ILLUSTRATIVE PERFORMANCE-BASED RATE ADJUSTMENTS (PBRA)
Annual PBR-O Percent Change

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
GDP (66.9% Share)*										
Q1	121.3	124.4	127.6	131.8	136.2	138.8	141.0	142.8	144.6	146.4
Q2	121.9	125.2	128.3	133.9	136.9	139.5	141.4	143.2	145.0	146.9
Q3	122.9	125.7	129.5	134.8	137.6	140.0	141.9	143.7	145.5	147.3
Q4	123.4	126.5	130.6	135.5	138.2	140.5	142.3	144.1	145.9	147.8
Year-end average	122.4	125.4	129.0	134.0	137.2	139.7	141.6	143.4	145.3	147.1
Annual Growth		*2.5%*	*2.8%*	*3.9%*	*2.4%*	*1.8%*	*1.4%*	*1.3%*	*1.3%*	*1.3%*
ECI (33.1% Share)**										
Q1	157.3	163.6	169.2	174.4	179.7	185.2	190.9	196.7	202.7	208.9
Q2	158.9	165.0	170.8	176.1	181.4	187.0	192.7	198.6	204.7	211.0
Q3	160.5	166.3	172.2	177.5	182.9	188.5	194.3	200.2	206.3	212.6
Q4	162.0	167.8	173.5	178.8	184.2	189.9	195.7	201.7	207.8	214.2
Year-end average	159.7	165.7	171.4	176.7	182.1	187.6	193.4	199.3	205.4	211.7
Annual Growth		*3.8%*	*3.5%*	*3.1%*	*3.1%*	*3.1%*	*3.1%*	*3.1%*	*3.1%*	*3.1%*

	Index Share		Rates Effective 7/2028	7/2029	7/2030			
GDP-PI Index Growth	66.90%	2.60%	1.61%	1.21%	0.93%	0.84%	0.85%	0.85%
ECI Index Growth	33.10%	+ 1.01%	+ 1.01%	+ 1.01%	+ 1.01%	+ 1.01%	+ 1.01%	+ 1.01%
Annual Inflation % Change		3.61%	2.63%	2.22%	1.94%	1.86%	1.86%	1.86%
Productivity Factor		0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Consumer Dividend			-0.40%	-0.50%	-0.60%			
Total, for use July 1 following year		3.64%	2.26%	1.75%	1.37%	1.89%	1.89%	1.89%
Impose cap if GDP-PI >5%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capped Total, for use July 1 following year		3.64%	2.26%	1.75%	1.37%	1.89%	1.89%	1.89%

* Forecast per Moody's. Forecast used for analytical purposes only within this model. Retrieved 9/14/2026.
Actual PBR annual rate adjustments rely on actual figures published by the Bureau of Economic Analysis, not projected

** Forecast based on 2005-2024 historical average for simplicity within this model.
Actual PBR annual rate adjustments rely on actual figures published by the Bureau of Labor Statistics, not projected

ILLUSTRATIVE PERFORMANCE-BASED RATE ADJUSTMENTS (PBRA)
Illustratve Consumer Dividend
($, Millions)

Escalator Assumptions

Inflation factor I (Composite GDP-PI and ECI)	2.63%	2.22%	1.94%	*Composite GDP-PI / ECI inflation. Per EOE-156 Attachment 1, Worksheet "PBR-2 Inflation", Line 32*
Productivity factor X (near-zero in PBR-O)	-0.03%	-0.03%	-0.03%	*Set at -.03 per LEI Testimony*

Determine O&M/Customer Performance Relative to Benchmark

Year	Index (Y0)	Rate Year 2	Rate Year 3	Rate Year 4	
Core O&M base (O&M PBR revenue)	$424				*Rate Year 1 - Per Rev. Requirement Schedule C-3.0, Line 51 - Line 43 - Line 44*
Total CL&P customers	1,316,138				*Rate Year 1 - Per CLP-ACOS - Schedule 2, page 136, line 33*
Index-year O&M per customer ($/cust)	$322.26				*Year-1 approved core O&M ÷ total distribution customers;*
Benchmark O&M $/cust		$330.72	$338.06	$344.63	*Year 1 Core O&M: escalated at PBR-I each year*
Core O&M ($M) - (illustrative)	$424	$440	$454	$467	*Assumes inflation plus 1%. See Company response to EOE-156.*
Total customers (Illustrative)	1,316,138	1,329,299	1,342,592	1,356,018	*Assumes 1% annual growth. See Company response to OCC-514*
O&M $/cust	$322.26	$330.63	$337.90	$344.40	*Line 23 x 1,000,000 / Line 24*
Result	— (index)	**Beat**	**Beat**	**Beat**	*If Line 25 < Line 22 = 'Beat', otherwise 'Miss'*
→ to ratchet (1 = beat)	—	1	1	1	

Ratchet Parameters

Consumer Dividend start level (Y0)	0.30%		*30 bps as discussed in LEI testimony*
Step UP on a beat (ratepayer-favorable)	0.10%		*Increase 10 bps when performance beats benchmark*
Step DOWN on a miss (half-step)	0.05%		*Decrease 5 bps when performance misses benchmark*
Floor	0.30%		*Floor adjusted by PBR Cap (See table included in response to UPA-72)*
Cap	1000.00%	*No cap proposed*	

Calculate Consumer Dividend

Percentage

Year		Rate Year 2	Rate Year 3	Rate Year 4	
Beat O&M/cust benchmark? (1 = beat)		1	1	1	*Line 27*
CD level (ratchet walk)	0.30%	0.40%	0.50%	0.60%	*If Line 26 = "Beat", increase prior consumer dividend 10bps, otherwise decrease 5 bps. Minimum 30bps.*
Resulting Percentage increase		2.26%	1.75%	1.37%	*Line 13 - Line 14 - Line 40*
CD start ≤ Inflation (tariff cap)		OK	OK	OK	Tariff language: the consumer dividend may never exceed the inflation factor I.

Dollars

Escalation base ($M)	$466	$477	$485	*Line 46 Prior Year. Initial base per Rate Year 1 cost of service ultimately approved in this proceeding.*
PBR-O Result	$477	$485	$492	*Line 45 x (1 + Line 41)*
Dividend pool ($M) = base × CD level	$1.9	$2.4	$2.9	*Line 45 x Line 40*
Per customer earned ($/yr)	$1.40	$1.78	$2.15	*Line 46 x 1,000,000 / Line 24*