Date Filed: August 11, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

(Environmental Remediation) To the extent the Company is aware, identify all other utilities in Connecticut that recover actual financing costs instead of short-term debt financing for deferred costs.

Response:

The Company is not aware of any situation where short-term debt is routinely applicable to deferred costs because deferred costs, in most cases, extend beyond a year, and therefore, is financed with long-term sources of capital. In contrast, the amount of short-term debt that is available to a given utility is limited and must be repaid within days, weeks or months, *not years*. Moreover, on a day-to-day basis the Company must maintain ample liquidity to fund its ongoing capital program as well as to address emerging operating circumstances. Collectively, this means that short-term debt cannot reasonably be considered to be supporting outstanding deferrals on a sustained basis, along with all other ongoing business needs. Further, PURA has consistently recognized the fundamental regulatory principle that regulated utilities that are required to finance unrecovered costs over an extended period, should be made whole at the weighted average cost of capital deployed to finance those costs.