Date Filed: October 28, 2026

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

Question:

(PAYROLL EXPENSE) Application, Sch. WP C-3.5; Interrog. Resp. OCC-330, Att. 1, Interrog. Resp. OCC-332, Att. 4, and Interrog. Resp. OCC-336, Att. 1. Regarding the proportion of labor and labor-related cost charged to operating expense rather than to capital:

a. Provide an exhibit that shows the derivation of the Test Year expense ratio of 36.51% applied to CL&P base salaries of $176,313,000 and of the ratio of 71.36% applied to the Eversource Energy Service Company (EESCO) portion of base salaries of $84,078,000, including each step that Attachment 4 of the response to Interrogatory OCC-332 does not show. Identify the source data, the related period and the population of employees.
b. Provide an exhibit that shows the capitalized proportion applied to each category of labor and labor-related cost for the Test Year, the Test Year pro forma and the Rate Year. Show CL&P and EESCO separately. Include base payroll, overtime, premium pay, variable compensation, each employee benefit program, EESCO capital funding, and payroll taxes.
c. The response to OCC-330 states that the Rate Year capital and expense percentages used to develop Schedule C-3.5 are the Test Year percentages.
   (i)Reconcile that treatment to the percentages used in Schedules C-3.6, C-3.11 and C-3.12, including the operating and maintenance rates of 47.64% for CL&P healthcare and 71.93% for EESCO healthcare against the payroll expense ratios of 36.51% and 71.36%.
   (ii)State the basis for each reduction of a capitalized proportion below its Test Year level for the same employee population, including EESCO variable compensation from 57.07% to 28.63% in Schedule WP C-3.6, EESCO capital funding from 19.73% to 13.28% in Schedule WP C-3.11, EESCO pension and post-employment benefits from 41.7% to 28.1% in Attachment 1, of the response to Interrogatory OCC-336, and Attachment 1, of the response to Interrogatory OCC-338, and EESCO 401(k) from 39% to 28% in Attachment 1, of the response to Interrogatory OCC-302.
d. Provide each revision made since January 1, 2021, to Accounting Policy Statement No. 8, Capital Versus Expense Criteria, produced as Attachment 1 of the response to Interrogatory OCC-134, and state the effective date of each.
e. Provide an exhibit that provides separately for Schedules C-3.5, C-3.6, C-3.11 and C-3.12, the Rate Year expense that results from applying the Test Year capitalized proportion to each employee population, and the difference from the amount filed.

Response:

a. Please refer to Table 1 below for the calculation of the Test Year expense ratios. The source data is the Company's General Ledger and is based on the actual expense ratio in the Test Year (2025) that reflects the payroll expense for CL&P Distribution business.

Table 1

Lines		Reference	EESCO	CL&P
1				
2	Straight Labor O&M ($)		$ 46,903,250	$ 49,393,066
3	Straight Labor Capital/Other ($)		18,826,457	85,882,017
4	Total Straight Labor ($)		$ 65,729,708	$ 135,275,083
5				
6			EESCO	CL&P
7	Straight Labor O&M (%)	Line 2 / Line 4	71.36%	36.51%
8	Straight Labor Capital/Other (%)	Line 3 / Line 4	28.64%	63.49%
9	Total Straight Labor (%)	Line 7 + Lin 8	100.00%	100.00%

b. Please refer to RRU-044, Attachment 1, for an exhibit showing the capitalized portion for the selected cost items. For payroll expense, the Service Company employees charge their time to multiple operating companies throughout the year, and therefore the Company takes the total Service Company salaries and allocates those costs to CL&P by each Source Cost Center ("SCC"). The allocated labor by SCC is further split between O&M and capital, where the capital portion is removed from the payroll expense. Please also see the Company's response to OCC-332 for a detailed description of the Company's calculation of payroll expense included in the cost of service and Attachments 2 through 7 of this response for the calculation of the expense portion of each of the requested schedules.

c. The Company's Schedule C-3.5, and Schedule C-3.6, are aligned using the payroll capital and expense percentages; and Schedule C-3.11, and Schedule C-3.12 are aligned using the non-payroll capital and expense percentages. The difference in the calculated expense ratios is a function of the costs categories that are subject to capital and expense percentages.

The schedules listed below are calculated using the same Test Year Pro Forma and Rate Year capitalization percentages. The supporting calculation of 52.36% capitalization (47.64% O&M) for CL&P Direct and 28.07% capitalization (71.93% O&M) for EESCO Allocated charges can be found in the Company's response to RRU-015, Attachment 1, Page 2. Please note, not all costs are subject to capitalization, and therefore the overall capitalization percentage for the schedule may not align.

- Schedule C-3.11, ESC Capital Funding
- Schedule C-3.12 Employee Benefits
- Schedule C-3.19, Insurance
- Schedule C-3.25, Rent Expense
- Schedule C-3.35, ESC Depreciation
- Schedule C-3.38, Payroll Tax

Please refer to RRU-044, Attachments 2, through 7, for the supporting calculation of each of the identified schedules which also confirm the use of the same capitalization rates in the Rate Year for all schedules.

d. Please refer to EOE-060, Attachment 3, for the most recent Accounting Policy Statement No. 8. There have not been any updates since 2021.

e. The Company disagrees with the position described in this interrogatory question. The capitalization portion in the Test Year represents the actual capitalization accrued in 2025, and to account for the actual 2025 capitalization in subsequent periods does not reflect a representative level of expenses in the Rate Year.

Date Filed: October 29, 2026

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

Question:
(PAYROLL RECONCILIATION) Application, Sch. C-3.5; Interrog. Resp. OCC-317, Att. 1, Interrog. Resp. OCC-330, Att. 1, Interrog. Resp. OCC-319, Att. 1, and Interrog. Resp. EOE-123, Att. 1. Regarding the 2025 payroll amounts reported in the Application and in the discovery responses:

a. Reconcile the 2025 base payroll charged to expense of $133,507,500 in Attachment 1 of the response to Interrogatory OCC-317 to the Test Year payroll expense of $134,683,000 on Schedule C-3.5, and to the CL&P base salaries of $176,313,000 and the EESCO portion of base salaries of $84,078,000 in Schedule WP C-3.5. Identify each reconciling item by amount and description.
b. State the population, the period, and the basis of measurement for each of the following 2025 capitalized proportions of payroll and reconcile each to the others: 63.49% capital and other for CL&P payroll in Attachment 1 of the response to Interrogatory OCC-330; 41.66% capital, or 48.44% capital and other of base payroll in Attachment 1 of the response to Interrogatory OCC-317; 53.10% capital of budgeted payroll in Attachment 1of the response to Interrogatory OCC-319; 37.99% capital and removal in Attachment 1 of the response to Interrogatory EOE-123. State whether the percentages in Attachment 1 of the response to Interrogatory OCC-330 captioned "Overtime Payroll" are derived from total payroll or from overtime payroll.
c. Explain the increase in Stores Clearing payroll in Attachment 1 of the response to Interrogatory EOE-123 from $8,937,024 in 2024 to $11,927,883 in 2025. Identify the schedules and accounts to which Stores Clearing and fleet clearing payroll are ultimately charged, and the amount of each in the Test Year.
d. State the base payroll recorded to the RAM, Energy Efficiency and Other balance sheet lines of Attachment 1 of the response to Interrogatory EOE-123 for the Test Year, and state whether any portion is also included in Schedule C-3.5.

Response:

a. Refer to Table 1 for the reconciling descriptions for each base payroll expense referenced above.

Table 1

	OCC-317 Attachment 1	**Schedule C-3.5**	**CL&P Base Salaries**	**ESC Base Salaries**
Amount	$133,507,500	$134,683,000	$176,313,000	$84,078,000
Basis	2025 CL&P and ESC base salary O&M for all Company lines of businesses (i.e. Energy Efficiency)	2025 base salary and overtime/ premium O&M for CL&P and ESC adjusted for AS&E allocation and exclusive of non-base distribution payroll expense (i.e. Energy Efficiency)	Base salaries for active/ filledCL&P employees as of December 31, 2025 including capital and O&M	Base salaries for active/ filled ESC employees as of December 31, 2025 allocated to CL&P including capital and O&M

b. The 63.49% in the Company's response to OCC-330[i] represents CL&P's actual 2025 payroll capitalized ratio based on total straight time labor capitalized. The capitalized ratios of 41.66% and 37.99% in the Company's response to OCC-317[ii] and the Company's response to EOE-123[iii], respectively, are based on 2025 actual capitalized data and reflect capitalized base payroll and overtime and premium payroll. Further, in OCC-317, Attachment 1, lines 2 plus 7 equal line 6 in EOE-123, Attachment 1. The 53.10% in OCC-319[iv] represents the 2025 budget, which is not correlated with the 2025 actuals represented in the other percentages.

c. The increase in stores clearing payroll is driven by an increase in overtime costs incurred by material logistics employees as well as newly hired material logistics employees supporting the new material logistics warehouse, Bradley Central Warehouse, that came online in 2025. The payroll charges in EOE-123, Attachment 1, shown as stores and fleet clearing are originally recorded to FERC Accounts 163 and 184, respectively. The stores clearing account captures all expenses associated with the operation of the warehouses, laydown yards, and storerooms, including all associated employees, which are then moved to the stores clearing account to load onto the qualifying work orders. The stores loader will allocate the costs accumulated in the clearing account to those work orders that have physical materials issued or returned to the work order. The fleet clearing account accumulates vehicle costs, including labor for mechanics, parts, fuel, GPS, registration, insurance and depreciation, in FERC account 184010 by entity and cleared monthly. The costs are allocated to departments based on their vehicle complement and further assigned at the work order level based on productive labor charged by the respective departments.

The payroll charges recorded to stores and fleet clearing accounts that are ultimately charged to operations and maintenance (O&M) accounts for the CL&P Distribution business in the Test Year are presented on Schedule C-3.21 Materials and Supplies and Schedule C-3.32 Vehicle Expenses, respectively.

d. Please note that for the Test Year 2025, the base payroll recorded to RAM per EOE-123, Attachment 1, was $2,934,687, to Energy Efficiency was $7,074,827, and to Other Balance Sheet was $1,036,417. Of these amounts, only $930,444 of the Other Balance Sheet amount is included in the Test Year Ended 12/31/2025 amount of $134,683,000 in Schedule C-3.5. Please note that even though there is $930,444 from the Other Balance Sheet line item in the Test Year Ended 12/31/2025 amount of $134,683,000, this amount does not factor directly into the Rate Year 1 Ending 6/30/2028 payroll expense amount of $149,821,000 in Schedule C-3.5. This is because the Rate Year 1 Ending 6/30/2028 payroll expense amount is derived directly from the total base salary amounts for the total number of FTEs active and filled by the Company at December 31, 2025, plus the total base salary amount for the incremental FTEs being requested by the Company as part of this proceeding, both of which are described in the Revenue Requirements testimony filed as Exhibit CLP-REVREQ-1 on July 14, 2026, at section IV.A.4., Compensation: Payroll Expense, on pages 70 through 75. See also the Company's response to OCC-332[v] for a detailed explanation of the Company's calculation of payroll expense.

Prior Referenced Responses:

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[i] OCC 330 Question:

Payroll. Provide the capital and expense percentages for each of the years 2021, 2022, 2023, 2024, 2025, and forecasted in the rate year. Explain any changes in methodology over the years.

OCC-330 Response:

Please refer to OCC-330, Attachment 1, for the percentage of payroll charged to capital and expense for each of the years 2021, 2022, 2023, 2024, and 2025. The percentage of payroll charged to capital and expense is based on actual payroll charged through employee timesheets. The percentages charged to expense and capital in the Rate Year that were used to develop Schedule C-3.5 are based on the Test Year percentages in 2025.

[ii] OCC-317 Question:

Payroll. Please provide for each year: 2021, 2022, 2023, 2024, 2025, and the amount included in the rate year, the amount of base pay, overtime, incentive compensation and the amount of other pay broken down in the most detailed format available including the amount charged to capital, charged to expense and charged to other. If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

OCC-317 Response:

Please refer to Exhibit CLP-REVREQ-2, Schedule C-3.5, for the amount of base pay and overtime in the Rate Year. The Company does not calculate the capitalized payroll for the Rate Year as part of the cost of service.

For the amount of base pay and overtime and premium time charged to expense, capital, and other for years 2021, 2022, 2023, 2024, and 2025, please refer to OCC-317, Attachment 1.

Please refer to OCC-286, Attachment 1, for the amount of incentive compensation for 2021, 2022, 2023, 2024, 2025, and the Rate Year. Please note that no executive cash incentives and no stock incentives are capitalized.

[iii] EOE-123 Question:

(INTERNAL STAFFING LEVELS) Provide an unlocked Excel spreadsheet detailing the Company's average staffing levels by position (e.g., job title, not individual employees) for each year starting from 2018 through present, along with the overall costs (gross). Additionally, identify the average annual counts and actual amounts that were applicable to Operations and Maintenance (O&M), Capital, Storm, and any other allocated use (including allocations to RAM).

EOE-123 Response:

Please refer to OCC-202, Attachment 1 and Attachment 2, for the staffing level and overall costs (gross).

Please refer to EOE-123, Attachment 1, for O&M, Capital, Storms and RAM Labor costs applicable by year.

[iv] OCC-319 Question:

a. Provide annual Capital and O&M budgeted payroll (direct and allocated) for each year 2021, 2022, 2023, 2024, 2025, and the rate year.
b. Provide annual Capital and O&M actual payroll (direct and allocated) for each year 2020, 2021, 2022, 2023, 2024, and 2025.
c. Provide annual Capital and O&M payroll authorized by PURA for each year 2021, 2022, 2023, 2024 and 2025.

OCC-319 Response:

a. Please refer to OCC-319, Attachment 1, for budgeted capitalized and O&M expense payroll, charged direct and allocated for each year requested. The Company's proposed payroll O&M expense for the Rate Year is provided in Exhibit CLP-REVREQ-2, Schedule C-3.5. The Company does not calculate the capitalized payroll as part of the cost of service as a specific line item. The proposed revenue requirement in this proceeding reflects the level of payroll O&M expense necessary to cover the Company's Rate Year cost of service. The Company's cost of service includes projected capital placed in service through the Rate Year, and labor is one component of the projected capital, however, the Company cannot separately identify the labor included in its capital forecast.

b. Refer to EOE-123, Attachment 1, for the annual capitalized and O&M actual payroll for each year requested.

c. The amount of payroll that is capitalized in any given year is project dependent and based on the Company's policy for capitalizing costs per Accounting Policy Statement ("APS) #8, Capital Versus Expense Criteria, which is required to adhere to the generally accepted accounting principles ("GAAP"). During a rate case, the Test Year's capitalization ratio is used to determine the Rate Year level of O&M payroll. This level of O&M payroll

allows a cost of service to be calculated for use in setting customers' rates. The actual level of O&M payroll experienced by the Company will be different based on many factors, including business needs, market-based changes in compensation, attrition, retirements, etc. Such differences are part of the ebb and flow inherent in the ratemaking process. The amount of O&M payroll applicable for the years 2021 through 2025 from the approved 2018 Settlement Agreement and subsequent annual Full-Time Equivalent ("FTE") step adjustments for 2018, 2019 and 2020 in Docket No. 17-10-46 was $129.285 million per year.

[v] OCC-332 Question:

Payroll. State whether the Company used the same forecasting methodology used in the prior rate case. If not, explain in detail all changes.

OCC-332 Response:

Yes. The Company utilized a similar methodology that was used in the prior CL&P rate case in Docket No. 17-10-46 which was also the methodology used in the last Yankee Gas rate case in Docket No. 24-12-01 to calculate the Test Year Pro-Forma ("TYPF") payroll expense as well as the Rate Year payroll expense.

The Company's Test Year payroll data consists of hundreds of thousands of lines of individual transactions that are unique each and every year. Those transactions can vary based on a number of different conditions throughout the year such as weather events, supply chain issues, personnel availability, capital budgets and much more. To determine the normalized Test Year level of payroll expense, the Company performs an independent evaluation of the payroll expense utilizing actual employee salary information as of the end of the Test Year as described in greater detail below and supported by detailed calculations provided as attachments to this response.

(1) In order to calculate the TYPF level of payroll expense, the Company first begins with a listing of actual CL&P and Eversource Energy Service Company ("Service Company") salaries for each employee position that is **filled and active** as of December 31, 2025. It is important to begin with only those positions that are filled and active as those are the positions the Company is experiencing actual expenses for. This also ensures that an imputed vacancy rate is accounted for as the Company typically does not have 100% filled and active positions at any single point in time and therefore it would be inappropriate to include all positions (inclusive of unfilled and inactive positions) in the TYPF calculation. Please refer to OCC-332, Attachment 1, for the full listing of CL&P and Service Company employee salaries as of December 31, 2025.

(2) In a normal year it is expected that CL&P employees will charge 100% of their time to CL&P and therefore the amounts shown on OCC-332, Attachment 1, page 1, lines 6 through 10, support the TYPF amounts shown on Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 1, lines 15 through 19. In a normal year it is typical for Service Company employees to charge their time to multiple operating companies throughout the year, and therefore the Company takes the total Service Company salaries shown in OCC-332, Attachment 1, page 38, lines 6 through 16, and allocates those costs to CL&P. In order to do so, the Company utilized the actual labor charged to CL&P by each Source Cost Center ("SCC") and compared that to the total actual labor charges for each of the same SCCs. Please see OCC-332, Attachment 2, for the calculation of the amount of Service Company salaries allocated to CL&P and OCC-332, Attachment 3, for the actual 2025 allocation of labor by SCC utilized in the calculation in OCC-332 Attachment 2. The allocated amounts shown in OCC-332, Attachment 2, page 1, lines 8 through 18, support the amounts shown in Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 1, lines 33 through 42.

(3) The base salaries calculated in items (1) and (2) above are total salaries prior to the split between capital and O&M; therefore, the final necessary adjustment to those CL&P allocated salary amounts is to account for the

portion that will be capitalized, which is then removed from the payroll expense schedule. In order to do so, the Company utilized the actual Test Year capitalization ratios. Please see OCC-332, Attachment 4, for the calculation of the Test Year capitalization percentages.

In summary, the Company starts by taking actual salaries of active / filled positions as of December 31, 2025, and allocates those to CL&P and further assigns a portion to expense and capital all based on actual Test Year information. That resulting TYPF payroll expense becomes the basis for payroll expense increases utilizing annual merit adjustments. The difference between the TYPF amount above and the actual Test Year expense results in the $2.778 million pro-forma increase (or approximately 2%).

In addition, the Company is proposing incremental Full Time Equivalents ("FTEs") in Exhibit CLP-REVREQ-2, page 3 of 3. Page 3 of 3 shows the number of employees the Company expects to hire in each business area (i.e. Vegetation Management, Grid Modernization, Engineering Capital, Distribution System Planning, Asset Health and Field Engineering). It also shows the expected salary, hiring date, and resulting O&M payroll expense included in the Company's COS. This treatment is consistent with the Company's incremental FTE request in Docket No. 17-10-46.

Date Filed: October 16, 2026

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

Question:

(BASE WAGES) Lazor, Eichler and O'Connor Pre-Filed Test., pp. 16-18, 20 and 26; Application, Sch. WP C-3.5; Interrog. Resp. OCC-329 and Interrog. Resp. OCC-332, Att. 1. Regarding the escalation of base salaries through the Rate Year, the merit rate applied, and the EESCO salaries allocated to CL&P:

a. Reconcile the EESCO total annualized base compensation of $543,596,270 in OCC-332, Attachment 1, to the EESCO portion of base salaries of $84,078,000 in Schedule WP C-3.5. State, for each bargaining and non-bargaining group in OCC-332, Attachment 2, the allocation percentage, the source cost centers from which it was derived, and the basis for the share allocated to CL&P. Include Union - Yankee Gas at $496,000 of $601,973, or 82.4%; Union - Windsor Call Center at $6,501,000 of $9,081,869, or 71.6%; Union - Teal Book at $7,662,000 of $13,519,878, or 56.7%; and Non Union - Exempt at $63,003,000 of $449,233,564, or 14%. Identify the Union - Eversource Gas IBEW group of $94,973, which has no corresponding line in Schedule WP C-3.5.
b. Provide the board approvals, budget approvals, or written communications to employees evidencing each increase.
c. State the number of non-union CL&P and EESCO employees who received a merit increase below, equal to, and above the 3% merit budget in each of calendar years 2021 through 2025. State the basis for the 3.50% weighted average salary scale in OCC-339, Attachment 1. Identify each component of the difference between that assumption and the 3% merit rate applied in Schedule WP C-3.5, and state the average annual base salary growth actually experienced by the pension population in each of calendar years 2021 through 2025.
d. State the weighted average merit increase granted to non-union CL&P and EESCO employees effective March 15, 2026, and the number of employees who received an increase.

Response:

a. Please refer to OCC-332, Attachment 2, for the calculation of the amount of ESC total annualized base compensation allocated to CL&P in the cost of service. Service Company employees charge their time to multiple operating companies throughout the year, and therefore the Company takes the total Service Company salaries and allocates those costs to CL&P. The allocated amounts shown in OCC-322, Attachment 2, page 1, lines 8 through 18,

support the amounts shown in Exhibit CLP-REVREQ-2, WP C-3.5, page 1, lines 33 through 42.

b. Please refer to the Company's response to OCC-329[i] subpart (c).

c. Please refer to OCC-201, Attachment 1, for the merit increase metrics for CL&P and ESC employees.

Noted below is the average annual base salary growth for CL&P and ESC for each year 2021 through 2025 for participants in the Eversource Pension Plan, including the new Cash Balance Plan. In determining the weighted average salary growth rate assumption for the Eversource Pension Plan, Investment Staff reviews actual salary increases of plan participants and considers the professional judgments about the direction of salary growth from Human Resources. This growth rate reflects current salary increases, the level of promotions and the level of increases currently built into the union contracts as well as 5-year experience studies conducted by Aon, the actuary for the plan. Through this review, it was confirmed that a 3.50% weighted average growth rate was consistent with salary increases of plan participants over the most recent 5-year period.

Period	**CL&P**	**Service Co**
1/1/21 – 1/1/22	3.5%	3.9%
1/1/22 – 1/1/23	4.2%	3.9%
1/1/23 – 1/1/24	3.6%	3.4%
1/1/24 – 1/1/25	3.5%	3.7%
1/1/25 – 1/1/26	3.0%	4.1%

d. The weighted average merit increase granted to non-union CL&P and ESC employees effective March 15 ,2026 was 2.7% and 2.8% respectively. The number of CL&P and ESC employees that received merit increases are 353 and 3,696, respectively.

Prior Referenced Response:

[i] OCC-329 Question:

Payroll.

a. Please provide a description of the Company's merit and cost of living wage rate increase policies.
b. Provide the actual union and non-union wage increase percentages given in each of the years 2021, 2022, 2023, 2024, 2025 and forecasted in the Rate Year.
c. State when the Rate Year increases will be approved.

OCC-329 Response:

a. The Company does not provide a cost of living wage increase but rather on an annual basis, reviews the market movement in both the utility and general industry market sectors to determine an appropriate level of salary adjustment, known as the merit rate. In addition, as described in Exhibit CLP-EMPLOYEE-1, at page 20, each non-union employee is subject to the Company's annual performance review process, which can adjust individual merit increases both upwards and downwards depending on individual performance and the Company's performance rating ranges.

b. Non-Union Merit History:

Year	2021	2022	2023	2024	2025
Merit %	3.0%	3.0%	3.0%	3.0%	3.0%

For the Rate Year forecast, the Company is projecting 3.0%.

As discussed in Exhibit CLP-EMPLOYEE-1, at page 26, the Company's annual projected merit increases of 3.0% during the period beginning after the Test Year and through the Rate Year for non-union CL&P employees and ESC employees supporting CL&P are below the current market practices and historical averages.

Union contractual increases are presented in Exhibit CLP-EMPLOYEE-1, at pages 17-18.

c. Rate Year increases will be approved in Q1 2027. The Company will supplement this response with a Management Commitment letter once Rate Year merit increases are approved, and will do so prior to the record closing in this proceeding.

Date Filed: October 16, 2026

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

Question:

(INCREMENTAL POSITIONS) Application, Sch. WP C-3.5, p. 3 of 3; Interrog. Resp. OCC-327, Att. 1, and Interrog. Resp. OCC-333, Atts. 1 and 2. Regarding the incremental full-time equivalent positions included in the Rate Year cost of service:

a. Schedule WP C-3.5, p. 3 of 3, requests 58 positions at an annual cost of $6,476,019 and a Rate Year cost of $3,238,010. The response to OCC-333 describes that figure (58) as preliminary. State the date on which the Company determined that the 58-position figure was not final and the basis on which a preliminary figure was filed as a Rate Year cost.

b. Reconcile, position by position, the 58 positions in Schedule WP C-3.5, p. 3 of 3 to the 41 Full Time Equivalent (FTE) positions in OCC-333, Attachment 1. Identify each position removed, added, re-titled or re-priced. Include the five Power Quality positions and the three Grid Modernization positions at $200,000 that do not appear in Exhibit CLP-REVREQ-2, WP C-3.5, p. 3 of 3, Payroll Expense – Incremental FTE Calculation, as filed on July 14, 2026, the two positions at $91,000 captioned Engineering Capital as filed and Grid Modernization in OCC-333, Attachment 1, and the Vegetation Management positions at $98,707 shown as 17 as filed and nine in OCC-327, Att. 1. Reconcile the net reduction of seventeen positions to the twelve Advancing the Grid positions shown on the corrected Exhibit CLP-TSP-3, p. 43.

c. Identify which of the 21 Vegetation Management positions represent the eight full-time equivalents representing 16 employees who currently divide their time between capital and operating expense work, which positions represent the 12 contractor conversions, and which position represents the one incremental resource. State the salary line in OCC-333, Attachment 1, for each group, the compensation of the 16 employees charged to capital in each of calendar years 2021 through 2025, and the reduction to outside contractor services reflected in Schedule WP C-3.31 for the 12 conversions.

d. State the basis for the CL&P allocation of 100% applied to each of the 20 EESCO positions, and the rate code applicable to each. State the basis for costing those positions at the Payroll Benefit Rate of 20.99% in OCC-327, Attachment 1, rather than at the Weighted General Service Company Overhead Rate of 64.93% for June 2026 in OCC-202, Attachment 1.

e. Provide the revised Rate Year benefits, payroll taxes and variable compensation for the incremental 41 FTE positions. Identify the schedule and line on which the $2,278,000 of Rate Year payroll in OCC-333, Attachment 1, and each related amount will appear in Schedules C-

3.5, C-3.6, C-3.12 and C-3.38. State the number of the 12 Grid Modernization positions within the 41 FTEs that the Company expects to have filled by January 1, 2028.

f. Provide each 2026 and 2027 budget, headcount plan or requisition approval that includes any of the forty-one positions. State the steps the Company will take to fill each position by the planned hiring date of January 1, 2028, shown in OCC-327, Attachment 1.

Response:

a. The engineering team developed initial information regarding the need for 58 incremental positions and provided it to the revenue requirements team for purposes of developing the revenue requirements model for the filing. However, during final review of future needs, these initial positions were reduced to 41 FTEs. The exact date of this change was not recorded, although the Company's recollection is that it was in the beginning of July 2026, after the point that changes to the revenue requirement calculations could be included in time for the filing date.

b. Please refer to RRU-048, Attachment 2, for the reconciliation of the 58 positions in Exhibit CLP-REVREQ-2, WP C-3.5, p. 3 of 3, Payroll Expense – Incremental FTE Calculation, as filed on July 14, 2026, to the 41 positions in OCC-327, Attachment 1, and in OCC-333, Attachment 1.

Regarding the reconciling the net reduction of 17 positions to the 12 Advancing the Grid positions shown on the corrected Exhibit CLP-TSP-3, at 43, the reduction in the TSP FTEs request from 58 to 41 has no relation to the Advancing the Grid positions shown in the corrected Exhibit CLP-TSP-3, at 43, these Advancing the Grid FTEs are in addition to what is being requested in the TSP revenue requirement.

c. Please refer to RRU-047, Attachment 1, for the allocation of the 21 Vegetation Management positions that represent the eight full-time equivalents, twelve contractor conversions, and one incremental resource. In reference to the salary line in OCC-333, Attachment 1, the eight full-time equivalents and one incremental resource are included on Line 16 and the 12 contractor conversions are included on Line 17. The compensation charged to capital from 2021 through 2025 of the 16 employees representing the eight full-time equivalents was:

Year	2021	2022	2023	2024	2025
Capital Labor	$692,086	$1,166,748	$987,365	$860,976	$946,319

The reduction to outside contractor services from the 12 contractor conversions will not be reflected in Schedule WP C-3.31 as it is already included as a factor within the proposed Rate

Year 1 (Ending 6/30/2028). However, the reduction to outside contractor services is $1,466,600.

d. The 20 ESC positions will allocate 100% of their time to CL&P to support the distribution operations. The benefit rate for ESC positions had inadvertently applied the CL&P payroll benefit rate. Please refer to RRU-047, Attachment 2, for a revised incremental FTE schedule with the correct benefit factor applied to ESC 20 positions.

e. Please refer to the Company's response to OCC-833, Attachment 1, for the revised Rate Year benefits and payroll taxes for the incremental 41 positions. The $2.278 million will be shown on WP C-3.5 Page 2 of 3 line 22 for $954,000 to CL&P and line 45 for $1.324 million to ESC. The Grid Modernization positions that the Company is planning would be hired in phases based on business needs and changing requirements as necessary including the timeline and scope for DERMS (in the TSP), and DERMS Demonstration and other Advancing the Grid initiatives. Currently the Company is targeting to hire 5 of the 12 incremental FTEs in 2027 and the remainder in 2028. The Company is not actively recruiting for these positions at this time pending internal approval of the 2027 staffing plan.

f. None of the 41 incremental positions are budgeted in 2026. The Company is currently in the process of developing the 2027 budget, which will continue in the upcoming months. Please refer to the Company's response to OCC-333[i].

Prior Referenced Response:

[i] OCC-333 Question:

Payroll. For each of the new positions that the Company is requesting recovery of in the Rate Year, state whether the hiring of the positions are conditioned on their approval in this case.

OCC-333 Response:

The Company is providing an update for the Full Time Equivalent ("FTE") counts included in the request for recovery in the Rate Year in this response as OCC-333, Attachment 1, (note that this is an update of Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 3). The Company will update the payroll expense and other affected costs as part of its next cost of service update.

The number of FTEs included in the original filing was fifty-eight (58). This number was a preliminary number and included FTEs contemplated in the Advancing the Grid plan that is above and beyond the Targeted System Plan ("TSP") requested for review and approval in this application. The updated number of incremental FTEs to be included in the Rate Year of the Company's cost of service is forty-one (41).

Included in the forty-one (41) full-time positions are twenty-one (21) in Vegetation Management, five (5) Power Quality positions, two (2) in Distribution Planning & Forecasting and one (1) Asset Health, these are contingent on

PURA's approval in this case. In addition, for Grid Modernization there are seven (7) for Control Room Operations, three (3) for Data Innovation, and two (2) for Field Communications that the Company will consider hiring based on business needs and changing requirements as necessary, but most likely not all requested.

The Vegetation Management positions allow the Company the opportunity to improve the system's reliability and improve cost-efficiency by transitioning more work in-house to restructure vegetation management performance for the benefit of our customers. While the twenty-one (21) Vegetation Management positions appear to be incremental, in reality there is only 1 incremental resource. Of the twenty-one (21), eight (8) of the FTEs are the result of 16 employees who currently split their time 50%/50% between O&M and capital work shifting to solely working on the proposed combined O&M program, if approved, results in the equivalent of 8 incremental employees working on the O&M program; twelve (12) resources would be converted from contracted resources to internal resources of which the Company's proposed vegetation management expenses in Exhibit CLP-REVREQ-2, Work Paper C-3.31 reflect the reduction in outside contractor services; and one (1) resource would be truly incremental.

The Grid Modernization positions are needed to support large-scale distributed energy resource ("DER") integration and clean-energy advancement; develop and deploy advanced tools and analytics for integrated distribution system planning and grid modernization; and drive increased innovation and application of GenAI, LLM and machine learning capabilities.

The Company is also providing as OCC-333, Attachment 2, which is a corrected Exhibit CLP-TSP-3, page 43 of 149 that has been updated with the corrected number of FTEs in the parenthesis in the text boxes on the right.

Date Filed: October 16, 2026

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

Question:

(VACANT POSITIONS) Application, WP C-3.5; Interrog. Resp. OCC-322, and Interrog. Resp. OCC-326, Att. 1. Regarding the vacancy factor displayed on WP C-3.5 and the positions vacant on December 31, 2025:

a. State the purpose of the 2%, and 6% vacancy percentages shown on Schedule WP C-3.5 when no deduction is taken. State whether a vacancy factor was applied to the 41 incremental positions.
b. Reconcile the statement in the response to OCC-326 that 14 EESCO positions and one CL&P position remain unfilled to OCC-326, Attachment 1, in which 64 entries carry a status of Closed and 15 a status of Frozen on August 14, 2026, and further entries a status of Open. State the number of the 333 positions that were subsequently filled, closed without being filled, frozen, and remain open.
c. State whether a hiring freeze, hiring restriction or headcount reduction target was in effect at CL&P or EESCO at any time during calendar year 2024, 2025 or 2026. If so, provide the governing documents and identify the positions affected.
d. State the annualized payroll cost of the positions filled after December 31, 2025, and identify where that cost appears in the Rate Year cost of service.

Response:

a. The 2% and 6% vacancy percentages shown on Schedule WP C-3.5 are shown for informational purposes only. No vacancy deduction was taken as noted in footnote a of Schedule WP C-3.5, the Test Year Pro-Forma base salaries at 12/31/2025 only include active/filled positions and do not include inactive/unfilled positions, therefore vacancy is already accounted for and no adjustment is needed. The projected 41 incremental positions included in the Rate Year do not have a vacancy factor applied. These are new positions outside of the Test Year that the Company anticipates filling and therefore should be included in the cost of service.

b. The apparent discrepancy results from the fact that the total of 333 referenced in the Company's response to OCC-326[i] represents the number of individual positions associated with the requisitions listed in OCC-326 Attachment 1, as reflected in Column C. Because a single requisition may be associated with more than one position, the requisition status counts shown in OCC-326, Attachment 1 (e.g., Open, Closed, or Frozen) cannot be directly

compared to the total position count of 333. As of August 14, 2026, OCC-326, Attachment 1, contained requisitions in various statuses, including Open, Closed, and Frozen. Subsequent disposition of the 333 positions was determined based on the status of the underlying requisitions and associated positions. Please refer to Table 1, below summarizes the disposition of the requisitions and positions:

Table 1

Requisition Status	**Count of Requisitions**	**Count of Positions on Requisitions**
Closed	64	96
Frozen	15	17
Open	15	16
Filled	156	204
Grand Total	250	333

c. For the 2024 through 2026 period, in an effort to mitigate increases to its cost of service, particularly in light of inflationary cost pressures impacting many aspects of the Company's business (and of its customers' utility rates), Eversource exercised stringent controls to limit the number of new positions enabled throughout the Company as part of its annual budget review and approval process, requiring most business areas to maintain staffing levels at or below prior-year headcount. Requests for incremental headcount to address operational or business needs were subject to review and approval by the applicable Executive Vice President.

In addition, as part of the Company's continuous and ongoing effort to operate as efficiently as possible, Eversource undertook an initiative in 2025 to identify potential opportunities for targeted cost reductions across its budgeted cost base to eliminate unnecessary positions on a targeted basis and at the same time to evaluate opportunities to address performance considerations for affected positions. While the initiative was not primarily intended to reduce headcount, the assessment identified opportunities to streamline certain functions and eliminate 45 positions. These actions were taken as part of a broader cost management effort designed to align resources with business needs while maintaining safe and reliable service. These labor-related cost reductions are factored into the Company's cost of service presented in this proceeding, given that payroll and payroll-related costs reflected in the Company's proposed rate year cost of service reflect the 2025 year-end head count numbers.

d. Other than positions specifically identified in the Company's application in this proceeding, positions filled after December 31, 2025, are not included in the Rate Year

cost of service. The payroll expense included in the Company's cost of service reflects only those full-time equivalent employee positions that were both active and filled as of December 31, 2025, and excludes any inactive or unfilled positions. The Company updated its projected incremental Full Time Equivalent ("FTE") counts included in the request for recovery in the rate year in the Company's response to OCC-333[ii]. Please refer to OCC-333 Attachment 1, for the salary detail associated with these positions.

Prior Referenced Response:

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[i] OCC-326 Question:

Payroll (open positions). For each open position:

a. Total annual compensation, benefits and payroll taxes associated for the unfilled position
b. Length of time that the position has been open.
c. Planned hiring dates for each position,
d. Hiring dates for any of these positions that have been filled.
e. Copy of the advertisement for employment.
f. For each open position, state whether it is a CL&P employee/FTE or shared service employee/FTE.

OCC-326 Response:

Please refer to OCC-326, Attachment 1. As of December 31, 2025, there were 333 open, unfilled positions between CL&P and Eversource Energy Service Company ("ESC"):

(A) Description	(B) CL&P	(C) EESCO	(D)=(B)+(C) Total
Open/unfilled positions	30	303	333

There are no open positions in either CL&P or ESC with a target hiring date in the Rate Year.

Currently, of the open and unfilled positions at December 31, 2025, there remain 14 un-filled positions in ESC and one position in CL&P. The total annual compensation for un-filled positions in ESC (OCC-326, Attachment 1, Column K) consists of the market rate for the position and a 26.41% loader comprised of Payroll Tax + Benefits (26.26%) and Insurance (0.15%). Union positions are indicated by an asterisk (*); compensation rates are per contract. In response to (f), the path to the Eversource Career Site for each position is shown in OCC-326, Attachment 1, Column L.

[ii] OCC-333 Question

Payroll. For each of the new positions that the Company is requesting recovery of in the rate year, state whether the hiring of the positions are conditioned on their approval in this case.

OCC-333 Response:

The Company is providing an update for the Full Time Equivalent ("FTE") counts included in the request for recovery in the rate year in this response as OCC-333, Attachment 1 (note that this is an update of Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 3). The Company will update the payroll expense and other affected costs as part of its next cost of service update.

The number of FTEs included in the original filing was fifty-eight (58). This number was a preliminary number and included FTEs contemplated in the Advancing the Grid plan that is above and beyond the Targeted System Plan ("TSP") requested for review and approval in this application. The updated number of incremental FTEs to be included in the rate year of the Company's cost of service is forty-one (41).

Included in the forty-one (41) full-time positions are twenty-one (21) in Vegetation Management, five (5) Power Quality positions, two (2) in Distribution Planning & Forecasting and one (1) Asset Health, these are contingent on PURA's approval in this case. In addition, for Grid Modernization there are seven (7) for Control Room Operations, three (3) for Data Innovation, and two (2) for Field Communications that the Company will consider hiring based on business needs and changing requirements as necessary, but most likely not all requested.

The Vegetation Management positions allow the Company the opportunity to improve the system's reliability and improve cost-efficiency by transitioning more work in-house to restructure vegetation management performance for the benefit of our customers. While the twenty-one (21) Vegetation Management positions appear to be incremental, in reality there is only 1 incremental resource. Of the twenty-one (21), eight (8) of the FTEs are the result of 16 employees who currently split their time 50%/50% between O&M and capital work shifting to solely working on the proposed combined O&M program, if approved, results in the equivalent of 8 incremental employees working on the O&M program; twelve (12) resources would be converted from contracted resources to internal resources of which the Company's proposed vegetation management expenses in Exhibit CLP-REVREQ-2, Work Paper C-3.31 reflect the reduction in outside contractor services; and one (1) resource would be truly incremental.

The Grid Modernization positions are needed to support large-scale distributed energy resource ("DER") integration and clean-energy advancement; develop and deploy advanced tools and analytics for integrated distribution system planning and grid modernization; and drive increased innovation and application of GenAI, LLM and machine learning capabilities.

The Company is also providing as OCC-333, Attachment 2, which is a corrected Exhibit CLP-TSP-3, page 43 of 149 that has been updated with the corrected number of FTEs in the parenthesis in the text boxes on the right.

Date Filed: October 23, 2026

Witness: Marianne H. Eichler and Erin M. Travassos
Request from: Public Utilities Regulatory Authority

Question:

(HEADCOUNT MOVEMENT) Application, Sch. G-2.14; Interrog. Resp. OCC-042, Att. 1; Decision, Apr. 18, 2018, Docket No. 17-10-46, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules (17-10-46 Decision), Order No. 8. Regarding CL&P and EESCO headcount and the movement of positions between them:

a. Provide an exhibit that shows full-time equivalents by organization, as presented on Schedule G-2.14, for CL&P and for EESCO at the end of each quarter of calendar years 2021 through 2025 and on June 30, 2026.
b. Identify each function transferred from CL&P to EESCO or to an affiliate since January 1, 2018, and each position moved from a CL&P cost center to an EESCO cost center between December 31, 2025, and June 30, 2026, during which CL&P distribution full-time equivalents fell from 1,417 to 1,401 and EESCO rose from 4,493 to 4,568 according to the responses to OCC-322 and OCC-325. For each function transferred and each CL&P cost center from which positions were moved, state the number of positions, the date, the annual cost before and after transfer, the allocation percentage now applied to CL&P, and the schedule and line on which the allocated cost appears.
c. Reconcile the 1,266 CL&P positions used in the 2018 Rate Settlement to the 1,554 full-time equivalents on Schedule G-2.14. State the number of transmission full-time equivalents included in the 1,554 on Schedule G-2.14 and reconcile the remainder to the 1,447 total and 1,417 filled distribution positions in the response to OCC-322.
d. Explain the staff reductions on Schedule G-2.14 in Fleet Operations from 77 to 24 positions, in Training and Compliance from 95 to 51, and in Customer Operations from 30 to 8. Identify the offsetting cost for each and the schedule and line on which it appears.

Response:

a. Please refer to RRU-049, Attachment 1, for full-time equivalents by organization, as presented on Schedule G-2.14, for CL&P and for EESCO at the end of each quarter of calendar years 2021 through 2025 and on June 30, 2026.

b. Please refer to RRU-049, Attachment 2.
As reflected in RRU-049, Attachment 2, two functions with a total of five (5) positions were transferred from CL&P to EESCO. An additional 62 positions were transferred from

CL&P to EESCO or another affiliate during the period identified; these changes did not impact cost of service.

The change in reported full-time equivalents between December 31, 2025, and June 30, 2026, is primarily attributable to routine workforce activity, including normal attrition, hiring, and employee movement among affiliates. Accordingly, the decrease in CL&P headcount and increase in EESCO headcount over this period does not reflect the transfer of positions from CL&P cost centers to EESCO cost centers.

c. Please refer to RRU-049, Attachment 3, for a reconciliation of positions between 2018 and 2025. The number of transmission full-time equivalents in 2025 is 137; these are indicated in column D on RRU-049, Attachment 3.

d. The headcount shifts reflected in G-2.14 were primarily the result of organizational design changes rather than staff reductions. More specifically, the company made an organizational design change at the end of 2024 to drive standardization and efficiency within Operations that affected Fleet and Training and Compliance as follows:

- A total of 53 Fleet employees were transferred, with 46 employees transferred to the Service Company in a change from state-based support to discipline-based support. An additional four employees remained within CL&P, with two transferring to Transmission and two transferring to Material Logistics. The remaining 3 employees separated through normal attrition.

- Training and Compliance staffing changes reflect the progression of apprentices into field operations positions, including 41 transfers to CL&P Electric Field Operations, two to WMECO Electric Field Operations, and one to Station Operations.

Additionally, at the end of 2024, 22 Customer Operations employees were transferred to a Meter Operations area through an organizational redesign within the Customer Operations & Digital Strategy area; these employees all remained with CL&P.

It should be noted that none of the changes discussed in (d) impacted cost of service.

Date Filed: October 21, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Leanne M. Landry and Jeffrey D. Turano
Request from: Public Utilities Regulatory Authority

Question:

(OVERTIME PAYROLL) Application, Sch. G-2.13 and WP C-3.5; Interrog. Resps. OCC-051, Att. 1, and OCC-317, Att. 1. Regarding overtime and premium payroll and its division among expense, capital and storm work:

a. Reconcile the Test Year overtime of $68,671,910 on Schedule G-2.13 to the total overtime and premium payroll of $72,994,493 for 2025 in OCC-317, Attachment 1. Reconcile the non-storm overtime of $16,318,673 in OCC-051, Attachment 1, to the $16,347,000 used in Schedule WP C-3.5.
b. Provide an exhibit that bridges the 2025 overtime and premium payroll of $72,994,493 to each destination, beginning with the $51,236,768 charged to expense, the $18,225,128 charged to capital and the $3,532,597 charged to other in OCC-317, Attachment 1. Show separately operating and maintenance expense within the cost of service, minor storm work, catastrophic storm deferrals, the Rate Adjustment Mechanism, energy efficiency, capital, and affiliate charges. Provide the bridge for the Test Year, each of calendar years 2021 through 2024, and the six months ended June 30, 2026.
c. State the basis for carrying Test Year actual overtime into the Rate Year without normalization or a Rate Year overtime budget. Explain the variance between the budgeted operating and maintenance overtime for each of 2022 through 2025 in OCC-318, Attachment 1, and the actual non-storm overtime for the same year in OCC-051, Attachment 1.
d. Provide overtime hours and dollars for each organization shown on Sch. G-2.14, including Electric Field Operations and the Response Specialist Organization named in the response to OCC-049, with CL&P and EESCO employees shown separately, for each of calendar years 2021 through 2025, separately for hours compensated at 1.5 times and at 2.0 times straight time, reconciled to the double straight time amounts in OCC-049, Attachment 1.
e. Explain the increase in average overtime cost per hour on Schedule G-2.13 from $114.56 in 2024 to $123.84 in 2025. Separately quantify the impact of the change into wage rates, double-time and premium pay, classification mix, and any other driver.
f. State whether the limit of 126 full-time equivalents for the Response Specialist-Line classification in the collective bargaining agreement dated June 1, 2022, is retained in the agreement effective June 1, 2026. State the number of Response Specialist-Line employees and their overtime and premium pay for the Test Year and the Rate Year.

Response:

a. The entire difference between the overtime payroll on schedule G-2.13 and interrogatory OCC-317, is due to charges to CL&P from other affiliates. Schedule G-2.13 includes only CL&P internal payroll, while OCC-317[i], includes payroll charged from affiliates to CL&P in addition to CL&P internal payroll. The differences between the $16,318,673 reported for nonstorm OT in OCC-051[ii], and the $16,347,000 reported on schedule C-3.5 are a credit of $36,103 for the AS&E overhead and an addition of $64,849 for a true-up related to underground field operations.

b. Please refer to RRU-050, Attachment 1.

c. The basis for carrying Test Year actual overtime into the Rate Year without normalization or a Rate Year overtime budget estimating is the level of future overtime is not known and measurable. The Company's approach of using the Test Year actual overtime amounts is a reasonable metric for projecting future overtime included in the Rate Year.

   The variance between the budgeted operating and maintenance overtime for each of 2022 through 2025 in OCC-318, Attachment 1, and the actual non-storm overtime for the same year in OCC-051, Attachment 1, is below:

   - 2022: Over budget driven by higher overtime for the Response Specialist Organization for shift coverage resulting from vacancies during the year.

   - 2023: Over budget driven by higher overtime for the Response Specialist Organization for shift coverage due to mandatory annual training in June, vacations in August, zone safety in October, training in November, and vacations in December.

   - 2024: Over budget driven by higher overtime for the Response Specialist Organization for shift backfills, the impact of more direct-buried cable repair work, emergent work, and corrective maintenance.

   - 2025: Over budget driven by higher overtime for Response Specialist Organization and emergent work.

d. Please refer to RRU-050, Attachment 2. Consistent with Schedule G-2.14, these amounts represent only CL&P payroll and do not include any EESCO payroll allocated to CL&P.

e. The increase in average overtime cost per hour on Schedule G-2.13, comparing 2024 with 2025, is due to several factors. There was a 3% merit increase implemented to wages in

2025, in conjunction with lower overtime hours . Additionally, the ratio of double time hours in comparison to total overtime hours increased by approximately 2% in 2025.

f. The 126 full-time equivalents for the Response Specialist-Line classification were retained in the agreement effective June 1, 2026. The Company included $6,935,000 of overtime and premium pay in the Test Year and $7,126,000 in the Rate Year for the Response Specialist Line classification. There are 124 Response Specialist-Line employees included in both the Test Year and Rate Year.

Prior Referenced Responses:

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[i] OCC-317 Question:

Payroll. Please provide for each year: 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year, the amount of base pay, overtime, incentive compensation and the amount of other pay broken down in the most detailed format available including the amount charged to capital, charged to expense and charged to other. If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

OCC-317 Response:

Please refer to Exhibit CLP-REVREQ-2, Schedule C-3.5, for the amount of base pay and overtime in the Rate Year. The Company does not calculate the capitalized payroll for the Rate Year as part of the cost of service.

For the amount of base pay and overtime and premium time charged to expense, capital, and other for years 2021, 2022, 2023, 2024, and 2025, please refer to OCC-317, Attachment 1.

Please refer to OCC-286, Attachment 1, for the amount of incentive compensation for 2021, 2022, 2023, 2024, 2025, and the Rate Year. Please note that no executive cash incentives and no stock incentives are capitalized.

[ii] OCC-051 Question:

(Payroll) Provide for each of the years 2022-2026: (i) the total overtime dollars, and; (ii) the amount of overtime dollars that would be charged to expense in base rates and would be comparable to the expense included in the Company's rate relief request.

OCC-051 Response:

Please see OCC-051, Attachment 1, for the total overtime dollars and the amount of non-storm overtime charged to O&M expense for the years 2022 through June 30, 2026, which is comparable to the overtime expense included in the Company's cost of service. Note the 2024 total overtime charged to expense increased as result of the Company reducing the use of external resources for outage responses during non-catastrophic storm events.

Please refer to OCC-043, and OCC-046, for the contractual terms pertaining to internal employees.

