STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

Docket No. 26-04-04

FINANCING ORDER FOR 2018 -2023 STORM COSTS OF
THE CONNECTICUT LIGHT AND POWER COMPANY
D/B/A EVERSOURCE ENERGY

DIRECT TESTIMONY OF

MATTHEW P. FALLON

Exhibit CLP-TREASURY-1

On Behalf of

The Connecticut Light and Power Company
d/b/a Eversource Energy

September 25, 2026

STATE OF CONNECTICUT

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MATTHEW P. FALLON

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MATTHEW P. FALLON

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Matthew P. Fallon. My business address is 107 Selden Street, Berlin, Connecticut.

Q. By whom are you employed and in what capacity?

A. I am the Assistant Treasurer, Corporate Finance and Cash Management for Eversource Energy Service Company ("ESC"), which is an affiliated service company of Eversource Energy and its subsidiaries, including The Connecticut Light and Power Company d/b/a Eversource Energy ("CL&P" or the "Company"). I hold the same position for CL&P.

Q. Please summarize your educational and professional background.

A. In 1997, I earned a Bachelor of Science degree in Finance from Fairfield University. In 2002, I earned a Master of Science degree in Finance from Boston College. Additionally, I achieved my Chartered Financial Analyst (CFA) charter holder designation in 2002. After graduation, I spent nearly 20 years working in the investment management industry, primarily as a stock analyst covering the utility sector. From 2020 to 2022, I led San Francisco-based Pacific Gas & Electric Company's Investor Relations team. I joined Eversource in 2023.

Q. What are your responsibilities for CL&P?

A. My primary responsibilities for CL&P include cash management, development and implementation of long-term financing plans, lease financings, capital structure and credit management.

Q. Have you previously testified in a utility regulatory proceeding?

A. Yes, I have previously testified on financing-related matters before the Public Utilities Regulatory Authority ("PURA") in Docket No. 25-12-13 and Docket No. 26-09-03 on behalf of CL&P; before the New Hampshire Public Utilities Commission in Docket No. DTE 26-012 and the New Hampshire Site Evaluation Committee in Docket SEC 25-072 on behalf of CL&P's affiliate, Public Service Company of New Hampshire; and before the Massachusetts Department of Public Utilities in Docket No. D.P.U. 26-101 in support of a financing application by CL&P's affiliate, NSTAR Electric Company.

Q. What is the purpose of your testimony?

A. The purpose of my testimony (the "Eversource Treasury Testimony") is to support CL&P's petition for the issuance of a financing order (the "Financing Order") authorizing the issuance of Rate Reduction Bonds ("RRBs"), pursuant to Conn. Gen. Stat. §§ 16-245e to 16-245k, as amended (the "Securitization Law").[1] In its petition, 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

[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").

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 of 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"). In the Storm Costs Order, PURA approved the use of a securitized financing through the issuance of Rate Reduction Bonds as authorized by the Securitization Law.

In my testimony, I provide an overview of the Company's petition, provide an overview of securitization financing, and provide a description of the proposed RRB issuance (the "RRB Transaction"). In addition, I explain the methodology for determining the portion of the competitive transition assessment ("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 CTA, the "RRB Charge"), which is required to satisfy the Periodic RRB Payment Requirements (as defined below). I also provide a description of the anticipated transaction costs of the RRB Transaction. Lastly, I describe the savings that are expected for customers as a result of the RRB Transaction and the methodology to calculate such savings.

Q. Are you presenting any exhibits or schedules in addition to your testimony?

A. Yes. I am providing the following exhibits in support of the Company's financing petition:

Exhibit	Description
Exhibit CLP-TREASURY-1	Direct Testimony of Matthew P. Fallon
Exhibit CLP-TREASURY-2	NPV of Tax Cash Flows
Exhibit CLP-TREASURY-3	Securitization NPV Savings

In addition, my testimony includes Schedule 1 (Estimated Upfront Transaction Costs) and Schedule 2 (Estimated Annual Ongoing Transaction Costs), which appear at the end of my testimony.

Q. How is your testimony organized?

A. My testimony is organized into the following sections:

- Section I provides the introduction to my testimony;
- Section II provides an overview of CL&P's petition;
- Section III provides an overview of securitization financing.
- Section IV provides a description of the proposed RRB Transaction.
- Section V explains the methodology for determining the RRB Charge and the process for billing, collecting and remitting the RRB Charge revenues.
- Section VI provides a description of the estimated transaction costs of the RRB Transaction;
- Section VII discusses the savings that are expected to result from the RRB Transaction and the methodology for determining these savings; and
- Section VIII provides the conclusion to my testimony.

II. PETITION OVERVIEW

Q. Please provide a summary of the Company's petition.

A. As noted above, CL&P is petitioning PURA for certain findings, orders and approvals in the Financing Order to allow the issuance of Rate Reduction Bonds for the purpose of recovering approximately $668 million of net Storm Costs. PURA's approval of the proposed Financing Order for the purpose of authorizing the recovery by CL&P of the Financed Utility Services, including the Storm Costs, through the RRB Transaction, is in the best interest of customers consistent with Conn. Gen. Stat. § 16-245e(l).

PURA's final decision in Docket No. 25-12-13 at 144 found $767,930,008 in prudently incurred storm costs are eligible to be considered for securitization in this proceeding, and required the application of the $100,000,000 RAM CTA credit authorized in Docket No. 26-04-04, such that the net Storm Costs proposed for securitization are approximately $668 million ($768 million in prudently incurred costs less $100 million of the RAM CTA credit). 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. As explained later in my testimony, 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.

