November 4, 2026

Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
Ten Franklin Square
New Britain, CT 06051

By email: PURA.ExecutiveSecretary@ct.gov

Re: Docket No. 26-04-04, Second Supplemental Public Comment of Saber Partners, LLC — Customer Protection Options for the Financing Order

Dear Mr. Gaudiosi:

Saber Partners, LLC ("Saber") submits the enclosed Second Supplemental Public Comment in Docket No. 26-04-04, before the close of the record on November 4, 2026. It supplements the Public Comment Saber filed on October 20, 2026 and the Supplemental Public Comment Saber filed on October 21, 2026. Saber incorporates both by reference, including the statements in them about Saber, its engagements and the basis on which it comments.

As the presiding officer noted at the October 20 hearing, time is of the essence. PURA must issue a financing order by a statutory deadline, and that order will fix the terms that govern these bonds for their life. Yet no testimony in this docket addresses the customer-side terms of the agreements that carry out the order. Saber has seen the same pressure in other states. A securitization docket often arrives while commission staff and intervenors are carrying other complex cases, and the time from hearing to final order is short. This comment is written with that in mind. Each suggestion can be read, adopted or set aside on its own.

Moreover, information on utility securitization financing orders is spread across state commission dockets and SEC filings. No single source collects the precedents for strong customer protections against overpaying for services, bearing added risk and paying higher interest. Many best practices are not widely known.

Saber has been a resource on the subject for consumer advocates and regulators. The National Association of State Utility Consumer Advocates (NASUCA) and the National Association of Regulatory Utility Commissioners (NARUC) have asked Saber to speak on securitization many times, beginning with NARUC's 2006 Winter Meeting.[1] The National Regulatory Research Institute, NARUC's research arm, published an article on utility securitization by Saber's chief executive in January 2019.[2] That was shortly before the recent surge in new issuance.

Scope of the Comment

Saber reviewed the late-filed exhibits, including the revised draft financing order filed October 27, and watched the October 20 hearing. As a result, Saber thought it appropriate to provide more detailed comments for PURA to consider before the record closes. The comment offers suggested customer-protection provisions for CL&P's October 27 draft financing order, marked as tracked changes on the draft itself. A Word version is available on request.

[1] National Association of State Utility Consumer Advocates, 2020 Annual Meeting, Accounting Committee, "Is Securitization the Answer? Maybe…But Only if We Do It Right" (presentation by Joseph S. Fichera, November 2020). Joseph S. Fichera, "Utility Securitization: A Brief History With New Uses to Lower Ratepayer Costs" (presentation, NARUC Winter Meetings, 2006). Saber's presentations, testimony and publications on utility securitization since 2006 are listed at Saber Partners, "Investor-Owned Utility Securitization".

[2] Joseph S. Fichera, "Managing Electricity Rates Amidst Increasing Capital Expenditures: Is Securitization the Right Tool? An Update" (National Regulatory Research Institute, January 2019).

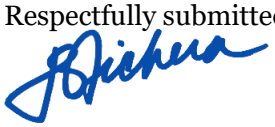
Each option presented for PURA's review is drawn from one of four places:

1. what CL&P's witnesses said at the October 20 hearing, based on a review of the YouTube video,
2. what PURA and EOE asked in their own questions,
3. what CL&P's September 25 draft financing order provided and its October 27 revision does not, read with the other late-filed exhibits, or
4. a financing order, or in one case the indenture, under which similar utility securitization bonds were sold in another state.

A short explanatory note under each marked paragraph gives the basis for the suggested change in the existing record and in any financing-order precedent. Attachment A answers anticipated questions; Attachment B gives the record and the precedent for each item. The suggested language is offered to describe a solution to each issue identified. It is not legal advice and should be reviewed by Connecticut counsel and conformed to Connecticut law before it is adopted.

Saber offers the comment so that certain facts and questions are in the public record, where the parties may consider them. Each fact comes from a public document cited in the notes. If the presiding officer wishes, Saber will give its statement under oath or affirmation, as § 4-177c(b) permits, and will answer questions from PURA staff or any party.

Respectfully submitted,



Joseph S. Fichera
Chief Executive Officer,
Saber Partners, LLC
212-461-2370

Basis for filing: Saber files the comment under PURA's public comment procedure and Conn. Gen. Stat. § 4-177c(b). That section provides that "[p]ersons not named as parties or intervenors may, in the discretion of the presiding officer, be given an opportunity to present oral or written statements."[3] PURA's procedure states that comments "may be filed through the PURA web-filing system or via email to Pura.ExecutiveSecretary@ct.gov." Comments filed in PURA proceedings "become public record and will be posted in the public PURA docket database."[4] The Connecticut Constitution protects the right "to apply to those invested with the powers of government, for redress of grievances, or other proper purposes, by petition, address or remonstrance."[5]

Enclosure: Second Supplemental Public Comment of Saber Partners, LLC — Customer Protection Options for the Financing Order, with Attachments A and B and Appendix A.

[3] Conn. Gen. Stat. § 4-177c(b) ("The presiding officer may require any such statement to be given under oath or affirmation.").

[4] Public Utilities Regulatory Authority, "File a Public Comment".

[5] Conn. Const. art. I, § 14.

Customer Protection Options for the Financing Order

Second Supplemental Public Comment of Saber Partners, LLC

PURA Docket No. 26-04-04, Financing Order for 2018–2023 Storm Costs of The Connecticut Light and Power Company d/b/a Eversource Energy (CL&P)

As of November 4, 2026

The Governor's objective. Governor Lamont wrote to Connecticut families in May that he answers "to the people of this state, not to shareholders or utility executives, and that every dollar I fail to save them is a dollar they needed."[1] On the day PURA reduced CL&P's storm request, the Office of Consumer Counsel noted that reforms must ensure "that Connecticut utility companies are required to meet its burden of substantiating every dollar it seeks to recover from customers."[2] This comment is offered to that standard.

Every dollar in this transaction is a customer dollar. Unlike a CL&P bond issue, no shareholder dollars are involved in the payment of principal and interest on the bonds or pay any cost of the transaction, apart from CL&P's 0.5 percent capital contribution, which is returned to CL&P with a return. The RRB Charge is a nonbypassable charge on every CL&P customer, and the CL&P-managed true-up process adjusts it, based on CL&P's sales, to repay the bonds.[3]

No testimony filed in this docket addresses the customer-side terms of the servicing agreement, the indenture or the other agreements that will govern these bonds after the sale, or proposes a certification that the pricing achieved the lowest cost. This comment is offered to help fill that gap, from the public record, in a form the Authority and any party can use.

Moreover, the financing order can record CL&P's own commitments and the terms other commissions have adopted as "best practices." Each dollar of the $620 million is then accounted for after the order issues as it was before.

The Authority's goal. The presiding officer opened the October 20 hearing with four observations.[4] This comment takes each as a starting point, and each is a reason for the provisions suggested here.

The first is that "the biggest risk we face is time. Time is our enemy."[5] It is. Carrying charges of about $4 million a month accrue until the bonds are sold.[6] Nothing in this comment adds a day to the schedule. Most of the provisions govern CL&P's conduct after the sale: credits, reports, workpapers and a final accounting.

The second is that "there's nothing new here" and that "it's been done before by other utilities."[7] That is why every provision suggested here comes from a financing order under which bonds

[1] Office of Governor Ned Lamont, "Message From Governor Lamont to Connecticut Families" (May 21, 2026).

[2] Office of Consumer Counsel, "Consumer Counsel Statement on Unanimous Decision Cutting Eversource Storm Request" (July 29, 2026).

[3] Conn. Gen. Stat. §§ 16-245g and 16-245h; CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 1, Section II.J (the true-up).

[4] Hearing video, part 1, 0:10:18–0:12:07. Quotations from PURA's videos are from YouTube's automatic captions; the official transcript had not been posted when this comment was prepared.

[5] Hearing video, part 1, 0:10:18 ("I think the biggest issue and the biggest risk we face is time. Time is our enemy.").

[6] Hearing video, part 2, 1:13:28–1:13:57 (CL&P is "receiving about $4 million a month for carrying charges"; CL&P: "Correct"). The carrying charges are recovered in the rate case, not through the bonds: PURA, Final Decision, Docket No. 25-12-13 (July 29, 2026), p. 144.

[7] Hearing video, part 1, 0:11:05–0:11:13 ("There's nothing new here. We're not breaking any new ground. It's been done before by other utilities.").

like these were sold or, in one case, from the indenture for such bonds, with the page cited; Attachment B says where a paragraph goes further than its source. Since 1997 the practice has evolved. Several commissions no longer approve a financing order on estimates alone; they take an active oversight role and make the final go or no-go decision on the final terms, conditions and actual costs.[8]

The third is the expectation that the lawyers would be "dealing with model documents" and that there would be "not a lot of process" on that side.[9] Because each authorizing statute and financing order conforms to its own state's policy, no model documents exist, though many terms and provisions are similar because of rating agency requirements. No statute or commission has approved a model financing order, servicing agreement or indenture for these bonds.

The drafts in this docket were prepared by CL&P's counsel and follow the forms of CL&P's 2001 transaction; the servicing agreement keeps the same section numbering. Underwriters' counsel chosen by Goldman will review them. If the drafts are close to those forms, the question is why customers will pay an estimated $2.1 million in legal fees, of which about $1.4 million is for the transaction documents: $750,000 for CL&P's issuance counsel and $625,000 for the underwriters' counsel.[10] If they are not, the question is what changed, why, and what the effect is on customer protections.

For example, a comparison with CL&P's own 2001 agreements shows material changes. The servicer's standard of care moved from negligence to gross negligence. Remittance of actual collections within two business days of receipt became remittance of estimated collections, reconciled once a year (items 5 and 8).[11] The record does not explain either change. Documents this close to earlier ones still need to be read with care, and each change that is not in customers' interest should be identified, explained and justified before the order approves them. Neither firm drafting them represents customers, and no testimony in the record addresses these customer-side terms. That is the reason Saber recommends that, once the record closes, PURA retain independent counsel with experience drafting financing orders for a commission, as the Florida and Kentucky commissions did.[12]

[8] See the orders cited in Attachment B, item 2: Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 134, pp. 42–43, and p. 7 (issuance advice letter and stop order). NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), Ordering Paragraphs 29 and 30, pp. 76–77 (certifications). Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 7, p. 102 (issuance advice letter and disapproval). The Kentucky order was amended and restated on April 11, 2025 (Kentucky PSC, Financing Order, Case No. 2023-00159 (Apr. 11, 2025)); every Kentucky provision quoted in this comment appears unchanged in the amended order, which is cited here by the pages of the January 2024 order.

[9] Hearing video, part 1, 0:11:37–0:11:45 ("we're probably dealing with model documents that the lawyers just will [gin] up for this transaction … there's not a lot of process I wouldn't think on that side").

[10] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6 and EOE-7.

[11] Transition Property Servicing Agreement between CL&P Funding LLC and CL&P (Mar. 30, 2001), §§ 4.03(a), 6.02(b)–(c), 6.03; CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), §§ 4.03(a)–(b), 6.02(b) (p. 15), 6.03 (p. 17), 6.06(a).

[12] The Florida Commission retained outside legal counsel for each of its financing orders and reserved "the sole authority to select and retain its financial advisor and its outside legal counsel": Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 128, p. 41. See also Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Finding of Fact 90, p. 37. The Kentucky Commission retained Orrick, Herrington & Sutcliffe LLP (Dean Criddle) for its financing order; the firm's invoices were filed into the record by the Commission: Kentucky PSC, Letter Filing Documents into the Record, Case No. 2023-00159 (Jan. 2, 2024). Orrick lists the Florida Public Service Commission among the commissions it advises: Orrick, "Dean Criddle". Saber advised the Florida Commission on its 2006 and 2015 orders and the Kentucky Commission on its 2024 order (Saber's Kentucky role ended in March 2025), and, as stated in its October 20 comment, works with Orrick and Winston Taylor LLP in advising a group of governors, regulators and consumer advocates on federal securities-law matters. Saber has no financial interest in whom PURA retains.

The fourth is that a group that "loves to argue over $50,000 invoices" can agree that "$5 million is a lot of money."[13] Saber agrees. The items in this comment are of that size and more. The ongoing costs in item 3 are $8.9 million over the term CL&P proposes, of which the servicing and administration fees in item 5 are $4.3 million, with $6.95 million of upfront costs on top; the term decision in item 1 is worth $16.4 million to $43.3 million in present value for a 20-year term against a 10-year term, depending on the discount rate.[14] Warranties and indemnities may cost customers nothing or a great deal. The price of taking on or avoiding a risk is difficult to quantify up front.

Preparation, execution and the critical path. CL&P's current schedule is longer than it needs to be. The record does not say why. A longer schedule adds market risk, such as the volatility in U.S. Treasury rates the presiding officer noted. Carrying charges of about $4 million a month accrue while it runs.

CL&P's testimony projects pricing and closing by early June 2027.[15] By market practice no bonds can be sold until the financing order is final and no longer subject to appeal.[16] That does not mean that the work needed to structure the bonds, stress-test the structure under published rating criteria and different assumptions, prepare the rating agency presentation, draft the SEC registration statement and do the other items that do not depend on a final and non-appealable order must wait. In Saber's experience they can and should be done now.

Nevertheless, CL&P's written schedule begins the rating agency and SEC processes only after that period, although its witness said the SEC drafting has started: those processes "will then take place after expiration of the 45-day appeal period," about 60 days, then about 15 days to market, price and close.[17] That is CL&P's choice, and it is where the time goes, not to the documents.

It is true that the rating agencies will not issue a rating until the order is final. They can be engaged before it issues. They usually begin with due diligence on the utility as servicer, which does not depend on the financing order. Most of the quantitative analysis the agencies need can also be done before the order issues: because of the true-up, the cash flow modeling is simple and the number of alternative scenarios is limited. Goldman Sachs has been hired as structuring agent and can be modeling the transaction and running stress tests now, in anticipation of that work. That would save time.

The same is true of the SEC registration statement. CL&P's witness said that the SEC registration work "that starts today" is based on the Petition, and that any rework after the final order "will just mean the later that we will file with the SEC."[18] Southern California Edison did not wait, in 2020 or again in 2026. In 2020 its bond company filed its registration statement with the SEC on October 26, fifteen days before the California commission issued its final

[13] Hearing video, part 1, 0:10:50–0:10:57.

[14] Saber's calculation from the yearly cost streams in EOE-5, Attachment 1, at 5.5 percent and at 7.09 percent; see the term bullet below and Attachment B, item 1.

[15] Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 15.

[16] In Connecticut the period for appeal of a final decision is 45 days: Conn. Gen. Stat. § 4-183(c). For the sequence in a recent prospectus, see CenterPoint Energy Transition Bond Company IV, LLC, Prospectus Supplement (Jan. 11, 2012), p. S-12: the Texas commission issued the order on October 27, 2011, it "became final and non-appealable on November 12, 2011," and the bonds priced on January 11, 2012.

[17] Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), pp. 15–16.

[18] Hearing video, part 2, 0:14:39 ("the work that starts today is going to is based off of what we have put into the petition"). Hearing video, part 2, 0:16:04–0:16:20 ("whatever we need to do um after we get the final order to um update right these documents will just mean the later that we will file with the SEC").

financing order on November 10; the bonds priced on February 17, 2021 and closed on February 24.[19]

Areas of focus for customer protections

Given the limited time, and based on a review of other financing orders, Saber identified areas where customer dollars are directly at risk.

Rate reduction bonds reduce rates, but often by less than they could. The money leaks out in places that are hard to see from the filing: pricing, fees, servicing terms, the timing of remittances, indemnities and the true-up. Each item can look small. Together they add up, and customers pay for all of it.

Once the bonds are sold, PURA cannot fix anything. If the financing order does not address the points below, they are left to CL&P's discretion.

- **The scheduled maturity (the term) and the appropriate discount rate for calculating costs.** The Petition measures the costs to customers, and the resulting customer savings, at CL&P's 7.09 percent weighted average cost of capital, the usual stand-in for the customers' own cost of money.[20] However, CL&P's answer to EOE-5 compares terms at 5.5 percent, a rate close to the expected yield on the bonds.[21]

  A refinancing rate is the right discount rate in municipal finance. It is not the right rate for a utility securitization, where the alternative is recovery through rates at the utility's cost of capital. The right discount rate is a basic principle of corporate and utility finance. That one choice decides which scheduled maturity date (the term) appears to give customers the lowest cost and the highest net present value savings.

  For the same 20-year cash flows, present-value savings are $84.0 million at the 5.5 percent CL&P uses to compare terms and $121.8 million at the 7.09 percent it uses for its own savings claim. The benefit of 20 years over 10 is $16.4 million at the first rate and $43.3 million at the second.[22] Neither comparison includes the 12-year term in the draft order.

  The draft order seeks to hardwire the term at about 12 years and leaves no room to adjust it to market conditions. A not-to-exceed term of 20 years, with the term selected before the start of marketing for the highest net present value savings and the smallest increase in the bill, as North Carolina did in 2021, would preserve that flexibility.

  One comparison on one set of assumptions, using the appropriate discount rate, is not yet in the record.

[19] SCE Recovery Funding LLC, EDGAR filing index (Form SF-1 filed Oct. 26, 2020, File No. 333-249674); SCE Recovery Funding LLC, Prospectus (Feb. 17, 2021), cover and p. 1 ("an irrevocable financing order issued by the CPUC on November 10, 2020"; settlement "on or about February 24, 2021"). SCE did the same in 2026: Form SF-1 filed May 29, 2026, six days after CPUC, Decision 26-05-006 (May 23, 2026) issued and within the period to apply for rehearing under Cal. Pub. Util. Code § 1731(b)(1).

[20] Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 36 and Ex. CLP-TREASURY-3 (12 years, $667.9 million, 7.09 percent: $691.85 million traditional against $572.29 million securitized, $119.6 million of savings).

[21] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-5, Attachment 1 (scenarios on $742.3 million, discounted at 5.5 percent: present value of $812.5 million for the six-year precedent, $744.9 million at 10 years, $733.9 million at 15 and $728.5 million at 20; no 12-year case).

[22] Saber's calculation from the yearly cost streams in EOE-5, Attachment 1, discounted at year end as in CL&P's workbook: savings against the six-year precedent of $67.6, $78.5 and $84.0 million at 10, 15 and 20 years at 5.5 percent, and $78.4, $104.3 and $121.8 million at 7.09 percent; the increments are computed from the unrounded figures ($16.405 and $43.324 million), so they differ from the differences of the rounded figures by up to $0.1 million. The same figures appear in Saber's October 20 Comment, item 14.

- **Structuring, marketing and pricing.** Each tenth of a percent on the bond rate is about $4.2 million over the life of the bonds.[23] The presiding officer noted a 47-basis-point move in Treasury rates between July 29 and the hearing.[24] Since the hearing, the 10-year Treasury yield has fallen 17 basis points, from 5.12 percent on October 20 to 4.95 percent on November 3.[25]

  Treasury rates set the base and cannot be predicted with much accuracy. Time is fickle; it can work for or against customers. In Saber's experience, an issuer moves as quickly as possible to be ready to sell the bonds and then evaluates market conditions. That is how most corporations approach a bond issue, and it is why sophisticated corporations keep an SEC shelf registration: they register the base disclosure and then access the market when conditions are favorable.

  The spread above Treasuries, known as the credit spread, can be addressed through structure, marketing and the pricing process, to reach the lowest cost of funds available on the day.

  PURA will need a basis to determine that the transaction achieved the objectives of the financing order. The draft order contains no requirement that evidence be filed with PURA, such as a certification that the pricing achieved the lowest cost consistent with market conditions on the day and the terms of the order. Unlike the orders in Florida, North Carolina and Kentucky, it gives PURA no window to act if the transaction did not achieve PURA's objectives.
- **Upfront and ongoing costs.** CL&P estimates $6.95 million of upfront costs and $742,682 a year of ongoing costs, about $8.9 million over the twelve-year term it proposes, including the servicing and administration fees discussed below.[26]

  These amounts are estimates.

  The Petition itemizes them but did not file the evidence supporting them. CL&P's own procurement policy, as PURA described it in the storm-cost decision, makes competitive bidding the default for any procurement above $50,000, with a sole-source justification or an exception to the competitive bid as the only alternatives.[27] On this record, one item, the trustee, was competitively solicited. The draft order approves the estimates and provides no accounting after the fact. That differs, without a stated reason, from the way costs are recovered in a general rate case.
- **Collections of the RRB charge after the bonds are paid.** The charge is set from a forecast of sales and adjusted by true-up. Actual collections can differ from the forecast. In the final period, given forecast variance and the other factors that affect what is billed and collected, the trustee may receive and hold enough to retire the bonds while charges continue to arrive from customers as they pay their monthly bills.

[23] Estimate: $620,364,568 of bonds with a weighted average life of 6.84 years (Direct Testimony of Steven Moffitt, Ex. CLP-GOLDMAN-1 (Sept. 25, 2026), p. 27, Table 2, filed with the Petition) × 0.01 percent × 6.84 ≈ $424,000, or about $4.2 million for each 0.10 percent, nominal.

[24] Hearing video, part 1, 0:10:42 ("47 basis points").

[25] U.S. Department of the Treasury, Daily Treasury Par Yield Curve Rates, October 2026 and November 2026, 10-year column (July 29, 2026: 4.67 percent; October 20: 5.12; October 30: 4.94; November 2: 4.91; November 3: 4.95, the latest posted when this comment was prepared).

[26] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6 (upfront costs by item; competitive solicitation for the trustee only), EOE-7 (legal fees) and EOE-8 (ongoing costs by item).

[27] PURA, Final Decision, Docket No. 25-12-13 (July 29, 2026), p. 92 ("Eversource's internal policy requires that procurements exceeding $50,000 must undergo either: (1) competitive bidding process involving, when feasible, at least three bidders; (2) Sole Source Justification; and (3) an exception to the competitive bid. … Competitive bidding is the default procurement practice").

The draft order returns only the balances already held by the trustee.[28] It does not address charges billed before payoff and collected after it, which go to CL&P and never reach the trustee. Financing orders in other states address these collections (North Carolina's order calls them "tail-end collections"); the draft order does not.[29] The amounts are real. In Texas, the balances remaining after CenterPoint's 2012 bonds were paid came to $14.9 million. They went back to customers under an order signed eighteen months after the scheduled final payment date.[30]

- **Fees to CL&P.** CL&P would receive about $4.3 million over the twelve-year term it proposes as servicer and administrator.[31] CL&P has said it will credit the fees back to customers, but the draft order does not say so.[32]

  The record does not show what incremental cost, if any, CL&P will incur, or how 2026 differs from the 2000 finding that the servicing work "is not an incremental out-of-pocket cost over and above what CL&P is already collecting in rates."[33]

  Asked at the hearing for the personnel and costs behind the fee, CL&P answered that the fee is a market rate and that the rating agencies review it "to ensure the Company receives an arms-length fee."[34]

  Rating agencies do require the bond company to pay a servicing fee. They do not require CL&P to keep it. What the bond company pays CL&P is one question; what CL&P may keep is another. The rating agencies review the fee for the bankruptcy-remoteness opinion. They are not concerned with whether the fee is returned to customers through a credit to other rates.

  That was also the outcome in 2000, when the Department applied an amount equal to the fee to customers' competitive transition assessment each year without the need for any further action.[35]

  The draft servicing agreement also pays the servicer its out-of-pocket expenses separately. CL&P's ongoing cost schedule separately charges $260,000 a year for the examination of the servicer's own compliance report, although the Petition says the fee is "estimated to cover" those costs. If the full fee is credited back, those third-party expenses should be recovered only as itemized ongoing costs, competitively selected and audited each year. As

[28] CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 1, p. 34 of 36 ("shall be credited to CL&P's customers").

[29] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Financing Order, Exhibit C, paragraph 50. NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), p. 26. Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 22, p. 111. The three provisions are quoted in Attachment B, item 4.

[30] CenterPoint Energy Transition Bond Company IV, LLC, Prospectus Supplement (Jan. 11, 2012), scheduled final payment date Oct. 15, 2024; Public Utility Commission of Texas, Docket No. 59113, Order (Apr. 2, 2026), p. 1 ("the remaining transition charge collection balances existing under Schedule TC5 in the amount of $14,921,211.54"). The order does not separate charges collected after payoff from balances held by the trustee.

[31] $310,182 a year plus $50,000 a year, times 12 years, is $4,322,184, nominal: Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 33 and Schedule 2.

[32] Hearing video, part 1, 1:24:52–1:25:29 ("in a perfect world … a net zero for customers"). CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-10 (credit "through the Revenue Decoupling Mechanism ('RDM') for the subsequent period").

[33] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Decision, Finding of Fact 34, p. 24.

[34] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-8.

[35] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Decision, pp. 14–15 (the fee "must be market-based"; "the Department will apply an amount equal to the servicing fee to the CTA, annually at the time of the CTA True-up").

drafted, the order sets no process for reviewing what CL&P charges for these services, or in what amount.[36]

- **Indemnities and liability.** The indenture and the servicing agreement will decide who pays when something goes wrong. For example, CL&P's draft indenture pays the trustee's indemnities from collections ahead of the bonds, with the cap left blank.[37]

  The draft order addresses the servicer's responsibility for its own errors, and amendments after closing, by approving the draft Servicing Agreement with any changes the rating agencies recommend. However, the draft agreement settles both against customers.

  The servicer is liable only for willful misconduct, bad faith or gross negligence, and only to the bond company and the bondholders; it is not liable "for errors in judgment," or for simple negligence.

  The agreement may be amended with the trustee's consent, or with majority bondholder consent and the rating agency condition, with no notice to PURA.[38] CL&P's 2001 agreement held it liable for negligence.[39] No testimony addresses the standard of care, an indemnity for customers or PURA's role in amendments; the testimony mentions indemnities only as a cost the RRB Charge will pay.[40] No dollar estimate is in the record.

It has been Saber's experience that when items like these are questioned, the response is "It will never happen" or "It is not a lot of money." If it will never happen, then giving customers the protection costs nothing.

If it is not a lot of money, then why resist letting customers keep it?

Once the bonds are issued, the order cannot be changed. CL&P said so at the July 13 technical meeting: after the order and the AAA rating, "there is no longer discretion by PURA to go back and adjust."[41]

The order will govern these bonds for their life. What it says will bind. What it leaves to the transcript will not. These paragraphs are offered now, before the record closes on November 4.

