

**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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**PETITIONER’S RESPONSES TO DEPARTMENT’S
SECOND 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 Second Set Information Requests propounded to the Petitioner by the Vermont Department of Public Service (the “Department”) on September 11, 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:2-1. Hardwick has made investments in Wolcott Hydroelectric for flood related repairs that damaged the facility in 2023 and 2024. See generally Exhibit HED-Farman-11b, 2025 Depreciation Report.

- a. How, if at all, are these repair costs represented in Hardwick's test or rate year? Please explain.

- b. Has Hardwick applied for Federal Emergency Management Agency ("FEMA") reimbursement of these costs, and if so, how much has Hardwick applied for? If Hardwick has received reimbursement, please quantify and describe.

A. DPS.HED.2-1

a. All costs actually paid are represented on the financial statements. Repairs complete are expensed and repairs in progress are in 107.20 Construction Work in Progress. Insurance and FEMA funds are in 421.01 Misc Income.

b. Costs for the repairs, and subsequent FEMA funds are in financial reports.

FEMA Funding-Hardwick Electric Department						
As of :	6/30/2025			Vermont Bond Bank Reporting		
				Total Project Cost	FEMA Approved	Total FEMA Funds Received
DR-4720						
TOTAL				1,977,563.42	2,195,477.41	826,131.73

2024 Flood (DR-4810) Note: Repair and mitigation to penstocks not yet determined. Currently in the Architectural and Engineering Design phase. Costs beyond that are not determined.

FEMA Funding-Hardwick Electric Department						
As of :	8/5/2025			Vermont Bond Bank Reporting		
				Total Project Cost	FEMA Approved	Total FEMA Funds Received
DR-4810						
TOTAL				298,884.92	278,743.24	209,057.44

Person responsible for preparing response:

Beth Essary, Business Office & Finance Manager

Date:

October 2, 2025

Persons competent to give testimony:

TBD

Q. DPS.HED.2-2 Please refer to the first-round discovery response Attachment HED.1-3, O&M. Please explain the large increase in Account 593 expenses in the test year 2024 vs. previous years.

A. DPS.HED.2-2

Account 593 was unusually high in 2024 because HED operations staff, which is usually a 6 member line crew, was down to only 1 for 4 months of the year. Storm and construction work was done by contract crews at a premium price.

Person responsible for preparing response:

Beth Essary, Business Office & Finance Manager

Date:

October 2, 2025

Persons competent to give testimony:

TBD

Q. DPS.HED.2-3 Please provide HED's audited financial statements for the fiscal year ending December 31, 2024. If unavailable, please provide:

- a. a status update on the audit,**
- b. any known areas of dispute that may have an impact on the proposed cost-of-service,**
- c. when the audited results may become available, and**
- d. the audit, when available.**

A.DPS.HED.2-3

The draft audited financial report is materially complete and HED is reviewing. There are no known areas of dispute that may have an impact on the proposed cost-of-service. The final report is scheduled to be reviewed by the Board of Commissioners at its regular meeting October 21, 2025.

Person responsible for preparing response:

Beth Essary, Business Office & Finance Manager

Date:

October 2, 2025

Persons competent to give testimony:

TBD

Q.DPS.HED.2-4 Please refer to the first-round discovery response Attachment HED.1-5, Union Contract. Please admit or deny that the wage increases from June 1, 2024, to June 1, 2025, are closer to 3.8% versus the 5.0% assumed in EXHIBIT HED-FARMAN-10A and explain basis for the admission or denial.

A.DPS.HED.2-4

HED admits that the employee wage increase as of June 1, 2025, is 3.8%.

Additional costs incurred related to new IBEW contract are:

- 1.) Employer 401k contribution increases from 1.5% to 2.0%, annual increase \$7,000; and
- 2.) HED now provides FMLI insurance at no cost to the employee, annual cost to HED \$6,700.

Further, effective September 29, 2025, HED has created a new Utility Operations Manager position, approved by the Board of Commissioners September 16, 2025, that has been filled internally under contract by an existing employee. The annual salary under this contract represents a base pay increase of \$15,000 for the promoted employee compared to test year wages. Hardwick plans to back fill the position vacated by the new Utility Operations Manager by the end of 2025. Regardless of when or whether the vacated position is filled, this change represents a \$15,000 increase in overall wages relative to filed test year levels.

