**STATE OF CONNECTICUT**

**PUBLIC UTILITIES REGULATORY AUTHORITY**

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| **FINANCING ORDER FOR 2018-2023 STORM COSTS OF THE CONNECTICUT LIGHT AND POWER COMPANY d/b/a EVERSOURCE ENERGY** | : | **DOCKET NO. 26-04-04** |
| | : | **September 25, 2026** |

**PETITION OF THE CONNECTICUT LIGHT AND POWER COMPANY D/B/A EVERSOURCE ENERGY FOR ISSUANCE OF A FINANCING ORDER**

The Connecticut Light and Power Company d/b/a Eversource Energy ("CL&P" or the "Company") hereby petitions the Public Utilities Regulatory Authority ("PURA") for certain findings of fact and issuance of a financing order (the "Financing Order") authorizing the issuance of rate reduction bonds (the "Rate Reduction Bonds" or "RRBs"), pursuant to Conn. Gen. Stat. §§ 16-245e to 16-245k, as amended (the "Securitization Law").[1] Specifically, CL&P requests that PURA issue a Financing Order for the purpose of recovering approximately $668 million of costs previously determined by PURA in a final decision dated July 29, 2026, in Docket No. 25-12-13, Application of The Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm Costs (the "Storm Costs Order"), to have been prudently and efficiently incurred by CL&P to prepare for and restore power to customers following storms between the period January 2018 to December 2023 (the "Storm Costs") and any fees, expenses and transaction costs incurred in connection with the issuance, servicing and retirement of such RRBs (together with Storm Costs, the "Financed Utility Services").

[1] Effective July 1, 2025, the Securitization Law was amended by sections 10 – 16 of Public Act No. 25-173, An Act Concerning Energy Affordability, Access and Accountability (the "Act").

As demonstrated in this Petition,[2] PURA's approval of a Financing Order for the purpose of authorizing the recovery by CL&P of the Financed Utility Services, including the Storm Costs, through the issuance of Rate Reduction Bonds (the "RRB Transaction"), is in the best interest of customers consistent with Conn. Gen. Stat. § 16-245e(l). With PURA's approval of the RRB Transaction, customers will benefit from the lower interest rate on the RRBs, as compared to CL&P's weighted average cost of capital, which reduces the revenue requirement that must be paid by customers to cover the deferred Storm Costs balance and mitigates customer bill impacts for recovery of these costs. These benefits produce significant savings that will be realized through the ability to rely exclusively on securitized debt, rather than on a combination of long-term debt and equity, and through achieving a triple-A rating through the securitization financing process. CL&P estimates the net present value ("NPV") savings of the RRB Transaction at approximately $120 million, as compared to typical rate recovery, and only a 0.6 percent difference in total revenue requirements between the two scenarios on a nominal basis. In addition, with PURA's approval of the RRB Transaction, customers will benefit from a substantial reduction in bill impacts associated with the recovery of the Financed Utility Services, which is a benefit only available with approval of the RRB Transaction.

Consistent with the Securitization Law, CL&P's Petition includes a proposed Financing Order for PURA's consideration. The proposed Financing Order, attached hereto as Exhibit CLP-FINANCING ORDER-1, contains specific language and provisions that are required to maximize the likelihood of achieving triple-A ratings on, and enhance the marketability of, the Rate

[2] On September 11, 2026, PURA denied the joint motion of the Office of the State Treasurer and the Company (together, the "Parties") to conduct Docket No. 26-04-04 as a contested case. The Parties' motion demonstrated that the Securitization Law, in particular Conn. Gen. Stat. §§ 16-245f(a)(3) and 16-245g(a), require PURA to hold a hearing on CL&P's Petition as a contested case. In filing this Petition, CL&P reserves its rights with respect to this issue and maintains its position that this docket must be conducted as a contested case as required by the Securitization Law.

