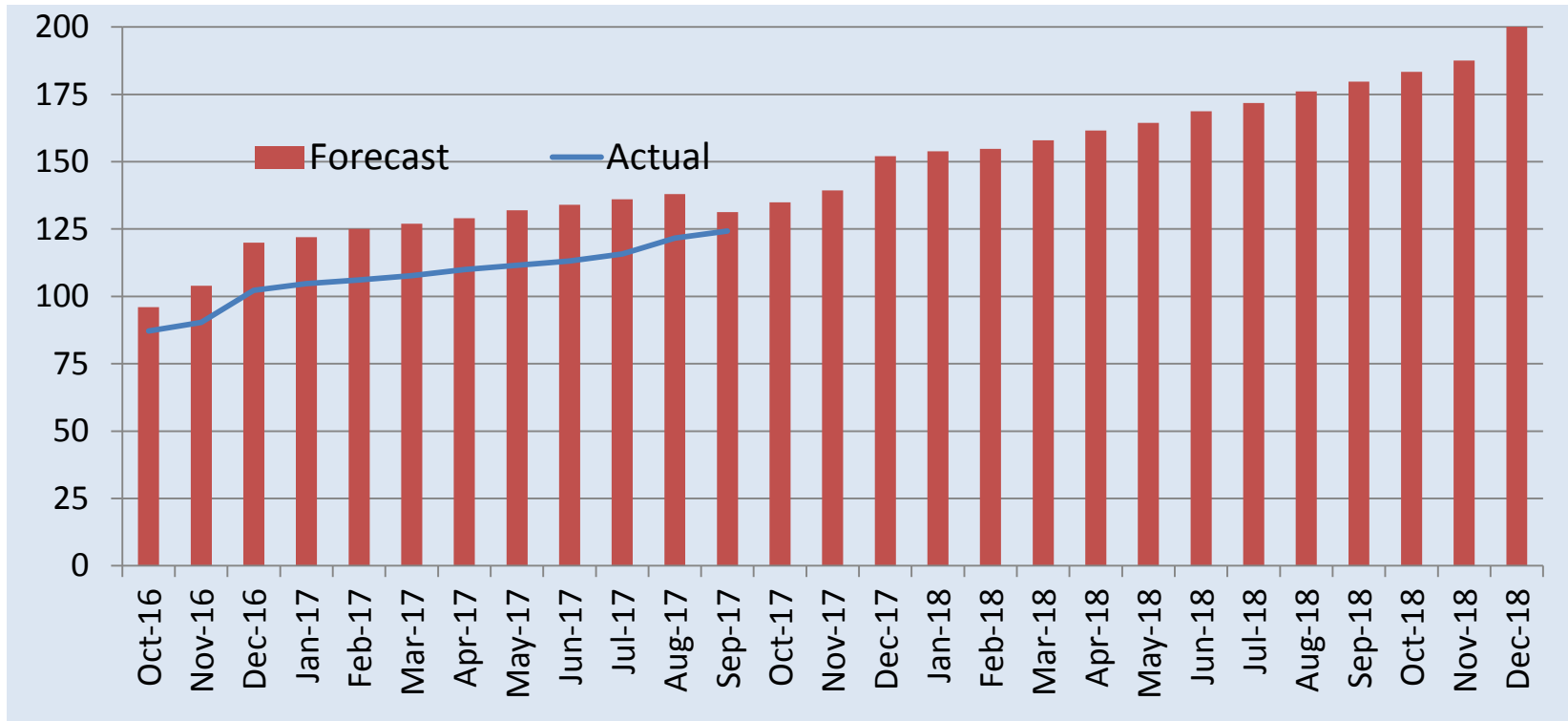
GMP CARBON-FREE ENERGY SUPPLY: STATUS



* The timing of Tier 1 REC retirements will impact the percentage achieved by year (e.g. REC banking lowers percentage)

SOLAR NET METERING: GROWTH PATH

SOLAR NET METERING INSTALLED (MW)



Update: In FY17 the actual solar net metering installation pace lagged the rate case forecast so the growth rate was updated in the 2018 rate case. Revised forecast features 50 MW of new net metering to be installed in 2018 followed by 30 MW of new installations in 2019.



