JOSEPH C. MCNEIL GENERATING STATION

Special-Purpose Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

JOSEPH C. MCNEIL GENERATING STATION

Table of Contents

KPMG LLP
Two Financial Center
60 South Street
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Independent Auditors' Report

The Joint Owners
Joseph C. McNeil Generating Station:

Report on the Audit of the Financial Statements

Opinion

We have audited the special-purpose financial statements of the Joseph C. McNeil Generating Station (the Station), which comprise the special-purpose statements of assets, owners' equity, and liabilities as of June 30, 2025 and 2024, and the related special-purpose statements of changes in owners' equity and Station operating expenses for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the assets, owners' equity and liabilities of the Station as of June 30, 2025 and 2024, and the related changes in owners' equity and Station operating expenses thereof for the years then ended in accordance with the Joint Owners' agreement described in Note 2 to the special-purpose financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 2 to the special-purpose financial statements, the special-purpose financial statements are prepared by the Station on the basis of the financial reporting provisions of the Joint Owners' agreement, which is a basis of accounting other than U.S. generally accepted accounting principles, to meet the requirements of the Joint Owners' agreement. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the financial reporting provisions of the Joint Owners' agreement. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the special-purpose financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special-purpose financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of the Station and its joint owners and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Boston, Massachusetts
November 10, 2025

JOSEPH C. McNEIL GENERATING STATION

Special-Purpose Statements of Assets, Owners' Equity, and Liabilities

June 30, 2025 and 2024

Assets		**2025**	**2024**
Steam production plant, at cost:			
Land and land rights	$	276,599	276,599
Structures and improvements		20,499,870	20,485,016
Boiler plant equipment		64,476,063	62,559,597
Turbine generator		14,563,770	14,353,122
Accessory electrical equipment		2,509,970	2,509,970
Miscellaneous power plant equipment		2,165,410	2,154,425
Other steam production plant		1,137,281	1,134,940
Construction work in progress		7,534	132,992
Total steam production plant		105,636,497	103,606,661
Cash		1,256,394	1,141,965
Inventories, at average cost:			
Fuel		2,662,550	2,591,673
Materials and supplies		5,137,606	5,215,173
Other assets		255,578	231,228
Total assets	$	114,948,625	112,786,700
Owners' Equity and Liabilities			
Owners' equity:			
Burlington Electric Department	$	57,357,916	56,251,391
Vermont Public Power Supply Authority		21,653,629	21,233,151
Green Mountain Power Corporation		35,330,100	34,644,054
Total owners' equity		114,341,645	112,128,596
Liabilities:			
Accounts payable		454,767	476,093
Accrued liabilities		152,213	182,011
Total liabilities		606,980	658,104
Total owners' equity and liabilities	$	114,948,625	112,786,700

See accompanying notes to special–purpose financial statements.

JOSEPH C. McNEIL GENERATING STATION

Special-Purpose Statements of Changes in Owners' Equity

Years ended June 30, 2025 and 2024

		2025	2024
Contributions by joint owners:			
Burlington Electric Department	$	12,813,751	11,547,328
Vermont Public Power Supply Authority		4,869,226	4,387,985
Green Mountain Power Corporation		7,944,526	7,159,343
		25,627,503	23,094,656
Property taxes paid by individual joint owners		1,803,725	1,650,803
Total contributions by joint owners		27,431,228	24,745,459
Less station operating expenses, net		25,216,179	23,565,711
Net increase in owners' equity		2,215,049	1,179,748
Owners' equity at beginning of year		112,126,596	110,948,848
Owners' equity at end of year	$	114,341,645	112,128,596

See accompanying notes to special–purpose financial statements.

JOSEPH C. McNEIL GENERATING STATION

Special-Purpose Statements of Station Operating Expenses

Years ended June 30, 2025 and 2024

		2025	2024
Operation expenses:			
Supervision and engineering	$	591,995	452,968
Fuel – oil		11,381	17,820
Fuel – wood		15,116,910	13,543,748
Fuel – gas		30,045	33,951
Steam		2,307,595	2,037,043
Electric		742,927	746,341
Miscellaneous steam power expense		758,316	711,460
Total operation expenses		19,559,169	17,543,331
Maintenance expenses:			
Supervision and engineering		36	101,012
Structures		54,259	56,767
Boiler plant		862,972	1,102,285
Electric plant		746,849	660,747
Miscellaneous steam power expense		46,442	22,981
Total maintenance expense		1,710,558	1,943,792
Transmission expenses		90,786	65,538
Total production expenses		21,360,513	19,552,661
Administrative and general expenses		2,149,544	2,080,797
Total operating expenses		23,510,057	21,633,458
Taxes, including payment in lieu of taxes to the City of Burlington, Vermont		1,802,248	1,656,397
Loss on sale of equipment		—	383,749
Other income		(65,865)	(67,223)
Interest income		(28,261)	(40,670)
Station operating expenses, net	$	25,218,179	23,565,711

See accompanying notes to special-purpose financial statements.