None of this requires reinventing the wheel. The protections already exist in other financing orders. The question is whether Connecticut customers will receive them too.

[36] CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), § 6.06(a) and (c), p. 19; Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 33 and Schedule 2. CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-8.

[37] CL&P, draft Indenture, Ex. CLP-INDENTURE-1C (Sept. 25, 2026), § 8.02(e)(i), p. 60 ("in an amount not to exceed $[●] per Payment Date") (filed with the Petition).

[38] CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 1, Section IV.B.8, ¶1. CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), § 6.02(b), p. 15 ("willful misconduct, bad faith or gross negligence"); § 6.03, p. 17 ("for errors in judgment"); § 8.01(a)–(b), p. 24 (amendment).

[39] Transition Property Servicing Agreement between CL&P Funding LLC and CL&P (Mar. 30, 2001), §§ 6.02(b)–(c), 6.03.

[40] Saber searched the Treasurer's testimony for "servicing," "indenture," "indemn," "negligen" and "amend" (the only matches for "amend" refer to the statute as amended), and the captions of both parts of the hearing for "negligen," "amend," "indemn" and "certif," and found no discussion of the standard of care, a customer indemnity or amendments. CL&P's testimony lists indemnity obligations among the costs the RRB Charge pays: Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 23, lines 17–20, and p. 35, lines 3–5. Direct Testimony of Steven Moffitt, Ex. CLP-GOLDMAN-1 (Sept. 25, 2026), p. 39, lines 10–12 (costs of amendments).

[41] Technical meeting video (July 13, 2026), 1:11:02–1:11:24 (CL&P's Doug Horton: "once we get that financing order and get the AAA rating, it's part of the reason we get that AAA rating is because there is no longer discretion by PURA to go back and adjust").

Please note. *The provisions marked on CL&P's draft order below are drawn from financing orders under which similar bonds were sold in other states and from the record of this docket. They are offered to describe a solution to each issue identified, not as the only form a solution can take. They are not legal advice. Each provision should be reviewed by Connecticut counsel and conformed to Connecticut law before it is adopted. Saber's October 20 and October 21, 2026 comments in this docket, including the statements in them about Saber, its engagements and the basis on which it comments, are incorporated by reference.*

What this comment offers. Saber offers suggested language and changes to CL&P's draft financing order, to be reviewed by PURA's counsel for conformity with Connecticut law. They are ordering paragraphs and findings for the Authority's consideration, with conforming changes, marked as tracked changes on CL&P's October 27 draft, which follows in full. Each suggestion comes from one of four places:

- what CL&P's witnesses said on October 20;
- what PURA and EOE asked in their own questions;
- what CL&P's September 25 draft provided and the October 27 revision does not;
- a financing order, or in one case the indenture, under which similar bonds were sold in another state.

This comment identifies evidence already before the Authority: CL&P's sworn testimony and written answers; CL&P's September 25 and October 27 drafts; and orders of other commissions under which similar bonds were sold. Each note and each item in Attachment B quotes its source, gives the page and links to it. Where a paragraph goes further than its source, the note says so.

Each ordering paragraph or finding stands alone. PURA can adopt any of them, or all of them, and drop any one without touching the rest. Section IV.B.3, ¶¶1 and 4 and Section III.D, ¶1 refer to ¶¶2A to 2C and go with them.

Addressing these issues in the financing order does not add a day to the schedule. None of the paragraphs adds an adviser or a fee to the transaction. Two are marked as PURA's choice. Each can be taken on its own.

How to read the order that follows. It is CL&P's October 27 draft, from its Introduction to its Orders, with CL&P's own changes accepted; the draft's cover pages and table of contents are omitted.

Added words are underlined and deleted words struck through, both in red, under the author name "Best Practice for Customers."

The notes in blue italics explain each change. New paragraphs carry a letter after the paragraph they follow (1A, 2A, 3A); PURA can renumber them. Under each marked paragraph, a short note gives the record basis and the precedent, and points to the fuller discussion in Attachment B. The order text itself carries no notes.

Accept all changes in the Word file to read the order as proposed; reject any one paragraph to drop it.

Attachment A answers questions that may be asked. Appendix A gives the SEC record for the West Virginia bonds sold under that state's 2006 order.

If the presiding officer wishes, the undersigned will adopt this comment under oath or affirmation.[42]

[42] Conn. Gen. Stat. § 4-177c(b).

CL&P's October 27 Draft Financing Order, with the Suggested Customer Protection Changes Marked

CL&P's text, with CL&P's own changes accepted. Additions are underlined and deletions struck through, in red, under the author name "Best Practice for Customers." The notes in blue italics explain each change and are not part of the order text.

I. INTRODUCTION

A. Summary Sections 16-245e to 16-245k, inclusive, of the Connecticut General Statutes ("Conn. Gen.

Stat.") permit an electric distribution company to submit a request to the Public Utilities Regulatory Authority ("PURA") for a financing order to authorize the issuance of bonds (as defined in Conn. Gen. Stat. § 16-245e(a)(1), "Rate Reduction Bonds" or "RRBs") for the purpose of recovering costs that have been determined by PURA to have been prudently and efficiently incurred by an electric distribution company between the period of January 1, 2018, to January 1, 2025 to prepare for and restore power to customers following storms, together with any reasonable fees, expenses and transaction costs incurred in connection with the issuance, servicing, retirement or refinancing of such Rate Reduction Bonds, and provide that any such financing order that is issued by PURA shall become effective in accordance with its terms after the electric distribution company files with PURA its written consent to all terms and conditions of the financing order.

This financing order approves and authorizes the issuance of RRBs for the purpose of recovering certain Storm Costs (as such term is defined below) incurred by The Connecticut Light and Power Company d/b/a Eversource Energy ("CL&P" or the "Company"), together with related fees, expenses and transaction costs, on the terms and conditions described below.

B. Background In a Final Decision issued on 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"), PURA determined that a net amount of $667,930,008 in costs incurred by CL&P to prepare for and restore power to customers following storms during the period from May 2018 to December 31, 2023 (the "Storm Costs") 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 such Storm Costs is in the best interests of ratepayers.

Pursuant to Conn. Gen. Stat. § 16-245f(a)(2), on September 25, 2026, CL&P filed a petition (the "Petition") with PURA, seeking the issuance of a financing order to authorize the issuance of Rate Reduction Bonds to recover the Storm Costs and any fees, expenses and transaction costs incurred in connection with the issuance, servicing and retirement of such Rate Reduction Bonds (as defined in Conn. Gen. Stat. § 16-245e(a)(21), the "Financed Utility Services"). The Company also requested that the Financing Order include a transaction description and certain findings, orders and approvals substantially similar in language to those contained in the Petition, Exhibit CLP-FINANCING ORDER-1. CL&P asserted that the financing order must contain provisions that maximize the likelihood of achieving triple-A ratings on, and enhance the marketability of, the Rate Reduction Bonds.

The Office of the State Treasurer ("OTT"), as finance authority ("Finance Authority") under Conn. Gen. Stat. § 16-245e(a)(4), and its advisors reviewed the Petition, together with a draft of this financing order, drafts of the RRB Transaction documents attached thereto and copies of the testimony and the supporting materials filed by CL&P with the Petition, and filed testimony with PURA by OTT and its advisor, PFM, in support of the Petition (the "OTT Testimony").

C. Conduct of the Proceeding PURA held hearings on this matter, during which CL&P presented witnesses who testified in support of its request. As noted above, CL&P consulted with OTT on the Petition, and OTT filed the OTT Testimony with PURA in support of the Petition. An opportunity to cross-examine the witnesses and provide responsive testimony was provided to all parties.

II. TRANSACTION DESCRIPTION AND APPLICATION OF LAW

A. The Proposed RRB Transaction This Section II (the "Transaction Description") describes the RRB Transaction proposed by CL&P and the application to the RRB Transaction of Conn. Gen Stat. §§ 16-245e

to 16-245k, inclusive. CL&P requested that this financing order, among other things, approve the following aspects of its proposed RRB Transaction, and find that they are consistent with achieving the targeted triple-A rating ~~and therefore the lowest cost~~and the lowest all-in cost on the Rate Reduction Bonds consistent with market conditions at the time the Rate Reduction Bonds are priced and the terms of this financing order. This proposed structure is subject to certain limited modifications, subsequent to the issuance of this financing order, to allow for negotiations with rating agencies that will assign credit ratings to the Rate Reduction Bonds and market conditions at the time the Rate Reduction Bonds are issued. The final structure of the RRB Transaction will be determined by CL&P at the time the Rate Reduction Bonds are priced, while remaining substantially and materially consistent with the transaction structure described herein, and approved by PURA.

> ***Note — item 2, the rate on pricing day.*** *The draft treats the triple-A rating as the lowest cost ("and therefore"). They are two objectives. Bonds with the same triple-A rating and similar average lives sell at different spreads: in CL&P's own comparables, the tranches of about 10 to 12 years' average life in three 2026 issues priced at 72, 75 and 78 basis points over Treasuries. Structure, marketing and the pricing process account for differences like that.*[43] *The 2000 order set the terms "with the objective to achieve the lowest all-in financing cost possible."*[44] *The same change is made in Sections II.F, III.D, III.F and IV.B.3, ¶2. Whether the lowest all-in cost was achieved is determined through the issuance advice letter and the certifications in Section IV.B.3, ¶¶2B and 2C, and Section IV.B.11, ¶1. Fuller discussion: Attachment B, item 2.*

OTT, in its capacity as Finance Authority, has reviewed the transaction structure described herein, and consistent with its active role in overseeing the transaction pursuant to Conn. Gen. Stat. § 16-245e(a)(11), will review the terms and conditions of the Rate Reduction Bonds prior to their finalization (including to confirm that the final transaction structure is substantially and materially consistent with the transaction structure described herein).

> *OTT's role (item 2). This paragraph limits OTT to a review of the terms for consistency with what OTT and CL&P agreed. PURA could make OTT a joint decision-maker in the structuring, marketing and pricing, as the Texas commission did through its designated representative, and have OTT certify under Section IV.B.3, ¶2B that the transaction in fact achieved the lowest cost for customers under market conditions, not only that it is consistent with the estimates.*[45]

B. Financed Utility Services Pursuant to Conn. Gen. Stat. § 16-245e(a)(1), the Rate Reduction Bonds will be issued by one or more special purpose financing entities (collectively, the "Financing Entity") in an amount sufficient to recover CL&P's Financed Utility Services, including the Storm Costs. Pursuant to Conn. Gen. Stat. § 16-245e(a)(21), Financed Utility Services include (A) costs, as determined by PURA consistent with the principles set forth in Conn. Gen. Stat. §§ 16-11, 16-19, and 16-19e, to have been prudently and efficiently incurred between January 1, 2018, and January 1, 2025, by an electric distribution company to prepare for and restore power to customers following storms; and

[43] Direct Testimony of Steven Moffitt, Ex. CLP-GOLDMAN-1 (Sept. 25, 2026), p. 21 (SCE, July 21, 2026, 10.09-year tranche, 75 basis points; Appalachian Power, May 19, 2026, about 11.5-year tranche, 72; CenterPoint Houston, February 18, 2026, about 11.8-year tranche, 78).

[44] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Decision, Finding of Fact 22, pp. 22–23.

[45] Oncor Electric Delivery Transition Bond Company LLC, Prospectus Supplement, Transition Bonds, Series 2003-1 (Aug. 14, 2003), cover page ("All matters relating to the structuring and pricing of the series 2003-1 bonds have been considered jointly by Oncor Electric Delivery Company and the designated personnel of the Public Utility Commission of Texas and its financial advisor"), issued under the Public Utility Commission of Texas Financing Order of Aug. 5, 2002, Docket No. 25230; the issuance advice letter under that order certified "that the structure and pricing of the transition bonds results in the lowest transition charges consistent with market conditions at the time of pricing and the general parameters set out in the Financing Order" (prospectus, "The Financing Order").

(B) any reasonable fees, expenses, and transaction costs incurred in connection with the issuance, servicing, retirement, or refinancing of Rate Reduction Bonds issued to finance such costs.

Consistent with PURA's determination in the Storm Costs Order, $667,930,008 in Storm Costs incurred by CL&P between 2018 and 2023 will be recovered through the issuance of the Rate Reduction Bonds.

As more fully described in the Direct Testimony of Matthew P. Fallon (the "Eversource Treasury Testimony"), CL&P estimates that (i) the upfront fees, costs and expenses incurred in respect of the Rate Reduction Bonds as described in the Transaction Description (the "Upfront Transaction Costs") will be approximately $6,950,000 and (ii) the ongoing fees, costs and expenses incurred on an annual basis after the issuance of the Rate Reduction Bonds in connection with the RRB Transaction (the "Ongoing Transaction Costs") will be approximately $742,682 annually. The Upfront Transaction Costs and Ongoing Transaction Costs can only be estimated at this time and, with respect to the Upfront Transaction Costs, the actual expenses will not be known until the principal amount of the Rate Reduction Bonds is determined, the applicable RRB Transaction documents are negotiated and the actual fees, costs and expenses are incurred. Current estimates of the upfront and ongoing fees, costs and expenses associated with the RRB Transaction are based on data from other recent offerings of rate reduction bonds by affiliates of utility companies in other states and on estimates provided by the applicable third parties that are expected to incur such costs. After the pricing of, but prior to the issuance of, the Rate Reduction Bonds, CL&P will file an Issuance Advice Letter (as defined below) with PURA, which among other things will set forth the actual amount of upfront RRB Transaction costs.

> *The cost estimates (item 3). The sentence that the estimates are "based on data from other recent offerings" and on "estimates provided by the applicable third parties" is an assertion. The record holds no scope of services, contract, proposal or selection process that PURA can review to find the amounts reasonable for this transaction, as distinct from consistent with transactions in other states under other statutes and procedures. Section IV.B.11, ¶¶3 to 5 provide the accounting, the audit and the competing proposals that would supply that basis.*[46]

C. Transition Property As described in more detail below (see "RRB Charge"), CL&P, as initial servicer acting on behalf of the Financing Entity, will recover amounts from its customers sufficient to pay debt service on the Rate Reduction Bonds and the Ongoing Transaction Costs through a portion (the "RRB Charge") of the competitive transition assessment (as defined in Conn. Gen. Stat. § 16-245e(a)(2), the "Competitive Transition Assessment"). The Financing Entity's right to collect the RRB Charge shall be irrevocable as provided in Conn. Gen. Stat. § 16-245i(b)(1), and the charge itself shall be nonbypassable to CL&P's customers pursuant to Conn. Gen. Stat. § 16-245e(a)(2).

The RRB Charge shall be allocated among CL&P's customer classes as set forth in the Joint Direct Testimony of Brendan J. O'Brien, Garrett J. Murray and Edward A. Davis (the "Eversource Regulatory Testimony").

The principal asset securing the Rate Reduction Bonds will be the Transition Property. The "Transition Property" is an irrevocable property right created pursuant to Conn. Gen. Stat. § 16-245h(a) and by PURA in this financing order. It includes all right, title, and interest of CL&P or the Financing Entity (A) in and to the RRB Charge established pursuant to this financing order, as adjusted from time to time in accordance with Conn. Gen. Stat. § 16-245i(b)(2) and this financing order; (B) to be paid the amount that is determined in this financing order to be the amount that CL&P or the Financing Entity is lawfully entitled to receive pursuant to Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, and the proceeds thereof, and in and to all revenues, collections, claims, payments, money, or proceeds of or arising from the RRB Charge; and (C) in and to all rights to obtain adjustments to the RRB Charge pursuant to Conn. Gen. Stat. § 16-245i(b)(2) and this financing order. Conn. Gen. Stat. § 16-245e(a)(13).

When this financing order has become effective in accordance with Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, the RRB Charge shall constitute Transition Property, and such Transition Property shall thereafter continuously exist as property for all purposes until the Rate Reduction Bonds have been paid

[46] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6, EOE-7 and EOE-8. Hearing video, part 1, 1:14:58–1:15:26 ("where in the record do we establish the reasonableness of these … 6.9 million").

in full, including all principal, interest, premium (if any), costs, and arrearages on such bonds. Conn. Gen. Stat. § 16-245h(a).

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. This financing order and the RRB Charge authorized to be imposed and collected pursuant hereto are irrevocable, and PURA has no authority, whether by rescinding, altering or amending this financing order or otherwise, to revalue or revise for rate-making purposes the Financed Utility Services, or the costs of providing, recovering, financing or refinancing the Financed Utility Services, to determine that the RRB Charge is unjust or unreasonable, or in any way to reduce or impair the value of the Transition Property. Conn. Gen.

Stat. § 16-245i(b)(1).

D. Formation and Capitalization of Financing Entity The Rate Reduction Bonds will be issued through a newly formed bankruptcy-remote Financing Entity. (If recommended by the structuring agent for the Rate Reduction Bonds in light of market conditions at the time of their issuance, the Rate Reduction Bonds may be issued in two or more series (i.e., in installments). ~~In such event, CL&P will create a separate bankruptcy-remote special purpose entity to issue each series of bonds. All references herein to the "Financing Entity" shall be deemed to include any such additional issuing entities, if applicable.)~~Any additional series shall be issued by the same Financing Entity unless PURA approves an additional Financing Entity under Section IV.B.5, paragraph 1A.) The Financing Entity shall be a Delaware limited liability company authorized by PURA to acquire Transition Property and to issue Rate Reduction Bonds pursuant to Conn. Gen. Stat. § 16-245e(a)(11). The Financing Entity will be wholly owned by CL&P. In order for the Financing Entity to remain "bankruptcy-remote" from CL&P, the fundamental organizational documents of the Financing Entity shall impose significant limitations upon its activities and the ability of CL&P to take actions as the holder of the equity interest therein. The limited purpose of the Financing Entity will be to acquire Transition Property and the Other Financing Entity Collateral (defined below) and to issue and sell Rate Reduction Bonds. The Financing Entity shall not be permitted to engage in any other activities and shall have no assets other than Transition Property and Other Financing Entity Collateral.

> ***Note — item 9, one bond company.*** *Section II.D no longer requires a separate bond company for each series.*
>
> *Record: PURA asked in LFE-002 about the need for a second company and its cost.*[47] *CL&P's answer puts the cost of a second company as "modestly higher"; the added cost comes from a second accountant, a second administration and the other items that a single issuer would share. Nothing in the record shows that a separate company for each series is required to sell the bonds or to obtain a triple-A rating. The utilities' own trade association, the Edison Electric Institute, told the SEC in December 2025 that it supports "a series trust structure and the same special purpose entity ('SPE')/issuer for multiple public utility securitizations," and that a new entity for every securitization "can be process-intensive for public utilities and result in unnecessary confusion and delays in the market."*[48] *A series trust is one bond company that issues several series, each secured by its own property. SCE's bond company in California has sold five series that way since 2021, each under a separate financing order.*[49] *The conditions on a second company are in Section IV.B.5, ¶1A. Fuller discussion: Attachment B, item 9.*

[47] CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-002.

[48] Edison Electric Institute, Comment Letter, SEC File No. S7-2025-04 (Dec. 1, 2025), pp. 1 and 3.

[49] SCE Recovery Funding LLC, Prospectus, Series 2026-A (July 23, 2026) ("The bonds are the fifth series of recovery bonds that we have issued. … The Prior Recovery Bonds were each issued pursuant to a separate financing order and are secured by separate fixed recovery charges, separate recovery property and separate bond collateral").

The Financing Entity shall be managed by a management committee consisting of managers, with rights and authority similar to that of a board of directors of a corporation. As long as the Rate Reduction Bonds remain outstanding, CL&P shall be required to cause the Financing Entity to have at least one (1) manager with no affiliation with CL&P (the "Independent Manager"), out of a total management committee of no fewer than three (3) managers. Without the consent of the Independent Manager, the Financing Entity shall be unable (a) to amend provisions of fundamental organizational documents which ensure the bankruptcy-remoteness of the Financing Entity, (b) to institute or to consent to the institution of bankruptcy or insolvency proceedings against it, or (c) to dissolve, liquidate or wind up the Financing Entity. Other provisions may also be included to support the bankruptcy-remote character of the Financing Entity as required by the rating agencies. CL&P will contribute equity capital to the Financing Entity in an amount anticipated to be at least 0.50% of the initial principal balance of Rate Reduction Bonds. This capitalization provides a source of credit enhancement.

> *The bond company's managers (item 9). Best practice gives the commission the right to appoint, remove and replace at least one independent manager, to ensure that at least one manager is truly independent. Of the precedent orders, Kentucky 2024 and West Virginia 2006 so provide. Kentucky 2024: "The Commission is authorized to appoint, as well as remove and replace, at least one of the BondCo's independent managers." West Virginia 2006: the final director of each SPE is "selected (and subject to removal) by the Commission," which "shall have authority to select anyone the Commission believes will most effectively protect the interests of both customers and holders." Section IV.B.5, ¶1A so provides. Florida does not appoint the manager but puts the bond company in a direct relationship with the commission: in 2006 the SPE "will be responsible to this Commission on an ongoing basis," and in 2015 the Commission "will be deemed to have contractual privity with the SPE for purposes of enforcing" its organizational and transaction documents.*[50]

The Financing Entity will enter into an administration agreement (the "Administration Agreement") with CL&P, pursuant to which CL&P shall perform administrative services and provide facilities for the Financing Entity to ensure that it is able to perform such day-to-day operations under the RRB Transaction documents. The Administration Agreement incorporates provisions to ensure that CL&P will be paid a fee (the "Administration Fee", which, subject to changes in market conditions and rating agency requirements, shall be an annual amount not to exceed $50,000 and which will be recovered on a semi-annual basis through the RRB Charge) as consideration for the performance of such services and providing such facilities, as described in the Issuance Advice Letter (as defined below). Additionally, and as more fully described below, the Financing Entity will enter into (a) a Purchase and Sale Agreement (as defined below) with CL&P, pursuant to which the Financing Entity shall acquire all of CL&P's rights in the Transition Property, (b) a Servicing Agreement (as defined below) with CL&P, pursuant to which CL&P shall agree to service the Transition Property and be paid a Servicing Fee (as defined below) and

(c) an indenture (the "Indenture") with the RRB trustee, which will set forth the terms of the Rate Reduction Bonds after they are established on the pricing date of the bonds. Drafts of the Administration Agreement, the Servicing Agreement and the Indenture accompanied the Petition.

E. Sale of Transition Property to the Financing Entity Pursuant to Conn. Gen. Stat. § 16-245h(a), the Transition Property in respect of the Financed Utility Services shall immediately upon its creation vest solely in CL&P as a vested contract right. CL&P may sell the Transition Property to a Financing Entity that makes that property the basis for the issuance of the Rate Reduction Bonds; provided that if any interest in Transition Property is sold or assigned by an electric distribution company to a Financing Entity, PURA will require the electric distribution company to contract with the Financing Entity that it will continue to operate its system to provide service to its customers, will collect the RRB Charge for the benefit and

[50] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 39 and Ordering Paragraph 6. West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Ordering Paragraph 71(d). Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 99, p. 35. Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Finding of Fact 61, pp. 29–30.

account of the Financing Entity, and will account for and remit the amount of the RRB Charge so collected to or for the account of the Financing Entity. Conn. Gen. Stat. §§ 16-245h(c) and 16-245h(d).

CL&P shall sell all of its rights in the Transition Property to the Financing Entity, expressly stating in the purchase and sale agreement governing such transfer (the "Purchase and Sale Agreement") that it is a sale or other absolute transfer from CL&P to the Financing Entity.

Pursuant to Conn. Gen. Stat. § 16-245k(h), this transfer, having been approved in this financing order, shall be treated as an absolute transfer of all of CL&P's right, title and interest to the Financing Entity, as a true sale, and not as a pledge or other financing, notwithstanding any contrary treatment of such transfer for accounting, tax, or other purposes. The transfer will be deemed perfected as against third persons upon the effectiveness of this financing order and the execution and delivery to the Financing Entity of a written assignment of the Transition Property.

Conn. Gen. Stat. § 16-245k(i). Because the transfer is an absolute transfer and true sale to the bankruptcy-remote Financing Entity, CL&P expects, and will obtain, opinions of bankruptcy counsel to the effect that, in the event CL&P were to become the subject of a bankruptcy or insolvency case, the Transition Property transferred to and owned by the Financing Entity would not constitute property of CL&P's bankruptcy estate and would not be available to satisfy the claims of CL&P's creditors.

F. Issuance of Rate Reduction Bonds The Financing Entity will issue and sell Rate Reduction Bonds to capital market investors in one or more series, each of which may be offered in one or more classes or tranches having a different principal amount, term, interest rate and amortization schedule. The form, interest rate (which will be a fixed interest rate), amortization schedule, classes or tranches and number of credit ratings and other characteristics of Rate Reduction Bonds will be determined by CL&P at or before the time of pricing based on then-current market conditions, with the objective being to achieve the targeted triple-A rating ~~and therefore the lowest cost~~and the lowest all-in cost financing consistent with market conditions at the time the Rate Reduction Bonds are priced, while remaining substantially and materially consistent with the transaction structure described herein and approved by PURA. In addition, because the principal amount of Rate Reduction Bonds must be reduced in accordance with Conn. Gen. Stat. § 16-245e(m) by the net present value of certain tax benefits to CL&P arising from the RRB Transaction (as described in further detail under "Tax Considerations" below), the aggregate principal amount of the Rate Reduction Bonds can only be determined closer to the pricing date of the bonds.

> *The cost standard (item 2). A triple-A rating does not guarantee the lowest cost of funds. Triple-A bonds price differently depending on how they are marketed and on the negotiation with the underwriters.*
>
> *A sentence that treats the rating as the lowest cost presumes the result before the marketing and the negotiation take place. The rating and the lowest all-in cost are therefore stated as two objectives, as in Section II.A, and the certifications in Section IV.B.3, ¶2B are where the result is confirmed to PURA.*

Upon final determination of all terms of the Rate Reduction Bonds, expected to occur prior to the commencement of marketing (except with respect to the pricing terms of the bonds, which will be specified at the time of pricing), CL&P will provide to OTT a draft issuance advance letter (the "Issuance Advice Letter") setting forth such terms of the Rate Reduction Bonds. Consistent with its active role as Finance Authority, at or prior to the pricing of the Rate Reduction Bonds, OTT will confirm to CL&P that the draft of the Issuance Advice Letter and the final terms of the Rate Reduction Bonds are consistent with the terms and conditions specified and agreed by the Finance Authority in connection with the finalization of the terms of the bonds. After the pricing of the bonds, CL&P will provide to OTT a final draft of the Issuance Advice Letter reflecting such final terms of the Rate Reduction Bonds. OTT will confirm that the Issuance Advice Letter is consistent with the final terms of the Rate Reduction Bonds and authorize CL&P to so represent to PURA. CL&P will then file with PURA the Issuance Advice Letter. A draft of the Issuance Advice Letter accompanied the Petition.

