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| Exhibit No.: | |
| Issues: | Cost of Capital; Capital Structure; Return on Equity |
| Witness: | Ann E. Bulkley |
| Exhibit Type: | Direct Testimony |
| Sponsoring Party: | Missouri-American Water Company |
| Case No.: | WR-2026-0304<br>SR-2026-0305 |
| Date: | July 1, 2026 |

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2026-0304**
**CASE NO. SR-2026-0305**

# DIRECT TESTIMONY

**OF**

**ANN E. BULKLEY**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**

**AFFIDAVIT**

I, Ann E. Bulkley, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am a Principal at The Brattle Group, that the accompanying testimony has been prepared by me or under my direction and supervision; that if inquiries were made as to the facts in said testimony, I would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of my knowledge and belief.

Ann E. Bulkley

July 1, 2026
Dated

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**DIRECT TESTIMONY**

**OF**

**ANN E. BULKLEY**

## I. INTRODUCTION

**Q. Please state your name and business address.**

A. My name is Ann E. Bulkley. I am a Principal at The Brattle Group ("Brattle"). My business address is One Beacon Street, Suite 2600, Boston, Massachusetts 02108.

**Q. On whose behalf are you submitting this direct testimony?**

A. I am submitting this testimony before the Missouri Public Service Commission ("Commission") on behalf of Missouri-American Water Company ("MAWC" or the "Company"), a wholly-owned subsidiary of American Water Works Company, Inc. ("AWK").

**Q. Please describe your education and experience.**

A. I hold a Bachelor of Arts degree in Economics and Finance from Simmons College and a Master of Science degree in Economics from Boston University, with over 30 years of experience consulting to regulated utilities and the energy industry. I have advised numerous energy and utility clients on a wide range of financial and economic issues with primary concentrations in valuation and utility rate matters. Many of these assignments have included the determination of the cost of capital for valuation and ratemaking purposes. My qualifications and testimony listing are presented in more detail in Schedule AEB-A.

**Q. What is the purpose of your direct testimony?**

A. The purpose of my Direct Testimony is to present evidence and provide a recommendation regarding the appropriate return on equity ("ROE") for MAWC to be used for ratemaking purposes, as well as assess the reasonableness of the Company's proposed capital structure.

**Q. Are you sponsoring any schedules in support of your direct testimony?**

A. Yes. My analyses and recommendations are supported by the data presented in Schedule AEB-1 through Schedule AEB-12, which were prepared by me or under my direction.

**Q. Please provide a brief overview of the analyses that lead to your ROE recommendation.**

A. I rely on the results of several analytical approaches to estimate the costs of equity for the Company. I have first developed a proxy group of utility companies that face risks generally comparable to those faced by MAWC. I have not limited the proxy group to water utilities, but rather have included a broader group of utilities that face risk similar to MAWC because there are only a few publicly traded water utilities remaining after merger activity. To that proxy group, I have applied the constant growth form of the Discounted Cash Flow ("DCF") model, the Capital Asset Pricing Model ("CAPM"), and the Empirical Capital Asset Pricing Model ("ECAPM").

My recommendation also takes into consideration the Company's relative business and regulatory risk as compared with the proxy group, and the Company's proposed capital structures as compared with the capital structures of the operating utilities of the companies contained in the proxy group. Although I do not make specific adjustments to my ROE

recommendation for these factors, I consider them in the aggregate when determining where my recommended ROE falls within the range of the analytical results.

**Q. How is the remainder of your testimony organized?**

A. The remainder of my direct testimony is organized as follows:

- Section II provides a summary of my analyses and conclusions.
- Section III reviews the regulatory guidelines pertinent to the development of the cost of capital.
- Section IV discusses current and prospective capital market conditions and the effect of those conditions on the Company's cost of equity.
- Section V explains my selection of a proxy group.
- Section VI describes my analyses and the basis for my recommendation regarding the appropriate ROE for the Company.
- Section VII provides a discussion of specific regulatory, business, and financial risks that have a direct bearing on the ROE to be authorized for the Company in this proceeding.
- Section VIII provides an assessment of the reasonableness of the Company's proposed capital structure.
- Section IX presents my conclusions and recommendations.

## II. SUMMARY OF ANALYSES AND CONCLUSIONS

**Q. Please summarize the key factors considered in your analyses and upon which you base your recommended ROE.**

A. In developing my recommended ROE for MAWC, I have considered the following:

- The United States ("U.S.") Supreme Court's *Hope* and *Bluefield* decisions,[1] which established the standards for determining a fair and reasonable authorized ROE for public utilities, including consistency of the authorized return with other businesses having similar risk, adequacy of the return to ensure access to capital and support credit quality, and the necessity for the end result to lead to just and reasonable rates.

- The effect of current and prospective capital market conditions on the cost of equity estimation models and on investors' return requirements.

- The results of several analytical approaches that provide estimates of the Company's cost of equity. Because the Company's authorized ROE should be a forward-looking estimate over the period during which the rates will be in effect, these analyses rely on forward-looking inputs and assumptions (*e.g.*, projected analyst growth rates in the DCF model; forecasted risk-free rate and market risk premium in the CAPM analysis).

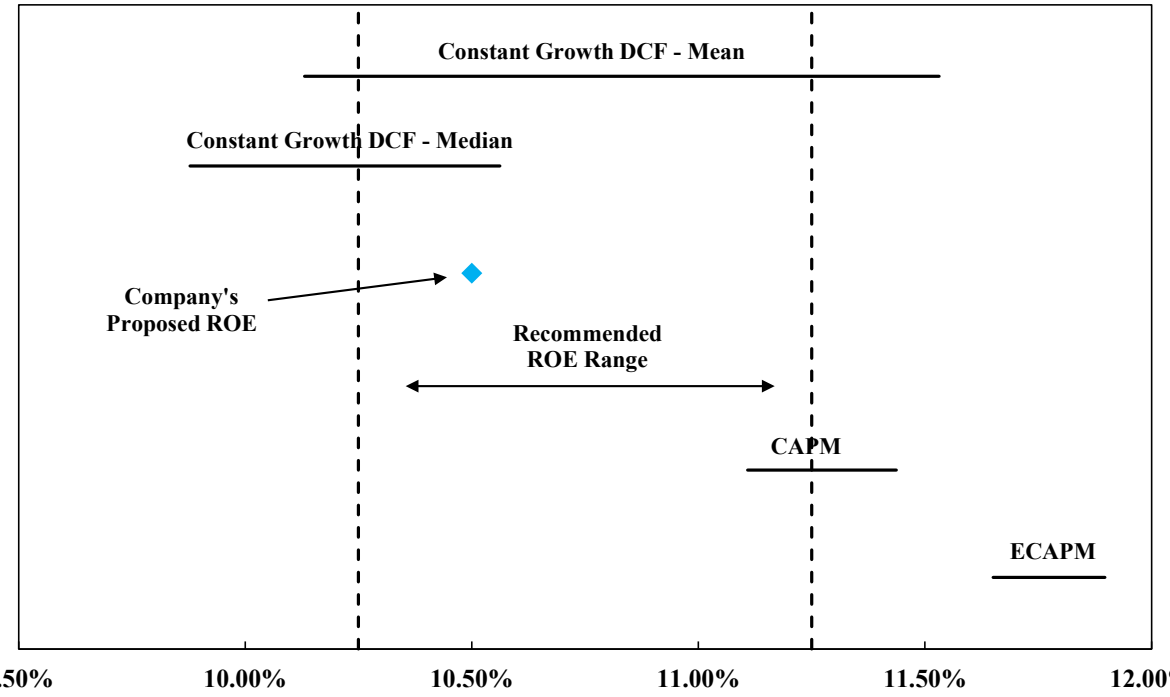
- Although the companies in my proxy group are generally comparable to MAWC, each company is unique, and no two companies have the exact same business and financial risk profiles. Accordingly, I considered the Company's regulatory, business, and financial risks relative to the proxy group of comparable companies in determining where the Company's ROE should fall within the reasonable range of analytical results to appropriately account for any residual differences in risk.

**Q. What are the results of the models that you have used to estimate the cost of equity for MAWC?**

A. Figure 1 summarizes the range of results produced by the constant growth DCF, CAPM, and ECAPM analyses based on data through April 30, 2026.

[1] *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) ("*Hope*"); *Bluefield Waterworks & Improvement Co., v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923) ("*Bluefield*").

**Figure 1: Summary of the Range of Analytical Results**




**Q. What is your recommended ROE for the Company in this proceeding?**

A. Considering the analytical results presented in Figure 1, current and prospective capital market conditions, as well as the level of regulatory, business, and financial risk faced by MAWC's water operations relative to the proxy group, a range for the authorized ROE from 10.25 percent to 11.25 percent is reasonable, and within that range, the Company's requested ROE of 10.50 percent is reasonable.

**Q. Is MAWC's requested capital structure reasonable?**

A. Yes. The Company's proposed capital structure of 50.34 percent equity and 49.66 percent long-term debt is well within the range of the actual capital structures of the utility

operating subsidiaries of the proxy group companies, and, in fact, is well below the average equity ratio of those same companies.

## III. REGULATORY GUIDELINES

**Q. Please describe the principles that guide the establishment of the cost of capital for a regulated utility.**

A. The U.S. Supreme Court's precedent-setting *Hope* and *Bluefield* cases established the standards for determining the fairness or reasonableness of a utility's authorized ROE. Among the standards established by the Court in those cases are: (1) consistency with other businesses having similar or comparable risks; (2) adequacy of the return to support credit quality and access to capital; and (3) the principle that the specific means of arriving at a fair return are not important, as long as the end result leads to just and reasonable rates.[2]

**Q. Why is it important for a utility to be allowed the opportunity to earn a return that is adequate to attract capital at reasonable terms?**

A. An ROE that is adequate to attract capital at reasonable terms enables the Company to continue to provide safe, reliable service while maintaining its financial integrity. That return should be commensurate with returns expected elsewhere in the market for investments of equivalent risk. If it is not, investors will seek alternative investment opportunities for which the expected return reflects the perceived risks, thereby inhibiting the Company's ability to attract capital at reasonable cost.

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[2] *Bluefield*, 262 U.S. at 692-93; *Hope*, 320 U.S. at 603.

**Q. How did the Court connect achieving a fair rate of return to providing utility service to customers?**

A. The Court stated in *Bluefield*, a proper rate of return not only assures "confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit [but also] enable[s the utility] to raise the money necessary for the proper discharge of its public duties."[3]

**Q. Why is it important for a utility to be allowed the opportunity to earn an ROE that is adequate to attract capital at reasonable terms?**

A. An authorized ROE that is adequate to attract capital at reasonable terms enables a utility to continue to provide safe, reliable service while maintaining its financial integrity. That return should be commensurate with returns required by investors elsewhere in the market for investments of comparable risk. It is important to recognize that equity investors have a choice of where to invest capital. It is reasonable to expect that equity investors will seek alternative investment opportunities for which the expected return reflects the perceived risks, thereby inhibiting the Company's ability to attract necessary new equity capital at reasonable cost.

**Q. Is a utility's ability to attract capital also affected by the ROEs authorized for other utilities?**

A. Yes. Utilities compete directly for capital with other investments of similar risk, which include other utilities. Therefore, the ROE authorized for a utility sends an important signal

[3] *Bluefield*, 262 U.S. at 679, 693.

to investors regarding whether there is regulatory support for financial integrity, dividends, growth, and fair compensation for business and financial risk. The cost of capital represents an opportunity cost to investors. If higher returns are available for other investments of comparable risk, over the same period, investors have an incentive to direct their capital to those alternative investments. Thus, an authorized ROE significantly below authorized ROEs for other utilities can inhibit the utility's ability to attract capital for investment.

**Q. What is the standard for setting the ROE in a jurisdiction?**

A. The stand-alone ratemaking principle is the foundation of jurisdictional ratemaking, requiring that the rates that are charged in any operating jurisdiction are incurred in that jurisdiction. The stand-alone ratemaking principle ensures that customers in each jurisdiction only pay for the costs of the service provided in that jurisdiction, which is not influenced by the business operations in other operating companies. To maintain this principle, the cost of equity analysis is performed for an individual operating company as a stand-alone entity. As such, I have evaluated the investor-required return for the Company's utility operations in Missouri.

**Q. Does the fact that the Company is wholly-owned by AWK, a publicly-traded company, affect your analysis?**

A. No. In this proceeding, consistent with stand-alone ratemaking principles, it is appropriate to establish the cost of equity for MAWC, not its publicly-traded parent, AWK. More importantly, however, it is appropriate to establish a cost of equity and capital structure

that provide MAWC the ability to attract capital on reasonable terms, both on a stand-alone basis and within AWK.

**Q. Is the regulatory framework and the authorized ROE and equity ratio important to the financial community?**

A. Yes. The regulatory framework is one of the most important factors in investors' assessments of risk. Specifically, the authorized ROE and equity ratio for regulated utilities is very important for determining the degree of regulatory support for a utility's credit quality and financial stability in the jurisdiction. To the extent that the authorized returns in a jurisdiction are lower than the returns that have been authorized more broadly, credit rating agencies will consider this in the overall risk assessment of the regulatory jurisdiction in which the utility operates.

**Q. What are your conclusions regarding regulatory guidelines?**

A. The ratemaking process is premised on the principle that, for investors and companies to commit the capital needed to provide safe and reliable utility services to customers, a utility must have a reasonable opportunity to recover the return of, and the market-required return on, its invested capital. Accordingly, the Commission's order in this proceeding should establish rates that provide the Company with a reasonable opportunity to earn a ROE that is: (1) adequate to attract capital on reasonable terms; (2) sufficient to ensure its financial integrity; and (3) commensurate with returns on investments in enterprises with similar risk. It is important for the ROE authorized in this proceeding to take into consideration current and projected capital market conditions, as well as investors' expectations and

requirements for both risks and returns. Because utility operations are capital-intensive, regulatory decisions should enable the utility to attract capital at reasonable terms under a variety of economic and financial market conditions. Providing the opportunity to earn a market-based cost of capital supports the financial integrity of the Company, which is in the interest of both customers and shareholders.

## IV. CAPITAL MARKET CONDITIONS

**Q. Why is it important to analyze capital market conditions?**

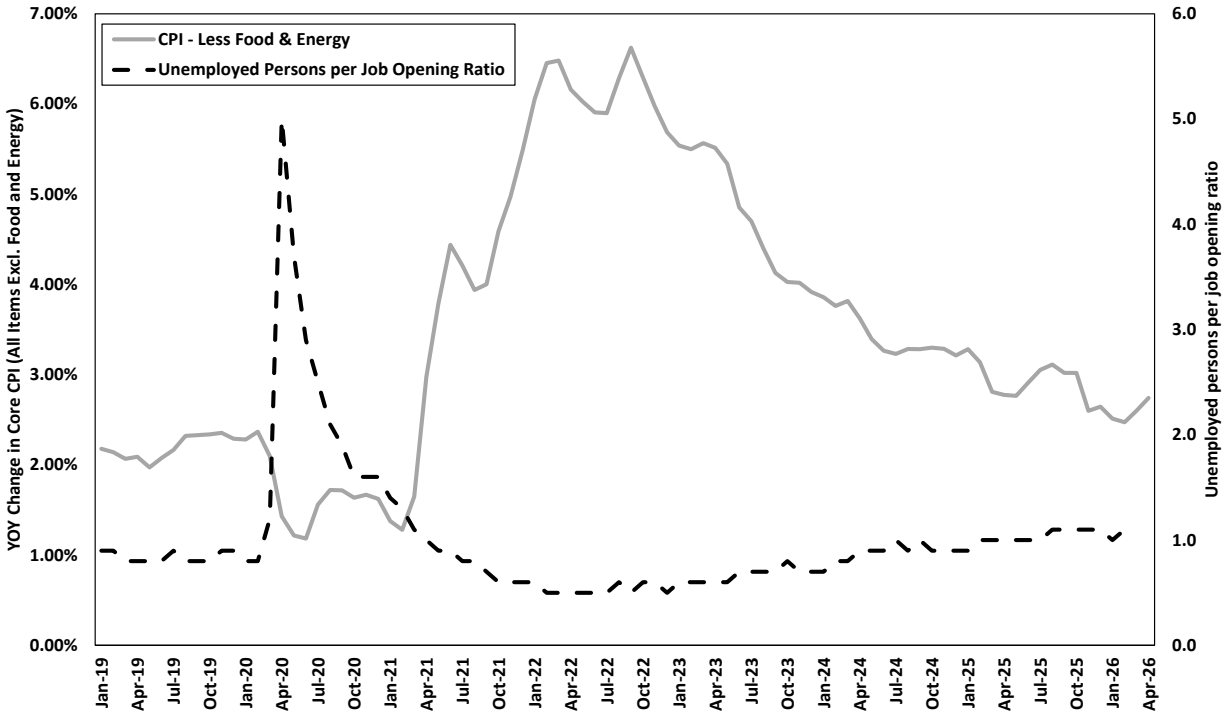
A. Capital market conditions influence cost of equity models by affecting inputs in the model at the time the analysis is performed. While the ROE that is established in a rate proceeding is intended to be forward-looking, the analyst uses current and projected market data, specifically stock prices, dividends, growth rates and interest rates, in the models to estimate the required return for the subject company.

Analysts and regulatory commissions recognize the importance of considering how these conditions affect the results of the cost of equity estimation models when determining the appropriate range and recommended ROE for a future period. If investors do not expect current market conditions to be sustained in the future, it is possible that the cost of equity estimation models will not provide an accurate estimate of investors' required return during that rate period. Therefore, it is important to consider projected market data to estimate the return for the forward-looking period.

**Q. What has the level of inflation been over the past few years?**

A. As shown in Figure 2, core inflation increased steadily beginning in early 2021, rising from 1.40 percent in January 2021 to a high of 6.64 percent in September 2022, which was the largest 12-month increase since 1982.[4] While core inflation has declined in response to the Federal Reserve's monetary policy, it continues to remain above the Federal Reserve's target level of 2.00 percent.

**Figure 2: Core Inflation and Unemployed Persons-to-Job Openings, January 2019 to April 2026[5]**




[4] Reade Pickert, "Core US Inflation Rises to 40-Year High, Securing Big Fed Hike", *Bloomberg,* October 13, 2022.

[5] Bureau of Labor Statistics; reflects data available as of May 19, 2026. The data for Core Inflation was available through April 2026. The last month that was published for Unemployed persons to job openings was March 2026.

Because the Federal Reserve's dual mandate is to promote stable prices and employment, it is important to consider employment data in addition to inflation. The ratio of unemployed persons per job opening was 1.10 in March 2026 (the most recent data available as of May 19, 2026). While the ratio of unemployed persons per job opening increased slightly in recent months, it had been consistently at or below 1.00 between April 2021 and October 2025, which suggested a tighter labor market. The strength in the labor market allowed the Federal Reserve to prioritize reducing inflation by pursuing the restrictive monetary policy needed to achieve its 2.00 percent target benchmark.

**Q. What policy actions has the Federal Reserve enacted to respond to increased inflation?**

A. The dramatic increase in inflation prompted the Federal Reserve to pursue an aggressive normalization of monetary policy, removing the accommodative policy programs used to mitigate the economic effects of COVID-19. Between the March 2022 Federal Open Market Committee ("FOMC") meeting and the July 2023 FOMC meeting, the Federal Reserve increased the target federal funds rate through a series of increases from a range of 0.00 – 0.25 percent to a range of 5.25 percent to 5.50 percent.

**Q. How did yields on long-term government bonds respond to the Federal Reserve's normalization of monetary policy?**

A. Since the Federal Reserve's December 2021 meeting, the yield on 10-year Treasury bonds has increased by over 350 basis points, increasing from 1.47 percent on December 15,

2021, to a peak of 4.98 percent on October 19, 2023. It currently remains well above 2021 levels (i.e., 5.18 percent as of May 19, 2026).[6]

**Q. Did the Federal Reserve recently reduce the federal funds rates?**

A. Yes. The Federal Reserve reduced the federal funds rate by 50 basis points in September 2024, 25 basis points in November 2024, 25 basis points in December 2024, and more recently 25 basis points in September 2025, October 2025 and December 2025. While the Federal Reserve kept rates unchanged through the first five meetings in 2025, its decision to reduce the federal funds rate at the final three meetings in 2025 was due to an increase in the downside risk to employment in recent months.[7]

**Q. What is the expected path of monetary policy over the near-term?**

A. At the March 2026 FOMC meeting, then Chair Powell noted that inflation remains "somewhat elevated" and that "[w]hile job gains have remained low, the unemployment rate has been little changed in recent months."[8] As a result, the FOMC decided to maintain the federal funds rate range of 3.50 percent to 3.75 percent.[9] Further, Chair Powell acknowledged that the events in the Middle East have resulted in higher energy prices, which will increase inflation; however, it was too soon to know the "scope and duration of

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6 *S&P Capital IQ Pro*.

7 Federal Reserve, "Federal Reserve issues FOMC statement," Press Release, September 17, 2025, October 29, 2025, and December 10, 2025.

8 Federal Reserve, "Transcript of Jerome Powell's Press Conference," March 18, 2026.

9 *Id.*

the potential effects on the economy."[10] Regarding the possible path of monetary policy, Chair Powell indicated that the reductions since September have brought the federal funds rate "within a range of plausible estimates of [the] neutral" rate and therefore, the Federal Reserve is well positioned to rely on incoming economic data to determine the extent and timing of any additional changes in the federal funds rates.[11] The FOMC published a forecast of the federal funds rate at the March 2026 meeting that was unchanged from the December 2025 projections of one rate cut in December 2026.[12]

**Q. What has happened to the yields on long-term government bonds since the FOMC reduced the federal funds rate in September 2024?**

A. As shown in Figure 3, although the yield on the 10-year treasury bond declined prior to the time of the first federal funds rate cut, the yield has generally increased since the September 2024 FOMC meeting. Further, while the yield on the 10-year Treasury bond has been volatile recently, as of May 15, 2026, the 10-year Treasury bond yield was 4.59 percent, which is generally consistent with levels seen in May 2024, four months prior to the first reduction in the federal funds rate.

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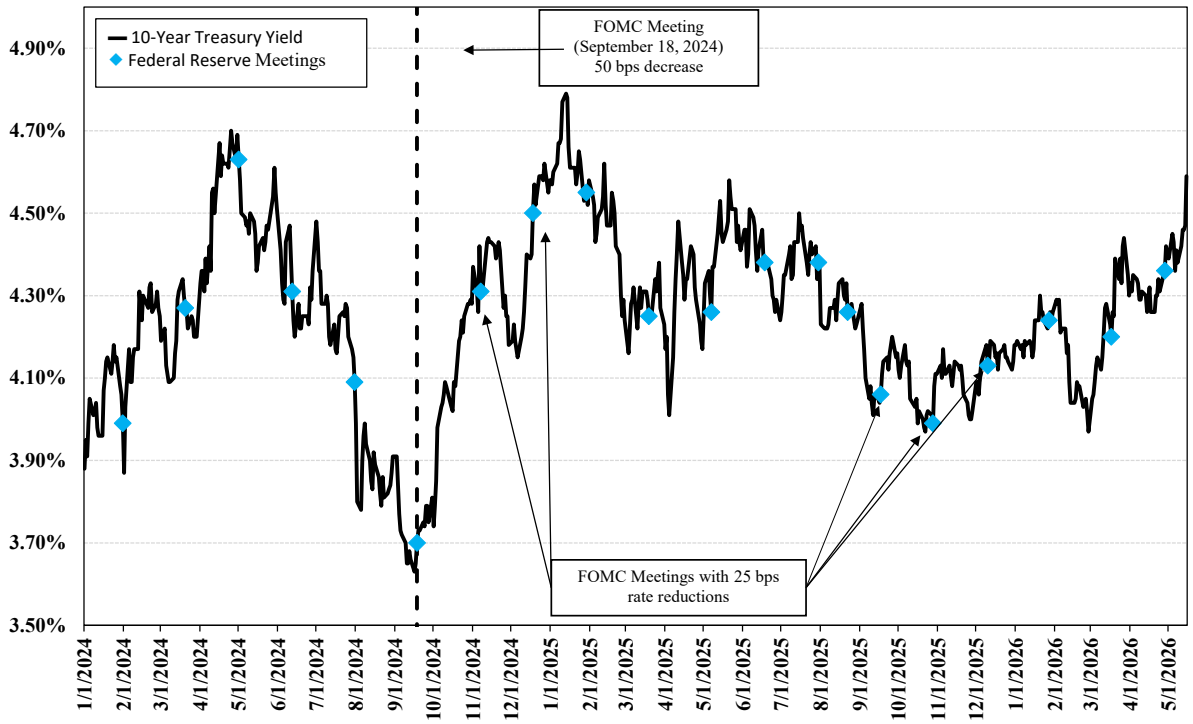
[10] *Id.*

[11] *Id.*

[12] Federal Reserve, "Transcript of Chair Powell's Press Conference", March 18, 2026.

**Figure 3: 10-Year Treasury Bond Yield, January 2024 through May 15, 2026[13]**




**Q. Why have long-term interest rates remained above the levels at the time the Federal Reserve first reduced the federal funds rate in September 2024?**

A. Ongoing policies of the current administration's economic plans have resulted in higher deficits, and persistent inflation. For example, since January 2025, the administration announced several sets of tariffs on each of the U.S.'s trading partners. [14] The implemented tariffs are largely viewed as inflationary. Inflation affects bonds, in particular long-term government bonds, because it erodes the value of future bond payments. Therefore, in an inflationary environment, investors will demand higher returns on bonds to compensate for

[13] *S&P Capital IQ Pro.*

[14] Jennifer Clarke, "What Are Tariffs, How Do They Work and Why Is Trump Using Them?" *BBC News*, August 27, 2025.

the added risk of inflation thus bond prices decline and the yields on those bonds increase. The longer the duration of the bond, the greater the effect of inflation which is why inflation risk is greater for long-term government bonds. The significant tariff policy increases the risk that inflation will remain elevated, which is why the yields on long-term bonds have not decreased and in fact have increased since the Federal Reserve first reduced the federal funds rate in September 2024. Further, the use of tariffs strains the relationship with trading partners, which could result in a reduction in the foreign demand for long-term U.S. government bonds resulting in additional upward pressure on long-term government bond yields.[15]

**Q. What effect does the recent U.S. Supreme Court ruling have on the tariffs implemented by the administration in 2025?**

A. On February 20, 2026, the U.S. Supreme Court ruled that the tariffs implemented in 2025 under the International Emergency Economic Powers Act ("IEEPA") were illegal. However, the administration responded to the ruling by imposing a 15.00 percent tariff on all goods imported into the U.S. under Section 122 of the 1974 Trade Act.[16] Section 122 of the 1974 Trade Act allows a President to implement global tariffs up to 15.00 percent for a period of five months after which the approval of Congress is needed for continuation of the tariffs. Therefore, the administration is still able to at least temporarily impose global tariffs, which as noted above will continue to place upward pressure on prices.

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[15] Karishma Vanjani, "U.S. Treasury Bonds Sell Off as 30-Year Yield Rises Most Since 1982," *Barron's*, April 9, 2025.

[16] Dearbail Jordan, "Trump says he will increase his new global tariffs to 15%," BBC, February 22, 2026.

**Q. Have there been any other recent developments that may affect inflation and long-term government bond yields?**

A. Yes. The war in Iran and the resulting increase in underlying oil prices will likely put upward pressure on inflation as increased oil prices not only increase gasoline prices for consumers but the prices of other products as well as nearly all goods need to be transported from the place of production. The likelihood of continued elevated inflation suggests interest rates will remain higher in the near term. In fact, as shown in Figure 3, since the start of the war in Iran, the yield on the 10-year Treasury bond has increased 62 basis points from 3.97 percent on February 27, 2026 to 4.59 percent on May 15, 2026.

**Q. What are expectations for the yields on long-term government bonds?**

A. While the Federal Reserve is forecasting additional cuts to the federal funds rate in 2026 and 2027, economists are still expecting elevated long-term interest rates. In the most recently published report by *Blue Chip Financial Forecasts*, the consensus estimate of economists is that the 30-year treasury bond yield will remain relatively stable and decrease only slightly from 4.90 percent in Q2/2026 to 4.80 percent in Q3/2027.[17] Additionally, the consensus estimate over the longer-term (*i.e.*, 2027–2031) is 4.60 percent.[18] This is important because it means that long-term interest rates are expected to remain elevated during the period that the Company's rates will be in effect.

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[17] *Blue Chip Financial Forecasts*, Vol. 45, No. 5, May 1, 2026, at 2.

[18] *Blue Chip Financial Forecasts*, Vol. 44, No. 12, December 1, 2025, at 14.

**Q. What are your conclusions regarding the effect of current market conditions on the cost of equity for the Company?**

A. It is important to consider current and projected market conditions in setting the forward-looking ROE due to its effect on the estimated cost of equity. While the FOMC reduced the federal funds rate several times in late 2025, Chairman Powell has indicated that the Federal Reserve will continue to rely on incoming data to determine future adjustments to the federal funds rate. Further, long-term interest rates remain elevated and are expected to continue to remain elevated due to inflationary policies such as tariffs and tax cuts and the uncertainty regarding the Iran conflict and the increase in underlying energy costs. With long-term interest rates expected to remain relatively high, borrowing also remains relatively more expensive, and thus investors also demand a relatively high cost of capital, which means the cost of capital also remains relatively high.

## V. PROXY GROUP SELECTION

**Q. Please provide a brief profile of MAWC.**

A. MAWC, a wholly-owned subsidiary of AWK, provides water and wastewater service to approximately 485,700 water customers and 23,500 wastewater customers in Missouri.[19] As of December 31, 2025, MAWC earned total annual operating revenues of $575 million, which represented 12.2 percent of AWK's total operating revenue in 2025.[20] MAWC generally accesses debt markets through American Water Capital Corp. ("AWCC"). The

[19] Company provided data.

[20] American Water Works Company, Inc. SEC Form 10-K, December 31, 2025, at 6.

current credit ratings on senior unsecured debt for AWK and AWCC are as follows: (1) S&P: A (Outlook: Stable); and (2) Moody's: Baa1 (Outlook: Stable). MAWC is not separately rated from AWK.[21]

**Q. Why have you used a group of proxy companies to estimate the cost of equity for MAWC?**

A. In this proceeding, I am estimating the cost of equity for MAWC, a rate-regulated subsidiary of AWK. Since the cost of equity is a market-based concept and given the fact that MAWC does not make up the entirety of a publicly-traded entity, it is necessary to establish a group of companies that is both publicly traded and comparable to MAWC in certain fundamental business and financial respects to serve as its "proxy" for purposes of estimating the cost of equity.

Even if the Company was a publicly traded entity, it is possible that transitory events could bias its market value over a given period. Using a proxy group moderates the effects of unusual events that may be associated with any one company. The companies included in the proxy group all possess a set of operating and risk characteristics that are substantially comparable to the Company and thus provide a reasonable basis to derive and estimate the appropriate cost of equity for the Company.

[21] S&P Global Ratings and Moody's Ratings, accessed May 19, 2026.

**Q. How did you select the companies included in your proxy group?**

A. I began with the group of companies that *Value Line* Investment Survey ("*Value Line*") classifies as Water Utilities and Natural Gas Distribution Utilities and applied the following screening criteria to select companies that:

- pay consistent quarterly cash dividends because companies that do not pay dividends cannot be analyzed using the DCF model;
- have an investment grade long-term issuer rating;
- have positive long-term earnings growth forecasts from at least two utility industry equity analysts;
- derive more than 70.00 percent of their total operating income from regulated operations; and
- were not parties to a merger or transformative transaction during the analytical periods relied on.

**Q. Why did you consider natural gas distribution companies in the proxy group?**

A. *Value Line* currently classifies only seven companies as water utilities and there is limited analyst coverage for these companies. Therefore, the universe of water utilities is already small before a set of screening criteria are applied. Additionally, there has been a trend towards consolidation in the utility industry, which reduces the number of available proxy companies. In fact, on October 27, 2025, AWK and Essential Utilities ("Essential") announced they are merging,[22] and thus both companies should be excluded from the proxy group as a result of this transaction. Because there are a small number of companies that

[22] "American Water and Essential Utilities to Merge as a Leading Regulated U.S. Water and Wastewater Utility," American Water Works press release, October 27, 2025.

are available for inclusion in the proxy group, I also consider natural gas distribution companies that meet the screening criteria.

**Q. Is there another reason that you have excluded AWK from your proxy group?**

A. Yes. In addition to the ongoing merger with Essential, it is not appropriate to include AWK in the proxy group used to determine the authorized ROE for MAWC because of the circular logic that would occur. If AWK were included in the proxy group, AWK would be used to determine its own subsidiary's ROE. Therefore, to avoid the circular logic, I exclude AWK from my proxy group for MAWC.

**Q. Are natural gas utilities reasonably comparable to water utilities to be included in a proxy group used to estimate the cost of equity for a water utility?**

A. Yes. It is reasonable to consider natural gas companies for purposes of establishing a proxy group of companies that are reasonably comparable to MAWC. MAWC is a regulated utility distribution company, which is similar to other regulated utility distribution companies that provide natural gas services instead of water distribution. My screening criteria require that a company derive more than 70.00 percent of its operating income from regulated operations. Therefore, the natural gas distribution companies included in my proxy group generate a large portion of their operating income from regulated operations similar to MAWC and the water utilities included in the proxy group.

Recent consolidation in the utility industry has demonstrated the similar nature of water, and natural gas distribution utilities. Consolidation within the water utility industry has occurred not only among water-only utilities, but there have also been acquisitions that

have involved the merger of a natural gas utility with a water utility. For example, in 2017, Northwest Natural Gas Company ("Northwest Natural") acquired Salmon Valley Water Company and Falls Water Company, two water utilities operating in the Pacific Northwest, and one of the reasons cited for the merger was the similarity in operating characteristics and risk profiles of the natural gas and water utilities. In an interview regarding the transaction, the CEO of Northwest Natural noted:

> While these transactions and the companies' continuing operations are not expected to have a material impact on NW Natural's financial results, we view these acquisitions as the first step in a broader strategy. The water utility sector has a risk profile and business model that is similar to our core gas utility. There are also substantial investment opportunities over the long term, as water infrastructure needs to be replaced and upgraded to serve growing communities with safe, clean drinking water.[23]

Similarly, in 2020, Essential completed the acquisition of PNG Companies, LLC, a natural gas utility operating in Pennsylvania, West Virginia, and Kentucky. In discussing the acquisition, Essential's Chairman and CEO Chris Franklin noted that:

> …both gas and water utilities are underground utilities, and that the systems share a common burden of being old and in need of replacement. However, he said rates will not go up for "a number of years," and that any increase would require approval from the PUC.[24]

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23 Northwest Natural Gas Company, Press Release, "NW Natural Expands into Regulated Water Utility Sector with Acquisitions in Oregon and Idaho," December 21, 2017.

