STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

DOCKET NO. 26-09-xx

APPLICATION OF THE CONNECTICUT LIGHT AND POWER COMPANY

dba EVERSOURCE ENERGY

FOR APPROVAL OF THE

ISSUANCE OF LONG-TERM DEBT

TESTIMONY OF

MATTHEW FALLON,

JAMES VANCHO

AND

MICHAEL DZIALO

ON BEHALF OF

THE CONNECTICUT LIGHT AND POWER COMPANY

dba EVERSOURCE ENERGY

September 1, 2026

I. INTRODUCTION

Q. Please state your name and business address.

A. [Witness Fallon] My name is Matthew Fallon. My business address is 107 Selden Street, Berlin, Connecticut.

[Witness Vancho] My name is James Vancho. My business address is 107 Selden Street, Berlin, Connecticut.

[Witness Dzialo] My name is Michael Dzialo. My business address is 107 Selden Street, Berlin, Connecticut.

Q. By whom are you employed and in what capacity?

A. [Witness Fallon] I am the Assistant Treasurer, Corporate Finance and Cash Management for Eversource Energy Service Company ("EES"), which is an affiliated service company of Eversource Energy and its subsidiaries, including The Connecticut Light and Power Company dba Eversource Energy ("CL&P" or the "Company"). I hold the same position for CL&P.

[Witness Vancho] I am the Director, Corporate Finance and Credit for EES.

[Witness Dzialo] I am a Principal Analyst in the Corporate Finance and Cash Management group for EES.

Q. Please summarize your educational backgrounds.

A. [Witness Fallon] In 2002, I earned a Master of Science Degree in Finance from Boston College. In 1997, I earned a Bachelor of Science Degree in Finance from Fairfield University. Additionally, I achieved my CFA charter holder designation in 2002.

[Witness Vancho] In 2001, I earned a Master of Business Administration degree with concentrations in Finance and Corporate Accounting from the University of Rochester's Simon School of Business. In 1992, I earned a Bachelor of Science degree in Business Administration from Sacred Heart University.

[Witness Dzialo] In 2007, I earned a Master of Science Degree in Finance from Bentley University. In 2006, I earned a Bachelor of Science Degree in Finance from Bentley University.

Q. What are your responsibilities with respect to CL&P?

A. [Witness Fallon] My primary responsibilities include cash management, development and implementation of long-term financing plans, capital structure and credit.

[Witness Vancho] My primary responsibilities include supporting the development and implementation of long-term financing plans.

[Witness Dzialo] My primary responsibilities include supporting the development and implementation of long-term financing plans.

Q. Have you previously testified in a utility regulatory proceeding?

A. [Witness Fallon] Yes. I have previously testified on financing related matters before the Public Utilities Regulatory Authority ("PURA") in Docket No. 25-12-13 (Application of The Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm Costs), before the New Hampshire Public Utilities Commission in Docket DE 26-012 (Petition for approval of financing), and before the Massachusetts Department of Public Utilities in D.P.U. 26-101 (Petition for approval of financing).

[Witness Vancho] Yes. I have previously testified on financing related matters before the New Hampshire Public Utilities Commission in Docket DE 11-250 (Investigation of Scrubber Costs and Cost Recovery), before the New Hampshire Site Evaluation Committee in Docket SEC 2015-05 (Application for a Certificate of Site and Facility for the Merrimack Valley Reliability Project), and before the Massachusetts Department of Public Utilities in D.P.U. 26-101 (Petition for approval of financing).

[Witness Dzialo] Yes. I have testified in 14 previous financing-related regulatory proceedings including before PURA in Docket No. 24-05-21 (Application of The Connecticut Light and Power Company dba Eversource Energy for approval of the issuance of long-term debt); Docket No. 22-08-33 (Application of The Connecticut Light and Power Company dba Eversource Energy for approval of the issuance of long-term debt); Docket No. 21-03-25 (Application of The Connecticut Light and Power Company dba Eversource Energy for approval of the issuance of long-term debt) and Docket No. 19-05-45 (Application of The Connecticut Light and Power Company dba Eversource Energy for approval of the issuance of long-term debt).

