Date Filed: September 24, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Leanne M. Landry, Warren R. Boutin, and Jeffrey D. Turano
Request from: ALLCO

Question:

With respect to each cost category included in the percentage overhead or "CIAC" rates applied to interconnection upgrade, study, and construction costs charged to distributed generation, qualifying facility, and other interconnection customers (including, without limitation, project management, engineering and supervision, administrative and general expense, employee benefits or compensation loaders, insurance, and Eversource Energy Service Company charges): (a) identify each such cost category and its share of the overhead rate in effect in each year 2018 through 2025; (b) state whether the costs in each such category were included, in whole or in part, in the test-year cost of service and revenue requirement approved in the Company's most recent prior general distribution rate proceeding, Docket No. 17-10-46, and therefore recovered from all ratepayers through base distribution rates during 2018 through the present; (c) if the answer to any part of subpart (b) is affirmative, explain why applying overhead rates that include the same cost categories to amounts charged to interconnection customers does not result in the Company recovering the same costs twice — once from ratepayers generally and again from interconnection customers; (d) quantify, for each year 2018 through 2025, the total dollar amount of overheads collected from interconnection customers in cost categories that were also reflected in base rates; and (e) state whether amounts collected from interconnection customers through overhead rates are recorded as a credit or offset to the corresponding expense or plant accounts recovered in base rates and, if not, where those amounts are recorded, consistent with the Company's description of its netting treatment of third-party attacher billings in its response to RRU-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 note that capital expenditures (direct costs and overheads applied to those amounts) are entirely billed to the interconnection customer and reimbursed through the CIAC process; therefore, these asset additions are not included in rate base. Please refer to ALLCO-064[i] for additional discussion on the CIAC rate and ALLCO-003[ii] where the Company goes into more detail on the CIAC Tax Adder.

Prior Referenced Response:

[i] ALLCO-064 Question:

State how the Company treats, for federal income tax purposes, the amounts it collects from interconnecting customers — contributions in aid of construction ("CIAC"), interconnection study and application fees, payments for system modifications and upgrades, and every percentage overhead or loader applied to any of the foregoing — for each calendar year 2017 through 2025 and for the Test Year, and specifically:

(a) whether such amounts are included in gross income as taxable contributions in aid of construction under 26 U.S.C. § 118(b) on the consolidated federal income tax return of the affiliated group of which the Company is a member, or are excluded from gross income as nontaxable contributions to capital pursuant to the intertie safe harbor of IRS Notice 2016-36 (or its predecessors, IRS Notices 88-129, 90-60, and 2001-82), or receive some other treatment — stating the treatment applied, by category of payment and by year, and the total dollar amount in each category and year;
(b) whether the Company has charged or collected from any interconnecting customer any income tax gross-up or other tax-related component on any such payment, and if so, for each year: the total gross-up amounts collected, the gross-up rate and computation methodology (including any net-present-value-of-tax method), whether any gross-up was applied to the overhead or loader components, and whether any gross-up was charged on payments that the Company treated as nontaxable under the safe harbor;
(c) whether the Company claims federal tax depreciation on, and what tax basis it takes in, property paid for by interconnecting customers, and whether the corresponding plant is included in or excluded from rate base in this Application;
(d) how the accumulated deferred income taxes associated with the foregoing treatment are computed, in what FERC account(s) they are recorded, and where they are reflected in the revenue requirement or rate base presented in this Application;
(e) the federal income tax treatment of amounts refunded or credited to interconnecting customers — including the final accounting refunds identified in the Company's responses to Allco's Set One — stating whether such refunds are deducted from gross income and in what year; and
(f) identify, by title, date, and custodian, and produce, the tax accounting policies, workpapers, and return schedules sufficient to show each treatment described in response to subparts (a) through (e).

ALLCO-064 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, Eversource responds:

(a) Taxable contributions in aid of construction (CIAC) are included in revenue in the period received and taxed as income on the Company's federal income tax return. Interconnection study and application fees, payments for system modification and upgrades are not included in revenues and therefore are excluded from taxable income.

Specific to generator interconnections, where generator entities are building units of generation which they plan to interconnect with the Company's transmission system, there is a specific IRS Notice (Notice 2016-

36) which applies whereby if the generator entity meets specific requirements, it will be treated as a non-taxable transaction. Generally, the safe harbor applies to transmission system interconnections. The Company generally deems distribution system interconnection payments to be taxable income and are therefore charged a tax adder/gross up.

Please refer to the Company's ALLCO-064, Attachment 1, pages one through nine, for the annual schedules, which show the monthly taxable income from CIAC and the related tax adder/gross up for each of the years requested.

(b) The Company does charge a CIAC Tax Adder (the income tax gross-up) to the interconnecting customer at the time the CIAC payments are charged, as the CIAC estimate includes a calculated CIAC tax adder. The total CIAC Tax Adder amount is included in ALLCO-064, Attachment 1. The CIAC Tax Adder gross-up rate and computation methodology (including any net present value-of-tax method) is provided in the Company's response to ALLCO-003i. As described in (a), the Company's distribution system interconnection payments are taxable; therefore, all CIAC Tax Adders charged on CIAC payments were treated as taxable CIAC (there were none under the safe harbor). The CIAC Tax Adder was calculated based on the full cost estimate of the project, including the Company's construction overhead costs and loaders.

