Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Bank. Fees. Refer to the response to OCC-368. Provide the subcategories of bank fees and debt service charges (including but not limited to New York Stock Exchange fees, proxy solicitor fees, annual report and proxy printing costs, transfer agent fees, Broadbridge, quarterly subscription fees, security position reports, etc.)

Response:

Please refer to OCC-814, Attachment 1, for the subcategories contained within Schedule C-3.3, Bank Fees and Debt Service Charges for each year 2021 through 2025 (Test Year) and the Rate Year.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Uncollectibles. Refer to WP C-3.30.

a. Explain why the uncollectible expense is calculated including the revenues and uncollectibles for the RAMs and not just distribution revenues.
b. Update the schedule to provide the information on a distribution only basis.
c. Identify each RAM that recovers uncollectible expense.

Response:

a. The uncollectible expense in schedule WP C-3.30 reflects only bad-debt cost on customer rates that is not collected in other recovery mechanisms. The only portion of non-hardship bad debt cost that is recovered in other mechanisms is the uncollectible costs on GSC energy supply revenues that are recovered in FMCC rates. Non-hardship bad debt incurred on all other rate revenues, including all RAM components, is recovered in distribution rates consistent with prior rate case proceedings.[1]

b. As outlined above, the Company separately tracks non-hardship uncollectible costs on the GSC energy supply portion of customer bills, which is recovered in FMCC rates. As a result, the total non-hardship uncollectible expense reflected within WP C-3.30 represents the total non-hardship distribution or delivery uncollectible expense.

c. The Company recovers GSC non-hardship uncollectible costs in the FMCC and hardship uncollectible costs within the System Benefits Charge ("SBC"). These costs are not included in schedule WP C-3.30 and are segregated from the uncollectible costs described above. Distribution rates are designed to collect non-hardship customer uncollectibles only (excluding GSC energy supply revenues). Lastly, please refer to Footnote 1 in this response for additional information regarding the roll in of uncollectible costs previously recovered in RAM rates.

[1] Note, there are currently incremental revenue requirements on certain capital recoveries within the System Benefits Charge ("SBC") and Non-Bypassable Federally Mandated Congestion Charges ("NBFMCC") that include limited non-hardship uncollectible expense calculations that are incremental to what is included in current base distribution rates. The Company's proposal is to roll those capital recoveries into base distribution rates and therefore the associated uncollectible expense will also be rolled into base distribution rates.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Uncollectible Expense. Refer to Schedule C-3.0.

a. Explain the reason for the significant increase in uncollectible expense in 2024 and 2025 over the prior year amounts and why this level is expected to continue in the rate year.
b. Explain the company's efforts to reduce base distribution uncollectibles.

Response:

a. The increase in uncollectible expense in 2024 and 2025 is consistent with the increase in customer electric bills, primarily driven by significant increases in supply prices and public benefits related charges. Total residential rates increased beginning in 2022 and peaking in January 2023 at approximately 34.4 cents per kWh for residential Rate 1 customers, compared to approximately 20.6 cents per kWh in January 2021. While supply costs declined from peak 2023 levels, overall customer bills remained elevated in 2024 and 2025 due to continued increases in public benefits charges.

   It is important to note, the projected rate year uncollectible expense calculated within the Company's filing (see Exhibit CLP-REVREQ-2 Schedule C-3-30) is based on a five-year (2021 – 2025) average uncollectible percentage. The uncollectible percentage is calculated by dividing the total uncollectible expense each year by the applicable billed revenues. The average uncollectible expense percentage is then applied to the total rate year revenues in order to calculate the total rate year uncollectible expense. As a result, while there was an increase in uncollectible expense in 2025 for example, the uncollectible percentage calculated for that year was below prior periods and the five-year average.

b. The Company continually evaluates its collection practices and has sought regulatory approval to implement measures intended to improve collections and reduce the accumulation of delinquent balances. In Dockets 24-05-01, 25-05-01, and 26-05-01, the Company proposed modifications to collection policies that were implemented during the COVID-19 pandemic and that have limited certain traditional collection activities. These proposed changes are intended to enhance the effectiveness of the Company's collection processes and reduce future uncollectible expense. The Company's Proposal to Reduce Arrears in Docket 26-05-01 is provided in OCC-816, Attachment 1.

The Company uses collection practices available for *non*-hardship customers (residential and businesses) allowed by PURA orders, regulations and Connecticut statutes to minimize uncollectible balances. For example, the Company performs the following collection practices to reduce arrears and, ultimately, uncollectibles:

1. **Deposits** –
    - For businesses, deposits are taken at the time of account setup and following a disconnection for non-payment as a condition of reconnection.
    - For residential customers, deposits are no longer allowed for Residential customers, per PURA Order No. 1 in Docket No. 23-05-01. This eliminated a collections best practice in preventing uncollectibles because nearly 50% of write-offs are driven by customers who resided at a location for two years or less.
2. **Skip-Tracing** – to identify and transfer unpaid balances from inactive customer accounts to their active service account when they move within the Connecticut service territory.
3. **Late Payment Charges** – to encourage timely payments.
4. **Payment Reminder - Notifications** (available via email and/or text) **–** to notify customers before their payment is due.
5. **Missed Payment - Notifications** (available via email and/or text) to notify customers that their payment is past due.
6. **Payment Plans** – up to 18 months duration while making minimum required payment requirements (versus past practices included in OCC-816, Attachment 1).
7. **Payment Plan - Payment Reminder** (available via email and/or text) to remind customers of their upcoming monthly required payment amount due date.
8. **Payment Plan – Missed Payment Notification** (available via email and/or text) to remind customers of their upcoming monthly required payment amount due date.
9. **Disconnect Notices** – (sent via U.S.P.S. mail and available via email and/or text) an initial and final notifications is sent to customers who have a past due balance eligible for disconnection.
10. **Disconnections for Non-Payment** – for customers who have not taken action to make minimum required payments.
11. **Legal Collections** – for active service customers who the Company is unable to disconnect for non-payment, for reasons including medical protection and nursing homes.
12. **Third Party Collections** – to collection on inactive service accounts from former customers.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Long Term Director Stock. Refer to the response to OCC-041. Provide the amount of long term director stock expense included for recovery in the rate year.

Response:

The Company has proposed $1.483 million of Long-Term Director Stock for recovery in the Rate Year.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

Frontier Reimbursements. Does the Company bill Frontier for blue sky vegetation management work? If not, explain why not. If so, provide the amounts billed and the amounts collected for blue sky work for each year 2021, 2022, 2023, 2024, 2025, as well as the amounts included in the test year and rate year.

Response:

Please refer to Exhibit CLP-VMP-1, page 12, at lines 4-7: "*Under the Joint Operating Agreement with Frontier, Frontier is required to contribute 15% of the annual vegetation management expense amount. Consequently, Frontier's contribution for 2027 will increase to approximately $13.5 million, annually, based on an overall program cost of approximately $90 million."*

Please refer to EOE-026, Attachment 1 CONFIDENTIAL, which covers the Joint Line Agreement and Intercompany Operating Procedures.

Please refer to the Company's response to RRU-005[i], part c, which provides the annual O&M expense reimbursements from 2017-2025.

Prior Referenced Response:

[i] RRU-005 Question:

(PFAFF-Vegetation Management) Application, Ex. CLP-VMP-1 (Prefiled Testimony of Vegetation Management Panel). Refer to page 11 and 12, including the statement, "Under the Joint Operating Agreement with Frontier, Frontier is required to contribute 15% of the annual vegetation management expense amount."

a. Provide the Joint Operating Agreement with Frontier, as well as any predecessor Joint Operating Agreements with Frontier that address vegetation management costs.
b. Does the Joint Operating Agreement require Frontier to contribute 15% of the annual vegetation management capitalized amount? If not, explain why there is asymmetric treatment for expensed and capitalized amounts.
c. Quantify the annual contributions from Frontier for 2017 through 2025.
d. Were the quantified amounts in subpart (c) applied against capitalized vegetation management costs?

RRU-005 Response:

a. Please refer to EOE-026, Attachment 1 CONFIDENTIAL, that covers the Joint Line Agreement and Intercompany Operating Procedures for years 2017-2025.

b. All non-capital Operations and Maintenance ("O&M") costs are allocated pursuant to the confidential settlement and amendment agreement filed as EOE-026, Attachment 1 CONFIDENTIAL. In accordance with the confidential settlement and amendment agreement, Frontier is not required to reimburse the Company for 15% of annual Vegetation Management capitalized costs.

c. The annual O&M expense reimbursements from 2017 through 2025 are below:

Year	**Frontier Vegetation Management O&M Expense Reimbursement**
2017	$4,500,000
2018	$4,500,000
2019	$4,500,000
2020	$4,500,000
2021	$4,500,000
2022	$5,100,000
2023	$5,037,750
2024	$5,100,000
2025	$4,365,000

d. The quantified amounts in subpart (c) were not applied against capitalized vegetation management costs.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Leanne M. Landry and John G. Griffin
Request from: Office of Consumer Counsel

Question:

Robotic Process Automation Cost Savings. Refer to the response to EOE-029. Did the implementation of the Robotic Process Automation reduce base distribution labor as it automated a time consuming process? If so, please quantify the savings reflected in the rate year and the specific schedules where the savings are reflected. If not, explain why not.

Response:

Robotic Process Automation (RPA) is highly effective because it automates repetitive, rules-based tasks, improving speed, accuracy, consistency, and productivity while reducing the risk of human error. However, successful RPA initiatives do not necessarily lead to employee reductions. Instead, organizations often redeploy employees from manual, transactional activities to higher-value work such as analysis, customer engagement, process improvement, decision-making, and innovation. As businesses grow, automation can also help absorb increasing workloads without requiring proportional increases in staffing, allowing employees to focus on more strategic responsibilities.

In this case, RPA served as a tool that augmented the workforce rather than replacing it, enabling the Company to improve operational performance while enhancing employee contributions and job satisfaction.

Date Filed: October 08, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Leanne M. Landry and John G. Griffin
Request from: Office of Consumer Counsel

Question:

Drone Costs. Refer to the response to EOE-033.

a. Provide an explanation of the Creative Surveying Cost in 2025 and 2026.
b. Explain the large increase in this cost in 2025 and 2026 over the prior years.
c. State whether this cost is included in base rates or in the storm docket. If it is in base rates provide the amount included in the rate year and the revenue requirement schedule where it is located and explain why this expense is expected to occur annually.

Response:

Please refer to the Company's response to EOE-033-SP01[i].

Regarding part c, the original response to EOE-033[ii] incorrectly showed that Creative Surveying provided drone services in the test year.

Prior Referenced Responses:

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[i] EOE-033-SP01 Question:

(STORM – DRONE USAGE) Discuss the Company's use of drones in support of storm remediation efforts. As part of the response, identify when the Company first started using drones, explain the nature of these services as performed by either internal or external parties, and explain how these costs have impacted (i.e., reduced) other offsetting costs (i.e., patrols). Finally, provide a detailed listing of drone expenses by year (2018 through present), identify any drone-related capital additions (i.e., drone purchases), and identify where in the Company's application those costs are included.

EOE-033-SP01 Response:

The Company's original submission included a chart with inaccurate information. This supplemental answer provides corrected information.

Eversource has utilized drones for storm restoration support of electric distribution assets since 2019, when the Company first hired drone contractors. In 2020, the Company created an internal drone team and, since that time, the Company has utilized both contracted and internal resources for storm support. The Company's drone teams aid in storm restoration efficiency by delivering detailed images of aerial assets quickly and in a level of detail not typically

viewable from the ground, or in areas that cannot be traversed due to environmental factors. This capability allows the Company to better assess the circumstances of a particular damage location and to identify the work and materials that will be needed to address the damage, thereby improving the efficiency of the overall damage repair.

The chart below provides a listing of expenses and capital additions by year. The expenses in the test year were recorded to storm workorders and are, therefore, either deferred for future recovery ($293,774) or included in Exhibit CLP-REVEQ-2-A,B,C,D, Schedule C-3.28 (Storms: Non-Catastrophic / Pre-Staging Incremental Storm Expenses) ($153,000).

Purchases by the Service Company and the associated capital costs are billed to the Company as operating expense through: (1) EESCO Capital Return (Exhibit CLP-REVREQ-2-A,B,C,D, Schedule C-3.11; and (2) EESCO Depreciation expense (Exhibit CLP-REVREQ-2-A,B,C,D, Schedule C-3.35).

Expenses	**2018**	**2019**	**2020**	**2021**	**202.2**	**2023**	**2024**	**2025**	**2026**	**Total**
lnternaI Labor			19,605	10,082	18,588	54,771	50,157	29,704	7,556	190,463
Creative Surveying			18,084	29,709						47,792
Pinnaclx			5,366	1,950	13,099	11,872	11,259	5,943	12,993	62,482
VHB					3,209					3,209
Skyscape					15,847	6,924	28,827			51,598
TotalExpenses			**43,054**	**41,741**	**50,744**	**73,567**	**90,243**	**35,647**	**20,549**	**355,545**

[ii] EOE-033 Original Response:

Eversource has utilized drones for storm restoration support of electric distribution assets since 2019 when the Company hired drone contractors. In 2020, the Company created our internal drone team and since then, the Company has utilized both contracted and internal resources for storm support. The Company's drone teams aid in storm restoration efficiency by quickly delivering detailed images of aerial assets to a decision maker and identifying potential issues not typically seen from the ground, or in areas that cannot be traversed due to environmental factors. This in turn reduces costs by increasing reliability and reducing outages for our customers.

Refer to the charts below for a listing of expenses and capital additions by year. The expenses in the test year were recorded to storm workorders and are therefore either deferred for future recovery ($293,774) or included in Exhibit CLP-REVEQ-2-A,B,C,D, Schedule C-3.28 (Storms: Non-Catastrophic / Pre-Staging Incremental Storm Expenses) ($153,000). The assets are purchased by the Service Company and those capital costs are billed to the Company as operating expenses though (1) EESCO Capital Return (Exhibit CLP-REVREQ-2-A,B,C,D, Schedule C-3.11) and (2) EESCO Depreciation expense (Exhibit CLP-REVREQ-2-A,B,C,D, Schedule C-3.35).

Expenses	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	Jun YTD 2026	Total
Internal labor			19,605	10,082	18,588	54,771	50,157	29,704	7,556	190,463
Creative Surveying			18,084	29,709				446,774	555,644	1,050,210
Pinnaclx			5,366	1,950	13,099	11,872	11,259	5,943	12,993	62,482
VHB					3,209					3,209
Skyscape					15,847	6,924	28,827			51,598
Total Expenses			**43,054**	**41,741**	**50,744**	**73,567**	**90,243**	**482,421**	**576,193**	**1,357,963**

Capital Additions	2018	2019	2020	2021	2022	2023	2024	2025	Jun YTD 2026	Total
Drones					583,392	291,391	173,095	459,639		1,507,517

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Inflation. Provide a list of all accounts in the Rate Year where the Company simply applied inflation in deriving the Rate Year amount, and the annual expense for each year 2021, 2022, 2023, 2024, 2025, the Test Year and the amount included in the Rate Year.

Response:

The Company interprets this question to ask for the schedules in the cost of service. Please refer to OCC-821, Attachment 1, for a listing of all schedules where the Company applied an inflation index in deriving the Rate Year amount, along with the annual amounts for these schedules for 2021 through 2025. The costs within these schedules will fluctuate on a yearly basis as a result of many factors that the Company cannot predict. However, the costs included in these schedules are all subject to inflation given that the cost categories are related to labor, materials and equipment in most cases. For additional detail regarding year-over-year cost variances for Field Operations (Overhead Lines), Field Operations (Underground Lines), Legal, Materials and Supplies and O&M Residual, please refer to the Company's response to OCC-375[i].

Although there are additional C Schedules that incorporate a combination of inflation and other escalation factors to determine the Rate Year amount, OCC-821, Attachment 1, represents schedules in which inflation is the sole escalation factor.

Prior Referenced Response:

[i] OCC-375 Question:

Refer to Exhibit CLP-REVREQ-3. Provide the following:

a. Compensation Payroll Expense. Explain the reason for the increased spending in 2024 and 2025 over the prior years.
b. Field Operations (Overhead Lines-Operation & Maintenance) Explain the reason for increase in spending in the Rate Year as this expense has declined from 2023-2025. Provide supporting documentation (invoices, contracts, quotes)
c. Employee Benefits. Explain why the expense was negative in CY 2022.
d. Materials and Supplies. Explain why the expense was negative in CY 2024.
e. Residual O&M. Explain why the expense was negative in CY 2024.

f. Vegetation Management. Explain the reason for the decrease in spending in 2025 over the prior years amounts.
g. Human Resources, Education and Training. Explain why this expense has declined each year from 2022-2025. Does the Company expect further decreases in the Rate Year? If not, explain why not.
h. Legal. Explain the reason for the increased spending in 2025 over the prior years and why the Company expects this level to continue in the Rate Year.
i. Field Operations (Underground Lines-Operation & Maintenance) Explain the reason the overall decline in spending during the years shown.
j. Field Operations (Underground Lines-Operation & Maintenance) Explain why the Company expects this expense to increase in the Rate Year. Provide supporting documentation (invoices, contracts, quotes)

OCC-375 Response:

As discussed in OCC-374, the amounts presented within Exhibit CLP-REVREQ-3, are not precise representations of actual costs (other than for the test year, calendar year 2025). The Company's actual costs are not recorded in the format presented within Exhibit CLP-REVREQ-3, and for the purposes of the rate case, the Company undertakes an extensive, labor-intensive process to assign the actual Test Year operating costs to each of the categories presented within Schedule C-3.0.

The Company is not able to undertake the same process to organize and re-categorize all actual costs for all other years included within CLP-REVREQ-3, which can produce some classification variances between the Test Year and all preceding years.

a. The Company's payroll data consists of hundreds of thousands of individual transactions that are unique. The payroll data fluctuates each year as a function of numerous conditions that affect the number of positions, FTE headcount, categories of employees, the percentages and timing of merit increases, hiring processes and the amount of labor allocated to CL&P. A contributing factor for the increased spending in 2024 and 2025 is due to the increase in non-storm overtime payroll, as identified in OCC-051, Attachment 1. In addition, the Company's policy shift in non-storm field-related work from contractor crews to internal crews as discussed in subpart (b), resulted in an increase in internal payroll costs in 2024 and 2025, with a reduction in outside vendor costs. Further, the total payroll expense proposed in this case is derived through an independent evaluation calculating a normalized Test Year level, utilizing actual employee salary information and FTE headcount as of the end of the Test Year. Please refer to OCC-332, for greater detail regarding how this analysis is performed.

b. The decline in Field Operations (Overhead Line – Operation & Maintenance) expenses from 2023 to 2025 is primarily due to the Company's policy shift to significantly reduce the number of contractor dock crews working on the system. The 2025 Test Year reflects a typical level of Field Operations – Overhead costs. Excluding the change in policy, the Company has experienced an overall increase in Field Operation - Overhead expenses during the 2023–2025 period. Therefore, applying GDP inflation to the Field Operation – Overhead Test Year expenses is a reasonable method to estimate costs into the Rate Year.

c. Please refer to the Company's response to OCC-372, for an explanation regarding the overall credit (negative) amount for Employee Benefits Schedule in CY 2022.

d. The Materials and Supplies schedule contains "Miscellaneous Distribution Expense Capitalization" (MDEC) overhead credits that are used to offset a portion of expenses related to CL&P's capitalized construction activities. For the period 2021 to 2024, the Company experienced an increased level of capitalized expense, thereby increasing the associated credits (negative) in the Materials and Supplies schedule.

e. The Company performed a detailed review of the Test Year data in preparing the cost of service. This detailed review is not performed for historical years where that data does not impact the Company's Test Year, nor the proposed cost of service for the Rate Year. For purposes of this response, the Company identified two primary drivers. First, the O&M residual schedule contains a negative -$2M dollar credit in 2024, related to distribution substation work that generally would have been moved to the Field Operations O&M schedules had a detailed analysis been performed, and also, a negative credit of -$7M dollars related to an "Administrative Salaries & Expense" overhead, cost element "ZAS." During the 2025 Test Year, the Company performed the analysis of allocating portions of this credit to the appropriate schedules throughout the cost of service; however this level of analysis is not performed for historical years.

f. The decrease in spending in 2025 is attributable to the optimization of O&M throughout Connecticut Operations, during which time the Vegetation Management spending was reduced to the rate-recoverable amount.

g. Beginning in 2024, the Company undertook an effort to minimize the use of contractors with regard to Company-staffing responsibilities. Oftentimes, outside contractor services require payment of a fee for placement of staffing needs in addition to hourly charges for the contracted resources. As a result, the Company has shifted to utilizing more internal full-time employees, which enabled the Company to reduce the cost of Company staffing responsibilities.

h. The increase in legal service costs in 2025 over the prior years is related to additional legal support for CT PURA dockets and appeals; executive order legal analysis and guidance; and increased collections activities. Given the nature of the changes in the requirements for compliance, collections and regulatory participation, among other factors, these costs are expected to remain at least consistent with current (2025) levels. As a result, the level of legal fees in 2025 is representative of the legal expense that the Company expects to incur routinely due to the increased number of CT regulatory proceedings, continued collections activities and the rising cost of legal service providers.

i. The decline in Field Operations (Underground Line – Operation & Maintenance) expenses is attributable to three factors. First, the Company's policy adjustment to reduce the number of contractor dock crews occurred prior to 2025, making 2025 representative of a typical level of annual contractor expenses. Second, the Company has increased the quantity of transformers it purchases. Transformers are capitalized and any associated labor is accounted for as a credit to Field Operation expenses. Third, the Company has experienced an increase in the number of reimbursable damage claims. Damage claims are credits applied to Field Operations expenses.

j. The level of Field Operations (Underground Line – Operation & Maintenance) expenses, excluding the items referenced in subpart (i) have gradually increased. To normalize this amount, the Company has reasonably applied GDP inflation to the normalized 2025 Test Year Pro Forma.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Leanne M. Landry and John G. Griffin
Request from: Office of Consumer Counsel

Question:

Mutual Aid Billed to Other Utilities. Refer to the response to EOE-039. Explain where and how the amounts CL&P receives for assisting other non-affiliate utilities are reflected in base distribution rates. If they are not reflected in base rates, explain how the company accounts for them on its books.