> *The issuance advice letter (item 2). Best practice lets the commission review the issuance advice letter and decide whether to proceed. The current draft files it "for informational purposes." Section IV.B.11, ¶1 makes the letter a condition of issuance and Section IV.B.3,*

> *¶2C gives PURA a window to act, as in Florida (2006 and 2015) and North Carolina (2021).*

Pursuant to Conn. Gen. Stat. § 16-245j(a)(1), the Rate Reduction Bonds will be non-recourse to the credit of CL&P or any of its assets. The Rate Reduction Bonds will be secured by the assets of the Financing Entity, including the Transition Property as well as all other assets of the Financing Entity (the "Other Financing Entity Collateral"). The Other Financing Entity Collateral includes (i) the rights of the Financing Entity under the RRB Transaction documents including the Purchase and Sale Agreement by which the Financing Entity acquires all rights in the Transition Property and the agreement setting forth the servicing arrangements between CL&P, in its capacity as servicer (and together with any successor servicer, the "Servicer"), and the Financing Entity (the "Servicing Agreement"), (ii) the Collection Account (as described below) and any subaccounts contained in the Collection Account, including the General Subaccount, the Excess Funds Subaccount and the Capital Subaccount, and (iii) any return on investment on amounts held by the Financing Entity (with the exception of the return on investment on the Capital Subaccount). The Other Financing Entity 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 equityholder of the Financing Entity.

> *Collections not yet remitted (items 4 and 5). RRB Charges that CL&P has collected and not yet turned over to the trustee, and the earnings on them, are customers' money. Section II.H (remittance within two business days) and Section IV.B.8, ¶9 (interest and late charges credited to customers) address them; the paragraph after Section IV.B.8, ¶14 addresses collections after the bonds are paid.*

It is expected that the Rate Reduction Bonds will be rated by one or more recognized rating agencies. The targeted ratings on the Rate Reduction Bonds will be triple-A.

If more than one class or tranche of Rate Reduction Bonds is issued, each class or tranche of Rate Reduction Bonds may receive principal payments at different times and therefore have different scheduled final payment dates and legal final maturity dates. The scheduled final payment date of the Rate Reduction Bonds for the latest maturing class or tranche ~~is expected to be no more than approximately 12 years from the date of issuance~~will be no more than 20 years from the date of issuance, as determined under Section IV.B.3, paragraphs 1 and 2A.

> *Conforming change (item 1). Fixing one term here leaves no room to take market conditions into account at pricing, and decides in advance the objectives of Section IV.B.3, ¶2A: the highest net present value savings and the smallest increase in the bill, consistent with intergenerational fairness. The scheduled term is set under Section IV.B.3, ¶¶1 and 2A, up to 20 years. Saber's October 20 Comment, item 15, showed that 23 of the 27 storm-related bonds sold for investor-owned utility customers since 2021 have a scheduled term longer than 12 years (Saber's count from the offering documents on EDGAR, each linked in Exhibit A to that Comment).*

The Rate Reduction Bonds are expected to be sold at or near par value and will not in any event be sold for more than par value. Bondholders will receive interest payments on the Rate Reduction Bonds not less frequently than semiannually. The Rate Reduction Bonds will not be subordinated to the claims of any creditors or the equity owner of the Financing Entity (other than for payments of trustee, servicing, and other specified transaction-related fees).

Rate Reduction Bonds will be repaid through the collection of the RRB Charge from all customers, by CL&P or any successor to the CL&P distribution system or any other successor Servicer.

G. The RRB Charge Under Conn. Gen. Stat. § 16-245e(a)(2), the RRB Charge, as a portion of the Competitive Transition Assessment, is a nonbypassable charge that may be authorized by PURA pursuant to a financing order to recover Financed Utility Services that are eligible to be funded with the proceeds of Rate Reduction Bonds. Pursuant to Conn. Gen. Stat. § 16-245g(c), any Competitive Transition Assessment, including the RRB Charge, is to be determined by PURA in a "general and equitable manner" and shall be assessed against all customers at a rate that is applied equally to all customers of the same class. Consistent with Conn. Gen. Stat. § 16-245g(b), PURA must consider the effect on all customer rates

and other factors relevant to reducing rates in determining the amount of the RRB Charge and the manner in which and the period over which it shall be imposed. The RRB Charge shall have a generally applicable manner of determination that will be allocated to each rate class based on their respective shares of approved base distribution revenues and will be applied to each rate class based on a per kWh charge applied "equally" to each customer within the identified rate class, as described in the Eversource Regulatory Requirements Testimony.

Conn. Gen. Stat. § 16-245g(c). The initial allocation of the RRB Charge among CL&P's customer rate classes shall be set forth in the Issuance Advice Letter.

Consistent with Conn. Gen. Stat. § 16-245g(d), both initially and during the life of the Rate Reduction Bonds, the RRB Charge will be calculated and set at a level intended to pay (i) the principal (in accordance with the expected amortization schedule set forth at pricing), interest and any credit enhancement (including replenishment of any amounts drawn from the Capital Subaccount such that the balance is equal to the targeted level) or premium on the Rate Reduction Bonds, (ii) all reasonable and necessary expenses relating to the RRB Transaction (including the Servicing Fee (as defined below), the Administration Fee, RRB trustee fees and expenses, rating agency fees, legal, accounting and auditing fees, Financing Entity 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), and (iii) any amounts of previous RRB payment requirements not satisfied in the previous payment period for any reason (the required periodic payment of such amounts, the "Periodic RRB Payment Requirements" and collectively, the "Total RRB Payment Requirements"). The RRB Charge is to be adjusted periodically, but not less frequently than annually, as specified in this financing order. Conn. Gen. Stat. § 16-245i(c). (See the description of the True-Up Mechanism below.)

As described in the Eversource Treasury Testimony, the projected RRB Charge will be calculated using assumptions set forth in the Issuance Advice Letter and each subsequent Routine True-Up Letter and Non-Routine True-Up Letter (each as defined below), which shall include but not be limited to projected kWh usage by customer class, expected charge-offs and expected weighted average days sales outstanding.

The total scheduled RRB Charge collections for any annual or, if necessary, shorter period will include collections resulting from bills sent to customers in prior periods and from bills sent in the current period, in each case, as a result of the expected timing of collections from customers of the Company's distribution system. The RRB Charge will vary over the life of the RRB Transaction as a result of several factors, including changes in principal and interest payments due 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 pattern and charge-off experience, as well as changes in any Ongoing Transaction Costs. The Servicer's calculation of the RRB Charge will incorporate each of these factors. The RRB Charge will be billed until the Financing Entity has collected sufficient amounts from the RRB Charge to discharge the Total RRB Payment Requirements.

The RRB Charge is expected to be collected over ~~approximately 12 years such that~~the scheduled term determined under Section IV.B.3, paragraphs 1 and 2A, such that the principal and interest and other costs associated with Rate Reduction Bonds ~~are fully paid by the end of the 12th year. However, if the Rate Reduction Bonds have not been fully repaid by the end of the 12th year,~~are fully paid by the end of that term. However, if the Rate Reduction Bonds have not been fully repaid by the end of that term, the RRB Charge may be billed and collected for an additional 2 years (or, if earlier, through the date on which the Total RRB Payment Requirements have been discharged).

> *Conforming change (item 1). The references to 12 years are replaced by the scheduled term determined under Section IV.B.3.*

This additional period of up to 2 years is a form of credit enhancement that helps achieve triple-A ratings on the Rate Reduction Bonds and which is expected to have no cost to retail customers (i.e., in the expected case, the Rate Reduction Bonds are paid in approximately 12 years).

While applicable law and regulations do not require the RRB Charge to be separately identified on each customer's monthly bill, in order to support the characterization of the transfer of the Transition Property

to the Financing Entity as a "true sale", a footnote to each monthly bill will indicate the component of the Competitive Transition Assessment that consists of the RRB Charge, and that the right to any amounts received in respect of the RRB Charge is owned by the Financing Entity.

H. Servicing of Rate Reduction Bonds After the issuance of the Rate Reduction Bonds, CL&P will act as the Servicer for the Transition Property on behalf of the Financing Entity, and will be responsible for calculating, billing, collecting, and remitting the RRB Charge. Conn. Gen. Stat. § 16-245h(d). CL&P, therefore, will carry out billing and collection activities both as Servicer with respect to the RRB Charge - on behalf of the Financing Entity and RRB holders - and as principal with respect to its own charges to be paid by such customers. As Servicer, CL&P will also be obligated to retain all books and records regarding the RRB Charge, subject to the right of the Financing Entity, the RRB trustee and PURA to inspect those books and records. CL&P, as initial Servicer, may not resign its duties as Servicer except upon either (i) a determination that the performance by it of such duties is no longer permissible under applicable law or (ii) the prior approval of PURA and confirmation (or deemed confirmation) by the applicable rating agencies that such resignation will not result in a suspension, reduction or withdrawal of the then current credit ratings for the Rate Reduction Bonds.

Pursuant to Conn. Gen. Stat. § 16-245k(k), any successor to CL&P, whether pursuant to any bankruptcy, reorganization, or other insolvency proceeding, or pursuant to any merger, sale, or transfer, by operation of law, or otherwise, shall perform and satisfy all obligations of CL&P pursuant to Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, in the same manner and to the same extent as CL&P, including, but not limited to, collecting and paying to the holders of Rate Reduction Bonds or their representatives or the Financing Entity revenues arising with respect to the Transition Property sold to the Financing Entity or pledged to secure Rate Reduction Bonds.

As consideration for its servicing responsibilities, CL&P or any successor Servicer will receive a market-based periodic servicing fee (the "Servicing Fee"), which will be recovered through the RRB Charge. Subject to changes in market conditions and rating agency requirements, the aggregate amount of the Servicing Fees that are paid to CL&P each year will be equal to 0.05% of the initial principal balance of the Rate Reduction Bonds if CL&P is the Servicer. The Servicing Fee represents a reasonable good faith estimate of an arm's length, market-based fee for servicing the Rate Reduction Bonds and is estimated to cover the Servicer's out-of-pocket costs and expenses in servicing the Rate Reduction Bonds including, without limitation, the costs and expenses of billing, monitoring, collecting and remitting the RRB Charge, and reporting requirements imposed by the Servicing Agreement. In the event that CL&P is replaced as Servicer, and such successor Servicer is not affiliated with CL&P, the annual Servicing Fee payable to such successor Servicer will not exceed 0.60% of the initial principal balance of the Rate Reduction Bonds, unless a higher rate is approved by PURA. If the successor Servicer is an affiliate of CL&P, then the annual Servicing Fee payable to such successor Servicer will be 0.05% of the initial principal balance (equal to the fee payable to CL&P as initial servicer). CL&P (or any successor Servicer) will bill and collect the RRB Charge from CL&P's customers.

> ***Note — item 5, the servicing and administration fees.*** *Rating agencies require the bond company to pay a market-based servicing fee. They do not require CL&P, as a regulated utility, to keep it. What the bond company pays CL&P is one question; what CL&P may keep is another. The Petition says the fee "is estimated to cover the Servicer's out-of-pocket costs and expenses"; the draft Servicing Agreement separately pays the servicer "all reasonable and documented out-of-pocket expenses," and the ongoing cost schedule separately charges $260,000 a year for the examination of the servicer's own compliance report.*[51] *Section IV.B.8, ¶9 credits the full fee to customers, as the 2000 order did, and Section IV.B.11, ¶¶4 and 5 treat the third-party expenses as what they are: ongoing costs, itemized by vendor and invoice, selected on competing proposals and reviewed each year with the servicer certificates.*

[51] CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), § 6.06(a) and (c), p. 19; Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 33 and Schedule 2. CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-8.

> *Precedent: the 2000 order found the servicing work "is not an incremental out-of-pocket cost over and above what CL&P is already collecting in rates." See Saber's October 20 Comment, item 3, and October 21 Supplement, items 22 to 24.*[52] *Fuller discussion: Attachment B, item 5.*

In accordance with Conn. Agencies Regs. § 16-3-100-1(b)(2)(j), any customer that fails to pay any RRB Charge will be subject to disconnection of service to the same extent that such customer would, under applicable law and regulations, be subject to disconnection of service for failure to pay any other charge payable to an electric distribution company. In accordance with Conn. Gen. Stat. § 16-245g(e), amounts collected from a customer shall be allocated on a pro rata basis among (i) the RRB Charge attributable to the Rate Reduction Bonds issued pursuant to this financing order, (ii) any remaining portion of the Competitive Transition Assessment not the subject of this financing order, and (iii) CL&P's other charges. If CL&P collects less than the full amount that is billed to a customer, CL&P is not permitted, in the allocation of such collections, to favor itself or any other payee over the Financing Entity, as the owner of the Transition Property.

This pro rata allocation requirement shall be reflected in the Servicing Agreement and in CL&P's billing and collection procedures, and shall apply regardless of the order in which charges appear on a customer's bill.

CL&P or any successor Servicer will ~~periodically~~ remit to the RRB trustee daily, and in any event within two Servicer Business Days after the deemed collection date, an amount equal to the actual RRB Charge billed, less an allowance for estimated charge-offs as more fully described in the Eversource Treasury Testimony, that are deemed to have been collected since the date of the last such remittance (or, in the case of the initial remittance to the Financing Entity, since the closing date of the RRB Transaction). The deemed collection date of such amounts will be the weighted average number of days after the relevant billing date, based on the Servicer's historical collections experience, that a monthly bill for services remains outstanding before payment by a customer. ~~CL&P anticipates being required by the rating agencies to remit such deemed collections of the RRB Charge to the RRB trustee on a daily basis.~~Interest earned on RRB Charge collections before remittance, and late-payment charges on RRB Charges, shall be credited to customers as provided in Section IV.B.8, paragraph 9. The Servicer will reconcile such remittances in respect of deemed collections at least once annually with all actual collections made in the previous calendar year as more fully described in the Eversource Treasury Testimony. To the extent such remittances reflecting billed amounts exceed the actual RRB Charge 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 Charge collected (a "Remittance Shortfall"), the Servicer shall remit the amount of such Remittance Shortfall to the RRB trustee on a future remittance date.

> ***Note — item 5, the servicing and administration fees.*** *Record: CL&P's 2001 Servicing Agreement required remittance of actual collections "within two Servicer Business Days after receipt," with interest if late. The 2026 draft agreement remits estimated (deemed) collections within two Servicer Business Days and reconciles them with actual collections once a year; the draft order says only that CL&P will remit "periodically" and "anticipates" a daily requirement from the rating agencies.*[53] *The change commits to daily remittance now, within two business days of the deemed collection date (the period the 2001 agreement allowed after receipt), and sends the interest earned before remittance and the late charges to customers.*
>
> *Precedent: Connecticut 2000 — a servicer remitting less often than daily "will account for and remit to the trustee … any interest on RRB Charge collections."*[54] *Interest credited to customers through the rider under ¶9, outside the RRB Charge, leaves CL&P no*

[52] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Decision, Finding of Fact 34, p. 24.

[53] Transition Property Servicing Agreement between CL&P Funding LLC and CL&P (Mar. 30, 2001), § 4.03(a); CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), §§ 4.03(a)–(b) and 6.06(a); CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-15.

> *income on the float. The monthly and semi-annual servicer certificates that report these remittances are filed with PURA under Section IV.B.11, ¶4, and the true-up is semi-annual under Section II.J. Fuller discussion: Attachment B, item 5.*

The Financing Entity will use the RRB Charge remittances to make payments of Periodic RRB Payment Requirements. In accordance with Conn. Gen. Stat. §§ 16-245k(e) and (g), in the event of default by any Servicer in payment of the RRB Charge to the Financing Entity, PURA will, upon application by (a) the RRB trustee or RRB holders, (b) such Financing Entity or its assignees, or (c) pledgees or transferees of the Transition Property, order the sequestration and payment to or for the benefit of such Financing Entity or such other party of revenues arising with respect to the Transition Property. This will provide additional certainty that the RRB Charge will benefit the owner of the Transition Property and serve to enhance the credit quality of the Rate Reduction Bonds.

I. Third Party Suppliers It is contemplated that CL&P shall act as the Servicer for the Transition Property, including the RRB Charge, until the Rate Reduction Bonds are fully amortized. Under Connecticut law, third party suppliers (a "TPS") are not currently authorized to bill and collect any Competitive Transition Assessment, including the RRB Charge. Accordingly, unless such time (if any) as Connecticut law is amended to permit TPSs to bill and/or collect the Competitive Transition Assessment, TPSs shall be precluded from billing and collecting the RRB Charge or any component thereof, and CL&P, as the initial Servicer (or any successor Servicer), shall be solely responsible for the billing, collection, and remittance of the RRB Charge for the benefit and account of the Financing Entity.

In the event of any future change in Connecticut law pursuant to which TPSs are authorized to bill and/or collect the RRB Charge, the Servicer shall implement such additional procedures and policies as are necessary to ensure that the obligations of all TPSs in connection with the billing, collection and remittance of the RRB Charge are properly enforced in accordance with the terms of any applicable agreement with the Servicer, this financing order, and any applicable laws and regulations in effect from time to time, including the imposition of credit and collection policies applicable to TPSs as may be reasonably necessary (a) to ensure the timely and complete remittance of all amounts collected in respect of the RRB Charge and (b) to prevent the then-current rating of the Rate Reduction Bonds from being downgraded, withdrawn or suspended.

J. Credit Enhancement and True-Up Credit enhancement is typically necessary in securitization transactions to provide rating agencies and investors with added confidence that principal and interest will be paid. In order for the Rate Reduction Bonds to receive triple-A ratings, the exposure to losses due to, among other things, sales of energy below those projected, longer-than-expected delays in bill collections, and higher-than-estimated uncollectible accounts, must be minimized. This will be accomplished with the various components of the Collection Account and the True-Up Mechanism (as described below).

The RRB Charge collections will be deposited into a Collection Account, which will be comprised of a General Subaccount (which will hold the collections with respect to principal, interest, fees, and expenses) and ~~at least two other subaccounts~~at least three other subaccounts - the Capital Subaccount (which will hold an initial cash capital contribution to the Financing Entity in an amount anticipated to be at least 0.50% of the initial principal balance of the Rate Reduction Bonds) and the Excess Funds Subaccount (which will hold any excess collections of the RRB Charge) and a Tail-End Collection Subaccount (which will hold any RRB Charges collected after the Rate Reduction Bonds have been paid in full and all obligations in respect of them discharged, as provided in Section IV.B.8). RRB Charge collections in excess of Periodic RRB Payment Requirements will be allocated (a) to the Capital Subaccount to the extent the amount therein has been reduced to below the initial capital contribution, and (b) to the Excess Funds Subaccount for any remaining amounts.

The RRB Charge will be calculated (both initially and as a result of the True-Up Mechanism described below) 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"). The True-Up Mechanism is a periodic adjustment to the RRB Charge to ensure that the aggregate RRB Charge billed

[54] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Financing Order, Exhibit C, paragraph 51.

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 (as described below) 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.

Pursuant to Conn. Gen. Stat. § 16-245i(c), this financing order provides for the following procedure for the timely approval by PURA of periodic adjustments to the RRB Charge:

Not later than Apri1 15 of each year until the Rate Reduction Bonds, RRB Charge and any arrearages are paid in full, the Servicer will file with PURA a true-up advice letter (an "Annual Routine True-Up Letter"). A draft of the form of Annual Routine True-Up Letter accompanied the Petition. The RRB Charge 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 Rate Reduction Bonds are outstanding, reasonably projects that expected collections of the RRB Charge will be insufficient to meet the next Periodic RRB Payment Requirements (May 1), the Servicer will file~~not later than October 15 of each year while the Rate Reduction Bonds are outstanding, the Servicer will file a true-up advice letter (a "Mid-Year Routine True-Up Letter") ~~not later than October 15 of such year~~, so that the RRB Charge is adjusted at least every six months, correcting over-collections as well as under-collections, and at least quarterly during the twelve months preceding the final scheduled payment date. In addition, (a) except during the two Remittance Periods preceding the maturity date of the latest maturing tranche of Rate Reduction Bonds, the Servicer ~~may (but shall not be required to)~~shall file an additional true-up advice letter (an "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 Charge will be insufficient, or will exceed by more than two percent the amount needed, 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 Rate Reduction Bonds, if the Servicer reasonably projects that expected collections of the RRB Charge 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 the relevant Routine True-Up Letter, the resulting upward or downward adjustments to the RRB Charge will be deemed approved by PURA and effective: (i) in the case of any annual adjustment, on the ensuing May 1; (ii) in the case of any semiannual adjustment in connection with a filing required no later than October 15 of any year, on the ensuing November 1; or (iii) in the case of a more frequent adjustment, on the first day of the calendar month following the filing of the applicable Other Routine True-Up Letter. ~~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 substantially similar to what was used in CL&P's 2001 securitization financing.

Not later than March 1 of each year, the Servicer shall file with PURA a preview of the Routine True-Up Letter. Each Routine True-Up Letter and Non-Routine True-Up Letter shall be accompanied by workpapers showing all inputs and calculations, by rate class. PURA staff may notify the Servicer of any mathematical or clerical error in the March 1 preview within 30 days after it is filed, and in any Routine True-Up Letter within 30 days after its filing; the Servicer shall file a corrected letter within 15 days after notice, and the corrected RRB Charge shall take effect on the first day of the month after the corrected letter is filed. The correction of an error shall not affect the Periodic RRB Payment Requirements or any payment to the holders of the Rate Reduction Bonds. The deemed approval described in Section IV.B.2, paragraph 3 is not delayed by this review, and the review does not limit the correction of an error found later. There shall be no time limit on PURA's ability to find and correct a mathematical error in any true-up letter.

> ***Note — item 7, the true-up.*** *Under CL&P's draft, a shortfall is corrected within a month, but an overcharge to customers could remain uncorrected for up to a year, and customers receive no interest on it. That is neither necessary nor fair to customers.*
>
> *Record: at the hearing CL&P said it would "submit something on March 1st for review that will very much look like the actual true-up letter," with the final letter effective May*

> *1 "outside of a mathematical error."[55] PURA asked in RRU-14 how it can verify the inputs of an automatic true-up.[56] The draft order includes no procedure for doing so.*
>
> *Precedent: Florida 2006 — "Along with each True-Up Adjustment Letter, FPL shall provide workpapers showing all inputs and calculations … our staff … will either administratively approve the requested true-up calculation in writing or inform FPL of any mathematical errors in its calculation as expeditiously as possible but no later than 60 days following FPL's true-up filing."[57] The sentence that puts no time limit on correcting an arithmetic error follows West Virginia 2006.[58] Fuller discussion: Attachment B, item 7.*

In addition, CL&P has requested 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 adjustment (reflecting such modification to the methodology or model) only to be effective upon review and approval by PURA that such adjustment is necessary to ensure the timely recovery of all Financed Utility Services that are the subject of this financing order, with such review and determination to occur within thirty (30) days of such filing, in accordance with Conn. Gen. Stat. § 16-245i(c).

Both Routine True-Up Letters and Non-Routine True-Up Letters may be filed periodically through the legal final maturity date of the latest maturing class of each series of Rate Reduction Bonds.

Pursuant to Conn. Gen. Stat. § 16-245h(b), any surplus RRB Charge in excess of amounts necessary to pay principal, premium (if any), interest and expenses of the issuance of the Rate Reduction Bonds shall be remitted to the Financing Entity and may be used to benefit customers if this would not result in a recharacterization of the tax, accounting, and other intended characteristics of the financing. When calculating the adjusted RRB Charge, any amounts in the Excess Funds Subaccount as of 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 Charge is being adjusted. Conn. Gen. Stat. §§ 16-245i(b)(2) and 16-245i(c). 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 Funds Subaccount and will serve to reduce the RRB Charge and the required amount of the 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.

> *Surplus collections (item 4). The "may be used to benefit customers" in this sentence follows the Petition. Section IV.B.8, ¶14 and the paragraph after it make the credit to customers mandatory, as the hearing testimony promised and as West Virginia 2006 provides for charges "collected after maturity" of the bonds (Finding of Fact 42, as amended Jan. 17, 2007).*

In the unlikely event that, in addition to the credit enhancements described above, other forms of credit enhancement are necessary to obtain triple-A ratings on, or to enhance the marketability of, the Rate Reduction Bonds, the final terms of the Rate Reduction Bonds may provide for additional forms of credit enhancement. Such additional forms of credit enhancement may include letters of credit, surety bonds and/or additional reserve accounts. Such additional forms of credit enhancement, if any, will be determined in consultation with the Finance Authority and specified in the Issuance Advice Letter.

K. Tax Considerations Under Conn. Gen. Stat. § 16-245j(c)(1), this financing order and the Rate Reduction Bonds shall not be deemed to constitute in any way a debt or liability of the State or of any political

[55] Hearing video, part 1, 1:41:08–1:43:13.

[56] CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-14.

[57] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 80, pp. 30–31.

[58] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Finding of Fact 64.

subdivision thereof, and shall not constitute a pledge of the full faith and credit of the State or any of its political subdivisions, but shall be payable solely from the RRB Charge provided under Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, and shall not constitute an indebtedness of the State within the meaning of any constitutional or statutory debt limitation or restriction. All Rate Reduction Bonds shall contain on the face thereof a statement to the following effect: "Neither the full faith and credit nor the taxing power of the State of Connecticut is pledged to the payment of the principal of, or interest on, this bond."

Pursuant to Internal Revenue Service ("IRS") Rev. Proc. 2005-62, as modified by IRS Rev.

