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 environmental remediation costs via a regulatory asset.

Response:

Although not intended as an exhaustive list,[1] the Company's legal counsel has informed the Company of the following Connecticut proceedings with an outcome where deferral accounting was authorized for environmental remediation costs:

- Decision dated December 21, 1988, in Docket No. 88-05-25, Application of The Connecticut Light and Power Company for Approval of New and Amended Rate Schedules, at 55 (allowing pro forma expenses for coal tar remediation to be deferred, indicating that customers would be responsible for the cost).

- Decision dated August 26, 1992, in Docket No. 92-02-19, Application of Yankee Gas Services Company for an Increase in Rates, (recognizing that "to the extent that coal-tar remediation expenses are prudently incurred, they should be allowed as proper operating expenses).

- Decision dated December, 15, 1993, in Docket No. 93-02-04, Application of Connecticut Natural Gas Corporation to Amend its Rate Schedules, at 11, 55 (allowed for the creation of a deferred regulatory asset for the remediation of coal tar costs).

- Decision dated January 30, 2002, in Docket No. 01-05-19PH01, Application of Yankee Gas Services Company for a Rate Increase, at 34 (discussing the long-standing allowance for deferral accounting of environmental remediation costs since the company's 1992 rate case and stating "[t]he Department encourages Yankee's interest in environmental stewardship. Timely remediation is in the public interest…").

- Decision dated December 8, 2004, in Docket No. 04-06-01, Application of Yankee Gas Services Company for a Rate Increase, at 7 (stating, ***deferral of such costs is accepted practice***).

[1] The Company reserves the right to conduct additional research on this topic as needed throughout the course of this proceeding.

- Decision dated May 25, 2005, in Docket No. 04-12-17, Application of Yankee Gas Servs. Co. for an Acct. Ruling to Defer Manufactured Gas Plant Env't Remediation/Investigation Costs, 2005 WL 7853242. In Docket No. 04-12-17, Application of Yankee Gas Services Company for an Accounting Ruling to Defer Manufactured Gas Plant Environmental Remediation/Investigation Costs, May 25, 2005, at 3-5 (authorizing the creation of a regulatory asset to defer the cost of engaging outside counsel and environmental consultants incurred and expected to be incurred, finding that the costs at issue were different from traditional physical remediation expenses and were therefore appropriate for deferral).

- Decision dated December 28, 2005, in Docket No. 05-03-17PH01, Application of The Southern Connecticut Gas Company for a Rate Increase – Revenue Requirements (approving settlement agreement authorizing deferral accounting for all future environmental remediation costs netted against any insurance proceeds or third -party recoveries).

- Decision dated June 29, 2007, in Docket No. 06-12-02PH01, Application of Yankee Gas Services Company for a Rate Increase – Revenue Requirement, at 23-24 (continuing environmental remediation deferral accounting treatment).

- Decision dated June 29, 2011, in Docket No. 10-12-02, Application of Yankee Gas Services Company for Amended Rate Schedules, at 12-15 (continuing to allow deferral accounting treatment of environmental remediation expenses stating "[o]ther jurisdictions generally allow both the recovery of environmental remediation costs associated with MGP sites and the applicable carrying charges on outstanding balances" and explicitly authorizing deferral treatment of environmental remediation costs with carrying charges after reviewing analysis of ratemaking treatment in other jurisdictions).

- Decision dated December 12, 2018, in Docket No. 18-05-10, Application of Yankee Gas Services Company d/b/a Eversource Energy to Amend its Rate Schedules, at 12.

- Decision dated August 25, 2023, in Docket No. 22-08-08, Application by United Illuminating to Amend Its Rate Schedules, at 190 (allowing United Illuminating to defer future remediation expenses for the East Shore Project incurred after the start of Rate Year 2023/2024, with all deferred expenses subject to a prudence review in United Illuminating's next rate proceeding).

- Decision dated October 28, 2025, in Docket No. 24-10-04, Application by United Illuminating to Amend Its Rate Schedules, at 127-129 (allowing United Illuminating to recover its projected East Shore remediation expenses for the Rate Year and to continue to defer the accounting of its additional East Shore remediation costs as previously authorized in the Company's last rate case. This decision was affirmed by decision on reconsideration, Docket No. 24-10-04, Application by United Illuminating to Amend Its Rate Schedules (March 3, 2026), at 122-123.