Date Filed: October 28, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Public Utilities Regulatory Authority

Question:

(SERVICE COMPANY OVERHEAD) Application, Schs. C-3.11, C-3.12 and C-3.38; Interrog. Resp. OCC-202, Atts. 1 and 2 and Interrog. Resp. OCC-301, Att. 1. Regarding the overhead and benefit loading rates applied to EESCO and CL&P labor:

a. (i) Provide, in an unlocked Excel spreadsheet with formulas intact, the derivation of the Weighted General Service Company Overhead Rate and of the Weighted Payroll Benefit Rate for each year presented in the Company's response to Interrogatory OCC-202, (ii) identify each component of the numerator and denominator and the amount of each; and (iii) identify each component included in one rate and not the other.
b. (i) State the total EESCO overhead charged to CL&P in the Test Year and the Rate Year; (ii) identify the schedule and line on which it appears; and (iii) provide the work paper showing that no component is also recovered through Schedule C-3.11, C-3.12 or C-3.38.
c. Regarding Attachments 1 and 2 of the Company's response to Interrogatory OCC-202: (i) state, for each attachment, which of columns (e) and (f) contains base salary and which contains total variable compensation, and the column to which the applicable rate is applied to produce column (g); (ii) provide corrected attachments; and (iii) identify every other caption, footnote or total in either attachment that is misstated, including the 2023 footnote in Attachment 1 referring to column (h). In Attachment 2, column (g) equals column (f) multiplied by the applicable rate for every employee, which is contrary to the caption. In Attachment 1, column (g) equals column (e) multiplied by the applicable rate, but the 2025 totals of $11,308,184 and $83,959,086 are printed under the wrong columns.
d. Explain the movement in the Weighted Payroll Benefit Rate from 17.62% in 2023 to 23.24% in 2025 and to 20.99% in June 2026, and in the Weighted General Service Company Overhead Rate from 70.88% in 2024 to 67.76% in 2025 and to 64.93% in June 2026.
e. (i) Identify each component of the General Service Company Benefit Loader of $87,000 and the Non-Productive Time Loader of $19,000 applied to investor relations payroll of $132,000 in 2025 in Attachment 1 of the Company's response to Interrogatory OCC-301; and (ii) state whether any component of the Non-Productive Time Loader is also included in the Weighted General Service Company Overhead Rate.

Response:

a. Please refer to RRU-055 Attachment 1, for the General Service Company Overhead Rate and Payroll Benefit Rate for each year presented in the Company's response to Interrogatory OCC-202[i]. Additionally, please refer to RRU-055 Attachment 2, for the weighted calculation for each overhead rate and each year presented. The overhead rate calculations are calculated every January based on estimated costs and labor and updated, as needed, during the year based on the estimated costs and labor for the remainder of the applicable year. Note the Company inadvertently reversed the weighting percentages of the General Service Company Overhead rates for each year 2023 through 2025 in OCC-202 Attachment 1 when calculating the indirect costs in column (g). The revised weighted overhead rates are included in RRU-055 Attachment 2.

b. The ESC overhead charged to CL&P in the Test Year and Rate Year is outlined below:

		($ in Thousands)	
Description	**Schedule Reference**	**Test Year Amounts**	**Rate Year Amounts**
ESC Capital Funding	Schedule C-3.11	$ 7,119	$ 9,930
Employee Benefits	Schedule C-3.12	11,391	15,066
Insurance	Schedule C-3.19	127	188
Rent Expense	Schedule C-3.25	1,474	1,819
ESC Depreciation & Amortizatio	Schedule C-3.35	12,449	19,268
Payroll Taxes	Schedule C-3.38	4,602	6,121
		$ 37,162	$ 52,392

c. (i) In Both OCC-202, Attachment 1, and OCC-202, Attachment 2, column (e) contains the base salary and column (f) contains the total variable compensation, and the applicable rate is applied to column (e) base salary to derive the indirect costs (benefits) amount in column (g).

(ii) – (iii) The Company does not have any corrections or updates related to OCC-202, Attachment 2. All information is correctly displayed in the filed response. Please refer to RRU-055, Attachment 3, for an updated OCC-202, Attachment 1, correcting the weighted General Service Company Overhead rates for each year 2023, 2024, and 2025, as noted in subpart a of this response.

d. Please refer to RRU-055, Attachment 1, for a side-by-side comparison of the Payroll Benefit and General Service Company Overhead rate changes.

e. (i) General Service Company Overhead includes employee pension costs, the cost of insurance and other employee benefits, payroll taxes, depreciation, capital funding and rent on service company assets. The Non-Productive time overhead covers non-productive labor benefits such as vacation, sick and holidays.

(ii) There are no components of the Non-Productive Time overhead included in the Weighted General Service Company Overhead Rate.

Prior Referenced Response:

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[i] OCC-202 Question:

(COMPENSATION) Please provide an unlocked Excel spreadsheet, showing in individual tabs for each year from 2018 through the present each Company employee and executive's pay, separated into base pay, variable pay, benefits, any other compensation provided to the employee (e.g., stocks, options, etc…), the total all-in pay for that year, and the percentage allocated to CL&P customers. This exhibit may include job titles rather than employee names, but please number each position to allow the individual in the position to be tracked across all years.

OCC-202 Response:

Please refer to OCC-202, Attachment 1, for each Eversource Service Company ("ESC") employee allocated base salary, total variable compensation and total indirect costs attributed to CL&P for 2023 through June 2026. The Company also provided the ESC percentage allocated to CL&P customers.

It is typical for ESC employees to charge their time to multiple operating companies throughout the year, and therefore the Company takes the ESC compensation and allocates a portion of the costs to CL&P. In columns (e) through (g) of OCC-202, Attachment 1, represents the dollars allocated to CL&P in the cost of service of this proceeding. Additionally, the compensation for the Company's CEO, CFO, and CL&P President were removed from the cost of service, as discussed in Exhibit CLP-REVREQ-2, at 74, showing zero dollars in columns (e) through (g) of OCC-202, Attachment 1. While the Company's CEO, CFO and CL&P President's compensation are excluded from the rate case, the Company's CEO, CFO and CL&P President continues to allocate costs to CL&P's as normal part of business operations and business for the benefit of our customers, as referenced in column (i) of OCC-202, Attachment 1.

Please refer to OCC-202, Attachment 2, for each CL&P employee base salary, total variable compensation, and total indirect costs attributed to CLP for 2023 through June 2026. Note the CL&P employees charge 100 percent of their time to CL&P.

Conducting this detailed analysis for years prior to 2023 requires substantial work to extract this particular detail for older historical years, which is not warranted given that the resulting information is outdated. The Company will supplement these responses as the older historical information becomes available.