Date Filed: November 09, 2026

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

Question:

With reference to the Panel's response to OCC-457, does the Panel agree that a customer can be eligible for the EDR even if the new or incremental load that receives the incentive does not result in material "downward pressure on rates" for all customers? Explain your response in detail and, if the Panel does not agree, specify the minimum reduction in rates for all customers that the Panel is proposing to adopt as a condition on EDR eligibility.

Response:

The Company anticipates that review of an application for participation in the EDR would include an evaluation and establishment of a level of discount designed to achieve a positive contribution in revenue that effects a downward pressure on distribution rates to all customers. Please also refer to the Company's response to OCC-459[i]. While characterizing whether such outcome is "material" is subjective, the extent of downward rate pressure achieved and how it should be characterized may only be determined after the fact.

Prior Referenced Response

[i] OCC-459 Question:

(Economic Development Rate Rider) Refer to Exhibit CLP-RATES-1, at 28, which states that the EDR discount would be "anchored to the Company's marginal cost of service."

a. Please explain the methodology for calculating this cost on a per-customer basis. Provide any associated workpapers in live Excel format with all formulas intact.
b. How often does the Company plan to conduct this calculation or other analysis to confirm that revenues collected from each EDR customer are sufficient to recover their incremental cost of service?

OCC-459 Response:

a. As a working proposition, the Company has conducted and provided as part of its filing, a marginal distribution cost study, which provides several components of marginal distribution costs that, at a system level, can inform the marginal distribution costs of customers within each service class (e.g., large C&I). When individual customer load growth or new service connections are evaluated, the Company would conduct a customer-specific analysis of service requirements and costs, including for upgrades and service interconnection requirements. Both local facilities (e.g., service transformers, services, switchgear) and system level costs (e.g., circuits, substations) are evaluated and where capital costs may be incurred, a contribution in aid of construction and rate revenue

sufficiency analysis would be performed. The expected revenue from Distribution rates becomes part of this evaluation, and discounts from otherwise applicable rates that are above marginal costs can have an impact, as it relates to such individual customer revenues (i.e., on a per customer basis, for such customer).

b. Such calculation or analysis would conceivably be performed any time the need to serve incremental or new load is evaluated. The impact of potential discounted rates would be a factor in these analyses.