

**ATTACHMENT 4**

**Memorandum of Agreement Clarifying Certain Employee Protections Following a  
Divestiture by PSNH of its Generating Assets**

## **Memorandum of Agreement Clarifying Certain Employee Protections Following a Divestiture by PSNH of its Generating Assets**

Public Service Company of New Hampshire d/b/a Eversource Energy (hereinafter referred to as "PSNH") and IBEW, Local 1837 (hereinafter collectively the "Parties") hereby enter into this Memorandum of Agreement ("Agreement") to clarify certain provisions, including specifically the pension provisions, under that certain Memorandum of Agreement Extending Current CBA Upon Divestiture by PSNH of any Generation Asset, executed on May 20, 2015 ("MOA"), which incorporates as Exhibit A that certain Memorandum of Understanding Regarding Employee Protection Provisions, executed on May 20, 2015 ("MOU"), and as Exhibit B that certain explanation of Enhanced Bidding Rights, and Amendment dated November 14, 2016.

WHEREAS, the Parties negotiated and executed a new Collective Bargaining Agreement ("Current CBA") effective on June 1, 2017 with an expiration date of May 31, 2020, which superseded and replaced the Collective Bargaining Agreement between the Parties that expired by its terms on May 31, 2017 and is referenced in the MOA and MOU as the then-existing CBA ("Prior CBA"); and

WHEREAS, the New Hampshire Public Utilities Commission in its Docket No. DM 17-029, "Auction of Electric Generation Facilities," recognized that the divestiture process had been delayed from what had been anticipated; and

WHEREAS, when agreeing to the MOU and MOA, the Parties had anticipated that the closing (the "Closing") of the divestiture of the PSNH generating assets ("Acquired PSNH Generating Asset(s)") would occur prior to the expiration of the Prior CBA; and

WHEREAS, the Parties recognize the provisions of the MOA and MOU extending the Prior CBA for a period of two (2) years following the closing of the divestiture by PSNH of any generating facility currently owned by PSNH to another entity (the "Acquiring Entity") or upon the shut-down of any generating facility currently owned by PSNH are no longer applicable due to the term of the Current CBA; and

WHEREAS, as a result of the delay in the divestiture process the Parties wish to clarify the effect of the Current CBA on the MOA and MOU, including specifically with respect to the applicability and extension of the Prior CBA and the pension provisions contained in Section VI of the MOU.

NOW THEREFORE, the Parties agree as follows:

**I. MOA – The following provisions relate to the interpretation and application of the MOA:**

1. The provision in the MOA providing that the Parties agree to extend "the existing collective-bargaining agreement (CBA) for a period of two (2) years following the divestiture by PSNH of any generating facility currently owned by PSNH to another entity or upon the shut-down of any generating facility currently owned by PSNH" is superseded by the Current CBA, which does not expire until May 31, 2020. In the event that such divestiture or closing occurs after May 31, 2018, the Current CBA will expire two (2) years after the actual Closing.

2. The provision in the MOA providing, “Any negotiated wage adjustments or benefit changes that are negotiated between PSNH and IBEW Local 1837 Utility Group CBA after June 1, 2017 will apply to the employees covered by this agreement until the expiration of this agreement (2 years from the transfer of ownership to a new entity),” is clarified to refer to the Current CBA, which does not expire until May 31, 2020, or for a period of two (2) years after the actual Closing, whichever is later.
3. All other terms of the MOA remain unchanged.

**II. MOU** – The following provisions relate to the interpretation and application of the MOU:

4. All references and associated obligations in Section II of the MOU to the effect that PSNH will make as a condition of sale the extension of the Prior CBA for a period of two years following divestiture and the requirement that the Acquiring Entity be bound by the terms of the extended Prior CBA, shall instead be interpreted to simply require PSNH to make as a condition of sale that the Acquiring Entity will be bound by the terms of the Current CBA, which does not expire until May 31, 2020, or for a period of two (2) years after the actual Closing, whichever is later.
5. All references in the MOU to the term of the existing Collective Bargaining Agreement, shall be interpreted to mean the term of the Current CBA, which does not expire until May 31, 2020, or for a period of two (2) years after the actual Closing, whichever is later.
6. The provision in Section VI of the MOU providing, “The Company will require as a condition of sale that when employees who are hired by the buyer retire, they will receive a pension benefit from the buyer (or subsequent buyers) which, in combination with their Eversource Energy pension benefit, will provide them with a total pension benefit equal to at least that of the plan they qualified for at the time of the transfer of assets,” shall be interpreted to apply through no less than the term of the Current CBA, which does not expire until May 31, 2020, or for a period of two (2) years after the actual Closing, whichever is later.
7. All other terms of the MOA remain unchanged.

