

July 12, 2013

By First Class Mail

Nathan B. Palmer
986 Rotax Road
North Ferrisburgh, VT 05473

Re: Docket 7970 – Petition of Vermont Gas Systems, Inc. for a CPG

Dear Mr. Palmer:

Please find enclosed for filing in the above-referenced docket Agri-Mark Inc.'s *Response to Nathan B. Palmer's Discovery Requests*.

Please let me know if you have any questions concerning the above.

Sincerely,



Geoff Hand, Esq.

DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL & HAND, PLLC

Encl.

Cc: Service List

4813-8337-9220, v. 1

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7970

Petition of Vermont Gas Systems, Inc. for a)
certificate of public good, pursuant to 30 V.S.A.)
§ 248, authorizing the construction of the)
"Addison Natural Gas Project" consisting of)
approximately 43 miles of new natural gas)
transmission pipeline in Chittenden and)
Addison Counties, approximately 5 miles of)
new distribution mainlines in Addison County,)
together with three new gate stations in)
Williston, New Haven and Middlebury,)
Vermont)

Certificate of Service

I, Jenna Conklin, certify that on July 12, 2013, I forwarded copies of Agri-Mark Inc.'s *Response to Nathan B. Palmer's Discovery Requests* to the attached service list by the method noted:

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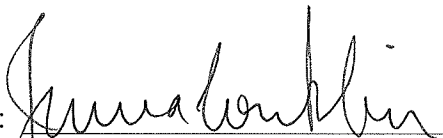
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Dated at Burlington, Vermont, July 12, 2013.

By: 
Jenna Conklin

STATE OF VERMONT
PUBLIC SERVICE BOARD

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**AGRI-MARK, INC./CABOT CREAMERY'S RESPONSE TO NATHAN B. PALMER'S
DISCOVERY REQUESTS**

Agri-Mark, Inc./Cabot Creamery ("Agri-Mark"), by and through its undersigned counsel, hereby responds to the Discovery Requests served by Nathan B. Palmer on June 20, 2013.

Non-Waiver and Reservation of Objections

Agri-Mark's responses and any objections made hereafter are made without in any way waiving or intending to waive, but on the contrary intending to reserve and reserving:

All questions as to competency, relevancy, materiality, privilege, and admissibility as evidence for any purpose and subsequent proceeding in, or the hearing of, this proceeding, of any of the documents or their subject matter;

The right to object to the use of any of the documents, or their subject matter, in any subsequent proceeding in, or the hearing of, this action, on any grounds;

The right to object on any ground, at any time, to a demand for further production or responses involving or related to the subject matter or the requests for interrogatories;

The right, at any time, to revise, correct, add to, or clarify any of the responses and objections propounded herein;

The right to interpose additional responses and objections and to move for an appropriate protective order; and

The right to object to any inference that can be drawn from any discovery requests or responses to them, that the information requested actually exists or events occurred. The failure by Agri-Mark to object to any such inference does not constitute an admission that the information exists or events occurred.

INDEX TO OBJECTIONS

Agri-Mark objects to the discovery requests, to the extent that any request seeks information or documents that fall into one or more of the following categories:

1. The request would require Agri-Mark or its witnesses to respond by divulging privileged material, confidential/proprietary material, and/or material prepared in anticipation of litigation or hearing by Agri-Mark, including its attorneys. Further, it has not been shown by the party making the request that there is a substantial need for such materials, and that they are unable, without undue hardship, to obtain the equivalent of the requested information by other means.
2. The request seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence.
3. The request, when read with its definitions and general instructions, is vague, broad, general, all inclusive and/or would require Agri-Mark to speculate as to the information being sought. The request is therefore unduly burdensome and oppressive and does not permit a proper or reasonable response.
4. The request would require Agri-Mark to conduct extensive document review, additional studies, analyses, and/or tests as part of its response.
5. The request is unreasonably cumulative or duplicative, and/or the information or documents requested are obtainable from other sources that are less burdensome or less expensive.
6. The request calls for a legal conclusion.
7. The request exceeds the scope of Agri-Mark testimony and exhibits.
8. Agri-Mark objects to the extent that the instructions and definitions given by the requesting party exceed the applicable rules of discovery.

