Date Filed: November 12, 2026

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

Question:

Please refer to Exhibit CLP-RATES-3 at pages 186-187 (Transmission Adjustment Clause).

a. Please describe how the Company allocates its transmission revenue requirement among rate classes in setting retail Transmission Service Rates, and provide the allocation factors used for the rates proposed in this proceeding.
b. Please explain the basis for the difference between the proposed Transmission Service Rates for Rate 5 and Rate 1.
c. Please explain how any under-collection of transmission revenue from a particular rate schedule is recovered through the TAC reconciliation, and state whether it is recovered from all rate classes.
d. Please explain how an under-collection of transmission revenue resulting from a 75% reduction in the winter (November through March) Transmission Service Rate for heat pump customers, as proposed for Rate HP, would be recovered.

Response:

a. Please refer to the Company's response to UCONN-024[i] for the requested information.

b. The respective allocation of costs and rate design for these rate classes are dependent on their specific demand allocation factors and billing determinants, which in combination can result in a material difference in the rate per kWh of the Transmission service rates in each rate class.

c. Please refer to the Company's response to UCONN-024 for the requested information.

d. The Company has not proposed a Rate HP. For its alternative space heating rate, Rate 6, the Company has not proposed a percentage reduction to transmission rate. The allocation of cost responsibility, and setting of the transmission rate for such service would be based on that class's transmission cost allocation and rate design, as applied in developing the transmission rate for Rate 1.

Prior Referenced Response:

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[i] UCONN-024 Question:

(Affordability & Customer Engagement) Refer to Exhibit CLP-ELP-1 at pp. 25-26 which states that "transmission costs are shared across the region" and are "proportionally allocated" to Connecticut. Exhibit CLP-RATES-3 at pp. 186-187 describes the overall calculation of the total Transmission Adjustment Clause ("TAC").

a. Please explain the formula and methodology used to apportion the total costs of transmission across customer classes in the Connecticut service territory.
b. Please explain how this methodology is consistent with cost-causation and fairness principles.
c. For each of Rates 55, 56, 57, and 58, please provide (i) the percentage of total TAC revenue allocated to each rate class, and (ii) the total dollar amount of TAC revenue collected from each rate class, in each case for the most recent TAC reconciliation period.

UCONN-024 Response:

a. Please refer to UCONN-024, Attachment 1, for the Transmission exhibits provided in the Company's most recent RAM filing, Docket No. 26-01-03.

- Page 1 shows the determination of the average Transmission rate on line 31.
- Page 2 shows the time-of-use breakout for applicable rate classes.
- Page 3 shows a comparison versus the current and proposed Transmission rates by rate class.
- Page 4 shows the Transmission Allocation. The Transmission Revenue Target (cell F13) is calculated by multiplying the average Transmission rate from page 1 by the Rate Year total sales. This Revenue Target is allocated to each rate class based on a 12 CP kW Demand Allocator (Columns C and D).

b. The Company uses a 12 coincident peak ("12 CP") allocation factor to assign transmission revenue requirements to rate schedules. This methodology is designed to reflect the methodology used in the development of the NEPOOL OATT revenue requirement and the resulting charges billed to the Company for transmission service under that tariff. From this perspective, the allocation is a "financial" nature, in that it is based only on the amount billed to the EDC's (noting, it is the amount billed first to the transmission service customer and then allocated to CL&P that is used for determining the corresponding class allocation.

   Despite the diversity of customer loads that make up the monthly peak, or the load levels or utilization of the transmission system by individual customers throughout all other hours of a given month, where such demands may be greater than during the system peak, it is only the single monthly peak that is applied using this allocation method). Unlike with a resource-based distribution cost allocation, the billed transmission charge is what is being allocated. Under the current paradigm, the allocated charges and coincidence of demand for determining the share of load contributing to such charges provides a reasonable basis for allocation of costs. To the extent consideration is given to alternative approaches for class cost allocation, a review of underlying costs and consideration of utilization of the system that such charges represent might be of interest with regarding to equitable allocation, along with other rate design principals to evaluate.

c. Please refer to UCONN-024, Attachment 1, for the requested information.