Date Filed: October 19, 2026

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

Question:

(SCRAF Mechanism) Please quantify the savings and benefits, if any, in carrying charges that the Company expects to result from implementation of the proposed SCRAF as compared with recovery under the current storm cost recovery framework. Provide all assumptions, calculations, and workpapers supporting the response.

Response:

The Company assumes that the reference to "the current storm cost recovery framework" is a reference to the following framework:

1. The Company is authorized to defer incremental expenses incurred to restore power following a storm event, where those incremental expenses exceed $4 million, or where the Company has notified PURA of its intent to pre-stage a potential event and those incremental expenses do not exceed $4 million.

2. The cost of "minor" events, or events where less than $4 million in incremental cost is incurred to restore power to customers, is recovered through base rates, with a representative amount included in rates in a rate proceeding based on historical experience.

3. DISPUTED. No carrying charges are allowed on deferrals to the Catastrophic Storm or Pre-Staging Event Reserves unless and until a prudence review is completed – and then only on the deferred balance determined to be prudently incurred.

4. DISPUTED. The prudence review can only occur in the context of a rate proceeding, unless required by approved settlement provision or as a matter of PURA discretion.

5. DISPUTED. Carrying charges commencing on the date of the prudence review are recoverable in a rate proceeding only prospectively, as applied to the unamortized balanced over the amortization period, collected through distribution rates (but not through rate base).

6. Actual recovery of storm costs or associated carrying costs cannot occur outside of a distribution rate proceeding.

The Company's proposal for establishment of a revised storm mechanism in this case seeks to resolve these disputes and to create a framework that is fair, efficient, lawful, provides timely and

adequate recovery for prudently incurred costs and mitigates cost impacts for customers to the maximum extent feasible for administrative proceedings.

As the Company discussed in detail in response to OCC-522[i], the reduction of carrying costs is a primary benefit of a systematic approach. Accordingly, the Company's framework employs a systematic mechanism that would operate outside of base rates with an annual funding contribution collected through distribution rates to mitigate carrying costs for catastrophic storms and pre-staging events. In this framework, the reduction of carrying costs is an important tool to mitigate costs for customers, although the Company does not agree that PURA has lawful authority to simply bar the application of carrying costs unless or until a prudence review is completed. The Company does agree that carrying costs may only be recovered on costs that are ultimately determined to be prudently incurred and this would require the refund of any carrying costs accrued on deferred costs from the date of cost incurrence (if collected), in the event that costs are declared to be imprudent.

In this context, a critical feature of a new storm-cost recovery mechanism is for it to operate on a shorter-term cycle, so that prudence reviews are systematically performed; deferred costs are not allowed to accumulate for a multi-year period; and recovery is timely and efficient, so that carrying costs can be minimized and the Company is not impaired by the fact that customer obligations are allowed to remain outstanding for long periods. Also, with a more timely, systematic format for storm-cost review and recovery, the carrying cost rate can approximate a debt rate instead of the weighted average cost of capital ("WACC"), which is necessary, appropriate and lawful where the periods that deferred amounts must be carried are relatively longer.

To illustrate the savings and benefits that would result from the Company's proposed framework, as compared to the current framework, lawfully applied, the Company is building a model to compare a SCRAF mechanism (operating annually outside of base rates) to a framework that relies on rate-case intervals. Carrying costs will be greater as the timeframe for deferral and recovery is extended. However, the Company's model will demonstrate the results that would be achieved with more systematic recovery and will be provided as a supplement to this response.

Prior Referenced Response:

[i] OCC-522 Question:

Leadership Panel Exhibit CLP-ELP-1 – Storm Cost Recovery
(Carrying charges applied to SCRAF) In its proposal, the Company notes, "should PURA implement the SCRAF, which provides for more timely review and recovery of storm and pre-staging costs, the Company accepts the Prime rate from the date of cost incurrence, applied to the net balance of the storm fund and pre-staging reserve fund 6 for storms occurring after March, 2025." (p.143) Did the company consider or analyze setting carrying charges on costs recovered through SCRAF to be equal to the commercial paper index or the utility's actual cost of short-term debt, rather than the prime rate?

a. If yes, provide the analysis conducted and the rationale for proposing the use of the Prime rate instead.

b. If not, explain why the Company did not consider proposing that the carrying charges on SCRAF recovery to be set at either the commercial paper index or actual cost of short-term debt.

OCC-522 Response:

a. and b.

Carrying costs are the mechanism by which the Company recovers its cost of money. Thus, carrying costs must be tied to the actual cost that the Company is incurring to carry the storm deferral. When the storm deferral is relatively larger and carried for a relatively extended time period, then the Company's weighted average cost of capital ("WACC") is its actual carrying cost. If PURA establishes a ratemaking mechanism that provides more systematic reviews and more timely recovery, then the cost of money may be susceptible to approximation with lower cost sources of funds.

The relationship between time and quantity and the cost of capital is clearly demonstrated through a utility's cost of service whereby a utility's rate base (comprised mainly of the Company's plant which is paid back by customers over many years) receives a return at the Company's authorized WACC. Applying the Company's WACC to long-term assets aligns the carrying charge calculation with the manner in which comparable long-term assets are reflected for ratemaking purposes.

Similarly, the WACC is the appropriate rate for calculating carrying charges on long-term funded regulatory assets because it reflects the Company's actual cost of funding those customer "debts," including storm restoration costs, over an extended period of time. Financing obligations – certainly obligations of this magnitude – cannot be supported exclusively through debt financing, whether short-term or long-term. Instead, the Company must balance its capital requirements through a reasonable mix of both debt and equity to ensure financial stability and continued access to reasonably priced capital.

With respect to the appropriate carrying charge rate to utilize for the Storm Cost Recovery Adjustment Factor ("SCRAF"), the Company provided a thorough response to this question in response to LFE-031, in Docket No. 25-12-13. The Company is providing that response as OCC-522, Attachment 1. The analysis shows that: (1) necessary uses of cash routinely exceed available sources of cash, creating a persistent funding gap; (2) commercial paper is a tool to maintain liquidity, not to finance investments or deferred expenses; and (3) short-term borrowing capacity is limited, and the Company cannot plan to operate at or near its short-term debt capacity without putting its ability to operate the system in severe jeopardy.

Given all of the considerations elucidated by Attachment 1, the Company recognizes that the appropriate treatment of carrying charges may vary based on the regulatory framework established within each jurisdiction. Different regulatory constructs reflect differing policy objectives and mechanisms designed to balance the Company's financing needs with customer impacts. In establishing a going-forward framework for storm cost recovery, the Company agrees that it would be within PURA's discretion to strike a balance between the Company's costs of financing storm costs while ensuring that the Company is not 'profiting' on a force majeure event like a storm. This is the Company's experience in Massachusetts, as well, where the MDPU has authorized a carrying charge rate that is different from and generally less than the Company's WACC, but that still recognizes that the Company is using its longer-term capital resources to finance storm costs (not its shorter term commercial paper source of liquidity). Thus, the Company stated that "should PURA implement the SCRAF, which provides for more timely review and recovery of storm and pre-staging costs, the Company accepts the Prime rate from

the date of cost incurrence, applied to the net balance of the storm fund and pre-staging reserve fund for storms occurring after March, 2025."

Date Filed: October 21, 2026

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

Question:

(SCRAF Mechanism) Has the Company considered limiting SCRAF eligibility to storm events that also satisfy an objective storm-magnitude criterion, such as a Major Event Day designation under the IEEE Major Event Day methodology (2.5 Beta Method), a minimum number of customers interrupted, or a specified ERP tier or level, in addition to the proposed dollar-cost threshold?

a. If the Company didn't consider such criteria, please explain why. If the Company considered and rejected such criteria, please provide any analysis performed and explain the basis for relying solely on a cost-based threshold.
b. If one or more of the three additional objective criteria in this question were to be adopted for the Company to be eligible for SCRAF recovery, if approved, discuss the implications and changes to storm preparation and response that the Company would consider adopting going forward?
c. Are there any other objective criteria that the Company would be comfortable adopting, in addition to the cost per event threshold, to be eligible for SCRAF recovery?

Response:

The Company considered whether additional objective criteria can reasonably and workably be used in conjunction with the proposed cost threshold for SCRAF eligibility because introducing objective criteria would help to eliminate controversy and provide clarity to all parties, including the Company. However, criteria such as an IEEE Major Event Day ("MED") designation, a minimum number of customers interrupted, or a specified ERP tier do not necessarily provide an valid and reliable indication for determining that incremental storm restoration costs are in excess of the level included in base rates and should be recoverable. The proposed cost threshold is intended to identify events that require restoration efforts at a level that is above and beyond the level set in base rates for non-catastrophic storms and for which it is not possible to establish a 'representative level' in base rates due to the magnitude and inability to accurately predict the frequency of events of this magnitude.

a. Additional Criteria

The Company did not recommend a MED-based criterion because the MED designation is based on system reliability performance rather than restoration cost for outages caused by operating circumstances not recognized by MED. Under the IEEE 2.5 Beta methodology, the MED threshold changes over time based on historical reliability performance. As the Company continues to invest in automation, sectionalizing, and other reliability improvements, outage impacts measured through SAIDI may decrease even though the underlying damage and restoration effort remain substantial. Consequently, the use of an MED threshold could produce the unintended result that a storm requiring significant incremental restoration resources, including external crews and their associated costs, would be ineligible for a prudence review under the SCRAF simply because customer outage impacts were reduced through prior reliability investments, even in situations where the costs were incremental and prudently incurred in accordance with the PURA approved ERP.

