STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

October 27, 2026
In reply, please refer to:
Docket No. 25-12-13, Motion No. 45
Docket No. 26-05-10, Motion No. 38

Vincent P. Pace, Esq.
Eversource Energy
107 Selden Street
Berlin, CT 06037

Re: Docket No. 25-12-13 – Application of the Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm Costs

Docket No. 26-05-10 – Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules

Dear Attorney Pace:

On August 31, 2026, the Connecticut Light and Power Company d/b/a Eversource Energy (Company or Eversource) submitted to the Public Utilities Regulatory Authority (Authority or PURA) a motion to approve compliance (Motion to Approve) with Order No. 3 of the July 29, 2026 decision in Docket No. 25-12-13, Application of the Connecticut Light and Power Company d/b/a Eversource Energy for Order to Securitize 2018-2023 Catastrophic Storm Costs (25-12-13 Decision) or, in the alternative, to adjudicate the subject matter of Order No. 3 in the Company's pending rate case in Docket No. 26-05-10, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules. Motion No. 45, Docket No. 25-12-13; Motion No. 38, Docket No. 26-05-10.[1] In the Motion to Approve, the Company seeks approval of the existing text of its compensation policy for salaried employees who work storm overtime (Existing Policy) or, alternatively, asks the Authority to take evidence on the issue in Docket No. 26-05-10. Motion to Approve, pp. 8–9. The Company's request to approve the Existing Policy is denied. The Company's alternative request is granted with modification, as discussed below.

On July 29, 2026, the Authority issued the following order:

> No later than August 31, 2026, the Company shall, in consultation with the OCC, submit to the Authority for review and approval a revised compensation policy that permits [emergency response plan (ERP)] Awards only for ERP Level 3 events or more severe, consistent to the greatest extent possible with its New Hampshire and Massachusetts affiliates, and that excludes a minimum of nine overtime hours before an ERP Award

[1] The Company simultaneously filed the Motion to Approve in Docket Nos. 25-12-13 and 26-05-10.

> applies, as discussed in Section III.F.2.b, Exempt Employee Emergency Response Plan Payments.

25-12-13 Decision, p. 144 (Order No. 3).

The 25-12-13 Decision found that $3,393,693 of the $5,039,329 in storm stipends and Emergency Response Plan (ERP) Award payments the Company made to salaried, overtime-exempt employees (ERP Payments) was imprudently incurred. 25-12-13 Decision, pp. 63, 67. Accordingly, the Authority did not approve recovery for the ERP Payments that PURA found were inconsistent with the July 2019 revision of the policy (July 2019 Revision), which the Company submitted in response to Order No. 2 of the Authority's decision in Docket No. 18-11-12. Id., pp. 64, 67. The July 2019 Revision excluded "the first nine hours of unpaid overtime weekly" before an ERP Award applied. Id., p. 64. The Company later revised the policy in December 2021 and July 2023, without submitting either revision to the Authority for approval. Id. The December 2021 revision included payments for exempt employees below the director level at their hourly rate for each overtime hour worked (Overtime Hourly Payment) in declared events at ERP Level 4, and the July 2023 revision extended that payment to non-declared events, up to eight hours in each 28-day period. Id. Neither revision included the July 2019 Revision's nine-hour weekly exclusion. Id., p. 65.

In the 25-12-13 Decision, the Authority found it reasonable, going forward, to better align the Company's Connecticut standard with those of its Massachusetts and New Hampshire affiliates, which reserve ERP Awards for events at ERP Level 3 or more severe, and found that the Company "has not demonstrated that a more permissive ERP Award threshold in Connecticut is warranted." Id. The 25-12-13 Decision directed the Company to submit a revised policy "as part of the Company's rate amendment application in Docket No. 26-05-10." Id.