Proc. 2024-15 (the "Rev. Proc."), a utility company that is subject to the regulatory authority of a state public utility commission or other appropriate state agency (a "Public Utility") and that enters into a Qualifying Securitization (as defined below) to recover costs identified by the state legislature as appropriate for recovery through securitization (as defined in the Rev. Proc., "Specified Costs") will be treated for U.S. federal income tax purposes as not recognizing gross income upon (1) the receipt of a financing order that creates an intangible property right in the amount of the Specified Costs that may be recovered through securitization, (2) the receipt of cash or other valuable consideration in exchange for the transfer of that property right to the financing entity that is wholly owned, directly or indirectly, by the Public Utility, or (3) the receipt of cash or other valuable consideration in exchange for the securitized instruments issued by that financing entity. Rather, the securitized instruments issued under such a Qualifying Securitization will be treated as obligations of the Public Utility and the nonbypassable charges will be treated as gross income to the Public Utility recognized under the Public Utility's usual method of accounting. For purposes of the foregoing, the Rev. Proc. defines a "Qualifying Securitization" as an issuance of bonds, notes, other evidences of indebtedness or certificates of participation or beneficial interest that (1) is secured by the intangible property right to collect charges for the recovery of Specified Costs and such other assets, if any, of the financing entity that is wholly owned, directly or indirectly, by the Public Utility, (2) is issued by a financing entity that is wholly owned, directly or indirectly, by the Public Utility that is initially capitalized by the Public Utility in such a way that equity interests in the financing entity are at least 0.5 percent of the aggregate principal amount of the non-equity interests issued and (3) provides for payments on at least an annual basis.

The RRB Transaction constitutes a Qualifying Securitization within the meaning of the Rev. Proc. As a result, for U.S. federal income tax purposes, CL&P will be treated as not recognizing gross income upon (1) the receipt of this financing order, (2) the receipt of cash from the Financing Entity in exchange for the transfer of the Transition Property to the Financing Entity or (3) the receipt of cash in exchange for the issuance of the Rate Reduction Bonds by the Financing Entity. Rather, amounts collected in respect of the RRB Charge will be treated as gross income to CL&P, recognized under CL&P's usual method of accounting. Generally speaking, as CL&P paid the Storm Costs as they were incurred between 2018 and 2023, it recognized an expense for tax reporting purposes. Since CL&P recognized the expense for tax reporting purposes without any corresponding revenues, this had the effect of reducing CL&P's taxable income at the time, all else equal. Over the life of the Rate Reduction Bonds, as revenues are collected through the RRB Charge and CL&P amortizes the Transition Property, CL&P will have higher taxable income due to the fact it will recognize amortization expense for book purposes related to the costs previously expensed for tax purposes. The deferral of taxable income to CL&P to such future times as it collects the RRB charge (rather than incurring such taxable income as Storm Costs were incurred or in connection with the RRB Transaction) results in accumulated deferred income taxes to CL&P and provides a tax benefit to CL&P as a result of the deferral.

Pursuant to Conn. Gen. Stat. § 16-245e(m), the net benefits to CL&P of the accumulated deferred income taxes relating to amounts that will be recovered through the issuance of Rate Reduction Bonds for Financed Utility Services shall be credited to retail customers of CL&P by reducing the amount of such Rate Reduction Bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the expected interest rate on such Rate Reduction Bonds. In order to ensure that the expected interest rate used in such net present value calculation is as close as possible to the actual interest rate of the Rate Reduction Bonds (or the weighted average interest rate, if the bonds are issued in two or more tranches), the amount of such credit, and thus the initial aggregate principal amount of the Rate Reduction Bonds, will not be calculated until shortly before the commencement of marketing with respect to the Rate Reduction Bonds. The amount of such credit, as calculated by CL&P at such time, and the initial aggregate principal amount of the Rate Reduction Bonds will be set forth in the

Issuance Advice Letter. After the actual interest rate(s) of the Rate Reduction Bonds have been determined on their pricing date, CL&P will re-calculate the net present value of the tax benefit described above using a discount rate equal to the actual interest rate (or weighted average interest rate) of the Rate Reduction Bonds. To the extent that the net present value of such tax benefit, as calculated by CL&P after such pricing date, is greater than the net present value of such tax benefit that was calculated by CL&P at the time that it determined the initial aggregate principal amount of the Rate Reduction Bonds, the difference shall be credited to CL&P's retail customers by reducing the aggregate amount of the Competitive Transition Assessment that would otherwise be imposed on such customers following the closing date of the bond offering by an amount equal to such difference. To the extent that the net present value of such tax benefit, as calculated by CL&P after such pricing date, is less than the net present value of such tax benefit that was calculated by CL&P at the time that it determined the principal amount of the Rate Reduction Bonds, CL&P shall be entitled to make a corresponding increase to aggregate amount of the Competitive Transition Assessment that is imposed on its retail customers following the closing date of the bond offering. For the avoidance of doubt, no adjustments to the Competitive Transition Assessment shall reduce or impair the Rate Reduction Bonds, the Transition Property or the RRB Charge.

Pursuant to Conn. Gen. Stat. § 16-245j(c)(3), the exercise of the powers granted by Conn.

Gen. Stat. §§ 16-245e to 16-245k, inclusive, shall be in all respects for the benefit of the people of the State of Connecticut, for the increase of their commerce, welfare, and prosperity, and as the exercise of such powers shall constitute the performance of an essential public function, neither the Financing Entity, CL&P, any affiliate of CL&P, nor any collection or other agent of the foregoing shall be required to pay any taxes or assessments upon or in respect of any revenues or property received, acquired, transferred, or used under the provisions of Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, or upon or in respect of the income therefrom, and the Rate Reduction Bonds shall be treated as issued by or on behalf of a public instrumentality created under the laws of the State of Connecticut for purposes of Chapter 229 of the Connecticut General Statutes.

All required corporate tax filings will be made by CL&P (or Eversource Energy as the parent of the consolidated group of which CL&P is a member for federal income tax purposes).

The Financing Entity, as a wholly-owned subsidiary of CL&P that is a disregarded entity for U.S. federal income tax purposes, will not be required to make tax filings and will not be obligated to contribute to the tax liabilities of CL&P.

L. Accounting and Financial Reporting The amount financed through the RRB Transaction is expected to be recorded in accordance with generally accepted accounting principles ("GAAP") as long-term debt on the balance sheet of the Financing Entity for financial reporting purposes. CL&P, the Financing Entity, and the holders of Rate Reduction Bonds will expressly agree pursuant to the terms of the applicable documents to treat the Rate Reduction Bonds as debt of the Financing Entity secured by, among other things, the Transition Property and the Other Financing Entity Collateral.

Because CL&P, and, indirectly, Eversource Energy as the parent of the consolidated group of which CL&P is a member, will wholly own the Financing Entity, it is required that the Financing Entity be consolidated with CL&P and Eversource Energy for financial reporting purposes under GAAP. Therefore, the Financing Entity's debt will appear on the consolidated balance sheets of both CL&P and Eversource Energy in their respective annual and quarterly financial filings to the Securities and Exchange Commission.

The RRB Transaction is not expected to impact CL&P's credit ratings, as it is expected that the rating agencies will determine that the Rate Reduction Bonds, which are not supported by CL&P's general revenue stream, and not collateralized by the assets of CL&P, do not affect CL&P's creditworthiness. Therefore, it is anticipated that the rating agencies will exclude the Rate Reduction Bonds as debt of CL&P for purposes of calculating financial ratios.

Pursuant to Conn. Gen. Stat. § 16-245h(b), any surplus RRB Charge shall not be used in any manner that would result in a recharacterization of the intended characteristics of the financing, including: (1) treating the Rate Reduction Bonds as debt of CL&P or its affiliates for federal income tax purposes; (2) treating the transfer of the Transition Property by CL&P as a true sale for bankruptcy purposes; or (3) avoiding any adverse impact of the financing on the credit rating of the Rate Reduction Bonds or CL&P.

M. True-Sale Opinion and Collection Shortfalls Rating agencies will require acceptable opinions of bankruptcy counsel at the time the Rate Reduction Bonds are issued for assurance that the Financing Entity and the Transition Property will be bankruptcy-remote from CL&P. To obtain such opinions, the transfer of the Transition Property from CL&P to the Financing Entity must constitute a legal "true sale" such that if CL&P were to become the subject of a bankruptcy or insolvency case, the Transition Property would not be part of CL&P's bankruptcy estate and therefore would not be subject to the claims of CL&P's creditors.

Conn. Gen. Stat. § 16-245k(h) expressly provides that transfers of Transition Property by an electric distribution company to an affiliate or to a financing entity, which the parties have in the governing documentation expressly stated to be a sale or other absolute transfer, in a transaction approved in a financing order, shall be treated for all purposes as an absolute transfer and a true sale and not as a pledge or other financing, of the Transition Property, in each case notwithstanding any contrary treatment of such transfer for accounting, tax, or other purposes. Granting to holders of Rate Reduction Bonds a preferred right to revenues of the Financing Entity, or the provision by CL&P of other credit enhancement with respect to Rate Reduction Bonds, shall not impair or negate the characterization of any transfer as a true sale. In addition, pursuant to Conn. Gen. Stat. § 16-245j(a)(1), the Rate Reduction Bonds will be non-recourse to the credit of CL&P or any of its assets, other than the Transition Property sold to the Financing Entity and the Other Financing Entity Collateral.

Another element of the bankruptcy analysis focuses on the separate legal status of CL&P and the Financing Entity. Although CL&P will wholly own the Financing Entity, the RRB Transaction will be structured so that, in the event of a bankruptcy of CL&P, the Financing Entity's separate legal existence would be respected and the assets and liabilities of the Financing Entity would remain separate from the estate of CL&P. The structural elements supporting such separate existence include, without limitation, requirements that the Financing Entity be adequately capitalized, that CL&P be adequately compensated on an arms-length basis for the servicing functions it performs in billing, collecting, and remitting the RRB Charge, that the Financing Entity has at least one Independent Manager, and that CL&P and the Financing Entity take certain steps to ensure that creditors are not misled as to their separate existence. These structural protections are important because, without such protections, a bankruptcy court might invoke the doctrine of "substantive consolidation" and disregard the Financing Entity's separate existence. Substantive consolidation is an equitable doctrine in bankruptcy cases that allows courts to disregard the separate existence of two or more affiliated entities to ensure the equitable treatment of all creditors and to maximize creditor recoveries. When entities are "substantively consolidated" in a bankruptcy proceeding, their assets and liabilities are pooled, thereby eliminating intercompany claims, and claims of third-party creditors against any of those entities are generally treated as claims against the common pool of assets created by consolidation.

In order to preserve the bankruptcy-remote status of the Financing Entity and the true-sale nature of the Transition Property and Other Financing Entity Collateral once it is transferred to the Financing Entity, CL&P cannot have any claim against the RRB Charge. In its capacity as Servicer, CL&P will bill the RRB Charge along with other charges for services rendered to retail customers obligated to pay such charges, and partial collections will be allocated on a pro rata basis in accordance with Conn. Gen. Stat. § 16-245g(e), as described under "Servicing of Rate Reduction Bonds" above.

N. Pledge of Transition Property Pursuant to Conn. Gen. Stat. § 16-245k(g), upon the effective date of this financing order, there shall exist a first priority lien on all Transition Property then existing or thereafter arising pursuant to the terms of this financing order. This lien shall arise by operation of law automatically without any action on the part of CL&P, any affiliate thereof, the Financing Entity, or any other person. This lien shall be valid, perfected, and enforceable against CL&P, any affiliate thereof, the Financing Entity, and all third parties upon the effectiveness of this financing order without any further public notice. This lien shall secure all obligations, then existing or subsequently arising, to the holders of the Rate Reduction Bonds issued pursuant to this financing order and to the trustee or representative for such holders. CL&P expects that the trustee for the holders of the Rate Reduction Bonds will file financing statements with respect to the Transition Property, which will constitute a "protective filing" pursuant to Conn. Gen. Stat. § 16-245k(g). This lien shall attach to the Transition Property regardless of who shall own, or shall subsequently be determined to own, the Transition Property, including CL&P, any affiliate thereof, the Financing Entity, or any other person. A perfected statutory lien in Transition Property is a

continuously perfected lien in all revenues and proceeds arising with respect thereto, whether or not the revenues or proceeds have accrued.

Pursuant to Conn. Gen. Stat. § 16-245k(g), the persons for whose benefit this lien is established shall, upon the occurrence of an event of default as defined in the Indenture governing the Rate Reduction Bonds, have all rights and remedies of a secured party upon default under Article 9 of Title 42a of the Conn. Gen. Stat., and shall be entitled to foreclose or otherwise enforce this statutory lien in the Transition Property. Pursuant to Conn. Gen. Stat. §§ 16-245k(e) and (g), in the event of default by CL&P in payment of revenues arising with respect to the Transition Property, PURA and any successor thereto, upon the application by the pledgees or transferees of the Transition Property, and without limiting any other remedies available to the pledgees or transferees by reason of the default, shall order the sequestration and payment to the pledgees or transferees of revenues arising with respect to the Transition Property. Any such order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to CL&P.

O. Use of Proceeds Pursuant to Conn. Gen. Stat. § 16-245j(c)(4)(A), the use of proceeds from the issuance of the Rate Reduction Bonds shall be applied for the purposes approved by PURA in this financing order. 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 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. ☐ To redeem short term debt and to pay a return of capital to Eversource Energy to maintain a consistent capital structure at CL&P.

In accordance with Conn. Gen. Stat. § 16-245j(c)(4)(A), proceeds of the Rate Reduction Bonds shall not be applied to purchase generation assets or to purchase or redeem stock or to pay dividends to parent company shareholders or to pay operating expenses other than taxes resulting from the receipt of such proceeds.

III. FINDINGS OF FACT

Based on the foregoing, PURA hereby FINDS:

A. Overall Findings

1. The issuance of this financing order is pursuant to a petition by CL&P in accordance with Conn. Gen. Stat. § 16-245f(a)(2), following hearings on that petition conducted as a contested case in accordance with the Uniform Administrative Procedure Act (Conn. Gen.

Stat. §§ 4-166 et seq., codified in Chapter 54). Conn. Gen. Stat. § 16-245g(a).

2. PURA has conducted the procedures and investigations in this proceeding and issued this financing order pursuant to Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive.

B. Findings Regarding the Establishment of the Financed Utility Services

1. CL&P, through the Financing Entity, will issue Rate Reduction Bonds in an amount not to exceed the sum of (a) $667,930,008, plus (b) the amount of fees, costs and expenses incurred in connection with the issuance of the Rate Reduction Bonds, minus (c) 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 shortly before the commencement of marketing with respect to the Rate Reduction Bonds using a discount rate equal to the expected interest rate (or, if more than one tranche of bonds is expected to be issued, the expected weighted average interest rate) on the Rate Reduction Bonds.

2. The Storm Costs and the Upfront Transaction Costs, Ongoing Transaction Costs, and any other fee, cost or expense in respect of the Rate Reduction Bonds as described in the Transaction Description, are Financed Utility Services within the meaning of Conn. Gen. Stat. § 16-245e(a)(21).

3. All Financed Utility Services will be recovered through the RRB Charge, to be assessed against and collected from all CL&P's customers taking retail electric service.

C. Findings Regarding the RRB Charge

1. The RRB Charge will be established, adjusted, maintained and collected from all customers during the term that the Rate Reduction Bonds are outstanding in accordance with the terms of Conn. Gen. Stat. § 16-245g, and as described in the Transaction Description. The RRB Charge is just and reasonable. This ultimate finding is based upon the totality of evidence presented on the record of this proceeding.

> ***Note — item 10, findings restored from the September 25 draft.*** *The sentence is restored from CL&P's September 25 draft, which the October 27 revision dropped. The record does not show why; if the deletion was made at the Authority's request, this item falls away.*[59] *PURA's findings must rest on the evidence in the record.*[60] *Fuller discussion: Attachment B, item 10.*

The RRB Charge:

(a) will be a nonbypassable, appropriately structured charge of limited duration;

(b) will be a monthly usage-based charge and separately identified on each customer's monthly bill, and while the RRB Charge may vary by customer class and between special contract customers, it will be imposed on all customers at a rate applied equally to all customers of the same class; and

(c) will be in aggregate amount necessary and sufficient to provide for the full recovery and payment of the Total RRB Payment Requirements.

2. The procedures and methodologies for adjusting the RRB Charge as necessary to ensure the timely recovery of all Financed Utility Services during the term that the Rate Reduction Bonds are outstanding, as set forth in the Transaction Description, will serve to reconcile the actual RRB Charge collected with the RRB Charge expected to have been collected during the relevant prior periods in a manner such that the adjusted RRB Charge will be sufficient to provide for the full recovery of the Periodic RRB Payment Requirements for the next payment date.

3. The procedures and methodologies for ensuring that the RRB Charge is collected from all customers that obtain retail electric service, as described in the Transaction Description, will be sufficient to provide for the full recovery of the Total RRB Payment Requirements.

4. The range of rates projected for the RRB Charge, based on evidence in the record concerning estimated interest costs, electricity costs, other economic factors, and the procedures and methodologies for establishing rates set forth in the Eversource Treasury Testimony and the Eversource Regulatory Testimony are reasonable, affordable, appropriate and in the best interests of ratepayers, and reasonably balance the competing interests of consumers and RRB investors so that RRB investors will realize a reasonable return and customers will not suffer any undue burden.

D. Findings Regarding the Issuance of the Rate Reduction Bonds

1. PURA finds that it is in the best interests of ratepayers, and consistent with Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, that CL&P be afforded a reasonable degree of flexibility in establishing the final terms of the Rate Reduction Bonds, subject to Section IV.B.3, paragraphs 2A to 2C. In order to obtain the highest rating on the Rate Reduction Bonds as possible, commensurate with achieving the targeted triple-A rating ~~and therefore the lowest cost~~and the lowest all-in cost on the Rate Reduction Bonds consistent with market conditions then in existence at the time the Rate Reduction Bonds are priced and the terms of this financing order, the following terms of the Rate Reduction Bonds will be determined on or before the time that they are priced, as long as the resulting issuance is consistent with the Transaction Description:

(a) The amount of the capitalization of the Financing Entity;

(b) The form, interest rate, price, amortization schedule, legal final maturity dates, number of series, number of classes or tranches and their principal amount, number of credit ratings and other characteristics of Rate Reduction Bonds;

[59] CL&P, Proposed Financing Order, Ex. CLP-FINANCING ORDER-1 (Sept. 25, 2026), p. 28; CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 2 (CL&P's redline of the two drafts).
[60] Conn. Gen. Stat. § 4-180(c).

(c) The all-in cost of the Rate Reduction Bonds;

(d) The rating agencies from which it will seek ratings for the Rate Reduction Bonds, the number of ratings agencies from which ratings shall be sought, and the actual ratings level targeted;

(e) The annual Servicing Fee for any successor Servicer will be no more than 0.05% of the initial principal balance of the Rate Reduction Bonds if the successor Servicer is an affiliate of CL&P and no more than 0.60% of the initial principal balance of the Rate Reduction Bonds if the successor Servicer is not affiliated with CL&P;

(f) The number of subaccounts of the Collection Account into which the RRB Charge collections will be deposited; and

(g) Such other Upfront Transaction Costs and Ongoing Transaction Costs, as described in the Transaction Description, as may be required by the rating agencies and tax authorities.

> ***Note — item 10, findings restored from the September 25 draft.*** *The flexibility finding is restored from CL&P's September 25 draft and made subject to Section IV.B.3, ¶¶2A to 2C, so that the flexibility and the pricing-day check read together (item 1).*[61] *Fuller discussion: Attachment B, item 10.*

2. The Rate Reduction Bonds will be non-recourse to CL&P and its assets, but will be secured by a pledge of all right, title, and interest of the Financing Entity in its Transition Property and Other Financing Entity Collateral.

3. As provided in Conn. Gen. Stat. § 16-245j(c)(1), Rate Reduction Bonds issued pursuant to this financing order shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof, and shall not constitute a pledge of the full faith and credit of the State or any of its political subdivisions, but shall be payable solely from the RRB Charge, and shall not constitute an indebtedness of the State within the meaning of any constitutional or statutory debt limitation or restriction and, accordingly, shall not be subject to any statutory limitation on the indebtedness of the State and shall not be included in computing the aggregate indebtedness of the State in respect to and to the extent of any such limitation.

4. As provided in Conn. Gen. Stat. § 16-245j(c)(3), neither the Financing Entity nor any collection or other agent of the foregoing shall be required to pay any taxes or assessments upon or in respect of any revenues or property received, acquired, transferred, or used under the provisions of Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive, or upon or in respect of the income therefrom, and the Rate Reduction Bonds shall be treated as issued by or on behalf of a public instrumentality created under the laws of the State of Connecticut for purposes of Chapter 229 of the Connecticut General Statutes.

E. Findings Regarding the Establishment of Transition Property

1. The RRB Charge constitutes Transition Property within the meaning of Conn. Gen. Stat. § 16-245e(a)(13). The Transition Property will represent a vested contract right, including, without limitation, the right, title and interest of CL&P or the Financing Entity in and to (A) the RRB Charge established pursuant to this financing order, as adjusted from time to time in accordance with Conn. Gen. Stat. § 16-245i(b)(2) and this 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 this financing order.

2. As provided in Conn. Gen. Stat. § 16-245e(a)(13), Transition Property shall constitute a current and irrevocable property right, notwithstanding the fact that the value of such property right may depend upon electricity usage or the performance by CL&P of certain services.

Consistent with Conn. Gen. Stat. §§ 16-245i(b)(1) and 16-245i(b)(3), this financing order, the RRB Charge authorized herein and the Transition Property created hereby shall continue in full force and effect, and shall be enforceable in accordance with their terms, notwithstanding any bankruptcy, reorganization, or

[61] Ex. CLP-FINANCING ORDER-1 (Sept. 25, 2026), p. 28.

other insolvency proceeding with respect to CL&P, any affiliate of CL&P, or the Financing Entity, and notwithstanding any sale, assignment, merger or other transfer by or with respect to CL&P. Conn. Gen. Stat. § 16-245k(k).

3. As provided in Conn. Gen. Stat. § 16-245j(b), 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 of its agencies, including PURA, will limit, alter, amend, reduce or impair the RRB Charge, Transition Property, this financing order or any rights hereunder or thereunder, until the Rate Reduction Bonds, together with all interest thereon, are fully met and discharged, unless adequate provision is made by law for the protection of the owners and holders.

4. The RRB Charge imposed, and the Transition Property established, pursuant to this financing order will be irrevocable, and the prohibition established in Conn. Gen.

Stat. § 16-245i(b)(1) against any rescission, alteration, or amendment of this financing order or the taking of any other action, directly or indirectly, to revalue or revise the RRB Charge or the Financed Utility Services will be binding upon PURA and any successor thereto.

5. The owner of the Transition Property will have the right to recover an aggregate amount equal to the Total RRB Payment Requirements until the Rate Reduction Bonds have been discharged in full through continued assessment, collection, and remittance of the RRB Charge from all customers taking retail electric service.

F. Findings Regarding the Financing Entity and the Sale of the Transition Property to the Financing Entity

1. The organization and capitalization of the Financing Entity in accordance with the Transaction Description or as may be required by the rating agencies and tax authorities will, along with other measures, enable the Rate Reduction Bonds to receive the targeted triple-A rating ~~and therefore the lowest cost~~and the lowest all-in cost on the Rate Reduction Bonds under then-current market conditions at the time of pricing and the terms of this financing order.

2. The Financing Entity is a "Financing Entity" within the meaning of Conn.

Gen. Stat. § 16-245e(a)(11).

3. In accordance with Conn. Gen. Stat. § 16-245k(h), the sale and transfer of the Transition Property by CL&P to the Financing Entity pursuant to this financing order shall be treated as an absolute transfer of all of CL&P's right, title, and interest, as a legal true sale, and not as a pledge or other financing, of the Transition Property, in each case notwithstanding the following, which are hereby determined not to affect such absolute transfer and legal true sale: (i) any contrary treatment of such transfer for accounting, tax or other purposes, (ii) certain indemnities (including mandatory redemption or repurchase obligations related thereto) provided for in the Rate Reduction Bonds or in the RRB Transaction documents, (iii) CL&P's collection of the RRB Charge pursuant to the Servicing Agreement authorized by this financing order, or (iv) CL&P's providing any credit enhancement to the Financing Entity as described in the Transaction Description.

G. Findings Regarding Related Agreements and Accounting and Collections

1. CL&P will enter into a Servicing Agreement, Purchase and Sale Agreement and Administration Agreement with the Financing Entity to consummate the RRB Transaction and to implement this financing order, as described in the Transaction Description. CL&P shall file a copy of the executed Servicing and Administration Agreements with PURA within three business days of their effective dates.

2. The Financing Entity will enter into an Indenture with the RRB trustee to specify the final terms of the Rate Reduction Bonds (as set forth in the Issuance Advice Letter), consummate the RRB Transaction and implement this financing order, as described in the Transaction Description. The Financing Entity shall file a copy of the executed Indenture with PURA within three business days of its effective date.

3. When the Rate Reduction Bonds are paid in full and the Total RRB Payment Requirements have been discharged, any balance in the Capital Subaccount (including investment earnings) shall belong and be returned to CL&P in its capacity as equity holder of the Financing Entity (and for the avoidance of doubt

shall not be credited to CL&P's customers), and any balance in the General Subaccount and the Excess Funds Subaccount shall be credited to CL&P's customers.

IV. CONCLUSION, AUTHORIZATIONS AND ORDERS

A. Conclusions

1. The issuance of this financing order is consistent with the statutory authority vested under Conn. Gen. Stat. § 16-245i(a) to issue financing orders in accordance with Conn.

Gen. Stat. §§ 16-245e to 16-245k, inclusive, to facilitate the provision, recovery or financing of Financed Utility Services. This financing order is approved under the authority of and issued pursuant to Conn. Gen. Stat. §§ 16-245e(l), 16-245f(a)(2) and 16-245i(a).

2. The issuance of this financing order, the implementation of the securitization transaction described in the Transaction Description, and the consummation of the RRB Transaction in accordance herewith, are in the best interests of ratepayers and consistent with the provisions of Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive.

3. The Rate Reduction Bonds issued or sold pursuant to or in reliance on and in accordance with this financing order will be valid and binding in accordance with their terms notwithstanding that this financing order is later vacated, modified, or otherwise held to be wholly or partly invalid, unless operation of this financing order has been enjoined, stayed, or suspended by PURA or a court of competent jurisdiction prior to such issuance as provided in Conn. Gen.

Stat. § 16-245j(d).

4. This financing order and the RRB Charge authorized to be imposed and collected pursuant to this financing order shall be irrevocable and neither PURA nor any successor thereto shall take any action to rescind, alter or amend this financing order or otherwise to, directly or indirectly, revalue or revise for ratemaking purposes the Financed Utility Services, or the costs of providing, recovering or financing the Financed Utility Services, determine that such RRB Charge is unjust or unreasonable, or in any way reduce or impair the value of the Transition Property either directly or indirectly by taking such RRB Charge into account when setting other rates for CL&P, nor shall the amount of revenues arising with respect to the RRB Charge be subject to reduction, impairment, postponement or termination.

