Date Filed: October 27, 2026

Witness: David L. Gladey, John P. Dipaola-Tromba, Leanne M. Landry and Jeffrey D. Turano
Request from: Office of Consumer Counsel

Question:

Refer to Docket No. 19-03-01 12/30/2024 Compliance Filing, Attachment A. The filing illustrates that in the revised 2025 Capital Plan plans to decrease the total capital expenditures by $82.9 Million from the Company's original plan's stated expenditures of 557.9M to 475.0M. Provide an unlocked, workable excel spreadsheet that illustrates:

a. The actual expenditure for 2025 by Major Program Category.
b. A comparison by category of the actual to revised 2025 Plan contained in the compliance filing.
c. An explanation for each category's actual to revised budgeted expenditure variance.
d. A breakdown by Major Program category of the original plan, revised plan and the actual 2025 expenditures into Aging Infrastructure and other expenditures.
e. Provide the Aging infrastructure amounts from the Eversource 10-Ks for 2020 – 2025.
f. Provide Aging Infrastructure amounts historical applicable and contained within the current rate case exhibits.
g. Provide an explanation for any differences/delta between the amounts filed in the ES 10-Ks and the company's rate case application.
h. Provide the definition of 'aging infrastructure' on the Eversource 10-K.

Response:

a. Please refer to the Company's response to CIEC-008[i] for capital distribution expenditures by year from 2018 through 2025, as annually filed in compliance with Docket No. 17-10-46.
b. Please refer to the Company's response to subpart (a.) above.

c. Please refer to OCC-266, Attachment 7, for a summary of explanations of the variances between the Company's actual distribution capital expenditures compared to the original estimates for 2025, as annually filed in compliance with Docket No. 17-10-46.

d. Please refer to OCC-960, Attachment 1, for a comparison of the 2025 Revised Plan versus the Original 2025 Plan as provided as part of the November 30, 2024 Compliance Filings associated with Docket number 19-03-01.

e. Please refer to Table 1 which shows the Aging Infrastructure amounts from the 10Ks from 2020 to 2025:

Table 1

$ in Millions	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Aging Infrastructure	$ 179.9	$ 178.0	$ 199.9	$ 260.7	$ 161.3	$ 132.5

f. Please refer to a. above and note that Aging Infrastructure as filed annually in compliance with Docket No. 17-10-46 are based on the Reliability, System Resiliency/Expanded Reliability and Regulatory Commitment - Other categories.

g. Variances are noted between the filed amounts on the Company's 10Ks and submitted amounts as part of the Company's capital expenditures annually filed in compliance with Docket No. 17-10-46. These differences are associated with the different levels in which this information is pulled for SEC versus regulatory reporting. Aging Infrastructure on the 10Ks includes Reliability, System Resiliency/Expanded Reliability and Regulatory Commitments under the CT Electric Operations organization. In the annual compliance filings, those categories also include capital under the Engineering organization, including enhanced tree removal, customer focused trimming, UConn Resilient Energy Center, DSCADA-Radio Expansion, and other Engineering projects.

h. The Aging Infrastructure category is defined on page 37 of the 2025 10K:
    a. *Aging Infrastructure relates to reliability and the replacement of overhead lines, plant substations, underground cable replacement, and equipment failures.*

Prior Referenced Response:

[i] CIEC-008 Question:

(Capital Additions Panel) For each of the past 10 calendar years, specify:

a. the capital expenditure budget broken down by investment in the transmission, sub-transmission, primary, and secondary systems; and
b. the amount of actual capital expenditures, broken down by investment in the transmission, sub-transmission, primary, and secondary systems.

CIEC-008 Response:

For purposes of the capital expenditure budget in this distribution rate proceeding, the Company does not track investment by the categories of "transmission, sub-transmission, primary, and secondary systems."

a. Please refer to CIEC-008, Attachment 1, for a summary of actual and forecast distribution capital expenditures for the years 2018-2025 as filed in compliance with Docket No. 17-10-46 each year.

b. Please refer to subpart a. Please also refer to Exhibit CLP-ADDITIONS-4 which summarizes the cumulative capital spending to date for each project put in service from 2017-2025 greater than $100K and Exhibit CLP-ADDITIONS 6 which includes the associated capital project documentation. Also for reference, although not capital spending, Exhibit CLP-ADDITIONS-2 and 3 provide a summary of plant additions (both distribution and transmission) by year and is reconciled to the Company's FERC Form 1.

Date Filed: October 22, 2026

Witness: Douglas P. Horton
Request from: Office of Consumer Counsel

Question:

How does the Parent Company allocate investment capital into its six subsidiary regulated utilities?

Response:

In this question, "the Parent Company" refers to Eversource Energy as the holding company parent of the Eversource operating subsidiaries.

Eversource Energy does not allocate investment capital among its six regulated utility subsidiaries using a prescribed formula or fixed allocation methodology. Rather, capital requirements originate at the utility level and are a function of each utility's specific system needs and regulatory requirements. Because each utility operates under different circumstances, including differing asset conditions, reliability and resiliency needs, customer growth patterns, regulatory requirements, infrastructure replacement cycles, and operating environments, the amount and timing of capital investment required by each utility can vary significantly. As a result, some utilities may require substantially higher levels of investment than others in a given period based on their unique operational, system, and regulatory needs.

Those investment requirements, together with each utility's ability to fund those investments from cash generated through operations, determine the utility's individual financing needs. To the extent capital expenditures exceed operating cash flow, which is typical from year to year, a financing need exists. The size of that financing need reflects both the utility's own investment requirements and its ability to support those investments through its own internally generated funds.

When a financing need exists, the utility finances that need through a combination of long-term debt and equity. The appropriate debt-equity mix is determined based on capital structure objectives driven by cost and credit considerations, liquidity needs, financial flexibility, and access to capital markets. Maintaining an appropriate capital structure is absolutely critical to preserving the utility's financial integrity and ability to obtain debt financing on reasonable terms. Utilities routinely have infrastructure investment levels in excess of annual operating cash flows, making continued access to debt and equity capital an important component of supporting long-term infrastructure investment.

Capital structure objectives also reflect the need to maintain appropriate financial metrics and credit quality. A stronger equity position enhances financial flexibility and access to capital

markets, particularly during periods of economic or financial stress, which occur periodically and often without notice. These considerations are evaluated in light of each utility's specific operating, regulatory, and financial circumstances.

The equity component of the utility financing requirement is met through a combination of retained earnings and, when necessary, equity contributions from Eversource Energy. As discussed in the Company's response to OCC-758[i], retained earnings are investor-supplied equity capital. From an economic perspective, retained earnings are equivalent to investors receiving a dividend and immediately reinvesting those funds back into the utility. Accordingly, retained earnings are a form of investor-provided equity capital that supports infrastructure investment, strengthens financial metrics and credit quality, and helps maintain the utility's financial flexibility and access to capital markets. The ability of a utility to fund investment through retained earnings will vary based on its earnings, cash flows and overall financial circumstances. To the extent retained earnings are insufficient to satisfy a utility's equity financing needs while maintaining an appropriate capital structure, Eversource Energy contributes additional equity capital.