Similarly, a minimum customer interruption threshold is not an appropriate criterion because restoration costs are driven by the nature and extent of system damage rather than solely by the number of customers affected. For example, a fault on a heavily automated circuit may affect fewer customers than a similar event on a circuit without such automation, or on the same circuit in prior years prior to installation of automation, while still requiring the same field resources, equipment, and repair activities to restore service. As system automation expands, the relationship between customer interruptions and restoration costs becomes increasingly disconnected, even in situations where the costs are still determined to be incremental and prudently incurred. Also, a major component of storm response is the clearing of blocked roads and other public-safety necessities, which are not reflected in customer outages.

Similarly, a fixed ERP tier would similarly not be an appropriate criterion because ERP classifications are operational tools used to manage Company resources and may be influenced by factors such as forecast uncertainty, geographic scope, and restoration complexity. ERP levels are not designed to determine whether costs are incremental to normal operations or suitable for regulatory cost recovery.

Accordingly, the primary indicator of whether an event exceeds normal operating conditions and should be eligible for recovery under the SCRAF is the magnitude of incremental restoration costs, which is a function of external crew utilization. Catastrophic storm costs are impossible to predict with accuracy and are therefore not possible to reflect in rates on a representative level. Moreover, incremental costs may still be prudently incurred in accordance with the ERP even if the triggers discussed in this response are not met, and therefore cost should be the determining factor of SCRAF cost recovery eligibility rather than another measure.

b. Implications of Adopting Additional Criteria

If eligibility for SCRAF recovery were conditioned on an MED designation, customer interruption count, or ERP tier, the Company would need to evaluate how those requirements could affect restoration planning and resource deployment decisions.

For example, an MED or customer-count criterion could create a situation where investments that reduce outage impacts also reduce the likelihood that an event qualifies for recovery, even when restoration costs remain substantial. This could create a disconnect between reliability objectives and cost recovery mechanisms. The Company's objective during storm response is to restore customers as quickly and safely as possible, and cost recovery criteria should not eliminate the potential for cost recovery without a prudence review.

Likewise, if a specific ERP tier were required, the Company would need to consider the interaction between operational activation decisions and regulatory recovery treatment. The Company's ERP classifications are intended to support safe and effective storm response and should remain focused on operational needs rather than cost recovery outcomes.

c. Alternative Objective Criteria

If an additional objective criterion were required, the Company would be more comfortable with a criterion tied to the need for external restoration resources. In the Company's view, the clearest indication that an event exceeds normal operating conditions is that internal resources are insufficient and external mutual assistance or contract crews must be mobilized to support restoration efforts. In essence, evaluating the need for additional crew assistance encompasses concerns relating to both customer outages and public-safety demands.

The need for external resources reflects the scale and complexity of the event and is directly related to the incremental costs the SCRAF is intended to address. Unlike MED designations or customer interruption thresholds, which are based primarily on outage outcomes, the use of external resources is more closely aligned with the underlying restoration effort and associated incremental costs. In addition, the Company is often required to procure crews in advance of a weather event, based on forecasted information which may or may not materialize as expected. The incremental costs associated with those events should still be eligible for recovery, based on a prudence review and determination by PURA, even if the weather does not materialize as forecast, meaning that designated MED or customer interruption thresholds are not triggered.

Date Filed: October 16, 2026

Witness: Donald J. Scacco Jr., Christopher E. Colorio, Mark P. Baldwin, John G. Griffin and Leanne M. Landry
Request from: Office of Consumer Counsel

Question:

(Storm costs) Please provide an excel workbook with all of the following data points for each of the 14 catastrophic storm events in the 2025-2025 period the Company is seeking recovery for in this proceeding, as well as all the catastrophic storm events that were authorized for recovery in Docket 25-12-13 for the 2018-2023 time period:

a. Did the storm qualify as a Major Event Day designation under the IEEE Major Event Day methodology (2.5 Beta Method)? (yes or no)
b. What was the corresponding ERP level (Level 1-5) for each storm event as outlined in the Company's Emergency Response Plan?
c. What was the count of customers whose service was interrupted by the storm event?
d. Would the storm have met the 1% materiality threshold as calculated in OCC-6(a) (yes or no)?
e. The total cost of each storm event.

Response:

The Company calculates the annual IEEE 1366 TMED (Threshold Major Event Day) value in accordance with the methodology prescribed by IEEE Std. 1366. The annual TMED threshold values for the 2018-2025 period are presented in the table below. A calendar day is classified as an IEEE Major Event Day (MED) if the daily SAIDI exceeds the applicable annual TMED threshold for that year.

Historical TMED Thresholds

YEAR	TMED Threshold
2018	2.4653
2019	2.8369
2020	3.0301
2021	4.0733
2022	4.0468
2023	3.9719
2024	3.3314
2025	3.1844

Please refer to OCC-903, Attachment 1, for a listing of storm events along with the requested data.

Date Filed: October 16, 2026

Witness: Donald J. Scacco Jr., Christopher E. Colorio, Mark P. Baldwin, John G. Griffin and Leanne M. Landry
Request from: Office of Consumer Counsel

Question:

(Storm Cost Recovery) Please state what proportion of the catastrophic storms for which the Company is seeking recovery of costs in this proceeding were classified as Major Event Days under the IEEE Major Event Days methodology (2.5 Beta Method). In your response, provide all assumptions, calculations, and workpapers to support the following calculations:

a. Provide the cost of each storm event and the average cost of all catastrophic storm events that are classified as Major Event Days,
b. provide the cost of each storm event and the average cost of all the catastrophic storms that are not classified as Major Event Days.

Response:

Please refer to OCC-904, Attachment 1, for the requested information.

Date Filed: October 21, 2026

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

Question:

(SCRAF Mechanism) In CLP-ELP-1, page 155, the Company cites the Massachusetts storm cost mechanism as a model.

a. Please identify every material difference between the Massachusetts mechanism and the proposed SCRAF, including the five-year amortization period, the prudence review process, eligibility criteria or thresholds for recovery, and the carrying charge methodology.
b. Please identify other jurisdictions in which Eversource (or an affiliate) operates a storm cost recovery mechanism similar to the proposed SCRAF. Name any material differences between the other jurisdiction's adopted storm cost recovery mechanism and the proposed SCRAF. Explain why the Company has proposed a modification in the current proceeding. Provide the approved tariff or decision for each.

Response:

a. The table below compares the Company's proposed storm cost recovery mechanism in Connecticut with the existing, approved storm cost recovery mechanism under which NSTAR Electric Company ("NSTAR") operates in Massachusetts. The table highlights the key differences between the two mechanisms and provides the rationale for the Company's proposed approach for Connecticut.

Category	Massachusetts	CL&P Connecticut Proposal	Comments
Reserve Threshold	Any single storm in which NSTAR incurs $1.3 million in incremental O&M cost will be eligible for recovery through the Storm Fund. Massachusetts does not have a pre-staging mechanism, but these costs are generally covered with the lower threshold, and recovery of the thresholds in base rates.	Any single storm in which CL&P incurs $5.4 million in incremental O&M cost will be eligible for recovery through the Storm Reserve.	Storm fund design involves tradeoffs between funding recovery for Non-Catastrophic and Non-PreStaging through base rates and the threshold for accessing the reserve fund. The Connecticut threshold has historically been much higher than Massachusetts (i.e., $1.3M vs. $4M). The Company's proposed threshold aligns with historical practice, maintaining continuity in the design of the mechanism. Specifically, the proposed $5.4M threshold for Connecticut was calculated by escalating the current catastrophic storm threshold of $4 million using inflation factors based on GDP-PI from 2018 through the Rate Year.

Category	Massachusetts	CL&P Connecticut Proposal	Comments
Storm Cost Recovery Deductible	For each of the first eight Storm Fund-eligible events in a calendar year—that is, storms meeting the $1.3 million threshold—NSTAR must deduct the first $1.3 million from its recovery request for each event. To provide for recovery of those "thresholds," the MDPU incorporated $7.8 million in base rates, representing six storms at $1.3 million storm deductibles per storm. For each Storm Fund-eligible event after the eighth in a calendar year (i.e., events 9 and beyond), NSTAR is allowed to recover the *total costs* for each event; i.e., the $1.3 million deductible no longer applies. If there are fewer than five Storm Fund-eligible events in a calendar year, customers receive a $1.3 million credit for each event below the five-event threshold that did not occur.	N/A	From a practical perspective, the framework in CT is no different because the Company is allowed to recover the full cost of catastrophic storm events, so long as the threshold is surpassed (i.e., there is no so-called "deductible" that is collected through base rates). PURA has implemented a higher per-storm threshold than the MDPU ($4 million versus $1.3 million), allowing for recovery of all costs (including the $4 million) once the threshold is reached. Thus, the only real difference is that there are two storm deductibles in MA (i.e., storms # 7 and #8) that the Company does not recover, totaling $2.6 million. All other costs are recoverable, including pre-staging regardless of whether the storm materializes.