B. Approvals and Authorizations Based on the foregoing, PURA hereby GRANTS the following Approvals and Authorizations:

1. Approval Regarding the Establishment of the Financed Utility Services

1. PURA approves and designates as Financed Utility Services, within the meaning of Conn. Gen. Stat. § 16-245e(a)(21): (i) $667,930,008 in Storm Costs and (ii) all Upfront Transaction Costs and Ongoing Transaction Costs and any other fee, cost or expense in respect of the Rate Reduction Bonds as described in the Transaction Description. Such Financed Utility Services are reasonable and are eligible to be financed through the issuance of the Rate Reduction Bonds and recovery of the RRB Charge, in accordance with this financing order.

2. Approvals Regarding the RRB Charge

1. The RRB Charge to be established, adjusted, maintained and collected from all customers taking retail electric service during the term that the Rate Reduction Bonds are outstanding in accordance with the terms of Conn. Gen. Stat. §§ 16-245e(a)(2) and 16-245g, and as described in the Transaction Description, is just and reasonable and is hereby approved.

2. The initial RRB Charge, as determined in accordance with the Transaction Description and Conn. Gen. Stat. § 16-245g, and to be filed in the Issuance Advice Letter, is just and reasonable and is hereby approved. Such initial RRB Charge will be effective upon such filing.

3. The procedures and methodologies set forth in this financing order for adjusting the RRB Charge during the term that the Rate Reduction Bonds are outstanding pursuant to the True-Up Mechanism as described in the Transaction Description, including the deemed approval by PURA absent manifest error of adjustments to the RRB Charge set forth in Routine True-Up Letters, is just and reasonable, and is hereby approved.

3A. Each Routine True-Up Letter and Non-Routine True-Up Letter shall be accompanied by workpapers showing all inputs and calculations, by rate class. The deemed approval in paragraph 3 does not limit PURA's ability to find and correct a mathematical or clerical error at any time, in the manner described in Section II.J. No such correction shall affect any payment to the holders of the Rate Reduction Bonds.

> ***Note — item 7, the true-up.*** *¶3A adds workpapers to each true-up letter and keeps CL&P's deemed approval. Under CL&P's draft an under-collection is trued up within a month, while customers wait up to a year for an over-collection to be corrected, without interest; the semi-annual and two-percent triggers in Section II.J treat the two alike.*
>
> *Precedent: North Carolina 2021 — "Along with each True-up Adjustment Letter, the servicer shall provide workpapers showing all inputs and calculations … the Commission … shall render an administrative approval of the request or inform the servicer of any mathematical or clerical errors in its calculation as expeditiously as possible, but no later than 30 days following the servicer's true-up filing."*[62] *See the note at Section II.J. Fuller discussion: Attachment B, item 7.*

4. The procedures and methodologies set forth in this financing order for ensuring that the RRB Charge is collected from all customers that obtain retail electric service, as described in the Transaction Description, are just and reasonable, and are hereby approved.

5. The methodology for allocating the RRB Charge among CL&P's customer rate classes, as described in the Transaction Description, is just and reasonable, consistent with Conn. Gen. Stat. § 16-245g(c), and is hereby approved.

6. The procedures for the billing, collection and remittance of the RRB Charge, as described in the Transaction Description, are just and reasonable, and are hereby approved.

3. Approvals Regarding the Issuance of the Rate Reduction Bonds

1. The issuance of the Rate Reduction Bonds substantially in accordance with the Transaction Description, including but not limited to the terms and amounts of the Rate Reduction Bonds, the scheduled final payment dates for the latest maturing class or tranche of the Rate Reduction Bonds of up to ~~approximately 12 years~~20 years, as determined under paragraph 2A, the legal final maturity dates of the Rate Reduction Bonds of up to ~~approximately 14 years~~two years after the scheduled final payment date, the Upfront Transaction Costs and Ongoing Transaction Costs expected to be incurred in issuing and servicing the Rate Reduction Bonds, and the uses of the proceeds from the issuance of the Rate Reduction Bonds, are reasonable and consistent with the public good, and are hereby approved.

2. The final terms and conditions of the Rate Reduction Bonds authorized by this financing order, including but not limited to the total principal amount, the schedule of principal amortization, frequency of principal or interest payments, the interest rates on the Rate Reduction Bonds and manner of setting such interest rates, redemption features, if any, the manner of sale of the Rate Reduction Bonds, the number of credit ratings, the capital contribution amount and all other terms and conditions of the Rate Reduction Bonds, the approval of final transaction documents, and certain Upfront Transaction Costs and Ongoing Transaction Costs, shall, to the extent consistent with the provisions of this financing order, be determined by CL&P at or around the time that the Rate Reduction Bonds are priced, after input from OTT, the rating agencies, the structuring agent (expected to be Goldman Sachs & Co.) and the other underwriters for the bonds, and after CL&P has a reasonable basis to calculate 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 (using a discount rate equal to the expected interest rate (or, if more than one tranche of bonds is expected to be issued, the expected weighted average interest rate) on such Rate Reduction Bonds at the time that such calculation is made). This procedure for issuing the Rate Reduction Bonds, based on current market conditions at the time of pricing, and directed to achieve the targeted triple-A rating ~~and therefore the lowest cost~~and the lowest all-in cost on the Rate Reduction Bonds, including CL&P's filing of the Issuance Advice Letter, after OTT's confirmation that the Issuance Advice Letter is consistent with the terms and conditions specified and

[62] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), p. 51 and Ordering Paragraph 22, p. 75.

agreed by OTT prior to the finalization of the terms of the bonds, in accordance with this financing order is reasonable and in the best interests of ratepayers, and is hereby approved.

The increase or reduction (as applicable) of the Competitive Transition Assessment, as described in the Transaction Description, to reflect any difference between the amount of the net present value of such tax benefit as calculated by CL&P at the time that the initial aggregate principal amount of the Rate Reduction Bonds is determined and the amount of the net present value of such tax benefit as re-calculated by CL&P following the pricing date of the bonds, is in the best interests of ratepayers and is hereby approved, provided, that no adjustments to the Competitive Transition Assessment shall reduce or impair the Rate Reduction Bonds, the Transition Property or the RRB Charge.

2A. Before the start of marketing, CL&P shall file with PURA a comparison of 12-, 15- and 20-year scheduled terms on the same cash flows, discounted at CL&P's authorized weighted average cost of capital, the rate used in the Petition, and not at the interest rate on the Rate Reduction Bonds, showing for each the first-year residential RRB Charge, total payments and present-value savings to customers. PURA shall determine the scheduled term, which shall not exceed 20 years, on that comparison before the start of marketing, selecting the term that produces the highest net present value savings to customers with the smallest increase in customers' bills, consistent with intergenerational fairness, and the Issuance Advice Letter shall state the term selected and the reasons for it. This paragraph does not change the calculation of the net present value of the accumulated deferred income tax benefits described in Section II.K, which uses the expected interest rate on the Rate Reduction Bonds as Conn. Gen. Stat. § 16-245e(m) provides.

> ***Note — item 1, the term and the discount rate.*** *¶1 allows a scheduled final payment date of up to 20 years. ¶2A does not fix the term. It calls for 12-, 15- and 20-year figures on one set of assumptions, discounted at the cost of capital the Petition uses, before the start of marketing, and has PURA select the term, no longer than 20 years, that produces the highest net present value savings to customers with the smallest increase in their bills, consistent with intergenerational fairness. That is how North Carolina set the term in 2021.*
>
> *Record: EOE-5 compares terms at 5.5 percent on a different base from the Petition and has no 12-year case; the Petition's $119.6 million of savings is at 7.09 percent.*[63] *The Treasurer's testimony concludes in favor of 12 years on intergenerational fairness; the paragraph puts that judgment before PURA with the comparison.*[64]
>
> *Precedent: North Carolina 2021 — Duke Energy Carolinas proposed 15 years; the stipulation set 18 to 20 years "to achieve higher net present value savings to customers."*[65] *The bonds sold at 20 years.*[66] *Fuller discussion: Attachment B, item 1.*

2B. On the pricing date, CL&P and each bookrunning underwriter shall certify to PURA that the structuring, marketing and pricing of the Rate Reduction Bonds in fact resulted in the lowest all-in cost of the Rate Reduction Bonds consistent with market conditions on the pricing date and the terms of this financing order (the "Lowest Cost Objective"), and CL&P shall file with those certifications a certification of OTT, as finance authority, to the same effect, which shall serve as the confirmation of OTT referred to in paragraph 2. Each certification shall be without material qualification and shall be based on the certifier's independent investigation of the material information on which it rests; it shall not assume, without independent investigation, the accuracy or completeness of material information supplied by CL&P, the underwriters or any other party to the transaction. The pricing date shall be chosen with regard to market conditions and is not fixed by this financing order. Nothing in this paragraph changes the role of OTT under Conn. Gen. Stat. §§ 16-245e to 16-245k.

[63] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-5 and Attachment 1. Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 36 and Ex. CLP-TREASURY-3.

[64] Joint Testimony of Kimberly Mooers, Michael Mace and John M. Murphy for the Office of the Treasurer (Oct. 12, 2026), p. 12.

[65] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), pp. 39–40 and p. 70.

[66] Duke Energy, "Storm bonds save $300 million for Duke Energy customers in North Carolina" (Dec. 2, 2021).

2C. PURA or its designee may, by noon on the third business day after pricing, direct that the issuance not proceed if it finds that (i) the requirements of Conn. Gen. Stat. §§ 16-245e to 16-245k have not been satisfied, (ii) the Lowest Cost Objective has not been achieved, or (iii) the final terms or costs do not comply with this financing order. PURA's review under this paragraph is limited to those grounds and to the arithmetic accuracy of the Issuance Advice Letter. The opportunity for PURA to direct that the issuance not proceed is a component of the integrated review and approval structure of this financing order, the entirety of which is hereby authorized and approved. This paragraph does not apply to the RRB Charge, the True-Up Mechanism or any payment on Rate Reduction Bonds once issued.

2D. If the Rate Reduction Bonds have not been priced within 120 days after the date of this financing order, the Financed Utility Services approved in this financing order shall not include carrying charges accruing after that date and before issuance in excess of CL&P's cost of long-term debt, except to the extent the delay results from an order of PURA or a court.

> ***Note — item 11, PURA's choice, carrying charges after 120 days.*** *¶2D is marked as PURA's choice. It has no effect if the bonds are priced within 120 days after the order, and excepts delay caused by an order of PURA or a court.*
>
> *Record: carrying charges accrue at the weighted average cost of capital, about $4 million a month, and are recovered in the rate case.*[67] *CL&P's proposed cost of long-term debt, as stated at the hearing, is 4.81 percent.*[68]
>
> *Precedent: Louisiana 2024 — "Carrying charges incurred by SWEPCO after March 31, 2024 and before the issuance of the securitization shall accrue at 3.125% …"*[69] *Fuller discussion: Attachment B, item 11.*

3. The method for calculating the initial aggregate principal amount of the Rate Reduction Bonds, as set forth in the Transaction Description, is just and reasonable. The calculation by CL&P shortly before the commencement of marketing with respect to the Rate Reduction Bonds of 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, using a discount rate equal to the expected interest rate (or weighted average interest rate, as applicable) on the Rate Reduction Bonds, and the reduction of the initial aggregate principal amount of Rate Reduction Bonds that may be issued by such amount, is consistent with the requirements of Conn. Gen. Stat. § 16-245e(m).

4. Upon the filing by CL&P of its written consent to all terms and conditions of this financing order and of an Issuance Advice Letter setting forth the final terms of the Rate Reduction Bonds, and unless PURA has directed under paragraph 2C that the issuance not proceed, CL&P is authorized to consummate the RRB Transaction, and the Financing Entity is authorized to issue Rate Reduction Bonds in an amount sufficient to recover the Financed Utility Services, upon the authority granted in this financing order, without further action or order by PURA.

> ***Note — item 2, the rate on pricing day.*** *¶2B defines the Lowest Cost Objective once and has CL&P and each bookrunning underwriter certify on the pricing date that the structuring, marketing and pricing "in fact resulted" in it, with OTT, as finance authority, certifying to the same effect in place of the confirmation in CL&P's draft. ¶2C: PURA may stop the issuance by noon on the third business day after pricing on three stated grounds (the statute, the Lowest Cost Objective, the order), and its review is limited to those grounds and arithmetic; the window is a component of the order's own review structure. ¶4 is conformed. The defined term, the three grounds, the limit on the review and the "integrated structure" sentence follow Kentucky 2024.*

[67] Hearing video, part 2, 1:13:28–1:13:57 (CL&P is "receiving about $4 million a month for carrying charges"; CL&P: "Correct"). The carrying charges are recovered in the rate case, not through the bonds: PURA, Final Decision, Docket No. 25-12-13 (July 29, 2026), p. 144.

[68] Hearing video, part 2, 1:00:50 ("the proposed cost of long-term debt is 4.81%").

[69] Louisiana PSC, Order No. U-36174-B (Second Corrected), Docket No. U-36174 (SWEPCO), Findings of Fact, paragraph 23, p. 20.

> *Record: PURA asked in RRU-3 about a not-to-exceed interest rate; CL&P answered that a cap "could dampen or even extinguish investor interest in the bonds."*[70]
>
> *Precedent: North Carolina 2021 — "each lead underwriter shall file an independent certification with the Commission confirming that the structuring, marketing, and pricing of the Storm Recovery Bonds … in fact resulted in the lowest Storm Recovery Charges consistent with market conditions at the time the Storm Recovery Bonds were priced and the terms set forth in this Financing Order." "Unless the Commission issues an order stopping the Storm Recovery Bond issuance before noon on the third business day after pricing … the transaction shall proceed without any further action of this Commission."*[71] *Florida 2006 and 2015 require the same certifications, including an opinion from the commission's own adviser; Kentucky 2024 requires "independent unqualified certifications … each confirming that the structuring, marketing and pricing of the securitized bonds in fact resulted in the Lowest Cost Objective," allows disapproval if "the Lowest Cost Objective has not been achieved," and limits the Commission's review "to the arithmetic accuracy of the calculations and to compliance with the Act, this Financing Order." PURA has no adviser of its own; OTT, as finance authority, is the office in that position here. A certification is only as good as the work behind it. A certification that assumes, without independent investigation, the accuracy of the material information it certifies supplies no independent check. That is the standard the law applies to financial opinions: whether the information was independently verified, and whether what was assumed is material.*[72] *Fuller discussion: Attachment B, item 2.*

4. Approvals Regarding the Establishment of the Transition Property

1. The creation and establishment for the benefit of CL&P (or any assignee in accordance with the terms of this financing order) of the Transition Property is hereby approved.

Such Transition Property, constituted and effective in accordance with Conn. Gen. Stat. §§ 16-245e(a)(13) and 16-245h(a), will be entitled to all treatment and rights accorded to Transition Property under Conn. Gen. Stat. §§ 16-245e to 16-245k, inclusive.

2. The Transition Property established by this financing order will represent a vested contract right in accordance with Conn. Gen. Stat. §§ 16-245h(a) and 16-245k(c) for all purposes, including for the purpose of contracts securing the Rate Reduction Bonds, whether or not the revenues and proceeds arising with respect to the RRB Charge have accrued at the time of this financing order, and will include, without limitation, (a) all right, title, and interest in and to the RRB Charge authorized by this financing order, including the initial RRB Charge set forth in the Issuance Advice Letter, as may be adjusted from time to time in order to recover the Financed Utility Services and to generate amounts sufficient to discharge an amount equal to the Periodic RRB Payment Requirements, for the period which such RRB Charge will be billed, as found and authorized herein, (b) the right to be paid an amount equal to the Financed Utility Services and all revenues, collections, claims, payments, money, or proceeds of or arising from the RRB Charge and (c) all rights to obtain periodic adjustments and non-routine adjustments to the RRB Charge in accordance with the True-Up Mechanism. The Transition Property shall continue to exist until the Rate Reduction Bonds are paid in full, including all principal, interest, premium (if any), costs, and arrearages thereon.

[70] CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-3.

[71] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), Ordering Paragraphs 29 and 30, pp. 76–77.

[72] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Findings of Fact 92 and 105, pp. 33 and 36. Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Findings of Fact 97 and 99, pp. 38–39. Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 36 and Ordering Paragraph 7, pp. 101–104, and Appendix A, p. 5 (the Lowest Cost Objective). On the standard: FINRA Rule 5150(a)(4) (a fairness opinion must disclose whether the firm "independently verified" the information on which it relied); TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976) (materiality).

3. The Transition Property created and established by this financing order will constitute an irrevocable vested property right of the owner thereof or its assignee or transferee, which continuously exists until the owner or its assignee or transferee has received collections with respect to the RRB Charge sufficient to discharge the Total RRB Payment Requirements in full. Such property right may not be limited, altered, amended, reduced, or impaired by any subsequent actions of the State or any of its agencies, including PURA. Nothing in this paragraph shall preclude such limitation, alteration, amendment, reduction, or impairment if and when adequate provision shall be made by law for the protection of the owner of the Transition Property and the holders of the Rate Reduction Bonds.

4. CL&P's proposed use of the proceeds from the sale of the Transition Property to the Financing Entity as described in the Transaction Description constitutes a permissible use of such proceeds in accordance with Conn. Gen. Stat. § 16-245j(c)(4)(A), is just and reasonable, is supported by the evidence of record, and is hereby approved.

> ***Note — item 10, findings restored from the September 25 draft.*** *The words "is just and reasonable" and "is supported by the evidence of record" restore the use-of-proceeds finding in CL&P's September 25 draft.*[73] *Fuller discussion: Attachment B, item 10.*

5. Approvals Regarding the Financing Entity

1. The creation of one or more bankruptcy-remote special purpose entities to issue the Rate Reduction Bonds in accordance with the Transaction Description, each of which will be a Financing Entity as defined in Conn. Gen. Stat. § 16-245e(a)(11), and to which the Transition Property subject to this financing order may be sold, is hereby approved.

1A. CL&P shall use one Financing Entity, which may issue Rate Reduction Bonds in more than one series, unless PURA approves the use of an additional Financing Entity. Each series shall be secured by separate Transition Property and other collateral. The Financing Entity's organizational documents and indenture shall permit it to issue additional series under this financing order or any subsequent financing order, if the issuance will not cause the ratings on any outstanding series to be reduced or withdrawn. The incremental Upfront Transaction Costs and Ongoing Transaction Costs of any additional Financing Entity shall not be recovered through the RRB Charge. PURA may appoint, and may remove and replace, at least one independent manager of the Financing Entity, who shall receive the compensation, insurance and indemnities customary for independent managers of special purpose entities that issue debt securities, and the Financing Entity's organizational documents shall so provide.

> ***Note — item 9, one bond company.*** *¶1A keeps CL&P's "one or more" bond companies and adds two conditions: a second company needs PURA's approval, and its extra cost stays off the customer charge. It also gives PURA the right to appoint, remove and replace at least one independent manager of the bond company, as Kentucky 2024 and West Virginia 2006 provide (see the note at Section II.D). Precedent for one company: California 2026 let SCE use the company formed for its 2021 bonds: "To issue the Recovery Bonds, SCE proposes to use the Existing SPE, or to form another wholly owned but legally and fiscally independent SPE."*[74] *Fuller discussion: Attachment B, item 9.*

2. The capitalization by CL&P of the Financing Entity, in accordance with the Transaction Description and Findings, is hereby approved.

6. Approvals Regarding the Sale and Assignment of the Transition Property

1. The sale or assignment, without recourse, by CL&P of all of its right, title and interest in the Transition Property to the Financing Entity, and the acquisition of such Transition Property by the Financing Entity, in accordance with the Transaction Description is hereby approved.

2. The sale by CL&P of the Transition Property to the Financing Entity in accordance with the Transaction Description will be pursuant to and governed by Conn. Gen. Stat. §§ 16-245h(c) and 16-245k(h), and, accordingly, will be treated as an absolute transfer of all of CL&P's rights, title, and interest, as a legal true

[73] Ex. CLP-FINANCING ORDER-1 (Sept. 25, 2026), p. 32.

[74] CPUC, Decision 26-05-006 (May 23, 2026), pp. 16–17 (printed pages).

sale, and not as a pledge or other financing, of the Transition Property, in each case notwithstanding the following, which are hereby determined not to affect such absolute transfer and legal true sale: (i) any contrary treatment of such transfer for accounting, tax or other purposes, (ii) certain indemnities (including mandatory redemption or repurchase obligations related thereto) provided for in Rate Reduction Bonds or in the RRB Transaction documents, (iii) CL&P's collection of the RRB Charge pursuant to the Servicing Agreement authorized by this financing order, or (iv) CL&P's providing credit enhancement to such Financing Entity as described in the Transaction Description.

3. Upon the effectiveness of the sale and assignment of the Transition Property, the Financing Entity, as owner of the Transition Property, and the holders of the Rate Reduction Bonds, or any trustee acting therefor, will be entitled to rely on and shall be entitled to the benefit of the pledge and agreement of the State set forth in Conn. Gen. Stat. § 16-245j(b).

4. Upon the effectiveness of the sale and assignment of the Transition Property: (i) the Financing Entity shall have all of the rights originally held by CL&P with respect to such Transition Property, including, without limitation, the right to exercise any and all rights and remedies, including the right to authorize the Servicer to disconnect service (including backup service) to the extent permitted under applicable law and regulations, to assess and collect any amounts payable by any customer in respect of such Transition Property, notwithstanding any objection or direction to the contrary by CL&P, as initial Servicer, or any successor Servicer, and (ii) any payment by any customer to the Financing Entity shall discharge such customer's obligations in respect of such Transition Property to the extent of such payment, notwithstanding any objection or direction to the contrary by the Servicer.

5. Upon the effectiveness of the sale and assignment of the Transition Property to the Financing Entity, CL&P or any successor Servicer shall not be entitled to recover the RRB Charge other than for the benefit of the Financing Entity or its successor, in accordance with Conn.

Gen. Stat. § 16-245h(d) and CL&P's or any successor's duties as Servicer of such Transition Property as authorized by this financing order.

7. Approvals Regarding the Establishment of a Statutory Security Interest in the Transition Property

1. Pursuant to Conn. Gen. Stat. § 16-245k(g), upon the effective date of this financing order, there shall exist a statutory first priority lien on all Transition Property then existing or thereafter arising pursuant to the terms of this financing order.

2. Such lien shall secure all obligations, then existing or subsequently arising, to the holders of Rate Reduction Bonds and to the trustee or representative for such holders and shall arise by operation of law automatically without any action on the part of CL&P, any affiliate thereof, the Financing Entity or any other person. Such lien shall be valid, perfected, and enforceable upon the effectiveness of this financing order without any further public notice. The trustee for the Rate Reduction Bonds is authorized to file financing statements with respect to the Transition Property which will constitute a protective filing pursuant to Conn. Gen. Stat. § 16-245k(g).

3. The Indenture, to the extent it is substantially consistent in all material respects with the draft thereof that accompanied the Petition, subject to such changes as may be recommended or required by the rating agencies providing ratings on the Rate Reduction Bonds, the RRB trustee and/or the RRB investors, which changes are not inconsistent with the Transaction Description, under which the Financing Entity shall pledge all of its interest in the Transition Property and the Other Financing Entity Collateral, to secure Rate Reduction Bonds issued in connection with such pledge, is reasonable and in the best interests of ratepayers, and is hereby approved.

3A. Amounts paid from RRB Charge collections to indemnify the RRB trustee or any other service provider under the Indenture or any other transaction document, other than the indemnities in the underwriting agreement, shall not exceed $10,000,000 in the aggregate unless the rating agency condition is satisfied, and the Indenture shall so provide. Indemnities owed by CL&P in its own right, including under Section IV.B.8, paragraph 1B, shall not be paid from RRB Charge collections.

> ***Note — item 6, indemnities paid from the customer charge.*** *Record: CL&P's draft indenture pays the trustee's "fees, expenses and outstanding indemnity amounts"*

first from collections, "in an amount not to exceed $[●] per Payment Date." The figure is blank. It needs a cap.[75]

Precedent: the Florida Power & Light 2007 indenture — "payment of indemnity amounts will be limited to $10 million in the aggregate unless the issuer has satisfied the rating agency condition."[76] *This is the one marked paragraph whose precedent is a bond document rather than a financing order, and it applies the cap beyond the trustee to the other service providers; the underwriting agreement's indemnities are outside it. Fuller discussion: Attachment B, item 6.*

8. Approvals Regarding Servicing and Collection Procedures, and Accounts

1. The Servicing Agreement, to the extent it is substantially consistent in material respects with the description of such agreement in the Transaction Description and with the draft thereof that accompanied the Petition, with such changes as may be recommended or required by the rating agencies, which changes are not inconsistent with the Transaction Description and are approved by PURA or its designee, or deemed approved if PURA has not acted within five business days after CL&P requests approval, under which CL&P will agree with the Financing Entity to continue to operate its distribution system to provide service to 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 such Financing Entity, including the amount of the Servicing Fee imposed thereunder, is reasonable and in the best interests of ratepayers, and is hereby approved.

Pursuant to Conn. Gen. Stat. § 16-245h(d), CL&P shall enter into the Servicing Agreement, and any successor Servicer shall be required to enter into a similar Servicing Agreement.

1A. After the Rate Reduction Bonds are issued, no amendment or waiver of the Servicing Agreement shall take effect without notice to PURA and PURA's written consent.

1B. The Servicer shall be liable for a negligent calculation of the RRB Charge and shall indemnify PURA, for the benefit of customers, for losses caused by the Servicer's negligence or breach of the Servicing Agreement. The cost of correcting the Servicer's own error shall not be recovered through the RRB Charge or from the Financing Entity. PURA shall be named a third-party beneficiary of the Servicing Agreement, for the benefit of customers, with authority to enforce it. The Servicing Agreement shall so provide.