Accordingly, parent contributions are a function of utility-specific financing requirements, capital structure needs, and financial circumstances, ensuring that each utility has access to the capital necessary to support prudent infrastructure investment, maintain financial integrity, preserve access to debt capital on reasonable terms, and sustain the long-term financial capacity needed to continue providing safe and reliable service to customers.

Prior Referenced Response

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[i] OCC-758 Question:

(Retained Earnings) Referring to OCC-518 Response. Are ratepayers paying a cost of equity outlay for retained earnings?

OCC-758 Response:

The Company provides this comprehensive response to questions raised in OCC Interrogatories 758 through 766. Where this response references those interrogatories, footnotes have been provided for ease of reference.

1. Fundamental Ratemaking Principles

Two fundamental ratemaking principles apply here.

First, retained earnings are not "included in rate base." Only infrastructure assets are included in rate base and the only equity return that customers pay is the return on rate base. The largest components of a utility company's rate base is the net balance of infrastructure investments that the Company has had to finance via a combination of long-term debt and equity (meaning that it reflects the gross value of plant additions, less accumulated depreciation on those additions, less the accumulated deferred income tax ("ADIT" 1) benefit). The Company collects a return on

rate base through rates equal to the weighted average cost of capital times rate base. The weighted average cost of capital ("WACC") in a rate case reflects the utility's cost of money associated with debt and equity capital used to fund rate base. In a rate case, utility rates are set to reflect the utility's cost of service including its WACC on rate base, such that rates are set to provide revenues that cover i) the utility's annual operating expenses (including taxes, depreciation, and other annually recurring expenses), ii) the utility's annual cost of debt service on rate base such that iii) deducting the level of O&M and debt service from PURA-approved revenues results in a level of net income that reflects the authorized cost of equity (return on equity) established by PURA in the rate case. Customers pay only the return on rate base. There is no separate or additional payment by customers associated with retained earnings.

Second, retained earnings reflects the net income that the utility has earned but has not distributed as dividends. Net income is either returned to shareholders as a dividend, or is retained in the Company as retained earnings. In this manner, retained earnings represent owner's equity in the utility business, becoming part of the permanent capital supporting the Company's operations and investment in utility infrastructure assets. Retained earnings help to alleviate the need for incremental equity issuances (or contributions from the parent company, in the case of a regulated subsidiary) in order to finance ongoing investments.

2. Retained earnings are no different than other cash resources that investors contribute as equity; Ratepayers are not paying a separate (or second) amount for retained earnings (OCC-759)2.

Customers pay rates designed to support the cost of providing utility service, including operating expenses, depreciation, taxes and the cost of capital (including the authorized return on equity) on the rate base invested in utility infrastructure. When earnings are retained in the Company rather than being distributed to investors as dividends those funds remain at risk to the investor and appropriately form part of the Company's equity capitalization, as "owner's equity."

Accordingly, equity derived from retained earnings is economically no different from other equity funds provided through direct investor contributions and, as such, its cost is the same authorized return on equity as all other sources of equity, when retained earnings are used to pay for utility infrastructure in lieu of other capital funding (OCC-759). In corporate finance, retained earnings come at the same cost, and thus have the same required return as externally supplied equity because investors retain ownership of those funds and continue to bear the same risks associated with the business. The source of the equity does not change the economic reality that investors have committed capital to the enterprise and could otherwise deploy that capital in competing investment opportunities were it not retained in the Company to fund additional infrastructure investments.

3. Retained earnings are not included in rate base; Retained earnings are invested capital that pays for rate base and must be repaid to investors, with a rate of return. (OCC-760)3.

1 The largest driver of ADIT for utility companies is generally the different between book depreciation and tax depreciation. Because tax depreciation is typically accelerated relative to the level of book accounting depreciation, utilities are able to deduct more depreciation expense for tax purposes than they do for book accounting depreciation, creating an ADIT timing difference that serves as a source of capital over the term the ADIT balance 'turns around'.
2 OCC-759: (Retained Earnings) Referring to OCC-518 Response. Is the equity related to retained earnings eligible to earn the authorized return on equity?
3 OCC-760: (Retained Earnings) Referring to OCC-518 Response. Why is retained earnings eligible to be included in rate base?

Within the regulated utility ratemaking framework, retained earnings are not "included in rate base," as OCC-760 suggests. Rather, retained earnings are a source of investor-supplied capital, while rate base consists of prudently incurred assets that are used and useful in providing service to customers. Rate-base assets must be financed with a combination of long-term capital (long term debt and shareholder equity) and retained earnings are one, cost-effective source of that financing. To the extent retained earnings fund utility plant comprising rate base, the retained earnings become part of the capital structure supporting those investments. Regulatory ratemaking acknowledges the cost of equity capital and provides an opportunity to earn a return on invested capital regardless of whether the equity originated from stock issuances or accumulated retained earnings. From a financial perspective, utility assets are indifferent to the source of financing used to acquire them. A dollar of utility plant funded through retained earnings is economically identical to a dollar of utility plant funded through newly issued common stock. Both retained earnings, excluding issuance costs, and the funds from newly issued common stock represent investor dollars committed to utility operations which are exposed to investment risk and other forces that determine the cost equity investors demand in order to provide the utility with its capital to invest.

In addition, retained earnings differ fundamentally from items that reduce rate base, such as ADIT. As described previously, for utilities, ADIT arises primarily from timing differences between tax and book depreciation and represents taxes effectively paid for by customers in advance of the time that the Company pays out those taxes to appropriate governments. Because ADIT generated in this manner is generally viewed as cost-free capital supplied through the ratemaking process rather than by investors, it appropriately reduces rate base and correspondingly reduces the amount of investor-supplied capital upon which shareholders are permitted to earn a return. In this way, rate base is reduced by ADIT, such that the WACC applied to rate base reflects the cost of capital required to finance rate base, being sourced by long-term debt and shareholder equity.

By contrast, retained earnings ***belong to investors*** and represent earnings that have been reinvested in the business rather than distributed as dividends. In other words, retained earnings are investor capital that are used to fund new rate base assets rather than being distributed immediately as a dividend. This is economically equivalent to a circumstance where 100 percent of net income were to be distributed to shareholders as a dividend, and then reinvesting the portion that would otherwise have been retained as retained earnings back in the Company. Consequently, retained earnings are properly treated as investor-supplied equity capital and are eligible to earn the authorized return on equity when supporting utility investments.

The differing treatment of retained earnings and ADIT reflects a fundamental principle of utility ratemaking, which is that investor-supplied capital that remains at risk in the utility business comes at the cost of equity, and the utility is thus afforded an opportunity to earn a return on the balance of equity that is financing rate base, including retained earnings. Conversely, customer-supplied or cost-free sources of financing (such as ADIT) are generally used to reduce the amount of investor capital *upon which* a return may be earned. The regulatory ratemaking framework acknowledges that investors must be compensated for supplying capital and bearing financial risk and also that customers should not pay more than cost of capital that is required in order to finance rate base, by ensuring that cost-free funding sources, such as ADIT, lower rate base.

