



2007 Sustainability Report

GreenMountainPower.biz

On. Every Day.

Green Mountain Power
163 Acorn Lane
Colchester, VT 05446
October 26, 2007

TABLE OF CONTENTS

SECTION	PAGE NO.
1. INTRODUCTION	1-1
1.1 Statement from CEO, Mary Powell	1-1
1.2 Introduction	1-2
1.3 Focus on Materiality	1-2
1.3.1 Top Three Material Issues	1-2
1.3.1.1 Climate Change Risk	1-2
1.3.1.2 Power and Other Contracts	1-3
1.3.1.3 Merger with Gaz Métro	1-3
1.4 Sustainability Highlights and Recent Awards	1-5
1.4.1 Environmental	1-5
1.4.2 Social	1-5
1.4.3 Economic	1-6
1.5 Key Performance Metrics	1-6
2. GRI SUMMARY	2-1
2.1 Report Scope and Boundaries	2-1
2.2 Report Content	2-1
2.3 How This Year's Report is Different	2-1
2.4 Stakeholder Engagement	2-2
2.4.1 Process	2-2
2.4.2 Results	2-2
2.4.2.1 Environmental Footprint of Operations	2-3
2.4.2.2 Types of Power Generation	2-3
2.4.2.3 Customers and Community	2-3
2.4.2.4 Employee Benefits	2-3
2.4.2.5 Gaz Métro Merger	2-4
2.4.3 Report Audience	2-4
2.5 Assurance	2-4
3. OVERVIEW OF GREEN MOUNTAIN POWER	3-1
3.1 Green Mountain Power History	3-2
3.2 Green Mountain Power's Vision	3-4
3.2.1 Organizational Changes at Green Mountain Power in 2007	3-4
3.3 Financials	3-5
3.3.1 Rate Regulation	3-5
3.3.2 Corporate Governance	3-8
3.3.3 Membership in Organizations	3-8
3.4 Indirect Economic Impacts — Reliable, Affordable Power	3-9
3.4.1 Reliability and Retail Sales Stats	3-9
4. OUR SUSTAINABILITY STRATEGY	4-1
4.1 Environmental Commitment Statement	4-1
4.2 Sustainability Strategy	4-1
4.3 Materiality	4-1

4.3.1	Top 10 Material Issues	4-2
4.4	Challenges	4-3
5.	IDENTIFYING AND REDUCING OUR ENVIRONMENTAL FOOTPRINT	5-1
5.1	Our Power Profile and Its Impacts	5-1
5.1.1	Generation Facilities.....	5-1
5.1.2	Power Mix.....	5-2
5.1.3	Renewable Energy Credit Sales.....	5-2
5.2	Hydro.....	5-2
5.3	Wind 5-3	
5.4	Wood/Biomass	5-4
5.5	Nuclear Power	5-4
5.5.1	Overall Footprint of Nuclear Power	5-5
5.5.2	Safety at Vermont Yankee.....	5-6
5.5.3	Waste from Vermont Yankee	5-6
5.5.4	Green Mountain Power's Position on Nuclear Power.....	5-6
5.6	Fossil Fuels	5-7
5.7	Air Emissions and Climate Change	5-7
5.7.1	Our Air Emissions.....	5-7
5.7.2	Disclosure of Climate Change Risk	5-10
5.7.3	Programs to Reduce Climate Change Risk.....	5-10
5.7.4	Chicago Climate Exchange (CCX)	5-11
5.7.5	Regional Greenhouse Gas Initiative (RGGI)	5-11
5.7.6	Commitment to Renewable Energy	5-12
5.8	T&D System Upgrades and Impacts	5-12
5.8.1	Northwest Reliability Project.....	5-12
5.8.2	Sulfur Hexafluoride (SF ₆).....	5-12
5.8.3	Electromagnetic Radiation.....	5-13
5.8.4	PCBs	5-13
5.8.5	Impacts on Native Ecosystems and Species.....	5-13
5.8.6	Biodiversity-Rich Habitats.....	5-16
6.	IMPACTS FROM INFRASTRUCTURE AND OPERATIONS.....	6-1
6.1	Energy Use and Energy Efficiency	6-1
6.2	Water Use	6-3
6.3	Impacts from Transportation.....	6-4
6.3.1	Fuel Efficiency	6-4
6.3.2	Emissions Reductions	6-7
6.3.3	Vehicle Performance and Service Life	6-7
6.3.4	Airline Travel	6-7
6.4	Raw Material Usage	6-7
6.4.1	Use of Recycled Materials.....	6-8
6.4.2	Street Light Initiative	6-8
6.4.3	Fuel Use	6-8
6.5	Purchasing Policy.....	6-9
6.6	Impacts from Wastes and Releases.....	6-9
6.6.1	Solid Waste and Chemical Waste	6-9
6.6.2	Recycling.....	6-11
6.6.3	Berlin Landfarm	6-12

6.6.4	2007 Releases	6-12
6.6.5	Pine Street Barge Canal.....	6-15
7.	OUR EMPLOYEES HAVE SPOKEN: GREEN MOUNTAIN POWER IS A GREAT PLACE TO WORK.....	7-1
7.1	Work Environment.....	7-3
7.1.1	Our Philosophy and Code of Ethics.....	7-3
7.2	Employee Benefits.....	7-4
7.3	Our Commitment to Professional Growth and Training.....	7-4
7.4	Next Generation University (Green Mountain Power U).....	7-5
7.5	Human Rights.....	7-5
7.5.1	Restructuring	7-5
7.5.2	Human Rights.....	7-5
7.6	Employee Reaction to Gaz Métro Merger	7-5
7.7	Workplace Diversity and Equal Opportunity	7-6
7.8	Employee Health & Safety.....	7-7
7.8.1	Executive Safety Committee	7-7
7.8.2	Employee Health and Wellness Programs	7-7
7.8.3	Promoting Healthy Lifestyles	7-7
7.8.3.1	Work-Related Injuries and Illnesses	7-8
7.8.4	Formal Commitment to Health & Safety through “SHARP”	7-8
8.	GIVING BACK TO VERMONT THROUGH RELIABILITY AND SOCIAL RESPONSIBILITY	8-1
8.1	History of Serving and Listening to Our Customers.....	8-1
8.2	Commitment to Reliability (through Technology).....	8-1
8.3	We Listen to Our Customers	8-2
8.3.1	Customer Reaction to Gaz Métro Merger.....	8-2
8.4	Local Energy Forums	8-3
8.5	Giving Back to Communities	8-3
8.5.1	Supporting Communities and Local Environmental Research	8-3
8.5.2	Assisting Limited-Income Customers	8-3
8.5.3	Fourth Annual Community Energy Fair	8-4
8.5.4	Wind Tours	8-4
8.6	Corporate Giving	8-4
8.6.1	Ralph Nading Hill Writing Contest	8-6
8.7	Product Responsibility.....	8-7
8.7.1	Renewable Energy Product Information	8-8
8.7.2	Safety and Environmental Tips.....	8-8
9.	GRI CONTENT INDEX.....	9-1

LIST OF FIGURES

Figure 1-1: Performance and Targets	1-6
Figure 3-1: MWH Generation 2004-2007	3-1
Figure 3-2: Green Mountain Power's Transmission & Distribution (T&D) System	3-2
Figure 3-3: Green Mountain Power Service Area	3-3
Figure 3-4: Retail Sales and Lease Transmissions, in GWh	3-4
Figure 3-5: Earnings per Share and Dividends Paid	3-7
Figure 3-6: Debt and Equity	3-8
Figure 3-7: System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI)	3-10
Figure 3-8: Average Residential Rates of New England Large Investor-owned Utilities	3-12
Figure 5-1: Wood Usage in Power Production (2004-2007)	5-4
Figure 5-2: Trend of CO ₂ Emissions (2004-2007) – Includes Purchased Power	5-9
Figure 5-3: Air Emissions (2004-2007)	5-9
Figure 6-1: Electricity Use 2000-2007	6-2
Figure 6-2: Green Mountain Power Total Water Use (2004-2007)	6-4
Figure 6-3: Transportation and Miscellaneous Fuel Use.....	6-5
Figure 6-4: Vehicle Fleet Efficiency.....	6-6
Figure 6-5: Vehicle Fleet Travel	6-6
Figure 6-6: Hazardous Waste Generation (2004-2007)	6-11
Figure 8-1: Hercules and Mr. Chamberlin (photo credit: Jane Lindholm, VPR)	8-7

LIST OF TABLES

Table 3-1: Our Customers.....	3-2
Table 3-2: Financial Data.....	3-6
Table 3-3: Service Quality Performance Index.....	3-11
Table 5-1: Power Mix: 2005-2007	5-2
Table 5-2: Fossil-Fueled Power Sources	5-7
Table 5-3: 2007 Wholesale Power Profile	5-8
Table 5-4: Impacts of Power on Habitats and Wildlife.....	5-14
Table 6-1: KWH Use by Location.....	6-2
Table 6-2: Water Use by Location.....	6-3
Table 6-4: Raw Material Usage 2005-2007.....	6-8
Table 6-5: Fuel Use for Building Heat by Location.....	6-8
Table 6-6: Waste Data for 2004-2007	6-9
Table 6-7: Recycling Methods.....	6-12
Table 6-8: Spills 2007	6-13
Table 7-1: Employee Summary for 2007	7-1
Table 7-2: Recruitment Areas	7-2
Table 7-3: Green Mountain Power's Workforce	7-6
Table 7-4: OSHA Injuries and Illnesses (2004-2007).....	7-8
Table 8-1: 2007 Corporate Contributions.....	8-4

1. INTRODUCTION

1.1 STATEMENT FROM CEO, MARY POWELL

Welcome to Green Mountain Power's 2007 Sustainability Report Update. This report documents Green Mountain Power's progress towards sustainability, reports on activities in 2007, but includes some developments in 2008. This report is intended to be primarily an informational/data update to last year's comprehensive report.

Green Mountain Power transmits, distributes, and sells electricity and utility construction services in the State of Vermont in a service territory with approximately one quarter of Vermont's population. We serve 94,000 customers. The largest change at Green Mountain Power recently has been the acquisition of Green Mountain Power by Gaz Métro. In 2006, our shareholders overwhelmingly approved a merger with Northern New England Energy Corporation, a wholly-owned subsidiary of Gaz Métro, a leading Quebec energy company with a long history of investment in Vermont. The merger was completed in April 2007, and we continue as a locally-managed company, led by our Vermont-based senior team, that is regulated by the state of Vermont.

In August 2008, we had a change in our leadership at Green Mountain Power. I became Green Mountain Power's President and Chief Executive Officer when CEO Chris Dutton retired after 11 years of leading the company. I am ready and eager for this new leadership challenge to continue to create customer value and to build on the work that I have done in my 10-year association with Chris Dutton. My focus will be further building and leveraging a strong technology platform for customer delivery in order to provide superior and reliable electric service in a world that is more complex and that demands a lighter environmental footprint. The effective replacement of our Hydro-Québec and Vermont Yankee contracts is a key focus of our leadership team and will be one of the most important decisions we make for our customers in the next decade. Our vision is to create a portfolio that is low carbon, low cost and reliable.

At Green Mountain Power, we believe that we have a responsibility to contribute in meaningful ways to the economic health of Vermont, while doing our best to protect and enhance the environmental and social qualities of life in the communities we serve. In this way, pursuing sustainability is highly relevant to our overall business strategy and the way we run our Company. This report, which follows the 2006 Global Reporting Initiative (GRI) guidelines (the "G3" guidelines), describes our commitment to fiscal responsibility, environmental stewardship, and social responsibility. We attempt to highlight our progress, but also offer a transparent view of opportunities for improvement.

As a company that has provided electricity to Vermonters since 1893, Green Mountain Power's values are closely intertwined with those of Vermont. We appreciate the opportunity to continue to report to you on Green Mountain Power's progress and challenges in our quest to serve Vermonters in an environmentally, socially and economically responsible manner. Thank You!

Mary Powell

SD 1.1

Please note that throughout this report we reference the GRI Standard Disclosures (SD) and Indicators that we have addressed. In some instances, the indicator is listed after the information that addresses it.

1.2 INTRODUCTION

Green Mountain Power is committed to sustainability in a variety of ways. Recently, we announced that we have become carbon neutral in our operations. We have a reputation of being a premier employer and providing our employees a great place to work. We believe that our financial position continues to be strong, particularly in light of the recent merger with Gaz Métro. Perhaps our largest sustainability challenge, however, relates to the power that we generate, purchase, transmit, and distribute to our customers.

In 2007, only 1.9% of our fuel mix was from fossil fuels – compared with a national average of 70%. Our power mix was dominated by hydro (47.5%) and nuclear (37.5%), and supplemented by wood (4.3%), oil/natural gas (1.9%), and wind 0.02%. When we built our Searsburg wind facility in 1997, it was the largest wind plant east of the Mississippi River. Now, we are working with a developer to expand Searsburg as part of an overall effort to continue our reliance on renewable and alternative energy sources. We know that nuclear power is a concern to some of our stakeholders, which is why we have included even more information in this year’s report on nuclear power.

Green Mountain Power has come a long way. We hope that our commitment to sustainability is reflected in this report through its accurate information, transparency, consideration of stakeholder concerns, and reliance on the GRI 2006 (G3) guidelines.

1.3 FOCUS ON MATERIALITY

Material issues are issues that can significantly impact one or more aspect of Green Mountain Power’s commitment to financial responsibility, environmental stewardship, and social responsibility. In this report, we identify our Top Ten Material Issues (link will be added in web-based version of report), which were chosen as a result of a rigorous and thoughtful selection process. From these ten, we’ve selected the Top Three which we (and our stakeholders) feel are the most crucial to the Company. SD 1.2

1.3.1 Top Three Material Issues

For each of our “Top Three” material issues, we describe the challenge, explain our approach, and comment on our progress towards mitigating the risks associated with these issues.

1.3.1.1 Climate Change Risk

There are so many reasons why climate change is the top material issue for Green Mountain Power. First of all, even though our power profile is dominated with sources that have a small carbon footprint, the question remains - how will Green Mountain Power retain its climate-friendly fuel mix when its contracts for Vermont Yankee and Hydro-Québec power expire in 2012 and 2015, respectively? Also, climate change has emerged as the primary issue of concern for the majority of our stakeholders, including external stakeholders who are interested in Green Mountain Power’s disclosure of its current Green House Gas (GHG) emissions, as well as our reduction goals. Vermonters, including our employees, are concerned about global warming and climate change. Other reasons why climate change has emerged as a material issue include the State of Vermont’s commitment to climate change through the Governor’s Climate Change Commission (established in 2005), as well as imminent carbon legislation. Specifically, the Regional Greenhouse Gas Initiative (RGGI) will soon apply to one of our facilities.

There is additional risk as climate change predicts to change weather patterns drastically resulting in more extreme weather patterns and more storms – both of which increase our peak power requirements and our storm response demands. So not only are we making decisions to reduce environmental impact, but we are also bracing our operations for the impact that weather (due to climate change) may have on utility use and maintenance.

We are tackling our climate change risk on so many levels. We are working to achieve carbon neutrality in our operations through increased building efficiencies, the deployment of alternative-fueled vehicles, and offsets purchased through NativeEnergy, a local Vermont company. In 2007, we signed the Climate Call to Action, which calls on the U.S. government to begin tackling climate change through GHG reductions, legislation, and research. SD 4.12 (Climate Call to Action) and EC2.

We also offer our customers a variety of options and programs to help reduce their carbon footprints, support green energy, and be more energy efficient (see Section 5 for more information on these programs).

1.3.1.2 Power and Other Contracts

Because we purchase a large percentage of our power from facilities that we do not own or operate, these sources of power are material to our commitment to environmental sustainability. Over the course of the next decade, clean and low-cost contracts that we have with Vermont Yankee and Hydro-Québec will expire. These two contracts currently provide two-thirds of Vermont's energy supply. We are in the process of negotiating new power contracts to replace them, and we're also determining alternative courses of action. Additionally, because we purchase power from hydro plants, a nuclear plant, and other facilities, there are environmental and other risks associated with these facilities that are harder to identify and mitigate without ownership or operational control. To address this, we have included more information in this year's report about the potential footprint of different types of power. We are also formalizing our supply chain practices to ensure that our contracts prioritize sustainability as much as possible.

1.3.1.3 Merger with Gaz Métro

On June 22, 2006, Green Mountain Power announced that it was being acquired by Northern New England Energy Corporation (NNEEC), a wholly-owned subsidiary of Gaz Métro, a major distributor of natural gas in Quebec and the northeastern United States with a long history of investment in Vermont.

The proposal was approved by shareholders and state and federal regulators and the merger was finalized in April 2007. Green Mountain Power will continue as a locally-run company, regulated principally by the state of Vermont.

Prior to completing the acquisition agreement, Green Mountain Power hired KLD Research and Analytics, Inc., a Boston-based firm that performs research and analysis for socially responsible investors, to help us assess Gaz Métro's profile with respect to corporate responsibility. KLD found no areas of concern.

The recent merger emerged as one of the top three material issues in the short-term because it has fundamentally changed the ownership and financial structure of the company. We have essentially traded 5,500 shareholders for one. Also, our stakeholders, including employees and customers, may be affected by the merger in various ways.

Employee Feedback

We convened stakeholder discussions with a wide variety of employees in 2007 to listen to their feedback on the Gaz Métro merger. Some employees are content with the merger, thought it was seamless, and trust that any changes to their work environment or benefits will be adequately addressed by Green Mountain Power. Other employees have a “wait and see” attitude and wonder if Gaz Métro will acquire any other utilities in Vermont. Some employees liked owning shares in Green Mountain Power directly through stock grants and indirectly through stock options. Overall, employees did not think that the merger had much of an impact on their everyday work environment.

Customer Reaction

We also performed a survey in 2006 to measure customers’ expectations of how this acquisition will impact customer satisfaction. Half of our customers expect that reliability of electric power and customer service (50 percent and 51 percent respectively) will not change. Some customers (44%), however, do expect electric bills over the next few months to increase. Thirty three percent believe the bills will stay the same. Slightly more than half of the customers (52 percent) responded that the acquisition will make no change in communication between Green Mountain Power and its customers. Overall, 37 percent responded that the acquisition would make no difference for the customers, while 22 percent believe that it is bad for customers, and 11 percent believe it is good. Noteworthy is the finding that 30 percent remain uncertain.

Effects on Our Sustainability Programs

We are confident that this acquisition will support our sustainability efforts. In fact, we believe the corporate cultures of the two companies are very similar. In addition to being a leader in the energy field, Gaz Métro aims to be recognized as an upright, socially responsible and environmentally caring enterprise. This is consistent with Green Mountain Power’s environmental values. Also, both companies embrace a culture of compliance, transparency and cooperation with regulators.

Economic Impacts from Merger

Immediately after the acquisition announcement, both S&P and Moody’s credit rating agencies upgraded the outlook on Green Mountain Power. In August 2007, Moody’s Investors Service upgraded the senior secured debt ratings of Green Mountain Power Corporation, reflecting the rating agency’s conclusion that the recent purchase of Green Mountain Power by Gaz Métro will yield financial benefits. Standard & Poor’s upgraded Green Mountain Power’s senior secured debt ratings in September.

In its press release, Moody’s said, “The rating action reflects our views that Green Mountain Power should be able to benefit both financially and operationally from its recent change in ownership...”

We are gratified to see that the financial community agrees with our analysis that the acquisition of Green Mountain Power by Gaz Métro will benefit our customers and the entire state of Vermont because Gas Metro’s size and financial horsepower can enhance our financial position when we negotiate new power contracts.

The Moody’s decision, which was released August 7, 2007, also stated, “Operationally, we believe Green Mountain Power stands to benefit from improved negotiating leverage as part of a larger creditworthy family when it seeks to replace expiring power supply contracts over the long term.”

1.4 SUSTAINABILITY HIGHLIGHTS AND RECENT AWARDS

The following are a few highlights from 2007 through the early part of 2008, as well as a few recent awards.

1.4.1 Environmental

- In 2007, we committed to work toward carbon neutrality in our operations through increased building efficiencies, alternative-fueled vehicles, and offsets purchased through NativeEnergy, a local Vermont company.
- In January 2007, Vermont Governor Jim Douglas honored Green Mountain Power with the state's highest environmental award for our work in environmental reporting and in treating petroleum contaminated soil naturally at our land farm in Berlin.
- We have continued to increase biodiesel use since 2005. As of 2007, all of the vehicles that fuel up at our service centers run on biodiesel. We also instituted an anti-idling policy in 2006 to discourage idling and further reduce emissions.
- We purchased two Neighborhood Electric Vehicles, which are eight times more efficient than a standard combustion engine vehicle. They travel at a maximum of 25 mph and provide efficient transportation for employees to use for meetings, errands or lunch. The use of these vehicles and new carpool parking places encourage employees to carpool, bike or walk to work.

1.4.2 Social

- We met or exceeded all of our service quality standards in 2007. We answered 85 percent of calls within 20 seconds, well above the 75 percent standard as well as achieved 90 percent overall customer satisfaction.
- Green Mountain Power's customers experienced fewer outages in 2007 than in recent years, exceeding standards set by Vermont regulators.
- In November 2007, Vermont Business Magazine (VBM) announced the top ranking companies in the *Best Places to Work in Vermont* competition. Green Mountain Power ranked third in the Large Company category (100 or more employees). The ranking was based on a two-part workplace assessment of each participating company. In part one, the employer completes a questionnaire and in part two, employees of the company complete an employee satisfaction survey.
- In February 2006, Vermont Businesses for Social Responsibility (VBSR) named Green Mountain Power "Large Company Leader of the Year." The VBSR board said it was impressed by the issuance of our corporate responsibility report.
- In 2006, we started Next Generation University a corporate "university" that goes beyond mere training. We believe that our customers and shareholders will benefit from a highly skilled, motivated, healthy workforce enrolled in "Green Mountain Power U".
- In May 2006 and May 2007, Green Mountain Power received the Vermont Governor's Council on Physical Fitness and Sports "Bronze Worksite Wellness Program Recognition Award."
- In 2006, we met Company-wide requirements of the Safety and Health Achievement Recognition Program (SHARP), a nationally recognized program implemented by states under Federal OSHA.

- United Way of Chittenden County gave Green Mountain Power the “Keep it Simple, Make it Fun” award in 2006, acknowledging the creative spirit of our United Way employee campaign.
- GMP was recently recognized as one of the “Best Places to Work in Vermont” by VT Business Magazine.

1.4.3 Economic

- We continuously develop new programs to assist customers in reducing their carbon footprint. The most recent program, GreenerGMP, allows customers to purchase renewable energy. CoolHome and CoolDriver, offered in partnership with NativeEnergy, also allow customers to offset their own carbon footprints. Approximately 820 customers had signed up for GreenerGMP as of September 2008.
- On December 22, 2006, the VPSB approved a 9.09% rate increase for the Company, effective January 1, 2007. The rate increase allows the Company to recover increased power and transmission costs in 2007 compared to 2006. The VPSB also approved the Company’s 2007 Alternative Regulation Plan, effective for three years beginning February 1, 2007.
- In 2007, Green Mountain Power received an \$80,000 and a \$302,000 tax credit for wind and biomass, respectively.

SD 1.1.5 and SD 2.10

1.5 KEY PERFORMANCE METRICS

There are several key performance metrics that we rely on to assess our progress towards our sustainability goals. Because sustainability is intertwined with our brand and our overall business strategy, these metrics are central to our operations. Together, the performance metrics can be used as a tool to measure how Green Mountain Power’s progress compares with our vision, environmental commitment, and core values. Note how we have selected the key performance metrics based on our vision statement elements. Also, we have added a few “sustainability face” symbols to symbolize whether our performance in 2007 was an improvement (☺), a disappointment (☹), or just maintaining the status quo (☺).

