

**Vermont Electric Cooperative (VEC)  
Service Classification #5 - Specific Use Dynamic Pricing Rate  
Fixed Transmission and Distribution Charge Calculation**

Attachment B  
Shared Facilities  
Agreement

**Rate Effective: July 1, 2019 - June 30, 2020**

**Schedule 1 - Transmission and Distribution Plant and Depreciation**

| Line No. | Description   | Year ended: 12/31/2018 |              |
|----------|---|------------------------|--------------|
|          |   | Utility Plant          | Expense      |
| 1        | Transmission Plant Original Cost                          | \$ 17,719,401          |              |
| 2        | Total Transmission Plant Accumulated Depreciation         | \$ 2,760,094           |              |
| 3        | Net Total Transmission Plant - Net Book                   | \$ 14,959,307          |              |
| 4        | Transmission Depreciation Expense                         |                        | \$ 458,520   |
| 5        |   |                        |              |
| 6        | Distribution Plant Original Cost                          | \$ 130,452,917         |              |
| 7        | Total Distribution Plant Accumulated Depreciation         | \$ 35,461,222          |              |
| 8        | Net Total Distribution Plant - Net Book                   | \$ 94,991,696          |              |
| 9        | Distribution Depreciation Expense                         |                        | \$ 4,237,874 |
| 10       |   |                        |              |
| 11       | Total Accounts 360, 362, 363, 364, 365 - Original Cost    | \$ 86,968,542          |              |
| 12       | Total Acct 362, 363, 364, 365 Accumulated Depreciation    | \$ 23,592,324          |              |
| 13       | Total Accounts 360, 362, 363, 364, 365 - Net Book         | \$ 63,376,219          |              |
| 14       | Distribution Acct 362, 363, 364, 365 Depreciation Expense |                        | \$ 2,825,247 |

**Schedule 2 - Administrative & General Expense**

| Line No. | Description  | Year ended: 12/31/2018 |              |
|----------|--|------------------------|--------------|
|          |  | Utility Plant          | Expense      |
| 1        | Total Utility Plant - Original Cost  | \$ 166,953,050         |              |
| 2        | Total Utility Plant Accumulated Depreciation                               | \$ 49,473,142          |              |
| 3        | Net Total Utility Plant - Net Book   | \$ 117,479,908         |              |
| 4        | Administrative & General Expense   |                        | \$ 3,906,997 |
| 5        | Administrative & General Percentage - Net Book (line 4 / line 3)           | 3.33%                  |              |
| 6        | Administrative & General Expense - Transmission Plant - Net Book           |                        | \$ 497,498   |
| 7        | Administrative & General Expense - Distribution Plant - Net Book           |                        | \$ 3,159,113 |
| 8        | Administrative & General Expense - Acct 360, 362, 363, 364, 365 - Net Book |                        | \$ 2,107,685 |

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**Schedule 3 - Cost of Debt and Debt Service Margin**

