Date Filed: October 28, 2026

Witness: Leanne M. Landry and John G. Griffin
Request from: Office of Education, Outreach, and Enforcement

Question:

(STORM INTERNAL CONTROLS) Refer to Response to EOE-184, and Exhibit CLP-STORM-1, pp. 94-103. Identify and discuss the Company's internal controls performed in support of the Rate Case submission for storm related expenses. Specifically, discuss how the Company accumulated the costs and verified the accuracy of supporting documentation. This inquiry differs from the Company's PFT included within Ex. CLP-STORM-1, in that it is looking to understand the controls applicable to the Company's storm data aggregation (i.e., a different set of controls).

Response:

For purposes of this response, the Company understands "storm data aggregation (i.e., a different set of controls)" to refer to the internal controls surrounding how the Company extracts, compiles, and organizes the storm data necessary to prepare its storm filing.

The Company has a number of detective and preventative controls in place to ensure that the storm costs included in its filing, and ultimately sought for recovery, are complete and accurate:

Initial Process Level Controls
➢ CL&P's invoice review process consists of three steps. First, emergency preparedness personnel compile records of outside crews—including mobilization and demobilization dates, hours worked, and daily crew timesheets—which are reviewed and approved by the CL&P representative overseeing the work. Second, when a vendor invoice is received, personnel reconcile charges against these records and timesheets, verify hours and contracted rates, recalculate charges, and review reimbursable expenses for validity and appropriateness. This thorough review identifies billing discrepancies, unapproved or non-reimbursable expenses, overcharges, and clerical errors. Invoices without discrepancies are approved through the Company's Accounts Payable system. Finally, if discrepancies are found, CL&P personnel contact the vendor to resolve them. Resolved invoices are resubmitted for approval and payment, while unresolved disputes result in a "short-pay"—CL&P approves and pays only the undisputed portion of the invoice. ➢ All other storm costs categories including direct labor, materials & supplies, P-cards, other employee expenses, etc. have their own set of process level controls to ensure all costs are appropriately identified, categorized, supported and approved. For example,

Initial Process Level Controls

each week employees must submit and their supervisor / manager must review and approve their timesheet to verify the work performed and any labor charged to a storm work order. Additionally, any P-Card charge or employee expense would require supporting documentation and receipts which would be reviewed and approved by the employee's supervisor or manager prior to that transactions being recorded directly to the storm work order. As outlined above, each cost category included for recovery has its own set of internal controls applied to ensure each cost is properly charged and supported.

- Capitalization occurs several months after the event, once costs have stabilized. Capital units of property are identified by analyzing the storm work orders, and internal labor, contractor installation, and supervision costs are estimated for each unit. Applicable food and lodging costs are also allocated to the capital units. The total cost of each unit is then removed from the storm work order and transferred to a capital work order. This process involves multiple employees in finance / accounting and incorporates a review process to ensure all capitalization adjustments are appropriate.
- The Company performs a monthly analysis of storm costs by work order. The Company runs PowerPlan queries for the month-end close, and an analysis is completed on all costs to calculate the total incremental costs. This monthly review is depicted on page 1, of EOE-392, Attachment 1, which visually represents the steps in the Company's storm cost analysis process. As shown in that flowchart, PowerPlan queries are run for the month-end close, and an analysis is completed on all costs to calculate the total incremental costs. The product of that analysis is the "Working Review Files" and all the steps in that process are depicted on page 2, of EOE-392, Attachment 1.

Filing Preparation Controls

- The Company prepares filing exhibits for each storm, as shown on page 5, of EOE-392, Attachment 1. During this process, the Company conducts further validation to ensure a valid invoice exists, verifies that supporting timesheets are available, reconciles invoice amounts with those reflected in the exhibits, and confirms the dates match the applicable storm event. The Company retrieves the supporting invoices from Maximo, organizes them for filing, and reconciles them to the corresponding exhibits. The Company investigates any discrepancies identified during this review and resolves them through adjustments, as necessary.
- After validation and reconciliation, the Company prepares draft filing exhibits summarizing storm-related costs and detailing major cost categories, including labor, materials, and outside services. The Company's internal instructions for preparing these exhibits are provided in EOE-392, Attachment 2.
- Finally, the Company conducts a final review of the filing exhibits and supporting documentation to confirm their accuracy and completeness before submission.

The Company has not changed the underlying control process discussed herein or in Docket No. 25-12-13, because the storms addressed in this filing were filed before the Final Decision in that proceeding. However, the Company has considered the lessons learned and issues identified in Docket No. 25-12-13, and will continue to refine and enhance its invoice and storm review processes to support the completeness and accuracy of the storm information it provides.