

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 25-0729-TF

Tariff filing of Town of Hardwick Electric Department requesting an overall rate increase of 13.24% effective with service rendered on or after June 1, 2025
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**PETITIONERS' RESPONSES TO DEPARTMENT'S
FIRST SET OF INFORMATION REQUESTS**

The Town of Hardwick Electric Department (“HED” or “Petitioner”), in accordance with V.R.C.P. 33 & 34 and Rules 2.214 and 2.230 of the Vermont Public Utility Commission (“Commission” or “PUC”), hereby submits the following Responses to the First Set Information Requests propounded to the Petitioner by the Vermont Department of Public Service (the “Department”) on July 10, 2025.

General Objections

1. To the extent that the Petitioner responds to the Department’s Discovery Requests, the Petitioner does not concede the relevancy of the responses or documents to the present action, nor does it concede that such responses or documents may be used for any purpose in this or any other action, lawsuit or proceeding. The Petitioner expressly reserves its right to object to further discovery into the subject matter of any of the responses or any portion thereof.

2. The Petitioner objects to the Discovery Requests to the extent that they seek information and/or documents equally available to the requester or that are not within the possession, custody or control of the Petitioner.

3. The Petitioner objects to these Discovery Requests (including their instructions and definitions) to the extent that they purport to impose obligations beyond the applicable law, PUC rules and decisional law.

4. The Petitioner objects to any request to produce data other than in the form in which the Petitioner stores or maintains data in the ordinary course of business.

5. The Petitioner objects to any definition or instruction that provides for a definition of any term at variance with its common and ordinary meaning. In responding to these Discovery Requests, the Petitioner shall apply the common meanings of any and all such terms.

6. The Petitioner objects to Discovery Requests that seek all documents concerning a particular subject as overbroad and unduly burdensome in that the Petitioner can and will only produce such documents reasonably relating to a particular subject within the Petitioner's custody, possession and control.

7. The Petitioner objects to the extent that the instructions and/or definitions seek to impose burdens on the Petitioner that are greater than those imposed by applicable provisions of V.R.C.P. 26, 33 or 34 and PUC Rules 2.214 and 2.230, impose undue burdens on the Petitioner, and/or have the effect of making the Discovery Requests overbroad. The Petitioner will make a good faith effort to provide information responsive to the Discovery Requests subject to this objection, but it specifically objects to providing, among other things, drafts of documents, identical copies of documents, non-identical copies of documents that contain handwritten notes, and descriptions of responsive documents that may have once existed but cannot now be produced due to loss or destruction.

8. The Petitioner reserves the right to object that any Discovery Requests, individually or in the aggregate, are overly burdensome and exceed reasonable limits of discovery or are not reasonably calculated to lead to the discovery of admissible evidence.

9. The Petitioner objects to any Discovery Requests for which the response requires disclosure, response or production of confidential information of the Petitioner or which is subject to the attorney-client privilege. The Petitioner objects to any Discovery Requests for which the response requires the disclosure of information or documents from a third party of a confidential or proprietary nature which the Petitioner is not authorized to disclose.

Specific Objections

Any specific objections to information requests are incorporated within the responses attached hereto.

Responses

Q. DPS.HED.1-1 Please provide HED's audited financial statements for the fiscal year ending December 31, 2024.

A. DPS.HED.1-1 HED's 2024 audit is not yet available. Please see Attachment HED.1-1 Financials, which contains the financial statements provided to the auditor.

Person responsible for preparing response:

Date:

Beth Essary, Controller, HED

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q. DPS. HED.1-2 Is HED aware of any non-recurring items in its proposed cost-of-service? If so, please provide them with a description.

A. DPS. HED.1-2 HED is not aware of any non-recurring items in its proposed cost-of-service

Person responsible for preparing response:

Steven Farman, Manager of Planning & Support

Date:

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q.DPS. HED.1-3 Please provide the annual expense totals for the past 5 years (2020-2024) for each of the accounts in:

- a) Customer & Sales (901-919);
- b) Admin & General (920-935); and
- c) Distribution (580-598).

A.DPS. HED.1-3 Please see Attachment HED.1-3 O&M.

