STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

GENCONN ENERGY LLC	:	**DOCKET NO. 26-06-02**
APPLICATION TO ESTABLISH	:	
2027 REVENUE REQUIREMENTS	:	
	:	**NOVEMBER 2, 2026**

BRIEF OF GENCONN ENERGY LLC

Submitted by:

Brendan P. Vaughan
Keegan Werlin LLP
1 Liberty Square, Third Floor
New Britain, CT
(617) 951-1400
bvaughan@keeganwerlin.com

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GENCONN ENERGY LLC APPLICATION TO ESTABLISH 2027 REVENUE REQUIREMENTS	:	**DOCKET NO. 26-06-02**
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BRIEF OF GENCONN ENERGY LLC

I. INTRODUCTION

GenConn Energy LLC ("GenConn" or the "Company"),[1] the joint venture between The United Illuminating Company ("UI") and Clearway Energy, Inc., submits this brief to the Public Utilities Regulatory Authority ("PURA") in support of its Application for Establishment of 2027 Revenue Requirements, filed on June 30, 2026 (the "Application"). As set forth in the Application, supplemented by Pre-Filed Testimony ("Attachment GenConn-01"), responses to interrogatories submitted into the record, testimony at the October 5, 2026 evidentiary hearing, and responses to Late Filed Exhibit ("LFE") requests, GenConn respectfully requests that PURA establish revenue requirements for GenConn Devon and GenConn Middletown (comprising the consolidated revenue requirement for GenConn in this filing)[2] for the period commencing January 1, 2027 through December 31, 2027; and confirm GenConn's participation in the ISO-NE markets in rate

[1] Capitalized terms not otherwise defined herein have the same definitions as those provided in the Company's initial filing materials.

[2] In PURA's final decision in Docket No. 09-12-02, Application of GenConn Energy LLC for Establishment of 2010 Revenue Requirements (the "2010 Decision"), PURA determined, at page 18 that it "ultimately approved GenConn Option 2A, which consists of generating facilities at Devon and Middletown." In the Company's filing, it refers to "Option 2A" as GenConn (Consolidated) to eliminate confusion with other designations used in this testimony (see Att. GenConn-01, at i).

year 2027 and 2028 for both GenConn Devon and GenConn Middletown.[3] The Company also requested elimination of certain historical compliance filing requirements related to its market participation, discussed in Section V.E.3, below.

As outlined in this Brief, the Company has fully supported its proposed revenue requirement for effect January 1, 2027. The Company's proposed revenue requirement is supported by a robust record, substantial evidence, and complies with the requirements of General Statutes §§ 16-243u, 16-19, 16-19b and 16-19e. The Company has demonstrated that its costs were reasonable, necessary and prudent. No party or intervenor submitted pre-filed testimony challenging any aspect of the Company's proposal, and the Company's evidence therefore stands unrebutted.

Most significantly, the Company requests that PURA restore the appropriate use of the Company's actual capital structure of 50 percent debt and 50 percent equity – the capital structure that PURA committed to use when it established the criteria for the peaking generation solicitation; that PURA approved when it authorized the GenConn projects; that PURA directed the Company to maintain in Docket No. 12-06-19 in the context of a debt refinancing; and that PURA applied in setting the Company's revenue requirements for more than a decade. The Company also requests that PURA eliminate (or, alternatively, modify) the annual market participation plan requirement, and eliminate the quarterly reporting requirement that is no longer necessary following the transition from the Locational Forward Reserve Market ("LFRM") market to the Day-Ahead Ancillary Services Initiative ("DASI") market. The Company respectfully requests

[3] The GenConn Devon and GenConn Middletown units participate in the ISO-NE markets consistent with Orders 1 and Section H of the 2026 Decision in Docket No. 25-06-02, GenConn Energy LLC Request to Establish 2026 Revenue Requirement (the "2026 Decision") (Att. GenConn-01, at 37). From the time the GenConn Option 2A units achieved commercial operation, the units have been called by ISO-NE as needed to provide critical peaking generation and system reliability, particularly when demand for electricity is high (id.).

that PURA confirm its approval of the Company's proposed revenue requirement, as updated through the discovery period of the case.

II. PROCEDURAL HISTORY

On June 16, 2026, PURA issued a Notice of Proceeding ("Notice") establishing the above-referenced proceeding as a contested case to review GenConn's application to establish its 2027 revenue requirements, pursuant to General Statutes § 16-243u and PURA's Decision dated June 25, 2008, in Docket No. 08-01-01, DPUC Review of Peaking Generation Projects (the "Award Decision").

On June 30, 2026, GenConn filed its application for 2027 revenue requirements. The application included Attachments GenConn-01 through GenConn-12, GenConn-CP2 through GenConn-CP6, and GenConn-EP1 through GenConn-EP8. The attachments contained the following information:

- GenConn-01 provided the Pre-filed Testimony of Devang Patel, Jacob S. Hurwitz, and Brandon Shatraw.
- GenConn-02 provided the 2027 Calculation of Revenue Requirements, and includes SFR Exhibits 1-6, 1A, 1B, 7A Page 1, 7A Page 2, Exhibit 7-Devon, Exhibit 7-Middletown, and Exhibit 8.
- GenConn-03 and GenConn-03 Attachment 1 provided the Variable O&M costs and accretions to the SCR catalyst reserves per Order 5 in the 2021 Decision and per Order 4 in PURA's final decision in Docket No. 25-06-02, Application of GenConn Energy for Establishment of 2026 Revenue Requirements (the "2026 Decision").
- GenConn-04 provided the GenConn Energy Operating fuel costs for the prior year and 2027 forecast.
- GenConn-05 provided the GenConn Energy Forward Reserve Market ("FRM")/Day-ahead Ancillary Services Initiative ("DASI") revenues for the prior year and 2027 forecast.
- GenConn-06 provided the 2027 Proposed Annual Maintenance - Outage Scheduled Days (*filed Confidential*).

- GenConn-07 provided the GenConn Devon and GenConn Middletown Monthly CfD invoices (*filed Confidential*).

- GenConn-08 provided, per Order 1 of the 2025 Decision, Speed Probe Detail.

- GenConn-09 provided the Settlement Agreement and Joint Stipulation.

- GenConn-10 and GenConn-10 Attachment 1 provided, per Order 5 of the 2025 Decision, NERC Relay Testing and Inventory.

- GenConn-11 provided, per Order No. 3 in the 2026 Decision, Asset listing and Depreciation Schedule.

- GenConn-12 provided the SCR/CO Catalyst Reserve Review (*filed Confidential*)

- GenConn-CP2 provided Project Detail – Speed Probe Replacements.

- GenConn-CP3_4 provided Project Detail – Pre-Approval Request – Woodward Control Server/Mark VIe Controls.

- GenConn-CP5 provided Project Detail – Pre-Approval Request – Main Turbine Terminal Box HVAC.

- GenConn-CP6 provided Project Detail – Pre-Approval Request – Turbine Fuel Nozzles.

- GenConn-EP1 provided Project Detail – Generator Testing Unit 16 Devon / Unit 13 Middletown.

- GenConn-EP2 provided Project Detail - Stack Testing Devon/Middletown.

- GenConn-EP3 provided Project Detail - Unit 16 Heat Trace Fire (Devon Only).

- GenConn-EP4 provided Project Detail - Arc Flash Study (Middletown Only).

- GenConn-EP5 provided Project Detail - Transformer Testing Middletown Units 14/15.

- GenConn-EP6 provided Detail – Replace Inlet Air Filters (Middletown Only).

- GenConn-EP7 provided Project Detail – Chiller Roof Safety Rails / Ladder – Carryover from 2024.

- GenConn-EP8 provided Project Detail – Chiller Heater Rebuild (Middletown) – Carryover from 2024.

On September 4, 2026, PURA issued a Procedural Order & Notice of Hearing, stating that "Parties may submit pre-filed testimony on or before Friday, September 25, 2026…." On September 25, 2026, consistent with the Procedural Order & Notice of Hearing, the Company filed correspondence indicating that its pre-filed testimony and exhibits were submitted on June 30, 2026, and it did not intend to submit additional pre-filed testimony. No other party or intervenor submitted pre-filed testimony. On October 5, 2026, PURA held an evidentiary hearing in this proceeding. During the October 5, 2026 evidentiary hearing, 15 LFE requests were issued to the Company, including LFE-001, which provided an update to the Company's proposed revenue requirement based on changes identified during the discovery process. The Company submitted its responses to the fifteen LFE requests on October 19, 2026. On October 23, 2026, PURA issued a revised procedural schedule cancelling the LFE Hearing. In total, GenConn responded to 108 interrogatories plus supplements, provided one piece of pre-filed written testimony and numerous supporting attachments, and 15 LFEs.

III. STANDARD OF REVIEW

The standard of review for GenConn's annual revenue requirement filing is outlined in prior PURA proceedings; as PURA stated in the 2026 Decision:

> The Authority reviews AFRR applications under its general ratemaking authority. General Statutes § 16-243u requires the Authority to conduct an annual contested rate case in which a peaking generator "shall be entitled to recover its prudently incurred costs of such [peaking] project, including, but not limited to, capital costs, operation and maintenance expenses, depreciation, fuel costs, taxes and other governmental charges and a reasonable rate of return on equity." As with all rate proceedings, the Authority's approval of cost recovery must be "consistent with the principles set forth in [General Statutes] sections 16-19, 16-19b and 16-19e." Id.; GenConn Energy, 348 Conn. at 544. ("The plain meaning of § 16-243u, then, directs PURA to use the principles of [General Statutes] § 16-19e in determining the generator's appropriate recoverable costs each year, and that amount is used to set the rates.") Id., at 545.

