Date Filed: September 15, 2026

Witness: Edward A. Davis, Kimberly R. Parsons, Matthew Nelson and Michael Goldman
Request from: Office of Consumer Counsel

Question:

(Economic Development Rate Rider) Refer to Exhibit CLP-RATES-1, at 23, which states that "a schedule of discounted rates would be determined on a customer-specific basis," and at 28, which states that the Company's proposed approach would avoid "administrative complexity associated with variable or negotiated discounts."

a. Please reconcile these two statements.
b. Clarify which components of the EDR would be customer-specific, and which components would be consistent across different EDR customers.
c. Has it previously been the practice of the Company to negotiate discounts with customers on an individual basis? If so, does the EDR mirror the structure of those discounts? If not, why did the Company propose to change the structure?

Response:

a. The intended approach combines boundaries that provide structure with room for customer-specific decisions. This allows for reduced administrative complexity while acknowledging that there are unique customer situations. The Company expects to establish specific discounts within the time frame that are above marginal cost of service for that customer. This approach will include a specific schedule providing guidelines and boundaries within which to work in developing a discount.

b. The overarching rate structure is assumed to be the same for all customers within a given class, and discounts or other adjustments under the EDR would be made relative to such rates, for incremental, new load. The primary focus is on discounts to the distribution component of service, and any other component that can be demonstrated to provide a positive net benefit to all customers, justifiable and allowable within the context of such component. The characteristics, cost of providing service and nature of service and unique circumstances of an individual customers provide the basis for determining the type and extent of rate discount that may be applied, and the extent in additional revenue that can be credited to and demonstrated to be a benefit to all customers. Evaluation for an individual customer to design and verify benefits would occur initially and on an ongoing basis (e.g., annually).

c. Yes, it has previously been the practice of the Company to negotiate discounts with customers on an individual basis, particularly where actual customer cost to serve and unique characteristics of that customer need to be evaluated. Customer specific details including determination of the incremental load to which the EDR applies, level and schedule of discounts, and other parameters are set forth in individual customer service agreements.