



## Regular Board of Directors Meeting

9:45 AM, April 7, 2021

Immediately following the 43<sup>rd</sup> VPPSA Annual meeting

5195 Waterbury-Stowe Road, Waterbury Center, Vermont 05677

**CALL IN NUMBER: 1-773-231-9226**

**MEETING ID: 8022447678#**

**[HTTPS://MEETINGS.RINGCENTRAL.COM/J/8022447678](https://meetings.ringcentral.com/j/8022447678)**

### Directors

Vacant, Barton	Jonathan Elwell, Enosburg	Mike Sullivan, Hardwick
Pamela Moore, Jacksonville	Meredith Dolan, Johnson	Thomas Petraska, Ludlow
Bill Humphrey, Lyndonville	Penny Jones, Morrisville	Steve Fitzhugh, Northfield
John Morley III, Orleans	Reg Beliveau, Swanton	

### Agenda

*Allotted number of minutes set forth in bold type after each item*

1. Call to Order
2. Consideration of changes/modifications to agenda **(3)**
3. Public Comment **(2)**

### Action Items

4. Minutes of the 03/03/2021 Regular Board of Directors Meeting **(3)**
5. Monthly Financial Report for period ending 02/28/2021 (Crystal) **(10)**
6. Approval of Resolution 21-03 Acceptance of 2020 Audit Report (Crystal) **(20)**
7. Approval of Resolution 21-04 Authorization to sign Global Foundries MOU (Ken N) **(15)**

### Discussion Items

8. Retail Sales Data Tracking (Amanda/Steve) **(20)**
9. AMI Project Update (Ken S.) **(45)**
10. Legislative/Regulatory (Melissa) **(20)**
11. RES Project Update (Julia) **(20)**
12. GIS Project Update (Alex) **(15)**
13. Project 10 Update (Dave G./Ken N.) **(10)**
14. GM Update - (Ken N.) **(20)**

### Executive Session

15. General Manager Annual Review (Reg B) **(30)**

### Other

16. Other Business **(5)**

### CC:

Tin Barton-Caplin, Barton	Vacant, Ludlow
Gary Denton, Enosburg	Sheilah Evans, Morrisville
Vacant, Hardwick	Jeff Schulz, Northfield
Mac Butova, Jacksonville	Marilyn Prue, Orleans
Scott Meyer, Johnson	Lynn Paradis, Swanton
Clayton O. Bailey, Lyndonville	



## Regular Board of Directors Meeting Minutes

March 3, 2021

### Board of Directors:

	Vacant, Barton	<b>P</b>	Bill Humphrey, Lyndonville
	Jonathan Elwell, Enosburg	<b>P</b>	Penny Jones, Morrisville
<b>P</b>	Mike Sullivan, Hardwick	<b>P</b>	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	<b>P</b>	John Morley, Orleans
<b>P</b>	Meredith Dolan, Johnson	<b>P</b>	Reginald Beliveau, Swanton
<b>P</b>	Thomas Petraska, Ludlow		

*X indicates attendance in person, P indicates attendance by phone.*

### Alternates present:

Lynn Paradis, Swanton ( <b>P</b> )	Sheilah Evans, Morrisville ( <b>P</b> )

### Others present:

Ken Nolan, VPPSA - ( <b>P</b> )	Crystal Currier, VPPSA - ( <b>P</b> )	Amy Parah, VPPSA - ( <b>P</b> )
Melissa Bailey, VPPSA - ( <b>P</b> )	Kim Harris, VPPSA - ( <b>P</b> )	Julia Leopold, VPPSA - ( <b>P</b> )
Alex Nicholson, VPPSA - ( <b>P</b> )	Ken St. Amour, VPPSA - ( <b>P</b> )	Shawn Enterline, VPPSA- ( <b>P</b> )
Steve Farman, VPPSA-( <b>P</b> )	Dave Gagne, VPPSA -( <b>P</b> )	

### Numbers in bold type correspond with agenda item numbers:

1. Chairman Beliveau called the meeting to order at 9:30 a.m.
2. Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were requested.
3. Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
4. Director Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on February 3, 2021. The motion was seconded by Director Fitzhugh. Motion approved.
5. Director Humphrey made a motion to accept the minutes of the Special Board of Directors meeting held on February 19, 2021. The motion was seconded by Director Fitzhugh. Motion approved.

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6. Director Jones made a motion to accept the Treasurer's report as of January 31, 2021. The motion was seconded by Director Humphrey. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending January 31st. The financial results indicate operational expenses being under-budget by approximately 9%. This Includes payroll and overheads that are over-budget by 4.3% and office supplies and expenses that are under-budget by approximately 32%. The primary drivers related to the under-budget results include: conferences & travel expenses, legal and interest. These costs are offset by over-budget results in insurance/audit, this will be offset in February when Cyber Security insurance was actually paid. Similar to the under-budget results for expenses, the revenues are also under-budget.

The Controller mentioned that the Audit is primarily done and will be presented at the April board meeting.

The motion to approve the Treasurer's report for the period ending January 31, 2021 was approved.

7. Melissa Bailey, VPPSA's Manager of Government Relations and Steve Farman, VPPSA's Manager of Rates and Planning reminded the board that last fall the PUC issued an Order requiring that the EEC be collected on gross customer usage including energy provided by net metering. All utilities will need to change their billing processes to add net metered energy back to the customer load when calculating the EEC charges. Mr. Farman explained to the board there are multiple ways to calculate the reconstituted load, depending on metering configuration. The key question will be whether billing systems can do the necessary calculations without manual intervention. There was discussion on the challenges that the members will face. Staff wants to make sure all members are clear on this requirement and identify where support may be needed. The change takes effect in July
8. The General Manager reminded the board that FERC recently issued Order 2222 which requires all ISO's to modify their market rules to allow Distributed Energy Resources (DER's) to participate in the wholesale markets. The General Manager reviewed the implications to the ISO and utility operation and while the implications are not imminent and still being defined, this will have a significant impact when fully implemented. ISO-NE is presently designing the rules to be filed with FERC in July. ISO-NE indicated that it could take several years to develop the software needed to implement this change. The board voiced their concern on the cost this could have on the members. This topic will be placed on future agendas.
9. Ken St. Amour, VPPSA's Manager of Information Technology & Security Services, provided an update on AMI activities that have occurred since the last Board meeting. Negotiations continue with Aclara and are reaching the contentious stage with how Aclara wants to do the statement of work and payment structure. Staff has fully engaged Jackie Lemmerhirt and Allen Stamp to assist in the negotiations. Discussions have begun with several members about whether the investment is warranted. Meetings have also been set up with CIS vendors. As the negotiations with Aclara are finalized, these discussions will intensify and the Board will need to make a determination as to whether VPPSA should proceed as a group or if members will move individually. Ashland, NH is moving forward with Selectboard review of their AMI options. They are considering both the VPPSA proposal and a proposal from Eaton (a vendor that VPPSA rejected).
10. Melissa Bailey, VPPSA's Manager of Government Relations, provided a Legislative and Regulatory update which included the 2021 Legislative session Arrearages and PUC Proceedings. Staff from VPPSA and VEC have provided testimony to the Senate Finance Committee on VPPSA's proposal for achieving rate flexibility for municipal and cooperative electric utilities. VPPSA has not been able to reach agreement with the DPS on the need for full rate cases to occur on a regular

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schedule There was a lengthy discussion regarding Electric Vehicle charging and language in the Transportation Bill which would require each utility in the state to implement an electric vehicle charging rate by 2024. There is also current discussion in the Legislature on whether a per kWh fee should be assessed on EV charging as the mechanism to replace lost gas tax revenue. The Legislature is expected to allocate federal Covid funds to utility arrearages with the current statewide need at roughly \$15M. On the Regulatory front, Ms. Bailey reminded the Board, the Utilities reported to the PUC on arrearages and payment arrangements on March 1<sup>st</sup> and responses are due March 15th. The Moratorium continues through March 31<sup>st</sup>.

- 11.** Julia Leopold, VPPSA's Communication Specialist, provided an overview on the RES Tier 3 Project activities. This includes the approved 2019 RES Compliance filing, 2020 Tier 3 Compliance report due out this month highlighting the increase in uptake of VPPSA's rebates in the Prescriptive and Custom Tier 3 Program; specifically, focused on claims for cold climate heat pump savings. Ms. Leopold reminded the Board that all customers must be notified that their utility is compliant and asked that the notification flyer she sent to each of the members, be included in the next bill cycle. Ms. Leopold further reviewed the custom projects going on in Hardwick, Jacksonville, Johnson and Northfield. She also reviewed the 2021 incentives and reminded the Board to let staff know of any Tier 3 custom projects going on in the member territories. VPPSA has finished the work on the Utility Rebates Handbook for member staff and it is now available.
- 12.** Alex Nicholson, VPPSA's GIS Technician, provided a brief update on the activities of the GIS project. Staff continued discussions with VELCO on potentially utilizing VELCO's ESRI licenses for our GIS program. As the discussion has gotten into details it is becoming clear that this approach is not likely to work. In addition, it is not yet clear how this structure might (or might not) work with mPower. VPPSA continues to develop use cases for review so that a final decision can be made, but this approach is no longer considered promising or a high priority. Mr. Nicholson also mentioned that he is still in discussions with ESRI related to modules they offer that appear to be equivalent to mPower, but potentially at a lower cost. More research needs to be done and if staff is able to confirm that the two products are equivalent, and can confirm functionality with an existing ESRI user, this item will be brought forward for further discussion. The General Manager and Mr. Nicholson will be working to formalize the advisory committee and establish a standing meeting schedule. Mr. Nicholson ended his presentation by giving an update on what was happening in each of the member territories, specifically Northfield's AGO Pilot Project, a presentation to Orleans on the mPower system, and a GIS update meeting in Lyndonville. More meetings are scheduled with ESRI and mPower in March.
- 13.** Project #10 Update - Dave Gagne, Project 10 Plant Operator, provided a brief update on the activities at Project 10. The General Manager also gave an update on capital which included:
  - a. Backup Generator - soil borings have been completed and grounding design is underway. Equipment has been ordered and is anticipated to be delivered in March. The project remains on schedule for Spring 2021 installation.
  - b. Building Addition - The building addition is proceeding with Dave DeSimone leading the work. Dubois & King has designed the concrete pad including the piling system due to soil conditions. Approval was provided to begin building construction as of March 1<sup>st</sup>. The building is being built off site and then delivered. This project remains on schedule for fall 2021.
  - c. Property Insurance/Overhaul - Staff continues to formulate plans. Dave DeSimone has now been provided with the historical records and is reviewing them. Staff intends to meet within the next 60-days to develop the work plan. The goal remains to provide the Board with an evaluation of options by fall 2021.
- 14.** The General Manager provided a brief update on several topics, including:

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- 1) Barton Status -VPPSA began management of Barton Electric on February 19<sup>th</sup>. The Controller is focusing efforts on establishing procedures for Barton to streamline operations and addressing issues with Barton's financials. The General Manager will be scheduling a meeting between Barton, VEC and VPPSA to clarify lines of communication. The General Manager and the Controller will be attending the next Barton Trustee meeting to clarify management of the overall village operation vs. Controller duties performed for Electric, Water and Waste Water.
- 2) Assistant Controller position-VPPSA has received seven (7) applications to date with three (3) that appear qualified, staff is proceeding with interviews over the next few weeks while leaving the application period open.
- 3) GMP/Global Foundries - Mari McClure informed VPPSA that GMP is working on an agreement with Global Foundries that could change GMP's relationship with Global Foundries in a way that could affect other utilities. A meeting is scheduled with other muni's to finalize a position and draft an MOU before the VELCO board meeting on March 11<sup>th</sup>, this will likely become a PUC case.
- 4) PUC privacy/security requirements - VPPSA has filed a request with the PUC for a Declaratory Ruling finding that membership in VPPSA creates a de facto contractual relationship in the context of PUC privacy/security requirements. The DPS filed comments on the request indicating that VPPSA should only have access to customer data in very restricted instances. Staff is preparing a response for submittal to the PUC.
- 5) APPA and all five FERC Commissioners - the General Manager gave a brief update on his recent meetings including conversion to renewable energy, transmission, resilience, reliability and consumer cost.

**15. Other Business.**

Director Sullivan made a suggestion to add "For the Good of VPPSA" as an agenda item for future board meetings. This would provide Directors with an opportunity to highlight ideas that could be beneficial to VPPSA, or to include something "good" that someone has done for VPPSA.

The meeting was adjourned at 12:54 p.m.

Respectfully submitted,

*Amy Parah*

Amy Parah, Assistant Secretary

# Vermont **Public Power** Supply Authority



## *Monthly Financial Report* February 28, 2021

(Unaudited)

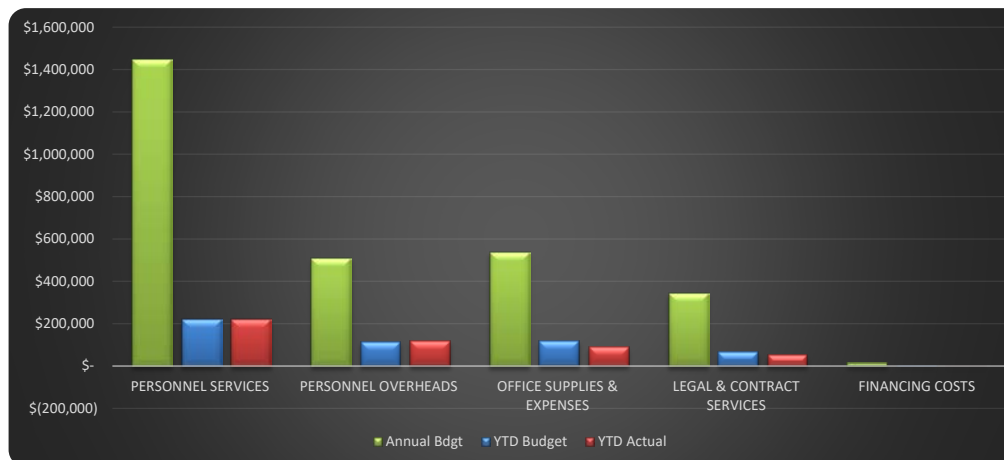
VPPSA MONTHLY FINANCIAL REPORT  
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**VERMONT PUBLIC POWER SUPPLY AUTHORITY**  
**OPERATIONAL REVENUE & EXPENSE SUMMARY**  
**2021 YTD ACTUAL VS. BUDGET**

Reconciliation Month **February-2021**

		<b>2021</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>	<b>2021</b>	<b>YTD Act %</b>
		<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Act vs. Bdgt</b>	<b>Act vs. Bdgt</b>	<b>Annual Bdgt</b>	<b>of Annual</b>
				<b>\$</b>	<b>%</b>		<b>Bdgt</b>
<b>REVENUES:</b>							
	MCNEIL PROJECT #2	\$ 17,444	\$ 17,444	\$ -	0.0%	\$ 104,665	17%
	HIGHGATE PROJECT #3	\$ -	\$ -	\$ -	0.0%	\$ -	0%
	CENTRAL COMPUTER PRJ #4	\$ 8,722	\$ 8,722	\$ -	0.0%	\$ 52,332	17%
	SWANTON PEAKER PRJ #10	\$ 36,416	\$ 35,128	\$ (1,288)	-3.5%	\$ 214,200	16%
	RES PROJECT	\$ 8,722	\$ 8,722	\$ -	0.0%	\$ 52,332	17%
	NET METERING PROJECT	\$ 4,361	\$ 4,361	\$ -	0.0%	\$ 26,166	17%
	AMI PROJECT	\$ 13,083	\$ 13,083	\$ -	0.0%	\$ 78,499	17%
	GIS/MAPPING PROJECT	\$ 18,550	\$ 25,429	\$ 6,879	37.1%	\$ 147,818	17%
	MEMBER REVENUES	\$ 289,445	\$ 289,445	\$ (0)	0.0%	\$ 1,765,669	16%
	NON-MEMBER REVENUES	\$ 26,895	\$ 2,252	\$ (24,643)	-91.6%	\$ 408,963	1%
	<b>TOTAL REVENUES</b>	<b>\$ 423,638</b>	<b>\$ 404,587</b>	<b>\$ (19,051)</b>	<b>-4.5%</b>	<b>\$ 2,850,644</b>	<b>14%</b>
<b>BILLABLE EXPENSES:</b>							
	PERSONNEL SERVICES	\$ 222,984	\$ 223,368	\$ 385	0.2%	\$ 1,449,394	15%
	PERSONNEL OVERHEADS	\$ 114,891	\$ 118,230	\$ 3,340	2.9%	\$ 509,295	23%
	OFFICE SUPPLIES & EXPENSES	\$ 118,858	\$ 90,646	\$ (28,212)	-23.7%	\$ 536,197	17%
	LEGAL & CONTRACT SERVICES	\$ 65,750	\$ 52,877	\$ (12,873)	-19.6%	\$ 342,500	15%
	FINANCING COSTS	\$ 2,210	\$ (273)	\$ (2,483)	-112.4%	\$ 13,258	-2%
	<b>TOTAL BILLABLE EXPENSES</b>	<b>\$ 524,692</b>	<b>\$ 484,848</b>	<b>\$ (39,844)</b>	<b>-7.6%</b>	<b>\$ 2,850,644</b>	<b>17%</b>
	<b>Net Income(Loss)</b>	<b>\$ (101,054)</b>	<b>\$ (80,261)</b>	<b>\$ 20,793</b>			





Monthly Financial Report-Variance Analysis  
February 28, 2021

**NON PROJECT OPERATIONS:**

	Actual					Budget	Var (\$)	Var (%)
	Operational (*)	Power Supply	Transco Activities	Other	Total			
Member/NonMember Revenues	\$ 315,687	\$ 6,006,659	\$ -		\$ 6,322,347			
Other Revenue Sources	\$ 115,908	\$ 848,300	\$ -	\$ 20,306	\$ 984,515			
Total Revenues	\$ 431,596	\$ 6,854,959	\$ -	\$ 20,306	\$ 7,306,861	\$ 6,803,113	\$ 503,748	7%
Operational Expenses	\$ (484,848)	\$ (6,503,428)	\$ -	\$ (20,192)	\$ (7,008,468)			
Transco Activities	\$ (27,009)	\$ -	\$ (6,083)	\$ -	\$ (33,092)			
Other Expenses	\$ -	\$ -	\$ -	\$ (2,367)	\$ (2,367)			
Total Expenses	\$ (511,857)	\$ (6,503,428)	\$ (6,083)	\$ (22,559)	\$ (7,043,927)	\$ (6,931,026)	\$ (112,901)	2%
Net Cash Flow	\$ (80,261)	\$ 351,531	\$ (6,083)	\$ (2,253)	\$ 262,935			
Transco Principal (VPPSA)	\$ 23,028	\$ -	\$ -	\$ -	\$ 23,028			
					\$ -			
Net Income (Loss)	\$ (57,233)	\$ 351,531	\$ (6,083)	\$ (2,253)	\$ 285,963	\$ (127,913)	\$ 390,848	-306%
Primary Drivers	PR & OH's overbudget 1.1% or \$3.7K OS & E under-budget 23% or (\$44K) -website, conf/travel, legal, interest, ; offset by audit & comp equip Net Excess (Deficit) Collected to Cover Costs: <b>(\$80,261)</b> (*) - Reconciles to Operational Revenue & Expense Summary							

**MCNEIL:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 898,775	\$ 1,041,234	\$ (142,459)	-14%
Oper Expenses	\$ (981,608)	\$ (1,124,069)	\$ 142,461	-13%
Non-Oper Rev/Exp	\$ 70	\$ 300	\$ (230)	-77%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ (82,764)	\$ (82,535)	\$ (229)	0%
Primary Drivers	Oper Expenses under-bdgt (\$142,459) or 14% Generation 16.8% under-budget, (2,105,334) kwh less than budget			

**CENTRAL COMPUTER:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 24,115	\$ 24,115	\$ -	0%
Oper Expenses	\$ (22,358)	\$ (22,358)	\$ -	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 1,757	\$ 1,757	\$ -	0%
Primary Drivers	On budget			

**PROJECT 10:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 501,898	\$ 501,898	\$ (0)	0%
Oper Expenses	\$ (662,767)	\$ (660,210)	\$ (2,557)	0%
Non-Oper Rev/Exp	\$ (35)	\$ -	\$ (35)	0%
Financing	\$ (101,790)	\$ (101,790)	\$ -	0%
Net Income (Loss)	\$ (262,695)	\$ (260,103)	\$ (2,592)	1%
Primary Drivers	Labor & OH -Underbdgt \$1,288 or 7% Legal & OSS - Underbdgt (\$2,815) or 29% Insurance overbudget by \$33K or 9% No training, travel, minimal RME			

**AMI Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 26,416	\$ 26,416	\$ (0)	0%
Oper Expenses	\$ (18,168)	\$ (43,083)	\$ 24,915	-58%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 8,248	\$ (16,667)	\$ 24,915	0%
Primary Drivers	Outside Services billed to participants- minimal realized YTD			

**HIGHGATE:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ -	\$ -	\$ -	0%
Oper Expenses	\$ -	\$ -	\$ -	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ -	\$ -	\$ -	0%
Primary Drivers	Sale of Asset finalized in 2017-no activity YTD			

**Renewable Energy Standards:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 96,229	\$ 90,229	\$ 6,000	7%
Oper Expenses	\$ (41,172)	\$ (90,229)	\$ 49,056	-54%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 55,057	\$ -	\$ 55,057	0%
Primary Drivers	T1 & T2 - no REC purchases to date T3 Rebates/Incentives - 30% less than budget-to-date No legal or marketing to date			

**Net Metering Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 4,486	\$ 4,486	\$ 0	0%
Oper Expenses	\$ (4,361)	\$ (4,486)	\$ 125	-3%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 125	\$ (0)	\$ 125	-1250300%
Primary Drivers	Mileage Expense bdgt'd but not incurred			

**GIS Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 38,890	\$ 38,890	\$ (0)	0%
Oper Expenses	\$ (35,124)	\$ (44,299)	\$ 9,175	-21%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 3,765	\$ (5,409)	\$ 9,175	-170%
Primary Drivers	No travel or outside services to date.			

**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**February 28, 2021**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Total
<b>ASSETS</b>										
<b>Fixed Assets</b>										
<b>Production Plant</b>										
Land & Land Rights	0.00	79,273.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79,273.96
Structures & Improvements	0.00	4,902,727.34	0.00	0.00	3,661,136.92	0.00	0.00	0.00	0.00	8,563,864.26
Equipment	0.00	17,698,050.36	0.00	0.00	18,731,268.84	0.00	0.00	0.00	0.00	36,429,319.20
<b>Total Production Plant</b>	<b>0.00</b>	<b>22,680,051.66</b>	<b>0.00</b>	<b>0.00</b>	<b>22,392,405.76</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>45,072,457.42</b>
<b>Transmission Plant</b>										
Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures & Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00	1,467,289.54	0.00	0.00	0.00	0.00	1,467,289.54
<b>Total Transmission Plant</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,467,289.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,467,289.54</b>
<b>Regional Transmission &amp; Market Plant</b>										
Computer Hardware/Software	0.00	0.00	0.00	0.00	273,601.73	0.00	0.00	0.00	0.00	273,601.73
Communication Equipment	0.00	0.00	0.00	0.00	27,323.79	0.00	0.00	0.00	0.00	27,323.79
<b>Total Regional Transm &amp; Mkt Plant</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>300,925.52</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>300,925.52</b>
<b>General Plant</b>										
Land & Land Rights	141,098.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141,098.99
Structures & Improvements	840,474.28	0.00	0.00	0.00	562.11	0.00	0.00	0.00	0.00	841,036.39
Meters	91,454.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91,454.48
Equipment	483,192.59	124,315.97	0.00	0.00	5,561.44	0.00	0.00	0.00	29,767.06	642,837.06
<b>Total General Plant</b>	<b>1,556,220.34</b>	<b>124,315.97</b>	<b>0.00</b>	<b>0.00</b>	<b>6,123.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,767.06</b>	<b>1,716,426.92</b>
<b>Total Fixed Assets</b>	<b>1,556,220.34</b>	<b>22,804,367.63</b>	<b>0.00</b>	<b>0.00</b>	<b>24,166,744.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,767.06</b>	<b>48,557,099.40</b>
<b>CWIP</b>	<b>0.00</b>	<b>49,873.10</b>	<b>0.00</b>	<b>0.00</b>	<b>11,037.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>60,910.20</b>
Intangible Plant-Net of Amort.	1,482.44	1,755.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,238.43
Accumulated Depreciation	(1,126,632.42)	(20,629,777.00)	0.00	0.00	(12,066,926.74)	0.00	0.00	0.00	(3,968.96)	(33,827,305.12)
<b>Net Utility Plant In Service</b>	<b>431,070.36</b>	<b>2,226,219.72</b>	<b>0.00</b>	<b>0.00</b>	<b>12,110,854.73</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>25,798.10</b>	<b>14,793,942.91</b>

**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**February 28, 2021**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Total
<b>Investments:</b>										
Bond Fund Investments	0.00	0.00	0.00	0.00	3,088,818.27	0.00	0.00	0.00	0.00	3,088,818.27
Vt. Transco Investments	32,075,740.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,075,740.00
Other Investments	265,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265,000.00
<b>Total Investments</b>	<b>32,340,740.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,088,818.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>35,429,558.27</b>
<b>Current Assets:</b>										
Project Revenue Funds	0.00	188,876.16	12.35	0.00	12,053.57	0.00	0.00	0.00	0.00	200,942.08
Project Construction Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and Working Funds	2,126,220.27	0.00	0.00	(9,398.57)	0.00	66,240.91	(492.55)	37,183.34	15,024.05	2,234,777.45
Cash-Special Deposits-PEX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash - VEV Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary Investments	377,459.93	1,454,672.31	0.00	0.00	4,462,764.36	0.00	0.00	0.00	0.00	6,294,896.60
Accounts Receivable	6,095,616.73	716,703.41	0.00	0.00	0.00	4,265.90	617.64	0.00	0.00	6,817,203.68
Amounts Due From Members	0.00	0.00	0.00	0.00	0.00	126,312.33	0.00	0.00	0.00	126,312.33
Notes Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest/Distributions Receivable	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27
Inventory	515.00	1,017,296.32	0.00	0.00	210,616.85	0.00	0.00	0.00	0.00	1,228,428.17
Prepayments	29,737.87	0.00	0.00	0.00	134,470.93	0.00	0.00	0.00	0.00	164,208.80
<b>Total Current Assets</b>	<b>8,629,550.07</b>	<b>3,377,548.20</b>	<b>12.35</b>	<b>(9,398.57)</b>	<b>4,819,905.71</b>	<b>196,819.14</b>	<b>125.09</b>	<b>37,183.34</b>	<b>15,024.05</b>	<b>17,066,769.38</b>
<b>Other Assets:</b>										
Deferred Debits-Other Reg Assets	0.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Deferred Debits	2,324.65	166,055.61	0.00	11,507.11	0.00	0.00	0.00	0.00	0.00	179,887.37
Derivative Instrument Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UnAmortized Debt Issue Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Assets</b>	<b>2,324.65</b>	<b>166,055.61</b>	<b>0.00</b>	<b>11,507.11</b>	<b>25,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>204,887.37</b>
<b>Total Assets</b>	<b>\$ 41,403,685.08</b>	<b>5,769,823.53</b>	<b>12.35</b>	<b>2,108.54</b>	<b>20,044,578.71</b>	<b>196,819.14</b>	<b>125.09</b>	<b>37,183.34</b>	<b>40,822.15</b>	<b>67,495,157.93</b>

**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**February 28, 2021**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Total
<b>LIABILITIES AND CAPITAL</b>										
<b>Current Liabilities:</b>										
Accounts Payable	2,618,389.69	316,923.91	0.00	349.00	20,936.40	30,900.00	0.00	5,085.00	101.45	2,992,685.45
Security Deposits	136,473.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136,473.52
Amounts due Members	323,315.80	0.00	12.13	0.00	0.00	110,862.09	0.00	23,850.02	10,164.93	468,204.97
Short-term Bank Notes Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Maturities on L/T Debt	2,111,539.25	0.00	0.00	0.00	1,215,000.00	0.00	0.00	0.00	0.00	3,326,539.25
Derivative Instrument Liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest	0.00	0.00	0.00	0.00	101,789.49	0.00	0.00	0.00	0.00	101,789.49
Accrued Taxes Payable	2,600.00	47,975.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,575.00
Accrued Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Pension Contributions	12,518.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,518.73
Accrued Payroll Liabilities	1,242.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,242.56
Other Misc. Accrued Liabilities	11,941.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,941.59
<b>Total Current Liabilities</b>	<b>5,218,021.14</b>	<b>364,898.91</b>	<b>12.13</b>	<b>349.00</b>	<b>1,337,725.89</b>	<b>141,762.09</b>	<b>0.00</b>	<b>28,935.02</b>	<b>10,266.38</b>	<b>7,101,970.56</b>
<b>Long-Term Debt:</b>										
LTD-Bonds	0.00	0.00	0.00	0.00	12,065,000.00	0.00	0.00	0.00	0.00	12,065,000.00
LTD-Other-HG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Other-P10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-Members	13,056,883.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,056,883.81
LTD-Transco-HG	954,870.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	954,870.08
LTD-Transco-VEC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LCSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-2019 Building Upgrades	103,333.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	103,333.35
Unamortized Bond Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized Loss of Reaq. Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Long-Term Debt</b>	<b>14,115,087.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,065,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26,180,087.24</b>
<b>Other Liabilities</b>										
Deferred Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Def. Revenues - Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Vacation Wages	121,993.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121,993.04
Deferred Contract Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Credits-Other Reg Liability	0.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Other Deferred Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Credits</b>	<b>121,993.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>25,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>146,993.04</b>
Interfund-Project Allocations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Capital Equity</b>										
Unappropriated Retained Earnings	6,650,595.75	5,404,924.63	1,193,836.70	1,759.55	6,616,515.21	55,057.05	125.09	8,248.32	30,555.77	19,961,618.07
Unappropriated Earnings-Distributed	0.00	0.00	(1,193,836.48)	0.00	0.00	0.00	0.00	0.00	0.00	(1,193,836.48)
Appropriated Retained Earnings	15,297,987.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,297,987.89
Other Comprehensive Income	0.00	0.00	0.00	0.00	337.61	0.00	0.00	0.00	0.00	337.61
<b>Total Retained Earnings</b>	<b>21,948,583.64</b>	<b>5,404,924.63</b>	<b>0.22</b>	<b>1,759.55</b>	<b>6,616,852.82</b>	<b>55,057.05</b>	<b>125.09</b>	<b>8,248.32</b>	<b>30,555.77</b>	<b>34,066,107.09</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$ 41,403,685.06</b>	<b>5,769,823.54</b>	<b>12.35</b>	<b>2,108.55</b>	<b>20,044,578.71</b>	<b>196,819.14</b>	<b>125.09</b>	<b>37,183.34</b>	<b>40,822.15</b>	<b>67,495,157.93</b>

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**February 28, 2021**

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Total
<b>REVENUES &amp; OTHER INCOME</b>										
Sales for ReSale	6,025,352.58	898,774.79	0.00	0.00	501,897.51	0.00	0.00	0.00	0.00	7,426,024.88
Service Revenues	0.00	0.00	0.00	24,115.40	0.00	96,228.60	4,486.05	26,416.44	38,889.70	190,136.19
CDA & Affiliate Revenues	315,687.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	315,687.49
Project Revenues	112,889.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112,889.78
REC Revenues	848,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	848,300.00
Service Revenue-Direct Billable	20,191.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,191.76
VELCO Directorship	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Operating Revenues</b>	<b>7,322,421.61</b>	<b>898,774.79</b>	<b>0.00</b>	<b>24,115.40</b>	<b>501,897.51</b>	<b>96,228.60</b>	<b>4,486.05</b>	<b>26,416.44</b>	<b>38,889.70</b>	<b>8,913,230.10</b>
<b>EXPENSES</b>										
<b>POWER PRODUCTION</b>										
<b>STEAM POWER PRODUCTION</b>										
Operations	0.00	732,273.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	732,273.02
Maintenance	0.00	69,005.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69,005.16
<b>Total Steam Power Production</b>	<b>0.00</b>	<b>801,278.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>801,278.18</b>
<b>OTHER POWER PRODUCTION</b>										
Operations	0.00	0.00	0.00	0.00	34,425.55	0.00	0.00	0.00	0.00	34,425.55
Maintenance	0.00	0.00	0.00	0.00	12,956.96	0.00	0.00	0.00	0.00	12,956.96
<b>Total Other Power Production</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>47,382.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>47,382.51</b>
<b>TRANSMISSION</b>										
Operations	2,199,244.87	598.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,199,843.05
Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Transmission Expense</b>	<b>2,199,244.87</b>	<b>598.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,199,843.05</b>
<b>OTHER POWER SUPPLY</b>										
Purchase Power	4,306,626.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,306,626.29
System Control & Load Dispatch	0.00	1,387.28	0.00	0.00	1,390.85	0.00	0.00	0.00	0.00	2,778.13
REC Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other PS Expense</b>	<b>4,306,626.29</b>	<b>1,387.28</b>	<b>0.00</b>	<b>0.00</b>	<b>1,390.85</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,309,404.42</b>