(c) The Company claims federal tax depreciation only on interconnection assets that are included in taxable income. For book purposes, there is no basis in the plant accounting records as these capital expenditures are entirely billed to the interconnection customer and reimbursed through the CIAC process; therefore, these asset additions are not included in rate base.

(d) ADIT related to CIAC and CIAC income tax gross-up is calculated at the combined statutory rate on the temporary difference. ADIT related to both taxable CIAC, and the CIAC income tax gross-up, is recorded in FERC Account 282, as disclosed in the Company's SFR Schedule B-6.1.

(e) Refunds to interconnection customers are deducted from taxable income in the year paid. These are typically small amounts and are used to adjust tax basis of assets for the current period.

(f) Please see below for the Company's departments that have the oversight responsibilities for the Distributed Generation Interconnection work:

Department	**Responsibility**
DER Customer	Manage the applications that are received by the Company's customers
Engineering	Prepares the full CIAC estimate, including the CIAC Tax Adder
Tax Dept	Calculates the annual CIAC rate
DER Customer	Prepares and issues the total CIAC bill to interconnection customer
Engineering	Prepares work orders in the Work Management System, which provides the FERC Accounting treatment
Operations	Work Performed and charged to work orders

DER Customer	Final true-ups on costs are calculated for final billed/refunded amounts to interconnection customers after permission to operate (PTO) is completed

[ii] ALLCO-003 Question:

Describe the methodology by which the Company sets the percentage "CIAC" or "overhead" rate applied to interconnection upgrade costs (including rates of 9.97%, 10.19%, 11.00%, 12.00%, and 13.00% applied to projects between 2018 and 2024), produce the workpapers deriving each such percentage, and state the actual project management and administration cost component, as a percentage of construction cost, realized on distributed generation interconnection projects completed in each year 2020 through 2025.

ALLCO-003 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 uses a “gross up” method when calculating the CIAC “tax adder” percentage. For an interconnection project, the Company requires each developer to advance adequate funds for the Company to maintain the full amount of funds, after paying the applicable State and Federal Income Tax, necessary to complete the construction. Furthermore, a discount rate is applied for the present value of the tax benefits associated with future tax depreciation. The Company applies the current prime rate as the discount rate pursuant to Order No. 2 of PURA’s January 20, 1987, Decision in Docket No. 86-11-07. Below are the assumptions that the Company uses in the calculation:

Tax Rate	
Federal Tax Rate	0.21
State Tax Rate	0.0825
Prime Rate (Varies by year)	0.07
Tax Life	20 Years
Tax Depreciation Method	150% DB

Date Filed: September 17, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: ALLCO

Question:

Separately from EOE-140 and EOE-151, state whether the Company or Eversource Energy Service Company has performed, commissioned, or received, since January 1, 2018, any analysis, study, model, or evaluation — whether by employees, consultants, or vendors — of whether distribution-infrastructure investments (including, without limitation, system hardening, covered or spacer cable, strategic undergrounding, enhanced or resiliency-based vegetation management, animal guards, or accelerated replacement of aged poles, cross-arms, or conductors) would reduce storm damage, storm outage frequency or duration, or storm restoration costs in Connecticut; produce each such analysis, study, model, or evaluation; identify each recommendation contained in any of them that the Company has not implemented, and state the reason it was not implemented and the estimated cost of implementation; and state whether any portion of the storm costs for which recovery is sought in this docket (including the costs compiled in the STORM-ACCT exhibits) arose on circuits, line segments, or assets that any such analysis had previously identified as candidates for hardening, undergrounding, resiliency vegetation management, or replacement, identifying each such circuit or asset and the associated storm cost.

Response:

The Company has identified the following responsive materials, produced herewith:

Please refer to ALLCO-045, Attachment 1: *Connecticut Reliability Performance by Tree Exposure Range and Construction Type.* An internal analysis prepared by Company personnel examining the historical outage performance of overhead distribution assets installed on the Connecticut system. The analysis compares observed failure rates, normalized per overhead mile per year, across bare conductor, covered conductor, and spacer cable construction, segmented by tree exposure band, under blue sky conditions, storm conditions, and the conditions observed during Tropical Storm Isaias. The analysis observed materially lower failure rates on spacer cable construction relative to bare conductor across every tree exposure band and every weather condition examined, with the difference generally increasing as tree exposure increased.

This analysis is the basis for the event-reduction assumption used in the Resiliency Plan. Every zone selected for reconductoring under the Plan is existing bare-wire overhead construction that would be rebuilt using spacer cable, so the spacer-versus-bare comparison is the applicable measure of expected performance improvement.

The Company applied an assumed 62 percent reduction in storm outage events on reconductored segments. That figure is the average reduction observed on segments in the highest tree exposure quartile during the Tropical Storm Isaias event. It was selected deliberately, on the following basis. First, the highest tree exposure quartile is where the Plan's work is targeted, so the improvement factor is drawn from the conditions in which the work will actually be performed rather than from system-wide averages. Second, an Isaias-level catastrophic event is the most severe condition examined in the analysis, and the reduction observed under that condition is lower than the reductions observed under blue sky and ordinary storm conditions. The Company therefore applied the least favorable observed result rather than a more favorable one, and the projected outage, customer-minute, and avoided-cost benefits of the Plan are correspondingly conservative.