2026 Decision at 3. Under General Statutes § 16-19(a), PURA is charged with approving rates

that are "just, reasonable and adequate…" In addition, pursuant to General Statutes § 16-19e(a), PURA is guided by the following principles:

> (4) that the level and structure of rates be sufficient, but no more than sufficient, to allow public service companies to cover their operating costs including, but not limited to, appropriate staffing levels, and capital costs, to attract needed capital and to maintain their financial integrity, and yet provide appropriate protection to the relevant public interests, both existing and foreseeable…;
>
> (5) that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation.

See 2026 Decision at 3. In the Company's filing, and throughout this proceeding, the Company provided support for its requested rates, which are sufficient, but no more than sufficient to cover operating costs. The Company's evidence is comprehensive and, because no party or intervenor submitted pre-filed testimony contesting it, unrebutted.

IV. OVERVIEW

In Docket No. 12-07-14, PURA laid out the methodology for reviewing the fixed cost components for a peaking generator's AFRR. Docket No. 12-07-14, Application of GenConn Energy LLC for Establishment of 2013 Revenue Requirements, Final Decision, Jan. 9, 2013 (the "2013 Decision"). GenConn organized and outlined its projected 2027 AFRR in accordance with PURA's guidance in the 2013 Decision and consistent with the terms of the Contract for Differences ("CfD") and Award Decision that the Company's revenue requirement will be based on its actual capital structure, which is 50 percent equity and 50 percent debt.[4]

In this proceeding, GenConn has demonstrated Annual Fixed Revenue Requirements

[4] For illustrative purposes only the Company provided a revenue requirement model utilizing a settled structure of 55 percent debt and 45 percent equity (Attachment GenConn-02 (Settlement); see Att. GenConn-01, at iii n.5, 5, 9-10, 19, n.11). The Company's proposed revenue requirement is reflected in Attachment GenConn-02, as updated in LFE-001. As explained in discovery and the Company's initial filing, nothing in the Settlement Agreement prohibits the Company from proposing its current capital structure, which PURA must address on the merits and consistent with longstanding PURA precedent.

("AFRR") of $40,928,261 for the period commencing January 1, 2027 through December 31, 2027 for GenConn Consolidated, consisting of the GenConn Devon revenue requirement of $19,238,680 and the GenConn Middletown revenue requirement of $21,689,581, as presented by the Company in Attachment GenConn-02 on June 30, 2026 and updated in LFE-001 GenConn Attachment 1 (see Att. GenConn-01, at 8-9; LFE-001 GenConn Attachment 1). As outlined below, the Company has fully supported its revenue requirement proposals for rates effective January 1, 2027, which should be approved by PURA as updated throughout the discovery period of the case.

GenConn's revenue requirement includes capital project costs, fixed operations and maintenance ("O&M") and administrative and general ("A&G") costs, in the manner set forth in the 2013 Decision, at page 4, and other recoverable costs (Att. GenConn-01, at 9). GenConn provided evidence to support the revenue requirement components through its application, responses to interrogatories, testimony at an evidentiary hearing, and LFE responses. A brief summary of each component and the calculations thereof are provided below.

V. GENCONN HAS FULLY SUPPORTED ITS PROPOSED REVENUE REQUIREMENT

A. The Company Properly Calculated its Proposed Revenue Requirement for the period commencing January 1, 2027, through December 31, 2027.

In its updated revenue requirement, submitted as LFE-001 on October 19, 2026, the Company presented GenConn's consolidated revenue requirement for January 1, 2027 through December 31, 2027, calculated as $40,928,261, the sum of the revenue requirements for both GenConn Devon of $19,238,680 and GenConn Middletown of $21,689,581 for the 2027 calendar year (LFE-001 Att. 1; RRU-044). Also in LFE-001 GenConn Attachment 1 with the tabs labeled as Exhibits, which conforms to standard filing requirements, separate pro forma financial statements for GenConn Devon and GenConn Middletown were included as Exhibits 2 and 3.

The Company's 2027 revenue requirement includes capital project costs, Fixed O&M and A&G costs, in the manner set forth in the 2013 Decision, at page 4, and other recoverable costs (Att. GenConn-01, at 9). The Fixed O&M and A&G cost components are derived using the 2025 actual cost data through December 31, 2025 (id.). The 2025 actual cost data through December 31, 2025 is escalated per the prescribed CPI-U methodology, with projected values for the 2027 rate year (January 1 to December 31, 2027) included in the computation of the 2027 Revenue Requirements (id.).

Attachment GenConn-02 includes Excel tabs Exhibit 1, Pages 1-6, Exhibit 2, Pages 1-6 and Exhibit 3, Pages 1-6 provide pro-forma financial statements for GenConn (Consolidated or Option 2A), GenConn Devon and GenConn Middletown, respectively, and provides actual balances as of December 31, 2025 to support the development of the projected Revenue Requirements for the 2027 rate year utilizing the Company's actual capital structure of debt/equity ratio of 50 percent debt and 50 percent equity, which is appropriate and consistent with the Criteria Decision, PURA precedent, and sound ratemaking principles (id.). Attachment GenConn-02 includes Excel tabs Exhibit 1, Pages 7-8, Exhibit 2, Pages 7-8 and Exhibit 3, Pages 7-8 provide the calculation of Rate Base values for GenConn (Consolidated or Option 2A), GenConn Devon and GenConn Middletown, respectively (id. at 10). Attachment GenConn-02 Exhibit 1A (Consolidated), Exhibit 1A-D and Exhibit 1A-M, provides (per Order No. 3 in Docket No. 14-06-17, Application of GenConn Energy LLC for Establishment of 2015 Revenue Requirements (the "2015 Decision") proforma Income Statements for GenConn (Consolidated or Option 2A), GenConn Devon and GenConn Middletown, respectively (id.). Attachment GenConn-02 Exhibit 1B is submitted per Order No. 10 in the 2025 Decision (id.). The 2025 income statement line items subject to true-up are identified, calculated and included within the pro forma financial statements,

Attachment GenConn-02 Exhibits 1-3 (id.). Attachment GenConn-02 Exhibit 8 provides (per Order No. 2 in the 2015 Decision) a summary of the consolidated 2025 costs subject to true-up (id.). Attachment GenConn-02 Exhibits 7-Option 2A (Consolidated), Exhibit 7-Devon and Exhibit 7-Middletown "Attachment 6" formats, as required by PURA in Order No. 3 in the 2013 Decision (id. at 11). Exhibit 7A and Exhibit 7A Page 2 provides GenConn CPI-U and CBA Escalators per Order No. 7 in PURA's decision in Docket No. 17-06-27, Application of GenConn Energy LLC for Establishment of 2018 Revenue Requirements, dated November 29, 2017 (the "2018 Decision") (id.). Consistent with Order No. 6 from the 2026 Decision Exhibit 7A, Exhibit 7-Devon, and Exhibit 7-Middletown, at the column labeled Approved Basis Adjustments provide information on adjustments to the 2008 escalated capped expenses for NERC CIP and Formaldehyde testing (id.).

Table 3 from the Company's initial filing provided descriptions of the Company's updated revenue requirement exhibits and is provided below:

Attachment GenConn-02 Tabs and Description

Attachment GenConn-02 Excel Tab Reference	Description
Exhibit 1A-Consolidated	GenConn (Consolidated) – Income Statement
Exhibit 1A-D	GenConn Devon – Income Statement
Exhibit 1A-M	GenConn Middletown - Income Statement
Exhibit 1B	Per PURA Order #10 in the 2025 Decision (Docket 24-06-02)
Exhibit 1, Pages 1 - 6	GenConn (Consolidated) – Pro forma Financial Statements
Exhibit 1, Pages 7 - 8	GenConn (Consolidated) - Average Rate Base
Exhibit 2, Pages 1 - 6	GenConn Devon – Pro forma Financial Statements
Exhibit 2, Pages 7 - 8	GenConn Devon- Average Rate Base
Exhibit 3, Pages 1 - 6	GenConn Middletown – Pro forma Financial Statements
Exhibit 3, Pages 7 - 8	GenConn Middletown - Average Rate Base
Exhibit 4, A-1.0 c	(Consolidated) - Overall Financial Summary
Exhibit 4, A-2.0 c,d,m	GenConn Energy - Gross Revenue Conversion Factor
Exhibit 4, B-1.0 c	(Consolidated) - Rate Base Summary
Exhibit 4, B-2.1 c	(Consolidated) - Plant-In-Service by Account
Exhibit 4, WP B-2.1 c	(Consolidated) - Allocation of Capital Costs to FERC Accounts
Exhibit 4, WP B-3.1 c	(Consolidated) - Adjustment to Reserve for Accumulated Depreciation
Exhibit 4, B-4.0 c	(Consolidated) - Allowance for Working Capital

