CL&P 2025 Depreciation Study

Management Meetings Notes

1. Transportation Equipment and Power Operated Equipment (1/28/26 @ 10:30am)
   – Primary responders were [redacted]
   – Other Attendees: [redacted]
   ([redacted] for GFT)
   a. Class 1 (Cars)
      i. Increased investment due to catch-ups from COVID
      ii. Plan is to rotate 10-15% of fleet annually
      iii. Ret. Thresholds are 7 years/140K miles
      iv. Retirements associated with the level of investment/replacements not yet reflecting as of the end of 2024
   b. Class 2 (Light Trucks)
      i. Same as Class 1
   c. Class 3 (Medium Trucks)
      i. Available supply of vehicles has been limited which is why we are have not been seeing more replacements.
      ii. Ret Thresholds are 10 years/150K miles
      iii. Supply of vehicles is improving so we should anticipate seeing more replacements moving forward
   d. Class 4 (Heavy Trucks)
      i. Same as Class 3
      ii. Recent investment associated with replacements catching up from COVID now that supply is available.
      iii. Likely we have yet to see the rets associated with the investment which is the extended ASLs we are seeing.
      iv. The associated retirements may be seen in the 2025 activity. If not, will be recorded in near future.
   e. Class 5 (Rolling Equipment)
      i. This light bucket trucks, vans, etc.
      ii. Treatment is similar to Class 3
      iii. Will begin to see more replacements in near future
   f. Class 6 (Trailers)
      i. 23 to 25 year life is reasonable for current, but efforts are being made to get the ASLs of this asset class closer to the 10-15 year range
      ii. Just beginning the updates to this asset class

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g. Account 392.89 (Transportation Equipment – Other)
   i. These are garage lifts. Have recently began replacing "in-ground" lifts due to environment regulations with "mobile" lifts.
   ii. The expected life of the mobile lifts is 8 to 10 years.

There is a general effort to decrease the age of the entire fleet. Currently vehicles are roughly 6 years old on average. Most older vehicles are the heavier trucks.

h. Account 396 (Power Operated Equipment)
   i. Efforts are underway to replace larger equipment with more "mini" and/or mobile equipment.
   ii. Expected life of newer more agile equipment is expected to be 10 to 15 years

i. General Notes
   i. Net Salvage
      1. Once retired, assets are taken auction and proceeds are recorded as Gross Salvage.
      2. Retired assets are amassed and taken to auction in lot sizes. Therefore there is lag between the retirements and the recording of the associated GS.
   ii. There are very few remaining leased assets on the system. And, efforts are underway for those to be removed from service due to age.

2. Meters and Metering Equipment Call (1/29/26 @ 11:30am)
   - Primary responders were [redacted]
   -Other Attendees: [redacted] ([redacted] GFT)

   a. Planned full conversion from AMR to AMI Meters has changed since prior work in 2023.
      i. 2027 is no longer a viable target date for completion of a full conversion to AMI
      ii. The original conversion plan to AMI allowed for the Bridge meters being purchased to be used with the AMI module. This is no longer the case.
      iii. The new AMI meters (once a conversion is planned, approved and implemented) will replace the AMR and Bridge meters.
   b. Meters are required to be tested based on either a sampling plan or a periodic plan.

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c. The "intercompany transfers" of meter assets represent movement of meter assets between Western MA and CT. It is the meter value of the meters being transferred out that is being represented as the credit COR we are seeing in Account 370.
d. Electric Vehicle Charging Station metering assets will be discussed in a future call with [redacted] (on Friday Facilities call).
e. From Frank Errato on 2/04/2026 – "Below is the response that we will provide to [redacted] from GF with regard to his question for the transfer of EV charging stations in 2024. San Diego Gas & Electric Co. (SDG&E) prepared an excerpt due to a recent FERC Audit question pertaining to Electric Vehicle Charging Stations (snip-clip of the excerpt below). The Eversource Transmission Rates group after hearing about the SDG&E audit finding determined a pro-active approach to this FERC guidance should followed at Eversource. Therefore, the EV charging stations in question were moved in 2024 out of the General Plant 390 accounts and transferred to a newly created plant account for 370500. Eversource will continue to record these types of assets in this account going forward. Please let us know if you have any questions, concerns, or if you need anything additional."

Excerpt from San Diego Gas & Electric Company on recording charging stations to general plant:

Miscellaneous Equipment. SDG&E maintained that its use of Account 398 was appropriate because the account provides for the recording of "the cost of equipment, apparatus, etc., used in the utility operations, which is not includible in any other account of the USofA." However, the text of Account 398 also notes that equipment "wherever practicable shall be included in the utility plant accounts on a functional basis." This language restricts the use of Account 398 to property of a general nature that does not fit into any particular function.

The correct account classification of an item is dependent on the nature of the item. The EV charging stations are dissimilar in nature to those assets properly includible in Account 398. Based upon review of the record, including SDG&E's use and operations of the EV charging stations, audit staff believes the assets serve a distribution function. SDG&E's EV charging stations allow retail end-use customers in its distribution service territory access to low voltage power to charge electric vehicles. As assets of a distribution nature, the EV charging stations cannot appropriately be accounted for as general plant in Account 398 because the assets are more properly accounted for in a distribution plant account.