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of our testimony is to explain CL&P's request to issue long-term debt securities in an aggregate principal amount not to exceed $1.15 billion (the "Long-term Debt") during a period from the date of PURA's decision in this docket through December 31, 2027 (the "Authorization Period").

III. DESCRIPTION OF LONG-TERM DEBT

Q. Would you please briefly summarize CL&P's financing proposal?

During the Authorization Period, CL&P proposes to issue and sell up to $1.15 billion in aggregate principal amount of Long-term Debt in the form of first mortgage bonds or unsecured notes, in one or more series, with a maturity ranging from one to 30 years. The exact amount, maturity, financing structure, terms and conditions, redemption provisions and coupon rate will be determined at the time of issuance depending on prevailing market conditions.

Q. Why is CL&P requesting approval to issue Long-term Debt through December 31, 2027?

A. CL&P is requesting PURA's approval to issue Long-term Debt throughout the Authorization Period for two main reasons. First, having this authorization will enable the Company to capitalize on favorable market conditions from time to time throughout the Authorization Period by eliminating the lead time in seeking authority to issue debt. Second, CL&P expects that any future request to issue additional long-term debt during the Authorization Period would, in all likelihood, closely resemble the request for issuance of Long-term Debt made in this application. Accordingly, receiving the PURA's approval now for Long-term Debt issuances anticipated during the Authorization Period would save significant time and expense for all parties involved in the approval process by avoiding the need for additional proceedings.

Q. Has PURA previously approved long-term debt issuances by CL&P through a multi-year authorization period?

A. Yes. PURA has routinely approved long-term debt issuances by CL&P through a

multi-year authorization period. Most recently, in its decision dated July 24, 2024, in Docket No. 24-05-21, PURA authorized the issuance of up to $1.0 billion in long-term debt through December 31, 2025.

Q. Absent an individual approval process for each transaction, how will PURA be able to monitor the issuance of the Long-term Debt?

A. Consistent with the terms of PURA's decision in Docket No. 24-05-21, the Company proposes certain parameters under which the Long-term Debt would be issued, and it would undertake to file a report with PURA within 30 days following each issuance of Long-term Debt that summarizes the terms and actual costs of each issuance and demonstrates compliance with the pre-approved parameters.

Q. What parameters does CL&P propose for the issuance of Long-term Debt?

A. In order to achieve favorable financing terms, CL&P seeks flexibility in issuing the Long-term Debt, such that this debt may have fixed or floating interest rates and be secured or unsecured. However, notwithstanding this flexibility, CL&P proposes the following parameters for such issuance:

1) Long-term Debt maturity will range from one to 30 years.

2) Aggregate principal amount of Long-term Debt issued during the Authorization Period not to exceed $1.15 billion.

3) Coupon rate will be consistent with market rates for an instrument of similar maturity and risk at the time of issuance, with conditions that the credit spread above (a) a fixed rate benchmark (i.e. applicable Treasury Bond) or (b) a floating rate benchmark (i.e. Secured Overnight Financing

Rate ("SOFR") or other similar variable rate index), not to exceed 300 basis points (3.00 percent).

Q. Please discuss the use of proceeds of the proposed Long-term Debt.

A. The proceeds of the issuance of Long-term Debt will be used to: (a) refinance outstanding short-term debt; (b) finance the Company's capital expenditures; (c) pay at maturity the Company's $500,000,000 3.20% First and Refunding Mortgage Bonds, 2017 Series A, due March 15, 2027; (d) fund working capital and (e) pay issuance costs.