24 Margaret J. Krauss, "Aqua America Will Buy Peoples Gas For $4.3 Billion," 90.5 WESA (NPR), January 16, 2020.

**Q. Have other regulators considered the inclusion of other utility industry segments in the proxy group used to estimate the cost of equity for a water utility?**

A. Yes. For example, the Massachusetts Department of Public Utilities ("MDPU"), the Florida Public Service Commission ("FPUC"), and the Illinois Commerce Commission ("ICC") have considered the results of a proxy group that includes natural gas companies when determining the authorized ROE for water utilities:

- In Docket No. 17-90, the MDPU determined that the use of a natural gas utility proxy group was appropriate for the purpose of demonstrating the comparability of the investment risk of the proxy group to Aquarion Water Company.[25]

- In Docket No. 20180006-WS, the FPUC modified the methodology used to estimate the ROE for water and wastewater utilities in Florida to include a combined proxy group of natural gas and water utilities.[26] The FPUC has previously relied on a natural gas only proxy group to estimate the ROE for water and wastewater utilities;[27] however, to increase the size of the proxy group, the FPUC decided to rely on a combined proxy group. Specifically, the FPUC noted:

> The leverage formula methodology shall be modified to include a combined proxy group of natural gas and WAW utilities as proxy companies in calculating the leverage formula. We find that the selected natural gas utilities and WAW utilities that derive at least 50 percent of their revenue from regulated rates. These utilities have market power and are influenced significantly by economic regulation. In Attachment 1, the returns calculated using the proxy group are adjusted to reflect the risks faced by Florida WAW utilities. The updated index consists of five natural gas companies and seven WAW companies that derive at least 50 percent of their

25 Massachusetts Department of Public Utilities, Docket No. 17-90, Oct. 31, 2018, at 286-287.

26 Florida Public Service Commission, Docket No. 20180006-WS, Order No. PSC-2018-0327-PAA-WS, June 26, 2018, at 7.

27 Florida Public Service Commission, Docket No. 170006-WS, Order No. PSC-17-0249-PAA-WS, June 26, 2017, at 2.

> total revenue from regulated operations. These companies have a median Standard and Poor's bond rating of "A."[28]

In Case No. 22-0210, for Illinois-American Water Company, the ICC agreed that a proxy group of water and public utility companies was a reasonable sample upon which to apply the various COE estimation models.[29]

**Q. How does the extent of the analyst coverage of the water utilities compare to that of the natural gas utilities in the proxy group?**

A. While there is limited analyst coverage of the water utilities, there is more coverage of the natural gas utilities. For example, *S&P Capital IQ* reports the number of estimates that contribute to their projected growth rates, and as shown in Figure 4, only one water utility proxy company has multiple analysts contributing to the forecast, whereas there are multiple analysts contributing estimates for the majority of the natural gas utilities in the proxy group.

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[28] Florida Public Service Commission, Docket No. 20180006-WS, Order No. PSC-2018-0327-PAA-WS, June 26, 2018, at 8.

[29] Illinois Commerce Commission, Docket No. 22-0210, Order, Dec. 15, 2022, at 102.

**Figure 4: Number of Analysts Contributing to *S&P Capital IQ* EPS Growth Projections[30]**

| Company | Ticker | Number of Analysts |
|---|---|---|
| Atmos Energy Corporation | ATO | 2 |
| Chesapeake Utilities Corporation | CPK | 1 |
| NiSource Inc. | NI | 4 |
| Northwest Natural Gas Company | NWN | 1 |
| ONE Gas, Inc. | OGS | 1 |
| Southwest Gas Corporation | SWX | 3 |
| American States Water Company | AWR | 1 |
| California Water Service Group | CWT | 1 |
| Middlesex Water Company | MSEX | 1 |
| H2O America (SJW Group) | HTO | 2 |

**Q. Have you compared financial risk metrics of the water utilities and natural gas utilities in your proxy group?**

A. Yes. I have reviewed the *Value Line* safety rankings,[31] *Value Line* timeliness rankings,[32] and *Value Line* betas for the water and natural gas companies in my proxy group, and as shown in Figure 5, these metrics demonstrate that the natural gas companies and water companies in my proxy group have similar risk characteristics.

[30] *S&P Capital IQ*.

[31] *Value Line's* Safety ranking measures the risk associated with a stock, considering financial strength and volatility. The ranking is from 1 (highest) to 5 (lowest).

[32] *Value Line's* Timeliness ranking measures the forecasted relative market performance in the next 12 months. The ranking is from 1 (highest and most likely to outperform most stocks) to 5 (lowest and most likely to underperform most stock).

**Figure 5: Water and Natural Gas Companies Comparison[33]**

| | Water | Natural Gas |
|---|---|---|
| Safety Ranking | 2.25 | 1.83 |
| Timeliness Ranking | 3.25 | 3.8 |
| Beta | 0.76 | 0.78 |

**Q. What is the composition of your proxy group?**

A. The screening criteria just discussed results in a proxy group consisting of the companies shown in Figure 6 and detailed in Schedule AEB-2.

**Figure 6: Proxy Group**

| Company | Ticker |
|---|---|
| Atmos Energy Corporation | ATO |
| Chesapeake Utilities Corporation | CPK |
| NiSource Inc. | NI |
| Northwest Natural Gas Company | NWN |
| ONE Gas, Inc. | OGS |
| Southwest Gas Corporation | SWX |
| American States Water Company | AWR |
| California Water Service Group | CWT |
| Middlesex Water Company | MSEX |
| H2O America (SJW Group) | HTO |

## VI. COST OF EQUITY ESTIMATION

**Q. Please briefly discuss the ROE in the context of the regulated rate of return.**

A. The overall rate of return for a regulated utility is the weighted average cost of capital, in which the costs of the individual sources of capital are weighted by their respective

[33] *Value Line*, February 20, 2026 and April 3, 2026.

proportion (*i.e.*, book values) in the utility's capital structure. The ROE is the cost rate applied to the equity capital in calculating the overall rate of return for ratemaking purposes. While the costs of debt and preferred stock can be directly observed, the cost of equity is market-based and, therefore, must be estimated based on observable market data.

**Q. How is the required cost of equity determined?**

A. The required cost of equity is estimated using analytical techniques that rely on market-based data to quantify investor expectations regarding equity returns, adjusted for certain incremental costs and risks. Informed judgment is then applied to determine where the company's cost of equity falls within the range of results produced by multiple analytical techniques. The key consideration in determining the cost of equity is to ensure that the methodologies employed reasonably reflect investors' views of the financial markets in general, as well as the subject company (in the context of the proxy group) in particular.

**Q. What methods have you used to estimate MAWC's cost of equity?**

A. As noted, I consider the results of the constant growth DCF, CAPM, and ECAPM analyses.

**Q. Is it important to use more than one analytical approach to estimate the cost of equity?**

A. Yes. A reasonable cost of equity estimate appropriately considers alternative methodologies and the reasonableness of their individual and collective results. Because the cost of equity is not directly observable, it must be estimated based on both quantitative and qualitative information. When faced with the task of estimating the cost of equity, analysts and investors are inclined to gather and evaluate as much relevant data as

reasonably can be analyzed. Several models have been developed to estimate the cost of equity, and I use multiple approaches to estimate the cost of equity. As a practical matter, however, all the models available for estimating the cost of equity are subject to limiting assumptions or other methodological constraints. Consequently, many well-regarded finance texts recommend using multiple approaches when estimating the cost of equity. For example, Copeland, Koller, and Murrin[34] suggest using the CAPM and Arbitrage Pricing Theory model, while Brigham and Gapenski[35] recommend the CAPM, DCF, and Bond Yield Plus Risk Premium approaches.

**Q. Has the Commission previously recognized the importance of considering the results of multiple cost of equity estimation models?**

A. Yes. For example, in 2018 the Commission stated:

> In order to set a fair rate of return for Spire, the Commission must determine the weighted cost of each component of the utility's capital structure. One component at issue in this case is the estimated cost of common equity, or the return on equity. Based on the competent and substantial evidence in the record, on its analysis of the expert testimony offered by the parties, and on its balancing of the interests of the company's ratepayers and shareholders, as fully explained in its findings of fact and conclusions of law, the Commission finds that 9.8 percent is a fair and reasonable return on equity for Spire Missouri. That rate is nearly the midpoint of all the experts' recommendations and is consistent with the national average, the growing economy, and the anticipated increasing interest rates. The Commission finds that this rate of return will allow Spire Missouri to

[34] Tom Copeland, Tim Koller and Jack Murrin, *Valuation: Measuring and Managing the Value of Companies*, New York, McKinsey & Company, Inc., 3rd Ed., 2000, at 214.

[35] Eugene Brigham and Louis Gapenski, *Financial Management: Theory and Practice*, Orlando, Dryden Press, 1994, at 341.

compete in the capital market for the funds needed to maintain its financial health.[36]

Thus, the Commission recognized the importance of considering: (1) the results of each model presented in the rate case, which included the DCF, CAPM, and Risk Premium analyses; (2) capital market conditions since changes in market conditions can affect the model results; and (3) the returns awarded to comparable utilities in other jurisdictions across the United States.

### A. Constant Growth DCF Model

**Q. Please describe the DCF approach.**

A. The DCF approach is based on the theory that a stock's current price represents the present value of all expected future cash flows. In its most general form, the DCF model is expressed as follows:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \cdots + \frac{D_\infty}{(1+k)^\infty} \qquad [1]$$

Where $P_0$ represents the current stock price, $D_1 \ldots D\infty$ are all expected future dividends, and k is the discount rate, or required ROE. Equation [1] is a standard present value calculation that can be simplified and rearranged into the following form:

$$k = \frac{D_0(1+g)}{P_0} + g \qquad [2]$$

[36] In re Laclede Gas Co., No. GR-2017-0215, Report and Order at 35 (March 7, 2018).

Equation [2] is often referred to as the constant growth DCF model in which the first term is the expected dividend yield and the second term is the expected long-term growth rate.

**Q. What assumptions are required for the constant growth DCF model?**

A. The constant growth DCF model requires the following four assumptions: (1) a constant growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price-to-earnings ratio; and (4) a discount rate greater than the expected growth rate. To the extent that any of these assumptions are not objectively valid, considered judgment and/or specific adjustments should be applied to the results.

**Q. What market data do you use to calculate the dividend yield in your constant growth DCF model?**

A. The dividend yield in my constant growth DCF model is based on the proxy group companies' current annual dividend and average closing stock prices over the 30-, 90-, and 180-trading days ended April 30, 2026.

**Q. Why do you use these averaging periods?**

A. I use an average of recent trading days to calculate the term $P_0$ in the DCF model to reflect current market data while also ensuring that the result of the model is not skewed by anomalous events that may affect stock prices on any given trading day.

**Q. Have you made any adjustments to the dividend yield to account for periodic growth in dividends?**

A. Yes. Since utility companies tend to increase their quarterly dividends at different times throughout the year, it is reasonable to assume that dividend increases will be evenly distributed over calendar quarters. Given that assumption, it is reasonable to apply one-half of the expected annual dividend growth rate for purposes of calculating the expected dividend yield component of the DCF model. This adjustment ensures that the expected first-year dividend yield is, on average, representative of the coming twelve-month period, and does not overstate the aggregated dividends to be paid during that time.

**Q. Why is it important to select appropriate measures of long-term growth in applying the DCF model?**

A. In its constant growth form, the DCF model (*i.e.*, Equation [2]) assumes a single growth estimate in perpetuity. To reduce the long-term growth rate to a single measure, one must assume that the payout ratio remains constant and that earnings per share ("EPS"), dividends per share, and book value per share all grow at the same constant rate. However, over the long run, dividend growth can only be sustained by earnings growth, meaning earnings are the fundamental driver of a company's ability to pay dividends. Therefore, projected EPS growth is the appropriate estimate of a company's long-term projected growth. In contrast, changes in a company's dividend payments are based on management decisions related to cash management and other factors. For example, a company may decide to retain earnings rather than pay out a portion of those earnings to shareholders through dividends. As such, dividend growth rates are less likely than earnings growth

rates to accurately reflect investor perceptions of a company's growth prospects. Accordingly, I have incorporated several sources of long-term EPS growth rates into the constant growth DCF model.

**Q. What sources of long-term EPS growth rates do you use?**

A. My constant growth DCF model incorporates three sources of long-term earnings growth rates: (1) *Zacks Investment Research* ("*Zacks*"); (2) *S&P Capital IQ*; and (3) *Value Line.*

**Q. Have you previously relied on projected EPS growth rates provided by *Yahoo! Finance*?**

A. Yes, however, *Yahoo! Finance* no longer reports consensus projected 3- to 5-year EPS growth rates. As a result, I have replaced this source with the consensus projected 3- to 5-year EPS growth rates reported by *S&P Capital IQ.*

**Q. How do you calculate the range of results for the constant growth DCF models?**

A. I calculate results using the average EPS growth rate from all three sources for each proxy group company. In addition, I calculate a low-end result for the constant growth DCF models using the minimum growth rate of the three sources (*i.e.*, the lowest of the *Zacks*, *S&P Capital IQ*, and *Value Line* projected EPS growth rates) for each of the proxy group companies, and use a similar approach to calculate a high-end result, using the maximum growth rate of the three sources for each proxy group company.

**Q. What are the results of your DCF analyses?**

A. Figure 7 summarizes the results of my DCF analyses, which are also provided in Schedule AEB-3.

**Figure 7: Summary of DCF Results**

| | Minimum Growth Rate | Average Growth Rate | Maximum Growth Rate |
|---|---|---|---|
| Constant Growth DCF: | | | |
| Mean | | | |
| 30-Day Avg. Stock Price | 10.03% | 10.76% | 11.43% |
| 90-Day Avg. Stock Price | 10.14% | 10.87% | 11.54% |
| 180-Day Avg. Stock Price | 10.23% | 10.95% | 11.63% |
| Average | 10.13% | 10.86% | 11.53% |
| Median | | | |
| 30-Day Avg. Stock Price | 9.74% | 10.15% | 10.44% |
| 90-Day Avg. Stock Price | 9.91% | 10.33% | 10.56% |
| 180-Day Avg. Stock Price | 9.99% | 10.41% | 10.69% |
| Average | 9.88% | 10.30% | 10.56% |

## B. CAPM and ECAPM Analysis

**Q. Please briefly describe the CAPM.**

A. The CAPM is a risk premium approach that estimates the cost of equity for a given security as a function of a risk-free return plus a risk premium to compensate investors for the non-diversifiable or "systematic" risk of that security.[37] The CAPM is defined by four components:

[37] Systematic risk is the risk inherent in the entire market or market segment, which cannot be diversified away using a portfolio of assets. Unsystematic risk is the risk of a specific company that can, theoretically, be mitigated through portfolio diversification.

$$K_e = r_f + \beta(r_m - r_f) \quad [3]$$

Where:

$K_e$ = the required return of an individual security
$\beta$ = the beta coefficient of an individual security
$r_f$ = the risk-free rate of return
$r_m$ = the required return on the market as a whole

In this specification, the term ($r_m - r_f$) represents the market risk premium, which measures the relative riskiness of the security being evaluated. According to the theory underlying the CAPM, because unsystematic risk can be diversified away, investors should only be concerned with systematic or non-diversifiable risk. Non-diversifiable risk is measured by beta, which is defined as:

$$\beta = \frac{Covariance(r_e, r_m)}{Variance(r_m)} \quad [4]$$

*Variance* ($r_m$) represents the variance of the market return which is a measure of the uncertainty of the general market. *Covariance* ($r_e$, $r_m$) represents the covariance between the return on a specific security and the general market, which reflects the extent to which the return on that security will respond to a given change in the general market return. Thus, beta represents the risk of the security relative to the general market.

**Q. What risk-free rate do you use in your CAPM analysis?**

A. I use three estimates of the yield on Treasury bonds: (1) the current 30-day average yield on 30-year Treasury bonds, which is 4.91 percent;[38] (2) the average projected 30-year

[38] Bloomberg Professional, as of April 30, 2026.

Treasury bond yield for the third quarter of 2026 through the third quarter of 2027, which is 4.82 percent;[39] and (3) the average projected 30-year Treasury bond yield for 2027 through 2031, which is 4.60 percent.[40]

**Q. What beta coefficients do you use in your CAPM analysis?**

A. As shown on Schedule AEB-4, I use the average beta coefficients for the proxy group companies as reported by *Value Line*. The beta coefficients reported by *Value Line* are calculated based on five years of weekly returns relative to the New York Stock Exchange Composite Index. Additionally, as shown on Schedule AEB-4 and Schedule AEB-5, I also consider an additional CAPM analysis that relies on the long-term average beta coefficient reported by *Value Line* for the companies in my proxy group from 2013 through 2025.

**Q. How do you estimate the market risk premium in the CAPM?**

A. I estimate the market risk premium as the difference between the implied expected equity market return and the risk-free rate. As shown on Schedule AEB-6, the expected return is calculated using the constant growth DCF model discussed previously in my testimony for the companies in the S&P 500 Index. Based on an estimated market capitalization-weighted dividend yield of 1.31 percent and a weighted long-term growth rate of 11.89 percent, the estimated required market return for the S&P 500 Index as of April 30, 2026 is 13.28 percent.

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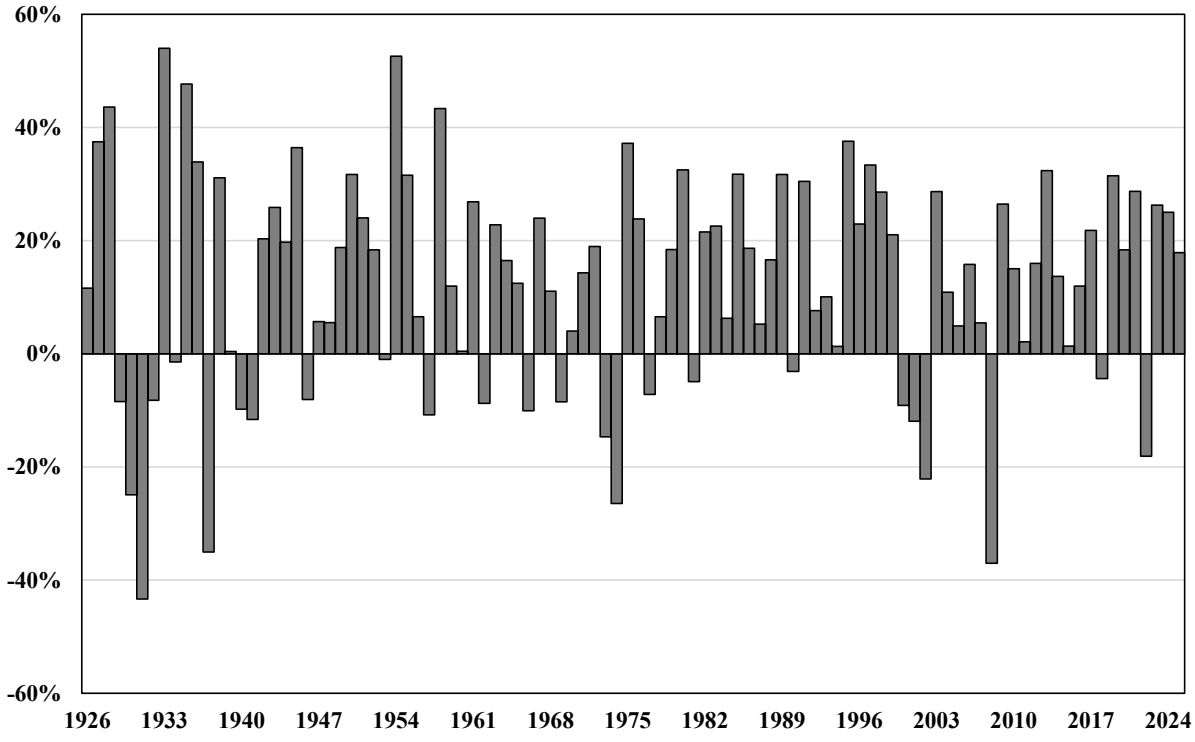
[39] *Blue Chip Financial Forecasts*, Vol. 45, No. 5, May 1, 2026, at 2.

[40] *Blue Chip Financial Forecasts*, Vol. 44, No. 12, December 1, 2025, at 14.

**Q. How does the current expected market return compare to observed historical market returns?**

A. As shown in Figure 8, given the range of annual equity returns that have been observed over the past century, the current expected market return is reasonable. In 53 out of the past 100 years (or 53.00 percent of observations), the realized equity market return was at least 13.28 percent or greater.

**Figure 8: Realized U.S. equity market returns (1926-2025)** [41]




[41] Depicts total annual returns on large company stocks, as reported in the 2023 *Kroll* SBBI Yearbook for 1926-2022 and from *S&P Capital IQ Pro* for 2023-2025.

**Q. Do you also consider another form of the CAPM in your analysis?**

A. Yes. I also consider the results of an ECAPM analysis in estimating the cost of equity.[42] The ECAPM calculates the product of the adjusted beta coefficient and the market risk premium and applies a weight of 75.00 percent to that result. The model then applies a 25.00 percent weight to the market risk premium without any effect from the beta coefficient. The results of the two calculations are summed, along with the risk-free rate, to produce the ECAPM result, as noted in Equation [5] below:

$$k_e = r_f + 0.75\beta(r_m - r_f) + 0.25(r_m - r_f) \qquad [5]$$

Where:

$k_e$ = the required return of an individual security
$\beta$ = the adjusted beta coefficient of an individual security
$r_f$ = the risk-free rate of return
$r_m$ = the required return on the market as a whole

The ECAPM addresses the tendency of the "traditional" CAPM to underestimate the cost of equity for companies with low beta coefficients such as regulated utilities. In that regard, the ECAPM is not redundant to the use of adjusted betas in the traditional CAPM; rather, it recognizes the results of academic research indicating that the risk-return relationship is different (in essence, flatter) than estimated by the CAPM, meaning that the CAPM

[42] *See, e.g.*, Roger A. Morin, *New Regulatory Finance*. Public Utilities Reports, Inc., 2006, at 189.

underestimates the cost of equity for companies with a beta less than 1.0 and overestimates the cost of equity for companies with a beta greater than 1.0.[43]

Consistent with the CAPM, my application of the ECAPM uses the same three yields on the 30-year Treasury bond as the risk-free rate, forward-looking market return, and beta coefficients.

**Q. What are the results of your CAPM and ECAPM analyses?**

A. The results of my CAPM and ECAPM analyses are summarized below in Figure 9 and presented in more detail on Schedule AEB-4.

**Figure 9: Summary of CAPM and ECAPM Results**

| | 30-Year Treasury Bond Yield | | |
|---|---|---|---|
| | Current 30-Day Avg | Near-Term Projected | Longer-Term Projected |
| CAPM: | | | |
| Current *Value Line* Beta | 11.44% | 11.42% | 11.37% |
| Long-term Avg. *Value Line* Beta | 11.19% | 11.16% | 11.11% |
| ECAPM: | | | |
| Current *Value Line* Beta | 11.90% | 11.88% | 11.85% |
| Long-term Avg. *Value Line* Beta | 11.71% | 11.69% | 11.65% |

[43] *Id*. at 191.

## VII. BUSINESS AND REGULATORY RISKS

**Q. Taken alone, do the results from the cost of equity estimation models for the proxy group provide an appropriate estimate of the cost of equity for the Company.**

A. No. These results provide only a range for the appropriate estimate of the Company's cost of equity. There are several additional factors that must be taken into consideration when determining where the Company's cost of equity falls within the range of results. These factors, which are discussed below, should be considered with respect to their overall effect on the Company's risk profile.

### A. Capital Expenditures

**Q. Please summarize the Company's capital expenditure requirements.**

A. As of December 31, 2025, the Company had net utility plant of approximately $4.4 billion, and the Company currently projects capital expenditures for 2026 through 2031 of approximately $3.5 billion. Therefore, the Company's projected capital expenditures represent approximately 80.00 percent of its net utility plant as of December 31, 2025.

**Q. How do the Company's capital expenditure requirements compare to those of the proxy group companies?**

A. As shown on Schedule AEB-7, I have calculated the ratio of expected capital expenditures to net utility plant for MAWC and each of the companies in the proxy group. As shown therein, the Company's ratio of capital expenditures as a percentage of net utility plant is above the median of the proxy group companies (*i.e.*, 1.36 times), which, all else equal, indicates greater risk than the companies in the proxy group on average.

**Q. How is the Company's risk profile affected by its substantial capital expenditure requirements?**

A. As with any utility faced with substantial capital expenditure requirements, the Company's risk profile may be adversely affected in two significant and related ways: (1) the heightened level of investment increases the risk of under-recovery or delayed recovery of the invested capital; and (2) an inadequate return would put downward pressure on key credit metrics.

**Q. Do credit rating agencies recognize the risks associated with elevated levels of capital expenditures?**

A. Yes. From a credit perspective, the additional pressure on cash flows associated with high levels of capital expenditures exerts corresponding pressure on credit metrics and, therefore, credit ratings. To that point, S&P explains the importance of regulatory support for large capital projects:

> When applicable, a jurisdiction's willingness to support large capital projects with cash during construction is an important aspect of our analysis. This is especially true when the project represents a major addition to rate base and entails long lead times and technological risks that make it susceptible to construction delays. Broad support for all capital spending is the most credit-sustaining. Support for only specific types of capital spending, such as specific environmental projects or system integrity plans, is less so, but still favorable for creditors. Allowance of a cash return on construction work-in-progress or similar ratemaking methods historically were extraordinary measures for use in unusual circumstances, but when construction costs are rising, cash flow support could be crucial to maintain credit quality through the spending program. Even more favorable are those

jurisdictions that present an opportunity for a higher return on capital projects as an incentive to investors.[44]

**Q. Does MAWC have a capital tracking mechanism to recover some of the costs associated with its capital expenditures plan between rate cases?**

A. Yes. MAWC has a Water and Sewer Infrastructure Rate Adjustment ("WSIRA") surcharge that allows the Company to recover eligible costs associated with replacing, repairing, and relocating aging water and wastewater infrastructure, such as pipes, meters, valves, hydrants, service lines, sewer laterals, pumps, mechanical equipment, and system controls.[45] However, there is a cap on the annual amount of capital costs that can be recovered through the WSIRA. The annual revenue collected through the WSIRA (revenue collected through the WSIRA minus the revenue associated with the plant being replaced) cannot exceed 15.00 percent of MAWC's total base revenue requirement approved by the Commission in the Company's last general rate proceeding.[46] Further, only a portion of the Company's total capital expenditures plan is eligible for recovery through the WSIRA. Therefore, the Company relies on future rate case filings for authorization to recover the return on and return of its projected capital expenditures, and, as a result, the WSIRA mitigates but does not eliminate the cost recovery risk associated with MAWC's capital expenditure plans.

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[44] S&P Global Ratings, "Assessing U.S. Investor-Owned Utility Regulatory Environments," August 10, 2016, at 7.

[45] Missouri-American Water Company tariff, Schedule of Rates, Rate W, 11th Revised Sheet No. RT 11.1, effective March 1, 2026.

[46] In the Matter of the Petition of Missouri –American Water Company for Approval to Establish a Water and Sewer Infrastructure Rate Adjustment ("WSIRA"), Order Approving Water and Sewer Infrastructure Rate Adjustments, Missouri Public Service Commission, File No. WO-2021-0428, January 12, 2022, at 4; Mo. Rev. Stat. § 393.1506.1 (2025).

**Q. Does the WSIRA reduce MAWC's cost of equity?**

A. No. It is important to recognize that the estimation of the cost of equity includes a comparative analysis of the risks and returns of the subject company and the proxy group of publicly traded utilities that are relied on in the cost of equity estimation models, including their utility operating subsidiaries. Therefore, the threshold question is not whether this mechanism unto itself reduces the risk of MAWC, but rather whether MAWC's risk is reduced below that of the proxy group on the basis of having the WSIRA. As shown in Schedule AEB-8, the majority of the operating utilities of the proxy group companies (*i.e.*, 75.00 percent) also have some form of a capital cost recovery mechanism. Thus, MAWC is similar to the proxy group with respect to the recovery of capital investments, and the WSIRA does not reduce the Company's regulatory risk relative to its peers, but rather, the implementation of WSIRA means the Company's risk profile is more consistent with the operating utilities of the proxy group companies. As noted, it is also important to recognize that it remains subject to an annual cap and thus could limit the recovery of capital on a forward-looking basis.

**Q. What are your conclusions regarding the effect of the Company's capital spending requirements on its risk profile and cost of capital?**

A. As noted, the Company's capital expenditure requirements as a percentage of net utility plant are significant relative to the proxy group and will continue over the next several years. Although MAWC has WSIRA to recover certain qualifying capital costs, this mechanism does not provide for timely recovery of all of the Company's capital expenditures between rate cases. As a result, all else equal, the Company has relatively

greater risk of timely cost recovery and earnings potential relative to the proxy group companies.

### B. Earned ROE

**Q. Is there evidence that MAWC has been unable to earn its authorized return on equity?**

A. Yes. As shown in Figure 10, MAWC has persistently failed to earn its authorized ROE in each year since 2015. Over this period, the Company's average earned ROE generally has been between 100 and 200 basis points below the Company's authorized ROE. This under-earning is due in part to the regulatory environment in Missouri, which is discussed in the following section. The prior under earning highlights the importance of a constructive outcome in the current proceeding so that MAWC has a reasonable opportunity to earn its authorized ROE.

**Figure 10: Earned vs. Authorized ROE**

| | Earned ROE | Authorized ROE | Earnings Differential (BPS) |
|---|---|---|---|
| **2025** | 8.07% | 9.75[47] | (168) |
| **2024** | 7.85% | 9.75[48] | (190) |
| **2023** | 8.72% | 9.75%[49] | (103) |
| **2022** | 8.72% | 9.55% | (83) |
| **2021** | 7.46% | 9.55%[50] | (209) |
| **2020** | 8.03% | 9.75% | (172) |
| **2019** | 8.57% | 9.75% | (118) |
| **2018** | 8.42% | 9.75% | (133) |
| **2017** | 7.67% | 9.50-10.00%[51] | (183-233) |
| **2016** | 8.71% | 9.75% | (104) |
| **2015** | 7.95% | 9.75%[52] | (180) |

### C. Regulatory Risk

**Q. How does the regulatory environment affect investors' risk assessments?**

A. The ratemaking process is premised on the principle that, for investors and companies to commit the capital needed to provide safe and reliable utility service to customers, the

[47] From AWK 2026 First Quarter Earnings Conference Call, April 30, 2026, "The listed ROE is the Company's view of the ROE allowed in the case; the ROE was not disclosed in the Order or the applicable settlement agreement," at 35.

[48] *Id.*

[49] From AWK Investor Day Presentation, March 2024, "The ROE is the Company's view of the ROE allowed in the case; however, the ROE was not disclosed in the Order or the applicable settlement agreement," at 37.

[50] From AWK Fall 2021 Investor Day Presentation, November 2021, "The ROE is the Company's view of the ROE allowed in the case; however, the ROE was not disclosed in the Order or the applicable settlement agreement," at 60.

[51] Docket No. WR-2017-0285, Stipulation and Agreement, at 3.

[52] Docket No. WR-2015- 0301, at 3.

subject utility must have the opportunity to recover the return of, and the market-required return on, invested capital. Regulatory authorities recognize that because utility operations are capital-intensive, regulatory decisions should enable the utility to attract capital on reasonable terms, and doing so balances the long-term interests of investors and customers. To achieve this balance, the Company must be able to finance its operations assuming a reasonable opportunity to earn an appropriate return on invested capital to maintain an acceptable financial profile. In that respect, the regulatory environment is one of the most important factors considered in both debt and equity investors' risk assessments.

From the perspective of debt investors, the authorized return should enable the utility to generate the cash flow needed to meet its near-term financial obligations, make the capital investments needed to maintain and expand its systems, and maintain the necessary levels of liquidity to fund unexpected events. This financial liquidity must be derived not only from internally generated funds, but also by efficient access to capital markets. Moreover, because fixed income investors have many investment alternatives, even within a given market sector, the utility's financial profile must be adequate on a relative basis to ensure its ability to attract capital under a variety of economic and financial market conditions.

In addition, equity investors require that the authorized return be adequate to provide a risk-comparable return on the equity portion of the utility's capital investments. Because equity investors are the residual claimants on the utility's cash flows (which is to say that the equity return is subordinate to interest payments), they are particularly concerned with the strength of regulatory support and its effect on future cash flows.

**Q. Do credit rating agencies consider regulatory risk in establishing a company's credit rating?**

A. Yes. Both S&P and Moody's consider the overall regulatory framework in establishing credit ratings. Moody's establishes credit ratings based on four key factors: (1) business profile; (2) financial policy; (3) leverage and coverage; and (4) uplift for structural considerations. Within the business profile criteria, stability and predictability of regulatory environment and cost and investment recovery (sufficiency and timeliness) are each given a broad rating factor of 15.00 percent, while revenue risk is given a rating factor of 5.00 percent. Therefore, Moody's assigns regulatory risk a 35.00 percent weighting in the overall assessment of business and financial risk for regulated utilities.[53]

S&P also identifies the regulatory framework as an important factor in credit ratings for regulated utilities, stating: "we assess regulatory advantage because the influence of the regulatory framework and regime is of critical importance. It defines the environment in which a utility operates and has a significant bearing on a utility's financial performance."[54] S&P identifies four specific factors that it uses to assess the credit implications of the regulatory jurisdictions of investor-owned regulated utilities: (1) regulatory stability; (2) tariff-setting procedures and design; (3) financial stability; and (4) regulatory independence and insulation.[55]

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[53] Moody's Investors Service, Rating Methodology: Regulated Water Utilities, August 18, 2023, at 3.