Note — item 8, the agreements after closing. *It is a common-sense customer protection that the transaction should not be changed, after this proceeding ends, in ways that could increase the cost without PURA's approval. ¶1 approves rating-agency changes within five business days, or deems them approved. ¶1A requires PURA's consent to any other amendment after closing. ¶1B holds the servicer to simple negligence for its calculation of the charge, indemnifies customers, and names PURA a third-party beneficiary of the Servicing Agreement for their benefit, as Kentucky 2024 does ("The Commission shall be named as a third-party beneficiary, for the benefit of customers, of each Securitized Property Servicing Agreement") and as Florida 2015 does through "contractual privity with the SPE."*

Record: the draft order approves the draft Servicing Agreement, with any changes the rating agencies recommend. That draft holds the servicer liable only for willful misconduct, bad faith or gross negligence, and only to the bond company and the bondholders, and allows amendments with the trustee's consent, or with majority bondholder consent and the rating agency condition, with no notice to PURA. No testimony addresses the standard of care, a customer indemnity or PURA's role in amendments.[77]

[75] CL&P, draft Indenture, Ex. CLP-INDENTURE-1C (Sept. 25, 2026), § 8.02(e)(i), p. 60 (filed with the Petition).

[76] FPL Recovery Funding LLC, Prospectus Supplement, Form 424B5 (May 2007), pp. S-2 to S-3 and S-15.

> *Other precedent: Florida 2006 — "FPL shall indemnify customers to the extent customers incur losses associated with higher servicing fees payable to a substitute servicer as a result of FPL's negligence, misconduct, or termination for cause. This indemnification provision shall be reflected in the transaction documents."*[78] *West Virginia 2006 carries the same customer indemnity, and Kentucky 2024 holds the utility, as servicer and as administrator, to "a simple negligence standard" and requires the commission's written consent to amendments after issuance.*[79] *The standard is also Connecticut's own: CL&P's 2001 servicing and administration agreements held it liable for negligence; the 2026 drafts hold it liable only for gross negligence. The record gives no reason for the change.*[80] *Fuller discussion: Attachment B, item 8.*

2. The RRB Charge billing, collection and remittance procedures, as described in the Transaction Description, are reasonable and in the best interests of ratepayers and are hereby approved.

3. In the event of any future change in Connecticut law pursuant to which TPSs are authorized to bill and/or collect the RRB Charge, the procedures and policies to be implemented by the Servicer with respect to the oversight of any such TPS, as described in the Transaction Description, are reasonable and in the best interests of ratepayers and are hereby approved.

4. In the event of a default by a Servicer in remittance of revenues arising in connection with the RRB Charge, PURA or any successor thereto will, in accordance with Conn.

Gen. Stat. §§ 16-245k(e) and (g), upon application by (i) the trustee or holders of the Rate Reduction Bonds, (ii) the Financing Entity or its assignees, or (iii) other pledgees or transferees of the Transition Property, order the sequestration and payment to or for the benefit of such pledgees or transferees of the revenues arising with respect to the Transition Property.

5. In the event of a default by a Servicer under any Servicing Agreement with respect to Rate Reduction Bonds, the Financing Entity or the trustees or representatives of the holders of Rate Reduction Bonds may appoint a successor Servicer for the Transition Property, subject to satisfaction of the Rating Agency Condition (as defined in the Servicing Agreement) and the approval of PURA, who shall promptly assume billing responsibilities for RRB Charge.

PURA shall act on an expedited basis within [30] days to approve such successor Servicer. Such successor Servicer shall assume all rights and obligations of the Servicer under Conn. Gen. Stat. § 16-245h(d) and this financing order as though it were the Servicer at the time such Rate Reduction Bonds were issued.

6. In accordance with Conn. Gen. Stat. § 16-245g(e), amounts collected from a customer shall be allocated on a pro rata basis among (i) the RRB Charge attributable to the Rate Reduction Bonds issued pursuant to this financing order, (ii) any remaining portion of the Competitive Transition Assessment not the subject of this financing order, and (iii) CL&P's other charges, and CL&P shall not, in the allocation of partial collections from any customer, favor itself or any other payee over the Financing Entity, as owner of the Transition Property.

7. Regardless of who is responsible for billing of the RRB Charge, the RRB Charge will be assessed against and collected from all CL&P customers taking retail electric service. Any customer will continue to be

[77] CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), §§ 6.02(b), 6.03 and 8.01, pp. 15, 17 and 24. Saber searched the Treasurer's testimony for "servicing," "indenture," "indemn," "negligen" and "amend," and the captions of both parts of the hearing for "negligen," "amend," "indemn" and "certif," and found no discussion of the standard of care, a customer indemnity or amendments.

[78] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 114(c), p. 38.

[79] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Finding of Fact 46, as amended Jan. 17, 2007. Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), pp. 38–39 and Ordering Paragraphs 7 and 37, pp. 101–104 and 119. Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Finding of Fact 61, pp. 29–30.

[80] Transition Property Servicing Agreement between CL&P Funding LLC and CL&P (Mar. 30, 2001), §§ 4.02(a)(3), 6.02(b)–(c), 6.03; CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), §§ 4.02(a)(3), 6.02(b)–(c), 6.03; draft Administration Agreement, Ex. CLP-FINANCING ORDER-1A, § 5.15 ("willful misconduct, bad faith, or gross negligence").

responsible for payment of the applicable RRB Charge billed, but not yet remitted, to the Servicer to the extent such customer has not paid the RRB Charge billed to it.

8. In the event of a failure of any customer to pay the applicable RRB Charge, the Servicer is authorized to disconnect retail electric service to such customer in accordance with Conn. Agencies Regs. § 16-3-100-1(b)(2)(j).

9. CL&P, as initial Servicer, or any successor Servicer, shall be entitled to an annual Servicing Fee. PURA approves the Servicing Fee as follows: as initial Servicer, CL&P will be paid, subject to changes in market conditions and rating agency requirements, an annual Servicing Fee, paid in installments, equal to 0.05% of the initial principal balance of the Rate Reduction Bonds, which fee will be included in the calculation of the RRB Charge. Within 30 days after each semi-annual servicer certificate delivered under the Servicing Agreement, CL&P shall credit to its customers an amount equal to the Servicing Fee and the Administration Fee received in that period, by rate class in the proportions in which the fees were charged, through the Revenue Decoupling Mechanism or another reconciling rider PURA has approved, and not through the RRB Charge. The credit shall not await a general rate case; CL&P's actual incremental costs of servicing and administration, if any, may be reconciled in its next rate proceeding. CL&P shall not charge the Financing Entity for any cost of servicing or administration that is recovered in its rates as part of its cost of service. Out-of-pocket expenses of third parties reimbursed to the Servicer under the Servicing Agreement shall be recovered only as Ongoing Transaction Costs itemized, selected and reviewed under Section IV.B.11, paragraphs 4 and 5, and shall not be paid from the Servicing Fee credit. Any amount not credited when due shall accrue carrying charges at the weighted average cost of capital PURA has authorized for CL&P until credited. Interest earned on RRB Charge collections before remittance, and late-payment charges on RRB Charges, shall be credited to customers in the same manner, and the Servicing Agreement shall so provide. The failure of CL&P to make any credit required by this paragraph shall not affect the Transition Property, the RRB Charge, or the rights of the Financing Entity, the trustee or the holders of the Rate Reduction Bonds. A successor Servicer will be paid an annual Servicing Fee equal to no more than 0.60% of the initial principal balance of the Rate Reduction Bonds, if such successor Servicer is not affiliated with CL&P. If the successor Servicer is an affiliate of CL&P, then the annual Servicing Fee payable to such successor Servicer will be 0.05% of the initial principal balance (equal to the fee payable to CL&P as initial Servicer).

> ***Note — item 5, the servicing and administration fees.*** *CL&P must file reports with the SEC each period showing its collections and costs. Since it is already preparing a report on its collections and expenses, the semi-annual servicer certificate is the natural time to make the credit. The added sentences credit the servicing and administration fees to customers within 30 days of each semi-annual servicer report, through the decoupling rider or another approved reconciling rider and outside the RRB Charge, bar CL&P from charging the bond company for any servicing or administration cost already in its cost of service (Kentucky 2024: "To prevent double recovery, Kentucky Power may not allocate to BondCo servicing and administrative functions for any costs currently recovered in rates as part of Kentucky Power's cost of service or net income"), with CL&P's actual incremental costs reconciled in its next rate proceeding, and send the third-party expenses reimbursed under the Servicing Agreement to the itemized, bid and audited ongoing costs under Section IV.B.11, ¶¶4 and 5, outside the fee credit (see the note at Section II.H).*
>
> *Record: CL&P's regulatory testimony says the fees are credited "through the normal ratemaking process"; at the hearing, "in a perfect world … a net zero for customers"; RRU-10 describes a credit through the decoupling rider.*[81] *The credit prevents double recovery. At the hearing CL&P's treasury witness called the costs "incremental to CL&P"; its rates witness said the labor "is already reflected in base distribution rates"; a commissioner summed up the credit as "to avoid the double recovery problem."*[82]

[81] Joint Regulatory Testimony, Ex. CLP-REG-1 (Sept. 25, 2026), p. 20; Hearing video, part 1, 1:24:52–1:25:29. CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-10 and Attachment 1.

[82] Hearing video, part 1, 0:50:07, 0:52:24 and 0:55:55.

> *Precedent: Connecticut 2000 — "The cost of these employees is already collected through the Company's approved distribution rates. So to fund them again would mean that the Company would collect this cost twice."*[83] *Florida 2015 — "DEF shall credit back to customers … all periodic servicing fees in excess of DEF's or an affiliate of DEF's incremental cost of performing the servicer function …"*[84] *Fuller discussion: Attachment B, item 5.*

10. CL&P, as initial Servicer, may not resign its duties as Servicer except upon either (i) a determination that the performance by it of such duties is no longer permissible under applicable law or (ii) the prior approval of PURA and confirmation (or deemed confirmation) by the applicable rating agencies that such resignation will not result in a suspension, reduction or withdrawal of the then current credit ratings for the Rate Reduction Bonds.

11. A successor Servicer may not replace CL&P as Servicer in any of its servicing functions with respect to the RRB Charge and the Transition Property authorized by this financing order unless (i) (x) either CL&P has resigned as Servicer (if permitted to do so) or such replacement is requested by the Financing Entity or the trustees or representatives of the RRB holders in accordance with the terms of the Servicing Agreement and (y) in either case, such replacement will not cause the then current credit ratings on Rate Reduction Bonds to be suspended, withdrawn or downgraded, or (ii) the successor Servicer is the successor to CL&P's distribution system.

12. The establishment and procedures for maintenance of the Collection Account, the General Subaccount, ~~the Excess Funds Subaccount, and the Capital Subaccount~~the Excess Funds Subaccount, the Capital Subaccount and the Tail-End Collection Subaccount in accordance with the Transaction Description are reasonable and in the best interests of ratepayers and are hereby approved.

13. Return on investment on amounts in the Capital Subaccount will be remitted to the Financing Entity on a monthly basis free and clear of the lien of the Indenture for distribution to CL&P, as its sole member.

14. Any amounts accounted for in the Excess Funds Subaccount at the time that CL&P calculates a periodic adjustment to the RRB Charge will be incorporated in such adjustment, such that the balance in the Excess Funds Subaccount is expected to be zero at the end of the period for which the RRB Charge is being adjusted. Conn. Gen. Stat. §§ 16-245i(b)(2) and 16-245i(c).

Any surplus RRB Charge in excess of the amounts necessary to pay principal, premium (if any), interest and expenses of the issuance of the Rate Reduction Bonds shall be remitted to the Financing Entity and ~~may be used to benefit customers~~shall be credited to CL&P's customers as provided in this paragraph and the paragraph that follows, to the extent that such use would not result in a recharacterization of the tax, accounting or other intended characteristics of the financing.

Conn. Gen. Stat. § 16-245h(b). When the Rate Reduction Bonds are fully paid, any balance in the Capital Subaccount (including return on investment) shall belong and be returned to CL&P in its capacity as equity holder of the Financing Entity (and for the avoidance of doubt shall not be credited to CL&P's customers), and any balance in the General Subaccount and the Excess Funds Subaccount shall be returned to the Financing Entity, distributed by the Financing Entity to CL&P and then credited to CL&P's customers. All RRB Charges received after the release of those balances shall be deposited in the Tail-End Collection Subaccount or, after the Indenture is discharged, remitted to the Financing Entity, and in either case distributed to CL&P, recorded by CL&P as a separate regulatory liability, and credited to CL&P's customers through other rates within 90 days after CL&P receives them, with carrying charges at CL&P's net-of-tax weighted average cost of capital from receipt to credit. CL&P shall notify PURA within 30 days after the balances are eligible for release and shall file a final reconciliation of amounts billed, collected, remitted and credited. The failure of CL&P to make any credit required by this paragraph shall not affect the Transition Property, the RRB Charge, or the rights of the Financing Entity, the trustee or the holders of the Rate Reduction Bonds.

[83] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Decision, p. 15. Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 19, p. 110.

[84] Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Ordering Paragraph 80, pp. 61–62.

> ***Note — item 4, charges collected after payoff.*** *¶14 now says the surplus "shall" be credited to customers. The new paragraph follows North Carolina 2021: a tail-end collection subaccount holds the charges billed before payoff and collected after it, which otherwise go to CL&P and never reach the trustee; CL&P records them as a separate regulatory liability with carrying costs at its net-of-tax weighted average cost of capital and credits them to customers. North Carolina 2021: the subaccount "will hold any Storm Recovery Charges that were collected after the final payment and satisfaction of the Storm Recovery Bonds and after the discharge of all obligations with respect to such bonds … recorded as a separate regulatory liability, accrue carrying costs at DEC's net-of-tax WACC and credited back to customers."*[85] *The paragraph adds a 90-day deadline, notice to PURA and a final reconciliation; the subaccount is added to the Collection Account in Section II.J and Section IV.B.8, ¶12. West Virginia 2006 also credits customers with charges "collected after maturity of the Environmental Control Bonds and after discharge of all obligations in respect thereof."*[86]
>
> *Record: at the hearing CL&P said that "any cash left in those accounts after the bonds are fully paid off" goes back to customers, and the October 27 draft so provides for the trustee's subaccounts.*[87]
>
> *Precedent: Connecticut 2000 — the servicer "shall account for and ultimately credit to ratepayers any amounts remaining in the Collection Account … after the RRBs are paid in full. Such amounts include … RRB Charge collections that remain after the Total RRB Payment Requirements have been discharged."*[88] *Kentucky 2024 credits later collections "without need for any further Commission action."*[89] *Fuller discussion: Attachment B, item 4.*

9. Approval Regarding Administration Agreement

1. The Administration Agreement, to the extent it is substantially consistent in material respects with the description of such agreement in the Transaction Description and with the draft thereof that accompanied the Petition, with such changes as may be recommended or required by the rating agencies, which changes are not inconsistent with the Transaction Description and are approved by PURA or its designee, or deemed approved if PURA has not acted within five business days after CL&P requests approval, under which CL&P shall perform administrative services and provide facilities for the Financing Entity to ensure that it is able to perform such day-to-day operations under the RRB Transaction documents, including the amount of the Administration Fee, is reasonable and in the best interests of ratepayers, and is hereby approved.

1A. After the Rate Reduction Bonds are issued, no amendment or waiver of the Administration Agreement shall take effect without notice to PURA and PURA's written consent.

> ***Note — item 8, the agreements after closing.*** *The Administration Agreement follows the Servicing Agreement on the same terms: rating-agency changes approved*

[85] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), p. 43; see Finding of Fact 17, p. 8, and p. 41 (the subaccount is part of the collection account).

[86] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Finding of Fact 42, as amended Jan. 17, 2007 ("Customers also will be credited by amounts equivalent to the amount of Environmental Control Charges that are collected by or for the benefit of the owner of Environmental Control Property but that are not required to be deposited to the Collection Account, for example, Environmental Control Charges collected after maturity of the Environmental Control Bonds and after discharge of all obligations in respect thereof").

[87] Hearing video, part 1, 1:11:17–1:11:49. CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 1, p. 34 of 36.

[88] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Financing Order, Exhibit C, paragraph 50.

[89] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 22, p. 111.

> *within five business days or deemed approved; any other amendment after closing with PURA's consent.*
>
> *Precedent: Florida 2015 extends the customer indemnity to "higher administration fees payable to a substitute administrator"; CL&P's own 2001 administration agreement held it to negligence; Kentucky 2024 applies the same standard to the administrator and requires consent to amendments (quoted at Section IV.B.8).*[90] *Fuller discussion: Attachment B, item 8.*

10. Approval Regarding Financial Accounting Treatment

1. The financial accounting treatment proposed by CL&P for the Rate Reduction Bonds and the RRB Transaction, as described in the Transaction Description, is reasonable and in the best interests of ratepayers, and is hereby approved.

11. Approvals Regarding Reports

1. After pricing of the Rate Reduction Bonds, but before issuance, CL&P shall file with PURA, ~~for informational purposes,~~ an Issuance Advice Letter, in a form substantially consistent in all material respects with the draft thereof that accompanied the Petition, setting forth the final structural details and final terms of the Rate Reduction Bonds, including the principal amount, the repayment terms (in accordance with the expected amortization schedule), the initial RRB Charge, the capital contribution amount, the identification of the Financing Entity, and the transaction costs of issuance, each final Upfront Transaction Cost compared with its estimate in Schedule 1 to Exhibit CLP-TREASURY-1, the final interest rate on each class or tranche compared with the Treasury benchmark, recent utility securitizations and triple-A corporate bonds of similar average life, the yields quoted to investors during marketing and the orders received, and a calculation confirming net savings to customers on the final pricing. ~~Such filing shall not be a condition to the effectiveness of this financing order or the issuance of the Rate Reduction Bonds.~~The certifications required by Section IV.B.3, paragraph 2B shall accompany the Issuance Advice Letter. PURA's review of the Issuance Advice Letter shall be limited to the arithmetic accuracy of the calculations and to compliance with Conn. Gen. Stat. §§ 16-245e to 16-245k, this financing order and the Lowest Cost Objective.

> ***Note — item 2, the rate on pricing day.*** *The issuance advice letter becomes a condition of issuance rather than an informational filing, and carries the term comparison, the orders received, a net savings calculation and the certifications. PURA's review of it is limited to arithmetic and compliance, as Kentucky 2024 limits its Commission's review "to the arithmetic accuracy of the calculations and to compliance with the Act, this Financing Order."*
>
> *Precedent: Florida 2006 makes the authority to issue "effective only upon FPL filing with this Commission an Issuance Advice Letter demonstrating compliance with all provisions of this Financing Order, and the Commission not issuing a stop order by 5:00 p.m. Eastern Time on the third business day following pricing."*[91] *Connecticut's 2000 order required the letter to carry "a calculation confirming net savings to ratepayers as a result of the RRB Transaction."*[92] *Fuller discussion: Attachment B, item 2.*

2. Within [90] days following the issuance of the Rate Reduction Bonds, and within [60] days of the end of each fiscal quarter thereafter until the proceeds have been applied in full, CL&P shall file with PURA (with a copy to OTT) a report showing the use of RRB proceeds in compliance with this financing order. Such filing shall not be a condition to the effectiveness of this financing order or the issuance of Rate Reduction Bonds.

[90] Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), p. 34.

[91] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 134, pp. 42–43, and p. 7.

[92] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Financing Order, Exhibit C, paragraph 28. Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 7, p. 102.

3. Within 120 days after the issuance of the Rate Reduction Bonds, CL&P shall file with PURA a final accounting of Upfront Transaction Costs, with invoices, compared line by line with the estimates in Schedule 1 to Exhibit CLP-TREASURY-1. PURA shall review the accounting. Upfront Transaction Costs in excess of those estimates, other than underwriting fees and rating agency fees that vary with the principal amount, shall be reimbursed by CL&P to the Financing Entity's collection account within 30 days after the accounting, with interest at the weighted average interest rate on the Rate Reduction Bonds from issuance to the date of reimbursement, and taken into account in the next Routine True-Up Letter, and the contingency amount in Schedule 1 shall be applied only to invoices for costs within the other line items. PURA shall not adjust the RRB Charge for any such excess, and this paragraph does not revalue or revise the Financed Utility Services.

4. The Servicer shall file with PURA each monthly and semi-annual servicer certificate, each annual compliance certificate and accountant's report, and each annual reconciliation delivered under the Servicing Agreement, with Ongoing Transaction Costs itemized by vendor. Out-of-pocket expenses reimbursed to the Servicer under the Servicing Agreement shall be itemized by vendor and invoice in the annual reconciliation. Any Ongoing Transaction Cost or reimbursed expense not supported by an invoice, or not incurred under a selection made under paragraph 5, shall be paid by CL&P to the Financing Entity's collection account within 30 days after the reconciliation, and the next Routine True-Up Letter shall take that payment into account, so that the amount is returned to customers through the RRB Charge at the next true-up. PURA shall have the right to inspect, audit and make copies of the Servicer's records relating to the RRB Charge and to Ongoing Transaction Costs on the same terms as the trustee, and shall audit Ongoing Transaction Costs and reimbursed expenses each year.

5. Underwriters' counsel, the accountants and any other provider of services included in Upfront Transaction Costs or Ongoing Transaction Costs whose fee, or whose annual fee, exceeds $50,000, other than the rating agencies, the trustee and any provider already selected on competing proposals, shall be selected on competing proposals with a statement of work submitted to OTT and PURA.

> ***Note — item 3, upfront and ongoing costs.*** *¶3: a final accounting of upfront costs within 120 days, reviewed by PURA, with costs above CL&P's own estimates reimbursed by CL&P with interest at the bond rate and returned to customers at the next true-up, except underwriting and rating-agency fees, which move with the principal amount; the RRB Charge itself is not adjusted. Kentucky 2024 credits back "an amount equal to such excess plus interest on securitized bonds equal to such excess" and provides that the Commission "shall not make adjustments to the securitized surcharge for any such excess." It answers Commissioner Beecher's statement at the hearing that PURA "will have a chance to review and assess the reasonableness of the final costs."*[93] *Florida required the same 120-day filing in 2006 and again in 2015.*[94] *The accounting also shows whether the $50,000 of "Servicer Set-up Costs" in EOE-6 and the $50,000 initial fee in the draft Servicing Agreement are one payment or two. In 2000 the Department allowed no fee for work done by existing personnel, whose cost was already in rates. On this record it cannot be told whether the two items are one charge or two; the accounting will show it.*[95] *¶4: the monthly and semi-annual servicer certificates (the reports filed with the SEC on Form 10-D) and the annual reconciliation filed with PURA, with ongoing costs and reimbursed expenses itemized by vendor and invoice, and any unsupported amount paid by CL&P into the bond company's collection account and returned to customers at the next true-up. The money comes from CL&P, not from a reduction in what the bond company collects; the true-up mechanism itself is unchanged. The draft order gives PURA a right to inspect the servicer's books and records (Section II.H) but none of the*

[93] Hearing video, part 1, 1:18:09.

[94] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 62, p. 26. Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Finding of Fact 13, p. 19. Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 4, p. 99.

[95] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6, item g. CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), § 6.06(a)(y), p. 19.

> *servicer's reports and no audit right; ¶4 gives PURA the audit right on the same terms as the trustee and a yearly audit of the ongoing costs and reimbursed expenses. ¶5, marked as PURA's choice: competing proposals for the remaining upfront and ongoing providers above $50,000, which reaches the $260,000 accounting examination and the $50,000 of ongoing legal fees. It does not reach the underwriters, who are already selected. Run during the 45-day appeal period, in parallel with the document work, it adds no time.*
>
> *Record: one upfront item, the trustee, was competitively solicited; a commissioner asked "where in the record do we establish the reasonableness of these … 6.9 million."*[96]
>
> *Precedent: Florida 2006 — "Within 120 days after the issuance of storm-recovery bonds, FPL is required to file with this Commission information on the actual costs of the storm-recovery bond issuance … Any incremental issuance costs in excess of the lowest overall costs will be disallowed." "Certain upfront bond issuance costs, such as fees for underwriters' services, underwriters' counsel, trustee services, and printing services shall be procured through a competitive solicitation process to achieve lower costs."*[97] *Kentucky 2024 and California 2026 require a competitive process for underwriters and counsel.*[98] *Fuller discussion: Attachment B, item 3.*

12. Approval of CL&P Tariff Changes

1. The changes to CL&P's Tariff attached to the Eversource Regulatory Testimony necessary to implement CL&P's billing and collection of the RRB Charge as approved herein, are found to be in the best interests of ratepayers and are hereby approved.

C. Orders Based on the foregoing, it is hereby ORDERED, that CL&P's request for issuance of a financing order is APPROVED, as modified by and subject to the terms of the Transaction Description contained herein, and consistent with the Findings and Approvals and Authorizations granted.

By order of the Public Utilities Regulatory Authority of the State of Connecticut this [●] day of [●], 202[●].

Thomas Wiehl David Arconti Janice Beecher Chairman Vice Chairman Commissioner Holly Cheeseman Everett Smith Commissioner Commissioner Attested by: [Name] [Title]

[96] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6 and EOE-7. Hearing video, part 1, 1:14:58–1:15:26.

[97] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Findings of Fact 62 and 63, p. 26.

[98] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 43. CPUC, Decision 26-05-006 (May 23, 2026), pp. 50–51.

Attachment A — Questions the Authority May Have, and Answers

The questions below may be asked by the Authority, CL&P or others. The answers are short. Each points to its source.

Q1. "Time is our enemy." Won't these changes to CL&P's draft order delay the sale?

The goal is shared: sell the bonds at the lowest cost to customers and the highest net present value savings, and stop carrying charges of about $4 million a month. Most changes govern CL&P's conduct after the sale. None adds an adviser or a fee to the transaction.

The pricing-day certifications are signed by people already at the table.

The SEC and rating-agency work can proceed before the order. CL&P's witness said the SEC registration work "that starts today" is based on the Petition,[99] and that rework after the final order "will just mean the later that we will file with the SEC."[100] The record does not show the basis for the second statement.

None of these customer protections requires a change to the documents large enough to slow the drafting of a registration statement. The tail-end collection subaccount in item 4 is one more subaccount in the indenture's collection account, as in North Carolina. Terms like these did not slow sales elsewhere, and nothing in the record shows that they would here: West Virginia's bonds closed 96 days after the first SEC filing (Appendix A).

Competitive selection of the remaining counsel and accountants, ¶5, can occur during the 45-day appeal period in parallel with the document work if it starts when the order issues; it is marked as PURA's choice.

In 2020 Southern California Edison's bond company filed its registration statement with the SEC fifteen days before the California commission issued the financing order, and the bonds closed three and a half months later.[101]

Q2. Does this comment second-guess Goldman?

The comment does not question Goldman's skill.[102] It suggests that the order record what CL&P's own witnesses said. If those statements are right, putting them in the order costs CL&P nothing.