Date Filed: October 21, 2026

Witness: Brendan J. O'Brien, Mark P. Baldwin, Garrett J. Murray, John G. Griffin and Leanne M. Landry
Request from: Public Utilities Regulatory Authority

Question:

(STORM LABOR) Interrog. Resp. EOE-123, Att. 1 and Interrog. Resp. OCC-049, Att. 1. Regarding payroll charged to storm work and the 2024 change in the use of external resources:

a. Identify the schedule and line on which the 2025 minor storm payroll of $28,548,987 is recovered and reconcile it to the incremental labor for 2025 non-catastrophic events in EOE-013, Attachment 1 and to the five-year average described in the response to OCC-383. State the amount of minor storm payroll included in the non-catastrophic storm expense in the Rate Year.

b. Explain the increase in the minor storm payroll on line 2 of EOE-123, Att. 1 from $1,535,123 in 2018 to $28,548,987 in 2025. Separate the change into storm frequency, the 2024 change in the use of external resources and any other driver.

c. Provide a net cost comparison of the Company's reduced use of external resources for outage response during non-catastrophic storm events beginning in 2024, including the more frequent assignment of Response Specialist Organization and Electric Field Operations personnel to the storm schedule on Sundays and holidays, described in the response to OCC-049. State for each of calendar years 2021 through 2025 the external contractor cost avoided, the temporary staffing cost avoided, and the internal premium pay, benefits and payroll taxes incurred.

d. Quantify, for each of calendar years 2023 through 2025, the premium pay attributable to the thirty-minute response deadline for Priority 1 emergency calls imposed in Docket No. 23-01-39, Investigation into the Response of The Connecticut Light and Power d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT, and described in the response to OCC-049, separately from the 2024 change in the use of external resources.

Response:

a. The payroll expense represented in the non-catastrophic storm expense in Schedule C-3.28 is limited to incremental overtime costs not captured in Payroll Expense in Schedule C-3.5. The inclusion of incremental overtime incurred during minor storm events is necessary to recover a representative level of expenses so that the utility has an opportunity, but not a guarantee, to cover its costs of service in any given year. To accomplish this goal, base

distribution rates must be set to reflect a representative level of expenses for storms that do not qualify for deferred treatment as a catastrophic storm event. The amount of actual incremental overtime reflected in non-catastrophic storm expense in the Rate Year is not determinable because the expense was developed using an average level of costs over the prior five years.

EOE-013[i] has been replaced with EOE-013-SP01[ii]. Please refer to RRU-051, Attachment 2, for a reconciliation of labor charges between OCC-049[iii] and EOE-013-SP01.

b. The increase in minor storm payroll expense is attributable to the significant increase in the number of minor storm events in 2025, which was almost four times the amount experienced in 2018 (47 minor events in 2025 compared to 12 in 2018). The significant increase in the number of minor storm events caused a correlated increase in payroll expense associated with minor storms. Please refer to the table below for the internal and external labor costs per storm event, which shows the total internal and contractor labor per minor storm event is actually slightly lower in 2025 ($679,231 - $607,425 internal + $71,806 contractor) compared to 2018 ($679,943 - $127,927 internal + $552,016 contractor). Please refer to the Company's response to OCC-247[iv] for a discussion of the meteorological drivers of increased minor storm conditions.

	2018	2019	2020	2021	2022	2023	2024	2025
Minor Storms Payroll Expense[1]	$ 1,535,123	$ 3,540,374	$ 4,288,241	$ 10,025,173	$ 13,769,013	$ 13,981,323	$ 22,288,186	$ 28,548,987
Minor Storm Events	12	6	13	14	27	39	40	47
Minor Storm Payroll per Event	$ 127,927	$ 590,062	$ 329,865	$ 716,084	$ 509,963	$ 358,495	$ 557,205	$ 607,425
OH Line Contractor Labor Costs	$ 6,624,195	$ 8,557,664	$ 5,809,707	$ 10,295,968	$ 10,013,896	$ 7,174,808	$ 5,075,643	$ 3,374,891
OH Line Contractor Labor per Event	$ 552,016	$ 1,426,277	$ 446,901	$ 735,426	$ 370,885	$ 183,969	$ 126,891	$ 71,806

[1] Minor storms payroll expense sourced from EOE-123 Attachment 1.

c. The storm-by-storm cost-per-trouble-spot analysis presented in Docket No. 25-12-13 for the 2018-2023 storm events, was based on data from the Company's Outage Management System ("OMS") using specific storm start and end timestamps (e.g., 6:35 a.m. on Day 1 to 8:31 p.m. on Day 3), which did not generally capture the full calendar day. The storm-by-storm cost-per-trouble-spot analysis presented in this proceeding was based on OMS data for full calendar days, from 12:00 a.m. on the first day through 11:59 p.m. on the last day of the storm. The Company's assessment is that using the full calendar day data for the start and stop points of designated storm events is a more reliable presentation of the storm-related customer outages and trouble events for comparative purposes.

To allow for comparisons across the time period 2018-2023 and 2024-2025, the Company asked Pricewaterhouse Coopers ("PwC") Consulting to perform an updated analysis of the trouble-spot benchmarks for the storm events occurring from 2018 to 2023. As part of that

analysis, PwC standardized the start and stop times used to calculate the applicable metric across storm events, thereby applying a consistent methodology. This updated analysis is based on OMS data for full calendar days, from 12:00 a.m. on the first day through 11:59 p.m. on the last day of the storm. This analysis is provided as RRU-051, Attachment 1. As shown in RRU-051, Attachment 1, only one storm (MS21L) in the June 2018-December 2021 tranche of storms changed as a result of the standardized methodology. Regarding storms in the February to December 2023 period, ten storms changed as a result of the standardized methodology.

As shown in the table below, applying the standardized methodology to the storm events reflected in the initial 2018-2021 storm event filing provides a refinement to the average cost per trouble-spot. The data reflected in Supplement 2 (February 2023-December 2023) shows a more notable difference in the average cost per trouble-spot under the standardized methodology. As shown in the table below, application of the standardized methodology to the Supplement 1 storms (January 2022-January 2023) resulted in no difference to the average cost per trouble-spot.

Storm Group	**Average Cost Per Trouble-Spot**	
	Previous	**Updated**
Initial Filing (June 2018 – December 2021)	$5,787	$5,752
Supplemental (January 2022 – January 2023)	$12,579*	$12,579
Supplemental 2 (February 2023 – December 2023)	$17,406	$14,455

*MS22B was an extreme outlier and therefore not included in the average for this tranche.

Applying a standardized methodology across all storm events shows a reduced average cost per trouble spot, as shown in the table above.

As part of this response, the Company is identifying a handful of typographical errors that appeared in the following exhibits to the initial filing regarding outage and cost-per-event figures. These errors were inadvertent and do not affect the substance of the conclusions drawn from this data.

- **Exhibit CLP-STORM-IMT-3 (Event 2-MS24B), Page 1 of 42**: The outage event count shown on the slide was entered incorrectly. The slide currently reflects **557** Outage Events, but the correct value should be **577**. The cost-per-event metric of **7,543** is correct, as that calculation was performed independently and was not impacted by the transposition error.

- **Exhibit CLP-STORM-IMT-3 (Event 9-MS24H), Page 1 of 23**: The outage event count shown on the slide was entered incorrectly. The slide currently reflects **339** Outage Events, but the correct value should be **399**. The cost-per-event metric of **9,733** is correct, as that calculation was performed independently and was not impacted by the transposition error.

- **Exhibit CLP-STORM-IMT-3 (Event 10-MN24X), Page 1 of 8**: In this instance, the outage event count is correct; however, the cost-per-event value was transposed. The slide currently shows **$4,079**, but the correct should be **$4,097**.

- **Exhibit CLP-STORM-IMT-2 Page 8 of 30**: The second column from the left in the table labeled "Storm Statistics" should be labeled "Non-Outage Events" (i.e., # of non-outage trouble spots).

d. PURA's decision in Docket No. 23-01-39 imposing a 30-minute response deadline for Priority 1 emergency calls required the Company to maintain higher RSO staffing levels after the August 9, 2023 decision through 2024 and 2025. Please refer to RRU-051, Attachment 3, which shows the average number of RSO employees charging time per day for calendar years 2021-2025. The attachment illustrates that before the August 9th decision the RSO averaged approximately 73 RSO employees charging time per day. In 2024, there were approximately 76 RSO employees charging time per day and 75 RSO employees charging time per day in 2025.

If PURA comes to the conclusion in this case that the storm threshold has to be higher than what the Company has proposed in its initial filing, PURA will need to consider that the higher the threshold, the greater the chance that PURA is asking customers to pay for costs they don't need to, or conversely, the greater the chance that PURA is disallowing storm costs without a prudence review, which is legally improper. The larger the storm threshold gets, the more that has to be put in rates and using average costs and average number of storms to compute the amount to be included in rates as the "representative" amount is unlikely to get it right in either respect.

Prior Referenced Responses:

[i] EOE-013 Question:

(NON-CATASTROPHIC STORM EVENTS) Provide a listing of all storm events subject to a Storm Work Order for the years 2024 through present that did not exceed the $4 million catastrophic storm eligibility threshold. Additionally, provide a breakdown of the associated costs and the specific date range for each event (i.e., beginning and ending).

EOE-013 Response:

Please refer to EOE-013, Attachment 1, for a listing of total cost for non-catastrophic storm events for 2024, 2025, and 2026. Storm Work Order SCMN2411 reflects multiple dates associated with the costs incurred. At the time, the Company maintained a single work order for non-catastrophic storm work, resulting in all related charges being captured under a single work order. More recently, the Company has changed that practice to initiate separate work orders.
All 2026 costs remain preliminary, as the year is still in progress. The dollar amount reflected represents charges recorded through June 30, 2026, and does not constitute final year-end total.

[ii] EOE-013-RV01 Revised Response:

Please refer to EOE-013-SP01, Attachment 1 which is a revision to EOE-013, attachment 1, to reflect the correct storm dates for MN24F to be March 9, 2024, through March 10, 2024 In addition, the attachment reflects revisions to the calculations under the Direct labor and Payroll -related overheads.

[iii] OCC-049 Question:

(Double Time) For each of the years: 2021, 2022, 2023, 2024, 2025, by year, provide the amount of double time the Company has paid to internal employees.

OCC-049 Response:

Please refer to OCC-049, Attachment 1, for the amount of pay for internal employees at the double straight time premium rate.

Please note that there are two primary factors accounting for the increase in premium pay over the course of this timeframe. First, beginning in 2024, the Company reduced the use of external resources for outage response during non-catastrophic storm events. To support this strategy, Response Specialist Organization ("RSO") and Electric Field Operations ("EFO") personnel are now placed on the storm schedule more frequently, including Sundays and holidays, reducing the need to hire external resources. A parallel decrease in external crew costs occurred in the same years.

Second, is the impact of PURA's decision in Docket No. 23-01-39, Investigation into the Response of the Connecticut Light and Power Company d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT (August 9, 2023), imposing a 30-minute response deadline for Priority 1 emergency calls. The Company had to increase Response Specialist staffing levels to ensure all shifts were appropriately covered, which necessitated the use of overtime, including on Sundays and holidays.

Please refer to the response to OCC-043i and OCC-046 for the contractual terms pertaining to internal employees.

[iv] OCC-247 Question:

(VMP) Referring to Exhibit CLP-VMP-1, page 8. Provide support for the claim the Company has experienced increased severity and frequency of strong weather systems as compared to the storm impact over the last 26 years.

OCC-247 Response:

This statement reflects the Company's observation that weather conditions affecting its electric distribution system have become increasingly challenging over time. This observation is supported by multiple, complementary sources of information, including independent climate research specific to Connecticut and the Northeast, documented changes in Connecticut's vegetation and forest environment and the Company's own operating experience.

Because the characteristics, timing, location and impact are different for every weather event, the Company does not define a "strong storm" solely by a particular wind speed, precipitation amount, or number of customer outages. Rather, the operational impact of a weather system is the result of multiple interacting factors, including wind speed and duration, precipitation intensity, soil saturation, snow or ice loading, lightning, antecedent weather conditions, vegetation health and condition, and the location of trees and other vegetation relative to electric facilities.

Independent Climate Data
Independent scientific assessments demonstrate that Connecticut and the broader Northeast are experiencing measurable changes in climate and certain types of extreme weather. Please refer to OCC-247, Attachment 1. The *Connecticut Physical Climate Science Assessment Report* found that previous studies of the Northeast document an observed increase in precipitation and in the frequency and intensity of heavy precipitation events. The report further explains that more than 75 percent of extreme precipitation days in the Northeast are associated with extratropical storms, except during September, when tropical storms account for more than 50 percent.

Connecticut-specific observations similarly show changes in precipitation patterns. Please refer to OCC-247, Attachment 2. NOAA's *Connecticut State Climate Summary 2022* reports that annual and summer precipitation have generally been above average since the 1970s and that the greatest number of days with two inches or more of precipitation occurred during the 2005–2009 and 2010–2014 periods. NOAA also projects increases in annual precipitation and in the number of extreme precipitation events, noting that these changes may increase inland and coastal flooding risks.

The Fifth National Climate Assessment1 provides additional national and regional context. This assessment concludes that climate change is increasing the frequency and severity of a number of extreme weather and climate events, including heavy precipitation and flooding.

These findings do not mean that every individual storm affecting Connecticut is stronger than storms occurring historically, nor is the Company relying on that proposition. Rather, the occurrence of these weather patterns demonstrate that the underlying weather environment in which the Company's electric system operates is changing, including changes in weather variables that can materially affect an overhead electric distribution system.

Vegetation and Antecedent Environmental Conditions
Weather alone does not determine the resulting impact on the electric system. This distinction is particularly important in Connecticut because of the significant interaction between the State's overhead electric infrastructure and its heavily forested environment. Weather conditions, antecedent soil conditions, and vegetation health can interact in ways that affect the likelihood of trees or limbs contacting electric facilities.

Connecticut's forest environment has itself experienced significant health stresses during the period relevant to this interrogatory. Please refer to OCC-247, Attachment 3. The Connecticut Agricultural Experiment Station's ("CAES") *2024 Forest Health Highlights* documented 82,214 acres of new forest damage during its 2024 aerial survey, including damage associated with beech leaf disease, spongy moth, white pine needle disease and emerald ash borer. CAES further cautioned that aerial surveys likely underestimate the actual extent of certain forest-health impacts.

Several of these forest-health threats emerged or expanded substantially during the period examined by the Company. Emerald ash borer was first detected in Connecticut in 2012 and subsequently spread throughout the State. In CAES's 2024 sampling, 314 of 387 ash trees were dead, and at sampled locations where emerald ash borer was first detected in 2012 or 2013, CAES found no living overstory or midstory ash trees. Beech leaf disease, first detected in Connecticut in 2019, subsequently spread throughout the State and has resulted in substantial deterioration in the condition and growth of affected beech trees.

These forest-health conditions demonstrate that the environment affected by weather systems has also changed. This distinction is important when evaluating impacts to an overhead electric distribution system. Heavy or prolonged

1 https://toolkit.climate.gov/NCA5_2023_FullReport

precipitation can contribute to soil saturation; wind acting upon trees rooted in saturated soils may produce different consequences than similar winds under dry conditions; and dead, diseased or otherwise stressed trees may respond differently to those same weather conditions than healthy trees.

Accordingly, the ultimate impact of a weather system cannot necessarily be determined from a single meteorological variable, such as peak wind speed. Weather severity, antecedent conditions, vegetation health and electric-system exposure interact to determine the ultimate system impact.

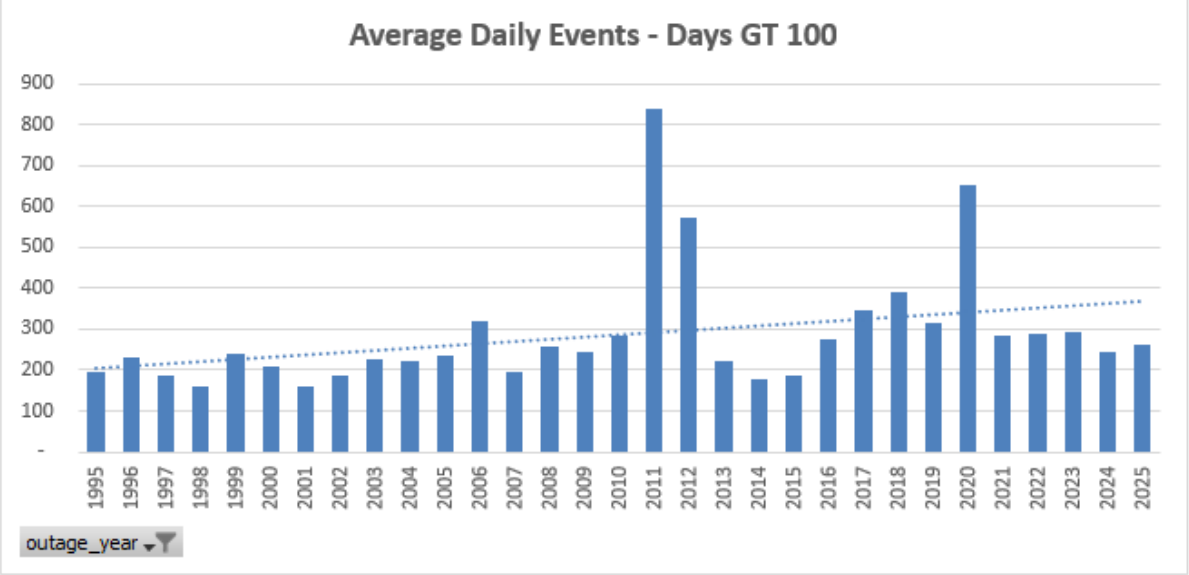
Company Operating Experience
The Company's historical operating experience provides another, complementary perspective. Whereas climate and environmental studies describe changes occurring in Connecticut's weather and natural environment, the Company's outage-event data provide a means of evaluating how frequently weather conditions are producing operationally significant impacts on the electric system.

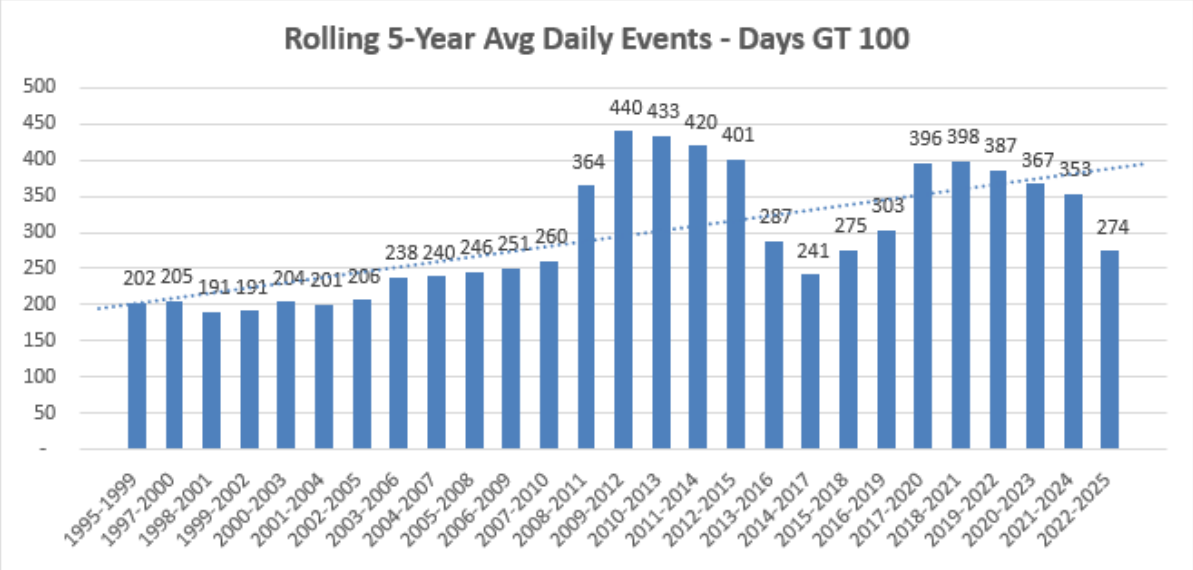
For purposes of this analysis, the Company has reviewed the frequency of days experiencing more than approximately 100 outage events. The Company does not use 100 outage events as a meteorological definition of a "strong storm," nor does reaching that level necessarily constitute activation of the Company's Emergency Response Plan. This level of outage events is simply a level of outages that would not be expected on a blue sky day and that would generally need to be provoked by an external weather impact, or other force. That is, approximately 100 outage events represents an operationally meaningful reference point because, at approximately that level of system impact, the Company's normal operating and staffing structure generally begins to require adjustment.

Under normal conditions, resources such as Response Specialist Organization personnel and lineworkers are allocated among outage response, corrective maintenance, capital work, and other normal operations. As outage-event volume increases, additional personnel may need to be redirected from their normal assignments to restoration activities, staffing structures may need to be supplemented, and additional coordination and operational support may become necessary.

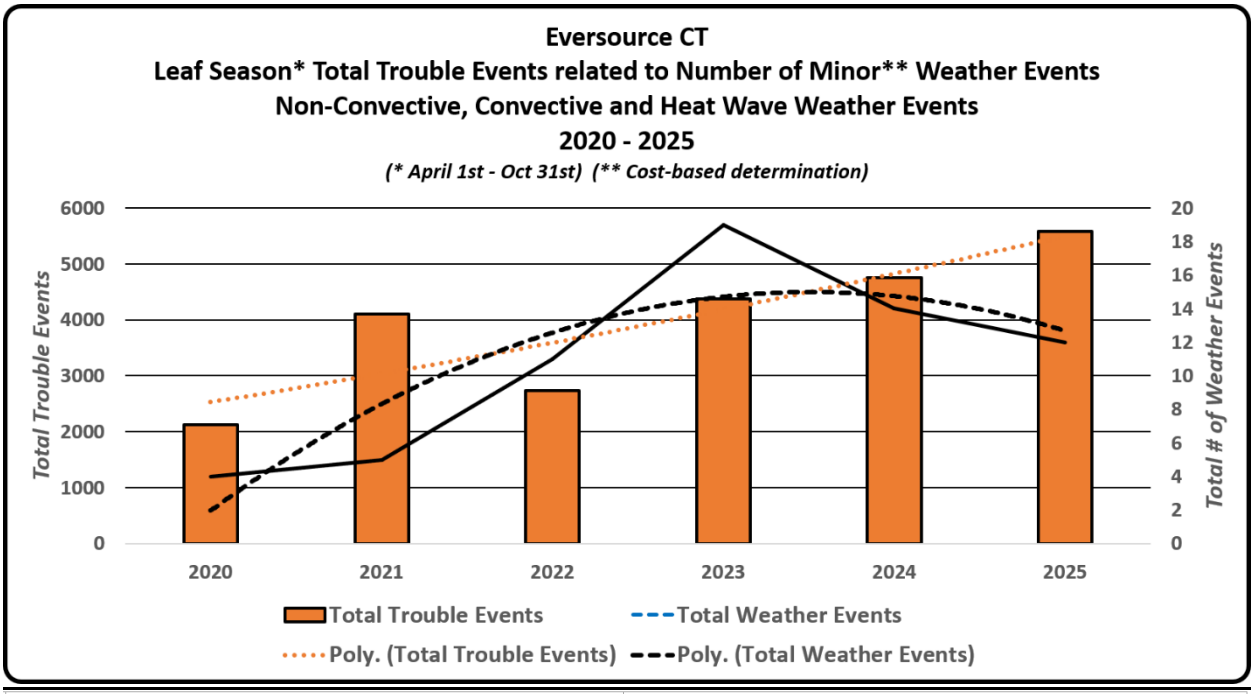
The precise point at which these actions occur is dynamic and depends upon factors including the geographic distribution and complexity of outages, expected weather duration, damage conditions, available resources, and forecast conditions. Nevertheless, approximately 100 outage events provides a reasonable and consistent reference point for examining the frequency with which weather affects the system sufficiently to cause the Company to move beyond its ordinary operating posture.

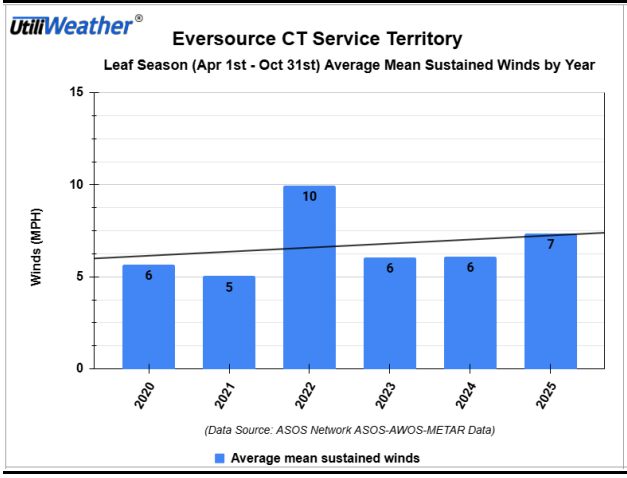
The Company's review of its historical operating data shows an increasing trend in the number of days on which the electric system experiences more than 100 outage events, including a clear upward trend. Additionally, a comparison of the rolling five-year average of days with greater than 100 outage events also shows a clear upward trend. This information is relevant because it measures the consequence of weather from an electric-system operations perspective rather than attempting to characterize storm strength through a single meteorological variable.

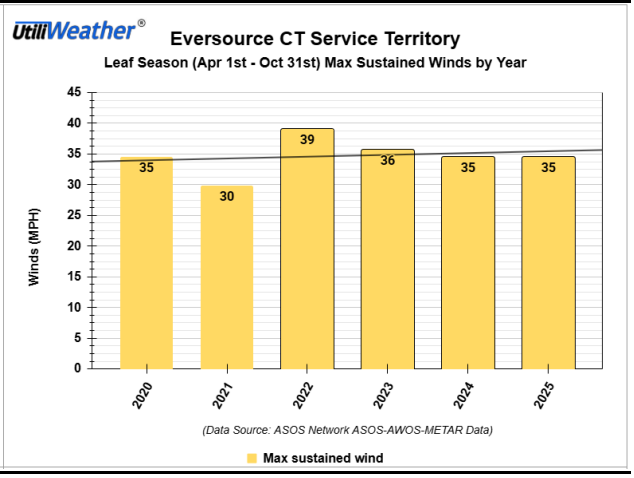


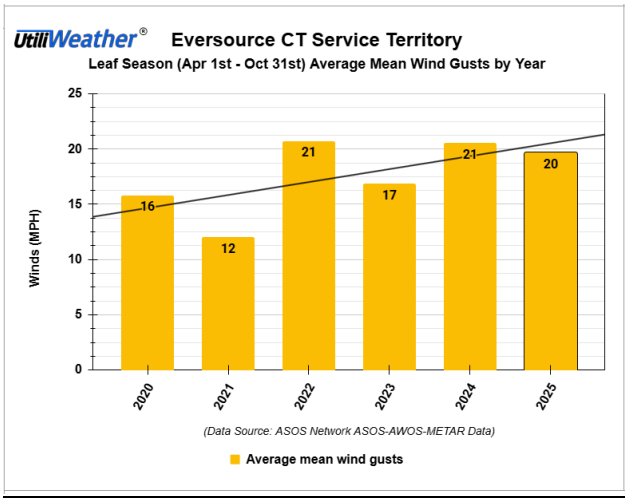


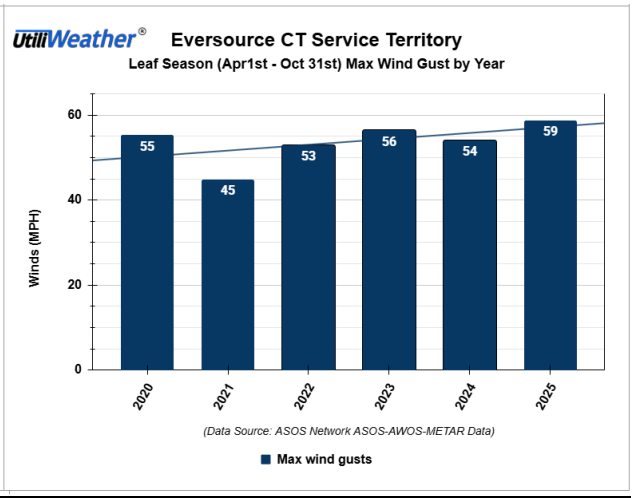
Recent meteorological data reviewed by the Company provides additional context for these observed operational trends. UtiliWeather analyzed four wind-profile parameters over a recent five-year period: average mean sustained winds, average maximum sustained winds, average mean wind gusts, and average maximum wind gusts. UtiliWeather found increasing linear trends across these wind parameters, with sustained winds exhibiting a modest increase and wind gusts exhibiting a somewhat more robust increase over the period analyzed. While the five-year period is not, standing alone, sufficient to establish a long-term climatological trend, these observations provide additional recent meteorological context that is consistent with the Company's operating experience and the longer-term regional climate information discussed above.


Eversource CT
Leaf Season* Total Trouble Events related to Number of Minor** Weather Events
Non-Convective, Convective and Heat Wave Weather Events
2020 - 2025
(* April 1st - Oct 31st) (** Cost-based determination)
Total Trouble Events
Total # of Weather Events
6000
5000
4000
3000
2000
1000
0
20
18
16
14
12
10
8
6
4
2
0
2020
2021
2022
2023
2024
2025
Total Trouble Events
Total Weather Events
Poly. (Total Trouble Events)
Poly. (Total Weather Events)

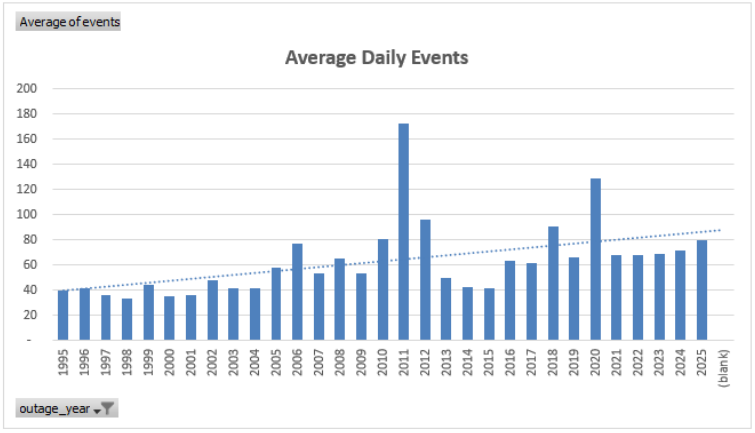

UtiliWeather
Eversource CT Service Territory
Leaf Season (Apr 1st - Oct 31st) Average Mean Sustained Winds by Year
Winds (MPH)
15
10
5
0
6
5
10
6
6
7
2020
2021
2022
2023
2024
2025
(Data Source: ASOS Network ASOS-AWOS-METAR Data)
Average mean sustained winds

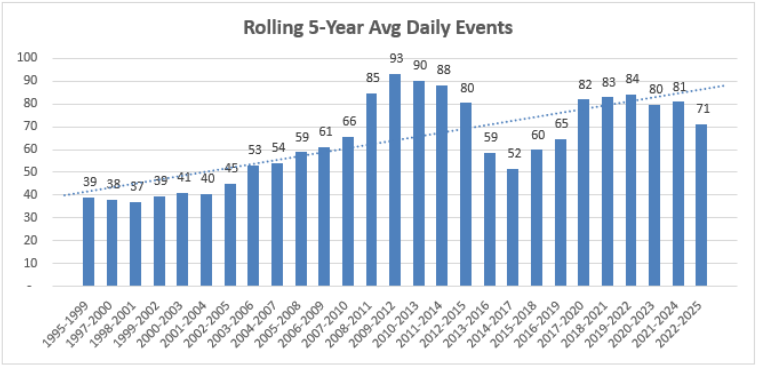

UtiliWeather
Eversource CT Service Territory
Leaf Season (Apr 1st - Oct 31st) Max Sustained Winds by Year
Winds (MPH)
45
40
35
30
25
20
15
10
5
0
35
30
39
36
35
35
2020
2021
2022
2023
2024
2025
(Data Source: ASOS Network ASOS-AWOS-METAR Data)
Max sustained wind





A look at the average amount of daily outage events also indicates a clear increase that the system is seeing increased outage activity on a daily basis.





At the same time, this operating trend, standing alone, does not necessarily prove that weather systems have become stronger or that climate change is responsible for any particular outage. Electric-system impacts are affected by multiple variables, including weather, vegetation, antecedent environmental conditions, infrastructure exposure and system configuration. Accordingly, the Company's operating data are appropriately considered together with, rather than as a substitute for, independent meteorological and environmental information.

Relationship to System Resilience
An increase in operationally significant weather impacts should also not be interpreted, by itself, as evidence of declining system resilience. Reliability and resilience investments can reduce the consequences of weather events, but they do not eliminate the underlying exposure of an overhead distribution system to weather and vegetation. In fact, system-impact data reflect the combined effect of the hazard to which the system is exposed and the system's ability to withstand and recover from that hazard.

For that reason, it is important to evaluate the trend in system impacts together with independent evidence regarding changes in the external environment rather than attempting to infer either weather severity or system resilience solely from outage counts.

This is also consistent with the broader treatment of infrastructure risk in the Fifth National Climate Assessment, which recognizes that additional climate-related loads and stressors can interact with infrastructure and its operational constraints to produce cascading impacts.

Conclusion
Weather, vegetation, antecedent environmental conditions and electric-system impacts are interrelated and changes in outage activity cannot reasonably be attributed to any single variable.

However, in addition to the Company's actual operational experience, multiple independent lines of evidence point in the same general direction. Scientific assessments document changes in Connecticut and the Northeast's climate, including increases in heavy precipitation and other extreme-weather characteristics relevant to electric infrastructure. Connecticut-specific observations demonstrate changing precipitation patterns, while broader assessments identify increasing risks to infrastructure from extreme weather. Those weather conditions interact with Connecticut's vegetation and antecedent environmental conditions, meaning that similar meteorological events do not necessarily produce similar electric-system impacts.

Added to this context, the Company's own operating experience demonstrates an increasing frequency of days on which weather-related impacts are significant enough to exceed approximately 100 outage events and require the Company to begin adjusting its normal operating posture.

Recent meteorological data reviewed by the Company also identifies increasing trends in sustained winds and wind gusts over the five-year period analyzed, with the increase in wind gusts being somewhat more pronounced

Viewed collectively, this data provides a more complete picture than any individual measure could provide: the weather and environmental conditions affecting Connecticut are changing; those conditions can increase the stresses placed on an overhead electric distribution system; and the Company is experiencing an increasing frequency of operationally significant weather-related system impacts.

Accordingly, the Company's statement is made on the basis of the increasing frequency and operational severity of weather-related impacts experienced by the Company's electric system, considered in the context of independent scientific evidence documenting changes in the weather and environmental conditions affecting Connecticut.

Date Filed: October 09, 2026

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

Question:

(TEMPORARY STAFFING) Interrog. Resp. OCC-309, Att. 1, Interrog. Resp. OCC-321, Att. 2, and Interrog. Resp. OCC-359, Att. 1. Regarding temporary and contract staffing costs and its treatment in the cost of service:

a. OCC-359, Attachment 1, provides a Rate Year temporary help amount of $1,158,401 which the Company states in response to OCC-321 is not reflected in payroll expense. Identify each schedule and line on which any portion of the $1,158,401 is recorded and the amount on each.
b. OCC-359, Attachment 1, equals the operating and maintenance line of OCC-321, Attachment 2 for each of calendar years 2021 through 2025. State whether Allegis Global Solutions and Randstad are the only temporary staffing vendors. Identify other temporary staffing vendors and the amount paid to each vendor in each of calendar years 2021 through 2025. Identify the schedule and line on which the capital and other portion of temporary staffing is recorded.
c. State the services provided by Allegis Global Solutions and the basis for recording $179,046 paid in 2025 as outside legal counsel expense in OCC-309, Attachment 1, and for including $94,338 in the Rate Year.

Response:

a. Please refer to the table below identifying the schedules that include portions of the $1,158,401 of Rate Year temporary staffing expenses.

Schedule Reference	**Rate Year Amount**
C-3.3 Bank Fees and Debit Service Charges	$7,416
C-3.8 Computer Services	$180,403
C-3.9 Corporate Communications	$5,788
C-3.10 Customer Services	$109,611
C-3.12 Employee Benefits	$10,767
C-3.16 Field Operations OHL	$422,069
C-3.17 Field Operations UGL	$113
C-3.18 Human Resources	$40,575
C-3.20 Legal	$190,584
C-3.33 O&M Residual	$191,074

Total	$1,158,400

Please note as the costs associated with temporary help are embedded in multiple SFRs utilizing different methodologies to estimate the Rate Year level of costs, therefore, the Company used GDP-PI as a proxy to estimate the amount included in the Rate Year.

b. Allegis Global Solutions and Randstad are the only two temporary staffing vendors, as explained in the Company's response in EOE-125[i].

c. The $179,046 represents costs paid in the 2025 Test Year for legal support including coverage for an Eversource attorney that transitioned to part-time employee status, and coverage for an Eversource attorney on authorized medical leave. The Company included 52% of the Test Year expense (which is $94,338) in the Rate Year because legal support will continue to be needed in the Rate Year to provide coverage for a part-time attorney and other additional legal support.

Prior Referenced Response:

[i] EOE-125 Question:

(EXTERNAL STAFFING) Provide an unlocked Excel spreadsheet detailing the Company's 'external' average staffing levels for each year starting from 2018 through present, along with the overall gross costs. To the clear, this request is looking to identify the roles, counts, applicable external vendors, costs, and any other relevant details that could assist in minimizing follow-up interrogatories. This request is applicable to all types of external staffing including, but not limited to, vendors supporting line crew activities, customer service activities, IT development activities, etc.

EOE-125 Response:

The Company began tracking external staffing counts on a systematic, reportable basis starting in 2023. As a result, the system has data as of December 2023, and December 2024 and then by month starting in 2025 and 2026. Please refer to EOE-125, Attachment 1, for a headcount by Business Area using the respective December counts.

Please note that external staffing counts are not associated with a specific operating company. Therefore in EOE-125, Attachment 1, the Company provides the requested data in relation to any business area that could potentially support CL&P. This includes Shared Services Organizations such as CFO and Customer Group, as well as operational organizations such as Engineering and Safety, Training, and Fleet.

"External Staffing" referenced above is generally held to mean short-term temporary staffing that can include administrative/clerical, accounting/financial, technological, and project support. External staffing is hired through staffing agencies (i.e., temp agencies) or can been contracted directly with firms. During the period requested, the Company had two outside vendor companies that acted as staffing agencies, Randstad and Allegis Global Solutions. During the requested period, the Company directly contracted with 30 outside vendor companies. These vendors are Burns & McDonnell, TRC Engineers, Progressive Global Energy, United Utility Power Services, CHA Consulting, Capital Staffing Solutions, Leidos, RLC Engineering, Plant Forward Energy Services, Qualus, Ironhouse, Qualus

Consulting, AI Engineers, ESPii, EN Specialty Services, PMA Consultants, Watkins Strategies, Airswift, Wunderlich-Malec, Power Engineers, Cascade, RCM Technologies, Global Technical Talent, Shermco Industries, EPST-A Voltyx Company, Parsons, Asplundh Engineering Services, BHI Energy, Saybrook Associates Inc., and Control Point Technologies.

The Overhead Line Department has kept internal reporting on counts for CL&P Distribution Overhead Line crews, as shown in EOE-125, Attachment 2. This includes headcounts by vendor with the averages from 2018 to June 2026.

The Company does not track staffing counts for any other types of Contractors. “Contractors” are vendors used to supplement the Company’s internal work force for specific functions and projects to respond to the increase of work during peak need times including the seasonal demand of the work plan, repairs, and project management.

The gross costs on all Outside Services are included in EOE-125, Attachment 3, including all Outside Services provided to the Company by vendor. This includes the External Staffing, CL&P Overhead Line Crews and all other Contractors, as described above.

Date Filed: October 16, 2026

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

Question:

(EESCO CAPITAL FUNDING) O'Brien and Murray Pre-Filed Test., pp. 83-84; Application, Sch. WP C-3.11; Interrog. Resp. OCC-373. Regarding the EESCO capital funding reflected in Schedule C-3.11 and the return on equity applied:

a. Provide (1) the weighted average of the Eversource operating companies' return on equity as calculated in January of each of the years 2021 through 2026 and (2) the allowed return of each operating company used, the allocation methodology, and the plant balances used as weights.
b. The Company's response to Interrogatory OCC-373 states that EESCO charges billed to CL&P in the Rate Year will be based on the weighted average of the Eversource operating companies' return on equity. Provide an exhibit that shows Schedule C-3.11 recomputed on that basis for the Test Year pro forma and the Rate Year. State the basis for filing a schedule that does not reflect the return the Company states will be billed.
c. Provide the capitalized proportion of EESCO capital funding for each of calendar years 2021 through 2025.
d. Identify the EESCO capital projects on which the Rate Year charge is based and for each capital project, provide in an unlocked Excel spreadsheet the (i) plant balance, (ii) in-service date, and (iii) amount allocated to CL&P.
e. Identify the FERC account to which the reference 930RAX on Schedule WP C-3.11 corresponds.

Response:

a. Please refer to RRU-053, Attachment 1, for 2021 return on equity calculation, RRU-053, Attachment 2, for 2022 return on equity calculation; RRU-053, Attachment 3, for 2023 return on equity calculation; RRU-053, Attachment 4, for 2024 return on equity calculation; RRU-053, Attachment 5, for 2025 return on equity calculation; and RRU-053, Attachment 6, for 2026 return on equity calculation.

b. Please refer to RRU-053, Attachment 7, for Schedule C-3.11 recomputed reflecting the 2026 weighted-average Eversource operating company return on equity for the Test Year pro forma and the Rate Year.

The premise that Schedule C-3.11 should reflect the weighted-average Eversource operating company return on equity rather than CL&P's proposed return on equity is misplaced. The weighted-average return used by EESCO is an administrative cost-allocation mechanism designed to allocate service company costs among affiliate utilities. It is not a determination of the cost of equity applicable to CL&P, nor is it intended to establish CL&P's authorized return for ratemaking purposes.

Schedule C-3.11 appropriately reflects CL&P's proposed return on equity of 10.25%, which is the return the Company seeks authorization to earn in this proceeding based on the evidence presented in its cost of capital testimony. The fact that EESCO bills capital-related costs using a weighted-average return derived from multiple operating companies does not change the return required by investors to provide capital to CL&P and therefore does not provide an appropriate basis for establishing CL&P's revenue requirement.

Moreover, the weighted-average EESCO return is inherently dependent on the existing authorized returns of the various affiliated operating companies and therefore does not necessarily reflect current capital market conditions or contemporaneous regulatory determinations. Because CL&P is presently the only Eversource operating company seeking updated rates, the weighted-average EESCO return reflects legacy authorized returns for other affiliates rather than a current assessment of the cost of equity. The existence of those historical returns does not diminish or modify the return on equity that is appropriate for CL&P in this proceeding.

As explained in response to OCC-373[i], EESCO makes capital investments on behalf of the operating companies it serves. The costs of those investments are ultimately borne by utility customers because the investments support utility operations and functions that would otherwise need to be performed directly by each operating company. Had CL&P made these investments directly and recorded the associated assets in its own rate base, those assets would earn CL&P's authorized return on equity in the same manner as any other utility investment. Accordingly, reflecting CL&P's proposed 10.25% return on equity in Schedule C-3.11 appropriately recognizes the economic substance of the investment and provides the proper basis for establishing the Company's revenue requirement in this proceeding.

The service company structure is intended to achieve efficiencies and economies of scale by centralizing functions, personnel, systems, and technology investments that would otherwise need to be duplicated across multiple operating companies. The relevant regulatory question is therefore not whether EESCO bills using a weighted-average return on equity, but whether the underlying investments support utility operations and provide benefits to CL&P customers. They do. Recomputing Schedule C-3.11 using the weighted-average EESCO return would substitute an administrative allocation convention for the Company's actual cost of equity and would fail to reflect the return associated with

comparable investments had those same assets been owned directly by CL&P. Indeed, absent the service company model, CL&P would be required to make many of these investments itself, resulting in additional standalone costs and operational duplication. The service company structure therefore produces a lower-cost and more efficient means of providing these capabilities while preserving the fundamental economic reality that the investments are made for the benefit of, and ultimately support service to, CL&P customers.

c. Please see the below table for the capitalized proportion of EESCO capital funding for each of calendar years 2021 through 2025:

EESCO Capital Funding - Capitalized Portion

2021	4,373,292
2022	6,041,810
2023	6,531,398
2024	4,961,042
2025	5,093,797

d. The Company is pursuing the necessary details and will supplement this response as soon as the information is available.

e. The reference to "930RAX" is denoting the specific FERC Account. As outlined in Title 18, Chapter I, Subchapter C, Part 101 of the Code of Federal Regulations, Federal Energy Regulatory Commission ("FERC") Account No. 930.2 Miscellaneous general expenses, compensation for the use of capital is recorded to this account as it is the cost from the shared services company incurred in the general management of the utility not provided for elsewhere.

Prior Referenced Response:

[i] OCC-373 Question:
ESC Capital Funding. to Exhibit CLP-REVREQ-1, page 83 lines 1-21 through page 84 lines 1-2 and lines 11-15.

a. Explain why the Company replaced the weighted average of Eversource operating companies ROE with the Company's proposed ROE in this case.
b. Confirm that the ESC charge billed to CL&P in the rate year will be based on the weighted average of Eversource operating companies ROE.

OCC-373 Response:

a. First, the Eversource Energy Service Company ("ESC") makes significant capital investments, primarily IT infrastructure, on behalf of the operating companies it serves on a regular, ongoing basis. These investments are necessitated to: (1) enable business process improvements and new business capabilities via the implementation of new technology solutions; (2) improve customer interaction capabilities; (3) standardize collaboration and service technologies across the enterprise; and (4) maintain secure and supported technology solutions. These services would be costlier for customers if Connecticut Light & Power had to make these investments on its own. For example, the general ledger employed by each Eversource operating company resides with ESC's books. Were it not for this centralized service provided to the Company by ESC, the Company would need to develop and support its own general ledger, a prospect that would be costlier to customers. Therefore, it is beneficial to ratepayers that ESC continues to invest in a general ledger and other systems in the provision of essential services to the utilities it serves.

Secondly, all capital, as discussed elsewhere in this proceeding, has a cost. However, ESC, as a quasi-regulated shared services company, does not have a simple cost of equity approved by a single regulator. Instead, to establish its ROE for purposes of calculating the revenue requirement necessary to support the capital investments ESC makes on behalf of its utilities, ESC uses a weighted average of the approved ROEs of each Eversource operating company it serves. The ESC ROE rate is calculated on an annual basis in January. The ROE rate is calculated by weighing the most recent allowed ROE of each Eversource regulated utility, based on the applicable allocation methodology and the prior year-end Plant balances of the applicable ESC projects. This is a reasonable, repeatable estimate of the cost of the capital necessary to provide cost effective and efficient services across multiple jurisdictions. It is important to note that regardless of the methodology used to derive the ESC's ROE, the capital funding charged to CL&P is grounded in the ESC cost-causation principles and methodologies (as noted within, and in accordance with, the ESC cost allocation manual provided in EOE-066, Attachment 1) to ensure the ESC costs billed are appropriate and equitable based on the net assets from which each operating company benefits.

The Company replaced the weighted average of Eversource operating companies' ROE with the Company's proposed ROE in this case, which is consistent with prior rate case practice, because the Company's proposed ROE in this case reflects current market conditions and is the result of the extensive analysis performed by the Company's cost of capital witness. The approved ROEs of all Eversource operating companies that would be used to calculate ESC's ROE during the Rate Year (i.e., approved ROEs of the operating companies through 2028) are unknown and subject to change.

b. Yes, the Company confirms that the ESC charges billed to CL&P in the Rate Year will be based on the weighted average of Eversource operating companies' ROE. The weighted average of Eversource operating companies' ROE will be updated with the final PURA approved CL&P ROE on January 1, 2028.

Date Filed: October 16, 2026

Witness: Danielle Munson
Request from: Public Utilities Regulatory Authority

Question:

(COST ALLOCATION) Application, Sch. G-2.16a; Interrog. Resps. EOE-066, Att. 1, OCC-380, OCC-073, OCC-275 and OCC-355, Att. 1. Regarding the allocation of EESCO cost to CL&P:

a. (i) Provide an exhibit that shows, for each rate code in the EESCO Cost Charging and Allocation Manual, the allocation percentage applied to each subsidiary and business segment for each of calendar years 2021 through 2025 and for the Rate Year; (ii) identify the meaning of each entity and business segment code; and (iii) demonstrate that the percentages under each rate code sum to 100%.
b. (i) Provide the derivation of the M9C rate of approximately 17.86% applied to labor-related cost in response to Interrogatory OCC-380; (ii) identify the rate code and methodology producing the 22.58% applied to Edison Electric Institute dues in responses Interrogatories OCC-073 and OCC-275; and (iii) state the basis for applying M9C to labor-related cost, Rate Code C04 in the response to OCC-366 to audit fees, and that rate code to dues.
c. State: (i) the amount of EESCO cost in each of calendar years 2021 through 2025 that benefited Aquarion or any other affiliate not included in a rate code; (ii) the amount recovered from each through a separate management fee; and (iii) the effect on CL&P's allocated share of including each in the allocation base.
d. Provide an exhibit for each of calendar years 2021 through 2025, reconciled to EESCO's FERC Form No. 60, showing total EESCO cost and the amount and percentage billed or allocated to each associate company and business segment. Show CL&P distribution and CL&P transmission separately.
e. Attachment 1 of the Company's response to Interrogatory EOE-066 describes rate codes M01 and M9C with the same title, Labor Miscellaneous 1, and the same entity list. State the basis for maintaining both, and the cost charged to CL&P under each in each of calendar years 2021 through 2025.
f. State the amount of EESCO labor charged to CL&P in the Test Year through allocation rather than direct charge because the time fell below the threshold of more than four hours a week described in Attachment 1 of the Company's response to Interrogatory EOE-066.

