

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 24-0969-TF

Tariff filing of Woodstock Aqueduct Company for a change in rates, pursuant to 30 V.S.A. § 225, effective on service rendered on or after May 16, 2024	
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THE VERMONT DEPARTMENT OF PUBLIC SERVICE’S RECOMMENDATION

On April 2, 2024, Woodstock Aqueduct Company (“WAC”) filed a petition and revised tariffs with the Vermont Public Utility Commission (the “Commission”). Pursuant to 30 V.S.A. § 225, WAC requests approval from the Commission for changes to its general rates that WAC argues are primarily driven by operational challenges, including (i) emergency and long-term repairs to the water system due to severe flooding that occurred in 2023, (ii) significant system upgrades necessary for the water system’s compliance with the Vermont Department of Environmental Conservation’s Vermont Water Supply Rule, and (iii) WAC’s management and ownership transition to either municipal ownership by the Town of Woodstock or other professional management company. WAC’s most recent rate adjustment was effective July 1, 2015 as approved in Case No. 8462, resulting in a 20.249% overall increase to WAC’s revenue.

WAC’s current petition requests certain changes to WAC’s general rates, including an increase to the Base Charge from \$240 to \$503.56, the Variable Charge from \$0.03 to \$0.0656 (per/cb/ft), and the Hydrant Charge from \$360 to \$3,804.92 for bills rendered after May 16, 2024. WAC projects a cost of service of \$936,253.86 in the rate year against annual revenue in the 2023 test year of \$446,225.05, representing an overall requested increase of 109.82% in WAC’s revenue.

The Commission and the Vermont Department of Public Service (the “Department”) have received three comments from members of the public and one comment from the Town of

Woodstock Selectboard (the “Selectboard”) since WAC’s filing was submitted. The comments generally express concern with the significant resulting rate increase and WAC’s historic investment in its system infrastructure. The Selectboard further states that the Town of Woodstock is actively seeking to acquire the water system and requests that the Commission suspend the effective date of WAC’s requested rate increase.

The Department has conducted a preliminary review of WAC’s proposed rate change request. WAC is proposing a significant rate increase attributable to potentially complex operational and management issues, indicating that a thorough review of costs is warranted in this case. In reviewing WAC’s proposed cost of service, the Department has also identified a need for additional information and anticipates that further discussions with WAC and a formal discovery process are necessary to ensure that WAC’s expenses are appropriately reflected. Due to the magnitude of the rate increase, the length of time since WAC’s last tariff investigation, and the complexity of the issues driving the rate increase, the Department concludes that an investigation is necessary to comprehensively review WAC’s proposed rate changes and the drivers behind its request.

Based on the above, the Department respectfully recommends that the Commission issue an order to suspend WAC's effective rate change and initiate an investigation, pursuant to 30 V.S.A. § 226, and also set a date for a scheduling conference.

[SIGNATURE ON NEXT PAGE]

DATED at Montpelier, Vermont this 2nd day of May 2024.

Respectfully Submitted,

VERMONT DEPARTMENT OF PUBLIC SERVICE

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cc: ePUC Service List