STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

FINANCING ORDER FOR 2018-2023 STORM COSTS OF THE CONNECTICUT LIGHT AND POWER COMPANY D/B/A EVERSOURCE ENERGY	:	Docket No. 26-04-04
	:	November 18, 2026

REPLY BRIEF OF THE CONNECTICUT LIGHT AND POWER COMPANY d/b/a EVERSOURCE ENERGY

I. INTRODUCTION

The Connecticut Light and Power Company d/b/a Eversource Energy ("CL&P" or the "Company") submits this response to the Public Utilities Regulatory Authority ("PURA") to address extra-record assertions and procedural irregularities by the Office of Education, Outreach and Enforcement ("EOE") in its filing on November 12, 2026 (the "EOE Filing"). CL&P respectfully requests that PURA reject or disregard the EOE Filing due to these infirmities and issue a final decision that is based on record evidence.[1]

II. BACKGROUND

On November 12, 2026, EOE submitted the EOE Filing, consisting of a cover letter signed by Attorney Sahi, and a document entitled "Brief of the Office of Education, Outreach, and Enforcement," which was unsigned.[2] In this document, EOE claims that "Eversource's proposal to credit its ratepayers with $54 million of accumulated deferred income taxes (ADIT) fails to

[1] Capitalized terms not otherwise defined in this reply brief have the meaning ascribed in the Company's brief dated November 12, 2026.

[2] EOE's filing contains no certification of who has prepared the brief, attorney or staff advisor. R.C.S.A. § 16-1-13 requires that "[e]very application, letter, report, motion, petition, complaint, brief, memorandum or similar document shall be signed by the filing person, by his or her authorized agent or by one or more attorneys in their individual names on behalf of the filing person." See Docket No. 25-12-12, Application of Aquarion Water Company of Connecticut to Amend its Rate Schedules (Mar. 30, 2026, Ruling on Motion No. 5) ("As an intervenor in this docket, SW is required to comply with the procedural rules governing motion practice set forth in the agency's regulations, including but not limited to signature and service requirements"); see also Conn. Practice Book § 4.2(a): "Every pleading and other paper of a party represented by an attorney shall be signed by at least one attorney of record in the attorney's individual name…. The name of the attorney or party who signs such document shall be legibly typed or printed beneath the signature."

reimburse Eversource's ratepayers with the amount required by law," and asserts two principal reasons for this claim:

(1) "EOE believes the correct amount to credit to customers, based on the amounts currently reflected in Eversource's filing, is approximately $129.28 million."

(2) "In the alternative, EOE believes that, at minimum, Eversource's proposal should be adjusted to reflect the historical benefits of ADIT from 2019 to the present,"[3] which it calculates to be $18 million.

EOE did not present any evidence on the record to support its calculation of "a $129.28 million net benefit of ADIT," nor to support its assertions as to calculation of "the historical ADIT benefits the Company received starting in 2019."[4] These assertions were made by EOE for the first time in the EOE Filing, depriving parties of an opportunity to issue discovery or cross-examine an EOE witness on these assertions, or to provide rebuttal evidence, or other due process.[5]

III. CL&P RESPONSE

A. EOE is Incorrect in its Claim that CL&P Failed to Properly Calculate the ADIT Credit

In its brief, EOE appropriately cites to Conn. Gen. Stat. § 16-245e(m), as follows:

> Notwithstanding any provision of the general statutes, the net benefits of accumulated deferred income taxes relating to amounts that will be recovered through the issuance of rate reduction bonds for financed utility services shall be credited to retail customers of electric distribution companies by reducing the amount of such rate reduction bonds that would otherwise be issued **by the net present value of the related tax cash flows**,

[3] EOE Filing, Br. at 1 (emphasis added).

[4] EOE Filing, Br. at 3-4.

[5] EOE employed a similar tactic in Docket No. 25-12-13, where it presented an extrapolation methodology to challenge storm costs, yet presented no evidence in support of such methodology. Docket No. 25-12-13, EOE In. Br. at 123-124. In that docket, the Company noted that it is critical when evaluating any estimate to have the detailed inputs and information supporting the calculation and to be afforded the opportunity to challenge that estimate and underlying methodology through discovery, cross-examination, and other due process requirements. Docket No. 25-12-13, CL&P Reply Br., at 71. "EOE has not presented the critical information necessary in the evidentiary record or within their brief for the Company or any party to evaluate the appropriateness of their extrapolation calculations. In fact, no other party in this docket, including the EOE, submit any initial or rebuttal testimony to provide sworn witness statements or analysis regarding their findings." Docket No. 25-12-13, CL&P Reply Br., at 71. The same thing is happening here in EOE's November 12, 2026, filing.