Reduction Bonds. The proposed Financing Order contains a detailed description of the contemplated RRB Transaction, together with requested findings, orders, and approvals needed to achieve the triple-A ratings, which is in the best interest of customers because it will ensure a lower interest rate for recovery of the Financed Utility Services. Specifically, CL&P requests that PURA, in the Financing Order, among other things:

i. Approve the issuance of Rate Reduction Bonds in an amount sufficient to recover the Financed Utility Services (including the Storm Costs), with such amount to be determined by PURA as described in the Direct Testimony of Matthew P. Fallon (the "Eversource Treasury Testimony") and the Joint Direct Testimony of Brendan J. O'Brien, Garrett J. Murray and Edward A. Davis (the "Eversource Regulatory Testimony") that accompany the Petition;

ii. Authorize and impose the portion of the competitive transition assessment (as defined in Conn. Gen. Stat. § 16-245e(a)(2), the "Competitive Transition Assessment" or "CTA") from which the Financed Utility Services will be recovered and from which the Rate Reduction Bonds will be issued, serviced and retired (such portion of the Competitive Transition Assessment, the "RRB Charge"), the calculation of and the collection from customers which is described in the Eversource Treasury Testimony and the Eversource Regulatory Testimony;

iii. Authorize the organization of one or more special purpose financing entities (collectively, the "Financing Entity") to issue the Rate Reduction Bonds;

iv. Authorize the sale or assignment from CL&P to the Financing Entity of the right, title and interest in and to: (A) the RRB Charge established pursuant to the Financing Order, as adjusted from time to time in accordance with Conn. Gen. Stat. § 16-245i(b)(2) and the Financing Order; (B) the right to be paid from the RRB Charge an amount sufficient to ensure recovery of the Financed Utility Services and the costs of issuing, servicing and retiring the Rate Reduction Bonds, including all revenues, collections, claims, payments, money, or proceeds of or arising from the RRB Charge; and (C) all rights to obtain adjustments to the RRB Charge pursuant to the terms of Conn. Gen. Stat. § 16-245i(b)(2) and the Financing Order (as defined in Conn. Gen. Stat. § 16-245e(a)(13), the "Transition Property");

v. Authorize the pledge by the Financing Entity of the Transition Property as collateral for the Rate Reduction Bonds;

vi. Provide for the periodic adjustment of the RRB Charge as may be necessary to ensure timely recovery of all Financed Utility Services that are subject of the Financing Order, including to pay principal of and the interest and any credit enhancement or premium on the Rate Reduction Bonds as the same shall become

due and payable, and to pay all reasonable and necessary expenses relating to the financing, including the costs of servicing and retiring the Rate Reduction Bonds, via a true-up mechanism described in Part II of the Financing Order (the "Transaction Description") and in the Eversource Treasury Testimony and the Eversource Revenue Requirements Testimony, and for a procedure for the timely approval by PURA of such periodic adjustments;

vii. Approve the timing and terms of the Rate Reduction Bonds as described herein, including the maturity and the proposed use of proceeds thereof, as described in the Direct Testimony of Steven Moffitt of Goldman Sachs & Co. ("Goldman") that accompanies the Petition, and in the Eversource Treasury Testimony;

viii. Authorize CL&P, as the initial servicer, or any successor servicer, to contract with the Financing Entity to service the Transition Property under a servicing agreement, including to continue to operate its system to provide service to its customers, to collect amounts in respect of the RRB Charge for the benefit and account of the Financing Entity and to account for and remit these amounts to or for the account of the Financing Entity;

ix. Approve necessary tariff provisions required to implement recovery of the RRB Charge from customers, for such time until the Rate Reduction Bonds have been paid in full, including all principal, interest, premium (if any), costs and arrearages thereon;

x. Declare that the Financing Order shall be irrevocable as provided in Conn. Gen. Stat. § 16-245i(b)(1);

xi. Find the RRB Charge to be just, reasonable and irrevocable; and

xii. Find that the issuance of the Rate Reduction Bonds is in the best interest of ratepayers consistent with Conn. Gen. Stat. §16-245e(l).

In support of its Petition, the Company respectfully states as follows:

## I. STATEMENT OF PETITION

### A. Securitization Law

Effective as of July 1, 2025, Public Act 25-173 amended Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, to provide that an electric distribution company may submit a petition to PURA for a financing order to authorize the issuance of Rate Reduction Bonds to recover Financed Utility Services, including any costs that were incurred by an electric distribution company between

January 1, 2018 and January 1, 2025 to prepare for and restore power to customers following storms and that have been determined by PURA to have been prudently and efficiently incurred.

Conn. Gen. Stat. §§ 16-245i(a) and 16-245j(a) provide that a financing entity may issue Rate Reduction Bonds upon approval by PURA in the pertinent financing order, and that a financing order adopted following the application of an electric distribution company shall become effective in accordance with its terms after the electric distribution company files with PURA the electric distribution company's written consent to all terms and conditions of the financing order.

