Date Filed: August 21, 2026

Witness: Ned W. Allis
Request from: Office of Consumer Counsel

Question:

(Net Salvage Percent) Referring to Exhibit CLP Depreciation-3, page 220. How did the Company determine the Net Salvage Percent as –100?

Response:

As discussed in "PART IV NET SALVAGE CONSIDERATIONS" of Exhibit CLP-DEPRECIATION-3, the net salvage estimates were based on judgment that incorporated analyses of historical cost of removal and salvage data, expectations with respect to future removal requirements and markets for retired equipment and materials. CL&P's Deprecation Study as of December 31, 2016 reflected a conservative net salvage estimate of negative 90% based on an overall negative 123% net salvage and the most recent 5-year average of negative 130%. CL&P's Depreciation Study in the instant case includes updated net salvage activity through December 31, 2025, which continues to indicate more negative levels of net salvage at an overall level of negative 128%, as disclosed on page 178 of Exhibit CLP-DEPRECIATION-3, and the most recent 5-year average of negative 134%, as disclosed on page 179 of Exhibit CLP-DEPRECIATION-3. The negative 100% net salvage estimate reflected in the current Depreciation Study is reflective of these more negative net salvage costs, though is conservative relative to the levels CL&P has incurred in the historical data.