Q. Is the Company's petition supported by any other testimony?

A. Yes. In addition to my testimony, the petition is supported by the following testimony:

- 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 (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.

- 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 Sachs & Co. ("Goldman") (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.

Q. Does the Company's petition include any other key exhibits?

A. Yes. The petition also includes Exhibit CLP-FINANCING ORDER-1, which provides the proposed Financing Order for PURA's consideration. The proposed Financing Order is a critical element of the petition, in that it 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 from PURA 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 additional 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).

III. OVERVIEW OF SECURITIZATION FINANCING

Q. Do recent changes in law authorize CL&P to recover the Storm Costs through securitization?

A. Yes. On July 1, 2025, Governor Lamont signed the Act into law, thereby amending the Securitization Law to grant electric distribution companies ("EDCs") the right to recover, among other things, the costs associated with "Financed Utility Services" using a process called securitization. Financed Utility Services are defined, in relevant part, as costs an EDC has "prudently and efficiently" incurred between January 1, 2018, through January 1, 2025, to prepare for and restore power to customers after storms. Conn. Gen. Stat. § 16-245e(a)(21). The Securitization Law further provides for the issuance of Rate Reduction Bonds to recover Financed Utility Services, which are secured by a non-bypassable charge on customer bills as a component of the CTA. Conn. Gen. Stat. § 16-245e(a)(1), (2).

To accomplish a securitization, the Securitization Law requires an EDC to petition PURA for a Financing Order to recover its costs for Financed Utility Services, including Storm Costs that PURA has determined in a separate proceeding to be appropriate for cost recovery under the statutory rate-making standards in Conn. Gen. Stat. §§ 16-19 and 16-19e. Conn. Gen. Stat. § 16-245f(a)(2).

Therefore, as authorized by the Securitization Law and the Storm Cost Order, CL&P is requesting authorization to securitize its deferred Storm Cost balance totaling $667,930,008, as authorized in the Storm Costs Order.

Q. Has PURA previously authorized CL&P to issue RRBs?

A. Yes, as shown in the table below, PURA previously authorized two securitization financings that were completed by CL&P acting as the servicer of the bonds:

Year	Principal Amount	Maturity	Interest Rate	Docket No.
2001	$1.4384 billion	5/1/2013	4.87-6.21%	00-05-01
2004	$205.345 million	6/30/2011	3-5%	03-09-08

The 2001 issuance securitized stranded generation costs and the 2004 issuance funded two years of conservation and load management and renewable energy investment programs. These previous securitization financings were successfully issued and paid in full as scheduled, using a methodology that is comparable to that proposed herein.

Q. What is the expected principal amount of the securitization financing in CL&P's current petition?

A. The estimated securitization principal amount to be financed is $620,364,568, which equals the sum of:

- The amount of net Storm Costs authorized in the Storm Costs Order to be securitized, which is $667,930,008; and
- Estimated upfront transaction costs as shown on Schedule 1 (the "Upfront Transaction Costs") of approximately $6,950,000;

Minus the sum of:

- The net present value of the related tax cash flows reflects the net benefits of accumulated deferred income taxes relating to amounts that will be recovered through the issuance of rate reduction bonds, using a discount rate equal to the expected interest rate on the rate reduction bonds. Such amount is estimated to be equal to $54,515,440. See Exhibit CLP-TREASURY-2.

Q. Are certain findings, orders and approvals from PURA necessary to facilitate the securitization financing?

A. Yes. 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 Eversource Treasury Testimony and the Eversource Regulatory Testimony that accompany the Petition;

ii. Authorize and impose the RRB Charge as a portion of the CTA from which the Financed Utility Services will be recovered and from which the Rate Reduction Bonds will be issued, serviced and retired, 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 Goldman Testimony 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).

Q. Please describe how the securitization transaction structure was determined.

A. Yes. The Securitization Law defines a "Financing Entity" as the Finance Authority (as defined below) or any special purpose entity ("SPE") or other entity that is authorized by the Finance Authority, or, in the case of RRBs to recover Financed Utility Services, authorized by PURA pursuant to a Financing Order, to issue RRBs or acquire transition property pursuant to such terms and conditions as the Finance Authority, or PURA, if applicable, may specify, or both.[2] "Finance Authority" means the state, acting through the Office of the State Treasurer ("OTT").[3]

As discussed in joint correspondence filed with PURA in this docket on April 22, 2026, representatives from the OTT, the Office of Consumer Counsel ("OCC") and the Company (collectively the "Parties") began meeting in March 2026 to discuss the securitization process, potential structures for the securitization, coordination on the filing of an application in this new docket pursuant to Section 10(l) of the Act, and the establishment of a working group comprised of representatives from OTT, OCC and CL&P who would collectively develop the application. The April 22 status report also explained that the application would ask PURA to issue a Financing Order authorizing the securitization of prudently incurred Storm Costs, as determined in the Storm Costs Order. These discussions included analysis to determine the appropriate Financing

[2] Conn. Gen. Stat. § 16-245(10).

[3] Conn. Gen. Stat. § 16-245(4).

Entity to facilitate the shared goal of mitigating utility bill impacts for customers by financing the prudently incurred Storm Costs through a securitization.

