Date Filed: September 15, 2026

Witness: Edward A. Davis and Kimberly R. Parsons
Request from: Office of Consumer Counsel

Question:

(Economic Development Rate Rider) Did the Company consult any industrial customers on the structure of the proposed EDR? If so, provide a summary of any feedback the Company received from those customers, and whether and how the Company incorporated that feedback into its proposal.

Response:

As noted in the Company's response to information request OCC-460[i], the Company has communicated with customers, which included industrial customers, and the Connecticut Industrial Energy Consumers ("CIEC") regarding an Economic Development Rate ("EDR"). Such communications focused predominantly on a discussion of:

- Whether a tariff (i.e., EDR) or special contract approach would apply;
- Overall structures including types of load that might qualify and which components of service would be proposed to be subject to EDR treatment (including, for example, which rate components might be affected and whether a discounted rate approach might apply);
- The period of time and duration a discount might apply;
- The form of discount, such as declining or constant discount; and
- The extent to which only incremental or new load would be eligible vs. existing load and/or load considered for business retention purposes.

Customers raised the point that many of these considerations were addressed with regard to desired structures of an EDR, in a recent UI rate case. In consideration of this input, the Company reflected in its proposed EDR a framework that gives structure from which to further address these and other considerations. In particular, the proposed EDR contemplates eligibility for only new and incremental load; a defined term (5 years) and declining discount schedule, focused on rates for Distribution service; and a targeted discount approach based on a more focused, customer-specific analysis, as discussed in the approach and processes principles that would apply as illustrated in the response to OCC-459[ii]. The Company was unable to more deeply vet additional input in developing its proposed EDR. As indicated in prefiled testimony, the Company presents its

proposed EDR as preliminary and potentially subject to further development, and is open to additional engagement through this proceeding to further define and build out the framework and general provisions of its EDR during this proceeding.

Prior Referenced Response:

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[i] OCC-460 Question:

(Economic Development Rate Rider) Has the Company received communications from industrial customers expressing interest in the EDR? If so, provide the industry type of these customers and the total incremental load the Company expects from them.

OCC-460 Response:

The Company has had discussions with several large general service rate customers (e.g., customers whose load might qualify for service under Rate 57, Rate 58 or Rate 39) and with Connecticut Industrial Energy Consumers ("CIEC") regarding prospective potential needs for an EDR. The Company has typically not discussed specific incremental load requirements and does not have a total, expected incremental load.

[ii] OCC-459 Question:
(Economic Development Rate Rider) Refer to Exhibit CLP-RATES-1, at 28, which states that the EDR discount would be "anchored to the Company's marginal cost of service."

a. Please explain the methodology for calculating this cost on a per-customer basis. Provide any associated workpapers in live Excel format with all formulas intact.

b. How often does the Company plan to conduct this calculation or other analysis to confirm that revenues collected from each EDR customer are sufficient to recover their incremental cost of service?

OCC-459 Response:

a. As a working proposition, the Company has conducted and provided as part of its filing, a marginal distribution cost study, which provides several components of marginal distribution costs that, at a system level, can inform the marginal distribution costs of customers within each service class (e.g., large C&I). When individual customer load growth or new service connections are evaluated, the Company would conduct a customer-specific analysis of service requirements and costs, including for upgrades and service interconnection requirements. Both local facilities (e.g., service transformers, services, switchgear) and system level costs (e.g., circuits, substations) are evaluated and where capital costs may be incurred, a contribution in aid of construction and rate revenue sufficiency analysis would be performed. The expected revenue from Distribution rates becomes part of this evaluation, and discounts from otherwise applicable rates that are above marginal costs can have an impact, as it relates to such individual customer revenues (i.e., on a per customer basis, for such customer).

b. Such calculation or analysis would conceivably be performed any time the need to serve incremental or new load is evaluated. The impact of potential discounted rates would be a factor in these analyses.