Date Filed: October 27, 2026

Witness: Edward A. Davis and Kimberly R. Parsons
Request from: Department of Energy and Environmental Protection

Question:

(Rate 7) Within the past five years, has the Company performed, or has the Company retained a consultant to perform, any analysis of its current Rate 7 customer usage. If yes, please describe the analysis performed, who performed the analysis and the conclusions reached from that analysis. Please then explain how those findings informed the proposed Rate 7 design in this case and, if known, will inform the Company's October 1, 2027 TVR application.

Response:

The Company has performed and utilized analysis of customer usage and demand for the 2025 Test Year (i.e., load research analysis) and performed a class bill frequency analysis (see Exhibit CLP-RATES-4) as part of this case. The Company has also analyzed billed usage and developed proposed, rate year billing determinants reflecting the changes to usage forecast for the rate year, as applied to billing determinants and the design of proposed rates. The Company's consultant, Amparo Nieto, has also conducted a marginal cost-of-service study and allocated cost of service study, which included the evaluation of Distribution costs, their class allocations, and the marginal cost to provide Distribution service to Rate 7. The allocation of revenue requirements and design of rates for Rate 7, both at a class level and on a time-of-day basis, are based on the results of these analyses, as detailed in the Company's rate proposal (see Exhibits CLP-RATES-1, CLP-ACOS-1 and CLP-MCOS-1, and corresponding exhibits referenced therein). As indicated in the Company's response to BETP-43[i], the current and proposed rate design for all components of service for residential and commercial rate classes, and thereby, Rate 7, may provide the foundation and basis for development of the Company's October 1, 2027 TVR application, including the aspects of that application relevant to Rate 7. The marginal cost study results provides a source of empirical data and may be an important part of any consideration for the design of any potential time-varying Distribution rate proposal submitted for Rate 7, as part of the October 1, 2017 application. The use of these or other findings may be reflected in that application.

Prior Referenced Response:

[i] BETP-043 Question:

(TVR interim or bridge offerings) Refer to Exhibit CLP-AMI-1, pp. 11-12 n.1, and Exhibit CLP-AMI-2, pp. 80-82. Please identify the residential and commercial rate offerings the Company expects to propose as interim or bridge

solutions by the October 1, 2027, deadline in Conn. Gen. Stat. Sec. 16-243n and explain how each proposal will address:

a. default enrollment with an opt-out;
b. applicable retail rate components;
c. seasonal and on-peak/off-peak design;
d. customer protections;
e. customer education; and
f. empirical support for the rate differential.

BETP-043 Response:

Details of these offerings and how each of the following items will be addressed will be provided in the Company's proposed interim rate filing with PURA. The Company notes that proposed rates for the interim, bridge solution are expected to be subject to the same metering and billing capabilities and constraints as with current rates. Current structures and the outcomes for rates in the current rate case are expected to inform and provide the foundation for proposed interim or bridge rate solutions. The Company is not providing its proposed interim solutions at this time but is mindful of the referenced statutory requirements represented in the questions posed and offers the following.

a. The Company's current rates, structures and metering and billing capabilities are anticipated to provide the foundation for proposed interim solutions. Given that current rates consist of optional residential and a combination of optional and mandatory commercial class time-varying rates that apply to certain components of rates, a proposal for moving to new, default rate structures will require consideration of impacts due to changes in rates and a transition plan to migrate customers to proposed new structures.

b. Current time-varying structures apply to the transmission and generation supply components of service. The Company anticipates that such current rate structures and any changes determined within the current Distribution rate case will provide the foundation for proposed interim rates. The Company will address proposed interim rate solutions that require changes to these components of service, and that may apply to Distribution rates, as part of its proposed interim rate submittal.

c. Current time-varying rates employ a 2-period, time-of-day (i.e., peak vs. off-peak) fixed rate structure that is expected to provide the basis for future time-varying structures for the proposed interim rate design. Such structures may be proposed on a seasonal basis for some components of service in the proposed interim rate design.

d. The Company expects consumer protections afforded by the Company's tariff (i.e., the terms and conditions for distribution service and for generation supply), "consideration for principles of gradualism and customer acceptance" in proposed rates, and further "established exceptions as deemed appropriate by the authority, including, but not limited to, for medically protected and financial hardship customers", pursuant to Conn. Gen. Stat. Sec. 16-243n, Section 20, part (b)(4), effective July 1, 2025, will be addressed as part of the Company's proposed interim rate design.

e. A marketing, education and outreach plan for residential and commercial customers will be developed to educate customers about any interim or bridge solutions proposed, as those options become available, to inform them of the benefits, necessary behavior modifications and the steps to enroll or unenroll as necessary.

f. Empirical support for the rate differential for peak and off-peak rates being addressed in the current Distribution rate case, including calculations and applications in proposed rate design and as informed by the marginal cost analysis performed as part of the current case, is expected to provide insight into the cost basis for setting a peak and off-peak differential for distribution and transmission rates anticipated to be to be developed and submitted as part of the October 1, 2027 filing. Consideration of differentials reflected in statutory or regulatory constraints and requirements are expected to be reflected in the Company's proposed generation supply rates portion of service in the proposed interim rate solution.