Pursuant to Conn. Gen. Stat. § 16-245j(b), the State of Connecticut (the "State") has pledged and agreed with the owners of the Transition Property and holders of the Rate Reduction Bonds that neither the State, nor any agency of the State shall limit, alter, amend, reduce or impair the RRB Charge (as a portion of the Competitive Transition Assessment), the Transition Property, any financing order or any rights thereunder, until the Rate Reduction Bonds, together with the interest thereon, are fully met and discharged, unless adequate provision is made by law for the protection of the owners and holders.

Pursuant to Conn. Gen. Stat. § 16-245e(a)(2), the RRB Charge (as a portion of the Competitive Transition Assessment) is non-bypassable.

Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, provide a comprehensive framework for the issuance of Rate Reduction Bonds to recover Financed Utility Services and empower PURA to issue financing orders approving such Rate Reduction Bonds, subject to the requirements and conditions set forth therein.

**B. Storm Costs Order**

In the Storm Costs Order, PURA determined that $767,930,008 in Storm Costs incurred by CL&P to prepare for and restore power to customers following storms between the period

January 2018 to December 2023 had been prudently and efficiently incurred and authorized CL&P to file a petition in Docket No. 26-04-04 to request a determination from PURA as to whether the issuance of Rate Reduction Bonds to recover the net amount of $667,930,008 is in the best interests of ratepayers.[3] In this Petition, CL&P proposes the issuance of Rate Reduction Bonds pursuant to Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, as the means of recovering the Financed Utility Services associated with such Storm Costs.

### C. Description of the Proposed RRB Transaction

The Eversource Treasury Testimony, the Direct Testimony of Steven Moffit of Goldman (the "Goldman Testimony"), and the proposed Financing Order that accompany this Petition provide detailed descriptions of the proposed RRB Transaction. As set forth therein, CL&P requests that PURA issue a Financing Order that, among other things, approves specific aspects of its proposed RRB Transaction and find that they are consistent with achieving the targeted triple-A rating and therefore the lowest cost on the Rate Reduction Bonds consistent with market conditions at the time the Rate Reduction Bonds are priced and the terms of the Financing Order. Please refer to the Eversource Treasury Testimony at Section IV, the Goldman Testimony at Section III, and the proposed Financing Order at Section II for further descriptions of the proposed RRB Transaction.

As noted in the Eversource Treasury Testimony, the Goldman Testimony, and in the proposed Financing Order, the proposed structure is subject to certain limited modifications, subsequent to the issuance of the Financing Order, to allow for requirements of the rating agencies that will assign credit ratings to the Rate Reduction Bonds and market conditions at the time the

[3] 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").

Rate Reduction Bonds are issued. In addition, the aggregate principal amount of the Rate Reduction Bonds can be determined only after the pricing date of the bonds, as, in accordance with Conn. Gen. Stat. § 16-245e(m), the amount of Rate Reduction Bonds that would otherwise be issued must be reduced by the net present value of the net benefits to CL&P of the accumulated deferred income taxes relating to the Financed Utility Services that will be recovered through the issuance of the Rate Reduction Bonds, as calculated by CL&P using a discount rate equal to the expected interest rate on the Rate Reduction Bonds. The final structure of the RRB Transaction will be determined by CL&P at the time the Rate Reduction Bonds are priced, subject to targeting a triple-A rating and therefore the achievement of the lowest cost on the Rate Reduction Bonds consistent with market conditions at the time the Rate Reduction Bonds are priced and remaining substantially and materially consistent with the transaction structure described herein, and approved by PURA in the Financing Order.

The following subsections of this Petition highlight several aspects of the proposed RRB Transaction. Please refer to the proposed Financing Order at Section II for a comprehensive description of all elements of the proposed RRB Transaction.

*1. RRB Charge*

The RRB Charge, as a portion of the Competitive Transition Assessment, shall be a nonbypassable charge that may be authorized by PURA pursuant to the Financing Order to recover Financed Utility Services that are eligible to be funded with the proceeds of Rate Reduction Bonds. Conn. Gen. Stat. § 16-245e(a)(2). As set forth in the Regulatory Testimony, this Petition includes a proposed rate design for the RRB Charge that shall be assessed to all customers at a rate that is applied equally to all customers of the same customer class. Consistent with the Securitization Law, the RRB Charge must be sufficient to recover all amounts approved by PURA, including to

pay the principal of and the interest and any credit enhancement or premium on the Rate Reduction Bonds as the same shall become due and payable, and to pay all reasonable and necessary expenses relating to the RRB Transaction. Conn. Gen. Stat. § 16-245g(d). The RRB Charge is to be adjusted periodically, but not less frequently than annually, as specified in the proposed Financing Order. Conn. Gen. Stat. § 16-245i(c).