Q. What are CL&P's current plans for issuing Long-term Debt through the Authorization Period?

A. The exact size and timing of each issuance of Long-term Debt will depend on market conditions, actual short-term debt balances, upcoming long-term debt maturities and capital requirements. However, notwithstanding this, in accordance with its latest forecast, CL&P currently projects that during the Authorization Period, it will access the capital markets for $450 million in the second half of 2026 and for $700 million in 2027.

Q. The Company's financing request contemplates the issuance of up to $1.15 billion of Long-term Debt from time to time in order to satisfy the Company's projected financing needs. Could you please describe how this amount was determined?

A. The Company's external long-term financing needs are driven primarily by capital expenditure requirements and repayments of short-term and long-term debt maturities. During the 2026 to 2027 period, the Company is forecasted to incur total capital expenditures of approximately $2.0 billion and to fund long-term debt

redemptions of $500 million. The Company expects to finance a portion of these capital expenditures and long-term debt redemptions with net cash flow, forecasted to be approximately $1.0 billion. The Company expects to finance the remaining amount with $1.15 billion of Long-Term Debt and $350 million of short-term debt. Please see the table below for a summarized reconciliation of the Company's forecasted sources and uses of cash during the 2026 – 2027 period:

2026 - 2027 Forecasted Sources of Cash ($ in millions)	
Net Cash Flow	$1,000
Long-term Debt Issuances	$1,150
Net Increase in Short-term Debt	$350
Total	$2,500

2026 - 2027 Forecasted Uses of Cash ($ in millions)	
Capital Expenditures	$2,000
Long-term Debt Maturities	$500
Total	$2,500

Capital expenditures not funded by net cash flow from operations will initially be funded with short-term debt. At the time of issuance, CL&P will use the proceeds of the Long-Term Debt to refinance all or a portion of its then outstanding short-term debt. As of June 30, 2026, CL&P had $107.0 million of short-term debt outstanding.

Q. Please describe the short-term debt that will be refinanced with the proceeds of the proposed Long-term Debt.

A. The Company uses cash from operations to fund its capital expenditures and working capital obligations on a daily basis. If capital expenditures coupled with working capital obligations exceed cash from operations, the Company uses short-term debt to bridge the gap. Short-term debt is refinanced with long-term capital. When the Company's short-term debt balance starts to approach its

limit, long-term debt issuances and equity contributions are used to maintain adequate liquidity. CL&P has an authorized short-term debt limit from the Federal Energy Regulatory Commission ("FERC") of $600 million. As of June 30, 2026, CL&P had short-term debt outstanding of $107.0 million. The Company may also issue long-term debt shortly in advance of upcoming long-term debt maturities to facilitate the refinancing of that debt.

As discussed previously, in accordance with its latest forecast, CL&P currently projects that during the Authorization Period, it will access the capital markets for $450 million in the second half of 2026 and for $700 million in 2027. At the time of issuance, CL&P will use the proceeds to repay all or a portion of its then outstanding short-term debt.

Q. What is the estimated coupon rate for an issuance of secured Long-term Debt given current market conditions?

A. The table below reflects indicative pricing for various maturities of secured long-term debt as of June 30, 2026.

Secured debt	**5-year**	**10-year**	**30-year**
U.S. Treasury Yield	4.17%	4.40%	4.88%
+ Credit Spread	0.55%	0.75%	0.85%
= Coupon Rate	4.72%	5.15%	5.73%

(Source: Barclays)

Q. Why is CL&P requesting credit spread authority of up to 300 basis points (3.00%)?

A. Given that the Company is proposing a financing plan through December 31, 2027 the plan must include sufficient flexibility to address changing market conditions and volatile markets. Exhibit A, which shows the historical 10-year

credit spread of "A" rated utilities from January 1, 2020 through June 30, 2026, illustrates the volatility of credit spreads. The effect that unexpected events have on credit spreads is dramatic. For example, the impact that the COVID-19 pandemic had on the financial markets was dramatic. During the 6-week period between February 13, 2020 and March 27, 2020, the credit spread for 10-year "A" rated utility bonds increased 151 basis points, from 0.85% to 2.36%.

