BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. for Approval to Make Certain Changes in their Charges for Electric Service Pursuant to K.S.A. 66-117	**)**	**Docket No. 25-EKCE-294-RTS**

Public Version

DIRECT TESTIMONY

PREPARED BY

Adam H. Gatewood

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

June 6, 2025

(*Confidential Material Redacted*)

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Q. Would you please state your name and business address?

A. My name is Adam H. Gatewood. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas, 66604.

Q. Who is your employer, and what is your title?

A. I am a Senior Managing Financial Analyst in the Utilities Division of the Kansas Corporation Commission (Commission).

Q. What is your educational and professional background?

A. I graduated from Washburn University with a B.A. in Economics in 1987 and a Masters of Business Administration in 1995. I have filed testimony on cost of capital and related financial issues before the Commission in more than 160 proceedings. I have also filed testimony on cost of capital issues before the Federal Energy Regulatory Commission (FERC) in rate proceedings involving natural gas pipelines and electric transmission utilities.

Q. What issues are you testifying to in this Docket?

A. My testimony addresses the appropriate rate of return (ROR) for Evergy Kansas Central

(EKC) and Evergy Kansas South (EKS) used by the KCC Staff to calculate the respective revenue requirements for each utility. The appropriate ROR for each utility involves application of the Commission's policies for determining the cost of debt, the cost of equity, and the capital structure. My testimony presents my analysis for each of those components to the ROR and rebuttal to the ROR analyses of Evergy witnesses Ann E. Bulkley and Geoffrey T. Ley.

Q. Are you offering legal analyses or conclusions?

A. No, I am not an attorney. As such, I am not offering legal analyses or conclusions. However, my responsibilities as a financial analyst require that, with assistance from legal counsel, I understand court opinions and Commission orders so that I can apply rules, precedent, and policies to the facts of the cases I am analyzing. The analyses I sponsor are part of Staff's inter-disciplinary evaluation of overlapping law, economics, accounting, finance, ratemaking, and policy issues. Any testimony I provide on legal principles, or those areas of overlap is based on my experience and perspective as an experienced rate of return financial analyst.

Q. Are you sponsoring any adjustments?

A. I am responsible for the capital structure adjustments in Staff's Revenue Requirement Schedules.

Q. Are you sponsoring any tables and schedules as part of your testimony?

A. Yes, I sponsor the following tables and schedules: AHG-1, Value-Line Investment Survey

Reports; AHG-2, six-months of stock price data of the proxy group electric utilities; and AHG-3, a summary of internal rate of return calculations performed on the proxy group.

Executive Summary

Q. Please summarize your findings.

A. First, regarding the embedded cost of debt of EKC and EKS, the only adjustment involves Staff's update from the test year ended June 30, 2024, to Staff's update period of March 30, 2025. Staff recommends that the Commission reject the use of proforma data shown in Section 7 of the Application sponsored by Geoffrey T. Ley, and instead, use Staff's March 30, 2025, updates.

Second, to determine a reasonable allowed return, Staff recommends that EKC and EKS be allocated a portion of Evergy's long-term debt. That allocation decreases the equity ratio and weighted cost of capital compared to EKC's proposal. In the 23-EKCE-775-RTS docket (23-775), Staff proposed an adjustment to the capital structures of each subsidiary to allocate all the Evergy debt proportionally to each utility's capital structure. In settlement of the 23-775 rate case, Staff proposed a weighted average cost of capital (WACC) allocating half of the Evergy debt to EKM and EKC.[1] Staff's position in this docket and the resulting revenue requirement mirror its settlement position in 23-775. Staff believes sharing the capital cost reductions adhere to the Commission's policy on capital structure, is a reasonable outcome under the facts of this case and provides consistency across these two dockets and the Kansas portion of Evergy's operations. If the Commission

[1] Testimony in Support of Unanimous Settlement Agreement Prepared by Justin Grady; Docket 23-EKCE-775-RTS; Filed October 3, 2023; pp.38-39.

disagrees with Staff's position and wishes to use all the Evergy debt in the allocation, I present an alternative WACC similar to Staff's filed testimony in the 23-775 docket.

Staff's allocation of the holding company debt aligns the Commission's capital structure policy with the unique factual background of this docket. Staff makes this adjustment to ensure that consumers receive benefits from the long-term debt held by the holding company (Evergy Debt) that consumers are paying for both directly and indirectly. The rating agencies review the risk of the corporate group (Evergy and its subsidiaries) to determine a group rating. The group rating is used to determine EKC's rating. This link between the parent and subsidiary ratings is essential because the consolidated entity, which includes the Evergy Debt, affects the ratings of EKC and EKS. The group credit rating directly affects the cost of new debt issued by EKM and EKC, which are costs borne by consumers. At the same time, the existence of the Evergy Debt limits the financial flexibility of EKC and EKS because there are limits to the amount of debt a utility can service. Under the Applicants' proposal, customers would be paying the costs of this debt (both directly and indirectly) without receiving the benefits of that lower-cost capital in the ROR used to determine a revenue requirement.

The third component in the ROR calculation is the ROE, or the allowed return on the equity component of the capital structure. In the context of rate cases before this Commission, Staff defines ROE as the allowed return set by the Commission on the equity capital component of the utility's capital structure. Staff develops its recommended ROE by establishing a range of reasonable returns and selecting a specific point within that range to incorporate in the revenue requirement calculation. Unlike the embedded cost of debt,

which is a calculation that results in a particular rate, the ROE is an estimate informed by Staff's application financial models, observations of capital markets and returns granted to utilities by other commissions. The ROE is best defined as a range, but setting utility rates demands a singular revenue requirement, and that calculation can only be accomplished using a point within that range. I recommend an allowed ROE of 9.70% for EKC's revenue requirement. If the Commission sets the ROE at a different point, my analysis supports staying within the range of 9.30% to 9.95%.

Staff's allowed ROE of 9.70% reflects the changes observed from EKC's last rate case. Notably the higher capital costs indicated by the DCF models and the increase of the beta coefficients for electric utilities. The lower bounds of 9.30% is the allowed return Staff recommended in the previous Evergy rate cases and equates to a risk premium of 335 basis points, a risk premium comparable that observed in the 23-775 docket. The current capital market data supports an allowed ROE greater than was appropriate in EKC's last dockets. The upper bounds of 9.95% reflects a risk premium of 400 basis points over the observed yield on Baa corporate bonds consistent with the average risk premium on Commission determined allowed ROEs. These components result in an ROR of 7.01%.

Staff Proposed Rate of Return for Evergy Central
Based on Section 7 Updated to March 31, 2025
& Allocation of Evergy Debt

	Weight	Cost	Weighted Cost
Long-term Debt	44.91%	4.38%	1.97%
Proportion of Evergy Debt	6.36%	5.03%	0.32%
Common Equity	48.74%	9.70%	4.73%
			7.01%

Sources: KCC DR Sec 7 Updated to March 31, 2025 via KCC DR 192 & 193s

This compares to EKC's request in Section 7 for an ROR of 7.69% based on a ROE of 10.50%.

Evergy Central Electric Utility
Rate of Return in Section 7 of Application - As Filed
Projected to March 31, 2025

	Weight	Cost	Weighted Cost
Long-term Debt	48.03%	4.64%	2.23%
Common Equity	51.97%	10.50%	5.46%
			7.69%

Source: Section 7

My recommendation of 9.70% ROE is based on current capital market data and an evaluation of previous Commission decisions. To measure the current capital markets, I relied on well-accepted financial models and inputs to those models consistent with those used in past rate cases before this Commission. The results of my analysis are in the following table.

