

**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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WEC RESPONSES TO PSD'S FIRST SET OF INFORMATION REQUESTS

Washington Electric Cooperative, Inc. responds to the Department of Public Service's

First Set of Discovery Requests as follows:

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.

A.PSD.WEC.1-2

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-2_WEC 2021 audited FS.

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.

A.PSD.WEC.1-3

Louis Porter, WEC General Manager

Please see 7 C.F.R. § 5.4, attached as Exhibit Q.PSD.WEC 1-3 1. Each loan agreement between WEC and lender USDA Rural Utilities Service includes provisions specifying that the borrower shall design and implement rates that allow it to cover fixed and variable expenses, to maintain working capital and to maintain its coverage ratios. See p. 9 of the example loan contract between WEC and RUS attached as Exhibit Q.PSD.WEC.1-3 2. The coverage ratios achieved by the borrower in the 2 best years out of the 3 most recent must be not less than those required, including a TIER of 1.25.

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?

A.PSD.WEC.1-4

Louis Porter, WEC General Manager

WEC considered, but did not fully model, the possibility of targeting lower TIER ratios. Given the necessity of meeting the TIER of 1.25 in two of the three most recent years and the potential for WEC to fail to achieve that coverage ratio in 2022, it is more important than ever that WEC achieve the coverage ratio in the rate year. In addition, the possibility of a variety of factors beyond WEC's control driving up costs, such as higher than average major storm expenses, increases in the price of power in an unusually volatile market, and others, it did not seem prudent to target a lower TIER amount.

In past rate filings, WEC has consistently targeted and been approved for a TIER of close to or above 2.0. The most recent rate cases for WEC targeted a TIER of 2.18 and 2.05 respectively. The prior two targeted a TIER of 1.9 and 1.8.

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.

A.PSD.WEC.1-5

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-5 – Projected Cash Flow.

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.

A.PSD.WEC.1-6

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-6 5 Year AVG Balance Acct #593.03.

Depreciation Expense

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

A.PSD.WEC.1-7

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-7 – Test Year Depreciation Schedules

Property Taxes

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

A.PSD.WEC.1-8

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-8 Coventry Property Tax Bill.

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.

A.PSD.WEC.1-9

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-9 – IBEW Contract.

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

A.PSD.WEC.1-10

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-10. 2023 Increase to 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?

A.PSD.WEC.1-11

Teia Greenslit, WEC Director of Finance and Administration

Either just prior to or during our test year, WEC had 12 employees leave our employment. WEC eliminated one of these positions and hired two additional employees, one for our Member Services and one for our Operations Departments, resulting in a net increase of one position. These two new hires began in November 2021 and May 2022. Of the 13 new employees, two were immediately eligible to participate in our 401K and retirement benefits, 11 of the remaining new hires, ten are eligible to begin participation in our 401K and retirement benefits in the rate year. Below is a table of when the positions became vacant and when they were replaced or added. Each position shows the additional benefit dollars WEC will incur in the rate year that were not included in the test year.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Position	Departed	Replaced	When Replacement Retirement Eligible	Add'l Ben dollars Not in test year	
Lineman	21-Apr	7/22 & 9/22	23-Sep	N/A	
Lineman	21-Oct	21-Nov	22-Nov	20210.58	
Lineman	21-Aug	21-Nov	22-Nov	12315.77	
Construction Mgr	21-Jun	N/A	N/A	Eliminated	
Lineman	21-Jul	21-Nov	22-Nov	12315.77	
Lineman	21-Apr	21-Jun	Immediately	N/A	
Mechanic	21-May	21-Jun	22-Jun	13955.76	
Dir of Finance	21-Jul	21-Aug	Rep 8/22 w/ internal EE	N/A	
General Manager	21-Nov	21-Nov	22-Nov	37765.75	
Lineman	21-Dec	21-Dec	22-Dec	18754.84	
Dir of Engineering	21-Jan	21-Jun	22-Jun	36359.67	
Admin Asst	21-Apr	21-Jun	22-Jun	12649.71	
Additional Hires added positions Rate Year					
Oper Assistant		May-22	23-May	6834.06	Added
Mbr Service Rep		21-Nov	22-Nov	11641.48	Added

The detail of the added benefit costs is also shown in the salary file provided in Question Q.PSD.WEC.1-13.

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.

A.PSD.WEC.1-12

Teia Greenslit, WEC Director of Finance and Administration

(a) Yes, both salaries are included in both the test year and rate year. We only made note of the vacancies in our testimony to be transparent that WEC had these recent vacancies occur at filing and that our intent was to retain and fill the positions. WEC has now since filled both vacancies.

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.

A.PSD.WEC.1-13

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-13 Salary File.

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.