Figure 1-1: Performance and Targets

Key Performance Metric	2004	2005	2006	2007	Lessons Learned	Future Goal
Efficient Electric Utility						
System Average Interruption Frequency Index (SAIFI)	1.4	1.6	1.8	1.38 ☺	Intensity of weather from year to year can have a significant impact on overall system reliability. Will need to be more aggressive with tree trimming.	Beat five-year average of 1.6. <i>Relevant Benchmark:</i> Regulators Agreed-Upon Service Quality Standard for

Key Performance Metric	2004	2005	2006	2007	Lessons Learned	Future Goal
						SAIFI: <= 1.7 (average times a year)
Customer Average Interruption Duration Index (CAIDI)	1.3	1.5	1.8	1.79 ☹	More severe weather causes greater damage and leads to longer outages. Underscores climate change concerns.	Roll out “device driven outage” management fall 2008; Install additional system automation (i.e. shorter outages) <i>Relevant Benchmark:</i> Regulators Agreed-Upon Service Quality Standard for CAIDI: <= 2.2 (average hours per outage)
Service Quality Performance Index (Measure of Customer Overall Satisfaction)	86.8	91.6	88.4	89.6 ☺	We use survey data to improve internal processes.	Continue to exceed national satisfaction measures and regulatory expectations. <i>Relevant Benchmark:</i> Regulators Agreed-Upon Service Quality Standard for Customer Satisfaction: >=80%

Key Performance Metric	2004	2005	2006	2007	Lessons Learned	Future Goal
Environmentally Responsible						
% of Power Mix from Fossil Fuels	2.5	1.8	2.2	1.9 ☺		Keep emissions low while committing to new sources of power.
CO ₂ Emissions (tons) from Power Generation	39,402	29,398	38,874	27,610 ☺		Maintain our enviable emissions profile without significant adverse impact on our costs.
Average Vehicle Fuel Efficiency (Gasoline and Diesel) – MPG	10.08	9.42	10.23	11.7 ☺		Improve fuel efficiency by 25% from 2005 to EOY 2008 (over 3 years).
Blended Biodiesel Used (Gallons)	0	28,070	64,509	57,021 ☹	Generally great vehicle performance with biodiesel – use smaller % of biodiesel in winter.	Expand biodiesel usage by 5% in 2009 by adding another fueling terminal at service center.
Energy Consumption – Buildings (thousand kwh)	1,509	1,493	1,457	1,495 ☹	Efficiency measures pay off, but overall consumption continues to increase due to increased reliance on technology.	Reduce electricity consumption. Future goals will center on total energy consumption.
Total Water Use (gallons)	178,912	234,564	216,740	427,847 ☹	Colchester water usage drastically under-billed for years.	Capture accurate water use and determine why water use is increasing.
Hazardous Waste Generated (lb)	21,528	10,306	15,015	415,953 ☹	Increase in 2007 due to several oil spills. Also, there was a wooden penstock at one of our hydro plants	

Key Performance Metric	2004	2005	2006	2007	Lessons Learned	Future Goal
					that needed to be replaced. Creosote-impacted soil was removed as part of this effort and significantly increased our generation of hazardous waste in 2007.	
Premier Employer that leverages technology and invests in highly-trained people						
Employee Turnover	5.6% Includes retirees	5.6% Includes retirees	9.8% Includes retirees	6.7% ☺ Includes retirees	Note that because our company is small, even a slight change can result in a much higher/lower turnover number. As more employees become eligible for retirement, number will go up.	Some turnover is healthy. Maintain in range of 5-15%.
Injuries/Illnesses (total days and cases) (see Table 7-4 for breakdown)	290	113	251	100 ☺	Needed renewed focus on safe work practices at end of 2006.	Reduce number of injuries and days missed.

Some of the ways that we are committed to our vision statement are best described in qualitative terms and no metrics are involved.

Green Mountain Power intends to be an environmental leader in the utility sector through on-going improvements in key sustainability goal measurements. Throughout this report we address targets, goals, obstacles, challenges and overall business strategy.

2. GRI SUMMARY

2.1 REPORT SCOPE AND BOUNDARIES

Green Mountain Power elected to draft this annual sustainability report using the GRI 2006 Reporting Guidelines (G3). The sections and content of this report were based on the Economic, Environmental, Social, Labor Practices and Decent Work, Human Rights, Society, and Product Responsibility Indicators of GRI. The report also addresses the G3's Strategy and Profile Standard Disclosures. During report preparation, we considered GRI's Draft Electric Utility Sector Supplement. While we did not choose to include all of these in this year's report, next year's report may include more of these indicators. To facilitate comparison with the GRI indicators, this report references specific indicators throughout, as well as including a GRI index in Section 9, which explains why certain indicators are not applicable to us or are not addressed due to data deficiencies.

There is very little change in the scope and boundary of this report compared to last year's report. This year's report reports on the same locations, facilities, and operations of Green Mountain Power as last year's report. SD 3.6, 3.8, and 3.11

It is important to note that our report continues to evolve. This is the fourth year that we have prepared a sustainability report based on the GRI guidelines, and the past two years have been more of a challenge because we are determining the best ways to address the G3 guidelines, including some of the Electric Utility Sector Supplement Draft Indicators. SD 3.7

Questions on this report should be directed to: Dorothy Schnure, Manager of Corporate Communications, Green Mountain Power, Colchester, Vermont; (802) 655-8418, or schnure@greenmountainpower.biz. SD 3.4

2.2 REPORT CONTENT

The content of this year's report represents an update of the information in the 2006 report. Most of the updated information pertains to quantitative data, and many of the qualitative descriptions in this report have not been changed since last year's report. The prioritization of report topics was based on materiality and stakeholder feedback. In some instances, we have included more information on a particular topic (e.g., nuclear power) and less information on some of our programs that were described in detail in previous years' reports (e.g., our wellness program). In some instances, we encourage readers to refer to previous years' reports for more information. SD 3.5 There have only been a few very minor information corrections to the information in previous years' reports. These corrections are noted where they occur. SD 3.10

2.3 HOW THIS YEAR'S REPORT IS DIFFERENT

In order to address various stakeholder comments that have arisen from previous years' reports, as well as the G3 guidelines, this year's report focuses on material issues facing the Company, the Company's sustainability strategies, and how the Company's sustainability performance has changed over time. You will notice that the data contained in this year's report is provided as a comparison with previous years, which enables Green Mountain Power to consider where we are and what we want to achieve in the future. It also enhances the accuracy and transparency of our report for our stakeholders, so that everyone can see where we've succeeded and where we may fall short.

The data in this year's report update is up-to-date through the 2007 calendar year, although much of the data is compared to, and trended with, data from several previous years. Also, where appropriate, we have included information and updates from 2008 to add relevancy to report topics. Last year's report, which addressed 2006 and some of 2007, was published in November 2007. SD 3.1 - 3.3

2.4 STAKEHOLDER ENGAGEMENT

2.4.1 Process

Green Mountain Power considers stakeholder engagement to be a crucial component of the sustainability reporting process. Previous years' reports have benefited from extensive stakeholder review. Fortunately, we have access to a wide variety of feedback from various stakeholders. Ceres convenes stakeholder reviews each year to review the draft content of our sustainability reports. Stakeholders included in these reviews include other companies within our industry (i.e., utilities), Non-Governmental Organizations (NGOs), and representatives from socially responsible investment groups. We also benefit from a wealth of input, expertise, and critique from our partners at Ceres.

In 2007, we expanded our stakeholder engagement by convening several employee stakeholder groups. Diverse groups of employees were brought together to discuss various issues, including (but not limited to):

- Sustainability.
- Green Mountain Power's sustainability programs and reports.
- Environmental impacts of different types of power generation.
- Merger with Gaz Métro.
- Overall employee happiness including workplace and benefits.
- How Green Mountain Power interacts with the community.
- SD 4.15 and 4.16; EU 18.

2.4.2 Results

The stakeholder groups included employees with less than 1 and up to 27 years with the Company. Some employees worked in Substation Operations, while others were members of Company Management, Credit, Call Center (customer service), Finance, IT, Engineering, Control Center, Field, and T&D/Operations.

The results of the stakeholder engagement sessions were very interesting and are reflected throughout this report. In some cases, Green Mountain Power was already aware of employee concerns and has created new programs (or revised existing programs) to address these concerns. However, in some cases, this year's report will serve as starting point for considering how to address specific employee concerns raised during the stakeholder engagement sessions. SD 4.17

The following are a few excerpts of issues/concerns raised and comments provided. Comments are organized by topic and although they represent the employees' statements, they are not direct quotes. SD 4.17

2.4.2.1 Environmental Footprint of Operations

- Green Mountain Power is doing well with respect to environmental sustainability – we use biodiesel, own 9 hybrid vehicles, and employees are encouraged to carpool.
- The company is good at conserving energy, but paper waste still exists in the offices.
- We have solar panels installed at one of the substations, but they are inoperable. (Note – panel is a battery charger only.)
- Remote district offices aren't as involved in sustainability and other initiatives as much as the Colchester headquarters.

2.4.2.2 Types of Power Generation

- “Cow power” (i.e., methane digesters) should take off soon in Vermont – there are a lot of cows.
- Green Mountain Power should encourage net metering as much as possible.
- Hydro power is clean, but some people have problems with “big” hydro plants for environmental and social reasons.
- There aren't enough nuclear facilities – there should be more, but they take so long to license and build.
- It is hard when people push back about wind power, particularly people with 3,000 square foot houses who have views to protect. They shouldn't complain about it.
- The waste produced by nuclear power is not worth it.
- Everything has a risk, so you have to weigh the risks and balance the risks by reducing consumption.

2.4.2.3 Customers and Community

- Some customers complain that they need more information on energy efficiency.
- Green Mountain Power should be more vocal about community events like Green Up Day or cleaning the river. We always tell the community after we do it, but if we tell them before, maybe they'll participate.
- Customers are happy with Green Mountain Power, particularly the line workers. This makes employees proud.
- Employees like the fact that Green Mountain Power helps other power companies when they're in need, through mutual aid.

2.4.2.4 Employee Benefits

- Green Mountain Power gives employees flex-time, which is really important. Also, the Company allows employees to accommodate volunteer work into their work schedule.
- The healthy snacks in the office are greatly appreciated and make employees feel that the company cares for their health. There are no candy or junk-food vending machines in the offices.
- Good vacation time and health benefits – eye care and dental, too.

-
- There will be no defined benefit pension plan for new employees starting in 2008 – this is concerning to the longer-term employees. (Please note that employees hired on or after 1/1/08 were offered an enhanced Company contribution to their 401(k) in place of eligibility to participate in the defined benefit plan.)
 - Trust that Green Mountain Power will find a way to replace the employee stock options. But who knew when we got a stock option at \$7, it would go to \$35? (Please note that a revised plan was introduced in September 2007 whereby employees received a cash incentive designed to provide performance incentives similar to stock awards.)

2.4.2.5 Gaz Métro Merger

- Some employees have a “wait and see” attitude about the Gaz Métro merger – what will happen if Gaz Métro purchases a competitor of Green Mountain Power’s?
- The merger really was a non-event and has been seamless. We’re waiting for French lessons!

Please note that the employee stakeholder sessions are only one source of stakeholder data that Green Mountain Power relies on. Other stakeholder input comes from community energy forums, and Ceres-convened stakeholder interactions, as well as numerous other community and stakeholder events that occur throughout the year.

2.4.3 Report Audience

Our primary focus for this effort is to create accountability through an accurate, structured report that provides a transparent view of our successes, communicates our challenges, and identifies areas for improvement. This document is intended for a diverse audience that includes customers, shareholders, and anyone else interested in learning about Green Mountain Power.

We hope that this report is received by a wide variety of our stakeholders, including community members, concerned citizens, employees, and other groups. Part of the reason we have elected to publish most of this report on our website is so that readers can access individual sections easily and select the topics that interest them the most. We have also elicited stakeholder feedback, which helps us develop better ways of ensuring that the report remains accessible, readable, and interesting. SD 3.5

2.5 ASSURANCE

Woodard & Curran, an environmental consulting firm based in Portland, Maine, worked closely with Green Mountain Power to prepare this report. The report preparation process involved Woodard & Curran assisting Green Mountain Power with a materiality determination, stakeholder engagement, gathering information and data, and serving as the repository for all of the data and information necessary to respond to the GRI indicators. Woodard & Curran also acted as the entity that convened the stakeholder engagement sessions, prompted discussion, and gleaned issues to add to the GRI report. Woodard & Curran analyzed the data and information closely to: compare it with the G3 guidelines; trend it with data from previous years’ reports; challenge any inaccuracies or discrepancies; consider the input of stakeholders; critically analyze information in light of the materiality analysis; and assess the need for clarification of additional information from Green Mountain Power. In this way, Woodard & Curran was able to provide limited assurance services to Green Mountain Power. Assurance-type activities were performed based on several different protocols, including the GRI G3 Guidelines and AccountAbility’s Assurance Standard AA1000. Woodard & Curran and Green Mountain Power recognize the limitations

inherent in seeking assurance from a consultant who is primarily responsible for preparation of the sustainability report. Green Mountain Power is currently exploring ways to seek fully independent, impartial, third-party assurance for its Sustainability Report in accordance with established guidelines and criteria. Woodard & Curran has been assisting Green Mountain Power with strategic sustainability services since 2005 and is committed to ensuring that the sustainability reporting remains accurate, transparent, considerate of stakeholder needs, and a true reflection of Green Mountain Power's challenges and successes as it travels the path towards sustainability.

It should also be noted that certain data elements included in this report have already been audited/verified by external third parties. For example, the carbon emissions data that we report to the Chicago Climate Exchange (CCX) is audited by NASD (see Section 5.7.4 for more information). Also, our financial information is audited annually by KPMG.

SD 3.9 and 3.13

3. OVERVIEW OF GREEN MOUNTAIN POWER

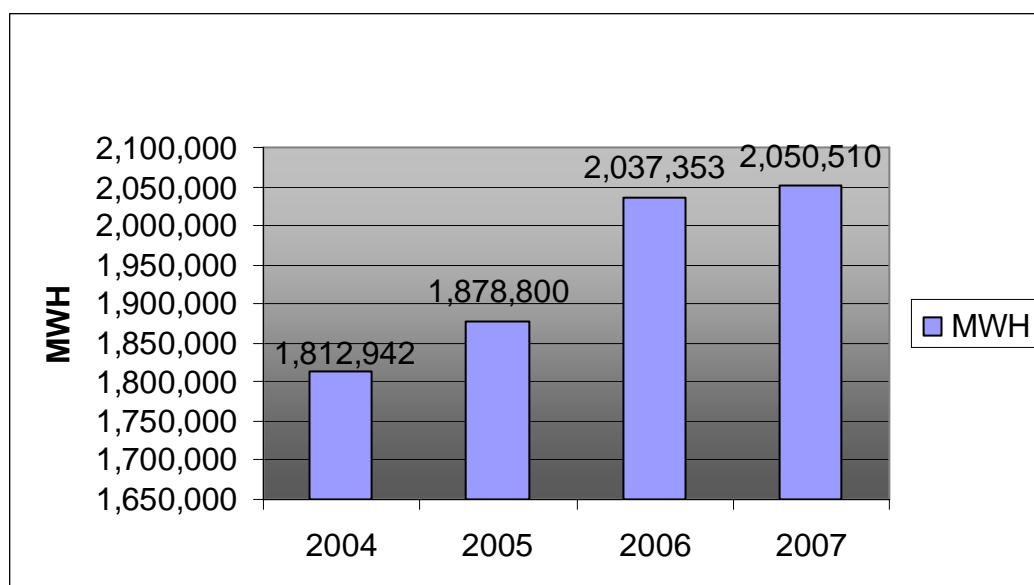
Reporting Entity Name: Green Mountain Power
Headquarters: Colchester, Vermont, U.S.A
Owner: Northern New England Energy Corporation (a wholly-owned subsidiary of Gaz Métro)
Number of Employees: 193

SD 2.8

Green Mountain Power transmits, distributes, and sells electricity and utility construction services in the State of Vermont in a service territory with approximately one quarter of Vermont's population and 94,000 customers. In 2006, our shareholders overwhelmingly approved a merger with Northern New England Energy Corporation, a wholly-owned subsidiary of Gaz Métro, a leading Quebec energy company with a long history of investment in Vermont. As of April 2007, the merger was completed, but we continue as a locally-run company that is regulated by the state of Vermont.

Figure 3-1 compares our power generation over the past four years.

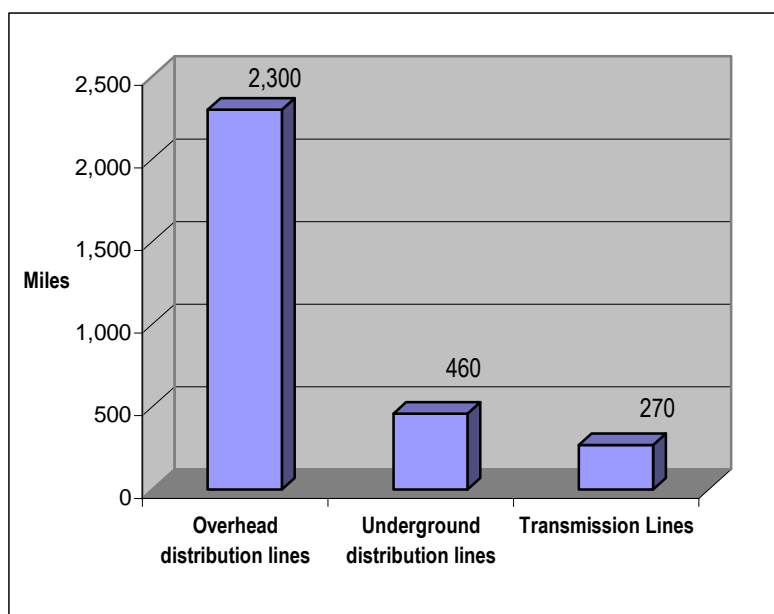
Figure 3-1: MWH Generation 2004-2007



SD 2.8

Today, 84% of Green Mountain Power's electric distribution system is above ground. Figure 3-2 shows the different elements of our transmission and distribution system. EU 3

Figure 3-2: Green Mountain Power's Transmission & Distribution (T&D) System



3.1 GREEN MOUNTAIN POWER HISTORY

Green Mountain Power Corporation traces its origins to 1893, when the Vergennes Electric Company was organized to provide street lighting for the community of Vergennes, Vermont. Our 114-year history as an electric utility also began when private entrepreneurs dammed some of Vermont's waterways to create power to run mills, streetcars, and, eventually, the state's economy in western and central Vermont.

Today, Green Mountain Power is headquartered in Colchester, Vermont, and serves approximately 94,000 customers in nine counties and 122 different communities. We sell electricity and energy services and products to approximately 25% of Vermont's retail electricity customers and we sell wholesale electric power in New England and provide operations services to other utilities in Vermont.

Over the past three years, the number of customers in our major customer classifications has been as follows:

Table 3-1: Our Customers

	2005	2006	2007
Residential	77,543	78,856	79,461
Small Commercial & Industrial	14,031	14,151	14,383
Large Commercial & Industrial	26	26	29

All of our customers are within the State of Vermont. SD 2.7; EU 2

Figure 3-3 (below) shows our service area, and Figure 3-4 shows our retail sales and line transmissions for 2004-2007.

Figure 3-3: Green Mountain Power Service Area

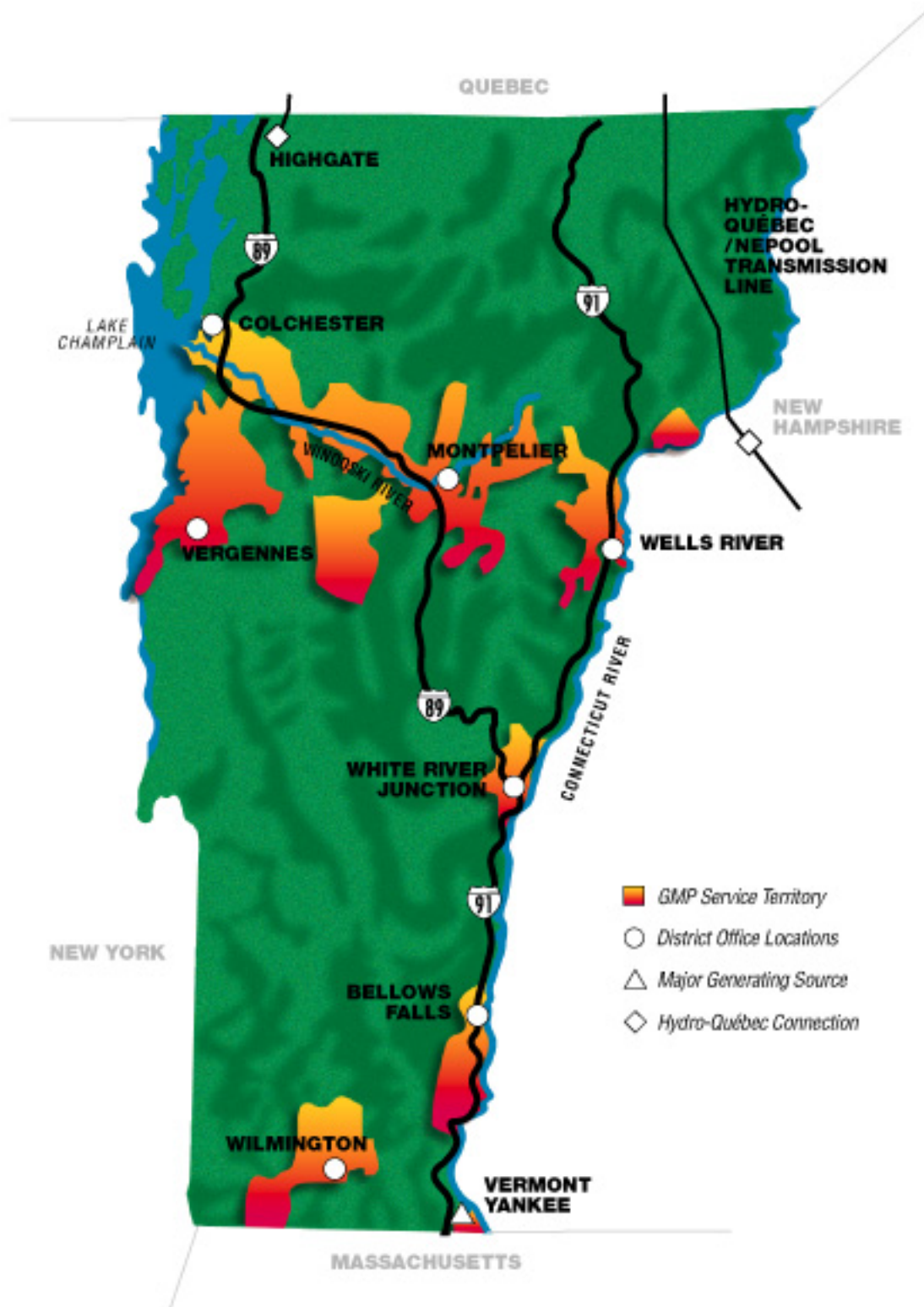
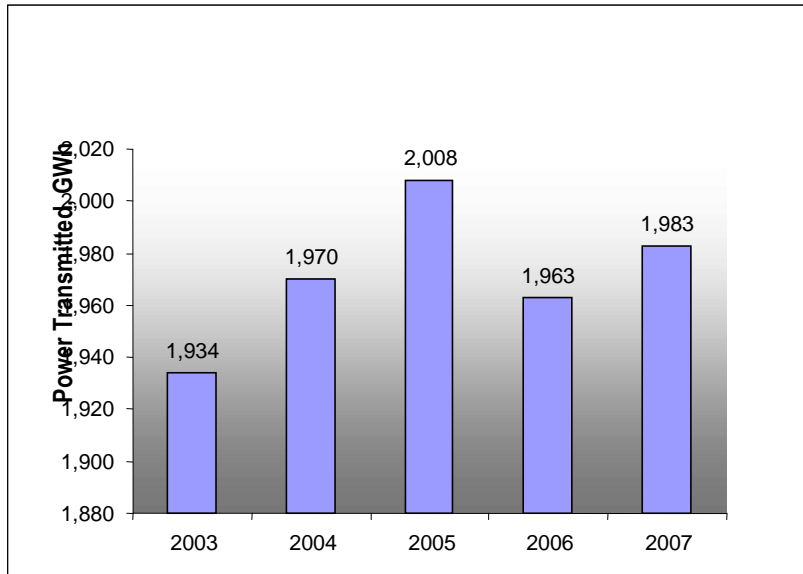


Figure 3-4: Retail Sales and Lease Transmissions, in GWh



3.2 GREEN MOUNTAIN POWER'S VISION

Green Mountain Power is committed to:

- Be the most efficient electric utility in the United States with a long-term focus on distribution and distribution services.
- Deliver superior energy services to our customers.
- Be environmentally responsible.
- Be a premier employer that leverages technology and invests in highly trained people.