Summary of Staff's Cost of Equity Estimates
25-EKCE-294-RTS

Discounted Cash Flow Analyses	Mean	Low	High
Two-Stage Growth DCF Model:			
Based on the Average of Short-Term Growth Forecasts & Long-Term nGDP Forecasts	9.02%	8.69%	9.35%
Internal Rate of Return or Multi-Stage DCF Analysis:			
Using Short-Term Growth EPS Growth & Long-Term nGDP Forecast	8.42%	7.71%	10.41%
Capital Asset Pricing Models			
Based on Historical Return Data, gathered from 1928 - 2022, Reported at Damodaran On-Line			
Historic Arithmetic Returns	11.01%	9.97%	12.39%
Historic Geometeric Returns	9.60%	8.80%	10.68%
Based on Forecasted Return Data:			
J.P. Morgan Asset Management	6.66%	6.20%	7.27%
BlackRock	7.22%	6.69%	7.94%
Kroll Forecasted Risk Premium	9.73%	8.91%	10.83%

A ROE estimate is based on a range we can only estimate using financial models. We do not have the luxury of being able to rely on a single model to pinpoint the cost of equity for a regulated utility. Practically, it is necessary to pick a specific point within that range of reasonable estimates to calculate a revenue requirement used to set rates. I applied a holistic view of my discounted cash flow (DCF) analysis, capital asset pricing model (CAPM) analysis, and observations of the debt and equity capital markets to establish the range. Staff believes it is essential that its recommendations embody a level of consistency across rate cases and reflect changes in the capital markets. Staff's recommendation is mindful of the returns granted to electric utilities nationwide and that these national averages are not filtered for the risk of the underlying utilities relative to EKC; they provide a broad look at allowed returns. Tables in the following pages highlight Staff's past recommendations, the Commission's decisions, and national averages.

Since the 2008 Financial Crisis, jurisdictional utilities have had their ROEs set by this

Commission that resulted in an average risk premium over the reported yield of Baa rated corporate bonds of about 400 basis points, thus providing shareholders an opportunity to earn a return on the equity capital that is considerably greater than the required return on long-term debt of similarly situated utilities. The risk premiums from Commission decisions vary, and as interest rates declined, the premium grew larger. That same observation is apparent nationally in Commission-determined ROEs.

Commission Determined, Allowed ROEs -- Kansas Utilities
25-EKCE-294-RTS

Company	Docket	Order Date	Requested ROE	Ordered ROE	Baa/BBB Corp Bond Yield	Risk Premium
Atmos Energy Corp.	19-ATMG-525-RTS	2/24/2020	10.25%	9.10%	3.51%	5.59%
Kansas City Power & Light	15-KCPE-116-RTS	9/10/2015	10.30%	9.30%	5.44%	3.86%
Atmos Energy Corp.	14-ATMG-320-RTS	9/4/2014	10.53%	9.10%	4.70%	4.40%
Kansas City Power & Light	12-KCPE-764-RTS	12/13/2012	10.40%	9.50%	4.66%	4.84%
Kansas City Power & Light	10-KCPE-415-RTS	11/22/2010	10.75%	10.00%	5.94%	4.06%
Westar Energy Inc.	05-WSEE-981-RTS	12/28/2005	11.50%	10.00%	6.35%	3.65%
Westar Energy Inc.	01-WSRE-436-RTS	7/25/2001	12.75%	11.02%	7.78%	3.24%
Kansas Gas Service Co.	193,305-U	4/15/1996	12.00%	10.50%	8.19%	2.31%
					Average	3.99%

Sources: S&P Capital IQ, reports on Kansas rate cases
Moody's Seasoned Baa Corporate Bond Yield, Percent, Daily, Not Seasonally Adjusted; https://fred.stlouisfed.org

The following table shows the history of Staff recommendations and Commission decisions on ROE. Staff's recommendations have remained consistently below 10.00% since early 2010. Commission decisions on ROE have remained below 10.00% since 2012.

Risk Premium of Recent Electric and Gas Dockets

Docket	Testimony Date	Company	Equity Ratio	Staff Recmmd	*Baa Corporate Bond Yld.	Resulting Rp
14-BHCG-502-RTS	9/12/2014	Black Hills-Ks Gas	50.34%	9.00%	4.89%	4.11%
15-KCPE-116-RTS	5/11/2015	Kansas City Power & Light	50.48%	9.25%	4.94%	4.31%
15-WSEE-115-RTS	7/9/2015	Westar Energy	53.12%	9.25%	5.20%	4.05%
16-KGSG-491-RTS	9/7/2016	Kansas Gas Service	55.00%	8.75%	4.19%	4.56%
16-ATMG-079-RTS	12/21/2016	Atmos Energy	56.12%	9.10%	4.81%	4.29%
18-KCPE-095-MER	1/29/2018	Kansas City Power & Light	*	9.30%	4.29%	5.01%
18-WSEE-328-RTS	6/11/2018	Westar Energy	51.24%	9.30%	4.85%	4.45%
18-KCPE-480-RTS	9/12/2018	Kansas City Power & Light	49.09%	9.30%	4.86%	4.44%
18-KGSG-560-RTS	10/29/2018	Kansas Gas Service	55.00%	9.15%	5.10%	4.05%
19-EPDE-223-RTS	5/13/2019	Empire District Electric Co	51.65%	9.30%	4.65%	4.65%
19-ATMG-525-RTS	10/31/2019	Atmos Energy	56.32%	9.10%	3.87%	5.23%
21-BHCG-418-RTS	9/10/2021	Black Hills Energy	42.96%	9.20%	3.23%	5.97%
23-ATMG-359-RTS	1/17/2023	Atmos Energy	59.16%	9.40%	5.44%	3.96%
23-EKCE-775-RTS	8/29/2023	Evergy, Inc.	48.50%	9.30%	5.96%	3.34%
24-KGSG-610-RTS	7/1/2024	Kansas Gas Service	60.21%	9.60%	6.03%	3.57%
25-BHCG-298-RTS	5/9/2025	Black Hills-Ks Gas	54.60%	9.70%	5.84%	3.86%
		Average Risk Premium from Recent Gas & Electric Dockets				**4.37%**
		Median				**4.30%**

*Moody's Seasoned Baa Corporate Bond Yield [DBAA], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org

National data on electric rate cases follow the same trend. Beginning in 2014, the national averages and median for allowed ROEs remained below 10.00%.

