Date Filed: September 22, 2026

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

Question:

(Capital support mechanism) Refer to Exhibit CLP-ELP-1, p.101. "As part of the Company's annual RAM compliance filing, actual plant additions placed in service during the applicable plan year will be reconciled against the approved forecast." Provide a list of all instances known to the Company in which approved multiyear rate plans for utilities in other jurisdictions employ downward reconciliation of capital. In each instance, please provide the state, the utility, the applicable Rate Years for the approved multiyear rate plan. For each Rate Year, indicate whether utility costs were lower than what was approved, and how much was reconciled and returned to ratepayers (in dollars).

Response:

The Company is aware of approved multiyear rate plans for Central Maine Power Company ("CMP") and certain New York utilities—Consolidated Edison Company of New York, Inc. ("Con Edison"), Central Hudson Gas & Electric Corporation ("Central Hudson"), and Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk")—that include downward reconciliation mechanisms for plant additions or net plant. These mechanisms are not identical in all respects to the Company's proposed capital support mechanism. CMP's mechanism compares actual distribution plant additions with the forecast plant additions reflected in rates, while the New York mechanisms generally reconcile actual average net plant and the associated revenue requirement against approved targets. Depending on the particular mechanism, where the relevant actual plant or net-plant measure is below the applicable target or cumulative target, the associated revenue-requirement impact is reflected in a downward rate adjustment or deferred for the benefit of customers.

CMP (Maine). The Maine Public Utilities Commission approved a two-year rate plan for CMP covering Rate Year 1, ending July 31, 2024, and Rate Year 2, ending July 31, 2025, that included a downward-only plant addition reconciliation.[1] [2] Under the mechanism, actual distribution plant

[1] Maine Public Utilities Commission, *Central Maine Power Company, Request for Approval of Distribution Rate Increase and Rate Design Changes Pursuant to 35-A M.R.S. § 307*, Docket No. 2022-00152, *Order Approving Stipulation*, June 6, 2023, Attachment 12.

[2] Following expiration of the two-year rate plan, CMP proposed a new five-year rate plan in 2025. CMP subsequently withdrew that filing. In April 2026, CMP filed a new distribution rate case in which it proposed to eliminate the reconciliations established under its prior rate plan and proposed a second phase of the proceeding to establish a new multiyear rate plan. As of September 2026, that proceeding remains pending. (Source: Maine Public

additions are compared with the forecast plant additions embedded in rates, and a downward revenue-requirement adjustment is calculated if actual plant is below the forecast.[3]

For Rate Year 1, CMP reported that its actual average plant balance exceeded the forecast average plant balance used to set distribution rates by approximately $127 million.[4] Accordingly, the downward reconciliation was not triggered and the mechanism had no impact on the distribution rate adjustment effective July 1, 2025.

Similarly, for Rate Year 2, CMP reported an actual average plant balance of approximately $2.716 billion compared with a forecast average plant balance of approximately $2.510 billion, or approximately $206 million above forecast.[5] Accordingly, the downward reconciliation was again not triggered, and CMP calculated a $0 revenue-requirement adjustment under the mechanism.[6] Thus, neither Rate Year 1 nor Rate Year 2 resulted in a downward revenue-requirement adjustment under the plant-addition reconciliation mechanism.

Con Edison (New York). Con Edison's approved 2026–2028 three-year electric rate plan includes a downward-only net plant reconciliation. Under the mechanism, Con Edison must defer for the benefit of customers the revenue-requirement impact, including carrying costs and depreciation, where actual expenditures for electric capital programs and projects result in actual average net plant below the applicable average electric plant-in-service balances reflected in rates. The reconciliation for Rate Years 1 through 3 is cumulative, and a downward revenue-requirement deferral is required only if the cumulative result over the 36-month rate-plan period is below the applicable cumulative target.[7] Accordingly, although the rate-year components of the reconciliation are calculated during the plan, any downward revenue-requirement deferral under

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Utilities Commission, *Central Maine Power Company, Request for Approval of Rate Case Filing,* Docket No. 2026-00043, Notice of Proceeding and Opportunity to Intervene, April 22, 2026, 1–2)

[3] Ibid.