Attachment GenConn-02 Excel Tab Reference	Description
Exhibit 4, WP B-4.0 pg 1 of 2 c	(Consolidated) - Allowance for Working Capital- Fuel Inventory
Exhibit 4, WP B-4.0 pg 2 of 2 c	(Consolidated) - Allowance for Working Capital- Spare Parts Inventory
Exhibit 4, B-6.0 c	(Consolidated)- Regulatory Assets & Liabilities Detail
Exhibit 4, B-7.0 c	(Consolidated) - Regulatory Assets & Liabilities Detail Tax Affected
Exhibit 4, C-1.0 c	(Consolidated) - Operating Income Summary
Exhibit 4, C-3.0 c	(Consolidated) - Proposed Adjustment Details
Exhibit 4, WP C-3.1 c	(Consolidated) - Depreciation & Amortization Expense
Exhibit 4, WP C-3.2 c	(Consolidated) - Amortization of Debt Expense
Exhibit 4, WP C-3.3 c	(Consolidated) - Income Tax Expense
Exhibit 4, D-1.0 c	(Consolidated) - Cost of Capital Summary
Exhibit 4, D-3.0 c,d,m	(Consolidated) - Cost of Long-Term Debt
Exhibit 4, WP D-3.0 pg 1 of 2 c	(Consolidated) - Projected Interest Expense
Exhibit 4, WP D-3.0 pg 2 of 2 c	(Consolidated) - Projected Letters of Credit Expense
Exhibit 4, D-5.0 c	(Consolidated) - Common Stock Equity
Exhibit 5, A-1.0 d	GenConn Devon - Overall Financial Summary
Exhibit 5, B-1.0 d	GenConn Devon - Rate Base Summary
Exhibit 5, B-2.1 d	GenConn Devon - Plant-In-Service by Account
Exhibit 5, WP B-2.1 d	GenConn Devon - Allocation of Capital Costs to FERC Accounts
Exhibit 5, WP B-3.1 d	GenConn Devon - Adjustment to Reserve for Accumulated Depreciation
Exhibit 5, B-4.0 d	GenConn Devon - Allowance for Working Capital
Exhibit 5, WP B-4.0 pg 1 of 2 d	GenConn Devon - Allowance for Working Capital- Fuel Inventory
Exhibit 5, WP B-4.0 pg 2 of 2 d	GenConn Devon - Allowance for Working Capital- Spare Parts Inventory
Exhibit 5, B-6.0 d	GenConn Devon - Regulatory Assets & Liabilities Detail
Exhibit 5, B-7.0 d	GenConn Devon - Regulatory Assets & Liabilities Detail Tax Affected
Exhibit 5, C-1.0 d	GenConn Devon - Operating Income Summary
Exhibit 5, C-3.0 d	GenConn Devon - Proposed Adjustment Details
Exhibit 5, WP C-3.1 d	GenConn Devon - Depreciation & Amortization Expense
Exhibit 5, WP C-3.2 d	GenConn Devon - Amortization of Debt Expense
Exhibit 5, WP C-3.3 d	GenConn Devon - Income Tax Expense
Exhibit 5, D-1.0 d	GenConn Devon - Cost of Capital Summary
Exhibit 5, WP D-3.0 pg 1 of 2 d	GenConn Devon - Projected Interest Expense
Exhibit 5, WP D-3.0 pg 2 of 2 d	GenConn Devon - Projected Letters of Credit Expense
Exhibit 5, D-5.0 d	GenConn Devon - Common Stock Equity
Exhibit 6, A-1.0 m	GenConn Middletown - Overall Financial Summary
Exhibit 6, B-1.0 m	GenConn Middletown - Rate Base Summary
Exhibit 6, B-2.1 m	GenConn Middletown - Plant-In-Service by Account
Exhibit 6, WP B-2.1 m	GenConn Middletown - Allocation of Capital Costs to FERC Accounts
Exhibit 6, WP B-3.1 m	GenConn Middletown - Adjustment to Reserve for Accumulated Depreciation
Exhibit 6, B-4.0 m	GenConn Middletown - Allowance for Working Capital
Exhibit 6, WP B-4.0 pg 1 of 2 m	GenConn Middletown - Allowance for Working Capital- Fuel Inventory
Exhibit 6, WP B-4.0 pg 2 of 2 m	GenConn Middletown - Allowance for Working Capital- Spare Parts Inventory
Exhibit 6, B-6.0 m	GenConn Middletown - Regulatory Assets & Liabilities Detail
Exhibit 6, B-7.0 m	GenConn Middletown - Regulatory Assets & Liabilities Detail Tax Affected
Exhibit 6, C-1.0 m	GenConn Middletown - Operating Income Summary

Attachment GenConn-02 Excel Tab Reference	Description
Exhibit 6, C-3.0 m	GenConn Middletown - Proposed Adjustment Details
Exhibit 6, WP C-3.1 m	GenConn Middletown - Depreciation & Amortization Expense
Exhibit 6, WP C-3.2 m	GenConn Middletown - Amortization of Debt Expense
Exhibit 6, WP C-3.3 m	GenConn Middletown - Income Tax Expense
Exhibit 6, D-1.0 m	GenConn Middletown - Cost of Capital Summary
Exhibit 6, WP D-3.0 pg 1 of 2 m	GenConn Middletown - Projected Interest Expense
Exhibit 6, WP D-3.0 pg 2 of 2 m	GenConn Middletown - Projected Letters of Credit Expense
Exhibit 6, D-5.0 m	GenConn Middletown - Common Stock Equity
Exhibit 7A	(Consolidated) 2008 Fixed O&M Escalation Summary
Exhibit 7A Page 2	CPI-U Calculation
Exhibit 7- Consolidated	(Consolidated) Fixed O&M Escalation Summary
Exhibit 7- Devon	GenConn Devon Fixed O&M Summary
Exhibit 7- Middletown	GenConn Middletown Fixed O&M Summary
Exhibit 8	(Consolidated) - Costs Subject to True-Up, Amortizations & Accretions

(Att. GenConn-01, at 12-13; LFE-001 GenConn Attachment 1).

Consistent with PURA directives, GenConn has included exhibits similar to the standard filing requirements[5] ("SFRs") for public utilities in support of revenue requirements applications. The presentation of GenConn's financial information in the SFR format following commercial operations are provided in Attachment GenConn-02 Exhibits 4-6 for GenConn (Consolidated), GenConn Devon and GenConn Middletown; SFR Schedules A through D and associated work papers.

The Company's revenue requirement is fully compliant with longstanding PURA precedent, including the Criteria Decision that induced the Company's proposal, as well as the terms Settlement Agreement provided as Attachment GenConn-09 (Att. GenConn-01, at iii, 17-19 (outlining the Company's ability to propose the capital structure included in this case)). During the discovery process, the Company addressed questions regarding the Company's revenue

[5] In Interrogatory EL-1 in Docket No. 09-12-02, Application of GenConn Energy LLC for Establishment of 2010 Revenue Requirements, PURA asked GenConn to provide schedules similar to the SFRs for public utility companies and made this an on-going requirement, stating: "GenConn is required to submit schedules similar to the SFRs for large public utility companies (Schedules A through D) separately for Devon and Middletown with all rate applications." Docket No. 09-12-02, Decision at 18.

requirement, including related to capital project costs, Fixed O&M expenses, and A&G costs, and other recoverable costs.

The Company also provided information about the specific expense projects and capital projects provided with the Company's initial filing, which included the following completed and 2024 carryover expense projects: (1) Generator Testing (Devon Unit 16 / Middletown Unit 13); (2) Stack Testing; (3) Unit 16 Devon Heat Trace Fire; (4) Arc Flash Study; (5) Transformer Testing Middletown; (6) Replace Inlet Air Filters; (7) Chiller Roof Safety Rails/Ladder; and (8) Chiller Heater Rebuild (Att. GenConn-01, at 45-49; OCC-005; OCC-006; OCC-007; OCC-008; OCC-011; OCC-012; OCC-013; OCC-024; RSR-001; RSR-025).

In sum, the Company provided a detailed analysis of its proposed revenue requirement in a thorough and complete manner that aligns with PURA's standard filing requirements for rate cases (LFE-001; Atts. GenConn-01; GenConn-02). The Company fully and accurately responded to the questions posed regarding its revenue requirement, both in discovery and at the evidentiary hearing, and no party submitted testimony challenging the Company's calculations. The Company's revenue requirement, as updated throughout the travel of the case, should be approved without modification.

1. GenConn's Cost of Capital is Consistent with PURA Precedent and the CfD.

The Company's proposed revenue requirement includes a formula Return on Equity ("ROE") of 10.025 percent (Att. GenConn-01, at 15). The Company's calculated ROE is consistent with PURA precedent as set forth in Docket No. 07-08-24, DPUC Investigation of the Process and Criteria for Use in Implementing Section 50 of Public Act 07-242 – Peaking Generation, December 14, 2007 (the "Criteria Decision"), and the 2010 Decision (Att. GenConn-01, at 15). Based on the current ROE of Eversource and UI, the Company calculated a formula

ROE of 10.025 percent (id.). The Company's ROE was calculated as follows:

In the Criteria Decision, PURA set the ROE as an "index," using the average of the then-current authorized ROEs of the Connecticut electric distribution companies (EDCs), exclusive of any performance penalties that may be imposed and embedded within the EDCs' ROEs – plus an adder of .675%. PURA also set a floor for the ROE at 9.75%. Criteria Decision at 34. Accordingly, the ROE calculation for the applicable rate year in this filing is as follows:

(1) Eversource's Current allowed ROE = 9.25%

(2) UI's Current allowed ROE = 9.45%

(3) ROE for determination of GenConn Revenue Requirements = ((9.25 + 9.45) / 2) + 0.675 = 10.025%

(Att. GenConn-01, at 15 fn. 10; OCC-001; OCC-002; OCC-003).

