

# STATE OF CONNECTICUT

<b>ORIGINAL</b>	
N.H.P.U.C. Case No.	<u>DA 09-035</u>
Exhibit No.	<u>24</u>
Witness	
<b>DOCKET NO: 08-01-16</b>	

DEPARTMENT OF PUBLIC UTILITY CONTROL  
TEN FRANKLIN SQUARE  
NEW BRITAIN, CT 06051

PETITION OF RICHARD BLUMENTHAL, ATTORNEY  
GENERAL FOR THE STATE OF CONNECTICUT, FOR  
STANDARDIZED DISCLOSURE OF UTILITY EXECUTIVE  
AND OFFICERS COMPENSATION

December 3, 2008

By the following Commissioners:

Anthony J. Palermino  
John W. Betkoski, III  
Donald W. Downes

## DECISION

### I. INTRODUCTION

#### A. SUMMARY

The Department of Public Utility Control (Department) established this proceeding as a result of a Petition filed by the Attorney General of the State of Connecticut to require every regulated utility company in the state to submit annual information concerning executive and officer compensation in a standardized, easy-to-read and easy-to-compare, Department-approved, format and to post those filings on the Department's website.

The Department noticed and solicited comments from all participants with an interest in this issue. The Department examined and considered comments filed by participants. The Department herein discusses its findings and establishes a general policy for all public utility companies to follow when providing its annual executive and officer compensation to the Department.

## **B. BACKGROUND OF THE PROCEEDING**

On January 23, 2008, the Attorney General of the State of Connecticut (Attorney General or AG), requested the Department of Public Utility Control (Department) to require every regulated utility company in the state to submit annual information concerning executive and officer compensation in a standardized, easy-to-read and easy-to-compare, Department-approved, format and to post those filings on the Department's website pursuant to §§ 16-11 of the General Statutes of Connecticut (Conn. Gen. Stat.).

The AG requested that at a minimum, the public utilities information include, for each executive and officer and for the last four years, the amount and type of every type of compensation paid to its executives and officers, including stock options, future promises of compensation and separation agreements. In particular, the information should detail the following: Base Salary; Bonuses (cash and non-cash); all non-incentive based compensation (cash and non-cash); all incentive-based compensation (cash and non-cash).

## **C. CONDUCT OF THE PROCEEDING**

The Department established this docket to examine the disclosure of Connecticut's public utility companies' annual information concerning the compensation paid to its executives and officers in a comprehensive, standardized, easy-to-read format.

On March 17, 2008, the Department issued interrogatories to the participants of the instant proceeding and on March 4, 2008, the Department issued a Request for Written Comments. The due date for both of the above requests was March 31, 2008. On April 25, 2008, the Department reissued its interrogatories and the Request for Written Comments to allow for Connecticut's Cable companies to comment on the issues at hand.<sup>1</sup>

By Notice of Technical Meeting dated June 3, 2008, a technical meeting was held on June 24, 2008. By Notice of Hearing dated May 7, 2008, a public hearing was scheduled for May 15, 2008, in the offices of the Department. That hearing was held and the record was closed.

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<sup>1</sup> The Connecticut cable companies were inadvertently omitted from the initial service list.