**III. Rule of 85 Grow-in Benefit** – The following provisions relate to the Rule of 85 Grow-In Benefit negotiated by the Parties:

8. Employees who participate in the Eversource defined benefit retirement plan who are offered, accept, and commence employment with an Acquiring Entity at an Acquired PSNH Generating Asset immediately following the Closing (“Transferred Employee”), who have not yet reached the Rule of 85, will be eligible to grow into a Rule of 85 retirement benefit (“Rule of 85 Grow-In Benefit”) as follows:
  - a. The Transferred Employee must continue working for and must retire from

the Acquiring Entity (or its successor(s)) at an Acquired PSNH Generating Asset through or after the period when the Transferred Employee's age when added to his/her credited employment service with Eversource at the time of the closing of the divestiture of the Acquired PSNH Generating Asset combined with the continuous employment service with the Acquiring Entity at the Acquired PSNH Generating Asset satisfies the age and service requirement for the Rule of 85.

- b. For purposes of calculating the Rule of 85 Grow-In Benefit, a Transferred Employee's: i) highest 60 months of pensionable earnings will be based on his/her final average earnings with Eversource at the time of Closing with an imputed (for pension calculation purposes only) three percent (3%) annual prorated increase through his/her attainment of the Rule of 85 Grow-In Benefit while employed at the Acquiring Entity, or through the period of the Transferred Employee's layoff from the Acquiring Entity due to the permanent closure by the Acquiring Entity of the Acquired PSNH Generating Asset at which the Transferred Employee is employed per paragraph 8(e) below; ii) credited service will be his/her credited Eversource service at the time of Closing; and iii) age will be his/her age at the commencement of his/her Eversource retirement benefit.

Example for illustration purposes: Assumes closing is December 31, 2017.

*Jim is 57 with 22 years of credited Eversource service on December 31, 2017 with final average annual earnings of \$80,000. He works an additional 3 years and retires from the Acquiring Entity at the Acquired PSNH Generating Asset on December 31, 2020. Jim has reached the Rule of 85 with the Grow-In Benefit as of December 31, 2020 (based on his age of 60 and imputed additional 3 years of credited service to his 22 years with Eversource, adding up to 85), and he may begin collecting his unreduced Eversource pension based on his age at commencement (60), years of Eversource credited service (22), and 3% annual prorated imputed increase to his final Eversource average earnings (~\$87,418).*

- c. There is no additional pension benefit available from Eversource for Transferred Employees who satisfied the age and service requirement and attained the Rule of 85 prior to the Closing. These employees may retire from Eversource and commence a pension benefit and continue employment with the Acquiring Entity, where they will receive a pension benefit which, in combination with their Eversource Energy pension benefit, will provide them with a total pension benefit equal to at least that of the Eversource plan they qualified for at the time of the Closing, through at least the term of the Current CBA or 2 years after the actual Closing, whichever is later.

Example for illustration purposes: Assumes closing is December 31, 2017.



*Jim has achieved his Rule of 85 on December 31, 2017. He retires from Eversource and begins collecting his Eversource Rule of 85 unreduced pension benefit on January 1, 2018 based on his highest 60 months of pensionable earnings with Eversource at the time of the Closing, his credited service with Eversource at the time of the Closing, and his age at the time of commencement of his unreduced Eversource pension benefit.*

*Jim works for the Acquiring Entity and then retires 2 years later on December 31, 2019. He is entitled to begin collecting a pension benefit from the Acquiring Entity on January 1, 2020 that is calculated as if Jim had worked and retired from Eversource with the additional 24 months of service and age, less the pension benefit he is already receiving from Eversource.*

- d. Transferred Employees who, for whatever reason, voluntarily or involuntarily, terminate from the Acquiring Entity at the Acquired PSNH Generating Asset without having reached the age and service requirement for the Rule of 85, as described in 8.a. above, are ineligible for the Rule of 85 Grow-In Benefit (with the exception of those who voluntarily retire from the acquiring entity), and their Eversource pension benefit will be calculated based on their credited service, final average earnings, early commencement factors eligibility (either vested term or early retirement) attained at Eversource at the time of the Closing, and their age when they begin collecting their pension. Such Transferred Employees who voluntarily retire from the Acquiring Entity will have their pension benefit calculated as described in this paragraph, except that such Transferred Employees' final average earnings from Eversource will be increased by 3% per year annually, prorated, through their retirement date.