Zone selection itself was performed separately and did not rely on this analysis. Candidate zones were identified through the Storm DEMI recurrence screen and ranked by predicted customer impact using the All-In SAIDI methodology. This analysis informed the expected benefit of treating those zones, not the choice of which zones to treat.

The Company notes one limitation regarding scope. Because construction type is not randomly distributed across the system, the analysis reflects observed performance differences among differently constructed segments rather than a controlled measurement of the effect of construction type in isolation.

Please refer to ALLCO-045, Attachment 2: *Review of Industry Resilience and Reliability Practices, prepared by Quanta Technology, LLC, dated September 2, 2021.*

Eversource engaged Quanta Technology to perform an independent review of Eversource's reliability and system resiliency programs and to summarize industry leading practices in reliability and resilience. The review addresses industry reliability and resilience frameworks, including the reliability indices defined in IEEE Standard 1366 and the resilience definitions and metrics developed by the IEEE Power and Energy Society; benchmarks Eversource's historical reliability performance against the IEEE PES Distribution Reliability Working Group annual benchmark under both the PURA and IEEE major event methodologies; catalogs industry standard resilience mitigations, including infrastructure hardening, covered and spacer cable, targeted undergrounding, enhanced vegetation management, and pole inspection and replacement; describes Eversource's enhanced structural and electrical resiliency design standards and its Pole Integrity, Vegetation Management, DSCADA, and Smart Switches programs; and presents case studies of resilience investment outcomes in other jurisdictions. The review further addresses the valuation of resilience benefits, observing that resilience planning is a risk-management discipline and that the value of resilience is generally quantified through the value of avoided customer interruptions. The Company notes that this review assesses Eversource's programs and industry practice generally. It does not quantify the storm damage, outage, or restoration cost reduction attributable to any specific Connecticut circuit, line segment, or asset, and the quantified outcomes it presents are drawn from case studies of other utilities.

Regarding analyses performed on whether "enhanced or resiliency-based vegetation management" would reduce storm damage or storm outage frequency, please refer to the Company's response to OCC-099[i]. The University of Connecticut has published multiple studies on the effectiveness of enhanced vegetation management, two of which are included in this docket: the University of Connecticut 2019 study, Assessing the effects of a vegetation management standard on distribution grid outage rates (refer to CLP-VMP-3), and the University of Connecticut 2022 study, A Statistical Framework for Evaluating the Effectiveness of Vegetation Management in Reducing Power Outages Caused during Storms in Distribution Networks (refer to CLP-VMP-4).

The results from the 2022 study demonstrated that, "enhanced vegetation management is particularly helpful in reducing trouble spots for lower severity storms, with reductions between 45.8% and 63.8%, and substantially reduces trouble spots during the most severe events when vegetation management is particularly comprehensive, demonstrating a 37.3% reduction when compared with circuits with little to no enhanced tree trimming." (Exhibit CLP-VMP-4, at 15). The reliability improvements were observed in individual storm events as well as in annual totals. The University of Connecticut 2022 study further elaborates that, "more rigorous vegetation management standards (applying ETT) help reduce outages at an individual event level, for both the more frequent events and those less frequent, stronger storms, which may also occur more frequently in the future due to climate change."

The Company's redesigned Reliability Tree Work ("RTW") program will allow the Company to address the locations on scheduled circuits where overhang and ETT clearances were not previously achieved on the portion of those circuits that serve the most customers and are highly susceptible to tree-related outages, particularly in relation to circuit backbones that were addressed through the ETT program over 20 years ago. The RTW program will encompass trimming of overhanging branches, as overhanging branches that break and fall on the power lines account for approximately 24% of the tree-related outages on the system (please refer to page 39 of Exhibit CLP-VMP-2). By targeting the zones with overhang that serve the highest number of customers through the RTW program, risk will be mitigated.

Please refer to Exhibit CLP-VMP-1 on page 30-31, summarized on page 19 of Exhibit CLP-VMP-2, where the Company proposes the RTW program. The RTW program will be key in preventing vegetation outages from outside zone overhanging limb fall-in and inside zone tree fall-in on high priority line segments with the goal of achieving clearance of 10 ft of vegetation from ground to sky where permission allows.

Prior Referenced Response:

[i] OCC-099 Question:

(VMP/Cost-Benefit) The University of Connecticut study, Assessing the Effects of a Vegetation Management Standard on Distribution Grid Outage Rates (Exhibit CLP-VMP-3) suggests that Enhanced Tree Trimming ("ETT") improves reliability however, it did not find that increasing ETT consistently resulted in a greater reduction of outages, after accounting for storm severity.
a. Has the Company evaluated whether increasing ETT beyond the currently proposed level will continue to produce reliability benefits that justify the cost?
b. If yes to (a), provide all analyses, studies, cost-benefit evaluations, or other documentation supporting the Company's conclusion.
c. If no such evaluation has been performed, explain how the Company determined that the proposed level of ETT represents a cost-effective investment for ratepayers.

OCC-099 Response:

Yes, the Company has evaluated whether increasing ETT beyond the currently proposed level to continue to produce reliability benefits. With respect to the evaluation, the Company is relying on the referenced 2019 study, assessing the effects of a vegetation management standard on distribution grid outage rates, (provided in Exhibit CLP-VMP-3), as well as the University of Connecticut 2022 Study, A Statistical Framework for Evaluating the Effectiveness of Vegetation Management in Reducing Power Outages Caused during Storms in Distribution Networks (refer to Exhibit CLP-VMP-4).