[54] Standard & Poor's Global Ratings, "Sector-Specific Corporate Methodology," April 4, 2024, at 147.

[55] *Id*.

**Q. How does the regulatory environment in which a utility operates affect its access to and cost of capital?**

A. The regulatory environment can significantly affect both the access to, and cost of capital in several ways. First, the proportion and cost of debt capital available to utility companies are influenced by the rating agencies' assessment of the regulatory environment. As noted by Moody's, "the characteristics and transparency of the concession(s) and regulations under which the utility operates, the track record of the regulatory regime in setting tariffs and applying regulations consistently are key elements in assessing the overall stability of a water utility's business profile."[56]

**Q. Have you conducted any analysis of the risk associated with the regulatory framework in Missouri relative to the jurisdictions in which the utility operating subsidiaries of the companies in your proxy group operate?**

A. Yes. I have evaluated the regulatory framework in Missouri considering three factors that are important in terms of providing a regulated utility a reasonable opportunity to earn its authorized ROE: (1) the test year convention (*i.e.*, forecast vs. historical) for ratemaking; (2) the use of rate design or other mechanisms that mitigate volumetric risk and stabilize revenue; and (3) the ability to recover capital costs between rate cases. The results of this regulatory risk assessment are shown on Schedule AEB-8 and are summarized below

- Test Year Convention: MAWC has relied on a historic test year in the past with limited changes through a true-up period.[57] In this proceeding, the Company is

[56] Moody's Investors Service, Rating Methodology: Regulated Water Utilities, June 8, 2018, at 7.

[57] Missouri Public Service Commission, File No. WR-2024-0320, Report and Order, May 7, 2025, at 14.

proposing a future test year ending May 31, 2028. A future test year is consistent with operating subsidiaries of the proxy group companies, as 55 percent of the utility operating subsidiaries of the proxy group companies use a partially or fully forecast test year. Forecasted test years have been relied on in many jurisdictions for years and produce cost estimates that are more reflective of future costs, which results in more accurate recovery of incurred costs and mitigates the regulatory lag associated with historical test years.

- Revenue Stabilization/Volumetric Risk: The Company does not currently have protection against volumetric risk; however, it is proposing to implement a Revenue Stabilization Mechanism ("RSM") in this proceeding. The RSM would reconcile actual revenue for water customers in the residential, commercial, OPA and sale for resale classes with the revenue the Commission authorizes (i.e., "Authorized Revenues") the Company to collect in rates.[58] This mechanism excludes revenues authorized and collected through the WSIRA.

  Approximately 68 percent of the utility operating subsidiaries of the proxy group companies have some form of protection against volumetric risk or revenue stabilization. Therefore, absent the approval of the RSM or similar type of mechanism, MAWC would face greater risk relative to the proxy group given that the majority of the utility operating subsidiaries of the proxy group companies have some form of revenue stabilization that allow them to break the link between customer usage and revenues.

- Capital Cost Recovery: As noted previously, MAWC has the WSIRA mechanism to recover eligible infrastructure costs, and similarly, 75.00 percent of the utility operating subsidiaries of the proxy group companies also have some form of capital cost recovery between rate cases in place.

[58] Please see generally the Direct Testimony of Max McClellan at 60-74.

**Q. Have you developed any additional analyses to evaluate the regulatory environment in Missouri as compared to the jurisdictions in which the companies in your proxy group operate?**

A. Yes. I have conducted two additional analyses to compare the regulatory framework of Missouri to the jurisdictions in which the companies in the proxy group operate. Specifically, I consider two different rankings: (1) the RRA ranking of regulatory jurisdictions; and (2) S&P's ranking of the credit supportiveness of regulatory jurisdictions.

**Q. How does RRA evaluate the regulatory environment in each jurisdiction?**

A. RRA evaluates the regulatory environment from an investor perspective, considering the relative regulatory risk associated with ownership of securities issued by the companies that are regulated in each jurisdiction. RRA considers multiple factors that affect the regulatory process including state regulatory commission decisions, the impact of actions taken by the governor, the legislature, the courts, and consumer advocacy groups, and numerous factors regarding the ratemaking environment within the jurisdiction.[59]

**Q. How do you use the RRA ratings to compare the regulatory jurisdictions of the proxy group companies with MAWC's regulatory jurisdiction?**

A. RRA assigns a ranking for each regulatory jurisdiction as "Above Average", "Average", or "Below Average", and then within each of those categories, a numeric ranking from 1 to 3. Thus, there are a total of nine RRA rankings, with the rankings for each jurisdiction ranging from "Above Average/1", which is considered the most supportive, to "Below

[59] S&P Global Market Intelligence, "RRA State Regulatory Evaluations – Energy," July 2025.

Average/3," which is the least supportive. I have applied a numeric ranking system to the RRA rankings with "Above Average/1" assigned the highest ranking (*i.e.*, a "1") and "Below Average/3" assigned the lowest ranking (*i.e.*, a "9").

**Q. What are the results of this RRA jurisdictional ratings comparison?**

A. As shown on Schedule AEB-9, the Missouri jurisdictional ranking is "Average / 2" (*i.e.*, a "5.0"), which is in line with the proxy group average ranking of between "Average / 2" and "Average / 3" (*i.e.*, a "5.03").

**Q. How have you conducted your analysis of the S&P credit supportiveness rankings?**

A. For credit supportiveness, S&P classifies each regulatory jurisdiction into five categories that range from "Most Credit Supportive" down to "Credit Supportive." My comparison of the credit supportiveness of MAWC's regulatory jurisdiction to those in which the proxy companies operate is similar to the analysis of the RRA overall regulatory ranking just discussed. I assign a numerical ranking to each category, from "Most Credit Supportive" ("1") to "Credit Supportive" ("5").

**Q. What are the results of this S&P credit supportiveness comparison?**

A. As shown on Schedule AEB-10, the Missouri jurisdictional classification of "Highly Credit Supportive" (*i.e.*, a "2.00") is slightly higher the proxy group average ranking, which is classified between "Highly Credit Supportive" and "Very Credit Supportive" (*i.e.*, a "2.78").

**Q. What are your conclusions regarding the regulatory risks related to the Missouri regulatory environment?**

A. Both Moody's and S&P have identified the supportiveness of the regulatory environment as an important consideration in developing their overall credit ratings for regulated utilities. Considering the Company's ability to timely recover its prudently incurred costs is limited compared with the operating utilities of the proxy group, it has persistently earned substantially less than its authorized ROE over the past decade, and the RRA jurisdictional and S&P credit supportiveness rankings, MAWC has above average business and regulatory risk as compared to the proxy group companies.

## D. Flotation Costs

**Q. What are floatation costs?**

A. Flotation costs are the costs associated with the sale of new issues of common stock. These costs include out-of-pocket expenditures for preparation, filing, underwriting, and other issuance costs.

**Q. Why is it important to consider flotation costs in the allowed ROE?**

A. A regulated utility must have the opportunity to earn an ROE that is both competitive and compensatory to attract and retain new investors. To the extent that a company is denied the opportunity to recover prudently incurred flotation costs, actual returns will fall short of expected (or required) returns, thereby diluting equity share value.

**Q. Are flotation costs part of the utility's invested costs or part of the utility's expenses?**

A. Yes. Flotation costs are part of the invested costs of the utility, which are properly reflected on the balance sheet under "paid in capital." They are not current expenses, and, therefore, are not reflected on the income statement. Rather, like investments in rate base or the issuance costs of long-term debt, flotation costs are incurred over time. As a result, the great majority of a utility's flotation cost is incurred prior to the test year but remains part of the cost structure that exists during the test year and beyond, and as such, should be recognized for ratemaking purposes. Therefore, it is irrelevant whether an issuance occurs during the test year or is planned for the test year because failure to allow recovery of past flotation costs may deny MAWC the opportunity to earn its required rate of return in the future.

**Q. Can you provide an example of why a flotation cost adjustment is necessary to compensate investors for the capital they have invested?**

A. Yes. For example, as shown in Schedule AEB-11, AWK's 2025 stock issuance was $142.00 per share of common stock. After paying flotation costs associated with the equity issuance, which included fees paid to underwriters and attorneys, among others, AWK's net proceeds were only $139.54 per share invested. AWK invests that $139.54 per share in plant used to serve its customers, which becomes part of the invested capital of the company. Absent a flotation cost adjustment, the investor will thereafter earn a return on only the $139.54 per share of invested capital, even though the investor's contribution was $142.00. Making a small flotation cost adjustment gives the investor a reasonable

opportunity to earn the authorized return, rather than the lower return that results when the authorized return is applied to an amount less than what the investor contributed.

**Q. Is the need to consider flotation costs eliminated because MAWC is a wholly-owned subsidiary of AWK?**

A. No. Although MAWC is a wholly-owned subsidiary of AWK, it is appropriate to consider flotation costs because wholly-owned subsidiaries receive equity capital from their parent and provide returns on the capital that roll up to the parent, which is designated to attract and raise capital based upon the returns of those subsidiaries. To deny recovery of issuance costs associated with the capital that is invested in the subsidiaries ultimately penalizes the investors that fund the utility operations and could inhibit the utility's ability to obtain new equity capital at a reasonable cost.

**Q. Is the need to consider flotation costs recognized by the academic and financial communities?**

A. Yes. The need to reimburse shareholders for the lost returns associated with equity issuance costs is recognized by the academic and financial communities in the same spirit that investors are reimbursed for the costs of issuing debt. This treatment is consistent with the philosophy of a fair rate of return. According to Dr. Shannon Pratt:

> Flotation costs occur when new issues of stock or debt are sold to the public. The firm usually incurs several kinds of flotation or transaction costs, which reduce the actual proceeds received by the firm. Some of these are direct out-of-pocket outlays, such as fees paid to underwriters, legal expenses, and prospectus preparation costs. Because of this reduction in proceeds, the firm's required returns on these proceeds equate to a higher return to compensate for the additional costs. Flotation costs can be accounted for

> either by amortizing the cost, thus reducing the cash flow to discount, or by incorporating the cost into the cost of capital. Because flotation costs are not typically applied to operating cash flow, one must incorporate them into the cost of capital.[60]

**Q. How did you calculate the flotation costs for MAWC?**

A. My flotation cost calculation is based on the average costs incurred by AWK in its two most recent equity offerings on February 28, 2023, and August 4, 2025. That flotation cost percentage is then applied to the proxy group in the DCF analysis to estimate the impact on the cost of equity associated with flotation costs. As shown in Schedule AEB-11, based on the flotation costs incurred in the most recent AWK issuance, the impact on the proxy group's cost of equity amounts to 5 basis points (*i.e.*, 0.05 percent) based on the median.

**Q. Do your final results include an adjustment for flotation cost recovery?**

A. No, I do not make an explicit adjustment for flotation costs to any of the quantitative results of my cost of equity models. Rather, I consider the incremental cost associated with stock issuance as part of my overall recommendations regarding the range of reasonable ROEs and ultimate recommended ROE.

## VIII. CAPITAL STRUCTURE

**Q. Is the capital structure of the Company an important consideration in the determination of the appropriate ROE?**

A. Yes. The equity ratio is the primary indicator of financial risk for a regulated utility such as the Company. All else equal, a higher debt ratio increases the risk to equity investors.

[60] Shannon P. Pratt, *Cost of Capital Estimation and Applications* (2nd ed. 2002), at 220-221.

For debt holders, higher debt ratios result in a greater portion of the available cash flow being required to meet debt service, thereby increasing the risk associated with the payments on debt. The result of increased risk is a higher interest rate. The incremental risk of a higher debt ratio is more significant for common equity shareholders, whose claim on the cash flow of the Company is secondary to debt holders. Therefore, the greater the debt service requirement, the less cash flow is available for common equity holders.

**Q. What is the Company's proposed capital structure?**

A. As is discussed in the Direct Testimony of Company witness Nicholas F. Furia, the Company proposes to establish a projected capital structure that consists of 50.34 percent common equity and 49.66 percent long-term debt.

**Q. Have you analyzed whether this requested equity ratio is reasonable?**

A. Yes. I have compared the Company's proposed capital structure relative to the actual capital structures of the utility operating subsidiaries of the companies in the proxy group. The cost of equity is estimated based on the return that is derived from companies in the proxy group that are deemed to be comparable in risk to the Company; however, those companies must be publicly traded to apply the cost of equity models. The operating utility subsidiaries of the proxy group companies are most risk-comparable to the Company, and thus it is important to look to the average capital structure of the operating utilities of the proxy group to benchmark the equity ratios for the Company.

Specifically, I have calculated the average proportion of common equity, long-term debt, and preferred equity for the most recent three years for each of the utility operating

subsidiaries of the proxy group companies. As shown on Schedule AEB-12, the common equity ratio for the operating subsidiaries of the proxy group companies over the past three years ranged from 46.51 percent to 68.27 percent, with an average of 56.15 percent. As such, MAWC's proposed equity ratio of is well within the range of equity ratios of the utility operating subsidiaries of the proxy group, and, in fact, significantly lower than the average of the proxy group.

**Q. Is the Company's proposed capital structure reflective of the way the Company is operated and consistent with industry norms?**

A. Yes, it is for several reasons. Most importantly, the Company's proposed forecasted test-year capital structure as of May 31, 2028 reflects the projected financing of MAWC's rate base assets and operating costs.[61]

**Q. Are there other factors to be considered in setting the Company's capital structure?**

A. Yes, namely the challenges that the credit rating agencies have highlighted as placing pressure on the credit metrics for utilities.

For example, Moody's recently maintained its "stable" outlook for 2026 for the regulated gas and electric utilities sector based on the expectation of continued regulatory support in "most states."[62] Moody's makes clear that constructive regulatory outcomes that promote timely cost recovery is the key factor in supporting utility credit quality as Moody's has

[61] Direct Testimony of Nicholas Furia.

[62] Moody's Investors Service, Outlook. "Outlook Stable; supportive regulation to offset modestly negative macro factors." October 31, 2025.

identified that utilities could be exposed to a number of credit negative factors over the next 12 to 18 months. Specifically, Moody's noted the following factors: (1) macroeconomic factors are expected to be modestly credit negative due to upward pressure on natural gas prices and elevated inflation; and (2) increased power demand due to "the development of new data centers, electrification of transportation and buildings, manufacturing customers and underlying population growth" will increase power prices which when coupled with inflation and elevated capital spending increases utilities' exposure to affordability concerns.[63]

S&P states that after five years of downgrades outpacing upgrades, in 2025, upgrades outpaced downgrades and the percentage of companies with a negative outlook declined, which S&P noted pointed to a "more stable environment for credit quality in 2026."[64] However, S&P expects the industry to have increased cash flow deficits as a result of significant capital spending, which must be funded with both debt and equity to maintain credit quality.[65] Therefore, S&P notes that the utility industry will need ongoing access to capital markets to fund the significant capital expenditures. S&P also notes that credit quality will depend on the ability of utilities to manage regulatory risk and achieve fair rate case orders. Finally, while S&P's base case results in a stable outlook for the utility sector, S&P states that about 40 percent of the industry has "minimal financial cushion" from the

[63] *Id.*

[64] S&P Global Ratings. Industry Credit Outlook 2026, "North American Regulated Utilities: Data center growth will support credit quality in 2026," January 14, 2026.

[65] *Id.*

downgrade threshold and therefore would have limited ability to absorb any unexpected events outside of what is assumed in S&P's base case.[66]

Fitch Ratings ("Fitch") maintains a "neutral" outlook for the utility industry in 2026 noting that the stable outlook was supported by growth in sales related to data centers and a "generally benign" regulatory environment for utilities.[67] However, while Fitch views load growth as a "positive development" because the growth is related to data centers, it raises longer-term uncertainty related to "rate design, customer concentration, and technology risks".[68] Further, Fitch states that capital expenditures for the industry will continue to "set records" in order to meet the growing demand and to enhance reliability and modernization. The record capital expenditures will require a balanced regulatory environment to facilitate cost recovery in a credit supportive manner.[69]

The continued concerns of the credit rating agencies over increased capital expenditures underscore the importance of maintaining adequate cash flow metrics for the Company in the context of this proceeding. A reasonable capital structure is key to maintaining supportive cash flow.

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66 *Id.*

67 Fitch Ratings, "North American Utilities & Power Outlook 2026," December 9, 2025, at 1

68 *Id.*

69 *Id.*

**Q. Will the capital structure and ROE authorized in this proceeding affect the Company's access to capital at reasonable rates?**

A. Yes. Because a utility's investment horizon is very long, investors require the assurance of a sufficiently high return to satisfy the long-run financing requirements of the assets placed into service. Those assurances, which often are measured by the relationship between internally generated cash flows and debt (or interest expense), depend quite heavily on the capital structure. Consequently, both the ROE and capital structure are very important to debt and equity investors, particularly given the capital market conditions discussed previously.

## IX. CONCLUSIONS AND RECOMMENDATIONS

**Q. What is your conclusion regarding a reasonable and appropriate ROE for MAWC?**

A. Figure 11 summarizes the results of my cost of equity analyses. Based on these results, the qualitative analyses presented in my direct testimony, the business and financial risks of MAWC as compared to the proxy group, and current and prospective conditions in capital markets, a reasonable range for MAWC's ROE in this proceeding is from 10.25 percent to 11.25 percent, and within that range, an ROE of 10.50 percent reasonably reflects the investor-required return.

**Figure 11: Summary of Analytical Results**

| | Minimum Growth Rate | Average Growth Rate | Maximum Growth Rate |
|---|---|---|---|
| Constant Growth DCF: | | | |
| Mean | | | |
| 30-Day Avg. Stock Price | 10.03% | 10.76% | 11.43% |
| 90-Day Avg. Stock Price | 10.14% | 10.87% | 11.54% |
| 180-Day Avg. Stock Price | 10.23% | 10.95% | 11.63% |
| Average | 10.13% | 10.86% | 11.53% |
| Median | | | |
| 30-Day Avg. Stock Price | 9.74% | 10.15% | 10.44% |
| 90-Day Avg. Stock Price | 9.91% | 10.33% | 10.56% |
| 180-Day Avg. Stock Price | 9.99% | 10.41% | 10.69% |
| Average | 9.88% | 10.30% | 10.56% |

| | 30-Year Treasury Bond Yield | | |
|---|---|---|---|
| | Current 30-Day Avg | Near-Term Projected | Longer-Term Projected |
| CAPM: | | | |
| Current *Value Line* Beta | 11.44% | 11.42% | 11.37% |
| Long-term Avg. *Value Line* Beta | 11.19% | 11.16% | 11.11% |
| ECAPM: | | | |
| Current *Value Line* Beta | 11.90% | 11.88% | 11.85% |
| Long-term Avg. *Value Line* Beta | 11.71% | 11.69% | 11.65% |

**Q. What is your conclusion with respect to MAWC'S proposed capital structure?**

A. MAWC's proposal to establish a capital structure consisting of 50.34 percent common equity is reasonable as the proposed equity ratio is well within the range, and significantly below the mean, of the actual capital structures of the utility operating subsidiaries of the proxy companies.

**Q. Does this conclude your direct testimony?**

A. Yes, it does.

# Ann E. Bulkley

**PRINCIPAL**

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With more than 30 years of experience in the energy industry, Ms. Bulkley specializes in regulatory economics for the electric and natural gas and water utility sectors, including valuation of regulated and unregulated utility assets, cost of capital, and capital structure issues.

Ms. Bulkley has extensive state and federal regulatory experience, and she has provided expert testimony on the cost of capital in more than 100 regulatory proceedings before 32 state regulatory commissions and the Federal Energy Regulatory Commission (FERC).

In addition to her regulatory experience, Ms. Bulkley has provided valuation and appraisal services for a variety of purposes, including the sale or acquisition of utility assets, regulated ratemaking, ad valorem tax disputes, and other litigation purposes. In addition, she has experience in the areas of contract and business unit valuation, strategic alliances, market restructuring, and regulatory and litigation support.

Ms. Bulkley is a Certified General Appraiser licensed in the Commonwealth of Massachusetts and the State of New Hampshire.

Prior to joining Brattle, Ms. Bulkley was a Senior Vice President at an economic consultancy and held senior positions at several other consulting firms.

## AREAS OF EXPERTISE

- Regulatory Economics, Finance & Rates
- Regulatory Investigations & Enforcement
- Tax Controversy & Transfer Pricing
- Electricity Litigation & Regulatory Disputes
- M&A Litigation

## EDUCATION

- **Boston University**
  MA in Economics
- **Simmons College**
  BA in Economics and Finance

## PROFESSIONAL EXPERIENCE

- **The Brattle Group (2022–Present)**
  Principal
- **Concentric Energy Advisors, Inc. (2002–2021)**
  Senior Vice President
  Vice President
  Assistant Vice President
  Project Manager
- **Navigant Consulting, Inc. (1997–2002)**
  Project Manager
- **Reed Consulting Group (1995-1997)**
  Consultant- Project Manager
- **Cahners Publishing Company (1995)**
  Economist

## SELECTED CONSULTING EXPERIENCE & EXPERT TESTIMONY

### REGULATORY ANALYSIS AND RATEMAKING

Have provided a range of advisory services relating to regulatory policy analysis and many aspects of utility ratemaking, with specific services including:

- Cost of capital and return on equity testimony, cost of service and rate design analysis and testimony, development of ratemaking strategies
- Development of merchant function exit strategies

- Analysis and program development to address residual energy supply and/or provider of last resort obligations
- Stranded costs assessment and recovery
  Performance-based ratemaking analysis and design
- Many aspects of traditional utility ratemaking (e.g., rate design, rate base valuation)

## COST OF CAPITAL

Have provided expert testimony on the cost of capital and capital structure in nearly 100 regulatory proceedings before state and federal regulatory commissions in the United States.

## RATEMAKING

Have assisted several clients with analysis to support investor-owned and municipal utility clients in the preparation of rate cases. Sample engagements include:

- Assisted several investor-owned and municipal clients on cost allocation and rate design issues including the development of expert testimony supporting recommended rate alternatives.
- Worked with Canadian regulatory staff to establish filing requirements for a rate review of a newly regulated electric utility. Along with analyzing and evaluating rate application, attended hearings and conducted investigation of rate application for regulatory staff and prepared, supported, and defended recommendations for revenue requirements and rates for the company. Additionally, developed rates for gas utility for transportation program and ancillary services.

## VALUATION

Have provided valuation services to utility clients, unregulated generators, and private equity clients for a variety of purposes, including ratemaking, fair value, ad valorem tax, litigation and damages, and acquisition. Appraisal practices are consistent with the national standards established by the Uniform Standards of Professional Appraisal Practice.

Representative projects/clients have included:

- Prepared appraisals of electric utility transmission and distribution assets for ad valorem tax purposes.
- Prepared appraisals of hydroelectric generating facilities for ad valorem tax purposes.
- Conducted appraisals of fossil fuel generating facilities for ad valorem tax purposes.
- Conducted appraisals of generating assets for the purposes of unwinding sale-leaseback agreements.
- For a confidential utility client, prepared valuation of fossil and nuclear generation assets for financing purposes for regulated utility client.

- Conducted a strategic review of the acquisition of nuclear generation assets. Review included the evaluation of the operating costs of the facilities and the long-term liabilities associated with the assets including the decommissioning of the assets.
- Prepared a valuation of a portfolio of generation assets for a large energy utility to be used for strategic planning purposes. Valuation approach included an income approach, a real options analysis, and a risk analysis.
- Assisted clients in the restructuring of NUG contracts through the valuation of the underlying assets. Performed analysis to determine the option value of a plant in a competitively priced electricity market following the settlement of the NUG contract.
- Prepared market valuations of several purchase power contracts for large electric utilities in the sale of purchase power contracts. Assignment included an assessment of the regional power market, analysis of the underlying purchase power contracts, and a traditional discounted cash flow valuation approach, as well as a risk analysis. Analyzed bids from potential acquirers using income and risk analysis approached. Prepared an assessment of the credit issues and value at risk for the selling utility.
- Prepared appraisal of a portfolio of generating facilities for a large electric utility to be used for financing purposes.
- Conducted a valuation of regulated utility assets for the fair value rate base estimate used in electric rate proceedings in Indiana.
- Prepared an appraisal of a fleet of fossil generating assets for a large electric utility to establish the value of assets transferred from utility property.
- Conducted due diligence on an electric transmission and distribution system as part of a buy-side due diligence team.
- Provided analytical support and prepared testimony regarding the valuation of electric distribution system assets in five communities in a condemnation proceeding.
- Prepared feasibility reports analyzing the expected net benefits resulting from municipal ownership of investor-owned utility operations.
- Prepared independent analyses of proposal for the proposed government condemnation of the investor-owned utilities in Maine and the formation of a public power district.
- Valued purchase power agreements in the transfer of assets to a deregulated electric market.

## STRATEGIC AND FINANCIAL ADVISORY SERVICES

Have assisted several clients across North America with analytically-based strategic planning, due diligence, and financial advisory services.

Representative projects include:

- Preparation of feasibility studies for bond issuances for municipal and district steam clients.
- Assisted in the development of a generation strategy for an electric utility. Analyzed various NERC regions to identify potential market entry points. Evaluated potential competitors and alliance partners. Assisted in the development of gas and electric price forecasts. Developed a framework for the implementation of a risk management program.
- Assisted clients in identifying potential joint venture opportunities and alliance partners. Contacted interviewed and evaluated potential alliance candidates based on company-established criteria for several LDCs and marketing companies. Worked with several LDCs and unregulated marketing companies to establish alliances to enter into the retail energy market. Prepared testimony in support of several merger cases and participated in the regulatory process to obtain approval for these mergers.
- Assisted clients in several buy-side due diligence efforts, providing regulatory insight and developing valuation recommendations for acquisitions of both electric and gas properties.

