Post-Audit Business Review for Connecticut Management Audit

(A) Status	(B) Responsible	(C) Section	No.	(D) Question	(E) Results of the Post-Audit Business Review
Complete	Iacono	1 - Exec Management	1	The Eversource organizational structure is an informal matrix structure overseen by the Senior Team. The structure requires frequent communication between the various shared services organizations and the operations functions. Eversource has operated in this type of structure for an extended period and based on our review communication and information flow within the matrix works well and is embedded in the organization. This results in well informed and customer focused decision-making. As with any matrix organization the chain of command and ultimate responsibilities across the various organizations can sometimes be difficult to understand. Recommendation to create a formal internal organizational document that simply explains how the various functions/organizations are managed and decision-making works for the CT Companies.	The business review shows that Eversource Energy maintains extensive organizational structure documentation through the Workday HR systems, enabling the flow of information vertically or horizontally. Eversource Energy does not maintain a matrix-based organizational structure so that decisionmaking authority and process within each organization is the responsibility of that organization's leadership.
N/A Sold	Aquarion	1 - Exec Management	2	Unlike the Presidents of CL&P and YGS who are capped at $7.5 million, the Aquarion President, Donald Morrisey, has unlimited authority through the Aquarion Signature Authority levels. Recommendation to cap the Aquarion President's Signature Authority level at $7.5 million to be in line with the other CT Companies Presidents.	N/A
N/A Sold	Aquarion	1 - Exec Management	3	To track regulatory compliance, recommendation to determine whether Aquarion's regulatory orders can and should be added into the Archer database to enhance the sharing of information and best practices and increase visibility to the many parties involved in regulatory compliance.	N/A
Met	Normant	1 - Exec Management	4	Recommendation to link the Eversource long-term planning process to the key categories used in its Corporate Operating Plan to create business metrics.	The business review shows that the LRP process is integrated with the Corporate Operating Plan (COP) and the Company's strategic planning. The Company's LRP is the end result of several iterative and collaborative strategic discussions and decisions. The financial inputs that are used in constructing the LRP come from the business areas that have participated in cross-functional planning scenarios in each functional area. For example, the team ensures that a reconciliation of the strategic capital plans received from the business areas (and included in the LRP) is performed against the outputs of the Transmission Development Advisory Council decisions or against data filed in the Electric Sector Modernization Plan or other long-term strategic initiatives at Eversource. From a strategic financial standpoint, the LRP forecasts key business metrics, such as earnings and EPS; rating agency credit ratios for S&P, Moody's and Fitch; capitalization and liquidity ratios; return on equity; rate base growth; and segment results, consistent with metrics used in the COP. These metrics, which are core LRP results, are critical information the CFO, which are required to make financial decisions that ensure alignment with both strategic and financial objectives on a long-term basis, including the Company's commitment to provide safe and reliable service, control costs, enhance customer experience, promote clean energy adoption, and develop its talented workforce, while maintaining financial integrity.
Complete	Normant	1 - Exec Management	5	Recommendation for Eversource to internally document their long-term and short-term planning processes including timelines, responsibilities and in summary broad categories information required for the CT Companies. The internal document(s) should include the Strategic Capital Plan, 5-Year Plan, Corporate Operating Plan, Annual Capital Budget, and Annual O&M Budget and a description of the interrelationships between these various planning processes.	The business review shows that there the processes are documented with flow charts, calendars, budget manuals, and other documentation. Each individual workstream has its process documented and each workstream feeds directly into each other through an iterative process. At the initiation of each annual planning cycle phase (e.g., 5-Year Plan (LRP), Corporate Operating Plan, etc), the finance organization provides instructions and applicable timelines to all of the supporting business areas covering each operating company as well as shared service business units. The Strategic Capital Plan is developed first by operations and then fed into the LRP and adjusted as needed to balance overall corporate objectives. The LRP layers other assumptions ensuring strategic business initiatives, regulatory developments, and recent or pending legislation, for example, are properly reflected in the Strategic Plan, and consequently, in the LRP. The LRP makes assumptions regarding other costs like property taxes, income taxes, interest expense, and O&M for the 5-year period. Once approved by the CFO and presented to the Board mid-year, the assumptions for the first year of the LRP are handed off to the annual operating team. The operating plan is then constructed at a more granular level, refining all assumptions from the LRP and factoring in more recent inputs from the business areas, again including operating companies and shared services. The team then produce the final annual budget (the Corporate Operating Plan) inclusive of the Annual Capital Budget and Annual O&M Budget to be approved by the Board of Trustees. As the year progresses, actual results are interpreted and used to reforecast the Corporate Operating Plan such that it can be circulated back through the LRP to re-baseline the next five years; and the process repeats advanced by one year.

