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**PROPOSED
NOTICE OF RATE CHANGE**

On November 15, 2024, Vermont Electric Cooperative, Inc. (VEC) filed with the Vermont Public Utility Commission (PUC) a request for a revenue increase of \$4,514,046 to be effective on January 1, 2025. This represents an 4.84% increase over existing rates. VEC proposes that the increase be equally applied to all members through a flat increase across all rate classes. If the PUC decides to open a formal investigation, the rate increase will go into effect on a temporary basis starting on January 1, 2025. The increase will show as a surcharge on your bill until the completion of the investigation. If the rate request is not approved by the PUC, VEC will apply a credit to members' bills.

The need for this increase is driven predominantly by (1) transmission costs, which are rising significantly due to new investments in infrastructure; (2) property tax bills in 2024 which are nearly 29% higher than in 2023; (3) salary and benefits costs caused by wage and benefit increases necessary to attract and retain employees; and (4) higher interest expense based on market changes. Offsetting these upward cost pressures, VEC has seen increased revenue or cost savings in the following areas: (1) an increase in retail kWh sales compared to last year's rate case; (2) lower power supply costs due to a decline in market prices; and (3) an increase in dividends from investments in VT Transco stock.

Despite the need for rate increases for the past two years, VEC's ten-year average increase including this year's recommended increase remains low at 2.66% per year, as we have tried to balance frugality with our mission to deliver safe and reliable service to our members.

A chart is attached showing the present and proposed rates for each rate schedule.

Any interested person may examine the rate increase filing via ePUC at: <https://epuc.vermont.gov>. The Case No. is 24-____-TF. The filing is also available at the Vermont Electric Cooperative office during normal business hours and on the VEC website at: [add link]. Comments regarding the rate filing may be submitted to the Public Utility Commission by via mail at 112 State Street, Montpelier, VT 05620-2701, via email at puc.clerk@vermont.gov, or via ePUC at <https://epuc.vermont.gov> filed into Case No. 24-____-TF.

In addition, the PUC will hold a public hearing on _____, 2025, commencing at 7:00 P.M., utilizing Go To Meeting video conference with a telephone call-in option. The Public Hearing will commence immediately following the public information session, but no earlier than 7:00 P.M. A public information session will begin at 6:30 P.M. hosted by the Vermont Department of Public Service where Vermont Electric Cooperative will describe the change in rates and be able to answer questions.

Participants and members of the public may access the public hearing online at <https://meet.goto.com/713726277> or call in by telephone using the following information: phone number: [+1 \(571\) 317-3116](tel:+15713173116); access code: 713-726-277. Participants may wish to download the GoToMeeting software application in advance of the hearing at <https://meet.goto.com/install>. Guidance on how to join the meeting and system requirements may be found at <https://www.gotomeeting.com/meeting/online-meeting-support>.

VEC welcomes your input as well. Please send your questions or comments on the proposed rates to Rebecca Towne, Chief Executive Officer, or Caroline Mashia, Chief Financial Officer, Vermont Electric Cooperative, Inc., 42 Wescom Road, Johnson, Vermont 05656 or at rtowne@vermontelectric.coop or cmashia@vermontelectric.coop.