Response:

a. Please refer to RRU-054, Attachment 1 and RRU-054, Attachment 2, for the allocation percentage applied to each subsidiary and business segment for 2021-2024 and 2025, respectively for each rate code.

b. (i) Please refer to RRU-054, Attachment 3, Rate M9C M01 tab for the derivation of the M9C rate code of 17.86% applied to labor-related costs.

ii) Please refer to RRU-054, Attachment 3, Rate P11 tab for the derivation of the P11 rate code of 22.58% applied to Edison Electric Institute dues.

(iii) Healthcare expense for Eversource Energy Service Company ("ESC") employees is allocated based on how ESC employee total payroll, both directly charged and allocated, is budgeted for each year. This is referred to as the M9C and M01 rate code and is based upon labor dollars for the applicable subsidiary/business segment. Rate code C04 was chosen because there is no specific causal driver of the costs or causal-based methodology that may be utilized for providing these services; therefore, the common methodology was utilitized.

c. (i) Please refer to RRU-054, Attachment 4, for the amount of ESC costs in each of calendar years 2021 through 2025 that benefited Aquarion.

(ii) Aquarion Company is separately billed a management fee that includes costs associated with the Senior Team oversight. Officer salary and overheads were charged through separate accounting work orders established for ESC employees to charge Aquarion Company through the sundry billing process. These costs are shown on the table below. The Company is not seeking recovery for these costs.

Year	**2021**	**2022**	**2023**	**2024**	**2025**
Total	$ 474,550	$ 481,197	$ 492,610	$ 431,758	$ 394,959

(iii) Aquarion is largely autonomous and is billed monthly from ESC for shared services that are provided. ESC employees can only direct-charge Aquarion. As a result, Aquarion is not included in any of ESC's causal-based or common rate codes. All else consistent, when ESC employees direct-charge Aquarion, the fully loaded labor costs allocated to CL&P are reduced.

d. Please refer to RRU-054, Attachment 4 for the amount of ESC cost and percentage billed for each of calendar years 2021 through 2025, reconciled to ESC FERC Form 60 annual filings page 307 Schedule XVII - Analysis of Billing - Associate Companies.

e. Rate codes M01 and M9C are used for the same purpose. The rate codes are embedded in the workorder number and to discontinue one and create replacement workorders was deemed to be undue risk for little benefit.

f. ESC costs should be direct charged to the appropriate subsidiary/business segment based on the cost causal driver of the need for the goods or services. The policy threshold for direct charging

of labor starts when significant time (more than 4 hours a week) is directly related to an individual subsidiary/business segment. Nothing in this policy precludes charging less than four hours to subsidiaries and is required in certain circumstances (i.e. costs associated with mergers and acquisitions). The amount of ESC labor charged to CL&P in the Test Year through allocation rather than direct charge because the time fell below the threshold of more than four hours a week is not available.

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.

Date Filed: November 05, 2026

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

Question:

(VARIABLE COMPENSATION) Lazor, Eichler and O'Connor Pre-Filed Test., pp. 30-34; Application, Schs. C-3.6 and C-3.7; Interrog. Resp. OCC-289, Interrog. Resp. OCC-290, Atts. 1–4, and Interrog. Resp. OCC-369. Regarding the funding and level of the variable compensation reflected in Schedules C-3.6 and C-3.7:

a. The Company's response to Interrogatory OCC-369 states that no employee other than the Eversource Chief Executive Officer and Chief Financial Officer is paid variable compensation on the basis of corporate financial performance goals. The response to OCC-289 states that the 2025 corporate performance goals were based 70% on overall financial performance, and each plan document in OCC-290, Atts. 1-4 states that the funding pool is based on achievement of an Eversource Energy consolidated earnings per share goal. Reconcile the Company's response to Interrogatory OCC-369 with its responses to Interrogatories OCC-289 and OCC-290.

b. State, for each of plan years 2021 through 2025, the effect of the earnings per share results on the funding pool, and state the 2024 earnings per share goal and actual result. Provide the plan documents for plan years 2021 and 2022.

c. Provide an exhibit that shows, for each plan year 2021 through 2025, the threshold, target and maximum level of each corporate scorecard metric, the resulting funding percentage, the weighted average payout as a percentage of target, the enterprise pool and the amount allocated to CL&P, together with the 2024 scorecard in the form of OCC-198, Attachment 1.

d. Reconcile the 2025 total variable compensation allocated to CL&P of $11,308,184 in OCC-202, Attachment 1 and the 2025 total variable compensation for CL&P employees of $5,395,820 in OCC-202, Attachment 2 to the 2025 amounts in OCC-286, Attachment 1 and to the Test Year gross plan amounts of $12,731,000 for CL&P and $8,715,000 for EESCO in Schedule WP C-3.6. Reconcile OCC-286, Attachment 1 to Schedules C-3.6 and C-3.7 for the Test Year, the Test Year pro forma and the Rate Year. State the amounts accrued against the amounts actually paid for each of calendar years 2021 through 2025.

e. Provide an exhibit that shows the Rate Year amounts in Schedules C-3.6 and C-3.7 restated at a payout of 100% of target for every participant.

Response:

a. The Company's response to Interrogatory OCC-369[i] actually states that "[t]here is no employee that is paid for variable compensation ***on the basis of achievement*** of corporate financial performance goals, aside from the Eversource Energy Chief Executive Officer and the Chief Financial Officer." (emphasis added). It does not state that the CEO and CFO are "paid variable compensation on the basis of corporate financial performance goals." There is a difference in these two statements. The Company's statement means that their variable compensation *depends upon* whether the corporate performance goals are *achieved* and to what extent. It does not mean that their pay-out is determined in correlation with these goals, as achieved, which is what the statement in the question implies.

The response to OCC-289[ii] actually states that "[i]n the Eversource variable pay program, there ***are two different types*** of "financial goals." First, there are the corporate financial performance goals that are identified and discussed in the Eversource Energy annual proxy statement …." Second, the response to OCC-289 actually states that there are "'performance goals' within the Eversource variable pay program [that] are the ***employee-specific performance goals***." (emphasis in original). The question states that "the 2025 corporate performance goals were based 70% on overall financial performance …." This is not an incorrect statement; however, it is wholly incomplete. This statement is pertinent only to the corporate financial performance goals, which are pertinent only in limited respects to the overall variable pay compensation program.

The question further states that each plan document in OCC-290, Atts. 1-4, states that "the funding pool is based on achievement of an Eversource Energy consolidated earnings per share goal." However, the document actually states that "Your award will be based on ***the achievement of employee*** Annual incentive program goal results ***and incentive program funding****."* (emphasis added), meaning that the Employee's actual variable pay amount is a function of two independent drivers, which are both dependent on "achievement." These two drivers are: (1) whether the Employee achieved their own individual performance goals; and (2) whether the corporation achieved its corporate performance goals, triggering the funding of the overall variable compensation plan. To this point, OCC-290, Att. 1 states that "[a] funding pool will be based on the ***achievement*** of an ES Consolidated EPS Goal along with the achievement of certain strategic and high-level financial goals." (emphasis added).

Decisions on ***the amount*** of the funding pool are ***not*** determined by the Eversource Energy corporate financial performance goals, but rather is an amount set by the CFO (UPA-005(f)).

Therefore, in terms of "reconciling," the Company's response to Interrogatory OCC-369 with its responses to Interrogatories OCC-289 and OCC-290[iii], it is unclear what needs to be "reconciled." The Company's responses to OCC-369, OCC-289, OCC-290, and numerous

other responses including UPA-005[iv], UPA-007[v], UPA-039[vi], all substantiate the two-tiered procedure that applies to determine: (1) whether corporate performance goals are achieved; how it applies to executive officers and how it triggers payment of the funding pool; and (2) how the amount of the funding pool is decided; how all other employees of the company, director and below are determined to be eligible for variable pay and at what level; and how the funding pool is allocated among employees below the director level.

b. For each of plan years 2021 through 2025, the earnings per share results ***did not determine the amount of the funding pool***. The "earnings per share result" is part of the corporate financial performance goal that is a trigger for the Board of Trustee's overall funding of the pool, but does not determine the amount of the funding pool and has no mathematical connection to the funding level. RRU-056, Attachment 1, provides the plan documents for plan years 2021 and 2022.

c. This subpart requests, for each plan year 2021 through 2025, the threshold, target and maximum level of each corporate scorecard metric, along with "the resulting funding percentage," the "weighted average payout as a percentage of target," the "enterprise pool" and the "amount allocated to CL&P," together with the 2024 scorecard in the form of OCC-198, Attachment 1. However, these items are not connected. None of "the threshold, target and maximum levels of each corporate scorecard metric" have any connection to the "funding percentage." The ***amount of the funding pool*** is determined by the Chief Financial Officer each year, apart from the results of the corporate financial performance (UPA-005, UPA-007, UPA-039, indicating 145% performance over target in 2025 for the corporation and 122% for the amount of the funding pool).

It is unclear what is meant by "weighted average payout as a percentage of target," however, in response to OCC-201, Attachment 1, the Company provided the performance rating distribution, which shows the percentage payout as compared to target. The 2024 scorecard in the form of OCC-198, Attachment 1, is provided as RRU-056, Attachment 2, herewith.

	2021	**2022**	**2023**	**2024**	**2025**
Enterprise Funding	$58,751,968	$68,999,575	$71,893,634	$76,790,551	$83,771,560
CL&P Funding Allocation	$4,472,095	$5,010,711	$6,073,272	$6,096,262	$6,172,409
ESC Funding Allocation	$3,257,387	$4,317,413	$10,472,053	$10,928,330	$11,701,080

d. The total variable compensation of $11,308,184 in OCC-202, Attachment 1, represents the 2025 total gross variable compensation at target for Service Company employees and officers that were allocated to CL&P; and the amount of $5,395,829 in OCC-202, Attachment 2, is the 2025 total variable compensation at target for CL&P employees and officer directly charged to CL&P. The amounts cannot be directly compared and reconciled to the gross employee variable compensation plan amounts in Schedule C-3.6 as that schedule represents the Test Year accrual based on the budgeted target variable compensation and the estimated payout percentage for the year and includes prior period true-ups and other adjustments recorded to the G/L.

   Please refer to RRU-056, Attachment 3, for the variable compensation amounts reconciled between OCC-286, Attachment 1, and Schedules C-3.6 and C-3.7 for the Test Year and Rate Year. The Company notes the Test Year costs are being revised to update for the capitalization amounts, however there is no change to the total Employee Variable Compensation Test Year amounts.

e. The Company's proposed cost of service in this proceeding includes the employee variable compensation charged to CL&P as earned in the Test Year, 2025, based on the payouts associated with that performance year, as adjusted to Rate Year levels. The Company recognizes that the variable compensation payouts vary from year-to-year and may be more (or less) than target levels. The Company's experience in Massachusetts is to reflect the amount of variable cash incentive at target levels, rather than at paid amounts. Therefore, please refer to RRU-056, Attachment 4, for the revised employee variable plan Schedule C-3.6 at target level; and RRU-056, Attachment 5, for each Service Company employee at target incentive and RRU-056, Attachment 6, for each CL&P employee target incentive.

   The Company's Rate Year amounts for CL&P and ESC would be $2.074 million and $6.225 million, respectively, as compared to $6.852 million and $4.443 million, respectively. Refer to UPA-015, Attachment 1, for the Officer Variable Compensation at target levels.

Prior Referenced Responses:

[i] OCC-369 Question:

Employee Variable Compensation. Refer to Schedule C-3.6. Provide the amount included in the Rate Year 1 related to financial goals.

OCC-369 Response:

Please refer to the Company's response to information request OCC-289.

There is no employee that is paid for variable compensation on the basis of achievement of corporate financial performance goals, aside from the Eversource Energy Chief Executive Officer and the Chief Financial Officer. In its initial filing in this docket, the Company has proactively removed the variable pay component for the CEO and CFO from the cost of service presented in this case. Because they are the only employees with individual performance goals that are tied to achieving corporate financial goals, the Company is able to confirm that there is no request to include variable pay associated with corporate financial goals in the cost of service in this proceeding.

Depending on their position, individual employees may have specific performance goals that pertain to financial metrics such as budget control, cost containment or efficiency improvement. These types of financial metrics work to the direct benefit of customers in terms of controlling the cost of service that will be recovered through rates. There are no employee-specific financial metrics that are tied to corporate financial performance goals, such as earnings, earnings per share, dividends per share or credit rating or other similar goals related to investor results.

[ii] OCC-289 Question:

Incentive Compensation. Identify the total amount of incentive compensation expense (direct and allocated) included in the Rate Year related to financial goals.

OCC-289 Response:

The term "financial goals" is a non-specific term that does not adequately or properly differentiate the elements of the Company's variable pay compensation program.

1. Corporate Financial Performance Goals

In the Eversource variable pay program, there are two different types of "financial goals." First, there are the **corporate financial performance goals** that are identified and discussed in the Eversource Energy annual proxy statement, submitted in this docket as CIEC-015, Attachment 1. The establishment of corporate performance goals – and evaluation of performance against those corporate goals, is performed on an annual basis by the Board of Trustees. For 2025, the Board of Trustees determined that the corporate performance goals would be based 70 percent on Eversource Energy's overall financial performance and 30 percent on Eversource Energy's overall operational performance. The Board of Trustees set substantially all of the 2025 target corporate performance goals, including quantitative financial goals, at levels above the prior year's targets, reflecting increased performance expectations and reinforcing the relationship between performance and pay. See, CIEC-015, Attachment 1, at 47. The Board of Trustees further determined the specific goals that would be used to assess corporate performance, with potential ratings on each goal ranging from zero percent to 200 percent of target and assigned weightings for each of the goals. See, id, at 46-47.

In the first quarter of the year after the performance year, the Board of Trustees then examines performance of the corporation against the financial and operational performance goals set for the corporation, as a whole, for the past calendar year. The Board of Trustees (Compensation Committee) also reviews and assesses individual executive performance for the Eversource Energy "executive population." CIEC-015, Attachment 1, at 53. An important point is that the Board of Trustees does not assess performance or set funding parameters for any employees below vice president and there is no determination made by the Board of Trustees setting an individual employee's variable pay compensation in a given performance year below the rank of vice president.

Based on the Board of Trustees' determination of the achieved performance level (i.e., at target, or above or below target, or some combination thereof), a decision is made by the Eversource Energy Chief Financial Officer ("CFO")

as to the exact payout amount of the funding pool that will be available for all Eversource Energy employees below the rank of vice president.

2. Employee-Specific Performance Goals

The second category of "performance goals" within the Eversource variable pay program are the employee-specific performance goals. Once the funding pool is determined by the CFO, following the Board of Trustees' determination on the achievement of corporate goals, then the variable pay funding pool is distributed among all Eversource Energy employees in accordance with each individual's performance on their own performance metrics. With respect to employee-specific performance goals, it is important to note that some employees may have individual performance goals that relate to performance on financial "metrics" such as budget control, cost containment or efficiency improvement.

However, with respect to individual employees, only the Eversource Energy Chief Executive Officer ("CEO") and CFO have "financial goals" that align with the corporate financial goals, such as earnings per share or dividend growth. No other employee has individual performance goals that are tied to or track the corporate financial performance goals. To the extent that an employee may have one or more individual performance goals that pertain to financial metrics, those metrics will be designed to drive a performance outcome works to the benefit of customers, such as cost containment, efficiency improvement or other similar outcome. None of the employee-specific financial metrics tie to corporate financial performance goals.

Therefore, to separate compensation associated with the achievement of corporate financial performance goals and achievement of individual, employee-specific performance goals, the Company proactively removed the variable pay component for the CEO and CFO from the cost of service presented in this case. Because they are the only employees with individual performance goals that are tied to achieving corporate financial goals, the Company is able to confirm that there is no request to include variable pay associated with corporate financial goals in the cost of service in this proceeding.

[iii] OCC-290 Question:

Incentive Compensation. Please provide complete copies of all incentive compensation plans, bonus programs or other incentive award programs in effect at the Company for each of the years 2023, 2024, 2025, and that will be in effect in the rate year. Provide this information for all employees, i.e., direct and allocated employees.

OCC-290 Response:

Please refer to OCC-290, Attachments 1 through 4, that include incentive compensation plans for 2023 through 2026.

[iv] UPA-005 Question:

(OFFICER VARIABLE PAY—FUNDING POOL) Application, Ex. CLP-EMPLOYEE-1, pp. 30–35. The referenced exhibit states that the enterprise variable-pay pool is funded based on corporate financial and operational performance and provides the applicable metrics and weights. Without repeating those descriptions, provide the complete 2025 calculation showing:

a. the threshold, target, and maximum scoring or payout curve for each metric;
b. actual 2025 performance;
c. the score or performance factor assigned to each metric;

d. the resulting financial score and operational score;
e. the resulting overall pool funding percentage/factor;
f. the dollar amount of the pool at target and the actual amount funded;
g. whether the funded pool was fully distributed;
h. any amount retained, returned, forfeited, or otherwise not distributed;
i. how the funded amount was allocated among business units; and
j. how amounts available to each business unit or manager were translated into individual awards.

UPA-005 Response:

This question continues to improperly intermingle the two independent processes applicable to the Company's variable pay compensation framework, which are (1) the process to determine the annual funding pool and the Board of Trustee's determination of variable pay for the CEO; and (2) the process to determine how each individual's actual payout percentage is determined for every other employee in the business aside from the named officers. Below are data points and references to better explain and detail the process with each subsection denoted as to whether it applies to the first or second process.

(a) The threshold, target, and maximum scoring or payout curve for each metric. Each year, the Eversource Energy Board of Trustee's evaluates the corporation's performance in the prior calendar year against a set of pre-designated performance metrics and assigned ratings. Based on that evaluation, the Board of Trustee's makes a determination that variable pay compensation will be funded for the year. In addition, the Board of Trustees determines the variable pay compensation for the CEO, which is also granted on the basis of the corporation's achievement of those same pre-designated performance goals. Thus, the threshold, target and maximum ranges for each performance goal in CLP-EMPLOYEE-1, at pages 30-35, pertain exclusively to the ***funding process*** and to the determination of variable pay for the CEO. These performance metrics and assigned ratings ***do not apply*** to any other individual employees, except for the CEO, whose compensation is determined by the Board of Trustee's Compensation Committee.

Metric	**Threshold**	**Target**	**Maximum**
Financial Performance (70%)			
Non-GAAP Earnings Per Share	$4.59	$4.71	$4.80
Dividend Growth	$2.97	$3.00	$3.03
Strategic Growth Initiatives			
Strategic Growth Initiatives	Regulatory filings, storm cost recovery, and strategic positioning		
Operational Performance (30%)			

Reliability Average Months Between Service Interruptions (MBI)	15 Months	21.3 Months	22 Months
Restoration System Average Restoration Duration (SAIDI)	70 Minutes	63.7 Minutes	62 Minutes
Safety Rate	1.25 Rate	0.85 Rate	0.75 Rate
Gas Emergency Response	93.0%	98.2%	99.2%
% Candidate Slate	50.0%	59.5%	65.0%

Sustainability Ranking	65.0%	87.0%	107.0%
Key Strategic Customer and Clean Energy Operational Results			
Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs		
Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects		

(b) through (e)

For 2025, the Board of Trustees Compensation Committee approved corporate performance at 145% of target based on the following computation:

Table 1
Targeted and Actual Performance

Threshold	**Target**	**Maximum**	**Financial**	**Payout**	**Approved**
Metric 50%	100%	200%	Results	Factor	Weighting
Financial Performance					
2025 Non-GAAP Earnings Per Share $4.59	$4.71	$4.80	$4.76	155%	60%
Dividend Growth $2.97	$3.00	$3.03	$3.01	131%	10%
3.85%	5.00%	5.94%			

Table 2
Key Strategic Financial and Regulatory Results

Strategic Financial Initiatives and Regulatory Outcomes	Regulatory filings, storm cost recovery and strategic positioning				175%	30%
Operational Performance						
Reliability Average Months Between Service Interruptions (MBI)	15 Months	21.3 Months	22 Months	21.0 Months	95%	25%
Restoration System Average Restoration Duration (SAIDI)	70 Mins.	63.7 Mins.	62 Mins.	66 Mins.	63%	25%
Safety Rate	1.25 Rate	0.85 Rate	0.75 Rate	0.87 Rate	95%	8.33%
Gas Emergency Response	95%	98.2%	99.2%	98.0%	94%	8.33%
% Candidate Slate	50.0%	59.5%	65.0%	64.3%	187%	8.33%
Sustainability Index	65.0%	87.0%	107.0%	102.6%	178%	8.33%
Key Strategic Customer and Clean Energy Operational Results						
Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs				165%	8.33%
Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects				160%	8.33%
Financial Performance (weighted 70%)	at 159%	111%				
Operational Performance (weighted 30%)	at 113%	34%				
Overall Performance		**145%**				

Subpart (b) asks for "actual 2025 performance." Table 1 provides the "actual 2025 performance" for the corporation, for the purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (c) asks for the "score or performance factor assigned to each metric." Table 2 provides the "score or performance factor assigned to each metric," for the corporation, for purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (d) asks for the "resulting financial score and operational score." Table 1 provides the "resulting financial score and operational score" for the corporation, for the purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (e) asks for the "resulting overall pool funding percentage/factor." Table 2 provides the "resulting overall pool funding percentage/factor" for the corporation, for the purposes of the Funding Pool decision. Table 2 does not pertain to any individual employee in the enterprise other than the CEO.
As noted in Table 2, the "overall pool funding percentage/factor" is 145%.

f. Subpart (f) of the question asks about "the dollar amount of the pool at target and the actual amount funded. Based on the overall results of the corporation against the pre-established goals, the corporation's performance was calculated as 145% of target for 2025, reflecting the Company's strong performance and the executive team's execution of the Company's Operating Plan.

   The 2025 overall funding pool percentage is used to set the variable pay compensation of the CEO. The CEO's variable pay component was based on the 145% of target factor. For the other Named Executive Officers, their variable pay compensation was paid out at 145% of target, *in the aggregate,* for the group of five officers, although individuals in the group received different percentages depending on their individual performance.

   Similarly, for the vice presidents, their variable pay compensation was paid out at 145% of target, *in the aggregate,* for the entire group, although individuals in the group received different percentages depending on their individual performance. The 145% performance achievement does not apply at any other level of the organization for establishing pay-outs to individual contributors.

   For performance in 2025, the Chief Financial Officer established the funding pool shown below, which was above target:

2025 Variable Compensation Target	**2025 Actual Variable Compensation Paid Out to Employees**
$80,308,863	$101,113,911

g. Subpart (g) of the question asks whether the funded pool was fully distributed. Once the funding pool is established (at $101,113,911), all amounts were paid out across the organization because variable pay compensation is part of total employee compensation and is not used or diverted for other purposes once the pool is established. Once funded, the dollars are distributed to employees or "individual contributors" across the organization in accordance with the allocation process that is handled by the Eversource Energy Human Resource Department.

h. Subpart (h) asks whether any amount (of the funding pool) is retained, returned, forfeited, or otherwise not distributed. As answered in subpart (g), none of the variable compensation funded pool was retained,

returned, forfeited or otherwise not distributed. To the contrary, each year, variable pay compensation is accrued in the operating budget for every business unit, reflecting the expectation that variable pay compensation will be paid out to employees. Generally, variable compensation is budgeted at target levels as this is the level of total compensation that the Company would expect to pay if every employee met the expectations of their job positions exactly as anticipated for the individual job position. In this case, the Company is requesting to include the target level in rates as representative of the amount of variable pay compensation that the Company will pay to employees on a year-to-year basis, although in the Test Year 2025, Eversource paid out greater than the target level to employees and may do so again in the future.

i. With respect to how the funded amount is allocated among business units, the process starts with a bottom-up assessment of target funding levels. For each eligible employee, Eversource multiplies the employee's base salary times the employee's variable compensation target (i.e. $100,000 times 10% = $10,000) to define the eligible variable compensation dollar target. This calculation is conducted for each eligible department of the Company to define the target dollar amount for each department.

   Once the funding pool is set, the eligible funding pool is distributed to each department on the basis of the department's employee count and the identified pay-out level associated with the funding pool approved by the CFO, correlating to the target amounts for that department.

j. With respect to how amounts available to each business unit or manager are translated into individual awards, funding pools are allocated to each department/manager through the Company's Workday Human Resources Information System (HRIS). Through this system, managers enter recommendations for grants to eligible employees in their departments, in conjunction with their performance assessments of those employees (only up to the amount of the funding pool for that department). Through the Workday system, these recommendations are rolled up to the Executive Vice President of each respective organization for review, consultation and final approval. This process was described in the Company's response to UPA-010.

k. All eligible individual employees or "contributors" below the six Named Executive Officers, have individual scorecards delineating the individual's performance goals for the calendar year. These individual performance goals are not designed to correlate directly or tie to the corporation's performance goals, nor are there any weightings that apply to individual employee goals. All of the corporation's goals, whether financial or operational, are part of the corporation's service mission to customers and are furthered by the efforts of our employees across the organizations. Therefore, individual goals are designed to support corporate objectives to provide safe and reliable service to customers with rigorous cost control and responsible management. The performance of each employee is reviewed by the respective manager and decisions are made within the various levels of management as to how the funding pool for that department will be allocated among its own contributors. Employees are ranked by their level of contribution and the variable pay is paid out to employees on the basis of the contribution level assigned by management. The Company's response to OCC-201, Attachment 1, shows the allocation of variable pay compensation across the base of employee contributors.

[v] UPA-007 Question:

(OFFICER VARIABLE COMPENSATION—FINANCIAL AND STRATEGIC METRICS)
Application, Ex. CLP-EMPLOYEE-1, Tables 8 and 9. For the 2025 performance year, provide:

a. the scoring curve, threshold, target, maximum, and actual score for Non-GAAP earnings per share (EPS) and dividend growth;
b. the individual initiatives comprising "Strategic Financial Initiatives and Regulatory

Outcomes";

c. the target, actual result, weight, and score assigned to each such initiative;
d. the resulting contribution of each financial subcomponent to the overall 2025 funding-pool factor; and
e. any pre-existing analysis quantifying the asserted CL&P customer benefit from the financial component, including any effect on borrowing costs, credit metrics, cost of capital, customer bills, or capital-investment costs.

UPA-007 Response:

This question continues to improperly intermingle the two independent processes applicable to the Company's variable pay compensation framework, which are (1) the process to determine the annual funding pool and the Board of Trustee's determination of variable pay for the CEO; and (2) the process to determine how each individual's actual payout percentage is determined for every other employee in the business. Below are data points and references to better explain and detail the process with each subsection denoted as to whether it applies to the first or second process.

a. The scoring curve for Non-GAAP earnings ***as it pertains to establishment of the Funding Pool and variable pay compensation for the CEO*** is included in the Company's response to UPA-005[i].

Metric	Threshold	Target	Maximum
Non-GAAP Earnings Per Share	$4.59	$4.71	$4.80

(b) through (d)

The initiatives and outcomes comprising "Strategic Financial Initiatives and Regulatory Outcomes," and their actual results, are discussed in the Company's annual proxy statement provided as Attachment CIEC-015, Attachment 1, at pages 56, through 57, excerpted below for ease of reference. The referenced "Strategic Financial Incentives and Regulatory Outcomes pertain only to establishment of the Funding Pool and the CEO. These goals do not pertain to individual contributors, unless specifically identified for a particular employee.

• STRATEGIC INITIATIVES AND REGULATORY OUTCOMES:

Goal	Outcome
Effectively manage onshore construction for Revolution Wind.	• Eversource completed the onshore substation construction of the Revolution Wind project ahead of schedule. We expect this milestone to accelerate the commencement of commercial operations for the wind farm and reduce the Company's financial exposure. The project successfully challenged the stop-work order issued by the U.S. Department of the Interior's Bureau of Ocean Energy Management in the U.S. District Court for the District of Columbia, permitting construction to resume in October. The project also prevailed when a second stop-work order was issued. A second stop-work order was also overturned by the court on January 12, 2026, and the project team is working on final construction and commissioning of the project.
Execute regulatory initiatives across three states, including the Yankee Gas Service Company and Public Service Company of New Hampshire rate cases and various capital tracker and performance mechanisms.	• We have filed to recover and/or received regulatory approval for nearly 98 percent of deferred storm costs, an effort that is expected to result in nearly $2.0 billion of deferred storm cost recovery, another major milestone in improving our balance sheet condition. The Company played an active role in support of Connecticut passing legislation to securitize storm costs for The Connecticut Light and Power Company. The Company filed to recover nearly $1 billion of deferred storm costs in Connecticut in 2024-2025 to catch up on nearly all previous storms. The Company also filed for storm cost recovery in Massachusetts and New Hampshire and is awaiting approval. The Company implemented significant enhancements to streamline our storm response efforts, cost efficiencies, reporting capabilities, and oversight that will accelerate future regulatory prudence filings. • The Company received a final decision on the Yankee Gas Services Company rate case that resulted in an approved revenue increase of approximately $100 million, a return on equity of 9.32 percent, and enabled timely recovery of critical safety and regulatory capital investment programs. The Public Service Company of New Hampshire rate case yielded a rate increase of approximately $100 million with annual inflationary performance-based regulation rate mechanism that provides for an annual rate adjustment through July of 2029 and a return on equity of 9.50 percent. Each of these rate cases was a successful effort supporting continued earnings growth and providing the framework for future investment. In addition, the Company has been diligently engaging with stakeholders on timely recovery of capital investment outside of the full rate cases cycle, mitigating the need for more frequent rate cases while minimizing cost increases for customers. • We successfully negotiated a settlement agreement for NSTAR Gas Company with the Massachusetts Attorney General's office (MA AGO) that resulted in a $10 million rate adjustment and Gas System Enhancement Program in base rates. • The Company reached a settlement with the MA AGO for Eversource Gas Company of Massachusetts to allow for future recovery of approximately $65 million, net of acquisition and integration costs, while resolving the long-standing pension and Resiliency Tree Work cost recovery items.
Advance strategies to improve the Connecticut political and regulatory environment, while strengthening Massachusetts and New Hampshire stakeholder relations.	• Our ongoing effort to engage key Connecticut stakeholders and share how utilities operate and finance their business contributed to the development of Connecticut Senate Bill 4 addressing energy bill affordability. Changes in the Connecticut regulatory structure, including the appointment of new commissioners and increasing the committee membership to five commissioners, signaled a more balanced and constructive regulatory environment and led to further investor confidence in the financial condition of the Company. We have significantly increased our stakeholder engagement, including bringing stakeholders to Eversource facilities for tours. All of these interactions offer the unique opportunity to educate stakeholders on our business, and how we conduct our operations, allowing settlement and rate case procedures to be more tangible for intervenors, as well as public communication.
Grow the transmission business through competitive solicitations.	• Evaluation of competitive transmission offers is being embedded into our transmission strategy, including ISO-New England (ISO-NE) and NE-NY processes for further growth investment. The Company submitted a bid in response to ISO-NE's request for transmission infrastructure to be constructed enabling generation from Maine to be delivered into southern New England. We are streamlining project development processes to ensure efficient coordination for timely siting, permitting, procurement, engineering and construction which allows for a more flexible and robust annual capital planning process.

Goal	Outcome
Improve corporate-wide cost structure and financial condition.	• We have executed a supply chain management effectiveness initiative which has reduced inventory and improved processes, tools and training, resulting in lower cost supply operation while sustaining optimal performance. • The Company implemented a $1.2 billion At-the-Market share issuance program and issued approximately seven million shares resulting in net proceeds of $465 million.
Complete the divestiture of Aquarion Water Company.	• The Company received an unfavorable regulatory decision from the Connecticut Public Utilities Regulatory Authority (PURA) on the sale of Aquarion Water Company. The Company appealed the PURA decision and, on January 14, 2026, a Connecticut court held that PURA acted illegally and remanded the matter back to PURA for further proceedings. On March 6, 2026, PURA issued a proposed final decision approving the sale of Aquarion. PURA has scheduled release of its final decision for March 25, 2026. There can be no assurance that PURA's final decision will be consistent with the proposed final decision. The Company is evaluating the conditions of that approval as well as other strategic opportunities to avoid further debt and equity issuances. Eversource's FFO to debt ratio is currently approximately 14 percent and in excess of the 13 percent Moody's threshold.
• The Committee determined this goal to have attained a 175 percent performance result.	

e. As discussed in the Company's response to OCC-196,[ii] and OCC-197[iii], Table 8, in Exhibit CLP-EMPLOYEE-1, correlates to the ***first stage*** of the annual variable pay procedure. Specifically, Exhibit CLP-EMPLOYEE-1, at 31, at lines 15-18, explains that Table 8 "provides the target goals set by Eversource in 2024 and 2025 applicable to the decision as to whether the variable pay pool should be funded. These goals are solely for the purpose of determining whether the variable pay pool should be funded."

Accordingly, all of the referenced "Strategic Financial Incentives and Regulatory Outcomes ***pertain only to establishment of the Funding Pool and variable pay compensation for the CEO***. These goals do not pertain to individual contributors, except as modified or applied to distribution operations for the work distribution employees perform for customers.

[vi] UPA-039 Question:

(OFFICER VARIABLE COMPENSTION—INCENTIVES FUNDING POOL STRUCTURE) Identify each incentive funding pool or sub-pool applicable to any employee or officer whose compensation is reflected in Schedule C-3.6 or C-3.7.

a. For each such pool, provide its target dollar amount, final funded dollar amount, final funding percentage, population covered, and relationship to any higher-level or lower-level pool.
b. Explain how funding is transferred or allocated from the enterprise level to executive, business-unit, manager, department, or individual levels; and
c. State whether any pool or sub-pool is required to equal, or is constrained by, an amount established at a higher organizational level.

UPA-039 Response:

a. For 2025 variable compensation (paid in 2025) the targets and actual payouts are as follows:

2025 Variable Compensation Targets ($)	2025 Actual Variable Compensation Paid ($)
$80,308,863	$101,113,911

b. Please refer to the Company's response to UPA-005i. The 2025 overall funding pool percentage is used to set the variable pay compensation of the CEO. The CEO's variable pay component was based on the 145% of target factor. For the other Named Executive Officers, their variable pay compensation was paid out at 145% of target, in the aggregate, for the group of five officers, although individuals in the group received different percentages depending on their individual performance. Similarly, for the vice presidents, their variable pay compensation was paid out at 145% of target, in the aggregate, for the entire group, although individuals in the group received different percentages depending on their individual performance. The 145% performance achievement does not apply at any other level of the organization for establishing pay-outs to individual contributors.

   With respect to how the funded amount is allocated among business units, the process starts with a bottom-up assessment of target funding levels. For each eligible employee, Eversource multiplies the employee's base salary times the employee's variable compensation target (i.e. $100,000 times 10% = $10,000) to define the eligible variable compensation dollar target. This calculation is conducted for each eligible department of the Company to define the target dollar amount for each department. Once the funding pool is set, the eligible funding pool is distributed to each department on the basis of the department's employee count and the identified pay-out level associated with the funding pool approved by the CFO, correlating to the target amounts for that department.

c. There is no sub-pool to any amounts established at a higher organization level.

Date Filed: October 23, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Sasha P. Lazor and Marianne H. Eichler
Request from: Public Utilities Regulatory Authority

Question:

(REGULATORY OUTCOME METRICS) Interrog. Resps. CIEC-015, Att. 1 and OCC-198, Att. 1; Public Act 23-102, Sec. 2. Regarding corporate performance goals that measure the outcome of proceedings before the Authority:

a. (i) Identify each Eversource Energy Employee Annual Incentive Program and executive Annual Incentive Program plan year from 2018 through 2025 in which the outcome of a proceeding before the Authority was a scored metric or a credited achievement; (ii) include (1) the 2018 metric captioned Positive Regulatory Outcomes weighted at 8% with a target to obtain constructive rate case outcomes; (2) the 2021 Strategic Growth Initiatives achievement citing a comprehensive PURA-approved settlement agreement; (3) the 2023 initiative for constructive regulatory outcomes; and (4) the 2025 Strategic Financial Initiatives and Regulatory Outcomes metric; and (iii) state the weighting and the payout percentage for each.
b. State the amount of variable compensation charged to CL&P in each of the plan years from 2018 through 2025, and the amount included in the Rate Year funded by performance on each metric or initiative identified in response to subpart a.
c. (i) State whether the outcome of this proceeding is a scored metric or a credited achievement in the 2026 corporate performance goals, which the response to OCC-289 described as established annually by the Board of Trustees and which Ex. CLP-EMPLOYEE-4B references as the Q1 2026 scorecard; (ii) state the date on which the Board of Trustees approved them; and (iii) provide the 2026 corporate scorecard as approved, showing each metric, its weighting and its threshold, target and maximum levels.
d. State whether the Company treated any portion of the variable compensation in Schedules C-3.6 and C-3.7 as non-recoverable under Section 2 of Public Act 23-102 given it was funded by performance on a metric measuring the outcome of a rate proceeding before the Authority. If it did not, state the basis for that position.

Response:

a. There is no example in any year at any level of the Eversource variable pay compensation program where the "outcome of ***a proceeding*** before [PURA] was a ***scored metric or a credited achievement***." This continues to misrepresent the details, structure and function of the variable pay program.

First, Eversource Energy is a FERC-jurisdictional, public utility holding company that owns and operates regulated utility companies that are pervasively regulated by state public-utility commissions. There is no successful operation of Eversource Energy – and no attraction of capital to support transmission and distribution systems providing essential services to utility customers -- without positive regulatory outcomes. Positive regulatory outcomes are vital for any kind of company, but particularly for an investor-owned, regulated operating utility. Negative regulatory outcomes cause credit downgrades, loss of investment quality and declining ability to support the system that customers are relying on. It is fully incumbent on Eversource Energy to strive for positive regulatory outcomes for the betterment of customers and customer interests.

Second, the question refers to the Company's response to CIEC-015, Attachment 1, at pages 48-52, which identifies a corporate financial performance goal entitled "Strategic Financial Initiatives and Regulatory Outcomes," described as "Regulatory filings, storm cost recovery and strategic positioning. These terms apply across all four of Eversource Energy's regulatory jurisdictions (FERC, Connecticut, New Hampshire and Massachusetts) and are not tied specifically to "the outcome of a [PURA] proceeding."

In addition, the table presented on page 49 provides details on the "Strategic Initiatives and Regulatory Outcomes," referenced in the title, clearly specifying that the performance achieved is to "***[e]xecute*** regulatory initiatives across three states, including the Yankee Gas Service Company and Public Service Company of New Hampshire rate cases and various capital tracker and performance mechanisms." (CIEC-015, Attachment 1, page 49, emphasis added). All of the description provided describes how the Company ***executed*** on its filings and ***identifies*** the outcome achieved without grading performance on the basis of what the outcome of each rate proceeding was. In other words, it is the completion of the initiative with ***overall*** positive results that is reviewed and accounted for.

The question also refers to the Company's response to OCC-198, Attachment 1. This attachment provided the corporate financial and operating performance goals in a matrix format similar to the chart listed in CIEC-015, Attachment 1, at 49, for the years 2018 to 2023. Similar to the chart in CIEC-015, Attachment 1, at 49, there are only high level, generalized references to the strategic goal of achieving positive regulatory outcomes. Specifically, the following references are shown:

2018 Operational Performance: "Positive regulatory outcomes" and "Obtain constructive rate case outcomes," listing the completion of rate proceedings and rate settlements with "constructive outcomes" for CL&P, Yankee, Aquarion-MA and FERC. There is no reference to or grading of any specific outcome. Here, the chart identifies a weighting of 8% assigned

generally to "positive regulatory outcomes" and "obtain constructive rate case outcomes," tied to positive outcomes in three of the four regulatory jurisdictions served by Eversource Energy.

2019 Operational Performance. "Obtain constructive rate case outcomes," Referencing energy storage, electric vehicle and energy efficiency projects.

2020 Strategic Growth Initiatives. Referencing "constructive outcomes" for the PSNH and NSTAR Gas rate case, and completion of the acquisition of Columbia Gas of Massachusetts Company and the sale of Aquarion-MA assets to the Town of Hingham, among other initiatives.

2021 Strategic Growth Initiatives. Referencing various "approvals" of regulatory matters, including PURA's approval of the 2021 Storm Settlement, MA Grid Mod, NSTAR Gas capital cost recovery, Massachusetts storm-cost recovery and "completion" of the Columbia Gas transaction.

2022 Strategic Growth Initiatives. Referencing that Eversource "successfully advanced several strategic initiatives and produced positive regulatory outcomes" in Massachusetts, New Hampshire and at FERC.

2023 Strategic Growth Initiatives. Referencing "constructive regulatory outcomes" without referencing any state jurisdiction.

Across these references, the terminology refers to "completion" and "approval" of regulatory proceedings, with the terminology "constructive outcomes" applied equally across all jurisdictions and *all outcomes*. There is no example in any year where the specific "***outcome*** of a proceeding before [PURA] was ***a scored metric or a credited achievement***."

b. Please refer to the Company's response to OCC-202[i]. Please note that variable pay is not "funded by performance on each metric or initiative identified in response to subpart a," as stated in the question. All of the references in subpart (a) are citations to the ***corporate financial and operating performance goals***, which apply to determine the CEO's variable pay, as an individual, and the executive officers (named and un-named) in the aggregate. The corporate performance goals do not determine the actual funding amount in any given year. The funding level for variable pay across CL&P and the Eversource enterprise is separately determined by the Chief Financial Officer without application of specific "metrics or initiatives," contrary to the viewpoint of the question.

c. The particular outcome of this proceeding is not a "scored metric or a credited achievement in the 2026 corporate performance goals." Calendar year 2026 is not yet complete and the

proceeding will not be completed in 2026. The response to OCC-289[ii] contains no information specific to 2026, but states that the Board of Trustees approves the corporate financial and operating performance goals. Exh. CLP-EMPLOYEE-4B references as the Q1 2026 scorecard ***for individual employees -- not corporate performance*** set by the Board of Trustees. The 2026 corporate performance scorecard was approved in January 2026 by the Board of Trustees and is provided as RRU-057, Attachment 1.

d. There is no portion of the variable pay compensation listed in Schedules C-3.6 and C-3.7 that should be listed as non-recoverable under Section 2 of Public Act 23-102. No variable compensation paid to any individual employee was, or will be, "funded by performance on a metric ***measuring the outcome of a rate proceeding*** before [PURA]." None of the references cited in this question indicate that there is any "measurement" of the outcome of any rate proceeding in any jurisdiction. The performance indicators seek to establish that Eversource Energy has ***executed*** on its regulatory filings – meaning made the filings and obtained an overall positive outcome. It is the execution, completion and overall positive outcome that is identified, not any particular outcome.

Moreover, Public Act No. 23-102, Section 2 applies to the "attendance, participation, preparation or appeal of a rate proceeding" – none of which is remotely referenced as part of a corporate financial or operating goal in any year.

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.

[ii] OCC-289 Question:

Incentive Compensation. Identify the total amount of incentive compensation expense (direct and allocated) included in the Rate Year related to financial goals.

OCC-289 Response:

The term "financial goals" is a non-specific term that does not adequately or properly differentiate the elements of the Company's variable pay compensation program.

1. Corporate Financial Performance Goals

In the Eversource variable pay program, there are two different types of "financial goals." First, there are the **corporate financial performance goals** that are identified and discussed in the Eversource Energy annual proxy statement, submitted in this docket as CIEC-015, Attachment 1. The establishment of corporate performance goals – and evaluation of performance against those corporate goals, is performed on an annual basis by the Board of Trustees. For 2025, the Board of Trustees determined that the corporate performance goals would be based 70 percent on Eversource Energy's overall financial performance and 30 percent on Eversource Energy's overall operational performance. The Board of Trustees set substantially all of the 2025 target corporate performance goals, including quantitative financial goals, at levels above the prior year's targets, reflecting increased performance expectations and reinforcing the relationship between performance and pay. See, CIEC-015, Attachment 1, at 47. The Board of Trustees further determined the specific goals that would be used to assess corporate performance, with potential ratings on each goal ranging from zero percent to 200 percent of target and assigned weightings for each of the goals. See, id, at 46-47.

In the first quarter of the year after the performance year, the Board of Trustees then examines performance of the corporation against the financial and operational performance goals set for the corporation, as a whole, for the past calendar year. The Board of Trustees (Compensation Committee) also reviews and assesses individual executive performance for the Eversource Energy "executive population." CIEC-015, Attachment 1, at 53. An important point is that the Board of Trustees does not assess performance or set funding parameters for any employees below vice president and there is no determination made by the Board of Trustees setting an individual employee's variable pay compensation in a given performance year below the rank of vice president.

Based on the Board of Trustees' determination of the achieved performance level (i.e., at target, or above or below target, or some combination thereof), a decision is made by the Eversource Energy Chief Financial Officer ("CFO") as to the exact payout amount of the funding pool that will be available for all Eversource Energy employees below the rank of vice president.

2. Employee-Specific Performance Goals

The second category of "performance goals" within the Eversource variable pay program are the **employee-specific performance goals**. Once the funding pool is determined by the CFO, following the Board of Trustees' determination on the achievement of corporate goals, then the variable pay funding pool is distributed among all Eversource Energy employees in accordance with each individual's performance on their own performance metrics. With respect to employee-specific performance goals, it is important to note that some employees may have individual performance goals that relate to performance on financial "metrics" such as budget control, cost containment or efficiency improvement.

However, with respect to individual employees, only the Eversource Energy Chief Executive Officer ("CEO") and CFO have "financial goals" that align with the corporate financial goals, such as earnings per share or dividend growth. *No other employee has individual performance goals that are tied to or track the corporate financial performance goals*. To the extent that an employee may have one or more individual performance goals that pertain to financial metrics, those metrics will be designed to drive a performance outcome works to the benefit of customers, such as cost containment, efficiency improvement or other similar outcome. None of the employee-specific financial metrics tie to corporate financial performance goals.

Therefore, to separate compensation associated with the achievement of corporate financial performance goals and achievement of individual, employee-specific performance goals, the Company proactively removed the variable pay component for the CEO and CFO from the cost of service presented in this case. Because they are the only employees with individual performance goals that are tied to achieving corporate financial goals, the Company is able to confirm that there is no request to include variable pay associated with corporate financial goals in the cost of service in this proceeding.

Date Filed: October 23, 2026

Witness: Sasha Lazor and Kara A. O'Connor
Request from: Public Utilities Regulatory Authority

Question:

(INCENTIVE PLAN) Interrog. Resp. OCC-290, Atts. 1-4. Regarding the terms of the Employee Annual Incentive Program documents:

a. State: (i) the pension and cash balance plan costs in the Test Year and the Rate Year attributable to counting incentive awards as covered pay, separately for CL&P and EESCO; and (ii) the retirement arrangement to which the reference to the K-Vantage benefit in the Eversource Energy Employee Annual Incentive Program, Year 2025, in OCC-290, Attachment 3, applied.
b. (i) Identify each change in the definition of eligible compensation between the 2023 and 2026 plan documents, including the exclusion of SPOT Award payments in the 2024 document only, the removal of prior year's safety incentive awards from the exclusions in the 2026 document, and the limitation of exempt eligible compensation to base salary in the 2026 document; and (ii) state the effect of each of these changes on awards charged to CL&P.
c. (i) Identify each occurrence in plan years 2018 through 2025 when the Eversource Chief Executive Officer made discretionary adjustments to payout levels, and each determination that a scored goal was not achieved notwithstanding the reported result, including the 2023 earnings per share result of $4.34 against a target of $4.33, and the 2020 Transform the Customer Experience determination in Attachment 1 of the Company's response to Interrogatory OCC-198; and (ii) state the effect of each on the funding pool.
d. Provide the allocation of funding to business units and employee groups described in the 2026 plan document for plan year 2026, and the equivalent allocation for each of plan years 2023 through 2025.

Response:

a. (i) The pension and cash balance plan costs attributable to counting incentive awards as covered pay are not separately available. Pension expense is calculated and recorded as a whole by company and is not separately calculated based on the portion attributable to incentive awards included as covered pay.

(ii) Prior to 2025, Eversource's 401(k) plan design for employees who did not qualify for one of the legacy defined benefit pension plans included an employer match contribution

and a non-elective employer contribution based on years of service and age called "K-Vantage.".

b. Eligible compensation is reviewed annually to ensure that variable compensation plans are in compliance with all requirements and regulations. There have been no changes to the definition of eligible compensation during this period (2023-2026). What is critical is the definition of what forms of compensation ARE eligible for inclusion in variable compensation:

    a. For Exempt Employees:
        i. Base pay
        ii. Pay adders
        iii. Merit lump sum earned during the approved program year ending December 31

    b. For Non-Exempt Employees:
        i. Regular wages
        ii. On call pay
        iii. Merit lump sum
        iv. Overtime calculated at time and a half rates earned during the approved program year ending December 31

    Exclusions such as the identified SPOT and Safety awards were never included in the calculation of variable compensation.

c. The Chief Executive Officer does not make discretionary adjustments.

d. Please refer to response UPA-005[i] for a detailed discussion of the allocation of funding to business groups and employees. With respect to how the funded amount is allocated among business units, the process starts with a bottom-up assessment of target funding levels. For each eligible employee, Eversource multiplies the employee's base salary times the employee's variable compensation target (i.e. $100,000 times 10% = $10,000) to define the eligible variable compensation dollar target. This calculation is conducted for each eligible department of the Company to define the target dollar amount for each department. Once the funding pool is set, the eligible funding pool is distributed to each department on the basis of the department's employee count and the identified pay-out level associated with the funding pool approved by the CFO, correlating to the target amounts for that department.

Prior Referenced Response

[i] UPA-005 Question:

(OFFICER VARIABLE PAY—FUNDING POOL) Application, Ex. CLP-EMPLOYEE-1, pp. 30–35. The referenced exhibit states that the enterprise variable-pay pool is funded based on corporate financial and operational performance and provides the applicable metrics and weights. Without repeating those descriptions, provide the complete 2025 calculation showing:

a. the threshold, target, and maximum scoring or payout curve for each metric;
b. actual 2025 performance;
c. the score or performance factor assigned to each metric;
d. the resulting financial score and operational score;
e. the resulting overall pool funding percentage/factor;
f. the dollar amount of the pool at target and the actual amount funded;
g. whether the funded pool was fully distributed;
h. any amount retained, returned, forfeited, or otherwise not distributed;
i. how the funded amount was allocated among business units; and
j. how amounts available to each business unit or manager were translated into individual awards.