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Complete	Normant	1 - Exec Management	6	Recommendation to include in the documentation for the Strategic Capital Plan and Annual Capital Budget for the CT Companies how the capital spending categories benefits Connecticut customers as well as how the capital spend is meeting state regulatory and energy policy objectives.	The business review shows that, from a finance perspective, this is documented in the budget presentations and to some extent the capital plan book that goes to the Board (at a higher level but still on point). Consideration of the investment program's impacts on customers and policy is a consideration in the Strategic Capital Plan each year, which then serves as the starting point for developing the overall annual capital budget for CL&P and the other operating companies (each ultimately centering around customer and state objectives). The annual capital plan for CL&P is developed by Electric Engineering with input from Electric Operations (including the CL&P President) on a project-specific basis, in line with the financial and performance targets established within the Strategic Plan. The capital plan involves a combination of individual major capital projects; capital programs composed of "sub-projects;" and "line of business" work (for example, non-discretionary core projects) to be funded during the upcoming year. A variety of factors are considered in determining which capital investments are necessary to achieve operating and state objectives, including but not limited to aging infrastructure needs, system conditions, reliability performance, new customer growth and resource availability. Multi-year funding for major projects is also reviewed through the annual budgeting process. The CL&P annual capital plan is developed through a detailed prioritization process identifying the appropriate mix of work that will best address system-related issues. Before a final annual capital budget is established, alternative scenarios are presented to the COO and CFO by the CL&P President. The scenarios lay out the resulting impacts on performance and operations for customers (SAIDI, MBI, emergent spending, storm spending, asset aging, etc). The various strategies also consider active PURA docket mandates (resiliency, reliability), customer interconnection compliance, and GridMod advancements as examples. These are illustrated in the Strategic Capital Plan overview prepared each spring and the Annual Budget presentation prepared in the fall. The scenario approaches are similarly illustrated in the proposed capital plan in the CL&P rate case.
Complete	Scacco/Foley	2 - System operations	7	The Director of Emergency Preparedness currently reports to Craig Hallstrom, President of the Massachusetts Electric Companies, despite being a shared resource across the COO's organization. Many other peer utilities across the Northeast have this role report to the most senior operations leader, usually a COO or similar role, due to the shared nature of this service. This change will promote clear lines of accountability and consistency for Eversource. The Managers who currently report to the Director of Emergency Preparedness will remain accountable to the operating company Presidents they currently serve.	The business review shows the Emergency Preparedness Group has been reorganized since the audit was conducted, with the creation of a new position, Vice President, Emergency Preparedness, along with other direct reports, improving the scope of control, accountability and consistency for Eversource. For admininstrative purposes, the Vice President, Emergency Preparedness reports to Doug Foley, President of NSTAR Electric, Massachusetts on a blue sky basis and reports directly to Don Scacco, President, Connecticut, Doug Foley, President, Massachusetts and Bob Coates, President, New Hampshire during storm and ERP events. However, this position works across all three states with routine and direct contact with the Chief Operating Officer.
Complete	Walker/Freeman	2 - System operations	8	Recommendation that CL&P should embed the locationally specific influences of *Heavy-Duty Electric Vehicles ("* HDEVs") and other influences such as marijuana growing facilities into their long-term system forecasts.	The business review shows that CL&P meets this recommendation, to the extent this information is available.
Complete	Walker/Freeman	2 - System operations	9	Recommendation for Eversource to consider the development of a long-term strategic system plan to assist with anticipating and preparing for major industry trends. This plan would discuss key known industry challenges and opportunities along with strategic goals to assist with long-term resourcing needs, systems and tools, organizational alignment, and other parameters.	The business review shows that CL&P meets this recommendation, to the extent this information is available.
Complete	Gladey	2 - System operations	10	Recommendation for CL&P to consider a design alternative requirement during the detail design phase. This would require the consideration of design, routing and construction alternatives that further promote least-cost solutions while satisfying Company objectives.	The business review shows that, as part of the design process, projects over $500,000 that are not related to emergent replacement or asset condition replacements are put through an alternatives design consideration.
Complete	Cliff Williams / Seth Krueger	2 - System operations	11	Recommendation for Eversource to consolidate their project management processes and documentation, so they are aligned and utilize best practices. This effort should include the development of a Project Management Process design group that is composed of subject matter experts across the Companies who design, review and approve any changes or updates. AWC-CT should also include close out as a major project management process that assures close out activities, similar to CL&P and YGS.	The business review shows that the Company has made efforts to standardize project management practices across the gas operating companies through a series of meetings between the organizations – recognizing difference between project types, scope and duration. Project lifecycle standardization efforts include: project development, design and estimate review, constructability review, project authorization, construction, change management, red-line/as-built review, and formal project closeout. Gas Engineering and Project Management have also strengthened cross-functional governance and closeout requirements to ensure that field changes, inspection records, testing, final drawings, costs, lessons learned, and turnover documentation are completed and incorporated into future project development.