4. Ratepayers are not "double paying" for retained earnings (OCC-761).

For the same reason, ratepayers are not "double paying" for retained earnings, as contemplated by OCC-761[4]. The earnings that were "retained" in the utility were previously earned by investors through rates charges to customers and became investor property once earned. To articulate this point, it is

4 OCC-761: (Retained Earnings) Are ratepayers double paying for retained earnings because they paid the Company to create the earnings which were retained and later on pay a cost of equity on the retained earnings?

important to point out that the amount of retained earnings in any given year has no impact on the value of rate base in that year. In general, utility rate base is a function of the net value of infrastructure (assets), whereas shareholder equity is a source of funds utilized to pay for those rate base assets. The dividend payout ratio (or the inverse being the retention ratio) has no direct bearing on rate base. As explained above, retained earnings as a source of capital to fund rate base is economically equivalent to an investor receiving a dividend and then choosing to purchase additional shares in the Company in the same amount. Both are shareholder equity used to finance rate base, and both come at the cost of equity.

Because investors continue to bear the risks associated with utility operations, retained earnings exist as investor-supplied capital supporting the rate base, on which the Company is entitled to earn a return on equity. The authorized return compensates investors for providing and maintaining that capital in the business, regardless of whether it originated from a stock issuance or retained earnings. Retained earnings are therefore properly treated as investor capital, unlike ADIT, which is generally considered customer-supplied, cost-free capital that reduces the amount of investor-supplied capital required to support utility operations. The use of retained earnings as opposed to new stock issuances is a slightly lower cost source of funds, as there are no issuance costs associated with the use of retained earnings to fund new investments.

Characterizing retained earnings as a second payment by would miss the fundamental point that the opportunity to earn a return on invested capital and the passage of time are inextricably linked because capital that remains invested continues to have value to investors. Investors could have received those earnings as dividends and invested those dollars elsewhere and had those funds not been reinvested in the Company. As a result, retained earnings continue to represent investor capital that is contributed to the business, is at risk, and carries an ongoing opportunity cost, thereby remaining subject to the authorized return on equity.

Similarly, rate base would not be reduced by retained earnings simply because customers previously paid rates that enabled the Company to generate those earnings, as OCC-762 suggests5. Once earned, retained earnings belong to investors. The fact that those funds were retained in the business rather than being distributed as dividends does not change the fact that those funds remain investor-supplied capital supporting utility operations – just the same as any other contribution –with the contributions subject to continuing exposure to business risk and coming at the cost of equity.

As an example, consider a prudent, used-and-useful substation costing $50 million that is financed at the capitalization ratio proposed in this proceeding comprised of 53.86% equity. If the Company raises the equity through new share issuances, the substation would be financed with approximately $23 million of debt and $27 million of newly issued equity. Alternatively, investors could reinvest $27 million of previously earned profits rather than receive those funds as dividends. Under OCC-762's proposition, the second scenario would result in a lower rate base simply because those earnings were reinvested in the Company rather than being received first as a dividend and then reinvested through the purchase of newly issued shares. Yet, the underlying asset is identical; the service provided to customers is identical; and the investment decision facing investors is identical, i.e., ***choose*** to invest capital in the Company or ***choose*** to invest it elsewhere.

There is no economic or financial basis for treating these two financing sources differently (i.e., retained earnings versus investment in newly issued shared) for purposes of determining the financing costs associated with rate base assets providing service to customers. Relying on retained earnings is slightly lower cost since the use of these funds eliminates the need to go to market and the incremental costs associated with the issuance of new equity. Treating these two sources of funds differently would create a financing bias that favors externally raised equity over

5 OCC-762: (Rate Base) Should the rate base be subtracted by amount of customer already paid for retained earnings?

internally generated equity, even though both sources of capital reflect investment dollars provided by investors. Such a result would disconnect ratemaking outcomes from the financial principles used to set the return on equity. Establishing different returns for different sources of equity funding violates the basic financial principle that the return on an investment is based on the risk of the investment, not the source of the funding.

5. Retained earnings are an important source of internally generated capital (OCC-763).

Retained earnings are an important source of internally generated capital. Retained earnings strengthen the Company's financial position, support credit quality, reduce reliance on external financing, and help fund ongoing infrastructure investment. Recovery of financing costs does not eliminate the need for utilities to maintain adequate equity capital in the capital structure financing rate base. OCC-763 appears to imply that the Company merely serves as an intermediary between utility assets and the owners of those assets[6]. In reality, the owners of the Company and the owners of the utility assets are one and the same. Importantly, customers do not bear the risk of supplying capital to fund utility assets; investors do. Customers pay rates that include the cost of debt and equity capital; however, the capital itself is supplied by investors, not customers. Whether the source of equity capital is retained earnings or proceeds from newly issued shares does not alter this fundamental relationship and therefore does not change the cost of service because, in either case, investors have chosen to commit capital to utility operations and the return on that capital is based on the risk of the investment, not the source of the capital. Indeed, one purpose of maintaining a reasonable level of retained earnings is to preserve financial flexibility, support credit quality, and enhance access to capital markets. These attributes ultimately benefit both customers and investors by helping ensure that the utility can continue to attract capital at reasonable cost and provide safe and reliable service. The Company does not distribute all earnings as dividends (OCC-764) because doing so would eliminate an important source of internally generated equity capital[7]. If retained earnings were fully distributed each year, the Company would need to replace that capital through additional common equity, debt, or both, in order to fund utility investments and maintain its target capital structure. This financing could be more costly and could expose both investors and customers to additional financing and market risks.

6. Retained earnings are a cost-effective financing resource.

Retained earnings provide financing benefits by avoiding flotation costs (OCC-766)[8], including underwriting, legal, registration, and administrative expenses associated with issuing new securities. Although the Company can elect to distribute 100% of earnings to investors and can subsequently raise replacement capital in the financial markets (OCC-765), doing so presents several drawbacks[9].

First, given the capital-intensive nature of the utility industry, replacement capital would likely be required almost immediately, exposing the Company to prevailing market conditions and unnecessary financing risk.

6 OCC-763: (Retained Earnings) Should utility companies have any retained earnings if ratepayers are paying for the Company debt and equity costs on the entire rate base?
7 OCC-764: (Special Dividend) Why does the Company not pay out a special dividend every year to remove the retained earnings?
8 OCC-766: (Retained Earnings) What is the relationship between retained earnings and lack of flotation costs for retained earnings?
9 OCC-765: (Retained Earnings) If all retained earnings were paid out in the form of a special dividend yearly could the Company get the necessary common equity and debt investment to fund the Company?

Second, retained earnings provide a financial cushion during adverse events, including market disruptions and broader economic downturns.