Category	Massachusetts	CL&P Connecticut Proposal	Comments
Amount Fixed in Base Rates for Non-Catastrophic and Non-Prestaging Storm Costs	NSTAR includes $7.8 million annually in base distribution rates to recover a representative level of the Storm Fund threshold that occurs each year ($1.3 million cost-per-storm threshold amount multiplied by six Storm Fund eligible storms per year). The six eligible events represent the average number of storm-fund-eligible events from 2017 through 2020).	CL&P has proposed to include $38 million in the Rate Year annually to cover Non-Catastrophic and Non-Pre-Staging storms costs, assuming a $5.4 million threshold.	Because the Massachusetts Storm Fund threshold is lower ($1.3 million), this design should, in theory, result in a greater proportion of storm costs being recovered through the Storm Fund, allowing the amount of Non-Catastrophic and Non-Prestaging storm costs fixed in base rates to be set lower. For Connecticut, the Company calibrated its proposal to strike an appropriate balance between recovery through rates and recovery through the Storm Reserve.

Storm Fund Contributions through Base Rates	In aggregate, NSTAR collects $31 million per year in annual base distribution rate contributions to the Storm Fund. In approving the $31 million, the DPU considered the number of storms that occurred between the Company's 2017 rate case and the end of the test year in D.P.U. 22-22 (12/31/20); the incremental cost of these storms; the number of storms with incremental O&M costs that were so extraordinarily high that they should be deemed statistical outliers; and the number of storms that would not have been eligible for storm fund recovery had the $1.3 million storm-fund-eligible threshold been in effect.	The Company is proposing that the annual customer contribution to the catastrophic storm reserve be set at $60 million in base rates. The Company proposes that the annual customer contribution to the pre-staging reserve be set at $4 million in base rates.	Storm fund design involves tradeoffs between funding recovery for Non-Catastrophic and Non-Prestaging and the threshold for accessing the reserve fund. As discussed in the Company's response to OCC-521, the Company's average annual catastrophic storm activity is approximately $151.5 million (Exhibit CLP-REVREQ-2, WP C-3.26, lines 27 through 35). However, the Company proposes to maintain catastrophic storm funding at approximately the same level as is currently in base rates, recognizing that annual activity is variable and difficult to predict. This approach is designed to mitigate customer bill impacts amid the myriad factors that are putting upward pressure on costs. The Company presented its proposal for pre-staging event reserve accrual in Exhibit CLP-REVREQ-1, pages 107-108. The testimony calculated an average annual prestaging event expense of $4.097 million (Exhibit CLP-REVREQ-2, WP C-3.27, lines 27 through 35), based on actual pre-staging event

Category	Massachusetts	CL&P Connecticut Proposal	Comments
			costs at $4.229 million in 2021, $6.350 million in 2022, $6.183 million in 2023, $0 in 2024, and $3.723 million in 2025 (using Gross Domestic Product – Price Index ("GDP-PI") to escalate costs to the Rate Year amounts). This average annual expense of $4.097 million supports the Company's proposed adjustment, increasing annual base distribution funding for pre-staging events from $3 million to $4 million.

Category	Massachusetts	CL&P Connecticut Proposal	Comments
Symmetrical Cap on Storm Fund	There is a symmetrical cap of $30 million on the Storm Fund balance that triggers either a customer refund for an over-recovery balance that exceeds the cap, or a customer charge for an under-recovery balance that exceeds the cap. The symmetrical cap of $30 million on the Storm Fund balance minimizes the potential for frequent rate changes (either positive or negative), realigns the risks associated with storm cost recovery to protect customers. NSTAR would only implement a rate change to the Storm Reserve Adjustment Mechanism ("SRAM") if the Storm Fund is in a surplus or deficit of $30 million.	N/A	The symmetrical cap has never been triggered in Massachusetts. CL&P has not proposed a symmetrical cap because the proposed annual review process is designed to prevent the accumulation of significant storm cost balances, thereby reducing the need for balancing and mitigation mechanisms such as a deductible, a symmetrical cap, or an exogenous storm component. Instead of a hard cap, the Company is proposing in Connecticut to implement flexible rate changes based on the funded status, rather than establishing fixed points at which rates would change, or establishing a pre-determined amortization period.

Category	Massachusetts	CL&P Connecticut Proposal	Comments
Exogenous Storms	Any single storm event that exceeds $30 million in incremental costs is excluded from Storm Fund eligibility. These costs can be recovered through the exogenous cost provision of the Performance-based Ratemaking ("PBR") mechanism annual adjustment or deferred to NSTAR's next base distribution rate case. NSTAR may seek cost recovery through the exogenous cost provision of the PBR (pending a prudence review) provided that the combination of any single storm in excess of $30 million and the balance of the Storm Fund exceeds $75.0 million. The DPU has expressed a preference that costs incurred in preparing for and responding to an exogenous storm event be recovered through the Storm Cost Adjustment Recovery Factor ("SCRAF")	N/A	CL&P has not proposed an exogenous storm component because its proposed annual review process is intended to prevent the accumulation of significant balances, thereby reducing the need for balancing mechanisms such as a deductible, a symmetrical cap, or an exogenous storm component.

Carrying Charges	NSTAR accrues carrying charges at the Prime rate for Storm Fund-eligible events, with recovery to begin at the time that the costs are incurred. Carrying charges accrue on the net balance of storm costs, offset by reserve funding in rates (meaning that if the Company is in a net-under recovery position, carrying costs will accrue on the net balance of storm costs offset by the balance of storm funding). This applies to both exogenous (storms that exceed $30 million in costs recovered through the SCRAF) and non-exogenous (exceeding $1.3 million but less than $30 million in costs) storm events. For exogenous events (storms in excess of $30 million), the DPU determines the propriety of recovering carrying charges when the Company files for storm cost recovery. If costs are ultimately deemed to be imprudent, the carrying costs accrued on these amounts are refunded to customers.	CL&P proposes to accrue carrying charges at the Prime rate for Storm Reserve-eligible events on the net balance of storm costs, offset by reserve funding in rates, identical to the operation of the Massachusetts mechanism.	CL&P's proposal is aligned with the Massachusetts approach, apart from the fact that the Massachusetts design features both exogenous and non-exogenous events to which carrying costs may apply. As discussed in the Company's response to OCC-522, in establishing a going-forward framework for storm cost recovery, the Company agrees that it would be within PURA's discretion to strike a balance between the Company's costs of financing storm costs while ensuring that the Company is not 'profiting' on a force majeure event like a storm. This is the Company's experience in Massachusetts, where the DPU has authorized a carrying charge rate that is different from and generally less than the Company's WACC, but that still recognizes that the Company is using its longer-term capital resources to finance storm costs (not its shorter term commercial paper source of liquidity). Thus, should PURA implement the SCRAF, which provides for more timely review and

Category	Massachusetts	CL&P Connecticut Proposal	Comments
			recovery of storm and pre-staging costs, the Company would accept the Prime rate from the date of cost incurrence, applied to the net balance of the storm fund and pre-staging reserve fund for storms occurring after March, 2025. For storms occurring after 2023 but prior to March, 2025, the Company has requested to apply the WACC as part of this pending proceeding.
Pre-Staging Costs	The Massachusetts Storm Fund does not separately provide for recovery of pre-staging costs, nor does it need to because the threshold to access the Storm Fund is lower ($1.3M) and the amounts below the threshold are covered in base rates.	The Company is proposing to establish a level of pre-staging reserve funding in base rates at $4 million per year. Pre-staging events would continue to be defined as events in which the Company has notified PURA of its intent to pre-stage for an expected weather event, but where that event does not materialize into a catastrophic storm (i.e., total incremental costs do not exceed $5.4 million).	CL&P's proposal aligns with PURA's directive to "aggressively pursue pre-staging resources to ensure that sufficient crews are available to respond to restoration events within 48 hours of a potential catastrophic storm." Decision, April 28, 2021, Docket No. 20-08-03, Investigation into Electric Distribution Companies' Preparation for and Response to Tropical Storm Isaias at 40.

