Date Filed: September 03, 2026

Witness: Julia Frayer
Request from: Office of Consumer Counsel

Question:

Exhibit CLP-PBR-1 PBR Testimony Please identify each electric utility PBR plan reviewed by LEI in which the X Factor applicable to an OM&A-only revenue cap was established based on an OM&A partial factor productivity measure. For each plan, please provide:

a. The utility and jurisdiction;
b. The applicable period;
c. OM&A PFP or other productivity estimate;
d. The approved X Factor;
e. The inflation index paired with the X Factor;
f. The study period and peer group used to calculate productivity; and
g. Whether the regulator adopted, modified, or rejected the utility's proposed productivity factor.
h. Please explain any material differences between each identified precedent and the Company's proposed methodology.

Response:

LEI is aware that National Grid and FortisBC Inc. both have an index-based regulatory regime, where the productivity and inflation escalators are applied only to operations and maintenance portion of the revenue requirement. The table below shows a comparison of these two utilities as well as CL&P's proposed parameters.

Criteria	**National Grid** (D.P.U. 23-150)	**FortisBC Inc. (FBC)** (G70-25)	**Connecticut Light and Power Company d/b/a Eversource Energy** (Docket No. 26-05-10)
a. Utility & Jurisdiction	**Utility:** Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid **Jurisdiction:** Commonwealth of	**Utility:** FortisBC Inc. **Jurisdiction:** Province of British Columbia, British Columbia Utilities Commission (BCUC)	**Utility:** Connecticut Light and Power Company d/b/a Eversource Energy (CL&P) **Jurisdiction:** State of Connecticut,

	Massachusetts, Department of Public Utilities (DPU)		Connecticut Public Utilities Regulatory Authority (PURA)
b. Applicable Period	2024 – 2029	2025–2027	2027-2030
c. O&M PFP or Other Productivity Estimate	**O&M PFP: +0.21%**	**O&M PFP: +0.20%**	**Proposed OM&A PFP (industry): –0.03%**
d. X Factor	**Approved X Factor: +0.21%**	**Approved X factor: +0.45%** (includes stretch factor of 0.25%)	**Proposed X Factor: –0.03%**
e. Inflation Index Paired with X Factor	Composite index: ECI-Northeast Utility Labor Index + PPI for Electric Utilities	Composite index: AWE:BC (Average Weekly Earnings, British Columbia) + CPI:BC (All-items Consumer Price Index, British Columbia)	Composite index: ECI (Employment Cost Index) + GDP-FSDP (Gross Domestic Product Implicit Price Deflator for Final Sales to Domestic Purchasers)
f. Study Period & Peer Group	**Study period: 2008–2022 (15 years)** **Peer group:** 19 electric utilities in the northeastern United States	**Study period: 2007–2022 (15 years)** **Peer group:** 82 US electric utilities (broad industry-wide sample)	**Study period: 2005–2024 (20 years)** **National peer group:** 88 U.S. investor-owned EDCs across 48 states (~90% of IOU customers as of 2024)
g. Regulator Decision on productivity factor	**Accepted**	**Accepted with modifications**	**Pending**

CL&P's proposed methodology is consistent with the precedents in using an OM&A partial factor productivity measure with capital inputs expressly excluded, and in using customers served as the output metric.

The following differences exist:

- **Study period.** CL&P uses a 20-year study period (2005–2024), five years longer than both National Grid (2008–2022, 15 years) and FortisBC (2007–2022, 15 years). The

longer window reduces exposure to single-year anomalies and better captures structural trends in the electric distribution industry.

- **Peer group size and geographic scope.** CL&P and FortisBC both covered relatively large peer groups focused on the national sample (88 utilities for CL&P and 82 utilities for FortisBC), while National Grid focused on the Northeast peers looking at 19 utilities.

- **OM&A input price deflation.** CL&P uses a utility-specific blended deflator combining the BLS Employment Cost Index for labor costs and the GDP-FSDP for non-labor costs, applied at the individual EDC level based on each utility's actual labor and non-labor cost shares. National Grid's O&M PFP used the ECI-Northeast and PPI-Electric Utilities; FortisBC used Average Weekly Earnings: British Columbia (AWE:BC) and (Consumer Price Index: British Columbia (CPI:BC.)