Date Filed: October 16, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: New England Connectivity and Telecommunications Association

Question:

Reference the Joint Testimony of the Revenue Requirements Panel (Brendan O'Brien and Garrett Murray) at 44, which states that the costs recorded to the deferred asset for Third Party Pole Make Ready are associated with the cost of performing non-billable pole make ready pole work not recovered in base distribution rates. Please provide the following:

a) Explain how Eversource determines which non-billable third-party make-ready costs are recorded in the deferred asset. In particular, does the asset contain only costs exceeding an amount included in base distribution rates set in Docket 17-10-46, or does it contain all such costs incurred?
b) Identify the annual amount of non-billable third party pole make ready costs included in base distribution rates established in Docket 17-10-46 or any subsequent PURA decision. Identify the decision and supporting calculation for each amount.
c) (i) For each year beginning in 2018, identify the FERC account or accounts to which non-billable third-party make-ready costs were booked and the amounts booked to each account. (ii) For each year, identify whether any of these amounts are included in the inputs used to calculate pole attachment rental rates, and if so, which amounts.
d) Explain whether Eversource has credited or reduced the amount recorded in the non-billable third-party make-ready deferred asset to account for any pole attachment rental revenue. If so, provide the amount and calculation by year. If not, explain why no credit or reduction was made.

Response:

a) Please refer to the Company's response to NECTA-041[i] subpart (b).

b) In the Company's response to NECTA-048[ii], the Company notes in Docket No. 19-01-52RE01 there is $803,000 recovered in based distribution rates, annually, that is netted against the cumulative non-billable make-ready costs.

c) Please refer to NECTA-112, Attachment 1, for the non-billable third-party make-ready costs from 2018 through 2025 by FERC Accounts. The costs in FERC Account 593 is used as an input in the pole attachment rental rates.

d) PURA has not directed the Company to account for pole attachment rental revenue in the manner described in this discovery question. In PURA's final decision in Docket No. 19-01-52RE01, PURA does not direct the Company to refund customers pole attachment rental revenues in the deferred asset. Instead, the decision directs the "SPAs to account for their costs of performing non-billable make-ready work… The EDCs may record these costs in a regulatory asset and seek approval for them in the next general rate case." Further, customers receive the credit associated with pole attachment rental revenue through the Revenue Decoupling Mechanism ("RDM") annually in the Revenue Adjustment Mechanism ("RAM").

Prior Referenced Responses:

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[i] NECTA-041 Question:

(Make Ready Work & Related Costs) Refer to Exhibit CLP-ADDITIONS-1 at p. 69 ("The Company documents the basis for clarifying such work as billable or non-billable.")

a. List and explain each and every reason used by the Company to find make ready work billable, and for each reason describe how make ready costs are treated and recorded.
b. List and explain each and every reason used by the Company to find make ready work non-billable, and for each reason describe how make ready costs are treated and recorded.

NECTA-041 Response:

a. The Company determines whether make-ready work is billable by applying the billable/non-billable matrix provided in NECTA-043 Attachment 1. The matrix identifies the circumstances under which make-ready work is the responsibility of the attaching entity and therefore classified as billable.

When a work order is created, Company personnel and, where applicable, vendors apply the appropriate sub-work type based on the nature of the work and the billable/non-billable matrix. The selected sub-work type identifies the work as billable. Costs associated with the make-ready work are charged to the applicable work order and recorded in accordance with the Company's accounting practices and applicable FERC accounting requirements. The costs remain attributable to the work order through completion of the project, at which time the Company ensures all billable costs have been charged to the appropriate party. Such billable costs are offset to the applicable make-ready work order.

b. The Company determines whether make-ready work is non-billable by applying the billable/non-billable matrix provided in NECTA-043, Attachment 1. The matrix identifies the circumstances under which make-ready work is not the responsibility of the attaching entity and therefore classified as non-billable.

When a work order is created, Company personnel select the appropriate sub-work type based on the nature of the work and the billable/non-billable matrix. The selected sub-work type identifies the work as non-billable. Costs associated with the make-ready work are charged to the applicable work order and recorded in accordance with the Company's accounting practices and applicable FERC accounting requirements. The costs remain attributable to the work order through completion of the project. For non-billable make ready costs that are not capitalized, these costs are recorded to FERC Account 186MRC the Non-Billable Make Ready Deferred Regulatory Asset, only to the extent that such incremental annual costs incurred exceed the

annual make-ready costs included in base distribution rates, as approved in the Company's last base distribution rate case settlement in Docket No. 17-10-46. For non-billable make ready work that qualifies as a capital investment, these costs are recorded to FERC Account 107, Construction Work in Progress, while the work is being performed. At the time the assets are placed in service, those costs are moved to FERC Account 106, Completed Construction Not Classified, and later to FERC Account 101, Electric Plant In Service, once the asset costs are fully unitized and functionalized.

[ii] NECTA-048 Question:

(Make Ready Work & Related Costs) Reference Exhibit CLP-REVREQ-1, pp. 44-46. Reconcile the statement that "the Company has not included any pole make-ready costs within base distribution rates in this proceeding…" (p. 46) with PURA's statement in Docket No. 19-01-52RE01 that "EDCs received some level of recovery in base distribution rates to perform non-billable make-ready work…" A complete response will explain the steps taken by the Company to ensure that there is no double-recovery of non-billable make-ready costs in base rates versus in the deferred regulatory asset for non-billable make-ready costs.

NECTA-048 Response:

As noted in Exhibit CLP-REVREQ-1 at 44, lines 12 through 15, the Company states "The costs recorded to this deferred asset are associated with the costs of performing non-billable make-ready pole work **not recovered in base distribution rates** [emphasis added] to meet established standards, as approved in Docket No. 19-01-52RE01…" Further, in Late File Exhibit-01 in Docket No. 19-01-52RE01, the Company notes there is $803 thousand recovered in base distribution rates, annually, that are netted against cumulative non-billable make-ready costs. Therefore, providing assurance that the Company is not double-recovering non-billable make-ready costs in base distribution rates. Refer to Exhibit CLP-REVREQ-4 (Make Ready Pole Work), line 7548 in tab "Non-Billable Reason" for the Removal of 2023-2025 Amounts in Distribution Rates totaling $2.4 million.