Date Filed: November 09, 2026

Witness: Edward A. Davis, Kimberly R. Parsons, Matthew Nelson and Michael Goldman
Request from: Connecticut Industrial Energy Consumers

Question:

In its response to OCC-929, the Panel states that Eversource "anticipates a written commitment and demonstrated achievement of added jobs and capital investments within the Company's service area, commensurate with the level of service and nature of the new or expanded facilities that would receive service under the EDR."

a. Explain in detail how Eversource would determine if the number of added jobs and/or capital investment is "commensurate with the level of service and nature of the new or expanded facilities that would receive service under the EDR."
b. Is the Panel proposing that a customer must commit to adding a specific number of jobs as a condition of eligibility for the EDR? If the answer is in the affirmative, specify the minimum number of jobs that would have to be added.
c. Is the Panel proposing that a customer must commit to investing a specific amount of capital as a condition of eligibility for the EDR? If the answer is in the affirmative, specify the minimum level of capital investment that would be necessary.

Response:

In its response to OCC-929[i], the Panel states that Eversource "anticipates a written commitment and demonstrated achievement of added jobs and capital investments within the Company's service area, commensurate with the level of service and nature of the new or expanded facilities that would receive service under the EDR."

a. The Company does not propose a numeric test for jobs or capital investment. The economic test for eligibility is whether the new or expanded load will produce revenue above the incremental cost of serving it over the term of the discount, as described in the Company's responses to OCC-458[ii] and OCC-459[iii]. The written commitment referenced in OCC-929 serves a different purpose in that it documents that the facility receiving the discount is a new or expanded operation of the kind the rate is intended to attract, rather than a reclassification of existing load. "Commensurate" means that the jobs and investment the customer represents are consistent with the size and nature of the facility

described in its application, for example that a customer applying for the discount on the basis of a new production line represents the staffing and equipment that line entails.

The Company is cognizant that PURA had previously declined to approve UI's initial proposed EDR that had tiered discount levels based on specific thresholds of capital investment and increased employee headcount.

b. No, the Company does not propose a minimum number of added jobs as a condition of eligibility. However, the Company does intend to ask as part of the EDR application for historical employee headcount and any expected new headcount, similar to the current UI application. The reasoning for the questioning is to ensure that customers taking advantage of the EDR are providing benefits to Connecticut but without necessarily requiring a minimum level of headcount increases or capital investment.

c. No, the Company does not propose a minimum level of capital investment as a condition of eligibility. However, the Company does intend to ask as part of the EDR application for expected capital investment, similar to the current UI application. The reasoning for the questioning is to ensure that customers taking advantage of the EDR are providing benefits to Connecticut but without necessarily requiring a minimum level of headcount increases or capital investment.

Prior Referenced Responses:

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[i] OCC-929 Question:

(ECONOMIC DEVELOPMENT RATE) Refer to Exh. CLP-RATES-1, at 26. Please explain the standards the Company will use to determine that a customer's project provides sufficient economic value, including job creation and capital investment, to qualify for the EDR.

OCC-929 Response:

The Company anticipates a written commitment and demonstrated achievement of added jobs and capital investment within the Company's service area, commensurate with the level of service and nature of the new or expanded facilities that would receive service under the EDR. The Company is also reviewing the requirements and documentation set forth as part of UI's current EDR program, pursuant to UI's rate case in Docket No. 28-08-08. Details of these and other standards are yet to be developed.

[ii] OCC-458 Question:

(Economic Development Rate Rider) Refer to Exhibit CLP-RATES-1, at 23, which states that "a schedule of discounted rates would be determined on a customer-specific basis," and at 28, which states that the Company's proposed approach would avoid "administrative complexity associated with variable or negotiated discounts."

a. Please reconcile these two statements.
b. Clarify which components of the EDR would be customer-specific, and which components would be consistent across different EDR customers.
c. Has it previously been the practice of the Company to negotiate discounts with customers on an individual basis? If so, does the EDR mirror the structure of those discounts? If not, why did the Company propose to change the structure?

OCC-458 Response:

a. The intended approach combines boundaries that provide structure with room for customer-specific decisions. This allows for reduced administrative complexity while acknowledging that there are unique customer situations. The Company expects to establish specific discounts within the time frame that are above marginal cost of service for that customer. This approach will include a specific schedule providing guidelines and boundaries within which to work in developing a discount.

b. The overarching rate structure is assumed to be the same for all customers within a given class, and discounts or other adjustments under the EDR would be made relative to such rates, for incremental, new load. The primary focus is on discounts to the distribution component of service, and any other component that can be demonstrated to provide a positive net benefit to all customers, justifiable and allowable within the context of such component. The characteristics, cost of providing service and nature of service and unique circumstances of an individual customers provide the basis for determining the type and extent of rate discount that may be applied, and the extent in additional revenue that can be credited to and demonstrated to be a benefit to all customers. Evaluation for an individual customer to design and verify benefits would occur initially and on an ongoing basis (e.g., annually).

c. Yes, it has previously been the practice of the Company to negotiate discounts with customers on an individual basis, particularly where actual customer cost to serve and unique characteristics of that customer need to be evaluated. Customer specific details including determination of the incremental load to which the EDR applies, level and schedule of discounts, and other parameters are set forth in individual customer service agreements.

[iii] 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.