Person responsible for preparing response:

Beth Essary, Controller, HED

Date:

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q.DPS. HED.1-4 Please refer to Exhibit HED-Farman-15.

a. How were the test year net-metering kWh values determined for the purpose of this exhibit? Please explain.

b. What is HED's current billing methodology for individual net-metering customers whose systems are located behind the customer's billing meter and are not part of group net-metering systems? In your response, please:

i. Identify how HED measures kWh consumption and generation for these customers, including a description of the metering configuration in use;

ii. Describe how the measured kWh values are used to determine billing determinants, specifically addressing whether kWh values are netted over the billing period prior to the application of monetary rates;

iii. Explain the rates applied to imported and exported energy, and whether HED calculates net monetary value before or after performing kWh netting;

iv. Provide the number of customers subject to this billing methodology during both the test year and the rate year;

v. Describe how HED's billing practice aligns with Commission Rule 5.126(A)(2), and identify any deviations from the rule's requirement that netting of electricity (kWh) must occur before monetization; and,

vi. Confirm whether the revenue and load adjustments reflected in Exhibit HED-Farman-15 are based on the same billing methodology described above, and explain all assumptions used in those calculations, including treatment of kWh netting and monetization.

A.DPS. HED.1-4

a. The test year net metering kwh values used for Exhibit HED-Farman-15 were based on estimated Rate year production from incremental net metering installations that occurred during the test year or during the period between the test year and the start or the rate year. This calculation is laid out in Exhibit HED-Farman-15 and is explained in detail in Q21 of Mr. Farman's pre-filed testimony in this case. The calculation in Exhibit HED-Farman-15 is, in simple terms, an adjustment that reflects the reduction in rate year retail load and revenue caused by the timing of incremental net metering installations that are not reflected in test year retail load and consequently are not taken into account in the calculation of allowed retail rates, resulting in a revenue shortfall absent this adjustment.

b. The calculation in Attachment HED-Farman-15 is driven solely by kwh production meter values and is not influenced by, or dependent on, customer specific usage, billing methodology, billing practices, unit location, metering configuration, billing determinant calculations, rates applied to usage whether imported or exported, or other settlement related calculations. As explained in part **a.** above, the adjustment in question relies only on estimates of generation measured at the production meter, aggregated on a system-wide basis and valued at the retail tail block rate less an estimate of avoided energy costs.

Person responsible for preparing response:

Steven Farman, Manager of Planning & Support

Date:

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q.DPS. HED.1-5 Please refer to Steven Farman, VPPSA on behalf of HED ("Farman")
pf. at 6.

- a. Please provide a copy of the newly ratified labor agreement effective on June 1, 2025.
- b. Please specify and describe where the agreement provides for the approved 5% wage increase effective June 1, 2025.

A.DPS. HED.1-5 Please see Article 4, page 4, of Attachment HED.1-5 Union Contract

Person responsible for preparing response:

Date:

Steven Farman, Manager of Planning & Support

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q.DPS. HED.1-6 Please provide copies of both the current residential and commercial bills.

A.DPS. HED.1-6 Please see Attachment HED.1-6 Sample Bills which contains copies of both residential and commercial bills, before and after implementation of the rate increase

Person responsible for preparing response: Date:

Beth Essary, Controller, HED

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q.DPS. HED.1-7 Please provide a copy of a prospective bill for a residential customer and a commercial customer, both implementing the rate increase.

A.DPS. HED.1-7 Please see Attachment HED.1-6 Sample Bills.

Person responsible for preparing response:

Beth Essary, Controller, HED

Date:

August 21, 2025

Persons competent to give testimony:

Steven Farman, Manager of Planning & Support

Q.DPS. HED.1-8

Please refer to Exhibits HED-HD-1 and HED-HD-2.

- a. How have Forward Energy Market Prices changed since Hardwick filed in April?**
- b. Please quantify how using more recent price assumptions would impact: Rate Year Energy Market Costs in cell H31 of Exhibit HED-HD-1, Rate Year Energy Credits in cell I28 of Exhibit HED-HD-1, and summarize the net impact to Hardwick's rate year power supply costs.**

A.DPS. HED.1-8

- a.** Please see Attachment HED.1-8 for how the forward prices have changed since HED originally filed the rate case. Around the clock pricing has decreased from \$68.54 to \$65.17.
- b.** The reduced forward market prices reduce energy market costs by \$137,929 from when the rate case was originally filed. The change in prices also reduces resource energy credits by \$105,841. Overall this reduces the rate case by \$32,088.

Person responsible for preparing response:

Heather D'Arcy, Manager of Power Resources

Date:

August 21, 2025

Persons competent to give testimony:

Heather D'Arcy, Manager of Power Resources

Q.DPS. HED.1-9 Please provide a status update on Hardwick's Wolcott Hydro resource and confirm that it is still not expected to be operational during the rate year as noted in the testimony, Heather D'Arcy, VPPSA on behalf of HED ("D'Arcy") pf. at 8.

A.DPS. HED.1-9 HED is still in the process of fixing Wolcott hydro. The resource will not be operational during the rate year.