[4] Maine Public Utilities Commission, *Central Maine Power Company, Request for Approval of Annual Compliance Filing*, Docket No. 2025-00018, Order Approving Stipulation, June 11, 2025, attached Stipulation § 4.P, 8–9; Central Maine Power Company, Stipulation Attachment 20, Plant Addition Reconciliation, 1. https://mpuc-cms.maine.gov/CQM.Public.WebUI/MatterManagement/MatterFilingItem.aspx?FilingSeq=129743&CaseNumber=2025-00018

[5] Central Maine Power Company, *2026 Annual Compliance Filing Master Exhibits*, Maine Public Utilities Commission Docket No. 2026-00011, Attachment 16, "Plant Addition Reconciliation." P. 1. https://mpuc-cms.maine.gov/CQM.Public.WebUI/MatterManagement/MatterFilingItem.aspx?FilingSeq=133197&CaseNumber=2026-00011

[6] Central Maine Power Company, *2026 Annual Compliance Filing, Maine Public Utilities Commission* Docket No. 2026-00011, February 17, 2026, 12; Central Maine Power Company, 2026 Annual Compliance Filing Master Exhibits, Attachment 16, "Plant Addition Reconciliation," 1-2.

[7] New York State Public Service Commission, *Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans*, Cases 25-E-0072 and 25-G-0073 (issued and effective January 22, 2026), 55; attached Joint Proposal § D.1.a, 17–19.

this provision is determined based on the cumulative 36-month result rather than on a stand-alone rate-year basis.

Central Hudson (New York). Central Hudson's approved three-year rate plan, approved in August 2025 for the period through June 2028, continues a downward-only net plant reconciliation.[8] Under the mechanism, actual electric and gas net plant and depreciation expense are reconciled against the applicable targets, with the resulting revenue-requirement differences carried forward over the plan term. At the end of Rate Year 3, if the cumulative revenue-requirement impact from net plant and depreciation-expense differences is negative, Central Hudson must defer the amount for the benefit of customers, with carrying charges at the applicable pre-tax authorized rate of return.[9] Because the reconciliation is cumulative over the multiyear rate plan, the final cumulative customer deferral, if any, has not yet been determined.

Niagara Mohawk (New York). Niagara Mohawk's approved three-year rate plan covering April 1, 2025, through March 31, 2028, includes a downward-only electric net utility plant and depreciation expense reconciliation.[10] Each Rate Year, actual electric average net utility plant and the associated depreciation-expense revenue requirement are compared with approved targets, with the differences carried forward and summed at the end of Rate Year 3. If the cumulative reconciliation balance is negative at the end of Rate Year 3, Niagara Mohawk must defer the resulting revenue-requirement impact for the benefit of customers; if the cumulative reconciliation balance is positive, there is no deferral.[11] Accordingly, the final cumulative customer deferral, if any, will not be determined until the conclusion of Rate Year 3.

The Company also notes that a downward-only reconciliation was a feature of the incremental capital funding mechanism outlined in the Draft Decision issued in Docket No. 21-05-15RE01. Please refer to Docket No. 21-05-15RE01 Proposed Final Decision issued July 14, 2025, at 33.[12]

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[8] New York State Public Service Commission, *Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans,* Cases 24-E-0461 and 24-G-0462 (issued and effective August 14, 2025), 59–60; New York State Department of Public Service Staff, Staff Statement in Support of the Joint Proposal, Cases 24-E-0461 and 24-G-0462 (May 23, 2025), 39–40.

[9] Ibid.

[10] New York State Public Service Commission, *Order Adopting Terms of Joint Proposal and Establishing Rate Plans,* Cases 24-E-0322 and 24-G-0323 (issued and effective August 14, 2025); Niagara Mohawk Power Corporation d/b/a National Grid et al., Joint Proposal, Cases 24-E-0322 and 24-G-0323 (April 25, 2025), § IV.11.1.11, 70–71. < https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B20E76D96-0000-C727-A6AB-C1690EEB4F65%7>; < https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BE08BA998-0000-C031-ABF4-BF2E66669E52%7D>

[11] Ibid.

[12] Connecticut Public Utilities Regulatory Authority, *PURA Investigation into Revenue Adjustment Mechanisms for a Performance-Based Regulation Framework*, Docket No. 21-05-15RE01, Draft Decision (July 14, 2025) https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/1555634f73ae53a685258cc7007a62fb?OpenDocument