A.PSD.WEC.1-14

Teia Greenslit, WEC Director of Finance and Administration

WEC has a four-year construction work plan that is financed through RUS Guaranteed Federal Financing Bank (FFB). WEC makes annual drawdowns on the approved note to reimburse us for completed construction projects within the construction work plan. The anticipated LT interest expense on the drawdowns in the rate case are estimated on the reported interest rates downloaded from the USDA website on 9/13/2022.

Please see attached Exhibit Q.PSD.WEC.1-14 – CWP note granted and estimated interest as well as Exhibit PSD.WEC.1-14 Est Mar 1 Loan Amortization and Exhibit PSD.WEC.1-14 Est June 1 Loan Amortization schedules.

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

A.PSD.WEC.1-15

Teia Greenslit, WEC Director of Finance and Administration

Please see attached Exhibit Q.PSD.WEC.1-15_Summary of 2022 Interest for an itemized list of each loan with their anticipated interest expense for the rate year. The amortization schedules for each loan are on the following exhibits, also attached:

Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-011
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-012
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-013
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-014
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-015
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-016
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-017
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-018
Exhibit Q.PSD.WEC.1-15_CFC Loan 9032-019
Exhibit Q.PSD.WEC.1-15_WEC NCREBS 2016 Loan
Exhibit Q.PSD.WEC.1-15_Coventry Note 1A330
Exhibit Q.PSD.WEC.1-15_9033001 Amortization Sched
Exhibit Q.PSD.WEC.1-15_C26-01 Amortization Schedule
Exhibit Q.PSD.WEC.1-15_C26-02 Amortization Schedule
Exhibit Q.PSD.WEC.1-15_C26-03 Amortization Sched
Exhibit Q.PSD.WEC.1-15_C9025 Amortization Schedule
Exhibit Q.PSD.WEC.1-15_CFC CREBS 9029-002 Amort Sched
Exhibit Q.PSD.WEC.1-15_WEC FFB 2-1
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-1
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-2
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-3
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-4
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-5
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-6 Coventry
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-6 CWP
Exhibit Q.PSD.WEC.1-15_WEC FFB 3-7
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-1
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-2
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-3
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-4
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-5
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-6
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-7
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-8
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-9
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-10
Exhibit Q.PSD.WEC.1-15_WEC FFB 4-11
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-1
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-2
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-3

Exhibit Q.PSD.WEC.1-15_WEC FFB 5-4
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-6
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-7
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-8
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-9
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-10
Exhibit Q.PSD.WEC.1-15_WEC FFB 5-11
Exhibit Q.PSD.WEC.1-15_WEC FFB 6-1
Exhibit Q.PSD.WEC.1-15_WEC FFB 6-2
Exhibit Q.PSD.WEC.1-15_WEC FFB 6-3
Exhibit Q.PSD.WEC.1-15_WEC FFB 6-4
Exhibit Q.PSD.WEC.1-15_WEC FFB 6-5

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.

A.PSD.WEC.1-16

Louis Porter, WEC General Manager

WEC paid consultant, Energy Futures Group, \$59,492.75 for its services preparing the 2020 Integrated Resource Plan. Please see invoices, attached as Exhibit Q.PSD.WEC.1-16. That does not include legal and engineering services that were of lesser amounts.

It is anticipated that the 2023 IRP will require at least as much in consulting services as the 2020 IRP. In addition, the 2020 IRP relied on a prior load forecast. WEC needs to obtain an up-to-date load forecast for 2023. Vermont Public Power Supply Authority, a WEC consultant, has estimated that completion of an updated load forecast will cost \$10,000 in addition to the other costs of completing the rest of the IRP.

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).

A.PSD.WEC.1.18.

Shawn Enterline, VPPSA, WEC Consultant
Louis Porter, WEC General Manager

- a. Loads are held constant for the purpose of rate filings.
- b. No adjustment was made. Please refer to Exhibit Q.PSD.WEC.1-18 1 for a calculation of the avoided cost of energy and Tier I RECs (\$187,104) related to net metering, and note that capacity avoided costs were not included. The coincidence of solar generation with the annual peak hour (1800) is de minimis.
- c. As of Dec 19, 2022, WEC has 85 pending registrations totaling 852 kw AC. Please see Exhibit Q.PSD.WEC.1-18 2.

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.

A.PSD.WEC.1.19.

Louis Porter, WEC General Manager

The difficulty with estimating TIER III expenses is that various factors influence how many members seek particular incentives in a given year. WEC has a limited ability to influence that, but must fulfill requests from those members who seek reimbursement for those incentives.

The test year crossed two calendar years with two different mwh obligations under Tier 3 for each, 3,709 mwh in 2021 and 4,183 in 2022 and WEC had an actual spending in the test year of \$183,315, not including administrative costs.

