Date Filed: October 06, 2026

**Witness: Mark P. Baldwin, Clifford G. Williams, Leanne M. Landry and John G. Griffin**
**Request from: Office of Education, Outreach, and Enforcement**

**Question:**

(MS24F-VENDOR-LINE) Refer to Exhibit ACCT-2 CLP-6 and Confidential Exhibit ACCT-2 CLP-6A-6, pp. 246-259. The Company reported an incremental charge of $231,039 for the IB Abel Inc. vendor. Respond to the following:

a. Referring to p. 250, confirm that the Company included a charge applicable to "car vs pole". If confirmed, identify the total impact of this activity and explain why this amount was not eliminated from the storm recovery request. As part of the response, please provide an unlocked Excel spreadsheet supporting applicable calculations.
b. Referring to OCC-044, Att.2 (Confidential), pp. 2725-2752, 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. 2732). If not confirmed, cite the revised Exhibit A Pricing Schedule that was executed (signed) for 2024 and 2025 that revised the standard provisions.
c. Referring to pp. 249-251, 253, provide an unlocked Excel spreadsheet calculating the billed equipment costs applicable to the reported standby activity.
d. Referring to p. 254, explain why the vendor identified approximately four hours of standby (i.e., boxes 23-25: 1635-2030) but billed that time as Work (box 12). As part of the response, provide an unlocked Excel spreadsheet detailing the difference in pricing (i.e., labor and equipment) had these hours been reported as standby.
e. Referring to p. 254, explain why the vendor was permitted to bill for two hours to "Eat and bed down" (i.e., boxes 23-25). As part of the response, provide an unlocked Excel spreadsheet detailing the incremental amount incurred for the vendor for the two hours (i.e., labor and equipment).

**Response:**

Referring to Exhibit ACCT-2 CLP-6 (MS24F), Outside Contractors- Vendor, Line 195, vendor I B Abel Inc, invoice total amount is $231,039.

a. Please refer to EOE-304, Attachment 1 CONFIDENTIAL, for an unlocked excel spreadsheet for the calculations of "car vs Pole" identifying the total impact in the amount of $12,927.50. Upon further review during the preparation of this response, the Company determined that the referenced cost should be excluded from the recovery request. The

Company maintains established review and approval processes designed to ensure that costs are accurately recorded, appropriately supported, and charged to the correct work orders. In this instance, the invoice in question was a revised invoice and an administrative error occurred during the allocation of the revised charges. The Company will supplement ACCT-2 CLP-6 (MS24F), to adjust lines 195 to reflect the total amount of $218,111.50.

b. The vendor's Exhibit A Pricing Schedule was provided in OCC-044, Attachment 2 CONFIDENTIAL, beginning on p. 2732. The Pricing Schedule contains the Company's standard provisions, including the provision that "Standby Rates apply to labor resources only."

Please refer to the Company's response to EOE-267[i] for additional detail regarding billing for Equipment during Standby.

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. Please see the Company's response to EOE-267 for more context and detail regarding the billing of equipment.

c. Please refer to EOE-304, Attachment 2 CONFIDENTIAL, for an unlocked Excel spreadsheet calculating the specific amount of equipment cost applicable to the reported standby activity which was billed to the Company according to contractual provisions.

d. Once the Contractor's started their storm shift it was at the Working Rate. All time during that shift is paid at the working rate according to contractual provisions. Please refer to EOE-304, Attachment 3 CONFIDENTIAL, for an unlocked Excel spreadsheet calculating the specific amount of labor and equipment variance if the contractor would have reported these hours as standby.

e. The contractor began the working shift. As part of the continuation and completion of a shift a contractor is expected to hold safety debriefs, remove equipment and excess material from trucks, drive back to their hotel, eat and bed down to signify the completion of a storm shift. Please refer to EOE-304, Attachment 4 CONFIDENTIAL, for an unlocked Excel spreadsheet detailing the costs associated with the final two hours, which were attributed to employees' travel time back to their hotel accommodation and time for crews to obtain dinner following their assigned work activities that were billed to the Company according to contractual provisions.

## 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:

There is no contractual, operational or other prohibition that bars the payment of equipment rates during standby time and these costs are not tracked separately from a vendor's crew time for invoicing purposes. Information regarding equipment charges is contained within the underlying vendor invoices and supporting documentation submitted as part of the Company's filing.

The Company has consistently explained that, 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 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 standard 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.