

GREEN MOUNTAIN POWER CORP  
Form 10-Q  
May 10, 2005

**United States  
Securities and Exchange Commission  
Washington, D.C. 20549**

**FORM 10-Q**

**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the quarterly period ended March 31, 2005**

**or**

**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-8291**

**GREEN MOUNTAIN POWER CORPORATION**

(Exact name of registrant as specified in its charter)

**Vermont**  
(State or other jurisdiction of  
incorporation or organization)

**03-0127430**  
(I.R.S. Employer  
Identification No.)

**163 Acorn Lane**  
**Colchester, Vermont**  
(Address of Principal Executive Offices)

**05446**  
(Zip Code)

**(802) 864-5731**

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

**Class - Common Stock**

**Outstanding at April 22, 2005**

**\$3.33 1/3 Par Value**

**5,179,507**

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This report contains statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. You can identify these statements by forward-looking words such as "may," "could," "should," "would," "intend," "will," "expect," "anticipate," "believe," "estimate," "continue" or similar words. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and are including this statement for purposes of complying with these safe harbor provisions. You should read statements that contain these words carefully because they discuss the Company's future expectations, contain projections of the Company's future results of operations or financial condition, or state other "forward-looking" information.

There may be events in the future that we are not able to predict accurately or control and that may cause actual results to differ materially from the expectations described in forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainties, and actual results may differ materially from those discussed in this document, including the documents incorporated by reference in this document. These differences may be the result of various factors, including changes in general, national, regional, or local economic conditions, changes in fuel or wholesale power supply costs, regulatory or legislative action or decisions, and other risk factors identified from time to time in our periodic filings with the Securities and Exchange Commission.

The factors referred to above include many, but not all, of the factors that could impact the Company's ability to achieve the results described in any forward-looking statements. You should not place undue reliance on forward-looking statements. You should be aware that the occurrence of the events described above and elsewhere in this document, including the documents incorporated by reference, could harm the Company's business, prospects, operating results or financial condition. We do not undertake any obligation to update any forward-looking statements as a result of future events or developments.

#### **AVAILABLE INFORMATION**

Our Internet website address is: [www.greenmountainpower.biz](http://www.greenmountainpower.biz). We make available free of charge through the website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the SEC. The information on our website is not, and shall not be deemed to be, a part of this report or incorporated into any other filings we make with the SEC.

**PART I FINANCIAL INFORMATION**  
**GREEN MOUNTAIN POWER CORPORATION**  
**INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES**  
**At and for the Three months Ended March 31, 2005 and 2004**

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The accompanying notes are an integral part of the consolidated financial statements.

**GREEN MOUNTAIN POWER CORPORATION**  
**Consolidated Comparative Income Statements**
**Unaudited**  
**Three Months Ended**  
**March 31**

In thousands, except per share data	2005	2004
<b>Operating revenues</b>		
Retail Revenues	\$ 54,420	\$ 54,605
Wholesale Revenues	3,828	8,918
<b>Total operating revenues</b>	<b>58,248</b>	<b>63,523</b>
<b>Operating expenses</b>		
Power Supply		
Vermont Yankee Nuclear Power Corporation	8,695	9,993
Company-owned generation	1,540	2,231
Purchases from others	25,115	27,965
Other operating	4,882	4,752
Transmission	4,172	3,710
Maintenance	2,345	2,271
Depreciation and amortization	3,776	3,489
Taxes other than income	1,722	1,778
Income taxes	1,675	2,315
Total operating expenses	53,922	58,504
<b>Operating income</b>	<b>4,326</b>	<b>5,019</b>
<b>Other income</b>		
Equity in earnings of affiliates and non-utility operations	397	256
Allowance for equity funds used during construction	7	115
Other income (deductions), net	(54)	(35)
<b>Total other income</b>	<b>350</b>	<b>336</b>
<b>Interest charges</b>		
Long-term debt	1,633	1,633
Other interest	67	56
Allowance for borrowed funds used during construction	(5)	(74)
<b>Total interest charges</b>	<b>1,695</b>	<b>1,615</b>
<b>Income from continuing operations</b>	<b>2,981</b>	<b>3,740</b>
Loss from discontinued operations, net	(2)	(6)
<b>Net income applicable to common stock</b>	<b>\$ 2,979</b>	<b>\$ 3,734</b>

**Consolidated Statements of Comprehensive Income**
**Unaudited**  
**Three Months Ended**  
**March 31**

	2005	2004
Net income	\$ 2,979	\$ 3,734
Other comprehensive income, net of tax	-	-
Comprehensive income	\$ 2,979	\$ 3,734
Basic earnings per share	\$ 0.58	\$ 0.74
Diluted earnings per share	0.56	0.72
Cash dividends declared per share	\$ 0.25	\$ 0.22
Weighted average common shares outstanding-basic	5,160	5,046
Weighted average common shares outstanding-diluted	5,301	5,205

The accompanying notes are an integral part of these consolidated financial statements.



<b>GREEN MOUNTAIN POWER CORPORATION</b>	Three Months Ended	
<b>Consolidated Statements of Cash Flows</b>	March 31	
In thousands	<b>2005</b>	<b>2004</b>
<b>Operating Activities</b>		
Income from continuing operations	\$ 2,981	\$ 3,740
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,776	3,489
Equity in undistributed earnings of associated companies	(319)	201
Dividends from associated companies	297	(155)
Allowance for funds used during construction	(12)	(189)
Amortization of deferred purchased power costs	849	851
Deferred income tax expense, net of investment tax credit amortization	(700)	361
Deferred purchased power costs	1	(46)
Rate levelization liability	-	(742)
Environmental and conservation deferrals, net	(308)	(384)
Cash in advance of construction	704	349
Loss on sale of property	-	6
Share-based compensation	60	126
Changes in:		
Accounts receivable and accrued utility revenues	943	1,311
Prepayments, fuel and other current assets	502	403
Accounts payable and other current liabilities	(1,100)	(420)
Income taxes payable and receivable	2,289	2,184
Other	629	973
Net cash provided by continuing operations	10,590	12,058
Net loss from discontinued operations	(2)	(6)
Net cash provided by operating activities	10,588	12,052
<b>Investing Activities</b>		
Construction expenditures	(4,388)	(4,216)
Restriction of cash for renewable energy investments	(1)	(282)
Return of capital from associated companies		