The rate year consists of two months of 2022, with an obligation of 4,183 mwh and 10 months of 2023, with an obligation of 4,735 mwh. Averaging those and accounting for the percentage of each year in the rate year, yields an obligation of 4,643 mwh.

If the cost to achieve those reductions were the same in the rate year as in the test year, it would cost WEC \$215,695, an increase of \$32,380.

WEC is likely to spend significantly more than \$215,695 to achieve its rate year obligations under Tier 3, as the estimate included in our rate filing did not include an adjustment based on inflation but assumed that savings would cost the same in the rate year as in the test year per MWH which is unlikely to be the case.

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.

A.PSD.WEC.1.20

Louis Porter, WEC General Manager
Shawn Enterline, VPPSA, WEC Consultant

- a. During 2021, landfill operator Casella removed the cap from portions of Phase IV of the landfill to allow filling of the edges and slopes of the existing landfill cells and in preparation for the construction of Phase VI. This was not only a major undertaking but this type of work had never been done on the landfill before. This had several impacts on gas production and quality, including allowing oxygen infiltration, reducing gas production and reducing gas quality that could not have been reasonably anticipated to continue for this length of time. While those impacts were expected by WEC in the short term, however, what was not anticipated by WEC was the duration of the impact on gas and electricity production. Originally, it was expected that gas production was return in January, February or March, 2022 after the cap was replaced towards the end of 2021. However, reductions in gas production and quality continued for many months after that point, despite Casella’s diligent efforts to repair, replace and add to gas

capture wells and other infrastructure. Again, this could not have been reasonably anticipated.

Not only the total volume of gas produced matters, but also the quality of that gas (methane content) and oxygen amount. Higher levels of other gases in the feed into the generating station can cause the plant operator (Archaea Energy) to need to reduce engine kw output and therefore production of electricity to avoid damage to engines and delays for repairs which would further reduce production. In addition, non-methane components in the gas supply can cause engine damage and the need for additional maintenance, even at lower production levels, which reduces production further. Again, this could not have reasonably been anticipated.

What is also unknown at this point is what portion of the reduction in gas supply may be caused by the Vermont ban on household food waste, which went into effect in 2020. It is difficult to phase out the effect that increased composting of household food waste might mean for methane production, given the variability in other factors such as weather and what other materials are going into the landfill. What is clear is that whatever that effect will be on gas production will be long-term and perhaps grow as Vermonters become accustomed to those requirements and adapt to them.

On the other hand, Phase VI is expected to gradually begin producing significant amounts of methane. WEC should have access to the gas produced from the new cell of the landfill up to the amount needed to run its engines for the duration of the current contract. So far, however, despite some improvement in gas production, Coventry has not returned to pre-2021 levels of electricity generation.

Because the Coventry LFGTE Plant provides approximately 68% of WEC's baseload power, this has had and continues to have an unexpected impact on our bottom line for 2022.

In short, it is unknown if or when landfill gas quantity and quality will allow electricity production to return to pre-2021 levels.

The following is known:

- Electricity production was and continues to be subject to an unusual occurrence that could not have been reasonably predicted, namely the work on the cap and the resulting impact on electricity production. See Exhibit WEC-SPE-2 Coventry Generation History (Attached to Shawn Enterline's Testimony).
- The long-term average of electricity production is not a reasonable measure of electricity production for the rate year. Id. It is not an

accurate measure. Electricity production will be lower than the long-term average. (Lower electric production two months into the November 1, 2022-October 31, 2023 rate year further demonstrate that the long-term average would not be a reasonable measure.)

- b. The contract price for 2023 is not yet final but is expected to be substantially unchanged from the 2022 contract price. A copy of the contract appears in Exhibit Q.PSD.WEC.1.20 1 and Exhibit Q.PSD.WEC.1.20 2.

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.

A.PSD.WEC.1.21.

Shawn Enterline, VPPSA, WEC Consultant

Confirmed.

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?

A.PSD.WEC.1.22

Shawn Enterline, VPPSA, WEC Consultant

No. Losses and capacity market values were not included in the value. Wrightsville is a run-of-river resource that rarely generates at the annual coincident peak with ISO-NE.

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 [forward] 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 [ISO] 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?

A.PSD.WEC.1.23.