(1) Station Organization

The Joseph C. McNeil Generating Station (the Station) is a wood-, natural gas-, and oil-fired, 50 megawatt, steam generating unit located in the City of Burlington, Vermont. Under the Agreement for Joint Ownership, Construction and Operation of the Joseph C. McNeil Generating Station dated May 14, 1982 as amended (the Agreement), the joint owners are tenants in common with undivided interest in the Station. Ownership percentages of the Station as of June 30, 2025 and 2024 are as follows:

	2025	2024
Burlington Electric Department	50 %	50 %
Green Mountain Power	31	31
Vermont Public Power Supply Authority	19	19
	100 %	100 %

The City of Burlington, Vermont Electric Department (the Department) has sole responsibility for operation of the Station. The Station began commercial operations in 1984. The McNeil Plant capacity factor for the fiscal year 2025 was 47.2% compared to 41.0% in 2024, supplying 205,765 MWH and 180,046 MWH, respectively, of its energy production to the Joint Owners.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying special-purpose financial statements have been prepared in order to comply with the terms of the Agreement. They summarize certain financial transactions occurring as a result of the Agreement and, accordingly, they are not intended to be a presentation in conformity with U.S. generally accepted accounting principles. The significant differences from generally accepted accounting principles are as follows:

- A statement of cash flows is not presented.
- Station costs are classified in accordance with Federal Energy Regulatory Commission (FERC) guidelines and include all direct and indirect costs and expenses incurred with respect to the Station that are properly chargeable to the design, engineering, procurement, installation, construction, operation, maintenance, insuring, licensing, shutdown, demolition, or disposal of the Station, taxation and payments in lieu thereof, and all costs of keeping accounting and other records, of furnishing accounts, reports, and other information with respect to the Station and of audits pursuant to Section 15, including both financial and engineering audits. Each of the owners has financed its respective participation in Station costs. Accordingly, an allowance for funds used during construction is not included in Station costs. Other costs assessed directly to individual owners are not included in Station costs except for property taxes. The Station incurred capital costs of $2,029,836 and $1,638,174, in 2025 and 2024, respectively, which are recorded as part of steam production plant.
- The notes to the special-purpose financial statements are not compliant with U.S. generally accepted accounting principles.

(Continued)

- No depreciation has been recorded in the special-purpose financial statements. Each owner records depreciation expense based on the total cost of its investment in the Station, its depreciation method, and its useful life for rate-making purposes. Major expenditures for steam production plant that are major improvements or extend the life of the asset are capitalized. Maintenance and repairs are expensed as incurred. When assets are replaced, the costs associated with such replacement are capitalized and the previously capitalized costs are removed from steam production plant.
- Significant costs of the Station, e.g., costs of financing construction, have been incurred by individual owners and are not recorded in these special-purpose financial statements.

(b) Payment of Station Costs

Owners advance funds to the Department monthly based on anticipated cash requirements. Excess cash funds are temporarily invested by the Department prior to use.

(c) Fuel Inventories

Fuel inventories comprised of fuel oil and wood chips are stated at lower of cost or market as determined using the average cost method.

(d) Revenue and Transmission Expense

Revenue from sales of electricity, net of related transmission expense, is credited to individual owners and owners' participants by the Vermont Electric Power Company (VELCO) and/or Independent System Operator-New England (ISO-NE).

(e) Income Taxes

The Station is an unincorporated organization that has elected, pursuant to Internal Revenue Code Section 761(a), not to be treated as a partnership. No provision is made for income taxes since such liability is the responsibility of the individual joint owners.

(f) Use of Estimates

The preparation of financial statements 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 changes in owners' equity during the reporting period. Actual results could differ from these estimates.

(3) Related-Party Transactions

Station operating expenses include $35,544 and $41,916 in 2025 and 2024, respectively, representing administrative and general expenses incurred by the Department acting in its capacity as manager of the Station.