Date Filed: October 13, 2026

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

Question:

(OTHER BENEFITS)

a. State whether the increase in long-term disability expense from $649,000 in 2024 to $1,683,000 in the Test Year reflects a change in claims experience, reserve methodology, premium, or the number of claimants, and quantify the impact of each.
b. (i) Reconcile the education reimbursements of $434,000 in the Test Year to Schedule C- 3.18; (ii) identify each driver of the growth from $141,000 in 2021 and the amount attributable to each; and (iii) state the basis for the absence of a capitalized portion on education reimbursements.
c. Provide an unlocked Excel spreadsheet with formulas intact that shows the total cost, the amount charged to CL&P operating expense, and the schedule and line item for each of the following, for the Test Year, the Rate Year and each of calendar years from 2021 through 2025: (i) employee recognition and awards, including SPOT awards; (ii) the Wellness Incentive and any other fitness or wellness program; (iii) the space, equipment, utilities and other facility cost of the Berlin employee cafeteria and the Windsor prepared food area described in the Company's response to Interrogatory OCC-067; (iv) back-up child or elder care, including Care.com; and (v) student loan repayment.
d. (i) Identify the schedule and line item in which the Company included the Rate Year volunteer labor expense of $236,143 referenced in its response to Interrogatory OCC-364; and (ii) state the Rate Year revenue requirement effect if the expense is removed.

Response:

a. The increase in Long-Term Disability (LTD) expense from 2024 to the Test Year is primarily attributable to the 2025 actuarial reserve adjustment recorded in December 2025. The adjustment reflects updated actuarial assumptions and claim experience identified in the annual valuation performed by Willis Towers Watson. The increase was largely driven by a higher number of employees receiving long-term disability benefits, resulting in a corresponding increase in the Company's LTD reserve obligation. As noted in the 2025 actuarial valuation report, the growth in covered disability claims increased the estimated future benefit liability, necessitating the reserve adjustment and contributing to the year-over-year increase in expense.

b.

i. The $434,000 of Education Reimbursements in the Test Year is comprised of all costs charged in 2025 to the Education Reimbursements cost element and is independent of the amounts included in Schedule C-3.18, Human Resources, Education and Training.

ii. Recognizing higher education inflation, Eversource increased the annual tuition reimbursement maximum from $5,250 to $10,000 in 2023 as an opportunity to improve job performance and encourage employee retention. RRU-068, Attachment 1, outlines an increase in year over year expense for the Education Reimbursement benefit which together with the higher educational reimbursement per participant maximum, acts as the driver of the increase in expense.

iii. Educational reimbursements do not qualify as a capitalizable cost under the Company's capitalization criteria; therefore, these costs are expensed.

c.

i. Please refer to RRU-068, Attachment 2, for the employee recognition award costs for years 2021 through 2025 and the Rate Year. The Company did not incur any costs related to SPOT awards during this period.

ii. Please refer to RRU-068, Attachment 2, for the wellness incentive costs for years 2021 through 2025 and the Rate Year.

iii. The Company's accounting system does not have unique identifiers that track the space, equipment, and utilities of the Berlin cafeteria. The Company has identified costs allocated to CL&P for the operation of the Berlin Cafeteria noted in the table below. Costs experienced in 2022 and 2023 were a result of a subsidy paid to the cafeteria operator as The Company re-opened the cafeteria after the COVID-19 pandemic in mid-2021. The subsidy was discontinued in February 2023 since the employee population became more predictable and the cafeteria operator was able to stabilize their staffing levels and food inventories. The "grab and go" prepared foods area in Windsor was established in 2026. There were no costs associated with it from 2021 to 2025 or in the Rate Year.

	2021	2022*	2023	2024	2025	Rate Year
ESC Cafeteria Expenses	$ -	$142,665	$18,322	$ -	$ -	$ -
CL&P Allocated Cafeteria Expenses	$ -	$28,561	$3,424	$ -	$ -	$ -

**5 months of subsidy from 2021 was charged in 2022 due to a delay in vendor invoicing*

iv. Please refer to RRU-068, Attachment 2, for the Care.com costs for years 2021 through 2025 and the Rate Year.

v. There is no cost to customers that is incurred by offering a student loan refinancing option as a voluntary employee-paid option.

d.

i. Please refer to RRU-068, Attachment 3, for the Schedule and line item reference for the Rate Year volunteer labor expense of $236,143.

ii. Removing volunteer labor expense would result in an approximate $255,000 decrease to the current cost of service.