

Eversource Questions – Public Hearing

1. Will Eversource be upgrading the infrastructure/equipment?

See response to Item 14, Eversource sees an opportunity to connect our existing 18K3 circuit through CMELD territory. Some of the Infrastructure & equipment associated with this tie will be upgraded as a result. As part of the remaining due diligence, we would also anticipate reviewing the infrastructure and develop specific plans to upgrade facilities as necessary. This could be included in a regulatory filing. Moving forward, the facilities would be included in all inspection and maintenance activities, including vegetation management, and would be upgraded as issues are discovered.

How long does ES think it would take for them to respond to issues, lines down, etc.?

Eversource monitors its Customer Average Interruption Duration Index (CAIDI), which is a standard industry metric that we can benchmark with other utility peers. This metric measures how long on average a customer is without power once they experience an outage. The Eversource CAIDI for 2023 was 103 minutes, meaning the average outage for customers was 103 minutes from the time Eversource knows there is an outage until that outage is restored.

2. What are the requirements needed to be met for the lower income rate (Rate2) and what is the difference in cost per kWh for the lower income rate?

Eversource has two low-income rates available to electric customers. Electric non-heating customers are eligible for Rate R-2 if they qualify for the state's Low Income Home Energy Program (LIHEAP) which is currently based on a threshold of 60% of the state median income (SMI). Electric heating customers are eligible for Rate R-4 for which the eligibility standard is the same as Rate R-2. Customers enrolled in either Rate R-2 or Rate R-4 received a 42% discount on the total bill.

3. Other than the incentives through MassSave, can you also discuss the Veterans discounts and how much Eversource will do for the town because of the access to greater funding?

Being part of Eversource, customers may be eligible for our Discount rate. To be eligible you need to be a residential customer who receives one of the benefits listed in the below link, with a household income that meets eligibility requirements, and your utility bill is in your name. For additional guidelines, please contact your local Community Action Agency.

<https://www.eversource.com/content/residential/account-billing/payment-assistance/discount-rate>

Not necessarily a benefit or discount to the Town, but the supplier that represents the aggregation will be eligible for POR if the town joins Eversource. The aggregator representing the town will most likely have more supplies bid around their contract end dates due to POR that could translate to a better Supply Rate.

4. Can you discuss the \$30-\$40k back to the town through taxes?

Once Eversource owns the infrastructure, the Company becomes a property owner in the town and pays property taxes as all other property owners do in town. This is an estimate based on how Eversource is assessed taxes from other jurisdictions. The actual rate would come from the town assessor.

5. What are the charges on your bills that are not on CMELD bills?

Without understanding the complete set of charges levied by CMELD, this is difficult to answer. Generally speaking, customers served by municipal electric companies are currently exempt from state-mandated programs that are funded through investor-owned utility customer rates. Eversource customers would be charged for recovery of these programs. The major programs include Energy Efficiency, Net Metering and related solar programs, and low-income discounts. These charges, however, also allow customers to participate in such programs that were previously unavailable to them.

6. CMELD does not charge the town with electricity for streetlights, the historic jail, or the library – will Eversource provide the same?

Eversource general service rates would apply to streetlights, the historic jail, and the library. Metering would need to be installed with the exception of streetlights where a dusk to dawn schedule may be assumed. The wattage associated with each lamp would need to be provided. This is consistent with service provided to similar facilities in other towns.

7. What would be the steps for acquisition?

In large part this would be up to the Town's rules regarding approvals/votes etc. Subsequently, we would make a non-binding offer, draft a detailed purchase and sales agreement, finalize diligence (financial and operational) to validate the towns assertions, get ES Senior Management approval, and

file for approval with the DPU. Upon approval, we could close and make payment.

8. CMELD has stated that the line item "Contribution in Aid for Construction" is an asset rather than a liability (amount \$817,879). If this is correct, how will it affect your Proposal?

An increase in assets could result in a higher purchase price, however consideration will need to be made as to what assets would be acquired and what assets would remain with the town. Typically, these contributions are cash that will be retained by the town. Further analysis will need to be performed in due diligence.

9. What will happen to CMELD employees?

Eversource understands there are 4 CMELD employees and will offer positions to the employees.

10. What regulatory approvals will be required for the acquisition?

The Massachusetts Department of Public Utilities would need to approve the acquisition through a merger proceeding. This would likely include the Town and the MA Attorney General as intervenors. Eversource would need to demonstrate that the merger is consistent with the public interest, including no net harm to customers and subsequently net benefits to customers. The benefits do not need to be exclusively financial but could include reliability improvements and decarbonization opportunities (Energy Efficiency, Solar, etc). We would need to present the terms and conditions of the deal, the impact on rates, the conveyance of charter, title and franchise rights, valuation assessment of rate base, etc.

11. What Due Diligence Requirements will be needed?

Eversource would expect to review audited financial statements and consider performing some form of validation of asset valuation to support the regulatory filing, either appraisal or source documentation review. We would also need to inquire about certain representations made by the Company in a purchase and sales agreement (ensuring contractual obligations, liabilities etc are properly assigned).

12. If the town approves the transaction, what would be the timetable for conversion?

Diligence and execution of the Purchase and Sales Agreement with the town would likely take a couple of months. Once the docket is opened with the DPU, there is no formal period in which the DPU must issue an order. We would expect about a year, however there are opportunities to help expedite the process.

13. How do you schedule roadside maintenance under your power lines?

There are no requirements to notify Eversource for roadside maintenance performed by the town unless the company's facilities will be impacted or some protection is needed such as rubber covering of our energized lines for worker safety or if a pole needs to be relocated.

14. Will you connect the Eversource lines in North Chester to the CMELD lines, and will this benefit the town?

Eversource sees an opportunity to connect our existing 18K3 circuit through the CMELD infrastructure to create circuit ties, these would provide greater reliability for customers in CMELD territory. The original tie from the west will remain. To provide the northern tie, Eversource will upgrade and expand the infrastructure (pending detailed feasibility study, and engineering).

15. What type of community involvement will Eversource have? Perhaps participating in Chester on Track, the Littleville Fair, the Chester Theatre Company, etc.

Eversource prides itself on being involved with and creating strong ties with the communities it serves. This includes company volunteerism and charitable activities sponsored by the company and by employees. Below are examples of volunteer opportunities sponsored by the company across MA in the past.

MA Volunteer Opportunities

- Habitat For Humanity—11/5
- Western MA Food Bank—11/8
- Notchview Reservation—11/15
- Springfield Salvation Army- 11/18, 12/16
- United Way Thanksgiving Project—11/20
- Greater Boston Food Bank- 11/21
- Salvation Army Thanksgiving Prep- 11/22
- Marlborough Community Cupboard- 11/26
- New Bedford Salvation Army- 12/11, 12/13
- South Street Youth Center Holiday Party Set- 12/12
- Chelsea/East Boston Salvation Army- 12/17
- Boston Salvation Army Christmas Castle- 12/18