Summary

The Connecticut Light and Power Company d/b/a Eversource Energy (the "Company" or "CL&P") made capital expenditures in 2024 totaling $560.0 million, which is $52.4 million (8.6%) less than the Company's plan for the 2024 Construction Program, previously submitted to the Connecticut Public Utilities Regulatory Authority ("PURA") on November 30, 2023. The Company's expenditures differed from the original estimate of expenditures for the construction program across a number of categories due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment, putting our investment recovery at risk. The reduction in capital spending affected various infrastructure projects in Connecticut, including substation upgrades, underground cable replacements, and the installation of smart switches. 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 significant increase in customer driven work as a result of customer requests. The volume and scale of new customer work can vary from year to year.

(b) Capitalized Vehicles – Expenditures in this category were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

(c) 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 2024 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.

(d) Environmental – Expenditures in this category were higher 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, resulting in additional replacements occurring in 2024.

(e) Facilities – Expenditures in this category were lower than estimated driven by the timing of the Windsor System Operation Center project. There were delays with the construction of the main server room and the installation of the furniture consoles, pushing a portion of the work to be completed in 2025.

(f) Lighting – Expenditures in this category were lower than estimated primarily due to lower roadway lighting requirements compared to historical trends.

(g) Line Relocations/Act of Public Authority – Expenditures in this category were lower than estimated because the level of activity is driven by Third Party Attachment applications requiring "Make Ready" construction to comply with PURA pole attachment-related directives in Docket Nos. 11-03-07, 19-01-52, 19-01-52RE01, and others. Expenditures in this category were also lower than estimated due to less work driven by the Connecticut Department of Transportation, as compared to historical trends.

(h) Meters – Expenditures in this category were lower than estimated due to less SENTINEL meter costs and reimbursements.

(i) Pre-Cap Line Transformers – Expenditures in this category were higher than estimated due to a significant increase in the cost of transformers in 2024.

(j) Regulatory Commitments-Other – Expenditures in this category, specifically worst performing circuits, were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

(k) Distribution Line Reliability – Expenditures in this category were higher than estimated largely due to the timing of projects that carried over into 2024 to be completed.

(l) Network Reliability – Expenditures in this category, specifically underground cable and equipment replacement, were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

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

(n) Substation Reliability - Expenditures in this category were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

(o) URD and DB Cable Reliability - Expenditures in this category were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

(p) DSCADA Radio Expansion – Expenditures in this category were higher than estimated due to timing. Projects originally scheduled in 2023 were deferred to 2024.

(q) Pole Integrity – Expenditures in this category were lower than estimated because of a reduced pole replacement scope that was informed by inspection results.

(r) Right of Way Lines – Expenditures in this category were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

(s) Smart Switches Program – Expenditures in this category were lower than estimated due primarily to the Company's decision to decrease its capital expenditures in Connecticut resulting from the state's uncertain regulatory environment.

(t) SR Double Poles Removals – Expenditures in this category were lower than estimated due to fewer than anticipated pole removals.

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

(v) UConn Resilient Energy Center – Expenditures in this category were higher than estimated due to the timing of equipment and lab resources included in the memorandum of understanding.