This risk premium recognizes the economic reality that the additional risks associated with equity capital mean that stockholders demand a higher return than bondholders. When I prepared this analysis, a 9.70% ROE is a 375 basis point premium over the yield on BBB/Baa rated corporate bond yield. During the first two weeks of May 2025, Evergy Central 5.70% due 2053 bonds yielded about 6.04%, thus comparable to what is observed for Baa rated corporate bonds and a similar level of risk premium.[2]

[2] S&P Capital IQ reported yields to worst; CUSIP 30036FAB7

Staff's Risk Premium Over Fixed Income Yields
Based on a 9.70% Allowed ROE
25-EKCE-294-RTS

	30 Year (1) Treasury Bond	Corp Bonds (2) Baa
Nov 2024	4.54%	5.78%
Dec 2024	4.58%	5.80%
Jan 2025	4.85%	6.08%
Feb 2025	4.68%	5.92%
Mar 2025	4.60%	5.93%
Apr 2025	4.71%	6.18%
	4.66%	5.95%

KCC Staff's Recommended ROE	9.70%
Average Yield on 30 Year Treasury Bond	4.66%
Equity Risk Premium Over the 30-Year Treasury Bond Yield	5.04%
KCC Staff's Recommended ROE	9.70%
Average Yield on "Baa" Rated Corporate Bonds	5.95%
Equity Risk Premium Over "Baa" Corporate Bond Yield	3.75%

1) Board of Governors of the Federal Reserve System, 30-Year Treasury Constant Maturity (Federal Reserve Bank of St. Louis, www.https://fred.stlouisfed.org)
2) Yield on Moody's Seasoned Baa rated Corporate Bonds;
(Federal Reserve Bank of St. Louis, www.https://fred.stlouisfed.org)

Q. Do you have an estimate of the dollar impact of your adjustments on the revenue requirements requested by EKC?

A. Based on Staff's revenue requirement model with Staff's adjustments to rate base and expenses, the estimated the dollar value of Staff's ROR scenarios are as follows.

- Staff's primary position of using a 9.70% allowed ROE and allocating half of Evergy's corporate debt to subsidiaries reduces the revenue requirement by $50.48 million.
- Isolating Staff's 9.70% allowed ROE in place of EKC's requested 10.50% reduces the revenue requirement by $35.76 million.

- Staff's alternative position of using a 9.70% allowed ROE and allocating all of Evergy's corporate debt to subsidiaries reduces the revenue requirement by $63.80 million.

Applicants

Q. Who is the Applicant in this Docket?

A. The revenue requirement in this docket is that of Evergy Kansas Central (EKC) and its subsidiary, Evergy Kansas South (EKS). EKC is formerly known as Westar Energy, which includes the Evergy Kansas South service territory formerly known as Kansas Gas & Electric. I have reviewed the corporate descriptions provided in the SEC Form 10-K and contained in the Application and generally agree with the discussion in those documents.

Macro-Economic Environment & Investor Expectations

Q. Is it necessary for the Commission to create a forecast for the broad economy to determine a reasonable return?

A. As set forth in the written testimony I filed in a number of other rate cases, I advised the Commission that determining a fair and reasonable allowed return does not require it to make an independent forecast of the economy's future or even adopt a specific perspective on the economy's direction. The focus of setting a fair and reasonable allowed return is on the *investors'* required return, which is a product of the *investors'* expectations for the economy (not the Commissioners'). Investors' expectations for the economy are captured within the Commission's cost of capital decision, provided the Commission's decision is based on market-derived data such as current stock prices, interest rates, and other market

data that conveys investors' outlook for the economy. Staff's recommendation is based on current market-derived data, the same data that investors rely on for their decisions. It is unnecessary and counterproductive for regulators and cost of capital witnesses to second-guess the capital markets. It is a well-accepted premise that our capital markets are efficient, where investors factor all available information into their decisions to buy and sell debt and equity securities. Furthermore, rational, profit-maximizing investors are forward-looking. Accordingly, investors incorporate their forecasts of the economy into their decisions in their best attempt to maximize returns.

Q. Do you believe the Commission benefits from some discussion of the economic forecast when setting allowed returns?

A. Yes, particularly with the global events beginning five years ago with the Covid-19 pandemic, followed by the Russian/Ukrainian war, and recent months with uncertainty surrounding traditional global trade patterns and tariffs. The economic issues facing governments and their central banks relate to the fallout from these international events, which have caused disruptions of long-established global supply chains and trade patterns; disruptions that reduced economic growth, spiked inflation rates, and increased economic uncertainty.

Equity and fixed-income investors watch the actions of the Federal Reserve Open Market Committee (FOMC) of the U.S. Federal Reserve Board (Fed) closely, more so than any other published report on the U.S. economy. The opinions of the FOMC members and staff economists are published weeks after each meeting, and as of the recent meetings in December of 2024, January of 2025, and March of 2025, the Federal Reserve members'

economic perspective reflects cautious optimism amid ongoing inflationary pressures and a slowing, but resilient economy as summarized in their views on inflation, growth and unemployment. The following were the FOMC members' views before April 2, 2025, and the announcements on newly enacted tariffs.

- **Inflation**: The Fed remains focused on bringing inflation down to its 2% target.[3] While inflation has moderated from the highs of 2022, it continues to be above the 2% target, but members expect to reach the 2% target in 2027.[4] The FOMC recognizes the need for careful monitoring of price pressures, particularly as demand in the economy remains relatively strong. In previous meetings, some members noted that the disinflationary process may have stalled temporarily. At all three meetings, they highlighted the risk that returning to target levels could take longer than anticipated.[5] At its March meeting, more members expressed increased uncertainty about their inflation forecasts and increased risks weighted to higher inflation.[6]
- **Economic Growth**: U.S. economic growth has slowed but remains positive and solid. The long-run forecast for 1.8% real growth remains in place. However, at its March meeting, more members expressed increased uncertainty about their growth forecasts and increased risks weighted to lower growth.[7]
- **Labor Market**: Participants noted the job market is solid, though showing signs of cooling, with job growth slowing and the unemployment rate remaining low. At the March meeting, the forecasted unemployment rate remained at 4.2 over the long run, but with a greater risk of higher unemployment rates than in previous meetings.[8]
- **Monetary Policy Decision:** At its December meeting, the Committee voted in favor of the rate cut to 4.25 to 4.50%.[9] At the January 2025 and March 2025 meetings, members voted to maintain the federal funds rate at 4.25% to 4.50%.
- **Long-run Targets:** In all four recent meetings, the FOMC members' long-run targets are for a return of pre-pandemic inflation levels at 2.00% annually, real GDP at an annual growth of 1.80%, and unemployment at 4.20%.

[3] Minutes of the Federal Open Market Committee, November 6, 2024; p.12
[4] Minutes of the Federal Open Market Committee, March 19, 2025; table 1.
[5] Minutes of the Federal Open Market Committee of its December 17-18, 2024, Meeting; Released January 8, 2025.
[6] Minutes of the Federal Open Market Committee, March 19, 2025; table 4.C.
[7] Minutes of the Federal Open Market Committee, March 19, 2025; table 4.A.
[8] Minutes of the Federal Open Market Committee, March 19, 2025; table 4.B.
[9] Minutes of the Federal Open Market Committee of its December 17-18, 2024, Meeting; Released January 8, 2025.

- **Policy Risk:** The primary distinction between the FOMC projections materials published after the March 2025 meeting and that published from the three prior meetings is increased levels of risk to all projections.[10]

Immediately following FOMC meetings, it issues a one-page press release summarizing findings from the multi-day meeting, with detailed minutes published three weeks later. The summary of the FOMC meeting of May 2025 reflects a higher degree of caution relative to the notes from the previous three meetings discussed above and a higher degree of uncertainty around the economy. A key difference from prior meetings is the view that risks for higher inflation *and* slower economic growth have increased quickly since the previous meetings. In March 2025, FOMC members judged the risks of attaining their dual-mandate objective as increased since the meeting in January 2025, but that risk was of failing to meet one of the two dual-mandate objectives; now the FOMC members view the risk as a failure to meet both objectives of the dual mandate.[11]

Q. Does the risk of persistent inflation demand that the Commission provide a utility with a premium or risk adder to compensate investors?

