

**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 for service rendered on or after May 16, 2024	
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**WOODSTOCK AQUEDUCT COMPANY’S FIRST SET OF INTERROGATORIES AND  
REQUESTS TO PRODUCE TO THE DEPARTMENT OF PUBLIC SERVICE**

Pursuant to Public Utility Commission (the “Commission” or “PUC”) Rules 2.214 and 2.230, including Rule 2.230(M), (N) and (O), Woodstock Aqueduct Company (“WAC”) serves the following interrogatories and requests for production of documents on the Department of Public Service (“DPS”) to be answered separately and fully under oath by delivering its answers and all requested documents and materials to counsel for WAC.

**INSTRUCTIONS**

1. Reproduce the request being responded to before the response. WAC requests that the Department provide both hard and electronic copies of discovery responses and serve responses to document requests electronically, in lieu of hard copies, when response materials are voluminous. All spreadsheets and computer data should also be provided electronically in a data-searchable format.

2. The response to each request should be made under oath by a person competent to testify concerning the response and all documents and exhibits produced as part of the response. With respect to each request, please state (1) the name(s) and title(s) of the person or persons responsible for preparing the response; (2) the administrative unit which maintains the records being produced or maintains the data from which the answer was prepared; and (3) the date on which each question was answered.

3. Where information requested is not available in the precise form described in the question or is not available for all years (or other periods or classifications) indicated in a series of years (or other periods or classifications), please provide all information with respect to the subject matter of the question that can be identified in your work papers and files or that is otherwise available.

4. These requests shall be deemed continuing to the full extent permitted by law. You are directed to change, supplement, and correct your answers to conform to all information as it becomes available to you, including the substitution of actual data for estimated data. Responses to requests for information covering a period not entirely in the past (or for which complete actual data are not yet available) should include all actual data available at that time and supplementary data as it becomes available.

5. Wherever responses include estimated information, include an explanation (or reference to a previous explanation) of the methods and calculations used to derive the estimates.

6. Some of WAC's requests may make particular reference to a portion of a filing in this matter. Notwithstanding this specific direction, these items should be understood to seek discovery of all information available to you that is responsive to the questions stated.

7. Documents produced pursuant to these requests shall be organized and labeled in correspondence with the paragraph number to which they are alleged to respond. With respect to each document produced by DPS, identify the person who prepared the document and the date on which the document was prepared.

8. If in response to any request for information, the responding party asserts attorney-client privilege, attorney work product, or any other privilege, please provide in addition to the basis of the privilege the date of the allegedly privileged communication(s), the identity of all persons who were party to the allegedly privileged communication(s) or who received copies of such communication(s), and the subject matter of the allegedly privileged communication.

9. 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 it is not objected to. If an objection is interposed as to any requested documents, please identify the document by author, title, date and recipient(s), and generally describe the nature and subject matter of the document as well as the complete legal and factual basis for the objection. If any information is withheld on the grounds of privilege, immunity or qualified immunity, trade secrets, including without limitation the work product doctrine or attorney client privilege, the following information shall be provided in a privilege log: (a) the basis upon which the privilege or protection is claimed; (b) the identity of the person who is the source of the information; (c) the identity of the person to whom the information has been communicated; (d) whether the information, or any part thereof, is based upon or evidenced by or is contained in any document and the identity of all such documents; and (e) the subject matter of the information and interrogatory to which it responds, sufficient for its identification.

## DEFINITIONS

1. "Identify," when used in connection with natural person(s) or legal entities, shall mean the full name and current business address of the person or entity. "Identify all relevant documents" requires you to:
  - a. state whether there is or was any document(s) which bears upon, discusses, or pertains to the facts or issues to which the interrogatory and the question is addressed;
  - b. set forth in detail: (i) a description of the nature (i.e., letter, memorandum, etc.) and the exact contents of each such document(s); (ii) the name and address of the author(s), signer(s), recipient(s), and addressee(s) of each said document; (iii) where each said document is located; (iv) the date of each said document; (v) the name and address of the person(s) or other entity having custody, control or possession of each said document; and (vi) if a document, or copy thereof, is no longer in existence or is no longer in your custody, control, or possession, the name and address of the person(s) or other entity last having custody and/or possession of said document to the best of your knowledge and the reason for it no longer existing or being under your custody, control or possession.
2. "Identify and set forth the contents of all oral communications" requires you to:
  - a. state whether there were any oral communication(s) bearing upon, discussing, or pertaining to facts or issues to which the interrogatory and question is addressed;
  - b. set forth in detail: (i) the contents of each said oral communication; (ii) where and when each said oral communication occurred; (iii) the name and address of each person participating in each or any said communication; (iv) the name and address of each person present at each or any said communication; and (v) the nature, identity, and location of each and every document which bears upon, discusses or pertains to each or any said communication, and attach a copy thereof.
3. "Document," as used herein, shall be construed as broadly as possible to include any and all means and media, by which information can be recorded, transmitted, stored, retrieved or memorialized in any form, and shall also include all drafts, versions or copies which differ in any respect from the original. The term specifically includes and is not limited to written notes and communications such as reports, workpapers, handwritten notes, letters and e-mails.
4. "DPS", "You," and "Your" as used in these discovery requests, means the Department of Public Service, each witness who has submitted or intends to submit testimony on behalf of the Department of Public Service, and each of the Department of Public Service's respective agents, employees, contractors and representatives.
5. "Refer to," "relate to," and/or "concern" mean directly or indirectly, in whole or in part, constituting, regarding, involving, discussing, mentioning, containing, evidencing,

recording, substantiating, describing, summarizing, identifying, pertaining to, referring to, or having a logical or factual connection to the subject of the discovery request as specified.

