Date Filed: August 27, 2026

Witness: Douglas P. Horton
Request from: Office of Education, Outreach, and Enforcement

Question:

(CATASTROPHIC STORM CUTOFF) Explain why the Company decided to omit 2Q-4Q 2025 catastrophic storm events from the rate case submission.

Response:

Please refer to the testimony of the Storms Panel filed as Exhibit CLP-STORM-1, beginning at page 94, which discusses the Company's detailed storm invoicing quality control audit process. It can take weeks or months for the Company to receive invoices after a catastrophic storm or pre-staging event. Once an invoice is received, the Company performs its multi-step review process, which also takes weeks or months depending on each invoice's size and complexity. Because of the delay in receiving, reviewing and approving invoices, it was not feasible to include storms occurring after March 2025 within the Company's initial rate amendment Application.

With regard to costs associated with storm events occurring after March 2025, the Company's plan is to file the storm costs incurred from April 2025 through December 2026 with all supporting documentation on September 1, 2027. Please refer to the Company's response to OCC-143[i], as well as the testimony of the Eversource Leadership Panel in Exhibit CLP-ELP-1, beginning on page 121, for the Company's proposal to establish a new Storm Cost Recovery Adjustment Factor ("SCRAF") that would establish a more programmatic and timely process for review of costs associated with catastrophic storms and pre-staging event costs.

Thus, with respect to storm costs incurred post-March 2025, the Company's plan is to file the actual storm costs incurred from April 2025 through December 2026 with all supporting documentation on September 1, 2027. Pursuant to the Company's proposal in this case, PURA would then conduct a contested proceeding to evaluate the prudence of the incremental catastrophic storm and pre-staging event costs, the accumulated reserve balances and the potential need for a SCRAF rate change to commence recovery of prudently incurred costs. The Company's proposal is 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.

This process would continue on an annual cycle, with the Company filing the prior year's actual storm costs with all supporting documentation on September 1st each year; with a prudence review occurring thereafter; and a potential rate change to incorporate those storm costs into the SCRAF in the following September 1st rate change. This routine cycle would avoid the accumulation of

storm costs in a manner that causes rate shock for customers; would mitigate the applicability of carrying costs, lowering costs for customers and would be administratively efficient with smaller increments of storm costs presented for review at any given time.

Prior Reference Response:

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[i] OCC-143 Question:

(STORM) Please refer to Exhibit CLP-Storm-1, p. 8, indicating the Company is seeking recovery for storms occurring between January 2024 and March 2025.

a. Did the Company incur any storm costs for the remainder of 2025?
b. If yes to (a), please explain if the Company intends to seek recovery of those costs and in what proceeding.

OCC-143 Response:

a. Yes, the Company has incurred additional catastrophic storm and pre-staging event costs in 2025 and 2026, beyond what is proposed for prudence review and cost recovery in this proceeding. A preliminary estimate of the total costs associated with the events incurred from April 2025 through July 31, 2026 is approximately $132 million. In addition, please see EOE-013, Attachment 1, for the costs associated with non-catastrophic storm events (events that did not exceed the $4 million catastrophic storm eligibility threshold).

b. Eversource is not seeking a prudence review and recovery of post-March 2025 catastrophic storm costs within the context of this proceeding. Rather, the Eversource Leadership Panel's testimony in Exhibit CLP-ELP-1, beginning on page 121, provides the detailed proposal the Company has submitted in this proceeding regarding the recovery of the January 2024 – March 2025 catastrophic storm costs and additional funding and recovery of catastrophic storm and pre-staging event costs, prospectively.

In summary of that testimony, the Company is proposing to establish a new rate mechanism to operate outside of base rates to allow for more timely review and recovery of catastrophic storm costs than is possible under the current paradigm. Specifically, the Company is proposing to implement a Storm Cost Recovery Adjustment Factor ("SCRAF"). The SCRAF would operate as a rate adjustment mechanism incorporating an annual prudence review of eligible costs and subsequent recovery of prudent costs with carrying charges. This would help prevent the buildup of catastrophic storm and prestaging event costs in between rate cases causing the potential for customer rate shock and additional carrying charges.

Pages 139 to 140 of Exhibit CLP-ELP-1 put forth the Company's proposal to begin recovery of the net balance associated with the January 2024 to March 2025 storm events through the SCRAF with rates effective commensurate with new base rates in this proceeding, or July 1, 2027.

With regard to storm costs post-March 2025, the Company's plan is to file the actual storm costs incurred from April 2025 through December 2026 with all supporting documentation on September 1, 2027. PURA would then 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. The Company's proposal is 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.

This process would continue on an annual basis where the Company would file the prior year's actual storm costs with all supporting documentation on September 1st each year, with a prudence review occurring thereafter and a potential rate change to incorporate those storm costs into the SCRAF in the following September 1st rate change.