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Witness: Douglas P. Horton, Brendan J. O' Brien, Garrett J. Murray, Jared A. Lawrence and Jason Tharp
Request from: Public Utilities Regulatory Authority

Question:

(METER WORKFORCE) Lawrence and Horton Pre-Filed Test., pp. 33-37; Application, Ex. CLP-AMI-2, p. 52 and Ex. CLP-AMI-3, pp. 19-33; Application, Schs. C-3.5, G-2.6 and G-2.14; Interrog. Resp. RRU-023, Att. 1, Interrog. Resp. RSR-002, Interrog. Resp. RSR-007, Att. 1, and Interrog. Resp. EOE-041, Att. 1. Regarding the meter reading, meter service, connect and disconnect workforce in the cost of service, and the deployment of AMI:

a. State which accounts constitute the $8.4 million baseline of meter-related expense, which the response to Interrogatory RSR-007 identifies as Accounts 586, 587, 902 and 903, which total $55,683,475, and the referenced testimony recognizes as Accounts 586, 597, 902 and 905, which total $8,357,726 in Attachment 1 of the response to Interrogatory RRU-023. Provide an exhibit that shows the Test Year amount in each subaccount broken down among Schedule C-3.5, the ZGS/ZPB adjustment and each other applicable schedule, and state the basis for the account definition used.

b. Identify each position performing manual meter reading, meter service, field collection, and connect and disconnect work, including the positions within the $6,125,600 of Accounts 586, 597, 902 and 905 and the $2,506,922 of Account 903004. State the title, union or non-union status, employer (CL&P or EESCO), annual headcounts, payroll, and benefit costs at the end of 2021 through 2025.

c. Explain the increases in Meter Operations from 37 FTEs in 2023 and 40 in 2024 to 60 in 2025 and Meter Expenses from $98,768 in 2021 to $3,463,361 in 2025. State how many of the 60 positions in 2025 perform work that AMI is designed to automate, and the basis for treating the 2025 level of Account 586 as representative for establishing the $8.4 million baseline.

d. Reconcile the assumptions that meter reading staff decline from 22 to 14 FTEs with savings beginning in Year 4 (2030), that a combined gas and electric team of 33 performing connect and disconnect work declines to 7 with savings beginning in Year 5, and that the field operations team of 50 FTEs will not experience any reduction post-AMI, to the statement that the connect and disconnect benefit is based on the expected FTE reduction in field operation resources and that the Company expects labor savings through staffing attrition in Meter Reading and Field Operations. Identify which of the positions in subpart b fall within each group in Exhibit CLP-AMI-3 and the schedule on which they appear, and reconcile the loaded

labor of $3,108,476 for meter reading and $6,151,063 for connect and disconnect in Exhibit CLP-AMI-3 to the amounts in subpart b.

e. Reconcile the statement in the response to Interrogatory RSR-002 that operational savings from reduced meter reading costs and other truck rolls begin with the first meter installations to Exhibit CLP-AMI-3 which begins meter deployment in mid-Year 3 (2029) and shows no meter reading or connect and disconnect labor savings until Years 4 and 5. Also, reconcile the meter reading and connect and disconnect labor savings in Exhibit CLP-AMI-3 to the annual benefits in Attachment 1 of the response to Interrogatory RSR-007, and state for each year of the proposed multi-year rate plan the savings that will reduce the $8.4 million baseline and the mechanism by which those savings will be returned to customers.

f. State the allocation of meter reading and connect and disconnect labor between CL&P and Yankee Gas in each of calendar years 2021 through 2025 and in the Rate Year. Identify the method and rate code used, and quantify the AMI-related labor savings assumed for Yankee Gas given that 191 of the 408 meter reading routes are combined electric and gas and the remaining meter readers will read all gas customers every month according to page 20 of Exhibit CLP-AMI-3.

g. Provide the executed June 1, 2026 agreement with IBEW Locals 420 and 457, instead of only a Final Summary marked Pending Ratification, and state the date of ratification. Explain the workforce transition planned for the positions identified in subpart d under Article V of the Teal Book agreement provided in Attachment 1 of the response to Interrogatory EOE-041, including reassignment by seniority, on-the-job training, special basic rates of pay, and terminal pay, and identify any related cost included in the Application or in the AMI cost estimate and its amount.

Response:

a. Meter-related expenses of $8.4 million are recorded to FERC Account Nos. 586, 597, 902, and 905. Please refer to RRU-023, Attachment 1, for the Test Year amount in each subaccount by schedule number. Specifically, refer to rows 103 through 106 for FERC Account No. 586; Row 163 for FERC Account No. 597; Rows 165 and 166 for FERC Account No. 902; and Rows 174 and 175 for FERC Account No. 905. The Company utilized these four accounts to determine the level of expenses the Company has incurred in the Test Year for meter related services, and thus the level of meter-related expenses that will be established in base distribution rates as a result of this proceeding. This represent the baseline amount of meter-related expenses the Company will compare against actual expenses to determine incremental costs that would be recoverable for AMI-meter related operating expense.

