Date Filed: October 27, 2026

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

Question:

Update the Company's proposed financing order (Exhibit CLP-FINANCING ORDER-1) and separate it into two documents.

(1) A document which includes the Company's proposed findings of fact and application of law.

(2) A financing order containing only the terms that are necessary for the financing order

Response:

Please refer to LFE-003 Attachment 1 for a revised version of the proposed financing order, Exhibit CLP-FINANCING ORDER-1. In consultation with the Company's advisors, including issuer's counsel and Goldman Sachs, the Company streamlined the proposed financing order to address PURA's request. This enabled the Company to eliminate some redundancies and reduce the proposed financing order by several pages, while retaining all elements that are necessary for issuance of the Rate Reduction Bonds ("RRB") and to achieve the desired triple-A rating on the bonds. In the judgment of the Company and its advisors, the revised exhibit has been streamlined to the greatest extent possible, such that all of the remaining content is needed to satisfy the rating agencies and prospective bondholders, which will enable CL&P to yield the best results for customers. Please refer to LFE-003 Attachment 1, the PDF version of the revised exhibit, and LFE-003 Attachment 2 for the red-lined comparison to the original Exhibit CLP-FINANCING ORDER-1 that illustrates the scope of the changes[1].

Because all of the "terms necessary for the financing order" are inextricably linked to the findings of fact and application of law that will be encompassed within the financing order, Late-Filed Exhibit No. 3 is presented as a single document but with discrete sections to provide the separate elements requested by PURA.

Specifically, LFE-003 Attachment 1 incorporates the following changes:

1. The revised exhibit adopts a four-part structure that generally tracks the structure of the final decision in Docket No. 00-05-01 for the 2001 RRB issuance. The 2001 order

[1] The Company can provide a word version of LFE-001 Attachment 1 upon request.

provided an appropriate template for the proposed financing order. The revised exhibit consists of the following sections: (i) an Introduction, containing procedural background and applicable law, (ii) an Analysis, containing the Transaction Description, (iii) Findings of Fact, and (iv) Conclusion, Authorizations and Order.

2. In response to PURA's request for a shorter document, CL&P removed and/or combined certain paragraphs that overlapped or were duplicative of each other. For example, one such change was to remove the recital of the requested approvals from the Introduction and instead cross-reference the requests in the Petition. The Company also removed several explanatory notes that were included in the original exhibit,[2] among other changes.

3. In the original exhibit, the "Findings" section included certain determinations and conclusions that on further review, and comparison to the 2001 financing order, are more appropriate for the Conclusion, Authorizations and Orders section. Thus, the Findings of Fact section in the revised exhibit provides a more concise recitation of the essential findings while other elements have been moved to the Conclusion, Authorizations and Orders section.

These changes are shown in the red-lined comparison, which shows significant changes in certain sections of the proposed financing order to address PURA's request. The scope of the changes and document reorganization demonstrate that CL&P took PURA's request seriously and used best efforts to streamline the proposed financing order.

[2] Exhibit CLP-FINANCING ORDER-1 contained explanatory notes on the cover page (noting that the exhibit is CL&P's proposal to PURA of the terms that are most likely to result in a AAA rating), page 4 (noting the possibility of multiple SPEs), and page 10 (noting the level of servicing fees charged in other recent transactions).