

**VIA ePUC**  
June 28, 2024

Ms. Holly Anderson, Clerk  
VERMONT PUBLIC UTILITY COMMISSION  
People's United Bank Building, 4<sup>th</sup> Floor  
112 State Street  
Montpelier, VT 05620-2701

Re: VGS Alternative Regulation Plan Annual Base Rate Filing

Dear Ms. Anderson:

By this filing, Vermont Gas Systems, Inc. ("VGS") submits its (1) annual base rate adjustment pursuant to Paragraph 3, (2) comparison of capital expenditures pursuant to Paragraph 7, and (3) request for approval of an exogenous event adjustment pursuant to Paragraph 4 of the VGS Alternative Regulation Plan (the "Plan") approved by the Vermont Public Utility Commission ("Commission") on August 18, 2023, in Case No. 22-5085-PET.<sup>1</sup>

### **Process for Implementing Base Rate Change**

The Plan contemplates the following procedural steps to follow this filing. First, the Department of Public Service ("Department") shall file comments on VGS's base rate adjustment filing within 15 days. Second, if there are any disputed issues, the parties are required to file recommendations about how to resolve them on or before August 1, 2024. Third, the Plan requires the Commission to resolve any disputed issues by August 15, 2024, so that notice of the

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<sup>1</sup> *Pet. of Vermont Gas Systems, Inc. to Implement an Alternative Regulation Plan*, Case No. 22-5085-PET, 2023 WL 5447677, at \*2 (Vt. P.S.B. Aug. 18, 2023) (hereinafter "ARP Order").

FY2025 rates can be provided to customers with 60 days' notice. As discussed in more detail below, this filing also includes a request for Commission approval of an exogenous event adjustment pursuant to Paragraph 4 of the Plan, which allows VGS to "seek approval from the Commission to account for [an exogenous event] in rates, either separate from or as part of the annual Base Rate change." In this filing, VGS is requesting to include an exogenous event adjustment as part of this annual Base Rate change.

### **Summary of Base Rate Change**

The base rate adjustment for FY2025 is determined by the formulaic adjustments to FY2024 set forth in the Plan, which results in an overall change of 8.42%, plus an additional 1.00% change associated with an expected increase to state property taxes, which is set forth as an exogenous event adjustment, for a total change of 9.42%, to be effective with bills rendered on and after November 1, 2024:

- 2.98% of the change represents a portion of the deferred FY2024 rate increase under the Rate Smoothing Adjuster in the Plan, which was approved by the Commission in VGS's FY2024 rate case in Case No. 23-0561-TF.
- 1.85% of the change is based on the FY2025 capital investment additions that are fixed in VGS's 3-Year Rate Base Plan approved by the Commission in the Alternative Regulation Proceeding in Case No. 22-5085-PET.
- 1.28% of the change is based on the formulaic change in operating expenses based on the consumer price index and bureau of labor statistics index as required in the Plan.
- Similarly, 1.26% of the change is based on formulaic adjustments to VGS's authorized Return on Equity;
- The remainder of the change is approximately 1.05%, and is driven by the fact that FY2024 was the last year that money from the System Expansion and Reliability Fund ("SERF") was used to reduce rates.

- Finally, VGS is requesting an adjustment to account for a change in state tax law under the Exogenous Events provision of the Plan, which has an additional 1.00% impact on the change for a total change of 9.42%.

### **Supporting Documentation**

In support of this base rate adjustment, VGS is providing the following supporting documents and calculations:

1. FY2025 Clean and Marked Tariffs;
2. **ARP Attachment 4 (10/26/23)** (for reference and comparison);
3. **ARP Attachment 4 (6/28/24)** to VGS's Alternative Regulation Plan;
4. **Attachment A** (Indexed Market Adjustment support);
5. **Attachment B** (FY2025 taxes support);
6. **Attachment C** (FY2025 ROE support);
7. **Attachment D** (FY2025 debt expense support); and
8. **Attachment E** (FY2025 exogenous change support).

### **Overview & Background Regarding the Plan**

On August 18, 2023, the Commission approved VGS's Alternative Regulation Plan. The Plan became effective on October 1, 2023, and "govern[s] adjustments to the gas and non-gas components of VGS's rates for its firm customers for a three-year term with an option for VGS to seek a one-year extension."<sup>2</sup> Under the terms of the Plan, the gas component of VGS rates is adjusted quarterly pursuant to the Purchased Gas Adjustment. The non-gas components of VGS's rates, which include the daily access and distribution charge (referred to as VGS's "base rates"), are adjusted annually. Specifically, Paragraph 3(c)(ii) of the Plan provides that FY2025 rates shall be set based on:

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<sup>2</sup> *Id.* at 1.

- (1) the Rate Smoothing Adjuster;
- (2) 2024 Operating Costs as adjusted by the Indexed Market Adjustment and any Additional Innovation Expense, if applicable, and
- (3) Non-Operating Costs, as adjusted by Additional Innovation Capital, if applicable.

Each of these components of the FY2025 base rate adjustment is discussed below and supported by the accompanying attachments consistent with Paragraph 3(d) of the Plan, which provides that, “No later than June 30 of each year covered by the Plan, VGS shall file compliance tariffs reflecting the Base Rate change for the next Rate Year along with supporting documentation and an updated Attachment 4 reflecting adjustments contemplated by this Paragraph 3 of the Plan.”

#### **Rate Smoothing Adjuster**

The Rate Smoothing Adjuster established the deferral of a portion of the FY2024 rate increase, as approved in the FY2024 rate case (Case No. 23-0561-TF), for recovery in FY2025 and FY2026. The magnitude of recovery in FY2025 and FY2026 was set by VGS’s October 26, 2023 compliance filing following the Commission’s approval of FY2024 rates. The compliance filing, Attachment 4 (10/26/23), was filed in both the FY2024 rate case and the Alternative Regulation Proceeding (Case No. 22-5085-PET). Attachment 4 (10/26/23) detailed the regulatory asset of \$2,295,000 created in FY2024 based on the Commission’s approved deferral of FY2024 rate increases. Attachment 4 (10/26/23) also detailed the amount that would be amortized in FY2025 and FY2026. Consistent with that filing, the Rate Smoothing Adjuster in this filing includes the amortization of \$688,500 in FY2025.<sup>3</sup>

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<sup>3</sup> See Attachment 4 (6/28/2024).

### **FY2025 Operating Costs**

Operating costs for FY2025 are fixed in the Plan based on the Commission's approved FY2024 operating costs as adjusted by the Indexed Market Adjustment set forth in Paragraph 3(b)(iv) of the Plan. The Indexed Market Adjustment is a formula based in part on the most recently published 12-month percent change in the U.S. Bureau of Labor & Statistics Employment Cost Index and in part on the 12-month change in U.S. Bureau of Labor & Statistics Consumer Price Index for Northeast. In support of the FY2025 operating cost adjustment, VGS is submitting **Attachment A** (Indexed Market Adjustment support). The Indexed Market Adjustment is 4.1%, which exceeds the 4% percent cap on this adjustment set forth in Paragraph 3(b)(iv) of the Plan. Accordingly, FY2025 Operating Costs are increased by 4% over FY2024 costs. VGS has not included any "Additional Innovation Expense" in this filing.

### **FY2025 Non-Operating Costs**

Non-operating expenses refer to (1) depreciation, (2) taxes, and (3) cost to finance rate base. Each of these components is discussed below:

- (1) Depreciation: Under Paragraph 3(b)(v) of the Plan, "Non-Operating Costs during each year of the Plan, shall be based on VGS's 3-Year Rate Base Plan." The 3-Year Rate Base Plan fixed capital costs and related depreciation, also as set forth in Attachment 4 (10/26/23). In this case, VGS has not included any Additional Innovation Capital. Accordingly, the base rate compliance filing in this case uses the same fixed capital costs to establish FY2025 depreciation expense.<sup>4</sup>

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<sup>4</sup> See Attachment 4 (6/28/24).

- (2) Taxes: Under Paragraph 3(b)(v) of the Plan, “Gross receipts and weatherization taxes shall be based on forecasted revenue, however property tax, street fees, and other taxes shall be set based on the 12-month average change in U.S. Bureau of Labor & Statistics Consumer Price Index for Northeast. Income taxes shall be based on VGS’s effective tax rate as applied to the cost to finance rate base adjusted for amortization.” In this filing, taxes are also adjusted based on an exogenous event as discussed in more detail below. **Attachment B** (FY2025 Taxes support) provides support for the taxes included in the FY2025 base rate adjustment, with the exception of property tax, which is described in the exogenous event adjustment support provided in **Attachment E**.
- (3) Cost to finance rate base: Under the Plan, “The costs to finance rate base in each year shall be based on a 50%/50% debt/equity ratio, Return on Equity as established in Paragraph 6 of this Plan, and short- and long-term debt rates approved by the Commission.” Under Paragraph 6 of the Plan, ROE is adjusted based on a formula. Specifically, the FY2025 ROE is the FY2024 ROE approved in the last rate case, “adjusted at one-half the change in the composite 10-Year Treasury Note Rate.” As a result, ROE changes in this filing from 9.24% to 9.66%. Documentation supporting this change is provided as **Attachment C** (FY2025 ROE support). Short- and long-term debt rates are based on Commission-approved financing arrangements, which have been updated to reflect current short-term debt rates. Documentation supporting debt rates is provided as **Attachment D** (FY2025 debt expense support).

### **Exogenous Event Adjustment**

With this filing, VGS is requesting Commission approval of an exogenous event adjustment pursuant to Paragraph 4 of the Plan, which is defined by the Plan as an “event outside of the Company’s control exceeding \$200,000 in cost or benefit during a 12-month period,” and specifically includes “changes in state or federal tax law.”<sup>5</sup> Under the Plan, “If an Exogenous Event occurs, the Company may seek approval from the Commission to account for it in rates, either separate from or as part of the annual Base Rate change.”<sup>6</sup>

On May 10, 2024, the General Assembly passed “An act relating to homestead property tax yields, nonhomestead rates, and policy changes to education finance and taxation” (H.887) to set education property tax rates for FY2025. The Governor vetoed the bill on June 6, 2024. On June 17, 2024, lawmakers enacted it over the objection of the Governor. As a result, property taxes for nonhomestead properties are projected to experience an average increase of 13.8%. As detailed on **Attachment E**, VGS expects the new tax law will result in an increase to VGS property tax obligations of approximately 11.7%, which is estimated to be \$633,032.82. Accordingly, the change in tax law constitutes an exogenous event under Paragraph 4 of the Plan because it is a “change[] in state or federal tax law” that exceeds \$200,000 in costs during a 12-month period. **Attachment E** (FY2025 exogenous change support) sets forth the documentary support for this exogenous event, detailing VGS’s expected state property tax obligation in FY2025 as compared to how property tax would otherwise be calculated under the Plan.