> using a discount rate equal to the expected interest rate on such rate reduction bonds.

EOE Filing, Br. at 2 (emphasis in EOE Filing, emphasis also added).

However, EOE fails to apply the law correctly to the factual evidence presented in this proceeding. EOE's arguments amount to a 'fun with numbers' exercise that overstates the purported 'benefit' created by deferred taxes and, if adopted by PURA in this proceeding, will grossly overstate the net benefits of accumulated deferred income taxes ("ADIT") relating to amounts that will be recovered through the issuance of Rate Reduction Bonds for Financed Utility Services. If this recommendation were to be adopted by PURA, the Company would have no alternative other than to appeal PURA's decision, serving only to delay the process needlessly and to cause an unnecessary increase in carrying costs to customers. The Company's sole objective in this proceeding is to reach a correct and valid conclusion, as expeditiously as possible.

More specifically, the Company wants nothing more than to achieve, with greatest expediency possible, a non-appealable decision in this proceeding, which is the lone remaining gate standing in the way of reducing the customer liability of nearly $700 million of prudently incurred net storm costs found by PURA to be owed to the Company by its customers. Should PURA find any merit in EOE's baseless arguments, the Company requests that PURA call an emergency hearing at which time the Company can present fact witnesses to explain in more detail EOE's misunderstanding of the facts and for EOE to present a witness for cross examination by the Company and other parties so that PURA can, in the end, make a decision with the benefit of a fully adjudicated record of evidence.

In its brief, the Company explained that the net benefits of the ADIT relating to amounts that will be recovered through the issuance of the RRBs for Financed Utility Services shall be credited to CL&P customers by reducing the amount of such RRBs that would otherwise be issued by the net present value ("NPV") of the related tax cash flows, using a discount rate equal to the expected interest rate on such RRBs (CL&P Brief, at 31; Exh. CLP-REGULATORY-1, at 17; Exh.

CLP-TREASURY-1, at 10). This approach is described in the proposed Financing Order and is consistent with Conn. Gen. Stat. § 16-245e(m) (LFE-003, Att.1).[6] At the time of the Petition, this amount was estimated to be equal to $54,515,440 (Exh. CLP-TREASURY-1, at 10; Exh. CLP-TREASURY-2; see also LFE-001 Att. 1).[7] The evidence shows the Company appropriately calculated the ADIT credit offset (Exh. CLP-TREASURY-1, at 10; Exh. CLP-TREASURY-2-ADIT Calculation; see also LFE-001 Att. 1; EOE-004).[8]

EOE contends that CL&P's proposal to credit ratepayers with the $54 million net present value of ADIT benefit "fails to reimburse Eversource's ratepayers with the amount required by law."[9] However, EOE's extra-record assertions contradict the record evidence and basic corporate finance and utility ratemaking principles. Specifically, EOE's assertions in its brief rely on Exhibit CLP-Treasury-2-ADIT Calculation. Referencing that exhibit, PURA found that CL&P financed nearly $668 million of storm costs from 2018 – 2023. This amount reflects the amount of outstanding Storm Costs, net of customer revenues and excluding all carrying charges, which PURA found would not accrue prior to the date of the Storm Costs Order (July 29, 2026). This amount of $668 million (Exhibit CLP-Treasury-2-ADIT Calculation, cell C10) reflects the amount of storm restoration costs the Company incurred between 2018-2023, net of offsetting catastrophic

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[6] Conn. Gen. Stat. § 16-245e(m): "Notwithstanding any provision of the general statutes, the net benefits of accumulated deferred income taxes relating to amounts that will be recovered through the issuance of rate reduction bonds for financed utility services shall be credited to retail customers of electric distribution companies by reducing the amount of such rate reduction bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the expected interest rate on such rate reduction bonds."