6. When used in reference to the matter of an act, transaction, relationship, thing, or occurrence, “identify” or “describe” means to state a comprehensive, accurate and detailed description of such act, relationship, thing, or occurrence by reference to the underlying facts, including the particulars of date, time, place, person, manner, method, and means employed, and events involved.

7. “Person” includes any natural person or legal entity, including but not limited to any firm, association, partnership, corporation, and any form of legal entity or other group or combination acting as a unit.

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**Q.WAC.DPS.1-1.** Please refer to the Prefiled Testimony of Jireh Billings discussing (1) needed repairs to the Elm Street crossing that will require approximately \$664,000, (2) annual pipe replacement needs required by DEC that will have an annual cost of \$150,000, and (3) capital improvements needed to maintain adequate water pressure to continue operating WAC's fire hydrants, which are projected to require approximately \$4.4 million. Does the Department agree that these capital improvements need to be made to maintain safe and adequate service?

**Q.WAC.DPS.1-2.** Please refer to the Prefiled Testimony of Jireh Billings explaining that WAC does not have access to the capital needed to fund the investments referenced in Q.WAC.DPS.1-1 and cannot obtain additional debt to fund the projects with loans unless it increases rates to demonstrate to lenders that WAC will be able to pay the associated debt. How does the Department propose that WAC fund these projects without access to capital or debt?

**Q.WAC.DPS.1-3.** Please refer to the Prefiled Testimony of Sean Foley at Page 7.

- a. Please explain why WAC should only recover interest payments.
- b. How does the Department propose that WAC pay the principal on its debt?
- c. What is WAC's debt to equity ratio?
- d. Does the Department believe that WAC should maintain its current debt to equity ratio?
- e. Please identify the Return on Equity or Rate of Return that is included in rates for the capital projects that were paid for with loans listed on Page 8 of Mr. Foley's Prefiled Testimony.

**Q.WAC.DPS.1-4.** Please refer to Exhibit DPS-SF-1 (the Department's proposed cost of service) and the Prefiled Testimony of Sean Foley beginning on Page 9 (discussing depreciation). Please define what "depreciation expense" should be included in the cost of service and explain how the Department has included depreciation expense in its proposed cost of service.

**Q.WAC.DPS.1-5.** Please refer to the Prefiled Testimony of Sean Foley at Page 9, stating that, "If principal payments were used instead [of depreciation expense], rates would fluctuate based on the loan repayment schedule, leading to potential rate spikes and drops." Has the Department assessed whether the loan repayment schedules included in the cost of service are expected to fluctuate with result "spikes and drops" in WAC's rates? If so, please produce the Department assessment of this risk based on these specific loans.

**Q.WAC.DPS.1-6.** Please refer to the Prefiled Testimony of Sean Foley at Page 9 discussing how to avoid "current customers from bearing the entire burden of capital costs that will benefit future customers as well." Has the Department compared WAC's proposal to recover debt expense

with the Department's preferred approach? If so, please identify the extent to which the Department believes that current WAC customers will contribute more to capital cost than future customers.

**Q.WAC.DPS.1-7.** Please explain what capital costs current customers are bearing and at what return on equity.

**Q.WAC.DPS.1-8.** If WAC cannot obtain the capital needed to address DEC deficiencies, does the Department agree that WAC should discontinue water hydrant service on its network? If not, how does the Department recommend addressing the DEC deficiencies in the near term.

**Q.WAC.DPS.1-9.** What Rate of Return or Return on Equity does the Department believe is needed for WAC to attract sufficient capital to pursue the capital investment discussion in Mr. Billings' testimony?

**Q.WAC.DPS.1-10.** Please identify what the Department believes to be WAC's proposed weighted average cost of capital ("WACC").

**Q.WAC.DPS.1-11.** Please refer to the Prefiled Testimony of Sean Foley at Page 4 discussing the "used and useful" standard. Please identify WAC's "rate base" for purposes of this rate proceeding or identify all capital assets and their associated value for purposes of establishing WAC's rate base.

**Q.WAC.DPS.1-12.** Please explain whether the Department believes the Commission has the authority to deviate from traditional ratemaking principles in order to ensure continued, adequate, and safe service

DATED at Burlington, Vermont, on this 14<sup>th</sup> day of August, 2024.

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