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**February 28, 2021**

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Total
<b>REGIONAL MARKET EXPENSES</b>										
RME-Market Monitor/Compl-Gen	0.00	0.00	0.00	0.00	63.84	0.00	0.00	0.00	0.00	63.84
RME-Market Monitor/Compl-L&O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Reg. Market Expense	0.00	0.00	0.00	0.00	63.84	0.00	0.00	0.00	0.00	63.84
<b>CUSTOMER SVS &amp; INFORMATION ADV</b>										
Cust Assistance Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cust Svs & Info Adv	25.90	1,644.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,670.45
Total Cust Svs & Info Adv.	25.90	1,644.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,670.45
<b>SALES EXPENSE</b>										
Sales Expense	13,231.84	8,041.25	0.00	0.00	0.00	30,650.00	0.00	0.00	0.00	51,923.09
Total Sales Expense	13,231.84	8,041.25	0.00	0.00	0.00	30,650.00	0.00	0.00	0.00	51,923.09
<b>ADMINISTRATIVE &amp; GENERAL</b>										
Operations	479,389.53	37,850.35	0.00	22,358.04	421,611.96	10,522.08	4,361.03	18,168.12	34,132.03	1,028,393.14
Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total A&G Expense	479,389.53	37,850.35	0.00	22,358.04	421,611.96	10,522.08	4,361.03	18,168.12	34,132.03	1,028,393.14
<b>OTHER</b>										
Taxes- In Lieu of Property Taxes	2,600.00	47,975.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,575.00
Depreciation Expense	5,472.90	82,833.34	0.00	0.00	192,318.00	0.00	0.00	0.00	992.24	281,616.48
Amortization Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Billable-Pass Thru Exp	20,191.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,191.76
Total Other Expense	28,264.66	130,808.34	0.00	0.00	192,318.00	0.00	0.00	0.00	992.24	352,383.24
<b>Total Operating Expenses</b>	<b>7,026,783.09</b>	<b>981,608.13</b>	<b>0.00</b>	<b>22,358.04</b>	<b>662,767.16</b>	<b>41,172.08</b>	<b>4,361.03</b>	<b>18,168.12</b>	<b>35,124.27</b>	<b>8,792,341.92</b>
<b>Net OPERATING Earnings(Loss)</b>	<b>\$ 295,638.52</b>	<b>(\$ 82,833.34)</b>	<b>0.00</b>	<b>1,757.36</b>	<b>(160,869.65)</b>	<b>55,056.52</b>	<b>125.02</b>	<b>8,248.32</b>	<b>3,765.43</b>	<b>120,888.18</b>

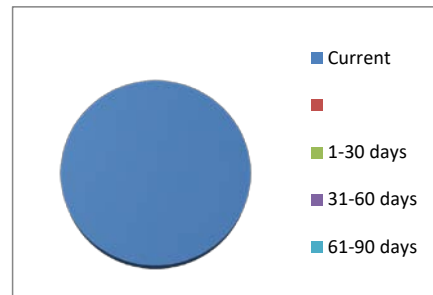
Vermont Public Power Supply Authority  
Project Summary Income Statement  
February 28, 2021

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Total
<b>NON-OPERATING (INCOME) EXPENSES</b>										
<b>OTHER NON-OPERATING (INCOME) EXPENSES</b>										
Interest/Finance Chg Income	(114.69)	(69.53)	0.00	0.00	35.33	0.00	0.00	0.00	0.00	(148.89)
TRANSCO Distribution/Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transco "Net Settlement" Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Non-Operating (Inc) Exp	(114.69)	(69.53)	0.00	0.00	35.33	0.00	0.00	0.00	0.00	(148.89)
<b>FINANCING COSTS</b>										
Interest on LTD-Bonds	0.00	0.00	0.00	0.00	101,789.58	0.00	0.00	0.00	0.00	101,789.58
Interest on LTD-Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on LTD-Transco	10,063.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,063.78
Interest on LTD-2019 Bldg Renov.	(273.29)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(273.29)
Interest on Short-term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Costs on LTD-Swp Rel.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortizations on Financing Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Financing Expenses	9,790.49	0.00	0.00	0.00	101,789.58	0.00	0.00	0.00	0.00	111,580.07
Total Non-Operating (Inc) Exp	9,675.80	(69.53)	0.00	0.00	101,824.91	0.00	0.00	0.00	0.00	111,431.18
<b>TOTAL Net Earnings(Loss)</b>	<b>285,962.72</b>	<b>(82,763.81)</b>	<b>0.00</b>	<b>1,757.36</b>	<b>(262,694.56)</b>	<b>55,056.52</b>	<b>125.02</b>	<b>8,248.32</b>	<b>3,765.43</b>	<b>9,457.00</b>

Vt. Public Power Supply Authority  
Consolidated Balance Sheet  
February 28, 2021

	2021	2020
<b>ASSETS</b>		
Electric Utility Plant	48,557,099.40	47,912,396.64
Accumulated Depreciation	(33,827,305.12)	(32,330,395.49)
Utility Plant in Service	14,729,794.28	15,582,001.15
CWIP-General	0.00	82,749.36
CWIP-McNeil	49,873.10	11,773.38
CWIP-Highgate	0.00	0.00
CWIP-P10	11,037.10	0.00
Net Electric Plant	14,790,704.48	15,676,523.89
Intangible Plant-Net of Amort.	3,238.43	2,883.87
<u>Current Assets:</u>		
Special Funds	3,289,760.35	3,297,592.19
Cash and Working Funds	852,161.92	820,840.69
Cash - REC's	0.00	0.00
Cash - Vt. Transco	1,382,615.53	1,644,595.35
Cash - VEV Proceeds	0.00	0.00
Special Deposits-Collateral	0.00	0.00
Temporary Investments	6,294,896.60	6,571,770.83
Investment in Associated Co.	265,000.00	265,000.00
Investment in Vt. Transco	32,075,740.00	33,596,650.00
Accounts Receivable	6,817,203.68	6,547,597.16
Amounts Due From Members	126,312.33	0.00
Notes Receivable	0.00	0.00
Interest/Distributions Receivable	0.27	0.32
McNeil Inventory	1,017,296.32	882,456.34
P10 Inventory	210,616.85	262,179.26
Meter Inventory	515.00	515.00
Other Current Assets	164,208.80	180,607.81
Total Current Assets	52,496,327.65	54,069,804.95
<u>Other Assets:</u>		
Deferred Debits-Other Regulatory Asset:	25,000.00	25,000.00
Deferred Debits-McN	179,887.37	71,122.11
Derivative Instrument Asset	0.00	0.00
Unamortized Dbt Iss Exp-LetCrd	0.00	0.00
Unamort Debt Issue Exp-McN	0.00	0.00
Unamort Debt Issue Exp-HG	0.00	0.00
Unamortiz Debt Issue Exp-P10	0.00	0.00
Total Other Assets	204,887.37	96,122.11
<b>Total Assets</b>	<b>\$ 67,495,157.93</b>	<b>\$ 69,845,334.82</b>

A/R Aging Analysis		
Current	6,817,204	100%
1-30 days		0%
31-60 days		0%
61-90 days		0%
91-120 days		0%
>120 days		0%
Total	\$6,817,204	100%





Vt. Public Power Supply Authority  
Consolidated Balance Sheet  
February 28, 2021

	2021	2020
<b><i>LIABILITIES AND CAPITAL</i></b>		
Unappropriated Retained Earnings	19,961,618.07	19,642,533.32
Unappropriated Earnings-Distributed	(1,193,836.48)	(1,193,836.48)
Appropriated Retained Earnings	15,297,987.89	13,132,816.15
Other Comprehensive Income	337.61	(23,735.58)
Total Retained Earnings	34,066,107.09	31,557,777.41
<u>Long-Term Debt:</u>		
LTD-P10 Bonds - Series A	11,405,000.00	12,550,000.00
LTD-P10 Bonds - Series B	660,000.00	730,000.00
LTD-Transco 2011 Consolid Refi	6,786,242.47	7,917,282.89
LTD-Transco 2012-2014 Members	2,373,652.92	2,769,261.68
LTD-Vt Transco "16 Members	890,290.00	1,100,290.00
LTD-Vt Transco Financing-HG	954,870.08	1,114,015.08
LTD-Vt Transco '17 Members	1,183,932.00	1,381,254.00
LTD-Vt Transco '18 Members	820,498.00	937,712.00
LTD-Vt Transco '18 VPPSA	52,906.00	60,464.00
LTD-Vt Transco '19 Members	347,397.42	386,793.00
LTD-Vt Transco '20 Members	601,965.00	0.00
LD-2019 Building Upgrades	103,333.35	116,666.68
Net Long-Term Debt	26,180,087.24	29,063,739.33
Def. Revenues - Members	0.00	77,638.92
Def. Credits-Accrued Vac Liab.	121,993.04	98,915.44
Def Credits-Other Reg Liabilities	25,000.00	25,000.00
Total Deferred Revenues/Credits	146,993.04	201,554.36
<u>Current Liabilities:</u>		
Accounts Payable	2,992,685.45	2,987,461.90
Amounts due Members	468,204.97	388,903.84
Security Deposits	136,473.52	5,764.37
Short-term Bank Notes Payable	0.00	0.00
Current Maturities on L/T Debt	3,326,539.25	5,412,235.68
Derivative Instrument Liability	0.00	45,605.11
Accrued Interest	101,789.49	109,575.95
Accrued Taxes Payable	50,575.00	46,628.46
Accrued Salaries	0.00	0.00
Accrued Pension Contributions	12,518.73	13,967.87
Accrued Payroll Liabilities	1,242.56	2,766.57
Other Misc. Accrued Liabilities	11,941.59	9,353.97
Total Current Liabilities	7,101,970.56	9,022,263.72
<b>Total Liabilities &amp; Capital</b>	<b>\$ 67,495,157.93</b>	<b>\$ 69,845,334.82</b>

**Vermont Public Power Supply Authority**  
**Non-Project Operations - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Operating Revenues</b>				
Sales for Resales	6,006,659.10	5,758,432.78	104%	30,165,060.83
Sales for Resales-Standard Offer	18,693.48	29,046.10	64%	1,212,297.51
Serv. Fees, Members & Affiliates	315,687.49	316,228.16	100%	1,897,368.97
Admin Fees Allocated to Projects	78,498.72	78,498.72	100%	470,992.32
Project 10 Labor & OH Revenue	17,684.01	18,971.70	93%	109,534.64
GIS Project Lbr & OH	16,707.05	17,076.46	98%	95,485.80
VELCO Directorship	0.00	0.00	0%	18,000.00
Renewable Energy Certificates	848,300.00	584,859.13	145%	2,812,507.93
Serv. Revenue-Direct Billable	20,191.76	0.00	0%	0.00
Misc. Revenues	0.00	0.00	0%	0.00
<b>Total Operating Revenues</b>	<b>7,322,421.61</b>	<b>6,803,113.05</b>	<b>108%</b>	<b>36,781,248.00</b>
<b>Operating Expenses</b>				
<b>Other Power Supply Expense</b>				
OPSE-Purchased Power	4,290,951.35	4,144,206.99	104%	21,355,861.57
OPSE-REC Purchase Exp.	0.00	0.00	0%	0.00
OPSE-Purchase Pwr-'15 SO (Lyn)	12,312.86	13,382.48	0%	194,481.87
OPSE-Purchase Pwr-'17 SO(Trom)	3,362.08	10,718.66	0%	155,769.78
OPGE-Purchase Pwr-'19SO (Hess)	0.00	0.00	0%	310,891.73
OPGE-Purchase Pwr-'19SO(Davis)	0.00	0.00	0%	314,130.18
<b>Total Other Power Supply Expense</b>	<b>4,306,626.29</b>	<b>4,168,308.13</b>	<b>103%</b>	<b>22,331,135.13</b>
<b>Transmission Expense</b>				
TRSM-Oper-Transm by Others	2,196,417.30	2,197,084.91	100%	11,609,707.20
TRSM-Oper-Misc Transm Exp	2,827.57	2,000.00	141%	12,000.00
<b>Total Transmission Expense</b>	<b>2,199,244.87</b>	<b>2,199,084.91</b>	<b>100%</b>	<b>11,621,707.20</b>
<b>Cust Svs &amp; Informational Expense</b>				
Customer Svs & Informational	25.90	1,445.84	2%	8,675.00
<b>Total Customer Svs &amp; Informational Exp</b>	<b>25.90</b>	<b>1,445.84</b>	<b>2%</b>	<b>8,675.00</b>
<b>Sales Expense</b>				
REC Sales Expenses	13,231.84	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>13,231.84</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Admin &amp; General Expense</b>				
Salaries	223,368.45	222,983.72	100%	1,449,394.03
Payroll Overheads	18,391.50	20,327.62	90%	112,289.72
Office Supplies & Expense	23,492.76	32,977.54	71%	296,395.00
Outside Services	52,876.58	65,749.96	80%	342,500.00
Insurances	36,049.57	29,310.95	123%	59,338.37
Employee Benefits	99,838.96	94,563.14	106%	397,005.31
Memberships/Dues	24,469.15	32,766.66	75%	37,650.00
Conference & Travel Expenses	595.00	16,067.58	4%	96,405.08
Rents	0.00	0.00	0%	0.00
Transportation Expenses	307.56	583.34	53%	3,500.00
A & G Transferred Credit	0.00	0.00	0%	0.00
<b>Total A &amp; G Expenses</b>	<b>479,389.53</b>	<b>515,330.51</b>	<b>93%</b>	<b>2,794,477.51</b>

**Vermont Public Power Supply Authority**  
**Non-Project Operations - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Other Operating Expenses</b>				
A&G- Billable to Others	0.00	0.00		0.00
A&G-OS&E-PTE-IT Related	6,043.26	0.00		0.00
A&G-OS&E-PTE-Consulting	14,148.50	0.00		0.00
A&G-OS&E-PTE-Supplies	0.00	0.00		0.00
A&G-OS&E-PTE-Misc	0.00	0.00		0.00
<b>Other Operating Exp-Direct Pass-Thru</b>	<b>20,191.76</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Property Taxes	2,600.00	2,600.00	100%	15,600.00
Depreciation Expense	5,472.90	5,472.90	100%	32,837.40
Amortization Expense	0.00	0.00	0%	0.00
Other Operating Expenses-Misc	8,072.90	8,072.90	100%	48,437.40
<b>Total Other Operating Expenses</b>	<b>28,264.66</b>	<b>8,072.90</b>	<b>350%</b>	<b>48,437.40</b>
<b>Total Operating Expenses</b>	<b>7,026,783.09</b>	<b>6,892,242.29</b>	<b>102%</b>	<b>36,804,432.24</b>
<b>Total Operating Income (Loss)</b>	<b>295,638.52</b>	<b>(89,129.24)</b>	<b>-332%</b>	<b>(23,184.24)</b>
<b>Non-Operating (Income) Expenses</b>				
Interest/Finance Chg Income	(114.69)	0.00	0%	0.00
Vt. Transco Income	0.00	0.00	0%	(4,012,034.12)
Non-Operating Income-Member Purch.	0.00	0.00	0%	0.00
Non-Operating Inc-Gain on Disp of Plant	0.00	0.00	0%	0.00
Non-Operating Inc-Program Rebates	0.00	0.00	0%	(1,000.00)
Misc. Non-Operating Income	0.00	0.00	0%	0.00
Non-Operating Expenses-Member Purchas	0.00	0.00	0%	0.00
Misc. Non-Operating Expenses	0.00	0.00	0%	0.00
Misc. Non-Operating Exp-Transco Amort F	0.00	0.00	0%	89.84
<b>Net Other Non-Operating (Inc) Exp</b>	<b>(114.69)</b>	<b>0.00</b>	<b>0%</b>	<b>(4,012,944.28)</b>
<b>Financing Costs</b>				
Other Interest Expense	0.00	1,666.70	0%	10,000.00
Other Interest Expense-Transco	0.00	0.00	0%	0.00
Interest on LTD-Transco	10,063.78	36,574.06	28%	586,242.33
Interest on LTD-19 Building Upgrades	(273.29)	543.00	(50.33)	3,258.00
Amort. of Debt Issue Exp-Transco	0.00	0.00	0%	6,500.00
Transco Net Settlement Exp.	0.00	0.00	0%	1,070,302.37
Interest on LTD	0.00	0.00	0%	0.00
Amortiz of Debt Iss. Exp-LtrCr	0.00	0.00	0%	0.00
<b>Net Financing Costs</b>	<b>9,790.49</b>	<b>38,783.76</b>	<b>25%</b>	<b>1,676,302.70</b>
<b>Total Non-Operating (Inc) Exp</b>	<b>9,675.80</b>	<b>38,783.76</b>	<b>25%</b>	<b>(2,336,641.58)</b>
<b>Total Net Earnings (Loss)</b>	<b>\$ 285,962.72</b>	<b>(\$ 127,913.00)</b>	<b>-224%</b>	<b>\$ 2,313,457.34</b>

**Vermont Public Power Supply Authority**  
**McNeil Project #2 - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b><u>OPERATING REVENUES &amp; INCOME</u></b>				
Sales for ReSale	898,774.79	1,041,234.14	86%	5,160,961.44
REC Sales	0.00	0.00	0%	0.00
<b>Total Operating Revenues &amp; Income</b>	<b>898,774.79</b>	<b>1,041,234.14</b>	<b>86%</b>	<b>5,160,961.44</b>
<b><u>OPERATING EXPENSES</u></b>				
<b>STEAM PWR GENERATION-OPERATIONS</b>				
SPG-Oper- Misc. Steam Power Expens	18,328.79	27,390.88	67%	164,345.25
SPG-Oper-Supv&Engineering	13,707.71	15,219.28	90%	91,315.71
SPG-Oper-Steam Exp-Fuel Oil	3,562.91	145.64	2446%	691.60
SPG-Oper-Wood Fuel Expense	618,934.20	581,922.15	106%	2,403,263.79
SPG-Oper-Cap Rel Wood Ene Cost	7,293.65	127,345.10	6%	764,070.56
SPG-Oper-Natural Gas Fuel Exp.	611.26	4,046.88	15%	24,281.24
SPG-Oper-Steam Expenses	47,773.79	62,965.14	76%	377,790.87
SPG-Oper-Electric Expenses	22,060.71	27,344.54	81%	164,067.28
<b>Total SPG-Operations Expense</b>	<b>732,273.02</b>	<b>846,379.61</b>	<b>87%</b>	<b>3,989,826.30</b>
<b>STEAM PWR GENERATION-MAINTENANCE</b>				
SPG-Maint-Supv. & Engineering	3,863.09	3,434.10	112%	20,604.55
SPG-Maint-Structures	1,510.76	3,451.10	44%	20,706.58
SPG-Maint-Boiler	19,558.15	35,763.52	55%	214,581.06
SPG-Maint-Electric Plt	44,036.87	21,494.00	205%	128,964.02
SPG-Maint-Steam Plant	36.29	1,710.76	2%	10,264.56
<b>Total SPG Maintenance Expense</b>	<b>69,005.16</b>	<b>65,853.48</b>	<b>105%</b>	<b>395,120.77</b>
<b>TRANSMISSION-OPERATIONS</b>				
TRSM-Oper-Station Equipment	0.00	975.34	0%	5,852.00
TRSM-Oper-Rent	598.18	368.48	162%	2,210.84
<b>Total TRSM Operation Expense</b>	<b>598.18</b>	<b>1,343.82</b>	<b>45%</b>	<b>8,062.84</b>
<b>TRANSMISSION-MAINTENANCE</b>				
TRSM-Maint-Station Equipment	0.00	190.00	0%	1,140.00
<b>Total TRSM Maintenance Expense</b>	<b>0.00</b>	<b>190.00</b>	<b>0%</b>	<b>1,140.00</b>
<b>OTHER POWER SUPPLY</b>				
OPSE-Syst. Ctrl & Load Dispa	1,387.28	1,832.74	76%	10,996.44
OPSE-Purchased Power-McN	0.00	0.00	0%	0.00
OPSE-McN REC Purch Exp	0.00	0.00	0%	0.00
<b>Total Other PS Expense</b>	<b>1,387.28</b>	<b>1,832.74</b>	<b>76%</b>	<b>10,996.44</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>				
Cust Svs & Info-Cust Assist.	0.00	0.00	0%	0.00
Cust Svs & Info-Info Adv Exp	1,644.55	2,230.32	74%	13,381.89
<b>Total Cust Svs &amp; Info Expense</b>	<b>1,644.55</b>	<b>2,230.32</b>	<b>74%</b>	<b>13,381.89</b>
<b>SALES EXPENES</b>				
A&G - Sales Expense-REC's-McN	8,041.25	0.00	0%	2,000.00
<b>Total Sales Expense</b>	<b>8,041.25</b>	<b>0.00</b>	<b>0%</b>	<b>2,000.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-McN	24,900.13	29,321.12	85%	175,926.75

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
A&G-Office Supplies & Exp-McN	5,217.74	8,095.76	64%	48,574.55
A&G-Outside Services-McN	2,327.80	8,209.10	28%	49,254.60
A&G-Property Insurance-McN	0.00	16,880.18	0%	101,281.02
A&G-Injuries & Damages-McN	0.00	6,062.80	0%	36,376.83
A&G-Safety Meetings&Equip-McN	1,608.76	0.00	0%	0.00
A&G-Environmental Compl.-McN	0.00	0.00	0%	0.00
A&G-Employee Ben Alloc-McN	3,066.48	3,086.24	99%	18,517.42
A&G-Employee Ben-Pension-McN	11,588.18	0.00	0%	0.00
A&G-Employee Ben-McN Health	15,979.60	0.00	0%	0.00
A&G-Employee Benefits-Sick-McN	0.00	0.00	0%	0.00
A&G-Employee Ben-Physical-McN	0.00	0.00	0%	0.00
A&G-Employee Ben-Life Ins-McN	128.57	0.00	0%	0.00
A&G-Employee Ben-Unempl Comp	0.00	0.00	0%	0.00
A&G-P/R Ovhd's Alloc-McN	(35,752.11)	0.00	0%	0.00
A & G - Employee Ben-McN Taxes	8,225.50	0.00	0%	0.00
A&G-Misc General Expense-McN	559.70	3,177.00	18%	19,061.94
A&G-Misc. - McN	0.00	0.00	0%	0.00
A&G-Maint of General Plant	0.00	598.50	0%	3,591.00
Total Administrative Expense	37,850.35	75,430.70	50%	452,584.11
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	47,975.00	47,975.00	100%	287,850.00
Depreciation Expense	82,833.34	82,833.34	100%	497,000.00
Amortization Expense	0.00	0.00	0%	0.00
Total Other Expenses	130,808.34	130,808.34	100%	784,850.00
<b>Total Operating Expenses</b>	<b>981,608.13</b>	<b>1,124,069.01</b>	<b>87%</b>	<b>5,657,962.35</b>
<b>Total Operating Income (Loss)</b>	<b>(82,833.34)</b>	<b>(82,834.87)</b>	<b>100%</b>	<b>(497,000.91)</b>
<b>NON-OPERATING (INCOME) &amp; EXPENSES</b>				
Interest Income-McN	(69.53)	(300.00)	23%	(1,800.00)
Gain/Loss -Disp of Utility Plt	0.00	0.00	0%	0.00
Misc. Non-Oper. Income-McN	0.00	0.00	0%	0.00
Gain-Disposition of Property	0.00	0.00	0%	0.00
Misc Non-Oper Inc-Realiz Gain	0.00	0.00	0%	0.00
Misc. Non-Operating Exp-McN	0.00	0.00	0%	0.00
Misc Non Oper Exp-McN Realiz L	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>(69.53)</b>	<b>(300.00)</b>	<b>23%</b>	<b>(1,800.00)</b>
<b>FINANCING COSTS</b>				
Interest on LTD-McN Bonds	0.00	0.00	0%	0.00
Interest on LTD-McN Other	0.00	0.00	0%	0.00
Amortiz. of Debt Issue Exp-McN	0.00	0.00	0%	0.00
Amortiz. of Loss on Req. Debt	0.00	0.00	0%	0.00
Amort. of Premium-McN	0.00	0.00	0%	0.00
<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Non-Operating (Income) &amp; Exp</b>	<b>(69.53)</b>	<b>(300.00)</b>	<b>23%</b>	<b>(1,800.00)</b>
<b>Total Net Income (Loss)</b>	<b>(\$ 82,763.81)</b>	<b>(\$ 82,534.87)</b>	<b>100%</b>	<b>(\$ 495,200.91)</b>

Vermont Public Power Supply Authority  
Highgate Project #3 - Profit & Loss Statement  
February 28, 2021

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Sales for Resale-HG	\$ 0.00	\$ 0.00	0%	0.00
<b>Total Highgate Operating Revenue</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Expenses</b>				
TRSM-Oper-Supv&Engineer	0.00	0.00	0%	0.00
TRSM-Oper-Load Distance	0.00	0.00	0%	0.00
TRSM-Oper-Station Expense	0.00	0.00	0%	0.00
TRSM-Oper-Overhead Line Exp	0.00	0.00	0%	0.00
TRSM-Oper-Misc Transm Exp	0.00	0.00	0%	0.00
TRSM-Oper-HG RR Lease	0.00	0.00	0%	0.00
<b>Transmission Operating Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
TRSM-Maint-Supv. & Engineer	0.00	0.00	0%	0.00
TRSM-Maint-Structures	0.00	0.00	0%	0.00
TRSM-Maint-Station Equip.	0.00	0.00	0%	0.00
TRSM-Maint-Overhead Lines	0.00	0.00	0%	0.00
TRSM-Maint-Misc Transm Plt	0.00	0.00	0%	0.00
<b>Transmission Maintenance Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
A&G-Salaries-HG	0.00	0.00	0%	0.00
A&G-Office Supplies & Exp-HG	0.00	0.00	0%	0.00
A&G-Office Sup&Exp-HG Adm Allo	0.00	0.00	0%	0.00
A&G-Outside Services-HG	0.00	0.00	0%	0.00
A&G-Outside Svs-HG Admin Alloc	0.00	0.00	0%	0.00
A&G-Property Insurance-HG	0.00	0.00	0%	0.00
A&G-Injuries & Damages-HG	0.00	0.00	0%	0.00
A&G-Employee Benefits Alloc-HG	0.00	0.00	0%	0.00
A&G-Miscellaneous-HG	0.00	0.00	0%	0.00
A&G-Rents-HG	0.00	0.00	0%	0.00
A&G-Maint of General Plt-HG	0.00	0.00	0%	0.00
<b>Administrative &amp; General Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Property Taxes-HG	0.00	0.00	0%	0.00
Depreciation Expense-HG	0.00	0.00	0%	0.00
<b>Other Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Income (Loss)</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Interest Income-HG	0.00	0.00	0%	0.00
Gain/Loss on Disp of Plt-HG	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Other Interest Expense-HG	0.00	0.00	0%	0.00
Interest on LTD-HG Other	0.00	0.00	0%	0.00
Misc Financing Costs-Swp Rel	0.00	0.00	0%	0.00
<b>Total Financing Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Net Earnings (Loss)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>0%</b>	<b>\$ 0.00</b>

**Vermont Public Power Supply Authority**  
**Central Computer Project #4 - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Bdgt	Annual Budget
<b>Revenues</b>				
<b>Total Project 4 Revenue</b>	<b>24,115.40</b>	<b>24,115.40</b>	100%	<b>127,339.32</b>
<b>Operating Expenses</b>				
A&G-C.Comp-Non Budgeted Exp.	0.00	0.00	0%	0.00
A&G-Computer/Printer Sup.-CC	200.00	200.00	100%	1,200.00
A&G-Comp Hard/Soft Maint.-CC	13,132.24	13,132.24	100%	75,346.20
A&G-Online Charges-CComp	303.72	303.72	100%	1,822.32
Computer Software/Hardware Pur	0.00	0.00	0%	0.00
A&G-Direct Charges Bdgt-C.Comp	0.00	0.00	0%	0.00
A&G-C.Computer Admin Expense	8,722.08	8,722.08	100%	48,970.92
Depreciation Expense-CC	0.00	0.00	0%	0.00
<b>Total Operating Expenses</b>	<b>22,358.04</b>	<b>22,358.04</b>	100%	<b>127,339.44</b>
<b>Financing Costs</b>				
Amortiz. of Debt Issue Exp.-CC	0.00	0.00	0.00	0.00
Other Interest Expense-CComp	0.00	0.00	0.00	0.00
<b>Total Financing Costs</b>	<b>0.00</b>	<b>0.00</b>	0%	<b>0.00</b>
<b>Total Project 4 Expense</b>	<b>22,358.04</b>	<b>22,358.04</b>	100%	<b>127,339.44</b>
<b>Net Earnings (Loss)</b>	<b>\$ 1,757.36</b>	<b>\$ 1,757.36</b>	100%	<b>(\$ 0.12)</b>

**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>REVENUES &amp; OTHER OPERATING INCOME</b>				
Sales for ReSale	501,897.51	501,897.52	100%	3,080,929.29
Other Revenues	0.00	0.00	0%	0.00
<hr/>				
<b>Total Revenues &amp; Operating Income</b>	<b>501,897.51</b>	<b>501,897.52</b>	<b>100%</b>	<b>3,080,929.29</b>

**OPERATING EXPENSES****OTHER PWR GENERATION-OPERATIONS**

OPG-Oper-Superv & Engineer Exp	1,277.44	4,833.34	26%	29,000.00
OPG-Oper-Fuel Oil Exp.	0.00	0.00	0%	66,568.00
OPG-Oper-Fuel Biodiesel Exp.	0.00	0.00	0%	0.00
OPG-Oper-Fuel-Dem Wtr-P10	(316.50)	0.00	0%	9,500.00
OPG-Fuel-Starting Diesel	0.00	100.00	0%	600.00
OPG-Oper-Generation Exp-Direct Lbr	3,519.81	8,359.70	42%	54,338.00
OPG-Oper-Generation Exp-Lbr	289.00	500.00	58%	3,000.00
OPG-Oper-Generation Exp-Direct Eng	0.00	0.00		0.00
OPG-Oper-Generation Exp-EngLbr	0.00	2,000.00	0%	62,000.00
OPG-Oper-Generation Exp-Materi	347.53	500.00	70%	3,000.00
OPG-Oper-Generation Exp-OH	1,692.52	3,971.91	43%	16,859.52
OPG-Oper-Generation Exp-OH-Eng	0.00	0.00		0.00
OPG-Oper-Misc & Other Gen	0.00	0.00	0%	0.00
OPG-Oper-Misc & Oth Gen-Materi	0.00	200.00	0%	1,200.00
OPG-Oper-Misc & Oth Gen-Tools	0.00	200.00	0%	1,200.00
OPG-Oper-Misc Gen-Comp. Har/So	1,104.72	590.00	187%	8,071.00
OPG-Oper-Misc Gen-Permits	262.40	375.00	70%	26,645.00
OPG-Oper-Misc Gen-Electric	18,911.29	18,250.00	104%	88,300.00
OPG-Oper-Misc Gen-Ben/Incident	0.00	100.00	0%	600.00
OPG-Oper-Misc Gen-Tel/Internet	1,114.55	990.00	113%	5,940.00
OPG-Oper-Misc Gen-Groundskeep	600.00	800.00	75%	2,700.00
OPG-Oper-Misc Gen-Transp Exp	0.00	100.00	0%	600.00
OPG-Oper-Misc Gen-Trash Rem	148.32	150.00	99%	900.00
OPG-Oper-Misc Gen-Water	380.74	400.00	95%	2,400.00
OPG-Oper-Misc Gen-Waste Tax	0.00	0.00	0%	0.00
OPG-Oper-Misc Gen-Waste Rem	0.00	400.00	0%	8,400.00
OPG-Oper-Misc Gen-CO2 System	3,675.50	4,400.00	84%	15,600.00
OPG-Oper-Misc & Oth Gen-Train	0.00	2,500.00	0%	15,000.00
OPG-Oper-Misc Gen-Security Sys	658.00	1,150.00	57%	3,900.00
OPG-Oper-Misc Gen-Mileage	72.80	200.00	36%	1,200.00
OPG-Oper-Misc Gen-Admin Supplies	0.00	50.00	0%	300.00
OPG-Oper-Misc Gen-Shop Supplies	434.91	100.00	435%	600.00
OPG-Oper-Misc Gen-Septic	0.00	0.00	0%	1,000.00
OPG-Rents-P10	0.00	100.00	0%	600.00
OPG-Rents-Land Lease-P10	252.52	252.52	100%	1,515.12
<hr/>				
<b>Total OPG-Operations Expense</b>	<b>34,425.55</b>	<b>51,572.47</b>	<b>67%</b>	<b>431,536.64</b>

