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) Please explain how the two volumetric discount levels (4.7 cents/kWh for heating season usage above 700 kWh and 2.8 cents/kWh for all other usage) were derived. Specifically:

a. Were the discounts calibrated to the incremental cost of serving heat pump load? If so, please provide the calculation and workpapers in live Excel format with all formulas intact. If not, why not?
b. Did the Company consider other discount levels? If so, explain the alternatives considered and why they were ruled out. If not, why not?

Response:

a. Please refer to Exhibit CLP-RATES-6, at page 2. An Excel version of that exhibit was provided as part of the Company's filing. Costs and the associated proposed incremental load rate is calibrated with the marginal cost of providing service, as detailed on page 2 of the exhibit.

b. Please note, the Company did not develop the 2.8 cents/kWh rate as a discount from the 4.7 cents/kWh rate, so no other level of discount was considered. Rather, the Winter Block 2 Rate is based on the marginal cost of service and reconciling adjustments that allocate a proportional share of the corresponding volumetric rate, as detailed in Exhibit CLP-RATES-6, at page 2.