

To: Eversource
From: James M. Talbert-Slagle, Staff Attorney, Connecticut Office of Consumer Counsel
Date: November 13, 2024
Re: Comments and Questions about X-178 Project

On October 23, 2024, Eversource presented additional material related to the X-178 to the ISO-NE Planning Advisory Committee. At the meeting, attendees, including representatives of the Office of Consumer Counsel, asked several questions of the Eversource representatives related to the project. Eversource responded to several of those questions in a follow-up email dated November 4, 2024. Although the office appreciates the company's responses to its questions, OCC still has several questions related to the project. Those outstanding questions follow:

1. What percentage of the structures on the X-178 line will result in stranded assets? What is the value of those stranded assets? How does Eversource calculate depreciation of wooden structures in projects like X-178, where assets of different ages will be replaced?
2. Does the company expect to recover the full value of those remaining assets on its balance sheet?
3. Is the cost of stranding those assets included in the NPV calculation that was included on slide 14 of the October 23 presentation?
4. What effect does the higher accumulated depreciation to offset rate base in Alternatives 1 and 2, which are reflected in the October 23 presentation, have on the overall cost of capital and recoverable tax expense? Similarly, what impact does the cost of capital associated with Alternative 3 have on the tax expense? Are both of those factors – the revenue impacts of differing accumulated depreciation and tax expenses - incorporated in the NPV calculation?

OCC appreciates Eversource's attention to these issues and looks forward to receiving a response to these enquiries.