Third, if investors expected the Company to distribute all earnings as dividends, earnings volatility would translate directly into dividend volatility, including potential dividend reductions, which can be viewed negatively by capital markets.

Fourth, replacing retained earnings with externally raised equity would introduce flotation costs that could otherwise be avoided. From a capital formation perspective, retained earnings represent the most efficient source of common equity because they allow the utility to finance investment without incurring transaction costs, market issuance risk, or potential dilution associated with new share offerings.

By retaining earnings instead of issuing equivalent new equity, the Company obtains equity financing without incurring flotation costs. As a result, retained earnings are often a lower-cost source of equity capital than newly issued common stock.

7. Summary

In summary, retained earnings are investor-owned capital resources that remain invested in the utility business. The earnings constitute investor-supplied equity capital, are appropriately used to pay for utility infrastructure, while reducing the need for external financing and associated flotation costs.

In contrast, ADIT is generally treated as customer-supplied, cost-free capital and therefore serves to reduce the amount of investor-supplied capital upon which a return may be earned. This distinction reflects a foundational principle of utility ratemaking: customers should receive the benefit of cost-free sources of capital (ADIT), and only pay the cost of capital necessary to finance rate base assets that in service, used and useful, and prudently incurred. The flip side of this same coin is that utility investors should have the opportunity to earn a fair return on capital they supply and place at risk, whether or not that equity capital is contributed in the form of a purchase of newly issued stock or in the form of retained earnings by the company. The treatment of retained earnings reflects the fundamental principle that capital left invested in the business continues to have value and an opportunity cost to investors, even when that capital originated from previously earned income. Fundamentally, retained earnings are the result of investment retained in the business rather than being distributed as dividends, and utility ratemaking has long recognized such retained earnings as investor-supplied equity, no different in substance from newly invested common equity.

Accordingly, retained earnings are not a source of customer-supplied capital, nor do they represent a basis for reducing rate base. Rather, retained earnings are investor-owned funds that are reinvested in utility operations and continue to perform the same economic function as any other form of common equity.

Date Filed: October 20, 2026

Witness: Rima Hyder
Request from: Office of Consumer Counsel

Question:

Provide the Parent Company's Annual Reports for years 2018 to 2025

Response:

Please refer to OCC-962, Attachment 1, through OCC-962, Attachment 8, for the requested Parent Company Annual Reports for years 2018 to 2025.

Date Filed: October 20, 2026

Witness: Rima Hyder
Request from: Office of Consumer Counsel

Question:

Provide the Parent Company's Proxy Statements for years 2019 to 2026.

Response:

Please refer to OCC-963, Attachment 1, through OCC-963, Attachment 8, for the requested Parent Company Proxy Statements for years 2019 to 2026.

Date Filed: October 22, 2026

Witness: Douglas P. Horton
Request from: Office of Consumer Counsel

Question:

Provide the current CL&P franchise agreement.

Response:

CL&P acquired the authority to provide electric distribution service within its service territory through numerous special legislative acts, including special legislative acts that conferred such rights on several predecessor utility companies such as the Hartford Electric Light Company, the Connecticut Railway & Lighting Company, the Northern Connecticut Power Company and the Housatonic Power Company that CL&P acquired through a series of mergers and consolidations. For example, Connecticut Light & Power Co. v. Costello, 161 Conn. 430, 433 (1971) (stating CL&P's "corporate existence stems from the charter granted to The Rocky River Power Company in 1905 by special act of the legislature. 14 Spec.Laws p. 860. In 1917, The Rocky River Power Company was authorized [by a special legislative act] to acquire the property and franchises of The Housatonic Power Company and to change its name to The Connecticut Light and Power Company. 17 Spec.Laws p. 833.")

As a result, CL&P's "franchise rights" are not located within a single "franchise agreement". Instead, the franchise rights are contained within numerous special legislative acts that were granted by the legislature to CL&P and the predecessor utility companies CL&P acquired by merger and consolidation over the past approximately 130 years. Please refer to OCC-964 Attachment 1, for CL&P's Amended and Restated Certificate of Incorporation. Table A to that Certificate of Incorporation in Attachment 1 hereto, at pages 22-89, lists the numerous special legislative acts that granted franchise rights to CL&P and the predecessor utilities that CL&P acquired by merger and consolidation.

Date Filed: October 26, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Has the Parent Company diverted any revenue from the CL&P ratepayer paid distribution charge, revenue decoupling adjustment, Electric System Improvements (ESI) charge, and/or Competitive Transition Assessment charge funds/revenues and removed those funds/revenues from being invested back into CL&P?

Response:

There is no "diversion" of revenues that would ever pertain to a rate-recovery factor and the Parent Company has not taken any steps to prohibit revenues collected through the Revenue Decoupling Mechanism ("RDM"), Electric System Improvements ("ESI") charge or the Competitive Transition Assessment ("CTA") charge from being invested back into CL&P.

In accordance with well-established ratemaking procedures, the Company's base distribution rates recover a return on investment authorized by PURA to repay lenders and equity investors for the use of their funds to make investments on the distribution system to assure the safe and reliable operation of the electric system for the benefit of customers. Each year, the Company retains a significant portion of its earnings for the purposes of reinvestment in the electric distribution system to reduce the need for new, external funding. Please refer to the Company's response to interrogatory OCC-758[i] for an in-depth explanation of retained earnings as a source of investor supplied capital.

Prior Referenced Response:

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[i] OCC-758 Question:

(Retained Earnings) Referring to OCC-518 Response. Are ratepayers paying a cost of equity outlay for retained earnings?

OCC-758 Response:

The Company provides this comprehensive response to questions raised in OCC Interrogatories 758 through 766. Where this response references those interrogatories, footnotes have been provided for ease of reference.

1. Fundamental Ratemaking Principles

Two fundamental ratemaking principles apply here.

First, retained earnings are not "included in rate base." Only infrastructure assets are included in rate base and the only equity return that customers pay is the return on rate base. The largest components of a utility company's rate base is the net balance of infrastructure investments that the Company has had to finance via a combination of long-term debt and equity (meaning that it reflects the gross value of plant additions, less accumulated depreciation on those additions, less the accumulated deferred income tax ("ADIT"[1]) benefit). The Company collects a return on rate base through rates equal to the weighted average cost of capital times rate base. The weighted average cost of capital ("WACC") in a rate case reflects the utility's cost of money associated with debt and equity capital used to fund rate base. In a rate case, utility rates are set to reflect the utility's cost of service including its WACC on rate base, such that rates are set to provide revenues that cover i) the utility's annual operating expenses (including taxes, depreciation, and other annually recurring expenses), ii) the utility's annual cost of debt service on rate base such that iii) deducting the level of O&M and debt service from PURA-approved revenues results in a level of net income that reflects the authorized cost of equity (return on equity) established by PURA in the rate case. Customers pay only the return on rate base. There is no separate or additional payment by customers associated with retained earnings.