Our core corporate values include delivering safe, fast, and effective service; environmental responsibility; and profitability.

SD 4.8

3.2.1 Organizational Changes at Green Mountain Power in 2007

In December 2007, Mary Powell was named to succeed Chris Dutton as president and chief executive officer when he retired in August 2008, thus bringing to fruition a leadership transition plan started five years ago. Ms. Powell has been a key driver in the restructuring of Green Mountain Power from a traditional electric utility to a high performing company that is now noted for using technology to drive customer satisfaction and to produce consistently strong financial results. With her promotion to the CEO position, Ms. Powell became a member of the Green Mountain Power Board of Directors. Mr. Dutton remains a member of the Board following his retirement as CEO. Ms. Powell served as senior vice president and chief operating officer at Green Mountain Power. Ms. Powell joined Green Mountain

Power in 1998 after experience as a business owner and in business management at the executive level in both the public and private sector.

SD 2.9

3.3 FINANCIALS

Green Mountain Power prepares annual and quarterly financial statements. These reports are available on Green Mountain Power's website at www.greenmountainpower.com.

3.3.1 Rate Regulation

On December 22, 2006, the VPSB approved a 9.09% rate increase for the Company, effective January 1, 2007. The rate increase allows the Company to recover increased power and transmission costs in 2007 compared to 2006. The VPSB also approved the Company's 2007 Alternative Regulation Plan, effective for three years beginning February 1, 2007.

The 2007 Alternative Regulation Plan includes the following principal elements:

- A power supply cost adjustment mechanism (the power supply adjustor) under which the Company will recover or credit to customers, on a quarterly basis, 90% of power supply costs that are \$300 (per quarter) higher or lower than power supply costs included in rates.
- An allowed rate of return on equity (ROE) of 10.21% for 2008 and 10.25% for 2007. The allowed ROE adjusts annually, up or down, for one-half of the change in the ten-year Treasury bond rate.
- An annual earnings sharing mechanism under which the Company has the opportunity to earn up to 75 basis points above its allowed ROE and to recover earning shortfalls in excess of 125 basis points below the allowed ROE. Under the plan, certain exclusions, commonly made in setting rates, are applied to determine the Company's earnings and are expected to affect adversely the Company's ability to earn its allowed rate of return on equity for core utility operations.
- Base rates will be adjusted annually, based on the Company's cost of service. Non-power supply cost increases are capped at no more than \$1.25 million in 2008 and \$1.6 million in 2009, exclusive of ROE adjustments and extraordinary costs in excess of \$600 per year. Base rate adjustments must be approved by the VPSB.
- The VPSB retains the authority to investigate the Company's rates at any time and to modify or terminate the plan.

Table 3-2 highlights some our financial data for 2007, as well as for 2005 and 2006. Please note that some of the information from previous years has recently been refined to ensure that they are tied to current, supported numbers. Earnings per share and dividends paid are presented in Figure 3-5.

Table 3-2: Financial Data

Financial Data	2005	2006	2007	Notes
General Information (in thousands)				
Annual Operating Revenues	\$245,900	\$240,500	\$244,200	
Cost of all goods, materials and services purchased in 2006	\$205,053	\$204,414	\$211,895	Includes capital expenditures.
Biggest suppliers (more than 10% of purchases)	VELCO (21%): \$49,949 VT Yankee (14%): \$32,369	VELCO (25%): \$51,266 VT Yankee (19%): \$40,357	VELCO (21%): \$56,280 VT Yankee (12%): \$31,982	VELCO includes charges for power from Hydro-Québec.
Total Payroll and Benefits	\$16,404	\$16,575	\$17,208	
Shareholder Information				
Earnings from continuing operations (diluted) per average share	\$2.09	\$1.85	N/A	
Stock price (end of year)	\$28.77	\$33.89	N/A	
Retained Earnings Balance (in thousands)	\$35,864	\$40,075	\$44,252	
Dividends Paid	\$1.00	\$1.12	N/A	See Chart below.
Consolidated Return on Average Common Equity	9.85%	8.36%	7.72%	
Common Stock Dividends (in thousands)	\$5,205	\$5,912	\$5,965	
Interest Payments on Long-Term Debt (in thousands)	\$6,534	\$6,806	\$7,540	
Interest Payments on Short-Term Debt (in thousands)	\$244	\$575	\$181	Interest higher in 2006 because the Line of Credit was used to fund GMP's Transco investment in Sep (\$9M) and our bond pay off in Nov (\$10M) before our bond issue in Dec.

Financial Data	2005	2006	2007	Notes
Taxes				
Federal Taxes Paid (in millions)	\$1.2	\$8.2	\$4.20	GMP paid \$2.9M in March for the 2005 return and \$800,000 for amended returns. If we move the \$2.9M to 2005 and remove the \$800K then 2005 would be \$4.1M and 2006 would be \$4.5M.
State Taxes Paid (in millions)	\$1.4	\$2.0	\$0.60	Income Tax
	\$2.2	\$2.2	\$2.3	Gross Revenue Tax
Real Estate Property Taxes (in millions)	\$4.5	\$4.7	\$4.9	
Total Taxes Paid (in millions)	\$9.3	\$17.1	\$12.0	
Tax Credits	Wind credit: \$150,000 Biomass credit: \$234,000	Wind credit: \$130,000 Biomass credit: \$216,000	Wind credit: \$80,000 Biomass credit: \$302,000	Searsburg Wind Generating Facility and McNeil Biomass Plant.

Figure 3-5: Earnings per Share and Dividends Paid

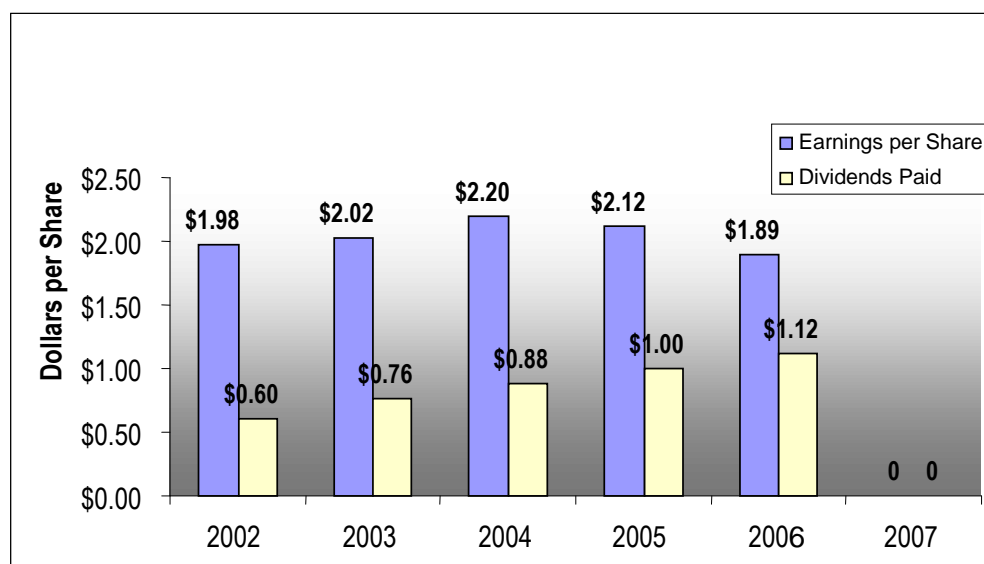


Figure 3-6: Debt and Equity

Year	Equity	Bonds
2002	\$91,807,000	\$101,000,000
2003	\$99,915,000	\$93,000,000
2004	\$109,581,000	\$93,000,000
2005	\$117,374,000	\$93,000,000
2006	\$126,636,000	\$109,000,000
2007	\$149,034,007	\$125,000,000

3.3.2 Corporate Governance

Institutional Shareholder Services (“ISS”) rates the quality of public companies’ corporate governance. As of September 25, 2006, Green Mountain Power’s corporate governance quotient had been better than 90.5% of S&P 600 companies and 65% of Utilities companies. The chair of the highest governance body is not an executive officer at Green Mountain Power.

The membership of our Board of Directors has changed slightly with the purchase by Gaz Métro, but they still meet quarterly with our senior management team on a formal basis, and speak more often informally. The Corporate Scorecard sent to the Board each quarter includes evaluation of environmental and socially responsible efforts. Senior management reports to the Board on operational issues, which would include sustainability issues. Mary Powell has ultimate responsibility for sustainability issues. The Board of Directors committees include Audit, Compensation, and Governance.

Every employee is evaluated on environmental performance in his or her individual scorecard. That performance is reviewed by each staff person's manager. LA13, SD 1.2.6, 4.1, 4.4-4.10.

3.3.3 Membership in Organizations

Green Mountain Power belongs to the following groups and organizations:

- Vergennes Partnership, Inc
- Addison County Chamber of Commerce
- Vermont Chamber of Commerce
- Vermont Utilities for Electrical Education
- Addison Economic Development
- Renewable Energy Vermont
- Greater Burlington Industrial Corp.
- Associated Industries of Vermont

-
- American Wind Energy Association
 - Green Mountain Economic Development
 - Great Falls Regional Chamber of Commerce
 - Central Vermont Chamber of Commerce
 - Vermont Business Roundtable
 - Energy Council of the Northeast
 - Edison Electric Institute
 - Vermont Historical Society

SD 4.13

3.4 INDIRECT ECONOMIC IMPACTS — RELIABLE, AFFORDABLE POWER

The economic health of Green Mountain Power's service area is affected by the services we provide. First, the cost of electricity is a major factor for the success of businesses in Vermont that must compete with businesses located elsewhere in the U.S. and the world. Electric rates in New England are among the highest in the country, but Green Mountain Power's overall rates rank lowest among New England's 16 large investor-owned utilities. Green Mountain Power's commercial and industrial rates are the lowest in the group and its residential rates are third lowest. The reliability of Green Mountain Power's service also has positive indirect economic impacts. If reliability were not as strong as it is, it could affect businesses' decisions to locate or remain in Vermont.

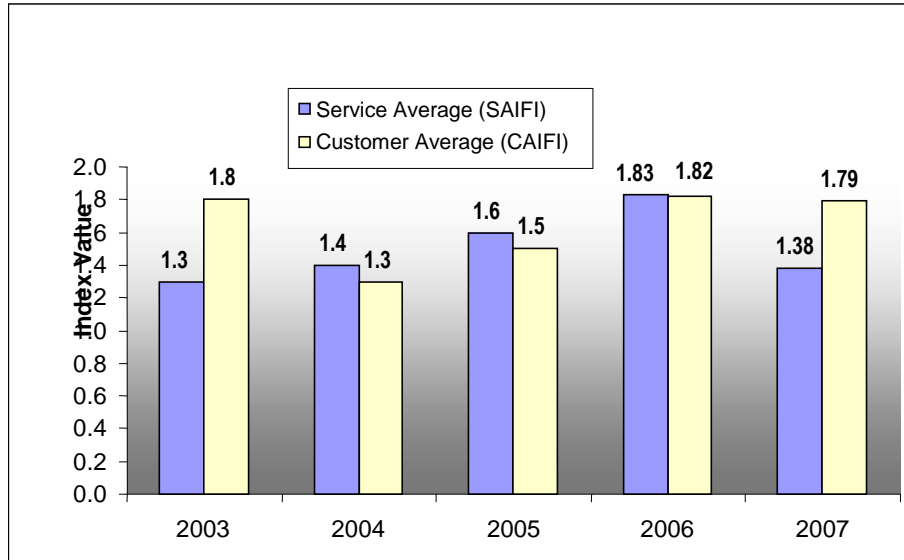
In 2007, Green Mountain Power's overall electric rates, as measured by revenue per kilowatt-hour, were the lowest among the large investor-owned utilities in New England, according to a report released by the Edison Electric Institute. Green Mountain Power's rates are more than five percent lower than Central Vermont Public Service, the utility with the second lowest rates overall. According to CEO Mary Powell, "Other utilities across New England have experienced large rate increases because of rising fossil fuel costs. Our exposure to the volatility of the fossil fuel market has been minimal..."

In December 2006, the Company received approval from the Vermont Public Service Board for a rate increase of 9.09 percent effective January 1, 2007, with an allowed rate of return of 10.25%. The rate increase was driven by rising wholesale power and transmission costs. Green Mountain Power anticipated this rate increase and is confident that, despite the increase, rates are likely to remain the lowest overall. EC9

3.4.1 Reliability and Retail Sales Stats

Green Mountain Power has committed to our customers, our regulators and ourselves to continuously improve on reducing the frequency and duration of outages. Our results for 2007 with respect to System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI) are shown in Figure 3-7. Also, Table 3-3 compares our Service Quality Performance Index over the past two years.

Figure 3-7: System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI)



Green Mountain Power's customers experienced fewer outages in 2007 than in recent years, exceeding standards set by Vermont regulators.

An analysis of the causes of all the outages in Green Mountain Power's system during 2007 shows that outages caused by tree branches within the rights-of-way were at the lowest point in five years. Upgrades to the system and a fast response to the outages meant that the total amount of time customers were out due to tree branches within the rights-of-way was well below previous years.

Green Mountain Power had an average of 1.38 outages per customer, with an average duration of 1.79 hours. Although utilities are allowed to exclude major storms from these calculations, Green Mountain Power's vegetation management and storm restoration efforts enabled the Company to restore power quickly enough that none of the severe storms last year met the exclusion standard. Green Mountain Power's performance was significantly better than the national average of 2.3 hours per outage, as reported by the Edison Electric Institute.

Although trees caused the most outages in 2007, other significant causes were equipment failure, other weather events and animals.

The Company also met or exceeded all of its service quality standards in 2007. It answered 85 percent of calls within 20 seconds, well above the 75 percent standard as well as achieved 90 percent overall customer satisfaction. Table 3-3 summarizes the Service Quality Performance Index results.

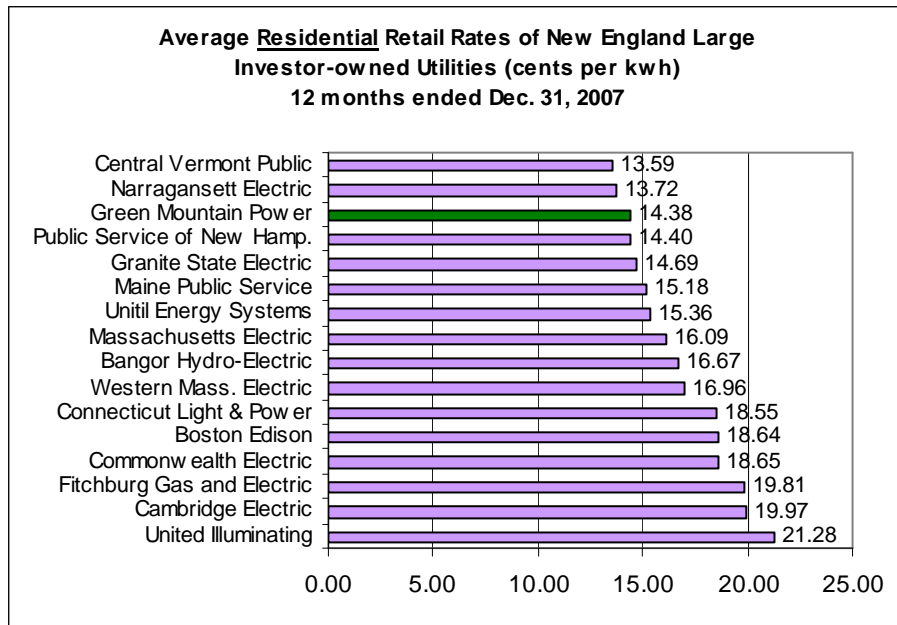
Table 3-3: Service Quality Performance Index

Performance Area	2005	2006	2007	Baseline¹
% calls not answered in 20 seconds	14.1	17.98	14.6	<=25%
# calls abandoned	2.0	3.9	4	<=5%
% outages calls not answered	7.4	6.9	11.7	<=15%
% calls receiving busy signals	0.0	0.0	1.56	<=3%
% bills rendered in 7 days	100.0	100.0	100	<=0.10%
% inaccurate bills	0.021	0.01	0.018	<=0.10%
% payment posting complaints	0.002	0.001	0.002	<=0.005%
% meters not read	1.088	0.57	0.668	<=5%
% work not completed on time	0.1	0.04	0.02	<=5%
Avg. delay days for missed appointments	3.7	2	2.8	<=5
Satisfaction with transactions	92.3	93.75	93	>=80%
Overall satisfaction	91.6	88.4	89.6	>=80%
% complaints to regulators	0.001	0.001	0.001	<=0.07%
Lost time incidents	1.28	3.44	0.85	<=3.5
Lost time severity	2.56	67.12	9.33	<=37
System reliability – frequency of outages	1.5	1.8	1.38	<=1.7
System reliability – duration in hours	1.2	1.8	1.79	<=2.2

Finally, Green Mountain Power's rates have a direct economic effect on our residential customers, in that the size of their electricity bill affects the amount of disposable income they have to spend in the local market. Figure 3-8 shows how Green Mountain Power's residential rates compare with the other large investor-owned utilities in New England.

¹ The baseline is based on negotiations with DPS.

Figure 3-8: Average Residential Rates of New England Large Investor-owned Utilities



4. OUR SUSTAINABILITY STRATEGY

4.1 ENVIRONMENTAL COMMITMENT STATEMENT

As a company, we pledge to:

- Be a leader in our industry in providing clean, renewable energy resources;
- Develop products and services that help our customers protect the environment;
- Improve our environmental performance continuously;
- Prepare periodic reports to assess our environmental programs;
- Meet or exceed the requirements of all environmental laws, regulations and permits;
- Promote the efficient use of energy and other resources in the workplace and in homes;
- Inform ourselves about our suppliers and products we buy and whether they protect the environment, public health and public safety;
- Educate employees and our customers about environmentally sound practices;
- Manage company-owned lands and natural resources through sustainable practices;
- Ensure that each employee recognizes his or her responsibility to our overall environmental performance; and
- Help each employee consider the environmental impact of his or her everyday business decisions.
- We continuously strive to apply this environmental commitment statement across the entire company. SD 4.8

4.2 SUSTAINABILITY STRATEGY

Our sustainability strategy is closely intertwined with the material issues facing our Company. We know that climate change is an important issue for our stakeholders; therefore, our chosen power mix reflects this. Also, our commitment to our communities is reflected in the way we structure our corporate giving, community outreach programs, and educational programs. Green Mountain Power's long-term goals of reliability, customer service, environmental stewardship, and social responsibility shape our strategic plans and are reflected in our day-to-day actions. This entire report reflects our sustainability strategy, how this strategy has been successful, where it needs improvement, and how our strategy has changed over time.

SD 1.1.2 and 1.1.3

4.3 MATERIALITY

One of the new aspects to our sustainability reporting is a renewed focus on materiality. In preparation of the 2006 report, we went through a rigorous process to identify and prioritize material issues that may impact the sustainability of Green Mountain Power, including significant economic, environmental, and social impacts. These material issues also represent the key risks and opportunities of sustainability for our Company. SD 1.2.5 In this report, the "top ten" material issues that we identified in 2006 are included, as well as further descriptions of the top three issues. A variety of data points and information

were used to determine Green Mountain Power's material issues, including various GRI indicator metrics, stakeholder engagement, and the overall strategic plan for the Company. SD 3.5

4.3.1 Top 10 Material Issues

Based on the materiality assessment, we have identified the following "Top 10" material issues facing the organization (note these are not listed in order of materiality or importance). SD 1.2.6

1. Climate Change Risk Issue A: greenhouse gas emissions from operations, transportation, and other activities at Green Mountain Power; Green Mountain Power signed the Climate Call to Action 2007 and is expected to respond to climate change risks in a manner consistent with the Call's goals and targets.
2. Climate Change Risk Issue B: How will Green Mountain Power maintain its renewable-rich power mix when the Vermont Yankee and Hydro-Québec contracts expire?
3. Contracting and Supply Chain Practices: a need exists to formalize sustainable purchasing policies and assess environmental and/or sustainability performance of suppliers and subcontractors (e.g., power contracts).
4. Potential environmental impacts from nuclear power.
5. Merger with Gaz Métro: potential future risks if Gaz Métro purchases other utilities; current employee concerns about merger.
6. Potential financial risk if key customers move out of the area.
7. Maintain core competencies of organization (e.g., reliable power, exemplary customer service, and financial strength) while maintaining the current level of employee satisfaction.
8. Routine operational risks associated with power generation; regulatory risks, spills, injuries, etc.
9. Manage the effect on electric system reliability cause by extreme weather conditions associated with climate change.
10. Reduce use of resources such as paper and water.

Please note that some of these material issues have shorter time frames (e.g., Gaz Métro merger), while others are more long-term (expiration of power contracts).

SD 1.2.5

Of the issues listed above, the following three represent the most materiality, or significance, based on the materiality guidelines specified in the G3 guidelines:

- Climate Change Risk²
- Contracting and Supply Chain Practices
- Merger with Gaz Métro

² Please note that there are various aspects of this issue, as shown above through Climate Change Risk Issues A-B. However, because the "solution" to the risks associated with climate change (i.e., reducing greenhouse gas emissions) is the same for each issue; climate change risk can be viewed as one significant material issue.

Please note that, due to their importance, these issues are addressed in detail in Section 1 of this report, including any goals that Green Mountain Power has established relative to these issues.

4.4 CHALLENGES

Our stakeholders told us that we should include a candid discussion of our challenges in this year's sustainability report. It is not surprising that many of the challenges we face as a company are closely intertwined with our top material issues – climate change and our power contracts. Green Mountain Power continuously reviews its energy policy, including some of the most pressing challenges, including the following:

- The State of Vermont has a small carbon footprint, due to reliance on nuclear and hydro power. However, Green Mountain Power's contracts with the nuclear supplier and the major hydro supplier are due to expire in 5-8 years.
- Vermont generates less electricity than it consumes and nationally, we are dependent on foreign oil.
- When Green Mountain Power built the Searsburg wind facility in 1997, Vermont was leading the nation. Now, Vermont lags behind the rest of the country with respect to development of new wind facilities. Wind development costs in Vermont are estimated to be five times higher than the national average, and new resource development in Vermont and New England is very slow.
- How do we achieve environmental goals without creating a competitive disadvantage? Energy prices differ by region. Where there is coal or large subsidized hydropower, electricity is cheaper. Energy prices in Vermont and New England create a competitive disadvantage for energy-intensive businesses, offsetting other regional advantages.