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<sup>5</sup> Plan Paragraph 4(a).

<sup>6</sup> Plan Paragraph 4(b).

### **Comparison of Capital Expenditures**

Paragraph 7 of the Plan provides that, “Not later than June 30 of any Plan year, VGS shall provide the PSD and the PUC with an estimate of actual capital expenditures for the current fiscal year and its forecasted capital expenditures for the upcoming fiscal year.” This filing includes, “(1) A summary of the major variances in capital expenditures between its initial or annual capital expenditure forecast and expected actual capital expenditures assessment; and (2) a summary of the major changes in the annual capital expenditure forecast from the capital expenditures provided.” For the current Plan year, this includes a summary of major variances between the FY2024 capital expenditures in VGS’s 3-Year Fixed Rate Base Plan and expected actual capital expenditures in FY2024. Additionally, this includes a summary of differences between the FY2025 capital expenditures in VGS’s 3-Year Fixed Rate Base Plan and current forecast of FY2025 and FY2026 capital expenditures. The comparison of capital expenditures required under Paragraph 7 of the Plan are provided in **Attachment 4 (6/28/24)** at 7-8.

### **Conclusion**

For the reasons sets forth above, **Attachment 4 (6/28/24)** reflects the base rate change for FY2025 of 9.42% as required by Paragraph 3 of the Plan, to be effective with bills rendered on and after November 1, 2024, and **Attachments A through E** provide documentary support for each of the formulaic adjustments to base rates as well as the exogenous event discussed above. VGS looks forward to addressing and questions the Department of Public Service or Commission may have regarding this base rate filing.



Holly R. Anderson, Clerk  
June 28, 2024  
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Please do not hesitate to contact me with any questions.

Sincerely,

SHEEHEY FURLONG & BEHM P.C.

/s/Owen McClain  
Owen J. McClain

OJM/djb

Cc: ePUC service list

**Vermont Gas Systems**  
**Determination of Firm Rates Change**

<b>Required Revenue</b>	FY2024*	FY2025**	FY2026**
Operating Costs			
Production	32,131	32,774	33,429
Transmission	1,979,631	2,019,224	2,059,608
Distribution	5,005,220	5,105,324	5,207,430
Customer Accounts	2,166,391	2,209,719	2,253,913
Sales	(405,571)	(413,682)	(421,956)
Admin & General	13,733,203	14,007,867	14,288,025
Other Income	(2,170,155)	(2,213,558)	(2,257,829)
SERF	(670,163)	-	-
<b>Total Operating Costs</b>	<b>19,670,687</b>	<b>20,747,667</b>	<b>21,162,620</b>
Non-Operating Costs (Depreciation, Taxes, cost of rate base)	46,512,944	\$48,022,384	\$48,793,464
Reg Asset	(2,295,000)	(1,090,000)	
Reg Asset Amort		688,500	2,696,500
<b>Total Required Non-Gas Revenue</b>	<b>63,888,631</b>	<b>68,368,551</b>	<b>72,652,585</b>
Current Non-Gas Revenue	60,101,869	64,349,658	68,368,551
Non-Gas Rate Change Supported	6.30%	6.25%	6.27%
Indexed Market Adjustment	n/a	2%	2%
 Forecasted Gas Revenue from latest PGA	 69,704,745	 72,232,009	 76,231,396

\* This is based on the approved Cost of Service in Case No. 23-0561-TF.

\*\* This will be adjusted per the Alternative Regulation Plan approved in Case No. 22-5085-PET.

Total Operating Costs	20,340,850
Labor	14,317,040
Benefits	4,295,034
Overhead	(4,601,688)
Other	6,330,464
Labor, Benefits & Overhead as a % of Operating Costs	69%

RateBase

\* Set by the Cost of Service approved in Case No. 23-0561-TF.

\*\* Subject to adjustment per the Alternative Regulation Plan approved in Case No. 22-5085-PET.

Line No.	Description	Account Number	FY2024*	FY2025**	FY2026**
<u>Plant In Service</u>					
1	Gross Utility Plant	1010	\$475,411,400	\$494,832,545	\$508,538,806
2	Capital Lease Property	1011	\$0	\$0	\$0
3	Construction Work In Progress	1070	\$1,912,260	\$1,912,260	\$1,912,260
4	Total Plant In Service		<u>\$477,323,660</u>	<u>\$496,744,804</u>	<u>\$510,451,066</u>
<u>Inventories</u>					
5	Materials & Supplies	1500	\$613,159	\$613,159	\$613,159
6	Propane Fuel Stock	1511	\$162,390	\$162,390	\$162,390
7	Gas in Storage	1641	\$3,785,743	\$3,219,821	\$3,220,989
8	Total Inventories		<u>\$4,561,293</u>	<u>\$3,995,370</u>	<u>\$3,996,538</u>
<u>Deferred Charges and Liabilities</u>					
13	SERP Adj.	1250-2531	(\$3,413)	(\$3,413)	(\$3,413)
14	Unamortized Debt Expense	1810	\$407,811	\$368,811	\$329,811
15	DSM	1861	\$178,606	\$29,606	\$0
16	Pension Settlement	1823	\$2,506,296	\$2,506,296	\$2,506,296
17	Pension, Net	1823/2530	\$4,995,698	\$4,995,698	\$4,995,698
18	Gas Cost Deferral	1867	(\$151,210)	\$0	\$0
19	Barge Canal	1866	\$0	\$0	\$0

20	Total Deferred Charges		\$7,933,788	\$7,896,998	\$7,828,392
21	Working Capital		\$2,785,720	\$2,785,720	\$2,785,720
22	Subtotal		\$492,604,460	\$511,422,893	\$525,061,715
	Deduct:				
23	Accumulated Depreciation		(\$146,063,310)	(\$159,430,669)	(\$173,345,988)
24	Asset Retirement Obligation	2300/2301	(\$3,199,436)	(\$3,374,436)	(\$3,549,436)
25	Accumulated Cost of Removal	2541	(\$15,722,003)	(\$17,622,003)	(\$19,522,003)
26	Deferred Income Taxes	1900/2821	(\$37,966,471)	(\$39,784,737)	(\$41,860,986)
27	Regulatory Liability - Deferred Taxes		(\$18,390,015)	(\$17,856,946)	(\$17,323,877)
27	Customer Deposits		(\$575,932)	(\$575,932)	(\$575,932)
28	Total Deductions		(\$221,917,167)	(\$238,644,724)	(\$256,178,223)
29	TOTAL RATE BASE		\$270,687,293	\$272,778,169	\$268,883,493
	Capitalization Ratio		50%	50%	50%
	Long Term Debt Rate(1)		4.77%	4.77%	4.77%
	Short Term Debt Rate (1)		4.58%	4.58%	4.58%
	ROE (1)		9.24%	9.24%	9.24%
	Net Income		\$12,505,752.93	\$12,602,351.41	\$12,422,417.36
	Interest Expense		\$6,415,288.84	\$6,464,842.61	\$6,372,538.77
	Income Tax Amort		(\$384,337.00)	(\$384,337.00)	(\$384,337.00)
	Total Income Tax		\$4,647,506.99	\$4,684,544.09	\$4,615,555.05
	<b><u>Other</u></b>				
	Gross Receipts Tax		720,479	738,153	781,641
	Property Tax		7,832,147	8,276,611	8,733,220
	Street Fees		106,777	108,912	111,091
	Weatherization / Fuel Tax		1,022,369	1,054,504	1,116,630

Other Taxes	(2,554)	(2,605)	(2,657)
Other Interest	248,824	248,824	248,824
	<hr/>	<hr/>	<hr/>
	9,928,042	10,424,401	10,988,749
		10,424,401	10,988,749
Non-Operating Costs (Depreciation, Taxes, cost of rate base)	46,512,943	48,022,384	48,793,464

*(1) Refer to language included in the Plan. Rates are subject to change annually*

