Date Filed: November 16, 2026

Witness: **Juan-Pablo Velez**
Request from: **Connecticut Industrial Energy Consumers**

Question CIEC-17:

Please refer to Velez Direct Testimony at page 100, lines 11-13.

a. Please explain what Mr. Velez means by pricing incremental heat pump loads at "(closer to)" marginal cost, and state whether he believes incremental heat pump load should make any contribution to the recovery of embedded T&D costs.

b. If Mr. Velez believes incremental heat pump load should make some contribution to embedded T&D costs, please quantify the contribution reflected in Rate HP.

Response:

a. "(Closer to)" means at marginal cost on average rather than for every customer: Rate HP is a single rate calibrated to the average heat pump customer, as I explained in my response to CIEC-12(d).

No, incremental heat pump load should not contribute to embedded T&D costs. I answered this in full in my response to CIEC-4(b): heat pump customers keep paying their pre-heat-pump share of embedded costs, and charging their new load for more shifts other customers' embedded costs onto them.

b. Not applicable (part (a)).