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Complete	Gladey / Krueger	2 - System operations	12	Recommendation for Eversource to develop a project prioritization process as either a standalone document or within existing documentation that includes best practices from the industry and internally. The Companies should also evaluate and implement a tool that assists with the consistent prioritization of projects. Since each Company has unique needs and methodologies, the tool or tools considered should be flexible.	The business review shows that the gas organization utilizes risk based project selection and prioritization via their Asset Management and Risk Investment teams which consider safety, compliance, asset condition and risk, system reliability, operational requirements, municipal coordination, permitting, resource availability, constructability, and financial considerations. This process continues to be strengthened through standardized risk methodologies, annual and five-year work planning, monthly work-plan reviews, and improved reporting and analytical tools that allow priorities to be reassessed as system conditions, regulatory requirements, resources, and emerging risks change. Because of the unique work the gas organization utilizes its own risk models and tools to develop a list of assets to be replaced. The electric distribution system utilizes a work management system that structures work by default priorities then further managed through the Areas work centers (AWCs) and engineering team to schedule work based on safety, inservice need, emergent or planned replacement. The electric distribution system also utilizes a internal project management system to manage its larger capital work and continues to evaluate industry best practices to further benefit risk management of work.
Complete	Loren Osborne	2 - System operations	13	Recommendation for CL&P to provide a comprehensive set of productivity trackers to Operations leaders on a regular cadence. CL&P should also perform regular crew productivity tracking to assist with decisions on when to use and not to use contracted resources. YGS and AWC-CT should also conduct time tracking studies for field-facing supervisors so they can determine if time is focused on supervising field crews as much as practicable.	The business review shows that CL&P Operations has implemented crew-productivity reporting that provides leadership with visibility into crew performance, productivity trends, and opportunities for operational improvement. Schedule Maximization and Schedule Adherence reporting have also been developed and measure planning and execution alignment, providing insight into workforce utilization, schedule performance, and barriers to execution, with rollout planning underway in Connecticut.
N/A Sold	Aquarion	2 - System operations	14	AWC-CT should consider moving toward a network or cloud-based tool Project and Portfolio Management database that provides project schedule and dependency visibility across the enterprise. This will provide several benefits including enterprise-wide visibility, more effective version control, access control, and real-time updates among others.	N/A
Complete	Cliff Williams / Seth Krueger	2 - System operations	15	Recommendation that project documentation for all Operating Affiliates should be expanded and where possible standardized. Documentation should include but not be limited to project charters (includes scope, justification, etc.), project approval logs, project financials, schedule, resource plan, risk register, lessons learned, and status reports.	The business review shows that Eversource utilizes standardized project authorization, sanctioning, and approval processes to ensure appropriate technical, operational, financial, and management reviews, approvals, and supporting documentation are completed before investments are made on the system. Throughout the project lifecycle, Project Management, Project Controls, Operations, and Engineering routinely review project financials, status, schedules, resource plans, and emerging risks, while additional organizational oversight ensures resources and schedules are effectively managed and lessons learned are incorporated to continuously improve project execution and business processes.
Complete	Colorio / Krueger	2 - System operations	16	Recommendation for Eversource to consider conducting peer benchmarking to determine the efficiency of their work practices and productivity related to O&M tasks. They should also ensure that program status is clearly tracked and monitored by leadership.	The business review shows that the Operating Affiliates continue to evaluate productivity and work practices through internal operating company comparisons, contractor performance, historical project performance, cost and productivity metrics, and external benchmarking where appropriate, while recognizing differences in operating conditions and regulatory requirements. Leadership oversight has also been strengthened through program dashboards, monthly work-plan and forecast reviews, productivity reporting, variance analysis, resource planning, monthly scorecard/performance reviews and regular Engineering/Operations/Project Management governance reviews to identify emerging risks and initiate corrective actions. The gas business frequently participates in industry meetings and workshops to review company specific operating manuals and procedures against other peer companies.
Complete	Keegan Ritchey	2 - System operations	17	Recommendation for CL&P and YGS to conduct detailed analysis to the specific cause of the increase in spend for their respective CYBD programs and implement changes, if any, based on lessons learned.	The business review indicates that the variance identified in 2020 is related to COVID, as well as to overall the Damage Prevention department just having fewer overall employees in the department at that time. The total ticket volume received each year from 2018-2022 is pretty flat. The 2019 variance relates to the fact that, while preparing the 2019 budget, a decision was made to move the Damage Prevention employees previously budgeted under "G07:YG Damage Prevention -West" to various Maintenance CCCs (with the exception of the supervisors and non-labor dollars). That is why the budget is lower than the other years. The reason for this being done in 2019 was to align the budgeting and reporting structure of the Damage Prevention group to match that of the other operating companies in the Gas Business, as well as the Company was considering moving to a model of outsourcing that work. There are a limited number of people with this experience and expertise and the reporting structure was not feasible for the Damage Prevention group. Additionally, during discussions the Company had with PURA about the plan to outsource this work, the Gas Pipeline Safety Unit (GPSU) within PURA made it clear they wanted the Company to continue to complete this work with internal resources. That is why in 2020 the decision was made to revert the reporting and funding structure back to the previous model.

