Date Filed: September 30, 2026

Witness: Christopher E. Colorio, Mark P. Baldwin, John G. Griffin and Leanne M. Landry
Request from: Office of Education, Outreach, and Enforcement

Question:

(MS24A-VENDOR-LINE) Refer to Exhibit ACCT-2 CLP-1 and Confidential Exhibit ACCT-2 CLP-1A-9, pp. 182-226. The Company reported an incremental charge of $188,806 for the East Coast Power LLC vendor. Respond to the following:

a. The Company provided a consolidated invoice, along with various documents (i.e., timesheets) but does not appear to have provided an exhibit that details each employee, their titles, hours by day, rates, etc., to allow for a reconciliation to consolidated invoice. Provide documentation supporting the total billed amount, inclusive of rates and hours worked. If they have been filed, please indicate where it has been filed and resubmit it with this response.
b. Referring to p. 183, provide a legible version of the document. (Note: it is unclear if p. 184 is the legible version of p. 183.)
c. Referring to p. 184, explain why the Company allowed the vendor to bill for 12 hours of standby "waiting for Lodging Information" without assignments.
d. Referring to pp. 185-193, explain if the Eversource Contractor Storm Daily Time & Work Reports were fully completed as required by the Eversource Contractor Storm Daily Time & Work Report Procedure provided at EOE-022, Att.5. If not fully completed, explain why the Eversource reviewer did not require the information to be completed prior to approval.
e. Referring to pp. 185-193, explain how the Eversource reviewer was able to determine that the billed activity related to work (i.e., box 12) in lieu of standby time (i.e., box 11) which would have resulted in fewer billable equipment hours as applied for other standby hours (e.g., p. 184 demonstrates certain equipment that was not billed during standby). As part of the response, provide documentation to support the correct billing classification and, if not available, identify the incremental costs for both labor and equipment that was charged for work in lieu of standby.

Response:

Reference to Exhibit ACCT-2 CLP-1 (MS24A, Outside Contractors-vendor, line 247, vendor East Coast Power LLC, invoice totaling in the amount of $188,806).

a. Please refer to EOE-205, Attachment 1, for a breakdown of requested details identifying each crew member's name, classification, and equipment based on the information provided on the submitted Invoice and Timesheets. The applicable rates are provided in OCC-044, Attachment 2 CONFIDENTIAL, at pages 1142-1145.

b. Upon review, the Company has identified that page 184 is a duplicate timesheet to page 183.

c. The contractor crew was directed to drive to Bloomfield, CT on January 9, 2024. Normally, a contractor brought onto property on the day prior to commencing work is directed to head straight to their hotel and to standby at that location. The Contractor travelled to the lodging location and charged four hours of travel and 12 hours of standby.

When particularly severe weather is expected, especially during the winter months, out-of-state contractors will commence travel with sufficient time to ensure timely arrival in the Company's service territory and to allow adequate time for the crew to rest before commencing storm restoration activities. However, if actual travel conditions are less severe than anticipated, the contractor may arrive in the Company's service territory earlier than expected. In this case, the weather forecasts called for a powerful winter storm with strong damaging winds expected to impact Connecticut beginning Tuesday, January 9th and continuing into Wednesday January 10th. Despite the forecasts for severe weather, this contractor was able to mobilize into the Company's service territory quicker than expected. When the contractor arrived in the Company service territory, there were limited lodging resources available due, in part, to the impending storm. Consequently, it took time to secure lodging for this contractor.

Later in 2024, Eversource took steps to discourage early contractor arrivals by revising its hiring instructions to expressly include "show up no earlier than," language. However, when severe weather is anticipated, the Company may decide to direct contractors to arrive early and remain on standby, nevertheless. This enables the Company to ensure that adequate resources are in place and available to respond promptly to storm-related restoration needs.

d. The contractor was new to the Company's system and, accordingly, was not yet fully conversant with the Company's processes and protocols, including timekeeping requirements. As a result, the contractor's timesheet did not fully conform to the Company's requirements. Please refer to EOE-205, Attachment 2, for signed timesheets, which were located in the course of preparing for this response.

e. The Contractor began their shift and reported to an Eversource location. Because the contractor began their shift, they were on working time at the applicable working rate.

