Date Filed: October 13, 2026

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

**Question:**

(SERP EXPENSE) Application, Sch. C-3.12; Interrog. Resp. OCC-069, Att. 1 and Interrog. Resp. OCC-356, Att. 1. Regarding the Supplemental Executive Retirement Plan (SERP) and related non-qualified arrangements:

a. (i) Provide the plan and trust documents for each supplemental executive retirement and non-qualified deferred compensation arrangement; (ii) identify by title the employees eligible for the Test Year; and (iii) state the ratepayer benefit relied upon for recovery of the cost of each arrangement.
b. (i) State the amount of each executive settlement or special termination benefit charged to CL&P in each of calendar year from 2021 through 2025; (ii) identify each recipient by title; and (iii) state whether any portion remains in the Rate Year and if so, the amount of that portion.
c. Identify each participant departure, settlement, benefit payment, or assumption change contributing to the decline in SERP expense from $4,994,000 in 2023 to $1,993,000 in 2025 and state the amount attributable to each.
d. State: (i) the number of employees eligible for the SERP who are also eligible for the Cash Balance Pension Plan and the 401(k) plan; and (ii) the aggregate annual retirement benefit cost per such employee.

**Response:**

a.

(i) Please refer to RRU-066, Attachment 1, for The Eversource Supplemental Executive Retirement Program.

(ii) Please refer to RRU-066, Attachment 2, for the titles of eligible executives as of 12/31/2025.

(iii) It is common practice among companies with qualified defined benefit pension plans to provide executives with a benefit that makes them whole for the limits on pensionable earnings that the Internal Revenue Service imposes on qualified pension plans. The objective is for executives to receive a pension that is similar to nonexecutives' pensions relative to their pay. A SERP, which is a non-qualified

plan, accomplishes that objective by providing executives with a supplemental retirement benefit in addition to the benefit provided under the qualified plan.

Eversource Energy must be competitive with other employers seeking to retain individuals of the caliber of Named Executives, including the overall compensation package. The Company has carefully and deliberately constructed its compensation package, consistent with industry norms, to ensure that it has access to employees who will advance the Company's overall corporate mission to provide customers with high-quality, safe, and reliable service and that it has the means to retain these employees. Were the Company to fail to offer employees those compensation components that are regularly offered in the marketplace for similar positions, it is likely that employees would accept an employment offer elsewhere that included a complete, as opposed to piecemeal, compensation package. The overall executive compensation levels are in line with industry peers; therefore, the SERP amounts are reasonable.

b. There were no executive settlements or special termination benefits charged to CL&P in 2021. In 2022, James Judge, Chief Executive Officer (CEO), received a special termination benefit of $9,900,000; of which the allocated portion to CL&P was $1,967,130. In 2023, Settlement Charges totaling $12,380,000 were recorded, and the allocated portion to CL&P was $2,478,476. A total of $8,710,000 was attributable to James Judge's lump-sum retirement and $3,670,000 was attributable to James Judge's special termination benefit, Philip Lembo (Chief Financial Officer (CFO)) and Neven Rabadjija's (Deputy General Counsel) lump-sum payments. In 2024, a Settlement Charge of $4,340,000 attributable to Werner Schweiger (Chief Operating Officer (COO)) and Ellen Greim (Vice President, Supply Chain, Real Estate and Materials) lump sum payments were recorded. The portion of this settlement allocated to CL&P was $811,146. In 2025, a Settlement Charge of $3,260,000 attributable to lump sums to Christine Carmody (Executive Vice President of Human Resources & Information Technology), Craig Hallstrom (President, Regional Electric Operations), and Stephen Driscoll (Vice President, Operation Services) was recorded. The portion of this settlement allocated to CL&P was $582,236. No portion of these settlement amounts or special termination benefits remain in the Rate Year.

c. The decline in SERP expense from $4,994,000 in 2023 to $1,993,000 in 2025 was primarily attributable to participant settlements and departures, as well as changes in actuarial assumptions. The lump-sum payments referenced in question (b), as well as benefit payments to other participants, contributed to the reduction in SERP expense. In 2025, James Daly departed the plan and was paid a lump-sum of $549,000. Additionally, actuarial assumptions changed between 2023 and 2025. For the NU SERP, the discount rate used for Service Cost increased from 5.22% in 2023 to 5.70% in 2025, and the discount rate used for Interest Cost increased from 5.07% to 5.33%. For the NSTAR SERP, the

Service Cost discount rate increased from 4.92% to 5.18%, and the Interest Cost discount rate increased from 5.07% to 5.41%.

d. The Company understands the question to mean employees eligible for the SERP plan qualify for "both" the Cash Balance Pension Plan and the 401(k) plan. Although all employees are eligible to participate in the 401(k) plan, those who are eligible to participate in the SERP plan are not eligible for the Cash Balance Pension Plan. Therefore, the number of employees eligible for both the SERP plan and in the 401(k) plan is 32; and there are no employees that are eligible for the SERP that are in the Cash Balance Pension Plan.