Date Filed: October 09, 2026

Witness: Jenifer B. Rizza
Request from: Public Utilities Regulatory Authority

Question:

(PENSION AND OPEB) Application, Sch. C-3.12; Interrog. Resp. OCC-336, Att. 1, Interrog. Resp. OCC-338, Att. 1 and Interrog. Resp. OCC-339, Att. regarding the pension and post-employment benefit expense attributed to CL&P and the funded status of the plans:

a. (i) State the basis for the expected return on plan assets of 8.25%, held constant from 2021 through the Rate Year; (ii) provide the capital market assumptions and asset allocation for each year; and (iii) provide the unabridged actuarial reports for each calendar year from 2021 through 2025.
b. Explain the change in the amortization of prior service cost in the projected post-employment benefit cost in the Attachment 1 to the response to Interrogatory OCC-339 for CL&P from positive $991,966 in 2027 to negative $25,755 in 2028, and for the Service Company from negative $3,495,333 to negative $40,689. State the date each amortization expires. Provide the projected expense for each of calendar year from 2029 through 2031.
c. State the amount of any prepaid pension asset, prepaid post-retirement asset, accrued liability, and related regulatory asset or liability at the date certain, and the amount included in or excluded from rate base.
d. Provide an unlocked Excel spreadsheet with formulas intact that shows the Rate Year pension and post-employment benefit expense for CL&P, and for EESCO as allocated to CL&P, at expected returns on plan assets of 8%, 7.75%, 7.50%, and 7%.
e. Attachment 1 to the response to interrogatory OCC-339 shows plan assets exceeding the obligation on January 1, 2027 by $185,553,775 for CL&P distribution and $148,732,071 for the Service Company, with no employer contribution. State the portion of each surplus attributable to contributions recovered in CL&P distribution rates in prior rate periods, including the rates approved in Docket No. 17-10-46.

Response:

a. (i) In developing the long term expected return on assets assumptions ("EROA"), Eversource considers input from actuaries, consultants and economists, as well as long-term inflation and growth assumptions. The EROA is based on target asset allocation weights and long-term return expectations for various asset classes. The EROA is a long-term, twenty to thirty year expected return on assets and as such, it does not fluctuate typically from year to year.

The expected rates of return by asset class are based on management's judgment using publicly available information regarding historical long-term actual rates of return, adjustments for current market conditions, performance experience, and expectations regarding future performance for the various asset categories.

(ii) Please refer to RRU-065, Attachment 1, showing the expected asset class returns and asset allocation for each year from 2021 to 2025.

(iii) Please refer to RRU-065, Attachment 2 through RRU-065, Attachment 11, for the unabridged Pension and OPEB actuarial reports for each calendar year from 2021 through 2025.

b. The change in amortization of prior service cost in projected post-employment benefit cost is related to a Plan Amendment that was the result of moving to the Exchanges. The amortization of prior service cost related to this amendment expires in 2027.

Projected expense/(income) for each calendar year from 2029 through 2031 used for long-range planning purposes and calculated by the actuary is shown in the table below. These amounts are before capitalization. Service Company expense/(income) is in total and does not reflect allocation to CL&P Distribution.

Year	CL&P Distribution	EESCO
2029	(32,137,445)	(26,307,673)
2030	(34,429,229)	(27,675,178)
2031	(36,896,839)	(28,988,058)

c. Please refer to RRU-065, Attachment 12, for the prepaid pension asset, prepaid post-retirement asset, and related regulatory asset/liability balances at the date certain. There are no accrued liabilities related to pension or OPEB at the date certain. The accounts included in Attachment 12 are excluded from rate-base.

d. Please refer to RRU-065, Attachment 13, showing the impact to expense of a 25 basis point decrease in the expected return on plan assets to Rate Year pension and post-employment benefit expense for CL&P and for EESCO as allocated to CL&P. The 25 basis point sensitivity can be applied to expected returns on plan assets of 8%, 7.75%. 7.50% and 7% relative to the assumed rate of return of 8.25%.

e. There is no portion of each of these surpluses that is attributable to contributions recovered in CL&P distribution rates in prior periods. The amounts recovered in CL&P distribution rates have been based on prior actuarially determined pension expense amounts and not

contribution amounts. It is generally understood that contributions will converge with actuarially determined pension expense amounts over extended periods.