**FINANCIAL OUTLOOK
ACTUAL FY 2017 AND PROJECTED
FISCAL YEARS 2018 – 2021**

FINANCIAL FORECAST HIGHLIGHTS

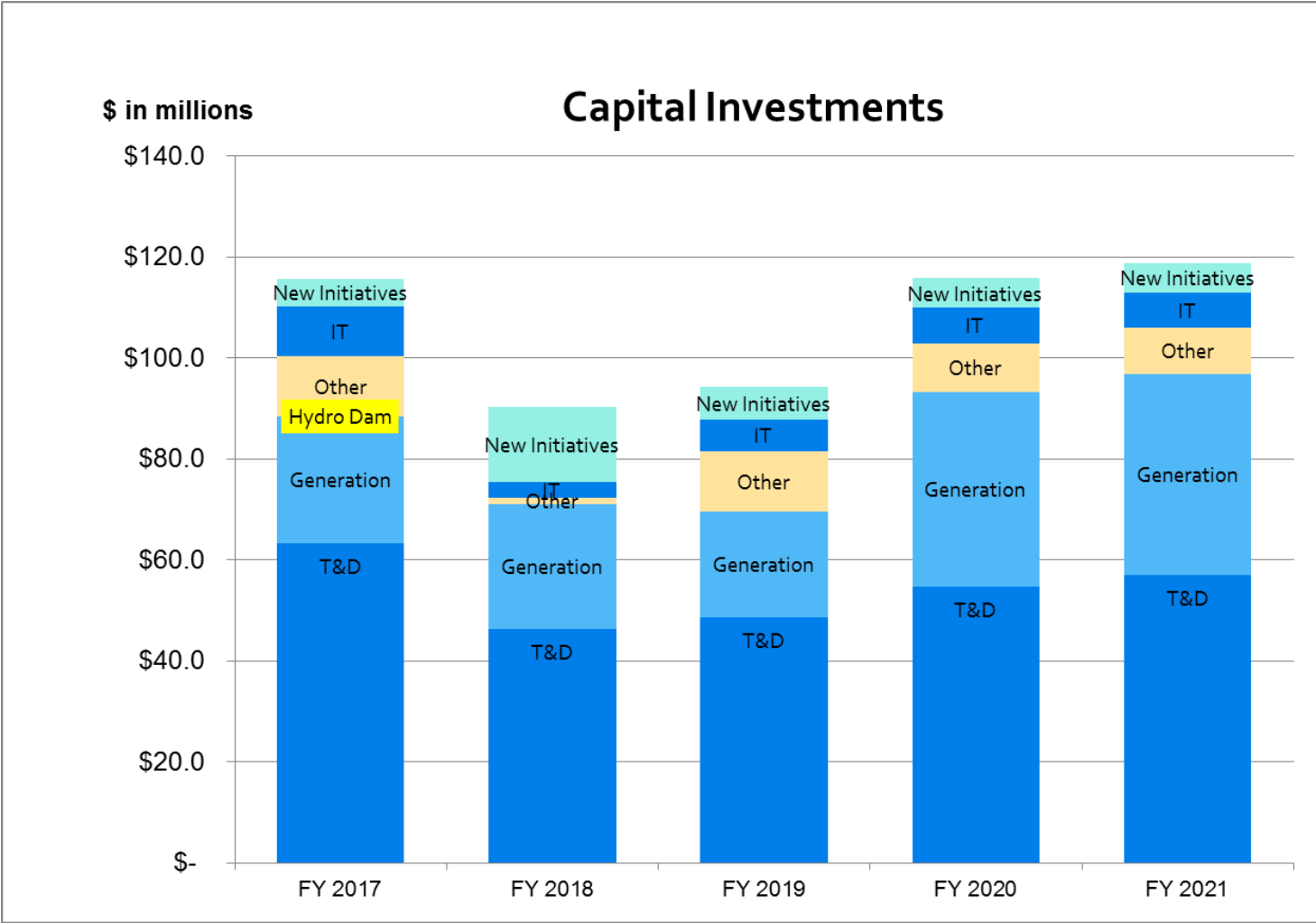
2017 & 5-YEAR PERIOD 2018 – 2021

- ▶ **Capital Investments:**
 - ▶ 2017: \$131M
 - ▶ 2018-2021: \$419M
- ▶ **Transco & JV Micro Grid Investments:**
 - ▶ 2017: \$34M (Transco)
 - ▶ 2018-2021: \$83M
- ▶ **Generating Funds from Operations:**
 - ▶ FY 2017: \$120M
 - ▶ FY 2018-2021: \$629M
- ▶ **Generating Net Income:**
 - ▶ FY 2017: \$71M
 - ▶ FY 2018-2021: \$295M
- ▶ **Total rate increases:**
 - ▶ FY 2017: (0.03%)
 - ▶ FY 2018-2021 totaling 18.8% or on average 4.7%