DISCOVERY REQUESTS

1. **On page 4, line 6-9 of your testimony, you state "The Actual magnitude of future savings will, of course depend on the price spread between natural gas and the alternatives (fuel oil and propane) going forward, but we expect that spread to be significant enough in the foreseeable future to justify the switch in fuel sources. Where have you gotten your fuel price predictions or is this just a hunch? You state that you expect the savings to increase from exceeding \$1 million initially to "\$3 million per year ...over time." Is this based on predicted fuel prices alone, or are there other factors?**

Agri-Mark Response:

Agri-Mark's fuel price predictions are based on historical price information, which shows a consistent spread between the price for #6 fuel oil and natural gas, as well as the New York Merchantile Exchange futures price. The second quoted statement regarding the future predicted savings at the Middlebury facility is based on both the predicted fuel price as well as potential capital costs associated switching components of the Middlebury facility to natural gas.

- 2. Can we see figures as to how many more jobs were created in your Springfield plant once it was converted to "natural" gas?**

Agri-Mark Response:

Objections: 2, 3, 4. Without waiving or otherwise limiting these objections, Agri-Mark responds as follows:

The question misstates the testimony; Agri-Mark has not claimed that more jobs were created at the Springfield plant.

- 3. Have farmers received more for their product as a result of the savings at other plants? If profits increase at the Middlebury plant, will dairy farmers receive more money for their milk?**

Agri-Mark Response:

Objection: 2, 3, 4. Without waiving or otherwise limiting these objections, Agri-Mark responds as follows:

Agri-Mark, Inc./Cabot Creamery is owned by its farmer members, and its farmer members may receive more for their product either directly or indirectly as a result of cost savings. Any savings achieved at the Middlebury facility will increase the overall cost-competitiveness of the company's products, which may lead to increased sales of the company's products. The company, and therefore its farmer members, may see increased profit as a result of increased sales, and the company's farmer members may see an increase in the amount of milk purchased due to increased sales.

- 4. On page 6, lines 3-7, you state, "Environmental sustainability is very important to our business and its farmer-owners, as well as to the communities in which we operate and the customers who purchase our dairy products. We believe the ability to reduce costs while also reducing the air emissions footprint of the facility is a win-win for the farm family owners of our cooperative and for the communities and state of Vermont."**

There have been studies in Pennsylvania indicating that gas drilling has a direct negative impact on dairy farm operations in those areas. How do those farms fit into the win/win equation you speak of? <http://nyagainstfracking.org/an-open-letter-to-the-new-york-farm-bureau>

Agri-Mark Response:

Objection: 2, 3, 4. Without waiving or otherwise limiting these objections, Agri-Mark responds as follows:

Agri-Mark does not have any farmers or members in Pennsylvania and has no basis to comment on the statement provided above.

- 5. In your job creation analysis, have you included the truck driving job losses from less deliveries of fuel oil?**

Agri-Mark Response:

No. Agri-Mark's analysis of the financial benefit to the company does not include any calculations or assumptions regarding indirect job losses or job creation associated with either decreased fuel delivery or increased gas demand.

- 6. We have heard that you are threatening to leave Vermont if you don't receive "natural" gas service. If this happens, would you be relocating your plant to the Marcellus Shale region? (closer to the source of gas and all)**

Agri-Mark Response:

Objection: 2, 3. Without waiving or otherwise limiting these objections, Agri-Mark responds as follows:

Agri-Mark is not aware of any statements in which the company has suggested that it would leave Vermont based on whether or not natural gas service is provided in Middlebury. The company is committed to staying in the State of Vermont.

- 7. What would the economic impact be to your production facility if suddenly your water source became no longer potable?**

Agri-Mark Response:

Objection: 2, 3, 4. Without waiving or otherwise limiting these objections, Agri-Mark responds as follows:

The question is too vague and speculative for Agri-Mark to respond.

8. **Would you consider moving your plant to Dimock PA? (we have heard that area could use some economic stimulus and a plant such as yours would be a great boon for the region)**

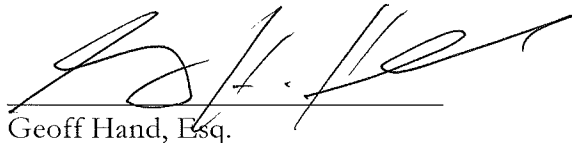
Agri-Mark Response:

Objection: 2.

Agri-Mark does not have plans to relocate its facilities to Pennsylvania. The company does not have any farmer members or facilities in Pennsylvania and is committed to staying in the State of Vermont.

Dated at Burlington, Vermont this 12th day of July, 2013.

As to Objections:



Geoff Hand, Esq.
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(802) 860-1003, x 110
ghand@dunkielsaunders.com

Dated at Burlington, Vermont this 12th day of July, 2013.

Respondent Signature

By _____
Ed Pcolar
Agri-Mark, Inc./Cabot Creamery

Subscribed and sworn before me this 12th day of July, 2013.

Notary Public
My commission expires: