The Connecticut Light and Power Company
Exhibit CLP-TREASURY-2
NPV of Tax Cash Flows

The Connecticut Light and Power Company d/b/a Eversource Energy
Witness Responsible: Matthew Fallon
Docket No. 26-04-04

Assumptions

Costs to securitize (millions)	$ 667.930
Interest rate	5.482%
State tax rate	8.250%
Federal tax rate	21.00%
Combined	27.52%
Federal after state deduct	19.27%
State Tax (millions)	55.104
Federal Tax (millions)	128.693
montly rate	0.456833%
Net present value of Tax Cash Flow (millions)	$ 54.515

Months	Tax deduct	State tax payment	Federal tax payment	Total tax payments	Net tax cash flows	Tax Payment Allocation
0	$ 183.80			-	183.80	
1		-	-	-	-	
2		-	-	-	-	
3		(1.01)	-	(1.01)	(1.01)	
4		-	(1.96)	(1.96)	(1.96)	
5		-	-	-	-	
6		(1.34)	(1.96)	(3.30)	(3.30)	
7		-	-	-	-	
8		-	-	-	-	
9		(0.34)	(1.96)	(2.29)	(2.29)	
10		-	-	-	-	
11		-	-	-	-	
12		(0.67)	(1.96)	(2.63)	(2.63)	6.1%
13		-	-	-	-	
14		-	-	-	-	
15		(1.06)	-	(1.06)	(1.06)	
16		-	(2.07)	(2.07)	(2.07)	
17		-	-	-	-	
18		(1.42)	(2.07)	(3.48)	(3.48)	
19		-	-	-	-	
20		-	-	-	-	
21		(0.35)	(2.07)	(2.42)	(2.42)	
22		-	-	-	-	
23		-	-	-	-	
24		(0.71)	(2.07)	(2.77)	(2.77)	6.4%
25		-	-	-	-	
26		-	-	-	-	
27		(1.12)	-	(1.12)	(1.12)	
28		-	(2.18)	(2.18)	(2.18)	
29		-	-	-	-	
30		(1.49)	(2.18)	(3.67)	(3.67)	
31		-	-	-	-	
32		-	-	-	-	
33		(0.37)	(2.18)	(2.55)	(2.55)	
34		-	-	-	-	
35		-	-	-	-	
36		(0.75)	(2.18)	(2.93)	(2.93)	6.8%
37		-	-	-	-	
38		-	-	-	-	
39		(1.18)	-	(1.18)	(1.18)	
40		-	(2.30)	(2.30)	(2.30)	

66	41	-	-	-	-	
67	42	(1.58)	(2.30)	(3.88)	(3.88)	
68	43	-	-	-	-	
69	44	-	-	-	-	
70	45	(0.39)	(2.30)	(2.70)	(2.70)	
71	46	-	-	-	-	
72	47	-	-	-	-	
73	48	(0.79)	(2.30)	(3.09)	(3.09)	7.2%
74	49	-	-	-	-	
75	50	-	-	-	-	
76	51	(1.25)	-	(1.25)	(1.25)	
77	52	-	(2.43)	(2.43)	(2.43)	
78	53	-	-	-	-	
79	54	(1.66)	(2.43)	(4.09)	(4.09)	
80	55	-	-	-	-	
81	56	-	-	-	-	
82	57	(0.42)	(2.43)	(2.85)	(2.85)	
83	58	-	-	-	-	
84	59	-	-	-	-	
85	60	(0.83)	(2.43)	(3.26)	(3.26)	7.6%
86	61	-	-	-	-	
87	62	-	-	-	-	
88	63	(1.32)	-	(1.32)	(1.32)	
89	64	-	(2.56)	(2.56)	(2.56)	
90	65	-	-	-	-	
91	66	(1.76)	(2.56)	(4.32)	(4.32)	
92	67	-	-	-	-	
93	68	-	-	-	-	
94	69	(0.44)	(2.56)	(3.00)	(3.00)	
95	70	-	-	-	-	
96	71	-	-	-	-	
97	72	(0.88)	(2.56)	(3.44)	(3.44)	8.0%
98	73	-	-	-	-	
99	74	-	-	-	-	
100	75	(1.39)	-	(1.39)	(1.39)	
101	76	-	(2.71)	(2.71)	(2.71)	
102	77	-	-	-	-	
103	78	(1.85)	(2.71)	(4.56)	(4.56)	
104	79	-	-	-	-	
105	80	-	-	-	-	
106	81	(0.46)	(2.71)	(3.17)	(3.17)	
107	82	-	-	-	-	
108	83	-	-	-	-	
109	84	(0.93)	(2.71)	(3.63)	(3.63)	8.4%
110	85	-	-	-	-	
111	86	-	-	-	-	
112	87	(1.47)	-	(1.47)	(1.47)	
113	88	-	(2.86)	(2.86)	(2.86)	
114	89	-	-	-	-	
115	90	(1.96)	(2.86)	(4.82)	(4.82)	
116	91	-	-	-	-	
117	92	-	-	-	-	
118	93	(0.49)	(2.86)	(3.35)	(3.35)	
119	94	-	-	-	-	
120	95	-	-	-	-	
121	96	(0.98)	(2.86)	(3.84)	(3.84)	8.9%