Example for illustration purposes: Assumes closing is December 31, 2017.

*Tom has 20 years with Eversource and is age 50 at the time of the Closing. He would be eligible for the Rule of 85 Grow-In benefit if he remained an employee of the Acquiring Entity at the Acquired PSNH Generating Asset until he achieved the age and service milestones. He is laid off as part of a reduction-in-force from the acquiring entity on May 31, 2020, at age 53. If Tom does not begin collecting his Eversource pension until age 55, then, pursuant to the provisions of paragraph 13 below, Tom's Eversource pension would be calculated based on his credited service (20 years), final average earnings, and the early commencement factors table contained in Article XVI, Section 3 of the Current CBA.*

*Tom would also be entitled to begin collecting a pension benefit from the Acquiring Entity on June 1, 2020 that is calculated as if Tom had worked and retired from Eversource with the additional 17 months of service and age, less the pension benefit he would receive from Eversource as*

*calculated at the time of the Closing.*

- e. Notwithstanding the foregoing disqualification in 8.d., if a Transferred Employee is laid off from the Acquiring Entity due to the permanent closure by the Acquiring Entity of the Acquired PSNH Generating Asset at which the Transferred Employee is employed before the Transferred Employee satisfies the age and service requirement for the Rule of 85, the Transferred Employee may continue to accrue imputed credit toward the age and service requirement for the Rule of 85 Grow-In Benefit provided that he/she does not begin his/her Eversource pension until the age and service requirement for the Rule of 85 is reached.

Example for illustration purposes: Assumes closing is December 31, 2017.

*Mike is 44 on December 31, 2017 and has 20 years of credited service with Eversource. He remains employed with the Acquiring Entity at the Acquired PSNH Generating Asset through December 31, 2025, when the asset is permanently closed and Mike is laid off. On December 31, 2028 Mike begins collecting his Eversource pension benefit. Under the Rule of 85 Grow-In Benefit he is credited with an imputed 11 years of additional service, which in combination with his age 55 and his 20 years of credited service with Eversource, qualifies him for a Rule of 85 unreduced pension from Eversource. His benefit would be based on his final average earnings at Eversource at the time of closing, plus 3% per year annual prorated increase through his layoff on December 31, 2025, and 20 years of credited service with Eversource at the time of the Closing.*

*Mike is also eligible for retirement benefits from the acquiring entity for his covered service time with that entity through no less than the term of the Current CBA or for a period of two (2) years after the Closing, whichever is later.*

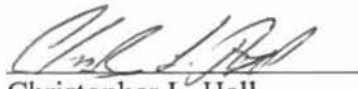
9. Employees who are not offered, do not accept, and/or do not commence employment with an Acquiring Entity at an Acquired PSNH Generating Asset immediately following the Closing are not eligible for the Rule of 85 Grow-In Benefit.
10. The Rule of 85 Grow-In Benefit is available only in the event of a successful Closing of the PSNH generating assets.
11. The Rule of 85 Grow-In Benefit is expressly contingent upon the Company's receiving, to the Company's and Union's satisfaction, the approval by the New Hampshire PUC of the Rule of 85 Grow-In Benefit.
12. The Company has agreed to the Rule of 85 Grow-In Benefit solely for purposes of the divestiture of the PSNH Generating Assets to clarify the employee protection provisions previously negotiated that have become ambiguous due to delays in the

generation divestiture process, and this Agreement and Rule of 85 Grow-In Benefit is made without precedent and prejudice to the Company now or in the future.

13. It is understood that if a Transferred Employee is terminated involuntarily from the Acquiring Entity due to a reduction-in-force at the Acquired PSNH Generating Asset at which the Transferred Employee is employed, and has not at the time of termination satisfied the requirements for the Rule of 85, such Transferred Employee shall have his or her pension calculated using the early commencement factors table contained in Article XVI, Section 3 of the Current CBA, and not the vested term retirement reduction factors, provided that such Transferred Employee does not commence his or her pension until age 55.

**It is understood that this Agreement shall become operative and in force and effect upon acceptance by the Union and satisfaction of the contingency set forth in Paragraph 11.**

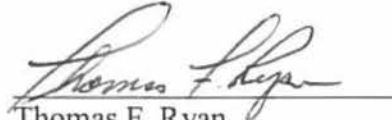
For PSNH



Christopher L. Hall  
Vice President Employee & Labor Relations

Date: 9/2/17

For Local 1837 IBEW



Thomas F. Ryan  
Business Agent

Date: September 7, 2017