# BULKLEY TESTIMONY LISTING

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| **Arizona Corporation Commission** | | | | |
| Tucson Electric Power Company | 6/25 | Tucson Electric Power Company | Docket No. G-01933A-25-0103 | Return on Equity |
| UNS Gas | 11/24 | UNS Gas | Docket No. G-04204A-24-0237 | Return on Equity |
| Southwest Gas Corporation | 02/24 | Southwest Gas Corporation | Docket No. G-01551A-23-0341 | Return on Equity |
| UNS Electric | 11/22 | UNS Electric | Docket No. E-04204A-15-0251 | Return on Equity |
| Tucson Electric Power Company | 6/22 | Tucson Electric Power Company | Docket No. G-01933A-22-0107 | Return on Equity |
| Southwest Gas Corporation | 12/21 | Southwest Gas Corporation | Docket No. G-01551A-21-0368 | Return on Equity |
| Arizona Public Service Company | 10/19 | Arizona Public Service Company | Docket No. E-01345A-19-0236 | Return on Equity |
| Tucson Electric Power Company | 04/19 | Tucson Electric Power Company | Docket No. E-01933A-19-0028 | Return on Equity |
| Tucson Electric Power Company | 11/15 | Tucson Electric Power Company | Docket No. E-01933A-15-0322 | Return on Equity |
| UNS Electric | 05/15 | UNS Electric | Docket No. E-04204A-15-0142 | Return on Equity |
| UNS Electric | 12/12 | UNS Electric | Docket No. E-04204A-12-0504 | Return on Equity |
| **Arkansas Public Service Commission** | | | | |
| Oklahoma Gas and Electric Co | 10/21 | Oklahoma Gas and Electric Co | Docket No. D-18-046-FR | Return on Equity |
| Arkansas Oklahoma Gas Corporation | 10/13 | Arkansas Oklahoma Gas Corporation | Docket No. 13-078-U | Return on Equity |
| **California Public Utilities Commission** | | | | |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Pacific Gas & Electric Company | 03/25 | Pacific Gas & Electric Company | 25-03-010 | Return on Equity |
| PacifiCorp, d/b/a Pacific Power | 05/22 | PacifiCorp, d/b/a Pacific Power | Docket No. A-22-05-006 | Return on Equity |
| San Jose Water Company | 05/21 | San Jose Water Company | A2105004 | Return on Equity |
| **Colorado Public Utilities Commission** | | | | |
| Public Service Company of Colorado | 12/25 | Public Service Company of Colorado | Docket No. 25AL-0499G | Return on Equity |
| Public Service Company of Colorado | 11/25 | Public Service Company of Colorado | Docket No. 25AL-0494E | Return on Equity |
| Public Service Company of Colorado | 01/24 | Public Service Company of Colorado | Docket No. 24AL-___G | Return on Equity |
| Public Service Company of Colorado | 11/22 | Public Service Company of Colorado | Docket No. 22AL-0530E | Return on Equity |
| Public Service Company of Colorado | 01/22 | Public Service Company of Colorado | Docket No. 22AL-0046G | Return on Equity |
| Public Service Company of Colorado | 07/21 | Public Service Company of Colorado | 21AL-0317E | Return on Equity |
| Public Service Company of Colorado | 02/20 | Public Service Company of Colorado | 20AL-0049G | Return on Equity |
| Public Service Company of Colorado | 05/19 | Public Service Company of Colorado | 19AL-0268E | Return on Equity |
| Public Service Company of Colorado | 01/19 | Public Service Company of Colorado | 19AL-0063ST | Return on Equity |
| Atmos Energy Corporation | 05/15 | Atmos Energy Corporation | Docket No. 15AL-0299G | Return on Equity |
| Atmos Energy Corporation | 04/14 | Atmos Energy Corporation | Docket No. 14AL-0300G | Return on Equity |
| Atmos Energy Corporation | 05/13 | Atmos Energy Corporation | Docket No. 13AL-0496G | Return on Equity |
| **Connecticut Public Utilities Regulatory Authority** | | | | |
| United Illuminating | 11/24 | United Illuminating | Docket No. 24-10-04 | Return on Equity |
| The Southern Connecticut Gas Company | 11/23 | The Southern Connecticut Gas Company | Docket No. 23-11-02 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Connecticut Natural Gas Corporation | 11/23 | Connecticut Natural Gas Corporation | Docket No. 23-11-02 | Return on Equity |
| Connecticut Water Company | 10/23 | Connecticut Water Company | Docket No. 23-08-32 | Return on Equity |
| United Illuminating | 09/22 | United Illuminating | Docket No. 22-08-08 | Return on Equity |
| United Illuminating | 05/21 | United Illuminating | Docket No. 17-12-03RE11 | Return on Equity |
| Connecticut Water Company | 01/21 | Connecticut Water Company | Docket No. 20-12-30 | Return on Equity |
| Connecticut Natural Gas Corporation | 06/18 | Connecticut Natural Gas Corporation | Docket No. 18-05-16 | Return on Equity |
| Yankee Gas Services Co. d/b/a Eversource Energy | 06/18 | Yankee Gas Services Co. d/b/a Eversource Energy | Docket No. 18-05-10 | Return on Equity |
| The Southern Connecticut Gas Company | 06/17 | The Southern Connecticut Gas Company | Docket No. 17-05-42 | Return on Equity |
| The United Illuminating Company | 07/16 | The United Illuminating Company | Docket No. 16-06-04 | Return on Equity |
| **Federal Energy Regulatory Commission** | | | | |
| Northern Natural Gas Company | 07/25 | Northern Natural Gas Company | Docket No. RP25-___ | Return on Equity |
| Sea Robin Pipeline | 12/22 | Sea Robin Pipeline | Docket No. RP22-___ | Return on Equity |
| Northern Natural Gas Company | 07/22 | Northern Natural Gas Company | Docket No. RP22-___ | Return on Equity |
| Transwestern Pipeline Company, LLC | 07/22 | Transwestern Pipeline Company, LLC | Docket No. RP22-___ | Return on Equity |
| Florida Gas Transmission | 02/21 | Florida Gas Transmission | Docket No. RP21-441 | Return on Equity |
| TransCanyon | 01/21 | TransCanyon | Docket No. ER21-1065 | Return on Equity |
| Duke Energy | 12/20 | Duke Energy | Docket No. EL21-9-000 | Return on Equity |
| Wisconsin Electric Power Company | 08/20 | Wisconsin Electric Power Company | Docket No. EL20-57-000 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Panhandle Eastern Pipe Line Company, LP | 10/19 | Panhandle Eastern Pipe Line Company, LP | Docket Nos. RP19-78-000 RP19-78-001 | Return on Equity |
| Panhandle Eastern Pipe Line Company, LP | 08/19 | Panhandle Eastern Pipe Line Company, LP | Docket Nos. RP19-1523 | Return on Equity |
| Sea Robin Pipeline Company LLC | 11/18 | Sea Robin Pipeline Company LLC | Docket# RP19-352-000 | Return on Equity |
| Tallgrass Interstate Gas Transmission | 10/15 | Tallgrass Interstate Gas Transmission | RP16-137 | Return on Equity |
| **Idaho Public Utilities Commission** | | | | |
| Intermountain Gas Co | 05/25 | Intermountain Gas Co | C-INT-G-25-02 | Return on Equity |
| PacifiCorp d/b/a Rocky Mountain Power | 05/24 | PacifiCorp d/b/a Rocky Mountain Power | Case No. PAC-E-24-04 | Return on Equity |
| PacifiCorp d/b/a Rocky Mountain Power | 05/21 | PacifiCorp d/b/a Rocky Mountain Power | Case No. PAC-E-24-04 | Return on Equity |
| Intermountain Gas Co | 12/22 | Intermountain Gas Co | C-INT-G-22-07 | Return on Equity |
| PacifiCorp d/b/a Rocky Mountain Power | 05/21 | PacifiCorp d/b/a Rocky Mountain Power | Case No. PAC-E-21-07 | Return on Equity |
| **Illinois Commerce Commission** | | | | |
| Peoples Gas Light & Coke Company | 01/26 | Peoples Gas Light & Coke Company | D-26-0065 | Return on Equity |
| North Shore Gas Company | 01/26 | North Shore Gas Company | D-26-0066 | Return on Equity |
| Illinois American Water | 01/24 | Illinois American Water | Docket No. 24-0097 | Return on Equity |
| Peoples Gas Light & Coke Company | 01/23 | Peoples Gas Light & Coke Company | D-23-0069 | Return on Equity |
| North Shore Gas Company | 01/23 | North Shore Gas Company | D-23-0068 | Return on Equity |
| Illinois American Water | 02/22 | Illinois American Water | Docket No. 22-0210 | Return on Equity |
| North Shore Gas Company | 02/21 | North Shore Gas Company | No. 20-0810 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| **Indiana Utility Regulatory Commission** | | | | |
| Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. | 02/24 | Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. | Cause No. 46011 | Return on Equity |
| Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South | 12/23 | Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South | IURC Cause No. 45990 | Return on Equity |
| Indiana Michigan Power Co. | 08/23 | Indiana Michigan Power Co. | IURC Cause No. 45933 | Return on Equity |
| Indiana American Water Company | 03/23 | Indiana and Michigan American Water Company | IURC Cause No. 45870 | Return on Equity |
| Indiana Michigan Power Co. | 07/21 | Indiana Michigan Power Co. | IURC Cause No. 45576 | Return on Equity |
| Indiana Gas Company Inc. | 12/20 | Indiana Gas Company Inc. | IURC Cause No. 45468 | Return on Equity |
| Southern Indiana Gas and Electric Company | 10/20 | Southern Indiana Gas and Electric Company | IURC Cause No. 45447 | Return on Equity |
| Indiana and Michigan American Water Company | 09/18 | Indiana and Michigan American Water Company | IURC Cause No. 45142 | Return on Equity |
| Indianapolis Power and Light Company | 12/17 | Indianapolis Power and Light Company | Cause No. 45029 | Fair Value |
| Northern Indiana Public Service Company | 09/17 | Northern Indiana Public Service Company | Cause No. 44988 | Fair Value |
| Indianapolis Power and Light Company | 12/16 | Indianapolis Power and Light Company | Cause No.44893 | Fair Value |
| Northern Indiana Public Service Company | 10/15 | Northern Indiana Public Service Company | Cause No. 44688 | Fair Value |
| Indianapolis Power and Light Company | 09/15 | Indianapolis Power and Light Company | Cause No. 44576<br>Cause No. 44602 | Fair Value |
| Kokomo Gas and Fuel Company | 09/10 | Kokomo Gas and Fuel Company | Cause No. 43942 | Fair Value |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Northern Indiana Fuel and Light Company, Inc. | 09/10 | Northern Indiana Fuel and Light Company, Inc. | Cause No. 43943 | Fair Value |
| **Iowa Department of Commerce Utilities Board** | | | | |
| MidAmerican Energy Company | 02/25 | MidAmerican Energy Company | Docket No. RPU-2025-0001 | Return on Equity |
| Iowa-American Water Company | 04/24 | Iowa-American Water Company | Docket No. RPU-2024-000_ | Return on Equity |
| MidAmerican Energy Company | 06/23 | MidAmerican Energy Company | Docket No. RPU-2023-___ | Return on Equity |
| MidAmerican Energy Company | 01/22 | MidAmerican Energy Company | Docket No. RPU-2022-0001 | Return on Equity |
| Iowa-American Water Company | 08/20 | Iowa-American Water Company | Docket No. RPU-2020-0001 | Return on Equity |
| **Kansas Corporation Commission** | | | | |
| Evergy Kansas | 01/25 | Evergy Kansas | Docket No. 25-EKCE-294-RTS | Return on Equity |
| Evergy Kansas | 04/23 | Evergy Kansas | Docket No. 23-EKCE-775-RTS | Return on Equity |
| Atmos Energy Corporation | 08/15 | Atmos Energy Corporation | Docket No. 16-ATMG-079-RTS | Return on Equity |
| **Kentucky Public Service Commission** | | | | |
| Kentucky American Water Company | 04/25 | Kentucky American Water Company | Docket No. 2025-____ | Return on Equity |
| Kentucky American Water Company | 06/23 | Kentucky American Water Company | Docket No. 2023-____ | Return on Equity |
| Kentucky American Water Company | 11/18 | Kentucky American Water Company | Docket No. 2018-00358 | Return on Equity |
| **Maine Public Utilities Commission** | | | | |
| Central Maine Power | 09/25 | Central Maine Power | Docket No. 2025-____ | Return on Equity |
| Central Maine Power | 08/22 | Central Maine Power | Docket No. 2022-00152 | Return on Equity |
| Central Maine Power | 10/18 | Central Maine Power | Docket No. 2018-194 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| **Maryland Public Service Commission** | | | | |
| Maryland American Water Company | 06/18 | Maryland American Water Company | Case No. 9487 | Return on Equity |
| **Massachusetts Appellate Tax Board** | | | | |
| Hopkinton LNG Corporation | 03/20 | Hopkinton LNG Corporation | Docket No. | Valuation of LNG Facility |
| FirstLight Hydro Generating Company | 06/17 | FirstLight Hydro Generating Company | Docket No. F-325471<br>Docket No. F-325472<br>Docket No. F-325473<br>Docket No. F-325474 | Valuation of Electric Generation Assets |
| **Massachusetts Department of Public Utilities** | | | | |
| Boston Gas Company | 01/26 | Boston Gas Company | DPU 26-50 | Return on Equity |
| Berkshire Gas Company | 11/25 | Berkshire Gas Company | DPU 25-170 | Return on Equity |
| Massachusetts Electric Company<br>Nantucket Electric Company d/b/a National Grid | 11/23 | Massachusetts Electric Company<br>Nantucket Electric Company<br>d/b/a National Grid | DPU 23-150 | Return on Equity |
| National Grid USA | 11/20 | Boston Gas Company | DPU 20-120 | Return on Equity |
| Berkshire Gas Company | 05/18 | Berkshire Gas Company | DPU 18-40 | Return on Equity |
| Unitil Corporation | 01/04 | Fitchburg Gas and Electric | DTE 03-52 | Integrated Resource Plan; Gas Demand Forecast |
| **Michigan Public Service Commission** | | | | |
| Consumers Energy | 6/25 | Consumers Energy | C-U-21870 | Return on Equity |
| Consumers Energy | 12/24 | Consumers Energy | C-U-21806 | Return on Equity |
| Upper Michigan Energy Resources Corporation | 05/24 | Upper Michigan Energy Resources Corporation | Case No. U-21541 | Return on Equity |
| Michigan Gas Utilities Corporation | 03/24 | Michigan Gas Utilities Corporation | Case No. U-21540 | Return on Equity |
| Indiana Michigan Power Co. | 09/23 | Indiana Michigan Power Co. | Case No. U-21461 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Michigan Gas Utilities Corporation | 03/23 | Michigan Gas Utilities Corporation | Case No. U-21366 | Return on Equity |
| Michigan Gas Utilities Corporation | 03/21 | Michigan Gas Utilities Corporation | Case No. U-20718 | Return on Equity |
| Wisconsin Electric Power Company | 12/11 | Wisconsin Electric Power Company | Case No. U-16830 | Return on Equity |
| **Michigan Tax Tribunal** | | | | |
| New Covert Generating Co., LLC. | 03/18 | The Township of New Covert Michigan | MTT Docket No. 000248TT and 16-001888-TT | Valuation of Electric Generation Assets |
| Covert Township | 07/14 | New Covert Generating Co., LLC. | Docket No. 399578 | Valuation of Electric Generation Assets |
| **Minnesota Public Utilities Commission** | | | | |
| Otter Tail Power Company | 10/25 | Otter Tail Power Company | E017/GR-25-359 | Return on Equity |
| ALLETE, Inc. d/b/a Minnesota Power | 11/23 | Allete, Inc. d/b/a Minnesota Power | D-E-015/GR-23-155 | Return on Equity |
| CenterPoint Energy Resources | 11/23 | CenterPoint Energy Resources | D-G-008/GR-23-173 | Return on Equity |
| Minnesota Energy Resources Corporation | 11/22 | Minnesota Energy Resources Corporation | Docket No. G011/GR-22-504 | Return on Equity |
| CenterPoint Energy Resources | 11/21 | CenterPoint Energy Resources | D-G-008/GR-21-435 | Return on Equity |
| ALLETE, Inc. d/b/a Minnesota Power | 11/21 | Allete, Inc. d/b/a Minnesota Power | D-E-015/GR-21-630 | Return on Equity |
| Otter Tail Power Company | 11/20 | Otter Tail Power Company | E017/GR-20-719 | Return on Equity |
| ALLETE, Inc. d/b/a Minnesota Power | 11/19 | Allete, Inc. d/b/a Minnesota Power | E015/GR-19-442 | Return on Equity |
| CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas | 10/19 | CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas | G-008/GR-19-524 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Great Plains Natural Gas Co. | 09/19 | Great Plains Natural Gas Co. | Docket No. G004/GR-19-511 | Return on Equity |
| Minnesota Energy Resources Corporation | 10/17 | Minnesota Energy Resources Corporation | Docket No. G011/GR-17-563 | Return on Equity |
| **Missouri Public Service Commission** | | | | |
| Evergy Metro Inc. | 02/26 | Evergy Metro Inc. | C-ER-2026-0143 | Return on Equity |
| Ameren Missouri | 09/24 | Ameren Missouri | File No. GR-2024-0369 | Return on Equity |
| Missouri American Water Company | 07/24 | Missouri American Water Company | WR-2024-0320 | Return on Equity |
| Ameren Missouri | 06/24 | Ameren Missouri | File No. ER-2024-0319 | Return on Equity |
| Evergy Missouri West | 02/24 | Evergy Missouri West | File No. ER-2024-0189 | Return on Equity |
| Ameren Missouri | 08/22 | Ameren Missouri | File No. ER-2022-0337 | Return on Equity |
| Missouri American Water Company | 07/22 | Missouri American Water Company | Case No. WR-2022-0303<br>Case No. SR-2022-0304 | Return on Equity |
| Evergy Missouri West | 01/22 | Evergy Missouri West | File No. ER-2022-0130 | Return on Equity |
| Evergy Missouri Metro | 01/22 | Evergy Missouri Metro | File No. ER-2022-0129 | Return on Equity |
| Ameren Missouri | 03/21 | Ameren Missouri | Docket No. ER-2021-0240<br>Docket No. GR-2021-0241 | Return on Equity |
| Missouri American Water Company | 06/20 | Missouri American Water Company | Case No. WR-2020-0344<br>Case No. SR-2020-0345 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Missouri American Water Company | 06/17 | Missouri American Water Company | Case No. WR-17-0285<br>Case No. SR-17-0286 | Return on Equity |
| **Montana Public Service Commission** | | | | |
| Montana-Dakota Utilities Co. | 9/25 | Montana-Dakota Utilities Co. | D2025-09-072 | Return on Equity |
| Montana-Dakota Utilities Co. | 7/24 | Montana-Dakota Utilities Co. | D2024-05-061 | Return on Equity |
| Montana-Dakota Utilities Co. | 11/22 | Montana-Dakota Utilities Co. | D2022.11.099 | Return on Equity |
| Montana-Dakota Utilities Co. | 06/20 | Montana-Dakota Utilities Co. | D2020.06.076 | Return on Equity |
| Montana-Dakota Utilities Co. | 09/18 | Montana-Dakota Utilities Co. | D2018.9.60 | Return on Equity |
| **Public Utilities Commission of Nevada** | | | | |
| Nevada Power Company d/b/a NV Energy | 02/25 | Nevada Power Company d/b/a NV Energy | 25-02016 | Return on Equity |
| Sierra Pacific Power Company d/b/a NV Energy | 02/24 | Sierra Pacific Power Company d/b/a NV Energy | 24-02026 | Return on Equity |
| Nevada Power Company d/b/a NV Energy | 06/23 | Nevada Power Company d/b/a NV Energy | 23-06007 | Return on Equity |
| Nevada Power Company d/b/a NV Energy | 03/23 | Nevada Power Company d/b/a NV Energy | 22-03028 | Merger benefits |
| **New Hampshire - Board of Tax and Land Appeals** | | | | |
| Public Service Company of New Hampshire d/b/a Eversource Energy | 11/19<br>12/19 | Public Service Company of New Hampshire d/b/a Eversource Energy | Master Docket No. 28873-14-15-16-17PT | Valuation of Utility Property and Generating Assets |
| **New Hampshire Public Utilities Commission** | | | | |
| Liberty Utilities (EnergyNorth Natural Gas) | 07/23 | Liberty Utilities (EnergyNorth Natural Gas) | Docket No. DG 23-067 | Return on Equity |
| Liberty Utilities (Granite State Electric) | 05/23 | Liberty Utilities (Granite State Electric) | Docket No. DE 23-039 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Public Service Company of New Hampshire | 05/19 | Public Service Company of New Hampshire | DE-19-057 | Return on Equity |
| **New Hampshire-Merrimack County Superior Court** | | | | |
| Northern New England Telephone Operations, LLC d/b/a FairPoint Communications, NNE | 04/18 | Northern New England Telephone Operations, LLC d/b/a FairPoint Communications, NNE | 220-2012-CV-1100 | Valuation of Utility Property |
| **New Hampshire-Rockingham Superior Court** | | | | |
| Eversource Energy | 05/18 | Public Service Commission of New Hampshire | 218-2016-CV-00899<br>218-2017-CV-00917 | Valuation of Utility Property |
| **New Jersey Board of Public Utilities** | | | | |
| South Jersey Gas Company | 11/25 | South Jersey Gas Company | D-GR25110627 | Return on Equity |
| New Jersey American Water Company, Inc. | 02/24 | New Jersey American Water Company, Inc. | WR2401056 | Return on Equity |
| Elizabethtown Gas Company | 2/24 | Elizabethtown Gas Company | GR24020158 | Return on Equity |
| Public Service Electric and Gas Company | 12/23 | Public Service Electric and Gas Company | ER23120924<br>GR23120925 | Return on Equity |
| New Jersey American Water Company, Inc. | 01/22 | New Jersey American Water Company, Inc. | WR22010019 | Return on Equity |
| Public Service Electric and Gas Company | 10/20 | Public Service Electric and Gas Company | EO18101115 | Return on Equity |
| New Jersey American Water Company, Inc. | 12/19 | New Jersey American Water Company, Inc. | WR19121516 | Return on Equity |
| Public Service Electric and Gas Company | 04/19 | Public Service Electric and Gas Company | EO18060629<br>GO18060630 | Return on Equity |
| Public Service Electric and Gas Company | 02/18 | Public Service Electric and Gas Company | GR17070776 | Return on Equity |
| Public Service Electric and Gas Company | 01/18 | Public Service Electric and Gas Company | ER18010029<br>GR18010030 | Return on Equity |
| **New Mexico Public Regulation Commission** | | | | |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Southwestern Public Service Company | 07/19 | Southwestern Public Service Company | 19-00170-UT | Return on Equity |
| Southwestern Public Service Company | 10/17 | Southwestern Public Service Company | Case No. 17-00255-UT | Return on Equity |
| Southwestern Public Service Company | 12/16 | Southwestern Public Service Company | Case No. 16-00269-UT | Return on Equity |
| Southwestern Public Service Company | 10/15 | Southwestern Public Service Company | Case No. 15-00296-UT | Return on Equity |
| Southwestern Public Service Company | 06/15 | Southwestern Public Service Company | Case No. 15-00139-UT | Return on Equity |
| **New York State Department of Public Service** | | | | |
| New York State Electric and Gas Company<br><br>Rochester Gas and Electric | 06/25 | New York State Electric and Gas Company<br><br>Rochester Gas and Electric | 25-E-0375<br>25-G-0378<br>25-E-0379<br>25-G-0380 | Return on Equity |
| Liberty Utilities (New York Water) | 5/23 | Liberty Utilities (New York Water) | Case 23-W-0235 | Return on Equity |
| New York State Electric and Gas Company<br><br>Rochester Gas and Electric | 05/22 | New York State Electric and Gas Company<br><br>Rochester Gas and Electric | 22-E-0317<br>22-G-0318<br>22-E-0319<br>22-G-0320 | Return on Equity |
| Corning Natural Gas Corporation | 07/21 | Corning Natural Gas Corporation | Case No. 21-G-0394 | Return on Equity |
| Central Hudson Gas and Electric Corporation | 08/20 | Central Hudson Gas and Electric Corporation | Electric 20-E-0428<br>Gas 20-G-0429 | Return on Equity |
| Niagara Mohawk Power Corporation | 07/20 | National Grid USA | Case No. 20-E-0380<br>20-G-0381 | Return on Equity |
| Corning Natural Gas Corporation | 02/20 | Corning Natural Gas Corporation | Case No. 20-G-0101 | Return on Equity |
| New York State Electric and Gas Company<br><br>Rochester Gas and Electric | 05/19 | New York State Electric and Gas Company<br><br>Rochester Gas and Electric | 19-E-0378<br>19-G-0379<br>19-E-0380<br>19-G-0381 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| Brooklyn Union Gas Company d/b/a National Grid NY<br>KeySpan Gas East Corporation d/b/a National Grid | 04/19 | Brooklyn Union Gas Company d/b/a National Grid NY<br>KeySpan Gas East Corporation d/b/a National Grid | 19-G-0309<br>19-G-0310 | Return on Equity |
| Central Hudson Gas and Electric Corporation | 07/17 | Central Hudson Gas and Electric Corporation | Electric 17-E-0459<br>Gas 17-G-0460 | Return on Equity |
| Niagara Mohawk Power Corporation | 04/17 | National Grid USA | Case No. 17-E-0238<br>17-G-0239 | Return on Equity |
| Corning Natural Gas Corporation | 06/16 | Corning Natural Gas Corporation | Case No. 16-G-0369 | Return on Equity |
| National Fuel Gas Company | 04/16 | National Fuel Gas Company | Case No. 16-G-0257 | Return on Equity |
| KeySpan Energy Delivery | 01/16 | KeySpan Energy Delivery | Case No. 15-G-0058<br>Case No. 15-G-0059 | Return on Equity |
| New York State Electric and Gas Company<br>Rochester Gas and Electric | 05/15 | New York State Electric and Gas Company<br>Rochester Gas and Electric | Case No. 15-E-0283<br>Case No. 15-G-0284<br>Case No. 15-E-0285<br>Case No. 15-G-0286 | Return on Equity |
| **North Dakota Public Service Commission** | | | | |
| Otter Tail Power Company | 11/23 | Otter Tail Power Company | Case No. PU-23-342 | Return on Equity |
| Montana-Dakota Utilities Co. | 11/23 | Montana-Dakota Utilities Co. | Case No. PU-23-341 | Return on Equity |
| Montana-Dakota Utilities Co. | 05/22 | Montana-Dakota Utilities Co. | C-PU-22-194 | Return on Equity |
| Montana-Dakota Utilities Co. | 08/20 | Montana-Dakota Utilities Co. | C-PU-20-379 | Return on Equity |
| Northern States Power Company | 12/12 | Northern States Power Company | C-PU-12-813 | Return on Equity |
| Northern States Power Company | 12/10 | Northern States Power Company | C-PU-10-657 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| **Oklahoma Corporation Commission** | | | | |
| Oklahoma Gas & Electric | 12/23 | Oklahoma Gas & Electric | Cause No. PUD2023-000087 | Return on Equity |
| Oklahoma Gas & Electric | 12/21 | Oklahoma Gas & Electric | Cause No. PUD 202100164 | Return on Equity |
| Arkansas Oklahoma Gas Corporation | 01/13 | Arkansas Oklahoma Gas Corporation | Cause No. PUD 201200236 | Return on Equity |
| **Oregon Public Service Commission** | | | | |
| Cascade Natural Gas Corporation | 11/25 | Cascade Natural Gas Corporation | UG 525 | Return on Equity |
| PacifiCorp d/b/a Pacific Power & Light | 02/24 | PacifiCorp d/b/a Pacific Power & Light | Docket No. UE-433 | Return on Equity |
| PacifiCorp d/b/a Pacific Power & Light | 03/22 | PacifiCorp d/b/a Pacific Power & Light | Docket No. UE-399 | Return on Equity |
| PacifiCorp d/b/a Pacific Power & Light | 02/20 | PacifiCorp d/b/a Pacific Power & Light | Docket No. UE-374 | Return on Equity |
| **Pennsylvania Public Utility Commission** | | | | |
| American Water Works Company Inc. | 11/25 | Pennsylvania-American Water Company | Docket No. R-2025-3057983 (water) Docket No. R-2025-3058051 (wastewater) | Return on Equity |
| American Water Works Company Inc. | 11/23 | Pennsylvania-American Water Company | Docket No. R-2023-3043189 (water) Docket No. R-2023-3043190 (wastewater) | Return on Equity |
| American Water Works Company Inc. | 04/22 | Pennsylvania-American Water Company | Docket No. R-2020-3031672 (water) Docket No. R-2020-3031673 (wastewater) | Return on Equity |
| American Water Works Company Inc. | 04/20 | Pennsylvania-American Water Company | Docket No. R-2020-3019369 (water) Docket No. R-2020-3019371 (wastewater) | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| American Water Works Company Inc. | 04/17 | Pennsylvania-American Water Company | Docket No. R-2017-2595853 | Return on Equity |
| **South Dakota Public Utilities Commission** | | | | |
| Otter Tail Power Co. | 06/25 | Otter Tail Power Co. | D-EL25-022 | Return on Equity |
| Montana-Dakota Utilities Co. | 10/23 | Montana-Dakota Utilities Co. | Docket No. EL23-020 | Return on Equity |
| MidAmerican Energy Company | 05/22 | MidAmerican Energy Company | D-NG22-005 | Return on Equity |
| Northern States Power Company | 06/14 | Northern States Power Company | Docket No. EL14-058 | Return on Equity |
| **Tennessee Public Utility Commission** | | | | |
| Tennessee American Water Company | 04/24 | Tennessee American Water Company | Docket No.24-00032 | Return on Equity |
| **Texas Public Utility Commission** | | | | |
| Sharyland Utilities, L.L.C. | 05/25 | Sharyland Utilities, L.L.C. | Docket No. 57994 | Return on Equity |
| Electric Transmission Texas LLC | 02/25 | Electric Transmission Texas LLC | Docket No. 57518 | Return on Equity |
| CenterPoint Energy Houston | 03/24 | CenterPoint Energy Houston | D-56211 | Return on Equity |
| AEP Texas | 02/24 | AEP Texas | D-56165 | Return on Equity |
| Entergy Texas, Inc. | 07/22 | Entergy Texas, Inc. | D-53719 | Return on Equity |
| Southwestern Public Service Commission | 08/19 | Southwestern Public Service Commission | Docket No. D-49831 | Return on Equity |
| Southwestern Public Service Company | 01/14 | Southwestern Public Service Company | Docket No. 42004 | Return on Equity |
| **Texas Railroad Commission** | | | | |
| CenterPoint Energy Entex and CenterPoint Energy Texas Gas | 10/23 | CenterPoint Energy Entex and CenterPoint Energy Texas Gas | 2023 Texas Division Rate Case Case No. OS-23-00015513 | Return on Equity |
| **Utah Public Service Commission** | | | | |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| PacifiCorp d/b/a Rocky Mountain Power | 06/24 | PacifiCorp d/b/a Rocky Mountain Power | Docket No. 24-035-04 | Return on Equity |
| PacifiCorp d/b/a Rocky Mountain Power | 05/20 | PacifiCorp d/b/a Rocky Mountain Power | Docket No. 20-035-04 | Return on Equity |
| **Virginia State Corporation Commission** | | | | |
| Virginia American Water Company, Inc. | 11/25 | Virginia American Water Company, Inc. | Docket No. PUR-2025-00185 | Return on Equity |
| Virginia American Water Company, Inc. | 11/23 | Virginia American Water Company, Inc. | Docket No. PUR-2023-00194 | Return on Equity |
| Virginia American Water Company, Inc. | 11/21 | Virginia American Water Company, Inc. | Docket No. PUR-2021-00255 | Return on Equity |
| Virginia American Water Company, Inc. | 11/18 | Virginia American Water Company, Inc. | Docket No. PUR-2018-00175 | Return on Equity |
| **Washington Utilities Transportation Commission** | | | | |
| Cascade Natural Gas Corporation | 03/24 | Cascade Natural Gas Corporation | Docket No. UG-240008 | Return on Equity |
| Puget Sound Energy Inc. | 02/24 | Puget Sound Energy Inc. | Docket No. UE-240004 UG-240005 | Return on Equity |
| PacifiCorp d/b/a Pacific Power & Light | 03/23 | PacifiCorp d/b/a Pacific Power & Light | Docket No. UE-230172 | Return on Equity |
| Cascade Natural Gas Corporation | 06/20 | Cascade Natural Gas Corporation | Docket No. UG-200568 | Return on Equity |
| PacifiCorp d/b/a Pacific Power & Light | 12/19 | PacifiCorp d/b/a Pacific Power & Light | Docket No. UE-191024 | Return on Equity |
| Cascade Natural Gas Corporation | 04/19 | Cascade Natural Gas Corporation | Docket No. UG-190210 | Return on Equity |
| **West Virginia Public Service Commission** | | | | |
| West Virginia American Water Company | 05/25 | West Virginia American Water Company | Case No. 25-____-W-42T | Return on Equity |
| West Virginia American Water Company | 05/23 | West Virginia American Water Company | Case No. 23-0383-W-42T | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| West Virginia American Water Company | 04/21 | West Virginia American Water Company | Case No. 21-02369-W-42T | Return on Equity |
| West Virginia American Water Company | 04/18 | West Virginia American Water Company | Case No. 18-0573-W-42T<br>Case No. 18-0576-S-42T | Return on Equity |
| **Wisconsin Public Service Commission** | | | | |
| Wisconsin Power and Light | 04/24 | Wisconsin Power and Light | Docket No. 6680-UR-128 | Return on Equity |
| Wisconsin Electric Power Company and Wisconsin Gas LLC | 04/24 | Wisconsin Electric Power Company and Wisconsin Gas LLC | Docket No. 05-UR-111 | Return on Equity |
| Wisconsin Power and Light | 05/23 | Wisconsin Power and Light | Docket No. 6680-UR-124 | Return on Equity |
| Wisconsin Electric Power Company and Wisconsin Gas LLC | 04/22 | Wisconsin Electric Power Company and Wisconsin Gas LLC | Docket No. 05-UR-110 | Return on Equity |
| Wisconsin Public Service Corp. | 04/22 | Wisconsin Public Service Corp. | 6690-UR-127 | Return on Equity |
| Alliant Energy | | Alliant Energy | | Return on Equity |
| Wisconsin Electric Power Company and Wisconsin Gas LLC | 03/19 | Wisconsin Electric Power Company and Wisconsin Gas LLC | Docket No. 05-UR-109 | Return on Equity |
| Wisconsin Public Service Corp. | 03/19 | Wisconsin Public Service Corp. | 6690-UR-126 | Return on Equity |
| **Wyoming Public Service Commission** | | | | |
| Montana-Dakota Utilities Co. | 06/25 | Montana-Dakota Utilities Co. | Docket No. 20004-174-ER-25 | Return on Equity |
| Montana-Dakota Utilities Co. | 10/24 | Montana-Dakota Utilities Co. | Docket No. 30013-415-GR-24 | Return on Equity |
| PacifiCorp d/b/a Rocky Mountain Power | 08/24 | PacifiCorp d/b/a Rocky Mountain Power | Docket No. 20000-671-ER-24 | Return on Equity |
| PacifiCorp d/b/a Rocky Mountain Power | 02/23 | PacifiCorp d/b/a Rocky Mountain Power | Docket No. 20000-633-ER-23 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET /CASE NO. | SUBJECT |
|---|---|---|---|---|
| PacifiCorp d/b/a Rocky Mountain Power | 03/20 | PacifiCorp d/b/a Rocky Mountain Power | Docket No. 20000-578-ER-20 | Return on Equity |
| Montana-Dakota Utilities Co. | 05/19 | Montana-Dakota Utilities Co. | 30013-351-GR-19 | Return on Equity |

## CERTIFICATIONS/ACCREDITATIONS

Certified General Appraiser, licensed in the Commonwealth of Massachusetts

**COST OF EQUITY ANALYSES**
**SUMMARY OF RESULTS AS OF APRIL 30, 2026**

| | Minimum Growth Rate | Average Growth Rate | Maximum Growth Rate |
|---|---|---|---|
| Constant Growth DCF: | | | |
| Mean | | | |
| 30-Day Avg. Stock Price | 10.03% | 10.76% | 11.43% |
| 90-Day Avg. Stock Price | 10.14% | 10.87% | 11.54% |
| 180-Day Avg. Stock Price | 10.23% | 10.95% | 11.63% |
| Average | 10.13% | 10.86% | 11.53% |
| Median | | | |
| 30-Day Avg. Stock Price | 9.74% | 10.15% | 10.44% |
| 90-Day Avg. Stock Price | 9.91% | 10.33% | 10.56% |
| 180-Day Avg. Stock Price | 9.99% | 10.41% | 10.69% |
| Average | 9.88% | 10.30% | 10.56% |

| | 30-Year Treasury Bond Yield | | |
|---|---|---|---|
| | Current 30-Day Avg | Near-Term Projected | Longer-Term Projected |
| CAPM: | | | |
| Current *Value Line* Beta | 11.44% | 11.42% | 11.37% |
| Long-term Avg. *Value Line* Beta | 11.19% | 11.16% | 11.11% |
| ECAPM: | | | |
| Current *Value Line* Beta | 11.90% | 11.88% | 11.85% |
| Long-term Avg. *Value Line* Beta | 11.71% | 11.69% | 11.65% |

**PROXY GROUP SCREENING DATA AND RESULTS**

| Company | Ticker | [1] Dividends | [2] S&P Investment Grade Credit Rating (AAA to BBB-) | [3] Positive Long-Term Earnings Growth Rate From At Least Two Sources | [4] % Regul. Oper. Income to Total Oper. Income > 70% | [5] Announced Merger |
|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | Yes | A- | Yes | 100.00% | No |
| Chesapeake Utilities Corporation | CPK | Yes | BBB+ | Yes | 82.68% | No |
| NiSource Inc. | NI | Yes | BBB+ | Yes | 99.44% | No |
| Northwest Natural Gas Company | NWN | Yes | A- | Yes | 99.75% | No |
| ONE Gas, Inc. | OGS | Yes | A- | Yes | 100.00% | No |
| Southwest Gas Corporation | SWX | Yes | BBB+ | Yes | 86.42% | No |
| American States Water Company | AWR | Yes | A | Yes | 84.42% | No |
| California Water Service Group | CWT | Yes | A+ | Yes | 96.41% | No |
| Middlesex Water Company | MSEX | Yes | A | Yes | 92.59% | No |
| H2O America (SJW Group) | HTO | Yes | A- | Yes | 98.75% | No |

Notes:

[1] Bloomberg Professional

[2] Bloomberg Professional; FitchRatings for CPK

[3] Value Line, Zacks and S&P Capital IQ

[4] Form 10-K's for 2024, 2023, and 2022

[5] S&P Capital IQ Pro Financial News Releases

**CONSTANT GROWTH DCF**
**30 DAY AVERAGE STOCK PRICES**

| Company | Ticker | [1] Annualized Dividend | [2] Stock Price | [3] Dividend Yield | [4] Expected Dividend Yield | [5] Value Line Projected EPS Growth Rate | [6] S&P Capital IQ Projected EPS Growth Rate | [7] Zacks Projected EPS Growth Rate | [8] Average Projected EPS Growth Rate | [9] Cost of Equity: Minimum Growth Rate | [10] Cost of Equity: Mean Growth Rate | [11] Cost of Equity: Maximum Growth Rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | $4.00 | $185.97 | 2.15% | 2.23% | 8.00% | 8.02% | 6.80% | 7.61% | 9.02% | 9.84% | 10.26% |
| Chesapeake Utilities Corporation | CPK | $2.74 | $127.15 | 2.15% | 2.24% | 8.00% | 8.30% | n/a | 8.15% | 10.24% | 10.39% | 10.54% |
| NiSource Inc. | NI | $1.20 | $46.91 | 2.56% | 2.66% | 7.50% | 9.10% | 6.10% | 7.57% | 8.74% | 10.22% | 11.78% |
| Northwest Natural Gas Company | NWN | $1.97 | $53.12 | 3.71% | 3.82% | 6.00% | 6.50% | n/a | 6.25% | 9.82% | 10.07% | 10.33% |
| ONE Gas, Inc. | OGS | $2.72 | $87.64 | 3.10% | 3.20% | 6.00% | 6.23% | 6.20% | 6.14% | 9.20% | 9.34% | 9.43% |
| Southwest Gas Corporation | SWX | $2.48 | $89.29 | 2.78% | 2.93% | n/a | 12.21% | 9.20% | 10.71% | 12.11% | 13.63% | 15.16% |
| American States Water Company | AWR | $2.02 | $76.54 | 2.63% | 2.73% | 7.00% | 6.93% | n/a | 6.96% | 9.65% | 9.69% | 9.73% |
| California Water Service Group | CWT | $1.34 | $45.47 | 2.95% | 3.10% | 9.50% | 10.62% | n/a | 10.06% | 12.59% | 13.15% | 13.72% |
| Middlesex Water Company | MSEX | $1.44 | $52.47 | 2.74% | 2.88% | 8.00% | 11.70% | n/a | 9.85% | 10.85% | 12.73% | 14.60% |
| H2O America (SJW Group) | HTO | $1.76 | $58.47 | 3.01% | 3.09% | 5.00% | 5.66% | 5.60% | 5.42% | 8.09% | 8.51% | 8.75% |
| Mean | | | | | | | | | | 10.03% | 10.76% | 11.43% |
| Median | | | | | | | | | | 9.74% | 10.15% | 10.44% |

Notes:
[1] Bloomberg Professional as of April 30, 2026
[2] Bloomberg Professional 30-day average as of April 30, 2026
[3] Equals [1]/[2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Value Line
[6] S&P Capital IQ
[7] Zacks. Note, S&P Capital IQ and Zacks report an equivalent projected EPS growth rate for AWR and CWT, and to avoid double counting, the projected EPS growth rates for these companies are excluded (shown as n/a).
[8] Equals average of [5], [6], [7]
[9] Equals [3] x (1 + 0.5 x (min([5], [6], [7])) + (min([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x (max([5], [6], [7])) + (max([5], [6], [7])

