Date Filed: September 17, 2026

**Witness: Douglas P. Horton and Ann Bulkey**
**Request from: ALLCO**

**Question:**

For each mechanism proposed or continued in this Application that reduces the variability of the Company's revenues, cash flows, or cost recovery — including revenue decoupling, the proposed Storm Cost Recovery Adjustment Factor rider, the proposed multi-year rate plan, the proposed earnings sharing mechanism with no downside exposure, and each other rate adjustment mechanism or tracker — (a) identify where, if anywhere, the Company's return-on-equity analysis quantifies the risk-reducing effect of that mechanism on the Company's cost of equity; (b) state the basis-point adjustment, if any, attributed to each such mechanism in arriving at the requested 10.25% return on equity; and (c) if no adjustment was made for a mechanism, explain why a return derived from a proxy group is an appropriate estimate for a company whose risk profile the Application simultaneously proposes to reduce.

**Response:**

(a) Please refer to Exhibit CLP-ROE-1 Testimony, Section VII, and Exhibit CLP-ROE-9 for Ms. Bulkley's direct testimony regarding the business risks reviewed in her analyses. As shown in the exhibit, Ms. Bulkley reviewed various mechanisms that have been implemented by operating utilities of the proxy group companies and compared those mechanisms to the mechanisms that have been implemented by CL&P and proposed in this proceeding. Ms. Bulkley did not make any specific adjustments to the ROE for adjustment mechanisms or trackers, but rather reviewed the cost of equity analyses performed; current market conditions; and, the comparison of CL&P's risk to the proxy group companies, in aggregate, and concluded that the Company's requested ROE of 10.25 percent is appropriate.

(b) Please refer to Exhibit CLP-ROE-1 Testimony, Section IX, for Ms. Bulkley's direct testimony regarding factors considered in determining that the Company's requested ROE was reasonable and appropriate. Ms. Bulkley did not establish a specific adjustment for each risk factor discussed but rather established her range taking into consideration the range of model results, market conditions, and other business risks. The Company established its requested ROE at the low end of Ms. Bulkley's range.

(c) The proxy group data is used to establish the range of cost of equity model results presented in Figures 1 and 13 of Exhibit CLP-ROE-1. Please refer to subparts (a) and (b), above, for reference to how Ms. Bulkley established the appropriate range for CL&P's ROE.