**OTHER PWR GENERATION-MAINTENANCE**

OPG-Maint-Superv & Eng Exp.	0.00	0.00	0%	0.00
OPG-Maint-Structures	0.00	300.00	0%	1,800.00
OPG-Maint-Gen&Elec Eq-Dir Lbr	8,699.24	4,501.38	193%	29,259.00
OPG-Maint-Gen & Elec Eq-Labor	0.00	1,000.00	0%	8,334.00
OPG-Maint-Gen & Elec Eq-Materi	485.28	1,000.00	49%	6,000.00
OPG-Maint-Gen & Elec Eq-OH	3,772.44	2,138.73	176%	9,078.20
OPG-Maint-Misc. Oth Pwr Gen Pl	0.00	100.00	0%	600.00
<hr/>				
<b>Total OPG Maintenance Expense</b>	<b>12,956.96</b>	<b>9,040.11</b>	<b>143%</b>	<b>55,071.20</b>



**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>TRANSMISSION-OPERATIONS</b>				
Transm-Oper-Superv. & Eng.	0.00	0.00	0%	0.00
Transm-Oper-Station Exp.	0.00	100.00	0%	600.00
Transm-Oper-Ovhd Lines Exp	0.00	50.00	0%	300.00
Transm-Oper-Transm. by Others	0.00	40.00	0%	240.00
Transm-Oper-Misc Transm Exp	0.00	0.00	0%	0.00
Total TRSM Operation Expense	0.00	190.00	0%	1,140.00
<b>TRANSMISSION-MAINTENANCE</b>				
Transm-Maint-Structures	0.00	100.00	0%	600.00
Transm-Maint-Station Equip.	0.00	100.00	0%	35,305.00
Transm-Maint-Overhead Lines	0.00	100.00	0%	600.00
Transm-Maint-Undergrd Lines	0.00	0.00	0%	0.00
Transm-Maint-Misc. Transm.	0.00	0.00	0%	0.00
Total TRSM Maintenance Expense	0.00	300.00	0%	36,505.00
<b>OTHER POWER SUPPLY</b>				
OPSE-Power Supply - P10	0.00	0.00	0%	0.00
OPSE-Sys Cntrl & Ld Disp - P10	1,390.85	1,600.00	87%	9,600.00
Total Other PS Expense	1,390.85	1,600.00	87%	9,600.00
<b>REGIONAL MARKET EXPENSES</b>				
RME-Market Monitor/Compl-Gen	63.84	5,025.00	1%	30,150.00
RME-Market Monitor/Compl-L&O	0.00	0.00	0%	0.00
Total Reg. Market Expense	63.84	5,025.00	1%	30,150.00
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A & G - Salaries - P10	8,624.64	8,624.64	100%	51,747.88
A & G - Bank Fees - P10	0.00	0.00	0%	0.00
A & G-General Office Supp- P10	0.00	0.00	0%	0.00
A&G-Local Mileage Exp-P10	0.00	100.00	0%	600.00
A&G-Local Meals Exp-P10	0.00	50.00	0%	300.00
A & G-Utilities- P10	0.00	0.00	0%	0.00
A & G-Telephone- P10	0.00	0.00	0%	0.00
A&G-Groundskpg/Snow Rem-P10	0.00	0.00	0%	0.00
A&G-Online Charges-P10	0.00	0.00	0%	0.00
A&G-Comp Soft/Hardware-P10	0.00	0.00	0%	0.00
A&G-Office Supp&Exp - P10 Alloc	3,469.70	3,469.70	100%	20,818.21
A&G-Outside Svs Legal-P10	1,384.50	1,000.00	138%	6,000.00
A&G-Outside Svs Other-P10	5,400.00	8,600.00	63%	52,400.00
A&G-Outside Svs-P10 Admin	2,283.34	2,283.34	100%	13,700.00
A&G-Property Insurance-P10	360,346.91	326,250.00	110%	326,250.00
A&G-Prop Insurance-P10 Admin	0.00	0.00	0%	0.00
A&G-Pollution Insurance-P10	0.00	8,333.33	0%	8,333.33
A&G-General Liability Ins-P10	18,568.80	22,240.68	83%	19,884.52
A&G-Injuries & Damages-P10	17,686.37	15,142.62	117%	13,546.32
A&G-P10 W/C Insurance	604.08	604.08	100%	2,295.86
A&G-P10 Safety Mtg & WC Related	177.14	400.00	44%	2,400.00
A&G-Employee Benefits-P10	3,066.48	3,066.48	100%	18,398.86
A&G-Misc Gen Exp-P10	0.00	0.00	0%	0.00
A&G - Conferences/Training-P10	0.00	0.00	0%	0.00
A&G Misc - P10	0.00	0.00	0%	0.00
Total Administrative Expense	421,611.96	400,164.87	105%	536,674.98

Vermont Public Power Supply Authority  
Swanton Peaker Project #10 - Profit & Loss Statement  
February 28, 2021

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>OTHER OPERATING EXPENSES</b>				
Property Taxes	0.00	0.00	0%	22,000.00
Depreciation Expense	192,318.00	192,318.00	100%	1,153,908.00
Amortization Expense	0.00	0.00	0%	0.00
Total Other Operating Expenses	192,318.00	192,318.00	100%	1,175,908.00
<b>Total Operating Expenses</b>	<b>662,767.16</b>	<b>660,210.45</b>	<b>100%</b>	<b>2,276,585.82</b>
<b>Net Operating Income (Loss)</b>	<b>(160,869.65)</b>	<b>(158,312.93)</b>	<b>102%</b>	<b>804,343.47</b>
<b>NON-OPERATING INCOME/EXPENSES</b>				
<b>OTHER NON-OPERATING (INCOME) EXPENSE</b>				
Insurance Settlement (net)	0.00	0.00	0%	0.00
Net Realized (Gain)Loss on Investmen	0.00	0.00	0%	0.00
Interest Income-P10	35.33	0.00	0%	(30,000.00)
Net Other Non-Operating (Inc) Exp	35.33	0.00	0%	(30,000.00)
<b>FINANCING COSTS</b>				
Interest on LTD-P10 Bonds	101,789.58	101,789.58	100%	586,481.22
Interest on LTD-P10 Other	0.00	0.00	0%	0.00
Other Interest Expense-P10	0.00	0.00	0%	0.00
Amortiz of Debt Issue Exp	0.00	0.00	0%	0.00
Amortiz of Loss on Req Debt	0.00	0.00	0%	0.00
Amortiz. of Premium-P10	0.00	0.00	0%	0.00
Net Financing Expenses	101,789.58	101,789.58	100%	586,481.22
<b>Total Non-Operating (Inc) Exp</b>	<b>101,824.91</b>	<b>101,789.58</b>	<b>100%</b>	<b>556,481.22</b>
<b>TOTAL P10 INCOME (LOSS)</b>	<b>(\$ 262,694.56)</b>	<b>(\$ 260,102.51)</b>	<b>101%</b>	<b>\$ 247,862.25</b>

**Vermont Public Power Supply Authority**  
**Renewable Energy Standards Project - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-RES Tier 1	\$ 26,671.96	\$ 26,671.92	100%	160,031.54
Service Revenue-RES Tier 2	14,942.26	14,942.28	100%	89,653.68
Service Revenue-RES Tier 3	48,614.38	48,614.36	100%	291,686.20
Service Rev-RES Tier 3-SOVt Incentive	6,000.00	0.00	0%	0.00
<b>Total RES Operating Revenue</b>	<b>96,228.60</b>	<b>90,228.56</b>	<b>107%</b>	<b>541,371.42</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>				
OPSE-REC Purchase Exp-Tier 1	0.00	24,093.64	0%	144,561.84
OPSE-REC Purchase Exp-Tier 2	0.00	13,497.86	0%	80,987.16
OPSE-REC Purchase Exp-Tier 3	0.00	0.00	0%	0.00
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>37,591.50</b>	<b>0%</b>	<b>225,549.00</b>
<b>TRANSMISSION EXPENSE</b>				
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>				
Cust Svs & Info-RES I&A-T1	0.00	0.00	0%	0.00
Cust Svs & Info-RES I&A-T2	0.00	0.00	0%	0.00
Cust Svs & Info-RES I&A-T3	0.00	2,308.34	0%	13,850.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>2,308.34</b>	<b>0%</b>	<b>13,850.00</b>
<b>SALES EXPENES</b>				
Sales-Misc Sales Exp-RES T1	0.00	0.00	0%	0.00
Sales-Misc Sales Exp-RES T2	0.00	0.00	0%	0.00
Sales-Misc Sales Exp-RES T3	27,650.00	39,389.98	70%	236,339.92
Sales-Misc Sales Exp-RES T3-SOVt	3,000.00	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>30,650.00</b>	<b>39,389.98</b>	<b>78%</b>	<b>236,339.92</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-AdminAlloc-RES T1	1,274.74	1,274.74	100%	7,648.44
A&G-Salaries-AdminAlloc-RES T2	714.14	714.14	100%	4,284.85
A&G-Salaries-AdminAlloc-RES T3	2,323.44	2,323.44	100%	13,940.65
A&G-Office Supplies & Ex-REST1	0.00	0.00	0%	0.00
A&G-Office Supplies & Ex-REST2	0.00	0.00	0%	0.00
A&G-Office Supplies & Ex-REST3	0.00	0.00	0%	0.00
A&G Computer Hard/Soft-RES T3	1,800.00	1,966.66	92%	11,800.00
A&G-O S&E-AdminAlloc-RES T1	512.82	512.82	100%	3,076.97
A&G-O S&E-AdminAlloc-RES T2	287.30	287.30	100%	1,723.80
A&G-O S&E-AdminAlloc-RES T3	934.72	934.72	100%	5,608.34
A&G-Outside Svs-Legal RES-T1	0.00	0.00	0%	0.00
A&G-Outside Svs-Legal RES-T2	0.00	0.00	0%	0.00

**Vermont Public Power Supply Authority**  
**Renewable Energy Standards Project - Profit & Loss Statement**  
**February 28, 2021**

A&G-Outside Svs-Legal RES-T3	0.00	250.00	0%	1,500.00
A&G-Outside Svs-RES T1 Admin	337.48	337.48	100%	2,024.89
A&G-Outside Svs-RES T2 Admin	189.06	189.06	100%	1,134.39
A&G-Outside Svs-RES T3 Admin	615.12	615.12	100%	3,690.72
A&G-Employee Ben Alloc-RES T1	453.24	453.24	100%	2,719.39
A&G-Employee Ben Alloc-RES T2	253.92	253.92	100%	1,523.47
A&G-Employee Ben Alloc-RES T3	826.10	826.10	100%	4,956.57

<b>Total Administrative Expense</b>	<b>10,522.08</b>	<b>10,938.74</b>	<b>96%</b>	<b>65,632.48</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense			0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>

<b>Total Operating Expenses</b>	<b>41,172.08</b>	<b>90,228.56</b>	<b>46%</b>	<b>541,371.40</b>
<b>Total Operating Income (Loss)</b>	<b>55,056.52</b>	<b>0.00</b>	<b>0%</b>	<b>0.02</b>

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 55,056.52</b>	<b>\$ 0.00</b>	<b>0%</b>	<b>\$ 0.02</b>
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Vermont Public Power Supply Authority  
 Net Metering Project - Profit & Loss Statement  
 February 28, 2021

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-Net Metering	\$ 4,486.05	\$ 4,486.03	100%	26,916.23
<b>Total Net Metering Operating Revenue</b>	<b>4,486.05</b>	<b>4,486.03</b>	<b>100%</b>	<b>26,916.23</b>
<b>Operating Expenses</b>				
OTHER POWER SUPPLY EXPENSE			0%	0.00
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
TRANSMISSION EXPENSE			0%	0.00
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
CUSTOMER SVS & INFORMATION			0%	0.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
SALES EXPENSES			0%	0.00
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-Admin Alloc-NM	2,156.16	2,156.16	100%	12,936.97
A&G-Local Mileage Reimb-NM	0.00	125.00	0%	750.00
A&G-OS&E-Admin Alloc-NM	867.42	867.42	100%	5,204.55
A&G-Outside Services-Legal-NM	0.00	0.00	0%	0.00
A&G-Outside Svs-Other-NM	0.00	0.00	0%	0.00
A&G-Outside Svs-NM Admin	570.84	570.84	100%	3,425.00
A&G-Employee Benefits Alloc-NM	766.62	766.62	100%	4,599.71
A&G-Misc - NM	(0.01)	0.00	0%	0.00
<b>Total Administrative Expense</b>	<b>4,361.03</b>	<b>4,486.04</b>	<b>97%</b>	<b>26,916.23</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>4,361.03</b>	<b>4,486.04</b>	<b>97%</b>	<b>26,916.23</b>
<b>Total Operating Income (Loss)</b>	<b>125.02</b>	<b>(0.01)</b>	<b>-1250200%</b>	<b>0.00</b>

Vermont Public Power Supply Authority  
Net Metering Project - Profit & Loss Statement  
February 28, 2021

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 125.02</b>	<b>(\$ 0.01)</b>	<b>-1250200%</b>	<b>\$ 0.00</b>
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**Vermont Public Power Supply Authority**  
**AMI Project - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-AMI	\$ 26,416.44	\$ 26,416.46	100%	118,498.71
<b>Total Net Metering Operating Revenue</b>	<b>26,416.44</b>	<b>26,416.46</b>	<b>100%</b>	<b>118,498.71</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>			0%	0.00
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>TRANSMISSION EXPENSE</b>			0%	0.00
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>			0%	0.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>SALES EXPENSES</b>			0%	0.00
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-Admin Alloc-AMI	6,468.48	6,468.48	100.00	38,810.91
A&G-Office Supplies & Expense	0.00	0.00	0.00	0.00
A&G-Local Mileage Exp-AMI	0.00	0.00	0.00	0.00
A&G-Computer Hard/Soft Equip	0.00	0.00	0.00	0.00
A&G-Office Sup & Exp-Admin-AMI	2,602.28	2,602.28	100.00	15,613.66
A&G-Outside Svs-Legal AMI	0.00	0.00	0.00	0.00
A&G-Outside Services-Other AMI	5,085.00	30,000.00	16.95	40,000.00
A&G-Outside Svs-Admin-AMI	1,712.50	1,712.50	100.00	10,275.00
A&G-Employee Benefit-Admin-AMI	2,299.86	2,299.86	100.00	13,799.14
A&G-Misc-AMI	0.00	0.00	0.00	0.00
<b>Total Administrative Expense</b>	<b>18,168.12</b>	<b>43,083.12</b>	<b>42%</b>	<b>118,498.71</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>18,168.12</b>	<b>43,083.12</b>	<b>42%</b>	<b>118,498.71</b>
<b>Total Operating Income (Loss)</b>	<b>8,248.32</b>	<b>(16,666.66)</b>	<b>-49%</b>	<b>0.00</b>

Vermont Public Power Supply Authority  
AMI Project - Profit & Loss Statement  
February 28, 2021

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 8,248.32</b>	<b>(\$ 16,666.66)</b>	<b>-49%</b>	<b>\$ 0.00</b>
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**Vermont Public Power Supply Authority**  
**GIS Project - Profit & Loss Statement**  
**February 28, 2021**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-GIS/Mapping	\$ 38,889.70	\$ 38,889.72	100%	233,338.28
<b>Total Net Metering Operating Revenue</b>	<b>38,889.70</b>	<b>38,889.72</b>	<b>100%</b>	<b>233,338.28</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>			0%	0.00
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>TRANSMISSION EXPENSE</b>			0%	0.00
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>			0%	0.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>SALES EXPENSES</b>			0%	0.00
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-GIS Direct	10,876.80	11,092.30	98%	72,100.00
A&G-Salaries-Admin Alloc-GIS	4,312.32	4,312.32	100%	25,873.94
A&G-OS&E-Local Mileage-GIS	0.00	141.66	0%	850.00
A&G-OS&E-Local Meals Expense-GIS	0.00	25.00	0%	150.00
A&G-OS&E-Comp H/S Maint-GIS	0.00	9,166.66	0%	55,000.00
A&G-Utilities-Telephone-GIS	202.90	250.00	81%	1,500.00
A&G-OS&E-Office Furn&Equip-GIS	0.00	4,000.00	0%	4,500.00
A&G-OS&E-Computer Hard/Soft-GI	0.00	1,366.66	0%	8,200.00
A&G-OS&E-Admin Alloc-GIS	1,734.86	1,734.86	100%	10,409.11
A&G-Outside Services Other-GIS	8,500.00	1,250.00	680%	7,500.00
A&G-Outside Sv-Admin Alloc-GIS	1,141.66	1,141.66	100%	6,850.00
A&G-Empl Benefis- Direct-GIS	5,830.25	5,984.14	97%	23,385.80
A&G-Empl Benefis-AdmAlloc-GIS	1,533.24	1,533.24	100%	9,199.43
A&G-OS&E-Gen Advertising-GIS	0.00	30.00	0%	150.00
A&G-OS&E-Conference & Trav-GIS	0.00	1,278.34	0%	7,670.00
<b>Total Administrative Expense</b>	<b>34,132.03</b>	<b>43,306.84</b>	<b>79%</b>	<b>233,338.28</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	992.24	992.24	100%	5,953.41
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>992.24</b>	<b>992.24</b>	<b>100%</b>	<b>5,953.41</b>
<b>Total Operating Expenses</b>	<b>35,124.27</b>	<b>44,299.08</b>	<b>79%</b>	<b>239,291.69</b>
<b>Total Operating Income (Loss)</b>	<b>3,765.43</b>	<b>(5,409.36)</b>	<b>-70%</b>	<b>(5,953.41)</b>

Vermont Public Power Supply Authority  
GIS Project - Profit & Loss Statement  
February 28, 2021

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>FINANCING COSTS</b>				
Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00
<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Non-Operating (Income) &amp; Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Net Income (Loss)</b>	<b>\$ 3,765.43</b>	<b>(\$ 5,409.36)</b>	<b>-70%</b>	<b>(\$ 5,953.41)</b>

## Memorandum

To: Board of Directors  
From: Crystal Currier, Controller  
Date: April 2, 2021

Subject: **Agenda Item #6** - 2020 Audit Acceptance

Resolution 2021-03, the 2020 Report to the Board of Directors, the report on internal controls and the audited financial statements are attached for your review and information. These reports will be discussed at the Board of Directors meeting and acceptance of the Resolution and related reports is requested.

Proposed Motion:

Motion to accept Resolution 2021-03 Acceptance of 2020 Audit Report and Audited Financial Statements and corresponding documents.

# Vermont Public Power Supply Authority

## BOARD RESOLUTION 2021-03

### Acceptance of the 2020 Report to the Board of Directors and 2020 Audited Financial Statements

WHEREAS, Vermont Public Power Supply Authority (the "Authority") entered into an engagement with Graham & Veroff P.C. for the 2020 audit of the Authority; and

WHEREAS, Graham & Veroff have subsequently conducted audit services for the Authority and has provided to the Authority's Board of Directors a written report, that includes Graham & Veroff, P.C.'s unqualified opinion for the 2020 financial statements;

NOW THEREFORE, be it Resolved that the Board of Directors of the Authority, having duly considered the above documents, hereby accepts both the Report to the Board of Directors and the 2020 audited financial statements as audited by Graham & Veroff, P.C.

Adopted by the Board of Directors  
This 7th day of April, 2021

ATTESTED: Crystal L Currier

Crystal Currier  
Secretary



**Graham & Veroff**Certified Public Accountants  
Business Advisors & Management Consultants**The Solution Group**

February 19, 2021

To the Board of Directors  
of Vermont Public Power Supply Authority  
Waterbury Center, VT

Ladies and Gentlemen:

We have audited the financial statements of Vermont Public Power Supply Authority (the “Authority”) for the year ended December 31, 2020, and have issued our report thereon dated February 19, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 12, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of the fair value of its investments is based on an internal valuation provided by inputs derived from information obtained by VT Transco LLC as well as other market inputs obtained from bond markets and other sources. We evaluated the key factors and assumptions used to develop the valuation of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the estimated use of capital assets is based on management’s estimate of the useful lives of capital assets in service. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Vermont Public Power Supply Authority  
Communication with Those Charged with Governance  
February 19, 2021  
Page 2

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of Restricted Investment in Transco, LLC in Notes 2 and 7 to the financial statements.

The Authority purchased and owns membership units in Vermont Transco, LLC for its direct benefit and for the benefit of certain Authority members. All units purchased and held for the benefit of its members and certain member units purchased for the Authority's direct benefit (but not all) have been pledged as collateral against the related debt.

The purchases that were made with related debt obligations are recorded as a Restricted Investment in Transco, LLC.

In accordance with the each member's Transco Equity Agreement, the receipt of distribution income to the Authority from such ownership is to be applied to the related debt service costs for the acquisition or refinanced debt. Distribution income, net of interest expense of the related debt and distribution expense will be recorded as an increase in equity and remain restricted until such time the paid for membership units are transferred to its related members. In accordance with the Vermont Public Utilities Commission order dated January 23, 2009, the amount in excess of the debt service costs and related interest expense is allocated as a credit on the member's monthly power and transmission invoice and be recorded as distribution expense.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 19, 2021.

### *Management Consultations with Other Independent Accountants*

Management has consulted with its members in written format concerning the application of received distribution income against the associated debt service costs and treatment of credits for any difference in excess of debt service costs for principal and interest against purchased power expenses as described in the TRANSCO Equity Agreement. In addition, the members have executed an amendment to the original TRANSCO Equity agreement outlining the treatment of such debt service obligations on the member should the distribution income not be adequate to service the related debt obligation.

Management discussed with its members the accounting treatment of such effects of ownership by the Authority of membership units as it relates to the equity in the Authority, and such effects of future transfer of ownership rights and or purchase in the future of membership units directly by its members.

### *Major Contingencies*

#### Investment in Transco, LLC debt obligations

Servicing the related debt obligations related to the acquisition of VT Transco, LLC membership units, LCP units, and LED units with the associated income streams from its related sources, other than its members and non-member, were adequate for the year ended as of December 31, 2020.

#### Project Debt

Servicing the related project debt obligations for the period ending December 31, 2020 was adequate from its members and non-member.

#### Contingency

An adverse financial event arising by the Authority related to its Projects, or independently to one member, could potentially adversely affect the Authority as a whole, and its remaining members and affiliates.

This risk for each member's and non-member's obligations transfers to its independent operations and could affect the Authority as a whole.

Management has assessed the risk of such exposure for borrowing capacity, adequacy of member and non-member revenue streams should such situations occur and believe they have been addressed.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Vermont Public Power Supply Authority  
Communication with Those Charged with Governance  
February 19, 2021  
Page 4

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Graham & Veroff*

Graham & Veroff, PC  
Springfield, Vermont  
February 19, 2021  
Reg. #92-0000282





To Board of Directors  
and Management of Vermont Public Power Supply Authority

In planning and performing our audit of the financial statements of Vermont Public Power Supply Authority (the "Authority") as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Graham & Veroff*  
Graham & Veroff, PC  
Springfield, Vermont  
February 19, 2021  
Reg. #92-0000282

# Vermont **Public Power** Supply Authority

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Financial Statements

December 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

## Vermont **Public Power** Supply Authority

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management of  
Vermont Public Supply Authority  
Waterbury Center, Vermont

We have audited the accompanying financial statements of the Vermont Public Power Supply Authority (the "Authority"), a component unit of the State of Vermont, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vermont Public Power Supply Authority as of December 31, 2020, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

As described in the accompanying notes to the financial statements, the Authority has a significant amount of debt service requirements that are contingent directly upon the financial stability of its members and non-members. Any deficiencies in the members and non-member revenues, operations, and net cash flows could have an adverse effect on the Authority's operations and debt service obligations.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements taken as a whole. The supplementary schedules presented on pages 57 through 64 have been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Graham & Veroff*

Graham & Veroff, P.C.  
Springfield, Vermont  
February 19, 2021  
Reg. # 92-0000282



## **Introduction to the Management's Discussion and Analysis (MD & A)**

This annual financial report consists of two parts: The Management's Discussion and Analysis (MD & A), and the independent auditor's report which includes the financial statements for the fiscal years that ended on December 31, 2020 and 2019.

The purpose of this section of the Vermont Public Power Supply Authority's (the Authority) annual financial report (the MD & A) is to provide the reader with a summary of the Authority's financial performance and any significant events that occurred within the organization that may or may not have had an impact on that financial performance. The MD & A is intended to be a less comprehensive, reader-friendly synopsis that is understandable to all readers, not only those with a financial background.

The section following the MD & A provides a comprehensive look at the Authority's financial statements including the Authority's Statement of Net Position (formerly known as the Balance Sheet), Statement of Revenues, Expenses and Change in Net Position and Cash Flow Statements.

Together, the MD & A and financial statements illustrate the Authority's overall financial status and/or performance and should be read in conjunction with one another.

### **Items of Significant Interest**

Items of significant interest as of December 31, 2020 are as follows:

- Change in Net Position - Increased \$ 2,392,373
- Net Capital Assets - Decreased - (\$ 863,664)
- Moody's reaffirmed VPPSA's Project #10 revenue bond rating for the Swanton Peaker Project at Baa1 with a stable outlook
- Total repayments on outstanding bonds and/or long-term debt: \$ 3,440,617
  - Includes repayment of \$2,194,000 in 2020 related to specific facilities equity investments previously financed and repurchased by Vt. Transco in 2020

### **Overview of the Financial Statements**

The financial statements included within this report include a summary of the Authority's Statement of Net Position (formerly known as the Balance Sheet), Statement of Revenues, Expenses and Change in Net Position and a Statement of Cash Flows. The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental enterprise funds (same basis of accounting as private-sector business enterprises) and employ an economic resources measurement focus and the accrual basis of accounting.



Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of capital assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. All resulting assets and liabilities associated with the operation of the Authority are included in the Statement of Net Position.

The Statement of Net Position presents information on the "assets and deferred outflows of resources" and the "liabilities and deferred inflows of resources", with the difference between the two groups reported as the company's "Net Position". The change in net position is one way to measure the Authority's financial health.

The Statements of Revenues, Expenses, and Changes in Net Position report provides the operating revenues and expenses and non-operating revenue and expenses of the Authority for the fiscal year, along with any capital grants to determine the change in net position for the fiscal year. That change, combined with last year's net position total, reconciles to the net position total at the end of this fiscal year.

The Statement of Cash Flows report provides cash and cash equivalent activities for the fiscal year resulting from operating activities, non-operating activities, capital-related financing activities, noncapital related financing activities and investing activities. The net result of these activities added to the cash balance from the beginning of the year reconciles to the cash and cash equivalent balance at the end of the current fiscal year.

The Authority's reported financial statements include its project ownership interests as follows:

- The Authority's 19% ownership of the J.C. McNeil Generating Station Project #2.
- The Authority's 9.36% ownership of the 225MW AC-DC-AC Highgate Converter Station Project #3 (asset sold in 2017).
- The Authority's 100% ownership of the 40 MW Swanton Peaker Project #10.

### **Financial Summary**

The two tables on the next page 1) summarize information related to the Authority's assets and deferred outflows of resources and 2) summarizes information related to the Authority's liabilities and deferred inflows of resources. As stated earlier, the difference between the two groups is reported as the Authority's "net position". This information is provided for the years ending December 31, 2020, and 2019.



	<b>2020</b>	<b>2019</b>
Capital Assets, net	\$ 15,057,025	\$ 15,920,689
<u>Current Assets</u>		
Cash & Cash Equivalents	9,910,840	10,819,124
Accounts Receivables	6,433,455	5,724,720
Other Current Assets	2,635,007	2,378,697
Total Current Assets	18,979,301	18,922,541
<u>Long-Term Assets</u>		
Investments	34,190,167	35,744,056
Other Long-Term Assets	367,287	490,649
Total Long-Term Assets	34,557,453	36,234,706
Deferred Outflow of Resources	25,000	25,000
<b>TOTAL ASSETS &amp; DEFERRED OUFLOWS OF RESOURCES</b>	<b>\$ 68,618,780</b>	<b>\$ 71,102,935</b>

	<b>2020</b>	<b>2019</b>
<u>Current Liabilities</u>		
Accounts Payable	3,188,287	3,156,605
Short-term Debt	-	-
Current Portion-Bonds & LTD	3,556,084	5,638,199
Other	1,491,049	1,444,268
Total Current Liabilities	8,235,420	10,239,072
<u>Long-term liabilities</u>		
Bonds	12,065,000	13,280,000
Long-Term Debt	14,115,087	15,783,739
Other	121,993	98,915
Total Long-Term Liabilities	26,302,080	29,162,655
Deferred Inflows of Resources	25,000	70,605
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 34,562,500</b>	<b>\$ 39,472,332</b>
Net Position	34,056,280	31,630,604
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 68,618,780</b>	<b>\$ 71,102,935</b>





### **Changes in Assets and Deferred Outflow of Resources:**

The Authority maintains fixed (or capital) assets and categorizes current and long-term assets. Within each of these categories, some assets are classified as unrestricted and available to meet general operating needs and others are classified as restricted due to contractual obligations and/or other restraints that are placed on those assets. The primary restricted assets include those assets that are project-related, where the Authority is obligated to maintain a separate and distinct accounting for those project funds.

**Fixed Assets** - Fixed assets (or capital assets) are stated at historical cost and include assets related to land, production plant, transmission plant and general plant. A portion of these capital assets relate to the Authority's joint ownership in the following jointly owned facilities:

- The Authority's 19% ownership of the J.C. McNeil Generating Station Project #2.
- The Authority's 9.36% ownership of the 225mW AC-DC-AC Highgate Converter Station Project #3 (asset sold in 2017).

The following chart summarizes the Authority's fixed assets and accumulated depreciation for the years ended December 31, 2020 and 2019:

Capital Assets **decreased (\$863,663)**

- Routine Capital Improvements
- Annual Depreciation on Assets in Service

	2020	2019
Capital assets	\$ 48,777,231	\$48,147,869
Less accumulated depreciation	\$ 33,720,206	\$32,227,181
Total capital assets, net	\$ 15,057,025	\$15,920,688

**Current Assets** - Current assets are generally defined as those assets that can be easily converted into cash within one year. The Authority's current assets are primarily comprised of cash and cash equivalents, short-term investments, accounts receivable, and inventories. Changes in current assets include:

2020	2019
Current Assets increased \$57K or .3% <ul style="list-style-type: none"><li>• Decrease in Cash &amp; Cash Equivalents<ul style="list-style-type: none"><li>◦ Increase in Receivables</li></ul></li><li>• Increase in Receivables</li><li>• Increase in Other Current Assets<ul style="list-style-type: none"><li>◦ Due from Members</li><li>◦ Inventories</li></ul></li></ul>	Current Assets increased \$495K or 2.7% <ul style="list-style-type: none"><li>• Increase in Cash &amp; Cash Equivalents<ul style="list-style-type: none"><li>◦ Decrease in Receivables</li><li>◦ Project 10 participants contributed to reserve fund</li><li>◦ Earnings on funds invested</li></ul></li><li>• Decrease in Inventories</li></ul>



**Long-term Assets** - Long-term assets are generally described as the value of a company's property, equipment and other capital assets that are expected to be usable for more than one year, less the accumulated depreciation recorded on these assets. Fixed (capital) assets were previously described above; therefore, this section includes "other" long-term assets or those that are long-term in nature but not related to the Authority's physical property and/or equipment. This includes long-term investments and other miscellaneous long-term assets such as amounts due from members and long-term prepayments. The investments classified as long-term are those that represent funds invested for periods longer than 90 days.