Second, retained earnings reflects the net income that the utility has earned but has not distributed as dividends. Net income is either returned to shareholders as a dividend, or is retained in the Company as retained earnings. In this manner, retained earnings represent owner's equity in the utility business, becoming part of the permanent capital supporting the Company's operations and investment in utility infrastructure assets. Retained earnings help to alleviate the need for incremental equity issuances (or contributions from the parent company, in the case of a regulated subsidiary) in order to finance ongoing investments.

2. Retained earnings are no different than other cash resources that investors contribute as equity; Ratepayers are not paying a separate (or second) amount for retained earnings (OCC-759)[2].

Customers pay rates designed to support the cost of providing utility service, including operating expenses, depreciation, taxes and the cost of capital (including the authorized return on equity) on the rate base invested in utility infrastructure. When earnings are retained in the Company rather than being distributed to investors as dividends those funds remain at risk to the investor and appropriately form part of the Company's equity capitalization, as "owner's equity."

Accordingly, equity derived from retained earnings is economically no different from other equity funds provided through direct investor contributions and, as such, its cost is the same authorized return on equity as all other sources of equity, when retained earnings are used to pay for utility infrastructure in lieu of other capital funding (OCC-759). In corporate finance, retained earnings come at the same cost, and thus have the same required return as externally supplied equity because investors retain ownership of those funds and continue to bear the same risks associated with the business. The source of the equity does not change the economic reality that investors have committed capital to the enterprise and could otherwise deploy that capital in competing investment opportunities were it not retained in the Company to fund additional infrastructure investments.

[1] The largest driver of ADIT for utility companies is generally the different between book depreciation and tax depreciation. Because tax depreciation is typically accelerated relative to the level of book accounting depreciation, utilities are able to deduct more depreciation expense for tax purposes than they do for book accounting depreciation, creating an ADIT timing difference that serves as a source of capital over the term the ADIT balance 'turns around'.

[2] OCC-759: (Retained Earnings) Referring to OCC-518 Response. Is the equity related to retained earnings eligible to earn the authorized return on equity?

3. Retained earnings are not included in rate base; Retained earnings are invested capital that pays for rate base and must be repaid to investors, with a rate of return. (OCC-760)[3].

Within the regulated utility ratemaking framework, retained earnings are not "included in rate base," as OCC-760 suggests. Rather, retained earnings are a source of investor-supplied capital, while rate base consists of prudently incurred assets that are used and useful in providing service to customers. Rate-base assets must be financed with a combination of long-term capital (long term debt and shareholder equity) and retained earnings are one, cost-effective source of that financing. To the extent retained earnings fund utility plant comprising rate base, the retained earnings become part of the capital structure supporting those investments. Regulatory ratemaking acknowledges the cost of equity capital and provides an opportunity to earn a return on invested capital regardless of whether the equity originated from stock issuances or accumulated retained earnings. From a financial perspective, utility assets are indifferent to the source of financing used to acquire them. A dollar of utility plant funded through retained earnings is economically identical to a dollar of utility plant funded through newly issued common stock. Both retained earnings, excluding issuance costs, and the funds from newly issued common stock represent investor dollars committed to utility operations which are exposed to investment risk and other forces that determine the cost equity investors demand in order to provide the utility with its capital to invest.

In addition, retained earnings differ fundamentally from items that reduce rate base, such as ADIT. As described previously, for utilities, ADIT arises primarily from timing differences between tax and book depreciation and represents taxes effectively paid for by customers in advance of the time that the Company pays out those taxes to appropriate governments. Because ADIT generated in this manner is generally viewed as cost-free capital supplied through the ratemaking process rather than by investors, it appropriately reduces rate base and correspondingly reduces the amount of investor-supplied capital upon which shareholders are permitted to earn a return. In this way, rate base is reduced by ADIT, such that the WACC applied to rate base reflects the cost of capital required to finance rate base, being sourced by long-term debt and shareholder equity.

By contrast, retained earnings ***belong to investors*** and represent earnings that have been reinvested in the business rather than distributed as dividends. In other words, retained earnings are investor capital that are used to fund new rate base assets rather than being distributed immediately as a dividend. This is economically equivalent to a circumstance where 100 percent of net income were to be distributed to shareholders as a dividend, and then reinvesting the portion that would otherwise have been retained as retained earnings back in the Company. Consequently, retained earnings are properly treated as investor-supplied equity capital and are eligible to earn the authorized return on equity when supporting utility investments.

The differing treatment of retained earnings and ADIT reflects a fundamental principle of utility ratemaking, which is that investor-supplied capital that remains at risk in the utility business comes at the cost of equity, and the utility is thus afforded an opportunity to earn a return on the balance of equity that is financing rate base, including retained earnings. Conversely, customer-supplied or cost-free sources of financing (such as ADIT) are generally used to reduce the amount of investor capital *upon which* a return may be earned. The regulatory ratemaking framework acknowledges that investors must be compensated for supplying capital and bearing financial risk and also that customers should not pay more than cost of capital that is required in order to finance rate base, by ensuring that cost-free funding sources, such as ADIT, lower rate base.

[3] OCC-760: (Retained Earnings) Referring to OCC-518 Response. Why is retained earnings eligible to be included in rate base?

4. Ratepayers are not "double paying" for retained earnings (OCC-761).

For the same reason, ratepayers are not "double paying" for retained earnings, as contemplated by OCC-761[4]. The earnings that were "retained" in the utility were previously earned by investors through rates charges to customers and became investor property once earned. To articulate this point, it is important to point out that the amount of retained earnings in any given year has no impact on the value of rate base in that year. In general, utility rate base is a function of the net value of infrastructure (assets), whereas shareholder equity is a source of funds utilized to pay for those rate base assets. The dividend payout ratio (or the inverse being the retention ratio) has no direct bearing on rate base. As explained above, retained earnings as a source of capital to fund rate base is economically equivalent to an investor receiving a dividend and then choosing to purchase additional shares in the Company in the same amount. Both are shareholder equity used to finance rate base, and both come at the cost of equity.

Because investors continue to bear the risks associated with utility operations, retained earnings exist as investor-supplied capital supporting the rate base, on which the Company is entitled to earn a return on equity. The authorized return compensates investors for providing and maintaining that capital in the business, regardless of whether it originated from a stock issuance or retained earnings. Retained earnings are therefore properly treated as investor capital, unlike ADIT, which is generally considered customer-supplied, cost-free capital that reduces the amount of investor-supplied capital required to support utility operations. The use of retained earnings as opposed to new stock issuances is a slightly lower cost source of funds, as there are no issuance costs associated with the use of retained earnings to fund new investments.

Characterizing retained earnings as a second payment by would miss the fundamental point that the opportunity to earn a return on invested capital and the passage of time are inextricably linked because capital that remains invested continues to have value to investors. Investors could have received those earnings as dividends and invested those dollars elsewhere and had those funds not been reinvested in the Company. As a result, retained earnings continue to represent investor capital that is contributed to the business, is at risk, and carries an ongoing opportunity cost, thereby remaining subject to the authorized return on equity.

