**STATE OF VERMONT**
**PUBLIC UTILITY COMMISSION**

Case No. 26-1130-TF

| Tariff filing of Town of Stowe Electric Department requesting an overall rate increase of 14.6% effective on service rendered on or after August 1, 2026 | |
|---|---|

**The Town of Stowe Electric Department Responses to the First Set of Discovery Requests Served by the Department of Public Service**

The Town of Stowe Electric Department ("SED" or "Petitioner"), by and through the undersigned attorney, hereby responds to the first set of discovery requests served by the Vermont Department of Public Service ("DPS" or "Department") on August 19, 2026.

## General Objections

The following General Objections of SED are incorporated by reference into its responses to each first set of discovery requests served by the Department reproduced below, whether or not an objection is stated in any particular response. Any response given below is given without waiver of any objection, whether or not an objection is stated.

1. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it is overbroad, irrelevant, unduly burdensome, or not proportional to the needs of the case.

2. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it calls for the disclosure of information or production of material privileged under the attorney-client, work-product, or any other applicable privilege.

3. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it is unreasonably cumulative or duplicative, or calls for the disclosure of information or production of material that is obtainable from some other source that is more convenient, less burdensome, or less expensive, including, but not limited to, information or material that is publicly available or that has already been disclosed or produced to you in connection with another proceeding.

4. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it calls for the disclosure or production of confidential or proprietary information, trade secrets, or material.

5. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it is vague, unintelligible, requires speculation as to the information being sought, or is otherwise incapable of a reasonable answer.

6. Petitioner objects to each Instruction and Definition listed in the requesting party's discovery requests to the extent that it exceeds the bounds of permissible discovery or is unduly burdensome.

7. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request exceeds the scope of Petitioner's testimony and exhibits.

8. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request would require Petitioner to conduct extensive document review, additional studies, analyses, and/or tests as part of its response.

9. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request exceeds the scope of the requesting party's intervention.

10. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request exceeds the scope of the issues on review.

11. Petitioner objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that it calls for a legal conclusion.

## INTERROGATORIES AND REQUESTS TO PRODUCE

Subject to the General Objections stated above, SED now provides the following responses.

**Q.DPS-SED: 1-1.** Please provide the annual expenses for the past 5 years (2021-2025) for each of the accounts in:
a. Customer & Sales (901-919),
b. Administrative & General (920-935), and
c. Distribution (580-598).

**A.DPS-SED:1-1(a)-(c)**. Please reference attachment "A.DPS-SED 1-1 – Annual Expenses."

Person/s Responsible for Response: Sarah Juzek, Director of Finance, SED and Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-2.** Please refer to Exhibit SED-Seavey-02. Please provide a comprehensive depreciation schedule that supports the reported rate year 403.1 DEPRECIATION-SYSTEM PLANT balance of $911,032.

**A.DPS-SED:1-2**. Please reference attachment "A.DPS-SED 1-2 – Depreciation Schedule."

Person/s Responsible for Response: Sarah Juzek, Director of Finance, SED and Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-3.** Please refer to Exhibit SED-Seavey-02. Please confirm that there are no requested rate year adjustments for accounts 408.3 VT GROSS RECEIPTS TAX and 408.4 VT FUELS TAX.

**A.DPS-SED: 1-3**. SED confirms that no Rate Year adjustments were requested for Accounts 408.30, VT Gross Receipts Tax, or 408.40, VT Fuels Tax.

Person/s Responsible for Response: Sarah Juzek, Director of Finance, SED and Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-4.** Does Stowe have a debt service reserve fund? If yes, please describe the fund, its origins, and how it is managed.

**A.DPS-SED: 1-4**. No, SED does not currently maintain a separate debt service reserve fund.

Person/s Responsible for Response: Sarah Juzek, Director of Finance, SED and Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-5.** Please refer to the “Redlined Rate 20” tariff filed on July 27, 2026, and the clean version filed on July 24, 2026.

a. Please admit the sum listed as the monthly customer charge of $20.59 is incorrect (the Department maintains it should be $20.58/month).
b. If not, why not?
c. If yes, please file a corrected “Redlined Rate 20” and clean version in this proceeding.