**D. PARTICIPANTS**

Participants in the proceeding were as follows: Aquarion Water Company, 835 Main Street, Bridgeport, CT 06601-2353; The Southern New England Telephone Company d/b/a AT&T Connecticut, 310 Orange Street, 8th Floor, New Haven, CT 06510; Avon Water Company, 14 West Main Street, Avon, CT 06001; Bethel Consolidation Company, 4 Parklawn Drive, Bethel, CT 06801; Brookfield Water Company, 98 Laurel Hill Road, Brookfield, CT 06804; Cablevision of Connecticut, LP, 28 Cross Street, Norwalk, CT 06851; Charter Communications, 95 Higgins Street, Worcester, MA 06106; Comcast Cable, 630 Chapel Street, New Haven, CT 06510; Comcast Hartford, 222 New Park Drive, Berlin, CT 06037; Comcast, One Hilltop Road, Norwich, CT 06360; Connecticut Natural Gas Corporation, P.O. Box 1500, Hartford, CT 06144-1500; CoxCom, Inc., 170 Utopia Road, Manchester, CT 06045; Ellington Acres Water Company, 170 North Maple Street, Enfield, CT 06082; Hawks Nest Beach Water Company, 3 West End Drive, Old Lyme, CT 06371; Hazardville Water Company, 281 Hazard Avenue, Enfield, CT 06082; Heritage Village Water Company, Heritage Road, Southbury, CT 06488-0873; Jewett City Water Company, 281 Hazard Avenue, Enfield, CT 06082; Judea Water Company, 740 Thomaston Road, Watertown, CT 06795; The Connecticut Light and Power Company, P.O. Box 270, Hartford, CT 06141-0270; MetroCast Communications of CT, LLC., 61 Myrock Avenue, P.O. Box 6008, Waterford, CT 06385; Old Newgate Ridge Water Company, 45 Nutmeg Road, South Windsor, CT 06074; Olmstead Water Supply Company, 740 Thomaston Road, Watertown, CT 06795; Preston Plains Water Company, 145 Route 2, Mashantucket, CT 06339-3249; Rural Water Company, P.O. Box 86, Bethel, CT 06801; The Southern Connecticut Gas Company, P.O. Box 1500, Hartford, CT 06144-1500; Connecticut Water Company, 93 West Main Street, Clinton, CT 06413; The United Illuminating Company, P. O. Box 1564, New Haven, CT 06506-0901; Thames Valley Communications, Inc., 295 Meridian Street, Groton, CT 06340; Topstone Hydraulic Company, 39 Padanaram Road, Danbury, CT 06811; Torrington Water Company, 277 Norfolk Road, Torrington, CT 06790; Tyler Lake Water Company, 740 Thomaston Road, Watertown, CT 06795; United Water Company 110 Kent Road, New Milford, CT 06776-3416; Valley Water Systems, Inc., 37 Northwest Drive, Plainville, CT 06062; Verizon, 140 West Street, Floor 27, New York, NY 10007; West Service Corporation, P.O. Box 322, Stafford Springs, CT 06076; Yankee Gas Services Company, P.O. Box 270, Hartford, CT 06141-0270; The Office of the Attorney General, 10 Franklin Square, New Britain, CT 06051; The Office of Consumer Counsel, 10 Franklin Square, New Britain, CT 06051.

**II. DEPARTMENT ANALYSIS****A. GENERAL DESCRIPTION OF EXECUTIVE COMPENSATION**

The typical executive compensation package includes some or all of the following components:

- Base salary
- Short-term (annual) incentive plan
- Long-term (2-5 years) incentive plan
- Stock options
- Supplemental benefit plans and perquisites (perks)

Base salary is the amount that an executive receives irrespective of his performance or that of the company. Base salary is generally increased from year to year at a relatively steady pace (typically 4%-7%). The amount of base salary would not be expected to increase significantly between rate cases absent such significant changes as company reorganization, merger or acquisition, changes in responsibility or to catch up to perceived market rates.

Annual incentive payments are typically based on tactical objectives measured on a year to year basis. The objectives can relate to company or individual performance. As utilities become more competitive, the variability of annual incentive payment amounts is likely to increase. Because of this variability and the difficulty of distinguishing goals that benefit ratepayers from those that benefit shareholders, it may be difficult to determine the portion of incentive payments that represents reasonable costs in a rate case. It is usually even more difficult to determine whether the goals can and will be achieved cost effectively and whether the value of achieving these goals is worth the additional executive compensation expense.

Long-term incentives are similar to short-term incentives, except that long-term incentives are often based on goals identified as "strategic." Apparently, the intention is to focus executive attention on long-term planning and results, although, as seen in this docket, some of the companies' long-term goals do not appear to differ materially from short-term ones. Because long-term incentive payments incorporate longer periods of performance measurement, their variability is likely to be greater than short-term payments; therefore, they present an even greater problem in ratemaking than do short-term payments.