Similarly, rate base would not be reduced by retained earnings simply because customers previously paid rates that enabled the Company to generate those earnings, as OCC-762 suggests[5]. Once earned, retained earnings belong to investors. The fact that those funds were retained in the business rather than being distributed as dividends does not change the fact that those funds remain investor-supplied capital supporting utility operations – just the same as any other contribution –with the contributions subject to continuing exposure to business risk and coming at the cost of equity.

As an example, consider a prudent, used-and-useful substation costing $50 million that is financed at the capitalization ratio proposed in this proceeding comprised of 53.86% equity. If the Company raises the equity through new share issuances, the substation would be financed with approximately $23 million of debt and $27 million of newly issued equity. Alternatively, investors could reinvest $27 million of previously earned profits rather than receive those funds as dividends. Under OCC-762's proposition, the second scenario would result in a lower rate base simply because those earnings were reinvested in the Company rather than being received first as a dividend and then reinvested through the purchase of newly issued shares. Yet, the underlying asset is identical; the service provided to

[4] OCC-761: (Retained Earnings) Are ratepayers double paying for retained earnings because they paid the Company to create the earnings which were retained and later on pay a cost of equity on the retained earnings?

[5] OCC-762: (Rate Base) Should the rate base be subtracted by amount of customer already paid for retained earnings?

customers is identical; and the investment decision facing investors is identical, i.e., ***choose*** to invest capital in the Company or ***choose*** to invest it elsewhere.

There is no economic or financial basis for treating these two financing sources differently (i.e., retained earnings versus investment in newly issued shared) for purposes of determining the financing costs associated with rate base assets providing service to customers. Relying on retained earnings is slightly lower cost since the use of these funds eliminates the need to go to market and the incremental costs associated with the issuance of new equity. Treating these two sources of funds differently would create a financing bias that favors externally raised equity over internally generated equity, even though both sources of capital reflect investment dollars provided by investors. Such a result would disconnect ratemaking outcomes from the financial principles used to set the return on equity. Establishing different returns for different sources of equity funding violates the basic financial principle that the return on an investment is based on the risk of the investment, not the source of the funding.

5. Retained earnings are an important source of internally generated capital (OCC-763).

Retained earnings are an important source of internally generated capital. Retained earnings strengthen the Company's financial position, support credit quality, reduce reliance on external financing, and help fund ongoing infrastructure investment. Recovery of financing costs does not eliminate the need for utilities to maintain adequate equity capital in the capital structure financing rate base. OCC-763 appears to imply that the Company merely serves as an intermediary between utility assets and the owners of those assets[6]. In reality, the owners of the Company and the owners of the utility assets are one and the same. Importantly, customers do not bear the risk of supplying capital to fund utility assets; investors do. Customers pay rates that include the cost of debt and equity capital; however, the capital itself is supplied by investors, not customers. Whether the source of equity capital is retained earnings or proceeds from newly issued shares does not alter this fundamental relationship and therefore does not change the cost of service because, in either case, investors have chosen to commit capital to utility operations and the return on that capital is based on the risk of the investment, not the source of the capital. Indeed, one purpose of maintaining a reasonable level of retained earnings is to preserve financial flexibility, support credit quality, and enhance access to capital markets. These attributes ultimately benefit both customers and investors by helping ensure that the utility can continue to attract capital at reasonable cost and provide safe and reliable service. The Company does not distribute all earnings as dividends (OCC-764) because doing so would eliminate an important source of internally generated equity capital[7]. If retained earnings were fully distributed each year, the Company would need to replace that capital through additional common equity, debt, or both, in order to fund utility investments and maintain its target capital structure. This financing could be more costly and could expose both investors and customers to additional financing and market risks.

6. Retained earnings are a cost-effective financing resource.

Retained earnings provide financing benefits by avoiding flotation costs (OCC-766)[8], including underwriting, legal, registration, and administrative expenses associated with issuing new securities. Although the Company can elect to distribute 100% of earnings to investors and can subsequently raise replacement capital in the financial markets (OCC-765), doing so presents several drawbacks[9].

[6] OCC-763: (Retained Earnings) Should utility companies have any retained earnings if ratepayers are paying for the Company debt and equity costs on the entire rate base?

[7] OCC-764: (Special Dividend) Why does the Company not pay out a special dividend every year to remove the retained earnings?

[8] OCC-766: (Retained Earnings) What is the relationship between retained earnings and lack of flotation costs for retained earnings?

[9] OCC-765: (Retained Earnings) If all retained earnings were paid out in the form of a special dividend yearly could the Company get the necessary common equity and debt investment to fund the Company?

First, given the capital-intensive nature of the utility industry, replacement capital would likely be required almost immediately, exposing the Company to prevailing market conditions and unnecessary financing risk.

Second, retained earnings provide a financial cushion during adverse events, including market disruptions and broader economic downturns.

Third, if investors expected the Company to distribute all earnings as dividends, earnings volatility would translate directly into dividend volatility, including potential dividend reductions, which can be viewed negatively by capital markets.

Fourth, replacing retained earnings with externally raised equity would introduce flotation costs that could otherwise be avoided. From a capital formation perspective, retained earnings represent the most efficient source of common equity because they allow the utility to finance investment without incurring transaction costs, market issuance risk, or potential dilution associated with new share offerings.

By retaining earnings instead of issuing equivalent new equity, the Company obtains equity financing without incurring flotation costs. As a result, retained earnings are often a lower-cost source of equity capital than newly issued common stock.

7. Summary

In summary, retained earnings are investor-owned capital resources that remain invested in the utility business. The earnings constitute investor-supplied equity capital, are appropriately used to pay for utility infrastructure, while reducing the need for external financing and associated flotation costs.

In contrast, ADIT is generally treated as customer-supplied, cost-free capital and therefore serves to reduce the amount of investor-supplied capital upon which a return may be earned. This distinction reflects a foundational principle of utility ratemaking: customers should receive the benefit of cost-free sources of capital (ADIT), and only pay the cost of capital necessary to finance rate base assets that in service, used and useful, and prudently incurred. The flip side of this same coin is that utility investors should have the opportunity to earn a fair return on capital they supply and place at risk, whether or not that equity capital is contributed in the form of a purchase of newly issued stock or in the form of retained earnings by the company. The treatment of retained earnings reflects the fundamental principle that capital left invested in the business continues to have value and an opportunity cost to investors, even when that capital originated from previously earned income. Fundamentally, retained earnings are the result of investment retained in the business rather than being distributed as dividends, and utility ratemaking has long recognized such retained earnings as investor-supplied equity, no different in substance from newly invested common equity.

Accordingly, retained earnings are not a source of customer-supplied capital, nor do they represent a basis for reducing rate base. Rather, retained earnings are investor-owned funds that are reinvested in utility operations and continue to perform the same economic function as any other form of common equity.