Reporting	No later than 6 months after the occurrence of a Storm Fund qualifying event, NSTAR must submit a preliminary report providing: (1) a detailed explanation of the storm event; (2) a detailed summary of costs broken-down by cost category; (3) the amount of carrying costs incurred; and (4) a detailed summary of anticipated additional costs to be incurred or finalized, including an estimated timeframe for the receipt of outstanding cost information or final cost accounting. Thereafter, NSTAR must provide a quarterly update on the status of finalizing the accounting of storm costs. DPU's expects NSTAR to petition for recovery of storm costs, including complete and final documentation and supporting testimony, as soon as practicable after finalizing the storm costs, and no later than 6 months after such costs are finalized. If NSTAR cannot make the filing within the 6-month timeframe, it must file a petition for storm cost recovery as soon as such information (i.e., the complete cost documentation) is complete.	CL&P proposes an annual filing on September 1st, including the storm costs incurred for the prior calendar year and all supporting documentation. PURA would conduct a contested proceeding to evaluate the prudence of all incremental catastrophic storm and pre-staging costs, the accumulated reserve balances and the potential need for a SCRAF rate change to begin recovery of prudently incurred costs. CL&P proposes to implement any rate changes on September 1st of the following year, aligning with the Company's RAM Phase II rate changes on the same day.	CL&P's proposal and the Massachusetts model are aligned in terms of the requirement for a prudence review conducted by the respective agencies. The key difference is the frequency of that prudence review. CL&P is proposing a more frequent and predictable review process, that would occur annually and is intended to avoid the accumulation of significant balances of catastrophic storm and pre-staging costs.

SCRAF	The SCRAF is a reconciling mechanism to adjust rates to recover certain storm-related costs, including: (a) exogenous storm costs incurred on or after February 1, 2018 when the combination of any single storm exceeds $30 million and the balance in the Storm Fund exceeds $75 million and not otherwise recoverable through the Company's SRAM, (b) the outstanding Storm Fund balance for costs attributable to emergency response occurring from February 1, 2018 through December 31, 2022, including the recovery of Storm Fund-eligible event thresholds as approved by the Department and (c) any prior period balances associated with storm costs approved for recovery by the DPU. The SCRAF is a per kilowatt-hour factor applicable to all electricity delivered by the Company to its customers under its Distribution Service tariffs. Exogenous storm costs recovered through the SCRAF are amortized over five years plus carrying charges from the date the Company is billed at the prime rate.	The SCRAF is a reconciling mechanism to adjust rates to recover (a) any prior period balances associated with catastrophic storm and pre-staging costs found prudent and approved for recovery by the PURA; (b) any storm costs that are not securitized in Docket No. 25-12-13; and (c) the net balance associated with the 14 storms and pre-staging events that occurred during 2024 and in February and March, 2025. Like Massachusetts, the SCRAF is a per kilowatt-hour factor applicable to all electricity delivered by the Company to its customers under its Distribution Service tariffs. CL&P recommends that PURA should not impose a strict period over which over- or under-recoveries will be collected or refunded, but rather identify the appropriate time period based on the facts and circumstances at the time of the proposed rate change. CL&P proposes a range of	As discussed in the Company's response to OCC-521, ideally base distribution rates would be set to recover the exact amount of storm costs incurred each year, however, because the frequency of storms and magnitude of the impact is indeterminate, storm costs are not susceptible to recovery solely through base rates. Thus, base rate funding paired with the Company's proposed SCRAF aims to mitigate customer bill impacts amid the myriad factors described in the Company's application and more broadly throughout the Company's application that are putting upward pressure on the cost of service and customers' bills. The function of CL&P's proposed SCRAF is fundamentally the same as Massachusetts: a reconciling mechanism to adjust rates to recover any prior period balances. For Connecticut, CL&P is proposing additional flexibility, a flexible SCRAF that will allow PURA to adopt periods

Category	Massachusetts	CL&P Connecticut Proposal	Comments
		amortizations for prudent catastrophic storm and pre-staging events should be considered -- from one to five years. This would allow PURA to evaluate the unique circumstances at the time of a proposed rate change to balance the interests of customers and the Company.	over which over- or under-recoveries will be collected or refunded, based on the specific facts and circumstances at the time of the proposed rate change.

b. The Major Storm Cost Reserve ("MSCR") in New Hampshire was first established in Docket No. DE 99-099. The Company is allowed to defer costs attributable to qualifying major storm events. Under the terms of the MSCR, a qualifying major storm event is defined as a storm that results in either (1) 10 percent or more of the Company's retail customers being without power in conjunction with more than 200 reported troubles; or (2) more than 300 reported troubles during the major storm event. Docket No. DE 12-320, Order No. 25,465, at 1 (2013). The MSCR was amended in Docket No. DE 12-320 to allow for recovery of qualifying pre-staging costs. Pursuant to the criteria established in Docket No. DE 12-320, pre-staging costs can be recovered through the MSCR if the weather event has a "high" (greater than 60% based on the forecast) probability of reaching "Level 3" or stronger, according to the DTN's Energy Event Index (EEI). Docket No. DE 12-320, Order No. 25,465, at 4 (2013). A copy of Order No. 25,465 is provided as OCC-905, Attachment 1.

Public Service Company of New Hampshire ("PSNH") accrues a carrying charge on deferred storm costs at a stipulated rate. Docket No. DE 14-238, Settlement Agreement, Page 15, Section F Storm Funding. The annual funding for the MSCR was most recently updated in Docket No. DE 24-070 to allow the Company to collect $19 million in base rates on an annual basis. Docket No. DE 24-070, Order No. 28,170 (July 25, 2025), at 68. A copy of Order No. 28,170 is provided as OCC-905, Attachment 2.

The Company's Regulatory Reconciliation Adjustment (RRA) rate mechanism is the vehicle for the amortization of major Storm Costs in excess of the amount approved in base rates (through the MSCR), if approved by the New Hampshire Commission in a Storm Cost review proceeding. Docket No. DE 24-070, Order No. 28,170 (July 25, 2025), at 60-61. The Company's current electric delivery tariff (NHPUC NO. 11) is provided as OCC-905, Attachment 4. On page 22, the tariff specifies that RRA reconciles unrecovered storm costs in excess of the Major Storm Cost Reserve per Order No. 28,170 in DE 24-070.

A key distinction between the recovery mechanisms is the threshold for accessing catastrophic storm cost deferral treatment. In this proceeding, the Company proposes a $5.4 million cost threshold, whereas New Hampshire uses a threshold based on the number of reported troubles for major storms and the probability of the storm reaching "Level 3" or higher for prestaging events.

CL&P has not proposed to use trouble spots as the threshold for reserve access because, while the number of troubles is an informative data point, it does not reliably indicate the required response or the associated costs. Two storms with the same number of trouble spots can demand vastly different resources. For example, a trouble might be a (1) broken pole or (2) a tree limb on a line. Both of those trouble spots count equally, yet a broken pole typically requires multiple crews, equipment, and extended restoration time, whereas a tree limb may need only a single crew and minimal time. As such, the number of trouble spots, by itself, does not necessarily reflect the scale or cost of the response needed.

To further illustrate, a broken pole can require up to 12 hours to set and requires a tree crew, line crew, delivery of a new pole, digging the hole, setting the pole, installing equipment on the pole, transferring the power lines and any attachments to the new pole, and then restoring service. Frequently, such events also damage adjacent wires, poles, and equipment, further extending the restoration time. By comparison, a trouble caused by a limb on a line usually requires just one line crew, who can remove the limb, patrol the line for any additional damage, and restore service within one to two hours. Despite these significant differences in resources and time, both scenarios are counted as a single trouble event. This disparity underscores why a cost threshold provides a more accurate measure for deferral treatment eligibility than simply counting trouble spots.

For pre-staging events, the Company proposes to define these as events as situations where PURA is notified of the Company's intent to pre-stage for an anticipated weather event, but the event ultimately does not materialize into a catastrophic storm (i.e., total incremental costs remain below $5.4 million). The Company does not recommend adopting New Hampshire's probability-based measure, because it does not offer a clearer or more objective threshold than the cost-based approach proposed here. The central goal of pre-staging is to minimize outages and protect public safety. PURA has directed CL&P to "aggressively pursue pre-staging resources to ensure that sufficient crews are available to respond to restoration events within 48 hours of a potential catastrophic storm." Decision, April 28, 2021, Docket No. 20-08-03, Investigation into Electric Distribution Companies' Preparation for and Response to Tropical Storm Isaias at 40. The Company's pre-staging proposal is designed to comply with this directive.

Date Filed: October 20, 2026

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

Question:

(Storm Cost Recovery) In 21-05-15RE01 - ES Comments on Revised Straw Proposal, page 44, the Company calculated the impact of setting the catastrophic storm cost materiality threshold equivalent to 1% of the Company's authorized annual base distribution revenue requirement for 2024. Please conduct a similar analysis, using the Company's proposed test year revenue requirement in this proceeding to calculate the resulting catastrophic storm cost materiality threshold using 1% of 2025 test year distribution revenue.

a. What is the dollar amount equivalent of the 1% materiality threshold for the 2025 test year?
b. What is the average count of non-catastrophic storms per year using (a) as the threshold for the last four years (2023-2025)?
c. Using (a), what would the average annual cost of non-catastrophic storm have been over the last four-year period? What is the standard deviation?
d. Provide an updated version of the table "Number of Storms Incurred" on page 45 of 21-05-15RE01 - ES Comments on Revised Straw Proposal using the Company's proposed threshold of $5.4 million and (a) for the last four years.
e. Provide an updated version of the table "Annual Non-Catastrophic Storm Costs" on page 46 of 21-05-15RE01 - ES Comments on Revised Straw Proposal using the Company's proposed threshold of $5.4 million and (a) for the last four years.
f. Provide a similar table as (e) for annual catastrophic storms using the Company's proposed threshold of $5.4 million and (a) for the last four years.
g. Please provide an updated calculation of the base distribution rates that would be necessary for non-catastrophic storms in the 2025 test year if the 1% materiality threshold from (a) was used. Explain the Company's rationale for the amount suggested. What is the percent change change from the current base rates proposed for non-catastrophic storms?
h. Discuss whether an increase, decrease, or no change in base distribution rates for catastrophic storms (i.e., catastrophic storm reserves of $60M) would be needed if
   (a) were used in this proceeding. Explain the Company's rationale.

