Date Filed: September 04, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: ALLCO

Question:

Explain how SHARE program investments and SHARE fee revenues would be treated in rate base, depreciation expense, and the revenue requirement, in this docket and prospectively; state whether any SHARE-related capital expenditures are included in the capital additions or five-year investment plan for which recovery is sought in this docket; and identify them.

Response:

In Docket No. 22-06-29RE01, the Company introduced the Shared Hosting for Advancement of Renewable Energy ("SHARE") program as a means to cost effectively enable Distributed Energy Resource ("DER") interconnection and to ensure that interconnection upgrade costs are equitably allocated among DER customers and non-DER customers.

In that proceeding, the EDCs (CL&P and The United Illuminating Company) collectively submitted comments in response to PURA's Notice of Request for Written Comments issued on December 22, 2023. In those comments, the EDCs comments indicated that the following framework would need to be established in order to effectuate the SHARE program:

> The EDC will recover the costs of the Interconnection Solution through two channels. First, interconnecting customers in the Group will offset the upfront construction or implementation costs through a $/kW Interconnection Solution fee based on the interconnecting facility's prorata share of the cost of the Interconnection Solution. Interconnecting customers in the Group shall pay a portion of the total Interconnection Solution cost based on technical analysis. This fee will be treated as a contribution in aid of construction ("CIAC") and will be grossed up for taxes to ensure the full CIAC, plus gross-up, will hold distribution customers harmless on the deferred income tax implication to rate base in each Company's next rate case. Second, the EDC will recover the remaining Interconnection Solution incurred costs with subsequent recovery from distribution customers through a rate reconciliation mechanism the Authority reviews and approves in the RAM proceeding. Distributed energy resource (DER) facilities that connect to the distribution system at a future time using the newly enabled hosting capacity will pay all of the associated Interconnection Solution fee, which will be flowed through the same rate reconciliation mechanism and credited back to

distribution customers. *Docket 22-06-29RE01, February 14, 2024 EDC comments in response to PURA request for written comments on December 22, 2023.*

In this proceeding, the Company presented Exhibit CLP-TSP-3 in which it provided three investment scenarios; 1) Sustained Performance, 2) Targeted System Performance, and 3) Advancing the Grid. In this proceeding, the Company has proposed to implement in base rates the capital expenditures associated with the Targeted System Performance scenario presented in Exhibit CLP-TSP-3, which does not include SHARE investments.

However, the five-year investment Advancing the Grid plan includes specific investments to upgrade 3 bulk substations, build 2 new bulk substations and add new distribution feeder capacity in three (3) areas of the system to improve hosting capacity for DER integration. The high-level planning estimate for these major upgrades is approximately $275M, which would be allocated equally between DER customers and distribution customers based on a preliminary technical review of benefits (Exhibit CLP-TSP-3 at 146 to 149). Based on anticipated study, engineering, and construction schedules, $47.6M of capital expenditure is included in the five-year investment plan under the Advancing the Grid Investment Scenario (Exhibit CLP-TSP-3 at 9).

Should PURA opt to support the Advancing the Grid plan as part of this proceeding, or, in a future proceeding, implement the SHARE program and associated cost recovery as proposed by the EDCs in Docket No. 22-06-29RE01, the gross investments would be reflected in plant in service installed by the Company. As described above, Interconnection Solution fees would be collected as a CIAC which would offset plant in service in rate bae. Depreciation expense would be calculated on the gross plant additions, less the CIAC. The revenue requirement that customers would pay through a rate reconciliation mechanism would be calculated on the gross plant investment, less the CIAC.