

**PURA Completes Proceeding on Eversource Energy Petition to Recover Catastrophic Storm Costs**

On November 16, 2018, The Connecticut Light and Power Company d/b/a Eversource Energy (“Eversource” or the “Company”) filed a Petition with the Public Utilities Regulatory Authority (“PURA”) for approval to recover in distribution rates the costs incurred by the Company to restore electric service to customers in relation to five catastrophic storms occurring between January 1, 2017 and October 31, 2018.

The Company initially sought recovery of $152,465 million from customers in claimed storm recovery costs related to the following five storms: (1) damaging wind and rain event commencing October 29, 2017; (2) Nor'easter commencing March 2, 2018; (3) Nor'easter commencing March 7; (4) Nor'easter commencing March 13, 2018; and (5) severe thunderstorms, tornadoes, macroburst and microburst commencing May 15, 2018. On March 1, 2019, partly in reaction to questions and concerns raised by the Office of Consumer Counsel (“OCC”) the Company filed an update in the proceeding with an almost $7 million dollar reduction in the requested storm cost recovery amount, reducing the request to $145,729 million. The Company’s filing contained a summary of the adjustments made to the initial filing that included reductions for items such as but not limited to: credits inadvertently excluded; removal of transmission costs; and, amounts capitalized.

While these five storms may or may not stick in your memory, they were each significant and some were devastating for certain towns. For the five storms combined, The Company restored service to approximately 962,000 customers and responded to approximately 19,442 outage-based trouble spots. For perspective, the Company responds to approximately 16,000 non-catastrophic-storm-related trouble spots over the course of a typical year. In less than one month the Company performed about 14 months of work demonstrating not only how

much work was involved in responding to these events but the overall effort and performance level provided by the Company.

The OCC represented ratepayer interests as an active participant in in the proceeding. In addition to raising questions and concerns that led, in part, to the Company’s reduced cost recovery request, OCC made recommendations to PURA for several storm cost adjustments totaling approximately $10 million, including but not limited to the disallowance of Emergency Response Plan (“ERP”) Award Payments. ERP payments are made by Eversource to salaried company personnel for extraordinary performance levels during the storm. OCC does not deny that both customers and the Company benefit from high-quality storm service, but argued that the ERP Award levels authorized by Company management were discretionary and arbitrary, as they were not closely based on any discernible criteria such as hours worked or goals reached and it is unclear whether ERP awards my duplicate the existing incentive compensation plan. OCC therefore recommended disallowance of ratepayer recovery. The Company stated it should be allowed to recover the approximately $1,750,000 ERP Award payments in rates in order to continue to motivate salaried employees to continue to make extraordinary efforts during storm restorations. Additionally, OCC recommended that the Company develop cost control standards specifically related to storm costs, similar to those identified in findings to prior post storm audits.

In its Final Decision (“Decision”) issued on April 17, 2019, PURA, despite OCC’s objection, allows CL&P to recover in rates the entire cost of the ERP Awards paid to salaried employees, but does require that Eversource work with OCC to improve the criteria for allowing ERP Award payments so that the awards will be based more on objective criteria and measures.

Overall, PURA’s Decision reduced the Company’s proposed incremental storm costs by only $4.538 million, which allows the Company to recover approximately $141 million, over six years, from ratepayers beginning on May 1, 2019. On an annual basis, that will impact bills but at levels below a 1% overall bill increase.



Please visit [OCC’s website](http://www.ct.gov/occ/site/default.asp).