STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

DOCKET NO. 26-09-03 APPLICATION OF THE CONNECTICUT LIGHT AND POWER COMPANY D/B/A EVERSOURCE ENERGY TO ISSUE LONG-TERM DEBT

November 4, 2026

By the following Commissioners:

Thomas H. Wiehl
David Arconti, Jr.
Janice A. Beecher
Holly H. Cheeseman
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DECISION

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DECISION

I. INTRODUCTION

A. SUMMARY

The Public Utilities Regulatory Authority (Authority or PURA) approves the request of The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource or Company) to issue long-term debt in the form of First Mortgage Bonds or unsecured notes, in one or more series, with a maturity from one to 30 years, in an aggregate amount not to exceed $1.15 billion through December 31, 2027. This approval is not a determination of prudence, and Eversource may pursue recovery of financing costs in a future rate proceeding.

B. CONDUCT OF THE PROCEEDING

On September 1, 2026, the Company submitted an application (Application), pursuant to General Statutes § 16-43(b) and Conn. Agencies Regs. §§ 16-1-46 and 16-43-1 *et seq.*, requesting Authority approval to issue bonds.[1] The Authority opened this uncontested proceeding to review the Application. Notice of Proceeding, Sept. 24, 2026.

On September 18, 2026, and subject to the provisions of General Statutes § 16-43(b), the Authority issued correspondence requesting an extension of time until November 23, 2026. PURA Corresp., Sept. 18, 2026. The Company agreed to accommodate a partial extension, no later than November 11, 2026. Eversource Corresp., Sept. 22, 2026, p. 2. On September 25, 2026, the Authority issued interrogatories to the Company.

C. PARTICIPANTS

The Authority recognized the following as participants to this proceeding: The Connecticut Light and Power Company d/b/a Eversource Energy, 107 Selden Street, Berlin, CT 06037; the Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; and the Commissioner of the Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106.

The Authority granted Participant status to the Connecticut Industrial Energy Consumers (CIEC). Motion Ruling No. 1, Oct. 15, 2026.

[1] The 60-day statutory deadline would therefore have been October 31, 2026, however, Eversource originally requested an approval date of November 2, 2026 in its application.

II. LEGAL STANDARD

Public service companies must obtain Authority approval to issue certain types of debt. General Statutes § 16-43(b). The Authority examines the financial impact of the proposed financing for consistency with the principles articulated in General Statutes § 16-19e. Specifically, the Authority reviews: (1) the transaction fees; (2) the terms and conditions; (3) the coupon rate and effective yield; and (4) the overall financial impact on the Company. However, this approval is not a determination of prudence. The propriety and prudence of assuming the long-term debt, related financing costs, terms and conditions, and the resultant capital structure will be reviewed in the Company's subsequent rate case.

III. AUTHORITY ANALYSIS

A. PROPOSED FINANCING

The Company requests approval for the issuance of First Mortgage Bonds or unsecured notes in one or more series, with a maturity ranging from one to 30 years, in the principal amount of up to $1.15 billion of long-term debt (Financing Transaction). Application, Att. A, p. 5. The exact amount, maturity, financing structure, terms and conditions, redemption provisions, and coupon rate will be determined at the time of issuance and will depend on prevailing market conditions. Id., p. 5. The Company seeks flexibility such that the debt may have fixed or floating rates and be secured First Mortgage Bonds or unsecured notes with terms to maturity from one to 30 years. Id., p. 6. The proposed Financing Transaction will be issued at various times, but not later than December 31, 2027 (Financing Period). Id., p. 4.

B. PURPOSE OF THE BORROWING

The Company's proposed use of the debt is consistent with General Statutes § 16-43(b).

The Company asserts that the principal amount of up to $1.15 billion is necessary to fund the Company's capital investments and permissible business needs during the Financing Period. Specifically, the proceeds of the issuance of long-term debt will be used to: (1) finance the Company's capital expenditures in the amount of $2 billion, and (2) pay at maturity the Company's $500 million First and Refunding Mortgage 3.20% Bonds, 2017 Series A, due March 15, 2027. Application, Att. A., pp. 7–8. The Company expects to finance a portion of these expenditures with approximately $1.0 billion of net cash flow from operations over the Financing Period. Id. The remaining amount will be financed with the proposed $1.15 billion new long-term debt and $350 million short-term debt. Id. The Company's intent is to issue the proposed debt as a supplement to its existing First Mortgage Bonds with consistent terms and conditions. Interrog. Resp. RRU-2, p. 1. The Company currently projects that during the Authorization Period it will access the capital markets for $450 million in 2026 and $750 million in 2027. Application, Att. A, p. 7; Interrog. Resps. RRU-1, RRU-2, and RRU-3. Table 1, below, summarizes the forecasted sources and uses of cash during the 2026–2027 period.