Response:

The amount CL&P receives for assisting other non-affiliate utilities is not reflected in base distribution rates.

All transactions related to mutual aid provided to other utilities are recorded to FERC account 186510 (Outside Company Storm). As noted in the Company's response to EOE-038[i], for Mutual Aid support to non-affiliated utility companies, when resources are requested according to the EEI Mutual Assistance process, the Company would set up a Work Order to accumulate all charges incurred in support of the mutual assistance. Once work is completed and all costs are accumulated, an invoice would be generated and sent to the non-affiliated utility company to recover the Company's costs.

Prior Referenced Response:

[i] EOE-038 Question:

(MUTUAL AID) Provide a detailed description for how the Company tracks Mutual Aid provided to other Companies (including affiliates or other utilities). Additionally, identify the monthly amounts of Mutual Aid provided to other Companies that were reimbursed for the years 2024 through present. As part of the response, provide a breakdown of the amounts reimbursed, separately detailing costs that are included in base rates (i.e., base salary, vehicle wear/tear such as depreciation and maintenance costs, etc.) versus those that are incremental (i.e., overtime costs, fuel, meals, etc.).

EOE-038 Response:

All Mutual Aid provided to either Eversource affiliates or non-affiliated utility companies is tracked via a Work Order where all the charges are accumulated.

For Mutual Aid support to Eversource affiliates, if the Company's resources are deployed they would appropriately charge the Work Order established for the respective Eversource affiliate they are going to support. For example, if NSTAR Electric Company ("NSTAR") is impacted by a weather event and needs additional resources and CL&P has not been impacted, the Company will send internal line crews to MA. In this example, all costs including travel to MA, time incurred for performing work, and travel back to CT will be charged to the NSTAR Work Order.

Similarly, for Mutual Aid support to non-affiliated utility companies, when resources are requested according to the EEI Mutual Assistance process, the Company would set up a Work Order to accumulate all charges incurred in support of the mutual assistance. Once work is completed and all costs are accumulated, an invoice would be generated and sent to the non-affiliated utility company to recover the Company's costs incurred. Please refer to EOE-038, Attachment 1, for the EEI Mutual Assistance Agreement.

Please refer to EOE-038, Attachment 2, for the amounts of Mutual Aid support the Company charged to Eversource affiliates, Public Service Company of New Hampshire ("PSNH") and NSTAR, during the period January 1, 2024 through present.

Please refer to EOE-038, Attachment 3, for the amounts of Mutual Aid support the Company charged to non-affiliated utility companies during the period January 1, 2024 through present.

During that period, the Company provided Mutual Aid support to Appalachian Energy from September 29, 2024, through October 8, 2024.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Loyalty Credits. Refer to the response to RRU-006, Attachment 2.

a. Provide the calculations showing how the rate year amount was derived.
b. Provide the loyalty credits for each of the years 2021, 2022, 2023, 2024 and 2025.
c. Explain why loyalty credits are not escalated as stated in footnote (a).

Response:

a. The Company's rate year amount of loyalty credits was calculated using the Test Year level. No adjustments were made to the Rate Year as noted in RRU-006, Attachment 2. Please refer to OCC-823, Attachment 1 CONFIDENTIAL, pages 15 through 17 for the documentation supporting the Test Year level of loyalty credits.

b. Please refer to OCC-376, Attachment 3, line 29 for the loyalty credit amounts for each of the years 2021 through 2025 and OCC-823, Attachment 1, for a copy of the loyalty credits in each of the years 2021 through 2025.

c. Loyalty Credits are dependent upon the performance of Associated Electric & Gas Insurance Services (AEGIS) policies and the continued purchase of defined lines of insurance by Eversource. Therefore, past AEGIS Loyalty Credits are not indicative of the future levels of AEGIS Loyalty Credits.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Denise Cosentino and Kara A. O'Connor
Request from: Office of Consumer Counsel

Question:

Injuries and Damages. Refer to the response to OCC-303.

a. Provide the Rate Year amount of public liability injuries and damages expense included in the Rate Year including supporting calculations.
b. Explain the reasons for the year-over-year variances for the public liability expense.
c. Explain the types of claims included in the public liability expense.
d. Explain the reasons for the year-over-year increase for workers compensation expense.

Response:

a. Please refer to RRU-006, Attachment 3, pages 98 through 101, for the supporting documentation for the Rate Year increase in Public Liability expense. Please refer to OCC-824, Attachment 1, for the calculation supporting the Rate Year Public Liability expense.

b. The Public Liability expense varies year-over-year based upon actual claims received during the prior year and the development (both positive and negative) of existing claims. In 2022, there was significant negative development in two claims in Connecticut, which impacted the actuary recommendation. In 2023, there was also negative development in Connecticut from claims in years 2020 and 2022.

c. There are two types of claims included in the Public Liability expense that are for third-party property damage and bodily injury.

d. In each year, the Company has had an increase in the overall claim count. Additionally, the Company has experienced increasing administration costs and an increase in the severity of claims that impact the overall cost of each claim.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and Denise Cosentino
Request from: Office of Consumer Counsel

Question:

Public Liability Reserve. Refer to the response to OCC-308. Explain the reason for the large increase in the reserve accrual in 2022 and 2023 over the other years shown.

Response:

Please refer to the Company's response to OCC-824[i], subpart (b) for an explanation of the year-over-year increases in the public liability reserve accrual including in years 2022 and 2023.

Prior Referenced Response:

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[i] OCC-824 Question:

Injuries and Damages. Refer to the response to OCC-303.

a. Provide the rate year amount of public liability injuries and damages expense included in the rate year including supporting calculations.
b. Explain the reasons for the year-over-year variances for the public liability expense.
c. Explain the types of claims included in the public liability expense.
d. Explain the reasons for the year-over-year increase for workers compensation expense.

OCC-825 Response:

a. Please refer to RRU-006, Attachment ,3 pages 98 through 101, for the supporting documentation to the Public Liability expense rate year increase. Please refer to OCC-824, Attachment 1, for calculation supporting the rate year Public Liability expense.

b. The public liability expense varies year over year based upon actual claims received during the prior year and the development (both positive and negative) of existing claims. Specific to year 2022, there was significant negative development in two claims in CT which impacted the actuary recommendation. In year 2023, there was negative development in CT from claims in years 2020 and 2022.

c. There are two types of claims included in the public liability expense which are for third party property damage and bodily injury.

d. In each year, the Company has had an increase in overall claim count. Additionally, the Company has experienced increasing administration costs and an increase in the severity of claims, which impact the overall cost of each claim.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Property Tax Refunds.

a. Does the Company challenge property tax assessments? If so, explain how the company decides to challenge the assessments and how often they are challenged. If not, explain why not.
b. Provide the annual property tax refunds received in each year 2021, 2022, 2023, 2024, 2025, the test year and reflected in the Rate Year. If none are reflected in the Rate Year explain why not.
c. Did the Company receive any property tax abatements in 2021, 2022, 2023, 2024, 2025, and 2026? If so explain and explain how they are reflected in the Rate Year.

Response:

a. The Company challenges personal property tax assessments when municipalities assess more than what was filed within the Company's personal property declaration forms. The Company challenges real property tax assessments when municipalities revalue property in excess of the value of improvements that were completed to the property.

b. Property tax refunds were received during the requested period from the following municipalities:

Calendar Year 2021 – None

Calendar Year 2022 – $21,732.37
- Town of Greenwich – Real Property – Fiscal Year 2022
- Town of Killingly – Real Property – Fiscal Year 2022
- Town of East Haven – Personal Property – Fiscal Year 2020

Calendar Year 2023 – $1,003.15
- Town of Waterford – Real Property – Fiscal Year 2022
- Town of North Stonington – Real Property – Fiscal Year 2022

Calendar Year 2024 – $11,174.06
- Town of Morris – Personal Property – Fiscal Year 2023

- Town of Bolton – Personal Property – Fiscal Year 2023
- Town of Bolton – Real Property – Fiscal Year 2023

Calendar Year 2025 – None

The Rate Year does not incorporate any refunds as it is based on calendar year 2025 test year. The Company does not typically receive or expect to receive refunds as shown in the history above. Additionally, as demonstrated by the amounts above, all refunds are typically immaterial.

c. The Company received property tax abatements during the requested period. All abatements received have been reflected in the Rate Year.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Outside services. Refer to the response to OCC-315. Provide the amount of outside services reflected in the rate year as originally requested.

Response:

Please refer to the Company's response to OCC-703[i].

Prior Referenced Response:

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[i] OCC-703 Question:

Outside Services. Refer to the response to OCC-315. Provide the Rate Year amount by vendor. Provide support for Rate Year increases (quotes, contracts, invoices) as originally requested.

OCC-703 Response:

There was a system error in filing the original response with PURA. The full response that should have been filed with PURA is:

Please refer to OCC-315, Attachment 1, for O&M Outside Services by vendor for years 2021, 2022, 2023, 2024, 2025. The Company does not prepare the cost of service by reviewing each line item and the associated contract to support the Rate Year amounts as there are millions of line items entries within the Company's general ledger. The Company has bucketed its costs into the standard filing requirements schedules and adjusted the Test Year expenses for either known and measurable changes, or by the GDP-PI based on historical trends.

The Company has provided the contracts associated with outside services in the Company's responses to EOE-005, OCC-044, and EOE-014.

Date Filed: October 06, 2026

Witness: Edward A. Davis and Kimberly R. Parsons
Request from: Office of Consumer Counsel

Question:

Other revenues. Refer to the response to OCC-316, Attachment 1.

a. Provide a brief description of each type of revenue.
b. For each revenue that the company forecasted to remain flat in the Rate Year, explain why.
c. Provide the reason for the decrease in returned check fees and late payment charges in 2025 over the 2024 level.

Response:

a. In reference to OCC-316, Attachment 1, provided below is a brief description of each type of revenue:

- Sales for Resale: Revenue associated with sales of electricity to other utilities, power marketers, or other wholesale customers and non-end-use customers.

- Sales for Resale – Intercompany: Revenue associated with sales for resale to affiliated Eversource companies.

- Late Payment Charges: Charges assessed to customers for payments received after the applicable bill due date.

- Misc. Service Revenue: Revenue associated with miscellaneous customer services and service-related charges.

- Reconnect Fees: Charges associated with the restoration of electric services of customers following a disconnection.

- Returned Check Fees: Fees associated with customer payments that are returned or otherwise not successfully processed.

- Other Misc. Revenue – Abatement Fee: Revenue associated with abatement fees.

- Rent from Electric Property – Intercompany: Revenue received from affiliated Eversource companies for the use of the Company's electric property.

- Rent from Electric Property + Re + Pole Att: Revenue associated with the use or rental of the Company's electric property, including pole attachments and related arrangements.

- Rental Revenue: Revenue associated with the rental or lease of the Company's property.

- Other Electric Revenues: Other electric related revenues that are not otherwise classified in the categories above.

- Other Electric Revenues – Other: Miscellaneous revenues associated with electric operations that are not otherwise classified.

a. For the revenues forecasted to remain flat for the Rate Year, the Company is not aware of any planned changes to operations that would alter the amount of revenue in the Rate Year. The Test Year is considered to be a "normal year" as a proxy for the assessment of referenced revenues in future years.

b. Please refer to CAE-016-SP01, and PURA-03-CAE-061, in Docket No. 26-01-03, for the reason behind the requested information.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and John G. Griffin
Request from: Office of Consumer Counsel

Question:

Overtime Payroll. Refer to the response to OCC-318. Explain the reason for the increased overtime in 2025 over the prior years.

Response:

The overtime budget was increased in 2025 due to a higher level of actual overtime in 2024. More work is being performed by internal resources as external contractors have been reduced. Additionally, as noted in OCC-049[i], overtime has increased due to the impact of PURA's decision in Docket No. 23-01-39, Investigation into the Response of the Connecticut Light and Power Company d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT (August 9, 2023), imposing a 30-minute response deadline for Priority 1 emergency calls. The Company had to increase Response Specialist staffing levels to ensure all shifts were appropriately covered, which necessitated the use of overtime.

Prior Referenced Response:

[i] OCC-049 Question:

(Double Time) For each of the years: 2021, 2022, 2023, 2024, 2025, by year, provide the amount of double time the Company has paid to internal employees.

OCC-049 Response:
Please refer to OCC-049, Attachment 1, for the amount of pay for internal employees at the double straight time premium rate.

Please note that there are two primary factors accounting for the increase in premium pay over the course of this timeframe. First, beginning in 2024, the Company reduced the use of external resources for outage response during non-catastrophic storm events. To support this strategy, Response Specialist Organization ("RSO") and Electric Field Operations ("EFO") personnel are now placed on the storm schedule more frequently, including Sundays and holidays, reducing the need to hire external resources. A parallel decrease in external crew costs occurred in the same years.

Second, is the impact of PURA's decision in Docket No. 23-01-39, Investigation into the Response of the Connecticut Light and Power Company d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT (August 9, 2023), imposing a 30-minute response deadline for Priority 1 emergency calls. The Company had to increase Response Specialist staffing levels to ensure all shifts were appropriately covered, which necessitated the use of overtime, including on Sundays and holidays.

Please refer to the response to OCC-043, and OCC-046, for the contractual terms pertaining to internal employees.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Payroll Expense. Refer to Schedule C-3.0, line 21, and Schedule C-3.5. Explain in detail the reason for the $15.138 million increase in payroll expense in the Rate Year over the 2025 level.

Response:

In Exhibit CLP-REVREQ-1, pages 70 through 75, the Company's proposed Rate Year Payroll Expense of $149.823 million, an increase of $15.138 million over the Test Year, accounts for (1) the annualization of actual employees that are active and positions filed as of December 31, 2025, for both CL&P and ESC, to normalize the Test Year amount resulting in a $2.778 million adjustment; (2) known and measurable compensation increases for both CL&P and ESC employees through the Rate Year totaling $9.122 million; and (3) originally filed 58 incremental FTEs in the cost of service in the amount of $3.238 million.

Note the Company has updated the proposed incremental FTEs to be included in the Rate Year cost of service to 41 FTEs in response to OCC-333.[i] The Company noted in that response that it will update the payroll expense and other affected SFRs to reflect the incremental addition of 41 FTEs in its next cost of service update.

Prior Referenced Response:

[i] OCC-333 Question:

Payroll. For each of the new positions that the Company is requesting recovery of in the Rate Year, state whether the hiring of the positions are conditioned on their approval in this case.

OCC-333 Response:

The Company is providing an update for the Full Time Equivalent ("FTE") counts included in the request for recovery in the Rate Year in this response as OCC-333, Attachment 1 (note that this is an update of Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 3). The Company will update the payroll expense and other affected costs as part of its next cost of service update.

The number of FTEs included in the original filing was fifty-eight (58). This number was a preliminary number and included FTEs contemplated in the Advancing the Grid plan that is above and beyond the Targeted System Plan ("TSP") requested for review and approval in this application. The updated number of incremental FTEs to be included in the Rate Year of the Company's cost of service is forty-one (41).

Included in the forty-one (41) full-time positions are twenty-one (21) in Vegetation Management, five (5) Power Quality positions, two (2) in Distribution Planning & Forecasting and one (1) Asset Health, these are contingent on PURA's approval in this case. In addition, for Grid Modernization there are seven (7) for Control Room Operations, three (3) for Data Innovation, and two (2) for Field Communications that the Company will consider hiring based on business needs and changing requirements as necessary, but most likely not all requested.

The Vegetation Management positions allow the Company the opportunity to improve the system's reliability and improve cost-efficiency by transitioning more work in-house to restructure vegetation management performance for the benefit of our customers. While the twenty-one (21) Vegetation Management positions appear to be incremental, in reality there is only 1 incremental resource. Of the twenty-one (21), eight (8) of the FTEs are the result of 16 employees who currently split their time 50%/50% between O&M and capital work shifting to solely working on the proposed combined O&M program, if approved, results in the equivalent of 8 incremental employees working on the O&M program; twelve (12) resources would be converted from contracted resources to internal resources of which the Company's proposed vegetation management expenses in Exhibit CLP-REVREQ-2, Work Paper C-3.31 reflect the reduction in outside contractor services; and one (1) resource would be truly incremental.

The Grid Modernization positions are needed to support large-scale distributed energy resource ("DER") integration and clean-energy advancement; develop and deploy advanced tools and analytics for integrated distribution system planning and grid modernization; and drive increased innovation and application of GenAI, LLM and machine learning capabilities.

The Company is also providing as OCC-333, Attachment 2, which is a corrected Exhibit CLP-TSP-3, page 43 of 149, that has been updated with the corrected number of FTEs in the parenthesis in the text boxes on the right.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Payroll. Refer to the responses to OCC-326, Attachment 1, and OCC-333. Are any of the new positions being requested also on the list of open positions or similar to the ones listed in the open positions? If so, identify and describe each.

Response:

Please refer to the Company's response to OCC-327[i].

Prior Referenced Response:

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[i] OCC-327 Question:

Payroll (new positions). For each of the new positions the Company has included in the Rate Year provide:

a. Total annual compensation, benefits and payroll taxes associated for the unfilled position
b. Length of time that the position has been open.
c. Planned hiring dates for each position,
d. Hiring dates for any of these positions that have been filled.
e. Copy of the advertisement for employment.
f. For each new position, state whether it will be a CL&P employee/FTE or shared service employee/FTE

OCC-327 Response:

The Company has current open positions that are being actively recruited and staffing plans are in development for the upcoming year. Specifically in this case the Company is proposing 41 new positions in the Rate Year (please refer to the Company's response to OCC-333i).

Please refer to OCC-327, Attachment 1, for parts a, c, and f. For parts b, d and e, the Company has not yet posted for any of the 41 positions and therefore no positions are open, copies of the postings are not available, nor have any of the positions been filled.

Date Filed: October 06, 2026

Witness: Marianne H. Eichler and Erin M. Travassos
Request from: Office of Consumer Counsel

Question:

Payroll. Refer to the response to OCC-327.

a. Does the company typically fill open positions from within the company?
b. Does the company prefer to fill positions within the company?
c. Approximately how long does it take the company to fill a position once it begins recruiting?

Response:

The Company utilizes both internal and external recruiting sources to fill open positions. Consistent with its commitment to employee development and career advancement, qualified internal candidates are encouraged to apply for open positions and are given full consideration during the selection process. At the same time, the Company also recruits externally to attract talent with specialized skills, diverse experiences, and new perspectives that support evolving business needs.

Accordingly, the Company does not maintain a preference for filling positions exclusively from either internal or external sources. Rather, hiring decisions are based on selecting the candidate whose qualifications, experience, and capabilities best meet the requirements of the position and the needs of the business.

