Date Filed: September 08, 2026

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

Question:

(Rate 6 – Residential Space Heating Rate) Refer to Exhibit CLP-RATES-1, at 37, which states that Rate 6 is designed to "ensure no incremental harm to remaining customer classes." Please explain how the Company determined that Rate 6 would cause no incremental harm to the remaining residential customer class (Rate 1), including any quantitative analysis supporting that conclusion. Include any associated workpapers in live Excel format with all formulas intact.

Response:

Please refer to the Company's response to OCC-469[i].

Prior Referenced Response:

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[i] OCC-469 Question:

(Rate 6 – Residential Space Heating Rate) Please explain whether Rate 6 was designed to be revenue-neutral on a standalone basis, assuming no load shifting and a range of enrollment scenarios. If so, provide the revenue sufficiency analysis and workpapers, including assumptions regarding enrollment levels and per-customer incremental usage, in live Excel format with all formulas intact.

OCC-469 Response:

Please see the Company's responses to information request OCC-474[i], OCC-475[i], and OCC-476[i]. The proposed Distribution rate design involved the following elements: a winter period charge for incremental distribution usage set at the year-round marginal unit cost, marked up proportionately against the total average cost for Rate 1, such that the Winter Period incremental rate ensures that customers will contribute to additional recovery of existing costs, i.e.., beyond incremental costs; an increase in the customer charge relative to the residential Rate 1 fixed charge, and a redesign of tier 1 volumetric rate for service. Reconciliation with total approved Distribution revenues occurs through revenue decoupling. Given the average usage bright line between block 1 and block 2 pricing of 700 kWh, the differences between actual and such average usage will determine the individual customer contribution. Projected Rate 6 enrollment levels and individual or average per-customer incremental usage are not known. Please refer to Exhibit CLP-RATES-6, at page 2, for design kWh and customer counts associated with the base revenue requirement and rate design, along with the details of design for any incremental usage. Exhibit CLP-RATES-6, at page 3 of provides details and illustrates bill impacts for assumed incremental load. The Company does not propose modifications to rates for other components of service (i.e., transmission, public benefits or supply rates), as those rates provide either an annual reconciliation or are set directly based on price (supply).