Figure A
Historical 10-year Credit Spread of 'A' Rated Utility Debt Securities
1/1/2020 - 6/30/2026



(Source: Bloomberg)

A maximum authorized credit spread of 300 basis points (3.00%) will provide CL&P with flexibility in the event of unanticipated widening of credit spreads between now and the time of issuance due to uncertainty or volatility in the capital markets. The Long-term Debt will be issued at prevailing credit spreads, which are determined by investors in a competitive market at the time of issuance.

Q. How does the requested credit spread authority of up to 300 basis points (3.00%) compare to prior authorizations by PURA?

A. Most recently, in its decision dated July 24, 2024, in Docket No. 24-05-21, PURA authorized credit spread authority of up to 300 basis points (3.00%). Prior to that, in its decision dated November 30, 2022, in Docket No. 22-08-33, PURA authorized credit spread authority of up to 400 basis points (4.00%), 100 basis points (1.00%) more than is being sought in this application.

Q. What was the actual basis point credit spread achieved in recent CL&P debt financings?

A. Most recently**,** on January 13, 2025, CL&P issued $400 million of its 4.95% First and Refunding Mortgage Bonds, 2025 Series A, due January 15, 2030. The required investor yield at the time of pricing the bonds was 4.981%, which reflected a 5-year Treasury yield of 4.431% plus a credit spread of 55 basis points (0.55 percent). Prior to that, on August 13, 2024, CL&P issued $300 million of its 4.95% First and Refunding Mortgage Bonds, 2024 Series B, due August 15, 2034. The required investor yield at the time of pricing the bonds was 5.007%, which reflected a 10-year Treasury yield of 3.907% plus a credit spread of 110 basis points (1.10 percent).

The Long-term Debt requested in this application will be issued at prevailing credit spreads, which are determined by investors in a competitive market at the time of issuance. It is the Company's goal to achieve least cost financing and obtain the lowest credit spread possible for the respective tenor of long-term debt chosen. Additionally, based on the indicative pricing provided on page 9, the Company currently does not expect to use the full 300 basis point spread in

connection with the proposed 2026 – 2027 financings. However, as the Company cannot predict future credit spreads, 300 basis points is necessary as it will provide CL&P with flexibility in the event of unanticipated widening of credit spreads between now and the time of issuance due to uncertainty or volatility in the capital markets.

Q. Does CL&P anticipate any early redemption or call provisions on the proposed Long-term Debt?

A. The Company will determine at the time of pricing the most appropriate early redemption provisions, based primarily on market conditions.

Q. What are the fees associated with the issuance of the proposed Long-term Debt?

A. The following table illustrates the estimated fees associated with issuing $1.15 billion of 10-year Long-term Debt securities in two series.

Fee	Amount	
Underwriting Fee	7,475,000	(1)
Rating Agencies	2,673,750	
Legal	284,000	
Miscellaneous	439,815	(2)
Total	$ 10,872,565	(3)

1. Underwriting fees are based on an anticipated 0.65% commission on $1.15 billion of Long-term Debt with a 10-year maturity.

2. Miscellaneous includes fees for Securities and Exchange Commission registration, printing, external auditor, and trustee expenses.

3. 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 issuance.

Q. What are the estimated proceeds from the proposed Long-term debt issuance?

A. Assuming the full $1.15 billion in principal amount is issued in two series, CL&P estimates that the total proceeds would be approximately $1.139 billion.

Q. Assuming the Long-term Debt was issued in a single tranche of 10-year first mortgage bonds with a coupon of 5.15%, what would be the effective interest rate?

A. As shown in Attachment M, the effective interest rate would be 5.27%, assuming issuance costs of $10,872,565.

Q. What are CL&P's current corporate credit ratings?

A. CL&P has a corporate credit rating of A- by S&P Global Ratings, Baa1 by Moody's Ratings and A- by Fitch Ratings. The most recent reports from S&P Global Ratings, Moody's Ratings and Fitch Ratings and are provided in Attachment N.