**CONSTANT GROWTH DCF**
**90 DAY AVERAGE STOCK PRICES**

| Company | Ticker | [1] Annualized Dividend | [2] Stock Price | [3] Dividend Yield | [4] Expected Dividend Yield | [5] Value Line Projected EPS Growth Rate | [6] S&P Capital IQ Projected EPS Growth Rate | [7] Zacks Projected EPS Growth Rate | [8] Average Projected EPS Growth Rate | [9] Cost of Equity: Minimum Growth Rate | [10] Cost of Equity: Mean Growth Rate | [11] Cost of Equity: Maximum Growth Rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | $4.00 | $177.97 | 2.25% | 2.33% | 8.00% | 8.02% | 6.80% | 7.61% | 9.12% | 9.94% | 10.36% |
| Chesapeake Utilities Corporation | CPK | $2.74 | $127.86 | 2.14% | 2.23% | 8.00% | 8.30% | n/a | 8.15% | 10.23% | 10.38% | 10.53% |
| NiSource Inc. | NI | $1.20 | $45.01 | 2.67% | 2.77% | 7.50% | 9.10% | 6.10% | 7.57% | 8.85% | 10.33% | 11.89% |
| Northwest Natural Gas Company | NWN | $1.97 | $49.75 | 3.96% | 4.08% | 6.00% | 6.50% | n/a | 6.25% | 10.08% | 10.33% | 10.59% |
| ONE Gas, Inc. | OGS | $2.72 | $83.45 | 3.26% | 3.36% | 6.00% | 6.23% | 6.20% | 6.14% | 9.36% | 9.50% | 9.59% |
| Southwest Gas Corporation | SWX | $2.48 | $85.86 | 2.89% | 3.04% | n/a | 12.21% | 9.20% | 10.71% | 12.22% | 13.75% | 15.28% |
| American States Water Company | AWR | $2.02 | $74.32 | 2.71% | 2.81% | 7.00% | 6.93% | n/a | 6.96% | 9.73% | 9.77% | 9.81% |
| California Water Service Group | CWT | $1.34 | $44.82 | 2.99% | 3.14% | 9.50% | 10.62% | n/a | 10.06% | 12.63% | 13.20% | 13.76% |
| Middlesex Water Company | MSEX | $1.44 | $52.45 | 2.75% | 2.88% | 8.00% | 11.70% | n/a | 9.85% | 10.86% | 12.73% | 14.61% |
| H2O America (SJW Group) | HTO | $1.76 | $54.86 | 3.21% | 3.29% | 5.00% | 5.66% | 5.60% | 5.42% | 8.29% | 8.71% | 8.96% |
| Mean | | | | | | | | | | 10.14% | 10.87% | 11.54% |
| Median | | | | | | | | | | 9.91% | 10.33% | 10.56% |

Notes:
[1] Bloomberg Professional as of April 30, 2026
[2] Bloomberg Professional 90-day average as of April 30, 2026
[3] Equals [1]/[2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Value Line
[6] S&P Capital IQ
[7] Zacks. Note, S&P Capital IQ and Zacks report an equivalent projected EPS growth rate for AWR and CWT, and to avoid double counting, the projected EPS growth rates for these companies are excluded (shown as n/a).
[8] Equals average of [5], [6], [7]
[9] Equals [3] x (1 + 0.5 x (min([5], [6], [7])) + (min([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x (max([5], [6], [7])) + (max([5], [6], [7])

**CONSTANT GROWTH DCF**
**180 DAY AVERAGE STOCK PRICES**

| Company | Ticker | [1] Annualized Dividend | [2] Stock Price | [3] Dividend Yield | [4] Expected Dividend Yield | [5] Value Line Projected EPS Growth Rate | [6] S&P Capital IQ Projected EPS Growth Rate | [7] Zacks Projected EPS Growth Rate | [8] Average Projected EPS Growth Rate | [9] Cost of Equity: Minimum Growth Rate | [10] Cost of Equity: Mean Growth Rate | [11] Cost of Equity: Maximum Growth Rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | $4.00 | $173.40 | 2.31% | 2.39% | 8.00% | 8.02% | 6.80% | 7.61% | 9.19% | 10.00% | 10.42% |
| Chesapeake Utilities Corporation | CPK | $2.74 | $128.35 | 2.13% | 2.22% | 8.00% | 8.30% | n/a | 8.15% | 10.22% | 10.37% | 10.52% |
| NiSource Inc. | NI | $1.20 | $43.34 | 2.77% | 2.87% | 7.50% | 9.10% | 6.10% | 7.57% | 8.95% | 10.44% | 12.00% |
| Northwest Natural Gas Company | NWN | $1.97 | $46.72 | 4.22% | 4.35% | 6.00% | 6.50% | n/a | 6.25% | 10.34% | 10.60% | 10.85% |
| ONE Gas, Inc. | OGS | $2.72 | $80.69 | 3.37% | 3.47% | 6.00% | 6.23% | 6.20% | 6.14% | 9.47% | 9.62% | 9.70% |
| Southwest Gas Corporation | SWX | $2.48 | $82.11 | 3.02% | 3.18% | n/a | 12.21% | 9.20% | 10.71% | 12.36% | 13.89% | 15.42% |
| American States Water Company | AWR | $2.02 | $73.54 | 2.74% | 2.84% | 7.00% | 6.93% | n/a | 6.96% | 9.76% | 9.80% | 9.84% |
| California Water Service Group | CWT | $1.34 | $45.15 | 2.97% | 3.12% | 9.50% | 10.62% | n/a | 10.06% | 12.61% | 13.18% | 13.74% |
| Middlesex Water Company | MSEX | $1.44 | $52.81 | 2.73% | 2.86% | 8.00% | 11.70% | n/a | 9.85% | 10.84% | 12.71% | 14.59% |
| H2O America (SJW Group) | HTO | $1.76 | $51.29 | 3.43% | 3.52% | 5.00% | 5.66% | 5.60% | 5.42% | 8.52% | 8.94% | 9.19% |
| Mean | | | | | | | | | | 10.23% | 10.95% | 11.63% |
| Median | | | | | | | | | | 9.99% | 10.41% | 10.69% |

Notes:
[1] Bloomberg Professional as of April 30, 2026
[2] Bloomberg Professional 180-day average as of April 30, 2026
[3] Equals [1]/[2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Value Line
[6] S&P Capital IQ
[7] Zacks. Note, S&P Capital IQ and Zacks report an equivalent projected EPS growth rate for AWR and CWT, and to avoid double counting, the projected EPS growth rates for these companies are excluded (shown as n/a).
[8] Equals average of [5], [6], [7]
[9] Equals [3] x (1 + 0.5 x (min([5], [6], [7])) + (min([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x (max([5], [6], [7])) + (max([5], [6], [7])

**CAPITAL ASSET PRICING MODEL**
**CURRENT RISK FREE RATE AND VALUE LINE BETA**

| Company | Ticker | [1] Current 30-day average of 30-year U.S. Treasury bond yield | [2] Beta | [3] Market Return | [4] Market Risk Premium | [5] Cost of Equity: CAPM | [6] Cost of Equity: ECAPM |
|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | 4.91% | 0.80 | 13.28% | 8.36% | 11.60% | 12.02% |
| Chesapeake Utilities Corporation | CPK | 4.91% | 0.75 | 13.28% | 8.36% | 11.19% | 11.71% |
| NiSource Inc. | NI | 4.91% | 0.85 | 13.28% | 8.36% | 12.02% | 12.34% |
| Northwest Natural Gas Company | NWN | 4.91% | 0.80 | 13.28% | 8.36% | 11.60% | 12.02% |
| ONE Gas, Inc. | OGS | 4.91% | 0.75 | 13.28% | 8.36% | 11.19% | 11.71% |
| Southwest Gas Corporation | SWX | 4.91% | 0.80 | 13.28% | 8.36% | 11.60% | 12.02% |
| American States Water Company | AWR | 4.91% | 0.75 | 13.28% | 8.36% | 11.19% | 11.71% |
| California Water Service Group | CWT | 4.91% | 0.75 | 13.28% | 8.36% | 11.19% | 11.71% |
| Middlesex Water Company | MSEX | 4.91% | 0.80 | 13.28% | 8.36% | 11.60% | 12.02% |
| H2O America (SJW Group) | HTO | 4.91% | 0.75 | 13.28% | 8.36% | 11.19% | 11.71% |
| Mean | | | | | | 11.44% | 11.90% |
| Median | | | | | | 11.40% | 11.87% |

Notes:
[1] Bloomberg Professional as of April 30, 2026
[2] Value Line
[3] Exhibit AEB-6
[4] Equals [3]-[1]
[5] Equals [1] + [2] x [4]
[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**CAPITAL ASSET PRICING MODEL**
**NEAR TERM PROJECTED RISK-FREE RATE AND VALUE LINE BETA**

| | | [1] | [2] | [3] | [4] | [5] | [6] |
|---|---|---|---|---|---|---|---|
| Company | Ticker | Near-term projected 30-year U.S. Treasury bond yield (Q3 2026 - Q3 2027) | Beta | Market Return | Market Risk Premium | Cost of Equity: CAPM | Cost of Equity: ECAPM |
| Atmos Energy Corporation | ATO | 4.82% | 0.80 | 13.28% | 8.46% | 11.59% | 12.01% |
| Chesapeake Utilities Corporation | CPK | 4.82% | 0.75 | 13.28% | 8.46% | 11.16% | 11.69% |
| NiSource Inc. | NI | 4.82% | 0.85 | 13.28% | 8.46% | 12.01% | 12.33% |
| Northwest Natural Gas Company | NWN | 4.82% | 0.80 | 13.28% | 8.46% | 11.59% | 12.01% |
| ONE Gas, Inc. | OGS | 4.82% | 0.75 | 13.28% | 8.46% | 11.16% | 11.69% |
| Southwest Gas Corporation | SWX | 4.82% | 0.80 | 13.28% | 8.46% | 11.59% | 12.01% |
| American States Water Company | AWR | 4.82% | 0.75 | 13.28% | 8.46% | 11.16% | 11.69% |
| California Water Service Group | CWT | 4.82% | 0.75 | 13.28% | 8.46% | 11.16% | 11.69% |
| Middlesex Water Company | MSEX | 4.82% | 0.80 | 13.28% | 8.46% | 11.59% | 12.01% |
| H2O America (SJW Group) | HTO | 4.82% | 0.75 | 13.28% | 8.46% | 11.16% | 11.69% |
| Mean | | | | | | 11.42% | 11.88% |
| Median | | | | | | 11.37% | 11.85% |

Notes:
[1] Blue Chip Financial Forecasts, Vol. 45, No. 5, May 1, 2026, at 2
[2] Value Line
[3] Exhibit AEB-6
[4] Equals [3]-[1]
[5] Equals [1] + [2] x [4]
[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**CAPITAL ASSET PRICING MODEL**
**LONG-TERM PROJECTED RISK-FREE RATE AND VALUE LINE BETA**

| Company | Ticker | [1] Projected 30-year U.S. Treasury bond yield (2027 - 2031) | [2] Beta | [3] Market Return | [4] Market Risk Premium | [5] Cost of Equity: CAPM | [6] Cost of Equity: ECAPM |
|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | 4.60% | 0.80 | 13.28% | 8.68% | 11.54% | 11.98% |
| Chesapeake Utilities Corporation | CPK | 4.60% | 0.75 | 13.28% | 8.68% | 11.11% | 11.65% |
| NiSource Inc. | NI | 4.60% | 0.85 | 13.28% | 8.68% | 11.98% | 12.30% |
| Northwest Natural Gas Company | NWN | 4.60% | 0.80 | 13.28% | 8.68% | 11.54% | 11.98% |
| ONE Gas, Inc. | OGS | 4.60% | 0.75 | 13.28% | 8.68% | 11.11% | 11.65% |
| Southwest Gas Corporation | SWX | 4.60% | 0.80 | 13.28% | 8.68% | 11.54% | 11.98% |
| American States Water Company | AWR | 4.60% | 0.75 | 13.28% | 8.68% | 11.11% | 11.65% |
| California Water Service Group | CWT | 4.60% | 0.75 | 13.28% | 8.68% | 11.11% | 11.65% |
| Middlesex Water Company | MSEX | 4.60% | 0.80 | 13.28% | 8.68% | 11.54% | 11.98% |
| H2O America (SJW Group) | HTO | 4.60% | 0.75 | 13.28% | 8.68% | 11.11% | 11.65% |
| Mean | | | | | | 11.37% | 11.85% |
| Median | | | | | | 11.32% | 11.81% |

Notes:
[1] Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 14
[2] Value Line
[3] Exhibit AEB-6
[4] Equals [3]-[1]
[5] Equals [1] + [2] x [4]
[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**CAPITAL ASSET PRICING MODEL**
**CURRENT RISK FREE RATE AND LONG-TERM VALUE LINE BETA**

| Company | Ticker | [1] Current 30-day average of 30-year U.S. Treasury bond yield | [2] Beta | [3] Market Return | [4] Market Risk Premium | [5] Cost of Equity: CAPM | [6] Cost of Equity: ECAPM |
|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | 4.91% | 0.76 | 13.28% | 8.36% | 11.28% | 11.78% |
| Chesapeake Utilities Corporation | CPK | 4.91% | 0.72 | 13.28% | 8.36% | 10.96% | 11.54% |
| NiSource Inc. | NI | 4.91% | 0.78 | 13.28% | 8.36% | 11.45% | 11.91% |
| Northwest Natural Gas Company | NWN | 4.91% | 0.73 | 13.28% | 8.36% | 10.99% | 11.56% |
| ONE Gas, Inc. | OGS | 4.91% | 0.75 | 13.28% | 8.36% | 11.19% | 11.71% |
| Southwest Gas Corporation | SWX | 4.91% | 0.83 | 13.28% | 8.36% | 11.86% | 12.22% |
| American States Water Company | AWR | 4.91% | 0.70 | 13.28% | 8.36% | 10.77% | 11.40% |
| California Water Service Group | CWT | 4.91% | 0.72 | 13.28% | 8.36% | 10.90% | 11.49% |
| Middlesex Water Company | MSEX | 4.91% | 0.74 | 13.28% | 8.36% | 11.12% | 11.66% |
| H2O America (SJW Group) | HTO | 4.91% | 0.77 | 13.28% | 8.36% | 11.35% | 11.83% |
| Mean | | | | | | 11.19% | 11.71% |
| Median | | | | | | 11.15% | 11.68% |

Notes:
[1] Bloomberg Professional as of April 30, 2026
[2] Exhibit AEB-5
[3] Exhibit AEB-6
[4] Equals [3]-[1]
[5] Equals [1] + [2] x [4]
[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**CAPITAL ASSET PRICING MODEL**
**NEAR-TERM PROJECTED RISK FREE RATE AND LONG-TERM VALUE LINE BETA**

| | | [1] | [2] | [3] | [4] | [5] | [6] |
|---|---|---|---|---|---|---|---|
| Company | Ticker | Near-term projected 30-year U.S. Treasury bond yield (Q3 2026 - Q3 2027) | Beta | Market Return | Market Risk Premium | Cost of Equity: CAPM | Cost of Equity: ECAPM |
| Atmos Energy Corporation | ATO | 4.82% | 0.76 | 13.28% | 8.46% | 11.26% | 11.76% |
| Chesapeake Utilities Corporation | CPK | 4.82% | 0.72 | 13.28% | 8.46% | 10.93% | 11.52% |
| NiSource Inc. | NI | 4.82% | 0.78 | 13.28% | 8.46% | 11.43% | 11.89% |
| Northwest Natural Gas Company | NWN | 4.82% | 0.73 | 13.28% | 8.46% | 10.97% | 11.54% |
| ONE Gas, Inc. | OGS | 4.82% | 0.75 | 13.28% | 8.46% | 11.16% | 11.69% |
| Southwest Gas Corporation | SWX | 4.82% | 0.83 | 13.28% | 8.46% | 11.85% | 12.20% |
| American States Water Company | AWR | 4.82% | 0.70 | 13.28% | 8.46% | 10.74% | 11.37% |
| California Water Service Group | CWT | 4.82% | 0.72 | 13.28% | 8.46% | 10.87% | 11.47% |
| Middlesex Water Company | MSEX | 4.82% | 0.74 | 13.28% | 8.46% | 11.10% | 11.64% |
| H2O America (SJW Group) | HTO | 4.82% | 0.77 | 13.28% | 8.46% | 11.33% | 11.81% |
| Mean | | | | | | 11.16% | 11.69% |
| Median | | | | | | 11.13% | 11.67% |

Notes:
[1] Blue Chip Financial Forecasts, Vol. 45, No. 5, May 1, 2026, at 2
[2] Exhibit AEB-5
[3] Exhibit AEB-6
[4] Equals [3]-[1]
[5] Equals [1] + [2] x [4]
[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**CAPITAL ASSET PRICING MODEL**
**LONG-TERM PROJECTED RISK FREE RATE AND LONG-TERM VALUE LINE BETA**

| Company | Ticker | [1] Projected 30-year U.S. Treasury bond yield (2027 - 2031) | [2] Beta | [3] Market Return | [4] Market Risk Premium | [5] Cost of Equity: CAPM | [6] Cost of Equity: ECAPM |
|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | 4.60% | 0.76 | 13.28% | 8.68% | 11.21% | 11.73% |
| Chesapeake Utilities Corporation | CPK | 4.60% | 0.72 | 13.28% | 8.68% | 10.87% | 11.47% |
| NiSource Inc. | NI | 4.60% | 0.78 | 13.28% | 8.68% | 11.38% | 11.86% |
| Northwest Natural Gas Company | NWN | 4.60% | 0.73 | 13.28% | 8.68% | 10.91% | 11.50% |
| ONE Gas, Inc. | OGS | 4.60% | 0.75 | 13.28% | 8.68% | 11.11% | 11.65% |
| Southwest Gas Corporation | SWX | 4.60% | 0.83 | 13.28% | 8.68% | 11.81% | 12.18% |
| American States Water Company | AWR | 4.60% | 0.70 | 13.28% | 8.68% | 10.67% | 11.32% |
| California Water Service Group | CWT | 4.60% | 0.72 | 13.28% | 8.68% | 10.81% | 11.42% |
| Middlesex Water Company | MSEX | 4.60% | 0.74 | 13.28% | 8.68% | 11.04% | 11.60% |
| H2O America (SJW Group) | HTO | 4.60% | 0.77 | 13.28% | 8.68% | 11.27% | 11.78% |
| Mean | | | | | | 11.11% | 11.65% |
| Median | | | | | | 11.07% | 11.62% |

Notes:
[1] Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 14
[2] Exhibit AEB-5
[3] Exhibit AEB-6
[4] Equals [3]-[1]
[5] Equals [1] + [2] x [4]
[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**HISTORICAL VALUE LINE BETA**

| Company | Ticker | [1] 2013 | [2] 2014 | [3] 2015 | [4] 2016 | [5] 2017 | [6] 2018 | [7] 2019 | [8] 2020 | [9] 2021 | [10] 2022 | [11] 2023 | [12] 2024 | [13] 2025 | [14] Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | 0.80 | 0.80 | 0.80 | 0.70 | 0.70 | 0.60 | 0.60 | 0.80 | 0.80 | 0.80 | 0.85 | 0.90 | 0.75 | 0.76 |
| Chesapeake Utilities Corporation | CPK | 0.70 | 0.65 | 0.65 | 0.65 | 0.70 | 0.65 | 0.65 | 0.80 | 0.80 | 0.80 | 0.80 | 0.85 | 0.70 | 0.72 |
| NiSource Inc. | NI | 0.85 | 0.85 | NMF | NMF | 0.60 | 0.50 | 0.55 | 0.85 | 0.85 | 0.85 | 0.90 | 0.95 | 0.85 | 0.78 |
| Northwest Natural Gas Company | NWN | 0.65 | 0.70 | 0.65 | 0.65 | 0.70 | 0.60 | 0.60 | 0.80 | 0.85 | 0.80 | 0.80 | 0.90 | 0.75 | 0.73 |
| ONE Gas, Inc. | OGS | | | | 0.70 | 0.70 | 0.65 | 0.65 | 0.80 | 0.80 | 0.80 | 0.80 | 0.85 | 0.75 | 0.75 |
| Southwest Gas Corporation | SWX | 0.80 | 0.85 | 0.80 | 0.75 | 0.80 | 0.70 | 0.70 | 0.95 | 0.95 | 0.90 | 0.90 | 0.95 | 0.75 | 0.83 |
| American States Water Company | AWR | 0.65 | 0.70 | 0.70 | 0.75 | 0.80 | 0.70 | 0.65 | 0.65 | 0.65 | 0.65 | 0.70 | 0.75 | 0.75 | 0.70 |
| California Water Service Group | CWT | 0.60 | 0.70 | 0.75 | 0.75 | 0.80 | 0.70 | 0.70 | 0.65 | 0.70 | 0.70 | 0.70 | 0.75 | 0.80 | 0.72 |
| Middlesex Water Company | MSEX | 0.75 | 0.70 | 0.70 | 0.75 | 0.80 | 0.75 | 0.75 | 0.75 | 0.70 | 0.70 | 0.75 | 0.80 | 0.75 | 0.74 |
| H2O America (SJW Group) | HTO | 0.85 | 0.85 | 0.75 | 0.75 | 0.70 | 0.60 | 0.60 | 0.85 | 0.80 | 0.80 | 0.85 | 0.85 | 0.75 | 0.77 |
| Mean | | 0.74 | 0.76 | 0.73 | 0.72 | 0.73 | 0.65 | 0.65 | 0.79 | 0.79 | 0.78 | 0.81 | 0.86 | 0.76 | 0.75 |

Notes:

[1] Value Line, dated December 26, 2013
[2] Value Line, dated December 31, 2014
[3] Value Line, dated December 30, 2015
[4] Value Line, dated December 29, 2016
[5] Value Line, dated December 28, 2017
[6] Value Line, dated December 27, 2018
[7] Value Line, dated December 26, 2019
[8] Value Line, dated December 30, 2020
[9] Value Line, dated December 29, 2021
[10] Value Line, dated December 30, 2022
[11] Value Line, Dated December 29, 2023
[12] Value Line, Dated December 27, 2024
[13] Value Line, Dated December 26, 2025
[14] Average ([1] - [13])