Line No.	Column (1) Description	(2) Account Number	9/30/2024	9/30/2025	9/30/2026	Depreciation			
			13-Month Avg 13-Month Avg	13-Month Avg 13-Month Avg	13-Month Avg 13-Month Avg	2024	2025	2026	
1	LPG Structures and Improvements	305	\$394,990	\$394,990	\$394,990	1.76%	\$6,952	\$6,952	\$6,952
2	LPG Equipment	311	\$3,797,132	\$3,855,138	\$4,025,267	2.51%	\$95,308	\$96,764	\$101,034
3	ROW-Transmission	365-2	\$13,952,675	\$13,962,675	\$13,972,675	1.44%	\$200,919	\$201,063	\$201,207
4	Innovation	TBD	\$1,615,385	\$3,115,385	\$4,615,385	4.00%	\$64,615	\$124,615	\$184,615
5	M&R Station Struc & Improvements	366-2	\$612,377	\$612,377	\$612,377	2.29%	\$14,023	\$14,023	\$14,023
6	Mains-Transmission	367	\$170,257,843	\$170,372,725	\$171,420,893	1.69%	\$2,877,358	\$2,879,299	\$2,897,013
7	Gate Stations	369	\$14,386,329	\$16,067,756	\$16,180,143	2.17%	\$312,183	\$348,670	\$351,109
8	Gate Stations - Bellevue		\$119,640	\$1,555,321	\$1,555,321	5.00%	\$5,982	\$77,766	\$77,766
9	Compressor Equipment - CNG	363	\$18,662	\$18,662	\$18,662	2.46%	\$459	\$459	\$459
10	Commun. Equipment	370	\$717,410	\$742,194	\$767,722	2.77%	\$19,872	\$20,559	\$21,266
11	Asset Retirement Costs	372	\$1,769,204	\$1,769,204	\$1,769,204	1.85%	\$32,730	\$32,730	\$32,730
12	Land Rights - Distribution	374-2	\$209,323	\$209,323	\$209,323	1.57%	\$3,286	\$3,286	\$3,286
13	Mains - Distribution	376-1	\$107,470,176	\$112,163,924	\$115,409,298	2.23%	\$2,396,585	\$2,501,256	\$2,573,627
14	Mains - Distribution Bellevue		\$216,092	\$2,809,201	\$2,809,201	5.00%	\$10,805	\$140,460	\$140,460
15	Regulators	378	\$109,204	\$109,204	\$109,204	2.59%	\$2,828	\$2,828	\$2,828
16	Services	380-2	\$70,895,706	\$75,258,010	\$79,782,494	3.63%	\$2,573,514	\$2,731,866	\$2,896,105
17	Meters	381	\$13,058,573	\$13,616,687	\$14,303,256	4.25%	\$554,989	\$578,709	\$607,888
18	Meter Installation	382	\$13,929,496	\$14,418,623	\$14,923,119	3.77%	\$525,142	\$543,582	\$562,602
19	House Regulators	383	\$3,254,798	\$3,254,798	\$3,254,798	2.59%	\$84,299	\$84,299	\$84,299
20	Indus. M&R Stations	385	\$1,040,823	\$1,172,597	\$1,308,325	2.53%	\$26,333	\$29,667	\$33,101
21	Rental Property Water Heaters	386	\$23,567,676	\$23,567,676	\$23,567,676	3.46%	\$815,442	\$815,442	\$815,442
22	Rental Property Conversion Burners	386-1	\$7,101,024	\$7,101,024	\$7,101,024	3.87%	\$274,810	\$274,810	\$274,810
23	Rental Property Space Heaters	386-5	\$216,515	\$216,515	\$216,515	9.23%	\$19,984	\$19,984	\$19,984
24	Electric Appliances	386-2	\$27,587	\$27,587	\$27,587	3.46%	\$955	\$955	\$955
25	Office Equipment	391	\$972,403	\$982,403	\$992,403	3.02%	\$29,367	\$29,669	\$29,971
26	Stores Equipment	393	\$45,688	\$45,688	\$45,688	1.35%	\$617	\$617	\$617
27	Stores	394	\$2,476,221	\$2,642,218	\$2,825,895	5.00%	\$123,811	\$132,111	\$141,295
28	Power Operated Equipment	396	\$408,946	\$408,946	\$454,869	4.14%	\$16,930	\$16,930	\$18,832
29	Communication Equipment	397	\$426,837	\$426,837	\$426,837	6.67%	\$28,470	\$28,470	\$28,470
30	Miscellaneous Equipment	398	\$30,063	\$30,063	\$30,063	0.00%	\$0	\$0	\$0
31	Buildings	390	\$5,113,925	\$5,217,618	\$5,312,618	1.67%	\$85,403	\$87,134	\$88,721
32	SubTotal		\$458,212,726	\$476,145,372	\$488,442,833				
33	Computer Hardware	391-1	\$450,270	\$450,270	\$450,270	5.27%	\$23,729	\$23,729	\$23,729
34	Computer Software	391-2	\$1,524,039	\$1,524,039	\$1,524,039	0.81%	\$12,345	\$12,345	\$12,345
35	Computer Software Network	391-3	\$1,219,422	\$1,235,526	\$1,274,026	9.99%	\$121,820	\$123,429	\$127,275
36	Telephone Equipment	391-4	\$222,645	\$222,645	\$222,645	0.00%	\$0	\$0	\$0
37	ERT Meter Reading Equipment	391-5	\$5,725,370	\$5,882,832	\$6,041,784	6.32%	\$361,843	\$371,795	\$381,841

38	Desk Top Software	391-6	\$843,788	\$1,137,673	\$1,319,673	9.15%	\$77,207	\$104,097	\$120,750
39	Desk Top Hardware	391-7	\$2,478,845	\$2,691,038	\$2,828,538	11.87%	\$294,239	\$319,426	\$335,747
40	Transportation Equipment	392	\$3,763,620	\$4,572,476	\$5,464,323	12.85%	\$483,625	\$587,563	\$702,166
41	CNG Fueling Station	392-1	\$263,716	\$263,716	\$263,716	0.00%	\$0	\$0	\$0
42	Amortized Debt Expense *		\$407,811	\$368,433	\$329,055		\$39,768	\$39,768	\$39,768
43	Reg Asset - Segment 1 & Phase II & Pension		\$6,658,366	\$5,885,427	\$5,185,427		\$772,939	\$772,939	\$772,939
44	Amortized Barge Canal		\$1,010,300	\$959,785	\$909,270		\$50,515	\$50,515	\$50,515
							(41,313)	(41,313)	0
45	SubTotal		\$24,568,192	\$25,193,860	\$25,812,766		\$13,400,689	\$14,230,582	\$14,778,541
	<u>Non-Depreciable Plant</u>								
46	LPG-Land								
47	Transmission-Land	311-1							
48	Distribution-Land	365-1	\$630,634	\$630,634	\$630,634				
49	Building-Land	374-1	\$549	\$549	\$549				
		389	\$75,775	\$75,775	\$75,775				
50	SubTotal		\$706,958	\$706,958	\$706,958				
51	TOTAL		\$483,487,877	\$502,046,190	\$514,962,558				
52	TOTAL - PLANT IN SERVICE		\$475,411,400	\$494,832,545	\$508,538,806		\$12,537,466	\$13,367,359	\$13,915,319

NET ADDITIONS (DELETIONS)	Full Year Additions		
	FY24	FY25	FY26
<b>FERC # PRODUCTION PLANT</b>			
3110 LPG EQUIPMENT *	57,400	59,122	470,896
<b>TOTAL PRODUCTION PLANT</b>	<b>57,400</b>	<b>59,122</b>	<b>470,896</b>
<b>FERC # TRANSMISSION PLANT</b>			
3651 LAND	-	-	-
3652 LAND RIGHTS	10,000	10,000	10,000
<b>TOTAL 3652</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
3662 GATE STATION BLDG	-	-	-
<b>3662 M&amp;R Station Structures &amp; Improvements*</b>	<b>-</b>	<b>-</b>	<b>-</b>
3670 MAINS - OTHER *	32,500	33,475	34,479
3670 MLV Replacements	-	1,000,000	1,000,000
3670 MAINS - CP Upgrades	-	20,000	-
<b>TOTAL 3670 *</b>	<b>32,500</b>	<b>1,053,475</b>	<b>1,034,479</b>
3690 M & R STATION EQUIP*	107,900	111,137	114,471
3690 Bellevue Gate Station	1,555,321	-	-
3690 GATE STATION* - Catamount	2,083,203	-	-
3700 COMMUNICATION EQUIP.	24,400	25,132	25,886
<b>TOTAL TRANSMISSION PLANT</b>	<b>3,813,324</b>	<b>1,199,744</b>	<b>1,184,836</b>
<b>FERC # DISTRIBUTION PLANT</b>			
3633 COMPRESSOR EQUIP. *	-	-	-
3720 ASSET RETIREMENT OBLIGATION	-	-	-
3742 LAND RIGHTS	-	-	-
3760 CP Ground Beds	20,000	-	20,000
3760 Bellevue Extension (Feasible)	1,667,683	-	-



3760 Bellevue Extension (20-Year)	2,809,201	-	-
3760 Mains: Style 90 Replacements	1,679,020	1,712,600	1,746,852
3760 MAINS* - OTHER	1,380,310	1,516,326	1,512,220
<b>TOTAL 3760*</b>	<b>7,556,214</b>	<b>3,228,926</b>	<b>3,279,073</b>
Innovation Spending	1,500,000	1,500,000	1,500,000
3800 Services: Steel Replacements	623,480	635,950	648,669
3800 Services: Support Marketing's Projected Growth	3,631,689	3,859,439	3,910,463
<b>TOTAL 3800*</b>	<b>5,755,169</b>	<b>5,995,389</b>	<b>6,059,132</b>
3810 METERS *	527,890	681,011	693,981
3820 METER INSTALLATION *	482,362	497,523	513,152
3830 REGULATORS *	-	-	-
3850 INDUSTRIAL M & R STATION EQUIP. *	129,860	133,756	137,769
3850 INDUSTRIAL M & R STATION * - RNG	-	-	-
3860 RENTAL PROPERTY WH/OTR *	-	-	-
3861 RENTAL PROPERTY CB *	-	-	-
3862 RENTAL PROPERTY ELECTRIC APPLIANCE	-	-	-
3865 RENTAL SPACE HEATERS *	-	-	-
3815 ERTS *	189,773	157,105	160,000
<b>TOTAL DISTRIBUTION PLANT</b>	<b>14,641,268</b>	<b>10,693,710</b>	<b>10,843,106</b>
<b>FERC # GENERAL PLANT</b>			
00 / 3902 STRUCTURES & IMPROVEMENTS	174,800	95,000	95,000
3910 OFFICE EQUIPMENT	10,000	10,000	10,000
3911 COMPUTER HARDWARE - MID RANGE	-	-	-
3912 COMPUTER SOFTWARE - MID RANGE	-	-	-
3913 NETWORK	10,984	17,000	60,000
3914 TELEPHONE EQUIPMENT	-	-	-
3916 COMPUTER SOFTWARE - DESKTOP	275,000	107,000	257,000
3917 COMPUTER HARDWARE - DESKTOP	153,501	145,000	130,000
3920 TRANSPORTATION EQUIP.	751,944	805,314	527,540
3921 CNG STATIONS	-	-	-

3940 SMALL TOOLS	207,645	181,793	183,174
3960 Power Equipment	-	-	259,000
3970 COMMUNICATION EQUIPMENT	-	-	-
<b><i>TOTAL GENERAL PLANT</i></b>	<b>1,583,874</b>	<b>1,361,107</b>	<b>1,521,715</b>
<b>Net Additions to UPIS</b>	<b>20,095,866</b>	<b>13,313,683</b>	<b>14,020,552</b>

**EXAMPLE 2025**

Earnings Sharing Calc

Actual 13 Month Rate Base		272,778,169
Allowed Equity Ratio		50%
Actual Earnings		12,450,000
Actual ROE		9.13%
Allowed ROE		9.24%
Authorized Earnings		12,602,351
Over/(Under) Earnings		(152,351)
Basis Points		-0.1%
Basis Points Deadband +/-		-0.5%
	Earnings at 9.7%	13,284,297
	Earnings at 9.2%	12,602,351
	Earnings at 8.7%	11,920,406
Net Authorized Earnings		12,602,351
Over Earnings +200BP		-
Over Earnings 50BP - 200BP		-
Over Earnings Customer Share		-
Under Earnings -200BP		-
Under Earnings 50BP - 200BP		-
Under Earnings Customer Share		-
customer share before taxes		-
<b>Total Earnings Sharing (revenue) expense pre-tax</b>		-
Approximate additional rate impact		0.0%

<b>To calculate Actual Earnings used in ES Calc</b>	
Net income before ES	11,700,000
Add back items excluded from rates	750,000
Net Income for ES Calc	12,450,000

**Vermont Gas Systems**  
**Determination of Firm Rates Change**

<b>Required Revenue</b>	FY2024*	FY2025**	FY2026***
Operating Costs			
Production	32,131	33,417	34,085
Transmission	1,979,631	2,058,817	2,099,993
Distribution	5,005,220	5,205,428	5,309,537
Customer Accounts	2,166,391	2,253,046	2,298,107
Sales	(405,571)	(421,794)	(430,230)
Admin & General	13,733,203	14,282,531	14,568,182
Other Income	(2,170,155)	(2,256,961)	(2,302,101)
SERF	(670,163)	-	-
<b>Total Operating Costs</b>	<b>19,670,687</b>	<b>21,154,484</b>	<b>21,577,574</b>
Non-Operating Costs (Depreciation, Taxes, cost of rate base)	46,512,944	49,659,952	50,403,832
Reg Asset	(2,295,000)	(1,090,000)	
Reg Asset Amort		688,500	2,696,500
<b>Total Required Non-Gas Revenue</b>	<b>63,888,631</b>	<b>70,412,936</b>	<b>74,677,905</b>
Current Non-Gas Revenue (1)	60,101,869	64,349,658	70,412,936
Non-Gas Rate Change Supported	6.30%	9.42%	6.06%
Indexed Market Adjustment	n/a	4.00%	2.0%
Exogenous Events-Property Tax Increase (2)		11.7%	
 Forecasted Gas Revenue from latest PGA	 69,704,745	 60,240,000	 61,800,000

\* This is based on the approved Cost of Service in Case No. 23-0561-TF.