The Authority holds three types of investments - those related to project bond funds (debt service accounts), the Authority's purchase of membership units in Vermont Transco, LLC and the Authority's investment in Hometown Connections, Inc.

**Bond Funds:**

In 2020 and 2019, the Authority invested bond funds held, but not required for immediate expenditure, using several different instruments such as Certificates of Deposit, Treasury bills, Treasury notes and other Federal Agency Obligations.

In 2020 bond fund investments decreased approximately \$33K or 1.8% and in 2019 bond fund investments increased approximately \$35K or 1.9%.

The decrease in 2020 and the increase in 2019 are primarily related to the investment income earned on the bond investments and a transfer of 2019 excess earnings to the revenue fund.

**Vermont Transco Membership Units:**

Transco Investment Activity				
	2019		2020	
	# Units	Value	# Units	Value
Beg Balance	4,188,878	\$ 41,888,780	3,359,665	\$ 33,596,650
Purchases	45,437	\$ 454,370	67,309	\$ 673,090
Sales	(874,650)	\$ (8,746,500)	(219,400)	\$ (2,194,000)
Total	3,359,665	<b>\$ 33,596,650</b>	3,207,574	<b>\$32,075,740</b>

As of December 31<sup>st</sup>, the Authority owned a total of 3,359,665 member units valued at \$33,596,650 and 3,207,574 member units valued at \$32,075,740 in 2019 and 2020, respectively.

**Hometown Connections, Inc.:**

In 2018, the Authority partnered with four (4) other agencies to establish a non-profit entity that provides consulting and technology services, as well as advance metering programs to public power utilities across the United States.



This investment brings greater value to the public power industry (including the Authority's members) by combining resources and allowing power utilities of all sizes to obtain the products and services they need to keep their electric systems robust and to preserve the benefits of community-owned, not-for-profit service. The Authority contributed \$265,000 to the new company and obtained an equal ownership in the organization. In 2019, a sixth non-profit entity joined Hometown Connections, Inc., providing additional capital to the organization.

### **Other Long-Term Assets:**

Other long-term assets decreased in 2020 by approximately \$123K or 25% and increased in 2019 by approximately \$31K or 6.6%. The increase in 2020 and the decrease in 2019 are both related to the changes in future revenues due from members, primarily from the McNeil Project.

**Deferred Outflows of Resources** - Deferred Outflows of Resources are defined as a consumption of net assets that are applicable to a future reporting period. In simple terms, this generally includes transactions where resources (typically cash) are expended but the reporting (expensing) for that transaction would occur over a period of years. These types of transactions have a positive effect on a company's net position, similar to assets. Examples of this are derivative instruments that have a positive impact to the company, unamortized debt issuance costs, amounts resulting from the refunding of debt, loan origination costs, etc. Specific to the Authority, this includes the amortization of the loss on reacquired debt related to the Project #10 Bond refunding in 2017 and a future regulatory expense related to Project #10. The amortization of loss on reacquired debt related to the Project #10 refunding was fully amortized in 2019.

### **Changes in Liabilities and Deferred Inflows of Resources:**

The Authority maintains several long-term debt obligations and records current and other long-term liabilities. Similar to how the Authority records its assets, some liabilities are classified as unrestricted and available to meet general operating needs and others are classified as restricted due to contractual obligations and/or other restraints that are placed on those liabilities. The primary restricted liabilities include those liabilities that are project-related, where the Authority is obligated to maintain a separate and distinct accounting for those project funds.

**Current Liabilities** - Current liabilities are generally defined as a company's debts or the sum of money owed to other parties, due and payable within one year.

The Authority's current liabilities include accounts payable, amounts due to members, short-term debt obligations, the current year portion of long-term debt obligations, accrued interest payable and other miscellaneous short-term liabilities. The changes in current liabilities include:



<u>2020</u>	<u>2019</u>
Current Liabilities decreased \$2.0M or 20% <ul style="list-style-type: none"><li>• LTD - Current Portion<ul style="list-style-type: none"><li>◦ Reduction due to maturity of LED Specific Facilities</li><li>◦ Addition of one new Transco facility</li></ul></li></ul>	Current Liabilities decreased \$6.6M or 39.3% <ul style="list-style-type: none"><li>• Slight increase in Accounts Payable</li><li>• Significant decrease in LTD-current maturities<ul style="list-style-type: none"><li>◦ Annual reductions to Transco LTD</li><li>◦ Maturity of LCSF LTD (included in current portion)</li></ul></li><li>• Decrease in amounts due to Member related to REC transactions</li></ul>

**Long-Term Liabilities** - Long-term liabilities are generally those debt obligations such as bond payments, leases and other obligations that are due in more than one year. The Authority's primary long-term liabilities at December 31, 2020 and December 31, 2019, consist of one outstanding bond issue and ten (10) long-term debt obligations. Other long-term liabilities include accrued liabilities that are expected to be paid in a future period such as accrued vacations payable to employees.

In 2017, the 2009 Series bonds that were used to facilitate the construction of the Authority's Swanton Peaker Project #10 located in Swanton, Vermont were advance refunded, with the 2009 Series being defeased with the issue of the 2017 Series bonds. Bonds payable decreased \$1.2M or 9.2 % in 2020 and decreased \$1.2M or 8.1 % in 2019. These reductions were the result of the repayment of principal on bonds outstanding during these years.

The Authority maintained eleven (11) long-term debt facilities in 2020 and eleven (11) long-term debt facilities in 2019. In both 2020 and 2019, ten of the facilities were to facilitate purchases of membership units in VT TRANSCO for the benefit of certain of the Authority's members and one (1) facility was to finance upgrades to our office building in Waterbury Center.

In 2020, long-term debt facilities decreased by \$1.7M or 10.6% and decreased by \$3.9M or 19.9% in 2019. In 2020 and 2019, the changes were attributed to the ongoing principal repayment of existing long-term facilities.

Other long-term liabilities include accrued vacation payable to Authority employees. The value of the accrued benefit to Authority employees is \$121,993 and \$98,915 for 2020 and 2019, respectively.

**Deferred Inflows of Resources** - Deferred Inflows of Resources are defined as an acquisition of net assets by the company that is applicable to a future reporting period. In simple terms, this generally includes transactions where resources (typically cash) are received but the reporting (income/revenue) for that transaction would occur in a future period. These types of transactions typically have a negative effect on a company's net position, similar to liabilities.



Examples of this are credits resulting from the refunding of debt, premiums on debt issuances, loan origination fees, resources generated by current rates intended to recover costs expected to be incurred in the future, derivative instrument valuations that have a negative impact on a company's net position, etc. Transactions specific to the Authority include the derivative liability related to one (1) interest rate swap, the amortization of the premium related to the Project #10 Bond refunding that occurred in 2017 and a future regulatory liability, also related to Project #10. The amortization of the premium was fully amortized as of December 31, 2019 and the interest rate swap terminated in 2020.

The mark-to-market valuation of the interest rate swap results in a liability of \$0 as of December 31, 2020 and \$46K as of December 31, 2019. The interest rate swap effectively provided a variable to fixed interest rate for one note with one financial lender to facilitate purchases of membership units in VT TRANSCO. This swap terminated with the maturity of the financial obligation in 2020.

### **Changes in Net Position:**

The difference between a company's assets, deferred outflows and its liabilities and deferred inflows is reported as its "net position". A company's net position is one way to measure the organization's net financial health. Changes in the Net Position includes Invested in Capital Assets net of related debt, Restricted Net Assets, Unrestricted Net Assets and Other Comprehensive Income.

The Invested in Capital Assets balance, net of related debt, represents the Authority's investment in the Waterbury Office building, the McNeil Generating Project #2, and the Swanton Peaker Project #10, less the debt service related to those assets.

The restricted net assets are comprised of assets restricted due to project obligations and special investments in Vt. Transco, LLC that directly benefit certain of the Authority's members.

The restricted project assets include McNeil and Project 10 and are those investment assets that are reserved for future debt payments and those current assets associated with project operations. The restrictions on these assets arise from the terms of the General Bond Resolutions (if applicable) and Power Sales Agreements for each project.

The Authority's restricted Investment in VT Transco represents the investment held by VPPSA that is either pledged as collateral or is eligible for release from collateral and therefore eligible for transfer to the Authority's members. The restriction on these investments arises from the terms of the Transco Equity Agreement.

Unrestricted Net Assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets net of related debt."



The total net position increased \$2,392,373 in 2020 and \$2,839,827 in 2019. These increases reflect the Authority's ability to bill and record revenue for debt principal under its billing structure. The accumulated net position results because currently the principal obligations on debt exceed depreciation and amortization.

The Other Comprehensive Income is related to the unrealized gains and/or losses on invested funds and the mark-to-market valuation of one (1) interest rate swap that the Authority entered into providing rate stability to the organization.



**Statement of Revenues, Expenses & Change in Net Position:**

The following table summarizes the Authority's change in net position as of December 31, 2020 and 2019.

		<b>2020</b>		<b>2019</b>
Electric Sales For Resale	\$	31,241,709	\$	32,793,814
McNeil Project Revenue		4,336,164		4,668,323
Highgate Project Revenue		-		1,675
Swanton (P10) Revenue		3,130,168		3,233,830
Other Revenues		4,257,730		2,473,647
Total Operating Revenues	\$	42,965,771	\$	43,171,289
Power Production and Other Expenses		4,051,788		4,310,427
Transmission Expenses		11,448,582		11,924,074
Purchased Power		21,471,675		21,136,453
Regional Market Expenses		25,945		3,700
Administration & General Expenses		3,325,391		2,909,387
Taxes		312,470		298,472
Depreciation & Amortization		1,654,694		1,640,118
Total Operating Expenses	\$	42,290,547	\$	42,222,630
<b>Net Operating Income(Loss)</b>		<b>675,224</b>		<b>948,658</b>
Transco Income/Expenses (net)		3,087,404		3,577,122
Interest Income/Expenses (net)		(1,391,832)		(1,881,514)
Amortizations (net)		-		159,657
Proceeds/Expenses Related to Insurance Claim (net)		-		-
Other Non-Operating Income/Expenses (net)		21,577		3
<b>Total Non-Operating Expenses, Net</b>	\$	<b>1,717,149</b>	\$	<b>1,855,267</b>
<b>Change in Net Assets</b>		<b>2,392,373</b>		<b>2,803,925</b>
Other Comprehensive Income		33,303		35,901
Transco Investment Return		-		-
UnAppropriated Earnings Distributed		-		-
Net Assets at Beginning of Year		31,630,604		28,790,777
<b>Net Assets at End of Year</b>	\$	<b>34,056,280</b>	\$	<b>31,630,604</b>

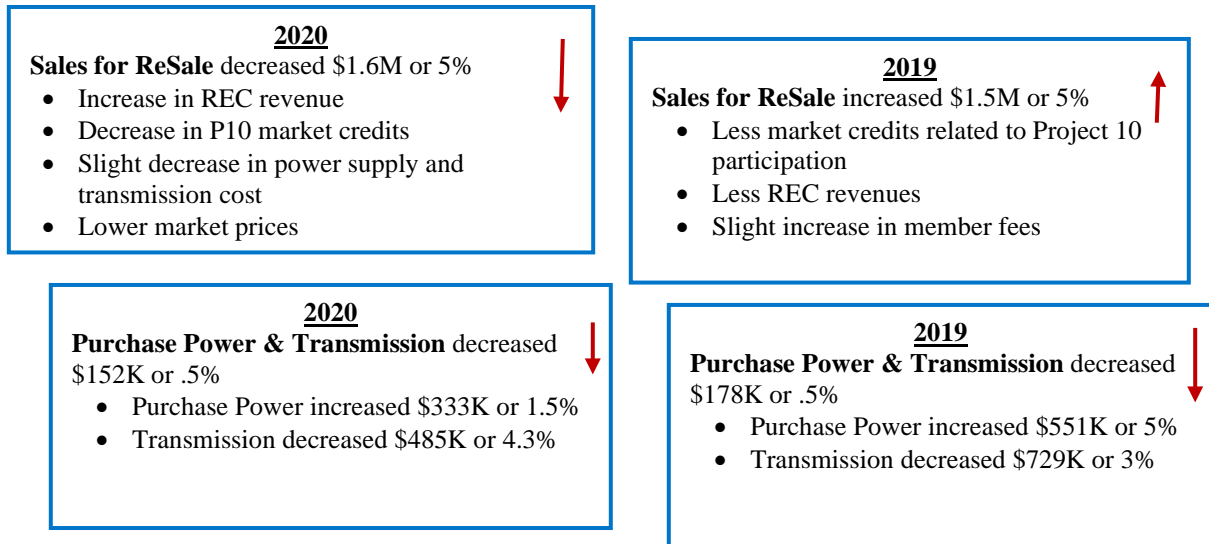
**Operating Revenues & Expenses**

A portion of the Authority's operating results reflect income received from member municipal utilities, participating electric cooperatives and several non-member municipal utilities. The project expense and debt service obligations are billed out directly on an entitlement share or contractually agreed-upon method. The Authority's operating and administrative expenses are billed as either project costs or member fees and are recorded as sales for resale.





**Electric Sales for Resale** - Electric Sales for Resale includes amounts billed by the Authority to its members and non-members for purchased power and transmission expenses paid for on behalf of those members and non-members and excludes all McNeil Project #2, Highgate Project #3, and Swanton Project #10 sales.



**McNeil Project #2** - The McNeil Project revenue reflects payments for monthly power costs and debt service obligations in accordance with the McNeil Project's Power Sales Agreements with participating members. The McNeil Project revenues decreased by approximately \$332K or 7% in 2020 and decreased \$660K or 12% in 2019.

The decreases in both 2020 and 2019 are primarily due to planned maintenance on the generating facility. In 2018, several major planned upgrades were expected, and participants were billed to cover those costs. The upgrades were then delayed until 2019 and 2020 and actual costs were lower than anticipated.

In 2020, REC revenues related to the McNeil project increased by approximately \$402K and decreased by approximately \$1.3M in 2019.

Power production costs are the direct result of operations at the McNeil and Project #10 facilities. The portion of power production costs related to the McNeil operations, decreased in 2020 by \$361K or 9% and increased in 2019 by \$213K or 6%. These variances are generally related to changes in operational costs, some of which result from changes in the capacity output of the McNeil station and varying fuel costs.

The chart below represents the capacity and availability factors related to the McNeil Generating Station over the last ten years:





	Capacity	Availability		Capacity	Availability
Year	Factor	Factor	Year	Factor	Factor
2020	52.3%	72%	2015	66.3%	82.3%
2019	51.9%	72.0%	2014	65.7%	82.5%
2018	56.1%	77.1%	2013	72.9%	89.7%
2017	61.4%	74.6%	2012	51.3%	83.8%
2016	69.7%	96.3%	2011	51.9%	84.9%

**Highgate Project # 3** - The Highgate Project revenue reflects payments from the Highgate Project participants for monthly transmission costs and debt service obligations in accordance with the Member Services Agreement with project participants. The sale of the Highgate facility was complete in May of 2017; however, several pending cases at FERC require that the project remain open until the open cases are resolved. During 2019, the project incurred \$1,675 in legal costs and those costs were billed to the project participants.

**Swanton Project # 10** - The Swanton Project revenue reflects payments for monthly power costs and debt service obligations in accordance with the Project's Power Sales Agreements with project participants. In 2020 project revenues decreased \$104K or 3.2% and in 2019 revenues decreased \$62K or 1.9%.

The primary reason for the decrease in both 2020 and 2019 were the result of routine changes in O & M costs for the plant and the additional billing to participants to increase a project reserve (which decreased in 2020 and 2019). Due to the nature of the project in several regional markets, the project participants received credits through the Authority's power settlement process of approximately \$3.7M in 2020 and \$4.8M in 2019. These credits more than offset the cost invoiced to participants, providing the participants with a net benefit for both years.

The power production costs related to the operations of Project #10 increased in 2020 by approximately \$102K or 34% and decreased by approximately \$117K or 28% in 2019. The changes in both 2020 and 2019 are primarily the result of changes in routine operating costs; primarily the cost of fuel oil that fluctuates based on the current market prices and the output of the facility.

The following chart represents the capacity and availability factors related to the Swanton Peaker Project for the last ten years:



Year	Capacity Factor	Availability Factor	Year	Capacity Factor	Availability Factor
2011	0.086%	98%	2016	0.275%	99%
2012	0.091%	91%	2017	0.168%	100%
2013	0.154%	99%	2018	0.144%	99%
2014	0.064%	99%	2019	0.075%	100%
2015	0.258%	99%	2020	.122%	99%

**Other Revenues** - Other revenues include the sale of Renewable Energy Certificates (RECs) generated from the J.C. McNeil Project #2, the Waste Management-Fitchburg Landfill facility, and several member's individual Hydro and or Solar units, as well as revenue related to the member's cost of meeting Renewable Energy Standards and computer-related service revenues.

#### REC Revenues

The McNeil REC sales are recorded as revenue and were used to offset Sales for Resale. The value of REC's sold for the last ten years are:

Year	Value	Year	Value
2020	\$1.4M	2015	\$2.4M
2019	\$1.0M	2014	\$2.8M
2018	\$2.3M	2013	\$2.0M
2017	\$1.9M	2012	\$1.5M
2016	\$2.7M	2011	\$1.5M

The Power Purchase Agreement between the Authority and the Waste Management-Fitchburg Landfill facility includes environmental attributes including the sale of renewable energy credits. These credits are recorded as revenue and netted against the cost of the power purchased per the power purchase agreement. The renewable energy credits realized from this resource include:

Year	Value	Year	Value
2020	\$1.3M	2016	\$1.1M
2019	\$0.7M	2015	\$1.5M
2018	\$0.9M	2014	\$1.1M
2017	\$1.1M	2013	\$1.1M

REC revenues produced by the VPPSA members' individual hydro units and several State mandated projects are sold by the Authority on behalf of the members (if not used to meet renewable energy standards) and credited to the member's account, reducing Sales for Resale.

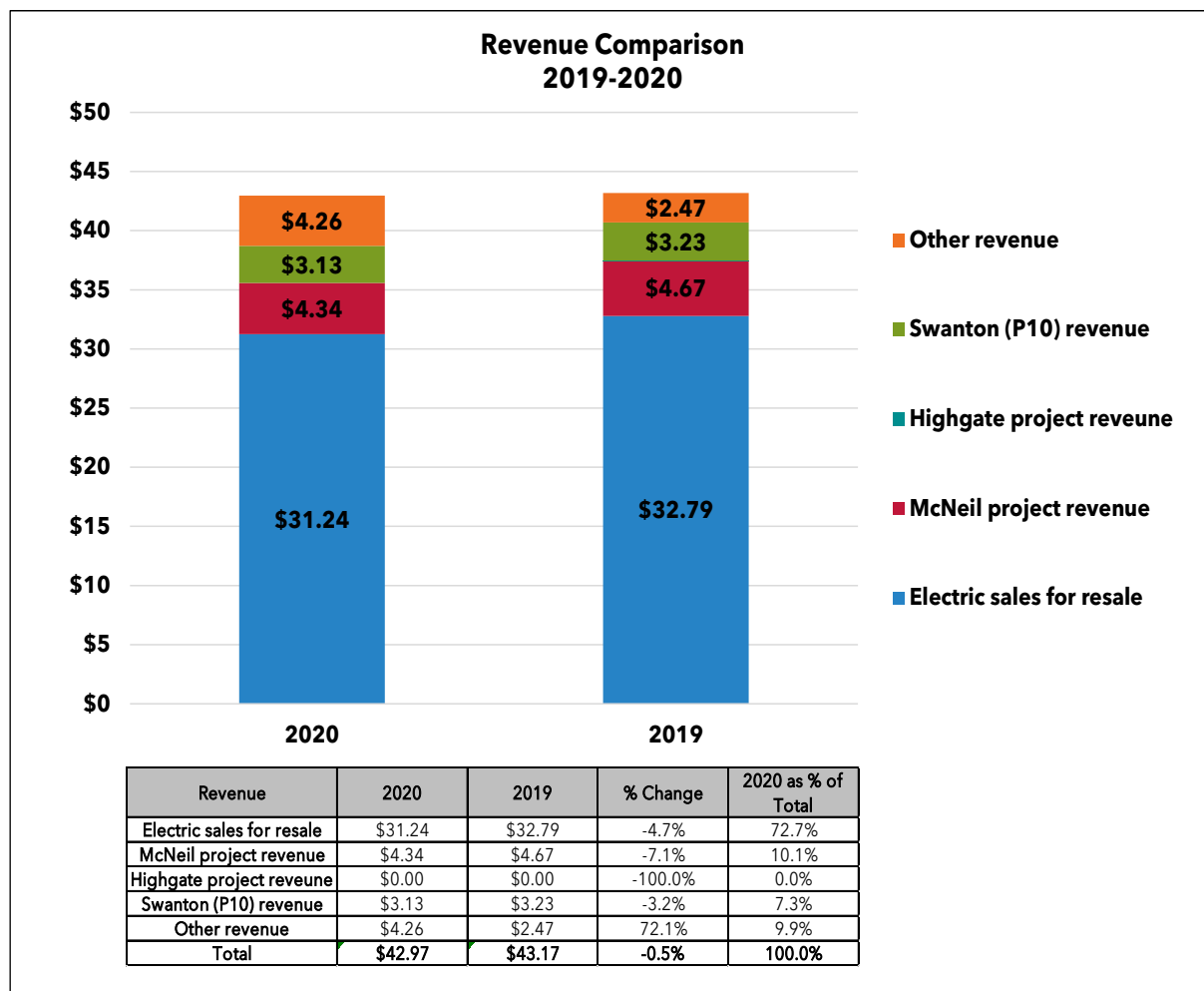


### Renewable Energy Standards ("RES")

In 2020 and 2019 the Authority purchased Renewable Energy Credits to meet certain Renewable Energy Standards for certain Authority members. The Authority also administered several RES programs that provide incentive payments to consumers in an effort to encourage the reduction in fossil fuel use. The incentives were for a variety of activities including the purchase of Electric Vehicles, Cold Climate Heat Pumps, Hot Water Heat Pumps, Electric Lawn Mowers, E-Bikes, etc. The Authority billed out the cost of these charges and it is included in "other" revenues.

### **Revenues Summary**

The following chart provides a snapshot the Authority's Revenues for 2020 and 2019.





### **Non-Operating Activities**

Changes in non-operating activities for 2020 and 2019 primarily include:

- 1) interest earned on deposits and temporary investments
- 2) interest expense related to the Authority's debt obligations
- 3) distributions and expenses related to the investment of TRANSCO Member Units and
- 4) revenues and/or expenses related to other misc. non-operating activities.

**Interest Earned and Interest Expense** - In 2020, interest on deposits decreased and in 2019 interest on deposits and investments increased. These changes are primarily related to the fluctuation in current interest rates, coupled with a change in the amount of funds invested during the period. Interest expense decreased in both 2020 and 2019. The changes are primarily due to the ongoing reduction of principal on bonds and loans outstanding, offset by the addition of two new debt facilities in 2019.

These interest earnings and interest expense variances include the following:

**Interest Earned:**

2020 = Decrease of \$172K  
2019 = Increase of \$35K or 19.5%



**Interest Expense:**

2020 = Decrease of \$662.K or 31.5%  
2019 = Decrease of \$76K or 3.5%



**Distribution Income and Distribution Expense** - The Authority currently holds a total of 3,207,574 TRANSCO membership units valued at \$32,075,740. In 2020 distribution income decreased by \$949K or 17.2% whereas in 2019 distribution income decreased by \$376K or 6.8%. The decrease in 2020 was primarily due to the sale of the Vt. Transco investment previously held for the benefit of the four Lamoille County members (repurchased by Vt. Transco in 2019) and the decrease in 2019 was related to less revenue (distributions) received related to VT TRANSCO "non-utility" operations, offset by additional revenue received due to the addition of member units purchased in 2018.

### **Subsequent Events**

There have been no subsequent events that have occurred subsequent to December 31, 2020.

### **Request for Information**

This report is designed to provide an overview of the Authority's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to:

The Controller Vermont Public Power Supply Authority PO Box 126 5195 Waterbury-Stowe Road Waterbury Center, Vermont 05677	EMAIL: ccurrier@vppsa.com Telephone: (802) 244-7678 Ext. 228 Direct Line: (802) 882-8501
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**Vermont Public Power Supply Authority**

Statements of Net Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
CAPITAL ASSETS, net	\$ 15,057,025	\$ 15,920,689
<b><u>UNRESTRICTED ASSETS</u></b>		
<b><u>CURRENT:</u></b>		
Cash and Cash Equivalents	1,856,324	2,430,011
Accounts Receivable	5,825,207	5,150,659
Due from Members	151,955	19,300
Other Current Assets	97,162	42,618
TOTAL CURRENT ASSETS	\$ 7,930,648	\$ 7,642,588
<b><u>LONG TERM:</u></b>		
Investments	430,230	289,600
Other Long-Term Assets	-	-
TOTAL LONG TERM ASSETS	430,230	289,600
TOTAL UNRESTRICTED ASSETS	8,360,878	7,932,188
<b><u>RESTRICTED ASSETS</u></b>		
<b><u>CURRENT:</u></b>		
Cash and Cash Equivalents	8,054,515	8,389,113
Cash Advances - Projects	-	-
Accounts Receivable	608,247	574,061
Due From Members	1,410	-
Fuel Inventories-McNeil & P10	1,326,310	1,073,182
Interest/Distribution Receivable	1,050,828	1,228,174
Other Current Restricted Assets	7,342	15,423
TOTAL RESTRICTED CURRENT ASSETS	11,048,653	11,279,953
<b><u>LONG TERM:</u></b>		
Due from Members	235,468	357,316
Investments - Bond Funds	1,849,427	1,882,406
Investment in VT Transco, LLC - Restricted	16,339,504	20,121,938
Investment In VT Transco, LLC - Restricted - Eligible for Release	15,571,006	13,450,112
Other Long-Term Assets	131,819	133,334
TOTAL RESTRICTED LONG TERM ASSETS	34,127,223	35,945,106
TOTAL RESTRICTED ASSETS	45,175,876	47,225,058
<b><u>DEFERRED OUTFLOWS:</u></b>		
Derivatives Instrument Asset	-	-
Other Regulatory Assets	25,000	25,000
Unamortized Loss on Reacquired Debt	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	25,000	25,000
<b><u>TOTAL ASSETS &amp; DEF OUTFLOW OF RESOURCES</u></b>	<b>\$ 68,618,780</b>	<b>\$ 71,102,935</b>

See Independent Auditors Report and accompanying notes to financial statements.


**Vermont Public Power Supply Authority**

Statements of Net Position

December 31, 2020 and 2019

<b><u>LIABILITIES</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	2,737,896	2,749,492
Amounts Due to Members	746,974	651,559
Other Current Liabilities	6,519	40,889
TOTAL CURRENT LIABILITIES	\$ 3,491,389	\$ 3,441,941
<b><u>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</u></b>		
Bonds Payable, Current Portion	1,215,000	1,170,000
Current Installments on Long - Term Debt	2,341,084	4,468,199
Amounts Due Members	404,323	384,957
Accounts Payable	450,391	407,113
Accrued Interest Payable	333,233	366,863
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:	4,744,031	6,797,131
<b><u>LONG-TERM LIABILITIES</u></b>		
Bonds Payable from Restricted Assets, (excl. current installments)	12,065,000	13,280,000
Long-Term Debt Payable from Restricted Assets (excl. current installments)	14,115,087	15,783,739
Other Long-Term Liabilities	121,993	98,915
TOTAL LONG-TERM LIABILITIES:	26,302,080	29,162,655
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>		
Derivative Instrument Liability	-	45,605
Other Regulatory Liabilities	25,000	25,000
Unamortized Premium - Bond Refunding	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	25,000	70,605
<b><u>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>	34,562,500	39,472,332
<b><u>NET POSITION</u></b>		
Invested in Capital Assets, Net of Related Debt	1,660,359	1,340,689
Restricted for McNeil Project #2	3,185,415	4,094,706
Restricted for Swanton Peaker - Project #10	7,867,792	7,202,909
Restricted for Highgate - Project #3	-	12
Restricted - Investment in Transco, LLC - Pledged - Eligible for Release	15,571,006	13,474,712
Restricted - Investment in Transco, LLC, net of related debt	1,024,518	1,019,730
Other Comprehensive Income - Restricted	(32)	(33,336)
Unrestricted	4,747,223	4,531,181
<b><u>TOTAL NET POSITION</u></b>	\$ 34,056,280	\$ 31,630,604
<b><u>TOTAL LIABILITIES, INFLOWS OF RESOURCES &amp; NET POSITION</u></b>	\$ 68,618,780	\$ 71,102,935

See Independent Auditors Report and accompanying notes to financial statements


**Vermont Public Power Supply Authority**

 Statements of Revenues, Expenses, and Changes in  
Net Position

December 31, 2020 and 2019

<b><u>REVENUES</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Electric Sales for Resale	31,241,709	32,793,814
McNeil Project Revenue	4,336,164	4,668,323
Highgate Project Revenue	-	1,675
Swanton (P10) Project Revenue	3,130,168	3,233,830
Renewable Energy Certificates	3,224,339	2,062,841
Other Service Revenue	1,033,391	410,805
<b><u>TOTAL REVENUES</u></b>	<b><u>\$ 42,965,771</u></b>	<b><u>\$ 43,171,289</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Purchased Power	21,471,675	21,136,453
Transmission Expenses	11,448,582	11,924,074
Power Production Expenses	4,051,788	4,310,427
Regional Market Expense	25,945	3,700
Administrative & General Expenses	2,944,835	2,497,597
Outside Services	380,556	411,790
Payment in Lieu of Taxes	312,470	298,472
Amortization	585	212
Depreciation	1,654,109	1,639,906
<b><u>TOTAL OPERATING EXPENSES</u></b>	<b><u>42,290,547</u></b>	<b><u>42,222,630</u></b>
<b><u>OPERATING INCOME FROM CONTINUING OPERATIONS</u></b>	<b><u>675,224</u></b>	<b><u>948,658</u></b>
<b><u>NON-OPERATING REVENUE (EXPENSE)</u></b>		
Distribution Income - Vt Transco, LLC	4,202,622	5,151,900
Net Settlement Expense - Vt Transco LLC	(1,115,218)	(1,574,778)
Interest Expense - Vt Transco, LLC LTD	(731,050)	(1,391,859)
Interest Expense - Vt Transco, LLC Swaps	(67,462)	(30,855)
Interest Expense -Short-Term Debt	-	(603)
Interest Expense - Long-Term Debt	(638,381)	(675,622)
Interest Expense - LTD Swaps	-	-
Amortization of LTD Discount, Premium & Issuance Exp	-	593,093
Amortization of Loss on Reacquired Debt	-	(433,436)
Amortization of Transco Fees	(2,703)	-
Interest Earned on Accounts	45,060	217,425
Gain/(Loss) on Disposition of Plant Asset	-	-
Realized Gain/(Loss) on Investments	23,613	-
Net Proceeds related to Insurance Claim	-	-
Other Non-Operating Revenue (Expense)	667	3
<b><u>TOTAL NON-OPERATING REVENUE (EXPENSE)</u></b>	<b><u>1,717,149</u></b>	<b><u>1,855,267</u></b>
<b><u>CHANGE IN NET POSITION</u></b>	<b><u>2,392,373</u></b>	<b><u>2,803,925</u></b>
Other Comprehensive Income-Interest Swaps	45,605	183
Other Comprehensive Income-Unrealized Gains/Losses	(12,302)	35,719
Appropriated Earnings-Transco Investment Return	-	-
UnAppropriated Earnings Distributed	-	-
<b><u>TOTAL NET POSITION - BEGINNING</u></b>	<b><u>31,630,604</u></b>	<b><u>28,790,777</u></b>
<b><u>TOTAL NET POSITION - ENDING</u></b>	<b><u>\$ 34,056,280</u></b>	<b><u>\$ 31,630,604</u></b>

See Independent Auditors Report and accompanying notes to financial statements.