Q. How will the issuance of the Long-term Debt requested in this application impact CL&P's credit ratings?

A. The Company's credit ratings are not expected to change as a result of the issuance of the Long-term Debt. The tables below show the Company's actual Moody's and S&P credit metrics as of December 31, 2025 and projected Moody's and S&P credit metrics at the end of the Authorization Period, December 31, 2027.

Moody's Credit Metrics			
	Actual as of 12/31/25	**Projected as of 12/31/2027**	**(Range) Rating**
CFO pre-WC / Debt	30%	19%	(11% - 19%) = Baa Level
CFO pre-WC - Dividends / Debt	22%	13%	(7% - 15%) = Baa Level
CFO pre-WC + Interest / Interest	7.8x	5.7x	(3.0x - 4.5x) = Baa Level
Debt / Capitalization	37%	40%	(50% - 59%) = Baa Level

S&P Credit Metrics			
	Actual as of 12/31/25	**Projected as of 12/31/2027**	**(Range) Rating**
FFO to Debt	31%	22%	(13% - 23%) = A Level
Debt to EBITDA	2.6x	3.6x	(3.5x - 4.5x) = A Level

Q. How will the issuance of the proposed Long-term Debt impact CL&P's financial ratios?

A. The table below provides financial ratios (1) actual as of December 31, 2025, (2) pro forma as of December 31, 2025 based on the pro forma financial statements filed as Attachment B; and (3) forecasted at the end of the Authorization period, December 31, 2027, based on the Company's latest forecast. The December 31, 2025 pro forma financial statements and the company's latest forecast both reflect the issuance of the $1.15 billion in Long-term Debt and the refinancing of the Company's $500,000,000 3.20% First and Refunding Mortgage Bonds, 2017 Series A, due March 15, 2027. The key difference is that the December 31, 2025 pro forma financial statements do not reflect any changes to future operating revenues. As such, the December 31, 2025 pro forma financial ratios are provided for illustrative purposes only.

	Actual 12/31/2025	Proforma 12/31/2025	Forecasted 12/31/2027
a. Pre-Tax Interest Coverage Ratio	4.39	3.63	4.78
b. Net Cash Flows/Total Debt	33.95%	30.17%	16.78%
c. Net Cash Flows Interest Coverage Ratio	8.19	6.77	4.44
d. Times Interest Earned	Same as a.	Same as a.	Same as a.
e. Total Debt/Equity	0.77	0.84 *	0.86
f. Long-Term Debt/Total Capital	42.9%	45.2% *	43.5%
g. Total Fixed Charge Coverage Ratio	4.10	3.44	4.53
h. Cash Flows/Total Debt	Same as b.	Same as b.	Same as b.
i. Post Tax Interest Coverage Ratio	4.39	3.67	4.92
j. Total Debt to Equity (inc. goodwill)	Same as e.	Same as e.	Same as e.
k. Total Debt to Equity (exc. goodwill)	Same as e.	Same as e.	Same as e.
l. Total Debt to Total Capital (exc. Goodwill)	42.9%	45.2% *	46.3%
m. Total Debt Service Coverage Ratio	375.1%	315.0%	139.9%

* Reflects the changes to equity (net income, dividends and capital contributions) that will be made to maintain an equity ratio of approximately 53.86%.

Q. How will the issuance of the proposed Long-term Debt impact the financial viability and financial flexibility of the Company?

A. The issuance of the proposed Long-term Debt will improve the Company's financial viability and flexibility. The issuance of the proposed Long-term Debt is necessary to fund planned capital expenditures and to repay debt. The financial position of CL&P would be harmed if it could not access the capital markets for these purposes. Additionally, post issuance solvency ratios will remain within industry norms. Please refer to page 22 of Attachment N, which shows the metrics for the Company and its peers rated by Moody's.