\*\* This is the proposed FY2025 rate change per the Alternative Regulation Plan approved in Case No. 22-5085-PET.

\*\*\* This will be adjusted for FY2026 per the Alternative Regulation Plan approved in Case No. 22-5085-PET.

Total Operating Costs	20,340,850
Labor	14,317,040
Benefits	4,295,034
Overhead	(4,601,688)
Other	6,330,464
Labor, Benefits & Overhead as a % of Operating Costs	69%

RateBase

\* Set by the Cost of Service approved in Case No. 23-0561-TF.

\*\* Proposed adjustments to Non-Operating Costs for FY2025 per the Alternative Regulation Plan approved in Case No. 22-5085-PET.

\*\*\* Subject to adjustment per the Alternative Regulation Plan approved in Case No. 22-5085-PET.

Line No.	Description	Account Number	FY2024*	FY2025**	FY2026***
<u>Plant In Service</u>					
1	Gross Utility Plant	1010	\$475,411,400	\$494,832,545	\$508,538,806
2	Capital Lease Property	1011	\$0	\$0	\$0
3	Construction Work In Progress	1070	\$1,912,260	\$1,912,260	\$1,912,260
4	Total Plant In Service		<u>\$477,323,660</u>	<u>\$496,744,804</u>	<u>\$510,451,066</u>
<u>Inventories</u>					
5	Materials & Supplies	1500	\$613,159	\$613,159	\$613,159
6	Propane Fuel Stock	1511	\$162,390	\$162,390	\$162,390
7	Gas in Storage	1641	\$3,785,743	\$3,219,821	\$3,220,989
8	Total Inventories		<u>\$4,561,293</u>	<u>\$3,995,370</u>	<u>\$3,996,538</u>
<u>Deferred Charges and Liabilities</u>					
13	SERP Adj.	1250-2531	(\$3,413)	(\$3,413)	(\$3,413)
14	Unamortized Debt Expense	1810	\$407,811	\$368,811	\$329,811
15	DSM	1861	\$178,606	\$29,606	\$0
16	Pension Settlement	1823	\$2,506,296	\$2,506,296	\$2,506,296
17	Pension, Net	1823/2530	\$4,995,698	\$4,995,698	\$4,995,698
18	Gas Cost Deferral	1867	(\$151,210)	\$0	\$0
19	Barge Canal	1866	\$0	\$0	\$0
20	Total Deferred Charges		<u>\$7,933,788</u>	<u>\$7,896,998</u>	<u>\$7,828,392</u>

21	Working Capital		\$2,785,720	\$2,785,720	\$2,785,720	
22	Subtotal		\$492,604,460	\$511,422,893	\$525,061,715	
	Deduct:					
23	Accumulated Depreciation		(\$146,063,310)	(\$159,430,669)	(\$173,345,988)	
24	Asset Retirement Obligation	2300/2301	(\$3,199,436)	(\$3,374,436)	(\$3,549,436)	
25	Accumulated Cost of Removal	2541	(\$15,722,003)	(\$17,622,003)	(\$19,522,003)	
26	Deferred Income Taxes	1900/2821	(\$37,966,471)	(\$39,784,737)	(\$41,860,986)	
27	Regulatory Liability - Deferred Taxes		(\$18,390,015)	(\$17,856,946)	(\$17,323,877)	
27	Customer Deposits		(\$575,932)	(\$575,932)	(\$575,932)	
28	Total Deductions		(\$221,917,167)	(\$238,644,724)	(\$256,178,223)	
29	TOTAL RATE BASE		\$270,687,293	\$272,778,169	\$268,883,493	no change
	Capitalization Ratio		50%	50%	50%	no change
	Long Term Debt Rate(1)		4.77%	4.77%	4.77%	no change
	Short Term Debt Rate (1)		4.58%	5.37%	5.37%	Refer to Attachment D.
	ROE (1)		9.24%	9.66%	9.66%	Refer to Attachment C
	Net Income		\$12,505,752.93	\$13,178,827.78	\$12,990,662.90	
	Interest Expense		\$6,415,288.84	\$6,636,147.30	\$6,541,397.61	
	Income Tax Amort		(\$384,337.00)	(\$384,337.00)	(\$384,337.00)	
	Total Income Tax		\$4,647,506.99	\$4,905,572.55	\$4,833,427.71	
	<b>Other</b>					
	Gross Receipts Tax		720,479	685,928	716,509	Refer to Attachment B
	Property Tax		7,832,147	9,070,216	9,542,696	Refer to Attachment B
	Street Fees		106,777	110,948	115,282	Refer to Attachment B
	Weatherization / Fuel Tax		1,022,369	979,897	1,023,584	Refer to Attachment B
	Other Taxes		(2,554)	(2,653)	(2,757)	Refer to Attachment B
	Other Interest		248,824	248,824	248,824	no change
			9,928,042	11,093,160	11,644,139	

		11,093,160	11,644,139
Non-Operating Costs (Depreciation, Taxes, cost of rate base)	46,512,943	49,659,952	50,403,832

*(1) Refer to language included in the Plan. Rates are subject to change annually*

Line No.	Column (1) Description	(2) Account Number	9/30/2024	9/30/2025	9/30/2026	Depreciation			
			13-Month Avg 13-Month Avg	13-Month Avg 13-Month Avg	13-Month Avg 13-Month Avg	2024	2025	2026	
1	LPG Structures and Improvements	305	\$394,990	\$394,990	\$394,990	1.76%	\$6,952	\$6,952	\$6,952
2	LPG Equipment	311	\$3,797,132	\$3,855,138	\$4,025,267	2.51%	\$95,308	\$96,764	\$101,034
3	ROW-Transmission	365-2	\$13,952,675	\$13,962,675	\$13,972,675	1.44%	\$200,919	\$201,063	\$201,207
4	Innovation	TBD	\$1,615,385	\$3,115,385	\$4,615,385	4.00%	\$64,615	\$124,615	\$184,615
5	M&R Station Struc & Improvements	366-2	\$612,377	\$612,377	\$612,377	2.29%	\$14,023	\$14,023	\$14,023
6	Mains-Transmission	367	\$170,257,843	\$170,372,725	\$171,420,893	1.69%	\$2,877,358	\$2,879,299	\$2,897,013
7	Gate Stations	369	\$14,386,329	\$16,067,756	\$16,180,143	2.17%	\$312,183	\$348,670	\$351,109
8	Gate Stations - Bellevue		\$119,640	\$1,555,321	\$1,555,321	5.00%	\$5,982	\$77,766	\$77,766
9	Compressor Equipment - CNG	363	\$18,662	\$18,662	\$18,662	2.46%	\$459	\$459	\$459
10	Commun. Equipment	370	\$717,410	\$742,194	\$767,722	2.77%	\$19,872	\$20,559	\$21,266
11	Asset Retirement Costs	372	\$1,769,204	\$1,769,204	\$1,769,204	1.85%	\$32,730	\$32,730	\$32,730
12	Land Rights - Distribution	374-2	\$209,323	\$209,323	\$209,323	1.57%	\$3,286	\$3,286	\$3,286
13	Mains - Distribution	376-1	\$107,470,176	\$112,163,924	\$115,409,298	2.23%	\$2,396,585	\$2,501,256	\$2,573,627
14	Mains - Distribution Bellevue		\$216,092	\$2,809,201	\$2,809,201	5.00%	\$10,805	\$140,460	\$140,460
15	Regulators	378	\$109,204	\$109,204	\$109,204	2.59%	\$2,828	\$2,828	\$2,828
16	Services	380-2	\$70,895,706	\$75,258,010	\$79,782,494	3.63%	\$2,573,514	\$2,731,866	\$2,896,105
17	Meters	381	\$13,058,573	\$13,616,687	\$14,303,256	4.25%	\$554,989	\$578,709	\$607,888
18	Meter Installation	382	\$13,929,496	\$14,418,623	\$14,923,119	3.77%	\$525,142	\$543,582	\$562,602
19	House Regulators	383	\$3,254,798	\$3,254,798	\$3,254,798	2.59%	\$84,299	\$84,299	\$84,299
20	Indus. M&R Stations	385	\$1,040,823	\$1,172,597	\$1,308,325	2.53%	\$26,333	\$29,667	\$33,101
21	Rental Property Water Heaters	386	\$23,567,676	\$23,567,676	\$23,567,676	3.46%	\$815,442	\$815,442	\$815,442
22	Rental Property Conversion Burners	386-1	\$7,101,024	\$7,101,024	\$7,101,024	3.87%	\$274,810	\$274,810	\$274,810
23	Rental Property Space Heaters	386-5	\$216,515	\$216,515	\$216,515	9.23%	\$19,984	\$19,984	\$19,984
24	Electric Appliances	386-2	\$27,587	\$27,587	\$27,587	3.46%	\$955	\$955	\$955
25	Office Equipment	391	\$972,403	\$982,403	\$992,403	3.02%	\$29,367	\$29,669	\$29,971
26	Stores Equipment	393	\$45,688	\$45,688	\$45,688	1.35%	\$617	\$617	\$617
27	Stores	394	\$2,476,221	\$2,642,218	\$2,825,895	5.00%	\$123,811	\$132,111	\$141,295
28	Power Operated Equipment	396	\$408,946	\$408,946	\$454,869	4.14%	\$16,930	\$16,930	\$18,832
29	Communication Equipment	397	\$426,837	\$426,837	\$426,837	6.67%	\$28,470	\$28,470	\$28,470
30	Miscellaneous Equipment	398	\$30,063	\$30,063	\$30,063	0.00%	\$0	\$0	\$0
31	Buildings	390	\$5,113,925	\$5,217,618	\$5,312,618	1.67%	\$85,403	\$87,134	\$88,721
32	SubTotal		\$458,212,726	\$476,145,372	\$488,442,833				
33	Computer Hardware	391-1	\$450,270	\$450,270	\$450,270	5.27%	\$23,729	\$23,729	\$23,729