Schedule - Operation and Maintenance (O&M) Expenses

| Line No. | Cost of Debt Rate  | Year ended:    | 12/31/2018    | Expense       |
|----------|--|----------------|---------------|---------------|
| No.      |  |                | Utility Plant | Debt          |
| 1        | Long Term Debt   |                |               | \$ 84,069,601 |
| 2        | Interest on Long-Term Debt   |                |               | \$ 3,661,276  |
| 3        | <u>Total Utility Plant</u>   |                |               |               |
| 4        | Total Utility Plant - Original Cost  | \$ 166,953,050 |               |               |
| 5        | Total Utility Plant Accumulated Depreciation   | \$ 49,473,142  |               |               |
| 6        | Net Total Utility Plant - Net Book   | \$ 117,479,908 |               |               |
| 7        | <u>Total Transmission</u>  |                |               |               |
| 8        | Total Transmission Plant - Original Cost   | \$ 17,719,401  |               |               |
| 9        | Total Transmission Plant Accumulated Depreciation  | \$ 3,259,903   |               |               |
| 10       | Net Total Transmission Plant - Net Book  | \$ 14,459,498  |               |               |
| 11       |  |                |               |               |
| 12       | LT Debt Transmission Plant - Net Book (line 1 x (line 10 / line 6))                        |                | \$ 10,347,337 |               |
| 13       | Cost of Debt Transmission Plant - Net Book (line 2 x (line 12 / line 1))                   |                |               | \$ 450,632    |
| 14       |  |                |               |               |
| 15       | Vermont PSB Allowed TIER   | 2.18           |               |               |
| 16       | Debt Service Margin Total Transmission - Net Book (Line 13 x (Line 15 minus 1) )           |                |               | \$ 531,746    |
| 17       | <u>Total Distribution - including Underground, Services, and Line Transformers</u>         |                |               |               |
| 18       | Total Distribution Plant - Original Cost   | \$ 130,452,917 |               |               |
| 19       | Total Distribution Plant Accumulated Depreciation  | \$ 35,461,222  |               |               |
| 20       | Net Total Distribution Plant - Net Book  | \$ 94,991,696  |               |               |
| 21       |  |                |               |               |
| 22       | LT Debt Distribution Plant - Net Book (line 1 x (line 20 / line 6))                        |                | \$ 67,976,849 |               |
| 23       | Cost of Debt Distribution Plant - Net Book (line 2 x (line 22 / line 1))                   |                |               | \$ 2,960,428  |
| 24       | Debt Service Margin Total Distribution - Net Book (Line 23 x (Line 15 minus 1) )           |                |               | \$ 3,493,305  |
| 25       | <u>Aerial Distribution - Excluding Services and Line Transformers</u>                      |                |               |               |
| 26       | Total Distribution Land Investment (Acct 360)  | \$ 532,764     |               |               |
| 27       | Total Distribution Plant Station Equip (Acct 362)  | \$ 22,135,668  |               |               |
| 28       | Total Distribution Plant Storage Battery Equip (Acct 363)                                  | \$ 33,484      |               |               |
| 29       | Total Distribution Plant Poles & Fixtures (Acct 364)                                       | \$ 32,397,535  |               |               |
| 30       | Total Distribution Plant Overhead Cond (Acct 365)  | \$ 31,869,092  |               |               |
| 31       | Total Accounts 360, 362, 363, 364, 365 - Original Cost                                     | \$ 86,968,542  |               |               |
| 32       | Total Acct 362, 363, 364, 365 Accumulated Depreciation                                     | \$ 23,592,324  |               |               |
| 33       | Total Accounts 360, 362, 363, 364, 365 - Net Book  | \$ 63,376,219  |               |               |
| 34       |  |                |               |               |
| 35       | LT Debt Acct 360, 362, 363, 364, 365 - Net Book (line 1 x (line 33 / line 6))              |                | \$ 45,352,550 |               |
| 36       | Cost of Debt Acct 360, 362, 363, 364, 365 - Net Book (line 2 x (line 35 / line 1))         |                |               | \$ 1,975,128  |
| 37       | Debt Service Margin Acct 360, 362, 363, 364, 365 - Net Book (Line 36 x (Line 15 minus 1) ) |                |               | \$ 2,330,651  |

**Schedule 4 - Taxes**

| Line No. |   |            |         |            |
|----------|---|------------|---------|------------|
| 1        | Vermont Gross Revenue Tax   | \$ 394,233 |         |            |
| 2        | Vermont Gross Revenue Tax percentage Net Book                       |            | 0.3356% |            |
| 3        | Vermont Gross Revenue Tax - Transmission Plant - Net Book           |            |         | \$ 48,522  |
| 4        | Vermont Gross Revenue Tax - Distribution Plant - Net Book           |            |         | \$ 318,768 |
| 5        | Vermont Gross Revenue Tax - Acct 360, 362, 363, 364, 365 - Net Book |            |         | \$ 212,674 |

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**Schedule 5 - Operation and Maintenance (O&M) Expenses**

