CAE-027

The United Illuminating Company **Witness: Logan Taricani**

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CAE-027 Q:

UI Interrog. Resp. CAE-1, pp. 1–2; Eversource Interrog. Resp. CAE-1, pp. 1–2. Explain why continuing to offer an annual performance incentive payment option may require significant system modifications and associated costs. If possible, quantify those costs and explain how the cost estimate was developed, including the assumptions and methodology used.

CAE-027 A:

As discussed in UI's response to CAE-1[1], supporting both annual and seasonal performance incentive payment options would require additional program administration and system functionality beyond the capabilities of the current Construct 5 implementation. To support annual performance payments, UI's DERMS provider, Uplight, indicated that a one-time implementation investment of approximately $40,000 would be required to develop an automated reporting process. This work would involve developing new reporting logic, creating and testing customized reports, and implementing additional data warehouse configurations. The estimated timeline for completion is approximately three months.

In addition, maintaining multiple payment methodologies increases administrative complexity associated with the incentive validation process, reconciliation, customer support, and payment processing. The Company also believes seasonal payments provide a more transparent connection between system performance and customer compensation, whereas annual payments require aggregation of performance across multiple seasons and may be more difficult for customers to understand.

[1] DN 26-08-05 CAE-001