34	Computer Software	391-2	\$1,524,039	\$1,524,039	\$1,524,039	0.81%	\$12,345	\$12,345	\$12,345
35	Computer Software Network	391-3	\$1,219,422	\$1,235,526	\$1,274,026	9.99%	\$121,820	\$123,429	\$127,275
36	Telephone Equipment	391-4	\$222,645	\$222,645	\$222,645	0.00%	\$0	\$0	\$0
37	ERT Meter Reading Equipment	391-5	\$5,725,370	\$5,882,832	\$6,041,784	6.32%	\$361,843	\$371,795	\$381,841
38	Desk Top Software	391-6	\$843,788	\$1,137,673	\$1,319,673	9.15%	\$77,207	\$104,097	\$120,750
39	Desk Top Hardware	391-7	\$2,478,845	\$2,691,038	\$2,828,538	11.87%	\$294,239	\$319,426	\$335,747
40	Transportation Equipment	392	\$3,763,620	\$4,572,476	\$5,464,323	12.85%	\$483,625	\$587,563	\$702,166
41	CNG Fueling Station	392-1	\$263,716	\$263,716	\$263,716	0.00%	\$0	\$0	\$0
42	Amortized Debt Expense *		\$407,811	\$368,433	\$329,055		\$39,768	\$39,768	\$39,768
43	Reg Asset - Segment I & Phase II & Pension		\$6,658,366	\$5,885,427	\$5,185,427		\$772,939	\$772,939	\$772,939
44	Amortized Barge Canal		\$1,010,300	\$959,785	\$909,270		\$50,515	\$50,515	\$50,515
							(41,313)	(41,313)	0
45	SubTotal		\$24,568,192	\$25,193,860	\$25,812,766		\$13,400,689	\$14,230,582	\$14,778,541
	<u>Non-Depreciable Plant</u>								
46	LPG-Land								
47	Transmission-Land	311-1							
48	Distribution-Land	365-1	\$630,634	\$630,634	\$630,634				
49	Building-Land	374-1	\$549	\$549	\$549				
		389	\$75,775	\$75,775	\$75,775				
50	SubTotal		\$706,958	\$706,958	\$706,958				
51	TOTAL		\$483,487,877	\$502,046,190	\$514,962,558				
52	TOTAL - PLANT IN SERVICE		<u>\$475,411,400</u>	<u>\$494,832,545</u>	<u>\$508,538,806</u>		<u>\$12,537,466</u>	<u>\$13,367,359</u>	<u>\$13,915,319</u>

NET ADDITIONS (DELETIONS)	Fixed Rate base per Alt Reg Plan			Updated Forecast June 2024			FY24	Variances*		FY26
	FY24	FY25	FY26	FY24	FY25	FY26		FY25		
<b>FERC # PRODUCTION PLANT</b>										
3110 LPG EQUIPMENT	57,400	59,122	470,896	56,876	51,500	463,045	(524)	(7,622)	(7,851)	
<b>TOTAL PRODUCTION PLANT</b>	<b>57,400</b>	<b>59,122</b>	<b>470,896</b>	<b>56,876</b>	<b>51,500</b>	<b>463,045</b>	<b>(524)</b>	<b>(7,622)</b>	<b>(7,851)</b>	
<b>FERC # TRANSMISSION PLANT</b>										
3651 LAND	-	-	-	-	-	-	-	-	-	
3652 LAND RIGHTS	10,000	10,000	10,000	5,000	10,000	10,000	(5,000)	-	-	
<b>TOTAL 3652</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	<b>10,000</b>	<b>10,000</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	
3662 GATE STATION BLDG	-	-	-	-	-	-	-	-	-	
<b>3662 M&amp;R Station Structures &amp; Improvements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3670 MAINS - OTHER	32,500	33,475	34,479	23,300	9,300	9,579	(9,200)	(24,175)	(24,900)	
3670 MLV Replacements	-	1,000,000	1,000,000	599,885	-	1,000,000	599,885 (1)	(1,000,000) (2)	-	
3670 MAINS - CP Upgrades	-	20,000	-	-	20,000	-	-	-	-	
<b>TOTAL 3670</b>	<b>32,500</b>	<b>1,053,475</b>	<b>1,034,479</b>	<b>623,185</b>	<b>29,300</b>	<b>1,009,579</b>	<b>590,685</b>	<b>(1,024,175)</b>	<b>(24,900)</b>	
3690 M & R STATION EQUIP	107,900	111,137	114,471	352,366	83,400	85,902	244,466	(27,737)	(28,569)	
3690 Bellevue Gate Station	1,555,321	-	-	-	1,451,608	-	(1,555,321) (3)	1,451,608 (4)	-	
3690 GATE STATION - Catamount	2,083,203	-	-	-	2,543,965	-	(2,083,203) (5)	2,543,965 (6)	-	
3690 GATE STATION - Nason Street Heater Replacement	-	-	-	3,049,349	-	-	3,049,349 (7)	-	-	
3700 COMMUNICATION EQUIP.	24,400	25,132	25,886	4,800	46,800	48,204	(19,600)	21,668	22,318	
<b>TOTAL TRANSMISSION PLANT</b>	<b>3,813,324</b>	<b>1,199,744</b>	<b>1,184,836</b>	<b>4,034,700</b>	<b>4,165,073</b>	<b>1,153,685</b>	<b>221,376</b>	<b>2,965,329</b>	<b>(31,151)</b>	
<b>FERC # DISTRIBUTION PLANT</b>										
3633 COMPRESSOR EQUIP.	-	-	-	-	-	-	-	-	-	
3720 ASSET RETIREMENT OBLIGATION	-	-	-	-	-	-	-	-	-	
3742 LAND RIGHTS	-	-	-	-	-	-	-	-	-	
3760 CP Ground Beds	20,000	-	20,000	20,000	-	20,000	-	-	-	
3760 Bellevue Extension (Feasible)	1,667,683	-	-	-	1,866,375	-	(1,667,683) (8)	1,866,375 (9)	-	
3760 Bellevue Extension (20-Year)	2,809,201	-	-	-	3,143,896	-	(2,809,201) (8)	3,143,896 (9)	-	
3760 Mains: Style 90 Replacements	1,679,020	1,712,600	1,746,852	1,463,994	1,843,397	1,880,265	(215,026)	130,797	133,413	
3760 MAINS - OTHER	1,380,310	1,516,326	1,512,220	3,592,907	1,181,076	1,111,161	2,212,597 (10)	(335,250)	(401,060)	
<b>TOTAL 3760</b>	<b>7,556,214</b>	<b>3,228,926</b>	<b>3,279,073</b>	<b>5,076,900</b>	<b>8,034,744</b>	<b>3,011,426</b>	<b>(2,479,314)</b>	<b>4,805,818</b>	<b>(267,647)</b>	
Innovation Spending	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-	-	-	
3800 Services: Steel Replacements	623,480	635,950	648,669	589,347	946,501	965,431	(34,133)	310,551	316,762	
3800 Services: Support Marketing's Projected Growth	3,631,689	3,859,439	3,910,463	4,353,546	3,024,887	2,821,093	721,857 (10)	(834,553) (11)	(1,089,371) (11)	
<b>TOTAL 3800</b>	<b>5,755,169</b>	<b>5,995,389</b>	<b>6,059,132</b>	<b>6,442,893</b>	<b>5,471,388</b>	<b>5,286,524</b>	<b>687,724</b>	<b>(524,001)</b>	<b>(772,608)</b>	
3810 METERS	527,890	681,011	693,981	988,391	735,902	743,680	460,501	54,891	49,700	
3820 METER INSTALLATION	482,362	497,523	513,152	433,699	531,667	548,065	(48,663)	34,145	34,913	
3830 REGULATORS	-	-	-	89,114	-	-	89,114	-	-	
3850 INDUSTRIAL M & R STATION EQUIP.	129,860	133,756	137,769	51,252	77,400	79,722	(78,608)	(56,356)	(58,047)	
3850 INDUSTRIAL M & R STATION - RNG	-	-	-	-	-	-	-	-	-	
3860 RENTAL PROPERTY WH/OTR	-	-	-	-	-	-	-	-	-	
3861 RENTAL PROPERTY CB	-	-	-	-	-	-	-	-	-	
3862 RENTAL PROPERTY ELECTRIC APPLIANCE	-	-	-	-	-	-	-	-	-	
3865 RENTAL SPACE HEATERS	-	-	-	-	-	-	-	-	-	
3815 ERTS	189,773	157,105	160,000	411,943	238,286	274,088	222,170	81,181	114,088	
<b>TOTAL DISTRIBUTION PLANT</b>	<b>14,641,268</b>	<b>10,693,710</b>	<b>10,843,106</b>	<b>13,494,192</b>	<b>15,089,387</b>	<b>9,943,504</b>	<b>(1,147,076)</b>	<b>4,395,677</b>	<b>(899,601)</b>	
<b>FERC # GENERAL PLANT</b>										
0 / 3902 STRUCTURES & IMPROVEMENTS	174,800	95,000	95,000	13,642	249,800	95,000	(161,158)	154,800	-	
3910 OFFICE EQUIPMENT	10,000	10,000	10,000	(7,013)	5,544	(4,637)	(17,013)	(4,456)	(14,637)	
3911 COMPUTER HARDWARE - MID RANGE	-	-	-	-	-	-	-	-	-	
3912 COMPUTER SOFTWARE - MID RANGE	-	-	-	-	-	-	-	-	-	
3913 NETWORK	10,984	17,000	60,000	214,640	(8,365)	60,000	203,656	(25,365)	-	
3914 TELEPHONE EQUIPMENT	-	-	-	(1,413)	-	-	(1,413)	-	-	
3916 COMPUTER SOFTWARE - DESKTOP	275,000	107,000	257,000	171,558	(62,768)	244,553	(103,442)	(169,768)	(12,447)	