**Vermont Public Power Supply Authority**

Statements of Cash Flows

December 31, 2020 and 2019

**CASH FLOWS FROM OPERATING ACTIVITIES**
**Receipts:**

	<b><u>2020</u></b>	<b><u>2019</u></b>
Electric sales for resales	30,742,619	33,252,310
McNeil project revenue	4,325,525	4,880,609
Highgate project revenue	796	891
Central Computer project revenue	129,672	-
Swanton Peaker project revenue	3,105,826	3,271,427
RES Project Revenue	257,342	113,529
Net Metering project revenue	73,695	63,411
AMI project revenue	176,042	-
GIS project revenue	252,502	-
Renewable Energy Certificates	3,224,339	2,029,080
Other Revenues	73,267	170,459

**Payments made for:**

Purchased power	(22,215,091)	(21,429,674)
Transmission expense	(10,419,513)	(11,748,838)
Power production expense	(4,110,896)	(3,999,330)
Regional Markets Expense	(25,960)	(2,277)
Others, employees, benefits, and employee and employer payroll taxes	(1,893,357)	(1,695,238)
Outside services and other general and administrative expenses	(1,881,012)	(1,231,936)
Taxes	(296,893)	(283,471)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

	<b><u>\$ 1,518,902</u></b>	<b><u>\$ 3,390,953</u></b>
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**CASH FLOWS FROM NON-OPERATING ACTIVITIES**
**Receipts:**

Member Reimbursements	5,128	13,864
Misc Sales/Income	667	3

**Payments made for:**

Member Direct Purchases	(4,394)	(19,370)
Misc Fees Related to HG Sale (Transco)	473	-

**NET CASH PROVIDED BY NON-OPERATING ACTIVITIES**

	<b><u>\$ 1,874</u></b>	<b><u>\$ (5,503)</u></b>
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**NET CASH PROVIDED BY OPERATING & NON-OPERATING ACTIVITIES**

	<b><u>\$ 1,520,776</u></b>	<b><u>\$ 3,385,450</u></b>
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**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Repayment of LTD Financing of Vt. Transco, LLC Units	(4,447,505)	(11,101,052)
Repayment of Interest on LTD - Vt. Transco, LLC	(739,456)	(1,276,316)
Repayment of Interest on LTD Swap Agreements - Vt. Transco LLC	(72,597)	(57,292)
Payment of Fees Related to Transco Financing	(200)	(8,184)
Proceeds Related to Repayment of Financing Costs	7,827	6,698
Proceeds of LTD Financing of Vt. Transco, LLC Units	668,850	429,770
Payment of Interest on Debt-General	-	(603)

**NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES**

	<b><u>\$ (4,583,081)</u></b>	<b><u>\$ (12,006,978)</u></b>
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**CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES**

Repayment of Bonds Payable	(1,170,000)	(1,140,000)
Payments of Interest Expense on Bonds Payable	(657,456)	(692,225)
Proceeds of LTD Financing- Building Upgrades	-	130,000
Repayment of Long-Term Debt -Building Upgrades	(13,333)	-
Payment of Interest Expense on LTD -Building Upgrades	(4,792)	-

**NET CASH USED IN CAPITAL AND FINANCING ACTIVITIES**

	<b><u>\$ (1,845,582)</u></b>	<b><u>\$ (1,702,225)</u></b>
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**Vermont Public Power Supply Authority**

Statements of Cash Flows

December 31, 2020 and 2019

	<i><b>2020</b></i>	<i><b>2019</b></i>
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></b>		
Net Capital Additions	(762,774)	(310,001)
(Acquisition) Sale of Capital Assets	-	-
Interest Income	53,213	224,443
Distributions Earned on Transco Investment	4,372,648	5,200,433
Net Settlement Distributions to Members/Non-members	(1,228,686)	(1,567,226)
Gain (Loss) on Bond Investment Funds	23,613	-
Purchase of Bond Fund Investments	(3,698,740)	-
Sale of Bond Fund Investments	3,719,417	-
(Purchase) Sale of VT Transco, LLC Member Units	1,520,910	8,292,130
<b><i>NET CASH USED IN INVESTING ACTIVITIES</i></b>	<b><i>\$ 3,999,602</i></b>	<b><i>\$ 11,839,778</i></b>
<b><i>NET INCREASE (DECREASE) IN CASH</i></b>	<b><i>(908,284)</i></b>	<b><i>1,516,025</i></b>
<b><i>CASH BALANCE, BEGINNING OF YEAR</i></b>	<b><i>10,819,124</i></b>	<b><i>9,303,099</i></b>
<b><i>CASH BALANCE, END OF YEAR</i></b>	<b><i>\$ 9,910,840</i></b>	<b><i>\$ 10,819,124</i></b>
	<i><b>2020</b></i>	<i><b>2019</b></i>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED OPERATING ACTIVITIES</b>		
Operating income from continuing operations	675,224	948,658
Adjustments to reconcile net operating income to net cash provided by operating activities		
Depreciation and amortization	1,654,694	1,640,118
Change in assets and liabilities:		
(Increase) decrease in Accounts Receivable	(611,385)	427,062
(Increase) decrease in Amounts Due from Members	(151,575)	-
(Increase) decrease in Inventories	(253,128)	202,394
(Increase) decrease in Other Assets	91,197	101,221
Increase (decrease) in Accounts Payable	(4,913)	189,847
Increase (decrease) in Amounts Due to Members	191,902	(60,733)
Increase (decrease) in Other Liabilities	(73,113)	(57,615)
Total adjustments	<b><i>\$ 843,678</i></b>	<b><i>\$ 2,442,294</i></b>
<b><i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i></b>	<b><i>\$ 1,518,902</i></b>	<b><i>\$ 3,390,952</i></b>


**Vermont Public Power Supply Authority**

Statements of Changes in Net Position

December 31, 2020 and 2019

		Invested In Capital Assets	Restricted Net Assets	UnRestricted Net Assets	Other Comprehensive Income	Total
<b>Balance at December 31, 2017</b>	\$	<u>1,041,169</u>	<u>19,711,835</u>	<u>4,324,347</u>	<u>(112,717)</u>	<u>24,964,634</u>
Current Year Change in Net Assets		423,765	3,293,806	65,091	-	3,782,662
Interest Rate Swap		-	-	-	43,481	43,481
Unrealized Gains/Losses		-	-	-	-	-
<b>Balance at December 31, 2018</b>	\$	<u>1,464,934</u>	<u>23,005,641</u>	<u>4,389,439</u>	<u>(69,236)</u>	<u>28,790,777</u>
Current Year Change in Net Assets		(124,245)	2,786,429	141,742	-	2,803,925
Interest Rate Swap		-	-	-	183	183
Unrealized Gains/Losses		-	-	-	35,719	35,719
<b>Balance at December 31, 2019</b>	\$	<u>1,340,689</u>	<u>25,792,070</u>	<u>4,531,181</u>	<u>(33,335)</u>	<u>31,630,604</u>
Current Year Change in Net Assets		319,670	1,856,661	216,042	-	2,392,373
Interest Rate Swap		-	-	-	45,605	45,605
Unrealized Gains/Losses		-	-	-	(12,302)	(12,302)
<b>Balance at December 31, 2020</b>	\$	<u>1,660,359</u>	<u>27,648,731</u>	<u>4,747,223</u>	<u>(32)</u>	<u>34,056,280</u>

*See Independent Auditors Report and accompanying notes to financial statements.*



### *Nature of Business*

Vermont Public Power Supply Authority ("the Authority") is a joint action agency established by Chapter 84, Title 30 of the Vermont statutes. The Authority is a self-supported agency providing a variety of centralized services to municipal distribution utilities throughout the State of Vermont. Members of the Authority pay monthly administration fees and in return receive a variety of services including but not limited to: central dispatch participation, power supply planning, contract administration, rate and integrated resource planning, and technical support services.

The Authority employs the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when incurred, regardless of when cash is received or paid. The Authority is authorized to issue revenue bonds secured by power sales agreements with its members and other utilities to finance the construction and ownership of electric power facilities; however, the debt of the Authority is not secured by the full faith and credit of the State of Vermont. U.S. generally accepted accounting principles, (hereafter referred to as GAAP), require that the accompanying financial statements present the Authority (the primary government) and its component units. Component units are included in the Authority's reporting entity if their operational and financial relationships with the Authority are significant.

### *Note 2 - Summary of Significant Accounting Policies*

#### **(a) New Accounting Pronouncements**

The Authority has completed the process of evaluating the impact of GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address the accounting and financial reporting implications that will result from global reference rate reform causing interbank offered rates, such as LIBOR, to cease to exist in their current form at the end of 2021. GASB Statement No. 93 is effective for financial reporting periods ending after December 31, 2022 for the removal of LIBOR as an appropriate benchmark rate and for all remaining requirements of this standard effective for reporting periods beginning after June 15, 2021. The Authority will implement this standard effective for the year ended December 31, 2022; however, the Authority currently does not have any outstanding debt serviced with variable payments subject to interbank offered rates such as LIBOR, and therefore, does not believe GASB 93 applies at this time. Management believes all information required to be disclosed by this standard has been included in the Authority's financial statement footnotes.

The Authority has completed the process of evaluating the impact of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). GASB Statement No. 94 is generally effective for financial reporting periods beginning after June 15, 2022.



*Note 2 – Summary of Significant Accounting Policies (cont.)*

*(a) New Accounting Pronouncements (cont.)*

The Authority does not participate in PPPs as defined by this Statement, and therefore management believes the requirements of Statement No. 94 does not apply to its operations.

The Authority has completed the process of evaluating the impact of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB Statement No. 95 is generally effective upon issuance in May of 2020.

The Authority has completed the process of evaluating the impact of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. GASB Statement No. 96 is generally effective for financial reporting periods beginning after June 15, 2022. Management continues to evaluate whether the Authority's operations include participation in SBITAs as defined by this Statement, and if applicable, the Authority will implement Statement No. 96 as required.

The Authority has completed the process of evaluating the impact of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statements are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 is generally effective for financial reporting periods beginning after June 15, 2021. The Authority does offer a deferred compensation plan arrangement to its employees and the Board of Directors holds the fiduciary responsibility for that plan; however, the plan does not incur significant costs. Management will implement Statement No. 97 if it determines it applies to its operations.



*Note 2 – Summary of Significant Accounting Policies (cont.)*

**(b) Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Capital Assets**

Capital assets are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the costs are removed from plant, and such costs, plus removal costs, are charged to accumulated depreciation.

The Authority's capitalization policy is as follows:

- The combined cost to put a unit in service comes to more than \$5,000, and the unit's estimated life is at least three (3) years; or
- When an existing asset is partially replaced or improved in a way that a) substantially extends the life of the asset or b) substantially improves the asset's utility or;
- The asset is initiated, controlled and tracked as property under a Joint Participation Agreement. The Authority will capitalize the property, even if it falls under the dollar limit above, if the Authority's share of the property is designated as a capital item by the billing agent for the project.
- This policy shall not apply to amounts spent on ordinary maintenance of VPPSA property.

The depreciable lives of capital assets are as follows:

<b>Electric Plant:</b>	<b><u>Lives</u></b>
Land	N/A
Structures and Improvements	30 years
Equipment	3 - 30 years
Meters	10 years
Station Equipment	10 - 30 years
<b>General Plant:</b>	
Land	N/A
Structures & Improvements	10 - 25 years
Equipment	3 - 10 years
Transportation Equipment	3 - 5years
Meters	10 years



*Note 2 – Summary of Significant Accounting Policies (cont.)*

**(d) Impairment of Long-Lived Assets**

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*; long lived assets, such as utility plant, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable.

Impairment would be determined based upon the undiscounted future operating cash flows to be generated during the remaining life of the asset's carrying value. An impairment loss would be measured by the amount that an asset's carrying amount exceeds its fair value.

Assets no longer being depreciated and to be disposed of would be separately presented in the statements of net position and reported at the lower of the carrying amount or the fair value less the cost to sell the asset. As long as the cost of the Authority's long-lived assets continue to be recovered through billings to its members, the Authority believes that such impairment is unlikely. Accordingly, no financial statement adjustments are presented in the asset structure of the Authority.

**(e) Unrestricted and Restricted Cash and Cash Equivalents**

Unrestricted cash is comprised of available cash to meet general operating needs.

Restricted cash and cash equivalents reflect restrictions for a specified purpose for future payments related to debt service on bonds, current and long-term debt, advances for project costs, and amounts to be returned to members. The Authority considers any short-term investments which have an original or remaining maturity of 90 days or less to be cash equivalents.

**(f) Restricted Investments**

Restricted investments reflect bond proceeds invested by the trustee in short-term and long-term duration investments allowable under the Authority's General Bond Resolutions and are held within the applicable bond fund accounts. In accordance with GASB Statement No. 72, these investments are considered available for sale as such investments have a determinable fair market value and can be matured at any time under the General Bond Resolution. Such investments include certificates of deposit, corporate bonds, and fixed income securities. These amounts are held for future debt service payments on the associated bonds and are recorded at their fair market value as of the financial statement date. The unrealized gain or loss on such investments, are reported as of the statement of net position date, as other comprehensive income or loss.



***Note 2 – Summary of Significant Accounting Policies (cont.)***

**(g) Fair Value of Investments**

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). *Observable inputs* are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

*Unobservable inputs* are inputs that reflect the reporting entity’s own analysis about those assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy that categorizes and prioritizes inputs used to estimate fair value are as follows:

Level 1 inputs - Are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2 inputs - Are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. When market prices are not available, fair value is generally estimated using current market inputs for similar financial instruments with comparable terms and credit quality, commonly referred to as matrix pricing.

Level 3 inputs - Are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This involves management’s estimation and judgment.

The Authority holds three types of investments - those related to project bond funds (debt service accounts), the Authority’s purchase of membership units in Vermont Transco, LLC and the Authority’s investment in Hometown Connections, Inc. These investments are described in more detail in Notes 2(f), 2(j), 2(k), 6, 7 and 8.

**(h) Revenue and Purchased Power**

The power supply and transmission products that the Authority obtains on behalf of its participating members and non-members are presented as purchased power and/or transmission.





***Note 2 – Summary of Significant Accounting Policies (cont.)***

**(h) Revenue and Purchased Power (cont.)**

This power, delivered and billed to member and nonmember electric systems, is recorded as electric sales for resale. Other services provided to member and non-member systems are presented as service revenue.

In addition, the Authority holds undivided ownership interests which are audited by others as follows:

J. C. McNeil Generating Station Project # 2	19%
Highgate Converter Station Project #3	9.36% (sold in 2017)

Under the provisions of GASB No. 14, *Defining the Reporting Entity*, the assets, liabilities, revenues and expenses of these undivided ownership interests are included in the accompanying financial statements. Separate financial statements are available from the Authority for these jointly owned facilities.

**(i) Fuel Inventory**

Fuel inventories reflect the Authority's 100% ownership interest in the Project #10 fuel oil on hand and the Authority's 19% ownership in the McNeil project's fuel oil and woodchips. The Project #10 fuel oil is stated using the average cost method and the McNeil inventories are stated at cost as determined by the Burlington Electric Department, the project manager, using the average cost method.

**(j) Restricted Investment in VT Transco, LLC**

In accordance with GASB Statement No. 72, the Authority considers all its investments in VT Transco, LLC (TRANSCO) membership units as level 3 inputs and is reported at cost, which is management's estimate of fair market value as no quotable market is available.

On January 23, 2009, the Vermont Public Utilities Commission (formerly the Vermont Public Service Board) provided an accounting ruling related to the accounting treatment of the Authority's purchase of TRANSCO membership units for the benefit of the Authority's members. In accordance with the accounting order issued by the Vermont Public Utilities Commission, the distribution income for Class A and Class B membership units is recognized when earned and applied to the appropriate debt service requirements when paid and will continue until the related debt is paid in full. The difference between the distributions received and the debt service paid is recorded as "net settlement expense". This amount is credited to each member's purchase power and transmission invoice in accordance with each member's interest in TRANSCO equity owned by the Authority.

All TRANSCO membership units owned directly by the Authority that were purchased with funds financed with a financial lender are recorded as a restricted investment.





*Note 2 - Summary of Significant Accounting Policies (cont.)*

*(j) Restricted Investment in VT Transco, LLC (cont.)*

As the debt obligation related to those membership units are paid for and have yet to be released from pledge under the loan agreement, those units are recorded as a Restricted Investment-Eligible for Release.

All TRANSCO membership units owned by the Authority for the benefit of its members or those eligible to be a member have been recorded as a restricted investment. Below are the categories and definitions of those restricted investments:

Restricted Investment - Assets purchased by the Authority as allowed by the "TRANSCO Operating Agreement", the "TRANSCO Equity Agreement", or the "Supplement to TRANSCO Equity agreement" that are pledged as collateral against the corresponding debt obligation.

Restricted Investment - Eligible for release - Assets held for the benefit of certain of its members or non-members and those membership units whereby the debt obligation related to those membership units at stated value, have been paid for and have yet to be released from pledge under the loan agreement, or transferred to certain of its members. The stated value of paid units have been recorded as restricted equity - eligible for release, until such time the pledge related to those units is released from the bank and the required consents and approval by TRANSCO occurs.

*(k) Investment in Hometown Connections, Inc.*

In accordance GASB Statement No. 72, the Authority considers its unrestricted investment in Hometown Connections, Inc. (HCI) as level 3 inputs and is reported at cost, which is management estimate of fair market value as no quotable market is available.

The Authority holds an equal ownership interest in HCI, a non-profit entity that was created with five other joint-action agencies to provide greater value to public power utilities by offering a variety of consulting and technology services, as well as advanced metering programs. By combining resources through this organization, HCI will help public power utilities of all sizes (including the VPPSA members) obtain the products and services they need to keep their electric systems robust and to preserve the benefits of community-owned, not-for-profit service.

*(l) Interest rate swap agreements*

The Governmental Accounting Standards Board (GASB) issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which require that the fair value of financial arrangements called "derivatives" or "derivative instruments" be reported in the financial statements of state and local governments.



*Note 2 – Summary of Significant Accounting Policies (cont.)*

*(l) Interest rate swap agreements (cont.)*

If a derivative effectively hedges (significantly reduces) an identified risk of rising or falling cash flows or fair values, then its annual fair value changes are deferred until the hedged transaction occurs or the derivative ceases to be effective. On the other hand, the annual change in the fair value of *other* derivatives is reported immediately as investment income or loss. The Authority has previously entered into various interest rate swap agreements with two lending institutions which reduce the exposure of volatility in interest rates on certain variable rate debt.

As such, the Authority pays a variable rate of interest based upon a floating London Inter-Bank Offered Rate ("LIBOR"), on the outstanding debt plus the differential between its variable rate and the swap rate at the date of closing of the note.

As required under GASB 53, as of December 31, 2019, the Authority had recorded one remaining swap agreement as a hedging derivative and the value of the agreements' net present cash flows as of the statement of net position date was recorded as a deferred outflow or deferred inflow and any unrealized gain or loss as other comprehensive income or loss in the statement of net position. As of December 31, 2020, all interest rate swaps previously held by the Authority have matured.

*(m) Taxes*

The Authority is a governmental entity and as such is exempt from income taxes under Internal Revenue Code Section 115. Although it is also generally exempt from municipal property taxes, the Authority pays an amount in lieu of taxes to the Town of Waterbury, Vermont for the property where the Authority's office is located, the City of Burlington, Vermont for the McNeil Generating Facility located in Burlington, Vermont, and the Town of Swanton for the P10 Facility located in Swanton, Vermont. Such expenses amounted to \$312,470 and \$298,472 for the years ended December 31, 2020 and 2019, respectively.

*(n) Operating and Non-Operating Revenues and Expenses*

Under Title 30, Chapter 84 of the Vermont Statutes Annotated, the Authority may make and enforce rules and regulations which it deems necessary or desirable; as well as establish, levy and collect or may authorize by contract, franchise, lease, or otherwise, the establishment, levying and collection of rents, rates, and other charges:

- For the services afforded by the Authority, or afforded by or in connection with any project or properties which it may construct, erect, acquire, own, operate, or control, or with respect to which it may have any interest or any right to capacity thereof;
- For the sale of electric energy or of generation or transmission capacity or service as it may deem necessary, proper, desirable, and reasonable.



*Note 2 – Summary of Significant Accounting Policies (cont.)*

*(n) Operating and Non-Operating Revenues and Expenses (cont.)*

In addition, revenues collected as rents, rates, and other charges shall be at least sufficient to meet the expenses of the Authority, including operating and maintenance expenses, reasonable reserves, interest and principal payments, and other requirements of any trust agreements and/or resolutions securing bonds or notes.

Operating revenues are defined as all income received from member and non-member municipals, cooperatives, and other customers for services rendered.

Operating expenses are defined as the ordinary costs and expenses of the Authority and for the operation, maintenance and repair of electric plant by project. Operating expenses include the cost of power production through the Authority's direct and/or joint ownership and/or participation in generating facilities, purchased power, system control and load dispatch, maintenance of transmission facilities, customer accounting and service expenses, administration and general expenses, and depreciation.

Operating expenses do not include the interest on bonds, notes, or other indebtedness.

Non-operating income is defined as income received from sources other than the income from the Authority's members and non-member municipals, cooperatives, and other customers for services rendered, as defined above. This includes, but is not limited to; interest income, distribution income, grant revenues, and bankruptcy and/or insurance settlements.

Non-operating expenses include distribution (net settlement) expense, interest expense, grant expenses, and expenses related to, bankruptcy and/or insurance claims.

*(o) Equity Classifications*

Equity is classified as net position and displayed in three components.

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted assets - Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, bond resolutions, contributors or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation.

When both restricted and non-restricted resources are available for use, it is the Authority's policy to use restricted assets first for those expenses directly related to restricted obligations and unrestricted resources utilized as needed.



*Note 2 – Summary of Significant Accounting Policies (cont.)*

*(o) Equity Classifications (cont.)*

Unrestricted assets – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

*(p) Subsequent events*

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 19, 2021, the date that the financial statements were available to be issued.

*Note 3 – Unrestricted and Restricted Cash and Cash Equivalents*

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority’s deposits may not be recovered.

The Authority’s unrestricted and restricted deposits in the various banking institutions are insured under the FDIC insured amounts. In addition, a sweep account was established for those deposits held by Keybank, N.A. and amounts in excess of the FDIC insured limit in the Authority’s primary operating accounts are transferred on a daily basis to a mutual fund investment account that invests in Federated Prime Obligations.

The Authority’s restricted deposits related to Project #10 Revenue Bonds are held in mutual funds that invest in U.S. government obligations which have implied credit ratings of AAA.

These investment securities have varying maturities and are allowed under the applicable General Bond Resolution. For the years ended December 31, 2020 and 2019, the Authority’s restricted deposits were fully secured.

The Authority’s restricted cash and cash equivalents are comprised of funding for the following specified purposes:

	2020	2019
Cash and Cash Equivalents – McNeil Project	1,676,422	2,320,336
Cash and Cash Equivalents – Project 10	5,976,770	5,687,616
Cash and Cash Equivalents – Highgate Project	12	(784)
Cash – Amounts Due Members	401,311	381,945
Total Restricted Cash and Cash Equivalents	\$8,054,515	\$8,389,113



***Note 4 - Capital Assets***

The Authority owns property in Waterbury, Vermont where its primary office is located, as well as the Project #10 generating facility located in Swanton, Vermont. In addition to the properties the Authority owns directly, the Authority is a 19% joint owner of the J.C. McNeil Generating Station, a wood and gas fired generating facility located in Burlington, Vermont. Capital assets and accumulated depreciation as of December 31, 2020 and 2019 are as follows:



**Note 4 - Capital Assets (cont.)**

	December 31, 2019	Additions	Retirements	December 31, 2020
<b>INTANGIBLE PLANT</b>				
Intangible plant-VEV	14,917	-	-	14,917
Intangible plant - VPPSA	17,118	-	-	17,118
Intangible plant - McNeil	144,781	940	-	145,721
Less: Accumulated Amortization	(174,370)	(585)	-	(174,955)
Net Intangible Plant	2,446	355	-	2,800
<b>PRODUCTION PLANT</b>				
Land - non depreciable	79,274	-	-	79,274
CWIP-Non Depreciable	88,424	535,384	(580,714)	43,094
Structures and Improvements	8,573,075	2,767	(11,977)	8,563,864
Equipment	36,049,375	529,636	(149,692)	36,429,319
Depreciable Production Plant	44,622,450	532,403	(161,670)	44,993,184
<b>Less Accumulated Depreciation for:</b>				
Structures and Improvements	(5,974,038)	(124,989)	11,977	(6,087,050)
Equipment	(24,121,261)	(1,407,910)	149,692	(25,379,479)
Accumulated Depreciation	(30,095,300)	(1,532,899)	161,670	(31,466,529)
Net Depreciable Production Plant	14,527,151	(1,000,496)	-	13,526,655
<b>TRANSMISSION PLANT</b>				
Land - Non Depreciable	-	-	-	-
Structures & Improvements	-	-	-	-
Equipment	1,467,290	-	-	1,467,290
Depreciable Transmission Plant	1,467,290	-	-	1,467,290
<b>Less Accumulated Depreciation for:</b>				
Structures	-	-	-	-
Equipment	(591,137)	(72,508)	(0)	(663,644)
Accumulated Depreciation	(591,137)	(72,508)	(0)	(663,644)
Net Depreciable Transmission Plant	876,153	(72,508)	(0)	803,645
<b>REGIONAL TRANSM &amp; MKT PLANT</b>				
Land - non depreciable	-	-	-	-
Structures & Improvements	-	-	-	-
Computer Hardware & Software	138,368	135,234	-	273,602
Communication Equipment	19,074	7,532	-	26,606
Depreciable RTM Plant	157,442	142,766	-	300,208
<b>Less Accumulated Depreciation for:</b>				
Structures	-	-	-	-
Computer Hardware & Software	(138,368)	(6,762)	-	(145,129)
Communication Equipment	(19,074)	(753)	-	(19,827)
Accumulated Depreciation	(157,442)	(7,515)	-	(164,957)
Net Depreciable RTM Plant	-	135,251	-	135,251



***Note 4 - Capital Assets (cont.)***

<b>GENERAL PLANT</b>				
Land - non depreciable	141,099	-	-	141,099
Structures & Improvements	710,861	130,176	-	841,036
Equipment	704,215	30,077	-	734,292
Depreciable General Plant	1,415,075	160,253	-	1,575,328
<b>Less Accumulated Depreciation for:</b>				
Structures	(562,886)	(19,246)	-	(582,132)
Equipment	(646,047)	(21,942)	-	(667,989)
Accumulated Depreciation	(1,208,933)	(41,188)	-	(1,250,121)
Net Depreciable General Plant	206,142	119,064	-	325,207
<b>Net Capital Assets</b>	<b>15,920,689</b>	<b>(282,950)</b>	<b>(580,714)</b>	<b>15,057,025</b>



**Note 4 - Capital Assets (cont.)**

	December 31, 2018	Additions	Retirements	December 31, 2019
<b>INTANGIBLE PLANT</b>				
Intangible plant-VEV	14,917	-	-	14,917
Intangible plant - VPPSA	15,000	2,118	-	17,118
Intangible plant - McNeil	144,781	-	-	144,781
Less: Accumulated Amortization	(174,091)	(279)	-	(174,370)
Net Intangible Plant	607	1,839	-	2,446
<b>PRODUCTION PLANT</b>				
Land - non depreciable	79,274	-	-	79,274
CWIP-Non Depreciable	4,664	240,746	(156,985)	88,424
Structures and Improvements	8,500,628	73,074	(627)	8,573,075
Equipment	35,984,549	99,146	(34,320)	36,049,375
Depreciable Production Plant	44,485,177	172,220	(34,946)	44,622,450
<b>Less Accumulated Depreciation for:</b>				
Structures and Improvements	(5,850,773)	(123,892)	627	(5,974,038)
Equipment	(22,755,928)	(1,399,654)	34,320	(24,121,261)
Accumulated Depreciation	(28,606,700)	(1,523,546)	34,946	(30,095,300)
Net Depreciable Production Plant	15,878,477	(1,351,326)	-	14,527,151
<b>TRANSMISSION PLANT</b>				
Land - Non Depreciable	-	-	-	-
Structures & Improvements	-	-	-	-
Equipment	1,457,300	9,990	-	1,467,290
Depreciable Transmission Plant	1,457,300	9,990	-	1,467,290
<b>Less Accumulated Depreciation for:</b>				
Structures	-	-	-	-
Equipment	(518,796)	(72,341)	-	(591,137)
Accumulated Depreciation	(518,796)	(72,341)	-	(591,137)
Net Depreciable Transmission Plant	938,504	(62,351)	-	876,153
<b>REGIONAL TRANSM &amp; MKT PLANT</b>				
Land - non depreciable	-	-	-	-
Structures & Improvements	-	-	-	-
Computer Hardware & Software	138,368	-	-	138,368
Communication Equipment	19,074	-	-	19,074
Depreciable RTM Plant	157,442	-	-	157,442
<b>Less Accumulated Depreciation for:</b>				
Structures	-	-	-	-
Computer Hardware & Software	(136,848)	(1,520)	-	(138,368)
Communication Equipment	(19,074)	-	-	(19,074)
Accumulated Depreciation	(155,922)	(1,520)	-	(157,442)
Net Depreciable RTM Plant	1,520	(1,520)	-	-





***Note 4 – Capital Assets (cont.)***

<b>GENERAL PLANT</b>				
Land - non depreciable	141,099	-	-	141,099
Structures & Improvements	667,563	43,297	-	710,861
Equipment	682,116	22,098	-	704,215
Depreciable General Plant	1,349,680	65,396	-	1,415,075
<b><u>Less Accumulated Depreciation for:</u></b>				
Structures	(541,664)	(21,222)	-	(562,886)
Equipment	(624,837)	(21,210)	-	(646,047)
Accumulated Depreciation	(1,166,501)	(42,432)	-	(1,208,933)
Net Depreciable General Plant	183,179	22,964	-	206,142
<b>Net Capital Assets</b>	<b>17,227,323</b>	<b>(1,149,649)</b>	<b>(156,985)</b>	<b>15,920,689</b>



**Note 4 - Capital Assets (cont.)**

Total depreciation expense for the years ending December 31, 2020 and 2019 is \$1,654,109 and \$1,639,906, respectively.

**Note 5 - Due from Members**

During the normal course of operations, the Authority occasionally incurs costs that may or may not be recovered from the Authority's members in the same time period. As of December 31, 2020, the Authority recorded the following amounts due from Members:

Stonybrook Advances	(\$ 20)
Standard Offer Solar Projects	\$ 400
McNeil Advances	\$ 235,468
RES Project	\$151,575
Transco Purchases	\$ 1,410
<b>Total Amounts Due from Members</b>	<b>\$ 388,833</b>

**Note 6 - Restricted Bond Investments**

The following investments are held within the Series A, and Series B bond fund accounts which are allowed investments by the applicable General Bond Resolution. The Authority's classes of securities, as noted below, are categorized as Level 1 inputs in accordance with GASB Statement No. 72, as of December 31, 2020. The cost, gross unrealized gains, gross unrealized losses, and fair market values of fixed maturity restricted short term and long-term investments as of December 31, 2020 are as follows:

	Cost	Unrealized Gains (Losses)	Fair Market Value
Federal Home Ln Mtg Corp	\$ 1,749,488	(\$ 30)	\$ 1,749,458
Federal Home Ln Mtg Corp	\$ 99,971	(\$ 2)	\$ 99,969
<b>Total</b>	<b>\$ 1,849,459</b>	<b>(\$ 32)</b>	<b>\$ 1,849,427</b>

Cost and estimated fair value of restricted fixed maturity securities at December 31, 2020 by contractual maturity, are as follows:

<u>Maturity</u>	<u>Cost</u>	<u>Fair Market Value</u>
In 2020	\$ 1,849,459	\$ 1,849,427
2021 to 2022	\$ 0	\$ 0
<b>Totals</b>	<b>\$ 1,849,459</b>	<b>\$ 1,849,427</b>

The actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.