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Complete	Scacco/Foley	2 - System operations	18	Recommendation for Eversource to realign the Emergency Preparedness group to report to the COO. This will provide clear reporting lines and equal accountability to all operating Companies including CL&P.	The business review shows the Emergency Preparedness Group has been reorganized since the audit was conducted, with the creation of a new position, Vice President, Emergency Preparedness, along with other direct reports, improving the scope of control, accountability and consistency for Eversource. For admininstrative purposes, the Vice President, Emergency Preparedness reports to Doug Foley, President of NSTAR Electric, Massachusetts on a blue sky basis and reports directly to Don Scacco, President, Connecticut, Doug Foley, President, Massachusetts and Bob Coates, President, New Hampshire during storm and ERP events. However, this position works across all three states with routine and direct contact with the Chief Operating Officer.
Complete	Dean Desautels	2 - System operations	19	Recommendation for CL&P's ERP to include checklists for each ICS and other critical operational roles. Additionally, operational and communication forms and templates should be developed and included in the ERP to ensure consistent documentation. All forms should be used and collected after each incident for after action review and auditing purposes.	The business review shows that Eversource utilizes position specific Job Descriptions for all roles within the Incident Management Team(s) in lieu of checklists. These Job Descriptions outline the Position Duties and Responsibilities, as well as expected actions pre, during and post incident. This method is preferable, as checklists limit individuals from utilizing critical thinking respective to the incident, it's unique challenges and then applying the most appropriate actions to respond to an event. Additionally, each of the Incident Management Teams utilize a call sheet during Situational Update meetings that help guide the C&GS on critical points/processes that should be considered/addressed during a response. Also, CL&P currently utilizes Teams, which is tied into a backend SharePoint site, to manage incident documentation which are then utilized for incident After-Action Reviews and the Storm Cost Recovery dockets.
Complete	Dean Desautels	2 - System operations	20	Recommendation for YGS's ERP to include checklists for each ICS and other critical operational roles. Additionally, standardized forms and templates should be included to ensure consistent documentation. All forms should be used and collected after each incident for after action review and auditing purposes.	The business review shows that Eversource utilizes position specific Job Descriptions for all roles within the Incident Management Team(s) in lieu of checklists. These Job Descriptions outline the Position Duties and Responsibilities, as well as expected actions pre, during and post incident. This method is preferable, as checklists limit individuals from utilizing critical thinking respective to the incident, it's unique challenges and then applying the most appropriate actions to respond to an event. Additionally, each of the Incident Management Teams utilize a call sheet during Situational Update meetings that help guide the C&GS on critical points/processes that should be considered/addressed during a response.
N/A Sold	Aquarion	2 - System operations	21	Recommendation that AWC-CT would benefit from implementing ICS for Emergency Incident management. The Company can leverage CL&P and YGS for assistance with developing and implementing this approach within their response framework.	N/A
Complete	Dean Desautels	2 - System operations	22	Recommendation for all Command Staff Roles should have at least 2 named individuals assigned, and critical roles should have at least 3 individuals assigned. Those serving in these roles should be fully trained and qualified. The Companies should also consider having back-up employees in a training capacity for attrition or other personnel related issues.	The business review shows that the Company has implemented this recommendation to the extent staffing is available. The Company also uses support from other Opcos as needed.
Complete	Dean Desautels	2 - System operations	23	Recommendation for CL&P and YGS to develop processes and associated documentation for critical emergency response processes. These processes should then be deployed through training to applicable employees. CL&P and YGS should also consider developing decisions trees where appropriate and document them through their emergency response plans.	The business review shows that Eversource has developed processes and associated documentation for critical emergency response processes. An example of this is the YGS development of a Customer List Development Process document, which is maintained in the Emergency Preparedness Documentation Library along with the other relevant Procedures, Processes Descriptions, Job Descriptions, Job Aids, User Guides, Guidelines, and Forms. This Process Description was developed by the Gas Incident Management Team to formally develop a method for creating a customer list during ERP events, which is a critical ERP process.
In Process	Dean Desautels	2 - System operations	24	Recommendation for CL&P to develop an activation process that ensures employees are activated consistently for all events. CL&P should develop a database that indicates assigned and available resources including the role they are activated for.	The business review shows that this is an area currently under-development through the investigation of new systems to assist, inform and improve the Company's ERP response and associated cost invoicing.