3917 COMPUTER HARDWARE - DESKTOP	153,501	145,000	130,000	(299,940)	121,144	(209,299)	(453,441)	(23,856)	(339,299)
3920 TRANSPORTATION EQUIP.	751,944	805,314	527,540	514,011	403,476	312,735	(237,933)	(401,838)	(214,806)
3921 CNG STATIONS	-	-	-	-	-	-	-	-	-
3940 SMALL TOOLS	207,645	181,793	183,174	219,328	212,849	216,123	11,683	31,056	32,949
3960 Power Equipment	-	-	259,000	(8,025)	68,974	198,337	(8,025)	68,974	(60,663)
3970 COMMUNICATION EQUIPMENT	-	-	-	(102,161)	(139,658)	(56,344)	(102,161)	(139,658)	(56,344)
<b>TOTAL GENERAL PLANT</b>	<b>1,583,874</b>	<b>1,361,107</b>	<b>1,521,715</b>	<b>714,626</b>	<b>850,997</b>	<b>856,468</b>	<b>(869,248)</b>	<b>(510,111)</b>	<b>(665,247)</b>
<b>Net Additions to Utility Plant in Service</b>	<b>20,095,866</b>	<b>13,313,683</b>	<b>14,020,552</b>	<b>18,300,394</b>	<b>20,156,957</b>	<b>12,416,702</b>	<b>(1,795,472)</b>	<b>6,843,274</b>	<b>(1,603,850)</b>

\* VGS will provide explanations for variances in excess of +/- \$500,000

**Major Variance Explanations:**

- (1) Timing of Mallets Bay Avenue MLV replacement; originally budgeted to be complete in FY23 but was not placed into service until early in FY24
- (2) Original amount included in ARP filing was a placeholder for annual Main Line Valve replacements; the shifting of the Nason Street Heater Replacement and the Catamount Gate Station projects into FY24 and FY25, respectively, required us to push the MLV replacements scheduled for FY25 and FY26, out to FY26 and FY27, respectively
- (3) Permitting delays led to a change in project timeline - now anticipated to be in service in FY25 instead of FY24 - overall cost remains relatively unchanged for this portion of the project
- (4) See FY24 Explanation
- (5) Project moved to FY25 as a result of Nason Street Heater Replacement being moved into FY24
- (6) Project moved to FY25 - increase in overall construction costs as a result of increased material costs
- (7) Originally scheduled for FY23; supply chain delays moved completion out to FY24, which in turn forced the Catamount Gate Station project to be moved to FY25
- (8) Permitting delays led to a change in project timeline - now anticipated to be in service in FY25 instead of FY24
- (9) Permitting delays moved the project into FY25; additionally, we anticipate slight increases in the overall project cost driven by increased contractor quotes, higher material costs, and an increase in the anticipated rock drilling
- (10) Increase primarily driven by timing placement of Ethan Allen Firing Range project in FY23, but which spilled into the fall of FY24.
- (11) Decrease driven by a reduction in the anticipated number of new customers added in the fiscal year as compared to the original ARP filing

## Attachment A

Indexed Market Adjustment: The Indexed Market Adjustment limits changes to Operating Costs to inflation, with 69% of the change tied to indexed inflation in the labor market and 31% tied to indexed inflation in the consumer price index. **Accordingly, the Indexed Market Adjustment = (69% x the most recently published 12-month percent change in the U.S. Bureau of Labor & Statistics Employment Cost Index) + (31% x 12-month change in U.S. Bureau of Labor & Statistics Consumer Price Index for Northeast).** Notwithstanding the foregoing, the Indexed Market Adjustment shall be no higher than 4% and no lower than 2%.

[Bureau of Labor Statistics Data \(bls.gov\)](https://www.bls.gov)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2014	251.045	251.233	252.413	252.506	253.598	253.555	253.833	253.185	253.154	252.73	251.781	250.519	252.463	252.392	252.534
2015	250.016	250.619	251.451	251.76	252.77	253.626	253.405	252.903	252.922	252.504	252.573	251.67	252.185	251.707	252.663
2016	251.739	252.25	252.854	254.27	255.023	255.471	255.386	255.545	256.085	256.605	256.541	256.427	254.85	253.601	256.098
2017	258.073	258.768	258.51	259.165	259.386	259.335	258.833	259.508	260.875	260.58	260.63	260.791	259.538	258.873	260.203
2018	262.188	263.26	263.556	264.669	265.84	265.95	265.83	266.425	266.709	266.464	265.487	265.286	265.139	264.244	266.034
2019	266.109	266.706	268.025	269.07	269.744	270.133	270.381	270.548	270.563	270.348	270.643	270.429	269.392	268.298	270.485
2020	272.316	273.08	272.531	271.325	271.345	272.283	273.347	273.597	273.925	273.374	273.543	274.225	272.908	272.147	273.669
2021	275.427	276.473	278.197	280.234	281.858	284.741	285.22	285.63	286.423	288.236	289.835	290.405	283.557	279.488	287.625
2022	292.644	294.605	298.403	300.325	302.939	306.453	305.916	306.855	307.152	308.001	308.394	308.15	303.32	299.228	307.411
2023	310.323	311.986	311.243	311.848	312.241	313.329	313.952	315.441	316.373	316.3	316.252	316.143	313.786	311.828	315.744
2024	318.133	319.577	321.741	323.035	324.439										

CPI Change                      2.5%            2.4%            3.4%            3.6%            3.9%

[Bureau of Labor Statistics Data \(bls.gov\)](https://www.bls.gov)

Series Title: Total compensation for All Civilian workers in All industries and occupations, 12-month percent change

Year	Period	Estimate Value	Standard Error
2022	Qtr1	4.5	0.2
2022	Qtr2	5.1	0.1
2022	Qtr3	5.0	0.2
2022	Qtr4	5.1	0.1
2023	Qtr1	4.8	0.1
2023	Qtr2	4.5	0.1
2023	Qtr3	4.3	0.1
2023	Qtr4	4.2	0.1
2024	Qtr1	4.2	0.1

Employment Cost Index                      4.2%

**Gross Receipt Tax:**

Total Required Non-Gas Revenue (Attachment 4)	\$ 70,412,936.38
Forecasted Gas Revenue (Attachment 4)	60,240,000
Total Revenue Subject to Gross Receipts Tax	<u>130,652,936</u>
Gross Receipt Tax Rate	0.525%
<b>Total Gross Receipts Tax Expense for FY25:</b>	<b><u><u>\$ 685,927.92</u></u></b>

**Property Tax:**

Total FY25 Property Tax Based on Exogenous Events Calculation (1)	<b>\$ 9,070,215.75</b>
-------------------------------------------------------------------	------------------------

**Street Fees:**

FY24 Street Fees	\$ 106,776.75
12-Month CPI Change (Attachment A)	3.9%
<b>FY25 Street Fees:</b>	<b><u><u>\$ 110,948.09</u></u></b>

**Weatherization / Fuel Tax:**

Total Required Non-Gas Revenue (Attachment 4)	\$ 70,412,936.38
Forecasted Gas Revenue (Attachment 4)	60,240,000
Total Revenue Subject to Weatherization / Fuel Tax	<u>130,652,936</u>
Weatherization / Fuel Tax Rate	0.75%
<b>Total Weatherization / Fuel Tax Expense for FY25:</b>	<b><u><u>\$ 979,897.02</u></u></b>

**Other Taxes:**

FY24 Other Taxes	\$ (2,553.55)
12-Month CPI Change (Attachment A)	3.9%
<b>FY25 Other Taxes:</b>	<b><u><u>\$ (2,653.31)</u></u></b>

(1) Refer to Attachment E for details of Property Tax Calculation

Resource Center | U.S. Department of the Treasury

FY2024 ROE	9.24
90 Day Average (3/1/22-6/1/23)	3.57
90 Day Average (3/1/24-6/1/24)	4.42
Change in 90 average	0.85
change in authorized ROE	0.42
ROE 2025	9.66

9.66%

Date	10 Yr
3/1/2023	4.01
3/2/2023	4.08
3/3/2023	3.97
3/6/2023	3.98
3/7/2023	3.97
3/8/2023	3.98
3/9/2023	3.93
3/10/2023	3.7
3/13/2023	3.55
3/14/2023	3.64
3/15/2023	3.51
3/16/2023	3.56
3/17/2023	3.39
3/20/2023	3.47
3/21/2023	3.59
3/22/2023	3.48
3/23/2023	3.38
3/24/2023	3.38
3/27/2023	3.53
3/28/2023	3.55
3/29/2023	3.57
3/30/2023	3.55
3/31/2023	3.48
4/3/2023	3.43
4/4/2023	3.35
4/5/2023	3.3
4/6/2023	3.3
4/7/2023	3.39
4/10/2023	3.41
4/11/2023	3.43
4/12/2023	3.41
4/13/2023	3.45
4/14/2023	3.52
4/17/2023	3.6
4/18/2023	3.58
4/19/2023	3.6
4/20/2023	3.54
4/21/2023	3.57
4/24/2023	3.52
4/25/2023	3.4
4/26/2023	3.43
4/27/2023	3.53
4/28/2023	3.44
5/1/2023	3.59
5/2/2023	3.44
5/3/2023	3.38
5/4/2023	3.37
5/5/2023	3.44
5/8/2023	3.52
5/9/2023	3.53
5/10/2023	3.43
5/11/2023	3.39
5/12/2023	3.46
5/15/2023	3.5
5/16/2023	3.54
5/17/2023	3.57
5/18/2023	3.65
5/19/2023	3.7
5/22/2023	3.72
5/23/2023	3.7
5/24/2023	3.73
5/25/2023	3.83
5/26/2023	3.8
5/30/2023	3.69
5/31/2023	3.64
6/1/2023	3.61

1/2/2024	3.95
1/3/2024	3.91
1/4/2024	3.99

6. **Return on Equity.**

a. For purposes of establishing rates under Paragraph 3 of this Plan and calculating Authorized Earnings pursuant to Paragraph 5 of this Plan, the ROE shall be established as follows:

FY2024	ROE approved by the Commission in a traditional rate case for FY2024 rates (the "FY2024 ROE")
FY2025	FY2024 ROE adjusted at one-half the change in the composite 10-Year Treasury Note Rate as provided below ("FY2025 ROE")
FY2026	FY2025 ROE adjusted at one-half the change in the composite 10-Year Treasury Note Rate as provided below ("FY2026 ROE")

b. Adjustments to ROE under this Section shall be based on the composite 10-Year Treasury Note Rate as published by the U.S. Department of the Treasury for each date between March 1 and June 1 as compared to the same time period during the prior year.

c. For greater clarity, the data source for U.S. Treasury Note rates is currently located at: <http://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield>.

d. If the U.S. Department of the Treasury ceases to publish this rate during the life of this Plan, VGS and the PSD will work cooperatively to identify a replacement index rate.

e. In the event that the ROE adjustment under this Paragraph exceeds 150 basis points, it shall be considered an Exogenous Event under Paragraph 4 of this Plan.