LIQUIDITY

- ▶ Funds generated by operations will fund ongoing operations and maintenance
- ▶ Short-term cash: Current long-term revolver provides \$110M plus \$15M accordion. Beginning process to extend credit facility for another 5-year term to maintain long-term classification
- ▶ Additional liquidity available from cash surrender value of insurance policies: \$9M loan amount available
- ▶ Continued equity investment support from GazMètro
- ▶ Combined Debt to Capital forecasted at 50%/50%

CAPEX & INVESTMENTS IN AFFILIATES



FORECAST ASSUMPTIONS

- ▶ Calculated ratios include estimated adjustments consistent with S&P methodology
- ▶ GMP's key aspects of Alternative Regulation renewed through 2021
- ▶ Stable power supply costs (most short-term positions hedged)
- ▶ Declining MWh sales due to greater efficiency measures and net metering
- ▶ Achieve synergy savings to satisfy merger requirements
- ▶ Dividend payout 55-60% of net income
- ▶ Special dividends, as needed, to maintain capital structure
- ▶ Includes investments in Micro Grid Joint Ventures
- ▶ Allowed ROE

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
	9.0%	9.1%	9.3%	9.4%	9.4%

INCOME STATEMENT	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Operating Revenues:					
Retail Revenues	\$ 580,415	\$ 613,879	\$ 652,470	\$ 682,717	\$ 699,218
Electricity Sales (Billing Adj's)	8,066	7,619	4,925	1,029	-
Business Development - Net	282	242	707	168	403
Provision for Rate Refund/Collections	1,416	1,169	(5,631)	3,471	6,000
Other Operating Revenues	23,580	19,531	22,723	20,555	20,053
REC Revenue	17,032	22,004	12,978	6,980	2,701
Rate W Revenues &/or VY Pmt to Sponsor	3,340	4,099	4,077	4,055	4,033
<i>Total Operating Revenues</i>	<i>634,131</i>	<i>668,542</i>	<i>692,249</i>	<i>718,974</i>	<i>732,407</i>
Operating Expenses:					
<i>Power Supply:</i>					
Total Energy, net of resales	251,644	251,357	256,662	265,740	262,804
Total Capacity	37,077	53,566	48,153	44,734	42,005
<i>Subtotal Power Supply</i>	<i>288,721</i>	<i>304,923</i>	<i>304,815</i>	<i>310,474</i>	<i>304,809</i>
Transmission by Others/Transmission Rents	93,879	106,501	117,163	122,668	132,422
Depreciation/Amortization	43,414	54,730	55,623	70,292	76,650
Investment Gain / Regulatory Deferrals	11,769	-	11,174	1,372	-
Cost Center O&M (incl. Payroll and Overheads)	103,584	98,791	100,110	101,969	104,345
Taxes other than Income	35,962	38,115	40,740	43,164	45,351
<i>Total Operating Expenses</i>	<i>577,330</i>	<i>603,059</i>	<i>629,625</i>	<i>649,939</i>	<i>663,577</i>
<i>Operating Income</i>	<i>56,802</i>	<i>65,483</i>	<i>62,624</i>	<i>69,035</i>	<i>68,829</i>
Other Income (Loss):					
Equity-in-Earnings	69,756	81,959	95,167	93,629	89,843
Other Income	5,720	(773)	(586)	(576)	(578)
Interest Expense	39,367	38,555	39,245	40,495	42,628
KCW Accretion Expense (ARO)	246	282	294	307	320
<i>Pre-tax Income</i>	<i>92,666</i>	<i>107,832</i>	<i>117,667</i>	<i>121,286</i>	<i>115,146</i>
Income Taxes	39,413	39,584	42,301	43,787	41,329
Net Income before Non Controlling Interest in Income	53,253	68,248	75,365	77,499	73,817
Non Controlling Interest in Income - Income/(loss)	18,738	1,682	(670)	(568)	(527)
Net Income	\$ 71,991	\$ 69,930	\$ 74,695	\$ 76,931	\$ 73,291

Green Mountain Power
Balance Sheet - Assets
For the Years Ending September 30 (*amounts in thousands*)

