Date Filed: August 25, 2026

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

Question:

(Accounting Adjustments)

a. Please identify all aspects of the Company's requested revenue requirement that represent a deviation from the principles and policies established in prior Commission Decisions.
b. Identify each area of deviation, and for each deviation explain the Company's perception of the principle established in the prior Commission Decisions, and why the Company believes the prior Decision should not be followed.
c. State which accounts are affected and the dollar impact on each account for each such deviation in the test year and rate year.

Response:

PURA's prior decisions on the prudence of costs included in a company's authorized revenue requirement, including the cost of capital, are generally evidence-based, which means that the findings do not automatically carry forward as a company typically retains the right to present costs and associated evidence to PURA for consideration in each case.

With respect to the costs presented in this case, the Company accounts for its costs in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in its applicable Uniform System of Accounts ("USofA") and published accounting releases. The revenue requirement requested in this proceeding is based on these costs.

In addition, the accounting adjustments and revenue requirement requested in this rate case comply with and are consistent with applicable Connecticut law in General Statutes Section 16-19e(a)(4), which mandates "that the level and structure of rates be sufficient…to allow public service companies to cover their operating costs including, but not limited to, appropriate staffing levels, and capital costs, to attract needed capital and to maintain their financial integrity…." Also, many of the principles and policies developed by PURA in recent rate cases involving Aquarion Water Company of Connecticut, the United Illuminating Company, the Connecticut Natural Gas Corporation, and the Southern Connecticut Gas Company are currently under appeal before Connecticut courts, or if not, were decided on the basis of the evidence presented in those cases. As such, the Company is not aware of aspects of the Company's accounting adjustments and revenue requirement that represent a conscious deviation from the principles and policies established in prior PURA decisions. The Company's accounting adjustments and revenue

requirement presented in this proceeding reflect the Company's most accurate assessment of its Rate Year cost of service, consistent with the practices required by PURA's Standard Filing Requirements and consistent with state and federal laws.