Date Filed: November 17, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Public Utilities Regulatory Authority

Question:

(RATE CASE EXPENSE) O'Brien and Murray Pre-Filed Test., pp. 57-60; Application, Ex. CLP-REVREQ-9 and Sch. WP C-3.36, p. 10; Public Act 23-102, Sec. 2. Regarding the proposed deferred rate case expense of $3,100,000 and its recovery in the revenue requirement:

a. Provide an exhibit that separately itemizes the $3,100,000 into amounts associated with attorneys' fees, expert witness fees, consultant fees, employee and incremental supporting personnel costs, agency costs and any other category. Identify the amount in each expense category that falls outside the costs associated with attendance in, participation in, preparation for, or appeal of a rate proceeding under Section 2 of Public Act 23-102.
b. State the Rate Year return and income taxes on the average deferred rate case expense balance of $1,966,000, net of accumulated deferred income taxes, included in rate base at pages 59-60 of the testimony, and the basis for earning a return on these costs within Section 2.
c. Identify costs associated with any of the following proceedings that are included in O&M expense, including Schedule C-3.20, in calendar years 2021 through 2025: Docket No. 25-12-13, Application of The Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm Costs; Docket No. 26-04-04, Financing Order for 2018-2023 Storm Costs of The Connecticut Light and Power Company d/b/a Eversource Energy; Docket No. 26-01-03, Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company; and Docket No. 17-10-46RE04, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules – AMI Cost Recovery. State the amounts applicable to each proceeding by year and the amounts included in the Test Year and the Rate Year, and the basis for treating any of them as recurring.

Response:

a. Please refer to RRU-191, Attachment 1, which itemizes the $3,100,000 into amounts associated from external vendors/ contractors such as attorneys' fees, expert witness fees, consultant fees, agency costs and any other category.

   Please refer to the Company's response to OCC-438[i] for the Company's justification to seek cost recovery for rate case proceeding expenses.

b. The Company's basis for including the deferred rate case expense balance in rate base and earning a return on that balance is that the costs are incurred in connection with the rate case proceeding, and recovery is deferred and amortized over a future period. As a result, the Company must finance the unrecovered balance until that balance is recovered from customers through rates. The return on the deferred balance compensates the Company for the cost of capital associated with financing that regulatory asset during the recovery period.

   Consistent with the Company's treatment of deferred assets, the amount included in rate base is reduced for the associated accumulated deferred income taxes, thereby limiting the return to the portion of the deferred balance financed by the Company. The Company's testimony further explains that inclusion of deferred assets and liabilities in rate base has historically provided compensatory recovery for the carrying costs tied to regulatory balances.

   Section 2 of Public Act 23-102 addresses the recovery of costs associated with attendance in, participation in, preparation for, or appeal of rate proceedings. The Company's proposed return reflects the financing cost associated with deferring recovery of eligible costs over the proposed four-year amortization period. Accordingly, the Company considers the requested return to be part of the revenue requirement associated with financing the unrecovered regulatory asset.

c. The introductory paragraph of this interrogatory refers to the Company's "proposed deferred rate case expense of $3,100,000". No portion of the legal costs incurred for the above-cited four PURA dockets is included in the $3.1 million amount for rate case expense.

   Subpart (c) of this interrogatory inquires whether any of the costs for the above-cited four PURA dockets "are included in O&M expense, including Schedule C-3.20, in calendar years 2021 through 2025." The O&M expense in Schedule C-3.20 is limited to the Test Year of 2025. The Company provides the following additional information about the above-cited four PURA dockets:

   - Docket No. 26-04-04, Financing Order for 2018-2023 Storm Costs of The Connecticut Light and Power Company d/b/a Eversource Energy, was initiated in April 2026. Therefore, no external legal costs for this docket are included in the 2025 Test Year legal expense in Schedule C-3.20. Additionally, no legal costs for this specific 2026 docket were incurred in 2021 through 2024. Assuming PURA approves the Company's proposed issuance of rate reduction bonds (RRBs), the Company currently expects this transaction will close on or before June 2027. As a result, no securitization-related costs are projected for, or included in, the Rate Year of July 1, 2027 to June 30, 2028.

Legal Matter Number	Firm	Legal Matter Description	2025 Legal Expense
202600162	Keegan Werlin	Potential Securization of Storm Costs	$ -
202600165	Ropes & Gray	Potential Securization of Storm Costs	$ -

- Docket No. 26-01-03, Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company, was initiated in January 2026 and had its first substantive filing on January 15, 2026.

  - No external legal costs for this docket are included in the 2025 Test Year legal expense in Schedule C-3.20 because this specific docket was opened in 2026.

