Summary

The Connecticut Light and Power Company d/b/a Eversource Energy (the "Company" or "CL&P") made capital expenditures in 2023 totaling $678.2 million, which is $78.0 million (13.0%), more than the Company's plan for the 2023 Construction Program, previously submitted to the Connecticut Public Utilities Regulatory Authority ("PURA") on November 30, 2022. The Company's expenditures differed from the original estimate of expenditures for the construction program across a number of categories due primarily to routine circumstances experienced in field implementation. Explanations of the variances are presented below for instances where expenditures varied by more than 10% from the Company's original construction estimate.

Variance Analysis by Category:

(a) New Customer – Expenditures in this category were higher than estimated primarily due to a large new service project for Great Pond Village located in Windsor, CT. The facility consists of several residential and commercial buildings. This customer project arose at the beginning of 2023, so it was not included in the 2023 capital plan, which was finalized in November 2022. The volume and scale of new customer work can vary from year to year.

(b) Peak Load/Capacity – Expenditures in this category were higher than estimated largely because work originally planned for 2022 was deferred to 2023. Certain work to address a contingency overload condition on the Mystic 13K4 circuit was moved to 2023 to coordinate with Transmission work being done in the same area. Certain work to address multiple potential circuit overload issues in the Towns of Bloomfield and Windsor was moved to 2023 due to easement delays and design changes. Additionally, expenditures were higher than estimated due to the timing between years of large multi-year substation projects. This included converting the Gales Ferry 11B substation to 115kV operation and upgrades to the Sandy Hook 37F substation.

(c) Capitalized Vehicles – Expenditures in this category were lower than estimated because the number of vehicle purchases was less than estimated due to vehicle supply chain issues. The supply chain issues caused an increase in lead time for some vehicle orders. As a result, fewer vehicles were purchased in 2023 than previously planned.

(d) Emergent Equipment Failures - Expenditures in this category were higher than estimated due to the fact that actual circumstances exceeded historical trends used for the estimate. The largest increase in emergent work in 2023 resulted from an increase in customer outage events on the overhead, underground and network system caused by factors other than Major Storm events. Examples include vegetation-initiated overhead events; pole and line damages and associated events due to motor vehicle accidents; unplanned asset failures; residential direct-buried cable failures; underground cable or switchgear events; and network events. Many of these events are the result of weather patterns that occur on the system, but do not rise to the level of a Major Storm. For example, the Company is experiencing more numerous events during the year caused by

frequent wind events during blue sky or grey sky days that do not rise to the level of a storm event but cause damage to the system, nevertheless.

In addition, the higher expenditure was caused by storm capitalization associated with Major Storm events. The actual magnitude of storm capitalization is not estimable and therefore is not reflected in the construction estimate, although contemplated for a budget impact.

(e) Environmental – Expenditures in this category were lower than estimated due to the timing of Substation Oil Circuit Breaker (OCB) replacements. Fewer replacements than estimated were completed during 2023 due to material and outage availability.

(f) Information Technology – Expenditures in this category were higher than estimated due to regulatory mandated projects, including the CT Low Income Discount Rate program and CT Bill Redesign.

(g) Lighting – Expenditures in this category were higher than estimated primarily due to higher roadway lighting requirements compared to historical trends. These higher requirements were largely caused by underground faults and higher material costs.

(h) Line Relocations/Act of Public Authority – Expenditures in this category were lower than estimated primarily due to less work driven by the Connecticut Department of Transportation, as compared to historical trends.

(i) Meters – Expenditures in this category were lower than estimated because 2023 meter purchases were reduced due to: (1) meter vendor supply chain issues, which increased meter manufacturing and delivery lead times; and (2) unresolved issues in Docket No. 17-12-03RE02, regarding the implementation of advanced metering infrastructure.

(j) Regulatory Commitments-Other – Expenditures in this category were higher than estimated largely because work associated with three projects was deferred from 2022 to 2023. The first project replaced antiquated 4/0 Cu tri-colored network secondary cable located in the central CT region. The second project eliminated the 500 kcmil Cu type B network secondary cable located in the Naugatuck secondary network. The third project eliminated 2,300 feet of high over low (23kV over 4.8 kV) in Cheshire, CT.