The Company's target time to fill an open position from the commencement of recruiting activities is approximately 90 days, although actual time-to-fill may vary depending on the nature of the position, labor market conditions, and candidate availability.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Payroll. Refer to the response to OCC-333.

a. Provide the total cost included in the Rate Year associated with the 58 new FTEs broken down by payroll, benefits, payroll taxes.
b. Provide the Rate Year amount associated with the 41 new FTEs broken down by payroll, benefits, payroll taxes.

Response:

a. As noted in the Company's response to OCC-333[i], the original filing had inadvertently proposed a preliminary 58 FTEs based on the Advancing the Grid plan that is above and beyond the Targeted System Plan requested for review and approval in this Application. The updated number of incremental FTEs to be included in the Rate Year cost of service is 41 FTEs.

b. Please refer to OCC-833, Attachment 1, for the payroll, benefit and payroll taxes associated with the proposed 41 incremental FTEs.

Prior Referenced Response:

[i] OCC-333 Question:

Payroll. For each of the new positions that the Company is requesting recovery of in the rate year, state whether the hiring of the positions are conditioned on their approval in this case.

OCC-333 Response:

The Company is providing an update for the Full Time Equivalent ("FTE") counts included in the request for recovery in the rate year in this response as OCC-333, Attachment 1 (note that this is an update of Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 3). The Company will update the payroll expense and other affected costs as part of its next cost of service update.

The number of FTEs included in the original filing was fifty-eight (58). This number was a preliminary number and included FTEs contemplated in the Advancing the Grid plan that is above and beyond the Targeted System Plan ("TSP") requested for review and approval in this application. The updated number of incremental FTEs to be included in the rate year of the Company's cost of service is forty-one (41).

Included in the forty-one (41) full-time positions are twenty-one (21) in Vegetation Management, five (5) Power Quality positions, two (2) in Distribution Planning & Forecasting and one (1) Asset Health, these are contingent on PURA's approval in this case. In addition, for Grid Modernization there are seven (7) for Control Room Operations, three (3) for Data Innovation, and two (2) for Field Communications that the Company will consider hiring based on business needs and changing requirements as necessary, but most likely not all requested.

The Vegetation Management positions allow the Company the opportunity to improve the system's reliability and improve cost-efficiency by transitioning more work in-house to restructure vegetation management performance for the benefit of our customers. While the twenty-one (21) Vegetation Management positions appear to be incremental, in reality there is only 1 incremental resource. Of the twenty-one (21), eight (8) of the FTEs are the result of 16 employees who currently split their time 50%/50% between O&M and capital work shifting to solely working on the proposed combined O&M program, if approved, results in the equivalent of 8 incremental employees working on the O&M program; twelve (12) resources would be converted from contracted resources to internal resources of which the Company's proposed vegetation management expenses in Exhibit CLP-REVREQ-2, Work Paper C-3.31, reflect the reduction in outside contractor services; and one (1) resource would be truly incremental.

The Grid Modernization positions are needed to support large-scale distributed energy resource ("DER") integration and clean-energy advancement; develop and deploy advanced tools and analytics for integrated distribution system planning and grid modernization; and drive increased innovation and application of GenAI, LLM and machine learning capabilities.

The Company is also providing as OCC-333, Attachment 2, which is a corrected Exhibit CLP-TSP-3, page 43 of 149, that has been updated with the corrected number of FTEs in the parenthesis in the text boxes on the right.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and John G. Griffin
Request from: Office of Consumer Counsel

Question:

Overtime Payroll. Refer to the response to OCC-318.

a. Provide the actual overtime expense for each of the years shown.
b. Explain why the company budgets overtime expense annually but not for the rate year.

Response:

a. Please refer to OCC-834, Attachment 1, for the non-storm overtime expense for each of the years 2021-2025. Please note the years 2022-2025 were previously provided in the Company's response to OCC-051[i].

b. The Company is in the process of preparing its budget for calendar year 2027 at this time. Amounts presented for the rate year in this proceeding, which spans July 1, 2027 through June 30, 2028, were developed based on test year data adjusted forward to Rate Year as documented in the Company's filing in this proceeding.

Prior Referenced Response:

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[i] OCC-051 Question:

(Payroll) Provide for each of the years 2022-2026: (i) the total overtime dollars, and; (ii) the amount of overtime dollars that would be charged to expense in base rates and would be comparable to the expense included in the Company's rate relief request.

OCC-051 Response:

Please see OCC-051, Attachment 1, for the total overtime dollars and the amount of non-storm overtime charged to O&M expense for the years 2022 through June 30, 2026, which is comparable to the overtime expense included in the Company's cost of service. Note the 2024 total overtime charged to expense increased as result of the Company reducing the use of external resources for outage responses during non-catastrophic storm events.

Please refer to OCC-043[i] and OCC-046[ii] for the contractual terms pertaining to internal employees.

Date Filed: October 09, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Payroll. Refer to the response to OCC-333 which states that of the 41 new positions requested, 21 vegetation management, 5 power quality positions and 2 distribution planning and forecasting positions are contingent on PURA's approval in this case. If they are contingent on PURA's approval, explain how these positions are necessary.

Response:

For the 21 vegetation management positions, all but one (1) of these are already included in the current vegetation management operations and are necessary for the accomplishment of the vegetation programs. The Company is proposing a shift from contract to internal resources in this case.

As noted in the Company's response to OCC-333[i]:

"The Vegetation Management positions allow the Company the opportunity to improve the system's reliability and improve cost-efficiency by transitioning more work in-house to restructure vegetation management performance for the benefit of our customers. While the twenty-one (21) Vegetation Management positions appear to be incremental, in reality there is only 1 incremental resource. Of the twenty-one (21), eight (8) of the FTEs are the result of 16 employees who currently split their time 50%/50% between O&M and capital work shifting to solely working on the proposed combined O&M program, if approved, results in the equivalent of 8 incremental employees working on the O&M program; twelve (12) resources would be converted from contracted resources to internal resources of which the Company's proposed vegetation management expenses in Exhibit CLP-REVREQ-2, Work Paper C-3.31 reflect the reduction in outside contractor services; and one (1) resource would be truly incremental."

The five (5) power quality positions allow the Company to better serve our customers with dedicated resources that can troubleshoot, analyze, and identify power quality problems. Power Quality is typically a deviation from sinusoidal voltage or frequency and encompasses a wide variety effects, ranging from voltage sags and swells, surges, transients, low power factor, harmonics and other phenomena that disrupt service or damage customer and utility equipment. The causes of these issues can be failing equipment, lightning, equipment operation or installation as well as customer loads and DER, identifying the causes and mitigation requires specialized skills, field data and analytics. Currently within the Company there is no dedicated group

responsible for resolving customer power quality issues This group will take ownership of these complaints and problems and troubleshoot customer power quality issues by taking actual field measurements at both the Company and customer premises. With field measurement and further engineering analysis, the power quality group will be able to identify the source of power quality concerns which could be at the utility side or at the customer side. Based on the group's assessment the Company will be able to improve response to customer power quality concerns and improve customer service.

The two (2) distribution planning and forecasting positions are designated resources for forecasting and modeling in distribution planning to comply with PURA's requirements outlined in the IDSP for advanced forecasting, 8760 forecasting, and larger number of scenarios, as well as to manage the stakeholder input, verification, and data sharing efforts associated with the IDSP docket. As stated by the Company in 21-05-15 RE03, compliance with an IDSP as outlined by the Authority will require significant additional efforts. Not adding these incremental positions would severely hamper the Company's ability to:

- Meaningfully engage with the stakeholder process, review recommendations, data sets, and provide adequate responses and justifications to stakeholders
- Limit the ability to develop more than the currently staffed and resourced for single scenario peak load forecast
- Jeopardize the 8760 model delivery at circuit levels as envisioned by the Authority and Stakeholders

Supporting this effort would in turn provide the Company with these abilities, which would provide the Authority and stakeholders with more granular data as envisioned by the IDSP to better understand investment decisions.

Prior Referenced Response:

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[i] OCC-333 Question:

Payroll. For each of the new positions that the Company is requesting recovery of in the Rate Year, state whether the hiring of the positions are conditioned on their approval in this case.

OCC-333 Response:

The Company is providing an update for the Full Time Equivalent ("FTE") counts included in the request for recovery in the Rate Year in this response as OCC-333, Attachment 1 (note that this is an update of Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 3). The Company will update the payroll expense and other affected costs as part of its next cost of service update.

The number of FTEs included in the original filing was fifty-eight (58). This number was a preliminary number and included FTEs contemplated in the Advancing the Grid plan that is above and beyond the Targeted System Plan ("TSP") requested for review and approval in this application. The updated number of incremental FTEs to be included in the Rate Year of the Company's cost of service is forty-one (41).

Included in the forty-one (41) full-time positions are twenty-one (21) in Vegetation Management, five (5) Power Quality positions, two (2) in Distribution Planning & Forecasting and one (1) Asset Health, these are contingent on PURA's approval in this case. In addition, for Grid Modernization there are seven (7) for Control Room Operations, three (3) for Data Innovation, and two (2) for Field Communications that the Company will consider hiring based on business needs and changing requirements as necessary, but most likely not all requested.

The Vegetation Management positions allow the Company the opportunity to improve the system's reliability and improve cost-efficiency by transitioning more work in-house to restructure vegetation management performance for the benefit of our customers. While the twenty-one (21) Vegetation Management positions appear to be incremental, in reality there is only 1 incremental resource. Of the twenty-one (21), eight (8) of the FTEs are the result of 16 employees who currently split their time 50%/50% between O&M and capital work shifting to solely working on the proposed combined O&M program, if approved, results in the equivalent of 8 incremental employees working on the O&M program; twelve (12) resources would be converted from contracted resources to internal resources of which the Company's proposed vegetation management expenses in Exhibit CLP-REVREQ-2, Work Paper C-3.31 reflect the reduction in outside contractor services; and one (1) resource would be truly incremental.

The Grid Modernization positions are needed to support large-scale distributed energy resource ("DER") integration and clean-energy advancement; develop and deploy advanced tools and analytics for integrated distribution system planning and grid modernization; and drive increased innovation and application of GenAI, LLM and machine learning capabilities.

The Company is also providing as OCC-333, Attachment 2, which is a corrected Exhibit CLP-TSP-3, page 43 of 149 that has been updated with the corrected number of FTEs in the parenthesis in the text boxes on the right.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and Marianne Eichler
Request from: Office of Consumer Counsel

Question:

Payroll. Refer to the response to OCC-357(b). Identify the last time the company made organizational changes that resulted in reducing its employee count and/or curtailing other expenses and capital spending.

Response:

The Company regularly evaluates organizational effectiveness to identify opportunities to enhance efficiency and better serve its customers. Eversource's evaluation is that its overall staffing levels are conservative for the obligations that the Company has to its distribution customers throughout Connecticut. Consistently, the Company's concerns are that its staffing levels are inherently challenging to existing employees who shoulder the burden of the Company's necessary work processes, regulatory requirements and customer commitments and obligations, particularly when contemplating the frequent need for storm duty. Beginning in 2025, the Company has engaged in efforts to review the enterprise organization to determine whether there are efficiencies that could be achieved with staffing changes, among other changes.

With respect to capital investment, the Company has submitted the testimony of the Company's Leadership Panel (Exhibit ELP-1) and Targeted System Performance ("TSP") Plan Panel (Exhibit CLP-TSP-1). These panels explain that the level of capital investment needs to increase on the Company's system over historical levels because the system is not keeping up with the operating conditions that challenge the system. The TSP Panel explains that the system has reached an "inflection point" where it is necessary to make a step change to advance data-driven strategies not possible historically, in order to improve performance, efficiency and cost-effectiveness, while meeting affordability goals for customers. The Company does not view that organizational changes would lessen the cost of capital investment. Efforts that the Company is focusing on center on rigorous cost management in the planning and execution of capital projects.

With respect to performance on operating costs, the Company has been relatively successful in containing O&M costs. Since PURA's prior rate review in the 2018 rate case, Docket No. 17-10-46 (April 18, 2028), the Company has worked diligently to contain O&M expense by deploying rigorous budgetary and procurement controls across all operating functions, in addition to using other strategies to achieve operational efficiencies everywhere possible. This hard work paid off for customers with tangible impacts. Specifically, inflation in the general economy, as measured by the Gross Domestic Product Price Index ("GDP-PI"), trended at approximately 30% over the

period 2016 through 2025. By comparison, the Company's general O&M expenses (excluding storm costs and vegetation management) increased by approximately 16 percent over the same time frame, saving customers an estimated $45 million annually, as compared to aggregate inflation trends. See, Exhibit CLP-ELP-1, at 34-35. The Company does view that organizational changes would decrease O&M expense.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and John G. Griffin
Request from: Office of Consumer Counsel

Question:

Service Company Payroll. Refer to the response to OCC-332. Provide the service company payroll charged to CL&P broken out by expense and capital in each year 2021, 2022, 2023, 2024, 2025, the Test Year and the Rate Year.

Response:

Please refer to OCC-837, Attachment 1, for the amount of Eversource Energy Service Company payroll charged to CL&P for years 2021 through 2025. Please refer to Exhibit CL&P-REVREQ-2 Schedule C-3.5 WP C-3.5 Page 2 of 3 line 49 for the Rate Year O&M payroll expense of $64,731,000. The Company utilized the Test Year capitalization ratios to account for the portion of the payroll expense that should be capitalized for the Rate Year and removed from the payroll expense to exclude those costs from the cost of service.

Date Filed: October 08, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

CL&P Payroll. Refer to the response to OCC-332 which states in a normal year it is expected CL&P employees will charge 100% of their time to CL&P.

a. State whether 2025 was a normal year and whether CL&P employees charged 100% of their time to CL&P.
b. Provide the last non-normal year where CL&P employees did not charge 100% of their time to CL&P.

Response:

First, it is important to note that the Company's payroll expense schedule includes base labor and overtime associated with blue sky work and does not include incremental storm labor. The intent of the Company's pro-forma payroll expense adjustment is to normalize the labor activity in the Test Year by utilizing actual salaries for filled and active positions as of the end of the Test Year (calendar year 2025). The Company's statement in its response to interrogatory OCC-332[i] that the Test Year pro-forma payroll expense assumes that "[i]n a normal year it is expected that CL&P employees will charge 100% of their time to CL&P" is intended to account for the fact that every year there are circumstances where CL&P employees will charge time to affiliates for non-storm work, and vice versa, affiliate companies will charge time to CL&P for their work on the CL&P distribution system for non-storm work. This reciprocal work reflects the advantage of having affiliates within the local area who can respond to necessary work to operate and maintain the distribution system given the emerging needs throughout each year. There is no "normal" level of affiliate work during blue sky days that the Company could quantify and therefore no "non-normal" years which would be applicable.

When the Company calculates the Test Year pro-forma for CL&P employees, it is assumed that 100% of their time is charged to CL&P. That same pro-forma calculation assumes that no affiliates will charge their time to CL&P for non-storm work, thereby removing all affiliate labor charged to CL&P in the Test Year. Said another way, the labor related to CL&P charging affiliates and affiliates charging CL&P is normalized through the Company's Test Year pro-forma calculation by removing and charges from affiliates to CL&P and including only 100% of CL&P's labor.

Prior Referenced Response:

[i] OCC-332 Question

Payroll. State whether the Company used the same forecasting methodology used in the prior rate case. If not, explain in detail all changes.

OCC-332 Response:

Yes. The Company utilized a similar methodology that was used in the prior CL&P rate case in Docket No. 17-10-46 which was also the methodology used in the last Yankee Gas rate case in Docket No. 24-12-01 to calculate the Test Year Pro-Forma ("TYPF") payroll expense as well as the Rate Year payroll expense.

The Company's Test Year payroll data consists of hundreds of thousands of lines of individual transactions that are unique each and every year. Those transactions can vary based on a number of different conditions throughout the year such as weather events, supply chain issues, personnel availability, capital budgets and much more. To determine the normalized Test Year level of payroll expense, the Company performs an independent evaluation of the payroll expense utilizing actual employee salary information as of the end of the Test Year as described in greater detail below and supported by detailed calculations provided as attachments to this response.

(1) In order to calculate the TYPF level of payroll expense, the Company first begins with a listing of actual CL&P and Eversource Energy Service Company ("Service Company") salaries for each employee position that is **filled and active** as of December 31, 2025. It is important to begin with only those positions that are filled and active as those are the positions the Company is experiencing actual expenses for. This also ensures that an imputed vacancy rate is accounted for as the Company typically does not have 100% filled and active positions at any single point in time and therefore it would be inappropriate to include all positions (inclusive of unfilled and inactive positions) in the TYPF calculation. Please refer to OCC-332, Attachment 1, for the full listing of CL&P and Service Company employee salaries as of December 31, 2025.

(2) In a normal year it is expected that CL&P employees will charge 100% of their time to CL&P and therefore the amounts shown on OCC-332, Attachment 1, page 1, lines 6 through 10, support the TYPF amounts shown on Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 1, lines 15 through 19. In a normal year it is typical for Service Company employees to charge their time to multiple operating companies throughout the year, and therefore the Company takes the total Service Company salaries shown in OCC-332, Attachment 1, page 38, lines 6 through 16, and allocates those costs to CL&P. In order to do so, the Company utilized the actual labor charged to CL&P by each Source Cost Center ("SCC") and compared that to the total actual labor charges for each of the same SCCs. Please see OCC-332, Attachment 2, for the calculation of the amount of Service Company salaries allocated to CL&P and OCC-332, Attachment 3, for the actual 2025 allocation of labor by SCC utilized in the calculation in OCC-332, Attachment 2. The allocated amounts shown in OCC-332, Attachment 2, page 1, lines 8 through 18, support the amounts shown in Exhibit CLP-REVREQ-2, Work Paper C-3.5, page 1, lines 33 through 42.

(3) The base salaries calculated in items (1) and (2) above are total salaries prior to the split between capital and O&M; therefore, the final necessary adjustment to those CL&P allocated salary amounts is to account for the portion that will be capitalized, which is then removed from the payroll expense schedule. In order to do so, the Company utilized the actual Test Year capitalization ratios. Please see OCC-332, Attachment 4, for the calculation of the Test Year capitalization percentages.

In summary, the Company starts by taking actual salaries of active / filled positions as of December 31, 2025, and allocates those to CL&P and further assigns a portion to expense and capital all based on actual Test Year information. That resulting TYPF payroll expense becomes the basis for payroll expense increases utilizing annual merit adjustments. The difference between the TYPF amount above and the actual Test Year expense results in the $2.778 million pro-forma increase (or approximately 2%).

In addition, the Company is proposing incremental Full Time Equivalents ("FTEs") in Exhibit CLP-REVREQ-2, page 3 of 3. Page 3 of 3 shows the number of employees the Company expects to hire in each business area (i.e. Vegetation Management, Grid Modernization, Engineering Capital, Distribution System Planning, Asset Health and Field Engineering). It also shows the expected salary, hiring date, and resulting O&M payroll expense included in the Company's COS. This treatment is consistent with the Company's incremental FTE request in Docket No. 17-10-46.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

Field Operations Expense (Overhead Lines Operations & Maintenance). Refer to Schedule C-3.0, line 32, and Schedule C-3.16. Explain in detail the reason for the $3.433 million increase in expense in the Rate Year over the 2025 level. Provide documentation supporting the increase (quotes, invoices, contracts)

Response:

The Company is unable to follow the references in the interrogatory to: (1) Schedule C-3.0, line 32, which is Fee Free expense as compared to; (2) Schedule C-3.16, which is Field Operations (Overhead Lines – Operations and Maintenance); and (3) a reference to a $3.433 million increase that the Company is unable to tie back to either the Fee Free expense or Field Operations expense. In an effort to be responsive, the Company interprets the question to relate solely to Schedule C-3.16 Field Operations (Overhead Lines-Operation & Maintenance), noted on line 33, of Schedule C-3.0, which has an increase in expense of $2.623 million in the Rate Year over the 2025 level.

The Company first adjusted the $19.467 million 12/31/2025 Test Year level of Field Operation Expenses (Overhead Lines Operations & Maintenance) by $1.286 million as shown on line 25, column (C) of Schedule WP C-3.16. The $1.286 million pro forma adjustment removed out of period adjustments totaling $1.320 million and $(34) of costs associated with the Line Crew Rodeo. The 2025 Test Year Pro Forma amount of $20.753 million represents a normalized level of Field Operation Overhead Line expenses. The $1.337 million Rate Year increase was calculated using the projected GDP-PI inflation factor for the Interim and Rate Year period. The Company used this approach to determine the Rate Year amount because GDP-PI measures the change in prices of goods and services produced in the United States and the Field Operations schedule is composed of a wide range of costs including outside contractors, permits and fees, police services, and employee expenses.