BALANCE SHEET - ASSETS	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Utility Plant:					
Utility Plant in Service	\$ 1,812,930	\$ 1,852,011	\$ 1,934,965	\$ 2,038,995	\$ 2,133,811
Less: Accumulated Depreciation and Amortization	(599,579)	(639,487)	(673,559)	(720,451)	(758,367)
<i>Net Plant in Service</i>	<u>1,213,351</u>	<u>1,212,524</u>	<u>1,261,406</u>	<u>1,318,544</u>	<u>1,375,444</u>
CWIP	60,542	93,836	88,300	89,213	96,512
Nuclear Fuel	2,709	2,709	2,709	2,709	2,709
<i>Net Utility Plant</i>	<u>1,276,602</u>	<u>1,309,069</u>	<u>1,352,415</u>	<u>1,410,466</u>	<u>1,474,666</u>
Current Assets:					
Cash and Cash Equivalents	29,271	7,781	7,986	8,191	8,342
Special Fund Millstone Decomm	11,202	11,202	11,202	11,202	11,202
VYNPC Spent Fuel Trust	145,616	146,330	147,044	147,758	148,472
Accounts Receivable, Net of Allowance	75,507	77,665	80,287	82,059	82,712
Inventories	24,127	24,890	25,454	26,244	27,058
Derivative Financial Instruments	10,449	10,449	10,449	10,449	10,449
Derivative Financial - Current	8,576	8,576	8,576	8,576	8,576
Prepaid Expenses and Other Current Assets	12,941	12,334	11,670	11,828	11,991
<i>Total Current Assets</i>	<u>317,690</u>	<u>299,226</u>	<u>302,668</u>	<u>306,307</u>	<u>308,802</u>
Regulatory Assets - Long Term:					
Pine Street, Asset	9,866	9,378	8,766	8,155	7,544
Other Deferred Charges:					
Preliminary Survey	3,084	3,084	3,084	3,084	3,084
Deferred Assets - Other	19,177	18,425	10,095	7,706	6,646
Deferred Assets - Storm	3,549	13,544	12,958	8,458	2,458
Deferred Assets - Efficiency Fund Payments	18,589	16,214	13,235	10,304	7,971
VYNPC Special Trust Funds	2,935	2,726	2,517	2,309	2,100
<i>Total Other Deferred Charges</i>	<u>47,334</u>	<u>53,993</u>	<u>41,890</u>	<u>31,861</u>	<u>22,260</u>
Other Assets:					
Associated Companies	542,317	598,389	661,795	690,205	703,415
Cash Surrender Value of Officers' Life Insurance	16,675	15,972	15,472	14,972	14,472
Other Investments	1,811	1,811	1,811	1,811	1,811
Other Assets	134,294	115,801	116,701	118,309	120,010
<i>Total Other Assets</i>	<u>695,098</u>	<u>731,973</u>	<u>795,778</u>	<u>825,297</u>	<u>839,707</u>
Other Assets - Non-Utility Property	5,853	6,554	7,254	7,955	8,669
Total Assets	\$ 2,352,443	\$ 2,410,193	\$ 2,508,772	\$ 2,590,041	\$ 2,661,648

Green Mountain Power
Balance Sheet – Liabilities and Capitalization
For the Years Ending September 30 *(amounts in thousands)*

