

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 22-4100-TF

Tariff filing of Washington Electric Cooperative, Inc. for approval of a 14.19% rate increase effective on a service-rendered basis commencing November 1, 2022	
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FIRST SET OF INFORMATION REQUESTS
SERVED UPON WASHINGTON ELECTRIC COOPERATIVE, INC.
BY THE VERMONT DEPARTMENT OF PUBLIC SERVICE

The Vermont Department of Public Service (“Department” or “PSD”), by its counsel, Erin C. Brennan, hereby serves this First Set of Information Requests upon Washington Electric Cooperative, Inc. (“WEC”), in accordance with Vermont Public Utility Commission (“Commission”) Rule 2.214 and V.R.C.P. 33 and 34, in the above-referenced matter. The Department requests that WEC answer the requests herein, conforming to V.R.C.P. 33 and 34, and deliver its answers and all requested documents and materials to the Department’s offices in Montpelier no later than **Friday, December 30, 2022**. Please provide WEC’s answers in electronic format (i.e. word document or other standard file form readable by the Department) and please provide any spreadsheets in an electronic format.

INSTRUCTIONS

1. Reproduce the request being answered above your response thereto, pursuant to V.R.C.P. 33.
2. Responses to any and all Department requests, either contained herein or filed subsequently, should be submitted to the Department as soon as WEC is able to provide an answer or production. In other words, WEC should not withhold a response to any requests for which it has responsive data, documents, etc. until WEC is able to fully answer all pending requests when a reply is forthcoming for some questions.
3. V.R.C.P. 33 requires that the response to each request is to be made under oath by a person competent to testify concerning the response, as well as all documents and exhibits produced as part of said response. When responding to each request please state: (1) the name(s) and title(s) of the person(s) responsible for preparing the response; (2) the administrative unit

which maintains the records being produced or the data from which an answer was derived; and (3) the date upon which the question was answered.

4. Where requested information is unavailable in the exact format requested in the question, or is not available for the entire range (e.g. a span of time, such as years, or other periods and classifications) requested in a series, please provide all available information that is responsive to the subject matter of the question.

5. These requests shall be considered continuing and shall be supplemented and updated as provided for in V.R.C.P. 26(e). WEC must supplement, update, correct, and change its answers to be consistent with all relevant information as it becomes available to WEC. For example, actual data must be substituted for estimated data. Responses to requests for information regarding a period of time not entirely in the past (or for which complete actual data is yet to be available) should include all actual data available when requested and be supplemented with the remaining actual data as it becomes obtainable.

6. Whenever and wherever responses include estimated information please include an explanation, or reference to a previous explanation, of the methodology and calculations used to derive the estimates.

7. Some of the Department's requests may reference a particular portion of WEC's filing. Notwithstanding the specific citation, all such requests should be understood to seek all available information that is responsive to the question.

DEFINITIONS

8. "Identify," when used in reference to natural person(s) or legal entities shall be interpreted to request the full name and current business address of said person(s) or entities.

9. "WEC," as used herein, shall refer to Washington Electric Cooperative, Inc.

10. "Document," as used herein, shall be construed as broadly as possible to encompass any and all means and media by which information can be recorded, transmitted, stored, retrieved, or memorialized in any form. "Document" shall also include all drafts, copies, or versions which differ in any respect from the original. All spreadsheets submitted must have all formulae accessible and intact.

11. "Petition" shall mean Washington Electric Cooperative, Inc.'s Petition and associated attachments, including prefiled testimony and exhibits, filed in the above-captioned case with the Vermont Public Utility Commission, unless context indicates otherwise.

12. "FY" shall mean Fiscal Year.

13. With respect to each document produced by WEC, please identify the person who prepared the document and the date on which it was prepared.

14. If any interrogatory or request necessitates a response that WEC believes is totally or partially privileged, please state the complete legal and factual basis for the claim of privilege as described in V.R.C.P. 26(b)(6) and respond to all parts of the interrogatory or request of which no claim of privilege is asserted.

15. If any interrogatory or request is objected to in whole or in part, please describe the complete legal and factual basis for the objection and respond to all parts of the interrogatory or request to the extent to which it is not objected. If an objection is made regarding any requested document(s), please identify the document by author, title, date, recipient(s), and generally describe the nature and subject matter of the document(s) in addition to providing the complete legal and factual basis for the objection.

16. To expedite the discovery process and the resolution of this case, if WEC wishes clarification on any of these information requests it should contact the Department as soon as possible and before the deadline for response indicated above.

