**Summary**

The 2018 capital expenditures of The Connecticut Light and Power Company dba Eversource Energy ("the Company") were $469.6 million, which is 15.6%, or $63.3 million, over the amount reviewed by the Authority in Docket No. 17-10-46. As shown in the following variance explanations, CL&P experienced variances from the amounts approved in the final decisions of these dockets for certain individual categories, as noted, and has provided variance explanations where spending varied by more than 10% from that represented.

**Variance Explanations:**

**(a) New Customer** - This variance was primarily due to a higher level of new service installations as well as a greater number of large specific projects than were anticipated.

**(b) Peak Load/Capacity Projects** - This variance was primarily due to increased work required to complete the Cedar Heights, New Middle River and Rockville/Mansfield large line capacity projects due to engineering design delays and scheduling issues that pushed work anticipated to be completed in 2017 into 2018. In addition, voltage correction requirements were greater than anticipated.

**(c) Capitalized Vehicles** - The variance is due to a lower than planned level of vehicle replacements required in 2018 to maintain the fleet.

**(d) Emergent Equipment Failures** - This variance was primarily due to capitalization of $25.5M in storm costs and higher than anticipated failures and planned repairs.

**(e) Environmental** - This was primarily due to timing of Substation Oil Circuit Breaker replacements as the number of replacements in 2017 exceeded plan and fewer units were required to be replaced in 2018.

**(f) Facilities** - This variance was due to work required for the expansion of the Newtown AWC, paving at various locations and asbestos abatement.

**(g) Information Technology** - The Company increased funding in 2018 for the Windows 10 lifecycle replacement of laptops.

**(h) Lighting** - This variance is due to unanticipated street light sales to local municipalities totaling $3.8M, and lower spending on the LED Green Lights Program.

**(i) Line Relocations/Act of Public Authority** - This variance is due to a higher amount of third-party attachment relocation requests than anticipated.

**(j) Meters** - The Company increased meter capital expenditures in 2018 to fund a remote disconnect metering program and to stay ahead of the expected “failure curve" for meters at or approaching end of life.

**(k) Pre-Capitalized Line Transformers** - This variance is due to experiencing a greater number of transformer failures requiring replacement due to extreme weather experienced in 2018.

**(l) Regulatory Commitments-Other** - This variance was caused by late starts and partial deferments on three projects due to the need to secure contractor resources instead of utilizing internal crews. The deferred projects were the Ellington Hi over Lo voltage removal project, and the Westport and New Canaan 500KCMIL cable replacement projects.

**(m) Distribution Line Reliability** - This variance was primarily due to resource availability issues which caused a delay in substation elimination line work originally planned for 2018. This included projects in South Leonard, Terryville and East Bantam.

**(n) Network Reliability** - The Company has created and funded a program for deploying network monitoring technology throughout its service territory. A network communication system provides essential data to system operators and engineers to operate, maintain and plan for normal and contingency network events. In 2018 there were fewer projects initiated for UG Network Automation than originally estimated and there was a lower level of emergent work related to UG Structural Issues due to fewer than anticipated installations as identified during field inspections.

**(o) Substation Reliability** - The primary reason for the variance was the delay in starting construction for the Greenwich 28F New Bulk Substation project. This overall project includes both distribution and transmission assets and there have been delays with the transmission permitting and scheduling which has pushed the scheduled in-service date of the project into 2020.

**(p) URD and DB Cable Reliability** - This variance is primarily due to a decision by the company to replace rather than repair Direct Buried Cable faults in locations that have experienced multiple outages. This is being done to improve system reliability by minimizing the likelihood of recurring outages on the same cable and eliminating recurring maintenance requirements.

**(q) Customer Focus Trimming** - The Company approved additional funding for customer focused tree trimming to improve the reliability of the distribution system for customers.

**(r) DSCADA Radio Expansion** - The software implementation was delayed and in addition will cost less than anticipated.

**(s) Enhanced Tree Trimming** - The regulatory treatment for Enhanced Tree Trimming changed as a result of the Settlement of Docket No. 17-10-46 and ETT costs previously captured as capital expenditures are now treated as tracked O&M costs.

**(t) Islanded Substation Program** - The primary reason for the variance was due to scheduling and construction delays on the Putnam and Colchester stations which moved work originally expected to be completed in 2017 into 2018.

**(u) Pole Integrity Program** - The variance was driven by an increase in the number of poles required to be replaced based on 2017 pole inspections which identified a significant number of poles in Cheshire and Stamford that needed to be replaced in 2018.

**(v) Recloser Control Program** - This variance is due to work being deferred to 2018 due to engineering deliverables and resource availability.

**(w) ROW Lines** - This variance is due to work that was required to complete the Campville ROW project. This project was designed to address the 7-mile double circuit ROW from Campville 14R substation to Whites Woods Junction and will enable a more resilient supply to 14,000 customers that would otherwise be at risk during a 2019 planned transmission outage.

**(x) Smart Switches** - The 2018 plan was increased to include additional work to address system reliability concerns.

**(y) SR Double Poles Removals** - This variance was primarily due to a lower unit cost than originally anticipated.

**(z) Substation Circuit Breaker Automation** - This variance is due to work being deferred to 2018 due to engineering deliverables and resource availability. The original plan assumed this work would be completed by the end of 2017.

**(aa) Structural and Electrical** - This variance is due to work being deferred to 2018 due to engineering deliverables and resource availability. The original plan assumed this work would be completed by the end of 2017.

**(bb) Substation Flood Mitigation** – With the exception of Westport Station 27F, the flood mitigation projects completed in 2018 came in at less than the originally estimated cost.

**(cc) Substation Security** – The substation security projects completed in 2018 came in at less than the originally estimated cost.

**(dd) Tower Replacements** – With the exception of Danielson, the planned tower replacements were completed by the end of 2017.

**(ee) UCONN Resilient Energy Center** -The variance is due to timing of project work.