Stock options are granted to executives from time to time as a reward for performance or longevity of employment and to sensitize executives to future company performance. The extent of options provided is rarely based on the meeting of specific performance objectives, and the value of the options relates only to the growth in the value of company stock and not to any specific performance by an executive.

Supplemental benefits are those provided to executives in addition to the benefits provided for rank and file employees of the company. There are two types of supplemental pension benefits. First, there are those that are provided only to put executives on an even footing with rank and file employees, and which compensate for the arbitrary salary and benefit limitations under the Internal Revenue Code. Second, some executives are covered by a richer benefit formula or have a greater portion of total compensation counted than under the basic pension plan, in which case they are receiving benefits that rank and file employees would not receive even if they earned the same compensation as the executives.

## **B. DISSEMINATION OF COMPENSATION INFORMATION**

Since the early 1990s there has been growing shareholder and public interest in obtaining additional and more useful information regarding executive compensation. The interest in this subject has prompted a number of initiatives directed at improving corporate communications in this area and disclosure standards have evolved from simple

statements regarding the amounts of compensation paid to a more complete discussion and explanation of the rationale for such payments.

To show its interest in the matter, over the years, the Securities and Exchange Commission (SEC) issued rules designed to improve the quality of compensation information made available to shareholders in proxy statements and other SEC filings. These rules became effective for corporations reporting on a calendar year basis at the end of 1992, and proxy statements developed for 1993 shareholder meetings included the expanded disclosures.

On July 11, 2008, Connecticut Natural Gas Corporation, The Southern Connecticut Gas Company, United Illuminating Company, Connecticut Light and Power Company and Yankee Gas Services, (together, the Companies), the AG and the Office of Consumer Counsel (OCC) filed for Department approval, a proposed format to be used to report the annual compensation of officers and directors of public service companies pursuant to Conn. Gen. Stat. § 16-44(a). This proposed standardized reporting format, that is very similar to the SEC filing, was the result of collaborative efforts of the Companies, OCC and AG because they believed that it would provide Connecticut ratepayers with consistent and easily understandable compensation information. This format, (See Attachment A) was approved by the Department on July 31, 2008.

### **C. TELEPHONE AND CABLE COMPANIES**

Consistently throughout this proceeding, both AT&T and Verizon (jointly, the Telephone Companies) and the Cable Companies claimed that the Department is limited by Conn. Gen. Stat. § 16-44a; and therefore could only require those companies that are subject to rate of return regulation (ROR) to disclose executive and officer compensation. AT&T Brief, p. 2-7; Verizon Brief, p. 3-7; NECTA Brief, p. 1-3; Comcast Brief, p. 3; Cablevision Brief, p. 3.

The Telephone Companies argued throughout this proceeding, that the information the AG seeks is relevant only when the Department is calculating cost of service for rate base, ROR regulated entities. They maintained that they are not such an entities; therefore, there is no useful regulatory purpose to be served by requiring them to disclose the requested information requested. Nevertheless, AT&T stated that it does not object if the Department were to populate its website with the executive and director compensation information from its annual report to stockholders, which is filed annually with the Department. Verizon however, wishes to keep all that information private. AT&T Brief, pp. 1-7; Verizon Brief, pp. 2-7.

The Telephone Companies also are of the opinion that the Department's powers and jurisdiction are limited to those that are expressly or by necessary or fair implication conferred by statute.<sup>2</sup> They argue that Conn. Gen. Stat. §16-11 may seem to be a relatively broad grant of power; however, it must be read in context with other statutes.

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<sup>2</sup> See Figueroa v. C&S Ball Bearing Co., 675 A.2d 845, 847 (Conn. 1996) ("an administrative body must act strictly within its statutory authority").

