Date Filed: September 15, 2026

Witness: Edward A. Davis, Kimberly R. Parsons, Matthew Nelson and Michael Goldman
Request from: Office of Consumer Counsel

Question:

(Economic Development Rate Rider) Please explain the Company's rationale for proposing an EDR Rider in this rate case. For example, is the primary purpose of the EDR Rider to support Connecticut's state policy goals related to economic development, put downward pressure on rates for the Company's other ratepayers, provide revenue stability for the Company, or something else?

Response:

The Company is proposing an Economic Development Rate Rider ("EDR Rider") in this rate case because of the beneficial economics of such a rate and its potential positive impact on affordability

A primary purpose of the EDR Rider is to improve affordability. Bringing new, incremental electric load online would be expected to help put downward pressure on rates by providing more variable units over which to spread fixed costs. From a rate perspective, this can be achieved when the economic development rate is set above the marginal cost to serve the new load. The Company considers the results from its most recent marginal cost study as a basis on which to help set the economic development rate so that it would have the intended positive affordability impacts.

The Company believes that it is possible to achieve multiple objectives with an EDR Rider. In addition to helping promote customer affordability, the EDR Rider is intended to help spur economic development in the state. Attracting new load can have the beneficial economic impact of job creation, increased capital investment, and higher tax revenue for the state.