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

Question:

(OFFICER VARIABLE COMPENSATION) Application, Schs. C-3.5, C-3.6, and C-3.7. Provide a crosswalk showing how the employee population and payroll dollars in Schedule C-3.5 map to Schedules C-3.6 and C-3.7 for the Test Year, pro forma, and Rate Year. Identify:

a. which employees in Schedule C-3.5 are eligible for variable compensation;
b. which are included in Schedule C-3.6;
c. which are included in Schedule C-3.7;
d. any employees or costs included in more than one schedule;
e. the effect of the incremental full-time employees (FTEs) included in Schedule WP C-3.5 on the amount included in the Rate Year in Schedules C-3.6 and C-3.7; and
f. the portion of each Rate Year variable-compensation adjustment attributable to payroll growth, incremental FTEs, changes in target incentive opportunity, expected pool funding, capitalization, or other factors.

Response:

a. As noted in the Company's response to UPA-004[i], for the Service Company 100% of Non-Union employees and 100% of Windsor Call Center Union employees are eligible; and, for CL&P 100% of Non-Union employees and certain Union employees are eligible for variable compensation.

b. All eligible employees, Director-level and below, that received variable payment in March 2026 are included in Schedule C-3.6 Employee Variable Compensation.

c. All officers of the Service Company and CL&P, Vice-President and above, are included in Schedule C-3.7 Officer Variable Compensation. The Company removed the CEO, CFO and CL&P President Short-Term Variable Compensation and Long-Term Variable compensation and the named executive officers and CL&P President's Long-term Variable Compensation from Schedule C-3.7.

d. For an employee's total cash compensation (base salary and annual variable compensation) for Director-level and below the employee's base salary is reflected in Schedule C-3.5 (Payroll Expense) and the variable compensation is in Schedule C-3.6 (Employee Variable Compensation). For Officers' base salary and variable compensation (Short-Term and

Long-Term), it is reflected in Schedule C-3.5 (Payroll Expense) and Schedule C-3.7 (Officer Variable Compensation), respectively. The Company notes the base salary for the CEO, CFO, and CL&P President was removed from Schedule C-3.5 and the Officer variable compensation has been adjusted as discussed in the Company's response to UPA-014[ii].

e. Incremental full-time employees (FTEs) base salaries are included in Schedule C-3.5 as a Rate Year adjustment for six months of 2028. To account for the incremental FTEs shown in Schedule C-3.6, a prorated change in payroll between the Rate Year and the Test Year Pro Forma amounts is used to determine the percentage increase for 2028 that is incorporated in the Rate Year adjustment in Schedule C-3.6. No incremental FTEs are included in Schedule C-3.7.

f. The Company interprets "payroll growth" to mean merit increases through the Rate Year. Please refer to the table below for the attributes that relate to the Rate Year Adjustments for Schedule C-3.6 and Schedule C-3.7 for employee and officer variable compensation, respectively.

(Dollars in Thousands)	Payroll Growth	Incremental FTEs	Capitalization	Rate Year Adjustments
Schedule C-3.6 Employee Variable	$2,184	$33	($601)	$1,616
Schedule C-3.7 Officer Variable	268	0	0	268

Prior Referenced Response:

[i] UPA-004 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.

UPA-004 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-333i. 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.

[ii] UPA-014 Question:

(OFFICER VARIABLE COMPENSATION—ADJUSTMENTS AND RECONCILIATION) Application, Sch. WP C-3.7, rows 21–27, and notes (a) and (b). Provide the detailed calculation supporting each pro forma adjustment, including:

a. the $(737,000) CL&P short-term adjustment, separately identifying amounts removed for the CEO, CFO, and CL&P President and any other component;
b. the $367,000 ESC short-term adjustment, including the calculation methodology used for the $1.157 million Test Year amount, removal of the 2024 true-up paid in 2025, inclusion of the 2025 payout paid in 2026, and the resulting $1.524 million pro forma amount; and
c. the $(2.587) million ESC long-term adjustment, separately identifying the amount removed for each of the five named executive officers and the CL&P President. Provide the underlying source data and formulas.

UPA-014 Response:

For subpart a. and c., please refer to the table below for the detailed calculation supporting the short-term and long-term variable adjustments.

ESC and CL&P Officer Variable Compensation Pro Forma Adjustments

Officers	Short-Term Variable	Long-Term Variable
Chairman, President and Chief Executive Officer	$ (437,717)	$ (1,204,360)
Executive Vice President, Chief Financial Officer and Treasurer	(135,953)	(479,870)
Executive Vice President and Chief Operating Officer	-	(291,888)
Executive Vice President and General Counsel	-	(189,570)
Executive Vice President, Corporate Relations and Sustainability, and Corporate Secretary	-	(133,163)
President, CL&P	(163,271)	(287,740)
Pro Forma Adjustments	**$ (736,941)**	**$ (2,586,591)**

For subpart b., please see the table below for the detail calculation showing the corrected roll-forward from the Test Year to the Pro Forma Test Year ESC Short-Term Variable Compensation. The Company notes the costs were inadvertently presented incorrectly between the ESC and CL&P, however there is no change to the total Officer

Variable Compensation Test Year Pro Forma or Rate Year amounts. Please refer to UPA-014, Attachment 1, for a revised Exhibit CLP- REVREQ-2, WP C-3.7, showcasing the correct Short-Term and Long-Term Variable components for ESC and CL&P.

ESC Short-Term Officer Variable Compensation

	Description	Short-Term Variable
1	Test Year ESC Short-Term Variable Cost	$ 2,387,703
2		
3	Removal of 2024 Payout True-up	1,663,961
4	Inclusion of 2025 Payout True-up	1,292,465
5	Pro Forma Adjustment (Line 3 - Line 4)	371,496
6		
7	Removal of CEO, CFO, & CL&P President	(736,941)
8		
9	Test Year Pro Forma Short-Term Variable Cost (Line 1 + Line 5 + Line 7)	$ 2,022,258