Table 1: Anticipated Sources and Uses

2026–2027 Anticipated Sources of Cash from Financing	**Amount ($ millions)**
Net Cash Flow	1,000
Long-Term Debt Issuance	1,150
Net Increase in Short-term Debt	350
Total Sources	**2,500**
2026-2027 Anticipated Uses of Cash from Financing	
Capital Expenditures	2,000
Long-term Debt Maturity	500
Total Uses	**2,500**

Application, Att. A, p. 8; Interrog. Resps. RRU-2 and RRU-3.

Consequently, the Company requires $1.15 billion of long-term debt to meet its funding requirements.

C. FINANCIAL IMPACT

The Company proposes a series of future bond issuances, rather than seeking approval of a specific debt or bond issuance. Therefore, the actual amount, maturity, terms and conditions, transaction fees, and coupon rate are currently unknown and will be subject to prevailing market conditions at the time of issuance. Application, Att. A, p. 5. Consequently, the Authority's review under General Statutes § 16-43(b) is limited to the general proposal of the Financing Transaction as presented by the Company.

1. Transaction Fees

The estimated fees for the Financing Transaction appear to be reasonable. The fees should be customary and in line with fees for similar transactions of similar principal amounts.

The estimated fees associated with issuing the $1.15 billion of long-term debt in two series are shown in Table 2, below. Assumptions for Table 2 include: (1) the underwriting fees are based on an anticipated 0.65% commission on $1.15 billion of long-term debt with a 10-year maturity; (2) the miscellaneous expenses include fees for Securities and Exchange Commission registration, printing, external auditor, and trustee expenses; and (3) the estimated total fees are based on the issuance of two series, but may increase or decrease based on the actual number of series issued, the maturity of each series, and market conditions at the time of the issuances. Application, Att. A, p. 12.

Table 2: Financing Fees

Description	Amount ($)
Underwriting Fee	7,475,000
Rating Agency Fees	2,673,000
Legal Fee and Expenses	284,000
Miscellaneous Fees	439,815
Estimated Total Fees	**10,872,565**

Application, Att. A, p. 12.

The Company plans to sell the debt through a public placement using an underwriting agent. Application, Att. A, pp. 12, 17; Interrog. Resp. RRU-6. Although an underwriting agent has yet to be selected, the Company intends to select an underwriter that will issue the debt at the lowest possible rate. Id. The underwriting fee is expected to be $7.475 million for two transactions. As stated above, the underwriting fee is based on a 0.65% commission on $1.15 billion long-term debt with a 10-year maturity. With estimated all-in placement total of $10,872,565, this would equate to all-in placement fee of 0.94544% (i.e., $10.873 million ÷ $1.15 billion). Application, Att. A, p. 12.

The Company states that its ability to obtain favorable financing terms will be principally driven by securing least cost financing for the respective tenor chosen.[2] Interrog. Resp. RRU-2, p. 1. The factors that will aid the Company in obtaining the least cost are: (1) the "measure of competition in the Company's solicitation of various investment bankers with broad experience in the debt markets and access to a wide range of potential investors" and (2) "the marketing process for the bonds [the Company's] investment bankers will use" to help identify "the yield that prospective investors are willing to bid." Id. The Company states that its marketing process "results in an actual yield on the debt issuance that is the lowest yield that clears the market for the amount of debt and tenors that the Company is issuing." Interrog. Resp. RRU-2, p. 2; Interrog. Resp. RRU-6.

The Authority's review has not identified any abnormal transaction fees or expenses as estimated by the Company. However, the Authority will order the Company to provide its final fees and transactional expenses for each completed issuance of the Financing Transaction.

[2] The term "tenor" means the length of time until a loan is due.

2. Terms and Conditions

The terms and conditions for the Proposed Financing should be reasonable and customary for such a transaction. The Authority's review of the Proposed Financing did not identify any unreasonable terms and conditions and the preapproved issuance parameters proposed were in-line with similar financing transactions made by other Connecticut utilities. The Authority will order the Company to provide the final terms and conditions for each completed issuance of the Financing Transaction and to identify any unique or unusual terms or conditions.

3. Coupon Rate

The Company indicates that the coupon rate will be consistent with market rates for an instrument of similar maturity and credit rating. Application, Att. A, p. 6. Moreover, the coupon rate would not exceed 300 basis points (3.00%) above the applicable fixed rate benchmark yield (i.e., applicable Treasury Bond) or a floating rate benchmark (e.g., Secured Overnight Financing Rate or other similar variable rate index). Application, Att. A, pp. 6–7; Interrog. Resp. RRU-9.