N/A Sold	Aquarion	2 - System operations	25	Recommendation for AWC-CT should consider conducting annual drills which alternate between scenarios to test the effectiveness of the Company's readiness.	N/A

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Complete	Buth & Fallon	3 - Finance	26	For the Accounting and Treasury functions, recommendation is for Eversource to participate in benchmarking studies for the Accounting and Treasury organizations and obtain such information in the future as a tool to be used in identifying processes that could be improved and performed more cost effectively. If centrally managed and monitored, the acquisition of this type of information should be coordinated with the group responsible for identifying best practices throughout the Eversource organization.	The business review shows that the Company participates in informal EEI information-sharing activities to assess industry practices and identify improvement opportunities. In addition, Eversource Financial Management is advancing the Finance and Accounting Reinvention (FAR) project, which includes implementation of a new integrated SAP general ledger and both the transformation and modernization of key finance processes and controls. We expect the combination of process redesign and agentic technologies to drive significant operational efficiencies, enhance the value of work performed, and support a more cost-effective operating model. Project FAR is scheduled to commence on November 1, with completion anticipated in the second half of 2028.
Complete	Kallen	3 - Finance	27	Recommendation to review of EESC's capital structure used for fixed capital cost recovery in the next round of general rate cases for the CT Companies.	The business review shows that, as a result of recommendations through the Management Audit, EESC has issued debt and rebalanced its capital structure.
Complete	Normant	3 - Finance	28	Recommendation that the EESC extend its budget and internal management reporting to the operating company level such that the reports show costs budgeted and distributed to utility subsidiaries and to their transmission and distribution business segments. As Eversource demonstrated with the data made available for audit review, this information is readily available from the accounting system and is, in fact, already provided in high-level budget presentations for the Customer Experience and Energy Strategy organization. Production of budget and actual cost data at the operating company level will serve to highlight significant shifts, if any, in cost distributions between companies, and will provide a means to demonstrate to state regulators that costs charged by the service company which make up a substantial share of each regulated utility's cost of service are fairly and reasonably apportioned between individual Eversource utilities and their distribution and transmission business segments.	The business review shows that budget-to-actual and actual current year to actual prior year financial results by operating company (inclusive of distribution and transmission and corporate shared services allocations) are presented to each company president quarterly. This includes analysis explaining variations from budget, in order to validate that cost of service is fairly and reasonably allocated.
Complete	Iacono	3 - Finance	29	Service company agreements with the CT Companies are dated January 1, 2014 and reference the legacy service company, the Northeast Utilities Service Company ("the NUSC"), instead of the EESC. Recommendation to make appropriate revisions to these agreements to bring them up to date with respect to the services listed and to accurately reflect the service relationship between the EESC and operating companies. Recommendation also to revise the agreement language stating that services are provided "if and to the extent requested" by the utility operating companies to more accurately reflect the fact that the EESC's services and costs are managed by the Executive Vice Presidents in the EESC's senior leadership organizations, and that operating company managers do not have a role in determining how much of a service they purchase or EESC cost amounts budgeted for distribution to their utilities.	The business review shows that Northeast Utilities Service Company ("NUSC") was not replaced by a different service company. Rather, the same Connecticut corporation changed its name to Eversource Energy Service Company ("EESC") effective July 1, 2015. Additionally, the nature and scope of the services provided under the agreements have not changed materially since the agreements were executed in 2014. Accordingly, references to NUSC in the agreements continue to refer to the same legal entity, now operating as EESC. Note: The recommendation appears to assume that EESC services and costs are determined solely by Executive Vice Presidents. In practice, service activities and budgets are developed and managed through established planning, budgeting, and governance processes that involve operating company personnel, multiple business functions, and various levels of management oversight. EESC remains the same legal entity and the underlying services and governance processes have not materially changed so no revisions are necessary or advisable at this time.