According to the Telephone Companies, the legislature enacted specific legislation, Conn. Gen. Stat. §16-44a, which provides the Department with its sole grant of authority to require disclosure of officer compensation. The Telephone Companies contend that the legislature saw fit to limit the entities which were required to publicly disclose officer compensation solely to ROR utilities. The Telephone Companies also state that Conn. Gen. Stat. §16-44a provides that only public service companies that are “regulated pursuant to sections 16-19 and 16-19e” are required to disclose officer compensation information. Additionally, they state that Conn. Gen. Stat. §§16-19 and 16-19e does not apply to telecommunications services that are competitive or to which an approved plan for an alternative form of regulation applies.<sup>3</sup> The Telephone Companies maintain they are not a ROR utility because all of their services have been declared competitive or are subject to an alternative regulation plan. Id.

Further, Conn. Gen. Stat. §16-47(f) requires holding companies to file their annual reports to stockholders. Such reports also contain compensation information regarding the holding company’s board of directors and certain highly compensated officers. As these two specific statutory enactments govern this field of officer compensation, the Telephone Companies argue that the Department is not free to rely on statutes of a more general nature, such as Conn. Gen. Stat. §16-11, to create jurisdiction. Id.

Moreover, the Telephone Companies believe that the legislature enacted Conn. Gen. Stat. §§16-44a and 16-47(f) to provide specific guidelines to the Department as to which public service companies must publicly disclose officer compensation information. Should the Department use Conn. Gen. Stat. §16-11 as grounds to compel the disclosure of this information from other non-ROR public service companies, such as AT&T and Verizon, the Department will have impermissibly rendered Conn. Gen. Stat. §§16-44a and 16-47(f) nullities. Id.

AT&T similarly argues that the legislature has further provided that “any such public service company that files SEC Form 10-K, Part III with the department pursuant to an order from the department shall be deemed to be in compliance with subdivision 2 of this subsection.”<sup>4</sup> Therefore, AT&T contends that the legislature has provided mandatory instruction to the Department that SEC Form 10-K is deemed to be acceptable to satisfy the officer compensation disclosure requirement of Conn. Gen. Stat. §16-44a. Likewise, the annual report to stockholders satisfies the holding company disclosure requirement of Conn. Gen. Stat. §16-47(f). The Department should not proscribe additional officer compensation disclosure requirements upon public service companies. However, AT&T does not object if the Department uses the existing executive and director information contained in this annual report to populate its website. AT&T Brief pp. 2-4.

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<sup>3</sup>See Conn. Gen. Stat. §§16-19(a) and 16-19e(f).

<sup>4</sup> Conn. Gen. Stat. §16-44a (emphasis added).

As the Telephone Companies explain, they are not ROR utilities because their services have been declared competitive or subject to an alternative regulation plan.<sup>56</sup> According to Conn. Gen. Stat. §16-247k, “upon approval by the department of [an alternative regulation] plan, the services to which the plan applies shall be regulated in accordance with the provisions of the plan, and the provisions of sections 16-19 and 16-19e shall not apply to such services.”<sup>7</sup> Therefore, as an explicit consequence of the Department’s action to approve the Telephone Companies alternative regulation plan, the Department relieved AT&T and Verizon of their status as a ROR utility and the associated regulations. AT&T Brief, pp. 3-7; Verizon Brief, pp 2-7.

The Telephone Companies argue that when the legislature enacted Conn. Gen. Stat. §16-44a, it recognized that officer compensation information becomes irrelevant when a public service company is not rate regulated because it limited the officer compensation disclosure requirements to rate regulated companies only.<sup>8</sup> Considering that “tax return information contains the most sensitive, personal information”<sup>9</sup> and such information does not serve a useful regulatory purpose in a non-ROR environment, the Department should not depart from the legislature’s guidance just to satisfy the curious. Id.

Finally, AT&T notes that on July 31, 2008, the Department approved a proposed format for disclosure of compensation information.<sup>10</sup> AT&T does not object to the Department using the compensation information for those executives and directors listed in AT&T Inc.’s annual report. However, for the reasons explained above, it argues that it is inappropriate to require non-ROR public service companies to disclose this information for the other individuals described on the approved form. The Telephone Companies also note that since they do not have ratepayers, the categories “Amount of Compensation Charged to Utility” and “Percentage of Compensation Charged to Utility” would not be applicable to them. AT&T Brief, pp 3-7; Verizon Response to Interrogatory ALL-3.