[7] In order to ensure that the expected interest rate used in the NPV calculation is as close as possible to the actual interest rate of the RRBs, the amount of such credit, and thus the principal amount of the RRBs, will not be calculated until shortly before the commencement of marketing of the RRBs (Exh. CLP-REGULATORY-1, at 17). The amount of such credit, as calculated by CL&P at that time, and the principal amount of the RRBs, will be set forth in the IAL (Exh. CLP-REGULATORY-1, at 17).

[8] Adjustment, modification or recalculation of the Company's proposed ADIT credit offset will imperil timely execution of the securitization.

[9] EOE Filing, Br. at 1.

storm reserve revenues recovered, which PURA required to be deducted from the amounts eligible for securitization, in the Storm Costs Order.[10]

The law requires that the net benefits of ADIT relating to amounts that will be recovered through the issuance of Rate Reduction Bonds for Financed Utility Services be credited by reducing the amount of such Rate Reduction Bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the expected interest rate on such Rate Reduction Bonds. Conn. Gen. Stat. § 16-245e(m). The Company's calculations do exactly this, as explained by the record evidence in this proceeding and outlined below.

Tax deductions reduce a utility's "taxable income at the time" and results in accumulated deferred income taxes which "provides a tax benefit…as a result of the deferral" (EOE Filing, Br. at footnote 6, citing Exhibit CLP-Financing Order-1, at 21). As it relates to the dollars at issue in this proceeding, CL&P did receive a tax "benefit" when it incurred the nearly $700 million of net Storm Costs (net of customer reserve revenues) between 2018 and 2023, and that ADIT "benefit" only served to modestly reduce the balance of costs required to be financed by the Company between 2018 and some future point when it will finally, at long last, be able to securitize and recover the costs it incurred which gave rise to the ADIT "benefit."[11]

Said differently, the Company had to finance the $668 million of Storm Costs at issue in this proceeding. At the time the Company incurred these costs, it was able to deduct these costs

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[10] Storm Costs Order, at 144 ("Accordingly, the Authority will consider the securitization of up to $767,930,008 in prudently incurred storm costs, and application of the $100,000,000 RAM CTA credit in Docket No. 26-04-04, pursuant to General Statutes § 16-245e").

[11] Federal normalization rules require regulated utilities to reflect tax benefits, including those arising from accelerated tax depreciation, over the regulatory lives of the associated assets rather than immediately provide those benefits to customers, or to provide those benefits to customers faster than would occur over the regulatory lives of the associated assets. This treatment preserves the utility's eligibility for accelerated depreciation while ensuring that customers receive the benefit over time through lower rate base and rates. Requiring a utility to accelerate the return of a tax-related benefits to customers, which the EOE's arguments on brief suggest that PURA should do, could result in a normalization violation and the loss of valuable federal tax benefits for customers. Principally among those benefits would be the loss of future accelerated tax benefits and the immediate return of current benefits as a result of violating the normalization rules. Because these tax benefits reduce the utility's cost of providing service, their loss would ultimately result in a substantially higher revenue requirement and higher costs for customers. Internal Revenue Code § 168(i)(9).

for tax purposes, leaving the Company to finance the balance net of the tax savings realized as a deduction. The tax deduction amounted to $184 million and is shown on Exhibit CLP-Treasury-2-ADIT Calculation, cell C16 plus C17[12], which means that the Company had to finance $484 million ($668 million storm costs authorized in Docket No. 25-12-13, less $184 million in associated ADIT). Contrary to EOE's argument, introduced for the first time in its brief, the Company was not able to "keep the money that would otherwise have been used to pay the income tax, and invest that money," since, in order for the Company to realize any benefit of ADIT it had to ***first*** expend nearly $700 million for which it had no corresponding revenues from customers for nearly a decade. Contrary to EOE's claims on brief, the Company had to finance its storm restoration costs, less the value of the ADIT tax "benefit," via a combination of long-term debt and equity, both of which come at a cost of capital that PURA denied recognition of in Docket No. 25-12-13.

