Date Filed: October 16, 2026

Witness: Danielle Munson
Request from: Public Utilities Regulatory Authority

Question:

(COST ALLOCATION) Application, Sch. G-2.16a; Interrog. Resps. EOE-066, Att. 1, OCC-380, OCC-073, OCC-275 and OCC-355, Att. 1. Regarding the allocation of EESCO cost to CL&P:

a. (i) Provide an exhibit that shows, for each rate code in the EESCO Cost Charging and Allocation Manual, the allocation percentage applied to each subsidiary and business segment for each of calendar years 2021 through 2025 and for the Rate Year; (ii) identify the meaning of each entity and business segment code; and (iii) demonstrate that the percentages under each rate code sum to 100%.
b. (i) Provide the derivation of the M9C rate of approximately 17.86% applied to labor-related cost in response to Interrogatory OCC-380; (ii) identify the rate code and methodology producing the 22.58% applied to Edison Electric Institute dues in responses Interrogatories OCC-073 and OCC-275; and (iii) state the basis for applying M9C to labor-related cost, Rate Code C04 in the response to OCC-366 to audit fees, and that rate code to dues.
c. State: (i) the amount of EESCO cost in each of calendar years 2021 through 2025 that benefited Aquarion or any other affiliate not included in a rate code; (ii) the amount recovered from each through a separate management fee; and (iii) the effect on CL&P's allocated share of including each in the allocation base.
d. Provide an exhibit for each of calendar years 2021 through 2025, reconciled to EESCO's FERC Form No. 60, showing total EESCO cost and the amount and percentage billed or allocated to each associate company and business segment. Show CL&P distribution and CL&P transmission separately.
e. Attachment 1 of the Company's response to Interrogatory EOE-066 describes rate codes M01 and M9C with the same title, Labor Miscellaneous 1, and the same entity list. State the basis for maintaining both, and the cost charged to CL&P under each in each of calendar years 2021 through 2025.
f. State the amount of EESCO labor charged to CL&P in the Test Year through allocation rather than direct charge because the time fell below the threshold of more than four hours a week described in Attachment 1 of the Company's response to Interrogatory EOE-066.

Response:

a. Please refer to RRU-054, Attachment 1 and RRU-054, Attachment 2, for the allocation percentage applied to each subsidiary and business segment for 2021-2024 and 2025, respectively for each rate code.

b. (i) Please refer to RRU-054, Attachment 3, Rate M9C M01 tab for the derivation of the M9C rate code of 17.86% applied to labor-related costs.

ii) Please refer to RRU-054, Attachment 3, Rate P11 tab for the derivation of the P11 rate code of 22.58% applied to Edison Electric Institute dues.

(iii) Healthcare expense for Eversource Energy Service Company ("ESC") employees is allocated based on how ESC employee total payroll, both directly charged and allocated, is budgeted for each year. This is referred to as the M9C and M01 rate code and is based upon labor dollars for the applicable subsidiary/business segment. Rate code C04 was chosen because there is no specific causal driver of the costs or causal-based methodology that may be utilized for providing these services; therefore, the common methodology was utilitized.

c. (i) Please refer to RRU-054, Attachment 4, for the amount of ESC costs in each of calendar years 2021 through 2025 that benefited Aquarion.

(ii) Aquarion Company is separately billed a management fee that includes costs associated with the Senior Team oversight. Officer salary and overheads were charged through separate accounting work orders established for ESC employees to charge Aquarion Company through the sundry billing process. These costs are shown on the table below. The Company is not seeking recovery for these costs.

Year	**2021**	**2022**	**2023**	**2024**	**2025**
Total	$ 474,550	$ 481,197	$ 492,610	$ 431,758	$ 394,959

(iii) Aquarion is largely autonomous and is billed monthly from ESC for shared services that are provided. ESC employees can only direct-charge Aquarion. As a result, Aquarion is not included in any of ESC's causal-based or common rate codes. All else consistent, when ESC employees direct-charge Aquarion, the fully loaded labor costs allocated to CL&P are reduced.

d. Please refer to RRU-054, Attachment 4 for the amount of ESC cost and percentage billed for each of calendar years 2021 through 2025, reconciled to ESC FERC Form 60 annual filings page 307 Schedule XVII - Analysis of Billing - Associate Companies.

e. Rate codes M01 and M9C are used for the same purpose. The rate codes are embedded in the workorder number and to discontinue one and create replacement workorders was deemed to be undue risk for little benefit.

f. ESC costs should be direct charged to the appropriate subsidiary/business segment based on the cost causal driver of the need for the goods or services. The policy threshold for direct charging

of labor starts when significant time (more than 4 hours a week) is directly related to an individual subsidiary/business segment. Nothing in this policy precludes charging less than four hours to subsidiaries and is required in certain circumstances (i.e. costs associated with mergers and acquisitions). The amount of ESC labor charged to CL&P in the Test Year through allocation rather than direct charge because the time fell below the threshold of more than four hours a week is not available.