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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 refund the difference between the proposed rate and the approved rate through a credit applied 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 24-3432-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.