Ironically, EOE inadvertently makes the Company's argument that it incurred a cost associated with having to finance the Storm Costs. Here, EOE argues that the Company had money in the form of lower tax payments, which, *ipso facto*, according to EOE's brief, <u>means that customers are owed a carrying charge</u>. The Company presented evidence in Docket No. 25-12-13, ultimately denied by PURA, in which CL&P documented the carrying costs it incurred to finance the storm cost balance. In each and every calculation in which the Company presented its carrying costs that it incurred over the preceding decade, the Company presented its carrying charge calculation net of the value of these ADIT tax benefits. In the Storm Costs Order, PURA denied carrying costs from the time the costs were first incurred (2018) through the date of the final decision on July 29, 2026. Accordingly, there is zero basis to conclude that customers are owed any benefit of ADIT outside of a discussion on carrying costs. Moreover, the carrying

[12] The $184 million ADIT benefit is equal to the total costs to securitize of $668 million multiplied by the combined federal and state income tax rate of 27.52 percent, calculated in Exhibit CLP-Treasury-2-ADIT Calculation, cell C14, as being the combination of the Connecticut state income tax rate of 8.25% and the federal income tax rate of 21%.

charges currently accruing from the date of the final decision are appropriately being calculated by the Company on the balance of storm costs, net of ADIT.

More specifically, in CL&P's calculation, the net benefit of ADIT is credited to retail customers by reducing the amount of the RRBs that would otherwise be issued ***by the net present value of the related tax cash flows***, using a discount rate equal to the expected interest rate on such reduction bonds (Exhibit CLP-Treasury-2-ADIT Calculation). In this case, the "related tax cash flows" include the tax deduction related to the amounts that are now being securitized, and the tax outflows that the Company will pay over the course of the securitized bonds. Exhibit CLP-Treasury-2-ADIT Calculation shows that the initial tax deduction associated with the Storm Costs at issue in this proceeding had the impact of reducing the Company's taxable income by approximately $184 million. This deferred tax benefit will 'turn around' over the life of the securitization bonds, such that the Company will pay an identical nominal amount (i.e., $184 million) over the life the bonds. Therefore, ***the net present value of the related tax cash flows*** cited in the law must, and can, only refer to the tax deduction initially realized by the Company that will ultimately turn around over time, consistent with the Company's calculation presented in this proceeding.

As revenues are collected through the CTA and the Company amortizes the securitized regulatory asset, the Company will then have higher taxable income resulting in tax payments related to amounts securitized, in the amount of $184 million over the securitization period. Recognizing that the $184 million is a benefit realized today (offsetting the balance having to be financed by the Company up to the point of securitization), although to be paid in the form of higher tax obligations over the life of securitization, this results in a *present value of tax payments* equal to $129.28 million (Exhibit CLP-Treasury-2-ADIT Calculation, cell G173). Said differently, the Company will pay the federal and Connecticut state government a total of $184 million over the ensuing 12 years of securitization, which amounts to $129.28 million on a present

value basis, using a discount rate equal to the expected interest rate on such rate reduction bonds. The $54 million ADIT deduction proposed by the Company is the "net present value of the related tax cash flows," meaning the present value of deferred tax benefits of the $184 million, less the present value of tax payments over the securitization period ($129.3M).

EOE, without evidence, proposes an alternative methodology to instead credit customers with what it refers to as "the net present value of the ADIT benefit." However, in fact, the $129.3 million is the value of the tax *payments* the Company will make over the securitization period. EOE's proposal would actually result in *an addition* to the principal balance for securitization because it only reflects the tax cash *outflows* related to the amounts securitized. In contrast, the proper methodology presented by CL&P includes the ***net*** present value of the cash flows, in accordance with the law, which reflects the ***net*** present value of the benefit realized by the Company having lower cash tax payments initially at the time the Company incurred the Storm Costs, offset by paying back the exact same nominal amount of that that tax benefit over time. The Company's calculation appropriately results in a reduction of approximately $54 million to the securitized principal balance in accordance with the Securitization Law, reflecting the net benefits of ADIT relating to amounts that will be recovered through the issuance of Rate Reduction Bonds for Financed Utility Services. In accordance with applicable law, CL&Ps proposal appropriately credits its customers by reducing the amount of such Rate Reduction Bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the expected interest rate on such Rate Reduction Bonds.

B. EOE's Alternative Position is Equally Flawed

The Company has consistently presented its carrying charge calculations net of ADIT. In the Storm Costs Order, although disputed by the Company, PURA declined to recognize carrying charges on either storm restoration costs or on customer receipts received prior to the date of prudence. Had PURA authorized the recovery of carrying charges historically, EOE's alternative

argument would have merit (recognizing, however, that the Company's calculations related to carrying charges consistently presented throughout Docket No. 25-12-13 similarly recognized that the Company should only be entitled to carrying charges at its weighted average cost of capital, or WACC, on storm costs, net of ADIT, consistent with general utility ratemaking practices). However, PURA declined to award the Company carrying charges prior to the date of its final decision in Docket No. 25-12-13. Although the Company is currently appealing that decision, the result of that appeal does not impact the dollar amount subject to review in this proceeding. As a result, since carrying charges are not at issue in this proceeding, and since in the normal course of ratemaking, ADIT generally serves to reduce the balance on which utilities incur their WACC, it is not appropriate to attribute any benefit to customers of the ADIT balance prior to the date of securitization (LFE-001).