The results from the 2022 study demonstrated that, “enhanced vegetation management is particularly helpful in reducing trouble spots for lower severity storms, with reductions between 45.8% and 63.8%, and substantially reduces trouble spots during the most severe events when vegetation management is particularly comprehensive, demonstrating a 37.3% reduction when compared with circuits with little to no enhanced tree trimming.” (Exhibit CLP-VMP-4, at 15).

The reliability improvements were observed in individual storm events as well as in annual totals. The University of Connecticut 2022 study further elaborates that, “when compared with previous studies in the effectiveness of vegetation management activities, this analysis provides a better understanding of how more rigorous vegetation management standards (applying ETT) help reduce outages at an individual event level, for both the more frequent events and those less frequent, stronger storms, which may also occur more frequently in the future due to climate change.” (id.)

However, the Company is observing diminishing system impact from Customer Focus Enhanced Tree Trimming (“ETT”), as only lower priority laterals are available for prescription under the current capitalization structure required in PURA Docket No. 17-10-46. Previous ETT work completed on circuit backbones between 1998 to 2003, and large customer count laterals from 2004 until the ETT project was sunset in 2020 (PURA Docket No. 17-10-46), did not allow for previously completed zones to be readdressed if full clearance was limited by permissions. In addition, the November 25, 2020 ruling in PURA Docket No. 17-10-46 on Motion No. 53 declined the Company’s request to provide additional rate recovery for ETT post-2020 and directed the Company to seek permission to recover such “system resiliency program costs in its next rate case proceeding”. For this proceeding, the Company’s redesigned Reliability Tree Work (“RTW”) program will allow the Company to address the locations on scheduled circuits where overhang and ETT clearances were not previously achieved on the portion of those circuits that serve the most customers and are highly susceptible to tree-related outages, particularly in relation to circuit backbones that were

addressed through the ETT program over 20 years ago. The RTW program will encompass trimming of overhanging branches, as overhanging branches that break and fall on the power lines account for approximately 24% of the tree-related outages on the system (please refer to page 39 of Exhibit CLP-VMP-2). By targeting the zones with overhang that serve the highest number of customers through the RTW program, risk will be mitigated.

Please refer to Exhibit CLP-VMP-1 on page 30-31, summarized on page 19 of Exhibit CLP-VMP2, where the Company proposes the RTW program. The RTW program will be key in preventing vegetation outages from outside zone overhanging limb fall-in and inside zone tree fall-in on high priority line segments with the goal of achieving clearance of 10 ft of vegetation from ground to sky where permission allows. Please refer to pages 49-51 of Exhibit CLP-VMP-1 which is also summarized on page 11 of Exhibit CLP-VMP-2. The Company selected 21 circuit zones with high System Average Interruption Duration Index (SAIDI) for targeted vegetation management in 2023. The table and summary table on page 50 of Exhibit CLP-VMP-1 below shows pre- and post-treatment customer reliability (CMI and CI) for circuit zones that received targeted vegetation management. This targeted vegetation management included seeking to remove within 10 feet of the outermost conductor and all overhanging vegetation. On average, the segments where targeted vegetation management was performed experienced a 94% reliability improvement demonstrating a benefit for these circuits associated with removal of overhang, trees that are too close to the distribution system, and removal of high-risk trees.

Date Filed: September 17, 2026

Witness: Douglas P. Horton and Ann Bulkey
Request from: ALLCO

Question:

For each mechanism proposed or continued in this Application that reduces the variability of the Company's revenues, cash flows, or cost recovery — including revenue decoupling, the proposed Storm Cost Recovery Adjustment Factor rider, the proposed multi-year rate plan, the proposed earnings sharing mechanism with no downside exposure, and each other rate adjustment mechanism or tracker — (a) identify where, if anywhere, the Company's return-on-equity analysis quantifies the risk-reducing effect of that mechanism on the Company's cost of equity; (b) state the basis-point adjustment, if any, attributed to each such mechanism in arriving at the requested 10.25% return on equity; and (c) if no adjustment was made for a mechanism, explain why a return derived from a proxy group is an appropriate estimate for a company whose risk profile the Application simultaneously proposes to reduce.

Response:

(a) Please refer to Exhibit CLP-ROE-1 Testimony, Section VII, and Exhibit CLP-ROE-9 for Ms. Bulkley's direct testimony regarding the business risks reviewed in her analyses. As shown in the exhibit, Ms. Bulkley reviewed various mechanisms that have been implemented by operating utilities of the proxy group companies and compared those mechanisms to the mechanisms that have been implemented by CL&P and proposed in this proceeding. Ms. Bulkley did not make any specific adjustments to the ROE for adjustment mechanisms or trackers, but rather reviewed the cost of equity analyses performed; current market conditions; and, the comparison of CL&P's risk to the proxy group companies, in aggregate, and concluded that the Company's requested ROE of 10.25 percent is appropriate.

(b) Please refer to Exhibit CLP-ROE-1 Testimony, Section IX, for Ms. Bulkley's direct testimony regarding factors considered in determining that the Company's requested ROE was reasonable and appropriate. Ms. Bulkley did not establish a specific adjustment for each risk factor discussed but rather established her range taking into consideration the range of model results, market conditions, and other business risks. The Company established its requested ROE at the low end of Ms. Bulkley's range.