On June 23, 2026, the Parties filed additional correspondence providing a status report on those efforts. The correspondence stated that since the filing of the April 22 status report, the Parties held a series of constructive meetings, allowing the Parties to conduct an exhaustive evaluation of all feasible financing options to achieve the lowest possible costs for customers, including but not limited to, state taxable and tax-exempt securitization bond issuance. After the Parties agreed on OTT's June 11, 2026 recommendation that CL&P would be the issuer, the Parties further reported that OTT's recommendation was for CL&P to serve as the Financing Entity for the securitization, with close coordination of efforts with OTT and OCC. The Parties agreed that this structure will best preserve maximum benefits for customers, while assuring OTT's overall oversight of the project.

The June 23 status report asked PURA to convene a technical session at its earliest convenience to provide an opportunity for the Parties to provide a more detailed review of the planned structure of the securitization plan and other relevant information. PURA convened the technical session on July 13, 2026.

Q. Please describe the additional work that occurred after the technical session.

A. Following the technical session, CL&P has moved expeditiously to put in place the necessary underwriting and legal resources to develop the petition documents. In addition, the Parties have continued meeting on a weekly basis since the July 13, 2026

technical session. The Company provided OTT and OCC initial drafts of petition documents on August 18, 2026, and received comments from OTT on August 31, 2026. The Company provided updated drafts on September 8, 2026 and received additional feedback from OTT on September 16, 2026. The parties subsequently engaged in further discussions to review and finalize the petition documents ahead of filing the application on September 25, 2026.

The Parties will continue to meet through the issuance of the RRBs, with representatives of OTT reviewing draft material for bond rating agency presentations and investor meetings prior to issuance. OTT and the Company have worked together and established lead underwriters who will evaluate structures and timing against current market comparables and past transactions to ensure the best possible pricing and the lowest cost for customers. The joint financial market experience and advisement of financial advisors and legal resources from OTT and the Company have played, and will continue to play a pivotal role in evaluating many critical factors, such as identifying the proposed issuer, the proposed term, and the various necessary elements of the proposed Financing Order. OTT and the Company will continue to work together through the pricing and issuance of the RRBs to achieve the lowest cost for customers.

Q. What is the proposed term of the RRBs?

A. In consultation with the OTT, the RRBs will have a term of approximately 12 years. The 12-year term was chosen after analysis focused primarily on two factors: (1) the benefit of mitigating bill impacts for recovery of the Storm Costs; and (2) the impact

on future customer bills of paying back costs that were incurred between 2018 and 2023. The Company and OTT, assisted by Goldman, performed scenario analyses for 10-, 15-, and 20-year terms and ultimately concluded that a term of 12 years balances the two factors appropriately.

Q. What is the anticipated timeline for issuing the RRBs?

A. The Securitization Law provides that PURA shall issue its response to a petition for a Financing Order with respect to Financed Utility Services not more than 120 days after its receipt of the petition.[4] Over this 120-day period, and through the 45-day appeal period, the Company will work in parallel with the structuring agent and legal advisors to prepare the necessary documentation for the bond rating agency and Securities and Exchange Commission ("SEC") registration processes, both of which will then take place after expiration of the 45-day appeal period of the final decision on the petition for a Financing Order. The rating agency process and SEC registration are then expected to take approximately 60 days, following which the Company and the underwriters will market, price and issue the bonds over a period of approximately 15 days. If PURA approves CL&P's petition within the 120-day time period from the date of this filing, the Company anticipates pricing and closing the bonds by early June 2027.

[4] Conn. Gen. Stat. § 16-245f(a)(2).

Q. How will the Company confirm to PURA the final terms, pricing and costs of the RRB Transaction?

A. After pricing of the RRBs, but before issuance, the Company will file an Issuance Advice Letter with PURA (a draft of which is provided in Exhibit CLP-FINANCING ORDER-1D), which will set forth the final structure and repayment terms of the RRB Transaction, the identity of the SPE, the total principal amount and pricing of the RRBs, the initial RRB Charge by customer class to be implemented upon issuance of the RRBs, the capital contribution amount and the actual Upfront Transaction Costs. The final terms and conditions of the RRBs, including the schedule of principal amortization, credit enhancement, the frequency of principal or interest payments, the interest rates on the RRBs, the number of credit ratings and the terms of the final transaction documents, shall be determined by the Company consistent with the provisions of the Financing Order.

Q. How will the proceeds of the RRB issuance be applied?

A. The RRB proceeds are to be used by CL&P as follows:

- To recover the net Storm Costs approved for recovery in the Storm Costs Order (i.e., the $667,930,008 in costs incurred between 2018 and 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 estimated to be equal to approximately $6,950,000.

- To redeem short term debt and to pay a return of capital to Eversource Energy to maintain an appropriate capital structure at CL&P.

Q. Other than issuance of a Financing Order from PURA, are any other approvals necessary to consummate the securitization financing?

A. No, the proposed Financing Order contains all of the findings, orders and approvals required for the securitization financing.

IV. RRB TRANSACTION DESCRIPTION

Q. Please describe the proposed RRB Transaction.

A. The proposed Financing Order includes a detailed Transaction Description. The following steps illustrate the key elements of the proposed RRB Transaction and the cash flows involved:

1. CL&P is seeking approval to securitize certain costs and to recover those costs through the RRB Charge, which is a portion of the CTA.

2. The right to recover the RRB costs via the RRB Charge will be irrevocable, pursuant to the Securitization Law and the declaration by PURA that the Financing Order shall be irrevocable (such irrevocable right, the "Transition Property").