N/A Sold	Aquarion	3 - Finance	30	Recommendation for Aquarion to adopt a service company model under which employees and vendors who provide shared products and services are separated from other AWC-CT employees and provide the services either through parent company the Aquarion Company, through Aquarion Water Company Holding Company ("AWC Holdco"), or preferably, through an entity established for the purpose of providing centralized, shared services (akin to the EESC). The cost of centralized services shared by a group of utilities or provided for the benefit of the corporate group of companies as a whole, should not be incurred and charged from one of the benefiting utilities, primarily because any services not explicitly recognized as shared with affiliated utilities or as benefiting the corporate group as a whole will automatically default to the utility providing the service and incurring the cost. As AWC continues to grow through acquisitions, and potentially through the expansion of its non-regulated services, it becomes increasingly important to separate the services benefiting multiple subsidiaries or Aquarion as a whole from those provided only for the benefit of AWC-CT.	N/A
N/A Sold	Aquarion	3 - Finance	31	Recommendation that Aquarion bring its existing service agreements up to date and initiate agreements between all affiliates in which intercompany products or services are shared or exchanged, including, AWC-CT, HSV and Torrington. Aquarion should also ensure that all service agreements accurately identify the legal entities involved and the services provided.	N/A

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N/A Sold	Aquarion	3 - Finance	32	Apart from and in addition to establishing a service company model for the provision of shared services, we recommend Aquarion develop cost allocation procedures for all significant centralized administrative and management functions to ensure the costs of these functions and their activities are properly distributed to all benefiting operating subsidiaries. Using the employees of AWC-CT to provide services that benefit multiple operating subsidiaries or benefit Aquarion as a whole, with no systematic cost allocation procedure (other than direct charging) increases the probability that some common costs will not be properly recognized and will be borne solely by AWC-CT.	N/A
N/A Sold	Aquarion	4 - Human Resources	33	Aquarion should expand their HR Key Performance Indicator ("KPI") tracking to include more metrics that are consistent with Eversource's corporate priorities, such as diversity hirings.	N/A
N/A Sold	Aquarion	4 - Human Resources	34	Aquarion employees should be incorporated into Eversource's succession planning program, where key talent is identified.	N/A
N/A Sold	Aquarion	4 - Human Resources	35	Aquarion should ensure that the SuccessFactors system, scheduled for implementation in 2024, will allow it to track the issuance and completion of training programs offered throughout the organization and provide sufficient monitoring capabilities to ensure Aquarion's training objectives are met.	N/A
Complete	Megan Cyr	4 - Human Resources	36	Recommendation that Eversource should implement monitoring systems for all employees who require licenses to perform job functions, including occupational licenses. Aquarion should centralize license monitoring within HR and implement tracking system improvements such as those contemplated in SuccessFactors.	The business review shows that CL&P tracks this in the LMS system, and Yankee tracks this in the Energy Worldnet system.
Complete	Doug Haas	5 - Customer Service	37	Recommendation that Eversource establish performance targets for ASA, AHT, and CAR telephone metrics in Connecticut. These metrics currently lack targets and performance has deteriorated in the post-COVID-19 pandemic period compared with 2019. While the targets should consider current operating conditions, they should also consider results achieved before the COVID-19 pandemic. We recommend targets based on levels achieved in 2019, the most recent pre-pandemic year.	The business review shows that Eversource uses "service level" to monitor contact center performance. Service level is closely related and strongly correlated to average speed of answer (ASA) and is an effective management tool to monitor abandoned calls, as well, since abandoned calls are part of the formula we utilize to calculate service level. The formula for service level is – calls answered in designated time (at Eversource this time is 90 seconds for residential and commercial calls, 120 seconds for credit calls) divided by the total number of answered calls plus the number of abandoned calls. Since abandoned calls negatively impact the service level calculation, we are monitoring CAR by using this metric. Two main components of AHT, after call work and hold time, are monitored at the CSR level. Internal CSRs are held accountable for these metrics in their performance reviews and have defined targets. To demonstrate the effectiveness of this strategy, the combined totals for average call work and average hold from 2019 to 2025 have decreased for our Connecticut Electric customers by nearly 30% (83 seconds to 59 seconds.) The third component of AHT (talk time) is not included on CSR scorecards. This is intentional as we do not want CSRs to rush customers through complicated situations or explanations, or feel pressure to end calls rapidly. We expect the CSRs to take the necessary time to ensure customers understand and have their questions answered fully.
Complete	Doug Haas	5 - Customer Service	38	Recommendation that, until CSR employee staffing levels return to levels needed to maintain acceptable Connecticut telephone performance (i.e., pre-COVID-19 pandemic performance levels), and to the extent the integration of utility-specific CSR groups into a single queue later this year may create additional temporary performance issues, Eversource should increase the level of support provided by third-party vendor Alorica to the Windsor, Connecticut contact center's non-credit call operations to achieve improvements in performance. This assumes that Eversource is already exploring solutions such as the increased use of technology (e.g., chat features) as a way of improving telephone performance and is evaluating individual CSR performance as it is permitted to do under its 2021 contract with the Windsor, Connecticut contact center's union employees.	The business review shows that the contact center has utilized third party vendor Alorica to support non-credit contact center operations. This support has assisted the contact center to realize a 6.5% improvement in average speed of answer January to September 2025 vs January to September 2026.

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Complete	Shamus	5 - Customer Service	39	Recommendation that Eversource take steps to improve customer adoption of levelized (budget) billing, which benchmarking data showed Eversource was underperforming relative to peers. Customers on levelized billing (budget billing) plans are less likely overall to fall into payment delinquency due to occasional high seasonal bills.	The Company recognizes the value that Budget Billing can provide to customers by creating more predictable monthly payment amounts and reducing the impact of seasonal fluctuations in energy usage and pricing. At the same time, the Company balances these benefits with the understanding that Budget Billing is not suitable for all customers, particularly those expecting significant changes in usage or rates, and that price visibility remains an important factor in encouraging energy conservation during periods of higher demand. Company research has also shown that electric customers enrolled in Budget Billing use, on average, approximately 20% more energy than non-participating customers.
