Date Filed: September 30, 2026

Witness:
Request from: CLF and Acadia Center

Question:

(Performance-based Regulation) Refer to Exhibit CLP-PBR-1, pages 66-68.

(a) For each of the nine priority outcomes established in the Docket No. 21-05-15 Phase 1 Decision, confirm whether the Company's proposal adopts, modifies, or omits the corresponding Metric, Scorecard, or performance incentive mechanism (PIM) identified in the RE02 Proposed Final Decision (2025) and the RE02 Proposed Final Decision No. 2 (2026).
(b) For each Metric, Scorecard, or PIM that the Company modified or omitted, state each reason for the modification or omission.

Response:

(a) Regarding a comparison between both 21-05-15RE02 Proposed Final Decision received July 14, 2025, and Proposed Final Decision No. 2 received July 27, 2026, the differences in metric structure were primarily around clarifying language with some edits to sub-metrics. No proposed metrics were added or removed between the two proposed final decisions. As such, please refer to the Company's responses to information requests OCC-439[i] and OCC-440[ii] for a comparison of metrics between Proposed Final Decision No. 2 and the Company's proposed PBR metric framework. The response to OCC-439 includes an attachment which identifies the similarities and differences between the PIMs, Scorecards and Metrics proposed in RE02 and the Company's proposal.

(b) Please see the referenced responses in part (a).

Prior Referenced Responses:

[i] OCC-439 Question:

Exhibit CLP-ELP-3 Please identify each Metric and Scorecard adopted in the final Docket No. 21-05-15RE02, Performance Evaluation System that is not included in the Company's proposed performance portfolio. For each omitted Metric or Scorecard, please explain why the Company did not propose to include it and identify any analysis, data, or other information supporting that determination.

OCC-439 Response:

For clarification, the Company's response below is provided in reference to the Proposed Final Decision for Docket No. 21-05-15RE02, received on July 27, 2026 (about two weeks after the Company filed its application to amend rates). The timing of the final decision for Docket No. 21-05-15RE02, has not been determined.

The Company's proposed Performance Incentive Mechanisms (PIMs) and metrics are based on PURA's PBR framework, so far as it was determined in the RE02-PFD, subject to certain modifications that the Company is proposing for PURA's consideration. The Company's proposal prioritizes implementation of focused PIMs tailored to drive meaningful performance during the PBR term.

Of the 38 Metrics, Scorecards, and potential PIMs presented in the RE02-PFD, the Company has identified only one PIM that was not included in the Company's proposed PBR evaluation framework (NWS Shared Savings). In addition, there are 22 Reported Metrics and 10 Scorecard Metrics that the Company has omitted.

Please refer to Q-OCC-439, Attachment 1, for a detailed list of the metrics identified in the RE02-PFD, with reference to whether the metric was also included in the Company's proposed PBR evaluation framework.

The Company previously expressed concerns regarding the design of the non-wires solution (NWS) Shared Savings Mechanism included in Docket No. 21-05-15RE02 (Eversource Written Comments filed March 27, 2025).
1 The NWS analysis process established through Docket No. 17-12-03RE07 and Docket No. 24-08-08, is slanted in its design to favor implementation of non-wires alternative (NWA) solutions, which is accomplished by the inclusion of a generic "societal benefits" value in the benefit-cost analysis. The required analysis and inclusion of hard-to-quantify societal benefits has a strong potential to result in the implementation of a higher cost NWA solution that would ***increase*** utility rates as compared to a wires solution, while the benefits that would be counted in the customer column are theoretical and illusive in terms of quantification and justification. Under the NWS Shared Savings Mechanism, customers would pay an incentive to the Company, on top of the higher-cost NWA solution, based on 25% of the "benefits" of the NWA solution, including societal benefits, which is a construct that is not in the interests of customers.

The Company's objective is to ensure that rates it charges to its customers are reasonable and appropriate in terms of reflecting only those costs that are necessary to provide safe and reliable electric service. Particularly in light of the ongoing concerns regarding energy affordability, the Company does not support a mechanism that will further increase customer rates more than necessary. In addition, PIMs should be designed to encourage the Company to undertake an action that is within its control for the benefit of customers. Due to the design of the NWS analysis process, the Company does not have any manner of influencing the evaluation process and therefore, this mechanism is not appropriately designed as a PIM.