(c) The proxy group data is used to establish the range of cost of equity model results presented in Figures 1 and 13 of Exhibit CLP-ROE-1. Please refer to subparts (a) and (b), above, for reference to how Ms. Bulkley established the appropriate range for CL&P's ROE.

Date Filed: September 17, 2026

Witness: Ann Bulkley
Request from: ALLCO

Question:

With respect to the proxy group used in the Company's return-on-equity analysis: (a) produce the screening criteria and all workpapers used to select the proxy group, in native (Excel) format with formulas intact; (b) state, for each proxy company, whether it has revenue decoupling, a storm-cost tracker or rider, a multi-year rate plan, and an earnings sharing mechanism, identifying the source for each answer; and (c) provide the results of each of the Company's return-on-equity models recomputed excluding those proxy companies that lack revenue decoupling, and separately excluding those that lack a storm-cost tracker or rider.

Response:

a. Please refer to Ms. Bulkley's direct testimony at Section VII for a discussion of the business risks reviewed in her analyses. Also refer to Exhibit CLP-ROE-9 for a review of the mechanisms that have been compared between CL&P and the proxy group companies in Ms. Bulkley's evaluation of business risk. Also refer to the Company's response to information request OCC-365[i], specifically OCC-365 Attachments 10 through 24.

b. Please refer to Ms. Bulkley's direct testimony at Section IX for the factors considered by Ms. Bulkley in determining that the Company's requested ROE was reasonable and appropriate. Ms. Bulkley did not establish a specific adjustment for each risk factor discussed but rather established her range taking into consideration the range of model results and other business risks. The Company established its requested ROE at the low end of Ms. Bulkley's range.

c. The proxy group data is used to establish the range of cost of equity model results presented in Figures 1 and 13 of Ms. Bulkley's testimony. Please refer to the Company's response to information request ALLCO-046[ii], part (b), for a reference to how Ms. Bulkley established the appropriate range for CL&P's ROE.

Prior Referenced Responses:

[i] OCC-365 Question:

Workpapers. Please provide all workpapers the Company utilized in preparing its schedules, if not previously filed with PURA. Provide the workpapers in electronic format, with all formulas and calculations intact.

OCC-365 Response:

Please refer to the Attachments listed below for the requested workpapers:

- OCC-365, Attachment 1, for workpapers used in the preparation of Exhibit CLP-RATES-2.
- OCC-365, Attachment 2 through OCC-365, Attachment 9, for workpapers used in the preparation of Exhibit CLP-DEPRECIATION-3 and CLP-DEPRECIATION-4.
- OCC-365, Attachment 10, for excel versions of Exhibit CLP-ROE-2 through CLP-ROE-12 with formulas and calculations intact. For all supporting workpapers to Exhibit CLP-ROE-2 through CLP-ROE-12, refer to OCC-365, Attachment 10 through 24.
- OCC-365, Attachment 25 and 26, for the workpapers to Exhibit CLP-ACOS-2.
- OCC-365, Attachment 27 through OCC-365, Attachment 37, for the workpapers to Exhibit CLP-MCOS-2.

[ii] ALLCO-046 Question:

For each mechanism proposed or continued in this Application that reduces the variability of the Company's revenues, cash flows, or cost recovery — including revenue decoupling, the proposed Storm Cost Recovery Adjustment Factor rider, the proposed multi-year rate plan, the proposed earnings sharing mechanism with no downside exposure, and each other rate adjustment mechanism or tracker — (a) identify where, if anywhere, the Company's return-on-equity analysis quantifies the risk-reducing effect of that mechanism on the Company's cost of equity; (b) state the basis-point adjustment, if any, attributed to each such mechanism in arriving at the requested 10.25% return on equity; and (c) if no adjustment was made for a mechanism, explain why a return derived from a proxy group is an appropriate estimate for a company whose risk profile the Application simultaneously proposes to reduce.

ALLCO-046 Response:

(a) Please refer to Exhibit CLP-ROE-1 Testimony, Section VII, and Exhibit CLP-ROE-9 for Ms. Bulkley's direct testimony regarding the business risks reviewed in her analyses. As shown in the exhibit, Ms. Bulkley reviewed various mechanisms that have been implemented by operating utilities of the proxy group companies and compared those mechanisms to the mechanisms that have been implemented by CL&P and proposed in this proceeding. Ms. Bulkley did not make any specific adjustments to the ROE for adjustment mechanisms or trackers, but rather reviewed the cost of equity analyses performed; current market conditions; and, the comparison of CL&P's risk to the proxy group companies, in aggregate, and concluded that the Company's requested ROE of 10.25 percent is appropriate.

(b) Please refer to Exhibit CLP-ROE-1 Testimony, Section IX, for Ms. Bulkley's direct testimony regarding factors considered in determining that the Company's requested ROE was reasonable and appropriate. Ms.

Bulkley did not establish a specific adjustment for each risk factor discussed but rather established her range taking into consideration the range of model results, market conditions, and other business risks. The Company established its requested ROE at the low end of Ms. Bulkley's range.

(c) The proxy group data is used to establish the range of cost of equity model results presented in Figures 1 and 13 of Exhibit CLP-ROE-1. Please refer to subparts (a) and (b), above, for reference to how Ms. Bulkley established the appropriate range for CL&P's ROE.