The Company's filing, as updated throughout the discovery period of the case, accurately calculates the Company's return on equity consistent with PURA precedent. The use of the 10.025 percent is the appropriate authorized return on equity and accurately reflects the Criteria Decision. The ROE is not a matter of discretionary judgment; it is a formula index established in the Criteria Decision, which the CfDs incorporate, and the Company has simply applied that formula to the currently authorized ROEs of Eversource and UI (Att. GenConn-01, at 15; LFE-003). Criteria Decision at 34. The resulting 10.025 percent ROE also exceeds the 9.75 percent floor established in the Criteria Decision, and no party proposed an alternative. Criteria Decision at 34. It should be approved without modification as presented in LFE-001 GenConn Attachment 1.

2. Implementation of GenConn's Actual 50/50 Capital Structure is Required by the Criteria Decision and the CfDs, and Should Be Restored.

PURA should restore the use of GenConn's actual capital structure of 50 percent equity and 50 percent debt in setting the Company's 2027 AFRR. That result is not merely permitted by

PURA precedent; it is required by it. The 50/50 capital structure is the structure PURA committed to use when it established the peaking generation program, the structure PURA approved when it authorized the GenConn projects, the structure PURA directed GenConn to maintain, and – as the uncontroverted record confirms – GenConn's actual capitalization today (Att. GenConn-01; OCC-003; OCC-004; RRU-016; RRU-016 Att. 1; RRU-17).

In the Criteria Decision, PURA's predecessor, the Department of Public Utility Control, established the process and criteria that it would use to review peaking project proposals submitted pursuant to Section 50 of Public Act 07-242. Criteria Decision at 1. The Criteria Decision stated, with respect to capital structure of potential projects:

> Although several Participants are proponents of the Department imputing a capital structure of 50% debt, 50% equity to standardize proposals and ease the evaluation process, the Department finds that a project proposal's capital structure is an integral element of competition between the project proposals. Accordingly, the Department will not impute a standard debt/equity ratio for this solicitation, but establishes a bandwidth for actual debt/equity ratios ranging from 60% to 40% debt to equity or equity to debt.
>
> Within this tolerance band, Suppliers may define whatever capital structure they choose. **In reviewing what costs are reasonable for purposes of setting the cost of service from time to time, the Department will use the project's actual debt/equity levels when determining returns and revenue requirements**.

Criteria Decision at 33 (emphasis added).

This language is dispositive. The Department expressly considered and rejected imputing a standardized capital structure, finding instead that each proposal's capital structure was "an integral element of competition between the project proposals." Criteria Decision at 33. It then made a clear, forward-looking commitment: in "setting the cost of service from time to time" – that is, in each annual revenue requirement proceeding over the life of the project – the Department "will use the project's actual debt/equity levels when determining returns and revenue requirements." Id. That commitment contains no exception permitting the substitution of a

hypothetical, imputed, or "rate base" capitalization in later years. And because GenConn's 50/50 capital structure falls squarely at the midpoint of the 60/40 tolerance band PURA's predecessor established, there is no basis under the Criteria Decision to deviate from the Company's actual capital structure. Id.

The commitment is also contractual (see LFE-003; RRU-034 Atts. 1 and 2).[6] The CfDs that PURA approved to govern the Company's revenue requirements incorporate the Criteria Decision, including its directive that PURA use GenConn's actual capital structure in setting annual revenue requirements (LFE-003; RRU-034 Atts. 1 and 2). GenConn structured and financed its proposal in reliance on that commitment, and Connecticut customers have received the benefit of the competitively selected projects that resulted (Att. GenConn-01, at iii, 17-19; RRU-010; RRU-018). Having selected GenConn's proposal through a solicitation in which capital structure was a defined element of competition, PURA cannot now substitute a different capital structure without altering the very terms on which that competition was conducted and on which GenConn's investors committed their capital.

Accordingly, in the Award Decision (i.e., Docket No. 08-01-01), GenConn proposed, and PURA approved, a project using GenConn's actual capital structure of 50 percent debt and 50 percent equity. See Award Decision at 64-65 (selecting GenConn proposals, which were based on a 50 percent debt and 50 percent equity capital structure); see also, Docket No. 08-01-01, GenConn Peaking Generation Proposal (Mar. 4, 2008) at 26 ("matching the financing term with the CfD

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6 As noted by PURA's chairperson in Docket No. 07-08-24:

> [N]obody is going to do a contract with us or under any of these schemes unless they have some reasonable certainty that it's going to stay in one place for something more than, say, ten minutes at a time. So, I think one of the things the Department is going to have to get used to is the idea that we're not going to be able to just wade in every year or every so often and say, well, today we think it would be nice to have a 2 percent rate of return instead of a 9 percent.

Docket No. 07-08-24, Transcript at 357-58.

term will also provide for the amortization of the project debt to mirror the rate base depreciation, which will allow the capital structure to remain constant over the life of the CfD"). Similarly, in Docket No. 09-12-02, which established GenConn's AFRR for its first year of commercial operation in 2010, PURA approved a capital structure of 50 percent debt and 50 percent equity. 2010 Decision, at 14. This capital structure continued in Docket No. 10-07-15. See Docket No. 10-07-15, Application of GenConn Energy LLC for Establishment of 2011 Revenue Requirements, GenConn Initial Brief at 2, 4 (Nov. 18, 2010). Thereafter, GenConn regularly proposed, and PURA regularly accepted, using GenConn's actual capital structure of approximately 50 percent equity and 50 percent debt for ratemaking purposes (Att. GenConn-01 at 17; RRU-016). In setting the Company's 2012 revenue requirements, PURA approved the use of the 50/50 capital structure, and urged the Company to "explore the economic benefit of refinancing the project loan to rebalance the capital structure to better align to the proposed 50/50 capitalization…" Docket No. 11-07-12, Application of GenConn Energy LLC for Establishment of 2012 Revenue Requirements, at 12-13.

The Company complied with these directives, and in Docket No. 12-06-19, requested approval to refinance certain debt to better align with the 50/50 capital structure (RRU-016). In Docket No. 12-06-19, Application of GenConn Energy LLC for Approval of the Refinancing of Existing Indebtedness (Aug. 8, 2012 Final Decision), PURA expressly found that GenConn's capital structure was balanced at 50 percent debt and 50 percent equity, stating that the Company had an "obligation to maintain its 50% debt and 50% equity capitalization ratio." Docket No. 12-06-19, at 6-7. PURA thus did not only *accept* a 50/50 capital structure; it *directed* GenConn to refinance in order to achieve that structure and then imposed an affirmative obligation to maintain it. Since refinancing its debt, consistent with PURA's directives, the Company has maintained an

actual capital structure of 50 percent debt and 50 percent equity (RRU-016; RRU-016 Att. 1).[7] The proposed restoration of the Company's actual capital structure – matching its actual capitalization -- is consistent with the historical practice, the Company's actual present and historical capital structure, and represents fair and reasonable ratemaking treatment for the investors that made these commitments (id.; Tr. 10/5/26 at 152-54).

Significantly, at the time that the Connecticut Supreme Court reviewed PURA's decision on the cost of capital for GenConn, the Company's capital structure was 50 percent debt and 50 percent equity (RRU-016, citing, GenConn Energy LLC v. Public Utilities Regulatory Authority, 348 Conn. 532, 538-541 (2024) ("In the present case, PURA and GenConn agreed that the 2021 rate base was $235.315 million, and, because GenConn had put forth a 50 percent/50 percent debt-to-equity ratio, the rate base for both debt and equity was approximately $112.658 million."). In that appeal, PURA never claimed that there was something inherently wrong with the capital structure, nor that there was another method of computation that should be substituted in order to assure that rates were "sufficient but no more than sufficient" to cover the Company's capital costs. Instead, it was only *after* the Company appealed PURA's ruling on its 2021 AFRR filing that PURA began to impute an inappropriate capital structure to GenConn. Accordingly, the Company simply seeks to return to what PURA precedent requires and what was in place before PURA arbitrarily changed the method again, after the appeal of the first change.

Having directed GenConn to achieve and maintain a 50/50 capitalization, PURA cannot reasonably treat the Company's compliance as a basis for imputing a different capital structure. A regulated company that complies with the regulator's directives should not be penalized in rates

[7] Importantly, since commercial operation, the Company has not received any equity infusions and supports capital additions and one-time/non-recurring expenses through its cash flows (RRU-017). Following the re-financing of its long-term debt in Docket No. 12-06-19, the Company has maintained a 50 percent debt and 50 percent equity capital structure (RRU-017).

for having done so, and departing from the capital structure that PURA itself mandated would undermine the reliability of PURA's orders and the regulatory certainty on which regulated entities – and the investors that fund them – depend (RRU-016; RRU-018). Nor is there any suggestion that GenConn's equity ratio has been managed to obtain a ratemaking advantage: since commercial operation, the Company has received no equity infusions and has funded capital additions and one-time/non-recurring expenses through its cash flows (RRU-017; RRU-019).

The governing statutes compel the same result. General Statutes § 16-243u entitles GenConn to be "compensated at cost of service plus a reasonable rate of return on equity," and "in an annual retail generation rate contested case…to recover its prudently incurred costs of such project, including, but not limited to, capital costs, operation and maintenance expenses, depreciation, fuel costs, taxes and other governmental charges and a reasonable rate of return on equity." Further § 16-19e(a)(4) requires rates sufficient to cover capital costs, "to attract needed capital and to maintain their financial integrity." An imputed capital structure that assigns less equity to GenConn than its investors actually committed, less than what was provided as the basis for GenConn's initial bid, and less than the Company's actual maintained capital structure, does not provide a return on the equity GenConn actually has; instead, it substitutes a higher proportion of lower-cost debt than GenConn actually carries. Rates set on that basis do not reflect GenConn's actual cost of capital and therefore cannot be "just, reasonable and adequate" within the meaning of § 16-19(a).

