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

Question:

(Rate Design & Tariff Structure) Refer to Exhibit CLP-RATES-1 at p. 10. The MHD-EV class is a new and separate rate class that started in 2025 and is constructed very similarly to Eversource's EV-Large rate class.

a. Please explain how Eversource constructed the distribution component of Rate EV-MHD and Rate EV-Large.
b. Please explain how Eversource constructed the transmission component of Rate EV-MHD and Rate EV-Large.
c. Please explain why the distribution demand charge included in Rate EV-MHD and in Rate EV-Large varies based on a customer's load factor.
d. Please explain why the transmission demand charge included in Rate EV-MHD and in Rate EV-Large varies based on a customer's load factor.

Response:

a. The distribution component of Rate EV-Large is based on Rate 56. First, an average distribution rate per kWh is calculated by dividing the Rate 56 Distribution Demand Charge revenue by Rate 56 billed sales. Once this average distribution rate is established, it is converted into an on and off-peak rate using an on-peak differential derived from the Marginal Cost Study (MCOS) and on and off-peak sales splits for Rate 56. This calculation provides the on and off-peak Distribution per kWh rate for Tier 1 of Rate EV-Large. Tier 1 has no Distribution Demand Charge. To determine the Distribution Demand Charge of Tier 2 through Tier 8, the Rate 56 Distribution Demand Charge is divided into seven (7) equal shares, with each Tier accumulating one share as it moves towards Tier 8 (full Rate 56 pricing). The reverse process is used for the on and off-peak Distribution per kWh charges. Rate EV-MHD uses the same distribution rates as Rate EV-Large for both demand and per kWh. The only difference is the load factor ranges for each of the eight (8) tiers. Please refer to UCONN-8, Attachment 1, for the calculations supporting this explanation.

b. The transmission component of Rate EV-Large is based on Rate 56. First, an average transmission rate per kWh is calculated by dividing the Rate 56 Transmission Demand Charge revenue by Rate 56 billed sales. Once this average transmission rate is established, it is converted into an on and off-peak rate using an on-peak differential derived from the Marginal Cost Study (MCOS) and on and off-peak sales splits for Rate 56. This calculation provides

the on and off-peak Transmission per kWh rate for Tier 1 of Rate EV-Large. Tier 1 has no Transmission Demand Charge. To determine the Transmission Demand Charge of Tier 2 through Tier 8, the Rate 56 Transmission Demand Charge is divided into seven (7) equal shares, with each Tier accumulating one share as it moves towards Tier 8 (full Rate 56 pricing). The reverse process is used for the on and off-peak Transmission per kWh charges. Rate EV-MHD uses the same transmission rates as Rate EV-Large for both demand and per kWh. The only difference is the load factor ranges for each of the eight (8) tiers. The Transmission rates will be updated using approved rate case determinants during the subsequent RAM cycle following the Final Decision of this proceeding. Please refer to UCONN-8, Attachment 1, for the calculations supporting this explanation.

c. The distribution demand charge included in Rate EV-MHD and in Rate EV-Large varies based on a customer's load factor due to the requirements of subpart (c) in the referenced Order No. 12, whereby the Company shall file, no later than August 1, 2022, for PURA review and approval, proposed design documents that include a proposed tariff specifically for separately metered DCFCs and networked Level 2 EVSEs serving light-duty fleets, as directed in Section V.C.2.c., which states:

> The Authority finds that a more robust and permanent demand charge mitigation solution that reflects an appropriate allocation of distribution system costs is necessary to support the sustained growth of the EVSE industry in the State. The Authority will further consider a more sustainable solution during the 2022 Annual Review. Accordingly, the Authority will require the EDCs to propose a tariff specifically for separately metered DCFCs and networked Level 2 EVSEs serving light-duty fleets, to be submitted to the Authority no later than August 1, 2022. The tariff shall include a fixed monthly charge, on-peak and off-peak kWh distribution charges that are higher when a charging station's load factor is low (e.g., utilization of <5%) and decrease at established increments as charging station utilization increases, and kW distribution and transmission demand charges that are lower when a charging station's load factor is low and increase at established increments as charging station utilization increases. To minimize program costs, any revenues from billed sales that exceed the established revenue requirements used to design the tariff over the useful life of the EVSE shall be tracked by the EDCs and credited back to ratepayers through a rider or other rate reconciliation mechanism. The tariff shall be offered to all electric utility customers with separately metered DCFCs and light-duty fleets with installations of four or more networked Level 2 chargers that are enrolled in a managed charging program.

d. The transmission demand charge included in Rate EV-MHD and in Rate EV-Large varies based on a customer's load factor due to the same requirements as mentioned in subpart (c) above.