Date Filed: October 06, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Sasha P. Lazor and Marianne H. Eichler
Request from: Public Utilities Regulatory Authority

Question:

(OFFICER VARIABLE PAY—ELIGIBILITY AND PARTICIPATION) Application, Schs.C-3.6 and C-3.7; Ex. CLP-EMPLOYEE-3. For the Test Year, provide the number and percentage of CL&P and ESC employees supporting CL&P who were eligible for variable compensation and the number and percentage who actually received variable compensation. Provide the response separately for:

a. officers/executives;
b. management employees;
c. non-management employees;
d. union employees, if applicable; and
e. non-union employees.

For the Rate Year, provide the number and percentage assumed eligible in each category and explain any change from the Test Year. Reconcile the Test Year counts to the populations shown in Exhibit CLP-EMPLOYEE-3 and to the employee/officer populations underlying Schedules C-3.6 and C-3.7.

Response:

Please refer to UPA-004, Attachment 1, for the response to subparts (a) through (e). Please note that a critical datapoint is excluded from this question, which is the percent of total variable pay realized by the employee based on their performance. The competitive nature of the variable pay program is reflected not in the number of employees that received variable pay, but rather in the percent of the total possible payment that the employee could have received. The Company provided this information in response to OCC-201, Attachment 1.

With respect to the Rate Year, the number of CL&P employees, and the number of service company employees supporting CL&P in each category was assumed to remain the same with the exception that the Rate Year also proposes 41 new FTEs, as noted in the Company's response to OCC-333[i]. Each of the proposed 41 new FTEs would be eligible for variable pay, thereby increasing the proposed total eligible ESC Non-Union employees to 2974 from 2954 and proposed eligible CL&P Non-Union employees to 329 from 308.

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.