SD 1.1.4

5. IDENTIFYING AND REDUCING OUR ENVIRONMENTAL FOOTPRINT

Vermonters have deeply-held environmental values, and Green Mountain Power strives to operate in a similar manner and maintain its deep commitment to these values. We believe that global climate change presents a compelling reason for us to continue to make every effort to minimize the presence of fossil-fuel generation in our power mix. In 2007, 51.8% percent of our energy came from hydro, wood and wind. In 2007, Green Mountain Power generated electricity without any coal, and only 1.9% percent of our generation was from fossil fuels. EN6

In 2006, Green Mountain Power continued to focus on reducing its environmental footprint through a renewed commitment to reduce climate change risks, to decreasing transportation impacts and recycling. In 2007, we worked to increase our reliance on alternative sources of energy by increasing hydro generation at our Essex and Vergennes plants and supporting expansion of the Searsburg wind facility.

The Vergennes Unit #1 hydroelectric unit was upgraded from a 650 kw to an 850 kw turbine and generator in 2006. We also ordered a new 850 kw hydroelectric generator for GMP's Essex plant. Both projects were placed in service in 2007 and increased GMP's hydroelectric generating capacity.

Green Mountain Power is working with a wind developer, PPM Energy Inc. (www.ppmenergy.com) to expand Green Mountain Power's existing Searsburg wind facility onto adjacent National Forest Service Lands. The project is proposing to construct 17 new wind turbines, which will result in 35 MW of new capacity. Green Mountain Power is supporting the project and reviewing options of participation, including purchasing output from the expansion.

Potential environmental impacts associated with Green Mountain Power originate from three principal sources: power generation from owned facilities; power generation from non-owned facilities (purchased power contracts); and impacts associated with owned buildings, structures, and routine activities (such as owned vehicles and transportation).

In 2007, we had no incidents of or fines for non-compliance with any applicable environmental regulations. Additionally, we actively use our Environmental Management System (EMS), which helps us track our environmental compliance obligations. EN28

We know that our stakeholders are interested in the types of power we generate and purchase, as well as any environmental impacts associated with them. We placed special emphasis in this report on potential impacts from hydro and nuclear power due to questions raised by stakeholders.

5.1 OUR POWER PROFILE AND ITS IMPACTS

PR1

5.1.1 Generation Facilities

Green Mountain Power owns and operates 11 generation facilities, all of which are in Vermont. These include: one wind plant; eight hydro plants (two have peaking fossil generation); and two fossil fuel peaking plants. We also own interest in the McNeil biomass plant in Burlington, Vermont, the Wyman Station in Yarmouth, Maine, and the Stonybrook Station in Ludlow, Massachusetts.

Most of the fossil-fuel peak generation facilities owned by Green Mountain Power are nearing retirement age. For this reason, we are beginning to replace certain units, including the Essex diesel generators which were replaced in 2007. We will continue to upgrade other units and facilities as the need arises.

5.1.2 Power Mix

Our power supply is evidence of our continued effort to reduce the use of fossil fuels, while emphasizing the use of alternative energy sources. EN6

Table 5-1: Power Mix: 2005-2007

Power Source	Percentage of Power Mix		
	2005	2006	2007
Hydro	43.8	50.4	47.5
Wood	4.1	4.3	4.3
Wind	0.1	0.1	0.02
Nuclear	40.6	43.0	37.8
Market Purchases	9.6	0.0	8.5
Oil and Natural Gas	1.8	2.2	1.9

EN1

5.1.3 Renewable Energy Credit Sales

In recent years, Green Mountain Power has sold some of the renewable energy certificates (RECs) associated with its Searsburg wind generating station. The energy associated with those RECs is labeled “market power,” and not wind, as we no longer retain the environmental benefits that are associated with wind power. In other words, rather than asserting that 0.6% of Green Mountain Power’s energy came from wind in 2006, we claim only 0.1% as wind and the remaining 0.5% is considered “market power.” One of the reasons why we sell RECs is because it results in lower power costs for our customers.

Renewable Energy Credits (“RECs”) are financial instruments allowing companies to purchase and sell the renewable attributes of qualifying renewable electric generation. Energy produced by renewable generation facilities such as our wind station and from which RECs have been sold to others, is not counted in our portfolio as wind or renewable generation.

5.2 HYDRO

Approximately 47.5% of Green Mountain Power’s power supply in 2007 came from hydro power. Most of Green Mountain Power’s hydropower (75%) was through the contract with Hydro-Québec. Green Mountain Power owns eight hydro power plants throughout the state of Vermont, which provide an additional 16% of the hydropower in our hydro portfolio. The remainder of our hydropower comes from in-state, independently-owned facilities (9%), and from the New York Power Authority (0.2%). For more information, refer to Hydro-Québec’s 2006 Sustainability Report, at http://www.hydroquebec.com/publications/en/enviro_performance/2006/index.html.

Hydropower is an energy source that Green Mountain Power continuously invests in and takes great pride in maintaining. We also recognize, however, that hydropower can have a number of environmental impacts, and we have included a lengthy discussion of these impacts for the first time in this year's report at the request of stakeholders.

- Hydropower can impact wildlife. Changing water levels can affect species that live in and around reservoirs. Hydropower projects also affect the timing and intensity of downstream flows, which can impact aquatic and riparian wildlife that depend on natural flow patterns. For decades, Green Mountain Power's hydro operators have worked with the Vermont Department of Fish and Wildlife and other partners to manage water levels at our dams to ensure the safety of nesting loons, and also to maintain the flows needed for wildlife downstream of our dams.
- Hydropower can also alter downstream river morphology, by changing flows and sediment loads, which can impact wildlife habitat.
- Although commonly considered as a carbon-neutral source of electricity, studies have shown that hydropower has the potential to contribute to global warming.³ This potential exists because organic matter carried from the watershed can decompose in the reservoir to form methane. Although this problem can be significant for hydropower projects in tropical areas, it is believed to be less of a concern in temperate regions.⁴

In 2006, Green Mountain Power continued its commitment to low-impact hydropower by contributing \$15,000 to the City of Barre, Vermont, to study the feasibility of generating electricity from micro-hydro sources. Additionally Green Mountain Power has been working with other local communities on small-scale hydro projects. As the name implies, micro-hydro projects are small scale and designed for minimum impact. They take advantage of small sites such as water supply facilities, run-of-the-river, and farm ponds. Although these sources are not expected to become a major part of our power mix, they have the potential to play a role in reducing the overall impact of our power generation. Funds for the Barre study originated from the sale of the Vermont Yankee nuclear plant to Entergy in 2001. The Vermont Public Service Board required that these funds be targeted for renewable energy projects. EN26

5.3 WIND

In 2007, 0.02% of our power came from the wind. Green Mountain Power is a recognized national leader in generating electricity from wind in cold climates. When we built our Searsburg, Vermont, wind station in 1997, it was the largest commercial wind plant east of the Mississippi. This emission-free wind plant provides enough clean, renewable electricity each year to power 2,000 homes, keep our air cleaner and prevent approximately 11,000 tons of CO₂ emissions (assuming diesel fuel is burned) from entering the atmosphere. After 10 years of operation, this emission-free wind plant continues to provide enough clean, renewable electricity each year to power 2,000 homes, keep our air cleaner and prevent approximately 11,000 tons of CO₂ emissions (compared with diesel fuel) from entering the atmosphere.

³ Fearnside, Philip M., 2004 "Greenhouse Gas Emissions from Hydroelectric Dams: Controversies Provide a Springboard for Rethinking a Supposedly 'Clean' Energy Source," *Climate Change*, v66.

Payal Parekh, November 2004, "A Preliminary Review of the Impact of Dam Reservoirs on Carbon Cycling," International Rivers Network.

⁴ Bratrich, Christine, et al, 2004 "Green Hydropower: A New Assessment Procedure for River Management." *River Research and Applications*, v20.

In 2006, Green Mountain Power sold the Renewable Energy Credits for approximately 85% of the output, and so retains the environmental benefit for its customers of only 15% of the generation.

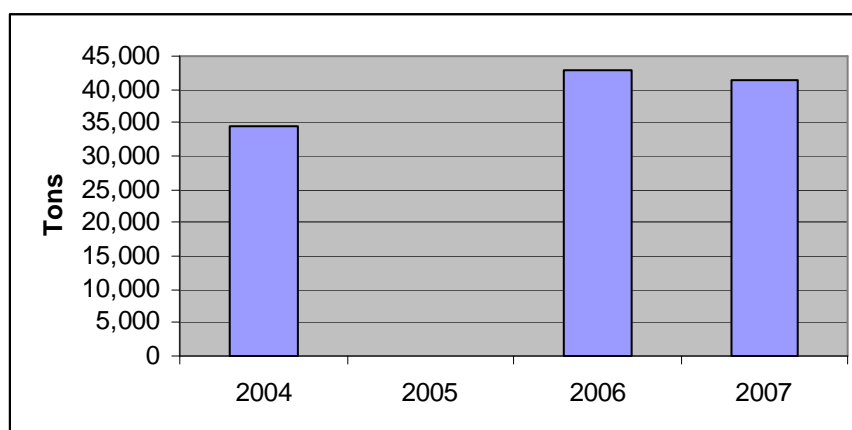
Currently, new wind plants are under consideration in Vermont, including an expansion near our Searsburg site. The new Searsburg facility would have 17 state-of-the-art wind turbines generating 35 megawatts of power, enough electricity to serve 10,000 homes annually. Green Mountain Power is negotiating to purchase power from the developer of the Searsburg expansion project. The U.S. Forest Service is currently reviewing a special use application for the plant, as the turbines would be the first wind energy facility on National Forest System lands in the country. EN26

5.4 WOOD/BIOMASS

Green Mountain Power obtained 4.3% of its power in 2007 from biomass (wood). A substantial portion of this comes from the McNeil biomass facility in Burlington, Vermont. Green Mountain Power has an 11% ownership interest in this plant, which uses sustainable harvesting practices to ensure that land impact is minimized. Burning wood releases oxides of nitrogen (NO_x), and carbon dioxide (CO₂) emissions, but CO₂ emissions are considered to be sufficiently off-set by the amount of CO₂ that trees absorb during their lives.

For specific information on the types of fuel used at McNeil, visit: <http://www.burlingtonelectric.com/SpecialTopics/Mcneil.htm>. Figure 5-1 shows the amount of wood (in tons) used to support our power profile from 2004-2007. Please note that data for 2005 was not available. EN26

Figure 5-1: Wood Usage in Power Production (2004-2007)



EN1

5.5 NUCLEAR POWER

In 2007, 37.8% of Green Mountain Power's energy came from the Vermont Yankee nuclear power plant.

Vermont Yankee's current Nuclear Regulatory Commission license expires in 2012. In January 2006, the owner, Entergy Nuclear Vermont Yankee, LLC ("ENVY"), filed an application for a license renewal with the U.S. Nuclear Regulatory Commission. Green Mountain Power anticipates working with Entergy to

negotiate a new contract if its license is renewed, although we will continue to analyze other options should that not occur.

5.5.1 Overall Footprint of Nuclear Power

Nuclear power continues to be an issue with our stakeholders, including NGOs and our own employees. The following is a general overview of the positive and negative impacts of nuclear power.

Positive Effect: Low-Carbon Technology.

- The life-cycle assessment of nuclear power generation rates as a low emission technology. Although estimates of gCO₂eq/kWh (grams of CO₂ equivalent per kWh) vary, when compared to other power generation technologies, including renewable technologies, nuclear power generation has the lowest.
- The prediction that uranium ore resources are going to decrease in availability, thereby leading to the extraction of less enriched ore, has an effect on the carbon footprint of the technology. However the resulting footprint is still very small.
- Contributes to energy security and reduces reliance on foreign oil.
- Low operating costs once the plant is built.

Negative Effect: Radioactive Waste Generation.

- The wastes generated from nuclear power generation are radioactive, and they can have long-term effects on the environment (e.g., plutonium [Pu] as a half-life of over 24,000 years).
- Although radioactive waste accounts for only 1% of total industrial wastes, the containment time required for this waste to reach levels where it may be treated as a regular waste can be long.
- There is currently no system/infrastructure for storing these materials until they are safe. All storage is considered temporary and most is located on-site at the nuclear power plants. Plans for a permanent storage facility are currently undergoing formation in the U.S., although this remains a contentious issue.

Negative Effect: Mining.

- The environmental effect of uranium ore mining practices is roughly the same as that of any other mining practice, aside from the added concern of groundwater contamination when leaching practices are employed during mining.

Negative Effect: Proliferation and Safety Risks.

- The hazardous nature of the byproducts (radioactive wastes) of nuclear power generation is not only a concern with storage, but also with potential malicious acts (terrorism) and accidents.
- The result of a terrorist attack or accident could be a leak of radioactive material to the environment, harming the natural systems in the surrounding area, as well as the community. If certain weather conditions occur at the time of an incident, the affected area can be very large. The effects of radiation can also be long-term, and can have serious health impacts on a population many years in the future.

-
- Proliferation is a concern and another reason for security. This would involve the removal of radioactive materials from the facility and their use in the creation of a weapon.

5.5.2 Safety at Vermont Yankee

Safety is a primary concern at Vermont Yankee. Although the plant has a strong record of safe and efficient operation (for more information on Vermont Yankee, visit: http://www.entergy-nuclear.com/plant_information/vermont_yankee.aspx), an incident with the infrastructure outside the nuclear operations has raised local concerns about the reliability of maintenance at the plant. On August 21, 2007, a cooling tower at Vermont Yankee collapsed, forcing the plant to reduce power output to 60 percent. Entergy has determined the collapse was due to an “iron salt attack” on the lumber that makes up the frame of the cells. Cooling tower failures have occurred at fossil fuel generating plants, and do not pose a direct threat to plant safety, but Entergy is reviewing and revising its inspection procedures. As of 2008, cooling tower issues continue to be a concern at Vermont Yankee. Entergy is committed to investigating cooling water tower leaks and determining appropriate corrective actions.

Nuclear power plants including Vermont Yankee are designed very conservatively to prevent the release of radioactive material in the unlikely event of an accident or malicious attack. Vermont Yankee is operated by a large, highly trained staff, and protected by security personnel.

5.5.3 Waste from Vermont Yankee

ENVY announced that, under current operating parameters, it would exhaust the capacity of its existing nuclear waste storage pool in 2007 or 2008 and would need to store nuclear waste in so-called “dry cask storage” facilities to be constructed on the site. ENVY received approval from the Vermont legislature in 2005 and the VPSB in April 2006 to construct and use Independent Spent Fuel Storage Installation (ISFSI) sufficient to store enough spent fuel to allow the plant to operate through the end of its current operating license in March 2012. Green Mountain Power supported this authorizing legislation, which requires Entergy to contribute \$15.6 million between now and 2012 to the Vermont Clean Energy Fund in support of Vermont-based renewable energy projects. The first casks will be loaded and placed on the ISFSI in the first half of 2008. The dry casks are rated by the NRC for about 100 years of storage life.

5.5.4 Green Mountain Power’s Position on Nuclear Power

As mentioned above, nuclear power has a critical roll to play in reducing greenhouse gas emissions from electric power generation.

Overall, we consider the overall environmental footprint of nuclear to be less than traditional power-generation technologies⁵, and we will continue to rely on nuclear as a crucial component of our power mix.

More than half of this country’s electricity supply is generated from burning coal, which is a leading contributor to global warming and health-related concerns. Another 20% comes from nuclear power. In

⁵ Based on studies by the Parliamentary Office of Science and Technology (2006) and the International Atomic Energy Agency (2000).

contrast, Green Mountain Power uses no coal-fired generation to meet its load, while nuclear power makes up 43% of our power supply.

At Green Mountain Power, we firmly believe that our industry and our nation must take aggressive measures to reduce our dependence on coal-fired generation, unless the global-warming effects of coal-fired generation can be eliminated. Nuclear generation must continue to play a role in our country's future, along with hydroelectric and wind-powered generation. Furthermore, our industry and our political leaders must aggressively seek an effective solution to nuclear waste, whether it is finally locating permanent storage or developing technology to safely reprocess spent fuel. EN26

5.6 FOSSIL FUELS

Green Mountain Power obtained 1.9% of its power in 2007 from the fossil-fueled facilities shown in Table 5-2.

Table 5-2: Fossil-Fueled Power Sources

Facility Name	Location	Fuel Burned	Green Mountain Power's Ownership
Vergennes Diesel	Vergennes, VT	No. 2 Oil	100%
Berlin Gas Turbine	Berlin, VT	No. 1 Oil	100%
Gorge Gas Turbine	Gorge, VT	No. 2 Oil	100%
Essex Diesel	Essex, VT	No. 2 Oil	100%
Wyman Facility	Yarmouth, ME	No. 6 Oil	1.1438%
Stonybrook Facility	Ludlow, MA	No. 2 Oil and Natural Gas	8.8%

Please note that in 2006, we replaced WWII-era diesel generators at our Essex Plant with Tier I Units. This is likely to greatly increase the efficiency.

The environmental impacts from burning fossil fuels are considerable. Not only are fossil fuels non-renewable, but burning them results in the emission of hazardous air pollutants and greenhouse gases. This is why Green Mountain Power strives to reduce its reliance on fossil fuels and increase its use of alternative energy sources.

5.7 AIR EMISSIONS AND CLIMATE CHANGE

5.7.1 Our Air Emissions

Green Mountain Power's air emissions for 2007 are summarized in our Wholesale Power Profile, which is shown in Table 5-3. EN20 and EU 1

Table 5-3: 2007 Wholesale Power Profile

2007 WHOLESALE POWER PROFILE				AIR EMISSIONS IN TONS (SHORT)					
Wholly-owned Units	MWH	Fuel Type	Fuel Volume	CO ₂	SO _x	NO _x	PM ₁₀	CO	VOC
GMP Hydro	124,330	Water	0	0	0	0	0	0	0
Vergennes Diesel	776	#2 oil	60,850 gal	681	1.047	13.332	0.420	3.541	0.377
Berlin Gas Turbine	4,981	#1 oil	523,988 gal	5,643	1.467	32.016	0.419	0.105	0.157
Gorge Gas Turbine	633	#2 oil	121,925 gal	1,364	2.146	7.450	0.110	0.036	0.036
Essex Diesel	189	#2 oil	18,822 gal	210	0.335	4.312	0.137	1.142	0.118
Searsburg Wind	10,476	Wind	0	0	0	0	0	0	0
Totals:	141,385			7,898	4.995	57.11	1.086	4.824	0.688
Jointly-owned Units	MWH	Fuel Type	Fuel Volume	CO ₂	Sox	NO _x	PM ₁₀	CO	VOC
McNeil Wood	30,927	Wood	41,343 tons	162	ND	ND	ND	ND	ND
Wyman	3,480	#6 oil	244,960 gal	3,183	12.010	2.516	ND	ND	ND
Stony Brook	19,659	#2 oil	160,499 gal	1,848	2.881	2.931	0.136	0.450	0.0046
Stony Brook		Natural gas	153 mmcf	9,388	0.046	8.875	0.516	1.688	0.164
Totals:	54,066			14,581	14.937	14.322	0.652	2.138	0.169
Power Contracts	MWH	Fuel Type	Fuel Volume	CO ₂	SO _x	NO _x	PM ₁₀	CO	VOC
HQ VJO	784,238	Quebec system	0	96% Hydroelectric					
Vermont Yankee	777,513	Nuclear	0	0	0	0	0	0	0
Stony Brook	8,978	#2 oil	73,295 gal	844	1.316	1.339	0.062	0.205	0.002
Stony Brook	0	Nat gas	70 mmcf	4,287	0.021	4.053	0.236	0.771	0.075
VEPPI Ryegate Wood	58,371	Wood	ND	ND	ND	ND	ND	ND	ND
VEPP Hydro	63,482	Water	0	0	0	0	0	0	0
NYPA hydro	1,432	Water	0	0	0	0	0	0	0
System and ISO-NE Activity	165,191	NE System	0	0	0	0	0	0	0
NY sales	-4,146	Quebec system	0	0	0	0	0	0	0
Totals:	1,855,059			5,131	1.337	5.392	0.298	0.976	0.077
GRAND TOTALS:	2,050,510			27,610	21.269	76.824	2.036	7.938	0.934

Figure 5-2: Trend of CO₂ Emissions (2004-2007) – Includes Purchased Power

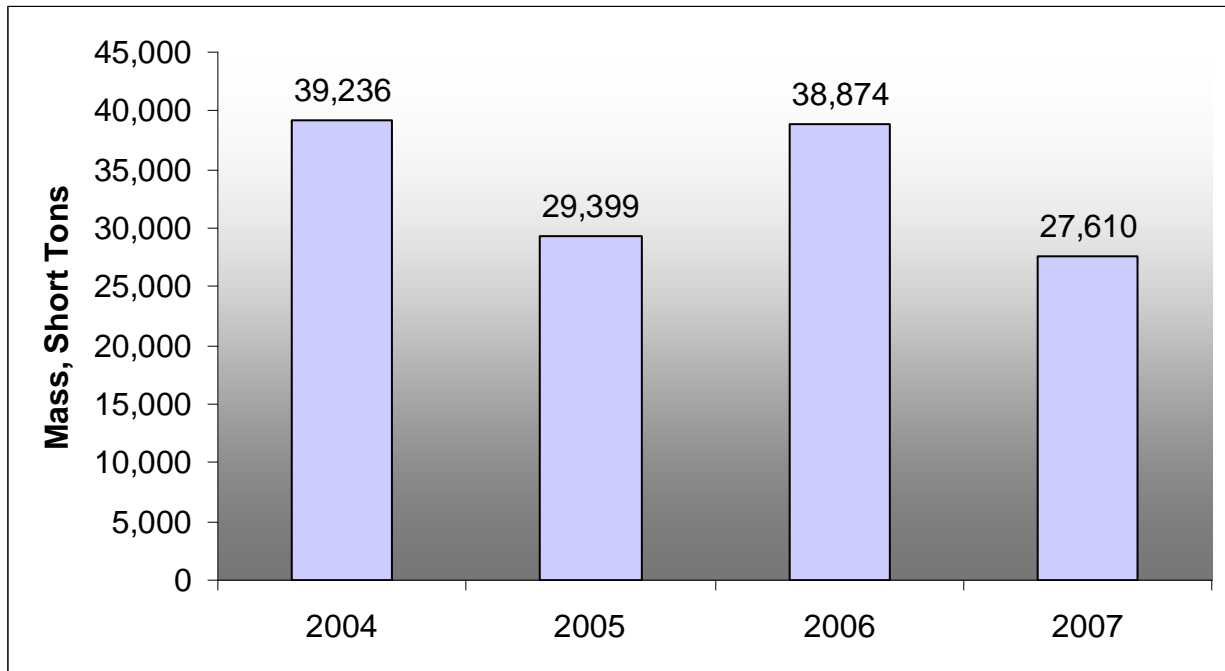
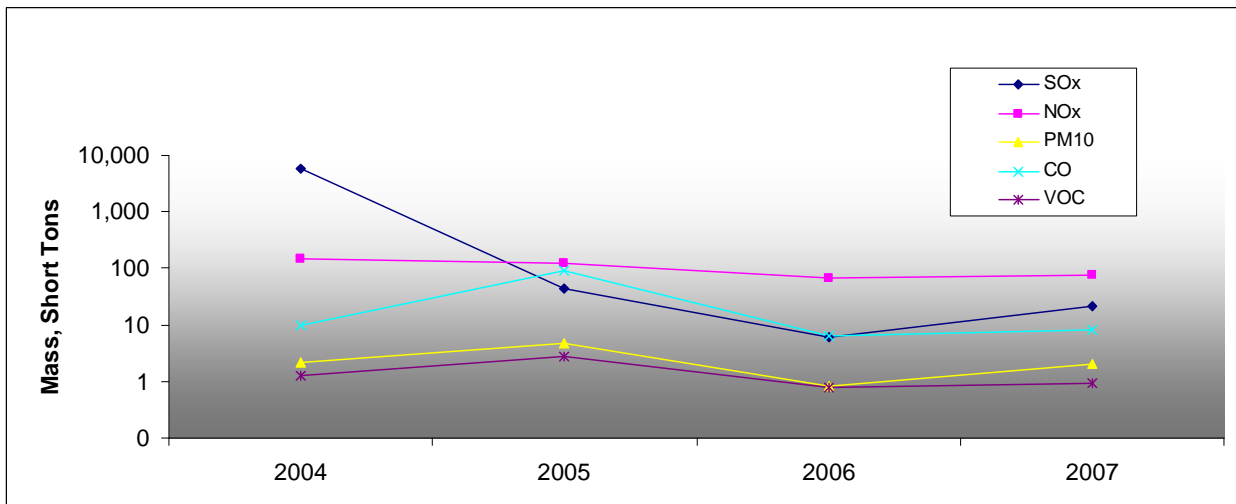


Figure 5-3: Air Emissions (2004-2007)



5.7.2 Disclosure of Climate Change Risk

Please note that while Green Mountain Power has data on the amount of CO₂ that is emitted from our power profile, but we have not quantified all of the greenhouse gases from our direct emissions, indirect emissions, or operations and do not have certain plans to do so. Resources that we may use in the future to disclose our climate risk include the Global Framework for Climate Risk Disclosure (Ceres), the World Resources Institute's Greenhouse Gas Protocol (Corporate Accounting and Reporting Standard), and/or the WRI's GHG Protocol (Designing a Customized Greenhouse Gas Calculation Tool).