However, EOE argues that if PURA accepts CL&P's methodology to calculate the net present value of the related cash flows at $54 million, then this $54 million "should be adjusted to reflect the historical benefits of the ADIT from 2019 to the present."[13] EOE calculates this benefit to equal an incremental $18 million.[14] EOE did not submit evidence in support of its methodology or the calculation; it makes this claim for the first time on brief.[15]

The tax deduction related to the amounts that are now being securitized (for which there were no corresponding revenues until securitization), originally had the impact of reducing the Company's taxable income resulting in the deferred tax benefit of approximately $184 million (Exhibit CLP-Treasury-2-ADIT Calculation). Any deferred tax benefit prior to securitization

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13 EOE Filing, Br. at 1.

14 EOE Filing, Br. at 4.

15 PURA provided all parties to this docket the opportunity to submit pre-filed testimony by October 13, 2026. See Notice of Hearing and Procedural Order, Oct. 8, 2026, at 2-3 ("all other parties are invited to submit pre-filed testimony no later than 4:00 p.m. on October 13, 2026"). Although EOE is a party to the docket, it did not submit pre-filed testimony or other evidence in the docket for review and cross-examination by PURA and the other parties. See R.C.S.A. § 16-1-33 (the purpose of a hearing in a contested case shall be to provide all parties an opportunity to present evidence and argument on all issues to be considered by the commissioners); R.C.S.A. § 16-1-38 (cross-examination may be conducted as the commissioners or the presiding officer shall find to be required for a full and true disclosure of the facts).

would be attributable to storm costs for which there is no revenue recovery. This ADIT benefit is already reflected in the carrying charge attributable to storm costs net of ADIT after the approval of the storm costs to be securitized (LFE-001). Any ADIT benefit prior to that would be reflected in the recovery of carrying charges on the unrecovered storm costs going back to 2019 for which the Company does not have approval.

More specifically, the ADIT benefit resulted from the Company's outlay of its own capital (net of any customer contributions) for which the Company has not been reimbursed by customers for the net Storm Costs (LFE-001, LFE-001 Att. 1). The deferred Storm Cost asset is not reflected in rates (i.e. rate base) and therefore the associated ADIT is not reflected in rates (i.e. rate base) (LFE-001). In other words, the ADIT benefit recognized by the Company only exists as a result of the fact that the Company has had to expend approximately $668 million of its own capital to contemporaneously pay its storm restoration costs with no corresponding revenues (LFE-001; LFE-001, Att. 1; Exh. CLP-TREASURY-2-ADIT Calculation). This 'benefit' only served to modestly reduce the carrying costs incurred by the Company in the intervening years since the time that the Company incurred the storm restoration costs and when it collects those costs in rates from customers (LFE-001). This creates a tax 'benefit' in the short term that is ultimately transferred to customers once the Company has received the cash resulting from the close of the financing and is reflected in the balance the Company is ultimately securitizing (LFE-001).[16]

EOE asserts that "Eversource received a tangible ADIT benefit; it was able to defer the income taxes associated with the storm costs, ***keep the money that would otherwise have been used to pay the income tax, and invest that money***. This is a real tangible benefit that should

[16] The Company has consistently presented its carrying charge calculations net of ADIT and net of customer contributions. In the Storm Cost Order, although disputed by the Company, PURA declined to recognize carrying charges on either storm restoration costs or on customer receipts received prior to the date of prudence. It would similarly not be appropriate to attribute any benefit to customers of the ADIT balance prior to the date of securitization (LFE-001).

properly be included in the 'net benefits' of ADIT required by law."[17] This is a flawed premise, as shown by examining the sequence of events related to CL&P's approximately $668 million of storm costs. First, the Company was required to pay the $668 million between 2018 – 2023. Because taxes are incurred on a cash basis not on an accounting basis, CL&P took a tax deduction at the time it paid those bills. This means that CL&P's tax payment was less than it otherwise would have been (by approximately 30% of the $668 million, or $184 million). Next, this means that net of taxes, CL&P had to finance approximately $484 million; it paid its contractors the approximately $668 million, but recognized $184 million in tax savings that it deferred paying to the IRS, such that it 'only' had to finance $484 million.