UPA-005 Response:

This question continues to improperly intermingle the two independent processes applicable to the Company's variable pay compensation framework, which are (1) the process to determine the annual funding pool and the Board of Trustee's determination of variable pay for the CEO; and (2) the process to determine how each individual's actual payout percentage is determined for every other employee in the business aside from the named officers. Below are data points and references to better explain and detail the process with each subsection denoted as to whether it applies to the first or second process.

(a) The threshold, target, and maximum scoring or payout curve for each metric. Each year, the Eversource Energy Board of Trustee's evaluates the corporation's performance in the prior calendar year against a set of pre-designated performance metrics and assigned ratings. Based on that evaluation, the Board of Trustee's makes a determination that variable pay compensation will be funded for the year. In addition, the Board of Trustees determines the variable pay compensation for the CEO, which is also granted on the basis of the corporation's achievement of those same pre-designated performance goals. Thus, the threshold, target and maximum ranges for each performance goal in CLP-EMPLOYEE-1, at pages 30-35, pertain exclusively to the ***funding process*** and to the determination of variable pay for the CEO. These performance metrics and assigned ratings ***do not apply*** to any other individual employees, except for the CEO, whose compensation is determined by the Board of Trustee's Compensation Committee.

Metric	**Threshold**	**Target**	**Maximum**
Financial Performance (70%)			
Non-GAAP Earnings Per Share	$4.59	$4.71	$4.80

Dividend Growth	$2.97	$3.00	$3.03
Strategic Growth Initiatives			
Strategic Growth Initiatives	Regulatory filings, storm cost recovery, and strategic positioning		
Operational Performance (30%)			
Reliability Average Months Between Service Interruptions (MBI)	15 Months	21.3 Months	22 Months
Restoration System Average Restoration Duration (SAIDI)	70 Minutes	63.7 Minutes	62 Minutes
Safety Rate	1.25 Rate	0.85 Rate	0.75 Rate
Gas Emergency Response	93.0%	98.2%	99.2%
% Candidate Slate	50.0%	59.5%	65.0%
Sustainability Ranking	65.0%	87.0%	107.0%
Key Strategic Customer and Clean Energy Operational Results			
Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs		
Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects		

(b) through (e)

For 2025, the Board of Trustees Compensation Committee approved corporate performance at 145% of target based on the following computation:

Table 1

Targeted and Actual Performance

Threshold	**Target**	**Maximum**	**Financial**	**Payout**	**Approved**
Metric 50%	100%	200%	Results	Factor	Weighting
Financial Performance					
2025 Non-GAAP Earnings Per Share $4.59	$4.71	$4.80	$4.76	155%	60%
Dividend Growth $2.97	$3.00	$3.03	$3.01	131%	10%
3.85%	5.00%	5.94%			

Table 2

Key Strategic Financial and Regulatory Results

Strategic Financial Initiatives and Regulatory Outcomes	Regulatory filings, storm cost recovery and strategic positioning				175%	30%
Operational Performance						
Reliability Average Months Between Service Interruptions (MBI)	15 Months	21.3 Months	22 Months	21.0 Months	95%	25%
Restoration System Average Restoration Duration (SAIDI)	70 Mins.	63.7 Mins.	62 Mins.	66 Mins.	63%	25%
Safety Rate	1.25 Rate	0.85 Rate	0.75 Rate	0.87 Rate	95%	8.33%
Gas Emergency Response	95%	98.2%	99.2%	98.0%	94%	8.33%
% Candidate Slate	50.0%	59.5%	65.0%	64.3%	187%	8.33%

Sustainability Index	65.0%	87.0%	107.0%	102.6%	178%	8.33%

Key Strategic Customer and Clean Energy Operational Results						
Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs				165%	8.33%
Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects				160%	8.33%
Financial Performance (weighted 70%)	at 159%	111%				
Operational Performance (weighted 30%)	at 113%	34%				
Overall Performance		**145%**				

Subpart (b) asks for "actual 2025 performance." Table 1 provides the "actual 2025 performance" for the corporation, for the purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (c) asks for the "score or performance factor assigned to each metric." Table 2 provides the "score or performance factor assigned to each metric," for the corporation, for purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (d) asks for the "resulting financial score and operational score." Table 1 provides the "resulting financial score and operational score" for the corporation, for the purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (e) asks for the "resulting overall pool funding percentage/factor." Table 2 provides the "resulting overall pool funding percentage/factor" for the corporation, for the purposes of the Funding Pool decision. Table 2 does not pertain to any individual employee in the enterprise other than the CEO.
As noted in Table 2, the "overall pool funding percentage/factor" is 145%.

f. Subpart (f) of the question asks about "the dollar amount of the pool at target and the actual amount funded." Based on the overall results of the corporation against the pre-established goals, the corporation's performance was calculated as 145% of target for 2025, reflecting the Company's strong performance and the executive team's execution of the Company's Operating Plan.

   The 2025 overall funding pool percentage is used to set the variable pay compensation of the CEO. The CEO's variable pay component was based on the 145% of target factor. For the other Named Executive Officers, their variable pay compensation was paid out at 145% of target, *in the aggregate,* for the group of five officers, although individuals in the group received different percentages depending on their individual performance.

Similarly, for the vice presidents, their variable pay compensation was paid out at 145% of target, *in the aggregate,* for the entire group, although individuals in the group received different percentages depending on their individual performance. The 145% performance achievement does not apply at any other level of the organization for establishing pay-outs to individual contributors.

For performance in 2025, the Chief Financial Officer established the funding pool shown below, which was above target:

2025 Variable Compensation Target	**2025 Actual Variable Compensation Paid Out to Employees**
$80,308,863	$101,113,911

g. Subpart (g) of the question asks whether the funded pool was fully distributed. Once the funding pool is established (at $101,113,911), all amounts were paid out across the organization because variable pay compensation is part of total employee compensation and is not used or diverted for other purposes once the pool is established. Once funded, the dollars are distributed to employees or "individual contributors" across the organization in accordance with the allocation process that is handled by the Eversource Energy Human Resource Department.

h. Subpart (h) asks whether any amount (of the funding pool) is retained, returned, forfeited, or otherwise not distributed. As answered in subpart (g), none of the variable compensation funded pool was retained, returned, forfeited or otherwise not distributed. To the contrary, each year, variable pay compensation is accrued in the operating budget for every business unit, reflecting the expectation that variable pay compensation will be paid out to employees. Generally, variable compensation is budgeted at target levels as this is the level of total compensation that the Company would expect to pay if every employee met the expectations of their job positions exactly as anticipated for the individual job position. In this case, the Company is requesting to include the target level in rates as representative of the amount of variable pay compensation that the Company will pay to employees on a year-to-year basis, although in the Test Year 2025, Eversource paid out greater than the target level to employees and may do so again in the future.

i. With respect to how the funded amount is allocated among business units, the process starts with a bottom-up assessment of target funding levels. For each eligible employee, Eversource multiplies the employee's base salary times the employee's variable compensation target (i.e. $100,000 times 10% = $10,000) to define the eligible variable compensation dollar target. This calculation is conducted for each eligible department of the Company to define the target dollar amount for each department.

Once the funding pool is set, the eligible funding pool is distributed to each department on the basis of the department's employee count and the identified pay-out level associated with the funding pool approved by the CFO, correlating to the target amounts for that department.

j. With respect to how amounts available to each business unit or manager are translated into individual awards, funding pools are allocated to each department/manager through the Company's Workday Human Resources Information System (HRIS). Through this system, managers enter recommendations for grants to eligible employees in their departments, in conjunction with their performance assessments of those employees (only up to the amount of the funding pool for that department). Through the Workday system, these recommendations are rolled up to the Executive Vice President of each respective organization for review, consultation and final approval. This process was described in the Company's response to UPA-010.

k. All eligible individual employees or "contributors" below the six Named Executive Officers, have individual scorecards delineating the individual's performance goals for the calendar year. These individual performance goals are not designed to correlate directly or tie to the corporation's performance goals, nor are there any weightings that apply to individual employee goals. All of the corporation's goals, whether financial or operational, are part of the corporation's service mission to customers and are furthered by the efforts of our employees across the organizations. Therefore, individual goals are designed to support corporate objectives to provide safe and reliable service to customers with rigorous cost control and responsible management. The performance of each employee is reviewed by the respective manager and decisions are made within the various levels of management as to how the funding pool for that department will be allocated among its own contributors. Employees are ranked by their level of contribution and the variable pay is paid out to employees on the basis of the contribution level assigned by management. The Company's response to OCC-201, Attachment 1, shows the allocation of variable pay compensation across the base of employee contributors.

Date Filed: October 23, 2026

Witness: Sasha P. Lazor and Marianne H. Eichler
Request from: Public Utilities Regulatory Authority

Question:

(INCENTIVE PAYOUTS) Application, Ex. CLP-EMPLOYEE-3; Interrog. Resps. OCC-201, Att. 1 and OCC-292, Att. 2. Regarding the distribution of performance ratings and variable compensation payouts:

a. Provide: (i) a detailed explanation for why Attachment 1 of the Company's response to Interrogatory OCC-201 reports that 45 unrated EESCO employees received average variable pay of 117.9% of target for 2025 but the Company's response to Interrogatory OCC-292 describes unrated employees as employees hired after October 31, who are ineligible for merit or variable compensation, or employees on leave at the time of review; and (ii) the number of unrated employees on each stated ground in each of the calendar years from 2021 through 2025.
b. State, for each of plan years 2021 through 2025 and separately for CL&P and EESCO, the number of employees in each rating band who received an award above target and the aggregate amount paid above target.
c. (i) Explain the growth in the number of CL&P employees receiving a performance rating from 219 in 2021 to 354 in 2025, and in the number of EESCO employees receiving a performance rating from 1,910 in 2021 to 3,699 in 2025, as shown in OCC-292, Attachment 2, and (ii) state, for CL&P and for EESCO separately, the total number of employees on December 31 of each year, the number eligible for variable compensation, and the eligible number as a percentage of the total.
d. State the number of CL&P employees placed on a performance improvement plan and the number involuntarily separated for performance issues in each of calendar years 2021 through 2025.

Response:

a. (i) The Company wishes to clarify a statement included in its response to Interrogatory OCC-201[i]. While the response indicated that certain "unrated" employees may have been hired after October 31, none of the 45 unrated EESCO employees who received a variable compensation award in 2025, nor any in the prior years, were hired after October 31 or otherwise ineligible for a variable compensation award. All 45 unrated employees in 2025 met the eligibility requirements for variable compensation and received awards under the applicable plan.

Employees may be designated as "unrated" for reasons unrelated to incentive compensation eligibility. The majority of unrated employees are employees who were on an approved leave of absence during all or part of the performance management cycle and therefore did not receive a formal performance rating. In addition, a small number of employees may be designated as unrated because a performance rating was not entered into the performance management system prior to the compensation cycle. An unrated designation does not necessarily preclude eligibility for variable compensation.

(ii) The Company does not maintain historical data identifying unrated employees by the specific reason they were designated as unrated (e.g., leave of absence, administrative omission, or other circumstances). Accordingly, the Company is unable to provide a breakdown of unrated employees by category for calendar years 2021 through 2025.

b. Please refer to RRU-059, Attachment 1. It should be noted that, for purposes of this response, an employee's variable compensation target is defined as 100% of the employee's established variable compensation opportunity. Under Eversource's annual incentive program, payout opportunities above target are determined based on individual performance ratings and are subject to the following incentive guidelines:

Successful Contributor: 70% to 125% of target
High Contributor: 125% to 175% of target
Top Achiever: 175% to 200% of target

Accordingly, employees receiving a Successful Contributor rating may receive awards above 100% of target. Employees receiving High Contributor and Top Achiever ratings are generally eligible for awards above target. The accompanying data identifies, for each plan year 2021 through 2025 and separately for CL&P and EESCO, the number of employees whose incentive award exceeded 100% of target and the aggregate amount paid above target.

c. (i) The increase in the number of employees receiving a performance rating at both CL&P and EESCO from 2021 through 2025 is primarily attributable to growth in the number of non-union employees who are eligible to participate in the companies' variable compensation programs and therefore receive annual performance ratings. Over this period, both companies added non-union positions to support business needs and operational requirements. By contrast, the number of union-represented employees, who generally are not eligible for variable compensation and typically do not receive performance ratings under this program, remained relatively stable during the same period. As a result, the population of employees receiving performance ratings increased from 219 to 354 at CL&P and from 1,910 to 3,699 at EESCO between 2021 and 2025.

(ii) Please refer to RRU-059, Attachment 2.

d. Five CL&P employees who were eligible for variable compensation were involuntarily terminated for performance-related reasons during the period 2021 through 2025, as reflected in the table below.

Of these five employees, one employee was placed on a formal Performance Improvement Plan ("PIP") in 2022 prior to termination. The performance-related issues leading to these separations included failure to meet the requirements of the position ("not suited to job"), sustained poor work performance, and violations of company policy. For purposes of performance management, policy violations are considered a form of poor work performance by the Company.

Year	Terminated for Performance Issues
2021	1
2022	3
2023	0
2024	0
2025	1

Prior Referenced Response:

[i] OCC-201 Question:

(VARIABLE PAY) Please provide the data in Exhibit-CLP-EMPLOYEE-3, for each year from 2018 through 2024, separated by year.

OCC-201 Response:

Please refer to OCC-201, Attachment 1, for each year from 2018 through 2024, separated by year.

Date Filed: October 13, 2026

Witness: Sasha P. Lazor and Marianne H. Eichler
Request from: Public Utilities Regulatory Authority

Question:

(OFFICER COMPENSATION) Application, p. 5; O'Brien and Murray Pre-Filed Test., pp. 78-79; Application, Schedule WP C-3.7; Interrog. Resp. OCC-288. Regarding the officer compensation removed from and retained in the cost of service:

a. (i) Identify by name and title each individual whose compensation was removed; (ii) state the amount removed for each by plan and component; and (iii) reconcile the total to the approximately $3.3 million identified in the Company's response to Interrogatory OCC-288.
b. (i) Identify by name and title each officer whose compensation remains in the Rate Year, including each officer shown in Attachment 1 of the Company's response to Interrogatory OCC-202 with no compensation amounts and an allocation percentage greater than zero; and (ii) state the amount for each broken into base salary, short-term incentive, long-term incentive and all other amounts, the percentage allocated to CL&P, and the rate code producing it.
c. (i) Provide the name of the person employed as President of CL&P during the Test Year; and (ii) reconcile the identification of Donald J. Scacco, Jr. as President on page 5 of the Application with the identification of Steve Sullivan in WP C-3.7.
d. (i) Identify the recipients by title of the CL&P long-term incentive compensation of $101,000 retained in Schedule WP C-3.7; and (ii) state whether it is settled in cash or in stock, or a combination thereof.

Response:

a. Please refer to the Company's response to UPA-014[i] subparts (a) and (c). See RRU-060, Attachment 1 CONFIDENTIAL, for the names associated with each title.

b. Please refer to RRU-060, Attachment 1 CONFIDENTIAL, for each officer base salary, percentage allocated to CL&P, and rate code. Additionally, please refer to UPA-015, Attachment 1, for each officer short-term and long-term variable compensation.

c. The President of CL&P during the Test Year was Stephen T. Sullivan. Mr. Sullivan retired from the Company on July 26, 2026, and Donald J. Scacco, Jr. was subsequently appointed President of CL&P.

d. The CL&P long-term variable compensation in the amount of $101,000 that is settled in stock relates to the Vice President, Electric System Operations.

Prior Referenced Response:

[i] UPA-014 Question:

(OFFICER VARIABLE COMPENSATION—ADJUSTMENTS AND RECONCILIATION) Application, Sch. WP C-3.7, rows 21–27, and notes (a) and (b). Provide the detailed calculation supporting each pro forma adjustment, including:

a. the $(737,000) CL&P short-term adjustment, separately identifying amounts removed for the CEO, CFO, and CL&P President and any other component;
b. the $367,000 ESC short-term adjustment, including the calculation methodology used for the $1.157 million Test Year amount, removal of the 2024 true-up paid in 2025, inclusion of the 2025 payout paid in 2026, and the resulting $1.524 million pro forma amount; and
c. the $(2.587) million ESC long-term adjustment, separately identifying the amount removed for each of the five named executive officers and the CL&P President. Provide the underlying source data and formulas.

UPA-014 Response:

For subpart a. and c., please refer to the table below for the detailed calculation supporting the short-term and long-term variable adjustments.

ESC and CL&P Officer Variable Compensation Pro Forma Adjustments

Officers	**Short-Term Variable**	**Long-Term Variable**
Chairman, President and Chief Executive Officer	$ (437,717)	$ (1,204,360)
Executive Vice President, Chief Financial Officer and Treasurer	(135,953)	(479,870)
Executive Vice President and Chief Operating Officer	-	(291,888)
Executive Vice President and General Counsel	-	(189,570)
Executive Vice President, Corporate Relations and Sustainability, and Corporate Secretary		(133,163)
President, CL&P	(163,271)	(287,740)
Pro Forma Adjustments	**$ (736,941)**	**$ (2,586,591)**

For subpart b., please see the table below for the detail calculation showing the corrected roll-forward from the Test Year to the Pro Forma Test Year ESC Short-Term Variable Compensation. The Company notes the costs were inadvertently presented incorrectly between the ESC and CL&P, however there is no change to the total Officer Variable Compensation Test Year Pro Forma or Rate Year amounts. Please refer to UPA-014, Attachment 1, for a revised Exhibit CLP-REVREQ-2, WP C-3.7, showcasing the correct Short-Term and Long-Term Variable components for ESC and CL&P.

ESC Short-Term Officer Variable Compensation

Description	Short-Term Variable
1 Test Year ESCShort-Term Variable Cost	$ 2,387,703
2 Removal of 2024 Payout True-up	1,663,961
3 Inclusion of 2025 Payout True-up	1,292,465
4 Pro Forma Adjustment (Line 3 - Line 4)	371,496
5 Removal of CEO, CFO, & CL&P President	(736,941)
6 Test Year Pro Forma Short-Term Variable Cost (Line 1 + Line 5 + Line 7)	$ 2,022,258

Date Filed: October 16, 2026

Witness: Sasha P. Lazor
Request from: Public Utilities Regulatory Authority

Question:

(TRUSTEE COMPENSATION) Application, Schs. C-3.4 and C-3.6; Interrog. Resp. OCC-286, Att. 1. Regarding compensation of the Eversource Board of Trustees:

a. (i) Identify the plan, the number of trustees, the grant date value, and the vesting terms underlying the long-term director stock of $1,270,745 in 2025 and $1,482,889 in the Rate Year in Attachment 1 of the Company's response to Interrogatory OCC-286; and (ii) provide the derivation of the Rate Year amount.
b. (i) State the basis for including trustee stock compensation in Schedule C-3.6, entitled "Employee Variable Compensation", rather than in Schedule C-3.4, entitled "Board of Trustees Expense"; and (ii) reconcile the trustee compensation in Attachment 1 of the Company's response to Interrogatory OCC-263 to Schedule C-3.4 and to the long-term director stock in Attachment 1 of the Company's response to Interrogatory OCC-286.
c. State the allocation percentage and rate code applied to trustee compensation charged to CL&P for each of calendar years 2021 through 2025 and the Rate Year.
d. Explain the increase in long-term director stock from $784,798 in 2021 to $1,482,889 in the Rate Year.

Response:

a. There are no trustees included in the long-term director stock plan included in the Company's response to OCC-286[i].

b. Trustee stock compensation is not included in Schedule C-3.6 or Interrogatory OCC-286. Trustee stock compensation is properly included in Schedule C-3.4 and reconciles to OCC-263, Attachment 1.

c. Trustee stock compensation is allocated using the C04 rate code. Please refer to RRU-054, Attachment 1, and RRU-054, Attachment 2, for the allocation percentage applied to each subsidiary and business segment for 2021-2024 and 2025, respectively.

d. The increase in Long-Term Director Stock from 2021 through to the Rate Year is caused by the increase in the number of Director-level employees (124 Directors in 2021 to 145 Directors in Rate Year), merit increases, and increase in Director stock target increasing from 20% to 25%.

Prior Referenced Response:

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[i] OCC-286 Question:

Incentive Compensation - Please provide the total amount (direct and allocated) of Incentive Compensation Expense broken out by plan for each of the years 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year. If there are amounts charged to capital provide those separately.

OCC-286 Response:

Please refer to OCC-286, Attachment 1, for the annual variable pay amount broken out by plan for 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year.

Date Filed: October 13, 2026

Witness: Christopher L. Hall, Sasha P. Lazor. Brendan J. O'Brien, Marianne H. Eichler and Garrett J. Murray
Request from: Public Utilities Regulatory Authority

Question:

(UNION COMPENSATION) Application, Sch. C-3.6; Interrog. Resp. OCC-052 and Interrog. Resp. OCC-290, Atts. 1-4. Regarding union employee variable compensation and the treatment of overtime as eligible pay:

a. Identify the union positions eligible for variable compensation, the number of employees, and the plan under which they participate. State the amount for each of calendar years 2021 through 2025.
b. State the amount of variable compensation paid to nonexempt employees in each of calendar years 2021 through 2025 that was computed on overtime earnings. Identify the schedule and line on which that amount is recovered.
c. Identify the collective bargaining provision permitting employees compensated through premium pay multipliers to receive variable compensation.

Response:

a. Please refer to Table 1 below identifying the union positions eligible for variable compensation between 2021 and 2025.

Table 1

	# of Union Employees Eligible for Eversource Variable Compensation (Year End)				
Union Job Title	**2021**	**2022**	**2023**	**2024**	**2025**
Business Customer Service Representative 2	1	3	2	1	NA
Business Customer Service Representative 3	5	4	2	2	NA
Business Customer Service Representative 4	1	NA	NA	1	5
Business Customer Service Representative 5	1	1	1	1	20
Customer Resolutions Specialist	7	6	6	6	8
Customer Service Representative II	45	54	58	53	56
Customer Service Representative III	10	12	19	19	8
Customer Service Representative IV	90	73	69	70	89
Distribution Design Associate Engineer	8	11	8	9	12
Distribution Design Engineer	5	3	6	5	7
Meter and Service Dispatch	5	5	5	5	6
Representative, Contact Center II	6	NA	NA	NA	NA
Senior Distribution Design Engineer	10	8	6	9	5
Team Leader	10	10	11	11	15

b. Variable compensation paid to nonexempt employees is included within Exhibit CLP-REVREQ-2, WP C-3.6, page 1 of 1, rows 24 and 30 for CL&P and Service Company employees respectively.

c. The union titles presented in the response to subpart (a) are eligible for variable compensation.

Date Filed: October 19, 2026

Witness: Kara A. O'Connor
Request from: Public Utilities Regulatory Authority

Question:

(EMPLOYEE BENEFITS) Application, Sch. C-3.12 and WP C-3.12; Interrog. Resp. OCC-069, Att. 1 and Interrog. Resp. OCC-204, Att. 1. Regarding the composition of Schedule C- 3.12 and the movement from the Test Year to the Rate Year:

a. (i) Provide: (i) OCC-204, Attachment 1, shows 2025 net 401(k) expense of $6,690,000. OCC-302, Attachment 1, captioned Supplemental Retirement Plan (401K), shows 2025 net 401(k) expense of $866,000 for CL&P and $418,000 for EESCO, a total of $1,284,000. Identify the plan or plans included in each attachment and state the 401(k) amount on Schedule C-3.12 for the Test Year and the Rate Year. (ii) OCC-204, Attachment 1, is captioned as the employee benefit programs within the Employee Benefits Schedule. It does not include the SERP and Non-SERP expense in OCC-356, Attachment 1, which note (a) of that attachment states agrees to Schedule C-3.12, or the FAS 106 expense in OCC-338, Attachment 1. Identify every benefit program on Schedule C-3.12 and WP C-3.12 that is omitted from OCC-204, Attachment 1, with the Test Year and Rate Year amount of each. (iii) From 2025 to the Rate Year, the EESCO capitalized portion falls from 41.7% to 28.1% for pension in OCC-336, Attachment 1, and for FAS 106 in OCC-338, Attachment 1, and from 39.0% to 28.0% for 401(k) in OCC-302, Attachment 1. Over the same period the CL&P capitalized portion falls only from 55.9% to 52.4% in all three. State the basis for each Rate Year capitalization rate.
b. Provide Attachment 1 to the Company response to Interrogatory OCC-204, divided between CL&P direct cost and EESCO allocated cost for each benefit program and year and state the allocation percentage and rate code applied to each.
c. Provide the derivation, by benefit program other than healthcare, of the pro forma adjustment of $5,522,000 that increases the Test Year employee benefits expense of $23,791,000 to the Test Year pro forma amount of $29,313,000. State the amount of the adjustment attributable to each benefit program.

Response:

a. (i)The 2025 Test Year 401(k) expense amount included in OCC-204, Attachment 1, represents total 401(k) expense for CL&P and EESCO employees. As described in subpart (a.) of the Company's response to OCC-302[i], the 2025 Test Year amount included in OCC-302, Attachment 1, represent the 401(k) expense for employees (direct, allocated, union and non-union), who are also covered under a defined benefit pension plan and represents

a portion of the total 401(k) costs included in OCC-204, Attachment 1. As shown on Exhibit CLP-REVREQ-2 (Schedules A, B, C, D), Schedule C-3.12, page 7, the 401(k) expense in the 2025 Test Year net of capitalization is $6,689,000 and the 401(k) expense in the Rate Year is $8,453,000 net of capitalization.

(ii) Please refer to RRU-063, Attachment 1, for a listing of all employee benefit programs included within Schedule C-3.12, Employee Benefits. This attachment is inclusive of the programs provided in OCC-204, Attachment 1.

(iii) The supporting calculation for 52.36% capitalization for CL&P Direct and 28.07% capitalization for EESCO Allocated charges, where applicable can be found in the Company's response to RRU-015, Attachment 1, (Page 2).

b. Please refer to RRU-063, Attachment 2, for the programs included in OCC-204[ii], separated between CL&P direct costs and EESCO allocated costs. Please refer to RRU-063 Attachment 3, for the allocation percentage and rate code applied to each program.

c. Please refer to RRU-063, Attachment 1, line 178, for the calculation of the approximately $5,522,000 Test Year pro forma adjustment by benefit program.

Prior Referenced Responses:

[i] OCC-302 Question:

401(k) expenses.

a. Provide the annual amount of 401(k) expense (direct and allocated) for employees (direct, allocated, union and non-union) who are also covered under a defined benefit pension plan for each of the years 2021, 2022, 2023, 2024, 2025, and included in the rate year.
b. For each plan, state whether it is frozen or closed and provide the dates the plans were frozen or closed.
c. Explain how paying for employees to have two retirement plans is beneficial to ratepayers.

OCC-302 Response:

a. Please refer to OCC-302, Attachment 1, for the annual amount of 401(k) expense for employees (direct, allocated, union and non-union), who are also covered under a defined benefit pension plan for each of the years 2021, 2022, 2023, 2024, 2025, as included in the Rate Year.

b. The Eversource 401(k) Plan is open for enrollment. Please refer to the chart presented in OCC-302, Attachment 2, for the status of the defined benefit pensions under the Eversource Pension Plan.

c. The customer benefit is that there is an employee providing utility service on the other end of this compensation policy. In order to attract and retain skilled employees that are sought after in the marketplace and are difficult to recruit, it is necessary for the Company to have a compensation structure that provides an

appropriate retirement income benefit for a variety of employees with different needs. Because there is no "one size fits all" retirement instrument that the Company can utilize for its employees, it is necessary for the Company to maintain alternatives to adequately meet the needs of employees. In that regard, the 401(k) Plan and defined benefit pension plans are serving two different purposes necessary to compensate the employee.

For example, the 401(k) Plan is designed to incentivize employees to contribute more of their own pay toward their retirement. Within the 401(k), employees are able to manage their own investments, and this provides employees with control and portability of their benefit. Conversely, the cash balance pension plan provides a portion of the employee retirement benefit as guaranteed income eliminating market volatility at the employee level for a portion of their retirement benefit. With the cash balance pension plan, the employer is responsible for annual funding and bears the investment risk.

Saving for retirement is a high priority for the Company's employees and it is critical that Eversource remain competitive with other utility industry employers in this regard. However, in 2023, Eversource's compensation benchmarking analysis showed that the former retirement plan, comprised of the 401(k) Plan Employer Match and K-Vantage contribution was falling behind the market and did not provide employees with a sufficient level of retirement benefit to be competitive in the utility industry. As a result, a determination was made that the design of the retirement benefit program was detracting from Eversource's ability to attract and retain skilled employees in the utility industry. Eversource's electric (and natural gas) utility employees typically possess very specialized skills sets that are a commodity in high demand in the marketplace and, in addition, the roles that employees fill are often physically demanding and hazardous jobs, providing an essential service on a 24/7/365 basis. By offering adequate retirement plans, Eversource is enabled to recruit and retain engineers, experienced linemen, operators, technicians, managers, and other highly skilled workers. In 2023, Eversource's ability to maintain equilibrium in this regard, with respect to its existing and future employee base, was becoming impaired due to the diminishing value of the retirement benefit.

Recognizing that a change in plan design was necessary, Eversource sought to design a new retirement benefit that would leverage a shared responsibility between CL&P and its employees, so that employees would have a greater incentive to contribute (or to contribute more substantially) to their own retirement income.

Another primary consideration in the program redesign was that the K-Vantage option placed investment responsibility and the associated financial outcome solely on the employee, subjecting employees to the volatility of the stock market, as compared to the stability that would be offered by a secure cash balance contribution managed in the aggregate by Eversource. As a result, all employees of CL&P and ESC who previously received K-Vantage employer contributions (as well as future new hires) are now eligible to participate in the Eversource Cash Balance Pension Plan, which replaces the former K-Vantage option, while promoting longer employee tenures and the availability of a stable and highly skilled workforce.

[ii] OCC-204 Question

(BENEFITS) Please refer to Exhibit CLP-EMPLOYEE-1.

a. Does the Company offer any employee benefits not discussed in the testimony (e.g., dependent care benefits, pet care, pet insurance, etc…)? If yes, please describe all benefits.
b. Please provide on unlocked Excel spreadsheet showing on an annual basis from 2018 to the present the total cost associated with each employee benefit (e.g., health insurance, dental insurance, vision insurance, retirement savings, etc…).

OCC-204 Response:

a. The Company offers certain voluntary benefits to employees that include legal, home and auto insurance, student loan refinancing and identity theft protection. The Company incurs no expense for these plans, but makes them available to employees and in certain circumstances, facilitates payroll deductions for payment as employees can receive better insurance rates via payroll deduction.

b. The Company provided the data for the 5-year historical period 2021 through 2025 in its initial application (see Exhibit CL&P-REVREQ-3) and does not have information prior to 2021 readily available for this response. Please refer to OCC-204, Attachment 1, for Employee Benefit program costs from 2021 to the present.

Date Filed: October 09, 2026

Witness: Kara A. O'Connor
Request from: Public Utilities Regulatory Authority

Question:

(HEALTHCARE EXPENSE) Lazor, Eichler and O'Connor Pre-Filed Test., pp. 75-76; Interrog. Resp. OCC-204, Att. 1 and Interrog. Resp. OCC-380, Att. 1. Regarding the derivation of healthcare expense and the trend applied:

a. (i) Provide the derivation of the 2026 working rates for each plan and election tier; (ii) identify the claims experience, administrative cost, stop-loss premium and margin included in each; and (iii) provide the Brown & Brown working-rate report for 2026.
b. (i) Identify the year of Table 13 of Ex. CLP-EMPLOYEE-1, p. 76, from which each rate applied in the Company's response to Interrogatory OCC-380 was taken; and (ii) show the arithmetic that escalates CL&P healthcare expense of $33,261,483 to $38,885,560 and EESCO healthcare expense of $89,350,244 to $104,437,336, including the number of times each rate was compounded.
c. (i) State the Company's actual percentage change in medical and prescription drug cost for each calendar year 2021 through 2025; and (ii) provide the actuarial and consultant documentation supporting the trend applied.
d. (i) Provide enrollment by election tier and plan type on December 31, 2023, and December 31, 2024, in the same form as provided on pages 2 through 4 of Attachment 1 of the Company's response to Interrogatory OCC-380; and (ii) state the basis for holding employee plan elections constant at their December 31, 2025 level.

Response:

a. (i) The 2026 working rate derivation is outlined in Table 12 of Exhibit CLP-Employee-1.

(ii) The claims experience, administrative cost, stop loss premium and margins are all factored into the final 2026 working rate shown on Table 12. The medical plan 2026 working rate increase of 11.6% was then applied to the 2025 working rate for each plan and election tier to arrive at the 2026 cost.

(iii) Table 12 referenced above is the Brown &Brown working rate report.

b. (i) The year and working rates used for the Company's response to OCC-380[i] is a projected 2027 and 2028 working rate escalation. The projected working rates for medical dental and vision used for OCC-380, Attachment 1, are referenced in the bottom left at pages 6-

8. Given Table 13 of Ex. CLP-EMPLOYEE-1, p. 76 and OCC-380, Attachment 1, were projections and not actual at the time of submission, when actual working rates are available, the Company will update the benefits expense and other affected costs as part of its next cost of service update.

(ii) Please refer to RRU-064, Attachment 1, at Page 1 for the references to the CL&P and EESCO health care expense for the Test Year Pro Forma and the Rate Year that are included in OCC-380, Attachment 1, along with the compounded escalation rates that were used. The arithmetic that escalates CL&P and EESCO healthcare expense is included within the OCC-380, Attachment 1. For example, the 2026 annual cost per employee for medical "PPO 100 EE Only" is $13,853 as shown on Page 2, line 15 of OCC-380, Attachment 1. This amount is escalated by the compounded Medical escalation rate of 17.27% as shown on Page 6, line 76 to result in a Rate Year annual cost per employee for "PPO 100 EE Only" of $16,245 as shown on Page 6, line 15. This same methodology is used for the remaining medical plan options as well as Dental and Vision using their respective escalation rates.

c. (i) See Table 1 below for the Company's actual percentage change in medical and prescription drug cost for each calendar year 2021 through 2025.

Table 1

Year	Medical Working Rate %	Dental Working Rate %	Vision Working Rate %
2021	4.8	0	0
2022	4.7	-3.5	-6.1
2023	2.5	-3.7	-5.8
2024	8.0	-1.1	-1.4
2025	6.3	2.9	2.3

(ii) Please refer to RRU-064, Attachment 2, for working rate actuarial and consultant documentation supporting the trend applied.

d. (i) Please refer to RRU-064, Attachment 3, for the employee enrollment by election tier and plan type on December 31, 2023 and RRU-064, Attachment 4, for the employee enrollment by election tier and plan type on December 31, 2024.

(ii) The Company is utilizing the employee plan elections as of December 31, 2025, to determine the Rate Year healthcare expense level, as this represents the most recent enrollment data available and is the most accurate representation of the current employee population.

Prior Referenced Response:

[i] OCC-380 Question:

Employee Benefits. Refer to WP C-3.12, page 2 of 12. Explain and provide the calculations for the proforma and Rate Year adjustments.

OCC-380-Response:

The CL&P and EESCO Test Year pro forma healthcare expense was calculated using the 2026 working rates, or cost per employee, and applying them to actual employee healthcare plan elections as of 12/31/2025. Please refer to OCC-380, Attachment 1, Pages 2 to 4 for the Medical, Dental, and Vision calculations showing the annual cost per employee and the actual plan elections as of 12/31/2025 for both Non-Represented and Represented Employees. For CL&P, this resulted in total healthcare expense of $33,261,483, which is then multiplied by the O&M rate of 47.64% to calculate $15,845,771 after capitalization as shown on OCC-380 Attachment 1, Page 1, line 16. This amount also agrees to WP C-3.12, page 2, line 23. For EESCO, the total healthcare expense of $89,350,244 was multiplied by the M9C rate code, using the Miscellaneous Labor methodology for EESCO employees to calculate the amount attributed to CL&P. This product of $15,957,954 was then multiplied by the O&M rate of 71.93% to calculate EESCO healthcare expense of $11,478,556 after capitalization as shown on OCC-380, Attachment 1, Page 1, line 23. This amount also agrees with WP C-3.12, page 2, line 30.

The CL&P and EESCO Rate Year healthcare expense, for July 2027 through June 2028, was calculated using the same method as the Test Year using 2026 working rates and 12/31/25 actual employee healthcare plan elections. Next, the amount was inflated using healthcare escalation rates (i.e., medical, dental, and vision) as shown in table 13 of Exhibit CLP-EMPLOYEE-1. Those rates are:

- Medical/Rx – 11.1%
- Dental – 4.5%
- Vision – 4.0%

Please refer to OCC-380, Attachment 1, Pages 6 to 8 for the Medical, Dental, and Vision calculations showing the annual cost per employee and the actual plan elections as of 12/31/2025 for both Non-Represented and Represented Employees, escalated for the Rate Year. For CL&P, this resulted in total healthcare expense of $38,885,560, which was then multiplied by the O&M rate of 47.64% to calculate $18,525,081 after capitalization as shown on OCC-380, Attachment 1, Page 5, line 16. This amount also agrees to WP C-3.12, page 2, line 23. The approximately $2,679,000 Rate Year adjustment is the difference between the Rate Year and Test Year Pro Forma amounts.

For EESCO, the total healthcare expense of $104,437,336 was multiplied by the M9C rate code, using the Miscellaneous Labor methodology for EESCO employees to calculate the amount attributed to CL&P. This product of $18,652,508 was then multiplied by the O&M rate of 71.93% to calculate the Rate Year EESCO healthcare expense of $13,416,749 after capitalization. This amount also agrees with WP C-3.12, page 2, line 30. The approximately $1,938,000 Rate Year adjustment is the difference between the Rate Year and Test Year Pro Forma amounts.

Date Filed: October 09, 2026

Witness: Jenifer B. Rizza
Request from: Public Utilities Regulatory Authority

Question:

(PENSION AND OPEB) Application, Sch. C-3.12; Interrog. Resp. OCC-336, Att. 1, Interrog. Resp. OCC-338, Att. 1 and Interrog. Resp. OCC-339, Att. regarding the pension and post-employment benefit expense attributed to CL&P and the funded status of the plans:

a. (i) State the basis for the expected return on plan assets of 8.25%, held constant from 2021 through the Rate Year; (ii) provide the capital market assumptions and asset allocation for each year; and (iii) provide the unabridged actuarial reports for each calendar year from 2021 through 2025.
b. Explain the change in the amortization of prior service cost in the projected post-employment benefit cost in the Attachment 1 to the response to Interrogatory OCC-339 for CL&P from positive $991,966 in 2027 to negative $25,755 in 2028, and for the Service Company from negative $3,495,333 to negative $40,689. State the date each amortization expires. Provide the projected expense for each of calendar year from 2029 through 2031.
c. State the amount of any prepaid pension asset, prepaid post-retirement asset, accrued liability, and related regulatory asset or liability at the date certain, and the amount included in or excluded from rate base.
d. Provide an unlocked Excel spreadsheet with formulas intact that shows the Rate Year pension and post-employment benefit expense for CL&P, and for EESCO as allocated to CL&P, at expected returns on plan assets of 8%, 7.75%, 7.50%, and 7%.
e. Attachment 1 to the response to interrogatory OCC-339 shows plan assets exceeding the obligation on January 1, 2027 by $185,553,775 for CL&P distribution and $148,732,071 for the Service Company, with no employer contribution. State the portion of each surplus attributable to contributions recovered in CL&P distribution rates in prior rate periods, including the rates approved in Docket No. 17-10-46.

Response:

a. (i) In developing the long term expected return on assets assumptions ("EROA"), Eversource considers input from actuaries, consultants and economists, as well as long-term inflation and growth assumptions. The EROA is based on target asset allocation weights and long-term return expectations for various asset classes. The EROA is a long-term, twenty to thirty year expected return on assets and as such, it does not fluctuate typically from year to year.

The expected rates of return by asset class are based on management's judgment using publicly available information regarding historical long-term actual rates of return, adjustments for current market conditions, performance experience, and expectations regarding future performance for the various asset categories.

(ii) Please refer to RRU-065, Attachment 1, showing the expected asset class returns and asset allocation for each year from 2021 to 2025.

(iii) Please refer to RRU-065, Attachment 2 through RRU-065, Attachment 11, for the unabridged Pension and OPEB actuarial reports for each calendar year from 2021 through 2025.

b. The change in amortization of prior service cost in projected post-employment benefit cost is related to a Plan Amendment that was the result of moving to the Exchanges. The amortization of prior service cost related to this amendment expires in 2027.

Projected expense/(income) for each calendar year from 2029 through 2031 used for long-range planning purposes and calculated by the actuary is shown in the table below. These amounts are before capitalization. Service Company expense/(income) is in total and does not reflect allocation to CL&P Distribution.

Year	CL&P Distribution	EESCO
2029	(32,137,445)	(26,307,673)
2030	(34,429,229)	(27,675,178)
2031	(36,896,839)	(28,988,058)

c. Please refer to RRU-065, Attachment 12, for the prepaid pension asset, prepaid post-retirement asset, and related regulatory asset/liability balances at the date certain. There are no accrued liabilities related to pension or OPEB at the date certain. The accounts included in Attachment 12 are excluded from rate-base.

d. Please refer to RRU-065, Attachment 13, showing the impact to expense of a 25 basis point decrease in the expected return on plan assets to Rate Year pension and post-employment benefit expense for CL&P and for EESCO as allocated to CL&P. The 25 basis point sensitivity can be applied to expected returns on plan assets of 8%, 7.75%. 7.50% and 7% relative to the assumed rate of return of 8.25%.

e. There is no portion of each of these surpluses that is attributable to contributions recovered in CL&P distribution rates in prior periods. The amounts recovered in CL&P distribution rates have been based on prior actuarially determined pension expense amounts and not

contribution amounts. It is generally understood that contributions will converge with actuarially determined pension expense amounts over extended periods.

Date Filed: October 13, 2026

Witness: Sasha P. Lazor, Brendan J. O'Brien, Garrett J. Murray and Danielle J. Munson
Request from: Public Utilities Regulatory Authority

Question:

(SERP EXPENSE) Application, Sch. C-3.12; Interrog. Resp. OCC-069, Att. 1 and Interrog. Resp. OCC-356, Att. 1. Regarding the Supplemental Executive Retirement Plan (SERP) and related non-qualified arrangements:

a. (i) Provide the plan and trust documents for each supplemental executive retirement and non-qualified deferred compensation arrangement; (ii) identify by title the employees eligible for the Test Year; and (iii) state the ratepayer benefit relied upon for recovery of the cost of each arrangement.
b. (i) State the amount of each executive settlement or special termination benefit charged to CL&P in each of calendar year from 2021 through 2025; (ii) identify each recipient by title; and (iii) state whether any portion remains in the Rate Year and if so, the amount of that portion.
c. Identify each participant departure, settlement, benefit payment, or assumption change contributing to the decline in SERP expense from $4,994,000 in 2023 to $1,993,000 in 2025 and state the amount attributable to each.
d. State: (i) the number of employees eligible for the SERP who are also eligible for the Cash Balance Pension Plan and the 401(k) plan; and (ii) the aggregate annual retirement benefit cost per such employee.

Response:

a.

(i) Please refer to RRU-066, Attachment 1, for The Eversource Supplemental Executive Retirement Program.

(ii) Please refer to RRU-066, Attachment 2, for the titles of eligible executives as of 12/31/2025.

(iii) It is common practice among companies with qualified defined benefit pension plans to provide executives with a benefit that makes them whole for the limits on pensionable earnings that the Internal Revenue Service imposes on qualified pension plans. The objective is for executives to receive a pension that is similar to nonexecutives' pensions relative to their pay. A SERP, which is a non-qualified

plan, accomplishes that objective by providing executives with a supplemental retirement benefit in addition to the benefit provided under the qualified plan.

Eversource Energy must be competitive with other employers seeking to retain individuals of the caliber of Named Executives, including the overall compensation package. The Company has carefully and deliberately constructed its compensation package, consistent with industry norms, to ensure that it has access to employees who will advance the Company's overall corporate mission to provide customers with high-quality, safe, and reliable service and that it has the means to retain these employees. Were the Company to fail to offer employees those compensation components that are regularly offered in the marketplace for similar positions, it is likely that employees would accept an employment offer elsewhere that included a complete, as opposed to piecemeal, compensation package. The overall executive compensation levels are in line with industry peers; therefore, the SERP amounts are reasonable.

b. There were no executive settlements or special termination benefits charged to CL&P in 2021. In 2022, James Judge, Chief Executive Officer (CEO), received a special termination benefit of $9,900,000; of which the allocated portion to CL&P was $1,967,130. In 2023, Settlement Charges totaling $12,380,000 were recorded, and the allocated portion to CL&P was $2,478,476. A total of $8,710,000 was attributable to James Judge's lump-sum retirement and $3,670,000 was attributable to James Judge's special termination benefit, Philip Lembo (Chief Financial Officer (CFO)) and Neven Rabadjija's (Deputy General Counsel) lump-sum payments. In 2024, a Settlement Charge of $4,340,000 attributable to Werner Schweiger (Chief Operating Officer (COO)) and Ellen Greim (Vice President, Supply Chain, Real Estate and Materials) lump sum payments were recorded. The portion of this settlement allocated to CL&P was $811,146. In 2025, a Settlement Charge of $3,260,000 attributable to lump sums to Christine Carmody (Executive Vice President of Human Resources & Information Technology), Craig Hallstrom (President, Regional Electric Operations), and Stephen Driscoll (Vice President, Operation Services) was recorded. The portion of this settlement allocated to CL&P was $582,236. No portion of these settlement amounts or special termination benefits remain in the Rate Year.

c. The decline in SERP expense from $4,994,000 in 2023 to $1,993,000 in 2025 was primarily attributable to participant settlements and departures, as well as changes in actuarial assumptions. The lump-sum payments referenced in question (b), as well as benefit payments to other participants, contributed to the reduction in SERP expense. In 2025, James Daly departed the plan and was paid a lump-sum of $549,000. Additionally, actuarial assumptions changed between 2023 and 2025. For the NU SERP, the discount rate used for Service Cost increased from 5.22% in 2023 to 5.70% in 2025, and the discount rate used for Interest Cost increased from 5.07% to 5.33%. For the NSTAR SERP, the

Service Cost discount rate increased from 4.92% to 5.18%, and the Interest Cost discount rate increased from 5.07% to 5.41%.

d. The Company understands the question to mean employees eligible for the SERP plan qualify for "both" the Cash Balance Pension Plan and the 401(k) plan. Although all employees are eligible to participate in the 401(k) plan, those who are eligible to participate in the SERP plan are not eligible for the Cash Balance Pension Plan. Therefore, the number of employees eligible for both the SERP plan and in the 401(k) plan is 32; and there are no employees that are eligible for the SERP that are in the Cash Balance Pension Plan.

Date Filed: October 13, 2026

Witness: Kara A. O'Connor
Request from: Public Utilities Regulatory Authority

Question:

(401K EXPENSE) Interrog. Resp. OCC-069, Att. 1 and Interrog. Resp. OCC-302, Atts. 1 and 2. Regarding the 401(k) expense and the cash balance pension plan reflected in Sch. C-3.12:

a. State the annual cost of the Eversource Energy Cash Balance Pension Plan that replaced the K-Vantage arrangement separately for CL&P and EESCO. State the effective date of the redesign, the percentage that the Company matches for each participant group, and the annual cost of each match level. Identify the schedule and line on which each amount appears.
b. Provide the analysis performed before adopting the redesign comparing the cost of the new arrangement to the arrangement it replaced.
c. State whether any cost of the frozen pension plans listed in Attachment 2 of the response to Interrogatory OCC-302 is allocated to CL&P for the Northeast Utilities Service Company Retirement Plan, the Bay State Gas Company Pension Plan, the Bay State Union Pension Plan, the NSTAR Pension Plan DB Traditional, and the NSTAR Pension Plan PEP. If so, state the amount and the rate code applied.

Response:

a. The K-Vantage plan design was replaced with the Eversource Cash Balance Pension Plan for all eligible employees effective January 1, 2025, except for one union, L369, who adopted the Eversource Cash Balance Pension Plan effective January 1, 2026. Please refer to Table 1 for the Company Match by participant group. Please refer to RRU-067 Attachment 1, for the cost of the Eversource Energy Cash Balance Pension Plan that replaced the K-Vantage arrangement for CL&P and EESCO in the Test Year. The amounts included in RRU-067, Attachment 1, are embedded within WP C-3.12, page 6, lines 23 and 30. Please refer to RRU-067, Attachment 2, for the annual cost of the 401k match for employees who are not covered under a defined benefit pension plan in the Test Year. The amounts included in RRU-067, Attachment 2, are embedded within WP C-3.12, page 7, lines 23 and 30.

Table 1 - **Defined Benefit Pension Plans with 401k Plan Employer Match**

Pension Plan Name	Plan Frozen Y/N	Date Frozen	Employer 401k Match %
Northeast Utilities Service Company Retirement Plan	Y	12/31/2005	100% of 3% of Employee Deferral
Bay State Gas Company Pension Plan	Y	1/1/2010	50% of 8% of Employee Deferral
Bay State Gas Company Pension Plan	Y	1/1/2013	50% of 8% of Employee Deferral
Bay State Gas Company Pension Plan	Y	6/1/2013	50% of 8% of Employee Deferral
Bay State Union Pension Plan	Y	1/1/2013	50% of 8% of Employee Deferral
Bay State Union Pension Plan	Y	1/1/2011	50% of 8% of Employee Deferral
Bay State Union Pension Plan	Y	1/1/2014	50% of 8% of Employee Deferral
NSTAR Pension Plan DB Traditional	Y	5/16/2005	50% of 8% of Employee Deferral
NSTAR Pension Plan DB Traditional	Y	4/1/2006	50% of 8% of Employee Deferral
NSTAR Pension Plan PEP	Y	4/1/2013	50% of 8% of Employee Deferral
NSTAR Pension Plan PEP for transition members	Y	8/17/1999	50% of 8% of Employee Deferral
Eversource Energy Cash Balance Pension Plan	N	N/A	100% of 6% of Employee Deferral

b. Please refer to RRU-067, Attachment 3, for the redesign analysis.

c. For the NSTAR Pension Plan PEP and the Northeast Utilities Service Company Retirement Plan, there are employees associated with CL&P, and the related costs are recorded directly to CL&P. For the frozen plans with employees associated with EESCO, the related costs are allocated to EESCO using the M9C rate code. The amounts attributable to the individual frozen plans are not separately available. Pension expense is recorded as a whole by company together with the Eversource Pension Plan and is not broken out by individual plan. Separating the costs by plan would require significant additional actuarial work.