3. <u>The Settlement Agreement Expressly Preserves GenConn's Right to Propose to Incorporate Its Actual Capital Structure in the Revenue Requirement</u>.

As outlined in Section V.A.2, the Company is proposing to utilize its actual capital structure of 50 percent equity and 50 percent debt, which is fully consistent with PURA precedent (*supra*).

PURA accepted and approved the use of the 50 percent equity 50 percent debt capital structure for many years (RRU-016 (documenting use of 50/50 capital structure in Docket Nos. 09-12-02, 10-07-15, 11-07-12, 12-07-14, 13-06-38, 14-06-17, 15-06-24, 16-06-01, 18-06-01, 19-05-48, 20-06-14)). See also Docket No. 17-06-27, Application of GenConn Energy LLC for Establishment of 2018 Revenue Requirements, November 29, 2017 Final Decision at 17 (establishing 2018 revenue requirements utilizing a 50/50 capital structure). Beginning with the Company's 2021 AFRR filing, and continuing through the Company's 2025 AFRR filing, PURA departed from this longstanding approach – and from the express commitment in the Criteria Decision – by applying what it characterized as the Company's "rate base capitalization," rather than its actual capitalization, which lowered the Company's overall revenue requirement (Att. GenConn-01, at 18). The Company appealed PURA's decisions in Docket Nos. 20-06-04, 21-06-28, 22-06-02, 23-06-02, and 24-06-02.

To resolve all outstanding claims in GenConn's appeals related to the 2022 through 2025 AFRR filings, the Company and PURA entered into a Settlement Agreement in 2025, under which the parties agreed to utilize a 55 percent debt and 45 percent equity ratio while expressly preserving GenConn's right to propose a different methodology in subsequent proceedings (Att. GenConn-09 at Sections 2, 6, 8). Specifically, Section 8 of the Settlement Agreement states: "[w]ithout limiting the foregoing, GenConn expressly retains and reserves the right to request that PURA apply a different methodology in any subsequent AFRR proceeding." (Att. GenConn-09, at Section 8). Accordingly, the Company explicitly retained the right to propose the 50/50 capital structure in the Settlement Agreement. In this proceeding, consistent with this provision, and consistent with longstanding PURA practice and the Company's original proposal, the Company proposed a revenue requirement that reflects the Company's actual capital structure of 50 percent debt and 50

percent equity (Att. GenConn-01, at 19).

Nothing in the Settlement Agreement stands in the way of restoring GenConn's actual capital structure. *First*, the 55/45 ratio was a negotiated compromise adopted to resolve a handful of specific pending appeals of prior-year decisions (Att. GenConn-09). It does not represent an evidentiary finding by PURA that a 55/45 ratio reflects GenConn's actual capitalization, and no evidence in this record suggests that it does. To the contrary, the Company's balance sheet demonstrates a 50/50 capital structure (Att. GenConn-02, Exhibit 1, Pages 1-6; RRU-016 Att. 1).

Second, Section 8 of the Settlement Agreement expressly preserves GenConn's right to request a different methodology "in any subsequent AFRR proceeding," which is precisely what GenConn has done here (Att. GenConn-09, at Section 8).

Third, GenConn's submission of an illustrative revenue requirement calculated using the 55/45 ratio was provided for transparency only; it is not a concession and PURA must resolve the capital structure question on the merits of this record (Att. GenConn-02 (Settlement)). See Woodbury Water Co. v. Public Utilities Commission, 174 Conn. 258 (1978) (conclusions of commission must be legally supported by the evidence before it).

On the merits, the record fully supports the Company's request. No party submitted testimony supporting a 55/45 ratio, a "rate base capitalization," or any capital structure other than GenConn's actual 50/50 capitalization. Continuing to apply a different capital structure would perpetuate the 2021-2025 departure from the Criteria Decision and from more than a decade of consistent PURA decisions, without any record evidence to support that departure. Where, as here, PURA's own precedent and the uncontroverted evidence point in the same direction, PURA should apply the Company's actual capital structure. See Aquarion Water Company of Connecticut v. Public Utilities Regulatory Authority, Docket No. HHB-CV-24-60896116-S (Dec. 9, 2025

Memorandum of Decision) at 7 (agency must act through reasoned decision making, evidenced by a reasonable, discernable explanation of how and why it reached a decision).

4. Conclusion on GenConn's Capital Structure.

PURA should restore GenConn's actual 50 percent equity and 50 percent debt capital structure for each of the following independent reasons:

(1) the Criteria Decision commits PURA to use "the project's actual debt/equity levels when determining returns and revenue requirements";

(2) the CfDs that govern GenConn's revenue requirements incorporate that commitment;

(3) PURA approved a 50/50 capital structure in the Award Decision and the 2010 Decision and applied it consistently for more than a decade;

(4) PURA directed GenConn in Docket No. 12-06-19 to maintain a 50/50 capitalization, and GenConn has done so;

(5) the uncontroverted record demonstrates that GenConn's actual capitalization is 50/50; and

(6) the Settlement Agreement expressly preserves GenConn's right to seek this relief.

Restoring the actual capital structure also represents fair and reasonable ratemaking treatment for the investors that made these commitments (*supra*, Sections V.A.1 through 3; RRU-018; RRU-019; RRU-10; Att. GenConn-01, at 21). Customers are also not harmed in circumstances where PURA is taking action to improve its regulatory consistency and integrity through recognition of past policies and legal conclusions applying at the time that investment was made in reliance on PURA's original decisions authorizing the development and capitalization of the GenConn facilities (id.).

In this case, these circumstances support a capital structure of 50 percent equity and 50 percent debt. The 50 percent equity and 50 percent debt capital structure was established in 2008 in the decision approving the construction of GenConn's facilities and was maintained throughout

the years, including as the Company's current capital structure per RRU-016 Attachment 1 (RRU-016; RRU-018). With the originally approved capital structure in place, PURA will be honoring its statutory commitments made at the outset of GenConn's operations by providing the Company with its actual cost-of-service and associated just and reasonable rates, while the Company continues to provide significant benefits to customers (RRU-010; RRU-018).[8] There is simply no legal, evidentiary or policy basis to maintain the 55/45 capital structure and PURA should restore the integrity of this ratemaking component.

Since 2010, GenConn's capital structure and balance sheet have reflected an actual capital structure of 50/50 debt to equity, which PURA correctly and consistently approved for the AFRR filings in each of the years prior to 2020 (Att. GenConn-01, at 20; RRU-016 Att. 1). As demonstrated in Attachment GenConn-02 Exhibit 1, Pages 1-6, GenConn's actual capital structure is 50 percent debt and 50 percent equity. The Company's actual capital structure reflects the capitalization of GenConn that was devoted to GenConn's development for the benefit of Connecticut's electric customers (id., at 21-22). Fundamentally, customers are not "harmed" where the company contributing to the provision of that essential service is obtaining just and reasonable rates that collect its actual cost of providing service (RRU-018). In this case, GenConn's actual capitalization reflects a 50 percent equity and 50 percent debt capital structure that was established in accordance with law, regulation and PURA precedent, prior to 2020 (id.).

The Company has demonstrated that, over the past 15 years of operation, the GenConn facilities have provided significant benefits to Connecticut customers in the form of material

[8] Indeed, the Company's proposal is consistent with the 30-Year Contract for Differences ("CfDs") that PURA approved governing the Company's revenue requirements (LFE-003). The CfDs incorporate PURA's final decision in Docket No. 07-08-24 (i.e., the Criteria Decision), which states that in setting the Company's annual revenue requirements, PURA will utilize GenConn's actual capital structure, which in this case and historically has been 50 percent equity and 50 percent debt (id.; RRU-034 Attachments 1 and 2).

reductions to the capacity costs that pre-existed commercial operation (RRU-010; RRU-018).[9] The GenConn facilities have also operated reliably and efficiently to serve Connecticut as an on-demand peaking resource that consistently contributes to the mitigation of high and volatile electric prices that customers experience due to supply constraints in the New England marketplace (id.). The Company has continued to provide this safe and reliable service despite significant regulatory headwinds in recent years.

It is fair and appropriate for GenConn to receive ratemaking treatment that reflects its actual capital structure and follows from law and longstanding PURA precedent (id. at 22). Use of GenConn's actual 50/50 debt-to-equity capital structure is fully consistent with the Criteria Decision; the 2010 Decision; and PURA's decision in Docket No. 12-06-19 (id.). Accordingly, PURA should approve the Company's proposed revenue requirement, which includes a formula ROE of 10.025 percent applied to the Company's actual capital structure of 50 percent debt and 50 percent equity.

B. GenConn's O&M and A&G Costs are Documented and Appropriate

The GenConn O&M and A&G components of GenConn Consolidated revenue requirements for January 1, 2027 through December 31, 2027 are $11,042,752, including fixed operating costs for both GenConn Devon, $5,694,289, and GenConn Middletown, $5,348,463, for the 2027 calendar year (see Att. GenConn-01, at 25; LFE-001 GenConn Attachment 1). In the 2013 Decision, PURA defined the methodology for including annual Fixed O&M and A&G costs and other recoverable costs within the revenue requirements (Att. GenConn-01, at 24). PURA's prior decisions define the framework for the GenConn projects (id.).