BALANCE SHEET - LIAB & EQUITY	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Capitalization:					
Additional Paid In Capital	\$ 558,899	\$ 540,899	\$ 540,899	\$ 540,899	\$ 523,609
Equity Interest of NonControlling Member GMP VT Solar LLC	20,264	18,582	19,252	19,820	20,347
Retained Earnings	190,944	218,646	246,205	269,433	286,813
<i>Total Stockholder's Equity</i>	<u>770,108</u>	<u>778,127</u>	<u>806,358</u>	<u>830,153</u>	<u>830,770</u>
Long Term Debt	701,130	659,830	709,500	728,145	789,260
<i>Total Capitalization</i>	<u>1,471,238</u>	<u>1,437,957</u>	<u>1,515,858</u>	<u>1,558,298</u>	<u>1,620,030</u>
Current Liabilities:					
Short-Term Debt	30,000	33,512	91,347	70,198	63,042
Current Portion of Long Term Debt	7,280	86,300	10,330	31,355	8,885
Accounts Payable	53,778	54,742	55,287	56,369	57,485
Power Supply Adjustor	18	5	(0)	(0)	(0)
Derivative Financial Instruments - Current Portion	12,011	12,011	12,011	12,011	12,011
Other Accounts Payable and Accruals:					
Accrued Officers Comp	1,991	2,027	2,047	2,088	2,129
Accounts Payable - Associated Companies	30,677	11,312	11,672	12,386	13,121
Customer Deposits & Unearned Revenue	1,408	1,434	1,448	1,477	1,506
Accrued Interest Payable	10,549	11,029	10,187	11,407	13,655
Other Misc.	20,070	20,424	20,624	21,021	21,430
<i>Total Other Accounts Payable and Accruals</i>	<u>64,696</u>	<u>46,226</u>	<u>45,978</u>	<u>48,377</u>	<u>51,841</u>
Total Current Liabilities	<u>167,784</u>	<u>232,796</u>	<u>214,954</u>	<u>218,310</u>	<u>193,264</u>
	167,784	252,796	234,953	238,310	213,264
Regulatory Liabilities:					
Cost of Removal - Reg Liability	24,244	24,681	24,928	25,418	25,922
Other Regulatory Liabilities	22,772	13,580	13,257	11,493	11,493
<i>Total Regulatory Liabilities</i>	<u>47,016</u>	<u>38,261</u>	<u>38,185</u>	<u>36,910</u>	<u>37,415</u>
Derivative Regulatory Liability	51,430	51,430	51,430	51,430	51,430
Customer Advances for Construction	261	261	261	261	261
Spent Fuel Obligation - VY	106,945	107,450	107,955	108,461	108,966
Asset Retirement Obligations	9,343	9,624	9,918	10,225	10,545
Deferred Taxes	371,271	410,854	449,791	486,888	521,721
Minimum Pension Funding Liability	73,805	73,619	73,433	73,246	73,060
Other	53,350	47,940	46,989	46,012	44,955
Total Liabilities	<u>881,205</u>	<u>972,235</u>	<u>992,915</u>	<u>1,031,743</u>	<u>1,041,617</u>
Total Liabilities & Capitalization	<u>\$ 2,352,443</u>	<u>\$ 2,410,193</u>	<u>\$ 2,508,773</u>	<u>\$ 2,590,041</u>	<u>\$ 2,661,647</u>

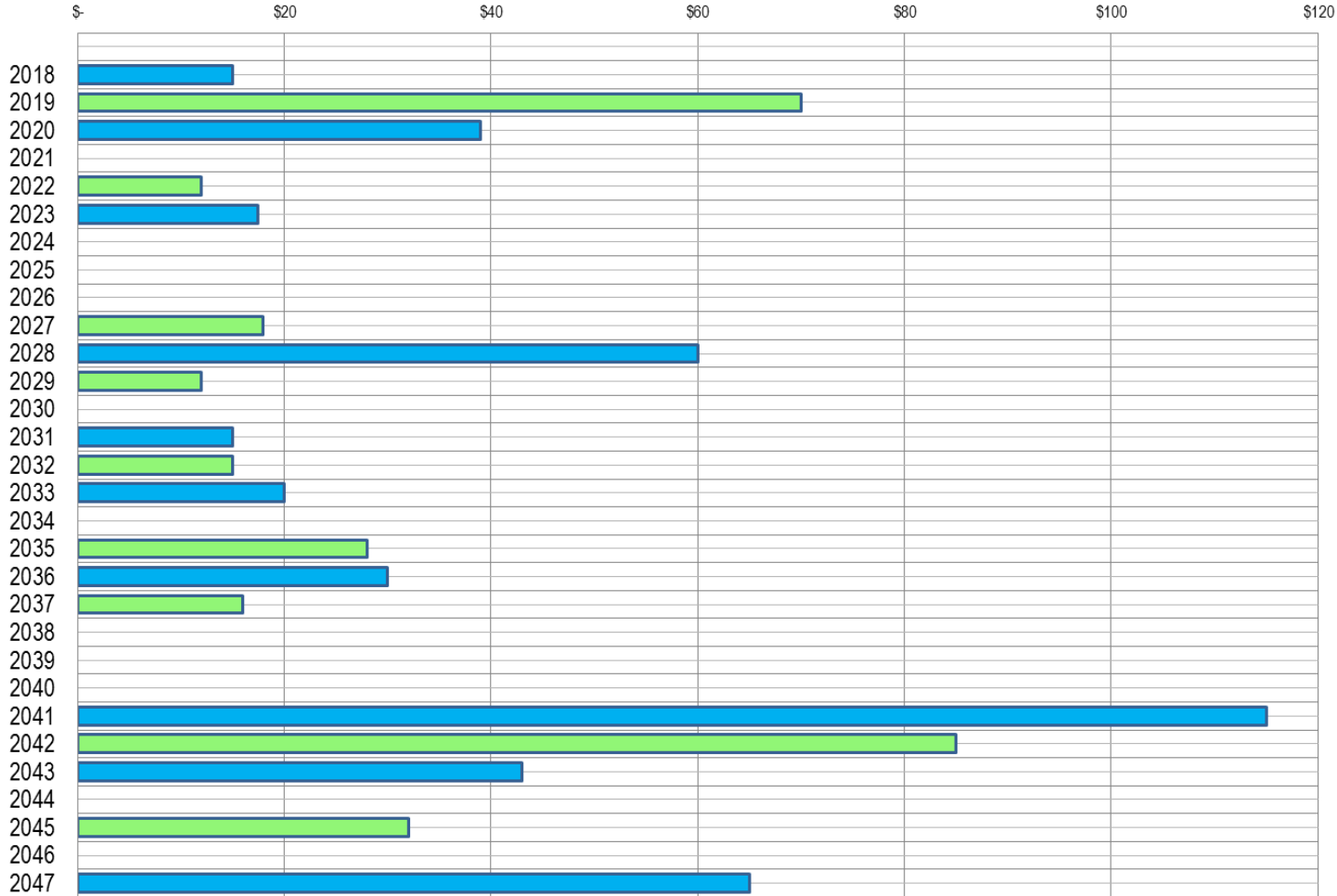
Green Mountain Power
Statement of Cash Flows
For the Years Ending September 30 (*amounts in thousands*)

