Date Filed: September 24, 2026

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

**Question:**

Shared Service Expense. Refer to the response to OCC-355. Provide the Rate Year amount as originally requested.

**Response:**

OCC-355, Attachment 1, details the Company's budget process, applying to the shared service organizations rather than the Eversource Energy Service Company ("ESC"). This response explains the Company's budgeting process, which is not conducted by the service-company organization, but rather from the shared services organizations that provide services through the ESC structure, including both direct and allocated (shared) costs.

In addition, OCC-707, Attachment 1, provides a separate response originally provided by the Company during the 2022 CT Management Audit that comprehensively explains the Eversource annual budget process. As explained therein, the first year of the Strategic Plan is used as the basis for the upcoming year's Corporate Operating Plan, including the capital and O&M area budget targets. The Corporate Operating Plan development takes place throughout the summer and early fall. In the August timeframe, the Vice President of Financial Planning & Analysis (FP&A) presents and discusses the proposed targets with each member of the Eversource Senior Team. The Budget & Financial Analysis Group (within FP&A) issues budget instructions to all the FP&A Budget analysts who support the business areas. This process to develop the annual Corporate Operating Plan incorporates a more in-depth review and analysis of both O&M expenses and capital projects. FP&A analysts then work with each organization, down to every cost center, to develop the organizational budgets from the ground up. Workforce requirements are reviewed by each organization as part of the overall budget development process. When all proposed budgets are accepted, the budgets are compiled into the budgeting system and incorporated into the Corporate Operating Plan.

Operating company presidents are responsible for their respective distribution operations budgets. They work closely with their area directors and managers to ensure the details of their budget align with the company goals and requirements. Operating company presidents work with their area directors and managers to review and present their budgets to the Chief Operating Officer, who then has the ultimate responsibility to present the overall Operations budget to the CFO for review and approval.

In the September/October time frame, the budget process begins for the upcoming calendar year and is finalized once reflected in the annual Corporate Operating Plan. The Corporate Operating Plan is presented by the CFO to the Eversource Energy BOT Finance Committee for review on a preliminary basis in December of each year and as a finalized plan in February of each year.

On this timeline, the Company is in the process of preparing its budget for calendar year 2027. 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.