Date Filed: September 15, 2026

Witness: Julia Frayer
Request from: Office of Consumer Counsel

Question:

Performance Based Ratemaking Panel Exhibit CLP-PBR-1
Please identify which of the 88 EDCs included in LEI's Industry TFP and PFP Study operated under a performance-based regulation (PBR) framework, as opposed to traditional cost-of-service regulation, during the 2005–2024 study period, including the applicable years for each regulatory framework.

Response:

As explained in Exhibit CLP-PBR-1, pages 11–12, and Figure 1, specifically, PBR is best understood as a continuum rather than a single, uniform regulatory regime. PBR mechanisms can range from performance targets and earnings-sharing mechanisms to more comprehensive multi-year price or revenue cap frameworks. Accordingly, PBR and traditional cost-of-service ("COS") regulation are not mutually exclusive, because PBR mechanisms may be incorporated within an otherwise traditional rate-proceeding framework.

Only a few jurisdictions in the U.S. have had a formal PBR framework from 2005-2024. For example, Hawaiian Electric Companies (not included in LEI's Industry TFP Study), NSTAR Electric Company, and Massachusetts Electric Company, have been under a comprehensive index-based price or revenue cap framework in recent years.

Jurisdiction	EDC	Applicable PBR period
Massachusetts	NSTAR Electric Company	2006–2012; 2018–2022; 2023–2024
Massachusetts	Massachusetts Electric Company	Oct. 1, 2019–Dec. 31, 2024 (successive plans)

In addition, LEI identified the following utilities included in the Industry TFP Study as having operated under multi-year regulatory arrangements incorporating PBR components during at least part of the 2005–2024 study period:

Jurisdiction	EDC	Applicable PBR period
New York	Central Hudson Gas & Electric Corporation	July 1, 2021–June 30, 2024
New York	Consolidated Edison Company of New York, Inc.	2017–2019; 2020–2022
New York	New York State Electric & Gas Corporation	Aug. 26, 2010–Dec. 31, 2013; May 1, 2016–Apr. 30, 2019
New York	Rochester Gas and Electric Corporation	Aug. 26, 2010–Dec. 31, 2013; May 1, 2016–Apr. 30, 2019
New York	Orange and Rockland Utilities, Inc.	July 2012–June 2015; 2019–2021
Vermont	Green Mountain Power Corporation	FY2020–FY2022; Oct. 1, 2022–Dec. 31, 2024
Rhode Island	The Narragansett Electric Company	Sept. 1, 2018–Aug. 31, 2021
Connecticut	The United Illuminating Company	2017–2019
North Carolina	Duke Energy Carolinas, LLC (North Carolina operations)	2024 (plan continues through 2026)
North Carolina	Duke Energy Progress, LLC (North Carolina operations)	Oct. 1, 2023–Dec. 31, 2024
Illinois	Ameren Illinois Company	2024 (plan continues through 2027)
Illinois	Commonwealth Edison Company	2024 (plan continues through 2027)
Washington	Avista Corporation (Washington operations)	Dec. 21, 2022–Dec. 20, 2024
Washington	Puget Sound Energy, Inc. (Washington operations)	2013–2016 plan/stay-out; 2023–2024

The regulatory framework applicable to an individual EDC was not an input to, or criterion for, inclusion in LEI's Industry TFP Study. As explained in Exhibit CLP-PBR-2, Section 1.4, the Industry TFP Study uses a broad sample of 88 EDCs representing approximately 90% of customers served by U.S. investor-owned utilities to capture the diversity of the electric distribution industry and estimate industry-average productivity trends. Accordingly, differences in regulatory framework do not, by themselves, provide a basis for excluding an EDC from an Industry TFP Study.