STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

APPLICATION OF THE CONNECTICUT LIGHT AND POWER COMPANY D/B/A EVERSOURCE ENERGY FOR ORDER TO SECURITIZE 2018-2023 CATASTROPHIC STORM COSTS	:	DOCKET NO. 25-12-13
	:	APRIL 29, 2026

BRIEF OF WILLIAM TONG, ATTORNEY GENERAL FOR THE STATE OF CONNECTICUT

William Tong, Attorney General for the State of Connecticut ("Attorney General"), hereby submits his brief regarding the Connecticut Light and Power Company's d/b/a Eversource Energy ("CL&P," "Eversource" or the "Company") application for an order to securitize 2018-2023 catastrophic storm costs ("Application") filed on December 15, 2025. CL&P seeks to recover almost $1 billion in projected storm costs and, in addition, more than $340 million in interest payments, or "carrying charges," it associates with those storm costs.

The Attorney General urges the Public Utilities Regulatory Authority ("PURA" or the "Authority") to reject the Company's unprecedented and unjustified request to recover from ratepayers over $340 million carrying charges associated with the storm costs. These charges are plainly not recoverable from ratepayers because they were incurred prior to any determination by the Authority that these costs were prudently incurred. LFE-01, Exhibit CLP-01 (Summary) Revised 2. It is a fundamental ratemaking principle that such carrying charges are only recoverable once the Authority has made a specific determination that the costs were verified and prudently incurred, and the Authority has uniformly rejected such attempts to deviate from that rule. The Authority should not for the first time do so here.

The Attorney General further urges the Authority to reject other imprudent charges the Company has requested in its storm cost docket filings. The Office of Consumer Counsel ("OCC")

and the Authority's own office of Education, Outreach and Enforcement ("EOE") have both identified substantial additional disallowances for the Authority's consideration. The Attorney General urges the Authority to adopt these to ensure the Company's ratepayers are only paying for prudently incurred storm costs and carrying charges associated with those costs that are incurred *after* a prudency determination by the Authority.

I. BACKGROUND OF THE PROCEEDING

On March 11, 2024, Eversource filed its initial application to recover catastrophic storm costs from 2018 through 2021. On December 31, 2024, the Company filed a supplement to its application for storms and pre-staging costs from 2022 through the beginning of 2023. On July 1, 2025, Public Act No. 25-173 was signed into law, authorizing electric distribution companies to recover financed utility services[1] through securitization. On July 10, 2025, CL&P filed another supplement to its application to expand the request through all of 2023. On July 25, 2025, the Company filed pre-filed testimony and exhibits on the 2018-2023 storm costs and, for the first time, sought to include carrying charges in their recovery from ratepayers. Docket No. 24-03-30 7/25/25 Pre-Filed Testimony. On December 15, 2025, the Company filed the present Application with the Authority requesting securitization and carrying charges in a new docket. On January 15, 2026, the Authority issued a Notice of Proceeding in the instant docket. Shortly after, the Authority held a scheduling conference and issued a schedule in this docket. From here, further interrogatories were asked, the Authority held evidentiary hearings, and the Company submitted late-filed exhibits.

[1] Conn. Gen. Stat. § 16-245e(a)(21) in relevant part defines financed utility services as costs determined by PURA to have been prudently and efficiently incurred between January 1, 2018 through January 1, 2025 by electric distribution companies to prepare for and restore power to customers following storms.

II. DISCUSSION

A. The Authority Should Reject CL&P's Carrying Charges

The Authority has consistently and uniformly rejected awarding the recovery of carrying charges for storm costs that have accrued prior to those costs having been approved in a prudency review. This precedent should be dispositive, and the Company offers no plausible explanation for why the Authority should make an exception here. The rationale for this disallowance is clear. In a recent decision addressing United Illuminating's request for recovery of storm costs, the Authority explained:

> allowing carrying charges to accrue on deferred expenses that have not been subject to scrutiny and prudence review is inconsistent with general ratemaking principles. The regulatory asset is already an extraordinary form of relief for utilities as it permits recovery of certain expenses beyond the base distribution revenue requirement authorized at the time the expense was incurred. Stated another way, regulatory assets allow recovery of expenses that otherwise would be borne entirely by the utility. Therefore, expanding the deferred accounting beyond the actual "incurred costs" prior to a full prudency review and determination of recovery is applying extraordinary relief upon extraordinary relief. Moreover, enabling the collection of carrying charges on deferred expenses prior to a prudency review may incent a delay, perhaps indefinitely, in the presentation of costs to the Authority for review.

