Date Filed: October 14, 2026

Witness: Donald J. Scacco Jr., Digaunto Chatterjee, Douglas P. Horton, Matthew Nelson and Michael Goldman
Request from: Public Utilities Regulatory Authority

Question:

Reference Application, Ex. CLP-IAP-1, pp. 54–56. Quantify the portion of CL&P's elevated O&M that Eversource attributes to aging assets or constrained capital investment after accounting for labor costs, policy-related expenses, customer-base effects, and accounting differences discussed in the testimony. Provide all supporting calculations and workpapers.

Response:

Exhibit CLP-IAP-1, does not stand for the proposition in this data request that CL&P's O&M is "elevated", or that it has analysis available (or that could be conducted) that is responsive to this data request.

The quantitative record on CL&P's relative O&M position that is available to the Company is LEI's benchmarking study. On LEI's 10-year average ranking using the unit cost benchmarking, CL&P's OM&A unit cost per customer ranked 69th of 88 utilities nationally and 11th of 22 in the Northeast. Over 2015–2024, its OM&A costs averaged approximately 12 percent above the model-predicted benchmark (Ex. CLP-PBR-3, pp. 9, 17). That analysis accounts for two of the factors discussed in the testimony: LEI excluded FERC Account 908 (customer assistance and public policy program costs), from its benchmarking analyses, and its econometric model controls for labor prices (Ex. CLP-PBR-3, pp. 9, 15–16, 27). The testimony's discussion of labor costs and policy-related expenses explains why O&M comparisons that do not make those adjustments miss-state CL&P's position. (see Ex. CLP-IAP-1, p. 54, l. 13, – p. 56, l. 6))

Several factors can contribute to the difference that remains, and the record does not separate them:

1. System age and condition. When capital investment is slower than the assets' aging, less of the system is replaced proactively. Equipment stays in service longer and is expected to fail at an increasing rate, given its aging, and those emergent failures take resources away from proactive replacement and cost more to address than planned work (Ex. CLP-TSP-1, p. 22, ll. 11–16; p. 46, ll. 14–18). An aging system , as a result of investing less than the system needs, therefore requires more maintenance to maintain safety and reliability, which is why higher O&M relative to peers, alongside modest capital spending, can be consistent with rising maintenance needs on an aging system (Ex. CLP-IAP-1, p. 56, ll. 7–10). The asset-level detail is presented by the Leadership Panel (Ex. CLP-ELP-1, p. 42, ll. 4–20; p.

49, ll. 1–6). Moreover, capitalization practices may vary by utility or regulatory jurisdiction which may further drive differences between utilities.

2. The benchmarking data do not identify maintenance costs by asset age or condition, so the effect of asset age cannot be separated from the other factors.. Exhibit CLP-IAP-1, did not rely on separate calculations for this statement; it relies on the record evidence cited above. The workpapers supporting LEI's benchmarking results were provided with Exhibit CLP-PBR-3.