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Witness: Edward A. Davis, Kimberly R. Parsons and Amparo Nieto
Request from: UCONN

Question:

(Drivers of Proposed Class Rate Increases) For each of Rates 55-58, please quantify rate changes attributable to:

a. the allocated cost of service;
b. forecast billing determinants;
c. the class return or revenue allocation target;
d. any limits on increases relative to system average; and
e. the allocation between customer and distribution-demand charges.

Furthermore, please explain what alternative allocation, if any, was considered to moderate increases in distribution-demand unit prices while recovering the same class revenue target.

Response:

The Company has not performed such analyses but provides the following that provides information that can be used as a basis for evaluating these rate change drivers.

a. The allocated cost-of-service study provides summary and detailed allocations of costs associated with proposed Distribution revenue requirements along with current revenues, earned rate of return, and excesses or deficiencies relative to proposed revenue requirements, for each rate class. Please refer to Exhibit CLP-ACOS-2.

b. Forecast billing determinants are provided for each rate class in Exhibit CLP-RATES-2.4.

c. A discussion and references to relevant information that can be used for a comparative analysis is provided in Exhibit CLP-RATES-1, pages 13-15. Table 1 of Exhibit CLP-RATES-1, at page 15, provides a summary of the current vs. proposed rates of return, by class compared with the system average. Further detail along with the proposed revenue targets is provided in Exhibit CLP-RATES-2.1.

d. Please refer to subpart (c).

e. A comparison of the allocation of revenue between customer and distribution demand charges for these classes under current vs. proposed rates can be made using the data provided in Exhibit CLP-RATES-2.4.