However, in this sequence of events, CL&P is still out the $484 million. Contrary to EOE's assertion, there is no "money to invest" because CL&P had to borrow $484 million, net of taxes, for this 'benefit' to be realized. It simply reduced the amount of borrowing necessary for the Company to finance the Storm Costs until such time as it is reimbursed from its customers. That is why the Company calculated carrying costs in Docket No. 25-12-13 on the balance of storm costs, net of ADIT, at each instance in which it presented a carrying cost calculation.[18] EOE's argument is that CL&P is holding money and investing it at 5 percent and, therefore, should give that back to customers. EOE did not present this position through a witness, as a party is required to do, and its flawed premise is plainly apparent.

C. EOE's Legal Analysis is Incorrect

EOE asserts that "[h]ow much ADIT should be credited back to customers can be ascertained from the text of the statute itself,"[19] falsely implying that CL&P's calculation of the ADIT credit is inconsistent with Conn Gen. Stat. § 16-245e(m). However, while EOE argues that

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17 EOE Filing, Br. at 4 (emphasis added, footnote omitted).

18 See, e.g., Docket No. 25-12-13, Exh. ES-SFP-2 (18-25 Storm Costs and Financing), Exh. CLP-01 (Summary) Rev. 2, LFE-001-SP01 Att. 1.

19 EOE Filing, Br. at 3 (emphasis added).

the text of the statute drives EOE's methodology, it simultaneously undercuts this argument asserting that PURA should go beyond the text and apply a "liberal interpretation" in favor of customers.[20] Although it relies on the "plain meaning rule," EOE's argument is inconsistent with the "plain meaning rule."

Under Connecticut law, the plain meaning rule states that the meaning of a statute "shall, in the first instance, be ascertained from the text of the statute itself and its relationship to other statutes. If, after examining such text and considering such relationship, ***the meaning of such text is plain and unambiguous and does not yield absurd or unworkable results, extratextual evidence of the meaning of the statute shall not be considered***." Conn. Gen. Stat. § 1-2z. EOE cites only the first sentence of the statute and ignores the second. EOE suggests that the law is plain and unambiguous but simultaneously encourages PURA to interpret meaning beyond the text, and specifically that "the statute must be interpreted liberally in favor of customers."[21]

EOE presented no evidence that its methodology is driven by statute, nor that the text of the statute is ambiguous or requires extratextual evidence to discern an alternative interpretation. Moreover, CL&P presented evidence as summarized in its brief that its ADIT calculation is consistent with Conn Gen. Stat. § 16-245e(m) (see, e.g., CL&P Brief, at 31; Exh. CLP-REGULATORY-1, at 17; Exh. CLP-TREASURY-1, at 10; LFE-003, Att.1).[22]

Moreover, EOE's interpretation would, in fact, "***yield absurd or unworkable results****"* since it would require that PURA conclude that customers are somehow owed a benefit in excess of the benefit the Company received. In fact, the outcome of EOE's argument would be that PURA would impute the present value of *tax payments* the Company will make to the IRS as a reduction

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[20] Id.

[21] Id.

[22] EOE states summarily that Conn Gen. Stat. § 16-245e(m) is a "remedial statute" to be "construed liberally in favor of those whom the law in intended to protect" (EOE Filing, Br., at 3, fn. 3) but provides no evidence or case law showing that Connecticut courts have found it to be a remedial statute. "A remedial statute is designed to correct an existing law, redress an existing grievance, or introduce regulations conducive to the public good and generally is liberally construed." 82 C.J.S. Statutes § 505.

to the securitized bonds. The statute requires that "the net benefits of accumulated deferred income taxes relating to amounts that will be recovered through the issuance of rate reduction bonds for financed utility services shall be credited to retail customers of electric distribution companies by reducing the amount of such rate reduction bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the expected interest rate on such rate reduction bonds." There is no "net benefit of accumulated deferred income taxes" that will accrue to the Company or its customers associated with *tax payments* that will be paid as a result of recognizing taxable income over the course of the securitized bonds. However, that is what EOE is arguing in its brief; that somehow the *tax payments* to be paid by the Company to the IRS over the term of the securitized bonds should be interpreted as a 'benefit' that should be present valued and used to reduce the principal amount of securitization. This may be the first time in history that tax payments made to the IRS are deemed a 'benefit' in a statutory plain language argument.

