Date Filed: October 27, 2026

Witness: FALLON, MATTHEW P
Request from: Public Utilities Regulatory Authority

Question:

State under what circumstances the creation of more than one SPE would be necessary. If more than one SPE is created, explain the impact that would have on the fees incurred.

Response:

The only circumstances that the Company is aware of under which more than one Special Purpose Entity ("SPE") would be necessary would be if market conditions required the Rate Reduction Bonds ("RRB") to be issued in more than one series (i.e., in installments rather than all at once). In that case, a separate SPE would likely be required for each series of RRB issued. The Company does not anticipate this being necessary but has prepared the proposed financing order to accommodate this circumstance and provide for the flexibility to have more than one SPE in the event that market conditions require.

If more than one SPE were required, the Company would expect the upfront and ongoing costs related to the additional SPE to be modestly higher to account for the existence of certain duplicative expenses. For example, an independent director would be required for each SPE. However, most of the significant transaction costs, such as the Servicing Fee, underwriting fees and rating agency fees, will be based on the aggregate principal amount of the RRBs and thus should not increase if the total amount issued were divided between two or more offerings. As with the terms of the RRBs more generally, if an additional SPE were to become a realistic possibility, CL&P would discuss the incremental costs with OTT, and the parties would determine whether the additional SPE was in the best interests of the ratepayers.