**MARKET RETURN DERIVED FROM S&P 500 INDEX**

| | |
|---|---|
| [1] Estimate of the S&P 500 Dividend Yield | 1.31% |
| [2] Estimate of the S&P 500 Growth Rate | 11.89% |
| [3] S&P 500 Estimated Required Market Return | 13.28% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Agilent Technologies Inc | A | 282.602 | 115.55 | 32,654.70 | 0.07% | 0.88% | 0.00% | 7.74% | 0.01% |
| Apple Inc | AAPL | 14681.140 | 271.35 | 3,983,727.34 | 7.98% | 0.40% | 0.03% | 11.91% | 0.95% |
| AbbVie Inc | ABBV | 1768.762 | 211.32 | 373,774.87 | 0.75% | 3.27% | 0.02% | 16.43% | 0.12% |
| Airbnb Inc | ABNB | 418.898 | 140.36 | 58,796.50 | 0.12% | | | 14.56% | 0.02% |
| Abbott Laboratories | ABT | 1741.812 | 90.79 | 158,139.15 | 0.32% | 2.78% | 0.01% | 8.17% | 0.03% |
| Arch Capital Group Ltd | ACGL | 352.900 | 94.46 | 33,334.93 | 0.07% | | | 4.23% | 0.00% |
| Accenture PLC | ACN | 615.307 | 178.71 | 109,961.47 | 0.22% | 3.65% | 0.01% | 5.50% | 0.01% |
| Adobe Inc | ADBE | 404.200 | 246.1 | 99,473.62 | 0.20% | | | 14.73% | 0.03% |
| Analog Devices Inc | ADI | 488.204 | 402.26 | 196,385.01 | 0.39% | 1.09% | 0.00% | 17.17% | 0.07% |
| Archer-Daniels-Midland Co | ADM | 481.878 | 74.54 | 35,919.16 | 0.07% | 2.79% | 0.00% | 12.96% | 0.01% |
| Automatic Data Processing Inc | ADP | 399.734 | 211.94 | 84,719.68 | 0.17% | 3.21% | 0.01% | 6.50% | 0.01% |
| Autodesk Inc | ADSK | 211.325 | 237 | 50,084.10 | 0.10% | | | 18.57% | 0.02% |
| Ameren Corp | AEE | 276.653 | 113.65 | 31,441.64 | 0.06% | 2.64% | 0.00% | 7.89% | 0.00% |
| American Electric Power Co Inc | AEP | 543.563 | 137.11 | 74,527.99 | 0.15% | 2.77% | 0.00% | 7.03% | 0.01% |
| AES Corp/The | AES | 713.072 | 14.2741 | 10,178.46 | | 4.93% | | 30.00% | |
| Aflac Inc | AFL | 515.184 | 113.67 | 58,560.93 | 0.12% | 2.15% | 0.00% | 7.53% | 0.01% |
| American International Group Inc | AIG | 534.867 | 74.8 | 40,008.03 | 0.08% | 2.67% | 0.00% | 12.46% | 0.01% |
| Assurant Inc | AIZ | 49.705 | 236.27 | 11,743.78 | 0.02% | 1.49% | 0.00% | 9.50% | 0.00% |
| Arthur J Gallagher & Co | AJG | 256.888 | 206.4 | 53,021.70 | 0.11% | 1.36% | 0.00% | 15.50% | 0.02% |
| Akamai Technologies Inc | AKAM | 145.014 | 102.98 | 14,933.54 | 0.03% | | | 8.00% | 0.00% |
| Albemarle Corp | ALB | 117.651 | 196.7 | 23,141.87 | | 0.82% | | 90.56% | |
| Align Technology Inc | ALGN | 71.617 | 176.01 | 12,605.36 | 0.03% | | | 11.15% | 0.00% |
| Allstate Corp/The | ALL | 257.421 | 217.26 | 55,927.27 | 0.11% | 1.99% | 0.00% | 9.77% | 0.01% |
| Allegion plc | ALLE | 85.936 | 137.48 | 11,814.46 | 0.02% | 1.60% | 0.00% | 6.01% | 0.00% |
| Applied Materials Inc | AMAT | 793.610 | 394.49 | 313,071.16 | 0.63% | 0.54% | 0.00% | 14.45% | 0.09% |
| Amcor PLC | AMCR | 462.046 | 38.04 | 17,576.22 | 0.04% | 6.83% | 0.00% | 8.32% | 0.00% |
| Advanced Micro Devices Inc | AMD | 1630.339 | 354.49 | 577,938.79 | | | | 36.53% | |
| AMETEK Inc | AME | 229.203 | 235.5 | 53,977.31 | 0.11% | 0.58% | 0.00% | 8.79% | 0.01% |
| Amgen Inc | AMGN | 539.686 | 346.25 | 186,866.10 | 0.37% | 2.91% | 0.01% | 4.54% | 0.02% |
| Ameriprise Financial Inc | AMP | 90.100 | 474.79 | 42,778.58 | 0.09% | 1.43% | 0.00% | 11.56% | 0.01% |
| American Tower Corp | AMT | 465.893 | 182.71 | 85,123.32 | 0.17% | 3.92% | 0.01% | 3.13% | 0.01% |
| Amazon.com Inc | AMZN | 10757.109 | 265.06 | 2,851,279.43 | 5.71% | | | 17.82% | 1.02% |
| Arista Networks Inc | ANET | 1259.169 | 172.71 | 217,471.15 | 0.44% | | | 15.47% | 0.07% |
| Aon PLC | AON | 213.574 | 310.83 | 66,385.07 | 0.13% | 1.06% | 0.00% | 8.70% | 0.01% |
| A O Smith Corp | AOS | 112.377 | 61.84 | 6,949.37 | 0.01% | 2.33% | 0.00% | 7.50% | 0.00% |
| APA Corp | APA | 353.400 | 40.73 | 14,394.00 | | 2.46% | | -0.81% | |
| Air Products and Chemicals Inc | APD | 222.681 | 300.05 | 66,815.34 | 0.13% | 2.41% | 0.00% | 6.00% | 0.01% |
| Amphenol Corp | APH | 1229.431 | 147.27 | 181,058.26 | | 0.68% | | 23.76% | |
| Apollo Global Management Inc | APO | 576.519 | 128.72 | 74,209.53 | 0.15% | 1.58% | 0.00% | 12.72% | 0.02% |
| AppLovin Corp | APP | 306.087 | 446.35 | 136,621.90 | | | | 38.83% | |
| Aptiv PLC | APTV | 213.141 | 60.26 | 12,843.90 | 0.03% | | | 11.79% | 0.00% |
| Alexandria Real Estate Equities Inc | ARE | 174.269 | 40.51 | 7,059.66 | | 7.11% | | -5.91% | |
| Ares Management Corp | ARES | 222.024 | 117.4 | 26,065.58 | | 4.60% | | 24.65% | |
| Atmos Energy Corp | ATO | 165.439 | 189.98 | 31,430.09 | 0.06% | 2.11% | 0.00% | 8.33% | 0.01% |
| AvalonBay Communities Inc | AVB | 139.259 | 183 | 25,484.39 | 0.05% | 3.89% | 0.00% | 4.55% | 0.00% |
| Broadcom Inc | AVGO | 4734.668 | 417.43 | 1,976,392.54 | | 0.62% | | 37.46% | |
| Avery Dennison Corp | AVY | 76.917 | 163.93 | 12,609.01 | 0.03% | 2.44% | 0.00% | 4.88% | 0.00% |
| American Water Works Co Inc | AWK | 195.281 | 128.42 | 25,077.92 | 0.05% | 2.79% | 0.00% | 7.22% | 0.00% |
| Axon Enterprise Inc | AXON | 80.572 | 401.76 | 32,370.69 | | | | 32.37% | |
| American Express Co | AXP | 682.326 | 323.05 | 220,425.56 | 0.44% | 1.18% | 0.01% | 13.11% | 0.06% |
| AutoZone Inc | AZO | 16.477 | 3704.03 | 61,030.64 | 0.12% | | | 9.86% | 0.01% |
| Boeing Co/The | BA | 788.302 | 229.03 | 180,544.88 | | | | 128.76% | |
| Bank of America Corp | BAC | 7145.709 | 53.46 | 382,009.61 | 0.76% | 2.10% | 0.02% | 9.00% | 0.07% |
| Ball Corp | BALL | 266.153 | 61.08 | 16,256.63 | 0.03% | 1.31% | 0.00% | 12.13% | 0.00% |
| Baxter International Inc | BAX | 516.469 | 17.58 | 9,079.53 | | 0.23% | | -1.59% | |
| Best Buy Co Inc | BBY | 209.113 | 60.49 | 12,649.22 | 0.03% | 6.35% | 0.00% | 3.48% | 0.00% |
| Becton Dickinson & Co | BDX | 284.742 | 149.04 | 42,437.92 | 0.08% | 2.82% | 0.00% | 4.31% | 0.00% |
| Franklin Resources Inc | BEN | 519.637 | 29.97 | 15,573.53 | 0.03% | 4.40% | 0.00% | 9.18% | 0.00% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Brown-Forman Corp | BF/B | 290.262 | 25.77 | 7,480.06 | 0.01% | 3.59% | 0.00% | 1.81% | 0.00% |
| Bunge Global SA | BG | 194.018 | 127.07 | 24,653.88 | 0.05% | 2.27% | 0.00% | 3.00% | 0.00% |
| Biogen Inc | BIIB | 147.637 | 189.28 | 27,944.75 | 0.06% | | | 2.74% | 0.00% |
| Bank of New York Mellon Corp/The | BK | 686.379 | 134.37 | 92,228.75 | 0.18% | 1.58% | 0.00% | 14.30% | 0.03% |
| Booking Holdings Inc | BKNG | 774.878 | 168.36 | 130,458.53 | 0.26% | 1.00% | 0.00% | 14.84% | 0.04% |
| Baker Hughes Co | BKR | 992.069 | 69.67 | 69,117.43 | 0.14% | 1.32% | 0.00% | 12.14% | 0.02% |
| Builders FirstSource Inc | BLDR | 107.560 | 79.09 | 8,506.91 | 0.02% | | | 3.64% | 0.00% |
| Blackrock Inc | BLK | 155.365 | 1065.6 | 165,556.91 | 0.33% | 2.15% | 0.01% | 12.02% | 0.04% |
| Bristol-Myers Squibb Co | BMY | 2042.071 | 60.59 | 123,729.10 | 0.25% | 4.16% | 0.01% | 9.50% | 0.02% |
| Broadridge Financial Solutions Inc | BR | 115.658 | 153.98 | 17,809.07 | 0.04% | 2.53% | 0.00% | 9.50% | 0.00% |
| Berkshire Hathaway Inc | BRK/B | 1390.722 | 473.6 | 658,646.13 | 1.32% | | | 9.50% | 0.13% |
| Brown & Brown Inc | BRO | 338.948 | 60.15 | 20,387.71 | 0.04% | 1.10% | 0.00% | 7.16% | 0.00% |
| Boston Scientific Corp | BSX | 1486.175 | 57.61 | 85,618.55 | 0.17% | | | 10.78% | 0.02% |
| Blackstone Inc | BX | 785.497 | 125.58 | 98,642.72 | 0.20% | 3.69% | 0.01% | 19.00% | 0.04% |
| BXP Inc | BXP | 158.676 | 58.46 | 9,276.20 | 0.02% | 4.79% | 0.00% | 0.68% | 0.00% |
| Citigroup Inc | C | 1714.907 | 127.98 | 219,473.86 | | 1.88% | | 24.31% | |
| Conagra Brands Inc | CAG | 478.437 | 14.35 | 6,865.57 | | 9.76% | | -6.05% | |
| Cardinal Health Inc | CAH | 234.206 | 192.88 | 45,173.63 | 0.09% | 1.06% | 0.00% | 14.30% | 0.01% |
| Carrier Global Corp | CARR | 830.580 | 67.17 | 55,790.09 | 0.11% | 1.43% | 0.00% | 10.20% | 0.01% |
| Casey's General Stores Inc | CASY | 36.959 | 821.58 | 30,364.80 | 0.06% | 0.28% | 0.00% | 15.36% | 0.01% |
| Caterpillar Inc | CAT | 465.287 | 890.11 | 414,156.91 | 0.83% | 0.68% | 0.01% | 17.18% | 0.14% |
| Chubb Ltd | CB | 387.860 | 327 | 126,830.26 | 0.25% | 1.19% | 0.00% | 6.81% | 0.02% |
| Cboe Global Markets Inc | CBOE | 104.742 | 300.09 | 31,432.11 | 0.06% | 0.96% | 0.00% | 14.30% | 0.01% |
| CBRE Group Inc | CBRE | 292.817 | 142.73 | 41,793.71 | 0.08% | | | 9.00% | 0.01% |
| Crown Castle Inc | CCI | 436.367 | 88.78 | 38,740.69 | 0.08% | 4.79% | 0.00% | 4.00% | 0.00% |
| Carnival Corp | CCL | 1239.000 | 26.51 | 32,845.90 | | 2.26% | | | |
| Cadence Design Systems Inc | CDNS | 276.092 | 329.59 | 90,997.19 | 0.18% | | | 13.77% | 0.03% |
| CDW Corp/DE | CDW | 127.974 | 136.91 | 17,520.98 | 0.04% | 1.84% | 0.00% | 6.88% | 0.00% |
| Constellation Energy Corp | CEG | 362.295 | 313 | 113,398.23 | | 0.55% | | 21.62% | |
| CF Industries Holdings Inc | CF | 153.616 | 124.2 | 19,079.16 | | 1.61% | | -13.27% | |
| Citizens Financial Group Inc | CFG | 424.994 | 65.05 | 27,645.85 | 0.06% | 2.83% | 0.00% | 18.71% | 0.01% |
| Church & Dwight Co Inc | CHD | 236.875 | 97.06 | 22,991.10 | 0.05% | 1.27% | 0.00% | 7.11% | 0.00% |
| CH Robinson Worldwide Inc | CHRW | 117.850 | 181.81 | 21,426.38 | 0.04% | 1.39% | 0.00% | 14.72% | 0.01% |
| Charter Communications Inc | CHTR | 122.985 | 165.17 | 20,313.36 | 0.04% | | | 12.16% | 0.00% |
| Cigna Group/The | CI | 264.532 | 290.58 | 76,867.82 | 0.15% | 2.15% | 0.00% | 9.19% | 0.01% |
| Ciena Corp | CIEN | 141.398 | 527.58 | 74,598.98 | | | | 41.82% | |
| Cincinnati Financial Corp | CINF | 154.687 | 163.6 | 25,306.75 | 0.05% | 2.30% | 0.00% | 7.43% | 0.00% |
| Colgate-Palmolive Co | CL | 802.302 | 85.36 | 68,484.49 | 0.14% | 2.48% | 0.00% | 7.37% | 0.01% |
| Clorox Co/The | CLX | 120.921 | 96.44 | 11,661.65 | 0.02% | 5.14% | 0.00% | 1.51% | 0.00% |
| Comcast Corp | CMCSA | 3562.784 | 27.04 | 96,337.68 | 0.19% | 4.88% | 0.01% | 1.51% | 0.00% |
| CME Group Inc | CME | 362.356 | 287.82 | 104,293.36 | 0.21% | 1.81% | 0.00% | 5.76% | 0.01% |
| Chipotle Mexican Grill Inc | CMG | 1282.734 | 33.99 | 43,600.13 | 0.09% | | | 13.60% | 0.01% |
| Cummins Inc | CMI | 138.257 | 671.01 | 92,772.11 | 0.19% | 1.19% | 0.00% | 11.15% | 0.02% |
| CMS Energy Corp | CMS | 308.920 | 76.74 | 23,706.49 | 0.05% | 2.97% | 0.00% | 7.71% | 0.00% |
| Centene Corp | CNC | 493.797 | 53.69 | 26,511.96 | | | | 28.78% | |
| CenterPoint Energy Inc | CNP | 652.872 | 43.65 | 28,497.84 | 0.06% | 2.11% | 0.00% | 8.01% | 0.00% |
| Capital One Financial Corp | COF | 632.571 | 191.3 | 121,010.91 | 0.24% | 1.67% | 0.00% | 13.03% | 0.03% |
| Coherent Corp | COHR | 187.482 | 319.71 | 59,939.82 | | | | 38.12% | |
| Coinbase Global Inc | COIN | 223.041 | 187.77 | 41,880.46 | 0.08% | | | 19.07% | 0.02% |
| Cooper Cos Inc/The | COO | 195.114 | 62.9 | 12,272.70 | 0.02% | | | 8.70% | 0.00% |
| ConocoPhillips | COP | 1218.294 | 125.78 | 153,237.02 | 0.31% | 2.67% | 0.01% | 2.50% | 0.01% |
| Cencora Inc | COR | 194.531 | 308.01 | 59,917.39 | 0.12% | 0.78% | 0.00% | 8.46% | 0.01% |
| Costco Wholesale Corp | COST | 443.653 | 1013.06 | 449,446.64 | 0.90% | 0.58% | 0.01% | 10.59% | 0.10% |
| Corpay Inc | CPAY | 66.132 | 306.47 | 20,267.47 | 0.04% | | | 13.06% | 0.01% |
| Campbell's Company/The | CPB | 298.146 | 20.79 | 6,198.47 | | 7.50% | | -1.47% | |
| Copart Inc | CPRT | 963.308 | 33.11 | 31,895.14 | 0.06% | | | 7.00% | 0.00% |
| Camden Property Trust | CPT | 104.727 | 105.02 | 10,998.43 | | 4.04% | | -1.66% | |
| CRH PLC | CRH | 668.200 | 118.42 | 79,128.27 | 0.16% | 1.32% | 0.00% | 9.98% | 0.02% |
| Charles River Laboratories International Inc | CRL | 49.342 | 166.97 | 8,238.63 | 0.02% | | | 6.21% | 0.00% |
| Salesforce Inc | CRM | 818.054 | 176.53 | 144,411.03 | | 1.00% | | 21.00% | |
| Crowdstrike Holdings Inc | CRWD | 253.614 | 445.75 | 113,048.48 | | | | 30.00% | |
| Cisco Systems Inc | CSCO | 3949.893 | 91.5 | 361,415.21 | 0.72% | 1.84% | 0.01% | 7.40% | 0.05% |
| CoStar Group Inc | CSGP | 408.356 | 34.61 | 14,133.19 | | | | 30.78% | |
| CSX Corp | CSX | 1858.139 | 45.43 | 84,415.25 | 0.17% | 1.23% | 0.00% | 11.64% | 0.02% |
| Cintas Corp | CTAS | 400.087 | 174.71 | 69,899.22 | 0.14% | 1.03% | 0.00% | 12.18% | 0.02% |
| Coterra Energy Inc | CTRA | 759.353 | 35.91 | 27,268.35 | 0.05% | 2.45% | 0.00% | 3.00% | 0.00% |
| Cognizant Technology Solutions Corp | CTSH | 473.869 | 52.9 | 25,067.69 | 0.05% | 2.50% | 0.00% | 9.00% | 0.00% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Corteva Inc | CTVA | 671.357 | 81.01 | 54,386.59 | 0.11% | 0.89% | 0.00% | 10.36% | 0.01% |
| Carvana Co | CVNA | 143.258 | 395.8 | 56,701.39 | 0.11% | | | 1.83% | 0.00% |
| CVS Health Corp | CVS | 1281.604 | 83.29 | 106,744.83 | 0.21% | 3.19% | 0.01% | 7.13% | 0.02% |
| Chevron Corp | CVX | 1991.899 | 193.31 | 385,053.96 | 0.77% | 3.68% | 0.03% | 9.81% | 0.08% |
| Dominion Energy Inc | D | 878.965 | 64.5 | 56,693.22 | 0.11% | 4.14% | 0.00% | 6.02% | 0.01% |
| Delta Air Lines Inc | DAL | 656.994 | 67.99 | 44,669.05 | 0.09% | 1.10% | 0.00% | 9.00% | 0.01% |
| DoorDash Inc | DASH | 411.364 | 168.65 | 69,376.58 | | | | 39.94% | |
| DuPont de Nemours Inc | DD | 409.867 | 45.66 | 18,714.55 | 0.04% | 1.75% | 0.00% | 11.52% | 0.00% |
| Datadog Inc | DDOG | 330.776 | 132.19 | 43,725.26 | 0.09% | | | 19.94% | 0.02% |
| Deere & Co | DE | 270.107 | 589.87 | 159,328.18 | 0.32% | 1.10% | 0.00% | 9.67% | 0.03% |
| Deckers Outdoor Corp | DECK | 141.950 | 102.2 | 14,507.29 | 0.03% | | | 8.69% | 0.00% |
| Dell Technologies Inc | DELL | 325.655 | 208.95 | 68,045.53 | 0.14% | 1.21% | 0.00% | 15.59% | 0.02% |
| Dollar General Corp | DG | 220.226 | 115.88 | 25,519.83 | 0.05% | 2.04% | 0.00% | 7.41% | 0.00% |
| Quest Diagnostics Inc | DGX | 110.696 | 194.2 | 21,497.25 | 0.04% | 1.77% | 0.00% | 7.52% | 0.00% |
| DR Horton Inc | DHI | 283.580 | 153.86 | 43,631.56 | 0.09% | 1.17% | 0.00% | 5.87% | 0.01% |
| Danaher Corp | DHR | 707.771 | 178.95 | 126,655.55 | 0.25% | 0.89% | 0.00% | 6.25% | 0.02% |
| Walt Disney Co/The | DIS | 1771.520 | 103.75 | 183,795.18 | 0.37% | 1.45% | 0.01% | 13.91% | 0.05% |
| Digital Realty Trust Inc | DLR | 348.955 | 200.94 | 70,119.11 | 0.14% | 2.43% | 0.00% | 7.07% | 0.01% |
| Dollar Tree Inc | DLTR | 197.298 | 97.11 | 19,159.63 | | | | 20.44% | |
| Healthpeak Properties Inc | DOC | 695.257 | 16.17 | 11,242.30 | 0.02% | 7.54% | 0.00% | 5.09% | 0.00% |
| Dover Corp | DOV | 134.661 | 226.41 | 30,488.69 | 0.06% | 0.92% | 0.00% | 7.84% | 0.00% |
| Dow Inc | DOW | 720.741 | 40.49 | 29,182.82 | | 3.46% | | 36.23% | |
| Domino's Pizza Inc | DPZ | 33.262 | 339.42 | 11,289.74 | 0.02% | 2.35% | 0.00% | 12.83% | 0.00% |
| Darden Restaurants Inc | DRI | 114.535 | 200.56 | 22,971.14 | 0.05% | 2.99% | 0.00% | 10.31% | 0.00% |
| DTE Energy Co | DTE | 208.028 | 151.69 | 31,555.79 | 0.06% | 3.07% | 0.00% | 5.72% | 0.00% |
| Duke Energy Corp | DUK | 778.217 | 129.55 | 100,817.97 | 0.20% | 3.29% | 0.01% | 6.25% | 0.01% |
| DaVita Inc | DVA | 65.944 | 155.14 | 10,230.60 | 0.02% | | | 18.16% | 0.00% |
| Devon Energy Corp | DVN | 621.440 | 51.37 | 31,923.39 | 0.06% | 1.87% | 0.00% | 4.79% | 0.00% |
| Dexcom Inc | DXCM | 385.873 | 59.55 | 22,978.74 | | | | 20.97% | |
| Electronic Arts Inc | EA | 250.254 | 202.37 | 50,643.84 | 0.10% | 0.38% | 0.00% | 9.50% | 0.01% |
| eBay Inc | EBAY | 444.000 | 103.48 | 45,945.12 | 0.09% | 1.20% | 0.00% | 12.91% | 0.01% |
| Ecolab Inc | ECL | 282.424 | 260.6 | 73,599.63 | 0.15% | 1.12% | 0.00% | 10.43% | 0.02% |
| Consolidated Edison Inc | ED | 368.421 | 111.49 | 41,075.29 | 0.08% | 3.18% | 0.00% | 6.69% | 0.01% |
| Equifax Inc | EFX | 119.072 | 173.94 | 20,711.45 | 0.04% | 1.29% | 0.00% | 10.30% | 0.00% |
| Everest Group Ltd | EG | 39.800 | 356.76 | 14,199.05 | 0.03% | 2.24% | 0.00% | 9.49% | 0.00% |
| Edison International | EIX | 384.794 | 69.49 | 26,739.33 | 0.05% | 5.05% | 0.00% | 8.03% | 0.00% |
| Estee Lauder Cos Inc/The | EL | 247.220 | 76.71 | 18,964.22 | | 1.83% | | 23.64% | |
| Elevance Health Inc | ELV | 217.162 | 376.42 | 81,744.26 | 0.16% | 1.83% | 0.00% | 4.40% | 0.01% |
| EMCOR Group Inc | EME | 44.440 | 891.67 | 39,626.06 | 0.08% | 0.18% | 0.00% | 16.50% | 0.01% |
| Emerson Electric Co | EMR | 562.000 | 140.44 | 78,927.28 | 0.16% | 1.58% | 0.00% | 11.47% | 0.02% |
| EOG Resources Inc | EOG | 535.716 | 140.57 | 75,305.57 | 0.15% | 2.90% | 0.00% | 5.11% | 0.01% |
| EPAM Systems Inc | EPAM | 52.444 | 113.78 | 5,967.11 | 0.01% | | | 9.00% | 0.00% |
| Equinix Inc | EQIX | 98.624 | 1082.83 | 106,793.30 | 0.21% | 1.91% | 0.00% | 18.26% | 0.04% |
| Equity Residential | EQR | 374.672 | 65.38 | 24,496.04 | 0.05% | 4.30% | 0.00% | 3.62% | 0.00% |
| EQT Corp | EQT | 625.478 | 60.08 | 37,578.72 | 0.08% | 1.10% | 0.00% | 11.03% | 0.01% |
| Erie Indemnity Co | ERIE | 46.189 | 218.93 | 10,112.17 | 0.02% | 2.67% | 0.00% | 18.00% | 0.00% |
| Eversource Energy | ES | 375.845 | 70.7 | 26,572.27 | 0.05% | 4.46% | 0.00% | 4.11% | 0.00% |
| Essex Property Trust Inc | ESS | 64.263 | 263.21 | 16,914.63 | 0.03% | 3.94% | 0.00% | 4.25% | 0.00% |
| Eaton Corp PLC | ETN | 387.985 | 433.01 | 168,001.53 | 0.34% | 1.02% | 0.00% | 13.50% | 0.05% |
| Entergy Corp | ETR | 457.799 | 117.27 | 53,686.05 | 0.11% | 2.18% | 0.00% | 7.35% | 0.01% |
| Evergy Inc | EVRG | 229.746 | 82.84 | 19,032.15 | 0.04% | 3.36% | 0.00% | 7.79% | 0.00% |
| Edwards Lifesciences Corp | EW | 576.542 | 83.5 | 48,141.23 | 0.10% | | | 10.28% | 0.01% |
| Exelon Corp | EXC | 1023.175 | 45.99 | 47,055.82 | 0.09% | 3.65% | 0.00% | 6.00% | 0.01% |
| Expand Energy Corp | EXE | 239.229 | 102.15 | 24,437.23 | | 2.25% | | | |
| Expeditors International of Washington Inc | EXPD | 132.984 | 147.89 | 19,667.01 | 0.04% | 1.04% | 0.00% | 4.99% | 0.00% |
| Expedia Group Inc | EXPE | 114.499 | 248.37 | 28,438.02 | | 0.77% | | 20.10% | |
| Extra Space Storage Inc | EXR | 211.197 | 143.33 | 30,270.88 | 0.06% | 4.52% | 0.00% | 0.77% | 0.00% |
| Ford Motor Co | F | 3913.841 | 12.08 | 47,279.19 | | 4.97% | | 22.42% | |
| Diamondback Energy Inc | FANG | 281.312 | 205.63 | 57,846.13 | 0.12% | 2.04% | 0.00% | 12.83% | 0.01% |
| Fastenal Co | FAST | 1148.035 | 44.93 | 51,581.22 | 0.10% | 2.14% | 0.00% | 9.62% | 0.01% |
| Freeport-McMoRan Inc | FCX | 1437.531 | 57.78 | 83,060.52 | | 1.04% | | 23.79% | |
| FactSet Research Systems Inc | FDS | 36.431 | 227.58 | 8,291.00 | 0.02% | 1.93% | 0.00% | 5.66% | 0.00% |
| FedEx Corp | FDX | 238.607 | 403.31 | 96,232.49 | 0.19% | 1.44% | 0.00% | 9.63% | 0.02% |
| FirstEnergy Corp | FE | 577.126 | 47.52 | 27,425.04 | 0.05% | 3.91% | 0.00% | 6.31% | 0.00% |
| F5 Inc | FFIV | 56.753 | 323.9 | 18,382.30 | 0.04% | | | 5.95% | 0.00% |
| Fair Isaac Corp | FICO | 23.191 | 1025 | 23,770.68 | | | | 24.63% | |
| Fidelity National Information Services Inc | FIS | 516.869 | 46.53 | 24,049.92 | 0.05% | 3.78% | 0.00% | 10.00% | 0.00% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Fiserv Inc | FISV | 533.949 | 62.65 | 33,451.88 | 0.07% | | | 5.50% | 0.00% |
| Fifth Third Bancorp | FITB | 905.564 | 50.76 | 45,966.40 | 0.09% | 3.15% | 0.00% | 10.00% | 0.01% |
| Comfort Systems USA Inc | FIX | 35.202 | 1840.25 | 64,781.25 | | 0.17% | | 23.50% | |
| Fox Corp | FOX | 224.702 | 57.02 | 12,812.52 | 0.03% | 0.98% | 0.00% | 1.78% | 0.00% |
| Fox Corp | FOXA | 200.694 | 63.49 | 12,742.05 | 0.03% | 0.88% | 0.00% | 4.89% | 0.00% |
| Federal Realty Investment Trust | FRT | 86.388 | 110.9 | 9,580.45 | 0.02% | 4.08% | 0.00% | 3.33% | 0.00% |
| First Solar Inc | FSLR | 107.453 | 201.89 | 21,693.76 | | | | 26.00% | |
| Fortinet Inc | FTNT | 732.102 | 84.31 | 61,723.52 | 0.12% | | | 12.50% | 0.02% |
| Fortive Corp | FTV | 304.861 | 59.79 | 18,227.64 | 0.04% | 0.40% | 0.00% | 6.50% | 0.00% |
| General Dynamics Corp | GD | 270.430 | 344.3 | 93,109.11 | 0.19% | 1.85% | 0.00% | 11.26% | 0.02% |
| GoDaddy Inc | GDDY | 132.697 | 86.79 | 11,516.79 | 0.02% | | | 5.50% | 0.00% |
| General Electric Co | GE | 1043.337 | 289.93 | 302,494.77 | 0.61% | 0.65% | 0.00% | 17.09% | 0.10% |
| GE HealthCare Technologies Inc | GEHC | 454.892 | 60.84 | 27,675.62 | 0.06% | 0.23% | 0.00% | 8.05% | 0.00% |
| Gen Digital Inc | GEN | 605.664 | 19.29 | 11,683.25 | 0.02% | 2.59% | 0.00% | 8.50% | 0.00% |
| GE Vernova Inc | GEV | 268.720 | 1083.46 | 291,147.37 | | 0.18% | | 66.80% | |
| Gilead Sciences Inc | GILD | 1241.204 | 130.84 | 162,399.10 | 0.33% | 2.51% | 0.01% | 11.22% | 0.04% |
| General Mills Inc | GIS | 533.681 | 35.31 | 18,844.28 | | 6.91% | | -4.04% | |
| Globe Life Inc | GL | 78.445 | 154.3 | 12,103.99 | 0.02% | 0.86% | 0.00% | 8.00% | 0.00% |
| Corning Inc | GLW | 859.015 | 164.24 | 141,084.60 | | 0.68% | | 30.91% | |
| General Motors Co | GM | 901.665 | 76.89 | 69,329.04 | 0.14% | 0.94% | 0.00% | 12.33% | 0.02% |
| Generac Holdings Inc | GNRC | 58.812 | 259.23 | 15,245.77 | 0.03% | | | 18.50% | 0.01% |
| Alphabet Inc | GOOG | 5456.000 | 381.94 | 2,083,864.64 | 4.17% | 0.23% | 0.01% | 17.10% | 0.71% |
| Alphabet Inc | GOOGL | 5824.000 | 384.8 | 2,241,075.20 | 4.49% | 0.23% | 0.01% | 17.69% | 0.79% |
| Genuine Parts Co | GPC | 137.625 | 107.23 | 14,757.48 | 0.03% | 3.96% | 0.00% | 2.00% | 0.00% |
| Global Payments Inc | GPN | 275.243 | 71.96 | 19,806.49 | 0.04% | 1.39% | 0.00% | 8.00% | 0.00% |
| Garmin Ltd | GRMN | 192.856 | 251.14 | 48,433.91 | 0.10% | 1.67% | 0.00% | 8.19% | 0.01% |
| Goldman Sachs Group Inc/The | GS | 294.994 | 923.77 | 272,506.55 | 0.55% | 1.95% | 0.01% | 13.14% | 0.07% |
| WW Grainger Inc | GWW | 47.330 | 1161.35 | 54,966.68 | 0.11% | 0.86% | 0.00% | 6.88% | 0.01% |
| Halliburton Co | HAL | 835.398 | 42.3 | 35,337.32 | 0.07% | 1.61% | 0.00% | 8.69% | 0.01% |
| Hasbro Inc | HAS | 141.522 | 95.84 | 13,563.42 | 0.03% | 2.92% | 0.00% | 7.20% | 0.00% |
| Huntington Bancshares Inc/OH | HBAN | 2027.131 | 16.76 | 33,974.71 | 0.07% | 3.70% | 0.00% | 9.51% | 0.01% |
| HCA Healthcare Inc | HCA | 221.840 | 434.45 | 96,378.30 | 0.19% | 0.72% | 0.00% | 9.84% | 0.02% |
| Home Depot Inc/The | HD | 996.028 | 328.8 | 327,493.89 | 0.66% | 2.83% | 0.02% | 5.80% | 0.04% |
| Hartford Insurance Group Inc/The | HIG | 274.131 | 136.81 | 37,503.84 | 0.08% | 1.75% | 0.00% | 5.22% | 0.00% |
| Huntington Ingalls Industries Inc | HII | 39.377 | 364.29 | 14,344.71 | 0.03% | 1.52% | 0.00% | 15.28% | 0.00% |
| Hilton Worldwide Holdings Inc | HLT | 227.648 | 324.07 | 73,774.01 | 0.15% | 0.19% | 0.00% | 12.97% | 0.02% |
| Honeywell International Inc | HON | 633.653 | 214.33 | 135,810.87 | 0.27% | 2.22% | 0.01% | 7.69% | 0.02% |
| Robinhood Markets Inc | HOOD | 791.185 | 72.89 | 57,669.45 | | | | 23.14% | |
| Hewlett Packard Enterprise Co | HPE | 1326.854 | 28.77 | 38,173.59 | 0.08% | 1.98% | 0.00% | 12.68% | 0.01% |
| HP Inc | HPQ | 914.550 | 20.86 | 19,077.52 | 0.04% | 5.75% | 0.00% | 3.14% | 0.00% |
| Hormel Foods Corp | HRL | 550.284 | 21.47 | 11,814.60 | 0.02% | 5.45% | 0.00% | 5.81% | 0.00% |
| Henry Schein Inc | HSIC | 114.748 | 74.59 | 8,559.06 | 0.02% | | | 8.76% | 0.00% |
| Host Hotels & Resorts Inc | HST | 687.333 | 21.13 | 14,523.35 | 0.03% | 3.79% | 0.00% | 4.34% | 0.00% |
| Hershey Co/The | HSY | 148.230 | 185.74 | 27,532.21 | 0.06% | 3.13% | 0.00% | 13.00% | 0.01% |
| Hubbell Inc | HUBB | 53.025 | 508.17 | 26,945.58 | 0.05% | 1.12% | 0.00% | 7.50% | 0.00% |
| Humana Inc | HUM | 120.062 | 236.44 | 28,387.34 | 0.06% | 1.50% | 0.00% | 9.20% | 0.01% |
| Howmet Aerospace Inc | HWM | 400.714 | 243.04 | 97,389.42 | | 0.20% | | 20.50% | |
| Interactive Brokers Group Inc | IBKR | 445.616 | 79.5 | 35,426.51 | 0.07% | 0.44% | 0.00% | 14.41% | 0.01% |
| International Business Machines Corp | IBM | 939.885 | 230.98 | 217,094.70 | 0.43% | 2.93% | 0.01% | 7.29% | 0.03% |
| Intercontinental Exchange Inc | ICE | 565.512 | 158.09 | 89,401.87 | 0.18% | 1.32% | 0.00% | 11.52% | 0.02% |
| IDEXX Laboratories Inc | IDXX | 79.519 | 560.8 | 44,594.22 | 0.09% | | | 11.91% | 0.01% |
| IDEX Corp | IEX | 74.015 | 217.85 | 16,124.18 | 0.03% | 1.30% | 0.00% | 4.50% | 0.00% |
| International Flavors & Fragrances Inc | IFF | 255.438 | 70.2 | 17,931.73 | 0.04% | 2.28% | 0.00% | 5.83% | 0.00% |
| Incyte Corp | INCY | 199.782 | 95.27 | 19,033.25 | 0.04% | | | 18.93% | 0.01% |
| Intel Corp | INTC | 5026.000 | 94.48 | 474,856.48 | | | | 47.81% | |
| Intuit Inc | INTU | 276.550 | 388.5 | 107,439.68 | 0.22% | 1.24% | 0.00% | 13.99% | 0.03% |
| Invitation Homes Inc | INVH | 594.042 | 28.77 | 17,090.59 | 0.03% | 4.17% | 0.00% | 6.10% | 0.00% |
| International Paper Co | IP | 529.486 | 30.42 | 16,106.97 | 0.03% | 6.08% | 0.00% | 9.50% | 0.00% |
| IQVIA Holdings Inc | IQV | 169.700 | 158.37 | 26,875.39 | 0.05% | | | 7.45% | 0.00% |
| Ingersoll Rand Inc | IR | 391.337 | 79.86 | 31,252.16 | 0.06% | 0.10% | 0.00% | 8.50% | 0.01% |
| Iron Mountain Inc | IRM | 297.525 | 125.99 | 37,485.13 | 0.08% | 2.74% | 0.00% | 9.50% | 0.01% |
| Intuitive Surgical Inc | ISRG | 354.163 | 457.61 | 162,068.46 | 0.32% | | | 15.06% | 0.05% |
| Gartner Inc | IT | 67.510 | 148.49 | 10,024.59 | 0.02% | | | 6.23% | 0.00% |
| Illinois Tool Works Inc | ITW | 288.078 | 258.01 | 74,327.03 | 0.15% | 2.50% | 0.00% | 8.86% | 0.01% |
| Invesco Ltd | IVZ | 443.321 | 26.21 | 11,619.44 | | 3.28% | | 22.56% | |
| Jacobs Solutions Inc | J | 117.447 | 129.41 | 15,198.78 | 0.03% | 1.11% | 0.00% | 10.29% | 0.00% |
| JB Hunt Transport Services Inc | JBHT | 94.299 | 251.53 | 23,719.08 | 0.05% | 0.72% | 0.00% | 12.98% | 0.01% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Jabil Inc | JBL | 105.503 | 337.49 | 35,606.08 | 0.07% | 0.09% | 0.00% | 15.78% | 0.01% |
| Johnson Controls International plc | JCI | 612.066 | 146.03 | 89,380.03 | 0.18% | 1.10% | 0.00% | 17.45% | 0.03% |
| Jack Henry & Associates Inc | JKHY | 72.167 | 153.75 | 11,095.73 | 0.02% | 1.59% | 0.00% | 6.50% | 0.00% |
| Johnson & Johnson | JNJ | 2407.217 | 229.85 | 553,298.82 | 1.11% | 2.33% | 0.03% | 7.24% | 0.08% |
| JPMorgan Chase & Co | JPM | 2682.220 | 313.23 | 840,151.65 | 1.68% | 1.92% | 0.03% | 9.85% | 0.17% |
| Keurig Dr Pepper Inc | KDP | 1360.559 | 29.4 | 40,000.45 | 0.08% | 3.13% | 0.00% | 10.22% | 0.01% |
| KeyCorp | KEY | 1087.293 | 22.11 | 24,040.05 | 0.05% | 3.71% | 0.00% | 12.92% | 0.01% |
| Keysight Technologies Inc | KEYS | 171.503 | 349.91 | 60,010.44 | 0.12% | | | 12.73% | 0.02% |
| Kraft Heinz Co/The | KHC | 1185.762 | 22.66 | 26,869.37 | | 7.06% | | -0.33% | |
| Kimco Realty Corp | KIM | 674.403 | 23.64 | 15,942.89 | 0.03% | 4.40% | 0.00% | 10.16% | 0.00% |
| KKR & Co Inc | KKR | 891.551 | 104.34 | 93,024.42 | 0.19% | 0.71% | 0.00% | 7.00% | 0.01% |
| KLA Corp | KLAC | 130.628 | 1750.35 | 228,643.88 | 0.46% | 0.43% | 0.00% | 15.00% | 0.07% |
| Kimberly-Clark Corp | KMB | 331.940 | 98.43 | 32,672.89 | 0.07% | 5.20% | 0.00% | 4.96% | 0.00% |
| Kinder Morgan Inc | KMI | 2224.826 | 32.87 | 73,130.02 | 0.15% | 3.62% | 0.01% | 7.92% | 0.01% |
| Coca-Cola Co/The | KO | 4302.482 | 78.76 | 338,863.52 | 0.68% | 2.69% | 0.02% | 7.36% | 0.05% |
| Kroger Co/The | KR | 612.576 | 68.07 | 41,698.02 | 0.08% | 2.06% | 0.00% | 6.00% | 0.01% |
| Kenvue Inc | KVUE | 1919.916 | 17.53 | 33,656.13 | 0.07% | 4.73% | 0.00% | 13.12% | 0.01% |
| Loews Corp | L | 205.768 | 112.61 | 23,171.50 | 0.05% | 0.22% | 0.00% | 14.00% | 0.01% |
| Leidos Holdings Inc | LDOS | 125.929 | 149.22 | 18,791.06 | 0.04% | 1.15% | 0.00% | 8.71% | 0.00% |
| Lennar Corp | LEN | 215.244 | 90.3 | 19,436.57 | 0.04% | 2.21% | 0.00% | 2.46% | 0.00% |
| Labcorp Holdings Inc | LH | 82.187 | 256.8 | 21,105.63 | 0.04% | 1.12% | 0.00% | 6.58% | 0.00% |
| L3Harris Technologies Inc | LHX | 186.295 | 320.55 | 59,716.85 | 0.12% | 1.56% | 0.00% | 13.86% | 0.02% |
| Lennox International Inc | LII | 34.800 | 534.89 | 18,614.16 | 0.04% | 0.97% | 0.00% | 11.00% | 0.00% |
| Linde PLC | LIN | 462.642 | 501.14 | 231,848.50 | 0.46% | 1.28% | 0.01% | 8.17% | 0.04% |
| Lumentum Holdings Inc | LITE | 71.400 | 902.32 | 64,425.65 | | | | | |
| Eli Lilly & Co | LLY | 941.741 | 934.6 | 880,151.52 | 1.76% | 0.74% | 0.01% | 20.00% | 0.35% |
| Lockheed Martin Corp | LMT | 230.564 | 517.97 | 119,425.03 | 0.24% | 2.66% | 0.01% | 16.33% | 0.04% |
| Alliant Energy Corp | LNT | 258.276 | 73.43 | 18,965.24 | 0.04% | 2.91% | 0.00% | 6.48% | 0.00% |
| Lowe's Cos Inc | LOW | 560.063 | 238.79 | 133,737.42 | 0.27% | 2.01% | 0.01% | 4.58% | 0.01% |
| Lam Research Corp | LRCX | 1250.571 | 257.86 | 322,472.24 | | 0.40% | | 26.70% | |
| Lululemon Athletica Inc | LULU | 109.957 | 137.7 | 15,141.14 | 0.03% | | | 2.00% | 0.00% |
| Southwest Airlines Co | LUV | 488.774 | 37.92 | 18,534.30 | | 1.90% | | 48.52% | |
| Las Vegas Sands Corp | LVS | 662.637 | 54.61 | 36,186.62 | | 2.20% | | 20.86% | |
| LyondellBasell Industries NV | LYB | 322.769 | 74.6 | 24,078.59 | | 3.70% | | 22.59% | |
| Live Nation Entertainment Inc | LYV | 235.125 | 157.94 | 37,135.61 | | | | 81.03% | |
| Mastercard Inc | MA | 877.036 | 502.92 | 441,079.06 | 0.88% | 0.69% | 0.01% | 13.35% | 0.12% |
| Mid-America Apartment Communities Inc | MAA | 116.385 | 129.18 | 15,034.59 | 0.03% | 4.74% | 0.00% | 1.09% | 0.00% |
| Marriott International Inc/MD | MAR | 264.932 | 361.69 | 95,823.25 | 0.19% | 0.74% | 0.00% | 9.00% | 0.02% |
| Masco Corp | MAS | 201.734 | 71.82 | 14,488.57 | 0.03% | 1.78% | 0.00% | 8.65% | 0.00% |
| McDonald's Corp | MCD | 710.828 | 293.59 | 208,691.88 | 0.42% | 2.53% | 0.01% | 8.75% | 0.04% |
| Microchip Technology Inc | MCHP | 541.135 | 92.91 | 50,276.90 | 0.10% | 1.96% | 0.00% | 19.73% | 0.02% |
| McKesson Corp | MCK | 122.487 | 815.2 | 99,851.78 | 0.20% | 0.40% | 0.00% | 12.89% | 0.03% |
| Moody's Corp | MCO | 174.700 | 461.85 | 80,685.20 | 0.16% | 0.89% | 0.00% | 11.11% | 0.02% |
| Mondelez International Inc | MDLZ | 1283.650 | 61.44 | 78,867.44 | 0.16% | 3.26% | 0.01% | 7.36% | 0.01% |
| Medtronic PLC | MDT | 1283.885 | 80.97 | 103,956.17 | 0.21% | 3.51% | 0.01% | 7.02% | 0.01% |
| MetLife Inc | MET | 647.046 | 80.1 | 51,828.40 | 0.10% | 2.96% | 0.00% | 10.43% | 0.01% |
| Meta Platforms Inc | META | 2196.046 | 611.91 | 1,343,782.26 | 2.69% | 0.34% | 0.01% | 15.42% | 0.41% |
| MGM Resorts International | MGM | 255.851 | 38.94 | 9,962.85 | | | | 25.00% | |
| McCormick & Co Inc/MD | MKC | 253.943 | 50.84 | 12,910.47 | 0.03% | 3.78% | 0.00% | 5.64% | 0.00% |
| Martin Marietta Materials Inc | MLM | 60.046 | 619.07 | 37,172.62 | 0.07% | 0.54% | 0.00% | 11.49% | 0.01% |
| 3M Co | MMM | 521.567 | 146.52 | 76,420.03 | | 2.13% | | 30.85% | |
| Monster Beverage Corp | MNST | 977.906 | 77.07 | 75,367.22 | 0.15% | | | 10.10% | 0.02% |
| Altria Group Inc | MO | 1669.891 | 72.65 | 121,317.60 | 0.24% | 5.84% | 0.01% | 5.01% | 0.01% |
| Mosaic Co/The | MOS | 317.847 | 23.27 | 7,396.29 | 0.01% | 3.78% | 0.00% | 10.68% | 0.00% |
| Marathon Petroleum Corp | MPC | 294.497 | 248.29 | 73,120.63 | 0.15% | 1.61% | 0.00% | 10.12% | 0.01% |
| Monolithic Power Systems Inc | MPWR | 49.129 | 1614.41 | 79,314.78 | 0.16% | 0.50% | 0.00% | 15.00% | 0.02% |
| Merck & Co Inc | MRK | 2469.879 | 109.18 | 269,661.41 | 0.54% | 3.11% | 0.02% | 12.50% | 0.07% |
| Moderna Inc | MRNA | 396.587 | 45.94 | 18,219.20 | | | | 23.66% | |
| Marsh & McLennan Cos Inc | MRSH | 481.795 | 167.71 | 80,801.76 | 0.16% | 2.15% | 0.00% | 7.75% | 0.01% |
| Morgan Stanley | MS | 1580.000 | 190.59 | 301,132.20 | 0.60% | 2.10% | 0.01% | 12.57% | 0.08% |
| MSCI Inc | MSCI | 73.120 | 591.41 | 43,244.02 | 0.09% | 1.39% | 0.00% | 11.36% | 0.01% |
| Microsoft Corp | MSFT | 7428.435 | 407.78 | 3,029,167.10 | 6.07% | 0.89% | 0.05% | 14.96% | 0.91% |
| Motorola Solutions Inc | MSI | 166.204 | 439.03 | 72,968.37 | 0.15% | 1.10% | 0.00% | 9.15% | 0.01% |
| M&T Bank Corp | MTB | 146.917 | 218.63 | 32,120.46 | 0.06% | 2.74% | 0.00% | 8.88% | 0.01% |
| Mettler-Toledo International Inc | MTD | 20.249 | 1276.61 | 25,849.45 | 0.05% | | | 8.88% | 0.00% |
| Micron Technology Inc | MU | 1127.734 | 517.16 | 583,218.94 | | 0.12% | | 101.94% | |
| Norwegian Cruise Line Holdings Ltd | NCLH | 459.105 | 18.18 | 8,346.54 | 0.02% | | | 14.09% | 0.00% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Nasdaq Inc | NDAQ | 565.541 | 91.91 | 51,978.85 | 0.10% | 1.35% | 0.00% | 11.32% | 0.01% |
| Nordson Corp | NDSN | 55.784 | 288.45 | 16,090.78 | 0.03% | 1.14% | 0.00% | 8.00% | 0.00% |
| NextEra Energy Inc | NEE | 2085.341 | 97.88 | 204,113.22 | 0.41% | 2.55% | 0.01% | 8.05% | 0.03% |
| Newmont Corp | NEM | 1067.553 | 111.09 | 118,594.44 | 0.24% | 0.94% | 0.00% | 15.45% | 0.04% |
| Netflix Inc | NFLX | 4210.799 | 93.61 | 394,172.85 | | | | 22.26% | |
| NiSource Inc | NI | 479.358 | 48.28 | 23,143.39 | 0.05% | 2.49% | 0.00% | 7.86% | 0.00% |
| NIKE Inc | NKE | 1199.499 | 44.36 | 53,209.79 | | 3.70% | | -0.77% | |
| Northrop Grumman Corp | NOC | 142.033 | 579.48 | 82,305.56 | 0.16% | 1.59% | 0.00% | 7.60% | 0.01% |
| ServiceNow Inc | NOW | 1031.000 | 88.31 | 91,047.61 | 0.18% | | | 17.00% | 0.03% |
| NRG Energy Inc | NRG | 214.557 | 155.105 | 33,278.80 | 0.07% | 1.22% | 0.00% | 20.00% | 0.01% |
| Norfolk Southern Corp | NSC | 224.594 | 315.83 | 70,933.52 | 0.14% | 1.71% | 0.00% | 8.50% | 0.01% |
| NetApp Inc | NTAP | 197.330 | 110.77 | 21,858.29 | 0.04% | 1.88% | 0.00% | 6.99% | 0.00% |
| Northern Trust Corp | NTRS | 185.047 | 166.34 | 30,780.76 | 0.06% | 1.92% | 0.00% | 11.29% | 0.01% |
| Nucor Corp | NUE | 227.636 | 225.29 | 51,284.14 | 0.10% | 0.99% | 0.00% | 17.49% | 0.02% |
| NVIDIA Corp | NVDA | 24300.000 | 199.57 | 4,849,551.00 | | 0.02% | | 35.78% | |
| NVR Inc | NVR | 2.732 | 6315.87 | 17,253.88 | 0.03% | | | 2.81% | 0.00% |
| News Corp | NWS | 184.340 | 30.48 | 5,618.69 | | 0.66% | | | |
| News Corp | NWSA | 367.818 | 26.32 | 9,680.96 | 0.02% | 0.76% | 0.00% | 19.50% | 0.00% |
| NXP Semiconductors NV | NXPI | 252.471 | 293.59 | 74,122.98 | 0.15% | 1.38% | 0.00% | 12.94% | 0.02% |
| Realty Income Corp | O | 932.451 | 64.24 | 59,900.63 | 0.12% | 5.05% | 0.01% | 4.16% | 0.00% |
| Old Dominion Freight Line Inc | ODFL | 208.292 | 212.43 | 44,247.50 | 0.09% | 0.55% | 0.00% | 9.83% | 0.01% |
| ONEOK Inc | OKE | 630.033 | 92.46 | 58,252.84 | 0.12% | 4.63% | 0.01% | 12.50% | 0.01% |
| Omnicom Group Inc | OMC | 285.006 | 76.72 | 21,865.68 | 0.04% | 4.17% | 0.00% | 11.47% | 0.01% |
| ON Semiconductor Corp | ON | 393.327 | 100.81 | 39,651.33 | 0.08% | | | 15.01% | 0.01% |
| Oracle Corp | ORCL | 2876.046 | 161.39 | 464,165.06 | | 1.24% | | 21.11% | |
| O'Reilly Automotive Inc | ORLY | 836.699 | 99.4 | 83,167.93 | 0.17% | | | 9.74% | 0.02% |
| Otis Worldwide Corp | OTIS | 383.716 | 77.88 | 29,883.81 | 0.06% | 2.26% | 0.00% | 9.50% | 0.01% |
| Occidental Petroleum Corp | OXY | 991.695 | 60.58 | 60,076.89 | | 1.72% | | | |
| Palo Alto Networks Inc | PANW | 816.000 | 179.32 | 146,325.12 | | | | 22.14% | |
| Paychex Inc | PAYX | 358.291 | 92.63 | 33,188.48 | 0.07% | 4.66% | 0.00% | 7.50% | 0.00% |
| PACCAR Inc | PCAR | 526.286 | 118.8 | 62,522.80 | 0.13% | 1.18% | 0.00% | 9.14% | 0.01% |
| PG&E Corp | PCG | 2202.225 | 16.62 | 36,600.98 | 0.07% | 1.20% | 0.00% | 9.26% | 0.01% |
| Public Service Enterprise Group Inc | PEG | 498.740 | 81.66 | 40,727.10 | 0.08% | 3.28% | 0.00% | 7.27% | 0.01% |
| PepsiCo Inc | PEP | 1366.768 | 158.49 | 216,619.11 | 0.43% | 3.59% | 0.02% | 5.74% | 0.02% |
| Pfizer Inc | PFE | 5688.356 | 26.7 | 151,879.11 | 0.30% | 6.44% | 0.02% | 0.01% | 0.00% |
| Principal Financial Group Inc | PFG | 216.012 | 100.91 | 21,797.81 | 0.04% | 3.25% | 0.00% | 7.67% | 0.00% |
| Procter & Gamble Co/The | PG | 2328.599 | 147.09 | 342,513.62 | 0.69% | 2.96% | 0.02% | 3.95% | 0.03% |
| Progressive Corp/The | PGR | 584.400 | 201.28 | 117,628.03 | 0.24% | 0.20% | 0.00% | 8.01% | 0.02% |
| Parker-Hannifin Corp | PH | 126.217 | 909.42 | 114,783.84 | 0.23% | 0.88% | 0.00% | 10.01% | 0.02% |
| PulteGroup Inc | PHM | 190.486 | 122.36 | 23,307.91 | 0.05% | 0.85% | 0.00% | 3.89% | 0.00% |
| Packaging Corp of America | PKG | 89.028 | 213.45 | 19,003.02 | 0.04% | 2.34% | 0.00% | 7.31% | 0.00% |
| Prologis Inc | PLD | 932.231 | 142.02 | 132,395.40 | 0.27% | 3.01% | 0.01% | 5.68% | 0.02% |
| Palantir Technologies Inc | PLTR | 2295.916 | 139.11 | 319,384.84 | | | | 47.57% | |
| Philip Morris International Inc | PM | 1558.559 | 165.07 | 257,271.31 | 0.52% | 3.56% | 0.02% | 7.36% | 0.04% |
| PNC Financial Services Group Inc/The | PNC | 402.000 | 223 | 89,646.00 | 0.18% | 3.05% | 0.01% | 12.03% | 0.02% |
| Pentair PLC | PNR | 161.606 | 80.71 | 13,043.18 | 0.03% | 1.34% | 0.00% | 11.81% | 0.00% |
| Pinnacle West Capital Corp | PNW | 121.026 | 103.72 | 12,552.78 | 0.03% | 3.51% | 0.00% | 6.31% | 0.00% |
| Insulet Corp | PODD | 69.264 | 172.14 | 11,923.06 | | | | 28.35% | |
| Pool Corp | POOL | 36.443 | 213.32 | 7,774.02 | 0.02% | 2.44% | 0.00% | 3.98% | 0.00% |
| PPG Industries Inc | PPG | 222.900 | 108.5 | 24,184.65 | 0.05% | 2.62% | 0.00% | 6.08% | 0.00% |
| PPL Corp | PPL | 751.307 | 37.44 | 28,128.93 | 0.06% | 3.04% | 0.00% | 7.51% | 0.00% |
| Prudential Financial Inc | PRU | 347.819 | 98.11 | 34,124.49 | 0.07% | 5.71% | 0.00% | 7.45% | 0.01% |
| Public Storage | PSA | 175.546 | 302.45 | 53,093.81 | 0.11% | 3.97% | 0.00% | 4.96% | 0.01% |
| Paramount Skydance Corp | PSKY | 1080.241 | 10.24 | 11,061.67 | | 1.95% | | 25.16% | |
| Phillips 66 | PSX | 400.935 | 179.15 | 71,827.51 | | 2.84% | | 48.18% | |
| PTC Inc | PTC | 118.996 | 136.3 | 16,219.17 | 0.03% | | | 7.81% | 0.00% |
| Quanta Services Inc | PWR | 150.060 | 727.77 | 109,209.28 | 0.22% | 0.06% | 0.00% | 17.11% | 0.04% |
| PayPal Holdings Inc | PYPL | 899.674 | 50.14 | 45,109.65 | 0.09% | 1.12% | 0.00% | 5.91% | 0.01% |
| Qnity Electronics Inc | Q | 209.442 | 140.66 | 29,460.05 | | 0.23% | | | |
| QUALCOMM Inc | QCOM | 1054.000 | 179.58 | 189,277.32 | 0.38% | 2.05% | 0.01% | 3.26% | 0.01% |
| Royal Caribbean Cruises Ltd | RCL | 268.195 | 263.76 | 70,739.11 | 0.14% | 2.27% | 0.00% | 14.06% | 0.02% |
| Regency Centers Corp | REG | 183.083 | 77.85 | 14,253.04 | 0.03% | 3.88% | 0.00% | 5.65% | 0.00% |
| Regeneron Pharmaceuticals Inc | REGN | 103.022 | 707.06 | 72,842.66 | 0.15% | 0.53% | 0.00% | 9.87% | 0.01% |
| Regions Financial Corp | RF | 854.316 | 28.55 | 24,390.73 | 0.05% | 3.71% | 0.00% | 8.58% | 0.00% |
| Raymond James Financial Inc | RJF | 194.600 | 158.32 | 30,809.07 | 0.06% | 1.36% | 0.00% | 12.33% | 0.01% |
| Ralph Lauren Corp | RL | 38.655 | 358.64 | 13,863.28 | 0.03% | 1.02% | 0.00% | 17.07% | 0.00% |
| ResMed Inc | RMD | 145.678 | 213.81 | 31,147.50 | 0.06% | 1.12% | 0.00% | 10.11% | 0.01% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| Rockwell Automation Inc | ROK | 112.358 | 408.91 | 45,944.27 | 0.09% | 1.35% | 0.00% | 12.23% | 0.01% |
| Rollins Inc | ROL | 481.464 | 55.73 | 26,831.97 | 0.05% | 1.31% | 0.00% | 11.55% | 0.01% |
| Roper Technologies Inc | ROP | 102.400 | 354.81 | 36,332.54 | 0.07% | 1.03% | 0.00% | 8.00% | 0.01% |
| Ross Stores Inc | ROST | 322.148 | 227.79 | 73,382.13 | 0.15% | 0.78% | 0.00% | 9.34% | 0.01% |
| Republic Services Inc | RSG | 308.956 | 209.22 | 64,639.81 | 0.13% | 1.19% | 0.00% | 8.25% | 0.01% |
| RTX Corp | RTX | 1346.683 | 176.07 | 237,110.55 | 0.47% | 1.66% | 0.01% | 11.06% | 0.05% |
| Revvity Inc | RVTY | 111.803 | 86.62 | 9,684.40 | 0.02% | 0.32% | 0.00% | 6.86% | 0.00% |
| EchoStar Corp | SATS | 157.527 | 123.14 | 19,397.92 | | | | | |
| SBA Communications Corp | SBAC | 106.063 | 221.2 | 23,461.14 | 0.05% | 2.26% | 0.00% | 5.51% | 0.00% |
| Starbucks Corp | SBUX | 1139.700 | 105.33 | 120,044.60 | 0.24% | 2.35% | 0.01% | 10.57% | 0.03% |
| Charles Schwab Corp/The | SCHW | 1738.099 | 91.64 | 159,279.43 | 0.32% | 1.40% | 0.00% | 13.30% | 0.04% |
| Sherwin-Williams Co/The | SHW | 246.636 | 321.61 | 79,320.48 | 0.16% | 0.99% | 0.00% | 10.43% | 0.02% |
| J M Smucker Co/The | SJM | 106.648 | 98.03 | 10,454.73 | 0.02% | 4.49% | 0.00% | 4.51% | 0.00% |
| SLB Ltd | SLB | 1495.058 | 56.88 | 85,038.88 | 0.17% | 2.07% | 0.00% | 6.73% | 0.01% |
| Super Micro Computer Inc | SMCI | 600.482 | 27.4 | 16,453.21 | | | | 27.06% | |
| Snap-on Inc | SNA | 51.802 | 383.4 | 19,860.86 | 0.04% | 2.55% | 0.00% | 4.47% | 0.00% |
| Sandisk Corp/DE | SNDK | 147.601 | 1096.51 | 161,845.94 | | | | | |
| Synopsys Inc | SNPS | 191.562 | 482.6 | 92,447.84 | 0.19% | | | 13.23% | 0.02% |
| Southern Co/The | SO | 1128.320 | 96.7 | 109,108.53 | 0.22% | 3.14% | 0.01% | 7.81% | 0.02% |
| Solventum Corp | SOLV | 173.405 | 67.36 | 11,680.58 | 0.02% | | | 9.40% | 0.00% |
| Simon Property Group Inc | SPG | 324.840 | 203.71 | 66,173.20 | 0.13% | 4.32% | 0.01% | 3.50% | 0.00% |
| S&P Global Inc | SPGI | 296.000 | 431.23 | 127,644.08 | 0.26% | 0.90% | 0.00% | 10.65% | 0.03% |
| Sempra | SRE | 653.333 | 95.12 | 62,144.99 | 0.12% | 2.76% | 0.00% | 7.57% | 0.01% |
| STERIS PLC | STE | 98.075 | 216.88 | 21,270.51 | 0.04% | 1.16% | 0.00% | 8.00% | 0.00% |
| Steel Dynamics Inc | STLD | 144.213 | 228.66 | 32,975.69 | 0.07% | 0.93% | 0.00% | 16.16% | 0.01% |
| State Street Corp | STT | 276.767 | 152.84 | 42,301.07 | 0.08% | 2.20% | 0.00% | 12.91% | 0.01% |
| Seagate Technology Holdings PLC | STX | 224.229 | 673.64 | 151,049.62 | | 0.44% | | 50.16% | |
| Constellation Brands Inc | STZ | 172.173 | 156.58 | 26,958.78 | 0.05% | 2.63% | 0.00% | 3.67% | 0.00% |
| Smurfit Westrock PLC | SW | 524.254 | 38.39 | 20,126.10 | | 4.71% | | 43.72% | |
| Stanley Black & Decker Inc | SWK | 155.456 | 78.16 | 12,150.41 | 0.02% | 4.25% | 0.00% | 20.00% | 0.00% |
| Skyworks Solutions Inc | SWKS | 150.406 | 70.17 | 10,553.99 | | 4.05% | | -4.65% | |
| Synchrony Financial | SYF | 336.951 | 76.2 | 25,675.69 | 0.05% | 1.57% | 0.00% | 8.83% | 0.00% |
| Stryker Corp | SYK | 382.984 | 315.13 | 120,689.83 | 0.24% | 1.12% | 0.00% | 10.05% | 0.02% |
| Sysco Corp | SYY | 478.183 | 74.71 | 35,725.02 | 0.07% | 2.94% | 0.00% | 6.50% | 0.00% |
| AT&T Inc | T | 6948.339 | 26.13 | 181,560.09 | 0.36% | 4.25% | 0.02% | 7.50% | 0.03% |
| Molson Coors Beverage Co | TAP | 175.215 | 42.74 | 7,488.71 | 0.01% | 4.49% | 0.00% | 0.82% | 0.00% |
| TransDigm Group Inc | TDG | 56.474 | 1159.98 | 65,508.20 | 0.13% | | | 13.09% | 0.02% |
| Teledyne Technologies Inc | TDY | 46.329 | 645.85 | 29,921.68 | 0.06% | | | 9.34% | 0.01% |
| Bio-Techne Corp | TECH | 156.453 | 55.32 | 8,655.00 | 0.02% | 0.58% | 0.00% | 13.00% | 0.00% |
| TE Connectivity PLC | TEL | 291.896 | 211.66 | 61,782.67 | 0.12% | 1.47% | 0.00% | 11.27% | 0.01% |
| Teradyne Inc | TER | 156.559 | 343.47 | 53,773.47 | | 0.15% | | 32.71% | |
| Truist Financial Corp | TFC | 1241.010 | 51.5 | 63,912.00 | 0.13% | 4.04% | 0.01% | 9.02% | 0.01% |
| Target Corp | TGT | 454.176 | 129.75 | 58,929.37 | 0.12% | 3.51% | 0.00% | 4.50% | 0.01% |
| TJX Cos Inc/The | TJX | 1105.814 | 156.75 | 173,336.39 | 0.35% | 1.22% | 0.00% | 10.38% | 0.04% |
| TKO Group Holdings Inc | TKO | 74.968 | 186.09 | 13,950.73 | | 1.68% | | 80.07% | |
| Thermo Fisher Scientific Inc | TMO | 371.621 | 478.96 | 177,991.77 | 0.36% | 0.39% | 0.00% | 8.05% | 0.03% |
| T-Mobile US Inc | TMUS | 1082.205 | 195.5 | 211,571.02 | 0.42% | 2.09% | 0.01% | 17.00% | 0.07% |
| Texas Pacific Land Corp | TPL | 68.942 | 443.67 | 30,587.30 | 0.06% | 0.54% | 0.00% | 10.00% | 0.01% |
| Tapestry Inc | TPR | 202.464 | 145.04 | 29,365.41 | 0.06% | 1.10% | 0.00% | 13.92% | 0.01% |
| Targa Resources Corp | TRGP | 214.802 | 260.08 | 55,865.70 | 0.11% | 1.92% | 0.00% | 17.00% | 0.02% |
| Trimble Inc | TRMB | 232.089 | 67.32 | 15,624.21 | 0.03% | | | 6.50% | 0.00% |
| T Rowe Price Group Inc | TROW | 214.267 | 102.88 | 22,043.75 | 0.04% | 5.05% | 0.00% | 2.88% | 0.00% |
| Travelers Cos Inc/The | TRV | 212.645 | 305.14 | 64,886.40 | 0.13% | 1.64% | 0.00% | 4.62% | 0.01% |
| Tractor Supply Co | TSCO | 526.006 | 35.1 | 18,462.82 | 0.04% | 2.74% | 0.00% | 8.12% | 0.00% |
| Tesla Inc | TSLA | 3755.724 | 381.63 | 1,433,296.90 | 2.87% | | | 10.50% | 0.30% |
| Tyson Foods Inc | TSN | 282.070 | 64.07 | 18,072.22 | 0.04% | 3.18% | 0.00% | 14.10% | 0.01% |
| Trane Technologies PLC | TT | 221.055 | 492.54 | 108,878.67 | 0.22% | 0.85% | 0.00% | 12.52% | 0.03% |
| Trade Desk Inc/The | TTD | 426.989 | 23.59 | 10,072.67 | 0.02% | | | 18.20% | 0.00% |
| Take-Two Interactive Software Inc | TTWO | 185.175 | 213.76 | 39,583.11 | | | | 75.23% | |
| Texas Instruments Inc | TXN | 910.093 | 281.08 | 255,808.88 | 0.51% | 2.02% | 0.01% | 14.96% | 0.08% |
| Textron Inc | TXT | 173.889 | 95.96 | 16,686.39 | 0.03% | 0.08% | 0.00% | 11.82% | 0.00% |
| Tyler Technologies Inc | TYL | 42.167 | 341.14 | 14,385.01 | 0.03% | | | 9.00% | 0.00% |
| United Airlines Holdings Inc | UAL | 324.649 | 90 | 29,218.44 | 0.06% | | | 11.00% | 0.01% |
| Uber Technologies Inc | UBER | 2036.825 | 74.61 | 151,967.50 | 0.30% | | | 3.27% | 0.01% |
| UDR Inc | UDR | 324.916 | 36.34 | 11,807.43 | 0.02% | 4.79% | 0.00% | 3.84% | 0.00% |
| Universal Health Services Inc | UHS | 53.781 | 168.27 | 9,049.73 | 0.02% | 0.48% | 0.00% | 10.32% | 0.00% |
| Ulta Beauty Inc | ULTA | 43.560 | 537.48 | 23,412.85 | 0.05% | | | 8.85% | 0.00% |