***Note 7 – Restricted Investment in VT Transco, LLC Membership Units***

In accordance with GASB Statement No. 72, the Authority considers all its investments in VT Transco, LLC (TRANSCO) membership units as level 3 inputs and is reported at cost, which is management's estimate of fair market value as no quotable market is available.

In June 2006, Vermont Electric Power Company, ("VELCO") created VT Transco, LLC ("TRANSCO"), a limited liability company whose primary activity is the operation of the State of Vermont's electric transmission infrastructure. VELCO acts as manager of TRANSCO. Effective July 31, 2006, an operating agreement (as further amended and restated), between TRANSCO and its member systems was executed which outlined the affairs of the relationship between the member systems.

Whereas prior to July 31, 2006 VELCO offered stock directly to the distribution utilities in Vermont to meet its equity needs, all future equity needs are funded by the offer of membership units in TRANSCO. The initial value of the Class A and Class B membership units per the TRANSCO operating agreement is \$10.00 per unit and does not reflect market value. As of December 31, 2020, and 2019, the Class A units pay a return of 11.5% and Class B units a pay 13.3% return.

As an alternative to members or non-members purchasing the TRANSCO membership units themselves, a municipal or cooperative that is a member, or eligible to be a member, of the Vermont Public Power Supply Authority ("Authority"), has the option to assign its subscription right for the purchase of membership units to the Authority, as allowed by the TRANSCO Operating Agreement.

In 2007, the municipal members and the Authority executed a "TRANSCO Equity Agreement" ("TRANSCO Equity Agreement"). The agreement was entered into by twelve of the Authority's members and the Authority. These members determined it may at times, be mutually advantageous and to their benefit, for the Authority to purchase those member units offered by TRANSCO to the member system. In August 2009, the agreement was amended.

The TRANSCO Equity agreement does not eliminate the member and/or eligible member's rights to purchase equity in TRANSCO directly; it simply provides the option to allow the Authority to purchase the units for the benefit of the member and/or eligible member and defined the terms should the member and/or eligible member find it advantageous to do so.

It further provides that upon each equity offer, each member and/or eligible member shall provide to the Authority, within a reasonable time, its intent and to what extent it would want the Authority to acquire the membership units for the benefit of the member and/or eligible member. The TRANSCO Equity Agreement requires the Authority to arrange for any necessary financing and/or Regulatory approvals required for its acquisition of TRANSCO equity.

The Authority is not required to participate in future TRANSCO equity issues or acquire additional membership units for the benefit of its members or non-members.



***Note 7 – Restricted Investment in VT Transco, LLC Membership Units (cont.)***

**Members**

During the period from 2007 - 2020, certain of the Authority's members utilized the benefit of the TRANSCO Equity Agreement and assigned their respective subscription rights for the purchase of TRANSCO membership units to the Authority. As of December 31, 2020, the Authority owns a total of 3,098,939 membership units with a total value of \$30,989,390 for the benefit of those certain members (excludes specific facility member units described below). The membership units and their related distribution income are pledged as security under a pledge and security agreement against the related debt obligations.

To facilitate the purchases of TRANSCO membership units, the Authority has entered into several financing arrangements over the 2007 - 2020, time period. In 2011, the Authority filed with the Vt. Public Utilities Commission and subsequently received approval to enter into long-term financing related to the consolidation of the existing notes previously obtained to facilitate the purchases of TRANSCO membership units for the benefit of certain Authority members. On June 30, 2011, the Authority entered into a loan arrangement with a local financial institution for an amount of \$16,677,516 for a period of ten years, at a fixed interest rate of 6.03%. On March 5, 2015 the financing institution amended the note to reflect a reduction in the interest rate to 5.34%, with all other terms remaining the same. On December 20, 2017 the note was refinanced with the same lender for a term of ten (10) years with a fixed interest rate of 4.06%.

In 2014, the Authority filed with the Vt. Public Utilities Commission and subsequently received approval to enter into long-term financing related to purchases of Transco membership units for the benefit of certain Authority members. On December 23, 2014, the Authority entered into a loan arrangement with a local financial institution for an amount of \$4,586,768.67 for a period of seven years, at a fixed interest rate of 4.28%. This note was refinanced with the same lender on October 17, 2017 for a term of ten (10) years with a fixed interest rate of 3.52%.

In 2016, the Authority filed with the Vt. Public Utilities Commission and subsequently received approval to enter into long-term financing related to purchases of Transco membership units for the benefit of certain Authority members. On October 30, 2016, the Authority entered into a long-term loan arrangement with a local financial institution for an amount of \$2,100,000 for period of ten (10) years at a fixed interest rate of 2.82%.

In 2017, the Authority filed with the Vt. Public Utilities Commission and subsequently received approval to enter into two long-term financings related to purchases of Transco membership units for the benefit of certain Authority members and the Authority directly.

On October 17, 2017, the Authority entered into a long-term loan arrangement with a local financial institution for an amount of \$1,591,450 for period of ten (10) years at a fixed interest rate of 3.52% and on December 28, 2017, the Authority entered into a long-term loan arrangement with a local financial institution for an amount of \$1,973,220 for period of ten (10) years at a fixed interest rate of 3.89%.



***Note 7 - Restricted Investment in VT Transco, LLC Membership Units (cont.)***

In 2018, the Authority filed with the Vt. Public Utilities Commission and subsequently received approval to enter into long-term financings related to purchases of Transco membership units for the benefit of certain Authority members and the Authority directly.

On December 20, 2018, the Authority entered into long-term loan arrangements with a local financial institution for an amount of \$1,172,140 and \$75,580 for period of ten (10) years at a fixed interest rate of 4.35%.

On July 1, 2019, Legislative changes to the language within Title 30 V.S.A. §108, went into effect - those changes eliminated the need for the Authority to obtain approval from the Public Utilities Commission for long-term financing. On November 25, 2019, the Authority entered into a long-term loan arrangement with a local financial institution for an amount of \$429,770 for a period of ten (10) years at fixed interest rate of 2.75%, for the purpose of facilitating the purchase of member units for the benefit of certain Authority members.

On December 29, 2020, the Authority entered into a long-term loan arrangement with a local financial institution for an amount of \$668,850 for a period of ten (10) years at a fixed interest rate of 2.75% for the purpose of facilitating the purchase of member units for the benefit of certain Authority members.

During 2020 and 2019 the Authority earned total distribution income from the units held for the benefit of its members' of \$3,792,316 and \$3,741,630, respectively.

The 2020 distribution income earned of \$3,792,316 for the units held for the benefit of its members paid down: principal on membership units previously acquired and financed in the amount of \$2,165,172, interest expense on the Authority's debt of \$622,914, fees in the amount of \$2,609, thus leaving a net credit to its member's power costs recorded as distribution (net settlement) expense in the amount of \$1,001,621.

The 2019 distribution income earned of \$3,741,630 for the units held for the benefit of its members paid down: principal on membership units previously acquired and financed in the amount of \$2,125,776, interest expense on the Authority's debt of \$690,027 an additional \$12,381 of reimbursed financing costs previously paid, thus leaving a net credit to its member's power costs recorded as distribution (net settlement) expense in the amount of \$913,446.

**Lamoille County Project - Members**

During 2009, the Authority acquired 874,650 Lamoille County Project ("LCP") member units for the benefit of four members at a total value of \$8,746,500.

The distribution income related to the LCP member units is used to cover the amount of the interest costs to service the debt to purchase said LCP units by the Authority.



***Note 7 – Restricted Investment in VT Transco, LLC Membership Units (cont.)***

The annual equity overbuy return is determined as the difference between the distribution income less the required annual interest costs, and each members' allocated annual specific facilities charges for a period of ten years.

After the tenth anniversary date of the acquisition, the LCP units must be repurchased by VT Transco, LLC if not acquired by other members or substitute members. For a period of ten years, the total annual specific facility charges for the four members total \$429,000 and are fixed in accordance with the settlement agreement. If the allocated annual equity over-buy return is less than zero, the allocated annual specific facility charge will be reduced by the amount of excess interest costs paid by the LCS member above its allocated portion of cash distribution received.

During 2019, the Authority earned distribution income of \$1,002,845 for the units held for the benefit of the LC participants. The distribution income paid down actual interest expense of \$592,211 paid on the Authority's debt and the remaining \$547,298 was recorded as distribution (net settlement) expense and credited to the LCP-members.

The tenth anniversary date of the acquisition was on November 30, 2019 and the 874,650 member units held for the LCP-members were repurchased by VT Transco LLC. Therefore, at December 31, 2019 the restricted investment in VT Transco LLC owned for the benefit of the Lamoille County Project – Members was zero.

**VELCO/Lyndonville Substation Project – Member**

On December 10, 2010, the Authority executed and filed a Subscription agreement, to acquire for the benefit of the Village of Lyndonville ("LED"), an Authority member, specific facilities equity as offered to LED in TRANSCO's November 12, 2010 private placement offering. As part of that filing, LED assigned the subscription rights so offered to the member to the Authority.

At December 31, 2019 the restricted investment in VT Transco LLC owned for the benefit of the LED was 96,536 of Class A units valued at \$965,360 and 122,864 of Class B units valued at \$1,228,640, or total units valued at \$2,194,000.

The tenth anniversary date of the acquisition was on December 17, 2020 and the 219,400 member units held for the benefit of LED were repurchased by VT Transco LLC. Therefore, at December 31, 2020 the restricted investment in VT Transco LLC, specific facilities owned for the benefit of LED was zero.

During 2020, the Authority earned distribution income from the units held for the benefit of LED of \$274,426. The distribution income paid down actual interest expense of \$159,932 and costs of debt service in the amount of \$896. The remaining \$113,598 was recorded as distribution (net settlement) expense and credited to LED.





***Note 7 - Restricted Investment in VT Transco, LLC Membership Units (cont.)***

During 2019, the Authority earned distribution income from the units held for the benefit of LED of \$274,425. The distribution income paid down actual interest expense of \$159,495 and costs of debt service in the amount of \$896. The remaining \$114,034 was recorded as distribution (net settlement) expense and credited to LED.

**AUTHORITY - Direct Purchase**

In 2017, the Transco Operating Agreement was amended with language that provides the Authority the ability under certain circumstances to purchase member units in Vt. Transco, LLC directly for the benefit of the Authority (and subsequently the Authority's members).

The Authority has made the following direct purchases of member units in VT Transco, LLC:

YEAR	# of Member Units	Value
2019	2,460	\$ 24,600
2018	7,558	\$ 75,580
2017	98,617	\$ 986,170
Total	108,635	\$1,086,350

The Authority's total ownership at December 31, 2020 and December 31, 2019 was valued at \$1,086,350. In 2020 and 2019 the Authority earned distributions of \$135,881 and \$133,000 respectively.

In 2020 the distribution paid interest expense of \$25,428, principal payments of \$ 92,112, fees of \$94, and the remaining \$18,247 was used by the Authority to reduce operating costs to its members.

In 2019 the distribution paid interest expense of \$28,539, principal payments of \$ 92,112, financing costs of \$351 and the remaining \$11,997 was used by the Authority to reduce operating costs to its members.

The Authority's 2019 and 2017 purchases are unrestricted investments; whereas, the 2018 purchase is restricted due to the outstanding debt related to the purchase.

***Note 8 - Investment in Hometown Connections, Inc.***

In accordance with GASB Statement No. 72, the Authority considers its investments in Hometown Connections as level 3 inputs and is reported at cost, which is management's estimate of fair market value as no quotable market is available.

As stated in Note 2 (k), the Authority holds an equal ownership in Hometown Connections, Inc. (HCI), with five (5) other partners - American Municipal Power, Inc., Missouri Public Utility Alliance, Northern California Power Agency, Alabama Municipal Electric Authority and Great Lakes Utilities. HCI is a not-for-profit entity that was established in May 2018 by five of the current members, with Great Lakes Utilities joining in 2019.



***Note 8 - Investment in Hometown Connections, Inc. (cont.)***

The Authority invested \$265,000 for its equity ownership in the company. Each member has one (1) Director on the HCI Board of Directors and each member has equal voting authority.

***Note 9 - Deferred Inflows and Deferred Outflows***

The Authority's deferred inflows of resources and deferred outflows of resources consist of both a regulatory asset and a regulatory credit related to a future obligation that resulted from a permit violation at its generating facility in Swanton, Vermont, as further described in Note 18.

***Note 10 - Operating Line of Credit***

The Authority maintains a credit facility to meet the Authority's operating needs.

The facility allows for a maximum principal amount of 10,000,000 to be used for working operating needs and/or the issuance of letters of credit. The facility was renewed on June 30, 2020 for a term of three years, providing a maturity date of June 30, 2023.

The facility incurs a commitment fee in the amount of .25% of the unused facility per annum. Interest is payable monthly up to the date of maturity on said advances in accordance with the amended loan agreement. The interest rate accrues at (a) the adjusted prime rate, or (b) rates quoted by the bank to the Authority as the Adjusted Libor rate as it relates to LIBOR advances.

As of December 31, 2020, and 2019 there were no outstanding borrowings against the facility.

The operating line of credit is collateralized by the Authority's accounts, revenues, receipts and Power sales agreements not pledged as collateral against any other indebtedness.

***Note 11 - Project Lines of Credit/Short-Term Notes Payable***

As of December 31, 2020, and 2019, there were no outstanding lines of credit for the funding of construction projects and there were no outstanding short-term notes.

***Note 12 - Bonds Payable***

Outstanding revenue bonds payable consist of the following at December 31, 2020 and 2019:





**Note 12 – Bonds Payable (cont.)**

	December 31, 2019	Increases	Payments and reductions	December 31, 2020	Current Portion
<b>SWANTON PEAKER PROJ #10:</b>					
Revenue Bonds –2017 Series A maturing July 1, 2011 through 2029 – Interest ranges from 3% to 5.00%	13,655,000		1,105,000	11,405,000	
Current portion of bonds payable		-	-		1,145,000
<b>TOTAL PROJECT 10 - SERIES A</b>	<b>13,655,000</b>	<b>-</b>	<b>1,105,000</b>	<b>11,405,000</b>	<b>1,145,000</b>
<b>SWANTON PEAKER PROJ #10:</b>					
Revenue Bonds – 2017 Series B maturing July 1, 2011 through 2029	795,000	-	65,000	660,000	
Current portion of bonds payable		-	-	-	70,000
<b>TOTAL PROJECT 10 - SERIES B</b>	<b>795,000</b>	<b>-</b>	<b>65,000</b>	<b>660,000</b>	<b>70,000</b>
<b>Total outstanding bonds payable</b>	<b>\$ 14,450,000</b>	<b>-</b>	<b>1,170,000</b>	<b>12,065,000</b>	<b>1,215,000</b>

	December 31, 2018	Increases	Payments and reductions	December 31, 2019	Current Portion
<b>SWANTON PEAKER PROJ #10:</b>					
Revenue Bonds –2017 Series A maturing July 1, 2011 through 2029 – Interest ranges from 3% to 5.00%	14,730,000		1,075,000	12,550,000	
Current portion of bonds payable		-	-		1,105,000
<b>TOTAL PROJECT 10 - SERIES A</b>	<b>14,730,000</b>	<b>-</b>	<b>1,075,000</b>	<b>12,550,000</b>	<b>1,105,000</b>
<b>SWANTON PEAKER PROJ #10:</b>					
Revenue Bonds – 2017 Series B maturing July 1, 2011 through 2029	860,000	-	65,000	730,000	
Current portion of bonds payable		-	-	-	65,000
<b>TOTAL PROJECT 10 - SERIES B</b>	<b>860,000</b>	<b>-</b>	<b>65,000</b>	<b>730,000</b>	<b>65,000</b>
<b>Total outstanding bonds payable</b>	<b>\$ 15,590,000</b>	<b>-</b>	<b>1,140,000</b>	<b>13,280,000</b>	<b>1,170,000</b>

At December 31, 2020 and 2019, total interest expense on the Project #10 Series A Revenue Bonds was \$604,550 and \$642,775 and Project #10 Series B Revenue Bonds interest expense was \$29,547 and \$32,066.

The Project #10 Series A & Series B Revenue Bonds outstanding obligation are secured by a pledge and security interest of all the project revenues and income generated under the twelve participants Project #10 Power Sales Agreements.

**Vermont Public Power Supply Authority**



***Note 12 – Bonds Payable (cont.)***

The associated funds and income generated by such funds held under the various bond resolution accounts. The Authority has agreed to collect such rates from participants as necessary to meet operating expenses of the project and debt service obligations of principal and interest, regardless of the in-service date.

In 2017 the Authority advance refunded the 2009 Series A and Series B Bonds by issuing the 2017 Series A and Series B Refunding bonds. At December 31, 2017, the 2009 Series A and Series B bonds are considered defeased.

The future annual maturities of principal and interest on bonds payable consists of the following as of December 31, 2020:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,215,000	\$ 610,738	\$ 1,825,738
2022	\$ 1,260,000	\$ 562,225	\$ 1,822,225
2023	\$ 1,330,000	\$ 500,013	\$ 1,830,013
2024	\$ 1,400,000	\$ 434,356	\$ 1,834,356
2025	\$ 1,460,000	\$ 365,256	\$ 1,825,256
2026-2027	\$ 3,155,000	\$ 510,269	\$ 3,665,269
2028-2029	\$ 3,460,000	\$ 191,263	\$ 3,651,263
Thereafter	\$ -	\$ -	\$ -
Total	\$ 13,280,000	\$ 3,174,119	\$ 16,454,119

The Authority's management believes it is in compliance with all bond covenants related to the Project #10 Bond Resolution as of December 31, 2020 and 2019.

***Note 13 – Amounts Due to Members from Restricted Assets***

Citizens Utilities

On December 26, 2000, the Authority received \$688,626 on behalf of three members pursuant to a settlement agreement with Citizens Communication Company. As the settlement remained unresolved, the members elected to have the Authority retain the funds in the event the amount would have to be refunded to Citizens Communication Company.

The amount was placed in an interest-bearing account. Upon settlement in November 2002, two of the members involved were paid their settlement allocations; however, one chose to leave the funds with the Authority.

The remaining proceeds have been recorded as a liability in Amounts Due to Members – payable from restricted assets. The outstanding balance of \$29,449 remained at December 31, 2020 and 2019.



***Note 13 - Amounts Due to Members from Restricted Assets (cont.)***

A summary of amounts due members - payable from restricted cash and cash equivalents as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Citizens Utilities settlement	\$ 29,449	\$ 29,449
Orleans Transmission line	\$ 187,311	\$ 165,311
NEGT settlement funds due Orleans	\$ 165,609	\$ 165,609
Orleans accumulated interest	\$ 22,942	\$ 21,576
McNeil-Accrued Liabilities	\$ 0	\$ 0
HG Project	\$ 12	\$ 12
	\$ 404,323	\$ 384,957

***Note 14 - Long-Term Debt***

Long-term debt related to the Authority's borrowings are identified in the following charts, with corresponding balances as of December 31:

	<u>2020</u>	<u>2019</u>
<p>Note Payable of \$2,194,000 to TD Bank, NA dated December 17, 2010, with a maturity date of December 17, 2020 at a fixed interest rate set at 7.17% based on the ISDA interest rate swap dated January 17, 2011. Interest is to be paid monthly, beginning January 17, 2011 and continue monthly thereafter. This is a non-amortizing loan with the principal due at maturity.</p> <p><i>Note is collateralized by a security pledge agreement of 96,536 of Class A and 122,864 of Class B VT TRANSCO, LLC membership units acquired in 2010 for the benefit of the Village of Lyndonville, a VPPSA member and the assignment of rights to all distribution income from ownership of the investment.</i></p>	0	2,194,000
<p>Note payable of \$11,310,404 to Community Bank dated December 20, 2017 with a maturity date of December 20, 2027. Interest payable at a fixed rate of 4.06%. Interest and principal are to be paid quarterly beginning March 15, 2018.</p> <p><i>Note is collateralized by a security pledge agreement of 828,172 of Class A and 1,054,034 of Class B VT TRANSCO, LLC membership units acquired for the benefit of members and the assignment of rights to all distribution income from ownership of investment.</i></p>	7,917,283	9,048,323
<p>Note payable of \$3,956,088 to TD Bank, N.A. dated October 17, 2017 with a maturity date of October 17, 2027 at a fixed interest rate of 3.52%. Principal is to be paid quarterly beginning January 17, 2018 with quarterly principal payments of \$98,902. Interest is to be paid monthly, beginning November, 17 2017.</p> <p><i>Note is collateralized by a security pledge agreement of 213,818 of Class A and 272,136 of Class B VT TRANSCO, LLC membership units acquired in 2014 for the benefit of certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	2,769,262	3,164,870



***Note 14 – Long-Term Debt (cont.)***

	2020	2019
<p>Note payable of \$2,100,000 to TD Bank, N.A. dated October 3, 2016 with a maturity date of September 3, 2026 at a fixed interest rate of 2.82%. Principal is to be paid quarterly beginning January 4, 2017 with quarterly principal payments of \$52,500. Interest is to be paid monthly, beginning November 4, 2016.</p> <p><i>Note is collateralized by a security pledge agreement of 85,373 of Class A and 108,656 of Class B VT TRANSCO, LLC membership units acquired in 2016 for the benefit of certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	1,100,290	1,310,290
<p>Note payable of \$1,591,450 to TD Bank, N.A. dated October 17, 2017 with a maturity date of October 17, 2027 at a fixed interest rate of 3.52%. Principal is to be paid quarterly beginning January 17, 2018 with quarterly principal payments of \$39,786. Interest is to be paid monthly, beginning November 17, 2017.</p> <p><i>Note is collateralized by a security pledge agreement of 86,452 of Class A and 110,030 of Class B VT TRANSCO, LLC membership units acquired in 2017 for the benefit of VPPSA and certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	1,114,015	1,273,160
<p>Note payable of \$1,973,220 to Community National Bank dated December 28, 2017 with a maturity date of December 28, 2027 at a fixed interest rate of 3.89%. Principal and interest are to be paid quarterly beginning March 1, 2018 with quarterly principal payments of \$49,331.</p> <p><i>Note is collateralized by a security pledge agreement of 86,822 of Class A and 110,500 of Class B VT TRANSCO, LLC membership units acquired in 2017 for the benefit of certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	1,381,254	1,578,576
<p>Note payable of \$1,172,140 to TD Bank, N.A. dated December 20, 2018 with a maturity date of December 20, 2028 at a fixed interest rate of 4.35%. Principal and interest are to be paid quarterly beginning February 10, 2019 with quarterly principal payments of \$29,303.50.</p> <p><i>Note is collateralized by a security pledge agreement of 51,573 of Class A and 65,641 of Class B VT TRANSCO, LLC membership units acquired in 2018 for the benefit of certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	937,712	1,054,926
<p>Note payable of \$75,580 to TD Bank, N.A. dated December 20, 2018 with a maturity date of December 20, 2028 at a fixed interest rate of 4.35%. Principal and interest are to be paid quarterly beginning February 10, 2019 with quarterly principal payments of \$3,581.42.</p> <p><i>Note is collateralized by a security pledge agreement of 3,326 of Class A and 4,232 of Class B VT TRANSCO, LLC membership units acquired in 2018 for the benefit of all VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	60,464	68,022
<p>Note payable of \$429,770 to Keybank, N.A. dated November 25, 2019 with a maturity date of November 25, 2029 at a fixed interest rate of 2.75%. Principal and interest are to be paid quarterly beginning February 1, 2020 with quarterly principal payments of \$3,581.42.</p> <p><i>Note is collateralized by a security pledge agreement of 18,911 of Class A and 24,066 of Class B VT TRANSCO, LLC membership units acquired in 2019 for the benefit of certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i></p>	390,374	429,770
<p>Note payable of \$130,000 to Community National Bank, N.A. dated October 15, 2019 with a maturity date of October 15, 2029 at a fixed interest rate of 2.85%. Principal and interest are due quarterly beginning March 1, 2020 with quarterly principal payments in the amount of \$3,333.33. This note is unsecured.</p>	116,667	130,000



**Note 14 – Long-Term Debt (cont.)**

	2020	2019
Note payable of \$668,850 to Community Bank, N.A. dated December 29, 2020 with a maturity date of December 29, 2030 at a fixed interest rate of 2.75%. Principal and interest are to be paid quarterly beginning March 15, 2021 with quarterly principal payments of \$16,721. <i>Note is collateralized by a security pledge agreement of 29,429 of Class A and 37,456 of Class B VT TRANSCO, LLC membership units acquired in 2020 for the benefit of certain VPPSA members and the assignment of rights to all distribution income from ownership of the investment.</i>	668,850	0
Total	16,456,171	20,251,938
Less: current portion due on outstanding long term debt as of December 31, payable	<u>2,341,084</u>	<u>(4,468,199)</u>
	<u>\$ 14,115,087</u>	<u>\$ 15,783,739</u>

The future annual maturities of principal and estimated interest on long-term debt consist of the following as of December 31, 2020:

	Principal	Interest	Total
2021	\$ 2,341,084	\$ 591,253	\$ 2,932,336
2022	\$ 2,341,084	\$ 502,157	\$ 2,843,241
2023	\$ 2,341,084	\$ 413,115	\$ 2,754,199
2024	\$ 2,341,084	\$ 323,964	\$ 2,665,047
2025	\$ 2,341,084	\$ 234,852	\$ 2,575,935
2026-2027	\$ 4,312,457	\$ 214,862	\$ 4,527,319
2028-2029	\$ 367,829	\$ 14,701	\$ 382,530
Thereafter	\$ 70,467	\$ 1,170	\$ 71,636
	<u>\$ 16,456,171</u>	<u>\$ 2,296,073</u>	<u>\$ 18,752,243</u>

At December 31, 2020 and 2019, total interest expense on the above borrowings was \$802,796 and \$1,423,496.

Each individual long-term debt obligation above related to TRANSCO activities is collateralized by a security and pledge agreement and rights to the distribution income received related to the allocated units acquired by such borrowing. As of December 31, 2020 and 2019, no membership units being held have been released as pledged security.

The future payment of the Authority's debt service costs related to the acquisition of the TRANSCO membership units is contingent on the financial stability of TRANSCO and the continuance of an adequate rate of return or distribution income in excess of the Authority's required debt service costs. VT Transco, LLC management can change its distribution rate in accordance with procedures in the TRANSCO Operating Agreement.



***Note 14 - Long-Term Debt (cont.)***

Any significant fluctuations in future cash flows of distribution income received from VT Transco, LLC could affect the Authority's ability to pay the debt service requirements on the outstanding obligations related to the investment.

Management believes the future rate of return will continue to remain in excess of its debt obligations. Further, should the rate of return become inadequate to cover the Authority's debt service costs, it is management's intent to collect that deficiency from those certain members in accordance with the amount of Transco equity the Authority has acquired for the benefit of those members and non-members. The collection of debt service costs related to this obligation directly from its member and non-members is contingent upon the financial stability of such members and non-members. The member and non-members revenue stream is governed by its allowable regulatory rates and customary payments and any inability to provide sufficient cash flows and provide reliable and credit rating capacities for borrowing could adversely affect the Authority.

The Authority believes it is in compliance with all debt covenants related to the above loan agreements at December 31, 2020 and 2019.

***Note 15 - Interest Rate Swap Agreements***

In June 2009, the Authority signed an International Swap and Derivative Association, Inc. ("ISDA") master agreement with TD Bank to provide the option of entering into a "pay fixed", countered by a "receive variable" interest rate swap with the lender. Given this option, the Authority confirmed a "pay fixed," countered by the "receive variable" interest rate swap on an outstanding long-term note with TD Bank in January 2011.

The interest rate swap matured on December 17, 2020 and the Authority is no longer exposed to interest rate risk related to the interest rate swap agreement.

At December 31, 2020, the interest rate swap agreement has been recorded as follows:

<u>Description</u>	<u>Valuation Date</u>	<u>Notional Amount</u>	<u>Date of Agreement</u>	<u>Maturity Date</u>	<u>Change in FVM of Swap Gain (Loss)</u>
Pay fixed/ receive variable interest rate swap agreement	12/31/2019	\$0.00	01/04/2011	12/17/2020	\$ 0.00
<b>Total derivative liability</b>					<b><u>\$0.00</u></b>

***Note 16 - Pension Plan***

The Authority has a noncontributory defined contribution pension plan covering all employees. The money purchase plan was adopted October 1, 1978 and restated October 1, 1989 and February 10, 2000.





***Note 16 – Pension Plan (cont.)***

The pension plan was further amended January 1, 2007, restating it as a profit-sharing plan, known as Vermont Public Power Supply Authority Retirement Plan. Employees are eligible immediately, are considered 100% vested, and the minimum employer non-elective contribution equals 5% of employee's gross wages provided the employee has met 1000 hours of service during the year. The employer's 5% contribution is subject to Board approval. In addition, the employer will make an additional matching contribution of up to 3%, provided the employee provides evidence of a 3% contribution to a qualified retirement vehicle.

The plan is administered by a third-party administrator. Employer contributions to this plan for the years ended December 31, 2020 and 2019 were \$111,408 and \$98,734, respectively, amounting to approximately 8% of covered payroll.

***Note 17 – Compensated Employee Absences/Employee Cafeteria Plan***

Effective January 1, 2015, employees are eligible to accrue upon date of hire, paid vacation leave which is credited monthly. Full-time employees accrue vacation leave at a rate of 80 hours in year one and then an additional 8 hours for each year of service thereafter.

Part-time employees accrue a prorated vacation leave based upon the employee's employment status. For those employees who previously earned more vacation hours under the prior vacation accrual methodology or who were granted more hours at the time of hire, the employee shall continue to maintain that level of accrual until such time the new methodology exceeds the prior accrual method that was granted based on years of service using the following schedule:

0 < 5 years	2 weeks vacation per year
5 < 10 years	3 weeks vacation per year
10 < 20 years	4 weeks vacation per year
20 years and over	5 weeks vacation per year

Employees may not carry over more than 30 days accrued vacation leave into the next calendar year. Upon termination, voluntary leave, or retirement, employees are entitled to be compensated for all unused vacation leave up to the maximum amount allowed to accrue.

Employees are also entitled to paid sick leave. Sick leave accrues as of the date of hire at a rate of one day per month for full-time employees and prorated for part-time employees based on the employee's employment status. The maximum sick day accrual carried into the future year shall not exceed 45 days and upon termination of the employee all accrued sick time is surrendered.

At December 31, 2020 and 2019, the Authority's liability of accrued vacation under the current compensated absences policy is \$121,993 and \$98,915 and accrued sick leave under the previous compensated absences policy is \$8,358 and \$8,353. Accrued vacation is recorded as "other long-term liabilities and accrued sick leave is recorded as "other current liabilities".



***Note 17 - Compensated Employee Absences/Employee Cafeteria Plan (cont.)***

On January 8, 2015, the Authority adopted a Cafeteria Plan with an effective date of February 1, 2015. The plan provides employees with the ability to capture tax savings by participating in the plan; specifically, payroll deduction for deposits to a health savings account, health flexible spending account and/or a dependent care flexible spending account.

As of December 31, 2020, and 2019, there was an accrued liability related to employee's health flexible spending accounts in the amount of \$1,410 and \$484, respectively.

***Note 18 - Commitments, Contingencies, Uncertainties***

At December 31, 2020, the Authority has no outstanding contractual commitments.

Insurance

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; environmental contamination and natural disasters.

The Authority maintains commercial insurance coverage purchased in the name of the Authority covering each of those risks of loss, except for a portion of health insurance coverage related to retired employees, whereby the Authority fully reimburses those retirees for health-related deductibles and/or co-pays. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority.