[9] The Company's response to interrogatory RRU-10 demonstrates that the GenConn facilities provide millions of dollars of savings to customers in reduced capacity costs, among other significant financial benefits (RRU-010).

The Company's O&M and A&G expense components were calculated consistent with PURA precedent. Specifically, in the 2013 Decision, PURA provided that:

> if the cap amount calculated [the 2008 original proposal line items in Attachment 6 – Operating Cost Summary as escalated from 2009 through 2026 using actual annual inflation to the extent available] is less than the inflation adjusted actual calculation [the previous year's actual expenditures presented in Attachment 6 - Operating Cost Summary], the amount above the cap amount requires examination for prudency

(Att. GenConn-01, at 17, quoting the 2013 Decision).

GenConn's adjusted actual expenditures reflected in its 2027 AFRR, as adjusted for inflation, are over the two percent threshold amount by $38,568 (see Att. GenConn-01, at 26; LFE-001 GenConn Attachment 1). That amount is *de minimis*: it represents approximately 0.35 percent of the Company's total proposed O&M and A&G costs of $11,042,752 (id.; Att. GenConn-01, at 25). Moreover, under the 2013 Decision, an amount above the cap triggers an examination for prudency, not a disallowance, and the Company has provided the detail necessary for that examination, as discussed below.

The Company provided explanations for the variances that drove the amount over the two percent threshold (LFE-011; LFE-011 Att. 1; RRU-001; RRU-001 Att. 1.; RRU-022). The main driver in the variances is "geography" of costs, where variances in one account are offset by variances in another (id.). Variances are also associated with the change in CPI-U values included in the escalation method, which has been greater than two percent in recent years (id.). Lastly, variances are also attributed to prior PURA orders in Docket No. 25-06-02, where PURA directed the Company not to exclude one-time/non-recurring expenses in the analysis of Fixed O&M costs (id.). A variance that results from compliance with PURA's own directive is not evidence of imprudence. GenConn's O&M construct, as approved by PURA, is reviewed as a whole (LFE-011). GenConn has always provided detail associated with changes in actuals year over year and

related to expense projects that fall outside (one-time or non-recurring) of what was contemplated for the Fixed O&M construct to support prudency review regardless of whether the two percent threshold criteria apply (id.). The Company also responded to direct questions regarding elements of its revenue requirement, such as its audit expense (RRU-029; LFE-008). With respect to audit expense, the Company explained that it benefitted from the services of a nationally recognized auditor selected through a competitive solicitation (id.; Tr. 10/5/26 at 87-92). In this case, the Company has demonstrated that the Company's Fixed O&M costs were reasonable and should be approved (RRU-001; LFE-011 Att. 1).

Additionally, the Company provided all of the details for capital and expense projects that were completed in 2025 in Sections V.C through V.G of Attachment GenConn-01, as well as Attachment GenConn-02 Exhibit 7A, Page 1 and 2, Exhibit 7-Devon, Exhibit 7-Middletown (id.). The Company also provided detail on these expense and capital projects in discovery, as noted above (Att. GenConn-01, at 31-49; OCC-005; OCC-006; OCC-007; OCC-008; RRU-042; RSR-002 through RSR-016; RSR-025; RSR-026).

The Company's O&M and A&G expenses have been thoroughly documented throughout this case and should be recovered in full as proposed in LFE-001 (LFE-001 GenConn Att. 1; GenConn-CP2 through CP-6; GenConn-EP1 through EP8; Att. GenConn-01, at 9, 24-49; OCC-022; OCC-023; RRU-001; RRU-002; RRU-009; RRU-012; RRU-022; RRU-029).

C. The Company's Proposed Depreciation Expense is Reasonable

1. The Company Aligns Depreciation Expense to the CfD.

GenConn's operations are tied inextricably to the 30-year term of the CfDs (RRU-031; RRU-034; Att. GenConn-011). In the Criteria Decision, PURA stated that the depreciation expense for each project will be determined on a straight-line basis over 30 years for ratemaking purposes (LFE-

003). Criteria Decision at 30. Consistent with this ruling, and because the Company does not, and cannot, contemplate a service life absent the CfD, or 30 years, the Company has consistently aligned the useful life of assets with the remaining term of the CfD at the time such assets are placed into service (RRU-031; RRU-033). This methodology reflects the fundamental premise that the assets' service potential, for ratemaking and accounting purposes, is limited to the duration of the CfD (id.).

The Company's depreciation treatment has been consistently applied in the Company's books and records, and the revenue requirement approved by PURA has followed the accounting treatment reflected in those books (RRU-031; RRU-033). The Company notes that there have been limited instances in which certain assets were initially recorded in its accounting software using a full 30-year useful life rather than the remaining term of the CfD (id.). These instances were administrative in nature and did not reflect a change in underlying accounting policy (id.). Such items were subsequently corrected to reflect the appropriate remaining useful life consistent with the CfD term (id.). Accordingly, the Company's books and revenue requirement continue to reflect depreciation expense calculated over the remaining term of the CfD, consistent with GenConn's longstanding accounting practice and ratemaking treatment (id.). Further, consistent with the "matching principle" revenues should match expenses, and as such, utilizing the term of the CfD for depreciation aligns the Company's revenues with its expenses and should continue to be the approved methodology for depreciation (id.).

The Company must account for the facilities based on what it knows, which is that it will be able to operate and have cash flows for 30 years, accordingly, consistent with the above, all plant in service will be fully depreciated at the end of the CfD (RRU-015; Tr. 10/5/26, at 18). As noted in

Attachment GenConn-11,[10] the Company has consistently based the depreciation of its plant assets on the term of the CfD (id.). As disclosed in its financial statements, depreciation of property, plant, and equipment is calculated on a straight-line basis over a 30-year period, which reflects the original term of the CfD and the economic life of the facilities (id.).

Since its inception the Company has utilized a 30-year useful life from the time of commercial operation to align with the 30-year depreciation life and the requirement to provide a pro forma that considered the term of the CfD (RRU-015; RRU-032). This is logical and ensures that ratepayers receiving the benefits (or costs) of the CfD should bear those costs during the period the contract is in force (id.). Specifically, the Company explained its reasoning, stating:

> [w]hen we set our accounting lives, it's based on what's under the company's control. And since the company doesn't have control over the extension, nor do we have any reason to believe that the extension would be probable, we have to account for the facility based on what we know. And what we know is that we would be able to operate and have cash flows for 30 years.

(Tr. 10/5/26 at 18). The Company's witness further explained:

> We don't know that there will be an extension. So we have to match the expenses and the revenues and collect the facilities' life over the 30 years unless the option to renew is taken, in which case at that point in time, you would reconsider how many more years of operating cash flows you have and how that fits with the CfD and with the land leases, but contractually from day one until now, we only have a 30-year operating period for these facilities.

(id. at 18-19). Accordingly, the record evidence submitted in this case demonstrates that the Company's depreciation rates appropriately align with the term of the CfD, as they have since the inception of the facilities, and there is no depreciation study or analysis that reflects longer service lives (RRU-015; RRU-031; RRU-032; RRU-033; RRU-035; LFE-007; Tr. 10/5/26 at 18-19). No

[10] Attachment GenConn-11 satisfied the compliance requirement associated with Order No. 3 of the 2026 Decision and provides the Asset Listing and Depreciation Schedule for the Company. GenConn has consistently based the depreciation of its plant assets on the term of the CfD (RRU-031). As disclosed in its financial statements, depreciation of property, plant, and equipment is calculated on a straight-line basis over a 30-year period, which reflects the original term of the CfD and the economic life of the facilities (id.).

party submitted testimony proposing alternative service lives. Moreover, lengthening depreciation lives based on a speculative extension of the CfDs would defer recovery of plant costs beyond the only period during which GenConn has a contractual right to recover them, risking undepreciated plant balances at the end of the CfD term and departing from the matching principle (Tr. 10/5/26 at 18-19; RRU-015; RRU-031). The Company has appropriately calculated its depreciation rates, and PURA should approve them as filed.

2. Extension of the CfD is not Germane to the Current AFRR Filing.

At the evidentiary hearing, PURA expressed an interest in the Company's views regarding extension of the CfD (Tr. 10/5/26 at 11-23). To be clear, the instant proceeding is intended to establish the Company's fixed revenue requirements for 2027, which is approximately half-way through the 30-year term of the CfDs, however, to be responsive to PURA, the Company provided information in RRU-034 and LFE-003, as well as testimony during the evidentiary hearing. As indicated in LFE-003, the terms of the CfDs contemplate a sequence of events by which extension of the CfDs can occur, as well as the steps that will be taken subsequent to a finding by PURA that it will extend the CfDs:

1. The Buyer (i.e., The Connecticut Light and Power Company d/b/a Eversource Energy ("CL&P")) must "notify PURA in writing seven hundred and thirty days before the end of the thirty year term" of the CfDs that PURA "has three hundred and sixty five days to exercise the option" to extend the CfDs (Section 12.11(b));

2. At "any time three hundred and sixty five days before the end of the thirty-year term" of the CfDs, PURA can "notify the Supplier and Buyer in writing that [PURA] elects to extend" the CfDs for a "term not to exceed ten years, unless the Supplier" (i.e., GenConn) "consents to a longer term" (Section 12.11(a));[11]

3. If PURA extends the CfDs, the Company "must submit a new cost of service plan that includes, but is not limited to, any new capital investments" needed

[11] Although the CfDs do not specify a process for this extension, it is likely that PURA will institute a process by which it would evaluate the determination whether or not to extend the CfDs.

to maintain the plants for the extended term and "in compliance with the terms" of the CfDs, updated operating and maintenance costs and other changes (Section 12.11(d)).