The Cable companies also argue that they should not be added to a docket that seeks to standardize compensation reporting requirements for ROR utilities because they are excluded from being regulated as ROR utilities as a matter of state law, Conn. Gen. Stat. §§16-19 and 16-44a, which limits the scope of executive compensation

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<sup>5</sup> See AT&T Connecticut Letter in Lieu of Written Comments and Motion for Clarification dated March 13, 2008 and March 24, 2008, respectively; Tr., May 15, 2008, pp. 108 and 109.

<sup>6</sup> See Docket No. 95-03-01, Application of The Southern New England Telephone Company for Financial Review and Proposed Framework for Alternative Regulation, Decision, March 13, 1996.

<sup>7</sup> Conn. Gen. Stat. §16-247.

<sup>8</sup> Conn. Gen. Stat. §16-44a and see Part I above.

<sup>9</sup> Press Release issued by the Attorney General on April 3, 2006, attached as Exhibit 1 to AT&T Connecticut’s Response Cover Letter to Interrogatories ALL-2 through ALL-9 dated April 11, 2008.

<sup>10</sup> See Department Letter Ruling, Motion No. 10, June 30, 2008.

disclosure obligations, and federal law 47 U.S.C. § 541(c) which allows for the regulation of the terms and conditions of the companies, however expressly precludes utility regulation of cable companies. In addition, according to the New England Cable and Telecommunications Associations, Inc. (NECTA), the General Assembly through Public Act 07-253, An Act Concerning Certified Competitive Video Service, (codified as Conn. Gen Stat. § 16-331z), made clear that video service providers in geographic areas served by competitors should be subject to significantly reduced regulatory requirements compared to traditional community antenna television service. NECTA also states that saddling video service obligations when they fall outside of the governing statute and outside of the list of companies targeted by the AG, would do harm to the clear legislative intent to minimize burdens on participants in the newly competitive video markets. Further, NECTA states that the Department can not require the information in this docket from NECTA members that have obtained Certificates of Cable Franchise Authority's (CCFA) under Conn. Gen. Stat. § 16-331z. Under Conn. Gen. Stat. § 16-331z, NECTA maintains the Department is constrained from requesting CCFA holders to provide financial information, which is the underlying purpose of this proceeding. Lastly NECTA argues that cable companies are not similarly situated to incumbent telephone companies.

According to the AG, the general purpose of Conn. Gen Stat. § 16-11 is "to assure the state of Connecticut its full powers to regulate its public service companies, to increase the power of the Department of Public Utility Control and to promote local control of the public service companies of this state." AG Reply Brief, pp 1-4

The AG believes that it was the Department's intent to rely on Conn. Gen. Stat. § 16-11 because it recognizes that full public disclosure of executive and officer compensation serves a number of important regulatory purposes. To be sure, it is an important aspect of a utility company's ratemaking process. It is also, however, critical to the Department's overall ability to adequately "regulate its public service companies," which is the main function of Conn. Gen. Stat. § 16-11. As noted supra, this includes evaluating utility companies' customer service quality. It is also relevant when considering a utility company's managerial suitability. If there is no control over executive and officer salaries, the company's managerial suitability could be called into question. Id.

The Department is of the opinion that the scope of this proceeding goes beyond rate-making issues. Full disclosure of executive and officer compensation goes to the heart of the Department's ability to fully regulate the state's public utility companies as contemplated in Conn. Gen. Stat. § 16-11, including its evaluation of customer service quality. Further, as the Department noted during this proceeding, certain AT&T and Verizon services remain in a "non-competitive" category, meaning that they are still subject to Department regulation and reporting requirements.