The Field Operations Overhead Line Maintenance Rate Year amount of $22.090 million represents a $2.623 million increase over the $19.467 million 2025 Test Year amount; $1.286 million Test Year Pro Forma Adjustment plus $1.337 million Rate Year adjustment equals $2.623 million.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

O&M expenses. Refer to the response to OCC-375(f) Explain in detail what the "optimization of O&M" throughout Connecticut Operations" refers to.

Response:

The Company goes through a rigorous budget process each year and works to balance the needs of all organizations to ensure it provides safe and reliable service to customers. During the course of the year, the Company balances the financial needs across the organization and, in some cases, spending may be adjusted up or down during the year as circumstances warrant. For 2025, the vegetation management spending was reduced from prior years, while still aligned with the amount included in distribution rates.

As noted in the joint direct testimony of John P. DiPaola-Tromba, Sean D. Redding, and Jenna Turner, the Company is entering into a new four-year cycle subject to the results of a competitive solicitation that the Company is currently conducting. The Company's estimation is that the cost of the Vegetation Management Plan will increase above the level last included in base rates in 2018, because of unavoidable increases in vendor costs over the historical time interval, as well as to accommodate the trim cycle for all overhead circuits, implement new programs, including LiDAR, and other programs, including Mid-Cycle. Please refer to OCC-102[i], for the drivers of the proposed increases from the Test Year to the proposed budget in the Rate Year.

Prior Referenced Response:

[i] OCC-102 Question:

(VMP/Budget)
Provide a budget breakdown, including allocation and actuals, for prior years, across the same line items provided in the proposed program budget for 2027 as outlined in Exhibit CLP-VMP-2, page 25 of 29 (noting that there is a VMP costs by program component on page 26, of Exhibit CLP-VMP-1, but it does not use all the same line items making comparison a challenge).

a. For each line item with an increase in the proposed 2027 from the actual 2025 expenditure, explain and qualify all the drivers of the proposed increase.
b. The 2027 budget breakdown, provided on Exhibit CLP-VMP-2, page 25 of 29, totals 89.6mill, the same as the total request in the . What will the contribution from Frontier of 13.5M be spent on?
c. Please provide the Company's analysis demonstrating that the proposed budget does not result in diminishing

returns each year?

d. Provide any analyses comparing the benefits achieved during the initial ETT cycle to those achieved during subsequent cycles.

OCC-102 Response:

Please refer to Exhibit OCC-102, Attachment 1, for the requested breakdown of the 2025 cost (Exhibit CLP-VMP-1, page 26) and the proposed budget for 2027 (Exhibit CLP-VMP-2, page 25).

a. The following program components are new programs and do not have a direct Test Year comparison: Risk Tree Removals ("RTR"), Reliability Tree Work ("RTW"), and LiDAR.

The following programs had increases from the Test Year actual in 2025 to the proposed budget in 2027:

- The Roadside Schedule Maintenance increase reflects the estimated costs for a four-year scheduled maintenance cycle with contractor increases due to inflation. The proposed plan shifts away from prioritization and field assessment towards a strategy of maintaining the entire circuits all at once. This approach is driven by the LiDAR pilot results showing high levels of vegetation encroachment 3 years post trimming on circuits due for scheduled maintenance the following year. The budget was developed using cost per mile estimates that include contractor rate increases. Actual costs will be updated at the completion of the current RFP for 2027-2030 vegetation management pricing.

- The RTR budget is converted funds from previous Enhanced Tree Removal ("ETR") capital dollars to expense dollars.

- Distribution Rights-of-Way ("D ROW") is being funded with previous Customer Focus Enhanced Tree Trimming ("ETT") and Expense funds to support the scheduled distribution ROWs cycle for side trimming and brush control, including maintenance ETT where ETT specification was achieved.

- Emergency is a planned budget to cover blue sky emergency tree contractor call outs to outage and non-outage tree OMS events. The 2027 proposed budget is an increase over the 2025 actual, however the proposed budget has remained steady at $2,000,000 for several years. The emergency program spend is highly weather dependent and the budget must account for busier years.

- Vines was increased to allow for two years of backbone circuit miles to be treated instead of one year. The circuit backbones that are not due for mid-cycle or scheduled maintenance will be treated for vines each year. Through this approach, all backbone miles will be covered for vine treatment every year.

- Emergent Work has been increased to support the volume of customer and tree warden inquiries regarding dead and declining trees and in anticipation of increased tree stress and mortality due to beech leaf disease and spotted lanternfly.

- Mid-Cycle is a historic program that is being funded again given the results of the LiDAR analysis. The LiDAR analysis shows there is encroachment across the system that should be addressed sooner due to consent limitations and varying tree growth rates. The program will support hot spot trimming across approximately 1,000 to 1,200 miles of backbone each year.

- CT DOT Program is moving from Capital to Expense and has increased due to projected increases in contractor costs.

- LiDAR is a new remote sensing technology program that will facilitate the annual collection of ground-based LiDAR collection of the upcoming year's scheduled maintenance circuits as well as off-cycle backbone miles for Midcycle and RTW prioritization. This program has been added following a successful pilot of ground based LiDAR highlighting how this data-driven approach can improve prioritization of the VMP.

- Other expenses has been increased to support Energy Saving Trees Arbor Day locations, right-tree, right-place education, transformer enclosure maintenance, and other smaller programs.

b. Please refer to Exhibit CLP-VMP-1, at page 44, on lines 16-21. The Company is presenting the total VMP annual budget that aligns with its workplan. However, a portion of this annual budget will be recovered from Frontier Communications. Pursuant to the agreement between Eversource and Frontier Communications, the Company is reimbursed for 15 percent of all vegetation management O&M costs. This reduces the total annual VMP costs to be recovered from customers in base rates from $89.6 million to approximately $77 million.

c. The nature of utility vegetation management is to remove and maintain encroaching vegetation within defined and approved specifications along the electric system to maintain system reliability; however, due to the natural system in which the VMP operates, and the continual growth of vegetation in CT, the cost of maintaining the encroachment is incurred annually through the Scheduled Maintenance Trimming ("SMT") program. Trees removed through the proposed Risk Tree Removal ("RTR") and Reliability Tree Work ("RTW") programs would no longer need to be maintained in future cycles and would not result in diminishing returns.

d. Please refer to Exhibit CLP-VMP-4. The University of Connecticut 2022 Study, A Statistical Framework for Evaluating the Effectiveness of Vegetation Management in Reducing Power Outages Caused during Storms in Distribution Networks, demonstrates that, "enhanced vegetation management is particularly helpful in reducing trouble spots for lower severity storms, with reductions between 45.8% and 63.8%, and substantially reduces trouble spots during the most severe events when vegetation management is particularly comprehensive, demonstrating a 37.3% reduction when compared with circuits with little to no enhanced tree trimming." (Exhibit CLP-VMP-4, at 15). The reliability improvements indicated were observed in individual storm events as well as in annual totals. The University of Connecticut 2022 study further elaborates that, "this analysis provides a better understanding of how more rigorous vegetation management standards (applying ETT) help reduce outages at an individual event level, for both the more frequent events and those less frequent, stronger storms, which may also occur more frequently in the future due to climate change." (id.).

The Company's redesigned RTW program will allow the Company to address the locations on scheduled circuits where overhang and ETT clearances were not previously achieved on the portion of those circuits that serve the most customers and are highly susceptible to tree-related outages, particularly in relation to circuit backbones that were addressed through the ETT program over 20 years ago.

Please refer to Exhibit CLP-VMP-2, on page 19, where the Company summarized aspects of the RTW program. Previous ETT programs between 2004 and 2026 did not allow for previously completed zones to be readdressed if full clearance was limited by permissions. The RTW program will be key in preventing vegetation outages from outside zone overhanging limb fall-in and inside zone tree fall-in on high priority

line segments with the goal of achieving clearance of 10 ft of vegetation from ground to sky where permission allows. By targeting the zones with overhang that serve the highest number of customers through the RTW program, risk will be mitigated.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-04)(MS24E), p. 8-44. These invoices contain repeated references to removing dead trees a week or more after the dates of event MS24E, but do not indicate the dead tree was affecting the line (and power had been restored). Please provide all written guidance governing and explain all rationale regarding assigning the costs of this work to MS24E rather than routine vegetation management.

Response:

Please refer to the Company's response to OCC-842[i], which describes the multiple pathways that post-storm tree work may be found by and submitted to the Company, how the post-storm tree work is organized and completed, and how the Company Arborists oversee and verify that the post-storm tree work is correctly charged to the right storm event.

The Arborist's approval is the documentation that the trees were properly charged to the MS24E storm event. The term "removal" does not belong to scheduled work, rather it refers to the action of removing an entire tree including those compromised by storms. Dead trees can be categorized as storm damaged in the same ways that live trees are. A standing dead tree may suddenly become more likely to cause an outage due to damage sustained during a storm. Dead trees may fail but do not cause an immediate outage just as live trees may fail and not cause an immediate outage. Dead trees are prone to damage during storm events such as high winds, snow, ice, and rain due to their deceased structural strength as they decay. One example may be a dead tree that breaks at the base during the storm and leans out towards the overhead lines while being held up in another smaller tree. The broken dead tree is likely to fail completely and impact the overhead lines in the following days or weeks. A dead tree may be suddenly altered by storm damage and now has a looming risk of failing and causing equipment damage, customer interruptions, or a public safety threat. Therefore, a "dead tree" becomes storm damaged vegetation when the storm either causes the tree to die or creates a situation where a previously dead tree that was not a problem prior to the storm becomes a risk that needs to be remediated.

Prior Referenced Response:

[i] OCC-842 Question:

(STORM)

a. Does the Company limit vegetation management work performed after storms solely to work caused by the storm?
b. If yes to a, please describe how the Company verifies that all trees cut by the vegetation management company had storm damage (for example, if a tree was touching the line, how does the Company verify if this was caused by storm damage or growth?).

OCC-842 Response:

Yes, the Company limits post-storm vegetation management work to damage caused by the storm.

Please refer to OCC-842, Attachment 1, for a copy of the Company's response to EOE-201 in Docket No. 25-12-13.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(STORM)

a. Does the Company limit vegetation management work performed after storms solely to work caused by the storm?
b. If yes to a, please describe how the Company verifies that all trees cut by the vegetation management company had storm damage (for example, if a tree was touching the line, how does the Company verify if this was caused by storm damage or growth?).

Response:

Yes, the Company limits post-storm vegetation management work to damage caused by the storm.

Please refer to OCC-842, Attachment 1, for a copy of the Company's response to EOE-201 in Docket No. 25-12-13.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-04)(MS24E), p. 54-63. Did the Company receive completed and/or attached Emergency Restoration Tree Contractor Work Location forms for these timesheets? If so, please provide. If no, please explain how the Company validated these invoices.

Response:

Referring to Exhibit ACCT-2(CLP-5A-04)(MS24E), pages 54-63, the scanned invoices do not include the Emergency Restoration Tree Contractor Work Location reports. The Company intends to supplement the Emergency Restoration Tree Contractor Work Location reports once located.

Please refer to the Company's response to OCC-842,[i] which describes the multiple pathways that post-storm tree work may be found by and submitted to the Company, how the post-storm tree work is organized and completed, and how the Company Arborists oversee and verifies that the post-storm tree work is correctly charged to the right storm event.

Prior Referenced Response:

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[i] OCC-842 Question

(STORM)

a. Does the Company limit vegetation management work performed after storms solely to work caused by the storm?
b. If yes to a, please describe how the Company verifies that all trees cut by the vegetation management company had storm damage (for example, if a tree was touching the line, how does the Company verify if this was caused by storm damage or growth?).

OCC-842 Response

Yes, the Company limits post-storm vegetation management work to damage caused by the storm.

Please refer to the Company's response to EOE-201 in PURA Docket No. 24-03-30:

During storm events, especially those that include high winds, rain, snow, or ice, trees may fail entirely, or parts of a tree may be damaged. When an entire tree fails or a part of a tree is damaged and impacts electrical infrastructure, the tree or tree part is cleared as part of storm restoration. However, trees that are damaged by then storm but have not

fallen often remain following an event. Damage to the trunk or a large leader or branches in the canopy may result in a standing tree that is compromised structurally. Storms may cause trees to develop cracks or seams that will cause the tree to fail in the short term. Some trees that are uprooted during a storm event may fall over slowly or may be held up in other trees that will temporarily hold their weight but fail in the near term. Branches in trees may be broken but remain hanging in the tree's canopy, dangling above electrical infrastructure, and waiting for a future wind to finalize the break or dislodge a broken limb from the tree. These future potential threats to the system are often not resolved in real time during the restoration portion of the event because the Company's priority is to clear vegetation that poses an immediate safety or reliability risk (including blocked roads) and restore customers. Therefore, the Company returns after an event to address storm damaged trees and limbs that the Company finds to be a threat to reliability and public safety.

Patrolling for and removing storm damaged vegetation is a standard part of utility vegetation management storm response and is not included in the Company's normal vegetation management cycle. The Company has described post vegetation storms in previous storm cost recovery testimony. These storm damaged tree conditions are identified through follow up items noted on restoration events, non-outage events identified during the restoration post restoration patrols by operations, engineering or vegetation management or inquiries from customers or towns. There may be a delay in providing the assessment and mitigation to storm damage locations as the information from the patrols by other Eversource departments or locations provided by customers or towns may be received at different time periods after the completion of restoration. Mitigation of a storm damaged tree depends on the condition and location of the tree, access to tree and requirements to mitigate the damage as there is variable effort and time needed to complete the work. This can vary from cutting a single broken limb to requiring a crane or scheduling an outage to mitigate the risk to the system, workers and the public.

Following an event, tree contractors may be instructed to complete storm damage patrols and perform mitigation trimming or tree removals by Eversource Arborists.

Each Area Work Center ("AWC") has an Eversource Arborist who has extensive experience and is familiar with the area that coordinates tree contractor resources during both restoration and post-storm vegetation sweeps.

The AWC Arborist will direct post-storm patrols depending on the level of vegetation damage sustained during a storm event. Localized areas that experienced a higher magnitude of tree caused outages are assigned more detailed sweeps. If vegetation damage was widespread, post-storm sweeps will encompass the entire service area.

Eversource Arborists provide the tree contractors with overhead circuit or town maps to be patrolled for broken limbs and storm damaged trees based on where the storm impacted the Company's system. Guidelines are provided to the tree contractors as to what constitutes storm damaged vegetation. Please refer to EOE-201, Attachment 1, in PURA Docket No. 24-03-30, for the Company's Vegetation Management Storm Patrol Guidelines.

Eversource's tree contractors have practical experience and are trained to recognize the signs of recent storm damage. Conducting vegetation patrols post-storm is an industry wide practice. Contractors will immediately remove broken trees or branches as they discover them throughout their patrols. Occasionally, a job may require specialty equipment or a scheduled outage to complete the job safety. Any locations requiring additional scheduling to complete are relayed back to the supervising AWC Arborist for high priority scheduling.

The Arborists oversee this contractor tree work and verify timesheets are correctly billed to the right storm event.

Immediate threats as described in the guidelines are addressed as the patrol is performed or as soon as a crew can be committed to the work. Inventories and tracking is done by the crew and indicated on the timesheet or storm location sheet. Storm damaged trees that are potential threats as described in the guidelines are not tracked in a standardized

way as they are identified and communicated through various means including customer calls, communications from towns, or provided lists from Engineering patrols. Please refer to EOE-201, Attachment 2, in PURA Docket No. 25-12-13, for an example copy of an invoice with an Engineering patrol storm damaged tree list.

The volume of storm damaged vegetation following a strong storm system may be significant. Storms such as high wind events, heavy snow, ice events, lighting, microbursts and thunderstorms may all result in compromised trees that did not fail immediately but are threats to reliability and public safety. The time required to address lingering vegetation hazard may vary from the time it takes to remove a broken branch to days for removing a large storm compromised tree. Given the tree crews available and on system, it may take anywhere from days to weeks to months to receive and address all storm damaged trees from a specific storm event.

Working on storm damaged vegetation is entirely separate than scheduled vegetation management work and is managed and billed as such. The Eversource AWC Arborist oversees contractor tree crews removing storm damaged vegetation which may be reported from various sources beyond tree contractor patrols. Following a storm event, tree wardens and customers will call in to report storm damaged vegetation that are immediate threats which adds to the volume of damaged trees discovered on patrols. Not all trees can be removed immediate upon discovery due to the instability of the trees. Depending on the tree condition and location, arranging a crane or special equipment may be needed to complete the tree removal safely. Storm damaged trees are more likely to require specialty equipment due to the unpredictable nature of their stability compared to regularly scheduled vegetation work. Arrangement may also be needed to temporarily turn off power while the tree work is completed if the tree's instability cannot be controlled or non-insulated equipment such as a crane is required.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-04)(MS24E), p. 95-100. Did these crews perform work at any site or were they on standby at the Torrington Work Center on March 11 and 12? If they performed work, please indicate where they worked and how the Company knows about and validated that work.

Response:

The tree crew worked a 16-hour overnight shift on March 11-12, 2024, which was billed as work time. There is no standby designation or rate for tree crews. The crew did not record any ticket locations.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-05)(MS24E), p. 4-14. Did the Company receive completed and/or attached Emergency Restoration Tree Contractor Work Location forms for these timesheets? If so, please provide. If no, please explain how the Company validated these invoices.

Response:

Referring to Exhibit ACCT-2(CLP-5A-05)(MS24E), pages 12-14, the Emergency Restoration Tree Contractor Location report is provided on page 14.

The individual and tree crews referred to in Exhibit ACCT-2(CLP-5A-05)(MS24E), pages 4-11, were performing post-storm tree work and may not have completed Emergency Restoration Tree Contractor Location reports. Please refer to the Company's response to OCC-842[i], which describes the multiple pathways that post-storm tree work may be found by and submitted to the Company, how the post-storm tree work is organized and completed, and how the Company Arborists oversee and verify that the post-storm tree work is correctly charged to the right storm event.

Prior Referenced Response:

[i] OCC-842 Question

(STORM)

a. Does the Company limit vegetation management work performed after storms solely to work caused by the storm?
b. If yes to a, please describe how the Company verifies that all trees cut by the vegetation management company had storm damage (for example, if a tree was touching the line, how does the Company verify if this was caused by storm damage or growth?).

OCC-842 Response

Yes, the Company limits post-storm vegetation management work to damage caused by the storm.

Please refer to the Company's response to EOE-201 in PURA Docket No. 24-03-30:

During storm events, especially those that include high winds, rain, snow, or ice, trees may fail entirely, or parts of a tree may be damaged. When an entire tree fails or a part of a tree is damaged and impacts electrical infrastructure, the tree or tree part is cleared as part of storm restoration. However, trees that are damaged by then storm but have not fallen often remain following an event. Damage to the trunk or a large leader or branches in the canopy may result in a standing tree that is compromised structurally. Storms may cause trees to develop cracks or seams that will cause the tree to fail in the short term. Some trees that are uprooted during a storm event may fall over slowly or may be held up in other trees that will temporarily hold their weight but fail in the near term. Branches in trees may be broken but remain hanging in the tree's canopy, dangling above electrical infrastructure, and waiting for a future wind to finalize the break or dislodge a broken limb from the tree. These future potential threats to the system are often not resolved in real time during the restoration portion of the event because the Company's priority is to clear vegetation that poses an immediate safety or reliability risk (including blocked roads) and restore customers. Therefore, the Company returns after an event to address storm damaged trees and limbs that the Company finds to be a threat to reliability and public safety.

Patrolling for and removing storm damaged vegetation is a standard part of utility vegetation management storm response and is not included in the Company's normal vegetation management cycle. The Company has described post vegetation storms in previous storm cost recovery testimony. These storm damaged tree conditions are identified through follow up items noted on restoration events, non-outage events identified during the restoration post restoration patrols by operations, engineering or vegetation management or inquiries from customers or towns. There may be a delay in providing the assessment and mitigation to storm damage locations as the information from the patrols by other Eversource departments or locations provided by customers or towns may be received at different time periods after the completion of restoration. Mitigation of a storm damaged tree depends on the condition and location of the tree, access to tree and requirements to mitigate the damage as there is variable effort and time needed to complete the work. This can vary from cutting a single broken limb to requiring a crane or scheduling an outage to mitigate the risk to the system, workers and the public.