4. PURA will issue a final decision on the updated cost of service plan establishing the first revenue requirement for the extended phase of the CfD in an annual rate case prior to the expiration of the initial CfD term (Section 12.11(d)).

(LFE-003; RRU-034 Atts. 1 and 2). The contract provisions establishing these steps, as a legal matter, indicate that PURA cannot make adjustments to the current revenue requirement assuming *the expectation* that extension will occur in the future because any future extension of the CfDs is completely speculative, unless and until the contract prerequisites are fulfilled (LFE-003).

With respect to options to extend the CfDs, Section 12.11(a) provides that PURA, DPUC's successor, can at any time three hundred and sixty five days before the end of the thirty-year term of the agreement, notify the Supplier (GenConn) and Buyer (CL&P) in writing that it elects to extend the Agreement for a term of 10 years unless the Supplier consents to a longer term (LFE-003; RRU-034 Atts. 1 and 2). If the term is extended, all terms and conditions of the CfD will apply to the extended term consistent with Section 12.11(c) (id.).

Section 12.11(d) of the CfDs provides that if the term of the CfD is extended, the Supplier must "submit a new cost-of-service plan that includes, but is not limited to, any new capital investment and increased operations and maintenance costs associated with keeping the facility in operation and in compliance with the terms" of the CfD during the extended term (LFE-003; RRU-034 Atts. 1 and 2). The "Supplier can also propose amendments to the CfD as part of such a cost-of-service plan" filing. PURA "must issue a decision on the new cost-of-service plan" in the "annual rate case prior to the expiration of the initial Term." (id.).

The Company anticipates that a new cost-of-service plan submitted consistent with Section 12.11 of the CfDs would incorporate updated O&M expenses, and necessary capital investments

to maintain the level of service provided for under the CfD, and would realign depreciation rates to the updated term of the CfD (LFE-003). As noted above, that new plan has not been developed nor is there any evidence in this case of what the updated plan would entail, and accordingly it would be wholly inappropriate to adjust the Company's 2027 revenue requirements filing on the basis of a future potential extension.[12] As indicated in LFE-003, the CfD does not specify a process for any extension, but it is likely that PURA will institute a process by which it would evaluate the determination whether or not to extend the CfDs (LFE-003, n.1).

With respect to a determination by PURA to extend the CfD, the Company posits that this may occur at the latest in the Company's 2040 and 2041 revenue requirements filings for Devon and Middletown, respectively, which would be filed in 2039 and 2040. That said, the Company understands from discussion at the evidentiary hearings that PURA is interested in assessing information earlier to inform future decisions on CfD extension. As noted in the Company's response to LFE-004, it would be more appropriate for GenConn to provide additional information and to have discussions with PURA regarding potential extension beginning in approximately five years, placing those discussions in the final one-third of the life of the CfDs. The Company looks forward to these ongoing discussions, and to providing PURA with additional information as necessary in future filings, however no aspects of the Company's 2027 revenue requirements filing should be modified or adjusted pending a future decision by PURA with respect to extension of the CfDs.

D. GenConn's Taxes and Property Taxes are Calculated Consistent with its Tax Agreements.

The Company's proposed revenue requirement for 2027 includes local property and payroll

[12] Similarly, the Company currently accrues an Asset Retirement Obligation ("ARO") to account for the costs necessary to remove its facilities at the end of the 30-year term of the CfDs. While the ARO valuation could be updated if required by PURA (LFE-004), it should not be materially adjusted at this time (LFE-004; LFE-003).

taxes, together with federal and state income taxes at the applicable statutory rates with respect to the project owners (Att. GenConn-01, at 52). This is consistent with GenConn's initial proposal, as well as PURA's determination of the Company's 2010-2026 revenue requirements (id.). As the Company stated in Attachment GenConn-01, GenConn did not include forecasted amounts for sales and use taxes in the 2027 revenue requirements, however, the Company included the actual amount incurred in 2025 as a true up item in the 2027 revenue requirements proceeding (id., at 53).

The Company will use the actual sales and use taxes paid in the test year as a regulatory asset in the subsequent year's revenue requirement filing (Att. GenConn-01, at 54, 56). The Company provided information on actual Sales and Use tax paid in 2025 that was included as a regulatory asset in the instant proceeding of $69,262.22 (id., at 53 fn.22; LFE-001 Att.1). The Company's 2026 Sales and Use tax amounts will not be known until December 31, 2026, and therefore will be included as a true-up item in the Company's revenue requirement filing submitted in 2027 for effect in 2028 (Att. GenConn-01, at 53 fn.22; RRU-013). This proposal is consistent with Docket No. 25-06-02, in which PURA acknowledged the need to true up Sales Tax as a regulatory asset.[13]

The pro forma financial statements in Attachment GenConn-02 at the Tabs entitled Exhibits 2 and 3, the Fixed operating cost detail in Exhibit 7 for both GenConn Devon and GenConn Middletown, and various SFR schedules reflect all other known taxes included for purposes of the revenue requirements (see Att. GenConn-01, at 53; LFE-001 GenConn Attachment 1). This

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[13] In the 2026 Decision, PURA stated:

> [t]he Authority determined that peaking facilities are allowed to recover taxes, which the Authority reviews separately from other Fixed Expenses. Criteria Decision, p.30. Sales taxes are allowed on a historical basis; therefore, **a true-up computation is necessary**. 2013 AFRR Decision, p. 6.

2026 Decision, at 11 (emphasis added). PURA went on to state "The Company has included a sales tax true-up amount of $32,748 ($18,938 for Devon and $13,810 for Middletown) **as a True Up Amount requested in its 2026 Revenue Requirement**…." Id. at 18-19 (emphasis added). It concluded "The Authority permits GenConn to recover these true up amounts. True ups are necessary due to timing of filing the revenue requirement as compared to the Company's recording the actual expenses." Id. at 18.

includes tax payments made and required under the Devon and Middletown Tax Stabilization Agreements (Att. GenConn-01, at 53).[14]

Actual costs incurred in 2025, compared to amounts approved in 2025 revenue requirements, resulted in a net regulatory liability of $2,078,962 for GenConn Devon and GenConn Middletown (id. at 55; LFE-001 Att. 1). A significant component of this regulatory liability is associated with a reduction in transmission costs driven by the Federal Energy Regulatory Commission's ("FERC") December 19, 2024, Order in Docket No. EL23-16-000, in which FERC made determinations on the billing of O&M and property tax related costs on Network Upgrades, Stand Alone Network and Distribution Upgrades to Interconnection Customers that resulted in billing credits for Transmission Charges and Property Taxes (GIS) (Att. GenConn-01, at 55-56; RRU-004; RRU-028). The FERC Order issued in Docket No. EL23-16-000 resulted in a significant reduction in the GIS property tax expense charged to GenConn, which will be appropriately reflected in the Company's 2028 revenue requirement, which will be based on 2026 actuals (RRU-030). The Company's approach to incorporate this tax expense reduction in its 2028 revenue requirements filing is consistent with PURA's process to utilize test year actual amounts to develop its annual revenue requirement filings (Tr. 10/5/26, at 99-100). See Docket No. 25-06-02, at 18 (identifying property tax true up as a cost-subject to true up based on approved and actual expenses).

Accordingly, the record evidence in this case demonstrates that the Company has appropriately calculated its taxes and property taxes, which should be approved without modification. Notably, the Company's true-up approach ensures that customers will receive the full benefit of the reduction in GIS property tax expense resulting from the FERC Order (RRU-030).

[14] The Company entered into long-term tax agreements with Middletown and Devon that provide for fixed payments over the 30-year term of the CfDs (RRU-005).

E. Miscellaneous Items

1. PURA Should Continue the SCR Catalyst Reserve

Replacing the SCR catalyst for a GE LM6000 SPRINT engine is a complex and highly specialized process that requires significant planning and technical expertise. The procedure is not a simple component swap but a major maintenance event involving extensive logistical, procedural, and environmental considerations. The SCR catalyst liability is a book account and month-end balances are maintained in the Company's accounting records (RSR-020). For purposes of the thirteen-month average calculation, monthly balances were developed by interpolating between annual balances (id.). Interpolation is appropriate because it provides a reasonable estimate of the monthly balances over the forecast period and is consistent with the preparation of the annual forecast (id.). The SCR 2026 and 2027 forecasts are based on 438 hours of generation calculated at the SCR Catalyst Replacement portion of VOMh Rate (id.).

The SCR catalyst represents a major component of the facilities. In response to Order No. 5 from Docket No. 25-06-02, the Company provided Attachment GenConn-12 CONFIDENTIAL, which included updated cost estimates for replacements for all unit SCR catalysts based on updated vendor quotes, a detailed analysis of accrual values, and the Company's recommendation for potential changes (Att. GenConn-12 CONFIDENTIAL at 2). GenConn sought quotes from multiple vendors, but received just one response and utilized its professional experience to develop a more fulsome range of possible costs for replacement (id.). Based on information received and provided, the Company determined that the replacement cost, per unit, ranged from $935,000 – $1,815,000 (id.). As each of GenConn Devon plant and GenConn Middletown plant have four units, this quote and range translates to a total cost of approximately $4-$8 million for *each* of the GenConn Plants (id.).