Interest rates have increased since the Company's initial review and preparation of the Application. Interrog. Resp. RRU-12, p. 2. Using the 10-year maturity, the tables below that the estimated coupon rate increased from 5.15% to 5.98% and the all-in effective yield increased from 5.27% to 6.11%; while the effective all-in yield spread over US Treasuries (UST) increased six basis points (bps) from 0.87% to 0.93% (i.e.,0.06%) reflecting the upward move in US debt market. Id. Table 3, below, summarizes the effective yield details across various long-term treasuries provided by the Company as of September 25, 2026:

Table 3: Effective Yield

Description	**5-Year**	**10-Year**	**30-Year**
Treasury Yields	5.03%	5.18%	5.48%
Estimated Spread over Treasuries	0.60%	0.80%	0.90%
Call Option-Redemption Provisions	0%	0%	0%
Coupon	5.63%	5.98%	6.38%
Fees-Legal Expenses	$284,000	$284,000	$284,000
Fees-Underwriting Placement	$6,900,000	$7,475,000	$10,062,500
Fees-Ratings Agency	$2,673,750	$2,673,750	$2,673,750
Fees-Miscellaneous	$439,815	$439,815	$439,815
Total Fees	**$10,297,565**	**$10,872,565**	**$13,460,065**
Effective Yield (after issuance costs)	5.84%	6.11%	6.47%
Effective All-In Spread over Treasuries (Effective Yield minus Treasury Yields)	0.81%	0.93%	0.99%

Interrog. Resp. RRU-12, p. 2.

The Authority did not identify unreasonable fees in estimating the Effective All-in Spread over Treasuries. Consequently, the Authority finds that the anticipated coupon rate not to exceed 300 basis points above the relevant fixed rate Treasury Bond yield to be generally consistent with good financing practices.

4. Capital Structure and WACC

The Financing Transaction is expected to increase the Company's proportion of long-term debt from 44.35% to 45.25% and increase the Company's weighted average cost of capital (WACC) from 7.04% to 7.20%.[3] Application, Att. A, p. 16; Interrog. Resp. RRU-8. Table 4 and Table 5 below show the expected capital structure of the Company before and after the Financing Transaction.

Table 4: Before Financing Transaction

Class of Capital: Valued at Date: March 31, 2026	Amount ($ 000)	Percent of Total	Cost	Weighted Cost
Short-term Debt	-	-	-	-
Preferred Stock	117,020	0.97%	4,75%	0.05%
Long-term Debt	5,346,776	44.35%	4.36%	1.93%
Common Equity	6,592,176	54.68%	9.25%	5.06%
Total Capitalization	12,055,972	100.00%	-	7.04%

Application, Att. A, p. 16.

Table 5: After Financing Transaction

Class of Capital: Valued at Date: Approximately March 15, 2027	Amount ($ 000)	Percent of Total	Cost	Weighted Cost
Short-term Debt	-	-	-	-
Preferred Stock	117,020	0.88%	4.75%	0.04%
Long-term Debt	5,985,903	45.25%	4.81%	2.18%
Common Equity	7,125,000	53.86%	9.25%	4.98%
Total Capitalization	13,227,923	100.00%		7.20%

Application, Att. A, p. 16; Application, Att. O; Interrog. Resp. RRU-8.[4]

[3] The WACC provided by the Company may change as a result of the increase to interest rates that have recently taken place as described in Section III.C.3, above.

[4] The estimated cost of long-term debt 4.81%, embedded cost of long-term debt 2.18% and weighted average cost of capital 7.20% reflect increased interest rates since the Application's filing. Interrog. Resp. RRU-12.

5. Financial Flexibility

The Financing Transaction is not anticipated to have a detrimental impact on the Company's financial flexibility as measured by its solvency ratios and credit rating. The Company is currently rated A- by S&P Global Ratings, Baa1 by Moody's Ratings and A- by Fitch Ratings. Application, Att. A, p. 13. The Company provided pro forma financial statements incorporating the effects of the proposed transaction, including a selection of its financial ratios as shown in the table below.

Table 6: Financial Ratios

Description	Before Issuance Actual 12/31/2025	After Issuance Proforma 12/31/2025:	After Issuance: Forecasted 12/31/2027
Pre-tax interest coverage	4.39x	3.63x	4.78x
Post-tax interest coverage	4.39x	3.67x	4.92x
Net cash flow/total debt	33.95%	30.17%	16.78%
Net Cash flow interest coverage	8.19x	6.77x	4.44x
Times interest earned	4.39x	3.63x	4.78x
Total Debt/equity (inc. goodwill)	0.77	0.84	0.86
Total Debt/equity (exc. goodwill)	0.77	0.84	0.86
Total Debt/equity	0.77	0.84	0.86
Long-term debt / total capital (exc. goodwill)	42.9%	45.2%	46.3%
Total fixed charge coverage	4.10x	3.44x	4.53x
Total debt service coverage	375.1%	315.0%	139.9%
Cash flow/total debt	33.95%	30.17%	16.78%

Application, Att. A, p 15.