In 2020 and 2019, the Authority contributed \$500 to the H.S.A. account of each employee who elected family coverage, and \$250 to those employees who elected single coverage as participants in the Authority's High Deductible Health Plan ("HDHP").

Insurance settlements have not exceeded insurance coverage for any of the past three fiscal years, nor have claims exceeded available insurance coverage for health claims for any of the past three fiscal years.

Consulting Agreement

In 2006, the Authority entered into a contract with a former General Manager ("Consultant") to provide consulting services for a period of ten (10) years. This consulting portion of the contract obligation was fulfilled in 2016; however, the Authority remains obligated to provide health insurance coverage under the plan currently maintained by the Authority and supplemental Medicare coverage to both the Consultant and his spouse during their remaining life.





***Note 18 – Commitments, Contingencies, Uncertainties (cont.)***

Collateral Commitments

In the normal course of business, the Authority may from time to time, enter into ISDA agreements with its power supply counterparties. The terms of the ISDA agreements, including threshold limits are specific to each of the counterparties. If at any time the threshold limits (both for the buyer and/or seller) are exceeded, the buyer or seller (depending on the threshold that was exceeded) may require the other party to post collateral. The collateral protects the requesting party in the event the contract is not honored. As the market prices decline, the Authority's exposure typically increases and as the market prices increase, the Authority's exposure typically decreases. Due to the nature of the organization and the thresholds that are generally established, it is not common practice for the Authority to request or require collateral as security on the power supply contracts.

During both 2020 and 2019, the Authority did not request any counterparty to post collateral, nor did any counterparty request the Authority to post collateral.

Environmental Risks

The Swanton Peaker Project (Project 10) has multiple permits from the State of Vermont and other Regulatory agencies, with various reporting requirements associated with those permits. The licensing and operation of Project 10 are dependent upon compliance with all permits such as its air permit, storm water runoff permit, and wetland construction permit. The reporting requirements of these permits have required installation of various monitoring devices that help minimize the environmental risk of the project.

On December 13, 2019 the Authority received a notice of alleged violation from the Army Corps of Engineers related to a General Construction Permit received in 2008 for Project 10 (during project construction). The alleged violation occurred on a parcel of land owned by the Village of Swanton but permitted by the Authority for use during project construction. The Authority worked with the Village of Swanton and Fitzgerald Environmental Associates, LLC to prepare a response to this notice. At that time, Fitzgerald Environmental Associates assessed the likely costs to address the Notice as being between \$23,000 and \$78,000 to be split between the Project 10 Participants and the Village of Swanton. At December 31, 2019, the Authority recorded a Regulatory Asset and a Regulatory Liability for an estimated cost related to the concern and it was expected that the issue would be resolved in 2020.

In September 2020 the Authority, the Village of Swanton, the Army Corps of Engineers, and the Vermont Department of Environmental Conservation reached settlement to resolve the Notice of Alleged violation. The Village of Swanton filed a replacement wetland permit for the parcel under which the Village would remediate any issues with the previous permit held by VPPSA and would assume responsibility for the parcel going forward. The Authority agreed to compensate the Village for any associated filing fees, share the costs for Fitzgerald Environmental Associates to manage the permit filing and perform restoration monitoring, and assist the Village with remediation costs although the Village intends to use inhouse resources to perform restoration.



***Note 18 – Commitments, Contingencies, Uncertainties (cont.)***

Environmental Risks (cont.)

The Authority believes its cost exposure remains in the range identified by Fitzgerald Environmental Associates, and ongoing exposure to future violations will be eliminated. Final payments for the cost related to the violation will be realized in 2021 when the costs have been determined and the cost allocation between the Village of Swanton and the Authority are finalized.

Authority Project Assets

As previously noted in Note #4, the Authority owns 100% of the Swanton Peaker Project #10 and a 19% Joint ownership in the McNeil Generating Facility. As these assets are owned by the Authority, it is the Authority's responsibility to continuously monitor the assets to determine the value that they provide.

Rules and regulations within the industry and environmental changes have an impact on the viability of any project and the ultimate benefit that is gained from those project assets. At this time, the Authority believes the current project assets continue to provide value to the Authority and its project participants.

***Note 19 – Power Supply Settlement Commitments***

The Authority has a Master Supply Agreement with its member systems and an Agreement for Support Services with its non-member systems, for the settlement of their power supply resources and/or power supply arrangements that settle through the Authority's ISO-NE participant account. When combined, the optimized dispatch results in benefits from savings which accrue to each participant.

The Authority acts as a billing agent for seven (7) of the twenty participants with regard to their payments to power suppliers and/or transmission providers.

The following tables summarize all power supply resources available to meet the members and the non-member's total load obligations for those entities that participate in the settlement process through the ISO-NE and the Authority.

The tables includes resources that may be owned directly by a member or non-member utility; however, the revenues from the ISO-NE flow through the Authority's settlement process. In addition, VPPSA makes bilateral purchases on behalf of its members and/or non-members and these transactions are also included in the list.

The Members' total kWh resource entitlements are shown as a percentage of the Member's portfolio of resources available to meet the member's load obligations. For the years ending December 31, 2020 and 2019 they were:



**Note 19 – Power Supply Settlement Commitments (cont.)**

MEMBERS	2020 kWh	%	2019 kWh	%
Chester Solar	7,026,403	1.87%	6,717,570	1.73%
Fitchburg Landfill	37,108,171	9.89%	31,255,793	8.03%
HQ	13,256,760	3.53%	13,621,541	3.50%
Hydro	62,471,029	16.64%	70,445,703	18.09%
Kruger Hydro	23,104,177	6.15%	25,717,697	6.61%
Lawrence Brook Solar	58,389	0.02%	0	0.00%
Market Purchases	31,018,379	8.26%	45,132,325	11.59%
McNeil	36,756,020	9.79%	36,359,571	9.34%
NYPA	31,241,484	8.32%	29,791,233	7.65%
Project 10	390,202	0.10%	240,474	0.06%
Ryegate	10,854,206	2.89%	8,664,952	2.23%
Seabrook	111,826,327	29.79%	111,862,563	28.73%
Standard Offer	6,742,567	1.80%	6,748,642	1.73%
Stonybrook	2,091,755	0.56%	984,928	0.25%
VEPPI	1,435,492	0.38%	1,774,661	0.46%
Yarmouth	0	0.00%	2,026	0.00%
<b>Total</b>	<b>375,381,361</b>	<b>100.00%</b>	<b>389,319,678</b>	<b>100%</b>

The Non-Member total kWh resource entitlements are shown as a percentage of the Non-Members' portfolio of resources available to meet their load obligations. For the years ending December 31, 2020 and 2019, they were:

NON-MEMBERS	2020 kWh	%	2019 kWh	%
Coventry Clean Energy Corp	58,169,624	40.3%	55,727,174	39.3%
Fox Island Diesel	16,297	0.0%	12,680	0.0%
Fox Island Wind	9,830,911	6.8%	9,472,007	6.7%
HQ	24,032,733	16.7%	23,966,659	16.9%
Market Contracts	8,784,000	6.1%	8,899,155	6.3%
NYPA	12,428,412	8.6%	11,850,001	8.4%
Project 10	37,839	0.03%	23,319	0.0%
Ryegate	2,193,018	1.5%	1,772,257	1.3%
Seabrook	18,888,286	13.1%	18,906,837	13.3%
Sheffield Wind	6,946,253	4.8%	7,761,950	5.5%
Stonyvale Farm	447,671	0.3%	140,770	0.1%
VEPPI	290,770	0.2%	362,731	0.3%
Wrightsville Hydro	2,165,831	1.5%	2,731,130	1.9%
<b>Total</b>	<b>144,231,644</b>	<b>100%</b>	<b>141,626,671</b>	<b>100%</b>



***Note 19 – Power Supply Settlement Commitments (cont.)***

A summary of the total Member and Non-Members' total kWh resource entitlements are shown as a percentage of the total resource entitlements that are included in the settlement process through the ISO-NE and the Authority.

TOTAL	2020 kWh	%	2019 kWh	%
Members	375,381,361	72.24%	389,319,678	73.33%
Non-Members	144,231,644	27.76%	141,626,671	26.67%
Total	519,613,005	100%	530,946,349	100%

***Note 20 – Concentration of Risks***

The J. C. McNeil Generating Station Project #2 contributed approximately 10.1% for 2020 and 10.8% for 2019 to annual gross revenues for the Authority.

The Swanton Peaker Project #10 contributed approximately 7.3% for 2020 and 7.5% for 2019 to annual gross revenues for the Authority.

Power Supply sources contribute significantly to the ability of the Authority to operate under its current business model. Should supply interruptions, price changes, contract terminations, shut down in operations of the units occur, the Authority could experience adverse or beneficial operating results and these results could be material.

Members provide the Authority with outlets for supply and transmission revenues, as well as cash flows for debt service repayments of the Authority. Any material changes to volumes, or supply, or any cash flow irregularity of the members could have an impact on the Authority's ability to discharge its future financial obligations and access to current and future financing.

The Authority regularly contracts with various and diverse professional and electric utility contractors. Adverse changes in the availability or quality of these sources could impact the business operations of the Authority.


**Vermont Public Power Supply Authority**

Combining Schedule of Assets, Liabilities, &amp; Net Position

December 31, 2020 and 2019

**Supplementary Schedule 1**

	2020				
	Swanton Project #10	McNeil Project #2	Highgate Project #3	VPPSA	Total
<b>ASSETS</b>					
Capital Assets (Net):	\$ 12,291,418	2,302,274		463,334	15,057,025
Current:					
Cash & Cash Equivalents	5,976,770	1,676,423	12	2,257,635	9,910,840
Accounts Receivable	24,342	580,905		5,828,207	6,433,455
Other Current Assets	218,087	1,115,693		1,301,226	2,635,007
Total Current Assets	6,219,200	3,373,021	12	9,387,068	18,979,301
Long-Term:					
Investments	1,849,427			32,340,740	34,190,167
Other Long-Term Assets	131,819	235,468			367,287
Total Long-Term Assets	1,981,245	235,468	-	32,340,740	34,557,453
Deferred Outflow of Resources	25,000				25,000
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 20,516,862</b>	<b>5,910,763</b>	<b>12</b>	<b>42,191,142</b>	<b>68,618,780</b>
<b>LIABILITIES:</b>					
Current:					
Accounts Payable	\$ 27,316	423,075		2,737,896	3,188,287
Short-Term Debt					-
Bonds & LTD (current)	1,215,000			2,341,084	3,556,084
Other	305,369		12	1,185,668	1,491,049
Total Current Liabilities	1,547,685	423,075	12	6,264,648	8,235,420
Long-Term:					
Bonds (net of amortizations)					-
Long-Term Debt	12,065,000	-	-	14,115,087	26,180,087
Other				121,993	121,993
Total Long-Term Liabilities	12,065,000	-	-	14,237,080	26,302,080
Deferred Inflow of Resources	25,000				25,000
<b>TOTAL LONG-TERM LIABILITIES &amp; INFLOWS OF RESOURCES</b>	<b>13,637,685</b>	<b>423,075</b>	<b>12</b>	<b>20,501,728</b>	<b>34,562,500</b>
<b>Net Position</b>	<b>6,879,177</b>	<b>5,487,688</b>		<b>21,689,414</b>	<b>34,056,280</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 20,516,862</b>	<b>5,910,763</b>	<b>12</b>	<b>42,191,142</b>	<b>68,618,780</b>

See Independent Auditors Report on Supplementary Information.


**Vermont Public Power Supply Authority**

Combining Schedule of Assets, Liabilities, &amp; Net Position

December 31, 2019 and 2018

**Supplementary Schedule 2**

	2019				
	Swanton Project #10	McNeil Project #2	Highgate Project #3	VPPSA	Total
<b>ASSETS</b>					
Capital Assets (Net):	\$ 13,232,547	2,269,252	-	418,889	15,920,689
Current:					
Cash & Cash Equivalents	5,687,616	2,320,336	(784)	2,811,956	10,819,124
Accounts Receivable	-	570,265	796	5,153,659	5,724,720
Other Current Assets	247,663	846,803	-	1,284,232	2,378,697
Total Current Assets	5,935,279	3,737,403	12	9,249,847	18,922,541
Long-Term:					
Investments	1,882,406	-	-	33,861,650	35,744,056
Other Long-Term Assets	133,334	357,316	-	-	490,649
Total Long-Term Assets	2,015,740	357,316	-	33,861,650	36,234,706
Deferred Outflow of Resources	25,000	-	-	-	25,000
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 21,208,566</b>	<b>6,363,971</b>	<b>12</b>	<b>43,530,386</b>	<b>71,102,935</b>
<b>LIABILITIES:</b>					
Current:					
Accounts Payable	\$ 6,245	400,867	-	2,749,492	3,156,605
Short-Term Debt	-	-	-	-	-
Bonds & LTD (current)	1,170,000	-	-	4,468,199	5,638,199
Other	328,728	-	12	1,115,528	1,444,268
Total Current Liabilities	1,504,973	400,867	12	8,333,219	10,239,072
Long-Term:					
Bonds (net of amortizations)	13,280,000	-	-	-	13,280,000
Long-Term Debt	-	-	-	15,783,739	15,783,739
Other	-	-	-	98,915	98,915
Total Long-Term Liabilities	13,280,000	-	-	15,882,655	29,162,655
Deferred Inflow of Resources	25,000	-	-	45,605	70,605
<b>TOTAL LONG-TERM LIABILITIES &amp; INFLOWS OF RESOURCES</b>	<b>14,809,973</b>	<b>400,867</b>	<b>12</b>	<b>24,261,479</b>	<b>39,472,332</b>
<b>Net Position</b>	<b>6,398,593</b>	<b>5,963,103</b>	<b>0</b>	<b>19,268,907</b>	<b>31,630,604</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 21,208,566</b>	<b>6,363,971</b>	<b>12</b>	<b>43,530,386</b>	<b>71,102,935</b>

See Independent Auditors Report on Supplementary Information.



## Vermont Public Power Supply Authority

Combining Schedule of Revenues and Expenses

December 31, 2020 and 2019

## Supplementary Schedule 3

	2020				
	Swanton Project #10	McNeil Project #2	Highgate Project #3	VPPSA	Total
<b>OPERATING REVENUE:</b>					
Electric sales for resale	\$ -	-	-	31,241,709	31,241,709
McNeil project revenue	-	4,336,164	-	-	4,336,164
Highgate project revenue	-	-	-	-	-
Swanton (P10) project revenue	3,130,168	-	-	-	3,130,168
Renewable Energy Certificates	-	-	-	3,224,339	3,224,339
Other Service revenue	-	-	-	1,033,391	1,033,391
<b>Total operating revenue</b>	<b>3,130,168</b>	<b>4,336,164</b>	<b>-</b>	<b>35,499,438</b>	<b>42,965,771</b>
<b>OPERATING EXPENSES:</b>					
Power production expenses	403,855	3,647,933	-	-	4,051,788
Transmission expenses	47,591	7,161	-	11,393,831	11,448,582
Purchased power	9,648	8,141	-	21,453,887	21,471,675
Regional Market expense	25,945	-	-	-	25,945
Administrative & General expenses	367,212	362,859	-	2,214,764	2,944,835
Outside services	40,834	35,482	-	304,240	380,556
Payments in lieu of taxes	22,673	274,220	-	15,577	312,470
Amortization	-	161	-	424	585
Depreciation	1,138,232	482,446	-	33,431	1,654,109
<b>Total operating expenses</b>	<b>2,055,990</b>	<b>4,818,403</b>	<b>-</b>	<b>35,416,154</b>	<b>42,290,547</b>
<b>Operating income</b>	<b>1,074,178</b>	<b>(482,239)</b>	<b>-</b>	<b>83,285</b>	<b>675,224</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>					
Distribution income - VT Transco, LLC.	-	-	-	4,202,622	4,202,622
Net Settlement expense - VT Transco, LLC.	-	-	-	(1,115,218)	(1,115,218)
Net interest income (expense) swaps	-	-	-	(67,462)	(67,462)
Interest expense	(634,480)	(368)	-	(734,582)	(1,369,431)
Amortization of LTD discount, premium and issuance exp	-	-	-	-	-
Amortization of loss on reacquired debt	-	-	-	-	-
Interest earned on deposits/investments	29,575	7,192	-	8,293	45,060
Net Proceeds related to Insurance Claim	-	-	-	-	-
Gain/(Loss) on Disposition of Plant Assets	-	-	-	-	-
Net Realized Gain/(Loss) on Investments	23,613	-	-	-	23,613
Misc. Non-operating revenue (expense)	-	-	-	(2,036)	(2,036)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(581,291)</b>	<b>6,824</b>	<b>-</b>	<b>2,291,617</b>	<b>1,717,149</b>
<b>CHANGE IN NET POSITION</b>	<b>492,887</b>	<b>(475,415)</b>	<b>-</b>	<b>2,374,902</b>	<b>2,392,373</b>
Other Comprehensive Income - Interest Swaps	-	-	-	45,605	45,605
Other Comprehensive Income - Unrealized Gains/Losses	(12,302)	-	-	-	(12,302)
Appropriated Earnings - Transco Member Return	-	-	-	-	-
Unappropriated Earnings Distributed	-	-	-	-	-
<b>NET POSITION, beginning of year</b>	<b>6,398,593</b>	<b>5,963,102</b>	<b>(1)</b>	<b>19,268,912</b>	<b>31,630,604</b>
<b>NET POSITION, end of year</b>	<b>\$ 6,879,177</b>	<b>5,487,687</b>	<b>(1)</b>	<b>21,689,419</b>	<b>34,056,280</b>

See Independent Auditors Report on Supplementary Information.


**Vermont Public Power Supply Authority**

Combining Schedule of Revenues and Expenses

December 31, 2019 and 2018

**Supplementary Schedule 4**

	2019				
	Swanton Project #10	McNeil Project #2	Highgate Project #3	VPPSA	Total
<b>OPERATING REVENUE:</b>					
Electric sales for resale	\$ -	-	-	32,793,814	32,793,814
McNeil project revenue	-	4,668,323	-	-	4,668,323
Highgate project revenue	-	-	1,675	-	1,675
Swanton (P10) project revenue	3,233,830	-	-	-	3,233,830
Renewable Energy Certificates	-	-	-	2,062,841	2,062,841
Other Service revenue	-	-	-	410,805	410,805
<b>Total operating revenue</b>	<b>3,233,830</b>	<b>4,668,323</b>	<b>1,675</b>	<b>35,267,461</b>	<b>43,171,289</b>
<b>OPERATING EXPENSES:</b>					
Power production expenses	301,574	4,008,853	-	-	4,310,427
Transmission expenses	35,321	10,043	-	11,878,709	11,924,074
Purchased power	9,363	6,450	-	21,120,640	21,136,453
Regional Market expense	3,700	-	-	-	3,700
Administrative & General expenses	277,895	342,051	-	1,877,651	2,497,597
Outside services	42,879	38,877	1,675	328,359	411,790
Payments in lieu of taxes	21,423	262,049	-	15,000	298,472
Amortization	-	-	-	212	212
Depreciation	1,129,875	476,505	-	33,526	1,639,906
<b>Total operating expenses</b>	<b>1,822,031</b>	<b>5,144,827</b>	<b>1,675</b>	<b>35,254,097</b>	<b>42,222,630</b>
<b>Operating income</b>	<b>1,411,799</b>	<b>(476,504)</b>	<b>-</b>	<b>13,364</b>	<b>948,658</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>					
Distribution income - VT Transco, LLC.	-	-	-	5,151,900	5,151,900
Net Settlement expense - VT Transco, LLC.	-	-	-	(1,574,778)	(1,574,778)
Net interest income (expense) swaps	-	-	-	(30,855)	(30,855)
Interest expense	(674,841)	-	-	(1,393,243)	(2,068,084)
Amortization of LTD discount, premium and issuance exp	605,826	-	-	(12,732)	593,093
Amortization of loss on reacquired debt	(433,436)	-	-	-	(433,436)
Interest earned on deposits/investments	132,722	41,832	-	42,871	217,425
Net Proceeds related to Insurance Claim	-	-	-	-	-
Gain/(Loss) on Disposition of Plant Assets	-	-	-	-	-
Net Realized Gain/(Loss) on Investments	-	-	-	-	-
Misc. Non-operating revenue (expense)	-	3	-	-	3
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(369,729)</b>	<b>41,835</b>	<b>-</b>	<b>2,183,161</b>	<b>1,855,267</b>
<b>CHANGE IN NET POSITION</b>	<b>1,042,070</b>	<b>(434,670)</b>	<b>-</b>	<b>2,196,525</b>	<b>2,803,925</b>
Other Comprehensive Income - Interest Swaps	-	-	-	183	183
Other Comprehensive Income - Unrealized Gains/Losses	35,719	-	-	-	35,719
Appropriated Earnings - Transco Member Return	-	-	-	-	-
Unappropriated Earnings Distributed	-	-	-	-	-
<b>NET POSITION, beginning of year</b>	<b>5,320,804</b>	<b>6,397,771</b>	<b>(1)</b>	<b>17,072,204</b>	<b>28,790,777</b>
<b>NET POSITION, end of year</b>	<b>\$ 6,398,593</b>	<b>5,963,102</b>	<b>(1)</b>	<b>19,268,912</b>	<b>31,630,604</b>

See Independent Auditors Report on Supplementary Information.





Vermont Public Power Supply Authority  
 Restricted Assets Schedule- Cash - McNeil  
 December 31, 2020 and 2019

Supplementary Schedule 5

	Debt Service Interest	Debt Service Principal	Debt Service Reserve Fund	Reserve and Contingency	Revenue Funds	Temp Investments	Total
<b>Balance at December 31, 2018</b>	<u>0</u>	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>(143,791)</u>	<u>2,053,290</u>	<u>1,909,500</u>
Add:							
Interest Income	-	-	-	-	1,009	40,823	41,832
Receipts of revenue	-	-	-	-	4,838,760	-	4,838,760
Transfers	-	-	-	-	-	-	-
Realized Gain on Investment	-	-	-	-	-	-	-
Unrealized Gain on investment	-	-	-	-	-	-	-
Deduct:							
Operating expenditures	-	-	-	-	(4,469,756)	-	(4,469,756)
Debt service payments	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	(181,456)	(181,456)
Transfers	-	-	-	-	181,456	-	181,456
Realized Loss on Investment	-	-	-	-	-	-	-
Unrealized Loss on investment	-	-	-	-	-	-	-
<b>Balance at December 31, 2019</b>	<u>0</u>	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>407,678</u>	<u>1,912,657</u>	<u>2,320,335</u>
Add:							
Interest Income	-	-	-	-	367	6,825	7,192
Receipts of revenue	-	-	-	-	4,325,525	-	4,325,525
Transfers	-	-	-	-	464,834	-	464,834
Realized Gain on Investment	-	-	-	-	-	-	-
Unrealized Gain on investment	-	-	-	-	-	-	-
Deduct:							
Operating expenditures	-	-	-	-	(4,976,629)	-	(4,976,629)
Debt service payments	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	(464,834)	(464,834)
Transfers	-	-	-	-	-	-	-
Realized Loss on Investment	-	-	-	-	-	-	-
Unrealized Loss on investment	-	-	-	-	-	-	-
<b>Balance at December 31, 2020</b>	<u>0</u>	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>221,774</u>	<u>1,454,649</u>	<u>1,676,423</u>

See Independent Auditors Report on Supplementary Information.



Vermont Public Power Supply Authority  
 Restricted Assets Schedule- Cash - Project 10  
 December 31, 2020 and 2019

## Supplementary Schedule 6

	Debt Service Interest	Debt Service Principal	Debt Service Reserve Fund	Reserve and Contingency	Revenue Funds	Reserve Fund	Cost of Issuance Fund	Construction Funds	Total
<b>Balance at December 31, 2018</b>	<u>405,877</u>	<u>669,616</u>	<u>1,886,186</u>	<u>194,910</u>	<u>206,615</u>	<u>3,378,987</u>	<u>(0)</u>	<u>(0)</u>	<u>6,742,190</u>
Add:									
Interest Income	4,427	13,950	35,801	3,182	5	75,356	-	-	132,722
Receipts of revenue	-	-	-	-	3,271,427	-	-	-	3,271,427
Transfers	671,943	1,157,500	-	91,472	94,910	747,088	-	-	2,762,913
Realized Gain on Investment	-	-	-	-	-	-	-	-	-
Unrealized Gain on investment	-	-	35,719	-	-	-	-	-	35,719
Deduct:									
Operating expenditures	-	-	-	-	(612,722)	-	-	-	(612,722)
Debt service payments	(692,225)	(1,140,000)	-	-	(1,920,915)	-	-	-	(3,753,140)
Capital Improvements	-	-	-	-	(68,272)	-	-	-	(68,272)
Transfers	-	-	(57,558)	(94,910)	(788,348)	-	-	-	(940,817)
Realized Loss on Investment	-	-	-	-	-	-	-	-	-
Unrealized Loss on investment	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2019</b>	<u>390,023</u>	<u>701,066</u>	<u>1,900,148</u>	<u>194,654</u>	<u>182,700</u>	<u>4,201,431</u>	<u>(0)</u>	<u>(0)</u>	<u>7,570,021</u>
Add:									
Interest Income	904	3,646	14,722	937	1	15,097	-	-	35,308
Receipts of revenue	-	-	-	-	3,200,480	-	-	-	3,200,480
Transfers	630,204	1,196,250	-	91,323	-	379,936	-	-	2,297,713
Realized Gain on Investment	-	-	23,613	-	-	-	-	-	23,613
Unrealized Gain on investment	-	-	-	-	-	-	-	-	-
Deduct:									
Operating expenditures	-	-	-	-	(763,141)	-	-	-	(763,141)
Debt service payments	(657,456)	(1,170,000)	-	-	(1,917,776)	-	-	-	(3,745,233)
Capital Improvements	-	-	-	(41,342)	(197,103)	-	-	-	(238,445)
Transfers	-	-	(46,524)	(53,312)	(441,982)	-	-	-	(541,819)
Realized Loss on Investment	-	-	-	-	-	-	-	-	-
Unrealized Loss on investment	-	-	(12,302)	-	-	-	-	-	(12,302)
<b>Balance at December 31, 2020</b>	<u>363,675</u>	<u>730,962</u>	<u>1,879,657</u>	<u>192,259</u>	<u>63,179</u>	<u>4,596,465</u>	<u>(0)</u>	<u>(0)</u>	<u>7,826,196</u>

See Independent Auditors Report on Supplementary Information.



Vermont Public Power Supply Authority  
Investment in VT TRANSCO, LLC  
Summary of Units Held By Year  
December 31, 2020 and 2019

					Supplementary Schedule 7	
	Total A Units	% of Total A Units	Total B Units	% of Total B Units	Total Units	% of Total TOTAL VALUE
<b>Balance at December 31, 2018</b>	<u>1,843,106</u>		<u>2,345,772</u>		<u>4,188,878</u>	<u>\$ 41,888,780</u>
Purchases	34,719	13.86%	10,718	3.36%	45,437	7.98% 454,370
Sales	<u>(384,846)</u>	-153.61%	<u>(489,804)</u>	-153.61%	<u>(874,650)</u>	-153.61% <u>(8,746,500)</u>
Total	<u>(350,127)</u>	-139.75%	<u>(479,086)</u>	-150.25%	<u>(829,213)</u>	-145.63% <u>\$ (8,292,130)</u>
<b>Balance at December 31, 2019</b>	<u>1,492,979</u>		<u>1,866,686</u>		<u>3,359,665</u>	<u>\$ 33,596,650</u>
Purchases	29,616	11.82%	37,693	11.82%	67,309	11.82% 673,090
Sales	<u>(96,536)</u>	-38.53%	<u>(122,864)</u>	-38.53%	<u>(219,400)</u>	-38.53% <u>(2,194,000)</u>
Total	<u>(66,920)</u>	-26.71%	<u>(85,171)</u>	-26.71%	<u>(152,091)</u>	-26.71% <u>\$ (1,520,910)</u>
<b>Balance at December 31, 2020</b>	<u>1,426,059</u>		<u>1,781,515</u>		<u>3,207,574</u>	<u>\$ 32,075,740</u>

See Independent Auditors Report on Supplementary Information.



Vermont Public Power Supply Authority  
Investment in VT TRANSCO, LLC  
Allocation by VPPSA and Members  
December 31, 2020 and 2019

**ALLOCATION OF UNITS FOR THE BENEFIT OF MEMBERS AND NON-MEMBERS**

Supplementary Schedule 8

	Total A Units	% of Total A Units	Total B Units	% of Total B Units	Total Units	% of Total	TOTAL VALUE
<b>Members:</b>							
Barton	72,006	8.6502%	91,643	8.6501%	163,649	8.6502%	\$ 1,636,490
Enosburg	109,667	13.1745%	139,577	13.1746%	249,244	13.1746%	2,492,440
Hardwick	167,659	20.1412%	213,386	20.1414%	381,045	20.1413%	3,810,450
Hyde Park	26,335	3.1637%	33,516	3.1636%	59,851	3.1636%	598,510
Jacksonville	21,623	2.5976%	27,521	2.5977%	49,144	2.5977%	491,440
Johnson	64,890	7.7954%	82,589	7.7955%	147,479	7.7955%	1,474,790
Ludlow	116,348	13.9771%	148,078	13.9770%	264,426	13.9771%	2,644,260
Lyndonville	322,155	38.7011%	410,018	38.7014%	732,173	38.7013%	7,321,730
Morrisville	87,542	10.5166%	111,419	10.5168%	198,961	10.5167%	1,989,610
Northfield	74,473	8.9466%	94,782	8.9464%	169,255	8.9465%	1,692,550
Orleans	45,393	5.4531%	57,770	5.4529%	103,163	5.4530%	1,031,630
Swanton	225,826	27.1289%	287,414	27.1289%	513,240	27.1289%	5,132,400
Total Members	1,333,917	160.25%	1,697,713	160.25%	3,031,630	160.25%	\$ 30,316,300
<b>Specific Facilities</b>							
LCP-Hardwick	-		-		-		-
LCP-Hyde Park	-		-		-		-
LCP-Johnson	-		-		-		-
LCP-Morrisville	-		-		-		-
Lyndonville Substation	96,536		122,864		219,400		2,194,000
	96,536		122,864		219,400		2,194,000
<b>VPPSA</b>	47,800		60,835		108,635		1,086,350
<b>Balance at December 31, 2019</b>	1,478,253		1,881,412		3,359,665		33,596,650

	Total A Units	% of Total A Units	Total B Units	% of Total B Units	Total Units	% of Total	TOTAL VALUE
<b>Members:</b>							
Barton	74,151	8.9079%	94,372	8.9077%	168,523	8.9078%	\$ 1,685,230
Enosburg	113,575	13.6440%	144,551	13.6441%	258,126	13.6441%	2,581,260
Hardwick	173,004	20.7833%	220,188	20.7835%	393,192	20.7834%	3,931,920
Hyde Park	26,335	3.1637%	33,516	3.1636%	59,851	3.1636%	598,510
Jacksonville	22,465	2.6988%	28,592	2.6988%	51,057	2.6988%	510,570
Johnson	66,881	8.0345%	85,124	8.0348%	152,005	8.0347%	1,520,050
Ludlow	116,348	13.9771%	148,078	13.9770%	264,426	13.9771%	2,644,260
Lyndonville	331,281	39.7974%	421,633	39.7978%	752,914	39.7976%	7,529,140
Morrisville	93,801	11.2685%	119,386	11.2688%	213,187	11.2687%	2,131,870
Northfield	74,473	8.9466%	94,782	8.9464%	169,255	8.9465%	1,692,550
Orleans	45,393	5.4531%	57,770	5.4529%	103,163	5.4530%	1,031,630
Swanton	225,826	27.1289%	287,414	27.1289%	513,240	27.1289%	5,132,400
Total Members	1,363,533	163.80%	1,735,406	163.80%	3,098,939	163.80%	\$ 30,989,390
<b>Specific Facilities</b>							
LCP-Hardwick	-		-		-		-
LCP-Hyde Park	-		-		-		-
LCP-Johnson	-		-		-		-
LCP-Morrisville	-		-		-		-
Lyndonville Substation	-		-		-		-
	-		-		-		-
<b>VPPSA</b>	47,800		60,835		108,635		1,086,350
<b>Balance at December 31, 2020</b>	1,411,333		1,796,241		3,207,574		32,075,740

See Independent Auditors Report on Supplementary Information.