Shawn Enterline, VPPSA, WEC Consultant

- a. Please refer to Exhibit Q.PSD.WEC.1-23 1. That Exhibit shows the beginning-of-the-month forward prices from July 2022 to December 2022. This period was chosen to align with the data request in part d of this request. These prices average \$118/MWH around-the-clock (ATC). The prices in Exhibit WEC-SPE-7 (the August 2022 data) averaged \$130/MWH ATC. Please note the bracketed word, above, clarifying this request.
- b. August forward prices were generally higher than those in other months.
- c. Forward prices have been volatile throughout 2022, up to and including December 2022. As a result, it is difficult to assess the impact of more current prices. Assuming the same supply and demand assumptions in WEC-SPE-1, higher forward prices would increase WEC's power supply costs and lower forward prices would decrease them.
- d. Please refer to Exhibit PSD.WEC.1-23 2 which shows the beginning-of-the-month forward prices from July 2022 to December 2022.
- e. According to ISO-NE (<https://www.iso-ne.com/isoexpress/web/reports/pricing/-/tree/monthly-lmp-indices>), actual market prices at the Vermont Zone for November 2022 averaged \$61.19/MWH in the day-ahead market and \$66.84 in the real-time market. Please note the bracketed word, above, clarifying this request.
- f. The forward price for November 2022 that was assumed in the Test Year is higher than the ISO settlement price for the same month.

- g. Given the supply and demand assumptions in Exhibit WEC-SPE-1, higher energy market prices would increase WEC's revenue requirement. Similarly, lower energy market prices would decrease WEC's revenue requirement. Please note, however, that WEC's power supply costs are influenced by forward prices in the Rate Year, not actual prices in a prior period (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?

A.PSD.WEC.1.24

Shawn Enterline, VPPSA, WEC Consultant

No.

- a. The contract between ISO-NE and Mystic is confidential.
- b. No costs related to Mystic are included in WEC's cost of service.
- c. WEC has no estimates of how much Mystic will cost. ISO-NE has provided a scenario analysis on the topic, which indicates that the costs may fluctuate by a factor of ten. <https://www.iso-ne.com/static-assets/documents/2022/11/mystic-cost-of-service-agreement-scenario-analysis-11102022.pdf>

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.

A.PSD.WEC.1.25.

Shawn Enterline, VPPSA, WEC Consultant

Please see Exhibit Q.PSD.WEC-1-25, which shows the broker sheet from TJM. The broker sheet identified on pages 10 and 11 was incorrectly attributed to GT Environmental.

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?

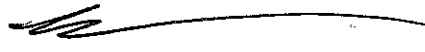
A.PSD.WEC.1.26.

Shawn Enterline, VPPSA, WEC Consultant

The cells in question refer to WEC's annual coincident peak load with ISO-NE, which is not the same as the capacity obligation in the capacity market. Please refer to Exhibit WEC-SPE-8 for a full accounting of how peak loads are converted into a capacity obligation. WEC serves a predominantly residential customer base, and it is not known what caused the reduction in loads. Similarly, it is not known if such a cause would "carry forward" to monthly peaks.

The following signature and affirmation apply to the truth of the narrative responses and the authenticity of documents and data provided by Louis Porter:


Dated at 12/30/22, Vermont this 30th day of December, 2022



Louis Porter

STATE OF VERMONT
Washington County, S.S.

Subscribed and affirmed before me this 30th day of December, 2022, by Louis Porter, as his free act and deed.



Notary Public
Commission expires: 1.31.2023

The following signature and affirmation apply to the truth of the narrative responses and the authenticity of documents and data provided by Teia Greenslit:

Dated at E. Montpelier, Vermont this 30th day of December, 2022

Teia Greenslit
Teia Greenslit

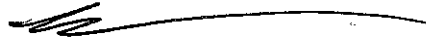
STATE OF VERMONT
Washington County, S.S.

Subscribed and affirmed before me this 30th day of December, 2022, by Teia Greenslit, as her free act and deed.

Virginia Burr
Notary Public
Commission expires: 1-31-2023

The following signature and affirmation apply to the truth of the narrative responses and the authenticity of documents and data provided by Louis Porter:

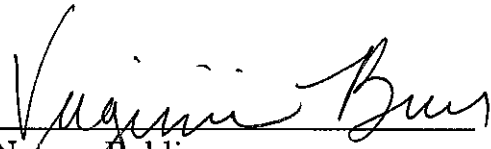
Dated at 12/30/22, Vermont this 30th day of December, 2022



Louis Porter

STATE OF VERMONT
Washington County, S.S.

Subscribed and affirmed before me this 30th day of December, 2022, by Louis Porter, as his free act and deed.



Notary Public
Commission expires: 1.31.2023

The following signature and affirmation apply to the truth of the narrative responses and the authenticity of documents and data provided by Teia Greenslit:

Dated at E. Montpelier, Vermont this 30th day of December, 2022

Teia Greenslit
Teia Greenslit

STATE OF VERMONT
Washington County, S.S.

Subscribed and affirmed before me this 30th day of December, 2022, by Teia Greenslit, as her free act and deed.

Virginia Burr
Notary Public
Commission expires: 1-31-2023