A. No, having experienced a brief, severe recession related to a global pandemic, supply chain disruptions caused by the worldwide pandemic and war in Europe, and several quarters of high inflation, as well as lingering levels of inflation well above the FOMC's 2.0% target, investors are aware of the risks potential inflation poses to corporate profits and the broad economy. We know that financial markets are efficient, and investors constantly assess and reassess these risks and price securities; accordingly, those prices are inputs to the

[10] https://www.federalreserve.gov/monetarypolicy/fomcprojtabl20250319.htm
[11] Federal Reserve issues FOMC statement, March 19, 2025.

CAPM and DCF analyses. Thus, these risks and the changes they cause in utility stock prices and interest rates are captured in my study of the proxy group, and no explicit adjustment is warranted. Relying on current data captures investors' required return for putting their capital at risk. In my analysis of capital markets for this docket, I encountered no meaningful argument suggesting that the capital markets are not working efficiently, even though recent trading patterns appear volatile relative to historical norms.

Capital Structure & Cost of Debt

Q. Does Staff agree with the cost of debt contained in Section 7 of the Application?

A. No, Staff proposes to use a post-test year update to Section 7 to capture the cost of debt as of March 31, 2025. The updates are in response to KCC DR-192. Geoffrey Ley sponsors Evergy's cost of debt and his testimony proposes a pro-form cost of debt that goes well beyond the test year. Staff recommends a rejection of those proforma adjustments submitted in the Application because that data is not known and measurable. As explained by Mr. Ley, Mr. Ives, and Ms. Bulkley, EKC proposes a pro-forma capital structure of 51.97% equity and 48.03% long-term debt on June 30, 2025.

Q. Do Staff and Evergy agree on the capital structure to be used in calculating EKC's revenue requirements?

A. No. Staff does not agree with EKC's capital structure methodology for setting the revenue requirement. It is Staff's contention that EKC's approach is inconsistent with established Commission policy that the Commission reiterated in its Docket No. 16-KCPE-593-ACQ (16-593 Docket) Order, which determines a revenue requirement based on the "…capital

structure that will result in the lowest overall cost of capital that is representative of utility operations."[12] Staff is committed to applying the Commission's established policy, and the Applicants have not provided any basis for departing from that established policy. Staff's revenue requirement seeks to share those benefits between shareholders and ratepayers, as opposed to EKC's proposed revenue requirement, which retains all those benefits for Evergy's shareholders.

The Applicants' proposals allow Evergy's shareholders to be the sole beneficiaries of $2.7 billion of debt issued by Evergy (Evergy Debt), the holding company of EKC. Although that debt is a factor in determining the credit ratings of EKS, EKC, and Evergy, only Evergy shareholders would receive the financial benefits from that leverage under EKC's proposal. Credit ratings are a critical factor for determining the interest rate of new debt issued by the EKC and EKS, becoming part of the costs charged to consumers. In this instance, leaving the holding company debt out of the revenue requirement calculations, as the Applicants propose, would burden consumers with rates calculated using a revenue requirement based on a higher equity ratio. Equity capital is riskier than debt, thus demanding a higher cost and recovery of related income tax expenses that are not applicable to debt financing. Staff contends that ratepayers should share in the benefits of the Evergy Debt along with Evergy's shareholders.

Q. Is it Staff's view that the Commission should closely examine how shareholders finance their common equity holdings in Kansas utilities?

A. Absolutely not. A holding company's ownership of equity of a public utility is

[12] 16-KCPE-593-ACQ Order, April 19, 2017, para 90, footnote 228.

distinguishable from an investor owning common stock in a utility; the holding company takes on responsibilities far greater than those shouldered by stockholders. Evergy agreed to supply its electric utility subsidiaries with sufficient capital, and the Commission has the authority to compel Evergy to fulfill that responsibility. Stockholders of utility companies do not have that responsibility, and they can increase or decrease their level of investment unilaterally, without obtaining authority from regulators. The holding company as owner of a public utility is unique from other equity investors; there is a greater level of regulatory oversight that comes with Evergy's absolute control over all aspects of a public utility; the appropriate capital structure to use in setting the utility's revenue requirement is part of that oversight. The situation of a holding company, like Evergy, is unique from that of any other equity investor.

Q. What is the capital structure Evergy uses to calculate the revenue requirement for EKC?

A. Geoffrey T. Ley sponsors the capital structure shown in Exhibits GTL-1 & 2. The Applicants present projected capitalization data based on the test year as of June 30, 2024, and a proforma of capitalization as of June 30, 2025.[13]

Evergy Kansas Central Electric Utility
Capital Structure and Rate of Return
Projected March 31, 2025

Summary

	Balance	Weight	Rate	Rate of Return
Long-term Debt*	4,933,231,986	48.03%	4.641%	2.229%
Common Equity	5,337,669,012	51.97%	10.500%	5.457%
Total Capitalization	**10,270,900,998**	**100.00%**		**7.686%**

*Includes unamortized debt expenses and discounts. **Excludes** current maturities of long-term debt of which there is $250 million due in December 2025 (per adjustment in row 58 below).

[13] The Application cites the EKC capital structures at June 30, 2024, shown in Exhibit GTL-2 and forecasted as of March 31, 2025, shown in Errata Exhibit GTL-2. KCC DR-192 updates the capital structure balances to reflect March 31, 2025, actual balances.

Q. How did Staff determine the capital structure for EKC?

A. Staff's capital structures for EKC incorporate a proportional share of the Evergy Debt based on their proportion of net property plant and equipment of Evergy.

Allocation of Evergy, Inc. Holding Company Debt Based on Net Property Plant & Equipment ($'s in millions)

Net PP&E	2024 FQ4	2024 FQ3	2024 FQ2	2024 FQ1
Evergy, Inc	$ 24,931	$ 24,613	$ 24,301	$ 23,946
Evergy Central	$ 12,880	$ 12,655	$ 12,442	$ 12,245
Evergy Central	**51.7%**	**51.4%**	**51.2%**	**51.1%**

Source: S&P Capital IQ Pro

Based on reported net property plant & equipment at December 31, 2024, Staff would allocate EKC 51% of the Evergy Debt.[14] To be consistent with Staff's position in the 23-775 Docket settlement and consistent with the revenue requirement in place for Evergy Kansas Metro, Staff is allocating half of that amount to EKC or roughly 26% of the total.

Holding Co Debt Assigned to Operating Companies

EKC	51.7%	$ 1,394,906,321
Staff 50% Allocation	50.0%	$ 697,453,161

The Evergy Debt consists of senior notes, junior subordinated notes, and convertible bonds with an embedded cost of 5.023%.[15] With an update to EKC Section 7 to reflect actual balances at March 31, 2025, along with the 26% proportional share of Evergy Debt and

[14] Staff relies on 2024 year-end balances because March 31, 2025, balances were not available at the time of Staff's analysis.
[15] KCC DR 192; 25-EKCE-294-RTS.

Staff's cost of equity, Staff recommends the following rate of returns.