**A.DPS-SED.1-5**. SED filed revised redlined and clean versions of the Time of Use Rate 20 on August 28, 2026.

Person/s Responsible for Response: Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-6.** Please refer to the “Redline TOU Rate 21” tariff and the clean version, each filed on July 24, 2026.

a. Please admit the sum listed as the monthly customer charge of $20.59 is incorrect (the Department maintains it should be $20.58/month).
b. If not, why not?
c. If yes, please file a corrected “Redline TOU Rate 21” and clean version in this proceeding.

**A.DPS-SED:1-6**. SED filed revised redlined and clean versions of the Time of Use Rate 21 on August 28, 2026.

Person/s Responsible for Response: Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-7.** Please refer to Exhibit SED-MC-2.

a. Please provide a summary of both resource energy costs and credits by resource for both the test and rate year.
b. Please describe any changes to Forward Energy Market Prices since Stowe initially filed for the requested rate increase.
c. Please quantify the impact of using more recent price assumptions on Rate Year Energy Market Costs and Rate Year Energy Credits and the net impact to the total power supply adjustment.
d. Under "Capacity Costs," please provide both costs and credits for both the test and rate year.
e. Please provide an explanation of the categories included under 'Other Charges' and 'Other Credits' in the columns under "Transmission, Renewable & Other Costs & Credits" and provide an exhibit breaking out both costs and credits.
f. Please provide resource specific Day Ahead Ancillary Services Costs/Credits for both the test and rate year.

**A.DPS-SED:1-7(a)**. The energy charges for both the test year and the rate year are provided below. The line item identified as "Energy Market" reflects adjusted net interchange ("ANI"). Energy New England ("ENE") does not estimate locational marginal price ("LMP") credits on a resource-specific basis. Rather, the remaining cost associated with the open ANI position is calculated on a net basis by removing all resources MWH against the load the ANI megawatt-hours ("MWh") against the applicable forward market curve.

| | Energy Costs | |
|---|---|---|
| | Test Year | Rate Year |
| | EnergyCharges ($) | EnergyCharges ($) |
| RESOURCES | $ | $ |
| NYPA - Niagara | $14,615 | $17,049 |
| NYPA - St. Lawrence | $398 | $464 |
| Nebraska Solar Project | | |
| Ryegate | $264,005 | $265,173 |
| VEPPI Standard Offer BTM | $428,285 | $428,285 |
| HQ PPA Contract | $1,211,711 | $1,299,925 |
| Cabot/Turners | $85,728 | $113,996 |
| McNeil | $445,877 | $529,017 |
| Stonybrook 1A/1B/1C | $295,097 | $131,231 |
| Bilateral Purchase - Seabrook | $1,091,256 | $1,045,873 |
| Miller Hydro Purchase | $117,159 | $234,486 |
| Saddleback Ridge | $180,315 | $210,310 |
| Shell Bilateral | $369,924 | $362,350 |
| Great River Hydro | $273,334 | $261,654 |
| NextEra Bilateral | | |
| Bilateral Purchase - Mtn | $713,264 | $1,172,711 |
| HQICC | | |
| **TOTAL** | **$5,490,967** | **$6,072,523** |
| | | |
| MARKETS & OTHER | | |
| Energy Market | $1,058,457 | $1,613,726 |

**A.DPS-SED:1-7(b)**. For FMC16, the actual reserve adder averaged 30.27%, compared to the rate year assumption of 31.30%. For FMC17, the reserve adder is now known and is 21.00%, compared to the rate year estimate of 21.87%. These updates reduce the total amount included in the original rate case by $5,293.

**A.DPS-SED:1-7(c)**. As of August 26, 2026, the updated forward market prices Net Interchange decreased from $1,843,713 to $1,816,664, resulting in a reduction of $27,050.

**A.DPS-SED:1-7(d)**. The Capacity category includes both fixed capacity-related costs and capacity market costs or credits. The resources with fixed costs included in this category are NYPA, McNeil, Stony Brook GT 1A, Stony Brook GT 1B, Stony Brook GT 1C, and Seabrook (NextEra). These costs are within the resource line items shown in the table below.

SED also receives capacity costs or credits associated with NYPA, Saddleback, HQ ICC, and Ryegate. These resources receive the rate at the monthly capacity market auction clearing price applicable to their respective capacity zone because they are not self-supplied in either the test year or the rate year. Saddleback's capacity cost is rolled up into the energy rate. Therefore, in each of these resource lines there is a capacity credit because there are no offset charges.

