Date Filed: November 09, 2026

Witness: Edward A. Davis and Kimberly R. Parsons
Request from: Connecticut Industrial Energy Consumers

Question:

With reference to the Company's response to OCC-929:

a. Did the Panel review the "requirements and documentation set forth as part of UI's current EDR program" when developing the proposal it advanced in this proceeding for an economic development rate ("EDR") incentive? If the answer is in the affirmative, explain how such review informed the Panel's proposals. If the answer is in the negative, explain why the Panel did not review that information.

b. Specify the basis on which Eversource anticipates that UI will file a new rate case in 2028.

c. Explain in detail information regarding the UI EDR that the Panel anticipates reviewing in Docket No. 28-08-08. Include in your response an explanation of why information that a different utility might file in a future rate proceeding is relevant to the development of an EDR for certain Eversource customers in this proceeding.

Response:

a. Yes. The Company's review of UI's EDR program requirements and documentation, and the basis upon which that EDR was developed, informed the purpose, scope and framework of the Company's proposed economic development incentive rate. Conceptually, the UI EDR offers a rate incentive by temporarily discounting distribution rates, which lowers operating costs for participating business customers. Structurally, the UI EDR provides an economic incentive by applying the distribution rate discount and thereby financial relief for electric service to eligible new or expanding loads, over a five-year term. Establishing a schedule of discounts provides these businesses with predictable, reduced overhead during the early growth or expansion phases of operations.

   Although the Company has indicated there are details that are under development with regard to its proposal, the UI EDR further informed the Company regarding considerations regarding having a standard or modified discount schedule, still within a five-year term, that need to be made, when evaluating and establishing the discounts for specific customers. The consideration of additional discounts on distribution rates (e.g., for new or incremental load for service in a distressed or environmental justice community) stimulated the Company's consideration of what costs due to discount are supported by other customers, and of what

consideration should be given in setting the level of discount to address the incremental costs (e.g., relative to what is recovered through discounted distribution rates) that may be incurred or required to interconnect and serve a customer's incremental or new load, such that cost shifting to other customers is avoided, and to provide any contribution toward the cost of service on the system that positively benefits all customers utilizing that system.

Additional details of this process are to be established; however, this aspect of the Company's proposal highlights the need to work with a given applicant to determine the level of discount, rather than have a standardized, fixed discount, for each specific customer, and ultimately as required in the UI EDR, promulgate the discount level and detailed terms of service under a service agreement. Also within the requirements reviewed and such agreement for the UI EDR is the requirement for a customer to meet and maintain performance milestones. Up front, a customer states its plan and the load it adds that would be afforded a discount under the EDR. The load a customer plans to add becomes the basis for what a customer would be required to achieve, and of the consequences of not meeting and potentially having to repay discounts provided.

Regarding scope, the UI EDR also informed minimum load levels; eligibility (e.g., targeting growth and stimulation that encourages businesses to bring in new service or expand existing facilities within the Company's service area that bring new capital, jobs, and incremental electric load into the regional economy; exclusion of local businesses); and whether potential caps are needed. Additionally, the requirement under the UI EDR of mandatory participation in clean energy or energy-efficiency programs informed the Company's EDR of the need for load management, by actively integrating efficiency or clean power measures rather than simply adding unmanaged load.

b. and c. The Company's reference to "Docket No. 28-08-08" is a typographic error; the correct docket reference should be to UI's rate case in Docket No. 22-08-08.