Date Filed: October 27, 2026

**Witness: Warren R. Boutin, Leanne M. Landry and Jeffrey D. Turano**
**Request from: ALLCO**

**Question:**

(Follow-up to OCC-676 and ALLCO-059 — customer advances and interconnection deposits.) OCC-676 states that the Company has excluded customer advances from rate base since Docket No. 14-05-06 because "they are refundable and the Company does not have use of these dollars." ALLCO-059 states that Account 252500 held ($28,277,769) of interconnection customers' payments at June 30, 2026. (a) State whether the funds recorded in Account 252500 and in any other customer-advance or CIAC-deposit account are held in a segregated or escrow account or are commingled with the Company's general funds, and identify the account(s) and institution(s). (b) If commingled, state whether those funds are available to and used by the Company for working capital, construction, or any other purpose pending final accounting, and reconcile that use with the statement that the Company "does not have use of these dollars" and with OCC-677, which attributes the increase in customer advances since December 2025 to $14.5 million received from five NB-12 line-extension customers for projects that "are currently in construction." (c) State whether any interest is paid or credited to interconnection customers on advances held pending final accounting or refund, and the tariff, agreement, or policy provision governing it. (d) State whether customer advances and CIAC deposits are reflected in the Company's cash working capital or lead-lag analysis in this Application and, if so, where; if not, explain why customer funds held for months or years are excluded from the working-capital determination. (e) Produce the Company's response to OCC-072 in Docket No. 14-05-06 and identify the page of the Final Decision in that docket on which the Company relies.

**Response:**

a. Please refer to the Company's responses to ALLCO-001[i], ALLCO-002[ii], and ALLCO-004[iii].

b. Please refer to the Company's response to subpart (a) and OCC-935[iv]. The Company keeps enough cash on hand in order to refund customer advances if/when they come due.

   For primary extensions and modifications under PURA-approved New Business Policy NB-12 ("NB-12 Policy"), a customer may make the required advance payment to the Company via wire transfer or letter of credit. For advance payments made via wire transfer, per the NB-12 Policy, the Company credits advances to:

| AU | CCC | In Blank Column |
|---|---|---|
| 1D | 349 | 25201 |

The Company also authorizes refunds, when appropriate, charging to this same account. This advance payment is refunded in full, without interest, when the extensions and modifications are considered by the Company to have been put into full use.

c. The PURA-approved Interconnection Guidelines and form of Interconnection Agreement do not authorize the payment of interest on final accountings that result in an Overpayment to be refunded to the interconnecting customer, and the PURA-approved NB-12 Policy states that advances will not accumulate interest.

d. Customer advances and CIAC deposits are not reflected within the Company's cash working capital or lead-lag analysis.

e. The relevant language from the Company's response to OCC-072 in Docket No. 14-05-06 is provided in the Company's response to OCC-676[v]. Monthly balances of customer advances between 2009 and 2014 are not relevant to the instant proceeding. To answer the remainder of the subpart, OCC-072 stated, in relevant part "The Company has not included customer advances in the test year or rate year as they are refundable and the Company does not have use of these dollars." The Final Decision in Docket No. 14-05-06 did not comment on the treatment of customer advances.

**Prior Referenced Responses:**

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[i] ALLCO-001 Question:

Identify each FERC account in which the Company records CIAC and other amounts collected from interconnection customers for interconnection studies, upgrades, and overheads, and state the balance in each such account at the end of each year 2018 through 2025 and as of the most recent month available.

ALLCO-001 Response:

CL&P objects to this request on the ground that it is an improper effort by Allco to use this rate case proceeding to obtain discovery for purposes of a lawsuit that it filed against the Company on August 10, 2026, in the United States District Court for the District of Connecticut (Civil Action No. 3:26-cv-1277), outside of and in contravention of the rules of procedure that govern discovery in that lawsuit.