Date Filed: September 24, 2026

Witness: Douglas P. Horton, Brendan J. O' Brien and Garrett J. Murray
Request from: ALLCO

Question:

For each electric distribution affiliate of Eversource Energy (including Public Service Company of New Hampshire and the Company's Massachusetts electric distribution affiliate): (a) state the currently authorized distribution return on equity and common equity ratio, and identify the proceeding and date in which each was authorized; (b) identify each risk-reducing mechanism (decoupling, storm cost recovery or tracker, multi-year rate plan, capital tracker, earnings sharing) available to that affiliate; and (c) state whether the Company contends that CL&P faces greater business or regulatory risk than each such affiliate and, if so, produce every analysis supporting that contention.

Response:

Please refer to ALLCO-048, Attachment 1, for subparts (a) and (b). The Company has indicated in Attachment 1 whether each company's respective, approved rate plan includes revenue decoupling, storm cost recovery or dedicated mechanism, multi-year rate plan, capital cost recovery, and/or earnings sharing provision. The Company does not agree with the characterization in the question of these mechanisms as "risk reducing mechanisms," given the regulators would not implement these mechanisms unless there were a symmetrically, balancing impact for the utility and its customers and after consideration of the trade-offs inherent in the mechanism. Specifically:

- Revenue decoupling is primarily implemented for policy reasons to eliminate any disincentive that the utility would have for promoting load-conservation initiatives that would reduce sales revenues between base-rate cases. In the course of achieving that policy goal, revenue decoupling operates as a symmetrical reconciliation in which revenues are adjusted up or down to the target level of revenues authorized by the regulator, so that both the utility and customers are held constant to the authorized level of revenue. As shown in Attachment 1, revenue decoupling has been implemented in Massachusetts for NSTAR Electric but has not been implemented for PSNH.

- Storm cost recovery mechanisms operate to provide symmetrical benefits, shielding customers from rate shock associated with the accumulation of incremental storm expenses and limiting carrying costs associated with deferrals, while the utility is allowed timely and adequate recovery of costs it incurs to safely and efficiently restore service to its customers after a significant weather event. By definition, storm cost recovery mechanisms that

operate outside of base rates are intended to cover storms that cannot be reasonably covered through base rates as typical 'ebb and flow' of utility expenses, because to do so would leave customers or the utility paying too much or too little for the obligation. As shown in Attachment 1, although the mechanics differ by jurisdiction, both NSTAR Electric and PSNH have storm cost recovery mechanisms that operate outside of base rates.

- Multi-year rate plans are aimed at stabilizing revenue levels to provide a symmetrical benefit for customers and the utility in terms of enabling necessary rate changes to cover the cost of service, while providing customers rate stability and predictability, along with strong incentives for cost control. Multi-year rate plans that are performance-based and involved in a relatively longer "stay-out" period drive efficiency for the benefit of the utility and customers, due to the fact that the utility needs to operate within the confines of the plan and control its costs in order to maintain financial integrity over the stay-out term. Conversely, customers are protected from utility over-earning during the rate plan through operation of the ESM which, in the Company's experience is implemented in a one-sided manner – to the benefit of customers. The NHPUC approved a 4-year PBR plan as part of the Company's last rate case issued in Docket No. 24-070. The MDPU approved a 5-year PBR plan as part of NSTAR Electric's last rate case in DPU 22-22 (2022).

- Capital cost recovery mechanism outside of a multi-year rate plan have also been implemented by the MDPU for certain targeted investments that are identified as benefitting customers, while providing timely and adequate recovery to the utility in relation to the investments that customers require. The design of the New Hampshire multi-year rate plan encompasses capital cost recovery and PSNH does not currently have a targeted capital cost recovery in place.

- As noted in ALLCO-048, Attachment 1, both PSNH and NSTAR Electric have earnings sharing mechanisms that operate on an asymmetric basis so that the utility is allowed to share earnings above (not below) their authorized return on equity. The earnings sharing mechanisms do not provide additional revenues to the utilities in the event they earn below their authorized return on equity.

As discussed on page of Exhibit CLP-ROE-1, Ms. Bulkley relied on a proxy group of comparable utilities to develop the costs of equity models. Therefore, when assessing business risk, the appropriate comparison is the business risk of the Company as compared to the proxy group to determine where within the range of results the Company's ROE should fall. Accordingly, the requested analysis comparing CL&P to NSTAR Electric and PSNH were not conducted.

Date Filed: September 17, 2026

Witness: Ann Bulkley
Request from: ALLCO

Question:

Produce, in native (Excel) format with all formulas intact, each discounted cash flow, capital asset pricing model, risk premium, expected earnings, or other analysis underlying the Company's return-on-equity recommendation, and for each: (a) identify each growth rate used, its source, and its period; (b) state whether any growth rate used exceeds projected long-run nominal growth of the United States economy and, if so, explain why such a growth rate is sustainable in perpetuity for a regulated distribution utility; (c) identify the source and vintage of the market risk premium and of each interest rate or bond yield used, stating whether each yield is an actual (spot or trailing) yield or a projected yield; and (d) provide the results of each model rerun using actual rather than projected yields, if projected yields were used.

Response:

Please refer to the Company's response to OCC-365[i] for Ms. Bulkley's workpapers.

(a) Please refer to OCC-365.

(b) Ms. Bulkley has not conducted the requested analysis.

(c) Please refer to OCC-365.