  - However, the Company has a Revenue Adjustment Mechanism ("RAM") docket every year. During the 2025 Test Year, the Company incurred $21,627 for outside legal counsel for RAM-related work. In addition, in 2024 CL&P incurred $150,270 for RAM-related work and an additional $20,883 in 2022 for RAM-related work. In the Rate Year July 1, 2027 through June 30, 2028, the Company has included $21,627.00 for expected RAM-related legal expense because it reasonably expects to continue to require external legal support for future annual RAM proceedings.

Legal Matter Number	Firm	Legal Matter Description	2022 Legal Expense	2023 Legal Expense	2024 Legal Expense	2025 Legal Expense
202400029	Keegan Werlin	2024 RAM	N/A	N/A	$ 150,270	$ 21,627
202100298	Keegan Werlin	RAM Recovery 2022	$ -	$ 20,883	$ -	$ -

N/A indicates that the matter was not open in the respective years

  - Additionally, from 2021-2025, the Company incurred external legal fees to appeal RAM decisions in the amount of: $195,421. Because RAM proceedings occur annually and because appeals are reasonably expected to occur in the future, the Company included the Test Year amount of $99,233 in the Rate Year.

Legal Matter Number	Firm	Legal Matter Description	2021 Legal Expense	2022 Legal Expense	2023 Legal Expense	2024 Legal Expense	2025 Legal Expense
202500178	Cowdery Murphy & Healy LLC	PURA RAM Decision Appeal	N/A	N/A	N/A	N/A	$ 99,233
202300285	Carmmody Torrance Sandak & Hennessey LLP	PURA RAM Decision Appeal	N/A	N/A	$ 57,570	$ 30,323	$ 8,295

N/A indicates that the matter was not open in the respective years

- Docket No. 25-12-13, Application of The Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm

Costs. This docket was not a "rate proceeding" and no rates were changed as a result of the final decision issued in this docket. To the contrary, in Motion No. 59 in Docket 17-10-46, PURA stated that is could not conduct the storm prudence review outside of a general distribution rate proceeding.[1] Docket No. 25-12-13 was a predecessor to, and incorporated all of the record evidence from, Docket No. 24-03-30, which was opened in March 2024 to adjudicate the prudence of CL&P's storm costs from 2018-2023.[2]

- Docket No. 17-10-46RE04, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules – AMI Cost Recovery, was also not a "rate-proceeding" and no rates were changed as a result of the final decision issued in this docket.

Prior Referenced Response:

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[i] OCC-438 Question:

Exhibit CLP-REVREQ-1 Please explain why the Company has not excluded costs associated with its participation in rate case proceedings from the revenue deficiency calculation in this proceeding. In your response, please explain how the Company's proposed treatment of such costs complies with the requirements of SB 7, An Act Strengthening Protections For Connecticut's Consumers Of Energy, concerning recovery of costs associated with participation in rate case proceedings.

OCC-438 Response:

The Company has not removed costs associated with the preparation and participation in this rate case proceeding from the revenue deficiency calculation as these costs are necessary operating costs ensuring that rates are set at a just and reasonable level to enable the ongoing investment into the system to maintain a safe and reliable electric system, benefiting customers. As such, these costs are appropriately recovered from customers and are therefore included in the Company's proposed revenue deficiency. In this regard, the Company plans to provide legal argument on the plain language of the statute at the appropriate juncture in this proceeding. In the meantime, the Company plans to submit to the record the documentary support necessary to support recovery of the costs.

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[1] See, Motion No. 59, issued March 1, 2024, in Docket No. 17-10-46, *Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules*, at 1 (stating "[t]he Company requests a change in its current rates but did not file a rate amendment application under General Statutes § 16-19. Thus, the Authority administratively posted it as motion to reopen (Motion No. 59) the Company's most recent ***rate amendment proceeding***, Docket No. 17-10-46," emphasis added).

[2] Notice of Proceeding, March 28, 2024, Docket No. 24-03-30, *Investigation of the 2018-2021 Catastrophic Storm Costs Reported by The Connecticut Light and Power Company d/b/a Eversource Energy* (stating, PURA has "established this proceeding for the ***purpose of receiving and reviewing evidence*** of the costs reported by The Connecticut Light and Power Company d/b/a Eversource Energy (Company) in response to catastrophic storms and pre-staging events occurring between 2018 and 2021," emphasis added).

The Company justifies its recovery for costs associated with the preparation and participation in this rate amendment proceeding as prudently incurred and normal operating costs to litigate this rate amendment application. The Company is entitled to a reasonable opportunity, but not a guarantee, to recover its operating costs and maintain its credit integrity. Further, the Company should be allowed to demonstrate that the costs incurred to adjudicate this rate case proceeding are just and reasonable and affording PURA the opportunity to set equitable rates and establish innovative rate mechanisms and programs for the benefit of our customers.