Without waiving said objection, the Company records CIAC activity from interconnection customers to FERC Account No. 252500. The table below summarizes the end of year balance in FERC Account No. 252500 from 2018 through June 2026.

| Year | Balance |
|---|---|
| December 2018 | ($5,569,769) |
| December 2019 | ($5,038,280) |
| December 2020 | ($9,076,090) |
| December 2021 | ($25,399,399) |
| December 2022 | ($11,263,859) |
| December 2023 | ($7,796,182) |
| December 2024 | ($10,334,276) |
| December 2025 | ($23,605,408) |
| June 2026 | ($28,277,769) |

[ii] ALLCO-002 Question:

State the total dollar amount of CIAC and interconnection-related payments collected from DER and QF interconnection customers in each year 2018 through 2025, and explain precisely how those amounts are reflected in (a) rate base, (b) the Test Year revenue requirement, and (c) the Rate Year revenue requirement proposed in this docket, identifying the specific schedules and workpapers.

ALLCO-002 Response:

CL&P objects to this request on the ground that it is an improper effort by Allco to use this rate case proceeding to obtain discovery for purposes of a lawsuit that it filed against the Company on August 10, 2026, in the United States District Court for the District of Connecticut (Civil Action No. 3:26-cv-1277), outside of and in contravention of the rules of procedure that govern discovery in that lawsuit.

Without waiving said objection, please refer to the Company's response to ALLCO-001i for CIAC year-end balances from 2018 through 2025. CIAC and interconnection-related payments received by the Company reduce the cost of construction or plant placed in service. CIAC is recognized as an offset to the underlying capital project. CIAC would not be considered a component of rate base until the underlying capital project is placed in service. At that time, the underlying capital project costs in rate base would be wholly offset by CIAC at the time of final project billing and reconciliation. In the Company's next cost of service update, the rate base and the Rate Year revenue requirement will reflect the CIAC and the underlying capital project cost for projects placed in service.

[iii] ALLCO-004 Question:

State whether refund obligations owed by the Company to interconnection customers following final accounting or reconciliation of interconnection projects — including the $257,260.19 in refunds identified in the Company's December 2024 Final Accounting Reports for the Fisk, Plainfield, Voluntown 1240, and Bilton clusters — are recorded as liabilities on the Company's books; identify the account(s), the total balance of such unpaid refund obligations at the end of each year 2022 through 2025, and state whether and how such balances are reflected in rate base, cash working capital, or the revenue requirement in this docket.

ALLCO-004 Response:

CL&P objects to this request on the ground that it is an improper effort by Allco to use this rate case proceeding to obtain discovery for purposes of a lawsuit that it filed against the Company on August 10, 2026, in the United States

District Court for the District of Connecticut (Civil Action No. 3:26-cv-1277), outside of and in contravention of the rules of procedure that govern discovery in that lawsuit.

Without waiving said objection, please refer to the Company's response to ALLCO-002i for "whether and how such balances are reflected in rate base, cash working capital, or the revenue requirement in this docket." The Company confirms that when a refund obligation is owed to interconnection customers following final accounting or reconciliation of interconnection projects, the refund obligation is recorded as a liability on the Company's books until the payment is issued to the interconnection customer.

[iv] OCC-935 Question:

Customer Advances. Refer to the response to OCC-270, Attachment 2.

a. Are the balances shown held in a restricted account? Describe in detail where these customer advances are held until offset to plant in service, forfeited or refunded.
b. Identify the portion of the balances shown that are letters of credit and not actual cash deposits.
c. Provide a copy of or link to the NB-12 policy.

OCC-935 Response:

a. Cash received from customers as part of their customer advances on NB-12 projects are held in a general purpose cash account (131.010) for use by the Company. A specific liability account (252.010) tracks the advance received until it is forfeited or refunded based on specific customer agreement milestones.
b. All amounts presented in OCC-270, Attachment 2, are cash balances.
c. Please refer to Exhibit CLP-ADDITIONS-13 for copies of CL&P's New Business policies.

[v] OCC-676 Question:

Customer Advances. Refer to the response to OCC-270. Has the Company ever included customer advances as a reduction to rate base? If so, identify the PURA precedent relied on for no longer including these as a reduction to rate base.

OCC-676 Response:

The Company's position on not including customer advances as a reduction to rate base has been consistent since at least the 2014 CL&P Rate Case, Docket No. 14-05-06. In that case the Company responded to a similar question:

"The Company has not included customer advances in the test year or rate year as they are refundable and the Company does not have use of these dollars," as stated in the Company's response to discovery question OCC-072 in Docket No. 14-05-06.

In the Final Decision in Docket No. 14-05-06 PURA did not reduce the Company's rate base for these refundable advances and therefore the Company has treated advances consistent with this PURA precedent.