Following an event, tree contractors may be instructed to complete storm damage patrols and perform mitigation trimming or tree removals by Eversource Arborists.

Each Area Work Center ("AWC") has an Eversource Arborist who has extensive experience and is familiar with the area that coordinates tree contractor resources during both restoration and post-storm vegetation sweeps.

The AWC Arborist will direct post-storm patrols depending on the level of vegetation damage sustained during a storm event. Localized areas that experienced a higher magnitude of tree caused outages are assigned more detailed sweeps. If vegetation damage was widespread, post-storm sweeps will encompass the entire service area.

Eversource Arborists provide the tree contractors with overhead circuit or town maps to be patrolled for broken limbs and storm damaged trees based on where the storm impacted the Company's system. Guidelines are provided to the tree contractors as to what constitutes storm damaged vegetation. Please refer to EOE-201, Attachment 1, in PURA Docket No. 24-03-30, for the Company's Vegetation Management Storm Patrol Guidelines.

Eversource's tree contractors have practical experience and are trained to recognize the signs of recent storm damage. Conducting vegetation patrols post-storm is an industry wide practice. Contractors will immediately remove broken trees or branches as they discover them throughout their patrols. Occasionally, a job may require specialty equipment or a scheduled outage to complete the job safety. Any locations requiring additional scheduling to complete are relayed back to the supervising AWC Arborist for high priority scheduling.

The Arborists oversee this contractor tree work and verify timesheets are correctly billed to the right storm event.

Immediate threats as described in the guidelines are addressed as the patrol is performed or as soon as a crew can be committed to the work. Inventories and tracking is done by the crew and indicated on the timesheet or storm location sheet. Storm damaged trees that are potential threats as described in the guidelines are not tracked in a standardized way as they are identified and communicated through various means including customer calls, communications from towns, or provided lists from Engineering patrols. Please refer to EOE-201, Attachment 2, in PURA Docket No. 25-12-13, for an example copy of an invoice with an Engineering patrol storm damaged tree list.

The volume of storm damaged vegetation following a strong storm system may be significant. Storms such as high wind events, heavy snow, ice events, lighting, microbursts and thunderstorms may all result in compromised trees that did not fail immediately but are threats to reliability and public safety. The time required to address lingering vegetation hazard may vary from the time it takes to remove a broken branch to days for removing a large storm compromised tree. Given the tree crews available and on system, it may take anywhere from days to weeks to months to receive and address all storm damaged trees from a specific storm event.

Working on storm damaged vegetation is entirely separate than scheduled vegetation management work and is managed and billed as such. The Eversource AWC Arborist oversees contractor tree crews removing storm damaged vegetation which may be reported from various sources beyond tree contractor patrols. Following a storm event, tree wardens and customers will call in to report storm damaged vegetation that are immediate threats which adds to the volume of damaged trees discovered on patrols. Not all trees can be removed immediate upon discovery due to the instability of the trees. Depending on the tree condition and location, arranging a crane or special equipment may be needed to complete the tree removal safely. Storm damaged trees are more likely to require specialty equipment due to the unpredictable nature of their stability compared to regularly scheduled vegetation work. Arrangement may also be needed to temporarily turn off power while the tree work is completed if the tree's instability cannot be controlled or non-insulated equipment such as a crane is required.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-05)(MS24E), p. 27-30. Did this crew perform work at any site or were they on standby at the Newtown Work Center on March 11 and 12? If they performed work, please indicate where they worked and how the Company knows about and validated that work.

Response:

The tree crew worked a 16-hour overnight shift on March 11-12, 2024, which was billed as work time. There is no standby designation or rate for tree crews. The crew did not record any ticket locations.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-05)(MS24E), p. 34-36. Did this crew perform work at any site or were they on standby at the Newtown Work Center on March 11 and 12? If they performed work, please indicate where they worked and how the Company knows about and validated that work.

Response:

This individual referred to in Exhibit ACCT-2(CLP-5A-05)(MS24E), pages 34-36, is providing contractor tree crew supervision and dispatching to support storm restoration. The contractor's supervisory personnel do not maintain records of specific crew dispatch locations during storm events because they are not personally responding to each work site. Their role is to supervise operations and dispatch the tree crews performing the work to locations identified through the Company's restoration process.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-05)(MS24E), p. 90-92. Did this crew perform work at any site or were they on standby at the Work Center on March 11 and March 13? If they performed work, please indicate where they worked and how the Company knows about and validated that work.

Response:

The Company presumes that OCC is referring to Exhibit ACCT-2(CLP-5A-05)(MS24E), pages 91-93, as pages 90-92 contain the last page of one invoice and the first two pages of another invoice. The individual referred to in Exhibit ACCT-2(CLP-5A-05)(MS24E), pages 91-93, is providing contractor tree crew supervision and dispatching to support storm restoration. The contractor's supervisory personnel do not maintain records of specific crew dispatch locations during storm events because they are not personally responding to each work site. Their role is to supervise operations and dispatch the tree crews performing the work to locations identified through the Company's restoration process.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-06)(MS24E), p. 1-6. Did these crews perform work at any site or were they on standby at the Cheshire Work Center on March 11 and March 12? If they performed work, please indicate where they worked and how the Company knows about and validated that work.

Response:

The individual referred to in Exhibit ACCT-2(CLP-5A-06)(MS24E), pages 1-3, is providing contractor tree crew supervision and dispatching to support storm restoration. The contractor's supervisory personnel do not maintain records of specific crew dispatch locations during storm events because they are not personally responding to each work site. Their role is to supervise operations and dispatch the tree crews performing the work to locations identified through the Company's restoration process.

The tree crew referred to in Exhibit ACCT-2(CLP-5A-06)(MS24E), pages 4-6, worked two 16-hour shifts on March 11, 2024, and March 12, 2024, which was billed as work time. There is no standby designation or rate for tree crews. The crew did not record any ticket locations.

Date Filed: October 06, 2026

Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(MS24E) Please refer to Exhibit ACCT-2(CLP-5A-06)(MS24E), p.13-18. Did these crews perform work at any site or were they on standby at the Cheshire Work Center on March 11 and March 12? If they performed work, please indicate where they worked and how the Company knows about and validated that work.

Response:

The individual referred to in Exhibit ACCT-2(CLP-5A-06)(MS24E), pages 13-15, is providing contractor tree crew supervision and dispatching to support storm restoration. The contractor's supervisory personnel do not maintain records of specific crew dispatch locations during storm events because they are not personally responding to each work site. Their role is to supervise operations and dispatch the tree crews performing the work to locations identified through the Company's restoration process.

The tree crew referred to in Exhibit ACCT-2(CLP-5A-06)(MS24E), pages 16-18, worked two 16-hour shifts on March 11, 2024, and March 12, 2024, which was billed as work time. There is no standby designation or rate for tree crews. The crew did not record any ticket locations.

Date Filed: October 06, 2026

Witness: Mark P. Baldwin, Christopher Colorio, Lavelle A. Freeman and Elli Ntakou
Request from: Office of Consumer Counsel

Question:

(STORM) For each claimed storm event, perform an IEEE 1366 Major Event Day analysis and identify whether the storm would qualify as a MED based on daily SAIDI.

Response:

Please refer to the table below for the requested information:

STORM	IEEE Major Event Day
MS24A011	No
MS24B011	No
MS24C011	No
MS24D011	No
MS24E011	Yes
MS24F011	Yes
MN24Q011	Yes
MS24G011	Yes
MS24H011	No
MN24X011	Yes
MS24J011	Yes
MS24K011	Yes
MN25K011	Yes
MN25M011	Yes

Date Filed: October 06, 2026

Witness: Mark P. Baldwin, Christopher Colorio, Lavelle A. Freeman and Elli Ntakou
Request from: Office of Consumer Counsel

Question:

(STORM) Identify each storm that exceeded the dollar threshold but did not qualify as an IEEE 1366 MED, and explain why extraordinary recovery is still appropriate.

Response:

While informative, IEEE 1366 Major Event Days ("MEDs") is not any type of measure of a "major storm event" or "catastrophic" storm event for operational or ratemaking purposes. Many of the Company's ERP events do not meet the definition of MED, nor should an ERP event meet the definition.

With respect to the IEEE reliability standard, a reporting day with a SAIDI greater than the threshold value is designated as a MED. The threshold value, or "TMED," defines when the system is experiencing outage severity beyond what is normally expected for the system, based on the utility's historical outage performance. That historical outage performance includes the Company's response to ERP events that are experienced year-to-year with restoration occurring within a reasonable time frame for the system, *thereby limiting the duration of customer outages*. This is a critical feature of the IEEE MED calculation.

Please refer to OCC-852, Attachment 1, which provides a description of the calculation of the IEEE TMED (Threshold for Major Event Days). As noted, the methodology flags and excludes from the reliability measure those days that exceed a threshold based on the past four years of daily SAIDI. The fundamental intent of calculating the threshold value as part of the IEEE MED metric is evident through the calculation in that it sets the threshold at 2.5 standard deviations over the mean. To help contextualize this, in a normal distribution, only 1.24% of samples have a value that are 2.5 standard deviations above the mean. In other words, the days above the TMED have an uncharacteristically high SAIDI and are performance outliers (low frequency, high impact).

Such days can be days with unusually intense weather causing customer outages to endure or days with events having *non*-weather-related causes that inordinate customer interruptions and associated durations. For example, in Docket No. 25-12-13, the Company provided the example of 04/11/2019, which was a day that qualified as an IEEE MED and for exclusion from IEEE-based reliability metrics reporting. The outage events that contributed to the high daily SAIDI were related to a plane crash, not a weather event. Thus, the IEEE methodology is focused on the identification of days that are uncharacteristically high in SAIDI regardless of the cause of the

event, which is consistent with the fact that IEEE MED is designed to be a reporting methodology focused on delineating the system's normal performance in terms of outage duration (SAIDI).

Because it is designed to be a reliability measure focused on outage durations for customers, MED is designed to remove from the measure of reliability only those days that are exceptional from an outage duration (SAIDI) perspective so that electric utilities can measure the level of reliability (i.e., non-outage conditions for customers) more accurately and consistently. To achieve that outcome, TMED is designed to single out only very substantial outage *durations*, which would be only those events where the customer outages are so "dense" within a day that the utility cannot limit the duration of those outages to the levels existing in the historical data. As a result, by definition, the IEEE reliability standard is in no way indicative of the measure of storm damage or associated customer outages, and nor would it serve as an appropriate storm threshold for determining "major" or "catastrophic" storms from a ratemaking perspective. To the contrary, MED contemplates that the Company normally *will move quickly* to restore customers after weather events in the timeframes historically achieved, so that only events with extensive customer outage durations (such as the days during Storm Isaias restoration) beyond recent historical experience are excluded from the reliability measure.

Looking at it in reverse, if the damage from a storm event caused customer outages that were *not* addressed because the Company did *not* secure crews to restore power to customers and did *not* resolve those customer outages in line with historical performance, then those customer outages would linger, potentially triggering a TMED at some point in time, as compared to historical data. However, this type of response by the Company would be unacceptable from a customer perspective. In addition, over time, these longer duration restorations would become "normalized" in the IEEE MED computation and would no longer trigger a MED, which is a concept that is completely antithetical to the requirements of the ERP and would be unacceptable to customers, rendering MED to be an ineffective tool for identification of "major" or "catastrophic" impacts to customers or to the Company.

The crux of the issue is that there is no general nexus between the IEEE MED result and the actual storm impacts or resulting customer outages, because there the IEEE MED does not generate any expectation as to the actual value of the SAIDI that will qualify as an outlier (or an uncharacteristically high SAIDI days).

For this reason, the IEEE MED also inappropriate benchmark to determine the number of crews that should have been procured to assist with storm restoration, as is implied by the question. Moreover, the IEEE MED is a backward-looking metric and not a forward-looking planning tool, i.e., it is only calculable after-the-fact based on actual, historical data. As an ex-post metric that is calculated after the fact, the IEEE MED cannot serve as an input to Eversource's restoration processes, storm preparedness, storm response or associated costs incurred. Eversource prepares for storm events using weather forecasts, outage-prediction models and experience and expertise, among other factors to understand the expected level of outages and procure appropriate crews

and resources. The restoration times, crew procurements and restoration costs depend on the level of damage incurred and the Company's execution of the restoration and response effort. This means that, in most circumstances, the duration of customer outages will most likely *not* fall outside the deadband of a 2.5 standard deviation.

Date Filed: October 06, 2026

Witness: Christopher E. Colorio, Mark P. Baldwin, John G. Griffin and Leanne M. Landry
Request from: Office of Consumer Counsel

Question:

(STORM) Explain whether Eversource has any after-action process to determine whether pre-staging was excessive, and whether any costs have ever been excluded from storm recovery because forecasted impacts did not materialize.

Response:

The concept of evaluating pre-staging on a hindsight basis as "excessive" is not a valid concept. The concept of an "excessive" pre-staging would mean that the Company pre-staged more crews than it actually needed, which is information that it does not have until after the event has actually occurred. The Company does not have a crystal ball to determine what is going to happen as a result of information it receives about an upcoming weather event. Instead, the Company prepares for and respond to threats to the electric system based on the best available information at the time, taking into account the best-case and worst-case scenario, while erring on the side of caution and conservative implementation of its Emergency Response Plan. Finding out, after the fact, that a particular event did not occur as forecast, is not a "lessons learned."

Rather, it reflects the very challenge of storm planning, which is that actual circumstances are unknown until they occur and actions are taken to scale response. After action reviews and any informal lessons learned are intended to improve the safety and efficiency of storm response and restoration where the Company has a reasonable expectation that the same or similar circumstances will happen again, which is a concept that could never apply to the evaluation of a randomly occurring weather event – each of which is completely unique.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray and Timothy J. Griffin
Request from: Office of Consumer Counsel

Question:

(Environmental Remediation) Per a footnote in Settlement Agreement Attachment 3, in Docket Number 17-10–46, the Company was allowed $2.289 million for environmental O&M expenses in Rate Year 1, $2.381 million in Rate Year 2, and $2.467 million in Rate Year 3.

a. Were the O&M expenses incurred in the prior rate plan's rate years of a similar nature to the $1.93 million requested in the current rate application? Explain.
b. Were there any environmental remediation costs being deferred prior to the time of the last rate case?
c. If yes, indicate the amounts deferred annually.
d. Were there any deferred environmental remediation costs being amortized or recovered prior to the time of the last rate case?
e. Were there any deferred environmental remediation costs being amortized/recovered and as a result of the approved settlement agreement in Docket No. 17-10-46?
f. If yes, indicate the amounts amortized or recovered annually.

Response:

a. Yes. As shown on WP C-3.13 of the Company's July 14, 2026, filing in this docket, the categories of cost that make up the $1.93 million requested in the current rate application include: (1) Clean Up & Disposal of Waste Material; (2) Manholes & Vaults; (3) Licensing & Permitting; and (4) Environmental Outside Services. There was also a fifth category, Reserve Site Remediation, but a pro forma adjustment removed the costs associated with this category that were related to reserve adjustment accruals associated with new environmental sites.

The environmental O&M expenses included in Docket No. 17-10-46 were presented in the Company's November 22, 2017, filing WP C-3.8, page 1 of 3, in categories identified as: (1) Overhead Environmental Cleanup; (2) Underground; (3) Environmental – Other; (4) Maintenance of Property Units; (5) Substation; and (6) Maintenance of Str. Lighting Equipment. Despite the differences in categories in each of the filings, the dollars that make up the costs in each filings' Environmental schedule were identified using the same

cost elements from the Company's Powerplan cost repository, with two exceptions. First, there was one additional cost element for Compliance Assistance-Fees-Plans included in Environmental in the 2017 filing that was included in the Field Operations (Overhead Lines) and Residual schedules in the current filing (the test year amount in the 2017 filing was $28,382 and the test year amounts in the current filing were $5,795 in the Field Operations (Overhead Lines) schedule and $11,924 in the Residual schedule, for a total of $17,719). Second, the cost element for Reserve Site Remediation in the 2017 filing in the amount of $79,082 was not removed from the Environmental schedule using a pro forma adjustment the way it was removed in the current rate application.

b - d.

No. As explained in the November 22, 2017, testimony of Company witnesses Catherine Finneran and Timothy Griffin in Docket No. 17-10-46, there was no current recovery from customers for environmental investigation and remediation costs at the time of the last rate case. Between 1998 and 2003, with small amounts received through 2013, the Company had pursued and achieved recoveries of $15.170 million for environmental investigation and remediation costs from several of the Company's historical insurance carriers and a third party. Because the Company had not recovered expenses for environmental investigation and remediation costs in electric rates, in essence it had used these recoveries to pay for the Company's investigation and remediation of its environmental liabilities, including manufactured gas plants (MGPs) and other Company sites. By the end of September of 2017 (just prior to the filing of the Company's rate case in November 2017), the Company spent $8.4 million with an additional $4.9 million recorded to the environmental liability that was charged to shareholders via a "below the line" account. Therefore, the Company was $1.9 million away from spending or charging to shareholders an amount equal to the proceeds received.

e. - f.

No, as demonstrated in the March 29, 2018, Settlement Amendment Update to Settlement Agreement Attachment 5, Other Amortization Expense, there were no deferred environmental remediation costs being amortized/recovered as a result of the approved settlement agreement in Docket No. 17-10-46.

Date Filed: October 06, 2026

Witness: Marc J. Richards and Gary A. Iadarola
Request from: Office of Consumer Counsel

Question:

(Environmental Remediation) Refer to the Direct Testimony of Marc J. Richards, Gary A. Iadarola and Claire B. Connolly, Exhibit CLP-ENV-1, p. 24. Was the 50/50 cost sharing agreement with Yankee Gas for Site #9, Winsted Former MGP, approved by the Authority? Provide cites to the request made by the companies and decisions and rulings from the Authority approving the treatment of costs.

Response:

Order No. 5 from the Department of Public Utility Control's ("Department") 1988 decision in Docket No. 88-04-28 approving the sale of the CL&P gas division to Yankee Gas directed "CL&P and Yankee [to] submit an executed copy of the environmental liability sharing agreement to the Department within 30 days following the date of spin-off." Re Connecticut Light & Power Co., 99 P.U.R.4th 102, 1988 WL 391275 (Conn.D.P.U.C.) (Dec. 21, 1988). On July 31, 1989, Yankee Gas and CL&P filed their Environmental Liability and Indemnity Agreement with PURA (the "Agreement"). Decision, January 10, 1990, Docket No. 88-04-28, Application of The Connecticut Light and Power Company for Approval of Steps Regarding the Divestiture of Gas Business; Phase III, at 3. The Department concluded that the Agreement established a reasonable process whereby future environmental liabilities may be allocated between CL&P and Yankee Gas and determined that the companies had complied substantially with all the Department's orders, to date, related to the divestiture. Id. at 5. The Site is currently utilized by both Yankee Gas and CL&P.

Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Marc J. Richards and Gary A. Iadarola
Request from: Office of Consumer Counsel

Question:

(Environmental Remediation) Refer to Exhibit CLP-ENV-5. In estimating 2026-2028 environmental remediation costs, the Company utilized a 30% contingency factor. Please provide prior precedent where the Authority has allowed the recovery of forecasted costs that included escalation for a contingency factor. Indicate how a contingency factor meets the "known and measurable" standard.

Response:

Remediation budgets that have been approved in prior rate cases (CL&P and Yankee Gas) have included contingencies. Due to the variability in the type and volume of remediation conducted from site to site, the amount of contingency that is warranted will always vary. The amount of investigation data and complexity of the geology and constituents of concern (COC) affect the amount of contingency that is warranted. If the project is a straight forward excavation of impacted soil at a site where the geology is consistent and the impacts are well defined, the contingency is usually set at 10%. At sites where the impacts may not be as well defined due to many factors (complex geology, multiple COCs, soil and groundwater contamination is present, multiple remediation technologies are needed, etc.) the contingency would therefore need to be larger (sometimes up to 50%). This is standard practice in the industry and no environmental cleanup projects are initiated without a project-specific contingency.

Recognizing that the sequence, timing, and magnitude of response activities can vary from site to site depending upon the size of the site, the degree of contamination, nearby sensitive receptors, land ownership, the degree of oversight and control exercised by regulators, and many other site-specific factors, the Company's testimonies at Exhibit CLP-ENVIRONMENTAL-1, beginning at page 6 and Exhibit CLP-REVREQ-1, beginning at page 43, describes its proposal to continue the deferral treatment of such costs rather than putting a fixed amount into base distribution rates.

