Date Filed: October 14, 2026

Witness: Brendan J. O'Brien, Garrett J. Murray, Marianne Eichler and Erin M. Travassos
Request from: Public Utilities Regulatory Authority

Question:

(SEVERANCE AND BONUSES) Application, WP C-3.5; Interrog. Resp. OCC-328, Att. 1, and Interrog. Resp. OCC-357, Att. 1. Regarding severance, signing bonuses and relocation expenses:

a. Attachment 1 of the Company's response to Interrogatory OCC-357, shows a single Rate Year severance amount of $92,000. State the Rate Year severance amount reflected in the Application as filed and the effect of the change on the Rate Year.
b. Identify the organizational effectiveness activities that produced the Test Year severance of $1,699,000. State the number of employees separated, their titles and departments, and whether each position was eliminated or refilled.
c. State the amount of signing bonuses included in the Rate Year and provide the derivation of that amount, including the number of signing bonuses assumed and the average amount of each. For each signing bonus exceeding $10,000 in Attachment 1 of the response to Interrogatory OCC-328, including the $100,000 paid to a Director in 2023, state the organization to which the recipient was assigned, at the level presented on Sch. G-2.14, and whether the recipient was employed by CL&P or by EESCO. Provide the Company's policy governing signing bonuses.
d. Explain the increase in relocation expense to $166,000 in 2024 in Attachment 1, of the response to Interrogatory OCC-351. State the basis for the Rate Year amount of $36,000.

Response:

a. The Rate Year amount included in the Company's initial cost of service filing was approximately $1,711,000. The Company will update the cost of service to include the Rate Year amount included in OCC-357 Attachment 1, of $92,000, and it will represent a decrease in expense in the Rate Year of approximately $1,619,000.

b. In connection with its efforts to reduce its ongoing cost structure, the Company undertook an initiative in 2025 to identify cost reductions from its budgeted cost base. The review considered opportunities for labor and non-labor savings, organizational changes, and process efficiencies.

   The initiative was not undertaken primarily for the purpose of reducing headcount. As part of its broader cost review, the Company evaluated historical internal and external staffing

levels, management spans of control, duplicate roles/functions, upskilling needs, historical leadership and non-leadership hiring patterns, recent O&M and capital labor costs, and non-labor cost components.

Based on this review, the Company identified 45 positions for elimination. The titles and departments associated with the eliminated positions are provided in RRU-069, Attachment 1. These positions were eliminated and were not refilled.

c. The Company revised the amount identified as Test Year signing bonuses in the Company's response to OCC-328-RV01[i]. The Amount of signing bonuses included in the Rate Year is $59,604. The Rate Year amount is calculated using the level of signing bonuses in 2025 escalated for inflation. Please refer to RRU-069, Attachment 2, for the derivation of that amount. Please refer to OCC-328-RV01, Attachment 1, for the detail regarding the organization and employer for each individual signing bonus exceeding $10,000. The Company may provide sign-on bonuses to attract and secure talent in response to business needs, competitive market conditions, hard-to-fill positions, or to offset compensation or incentives forfeited by a candidate when accepting employment with the Company. Employees who voluntarily resign from employment or are terminated for cause within twenty-four (24) months of their hire date must repay the sign-on bonus in accordance with the terms outlined in their offer letter.

d. Relocation expenses are inherently variable from year to year because they are driven by hiring activity and workforce needs that cannot be precisely predicted. The level of expense depends on the number and location of vacancies, the qualifications and geographic availability of successful candidates, and whether relocation assistance is necessary to secure needed talent. As a result, relocation costs may fluctuate significantly based on the specific hiring circumstances in a given year. The Rate Year amount of relocation expenses is calculated using the level of relocation expenses in the 2025 Test Year escalated for inflation where applicable.

Prior Referenced Response:

[i] OCC-328-RV01 Question:

Payroll. Provide a list of signing bonuses paid by employee title and amount paid in each of the years 2021, 2022, 2023, 2024, 2025, and the amount included in the Rate Year.

OCC-328 RV01 Revised Response:

The Company identified an inadvertent error related to the 2025 signing bonuses paid by employee title. Please refer to OCC-328-RV01, Attachment 1, for the updated listing. This change reflects an approximately $4,000 increase to the amount of signing bonuses paid in 2025.

Additionally, OCC-328, Attachment 1, had employees grouped by the same employee title. OCC-328-RV01, Attachment 1, identifies each employee that received a signing bonus by job title. This does not affect the total annual amount of signing bonuses.

Original Response:

Please refer to OCC-328, Attachment 1, for a list of signing bonuses paid by employee title with amounts paid in 2021, 2022, 2023, 2024, 2025 and YTD 2026.