(d) Please refer to OCC-365 for the analyses relied upon by Ms. Bulkley. Ms. Bulkley has not prepared any additional calculations that were not provided in these workpapers.

Prior Referenced Response:

[i] OCC-365 Question:
Workpapers. Please provide all workpapers the Company utilized in preparing its schedules, if not previously filed with PURA. Provide the workpapers in electronic format, with all formulas and calculations intact.

OCC-365 Response:
Please refer to the Attachments listed below for the requested workpapers:

- OCC-365, Attachment 1, for workpapers used in the preparation of Exhibit CLP-RATES-2.
- OCC-365, Attachment 2 through OCC-365, Attachment 9, for workpapers used in the preparation of Exhibit CLP-DEPRECIATION-3 and CLP-DEPRECIATION-4.

- OCC-365, Attachment 10, for excel versions of Exhibit CLP-ROE-2 through CLP-ROE-12 with formulas and calculations intact. For all supporting workpapers to Exhibit CLP-ROE-2 through CLP-ROE-12, refer to OCC-365, Attachment 10 through 24.
- OCC-365, Attachments 25 and 26, for the workpapers to Exhibit CLP-ACOS-2.
- OCC-365, Attachment 27 through OCC-365, Attachment 37, for the workpapers to Exhibit CLP-MCOS-2.

Date Filed: September 17, 2026

Witness: Ann Bulkley
Request from: ALLCO

Question:

Identify each upward adjustment or adder incorporated in the Company's return-on-equity recommendation (including any flotation cost, size, or financial or business risk adder): state the basis points attributed to each; produce the supporting calculation; and, for any flotation cost adder, state the actual flotation costs the Company or Eversource Energy has incurred for common equity issuances in each year since 2018 and identify where those costs are otherwise reflected in the cost of service.

Response:

Please refer to Exhibit CLP-ROE-1 Testimony, Section IX, for Ms. Bulkley's summary of the consideration given to the analyses performed in her direct testimony in establishing her recommended ROE for CL&P. Please see Ms. Bulkley's testimony at Section VII for a review of the business risks considered in Ms. Bulkley's analyses. Ms. Bulkley did not consider flotation cost in her analyses.

Date Filed: September 24, 2026

Witness: Douglas P. Horton, Brendan J. O' Brien, Garrett J. Murray, and Matthew Fallon
Request from: ALLCO

Question:

With respect to capital structure and expected earnings: (a) state the Company's actual common equity ratio, per books, at the end of the Test Year and as of the most recent quarter, and reconcile any difference from the requested 53.86%; (b) state the amount of long-term debt outstanding at Eversource Energy (the parent) as of the end of the Test Year and state whether any proceeds of parent debt have been invested as common equity in CL&P, quantifying the amounts (i.e., the extent of double leverage); and (c) quantify the expected return on equity to shareholders under the proposed earnings sharing mechanism — 50/50 sharing above the authorized return with no downside adjustment — assuming the requested 10.25% authorized return, producing the distribution or scenario analysis used, and state whether the Company performed any analysis of the asymmetric value of that mechanism; if not, explain why an asymmetric mechanism does not require a lower authorized return.

Response:

a. In recent years, the Company has had to fund significant deferred balances relating to catastrophic storm restoration costs and the Company's Revenue Adjustment Mechanism ("RAM") reconciling rates, including the 2024 Non-bypassable Federally Mandated Congestion Charges ("NBFMCC"). As discussed in response to data request OCC-522[i], including the attachment provided therein, the Company's capital resources are limited. With no foreseeable recovery of the costs in the near term, the Company had to support the growing deferral balance using its limited capital resources, although the deferral offered no operating cash flow with which the Company could service additional debt. To mitigate the financial risk that would otherwise result (from additional debt), the Company took steps to preserve its credit ratings, including maintaining a higher percentage of equity in its capital structure. Consequently, the Company's common equity ratio, per books, was considerably higher than the equity ratio in prior years. Once the artificially low RAM rates were corrected and the corresponding deferred balances were reduced, the need to maintain a higher equity capitalization ratio was lessened.

   Specifically, the Company's common equity ratio on a 5-quarter average basis was 54.56% as of December 31, 2025, and 55.26% as of June 30, 2026. The Company anticipates issuing $1.45 billion of First Mortgage Bonds over the two-year period July 1, 2026 through June 30, 2028, to fund ongoing operations as well as upcoming maturities of $500

million. Additionally, the Company expects to retain approximately $400 million of earned equity over the same timeframe. As shown in the table below, the Company has reflected an equity ratio of 53.86% in the rate year in this proceeding, incorporating assumptions of timely recovery of past and future storm costs, among other proposals in this proceeding.

Please refer to Table 1, below, as well as the Company's filed Exhibit CLP-REVREQ-2, Schedules D-1.0, WP-D-1.1, and D-5.0.

