

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7528

Petition of Woodstock Aqueduct Company for)
Financing Approval)

Order entered: 7/17/2009

I. INTRODUCTION

On April 20, 2009, the Woodstock Aqueduct Company ("WAC" or "the Company") filed a petition (the "Petition") with the Vermont Public Service Board ("Board") for approval pursuant to 30 V.S.A. §108 to obtain long-term financing for the purchase of a 2009 Ford F-350 Dump Truck to replace its aging 1993 Ford F-350 Dump Truck which has fallen into disrepair.¹

On June 11, 2009, WAC supplemented its filing with copies of two bids from two local Ford dealerships, Ted Green Ford, Inc. and Gateway Motors, Inc., along with a request to obtain financing from Lake Sunapee Bank (the "Bank").

On June 22, 2009, WAC filed an additional supplemental filing with the Board consisting of a commitment letter from the Bank confirming financing for the truck in the amount of \$30,805 (the "Loan").

On June 26, 2009, the DPS filed a letter with the Board informing the Board that it believes that the request for long-term debt as set forth in the Petition is consistent with the general good of the state, and recommending approval of the Petition without a hearing.

On July 9, 2009, the Deputy Clerk of the Board issued a letter informing WAC that additional information on the submitted bids was needed in order to complete the review of the Petition.

On July 14, 2009, WAC filed the additional information.

1. The Petition originally filed with the Clerk of the Board consisted of a one-page letter without supporting documentation such as prefiled testimony, attachments or exhibits. As a result, the Clerk determined that the Petition was incomplete and made a verbal request to the Department of Public Service ("DPS") to work with WAC to provide additional information to complete the filing.

I have reviewed the Petition and accompanying documents. I conclude that approval of WAC's Petition pursuant to 30 V.S.A. §108 is appropriate and that such approval may occur without hearing. Based upon the evidence of record and attachments presented in this docket, and the Department's letter of June 26, 2009, I hereby report the following findings and conclusion to the Board in accordance with 30 V.S.A. § 8.

II. FINDINGS

1. WAC is the only public water system utility serving the Town of Woodstock. Petition at 1.

2. WAC is the owner of a 1993 Ford F-350 Dump Truck utilized by the Company for the repair and general maintenance of its water system. The truck ceased operating sometime in April 2009. The Company proposes to finance the purchase of a new 2009 Ford F-350 Dump Truck to replace the older truck. Petition at 1.

3. WAC subsequently received two bids from two local dealerships, Ted Green Ford, Inc. and Gateway Motors, Inc. The Ted Green Ford bid came in at \$30,805 and the Gateway Motors bid came in at \$30,658. The Company selected the bid from Ted Green Ford in the amount of \$30,805. WAC letter dated 6/9/09 at 1; Bank commitment letter dated 6/18/09 at 1.

4. The bid from Gateway Motors was lower because the truck was on the lot; however, no assurances were made that it would still be available at the time of the Board's approval. Therefore, WAC selected the higher bid in anticipation that the new truck would have to be ordered from the manufacturer. WAC e-mail response dated 7/14/09.

5. WAC is in receipt of a commitment letter from the Bank dated June 18, 2009, approving WAC's financing request. The term of the Loan is for five years at a fixed interest rate of 7.49%. Principal and interest payments in the total amount of \$617.12 will be due monthly. WAC letter dated 6/9/09 at 1; Bank commitment letter dated 6/18/09 at 1.

III. DISCUSSION & CONCLUSION

Based upon the findings and the evidence in the record, I find that WAC's request for up to \$30,805 in long-term debt for the purpose of purchasing a new 2009 Ford F-350 Dump Truck,

as described in the Petition, will be consistent with the general good of the State. I therefore recommend that the Board approve the Petition and authorize the requested financing in the amount of \$30,805.

The parties have waived the opportunity for review of the Proposal for Decision, briefing, and oral argument, in accordance with 3 V.S.A. § 811.

Dated at Montpelier, Vermont this 16th day of July, 2009.

s/Jay E. Dudley

Jay E. Dudley

Hearing Officer

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board ("Board") of the State of Vermont that:

1. The findings, conclusion and recommendation of the Hearing Officer are adopted.
2. The Board consents to the long-term financing request of Woodstock Aqueduct Company ("WAC") in the maximum amount of \$30,805 as set forth in the findings, above.
3. This Order does not constitute approval of any particular capital or operating expenditure nor the underlying capital structure that WAC may implement with the proceeds from this long-term debt financing. Nothing in this approval shall preclude the Vermont Department of Public Service ("DPS") or any other party, or the Board, from reviewing or challenging those expenditures and/or the resulting capital structure in any future proceeding.
4. WAC shall inform the Board and the DPS of any material change in the terms and conditions of the financing, if any, prior to closing.
5. WAC shall provide notice to the Board and the DPS of the loan closing within ten days of consummating the proposed financing.

Dated at Montpelier, Vermont this 17th day of July, 2009.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: July 17, 2009

ATTEST: s/Susan M. Hudson
Clerk of the Board

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.