CASH FLOW	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING ACTIVITIES:					
Net Income	\$ 71,991	\$ 69,930	\$ 74,695	\$ 76,931	\$ 73,291
Net Income attributable to Non- Controlling Interest	18,738	1,682	(670)	(568)	(527)
Net Income before Non-Controlling Interest	53,253	68,248	75,365	77,499	73,817
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>					
Depreciation and amortization	58,426	60,193	63,609	67,524	70,317
Amortization of regulatory and other deferred amounts	(15,650)	(3,692)	588	7,175	9,883
Dividends and distributions from associated companies	50,377	64,045	70,970	73,187	74,670
Equity in undistributed earnings of associated companies	(69,756)	(81,959)	(95,167)	(93,629)	(89,843)
AFUDC	(2,121)	(966)	(1,462)	(1,462)	(1,462)
Deferred income tax expense, net of investment tax credit amort	39,549	39,583	38,937	37,097	34,833
Environmental and conservation deferrals, net	(351)	(268)	(145)	(145)	(145)
<i>Working Capital Changes in:</i>					
Accounts Receivable	(3,738)	(2,157)	(2,623)	(1,771)	(653)
Other current assets & Deferred Tax Adjustment	2,295	(155)	100	(948)	(977)
Accounts Payable and other current liabilities	27,926	439	(305)	2,955	3,972
Other assets	(13,873)	(11,799)	(571)	(1,731)	(1,777)
Other liabilities	(5,981)	(3,794)	11,472	1,706	346
Net cash provided by operating activities	120,356	127,717	160,768	167,457	172,983
Investing activities:					
Utility plant expenditures	(151,434)	(90,737)	(104,693)	(123,038)	(132,009)
Investment in associated companies	(2,848)	(38,157)	(39,209)	(7,969)	1,963
Proceeds from sale of assets, investments in non-utility and other	31,486	(456)	(200)	(200)	(214)
Net cash used in investing activities	(122,796)	(129,350)	(144,103)	(131,208)	(130,261)
Financing activities:					
Issuance of long-term debt	80,000	45,000	60,000	50,000	70,000
Repayment of long-term debt	(7,280)	(8,140)	(87,160)	(11,190)	(32,215)
Additional paid in capital	10,000	(18,000)	-	-	(17,290)
Capital Contributions from Non-Controlling Partners	18,256	-	-	-	-
Other	2,115	-	-	-	-
Net borrowings on short-term debt	(37,788)	3,512	57,835	(21,150)	(7,155)
Cash dividends	(38,928)	(42,229)	(47,135)	(53,704)	(55,910)
Net cash provided by financing activities	\$ 26,376	\$ (19,857)	\$ (16,460)	\$ (36,044)	\$ (42,570)
Net increase in cash and cash equivalents	\$ 23,936	\$ (21,490)	\$ 205	\$ 205	\$ 151