17. The Department reserves the right to submit additional information requests to WEC.

FIRST SET OF INFORMATION REQUESTS
SERVED UPON WASHINGTON ELECTRIC COOPERATIVE, INC.
BY THE VERMONT DEPARTMENT OF PUBLIC SERVICE

General Financial Information Requests

Q.PSD.WEC.1-1. Please provide all testimony, exhibits, and analyses provided with prefiled testimony and in response to discovery in native format with formulae intact.

Q.PSD.WEC.1-2. Please provide WEC's audited financial statements for the most recent year available.

Q.PSD.WEC.1-3. Please refer to the Direct Prefiled Testimony of Mr. Porter, Page 2, lines 19 and 20. Please provide documentation supporting the USDA's Rural Utilities Service's requirement that WEC meet a TIER calculation of 1.25 or above in the two best of every three years.

Q.PSD.WEC.1-4. Please refer to the Direct Prefiled Testimony of Mr. Porter, Pages 2 and 3. With respect to WEC's proposed target Times Interest Earned Ratio ("TIER"), was consideration given to something other than 2.0?

- a. If so, please provide those amounts and the associated modeling on how each scenario impacts rates in an Excel format.
- b. If not, why not?

Q.PSD.WEC.1-5. Please refer to the Direct Prefiled Testimony of Mr. Porter, Page 3, lines 14 through 17. Please provide projected cash flow modeling for the rate year, assuming the Commission approves rates as requested, in an Excel format.

Distribution Maintenance

Q.PSD.WEC.1-6. Please refer to Exhibit WEC-1, Schedule 4 indicating an adjusted Rate Year balance of \$1,096,097 for account number 593.03. Please provide a calculation in Excel format showing the average balance for that same account over the past five years.

Depreciation Expense

Q.PSD.WEC.1-7. Please provide asset depreciation schedules covering all categories for the Test Year, in Excel format.

Property Taxes

Q.PSD.WEC.1-8. Please provide a copy of the 2022 property tax bill for the Town of Coventry.

Labor Costs

Q.PSD.WEC.1-9. Please provide copies of the union contract indicating the 2.95% wage increase and documentation confirming approval of the non-union wage increase.

Q.PSD.WEC.1-10. Please provide contracts or other documentation indicating the increases in medical plan costs.

Q.PSD.WEC.1-11. On page 2 of the Direct Prefiled Testimony of Teia Greenslit, Ms. Greenslit states the following: "There is a significant adjustment in labor and benefit costs in the rate year due to an unusual decrease in payroll and benefit costs in the test year because of a larger than normal amount of employee turnover. New employees are not eligible to receive 401K and retirement benefits during the test year as there is a one year waiting period. These employees either have or will begin receiving these benefits at the start of our rate year therefore adding a significant increase to our rate year labor and benefit costs." Please provide turnover details and calculations behind the adjustment. When did the turnovers happen, i.e. vacancies versus new hirings?

Q.PSD.WEC.1-12. On page 3 of the Direct Prefiled Testimony of Teia Greenslit, Ms. Greenslit states the following: "WEC had two key positions become vacant between the end of the test year and the filing of this rate case. After the departure of WEC's Director of Finance and Administration in late August of 2022, I moved into the Director's role, leaving the assistant job vacant. In addition, WEC's Safety and Environmental Specialist retired Sept 2, 2022. Both roles are essential to WEC's operation, and both are expected to be refilled before the rate year begins in November. Therefore, both positions are included in the labor expenses for the rate year."

- a. Are these salaries not already included in the Test Year, as the vacancies occurred after Test Year of July 1, 2021 through June 30, 2022?
- b. If not, please explain why.

Q.PSD.WEC.1-13. On Schedule 6C Exhibit WEC-1, please provide a breakdown of the Base Salary and Step Rate Adj of \$330,424.

Interest

Q.PSD.WEC.1-14. Schedule 9 in Exhibit WEC-1 includes an increase of \$21,686 of long-term interest on anticipated draws in the rate year against the current Construction Work Plan. Please provide supporting documentation or detail to verify the reasonableness of the "anticipated" draw occurring.

Q.PSD.WEC.1-15. Please provide the amortization schedule to support the interest expenses for the rate year.

Administrative and General

Q.PSD.WEC.1-16. On page 5 of the Testimony of Louis Porter, Mr. Porter states that "WEC must complete its next Integrated Resource Plan ("IRP") in 2023. The 2020 IRP necessitated hiring an outside consulting firm at the cost of \$60,000." Please provide the invoice for the cost of last IRP and cost estimates for the anticipated additional \$10k for load forecasting.