3. CL&P will create a bankruptcy-remote SPE, which will be wholly owned by CL&P. If recommended by the structuring agent in light of market conditions at the time of the issuance of the RRBs, and after consultation with OTT, CL&P may create more than one bankruptcy-remote SPE, which will be wholly owned

by CL&P. However, CL&P views it is unlikely that multiple SPEs will be required. CL&P shareholders will capitalize the SPE in an amount anticipated to be at least 0.50% of the initial principal balance of RRBs and deposited into the Capital Subaccount (as defined below). This capitalization is required by the rating agencies in order to provide a source of credit enhancement.

4. The SPE will need to enter into an Administration Agreement with CL&P (a draft of which is provided as Exhibit CLP-FINANCING ORDER-1A) pursuant to which CL&P shall perform administrative services and provide facilities for the SPE to ensure that it is able to perform such day-to-day operations as are necessary to maintain its existence and perform its obligations under the RRB transaction documents. Pursuant to the Administration Agreement, CL&P will be paid a fee (the "Administration Fee") in an amount commensurate with its costs of performing such services and providing such facilities.

5. CL&P will sell all of its rights in the Transition Property to the SPE in a transaction that will be intended and treated as a legal true sale and absolute transfer to the SPE. The SPE will issue and sell RRBs to capital markets investors. The RRBs will be payable solely from cashflows associated with Transition Property from the RRB Charge.

6. All of the assets of the SPE, including the Transition Property and the other collateral of the SPE (the "Other SPE Collateral") will be pledged as collateral to secure the RRBs. The Other SPE Collateral will include, without limitation,

(i) the rights of the SPE under the RRB transaction documents including the purchase agreement by which the SPE acquires the Transition Property and the agreement setting forth the servicing arrangements between the servicer (the "Servicer" and any successor servicer, the "Successor Servicer") and the SPE (a draft of the Servicing Agreement is provided as Exhibit CLP-FINANCING ORDER-1B), (ii) the Collection Account and any subaccounts contained in the Collection Account, including the General Subaccount, the Excess Funds Subaccount and the Capital Subaccount (each as defined in the Goldman Testimony) and (iii) any return on investment on amounts held by the SPE (with the exception of any return on investment on the Capital Subaccount). The Other SPE Collateral will not include any return on investment on amounts held in the Capital Subaccount (as described below), which return on investment will be remitted on a monthly basis to CL&P, in its capacity as the equity holder of the SPE.

7. The proceeds of the RRBs will be received by the SPE and remitted to CL&P as consideration for the Transition Property.

8. After the RRB issuance, CL&P, acting as Servicer on behalf of the SPE, or any Successor Servicer, will bill and collect the RRB Charge from customers. CL&P will transfer the RRB Charge collections to the Collection Account and the trustee for the holders of the RRBs (the "RRB Trustee") will use these collections to make payments of principal and interest to holders of the RRBs,

as well as any Ongoing Transaction Costs (as defined below). The Servicer or any Successor Servicer will be paid a fee by the SPE for performing its servicing duties (the "Servicing Fee").

9. CL&P will bill customers the RRB Charge regardless of who they have chosen as their energy supplier and regardless of whether or not they are self-generating (so long as they are connected to CL&P's distribution system for back-up power), thus, the RRB Charge shall be non-bypassable as set forth in Public Act No. 25-173.

Q. Please describe the various Collection Accounts that will be set-up to facilitate the payment of principal, interest, and other costs associated with the Bonds.

A. The Collection Account (the "Collection Account") will be established by the SPE as a trust account to be held by the Trustee. Each subaccount is designed to facilitate the payment of principal, interest, and other costs associated with the Bonds. The Collection Account will have the following subaccounts:

- a General Subaccount;
- a Capital Subaccount; and
- an Excess Funds Subaccount.

The SPE's interest in the Collection Account will be pledged as collateral for the benefit of the bondholders.

Q. Please describe the General Subaccount.

A. The general subaccount (the "General Subaccount") is the subaccount in which the Trustee deposits the rate reduction bond charges it receives from the Collection

Account. Monies in the general subaccount will be applied by the Trustee on a periodic basis to make payments according to the waterfall in the indenture, which generally includes the payment of Ongoing Transaction Costs, then interest on the Bonds, and then principal on the Bonds.

Q. Please describe the Excess Funds Subaccount.

A. The excess funds subaccount (the "Excess Funds Subaccount") is where any monies on deposit in the general subaccount that are not required to meet the scheduled interest and principal obligations of the Bonds will be deposited. The initial balance is zero, and the target ongoing balance is also zero. To the extent there are funds on deposit in this subaccount, those amounts will be considered in the next available true-up mechanism adjustment and the subaccount value will again be generally targeted to be zero.

Q. Please describe the Capital Subaccount.

A. The capital subaccount (the "Capital Subaccount") represents the equity capital of the SPE and is funded by an amount contributed by the Company at issuance that is at least equal to 0.50 percent of the initial principal amount of the Company's rate reduction bond transaction. To the extent there is a shortfall in collections, the SPE may draw upon the amount in its Capital Subaccount to pay debt service or Ongoing Transaction Costs. If the Capital Subaccount is drawn upon, it is replenished from the RRB Charge through the true-up mechanism and any available excess RRB Charge collections. The Capital Subaccount will be targeted to maintain the .50 percent of the initial principal of the Company's rate reduction bond transaction.