Person responsible for preparing response:

Date:

Beth Essary, Business Office & Finance Manager

October 2, 2025

Persons competent to give testimony:

TBD

Q.DPS.HED.2-5 Please refer to Exhibit HED-Farman-16, the HED net-metering adjustment, including at lines 15, 22, 30, and 38, which show net-metering and miscellaneous adjustments by rate class. For individual net-metering customers whose systems are located behind the billing meter and are not part of a group system, please:

- a. Describe HED's metering configuration for these customers, specifically indicating how kWh consumption and generation are separately or jointly measured.
- b. Explain in detail how these measured kWh values are used to calculate billing determinants. Specifically, confirm whether kWh consumption and generation are netted over the billing period before application of monetary rates, and explain how HED's netting practices are aligned with Commission Rule 5.126(A)(2).
- c. State the rates applied to imported and exported energy for these customers and identify whether HED calculates a net monetary value using monetary credits before or after applying kWh netting.
- d. Confirm whether the revenue adjustments for net-metering shown in Exhibit HED-Farman-16 (lines 15, 22, 30, 38) reflect the same billing methodology described above, or if a different assumption is used in the COS model. If a different method is used, please explain all underlying assumptions and provide a reconciliation between the billing practice and the COS adjustment.
- e. Provide the number of customers subject to this billing methodology during both the test year and the rate year.

A.DPS.HED.2-5

a. For "Individual Net-Metering Systems,"¹ HED's construction standards require both a "Billing Meter" (i.e. "Consumption Meter") as well as a separate "Production Meter" (i.e. solar or generation meter).

The Production Meter records generated kWh instantaneously and total kWh generation is read monthly for billing purposes.

The Billing Meter has two channels which record instantaneously (1) kWh delivered and consumed by the customer from the grid (i.e. "*consumption of electricity by a customer*"²), and

¹ See PUC Rule 5.126(A)(2)

(2) excess generation (i.e. “*number of kWh by which production exceeds consumption*”). The total kWh consumed and total excess kWh generation (i.e. kWh generated and not consumed at the time of production behind the consumption meter) is read monthly for billing purposes.

b. Please refer to Attachment DPS.HED.2-5 Part b which is a Memorandum dated May 22, 2025, related to HED's net-metering billing methodology and calculations related to a customer complaint which was investigated and closed by CAPI on June 10, 2025. As explained in the Memo, HED believes its netting practices are aligned with Commission Rule 5.126(A)(2).

c. In accordance with HED's PUC approved Tariffs, for all non-grandfathered customers, HED's blended rate is applied to excess kWh generation. Consumption is billed according to the applicable customer's base rate (i.e. residential, commercial, seasonal).

d. HED can neither confirm nor deny. In the process of performing an in-depth billing and revenue account analysis, HED staff have discovered that the system generated revenue report appears to be utilizing a different methodology for excess kWh generation as opposed to the billing calculations. HED is in the process of fully investigating that difference. Due to the limited amount of NM credit revenue at stake, and the complexity added due to multiple project vintages, multiple physical configurations across NM projects, and multiple metering configurations, HED suggests establishing a separate proceeding to facilitate working with DPS toward a PUC approved resolution of outstanding NM billing issues.

e. Currently, HED has 289 active net-metering billed customers and 10 proposed systems that have not yet been interconnected.

Person responsible for preparing response:

Date:

Karen Field (a, b, c, e); Sarah Braese (d)

October 2, 2025

Persons competent to give testimony:

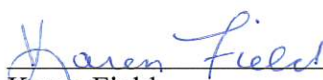
TBD

² See PUC Rule 5.103

Attestation

As to Answers DPS.HED. 2-5(a-c, e):

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.



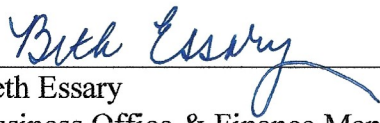
Karen Field

Assistant Business Manager, HED

Attestation

As to Answer DPS.HED. 2-1 through 2-4:

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
Business Office & Finance Manager, HED

Attestation

As to Answer DPS.HED. 2-5(d):


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.



Sarah Braese
General Manager, HED

Certification

As to all objections:



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

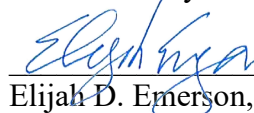
DATED at Burlington, Vermont, this 2st day of October, 2025.

Respectfully submitted,

TOWN OF HARDWICK ELECTRIC
DEPARTMENT

By: PRIMMER PIPER EGGLESTON & CRAMER PC,
Their Attorneys

By:



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