*2. True-Up Mechanism*

The RRB Charge will be calculated to recover all debt service on the Rate Reduction Bonds, as well as ongoing transaction costs. CL&P will file adjustments, up or down, to the RRB Charge pursuant to a true-up mechanism established in accordance with Conn. Gen. Stat. § 16-245i(b)(2) (the "True-Up Mechanism"). As proposed, the True-Up Mechanism is a periodic adjustment to the RRB Charge to ensure that the aggregate RRB Charge billed for the applicable period will result in RRB Charge collections that are sufficient to meet periodic RRB payment requirements. The Servicer will periodically file with PURA true-up advice letters, which will specify the new RRB Charge and identify the deemed collection date, the RRB charge-off percentage and the forecasted kWh billed by rate class. This feature addresses any cash flow variability and is a positive factor in reducing the need for additional credit enhancements, as the True-Up Mechanism has no upfront cost. The Servicer will file with PURA true-up advice letters, which will define the new RRB Charges and identify the number of days after a customer is billed that RRB Charges are deemed collected, the RRB charge-off percentage and the forecasted kwh billed by rate class. The proposed True-Up Mechanism includes annual routine true-up filings, as well as provision for semi-annual routine true-up filings and other true-up filings as needed, as further described in the Eversource Treasury Testimony at Section V and the Eversource Regulatory Testimony at Section III. See also the Goldman Testimony at Section III.D.

*3. Use of Proceeds*

The Financing Order shall provide that the use of proceeds from the issuance of the Rate Reduction Bonds shall be applied for the purposes approved by PURA in the Financing Order. Conn. Gen. Stat. § 16-245j(c)(4)(A). The Financing Entity will transfer the proceeds from the issuance of the Rate Reduction Bonds, net of its transaction costs, if any, to CL&P as consideration for the transfer of the Transition Property to the Financing Entity. The RRB proceeds received by CL&P will be used by CL&P as follows:

- To recover the Storm Costs approved for recovery in the Storm Costs Order (i.e., the $667,930,008 in net costs incurred between January 2018 and December 2023 to prepare for and restore power to customers following storms that have been determined by PURA to have been prudently and efficiently incurred).
- To pay upfront transaction costs incurred in connection with the issuance of the Rate Reduction Bonds.
- To redeem short term debt and to pay a return of capital to Eversource Energy to maintain an appropriate capital structure at CL&P.

**D. Exhibits**

The Company's Petition is supported by the following exhibits:

1. **Exhibit CLP-TREASURY-1** provides the Direct Testimony of Matthew P. Fallon, Assistant Treasurer, Corporate Finance and Cash Management for Eversource Energy Service Company ("ESC") (as previously defined, the Eversource Treasury Testimony). The Eversource Treasury Testimony provides a case overview of the Petition and CL&P's requests to PURA in this docket. The testimony explains the methodology for determining the RRB Charge as a portion of the Competitive Transition Assessment, which is required to satisfy the periodic RRB payment requirements for the RRB Transaction, and identifies the anticipated transaction costs of the RRB Transaction. The Eversource Treasury Testimony also describes

the customer benefits, including the savings that are expected for customers as a result of the RRB Transaction and the methodology to calculate such savings. The Eversource Treasury Testimony includes two supporting exhibits and several schedules.

2. **Exhibit CLP-REGULATORY-1** provides the Joint Direct Testimony of Brendan J. O'Brien, Vice President of Distribution Rates and Revenue Requirements for ESC, Garrett J. Murray, ESC Director of Revenue Requirements for Eversource's Connecticut electric and gas utilities, and Edward A. Davis, Director of Rates for ESC (as previously defined, the Eversource Regulatory Testimony). The Eversource Regulatory Testimony explains how the Storm Costs to be securitized have been calculated; discusses the proposed ratemaking treatment for the RRB Charge and inclusion in the CTA; discusses the alternative ratemaking treatment that would apply for recovery of the Storm Costs through base distribution rates; and explains how RRB Charges will be allocated amongst CL&P's customer classes and the changes necessary to CL&P's CTA Tariff to reflect and implement the securitization financing process. The Eversource Regulatory Testimony includes four supporting exhibits.

