Date Filed: November 19, 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 Response to EOE-300, Exhibit ACCT-2 CLP-6, and Confidential Exhibit ACCT-2 CLP-6A-6, pp. 202-211. Referring to subsection 'd', the Company's response did not explain why the equipment was charged during standby or identify the amount that was charged for equipment during standby. Instead, the Company attempted to rationalize the use of the term "standby", suggesting the vendor was acting in a work capacity. Respond to the following:

a. Provide a redacted version of the referenced documentation supporting the incremental charges.

b. Explain how the Company's rationalization within subsection 'd' aligns with the vendor's actual billing of labor hours on p. 203. Specifically, p. 203 demonstrates that the vendor billed at OT rates for the three hours referenced as standby within pp. 208-211 on April 4, 2024 and then inconsistently billed for equipment between April 3, 2024 and April 4, 2024.

c. Provide an unlocked Excel spreadsheet supporting the calculations and identify the total amount that was charged for equipment during standby.

Response:

a. Please refer to EOE-436, Attachment 1 CONFIDENIAL, provided along with a redacted copy of the requested document.

b. The Company confirmed that standby labor was billed at overtime rates on April 3, 2024, with no standby equipment charges. The Company's records do not contain documentation explaining the vendor's decision to bill labor but not equipment during the standby period, or the differing treatment between April 3, 2024 and April 4, 2024. The Company reviewed and approved the invoice as submitted and has not identified any additional support for the vendor's billing methodology.

The contractor billed three hours of equipment charges during standby on April 4, 2024. Historically, the Company's contracts provided that standby rates applied only to labor, not equipment. Equipment was billed at its standard rate during work, travel and standby because it remained dedicated to the Company's restoration effort and unavailable for other

assignments. Beginning in late 2023, the Company reviewed this practice and negotiated changes with vendors to reduce standby equipment costs. Following those negotiations, the Company adopted a new policy in 2025 that compensates equipment at 50% of the standard Base Rate during standby, which is reflected in the current Master Services Agreement.

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

c. Please refer to EOE-436, Attachment 2 CONFIDENTIAL, for an unlocked Excel spreadsheet supporting the calculations for equipment during standby which totals $574.

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.