Date Filed: October 13, 2026

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

Question:

(OTHER BENEFITS)

a. State whether the increase in long-term disability expense from $649,000 in 2024 to $1,683,000 in the Test Year reflects a change in claims experience, reserve methodology, premium, or the number of claimants, and quantify the impact of each.
b. (i) Reconcile the education reimbursements of $434,000 in the Test Year to Schedule C- 3.18; (ii) identify each driver of the growth from $141,000 in 2021 and the amount attributable to each; and (iii) state the basis for the absence of a capitalized portion on education reimbursements.
c. Provide an unlocked Excel spreadsheet with formulas intact that shows the total cost, the amount charged to CL&P operating expense, and the schedule and line item for each of the following, for the Test Year, the Rate Year and each of calendar years from 2021 through 2025: (i) employee recognition and awards, including SPOT awards; (ii) the Wellness Incentive and any other fitness or wellness program; (iii) the space, equipment, utilities and other facility cost of the Berlin employee cafeteria and the Windsor prepared food area described in the Company's response to Interrogatory OCC-067; (iv) back-up child or elder care, including Care.com; and (v) student loan repayment.
d. (i) Identify the schedule and line item in which the Company included the Rate Year volunteer labor expense of $236,143 referenced in its response to Interrogatory OCC-364; and (ii) state the Rate Year revenue requirement effect if the expense is removed.

Response:

a. The increase in Long-Term Disability (LTD) expense from 2024 to the Test Year is primarily attributable to the 2025 actuarial reserve adjustment recorded in December 2025. The adjustment reflects updated actuarial assumptions and claim experience identified in the annual valuation performed by Willis Towers Watson. The increase was largely driven by a higher number of employees receiving long-term disability benefits, resulting in a corresponding increase in the Company's LTD reserve obligation. As noted in the 2025 actuarial valuation report, the growth in covered disability claims increased the estimated future benefit liability, necessitating the reserve adjustment and contributing to the year-over-year increase in expense.

b.

i. The $434,000 of Education Reimbursements in the Test Year is comprised of all costs charged in 2025 to the Education Reimbursements cost element and is independent of the amounts included in Schedule C-3.18, Human Resources, Education and Training.

ii. Recognizing higher education inflation, Eversource increased the annual tuition reimbursement maximum from $5,250 to $10,000 in 2023 as an opportunity to improve job performance and encourage employee retention. RRU-068, Attachment 1, outlines an increase in year over year expense for the Education Reimbursement benefit which together with the higher educational reimbursement per participant maximum, acts as the driver of the increase in expense.

iii. Educational reimbursements do not qualify as a capitalizable cost under the Company's capitalization criteria; therefore, these costs are expensed.

c.

i. Please refer to RRU-068, Attachment 2, for the employee recognition award costs for years 2021 through 2025 and the Rate Year. The Company did not incur any costs related to SPOT awards during this period.

ii. Please refer to RRU-068, Attachment 2, for the wellness incentive costs for years 2021 through 2025 and the Rate Year.

iii. The Company's accounting system does not have unique identifiers that track the space, equipment, and utilities of the Berlin cafeteria. The Company has identified costs allocated to CL&P for the operation of the Berlin Cafeteria noted in the table below. Costs experienced in 2022 and 2023 were a result of a subsidy paid to the cafeteria operator as The Company re-opened the cafeteria after the COVID-19 pandemic in mid-2021. The subsidy was discontinued in February 2023 since the employee population became more predictable and the cafeteria operator was able to stabilize their staffing levels and food inventories. The "grab and go" prepared foods area in Windsor was established in 2026. There were no costs associated with it from 2021 to 2025 or in the Rate Year.

	2021	2022*	2023	2024	2025	Rate Year
ESC Cafeteria Expenses	$ -	$142,665	$18,322	$ -	$ -	$ -
CL&P Allocated Cafeteria Expenses	$ -	$28,561	$3,424	$ -	$ -	$ -

**5 months of subsidy from 2021 was charged in 2022 due to a delay in vendor invoicing*

iv. Please refer to RRU-068, Attachment 2, for the Care.com costs for years 2021 through 2025 and the Rate Year.

v. There is no cost to customers that is incurred by offering a student loan refinancing option as a voluntary employee-paid option.

d.

i. Please refer to RRU-068, Attachment 3, for the Schedule and line item reference for the Rate Year volunteer labor expense of $236,143.

ii. Removing volunteer labor expense would result in an approximate $255,000 decrease to the current cost of service.

Date Filed: October 14, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Marianne Eichler and Erin M. Travassos
Request from: Public Utilities Regulatory Authority

Question:

(SEVERANCE AND BONUSES) Application, WP C-3.5; Interrog. Resp. OCC-328, Att. 1, and Interrog. Resp. OCC-357, Att. 1. Regarding severance, signing bonuses and relocation expenses:

a. Attachment 1 of the Company's response to Interrogatory OCC-357, shows a single Rate Year severance amount of $92,000. State the Rate Year severance amount reflected in the Application as filed and the effect of the change on the Rate Year.
b. Identify the organizational effectiveness activities that produced the Test Year severance of $1,699,000. State the number of employees separated, their titles and departments, and whether each position was eliminated or refilled.
c. State the amount of signing bonuses included in the Rate Year and provide the derivation of that amount, including the number of signing bonuses assumed and the average amount of each. For each signing bonus exceeding $10,000 in Attachment 1 of the response to Interrogatory OCC-328, including the $100,000 paid to a Director in 2023, state the organization to which the recipient was assigned, at the level presented on Sch. G-2.14, and whether the recipient was employed by CL&P or by EESCO. Provide the Company's policy governing signing bonuses.
d. Explain the increase in relocation expense to $166,000 in 2024 in Attachment 1, of the response to Interrogatory OCC-351. State the basis for the Rate Year amount of $36,000.

Response:

a. The Rate Year amount included in the Company's initial cost of service filing was approximately $1,711,000. The Company will update the cost of service to include the Rate Year amount included in OCC-357 Attachment 1, of $92,000, and it will represent a decrease in expense in the Rate Year of approximately $1,619,000.

b. In connection with its efforts to reduce its ongoing cost structure, the Company undertook an initiative in 2025 to identify cost reductions from its budgeted cost base. The review considered opportunities for labor and non-labor savings, organizational changes, and process efficiencies.

   The initiative was not undertaken primarily for the purpose of reducing headcount. As part of its broader cost review, the Company evaluated historical internal and external staffing

levels, management spans of control, duplicate roles/functions, upskilling needs, historical leadership and non-leadership hiring patterns, recent O&M and capital labor costs, and non-labor cost components.

Based on this review, the Company identified 45 positions for elimination. The titles and departments associated with the eliminated positions are provided in RRU-069, Attachment 1. These positions were eliminated and were not refilled.

c. The Company revised the amount identified as Test Year signing bonuses in the Company's response to OCC-328-RV01[i]. The Amount of signing bonuses included in the Rate Year is $59,604. The Rate Year amount is calculated using the level of signing bonuses in 2025 escalated for inflation. Please refer to RRU-069, Attachment 2, for the derivation of that amount. Please refer to OCC-328-RV01, Attachment 1, for the detail regarding the organization and employer for each individual signing bonus exceeding $10,000. The Company may provide sign-on bonuses to attract and secure talent in response to business needs, competitive market conditions, hard-to-fill positions, or to offset compensation or incentives forfeited by a candidate when accepting employment with the Company. Employees who voluntarily resign from employment or are terminated for cause within twenty-four (24) months of their hire date must repay the sign-on bonus in accordance with the terms outlined in their offer letter.

d. Relocation expenses are inherently variable from year to year because they are driven by hiring activity and workforce needs that cannot be precisely predicted. The level of expense depends on the number and location of vacancies, the qualifications and geographic availability of successful candidates, and whether relocation assistance is necessary to secure needed talent. As a result, relocation costs may fluctuate significantly based on the specific hiring circumstances in a given year. The Rate Year amount of relocation expenses is calculated using the level of relocation expenses in the 2025 Test Year escalated for inflation where applicable.

Prior Referenced Response:

[i] OCC-328-RV01 Question:

Payroll. Provide a list of signing bonuses paid by employee title and amount paid in each of the years 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year.

OCC-328 RV01 Revised Response:

The Company identified an inadvertent error related to the 2025 signing bonuses paid by employee title. Please refer to OCC-328-RV01, Attachment 1, for the updated listing. This change reflects an approximately $4,000 increase to the amount of signing bonuses paid in 2025.

Additionally, OCC-328, Attachment 1, had employees grouped by the same employee title. OCC-328-RV01, Attachment 1, identifies each employee that received a signing bonus by job title. This does not affect the total annual amount of signing bonuses.

Original Response:

Please refer to OCC-328, Attachment 1, for a list of signing bonuses paid by employee title with amounts paid in 2021, 2022, 2023, 2024, 2025 and YTD 2026.

Date Filed: October 13, 2026

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

Question:

(RATE PROCEEDING SALARIES) Application, Sch. C-3.5; Interrog. Resp. OCC-199; Public Act 23-102, Sec. 2. Regarding employee salaries associated with attendance in, participation in, preparation for, or appeal of a rate proceeding:

a. Provide the total charges to work order CT260N11 and to each other work order, cost center or account used to record labor associated with this proceeding. Show by month, by employee classification, and by hours and dollars.
b. State whether any portion of those amounts is included in the payroll expense in Schedule C-3.5 for the Test Year or Rate Year. Identify the line on which it appears and the amount.
c. Identify the EESCO services listed in Attachment 1 of the response to Interrogatory EOE-066 under the captions Legal and Regulation that relate to regulatory proceedings and appeals. State the amount charged to CL&P in the Test Year and Rate Year and the amount removed as non-recoverable.
d. State the EESCO labor charged to work order PURAAN11 identified in Attachment 1 of the response to Interrogatory OCC-355 as established for employees supporting the Connecticut Management Audit in each calendar year from 2021 through 2025. State whether any portion of the charge is included in Schedule C-3.5 or Schedule C-3.11 while management audit cost is treated as a deferred expense in Exhibit CLP-REVREQ-11.

Response:

a. Please refer to RRU-070, Attachment 1, for the total internal labor charges to work order CT260N11 by month, employee classification, hours and dollars.

b. As outlined within Exhibit CLP-REVREQ-9, all rate case expenses requested for recovery in the Rate Year are from external vendors/contractors. There are no internal payroll, labor or benefits costs included within the $3.1 million rate case expense outlined in Exhibit CLP-REVREQ-9. Please note that the Company does not incur incremental payroll, labor or benefits costs when preparing, filing or adjudicating a rate case. All internal labor associated with this proceeding is staffed with current employees that work for the Company on a permanent basis, which means that there is no additional internal cost caused by the rate case. The Company's departments handling the rate case are the Connecticut revenue requirements group; the Connecticut rates group; and the internal legal department. The Test Year for this case is fiscal year ending December 31, 2025, and the

internal work on the rate case is exclusively contained in fiscal year 2026, and the Company has confirmed that there is less than $10,000 recorded in 2025 in relation to the rate case. Please refer to the Company's response to OCC-332[i], for a detailed explanation as to how the Company calculates its Test Year pro-forma and Rate Year payroll expense. Applying the Company's calculation of payroll expense, there are no payroll, labor or benefit costs pertaining to the rate case in the proposed revenue requirement.

c. All of the costs identified in RRU-070, Attachment 1, are direct charged from the Service Company and represent non-incremental charges (see response part b.). The Company does not track the Service Company costs recorded to work order CT260N11 based on each category identified in EOE-066, Attachment 1.

d. Please see Table 1 below for the total EESCO internal labor charges to work order PURAAN11 for each of the years 2021 through 2025. There are no internal payroll, labor or benefits costs included within the $901,194 expense outlined in Exhibit CLP-REVREQ-11. As shown in Exhibit CLP-REVREQ-11, the only Management Audit costs deferred and sought for recovery in this case are incremental costs billed to the Company by PURA for professional services provided by FTI Consulting, Inc. Consistent with the Company's response to part b. above, the Company does not incur incremental payroll, labor or benefits costs when participating in a PURA Management Audit. All internal labor associated with that work effort is staffed with current employees that work for the Company on a permanent basis, which means that there is no additional internal cost caused by the Management Audit.

Table 1
EESCO Labor Charged to PURAAN11
Calendar Years 2021 – 2025

Year	**Amount**
2021	$20,446
2022	$72,075
2023	$107,932
2024	$1,069
2025	$236
Total	**$201,800**

Prior Referenced Response:

[i] OCC-332 Question:

Payroll. State whether the Company used the same forecasting methodology used in the prior rate case. If not, explain in detail all changes.

OCC-332 Response:

Yes. The Company utilized a similar methodology that was used in the prior CL&P rate case in Docket No. 17-10-46 which was also the methodology used in the last Yankee Gas rate case in Docket No. 24-12-01 to calculate the Test Year Pro-Forma ("TYPF") payroll expense as well as the Rate Year payroll expense.

The Company's Test Year payroll data consists of hundreds of thousands of lines of individual transactions that are unique each and every year. Those transactions can vary based on a number of different conditions throughout the year such as weather events, supply chain issues, personnel availability, capital budgets and much more. To determine the normalized Test Year level of payroll expense, the Company performs an independent evaluation of the payroll expense utilizing actual employee salary information as of the end of the Test Year as described in greater detail below and supported by detailed calculations provided as attachments to this response.

(1) In order to calculate the TYPF level of payroll expense, the Company first begins with a listing of actual CL&P and Eversource Energy Service Company ("Service Company") salaries for each employee position that is **filled and active** as of December 31, 2025. It is important to begin with only those positions that are filled and active as those are the positions the Company is experiencing actual expenses for. This also ensures that an imputed vacancy rate is accounted for as the Company typically does not have 100% filled and active positions at any single point in time and therefore it would be inappropriate to include all positions (inclusive of unfilled and inactive positions) in the TYPF calculation. Please refer to OCC-332, Attachment 1, for the full listing of CL&P and Service Company employee salaries as of December 31, 2025.

(2) In a normal year it is expected that CL&P employees will charge 100% of their time to CL&P and therefore the amounts shown on OCC-332, Attachment 1, page 1, lines 6 through 10, support the TYPF amounts shown on Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 1, lines 15 through 19. In a normal year it is typical for Service Company employees to charge their time to multiple operating companies throughout the year, and therefore the Company takes the total Service Company salaries shown in OCC-332, Attachment 1, page 38, lines 6 through 16, and allocates those costs to CL&P. In order to do so, the Company utilized the actual labor charged to CL&P by each Source Cost Center ("SCC") and compared that to the total actual labor charges for each of the same SCCs. Please see OCC-332, Attachment 2, for the calculation of the amount of Service Company salaries allocated to CL&P and OCC-332, Attachment 3, for the actual 2025 allocation of labor by SCC utilized in the calculation in OCC-332, Attachment 2. The allocated amounts shown in OCC-332, Attachment 2, page 1, lines 8 through 18, support the amounts shown in Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 1, lines 33 through 42.

(3) The base salaries calculated in items (1) and (2) above are total salaries prior to the split between capital and O&M; therefore, the final necessary adjustment to those CL&P allocated salary amounts is to account for the portion that will be capitalized, which is then removed from the payroll expense schedule. In order to do so, the Company utilized the actual Test Year capitalization ratios. Please see OCC-332, Attachment 4, for the calculation of the Test Year capitalization percentages.

In summary, the Company starts by taking actual salaries of active / filled positions as of December 31, 2025, and allocates those to CL&P and further assigns a portion to expense and capital all based on actual Test Year information. That resulting TYPF payroll expense becomes the basis for payroll expense increases utilizing annual merit adjustments. The difference between the TYPF amount above and the actual Test Year expense results in the $2.778 million pro-forma increase (or approximately 2%).

In addition, the Company is proposing incremental Full Time Equivalents ("FTEs") in Exhibit CLP-REVREQ-2, page 3 of 3. Page 3 of 3 shows the number of employees the Company expects to hire in each business area (i.e. Vegetation Management, Grid Modernization, Engineering Capital, Distribution System Planning, Asset Health and Field Engineering). It also shows the expected salary, hiring date, and resulting O&M payroll expense included in the Company's COS. This treatment is consistent with the Company's incremental FTE request in Docket No. 17-10-46.

Date Filed: October 13, 2026

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

Question:

(INVESTOR RELATIONS) Interrog. Resp. OCC-301, Att. 1, Interrog. Resp. OCC-353, Att. 1 and Interrog. Resp. EOE-066, Att. 1; Public Act 23-102, Sec. 3(d). Regarding the investor relations and shareholder service cost reflected in the cost of service:

a. (i) Identify the schedule and line item in which the Company included each component of the investor relations expense referenced in the Attachment 1 of the Company's response to Interrogatory OCC-301; and (ii) state the amount recorded for each expense in the Test Year and the Rate Year.
b. Explain the ratepayer benefit associated with each component of the investor relations expense referenced in the Attachment 1 of the Company's response to Interrogatory OCC-301. For the Dues & Subscription component, describe the Company's business need met by the New York Stock Exchange fees, the Broadridge and street solicitor fees, annual report and proxy statement printing, the Computershare transfer agent fees, the FactSet subscription, the D.F. King proxy solicitation fees, and the Depository Trust Company fees individually.
c. (i) State the amount of investor relations payroll of $132,000 in the Test Year and $141,000 in the Rate Year charged to work order TRIR0C04 that is included in Schedule C-3.5; and (ii) provide the charge detail for that work order for each month of the Test Year.
d. (i) Identify the EESCO services described in Attachment 1 of the response to Interrogatory EOE-066 as communications to investors, financial analysts, rating agencies and investment firms, and as shareholder and investor relation services; (ii) state the total EESCO cost recorded under each in the Test Year and the amount allocated to CL&P; and (iii) identify the schedule and line on which the amount allocated to CL&P is recorded.
e. (i) Reconcile the Dividend Reinvestment and Share Purchase Plan administration fee of $20,679 in the Test Year and $22,012 in the Rate Year in the Company's response to Interrogatory OCC-353 to the Computershare amount of $20,900 in Attachment 1 of the Company's response to Interrogatory OCC-301; (ii) identify the schedule and line item in which the Company recorded each amount; and (iii) state whether the 731 participants identified in the Company's response to Interrogatory to OCC-353 are employees or all Plan participants since Attachment 1 of the Company's response to Interrogatory OCC-353 states that the Plan is open to all shareholders and other investors.

Response:

a.

i. Please refer to RRU-071, Attachment 1, for the schedule and line item reference of each component of the investor relations expense.

ii. Please refer to the OCC-301, Attachment 1, for the amount for each expense in the Test Year and Rate Year.

b. Ratepayer benefits resulting from these costs are attributable to ongoing necessary investment into maintaining a safe and reliable electric distribution system. Issuance of company stock provides capital essential for system maintenance and improvements and other capital projects that ultimately benefit each customer. Please also refer to the Company's responses to OCC-757[i] and OCC-758[ii] for an in-depth discussion on the necessity of equity capital.

The Company's business needs met by the listed vendors are as follows:

New York Stock Exchange Fees reflect the annual costs of listing company stock on the exchange.

Broadridge and Other Street Solicitors are used to send annual reports and proxy vote requests to shareholders of Eversource Energy through brokerage accounts.

Annual Report and Proxy Statement Printing reflect the costs for printing services utilized for the Eversource Energy annual report and proxy statement made available to shareholders prior to the annual meeting.

Computershare Fees reflect monthly fees to our transfer agent, plus additional costs related to the annual meeting.

FactSet subscriptions reflect fees for a subscription to the database of institutional shareholders of Eversource Energy.

D.F. King Proxy Solicitation Fees relate to service fees for shareholder outreach prior to the annual meeting.

Depository Trust Company Fees reflect annual fees for security position reports used for the annual meeting.

c.

i. The Investor Relations payroll expense is included in Schedule C-3.5, Payroll Expense.
ii. Please refer to RRU-071, Attachment 2, for the monthly charge detail of the Investor Relations Payroll Expense.

d. Please refer to RRU-071, Attachment 3, for the total investor relations EESCO cost recorded in the Test Year and for the CL&P allocated amount. Please refer to RRU-071, Attachment 1, for the schedule and line reference for each expense.

e.

i. The Company included a $240 credit to Computershare in the miscellaneous subcategory of C-3.3, Bank Fees and Debt Service Charges. Please refer to RRU-071, Attachment 4, for the reconciliation of Computershare expense.

ii. Both items are in Schedule C-3.3, Bank Fees and Debt Service Charges on WP C-3.3 line 20, Bank Service Charges.

iii. The 731 participants identified in the Company's response to OCC-353[iii], are employees.

Prior Referenced Response:

[i] OCC-757 Question:

(WACC) Did the Company do any weighted average cost of capital analysis (WACC) which compared various debt percentages compared to equity. Such as 60% debt to 40% equity, 55% debt to 45% equity, and 40% debt to 60% equity.

OCC-757 Response:

There is no "test" that the Company can apply to try out different equity ratios in the capital structure relating to the weighted average cost of capital, such as 60% debt/40% equity, 55% debt/45% equity, or 40% debt/60% equity. The Company's capital structure reflects the actual capitalization of the Company, which is a critical input to the credit-rating process. To "test" out the effect of various capital structures on the Company's credit-rating outcome, it would be necessary to issue actual debt at different levels and see how the credit-rating agencies react, which means that the results of the "test" could be an actual credit action that the Company cannot then pull back.

The response below references Moody's June 30, 2026 credit opinion for the Company, provided here as OCC-757, Attachment 1.

The Company is proposing to use actual capital structure for determining the weighted average cost of capital (as adjusted for known financing activities) in order to reflect the financial realities of providing distribution service in Connecticut and the importance of maintaining credit quality to support ongoing access to capital on reasonable terms. Although increasing debt may appear to reduce WACC in a purely arithmetic sense, capital structure decisions must also account for the effect of leverage on financial risk, credit quality, and long-term financing costs. In the Company's circumstances, maintaining an equity ratio of 53.86% supports the Company's ability to attract capital on reasonable terms and continue making the substantial investments required to provide safe and reliable electric distribution service. Accordingly, the Company's actual capital structure reflects a balance between financing costs and financial strength, rather than the results of a simple debt-versus-equity sensitivity analysis.

CL&P's capital structure should enable the Company to maintain or enhance financial integrity, thereby enabling access to capital at competitive rates under a variety of economic and financial market conditions.

As a regulated utility that relies on constant access to capital markets in order to finance necessary infrastructure investments, the Company does not have the option to avoid raising external funds during periods of capital market distress. Capital-intensive companies are financed in light of the risks and funding requirements associated with their assets and operations. Additionally, companies operating within a given sector are likely to have comparable financing requirements, face common financing constraints and, therefore, have comparable financing practices. As such, CL&P assesses its capital structure relative to prevailing industry practice, as compared to other utilities with similar financing requirements and business risks.

Currently, CL&P has a target capital structure with an equity ratio of approximately 53% to 54%. CL&P's assessment of its operating environment is that an equity ratio of approximately 53% to 54%, is consistent with those in place at other similar utilities and is necessary to enable the Company to maintain or enhance its financial integrity thereby providing access to capital at competitive rates under a variety of economic and financial market conditions. As noted in Exhibit CLP-ROE-1, Ms. Bulkley noted that CL&P's proposed equity ratio of 53.86 percent is well within the range of equity ratios of the utility operating subsidiaries of the proxy group, as supported by her capital structure analysis presented in Exhibit CLP-ROE-12.

In addition, as recognized by Moody's in its June 2026 report, the Company's credit profile remains heavily influenced by the Connecticut regulatory environment. Moody's stated that it would consider an upgrade if "the credit supportiveness of the Connecticut regulatory environment substantially improves with future regulatory decisions that are more predictable and enhance the timeliness of the recovery of costs and investments. In addition, an upgrade could be considered if we expect CL&P will be able to sustain a stronger financial profile on a consistent basis, including a ratio of CFO pre-WC to debt of 20% or higher." (OCC-757, Attachment 1, page 3) Moody's further stated that the Company "could be downgraded if Connecticut regulatory decisions continue to be contentious or unsupportive of credit quality or ***if CL&P's financial performance deteriorates such that its ratio of CFO pre-WC to debt falls below 17% on a sustained basis***." (OCC-757, Attachment 1, page 3, emphasis added)

A capital structure reflecting a 60% debt ratio, while holding other key assumptions constant, including assuming the Company's proposed 10.25% return on equity is approved in this proceeding as filed, would produce a Moody's CFO pre-working capital to debt ratio approaching 15% for the distribution business. That level would fall materially below the 17% threshold identified by Moody's as a potential basis for downgrade and would remain below that threshold
beyond Rate Year 1.

[ii] OCC-758 Question:

(Retained Earnings) Referring to OCC-518 Response. Are ratepayers paying a cost of equity outlay for retained earnings?

OCC-758 Response:

The Company provides this comprehensive response to questions raised in OCC Interrogatories 758 through 766. Where this response references those interrogatories, footnotes have been provided for ease of reference.

1. Fundamental Ratemaking Principles

Two fundamental ratemaking principles apply here.

First, retained earnings are not "included in rate base." Only infrastructure assets are included in rate base and the only equity return that customers pay is the return on rate base. The largest components of a utility company's rate base is the net balance of infrastructure investments that the Company has had to finance via a combination of long-term debt and equity (meaning that it reflects the gross value of plant additions, less accumulated depreciation on those additions, less the accumulated deferred income tax ("ADIT" 1) benefit). The Company collects a return on rate base through rates equal to the weighted average cost of capital times rate base. The weighted average cost of capital ("WACC") in a rate case reflects the utility's cost of money associated with debt and equity capital used to fund rate base. In a rate case, utility rates are set to reflect the utility's cost of service including its WACC on rate base, such that rates are set to provide revenues that cover i) the utility's annual operating expenses (including taxes, depreciation, and other annually recurring expenses), ii) the utility's annual cost of debt service on rate base such that iii) deducting the level of O&M and debt service from PURA-approved revenues results in a level of net income that reflects the authorized cost of equity (return on equity) established by PURA in the rate case. Customers pay only the return on rate base. There is no separate or additional payment by customers associated with retained earnings.

Second, retained earnings reflects the net income that the utility has earned but has not distributed as dividends. Net income is either returned to shareholders as a dividend, or is retained in the Company as retained earnings. In this manner, retained earnings represent owner's equity in the utility business, becoming part of the permanent capital supporting the Company's operations and investment in utility infrastructure assets. Retained earnings help to alleviate the need for incremental equity issuances (or contributions from the parent company, in the case of a regulated subsidiary) in order to finance ongoing investments.

2. Retained earnings are no different than other cash resources that investors contribute as equity; Ratepayers are not paying a separate (or second) amount for retained earnings (OCC-759)2.

Customers pay rates designed to support the cost of providing utility service, including operating expenses, depreciation, taxes and the cost of capital (including the authorized return on equity) on the rate base invested in utility infrastructure. When earnings are retained in the Company rather than being distributed to investors as dividends those funds remain at risk to the investor and appropriately form part of the Company's equity capitalization, as "owner's equity."

1 The largest driver of ADIT for utility companies is generally the different between book depreciation and tax depreciation. Because tax depreciation is typically accelerated relative to the level of book accounting depreciation, utilities are able to deduct more depreciation expense for tax purposes than they do for book accounting depreciation, creating an ADIT timing difference that serves as a source of capital over the term the ADIT balance 'turns around'.

2 OCC-759: (Retained Earnings) Referring to OCC-518 Response. Is the equity related to retained earnings eligible to earn the authorized return on equity?

Accordingly, equity derived from retained earnings is economically no different from other equity funds provided through direct investor contributions and, as such, its cost is the same authorized return on equity as all other sources of equity, when retained earnings are used to pay for utility infrastructure in lieu of other capital funding (OCC-759). In corporate finance, retained earnings come at the same cost, and thus have the same required return as externally supplied equity because investors retain ownership of those funds and continue to bear the same risks associated with the business. The source of the equity does not change the economic reality that investors have committed capital to the enterprise and could otherwise deploy that capital in competing investment opportunities were it not retained in the Company to fund additional infrastructure investments.

3. Retained earnings are not included in rate base; Retained earnings are invested capital that pays for rate base and must be repaid to investors, with a rate of return. (OCC-760)3.

Within the regulated utility ratemaking framework, retained earnings are not "included in rate base," as OCC-760 suggests. Rather, retained earnings are a source of investor-supplied capital, while rate base consists of prudently incurred assets that are used and useful in providing service to customers. Rate-base assets must be financed with a combination of long-term capital (long term debt and shareholder equity) and retained earnings are one, cost-effective source of that financing. To the extent retained earnings fund utility plant comprising rate base, the retained earnings become part of the capital structure supporting those investments. Regulatory ratemaking acknowledges the cost of equity capital and provides an opportunity to earn a return on invested capital regardless of whether the equity originated from stock issuances or accumulated retained earnings. From a financial perspective, utility assets are indifferent to the source of financing used to acquire them. A dollar of utility plant funded through retained earnings is economically identical to a dollar of utility plant funded through newly issued common stock. Both retained earnings, excluding issuance costs, and the funds from newly issued common stock represent investor dollars committed to utility operations which are exposed to investment risk and other forces that determine the cost equity investors demand in order to provide the utility with its capital to invest.

In addition, retained earnings differ fundamentally from items that reduce rate base, such as ADIT. As described previously, for utilities, ADIT arises primarily from timing differences between tax and book depreciation and represents taxes effectively paid for by customers in advance of the time that the Company pays out those taxes to appropriate governments. Because ADIT generated in this manner is generally viewed as cost-free capital supplied through the ratemaking process rather than by investors, it appropriately reduces rate base and correspondingly reduces the amount of investor-supplied capital upon which shareholders are permitted to earn a return. In this way, rate base is reduced by ADIT, such that the WACC applied to rate base reflects the cost of capital required to finance rate base, being sourced by long-term debt and shareholder equity.

By contrast, retained earnings ***belong to investors*** and represent earnings that have been reinvested in the business rather than distributed as dividends. In other words, retained earnings are investor capital that are used to fund new rate base assets rather than being distributed immediately as a dividend. This is economically equivalent to a circumstance where 100 percent of net income were to be distributed to shareholders as a dividend, and then reinvesting the portion that would otherwise have been retained as retained earnings back in the Company. Consequently, retained earnings are properly treated as investor-supplied equity capital and are eligible to earn the authorized return on equity when supporting utility investments.

The differing treatment of retained earnings and ADIT reflects a fundamental principle of utility ratemaking, which is that investor-supplied capital that remains at risk in the utility business comes at the cost of equity, and the

3 OCC-760: (Retained Earnings) Referring to OCC-518 Response. Why is retained earnings eligible to be included in rate base?

utility is thus afforded an opportunity to earn a return on the balance of equity that is financing rate base, including retained earnings. Conversely, customer-supplied or cost-free sources of financing (such as ADIT) are generally used to reduce the amount of investor capital *upon which* a return may be earned. The regulatory ratemaking framework acknowledges that investors must be compensated for supplying capital and bearing financial risk and also that customers should not pay more than cost of capital that is required in order to finance rate base, by ensuring that cost-free funding sources, such as ADIT, lower rate base.

4. Ratepayers are not "double paying" for retained earnings (OCC-761).

For the same reason, ratepayers are not "double paying" for retained earnings, as contemplated by OCC-761[4]. The earnings that were "retained" in the utility were previously earned by investors through rates charges to customers and became investor property once earned. To articulate this point, it is important to point out that the amount of retained earnings in any given year has no impact on the value of rate base in that year. In general, utility rate base is a function of the net value of infrastructure (assets), whereas shareholder equity is a source of funds utilized to pay for those rate base assets. The dividend payout ratio (or the inverse being the retention ratio) has no direct bearing on rate base. As explained above, retained earnings as a source of capital to fund rate base is economically equivalent to an investor receiving a dividend and then choosing to purchase additional shares in the Company in the same amount. Both are shareholder equity used to finance rate base, and both come at the cost of equity.

Because investors continue to bear the risks associated with utility operations, retained earnings exist as investor-supplied capital supporting the rate base, on which the Company is entitled to earn a return on equity. The authorized return compensates investors for providing and maintaining that capital in the business, regardless of whether it originated from a stock issuance or retained earnings. Retained earnings are therefore properly treated as investor capital, unlike ADIT, which is generally considered customer-supplied, cost-free capital that reduces the amount of investor-supplied capital required to support utility operations. The use of retained earnings as opposed to new stock issuances is a slightly lower cost source of funds, as there are no issuance costs associated with the use of retained earnings to fund new investments.

Characterizing retained earnings as a second payment by would miss the fundamental point that the opportunity to earn a return on invested capital and the passage of time are inextricably linked because capital that remains invested continues to have value to investors. Investors could have received those earnings as dividends and invested those dollars elsewhere and had those funds not been reinvested in the Company. As a result, retained earnings continue to represent investor capital that is contributed to the business, is at risk, and carries an ongoing opportunity cost, thereby remaining subject to the authorized return on equity.

Similarly, rate base would not be reduced by retained earnings simply because customers previously paid rates that enabled the Company to generate those earnings, as OCC-762 suggests[5]. Once earned, retained earnings belong to investors. The fact that those funds were retained in the business rather than being distributed as dividends does not change the fact that those funds remain investor-supplied capital supporting utility operations – just the same as any other contribution –with the contributions subject to continuing exposure to business risk and coming at the cost of equity.

As an example, consider a prudent, used-and-useful substation costing $50 million that is financed at the capitalization ratio proposed in this proceeding comprised of 53.86% equity. If the Company raises the equity through new share issuances, the substation would be financed with approximately $23 million of debt and $27 million of

4 OCC-761: (Retained Earnings) Are ratepayers double paying for retained earnings because they paid the Company to create the earnings which were retained and later on pay a cost of equity on the retained earnings?
5 OCC-762: (Rate Base) Should the rate base be subtracted by amount of customer already paid for retained earnings?

newly issued equity. Alternatively, investors could reinvest $27 million of previously earned profits rather than receive those funds as dividends. Under OCC-762's proposition, the second scenario would result in a lower rate base simply because those earnings were reinvested in the Company rather than being received first as a dividend and then reinvested through the purchase of newly issued shares. Yet, the underlying asset is identical; the service provided to customers is identical; and the investment decision facing investors is identical, i.e., ***choose*** to invest capital in the Company or ***choose*** to invest it elsewhere.

There is no economic or financial basis for treating these two financing sources differently (i.e., retained earnings versus investment in newly issued shared) for purposes of determining the financing costs associated with rate base assets providing service to customers. Relying on retained earnings is slightly lower cost since the use of these funds eliminates the need to go to market and the incremental costs associated with the issuance of new equity. Treating these two sources of funds differently would create a financing bias that favors externally raised equity over internally generated equity, even though both sources of capital reflect investment dollars provided by investors. Such a result would disconnect ratemaking outcomes from the financial principles used to set the return on equity. Establishing different returns for different sources of equity funding violates the basic financial principle that the return on an investment is based on the risk of the investment, not the source of the funding.

5. Retained earnings are an important source of internally generated capital (OCC-763).

Retained earnings are an important source of internally generated capital. Retained earnings strengthen the Company's financial position, support credit quality, reduce reliance on external financing, and help fund ongoing infrastructure investment. Recovery of financing costs does not eliminate the need for utilities to maintain adequate equity capital in the capital structure financing rate base. OCC-763 appears to imply that the Company merely serves as an intermediary between utility assets and the owners of those assets 6. In reality, the owners of the Company and the owners of the utility assets are one and the same. Importantly, customers do not bear the risk of supplying capital to fund utility assets; investors do. Customers pay rates that include the cost of debt and equity capital; however, the capital itself is supplied by investors, not customers. Whether the source of equity capital is retained earnings or proceeds from newly issued shares does not alter this fundamental relationship and therefore does not change the cost of service because, in either case, investors have chosen to commit capital to utility operations and the return on that capital is based on the risk of the investment, not the source of the capital. Indeed, one purpose of maintaining a reasonable level of retained earnings is to preserve financial flexibility, support credit quality, and enhance access to capital markets. These attributes ultimately benefit both customers and investors by helping ensure that the utility can continue to attract capital at reasonable cost and provide safe and reliable service.

The Company does not distribute all earnings as dividends (OCC-764) because doing so would eliminate an important source of internally generated equity capital7. If retained earnings were fully distributed each year, the Company would need to replace that capital through additional common equity, debt, or both, in order to fund utility investments and maintain its target capital structure. This financing could be more costly and could expose both investors and customers to additional financing and market risks.

6. Retained earnings are a cost-effective financing resource.

Retained earnings provide financing benefits by avoiding flotation costs (OCC-766)8, including

6 OCC-763: (Retained Earnings) Should utility companies have any retained earnings if ratepayers are paying for the Company debt and equity costs on the entire rate base?
7 OCC-764: (Special Dividend) Why does the Company not pay out a special dividend every year to remove the retained earnings?
8 OCC-766: (Retained Earnings) What is the relationship between retained earnings and lack of flotation costs for retained earnings?

underwriting, legal, registration, and administrative expenses associated with issuing new securities. Although the Company can elect to distribute 100% of earnings to investors and can subsequently raise replacement capital in the financial markets (OCC-765), doing so presents several drawbacks9.

First, given the capital-intensive nature of the utility industry, replacement capital would likely be required almost immediately, exposing the Company to prevailing market conditions and unnecessary financing risk.
Second, retained earnings provide a financial cushion during adverse events, including market disruptions and broader economic downturns.

Third, if investors expected the Company to distribute all earnings as dividends, earnings volatility would translate directly into dividend volatility, including potential dividend reductions, which can be viewed negatively by capital markets.

Fourth, replacing retained earnings with externally raised equity would introduce flotation costs that could otherwise be avoided. From a capital formation perspective, retained earnings represent the most efficient source of common equity because they allow the utility to finance investment without incurring transaction costs, market issuance risk, or potential dilution associated with new share offerings.

By retaining earnings instead of issuing equivalent new equity, the Company obtains equity financing without incurring flotation costs. As a result, retained earnings are often a lower-cost source of equity capital than newly issued common stock.

7. Summary

In summary, retained earnings are investor-owned capital resources that remain invested in the utility business. The earnings constitute investor-supplied equity capital, are appropriately used to pay for utility infrastructure, while reducing the need for external financing and associated flotation costs.

In contrast, ADIT is generally treated as customer-supplied, cost-free capital and therefore serves to reduce the amount of investor-supplied capital upon which a return may be earned. This distinction reflects a foundational principle of utility ratemaking: customers should receive the benefit of cost-free sources of capital (ADIT), and only pay the cost of capital necessary to finance rate base assets that in service, used and useful, and prudently incurred. The flip side of this same coin is that utility investors should have the opportunity to earn a fair return on capital they supply and place at risk, whether or not that equity capital is contributed in the form of a purchase of newly issued stock or in the form of retained earnings by the company. The treatment of retained earnings reflects the fundamental principle that capital left invested in the business continues to have value and an opportunity cost to investors, even when that capital originated from previously earned income. Fundamentally, retained earnings are the result of investment retained in the business rather than being distributed as dividends, and utility ratemaking has long recognized such retained earnings as investor-supplied equity, no different in substance from newly invested common equity.

Accordingly, retained earnings are not a source of customer-supplied capital, nor do they represent a basis for reducing rate base. Rather, retained earnings are investor-owned funds that are reinvested in utility operations and continue to perform the same economic function as any other form of common equity.

9 OCC-765: (Retained Earnings) If all retained earnings were paid out in the form of a special dividend yearly could the Company get the necessary common equity and debt investment to fund the Company?

[iii] OCC-353 Question:

Employee Stock Purchase Plan/Stock discount.

a. Does the Company offer discounted stock to its employees? If so, provide a detailed description of this employee benefit.
b. Specify which employee categories are eligible for this benefit in the test year and rate year.
c. State how many employees utilized this benefit in the test year.
d. Provide the amount of this expense (direct and allocated) included in the test year and rate year.

OCC-353 Response:

a. The Company does not offer discounted stock to its employees, however, the Company does offer a voluntary Dividend Reinvestment and Share Purchase Plan. Payroll deductions are established to apply funds toward the purchase of Common Shares of the Company at full value. Shares are not offered at a discount. The Dividend Reinvestment and Share Purchas Plan prospectus is provided as OCC-353, Attachment 1.

b. All employees are eligible to participate in the voluntary Dividend Reinvestment and Share Purchase Plan program.

c. As of 12/31/2025, there were 731 participants.

d. As this is a voluntary program paid for directly by employees, there is no expense included in the test year or the rate year related to the stock purchases. As noted in the Dividend Reinvestment and Share Purchase Plan prospectus, the plan is administered by Computershare Trust Company, N.A ("Computershare"). Computershare maintains records, sends statements of account to participants following the completion of any activity affecting the balance of an account and performs other duties relating to the plan. There is a fee associated with the administration of the plan included in the Company's Test Year of $20,679 and Rate Year of $22,012.

Date Filed: October 13, 2026

Witness: Rima Hyder
Request from: Public Utilities Regulatory Authority

Question:

(ANNUAL REPORT) Application, Sch. H-1.2; Interrog. Resp. OCC-301, Att. 1. Regarding the Eversource Energy annual report to shareholders:

a. Provide the Eversource Energy Annual Report to Shareholders for each of calendar years 2021 through 2025, including the letter to shareholders, in the form distributed to shareholders. State whether any portion of each report is omitted from the materials filed as Schedule H-1.2.
b. Identify each statement in those reports concerning the outcome of a proceeding before the Authority, including this proceeding and each of the following. Docket No. 17-10-46, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules. Docket No. 24-12-01, Application of Yankee Gas Services Company d/b/a Eversource Energy to Amend its Rate Schedules. Docket No. 25-12-13, Application of The Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm Costs.
c. Identify each statement in those reports concerning Connecticut workforce levels, organizational effectiveness, operating and maintenance cost reduction, or the use of the service company. Reconcile each to Schedules C-3.5 and G-2.14.
d. Identify each statement in those reports concerning incentive compensation or executive pay linked to regulatory, earnings or dividend results.

Response:

a. Please refer to RRU-072, Attachments 1 through 5, for the requested Eversource Energy Annual Reports to Shareholders. These attachments include the letter to shareholders. The Annual Report is Eversource Energy's Annual Report and, as a consequence, certain information about subsidiary registrants (as well as financial statement schedules) that appears in the Form 10-K filed with the SEC (Schedule H-1.2A) is omitted from the Annual Report. For example, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations", "Item 8. Financial Statements and Supplementary Data", "Item 14. Principal Accountant Fees and Services", and "Item 15. Exhibits and Financial Statement Schedules" for the subsidiary registrants have been omitted from the Eversource Energy Annual Reports to Shareholders, but a statement has been included in the Annual Report that the omitted information is "set forth in the Annual Report on Form 10-K for the [fiscal year] filed with the SEC on a combined basis with Eversource Energy".

b. There are many statements throughout the annual reports referencing outcomes of PURA proceedings. For general references through the years, please refer to the "Item. 1 Business - Electric Distribution Segment – Electric Distribution – Connecticut – The Connecticut Light and Power Company", "Item. 1 Business - Natural Gas Distribution Segment", "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Regulatory Developments and Rate Matters", "Item 8. Financial Statements and Supplementary Data - Combined Notes to Financial Statements – Regulatory Accounting", "Item 8. Financial Statements and Supplementary Data - Combined Notes to Financial Statements – Commitments and Contingencies". There are no specific references to the docket numbers requested (Docket No. 17-10-46, Docket No. 24-12-01, or Docket No. 25-12-13).

c. Please refer to the "Item. 1 Business - Human Capital" sections within RRU-072, Attachment 1, 2021 Annual Report (page 23 of 120), RRU-072 Attachment 2, 2022 Annual Report (page 25 of 128), RRU-072, Attachment 3 (page 25 of 136), RRU-072, Attachment 4 (page 26 of 144), and RRU-072, Attachment 5 (page 28 of 144) for statements regarding Connecticut workforce levels. There are various mentions of organizational effectiveness, operating and maintenance cost reduction, or the use of the service company throughout the Annual Reports. The Company is unclear as to what the interrogatory intends when it asks for the Company to "[r]econcile each [statement] to Schedules C-3.5 and G-2.14."

d. Information on incentive compensation or executive pay linked to regulatory, earnings or dividend results are contained in the annual proxy statements made available to shareholders. "Item 11. Executive Compensation" included in the Annual Reports references that this information is contained in the Eversource Energy definitive proxy statement for solicitation of proxies under the sections captioned "Compensation Discussion and Analysis", "Compensation Committee Report", plus related subsections. For "Item 11, Executive Compensation", please refer to RRU-072, Attachment 1 (page 109 of 120), RRU-072, Attachment 2 (page 116 of 128), RRU-072, Attachment 3 (pages 124-125 of 136), RRU-072, Attachment 4 (page 128 of 144), and RRU-072, Attachment 5 (page 132 of 144) for statements regarding incentive compensation or executive pay linked to regulatory, earnings or dividend results.

Date Filed: October 16, 2026

Witness: Christopher E. Colorio, Brendan J. O'Brien, Mark P. Baldwin and Garrett J. Murray
Request from: Public Utilities Regulatory Authority

Question:

(ASSOCIATION DUES) Application, Sch. C-3.22; Interrog. Resps. OCC-274, OCC-275 and OCC-276, Att. 1; Public Act 23-102, Sec. 3(a). Regarding the dues retained in the Rate Year cost of service:

a. (i) Identify the provision of Public Act 23-102 on which the Company relies for the position that industry-related dues permitting participation in mutual aid services are excepted from the prohibition; and (ii) state whether each retained organization is incorporated under Section 501 of the Internal Revenue Code (IRC) and identify the subsection.
b. State: (i) the number of memberships listed in Attachment 1 of the response to Interrogatory OCC-276 that are related to emergency preparedness or mutual assistance and the number related to regulatory affairs, external affairs, taxation, legal matters, rates, finance or federal energy regulation; and (ii) the annual cost of employee time devoted to each of these memberships and the schedule and line item in which the cost is recorded.
c. (i) State the amount each retained organization reports as attributable to lobbying under Section 162(e) of the Internal Revenue Code for each of calendar years 2021 through 2025; (ii) reconcile the treatment of lobbying cost as recorded below the line in the Company's response to Interrogatory OCC-310 to the budget line identified in the response to Interrogatory OCC-274 as Edison Electric Institute Dues, Lobbying Portion, in the amount of $59,433; and (iii) state whether the invoice footnote quoted in the Company's response to Interrogatory OCC-275, from Attachment 1 of the response to Interrogatory OCC-073, refers to Section 162(c) or Section 162(e) of the Internal Revenue Code.
d. (i) Explain the decline from $1,290,000 in 2024 to $466,000 in the Test Year reported in Schedule C-3.22; and (ii) state whether any item the Company removed through the pro forma adjustment of $210,000 had already been removed from Test Year actual expense.

Response:

a. The Company has removed nearly half of its memberships, dues, sponsorships, and contributions to a business or industry trade association, group, or related entity in accordance with section 3(a) of Public Act 23-102. The expenses the Company included in the rate year are specifically related to dues that allow the Company to participate in mutual aid services by other Association members. The purpose of the Company's membership with these organizations is to facilitate a mutual assistance network among

member utilities, which enables companies to mobilize personnel and equipment to support major restoration efforts. It is critical that the Company maintain its access to mutual aid services, and therefore the costs associated with this access are properly paid for by customers.

b. (i) Noted below are the number of members that serve on each committee:
    a. Mutual Assistance/Emergency Preparedness – 2
    b. Regulatory Affairs – 3
    c. External Affairs – 1
    d. Taxation – 3
    e. Legal – 1
    f. Rates – 6
    g. Finance – 1

    (ii) As noted in the Company's response to OCC-693[i], the time served on these Committees are not tracked and labor is charged consistently with their typical labor charging to support the core responsibilities and services rendered.

c. All lobbying costs are charged to FERC accounts that are recorded below the line.

d. i. The decline from $1,290,000 in 2024 as compared to the Test Year reported in Schedule C-3.22 can be mostly attributed to the Company no longer maintaining dues associated with AdvanceCT. Following 2024 no dues payments for AdvanceCT have been made, typically totaling $724,500 when included for the Company's cost of service in the past.

    ii. No, costs removed via pro forma adjustment had not been removed from Test Year actual expense. As is the nature of the pro forma adjust, in removing these costs.

Prior Referenced Response:

[i] OCC-693 Question

Lobbying/Advertising. Refer to the response to OCC-276, Attachment 1.

a. For each Eversource employee that serves on the committees listed, state whether their work on the committees are done during working hours. If so, provide the total fully loaded salary included in the rate year and the percentage of time spent on the committees.
b. Also identify which committees have lobbying and advertising activities and the percentage of the committees' time spent on those activities.

OCC-693 Response:

a. As described in OCC-276[i], one of the most important benefits of membership in EEI committees and communities is access to industry collaboration and benchmarking opportunities. EEI brings utilities together to share operational best practices, lessons learned, and emerging strategies in areas such as storm restoration, safety performance, wildfire mitigation, distribution automation, asset management, customer service, and grid modernization. Additionally, corporate service areas such as Insurance, Risk Management, Accounting, Finance, Supply Chain and Information Technology can access benchmarking information and best practices to ensure efficient, cost-effective service delivery. These forums allow companies to learn from one another's experiences and accelerate adoption of proven practices.

