CLP-OCC-09

Please refer to the Direct Testimony of Mr. Balakumar at pages 11 and 101, where he recommends that PURA "[d]isallow recovery of, at minimum, the portion of the $62.0 million requested for storms MS24A, MS24B, MS24C, MS24D, MS24H, and MS24K that exceeds established spending benchmarks." With respect to each "spending benchmark" identified, referenced, discussed, considered, relied upon, or otherwise used by Mr. Balakumar, or that otherwise forms the basis for or supports his recommendation, please:

a. Define the term "established benchmark" as used in Mr. Balakumar's testimony, including each criterion that a benchmark must satisfy to qualify as established.
b. State whether the Mr. Balakumar uses the term "established" to mean formally approved, adopted by PURA, recognized through industry practice, supported by published research, or something else.
c. Identify and describe the benchmark, including the specific storm costs, cost categories, or expenditures to which it applies;
d. Identify each document, data source, or other information relied upon to establish the benchmark, including the title, date, author or originating entity, and relevant page, section, or data field, as applicable;
e. Describe in detail the methodology and calculations used to establish the benchmark, including all formulas, assumptions, inputs, and adjustments; and
f. Provide all documents, data, workpapers, spreadsheets, and other materials relied upon or used to develop, calculate, or validate the benchmark.

Response:

a. Mr. Balakumar did not develop, calculate, or rely on a numeric spending benchmark or limit. His point is that, without a clearly established and approved benchmark, it is not possible to assess staging expenditures against an agreed threshold tied to forecasted storm damage. The Company confirms that it "does not apply a specific formula to forecast damage locations and correlate those locations to a certain number of line or tree resources"[1], and that "the Event Level does not stipulate a mandated response organization size"[2]. This leaves staging decisions open-ended and exposes customers to

[1] Exh. CLP-STORM-1 at 41; Response to OCC-544.
[2] Exh. CLP-STORM-1 at 30.

additional costs when forecasts overstate storm severity. The reference to "established spending benchmarks" is to the benchmarks Mr. Balakumar recommends that PURA establish in this proceeding to guide future staging decisions.

b. "Established" means established by the Company based on its own examination of the interaction of its past staffing and its responses to past storms, rather than approved by PURA as a spending cap or drawn from industry practice or published research. The Company describes the ELM as "a guide for resource acquisition" and, although it claims it bases staging decisions on forecasts, past experience, expected impacts, and logistics, there is no evidence to indicate that past experience plays a meaningful role in guiding Eversource's staffing[3]. Examination of historical data on crews secured, trouble spots, restoration times, and costs for similar storms would provide a benchmark for those decisions. However, the Company has not shown how that data supported staging for the six storms. It also declined to compare forecasts with actual outcomes, stating that doing so "would be extremely difficult to perform and would provide limited practical value"[4].
c. Please see response to subpart (a).
d. Please see response to subpart (a).
e. Please see response to subpart (a).

[3] Exh. CLP-STORM-1 at 27, 39; Response to OCC-544.
[4] Response to OCC-547.