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 clarify whether the following customer types would be able to qualify for the proposed EDR:

a. Customers with large-scale computational loads (i.e., data center);
b. Customers connected to the transmission system;
c. Customers switching from natural gas to electricity, such as for process heating load.

Response:

a. Customers with large-scale computational loads (i.e., data centers) are not categorically excluded from the Economic Development Rate ("EDR"), nor are they categorically eligible. Any customer seeking to participate in the EDR will be evaluated to determine if they meet the requirements to qualify for service under the EDR and to ensure that their participation continues to provide affordability benefits to customers. Part of future considerations would be whether a specific rate for data centers makes sense or whether it may be beneficial to consider customer-specific characteristics when determining rates for potential data center customers. The load must be new or incremental, the incremental distribution revenue must exceed the incremental cost to serve, the discount is subject to the cap tied to incremental distribution revenue, and the customer remains responsible for interconnection and system upgrade costs.

   As previously noted in OCC-465, there are currently no active requests or firm commitments for data center load on the Company's distribution system. The Company recognizes that large computational loads raise broader policy questions, and if there are future requests for data centers to take service from the Company, the Company would work closely with the state on potential rates specific to large-scale computational loads. Understanding that there are larger policy implications associated with data centers, the Company believes it is best to carefully deliberate, with input from the relevant state agencies and stakeholders, on how to determine a rate for data centers that is mutually beneficial for the state, the interconnecting customer, and the Company, and ensures that existing customers are not harmed.

b. The EDR discount applies to charges for the Distribution component of service (Exhibit CLP-RATES-1, at 30). Customers connected at the transmission voltage take minimal distribution service, and the EDR therefore may have little practical applicability to such customers. The Company has not proposed discounts to transmission, supply, or public benefits components of service, and transmission service to such customers would continue under otherwise applicable retail rates.

c. Customers switching from natural gas to electricity, such as for process heating load, may be eligible for this rate but would be evaluated on a case-by-case basis if the load is new or incremental and the customer satisfies all other requirements of the rider. Fuel switching may be an appropriate criterion to evaluate for consideration in discounted distribution rates, and is one potential scenario where the customer may be bringing new, incremental electric load to the system and would be applied to a fuel-switching customer on the same basis as any other applicant. Note that the primary evaluation contemplated in the proposed EDR is on the distribution service requirement and corresponding cost to provide such service.