The point is roles, and whose interest is represented, not skill. Each firm at the table serves its own client. Someone at the table must be obligated to act in customers' interest and not in its own economic interest. Under the statute that is the Treasurer, as finance authority; ¶2B asks OTT to certify it to PURA, so that PURA has a basis for its final decision.[103] The contracts of Goldman and the others show to whom each owes an obligation. Saber has not seen those contracts, but it is typical for them to disavow expressly any obligation to act in the client's best interest.

[99] Hearing video, part 2, 0:14:39 ("the work that starts today is going to is based off of what we have put into the petition").

[100] Hearing video, part 2, 0:16:04–0:16:20 ("whatever we need to do um after we get the final order to um update right these documents will just mean the later that we will file with the SEC").

[101] SCE Recovery Funding LLC, EDGAR filing index (Form SF-1 filed Oct. 26, 2020); SCE Recovery Funding LLC, Prospectus (Feb. 17, 2021), cover and p. 1 (financing order issued November 10, 2020; settlement on or about February 24, 2021).

[102] Hearing video, part 1, 0:11:13–0:11:22 ("We have solid partners in Eversource and Goldman Sachs. Goldman's a great shop. They can do this with their eyes closed.").

[103] Conn. Gen. Stat. § 16-245e(a)(4) ("Finance authority" means the state, acting through the office of the State Treasurer).

For example, Goldman was a lead underwriter of bonds of this kind in New Hampshire in 2018 and Virginia in 2026. Both underwriting agreements say that the underwriters act "solely in the capacity of an arm's length contractual counterparty." Any review they make "will be performed solely for the benefit of the Underwriters."[104] Asked under oath in West Virginia last year whether Goldman owed ratepayers a fiduciary duty, CL&P's Goldman witness answered: "No, we're an underwriter."[105]

That is the ordinary position of an underwriter. It is why commissions write the customer's interest into the order.

Q3. Will these customer protections cost customers in other ways?

No. Each term has a precedent in an order or bond document from another state:

- a semi-annual true-up: the July 13 presentation by CL&P and the Treasurer's office called it "best practice," yet CL&P proposed an annual true-up, not a semi-annual one; its mid-year letter is filed only for a projected shortfall (item 7);
- an issuance advice letter with a window for the commission to stop the issuance: a common provision, as in Florida 2006 and North Carolina 2021 (item 2);
- servicer liability for its own negligence: the standard in CL&P's own 2001 agreements; a customer indemnity: Florida 2006 and 2015, West Virginia 2006 and Kentucky 2024 (item 8). There is no reason customers should not be compensated for CL&P's errors;
- no time limit on fixing an arithmetic error: common sense, and West Virginia 2006 (item 7);
- the $10 million cap on indemnities paid from the customer charge: a bond indenture (Florida Power & Light, 2007) (item 6).

Q4. Aren't these sums too small to matter on a $620 million deal?

The presiding officer gave the measure at the hearing: "as a group that I think loves to argue over $50,000 invoices, I think we can all agree that $5 million is a lot of money."[106]

The scheduled maturity alone is worth tens of millions in present value on CL&P's own figures (item 1). Each tenth of a percent on the bond rate is about $4.2 million. The servicing and administration fees come to about $4.3 million over twelve years.

In Texas, $14.9 million of remaining collection balances on CenterPoint's 2012 bonds went back to customers under an order signed eighteen months after the scheduled final payment date (item 4).

Q5. The Treasurer testified that a term beyond 12 years would be imprudent. Why reopen the term?

¶2A does not hardwire a term regardless of market conditions or the other factors PURA believes important. It calls for the 12-, 15- and 20-year figures to be put on one set of assumptions before the start of marketing, with PURA selecting the term on them and the reasons stated in the issuance advice letter.

[104] Underwriting Agreement, Appalachian Power Recovery Funding LLC (May 19, 2026), § 14; Underwriting Agreement, PSNH Funding LLC 3 (May 2018), § 14. Goldman Sachs & Co. LLC is named in each as a representative of the underwriters.

[105] Public Service Commission of West Virginia, Hearing Transcript, Case No. 25-0310-E-PC (July 1, 2025), pp. 212, 214 (Steven Moffitt, Goldman Sachs), filed July 7, 2025 on the Commission's web docket. Mr. Moffitt is CL&P's witness in this docket, Ex. CLP-GOLDMAN-1. Disclosure: before Saber was formed in 2000, Mr. Fichera hired Mr. Moffitt as an investment banking analyst at Prudential Securities, and Mr. Moffitt reported to him. Saber has no current relationship with Mr. Moffitt.

[106] Hearing video, part 1, 0:10:50–0:10:57.

The Treasurer's testimony weighs intergenerational fairness and concludes in favor of 12 years.[107] EOE asked for the same comparison. ¶2A has PURA make the decision on it.

CL&P's answer shows the monthly residential charge at $3.66 for 12 years and $2.70 for 20.[108] North Carolina made the same choice on the record in 2021 and moved from 15 years to 20 (item 1). The comparison shows PURA the trade-off on numbers it can check. ¶2A does not change the deferred-tax benefit calculated under Section II.K, which the statute ties to the expected interest rate on the bonds.

Q6. Once the bonds are issued, the order cannot be changed. CL&P says PURA then has no discretion. How can PURA require credits and reports for the life of the bonds?

That is the reason to write them in now. CL&P's own point was that once the bonds are issued PURA "no longer" has discretion to adjust.[109]

So whatever customers are to receive must be in the order.

The paragraphs leave the RRB Charge, the true-up and the bond payments untouched. The fee credits and payoff credits run through a reconciling rider or other rates, outside the bond charge. Error correction is limited to arithmetic. CL&P's witness accepted that: the final letter takes effect "outside of a mathematical error."[110]

Q7. A public comment is not evidence. Can PURA rely on it?

PURA's findings must rest on the evidence in the record and on matters noticed.[111]

This comment is not offered as evidence. Each paragraph points to evidence already in the record: CL&P's sworn testimony and hearing answers, its responses to PURA's and EOE's questions, and its own two drafts. Orders of other commissions are public law PURA may read.

If the presiding officer wishes, the undersigned will adopt the comment under oath or affirmation.[112]

[107] Joint Testimony of Kimberly Mooers, Michael Mace and John M. Murphy for the Office of the Treasurer (Oct. 12, 2026), p. 12.

[108] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-2.

[109] Technical meeting video (July 13, 2026), 1:11:02–1:11:24.

[110] Hearing video, part 1, 1:41:08–1:43:13.

[111] Conn. Gen. Stat. § 4-180(c); see also § 4-178(6)–(8) (matters noticed).

[112] Conn. Gen. Stat. § 4-177c(b).

Attachment B — The Record Basis and the Precedent for Each Paragraph

The eleven items run roughly from the largest sum at stake to the smallest; the paragraph marked as PURA's choice on carrying charges is item 11, and the other, ¶5 on competing proposals, is in item 3. Each item gives what the record shows, then the precedent, quoted with the page and a link, and says where the paragraph goes further than its source. The section numbers are those of CL&P's October 27 draft. The marked text itself is in the order above; the note under each marked paragraph points here.

1. **The term and the discount rate —** Tens of millions of dollars in present value. *Section IV.B.3 ¶¶1, 2A; III.D ¶1; II.F; II.G.*
2. **The rate on pricing day: certifications, the pricing report and a three-day window —** About $4.2 million for each tenth of a percent. *Section IV.B.3 ¶¶2B, 2C, 4; IV.B.11 ¶1.*
3. **Upfront and ongoing costs: a final accounting, yearly reports and competing proposals —** $6.95 million now; about $8.9 million over twelve years. *Section IV.B.11 ¶¶3, 4, 5.*
4. **Charges collected after the bonds are paid off —** $14.9 million in the Texas example. *Section IV.B.8, after ¶14, and ¶12; II.J.*
5. **The servicing and administration fees —** About $4.3 million over twelve years. *Section IV.B.8 ¶9.*
6. **Indemnities paid from the customer charge —** A $10 million cap where CL&P's draft leaves a blank. *Section IV.B.7 ¶3A.*
7. **The true-up: a March 1 preview, workpapers and arithmetic errors —** A 2 percent miss is about $1.3 million a year. *Section II.J; IV.B.2 ¶3A.*
8. **The agreements after closing: amendments, negligence and the customer indemnity —** No dollar estimate in the record. *Section IV.B.8 ¶¶1, 1A, 1B; IV.B.9 ¶¶1, 1A.*
9. **One bond company —** The cost of a second company stays off the charge. *Section II.D; IV.B.5 ¶1A.*
10. **Three findings restored from CL&P's September 25 draft —** No dollar estimate. *Section III.C ¶1; III.D ¶1; IV.B.4 ¶4.*
11. **PURA's choice: carrying charges if the bonds are not priced within 120 days —** About $4 million a month. *Section IV.B.3 ¶2D.*

Item 1. The term and the discount rate — tens of millions of dollars in present value

Where it is marked: Section IV.B.3 ¶¶1, 2A; III.D ¶1; II.F; II.G. The marked text is in the order above.

What the record shows.

The term decides the monthly charge and the present value of what customers pay. CL&P's answer to EOE-2 shows the first-year charge for a typical residential customer at $3.66 a month for 12 years, $3.16 for 15 and $2.70 for 20.[113] Its answer to EOE-5 compares terms of 6 to 20 years, but on a different base from the Petition and at a discount rate of about 5.5 percent, below the 7.09 percent cost of capital the Petition uses for its $119.6 million of savings. There is no 12-year case in that comparison.[114]

The two sets of numbers cannot be read together. The draft order fixes the term at "approximately 12 years" and leaves the comparison to the pricing team. The Treasurer's testimony weighs intergenerational fairness. It calls a term beyond 12 years "imprudent."[115] That judgment deserves to be made on one comparison, on one set of assumptions, at the rate the Petition itself uses, before the start of marketing. The Petition describes 10-, 15- and 20-year scenarios but does not file them, and EOE-5 is on a different base and rate. The record does not yet hold that comparison.

North Carolina made the same choice on the record in 2021. Duke Energy Carolinas proposed 15 years. The Public Staff, which Saber advised, recommended 18 to 20 years "because the longer the amortization period, the higher the level of net present value savings to the ratepayer." Duke's own rebuttal exhibit put the savings at $57.5 million (31.2 percent) for 15 years and $67.9 million (36.9 percent) for 20. The stipulation set 18 to 20 years "to achieve higher net present value savings to customers."[116] The bonds sold at 20 years. Duke's press release said it had "gained additional savings by securing 20-year bonds, increasing customer savings to 35% rather than the original 30% projected under 15-year bonds," and put the saving for both Duke utilities' North Carolina customers at $300 million.[117]

Comment.

> *The financing order should fix the discount rate at CL&P's authorized weighted average cost of capital, the rate the Petition uses, and not the interest rate on the bonds. It has PURA select the term, no longer than 20 years, that produces the highest net present value savings to customers with the smallest increase in their bills, consistent with intergenerational fairness, with the term and the reasons stated in the issuance advice letter. North Carolina set the term that way in 2021: the stipulation chose 18 to 20 years "to achieve higher net present value savings to customers." The two-year gap between the scheduled and legal final maturities follows CL&P's own draft.*

[113] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-2.

[114] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-5 and workbook (present value at 5.5 percent: traditional recovery $812.5 million at 6 years, $744.9 million at 10, $733.9 million at 15, $728.5 million at 20; no 12-year case). Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 36 and Ex. CLP-TREASURY-3 (12 years, $667.9 million, 7.09 percent: $691.85 million traditional against $572.29 million securitized, $119.6 million of savings).

[115] Joint Testimony of Kimberly Mooers, Michael Mace and John M. Murphy for the Office of the Treasurer (Oct. 12, 2026), p. 12.

[116] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), pp. 39–40 (the term) and p. 70 (the savings).

[117] Duke Energy, "Storm bonds save $300 million for Duke Energy customers in North Carolina" (Dec. 2, 2021).

> *The right discount rate is a basic principle of corporate and utility finance. That one choice decides which scheduled maturity date (the term) appears to give customers the lowest cost and the highest net present value savings. On CL&P's own EOE-5 cost streams, present-value savings at 20 years are $84.0 million at the 5.5 percent CL&P used and $121.8 million at CL&P's 7.09 percent cost of capital, the rate customers would otherwise carry these costs at in rates; the benefit of 20 years over 10 is $16.4 million at one rate and $43.3 million at the other. The Petition uses the cost of capital for its savings claim. The comparison of terms should use the same rate.*
>
> *The precedent is North Carolina's 2021 order, quoted above, which set the term by net present value savings to customers rather than fixing it in the petition. The precedents for the certifications in ¶¶2B and 2C are in item 2. The paragraph does not change the deferred-tax calculation in Section II.K, and says so. The statute ties that calculation to the expected interest rate on the bonds.*
>
> *The Treasurer's testimony concludes in favor of 12 years on intergenerational fairness. The paragraph does not displace that judgment. It asks only that the comparison be on one footing when the judgment is confirmed, so that the trade-off between a lower monthly charge and a longer term is visible on numbers the Authority can check.*
>
> ***Where the paragraph goes further.*** *No financing order prescribes the form of the comparison; the paragraph asks only that the two sets of numbers already in this record be put on one footing. The 20-year ceiling follows CL&P's own EOE-1 and EOE-2 answers, which run to 30 years.*

Item 2. The rate on pricing day: certifications, the pricing report and a three-day window — about $4.2 million for each tenth of a percent

Where it is marked: Section IV.B.3 ¶¶2B, 2C, 4; IV.B.11 ¶1. The marked text is in the order above.

What the record shows.

PURA asked, in RRU-3, whether the order should include "a not-to-exceed interest rate" beyond which CL&P "must return to PURA for further approval." CL&P answered that a cap "could dampen or even extinguish investor interest in the bonds."[118] The alternative to a cap is a check on pricing day: certifications from the people at the table, a pricing report, and a short window for PURA to act on a sale that does not comply with its order. The draft order has none of the three. The issuance advice letter in CL&P's draft is "for informational purposes" and "shall not be a condition."

Each tenth of a percent is about $4.2 million. The Treasurer's office will review the letter as "an affirmative gate on final bond economics," and the paragraphs keep that role. OTT's certification takes the place of the confirmation in CL&P's draft and says what the precedents have the commission's own adviser say.[119]

Comment.

> *Florida 2006 required the certifications and gave the Commission a stop right: "We find that FPL, the bookrunning underwriter(s), and this Commission's financial advisor each are required to certify that the structuring, marketing, and pricing of each tranche of storm-recovery bonds of each series in fact achieved the lowest cost objective." "Subject to review and approval by the Bond Team … and subject to a possible stop order of the Commission issued no later than 5:00 p.m. Eastern time on the third business day following pricing as provided in this Order, FPL shall be afforded flexibility in determining the final terms of each series of the storm-recovery bonds …"*[120]
>
> *North Carolina 2021: "each lead underwriter shall file an independent certification with the Commission confirming that the structuring, marketing, and pricing of the Storm Recovery Bonds … in fact resulted in the lowest Storm Recovery Charges consistent with market conditions at the time the Storm Recovery Bonds were priced and the terms set forth in this Financing Order." "Unless the Commission issues an order stopping the Storm Recovery Bond issuance before noon on the third business day after pricing because the Commission determines that the Issuance Advice Letter and all required certifications have not been delivered or the transaction does not comply with this Financing Order, the transaction shall proceed without any further action of this Commission."*[121]
>
> *The issuance advice letter: Florida's order lists what the letter must contain, including "a comparison of the pricing relative to an independent benchmark versus other similar securities historically and at the time of pricing; the amount of orders received and from whom," and makes the authority to issue "effective only upon FPL filing with this Commission an Issuance Advice Letter demonstrating compliance with all provisions of this Financing Order, and the Commission not issuing a stop order by 5:00 p.m. Eastern*

[118] CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-3.

[119] Joint Testimony of Kimberly Mooers, Michael Mace and John M. Murphy for the Office of the Treasurer (Oct. 12, 2026), p. 15.

[120] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Findings of Fact 92 and 105, pp. 33 and 36.

[121] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), Ordering Paragraphs 29 and 30, pp. 76–77.

> *Time on the third business day following pricing."*[122] *Connecticut's own 2000 order required the letter to carry "a calculation confirming net savings to ratepayers as a result of the RRB Transaction."*[123] *North Carolina's letter carries "an updated accounting of the up-front Financing Costs and the final Carrying Costs" and the certifications.*[124]
>
> ***Where the paragraphs go further.*** *The 2000 Connecticut order, like CL&P's draft, filed the letter "for informational purposes"; the letter "shall not be a condition." It is cited only for the net savings calculation. CL&P's draft drops that calculation. The condition and the stop right come from Florida and North Carolina. The precedents have the commission's own adviser certify. PURA has no adviser of its own, and Connecticut's statute gives the Treasurer the finance authority role. So the paragraph has OTT certify to the same effect as CL&P and the underwriters, and CL&P file that certification in place of the confirmation already in its draft. The pricing date is left to market conditions, as CL&P asked. The window applies only to final terms or costs that do not comply with the order. It does not reprice the bonds. It requires no adviser.*

[122] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 134, pp. 42–43, and p. 7.
[123] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Financing Order, Exhibit C, paragraph 28.
[124] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), Ordering Paragraph 29, p. 76.

Item 3. Upfront and ongoing costs: a final accounting, yearly reports and competing proposals — $6.95 million now; about $8.9 million over twelve years

Where it is marked: Section IV.B.11 ¶¶3, 4, 5. The marked text is in the order above.

What the record shows.

CL&P's upfront costs are an estimate of $6,950,000, including $1.5 million of issuer's counsel, $625,000 for underwriters' counsel chosen by Goldman, $300,000 for Goldman's structuring work and a $323,633 contingency on top of a $50,000 miscellaneous line. One item, the trustee, was competitively solicited.[125] Ongoing costs are $742,682 a year, about $8.9 million over twelve years.[126] At the hearing Commissioner Beecher asked "where in the record do we establish the reasonableness of these … 6.9 million," and said PURA "will have a chance to review and assess the reasonableness of the final costs."[127] The draft order approves the estimates. It has no accounting after the sale, no yearly report of what was paid and to whom, and no competitive selection. Eversource's own procurement policy, as PURA described it in the storm-cost decision, makes competitive bidding, with at least three bidders when feasible, the default for procurements over $50,000, with a sole-source justification or an exception to the competitive bid as the only alternatives.[128]

Comment.

> *Florida 2006, the final accounting: "Within 120 days after the issuance of storm-recovery bonds, FPL is required to file with this Commission information on the actual costs of the storm-recovery bond issuance, including upfront bond issuance costs. This Commission shall review such information to determine if such costs incurred in the issuance of the bonds resulted in the lowest overall costs that were reasonably consistent with market conditions at the time of issuance and the terms of this Order. Any incremental issuance costs in excess of the lowest overall costs will be disallowed …" Competitive selection: "Certain upfront bond issuance costs, such as fees for underwriters' services, underwriters' counsel, trustee services, and printing services shall be procured through a competitive solicitation process to achieve lower costs."*[129]
>
> *West Virginia 2006, reports and audit: "Each Applicant shall file with the Commission a periodic report showing the receipt and disbursement of proceeds of Environmental Control Bonds. Further, the Commission directs the Applicants and its affiliates involved in this transaction to provide the Commission with copies of all internal and external audits of funds conducted in this transaction. Staff of the Commission is authorized to review and audit the books and records of each Applicant relating to the receipt and disbursement of proceeds of Environmental Control Bonds."*[130]
>
> *Kentucky 2024, competitive selection: "A competitive process should be used for selecting underwriters, underwriters' counsel, and other significant transaction participants whose fees will be paid from securitized bond proceeds or from the securitized surcharge unless the Commission's Designated Representative, advised by the Financial Advisor,*

[125] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6 (each upfront item and how it was chosen) and EOE-7 (legal fees).

[126] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-8.

[127] Hearing video, part 1, 1:14:58–1:15:26 and 1:18:09.

[128] PURA, Final Decision, Docket No. 25-12-13 (July 29, 2026), p. 92.

[129] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Findings of Fact 62 and 63, p. 26.

[130] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Ordering Paragraph 41.

> *determines that a competitive process should not be used in selecting particular transaction participants to achieve the best value for customers and the Lowest Cost Objective."*[131] *California 2026: the Finance Team reviews and approves "the selection process for the underwriters, which shall include a request for proposals for the selection of the lead underwriters and shall include any and all other requests for proposals conducted by SCE …"*[132]
>
> *Customers, not shareholders, will pay an estimated $2.1 million in legal fees, of which about $1.4 million is for the transaction documents: $625,000 for the underwriters' counsel, chosen by Goldman, and $750,000 for CL&P's issuance counsel; the rest of CL&P's $1.5 million is for this proceeding. The record does not include a customer-side review of the documents they are writing. On underwriting, CL&P budgets 0.40 percent, which the Treasurer's testimony calls the "market standard"; Southern California Edison's $1.95 billion recovery bonds in July 2026 paid 0.36 percent.*[133]
>
> ***Where the paragraphs go further.*** *Florida reviewed the costs after the fact and could disallow them under its statute. ¶3 instead caps each cost at CL&P's own estimate before the sale, except underwriting and rating-agency fees, which move with the principal amount. It says in terms that it does not revalue the Financed Utility Services. Conn. Gen. Stat. § 16-245i(b)(1) protects that valuation. It limits the $323,633 contingency to invoices for costs within the other line items, so the contingency is not a cushion above the estimates. ¶5 excludes the rating agencies, the trustee and any provider already selected on competing proposals. It is marked as PURA's choice, as the one paragraph that sets a process in motion before closing; it runs during the appeal period.*

[131] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 43.

[132] CPUC, Decision 26-05-006 (May 23, 2026), pp. 50–51.

[133] CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-6 and EOE-7. Joint Testimony of Kimberly Mooers, Michael Mace and John M. Murphy for the Office of the Treasurer (Oct. 12, 2026), p. 14. SCE Recovery Funding LLC, Free Writing Prospectus, Series 2026-A (July 21, 2026). The difference on $620,364,568 is $248,146.

Item 4. Charges collected after the bonds are paid off — $14.9 million in the Texas example

Where it is marked: Section IV.B.8, after ¶14, and ¶12; II.J. The marked text is in the order above.

What the record shows.

At the hearing CL&P said that "any cash left in those accounts after the bonds are fully paid off" goes back to customers, other than the capital subaccount.[134] The October 27 revision wrote that into the draft: money left in the trustee's General and Excess Funds Subaccounts at payoff "shall be credited to CL&P's customers."[135] Neither the testimony nor the draft reaches the charges billed before payoff and collected after it, which go to CL&P and never reach the trustee. West Virginia 2006 credits customers with charges "collected after maturity of the Environmental Control Bonds and after discharge of all obligations in respect thereof."[136] In Texas, the balances remaining after CenterPoint's 2012 bonds were paid came to $14.9 million. They went back to customers under an order signed eighteen months after the scheduled final payment date.

Comment.

> *Connecticut 2000: "CL&P, as initial Servicer (or any successor Servicer), shall account for and ultimately credit to ratepayers any amounts remaining in the Collection Account (other than the Capital Subaccount and an amount equal to interest earnings thereon) after the RRBs are paid in full. Such amounts include any overcollateralization amounts, including interest earnings thereon, or RRB Charge collections that remain after the Total RRB Payment Requirements have been discharged. … These benefits will inure to the benefit of ratepayers through a credit to their CTA or, if there is no CTA, through a credit to other rates."*[137]
>
> *North Carolina 2021: "any tail-end collection subaccount will hold any Storm Recovery Charges that were collected after the final payment and satisfaction of the Storm Recovery Bonds and after the discharge of all obligations with respect to such bonds. In accordance with the Securitization Stipulation, the amount in the tail-end collection subaccount will be recorded as a separate regulatory liability, accrue carrying costs at DEC's net-of-tax WACC and credited back to customers in the Company's next rate case."*[138] *Kentucky 2024: "BondCo, or its successor in interest to the securitized property, shall also distribute to Kentucky Power any subsequently collected securitized surcharges. The amount of these distributions to Kentucky Power in excess of Kentucky Power's capital contribution shall be credited back to customers through the Securitized Bond Deferral Account without need for any further Commission action …"*[139]
>
> ***Where the paragraph goes further.*** *The paragraph takes North Carolina's structure: a tail-end collection subaccount, a separate regulatory liability and carrying costs at the net-of-tax weighted average cost of capital. North Carolina returns the money in the next rate case; Kentucky credits it through a deferral account without*

[134] Hearing video, part 1, 1:11:17–1:11:49.

[135] CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 1, p. 34 of 36.

[136] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Finding of Fact 42, as amended Jan. 17, 2007.

[137] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Financing Order, Exhibit C, paragraph 50.

[138] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), p. 43; Finding of Fact 17, p. 8 ("collections of Storm Recovery Charges after the Storm Recovery Bonds and all related Financing Costs have been repaid in full (Tail-end Collections)"); p. 26.

[139] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), Ordering Paragraph 22, p. 111.

> *further Commission action; Connecticut 2000 credited it through the CTA or other rates, without a deadline. The paragraph sets 90 days, requires notice to PURA within 30 days and a final reconciliation. Those three are Saber's additions. The subaccount is one more subaccount in the indenture's collection account, as in North Carolina. The capital subaccount is CL&P's own money and returns to CL&P; the paragraph does not touch it.*

Item 5. The servicing and administration fees — about $4.3 million over twelve years

Where it is marked: Section IV.B.8 ¶9. The marked text is in the order above.

What the record shows.

CL&P would receive $310,182 a year as servicer and $50,000 a year as administrator, about $4.3 million over twelve years.[140] Its regulatory testimony says the fees are credited to customers "through the normal ratemaking process."[141] At the hearing CL&P said the fees "would also be credited back through the RDM," and that "in a perfect world" that would be "a net zero for customers."[142] Its answer to RRU-10 describes a credit "through the Revenue Decoupling Mechanism ('RDM') for the subsequent period," and its Attachment 1 shows residential customers paying 59.20 percent of the fees and receiving 50.93 percent of the credit. Rider RDM carries no interest provision.[143] In 2000 the Department found that "to fund them again would mean that the Company would collect this cost twice." The draft order does not mention the credit.

Comment.