Date Filed: October 07, 2026

Witness: Douglas P. Horton
Request from: Office of Consumer Counsel

Question:

(Capital Support Mechanism) On p. 101 of Exhibit CLP-ELP-1, the Company states that, "As part of the Company's annual RAM compliance filing, actual plant additions placed in service during the applicable plan year will be reconciled against the approved forecast." In the Company's response to EOE-156, Witness Horton states that prudence reviews would be included in the annual reconciliation process.

a. Provide a detailed plan for how the Company envisions the annual reconciliation process would proceed and how long the process would take both as a whole, and for each step. Please identify what filings would be made, whether and how discovery would be allowed, and what types of determinations would be required by the Authority.
b. Where in the reconciliation process will the distinction and differences be identified between realized annual plant addition costs and the associated rate base, and the return, taxes, and deprecation on rate base that are included in the going-in revenues?
c. Will the annual PBR reconciliations be assessments of the whole Company's rate base with calculations of commensurate return, tax and depreciation, or will it be an incremental adjustment based on annual plant additions? Please explain.
d. Provide one or more examples, as appropriate, showing how the annual capital recovery process, including reconciliation, would function, including detailed calculations in the form to be used in the annual adjustment filings.
e. Provide a list of all types of costs that will be included in the capital recovery reconciliations.

Response:

a. The Company has given this process a lot of thought based on discussions throughout the PBR dockets. Based on input from those sessions, the Company's proposal is to align the Performance Based Multi-Year Rate Plan (PBMRP) with the Rate Year, and as much as possible, aligns with the existing annual RAM ratemaking process. As such, the Company proposes that PBMRP adjustments occur on each July 1, starting with July 1, 2027, and annually thereafter. For each year that the PBMRP mechanism is in effect, the Company would submit an Annual PBR Plan Compliance Filing to PURA in the annual RAM proceeding. The annual compliance filing would include, among other things:

(1) the calculation of the annual revenue-cap adjustment;

(2) the new proposed rate using the PBR formula;

(3) an earnings-sharing computation;

(4) cost documentation for the Company's capital investments;

(5) the calculation and reconciliation of the annual capital-cap adjustment;

(6) documentation of metric performance and resulting penalties or incentives; and

(7) bill impacts of the new rate by rate class.

(8) as applicable, any request for exogenous cost recovery.

With respect to the capital-support mechanism or "F" factor in the formula, the Company proposes a mechanism based on a fixed annual capital investment level for each year of the PBMRP, with reconciliation through PURA's annual RAM proceedings. The fixed annual investment level would initially be set at the Company's capital forecast, as approved in this proceeding, and would be subject to downward-only reconciliation[1] in the event that either i) the Company's actual plant in service is lower than projected and utilized in establishing the initial F-Factor for that Rate Year or ii) PURA ultimately denies as imprudent a level of investment that was initially included in the F Factor allowance. In this way, customers are assured that rates ultimately reflect the costs of system investments that are actually in service, and have been found prudently incurred by PURA.

As described in its Exhibit CLP-ELP-1 testimony, the Company has presented different investment trajectories in the Company's 5-Year targeted system performance (TSP) and is proposing to establish the capital support mechanism of the PBR adjustment consistent with the annual capital funding requirements presented in Figure 7 of the Exhibit CLP-ELP-1 testimony. As part of the Company's annual RAM compliance filing, actual plant additions placed in service during the applicable plan year would be reconciled against the approved forecast that would have been utilized in the prior PBMRP filing to establish the F-Factor initially.

Following PURA's determination that the Company's actual plant additions are prudent, used and useful, the Company's allowed rate base and associated revenue requirement for

[1] The Company notes that the revenue decoupling mechanism (RDM) will continue to operate and reconcile actual revenues to the target revenues, as adjusted by the PBMRP. The Company's reference to a 'downward only' reconciliation is meant to reflect that the revenue target utilized in the RDM will not be adjusted upward in the event actual plant additions exceed the level originally reflected in the F-Factor allowance. In that circumstance, the F-Factor allowance is capped at the fixed level projected in this proceeding. Capital that is placed in service above the cap would not be included in rates until a future rate case proceeding, and only then on a prospective basis.

that year will be limited to the lesser of (1) the total revenue requirement for the forecasted capital approved in this proceeding; or (2) the total revenue requirement for the actual plant in service. As described previously, if the Company's actual capital additions exceeds the forecasted amount approved in this proceeding, the Company would not be permitted to seek recovery of the incremental investment during the initial four-year PBMRP Term. Any such investment would instead remain subject to review and consideration in a subsequent base rate proceeding or successor PBMRP Term.

The Company's proposed capital funding mechanism sets a defined cap on capital recovery during the plan term, providing customers with greater rate certainty and placing the risk (and cost) of increased capital spending on the Company during the course of the PBMRP. The annual reconciliation further protects customers by blocking recovery of investments that are delayed, deferred, canceled, or not placed in service, since those costs would not be reflected in the "F" factor upon reconciliation, which is based on plant in service. For these reasons, the proposal aligns cost recovery with prudent investment and incentivizes efficient execution of the capital program, all while minimizing customer over-collection.

Based on the above framework, an exhibit that demonstrates a revenue requirement consisting of: (1) a reconciliation of actual plant additions placed in service during the previous calendar year against the approved forecast (also referred to as the F-factor allowance) for that calendar year, and (2) the F-factor allowance for the new Rate Year beginning July 1st, would be filed on or about March 1st of each year consistent with the timing of all other RAM component reconciliations. Concurrent with that timing, all plant additions documentation for the previous calendar year included in the above reconciliation will also be filed on or about March 1st as part of the same filing.

Further, under the Company's proposed timeline, the revenue requirement resulting from the reconciliation of the prior year's F-factor allowance and the new Rate Year's F-factor allowance will go into effect on July 1, following the March 1st filing. As part of the RAM process, PURA performed prudence reviews of capital documentation filed for the ESI, including discovery, between March 1st and September 1st, the date on which additional RAM rate changes were made. Even though PBMRP rates would go into effect on July 1st, the Company proposes that this timeline continues to be used for capital prudence reviews under the PBMRP.

To the extent PURA's prudence review warrants any adjustment to the revenue requirement that went into effect on July 1, the Company will calculate the excess revenue collected from customers over the period of July 1 through August 31 and include this amount, plus carrying costs for those 2 months, in the RDM's allowed revenue target for the July 1 through June 30th Rate Year.

b. Please refer to subpart (d) of this question.

c. Please refer to subpart (d) of this question.

d. Please refer to the example shown in EOE-156, Attachment 1, pages 4 through 12, showing how the annual capital recovery process, including reconciliation, would function, including detailed calculations in the form to be used in the annual adjustment filings. Please note that pages 4, through 12, show an illustrative example for all four Rate Years contemplated for the duration of the PBMRP; however, the annual filing would only be for a single year of the PBMRP. As part of this example, please refer to the differences between realized annual plant addition costs and the associated rate base, and the return, taxes, and depreciation on rate base that are included in the going-in revenues found in EOE-156, Attachment 1, worksheet "PBR-7 Going-In Capital RR", Lines 13-16. Additionally, the detailed calculations shown in EOE-156, Attachment 1, pages 4 through 12, demonstrate that the annual PBR reconciliations will be an assessment of the Company's total accumulated depreciation included in base distribution rates (i.e., customers will be receiving credit for the increase in the Company's accumulated depreciation for all capital included in base distribution rates), as opposed to the Company's entire rate base (the Company considers its entire rate base to include other rate base items such as deferred assets and liabilities, etc.).

e. The revenue requirement for capital recovery will include appropriate recovery of net plant in service, accumulated deferred income taxes ("ADIT") and accumulated depreciation for the cumulative additional plant additions and will include a pre-tax return on investment (i.e. return on rate base including income taxes), return of investment (i.e. depreciation), property taxes, gross earnings tax and uncollectible expense.

Date Filed: October 06, 2026

Witness: Douglas P. Horton
Request from: Office of Consumer Counsel

Question:

Refer to Exhibit CLP-ELP-1, figure 7. Please explain whether the amounts shown in Figure 7 are capital expenditures versus plant additions. Please explain any differences in the nature, or timing of the amounts shown in Figure 7 and the amounts of plant addition that would be used in comparing [i.e., determining "lessor of"] annual plant addition costs in the annual reconciliation filings.

a. Please identify, in disaggregated table form, all of the component costs included in each category of the amounts shown in Figure 7.

Response:

Plant additions and capital expenditures represent two different ways of viewing the same underlying investment. Capital expenditures are generally organized and managed around specific business objectives, programs, projects, or asset installation efforts, such as substation expansions, feeder rebuilds, pole replacement programs, or other distribution system investments. Capital expenditures are incurred over the course of project execution and may span multiple months or years depending on project scope, complexity, and construction schedules.

Plant additions, by contrast, are recognized when utility assets are placed in service and meet the applicable accounting criteria for recording as utility plant. Accordingly, a plant addition is generally recorded at a specific point in time, whereas the associated capital expenditures may have been incurred over an extended period.

The Company develops its forecast of plant additions using its capital investment plans, project schedules, anticipated in-service dates when possible, and historical experience. However, actual in-service dates may differ from forecasted in-service dates (where available) due to changes in project scope, construction sequencing, permitting, material availability, operational considerations, weather, or other factors. Consequently, the timing of annual plant additions may differ from the timing of annual capital expenditures.

While such timing differences may occur in any given year, over a multi-year period it is reasonable to expect that plant additions, together with associated cost of removal, will generally track with capital expenditures.

The amounts shown in Figure 7 are forecasted capital expenditures associated with the Company's planned investment programs. As stated in its response to OCC-423[i] and other interrogatories, the Company's annual F-Factor reconciliation would consider specifically the plant additions actually placed in-service through the calendar year-end prior to a given annual filing.

For subpart (a) of this request, please refer to OCC-858, Attachment 1.

Prior Referenced Response:

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[i] OCC-423 Question:

Exhibit CLP-ELP-1 Please explain in detail why the Company believes its proposed treatment of capital expenditures under the PBMRP, including the use of forecasted capital expenditures and the F-Factor, is preferable to including capital expenditures within the Revenue Cap Formula framework as proposed in the Docket No. 21-05-15RE01 Proposed Final Decision. In your response,

a. Please explain why the Company believes O&M expenses are appropriately subject to an externally indexed revenue cap, while capital expenditures require separate recovery through an F-Factor based on a fixed annual capital investment forecast.
b. Please explain how the Company's proposed treatment of capital expenditures is expected to produce customer cost savings or otherwise improve customer affordability relative to including capital expenditures within a revenue cap formula.
c. Please explain how the proposed F-Factor mitigates or avoids any incentive to favor capital expenditures over O&M solutions, including in circumstances where either a capital or O&M solution could be used to address the same system need.

OCC-423 Response:

The Company appreciates OCC's thoughtful and analytical questions on the Company's proposed performance based multi-year rate plan ("PBMRP") and looks forward to further discussion on the development of a workable PBR framework for the Company's customers.

To cover the issues raised in the question, the Company's response is organized as follows:

1. Review of relevant aspects of the Company's PBMRP.

2. Considerations on the design of capital-driven revenue support.

3. Specific responses to parts (a), (b) and (c), above.

1. Review of the Relevant Aspects of the Company's PBMRP

Ultimately, the Company's goal in this proceeding is to establish a sustainable, cohesive ratemaking framework that advances electric utility service in the State of Connecticut in an affordable manner for customers, over a long term. This is the Company's goal because the CL&P system needs investment for reliability, resiliency and modernization. For this investment to be affordable for customers, a coherent ratemaking plan needs to be instituted that will consider the interests of customers over a longer term than just the next rate case. That framework

needs to balance: (1) the reliability and performance requirements of the Company's customers and the broader State of Connecticut; (2) customer rate stability and affordability; (3) incentives for cost efficiency in utility operations; and (4) implementation of a revenue support mechanism sufficient to cover the cost of delivering these objectives to customers.

The Company's PBMRP is designed to address these objectives in a holistic, balanced way. To do this, the Company started with the ratemaking framework under discussion in PURA's PBR docket (Docket No. 21-05-15RE01), while also introducing certain new elements to remediate the flaws that would ultimately hinder PURA's (draft) PBR model from supporting the necessary stay-out terms.

For any multi-year rate plan to be successful, it needs to be grounded in the reality of the utility's costs, while also incorporating features that innately push the utility to be more efficient. That is not to say every dollar of the utility's costs will be (or should be) recovered. Rather, the allowed revenues need to be sufficient to afford the utility a reasonable opportunity to cover its cost of service to customers, including a reasonable rate of return on equity ("ROE") where the utility is operating prudently and efficiently, as required by state law. A framework in which the utility has *no* reasonable opportunity to earn its ROE, regardless of how hard it strives for efficiency, simply becomes self-defeating because the utility will exercise its statutory rights to a distribution rate proceeding, thereby muting the most powerful efficiency feature of a multi-year rate plan, which is the stay-out term.

A framework that underestimates the actual cost to run the system and/or affords the utility no reasonable chance to earn its allowed ROE, year after year, also results in under-investment and a system that not only lacks innovation, but falls further and further behind at a significant – albeit potentially unseen – cost to customers. As a result, a lasting, productive framework is one that is soundly informed by – not detached from – the drivers of the utility's real cost of service, including its cost of capital.

In this context, the two most critical features of the Company's PBMRP are as follows:

A going-in revenue requirement that reasonably reflects the Company's actual operating expenses and cost of investment in the Rate Year, so that through effective management and prudent decision making, the Company can achieve the true efficiency gains that will be needed to stretch the approved revenue requirement over the stay-out term. Without a reasonable opportunity to maintain financial integrity over a stay-out period, as measured by the authorized ROE, the utility cannot focus on innovation and efficiency gains – and will instead file for the next rate case to make up ground. To accomplish this goal, the overall paradigm must "hang" together, making the base revenue requirement a pivotal element. The many components of a PBR plan, including going-in rates, as well as the subsequent rate adjustments, must work in concert with performance objectives and the capital investment requirements expected of the Company – for the benefit of customers, i.e., the entire framework must work to the benefit of customers, not only in relation to the price they will pay, but also in relation to supporting the level of service that they need and expect.

- Revenue support for incremental capital investment to support long-term system goals. The Company operates in a capital-intensive industry and has a substantial need to acquire cash on a systematic basis to operate its business. As annual capital investments regularly exceed net cash from operations (i.e. cash receipts from customers net of operating cash outflows), the Company must look to other capital sources to fund those investments. Those sources are the debt and equity investors supplying the cash to capital markets. This means the Company must compete with all other entities participating in those markets to attract capital. It is simply not possible for the Company to go to those markets and demand cash for free, or at below-market rates relative to the investor's risk when other entities participating in the same capital markets offer compensation for the use of funds over time.

The Company provided extensive analysis and discussion on the cost of capital throughout Docket No. 21-05-15RE01, including specifically as it relates to CT-Bar. PURA's treatment with respect to going-in revenue requirements as well as any ongoing capital-driven revenue support mechanism, such as CT-Bar, is paramount to whether the Company, with effective management and sound decision-making, can responsibly cede its right to file for a rate amendment, whereas that is otherwise the only tool the utility has to align its revenues and costs and have a reasonable chance at earning its authorized ROE, which, over time, is necessary in order to attract the capital necessary to meet the standards of service expected of the Company's customers.

The lack of a valid revenue requirement component within the CT-Bar that would allow recovery of the cost of capital associated with incremental capital investment over the term of the PBMRP is a non-starter from a policy perspective, creating an obstacle that would block a utility from giving up its right to file for rate modifications over the multi-year period in question. This is particularly accurate in the present environment in which significant increases in the level of necessary system investments are expected (and planned). Simply put, the CT-Bar, as previously envisioned in PURA's draft PBR decision, fully prevented the Company from having any practical chance at staying out of a rate case, and therefore, would never work to create a reasonable PBR framework.

The Company's proposed PBMRP in this docket is designed to track the design of the CT-Bar as closely as possible, given that this was PURA's developing framework. However, the Company's PBMRP addresses the two primary faults in PURA's RE01 framework that would prevent the implementation of a workable PBR framework, which are (1) the deviations from ratemaking fundamentals that grossly understate the "going in" revenue requirement; and (2) modification of the CT-Bar to reflect the revenue requirement applicable to capital investment, which would include recovery of the cost of capital and the cost of removal over the course of the PBMRP term. The Company's F-Factor also corrects for the mechanical error of deducting depreciation expense from new plant additions, rather than from rate base.

In particular, the Company's proposed F-Factor is designed to recover no more than the revenue necessary to support a discrete amount of ongoing system investment, recognizing that the cost of capital is a lawful and factual cost of service that must be incorporated into the revenue requirement calculation for the Company, as it is for any utility.

2. Considerations on the Design of Capital-Driven Revenue Support

CT-Bar, as defined in PURA's Proposed Final Decision, issued in Docket No. 21-05-15RE01, on July 14, 2025 (the "RE01-PFD"), had several sensible qualities that the Company supported. However, those "sensible" qualities were overcome by certain critically flawed concepts that would need to be modified or eliminated in order for the Company to consider committing to a stay-out. The positive and negative CT-Bar qualities are outlined briefly here and discussed in greater detail below, including with respect to similarities or differences to the Company's proposed F-Factor.

Summary of constructive features of PURA's RE01-PFD:

1) Acknowledgement that current revenue support for *ongoing* investment is essential;

2) No category of capital investment was summarily or preemptively excluded from CT-Bar;

3) CT-Bar takes effect with Rate Year 1; and

4) CT-Bar aligns capital revenue support with the capital investments of the DSP.

Summary of unworkable features of PURA's RE01-PFD:

1) Exclusion of the recognition in the CT-Bar of the cost of capital between rate cases.

2) Exclusion of cost of removal in the CT-Bar.

3) Application of depreciation expense as a reduction to plant additions rather than rate base.

Constructive features of PURA's RE01-PFD:

1) Positive #1: Acknowledgement that current revenue support for *ongoing* investment is essential to the integrity of the PBR framework.

First, that the CT-Bar even existed in PURA's RE01-PFD is genuine acknowledgement that some form of revenue support for Rate Year investment is essential to support a PBR framework. As discussed at length in that docket, the Company anticipates significant system investment over the next five years to advance the state's clean energy and reliability goals. Revenue support for *ongoing* system investment is crucial for any multi-year rate plan, whether in the form of the Company's proposed PBMRP, step increases, or any other ratemaking framework. CT-Bar's inclusion in RE01-PFD is a clear indication that incremental revenue support for ongoing system investments is a necessity.

2) Positive #2: No category of capital investment was summarily or preemptively excluded from CT-Bar.

Second, the RE01-PFD did not exclude particular categories of capital investment. For example, capital investments in facilities, fleet and information technology are viewed as permissible categories for revenue support in the CT-Bar framework. This is consistent with the Company's proposed F-Factor in this proceeding.

3) Positive #3: CT-Bar takes effect as of Month 1 of Rate Year 1.

The Company provided extensive discussion and analysis throughout Docket No. 21-05-15RE01 technical sessions and data responses regarding the "going-in" revenue requirement and the detrimental financial consequences of limiting capital investments to a period of time removed from the rate year. Ignoring for a moment the CT-Bar's deficiencies, having the mechanism take effect Month 1 of Rate Year 1 minimizes or eliminates those detrimental timing consequences, particularly in light of the fact that PURA has in recent years moved away from its prior practice of implementing future-test years in base rate proceedings, instead favoring a strict historical Test Year practice as it relates to plant additions.

Revenue decoupling is a factor to consider here because the revenue decoupling mechanism ("RDM") subsumes all sales growth to the extent that it is occurring, funneling incremental sales revenues back to customers. RDM is supported by valid policy reasons; however, the fact is that there are capital costs associated with adding new customers. Historically, when consistent and steady levels in the range of ~3$ per year of annual growth in sales and revenues was available to a utility to help offset the cost of incremental capital additions between rate cases, the pressing need for incremental revenue support

was mitigated. Without the ability to capture that sales growth, and combined with the absence of an ongoing revenue support mechanism such as an F Factor taking effect on Month 1 of Rate Year 1, the Company would not be in a position to commit to a stay-out of any duration. This is because the Company would never be in a position to cover its cost of service (inclusive of its authorized cost of capital) because its rates would be set on a historical level of plant additions, despite the fact that its capital expenditures are higher than historical levels of depreciation, and because revenue decoupling ensures that even if load growth exists (and even if such load growth is enabled by the Company's increased level of capital expenditures) the Company is unable to retain additional revenues contributed by new customers, or new load.

