Date Filed: August 10, 2026

Witness: Sean P. Noonan, Leanne M. Landry and Jeffrey D. Turano
Request from: Office of Consumer Counsel

Question:

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

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.