Date Filed: October 02, 2026

Witness:
Request from: UCONN

Question:

(Performance Based Rates) Refer to Exhibit CLP-ELP-1 at pp. 103-117 which discusses the Performance Incentive Mechanisms ("PIMs").

a. For each PIM, explain how incentive and penalty thresholds were calculated with respect to intermediate and large commercial customers served under Rates 55, 56, 57, and 58.

b. Identify whether PIMs are designed to measure or are capable of measuring service quality, reliability, or interconnection outcomes specifically for intermediate and large commercial customer classes. If class-specific performance is not tracked, explain why not.

c. Explain whether the proposed PIM penalty or incentive structure is expected to produce any direct improvement in service outcomes for intermediate and large commercial customers. If the Company contends that system-wide reliability PIMs indirectly benefit these customers, explain the basis for that contention and provide any supporting analysis.

d. Identify whether the Company considered proposing any PIM that directly measures or incentivizes service outcomes relevant to intermediate and large commercial and industrial customers, if such PIMs were considered, explain why they were not included in the Company's proposal. If no such PIMs were considered, explain why not.

e. Identify whether the Company considered proposing any PIM or performance metric that specifically measures or incentivizes service reliability or restoration outcomes for essential service consumers, including but not limited to: (i) hospitals and healthcare facilities, (ii) emergency services facilities, and (iii) water and wastewater treatment facilities. If such PIMs were considered, explain why they were not included. If they were not considered, explain why not.

Response:

a. All Performance Incentive Mechanisms (PIMs) included in the Company's PBR proposal, including targets and penalty/incentive thresholds, are calculated based on historical performance at the Company or system/enterprise level. The Company sought to identify PIMs and associated targets that support improvements in system reliability and customer service for all customer classes.

b. The proposed PIMs are not calculated for a specific rate class or subgroup of customers. The proposed System Reliability PIMs include industry-standard metrics structured to provide a proven, consistent means to assess the Company's overall reliability performance, while the Customer Reliability PIM focuses on reliability from a customer-centric perspective and seeks to assess whether all customers (regardless of customer class) are experiencing excessive multiple service interruptions or prolonged service interruptions in consecutive years. The Customer PIM Suite is designed to support continuous improvement to the overall quality of customer interactions, reinforce behaviors that contribute to a positive customer experience, and collectively reflect different aspects of the Company's service to customers to provide a more comprehensive measure of customer experience.

c. The PIM incentive and penalty structure is designed to encourage the Company to invest in a manner that cost efficiently benefits all customers through improved reliability. Reliability projects are not determined based on customer class but rather based on system needs. The customers served by the improved section of the system directly benefit from the investments.

d. Please refer to the Company's responses to subparts (a) and (b).

e. Please refer to the Company's responses to subparts (a) and (b). Although the Company does not propose a PIM related to restoration of service for specific types of customers, the Company does work with municipalities prior to and during storm events to prioritize restoration of locations designated as Critical Facilities.