Final Decision, Docket No. 22-08-08, *Application of United Illuminating to Amend its Rate Schedules*, dated Aug. 25, 2023, at 28.

In this case, the Authority noted that carrying charges *are* permissible on the ratemaking regulatory assets ***after*** a prudency determination and during the recovery period. *Id.* Most recently, in Docket 24-10-04, *Application of the United Illuminating Company to Amend its Rate Schedule*, the Authority again rejected UI's request to recover carrying charges on storm deferred expenses and mutual aid reimbursements, affirming its 22-08-08 decision that, "carrying costs on deferred expenses are not permissible without explicit prior Authority approval, and allowing carrying charges to accrue on deferred expenses that have not been subject to a prudence review

is inconsistent with general ratemaking principals." Reconsideration Final Decision, Docket No. 24-10-04, *Application of the United Illuminating Company to Amend its Rate Schedule*, dated Mar. 3, 2026, at 173-174. The Authority then clarified, consistent with its decision in 22-08-08, that where carrying charges *should* apply is to the reserve accrual that the Company collects from ratepayers to offset its storm costs. *Id.*

Eversource is fully aware that the Authority has never before allowed carrying charges for storm cost prior to a prudency determination. In its own most recent application to recover storm costs, the Authority similarly rejected Eversource's request. In Docket No. 18-11-12, the Authority explained:

> [u]ntil the Authority assesses the prudency of storm costs to be recoverable and determines the allowed storm regulatory asset amount, the company bears the financing costs associated with the storm costs. Hence, in the interim between when storm costs are incurred and when the Authority makes its determination on the allowed regulatory asset amount, the ratepayers aren't paying for the financing costs incurred by the Company. Therefore, CL&P will only be allowed to accrue carrying charges as of the date the Authority issued its Decision for this proceeding.

Final Decision, Docket No. 18-11-12, *Petition of the Connecticut Light and Power Company D/B/A Eversource Energy for Approval to Recover its 2017-2018 Catastrophic Storm Costs*, dated Apr. 17, 2019, at 22.

Additionally, the Authority held that the Company was not entitled to carrying charges if the Decision in the proceeding was not issued by a specific date and highlighted that there is no statutory time limit for a storm costs proceeding. *Id.* This decision again was entirely consistent with Eversource's own previous storm cost docket in 2013, where the Authority once again did not allow recovery of carrying charges for CL&P's storm costs prior to a prudency determination. *See* Final Decision, Docket No. 13-03-23, *Petition of the Connecticut Light and*

Power Company for Approval to Recover Its 2011-2012 Major Storm Costs, dated Mar. 12, 2014.

The Company makes no plausible argument for why the Authority should ignore this binding precedent and instead award Eversource more than $340 million in additional ratepayer obligations. Instead, the Company complains that it has been unfairly delayed in getting a final prudency determination from the Authority and therefore it should be allowed to impute a reasonable period whereby the Company could earn full carrying charges – at ratepayer expense of more than $340 million – regardless of when any final prudency determination is made. This argument must be rejected as unsupported by the law or by the facts.

First, as noted above, the Company was fully aware of case precedent disallowing the recovery of carrying charges until there was a prudency determination. The Company also knew that there was no statutorily mandated timeframe under which the Authority was required to complete its review of a storm costs filing. Final Decision, Docket No. 18-11-12, *Petition of the Connecticut Light and Power Company D/B/A Eversource Energy for Approval to Recover its 2017-2018 Catastrophic Storm Costs*, dated Apr. 17, 2019, at 22. Despite this full knowledge, the Company itself was principally responsible for any delay in concluding this proceeding.

While this is no doubt a complex and fact driven proceeding, the Company is itself responsible for much of the delay in achieving a resolution. For example, the Company has repeatedly supplemented its Application to include new storm costs from events occurring during the pendency of the original filing seeking recovery of storms from 2018 through 2021. As noted above, it amended the Application to include additional costs for storms through 2022 and 2023, and this proceeding was initiated by a filing in December 2025. Each of these

supplemental filings raised additional costs, accounting issues, and multiple rounds of interrogatories and data requests.

Moreover, as of January 22, 2026, the company has filed 74 motions for extensions of time to respond to discovery requests totaling more than 1000 days.[2] In the final months of the proceeding, while simultaneously pushing for an aggressive timeline, the Company filed further motions requesting an additional month of extensions. Moreover, the Company frequently filed its responses in a format different than that requested without first obtaining permission from the Authority, thereby causing further delays. These delays are simply not the fault of the Authority, but rather a reflection of the complexity of the docket and the choices Eversource made in presenting its request.