With respect to the scorecards and metrics, the Company's metric proposal seeks to avoid

(i) duplication of information that may already be provided in other existing compliance filings;
(ii) establishment of interpretive targets that overlook variability in investment spending; or
(iii) inclusion of metrics for conduct or outcomes that are beyond the Company's control.

As previously addressed in Written Exceptions in Docket No. 21-05-15RE02, in response to the first Proposed Final Decision, the Company does not support the scorecards and metrics below for the following reasons:

- Peak Demand – This scorecard is an inaccurate and inappropriate basis for measuring the electric system's efficiency given that many factors that would influence peak demand are entirely outside of the Company's control (e.g. weather).
- Beneficial Electrification Data - The Company does not support this metric since the Company's role in supporting EV adoption is limited to preparing the grid for EV charging stations. Customer adoption of EVs

is subject to factors that are outside of the Company's control (e.g. the EV market and customer conduct). Further, the Company does not track the EV registrations of its customers, or heat pump installations of all customers.

The Company also previously discussed its opposition to the following metrics in its Written Comments filed March 27, 2025:

- Power Restoration After Major Storm Metric: The Company opposes this metric for the fundamental reason that a storm's path, and which towns are impacted, is not within the EDC's control. The Company responds to storm events in compliance with a PURA-approved Emergency Response Plan ("ERP") that follows law and regulation.

- Environmental Justice Reliability Metric: For similar reasons, relating to storm restoration practices and circumstances outside the Company's control, the Company opposes any metric on power restoration after major storms. In addition, such reporting would be duplicative with existing reporting post-major storms as well as with the Town Reliability Scorecards that the Company produces annually.

Separate from the written exceptions and comments, the Company does not currently have the data or requirements to support the following items:

- Distribution System Losses: Although the Company supports the proposed methodology, it does not currently have models, resources, or processes in place to accurately calculate Technical Losses as envisioned in the RE02-PFD.

- DER Services (specific to the sub-metric for Total MW Enrolled - EV Managed Charging): The Company does not have a measure of MW enrolled because managed charging is a program to shift customer EV charging behavior to off-peak periods. The Company does not collect data on the EV charging demand at a residence.

- Time-Varying Rate (TVR) (specific sub-metric for Amount of Load Reduced by Customer Class as a Result of TVR Adoption): There is neither a baseline nor a method established to determine the amount of load reduced by Customer Class due to TVR adoption.

Regarding AMI-related metrics proposed in Docket 17-12-03RE02 (Equitable AMI and Customer Data Engagement), please refer to Exhibit CLP-AMI-2, at 87-89, for the success measures proposed as part of the Company's AMI Deployment and Implementation Plan.

[ii] OCC-440 Question:

Exhibit CLP-ELP-3 Please identify each Metric and Scorecard adopted in the final Docket No. 21-05-15RE02, Performance Evaluation System that the Company proposes to implement differently from the RE02 design. For each, please identify and explain each substantive difference and the basis for the Company's proposed approach, including any analysis, data, or stakeholder input relied upon.

OCC-440 Response:

For clarification, the Company's response below is provided in reference to the Proposed Final Decision in Docket No. 21-05-15RE02 ("RE02-PFD"), received on July 27, 2026 (about two weeks after the Company filed its application

to amend rates). The timing of the final decision for Docket No. 21-05-15RE02, has not been determined and therefore no metrics or scorecards have been adopted by PURA as of the time of this response.

As explained in the Company's initial filing, the Company has proposed System Reliability PIMs; a Customer Reliability PIM; and a Customer PIM Suite. The Company also proposed six reporting metrics designed to provide transparency regarding specific key areas during the PBR term. Two of the reporting metrics are similar to the metrics proposed in RE02, which are Cost Efficiency and GHG Emissions. The System and Customer Reliability PIMs are similar to the proposals included in the RE02-PFD.

System Reliability PIM:

For Blue-Sky SAIDI and SAIFI, the Company's proposal is very similar to the RE02-PFD in structure. The Company's proposal calculates these metrics using the IEEE methodology, excluding Major Event Days (MEDs) and planned outages. IEEE blue-sky reliability includes planned interruptions; however, these actions are not reflective of the performance of the system on an average day. Planned interruptions are noticed to customers and are undertaken to connect a new customer or safely perform system upgrades or replacements. As a result, in the Company's proposed system reliability PIM, planned outages are excluded.