3. Street Lighting and Equipment Call (1/30/26 @ 11am)
   - Primary responder was [redacted]
   - Other Attendees: [redacted] GFT)
     a. Primarily Wood and Aluminum poles. Type of pole is determined based on town/municipality desire or request.
     b. Fixture are a separate retirement Unit.
     c. Poles are replaced due to accidents or poles getting old

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d. Fixtures are replaced because of accidents or the fixture no longer working
e. Approximately 89K street lights on CLP's system
f. Luminaires prior to LED were HPS
g. Conversion to LED is 99.87% complete
    i. When replacing an LED Luminaire, the entire fixture must be replaced.
    ii. Expected average life is in the 10 to 25 year range based on standard usage
    iii. Conversion to LED began in 2016
h. If towns and/or municipalities requested to purchase their street lighting systems, CLP would accommodate them. However, there have been no such requests in recent years.
i. Question related to volume of retirements ($2.5M of $32.5M installed since 2016 (or approximately 8%) with the bulk of those retirements being ages 1 to 4. Is this reasonable?
    i. Answer was unknown during the call. Will send question to [redacted] to follow-up post call.

4. Facilities Call (1/30/26 @ 1:30pm)
    - Primary responder [redacted]
    - Other Attendees: [redacted]

    a. Removed parking garage in Berlin
    b. EV charging stations
    c. IT pilot space in Berlin, renovation
    d. 100 projects per year in CT
    e. $50 million capital per year
    f. Facilities
        a. Average facility around 62 years
    g. Changes in design of facilities
        a. Provide workspace for all employees
        b. Workplace standards
            i. Change to workspace sizes, overall capacity
        c. Included in renovations
    h. Added three warehouses (leased)
    i. Created 15 acre storm staging site (Windsor, 2023-2024)
    j. Cost increases
        a. Long-lead items
            i. More computerized/digital

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ii. HVAC, plumbing
iii. Labor supply

k. System operation center (Windsor)
   a. Added 10,000 sq feet
   b. Data center
   c. Backup transmission control

5. Distribution Substations (2/4/26 @11:30am)
   - Primary speakers [redacted]
   - Other Attendees: [redacted] (GFT [redacted])

   a. They are going to send us the breakdown of number of distribution substations
   b. Standard voltage is highest 34.5KV, 23KV, 27.6 KV (still in system but slowly being removed),13.2KV, 13.8KV, 11KV, 4.8KV, some 4.16KV
      i. 13.8KV, 13.2KV and 23KV most common
   c. Older style control houses are block buildings
      i. Over last 20 years majority new have been prefab buildings
   d. Within substation major replacement projects:
      i. South meadow sub still working on replacing oil breakers
         1. Only a few subs that have oil breakers
      ii. Most breakers are vacuum
         1. Still have some that are air
         2. Very few are SF6
      iii. Transformers and switch gears upgrades are not done systematically
      iv. They are going to provide us a list of program and other things being upgraded
      v. In general, all replacement not a lot of growth programs in place
   e. Primary drives in retirements
      i. Replacements and not a great deal of growth
         1. Replacements are driven by age primarily and some to do with capacity
      ii. 30% of budget is capacity and 70% is asset age/condition
   f. All stations have a battery bank
      i. Budget constraints prevent timely replacements
      ii. A good portion are 20 years or older
      iii. 20 years is the typical replacement threshold they would like to hit
   g. Animals
      i. They use animal protection in all substations

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ii. New initiative program to upgrade animal protection

h. Transformers 40 yr life is the target, but budget constraints are an issue here too.
   i. They do not do full rebuilds

i. They are pushing till things are failing
   i. They would prefer to turn over assets faster than they have in the past-> upgrading before failure

6. Distribution Lines (2/20/2026 @ 10:00am)
   - Primary Speaker: [redacted]
   - Other Attendees: [redacted]

   a. Poles, Towers and Fixtures (Account 364)
      i. Pole inspection program (all poles every 10 yrs) (changed from 15 to 10 yes in the 2024/2025 timeframe)
         1. Failures = Replacement
      ii. Most poles are still jointly owned with telecom
      iii. Resiliency Standard
         1. Build to Class II pole, unless higher class is required
      iv. Predominantly wood poles, some steel in ROWs
      v. Retirement drivers
         1. Reliability – reconductoring
         2. Capacity
      vi. Appurtenances are separate units
      vii. Cost of removal increasing (labor, environmental regs, equipment)
   b. Overhead Conductors and Devices (Account 365)
      i. Program to replace copper conductor on the system (copper is 25% of system conductor)
      ii. Reconductoring
         1. Reliability
         2. Capacity
         3. Aging infrastructure/ ROW inspections
      iii. Retirements
         1. Capacity
         2. Reliability
   c. Underground (Accounts 366 and 367)
      i. Primarily metropolitan areas
      ii. All conductor in conduit since 1995
      iii. Replacements
         1. Dig-Ins
         2. Cable upgrades / Cable sizes

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iv. Conduit is primarily PVC

d. Line and Padmount Transformers (Account 368)
   i. Roughly 70/30 OH vs Padmount
   ii. 10-year inspection cycle
      1. Corrosion leads to replacement.
   iii. OH Transformers
      1. Retirements driven by conversion projects, pole replacements, higher loads during heatwaves, failures increase during heatwaves.

e. Distribution Automation continues as a priority
   i. Reclosers
   ii. Sectionalizing devices
   iii. More devices on the system