## **Memorandum**

To: VPPSA Board of Directors  
From: Ken Nolan, General Manager  
Date: April 2, 2021  
Subject: **Agenda Item #7** - Global Foundries All DU MOU

As discussed with the Board previously, Green Mountain Power (GMP) and Global Foundries (GF) have now made filings with the Public utility Commission (PUC) to separate GF's load from GMP. VELCO has also entered a Memorandum of Understanding (MOU) with GMP and GF to facilitate this transaction and has intervened in the PUC proceedings.

VPPSA identified several areas where the proposed transaction could have negative implications for other Vermont distribution utilities (DU's) and as a result worked with GMP and the other Vermont DU's to negotiate an MOU addressing those concerns.

The attached MOU would commit GMP and GF to "make whole" payments designed to alleviate the financial concerns. The MOU would also allow VPPSA to intervene in the PUC proceedings and make any arguments deemed necessary to limit the Delf Managed Utility (SMU) concept to only GF. That is, make it clear that GF is unique and that the SMU concept should not set a precedent allowing other Vermont retail customers to seek similar treatment.

Most VPPSA members have authorized VPPSA to sign on their behalf and staff is working with the remainder to gain approval.

### Proposed Motion

Motion to authorize the VPPSA General Manager to sign the All DU MOU related to Global Foundries on behalf of all members that have authorized VPPSA to do so.

# Vermont Public Power Supply Authority

## BOARD RESOLUTION 2021-04

### Authorization to Sign Distribution Utility MOU Related to Global Foundries Petition to Become a Self-Managed Utility

WHEREAS, Green Mountain Power (“GMP”), Global Foundries (“GF”), and VELCO have entered a Memorandum of Understanding agreeing to petition the Public Utility Commission to allow Global Foundries to become a Self-Managed Utility thereby removing its load from GMP’s retail sales; and

WHEREAS, VPPSA has identified several potential negative impacts on its member utilities should the change in status for GF come to pass; and

WHEREAS, VPPSA worked with other Vermont distribution utilities including GMP to develop a distribution utility Memorandum of Understanding (the “All DU MOU”) that addresses the identified impacts on non-GMP distribution utilities; and

WHEREAS, the All DU MOU provides mechanisms for GMP to make the other Vermont distribution whole for Global Foundries related impacts during a 4-year transition period, for 20-years related to Vermont Transmission Agreement (“VTA”) impacts, and for 10-years related to Ryegate state contract costs; and

WHEREAS, VPPSA believes it is to its members’ advantage to have VPPSA sign the ALL DU MOU on behalf of members rather than each member signing individually;

NOW THEREFORE, be it Resolved that the Board of Directors of the Authority, having duly considered the above documents, hereby authorizes the General Manager to execute the All DU MOU on behalf of all members who have provided individual authorizations for VPPSA to execute on their behalf.

Adopted by the Board of Directors  
This 7th day of April, 2021

ATTESTED: *Crystal L Currier*

Crystal Currier  
Secretary



## MEMORANDUM OF UNDERSTANDING

March \_\_, 2021

This Memorandum of Understanding ("MOU") is entered into as of the date above, by and between Green Mountain Power Corporation ("GMP") and Burlington Electric Department, Vermont Public Power Supply Authority, Stowe Electric Department, Hyde Park Electric Department, Washington Electric Cooperative, and Vermont Electric Cooperative (collectively referred to as the "Other VDUs" and together with GMP herein referred to as the "Parties").

WHEREAS, GMP is currently the distribution utility for GlobalFoundries ("GF"), a semiconductor manufacturer that is Vermont's largest retail electric customer by a significant margin, with an annual load of approximately 385,000 kWh that would place it third largest if compared to all Distribution Utilities in Vermont; that invested in and maintains a substantial distribution system of its own; and that is the only customer in the State that receives 115 kV transmission-level service;

WHEREAS, GF, GMP, and Vermont Electric Power Company, Inc. ("VELCO"), for itself and Vermont Transco LLC ("VTransco"), have entered into a Memorandum of Understanding to facilitate GF's transition to a Self-Managed Utility through a petition to the Vermont Public Utility Commission ("Commission") for a Certificate of Public Good under 30 V.S.A. § 231 and related filings, all as set forth in **Exhibit MOU-1** (referred to generally herein as the "GF Transaction"); and

WHEREAS, GF's operation as a Self-Managed Utility served as a transmission customer under VTransco's existing Schedule 21 is meant to benefit all Vermont customers through the continuation of GF's operations and its contribution to common transmission costs; and

WHEREAS, the Parties desire to reasonably address impacts to the Other VDUs that arise because of the GF Transaction while recognizing that:

- a) GF is in a unique position as Vermont's only retail transmission class customer with very substantial load and its own distribution system with an existing interconnection at 115kV;
- b) GF exiting the State would have significant and ongoing impacts to all electric customers and to the State's economy generally;
- c) GMP and its other customers will have impacts from GF no longer being served as a retail customer of GMP that are not all covered by the agreements reached between GMP and GF;
- d) GF operating as a Self-Managed Utility will help ensure that it will continue to contribute meaningfully to common costs of transmission, and provide a significant economic benefit to Vermont; and

e) GF will accept the risks and responsibilities associated with such operation and forgo other value that will instead flow to other customers as set forth in **Exhibit MOU-1**.

NOW, THEREFORE, in consideration of the promises and mutual obligations set forth herein, the Parties acknowledge and agree as follows:

#### AGREEMENT

1. **Effective Date.** This MOU shall be effective between the Parties as of the date first written above.
2. **Parties' Acknowledgment of GF Unique Status and No Precedent.** The Parties agree that GF's very large annual load, substantial infrastructure and distribution system, and existing 115kV transmission service place it in a unique position in Vermont that justifies supporting its ability to form itself through the GF Transaction as a Self-Managed Utility under Title 30 that shall provide electric service solely to itself, receiving transmission service directly from VTransco under its existing Schedule 21, and shall not engage in the sale of electricity directly to the public. The Parties agree that such status for GF does not create precedent because it is based upon GF's unique capability to self-manage its power supply; to access the wholesale market without disruption to other customers; to utilize its existing electric infrastructure footprint that allows separation of service territory on a contiguous basis; and to connect directly to the transmission system at 115kV.
3. **Parties' Acknowledgement Regarding Schedule 21-VTransco.** The Parties acknowledge that it is material to their agreements related to the GF Transaction that GF will take service from VTransco under its existing Schedule 21 tariff without amendment.
4. **Parties' Acknowledgement Regarding VELCO Neutrality.** The Parties acknowledge that VELCO, for itself and VTransco, will not advocate for any position in the GF Transaction proceeding beyond its narrow support of VTransco service under its existing Schedule 21 to GF and the asset transfers and associated agreements necessary to accomplish VTransco's role of providing direct transmission service under the GF Transaction. The Parties will not seek VELCO support regarding any other aspect of GF Transaction unless all Parties agree to such VELCO advocacy.
5. **GMP Commitments.** GMP affirms that a material goal in its agreement to support the GF Transaction is to limit impacts to its own customers and to those of the Other VDUs, recognizing the substantial impacts to all customers and to the State as a whole should GF instead choose to significantly reduce or cease operations. In furtherance of this goal, GMP entered into the agreements set forth in **Exhibit MOU-1**, which create a transition period of four years,



commencing October 1, 2022 through September 30, 2026 (the “Transition Period”), during which GMP will provide GF its full energy and capacity requirements, with GMP’s environmental attributes and portfolio mix in proportion to GF’s total deliveries, and makes the following commitments:

- a. **Commitments re: Ch. 89 of Title 30.** During the Transition Period, GMP will count the energy and capacity delivered to GF as a part of its overall annual load as if GF were still included in Seller’s retail sales for purposes of the obligations set forth in Chapter 89 of Title 30 of the Vermont Statutes Annotated, meaning that GMP will continue to report its Renewable Energy Standard compliance, and to receive its Standard Offer allocation and Baseload renewable power allocation, with GF’s load obligation included, and will enter into agreements as may be necessary to facilitate this.
- b. **GMP Schedule 21.** During the Transition Period and in light of GMP’s obligation to fulfill all energy and capacity requirements for GF, GMP will not remove GF’s load from its calculation under GMP’s Schedule 21 transmission service. GMP will also separately provide credit of GF Transition Fees paid under the GF-GMP LOI (in **Exhibit MOU-1**) to GMP Schedule-21 customers in proportion to revenue received from them compared to GMP retail revenue.
- c. **Equity Buy-Backs and Equity Calls.** In the event VTransco conducts an equity buy-back or an equity call during the Transition Period, GMP and the Other VDUs will work in good faith to ensure that there is no reduction in the ownership percentages of GMP or the Other VDUs due to the creation of the the Self-Managed Utility, through agreements between GMP and the Other VDUs individually or jointly or, if required, through amendment of the VTransco Operating Agreement. The Parties acknowledge that no equity buy-backs or equity calls during the Transition Period are presently contemplated for VTransco.
- d. **GMP Contribution to VTA Make-Whole.** As set forth in **Exhibit MOU-1**, in the event that the Make-whole Fund paid by GF to VELCO is insufficient to cover any portion of an annual make-whole amount during the 20-year period as defined therein, and so long as GF continues to operate in Vermont, GMP shall provide up to \$700,000 in additional funding, as needed, to cover such shortfall, unless the Parties mutually agree to another approach. The reference to “Other DUs” in the GMP-GF-VELCO MOU means all Vermont Distribution Utilities except for GMP. This provision is intended to add clarity to the commitments made in the GMP-GF-VELCO MOU.
- e. **Other Transaction-Related Costs or Benefits During Transition Period.** In the event that costs or benefits not covered herein to any of the Parties are identified throughout completion of the GF Transaction or during the Transition Period, the Parties will negotiate in good faith to address those

costs or benefits in a similar manner to the mechanisms identified in this MOU.

- f. **Role as Third-Party Administrator After Transition Period.** If GMP acts as GF's Third-Party Administrator after the Transition Period, GMP will disclose any resulting fees to the Other VDUs along with details regarding how GMP plans to allocate such revenue to its retail and transmission customers.
6. **Commitments of Other VDUs.** The Other VDUs, in recognition of the unique position of GF as stated above, the benefits of the GF Transaction, the consideration provided by GMP in this agreement, and the costs to all customers and the State of Vermont that would be realized if GF were to substantially reduce or cease operations, agree to not oppose the aspects of the GF Transaction contained in this MOU at the Commission or in any other venue and to work in good faith with GMP to effectuate all commitments herein. Nothing in this MOU will be used to limit or bind any Parties' position regarding the ongoing requirements that should be placed on a SMU, or with regard to SMU related matters in any future proceeding.
7. **Conditions of Approval.** GMP shall seek to include all of these commitments as conditions of approval from the Commission of the GF Transaction, through adoption and approval of this MOU. This MOU is expressly conditioned upon the Commission's acceptance of all of its provisions, without material change or condition. In the event the Commission fails to approve this MOU in its entirety or acts to overrule or disapprove any portion hereof, each party agrees that their agreement set forth herein may terminate, if such party so determines in its sole discretion, and each shall have the same rights as each would have had absent this MOU. In the event any material modification or condition is made to the MOU, and a party exercises its option referenced above, each party hereto shall be placed in the position that it enjoyed before entering into this MOU.
8. **Miscellaneous.** This MOU is governed by the laws of the State of Vermont. No party may assign this MOU or any rights or responsibilities thereunder without the prior written consent of the non-assigning party. This MOU and any Exhibits together reflect the entire understanding between the Parties related to the subject matter of this MOU and supersede all prior and contemporaneous oral or written communications between the Parties related to its subject matter. The Parties agree that they will not cite this MOU as precedent to attempt to bind or limit any Parties' position in any future matter except with respect to the specific commitments regarding the GF Transaction made herein. The Parties agree that any disputes regarding the interpretation or enforcement of this MOU shall be resolved by the Commission, unless such disputes are beyond its subject matter jurisdiction. This MOU may be modified only by written agreement signed by the Parties and approved by the Commission and/or any other authority having

jurisdiction and shall not be modified by any course of performance, course of dealing or usage of trade.

The undersigned hereby accept and agree to this Memorandum of Understanding as of the date first written above.

**Green Mountain Power Corporation**

By: \_\_\_\_\_  
Duly Authorized Agent

**[Other VDUs – ADD BLOCKS]**

By: \_\_\_\_\_  
Duly Authorized Agent

DRAFT

## Memorandum

To: Board of Directors  
From: Steve Farman, Manager Planning & Support  
Date: April 7, 2021  
  
Subject: **Agenda Item #8** - Retail Sales template status update

At last November's Board meeting Amanda presented a "standardized" template that we proposed to use for collecting detailed sales and revenue data on a monthly basis. The immediate underlying reason for this initiative was improved consistency in reporting, particularly to external entities. In the longer term the hope is that a standardized sales data collection process will lead to opportunities for automation and centralized reporting that will streamline sales and revenue related analytics for members.

Since November we've held a kickoff meeting and rolled out individual member templates intended for use in an initial one-month trial. Feedback from the trial surfaced various issues including the perception that filling out the template was additional work, the template did not add value by replacing existing analytic reports or serving an audit purpose, and the monthly frequency was going to be burdensome.

We continue to believe that there is long term value in pursuing a standardized sales data collection process but recognize that, in the short run, collecting a very detailed dataset on a monthly basis brings more burden than value until the issues identified in the trial are addressed. While the identified issues can be addressed, doing so will involve varying degrees of customization and will require deliberate steps, time and patience.

As a path forward, we are suggesting that we continue to work toward using the detailed template on an annual basis while developing & testing the enhancements needed to address issues raised during the recent trial run and ensure that the standardized collection process does bring value. Once an annual version of the template & collection process is agreed on, it should form the basis for automation, centralized reporting or other enhancements aimed at streamlining member reporting and analytic processes.

We want to make sure all members are comfortable with this planned shift in emphasis, aimed at attaining long range value, while minimizing the short run transitional burden on members. Feedback and suggestions are certainly welcome.

## Memorandum

To: Board of Directors

From: Ken St. Amour, Manager of Technology and Security Services

Date: April 1, 2021

Subject: **Agenda Item #9** - AMI Update

We continue to work on various tasks toward successful negotiations with Aclara.

1. Jackie Lemmerhirt, with the assistance of VPPSA and member system staff is working to complete the Cost/Benefit analyses. These documents will help serve the decision-making process toward implementation of AMI, providing a methodical business case for a go/no go decision. In addition, the reports will be utilized as part of the Docket 7307 submission to the PUC.

Jackie will present two Cost/Benefit analyses, one for Swanton and one for Northfield at the meeting to show examples of benefits that can be realized with AMI installations. This presentation and subsequent discussion should provide background for work on the rest of the studies.

2. I have been working on the Cybersecurity documents to guide in the safe implementation of AMI. These documents outline cybersecurity practices, incident response and other processes for the implementation. This document will also be included in the regulatory filings if we proceed.
3. Allen Stamp has been working with Aclara to develop a comprehensive statement of work (SOW) for the project. As you recall, we were very unhappy with the initial SOW that we received. We plan to make this the focus of our discussion at the next Board Meeting. We are also working with Allen to develop the schedule for the project.

Allen is also initiating work on the terms and conditions negotiation with Aclara. This work will continue throughout the spring.

Again, the focus during the April meeting will be on the Cost/Benefit studies. We need to keep this effort moving forward, and get input from everyone involved to ensure we provide the information necessary for a final decision.

## Memorandum

To: VPPSA Board of Directors  
From: Melissa Bailey  
Date: March 31, 2021  
Subject: **Agenda Item #10** - Discussion of To-The-Meter Financing

There has been considerable discussion around on-bill financing in the Legislature and other realms over the past year. VPPSA initially began exploring this concept with Efficiency Vermont as part of the Tailored Efficiency Efforts being offered in three members' territories each year. The Energy Action Network (EAN) has convened a group of stakeholders with the goal of providing weatherization services to 120,000 homes in Vermont over the next ten years. While VPPSA has maintained its policy stance that electric ratepayers not be required to pay for thermal efficiency services, there may be an optional role for electric utilities to play in supporting weatherization through on-bill payment of energy loans.

The Governor's budget proposal includes a \$25M investment in weatherization from the General Fund. The current version of the Appropriations Bill allocates \$2M specifically to support projects offering innovative methods of financing for energy savings measures, including to-the-meter programs. Utilities could access these funds to implement to-the-meter financing programs. Under the proposal under consideration in Vermont, utilities would not be the lenders. Loan funds would flow through Vermont Housing Finance agency and/or EVT.

**VPPSA would like to gauge Member interest in pursuing to-the-meter financing.** Components of to-the-meter financing programs include:

- 1) A loan or investment that is tied to a **utility meter** rather than a specific customer.
  - a. If the customer moves, the obligation for repayment remains with that meter.
    - i. This type of financing is attractive to renters.
- 2) Projects that generate monthly savings in excess of the monthly repayment amount. This concept is referred to as **bill neutrality**.
  - a. Bill neutrality would be measured across all energy sources.
    - i. For example a customer could reduce oil costs while increasing electric costs
    - ii. Overall, the customer's monthly energy costs would be the same or lower than prior to the energy project.
- 3) Repayment occurs on the utility bill through an approved tariff.
  - a. Non-payment is typically a justification for utility disconnect. (This is an open question in Vermont.) A **loan loss reserve** would likely also be established.



## Testimony on Weatherization and On and To-the-Meter Billing

VPPSA is exploring both utility tariffs and on-bill repayment as mechanisms to support customers that pursue weatherization.

- Complements Tier 3 offerings (e.g. weatherization and heat pumps)
- Supports "Tailored Efficiency Efforts" offered in partnership with Efficiency Vermont

### Customer Benefits of To-the-Meter Tariffs:

- Revenue neutral or cash flow positive for customers
  - Monthly energy savings equal or exceed repayment amount
- Can provide guaranteed energy savings for customer
- Repayment on the electric bill
  - Convenient mechanism for payment
- Increases accessibility to renters by eliminating "split incentive"
  - Person reaping the benefit from the investment is paying for it

### Benefits for Vermont:

- Coupled with incentives, has potential to accelerate weatherization projects
  - High uptake by customers where to-the-meter is offered
- Leverages the value of the utility/customer relationship
- May increase adoption of fossil fuel reduction (Tier 3) projects

### Utility Considerations:

- Who holds debt/obligation for repayment?
  - Avoid financial risk to other customers
  - Risk of non-payment
    - Is disconnection for non-payment appropriate?
    - Loan loss reserve to mitigate concern
- Implementation costs should be covered through state funds.
  - Other customers should not bear administration costs
- Utilities should be permitted to *opt-in* to this type of tariff offering.

### Strengths of Appropriations:

- Funding coupled with attractive financing tools will accelerate weatherization.
  - Incentives are needed to make improvements cost-effective.
- Structure allows for utilities to support weatherization efforts without shifting costs among customers or introducing rate pressure.

## Memorandum

To: VPPSA Board of Directors  
From: Julia Leopold  
Date: April 7, 2021  
Subject: **Agenda Item #11** – Renewable Energy Standard

### 1) 2020 Tier 3 Compliance

VPPSA submitted 2020 Tier 3 Savings Claim on March 15. Overall, we saw an increase in uptake of our rebate program compared to 2019 despite the pandemic. The prescriptive program and whole building heat pump incentives accounted for 3,667 MWh, or roughly 39% of 2020 Tier 3 requirements. The cover sheet for the savings claim filing is attached.

### 2) 2021 Tier 3 Program

**Prescriptive:** Our 2021 Tier 3 program continues to move along smoothly. We are on track to surpass 2020 rebate uptake. Please refer to the Rebate Handbook for details on rebate offerings.

**Custom:** Multiple custom projects have been identified, including a line extension in Hardwick, commercial heat pumps in Jacksonville, a commercial heat pump in Johnson, a heat recapture project in Northfield, an electric bucket truck in Johnson, and an electric motorcycle in Swanton. If you are aware of a possible Tier 3 custom project in your territory, please let Melissa, Julia, and Heather know.

### 3) Future Compliance Filings

VPPSA is participating in conversations with the Department of Public Service and other DUs about future compliance reporting requirements. Conversations have centered around how to measure whether DUs are providing equitable services to all sectors, including income-qualifying. There is currently no specified threshold utilities are required to meet with regards to rate class and income-qualifying Tier 3 participation. VPPSA's stance is that there should not be a quantitative bar set. Instead, DUs should qualitatively explain their methods in offering programs that provide opportunities for each group to participate.



## **Vermont Public Power Supply Authority 2020 Tier 3 Savings Claim**

### **VPPSA's Requirement**

Utilities' Tier 3 requirements are established by 30 V.S.A. § 8005(a)(3)(B), which states that "in the case of a provider that is a municipal electric utility serving not more than 6,000 customers, the required amount shall be two percent of the provider's annual retail sales beginning on January 1, 2019."<sup>1</sup>

Under 30 V.S.A. § 8004 (e) "[i]n the case of members of the Vermont Public Power Supply Authority, the requirements of this chapter may be met in the aggregate." The 11 VPPSA member utilities plan to meet Tier 3 requirements in aggregate. In 2020, VPPSA's aggregate requirement is estimated to be 9,097 MWh equivalent in savings, representing 2.67% of annual retail sales.



#### **VPPSA Members:**

- **Barton Village**
- **The Village of Enosburg Falls**
- **Hardwick Electric Department**
- **Village of Jacksonville**
- **Village of Johnson**
- **Ludlow Electric Light Department**
- **Lyndonville Electric Department**
- **Morrisville Water & Light**
- **Northfield Electric Department**
- **Village of Orleans**
- **Swanton Village**

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<sup>1</sup> 30 V.S.A. § 8005(a)(3)(B)

## Summary of 2020 Projects

VPPSA expects to meet its 2020 Tier 3 requirements of 9,097 MWh through a combination of prescriptive and custom measures and may employ excess Tier 2 RECs as necessary.

Incentives included post-purchase rebates, instant discounts, and upfront payments for:

1. Cold Climate Heat Pumps
2. Heat Pump Water Heaters
3. Electric Vehicles and Plug-In Hybrids
4. Electric Vehicle Charging Stations
5. E-Bikes
6. Electric Lawn Mowers
7. Custom Projects

Below is a summary of the incentives provided to VPPSA member customers. In total, VPPSA provided 159 prescriptive rebates in 2020. Spreadsheets providing greater detail on the individual measures installed are being filed with this summary.

Measure	Volume	Total Credit (MWh)
Cold Climate Heat Pumps	92	1,963.17
Heat Pump Water Heaters	39	690.57
Electric Vehicles and Plug-In Hybrids	16	438.167
Electric Lawn Mowers	7	75.083
E-Bikes	4	21.14
Electric Vehicle Charging Stations	1	20.18
<b>Total Prescriptive</b>	<b>159</b>	<b>3,208.32</b>
Custom: Barton Village Line Extension	1	846
Custom: Lyndonville Electric Department Line Extension	1	13,855
Custom: Whole Building Heat Pumps	11	458.94
<b>Total Prescriptive + Custom</b>	<b>172</b>	<b>18,386.26</b>

## 1. Cold Climate Heat Pumps

VPPSA began offering \$400 rebates for cold climate heat pumps (CCHP) installed on or after January 1, 2020. This was an increase from the \$300 rebate offered in 2019.

Customers could receive an additional incentive if the CCHP was installed in a weatherized building. To be eligible for the higher incentive amount, customers needed to demonstrate that their homes were weatherized according to a list of standards developed by the Department of Public Service ("DPS") during the CCHP measure characterization by the TAG.

The additional weatherization incentive varied depending on utility. In 2020, VPPSA recognized that three of its member communities were reported as having high energy burdens. As "Targeted Communities," customers of Barton Village, Village of Johnson, and Village of Orleans were able to receive \$800 for installing a heat pump in a weatherized building. Customers of all other VPPSA member utilities could receive \$500 for installing a heat pump in a weatherized building.

VPPSA anticipated processing a total of 50 CCHP rebates in 2020. We expected 8 of these CCHPs to be installed in weatherized homes. In 2020, VPPSA returned a total of 92 CCHP rebates, 7 of which were for weatherized buildings. Of those 7 weatherized buildings, 2 were in Targeted Communities.

CCHPs were a successful measure for VPPSA, accounting for 1,963.18 MWh of savings. Compared to 2019, our 2020 CCHP savings have more than doubled.

## 2. Heat Pump Water Heaters

VPPSA and Efficiency Vermont partnered to provide rebates to customers that installed heat pump water heaters (HPWH) to replace fossil-fuel fired water heaters. Customers could receive an incentive at the time of sale when working with a participating contractor, or as a post-purchase rebate when installing themselves. All incentives were administered by Efficiency Vermont. Efficiency Vermont batched incentives paid and invoiced VPPSA monthly.

VPPSA paid \$600 for every post-purchase incentive and \$650 for every point-of-sale incentive. The additional \$50 served as a stocking incentive for distributors.

VPPSA anticipated providing 10 rebates for HPWHs in 2020. Our expectations were exceeded, as we provided 39 total rebates to customers.

## 3. Electric Vehicles and Plug-In Hybrids

VPPSA increased its Electric Vehicle (EV) and Plug-In Hybrid (PHEV) incentives in 2020 and expanded the program to include pre-owned vehicles. Customers of VPPSA member utilities could receive the following incentives for switching to electric transportation:

- \$1,000 for a New EV (\$800 in 2019)
- \$1,400 for a New EV + Income Qualifying (\$1,000 in 2019)

- \$500 for a New PHEV (\$400 in 2019)
- \$900 for a New PHEV + Income Qualifying (\$600 in 2019)
- \$500 for a Used EV
- \$250 for a Used PHEV

The table below includes the breakdown of EV and PHEV rebate incentives returned to customers in 2020:

	# Rebates	MWhe Per Measure	Total MWhe Savings
<b>New EV</b>	5	32.10	160.49
<b>New EV</b> (Income Qualifying)	2	32.10	64.19
<b>New PHEV</b>	6	24.68	148.08
<b>New PHEV</b> (Income Qualifying)	2	24.68	49.36
<b>Used EV</b>	1	16.05	16.05
<b>Used PHEV</b>	0	12.34	0
<b>Total</b>	<b>16</b>		<b>438.167</b>

VPPSA saw lower uptake of electric vehicles than originally expected. However, this was unsurprising due to the COVID-19 pandemic. Original estimates for volume included 54 total vehicle rebates.

#### 4. Electric Vehicle Charging Stations

VPPSA added a \$500 incentive for Electric Vehicle Charging Stations available for workplace/public use as a new prescriptive measure in 2020. One customer took advantage of this incentive.

#### 5. E-Bikes

VPPSA added a \$100 incentive for E-Bikes and Retrofit Kits to its 2020 prescriptive offerings. Four customers took advantage of this incentive.

## 6. Electric Lawn Mowers

VPPSA added two types of Electric Lawn Mower incentives to its 2020 prescriptive offerings: commercial and residential. Six customers received the \$25 residential rebate, while one customer received the \$1,000 commercial rebate.

### Custom Measures

In 2020, VPPSA completed 13 custom electrification projects. 11 of these were for whole building heat pumps. These incentives were administered as a post-purchase rebate in partnership with Efficiency Vermont.

The remaining two custom projects were line extensions. Barton Village provided a \$12,000 incentive to a customer for completing a line extension for a maple sugaring operation. The fossil fuel savings from this project comes to 846 MWhe. Additionally, Lyndonville Electric Department completed a line extension for a furniture manufacturer. The utility offered an incentive of \$35,738 and is claiming savings of 13,855 MWhe. VPPSA will provide the Department of Public Service with the analysis and backup documentation needed to confirm the savings for these two commercial projects.

## Memorandum

To: VPPSA Board of Directors  
From: Alex Nicholson, GIS Technician  
Date: April 1, 2021  
Subject: **Agenda Item #12** - VPPSA GIS Program March 2021 Update

### Morrisville

- In depth review of Morrisville mPower application
- Review of Morrisville GIS databases
- Review of Morrisville SQL server
- Review of Morrisville Connectivity Network

### Lyndonville

- GIS Update meeting

### Barton

- Met with crystal to talk about Barton data review and future of GIS program.

### Ludlow

- Updates to mPower application

### Northfield

- Imported water meter data into GIS databases.
- Review of acquired water meter data.

### GIS Data standardized schema

- First draft of standardization complete

### mPower communications.

- Scheduled monthly mPower / VPPSA update meeting.

### VELCO/ VPPSA GIS License Agreement

- Finished workflow examples for VPPSA / VELCO data management talks.
- Continued negotiations to take place in mid - April.

**GIS cost savings alternative research.**

- Multiple meetings held with ESRI to discuss possible licensing options.
- Next meetings to discuss in depth the capabilities of ESRI Utility Network.

**GIS Working Group**

- Attendance by Lyndonville, Morrisville, and Swanton
- Discussion regarding involvement in GIS data management
- Future meetings will have formal agenda to encourage additional attendees.
- Next meeting will be April 22<sup>nd</sup>

**General GIS Maintenance**

- Updates to GIS laptop complete
- Updated connections for old maps on new GIS laptop

## Memorandum

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: April 2, 2021  
Subject: **Agenda Item #13** - Project 10 Update

Capital project work at Project 10 continues:

- The backup generator installation is proceeding. Work is beginning on staging the project and pouring the concrete slab. Equipment is being delivered and the installation is still anticipated within the next 2-months.
- The building addition is proceeding with outside contractor coordination moving from Dave DeSimone to Dave Gagne. Dubois & King has designed the concrete pad for the expansion, including the piling system required due to soil conditions. ECI has been chosen as the concrete pad and piling contractor. The concrete is anticipated to be poured by June. The original control room manufacturer is being utilized to construct the expansion. The building is under construction and anticipated to be delivered in August/September. The building contractor anticipates being onsite during installation with the project on track for completion by the end of October.
- Staff met at the end of April to activate a plan for addressing the insurance overhaul concerns. Crystal has identified a potential issue with self-insuring in that VPPSA's bond covenants require the plant to be insured by a nationally reputable insurer until the bonds are paid off. As a result, staff is proceeding to hire a third party turbine firm to review the historical borescope results, perform an inspection, and provide a written assessment of the need to proceed with an overhaul. Dave DeSimone and Dave Gagne will be leading this effort with a goal of having results for either the September or October board meeting.

The plant operated well throughout March with two good starts.



## Memorandum

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: April 2, 2021  
Subject: **Agenda Item #14** - GM Update

- VPPSA began management of Barton Electric on February 19<sup>th</sup>. Crystal is essentially operating as the village manager addressing issues well beyond the electric department but is finding that Barton's governance is so intertwined that it is impossible to do otherwise. She has had to expend significant effort to address lingering financial issues and tie out the various accounts. This has led to several ideas to streamline and improve operations, but to date the ongoing fires have limited the ability to implement changes. Crystal is working in excess of 50-hours/week at the moment, and I am monitoring the situation closely to see where tasks can be moved to others. This will be a major focus once the Assistant Controller begins. VPPSA, Barton, and VEC also had an initial meeting to begin clarifying roles and communications paths.
- Interviews for Assistant Controller were completed and an offer was made to the preferred candidate. Kimberly Lyon accepted the position and is anticipated to start on April 26<sup>th</sup>.
- VPPSA filed a request with the PUC for a Declaratory Ruling in January asking the PUC to find that membership in VPPSA creates a de facto contractual relationship in the context of PUC privacy/security requirements. The DPS filed comments on the request indicating that VPPSA should only have access to customer data in very restricted instances. VPPSA responded to the DPS position reiterating VPPSA's unique nature and asking the PUC to either reject the DPS position or set a schedule for a contested case. Last week the PUC Hearing officer issues a proposed decision completing siding with VPPSA and recommending that the PUC issue VPPSA's requested Declaratory Ruling. Comments on the proposal are due from the DPS on April 13<sup>th</sup>.