| Name | Ticker | [4] Shares Outst'g | [5] Price | [6] Market Capitalization | [7] Weight in Index | [8] Estimated Dividend Yield | [9] Cap-Weighted Dividend Yield | [10] Long-Term Growth Est. | [11] Cap-Weighted Long-Term Growth Est. |
|---|---|---|---|---|---|---|---|---|---|
| UnitedHealth Group Inc | UNH | 908.213 | 370.48 | 336,474.82 | 0.67% | 2.39% | 0.02% | 6.03% | 0.04% |
| Union Pacific Corp | UNP | 593.713 | 269.48 | 159,993.84 | 0.32% | 2.05% | 0.01% | 8.85% | 0.03% |
| United Parcel Service Inc | UPS | 745.633 | 108.8 | 81,124.91 | 0.16% | 6.03% | 0.01% | 4.66% | 0.01% |
| United Rentals Inc | URI | 62.647 | 959.84 | 60,130.67 | 0.12% | 0.82% | 0.00% | 12.13% | 0.01% |
| US Bancorp | USB | 1555.000 | 56.66 | 88,106.30 | 0.18% | 3.67% | 0.01% | 9.64% | 0.02% |
| Visa Inc | V | 1659.710 | 329.84 | 547,438.72 | 1.10% | 0.81% | 0.01% | 12.19% | 0.13% |
| VICI Properties Inc | VICI | 1069.030 | 29.2 | 31,215.68 | 0.06% | 6.16% | 0.00% | 8.00% | 0.01% |
| Valero Energy Corp | VLO | 296.933 | 252.58 | 74,999.28 | 0.15% | 1.90% | 0.00% | 10.54% | 0.02% |
| Veralto Corp | VLTO | 245.599 | 88.2 | 21,661.86 | 0.04% | 0.59% | 0.00% | 8.50% | 0.00% |
| Vulcan Materials Co | VMC | 129.755 | 301.74 | 39,152.24 | 0.08% | 0.69% | 0.00% | 10.18% | 0.01% |
| Verisk Analytics Inc | VRSK | 131.022 | 184.49 | 24,172.22 | 0.05% | 1.08% | 0.00% | 9.24% | 0.00% |
| VeriSign Inc | VRSN | 91.000 | 268.66 | 24,448.06 | 0.05% | 1.21% | 0.00% | 8.00% | 0.00% |
| Vertiv Holdings Co | VRT | 384.109 | 328.49 | 126,175.91 | | 0.08% | | 31.79% | |
| Vertex Pharmaceuticals Inc | VRTX | 254.457 | 427.38 | 108,749.82 | 0.22% | | | 11.19% | 0.02% |
| Vistra Corp | VST | 338.549 | 157.84 | 53,436.62 | | 0.58% | | 32.00% | |
| Ventas Inc | VTR | 486.170 | 87.86 | 42,714.87 | 0.09% | 2.37% | 0.00% | 16.78% | 0.01% |
| Viatris Inc | VTRS | 1164.421 | 14.94 | 17,396.45 | 0.03% | 3.21% | 0.00% | 3.33% | 0.00% |
| Verizon Communications Inc | VZ | 4176.000 | 48.03 | 200,573.28 | 0.40% | 5.89% | 0.02% | 4.85% | 0.02% |
| Westinghouse Air Brake Technologies Corp | WAB | 169.677 | 269.89 | 45,794.22 | 0.09% | 0.46% | 0.00% | 14.09% | 0.01% |
| Waters Corp | WAT | 98.165 | 309.23 | 30,355.71 | 0.06% | | | 9.10% | 0.01% |
| Warner Bros Discovery Inc | WBD | 2506.679 | 27.05 | 67,805.68 | | | | | |
| Workday Inc | WDAY | 210.000 | 122.4 | 25,704.00 | | | | | |
| Western Digital Corp | WDC | 339.038 | 434.52 | 147,318.76 | | 0.14% | | 55.92% | |
| WEC Energy Group Inc | WEC | 325.700 | 117.94 | 38,413.01 | 0.08% | 3.23% | 0.00% | 7.08% | 0.01% |
| Welltower Inc | WELL | 705.914 | 217.34 | 153,423.45 | | 1.36% | | 22.52% | |
| Wells Fargo & Co | WFC | 3060.189 | 82.23 | 251,639.38 | 0.50% | 2.19% | 0.01% | 10.21% | 0.05% |
| Waste Management Inc | WM | 401.576 | 232.55 | 93,386.44 | 0.19% | 1.63% | 0.00% | 9.01% | 0.02% |
| Williams Cos Inc/The | WMB | 1222.857 | 76.31 | 93,316.21 | 0.19% | 2.75% | 0.01% | 16.89% | 0.03% |
| Walmart Inc | WMT | 7970.991 | 131.93 | 1,051,612.78 | 2.11% | 0.75% | 0.02% | 9.89% | 0.21% |
| W R Berkley Corp | WRB | 390.019 | 66.83 | 26,064.97 | 0.05% | 0.54% | 0.00% | 8.02% | 0.00% |
| Williams-Sonoma Inc | WSM | 119.016 | 181.21 | 21,566.90 | 0.04% | 1.68% | 0.00% | 6.12% | 0.00% |
| West Pharmaceutical Services Inc | WST | 70.648 | 297.59 | 21,024.02 | 0.04% | 0.30% | 0.00% | 9.41% | 0.00% |
| Willis Towers Watson PLC | WTW | 94.448 | 256.2 | 24,197.57 | 0.05% | 1.50% | 0.00% | 13.57% | 0.01% |
| Weyerhaeuser Co | WY | 721.043 | 24.52 | 17,679.96 | 0.04% | 3.43% | 0.00% | 17.11% | 0.01% |
| Wynn Resorts Ltd | WYNN | 104.043 | 107.11 | 11,144.09 | | 0.93% | | 27.00% | |
| Xcel Energy Inc | XEL | 624.270 | 82.95 | 51,783.16 | 0.10% | 2.86% | 0.00% | 8.68% | 0.01% |
| Exxon Mobil Corp | XOM | 4156.559 | 154.33 | 641,481.82 | 1.28% | 2.67% | 0.03% | 9.19% | 0.12% |
| Xylem Inc/NY | XYL | 237.693 | 118.16 | 28,085.86 | 0.06% | 1.46% | 0.00% | 8.50% | 0.00% |
| Block Inc | XYZ | 535.370 | 70.51 | 37,748.97 | | | | | |
| Yum! Brands Inc | YUM | 276.173 | 159.65 | 44,091.06 | 0.09% | 1.88% | 0.00% | 9.73% | 0.01% |
| Zimmer Biomet Holdings Inc | ZBH | 193.569 | 82.43 | 15,955.90 | 0.03% | 1.16% | 0.00% | 5.64% | 0.00% |
| Zebra Technologies Corp | ZBRA | 48.363 | 226.26 | 10,942.52 | 0.02% | | | 7.00% | 0.00% |
| Zoetis Inc | ZTS | 420.640 | 114.97 | 48,360.98 | 0.10% | 1.84% | 0.00% | 7.89% | 0.01% |

Notes:

[1] Equals sum of Col. [9]
[2] Equals sum of Col. [11]
[3] Equals ([1] x (1 + (0.5 x [2]))) + [2]
[4] Bloomberg Professional as of April 30, 2026
[5] Bloomberg Professional as of April 30, 2026
[6] Equals [4] x [5]
[7] Equals weight in S&P 500 based on market capitalization [6] if Growth Rate >0% and ≤20%
[8] Bloomberg Professional, as of April 30, 2026
[9] Equals [7] x [8]
[10] Average of Bloomberg Professional and Value Line, as of April 30, 2026
[11] Equals [7] x [10]

