Date Filed: October 13, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: New England Connectivity and Telecommunications Association

Question:

Please discuss whether approval of Eversource's proposed amortization of the costs in the deferred asset for Third Party Pole Make Ready would reduce Eversource's regulatory risk even to a small degree.

Response:

Amortization of the costs deferred to the regulatory asset does not reduce regulatory risk, even to a small degree. The regulator would not authorize the recovery of the deferred asset unless there were a symmetrical, balanced impact for the utility and its customers and after consideration of the trade-offs inherent in the deferral, which means that there are costs and benefits that are matched up, providing a reasonable basis for deferral and amortization. Further, in Docket No. 19-01-52RE01, PURA recognized the "EDCs received some level of recovery in base distribution base rates to perform non-billable make-ready work, the amount has been demonstrated to be insufficient to meet the amount of make-ready work currently underway and anticipated in the coming years", directing the Company to record a regulatory asset "and seek approval for them in the next general rate case." Docket No. 19-01-52RE01 at 45.

Regulatory risk is not reduced because a utility has obtained recovery of a cost that it has necessarily incurred in the course of providing safe and reliable service to customers. "Risk" arises where outcomes have a potential to deviate from expectations. Allowing recovery of a cost that the utility has necessarily incurred in the course of providing safe and reliable service to customers and would expect to occur is not a deviation from an expected outcome, given that the expected outcome would include recovery.