Additionally, Green Mountain Power is planning to participate in the Carbon Disclosure Project.

5.7.3 Programs to Reduce Climate Change Risk

Green Mountain Power is fully committed to reducing climate change risk and recognizes the direct link between climate change and our actions as an electric utility. In 2007, we worked to become carbon neutral in our operations, which includes our offices, facilities, trucks, and all business travel. This was achieved through various operational changes (biodiesel, alternative-fueled vehicles, energy efficiencies in buildings, etc.), but also through offsets. The offsets for our operations were purchased from NativeEnergy (headquartered in Charlotte, Vermont) and paid for by Gaz Métro.

In addition to our operational carbon neutrality and reduced reliance on fossil fuels as much as possible, we also have introduced a variety of other initiatives, including programs that our customers can participate in to help tackle climate change.

- **Signatory of Climate Call to Action.** In 2007, Green Mountain Power was one of 65 signers of a Climate Call to Action, calling on U.S. lawmakers to enact strong federal legislation to curb the pollution causing global climate change. Specifically, the Call to Action requested three actions:
 - Leadership by the U.S. government to achieve sizable, sensible long-term reductions of GHG emissions in accordance with the 60-90% reductions below 1990 levels by 2050;
 - A realignment of national energy and transportation policies to stimulate research, development, and employment of new and existing clean technologies; and
 - That the Securities and Exchange Commission (SEC) clarifies what companies should disclose to investors regarding climate change.

The entire Call to Action statement can be accessed at www.ceres.org.

- **Choose2BGreen.** This program, which was announced in 2007, provides customers with a way to neutralize their carbon footprint through renewable power and home heating and driving offsets. Specifically, customers can sign up for three different programs. With *GreenerGMP*, they may purchase energy from certified renewable resources equal to some or all of their monthly electricity use. *CoolHome* and *CoolDriver* provide customers with an option to offset their individual carbon footprint associated with heating their homes and driving their cars, respectively. These offsetting programs are offered in partnership with *NativeEnergy*. We were one of the first utilities in the country to offer its customers the opportunity to participate in *CoolHome*, an innovative program to fight global warming offered in partnership with *NativeEnergy*.
- **GreenerGMP.** In early 2006, the Vermont Public Service Board approved our request to offer our customers an optional "green" rate, called "GreenerGMP," that uses only certified renewable energy

sources. Our customers are now able to choose to pay a premium of just four cents per kilowatt hour for all or a portion of their monthly electrical usage to demonstrate their support for renewable energy. We purchase on their behalf certified renewable resources available on the New England power grid equal to the portion of electricity they designate, with a priority given to renewable energy projects located in Vermont. Likely candidates for inclusion include wind, biomass, and biogas. Approximately 820 customers have signed up for GreenerGMP as of September 2008, which is somewhat disappointing, as we believe far more customers are interested in purchasing renewable power. We believe the complex structure of the original program, as well as the lack of available Vermont resources, is at least partly responsible. In late 2007, we received approval from the Vermont Public Service Board for a revised program that we think will be more successful. The revision simplifies the program and targets Vermont resources when they become available, rather than elsewhere in New England.

- **Energy Efficiency Utility.** Additionally, Green Mountain Power encouraged the creation of and strongly supports the Vermont Energy Efficiency Utility (EEU) by serving on its board. EEU is a customer-funded statewide utility that provides energy efficiency services for Vermonters. The EEU was recently recognized by Harvard University as one of the most innovative state government programs in the nation. Green Mountain Power works closely with the EEU as a way to ensure our customers use energy wisely. However, it was revealed during the stakeholder engagement for preparation of this year's sustainability report that some customers are still requesting more assistance from Green Mountain Power with respect to learning about energy efficiency. In 2006, the Vermont Legislature increased the Efficiency Vermont budget, thus increasing the services it provides. EN6, EN18

5.7.4 Chicago Climate Exchange (CCX)

Green Mountain Power has also assumed a leadership role in committing to a clean power supply by joining the Chicago Climate Exchange (CCX), a self-regulatory exchange that administers the world's first multi-national and multi-sector marketplace for reducing and trading greenhouse gas emissions. We voluntarily committed to reduce greenhouse gas emissions by 4% from our 1998-2001 baseline average by 2006 or to purchase greenhouse gas credits to achieve the equivalent result. We were able to reduce our emissions by a considerable amount, largely through power plant operations, and easily met our 2006 goal. We have plans to renew our relationship with CCX thru 2011 (phase 2). Currently, CCX is focused only on CO₂ for power plants, for which we have all the data we need to calculate a baseline (audited by NASD).

5.7.5 Regional Greenhouse Gas Initiative (RGGI)

Green Mountain has supported Vermont's agreement to participate in the Regional Greenhouse Gas Initiative ("RGGI"). Beginning in 2009, RGGI seeks to cut carbon emissions from power plants in member states (including Vermont) 10% by 2019 through a carbon cap-and-trade system. Each state in the program will have a mandatory cap on power plant emissions (188 million tons per year [TPY]), and each plant will be required to buy one carbon allowance for each ton of CO₂ emitted. States will then sell most of the remaining allowances via auction and invest the proceeds in energy efficiency and renewable energy. States that emit the least will have the most number of allowances to sell. Therefore, a state like Vermont, which does not rely heavily on fossil fuels, stands to do well with respect to RGGI. Green Mountain Power has one existing power facility that would be affected by RGGI, an oil-fired turbine in Berlin which only runs a few hundred hours per year. We anticipate that when the carbon allowances sell for approximately \$2 per ton (CO₂), we face a new cost of \$20,000 per year or less.

5.7.6 Commitment to Renewable Energy

As Green Mountain Power looks to the future, we see a challenge in keeping a power supply portfolio that is as air-emissions friendly as our current mix. The challenge comes from the fact that our Vermont Yankee and Hydro-Québec contracts expire in 2012 and 2015, respectively (which together account for almost two-thirds of our energy supply.) While there are still challenges posed by nuclear generation, there is no doubt that nuclear power helps keep our air emissions low.

Vermont has enacted a Renewable Portfolio Standard (“RPS”) to apply to electric utilities beginning in 2012. The RPS will require Green Mountain Power to cover with qualifying renewable resources at least that portion of its electric load that represents retail load growth between 2005 and 2012, up to a maximum of ten percent of total retail load. Vermont’s RPS law also provides that if sufficient new renewable energy generation is built and serves Vermont by 2012, then the RPS mandate will not go into effect. EN6

5.8 T&D SYSTEM UPGRADES AND IMPACTS

Overall, our T&D losses are 3% (transmission) and 5.2% (distribution). EU 13.

5.8.1 Northwest Reliability Project

Significant upgrades as part of the Northwest Reliability Project have been proposed and approved for the transmission system serving northwestern Vermont. Construction on the line began in February 2006 and is expected to be completed in 2009.

Other major transmission reliability projects Green Mountain Power is working on with VELCO include: two reliability projects in Chittenden County, called the East Avenue Loop and the Gorge Area Reinforcement; a reliability project in central Vermont, called the Lamoille County project; a project aimed at improving the reliability of Vermont’s overall bulk electric system, called the Coolidge Connector; and several other smaller transmission and substation projects.

5.8.2 Sulfur Hexafluoride (SF₆)

Sulfur hexafluoride (SF₆) is a gaseous dielectric used in high voltage electrical equipment. SF₆ is the most potent greenhouse gas with a global warming potential that is 23,900 times greater than that of CO₂. Potential sources of SF₆ emissions occur from: (1) losses through poor gas handling practices during equipment installation, maintenance and decommissioning; and (2) leakage from SF₆-containing equipment.⁶

Green Mountain Power’s system includes 11 breakers with SF₆, which we monitor closely for leaks. Green Mountain Power does not currently belong to U.S. EPA’s SF₆ Emission Reduction Partnership for Electric Power Systems, due to its very low use of SF₆.

⁶ http://www.epa.gov/electricpower-sf6/pdf/leakrates_circuitbreakers.pdf

5.8.3 Electromagnetic Radiation

Some people are concerned about potential adverse health effects of electromagnetic radiation emanating from power lines. According to the World Health Organization, the research is inconclusive. Despite more than two decades of research to determine whether elevated EMF exposure, principally to magnetic fields, is related to an increased risk of childhood leukemia, there is still no definitive answer. The general scientific consensus is that, thus far, the evidence available is weak and is insufficient to establish a definitive cause-effect relationship. In the U.S., there are no federal standards limiting occupational or residential exposure to power line EMF.⁷

Occasionally, customers who are considering purchasing home near power lines contact Green Mountain Power for more information on potential adverse health effects. We respond by sending a monitoring team to the site to collect data on the amounts of EMF emitted in the area and give the customer information on the research. Because the science is inconclusive, we do not make recommendations to customers, but encourage them to read the information provided to help them make their decision. Quite often the homes are located far enough from the lines that the home would be considered unexposed, but occasionally homes do have low levels of exposure.

5.8.4 PCBs

Green Mountain Power has been making a significant effort to replace PCB-containing equipment with non-PCB materials (see Section 6 of this report for data on PCB waste generation). However, our stakeholders are interested in learning more information about the PCBs in our system and our practices for dealing with them. The PCB issue will be dealt with in greater detail in next year's report, when we tackle the EU Sector Supplement indicators.

5.8.5 Impacts on Native Ecosystems and Species

Over the years Green Mountain Power has considered the impacts of its facilities and operations on various native ecosystems and species, including biodiversity-rich areas. Table 5-4 describes some of the potential impacts from our operations and our efforts to mitigate them. EN 12-15

⁷ <http://www.epa.gov/radtown/power-lines.htm#resources>

Table 5-4: Impacts of Power on Habitats and Wildlife

Type of Power	Habitats and Wildlife Nearby	Our Ecosystem Stewardship Efforts	Results
<p>Hydro Power</p>	<p>Fish, Loons, and Aquatic Habitat. The ponds that the hydro plants produce, called impoundments, create a new source of habitat that many animals utilize and enjoy.</p> <p>Water levels in these ponds constantly change according to weather conditions and other circumstances not controlled by Green Mountain Power.</p> <p>Any significant change in the impoundment water level can have a profound effect on the plants and animals that live in the area.</p> <p>Green Mountain Power is concerned about potential effects on fish and other wildlife from hydro dams.</p>	<ul style="list-style-type: none"> ✓ Because most of the hydro dams owned by Green Mountain Power have been in existence for decades, it is difficult to compare ecosystems with what they were before. And many of the dam ecosystems would change drastically if the dams were changed or removed, as they rely on them for their current habitat. ✓ Green Mountain Power’s dispatch center at its Colchester office monitors water levels and adjusts the water flow going into the hydro plants accordingly. ✓ We create a consistent water level for the many plants and animals living in and around its hydro plants. See below for more information on protecting the loons. ✓ We complete studies to measure dam effects. For example, one study assessed dam effects during the West Danville Hydroelectric Project, located on Joe’s Brook in the Town of Danville, Vermont. 	<ul style="list-style-type: none"> ✓ Loon recovery goals were met in 2004, when VT achieved a five-year average of at least 40 nesting pairs, producing at least one fledgling per pair. In April 2005, Vermont removed loons from the endangered species list. ✓ Loons now live in two geographic regions of the state.

Type of Power	Habitats and Wildlife Nearby	Our Ecosystem Stewardship Efforts	Results
Wind Power	Black Bears. The Searsburg wind plant is located in a bear corridor, between two bear habitats.	<p>Working with biologists from the state Fish and Wildlife Department, methods to mitigate any potential disturbance to bear movement were developed and incorporated into the design and operating plans for the wind facility. Specifically, we:</p> <ul style="list-style-type: none"> ✓ Minimize clearing near the turbines and road. ✓ Design operating and maintenance schedules and site visitation practices to minimize human activity during these critical periods. ✓ Prohibit food or beverages (other than water) on the mountain. ✓ Prohibit public tours during the fall mating season or in the spring, when the cubs are first born. 	<p>Research indicates that the bears are as active now as they were before construction. Bear use of the corridors is the heaviest in the spring and fall months in a region in the center of the project. Therefore, scheduling the most intensive maintenance for mid-summer and restricting human site visitation activity to the northern-most portions of the project area complement the goal of reducing effects on black bear populations.</p>
Wind Power	Birds.	<ul style="list-style-type: none"> ✓ We studied bird migratory patterns. ✓ Many scientific studies were prepared prior to the construction of the facility and in the months after its completion. All studies are available at www.northeastwind.com/whatwevedone/searsburg.html 	<ul style="list-style-type: none"> ✓ The migratory studies indicated that the site is not in any bird migratory paths. ✓ Studies of bird impacts from the facility strongly suggest that the Searsburg site does not pose a threat to avian populations that breed on the site or migrate through the site.
Berlin #5 Generating Plant (kerosene plant)	Nearby ecosystems and habitats, including nearby surface water.	<ul style="list-style-type: none"> ✓ In 2005, we completed a new stormwater retention pond and treatment system to help protect the local environment from pollution. 	<ul style="list-style-type: none"> ✓ The new stormwater treatment system collects stormwater run-off from the site to assure that pollutants are not able to reach local waterways.

Type of Power	Habitats and Wildlife Nearby	Our Ecosystem Stewardship Efforts	Results
Transmission Corridors	Various flora and fauna, including several endangered species. Utility corridors may cross sensitive areas.	<ul style="list-style-type: none"> ✓ We have eliminated the use of herbicides in our maintenance programs for these corridors. ✓ We limit our access to these corridors except for line maintenance and during power restoration. 	<ul style="list-style-type: none"> ✓ According to the Vermont Department of Wildlife, transmission corridors offer opportunities for several species of plants and animals to breed and thrive.

In addition to the measures described above, we have also taken special interest in three of Vermont’s bird species – ospreys, bald eagles and loons. Our actions to protect these species are described below:

- **Ospreys.** We installed near Lake Champlain several osprey-nesting platforms to mitigate the potential impacts of our operations on this native bird species. These platforms provide the osprey with a convenient place to nest without disrupting power production or distribution.
- **Bald Eagles.** The state of Vermont has a long-term goal of establishing a nesting population of bald eagles in the state. Green Mountain Power has eagerly supported this effort. Vermont Fish & Wildlife Department staff and volunteers from Central Vermont Public Service, Outreach for Earth Stewardship, National Wildlife Federation, and Green Mountain Power recently built three artificial nesting boxes for bald eagles at the Dead Creek Wildlife Management Area in Addison, Vermont.
- **Loons.** Green Mountain Power has worked with state officials for years to help protect the loons. In 2006, there were 58 nesting loons, of which 44 successfully hatched 66 eggs, with 56 chicks surviving through August. Back in 1983, loon numbers had dwindled to a low of eight breeding pairs. We do our part by carefully monitoring the water level on Peacham Pond, Marshfield Reservoir, Joe’s Pond, and Molly’s Fall Reservoir to provide optimal conditions for loons. If water levels get too high the nests may become flooded, and if levels get too low the birds will be unable to get to their nest, as loons do not move well on land. Similarly, a flow release at the dam needs to be maintained to protect habitat for fish and other aquatic life downstream, so levels can not get too low. Even though the loon was removed from the endangered species list in April 2005, the loon is still recognized as a Species of Greatest Conservation Concern in Vermont and remains protected under the federal Migratory Bird Act.

5.8.6 Biodiversity-Rich Habitats

Green Mountain Power owns several parcels of land that are likely home to biodiversity-rich habitats. Studies confirming this have not been performed yet.

- Cabot, Vermont: 400 acres of pond and 600 of land surrounding the pond.
- Duxbury, Vermont: 500 acres; we are aware that there may be a protected species of plant along a portion of the transmission line that runs through this parcel.
- Essex 19 Hydro Electric Facility: 100 acres; includes habitat of Harry’s Letters, which is a protected plant species.

-
- Berlin, Vermont: 67 acres near the Dog River; supports a wetland and wetland habitat.
 - West Danville and Vergennes, Vermont, 25 acres and 11 acres, respectively; these hydro electric facilities may also support biodiversity-rich habitats. Searsburg, Vermont: 580 acres; supports many habitats, including black bear (see above for more information on how we protect this habitat).

EN11 and EN12, EN 14, and EN15

6. IMPACTS FROM INFRASTRUCTURE AND OPERATIONS

6.1 ENERGY USE AND ENERGY EFFICIENCY

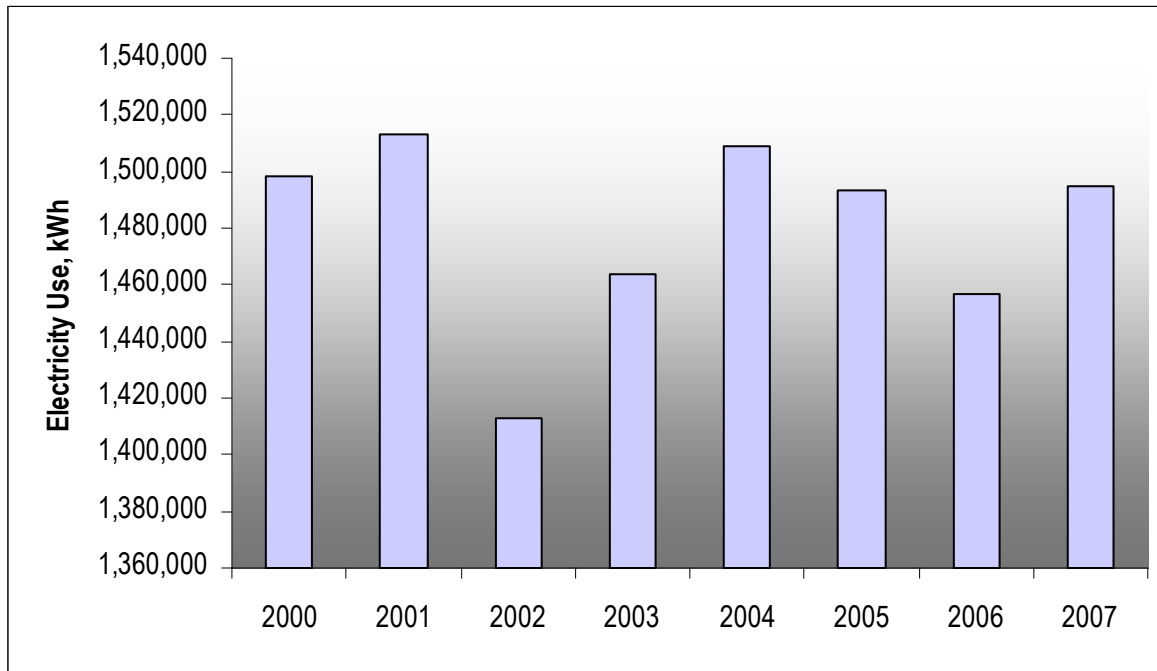
Each employee works in an open work area that fosters transparency and communication throughout the organization. This has reduced energy consumption by use of natural lighting and smaller work spaces. In 1995, Green Mountain Power consumed 1,400,225 kwh to operate its company headquarters. This compares with 921,400 kwh for 2007. This represents a decrease of over 34% over an 12-year span and is a result of streamlining company operations and our decision to move our corporate headquarters into an existing company service center.

In some of our buildings, we have a daylight control system where lights within the building dim as more daylight enters the building. Employees are also able to control how much lighting is allowed in the building by the use of skylights and high-efficiency T-8 lamps and ballasts. T-8 electronics allow for the dimming of fluorescent lighting, anywhere from 5-10%, throughout the building based on employee needs and outside light conditions. This feature conserves energy and provides a level of comfort for employees that prefer conventional lighting.

In 2006, we installed additional occupancy sensors to minimize lighting use when areas are not being used. We added high-efficiency air-conditioning units to the Colchester computer room for additional cooling capacity. We also replaced two older, inefficient rooftop heaters with five small energy efficient heaters in Colchester garage spaces. The smaller heaters are more efficient and more appropriate technology for the workspace.

Figure 6-1 compares our overall energy use from 2000 to 2007. The variations are largely due to changes in use of some of the buildings, such as consolidating operations and then later adding tenants to the same meter. The decrease since 2004 is a direct result of energy efficiency initiatives in our building operations.

Figure 6-1: Electricity Use 2000-2007



EN3, EN4

Energy use can be broken down by location, as follows:

Table 6-1: KWH Use by Location

Year	Facility							Total
	Colchester	Bellow Falls	Vergennes	Montpelier	Wells River	White River	Wilmington	
	Building Electricity Use (kWh)							
2000	896,600	114,000	31,398	351,560	13,738	41,278	49,508	1,498,082
2001	899,200	122,240	37,381	350,880	16,570	42,997	43,874	1,513,142
2002	839,200	123,520	28,171	317,280	16,006	44,448	44,272	1,412,897
2003	878,400	130,800	27,694	329,120	14,858	40,607	42,444	1,463,923
2004	888,032	117,440	26,574	377,760	14,924	48,811	35,467	1,509,008
2005	868,600	119,600	3,020	394,080	16,064	49,882	41,817	1,493,063
2006	819,400	111,120	32,541	387,200	17,870	47,548	40,993	1,456,672
2007	921,400	114,960	33,882	320,960	17,323	47,820	38,428	1,494,773

Please note that the totals for Bellow Falls, Montpelier, and Wells River include energy consumed by additional tenants in the buildings. We have determined that it is not economically advantageous to segregate our electricity usage from other tenants.