4) Positive #4: CT-Bar was designed to align capital revenue support with the DSP.

Ignoring its deficiencies, the CT-Bar's connection to the Distribution System Plan ("DSP") constituted an essential link between ongoing system investments necessary to meet the objectives of the DSP with the revenues necessary to support those investments. Throughout Docket No. 21-05-15RE01, the Company advocated strongly for clearly defined linkages across all three tracks (RE01, RE02 and RE03), including proposing what would be the final technical session touching upon revenue requirements, in which those linkages were discussed. The Company's F-Factor is similarly aligned with the capital investment forecast provided in this proceeding for the DSP. The Company's capital investment forecast serves as the basis for a cap on the level of investment for the F-Factor.

Unworkable Features of PURA's RE01-PFD:

1) Negative #1: No recovery of cost of capital in the revenue requirement for capital investment between rate cases.

The single-most problematic feature of the CT-Bar was its intentional exclusion of the cost of capital associated with completing capital plant additions to the benefit of customers. Costs of capital are real costs of providing electric distribution service to customers in the State of Connecticut (or anywhere) and are recognized in statute. Although the cost of capital may be a more challenging cost to conceptualize, it is nonetheless as real as vegetation management, insurance, customer service, or any other cost of service. Cash is not free, a fact arising from its scarcity. Fundamentally, capital markets are where people, banks, corporations and other institutions provide their surplus of cash -- which is limited, to those entities that have cash needs -- which are generally unlimited. Consequently, and unsurprisingly, those entities providing the cash for some period of time expect to be compensated for providing it, thus establishing real cost to acquire capital.

The Company, operating in the capital-intensive industry of regulated utilities, is one of those entities that needs to acquire cash to operate its business. As annual capital investments regularly exceed its net cash from operations (i.e. cash from customers), the Company must look to other sources to fund those investments. Those sources are the debt and equity investors supplying the cash to capital markets. This means the Company must compete with ALL other entities participating in those markets. It is simply not possible for the Company to go to those markets and demand cash for free (or for below-market rates, relative to market expectations of risk and reward) when other entities participating in those capital markets offer adequate compensation for the use of funds over time. Therefore, there is a real and tangible cost to acquiring that capital. Please refer to the Company's pre-filed cost of capital testimony for in-depth discussion of the cost of capital.

The Company provided extensive analysis and discussion on the cost of capital throughout Docket No. 21-05-15RE01, including specifically as it relates to CT-Bar. PURA's treatment with respect to going-in revenue requirements as well as any ongoing capital revenue support mechanism, such as CT-Bar, is paramount to whether the Company, with effective management and sound decision-making, has the opportunity, but not a guarantee, to cover its cost of service to customers, and to earn its allowed return. The absence of the cost of capital from the CT-Bar, particularly in the present environment where significant increases in the level of necessary system investments are expected, prevents the Company from having any practical opportunity to commit to a stay-out to avoid the next rate case.

As discussed in the Company's response to OCC-435, based on the Company's current assessment of system investment needs in the near future, the revenue requirement associated exclusively with the cost of capital pertaining to future capital additions (*excluding* GET and Uncollectible) would amount to an incremental $15.6 million for Rate Year 1; an incremental $32.8 million for Rate Year 2; an incremental $36.4 million for Rate Year 3; and an incremental $39.5 million for Rate Year 4, or $124.1 million in total.

This means that -- even if 100% of those future plant additions were only partially supported with CT-Bar revenues (i.e. revenue covering depreciation expense and property taxes only); and even if the Company's future cost of service otherwise was 100% supported with rates; and even with perfect operational decision making -- the Company would still need to find $124.1 million of *annual* savings by Rate Year 4 in order to offset the loss of revenue associated with carrying costs on incremental investment over the term of the PBMRP, which would be necessary to commit to a stay-out term.

For perspective, the total O&M expense included in the Company's cost of service filed in this proceeding is $547.5 million. Thus, to earn its authorized ROE, all else equal, the Company would have to generate cost savings amounting to $124.1 million, or nearly 23%, of its Rate Year O&M level by Year 4, to offset the impact of the accumulating carrying costs on the incremental capital additions completed on the system *after* base rates are set in this case. This is nearly 34% of operating expense, excluding vegetation management and storm restoration costs, which is a very substantial proportion of the cost of service. For example, the amount of $124M is nearly two-thirds of the Company's labor and labor-related operating expense, or 60% more than the entire vegetation management program. It simply is not possible for the Company to cut this level of O&M expense without grossly debilitating the Company's ability to provide service to customers. In fact, it is not plausible to expect that the Company could generate even 10% in annual incremental O&M savings in the face of 2-3% annual inflation and, as a result, the Company could not agree to a stay out under circumstances where there is no recovery of the cost of capital on incremental investment over the PBMRP term.

Moreover, even if the Company were somehow able to find such remarkable cost savings, the going-in revenue requirement of the subsequent multi-year rate plan would capture those cost savings. Assuming continuation of the same PBR framework and required system investment, the Company would again be in the position of having to find *an additional* 34% of O&M savings (i.e. more than 60% cumulatively from Rate Year 1) in order to sustain itself over the next PBR term. Clearly, a framework that does not provide revenue supporting the full cost of incremental investment over a four-year period, as well as the next four-year period, is not a plausible or lasting framework. Thus, exclusion of the cost of capital from a capital support mechanism in an environment in which significant increases in capital investments are expected all but ensures the Company has no realistic opportunity to survive the PBR term without a critical need for a rate case to realign costs and rates. Consequently, the overall framework as outlined in the REO1-PFD had no practical chance of sustaining the Company financially for the four-year term, nor would the Company have been able to even agree to a stay-out.

To address this indelible flaw, the Company's proposed PBMRP in this docket is designed to produce the revenue necessary to support ongoing system investment through the F-Factor, which calculates a revenue requirement inclusive of the costs of capital unlike the CT-Bar, while preserving the customer benefits and inherent incentives of a PBR plan.

2) **Negative #2: Exclusion of cost of removal from the revenue requirement on capital investment between rate cases.**

CT-Bar excluded the cost of removal, which is a real cost for all utilities. As a simple example, to install a new utility pole where there is an existing one that needs replacement, the Company must first remove the existing utility pole. That cost is separate and distinct from the cost of the utility pole itself; yet, similarly recovered (as an estimate) over the life a utility pole. The Company's capital investment forecast in the present docket includes approximately $136 million of cost of removal for January 1, 2026 through June 30, 2028, and approximately $60-70 million per year thereafter. A total of $60-70 million in annual investment equates to pre-tax cost of capital of $6-7 million annual *incremental* revenue requirement (e.g. $6 million year 1, $12 million year 2, $18 million year 3, etc.). The CT-Bar revenue requirement intentionally excluded this component of the capital investment revenue requirement. The Company's proposed F-Factor calculation properly restores this component to the rate base computation.

3) **Negative #3: Depreciation expense is used as a reduction to plant additions rather than to total rate base, consistent with fundamental ratemaking principles.**

CT-Bar's calculation treats depreciation expense as a net against plant additions. Although the Company appreciated that PURA found it important to capture ongoing depreciation expense in the annual revenue requirement calculations, the overall execution of the computation was not correct. The Company's F-Factor corrects for this methodological error. Please refer to the example below outlining the mathematical problem:

		($ Millions)				
1	Correct treatment of depreciation's accumulation in rate base					
2		Rate Base			RevReq	
3		Year 1	Year 2		Year 1	Year 2
4	Plant Additions	$1,000	$1,000			
5	Cumulative Gross Plant	$1,000	$2,000	x 3.6% Depreciation	$36.0	$72.0
6	Accumulated Depreciation	-$300	-$600			
7	Cumulative Rate Base	$700	$1,400	x 9.8% Cost of Capital	$68.6	$137.2
8				Total Revenue Requirement	$104.6	$209.2
9						
10	CT Bar					
11		Rate Base			RevReq	
12		Year 1	Year 2		Year 1	Year 2
13	Plant Additions	$1,000	$1,000			
14	Depreciation Expense	-$300	-$300			
15	Net Plant Additions	$700	$700			
16	Cumulative Depreciable Base	$700	$1,400	x 3.6% Depreciation	$25.2	$50.4
17	Cumulative Rate Base	$700	$1,400	x 9.8% Cost of Capital	$68.6	$137.2
18				Total Revenue Requirement	$93.8	$187.6
18				Error	-$10.8	-$21.6

The table above is a simplified example of CT-Bar's improper incorporation of ongoing depreciation in a revenue-requirement calculation. Effectively, the CT-Bar reduces plant additions by depreciation expense, which improperly reduces the total amount of plant to be depreciated, thereby reducing the incremental depreciation expense to be supported by the rate mechanism. The correct approach is to handle the plant additions separately from accumulated depreciation (see lines 4 and 6 in the table above). Note that both methods result in the same return on rate base, demonstrating that both calculations reflect the reduction to return on rate base resulting from ongoing/accumulating depreciation. The error is limited to the resulting new depreciation expense reflected in the revenue requirement, which is understated in the above example by $10.8 million in Year 1 and $21.6 million in Year 2 under the CT-Bar as compared to the Company's proposal in this proceeding, which mirrors in concept to how the Company records depreciation expense on gross plant additions (not on net plant additions, as in the CT-Bar).

⇒ Characteristics of the Company's Proposed F-Factor (same as CT-Bar, except for three features).

The Company is proposing a capital support mechanism (the "F" factor in the formula) that tracks as close as possible to PURA's CT-Bar, except that it addresses the three major impairments described above, which would prevent the Company from being able to agree to a stay-out. These three items are the exclusion of the cost of capital in the revenue-requirement computation for incremental plant additions, the cost of removal and the mechanical deduction of depreciation expense from plant additions instead of rate base. In the Company's F-Factor, these first two items are included in the formula and the third mechanical process is addressed.

Beyond that, the F Factor would operate from a fixed annual capital investment level for each year of the PBMRP, with reconciliation through PURA's annual RAM proceedings. The fixed annual investment level would be set at the Company's capital forecast, as approved in this proceeding. As described previously, the Company has presented different investment trajectories in the Company's 5-Year TSP and is proposing to establish the capital support mechanism of the PBR adjustment consistent with the annual capital funding requirements presented in Figure 7 of Exhibit CLP-ELP-1.

Consistent with the structure of the CT-Bar in the RE01-PFD, the F-Factor would commence on July 1, 2027, coincident with new base rates, collecting an allowance developed from the Company's capital forecast presented in Exhibit CLP-TSP-3. In this proceeding, the Company has proposed base rates that include capital additions through the Rate Year. This means that the F-Factor implemented on July 1, 2027 (commensurate with new rates in this proceeding) would be set to zero at that time, since base rates would be set to collect the revenue requirement on capital placed into service in the Rate Year.

However, if PURA declines to incorporate rate-year capital additions into base rates in this proceeding, the F-Factor taking effect on July 1, 2027, would reflect the revenue requirement for the period July 1, 2027 through June 30, 2028 on capital additions placed in service (or estimated to be placed in service) from the point in time where PURA cuts off capital for inclusion in base rates and through June 30, 2028.1 In the next year, as part of the Company's annual RAM compliance filing, actual plant additions placed in service during the applicable plan year would be reconciled against the F-Factor allowance put into rates on July 1, 2027.

1 The Company is neutral to whether Rate Year capital is included as an adjustment to base rates or is contemplated by operation of the F-Factor, as it was under the CT-Bar construct. However, for evidentiary purposes, the Company needed to include both potential outcomes in its filing.

In that reconciliation, the Company would present its project document for a prudence review and, based on PURA's findings in that prudence review, the cost of actual plant additions for calendar year 2027, less whatever PURA has already included in rates for capital additions in 2027, would be actually incorporated into rate base at that point. Following PURA's determination that the Company's actual plant additions are prudent, used and useful, the Company's rate base would be adjusted and associated revenue requirement allowed for recovery that would be limited to the lesser of:

1) The total revenue requirement for the forecasted capital approved in this proceeding for the first implementation of the F Factor; or

2) The total revenue requirement for the actual plant in service.

If the cost of the Company's actual capital additions were to exceed the forecasted amount approved in this proceeding, the Company would not be permitted to obtain recovery of the incremental investment during the initial four-year PBMRP Term. Instead, any such investment would remain subject to review and consideration in a subsequent base rate proceeding or successor PBMRP Term.

This Company's proposed capital funding mechanism sets a defined cap on capital recovery during the plan term, providing customers with greater rate certainty and placing the risk of excess capital spending requirements on the Company. The annual reconciliation further protects customers by blocking recovery of investments that are delayed, deferred, canceled, or not placed in service, since those costs would not be reflected in the F factor, which is based on plant in service. For these reasons, the proposal aligns cost recovery with prudent investment, promotes accurate capital forecasting, and incentivizes efficient execution of the capital program, all while preventing customer over-collection.

III. Specific Responses to Parts (a), (b) and (c), above.

(a) Why are O&M expenses appropriately subject to an externally indexed revenue cap, while capital expenditures require separate recovery through an F-Factor based on a fixed annual capital investment forecast?

The capital investments the Company must make to provide electric service to customers in the State of Connecticut is a "local" concept. Those investments are driven by the circumstances and objectives of the State of Connecticut and the history and current status of the distribution grid in Connecticut. Those circumstances and objectives, which require long-term system planning and appropriate capital resources, are not encapsulated by a single index. O&M, though it is similarly influenced by local circumstances, does not change at the same rate as capital investment. For example, the Company's annual capital investment is expected to increase nearly 40% from $549 million in 2025 to $758 million by 2028, or more than 11% annually, on average. In contrast, over the same timeframe O&M (excluding storm funding and vegetation management) is projected to increase approximately 3-4% annually. The Company's proposed PBMRP aligns revenues with drivers of cost while maintaining the incentive to control costs.

In addition, under PBR theory, where capital inputs are contemplated in the indexed formula, then the X factor is negative, implying that the annual adjustment is inflation *plus* an additional factor. The testimony of London Economics in Exhibit CLP-PBR-1 reviews the results of their total factor productivity study producing this result. In this case, the Company elected to adhere as closely as possible to PURA's (draft) CT-Bar in order to remain synched with PURA's policy direction.

(b) <u>How will the Company's proposed treatment of capital expenditures be expected to produce customer cost savings or otherwise improve customer affordability relative to including capital expenditures within a revenue cap formula.</u>

There are three main opportunities for customer benefit in the PBR framework, which are: (1) the opportunity to leverage the stay-out term to drive operational efficiency and cost savings; (2) the opportunity to spread rate changes out over time to smooth impacts for customers and employ the concept of gradualism rather than promoting the cost and inefficiency of a traditional rate-case cycle; and (2) the opportunity to develop a systematic investment plan that promotes operational efficiency and cost-saving procurement strategies, while taking advantage of the smoothing impacts of the PBR framework to mitigate cost impacts.

The Company has submitted substantial testimony and documentation in this proceeding to provide insight into the level of capital investment that is needed on the system to provide adequate service to customers and to support the economic vitality of the State of Connecticut. Customers benefit directly when investment can be undertaken on a planned, systematic and consistent basis over time because (1) it is consistently more expensive to complete infrastructure projects tomorrow rather than today due to price inflation and other factors; and (2) the Company's process inputs (i.e., primarily labor and materials) cost less when procured on a planned and systematic basis rather than on an emergent basis.

Although difficult to define in terms of the overall cost trends, there are significant benefits for customers in an operating approach that is consistent, systematic, planned and carefully managed, which is an outcome that the Company is hoping to promote with its proposals in this proceeding. Bottomline – the Company is looking to establish a ratemaking framework that will promote efficiency of operations for the benefit of customers and the F-Factor is the optimal mechanism for that purpose.

Assuming that OCC's referenced alternative for a capital-cost mechanism "within a revenue cap formula," means that the PBMRP would rely exclusively on an "I-X" revenue cap formula, with or without X defined with a negative factor, the Company's experience is

that it is not adequate to support necessary capital investment, while raising issues for stakeholders. With the negative X factor, there is no direct link between the actual cost of capital plant additions and the revenue collection through customer rates, leaving it to be insufficient to support necessary capital investments and unsatisfactory for stakeholders that want transparency between the costs collected in rates and the rates that customers pay. As a result, achieving the efficiency needed to support a cost-effective capital plan is illusory in this model.

(c) How does the proposed F-Factor mitigate or avoid any incentive to favor capital expenditures over O&M solutions, including in circumstances where either a capital or O&M solution could be used to address the same system need?

In the Company's experience, implementation of the X factor mechanism (with a negative X factor) to cover capital investment was thought to be a mechanism that would promote efficient solutions between capital and O&M because the revenue allowance was not predicated on actual plant additions; rather, was simply formulaic. In 2017, the Massachusetts Department of Public Utilities ("MDPU") approved a negative X factor within a revenue cap for NSTAR Electric Company d/b/a Eversource Energy – and it remained operative for the five-year term of the plan. However, the fact is that – during an extended stay-out period, there is no incentive to incur any greater level of expense than is absolutely necessary to run the business. Therefore, there is no greater impetus than would exist in any event to make the optimal choice between expense and capitalization, where such a choice exists. And again, with the negative X factor, the MDPU felt it had no line of sight as to whether funds allowed to NSTAR Electric through the annual PBR allowance were, indeed, being leveraged for system investment.

Therefore, in 2022, the MDPU instituted the K-Bar providing an allowance for system infrastructure projects, coupled with reporting requirements on investment levels. The MDPU maintained the I-X formula to cover the O&M portion of the approved revenue requirement, which is what the Company is proposing in this case.

In reality, there are very few instances when system needs can be easily transitioned between a capital-work solution or a work solution that can be expense. The prudence review is the primary and most effective tool that regulators possess for evaluating these situations.

Date Filed: October 06, 2026

Witness: Douglas P. Horton
Request from: Office of Consumer Counsel

Question:

(Capital support mechanism) PURA defined six calculation steps for the CT-Bar as outlined in the 2021-05-15RE01 Proposed Final Decision. Compare the Company's proposed F-factor with each of the six steps of the CT-Bar calculation methodology, indicating where and when the proposed step has or will occur in the Company's approach to the present proceeding. For each of the six CT-Bar calculation steps, explicitly name the different approach that the Company plans to employ in calculating going-in rates and the proposed F-Factor. In the response, specifically include the following:

a. Identify when and how the amount of total depreciation expense associated with capital projects placed in service as of the end of the evidentiary record will be included in going-in rates (i.e., step 3);

b. Identify when and how the forecasted capital additions will be reduced by the value of the depreciation expense in Step 3; and,

c. Identify all CT-Bar calculation steps that are absent from or inconsistent with the Company's proposed F-factor approach.

Response:

Please refer to the Company's performance-based revenue formula filed in its response to interrogatory EOE-156 as Attachment 1. For the F-Factor calculations, specifically, please refer to worksheets "PBR-4 F-Factor," which includes the development of F-Factor rate base as well as the corresponding calculations of depreciation expense and required pre-tax return on rate base, and "PBR-5 F-Factor Property Tax."

As an initial matter, the Company notes that, aside from *its own* analyses and models filed throughout the technical sessions of Docket No. 21-05-15RE01, there is no publicly available working CT-bar model with which the Company, or any other party, can estimate CT-bar outputs with precision. Put differently, no publicly available working model demonstrates the calculations contemplated for the CT-bar other than those developed by the Company. Specifically, the only calculations available are those developed by the Company to advance discussion in Docket No. 21-05-15RE01, as well as the highly simplified, non-working "Hypothetical Representation" presented in Table 2 of the proposed final decision ("RE01-PFD"), at pages 38-39. Accordingly,

the Company's response to this interrogatory is based on its extensive involvement in Docket No. 21-05-15RE01, including the Company's K-bar calculations that preceded the CT-bar, and the Company's good-faith efforts to translate the narrative description of CT-bar in the Revised Straw Proposal dated February 27, 2025 into working calculations, such as those filed in response to interrogatory UPA-076 in that proceeding. The Company genuinely evaluated the CT-bar as initially outlined in the Revised Straw Proposal and provided a baseline model (UPA-076 in that proceeding) that captured CT-bar concepts and served as the foundation for discussion during subsequent technical sessions.

In the discussion below, "Steps 1-6" refer to the CT-bar methodology as outlined in the PFD. Step 1 also encompasses the broader discussion of the "Capital Plan" and "Non-Capital Plan" distinction described in the PFD.

