Date Filed: October 30, 2026

Witness: Kara A. O'Connor
Request from: Public Utilities Regulatory Authority

Question:

(HEALTHCARE EXPENSE) Ex. CLP-REVREQ-2, Sch. C-3.12, p. 2; Ex. CLP-EMPLOYEE-1, p. 70. The Company states, "Employers create working rates by looking at several years of past claims, current enrollment, expected medical and prescription drug trends, and known upcoming risks. Actuaries and benefits experts help translate this information into an expected per-employee cost, which the company sets aside each month." Provide the analysis or reports that the actuaries prepared for the Company that shows the calculation of the working rate per employee for the Rate Year for CL&P and EESCO individually, and how those working rates build up to the $31.942 million of proposed Rate Year costs for Healthcare Benefits presented on Schedule C-3.12, page 2.

Response:

Actuarial working rates are calculated on a Company-wide basis to allow the largest number of medical plan participants to smooth out year-to-year fluctuations in claims cost that would occur with smaller populations within the Company such as EESCO and CL&P. Please refer to RRU-064, Attachment 2, for a detailed description of the annual working rate calculations by medical, dental and vision plans, which is the analysis we receive annually from the actuary

Additionally, please refer to OCC-380, Attachment 1, (Rate Year Summary (Pg 5) tab) for an explanation of how the working rates build up to the $31.942 million of proposed Rate Year costs.