6.2 WATER USE

Table 6-2 lists the gallons of water used for each Green Mountain Power location in 2007. EN8

Table 6-2: Water Use by Location

Year	Facility							
	Colchester	Bellows Falls	Vergennes	Montpelier	Wells River	White River	Wilmington	Total
	Building Water Use by Facility, Gallons							
2004	N/A	36,000	1,500	108,500	N/A	32,912	N/A	178,912
2005	N/A	38,896	N/A	165,000	N/A	30,668	N/A	234,564
2006	N/A	17,300	N/A	177,000	N/A	22,440	N/A	216,740
2007	255,700	38,749	N/A	86,000	17,478	29,920	N/A	427,847

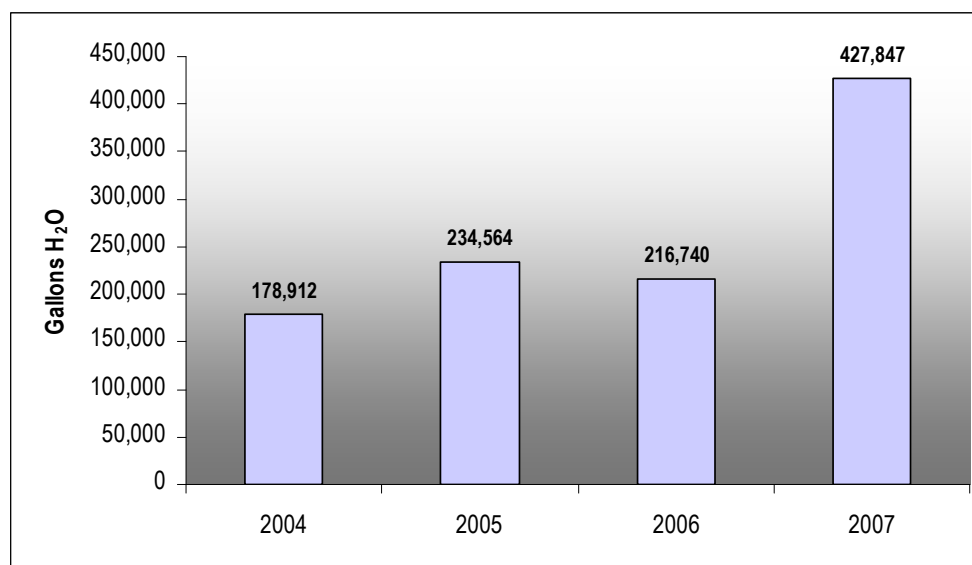
Through looking at historical water usage data, we realized that our Colchester office usage, which houses most of our employees, has been incorrectly metered for several years. This was rectified in early 2007 with the local water department.

Currently, the Wells River and Wilmington offices use a well for their water supply, and do not have meters to track their water usage. The Vergennes office is connected with the generation facility, and there is no separate meter or bill. Next year, we intend to purchase water meters for these locations to connect to the water intake.

In Colchester, our building is heated and cooled using a closed-loop system. Instead of using new water, it uses a radiator to cool and a highly efficient boiler to heat. We also installed automatic shut-offs on low flow fixtures in the rest rooms of each office to conserve water.

In 2006, the water-cooled diesel generators at the Essex facility were removed from service. The new diesel engines utilize air-cooled regulator systems and eliminate the need and risk associated with an open-loop river water cooling system.

Figure 6-2: Green Mountain Power Total Water Use (2004-2007)



Due to inaccurate metering, Colchester service center water usage has been significantly underreported for several years. This chart reflects estimated water usage for the Colchester facility. The increase in water usage is primarily explained by an increase at our Montpelier facility. We are researching the source of this increase.

There were no known water sources or related ecosystems/habitats that were affected by discharges of water or runoff in 2007. Also, there were no significant discharges to water. Additionally, Green Mountain Power does not withdraw any ground or surface water for industrial purposes.

Green Mountain Power does not have many stormwater impacts. The only facility where stormwater is an issue is at our Colchester location. We performed some improvements to our stormwater collection system in Colchester in 2004, and evaluated the improvements in 2005. As a result of these evaluations, we performed some upgrades to this system in 2006.

6.3 IMPACTS FROM TRANSPORTATION

Green Mountain Power has recognized the impact of vehicle use on the environment and has taken the following steps to minimize impact while not sacrificing our reputation for excellent customer service. EN29

6.3.1 Fuel Efficiency

Green Mountain Power improved its average vehicle fuel efficiency (measured in gallons per 100 miles traveled) by 10% from 2005 to 2006 and has similar aggressive fuel-efficiency goal of 7% improvement for 2007. We continue to replace older, less efficient trucks with newer vehicles. We also have an ongoing hybrid purchasing program. Green Mountain Power currently owns nine hybrid vehicles

(Toyota Prius and Ford Escape) which comprise 8% of Green Mountain Power's fleet of vehicles. Each hybrid vehicle has an improvement of greater than 15 miles per gallon over the vehicle it is replacing.

In addition, carpooling is encouraged, and hybrids are used by management to travel within our service territory. We continue to explore additional ways to improve our mileage and reduce transportation emissions, such as our early 2007 project to fill vehicle tires with nitrogen to improve fuel efficiency and extend tire life.

We recently instituted a non-idling policy that strongly discourages field employees from idling vehicles. Occasionally, idling will occur during winter months for safety reasons and is often a required part of our operations since the buckets use the truck engine to power their work.

Figure 6-3 shows total fuel used for transportation, but also includes information on fuel used in miscellaneous sources. Figures 6-4 and 6-5 show trends in miles traveled and fuel efficiency for our gasoline and diesel fleets. Data are based on 106 vehicles from all seven districts (Colchester, Vergennes, Montpelier, Wells River, White River Junction, Bellows Falls and Wilmington). EN4

Figure 6-3: Transportation and Miscellaneous Fuel Use

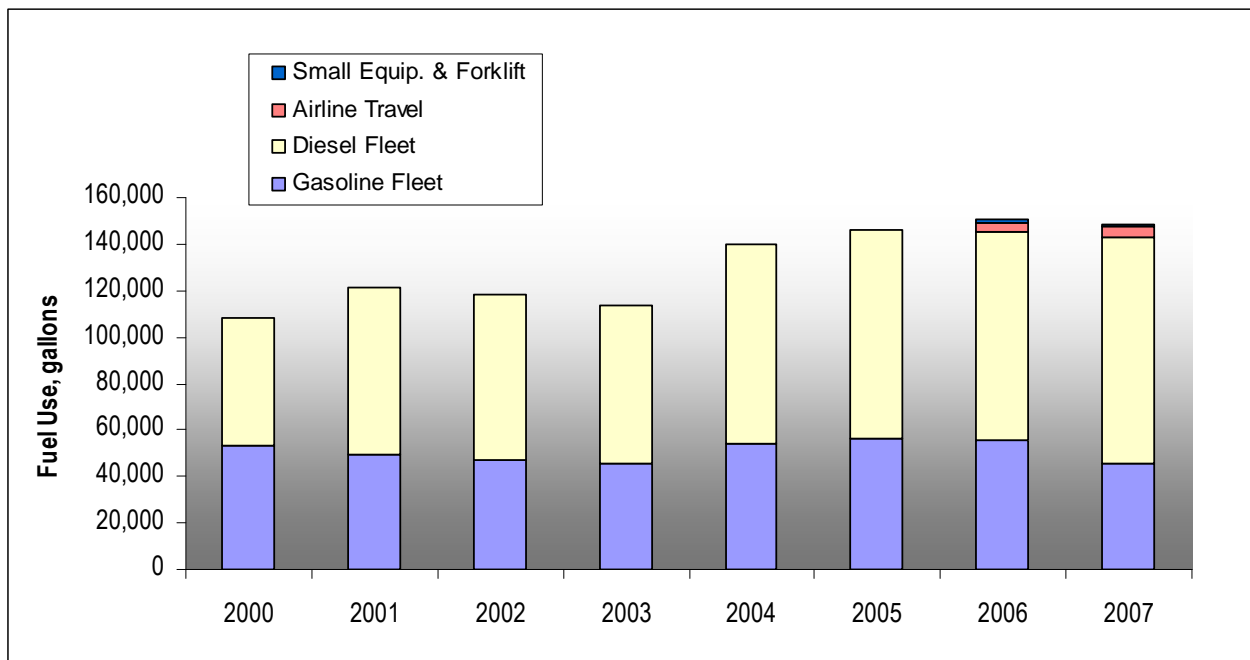


Figure 6-4: Vehicle Fleet Efficiency

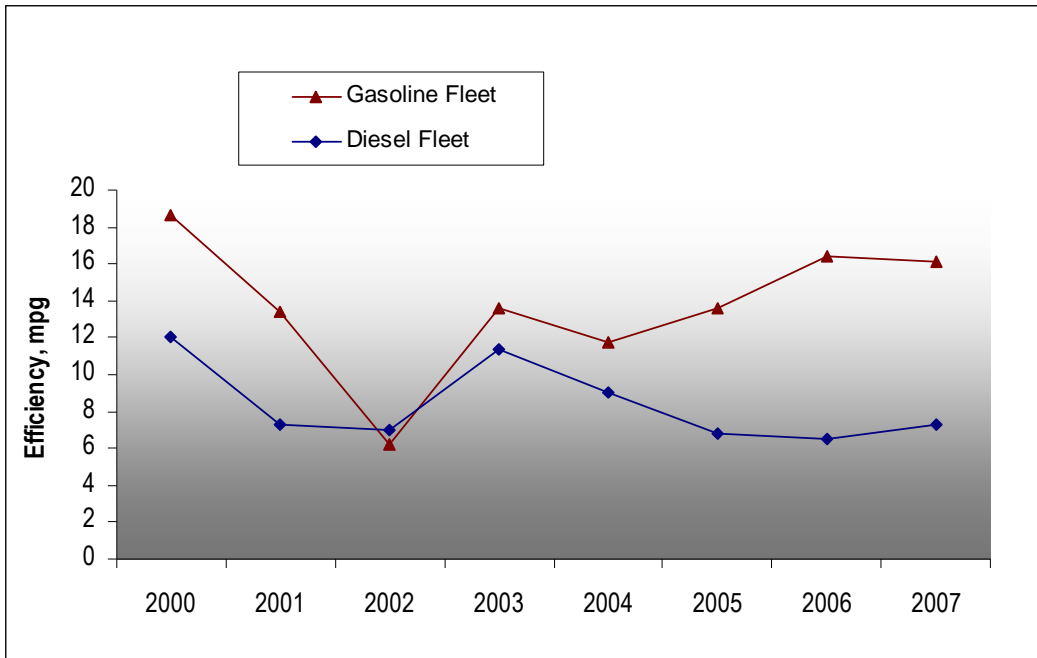
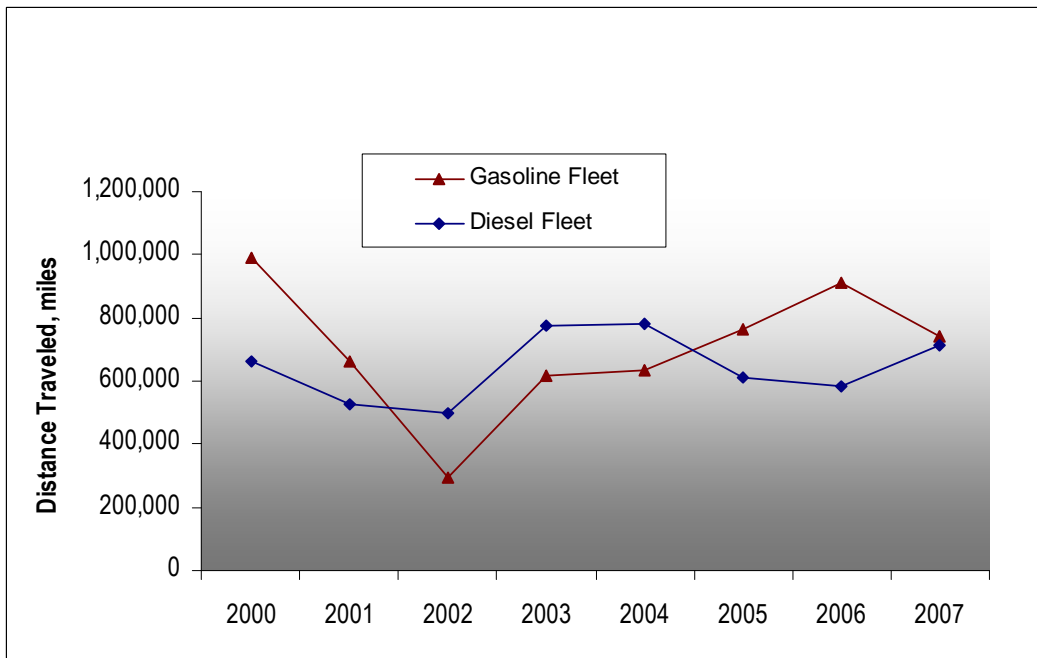


Figure 6-5: Vehicle Fleet Travel



There are a couple of important changes in reporting fuel use that have occurred:

- In mid-2005, we implemented the use of fuel cards, which more accurately track mileage and fuel use for each vehicle. We also replaced some diesel vehicles with gasoline vehicles – which accounts for changes viewed in miles traveled and miles per gallon for each fuel type.
- We found an error in the fuel use data and mileage calculations presented in previous reports. Previous reports included only fuel dispensed at our two largest service locations, while mileage was reported for the entire company. This resulted in an under-estimate of fuel use and an over-estimate of efficiency of about 20%. The information in this year's report, including Table 6-3 and Figure 6-5, has been corrected to include fuel dispensed at all locations.

6.3.2 Emissions Reductions

Since 2005, we have required that a 20% biodiesel mix (B20) be used in our larger vehicles in the summer and a 5% biodiesel mix (B5) be used in the winter. All vehicles that fuel up at our Colchester and Montpelier facilities run on biodiesel. EN7

While biodiesel does not improve mileage, it does drastically reduce emissions. We currently use biodiesel to fuel vehicles at our two largest facilities, which are fueling stations for 31 diesel vehicles and represent over 70% of our diesel fuel use. We plan to install an additional fueling station at another service facility in 2008, which will allow us to use biodiesel for another four vehicles.

6.3.3 Vehicle Performance and Service Life

We follow a regular preventive maintenance schedule for all equipment. We purchase high quality oil and filters to extend service intervals, which minimizes resource use while maximizing vehicle performance.

6.3.4 Airline Travel

In 2007, approximately 4,020 gallons of jet fuel was consumed for employee flights. As shown in Figure 6-3, above, on a per gallon basis, airline travel accounts for only a small percentage of the total fuel consumed for transportation. EN4

6.4 RAW MATERIAL USAGE

Green Mountain Power maintains approximately 50,000 items in its existing inventory. Items are organized by approximately 50 stock categories (i.e., transformers, reclosers, etc.). The following data represents usage of items from 2005-2007 that represent the highest volume, weight, and potential environmental impact: Green Mountain Power's main distributor (60-70% of supplies) is located locally, in White River Junction. We have not yet measured the transportation impacts associated with our purchase of raw materials.

Table 6-4: Raw Material Usage 2005-2007

Year	Utility Poles Number	Transformers Number	Wire & Cable Feet	Notes
2005	786	772	462,926	includes class 3 45' poles, wire only
2006	937	851	795,032	includes all poles, wire, & cable
2007	900	1049	695,947	includes all poles, wire, & cable

EN1

6.4.1 Use of Recycled Materials

Currently 77% of the office supplies purchased from OfficeMax contain recycled content. Green Mountain Power intended to have products that contain 100% recycled content by August 1, 2007. We would have met the goal except that we experienced problems with the 100% recycled content in our copiers and began using 50% recycled content.

6.4.2 Street Light Initiative

Green Mountain Power recently began an initiative to improve the street lights that it owns and rents to municipalities in Vermont. Many of the street lights are older and contain mercury vapor. We are slowly switching out the older lights and replacing them with more energy-efficient, environmentally-friendly lights. The new lights also help reduce light pollution.

6.4.3 Fuel Use

Table 6-5 shows the amount of fuel and energy used for heating in each of our locations in 2007.

Table 6-5: Fuel Use for Building Heat by Location

Year	Facility							
	Colchester	Bellows Falls	Vergennes	Montpelier	Wells River	White River	Wilmington	Total
Building Heating Fuel Use by Facility, Hundred Cubic Feet (CCF) of Natural Gas / Gallons of Propane								
2006	19,108 ccf	2,310 gal	1,833 gal	10,618 gal	N/A	3,291 gal	2,981 gal	N/A/
2007	20,268 ccf	2,625 gal	2,128 gal	17,489 gal	N/A	4,066 gal	3,098 gal	N/A
Energy Used for Building Heat, MBTU								
2006	20	211	167	970	N/A	301	272	1,941
2007	21	240	194	1,597	N/A	371	283	2,707

EN1

We rent our space in Wells River and have no way to capture the portion of fuel that we use.

6.5 PURCHASING POLICY

While Green Mountain Power does not have a formal Sustainable Purchasing Policy, there are aspects to its existing purchasing policy that encourage purchase of sustainable goods and goods/services from companies with strong environmental records. The following is an excerpt from Green Mountain Power's purchasing policy:

“Preference should be given to...suppliers who are proven to be environmental friendly in their daily work practices and attributes, maximize Post Consumer Recycled content, minimize toxicity and packaging, or have any other environmentally preferable attributes, without sacrificing price, quality, and delivery requirements.”

Our purchasing policy also specifies that priority should be given to “suppliers located near the company operation.” EC6

6.6 IMPACTS FROM WASTES AND RELEASES

6.6.1 Solid Waste and Chemical Waste

Table 6-6 describes some of the chemicals used and wastes generated by Green Mountain Power, the waste destinations, and on-going waste minimization efforts. This data represents the total for all GMP locations. EN22

Table 6-6: Waste Data for 2004-2007

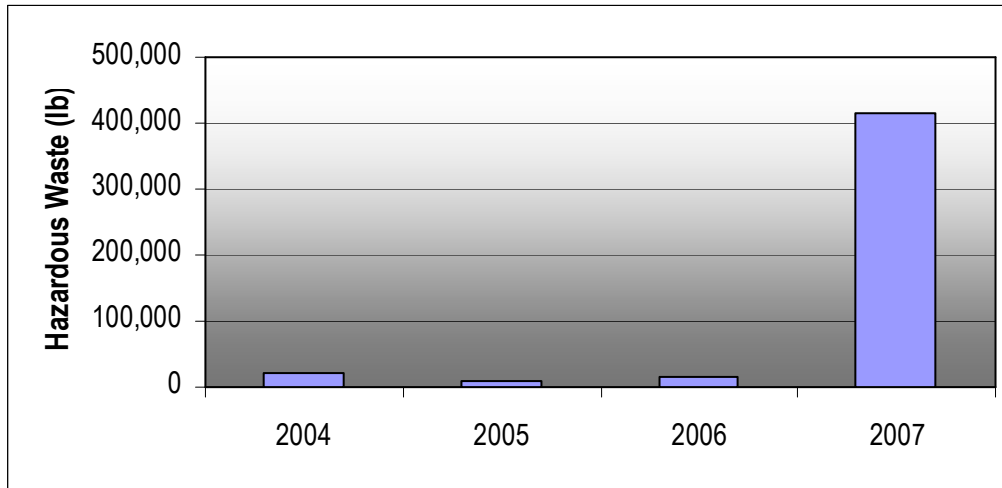
Description of Waste (units)	2005	2006	2007	Waste Destination or Disposal Method	Notes and Minimization Strategies
Solvents (gallons)	165	0	0		
Ozone-Depleting Substances (e.g., Freon)	0	0	0		
Herbicides (lb)	143.4	157.7	161.3		
Municipal Solid Waste (tons)	57.28	73.43	33.71	Local landfill.	
Treated Wood (tons)	33.85	51.55	26.51	Local landfill; with respect to waste utility poles: some go to McNeil biomass plant; others are donated to farmers for beneficial reuse.	678 utility poles were disposed in 2006.
Untreated Wood (tons)	18	0	0	McNeil biomass plant for incineration	
Scrap Metal (tons)	113.1	84.86	92.82	Recycled.	
Non-Hazardous Waste (lb)	104,431	80,843	154,354	Transformers go to TCI in New York and are dismantled, and	In 2006, this included waste paint, transformers (536 were disposed), and

Description of Waste (units)	2005	2006	2007	Waste Destination or Disposal Method	Notes and Minimization Strategies
				the components are recycled. Oil is shipped to Cyn Environmental in Stoughton, MA for recycling and resale for industrial burners.	universal waste.
Hazardous Waste (lb)	10,306	15,015	415,953	Oily solids are shipped to BFI-Niagara Falls which is a Class C Subtitle Landfill. Mercury bulbs are shipped to Complete Recycling Solutions in Fall River, MA for reclamation.	The increase in 2007 was due to two oil releases; 1,500 lb of D018 hazardous waste was also generated in 2006 by the Pine Street Barge Canal cleanup site. We manage our hazardous waste in compliance with applicable regulations and practice hazardous waste minimization efforts, to the extent possible. The majority of waste was oily absorbents and debris from vehicle maintenance and our power generating plants. Other hazardous wastes generated include mercury waste from broken light bulbs, citrus-based solvents contaminated with oil and grease, and a waste fuel/water mixture. [EN31]
Universal Waste (lb)	2,794	1,795	1,836	All UW are shipped to Complete Recycling Solutions in Fall River, MA for reclamation.	Universal waste is recycled. Types of universal wastes generated include batteries, mercury-containing light bulbs, and light ballasts.
PCB Waste (lb)	Inc. in haz. waste total for 2005.	34,955	13,839	PCB wastes are shipped to the TCI facility in Pell City, AL for incineration.	Includes PCB waste with >50 ppm PCBs, which is regulated as VT01 waste. Green Mountain Power has been actively trying to <u>increase</u> the amount of

Description of Waste (units)	2005	2006	2007	Waste Destination or Disposal Method	Notes and Minimization Strategies
					PCB waste generated, because this means that the PCB oil is being phased out of equipment and replaced with non-PCB oil. While this does increase disposal costs, it is better environmentally to reduce the overall amount of PCBs in use.
Al Wire for Recycling (lb)	N/A	65,293	58,018	Recycled	
Cu Wire for Recycling (lb)	N/A	30,567	53,111	Recycled	

EN24

Figure 6-6: Hazardous Waste Generation (2004-2007)



EN22

6.6.2 Recycling

Table 6-7 describes the various recycling methods for materials that were recycled from Green Mountain Power in 2007.

Table 6-7: Recycling Methods

Waste Stream	Recycling Methods
Wire	When wire can no longer be used, it is carefully sorted for scrap metal recycling (i.e., wrapped copper wire is separated from bare copper wire).
Transformers	Recycled through TCI in New York.
Oil Filters	Crushed on-site and then sent off-site as scrap metal.
Batteries	Managed as universal waste, which is recycled.
Fluorescent Light Bulbs	Managed as universal waste, which is recycled.
Computer Components	Recycled by Good Pointe Recycling in Middlebury, VT
Scrap Steel and other Scrap Metal	Recycled through All Metal Recycling, Inc.
Antifreeze	Recycled on-site and reused, or sold to recyclers for reuse.
Oily Rags	A rag laundering service is used for oily rags so that they can be reused.
Freon	Recovered and reused.
Tires	Tires for larger vehicles are re-treaded and reused.
Waste Oil	Recycled through oil supplier.

6.6.3 Berlin Landfarm

In 2006, Green Mountain Power diverted approximately 38.69 tons of petroleum-contaminated soil and debris from the conventional hazardous waste stream for treatment at the Berlin Landfarm. This treatment program uses bio-remediation to treat soils that are less than 5% total petroleum hydrocarbons by weight. The process includes amending the soil with organic material (cow manure), tilling and natural aeration. The soil is treated until it tests clean. Green Mountain Power finds this method of using natural treatment technologies for this type of waste preferable to landfilling. EN2, EN22

6.6.4 2007 Releases

In 2007 we had 26 reported spills ranging in volume from a few ounces to 300 gallons. Seven of the spills resulted from failed hydraulic lines on line and bucket trucks. We have investigated this issue and due to the nature of our work we can not change the types of hoses we use on our trucks. Our booms must remain non-conductive and therefore we can not use steel enforced hoses. GMP is evaluating

changing our hydraulic fluid to a vegetable-based oil that will minimize environmental impact for future spills.

One spill that occurred resulted in approximately 300 gallons of mineral oil released to the ground surface at our Colchester Service Center. This spill occurred when a plowing contractor hit a transformer in storage while removing snow. The release was not identified for several days. As a result of this spill approximately 500 cubic yards of oil-contaminated soil was transferred to our Berlin Landfarm for treatment.