Staff Proposed Rate of Return for Evergy Central
Based on Section 7 Updated to March 31, 2025
& Allocation of Evergy Debt

	Weight	Cost	Weighted Cost
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Common Equity	48.70%	9.70%	4.72%
			7.01%

Sources: KCC DR Sec 7 Updated to March 31, 2025 via KCC DR 192 & 193

Staff does not claim that its methodology is the only means to share the benefits stemming from the leverage of the Evergy Debt; there are other means to accomplish the same goal.[16] Staff's methodology is clear and reasonable as it recognizes the existing debt costs of EKC and EKS, much of which occurred prior to the holding company, as well as reflecting the benefits to EKS's and EKC's ratepayers of the Evergy Debt, relative to the size of their rate base.

Q. Does the Evergy Debt and Evergy's credit profile affect the credit ratings of EKC?

A. Yes, in the case of Evergy and its subsidiaries, rating agencies view the risk of the corporate group - that is, the parent and its subsidiaries - to determine a group rating. That group rating is the rating assigned to the subsidiaries, even though the rating agencies determine the standalone rating of an Evergy subsidiary to be higher than the group rating. This link

[16] An alternative methodology used by the Commission relies on the consolidated capital structure and consolidated weighted average cost of debt for the utility rate of return calculation.

between the parent and subsidiary ratings is critical because the consolidated entity, which includes the debt at Evergy, affects the ratings of EKC and EKS. The group credit rating affects EKC's and EKS' credit ratings and therefore, the cost of debt they issue. The existence of the Evergy Debt limits the subsidiaries' financial flexibility because there are limits to the amount of debt a utility can incur without jeopardizing the current rating.

Q. What is the basis for your conclusion that rating agencies consider the ratings of the group (parent and subsidiaries collectively) when assigning an individual rating to the subsidiaries?

A. That group relationship is apparent from Standard & Poor's (S&P) comments on group influence ratings of Evergy and EKC. (BEGIN CONFIDENTIAL)

*[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

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[17] Evergy Kansas Central; S&P Global Ratings Direct; December 16, 2024; p.7 (CURB-13, Confidential)

[18] Evergy Kansas Central; S&P Global Ratings Direct; December 16, 2024; p. 2 (CURB-13, Confidential)

[redacted]

END CONFIDENTIAL*

The following is from a public document published by Moody's Investor Services describing its methodology for ratings within a utility family. Moody's methodology states that ratings of individual entities within a family can be pulled up or down due to interrelationships within the family.

> In our analysis, we generally consider the stand-alone credit profile of an OpCo and the credit profile of its ultimate parent HoldCo (and any intermediate HoldCos), as well as the profile of the family as a whole, while acknowledging that these elements can have cross-family credit implications in varying degrees, principally based on the regulatory framework of the OpCos and financing model (which has often developed in response to the regulatory framework)."
>
> "In addition to considering individual OpCos under this (or another applicable) methodology, we typically approach a HoldCo rating by assessing the qualitative and quantitative factors in this methodology for the consolidated entity and each of its utility subsidiaries. Ratings of individual entities in the issuer family may be pulled up or down based on the interrelationship among the companies in the family and their relative credit strength.[21]

Evergy Debt plays a role in the subsidiaries' bond ratings, influencing the interest rate of bonds issued by the subsidiaries. Consumers who are paying costs should share the

[19] Evergy Inc.; S&P Global Ratings Direct; November 29, 2023; p. 8 (CURB-13, Confidential)
[20] Evergy Inc.; Moody's Investor Services Credit Opinion; June 13, 2024; p.1 (CURB-13, Confidential)
[21] Regulated Electric and Gas Utilities; Moody's Investor Services, Rating Methodology; August 6, 2024; p. 23 (publicly available at www.moodys.com or https://ratings.moodys.com/rmc-documents/426183)

benefits of that leverage. It is unreasonable to allocate all those benefits to Evergy's shareholders as EKC proposes.

Q. Does EKC acknowledge that Evergy can affect their credit ratings?

A. EKC advises bond investors that the credit ratings of their bonds could change because of events directly affecting Evergy and its other subsidiaries, even though Evergy does not guarantee the bonds.[22]

Q. Under Staff's proposed capital structure, do consumers receive all the benefits afforded by the additional leverage?

A. No. Staff's capital structure adjustment effectively shares the benefits of the leverage between shareholders and ratepayers. Applying Staff's methodology allocates a portion of the Evergy Debt to EKC consumers, while the remaining Evergy Debt (including the portion attributable to Missouri utility operations) continues to benefit shareholders.

Q. Has Staff proposed similar adjustments to capital structure in past dockets?

A. Yes, it was an issue that I addressed during the 16-593 and 18-095 merger proceedings. The relevant page of my Direct Testimony in 18-095 follows, stating that Staff views using a consolidated capital structure as a tool in protecting the utilities' financial health.[23]

Q. Beyond these commitments and financial conditions, in Staff's view, what is the Commission's key means of protecting the financial health

[22] SEC Form 424(b)(2), Evergy Kansas Central, Inc., Mortgage Bonds Series 5.70% due 2053; p. S-11; filed March 8, 2023. SEC Form 424(b)(2), Evergy Kansas Central, Inc., Mortgage Bond Series 4.70% due 2028; p. S-13; supplement dated March 6, 2025.
[23] Direct Testimony of Adam H. Gatewood, p. 11; 18-KCPE-095-MER, filed January 29, 2018.

of the public utility subsidiaries?

A. In cases such as this, where a holding company owns and controls all aspects of a subsidiary utility company, I believe regulators can best protect the financial health of the utility by consistently relying on the lowest cost capital structure to determine the utility's revenue requirement. This has proven to be effective because decision makers at the holding company know that the utility's revenue requirement will recover only the cost of providing capital to the utility thus removing the incentive for the holding company to manipulate the subsidiary's capitalization ratios. This has been Staff's position for the past twenty years and is well supported by foundational texts on public utility rates as an appropriate methodology for assessing the capitalization of a regulated utility.[24]

I raised this topic in the 18-095 Docket because it was an issue central to Staff's objection to the merger proposed in 16-593. The position I espoused in the 16-593 Docket applies to determining the capital structure in this rate case.[25]

A. Policy of using consolidated capital structure is reasonable and within the Commission's discretion

Q. Why do you believe it is reasonable to set rates using the consolidated capital structure and cost of debt?

A. In situations where we set rates for a utility that is a wholly owned subsidiary, we carefully review the capitalization of the subsidiary, as well as the capitalization of the parent company. For the purpose of determining the weighted average cost of capital or allowed rate of return, we will rely on the capitalization that results in the lowest weighted average cost of capital. Thus, if the parent company exhibits a higher debt ratio than the subsidiary, we will use the parent company's capital ratios to calculate the revenue requirement.

Staff believes this approach is reasonable because it recognizes the reality of the parent company's absolute control over the operations of the subsidiary. Credit rating agencies also recognize the control and interrelated nature in that they will only allow a couple of notches difference between a parent and subsidiary. They recognize that a weakness in either will drag on the credit worthiness of the other. There will be very little separation between GPE and its subsidiaries,

[24] Principles of Public Utility Rates (2nd ed), Bonebright, J, et al., pp. 306-311 (1988).
[25] Direct Testimony of Adam H. Gatewood, 16-KCPE-593-ACQ; pp. 40-41; filed December 16, 2016.

as GPE and each of its subsidiaries will have the same board of directors, who in turn set the dividend and capitalization policies of the parent and the subsidiaries. Staff has made its position clear through testimony filed in past rate cases, and this Commission has through orders it issued, that the consolidated capitalization is reviewed and could be used to set rates. In Staff's view, this is a reasonable means to reduce or eliminate incentives to manipulate subsidiary capital structure solely for the benefit of stockholders. Staff's policy recommendation on capital costs simply seeks to treat capital costs like all other parent-subsidiary transactions and applies an asymmetrical approach. Just as with the parent providing labor or office space to the subsidiary, the parent should not profit from providing capital to the subsidiary at a higher cost than it incurred to obtain the capital. In some sense, recognizing the consolidated capital structure is a form of ring-fencing.