Step 1

Step 1 of CT-bar is a historical review of actual investment placed in service, separated into two categories: "Capital Plan" and "Non-Capital Plan." The purpose of this step is to establish an average level of plant additions that were not anticipated in the Capital Plan for possible inclusion in subsequent revenue-requirement calculations. The example provided in the RE01-PFD for "Non-Capital Plan" additions is "unplanned storm." Because the "Capital Plan" contemplated by CT-bar is a project-by-project listing of anticipated capital investment, "Non-Capital Plan" additions necessarily relate to investments not identified by project.

The Company's F-Factor proposal does not make this distinction. As the Company explained in Docket No. 21-05-15RE01, some projects cannot be planned with precision. For example, it would be impossible for the Company to perfectly predict Emergent Failures. The Company cannot predict which specific pole or cross-arm will fail. The Company can, however, reasonably forecast a volume and severity of such failures based on system conditions and recent experience. The Company views the distinction between "Capital Plan" and "Non-Capital Plan" as unnecessary for two reasons.

→ All capital investments, whether planned, unplanned, "Capital Plan," or "Non-Capital Plan," ultimately must pass a prudence review. This critical gate -- successfully demonstrating prudence -- is and should remain the ultimate determinant of recovery regardless of whether a particular investment was forecast in advance.

→ The Company is proposing a hard cap on core capital investment eligible for the F-Factor based on the capital forecast presented in this proceeding. By doing so, the Company can provide up front, during this proceeding, indicative revenue-support levels necessary to conduct the capital plan, while committing to cap the resulting

revenue increases during the PBMRP, even if actual capital investment exceeds the forecast. This approach reflects the reality that system needs are dynamic. Rather than distinguishing between "Capital Plan" and "Non-Capital Plan," the Company's F-Factor considers capital investment in the aggregate, allowing the Company to deploy resources as efficiently as possible and to respond to emergent system conditions that are inevitable for any utility operation, while balancing affordability and other considerations for customers.

Step 2

Step 2 of CT-bar is to determine the amount of capital investment expected to be placed in service during a given period. The Company's model filed in response to EOE-156 utilizes the capital investment forecast presented in this proceeding. For purposes of this response, the Company refers to its discussion of the TSP for details regarding those investments. Here, the Company is addressing the mechanics of the capital forecast rather than the forecast itself.

Specifically, in EOE-156, Attachment 1, worksheet "COS-2 Capital," the sum of Lines 19 and 26 for a given calendar year equals the total capital investment shown in Exhibit CLP-ELP-1, Figure 7.

Whether or not these steps are similar to CT-bar, three points are important.

→ The capital investment forecast used for the F-Factor is the same forecast discussed elsewhere in this proceeding as necessary to achieve the objectives described in the TSP.

→ Each annual F-Factor filing includes a reconciliation of cumulative capital investment placed in service through the calendar year-end preceding the filing, including a prudence review. Thus, regardless of any differences in methodology, customers ultimately pay only for investment found prudent through that review.

→ Because the F-Factor includes a hard cap based on the current capital investment forecast, the annual reconciliation is necessarily downward-only. Accordingly, if the Company places more plant in service than currently forecast, the reconciliation will not adjust revenues upward even if those additional investments are ultimately found prudent.

Mechanically, the flow of eligible capital investment through the F-Factor is shown in EOE-156, Attachment 1, worksheet "PBR-4 F-Factor," as the sum of Lines 28 and 36.

Step 3

Step 3 of CT-bar reduces the level of capital investment eligible for revenue support by depreciation expense reflected in base rates. CT-bar incorporates this effect as a reduction to gross plant, which is the amount of new depreciable plant. The net effect of this treatment is understated incremental depreciation expense.

The Company's F-Factor incorporates the effect of depreciation on capital-driven revenue requirements consistent with standard accounting treatment, as shown in EOE-156, Attachment 1, worksheet "PBR-4 F-Factor," Lines 33 and 34. Line 33 specifically reflects the amount of depreciation accumulating in rate base and is responsive to subpart (b) of this interrogatory. This is where ongoing depreciation expense appropriately influences the cost of service, consistent with subpart (a) of this interrogatory. By contrast, the CT-bar approach effectively reduces incremental gross plant additions (i.e., the amounts shown on Line 28), which understates the resulting depreciation expense.

Stated differently, the Company's F-Factor proposal does not mirror CT-bar's application of depreciation expense because CT-bar applies depreciation as a reduction to gross plant, which is an improper order of computation. However, the Company's F-Factor proposal remains consistent with the *intent* underlying CT-bar Step 3, namely the incorporation of depreciation into capital-related revenue requirements. Although different from the CT-bar, the F-Factor is more accurate and results in lower rate base and return than what was contemplated in the CT-bar.

Step 4

As described above, the Company makes no distinction between "Capital Plan" and "Non-Capital Plan" investments and already incorporates a downward-only annual reconciliation of plant placed in service. Accordingly, CT-bar Step 4 is not applicable to the F-Factor.

Step 5

Step 5 of CT-bar contains certain reconciliation concepts that also exist within the Company's F-Factor proposal, including downward-only adjustments. However, the F-Factor is conceptually simpler because it does not distinguish between "Capital Plan" and "Non-Capital Plan" investments.

Under the F-Factor, the downward-only reconciliation is based on a prudence review (or the reality that the Company were to spend less than forecasted, such that actual plant additions are lower than the amount initially included in setting the F Factor) and consists of a straightforward comparison between: (1) cumulative capital investment determined to have been prudently incurred; and (2) cumulative capital investment reflected in this proceeding. Accordingly, the reconciliation reaches two straightforward conclusions, which are: (1) whether the capital

investment was prudently incurred; and (2) whether that prudent investment exceeds, in aggregate, the investment forecast presented in this docket. If prudent investment exceeds the forecast, the F-Factor remains capped at the forecast level even though the investment was determined to be prudent.

By contrast, CT-bar Step 5 requires comparison of "Capital Plan" and "Non-Capital Plan" investments, a distinction that does not fully reflect the dynamic nature of distribution system needs. Moreover, Step 5 includes vague references to downward-only adjustments for capital investment PURA may deem "non-essential" (as opposed to *imprudent*) or capital additions that "can be delayed." The Company's F-Factor proposal includes no comparable adjustments. Instead, it relies on the prudence review process and the hard cap discussed above. See also the Company's response to OCC-423 for additional discussion of the relationship between CT-bar and the F-Factor.

Step 6

Step 6 of CT-bar is the calculation of the resulting revenue requirement. Under the Company's proposal, these calculations are performed in EOE-156, Attachment 1, worksheet "PBR-4 F-Factor," Lines 48-53, and worksheet "PBR-5 F-Factor Property Tax," Line 42. The summarized results are presented in worksheet "PBR-3 F-Factor Summary," Lines 17-23.

With respect to subpart (c), as demonstrated in the model filed in EOE-156, the Company's F-Factor proposal provides a truer calculation of the revenue requirements associated with capital investment, that is, one more closely aligned with actual capital-driven costs of service. Unlike CT-bar, the F-Factor explicitly incorporates the effects of plant retirements, cost of removal, and accumulated deferred income taxes ("ADIT").

CT-Bar Step	F-Factor Treatment
Step 1	The F-Factor makes no distinction between Capital Plan and Non-Capital Plan investments.
Step 2	The CT-bar and F-Factor use a comparable forecast of capital additions.
Step 3	For the F-Factor, depreciation is not applied as a reduction to plant additions; instead, depreciation is correctly captured by deducting accumulated depreciation from rate base
Step 4	N/A (the F-Factor does not distinguish between Capital Plan and Non-Capital Plan additions).

Step 5	Modified. F-Factor reconciliation is based on a prudence review and hard cap rather than Capital Plan/Non-Capital Plan comparisons and "non-essential" investment determinations.
Step 6	The CT-bar and F-Factor have a comparable revenue requirement calculation, although the F-Factor properly incorporates plant retirements, cost of removal and ADIT.

Date Filed: October 14, 2026

Witness: Douglas P. Horton, Leanne M. Landry, John G. Griffin and Danielle Munson
Request from: Office of Consumer Counsel

Question:

Does the Company have clear protocols for allocating Company labor and labor overheads to capitalized projects?

a. Are these protocols in written form? If so, please provide. If not please explain protocols and methods in detail.
b. Are these protocols implemented as part of monthly or regular periodic accounting, or are these determinations only made in preparation for determination of revenue requirements as in the context of a general rate case?
c. How would capitalization of labor and labor overheads be determined and documented within the annual reconciliation proceeding?
d. Please provide an example of the calculation of expensing versus capitalization of labor-related costs that would be filed in an annual reconciliation filing.
e. How did the protocols apply to how the Company quantified Test Year expenditures in this proceeding?
f. Have the Company's standards or protocols changed over time? For example, is the Company's approach in this rate case different to any other rate case? If yes, explain when, why, and how the protocols or standards have changed.

Response:

a. Yes, the Company has clear protocols for allocating Company labor and labor overheads to capitalized projects. These fundamental protocols for labor capitalization are based on Generally Accepted Accounting Principles (GAAP) requirements and the Federal Energy Regulatory Commission (FERC)'s Uniform System of Accounts.

   All employees are required to abide by and follow the corporate "Time Reporting Policy," which informs how base pay is divided among the Eversource Energy operating companies and to ensure the accounting is appropriate, including charging time to capitalized projects. As noted in the policy, "Each subsidiary or business segment should be charged directly, when possible, for employees' time benefiting that subsidiary or business segment." This avoids cross-subsidization between the Operating Companies, including CL&P, and between capitalized projects. This policy also requires that the person authorized to approve the transaction is responsible for ensuring the appropriate work order and rate code

are used to cause the cost to be charged to the correct FERC account (i.e. FERC account 107 in the case of capitalized projects) and to the proper affiliate(s) depending on the subsidiaries or business segments benefitting from the services provided. Please refer to OCC-199 Attachment 1, for this policy.

The Company also adheres to Accounting Policy Statement (APS) 8, which provides guidelines surrounding the decision to capitalize or expense expenditures for plant. Under this policy, once a capital project has been approved by management, a work order is established by the project management team. Generally, all expenditures directly related to the project incurred after this point are capitalized. Please refer to EOE-060 Attachment 3, for this policy.

Certain employees may also charge Engineering & Supervision ("E&S") work orders. The E&S work orders are selected by employees who actively support construction activities directly related to capital projects, but are not readily identified to a specific capital project work order. Having these employees direct charge specific capital project work orders on a daily basis becomes impracticable to decipher for timesheet reporting purposes because of the extensive number of capital projects they support. Therefore, the E&S work order allows for a more practical, effective, and expedient timesheet reporting mechanism for certain employees to capture their time appropriately. E&S is not ascribed to individual capital projects on a discrete, quantifiable basis for individual projects or programs. The labor and labor-related costs associated with the E&S function are ascribable to all eligible capital projects and are pooled into closing accounts that are then applied on an aggregated basis to active work orders on a month-to-month basis as a "clearing rate."

The E&S overhead "pool" captures costs incurred in support of the Company's construction activities that are not readily identified to a specific capital project work order. The nature of these costs includes labor costs/payroll and associated overheads. Such classification is required under the FERC Uniform System of Accounts ("USoA"), which states: "Engineering and supervision includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work." Thus, the types of charges included in FERC Account 107ES0 (Construction Work in Progress) are employee labor and external vendor labor costs that support capital project construction activities through engineering and supervisory functions.

Once a capital project is placed in service in FERC Account 101 (Electric Plant in Service), the E&S costs are classified to property units in the same manner as all other capital charges on the project work orders. With the assistance of project managers and engineers, Plant Accounting determines what percentage of the total project each property unit represents. All capital charges to the project work orders, including E&S charges, are ascribed to the

installed property units based on these percentages. An officer's base salary is not discernible as a line item through this process.

The E&S work orders charged may be operating company work orders, which directly assigns costs to specific subsidiaries, or may be Eversource Energy Service Company work orders that utilize rate codes. Please refer to OCC-199[i] for further details of the cost accounting process and the use of work orders that contain rate codes.

Labor overheads (i.e. non-productive time, payroll benefits for operating company employees, and the general service company overhead for service company employees) "follow productive labor charging" to ensure that each employee's total labor in a calendar year is accounted for and charged to the appropriate Eversource Energy companies/business segments and capitalized projects based on the "productive" work performed by each employee. The accounting processes ensure the appropriate 'cost of labor' charge for each employee, follow the assignment of costs to the subsidiaries/business segments and capital projects based on the productive work orders.

b. The corporate and accounting policies described above shall be adhered to for every timesheet that is approved in the normal course of business and not implemented solely in preparation for determination of revenue requirements as in the context of a general rate case. This approach ensures that labor capitalization is not a retrospective exercise but rather an ongoing, systematic process embedded in the Company's regular operations.

c. The Company's proposed annual F-Factor reconciliation contemplates a comprehensive review of capital investments placed in service during the reconciliation period. As reflected in CLP-ADDITIONS-4 and CLP-Additions-5, the reconciliation filing would include project-level information regarding plant additions, associated costs, and supporting documentation sufficient for PURA and stakeholders to evaluate the investments reflected in the F-Factor revenue requirement.

The review of capitalized labor and related overheads would not occur in isolation. Rather, those costs would be evaluated in the context of the underlying project and the documentation supporting the investment. The Company would provide project authorization materials, work order information, plant-in-service records, project closeout documentation, and other supporting materials necessary to evaluate the nature, scope, purpose, timing, and cost of the investment.

In addition, the annual reconciliation process provides PURA and stakeholders with the opportunity through discovery to review the documentation supporting actual project costs and plant additions. That review extends beyond individual cost elements and permits evaluation of the overall prudence of the investment, including the underlying need for the

project, the activities performed, the costs incurred, and whether the resulting facilities are used and useful in providing service to customers. Accordingly, the reconciliation process provides a transparent mechanism for reviewing both the costs and supporting documentation associated with capital investments before those investments are reflected in the F-Factor revenue requirement.

d. The annual reconciliation process also provides PURA and stakeholders with the opportunity to evaluate whether a particular project represented a reasonable and prudent response to the underlying system need. To the extent questions are raised regarding alternative approaches, those issues may be evaluated within the context of the overall project record, including the project objectives, supporting analyses, and information available to the Company at the time decisions were made.

e. The aforementioned protocols were in place throughout the Test Year. The Company's adherence to GAAP and FERC is a standard, stable practice in force at all times, including the Test Year.

f. The Company's labor capitalization protocols represent a stable, well-documented framework that has been consistently applied across multiple rate proceedings. This consistency ensures comparability and reliability in the determination of revenue requirements.

Prior Referenced Response:

[i] OCC-199 Question:

(COMPENSATION) Please refer to Exhibit CLP-EMPLOYEE-1. Please indicate from 2018 to the present how employee compensation (base pay, variable pay, and benefits) has been divided among the Company's operating companies for employees performing tasks for multiple companies, specifically indicating how Eversource ensures that employees performing work for multiple companies have their compensation allocated appropriately.

OCC-199 Response:

All employees are required to abide by and follow the corporate "Time Reporting Policy," which informs how base pay is divided among the Eversource Energy operating companies. As noted in the policy, "Each subsidiary or business segment should be charged directly, when possible, for employees' time benefiting that subsidiary or business segment." This avoids cross-subsidization between the Operating Companies, including CL&P. Please refer to OCC-199, Attachment 1, for this policy.

The following sections labeled "Shared Services and Cost Accounting" and "Shared Service Controls and Reporting" describe how productive labor (i.e. base pay) is assigned to the subsidiary/business segment and the controls in place to ensure employees performing work for multiple companies have their compensation allocated appropriately.

Shared Services and Cost Accounting

Company ("ESC") and CL&P to govern the provision of services provided by the ESC. Please refer to OCC-199, Attachment 2, for the service agreement between ESC and the Company for a description of the services that are provided.

There is intelligence built into accounting work orders that inform the assignment of costs to the operating companies, including CL&P, when time is entered into the Workforce system, which is the Human Resources and Information System ("HRIS") used for reporting time charging. When an ESC employee is providing services to one subsidiary or business segment, the direct methodology is utilized. These are categorized as the "N" rate codes, which will directly assign 100% of the costs to that subsidiary or business segment. For example, the following ESC work order has been established for employees supporting the CL&P distribution rate case proceeding: CL&P: CT260N1.

The last three characters of the work order number contain an alpha followed by two digits. The alpha character in these examples is an "N," which indicates the methodology. In this case, "N" indicates use of the direct-charging methodology, whereby 100% of the charges will be directly assigned to a subsidiary or business segment. The last two digits of a work order number utilizing the direct methodology indicate the entity code, which is the subsidiary or business segment. When ESC employees charge the work orders noted above, the charges are assigned 100% to CL&P (entity 11). Please refer to EOE-065, Attachment 1, for a listing of the Eversource entities.

When costs are incurred to serve the Operating Companies more broadly and cannot be directly assigned by charging an operating company work order or utilizing the ESC direct methodology, costs are allocated based on a specific causal-based methodology. For example, the Plant Accounting team provides accounting services to the Operating Companies and generally allocates their time based on the Gross Plant Assets methodology; whereas members of the Customer Care team generally allocate their time based on the Number of Customers or Customer Handle Time methodologies. Allocations are made only after it is determined that it is not practical or reasonably possible to perform a direct assignment of the costs.

When direct charging is not feasible and a specific causal-based methodology cannot be utilized, common allocators are used to allocate costs. The common methodology is based on the average of net income and gross plant assets. For example, the Corporate Accounting team primarily charges work order ACTG0C04 when supporting the monthly financial close of Eversource Energy. The employees in this organization generally use a common allocator as there is no specific causal driver of the costs or causal-based methodology that may be utilized for providing these corporate accounting services. Please note that the last two characters of rate codes for causal-based and common allocators is not the entity code as it is with the direct methodology, but rather the sequential numbering of rate codes for the combinations of subsidiaries and business segments.

For a listing of the allocation methodologies used as the basis for the applicable rate codes, please refer to the ESC FERC Form 60 annual filings that present these methodologies on Schedule XXI. This Schedule also explains the rationale for the methodologies. Please refer to EOE-066, Attachment 1, for the ESC Cost Allocation Manual and additional details regarding the allocation methodologies as well as a list of rate codes.

Variable pay and employee benefits "follow productive labor charging" to ensure that each employee's total labor in a calendar year is accounted for and charged to the appropriate Eversource Energy companies/business segments based on the "productive" work performed by each employee. The accounting processes ensure the appropriate 'cost of labor' charge for each employee, including variable pay and employee benefits, follow the assignment of costs to the subsidiaries/business segments based on the productive work orders.

Shared Service Controls and Reporting

There are several controls in place to ensure costs are appropriately allocated. All rate codes are updated annually in January, and as needed, and are prepared, reviewed and approved by the Corporate Accounting Allocations team. The Director of the Corporate Accounting Allocations team is responsible for ensuring the corporate rate codes are accurate.

As it relates to the allocation or assignment of costs, whether those costs be employee payroll, invoiced charges, inventory or otherwise, the person authorized to approve the transaction is responsible for ensuring the appropriate work order and rate code are used to cause the cost to be allocated to the proper affiliate(s) depending on the subsidiaries or business segments benefitting from the goods or services provided.
In addition, the internal control structure used by ESC to ensure all costs are properly charged to the affiliates includes a process that is managed by the Corporate Accounting Allocations team. This process involves comparing the allocated charges to a manual calculation of charges eligible to be allocated to the subsidiaries or business segments. Any differences are researched and resolved.

The Corporate Allocations Team also sends out a Monthly Monitoring Report from the PowerPlan system, which houses the enterprise-wide ESC cost records. The Monthly Monitoring Report is a set of approximately 400 reports issued to all ESC Cost Center Managers, or their designees for each ESC cost center. The Monthly Monitoring Report shows the amount of operations and maintenance ("O&M") expense charged by accounting work order and the percentage by work order charged to each Operating Company. The Corporate Allocations Team also sends out a monthly Key Comparison Report that shows the percentage of O&M expense charged to each subsidiary for the current and prior month, quarter to date and the prior 12 months. The Key Comparison Report also shows the total charge to each Operating Company in that current month.

An executive summary is also prepared monthly for the Vice President, Controller and Chief Accounting Officer. This report shows a 13-month comparative analysis of ESC O&M allocated to each Operating Company by each shared service unit through the Executive Vice President level and identifies month-over-month variances within each business area.