Date Filed: November 06, 2026

**Witness: Brendan J. O'Brien, Garrett J. Murray and Jenifer B. Rizza**
**Request from: Public Utilities Regulatory Authority**

**Question:**

(BENEFITS CONSULTING AND ACTUARIAL FEES) Ex. CLP-REVREQ-2, Sch WP C-3.12, p. 12. Provide all the benefit consulting, actuarial and other reports that support all the employee benefits expenses, pro forma adjustments, and Rate Year 1 adjustments presented on Schedule C-3.12, p. 1.

**Response:**

Please refer to the Company's response to RRU-109[i], for detail on the Test Year pro forma adjustments included within Schedule WP C-3.12, page 12, and RRU-110[ii], for detail on the Rate Year adjustments included within Schedule WP C-3.12, page 12.

**Prior Referenced Response**

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[i] RRU-109 Question:

(EMPLOYEE BENEFITS) Ex. CLP-REVREQ-2, Sch. WP C-3.12, pp. 2-12. For each page of Schedule C-3.12, provide an explanation for how the Company calculated the pro forma adjustments. Explain the methodology or factor used in each case for calculating the capitalized portion for both CL&P and EESCO.

RRU-109 Response:

The Company's explanations for the expense portion of the Employee Benefits pro forma adjustments are listed below. The Company notes there are no pro forma adjustments in pages 4 through 11, of Schedule C-3.12.

- **Healthcare (Page 2)**: The CL&P and ESC Test Year pro forma healthcare expense was calculated using the 2026 working rates (i.e. cost per employee), and applying them to actual employee healthcare plan elections as of 12/31/2025. The pro forma adjustment represents the difference between the 2025 Test Year Healthcare expense and the calculated Test Year pro forma healthcare expense.

- **Disability (Page 3):** The CL&P and ESC Test Year pro forma adjustment represents the removal of a non-recurring reserve adjustment for Long Term Disability expense.

- **Benefit Consultant, Actuarial Fees, and Other Benefits (Page 12):** The ESC Test Year pro forma adjustment represents the removal of certain other benefit expense and consulting services expense that are not representative of a Test Year level of expense necessary to provide safe and reliable service.

The Company's explanations for the capitalized portion of the Employee Benefits pro forma adjustments are listed below:

- **Pages 2 to 12**: The Test Year pro forma adjustment related to the capitalized portion incorporates the capitalization rate as shown in RRU-015, Attachment 1, at page 2, and is 52.36% capitalization (47.64% O&M) for CL&P Direct and 28.07% capitalization (71.93% O&M) for ESC Allocated charges. Please note, not all costs are subject to capitalization, and therefore the overall capitalization percentage for the schedule may not align. For further detail regarding the capitalized portion for each page (pages 2-12) of the Employee Benefits schedule, please refer to RRU-044, Attachment 3.

[ii] RRU-110 Question:

(EMPLOYEE BENEFITS) Ex. CLP-REVREQ-2, Sch. WP C-3.12, pp. 2-12. For each page of Schedule C-3.12, provide an explanation for how the Company calculated the Rate Year 1 adjustments. Explain the methodology or factor used in each case for calculating the capitalized portion for both CL&P and EESCO.

RRU-110 Response:

The Company's explanations for the expense portion of the Employee Benefits Rate Year adjustments are listed below. For each of the pages 3 and 5 there are no Rate Year adjustments. Please note, the Company will update the Rate Year in Schedule C-3.12 for the latest ESC allocation rates in the next cost of service update.

- **Healthcare (Page 2)**: The CL&P and ESC Rate Year healthcare expense, for July 2027 through June 2028, was calculated using the same method as the Test Year pro forma (described in the Company's response to RRU-109i) 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. These rates were 11.1%, 4.5%, and 4.0% respectively. The Rate Year adjustment represents the difference between the 2025 Test Year Pro Forma Healthcare expense and the calculated Rate Year healthcare expense.

- **Workers' Compensation (Page 4):** The CL&P and ESC Rate Year adjustment reflects an increase in the expense accrual per the actuary for the Rate Year. Please refer to RRU-110, Attachment 1, page 1, for the Rate Year calculation.

- **Pension (Page 6):** The CL&P and ESC Rate Year adjustment reflects the difference between the Test Year Pension expense and the actuarial forecasted pension expense in the Rate Year. Please refer to RRU-110, Attachment 1, page 2, for the Rate Year calculation.

- **Supplemental Retirement Plan 401(k) (Page 7):** The CL&P and ESC Rate Year 401(k) expense is based on the actual Test Year 401k Plan expense escalated for the projected payroll escalations from Schedule C-3.5. Additionally, certain union employees that participated in the K-Vantage plan in 2025 but transitioned to the Cash Balance Pension Plan as of January 1, 2026 was also taken into account. The Rate Year adjustment represents the difference between the 2025 Test Year 401(k) expense and the calculated Rate Year 401(k) expense. Please refer to RRU-110, Attachment 1, page 3, for the Rate Year calculation.

- **SERP Expense (Page 8):** The CL&P and ESC Rate Year adjustment reflects the difference between the Test Year SERP expense and the actuarial forecasted SERP expense in the Rate Year. Please refer to RRU-110, Attachment 1, page 4, for the Rate Year calculation.

- **Non-SERP Expense (Page 9):** The CL&P and ESC Rate Year adjustment reflects the difference between the Test Year Non-SERP expense and the actuarial forecasted Non- SERP expense in the Rate Year. Please refer to RRU-110, Attachment 1, page 5, for the Rate Year calculation.

- **Post Employment Benefits FAS 106 Expense (Page 10):** The CL&P and ESC Rate Year adjustment reflects the difference between the Test Year FAS 106 expense and the actuarial forecasted FAS 106 expense in the Rate Year. Please refer to RRU-110, Attachment 1, page 6, for the Rate Year calculation.

- **MedVantage Expense (Page 11):** The CL&P and ESC Rate Year adjustment reflects the difference between the Test Year MedVantage expense and the actuarial forecasted MedVantage expense in the Rate Year. Please refer to RRU-110, Attachment 1, page 7, for the Rate Year calculation.

- **Benefit Consultant, Actuarial Fees, and Other Benefits (Page 12):** The CL&P and ESC education reimbursement expense was escalated from the Test Year Pro Forma to the Rate Year based upon an average of the annual increase in participation in the program from 2021-2025. The remaining expenses were escalated in the Rate Year for inflation. The Rate Year adjustment represents the difference between the 2025 Test Year Pro Forma expense and the calculated Rate Year expense. Please refer to RRU-110, Attachment 1, page 8, for the Rate Year calculation.

The Company's explanations for the capitalized portion of the Employee Benefits Rate Year adjustments are listed below:

- **Pages 2 to 12**: The Rate Year adjustment related to the capitalized portion incorporates the capitalization rate as shown in RRU-015, Attachment 1, Page 2, and are 52.36% capitalization (47.64% O&M) for CL&P Direct and 28.07% capitalization (71.93% O&M) for ESC Allocated charges. Please note, not all costs are subject to capitalization, and therefore the overall capitalization percentage for the schedule may not align. For further detail regarding the capitalized portion for each page (Pages 2 to 12) of the Employee Benefits schedule, please refer to RRU-044, Attachment 3.