1/5/2024	4.05
1/8/2024	4.01
1/9/2024	4.02
1/10/2024	4.04
1/11/2024	3.98
1/12/2024	3.96
1/16/2024	4.07
1/17/2024	4.1
1/18/2024	4.14
1/19/2024	4.15
1/22/2024	4.11
1/23/2024	4.14
1/24/2024	4.18
1/25/2024	4.14
1/26/2024	4.15
1/29/2024	4.08
1/30/2024	4.06
1/31/2024	3.99
2/1/2024	3.87
2/2/2024	4.03
2/5/2024	4.17
2/6/2024	4.09
2/7/2024	4.09
2/8/2024	4.15
2/9/2024	4.17
2/12/2024	4.17
2/13/2024	4.31
2/14/2024	4.27
2/15/2024	4.24
2/16/2024	4.3
2/20/2024	4.27
2/21/2024	4.32
2/22/2024	4.33
2/23/2024	4.26
2/26/2024	4.28
2/27/2024	4.31
2/28/2024	4.27
2/29/2024	4.25
3/1/2024	4.19
3/4/2024	4.22
3/5/2024	4.13
3/6/2024	4.11
3/7/2024	4.09
3/8/2024	4.09
3/11/2024	4.1
3/12/2024	4.16
3/13/2024	4.19
3/14/2024	4.29
3/15/2024	4.31
3/18/2024	4.34
3/19/2024	4.3
3/20/2024	4.27
3/21/2024	4.27
3/22/2024	4.22
3/25/2024	4.25
3/26/2024	4.24
3/27/2024	4.2
3/28/2024	4.2
4/1/2024	4.33
4/2/2024	4.36
4/3/2024	4.36
4/4/2024	4.31
4/5/2024	4.39
4/8/2024	4.42
4/9/2024	4.36
4/10/2024	4.55
4/11/2024	4.56
4/12/2024	4.5
4/15/2024	4.63
4/16/2024	4.67
4/17/2024	4.59
4/18/2024	4.64
4/19/2024	4.62
4/22/2024	4.62
4/23/2024	4.61
4/24/2024	4.65
4/25/2024	4.7
4/26/2024	4.67
4/29/2024	4.63
4/30/2024	4.69
5/1/2024	4.63
5/2/2024	4.58

5/3/2024	4.5
5/6/2024	4.49
5/7/2024	4.47
5/8/2024	4.48
5/9/2024	4.45
5/10/2024	4.5
5/13/2024	4.48
5/14/2024	4.45
5/15/2024	4.36
5/16/2024	4.38
5/17/2024	4.42
5/20/2024	4.44
5/21/2024	4.41
5/22/2024	4.43
5/23/2024	4.47
5/24/2024	4.46
5/28/2024	4.54
5/29/2024	4.61
5/30/2024	4.55
5/31/2024	4.51
6/3/2024	4.41
6/4/2024	4.33
6/5/2024	4.29
6/6/2024	4.28
6/7/2024	4.43
6/10/2024	4.47



**SOFR Forecast data:**

[Term SOFR, Fallback Rate \(SOFR\), and Treasury... | Chatham Financial](#)

	24-Oct	5.16%
	25-Jan	4.90%
	25-Apr	4.65%
	25-Jul	4.43%
	Average	<u>4.79%</u>
Plus: 58 Basis Points per LOC Agreement		<u>0.58%</u>
		<u><b>5.37%</b></u>

**Property Tax (based on CPI Change):**

FY24 Approved Property Tax:	7,832,147
12-Month CPI Change	3.9%
CPI-Adjusted FY25 Property Taxes (A)	8,138,117.33
Approved FY25 Utility Plant In Service (UPIS) Additions	11,893,454
Blended Property Tax Rate Assumed on New UPIS Additions (1)	2.51%
Additional Property Tax on New FY25 Additions (B)	299,066
<b>Total FY25 Property Tax Based on CPI Change (A + B)</b>	<b>8,437,182.94</b>

**Property Tax (Exogenous Events Calc):**

FY24 Approved Property Tax:	7,832,147
Exogenous Events Property Tax Increase (2)	11.7%
CPI-Adjusted FY25 Property Taxes (C)	8,748,711.57
Approved FY25 UPIS Additions	11,893,454
Blended Property Tax Rate Assumed on New UPIS Additions (3)	2.70%
Additional Property Tax on New FY25 Additions (D)	321,504
<b>Total FY25 Property Tax (C + D)</b>	<b>9,070,215.75</b>

**Exogenous Events Increase:****633,032.82**

(1) Blended Tax Rate on UPIS Additions based on rate used in ARP filing, increased by CPI Increase above of 3.9%

(2) Formula is  $(A * B) + (C * D)$ , where

A = Proportion of property taxes that relate to education

B = estimated education tax rate increase

C = Proportion of property taxes that relate to municipal rates

D = estimated municipal rate increase (based on 12-month change in CPI)

(3) Blended Tax Rate on UPIS Additions based on rate used in ARP filing, increased by Exogenous Tax Increase above of 11.7%

RATE R

DOMESTIC SERVICE

Availability:

This rate schedule is available to any domestic customer who is located on the Company's mains or to whom Company will extend its mains.

Definitions:

The term "Ccf" shall mean one hundred cubic feet.

Applicability:

This rate schedule shall apply to all gas used for domestic purposes; in a single family or two-family dwelling; in separately metered apartments of a multiple unit dwelling; in rooming houses; in multi-family apartment buildings served through one meter provided that no more than 50% of the building is used for nonresidential purposes.

Rate:

DAILY ACCESS CHARGE	\$0.9597
NATURAL GAS CHARGE PER CCF	\$0.4843
DISTRIBUTION CHARGE PER CCF	\$0.8189

Assistance Program Fee

An Assistance Program Fee of \$0.64 per meter per bill shall apply to all service under this rate.

Duration of Contract:

Service under this rate schedule shall be terminable by customer on three days' written notice to the Company, and by the Company in the manner provided by law and the Terms and Conditions set forth in this tariff.

Terms and Conditions:

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate schedule. Service under this rate schedule shall, at all times, be subject to applicable Orders of the State of Vermont Public Utility Commission.

RATE G1

Commercial - Industrial General Service - Low Usage, Low Load Factor

Availability:

This rate schedule is available to any commercial or industrial customer located on the Company's mains or to whom Company will extend its mains.

Definitions:

The term "Ccf" shall mean one hundred cubic feet.

The term "Mcf" shall mean one thousand cubic feet.

Applicability:

This rate schedule shall apply to all gas used by customer for any purpose which does not come directly under the applicability of Rate Schedule R, and

1. Whose annual requirement under this rate schedule is less than 6,000 ccf.
2. Whose winter (November - March) requirements is equal or greater than 70% of its annual requirement.

Character of Service:

This rate schedule shall apply to all customer gas uses. Service under this rate schedule shall be metered and billed separately from any other gas used by customer on the premises.

Rate:

DAILY ACCESS CHARGE	\$1.5905
NATURAL GAS CHARGE PER CCF	\$0.5628
DISTRIBUTION CHARGE PER CCF	\$0.6372

Assistance Program Fee

An Assistance Program Fee of \$0.92 per meter per bill shall apply to all service under this rate.

Self-Managed Energy Efficiency Program

Customers participating in the Self-Managed Energy Efficiency Program ("SMEEP") shall be eligible for a \$0.01 per Mcf credit. The amount of SMEEP credit shall be recalculated annually at the time of the Company's Annual Rate Adjustment.

Duration of Contract:

Service under this rate schedule shall be terminable by customer on three days' written notice to the Company, and by the Company in the manner provided by law and the Terms and Conditions set forth in this tariff.

Terms and Conditions:

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate schedule. Service under this rate schedule shall, at all times, be subject to applicable Orders of the State of Vermont Public Utility Commission.

If the Company does not receive payment before the next monthly billing date, a late payment charge of 1% shall be imposed on the unpaid balance, including any prior unpaid late charges. The late payment charge shall be assessed on such unpaid balances once each month after it is initially imposed so long as a balance remains unpaid.

RATE G2

Commercial - Industrial General Service - Low Usage, High Load Factor

Availability:

This rate schedule is available to any commercial or industrial customer who is located on the Company's mains or to whom Company will extend its mains.

Definitions:

The term "Ccf" shall mean one hundred cubic feet.

The term "Mcf" shall mean one thousand cubic feet.

Applicability:

This rate schedule shall apply to all gas used by customer for any purpose which does not come directly under the applicability of Rate Schedule R, and

1. Whose annual requirement under this rate schedule is less than 6,000 ccf.
2. Whose winter (November - March) requirements is less than 70% of its annual requirement.

Character of Service:

This rate schedule shall apply to all customer gas uses. Service under this rate schedule shall be metered and billed separately from any other gas used by customer on the premises.

Rate:

DAILY ACCESS CHARGE	\$1.5905
NATURAL GAS CHARGE PER CCF	\$0.4158
DISTRIBUTION CHARGE PER CCF	\$0.5302

Assistance Program Fee:

An Assistance Program Fee of \$0.92 per meter per bill shall apply to all service under this rate.

Self-Managed Energy Efficiency Program:

Customers participating in the Self-Managed Energy Efficiency Program ("SMEEP") shall be eligible for a \$0.01 per Mcf credit. The amount of SMEEP credit shall be recalculated annually at the time of the Company's Annual Rate Adjustment.

Duration of Contract:

Service under this rate schedule shall be terminable by customer on three days' written notice to the Company, and by the Company in the manner provided by law and the Terms and Conditions set forth in this tariff.

Terms and Conditions:

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate schedule. Service under this rate schedule shall, at all times, be subject to applicable Orders of the State of Vermont Public Utility Commission.

If the Company does not receive payment before the next monthly billing date, a late payment charge of 1% shall be imposed on the unpaid balance, including any prior unpaid late charges. The late payment charge shall be assessed on such unpaid balances once each month after it is initially imposed so long as a balance remains unpaid.

RATE G3

Commercial - Industrial General Service - High Usage, Low Load Factor

Availability:

This rate schedule is available to any commercial or industrial customer who is located on the Company's mains or to whom Company will extend its mains.

Definitions:

The term "Ccf" shall mean one hundred cubic feet.

The term "Mcf" shall mean one thousand cubic feet.

Applicability:

This rate schedule shall apply to all gas used by customer for any purpose which does not come directly under the applicability of Rate Schedule R, and

1. Whose annual requirement under this rate schedule is at least 6,000 ccf.
2. Whose winter (November - March) requirements is equal or greater than 70% of its annual requirement.

