Date Filed: October 06, 2026

Witness: Warren R. Boutin
Request from: ALLCO

Question:

For each calendar year 2017 through 2025: (a) state the number of distributed-generation interconnection applications that were withdrawn or abandoned after the applicant received a cost estimate that included percentage overhead charges, and the aggregate estimated interconnection costs, including the overhead components, contained in the estimates provided to those applicants; (b) state whether the Company has ever analyzed, measured, or reported — internally, to the Authority, or otherwise — the effect of its interconnection cost estimates or overhead charges on application completion or withdrawal rates, and identify and produce each such analysis; and (c) state whether estimated overhead percentages were applied uniformly to all applicants during each year, and if not, describe each circumstance in which a different percentage or a waiver was applied and who approved it.

Response:

CL&P objects to this request on the ground that it is an improper effort by ALLCO to use this rate case proceeding to obtain discovery for purposes of a lawsuit that it filed against the Company on August 10, 2026, in the United States District Court for the District of Connecticut (Civil Action No. 3:26-cv-1277), outside of and in contravention of the rules of procedure that govern discovery in that lawsuit.

Without waiving said objection, the Company responds as follows:

a. The Company does not track whether distributed-generation interconnection applications were withdrawn or abandoned after an applicant received a cost estimate that included percentage overhead charges. Because applicants are not required to provide a reason for withdrawal or abandonment, the Company cannot determine the number of such applications or the aggregate estimated interconnection costs associated with them.

b. To the best of the Company's knowledge, the Company has not analyzed, measured, or reported — internally to PURA, or otherwise — the effect of its interconnection cost estimates or overhead charges on application completion or withdrawal rates, and identify and produce each such analysis.

c. Please refer to the Company's response to ALLCO-102[i], and ALLCO-003[ii].

Prior Referenced Response:

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[i] ALLCO-102 Question:

For the percentage overhead loaders applied to interconnection cost estimates, invoices, and contributions in aid of construction ("CIAC") for distributed-generation and qualifying-facility interconnections at any time from 2017 through the present: (a) identify each person who established, calculated, approved, or revised the loader percentages, and each person or group with authority to approve deviations from them; (b) identify the written policy, procedure, methodology document, or workpaper in which each loader percentage and its derivation is recorded, and produce each; (c) state, for each loader, whether it was developed by CL&P, ESC, Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell"), or another entity, and identify the entity and organizational unit; and (d) state whether any loader percentage applied to interconnection charges was ever reviewed for consistency with actual incurred costs before December 2024, and if so, identify each review, its date, its author, and its conclusion, and produce it.

ALLCO-102 Response:

CL&P objects to this request on the ground that it is an improper effort by ALLCO to use this rate case proceeding to obtain discovery for purposes of a lawsuit that it filed against the Company on August 10, 2026, in the United States District Court for the District of Connecticut (Civil Action No. 3:26-cv-1277), outside of and in contravention of the rules of procedure that govern discovery in that lawsuit.

Without waiving said objection, [DC1] [TB2] [DJN3], The ESC Investment Planning, Corporate Accounting, Plant Accounting and Accounts Payable departments are responsible for creating and maintaining the rates.

The Company uses either historical costs or budgeted information to develop its overhead rates. The rates are calculated annually and maintained by the Investment Planning, Corporate Accounting, Plant Accounting and Accounts Payable departments and updated as needed. The overhead charges are calculated by applying the applicable overhead rate to the direct charged cost elements applicable for that overhead (i.e., Labor, Material, Contractors, etc.). Therefore, for a project to be eligible to receive overheads, it must have direct spending

Please refer to ALLCO-102, Attachment 1, for an overview of the Company's allocations and calculation methodology.

[ii] ALLCO-003 Question:

Describe the methodology by which the Company sets the percentage "CIAC" or "overhead" rate applied to interconnection upgrade costs (including rates of 9.97%, 10.19%, 11.00%, 12.00%, and 13.00% applied to projects between 2018 and 2024), produce the workpapers deriving each such percentage, and state the actual project management and administration cost component, as a percentage of construction cost, realized on distributed generation interconnection projects completed in each year 2020 through 2025.

ALLCO-003 Response:

CL&P objects to this request on the ground that it is an improper effort by ALLCO to use this rate case proceeding to obtain discovery for purposes of a lawsuit that it filed against the Company on August 10, 2026, in the United States District Court for the District of Connecticut (Civil Action No. 3:26-cv-1277), outside of and in contravention of the rules of procedure that govern discovery in that lawsuit.

Without waiving said objection, the Company uses a "gross up" method when calculating the CIAC "tax adder" percentage. For an interconnection project, the Company requires each developer to advance adequate funds for the Company to maintain the full amount of funds, after paying the applicable State and Federal Income Tax, necessary to complete the construction. Furthermore, a discount rate is applied for the present value of the tax benefits associated with future tax depreciation. The Company applies the current prime rate as the discount rate pursuant to Order No. 2 of PURA's January 20, 1987, Decision in Docket No. 86-11-07. Below are the assumptions that the Company uses in the calculation:

Tax Rate	
Federal Tax Rate	0.21
State Tax Rate	0.0825
Prime Rate (Varies by year)	0.07
Tax Life	20 Years
Tax Depreciation Method	150% DB