In addition to the solvency ratios, the Authority examined the actual credit metrics that Moody's Investor Services and S&P review in the Company's testimony and the quantitative portions of the credit valuation analysis. Application, Att. A, p. 14; Application, Att. N, pp. 2 and 21. These metrics are depicted in the table below, valued at December 31, 2025 and projected as of December 31, 2027.

Table 7: Pre and Post Issuance Rating Agency Ratios and Benchmarks

Description	Rating Agency	Before Issuance Actual as of 12/31/2025	After Issuance Projected 12/31/2027	Rating Agency Benchmark Range
Funds From Operation(FFO)/Debt	S&P	31%	22%	13%-23% = A
Debt/EBITDA	S&P	2.6x	3.6x	3.5-4.5x = A
CFO pre-WC /Debt	Moody's	30%	19%	11%-19% = Baa
CFO pre-WC – Dividends/Debt	Moody's	22%	13%	7%-15% = Baa
CFO pre-WC + Interest/ Interest	Moody's	7.8x	5.7x	3.0x-4.5x = Baa
Debt/Capitalization	Moody's	37%	40%	50%-59% = Baa

Application, Att. A, p. 14.

The Company expects its credit rating to remain the same after the proposed issuance of long-term debt. Application, Att. A, p. 13. The Company does not expect its financial flexibility to be hindered as post-issuance solvency ratios remain within electric industry norms.[5] Interrog. Resp. RRU-4.

The December 31, 2025 actual and December 31, 2027 projected financial credit rating financial matrix indicates a modest increase to the Company's pre-tax and post-tax interest coverage ratios. The net cashflow to interest coverage ratio notably decreases as a result of the Company taking on debt from the transaction. Debt-to-equity ratios slightly increase as a result of the Financing Transaction, however, the increase is more modest when analyzed against the forecasted capital structure after the financing transaction shown on Table 5 above.

In summary, the Financing Transaction is not anticipated to have a detrimental impact on the Company's financial flexibility because the solvency ratios remain within industry parameters and the rating agency metrics remain within the relevant rating agency benchmarks for the Company's current credit rating.

[5] The increases in UST are not expected to have a material effect on the Company's financial ratios and credit rating agency ratios in Table 6 and Table 7. Interrog. Resp. RRU-8 and RRU-12.

IV. CONCLUSION AND ORDERS

A. CONCLUSION

The Authority approves the Financing Transaction to issue First Mortgage Bonds or unsecured notes in an aggregate amount not to exceed $1.15 billion through December 31, 2027. This is not a determination of prudence, and the Authority will review the reasonableness and prudence of each transaction when the Company seeks cost recovery.

B. ORDERS

For orders requiring a filing, the Company shall file an electronic version through the Authority's website at www.ct.gov/pura. Submissions filed in compliance with the Authority's orders must be identified by: Docket Number, Title, and Order Number. Compliance with orders shall commence and continue as indicated in each specific order or until the Company requests and the Authority approves that the Company's compliance is no longer required after a certain date. Unless otherwise provided or determined by the Authority, filings submitted in compliance with an order shall constitute satisfaction of the order. Filings requiring Authority approval must be filed as a motion.

1. No later than 30 days after any issuance of Mortgage Bonds or unsecured notes, the Company shall submit to the Authority, as a compliance filing, the following:
    a. actual journal entries, according to the Uniform System of Accounts, including an explanation for each entry.
    b. an itemized schedule and description of all actual expenses.
    c. a spreadsheet depicting the U.S Treasury yields, the actual coupon rate, the all-in cost, the effective yield (after issuance costs) and the effective all-in spread over treasuries.
    d. a spreadsheet showing the Company's WACC before and after issuance of the Mortgage Bonds.
    e. Copies of the Underwriting Agreement (Attachment E) and Supplemental Indentures (Attachment H) once executed.

DOCKET NO. 26-09-03 APPLICATION OF THE CONNECTICUT LIGHT AND POWER COMPANY D/B/A EVERSOURCE ENERGY TO ISSUE LONG-TERM DEBT

This decision is adopted by the following commissioners:



Thomas H. Wiehl



David Arconti, Jr.



Janice A. Beecher



Holly H. Cheeseman



Everett Smith, III

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority

November 4, 2026
Date