Q. Please describe the treatment of any funds remaining in the various subaccounts at the final maturity of the transaction.

A. Upon the full repayment of the Bonds and the discharge of the ongoing transaction costs, all amounts in the Collection Account and in each subaccount, in each case including any return on investment, shall be released by the Trustee to the SPE for distribution to the Company for distribution back to its customers. The Company will notify PURA within 30 days after the date that these funds are eligible to be released of the amount of such funds available for crediting to the benefit of customers. The amounts in the Capital Subaccount shall be returned to the Company.

Additional details regarding the subaccounts can be found in the Goldman Testimony.

V. RRB CHARGE

Q. How will the Company calculate the RRB Charges?

A. Both initially and during the life of the RRBs, the RRB Charges will be calculated and set at a level intended to cover the Periodic RRB Payment Requirements. Specifically, RRB Charges will be calculated to cover (i) the principal (in accordance with the expected amortization schedule set forth at pricing) and interest on, the RRBs, (ii) Ongoing Transaction Costs (including the Servicing Fee, the Administration Fee, RRB Trustee fees and expenses, rating agency fees, legal, accounting and auditing fees, SPE independent managers' fees and any indemnity obligations that are anticipated to be payable under the RRB transaction documents on or prior to the next RRB payment date), (iii) the cost of establishing and maintaining any credit enhancement required for the RRBs, including replenishment of any amounts drawn from the Capital Subaccount

such that the balance is equal to the targeted level, and (iv) to pay any amounts of previous RRB Payment Requirements not satisfied in the previous payment period for any reason. The projected RRB Charges will be calculated using assumptions set forth in the Issuance Advice Letter (as described in the Goldman Testimony) and each subsequent true-up filing which shall include but not be limited to projected kWh usage, expected charge-offs and expected weighted average days sales outstanding. The RRB Charges will be billed until the SPE has collected RRB Charges sufficient to discharge the Total RRB Payment Requirements.

When the pricing terms for RRBs are finalized, the required principal amortization payments will also be established. The total scheduled RRB Charge collections for any annual or, if necessary, shorter period will include collections resulting from bills sent in prior periods and from bills sent in the current period, in each case, as a result of the expected timing of collections from the retail users of the Company's distribution system.

The RRB Charges will vary over the life of the RRB Transaction as a result of several factors, including changes in the principal and interest payments resulting from different payment periods, any amounts required to replenish the Capital Subaccount to the targeted balance if necessary, any amounts of previous Periodic RRB Payment Requirements not satisfied in the previous year, any balance in the Excess Funds Subaccount, the impact of the variability of energy sales and forecasts, changes in payment patterns and charge-off experience, as well as changes in any ongoing RRB

transaction costs. The calculation of the RRB Charges incorporates each of these factors.

Q. What are the forecasted initial RRB Charges?

A. CL&P proposes to file the initial RRB Charge for each rate class with the Issuance Advice Letter after the RRBs are priced, but prior to their issuance, in compliance with the Financing Order. CL&P requests PURA's approval of the method for determining the initial RRB Charges so that the RRB Charges set forth in the Issuance Advice Letter will automatically become effective as of such filing.

Q. What information will be incorporated into the calculation of the initial charge?

A. The initial charge will include:

1. The securitized amount;
2. Estimated annual Ongoing Transaction Costs;
3. Payments of principal and interest on the RRBs;
4. The number of days after a customer is billed that RRB Charges are deemed collected (based on historical collections experience);
5. Daily remittances of deemed RRB Charge collections to the General Subaccount;
6. Projected kWh sales by rate class for the upcoming year;
7. An estimated charge-off rate determined based on historical collections experience at the time of issuance of the RRBs;
8. Any lags between a payment date and the latest date for which deemed RRB Charge collections available to the RRB Trustee are applied to a payment date (a time period which allows the Servicer to properly account for deemed RRB Charge collections); and
9. Weighted average coupon rates.

Q. Please describe how the RRB Charges will be adjusted though the true-up mechanism.

A. The RRB Charge "true-up" mechanism (the "True-Up Mechanism") is a periodic adjustment to the RRB Charge, which adjusts the RRB Charge to ensure that there are adequate funds for meeting Periodic RRB Payment Requirements. 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 (defined below) 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.

Not later than April 15 of each year while the RRBs are outstanding, the Servicer will file with PURA a true-up advice letter ("Annual Routine True-Up Letter"). The RRB Charges will be adjusted to ensure that there are adequate funds to meet the next two (November 1 and May 1) Periodic RRB Payment Requirements.

In addition, if the Servicer, as of October 15 of each year while the RRBs are outstanding, reasonably projects that expected collections of the RRB Charges will be insufficient to meet the next Periodic RRB Payment Requirements (May 1), the Servicer will file a true-up advice letter ("Mid-year Routine True-Up Letter") not later than October 15 of such year.

In addition, (a) except during the two Remittance Periods preceding the maturity date of the latest maturing tranche of RRBs, the Servicer may (but shall not be required to)

file an additional true-up advice letter ("Other Routine True-Up Letter" and together with the Annual Routine True-Up Letter and Mid-year Routine True-Up Letter, a "Routine True-Up Letter") not later than the date that is 15 days before the end of the then-current calendar month if the Servicer reasonably projects that expected collections of the RRB Charges will be insufficient to meet the next Periodic RRB Payment Requirements (either May 1 or November 1) and (b) during the two Remittance Periods preceding the maturity date of the latest maturing tranche of RRBs, if the Servicer reasonably projects that expected collections of the RRB Charges will be insufficient to meet the next Periodic RRB Payment Requirements, the Servicer shall file an Other Routine True-Up Letter not later than the date that is 15 days before the end of the then-current calendar month.