The purpose of the instant docket is to provide a standardized, easy to read format for executive compensation data. This standardized format will allow customers to review executive compensation in an understandable and consistent manner. To achieve this purpose the Department conducted this proceeding pursuant to Conn. Gen. Stat. § 16-11, not §16-19, §16-19e or §16-44a since the subject data is not intended for rate making purposes. Under Conn. Gen. Stat. § 16-11, the Department has broad



authority to review, inter alia, the manner of operations of public service companies in respect to the adequacy and suitability to provide their respective services. In the Department's opinion, the level of executive compensation relates directly to the adequacy and suitability of the company to provide adequate service. The Department further has determined that the public has a right to know this information in order to make informed decisions regarding their choice of service provider.

Additionally, AT&T and Verizon had argued that since they are not rate of return companies they should not be required to file the subject executive compensation information. The Department believes that this argument is amiss. The Department is not requiring the filing of information for rate making purposes. Rather, as discussed above the Department wants executive compensation information in a standardized, easy to read format to allow the public to review the information. Conn. Gen Stat. § 16-11 grants the Department the authority to request such information from all public service companies, including the telephone companies. Therefore, the Department finds that AT&T and Verizon will be required to file the executive compensation information on the form provided. The companies may indicate "not applicable" for the categories of "Amount of Compensation Charged to Utility" and "Percentage of Compensation".

The CATV providers are also public service companies as are the holders of a CCFA.<sup>11</sup> Therefore, those entities are also subject to Conn. Gen Stat. § 16-11. As public service companies the Department believes that the public has a right to know the executive compensation information. However, for CCFA holders, Conn. Gen. Stat. § 16-331z specifically exempts such entities from filing, inter alia, financial information. Therefore the Department has determined that only CATV providers file the executive compensation information on the prescribed form and may indicate "not applicable" for the categories of "Amount of Compensation Charged to Utility" and "Percentage of Compensation". Since the holders of a CCFA are specifically exempted from filing financial information, those entities need not file the executive compensation information.

In its exceptions both Verizon and AT&T, again, argued that they should not be required to file the executive compensation because they are not subject to Conn. Gen. Stat. § 16-44a and that the Department can not utilize Conn. Gen. Stat. § 16-11 to require the subject filings. They also argued that since the Department exempted holders of CCFA's from filing executive compensation data, Verizon and AT&T should also be exempted. Verizon Brief, pp. 3-6; AT&T Brief, pp. 2-9. The Department disagrees with Verizon and AT&T.

The Department is at a loss as to why AT&T and Verizon would be so disinclined to report their executive compensation to the public since, both are accorded many privileges in being designated a public utility. In fact, both Verizon and AT&T provide the same information in their annual reports for their publically traded company, AT&T Inc. and Verizon Communications, Inc. However, in addressing AT&T and Verizon's arguments, the Department reiterates that this docket was noticed pursuant to Conn.

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<sup>11</sup> The Department notes that holders of a certificate of video franchise authority are not defined as public service companies.

Gen. Stat. § 16-11 which gives the Department broad authority to regulate its public utilities. The Department is not requiring the subject information for rate making purposes; but, rather, the docket was initiated to allow for a standard format for executive compensation information to require regulated utilities to submit annual information concerning executive compensation in an easily readable format and to post the filings on the Department website. Furthermore, pursuant to Conn Gen. Stat. § 16-247g (d), telecommunication providers and telephone companies shall, file inter alia financial reports at such times and in such form as the Department shall require. Therefore the Verizon and AT&T argument is not persuasive.

Additionally, in regards to the argument that Verizon and AT&T are not being treated similarly to the holders of CCFAs, Conn. Gen Stat. § 16-247k exempts telephone companies operating under an alternative regulation plan to be exempt from Conn. Gen. Stat. §§ 16-19 and 16-19e only. They are not exempted from Conn. Gen. Stat. § 16-247g or § 16-11. Therefore the telephone companies are not exempted from filing financial information. However, the holders of CCFAs are specifically exempted from filing financial data in general including the type of information required in this proceeding. See Conn. Gen. Stat. § 16-331z. Accordingly, the Department finds that while holders of CCFA's are not required to file financial information and are therefore exempt from filing the executive compensation formation, telephone companies are not exempt from filing financial information. Therefore, the Department rejects Verizon and AT&T arguments and requires both companies to file the executive compensation data as outlined in this decision.