Response:

As an initial matter, the Company opposes any setting of the storm threshold based on an arbitrary percentage of operating revenues, whether calculated based on 2025 test year revenues, or any other operating year. The purpose of the threshold is to determine the appropriate recovery of storm costs, whether in base rates as a "minor" or routine event, or through a storm reserve and/or

reconciling mechanism that functions outside of base rates for unpredictable and non-routine weather events. Setting the threshold based on an arbitrary percentage of operating revenues will set the threshold too high for customers to cover in base rates and will potentially create a recovery gap, where costs are not represented either in base rates or in a catastrophic storm mechanism. PURA cannot establish ratemaking mechanisms that block costs from consideration under Conn. Gen. Stat. § 16-19e, which is what this approach is fundamentally aimed at doing.

The Company raised these same concerns in comments filed on March 26, 2025, in Docket No. 21-05-15RE01, regarding PURA's Revised Straw Proposal issued February 27, 2025. As noted in the comments, the materiality threshold for exogenous events cannot reasonably serve as the threshold applicable to catastrophic storm costs. PURA's own analysis of the Z-Factor materiality threshold provides, "[t]he Authority's materiality recommendation (e.g., 1%) ensures that exogenous events, for both regulatory assets and liabilities, are meaningful enough to be uncommon, while small enough to prevent the need for the impact, on its own, to require an offramp." Revised Straw Proposal at 30. PURA concluded in the Revised Straw Proposal that storms in Connecticut "occur more regularly than the exogenous events intended to be captured by the Z-Factor; therefore, these costs merit separate cost recovery treatment." Revised Straw Proposal at 32.

The Company is obligated by law to restore power quickly and efficiently or be subject to significant financial penalties. This reflects a statewide policy that power outages and blocked roads must be addressed quickly and efficiently. To that end, larger weather events causing the condition that the law expects to be addressed by the Company quickly and efficiently are not unexpected or infrequent. In fact, these conditions are certain to occur and it is only the magnitude and frequency of those weather events that are unknown. Establishing a reasonable threshold for qualifying catastrophic storm cost recovery treatment is a necessity to give effect to the policies embodied in state law as protection for customers, municipalities and state operations. Setting an arbitrary threshold at a random 1 percent of operating revenue does not meet these requirements.

A high threshold increases risk for customers for two reasons. First, it takes the storm event out of a mechanism where storm performance and cost incurrence will be scrutinized on an individual basis. Second, it requires a corresponding increase to base rates in order to establish a representative level of non-catastrophic storm activity that is recoverable through base rates. PURA does not have legal authority to create a gap where storm costs are ***ineligible*** for recovery because base rates are not set to recover adequate storm costs on a "representative" basis and there is no opportunity to present the costs for a prudence review through a storm mechanism. Therefore, where the threshold serves as the dividing line, the higher the threshold, the greater the risk that customers are paying more than they should for storm events.

In considering the risks of over-recovery for customers or under-recovery for the Company, there is no methodological basis to conclude that 1% of distribution revenues is an appropriate percentage to determine a storm is "catastrophic" for ratemaking purposes. The threshold in

Connecticut is already substantially higher than other states where, for example, NSTAR Electric Company has a threshold of $1.8 million per event in Massachusetts, due to the very fact that the Department of Public Utilities is unwilling to establish base rates that have the potential to overcompensate the utility for storm costs.

As shown in OCC-906, Attachment 1, when measured at the Company's proposed catastrophic storm threshold of $5.4 million, the frequency of *non*-catastrophic storms increased to 32 in 2021; 35 in 2022; 42 in 2023; 40 in 2024; and 62 in 2025. Raising the threshold further than the $5.4 million proposed by the Company will require a substantial increase in base rates to cover storm costs that – in actuality -- cannot be adequately set at a "representative level" and that should be reviewed on a storm-by-storm basis for prudence.

The Company's response to part (a), below, shows that the Company's test year total revenue requirement would yield a 1% threshold of approximately $11.6 million, while the rate year total revenue requirement proposed in this proceeding is $1,921,923,000, excluding the 2018-2023 storms. Applying 1% of total revenues as a catastrophic storm threshold would result in a threshold of $19.219 million, which is an increase of more than four times the current level – and bordering on two times the test year level, if computed at 1% of operating revenues. Why would the storm threshold increase by almost 70% between two years, if the threshold has anything to do with separating minor storms from major storms? This makes it clear that simply applying a random 1 percent on total distribution revenues is an arbitrary measure to establish catastrophic storm treatment.

a. The 2025 Distribution Revenue Requirement is unchanged from 2024. A 1% threshold would be $11.6 million based on test year revenues. To highlight the randomness of this threshold, the Company's total revenue requirement proposed in this proceeding for the rate year is $1,921,923,000, excluding the 2018-2023 storms. Applying 1% of total revenues as a catastrophic storm threshold would result in a threshold of $19.219 million, without the 2018-2023 storms, representing a 70% increase from the test year without any change in the difference between a minor storm and major storm event from an operational perspective.

b. Based on the test year level of revenues and an $11.6 million threshold described in part (a), the average annual count of non-catastrophic storms for the four-year period of 2022 through 2025 is 47.

c. Based on the test year level of revenues and an $11.6 million threshold described in part (a), the average annual cost of non-catastrophic storms for the four-year period of 2022 through 2025 referenced in subpart (a) is $46.8 million. The standard deviation is $16.4 million. This articulates the point above, which is that at a higher threshold of $11.6 million, the variability versus the mean is substantial.

The standard deviation of $16.4 million represents roughly one-third of the historical annual average of $47 million. From a company (or customer) perspective, this means that the range of expected outcomes is wide and the likelihood that the amount of actual non-catastrophic storm expense experienced in a given year varies materially from the amount imbedded in base rates is elevated as compared to a lower threshold with a lower standard deviation with a lower coefficient of variation. For instance, at the Company's proposed non-catastrophic storm threshold of $5.4 million, the annual average cost of non-catastrophic storms is $29.9 million (not adjusted for inflation), with a standard deviation of $4.1 million. This reflects a tighter expected range around the average, yielding protection for customers and the Company that the appropriate threshold is identified.

d. Please refer to OCC-906, Attachment 1, for an updated table using the Company's proposed threshold of $5.4 million and the threshold referenced in subpart (a) of $11.6 million.

e. Please refer to OCC-906, Attachment 2, for an updated table using the Company's proposed threshold of $5.4 million and the threshold referenced in subpart (a) of $11.6 million.

f. Please refer to OCC-906, Attachment 3, for a similar table to subpart (e) for catastrophic storms.

g. If the threshold were to be established at $11.6 million, utilizing 1% of the authorized test-year revenue, it would imply an amount of at least $62.4 million be included in rates for non-catastrophic storms in the rate year, representing a 64.3% increase to the amount proposed. However, this amount would also need to be adjusted (upward) to account for the number of events that could possibly occur on a representative basis year to year, which is the issue that the Massachusetts Department of Public Utilities has also encountered in attempting to have base rates cover storm costs. For the purposes of this response, the Company has calculated the amount for non-catastrophic storms in base rates using the same methodology as in the Cost of Service and in the Company's response to OCC-701[i]. Please refer to OCC-906, Attachment 4, for tabulation. The Company opposes this approach for the reasons described in this response.

h. Please refer to the Company's responses in EOE-055[ii], EOE-134[iii], and OCC-434[iv] for a detailed explanation of the relationship between the amounts set in base rates for each event category and the impact of storm events on the proposed revenue requirement. The movement of costs between each category would require the Company to examine and determine the costs for all categories to appropriately determine the proposed amount for each. However, raising the threshold substantially above the $4 million current level creates a situation where customers will need to pay for storm funding in the range of

$150+ million annually, or even more, to assure that the cost of actual storm restoration work is adequately covered, consistent with state law.

Prior Referenced Responses:

[i] OCC-701 Question:

Non Catastrophic Storm Costs. Refer to OCCC-383. Provide the historical uninflated amounts.

OCC-701 Response:

Please refer to the table below for the Company's non-catastrophic event costs in thousands of dollars in years 2021 through 2025 prior to accounting for inflation:

	(Thousands of Dollars)				
Year	**2021**	**2022**	**2023**	**2024**	**2025**
Non-Catastrophic Costs	$39,693	$24,114	$31,419	$30,361	$33,696

Please refer to OCC-701, Attachment 1, Page 1 for the calculation showing how the uninflated amounts were inflated to the Rate Year. Page 2 provides the raw data and information used to derive the applicable inflation factors on OCC-701, Attachment 1, Page 1, line 15.