Complete	Shamus	5 - Customer Service	40	E-bills are significantly less costly than paper bills. Recommendation is that Eversource review the procedures AWC-CT has used to achieve an e-bill adoption rate exceeding 50% and determine whether it might apply similar procedures to achieve better levelized billing adoption rates for CL&P and YGS.	The business review shows that the Company reviewed the practices used by Aquarion Water Company-CT to achieve paperless billing adoption rates exceeding 50%. Through discussions with Aquarion, it was determined that key drivers of their success, including the transition from quarterly to monthly billing and a customer base characterized by lower, more consistent bill amounts, are not directly transferable to CL&P's operating environment. As a result, the Company has focused on initiatives better aligned with our customer base and billing practices.
Complete	Jonathan Harris & TJ Magnoli	5 - Customer Service	41	Recommendation that Eversource develop a scorecard performance target rate for customer complaints referred to Eversource in Connecticut by the PURA. The scorecard target should be applicable to the Regulatory Affairs department. The target should be informed by actual experience in the post-COVID-19 pandemic environment, during which complaints have declined due to improved programs for low-income customers and lower numbers of accounts disconnected for non-payment.	The business review shows that this recommendation is implemented.
N/A Sold	Aquarion	5 - Customer Service	42	Recommendation that AWC-CT develop metrics to track participation and customer renewal of participation in its Low-Income programs, including its new LIRAP program.	N/A
Complete	Pace	7 - Support Services	43	Recommendation that the Company should perform a formal cost study to determine the effectiveness of their resourcing strategy including the utilization and cost of external counsel. In addition, the Company should promote additional oversight of external counsel by ensuring that the lawyer overseeing the work is not the only person reviewing the need and charges provided by external counsel which will help mitigate against any instances of conflict of interest.	The business review shows that the Company has reviewed its resourcing strategy, including the utilization and cost of external counsel. Through the Company's legal billing information system the Company has a broad range of hourly counsel rates logged into the system, enabling the Company to ascertain what the range of reasonable hourly costs are and the most competitive rates obtainable by subject matter. Eversource Legal uses the Thomson Reuters Legal Tracker ("Tracker") electronic billing system to receive, review and process for payment all outside counsel invoices and budgets for individual matters. Through this system, Eversource Legal attorneys can perform comprehensive reviews of the hourly rates of outside counsel to determine if the firm's charges are reasonable as compared to other legal vendors and to obtain competitive perspective on the range of hourly rates to be expected for each type of work. Decisions made on outside counsel are not made by one person and are signed off by legal department management.
Complete	Craig Dikeman	7 - Support Services	44	(Real Estate) Recommendation that the three OpCos should implement improvements to their real-estate budget management process that should include the development of an attainable budget that is appropriately managed throughout the year using a portfolio management process.	The business review shows that facilities-related capital budgets are developed using the best information available at the time of planning; however, most projects are construction-related and require preliminary budgeting before detailed design and bidding occur. As projects advance through design, permitting, procurement, and construction, costs and schedules often change due to scope refinement, market pricing, equipment lead times, regulatory requirements, contractor availability, and weather impacts. Consequently, annual budget variances are typically driven by project timing shifts and evolving project definitions rather than inadequate planning. These fluctuations are a normal and expected aspect of managing a long-term capital construction program and are actively monitored and adjusted as projects progress. Facilities submits a 5-year plan every year that also is adjusted year over year based on project priority and budget targets.