Similar to RE02-PFD target calculation, the Company proposes to use a fixed, five year average with one standard deviation. However, the Company recommends setting a fixed target to apply to the full PBR term based on the most recent five years prior to the start of the PBR term. Fixing the target for the full PBR term provides clarity on the standard for performance during the PBR term. In addition, the RE02 method allows targets to vary each year, causing performance targets to rise or fall based on the system's most recent experience rather than focusing on a transparent measure of whether the Company has improved and maintained system reliability as compared to an established set of targets.

Please refer to Exhibit CLP-TSP-1, at 81-82, and Exhibit CLP-ELP-1, at 106-108, for more information.

Customer Reliability PIM:

For calculation of CEMI-5 and CELID-6, the Company's proposed methodology is very similar to the methodology in the RE02-PFD. The Company's proposal calculates these metrics using the IEEE methodology, excluding Major Event Days (MEDs), planned outages, and service line outages.

Regarding the composite average, the Company utilized the whole number count of Repeat CEMI-5 Customers and Repeat CELID-5 Customers only, which encourages the Company to reduce the likelihood a customer would experience multiple or prolonged outages in consecutive years. This differs from RE02, which averages the total unique CEMI-5 and CELID-6 customers with the percent of Repeat CEMI-5 Customers and percent of Repeat CELID-6 Customers, which could have unintended consequences. The number of annual CEMI-5 and CELID-6 customers can be driven by random, unique events that may not repeat. The Company's proposed metric reflects the Company's efforts to reduce the likelihood a customer would experience multiple or prolonged outages in consecutive years.

Similar to the System Reliability PIM, the Company also recommends that the target be fixed for the PBR term based on the most recent five years prior to the start of the PBR term, 2022-2026 to provide a defined benchmark for performance under the PBR framework.

Please refer to Exhibit CLP-TSP-1, at 81-83, and Exhibit CLP-ELP-1, at 106-108, for more information.

Customer PIM Suite – Level 1 DER Interconnection

Level 1 DER Interconnection in the Company's proposal is the same in principle as the PIM identified in RE02-PFD, with the difference being in the Company's proposed target and penalty/incentive structure. The RE02-PFD has Level 1 DER Interconnection as a standalone symmetrical bi-directional (penalty & incentive) PIM, while the Company proposes it be included in a Customer PIM Suite, with an asymmetrical bi-directional structure.

The other metrics included in the Company's proposed Customer PIM Suite are: Digital Customer Engagement; Controllable Average Call Handle Time; Post Transaction Survey - CSR Attributes; and Average Discount Rate Enrollment Time. These metrics, along with Level 1 DER Interconnection, ensure the Customer PIM Suite represents an array of interactions that can be quantifiably measured and are generally within the Company's control. Further, the asymmetrical PIM structure provides incentives to the Company to improve customer service in the identified areas but mitigates the potential rate impacts to customers.

Please refer to Exhibit CLP-Customer-1, at 31-45, and Exhibit CLP-ELP-1, at 109-112, for more information.

Cost Efficiency:

For Cost Efficiency, the Company focused on four sub-metrics for its proposal: Core Operating Expense per Customer; Core Operating Expense per Line Mile; Capital Expense per Customer; Capital Expense per Line Mile. Of these four sub-metrics, Capital Expense per Customer and Capital Expense per Line Mile are the same as proposed in RE02-PFD.

Core Operating Expense per Customer and per Line Mile are modified versions of the Controllable Opex per Customer and per Line Mile sub-metrics identified in RE02-PFD. Similar to Controllable Opex, the Company's proposal for Core Operating Expense excludes expenses recovered separately, as well as expenses outside of span of controllable operating cost, such as vegetation management costs, storm costs, and pension/retirement expense. This ensures that the metric captures costs that are controllable through decision-making practices rather than driven by outside factors.

The Company proposes Cost Efficiency to be a reporting metric.

Please refer to Exhibit CLP-ELP-1, at 113-114, for more information.

GHG Emissions:

For GHG Emissions, the proposed metric with its sub-metrics is consistent with the RE02-PFD in structure and calculation. The Company is actively working to achieve the capability to report Scopes 1 and 2, and Scope 3 emissions associated with customers' energy use at the operating company level for the 2027 GHG inventory. Therefore, the Company proposes to establish a baseline based on 2027 emissions and begin reporting operating company specific data instead of based on enterprise-wide emission data in 2028 for Reporting Year 2027.

Please refer to Exhibit CLP-ENV-1, at 43-44, for more information.