The Capacity Market line item reflects ISO-NE Forward Capacity Market charges, net of all ISO-NE activity, including self-supply. McNeil, Stony Brook GT 1A, Stony Brook GT 1B, Stony Brook GT 1C, and Seabrook are self-supplied resources. As a result, the related capacity credit is realized as a one-for-one offset to SED's monthly capacity obligation based on monthly megawatt peak. These resources are self-supplied in both the test year and the rate year.

| | Capacity Costs | |
|---|---|---|
| | Test Year | Rate Year |
| | CapacityCharges ($) | CapacityCredits ($) |
| RESOURCES | $ | $ |
| NYPA - Niagara | $100,183 | $100,183 |
| NYPA - St. Lawrence | $440 | $440 |
| Nebraska Solar Project | | |
| Ryegate | -$4,416 | -$10,175 |
| VEPPI Standard Offer BTM | $0 | $0 |
| HQ PPA Contract | | |
| Cabot/Turners | | |
| McNeil | $449,140 | $552,779 |
| Stonybrook 1A/1B/1C | $288,585 | $281,404 |
| Bilateral Purchase - Seabrook | $97,120 | $100,548 |
| Miller Hydro Purchase | $0 | $0 |
| Saddleback Ridge | -$12,014 | -$5,518 |
| Shell Bilateral | | |
| Great River Hydro | | |
| NextEra Bilateral | | |
| Bilateral Purchase - Mtn | | |
| HQICC | -$14,065 | -$12,674 |
| **TOTAL** | **$904,971** | **$1,006,986** |
| | | |
| MARKETS & OTHER | | |
| Energy Market | | |
| Capacity Market | $231,496 | $229,987 |

**A.DPS-SED:1-7(e).** The "Other" components that are not considered Transmission are:

| |
|---|
| Day-Ahead Ancillary Services |
| NCPC |
| Regulation Services |
| Participant Expenses |
| Auction Revenue Rights |
| Other Load Settlement |
| GIS Costs |
| IEP and Mystic (Added back) |
| VELCO Admin Fees |
| ENE - Portfolio Mgmt/Consulting |
| Class I REC Sales |
| RES Compliance Cost |

**A.DPS-SED:1-7(f)**. The Day-Ahead Ancillary Services Initiative ("DA A/S") amount was developed based on actual test year results. A resource-specific breakdown is provided below. After aggregating the resource-level amounts, the resulting DA A/S rate was reduced by 30% to reflect pending changes to the ISO calculation methodology.

| | Jan-27 | Feb-27 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *ISO Charges* | Jan-26 | Feb-26 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
| Day-Ahead Ancillary Services | **$ 17.44** | **$ 4.46** | **$ 2.11** | **$ 1.78** | **$ 1.32** | **$ 1.58** | **$ 2.24** | **$ 2.27** | **$ 1.27** | **$ 5.35** | **$ 6.58** | **$ 9.47** |
| Load | $ 38.698 | $ 11.303 | $ 3.608 | $ 3.459 | $ 2.341 | $ 4.062 | $ 6.022 | $ 5.494 | $ 2.747 | $ 8.675 | $ 10.062 | $ 16.534 |
| J C MCNEIL | $ (3.576) | $ (1.223) | $ (0.257) | $ (0.031) | $ (0.124) | $ (0.615) | $ (0.779) | $ (0.646) | $ (0.326) | $ - | $ (0.204) | $ (1.085) |
| Miller Hydro | $ (0.445) | $ (0.091) | $ (0.046) | $ (0.059) | $ (0.044) | $ (0.036) | $ (0.027) | $ (0.020) | $ (0.015) | $ (0.050) | $ (0.052) | $ (0.073) |
| RYEGATE 1-NEW | $ (0.718) | $ (0.240) | $ (0.106) | $ (0.104) | $ (0.095) | $ (0.130) | $ (0.104) | $ (0.115) | $ (0.057) | $ (0.205) | $ (0.201) | $ (0.288) |
| SADDLEBACK RIDGE WIND | $ (0.549) | $ (0.245) | $ (0.099) | $ (0.140) | $ (0.067) | $ (0.067) | $ (0.068) | $ (0.041) | $ (0.042) | $ (0.240) | $ (0.207) | $ (0.313) |
| STONY BROOK GT1A | $ (8.495) | $ (3.137) | $ (0.086) | $ (0.588) | $ (0.130) | $ (0.960) | $ (2.008) | $ (1.435) | $ (0.485) | $ (0.534) | $ - | $ (1.241) |