Character of Service:

This rate schedule shall apply to all customer gas uses. Service under this rate schedule shall be metered and billed separately from any other gas used by customer on the premises.

Rate:

DAILY ACCESS CHARGE	\$5.0747
NATURAL GAS CHARGE PER CCF	\$0.5447
DISTRIBUTION CHARGE PER CCF	\$0.4887

Assistance Program Fee:

An Assistance Program Fee of \$6.10 per meter per bill shall apply to all service under this rate.

Self-Managed Energy Efficiency Program:

Customers participating in the Self-Managed Energy Efficiency Program ("SMEEP") shall be eligible for a \$0.01 per Mcf credit. The amount of SMEEP credit shall be recalculated annually at the time of the Company's Annual Rate Adjustment.

Duration of Contract:

Service under this rate schedule shall be terminable by customer on three days' written notice to the Company, and by the Company in the manner provided by law and the Terms and Conditions set forth in this tariff.



Terms and Conditions:

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate schedule. Service under this rate schedule shall, at all times, be subject to applicable Orders of the State of Vermont Public Utility Commission.

If the Company does not receive payment before the next monthly billing date, a late payment charge of 1% shall be imposed on the unpaid balance, including any prior unpaid late charges. The late payment charge shall be assessed on such unpaid balances once each month after it is initially imposed so long as a balance remains unpaid.

RATE G4

Commercial - Industrial General Service - High Usage, High Load Factor

Availability:

This rate schedule is available to any commercial or industrial customer who is located on the Company's mains or to whom Company will extend its mains.

Definitions:

The term "Ccf" shall mean one hundred cubic feet.

The term "Mcf" shall mean one thousand cubic feet.

Applicability:

This rate schedule shall apply to all gas used by customer for any purpose which does not come directly under the applicability of Rate Schedule R, and

1. Whose annual requirement under this rate schedule is at least 6,000 ccf.
2. Whose winter (November - March) requirements is less than 70% of its annual requirement.

Character of Service:

This rate schedule shall apply to all customer gas uses. Service under this rate schedule shall be metered and billed separately from any other gas used by customer on the premises.

Rate:

DAILY ACCESS CHARGE	\$5.0747
NATURAL GAS CHARGE PER CCF	\$0.4149
DISTRIBUTION CHARGE PER CCF	\$0.4109

Assistance Program Fee:

An Assistance Program Fee of \$8.53 per meter per bill shall apply to all service under this rate.

Self-Managed Energy Efficiency Program:

Customers participating in the Self-Managed Energy Efficiency Program ("SMEEP") shall be eligible for a \$0.01 per Mcf credit. The amount of SMEEP credit shall be recalculated annually at the time of the Company's Annual Rate Adjustment.

Duration of Contract:

Service under this rate schedule shall be terminable by customer on three days' written notice to the Company, and by the Company in the manner provided by law and the Terms and Conditions set forth in this tariff.

Terms and Conditions:

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate schedule. Service under this rate schedule shall, at all times, be subject to applicable Orders of the State of Vermont Public Utility Commission.

If the Company does not receive payment before the next monthly billing date, a late payment charge of 1% shall be imposed on the unpaid balance, including any prior unpaid late charges. The late payment charge shall be assessed on such unpaid balances once each month after it is initially imposed so long as a balance remains unpaid.



## IMPORTANT NOTICE REGARDING UPCOMING RATE CHANGES

For over 50 years, VGS has maintained competitive and affordable rates for its 55,000+ customers. As we work to enhance our customer service and make investments in safety and Vermont’s clean energy future, we are committed to keeping those rates low for current and future customers. Thus, we want to let you know about proposed rate changes.

### Purchased Gas Adjustment: Case No. 24-1681-TF

On May 29, 2024, VGS filed a request with the Vermont Public Utility Commission (“Commission”) for no change in the Natural Gas charge, which results in no change to the overall firm rate. Though there is no change to the Natural Gas charge, this still goes through the normal regulatory review process. Since there is no change, a typical residential customer will continue to pay about \$1,550.80 a year for natural gas. As noted below, this Purchased Gas Adjustment (“PGA”) filing does propose adjustments to VGS’s Renewable Natural Gas (“RNG”) adders, which only apply to customers participating in the voluntary RNG program. If approved, these changes would be effective August 5, 2024.

### Base Rate Adjustment: Case No. 24-2137-TF

On June 28, 2024, VGS filed a request with the Commission for a rate increase of 9.42% to the Daily Access and Distribution Charges. With this increase, the cost for a typical residential customer will increase by \$97.12/year or \$8.09/month. If approved, these changes would be effective November 1, 2024.

As we work toward maintaining our core values of safety, climate, customers, and culture, we are committed to keeping our rates low and stable for current and future customers. Pending regulatory approval of the PGA and base rate adjustment, rates will be adjusted as follows:

### Residential

Rate Components	Current Rates	Proposed Purchased Gas Adjustment Effective August 2024	Proposed Base Rate Adjustment Effective November 2024
Daily Access Charge (per day)	\$0.8771	\$0.8771	\$0.9597
Natural Gas Charge (per ccf)	\$0.4843	\$0.4843	\$0.4843
Distribution Charge (per ccf)	\$0.7484	\$0.7484	\$0.8189
EEU Charge (per ccf)	\$0.0547	\$0.0547	\$0.0547
Assistance Program Fee (per month)	\$0.64	\$0.64	\$0.64
Blended RNG Adder (per CCF) <sup>†</sup>	\$1.4264	\$1.4204 <sup>†</sup>	\$1.4204
Locally Sourced RNG Adder (per CCF) <sup>†</sup>	\$1.6401	\$1.6350 <sup>†</sup>	\$1.6350

### General Service Low Usage, Low Load Factor – Rate G1

Rate Components	Current Rates	Proposed Purchased Gas Adjustment Effective August 2024	Proposed Base Rate Adjustment Effective November 2024
Daily Access Charge (per day)	\$1.4536	\$1.4536	\$1.5905
Natural Gas Charge (per ccf)	\$0.5628	\$0.5628	\$0.5628
Distribution Charge (per ccf)	\$0.5823	\$0.5823	\$0.6372
EEU Charge (per ccf)	\$0.0517	\$0.0517	\$0.0517
Assistance Program Fee (per meter, per bill)	\$0.92	\$0.92	\$0.92
RNG Adder (per ccf) <sup>†</sup>	\$1.4264	\$1.4204 <sup>†</sup>	\$1.4204
Locally Sourced RNG Adder (per ccf) <sup>†</sup>	\$1.6401	\$1.6350 <sup>†</sup>	\$1.6350

**General Service Low Usage, High Load Factor - Rate G2**

Rate Components	Current Rates	Proposed Purchased Gas Adjustment Effective August 2024	Proposed Base Rate Adjustment Effective November 2024
Daily Access Charge (per day)	\$1.4536	\$1.4536	\$1.5905
Natural Gas Charge (per ccf)	\$0.4158	\$0.4158	\$0.4158
Distribution Charge (per ccf)	\$0.4846	\$0.4846	\$0.5302
EEU Charge (per ccf)	\$0.0401	\$0.0401	\$0.0401
Assistance Program Fee (per meter, per bill)	\$0.92	\$0.92	\$0.92
RNG Adder (per ccf) <sup>†</sup>	\$1.4264	\$1.4204 <sup>†</sup>	\$1.4204
Locally Sourced RNG Adder (per ccf) <sup>†</sup>	\$1.6401	\$1.6350 <sup>†</sup>	\$1.6350

**General Service High Usage, Low Load Factor - Rate G3**

Rate Components	Current Rates	Proposed Purchased Gas Adjustment Effective August 2024	Proposed Base Rate Adjustment Effective November 2024
Daily Access Charge (per day)	\$4.6378	\$4.6378	\$5.0747
Natural Gas Charge (per ccf)	\$0.5447	\$0.5447	\$0.5447
Distribution Charge (per ccf)	\$0.4466	\$0.4466	\$0.4887
EEU Charge (per ccf)	\$0.0403	\$0.0403	\$0.0403
Assistance Program Fee (per meter, per bill)	\$6.10	\$6.10	\$6.10
RNG Adder (per ccf) <sup>†</sup>	\$1.4264	\$1.4204 <sup>†</sup>	\$1.4204
Locally Sourced RNG Adder (per ccf) <sup>†</sup>	\$1.6401	\$1.6350 <sup>†</sup>	\$1.6350

**General Service High Usage, High Load Factor - Rate G4**

Rate Components	Current Rates	Proposed Purchased Gas Adjustment Effective August 2024	Proposed Base Rate Adjustment Effective November 2024
Daily Access Charge (per day)	\$4.6378	\$4.6378	\$5.0747
Natural Gas Charge (per ccf)	\$0.4149	\$0.4149	\$0.4149
Distribution Charge (per ccf)	\$0.3755	\$0.3755	\$0.4109
EEU Charge (per ccf)	\$0.0311	\$0.0311	\$0.0311
Assistance Program Fee (per meter, per bill)	\$8.53	\$8.53	\$8.53
RNG Adder (per ccf) <sup>†</sup>	\$1.4264	\$1.4204 <sup>†</sup>	\$1.4204
Locally Sourced RNG Adder (per ccf) <sup>†</sup>	\$1.6401	\$1.6350 <sup>†</sup>	\$1.6350

\* Proposed changes to the Natural Gas Charge and voluntary RNG Adders are filed with the Commission quarterly.

† This charge only applies to customers participating in the voluntary renewable natural gas program.

VGS has submitted its proposed Purchased Gas Adjustment and Base Rate Adjustment via ePUC, the Commission's online case and document management system. Interested customers can view the filings at <https://epuc.vermont.gov/>. Customers are encouraged to provide comments to the Commission at any time. Comments regarding these filings may be submitted to the Commission via ePUC under Case No. 24-1681-TF (Purchased Gas Adjustment) and Case Number 24-2137-TF (Base Rate Adjustment).

Alternatively, the Commission accepts comments by mail at 112 State Street, Montpelier, VT 05620-2701, and by email at [puc.clerk@vermont.gov](mailto:puc.clerk@vermont.gov). Please note the case number in your comments.

**Vermont Gas has the following resources to help manage your bill:**

**Residential energy efficiency programs:** See ideas for saving energy and a description of our programs.

**Budget Billing:** See Payment Plans to ensure a predictable monthly bill (no cold weather spikes).

**Online Account Access & Bill Payment:** Check your payments or pay your bill 24/7.

**Financial Assistance:** See Assistance Programs available to income qualified residential customers.

**Please call us at (802) 863-4511 if you have any questions or would like to learn more about these or other options, including renewable natural gas!**

July 3, 2024