Q. Has this policy been accepted by the Commission?

A. Yes, it has. I have been on the Utilities Division Staff since 1988. I have consistently applied this methodology since at least 2000 in telephone, gas distribution, and electric rate cases, and the Commission has consistently accepted it. As is discussed extensively in rate cases, the Courts give regulatory agencies, such as the Commission, wide latitude to determine a fair rate of return, of which capital structure and cost of debt are two of the components.

Q. Is Staff's position on EKC's capital structure consistent with the Commission's past practice?

A. Yes, it is consistent with the Commission's past practice of utilizing either the capital structure of the parent company or that of the utility subsidiary, which results in the lowest overall cost of capital. The Commission's Order denying the 16-593 merger at paragraph 90 reaffirms that commitment. The associated footnote cites three relevant dockets and their related Court of Appeals decisions affirming the Commission's decisions that date back to 2004. Thus, the Commission's policy is not new, especially to the Applicants who have dealt with this policy in two recent dockets. Paragraph 90,

> Since the Commission is denying the Joint Application, it is not necessary to determining the appropriate capital structure for the post-transaction entity. Nonetheless, the Commission reaffirms its commitment to use a capital structure that will result in the lowest overall cost of capital that is representative of utility operations." (footnote omitted)[26]

Q. To be clear, at paragraph 90 the Commission expressly refers to the "…the lowest overall cost of capital that is representative of utility operations." Is it Staff's view that capital held at the parent company meets the principle espoused by the Commission?

A. Yes, because the subsidiaries of Evergy, which include EKS and EKC, depend on it for financing from the capital markets. Evergy subsidiaries have issued debt, share in a credit facility agreement with a syndicate of banks, and depend on the parent company to raise equity capital. *[redacted]*[27]

Evergy is the only shareholder of EKC. It is difficult to separate the parent from its subsidiaries because shareholders invest in the public utility operations of the subsidiaries via ownership in Evergy common stock, and the linkage rating agencies make between the parent and subsidiary credit ratings. In 2024, Evergy paid shareholders $597 million in dividends. Evergy has no means to generate earnings from which it can pay dividends other than its stock ownership in its electric utilities. Evergy acknowledges in filings with the Securities and Exchange Commission that cash flow from its subsidiaries is its only

[26] Order issued April 19, 2017; para 90; 16-KCPE-593-ACQ.
[27] Evergy Kansas Central; S&P Global Ratings Direct; December 16, 2024; p. 4 (CURB-13, Confidential)

means of funding interest payments on its debt.[28] The cash needed to pay dividends and interest by Evergy can only be met by the regulated electric utility subsidiaries, where the sum of the net income of EKC (which includes EKS) and Evergy Metro, Inc. (which is EKM plus the Missouri side of the utility) equates to 98% of Evergy's net income.

Q. Is the Commission's established policy on using the lowest possible capital structure unique?

A. The Commission has adopted a policy that addresses issues in Kansas based on the facts presented in cases before it. Simply copying the policies of other commissions or federal regulatory agencies may not serve Kansans well. The policy of applying the lowest cost capital structure is well within the scope of rate-making practices.[29] As noted in footnote 228 of the Commission's 15-593 Order, the Commission's established practice is upheld by the Kansas Court of Appeals in cases that involved wide-ranging, unique factual backgrounds of varied rate of return regulated enterprises. Footnote 228 of the Commission's 15-593 Order reads as follows:

> [228] *See Moundridge Tel. Co. v. Kan. Corp. Comm'n*, No. 114,064, 2015 WL 7693784, at *16 (Kan. Ct. App. Nov. 25, 2015); *Aquila, Inc. v. Kan. Corp. Comm'n*, No. 94, 326, 2005 WL 1719705, at *2-3 (Kan. Ct. App. July 22, 2005); *Wheat State Tel. Co. v. Kan. Corp. Comm'n*, No. 91,640, 2004 WL 895534, at *2 (Kan. Ct. App. Apr. 23, 2004).

Finally, the Applicants have provided no analysis to demonstrate that FERC's capital structure policy cited in Mr. Ives Direct Testimony sufficiently balances the interests of shareholders and Kansas consumers. It would not be reasonable for this Commission to

[28] SEC Form 424(b)(2), Evergy, Inc., 6.65% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due 2055; Prospectus Supplement dated December 2, 2024; p.S-14.
[29] Principles of Public Utility Rates (2nd ed), Bonebright, J. et al; pp, 306-311; 1988.

abandon its longstanding policy in favor of a FERC policy that is not balanced and that may harm Kansas consumers.

Rebuttal of Evergy's Proposed 10.25% Return on Equity

Q. What are your primary disagreements with witness Bulkley's ROE recommendations?

A. Staff's disagreements center on three issues that results in Ms. Bulkley's ROE estimates being well above what is required by investors: 1) relying solely on three to five year earnings growth forecasts as estimates for long-term growth in her CAPM, empirical CAPM (eCAPM), and DCF models; 2) creating an unrealistically high forecast of market returns used in her CAPM and eCAPM analyses; and 3) relying on a risk premium study does not reflect the risks of EKC and Evergy.

Q. How do Ms. Bulkley's outcomes compare to Staff's recommendation when you address these issues in her analysis?

A. I have two concerns that cause Ms. Bulkley to overestimate the ROE for EKC: 1) her sole reliance on three-to-five-year earnings growth forecasts to estimate long-run earnings growth; and 2) her reliance on an expected return in the broad-based equity market of 12.05%. Correcting for these two issues using more realistic inputs lowers the outcomes and brings her estimates in line with Staff's recommendation.

Incorporating long-run nominal GDP (nGDP) growth estimate into her DCF analyses reduces the results from her constant growth DCF models by 124 basis points from an average of 10.30% (seen in Exhibit AEB-1) to 9.04%. Substituting forecasted market

returns published by professional, institutional money managers in place of the 12.05% market return estimated by Ms. Bulkley reduces her CAPM results by 219 basis points, from an average of 10.72% to 8.53%.

