Date Filed: October 19, 2026

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

Question:

(PAYROLL TAXES) O'Brien and Murray Pre-Filed Test., p. 125; Application, Sch. WP C- 3.38; Interrog. Resp. OCC-326. Regarding the payroll taxes:

a. (i) Reconcile the growth in payroll taxes of approximately 4.1% to the growth in payroll of 11.2%; (ii) quantify separately the effect of the Social Security wage base limitation, changes in the taxable wage base, changes in rates, and any other driver on the growth in payroll taxes; and (iii) explain the 2021 amount of $6,094,000 against approximately $12,100,000 to $14,400,000 in each subsequent year.

b. (i) Reconcile the payroll tax and benefit component of 26.26% within the 26.41% loader in the Company's response to Interrogatory OCC-326 to the Weighted Payroll Benefit Rates for 2023 through June 2026 in Attachment 2 of the Company's response to Interrogatory OCC-202; and (ii) state which rate is reflected in Schedule C-3.38 and separate each rate into its payroll tax component and its benefit component.

c. (i) State the Social Security wage base applied for the Rate Year; (ii) demonstrate how the limitation is applied at the individual employee level; and (iii) state whether the additional Medicare tax on wages above $200,000 is reflected.

d. (i) State the Connecticut unemployment tax rate assigned for the Rate Year and the wage base applied; (ii) reconcile that rate and wage base to the 1.5% rate on the first $15,000 of earnings described in the testimony; and (iii) reconcile the employee count implied by the payroll tax computation to Sch. G-2.14 and to the full-time equivalents underlying Sch. C-3.5.

Response:

a. (i) – (ii) The payroll taxes growth rate of 4.1% accounts for the removal of the CEO, CFO, and CL&P President's base salaries totaling approximately $588,000 and variable compensation of nearly $2.709 million, as well as the exclusion of the remaining named executive officers long-term incentive plan in the amount of $615,000 in this proceeding, whereas the payroll expense growth is driven by merit increases through the Rate Year and 58 incremental FTEs.

(iii) The Company provided this historical view for informational purposes, consistent with commitments made in prior settlement agreements (see, e.g., Docket No. 18-05-10). However, for

years other than the test year, the data does not have the level of precision that is necessary for a specific item-by-item comparison between the settled resolution of the rate case in Docket No. 17-10-46 and the figures presented in Exhibit CLP-REVREQ-3 in this case.

b. (i) The payroll tax and benefit rate of 26.26% in OCC-326[i] reflects the payroll tax, benefits and insurance components for the General Service Company Overhead Rate effective July 2026, whereas the overhead rates in OCC-202 Attachment 2, refers to the weighting of the Payroll Benefit Rates for CL&P, two separate and distinct overhead rates. Please refer to RRU-055 Attachment 1, for each overhead rate component and calculation effective January 2023 through July 2026. Additionally, please refer to RRU-055 Attachment 2, for the weighted overhead calculation.

(ii) Neither rate is used in Schedule C-3.38 and please refer to RRU-055 Attachment 1, for the overhead rate components and calculations.

c. The Social Security wage base in the Rate Year reflects the wage base effective in the Test Year, 2025. The wage base was not amended for the Rate Year. The additional Medicare Tax subject to wages above $200,000 as of the Test Year were carried through to the Rate Year.

d. The Company did not adjust the Rate Year State Unemployment tax because the 1.5% is applied to the first $15,000 of earnings and it's assumed that the Test Year is already applied to each employee on the full capped amount of $15,000, and the State Unemployment was not adjusted for the incremental FTEs in the cost of service.

Prior Referenced Response:

[i] OCC-326 Question:

Payroll (open positions). For each open position:

a. Total annual compensation, benefits and payroll taxes associated for the unfilled position
b. Length of time that the position has been open.
c. Planned hiring dates for each position,
d. Hiring dates for any of these positions that have been filled.
e. Copy of the advertisement for employment.
f. For each open position, state whether it is a CL&P employee/FTE or shared service employee/FTE.

OCC-326 Response:

Please refer to OCC-326, Attachment 1. As of December 31, 2025, there were 333 open, unfilled positions between CL&P and Eversource Energy Service Company ("ESC"):

(A) Description	(B) CL&P	(C) EESCO	(D)=(B)+(C) Total
Open/unfilled positions	30	303	333

There are no open positions in either CL&P or ESC with a target hiring date in the Rate Year.

Currently, of the open and unfilled positions at December 31, 2025, there remain 14 un-filled positions in ESC and one position in CL&P. The total annual compensation for un-filled positions in ESC (OCC-326, Attachment 1, Column K) consists of the market rate for the position and a 26.41% loader comprised of Payroll Tax + Benefits (26.26%) and Insurance (0.15%). Union positions are indicated by an asterisk (*); compensation rates are per contract. In response to (f), the path to the Eversource Career Site for each position is shown in OCC-326, Attachment 1, Column L.