[ii] EOE-055 Question:

(CONTRACTS) Explain how contracts are administered by the Company to include the requirements for when a contract is required and how the contracts are tracked. As part of the response, please also provide a detailed listing of available fields (i.e., data elements) for information that could be provided in the event that an inventory of contracts is requested.

EOE-055 Response:

The Company determines contract requirements based on the scope of work, total estimated spend, operational risk profile, and commercial complexity. Higher-value, long-term, or higher-risk engagements for Normal Goods and Services, as defined within the Procurement Policy, generally go through a formal competitive bid process. This typically results in a formal contract managed through SAP Ariba, though formal Ariba Contracts may also be established via approved procurement exceptions or sole source justifications.

More routine, low-dollar, transactional purchases, or those required under emergency circumstances, may be governed by a Contract in the form of a Maximo Purchase Order ("PO"), with standard terms and conditions incorporated directly into the POs when a formal Ariba Contract is not applied.

Contracts are administered and tracked using two integrated systems:

- SAP Ariba Sourcing and Contracting: Used for contract creation, legal terms negotiation, approval workflows, and master document lifecycle management. Contract details managed in Ariba automatically interface and migrate into the Company's Enterprise Resource Planning ("ERP") system, IBM Maximo.
- IBM Maximo: Used for operational execution, PO issuance, invoice matching, and active financial management. Purchase Orders reference the underlying governing contract in Ariba where applicable.

Reporting tools associated with both Ariba and Maximo allow the Procurement team to actively monitor contract status, designated sourcing agents, expiration/end dates, and remaining contract balances to ensure timely reviews, renewals, or closeouts.

In the event an inventory of contracts is requested, the available data fields (data elements) actively utilized and managed by the teams include:

For Contracts (SAP Ariba):

- CONTRACT NUMBER (Contract Header)
- REVISION NUMBER (Contract Header)
- CONTRACT STATUS (Contract Header)
- STATUS DATE (Contract Header)
- VENDOR (Contract Header)
- PURCHASE AGENT (Contract Header)
- CONTRACT TYPE (Contract Header)
- CONTRACT CATEGORY (Contract Header)
- CONTRACT DESCRIPTION (Contract Header)
- CHANGE BY (Contract Header)
- CHANGE DATE (Contract Header)
- START DATE (Contract Header)
- CONTRACT END DATE (Contract Header)
- CONTRACT VALUE (Contract Header)
- CAN EXCEED VOLUME (Contract Header)
- AMOUNT REMAINING (Contract Header)
- FREIGHT TERMS (Contract Header)
- FOB POINT (Contract Header)
- PAYMENT TERMS (Contract Header)
- ADD LINES ON USE (Contract Header)
- INVOICE APPROVAL REQUIRED (Contract Header)
- RECEIPTS REQUIRED (Contract Header)
- CONTRACT CERTIFICATE OF INSURANCE CATEGORY (Contract Header)
- CONTRACT LINE NUM (Contract Line)
- LINE TYPE (Contract Line)
- ITEM NUMBER (Contract Line)
- LINE DESCRIPTION (Contract Line)
- ORDER UNIT (Contract Line)
- ORDER QTY (Contract Line)
- UNIT COST (Contract Line)

For Purchase Orders (IBM Maximo):

- PO NUMBER (PO Header)

- PO REVISION NUMBER (PO Header)
- REVISION COMMENTS (PO Header)
- PO DESCRIPTION (PO Header)
- PO STATUS (PO Header)
- PO STATUS DATE (PO Header)
- VENDOR (PO Header)
- CONTRACT NUMBER (PO Header)
- PURCHASE AGENT (PO Header)
- CERTIFICATE OF INSURANCE COVERAGE (PO Header)
- ORDER DATE (PO Header)
- INVOICE APPROVER (PO Header)
- INVOICE APPROVAL REQUIRED (PO Header)
- PROCUREMENT GROUP (PO Header)
- REQUIRED DATE (PO Header)
- SOLE SOURCE (PO Header)
- PO TYPE (PO Header)
- FREIGHT TERMS (PO Header)
- PAYMENT TERMS (PO Header)
- FOB POINT (PO Header)
- SHIP TO (PO Header)
- SHIP TO ATTN (PO Header)
- DROP POINT (PO Header)
- BILL TO (PO Header)
- TOTAL COST (PO Header)
- TOTAL TAX (PO Header)
- CHANGE BY (PO Header)
- CHANGE DATE (PO Header)
- PAY ENTITY (PO Header)
- PO DELIVERY METHOD (PO Header)
- PO EMAIL (PO Header)
- PO REVISION DELIVERY METHOD (PO Header)
- ESMATERIALRECEIPTS (PO Header)
- ESEXCEPTION FLAG (PO Header)
- DIRECT REQUEST (PO Header)
- PO COMPLIANCE (NEW FIELD) (PO Header)
- EXCEPTION CATEGORY (NEW FIELD) (PO Header)
- PO LINE NUMBER (PO LINE)
- ITEM NUMBER (PO LINE)
- LINE DESCRIPTION (PO LINE)
- LINE TYPE (PO LINE)
- STOREROOM LOCATION (PO LINE)
- ORDER QTY (PO LINE)
- ORDER UNIT (PO LINE)
- UNIT OF MEASURE CONVERSION (PO LINE)
- UNIT COST (PO LINE)
- RECEIVED QTY (PO LINE)
- RECEIVED UNIT COST (PO LINE)
- RECEIVED TOTAL COST (PO LINE)
- VENDOR DELIVERY DATE (PO LINE)

- COMMODITY GROUP (UNSPSC) (PO LINE)
- COMMODITY (UNSPSC) (PO LINE)
- LINE COST (PO LINE)
- COMMODITY DESCRIPTION (PO LINE)
- TAX CODE (PO LINE)
- TAX VALUE (PO LINE)
- REMAINING CONTINGENCY AMOUNT (PO LINE)
- ENTER DATE (PO LINE)
- REQUESTED BY (PO LINE)
- REQUIRED DELIVERY DATE (PO LINE)
- ENTER BY (PO LINE)
- VENDER COMMENT (PO LINE)
- SUPPLIER COMMIT DATE (PO LINE)
- GENERAL LEDGER DEBIT ACCT (PO LINE)

[iii] EOE-134 Question:

(2Q-4Q25 CATASTROPHIC STORM EVENTS) Discuss the impact that would result with respect to the Company's revenue requirements (i.e., for a proposed rate year) if a catastrophic storm event occurred during the test year (i.e., 2025) but the underlying costs were not deferred as permitted. Specifically explain if the revenue requirements could be overstated based on the higher O&M expenses for the test year.

EOE-134 Response:

The ratemaking framework for storm events revolves around the central point of this question, which is that the incremental operating and maintenance ("O&M") expenses caused by larger, more sporadic weather events need to be ***excluded*** from base rates so that the recurring base rates that customers pay do not include the large, "one-time" costs that are non-recurring and cannot be captured as a "representative" cost for the Rate Year revenue requirement. The method by which storm events are classified as catastrophic, non-catastrophic or pre-staging events – and the ratemaking treatment for each category of weather event – are important regulatory decisions to assure that (1) customers are not paying for storm costs that are not incurred in relation to actual storm events; and (2) actual, prudently incurred storm costs have a path for recovery consistent with law and appropriate ratemaking policy.

Without an appropriate mechanism for recovery of costs outside of base rates (or in base rates as an after-the-fact amortization), there is a high likelihood that customers would either pay too much storm costs, or that the Company will not have a fair and reasonable opportunity to recover its prudently incurred costs. For example, given the Company's historical experience, PURA would have to include an amount in the range of $150 million annually to cover the costs of storm restoration for major weather events, which is a significant amount of money for customers to pay in base rates without specific knowledge or expectations about when, or to what extent, the actual underlying costs would be incurred. Moreover, if included in base rates as a normally recurring cost item rather than deferred to a regulatory asset, no prudence review would be applicable after setting that amount in base rates, which does not make sense for storm costs.

Accordingly, as identified by the question, an increase to base distribution rates of $150 million would likely mean that the resulting revenue requirement would be overstated or understated in future years, even though the amount imputed into base rates would be informed by actual historical storm data and would attempt to impute a level of costs into rates that would reflect the expected costs in future years. Thus, even at the level of $150 million included in base rates, PURA would need to provide for a deferral mechanism because storms are completely unique in nature and

severity and any amount built into base rates would require adjustment based on actual circumstances. For example, Storm Isaias in 2020 and Storm Henri in 2021 were each approximately $150M or more in costs by themselves, so that even an allowance of that magnitude in rates would not be sufficient to cover the costs that were actually incurred.