Person responsible for preparing response:

Date:

Heather D'Arcy, Manager of Power Resources

August 21, 2025

Persons competent to give testimony:

Heather D'Arcy, Manager of Power Resources

Q.DPS. HED.1-10

Does Hardwick utilize all Tier II RECs produced from its Billings Road Solar project in the rate year to fulfill their proportional share of VPPSA's RES compliance obligations?

a. If not, what happens to any RECs in excess of Hardwick's proportional share of VPPSA Tier II compliance obligations and how does this directly benefit Hardwick?

A.DPS. HED.1-10

Billings Road currently generates more than HED's Tier II obligation. By approximately 2026, Billings Road annual generation will equal HED's Tier II obligation. If HED has excess RECs in a given year, it is possible that the utility will sell to other VPPSA members that are short. There were some internal sales of Tier II RECs by HED in the test year and, therefore, that same revenue is assumed to occur in the rate year. However, even if HED does sell some RECs internally to other VPPSA members, the utility may bank at least some RECs to ensure adequate volumes for future years.

Person responsible for preparing response:

Heather D'Arcy, Manager of Power Resources

Date:

August 21, 2025

Persons competent to give testimony:

Heather D'Arcy, Manager of Power Resources

Q.DPS. HED.1-11 Please identify any changes in REC market eligibility for the McNeil and Ryegate biomass facilities that have occurred since Hardwick filed this rate case. Please quantify any impacts these changes in eligibility will have on rate year REC revenues as depicted in Exhibit HED-HD-9.

A.DPS. HED.1-11 It is likely that McNeil and Ryegate will no longer be qualified for CT 1 RECs starting Q4 of 2025. However, VPPSA has not received official notification of this fact. VPPSA has been communicating with Ryegate operators who are currently trying to get clarification from Connecticut Department of Energy and Environmental Protection. VPPSA has a meeting scheduled with Ryegate operators in September to discuss this issue as well.

Assuming both resources will no longer qualify for CT1 RECs starting in Q4 2025, this will change the value of those resources. Ryegate will continue to qualify for NH3 RECs which still have a relatively high value but are still valued lower than CT1. McNeil will only qualify for VT Tier I RECs. This is a substantial reduction in value from CT1. Effects of pricing and REC revenue of the change in qualification can be seen in Attachments HED.1-11_1, HED.1-11_2, and HED.Power_Supply. The overall reduction in REC revenue will be \$18,909. The overall reduction in RES costs would be approximately \$4,122.

RES costs are incurred via budget billing. Therefore, mid-year changes in REC qualification are not accounted for in the budget. However, should McNeil no longer be CT1 qualified it will be retained for RES compliance which will reduce RES costs to a degree. The Tier I volume and cost that would have been budgeted were the change in qualification known when the budget was developed can be found in attachments HED.1-11_3 and HED.1-11_4.

Person responsible for preparing response:

Heather D'Arcy, Manager of Power Resources

Date:

August 21, 2025

Persons competent to give testimony:

Heather D'Arcy, Manager of Power Resources

Attestation

As to Answers DPS. HED. 1-8 through 1-11:

In accordance with Rule 2.230(M) of the Vermont Public Utility Commission, I declare that the above Answers are true and accurate to the best of my knowledge and belief.

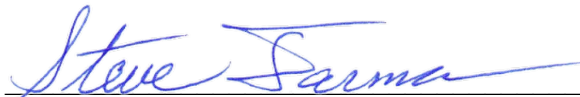
Heather D'Arcy

Heather D'Arcy
Manager of Power Resources, VPPSA

Attestation

As to Answers DPS.HED. 1-1 through 1-7:

In accordance with Rule 2.230(M) of the Vermont Public Utility Commission, I declare that the above Answers are true and accurate to the best of my knowledge and belief.



Steven Farman

Manager of Planning & Support, VPPSA

Attestation

As to Answers DPS.HED. 1-1, 1-3, 1-6, and 1-7:

In accordance with Rule 2.230(M) of the Vermont Public Utility Commission, I declare that the above Answers are true and accurate to the best of my knowledge and belief.

Beth Essary

Beth Essary
Controller, HED

Certification

As to all objections:



Elijah D. Emerson, Esq.
Primmer Piper Eggleston & Cramer PC
Counsel for the Petitioners

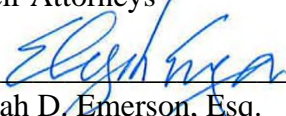
DATED at Burlington, Vermont, this 21st day of August, 2025.

Respectfully submitted,

TOWN OF HARDWICK ELECTRIC
DEPARTMENT

By: PRIMMER PIPER EGGLESTON & CRAMER PC,
Their Attorneys

By:



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