Q. Please discuss how the proposed Long-term Debt will impact CL&P's overall capital structure.

A. The two tables below illustrate the impact of the proposed Long-term Debt on

CL&P's capital structure. The "Before" scenario reflects CL&P's actual five-quarter average capital structure as of March 31, 2026. The "After" scenario reflects the issuance of $1.15 billion in Long-term Debt at an interest rate of 5.15%. The "After" scenario also assumes the refinancing of the Company's $500,000,000 3.20% First and Refunding Mortgage Bonds, 2017 Series A, due March 15, 2027. Additionally, please refer to Attachment O for an exhibit showing the impact to the Company's embedded cost of long-term debt assuming the issuance of $1.15 billion in Long-term Debt at an interest rate of 5.15% and the refinancing of the Company's $500,000,000 3.20% First and Refunding Mortgage Bonds, 2017 Series A, due March 15, 2027.

Before Issuance of New Long-term Debt:

Class of Capital	Amount ($ 000's)	% of Total	Cost	Weighted Cost
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	$ 12,055,972	100.0%		7.04%

After Issuance of New Long-term Debt:

Class of Capital	Amount ($ 000's)	% of Total	Cost	Weighted Cost
Preferred Stock	$ 117,020	0.88%	4.75%	0.04%
Long-Term Debt	5,985,903	45.25%	4.65%	2.10%
Common Equity *	7,125,000	53.86%	9.25%	4.98%
Total	$ 13,227,923	100.00%		7.12%

* Reflects the changes to equity (net income, dividends and capital contributions) that will be made to maintain a regulatory equity ratio of approximately 53.86%.

Q. Please discuss how CL&P will obtain the most favorable financing terms possible for the proposed issuance of Long-term Debt?

A. The Company will engage investment banks to offer the Long-term Debt to institutional investors in the public market. For any given tenor of Long-term

Debt that the Company issues, its ability to obtain favorable financing terms will be principally driven by the ability to obtain least cost financing for the respective tenor chosen. There are several factors that will help the Company obtain least cost financing. First, there is a 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. Secondly, and more significantly, in the marketing process for the bonds our investment bankers will use their expertise to help CL&P obtain least cost financing by identifying the yield that prospective investors are willing to bid, which is based on size of issuance, maturity, investor demand, and market conditions at the time of issuance and can be influenced by where other comparable bonds have been recently issued. This process is in the public interest because it results in an actual yield on the debt issuance that is the lowest yield that clears the market for the amount of debt the Company is issuing.

Q How will the Company select the investment bankers involved in the proposed Long-term Debt issuance?

A. The Company has not yet chosen the underwriters for the proposed 2026 - 2027 Long-term Debt financings. The Company's goal is to select investment bankers that will issue the debt at the lowest possible rate. The Company continuously meets with potential investment bankers to gain an understanding of their expertise. The criteria that the Company evaluates includes experience in the market, quality of their investor base and specific Company knowledge.

Q. Please provide estimated journal entries associated with the issuance of the proposed Long-term Debt.

A. Please refer to page 6 of Attachment B for estimated journal entries.

Q. Please discuss the documentation associated with the issuance of the proposed Long-term Debt.

A. CL&P's intent is to issue the proposed Long-term Debt in the form of first mortgage bonds. The terms and conditions of the first mortgage bonds will be as specified in a supplemental indenture to the Indenture of Mortgage and Deed of Trust Dated as of May 1, 1921 and amended and restated as of April 7, 2005. Please see Attachment G for a draft supplemental indenture and Attachment F for the Indenture of Mortgage and Deed of Trust.

IV. TIMING OF PETITION

Q. When does CL&P request PURA's approval of this Application?

A. CL&P respectfully requests that PURA issue a decision in this Application on or before November 2, 2026.

Q. Does this conclude your testimony?

A. Yes, it does.