N/A Sold	Aquarion	7 - Support Services	45	(Fleet) Eversource should work with AWC-CT to implement a new vehicle sourcing synergy. This could assist with additional cost savings and help mitigate against future supplier issues. However, this recommendation should be only implemented if significant benefits can be realized, and therefore is not intended to create any undue administrative burden for the sake of a consistent process.	N/A

Post-Audit Business Review for Connecticut Management Audit

(A)	(B)	(C)		(D)	(E)
Status	**Responsible**	**Section**	**No.**	**Question**	**Results of the Post-Audit Business Review**
N/A Sold	Aquarion	7 - Support Services	**46**	AWC-CT should implement a similar, but scaled, version of the Eversource Energy IT Roadmap development process. This will allow for a clear link between business imperatives and the applications developed to improve performance. This will assist the Company with prioritizing projects with the highest impact on business performance through a transparent and repeatable process.	N/A
Complete	Sean Noonan	7 - Support Services	**47**	Recommendation is that the Companies should make improvements to the IT CapEx forecasting process to more accurately reflect actual spend. This will allow for more accurate portfolio management and in-year tracking of expenses.	The business review shows that, as the IT roadmap process continues to evolve and mature, the Company continue to use that planning process to refine our longer-term CapEx forecasting process. The initiatives identified in the roadmaps are based on the business imperatives needing to be supported each year. The initiatives are refreshed and reviewed annually. While the roadmap initiatives are used to build a capital forecast and many planned initiatives in the roadmap will not change, there will always be adjustments at various times based on emergent business needs. Therefore, while the roadmaps should allow us to be better at identifying the majority of the capital forecast, there will continue to be adjustments to the capital forecast to reflect changing business needs, decisions, and/or adjustments required for project delivery. Within the updated process for predicting future IT Capital spending both in total and by specific company, there are several gateways related to forecasting for high-level annual views all the way down to detailed reconciliations of monthly actuals. Those reconciliations for active projects kickoff the process and occur immediately after each month's actuals become available and lead into a review of anticipated future spend for every associated initiative. Views are then consolidated, reviewed and discussed by a variety of groups including - IT Finance, Portfolio Analysts, Portfolio Managers and Project Managers before ultimately moving on to IT Executive Team and eventually Eversource Executive Team reviews. Ultimately, those active and near-term planned projects shape what funding remains available for future projects in the following year(s). Those future project Demands awaiting eventual authorization are prioritized by each respective business owner's area and within funding scheduled among future years based on the combination of resource availability and that combination of business and IT prioritization. These Long-Range Plans are completed and then maintained for total IT capital dollars as well as for assumed CL&P specific dollars and now form the basis of official current and future year forecasts.
N/A Sold	Aquarion	7 - Support Services	**48**	AWC-CT did not demonstrate the development or use of IT project management documentation to ensure consistent delivery practices. The Company should develop project documentation by consulting with Eversource's IT group for best practices and other support.	N/A
Complete	Chris Leigh	7 - Support Services	**49**	Recommendation is that, given the documentation provided by the Companies, the Companies should update their cybersecurity risk register to include risk scoring (likelihood and severity) and mitigation actions which is consistent with Eversource's ERM practices.	The business review shows that the Cybersecurity risk register lists the various cyber risks. When a risk assessment is done for the risks listed in the risk register, the risk assessment includes rating for Likelihood and Impact (Severity) and current mitigating controls. The scores are then used to determine which risks require additional mitigation. As part of the risk assessment process, the team will document any additional mitigating items that are required. This information is used by the Cyber team to discuss risks related to the Enterprise Risk Assessments.
Complete	Chris Leigh	7 - Support Services	**50**	Recommendation is that the Companies should consider conducting a third-party cybersecurity maturity assessment to provide a independent evaluation of the Companies' cybersecurity operations and compliance to applicable rules and regulations.	The business review shows that Companies have used third parties to evaluate maturity using the Cyber Capability Maturity Model (C2M2), and report the results to PURA staff during the Annual Cybersecurity review. The company will continue to use third parties to assess maturity.
Complete	Chris Leigh	7 - Support Services	**51**	Recommendation that the Companies should update their cybersecurity incident response plans to provide details about the communication protocols for all applicable federal, state and other industry groups. These plan should also be updated to include information concerning the approach and structure for after action reviews. Additionally, AWC-CT should benchmark Eversource and other utilities' plans to include more tactical response details for a variety of scenarios.	The business review shows that the Companies have completed a review of the Cybersecurity Incident Response Plans. The updates included restructuring the format to more clearly document roles and responsibilities, communications and escalation procedures, and various sections specific to different cyber events. The plan has been reviewed by our external Cyber Advisor.
Complete	Chris Leigh	7 - Support Services	**52**	Recommendation that the Cybersecurity group should conduct regular and independent drills to test scenarios outside of the Companies' annual storm drill practice. Cybersecurity specific drills should be designed to test existing and new capabilities, the thoroughness of response plans, and test/develop response teams skillsets. Additionally, other supporting groups should be included where necessary to ensure coordination and overall readiness.	The business review shows that th Cybersecurity group participates in multiple drills and exercises including Cyber Yankee and Liberty eclipse. Both are hands on keyboard simulation exercises using a virtual range. The group will continue to test the response teams based on skill needs and emerging industry threats.
Complete	Chris Leigh	7 - Support Services	**53**	Recommendation that the Company should consider revoking access to email systems and/or the Company network should an employee fail multiple phishing attempts after previous manager interventions. If not already in place, non-compliance to cybersecurity training should also result in revocation of computer access until such training is complied with.	The business review shows that the Company is expanding the Phishing program to include text messages, Teams and phone calls. In addition, the Companies will consider additional disciplinary actions for repeat clickers of phishing tests, including access removal. Annual cyber training is tracked and all employees are required to complete this.