   It is important to note that EEI committees and communities are designed to enhance the services employees provide to the regulated utilities in their normal course of work. For example, the employees shown as members of the Accounting Standards Committee on OCC-276, Attachment 1, are Eversource Energy Service Company ("EESCO") Accounting professionals who utilize their membership to support the accounting services rendered to the regulated utilities. The Accounting Standards Committee's focus includes: accounting standards and reporting requirements, including Federal Energy Regulatory Commission ("FERC") and Generally Accepted Accounting Principles ("GAAP"), technical guidance on financial reporting, regulatory compliance and industry-specific accounting issues and collaboration with professional bodies, such as the Financial Accounting Standards Board ("FASB"), Public Company Accounting Oversight Board and FERC to address emerging standards and regulatory changes. As such, this committee is a beneficial resource group and tool utilized by the accountants during work hours. The time spent as a member of the Committee helps to ensure the accounting services are rendered in an efficient, effective and cost-effective manner. As such, the time "served" on this Committee is not tracked separately and labor is charged consistently with their typical labor charging in support of core accounting responsibilities and services rendered.

b. Employee time spent on lobbying activities is recorded in FERC Account 426.4 and is not included in the cost of service. EEI committee members do not engage in any direct lobbying as part of their participation in EEI committees, communities or task forces. Please refer to OCC-693, Attachment 1, for a description of relevant EEI committees and communities.

Date Filed: October 13, 2026

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

Question:

(CORPORATE COMMUNICATIONS) O'Brien and Murray Pre-Filed Test., pp. 80-81; Application, Sch. WP C-3.9; Interrog. Resp. EOE-066, and Interrog. Resp. OCC-310; Public Act 23-102, Sec. 3(c). Regarding the corporate communication expense:

a. Provide an itemization of the media relations and other communication expenses of $244,000 in the Test Year and $141,000 in the Rate Year by activity, vendor, purpose, date, medium and subject matter. State for each item whether it constitutes a mandated bill insert or safety messaging, and whether it relates to rate proceedings, regulatory matters, legislation or the Company's financial performance. If neither a mandated bill insert nor safety messaging, identify the provision of Public Act 23-102 permitting recovery.
b. Explain the negative Test Year amount of $28,000 for mandated bill inserts. Identify each credit or reversal producing it and state whether it is non-recurring.
c. Reconcile the response to Interrogatory OCC-310, which states that all public relations expenses are recorded below the line, to the media relations expense retained in Schedule C-3.9.
d. Identify the EESCO communications services described in Attachment 1 of response to Interrogatory EOE-066 as executive communications, media relations and regulatory communications. State the EESCO cost recorded under each in the Test Year, the amount allocated to CL&P, and the schedule and line on which it is included in the application.

Response:

a. As an initial matter the language in Public Act 23-102 states, "No public service company shall recover through rates any direct or indirect cost associated with advertising, marketing, communications **that seek to influence public opinion** or any other related costs identified by the authority, unless such marketing, advertising, communications or related costs are specifically approved or ordered by the authority or the Department of Energy and Environmental Protection." (emphasis added) There are no communication expenses in the Corporate Communications Schedule "that seek to influence public opinion."

   Further, in the Company's response to OCC-261[i], the Company defines advertising as "political," "institutional" or "promotional" advertising, which General Statutes Section 16-19d(a) defines as follows:

- "Political advertising" means "any advertising for the purpose of influencing public opinion with respect to any legislative, administrative or electoral decision or with respect to any controversial issue of public importance."

- "Institutional advertising" means "any advertising which is designed to create, enhance or sustain a public service company's image or good will with regard to the general public or its customers."

- "Promotional advertising" means "any advertising that has the purpose of inducing the public to select or use the service or additional service of a public service company or select or install any appliance or equipment designed to use such service, provided such advertising shall not include advertising authorized by order or regulation of the Public Utilities Regulatory Authority."

The Company has not included any costs associated with advertising, marketing or communications "that seek to influence public opinion" in the Corporate Communications schedule or any other schedule in the cost of service. Those costs that the Company incurs related to this are properly booked below the line and paid for by the Company. Please refer to RRU-074, Attachment 1, for a detailed listing of the costs included in Media Relations and Other Communication Expenses for the Test Year and Rate Year. In preparing this response, the Company identified an approximately $5,000 downward adjustment to the Test Year Pro Forma amount that was included in the Rate Year and will reflect this adjustment in the next cost of service update.

b. The negative (credit) Test Year amount of ($28,000) for Mandated Bill Inserts is related to Allied Printing invoices that were recorded on the General Ledger prior to 2025 and then subsequently canceled in 2025, resulting in non-recurring credits in the Test Year. Please refer to RRU-074, Attachment 2, for additional detail.

c. The Company's interpretation of "public relations" in the context of OCC-310[ii] is based upon the specific language in Public Act 23-102 relating to costs "that seek to influence public opinion." As stated in the Company's response to subpart (a.), the Company has not included any costs in the Corporate Communications schedule or any other schedule in the cost of service "that seek to influence public opinion."

d. The Company reviewed the accounting work orders included in the Corporate Communication Schedule and included the costs associated with media relations work orders in RRU-074, Attachment 3. The Company did not have any accounting work orders

identified as executive communications and regulatory communications in the 2025 Test Year.

Prior Referenced Responses:

[i] OCC-261 Question:

(Advertising Expense) Please provide the total advertising expense (direct and allocated) by program for each of the years 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year.

OCC-261 Response

The Company interprets this question to be asking about "political," "institutional" or "promotional" advertising, which General Statutes Section 16-19d(a) defines as follows:

- "Political advertising" means "any advertising for the purpose of influencing public opinion with respect to any legislative, administrative or electoral decision or with respect to any controversial issue of public importance."
- "Institutional advertising" means "any advertising which is designed to create, enhance or sustain a public service company's image or good will with regard to the general public or its customers."
- "Promotional advertising" means "any advertising that has the purpose of inducing the public to select or use the service or additional service of a public service company or select or install any appliance or equipment designed to use such service, provided such advertising shall not include advertising authorized by order or regulation of the Public Utilities Regulatory Authority."

The Company has not incurred political, institutional, or promotional advertising expenses in any of the time periods reflected.

[ii] OCC-310 Question:

Lobbying/Public Advocacy Costs/Government Relations/Public Relations Expenses.

a. Please identify all lobbying/public advocacy costs/government and/or public relations expenses (direct and allocated) by category included in above-the line accounts in each of the years 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year.
b. Provide a list of all employees (direct and allocated) that participate in lobbying/public advocacy costs/government/public relations activities. For each employee, provide:
    i. Job title
    ii. Total fully loaded compensation and the amounts charged to CL&P (direct and allocated) for each of the years 2021, 2022, 2023, 2024, 2025, and included in the Rate Year and the accounts charged.
    iii. Provide the percent of time spent on lobbying/public advocacy/government relations activities in each of the years in subpart a, the Test Year and expected in the Rate Year.
    iv. All company-paid or reimbursed expenses or allowances (direct and allocated) for each of the years in subpart a and included in the Test Year and Rate Year and the accounts charged.

OCC-310 Response:

a. All lobbying costs, including public advocacy costs, government relations expenses, and/or public relations expenses (including amounts allocated from Eversource Energy Service Company) are charged to FERC accounts that are recorded below-the-line. Therefore, there are no costs in the Test Year and Rate Year.

b. Please refer to the response to part (a), above.

Date Filed: October 16, 2026

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

Question:

(AUDIT FEES)

a. The Rate Year audit fee of $717,000 includes an estimated engagement fee of $4,565,000 and an estimated allocation of 16.06%, and the Company's response to Interrogatory OCC-366 reduces it to $684,000. State the date on which the Company received the executed engagement letter, the date on which the actual allocation of 15.69 percent was determined, and the basis for filing estimates as Rate Year amounts.
b. (i) Identify each schedule in which the Company applied the estimated Rate Code C04 allocation of 16.06%, including any allocation of Electric Utility Industry Sustainable Supply Chain Alliance dues in the Company's response to Interrogatory OCC-073; and (ii) state the corrected amount for each using 15.69%.
c. (i) Identify the consultation services comprising $400,000 in Attachment 1 of the response to Interrogatory OCC-366; (ii) identify the person who performed the services; and (iii) state whether the Company's independent auditor performed the services.
d. (i) State the basis for the estimate of $280,000 of out-of-pocket expenses against engagement related expenses of $60,000 on the first progress billing dated May 6, 2026, in Attachment 3 of the response to Interrogatory OCC-366; (ii) provide the actual out-of-pocket expenses billed for each of calendar years 2021 through 2025; and (iii) identify the fees of $1,100,000 described as not charged with Rate Code C04 and the entity to which they were charged.
e. (i) Provide an invoice-level breakout of the Test Year external audit fees and for each of calendar years 2021 through 2024 as reported in Exhibit CLP-REVREQ-3; and (ii) allocate the fee under the engagement letter in Attachment 2 of the response to Interrogatory OCC-366 between the audit required by General Statutes § 16-27 and the portion attributable to consolidated financial reporting, Securities and Exchange Commission requirements, and internal control attestation.

Response:

a. The engagement letter was received from Deloitte and signed on April 6, 2026. The 2026 allocation rates for C04 were approved on January 29, 2026. The 15.69% was the CL&P C04 allocation rate for 2026. The Company had inadvertently incorporated the 2025 actual allocation percentage for known and measurable adjustments into the Rate Year. As noted in the Company's response to OCC-366[i], the allocation percentage of 15.69% should have

been reflected in the Rate Year amounts and will be reflected in the Company's updated cost of service.

b. The rate code C04 allocation of 16.06% is only applied to Schedule C-3.2 to derive the Rate Year adjustment. The Company plans to update its cost of service in this case to reflect actual and known and measurable adjustments identified throughout the course of this proceeding in Late File Exhibit-001.

c. As a part of the annual audit the Company's external audit firm, Deloitte, will complete a series of accounting, IT and other consultations with their National Office or other specialists required to support their annual audit opinions. These consultation items vary from year to year depending on new accounting pronouncements, system changes, specific transactions, etc. and can be applicable to all Eversource companies or direct to a specific entity or entities.

d. Out of pocket expenses are billed as part of each of the progress billings. The expenses are throughout the year and are included as a separate line item on the invoice. For example, this was the $60,000 on the first progress billing in May 2026, $65,000 on the second progress billing in July 2026, and $85,000 with the third progress billing earlier this month in October 2026. Please see the 2021 through 2025 out of pocket expenses billed below:

   2021: $130,000
   2022: $195,000
   2023: $235,000
   2024: $284,000
   2025: $275,000

   The $1,100,000 in fees not allocated through Rate Code C04 were charged to the Transmission business segments and the Eversource Energy Service Company.

e. Please refer to RRU-075, Attachment 1, for an invoice-level breakout of the Test Year external audit fees and for each of calendar years 2021 through 2024 as reported in Exhibit CLP-REVREQ-3. These fees are allocated to CL&P using the C04 rate code, using the Common methodology which is based on net income and gross plant assets.

   The fees in the engagement letter in OCC-366, Attachment 2, are not able to be allocated between the audit required by General Statutes § 16-27 and the portion attributable to consolidated financial reporting, Securities and Exchange Commission ("SEC") requirements, and the internal controls over financial reporting opinion. The total audit fees are calculated on a consolidated level.

Additionally, it is important to note that the audit work performed in conjunction with the annual SEC or GAAP audit and internal control reporting is relied upon as a basis for the audit submitted to PURA each year under General Statute § 16-27. The SEC or GAAP audits performed each year are also typically required in order for the Company to issue debt, meet annual debt covenants, attract equity investors and many other key functions of running the business every day to continue to provide safe and reliable service to customers.

Prior Referenced Response:

[i] OCC-366 Question:
Audit Fees. Refer to Exhibit CLP-REVREQ-1, page 68 lines 10-13.

a. Provide the calculations for the 2026 accrued audit engagement fees.
b. Provide the 2026 year-to-date actual audit fees.
c. Provide invoices, engagement letters, supporting the interim period and rate year amount.

OCC-366 Response:

a. Please refer to OCC-366, Attachment 1, for the calculation of the 2026 accrued audit engagement fees and build-up to the Rate Year Audit Fees expense included in the Company's cost of service.

The original Audit Fee Rate Year amount was based on the estimated engagement fee of $4.565 million compiled at the time of the filing. The actual 2026 audit engagement fee is lower by $100,000 at $4.465 million. Additionally, the allocation percentage to CL&P changed to an actual allocation of 15.69 percent from the estimated allocation of 16.06 percent. The combination of these updates results in a reduction to the Audit Fee Rate Year amount of $33,000 to $684,000. The Company plans to update its cost of service in this case to reflect actual and known and measurable adjustments identified throughout the course of this proceeding in Late File Exhibit-001.

b. CL&P has incurred actual audit fees expense of $338,380 through June 2026 YTD.

c. Please refer to OCC-366, Attachment 2 CONFIDENTIAL, for the engagement letter and OCC-366, Attachment 3 CONFIDENTIAL, for the first billing invoice for the 2026 audit.

Date Filed: October 16, 2026

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

Question:

(COMPUTER SERVICES) O'Brien and Murray Pre-Filed Test., pp. 79–80; Application, Schs. WP C-3.8 and C-3.11; Application, Ex. CLP-REVREQ-3; Interrog. Resp. OCC-373. Regarding the computer services expense:

a. Provide an itemization by vendor, agreement and purpose for the Test Year for each of the four categories shown.
b. Identify and quantify each driver of the growth of approximately 25.1% from 2021 to the Test Year.
c. State how the Company separates information technology capital funding recovered through Schedule C-3.11 from information technology operating costs recovered through Schedule C-3.8. Provide the work paper demonstrating that no cost is recovered through both.
d. Identify each hosting, cloud or software-as-a-service contract. State the contract amount, in-service date, the term, and whether it is recovered as expense, amortization, or a rate base a prepayment recorded in FERC Account 165 and included in rate base.

Response:

a. Please refer to RRU-076, Attachment 1, for an itemization by vendor, agreement and purpose for each of the four categories of Computer Services.

b. The increases in Computer Services costs from 2021 to 2025 are driven by increased Application support and maintenance, increased Technical Services infrastructure support and associated cloud usage costs related to applications within the IT Customer, Operations and Shared Services areas, and inflationary pressures over the five-year period.

c. The expense of Schedule C-3.11, EESCO Capital Funding is unrelated to Schedule C-3.8, Computer Services. Computer Services is related to the Company's expenses for services, maintenance, etc. EESCO Capital Funding relates to the funding of capital projects, including IT capital, of which a part is allocated to CL&P. Due to the structure of the cost of service and internal controls, these expenses cannot be recovered in both. Please refer to the Company's response in OCC-134[i] for an explanation of how the Company determines whether an IT project is expensed or capitalized.

d. The Company is in the process of gathering this information and will supplement this response by providing an attachment identifying each hosting, cloud, or software-as-a-service contract with the in-service date, term, and recovery.

Prior Referenced Response:

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[i] OCC-134 Question:

(IT Capital Expenses) Please explain the criteria used by the Company to determine whether an information technology expenditure is capitalized rather than expensed.

OCC-134 Response:

Please refer to OCC-134, Attachment 1, for the Company's Accounting Policy Statement ("APS") No. 8 – Capital vs. Expense Criteria, which explains how the Company determines how costs are classified as Capital vs. Expense. Please also refer to OCC-134, Attachment 2, for the Company's Accounting Policy Statement No. 3 – Capitalization of Costs Related to Computer Software Purchased or Developed for Internal Use or Incurred in a Cloud Hosting Arrangement. In addition to the above accounting policies, the Eversource Plant Accounting department reviews all IT capital project authorization forms to ensure: (1) proper classifications; (2) that capital versus expense determinations conform to the Company's APS Nos. 3 and 8; and (3) IT costs are recorded in accordance with generally accepted accounting principles ("GAAP") and Federal Energy Regulatory Commission ("FERC") electric utility guidance.

Date Filed: October 13, 2026

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

Question:

(FACILITIES MAINTENANCE) Application, Sch. WP C-3.14. Regarding the facilities maintenance expense:

a. Provide actual expense for each of the seven lines for each of calendar years 2021 through 2025.
b. Identify each facility whose cost is reflected, the square footage, whether the facility is owned or leased, the allocation applied to CL&P, and the rate code applied.
c. State whether any facility cost relates to a facility that has been closed, consolidated, or vacated since January 1, 2021 and the amount of the cost.

Response:

a. Please refer to RRU-077, Attachment 1, for Facilities Maintenance separated out by categories for each year 2021 through 2025.

b. Please refer to RRU-077, Attachment 2, for the Facilities identified in Sch. WP C-3.14 along with each facilities' square footage, owned vs. leased, CL&P allocation, and rate code where applicable.

c. Please refer to RRU-077, Attachment 2, identifying costs related to facilities in Sch. WP C-3.14 that have been closed, consolidated, or vacated since January 2021.

Date Filed: October 13, 2026

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

Question:

(EDUCATION AND TRAINING) Application, Sch. WP C-3.18; Interrog. Resp. OCC-360, Att. 1. Regarding the human resources, education and training expense:

a. (i) Provide the original and revised cost categories in Schedule WP C-3.18 side by side; and (ii) state the amount moved between each category for each of calendar years 2021 through 2025 and for the Rate Year.
b. Explain the basis for revising the cost categories in Schedule WP C-3.18, as reflected in Attachment 1 of the Company's response to Interrogatory OCC-360, including the cause of the original categorization.
c. Provide an itemization of the Organization and Talent Development, Fitness for Duty Testing, and Travel, Training and Misc Expenses categories as restated in Attachment 1 of the Company's response to Interrogatory OCC-360, for the Test Year and each calendar year from 2021 through 2025, identifying for each item the vendor and a description of the expense.
d. Explain the decline in Travel, Training and Misc Expenses from $420,247 in 2021 to $263,156 in the Test Year.

Response:

a.(i) – (ii)
Please refer to RRU-078, Attachment 1, for the comparison of the revised WP C-3.18 and originally filed WP C-3.18, and year-over-year variance from 2021 through 2025 and the Rate Year.

b. The cost categories were revised in OCC-360, Attachment 1, to more accurately reflected in the underlaying expenses. The total human resources, education, and training costs for the Test Year and Rate Year are unchanged from the application filing. As shown in the attachment, the Company has consistently incurred travel, education and training expenses every year to ensure employees are prepared in their roles and have received the necessary training and continued education to perform their roles.

c. Please refer to RRU-078, Attachment 2, for the itemization of each costs category. Additionally, please refer to RRU-078, Attachment 3, for a list of vendors and expense descriptions related to the Test Year.

d. The Travel, Training and Misc Expenses declined from 2021 to Test Year as part of the Company's initiative to utilize more internal resources and relying less on external resources.

Date Filed: October 19, 2026

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

Question:

(PAYROLL TAXES) O'Brien and Murray Pre-Filed Test., p. 125; Application, Sch. WP C- 3.38; Interrog. Resp. OCC-326. Regarding the payroll taxes:

a. (i) Reconcile the growth in payroll taxes of approximately 4.1% to the growth in payroll of 11.2%; (ii) quantify separately the effect of the Social Security wage base limitation, changes in the taxable wage base, changes in rates, and any other driver on the growth in payroll taxes; and (iii) explain the 2021 amount of $6,094,000 against approximately $12,100,000 to $14,400,000 in each subsequent year.

b. (i) Reconcile the payroll tax and benefit component of 26.26% within the 26.41% loader in the Company's response to Interrogatory OCC-326 to the Weighted Payroll Benefit Rates for 2023 through June 2026 in Attachment 2 of the Company's response to Interrogatory OCC-202; and (ii) state which rate is reflected in Schedule C-3.38 and separate each rate into its payroll tax component and its benefit component.

c. (i) State the Social Security wage base applied for the Rate Year; (ii) demonstrate how the limitation is applied at the individual employee level; and (iii) state whether the additional Medicare tax on wages above $200,000 is reflected.

d. (i) State the Connecticut unemployment tax rate assigned for the Rate Year and the wage base applied; (ii) reconcile that rate and wage base to the 1.5% rate on the first $15,000 of earnings described in the testimony; and (iii) reconcile the employee count implied by the payroll tax computation to Sch. G-2.14 and to the full-time equivalents underlying Sch. C-3.5.

Response:

a. (i) – (ii) The payroll taxes growth rate of 4.1% accounts for the removal of the CEO, CFO, and CL&P President's base salaries totaling approximately $588,000 and variable compensation of nearly $2.709 million, as well as the exclusion of the remaining named executive officers long-term incentive plan in the amount of $615,000 in this proceeding, whereas the payroll expense growth is driven by merit increases through the Rate Year and 58 incremental FTEs.

(iii) The Company provided this historical view for informational purposes, consistent with commitments made in prior settlement agreements (see, e.g., Docket No. 18-05-10). However, for

years other than the test year, the data does not have the level of precision that is necessary for a specific item-by-item comparison between the settled resolution of the rate case in Docket No. 17-10-46 and the figures presented in Exhibit CLP-REVREQ-3 in this case.

b. (i) The payroll tax and benefit rate of 26.26% in OCC-326[i] reflects the payroll tax, benefits and insurance components for the General Service Company Overhead Rate effective July 2026, whereas the overhead rates in OCC-202 Attachment 2, refers to the weighting of the Payroll Benefit Rates for CL&P, two separate and distinct overhead rates. Please refer to RRU-055 Attachment 1, for each overhead rate component and calculation effective January 2023 through July 2026. Additionally, please refer to RRU-055 Attachment 2, for the weighted overhead calculation.

(ii) Neither rate is used in Schedule C-3.38 and please refer to RRU-055 Attachment 1, for the overhead rate components and calculations.

c. The Social Security wage base in the Rate Year reflects the wage base effective in the Test Year, 2025. The wage base was not amended for the Rate Year. The additional Medicare Tax subject to wages above $200,000 as of the Test Year were carried through to the Rate Year.

d. The Company did not adjust the Rate Year State Unemployment tax because the 1.5% is applied to the first $15,000 of earnings and it's assumed that the Test Year is already applied to each employee on the full capped amount of $15,000, and the State Unemployment was not adjusted for the incremental FTEs in the cost of service.

Prior Referenced Response:

[i] OCC-326 Question:

Payroll (open positions). For each open position:

a. Total annual compensation, benefits and payroll taxes associated for the unfilled position
b. Length of time that the position has been open.
c. Planned hiring dates for each position,
d. Hiring dates for any of these positions that have been filled.
e. Copy of the advertisement for employment.
f. For each open position, state whether it is a CL&P employee/FTE or shared service employee/FTE.

OCC-326 Response:

Please refer to OCC-326, Attachment 1. As of December 31, 2025, there were 333 open, unfilled positions between CL&P and Eversource Energy Service Company ("ESC"):

(A) Description	(B) CL&P	(C) EESCO	(D)=(B)+(C) Total
Open/unfilled positions	30	303	333

There are no open positions in either CL&P or ESC with a target hiring date in the Rate Year.

Currently, of the open and unfilled positions at December 31, 2025, there remain 14 un-filled positions in ESC and one position in CL&P. The total annual compensation for un-filled positions in ESC (OCC-326, Attachment 1, Column K) consists of the market rate for the position and a 26.41% loader comprised of Payroll Tax + Benefits (26.26%) and Insurance (0.15%). Union positions are indicated by an asterisk (*); compensation rates are per contract. In response to (f), the path to the Eversource Career Site for each position is shown in OCC-326, Attachment 1, Column L.

Date Filed: October 16, 2026

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

Question:

(DEFERRED INCOME TAXES) Application, Sch. C-3.41 and Sch. WP C-3.41. Regarding the deferred income tax expense:

a. (i) Explain the Test Year deferred income tax expense of $21,178,000 against the five-year average of $64,398,000; and (ii) identify each temporary difference driving the reduction and state whether the Test Year is representative.
b. Provide the derivation of the pro forma adjustment of $13,829,000 and of the Rate Year adjustment of negative $17,412,000, by temporary difference.
c. Explain: (i) the sign combination on the line item entitled Tax Depreciation on pages 1, 2, and 3 of Schedule WP C-3.41; (ii) the zero Connecticut amount on the line entitled Ld Powertax Adj - Accrual Estimate on pages 1, 2, and 3 of Schedule WP C-3.41; and (ii) the four line items on pages 1 and 2 of Schedule WP C-3.41 that show a $0 amount in the Test Year and Test Year pro forma and carry temporary differences of $3,268,000, negative $1,581,000, $775,000 and $225,000 in the Rate Year on page 3 of Schedule WP C-3.41.
d. (i) Provide the amortization schedule for the federal rate change amortization; (ii) reconcile Schedule C-3.41 to the accumulated deferred income tax balance of $1,263,352,000 in Schedule B-1.0; and (iii) provide the proration schedule and identify the averaging convention used.

Response:

a. Deferred income tax expense is dependent upon temporary differences, which are differences between how revenues and expenses are recognized for book purposes versus tax purposes. These temporary differences fluctuate year over year which causes the deferred income tax expense to fluctuate year over year. Any single period could be significantly different from another. Over the five-year period referenced, the main temporary differences driving the reduction is the result of activity within the tax depreciation, storm reserves and pension deferral categories. Of these items, storm-related temporary differences were a particularly significant driver of the variance. As shown in Exhibit CLP-REVREQ-2, WP C-3.26, Lines 28-32, catastrophic storm restoration costs were approximately $220.3 million in 2021 compared to $78.2 million in 2025. Applying the composite statutory income tax rate of 27.52% results in deferred tax impacts of approximately $60.6 million and $21.5 million, respectively, a reduction of approximately $39.1 million.

In addition, the Company's rate filing does not assume a timing difference between the recovery and incurrence of catastrophic storm costs during the rate year. Specifically, the Company proposes $60 million of catastrophic storm funding in rates (Schedule C-3.0, Line 43 of the same exhibit) and assumes those costs are incurred during the Rate Year. Therefore, with no timing difference related to these costs and the corresponding recovery, there is no related deferred tax expense reflected in the Rate Year. That is, where deferred income tax expense related to catastrophic storm costs was $60.6 million in 2021, the Rate Year has none.

Yes, the $21,178,000 is representative of the Test Year, as it is based on actual activity within the period.

b. Please refer to RRU-080, Attachment 1, which provides the temporary differences and its respective deferred tax expense derivation by proforma adjustment and by Rate Year adjustment.

c. i.) The sign combination related to line item description "Tax Depreciation" has to be looked at synonymously with two other line items descriptions "Section 263a Costs" and "Repairs." These three line items make up total "Tax Depreciation" which in totality has state deferred taxes as a positive amount.

ii) The line item LD Powertax Adj – Accrual Estimates has zero for Connecticut state deferred taxes, because it is related to several tax basis adjustments that are treated as flow through for state purposes and as a result there is no state deferred taxes associated with it. Basis adjustments that are treated as flow-thru for state are 263a, CIAC, and Capitalized Interest.

iii.)WP C-3.41 page 1 of 3 shows the Test Year current activity. The four lines had zero activity reflected in the Test Year and in the proforma Test Year. However, for Rate Year there was an increase in activity as shown in Schedule B-6.2, which was incorporated into the WP C-3.41 page 3 of 3. The temporary differences $3,268,000 (Deferred COVID-19 Costs and COVID-19 related Bad Debt), <$1,581,000> (Fee for Free Deferred (Over)/Under Recovery Dkt 17-10-46), $775,000 (Deferred Rate Case Expenses) and $225,000 (CT Management Audit) are new temporary differences included in this filing. The amounts represent the Rate Year activity as calculated using balances from Schedule B-6.2.

d. Please refer to RRU- 080, Attachment 2, which provides an amortization schedule for the Federal Rate change amortization. This schedule includes the actual balances as of December 31, 2018 to be amortized and reflects actual amortization through year 2025.

Estimated annual tax amounts are included thereafter. All amounts will be updated as the amortization process continues through completion under the Average Rates Assumption Method (ARAM).

The $1,263,353 is an average between the beginning and ending Rate Year 1 balances for the Accumulated Provision for Deferred Income Taxes. The actual difference between Rate Year 1 beginning balance and the ending balance is $24,342. Please refer to RRU-080 Attachment 3, which details the reconciliation of amounts to Schedule C-3.41

Date Filed: October 13, 2026

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

Question:

(PRO FORMA ADJUSTMENTS) Application, Sch. C-3.0; Interrog. Resp. OCC-312. Regarding the pro forma adjustments reflected in the schedules sponsored by the Revenue Requirements Panel:

a. (i) Provide an exhibit that lists each pro forma adjustment in the Application, as filed and as subsequently revised; and (ii) for each adjustment, state the schedule and line item in which it appears, the dollar amount, the effective date, and the basis for treating it as a known and measurable adjustment.
b. (i) Provide an exhibit that lists each non-recurring, extraordinary or out-of-period item over $10,000 that is recorded in the Test Year and (ii) for each item, state the amount, a description, the schedule and line, and whether it was removed or normalized.
c. (i) Identify each item in the schedules and work papers sponsored by the Revenue Requirements Panel or the Compensation and Benefits Panel that the Company has determined since July 14, 2026, requires correction; and (ii) for each item, state the schedule or work paper and line in which it appears, the amount as filed, and the corrected amount.

Response:

a. Please refer to Schedule C-3.0 of Exhibit CLP-REVREQ-2-(Schedules A, B, C, D) for an Exhibit that lists out the pro forma adjustments by schedule. Further, please refer to Exhibit CLP-REVREQ-1, page 67 for a detailed narrative of the pro forma adjustments made to each of the schedules.

b. During the preparation of the Company's application to amend its rate schedules, the Company conducted a rigorous review of its Test Year expenses, eliminating all non-recurring costs that do not reflect the representative level of expenses necessary to operate and maintain the distribution system and to provide safe and reliable electric service to our customers. The amounts included in the Rate Year provide an accurate representation of the level of expenses necessary to continue providing safe and reliable electric service to our customers from the date of new effective rates in this case. Since the Company does not include non-recurring, extraordinary or out-of-period items within the Test Year pro-forma or Rate Year, there is no relevant supporting documentation to provide.

c. The Company will include a summary with a detailed listing of the adjustments incorporated in the revenue requirement in its next cost of service update.

Date Filed: October 13, 2026

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

Question:

(HISTORICAL COST DATA) Application, Ex. CLP-REVREQ-3; Interrog. Resp. OCC-374 and Interrog. Resp. OCC-375. Regarding the five-year historical cost presentation in Ex. CLP-REVREQ-3:

a. (i) Identify each of the schedules and each of the calendar years from 2021 through 2024 in Exhibit CLP-REVREQ-3 for which the Company contends the amounts reported are not a precise representation of the Company's actual cost; and (ii) for each, quantify the classification variance and state the actual cost data the Company can produce for those years on a basis consistent with the Test Year.
b. Explain why the Company provided Exhibit CLP-REVREQ-3 in support of the Application while describing the amounts provided in the exhibit as not precise representations of the Company's actual cost.

Response:

a. The Historical C-3.0 is provided only for informational purposes. During the preparation of the Company's cost of service, the Company performs a detailed review of the Test Year data. This detailed review is not performed for historical years where that data does not impact the Company's Test Year nor its cost of service. As a result, the data and amounts given in Exhibit CLP-REVREQ-3 are not precise.

b. The Company provided Exhibit CLP-REVREQ-3 consistent with the schedules submitted for Yankee Gas Services Company pursuant to the Settlement Agreement in Docket No. 18-05-10, which says, "Beginning with the Company's next rate case, the Company will file with its SFRs five years of historical expense data in the form of Schedule C-3.0," (See Motion 43, Joint Motion to Approve Settlement Agreement, Docket No. 18-05-10, Application of Yankee Gas Services Company d/b/a Eversource Energy to Amend its Rate Schedules, p. 12).

Date Filed: October 13, 2026

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

Question:

(COMPLIANCE FILINGS) Decision, Apr. 18, 2018, Docket No. 17-10-46, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules (17-10-46 Decision), Orders Nos. 5, 6, 7 and 8. Regarding the filings required by Orders Nos. 5, 6, 7 and 8 of the 17-10-46 Decision:

a. Provide each annual filing filed by the Company in compliance with Orders Nos. 5, 6, 7, and 8 of the 17-10-46 Decision from January 31, 2019, through January 31, 2026.
b. For each of the three rate years addressed by Order No. 8 of the 17-10-46 Decision, state the number of incremental positions hired against the authorized levels, the compensation recovered per position against the authorized amounts, and the reduction taken to outside contractor expense.

Response:

a. Please refer to RRU-083, Attachment 1, for annual compliance filings for Orders Nos. 5, 6, and 7, and RRU-083, Attachment 2 for the annual compliance filings for Order No. 8 from January 31, 2019, through January 31, 2026, in Docket No. 17-10-46.

b. Please refer to Table 1, for the number of incremental positions as compared to the levels in existence at the time of the Company's last rate case, compensation per position as compared to amounts included in the cost of service, and the reduction taken to outside contractor expense for each of the three rate years addressed by Order No. 8 of the 17-10-46 Decision.

   Please note that the authorized amount of incremental hires was the lesser of the actual net hires or a fixed amount of 33 hires for Rate Year One and Two, and 34 hires for Rate Year Three. The compensation per position and the reduction to outside contractor expense were the amounts authorized per the settlement agreement.

Table 1

Category	**Rate Year 1**	**Rate Year 2**	**Rate Year 3**
Incremental Hires	57	85	123
Authorized Incremental Hires	33	66	100
Compensation Recovered/FTE (000's)	$84	$83	$84
Authorized Compensation/FTE (000's)	$84	$83	$84
Reduction to Outside Contractor (000's)	$(168)	$(660)	$(1,530)

Date Filed: October 21, 2026

Witness: Ronald S. Smith
Request from: Public Utilities Regulatory Authority

Question:

(INTERNAL AUDITS) Interrog. Resp. OCC-307. Regarding the internal audit reports and audits:

a. Provide management's response and the current remediation status for each of the following reports: (i) Audit Report No. 24-52, PURA Order Compliance Audit; (ii) Audit Report No.24-55, Cost Allocations Audit Report; (iii) Audit Report No. 24-49, Project Support Services and Engineer of Choice Staff Augmentation; (iv) Audit Report No. 26-10, Defined Benefit Pension Plan Audit; (v) Audit Report No. 26-14, Energy Efficiency Time Allocation Audit; and (vi) Audit Report Nos. 25-08 and 26-07, Work Order Life Cycle Project.

b. The response to Interrogatory OCC-307, states that the Internal Audit Department performed an audit of the procurement organization, which it completed on June 4, 2026, as work product developed for this proceeding and its rate adjustment mechanism proceeding. Provide the hours and cost of that audit, the work order to which the labor was charged, the amount included in the Test Year or Rate Year, or both, and the basis for treating that cost as recoverable under Section 2 of Public Act 23-102.

c. State the cost of the Eversource Internal Audit Department charged or allocated to CL&P for each of calendar years from 2021 through 2025 and the Rate Year, and include the rate code and the schedule and line item in which the cost is reported.

Response:

a. Below are the management's response and the current remediation status for each requested audit:

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
(i)	24-52	PURA Order Compliance Audit	N/A – No recommendations	N/A	N/A
(ii)	24-55	Cost Allocations	N/A – No recommendations	N/A	N/A

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
(iii)	24-49	Project Support Services and Engineer of Choice Staff Augmentation	(1) Tenure breaks should be implemented after each work order if the order is closed prior to four years, including when a worker changes suppliers. If operations' management believes there is a risk to project continuity by enforcing this contract clause, Legal should be consulted to determine if the contract requirements can be modified.	Contract Controls will work with Legal & Procurement to modify the language to align with the intent of the operative tenure requirement and ensure process consistency going forward to be leveraged in the upcoming Project Support Services category re-bid (current contracts expire June 28, 2025 but may be extended to accommodate appropriate time to complete the re-bid cycle). In the interim, tenure breaks will be implemented & enforced per the existing contract language above (i.e., at the conclusion of the Work issued under the Purchase Order, including when a Worker switches Suppliers to continue Work under a different Purchase Order). This will be completed by December 31, 2025.	Complete (12/2/2025)
(iii)	24-49	Project Support Services and Engineer of Choice Staff Augmentation	(2) Reinforce with the Hiring Managers the importance of off-boarding contingent workers in a timely manner to ensure access to systems and buildings is terminated as soon as possible. This is also important for ensuring all management reporting related to project budgets is accurate.	In addition to the consistent communication, reminders, and enforcement of the offboarding process with the Eversource hiring managers, Contract Controls has developed a refresher training to emphasize the importance of their obligation to off-board a worker in a timely manner. That training was conducted on November 22, 2024 with all active and existing PSS and EOC *(Engineer of Choice)* supplier worker responsible managers, and the recording and associated PowerPoint will be available in the internal training folder within the established Sharepoint going	Complete (12/4/2024)

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
				forward for the managers to reference as needed.	
(iii)	24-49	Project Support Services and Engineer of Choice Staff Augmentation	(3) Additional monitoring controls should be put in place to ensure PSS *(Project Support Services)* workers identified as needing CIP access obtain clearance within a reasonable period [e.g., 1 month] of being hired to ensure they have the proper clearance when CIP physical and/or cyber access is required to fulfill their roles.	Contract Controls has agreed to take over the CIP *(Critical Infrastructure Protection)* onboarding responsibilities from the respective hiring managers to ensure full process compliance and mitigate risk for the enterprise, leveraging the established process in place for EOC workers today, as outlined in Section 5.16.2 and Attachment 17-2 of the Transmission & Engineering Project Contract Controls Administrative Guideline (M6-CA-2005R1). Going forward, this process will be applied to all PSS workers in addition to EOC workers under both contract programs. Outreach has already been conducted with existing hiring managers to confirm CIP access applicability for each worker. Contract Controls is working with Reliability Compliance and Corporate/IT Security to validate data in the IIQ *(IdentityIQ)* report. Once validated, the active directory expiration dates will be aligned with the established semi-annual mass extension process which will calibrate those dates with those being tracked on the EOC worker side. Once that effort is finalized and communication has been properly distributed to suppliers & managers, the integration and transition of existing PSS supplier worker CIP certification tracking will be fully completed. This will	Complete (2/12/2025)

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
				be implemented by February 1, 2025.	
(iii)	24-49	Project Support Services and Engineer of Choice Staff Augmentation	(4.1) Management should consider standardizing the background check attestation form for PSS/EOC workers to ensure all suppliers complete the necessary checks in compliance with the applicable contract. It is recommended these documents be requested from the Suppliers for all new hires to ensure contract compliance. These documents can then be uploaded to Fieldglass, as is done by Allegiance for their contingent worker base.	The requirement for worker attestation is not currently a requirement under the existing contract. Contract Controls will work with Procurement to modify the existing contract language to explicitly require the attestation form to be completed and provided with each worker during on-boarding. In coordination with Procurement, this contractual requirement is being added to the EOC contracts that are being negotiated currently and will be included in the upcoming Project Support Services category re-bid (current contracts expire June 28, 2025 but may be extended to accommodate appropriate time to complete the re-bid cycle). Once Procurement has successfully negotiated that language with each Supplier to make it contractually obligated in the new agreements, Contract Controls will enforce the requirement with each Supplier Worker that is on-boarded by adding it as a required activity to be completed and attached as part of the on-boarding checklist in the Fieldglass system. This will be completed by December 31, 2025.	Complete (12/2/2025)
(iii)	24-49	Project Support Services and Engineer of Choice Staff Augmentation	(4.2) Each Supplier is responsible to conduct a background check on workers they on-board for Eversource. Should a worker switch suppliers after a tenure break, the new supplier is expected to	Contract Controls will ensure Supplier compliance of reconducting a background check on a previous PSS or EOC worker that switches suppliers during on-boarding. Additionally, a banner	Complete (12/4/2024)

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
			perform their own background check on the worker. Human Resources Talent Acquisition provided that if Project Contract and Controls is able to verify that prior background checks did not result in any derogatory information related to prior employment, education, social security trace, or military history, the current Supplier should perform the Criminal and Sex Offender Registry screening and drug test, at a minimum.	reminder has been posted and communicated to Suppliers via the Fieldglass tool to reinforce the current contractual obligation under the Agreement.	
(iii)	24-49	Project Support Services and Engineer of Choice Staff Augmentation	(5) Appropriate individuals of Suppliers PFE *(Planet Forward Energy)* and PMA *Consultants* should be counseled accordingly. Going forward, FG records should go through an integrity check after a person is on-boarded to ensure accuracy and completeness. Effective May 26, 2023, the Randstad/Allegis Fieldglass vendor management system was modified to instruct suppliers to enter the worker's legal name upon submission. A pop-up confirms they are doing so. There is also a verification box at the bottom of the submission page requiring a response that the legal name was entered. Management should evaluate the potential of implementing a similar control in the PSS/EOC Fieldglass module.	In Q3 2024, a communication went out via email to all PSS and EOC supplier worker contract representatives to reinforce the requirement to enter full legal names in Fieldglass as outlined in the Supplier Quick reference & user guide training. Additionally, a banner was posted in Fieldglass on the home page to reinforce the reminder. Lastly, Contract Controls worked with IT and SAP Fieldglass support to implement the pop-up enhancement described above. This functionality was implemented and effective as of October 25, 2024.	Complete (12/4/2024)
(iv)	26- 10	Defined Benefit Pension Plan Audit	The Investment Management team and the RPIC *(Eversource Retirement Plan and Investment Committee)*	Charter and IPS Alignment We will review and update the Investment Policy Statement (IPS) to ensure alignment with	Complete (5/26/2026)

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
			should collaborate, with guidance from legal counsel, as to what administrative activities should be routinely performed and the cadence for those activities. Once determined, those activities should be documented and scheduled. Meeting minutes should document that the activities were performed. Examples of administrative activities include, at a minimum, the following: • Charter and IPS alignment, periodic review, and approval by the RPIC • RPIC acknowledgement of the Charter and IPS when new members join the RPIC • Calendaring meeting dates for the year and scheduling delivery of meeting materials • Schedule for reviewing/approving consultants that support the Plan • Periodic assessment of activities against applicable ERISA (Employee Retirement Income Security Act) requirements	the RPIC Charter regarding member appointment authority. Target Completion: February 23, 2026 Quarterly Meeting Calendar and Meeting Materials An annual calendar for RPIC meetings will be established and communicated at the start of each year. Target Completion: Every calendar year beginning January 2026 [Completed for 2026] Review of Meeting Materials We will target one week prior to RPIC meetings for distributing meeting materials to allow adequate review time. Target Completion: Quarterly, beginning February 15, 2026 RPIC Member Acknowledgement Process A review of Charter and IPS will be implemented for new RPIC members and a review of the IPS will be conducted annually. Target Completion: Annually, and as needed, beginning February 23, 2026 Administrative Checklist We will work with outside counsel to develop and maintain a checklist of key administrative activities, including consultant review/approval, and ERISA compliance assessments. Target Completion: May 31, 2026	
(v)	26-14	Energy Efficiency Time Allocation Audit	(1.1) Management from EE *(Energy Efficiency)* should perform the following:	Management agrees and will conduct the following: a. Energy Efficiency management will review	Complete (5/28/2026)

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
			• Review the time charged to EE programs by the 16 non-EE employees and amend their time using WorkForce or through journal entry adjustments • Implement a process to review non-EE employees' time on a regular basis going forward • Update the Time Charging & Cost Allocation Process Memo to detail guidance around time charging for non-EE employees and communicate to appropriate employees	the time charged by the 16 non-EE employees and will enter a journal entry adjustment as appropriate for the MA and CT charges in the PowerPlan system to reverse the time charged to Energy Efficiency. [To be completed by May 31, 2026] b. Energy Efficiency management will implement a quarterly review process to review time charged by non-Energy Efficiency employees to ensure it is appropriate. [To be completed by May 31, 2026] c. Energy Efficiency management will review the time charging memo to detail guidance around time charging for non-EE employees and communicate to appropriate employees. [To be completed by May 31, 2026]	
(v)	26-14	Energy Efficiency Time Allocation Audit	(1.2) Review the Time Charging and Cost Allocation Process Memo and update the following items as appropriate: • Include details regarding the advisory boards and regulatory bodies involved • Further define the reallocation of program cost codes process (through journal entries or a manual Excel workbook that are sent to the regulatory bodies) • Describe the monitoring/SOX *(Sarbanes*	Management agrees with the recommendation and will update the Time Charging & Cost Allocation Process Memo to include the items identified in the recommendation above. [To be completed by May 31, 2026]	Complete (5/28/2026)

	Audit Report #	Audit Report Title	Report Recommendations	Management Responses	Status
			Oxley) processes in place and the responsibilities of those facilitating the processes • Define acronyms • Describe when the memo was last reviewed, who performed the review, and revision history		
(vi)	25-08	Work Order Life Cycle Project	N/A – No recommendations	N/A	N/A
(vi)	26-07	Work Order Life Cycle Project	N/A – No recommendations	N/A	N/A

b. For the privileged and confidential review of the procurement organization completed on June 4, 2026, 117 total hours were spent by the Internal Audit manager and staff . Because this work was performed at the direction of legal counsel to enable the Company to prepare for the contested rate case in this docket, Internal Audit appropriately charged the 117 hours to the work order for this rate case. In response to the portion of subpart (b) of this interrogatory that asks about whether costs the Company incurred to prepare for and participate in this rate case are recoverable under Section 2 of Public Act 23-102, please see the Company's response to OCC-438[i], and RRU-070.

c. Please refer to the table below for Eversource Internal Audit Department allocated costs to CL&P for each year 2021 through 2025 and in the Rate Year. The historical values in each year 2021 through 2024 use the 2025 ESC percentages as a proxy to estimate Internal Audit Department costs allocated to CL&P.

2021	2022	2023	2024	2025	Rate Year
$ 278,885	$ 318,383	$ 319,799	$ 329,714	$ 340,946	$ 376,630

[i] OCC-438 Question:

Exhibit CLP-REVREQ-1 Please explain why the Company has not excluded costs associated with its participation in rate case proceedings from the revenue deficiency calculation in this proceeding. In your response, please explain how the Company's proposed treatment of such costs complies with the requirements of SB 7, An Act Strengthening Protections For Connecticut's Consumers Of Energy, concerning recovery of costs associated with participation in rate case proceedings.

OCC-438 Response:

The Company has not removed costs associated with the preparation and participation in this rate case proceeding from the revenue deficiency calculation as these costs are necessary operating costs ensuring that rates are set at a just and reasonable level to enable the ongoing investment into the system to maintain a safe and reliable electric system, benefiting customers. As such, these costs are appropriately recovered from customers and are therefore included in the Company's proposed revenue deficiency. In this regard, the Company plans to provide legal argument on the plain language of the statute at the appropriate juncture in this proceeding. In the meantime, the Company plans to submit to the record the documentary support necessary to support recovery of the costs.

The Company justifies its recovery for costs associated with the preparation and participation in this rate amendment proceeding as prudently incurred and normal operating costs to litigate this rate amendment application. The Company is entitled to a reasonable opportunity, but not a guarantee, to recover its operating costs and maintain its credit integrity. Further, the Company should be allowed to demonstrate that the costs incurred to adjudicate this rate case proceeding are just and reasonable and affording PURA the opportunity to set equitable rates and establish innovative rate mechanisms and programs for the benefit of our customers.

Date Filed: October 13, 2026

Witness: Sasha Lazor
Request from: Public Utilities Regulatory Authority

Question:

(COMPENSATION BENCHMARKING) Lazor, Eichler and O'Connor Pre-Filed Test., pp. 21-29; Interrog. Resp. OCC-193, Atts. 1-8 and Interrog. Resp. OCC-195. Regarding the market position reported for CL&P and EESCO compensation:

a. Identify the data relied upon for each benchmarked year in Tables 3 through 7 before 2024. State how the Company verified the reported market position for each of those years without the survey data, which the response to Interrogatory OCC-193 states is retained for two years.
b. Provide the Company's position-matching output derived from the Willis Towers Watson surveys, including the peer set, the matching methodology, the data effective dates, and the resulting market percentile for each benchmarked position.
c. For each employee group, provide actual total compensation against the market median in dollars and as a percentage. Distinguish base pay from each variable component and from benefits. Reconcile the total cash compensation position for CL&P shown in Table 3 as negative 0.09% with the narrative description of 99.1%.
d. Provide turnover data for each calendar year from 2021 through 2025 by union, exempt and non-exempt classification and by department, distinguishing voluntary resignations, retirements and involuntary separations. Provide any workforce, staffing, succession or organizational study supporting the requested staffing complement.

Response:

a. As described in CLP-EMPLOYEE-1, p. 18, Eversource partners in the compensation benchmarking process with Willis Towers Watson (“Towers Watson”), which is a global human resources consulting firm. Towers Watson assists Eversource in setting competitive salary ranges and variable pay levels, so that compensation levels at Eversource remain competitive with other employers in the marketplace. As such, we have participated in their surveys for many years. Therefore, Eversource utilized Towers Watson surveys prior to 2024. Survey data is no longer current after two years which is why it is not retained.

b. Please refer to RRU-085, Attachment 1, through RRU-085, Attachment 3, which provide more detailed information on Towers Watson Survey methodology and participant list.

c. Please refer to RRU-085, Attachment 4, which provides total compensation vs the market the market median, as downloaded from our Workday HRIS system. This exhibit compares current base salaries along with market variable compensation (at median). Section (b) requests that data be presented as a "market percentile". Our current methodology is to present compensation elements as a "percent of market", such as the 99.1% referenced is question (c).

d. Please refer to RRU-085, Attachment 5, for turnover information. Please note, turnover data by department is not readily available. The Company will endeavor to provide the requested data as soon as practicable.

   The Company conducts workforce planning on an annual basis to in support of budget preparation. This review considers turnover and retention, incremental staffing needs, skills needed and organizational structure.

Date Filed: October 19, 2026

Witness: Donald J. Scacco Jr., Digaunto Chatterjee, Douglas P. Horton, Brendan J. O'Brien, Garrett J. Murray and Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(UNIT COST) Application, Sch. G-2.14 and Ex. CLP-PBR-3; Interrog. Resp. EOE-123, Att. 1. Regarding the compensation and staffing levels measured on a unit cost basis:

a. For each calendar year from 2021 through 2025, the interim year and the Rate Year, provide, the number of customers, circuit miles, the year-end full-time equivalent count, total operating and maintenance expense, total compensation expense, and total payroll expense.

b. For each calendar year from 2021 through 2025, provide an exhibit that shows customers per full-time equivalent, circuit miles per full-time equivalent, total compensation per customer, operating and maintenance expense per customer, and payroll expense per customer.

c. Provide the average of each ratio for 2021 through 2025 and compare the Test Year and Rate Year values to that average. Explain each variance exceeding five percent.

d. Reconcile the Test Year and Rate Year operating and maintenance cost per customer to the finding in Exhibit CLP-PBR-3 that operating and maintenance cost per customer averaged 22.9% above the industry average.

