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Witness: Colorio, Christopher E, Dipaola-Tromba, John P, Sullivan, Stephen T, Landry, Leanne M, Hayhurst, Michael F, Griffin, John G, Desautels, Dean C
Request from: Public Utilities Regulatory Authority

Question:
(EXTERNAL CREW BILLED HOUR VALIDATION) Refer to Responses to EOE-040 and EOE-050. The Companys response to EOE-040 referenced EOE-050 for external crew billed hour validation procedures. The Companys response to EOE-050 referenced a verification of hours invoiced to the Companys own records. Please explain how the Companys records (i.e., contractor timesheets or outside tracking sheets) are verified by Company representatives. For example, are external vendor employees required to be signed in and out by a Company employee for each day worked or required to use a Company administered tool, such as a time clock, to track attendance? If not, please explain why.

Response:

The current process for timesheet validation was implemented at the end of 2021 following the conclusion of Docket No. 20-08-03 and the directives to modify the Contractor Daily Timesheet. Currently, each external crew is assigned to an Eversource employee, when secured, to support restoration activities. This employee, designated as an External Resource Field Coordinator (“ERFC”), oversees daily activities, including job assignments and logistics support, as well as acts as the designated company representative in the field. Part of the ERFC’s daily responsibilities include collecting, verifying, and signing timesheets for contractors assigned to them. These timesheets are turned into the local Restoration Management Team (“RMT”) or District office and are used to verify work hours and locations once contractor invoices are received.

For the years 2018 through 2021, contractors would submit their daily timesheets with invoicing which was verified manually with the agreed upon contractor rosters for the emergency event. There is not a time clock that tracks attendance, rather an interactive system of checks and balances to validate accurate invoicing.

Operations personnel interact on a constant, ongoing basis with external contractors and vendors during and after each of these events. This ongoing interaction is maintained throughout each step of the three-step invoice review process. Through this interactive process, billing discrepancies are identified and resolved prior to payment. Examples of discrepancies that are identified and resolved include the following:

- The Company reviews the number of resources included on a vendor invoice against communications as to the level of support to be provided by said vendor. For example, there may be situations where contractors have committed a certain number of resources

to support the storm restoration prior to the commencement of work. The Company will work to identify during the on-boarding process, whether or not the actual number of resources/crews provided is higher or lower than the previously communicated amount. Discrepancies between committed support and actual support are reconciled through the interactive process.

- The Company reviews each invoice to ensure certain costs have sufficient supporting documentation, and to ensure that the charges on the invoice are related to the applicable storm event. Discrepancies arising from insufficient documentation of improper charges are resolved through the interactive process before the invoices are finalized.

- Lastly, the Company reviews the timesheets and the related invoice to ensure the charges on the invoice are supported by the timesheets. Any charges that cannot be reconciled to time sheets are challenged and addressed through the interactive process.

Given the sheer volume of transactions reviewed and the fact that the Company's invoice system retains the final invoice emerging from the invoice review and coordination, the Company does not keep a separate, ongoing record of discrepancies in relation to specific invoices. There is no feasible process that would allow the Company to compile a listing of discrepancies addressed through the coordination process without creating a burdensome administrative process that would not add any value given that the issues are raised and addressed through the rigorous invoice review and coordination process.