Person/s Responsible for Response: Michelle Coscia, Manager, Market Operations, ENE. Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-8.** Please refer to exhibit SED-MC-2.

a. Please describe any recent updates to VELCO's revenue forecast since Stowe initially filed its Petition for the requested rate increase in this matter.
b. Please quantify and explain how any updates to VELCO's revenue forecast may impact the 1991 VTA – Common Facilities charges and the total adjustment.

**A.DPS-SED:1-8(a)**. The rate case was based on the March Version 4 estimate provided by VELCO. VELCO provided a revised budget on August 24, 2026. Based on that updated budget, the projected cost decreased by $92,970.

**A.DPS-SED:1-8(b)**. The table below shows the updated forecast from VELCO.

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| March V4 | | | | | | | | | | | | | |
| VTA 1991 Resettlement related to ROE Refund | $ (111,037) | $ (32,364) | $ - | $ - | $ - | $ - | $ - | $ - | $ (27,537) | $ (31,150) | $ (108,343) | $ (112,180) | $ (422,611) |
| VTA - Common Revenue | $ 169,532 | $ 124,943 | $94,394 | $110,477 | $154,657 | $125,157 | $90,152 | $68,406 | $ 88,710 | $ 52,195 | $ 194,007 | $ 170,810 | $1,443,439 |
| Total | $ 58,495 | $ 92,579 | $94,394 | $110,477 | $154,657 | $125,157 | $90,152 | $68,406 | $ 61,173 | $ 21,045 | $ 85,664 | $ 58,630 | $1,020,828 |
| 8/24/2026 | | | | | | | | | | | | | |
| VTA 1991 Resettlement related to ROE Refund | $ (195,186) | $ (250,365) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (445,551) |
| VTA - Common Revenue | 159,807 | 115,915 | 94,394 | 88,882 | 175,143 | 124,882 | 144,760 | 24,437 | 65,457 | 53,715 | 174,386 | 151,629 | $1,373,409 |
| Total | $ (35,379) | $ (134,449) | $94,394 | $ 88,882 | $175,143 | $124,882 | ###### | $24,437 | $ 65,457 | $ 53,715 | $ 174,386 | $ 151,629 | $ 927,858 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | $ 92,970 |

Person/s Responsible for Response: Michelle Coscia, Manager, Market Operations, ENE. Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-9.** Please refer to the prefiled direct testimony of Michelle Coscia:

a. Please quantify and provide Stowe's RES compliance costs for both the test and rate year, by Tier.
b. Please provide Stowe's REC entitlements by Tier.
c. Please provide the quantity of REC(s) sold/expected to be sold.
d. Please provide documentation explaining and substantiating Stowe's REC price assumptions (for example, through a broker sheet).
e. Please provide the quantity of any banked RECs for both the test year and rate year.
f. Please describe whether, and if so how, those banked RECs are incorporated in the test and rate year.
g. Please clearly document and quantify any other costs associated with Stowe's RES compliance.

**A.DPS-SED:1-9(a)**. Tier III costs are not included in the Power Supply.

| Tiers | Test year | Rate year |
|---|---|---|
| Tier I | $39,186 | $183,032 |
| Tier II | $18,095 | $76,883 |
| Tier III | $0 | $0 |

**A.DPS-SED:1-9(b)**.

| Resource | Tier I | Tier II | Class I |
|---|---|---|---|
| NYPA | 3,040 | | |
| Nebraska | | 1,284 | |
| Ryegate | | | 2,276 |
| Standard Offer | | 848 | |

| | | | |
|---|---|---|---|
| HQ | 17,461 | | |
| FirstLight | 1,908 | | |
| McNeil | | | 5,815 |
| Miller | | | 2,314 |
| Saddleback | | | 2,213 |
| Great River | 1,813 | | 1,813 |
| Net Metering | | 600 | |

**A.DPS-SED:1-9(c)**.

| Resource | Sales |
|---|---|
| Ryegate | 2,276 |
| McNeil | 5,815 |
| Miller | 2,314 |
| Saddleback | 2,213 |
| Great River | 1,813 |

**A.DPS-SED:1-9(d)**. The previously filed Exhibit SED-MC-24 contains the REC broker sheet used as a pricing guide for the rate year. Tier I REC price of $7.50, Class I MA REC price of $37.13, Class I NH REC price of $36.85.