The Company could have done a host of different things if it wanted to obtain a decision faster. It could have responded to interrogatories without asking for 1000 days of extensions. It could have simply filed for recovery of 2018-2021 storms without supplementing the filing to include four more years of costs to evaluate. It could have filed a rate case for storm recovery, in which the Authority would be time-bound to enter a determination. It could have requested express approval from the Authority to obtain carrying charges on the storm costs expenses. The Company, however, took none of these steps. It should not now be permitted to hold ratepayers responsible for timing issues that were essentially a business decision.[3] This is exactly the scenario where the Authority warned that "enabling the collection of carrying charges on

[2] Correspondence, OCC's Response to Eversource Presentation/State Parties' Proposed Schedule, p. 2 (Jan. 22, 2026).

[3] In fact, the Company wants ratepayers to pay for its business decision that it curiously did not defer its balance sheet to the SEC. As the Authority is aware, storm costs are a regulatory asset captured in Eversource's 10-K and 10-Q filings. See EOE-864; EOE-864 Attachment 1, Note 2 p. 104-105 of 202; EOE-864 Attachment 2, p. 27 of 87 and p. 58 of 87. While the Company noted in its 10-K and 10-Q filings that it did request carrying charges in the July 25, 2025 filing to the Authority, it did not defer these charges on the balance sheet and noted this for the Commission. *Id.*

deferred expenses prior to a prudency review may incent a delay, perhaps indefinitely, in the presentation of costs to the Authority for review." Final Decision, Docket No. 22-08-08, *Application of United Illuminating to Amend its Rate Schedules*, dated Aug. 25, 2023, at 28. The Attorney General strongly urges the Authority to reject the Company's request for carrying charges in this docket.

B. CL&P Incorrectly Accounted for Recovery on Items That Should Offset CL&P's Total Storm Costs

The Authority should carefully consider the adjustments proposed by the OCC and PURA's EOE to costs associated with external contractors, improper storms that have been included for recovery.[4] These include various pre-staging costs, inadequate documentation to support cost recovery,[5] misapplication of mileage standards and rates, and others.

The Company, throughout the pendency of this proceeding, has expressed outrage at the specificity and detail of the questions being asked. The Company's outrage at a process to ensure the fairness of recovery is misplaced. The Company should expect careful, thoughtful, detailed questions in response to any request to recover *over $1 billion* from ratepayers. The Office of Education, Outreach, and Enforcement found millions of dollars of unjustified costs *that the Company admitted to* in its interrogatory responses. In addition, OCC and EOE highlighted many other areas for the Authority to take a careful look at in evidentiary hearings as well as in briefs. As the Chair highlighted in the first day of the evidentiary hearings, "these are the questions . . . ratepayers expect of the regulatory environment to be asking" and "what we're

[4] In addition to other storms the parties have briefed as improper, the Authority should reject Storm CLP-25, MN21P011 because it is clearly not a catastrophic storm since it is under the $4 million required catastrophic storm threshold. *See* Exhibit CLP-01 (Summary) Revised 2, Row 31.

[5] The Company referenced the "80-20 rule" during the evidentiary hearing in which it estimated it was an accuracy rate 80% for contractor timesheets. Evidentiary Hearing 3/24/26, p. 74-75 lines 22-13 and p. 94 lines 17-21.

doing is looking at the details because that's what we're here for." Evidentiary Hearing 3/24/26, p. 230, lines 13-22.

The Attorney General appreciates all the careful work Authority staff, OCC, EOE, and DEEP have put into this docket, and urges the Authority to carefully consider the appropriateness of costs in this proceeding as well as standards the Company should be held to in terms of its accounting and other record keeping to make a review for the Authority in future proceedings as streamlined as possible.

III. CONCLUSION

The Authority should reject the Company's carrying charges request as well as other imprudent costs requested by the Company. To approve carrying charges in this docket would be a seismic shift in policy and practice that simply is not justified by the facts and the precedent.

Respectfully Submitted,

WILLIAM TONG
ATTORNEY GENERAL
STATE OF CONNECTICUT

BY: *Caroline R. McCormack*
Caroline R. McCormack
John S. Wright
Assistant Attorneys General
Attorney General's Office
10 Franklin Square
New Britain, Connecticut 06051
Caroline.McCormack@ct.gov
John.Wright@ct.gov

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Caroline R. McCormack
Caroline R. McCormack
Commissioner of the Superior Court