Absent manifest error in a Routine True-Up Letter, the resulting upward or downward adjustments to the RRB Charges will be deemed approved by PURA and effective: (i) in the case of any Annual Routine True-Up Letter, on the ensuing May 1; (ii) in the case of any Mid-year Routine True-Up Letter, on the ensuing November 1; or (iii) in the case of an Other Routine True-Up Letter, on the first day of the ensuing month.

In addition, CL&P seeks PURA authorization that whenever it is determined that the methodology used to calculate RRB Charge adjustments requires modification to more accurately project and generate adequate RRB Charge collections, a non-routine true-up letter ("Non-Routine True-Up Letter") may be filed, with the resulting RRB Charge

adjustments (reflecting such modification to the methodology or model) to be effective upon review and approval by PURA within 90 days of such filing.

Both Routine True-Up Letters and Non-Routine True-Up Letters shall be filed periodically through the legal final maturity date of the latest maturing tranche of RRBs.

The adjusted RRB Charges in each Routine True-Up Letter and Non-Routine True-Up Letter will be calculated such that the aggregate RRB Charges billed for the applicable period will result in RRB Charge collections that are sufficient to meet Periodic RRB Payment Requirements. When calculating the adjusted RRB Charges, any amounts in the Excess Funds Subaccount (as described in the Goldman Testimony) on any true-up date will be taken into account such that the balance in the Excess Funds Subaccount will be expected to be zero at the end of the period for which the RRB Charges are being adjusted.

This True-Up Mechanism is identical to what is currently used by Eversource subsidiary Public Service Company of New Hampshire in its latest securitization financing and comparable to what was used in CL&P's 2001 securitization financing.

Q. How will subsequent RRB Charges be calculated?

A. As an example of a subsequent adjustment calculation, the RRB Charges to be established with the first Annual Routine True-Up Letter expected to be filed on April 15, 2028 and scheduled to be in effect through April 30, 2029, must be derived such that the aggregate RRB Charges billed for such period will result in deemed RRB

Charge collections that are sufficient: (i) to pay the estimated Ongoing Transaction Costs incurred from May 1, 2028 through April 30, 2029 including the semi-annual payments of the Servicing Fee and the Administration Fee on November 1, 2028 and May 1, 2029; (ii) to make semiannual interest payments on November 1, 2028 and May 1, 2029; (iii) to make semiannual RRB principal payments on November 1, 2028 and May 1, 2029 in accordance with the expected amortization schedule; (iv) to replenish the Capital Subaccount to the targeted balance if necessary; and (v) to pay any amounts of previous Periodic RRB Payment Requirements not satisfied in the previous year. Factors used in the calculation will include the forecasted kWh billed for the upcoming year, the number of days after a customer is billed that RRB Charges are deemed collected and the RRB charge-off percentage.

This calculation will also take into account any balance in the Excess Funds Subaccount as of the filing of the Annual Routine True-Up Letter.

On the semi-annual payment dates of May 1 and November 1, if available RRB Charge collections and return on investment in the General Subaccount exceed the amount necessary to pay the Periodic RRB Payment Requirement, such excess will be transferred to the Excess Reserve Subaccount and will serve to reduce the RRB Charge and the required amount of RRB Charge collections in the subsequent period. Conversely, if the available RRB Charge collections and return on investment in the General Subaccount are less than necessary to pay the Periodic RRB Payment

Requirement, then any funds in the Excess Funds Subaccount will be used first to meet the Periodic RRB Payment Requirement.

Q. Please describe the Company's proposed process of billing, collecting and remitting RRB Charges.

A. The RRB Charge will be a portion of the CTA that is dedicated to the payment of the RRBs, as defined in the Securitization Law. CL&P, or any successor Servicer, is expected to remit to the RRB Trustee on a daily basis an amount equal to the actual RRB Charges billed, less an allowance for estimated RRB Charge charge-offs, on or about the day such amounts are deemed to be collected.

The deemed collection date will be the weighted average number of days, based on the Company's historical collections experience, that a monthly bill for services remains outstanding before payment by a customer. Currently, CL&P estimates the deemed collection date to be 50 days from the date RRB Charges are billed. CL&P expects to review deemed collections data not less than annually and may adjust the deemed collection date based on actual payment patterns.

The allowance for estimated RRB Charge charge-offs is the Company's system-wide allowance for charge-offs. The Company will reconcile such remittances at least once annually for all remittances made in the previous year to more accurately reflect the amount of RRB Charges that should have been remitted, based on the actual system-wide charge-off percentage. To the extent such remittances reflecting billed amounts exceed the actual RRB Charges collected by the Servicer (an "Excess Remittance"), the Servicer will withhold such Excess Remittance amount from any subsequent

remittance to the RRB Trustee. To the extent such remittances reflecting billed amounts are less than the actual RRB Charges collected (a "Remittance Shortfall"), the Servicer shall remit the amount of such Remittance Shortfall to the RRB Trustee on a future remittance date.

Q. How will the Company remit RRB Charges to the RRB Trustee?

A. The Company, in its capacity as Servicer, or any Successor Servicer, expects to deposit remittances to the General Subaccount of the Collection Account maintained by the RRB Trustee on a daily basis. These monies will be held in the General Subaccount by the RRB Trustee and will be invested in certain eligible investments until each payment date.

