Date Filed: October 20, 2026

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

Question:

(Capital Projects) Referring to Exhibit CLP-Additions-1, pages 27-29. The Company states that the PAF policy is applied when "the full budget and scope" of a project might not be known. Please explain how the Company makes a determination on whether a project requires a PAF or not during the preliminary stages of a project when the full budget and scope are not yet known. As part of this response, identify if there is a "high-level" or initial project costs developed for this purpose and, if so, explain how this estimate is developed.

Response:

Projects that will have a total cost of $500K or more will be required to follow the PAF process. The Company uses historical projects as a proxy to identify those projects that would meet or exceed $500K threshold for additional review and process.

Please refer to OCC-925[i] and OCC-925, Attachments 1 and 2, for the process overview and procedure documents.

Prior Referenced Response:

[i] OCC-925 Question:

(Capital Projects) Referring to Exhibit CLP-Additions-1, page 28. The Company states, "Projects less than $500,000 in total cost do not have as many opportunities for cost savings because these are smaller, short-term projects with more predictable budgets. These smaller capital projects are more likely to be routine and utilize equipment and materials previously competitively procured by the Company or ESC. This minimizes the potential for cost savings that could result from further review and analysis." Please describe the "further review and analysis" the company conducts to determine the potential for cost savings. Provide five examples of projects submitted in this proceeding where cost savings were achieved through this review and analysis step.

OCC-925 Response:

Projects with a total estimated cost of less than $500,000 are typically limited in scope and are generally associated with routine replacement of failed, damaged, or end-of-life equipment. These "break/fix" projects are usually undertaken to restore or maintain the reliability and safe operation of the electric system. Because the equipment being replaced is generally required to perform a specific function and must meet established engineering and

operational standards, there are often limited alternative solutions available. As a result, there are generally fewer opportunities for additional cost savings through further review and analysis.

For larger capital projects with estimated costs greater than $500,000, the Company conducts a more comprehensive review in accordance with the Distribution Tri State Capital Project Approval Process (Distribution Lines) or Capital Project Approval Process (Distribution Substations). As part of this process, the Company evaluates multiple alternatives and project configurations to identify the solution that best addresses the identified system need while providing the most cost-effective outcome. This review may include evaluation of different engineering designs, equipment options, system configurations, project timing considerations, and operational impacts. The selected alternative is based on an assessment of factors such as reliability, safety, operational requirements, constructability, environmental considerations, and overall project cost.

Please refer to OCC-925, Attachment 1 – Distribution Tri-State Capital Project Approval Process

Please refer to OCC-925, Attachment 2 – Capital Project Approval Process

Please refer to the following projects as examples of projects greater than $500,000 that underwent the alternatives analysis review process and achieved cost savings through the evaluation of multiple project options. The documentation for these projects is included in Exhibit CLP-ADDITIONS-4, as identified in the references below. Additionally, each line reference corresponds directly to the associated supporting folder in Exhibit CLP-ADDITIONS-6.

- CD02190 - Middle River 28M3 Load Relief: Exhibit 4 tab “Project Specifics Post 2022”, line 286
- CD02164- Norwalk 9S27 Normal overload: Exhibit 4 tab “Project Specifics Post 2022”, line 281
- CD02577 - Amazon EV Chargers, Victoria Dr, Monroe: Exhibit 4 tab “Project Specifics Post 2022”, line 374
- CD02153 - Stone Bridge Commons New Service: Exhibit 4 tab “Project Specifics Post 2022”, line 278
- CS00577 - Rockville 14W-6X Transformer Voltage Change: Exhibit 4 tab “Project Specifics Post 2022”, line 416