Please refer to the Company's response to EOE-267[i] for additional detail regarding billing for Equipment during Standby.

Prior Referenced Response:

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[i] EOE-267 Question:

(LINE CREWS) For each storm in the Company's recovery request, identify the total amount of equipment that was billed by line crew vendors during standby activities. Please provide the information in an unlocked excel spreadsheet allocating each cost to a specific vendor by storm event.

EOE-267 Response:

The Company's accounting system does not separately track amounts billed by vendors for equipment during standby. Accordingly, the Company cannot generate the requested spreadsheet directly from its accounting system to provide the details requested. Information regarding equipment charges is contained within the underlying vendor invoices and supporting documentation submitted as part of the Company's filing.

For additional context regarding these charges, the Company's policy for billing equipment is described below:

In the years 2018 through 2023, the Company's contractual terms provided that standby rates were charged only to labor rates, not to equipment. This policy followed from the fact that, when vendor crews commit to perform work for the Company, their equipment is dedicated for the full duration of the engagement, preventing the use of that equipment somewhere else. This commitment of vendor equipment extends beyond working hours, as vendors must remain ready and available so long as they are committed to the Company's restoration effort. This policy also reflects the fact that labor rates vary depending on the demands and associated risk placed on the field crews for their performance (i.e., standby rates are lower than work rates), where vendor equipment is tied up regardless of the work status of the vendor's crews.

Specifically, the contract language "Standby Rates apply to labor resources only" was applied so that there was no separate standby rate for equipment and equipment was, instead, billed at the same rate regardless of the crew's work status (e.g. travel, standby, or work time). The Company's policy acknowledged that it was paying for exclusive access to the vendor's equipment throughout the event, compensating vendors for their lost opportunity cost. Not paying for equipment during standby would discourage vendors from committing their resources to the Company in storms with competitive procurement of crews among regional utilities.

In January 2022, Eversource Energy received the final report of an independent assessment of the "Eversource ERP Capability," prepared by Accenture LLC. This assessment was undertaken by Eversource Energy as part of a regulatory compliance initiative beginning in September 2021. In this assessment, Accenture made several recommendations regarding the Eversource Energy ERP organization, including a recommendation to expand the emergency-management organization and capabilities by creating an executive role to oversee the enterprise emergency-management program with greater visibility and decision-making authority within the overall organization. Specifically, Accenture recommended establishing regionally based directors to oversee the implementation of program initiatives and manage state-specific relationships; expanded oversight and governance coordination of risk mitigation and resiliency initiatives; and additional training and exercise design personnel.

Over the next two years, Eversource Energy implemented the Accenture recommendations, expanding and formalizing the emergency-management organization with a new vice president role and several new director roles to improve overall emergency-response preparedness and associated business processes. As part of this organizational initiative, Eversource Energy formalized the role of Director of Emergency Preparedness Logistics and Resource Acquisition in late 2023, vesting this role with responsibility for contract services relating to emergency management. This change placed control of vendor contracts in the hands of the team directly responsible for resource acquisition in emergency events.

Following this organizational change, the emergency-management team launched a supplier cost-optimization review to identify opportunities for greater cost control in the tough environment of competitive procurement of contract resources. Working together, the Company's contracts and procurement teams identified the discounting or elimination of equipment charges during standby time as one of several strategies that could help to contain storm restoration costs. The Company began to shift its policy on standby rates for equipment starting in late 2023, working with vendors throughout 2024 to negotiate changes to the former payment policy. This shift in policy applied in various forms to invoices for work performed during 2023, that were reviewed, approved and paid during 2024, as the Company worked to get vendors to accept a change in the policy.

The roll-out of the new policy resulted in significant vendor push-back. Through these interactions, it became clear that it was not possible to eliminate payments for equipment without hindering the Company's ability to secure necessary crews -- with several vendors simply increasing the equipment charge applicable during crew work time to cover the gap. In 2025, following months of negotiations with vendors and a review of industry practices, the Company adopted a policy of paying vendors 50 percent of the standard Base Rate for equipment during standby. The full Base Rate for equipment still applies during travel and work time. This policy strikes a reasonable balance between fairly compensating vendors for lost opportunity costs—ensuring access to skilled, experienced vendors—and containing costs. The Company's current Master Services Agreement reflects this updated policy.