Staff's Corrections to Exhibit AEB-1
25-EKCE-294-RTS

	Constant Growth DCF	
1)	Average of Mean Results	10.39%
	Average of Median Results	10.20%
		10.30%
2)	KCC Staff Adjustment to Growth Rate to Reflect Long-Term Economic Growth Estimates	-0.0124
	Corrected Constant Growth DCF	9.06%
	CAPM Results Using Longer-Term Interest Rate Projections	
	Current Value Line Beta	11.62%
3)	Currrent Bloomberg Beta	10.39%
	Long-term Average Value Line Beta	10.15%
		10.72%
4)	KCC Staff Adjustment to Reflect Lower Expected Market Returns by Institutional Money Managers	-2.19%
	Corrected CAPM Results	8.53%

1) Constant growth DCF results summarized on Exhibit AEB-1 Averaging DCF analyses using stock prices gathered over 30, 90, and 180 day study periods

2) Adjustment to reflect long-term nominal GDP growth in DCF model averaging 3 to 5 year earnings growth rate with nGDP

3) Average of CAPM results summarized on Exhibit AEB-1 Average of three cited sources of beta coefficients incorporating Blue Chip long-term forecast for 30 year Treasury bond yields

4) Adjustment to reflect 8.0% expected market returns of instititional money managers in place of Applicant's forecast of a 12.00% market return

Reliance on 3 to 5 Year Growth Forecasts Rebuttal

Q. Explain your disagreement with Ms. Bulkley's reliance on three to five your earnings growth forecasts.

A. Ms. Bulkley's market return estimates do not reflect investors' expectations of returns from the equity market. For inputs to the CAPM and DCF models, Ms. Bulkley relies on three- to five-year forecasts, despite the CAPM and DCF models' explicit requirements for long-term perspectives well beyond three to five years. As I discuss in the DCF section of my analysis, the DCF model in the form that Ms. Bulkley and I use depends on a growth estimate that continue in perpetuity because equity capital has an infinite life span.[30] Investors incorporate long-run growth forecasts in their valuation analyses, while Ms. Bulkley's analyses assume three-to-five-year earnings growth rates continue in perpetuity. The problem is that three-to-five-year growth rates are higher than investors expect to continue in the long run. Using these short-term growth rates as a surrogate for long-term growth, as Ms. Bulkley has done in her analyses, results in her eCAPM, CAPM, and DCF models overstating the required ROE estimates for the entities in her proxy group.

Later in my testimony I discuss how investors capture a longer-term perspective of earnings growth. Ms. Bulkley's three-to-five-year earnings growth forecasts are above the expected growth rate of the aggregate economy and therefore cannot be expected to continue in the long run. Ms. Bulkley's DCF analyses incorporate an average three-to-five-year earnings growth forecast of 6.56%, about 250 basis points above the long-run growth for the U.S. nominal GDP of 4.09%. Recognizing long-term growth in the economy in the analysis with a fifty percent weighting with the three-to-five-year growth estimates reduces the DCF calculations by 124 basis points. As I discussed later in my testimony, there is a link between economic growth of the broader economy and expected long-term returns for

[30] The Cost of Capital Practitioner's Guide; David C. Parcell; p. 8-6; 1997 Edition.

equity investments; thus, it is reasonable to assume investors incorporate long-run economic growth assumptions in their investment decisions.[31] Cost of capital witnesses and institutional investors informed FERC that they view inclusion of a long-term perspective for growth as critical in valuing equity investment.[32] Respected treatises on investment valuation incorporate broad measures of long-run economic growth as suitable surrogates for long-run corporate earnings growth.[33] As conservative as that sounds, some institutional investors view even nominal GDP (nGDP) growth as an overly generous forecast for long-run growth in earnings and dividends of mature companies.[34] My objection to Ms. Bulkley's use of short-run, three-to-five-year earnings growth forecasts is based on her failure to temper those short-run growth forecasts with a long-term perspective of broad economic growth.

The effects of her sole reliance on three-to-five-year earnings growth estimates are less obvious, but far more significant in Ms. Bulkley's CAPM analyses and causes a significant upward bias in her recommendation. Within her CAPM analyses, she calculates an anticipated market return on the broad equity market index using the S&P 500 Index (SP500). Her DCF analyses on *selected* members of the SP500 lead her to conclude that investors can expect to realize annual returns of 12.05% in the future. Her 12.05% forecasted return on the market is based on *her* estimate of *10.51% annual earnings growth* for the SP500. The difference between market returns forecasted by Ms. Bulkley and those

[31] Linking GDP Growth and Equity Returns, Monthly Insights from the Office of the Chairman, Goldman Sachs Asset Management, Jim O'Neill; May 2011.
[32] FERC Opinion 396-B, pp 10-11.
[33] Graham and Dodd's Security Analysis; Cottle, Murray, and Block; pp.572-574; 5th ed.
[34] Earnings Growth: The Two Percent Dilution; William J. Bernstein and Robert D. Arnott; Financial Analysts Journal; September/October 2003; p 47.

forecasted by the professional money managers is inconsistent and overstated because she assumes a higher rate of growth than has been experienced in the past and projected by the Federal Reserve. For example, the following table contains the forecasted market returns that Staff used in its CAPM analyses, with an average of 8.98% *or more than 300 basis points lower* than Ms. Bulkley's personal forecast.

Market Returns Forecasted by Institutional Money Managers 25-EKCE-294-RTS

J.P. Morgan Asset Management		
	Arithmetic Return Estimate	8.21%
	Geometric Return Estimate	6.85%
Black Rock (Geometric Average, Jan 2025)		7.00%
Kroll, Inc. (April 2025)		10.41%

Foreccasted 10 to 15 year annual returns; J.P. Morgan Asset Management 2025 Edition,

Forecasted 20-year annual geometeric returns on U.S. common stocks; January 2025

Kroll, Inc.
5.50% Equity Risk Premium + 4.91% Riskfree Rate
Risk free is based on current 20 year T-Bond yield in April 2025

The 12.05% return forecasted by Ms. Bulkley is purely her own work, produced for her analysis in this docket. On the other hand, institutional money managers employ professional forecasters to estimate future market returns. These forecasts are essential to institutional money managers' performance and ability to meet clients' needs. Combined, BlackRock and J.P. Morgan Asset Management (JPMAM) have more than $11 trillion of assets under management with individual and institutional clients worldwide. Other asset managers, like Vanguard Group, which has over $8 trillion in assets under management, forecast lower long-term returns than BlackRock and JPMAM.

It is also important to note that Ms. Bulkley's expected 12.05% forecasted return for the market is the product of her relying on a very select group from the SP500. She offers no details regarding the companies excluded from her study. Based on her work papers for Exhibit AEB-6, she applied the same criteria as those in the 23-775 Docket, excluding companies that do not pay dividends, those with negative earnings growth, and those with earnings growth greater than 20%. Her screening process results in a modified index that does not look like the SP500 or the equity markets. For instance, her modified index does not include companies Berkshire Hathaway, ExxonMobil, Amazon, and NVIDIA.[35] Each is a significant participant in their respective industries, but also these are some of the largest publicly traded companies globally, and the long-run return expected for these companies affects investors' expected returns. These four are just some of the *134 companies* Ms. Bulkley removed from the SP500 when she calculated her expected return for the "market."

Q. Does Ms. Bulkley attempt to legitimize her estimate of a 12.05% return for the market?

A. Yes, Ms. Bulkley rationalizes the reasonableness of a 12.05% return by comparing it to the annual returns of the years 1926-2023, stating that her expected annual return of 12.05% is within the return investors experienced in the past. That is correct and consistent with Staff's CAPM, which is based on historic market returns. As mentioned above in the discussion of Staff's CAPM analyses, those historic returns of the past 97 years are the result of the economic growth rates of that era, which were greater than those expected

[35] Direct Testimony of Ann E. Bulkley; Exhibit AEB-6, pages 1-6; Docket 25-EKCE-294-RTS.

from 2025 going forward. For that historic 97-year period, U.S. nominal GDP experienced an annual growth rate of 6.11%.[36] Going forward, long-run nominal GDP growth expectations examined by Staff average 4.08%.[37]

As I discuss later in my testimony the growth rates used in Staff's DCF analysis, there is a close relationship between economic growth and expected returns on common stocks. The difference in economic growth between the past and the future is substantial. The widely accepted prospective economic growth rate does not support a 12.05% return in the market.