122		97		-	-	-	-	
123		98		-	-	-	-	
124		99		(1.55)	-	(1.55)	(1.55)	
125		100		-	(3.02)	(3.02)	(3.02)	
126		101		-	-	-	-	
127		102		(2.07)	(3.02)	(5.08)	(5.08)	
128		103		-	-	-	-	
129		104		-	-	-	-	
130		105		(0.52)	(3.02)	(3.53)	(3.53)	
131		106		-	-	-	-	
132		107		-	-	-	-	
133		108		(1.03)	(3.02)	(4.05)	(4.05)	9.4%
134		109		-	-	-	-	
135		110		-	-	-	-	
136		111		(1.64)	-	(1.64)	(1.64)	
137		112		-	(3.18)	(3.18)	(3.18)	
138		113		-	-	-	-	
139		114		(2.18)	(3.18)	(5.37)	(5.37)	
140		115		-	-	-	-	
141		116		-	-	-	-	
142		117		(0.55)	(3.18)	(3.73)	(3.73)	
143		118		-	-	-	-	
144		119		-	-	-	-	
145		120		(1.09)	(3.18)	(4.27)	(4.27)	9.9%
146		121		-	-	-	-	
147		122		-	-	-	-	
148		123		(1.73)	-	(1.73)	(1.73)	
149		124		-	(3.36)	(3.36)	(3.36)	
150		125		-	-	-	-	
151		126		(2.30)	(3.36)	(5.66)	(5.66)	
152		127		-	-	-	-	
153		128		-	-	-	-	
154		129		(0.58)	(3.36)	(3.94)	(3.94)	
155		130		-	-	-	-	
156		131		-	-	-	-	
157		132		(1.15)	(3.36)	(4.51)	(4.51)	10.4%
158		133		-	-	-	-	
159		134		-	-	-	-	
160		135		(1.82)	-	(1.82)	(1.82)	
161		136		-	(3.55)	(3.55)	(3.55)	
162		137		-	-	-	-	
163		138		(2.43)	(3.55)	(5.98)	(5.98)	
164		139		-	-	-	-	
165		140		-	-	-	-	
166		141		(0.61)	(3.55)	(4.16)	(4.16)	
167		142		-	-	-	-	
168		143		-	-	-	-	
169		144		(1.22)	(3.55)	(4.76)	(4.76)	11.0%
170	Total nominal		183.79764	(55.10423)	(128.69341)	(183.79764)	0.00000	100%
171								
172						NPV	$54.52	
173								
174						NPV tax pymts	($129.28)	
175						tax deductions	183.80	
176						Net	$54.515440	
177								
178								

179 1. In accordance with Public Act No. 25-173, the net benefits of deferred taxes related to the amounts being securitized
180 will be credited to retail customers by reducing the amount securitized by the NPV of the tax cash flows using a discount rate
181 equal to the securitization rate.
182
183 2. The tax deducution of $183.8M reflects the deduction related to the storm restoration costs being securitized. This deferred
184 tax benefit will turn around over the life of the life of the securitization bonds. These state & federal tax payments totalling $183.8M.
185 The net present value of the tax deduction and payments over the life of the bonds is $54.5M
186
187 3. Estimated Federal tax payments are made in four equal installments each year and are paid in April, June, September and December.
188 The required CT state tax payments reflect 30% of the estimated tax liability in March, 40% in June, 10% in September and 20% in December.
189
190
191