Date Filed: October 15, 2026

Witness: Davis, Edward A, Murray, Garrett J, O'BRIEN, BRENDAN J
Request from: Office of Education, Outreach, and Enforcement

Question:
Refer to Exhibit CLP-REGULATORY-1, p. 25. The Company states that it will allocate the Rate Reduction Bond (RRB) charge on a per kWh basis based on billed usage. Did the Company consider or perform an analysis regarding charging customers based on total kWh instead of on a billed per kWh basis? If so, please provide that analysis, and if not please explain why. If the Company allocates the Rate Reduction Bond (RRB) charge based on a flat charge per customer bill, what would the flat rate charge per customer be?

Response:

When developing a rate to be charged volumetrically, the rate design always applies to billed kWh. The Company designed the proposed RRB charge on a per kWh (billed) basis, using the RRB costs allocated to each class and the billed kWh of each such class. This methodology is consistent with both the nature of costs to be allocated to classes (i.e., Distribution revenue associated with storm costs) and the requirement to charge customers for their allocated cost responsibility on an equal basis to all customers within a class, consistent with prior RRB rates, by applying the RRB charge on a uniform per kWh basis for all customers in a class. See also Conn. Gen. Stat. § 16-245g(c) (stating that the RRB charge collected through the CTA "shall be imposed on all customers at a rate that is applied equally to all customers of the same class in accordance with methods of allocation in effect on July 1, 1998, or a later date determined by the authority in a finance order with respect to any subsequent issuance of rate reduction bonds").

The Company has not performed an analysis or calculation of allocations on a flat charge basis. Designing the rate based on a flat charge rather than on a per kWh basis, would result in an inequitable apportionment of cost responsibility among all customers both intraclass and among all rate classes (e.g., on a class basis, residential customers would pay substantially more while non-residential would pay less, if RRB costs were allocated on a per customer-month basis).

The Company also notes that none of the 127 precedent utility securitizations in Attachment 2 of Exhibit CLP-GOLDMAN-1, including CL&P's 2001 securitization, allocated RRB charges based on a flat rate basis instead of a per kWh basis.