FINANCIAL STATISTICS - RATIOS	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Capital Spending	\$ 131,907	\$ 90,399	\$ 94,257	\$ 115,775	\$ 118,841
Investment in Transco	\$ 34,423	\$ 38,157	\$ 13,339	\$ 7,969	\$ (1,963)
Investment in JV Microgrid	\$ -	\$ -	\$ 25,870	\$ -	\$ -
Investment in NEHT	\$ 795	\$ -	\$ -	\$ -	\$ -
Debt (Short & Long-Term)	\$ 738,410	\$ 779,642	\$ 811,177	\$ 829,698	\$ 861,187
Base Rate Impact	-0.03%	5.37%	6.39%	5.29%	1.79%
Effective Allowed ROE for Fiscal Year	9.02%	9.08%	9.25%	9.38%	9.40%
13 Month Average Equity Ratio	51.3%	50.3%	50.1%	50.5%	51.2%
Key Credit Statistics (*)					
FFO to Total Debt	14.4%	17.3%	17.2%	19.2%	19.1%
Debt / EBITDA x	5.2	4.6	4.7	4.3	4.3
Debt / Book Capitalization	51.8%	53.4%	53.3%	53.1%	54.0%
Liquidity (sources/uses) ratio	1.73	1.35	1.30	1.45	1.33
Other:					
Net Income	\$ 71,991	\$ 69,930	\$ 74,695	\$ 76,931	\$ 73,291
Interest	39,367	38,555	39,245	40,495	42,628
Income Taxes	39,413	39,584	42,301	43,787	41,329
Depreciation and Amortization	43,414	54,730	55,623	70,292	76,650
EBIT	\$ 150,770	\$ 148,069	\$ 156,241	\$ 161,213	\$ 157,247
EBITDA	\$ 194,184	\$ 202,799	\$ 211,864	\$ 231,505	\$ 233,897

DEBT DISTRIBUTION (IN 000S)

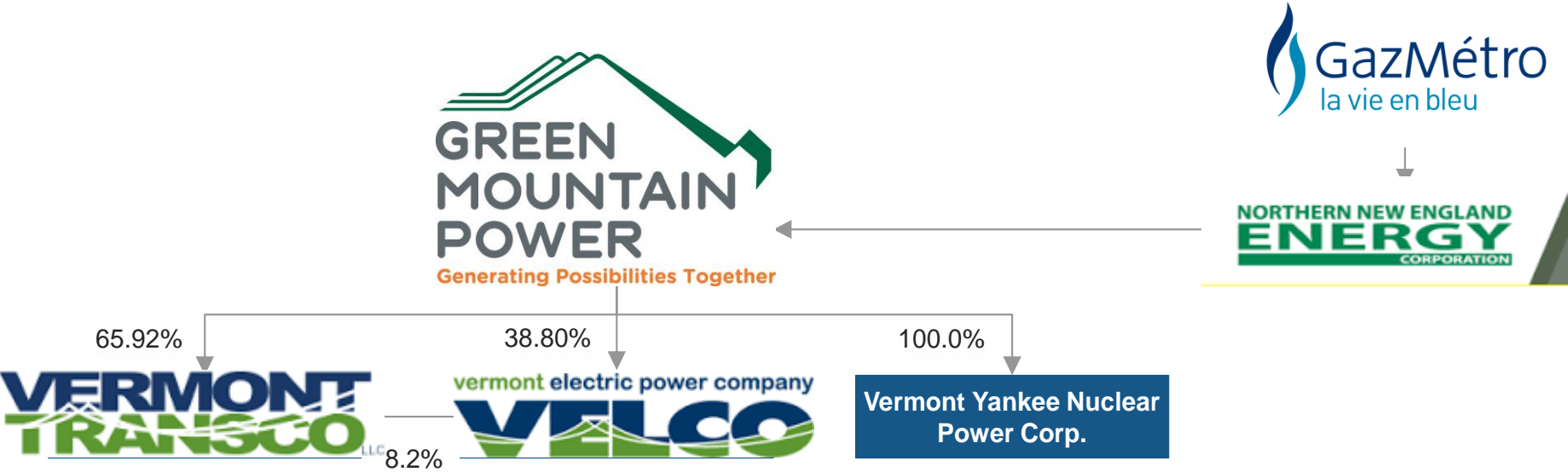
GMP Debt Maturities as of 9/30/2017



A long line of yellow utility trucks, likely snowplows or maintenance vehicles, is driving on a two-lane road. The trucks are arranged in a single file, stretching into the distance. The road is flanked by green grass and a concrete barrier on the left. In the background, there are hills and a few cars parked on the right side of the road. The scene is captured from a high angle, looking down the road.

ORGANIZATION & LEADERSHIP

ORGANIZATIONAL CHART



SENIOR MANAGEMENT BIOGRAPHIES

▶ **Mary G. Powell - President and Chief Executive Officer**

President and Chief Executive Officer since August 2008. Senior VP and Chief Operating Officer, April 2001 to August 2008. Senior VP, Customer and Organizational Development from December 1999 to April 2001. VP, Administration from February 1999 through December 1999. VP, Human Resources and Organizational Development from March 1998 to February 1999. Prior to joining GMP, Ms. Powell worked in both the private and public sectors in senior leadership positions in Vermont and New York City.

