Date Filed: September 03, 2026

Witness: Julia Frayer
Request from: Office of Consumer Counsel

Question:

Exhibit CLP-PBR-1 PBR Testimony Please identify the annual OM&A PFP for each year from 2005 through 2024 and identify the three years with the largest positive and negative annual OM&A PFP values. For each such year, please explain the primary drivers of the observed change in OM&A PFP.

Response:

Please refer to Figure 22, "Annual Growth Rates for Industry Output, Input, PFP, and TFP," in Exhibit CLP-PBR-2, which reports the annual OM&A PFP for each observation in the 2005–2024 study period. The three largest positive annual OM&A PFP observations are 2020–2021 (+7.21%), 2012–2013 (+4.63%), and 2023–2024 (+4.04%). The three largest negative observations are 2019–2020 (-12.72%), 2006–2007 (-5.79%), and 2021–2022 (-4.83%).

LEI did not perform a causal decomposition of each annual OM&A PFP observation. Annual OM&A PFP reflects the relationship between changes in industry output and changes in OM&A inputs. A particular annual change may therefore result from different combinations of customer growth and OM&A input changes across the utilities in the sample. Because the 88 EDCs differ in size, geography, operating conditions, customer growth, labor markets, expenditure patterns, and other utility-specific circumstances, the drivers of a given aggregate annual result may also vary across utilities. Without a separate utility-level analysis, attributing an aggregate annual OM&A PFP observation to a single "primary driver" could therefore be misleading.

The Industry TFP Study was completed using index-based techniques (not statistical techniques) and was designed to take the observed data on costs (inputs) and outputs and estimate the long-run productivity trend of the U.S. electric distribution industry. Because of the nature of the TFP Study it is not possible to draw conclusions on the specific causes of year-to-year changes in productivity for individual utilities or individual years.