Date Filed: October 15, 2026

Witness: Julia Frayer
Request from: CLF and Acadia Center

Question:

(Productivity Factor) Refer to the Company's and/or LEI's prior positions on productivity factor methodology in other jurisdictions.

a) Identify any prior PURA (or other state commission) docket in which the Company or LEI have advocated for or applied an efficiency frontier methodology, and explain any difference in position taken in this proceeding.
b) State whether the Company agrees that an efficiency frontier approach would better isolate achievable productivity gains by benchmarking against best-practice utilities rather than the Company's own historical peer group. If the Company disagrees, please explain why, with supporting data.
c) Quantify what the productivity factor would be under an efficiency frontier methodology using the same or comparable underlying data, or explain why such a calculation was not performed.

Response:

a) Based on LEI's review of its prior regulatory work and the Company's rate applications over the last 20 years, LEI has not identified a prior PURA or other U.S. state commission docket in which the Company or LEI advocated for or applied an efficiency frontier methodology to derive a productivity factor.

b) As explained in Section 2.2 of Exhibit CLP-PBR-2, "there are a number of methods that can be used to estimate a TFP trend for an industry," each of which has its own advantages and limitations. Sections 2.2 and 2.3, together with Figure 6 of Exhibit CLP-PBR-2, discuss these alternative approaches and LEI's rationale for selecting an index-based methodology. Specifically, LEI wrote: "Index methods are more transparent when dealing with outliers, unlike DEA [Data Envelopment Analysis] and SFA [Stochastic Frontier Analysis] methods, and require significantly fewer data points/observations to reach a robust conclusion. For these reasons, index methods are often used for informing regulators in ratemaking proceedings."

c) LEI did not undertake such an analysis, for the reasons laid out in response to CLF-AC-14 (b).