Response:

a. Please refer to RRU-086, Attachment 1, for the requested data for historical years 2021-2025, and Rate Year data elements.

Historical data has been provided for:

- # of Customers (12-month Average) – Previously provided in response to CIEC-010[i];
- # of Line Miles (as of December 31st) – Data from Form 10-K, Item 2. Properties;
- Year-End Full Time Equivalent (FTE) Count – The FTE Count provided in this response is for CL&P Distribution; previously provided in OCC-042, Attachment 1;
- Core Operating Expenses ($K) – Core Operating Expenses excludes expenses recovered separately or not subject to management annual control; previously provided in OCC-432, Attachment 1;

- Total Compensation Expense ($K) – The Company defines Total Compensation Expense as Payroll Expense plus Variable Compensation plus Employee Benefits. Previously provided as part of Exhibit CLP-REVREQ-3, lines 21, 22, 23 and 28;

- Total Payroll Expense ($K) – Previously provided as part of Exhibit CLP-REVREQ-3, line 21.

Rate Year data has been provided for:

- # of Customers – Previously provided in OCC-514, Attachment 1.

- Year-End Full Time Equivalent (FTE) Count – Sum of 2025 YE plus CLP incremental FTEs as provided in OCC-333, Attachment 1;

- Total Compensation Expense ($K) and Total Payroll Expense ($K) – Previously provided in Exhibit CLP-REVREQ-2, lines 22, 23, 24, and 29 of Schedule C-3.0.

The Company does not have the requested data for the remaining Rate Year data elements and Interim Year data. The Company does not forecast these data points and does not necessarily agree that all of the computations and comparisons set forth herein are generally reliable indicators of performance or operational trending.

b. Please refer to RRU-086, Attachment 1, for the following ratios for 2021-2025: Customers per FTE; Line Miles per FTE; Core Operating Expenses per Customer (previously provided in OCC-432, Attachment 1); Total Compensation Expense per Customer; and Total Payroll Expense per Customer.

c. Please refer to RRU-086, Attachment 1, for the 5-year average of all data and ratios provided for subparts (a) and (b).

Regarding variances between the 5-year average ratios and the Test Year (2025 YE) ratios, those variances are provided in the referenced attachment and are generally within five percent. Total Compensation Expense per Customer and Total Payroll Expense per Customer are slightly outside the 5.0% variance at 5.1% and 5.6% respectively.

The primary driver for these variances is a function of the fact that the 5-year averages are lower due to variation in 2022 actuals for Total Payroll Expense and Total Compensation Expense. The 2022 Total Compensation Expense per Customer ratio is 26% lower than the 5-year average and the 2022 Total Payroll Expense per Customer ratio is 10% lower than the 5-year average. For Total Compensation Expense ($K), the primary driver is the Employee Benefits reported for 2022 (Line 28 of Exhibit CLP-REVREQ-3). The Company provided an explanation of the variances for expenses between 2022 and 2025 in OCC-069 Attachment 1.

Regarding Total Payroll Expense ($K) variance in 2022, there are a variety of drivers, including higher storm-related Employee Payroll in 2022, and the direct labor capital/expense split being higher to capital in 2022. Please refer to OCC-330, Attachment 1, for the percentage of payroll charged to capital and expense for each of the years, 2021 to 2025.

Ratios for the Rate Year are not available for two of the requested ratios, Line Miles per FTE and Core Operating Expenses per Customer. As discussed above in subpart (a), Rate Year data is not available for all components needed to calculate the ratios.

Regarding variances between the 5-year average ratios and available Rate Year ratios, those variances are provided in the referenced attachment. As noted with the comparison between the 5-year average and the Test Year, Total Compensation Expense per Customer and Total Payroll Expense per Customer are outside the 5.0% variance. Drivers for these variances include the same drivers noted above with relation to 2022 driving down the 5-year averages. Additionally, regarding Payroll Expense for the Rate Year, as discussed in Exhibit CLP-EMPLOYEE-1 testimony, the Company projects annualized increases of approximately 3% for union wage rates and merit increases for non-union employees through the Rate Year in order to maintain market-competitive compensation and support the attraction and retention of a skilled workforce, and has included a small number of incremental positions in the Rate Year, both direct and allocated.

Although the Company maintains salary increases of 3% into the Rate Year, staffing has increased between 2021 and 2025, which impacts overall salary and payroll increases. Total Compensation Expense, as noted in the referenced testimony, is influenced by growth in employee benefit costs, including continuing healthcare cost increases, as well as ongoing retirement benefit costs associated with maintaining competitive total rewards programs for employees. These increases in payroll and employee benefits contribute to the higher Total Compensation Expense in the Rate Year.

d. Exhibit CLP-PBR-3 explains that CL&P's OM&A cost per customer averaged 22.9% above the industry average represents the average annual percentage difference between CL&P's OM&A cost per customer and that of the 88 electric distribution companies included in LEI's Unit Cost Benchmarking Study over the 2015–2024 period. It is not a measure of the Company's Test Year or Rate Year O&M cost per customer.

As explained in Section 3.2 of Exhibit CLP-PBR-3, LEI's analysis used historical FERC Form 1 data to calculate distribution-related OM&A expenses, including distribution, customer accounts, customer service and informational expenses, sales, and the portion of administrative and general ("A&G") expenses allocated to distribution operations. LEI excluded FERC Account 908 (Customer Assistance Expenses) and expenses unrelated to electric distribution operations. These expenses were converted to real, inflation-adjusted dollars (using GDP-FSDP) and divided by the corresponding customer counts.

In contrast, the Company's calculations in RRU-086, Attachment 1, for Core Operating Expense per Customer, uses its definition of Core Operating Expenses, as noted in subpart (a), which differs from the OM&A expense definition used in LEI's study. For example, Core Operating Expenses exclude certain separately recovered or non-controllable costs, including vegetation management, storm costs, and pension expenses. The Company's calculations also use nominal dollars and twelve-month average customer counts.

Given the differences in cost definitions, measurement methodologies, and periods of analysis, LEI's historical unit cost benchmarking results are not directly comparable to the Test Year and Rate Year Core Operating Expense per customer figures. The 22.9% finding represents CL&P's historical cost performance relative to the industry average over the 2015–2024 period, rather than a measure of the Company's Test Year or Rate Year operating expenses.

Of the ratios presented in this response, the Company views Core Operating Expense per Customer as the more meaningful measure of operating efficiency and proposed this ratio as a metric in Exhibit CLP-ELP-3.

Unlike Customers per FTE, Line Miles per FTE, Total Compensation Expense per Customer, and Total Payroll Expense per Customer, Core Operating Expense per Customer captures a range of costs associated with operating and maintaining the distribution system and serving customers that are generally within the Company's control. As discussed in Exhibit CLP-ELP-1, at 95, measuring Core Operating Expense on a per-Customer basis accounts for customer growth and focuses on changes in operating efficiency rather than system size.

Staffing-based ratios do not consider the use of centralized functions and shared resources, while compensation- and payroll-based metrics may fluctuate due to changes in employee benefits, storm-related labor costs, labor capitalization rates, and other factors that are not necessarily indicative of changes in operating efficiency. Accordingly, Core Operating Expense per Customer provides a relatively better basis for evaluating efficiency and cost management trends over time.

Prior Referenced Response

[i] CIEC-010 Question:

(Capital Additions Panel) Specify the total number of customers served by Eversource during each of the last ten years.

CIEC-010 Response:

The table below reports the total number of customer accounts served by CL&P in the years 2015 through 2025.

Year	**Number of Customers**
2025	1,309,940
2024	1,290,879
2023	1,281,654
2022	1,276,313
2021	1,272,110
2020	1,264,653
2019	1,256,150
2018	1,251,053
2017	1,245,042
2016	1,238,337
2015	1,230,278

Source: FERC Form 1, at page 304.

Date Filed: October 13, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Marc J. Richards and Gary A. Iadarola
Request from: Public Utilities Regulatory Authority

Question:

(ENVIRONMENTAL) Ex. CLP-REVREQ-2, Sch. WP C-3.13.In an unlocked Excel spreadsheet with formulas intact provide totals for the following test year costs ending December 31, 2025. Additionally, separately submit supporting documentation for the categories:

a. Totals for invoices, services and other costs supporting the Company's stated $2,444,000 in Reserve Site Remediation costs;
b. Totals for invoices, services and other costs supporting the Company's stated $902,000 in Clean Up & Disposal of Waste Material costs;
c. Totals for invoices, services and other costs supporting the Company's stated $500,000 in Manholes & Vaults costs;
d. Totals for invoices, services and other costs supporting the Company's stated $49,000 in License & Permitting costs; and
e. Totals for invoices, services and other costs supporting the Company's stated $36,000 in Environmental Outside Services costs.

Response:

a. The costs associated with the Reserve Site Remediation are removed from annual environmental expenses in Schedule WP C-3.13, as these costs are subject to deferral and are included in the Deferred Environmental Remediation Cost in Exhibit CLP-REVREQ-2 Schedule B-6.2. The invoices supporting the Deferred Environmental Remediation Cost were included in the Company's initial application in Exhibit CLP-ENV-3.

b. – e. Please refer to the following attachments for each Environmental cost category test year support:

- RSR-013, Attachment 1, for Clean Up & Disposal of Waste Materials
- RSR-013, Attachment 2, for Manholes & Vaults
- RSR-013, Attachment 3, for License & Permitting
- RSR-013, Attachment 4, for Environmental Outside Services

Date Filed: October 08, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Marc J. Richards and Gary A. Iadarola
Request from: Public Utilities Regulatory Authority

Question:

(ENVIRONMENTAL) Ex. CLP-REVREQ-2, Sch. WP C-3.13. Separately submit supporting documentation for and provide the following in an unlocked Excel spreadsheet with formulas intact for Rate Year 1 Adjustments:

a. Totals for invoices, services and other costs supporting the Company's stated $378,000 in Clean Up & Disposal of Waste Material costs; and
b. Totals for invoices, services and other costs supporting the Company's stated $65,000 in Manholes & Vaults costs.

Response:

Please refer to the Company's response to OCC-682[i] for the Environmental Rate Year Adjustment.

Prior Referenced Response:

[i] OCC-682 Question:

Environmental Remediation Expense. Refer to WP C-3.13. Provide documentation supporting the Rate Year increases. (bids, quotes, contracts, invoices)

OCC-682 Response:

The Clean Up & Disposal of Waste Material Rate Year adjustment of $378,000 is driven by the adoption of Regulations of Connecticut State Agencies § 22a-134tt-1 et seq. (the Release Based Cleanup Regulations or "RBCRs"). The RBCRs were adopted pursuant to Conn. Gen. Stat. § 22a-134tt, and became effective on March 1, 2026. The Company estimated spend of $1.3 million from 2026 through 2028 to comply with the new regulations. See the table below for the Company's Rate Year Adjustment of $378,000 for Clean Up & Disposal of Waste Material calculation.

Calendar Year	Amount	Months	Monthly	Rate Year Period Mos	Rate Year Adjustment
2027	$ 545,000	12	$ 45,417	6	$ 272,500
2028	210,000	12	17,500	6	105,000
	$ 755,000				$ 377,500

The Company identified an inadvertent error in the Rate Year adjustment calculation for the Manholes & Vaults costs. The Manholes & Vaults Rate Year adjustment is revised to $48,000 from $65,000, driven by percentage increases in pricing for Clean Harbors Environmental Services, Inc. and NRC East Environmental Services Inc. Refer to the table below for the revised Rate Year Adjustment for Manholes & Vaults costs.

	Clean Harbors Environmental Services, Inc.	**NRC East Environmental Services, Inc.**	**Other**	**Rate Year Amount**
Test Year Charges	$ 467,204	$ 28,243	$ 4,861	$ 500,308
% Increase	10.0%	4.0%	0.0%	
Rate Year Adjustment	46,720	1,130	-	47,850
Rate Year Ending	$ 513,924	$ 29,373	$ 4,861	$ 548,158

Refer to OCC-682, Attachment 1 CONFIDENTIAL, for Clean Harbors contract agreement. Refer to Appendix PS-4 of Exhibit D – Pricing Schedule for the Year 4 increase percentage.

Refer to OCC-682, Attachment 2 CONFIDENTIAL, for NRC East contract agreement. Refer to the NRC East's Exhibit D Pricing Schedule. Refer to Attachment 2a for the Year 4 increase percentage.

Date Filed: October 13, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Ex. CLP-REVREQ-2, Sch. WP C-3.31. Separately submit supporting documentation for and provide the following in an unlocked Excel spreadsheet with formulas intact for the following Test Year costs ending December 31, 2025:

a. Totals for invoices, services and other costs supporting the Company's stated $27,565,000 in Roadside Scheduled Maintenance costs;
b. Totals for invoices, services and other costs supporting the Company's stated $71,000 in Distribution Rights-of-Way costs;
c. Totals for invoices, services and other costs supporting the Company's stated $1,466,000 in Emergency costs;
d. Totals for invoices, services and other costs supporting the Company's stated $145,000 in Vines costs;
e. Totals for invoices, services and other costs supporting the Company's stated $261,000 in Emergent Work costs; and
f. Totals for invoices, services and other costs supporting the Company's stated $166,000 in Other costs.
g. Totals for invoices, services and other costs supporting the Company's stated $4,365,000 in Frontier Reimbursements.

Response:

Please refer to RSR-015, Attachment 1, for an unlocked Excel spreadsheet with formulas intact for parts a-f Test Year costs ending December 31, 2025.

Date Filed: October 14, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Ex. CLP-REVREQ-2, Sch. WP C-3.31. Summarize and provide documentation on how the Company determined the increases for the following Rate Year 1 Adjustments:

a. $20,435,000 in Roadside Scheduled Maintenance costs;
b. $18,500,000 in Tree Removals costs;
c. $14,500,000 in Reliability Tree Work costs;
d. 1,829,000 in Distribution Rights-of-Way costs;
e. $534,000 in Emergency costs;
f. $230,000 in Vines costs;
g. $639,000 in Emergent Work costs;
h. $950,000 in Mid-Cycle costs;
i. $1,200,000 in CT DOT Collaboration costs;
j. $950,000 in LiDAR costs; and
k. $134,000 in Other costs.

Response:

a. Roadside Scheduled Maintenance – Increase of $20,435,000

The Roadside Scheduled Maintenance increase reflects the Company's transition to a four-year maintenance cycle that focuses on completing full-circuit maintenance rather than prioritizing individual circuit segments. The proposed budget was developed using current cost-per-mile estimates that include anticipated contractor cost escalation. This approach was informed by the Company's LiDAR pilot, which identified significant vegetation encroachment on circuits approaching their next scheduled maintenance cycle. The increased funding supports expansion of the Company's core scheduled maintenance program as part of the redesigned VMP. The total Roadside Scheduled Maintenance program cost is an estimate which will be updated once the RFP for Vegetation Management Pricing for 2027-2030 is completed and the precise cost per mile per Area Work Center (AWC) is determined. The cost per mile calculations used to develop the initial estimate are highly confidential data points which could impact the current open procurement RFP.

b. Tree Removals – New Program $18,500,000, previously Capital

The Tree Removal budget represents the new Risk Tree Removal ("RTR") program. The RTR program is funded primarily through the reallocation of dollars previously spent through the capitalized Enhanced Tree Removal ("ETR") program. Under the redesigned VMP, the Company is transitioning away from a standalone capital-funded tree removal program and incorporating proactive risk tree removals into its expense-funded vegetation management strategy. The proposed program will continue the identification and removal of risk trees that pose reliability concerns while integrating more closely with scheduled maintenance and other reliability-focused vegetation work. The funding level is based on historical tree removal; program levels and increased concern for Connecticut tree health decline due to invasive insects.

c. Reliability Tree Work – New Program $14,500,000, funded by previous Capital funds

Reliability Tree Work ("RTW") is a new program developed to address vegetation conditions that present elevated reliability risk outside the normal scheduled maintenance cycle. The RTW program is funded largely through the reallocation of dollars previously included in the capitalized Enhanced Tree Removal ("ETR") program, with portions of the former Customer Focus ETT program also incorporated into the overall redesign of the VMP. The program will utilize LiDAR data and other system information to prioritize locations with overhanging vegetation and other reliability concerns, particularly on backbone circuits and circuits serving larger numbers of customers. While RTW is a new program, a significant portion of its funding reflects the transition of existing vegetation management investments into a more targeted reliability-focused work category. The overall budget was calculated using an estimated cost per mile of $145,000 and a total yearly scope of 100 miles of RTW work. The cost of each RTW segment will vary widely depending on tree density and property owner consent with some segments costing less per mile and some segments costing more per mile than the estimate used in the program estimation. The number of miles completed under RTW each year will be adjusted to fit the total budget once segments are surveyed for tree density and property owner consent levels.

d. Distribution Rights-Of-Way – New Program $1,900,000, previously Capital

The Distribution Rights-of-Way ("D-ROW") program is funded primarily through the reallocation of dollars previously included in the Customer Focus ETT program. Under the redesigned VMP, the Company is transitioning away from the standalone Customer Focus ETT program and utilizing those funds to support a recurring distribution rights-of-way maintenance program focused on side trimming, brush control, and maintaining areas that have previously achieved Enhanced Tree Trimming specifications. Accordingly, the

proposed D-ROW budget largely represents a reallocation of existing vegetation management funding rather than entirely new spending. The proposed D-ROW budget is based on historic D-ROW unit pricing and contractor cost escalation. The 2027 D ROW Procurement RFP is being released in late October 2026. Precise pricing will be adjusted following the results of the RFP which will include unit price awards per scheduled D ROW for 2027.

e. Emergency – Same Budgeted Amount as Test Year, $534,000 increase from Test Year Actual

The Emergency budget supports blue-sky emergency tree response activities, including contractor responses to outage and non-outage OMS events. Although annual spending varies significantly based on weather conditions, the Company has maintained a proposed budget of approximately $2.0 million to ensure sufficient resources are available during years with higher emergency activity. There have been recent years when the Emergency spending was above $2.0 million. While the increase reflects the difference between Test Year spending and the Company's proposed ongoing funding level, this proposal is keeping the budget consistent from the Test Year to ensure the program can support a higher Emergency call out year.

f. Vines – Increase of $230,000

The Vines program increase supports expansion of vine treatment from approximately one year of backbone circuit mileage to two years of backbone circuit mileage annually. Under the proposed approach, backbone circuits that are not scheduled for Mid-Cycle or Scheduled Maintenance work will receive annual vine treatment coverage, providing system-wide vine management on all backbone miles every year. The increase represents a doubling of the Test Year's cost and escalation for contractor inflation. This is an estimate which will be updated once the RFP for Vegetation Management Pricing for 2027-2030 is completed and the precise vine cost per mile is determined.

g. Emergent Work – Increase of $639,000

The Emergent Work increase supports customer requests, tree warden inquiries, and work associated with dead, dying, and declining trees. The Company also anticipates increased workload associated with tree health impacts from invasive pests and diseases, including beech leaf disease and spotted lanternfly. The proposed funding level reflects the anticipated need for responsive, non-cycle vegetation work. In past years emergent work request evaluations have focused on approving high-priority risk and hazard trees on backbone circuit segments. Due to increased tree mortality, the goal is to expand to approve more customer and tree warden tree work requests on lateral circuit segments. The

increase will also support increases in requests from tree wardens for risk tree evaluation that the company historically experiences the first several years of invasive insect or disease infestations.

h. Mid Cycle – Reinstated program - $950,000

Mid-Cycle is being reinstated as part of the redesigned VMP based on the results of the Company's LiDAR analysis. The analysis identified vegetation encroachment occurring before the next scheduled maintenance cycle due to varying growth rates, consent limitations, and changing vegetation conditions. The program will support targeted hotspot trimming along approximately 1,000 to 1,200 backbone miles annually to address locations that warrant attention before the next scheduled maintenance cycle. The budget was developed using an estimated $950.00 per midcycle mile for trimming locations with the potential to grow in before the next cycle. The cost allocated per mid-cycle mile will be adjusted depending on the exact number of backbone miles scheduled.

i. CT DOT Collaboration – Program moved from capital to expense with a $200,000 program increase from the Test Year budget

The CTDOT Collaboration program replaces work previously performed through the capital-funded CTDOT Project program. Under the redesigned VMP, this work is proposed to be funded through expense rather than capital. The proposed budget supports ongoing coordination with the Connecticut Department of Transportation and reflects anticipated contractor cost escalation and continued use of large-scale mechanized equipment.

j. LiDAR – New Program $950,000

LiDAR is a new program that will support annual ground-based LiDAR collection and analysis on scheduled maintenance circuits and selected backbone circuits. The data will be used to improve prioritization of Scheduled Maintenance, Reliability Tree Work, Mid-Cycle trimming, and Risk Tree Removal activities. The program was proposed following the successful completion of the Company's LiDAR pilot and represents a new technology investment supporting data-driven vegetation management. The $950,000 LiDAR costs include the collection, processing, and analysis of 2028 Scheduled Maintenance Trimming ("SMT") circuit mileage and 2028 Midcycle program mileage. The 2025 LiDAR pilot cost was increased for inflation at approximately 4% each year, which increases the estimated 2027 LiDAR cost to $773,000. In addition to the SMT circuit mileage, the Midcycle program mileage is also included within the LiDAR program scope. The Midcycle program includes approximately 1,000 additional miles and the 25% increase in mileage collected brings the total LiDAR program cost to an estimated $950,000.

k. Other – Increase of $134,000

The Other category includes Energy Saving Trees program activities, Arbor Day initiatives, Right Tree Right Place education, transformer enclosure vegetation maintenance, and other smaller vegetation management programs. The increase reflects anticipated program needs and contractor cost escalation. The program budget also includes mapping support services and other miscellaneous program costs.

Date Filed: October 08, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 16. Provide a summary and breakdown of the historically capitalized vegetation management work the company performed each year over the last 2 trimming cycles. The breakdown should include, at a minimum, the different categories and their associated capital costs.

Response:

Please refer to EOE-142, Attachment 1, for a breakdown of the historically capitalized Vegetation Management programs over the last two trimming cycles, including Enhanced Tree Trimming ("ETT"), Customer Focused ETT, Tree Removals, and the Connecticut Department of Transportation collaborative programs.

Date Filed: October 08, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 16. Has the Company performed a cost benefit analysis of the new vegetation program? If yes submit all relevant documentation.

Response:

Please refer to Exhibit CLP-VMP-1, on page 12, lines 3-13, showing the cost of the redesigned VMP, including the increased Frontier contribution, would be a net operating expense of $76 million for recovery through rates, as compared to the $65.1 million expended in the Test Year, which is roughly a 17 percent increase – and still less than total program costs that the Company has incurred in prior years. Please refer to the following Exhibits for additional information:

- Exhibit CLP-VMP-1, page 26, at line 5, through page 27, at line 7, which summarizes the key changes to the Vegetation Management Program ("VMP") to optimize the reliability impact associated with the dollars that will be spent on the program;

- Exhibit CLP-VMP-1, page 39, that outlines the Company's strategy for procurement of vegetation management services and describes how the multi-year contract approach manages cost while addressing long-term concerns with the utility vegetation management workforce;

- Exhibit CLP-VMP-1, page 40, at line 18, through page 41, at line 8, where the Company illustrates that traffic control is a driver of the cost increases, and on page 45, which discusses factors that PURA should consider in order to mitigate costs associated with the VMP; and

- Exhibit CLP-VMP-1, pages 46-51, in which the Company evaluates the benefits of expending customer funds on vegetation management.

Date Filed: October 08, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 37. Provide documentation on how the Company reached the conclusion on vegetation growth and trimming efficiency based on 1-2 years' time for contact.

Response:

Please refer to Exhibit CLP-VMP-1, at page 36, line 8, through page 37, line 7. This section of the testimony discusses the changes in the proposed Scheduled Maintenance Trim ("SMT") budget and cost efficiencies that could be achieved by transitioning Scheduled Maintenance Trimming ("SMT") to full circuit trimming rather than targeted condition-based trimming, which is based on the comparison of cycle trimming costs and condition-based trimming costs derived from the analysis of terrestrial LiDAR collection.

Please also refer to Exhibit CLP-VMP-2, on page 34, for the demonstration of cycle-based, condition-based, and selective condition-based trimming mileage and costs for years one through eight, and on page 15, for a description of condition-based and cycle approaches that the Company utilized. Condition-based and selective condition-based trimming scenarios use risk levels 5 (highest risk) to 0 (lowest risk). Risk levels 5 through 1 are stratified within portions of the established Utility Protection Zone and correspond to the Company's Standard Maintenance Trimming specification.

In this context, it is more operationally and financially efficient to trim all risk levels under a full circuit trimming program in Year 1, rather than trimming lower risk levels (e.g. risk levels 2 and 1) at a higher cost in Year 2 through Year 3.

Date Filed: October 08, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 38. Does the Company have a selected vendor for the annual LiDAR data?

Response:

The Company has not selected a vendor to collect, process, and analyze the annual LiDAR data. Vendor selection will be conducted through a competitive request for proposals ("RFP") process to identify vendors that will partner with the Company to provide quality services at a competitive cost. The RFP and vendor selection process will commence and be completed in early 2027 in order to perform LiDAR scans during the "leaf on" period (April through October) for prioritization of the 2028 work plan.

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 38. Provide the service agreement for the LiDAR services. If an agreement is not in effect, provide an overview of the LiDAR services the Company is planning to contract for.

Response:

The Company has not selected a vendor to collect, process, and analyze the annual LiDAR data and does not have an active service agreement in effect. Vendor selection will be conducted through a competitive request for proposals ("RFP") process to identify vendors that will partner with the Company to provide quality services at a competitive cost. The RFP and vendor selection process will commence and be completed in early 2027 in order to perform LiDAR scans during the "leaf on" period (April through October) for prioritization of the 2028 work plan.

In reference to Exhibit CLP-VMP-1, on page 38, at line 6, the contracts for the successful LiDAR pilot can be provided. Please refer to RSR-021, Attachment 1 CONFIDENTIAL, and RSR-021, Attachment 2 CONFIDENTIAL, for the 2025 LiDAR pilot contracts.

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 40. Provide a comparison of how the new vegetation management contracts would differ from those currently in place.

Response:

Referring to Exhibit CLP-VMP-1, page 40, lines 12-17, the Company has historically utilized multi-year vegetation management contracts to provide the vendors and their workers predictable available work over a four-year contract term, which assists the vendor in retaining crews and provides a basis for tree vendors to submit competitive pricing bids in response to Eversource's solicitation. In this context, the updated 2027-2030 Vegetation Management Plant ("VMP") contract will continue to utilize a four-year contract term modeled after the success of the 2023-2026 vegetation management contract and supported by the Connecticut LiDAR data, which indicated that the best strategy is to treat all vegetation encroachment along the entire circuit length during the same year on a cyclical basis for optimal efficiency and lower overall unit costs per mile. One primary difference is that the Company has strategically separated the Waterbury Area Work Center ("AWC") from the Cheshire AWC to facilitate competition and promote operational efficiencies in the 2027-2030 VMP contract.

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 40. Does the Company currently have any multi-year vegetation management contracts that were in place for the last trimming cycle? If so provide.

Response:

In reference to Exhibit CLP-VMP-1, on page 40, the Company indicates that there are longer-term concerns with the workforce in the Utility Vegetation Management field due to the lack of seasoned and skilled tree crews. Multi-year full-service contracts provide the vendors and their workers with predictable available work over the four-year contract term and that certainty assists the vendors in retaining crews and providing competitive pricing. The Company has multi-year vegetation management contracts in places for the last trimming cycle (2023-2026). Please refer to OCC-044, Attachment 2:

Vendor	**Contract Number**	**Citation**
Asplundh Tree Expert Co.	CW2302015	OCC-044, Attachment 2, Page 355
Lewis Tree Services	CW2302093	OCC-044, Attachment 2, Page 3215
Lucas Tree Experts	CW2302214	OCC-044, Attachment 2, Page 3367

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 42. Provide the standards the Company has for vegetation management.

Response:

In reference to Exhibit CLP-VMP-1, page 42, monitoring the performance of VMP contractors to ensure compliance with the Company's specifications and operational efficiency is outlined in the executed contracts (i.e. Section II Special Conditions and Amendments and Section III Specification for Local Distribution Line Clearance Tree Work and Brush Control). Please refer to OCC-044, Attachment 2, on pages 388-398, for an example of Section II Special Conditions and Amendments, and pages 403-416, for an example of Section III Specification for Local Distribution Line Clearance Tree Work and Brush Control.

Please refer to RSR-024, Attachment 1, for the Electric Maintenance Program ("EMP") standards for Vegetation Management.

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 42. Provide a breakdown or summary of contractors that have failed to meet the 4-week threshold.

Response:

In reference to Exhibit CLP-VMP-1, on page 42, at lines 19-20, depending on the year, weather, restoration activity, and scheduled workloads, including support of construction activities, all maintenance contractors, at some point, have failed to meet the four-week threshold for completing discrepancies identified through Vegetation Management staff audits, including Asplundh Tree Experts Co., Lewis Tree Service Inc., and Lucas Tree Experts.

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 42. For each year since 2018, provide the following regarding the completion of "rework" by vegetation management contractors:

a. the number of instances of rework;
b. the total mileage of rework; and
c. the percentage of rework mileage to the total actual mileage done.

Response:

a. There were 65,291 scheduled maintenance discrepancies from 2018 through 2025.

b. There were 2,176 miles of scheduled maintenance rework from 2018 through 2025.

c. The percentage of rework mileage to total actual mileage was 7% from 2018 through 2025.

Year	Scheduled Maintenance Discrepencies	Scheduled Maintenance Rework Mileage	Scheduled Maintenance Total Miles	Percentage of Rework Mileage to Total Mileage
2018	7778	259	3641	7%
2019	8051	268	3765	7%
2020	7313	244	3561	7%
2021	7094	236	3911	6%
2022	9204	307	3812	8%
2023	9432	314	3265	10%
2024	9735	325	4154	8%
2025	6684	223	4149	5%
Total	65291	2176	30258	7%

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 47. Has the Company attempted to estimate how the new trimming program would improve SAIDI scores? Explain.

Response:

The System Average Interruption Duration Index ("SAIDI") reflects both the number of customers interrupted and the duration of those interruptions. The impact of a vegetation-related outage varies based on the location and nature of the event, the extent of equipment damage, the availability of information identifying the outage and its location, and the field conditions and work required to safely restore service. Weather, access limitations, and the number of concurrent outages also affect restoration duration.

The proposed Vegetation Management Plan ("VMP") is intended to reduce vegetation-related outages; however, these event-specific factors limit the Company's ability to translate the proposed program into quantified improvements in SAIDI.

The Company's Reliability Tree Work ("RTW") program is designed to allow the Company to address the locations on scheduled circuits where overhang and Enhanced Tree Trimming ("ETT") clearances were not previously achieved on the portion of those circuits that serve the most customers and are highly susceptible to tree-related outages, particularly in relation to circuit backbones that were addressed through the ETT program over 20 years ago. RTW will encompass trimming of overhanging branches, as overhanging branches that break and fall on the power lines account for approximately 24% of the tree-related outages on the system. By targeting the zones with overhang that serve the highest number of customers through the RTW program, risk will be mitigated. The program will also strive to remove all overhang and trees in close proximity, although the Company remains constrained by tree owner consent and tree warden limitations.

Please refer to Exhibit CLP-VMP-1 on page 30-31, summarized on page 19 of Exhibit CLP-VMP-2, where the Company proposes the RTW program. The RTW program will be key in preventing vegetation outages from outside zone overhanging limb fall-in and inside zone tree fall-in on high priority line segments with the goal of achieving clearance of 10 ft of vegetation from ground to sky where permission allows.

Please refer to pages 49-51 of Exhibit CLP-VMP-1 which is also summarized on page 11 of Exhibit CLP-VMP-2. The Company selected 21 circuit zones with high System Average Interruption Duration Index (SAIDI) for targeted vegetation management in 2023. The table and summary table on page 50 of Exhibit CLP-VMP-1 below shows pre- and post-treatment customer reliability (CMI and CI) for circuit zones that received targeted vegetation management. This targeted vegetation management included seeking to remove within 10 feet of the outermost conductor and all overhanging vegetation. On average, the segments where targeted vegetation management was performed experienced a 94% reliability improvement demonstrating a benefit for these circuits associated with removal of overhang, trees that are too close to the distribution system, and removal of high-risk trees.

The University of Connecticut 2022 Study, A Statistical Framework for Evaluating the Effectiveness of Vegetation Management in Reducing Power Outages Caused during Storms in Distribution Networks (please refer to Exhibit CLP-VMP-4), demonstrated that, "enhanced vegetation management is particularly helpful in reducing trouble spots for lower severity storms, with reductions between 45.8% and 63.8%, and substantially reduces trouble spots during the most severe events when vegetation management is particularly comprehensive, demonstrating a 37.3% reduction when compared with circuits with little to no enhanced tree trimming." The reliability improvements were observed in individual storm events as well as in annual totals. The University of Connecticut 2022 study further elaborates that, "when compared with previous studies in the effectiveness of vegetation management activities, this analysis provides a better understanding of how more rigorous vegetation management standards (applying ETT) help reduce outages at an individual event level, for both the more frequent events and those less frequent, stronger storms, which may also occur more frequently in the future due to climate change."

Please refer to Exhibit CLP-TSP-3 where the company estimates approximately 3% reliability improvement resulting from the proposed VMP, and to Exhibit CLP-TSP-4, where the Company illustrates the impact of enhanced vegetation management and an estimated 35% SAIDI improvement on zones that currently have bare wire conductor and have had on average more than one (1) interruption per year in the examined period (2020-2023).

Date Filed: October 09, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Exhibit CLP-VMP-1, p. 48. Provide additional information on occurrences, frequency, and other information on infestations and diseases affecting vegetation since at least 2018.

Response:

Referring to Exhibit CMP-VMP-1, on page 48, the Company explains that it has worked with the Connecticut Agriculture Experimental Station ("CAES") to receive updated information on the locations and spread of disease and insect infestations, specifically in reference, but not limited to, the Emerald Ash Borer, Spongy Moth, Spotted Lantern Fly, and Beech Leaf Disease. The long-term residual effect of the above factors are more trees that are standing dead or in declining health along the roadside forest and within reach of the Company's electric distribution system.

Please refer to the CAES website repository for all press releases regarding reported disease and insect infestations in Connecticut from 1997 through 2026.

CAES Press Releases

Please see a list of press releases concerning Emerald Ash Borer, Spongy Moth, Spotted Lantern Fly, and Beech Leaf Disease below. Included parenthetically are the description, distribution map, and activity associated with each pest and disease.

Emerald Ash Borer (Agrilus planipennis)

July 20, 2012-- Emerald Ash Borer Found in Prospect and Naugatuck, Connecticut
February 26, 2013-- Emerald Ash Borer Found in Three Additional New Haven County...
May 20, 2013--Emerald Ash Borer Found in Hamden, Connecticut
May 29, 2013-- Parasitoid Wasp Released in Connecticut for Biocontrol of the Emerald Ash Borer
July 28, 2013-- Emerald Ash Borer Found in Fairfield County: Sherman
August 9, 2013-- Emerald Ash Borer Found in Two New Counties in Connecticut, Hartford...
July 16, 2014-- Emerald Ash Borer Distribution Expanding in Connecticut
November 12, 2014-- Connecticut Agricultural Experiment Station to Hold Public Hearing...

Spongy Moth (Lymantria dispar)

June 23, 2015--Gypsy Moth 2015 Outbreak
June 13, 2016--Gypsy Moth 2016 Outbreak May be Over Natural Fungus Causing Widespread...
March 23, 2017--CAES and DEEP Anticipate Another Spring of Heavy Gypsy Moth Defoliation...
Tuesday, June 29, 2021--Gypsy Moth 2021 Outbreak in Northwest Connecticut Causes...
Monday, May 16, 2022--CAES and DEEP Anticipate Heavy Spongy Moth Defoliation...

Spotted Lantern Fly (Lycorma delicatula)

Monday, October 22, 2018--CAES Announces the Finding of Spotted Lanternfly in Farmington...
Tuesday, October 15, 2019--Spotted Lanternfly CT
Monday, September 21, 2020--CAES Announces the Finding of Spotted Lanternfly in West...
Thursday, October 15, 2020--CAES Announces the Finding of a Spotted Lanternfly Population...
Monday, July 19, 2021--CAES Announces the Finding of a Spotted Lanternfly in Norwalk...
Thursday, July 29, 2021--CAES Announces The Finding of Spotted Lanternfly in Fairfield...
Monday, January 3, 2022--CAES Announces Renewal of the Spotted Lanternfly Quarantine...
Monday, January 9, 2023--CAES Announces Renewal of the Spotted Lanternfly Quarantine...
Wednesday, January 3, 2024--CAES Announces Renewal of the Spotted Lanternfly Quarantine...
Tuesday, December 18, 2024--CAES Announces Renewal of the Spotted Lanternfly Quarantine...
Monday, December 9, 2024--CAES Scientists Develop a New Method to Identify Odorants...
Wednesday, January 9, 2026--CAES Announces Renewal of the Spotted Lanternfly Quarantine...

Beech Leaf Disease (Beech Leaf Disease)

Thursday, October 17, 2019--Beech Leaf Disease
Wednesday, June 3, 2020--CAES Announces First Report of Beech Leaf Disease in Hamden...
Thursday, June 10, 2021--Beech Leaf Disease Now Widespread in Connecticut
Monday, June 6, 2022--Connecticut's Beech Trees Severely Impacted by Beech Leaf Disease...
Friday, September 1, 2023--CAES Scientists Release Updated Bulletin on Management...

Date Filed: October 09, 2026

Witness: Christopher E. Colorio, Mark P. Baldwin, John P. Dipaola-Tromba, John G. Griffin and Leanne M. Landry
Request from: Public Utilities Regulatory Authority

Question:

(NON-CATASTROPHIC STORMS) Ex. CLP-REVREQ-2, Sch. WP C-3.28. In an unlocked Excel spreadsheet with formulas intact, provide a listing of all work orders for Test Year non-catastrophic and pre-staging incremental storm expenses. Each work order should include the following information:

a. the date range covered by the work order;
b. total non-catastrophic and pre-staging costs;
c. total direct labor costs;
d. total payroll-related overhead costs;
e. total outside contractor and vendor costs;
f. food and lodging costs;
g. materials costs;
h. vehicle and lodging costs; and
i. employee expenses/other.

Response:

Referring to CLP-REVREQ-2, Sch. WP C-3.28. Please refer to RSR-029, Attachment 1, detailing all work orders for Test Year non-catastrophic and pre-staging incremental storm expenses.

Date Filed: October 09, 2026

Witness: Christopher E. Colorio, Mark P. Baldwin, John P. Dipaola-Tromba, John G. Griffin and Leanne M. Landry
Request from: Public Utilities Regulatory Authority

Question:

(NON-CATASTROPHIC STORMS) Ex. CLP-REVREQ-2, Sch. WP C-3.28. Provide an unlocked Excel worksheet with formulas intact containing a complete listing of vendor invoices received that support the Test Year non-catastrophic/pre-staging actual expenses. Additionally:

a. Include the following details for each invoice in the list: a unique identifier; invoice number; vendor/contractor name; date of invoice; amount charged; and project work order number.
b. Describe the process the Company used to ensure that the list provided in subpart (a) is complete and accurate. Provide all supporting documents used in the verification process.

Response:

a. Please refer to RSR-030, Attachment 1, for a listing of the invoice level detail for Schedule C-3.28. This detail includes an accounting adjustment related to labor, benefits, employee Expenses, fuel, other outside services, and miscellaneous journal entries.

b. Invoices are subject to a rigorous review and approval process to ensure that all charges are accurately assigned to the appropriate storm event. As part of this process, invoices are reviewed to verify that the dates of service align with the period in which the services were performed, that rates have been charged correctly in accordance with applicable agreements, that the services were actually rendered, and that the locations serviced correspond to restoration activities associated with the event. Once an invoice has been reviewed for accuracy and completeness, it is subjected to an additional level of management review and approval to confirm the appropriateness of the charges and ensure that the costs are charged to the correct storm event.

   In preparation for this response, the Company retrieved the invoices based on the accounting line under which the costs were recorded. Those accounting records are linked to the applicable storm work order and, therefore, reflect the event to which the costs were assigned through the Company's established review and approval process. As a result, the invoices produced are consistent with the storm work order identified in the Company's accounting records.

Date Filed: October 09, 2026

Witness: Christopher E. Colorio, Mark P. Baldwin, John P. Dipaola-Tromba, Brendan J. O'Brien, Garrett J. Murray, Leanne M. Landry and John G. Griffin
Request from: Public Utilities Regulatory Authority

Question:

(NON-CATASTROPHIC STORMS) Ex. CLP-REVREQ-2, Sch. WP C-3.28. Regarding the calculation of the 2021-2025 average storm cost, provide the actual annual costs, the inflation factors used to determine "2028 Dollars," and any other assumptions used in the calculation. Justify the specific inflation factors and any other assumptions used in the calculation.

Response:

Please refer to OCC-701[i], for a calculation of the 2021 through 2025 average storm cost and the actual annual costs for non-catastrophic storms.

The Company used the GDP-PI index to calculate and inflate the non-catastrophic storm costs proposed. This inflation was performed to represent the growth in costs experienced by the Company and to normalize each year to create a like comparison. Nominal values over multiple years do not represent the actual costs experienced by the Company due to inflation and other factors influencing the cost of goods and services, creating values that are not necessarily comparable.

Prior Referenced Response:

[i] OCC -701 Question:

Non Catastrophic Storm Costs. Refer to OCCC-383. Provide the historical uninflated amounts.

OCC-701 Response:

Please refer to the table below for the Company's non-catastrophic event costs in thousands of dollars in years 2021 through 2025 prior to accounting for inflation:

	(Thousands of Dollars)				
Year	**2021**	**2022**	**2023**	**2024**	**2025**
Non-Catastrophic Costs	$39,693	$24,114	$31,419	$30,361	$33,696

Please refer to OCC-701, Attachment 1, Page 1 for the calculation showing how the uninflated amounts were inflated to the Rate Year. Page 2 provides the raw data and information used to derive the applicable inflation factors on OCC-701, Attachment 1, Page 1, line 15.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2; Interrog. Resps. OCC 538 and OCC-560. London Economics International (LEI) calculates average OM&A Partial Factor Productivity (PFP) growth of approximately –0.03 over the 2005-2024 period.

a. Explain why the arithmetic average, rather than another measure of central tendency (e.g., median, trimmed mean, etc.), is the appropriate measure for establishing the X-factor, particularly given the variation in annual in OM&A growth rates.
b. Provide the average OM&A PFP growth rate and resulting X-factor after minorizing the highest and lowest annual observations to the second-highest and second-lowest observations, respectively.
c. Explain whether the results from subpart (b) change the Company's position that -0.03 is a reasonable estimate of expected industry OM&A productivity growth.

Response:

a. LEI uses the arithmetic average of annual logarithmic OM&A PFP growth rates because the objective of the Industry TFP Study is to measure the annualized rate of productivity growth[1] over the full 2005–2024 study period, rather than the productivity growth rate of a "typical" individual year. As explained in Section 2.5 of Exhibit CLP-PBR-2, LEI calculates annual productivity growth using natural-log changes in the OM&A PFP index. This approach is consistent with established productivity and index-number literature, which measures productivity growth through changes in output and input indexes over time.[2] Because logarithmic growth rates are additive over time,[3] the arithmetic average of the annual growth rates is mathematically equivalent to the logarithmic change between the beginning and ending index values divided by the number of annual observations. It therefore preserves the cumulative productivity change actually measured over the study period.

b. A median answers a different question. A median identifies the midpoint of a data series, in our case, that would be the midpoint of a monotonically increasing series composed of the 19 annual observations, but it does not measure the annualized growth rate associated with the actual cumulative change in the PFP index over the study period. Similarly, a trimmed mean or winsorized mean removes or modifies information in the tails of the annual distribution and therefore does not preserve the mathematical relationship between

the annual growth observations and the actual beginning-to-ending change in the chained PFP index. Please refer to the response to subpart (b) for additional discussion of winsorization.

c. The variation in annual OM&A PFP growth does not, by itself, provide a reason to use a median or trimmed mean. Year-to-year productivity growth can vary because of changes in operating conditions, expenditure timing, economic conditions, and other factors. As explained in Exhibit CLP-PBR-2 and LEI's prior discovery responses, the 20-year study period was selected to reduce the influence of short-term volatility and unusual individual years while remaining sufficiently recent to reflect industry conditions relevant to the prospective PBR period. Accordingly, both favorable and unfavorable annual observations contribute to the measurement of the industry's long-run productivity trend.

d. LEI views the reference to "minorizing" in the question as a typographical error and that Staff intended to refer to "winsorizing." Winsorization is a statistical procedure that replaces extreme observations with less extreme values rather than excluding those observations.[4] In this instance, Staff specifies replacing the highest and lowest annual observations with the second-highest and second-lowest observations, respectively.

e. The largest annual OM&A PFP observation in the 2005–2024 study period is 7.21% for 2020–2021, and the second-largest is 4.63% for 2012–2013. The smallest annual observation is -12.72% for 2019–2020, and the second-smallest is -5.79% for 2006–2007. For purposes of fulfilling the request, applying the procedure specified in the question results in an average OM&A PFP growth rate of approximately 0.20%.

f. LEI provides this calculation as requested by Staff but does not consider the winsorized result to be an alternative estimate of the 2005–2024 industry OM&A PFP growth rate to be appropriate for setting the X Factor. Applying winsorization alters two observed annual productivity changes that LEI has not identified as erroneous and breaks the mathematical year-over-year relationship between the annual logarithmic growth rates and the cumulative change in the OM&A PFP index over the study period. The resulting 0.20% therefore represents the average of a modified series rather than the annualized growth rate of the OM&A PFP index actually measured over 2005–2024.

g. Accordingly, while the calculation illustrates the numerical effect of modifying the two tail observations, LEI does not view it as providing a sound methodological basis for substituting the winsorized result for the -0.03% long-run OM&A PFP estimate. LEI therefore continues to consider the 2005–2024 result of -0.03% appropriate for purposes of the Company's proposed X Factor.

h. No. The result in subpart (b) does not change the Company's position that -0.03% is a reasonable estimate of expected industry OM&A productivity growth. The winsorized result reflects a sensitivity in which two valid observed annual growth rates are replaced. It therefore does not properly measure the industry trends over the 2005–2024 study period as captured by LEI's estimate. LEI has not identified any of the purported extreme observations as erroneous. Accordingly, while the calculation in subpart (b) illustrates the numerical effect of modifying the tail observations, the theory of index number-based productivity measures does not support replacing the -0.03% long-run OM&A PFP estimate for purposes of establishing the X Factor under the Company's proposed plan.

[1] Jeff D. Makholm, Agustin J. Ros, and Stephen C.W. Collins, "North American Performance-Based Regulation for the 21st Century," The Electricity Journal, Vol. 25, No. 4 (May 2012), pp. 33–47. < https://www.sciencedirect.com/science/article/abs/pii/S1040619012000905?via%3Dihub>

[2] *See*, e.g., D.W. Jorgenson and Z. Griliches, "The Explanation of Productivity Change," Review of Economic Studies, Vol. 34, No. 3 (1967), pp. 249–283. <https://academic.oup.com/restud/article-abstract/34/3/249/1533121?redirectedFrom=fulltext>; W.E. Diewert, "Exact and Superlative Index Numbers," Journal of Econometrics, Vol. 4, No. 2 (1976), pp. 115–145 < https://www.sciencedirect.com/science/article/abs/pii/0304407676900099?via%3Dihub>; D.W. Caves, L.R. Christensen, and W.E. Diewert, "The Economic Theory of Index Numbers and the Measurement of Input, Output, and Productivity," Econometrica, Vol. 50, No. 6 (1982), pp. 1393–1414, < https://www.jstor.org/stable/1913388?origin=crossref>

[3] Christopher Kask and Edward Sieber, "Productivity Growth in 'High-Tech' Manufacturing Industries," Monthly Labor Review, U.S. Bureau of Labor Statistics (March 2002). < https://www.bls.gov/opub/mlr/2002/03/art2full.pdf>

[4] National Institute of Standards and Technology (NIST), *Winsorize*, Engineering Statistics Handbook/DataPlot Reference Manual, < https://www.itl.nist.gov/div898/software/dataplot/refman2/auxillar/winsor.htm>

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2. Explain how differences in utility size affect each utility's contribution to the industry OM&A PFP calculation and identify the utilities with the largest contributions to the aggregate result.

Response:

Utility size affects an EDC's influence on the industry OM&A PFP calculation through its contribution to the underlying industry aggregates, rather than through an explicit utility-level weighting scheme. As explained in the response to OCC-536, nominal OM&A expense for each EDC is converted to a real OM&A input quantity using that EDC's OM&A price index. Those real OM&A quantities are then summed across the EDCs to derive aggregate industry OM&A input quantities. Customer counts are similarly summed across EDCs to derive the industry output measure. OM&A PFP calculation is then calculated based on the change in aggregate customer output relative to the change in aggregate real OM&A input. Please refer to the Company's responses to OCC-535[i] and OCC-536[ii].

Accordingly, EDCs with larger real OM&A quantities would have a bigger presence in the industry OM&A input measure, while EDCs with larger customer counts generally have bigger presence in the industry output measure. This relative influence arises naturally from aggregation of the underlying data; LEI does not separately assign a utility-level size weight, nor are utilities given greater weight because they are similar in size to CL&P.

The Industry TFP model confirms that the largest contributors to the industry aggregates over the 2005–2024 study period are the largest EDCs in the sample. There are 17 EDCs in the sample that have a greater relative contribution than CL&P to both the aggregate real OM&A input and aggregate customer output measures over the 2005–2024 study period. An additional 8 EDCs have a greater relative contribution than CL&P to aggregate customer output, meaning that 25 EDCs in total contribute more than CL&P to the aggregate customer output measure.

