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Request from: Public Utilities Regulatory Authority

Question:
Provide the combination(s) of input values (interest rate, amortization period, servicing fee, credit enhancement, charge-off rate) under which securitization would produce zero or negative NPV savings.

Response:

For illustration, the Company ran a scenario increasing the servicing fee to 0.60 percent in the unlikely event that CL&P or a successor does not perform the role of servicing agent. Under this scenario the interest rate at issuance would need to increase to 9.35 percent to produce zero NPV savings as shown in RRU-016 Attachment 1.