Date Filed: August 06, 2026

Witness: Sasha P. Lazor, Brendan J. O'Brien and Garrett J. Murray
Request from: Office of Consumer Counsel

Question:

(Incentive Compensation) Are union employees eligible for incentive compensation? If yes, provide the amount included in O&M expense in each of the rate years. If no, explain why not.

Response:

In general, employees subject to a collectible bargaining agreement are not eligible for variable compensation. Union-represented personnel are compensated based on collective bargaining agreements that incorporate compensation structures aligned with industry labor obligations. Through these collective bargaining agreements, union employees are compensated for all hours worked using hourly pay multipliers (i.e., time and a half or other premium pay multipliers). These collectively bargained pay practices are not typically offered to non-union employees who are eligible for variable compensation (and vice versa). Because union employees are compensated for all hours worked using standard industry multiples, collective-bargaining agreements typically do not utilize a variable pay compensation structure to compensate for work performed in furtherance of the job position. However, in certain very limited circumstances, a union position may be eligible for variable compensation. The amount of union employee variable compensation included in operating and maintenance expense in the Rate Year is approximately $29,655.