### **III. CONCLUSION AND ORDERS**

#### **A. CONCLUSION**

Although a number of issues have been discussed in this proceeding, the Department has determined that the scope of the instant docket would be for reporting purposes only. The Department was clear that this is not a rate case, or an avenue for companies to debate their status and their obligation to disclose executive compensation information.

As a result of the SEC's initiatives, the current reporting obligations for executive and officer compensation are relatively uniform across all of the utility industries. Therefore, the Department will require each public utility, with the exception of holders of CCFAs, as defined in Conn. Gen. Stat. § 16-1, to provide to the Department its executive and officer compensation in the agreed upon format (Attachment A). The Department will provide an annual form on its website for the public service companies to use for the filing.

#### **B. ORDERS**

For the following orders, submit one original and five (5) copies of the requested material to the Executive Secretary, identified by Docket Number, Title and Order Number. Compliance with Orders shall commence and continue as indicated or until

the Companies request and the Department approves that the Companies' compliance is no longer required after a certain date.

1. Each Public Utility, with the exception of holders of CCFAs, shall provide to the Department its executive and officer compensation in the agreed upon format (Attachment A).
2. **Compliance Order:** No later than December 31, 2008, all public utilities, with the exception of holders of CCFAs, shall separately report to the Department, in the format below (Attachment A), its annual compensation of Officers and Directors for the years 2006 and 2007.
3. **Compliance Order:** No later than July 1, 2009, and annually thereafter, all public utilities, with the exception of holders of CCFAs, shall separately report to the Department, in the format below (Attachment A), its annual compensation of Officers and Directors for the prior year.

## Attachment A

ANNUAL COMPENSATION OF OFFICERS AND DIRECTORS  
OF XXXXXXX Company

Fiscal Year Ending

[illegible]

## OFFICERS AND DIRECTORS WHOSE COMPENSATION IS TO BE REPORTED

- |  |  |  |  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>▪ All officers of the Utility at the Vice President level and above.</li> </ul>   |  |  |  |
| <ul style="list-style-type: none"> <li>▪ Members of the Utility and Parent Company Board of Directors if Utility pays any portion of their Board compensation.</li> </ul>  |  |  |  |
| <ul style="list-style-type: none"> <li>▪ Top five paid officers of the Parent Company (as reported in the Parent Company's proxy if applicable and all officers at Vice President level and above of Parent Company or Utility affiliates whose compensation is allocated to the Utility.</li> </ul> |  |  |  |
| <ul style="list-style-type: none"> <li>▪ If an officers' compensation is not otherwise required to be reported publicly, such officers shall not be identified by name or title.</li> </ul>  |  |  |  |

### DEFINITION OF DATA TO BE REPORTED

- |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <p>▪ Except as noted, values shown in each column will be determined as if reported in the Summary Compensation Table required by Item 402(c) of Regulation S-K (17 CFR § 229.402(c)), or successor, appearing in the proxy statement for the company's annual meeting of shareholders filed with the U.S. Securities and Exchange Commission.</p> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <p>▪ Change in pension value for officers that do not report in proxy statements will be estimated using service cost and interest cost related to each such officer.</p>  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <p>▪ "Amount and percentage of compensation charged to utility" represents amount and percentage of compensation charged to Utility Capital Accounts and/or Operating Expense (above-the-line).</p>  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

DOCKET NO. 08-01-16 PETITION OF RICHARD BLUMENTHAL, ATTORNEY  
GENERAL FOR THE STATE OF CONNECTICUT, FOR  
STANDARDIZED DISCLOSURE OF UTILITY EXECUTIVE  
AND OFFICERS COMPENSATION

This Decision is adopted by the following Commissioners:

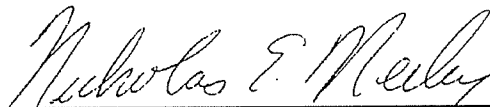
Anthony J. Palermino

John W. Betkoski, III

Donald W. Downes

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Nicholas E. Neeley  
Executive Secretary  
Department of Public Utility Control

December 5, 2008

Date