Q. How will the RRB Trustee distribute the aggregate amount of RRB Charges received?

A. The aggregate amount of RRB Charges received will be distributed by the RRB Trustee to pay the principal and interest on the RRBs, together with the Ongoing Transaction Costs, as listed below:

1. the Servicing Fee;
2. the Administration Fee;
3. RRB Trustee fees and expenses;
4. legal fees;
5. accounting and auditing fees;
6. SPE independent manager fees; and

7. rating agency fees;

The principal and interest on the RRBs and these Ongoing Transaction Costs, along with potential replenishments of the Capital Subaccount and deficiencies of past due principal and interest for any reason, that are collectively payable on any RRB payment date are referred to in this testimony as "Periodic RRB Payment Requirements," and the sum of the Periodic RRB Payment Requirements are collectively, the "Total RRB Payment Requirements."

Amounts held in the General Subaccount are expected to be distributed in the following general order of priority: (1) for payment of Ongoing Transaction Costs; (2) for payment of accrued and unpaid interest; (3) for payment of current and deferred principal; and (4) for payments of any remaining Ongoing Transaction Costs not covered in (1) above; and (5) for replenishment of the Capital Subaccount. Any amounts remaining in the General Subaccount after meeting all the Periodic RRB Payment Requirements for the period will be transferred to the Excess Funds Subaccount.

VI. TRANSACTION COSTS

Q. Please describe the estimated Upfront Transaction Costs of issuing RRBs.

A. The Company estimates the Upfront Transaction Costs of issuing the RRBs, assuming an initial principal amount of $620,364,568 and based on commercially reasonable assumptions, to be approximately $6,950,000, as described in more detail in Schedule 1 provided at the end of this testimony. These transaction costs will include accounting and auditing fees, legal fees and expenses, printing and filing costs, rating agency fees,

SEC registration fees ("SEC Fees"), servicer set-up costs, the Structuring Agent fee, RRB Trustee fees, underwriting costs, original issue discount on the RRBs and other costs to establish the securitization structure. Certain of the Upfront Transaction Costs will vary depending upon the actual principal amount of RRBs to be issued, prevailing market rates as determined at the time of RRB pricing, the timing of the RRB Transaction and/or the complexity of the agreements governing the RRBs. The Upfront Transaction Costs can only be estimated at this time because the actual expenses will not be known until the principal amount of the financing is determined, the applicable agreements are negotiated and the actual costs are incurred.

Q. How will the Company recover the Upfront Transaction Costs of issuing RRBs?

A. Typical procedures with similar securitization transactions have allowed the Company to recover the Upfront Transaction Costs of issuing RRBs out of the proceeds of the RRB Transaction and to include such costs as securitized costs pursuant to the Securitization Law. To the extent payment prior to issuance is required, such costs will be paid by CL&P on behalf of the SPE and reimbursed from the proceeds of the RRB Transaction.

Q. What are the Ongoing Transaction Costs of the RRB Transaction?

A. In addition to the Servicing Fee described below, it is anticipated that other costs and expenses will be incurred throughout the life of the RRBs (the "Ongoing Transaction Costs"). A list of the expected expenses, assuming an RRB issuance of $620,364,568, estimated to total approximately $742,682 annually, is set forth in Schedule 2 provided at the end of this testimony. These costs will include the Administration Fee described

below, the ongoing rating agencies fees, fees and expenses for the RRB Trustee, legal, accounting and auditing fees, SPE independent managers' fees and other costs. The Ongoing Transaction Costs of the RRB Transaction can only be estimated at this time because the actual expenses will not be known until the principal amount of the financing is determined, the applicable agreements are negotiated and the actual costs are incurred. Current estimates of the Ongoing Transaction Costs are based on commercially reasonable assumptions with input from the structuring agent.

Q. What is the estimated servicing fee and how will it be calculated?

A. In consideration for its servicing responsibilities, the Servicer will receive a periodic Servicing Fee which will be recovered through the RRB Charges.

To support the bankruptcy-remoteness of the SPE, the Servicing Fee must be on arm's length terms and market-based. The Servicing Fee is estimated to cover out-of-pocket costs and expenses incurred by CL&P to service RRBs including, without limitation, billing, monitoring, collecting and remitting RRB Charges, and reporting requirements imposed by the Servicing Agreement.

Subject to changes in market conditions and rating agency requirements, the Servicing Fee will be calculated as a percentage of the initial principal balance of RRBs. The annual Servicing Fee to be paid to CL&P will be 0.05 percent of the initial principal balance, payable semi-annually or more frequently, and represents a reasonable, good faith estimate of the ongoing marginal cost to CL&P of fulfilling servicing

responsibilities. A higher servicing fee of up to approximately 0.60% will be paid to any other Servicer that is not affiliated with CL&P.

Q. Please describe other Ongoing Transaction Costs in more detail.

A. The Ongoing Transaction Costs will be as follows:

1. Pursuant to the Administration Agreement, CL&P or a third party will act as administrator of the SPE, providing ministerial services and facilities necessary for the day-to-day operations of the SPE in return for the Administration Fee. The expected Administration Fee shall be a fixed amount not to exceed $50,000 annually. Additional SPE expenses will include the miscellaneous costs associated with operating the SPE. The Administration Fee, similar to the Servicing Fee, must properly fund the SPE's administrative needs to meet the rating agency requirements for a triple-A rating by ensuring the SPE remains bankruptcy remote. In addition, it is required that the transaction is viewed as a true sale for tax purposes, therefore the SPE as its own legal entity needs ongoing fees to be arms-length and the fees cannot be comingled with the utility.