▶ **Brian B. Otley – Sr. Vice President & Chief Operating Officer**

Senior Vice President & Chief Operating Officer since November 2014. Senior Vice President, Operations since 2013. Vice President, Chief Information Officer 2012-2013. Vice President, Operations 2011-2012. Mr. Otley joined GMP in 2008 as Leader of Information & Innovation. Prior to GMP, Mr. Otley spent 20 years in technology leadership positions within the healthcare IT sector, most recently as a VP & General Manager with GE Healthcare. Mr. Otley also co-chairs Vermont's Health IT Innovation Workgroup.

▶ **Janette K. Bombardier – Sr. Vice President, Regulatory & Financial Affairs**

Senior Vice President since April 2017. Ms. Bombardier joined GMP from GlobalFoundries, formerly IBM, where she was Senior Location Executive and Vice President of Site Operations for the Vermont and Hudson Valley, NY technology facilities. Ms. Bombardier spent 30 years in numerous leadership and functional roles in semiconductor manufacturing and development. Ms. Bombardier is a licensed professional engineer in Vermont.

▶ **Dawn D. Bugbee - Vice President, Chief Financial Officer**

Vice President and Chief Financial Officer since March 2006. Ms. Bugbee was previously Chief Financial Officer at the Northwestern Medical Center in St. Albans, Vermont since 1996. Ms. Bugbee is a certified public accountant.

SENIOR MANAGEMENT BIOGRAPHIES

▶ **Charlotte B. Ancel – Vice President, General Counsel & Power Resources**

Vice President, General Counsel & Power Resources since November 2014. Prior to joining GMP, Ms. Ancel was a partner at the Burlington, Vermont law firm of Sheehey, Furlong & Behm, P.C. from 2010 to 2014. Prior to that, Ms. Ancel was an associate at the Burlington, Vermont law firm of Downs Rachlin Martin PLLC from 2007 to 2010.

▶ **Kristin M. Carlson – Vice President, Strategic & External Affairs**

Vice President Strategic and External Affairs since February 2017. Chief Brand and Marketing Executive November 2015 to February 2017. Director of Media December 2014 to November 2015. Prior to joining GMP, Ms. Carlson worked 14 years as a senior political reporter and anchor for the leading CBS TV station in Vermont, where she won numerous awards for investigations, including the highest national award for broadcast journalism.

▶ **Josh Castonguay – Vice President, Chief Innovation Officer**

Chief Innovation Executive since November 2015. Director of Generation & Innovation starting in 2012. Mr. Castonguay joined GMP in 2003 as an electrical engineer and held various leadership roles in engineering and operations. Mr. Castonguay holds a Bachelors degree in electrical engineering technology.

▶ **Stephen A. Costello – Vice President, Customer Care, Metering**

Vice President, Customer Care, Metering since November 2015. Vice President, Customer Care since November 2014. Vice President, Generation & Energy Innovation since November 2013. Vice President of Renewable Generation & Energy Innovation since 2012. Mr. Costello was Director of Public Affairs with Central Vermont Public Service from January 1999 to June 2012, Manager of Media Relations from August 1997 to January 1999, and News Media Representative from June 1996 to August 1997. Prior to that, Mr. Costello worked as a newspaper editor and reporter for nearly a decade.

SENIOR MANAGEMENT BIOGRAPHIES

▶ **Robert Dostis – Vice President, Stakeholder Relations**

Vice President since June 2015. Director of Government Relations starting in 2012. Mr. Dostis joined GMP in 2008 as leader of government affairs, public and customer relations, and lead GMP's community relations efforts. He served as a state representative in the Vermont Legislature from 2001 to 2008. He served as a vice chair of House Commerce Committee in 2004 and from 2005 to 2008 as chairman of the House Natural Resources and Energy Committee.

▶ **Mari M. McClure – Vice President, Chief Talent Officer, System & Support Operations**

Vice President since February 2017. Chief Talent Executive starting in November 2015. Ms. McClure joined GMP in September 2010 as Corporate Attorney and later led the rates and regulatory team before leading the HR, safety, facilities, fleet and purchasing functions. Prior to joining GMP, Ms. McClure was a business law associate at the Burlington, Vermont law firm of Downs Rachlin Martin PLLC from 2006 to 2010.