All of the spills from 2007 have been cleaned up and are considered closed. EN23

Table 6-8: Spills 2007

Location	Date	Product Spilled	Gallons
Route 2, Middlesex	11/2/2007	Hydraulic Oil	5
Jones Ridge, Wilmington	10/21/2007	Mineral Oil	0.1
King Street, Rockingham	9/28/2007	Mineral Oil	9
Colchester Service Center	9/17/2007	Mineral Oil	0.25
Taft's Corners, Williston	7/23/2007	Mineral Oil	1
Maple Street, Hartford	7/10/2007	Mineral Oil	7
Basin Harbor Road, Ferrisburg	7/6/2007	Hydraulic Oil	0.25
Greenbush Road, Charlotte	6/27/2007	Mineral Oil	0.25
Indian Brook Road, Essex	6/21/2007	Mineral Oil	0.5
Whalley Road, Charlotte	5/7/2007	Hydraulic Oil	0.5
21 University Lane, Colchester	5/3/2007	Mineral Oil	1.5

Colchester Service Center	4/30/2007	Diesel	0.75
Winooski High School, Winooski	4/25/2007	Mineral Oil	5
Route 5, Wells River	4/24/2007	Mineral Oil	7
Harvey Mountain Road, West Barnet	4/16/2007	Mineral Oil	7
Birch Road, Essex	4/15/2007	Mineral Oil	12
Colchester Service Center	4/2/2007	Diesel Fuel	3
Colchester Service Center	3/23/2007	Mineral Oil	300
Colchester Service Center	3/15/2007	Hydraulic Oil	0.5
Twin Oaks Terrace, South Burlington	3/5/2007	Gasoline	3
Plumb Deer Road, Jackson	2/25/2007	Mineral Oil	0.25
Walker Road, Ferrisburg	1/24/2007	Hydraulic Oil	1
3 Greenfield Court, Essex	1/19/2007	Mineral Oil	0.25
Middlesex Plant #2	1/12/2007	Lube Oil	0.25
Granger Street, Bellows Falls	1/10/2007	Hydraulic Oil	0.25
Route 110, Barre Town	1/10/2007	Hydraulic Oil	2
		Total Spill Volume:	367.6

EN23

6.6.5 Pine Street Barge Canal

Green Mountain Power was among those named by the U.S. Environmental Protection Agency (EPA) in 1982 as responsible for the contamination of the Pine Street Barge Canal in Burlington, VT. In 1998, EPA directed responsible parties to pay \$4.3 million for site remediation activities that involved containing canal contamination with an underwater cap, restoration of wetlands areas at the site, and a long-term maintenance and monitoring program.

A 2006 update on the site is as follows:

“The first five year review of the remedial action was completed in October 2006. The remedy is currently protective of human health and the environment except for ongoing release of coal tar in a limited area of the subaqueous cap in the canal. The remedy will not be protective in the future without a mechanism in place to monitor to determine compliance with institutional controls that have been established to restrict land and groundwater use at the site. Two issues that must be evaluated in order to determine protectiveness in the future are: 1) the vapor intrusion to indoor air pathway and the potential to impact current or future indoor receptors; and 2) the ability of the existing compliance monitoring program to adequately monitor performance standards for contaminant migration given new site conditions. The precise mechanism(s) for these ongoing releases is the subject of additional field investigations which are expected to be completed by mid-winter 2007. Environmental controls, such as absorbent booms, keep the contamination from entering Lake Champlain.” - excerpt from epa.gov website.

7. OUR EMPLOYEES HAVE SPOKEN: GREEN MOUNTAIN POWER IS A GREAT PLACE TO WORK

This employee section is special in this year’s Sustainability Report because we convened stakeholder engagement groups in June 2007 to listen to employees’ concerns, ideas, and complaints. One of the goals of the stakeholder groups was to add credibility and transparency to various sections of this report. From listening to employees, we learned that (for the most part) they are very happy working at Green Mountain Power and were able to give some specific reasons why. In the words of one employee who has worked at Green Mountain Power for 24 years, “we get treated really well.”

Table 7-1: Employee Summary for 2007

Regular Employees (full-time):	186
Regular Employees (part-time):	7
Breakdown of Employee Groups:	Power Generation (9); Transmission and Distribution (92); and Retail (95)
Temporary Employees:	4
Contracted Employees:	3
Employees Retained in Conjunction with Other Employees:	0
Number of full-time personnel assigned to environmental management:	1 (also responsible for safety)
Employee Turnover Rate:	6.7%
Employment Creation Rate:	0
% Union Employees:	51.8%
Total Hours Worked by Employees in 2007:	471,643
Union Contract:	Agreement as Amended between Green Mountain Power Corporation and International Brotherhood of Electrical Workers Local #300 (January 1, 2004 thru December 31, 2007).
Senior Management:	Four officers including two men and two women: Women: president & CEO; CFO Men: General Counsel; VP Risk Management

Board of Directors:	Nine members (including two women and one African American man)																		
Number of Employees that live in Vermont:	191 (2 live in New Hampshire)																		
Lowest Wage Rate	\$13.00 (as compared with local minimum wage, which is \$7.53). EC5																		
% of Employees Over 50 (future indicator of skilled labor)	43%																		
Ratio of Basic Salary of Women to Men by Employee Category	<table border="1"> <thead> <tr> <th>Position</th> <th>Difference: Female vs. Male</th> </tr> </thead> <tbody> <tr> <td>Officers/Manager</td> <td>0.82%</td> </tr> <tr> <td>Professional</td> <td>-19.92%</td> </tr> <tr> <td>Technician</td> <td>-3%</td> </tr> <tr> <td>Office/Clerical</td> <td>-28.25%</td> </tr> <tr> <td>Skilled/Craftsman</td> <td>N/A</td> </tr> <tr> <td>Semi Skilled/ Operative</td> <td>-12%</td> </tr> <tr> <td>Laborer</td> <td></td> </tr> <tr> <td>Average:</td> <td>-12.46%</td> </tr> </tbody> </table>	Position	Difference: Female vs. Male	Officers/Manager	0.82%	Professional	-19.92%	Technician	-3%	Office/Clerical	-28.25%	Skilled/Craftsman	N/A	Semi Skilled/ Operative	-12%	Laborer		Average:	-12.46%
Position	Difference: Female vs. Male																		
Officers/Manager	0.82%																		
Professional	-19.92%																		
Technician	-3%																		
Office/Clerical	-28.25%																		
Skilled/Craftsman	N/A																		
Semi Skilled/ Operative	-12%																		
Laborer																			
Average:	-12.46%																		

LA1, LA2, LA4, LA14

NOTE: This is the first year we looked at the ratio of basic salary of men to women. We believe some of the differences are due to age and experience differential, but we will conduct analysis this year to better understand key drivers.

The following table shows the geographical areas that Green Mountain Power relies upon (by percentage) to seek workers to fill certain positions. EC7, LA1

Table 7-2: Recruitment Areas

Position	Recruitment Area
Officer/Manager	VT 75% U.S. 25%
Professional	VT 75% U.S. 25%
Technician	VT 90% U.S. 10%

Position	Recruitment Area
Office/Clerical	VT 100%
Skilled/Craftsman	VT 50% U.S. 50%
Semi Skilled/Operative	VT 50% U.S. 50%
Laborer	VT 100%

Source: Availability Analysis per 41 C.F.R. 60-2.14.

7.1 WORK ENVIRONMENT

The work environment at Green Mountain Power changed significantly when we reinvented ourselves after our brush with near bankruptcy in the late 1990s. The company transitioned from a very hierarchical organization, where the size of employees' offices and the height of their walls were determined by their job titles and perceived value, to a place where the Company's president and senior officers share a completely open office space with other employees, all with equal size cubicles and low partition walls. There are no private offices at Green Mountain Power. This open work environment both reflects and encourages the company's approach – to flatten the organization, to push down responsibility and decision-making, and to insist on direct and open communications. Employees have embraced the new corporate environment, taking great pride in a heightened sense of responsibility for individual decision-making.

7.1.1 Our Philosophy and Code of Ethics

Green Mountain Power expects its employees to rely upon a code of ethics and conduct that includes the following standards:

- Tell the truth
- Obey the law
- Treat others with respect
- Avoid conflicts of interest
- Never misuse company property
- Refuse inappropriate gifts from others
- Refuse to give inappropriate company gifts to others
- Keep company and customer information confidential
- Respect our environment
- Keep our workplace safe
- Promote integrity and ethics throughout the company

The Code of Ethics and Conduct is available at www.greenmountainpower.biz

7.2 EMPLOYEE BENEFITS

Our health and welfare benefits are offered equally to full and part-time employees, but are not provided to temporary employees. LA3 All individual employee performance reviews are conducted on a regular basis by managers. The frequency of these reviews varies by group and department and is left to the discretion of the managers. LA12 and EU15

Watson Wyatt's conclusion in its pension contribution report and SFAS 8 expense is that funding levels for Green Mountain Power's defined benefit plan obligations are adequate. EC3

Our benefits exceed what is legally mandated and include the following:

- We support alternative work schedules to accommodate the changing demands of customers and employees' needs to effectively balance work and personal life. These schedules provide greater flexibility for Green Mountain Power to expand its business hours to enhance customer service while helping employees take care of personal priorities outside of the office to maximize their effectiveness on the job.
- The GMP 401(k) Plan includes a monthly company match in addition to a Company contribution, and offers a broad variety of investment options to employees. New hires are 100% vested after 1 month of employment if they work at least 20 hours per week.
- A defined benefit pension plan is available to eligible employees who are hired prior to January 1, 2008. Employees hired on this date or after will be offered an enhanced Company contribution to their 401(k) in place of eligibility to participate in the defined benefit plan.
- Insurance plans provide medical, dental, vision and prescription drug coverage. The company adopted a Premium Incentive Program in 2007 that will take effect January 1, 2008. This program allows employees to qualify for health care premium discounts when certified by a physician that they have committed to certain healthy lifestyle choices (e.g., free of tobacco use, obtain annual physical and age-appropriate screenings, etc).
- Flexible spending accounts allow employees to pay for eligible out-of-pocket medical, dental and vision expenses and dependent care with pretax dollars.
- Employees have been granted Company Stock annually since 2000, however, this program has been replaced with a cash-based Long Term Incentive Program in 2007.
- Employees have indicated that they appreciate the option to participate in volunteer work on company time (e.g., 1 day per year). Although there is no formal program in place, Green Mountain Power is extremely supportive of employees who want to alter their work schedule to do volunteer work in our community. Also, every employee who donated the equivalent of a day's pay to the United Way campaign in 2006 got an extra paid day off from the Company.

7.3 OUR COMMITMENT TO PROFESSIONAL GROWTH AND TRAINING

Green Mountain Power strives to provide an environment that motivates its employees and offers tuition reimbursement as an incentive to stimulate self-improvement and professional growth. Regular full and part-time employees with six months of service prior to completion of a qualifying course are eligible for this program. Green Mountain Power will reimburse eligible employees for 80% of the cost of tuition, lab fees, library fees, and deferred payment charges. Green Mountain Power also provides full-time employees with a no-interest loan to purchase computer systems. LA11 and EU15

We have a corporate budget of \$100,000 for individual employee development and training. This represents an average of over \$500 per employee. LA10 and EU15

7.4 NEXT GENERATION UNIVERSITY (GREEN MOUNTAIN POWER U)

In 2006, Green Mountain Power launched Next Generation University to provide a range of professional and personal development opportunities right on the Green Mountain Power campus. The courses are free to employees and are funded by the 2006 training budget. While courses such as Yoga, Nutrition for Your Lifestyle, Environmental Practices for Everyday, and Community Projects help employees' personal development, the skills they pick up in courses such as Email Writing for Results, Coaching and Feedback for Peak Performance, and a range of computing and technology classes benefit the Company as well.

7.5 HUMAN RIGHTS

7.5.1 Restructuring

During our restructuring in the late 1990s, Green Mountain Power reduced its workforce from 400 employees in the mid-1990s to 200 by 1999. Fortunately, only one involuntary separation occurred during this period. In the event that restructuring is required in the future, Green Mountain Power will use similar methods and practices. It is important to note that the Gaz Metro's acquisition of Green Mountain Power is not expected to prompt any restructuring.

7.5.2 Human Rights

Green Mountain Power operates solely within Vermont and it purchases power and other resources from U.S. and Canadian entities, and is, therefore, operating under all human rights policies and practices mandated in the U.S. and Canada. Green Mountain Power, in partnership with the State of Vermont, trains all employees (including new hires) on harassment prevention and respectful workplace practices, and this training is documented. Sexual harassment prevention sessions are 45 minutes to 1 hour long. Respectful workplace training is included in new employee orientations and is also available on-line, and is used primarily for performance coaching purposes. Our code of ethics encourages employees to contact our general counsel, human resources manager, or submit a statement anonymously to Company management if they have a related concern. HR3

Green Mountain Power employees are free to associate and collectively bargain. Our union employees, which represent approximately 53.1% of our workforce, are protected by their union contract which includes a collective bargaining agreement. Relative to all GMP employees, we comply with the Fair Labor Standards Act. Our Code of Ethics prohibits bribery and other corrupt practices. Our respectful workplace policy describes non-retaliation and procedures to follow if an employee believes he or she has been retaliated against and if disciplinary action is required. Our Code of Ethics also describes policies to prevent anti-competitive behavior and to protect the rights of employees to organize and bargain collectively. HR5

7.6 EMPLOYEE REACTION TO GAZ MÉTRO MERGER

Based on the employee stakeholder engagement sessions convened in 2007, it seems that most employees have adjusted well to the Gaz Métro merger. Some have a "wait and see" attitude, and others wonder if

Gaz Métro will acquire a competitor of Green Mountain Power's and, if so, how that might impact the company. Most agreed that they would much rather be the first company that is acquired, and that consolidation may be inevitable. Other employees were interested in how their stock options would be replaced, but trusted that Green Mountain Power would do "the right thing." A revised plan was introduced in September 2007 whereby employees received a cash incentive designed to provide performance incentives similar to stock awards.

7.7 WORKPLACE DIVERSITY AND EQUAL OPPORTUNITY

The following table describes Green Mountain Power's workforce:

Table 7-3: Green Mountain Power's Workforce

	2005	2006	2007
White Male	141	140	139
Black Male	1	1	1
Hispanic Male	0	1	1
Asian Male	2	2	2
Native American Male	0	0	0
White Female	50	50	50
Black Female	0	0	0
Hispanic Female	0	0	0
Asian Female	1	1	0
Native American Female	0	0	0
Total:	195	195	193

Green Mountain Power is an Equal Employment Opportunity Employer and will not discriminate against any employee or applicant for employment for any reason or reasons related to an individual's race, color, religion, sex, national origin, sexual orientation, disability, age, or any other legally protected status. Green Mountain Power is fully committed to the concept and practice of equal opportunity and affirmative action in all aspects of employment. Green Mountain Power's Affirmative Action Plan (AAP), which has been developed in strict reliance upon the Guidelines on Affirmative Action issued by the Equal Employment Opportunity Commission (EEOC) (29 C.F.R. Part 1608), is intended to establish a policy of providing equal employment opportunity. It is not intended to discriminate against an individual or group of individuals with respect to any employment opportunities for which they are qualified on the ground that they are not beneficiaries of affirmative action themselves.

Please refer to Green Mountain Power's EEO Consolidated Report and AA Comp Summary for more information (link to be inserted in web version of report).

7.8 EMPLOYEE HEALTH & SAFETY

7.8.1 Executive Safety Committee

In 2006 the Executive Safety Committee merged with the Labor Management Committee. The merger of these two committees ensures that safety is at the forefront of all discussions between GMP management, our employees and the Union. This group is comprised of several key managers, the Chief Operating Officer, Human Resources, all of the GMP Union Stewards, and the President of Local IBEW 300. This new committee meets monthly and the safety focus of the meeting is on injury and incident review, general safety issues, reviewing new equipment, procedures, policies and protocols, new safety initiatives, safety incentives, etc. LA6

In 2006, the Executive Safety Committee discussed two major injuries that are referenced in other sections of this report. The Committee agreed that both of these injuries were preventable and took steps to prevent similar accidents from occurring in the future. The boldest initiative that came out of this was the requirement of 100% fall protection for all workers while climbing wooden poles. Historically, workers would climb wooden poles "free" or without fall protection. This is an industry standard and a current loophole for the OSHA fall protection requirements. GMP became the first utility in Vermont to require fall protection while climbing wooden poles beginning on January 1, 2007. The device GMP uses to achieve this is called the Buck-Squeeze and GMP provided several training sessions with workers prior to mandating the use of the equipment. Since GMP's requirement of this device, several other Vermont utilities have followed suit and are requiring the use of this device.

7.8.2 Employee Health and Wellness Programs

One of the five Critical Success Factors for Green Mountain Power is to have "outstanding, motivated employees." We have, therefore, identified employee safety and wellness as key business initiatives. Examples of company-wide programs include:

- Personal Goal Incentive Program – Employees can choose their own personal goal (e.g., weight loss, exercise, cholesterol reduction, tobacco cessation) and how they will measure it. They notify HR when they achieve their goal and receive a \$150 award.
- Injury Health Management Solutions (IHMS) – Provides on site "preventive body maintenance" evaluations, therapy and rehab programs at no cost, during work time, to any employee who experiences an ache/pain or injury, whether work related or not.

Another challenge that we are addressing is the aging of our workforce, in particular our lineworkers. The very physical nature of linework, combined with our high quality and safety standards, make it a critical focus of our current and future hiring strategies. We also encourage employees to participate in health and wellness-related on site courses, such as yoga, Pilates and nutrition.

7.8.3 Promoting Healthy Lifestyles

Following an incentive-based program to stop tobacco use in 2004, which included free on-site tobacco cessation programs, we became a completely tobacco-free work place, including all of our grounds,

property and work sites. We continue to offer incentives to quit tobacco use. Several employees have, in fact, successfully stopped smoking.

Green Mountain Power also provides monetary incentives, free gifts (such as water bottles), free healthy food at work, free flu shots on-site, and free preventive body maintenance services on-site.

7.8.3.1 Work-Related Injuries and Illnesses

We follow OSHA-required procedures for recording and reporting injuries and illnesses (our record for 2004-2007 is included in Table 7-4). Green Mountain Power has not had any instances of non-compliance with OSHA regulations or complaints from regulators. Fortunately, it has not been necessary for Green Mountain Power to develop policies or programs for dealing with serious diseases. LA8

Table 7-4: OSHA Injuries and Illnesses (2004-2007)

Type of Incident	2004	2005	2006	2007
Total number of deaths:	0	0	0	0
Total number of cases with days away from work:	6	2	8	2
Total number of cases with job transfer or restriction:	2	2	6	3
Total number of other recordable cases:	9	4	3	7
Total number of days of job transfer or restriction:	226	91	74	54
Total number of days away from work:	35	9	147	22
Injuries:	12	5	12	12
Skin Disorders:	0	0	1	0
Respiratory Conditions:	0	0	0	0
Poisonings:	0	0	0	0
All other illnesses:	0	0	0	0
Totals:	290	113	251	100

LA7

Please note that two injuries accounted for most of the days away from work in 2006. Green Mountain Power has altered several safety procedures to prevent these particular injuries from recurring.

7.8.4 Formal Commitment to Health & Safety through “SHARP”

In January, 2006 Green Mountain Power received recognition for achieving statewide excellence in health and safety. The recognition was awarded by the Vermont Department of Labor’s Project WorkSAFE Program, which certified that all divisions of Green Mountain Power have met the requirements of the Safety and Health Achievement Recognition Program (SHARP). More information about this recognition can be found in the 2005 Corporate Responsibility Report.

8. GIVING BACK TO VERMONT THROUGH RELIABILITY AND SOCIAL RESPONSIBILITY

8.1 HISTORY OF SERVING AND LISTENING TO OUR CUSTOMERS

We endeavor to remain a responsible member of the Vermont community. One of our biggest challenges is changing the perception of what a utility can be. We believe in putting our money where our mouth is when it comes to customer service. Our tagline, “On. Every Day.” grew out of our brand “promise,” reflecting the reliability of the service we provide and the spirit of our workforce.

Customer satisfaction with our services increased in 2006, with 95% of those customers who contacted us in the fourth quarter of the year saying they are satisfied with our response, up from 94% in the fourth quarter of 2005. When we began tracking this information in 2001, only 70% indicated they were satisfied. We believe that’s because we steadily improved the quality of our service. In 2006, we answered 86% of customer calls within 20 seconds. And during outages, when many customers call at a time, we were able to answer 93% of their calls. PR5

8.2 COMMITMENT TO RELIABILITY (THROUGH TECHNOLOGY)

Green Mountain Power is very creative in how it uses information technology to deliver excellent service at the lowest possible cost. Green Mountain Power offers its customers access to their accounts 24 hours a day on its web site, www.greenmountainpower.biz. Customers can check bills and adjust estimates. Green Mountain Power has also incorporated new technology into its field operations, including outfitting lineworkers with laptop computers and enabling workers to respond faster and more efficiently to customer demands.

In an effort to ensure Green Mountain Power provides reliable service, low-flying helicopters were used in 2006 to make repairs to the transmission system serving northwestern Chittenden County. The repairs were the final part of a five-year plan to repair the transmission line running from Middlesex to Essex. Because it is difficult to reach some of the lines from the ground, the helicopter was an efficient way to make mid-line repairs. The repairs were a part of periodic maintenance to keep the transmission system strong.

We have also advanced our use of technology to give customers more of what they want. We have been installing new meters for our residential customers that will enable us to read the meter from the road, saving us time and returning those residential customers to a monthly meter reading schedule. The automated meter reading technology, besides increasing our efficiency, will help us during major power outages, as we can detect from our vehicles whether power has been restored. In 2007, we put a hold on this program while we worked with other utilities and regulators to evaluate newer technologies with expanded benefits. We plan to expand automated meter reading for customers with more complex usage patterns and rate structures with additional technology, or Advanced Metering Infrastructure, (AMI). We have installed a pilot of approximately 60 meters to test this system which relays meter readings, load profiles and connectivity to our main office. This system will allow for future deployment of real time rates and demand response programs for all customers.

Starting in mid-2008 we will be implementing a new GIS and outage management system to further improve system reliability. This new implementation will allow us to consolidate several current systems into one platform that compiles our utility field assets, customers, and geography all into one system. It will simplify and standardize designs, provide for more accurate and up-to-date map for our field crews to

use, and allow us to make better planning decisions based on current and planned systems. The most exciting addition will be a major upgrade to our outage management tools. It will provide better outage backup plans, more effective crew dispatching during major storm events, and will provide more accurate reporting on customer outages so we can better address reliability issues. This project also upgrades the overall system package so we will be poised to adopt new technology as it becomes available in the future.

8.3 WE LISTEN TO OUR CUSTOMERS

We conduct phone surveys throughout the year, which give us statistically valid indications of customer satisfaction. We also do a random survey of customers across our service territory to gauge general satisfaction with the company, as well as solicit their opinion on various utility-related issues. We receive results for both these surveys on a quarterly basis, so we are able to react quickly to any changes in customer opinion.

Based on the results of the phone interviews, which were conducted by RKS Research, customer satisfaction scores have remained relatively stable since the studies began in 2004. Results from the 2007 surveys show a continued high level of customer satisfaction. These results are summarized below:

In the three years that customer satisfaction has been measured, 1st Quarter results are consistently low as compared to other Quarters throughout the year. However, the 1st Quarter 2006 results are markedly higher than the 1st Quarter 2005 and 2004 results.

- Overall, customer contact ratings remained largely unchanged through the 1st Quarter 2007, with most customers reporting “Complete” or “Somewhat” satisfaction with the Green Mountain Power representative Treatment (96%), Response (95%) and Promptness (96%).
- “Overall feelings” towards GMP dipped slightly in the 1st Quarter 2007, with nine in ten customers (89%) reporting “Complete” or “Somewhat” favorable ratings of Green Mountain Power – down from 93% in the 4th Quarter 2006.
- “Overall Satisfaction” remained strong, at 91%.