In the Motion to Approve, the Company did not revise the policy consistent with Order No. 3. Instead, Eversource asks the Authority to approve its Existing Policy, which, as the Company describes it, pays eligible salaried employees for up to eight overtime hours in each 28-day period on ERP Level 5 events, and for all overtime hours, with no exclusion, on ERP Level 4 or more severe events. Motion to Approve, pp. 3–4, 3 n.1; see also 25-12-13 Decision, pp. 64–65. The Company argues that: (1) the payments are compensation for overtime actually worked, not "awards;" (2) the nine-hour exclusion would cost customers more than the existing eight-hour cap; (3) a Connecticut ERP Level 3 event is far larger than a Level 3 event in Massachusetts or New Hampshire, so a Connecticut ERP Level 4 event is the closer equivalent; and (4) the Existing Policy is needed to retain qualified employees. Motion to Approve, pp. 2–8.On September 2, 2026, OCC filed an objection in Docket No. 26-05-10 (OCC Objection). OCC argues that the 25-12-13 Decision acknowledged and rejected the Company's comparison between jurisdictions, and that "Eversource had its opportunity to oppose the Decision and that opportunity has passed." OCC Objection, pp. 1–2. OCC states that the Company's proposal appears not to comply with Order No. 3; OCC suggests that the Authority could deny the motion and either require the Company to refile a compliant policy or that PURA could revise the proposal, which "would save the Authority from unnecessarily

readjudicating an issue it decided only one month ago." Id., p. 2. Alternatively, OCC states that it will "continue to adjudicate this issue if the Authority incorporates it into" Docket No. 26-05-10. Id. OCC also notes that the Company's Existing Policy was never approved and suggests that the July 2019 Revision should govern the storms at issue in the rate case. Id., p. 2 n.1.

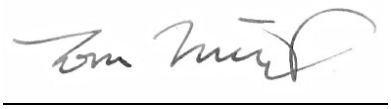
On September 4, 2026, the Authority's Office of Education, Outreach, and Enforcement (EOE) filed an objection in both dockets (EOE Objection). EOE agrees with OCC that the Company had its opportunity to oppose Order No. 3, and EOE argues that "[t]he Company's Compensation Plan did not remove ERP Awards for Level 4 or Level 5 storms and did not exclude a minimum of nine overtime hours for exempt employees." EOE Objection, pp. 1–2. Accordingly, EOE argues that the Company's motion "does not include a Compensation Plan complying with Order No. 3, and the Authority can deny this motion." Id., p. 2.

On September 9, 2026, the Company responded to OCC and EOE's objections (Company Response). The Company "acknowledges that Order No. 3 is binding and is not asking PURA to vacate that Order." Company Response, p. 1. The Company argues, however, that Order No. 3 calls for "'review and approval,' not for automatic implementation," and that the phrase "consistent to the greatest extent possible" allows the Authority to adjust the event-level threshold based on differences among the jurisdictions. Id., p. 2. The Company also states that its rate application includes costs under the Existing Policy for storms that occurred in 2024 and 2025, that Order No. 3 does not retroactively change the policy in effect for those storms, and that "the issue will be adjudicated in the rate case in any event." Id.

The Authority denies the Company's request to approve the Company's Existing Policy. The Existing Policy consists of the December 2021 and July 2023 revisions, the same text that the 25-12-13 Decision found deficient and under which the Authority removed $1,816,546 in ERP Payments ($439,958 under the December 2021 revision and $1,376,588 under the July 2023 revision). See 25-12-13 Decision, p. 63 (Table 21), 64–65, 67; Motion to Approve, pp. 3–4. Order No. 3 directed Eversource to submit a revised Policy that met two conditions, and the Company submitted no revised policy.

The Authority grants the Company's alternative request and will consider evidence on the Policy in Docket No. 26-05-10. The Authority's consideration of the matter should not be interpreted as the Authority's approval of the Company's current policy. As the 25-12-13 Decision makes clear, the Authority found that the Company's existing policy is deficient and requires modification. Accordingly, the Authority directs the Company to submit, by November 18, 2026, a revised policy consistent with Order No. 3 with supporting evidence showing how the revised policy is consistent with both the findings in the 25-12-13 Decision and the Company's policies in New Hampshire and Massachusetts. See 25-12-13 Decision, p. 144.

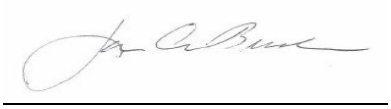
By the following commissioners,



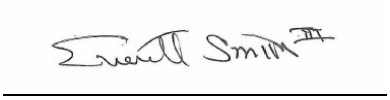
Thomas H. Wiehl
Chairman



David Arconti, Jr.
Vice Chairman



Janice A. Beecher
Commissioner



Everett Smith, III
Commissioner



Holly H. Cheeseman
Commissioner

cc: Service List