ALLCO-051 Table 1
($ Millions)

	End-of-Period Balance				Average
	June 30, 2026	June 30, 2027	June 30, 2028	2-Year Change	June 30, 2028
Long-term Debt *	$ 5,109.2	$ 5,751.7	$ 6,053.8	$ 944.5	$ 5,873.0
Common Equity	6,769.5	6,812.8	7,171.5	402.0	6,992.1
Preferred Stock	117.0	117.0	117.0	0.0	117.0
Total Capital	$ 11,995.7	$ 12,681.5	$ 13,342.3	$ 1,346.5	$ 13,011.9
Common Equity Percentage of Total Capital					53.86%

** Rate Year average balance is calculated on a 5-quarter average basis*

b. Eversource Energy is a public holding company that holds regulated electric, gas and water affiliates as well as unregulated affiliates. It is simply not possible to associate individual sources of funds, whether at the utility or holding company, with the uses of funds at the operating company level, nor is the business managed in that manner. The management of cash into and out of the Company is a daily undertaking that ultimately includes the passage of billions of dollars out of the Company, to suppliers and employees, as well as into the Company from various sources, including customers. Although the Parent company raises necessary capital through specific sources available, the uses are not connected to any specific source of funds.

Those sources of funds include equity issuances, retained earnings, the use of treasury shares for such programs as dividend reinvestment and 401k match, long-term debt issuances, and, temporarily, short-term debt. These sources of funds as well as the eventual uses vary significantly year to year. Moreover, the Company's credit ratings, such as those issued by Moody's, are determined at the subsidiary level based on the riskiness of its assets, specifically, as well as the degree of financial risk resulting from the Company's

issuances of First Mortgage Bonds. Those bonds include protections, ring fencing, and covenants specific to the Company (i.e not Eversource Energy Parent), and are backed by the Company's (again, not Eversource Energy Parent's) assets in the State of Connecticut.

c. There is no sharing of earnings caused by the setting of base rates with an authorized return incorporated into the approved revenue requirement. Further, the Company does not anticipate that it will over-earn during the term of the PBMRP.

Prior Referenced Response:

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[i] OCC-522 Question:

Leadership Panel Exhibit CLP-ELP-1 – Storm Cost Recovery

(Carrying charges applied to SCRAF) In its proposal, the Company notes, "should PURA implement the SCRAF, which provides for more timely review and recovery of storm and pre-staging costs, the Company accepts the Prime rate from the date of cost incurrence, applied to the net balance of the storm fund and pre-staging reserve fund 6 for storms occurring after March, 2025." (p.143) Did the company consider or analyze setting carrying charges on costs recovered through SCRAF to be equal to the commercial paper index or the utility's actual cost of short-term debt, rather than the prime rate?

a. If yes, provide the analysis conducted and the rationale for proposing the use of the Prime rate instead.

b. If not, explain why the Company did not consider proposing that the carrying charges on SCRAF recovery to be set at either the commercial paper index or actual cost of short-term debt.

OCC-522 Response:

a. and b.

Carrying costs are the mechanism by which the Company recovers its cost of money. Thus, carrying costs must be tied to the actual cost that the Company is incurring to carry the storm deferral. When the storm deferral is relatively larger and carried for a relatively extended time period, then the Company's weighted average cost of capital ("WACC") is its actual carrying cost. If PURA establishes a ratemaking mechanism that provides more systematic reviews and more timely recovery, then the cost of money may be susceptible to approximation with lower cost sources of funds.

The relationship between time and quantity and the cost of capital is clearly demonstrated through a utility's cost of service whereby a utility's rate base (comprised mainly of the Company's plant which is paid back by customers over many years) receives a return at the Company's authorized WACC. Applying the Company's WACC to long-term assets aligns the carrying charge calculation with the manner in which comparable long-term assets are reflected for ratemaking purposes.

Similarly, the WACC is the appropriate rate for calculating carrying charges on long-term funded regulatory assets because it reflects the Company's actual cost of funding those customer "debts," including storm restoration costs, over an extended period of time. Financing obligations – certainly obligations of this magnitude – cannot be supported

exclusively through debt financing, whether short-term or long-term. Instead, the Company must balance its capital requirements through a reasonable mix of both debt and equity to ensure financial stability and continued access to reasonably priced capital.

With respect to the appropriate carrying charge rate to utilize for the Storm Cost Recovery Adjustment Factor ("SCRAF"), the Company provided a thorough response to this question in response to LFE-031, in Docket No. 25-12-13. The Company is providing that response as OCC-522, Attachment 1. The analysis shows that: (1) necessary uses of cash routinely exceed available sources of cash, creating a persistent funding gap; (2) commercial paper is a tool to maintain liquidity, not to finance investments or deferred expenses; and (3) short-term borrowing capacity is limited, and the Company cannot plan to operate at or near its short-term debt capacity without putting its ability to operate the system in severe jeopardy.

Given all of the considerations elucidated by Attachment 1, the Company recognizes that the appropriate treatment of carrying charges may vary based on the regulatory framework established within each jurisdiction. Different regulatory constructs reflect differing policy objectives and mechanisms designed to balance the Company's financing needs with customer impacts. In establishing a going-forward framework for storm cost recovery, the Company agrees that it would be within PURA's discretion to strike a balance between the Company's costs of financing storm costs while ensuring that the Company is not 'profiting' on a force majeure event like a storm. This is the Company's experience in Massachusetts, as well, where the MDPU has authorized a carrying charge rate that is different from and generally less than the Company's WACC, but that still recognizes that the Company is using its longer-term capital resources to finance storm costs (not its shorter term commercial paper source of liquidity). Thus, the Company stated that "should PURA implement the SCRAF, which provides for more timely review and recovery of storm and pre-staging costs, the Company accepts the Prime rate from the date of cost incurrence, applied to the net balance of the storm fund and pre-staging reserve fund for storms occurring after March, 2025."