Date Filed: October 16, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Public Utilities Regulatory Authority

Question:

(COMPUTER SERVICES) O'Brien and Murray Pre-Filed Test., pp. 79–80; Application, Schs. WP C-3.8 and C-3.11; Application, Ex. CLP-REVREQ-3; Interrog. Resp. OCC-373. Regarding the computer services expense:

a. Provide an itemization by vendor, agreement and purpose for the Test Year for each of the four categories shown.
b. Identify and quantify each driver of the growth of approximately 25.1% from 2021 to the Test Year.
c. State how the Company separates information technology capital funding recovered through Schedule C-3.11 from information technology operating costs recovered through Schedule C-3.8. Provide the work paper demonstrating that no cost is recovered through both.
d. Identify each hosting, cloud or software-as-a-service contract. State the contract amount, in-service date, the term, and whether it is recovered as expense, amortization, or a rate base a prepayment recorded in FERC Account 165 and included in rate base.

Response:

a. Please refer to RRU-076, Attachment 1, for an itemization by vendor, agreement and purpose for each of the four categories of Computer Services.

b. The increases in Computer Services costs from 2021 to 2025 are driven by increased Application support and maintenance, increased Technical Services infrastructure support and associated cloud usage costs related to applications within the IT Customer, Operations and Shared Services areas, and inflationary pressures over the five-year period.

c. The expense of Schedule C-3.11, EESCO Capital Funding is unrelated to Schedule C-3.8, Computer Services. Computer Services is related to the Company's expenses for services, maintenance, etc. EESCO Capital Funding relates to the funding of capital projects, including IT capital, of which a part is allocated to CL&P. Due to the structure of the cost of service and internal controls, these expenses cannot be recovered in both. Please refer to the Company's response in OCC-134[i] for an explanation of how the Company determines whether an IT project is expensed or capitalized.

d. The Company is in the process of gathering this information and will supplement this response by providing an attachment identifying each hosting, cloud, or software-as-a-service contract with the in-service date, term, and recovery.

Prior Referenced Response:

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[i] OCC-134 Question:

(IT Capital Expenses) Please explain the criteria used by the Company to determine whether an information technology expenditure is capitalized rather than expensed.

OCC-134 Response:

Please refer to OCC-134, Attachment 1, for the Company's Accounting Policy Statement ("APS") No. 8 – Capital vs. Expense Criteria, which explains how the Company determines how costs are classified as Capital vs. Expense. Please also refer to OCC-134, Attachment 2, for the Company's Accounting Policy Statement No. 3 – Capitalization of Costs Related to Computer Software Purchased or Developed for Internal Use or Incurred in a Cloud Hosting Arrangement. In addition to the above accounting policies, the Eversource Plant Accounting department reviews all IT capital project authorization forms to ensure: (1) proper classifications; (2) that capital versus expense determinations conform to the Company's APS Nos. 3 and 8; and (3) IT costs are recorded in accordance with generally accepted accounting principles ("GAAP") and Federal Energy Regulatory Commission ("FERC") electric utility guidance.