(k) Distribution Line Reliability – Expenditures in this category were higher than estimated largely due to the Company addressing circuit-patrol deficiencies identified by a third party. Distribution circuits patrolled by the third party documented deficiencies that were required to address asset and system improvements. The repairs were completed to maintain a reliability of service to customers.

(l) Network Reliability – Expenditures in this category were higher than estimated largely due to a higher level of paper insulated lead covered (PILC) cable replacement to address the

performance of the PILC cable in the Company's underground distribution system. Potential cable failures cause feeder lockouts that impact customer reliability and satisfaction.

(m) Reliability – Other - Expenditures in this category were lower than estimated due to work originally planned for 2023 that was deferred to 2024. The project that was deferred was the replacement of the distribution supervisory control and data acquisition (DSCADA) system.

(n) URD and DB Cable Reliability - Expenditures in this category were higher than estimated because of a higher level of cable replacements resulting from cable failures. When a cable failure occurs various issues on the site can affect the cost of the cable replacement. These issues may include the following: cable length, cable depth, neutral conductor deterioration, digging conditions, space limitations, locations of other utilities, wetlands, permitting, site restoration, roadway excavation, concrete structure deterioration, non-standard construction, generation, time of failure, and weather conditions.

(o) DSCADA Radio Expansion – Expenditures in this category were lower than estimated due to a shift in initiative priorities.

(p) Pole Integrity – Expenditures in this category were lower than estimated because of a reduced pole replacement scope that was informed by inspection results. In addition, the Company experienced supply chain issues for poles.

(q) Right of Way Lines – Expenditures in this category were higher than estimated due to a Company initiative relating to right-of-way Priority 3 poles. The Company has performed an asset health review of approximately 500 linear miles of distribution right of ways using drones to obtain details of the asset health above traditional ground level inspections. These inspections identified degraded asset conditions that require replacement to ensure long term reliable and safe operations. Damage found through the survey, mostly associated with broken/rotted poles and crossarms, was recorded and prioritized. Priority 1 and Priority 2 poles were previously addressed by the Company. Priority 3 poles began replacement in 2023. Priority 3 defects pose a threat to an affected circuit's reliability as well as delayed restoration given the limited access to many of the pole locations. Proactive action on imminent dangers to the Company's right-of-way circuits will result in improved reliability for the circuits and the distribution system as a whole.

Many of these poles were located in limited-access ROWs, which in some cases required matting for vehicle access. Although the drone patrol identified defects from an aerial view, additional pole defects were identified and addressed based on a ground inspection during the ROW work, and since the Company had already invested significantly to access these locations, addressing these poles in the future would have resulted in increased mobilization cost. Therefore, the additional scope of work was approved and completed.

(r) Smart Switches Program – Expenditures in this category were higher than estimated due to a Company initiative associated with the Trip Saver program. Trip savers are installed to reduce the number of outages caused by transient type events (tree, animal, lightning, etc.). A trip saver is a self-powered, electronically controlled, single-phase, cutout-mounted vacuum interrupter recloser. It is designed to eliminate the sustained interruption that occurs when a lateral fuse cutout operates in response to a transient fault. This device saves outages, improves restoration time to customers and reduces truck rolls. It also eliminates momentary circuit interruptions that occur when a substation circuit breaker or source-side line recloser would trip to prevent a lateral fuse cutout from operating in response to a transient fault.

Approximately 2,000 locations were planned for trip saver installations. However, 70 locations had to be revisited due to material shortages that occurred during the construction work resulting in increased capital cost to the program.

(s) SR Double Poles Removals – Expenditures in this category were higher than estimated due to higher than anticipated pole removals. The higher double pole removal spending in 2023 was offset by lower double pole removal spending in 2022, which was impacted by supply chain issues with poles.

(t) Substation Security – Expenditures in this category were lower than estimated due to less security work needed than historical levels.