The fact of the matter is that the Company received a 'benefit' only insofar as it was able to deduct the storm-related Principal Costs for tax purposes in the year in which the expenses were incurred, reducing the amount of Storm Costs required to be financed by the ADIT balance. This benefit will 'turn around' over the course of the securitization financing. However, EOE's brief would have PURA reduce the securitized principal by the *present value of the tax payments* that the company will make over the course of securitization.

D. EOE's Reliance on Extra-Record Evidence Violates CL&P's Due Process Rights.

It is a fundamental principal that PURA must ensure the parties' rights to due process in a contested case proceeding. "Contested cases must be conducted under the contested case provisions of the UAPA. Conn. Gen. Stat. §§ 4-176e through 4-182." Docket No. 10-07-13, Petition of the Connecticut Independent Utility Workers, Local 12924 and the United Steel Workers, Local 12000 Union for a Declaratory Ruling Regarding Use of Participant Status in

DPUC Proceedings, Feb. 3, 2011 at 4 (citations in original). In contested case proceedings, the UAPA provides many procedural due process protections, including that the parties and agency have an opportunity to conduct cross-examinations required for a full and true disclosure of the facts, meaning that evidence outside the evidentiary record cannot be used. See, e.g., Conn. Gen. Stat. §4-178. PURA has held that "[t]hese contested case provisions exceed the minimal procedural safeguards mandated by the due process clause. Taylor v. Robinson, 171 Conn. 691 (1976); Levinson v. Board of Chiropractic Examiners, 211 Conn. 508, 531 (1989)." Docket No. 10-07-13, at 4 (citations in original); see also Docket No. 08-06-10, DPUC Review of Overearnings for Connecticut Natural Gas Corporation, Aug. 6, 2008 at 3 (company due process rights in a rate case are substantial).

Due process of law requires that parties have a right to produce relevant evidence and an opportunity to know the facts on which the agency is asked to act, to cross-examine witnesses and offer rebuttal evidence. Plamisano v. Conservation Com'n of Town of Old Lyme, 27 Conn. App. 543, 546-47 (1992) (citing Conn. Fund for the Environment, Inc. v. Stamford, 192 Conn. 247, 249 (1984)). Regulatory agencies "cannot consider additional evidence submitted by a party without granting the opponents and the public the opportunity to examine that evidence and to offer evidence in explanation or rebuttal." Plamisano, 27 Conn. App. at 546-47 (citing Carlson v. Fisher, 18 Conn. App. 488, 503 (1989)); see also Bryan v. Sheraton-Hartford Hotel et al., 62 Conn. App. 733, 740 (2001) (applying same standard to state administrative agency); Seventeen Oaks, LLC v. Middletown Zoning Bd. of Appeals, 51 Conn. L. Rptr. 226, *4 (Conn. Supp. J.D. of Middlesex, 2010).

Here, EOE did not present evidence on the record to support its methodology or calculation of "a $129.28 million net benefit of ADIT" nor its assertions as to calculation of "the historical ADIT benefits the Company received starting in 2019," which it equates to $18 million.[23] These

[23] EOE Filing, Br. at 1, 4-5.

assertions were made by EOE for the first time in the unsigned brief that was part of the EOE Filing, depriving parties of an opportunity to issue discovery or cross-examine an EOE witness on these assertions, or to provide rebuttal evidence, or other due process.

IV. CONCLUSION

CL&P respectfully requests that PURA reject or disregard the EOE Filing due to these infirmities and issue a final decision that is based on record evidence.

RESPECTFULLY SUBMITTED,

THE CONNECTICUT LIGHT AND POWER COMPANY d/b/a EVERSOURCE ENERGY

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CERTIFICATION

This is to certify that on November 18, 2026, the foregoing document was filed with the Public Utilities Regulatory Authority, and copies of the foregoing document were served upon each person designated on the PURA's official service list in this proceeding in accordance with R.C.S.A. § 16-1-15.



Daniel P. Venora, Esq.