**A.DPS-SED:1-9(e)**. SED has purchased both Tier I and Tier II renewable energy credits ("RECs") for compliance purposes for the 2024 and 2025 calendar years. Accordingly, no banked RECs are assumed for either the Tier I or Tier II categories. For Tier III, SED has 29,970 banked RECs entering the rate year and expects to retain 22,232 RECs for use in future compliance years.

**A.DPS-SED:1-9(f).** See previous answer. There are no banked credits assumed for Tier I and Tier II. The Tier III banked credits do not have an impact on the rate year and the test year.

**A.DPS.SED.1-9(g)**. The rate year RES does not have any other power costs associated with compliance.

Person/s Responsible for Response: Michelle Coscia, Manager, Market Operations, ENE. Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

**Q.DPS-SED: 1-10.** On March 19, 2026, the Federal Energy Regulatory Commission ("FERC") issued Opinion No. 594, which reduced the base Return on Equity ("ROE") for transmission owners in New England from 10.57% to 9.57%.

a. Please quantify and explain how this ruling will impact Stowe's transmission costs in the rate year.

**A.DPS-SED:1-10**: As explained in the Pre-Filed Testimony of Michelle Coscia and shown in the Cost of Service Model (filed as SED-Seavey-Cost of Service Model Live Format), SED did not include in the test year or the rate year the impact of the VELCO return on common equity ("ROE"). SED elected to not include the ROE impact because at the time of the rate case filing this is a known but unmeasurable charge. *See* Pre-filed Testimony of Michelle Coscia page 12, lines 10-19. SED anticipates that the Open Access Transmission Tariff, VELCO 1991 VTA Common Facilities, and Vermont Transco distributions will net out to zero during the Rate Year. Since the Cost of Service model was filed in this docket on June 24, 2026, SED has not received information from VELCO or ISO-NE that would cause a revision to the treatment of the ROE in this rate increase filing.

FERC issued Order 594 Accepting and Suspending Tariff Revisions and Ordering a Hearing concerning the New England Transmission Owners ("NETOs") request to increase their transmission return on common equity ("ROE") from the 9.54% to 11.39%. FERC's Order established a "paper hearing" process with initial submissions due on August 28, 2026, and reply to submissions due on September 28, 2026, and suspended the effective date of the ROE increase until November 30, 2026 - instead of the June 30, 2026 effective date requested by the NETOs.

At this point in the Rate Case filing, SED does not know the impact of the FERC process or how VELCO will apply the costs to the Vermont distribution utilities. However, under Docket No. ER26-2735-000 FERC granted Vermont Transco's request to use a regulatory asset account to defer recovery of the ROE under the 1991 Vermont Transmission Agreement. SED understands that the full impact of the ROE will be known in May 2027, which is beyond the Rate Year in this filing.

Person/s Responsible for Response: Michael Lazorchak, Manager, Regulatory & Market Affairs, ENE
Date: August 31, 2026

Dated at Williston, Vermont this 31st day of August, 2026

Attorney for the Town of Stowe Electric Department,

Michael Lazorchak

Michael Lazorchak, Esq.
Manager, Regulatory & Market Affairs
Energy New England
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Mansfield, MA 02048
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802-299-9970

## DECLARATION OF SARAH JUZEK

I declare that the responses and exhibits that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

August 28, 2026
Date

Sarah Juzek

Sarah Juzek
Town of Stowe Electric Department

## DECLARATION OF MICHAEL LAZORCHAK

I declare that the responses that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

| | |
|---|---|
| August 28, 2026 | *Michael Lazorchak* |
| Date | Michael Lazorchak |
| | Energy New England |

**DECLARATION OF MICHELLE COSCIA**

I declare that the responses that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

August 28, 2026
Date

Michelle Coscia

Michelle Coscia
Energy New England