It is also important to keep in mind that OM&A PFP measures change in value terms over time; therefore, an individual EDC's influence on a particular year's PFP result depends both on its relative size and on the year-over-year changes in its real OM&A and customer count.

Prior Referenced Response:

[i] OCC-535 Question:

Performance Based Ratemaking Panel Exhibit CLP-PBR-1
Please explain why LEI determined that an aggregate chained Fisher Ideal index is the appropriate methodology for estimating the industry OM&A PFP used to establish the Company's X Factor, rather than calculating utility-level OM&A productivity growth and then aggregating those utility-level results. In your response:

a. State whether LEI calculated annual OM&A PFP growth for each of the 88 individual EDCs included in the study and, if so, provide those results;
b. Provide the resulting industry OM&A PFP growth rates for the 2005–2024, 2010–2024, and 2015–2024 periods using
    i. an even-weighted average of utility-level OM&A PFP growth and
    ii. a cost-weighted average of utility-level OM&A PFP growth;
c. Compare results with the aggregate chained Fisher results reported in Exhibit CLP-PBR-2; and
d. Explain why LEI believes the aggregate chained Fisher result is more appropriate for setting the Company's X Factor than either of the alternative utility-level aggregation methods.
e. Please provide all underlying data and calculations in an unlocked Excel workbook with formulas intact.

OCC-535 Response:

LEI determined that the aggregate Fisher Ideal Index provides the most representative measure of industry-wide OM&A productivity growth, rather than aggregating utility-level productivity results (Section 2.3 of Exhibit CLP-PBR-2).

a. No, LEI did not calculate annual OM&A PFP growth rates for each of the 88 individual EDCs included in the Industry TFP Study. LEI's Industry TFP Study was designed to estimate the OM&A productivity trend for the U.S. electric distribution industry based on the aggregate of the 88 EDCs in the national sample. Accordingly, and consistent with the mathematical properties of an index-based approach to measuring industry productivity trends, LEI identified and estimated the inputs and outputs for each EDC and aggregated those before calculating the trend in partial factor productivity for OM&A over time.

b. LEI did not calculate industry OM&A PFP growth as an average of utility-level OM&A PFP growth rates. In addition, OCC's references to an "even-weighted average" and a "cost-weighted average," which are undefined calculations, in terms of the basis and timing of any proposed cost weights and other parameters. Accordingly, LEI cannot identify or provide the specific alternative calculations requested. As explained in subpart(a), LEI instead calculated industry OM&A PFP using aggregate industry inputs and outputs.

c. LEI did not perform the alternative utility-level aggregation calculations referenced in subpart (b). Moreover, because the proposed "even-weighted" and "cost-weighted" methodologies are undefined, LEI cannot calculate the requested alternatives.

d. The chained Fisher index is the index-number methodology, as described in Section 2.3 of Exhibit CLP-PBR-2. This request therefore appears to conflate the choice of index with the aggregation approach used to derive an industry metric, which are separate elements. LEI's objective was to perform an industry TFP study; thus, LEI chose an approach for aggregation that would most closely reflect the natural composition of the U.S. EDC industry. The alternative approaches – such as using weighting schemes – as suggested in

the question - would create distortions away from the natural composition and therefore LEI did not use such an approach for aggregating to industry.

e. LEI did not perform the alternative utility-level calculations requested in subparts (b) and (c) and no such workpapers exist. The native workpapers supporting LEI's actual Industry TFP calculation are provided in Exhibit CLP-PBR-2a.

[ii] OCC-536 Question:

Performance Based Ratemaking Panel Exhibit CLP-PBR-1
Please explain in detail how differences in utility size affect each EDC's influence on the aggregate chained Fisher OM&A input index and OM&A PFP result reported in Exhibit CLP-PBR-2. In your response:

a. Describe how each EDC's OM&A input price, OM&A input quantity, and relative expenditure or value share enter the Laspeyres, Paasche, and Fisher Ideal index calculations;
b. Explain whether, and to what extent, larger EDCs have greater influence on the resulting industry OM&A PFP than smaller EDCs and EDCs that have similar size to the Company have greater influence on the resulting industry OM&A PFP than other EDCs;
c. Provide, for each EDC and year, the data necessary to identify its relative contribution to the aggregate OM&A input index and customer output index; and
d. Explain how LEI evaluated whether the resulting weighting is representative of the productivity trend relevant to the Company.

OCC-536 Response:

Utility size does not enter the aggregate chained Fisher Ideal index through an explicit utility-level weighting scheme. Rather, EDC-level real OM&A quantities and customer counts are aggregated to form the industry OM&A input and output quantities before the industry indexes are calculated. Accordingly, an EDC's influence arises from its contribution to those industry aggregates, rather than from a separately assigned, size-based weight.

This aggregation approach is consistent with the productivity literature and electricity-sector TFP studies. For example, Quantonomics, in its TFP analysis prepared for the Australian Energy Regulator, applies its TFP index to the aggregated annual time-series data for the electricity distribution industry as a whole1. Von Brasch and Raknerud similarly explain that firm-level outputs can be aggregated into an industry-level composite and that the same principle applies to inputs.

The use of the Fisher Ideal index and a chained formulation is also consistent with standard index-number theory. The Bureau of Economic Analysis ("BEA") defines the Fisher index as the geometric mean of the corresponding Laspeyres and Paasche indexes and explains that its chain-type indexes use information from adjacent periods rather than fixed weights. Diewert also provides the theoretical basis for using Fisher Ideal indexes to measure changes in aggregate inputs and outputs and discusses the desirable aggregation properties of superlative and chained indexes.

a. Laspeyres, Paasche, and Fisher Ideal are standard index-number methods used to measure changes over time in the quantity or price of a group of inputs or outputs. Laspeyres uses prior-period prices as weights, Paasche uses current-period prices as weights, and the Fisher Ideal index combines the two measures by taking their geometric mean. As discussed in Section 2.3 of Exhibit CLP-PBR-2, LEI selected the Fisher Ideal index because of its desirable index-number properties and used a chained formulation in which each year is compared with the immediately preceding year.

For each EDC and year, LEI divides nominal OM&A expense by the EDC-specific OM&A input price index to derive the EDC's real OM&A input quantity. As described in Section 3.2 of Exhibit CLP-PBR-2, the EDC-specific OM&A price index reflects the utility's individual labor and non-labor cost shares. The resulting real OM&A quantities are then summed across EDCs to derive the aggregate industry OM&A input quantity.

Once the EDC-level quantities are aggregated, OM&A is treated as a single industry input. LEI calculates the Laspeyres and Paasche measures of the year-over-year change in aggregate OM&A input quantity and takes their geometric mean to derive the Fisher Ideal OM&A input index. LEI then uses the Fisher Ideal OM&A input index, together with the Fisher Ideal output index, to calculate OM&A PFP, which measures the change in output relative to the change in OM&A inputs.

An EDC's OM&A input price affects the calculation by determining its real OM&A quantity, and that quantity contributes directly to aggregate industry OM&A. There is no separate EDC-level expenditure or value-share weight in the Fisher calculation.

b. For the OM&A input measure, EDCs with larger real OM&A quantities generally have greater influence because they account for a larger share of aggregate industry OM&A. This influence arises naturally from the aggregation of the underlying EDC data rather than from weights separately assigned by LEI. Customer output is calculated separately by aggregating customer counts. EDCs that are similar in size to CL&P do not receive greater weight merely because of that similarity.

c. Exhibit CLP-PBR-2A provides the underlying EDC-level data used to construct the aggregate industry amounts. In the "TFP_Data" tab, columns AD, AH, AI, and AQ provide, for each EDC and year, the nominal OM&A expense, EDC-specific OM&A price index, real OM&A input quantity, and number of customers used in the analysis, respectively. The corresponding year and EDC are provided in columns AA–AB for OM&A, and AN–AO for customer data.

   LEI did not calculate a separate EDC-specific contribution or weight. Rather, real OM&A quantities and customer counts are aggregated across EDCs by year before the industry indexes are calculated. These annual aggregates are shown in the "TFP_Calc" tab in cells D15:D34 for real OM&A and F15:F34 for customers. The resulting chained Fisher OM&A input and customer output indexes are shown in columns AT and BB, respectively.

d. LEI did not separately evaluate whether a size-based weighting was representative because no such weighting was applied. The purpose of the Industry TFP Study is to measure the productivity trend of the electric distribution industry, rather than the productivity trend of utilities that are similar in size to CL&P.

   This approach is consistent with the economic theory underlying I-X regulation. As Bernstein and Sappington explain, "Price cap regulation is intended to replicate the discipline of competitive market force". Consistent with this principle, the productivity benchmark is intended to reflect external industry performance rather than be tailored to the regulated utility based on characteristics such as its size. LEI therefore did not treat similarity in size to CL&P as a basis for assigning greater influence to particular EDCs.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2; Interrog Resp. OCC 537. Conduct a sensitivity analysis and provide the average annual OM&A growth rate and resulting X-factor using reasonable alternative non-labor deflators. Identify the alternative series used and compare the results with LEI's proposed –0.03 X-factor.

Response:

LEI selected the Implicit Price Deflator for Final Sales to Domestic Purchasers ("GDP-FSDP") as the non-labor component of the OM&A input price index because the purpose of the deflator is to convert nominal non-labor OM&A expenditures incurred by U.S. electric distribution companies ("EDCs") into measures of real input quantities. For this purpose, LEI considers a purchaser-based price measure more closely aligned with the inflation faced by EDCs when acquiring goods and services. GDP-FSDP reflects prices paid by domestic purchasers, including for imported goods and services, whereas the Gross Domestic Product Price Index ("GDP-PI") measures prices associated with goods and services produced in the United States, including exports but excluding imports.

In response to UPA-051, LEI performed a sensitivity analysis replacing GDP-FSDP with GDP-PI as the non-labor component of the OM&A input price index, while holding all other elements of the methodology unchanged. The sensitivity produces an average annual OM&A PFP growth rate of approximately +0.03%, compared with -0.03% using GDP-FSDP. Because the Company's proposed X Factor is based directly on the corresponding industry OM&A PFP measure, the sensitivity would likewise produce an X Factor of approximately +0.03%.

The difference results from the mechanics of converting nominal OM&A expenditures into real OM&A input quantities. As described in Exhibit CLP-PBR-2, LEI combines the Utilities Employment Cost Index for labor with the selected non-labor price index using each EDC's labor and non-labor cost shares, and uses the resulting composite price index to deflate nominal OM&A expenditures. A faster-growing non-labor price index attributes a greater portion of nominal OM&A growth to inflation, resulting in lower measured growth in real OM&A inputs and, with customer output unchanged, higher measured OM&A PFP growth.

Over the 2005–2024 study period, GDP-PI increased somewhat faster on average than GDP-FSDP. Based on the series used in LEI's sensitivity, the annualized growth rate was approximately

2.34% for GDP-PI, compared with 2.27% for GDP-FSDP. GDP-PI grew faster than GDP-FSDP in most years, with the principal exceptions occurring during 2005–2008 and 2010–2011. Over the full study period, the somewhat faster growth in GDP-PI results in a higher composite OM&A price index, lower measured growth in real OM&A inputs, and therefore a modestly higher OM&A PFP result.

Although GDP-PI has been used by some practitioners in productivity analyses, LEI continues to consider GDP-FSDP the more appropriate non-labor price measure for the OM&A PFP analysis. As explained in Exhibit CLP-PBR-2 and the Company's response to OCC-537[i], U.S. EDCs purchase materials, equipment, and services from both domestic and foreign sources. GDP-FSDP therefore more closely reflects the broad price environment for the non-labor inputs EDCs actually acquire. Its use is also consistent with the Company's proposed inflation ("I") factor and maintains a common non-labor price measure between the Industry TFP Study and the proposed PBMRP adjustment.

Prior Referenced Response:

[i] OCC-537 Question:

Performance Based Ratemaking Panel Exhibit CLP-PBR-1
Please explain why LEI determined that GDP-FSDP is an appropriate price measure for the entirety of the non-labor component of OM&A expense. In your response:

a. Identify the principal categories of expense included in the non-labor OM&A component and quantify the share attributable to outside services, contractors, and other labor-intensive purchased services, to the extent available;
b. Explain how LEI's methodology accounts for the labor component embedded in outsourced or contracted services that are classified as non-labor OM&A expense;
c. State whether LEI evaluated alternative materials-and-services or non-labor price indices, including any measure designed to reflect the labor intensity of purchased services, and provide the results of any such analysis; and
d. Provide a sensitivity analysis showing the effect on industry OM&A input growth, OM&A PFP, and the proposed X Factor of using any alternative non-labor input-price measure considered by LEI.

OCC-537 Response:

LEI selected Gross Domestic Product- Final Sales to Domestic Purchasers ("GDP-FSDP") as a broad proxy for price changes in the aggregate non-labor component of OM&A. GDP-FSDP is related to the more commonly referenced Gross Domestic Product Implicit Price Index ("GDP-IPI"). Both are broad BEA price measures, but GDP-FSDP measures prices associated with final purchases by domestic purchasers, whereas GDP-IPI measures prices associated with goods and services produced domestically.

As explained in Section 3.2 of Exhibit CLP-PBR-2, because electric distribution utilities procure both domestically produced and imported materials, equipment, and services to support their operations, GDP-FSDP provides a more representative measure of inflation in utility input purchases than GDP-based measures focused on domestic production.

a. As discussed in Section 3.2, page 27 of Exhibit CLP-PBR-2, the OM&A inputs included in LEI's Industry TFP Study reflect non-capital expenses associated with the (i) distribution, (ii) customer accounts, (iii) customer service, (iv) sales, and (v) allocated administrative and general ("A&G") functions reported in FERC Form 1.

   FERC Form 1 data is not reported in such a way as to provide the share attributable to outside services, contractors, and other labor-intensive purchased services.

   Under FERC's Uniform System of Accounts, Account 923, "Outside Services Employed," applies to general outside services that are not attributable to a particular operating function or other account; contracted services associated with a specific function may therefore be recorded in the applicable functional expense account.[1] LEI therefore did not quantify the share of modeled non-labor OM&A attributable specifically to labor embedded in outsourced or contracted services. 1 In addition, the standardized FERC Form 1 data used in LEI's Industry TFP Study do not separately identify the portion of payments to outside service providers attributable to the contractor's labor as distinguished from other components of the purchased service. FERC Form 1 separately reports utility salaries and wages by functional category, while payments for outside services are reported as expenses without a corresponding breakdown of the service provider's underlying labor and non-labor costs.[2]

b. LEI's methodology does not separately reclassify the labor embedded in purchased or contracted services. Please refer to subpart (a), above. FERC Form 1 separately identifies the utility's own salaries and wages, which LEI uses as the measured labor component.

c. LEI did not perform a quantitative evaluation of an alternative materials-and-services index, or of a special index designed to reflect the labor intensity of purchased services, for the non-labor OM&A component.

d. LEI did not perform the requested alternative non-labor input-price sensitivity and therefore has no existing results showing the effect on OM&A input growth, OM&A PFP, or the proposed X Factor.

[1] 18 C.F.R. Part 101, Uniform System of Accounts, Account 923, "Outside Services Employed"; FERC Form No. 1, Electric Customer Accounts, Service, Sales, Administrative and General Expenses, p. 325.

[2] FERC Form No. 1, p. 354, "Distribution of Salaries and Wages"; 18 C.F.R. Part 101, Uniform System of Accounts, Account 923, "Outside Services Employed.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2. LEI uses the Bureau of Labor Statistics (BLS) Employment Cost Index (ECI) data to construct the labor-price series. The ECI series used by LEI is not consistent over the full study period.

a. Identify the ECI series used, the years for which each series was used, and explain how the series were linked, including treatment of any overlapping years and the basis for the linking method.
b. Conduct a sensitivity analysis and provide the annual OM&A PFP growth rate and resulting X-factor using a reasonable alternative method of linking the ECI series. Compare the results with LEI's proposed –0.03 X-factor.

Response:

a. Two BLS Employment Cost Index ("ECI") series were used to construct the labor-price series in LEI's TFP Study:

    1. ECU12542I – ECI, total compensation, private industry workers, *Electric, gas, and sanitary services*, not seasonally adjusted; and

    2. CIU2014400000000I – ECI, total compensation, private industry workers, *Utilities,* not seasonally adjusted.

       LEI's preferred series is the *Utilities* series (CIU2014400000000I), but that series is available only from 2001 onward. To extend the labor-price series back to 1988, LEI also used the predecessor *Electric, gas, and sanitary services* series (ECU12542I), which is available through 2005. Accordingly, LEI used ECU12542I for 1988–2000, the simple arithmetic average of the two series during their common 2001–2005 period, and CIU2014400000000I from 2006 onward.

       The use of these two series together is supported directly by BLS's own treatment of the series as continuous and comparable. In the BLS Employment Cost Index Historical Listing – Volume V, Table 5, page 23, BLS reports "Utilities" as part of its "Continuous occupational and industry series" and attaches footnote 10 to the

Utilities series.[1] Footnote 10 on page 28 expressly states that "[t]he comparable series for the period prior to March 2006 is electric, gas, and sanitary services."[2] In addition, the BLS Technical Note on page 2 explains that the Historical Listing contains industry series that BLS determined to be continuous between the former classification system used through December 2005 and the current classification system used beginning in March 2006.[3] Thus, BLS itself identifies *Electric, gas, and sanitary services* as the pre-2006 comparable series for Utilities, rather than LEI independently assuming that the two unrelated series could be combined.

The two published series also track closely during their 2001–2005 overlap. LEI therefore treated the overlap as a transition period and gave the two series equal weight by taking their simple average for those years. For example, the respective index values are 82.4 versus 82.1 in 2001, 86.3 versus 85.8 in 2002, 90.1 versus 89.2 in 2003, and 94.9 versus 94.3 in 2004. By 2005, both series report exactly 99.2. Accordingly, there is no level discontinuity introduced by switching from the predecessor series to the *Utilities* series at the end of the overlap period: the two series converge to the same index value immediately before the transition. The close correspondence throughout the overlap also confirms that the two series exhibit substantially the same underlying movement.

The approach LEI employed to merge the two series has precedent. For example, the Federal Reserve Bank of St. Louis notes in its discussion of index-number splicing that overlapping annual index series may be linked either in a single year or "over an average of years in the overlap".[4] Similarly, the Australian Bureau of Statistics uses a "mean splice" for its CPI methodology specifically because using all periods common to the two series avoids making the result depend on the choice of a single splice period and has proved more robust empirically.[5] Although these approaches are not identical to LEI's simple arithmetic average, they provide a recognized statistical basis for using the overlapping observations collectively to produce a smooth transition between closely comparable index series, rather than arbitrarily selecting a single crossover point during the overlap.

b. As explained in response to subpart (a), no single BLS ECI series covering the relevant utility industry is available for the entire 1988–2024 period. The predecessor *Electric, gas, and sanitary services* series is needed for the earlier years, while the *Utilities* series is available only for the later years. Accordingly, a continuous labor-price series for the full period necessarily requires the two BLS series to be linked. LEI therefore cannot perform the requested sensitivity using an alternative, independently observed ECI series that is applicable to the EDC industry covering the full study period because such a series is not available.

[1] BLS. *Employment Cost Index Historical Listing – Volume V*. P. 23.
[2] BLS. *Employment Cost Index Historical Listing – Volume V*. P. 28.
[3] BLS. *Employment Cost Index Historical Listing – Volume V*. P. 2.
[4] Federal Reserve Bank of St. Louis. *Revisions to User Costs for the Federal Reserve Bank of St. Louis Monetary Services Indexes*. (2005). P. 5.
[5] Australian Bureau of Statistics. *Consumer Price Index: Concepts, Sources and Methods, 2017*.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2; Exhibit CLP-PBR-3; Interrog. Resps. OCC-534 and OCC-538. LEI uses a 20-year period (i.e., 2005-2024) for the Total Factor Productivity (TFP)/PFP analysis and a 10-year period (i.e., 2015-2024) for the econometric benchmarking analysis. LEI states that the longer TFP/PFP period reduces the influence of year-to-year variability, unusual observations, and one-time events and better reflects long-run productivity trends.

a. Explain why these considerations support a 20-year period for the TFP/PFP analysis but not for the econometric benchmarking analysis.
b. Conversely, explain why the considerations supporting the 2015-2024 period for the econometric benchmarking analysis do not support using a similar period for the TFP/PFP analysis.
c. Explain the basis for selecting 2015 as the starting year for the econometric benchmarking analysis.

Response:

a. The appropriate study period depends on the purpose and methodology of the analysis. The TFP/PFP analysis is intended to estimate a long-run industry productivity trend, based on changes in industry inputs and outputs over a sufficiently long period of time. For that purpose, a longer period provides more annual growth observations and reduces the influence of individual years affected by changes in consumption, lumpy capital expenditures, labor-cost fluctuations, or other one-time events. LEI therefore selected the 2005–2024 period as a sufficiently long period to measure the underlying industry productivity trend, while remaining relevant to current industry conditions.

   The econometric benchmarking analysis serves a different purpose. It estimates the relationship between utility costs and contemporaneous cost drivers in order to assess CL&P's current cost performance relative to the industry. For that analysis, LEI selected a more recent ten-year period to estimate the relationship between costs and drivers and provided annual results for the own-cost benchmarking – this timeframe, in the context of the panel regression with 88 EDCs, provides sufficient observations for statistically robust estimation while maintaining the relevance of the estimated cost relationships to current operating conditions and future PBR rate setting.

b. Conversely, the considerations supporting the 2015–2024 period for econometric benchmarking do not support limiting the TFP/PFP analysis to the same ten-year period. The benchmarking analysis is intended to capture relatively recent operating and cost relationships at a **specific point in time**. In contrast, the objective of the TFP/PFP analysis is to measure productivity **trends over time**. Shortening that analysis to ten years would reduce the number of annual growth observations and increase the influence of the particular economic and operating conditions occurring within that shorter period, including unusual or transitory events. This would be less consistent with the objective of estimating a representative long-run industry productivity trend. The TFP study therefore balances the need to reduce the influence of individual-year volatility against the need to retain relevance to current industry conditions.

c. LEI selected 2015 as the starting year because 2015–2024 represents the most recent ten-year period ending with the latest complete year of data used in the study. That period provides a balanced panel in which each of the 88 EDCs is observed in each year, while providing sufficient observations to estimate and test the relevant business drivers and capturing a range of recent operating conditions relevant to the benchmarking analysis.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2, p. 25. LEI interpolated isolated missing observations when data were unavailable for a single year but available for the immediately preceding year and following years.

a. Identify each interpolated observation, including the utility, year, and variable, and provide the value before and after interpolation and the method used to calculate the interpolated value.
b. Recalculate the OM&A PFP growth rate and resulting X-factor excluding interpolated observations and compare the results with LEI's proposed –0.03 X-factor.
c. Identify whether any observations used in Exhibit CLP-PBR-3 were interpolated, imputed, estimated, or otherwise constructed to address missing data. If so, identify each such observation and the method used.

Response:

a. Please refer to Table 1 below. LEI used interpolation where one or more annual observations were missing but reported observations were available for the same EDC both before and after the missing period. For each such gap, LEI used the nearest available observations preceding and following the gap and linearly interpolated the intervening years, thereby smoothing the change between the two observed endpoints across the missing period. Where multiple consecutive years were missing, the change between the two available endpoint observations was distributed across the intervening years rather than treating each missing year independently.

   This treatment maintains continuity in the historical series and avoids treating the absence of a reported observation as an actual change in the utility's underlying plant or other input. The table below identifies each interpolated observation, including the utility, variable, year, original value, and interpolated value.

Table 1

Company	Variable	Year	Original value	Interpolated value (nominal, 000s)	Bounding years used
Versant Power (Bangor Hydro Electric Company)	Plant in Service – Beginning of Year	1991	Missing	$ 96,888	1990 and 1994
Versant Power (Bangor Hydro Electric Company)	Plant in Service – Beginning of Year	1992	Missing	$ 109,573	1990 and 1994
Versant Power (Bangor Hydro Electric Company)	Plant in Service – Beginning of Year	1993	Missing	$ 122,257	1990 and 1994
Maine Public Service Company	Plant in Service – Beginning of Year	1990	Missing	$ 30,467	1989 and 1992
Maine Public Service Company	Plant in Service – Beginning of Year	1991	Missing	$ 32,058	1989 and 1992
Maine Public Service Company	Plant in Service – Beginning of Year	1993	Missing	$ 34,793	1992 and 1994
Versant Power (Bangor Hydro Electric Company)	Plant in Service - Retirements	1991	Missing	$ 484	1990 and 1992
Versant Power (Bangor Hydro Electric Company)	Plant in Service - Retirements	1993	Missing	$ 611	1992 and 1994
Maine Public Service Company	Plant in Service - Retirements	1990	Missing	$ 305	1989 and 1992
Maine Public Service Company	Plant in Service - Retirements	1991	Missing	$ 321	1989 and 1992
Maine Public Service Company	Plant in Service - Retirements	1993	Missing	$ 348	1992 and 1994

b. The interpolated observations identified in subpart (a) relate to historical plant-in-service balances and retirements used in constructing the capital input series. These observations are not inputs to the calculation of OM&A PFP. Accordingly, excluding the interpolated capital observations does not change the industry OM&A PFP growth rate or the resulting X Factor; both remain approximately -0.03%.

The interpolated observations may affect the construction of the capital input series and, therefore, capital PFP and total TFP, but those measures are not used to establish the Company's proposed X Factor.

c. Exhibit CLP-PBR-3 uses several data series developed for LEI's Industry TFP Study. The unit-cost benchmarking analysis uses the same OM&A costs, capital costs, and customer counts as the TFP Study, and the econometric benchmarking analysis similarly uses the capital and OM&A cost measures developed using the TFP methodology.

Accordingly, the historical plant-in-service and retirement observations identified in response to subpart (a) were used in constructing the capital cost series that is also used in Exhibit CLP-PBR-3. These were not separate interpolations performed for the benchmarking analysis; rather, the benchmarking analysis uses the resulting capital cost series developed from the same underlying historical data. See the response to subpart (a) for the utility, year, variable, and interpolation method.

With respect to variables developed separately for the econometric benchmarking analysis, LEI used one data substitution to address unavailable data. For Potomac Electric Power Company's District of Columbia operations, LEI used Maryland's BLS Quarterly Census of Employment and Wages ("QCEW") utility-industry average annual pay as a proxy for the District of Columbia labor-price variable for each year from 2015 through 2024 because the corresponding District of Columbia series was unavailable. The Maryland value for each year was used and transformed into natural logarithmic form consistent with the model specification. This treatment is a proxy substitution, not an interpolation.

Date Filed: October 30, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND X-FACTOR) Exhibit CLP-PBR-2A CONFIDENTIAL. The values reported for the OM&A price index and Real OM&A are hard-coded or embedded in the workbook rather than calculated through formulas that permit reproducible results.

a. Refile Exhibit CLP-PBR-2A CONFIDENTIAL, as an unlocked Excel workbook with all equations, calculations, links, and underlying assumptions/workpapers unhidden, unprotected, and in a reproducible format.

b. Define the term in Cell Z8, and discuss how LEI developed the OM&A and Real OM&A cost components. Include citations to the underlying source data.

c. Discuss how the OM&A price index for each utility and year was constructed, including how the normalized ECI, normalized Gross Domestic Product for Final Sales to Domestic Purchasers (GDP-FSDP), and labor cost share are incorporated into the calculation(s).

d. Explain how the labor cost share is calculated, including the underlying data source(s), FERC 1 accounts or other inputs used, and adjustments made, and whether the labor cost share is utility-specific and/or varies by year.

e. Identify any other derived inputs, intermediate calculations, indices, or results used in the TFP, PFP, or X-factor calculations in Exhibit CLP-PBR-2A CONFIDENTIAL, that are reported as hard-coded/ embedded values or otherwise cannot be reproduced from the formulas contained in the workbook. For each, provide the underlying data, equation or methodology, calculations, and other items necessary to reproduce the reported value, with formulas intact.

Response:

a. Please refer to UPA-055 Attachment 1, CONFIDENTIAL.

b. Please refer to Section 3.2. of the CLP-PBR 2.

c. Please refer to Section 3.2 of the CLP-PBR 2.

d. Please refer to Section 3.2. of the CLP-PBR-2.

e. Please refer to UPA-055 Attachment 1, CONFIDENTIAL.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND S-FACTOR) Exhibit CLP-PBR-3 and Interrog. Resps. OCC-444. LEI's econometric benchmarking model uses pooled Ordinary Least Squares (OLS) with a linear time trend and heteroskedasticity-robust standard errors.

a. Because the dataset contains repeated annual observations for the same utilities, re-estimate the models using fixed effects in place of the linear time trend and standard errors clustered at the utility level. Use the estimated utility fixed effects to construct an industry-level benchmark and compare the Company's cost performance to that benchmark. Explain how the industry-level benchmark is constructed from the utility-specific effects and provide the Company's resulting efficiency gap.
b. Provide the resulting coefficient estimates, standard errors, model fit statistics, and Company benchmarking results, and compare them with the results from LEI's originally submitted specifications.

Response:

a. This is a time-consuming request that could not reasonably be completed during the discovery process. More importantly, it is LEI's expert opinion that such analysis is not likely to yield reliable results. LEI considered a utility fixed-effects specification during preliminary development of the econometric models. However, given the size of the benchmarking sample (88 EDCs), such a model specification would have required introduction of 87 utility-specific indicator variables in addition to the business drivers. This would materially reduce the degrees of freedom available to estimate the relationships between costs and the selected explanatory variables, resulting in less reliable statistical estimates in the context of benchmarking.

   In order to support a fixed-effects specification with a larger number of utility-specific effects, LEI would need to extend the study period substantially further back in time, thereby introducing older data into the benchmarking sample. LEI does not consider this preferable because an econometric benchmarking study should reflect the current efficiency of an individual firm relative to other firms in the industry. LEI's selected 10-year study period therefore strikes a balance between using sufficiently recent data to provide a current measure of relative cost performance and using a sufficiently long period so that the results are not unduly influenced by events or conditions affecting only a single

year. As a result, LEI did not proceed with a utility fixed effects specification and instead selected specifications that provided more reliable and interpretable estimates of relative cost performance across EDCs.

b. LEI could not reliably deploy a fixed-effects approach described in subpart (a) to construct an alternative cost-level benchmark.

Date Filed: October 09, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND S-FACTOR) Exhibit CLP-PBR-3. LEI's econometric benchmarking model uses customer count as the principal measure of utility output.

a. Identify any alternative or additional output or scale measures LEI considered, including delivered energy and peak demand, or a combination of all three (i.e., delivered energy, peak demand, and customer count), and provide the results of any such specifications that were estimated.
b. If LEI did not evaluate alternative output or scale measures, re-estimate the preferred OM&A benchmarking model using reasonable alternative or additional measure of utility output or scale and provide the resulting Company benchmarking results.

Response:

a. In developing the econometric benchmarking models, LEI considered and tested several alternative measures of utility scale, including customer count, delivered energy sales, and specifications that included both customer count and delivered energy sales. The data was readily available for these variables across time and all EDCs and reliable. As described in LEI's response to OCC-444[i], LEI selected customer count as the preferred specification based on statistical performance, economic reasonableness, and parsimony.

   The OM&A cost model includes the natural logarithm of customer count, which has a coefficient of approximately 0.870 and is statistically significant. This result is consistent with the economic relationship that utilities serving more customers generally incur greater operating, maintenance, and administrative costs.

   Results for preliminary tests using delivered energy sales, either in place of or in addition to customer count, were not retained, as stated in response to OCC-444. Accordingly, LEI does not have additional regressions results to provide at this time.

   LEI did not estimate a specification using peak demand because such data is not available to LEI's knowledge, for all 88 utilities over time in FERC Form 1 or EIA data sets.

b. Not applicable. As discussed in response to subpart (a), LEI evaluated alternative scale measures, including delivered energy sales and specifications incorporating both customer

count and delivered energy sales. Accordingly, the condition in subpart (b)—"if LEI did not evaluate alternative output or scale measures"—does not apply.

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[i] OCC-444 Question:

Exhibit CLP-PBR-1 PBR Testimony Please provide the complete econometric specification and diagnostic testing underlying each preferred benchmarking model, including:

a. Whether the model is pooled OLS, fixed-effects, random-effects, or another panel-data specification;
b. The basis for the selected panel-data specification and the results of any specification tests performed;
c. How the models account for utility-specific unobserved heterogeneity;
d. How standard errors account for repeated observations for the same utility over time, including whether standard errors are clustered at the utility level;
e. Results of tests for serial correlation, heteroskedasticity, multicollinearity, influential observations, and model specification error; and

All alternative model specifications tested and the resulting the Company benchmarking results under each specification.

OCC-444 Response:

a. The statistical cost models developed for the econometric benchmarking analysis use a pooled ordinary least squares ("OLS") specification, as shown in Exhibit CLP-PBR-3B.

b. LEI selected a pooled OLS specification because of its cross-sectional properties. Panel treatment allows for development of explanatory relationships on cost functions based on both variation across utilities and time. LEI used a sample of 88 utilities over a 10-year period resulting in a balanced panel dataset with 880 total observations. Econometric analysis benefits from having a sufficiently large number of observations, as this improves the precision and reliability of the statistical estimates.

c. LEI's benchmarking model controls for various observable utility-specific cost drivers through selected, economically intuitive, independent variables that represent business drivers/operating characteristics. Subsequently, any remaining differences in cost performance that are not explained by those observable characteristics, i.e. "utility-specific unobserved heterogeneity," are reflected in the model's residual values. For benchmarking purposes, this residual is used as the measure of relative cost performance, representing the extent to which a utility's actual costs differ from the costs predicted by the model given the utility's own circumstances related to its scale, input prices and network characteristics, and the impact that those business drivers are expected to have on cost (based on fitted values developed from analysis across the industry).

d. In developing the econometric equation with fitted values for each cost function, LEI used heteroskedasticity-robust standard errors (vce (robust)), rather than standard errors clustered by utility.

e. The table below summarizes the various tests that LEI performed on the regressions for the three cost models. LEI did not separately test for influential observations, which assess whether individual observations disproportionately affect the regression estimates, or for model specification error, which assesses whether the assumed model form may be mis-specified.

	OM&A model	Total Cost model	Capital Cost model
Serial correlation	Wooldridge F = 2.671; p = 0.1058	Wooldridge F = 3.523; p = 0.0639	Wooldridge F = 319.424; p = 0.0000
Heteroskedasticity	Breusch-Pagan χ^2 = 7.47; p = 0.0063	χ^2 = 0.01; p = 0.9054	χ^2 = 37.55; p = 0.0000
Multicollinearity	Mean Variance Inflation Factor ("VIF") = 1.61; max = 2.22	Mean VIF = 156.98; Ln_Customers_sq = 540.14; Ln_Customers = 539.91	Mean VIF = 156.98; Ln_Customers_sq = 540.14; Ln_Customers = 539.91
Model Selection Criteria	AIC = 477.00; BIC = 500.90	AIC = -179.14; BIC = -140.90	AIC = 170.44; BIC = 208.68

f. During the initial phases of constructing an econometric model, LEI considered and tested a range of alternative explanatory variables for each const function, which were selected based on economic intuition and their potential relevance to utility cost performance. Various combinations of these variables were also assessed as part of the specification process. LEI generally found that other variables initially considered were not statistically significant for the chosen time period and sample of utilities and were therefore not retained in the final model specifications. LEI did not retain workpapers for these initial tests as these other candidate variables were ultimately not reflected in the final model specification.

Date Filed: October 13, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND S-FACTOR) Exhibit CLP-PBR-3, p. 44; Interrog. Resp. OCC-444.
LEI explains its use of Akaike Information Criterion (AIC) and Bayesian Information Criterion (BIC) in selecting its preferred econometric benchmarking model specifications. The total-cost and capital-cost models include both the natural log of customers and its squared term, while the OM&A cost model includes only the natural log of customers.

a. Beyond the AIC and BIC model-selection criteria discussed by LEI, explain the economic basis for assuming a nonlinear relationship between customer count and total and capital costs but not OM&A costs.
b. Re-estimate the preferred OM&A model including the squared natural log of customers and provide the resulting coefficient estimates, model fit statistics, and CL&P benchmarking results. Compare the results with LEI's preferred OM&A specification.
c. Provide any code and associated output used to estimate and compare the alternative specifications, including the calculations of AIC and BIC used in selecting the preferred specifications.

Response:

a. LEI tested both linear and nonlinear customer-scale specifications during model development. In the OM&A model testing, the squared customer term was not statistically significant and therefore was not retained in the final model specification. By contrast, the squared customer term was statistically significant in the total-cost and capital-cost models and was retained to allow the effect of customer scale to vary across utilities of different sizes. This treatment is also economically reasonable because capital-related costs reflect network infrastructure requirements that may increase non-proportionately with the number of customers served by the utility, whereas OM&A costs are likely to be more linear in their relationship with customer count.

b. LEI re-estimated the OM&A model to include the squared natural logarithm of customers. The coefficient estimates, model-fit statistics, and CL&P benchmarking results for both LEI's preferred OM&A specification and the alternative specification are provided in the table below.

Variable / Statistic	**Preferred OM&A specification**	**p-value**	**Alternative specification with Customers squared**	**p-value**
Customers	0.8703	0.000	-0.3114	0.321
Customers squared	—	—	0.0438	0.000
Labor price	0.9725	0.000	0.9112	0.000
Distribution business share	0.5163	0.000	0.5604	0.000
Time trend	-0.0067	0.160	-0.005	0.295
Constant	-11.1059	0.000	-2.4813	0.339
R-squared	0.8872	—	0.8896	—
Root MSE	0.3164	—	0.3132	—
AIC	477		460.19	
BIC	500.9		488.87	
CL&P's average percentage deviation from the applicable benchmark over the 2015–2024 period	**11.90%**		**15.40%**	

LEI nevertheless continues to prefer its original OM&A specification. The fact that the preferred total-cost and capital-cost models include a nonlinear customer-scale term does not, by itself, imply that the same functional form is appropriate for OM&A costs. In LEI's judgment, the appropriate specification should reflect the economic characteristics and cost drivers of the particular cost category being modeled. Network- and capacity-related characteristics can lead to discrete capital investments, while customer count provides a

reasonable indicator of the scale of recurring operating activities, which tend to change more gradually as the number of customers changes.

c. Please refer to UPA-058, Attachment 1, for the existing Stata code and associated output used to evaluate the alternative specifications. AIC and BIC for the preferred and alternative OM&A specifications can be reproduced using Stata's *estat ic* and *estimates stats* commands following estimation of the respective specifications.

Date Filed: October 13, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND S-FACTOR) Exhibit CLP-PBR-2; Exhibit CLP-PBR-3; Exhibit CLP-PBR-3A Confidential.

a. Identify which of the 88 utilities included in LEI's TFP and benchmarking study underwent changes in their corporate structure (e.g., merged with or acquired another company) during the study period.
b. For each of the utilities identified in subpart a, explain how LEI constructed the historical customer series and the criteria used to determine which predecessor or affiliated utilities were combined. Identify all utilities for which customer counts were constructed or adjusted in this manner and explain whether the same treatment was applied to the TFP/PFP and econometric benchmarking analyses.

Response:

a. LEI identified the utilities listed in Table 1 as utilities for which changes in corporate structure during the study period required historical data to be combined or adjusted to maintain a consistent series over time. In these cases, the historical data of predecessor or subsequently consolidated utilities were included in the customer series of the successor utility (utility included in LEI's studies). Changes solely in parent or holding-company ownership, or changes in utility name that did not alter the underlying operating utility or customer base represented in the data, did not require historical data to be combined and are not separately identified in the table. The table identifies the final utility included in LEI's TFP and benchmarking studies, the predecessor or historical utility data incorporated into that utility's series, and the period for which those historical data were used.

Table 1

Final Utility Included in LEI Study	Historical Utility Data Incorporated
Ameren Illinois Company	AmerenIP
	Central Illinois Light Company
	Central Illinois Public Service Company
The Narragansett Electric Company	Blackstone Electric Company
	Newport Electric
Green Mountain Power Corporation	Central Vermont Public Service Corporation
Versant Power (previously d/b/a Bangor Hydro Electric Company)	Maine Public Service Company
FirstEnergy Pennsylvania Electric Company	Metropolitan Edison Company
	Pennsylvania Electric Company
	Pennsylvania Power Company
	West Penn Power Company
NSTAR Electric	Cambridge Electric Light Company
	Commonwealth Electric Company
	Western Massachusetts Electric Company

b. LEI constructed the historical series using utility-level data from the sources identified in the TFP Report, including FERC Form 1 data compiled by S&P Global Market Intelligence and EIA Form 861 data. For utilities affected by mergers, acquisitions, or consolidations, LEI mapped predecessor utilities to the successor utility included in the study. For periods prior to a merger or consolidation, LEI used the separately reported historical data of predecessor utilities that subsequently became part of the successor utility, to the extent those data were not already reflected in the successor utility's reported historical series. Where more than one predecessor utility was combined into a successor utility, LEI combined the underlying utility-level data for the applicable historical years, again only to the extent those data were not already captured in the successor utility's reported series. Once the successor utility was reported as a single entity by the data provider, LEI used the successor utility's reported data and no longer separately included the predecessor utility data. This treatment was applied

consistently to the underlying data used in the TFP/PFP and econometric benchmarking analyses.

Date Filed: October 13, 2026

Witness: Julia Frayer
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND S-FACTOR) Exhibit CLP-PBR-3 Provide the OM&A and total-cost benchmarking results with Account 908 included and compare CL&P's resulting benchmark performance with the preferred specifications excluding Account 908.

Response:

Please refer to UPA 060, Attachment 1, for the requested information. When Account 908 is included for all utilities for all years in LEI's benchmarking analysis, CL&P's OM&A costs averaged approximately 23.6% above benchmark, while its total costs averaged approximately 4.9% above benchmark, over the 2015–2024 period. By comparison, under LEI's preferred specifications excluding Account 908, CL&P's OM&A costs averaged approximately 11.9% above benchmark, while its total costs averaged approximately 2.3% below benchmark over the same period. Thus, including Account 908 results in less favorable benchmark performance for CL&P: wherein the OM&A cost deviation increases by approximately 11.7 percentage points, and the total-cost deviation increases by approximately 7.2 percentage points.

As explained in Exhibit CLP-PBR-3, LEI excluded Account 908 (Customer Assistance Expenses) because it primarily includes expenditures associated with customer assistance and public policy programs, such as energy efficiency, demand-side management, low-income assistance, and customer education. These expenditures are largely driven by legislative and regulatory requirements and can vary significantly across jurisdictions based on differences in state policy objectives, rather than differences in the operating efficiency, which is the ultimate objective of the benchmarking analysis. Therefore, LEI's professional opinion is that excluding Account 908 is a more valid and reliable approach because it improves comparability across utilities and focuses the benchmarking analysis on costs more directly associated with the provision of electric distribution service.

Date Filed: October 13, 2026

Witness: Julia Frayer, Matthew Nelson and Michael Goldman
Request from: Public Utilities Regulatory Authority

Question:

(OM&A PFP AND S-FACTOR) Exhibit CLP-PBR-3; Interrog. Resps. OCC-431, OCC-443, OCC-539, OCC-543. LEI proposes a 0.3% annual Consumer Dividend (S-factor). Assuming CL&P achieves the 0.3% annual Consumer Dividend in each year of the four-year MRP:

a. Quantify the reduction in CL&P OM&A that would result over the four-year MRP relative to the revenue-cap trajectory without the Consumer Dividend;
b. Compare that reduction to the efficiency gap identified for CL&P in LEI's benchmarking analysis, including under each benchmarking method relied upon by LEI; and Quantify the percentage of the identified benchmarking/efficiency gap that would be closed by the end of the four-year MRP.

Response:

a. As noted in Exhibit CLP-PBR-1 at 58, benchmarking results should not be translated directly into a Consumer Dividend or S Factor. The difference between a utility's actual costs and its benchmarked costs represents an estimate of relative cost performance at a point in time; it does not indicate the extent to which those differences can reasonably or sustainably be eliminated over the term of a PBR plan. Rather, the Consumer Dividend represents a "sharing" of benefits with customers for the duration of the PBMRP by reducing the amount of revenue support that would otherwise be provided to the Company in the absence of the Consumer Dividend (see Exhibit CLP-PBR-1 at 64). Under the Company's proposal, the Consumer Dividend will never be less than 0.3 percent, meaning it can only *reduce* customer rates by no less than 0.3% as part of the I-X-S calculation. However, the Consumer Dividend does not reflect a direct quantification of OM&A savings that will (or won't) be realized during each year of the PBMRP, such that it's not possible to quantify the reduction in OM&A that would result over the four-year MRP relative to the revenue cap trajectory without the Consumer Dividend. Rather, the Consumer Dividend provides for a sharing of savings with customers for the duration of the PBMRP regardless of actual OM&A savings realized during the plan. Having said that, LEI presents the following analysis in response to this question.

   LEI's benchmarking analysis evaluates CL&P's relative cost performance using both unit-cost and econometric benchmarking. As discussed in Exhibit CLP-PBR-3, unit-cost

benchmarking provides a high-level comparison of observed costs per customer across utilities, but does not account for differences in business drivers that may cause one EDC to have higher or lower unit costs, including input prices, network configuration, scale, customer characteristics, and economies of scope. LEI therefore also relies on econometric benchmarking, which controls for these factors and provides a more comprehensive assessment of relative cost performance.

As an illustrative reference point, Figure 1 below compares CL&P's OM&A cost per customer in 2022-2024 with selected points in the national and Northeast peer distributions, using the unit cost benchmarking analysis. The results demonstrate that the apparent magnitude of CL&P's cost difference varies materially depending upon the comparator selected. For example, in 2024, CL&P's OM&A cost per customer was approximately 397%, or $134.2/customer, above the lowest-cost utility's OM&A cost per customer in the 88-utility national sample; 49%, or $55.4/customer, above the national median; and 39%, or $46.9/customer, above the national average. Within the 22-utility Northeast sample, CL&P was approximately 79%, or $74.2/customer, above the lowest-cost utility's OM&A cost per customer; 0.2%, or $0.4/customer, below the median; and 2%, or $3.5/customer, below the average. Similar variation is evident in 2022 and 2023. These differences should not be interpreted as estimates of the amount by which CL&P can reduce its costs. In particular, comparison with the lowest-cost or highest-ranked utility does not establish that CL&P could attain that utility's cost level, because utilities differ in operating characteristics and cost drivers.

Figure 1: CL&P OM&A cost deviation from industry and Northeast comparators

Comparator	CL&P above/(below) comparator (%)			CL&P $/customer above/(below) comparator		
	2022	2023	2024	2022	2023	2024
Rank 1 (out of 88 = Industry)	252%	584%	397%	$ 100.6	$ 145.3	$ 134.2
Rank 1 (out of 22 = Northeast)	61%	87%	79%	$ 53.4	$ 79.1	$ 74.2
Median (out of 88 = Industry)	30%	63%	49%	$ 32.3	$ 65.7	$ 55.4
Median (out of 22 = Northeast)	-8%	19%	-0.2%	$ (11.7)	$ 26.9	$ (0.4)
Average (out of 88 = Industry)	17%	41%	39%	$ 20.0	$ 49.7	$ 46.9
Average (out of 22 = Northeast)	-12%	5%	-2%	$ (19.3)	$ 8.5	$ (3.5)

Note: A lower rank indicates relatively lower OM&A costs per customer. Accordingly, Rank #1 represents the utility with the lowest OM&A cost per customer.

LEI also performed a hypothetical test still using the unit cost benchmarking to illustrate how CL&P's historical national OM&A cost-per-customer ranking would change if CL&P's OM&A cost per customer were reduced by assumed percentages of 10%, 25%, or 50%, while holding the historical costs of all other utilities unchanged. See Figure 2 below. The table shows how progressively larger assumed reductions in CL&P's OM&A cost per customer would affect its relative ranking in each of the three historical years shown. This is a hypothetical ranking exercise only; it is not a benchmarking analysis. Benchmarking is conducted on an industry-wide basis using the observed costs and characteristics of all utilities in each year. Accordingly, reducing only CL&P's historical cost while leaving all other utilities unchanged does not represent how CL&P would necessarily rank in a future period, because other utilities' costs and operating conditions would also change over time.

Figure 2: Impact of hypothetical cost reductions on CL&P's OM&A/customer ranking (National)

CL&P OM&A/customer ranking (out of 88 = Industry) by cost reduction scenario	2022	2023	2024
10%	58	73	67
25%	42	58	58
50%	12	30	26
Current ranking	66	75	73

Note: A lower rank indicates relatively lower OM&A costs per customer.

LEI's econometric analysis further demonstrates why a simple unit-cost gap should not be treated as a direct measure of inefficiency. After controlling for relevant business drivers, CL&P's OM&A costs averaged approximately 11.9% above the model-predicted benchmark over 2015–2024 and approximately 16.4% above benchmark over 2021–2024. At the same time, CL&P's capital costs remained below benchmark and its total costs averaged approximately 2.3% below benchmark over 2015–2024 and 3.1% below benchmark over 2021–2024. Thus, while the benchmarking analysis indicates opportunities for continued OM&A efficiency improvements, it also shows that CL&P's overall cost performance is more favorable than the simple unit cost benchmarking may otherwise imply, after controlling for relevant cost drivers.

b. LEI has not calculated the Consumer Dividend with the objective of closing a specified percentage of an identified benchmarking "efficiency gap." Such a calculation would require making a strong presumption that the difference between CL&P's observed OM&A costs and a selected benchmark represents costs that can be eliminated over the four-year MRP. There is no basis to make such a conclusion. As explained in Exhibit CLP-PBR-3, benchmarking reflects relative cost performance historically at a point in time and although that could suggest opportunities for further improvement, it does not by itself provide dispositive empirical evidence of the pace with which additional productivity gains can reasonably be achieved. Accordingly, the proposed 0.30% Consumer Dividend that LEI recommends should be understood as an additional efficiency requirement informed by CL&P's benchmarking results, its overall cost performance, the proposed X Factor, and regulatory precedent, rather than as a mechanical amortization of a measured efficiency gap.