Date Filed: October 28, 2026

Witness: Donald J. Scacco Jr., Digaunto Chatterjee and Douglas P. Horton
Request from: Office of Consumer Counsel

Question:

Who or what decision-making body controls all or any investments that are deployed into the subsidiary company, CL&P? Please provide a narrative description of approval processes for modification of capital budgets, such as those indicated in Eversource's December 30, 2024, Order No. 2 Supplemental Compliance Filing.

Response:

CL&P's capital program encompasses a range of project categories necessary to build, maintain, improve and operate the electric distribution system safely and reliably. The project categories are targeted at achieving safe and reliable operation, enabling new customer growth, eliminating capacity limitations, supporting business operations, and maintaining asset health, including remediation of equipment failures, transformer replacements and third-party/joint-ownership work.

Eversource's capital budget planning process starts with a mid-year meeting of the business planning group (the "Planning Group"). In that process, Eversource's capital-planning objective for its operating companies, including CL&P, is to develop capital budgets that represent the optimal balance of executing infrastructure work necessary to maintain and improve the performance of the system, while assuring a cost-efficient use of the capital resources. The overriding strategy for the allocation of capital across the Eversource Energy enterprises, and also within each individual organization, is to develop and rely on in-depth analyses of system risks and requirements to inform risk-based assessments that assist in prioritizing and ranking potential infrastructure projects in accordance with budget targets. At the same time, Eversource maintains a level of flexibility in the budget process to deal with contingencies that inevitably occur during the year and modifications to the overall capital plan, or an individual company's plan, can be made during the year to meet emergent needs on the system, or in relation to financial circumstances.

The Planning Group consists of staff from Engineering, Electric Operations and Finance. Each operating area, whether representing a geographic-based work region or functional area, presents its capital plan and resource requirements to the CL&P President and Chief Operating Officer for review, and with their input, presents the resulting capital plan and resource requirements to the Planning Group for its consideration. The capital plans presented by the operating areas to the Planning Group are input into the five-year planning models and the results are evaluated in

relation to operating performance targets and financial goals. The Planning Group uses this analysis to develop a five-year capital budget forecast that balances financial and performance targets. Once the Planning Group has finalized the capital budget, it is consolidated as part of the Eversource Energy long-range financial forecast.

Following this process, the overall annual capital budget for CL&P and the other operating companies are developed. The annual capital plan for CL&P is developed by Electric Engineering with input from Electric Operations (including the CL&P President) on a project-specific basis. The selection of individual projects is based on analytical assessments derived through system modelling, methodological study and/or observed data). The resulting capital budget plan involves a combination of individual major capital projects, capital programs composed of "sub-projects" and "line of business" work (for example, non-discretionary core projects) to be funded during the upcoming year. A variety of factors are considered in determining which capital investments are necessary to achieve operating objectives, including but not limited to aging infrastructure needs, system conditions, reliability performance, new customer growth and resource availability. Multi-year funding for major projects is also reviewed through the annual budgeting process. The CL&P capital plan is developed through a detailed prioritization process identifying the appropriate mix of work that will best address system-related issues. Once the annual capital budget is finalized, the CFO reviews the annual capital budget with the Eversource Board of Trustees Finance & Risk Committee.

As capital projects are advanced through the project lifecycle, all capital projects are evaluated in accordance with a Project Authorization Policy ("PAP"). With the Company's Initial Filing in this proceeding, Exhibits CLP-ADDITIONS-10A, through CLP-ADDITIONS-10C, provide copies of these policies, as applicable to CL&P. The purpose of the PAP is to provide a framework to guide decision-making, evaluation and approval of all capital project spending. Within this framework, the Planning Group identifies key corporate initiatives, evaluates major projects and prioritizes capital projects within the planned budget. For monitoring and tracking of project authorizations, the PowerPlan system is primarily used as the repository for authorizations. Authorizations are approved in accordance with the Delegation of Authority and the appropriate sign-offs are obtained accordingly (Exhibit CLP-ADDITIONS-10C).

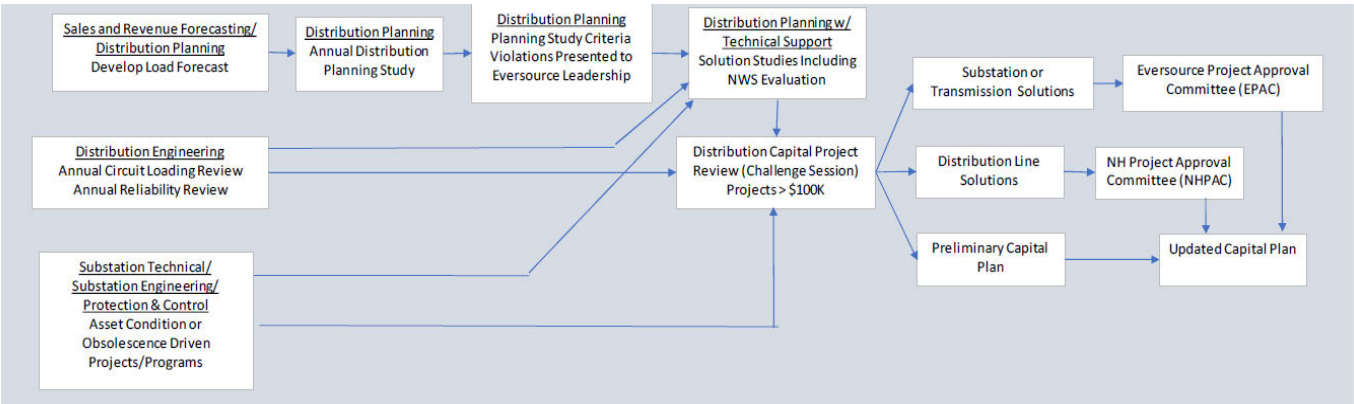
Starting in June 2022, as a result of the Settlement reached in Docket No. 17-12-03RE11 (October 2021), the CL&P Subsidiary Board was expanded to add three outside board members. Among other duties, the role of the subsidiary board is to review CL&P's financial results including capital investments and to review larger-scale capital projects that require subsidiary board approval in accordance with the CL&P Delegation of Authority Policy.

OCC-966 Attachment 1 and Attachment 2 provide the cover letter and Attachment D from Eversource's Supplemental Compliance Filings on Order No. 2, in Docket No. 19-03-01, as filed on December 2, 2025 and December 30, 2024, respectively. Attachment D provides information pertaining to this request.

