Date Filed: August 28, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and Kara A. O'Connor
Request from: Office of Consumer Counsel

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.

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:

- o Medical/Rx – 11.1%
- o Dental – 4.5%
- o 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.