Vermont Electric Cooperative

Proposed Rates and Revenue Calculations

Classification	Type of Charge	Units	Current Rates	Proposed Rates	Total
Residential	Customer Charge	33,815	21.27	22.30	\$ 9,048,678.13
Service	1st 100 KWH	36,752,067	0.10775	0.11297	\$ 4,151,700.92
Classification #1	Over 100 KWH	190,050,918	0.21748	0.22801	\$ 43,332,755.69
	2nd meter charge	696	6.92	7.25	\$ 60,593.16
	All addtl meter kWh	2,277,323	0.21748	0.22801	\$ 519,243.38
Residential	Customer Charge	-	21.27	22.30	\$ -
Service	On Peak KWH	-	0.24426	0.25608	\$ -
Classification #1.1	Off Peak KWH	-	0.17617	0.18470	\$ -
Residential TOU Pilot	Customer Charge	38	21.27	22.30	\$ 10,168.56
Service	On Peak KWH	47,090	0.39516	0.41429	\$ 19,508.72
Classification #1.2	Mid Peak KWH	109,987	0.21034	0.22052	\$ 24,254.38
	Off Peak KWH	290,903	0.14564	0.15269	\$ 44,417.68
Small General	Customer Charge	4,592	22.53	23.62	\$ 1,301,581.39
Service	All KWH	65,194,920	0.19551	0.20497	\$ 13,363,177.74
Classification #2	All KW	-	25.77	27.02	\$ -
	Farm Residence Credit	197	(8.76)	(9.18)	\$ (21,710.94)
Large General	Customer Charge	165	37.58	39.40	\$ 78,009.77
Service	All KWH	54,397,618	0.11190	0.11732	\$ 6,381,708.78
Classification #2	All KW	155,578	25.77	27.02	\$ 4,203,288.97
	Farm Residence Credit	11	(8.76)	(9.18)	\$ (1,212.29)
Small General TOU	Customer Charge	42	29.03	30.44	\$ 15,339.27
Service	On Peak KWH	902,116	0.21642	0.22689	\$ 204,685.36
Classification #2.1	Off Peak KWH	998,612	0.14830	0.15548	\$ 155,261.92
	Demand billing all KWH	-	0.11190	0.11732	\$ -
Large General - Time of Use	Customer Charge	-	58.01	60.82	\$ -
	On Peak KW	-	30.04	31.49	\$ -
	Off Peak KW	-	21.69	22.74	\$ -
Small General TOU Pilot	Customer Charge	4	22.53	23.62	\$ 1,133.78
Service	On Peak KWH	7,606	0.36575	0.38345	\$ 2,916.54
Classification #2.2	Mid Peak KWH	21,911	0.20380	0.21366	\$ 4,681.59
	Off Peak KWH	36,002	0.14719	0.15431	\$ 5,555.61
Large General TOU Pilot	Customer Charge	4	37.58	39.40	\$ 1,891.15
Non-demand Service	On Peak KWH	106,984	0.36575	0.38345	\$ 41,023.26
Classification #2.3	Mid Peak KWH	1,444,232	0.20380	0.21366	\$ 308,580.27
	Off Peak KWH	415,664	0.14719	0.15431	\$ 64,142.77
Industrial Service	Customer Charge	5	287.00	300.89	\$ 18,053.45
Distribution Firm	All KWH	16,221,773	0.11103	0.11640	\$ 1,888,276.86
Classification #3	All KW - Firm	48,373	24.54	25.73	\$ 1,244,519.25
	5% Transfmr Discount	-	-	-	\$ (156,639.81)
Industrial Service	Customer Charge	-	287.00	300.89	\$ -
Distribution Interruptible	All KWH	-	0.11103	0.11640	\$ -
Classification #3	All KW - Firm	-	20.15	21.13	\$ -
	5% Transfmr Discount	-	-	-	\$ -
Subtransmission	Cust Charge - Firm	3	287.00	300.89	\$ 10,832.07
Firm	All KWH - Firm	14,934,782	0.11079	0.11615	\$ 1,734,708.32
Service	KW - Firm	39,949	14.86	15.58	\$ 622,368.61
Classification #3	5% Transfmr Discount	-	-	-	\$ (117,853.85)
Subtransmission	Cust Chrg- Interrupt	3	287.00	300.89	\$ 10,832.07
Interruptible	All KWH - Interrupt	56,084,245	0.10356	0.10857	\$ 6,089,195.70
Service	KW - Interrupt	103,691	10.46	10.97	\$ 1,137,101.09
Classification #3	5% Transfmr Discount	-	-	-	\$ (361,314.84)
Lighting	1,000 Lumens	-	9.58	10.04	\$ -
Service	4,000 Lumens	-	21.81	22.87	\$ -
Classification #4	8,000 Lumens MV	8	21.92	22.98	\$ 2,206.17
	20,000 Lumens MV	2	37.96	39.80	\$ 955.13
	8,000 Lumens HPS	255	17.57	18.42	\$ 56,366.39
	24,000 Lumens HPS	97	37.27	39.07	\$ 45,481.98
	20 LED	2,029	15.16	15.89	\$ 386,980.88
	40 LED	770	27.45	28.78	\$ 265,914.08
	Owned STL	-	-	-	\$ -
	8,000 Lumens HPS	-	14.05	14.73	\$ -
	24,000 Lumens HPS	5	29.81	31.25	\$ 1,875.17
	44,000 Lumens HPS	-	45.59	47.80	\$ -
	20 LED	-	8.43	8.84	\$ -
	40 LED	10	18.19	19.07	\$ 2,288.45
Specific Use	Customer Charge	7	287.00	300.89	\$ 25,274.83
Dynamic Pricing	Renewable Energy	11,045,993	0.01758	0.01843	\$ 203,587.28
Service	Variable T&D	Changes each month, based on actual charges			\$ 365,390.25
Classification #5	Fixed T&D	Rates set each year, effective July 1-June 30			\$ 512,899.08
	Energy	Charges are based on actual LMPs per SC#5			\$ 454,581.65
	Capacity, Regulation	Changes each month, based on actual charges			\$ 2,885.67
				Total	\$ 97,768,141.48

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