Please refer to the Company's response to OCC-055i, which states that the Company's proposals for base distribution rate funding for non-catastrophic storm/non pre-staging events, catastrophic storms and pre-staging events are based on a catastrophic storm threshold of $5.4 million, calculated by escalating the prior authorized threshold of $4 million using the GDP-PI from 2018 through the Rate Year. Importantly, if the $5.4 million threshold proposed by the Company is modified in this proceeding, the historical level of storm activity would need to be re-evaluated as well to determine if a level of reserve funding in base rates different than what the company has proposed is necessary. In addition, if the $5.4 million threshold is adjusted in this proceeding, the base level of non-catastrophic expense in base rates likewise need to be adjusted.

Lastly, although it may be counterintuitive, maintaining a reasonable threshold for the major storm reserve is the best approach for customers because the Company's base distribution revenue requirement would then, consequently, have a lower amount of *non*-catastrophic storm/non pre-staging event costs incorporated into it and customers would pay only for those costs that actually occur, at the time those costs occur, reducing the risk to both customers and the Company as more costs would be funded at exactly the amount that's deemed prudent by PURA, no more and no less.

[iv] OCC-434 Question:

Exhibit CLP-ELP-1 Please compare the Company's proposed $5.4 million threshold for catastrophic storm cost deferral treatment to a threshold equal to 1% of the Company's authorized distribution revenue requirement, as contemplated in the Docket No. 21-05-15RE01 Proposed Final Decision. Please quantify the dollar amount represented by a 1% threshold using the Company's proposed revenue requirement and explain why the Company believes the proposed $5.4 million threshold is more appropriate than a materiality threshold of 1% of the Company's revenue requirement.

OCC-434 Response:

The Company's written comments submitted in Docket No. 21-05-15RE01 on March 26, 2025, at pages 42-49, provided a comprehensive discussion as to why it is ill advised to establish a 1% threshold for catastrophic storm cost deferral. There, the Company explained that:

> The tables above also demonstrate the relationship between the catastrophic storm threshold level and the level of non-catastrophic storm costs that must be established in base distribution rates. This is because base rates must reflect a representative level of expenses so that the utility has an opportunity, but not a guarantee, to cover its costs of service in any given year. Base rates therefore must be set to reflect a representative level of expenses for storms that do not qualify for deferred treatment as a catastrophic (or pre-staging) storm event. The table above demonstrates that, if the catastrophic storm threshold is held at current levels, base rates would be set at a lower level if using any measure (i.e., any individual test year, the average of all years, the maximum, or the minimum) than if the threshold is increased as contemplated by the straw proposal.
>
> To illustrate the point, if 2024 were used as the test year, base rates would be set to include approximately $30 million in non-catastrophic storm costs if the threshold were maintained at its current level, whereas base rates would have to be set $73 million higher if the threshold is increased to the level contemplated by the Revised Straw Proposal (to reflect $103 million in non-catastrophic storm activity). The same analysis holds if using the average of the four prior years, or if using any

> one of the years shown in the table. Moreover, the volatility and risk of over or under recovery to both customers and the companies is exacerbated with a higher threshold. For instance, if the level of non-catastrophic storms is increased as contemplated by the Revised Straw Proposal and PURA establishes the level of non-catastrophic storm costs in base rates at the 4 year average of $78 million, the standard deviation of $18 million indicates that the swing from year to year would be significant, causing a potential annual $18 million "over recovery" or "under recovery", depending on the frequency and magnitude of storms below the threshold as compared to the $78 million established in base rates. Whereas with the current threshold, that standard deviation is significantly lower, ensuring that customer rates remain more closer aligned with actual and expected storm expenses.

Docket No. 21-05-15RE01, Eversource, March 26, 2025 Written Comments at 47-48.

In this case, a 1% threshold based on the Company's proposed authorized distribution revenue requirement equates to $19,219,230, compared to a threshold of $5.4 million proposed in this application (refer to Docket No. 26-05-10, Exhibit CLP-REVREQ-2, WP C-3.26). While the dollar values in this proceeding differ from the dollar values presented in Docket No. 21-05-15RE01, the concerns remain the same. Although PURA has broad ratemaking discretion, PURA cannot simply decide to cut costs out of the equation for recovery, particularly incremental storm costs. Pursuant to Conn. Gen. Stat. § 16-19e(a)(4) and (5), the Company at least has the opportunity to prove that its costs were prudently and efficiently incurred. As a result, if not included in the storm-cost recovery framework, the costs have to be accounted for in base rates.

The ratemaking framework is an important component for classifying storm events as catastrophic, non-catastrophic or pre-staging. The method by which storm events are classified and the ratemaking treatment for each weather event are important regulatory decisions to ensure that (1) customers are not paying for storm costs that are not incurred in relation to actual storm events; and (2) actual, prudently incurred costs have a path for recovery consistent with law and appropriate ratemaking policy. Without an appropriate mechanism for recovery of costs outside of base distribution rates, there is a high likelihood that customers would either pay too much for storm costs, or that the Company will not have a fair and reasonable opportunity to recover its prudently incurred costs. Please refer to the Company's response in EOE-134i, for additional discussion on the impact of storm events on the proposed revenue requirement.

Using 1% of the Company's proposed authorized distribution revenue requirement as the catastrophic storm threshold, the five-year average annual non-catastrophic expenses would be $117.1 million in 2028 dollars, which represents a $75 million increase as compared to the Company's proposed non-catastrophic storm funding of $42 million. Therefore, as stated in the Company's response to OCC-055ii, if the $5.4 million threshold is modified in this proceeding, the historical level of storm activity should be re-evaluated as well to determine if a level of reserve funding, both catastrophic and pre-staging, in base rates different than what the company has proposed is necessary. In addition, if the $5.4 million threshold is adjusted in this proceeding, the base level of non-catastrophic expense in base rates would likewise need to be adjusted.

Further, a reasonable threshold for major storm events will enhance PURA's regulatory oversight for future major storm events as proposed in the Company's SCRAF initiative.

Date Filed: October 19, 2026

Witness: Donald J. Scacco Jr., Christopher E. Colorio, Mark P. Baldwin, John G. Griffin and Leanne M. Landry
Request from: Office of Consumer Counsel

Question:

(Storm Cost Recovery) For each calendar year from 2018 through 2025, please identify by ERP event level (Level 1 through 5, and events with no declared ERP level) the number of weather events declared under the Company's Emergency Response Plan, and the average total incremental cost of events within each ERP level, for each year.

Response:

For this question, the Company is interpreting the request to show "events with no declared ERP level" to be non-catastrophic events or "minor" events, for which the Company does not defer to the Storm Reserve.

Please refer to the table below, for a summary of Storm Work Orders associated with Catastrophic Storms, submitted for recovery in Docket No. 25-12-13 and Docket No. 26-05-10, as well as the Work Orders associated with minor weather events occurring in the years 2018-2025.

ERP Level	Year	Storm Count	Average Incremental Cost
Level 2	2020	1	$ 231,986,608
Level 2 Total		**1**	**$ 231,986,608**
Level 4	2018	2	$ 54,733,649
	2019	1	15,705,597
	2020	2	20,105,155
	2021	3	57,649,189
	2022	1	62,984,228
	2023	3	42,614,804
	2024	1	20,328,260
Level 4 Total		**13**	**$ 42,268,282**
Level 5	2018	4	$ 9,223,098
	2019	4	10,580,796
	2020	9	7,708,311
	2021	7	6,473,488
	2022	9	11,047,723
	2023	4	7,853,126
	2024	9	10,006,335
	2025	4	15,435,922
Level 5 Total		**50**	**$ 9,530,950**
Non Declared	2018	14	$ 1,766,488
	2019	6	2,649,540
	2020	12	994,861
	2021	16	1,900,199
	2022	27	939,975
	2023	43	1,048,007
	2024	42	1,105,755
	2025	50	1,190,845
Non Declared Total		**210**	**$ 1,235,225**

`Date Filed: October 16, 2026

Witness: Christopher E. Colorio, Mark P. Baldwin, John G. Griffin and Leanne M. Landry
Request from: Office of Consumer Counsel

Question:

(Storm Cost Recovery) In Exhibit CLP-STORM-1, page 82, the Company states: "[T]he proportion of direct internal labor costs has increased, while the proportion of external labor costs has decreased.", but in the same document, page 39, the Company also states: "[I]n most events, the Company now relies more heavily on external crews obtained through direct outreach to local, regional, and national contractors." Please explain the inconsistency. In your response, please provide, for the 2024-2025 Storm Events compared with the 2018-2023 Storm Events:

a. the percentage of total labor cost that was internal versus external in each period; and
b. within the external-crew category only, the percentage that was mutual aid versus independent contractors in each period.