3. **Exhibit CLP-GOLDMAN-1** provides the Direct Testimony of Steven Moffit, Managing Director, Co-Head of the Global Real Estate and Consumer Financing Group at Goldman (as previously defined, the Goldman Testimony). The Goldman Testimony: (a) provides background information on the use of utility securitizations in other jurisdictions and discusses some of the basic elements of the proposed RRBs; (b) describes the proposed preliminary Storm Cost bond issuance structure

for use by the Company and discusses certain structuring and marketing considerations; (c) discusses the primary rating agency criteria and structural features for utility securitizations to obtain the desired triple-A ratings; and (d) discusses several of the key commercial terms of the bonds that the Company expects will be required for a successful transaction, as well as key provisions of the proposed Financing Order. The Goldman Testimony includes two supporting attachments.

4. **Exhibit CLP-FINANCING ORDER-1** provides the proposed Financing Order for PURA's consideration. The proposed Financing Order contains provisions that are required to maximize the likelihood of achieving triple-A ratings on, and enhance the marketability of, the Rate Reduction Bonds. The proposed Financing Order contains a detailed description of the contemplated RRB Transaction, together with requested findings, orders, and approvals needed to achieve the triple-A ratings. The proposed Financing Order sets forth CL&P's specific requests for findings, orders and approvals by PURA. In addition, the Petition includes several related exhibits necessary to implement the proposed RRB Transaction and referenced in Exhibit CLP-FINANCING ORDER-1, which are draft forms of the Administration Agreement (Exhibit CLP-FINANCING ORDER-1A), Servicing Agreement (Exhibit CLP-FINANCING ORDER-1B), Indenture (Exhibit CLP-FINANCING ORDER-1C), and Issuance Advice Letter (Exhibit CLP-FINANCING ORDER-1D).

The Company's Petition will also be supported by information to be provided in response to discovery requests, supplemental updates, any supplemental testimony and/or rebuttal

testimony, hearing testimony, and late-filed exhibits, as may be submitted by the Company during the docket, as well as other such facts as may properly become a part of the record in this proceeding. In addition, the Company anticipates the Office of the State Treasurer will submit testimony in support of the Petition within approximately two weeks of this filing.

**E. Additional Information**

1. The legal, name, address and principal place of business of the petitioner in this case is:

The Connecticut Light and Power Company
d/b/a Eversource Energy
107 Selden Street
Berlin, CT 06037

CL&P is a corporation specially chartered by the Connecticut General Assembly. CL&P provides electric distribution service within the State of Connecticut. CL&P currently provides retail service to customers in 157 towns, serving approximately 1.3 million customers. CL&P is an operating subsidiary of Eversource Energy. Eversource Energy owns all the outstanding shares of common stock of CL&P. The common shares of Eversource Energy are publicly held and are listed on the New York Stock Exchange.

2. The names, titles, addresses and telephone numbers of the attorneys and other persons to whom communications regarding this Petition should be addressed are as follows:

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## II. REQUEST FOR RELIEF

WHEREFORE, CL&P respectfully requests that PURA adopt, as part of the Financing Order, the RRB Transaction description, findings, orders and approvals set forth in the proposed Financing Order attached to this Petition as Exhibit CLP-FINANCING ORDER-1, all of which are necessary for CL&P to successfully implement the securitization of its Financed Utility Services. As part of these approvals, CL&P further requests that PURA: (1) find that securitization of the Financed Utility Services costs is in the best interest of ratepayers; (2) approve the Company's issuance of Rate Reduction Bonds in a principal amount sufficient to recover the Financed Utility Services, such amount to be calculated as set forth in the Eversource Treasury Testimony and in the proposed Financing Order; (3) issue the proposed Financing Order attached to this Petition as Exhibit CLP-FINANCING ORDER-1 including but not limited to the approvals set forth in clauses (i) through (xii) of the recitals above; and (4) grant such other and further relief as it deems just and proper.

Dated as of September 25, 2026.

**RESPECTFULLY SUBMITTED,**

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

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Its Attorneys

## CERTIFICATION

This is to certify that on September 25, 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.