The current reserve/liability balance, as of April 30, 2026, is a total of $3,940,412

($2,229,775 GenConn Devon + $1,710,637 GenConn Middletown). Even at the low end of the estimated range outlined in Attachment GenConn-12 CONFIDENTIAL, replacing the catalysts for all eight units at both plants would cost approximately $7.5 million – nearly twice the current combined reserve balance – and at the high end, approximately $14.5 million (Att. GenConn-12 CONFIDENTIAL at 2). If GenConn were to operate at a 5 percent capacity factor in 2026 that would equate to an additional accrual of approximately $550,000 (id.). This suggests that the SCR Catalyst replacement reserve may not perfectly reflect the ultimate costs of SCR replacement, but the current trajectory of accruals is likely to be reasonable if not conservative based on what is known and knowable today (id.).

Accordingly, the Company does not recommend an adjustment to the SCR Catalyst accrual process currently in effect (Att. GenConn-12 CONFIDENTIAL at 2). The Company would seek to true up costs to the extent actual costs differ at that time (id.). The Company intends to continue to develop the plan over the coming years (id.).

Based on the information provided by the Company, the SCR Catalyst reserve should continue. The Company's approach provides for a continued accrual of the SCR Catalyst reserve while this additional information is prepared, and should be approved. PURA should continue to approve this methodology for SCR catalyst reserve, because continued accruals are the prudent means of preparing for the foreseeable and necessary replacement of the SCR catalysts, and they avoid concentrating a multi-million-dollar replacement cost in a single, future, rate year.

2. PURA Should Confirm Pre-Approval of Future Capital Projects

The Company is seeking pre-approval of future capital projects following PURA's guidance as provided in the 2026 Decision:

a. Proposed Major Capital Additions

> For "major capital additions," the Company must submit project estimates and obtain the advance approval of the Authority during an AFRR proceeding. Criteria Decision, p. 29. The term "major capital additions" is not defined in the Criteria Decision; however, the Authority stated that major capital additions "will be subject to the same considerations as described for the initial capital expenditures." Id. Consequently, "major capital additions" were considered to be similar in nature to the "initial capital investments" for peaking plants (i.e., multi-year investments requiring significant capital outlays on the order and duration of the initial capital investment). The investments must reflect "prudent and efficient management" of the facility and "provide appropriate protection to the relevant public interests." General Statutes § 16-19(a). …….".
>
> "Major capital additions arising from unforeseen new legal requirements, market rule changes, or force majeure will be allowable, if prudently incurred." Criteria Decision, p. 29. This language, particularly the "force majeure" language, appears to address the Company's concern by affirming that prudently incurred costs for major capital additions are recoverable. In light of this language, there is nothing in the Criteria Decision or elsewhere that would indicate that prudently incurred capital costs could be denied on the basis that the Company was unable to obtain pre-approval from the Authority. Projects that will be completed and in-service within one year and do not require substantial capital outlays on the order of the initial capital investment will generally not be considered major capital additions. Projects that are not major capital additions do not require preapproval from the Authority prior to being implemented by GenConn. Upon completion of non-major capital projects, the Company is, in accordance with established cost-of-service principles, entitled to seek recovery of prudently incurred costs in the next annual proceeding.

2026 Decision, at 5-6.

Following this guidance, the Company provided details for Capital Items #3 – Woodward Control Server (WCS) Upgrade (2027 – 2028); #4 – Mark VIe Controls; #5 –Main Turbine Terminal Box ("MTTB") HVAC Unit Replacement; and #6 – Turbine Fuel Nozzles (Att. GenConn-01, at 35-44). The Company explained that the intent of this request is to "inform [PURA] that these are items that [GenConn is] looking to engage in in the future years." (Tr. 10/5/26 at 174). Historically, the Company provided PURA with its future capital plans, and would seek pre-approval to undertake those projects (id.). The Company intended to engage in dialogue with PURA regarding those projects, but has not included any costs in the revenue requirement

associated with them (id.). While the Company is cognizant of the need to support the costs of these projects in future proceedings, the intent of this request was to identify future needs, and to garner regulatory support to undertake these major capital additions (id. at 176; OCC-009; OCC-10; OCC-11; OCC-12; OCC-13; OCC-14; RSR-011; RSR-012; RSR-013; RSR-014). Because no costs associated with these projects are included in the 2027 revenue requirement, confirming pre-approval has no rate impact in this proceeding, while providing the regulatory clarity that the Criteria Decision contemplates before GenConn commits to major capital additions (Tr. 10/5/26 at 174-76). Criteria Decision at 29.

3. PURA Should Confirm GenConn's Participation in the ISO-NE Markets in Rate Year 2027 and 2028 for both GenConn Devon and GenConn Middletown Consistent with the 2026 Decision.

Lastly, the Company's initial filing confirmed that all GenConn Energy (Consolidated) units participate in the ISO-NE markets consistent with PURA's Order No. 1 in the 2026 Decision (Att. GenConn-01, at 57). GenConn's Devon and Middletown units have been called to operate by ISO-NE as needed to provide critical peaking generation and system reliability, particularly when demand for electricity is high (id.). In addition to providing critical flexibility on peak, GenConn's operations have saved Connecticut customers tens of millions of dollars annually compared to the alternative of procuring capacity and energy from the regional market (id. at 8). GenConn will continue to operate in the ISO-NE markets as ordered in the 2026 Decision and into the foreseeable future, consistent with the term of the CfD (id. at 58; RWA-001 Att. 1; RWA-006).

As provided in GenConn's Market Participation Plan filed on January 28, 2026 in Docket No. 25-06-02, there are market rule changes forthcoming in ISO-NE (Att. GenConn-01, at 57). GenConn already has a capacity supply obligation in the FCM until ISO-NE completes a project to design and implement a capacity market that will operate on a "prompt" timeline, replacing the

current "forward" capacity market (id. at 57-58). At the same time, ISO-NE plans to re-define the capacity product such that the market will procure capacity for the summer and winter seasons separately, rather than the single annual product procured today (id. at 58). ISO-NE has proposed to FERC that the Forward Capacity Auction for the 2028/2029 Capacity Commitment Period (FCA19) be deferred until February of 2028, and that ISO-NE and its stakeholders use the intervening years to complete a market re-design to achieve this new structure (id.).

The Company respectfully requests that PURA confirm GenConn's participation in the ISO-NE markets in rate years 2027 and 2028[15] for both GenConn Devon and GenConn Middletown, consistent with the 2026 Decision. GenConn continues to participate in all ISO-NE markets for which it is eligible to maximize benefits to Connecticut electricity customers (RWA-007).

The Company also included a request to eliminate the annual order to submit a market participation plan, and the quarterly reporting requirements associated with the 2013 Audit Rule Decision (Att. GenConn-01, at 58-59). With respect to the market participation plan, the Company noted that ISO-NE markets have changed such that the Company's standard participation strategy will remain the same for the foreseeable future (id.; Tr. 10/5/26 at 104-06). At the Evidentiary Hearing, the Company indicated that including a market participation plan as an appendix to its initial application, with changes from the previous year's filing redlined, was acceptable to address the Company's concerns (see Tr. 10/5/26, at 106). Accordingly, if PURA does not agree to eliminate the requirement, the Company recommends that PURA amend the requirement such that any plan is filed with its annual filing. With respect to the quarterly reporting, the Company noted that the LFRM market no longer exists, and has transitioned to the DASI market as of March 1, 2025 and

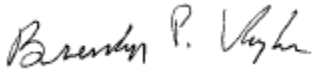
[15] The FCM obligations cover multiple years, therefore GenConn's 2027 AFRR covers the FCM period from January 1, 2027 through May 31, 2027 (for commitment period 2026-2027) and June 1, 2027 through December 31, 2027 (for commitment period 2027-2028).

therefore the quarterly reporting is no longer necessary (Att. GenConn-01, at 58-59).

VI. CONCLUSION

For all of the reasons set forth above, as supported by the Company's initial filing, responses to interrogatories and other record evidence, GenConn respectfully requests that PURA establish revenue requirements of $40,928,261 for GenConn (Consolidated) for the period commencing January 1, 2027, through December 31, 2027, and restore the use of the Company's actual capital structure of 50 percent debt and 50 percent equity. Lastly, the Company respectfully requests that PURA confirm GenConn's participation in the ISO-NE markets for rate year 2027 and 2028 for both GenConn Devon and GenConn Middletown. The Company further requests that PURA continue the SCR Catalyst Reserve, acknowledge and support the Company's proposed capital projects as outlined in Section V.E.2, eliminate the annual market participation plan requirement (or, alternatively, require that any such plan be filed as part of the Company's annual application), and eliminate the quarterly reporting requirement that is no longer necessary following the transition from the LFRM market to the DASI market.

RESPECTFULLY SUBMITTED,
GENCONN ENERGY LLC

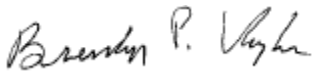


Brendan P. Vaughan
Keegan Werlin LLP
1 Liberty Square, Third Floor
New Britain, CT
(617) 951-1400
bvaughan@keeganwerlin.com

Its Attorney

CERTIFICATION

I hereby certify that on November 2, 2026, a copy of the foregoing was sent to the Public Utilities Regulatory Authority, the Office of Consumer Counsel, and to the official service list in this proceeding in compliance with Conn. Regs. §16-1-15, as amended.



Brendan P. Vaughan