Date Filed: October 30, 2026

Witness: Matthew P. Fallon
Request from: Public Utilities Regulatory Authority

Question:

(CAPITAL STRUCTURE) Application, Ex. CL&P-REVREQ-2, Sch. D-1.0. Since the Company's 2018 Decsion, explain if the Company's actual capitalization use of common equity has been 53.86% or greater. As applicable, identify and document the financial quarter or year end when the Company has operated with less than 53.86% common equity since the September 21, 2018 Decision in Docket No. 17-10-16, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules.

Response:

Please refer to RRU-095, Attachment 1, for the Company's actual quarterly capital structures as filed in Docket Nos. 76-03-07 and 76-03-07RE01. As shown in RRU-095, Attachment 1, the Company's actual common equity ratio exceeded 53.86% in 30 out of the 32 quarters requested. The only quarters in which the Company's actual common equity ratio was below 53.86% were Q3 2018 and Q4 2018. The Company has provided copies of the quarterly ROE filings in Docket No. 76-03-07 for each of those two quarters, as RRU-095, Attachment 2, and RRU-095, Attachment 3, respectively.

CL&P's actual capital structure varies over time as a result of the fixed maturity schedule of its existing first mortgage bonds ("FMBs"), the dynamic flow of funds required to operate and invest in the electric system, and variability in customer payments. As a result, the relative proportions of long-term debt and common equity will fluctuate between financing transactions. For example, catastrophic storm events, which cannot be reasonably forecasted, can create immediate funding requirements that influence financing decisions. These considerations require CL&P to maintain financial flexibility rather than manage its actual capital structure to a precise percentage at every point in time.

The longer-term experience is therefore more informative than an individual quarter-end observation. As shown in RRU-095, Attachment 1, following Q4 2018, the Company's actual common equity ratio exceeded 53.86% for 30 consecutive quarters.