Date Filed: September 22, 2026

Witness: Edward A. Davis and Kimberly R. Parsons
Request from: Public Utilities Regulatory Authority

Question:

(RATES) Application, Ex. CLP-Rates-2, Ex. Rates 2-13, p.183. Provide the following information:

a. An exhibit that compares the proposed Rate Base/Expense and Maxi-mum Residential Customer Charge (MRCC) calculation (Columns C & D) by FERC account with the equivalent components that comprise the current $9.62 fixed charge.

b. Provide a brief narrative that explains any variance, (by FERC account), that is greater than +/- 15% of the current MRCC charge calculation.

Response:

a. Please refer to RRU-043, Attachment 1, for the requested comparison between the proposed MRCC of $12.36 and the current customer charge of $9.62.

b. The development of the MRCC for RY3 (Year ending 4/30/21), filed in Docket No. 17-10-46, is derived from the immediately preceding Rate Year 2, which in turn is derived from the corresponding Rate Year 1 where the MRCC methodology utilizing specific FERC account detail was first applied. Essentially, the MRCC calculation in the Company's last rate case was based on Test Year data from that case, which was annually adjusted at an overall level (i.e., a new cost study and bottoms up MRCC analysis was not performed for each subsequent year) in subsequent rate periods (i.e., through the 2nd and 3rd Rate Years). The proposed MRCC calculation in this proceeding is based on detailed cost analysis, comparable to that performed for the first Rate Year in the prior rate case. Accordingly, there is no direct FERC account level comparison between the MRCC calculation in Rate Year 3 of the prior docket and that of the MRCC using FERC-specific information for the Rate Year in the current proceeding. With that understanding, the calculations of the proposed MRCC filed in the current docket are based on the Company's A, B, C and D schedules (Exhibit CLP-REVREQ-2) and the Allocated Cost-of-Service Study (Exhibit CLP-ACOS-2). Comparable, detailed cost information from the prior case is available for only the Test Year and first Rate-Year in the prior case.

While a detailed comparison of variances from the MRCC in Rate Year 3 cannot be made, from an overall perspective the variances between the proposed and currently effective MRCC are attributable to the following:

- Changes in costs incurred by the Company,
- Differences in accounting policies in the two periods,
- Changes/Updates to cost allocations in the Allocated Cost-of-Service Study, and
- Changes to operational decisions made by the Company