Date Filed: October 16, 2026

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

Question:

(BASE WAGES) Lazor, Eichler and O'Connor Pre-Filed Test., pp. 16-18, 20 and 26; Application, Sch. WP C-3.5; Interrog. Resp. OCC-329 and Interrog. Resp. OCC-332, Att. 1. Regarding the escalation of base salaries through the Rate Year, the merit rate applied, and the EESCO salaries allocated to CL&P:

a. Reconcile the EESCO total annualized base compensation of $543,596,270 in OCC-332, Attachment 1, to the EESCO portion of base salaries of $84,078,000 in Schedule WP C-3.5. State, for each bargaining and non-bargaining group in OCC-332, Attachment 2, the allocation percentage, the source cost centers from which it was derived, and the basis for the share allocated to CL&P. Include Union - Yankee Gas at $496,000 of $601,973, or 82.4%; Union - Windsor Call Center at $6,501,000 of $9,081,869, or 71.6%; Union - Teal Book at $7,662,000 of $13,519,878, or 56.7%; and Non Union - Exempt at $63,003,000 of $449,233,564, or 14%. Identify the Union - Eversource Gas IBEW group of $94,973, which has no corresponding line in Schedule WP C-3.5.
b. Provide the board approvals, budget approvals, or written communications to employees evidencing each increase.
c. State the number of non-union CL&P and EESCO employees who received a merit increase below, equal to, and above the 3% merit budget in each of calendar years 2021 through 2025. State the basis for the 3.50% weighted average salary scale in OCC-339, Attachment 1. Identify each component of the difference between that assumption and the 3% merit rate applied in Schedule WP C-3.5, and state the average annual base salary growth actually experienced by the pension population in each of calendar years 2021 through 2025.
d. State the weighted average merit increase granted to non-union CL&P and EESCO employees effective March 15, 2026, and the number of employees who received an increase.

Response:

a. Please refer to OCC-332, Attachment 2, for the calculation of the amount of ESC total annualized base compensation allocated to CL&P in the cost of service. Service Company employees charge their time to multiple operating companies throughout the year, and therefore the Company takes the total Service Company salaries and allocates those costs to CL&P. The allocated amounts shown in OCC-322, Attachment 2, page 1, lines 8 through 18,

support the amounts shown in Exhibit CLP-REVREQ-2, WP C-3.5, page 1, lines 33 through 42.

b. Please refer to the Company's response to OCC-329[i] subpart (c).

c. Please refer to OCC-201, Attachment 1, for the merit increase metrics for CL&P and ESC employees.

Noted below is the average annual base salary growth for CL&P and ESC for each year 2021 through 2025 for participants in the Eversource Pension Plan, including the new Cash Balance Plan. In determining the weighted average salary growth rate assumption for the Eversource Pension Plan, Investment Staff reviews actual salary increases of plan participants and considers the professional judgments about the direction of salary growth from Human Resources. This growth rate reflects current salary increases, the level of promotions and the level of increases currently built into the union contracts as well as 5-year experience studies conducted by Aon, the actuary for the plan. Through this review, it was confirmed that a 3.50% weighted average growth rate was consistent with salary increases of plan participants over the most recent 5-year period.

Period	**CL&P**	**Service Co**
1/1/21 – 1/1/22	3.5%	3.9%
1/1/22 – 1/1/23	4.2%	3.9%
1/1/23 – 1/1/24	3.6%	3.4%
1/1/24 – 1/1/25	3.5%	3.7%
1/1/25 – 1/1/26	3.0%	4.1%

d. The weighted average merit increase granted to non-union CL&P and ESC employees effective March 15 ,2026 was 2.7% and 2.8% respectively. The number of CL&P and ESC employees that received merit increases are 353 and 3,696, respectively.

Prior Referenced Response:

[i] OCC-329 Question:

Payroll.

a. Please provide a description of the Company's merit and cost of living wage rate increase policies.
b. Provide the actual union and non-union wage increase percentages given in each of the years 2021, 2022, 2023, 2024, 2025 and forecasted in the Rate Year.
c. State when the Rate Year increases will be approved.

OCC-329 Response:

a. The Company does not provide a cost of living wage increase but rather on an annual basis, reviews the market movement in both the utility and general industry market sectors to determine an appropriate level of salary adjustment, known as the merit rate. In addition, as described in Exhibit CLP-EMPLOYEE-1, at page 20, each non-union employee is subject to the Company's annual performance review process, which can adjust individual merit increases both upwards and downwards depending on individual performance and the Company's performance rating ranges.

b. Non-Union Merit History:

Year	2021	2022	2023	2024	2025
Merit %	3.0%	3.0%	3.0%	3.0%	3.0%

For the Rate Year forecast, the Company is projecting 3.0%.

As discussed in Exhibit CLP-EMPLOYEE-1, at page 26, the Company's annual projected merit increases of 3.0% during the period beginning after the Test Year and through the Rate Year for non-union CL&P employees and ESC employees supporting CL&P are below the current market practices and historical averages.

Union contractual increases are presented in Exhibit CLP-EMPLOYEE-1, at pages 17-18.

c. Rate Year increases will be approved in Q1 2027. The Company will supplement this response with a Management Commitment letter once Rate Year merit increases are approved, and will do so prior to the record closing in this proceeding.