Power Supply

Q.PSD.WEC.1.18. Regarding the adjustment of -\$235,114 in the rate year revenue expected from net metering systems coming online in Tab S16 - Net Metering of Exhibit WEC-1:

- a. Tab S16 Net Metering of Exhibit WEC-1 shows 1,195,861kWh "NM Load Adjustment w/Losses" difference between test year and rate year. Tab S2 - Power Supply shows no difference in Settlement Load between test year and rate year. Please explain why Settlement Load is unaffected by Net metering Load adjustments.
- b. Tab S16 - Net Metering of Exhibit WEC-1 estimates a net reduction in revenue of \$235,114. Net metering also avoids the purchase of energy and capacity and Tier I RECs. If not answered in subpart (a) of this question, please explain where the adjustment is made for these avoided purchases.
- c. Please provide a summary of all pending Net Metering applications (those that have been submitted but for which a net metering system is not installed).

Q.PSD.WEC.1.19. Please provide the 2022 Calendar Year Tier 3 filing that creates an adjustment from the test year to Rate Year of \$32,380 in S5 of Exhibit WEC-1 and explain the basis for the recommended adjustment.

Q.PSD.WEC.1.20. Regarding Coventry landfill:

- a. Please describe in more detail the "construction and other changes to the landfill" (testimony of Mr. Enterline, page 5), including (i) how construction and other changes affected production in the test year including what caused reductions in generation, and (ii) the expectations regarding the persistence of those impacts.
- b. Page 6 of Mr. Enterline's testimony refers to the contract price for the Coventry Landfill through the end of 2022, which then is applied to the entire test year. Is the contract price known for 2023? Please provide all details associated with your answer, including the contract itself.

Q.PSD.WEC.1.21. Regarding Short-term Coverage, Mr. Enterline notes in his testimony that "no adjustments have been made..." (page 8). Please confirm that by this statement, it is meant that no short-term coverage transactions were assumed for the Rate Year, while the Test Year

had short-term coverages, and that the effect of this is an actual adjustment to power supply between the Test Year and Rate Year of (\$94,434), as shown in column T of Exhibit WEC-SPE-1.

Q.PSD.WEC.1.22. Regarding Wrightsville Hydro as discussed on pages 8 and 9 of Mr. Enterline's testimony, and the estimate of a 1,446 MWh increase in production relative to the Test Year: Do the adjustments to revenue account for this additional generation being a Behind-the-Meter resource, where losses and capacity market values (including a reserve margin) are included in the value?

Q.PSD.WEC.1.23. On page 9 of Mr. Enterline's testimony, it is noted that the adjustment to energy market prices is calculated using the average forward settlement prices during the month of August, 2022. In answering the following, please provide any analyses in native format.

- a. How did the settlement prices during August 2022 compare to the forward settlement prices throughout 2022?
- b. Were August forward prices higher or lower than those in other months?
- c. What would be the impact to WEC's power supply costs if more current forward settlement prices (for example, for a settlement in December) were used?
- d. Please provide forward on- and off-peak settlement prices for the first trading day of the last six months.
- e. What were the actual market prices for November, 2022?
- f. How do those actual market prices for November of 2022 compare to the prices assumed in the Test Year?
- g. What is the impact on additional revenue necessary if actual energy market prices were utilized in the Test Year?

Q.PSD.WEC.1.24. Are the capacity costs associated with ISO-NE's cost-of-service contract with the Mystic generating facility included in WEC's analysis?

- a. If not, please explain why.
- b. If so, please explain where these costs are included, and provide any analyses that support estimates of the cost.
- c. What does WEC estimate the cost of Mystic to be?

Q.PSD.WEC.1.25. On pages 10 and 11 of his testimony, Mr. Enterline references GT Environmental broker sheets that the basis of REC Valuation of \$35.63/MWh for the RECs that

have not already been sold for the Test Year, and \$10/MWh for Tier I RECs. Please provide the broker sheets upon which WEC relied.

Q.PSD.WEC.1.26. Please confirm that Exhibit WEC-SPE-1, columns B and C, line 20, refers to WEC's load obligation in the capacity market.

- a. If not confirmed, please explain to what these cells refer.
- b. If it is confirmed, what caused the reduction in load obligation?
- c. Is that reduction in load obligation expected to carry forward to monthly peaks, affecting transmission costs?
- d. If the answer to subpart (c) of this question is yes, please explain whether estimated Rate Year transmission costs reflect reduced coincident peak.
- e. If the answer to subpart (c) of this question is no, why not?

Dated at Montpelier, Vermont this 6th day of December, 2022.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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