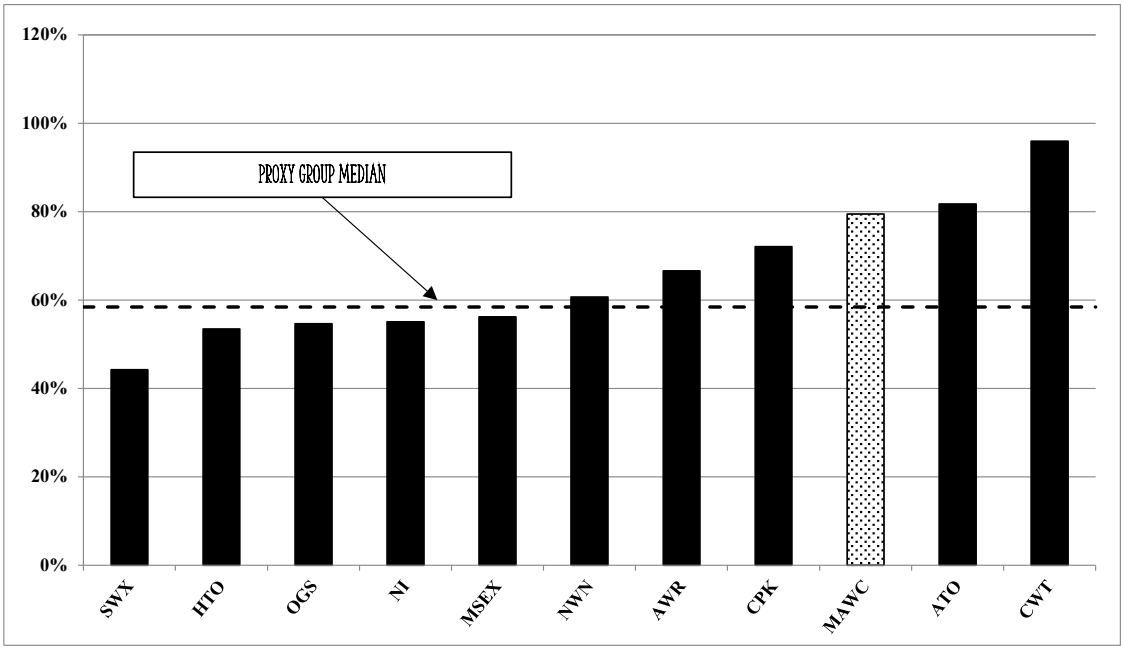
PROJECTED CAPITAL EXPENDITURES AS A PERCENT OF NET PLANT
*($ Millions)*

| | | [1] | [2] | [3] | [4] | [5] | [6] | | [7] |
|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2026-2031 Projected Cap. Ex. / 2025 Net Plant |
| Atmos Energy Corporation | ATO | | | | | | | | |
| Capital Spending per Share | | | $24.55 | $23.75 | $21.93 | $20.10 | $20.10 | $20.10 | |
| Common Shares Outstanding | | | 171.00 | 180.00 | 190.00 | 200.00 | 200.00 | 200.00 | |
| Capital Expenditures | | | $4,198.1 | $4,275.0 | $4,165.8 | $4,020.0 | $4,020.0 | | 81.8% |
| Net Plant | | $25,293.0 | | | | | | | |
| Chesapeake Utilities Corporation | CPK | | | | | | | | |
| Capital Spending per Share | | | $18.75 | $19.15 | $18.70 | $18.25 | $18.25 | $18.25 | |
| Common Shares Outstanding | | | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | |
| Capital Expenditures | | | $450.0 | $459.6 | $448.8 | $438.0 | $438.0 | | 72.1% |
| Net Plant | | $3,100.0 | | | | | | | |
| NiSource Inc. | NI | | | | | | | | |
| Capital Spending per Share | | | $6.00 | $6.00 | $6.13 | $6.25 | $6.25 | $6.25 | |
| Common Shares Outstanding | | | 500.00 | 510.00 | 517.50 | 525.00 | 525.00 | 525.00 | |
| Capital Expenditures | | | $3,000.0 | $3,060.0 | $3,169.7 | $3,281.3 | $3,281.3 | | 55.0% |
| Net Plant | | $28,688.0 | | | | | | | |
| Northwest Natural Gas Company | NWN | | | | | | | | |
| Capital Spending per Share | | | $9.80 | $10.00 | $10.15 | $10.30 | $10.30 | $10.30 | |
| Common Shares Outstanding | | | 45.00 | 46.00 | 48.00 | 50.00 | 50.00 | 50.00 | |
| Capital Expenditures | | | $441.0 | $460.0 | $487.2 | $515.0 | $515.0 | | 60.7% |
| Net Plant | | $3,985.0 | | | | | | | |
| ONE Gas, Inc. | OGS | | | | | | | | |
| Capital Spending per Share | | | $11.95 | $11.75 | $11.38 | $11.00 | $11.00 | $11.00 | |
| Common Shares Outstanding | | | 62.00 | 64.00 | 69.50 | 75.00 | 75.00 | 75.00 | |
| Capital Expenditures | | | $740.9 | $752.0 | $790.6 | $825.0 | $825.0 | | 54.6% |
| Net Plant | | $7,200.0 | | | | | | | |
| Southwest Gas Corporation | SWX | | | | | | | | |
| Capital Spending per Share | | | $10.25 | $10.15 | $10.03 | $9.90 | $9.90 | $9.90 | |
| Common Shares Outstanding | | | 74.00 | 75.00 | 76.00 | 77.00 | 77.00 | 77.00 | |
| Capital Expenditures | | | $758.5 | $761.3 | $761.9 | $762.3 | $762.3 | | 44.3% |
| Net Plant | | $8,600.0 | | | | | | | |
| American States Water Company | AWR | | | | | | | | |
| Capital Spending per Share | | | $6.20 | $6.35 | $6.43 | $6.50 | $6.50 | $6.50 | |
| Common Shares Outstanding | | | 39.25 | 39.50 | 39.75 | 40.00 | 40.00 | 40.00 | |
| Capital Expenditures | | | $243.4 | $250.8 | $255.4 | $260.0 | $260.0 | $260.0 | 66.6% |
| Net Plant | | $2,296.3 | | | | | | | |
| California Water Service Group | CWT | | | | | | | | |
| Capital Spending per Share | | | $10.75 | $13.65 | $12.83 | $12.00 | $12.00 | $12.00 | |
| Common Shares Outstanding | | | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | |
| Capital Expenditures | | | $645.0 | $819.0 | $769.5 | $720.0 | $720.0 | $720.0 | 95.9% |
| Net Plant | | $4,579.6 | | | | | | | |
| Middlesex Water Company | MSEX | | | | | | | | |
| Capital Spending per Share | | | $5.45 | $5.65 | $5.83 | $6.00 | $6.00 | $6.00 | |
| Common Shares Outstanding | | | 18.50 | 18.65 | 18.70 | 18.75 | 18.75 | 18.75 | |
| Capital Expenditures | | | $100.8 | $105.4 | $108.9 | $112.5 | $112.5 | $112.5 | 56.2% |
| Net Plant | | $1,161.5 | | | | | | | |
| H20 America (SJW Group) | HTO | | | | | | | | |
| Capital Spending per Share | | | $10.50 | $9.75 | $9.25 | $8.75 | $8.75 | $8.75 | |
| Common Shares Outstanding | | | 42.00 | 40.00 | 37.50 | 35.00 | 35.00 | 35.00 | |
| Capital Expenditures | | | $441.0 | $390.0 | $346.9 | $306.3 | $306.3 | $306.3 | 53.4% |
| Net Plant | | $3,923.3 | | | | | | | |
| Missouri American Water | MAWC | | | | | | | | |
| Capital Expenditures [8] | | | $553.75 | $654.66 | $584.03 | $573.88 | $519.42 | $630.91 | 79.5% |
| Net Plant [9] | | $4,425.0 | | | | | | | |

| | |
|---|---|
| MAWC CapEx Total (2026-2031) | $3,516.65 |
| MAWC CapEx Annual Average | $577.15 |
| Proxy Group Median | 58.44% |
| MAWC as % Proxy Group Median | 1.36 |

Notes:
[1] - [6] Value Line, dated February 20, 2026 and April 3, 2026
[7] Equals (Column [2] + [3] + [4] + [5] + [6]) / Column [1]
[8] Company Provided Data
[9] Company provided data

**PROJECTED CAPITAL EXPENDITURES AS A PERCENT OF NET PLANT**




**Projected CAPEX / Net Plant**

| Rank | Company | | Percent |
|---|---|---|---|
| 1 | Southwest Gas Corporation | SWX | 44.26% |
| 2 | H20 America (SJW Group) | HTO | 53.44% |
| 3 | ONE Gas, Inc. | OGS | 54.63% |
| 4 | NiSource Inc. | NI | 55.05% |
| 5 | Middlesex Water Company | MSEX | 56.19% |
| 6 | Northwest Natural Gas Company | NWN | 60.68% |
| 7 | American States Water Company | AWR | 66.61% |
| 8 | Chesapeake Utilities Corporation | CPK | 72.08% |
| 9 | Missouri American Water | MAWC | 79.47% |
| 10 | Atmos Energy Corporation | ATO | 81.76% |
| 11 | California Water Service Group | CWT | 95.94% |
| | Proxy Group Median | | 58.44% |
| | MAWC as % of Median | | 136.00% |

Notes:
Exhibit AEB-7, pp. 1 col. [7]

**COMPARISON OF**
**COST RECOVERY MECHANISMS**

| Company | Ticker | State | Utility Type | Infrastructure Cost Recovery Mechanism | Future Test Year | Revenue Stabilization or Decoupling |
|---|---|---|---|---|---|---|
| American States Water Co | | | | | | |
| | AWR | California | Water | No | Fully Forecast | Full |
| | AWR | California | Electric | No | Fully Forecast | Full |
| Atmos Energy Corporation | | | | | | |
| | ATO | Colorado | Gas | Yes | Historical | No |
| | ATO | Kansas | Gas | Yes | Historical | Partial |
| | ATO | Kentucky | Gas | Yes | Fully Forecast | Partial |
| | ATO | Louisiana | Gas | Yes | Historical | FRP |
| | ATO | Mississippi | Gas | Yes | Historical | FRP |
| | ATO | Tennessee | Gas | Yes | Historical | FRP |
| | ATO | Texas | Gas | Yes | Historical | FRP |
| | ATO | Virginia | Gas | Yes | Historical | Partial |
| Chesapeake Utilities Corporation | | | | | | |
| | CPK | Delaware | Gas | Yes | Historical | No |
| | CPK | Maryland | Gas | No | Partially Forecast | Partial |
| | CPK | Florida | Electric | Yes | Fully Forecast | No |
| | CPK | Florida | Gas | Yes | Fully Forecast | No |
| California Water Service Group | | | | | | |
| | CWT | California | Water | Yes | Fully Forecast | Full |
| | CWT | Hawaii | Water | No | Fully Forecast | No |
| | CWT | New Mexico | Water | No | Fully Forecast | No |
| | CWT | Washington | Water | Yes | Historical | No |
| Middlesex Water Company | | | | | | |
| | MSEX | New Jersey | Water | Yes | Partially Forecast | No |
| | MSEX | Delaware | Water | Yes | Historical | No |
| | MSEX | Pennsylvania | Water | No | Fully Forecast | No |
| NiSource Inc. | | | | | | |
| | NI | Indiana | Electric | Yes | Fully Forecast | Partial |
| | NI | Indiana | Gas | Yes | Fully Forecast | Partial |
| | NI | Kentucky | Gas | Yes | Fully Forecast | Partial |
| | NI | Maryland | Gas | Yes | Partially Forecast | Partial |
| | NI | Ohio | Gas | Yes | Partially Forecast | SFV |
| | NI | Pennsylvania | Gas | Yes | Fully Forecast | Partial |
| | NI | Virginia | Gas | Yes | Fully Forecast | Partial |
| Northwest Natural Gas Company | | | | | | |
| | NWN | Oregon | Gas | Yes | Fully Forecast | Partial |
| | NWN | Washington | Gas | No | Historical | No |
| ONE Gas, Inc. | | | | | | |
| | OGS | Kansas | Gas | Yes | Historical | Partial |
| | OGS | Oklahoma | Gas | No | Historical | FRP |
| | OGS | Texas | Gas | Yes | Historical | FRP |
| H2O America (SJW Group) | | | | | | |
| | H2O | California | Water | Yes | Fully Forecast | Full |
| | H2O | Connecticut | Water | Yes | Fully Forecast | Full |
| | H2O | Maine | Water | Yes | Historical | No |
| | H2O | Texas | Water | No | Historical | No |
| Southwest Gas Corporation | | | | | | |
| | SWX | Arizona | Gas | Yes | Historical | Full |
| | SWX | California | Gas | No | Fully Forecast | Full |
| | SWX | Nevada | Gas | Yes | Historical | Full |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Proxy Group Totals | | | Yes | 30 | Historical | 18 | Full | 8 |
| | | | No | 10 | Fully Forecast | 18 | Partial | 12 |
| | | | | | Partially Forecast | 4 | FRP | 6 |
| | | | | | | | SFV | 1 |
| | | | | | | | No | 13 |
| | | | Yes | 75.00% | Future Test Year | 55.00% | RSM | 67.50% |
| Missouri American Water | | Missouri | Water | Historical | | Fully Forecast | | No |

**COMPARISON OF**
**RRA JURISDICTIONAL RANKINGS**

| | | [1] | [2] |
|---|---|---|---|
| | | RRA | |
| Ultimate Parent Company | Jurisdiction | Rank | Numeric Rank |
| American States Water Company | California | Average / 1 | 4 |
| Atmos Energy Corporation | Colorado | Average / 1 | 4 |
| | Kansas | Average / 3 | 6 |
| | Kentucky | Average / 2 | 5 |
| | Louisiana — PSC | Average / 2 | 5 |
| | Mississippi | Above Average / 3 | 3 |
| | Tennessee | Above Average / 3 | 3 |
| | Texas — RRC | Average / 1 | 4 |
| | Virginia | Average / 1 | 4 |
| Chesapeake Utilities Corporation | Delaware | Average / 2 | 5 |
| | Maryland | Below Average / 3 | 9 |
| | Florida | Above Average / 2 | 2 |
| California Water Service Group | California | Average / 1 | 4 |
| | Hawaii | Average / 2 | 5 |
| | New Mexico | Below Average / 1 | 7 |
| | Washington | Average / 3 | 6 |
| Middlesex Water Company | Delaware | Average / 2 | 5 |
| | New Jersey | Average / 3 | 6 |
| | Pennsylvania | Above Average / 2 | 2 |
| NiSource Inc. | Indiana | Average / 1 | 4 |
| | Kentucky | Average / 2 | 5 |
| | Maryland | Below Average / 3 | 9 |
| | Ohio | Average / 1 | 4 |
| | Pennsylvania | Above Average / 2 | 2 |
| | Virginia | Average / 1 | 4 |
| Northwest Natural Gas Company | Oregon | Average / 3 | 6 |
| | Washington | Average / 3 | 6 |
| ONE Gas, Inc. | Kansas | Average / 3 | 6 |
| | Oklahoma | Average / 3 | 6 |
| | Texas — RRC | Average / 1 | 4 |
| H20 America (SJW Group) | California | Average / 1 | 4 |
| | Connecticut | Below Average / 3 | 9 |
| | Maine | Average / 3 | 6 |
| | Texas — PUC | Below Average / 1 | 7 |
| Southwest Gas Corporation | Arizona | Below Average / 1 | 7 |
| | California | Average / 1 | 4 |
| | Nevada | Average / 1 | 4 |
| Proxy Group Average | | Average 2 - Average / 3 | 5.03 |
| MAWC | Missouri | Average / 2 | 5 |

Notes
[1] State Regulatory Evaluations, Regulatory Research Associates, May 20, 2026
[2] AA/1= 1, AA/2= 2, AA/3= 3, A/1= 4, A/2= 5, A/3=6, BA/1= 7, BA/2= 8, BA/3= 9

**COMPARISON OF**
**S&P JURISDICTIONAL RANKINGS**

| | | [1] | [2] |
|---|---|---|---|
| | | S&P | |
| Ultimate Parent Company | Jurisdiction | Rank | Numeric Rank |
| American States Water Company | California | More credit supportive | 4 |
| Atmos Energy Corporation | Colorado | Very credit supportive | 3 |
| | Kansas | Highly credit supportive | 2 |
| | Kentucky | Most credit supportive | 1 |
| | Louisiana — PSC | Highly credit supportive | 2 |
| | Mississippi | Highly credit supportive | 2 |
| | Tennessee | Highly credit supportive | 2 |
| | Texas — RRC | Highly credit supportive | 2 |
| | Virginia | Highly credit supportive | 2 |
| Chesapeake Utilities Corporation | Delaware | Very credit supportive | 3 |
| | Maryland | Very credit supportive | 3 |
| | Florida | Most credit supportive | 1 |
| California Water Service Group | California | More credit supportive | 4 |
| | Hawaii | More credit supportive | 4 |
| | New Mexico | Credit Supportive | 5 |
| | Washington | Very credit supportive | 3 |
| Middlesex Water Company | Delaware | Very credit supportive | 3 |
| | New Jersey | More credit supportive | 4 |
| | Pennsylvania | Highly credit supportive | 2 |
| NiSource Inc. | Indiana | Highly credit supportive | 2 |
| | Kentucky | Most credit supportive | 1 |
| | Maryland | Very credit supportive | 3 |
| | Ohio | Very credit supportive | 3 |
| | Pennsylvania | Highly credit supportive | 2 |
| | Virginia | Highly credit supportive | 2 |
| Northwest Natural Gas Company | Oregon | More credit supportive | 4 |
| | Washington | Very credit supportive | 3 |
| ONE Gas, Inc. | Kansas | Highly credit supportive | 2 |
| | Oklahoma | Very credit supportive | 3 |
| | Texas — RRC | Highly credit supportive | 2 |
| H20 America (SJW Group) | California | More credit supportive | 4 |
| | Connecticut | Credit Supportive | 5 |
| | Maine | Highly credit supportive | 2 |
| | Texas — PUC | Very credit supportive | 3 |
| Southwest Gas Corporation | Arizona | Very credit supportive | 3 |
| | California | More credit supportive | 4 |
| | Nevada | Very credit supportive | 3 |
| Proxy Group Average | | Highly credit supportive - Very credit supportive | 2.78 |
| MAWC | Missouri | Highly credit supportive | 2 |

Notes

[1] Source: North American Utilities Regulatory Jurisdictions Update: Notable Developments, May 7, 2026

[2] Most Credit Supp. = 1, Highly Credit Supp. = 2, Very Credit Supp. = 3, More Credit Supp. = 4, Credit Supp. = 5

**FLOTATION COST ADJUSTMENT**

| Company | Ticker | Date [i] | [1] Shares Issued (000) | [2] Offering Price | [3] Under-writing Discount [ii] | [4] Offering Expense ($000) | [5] Net Proceeds Per Share | [6] Total Flotation Costs ($000) ($000) | [7] Gross Equity Issue Before Costs ($000) | [8] Net Proceeds ($000) | [9] Flotation Cost Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| American Water Works Company | AWK | 2/28/2023 | 12,650 | $ 135.50 | $ 2.033 | $ 700 | $ 133.41 | $ 26,411 | $ 1,714,075 | $ 1,687,664 | 1.54% | [iii] |
| American Water Works Company | AWK | 8/4/2025 | 7,042 | $ 142.00 | $ 2.343 | $ 800 | $ 139.54 | $ 17,299 | $ 999,964 | $ 982,665 | 1.73% | [iv] |
| | | | | | | *Weighted Average Flotation Costs* | | $ 43,711 | $ 2,714,039 | $ 2,670,328 | 1.61% | |

[i] Offering Completion Date
[ii] Underwriting discount is calculated as the market price minus the offering price when not explicitly given in the prospectus
[iii] American Water Works Company: AWK Prospectus 424B7 02.28.2023
[iv] American Water Works Company: Prospectus 424(b)2 08.04.2025

The flotation cost adjustment is derived by dividing the dividend yield by 1 − F (where F = flotation costs expressed in percentage terms), or by 0.9846, and adding that result to the constant growth rate to determine the cost of equity. Using the formulas shown previously in my testimony, the Constant Growth DCF calculation is modified as follows to accommodate an adjustment for flotation costs:

$$k = \frac{D \times (1 + 0.5g)}{P \times (1 - F)} + g$$

| Company | Ticker | [10] Annualized Dividend | [11] Stock Price | [12] Dividend Yield | [13] Expected Dividend Yield | [14] Expected Dividend Yield Adjusted for Flotation Costs | [15] Value Line Earnings Growth | [16] S&P Capital IQ Earnings Growth | [17] Zacks Earnings Growth | [18] Average Earnings Growth | [19] Cost of Equity: Mean Growth Rate | [20] Cost of Equity Adjusted for Flotation Costs | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atmos Energy Corporation | ATO | $4.00 | $185.97 | 2.15% | 2.23% | 2.27% | 8.00% | 8.02% | 6.80% | 7.61% | 9.84% | 9.88% | |
| Chesapeake Utilities Corporation | CPK | $2.74 | $127.15 | 2.15% | 2.24% | 2.28% | 8.00% | 8.30% | n/a | 8.15% | 10.39% | 10.43% | |
| NiSource Inc. | NI | $1.20 | $46.91 | 2.56% | 2.66% | 2.70% | 7.50% | 9.10% | 6.10% | 7.57% | 10.22% | 10.27% | |
| Northwest Natural Gas Company | NWN | $1.97 | $53.12 | 3.71% | 3.82% | 3.89% | 6.00% | 6.50% | n/a | 6.25% | 10.07% | 10.14% | |
| ONE Gas, Inc. | OGS | $2.72 | $87.64 | 3.10% | 3.20% | 3.25% | 6.00% | 6.23% | 6.20% | 6.14% | 9.34% | 9.39% | |
| Southwest Gas Corporation | SWX | $2.48 | $89.29 | 2.78% | 2.93% | 2.97% | n/a | 12.21% | 9.20% | 10.71% | 13.63% | 13.68% | |
| American States Water Company | AWR | $2.02 | $76.54 | 2.63% | 2.73% | 2.77% | 7.00% | 6.93% | n/a | 6.96% | 9.69% | 9.73% | |
| California Water Service Group | CWT | $1.34 | $45.47 | 2.95% | 3.10% | 3.15% | 9.50% | 10.62% | n/a | 10.06% | 13.15% | 13.20% | |
| Middlesex Water Company | MSEX | $1.44 | $52.47 | 2.74% | 2.88% | 2.93% | 8.00% | 11.70% | n/a | 9.85% | 12.73% | 12.78% | |
| H2O America (SJW Group) | HTO | $1.76 | $58.47 | 3.01% | 3.09% | 3.14% | 5.00% | 5.66% | 5.60% | 5.42% | 8.51% | 8.56% | |
| Median | | | | | | | | | | | 10.15% | 10.20% | |
| Flotation Cost Adjustment | | | | | | | | | | | | 0.05% | [21] |

Notes:
[1] - [4] See Notes [i] to [iv] above
[5] Equals [8]/[1]
[6] Equals [4] + ([1] x [3])
[7] Equals [1] x [2]
[8] Equals [7] - [6]
[9] Equals [6] / [7]
[10] Bloomberg Professional
[11] Bloomberg Professional, equals 30-day average as of April 30, 2026
[12] Equals [10] / [11]
[13] Equals [12] x (1 + 0.5 x [18])
[14] Equals [13] / (1 − Flotation Cost)
[15] Value Line
[16] S&P Capital IQ
[17] Zacks Investment Research
[18] Equals Average of [15], [16], [17]
[19] Equals [13] + [18]
[20] Equals [14] + [18]
[21] Equals [20] (Median) - [19] (Median)
[22] S&P Capital IQ and Zacks report an equivalent projected EPS growth rate for AWR and CWT. To avoid doubling counting, I exclude the projected EPS growth rate from Zacks for AWR and CWT.

**CAPITAL STRUCTURE ANALYSIS**

COMMON EQUITY RATIO [1]

| Proxy Group Company | Ticker | 2024 | 2023 | 2022 | 3-yr Avg. |
|---|---|---|---|---|---|
| American States Water Company | AWR | 56.95% | 56.39% | 60.78% | 58.04% |
| Atmos Energy Corporation | ATO | 60.26% | 60.20% | 60.01% | 60.16% |
| California Water Service Group | CWT | 55.89% | 58.51% | 59.85% | 58.08% |
| Chesapeake Utilities Corporation | CPK | 51.92% | 50.83% | 58.13% | 53.63% |
| Middlesex Water Company | MSEX | 47.43% | 45.63% | 87.05% | 60.04% |
| NiSource Inc. | NI | 52.10% | 52.76% | 52.56% | 52.47% |
| Northwest Natural Gas Company | NWN | 49.60% | 47.26% | 51.21% | 49.36% |
| ONE Gas, Inc. | OGS | 72.92% | 73.63% | 58.25% | 68.27% |
| H2O America | HTO | 54.34% | 56.37% | 53.99% | 54.90% |
| Southwest Gas Corporation | SWX | 48.13% | 47.45% | 43.96% | 46.51% |
| | | | | | |
| Proxy Group | | | | | |
| MEAN | | 54.96% | 54.90% | 58.58% | 56.15% |
| LOW | | 47.43% | 45.63% | 43.96% | 46.51% |
| HIGH | | 72.92% | 73.63% | 87.05% | 68.27% |

COMMON EQUITY RATIO - UTILITY OPERATING COMPANIES

| Company Name | Ticker | 2024 | 2023 | 2022 | 3-yr Avg. |
|---|---|---|---|---|---|
| Golden State Water / Bear Valley | AWR | 56.95% | 56.39% | 60.78% | 58.04% |
| Atmos Energy Corporation | ATO | 60.26% | 60.20% | 60.01% | 60.16% |
| California Water Service | CWT | 53.09% | 52.84% | 50.33% | 52.09% |
| New Mexico Water Service Water Division | CWT | 60.66% | 61.20% | 65.50% | 62.45% |
| New Mexico Water Service Sewer Division | CWT | 58.78% | 63.22% | 64.71% | 62.23% |
| Washington Water Service | CWT | 51.24% | 57.31% | 62.87% | 57.14% |
| Hawaii Water Service Kaanapali Division | CWT | 42.70% | 49.38% | 49.85% | 47.31% |
| Hawaii Water Service Pukalani Division | CWT | 68.89% | 67.08% | 65.87% | 67.28% |
| Chesapeake Utilities Corporation | CPK | 51.92% | 50.83% | 58.13% | 53.63% |
| Middlesex Water Company | MSEX | 61.71% | 60.13% | 61.15% | 61.00% |
| Pinelands Water | MSEX | 39.02% | 36.86% | 100.00% | 58.63% |
| Pinelands WW | MSEX | 41.56% | 39.89% | 100.00% | 60.48% |
| Northern Indiana Public Service Company LLC | NI | 58.24% | 59.26% | 56.92% | 58.14% |
| Columbia Gas of Kentucky, Inc. | NI | 51.44% | 53.66% | 54.91% | 53.34% |
| Columbia Gas of Maryland, Inc. | NI | 52.00% | 52.00% | 51.96% | 51.99% |
| Columbia Gas of Ohio, Inc. | NI | 50.27% | 50.50% | 50.67% | 50.48% |
| Columbia Gas of Pennsylvania, Inc. | NI | 56.07% | 55.88% | 56.64% | 56.20% |
| Columbia Gas of Virginia, Inc. | NI | 44.58% | 45.25% | 44.25% | 44.69% |
| Northwest Natural Gas Company | NWN | 49.60% | 47.26% | 51.21% | 49.36% |
| Kansas Gas Service Company, Inc. | OGS | 59.53% | 60.44% | 58.37% | 59.45% |
| Oklahoma Natural Gas Company | OGS | 59.23% | 60.46% | 58.26% | 59.32% |
| Texas Gas Service Company, Inc. | OGS | 100.00% | 100.00% | 58.13% | 86.04% |
| San Jose Water | HTO | 50.12% | 52.16% | 53.20% | 51.83% |
| CT Water | HTO | 54.56% | 57.23% | 54.61% | 55.47% |
| Maine Water Co. | HTO | 58.33% | 59.72% | 54.16% | 57.40% |
| Southwest Gas Corporation | SWX | 48.13% | 47.45% | 43.96% | 46.51% |

Notes:
[1] Ratios are weighted by actual common capital, preferred equity, and long-term debt of Operating Subsidiaries.
[2] Natural Gas, Electric and Water operating subsidiaries where data was unable to be obtained for 2024, 2023, and 2022 were removed from the analysis.

**CAPITAL STRUCTURE ANALYSIS**

LONG-TERM DEBT RATIO [1]

| Proxy Group Company | Ticker | 2024 | 2023 | 2022 | 3-yr Avg. |
|---|---|---|---|---|---|
| American States Water Company | AWR | 43.05% | 43.61% | 39.22% | 41.96% |
| Atmos Energy Corporation | ATO | 39.74% | 39.80% | 39.99% | 39.84% |
| California Water Service Group | CWT | 44.11% | 41.49% | 40.15% | 41.92% |
| Chesapeake Utilities Corporation | CPK | 48.08% | 49.17% | 41.87% | 46.37% |
| Middlesex Water Company | MSEX | 52.49% | 54.28% | 12.84% | 39.87% |
| NiSource Inc. | NI | 47.90% | 47.24% | 47.44% | 47.53% |
| Northwest Natural Gas Company | NWN | 50.40% | 52.74% | 48.79% | 50.64% |
| ONE Gas, Inc. | OGS | 27.08% | 26.37% | 41.75% | 31.73% |
| H2O America | HTO | 45.66% | 43.63% | 46.01% | 45.10% |
| Southwest Gas Corporation | SWX | 51.87% | 52.55% | 56.04% | 53.49% |
| | | | | | |
| Proxy Group | | | | | |
| MEAN | | 45.04% | 45.09% | 41.41% | 43.84% |
| LOW | | 27.08% | 26.37% | 12.84% | 31.73% |
| HIGH | | 52.49% | 54.28% | 56.04% | 53.49% |

LONG-TERM DEBT RATIO - UTILITY OPERATING COMPANIES

| Company Name | Ticker | 2024 | 2023 | 2022 | 3-yr Avg. |
|---|---|---|---|---|---|
| Golden State Water / Bear Valley | AWR | 43.05% | 43.61% | 39.22% | 41.96% |
| Atmos Energy Corporation | ATO | 39.74% | 39.80% | 39.99% | 39.84% |
| California Water Service | CWT | 46.91% | 47.16% | 49.67% | 47.91% |
| New Mexico Water Service Water Division | CWT | 39.34% | 38.80% | 34.50% | 37.55% |
| New Mexico Water Service Sewer Division | CWT | 41.22% | 36.78% | 35.29% | 37.77% |
| Washington Water Service | CWT | 48.76% | 42.69% | 37.13% | 42.86% |
| Hawaii Water Service Kaanapali Division | CWT | 57.30% | 50.62% | 50.15% | 52.69% |
| Hawaii Water Service Pukalani Division | CWT | 31.11% | 32.92% | 34.13% | 32.72% |
| Chesapeake Utilities Corporation | CPK | 48.08% | 49.17% | 41.87% | 46.37% |
| Middlesex Water Company | MSEX | 38.06% | 39.57% | 38.53% | 38.72% |
| Pinelands Water | MSEX | 60.98% | 63.14% | 0.00% | 41.37% |
| Pinelands WW | MSEX | 58.44% | 60.11% | 0.00% | 39.52% |
| Northern Indiana Public Service Company LLC | NI | 41.76% | 40.74% | 43.08% | 41.86% |
| Columbia Gas of Kentucky, Inc. | NI | 48.56% | 46.34% | 45.09% | 46.66% |
| Columbia Gas of Maryland, Inc. | NI | 48.00% | 48.00% | 48.04% | 48.01% |
| Columbia Gas of Ohio, Inc. | NI | 49.73% | 49.50% | 49.33% | 49.52% |
| Columbia Gas of Pennsylvania, Inc. | NI | 43.93% | 44.12% | 43.36% | 43.80% |
| Columbia Gas of Virginia, Inc. | NI | 55.42% | 54.75% | 55.75% | 55.31% |
| Northwest Natural Gas Company | NWN | 50.40% | 52.74% | 48.79% | 50.64% |
| Kansas Gas Service Company, Inc. | OGS | 40.47% | 39.56% | 41.63% | 40.55% |
| Oklahoma Natural Gas Company | OGS | 40.77% | 39.54% | 41.74% | 40.68% |
| Texas Gas Service Company, Inc. | OGS | 0.00% | 0.00% | 41.87% | 13.96% |
| San Jose Water | HTO | 49.88% | 47.84% | 46.80% | 48.17% |
| CT Water | HTO | 45.44% | 42.77% | 45.39% | 44.53% |
| Maine Water Co. | HTO | 41.67% | 40.28% | 45.84% | 42.60% |
| Southwest Gas Corporation | SWX | 51.87% | 52.55% | 56.04% | 53.49% |

Notes:
[1] Ratios are weighted by actual common capital, preferred equity, and long-term debt of Operating Subsidiaries.
[2] Natural Gas, Electric and Water operating subsidiaries where data was unable to be obtained for 2024, 2023, and 2022 were removed from the analysis.

**CAPITAL STRUCTURE ANALYSIS**

PREFERRED EQUITY RATIO [1]

| Proxy Group Company | Ticker | 2024 | 2023 | 2022 | 3-yr Avg. |
|---|---|---|---|---|---|
| American States Water Company | AWR | 0.00% | 0.00% | 0.00% | 0.00% |
| Atmos Energy Corporation | ATO | 0.00% | 0.00% | 0.00% | 0.00% |
| California Water Service Group | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| Chesapeake Utilities Corporation | CPK | 0.00% | 0.00% | 0.00% | 0.00% |
| Middlesex Water Company | MSEX | 0.08% | 0.10% | 0.11% | 0.09% |
| NiSource Inc. | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Northwest Natural Gas Company | NWN | 0.00% | 0.00% | 0.00% | 0.00% |
| ONE Gas, Inc. | OGS | 0.00% | 0.00% | 0.00% | 0.00% |
| H2O America | HTO | 0.00% | 0.00% | 0.00% | 0.00% |
| Southwest Gas Corporation | SWX | 0.00% | 0.00% | 0.00% | 0.00% |
| | | | | | |
| Proxy Group | | | | | |
| MEAN | | 0.01% | 0.01% | 0.01% | 0.01% |
| LOW | | 0.00% | 0.00% | 0.00% | 0.00% |
| HIGH | | 0.08% | 0.10% | 0.11% | 0.09% |

PREFERRED EQUITY RATIO - UTILITY OPERATING COMPANIES

| Company Name | Ticker | 2024 | 2023 | 2022 | 3-yr Avg. |
|---|---|---|---|---|---|
| Golden State Water / Bear Valley | AWR | 0.00% | 0.00% | 0.00% | 0.00% |
| Atmos Energy Corporation | ATO | 0.00% | 0.00% | 0.00% | 0.00% |
| California Water Service | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| New Mexico Water Service Water Division | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| New Mexico Water Service Sewer Division | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| Washington Water Service | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| Hawaii Water Service Kaanapali Division | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| Hawaii Water Service Pukalani Division | CWT | 0.00% | 0.00% | 0.00% | 0.00% |
| Chesapeake Utilities Corporation | CPK | 0.00% | 0.00% | 0.00% | 0.00% |
| Middlesex Water Company | MSEX | 0.23% | 0.30% | 0.32% | 0.28% |
| Pinelands Water | MSEX | 0.00% | 0.00% | 0.00% | 0.00% |
| Pinelands WW | MSEX | 0.00% | 0.00% | 0.00% | 0.00% |
| Northern Indiana Public Service Company LLC | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Columbia Gas of Kentucky, Inc. | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Columbia Gas of Maryland, Inc. | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Columbia Gas of Ohio, Inc. | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Columbia Gas of Pennsylvania, Inc. | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Columbia Gas of Virginia, Inc. | NI | 0.00% | 0.00% | 0.00% | 0.00% |
| Northwest Natural Gas Company | NWN | 0.00% | 0.00% | 0.00% | 0.00% |
| Kansas Gas Service Company, Inc. | OGS | 0.00% | 0.00% | 0.00% | 0.00% |
| Oklahoma Natural Gas Company | OGS | 0.00% | 0.00% | 0.00% | 0.00% |
| Texas Gas Service Company, Inc. | OGS | 0.00% | 0.00% | 0.00% | 0.00% |
| San Jose Water | HTO | 0.00% | 0.00% | 0.00% | 0.00% |
| CT Water | HTO | 0.00% | 0.00% | 0.00% | 0.00% |
| Maine Water Co. | HTO | 0.00% | 0.00% | 0.00% | 0.00% |
| Southwest Gas Corporation | SWX | 0.00% | 0.00% | 0.00% | 0.00% |

Notes:
[1] Ratios are weighted by actual common capital, preferred equity, and long-term debt of Operating Subsidiaries.
[2] Natural Gas, Electric and Water operating subsidiaries where data was unable to be obtained for 2024, 2023, and 2022 were removed from the analysis.