Date Filed: November 12, 2026

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

Question:

Please refer to the Rates Panel Testimony at page 31, lines 14-24; page 32, lines 1-19; and page 36, lines 1-9.

a. Please provide the Company's estimate of the number of Rate 6 participants and the resulting annual reduction in distribution revenue relative to Rate 1 for each year from 2027 through 2031, with supporting workpapers.
b. Please explain how any reduction in distribution revenue resulting from Rate 6 would be recovered, including whether any portion would be recovered from non-residential rate classes through the RDM or otherwise.
c. Please provide the number of the Company's residential customers known to have installed heat pumps before January 1, 2026 (e.g., through Energize CT incentive records), and the Company's estimate of their annual winter usage.
d. Please estimate the annual revenue reduction that would result if winter usage from end uses other than heat pumps, such as electric vehicle charging, received the Rate 6 Block 2 rate as described at page 36, lines 3-7.

Response:

a. Rate 6 is a proposed rate. The Company has not prepared an estimate of the number of participants during 2027 through 2031.

b. Analysis of changes in revenue and impacts should be performed holistically, and not only with respect to revenue reductions. When compared with revenue from Rate 1, which would be designed at the conclusion of this case on the premise of no customers enrolled in Rate 6, and as approved by PURA, a customer qualifying for and switching to Rate 6 would receive service under different rates (e.g., as proposed, there would be a different customer charge and tier 1 and tier 2 distribution rates). Revenue from these charges will vary compared with the same service Rate 1 depending on both price differences and monthly usage. Rate 6 customer charges and tier 1 pricing determined, on an annualized basis, and utilizing annual Rate 1 usage. As shown in Exhibit CLP-RATES-6, page 3, the average use per customer for residential base load (prior to incremental load) is below the proposed 700 kWh threshold during 3 of the winter months, and slightly above during the remaining 2 months, and these characteristics are represented in the design of Rate 6. Based on those usage assumptions, class revenue would be the same in total, yet would

vary among the various components. Moreover, differences in actual revenue compared with rate design (i.e., target) levels would be reflected in variances (charges or credits) over the course of a given year (which is the overall basis upon which the Company's revenue decoupling mechanism operates, and not in differences in revenue from collective charges under Rate 1 and Rate 6. Incremental revenue, including that associated with tier 1 or tier 2 usage, would contribute to revenue that in total factor into the evaluation of revenue decoupling mechanism charges or credits. A narrower focus of evaluating only reduced revenue fails to capture the other dynamics of other rate and revenue components, and impacts that may result from switching and intrinsic incremental load growth associated with addition of a heat pump that is included as part of the total, whole house load of a Rate 6 customer.

c. Please refer to the Company's response to CLF-SC-003[i].

d. The impact of such usage would, all other things being equal, be included in the incremental load discussed in subpart b. Recognizing the requirement for participation in Rate 6 is to add and utilize an air source heat pump for electric space heating, and that Rate 6 is a whole house rate, the EV or other load would be part of, but not distinguishable from the incremental load. The extent of any revenue reduction in, say, a given month, would be dependent on total whole house usage, the levels of end use contributing to that load, and the levels of consumption in the base and incremental usage tier of the tail block. Refer to the response to subpart b regarding the level of revenue in both tiers and whether there is more or less incremental revenue.

Prior Referenced Response

[i] CLF-SC-003 Question:

For the Test Year in this proceeding, please provide:

a. the number of residential electric customers with a heat pump as their primary heating source;
b. the total electricity consumption (kWh) of these customers;
c. the total electric delivery revenue attributable to these customers, in the aggregate.

The Company may provide this information either as a summary table or as the underlying billing and customer data necessary to derive it (e.g., anonymized billing-quality data identifying each customer's heating source, together with that customer's kWh consumption and delivery revenue for the period). Please provide this information in CSV format or in live Microsoft Excel format (with all formulae intact). If the Company does not possess the information necessary to produce any of the three items requested (heat pump customer count, consumption, or delivery revenue), please state specifically which item(s) the Company is unable to provide, and explain in detail why not for each. If the Company is not able to produce all three items requested for the Test Year, but is able to do so for a different time period, please provide these figures for the most recent time period available.

CLF-SC-003 Response:

Since the Company does not track the heating sources of its customers, the Company has evaluated data collected from Energy Efficiency rebates issued to customers who (1) installed a qualifying heat pump at their residence and (2) submitted for a rebate. This information does not represent all customers who may have heat pumps.

a. Evaluation of data from rebate program which began in 2023 indicates there have been approximately 4,400 customers who have received heat pump rebates that indicate full displacement of other heat sources and use heat pumps as their primary heating source.

b. The Company does not know the total number of residential electric customers utilizing heat pumps as their primary heating source during the Test Year and accordingly is unable to query those customers' total kWh consumption or determine or estimate total delivery revenue.

c. Refer to the Company's response to subpart (b), above.