These four accounts were identified per the Uniform System of Accounts ("USoA") because the accounts reflect meter-related operating expenses (FERC Account No. 586); meter-related maintenance expenses (FERC Account No. 597); and meter-related customer accounts expenses (FERC Account Nos. 902 and 905).

b. Please refer to RRU-193 Attachment 1, for a listing of job titles and number of employees who charged accounts 586, 597, 902 and 905 and 903004. Please refer to RRU-193 Attachment 2, for payroll costs charged to accounts 586, 597, 902 and 905 and 903004.

c. The Meter Operations FTEs increased to 60 in 2025 because of an organizational change to consolidate Meter Mechanics primarily focused on technical meter work, such as installations, exchanges, poly-phase meter disconnects and reconnections, meter investigations and meter tests. With the transition, single-phase disconnection and reconnection work was shifted to contractor resources. The increased Meter Operations staff was needed to support increased end-of-life meter exchanges due to the age of the meters.

   AMI automates disconnections and reconnections for non-payment, as well as non-credit reconnections/disconnections (move-ins and move-outs) and meter reading, which are functionalities not traditionally considered Meter Operations functions (i.e. technical meter work). These functions are currently performed primarily by lower-skilled employees in Field Operations and Meter Reading. As described above, those employees are now part of the expanded Meter Operations organization. The increased diagnostic/detection capabilities available with AMI may modestly increase traditional Meter Operations workload because of the better detection of issues and the ability to dispatch a technician proactively to address problems that could otherwise go undetected. The Company plans supplement information regarding Meter Expenses and FERC Account No. 586.

d. Meter Reading and Remote Connect/Disconnect benefits arise in relation to the FTE reduction achieved through attrition across several roles. There is no benefit or labor attrition captured for the Additional Field Operations Activity. Please refer to AMI-3, page 31 for further information. Also, please refer to Table 1 for the relevant information:

Table 1

	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Meter Reading	22	22	22	22	20	18	17	16	14	14
Remote Connect/ Disconnect FTEs[1]	33	33	33	33	33	29	22	13	7	7
Additional Field Ops Activity	50	50	50	50	50	50	50	50	50	50
Total FTEs	105	105	105	105	103	97	89	79	71	71

Meter Reading

The amount of $3,108,476 is the average annual business-as-usual loaded labor costs for meter reading. This is the cost that Eversource would otherwise spend annually on meter-reading labor, without AMI implementation. The average annual post-AMI deployment meter reading labor costs are $2,148,201. Both values are 20-year averages used for illustrative calculation purposes only and the difference between the two values is the average annual benefit over 20 years. This calculation is documented on page 20 of the BCA Report and the assumptions associated with each value are documented on page 21 in the Meter Reading List of Assumptions table. The actual annual benefit value is detailed on page 24 in the Benefit Realization Targets ($M) table.

Remote Connect/Disconnect

The amount of $6,151,063 is the average annual business-as-usual field operations loaded labor costs for remote connect/disconnect. This is the cost that Eversource would otherwise spend annually on account connects/disconnect, without implementation of AMI. The average annual post-AMI deployment field operations loaded labor costs for remote connect/disconnect are $2,972,187. Both values are 20-year averages used for illustrative calculation purposes only and the difference between the two values is the average annual benefit over 20 years. This calculation is documented on page 32 of the BCA Report and the assumptions associated with each value are documented on page 32 in the Remote Account Connect/Disconnect List of Assumptions table. The actual annual benefit value is detailed on pages 32-33 in the Benefit Realization Targets ($M) table.

[1] Full-Time Equivalents, including contractors and/or employees.

e. The statement that, "[o]perational savings related to reduced meter reading costs and other truck rolls begin with the first meter installations and continue to grow as the deployment advances," is inadvertently mistaken. The response should have stated: "Operational savings related to reduced meter reading costs and other truck rolls begin *one year after* the first meter installations and grow as the deployment advances." This change reflects Meter Reading benefit starting in Year 4 as shown in Exhibit CLP-AMI-3. The Company will produce a revised version of the referenced response to make this correction.

f. The Company's meter-reading team reads both electric and gas meters. Of the 408 total routes as of April 2026, 191 (47%) are combined electric and gas, 210 (51%) are electric-only, and 7 (2%) are gas only. Given that the Company's current AMR system collects both gas and electric usage data, the BCA reflects the fact that savings cannot be fully realized in overlapping service territories. In addition, AMI opt-out customers and any exceptions will be dispersed throughout the electric-only service area.

   Based on current customer distribution and an assumption of fewer than 1% of customers choosing to opt-out of AMI, twelve is the *minimum* number of meter readers needed to ensure that both AMI opt-out customers and AMI meter exceptions can be read every month. Monthly manual reading for AMI opt-outs, exceptions, and gas meter reading require a base level of staffing. Since 47% of all current meter reading routes are combined electric and gas, these twelve meter readers will continue to read gas customers monthly, which limits the amount of avoided cost benefit.

   Please refer to Exhibit CLP-AMI-3, at page 20 for further explanation.

g. Regarding disconnections and reconnections, the transition of *single-phase* meter service work from FTEs to contractors began in 2017 and has fully transitioned to the contractor workforce. There will be contractor resource reductions; however, there are no Company FTEs performing these functions, so there will not be FTE reductions related to this function.

   Regarding meter-*reading* related FTE reductions referenced in subpart (d) of this interrogatory, the Company notes that staff reductions are planned to be achieved through attrition over time, and therefore, do not trigger provisions in the collective bargaining agreement ("CBA").

   Although the June 1, 2026 CBA with IBEW Locals 420 and 457 was ratified on May 18, 2026, the agreement is currently under review by the bargaining units and is not finalized. As a result, a final executed document responsive to RRU-193, subpart (g) is not currently available. Once the agreement is finalized, the Company will supplement this data response.