Response:

a. These two statements address different analytical points, and both are correct. With respect to the statement that the "proportion of direct internal labor costs has increased, while the proportion of external labor costs has decreased," this refers to the breakdown of total storm costs into categories for the initial filing in this docket (Exhibit CLP-STORM-1, at 81), as compared to the breakdown of costs for the 2018-2023 Storms. As shown by the cost breakdowns for each grouping of storms, below, the percentage of total costs has increased for internal line crews and decreased for external line crews, as follows:

Storm Interval	Internal Crew Costs as a Percent of Total	External Crew Costs as a Percent of Total	Source
2018-2023 Storms #1	6%	66%	Docket No. 24-03-40, Exh. ES-ACCT-1, at 11
2018-2023 Storms #2	6%	72%	Docket No. 24-03-40, Exh. ES-ACCT-1 (Supp), at 11
2018-2023 Storms #3	7%	69%	Docket 24-03-40, Exh. ES-ACCT-1 (Supp 2), at 13
2024-2025 Storms	15%	58%	Exh. CLP-STORM-1, at 81

Note that, in each of the referenced exhibits, the cost breakdowns are showing the proportional share of the categories of costs incurred. This means that the proportion of costs associated with internal and external line crews will change simply if other proportions change. In other words, these are not the only two percentages that have changed between storm intervals. Still, the analysis indicates that – out of the total costs, the proportion of total cost attributable to external line crews is reduced and the proportion of internal line crew costs is increasing by a modest margin, consistent with the fact that the Company has more internal crews available to it in 2024-2025 than it did in the 2018-2023 interval. In addition to increased utilization of internal crews, other cost drivers are contributing to the reduction in the proportion of external crew costs – it is not a one-for-one trade-off of external to internal crews.

With respect to the statement that the Company now relies "more heavily on external crews obtained through direct outreach to local, regional, and national contractors," this refers to the Company's lesser use of dock crews on the system for execution of the Company's ***blue-sky*** capital plan work. Because the Company is routinely relying on internal crews for a greater proportion of the blue-sky capital work, the Company does not have ready, locked-in access to as great a complement of dock crews in the pre-staging phase of an ERP event, causing the Company to have to reach out to further distances at the time of a storm event (depending on the circumstances of the event).

b. Mutual Aid is a term that refers to support from *non-Eversource utility companies*. Please refer to Table 2, below, detailing the percentage of Mutual Aid versus Independent Contractors used in the two storm intervals. Over the most recent time interval, the Company utilized a greater percentage of independent contractors and lesser amount of utility-based Mutual Aid crews, due primarily to the nature of the events that the Company had to manage in 2024 and 2025. Mutual Aid crews do not typically become available to the Company until the later stages of an extended restoration because utility crews first serve their own systems and do not become available to the Company until the later stages of an extended event when work on their own system is complete. For the events that occurred in 2024-2025, the Company did not generally encounter circumstances where Mutual Aid could be of assistance.

Table 2

Period	Mutual Aid	Independent Contractors
2018-2023	4.08%	95.92%
2024-2025	0.35%	99.65%

Date Filed: October 16, 2026

Witness: Christopher E. Colorio and Mark P. Baldwin
Request from: Office of Consumer Counsel

Question:

(Storm Cost Recovery) Of the $157 million in total costs, external line and tree crews represent 68 percent (Exhibit CLP-STORM-1 page 81). Please provide the Company's analysis of whether greater use of internal or affiliated resources, rather than non-affiliated contractors or mutual aid, was feasible for any of the events, and the basis for the resource mix actually chosen. In your response,

a. please describe, for each storm event, the process and personnel responsible for deciding to request mutual aid versus independent contractor crews, and the comparative cost of each option at the time the decision was made,

b. please provide all after-action reports for each storm event, including any internal criticism of restoration timing, crew sizing, or cost control.

Response:

a. The Company follows the same analytical path for each storm event, whether the storm ultimately is categorized as a non-catastrophic or catastrophic. Specifically, when a weather system is approaching the Company's service area, the Company will analyze the weather forecast to determine whether the Company's own resources are likely to be able to handle the contemplated damage and associated outages, or whether it is advisable to pre-stage resources. If it is determined that external crews are needed in advance of the weather onset to the system, the Company identifies a quantity of resources to procure, based on a number of factors including the number of internal resources that are available, anticipated storm conditions, the expected regional impact, and several other factors.

   The Company then proceeds through a protocol starting with local dock crews (crews with blue-sky work on the system), then local independent contractors, then the Company's affiliate crews from other states (not always available where weather events are commonly experienced), then contractors from outside the state, moving from shorter distances to longer distances for crew mobilization. The Company's Emergency Response Plan delegates emergency response authority to the Incident Commander, who maintains communication with the President and executive leadership of Eversource Energy. Through the course of this tiered approach, the Company incorporates information on contractor availability, mobilization

timelines, existing contractual arrangements and cost. Contractors are generally engaged in accordance with this tiered approach before seeking further assistance.

If restoration requirements exceed the capacity of available on-system and contracted resources, the Incident Commander may request assistance through the Mutual Aid network. Mutual Aid resources are utilized when available and additional qualified personnel are necessary to support restoration objectives and are available from participating utilities.

The question asks whether greater use of internal or affiliated resources, rather than non-affiliated contractors or mutual aid, was feasible for any of the events. Please note that, for all events, the Company's process utilizes any and all available internal resources first, eliminating the possibility the there was a "feasible" opportunity to utilize a greater number of internal crew resources. Similarly, once the Company decides that it needs to bring external crews in, the decision point largely rests on proximity. In terms of cost, the differentiating factor is primarily one of distance, given that the hourly crew rates all fall within a relatively narrow range. In this regard, there is no certain "type" of crew that is more or less expensive – it is all a matter of distance. At the same time, cost is not the only – or even primary – driver of crew decision in the face of an oncoming weather system. Cost is considered as part of the contractor sourcing process, however, the primary objective is to ensure sufficient qualified resources are available to restore service as quickly and safely as possible.

b. Please refer to the Company's responses to interrogatories OCC-551[i] and OCC-552[ii].

Prior Referenced Responses:

[i] OCC-551 Question:

For each storm event, please provide the lessons-learned action tracker and show how completed actions changed later event plans or procedures and how their effectiveness was verified.

OCC-551 Response:

The Company conducts lessons learned exercises for larger events focused on managerial and operational processes and actively pursues opportunities for improvement following every ERP event. Items developed from a formal After Action Review are tracked in an Improvement Plan. Initiatives that the Company has identified through these efforts include but are not limited to initiatives for development of a Pole Setting Branch, cost tracking, contractor hiring processes, and invoice review processes. The effectiveness of these improvements is verified through routine training and exercises. Please refer to the Company's response to interrogatory OCC-552i confirming that none of the storms included in the application met the requirements for an After Action Report under the standards set forth in PURA Doc. No. 12-06-09, PURA Establishment of Performance Standards for Electric and Gas Companies, Final Decision, Appendix A, Section 3.7 After Action Report.

[ii] OCC-552 Question:

For each storm event, please provide the after-action reports and each post-event comparison of forecasts, resources, restoration performance and cost, including the management review and resulting corrective actions.

OCC-552 Response:

None of the storms included in the application met the requirements for an After-Action Report under the standards set forth in PURA Docket No. 12-06-09, PURA Establishment of Performance Standards for Electric and Gas Companies, Final Decision, Appendix A, Section 3.7 After-Action Report. PURA Doc. No. 12-06-09, Appendix A, Section 1 Purpose and Applicability states: The purpose of these standards is to ensure that the electric distribution companies (EDCs) are prepared for emergencies and disasters in order to minimize damage and inconvenience to the public which may occur as a result of electric system failures, major outages, or hazards posed by damage to electric distribution facilities. These standards apply to any Emergency Event, which is defined as electric service interruptions involving 10% or more of the EDC's total number of customers who are out for a period of 48 consecutive hours or more…" Please refer to Exhibit CLP-STORM-IMT-2 for storm-by-storm breakdown of costs and outage data.

Date Filed: October 16, 2026

Witness: Leanne M. Landry and John G. Griffin
Request from: Office of Consumer Counsel

Question:

(Storm Cost Recovery) Please explain the "refinements to capitalization practices" referenced as a driver of the shift toward internal labor costs in the 2024-2025 events compared to 2018-2023 (CLP-STORM-1, page 82), and quantify the dollar impact of this change on the amount sought for expense recovery versus capitalization.

Response:

Refer to EOE-029[i] for an explanation of the "refinements to capitalization practices".

Prior Referenced Response:

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[i] EOE-029 Question:
(CAPITALIZATION) Refer to Exhibit CLP-STORM-1, p. 82. The Company's PFT references a shift in the 2024-2025 costs as driven by "refinements to capitalization practices." Explain the specific improvements and provide supporting documentation and calculations, if applicable.

[i] EOE-029 Response:
For the reasons explained in EOE-028i, the references to "capitalization practices" and "improvements in the Frontier Settlement billing process" are inadvertently out of place in this statement in the testimony.

It is correct that the Company endeavors to maintain its capitalization method in a manner that correctly reflects cost accounting principles and to refine that process when there is opportunity to do so. For example, hourly labor rates are updated annually based on the contractual hourly wage changes for the represented workforce. Contractor rates are also reviewed periodically and adjusted, when applicable. The unit estimates are also reviewed periodically to ensure they are in line with current engineering design estimates.

Additionally, in 2024, the Company implemented a Robotic Process Automation (RPA) to automate the monthly capitalization process. This process was time-consuming and involved running several queries from the General Ledger and combining them all in the Microsoft Excel model. The output of this automated process is checked and reviewed by financial analysts but many of the heavy, time-consuming steps are performed by the RPA.