2. The rating agencies will charge ongoing fees associated with the monitoring of each RRB offering.

3. The RRB Trustee will receive a fee for, among other things, (i) investing the RRB Charge collections received from the Servicer in high quality, short-term and long-term debt instruments; (ii) maintaining a record of bondholders; (iii)

calculating and remitting interest and principal payments to the bondholders; and (iv) reporting as required by PURA or any other regulatory body.

4. In addition, the SPE will incur ongoing accounting and legal fees, SPE independent managers' fees, certain indemnity obligations under the RRB Transaction documents, and other miscellaneous costs from time-to-time.

Q. How will return on investment in each of the subaccounts be allocated?

A. Return on investment in each of the subaccounts will be allocated as follows:

General Subaccount: Return on investment will be applied to make payments in the order defined by the priority of payments as discussed previously. To the extent not required to make payments of principal and interest, to fund Ongoing Transaction Costs or to replenish withdrawals from the Capital Subaccount, the return on investment will be transferred to the Excess Funds Subaccount and used to reduce future RRB Charges.

Capital Subaccount: Return on investment on CL&P shareholder contributions to the Capital Subaccount will be remitted to CL&P on a monthly basis.

Excess Funds Subaccount: To the extent not required to make payments of principal and interest, to fund Ongoing Transaction Costs or to replenish withdrawals from the Capital Subaccount, the return on investment will be reflected in the calculation of required true-up adjustments and used to reduce future RRB Charges.

VII. CUSTOMER SAVINGS

Q. How does securitization and the issuance of RRBs benefit ratepayers?

A. The Company's long-term capital sources supporting regulatory assets are comprised of long-term debt and equity, which come at the currently authorized weighted average cost of capital of 7.09 percent. The effect of the RRB Transaction is to change the rate of return from CL&P's weighted average cost of capital, as authorized from time to time by PURA, to the weighted average interest rate on the RRBs, currently estimated to be 5.482 percent in the Goldman Testimony. This rate changes from day to day with fluctuations in market rates. This financing benefit for extraordinary costs outside of what is collected in rates, is achieved through securitization. Securitization is a specialized financing that is anticipated to receive a triple-A rating and can be financed without a return to equity investors and is paid back over time by customers through a non-bypassable irrevocable RRB surcharge. The difference between CL&P's cost of capital and the lower interest rate on the RRBs reduces the revenue requirement that must be paid by customers to pay back the deferred balance, and mitigates customer bill impacts for recovery of these costs.

Q. What overall level of savings does CL&P anticipate achieving for customers as a result of securitization?

A. Based on CL&P's estimates of (a) the effective all-in costs of RRBs; (b) the amount to be securitized; and (c) a 5.482 percent interest rate on the RRBs, the total present value of net savings is estimated at approximately $120 million, as shown in Exhibit CLP-TREASURY-3, as compared to recovery of the same costs over six years at CL&P's authorized weighted average cost of capital. The actual savings will depend on the

principal repayment schedule, interest rate, actual Ongoing Transaction Costs, amount of credit enhancement, if any, and other factors which will be established at the time RRBs are priced.

VIII. CONCLUSION

Q. When does CL&P request PURA's approval of its Petition?

A. CL&P respectfully requests that PURA issue a final decision on its Petition on or before 120 days from the date of filing, which would be January 23, 2027.

Q. Does this conclude your direct testimony?

A. Yes, it does.

Schedule 1

Estimated Upfront Transaction Costs Based Upon an RRB Issuance of $620,364,568

Accounting and Auditing Fees	$300,000
Legal Fees and Expenses (Issuer's Counsel)	$1,500,000
Legal Fees and Expenses (Trustee's Counsel)	$50,000
Legal Fees and Expenses (Underwriter's Counsel)	$625,000
Finance Authority Legal and Advisory Fees	$490,000
Structuring Agent Fee	$300,000
Rating Agency Fees (a)	$682,401
SEC Registration Fees (b)	$57,508
Servicer Set-up Costs	$50,000
Edgarization Fees	$40,000
Underwriting Costs (c)	2,481,458
Original Issue Discount (d)	$0
Miscellaneous (e)	$50,000
Contingency	$323,633
Total	**$6,950,000**

(a) Based upon current fee schedules applied to issuance amounts, which change from time to time.
(b) Assumed to be 0.00927% of initial principal.
(c) Assumes a 0.40% underwriting fee.
(d) Original issue discount to be determined at time of pricing but is expected to be de minimis.
(e) Unforeseen expenses, if any.

Schedule 2

Estimated Annual Ongoing Transaction Costs Based Upon an RRB Issuance of $620,364,568

Servicing Fee (a)	$310,182
Administration Fee	$50,000
Legal Fees	$50,000
Accounting and Auditing Fees	$260,000
SPE Independent Manager's Fees	$2,500
Rating Agency Fees (b)	$60,000
Printing/Edgarizing Fees	$5,000
Miscellaneous	$5,000
Total	**$742,682**

(a) Assumes CL&P acts as servicer and earns an annual servicing fee equal to 0.05% of issuance amount.
(b) Based upon current scheduled fee levels which change from time to time.