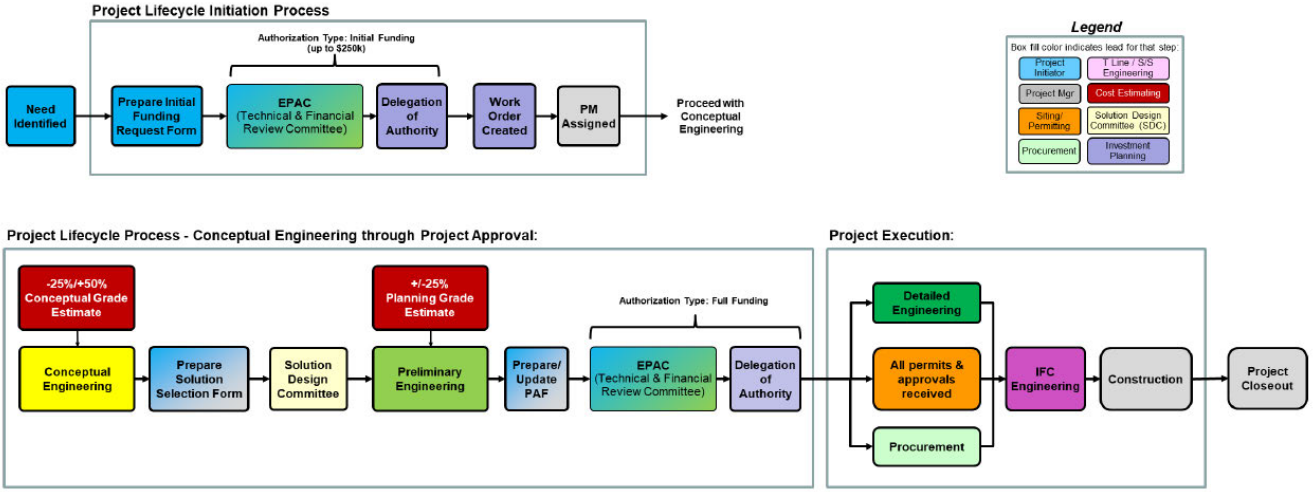
OCC-966 Attachment 3 provides a flowchart showing the Project Initiation Process for Distribution Projects.

Graphic #1, below, shows the Project Initiation Process for Substation Projects.

1. Project Initiation Process – Substation Projects



2. Capital Project Approval Process



Date Filed: October 22, 2026

Witness: Matthew Fallon
Request from: Office of Consumer Counsel

Question:

Did the Parent Company's $2.4 billion in unregulated losses contribute to the Parent Company's credit rating downgrade in December 9, 2024 from A- to BBB+?

Response:

Please refer to ALLCO-142, Attachment 5, at pages 29-42, for the December 9, 2024 S&P report discussing the downgrade. The Rating Action Rationale on page 2 of the report identifies two contributing factors.

First, the primary factor driving the downgrade, as evidenced by the fact that S&P also downgraded other Connecticut utilities unrelated to Eversource at that time due to such concerns, was the increase in risk resulting from Connecticut regulation. The report states:

> ***We revised downward our assessment of Connecticut's regulatory construct for Eversource's Connecticut utilities***. The assets of CL&P and Yankee Gas that are regulated by Connecticut's Public Utilities Regulatory Authority (PURA) account for about 25% of Eversource's consolidated EBITDA. In recent rate orders for Avangrid subsidiaries Connecticut Natural Gas and Southern Connecticut Gas, the PURA ordered material base rate decreases reflecting reduced depreciation expense, below-average authorized returns on equity (ROE) of 9.15%, and significant reductions in proforma rate base. Additionally, we have assessed PURA's rate orders over the past two years, which were materially lower than we assumed under our base-case forecasts, as not credit supportive. In general, we expect utilities to operate in a regulatory jurisdiction that is supportive of their credit quality by allowing for the full recovery of their operating and capital costs in a timely manner. We also expect the regulatory jurisdiction to provide a consistent and predictable regulatory framework that results in cash flow stability. Given the current trend in Connecticut, we now expect that the PURA will continue to order less-than-credit supportive rate case orders over the longer-term.
>
> Additionally, we assessed the 2023 signing of Connecticut Senate Bill 7 into law as negative for the credit quality of utilities because it discontinued the use of the electric system improvement charge in future rate proceedings. The bill also provided PURA with discretion regarding the consistent implementation of

> decoupling, which we expect will decrease the cash flow predictability of the utilities it regulates. Accordingly, we believe business risk has increased for Eversource Energy and its Connecticut-based subsidiaries and expect they will be increasingly subject to below-average ROEs, regulatory lag, and an inconsistent ability to earn their authorized ROEs and achieve credit-supportive regulatory outcomes. We believe these developments will also increase the companies' cash flow volatility, decrease the stability of their financial performances, and weaken their ability to consistently manage regulatory risk over our forecast period.

Second, the report also cited Eversource's weak historical financial metrics. Importantly, Eversource has successfully executed on a plan to improve its financial position. Key steps included the issuance of nearly $1.5 billion of equity during the 2024 – 2026 period and the divestiture of Eversource's offshore wind and water businesses allowing Eversource to focus on its core electric and natural gas operations. The credit rating agencies have acknowledged this improvement. Most recently, on July 9, 2026, Moody's revised Eversource Energy's outlook from negative to stable and noted that "Eversource's stable outlook reflects improved financial performance and financial flexibility" (See Moody's July 9, 2026 report provided in CIEC-014, Attachment 3).

Date Filed: October 22, 2026

Witness: Matthew Fallon
Request from: Office of Consumer Counsel

Question:

Is the regulated CL&P subsidiary company protected from a Parent Company bankruptcy if its unregulated business ventures have losses that impact the Parent Company's ability to pay required debt payments?

Response:

Yes. The accounting systems and controls utilized by Eversource Energy are rigorously designed to ensure that cash flows and accounting entries are maintained separately for each corporate entity. Through strictly applied and independently audited internal control design, CL&P has no involvement whatsoever in any accounting or flow of funds associated with Eversource Energy's unregulated business ventures. Additionally, Eversource Energy's parent-level debt is non-recourse to its regulated utility subsidiaries, including CL&P, in the sense that creditors of Eversource Energy do not have recourse against the assets or cash flows of the individual utility subsidiaries.

Date Filed: October 22, 2026

Witness: Matthew Fallon
Request from: Office of Consumer Counsel

Question:

Provide the Parent Company's dividend coverage and dividend payout ratios quarterly for the past 10 years.

Response:

Please refer to OCC-969, Attachment 1, for Eversource Energy's dividend coverage and dividend payout ratios quarterly for the past 10 years. As shown in Attachment 1, Eversource Energy's dividend payout ratio is in the range of 60-63%, annually, consistent with the regulated utility industry. This payout ratio reflects both Eversource's commitment to retain earnings in the utility businesses to assist in financing capital investment rather than having to raise new capital, as well as investor willingness to reinvest their capital in the business rather than receiving all earnings as dividends (and then having to raise new capital). Quarterly dividend payout ratios are not particularly informative due to seasonality and the monthly timing variation of cost incurrence and revenue recognition.

Date Filed: October 22, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Provide all CL&P Q4 Year Exhibits filed in Docket No. 76-03-07 for each year from 2015 through 2025.

Response:

Please refer to OCC-970, Attachments 1 through 3, for the CL&P Q4 exhibits filed in Docket No. 76-03-07 for the years 2015 through 2017, and please refer to EOE-062, Attachments 1 through 8, for the years 2018 through 2025.