

GREEN MOUNTAIN POWER CORP
Form 11-K
June 29, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

For the fiscal year ended December 31, 2004

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934 For the transition period from
to

Commission file number 1-8291

GREEN MOUNTAIN POWER CORPORATION
Employee Savings and Investment Plan and Trust
(Full title of the Plan)

Green Mountain Power Corporation
163 Acorn Lane
Colchester, VT 05446
(802) 864-5731

(Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office)



Green Mountain Power Corporation
Employee Savings and Investment Plan and Trust

INDEX TO FORM 11K

December 31, 2004

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

SUPPLEMENTAL SCHEDULE

EXHIBIT 23.2 - AUDITOR'S CONSENT

Green Mountain Power Corporation
Employee Savings and Investment Plan and Trust
TABLE OF CONTENTS
December 31, 2004 and 2003

Page

INDEPENDENT AUDITOR'S REPORT 1

FINANCIAL STATEMENTS

Statements of Net Assets Available for Plan Benefits 2

Statements of Changes in Net Assets Available for Plan Benefits 3

Notes to Financial Statements 4-9

SUPPLEMENTAL SCHEDULES

Assets Held at Year End 10

Report of Independent Registered Public Accounting Firm

To the Retirement Board
Green Mountain Power Corporation
Employee Savings and Investment Plan and Trust
Colchester, Vermont

We have audited the accompanying statement of net assets available for plan benefits of the Green Mountain Power Corporation Employee Savings and Investment Plan and Trust (the "Plan") as of December 31, 2004 and the related statement of changes in net assets available for plan benefits for the year then ended. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Green Mountain Power Corporation Employee Savings and Investment Plan and Trust as of December 31, 2003, were audited by other auditors whose report dated June 25, 2004, expressed an unqualified opinion.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Green Mountain Power Corporation Employee Savings and Investment Plan and Trust at December 31, 2004, and the changes in its net assets available for plan benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the 2004 basic financial statements taken as a whole. The 2004 information included in the supplemental schedule is presented for purposes of additional analysis and is not a required part of the 2004 basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The information in the supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2004 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2004 basic financial statements taken as a whole.

McSOLEY & McCOY
South Burlington, Vermont
June 10, 2005

VT Reg. No. 92-349

GREEN MOUNTAIN POWER CORPORATION
Employee Savings and Investment Plan and Trust

Statements of Net Assets Available for Plan Benefits

December 31, 2004 and 2003

	2004	2003
Participant directed investments:		
Interest bearing cash	\$ 34,083	\$ -
Green Mountain Power Corporation, common stock, at fair value	4,193,863	3,591,482
Registered investment companies, at fair value	5,457,871	4,829,577
Value of interest in pooled separate accounts, at contract value	14,816,270	12,296,858
Value of funds held in insurance company general account, at contract value	2,765,672	2,887,378
Participants' loans	461,047	439,358
Net assets available for Plan benefits	\$ 27,728,806	\$ 24,044,653

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

GREEN MOUNTAIN POWER CORPORATION
Employee Savings and Investment Plan and Trust

Statements of Changes in Net Assets Available for Plan Benefits

For the Years ended December 31, 2004 and 2003

	2004	2003
Additions:		
Investment income:		
Interest	\$ 90,552	\$ 117,273
Dividends	257,448	142,613
Net investment gain from pooled separate accounts, at contract value	1,706,940	2,507,997
Net appreciation in fair value of investments	1,217,499	1,301,989
	3,272,439	4,069,872
Contributions:		
Employer	485,307	406,726
Participant	1,282,163	1,104,372
	1,767,470	1,511,098
Deductions:		
Administrative expenses	6,370	23,798
Participants' withdrawals and distributions	1,349,386	1,940,079
Total deductions	1,355,756	1,963,877
Net increase	3,684,153	3,617,093
Net assets available for Plan benefits:		
Beginning of year	24,044,653	20,427,560
End of year	\$ 27,728,806	\$ 24,044,653

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

Green Mountain Power Corporation
Employee Savings and Investment Plan and Trust
NOTES TO FINANCIAL STATEMENTS
December 31, 2004 and 2003

NOTE 1

PLAN DESCRIPTION

The following description of the Green Mountain Power Corporation Employee Savings and Investment Plan and Trust (the Plan) is provided for general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established by Green Mountain Power Corporation. The Plan covers substantially all full-time employees of Green Mountain Power Corporation (the Company).

The Company's Retirement Board is the Plan Administrator with the authority to control and manage the operation and administration of the Plan. The Plan's assets are held by Prudential Financial (the Trustee) of the Plan, which invests cash received, including interest and dividend income, and makes distributions to participants. The Plan is subject to the provision of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may contribute any amount of pretax annual compensation, as defined by the Plan, subject to IRS limitations. For each pay period the Company contributes a matching contribution of 100% of participants' contribution up to 4% of Compensation.

Effective January 1, 2004, an employer non-matching contribution shall accumulate on behalf of each participant on a monthly basis. Such contribution shall be in an amount equal to one half percent of the participant's compensation and shall be known as employer non-matching contribution and shall be contributed to the employer non-matching contribution account of each participant employed at the end of the month.

Participant Accounts

Each participant's account is credited with the participant's contributions, allocations of the Company's contributions, and plan earnings, and charged with participant's withdrawals, distributions and an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account, net of applicable Federal tax.

Vesting

Participants are immediately vested in their voluntary contributions as well as the employer's contribution and any earnings thereon.

Green Mountain Power
Employee Savings and Investment Plan and Trust
NOTES TO FINANCIAL STATEMENTS
December 31, 2004 and 2003

NOTE 1

PLAN DESCRIPTION (continued)

Investment Options

Upon enrollment, participants may direct their contributions to any of the following investment options in 1% increments.

GMP Stock Fund - This fund is invested in common stock of the Plan sponsor, Green Mountain Power Corporation.

Guaranteed Income Fund - This fixed income fund offers safety of principal and an attractive rate of return. The principal and interest are currently guaranteed by Prudential Retirement Insurance & Annuity Company.

Core Bond / BSAM Fund - This fund invests in high quality domestic fixed income securities, including mortgage and asset backed securities as well as Government issues.

Prudential Lifetime Funds - This family of funds offers five multi-asset, multi-managed investment portfolios. Each fund offers a different risk/return characteristic and is based on the life-cycle theory of investing in that different bond/stock mixes are appropriate for individuals at different times of their lives based on age.

American Century Ultra Account - This mutual fund invests in primarily equity securities of large companies that offer the potential of better-than-average capital appreciation.

Large Cap Value Fund / Wellington Management - This fund is managed by Wellington Management Company, LLP following their Research Value style.

Dryden S&P 500 Index Fund - This fund is managed by Times Square Capital Management, Inc. and reflects the composition of the S&P 500 Index.

American Century Equity Index Fund - This mutual fund seeks to provide current income with capital appreciation as a secondary objective.

Mid Cap Growth/Artisan Partners - This fund is managed by Artisan Partners Limited Partnership and invests primarily in the common stocks of medium-sized companies.

AIM Small Cap Growth Fund - This fund seeks long-term capital growth.

T. Rowe Price Small-Cap Stock Fund - This account invests wholly in Advisor shares of the T. Rowe Price Small-Cap Stock Fund. The objective of this fund is to seek capital growth by investing in undervalued stock of small capitalization companies.