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-19, pp. 790-915. The Company reported three incremental charges in the combined amount of $1,587,445 for the Support Operations Services LLC (SOS) vendor. Respond to the following:

a. Provide a narrative discussion detailing the engagement, travel, and activities performed by the SOS vendor for the MS24A event. As part of the discussion, explain why certain Eversource Contractor Storm Daily Time & Work Reports referenced crews traveling to Marlborough, MA in lieu of directly to CT (see e.g., p. 822). Additionally, discuss the vendor's use of vehicles to include both those used to travel to CT, as well as the vendor's use of the Storm Fleet.
b. Comparing p. 809, with p. 810, explain how each of the vendor employees billed for eight hours of travel that concluded at 1400 on January 9, 2024 (p. 809), and commenced billing for four hours of work time starting at 1300 (p. 810). As part of the response, identify the gross impact of each vendor employee duplicating the billing for the hour between 1300 and 1400.
c. Comparing p. 821, with pp. 822-824, explain how each of the vendor employees billed for eight hours of travel that concluded at 1400 on January 9, 2024 (p. 821), and commenced billing for three hours of work time starting at 1130 (pp. 822-824). As part of the response, identify the gross impact of each vendor employee duplicating the billing for the 2.5 hours between 1130 and 1400.
d. Referring to OCC-044, Att. 2 (Confidential), p. 6331-6392, confirm that the vendor's Exhibit A, Pricing Schedule, contains the Company's standard provisions, including "Standby Rates apply to labor resources only" (i.e., p. 6338). If confirmed, identify the total amount of equipment that was billed during standby activities. If not confirmed, cite the revised Exhibit A, Pricing Schedule, that was executed (signed) for 2024 and 2025 that excludes the standard provisions.
e. Provide an unlocked Excel spreadsheet detailing each vendor employee's billing activity for specific hours and days with citations to supporting documents. This request attempts to verify both the accuracy of total hours billed (i.e., in relation to the invoices) and to identify if there are additional instances (i.e., in addition to subsections b and c) where vendor employees duplicated hours billed.

Response:

a. SOS was engaged to provide supplemental storm restoration resources in support of the MS24A event, including line crews, supervisors, safety personnel, mechanics, and other support staff assigned to restoration activities in Connecticut.

References in certain Eversource Contractor Storm Daily Time & Work Reports to Marlborough and/or Shrewsbury, Massachusetts reflect the staging, vehicle assignment, and demobilization processes utilized for the event. SOS personnel were assigned a combination of contractor-provided pickup trucks and Eversource Storm Fleet vehicles. Certain Eversource Storm Fleet assets, including bucket trucks utilized by line crews, were staged in Massachusetts. As a result, some SOS personnel were required to travel to the Massachusetts staging location to obtain assigned vehicles prior to deployment to Connecticut and/or to return those vehicles following completion of their storm assignment.

The Daily Time & Work Reports include activities associated with this process, including the return of trucks from Connecticut to the Massachusetts staging location for check-in. Accordingly, references to travel to Marlborough or Shrewsbury do not indicate that SOS was performing storm restoration work in Massachusetts. Rather, the travel was associated with the mobilization, assignment, movement, and return of vehicles supporting the crews performing restoration work in Connecticut.

Contractor-provided pickup trucks were generally utilized by supervisory, safety, mechanical, and other support personnel, while line crews primarily utilized Eversource Storm Fleet bucket trucks and other assigned Storm Fleet assets to perform restoration activities in Connecticut.

b. Upon further review in drafting this response, the Company identified that there was an overcharge of one hour. This resulted in an overcharge of $6,963.05. Please refer to part (c) for final total adjustment.

c. The Company has also identified an additional overcharge of 2.5hrs, resulting in an additional adjustment of $17,689.75. Accordingly, the Company will supplement ACCT-2 CLP-1 (MS24A), line 516, to reflect the amount of $644,105.20.

d. The vendor's Exhibit A Pricing Schedule contains the Company's standard provision stating, "Standby Rates apply to labor resources only," as reflected on p. 6338 of OCC-044, Att. 2 (Confidential).

The provision that "Standby Rates apply to labor resources only" should not be interpreted to mean that equipment cannot be billed during periods when crews are awaiting assignment or direction. Rather, the provision establishes that a contractual Standby Rate applies only to labor resources and does not create a separate standby rate for equipment. Those equipment rates are charged during all hours that the equipment resources are made available to or are utilized to support the company.

Equipment was charged for the total amount of $1,388.06. Please refer to the Company's response to EOE-267[i], for additional detail regarding billing for Equipment during Standby.

e. The Company will supplement this response with the requested spreadsheets that will detail the billing activity as requested.

Prior Referenced Response:

[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.