|          |   | Year ended: 12/31/2018 |                      |
|----------|---|------------------------|----------------------|
| Line No. | Electric Operation and Maintenance Expenses           | Total Expense          | Applicable Expense   |
| 1        | <b><u>Transmission Expenses</u></b>                   |                        |                      |
| 2        | <b>Operation</b>                                      |                        |                      |
| 3        | 560 Operation Supervision and Engineering             | \$ 79,057              | \$ 79,057            |
| 4        | 561 Load Dispatching                                  | \$ 576,426             | \$ 576,426           |
| 5        | 562 Station Expenses                                  | \$ 65,486              | \$ 65,486            |
| 6        | 563 Overhead Lines Expenses                           | \$ 344,880             | \$ 344,880           |
| 7        | 564 Underground Lines Expenses                        | \$ -                   | Underground Use      |
| 8        | 565 Transmission by Others less 565.10                | \$ 10,196,676          | Not used             |
| 9        | 565.10 Direct Support Expenses                        | \$ 612,705             | \$ 612,705           |
| 10       | 566 Miscellaneous Transmission                        | \$ -                   | \$ -                 |
| 11       | 567 Rents   | \$ -                   | \$ -                 |
| 12       | <b>Total Operation</b>                                | <b>\$ 11,875,231</b>   | <b>\$ 1,678,555</b>  |
| 13       | <b>Maintenance</b>                                    |                        |                      |
| 14       | 568 Maintenance Supervision and Engineering           | \$ 80,686              | \$ 80,686            |
| 15       | 569 Maintenance of Structures                         | \$ -                   | \$ -                 |
| 16       | 570 Maintenance of Station Equipment                  | \$ 58,339              | \$ 58,339            |
| 17       | 571 Maintenance of Overhead Lines                     | \$ 329,106             | \$ 329,106           |
| 18       | 572 Maintenance of Underground Lines                  | \$ -                   | Underground Use      |
| 19       | 573 Maintenance of Miscellaneous Plant                | \$ -                   | \$ -                 |
| 20       | <b>Total Maintenance</b>                              | <b>\$ 468,132</b>      | <b>\$ 468,132</b>    |
| 21       | <b>Total O &amp; M Transmission Expense</b>           | <b>\$ 12,343,363</b>   | <b>\$ 2,146,687</b>  |
| 22       | <b><u>Distribution Expenses</u></b>                   |                        |                      |
| 23       | <b>Operation</b>                                      |                        |                      |
| 24       | 580 Operation Supervision and Engineering             | \$ 400,427             | \$ 400,427           |
| 25       | 581 Load Dispatching                                  | \$ 622,611             | \$ 622,611           |
| 26       | 582 Station Expenses                                  | \$ 651,044             | \$ 651,044           |
| 27       | 583 Overhead Lines Expenses                           | \$ 3,277,298           | \$ 3,277,298         |
| 28       | 584 Underground Lines Expenses                        | \$ 67,667              | Underground Use      |
| 29       | 585 Street Lighting and Signal System Expenses        | \$ -                   | Not used             |
| 30       | 586 Meter Expenses                                    | \$ 667,902             | Not used             |
| 31       | 587 Customer Installation Expenses                    | \$ (1,986)             | Not used             |
| 32       | 588 Miscellaneous Distribution                        | \$ 201,586             | \$ 201,586           |
| 33       | 589 Rents   | \$ 57,919              | \$ 57,919            |
| 34       | <b>Total Operation</b>                                | <b>\$ 5,944,467</b>    | <b>\$ 5,210,885</b>  |
| 35       | <b>Maintenance</b>                                    |                        |                      |
| 36       | 590 Maintenance Supervision and Engineering           | \$ 233,790             | \$ 233,790           |
| 37       | 591 Maintenance of Structures                         | \$ -                   | \$ -                 |
| 38       | 592 Maintenance of Station Equipment                  | \$ 282,255             | \$ 282,255           |
| 39       | 593 Maintenance of Overhead Lines                     | \$ 7,466,354           | \$ 7,466,354         |
| 40       | 594 Maintenance of Underground Lines                  | \$ 67,653              | Underground Use      |
| 41       | 595 Maintenance of Line Transformers                  | \$ -                   | Not used             |
| 42       | 596 Maintenance of Street Lighting and Signal Systems | \$ 19,520              | Not used             |
| 43       | 597 Maintenance of Meters                             | \$ -                   | Not used             |
| 44       | 598 Maintenance of Miscellaneous Distribution Plant   | \$ 13,889              | \$ 13,889            |
| 45       | <b>Total Maintenance</b>                              | <b>\$ 8,083,460</b>    | <b>\$ 7,996,287</b>  |
| 46       | <b>Total O &amp; M Distribution Expense</b>           | <b>\$ 14,027,927</b>   | <b>\$ 13,207,173</b> |