PR5

8.3.1 Customer Reaction to Gaz Métro Merger

The 3rd Quarter 2006 survey measured customers’ expectations of how the Gaz Métro acquisition will impact customer satisfaction.

Half of the customers expect that reliability of electric power and customer service (50% and 51%, respectively) will not change. The majority of the customers (44%), however, do expect electric bills over the next few months to increase. Thirty-three percent believe the bills will stay the same. Slightly more than half of the customers (52%) responded that the acquisition will make no change in communication between Green Mountain Power and its customers. Overall, 37% responded that the acquisition would make no difference for the customers, while 22% believe that it is bad for customers, and 11% believe it is good. Noteworthy is the finding that 30% remain uncertain. PR5

8.4 LOCAL ENERGY FORUMS

Beginning in 2012, we will need to replace a large percentage of our current power supply, and we want to get customer feedback on how to best fill this gap. To accomplish this, we held several Local Energy Forums in 2005 to give customers the opportunity to learn more about power supply issues and tell us what they think.

Because most of the 21 electric utilities face expiration of contracts with Vermont Yankee and Hydro Quebec, replacing those power sources is an issue that affects people across the state. The Vermont Legislature directed the Vermont Department of Public Service to conduct extensive statewide polling and research to gather informed and thoughtful citizen and ratepayer input for the State and its electric utilities as they make decisions about how and where Vermont obtains its electric power for the coming decades. We are working with government officials to help conduct several regional workshops and intensive deliberative polling.

PR5

8.5 GIVING BACK TO COMMUNITIES

SO1

8.5.1 Supporting Communities and Local Environmental Research

The following is a list of some of the initiatives that Green Mountain Power has been supporting because we believe they may have significant environmental benefits to Vermont and its communities:

- Funding micro-hydro projects (e.g., City of Barre)
- Supporting the “Vermont Solar and Small Wind Incentive Program” to encourage photovoltaic, solar hot water, and small-scale wind installations in our service territory.
- Working with the University of Vermont to demonstrate a technology that treats manure from a farmer’s pit with an electrical charge, resulting in a reduction of phosphorus and other nutrients in run-off and nearly eliminating odor. The initial test results were inconclusive and so further testing is underway.

8.5.2 Assisting Limited-Income Customers

Currently, Green Mountain Power has several programs to assist limited-income customers, including Power Partners and WARMTH. Customers are encouraged to contribute financially to WARMTH, but the Company funds Power Partners through its operations. For more information on these programs, refer to the 2005 Corporate Responsibility Report.

In 2007, Green Mountain Power launched a new program to assist limited-income customers. Under a three-year pilot program developed in cooperation with AARP Vermont and approved by the Vermont Public Service Board, Green Mountain Power will provide a 10% discount on monthly energy charges to eligible limited-income customers. Under the program, which is called the Energy Support Credit program, limited-income customers will also be protected against disconnection when the weather is expected to be below freezing. Eligibility varies by size of family, but would typically include a family of

four with an income of \$41,300. The program will run for three years, or until the \$1 million set aside for the program as a result of regulatory discussions for our merger agreement runs out.

Our customer service staff is extremely skilled at working cooperatively with area community action agencies and GMP field personnel to identify customers who may be eligible for these programs. The staff also regularly refers customers to state programs that may offer additional assistance. Our customer service representatives develop relationships with customers, and are therefore more successful in helping them create affordable payment plans when they fall behind in paying their bills.

8.5.3 Fourth Annual Community Energy Fair

In 2007, Green Mountain Power held its fourth Community Energy Fair to communicate directly with customers about energy efficiency and safety in a fun and educational way. We invited customers to join us at our Colchester offices on Saturday, September 8, 2007. Described as “Part festival. Part science fair. All fun,” the event included energy games for children, energy efficiency and safety information for adults, and rides for the public in the elevated bucket of a linetruck. The Energy Fair in 2007 was sponsored in part by Entergy, Efficiency Vermont, Toyota, PPM Energy, and Solar Works, Inc. Well over 1,500 customers attended the fair, meeting employees and learning about energy.

8.5.4 Wind Tours

Part of our operating license at our Searsburg wind plant requires us to educate the community about the facility. We achieved this by providing educational tours. We offer these tours to school groups and the general public during the summer and early fall. Tours are not scheduled during winter because of weather-related safety issues, and are restricted during fall and spring to avoid disturbing local bear populations during mating season and when cubs are first born. The plant has become a tourist attraction, with approximately 1,000 people visiting the site each year. SO1

8.6 CORPORATE GIVING

In 2007, Green Mountain Power gave \$75,000 in charitable contributions to organizations in our service territory and strategic gifts to significant statewide institutions. Since transitioning to a 9-month fiscal year for 2007, our “annual” corporate giving amount changed from \$100,000 to \$75,000. A detailed breakdown of Green Mountain Power’s donations and contributions in 2007 is provided below.

Table 8-1: 2007 Corporate Contributions

Organization	2007 Contributions Balance
Beginning Balance	\$75,000.00
United Way	-\$29,316.00
Young Writer's Project	-\$5,000.00
Vermont Law School	-\$5,000.00
Good News Garage	-\$5,000.00
Michael Hemond	-\$4,040.00

Organization	2007 Contributions Balance
Vermont Land Trust	-\$2,500.00
The Winooski Community Center	-\$2,500.00
Committee on Temporary Shelter	-\$2,000.00
Snelling Center for Government	-\$1,500.00
Dragonheart	-\$1,300.00
Champlain College	-\$1,000.00
Converse Home	-\$1,000.00
Burlington City Arts	-\$1,000.00
MS Society	-\$750.00
Flynn Center for the Performing Arts	-\$500.00
The Nature Conservancy	-\$500.00
Friends of the Winooski	-\$500.00
Vermont Adult Learings	-\$500.00
Jarred Williams Foundation	-\$500.00
Southeastern VT Community Action, Inc.	-\$500.00
Friends of the Ferrisburgh Grange	-\$500.00
Northeast Organic Farming Assoc.	-\$500.00
Shelburne Major League	-\$325.00
Monroe Men's Club	-\$250.00
Child Care Fund of Vermont	-\$250.00
Women's Rape Crisis Center	-\$250.00
Vergennes Area Rescue Squad	-\$250.00
Addison County Parent/Child Center	-\$250.00
Vermont Institute of Natural Science	-\$250.00
Kids on the Block VT	-\$250.00
Kellogg-Hubbard Library	-\$250.00
Food Works at Two Rivers Center	-\$250.00
S. Burlington Rotary	-\$200.00
Blue Mountain Athletic Fund	-\$200.00
Boys & Girls Club of Burlington	-\$200.00
Sons of American Legion	-\$200.00

Organization	2007 Contributions Balance
CVCS	-\$200.00
Boys & Girls Club - Brattleboro	-\$200.00
Green Mountain Club	-\$100.00
Essex Meals on Wheels	-\$100.00
The Association of Africans Living in VT	-\$100.00
Recycle North	-\$100.00
Community College of VT	-\$48.25

Consideration is given to local organizations that support thriving communities, environmental, health and safety programs, as well as education and children’s program, such as youth activities and sports programs. Organizations that Green Mountain Power employees are actively involved in receive serious consideration for support. Green Mountain Power does not contribute to political parties, politicians, or related institutions. SO6

SO1

8.6.1 Ralph Nading Hill Writing Contest

As a way of supporting the arts community in Vermont, Green Mountain Power and Vermont Life co-sponsor the Ralph Nading Hill Writing Contest. The contest is open to any student or resident of Vermont and the winning entry is published in Vermont Life magazine. In 2007, “Renaissance Guy” Kendall Chamberlin of Essex, Vermont, was the winner. Mr. Chamberlin’s winning essay, entitled “Hercules,” is the true story of a cow that has become a symbol of the homesteading tradition. The now 16-year-old Hercules still draws visitors to Mr. Chamberlin’s home and is very popular with the neighborhood’s children.

The literary prize is named for the late Ralph Nading Hill, Jr., a Vermont historian and writer and long-time member of Green Mountain Power’s Board of Directors. 2007 was the 19th year the literary prize has been awarded. Green Mountain Power will publish a book with all the winners after the 20th prize has been awarded. The Ralph Nading Hill literary prize is now considered by Vermont writers to be one of the state’s premier literary prizes.

Figure 8-1: Hercules and Mr. Chamberlin (photo credit: Jane Lindholm, VPR)



8.7 PRODUCT RESPONSIBILITY

The following statements are in response to specific GRI indicators that pertain to product responsibility:

- Green Mountain Power does not have a specific advertising policy, however any communication with our customers, whether through purchased media, bill inserts or other methods, is reviewed by several people (including legal when appropriate) to ensure that our communications are accurate and appropriate. While we do not have a formal program, we do strive to adhere to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. Please note that Green Mountain Power does very little advertising and promotions. PR6
- In 2006, there were no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. PR9.
- We had no instances of non-compliance with regulations concerning product information and labeling, and no penalties or fines assessed for any breaches. PR4
- In 2006, there were also no incidents of non-compliance with regulations and voluntary codes concerning marketing communications. PR7
- In 2006, there were no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. PR2
- There were no substantiated complaints regarding breaches of customer privacy and losses of customer data. PR8

8.7.1 Renewable Energy Product Information

The only “product labeling” issue that Green Mountain Power faces involves referencing the amount of power we generate from renewable resources. In recent years, Green Mountain Power has sold some of the renewable energy certificates (RECs) associated with its Searsburg wind generating station. The energy associated with those RECs is labeled “market power,” and not wind, as we no longer retain the environmental benefits that are associated with wind power. In other words, rather than asserting that 0.6% of Green Mountain Power’s energy came from wind in 2006, we claim only 0.1% as wind and the remaining 0.5% is considered “market power.”

8.7.2 Safety and Environmental Tips

Green Mountain Power uses monthly bills to communicate important and useful safety and energy conservation tips to customers, including how to be safe around electricity, electrical equipment, and power lines. They also keep customers apprised of Green Mountain Power’s latest community efforts, energy conservation programs, and outreach events. Please refer to the 2005 Corporate Responsibility Report for more information on our efforts to provide customers with safety and environmental information. SO1

9. GRI CONTENT INDEX

SD 3.12

Category	Indicator No.	Description	Section No.	Comments
STRATEGY AND PROFILE				
1. Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Section 1	
	1.1.2	Should present the overall vision and strategy for the short-term, medium-term (e.g., 3-5 years), and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance.	Section 4	
	1.1.3	Strategic priorities and key topics for the short/medium-term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;	Section 4	
	1.1.4	Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;	Section 4	
	1.1.5	Key events, achievements, and failures during the reporting period;	1.4 1.5	
	1.1.6	Views on performance with respect to targets;	1.5 4.4	

Category	Indicator No.	Description	Section No.	Comments
	1.1.7	Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years;	1.5 4.4	
	1.1.7	Other items pertaining to the organization's strategic approach.	Section 4	
	1.2	Description of key impacts, risks, and opportunities (in two Sections).	Section 4	
	1.2.1	A description of the significant impacts the organizations has had on sustainability and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally-agreed standards and norms.	Section 4	
	1.2.2	An explanation of the approach to prioritizing these challenges and opportunities.	Section 4	
	1.2.3	Key conclusions about progress in addressing these topics and related performance in the reporting period (includes an assessment of reasons for underperformance or overperformance);	Section 4	
	1.2.4	A description of the main processes in place to address performance and/or relevant changes.	Section 4	

Category	Indicator No.	Description	Section No.	Comments
	1.2.4	A description of the most important risks and opportunities for the organization arising from sustainability trends;	1.3	
	1.2.5	Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative and (if possible) quantitative financial value drivers.	4.4	
	1.2.6	Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.	3.3.1 4.3.1	
	Table	Targets, performance against targets, and lessons-learned for the current reporting period; and Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities.	1.5	Future goals are described, but not mid-term objectives, per se. In the future we will try to spell out more definitive goals, as well as time frames.
2. Organizational Profile	2.1	Name of the organization	Section 3	
	2.2	Primary brands, products, and/or services. ⁸	Section 3	

⁸ Please note that G3 specifies that the reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing.

Category	Indicator No.	Description	Section No.	Comments
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Section 3	
	2.4	Location of organization's headquarters.	Section 3	
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Section 3	
	2.6	Name of ownership and legal form.	Section 3	
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Section 3	
	2.8	Scale of the reporting organization, including	Section 3	
	2.8	• Number of employees;	Section 3	
	2.8	• Net sales (for private sector organizations) or net revenues (for public sector organizations);	3.3	
	2.8	• Total capitalization broken down in terms of debt and equity (for private sector organizations); and	3.3	
	2.8	• Quantity of products or services provided.	3.1	

Category	Indicator No.	Description	Section No.	Comments
Optional	N/A	Total assets.	Not Addressed	
	N/A	Beneficial ownership (including identity and percentage of ownership of largest shareholders).	Not Applicable	
	N/A	Breakdowns by country/region of the following:		
	N/A	• Sales/revenues by countries/regions that comprise 5% or more of total revenues;	Not Applicable	All sales/revenues in the U.S.
	N/A	• Costs by countries/regions that comprise 5% or more of total revenues; and	Not Applicable	All revenues in the U.S.
	N/A	• Employees.	Not Applicable	All employees in the U.S.
	2.9	Significant changes during the reporting period regarding size, structure, or ownership including:		
	2.9	• The location of, or changes in operations, including facility openings, closings, and expansions;	Section 3	
	2.9	• Changes in the share capital structure and other capital information, maintenance and alteration operations (for private sector organizations).	N/A	
	2.10	Awards received in the reporting period.	1.4.2	
3. Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	2.3	
	3.2	Date of most recent previous report (if any).	2.3	

Category	Indicator No.	Description	Section No.	Comments
	3.3	Reporting cycle (annual, biennial, etc.)	2.1	
	3.4	Contact point for questions regarding the report or its contents.	2.1	
Report Scope and Boundary	3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; 	1.3 2.1 2.4 4.3	
	3.5	<ul style="list-style-type: none"> • Prioritizing topics within the report; and 	2.1 2.2	
	3.5	<ul style="list-style-type: none"> • Identifying stakeholders the organization expects to use the report. 	2.4	
	3.5	Include an explanation of how the organization has applied the 'Guidance on Defining Report Content' and the associated Principles.	2.2	
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	2.1	
	3.7	State any specific limitations on the scope or boundary of the report. ⁹	2.1	

⁹ See completeness principle for explanation of scope.

Category	Indicator No.	Description	Section No.	Comments
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2.1	
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Not Addressed	In the future, we will determine if there are any measurement techniques that are necessary to explain in the Sustainability Report. In general, the measurement techniques and bases of calculations are quite straight-forward.
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	2.2	
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2.1	

Category	Indicator No.	Description	Section No.	Comments
GRI Content Index	3.12	<p>Table identifying the location of the Standard Disclosures in the report.</p> <p>Identify the page numbers or web links where the following can be found:</p> <ul style="list-style-type: none"> • Strategy and Analysis 1.1 – 1.2; • Organizational Profile 2.1 – 2.10; • Report Parameters 3.1 – 3.13; • Governance, Commitments, and Engagement 4.1 – 4.17; • Disclosure of Management Approach, per category; • Core Performance Indicators; • Any GRI Additional Indicators that were included; and • Any GRI Sector Supplement Indicators included in the report. 	Section 9	
Assurance	3.13	<p>Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).</p>	2.5	
4. Governance, Commitments & Engagement	4.1	<p>Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.</p>	3.3.2	

Category	Indicator No.	Description	Section No.	Comments
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	3.3.2	
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Not Applicable	
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include reference to processes regarding:	Not Addressed	
	4.4	<ul style="list-style-type: none"> The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and 	Not Addressed	
	4.4	<ul style="list-style-type: none"> Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body. 	Not Addressed	
	4.4	Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.	Not Addressed	

Category	Indicator No.	Description	Section No.	Comments
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	3.3.2	
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Not Addressed	
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Not Addressed	
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	3.2 4.1 7.1.1	
	4.8	Explain the degree to which these: <ul style="list-style-type: none"> • Are applied across the organization in different regions and department/units; and 	Not Applicable	They are applied across the entire organization.
	4.8	<ul style="list-style-type: none"> • Relate to internationally agreed standards. 	Not Addressed	

Category	Indicator No.	Description	Section No.	Comments
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	3.3.2	
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	3.3.2	
Commitments to External Initiatives	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Not Addressed	
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	1.3.1.1	
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:	3.3.3	
	4.13	• Has positions in governance bodies;	Not Addressed	
	4.13	• Participates in projects or committees;	Not Addressed	
	4.13	• Provides substantive funding beyond routine membership dues; or	Not Addressed	

Category	Indicator No.	Description	Section No.	Comments
	4.13	• Views membership as strategic.	Not Addressed	
Stakeholder Engagement	4.14	List of stakeholder groups engaged by the organization.	2.4	
	4.15	Basis for identification and selection of stakeholders with whom to engage.	2.4	
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	2.4	
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	2.4	
5. Management Approach and Performance Indicators				
ECONOMIC				
Direct Economic Impacts - Economic Performance	EC1	Direct economic value generated and distributed, including:	3.3	
		Revenues	3.3	
		Operating Costs	3.3	

Category	Indicator No.	Description	Section No.	Comments
		Employee Compensation	3.3	
		Donations and Other Community Investments	8.5 8.6	
		Retained Earnings	3.3	
		Payments to Capital Providers and Governments	Not Applicable	
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	1.3.1.1	
	EC3	Coverage of the organization's defined benefit plan obligations.	7.2	
	EC4	Significant financial assistance received from government.	Not Applicable	
Direct Economic Impacts - Market Presence	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	7.2	
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operations.	6.4 6.5	
	EC7	Procedures for local hiring, and proportion of senior management hired from the local community at locations of significant operation.	Table 7-2	

Category	Indicator No.	Description	Section No.	Comments
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	N/A	
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	3.4	
ENVIRONMENTAL				
Materials	EN1	Materials used by weight or volume.	6.2 6.3 6.4	
	EN2	Provide the percentage of materials used that are recycled input materials.	6.4.1	
	EN3	Direct energy consumption by primary energy source.	6.1	
	EN4	Indirect energy consumption by primary source.	6.1	
	EN5	Energy saved due to conservation and efficiency improvements.	6.1 6.3	
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	1.4 5.1 5.6 5.7.6	
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	6.1	

Category	Indicator No.	Description	Section No.	Comments
Water	EN8	Total water withdrawal by source.	6.2	
	EN9	Water sources significantly affected by withdrawal of water.	Not Applicable	Green Mountain Power does not engage in water withdrawal activities.
	EN10	Percentage and total volume of water recycled and reused.	Not Applicable	
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	5.8.5 5.8.6	
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	5.8.5 5.8.6	
	EN13	Habitats protected or restored.	5.8.5	
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	5.8.5 5.8.6	
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not Addressed	

Category	Indicator No.	Description	Section No.	Comments
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight.	5.7.1 5.7.2	Green Mountain Power has not yet completed a GHG inventory.
	EN17	Other relevant indirect greenhouse gas emissions by weight.	5.7.1 5.7.2	
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	1.3.1.1 5.7.2 5.7.3 5.7.4 5.7.6	
	EN19	Emissions of ozone-depleting substances by weight.	Not Addressed	While Green Mountain Power suspects that its emissions of ODS are negligible, these emissions have not been quantified. This may be done in the future as part of a GHG inventory effort.
	EN20	NO, SO, and other significant air emissions by type and weight.	5.7.1	
	EN21	Total water discharge by quality and destination.	Not Applicable	Green Mountain Power relies on municipal water sources and local wastewater treatment plants.
	EN22	Total weight of waste by type and disposal method.	6.6	
	EN23	Total number and volume of significant spills.	6.6.4	

Category	Indicator No.	Description	Section No.	Comments
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VII, and percentage of transported waste shipped internationally.	6.6.1	
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not Applicable	
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Section 5	
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not Applicable	
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Section 5	
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	6.3	
Overall	EN30	Total environmental protection expenditures and investments by type.	Not Addressed	

Category	Indicator No.	Description	Section No.	Comments
LABOR PRACTICES AND DECENT WORK				
Employment	LA1	Total workforce by employment type, employment contract, and region.	Section 7	
	LA2	Total number and rate of employee turnover by age group, gender, and region.	Table 7-1	While we do provide overall turnover rate, this has not yet been broken down by age group, gender, or region.
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	7.2	
Labor/Management Relations	LA4	Percentage of employees covered by collective bargaining agreements.	Table 7-1	
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Not Applicable	
Occupational Health and Safety	LA6	Percentage of total workforce represented in formal joint management -- worker health and safety committees that help monitor and advise on occupational health and safety programs.	7.8.1	
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	7.8.3.1	

Category	Indicator No.	Description	Section No.	Comments
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	7.8.3.1	
	LA9	Health and safety topics covered in formal agreements with trade unions.	Not Applicable	
Training and Education	LA10	Average hours of training per year per employee by employee category.	7.3	While we do provide information on the amounts of training provided, we do not have information on the amount of training per employee by employee category.
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	7.3 7.4	
	LA12	Percentage of employees receiving regular performance and career development reviews.	3.3.2 7.2	
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators or diversity.	Table 7-1 Table 7-3	

Category	Indicator No.	Description	Section No.	Comments
	LA14	Ratio of basic salary of men to women by employee category.	Table 7-1	
HUMAN RIGHTS				
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not Applicable	
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not Applicable	
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	7.5.2	
Non-Discrimination	HR4	Total number of incidents of discrimination and actions taken.	Not Applicable	No incidents occurred.
Freedom of Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be a significant risk, and actions taken to support these rights.	Not Applicable	No operations identified.
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not Applicable	There is no child labor at Green Mountain Power.

Category	Indicator No.	Description	Section No.	Comments
Forced and Compulsory Labor	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not Applicable	There is no forced or compulsory labor at Green Mountain Power.
Non-Discrimination	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not Applicable	We have no security personnel.
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not Applicable	There have been no incidents.
SOCIETY				
Community	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	8.3 — 8.6	
Corruption	SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not Applicable	
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not Applicable	
	SO4	Actions taken in response to incidents of corruption.	Not Applicable	

Category	Indicator No.	Description	Section No.	Comments
Public Policy	SO5	Public policy positions and participation in public policy development and lobbying.	Not Applicable	Green Mountain Power has no public policy positions, nor do we participate in public policy development or lobbying.
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not Applicable	Green Mountain Power does not contribute to political parties, politicians, or related institutions.
Anti-Competitive Behavior	SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not Applicable	There have been no legal actions for anti-competitive behavior, anti-trust, or monopoly practices.
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not Applicable	There have been no fines or sanctions.
PRODUCT RESPONSIBILITY				
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	5.2 — 5.8	
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	8.7	

Category	Indicator No.	Description	Section No.	Comments
Product and Service Labeling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not Applicable	
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not Applicable	
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	8.1-8.4	
Marketing Communications	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	8.7	
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	8.7	
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	8.7	

Category	Indicator No.	Description	Section No.	Comments
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	8.7	
DRAFT ELECTRIC UTILITY SECTOR SUPPLEMENT INDICATORS¹⁰	EU1	Installed capacity (MW), broken down by energy source and by country or regulatory regime.	5.7.1	MWh generation provided, but not capacity.
	EU2	Number of residential, industrial and commercial customer accounts.	3.1	
	EU3	Length of transmission and distribution lines by voltage.	3	Length of T&D lines provided in miles, but not by voltage.
	EU13	Transmission and distribution efficiency.	5.8	
	EU15	Processes to ensure retention and renewal of skilled workforce.	7.2	
	EU18	Participatory decision making processes with stakeholders and outcomes of engagement.	2.4	

¹⁰ Please note that we have only included in this table EU indicators that are addressed in this report. When the EU Sector Supplement is finalized, we will include a full table of indicators.