> *Connecticut 2000: "The cost of these employees is already collected through the Company's approved distribution rates. So to fund them again would mean that the Company would collect this cost twice. … The Department will allow CL&P to recover the servicing fee as a cost of securitization; however, the Department will apply an amount equal to the servicing fee to the CTA, annually at the time of the CTA True-up …" On interest: "If CL&P, as initial Servicer (or any successor Servicer), is making RRB Charge remittances less frequently than daily, CL&P (or such successor Servicer) will account for and remit to the trustee for the SPE Debt Securities any interest on RRB Charge collections."*[144] *In 2000 the interest went to the trustee for the bonds. The paragraph sends it to customers, with the fees.*
>
> *Florida 2006: "FPL has not justified that the annual fee is necessary to cover any incremental costs to be incurred by FPL in performing ongoing services as servicer. Thus, we find that FPL shall apply to the Reserve all amounts it will receive under the Servicing Agreement for ongoing services." The same finding covers the administration fee.*[145] *Florida 2015: "ORDERED that DEF shall credit back to customers through the capacity cost recovery clause all periodic servicing fees in excess of DEF's or an affiliate of DEF's incremental cost of performing the servicer function until the next rate case …"*[146]
>
> *North Carolina 2021: "That DEC will establish a regulatory asset or regulatory liability account … for the purpose of tracking (as received and incurred) servicing and administration fees received by DEC from the DEC SPE and the incremental costs incurred by the Company in fulfilling the required functions under the servicing and administrative agreements. Any regulatory asset or liability account established pursuant to this paragraph shall accrue carrying costs at DEC's net-of-tax WACC, and*

[140] Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 33 and Schedule 2.

[141] Joint Regulatory Testimony, Ex. CLP-REG-1 (Sept. 25, 2026), p. 20 (filed with the Petition).

[142] Hearing video, part 1, 1:24:52–1:25:29.

[143] CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-10 and Attachment 1. CL&P, Rider RDM.

[144] Connecticut DPUC, Decision and Financing Order, Docket No. 00-05-01 (Nov. 8 and Dec. 12, 2000), Decision, p. 15, and Financing Order, Exhibit C, paragraph 51.

[145] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Findings of Fact 114(b) and 116, pp. 38–39.

[146] Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), Ordering Paragraph 80, pp. 61–62.

> *be considered for recovery from or returned to customers in DEC's next general rate case."*[147]
>
> ***Where the paragraph goes further.*** *North Carolina tracks the fees with interest and returns them in the next rate case. Florida 2015 credits them through a clause until the next rate case. Connecticut 2000 credited them once a year. The paragraph credits them within 30 days of each semi-annual servicer report, by rate class, with interest if late, and keeps the credit out of the RRB Charge. Incremental costs are reconciled in the next rate case. The savings clause follows Kentucky 2024: "The failure on the part of Kentucky Power to provide any such credit to ratepayers should in no way affect the securitized property, the securitized surcharge or the rights of Kentucky Power, the indenture trustee and the holders of securitized bonds under the Financing Order."*[148]

[147] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), Ordering Paragraph 12, p. 73.
[148] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 39.

Item 6. Indemnities paid from the customer charge — a $10 million cap where CL&P's draft leaves a blank

Where it is marked: Section IV.B.7 ¶3A. The marked text is in the order above.

What the record shows.

CL&P's draft indenture pays the trustee's "fees, expenses and outstanding indemnity amounts" first from collections, "in an amount not to exceed $[●] per Payment Date." The figure is blank.[149] No witness testified to the indemnities in the agreements. Indemnities paid from the charge are paid by customers.

Comment.

> *Florida Power & Light's 2007 storm-recovery bonds, payment priority under the indenture: "payment of the indenture trustee's fees, expenses and any outstanding indemnity amounts provided that payment of indemnity amounts will be limited to $10 million in the aggregate unless the issuer has satisfied the rating agency condition."*[150]
>
> ***Where the paragraph goes further, and a disclosure.*** *This is the one marked paragraph whose precedent is a bond document rather than a financing order. The Florida cap covers the indenture trustee's indemnity amounts. The paragraph applies the same $10 million figure and the same rating-agency exception to the trustee and the other service providers paid from the charge; the indemnities in the underwriting agreement, which are uncapped in every public offering, are outside it. It keeps CL&P's own indemnities, including the customer indemnity in item 8, off the charge. The Florida bonds sold with the cap in place.*

[149] CL&P, draft Indenture, Ex. CLP-INDENTURE-1C (Sept. 25, 2026), § 8.02(e)(i), p. 60 (filed with the Petition).

[150] FPL Recovery Funding LLC, Prospectus Supplement, Form 424B5 (May 2007), pp. S-2 to S-3 and S-15.

Item 7. The true-up: a March 1 preview, workpapers and arithmetic errors — a 2 percent miss is about $1.3 million a year

Where it is marked: Section II.J; IV.B.2 ¶3A. The marked text is in the order above.

What the record shows.

At the hearing CL&P said it would "submit something on March 1st for review that will very much look like the actual true-up letter," with the final letter effective May 1 "outside of a mathematical error."[151] PURA asked in RRU-14 how it can verify the inputs of an automatic true-up.[152] LFE-004 shows what a 2 percent miss looks like: $1,333,987 in CL&P's illustrative example.[153] At the technical meeting CL&P said PURA's review after the order is limited: "it's only truly if there is a mathematical flaw." The July 13 presentation called a semi-annual true-up "best practice."[154] The draft order provides an annual true-up, not a semi-annual one; its mid-year letter is filed only for a projected shortfall. It has no preview, no workpapers and no set period for staff to find an error.

Comment.

> *Florida 2006: "Consistent with Section 366.8260(2)(b)2.e. and (2)(b)4., Florida Statutes, and this Financing Order, the servicer will file True-Up Adjustment Letters not less often than every six months." "Along with each True-Up Adjustment Letter, FPL shall provide workpapers showing all inputs and calculations, including its calculation of the Storm Bond Repayment Charge and Storm Bond Tax Charge by rate class. … our staff … will either administratively approve the requested true-up calculation in writing or inform FPL of any mathematical errors in its calculation as expeditiously as possible but no later than 60 days following FPL's true-up filing."*[155]
>
> *North Carolina 2021: "That the True-up Mechanism identified in Appendix B to this Financing Order is approved and shall be applied at least semi-annually (and at least quarterly beginning 12 months prior to the last scheduled final payment date of the last maturing tranche of a series of Storm Recovery Bonds)." "Along with each True-up Adjustment Letter, the servicer shall provide workpapers showing all inputs and calculations … the Commission … shall render an administrative approval of the request or inform the servicer of any mathematical or clerical errors in its calculation as expeditiously as possible, but no later than 30 days following the servicer's true-up filing."*[156]
>
> *West Virginia 2006: "The Applicants shall file Routine True-Up Letters at least 15 days before the end of each semi-annual payment period to adjust their respective Environmental Control Charges." "If the Commission finds mathematical errors in a Routine True-Up Letter, the Commission may adjust the Environmental Control Charge. There shall be no time limit on the Commission's ability to find and correct mathematical errors."*[157] *Kentucky 2024: "To ensure the timely correction of any under or overcollection, the Commission finds that true-ups should be required at least semi-*

[151] Hearing video, part 1, 1:41:08–1:43:13.

[152] CL&P, Responses to RRU-1 to RRU-18 (Oct. 19, 2026), RRU-14.

[153] CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-004.

[154] Technical meeting video (July 13, 2026), 1:14:44–1:15:00. Presentation for July 13 Technical Meeting (filed July 9, 2026), slide 6.

[155] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Findings of Fact 78 and 80, pp. 30–31.

[156] NCUC, Financing Order, Docket No. E-7, Sub 1243 (May 10, 2021), Ordering Paragraph 22, p. 75, and p. 51.

[157] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Findings of Fact 62 and 64.

> *annually … except in the 12 months prior to the scheduled final payment date for the latest maturing tranche of securitized bonds of a particular series in which case the Commission finds that true-ups should be required at least quarterly as proposed by Kentucky Power."*[158]
>
> *Under CL&P's draft, a shortfall is corrected within a month; an overcharge to customers could remain uncorrected for up to a year. If a mistake costs customers money, correcting it should not be harder or slower than correcting a mistake that costs the bondholders money. Under CL&P's 2001 order the servicer could file a routine true-up letter quarterly, and monthly in the last year.*[159]
>
> ***Where the paragraphs go further.*** *Florida and North Carolina give staff 60 and 30 days to find an arithmetic error. After that the letter is deemed approved. The paragraphs keep CL&P's deemed approval and give staff 30 days. The sentence that puts no time limit on correcting an arithmetic error comes from West Virginia alone. The March 1 preview is CL&P's own. The 2 percent interim trigger uses CL&P's illustrative figure from LFE-004. The 30-day period in Section II.J is the period for staff review before the deemed approval; it does not limit the correction of an error found later.*

[158] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 29.

[159] Connecticut RRB Special Purpose Trust CL&P-1, Prospectus (Mar. 27, 2001), "The Financing Order—True-Up Letters" (the servicer "may file a routine true-up letter . . . quarterly or, beginning in the last year that the certificates are scheduled to be outstanding, monthly").

Item 8. The agreements after closing: amendments, negligence and the customer indemnity — no dollar estimate in the record

Where it is marked: Section IV.B.8 ¶¶1, 1A, 1B; IV.B.9 ¶¶1, 1A. The marked text is in the order above.

What the record shows.

The servicing and administration agreements will govern these bonds for their life. CL&P's testimony describes them. The prefiled testimony does not address their customer-side terms: the servicer's standard of care, amendments after closing, indemnities, and interest and late charges. A search of the Treasurer's testimony found no discussion of them, and the hearing captions record no question on them.[160]

The draft order approves each agreement "to the extent it is substantially consistent in material respects" with the draft filed, with any changes the rating agencies recommend. The drafts settle the terms against customers: the servicer is liable only for willful misconduct, bad faith or gross negligence, and only to the bond company and the bondholders; it is not liable "for errors in judgment"; and the agreements may be amended with the trustee's consent, or with majority bondholder consent and the rating agency condition, with no notice to PURA.[161]

Comment.

> *Kentucky 2024: "the Financial Advisor and counsel to the Commission Staff should review and approve the proposed forms of all Basic Transaction Documents. In addition, after securitized bonds have been issued, the Basic Transaction Documents should only be amended upon written consent from the Commission." Standard of care: "As servicer under the Securitized Property Servicing Agreement and as administrator under the Administration Agreement, Kentucky Power should be held to a simple negligence standard. Kentucky Power, as servicer or as administrator, should be required to indemnify customers for any loss, including any loss resulting from higher compensation payable to a successor servicer or a successor administrator, that results from Kentucky Power's breach of the Securitized Property Servicing Agreement or the Administration Agreement."*[162]
>
> *West Virginia 2006: "The Commission finds and directs that an Applicant shall indemnify customers to the extent customers incur losses by reason of the negligence, recklessness or willful misconduct of that Applicant as Servicer, including without limitation losses associated with higher servicing fees payable to a substitute Servicer as a result of such negligence, recklessness or willful misconduct of that Applicant as Servicer."*[163] *Florida 2006: "FPL shall indemnify customers to the extent customers incur losses associated with higher servicing fees payable to a substitute servicer as a result of FPL's negligence, misconduct, or termination for cause. This indemnification provision shall be reflected in the transaction documents for these storm-recovery bonds."*[164]

[160] Saber searched the Treasurer's testimony for "servicing," "indenture," "indemn," "negligen" and "amend," and the captions of both parts of the hearing for "negligen," "amend," "indemn" and "certif." CL&P's testimony lists indemnity obligations among the costs the RRB Charge pays: Direct Testimony of Matthew P. Fallon, Ex. CLP-TREASURY-1 (Sept. 25, 2026), p. 23, lines 17–20, and p. 35, lines 3–5.

[161] CL&P, draft Servicing Agreement, Ex. CLP-FINANCING ORDER-1B (Sept. 25, 2026), § 6.02(b), p. 15; § 6.03, p. 17; § 8.01(a)–(b), p. 24; draft Administration Agreement, Ex. CLP-FINANCING ORDER-1A, § 5.15.

[162] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), pp. 38–39 and Ordering Paragraph 7, pp. 101–104.

[163] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Finding of Fact 46, as amended Jan. 17, 2007.

[164] Florida PSC, Order No. PSC-06-0464-FOF-EI (May 30, 2006), Finding of Fact 114(c), p. 38.

> *Florida 2015 extends the same indemnity to "higher administration fees payable to a substitute administrator."*[165] *The servicing agreements themselves carry the consent right: Duke Energy Florida's 2016 agreement and Duke Energy Progress's 2021 North Carolina agreement each require the commission's consent to an amendment.*[166]
>
> ***Where the paragraphs go further.*** *¶1 approves rating-agency changes within five business days, or deems them approved. The rating process is not held up. ¶1A requires PURA's consent to any other amendment after closing. ¶1B holds the servicer to simple negligence for its calculation of the charge, indemnifies customers, and bars recovery of the cost of the servicer's own error from the charge. The administration agreement follows on the same terms. None touches the charge, the true-up or the payments on the bonds.*

[165] Florida PSC, Order No. PSC-15-0537-FOF-EI (Nov. 19, 2015), p. 34.

[166] Duke Energy Florida Project Finance, LLC, Servicing Agreement (June 22, 2016), § 8.01(c); Duke Energy Progress NC Storm Funding LLC, Storm Recovery Property Servicing Agreement (Nov. 24, 2021), § 8.01(c).

Item 9. One bond company — the cost of a second company stays off the charge

Where it is marked: Section II.D; IV.B.5 ¶1A. The marked text is in the order above.

What the record shows.

CL&P's draft allows "one or more" bond companies and, in Section II.D, a separate company for each series. PURA asked in LFE-002 about the need for a second company and its cost.[167] CL&P's answer to LFE-002 says a second entity would cost "modestly higher."

The utilities' own trade association answers the question. In December 2025 the Edison Electric Institute, which "represents all U.S. investor-owned electric utilities," told the SEC: "Public utility securitizations can be structured using a single SPE that conducts multiple issuances (a 'series trust' structure), or by using a separate SPE for every securitization." EEI "supports the ability to continue to use a series trust structure and the same special purpose entity ('SPE')/issuer for multiple public utility securitizations." It added that creating "a new SPE for every securitization … can be process-intensive for public utilities and result in unnecessary confusion and delays in the market."[168]

In a series trust each series is secured by its own property and its own accounts, and the company can issue under the same financing order or under later ones. West Virginia's 2006 order authorized its two bond companies to work that way. Each sold a series in 2007 and again in 2009 under that order (Appendix A). The 2007 prospectus described the company's "authority and flexibility to issue additional indebtedness (including additional debt securities that are not environmental control bonds) in future transactions, with the approval of the PSC," and said that "[e]ach series of securities that we may issue will be backed by separate property."[169]

SCE's bond company in California, formed for its 2021 bonds, has sold five series, each under a separate financing order. Its organizational documents provide that it "may issue one or more series of Recovery Bonds pursuant to the original Financing Order or any subsequent Financing Order," each "secured by separate Recovery Property." PG&E's bond company has sold three series the same way.[170]

North Carolina shows that the authority alone is not enough. Duke Energy Carolinas' 2021 North Carolina bond company was written as a series trust, with "the authority and flexibility to issue additional storm recovery bonds in future transactions, with the approval of the NCUC." In 2025 Duke formed new companies for its next North Carolina storm bonds anyway, one for each of its two utilities.[171]

[167] CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-002.

[168] Edison Electric Institute, Comment Letter, SEC File No. S7-2025-04 (Dec. 1, 2025), pp. 1 and 3. Eversource Energy is a member: Edison Electric Institute, Members List (June 2026).

[169] MP Environmental Funding LLC, Prospectus (Apr. 2007), "Series Trust; Issuance of Additional Securities," p. 56.

[170] SCE Recovery Funding LLC, Limited Liability Company Agreement, § 1.06(a); SCE Recovery Funding LLC, Prospectus, Series 2026-A (July 23, 2026) ("the fifth series"; "each issued pursuant to a separate financing order"); PG&E Recovery Funding LLC, Prospectus, Series 2024-A (July 2024) ("the third series"; "Each series of prior AB 1054 recovery bonds was issued pursuant to a separate financing order and is secured by separate fixed recovery charges and separate recovery property").

[171] Duke Energy Carolinas NC Storm Funding LLC, Prospectus (Nov. 2021), pp. 12–13; Duke Energy Carolinas NC Storm Funding II LLC and Duke Energy Progress NC Storm Funding II LLC, Prospectuses (Rule 424(b)(1), Sept. 25, 2025).

SCE's bond company also filed its first registration statement with the SEC fifteen days before the commission's 2020 financing order issued.[172]

Comment.

> *California 2026: the order let SCE use the company formed for its 2021 bonds for the 2026 bonds as well: "To issue the Recovery Bonds, SCE proposes to use the Existing SPE, or to form another wholly owned but legally and fiscally independent SPE." "SCE proposes to contribute equity (or additional equity in the event the Existing SPE is utilized) to the SPE …"*[173]
>
> ***Where the paragraph goes further.*** *The California order authorized the existing company or new ones. ¶1A keeps CL&P's "one or more." It adds two conditions: a second company needs PURA's approval, and its extra cost stays off the customer charge. Avoiding the "modestly higher" cost is the point. The sentences on separate collateral and series authority follow SCE's LLC Agreement § 1.06; they also leave the company ready for any later Connecticut storm bonds. It also gives PURA the right to appoint, remove and replace at least one independent manager, as Kentucky 2024 ("The Commission is authorized to appoint, as well as remove and replace, at least one of the BondCo's independent managers") and West Virginia 2006 (the final director of each SPE "selected (and subject to removal) by the Commission") provide.*[174]

[172] SCE Recovery Funding LLC, Form SF-1 (Oct. 26, 2020); Form SF-1/A (Jan. 19, 2021) (financing order D.20-11-007 issued Nov. 10, 2020); filings 2021–2026.

[173] CPUC, Decision 26-05-006 (May 23, 2026), pp. 16–17 (printed pages).

[174] Kentucky PSC, Financing Order, Case No. 2023-00159 (Jan. 10, 2024), p. 39 and Ordering Paragraph 6. West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Ordering Paragraph 71(d).

Item 10. Three findings restored from CL&P's September 25 draft — no dollar estimate

Where it is marked: Section III.C ¶1; III.D ¶1; IV.B.4 ¶4. The marked text is in the order above.

What the record shows.

CL&P's September 25 draft carried three findings that the October 27 revision dropped:

- the RRB Charge is just and reasonable on "the totality of evidence presented on the record";
- CL&P's flexibility over the final terms is in the best interests of ratepayers;
- the use of proceeds is just and reasonable.

CL&P's own redline shows the deletions.[175] PURA's findings must rest on the evidence in the record.[176] The record does not show why the October 27 revision dropped them; if the deletions were made at the Authority's request, this item falls away.

Comment.

> *The September 25 text: the RRB Charge "is just and reasonable. This ultimate finding is based upon the totality of evidence presented on the record of this proceeding. The evidence presented also supports the following specific findings." "The use of the proceeds of the Rate Reduction Bonds by the Financing Entity and CL&P, as described in the Transaction Description, is just and reasonable."*[177]
>
> ***Where the paragraphs go further.*** *The September 25 sentences are put back as written, with two changes. The flexibility finding in Section III.D is made "subject to Section IV.B.3, paragraphs 2A to 2C," so that the flexibility and the pricing-day check read together. The use-of-proceeds finding adds "is supported by the evidence of record," and keeps the October 27 reference to Conn. Gen. Stat. § 16-245j(c)(4)(A).*

[175] CL&P, Proposed Financing Order, Ex. CLP-FINANCING ORDER-1 (Sept. 25, 2026), pp. 28, 29 and 32; CL&P, Late-Filed Exhibits LFE-001 to LFE-005 (Oct. 27, 2026), LFE-003, Attachment 2 (CL&P's redline of the two drafts).

[176] Conn. Gen. Stat. § 4-180(c) ("Findings of fact shall be based exclusively on the evidence in the record and on matters noticed.").

[177] Ex. CLP-FINANCING ORDER-1 (Sept. 25, 2026), pp. 28 and 32.

Item 11. PURA's choice: carrying charges if the bonds are not priced within 120 days — about $4 million a month

Where it is marked: Section IV.B.3 ¶2D. The marked text is in the order above.

What the record shows.

Carrying charges on the storm costs accrue at CL&P's weighted average cost of capital until the bonds are sold, about $4 million a month. They are recovered in the rate case.[178] CL&P's proposed cost of long-term debt, as stated at the hearing, is 4.81 percent.[179] CL&P's schedule puts issuance in early June 2027, past 120 days from the January 20, 2027 final-decision date in PURA's schedule (tentative); the hearing put it in late April.[180]

Comment.

> *Louisiana 2024: "Carrying charges incurred by SWEPCO after March 31, 2024 and before the issuance of the securitization shall accrue at 3.125% on the storm recovery costs balance of the 2020 Hurricanes and the 2021 Winter Storm, and shall accrue at 5.65% for the June 2023 Storm from July 1, 2023 and before the issuance of the securitization …"*[181]
>
> ***Where the paragraph goes further.*** *Louisiana fixed the rates and the date in the order. ¶2D uses CL&P's cost of long-term debt as the rate and 120 days after the order as the date, and excepts delay caused by an order of PURA or a court. It has no effect if the bonds are priced within 120 days. PURA's Final Decision in Docket No. 25-12-13 recovers the carrying charges in the rate case; the paragraph governs only the rate from the date set. It is marked as PURA's choice.*

[178] Hearing video, part 2, 1:13:28–1:13:57 (CL&P is "receiving about $4 million a month for carrying charges"; CL&P: "Correct"). The carrying charges are recovered in the rate case, not through the bonds: PURA, Final Decision, Docket No. 25-12-13 (July 29, 2026), p. 144.

[179] Hearing video, part 2, 1:00:50 ("the proposed cost of long-term debt is 4.81%").

[180] PURA, Docket No. 26-04-04, Time Schedule (revised Oct. 2, 2026) (Regular Meeting/Final Decision, tentative, January 20, 2027; statutory deadline January 25, 2027); CL&P, Responses to EOE-1 to EOE-9 (Oct. 15, 2026), EOE-7 (issuance projected June 2027). Hearing video, part 2, 1:12:44–1:13:05 (late April).

[181] Louisiana PSC, Order No. U-36174-B (Second Corrected), Docket No. U-36174 (SWEPCO), Findings of Fact, paragraph 23, p. 20.

Appendix A — The West Virginia Registration Statements, 2007 and 2009

West Virginia's 2006 financing order adopted "standards and procedures which the Commission finds represent best practices for the benefit of consumers."[182] Two bond companies then sold bonds under that order, in 2007 and again in 2009. The SEC's review of each registration statement is public. Every date and figure below was read from the EDGAR filing on November 1, 2026. The four filings, with the SEC's comment letters and the issuers' responses, are on EDGAR at the links in the footnotes below.

Filing	Form S-1 filed	SEC comment letters	Declared effective	Priced / closed	Days, first filing to closing
MP Environmental Funding LLC, Series A, $344,475,000[183]	Jan. 5, 2007	Feb. 2 (15 comments); Mar. 2 (5); Mar. 16 (2)	Mar. 21, 2007	Apr. 3 / Apr. 11, 2007	96
PE Environmental Funding LLC, Series A, $114,825,000[184]	Jan. 11, 2007	Feb. 2 (the same 15)	Mar. 21, 2007	Apr. 3 / Apr. 11, 2007	90
MP Environmental Funding LLC, Series B, $64,380,000[185]	Oct. 30, 2009	Nov. 25 (5)	Dec. 15, 2009	Dec. 16 / Dec. 23, 2009	54
PE Environmental Funding LLC, Series B, $21,510,000[186]	Dec. 4, 2009	None	Dec. 15, 2009	Dec. 16 / Dec. 23, 2009	19

What the four filings show.

- **Time.** In 2007, from the first registration statement to closing took 96 days, through two rounds of SEC comments and a two-item follow-up. In 2009 it took 54 days, with one comment letter. The Commission's order issued April 7, 2006 and was amended on January 17, 2007; the registration statements were filed January 5 and 11, 2007, and the bonds closed April 11, 2007. The table measures the SEC review from the first filing, because the SEC review is what CL&P's witness said would be delayed.
- **The SEC's questions.** The five letters carried fifteen, five and two comments in 2007 (the fifteen went to both issuers) and five in 2009. None concerned the Commission's financial adviser, the certifications required by the financing order, the Commission's role in structuring, marketing and pricing, or its consent to amendments. The comments concerned disclosure: credit enhancement, the flow of funds, affiliations, risk-factor wording, the issuer's reporting regime, the swap counterparty, the trustee and defeasance.

The Authority can adopt any of the marked paragraphs, or all of them, from the record it already has. For any paragraph that raises a rating-agency or bond-counsel concern, the source order or document and the reason for any difference will be provided on request.

Respectfully submitted,

[182] West Virginia PSC, Financing Order, Case Nos. 05-0402-E-CN and 05-0750-E-PC (Apr. 7, 2006, as amended Jan. 17, 2007), Section E.2, pp. 46–47.

[183] Form S-1, File No. 333-139820; SEC letters of Feb. 2, 2007, Mar. 2, 2007 and Mar. 16, 2007; Prospectus (424B1, Apr. 5, 2007); Form 8-K (Apr. 17, 2007), underwriting agreement dated Apr. 3, 2007 and closing Apr. 11, 2007.

[184] Form S-1, File No. 333-139937; filing index; SEC letter of Feb. 2, 2007 (the same fifteen comments); Prospectus (424B1, Apr. 5, 2007).

[185] Form S-1, File No. 333-162749; filing index; SEC letter of Nov. 25, 2009; Prospectus (424B1, Dec. 18, 2009); Form 8-K (Dec. 23, 2009), underwriting agreements dated Dec. 16, 2009.

[186] Form S-1, File No. 333-163488; filing index (no SEC comment letter appears on EDGAR for this filing); Prospectus (424B1, Dec. 18, 2009).

Joseph S. Fichera, Chief Executive Officer, Saber Partners, LLC, 260 Madison Avenue, 8th Floor, New York, NY 10016 | jfichera@saberpartners.com | 212-410-4090[187]

[187] © 2026 Saber Partners, LLC. This document may be reproduced and distributed in full, unaltered, with attribution to Saber Partners, LLC, and may be cited and quoted in PURA Docket 26-04-04 without further permission. Saber Partners has not been retained by any party in this matter, and this document does not create an advisory relationship with any recipient.