There is also the fact that if corporate profits, which are a part of the national income accounts, were to have grown at a rate of 10.51% as Ms. Bulkley expects, that is so much greater than that of the aggregate economy we would have observed corporate profits becoming an ever larger portion of GDP, a phenomenon that has not happened and cannot occur indefinitely. Ms. Bulkley does not present evidence to support that such a seismic change in GDP will occur. Ms. Bulkley's ROE recommendation depends directly on her theory that earnings grow, in perpetuity, at 6.56% for her electric utility proxy group and

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Historical Compound Annual Growth Rate	Nominal GDP (Billion $'s)		
1929	$	104.60	
2024	$	29,183.80	**6.11%**

Source: Bureau of Economic Analysis
Table 1.15 Gross Domestic Product
www.bea.gov

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Nominal GDP Estimates	
Energy Information Agency (EIA) 2023 - 2050	4.29%
Congressional Budget Office Long-term Outlook 2024 - 2054	3.89%
Soc Sec Admin (SSA) OADSI Trustees Report 2024 - 2100	4.07%
Average of Forecasts	4.08%
Historical Compound Growth Rate 1929-2024	6.11%

Sources:
EIA Annual Energy Outlook 2023
An Update to the Economic Outlook: 2024-2054; CBO, July 2024
OADSI Trustees Report Office of the Chief Actuary, Table V.B1-V.B2 (2024)
BEA; Table 1.15 Gross Domestic Product

10.51% for the broad equity market; both forecasts are well above the growth rate expected for the economy going forward. Her assumptions for earnings growth cause an upward bias in her recommended return for EKC.

Q. Have you quantified the effect of this error?

A. As I established above, Ms. Bulkley's market return estimate in her CAPM and eCAPM is 300 basis points above institutional investors' forecasts. Coupled with the proxy group average beta of 0.90, her CAPM overstates the ROE by about 220 basis points, from 10.72% to 8.53%.

Risk Premium Analysis Rebuttal

Q. Please describe Ms. Bulkley's Utility Risk Premium study.

A. Ms. Bulkley constructs a Utility Risk Premium equation from quarterly data of allowed returns granted to electric utilities by regulatory commissions from 1980 through 2024 and the 30-Year U.S. Treasury Bonds yield. She obtains the quarterly data on allowed returns from S&P Market Intelligence, commonly referred to by its historic name, Regulatory Research Associates or RRA. She uses this data to derive a "risk premium" that regulators have granted to electric utilities over the prevailing U.S. Treasury Bond Yields at the time of the rate case decision.

Q. Should the Commission put any weight on Ms. Bulkley's "risk premium" study?

A. No. I disagree with using her analysis because it has weaknesses that cast doubt on the applicability of the results to any specific utility, such as EKC. Although the data provides

an interesting retrospective of regulatory and U.S. Treasury yield history, the Commission should disregard it in setting the allowed return for four reasons.

First, the primary data is not derived in the competitive capital markets by decision makers who put their capital at risk. Competitive financial markets are universally considered highly efficient in that the reported prices reflect the actions of a willing buyer and a willing seller of a security acting on the available information. The allowed ROEs granted by utility commissions do not embody the decisions of countless market participants. Those allowed ROEs are of the utility commissioners who are not taking an economic position in the securities but instead making public policy rulings. Those commissioners are not taking a financial risk by purchasing or selling stock when they set a return.

Second, there is no control for risks and policy decisions specific to each rate case decision relative to the issues presented in this Docket and EKC's risk profile. The data in the study is the allowed return adopted by public utility commissions in rate cases from 1980 through 2024. This data is the result of commissions' decisions weighing the cost of equity analyses filed in the dockets as well as all of the other elements and nuances of the rate case that is before them; elements that may or may not exist in this docket, for example the presence or absence of regulatory mechanisms in place for EKC. Ms. Bulkley gathers the allowed returns on equity data on dockets involving vertically integrated electric utilities without screening for the risk of the underlying utilities. There is no way to know how the utilities' risk in those cases compares to EKC's and Evergy's bond ratings or any other risk measures. The Commission needs to be cautious in using a risk premium study like Ms. Bulkley has proposed because it does not comport with the framework set out in the *Hope*

and *Bluefield* decisions, as there is no comparison of the risk of the utilities in that historic data to the risk of EKC today.

Third, the risk premium study is not a comprehensive measure of ROEs used to set revenue requirements because rate case outcomes do not report the allowed ROE. Not all allowed returns on equity used to establish a revenue requirement are reported at RRA; at times, there are agreements that remain silent on that issue, even though a new revenue requirement is established. It is impossible to know if those missing data points change the results. The amount of missing data points is noteworthy. From 1980 through 2024, Ms. Bulkley relied on 1,904 rate case decisions of vertically integrated electric utilities that contained a specific ROE granted to the utility. In that same period, for vertically integrated utilities, 332 or 17% were settled with *no* ROE stated in the order.

Fourth, the regression equation attempts to forecast a rate case outcome based on a single input of interest rates. To my knowledge, the Commission has never relied on this approach to set an allowed return. As an experienced rate of return analyst, I believe it grossly oversimplifies the issue. Merely using an interest rate relationship to allowed returns does not account for the risk of EKC compared to those historic decisions across the 44 years.

Regulatory & Business Risks

Q. Do you agree with Ms. Bulkley's analysis of the regulatory and business risks EKC faces?

A. EKC faces regulatory and business risks, as do all of the 17 electric utilities in the proxy

group, and all other regulated utilities. Ms. Bulkley conveys a picture that EKC faces greater risks. The overall business risk data does not support her conclusion. Significantly, Ms. Bulkley's Exhibit AEB-10 reports that S&P views Kansas' regulatory construct as "Highly Credit Supportive." Both rating organizations state that regulatory and legislative risks are important in their ratings of regulated public utilities. Moody's states that regulatory risk comprises 25% of the ratings scorecard, while the utility's ability to charge rates that recover its costs and earn its allowed return comprises an additional 25% of the rating score.[38] Ms. Bulkley and I relied on credit ratings as a screen when selecting our proxy groups, and we selected electric utilities with credit ratings similar to EKC, EKS and Evergy. Ms. Bulkley's attempt to refine these risks only considers certain elements. It makes it difficult to determine whether she is double-counting risks while ignoring mitigating elements that the rating agencies considered in their risk assessment.

Nuclear Generation as a Risk Factor

Q. Mr. Ley and Ms. Bulkley cite to EKC's ownership of nuclear generation as a risk that the Commission must consider when setting an allowed ROE. Does Staff agree?

A. Each form of generation represents a risk profile. The question is whether EKC's generation profile brings a level of risk that is so different from that of the proxy group that the Commission must make a specific adjustment to account for that risk.

Q. Please describe EKC's ownership of nuclear generation assets.

A. EKS, a subsidiary of EKC, formerly known as Kansas Gas & Electric owns 47% of Wolf Creek Nuclear Operating Corporation (Wolf Creek); Evergy Metro, formerly known as Kansas City Power & Light, also an Evergy subsidiary owns 47% while Kansas Electric

[38] Moody's Investor Service Credit Opinion (CURB 13, confidential), Evergy Kansas Central, Inc. January 17, 2025; p.7.

Power Cooperative, Inc. owns the remaining 6% of Wolf Creek. Wolf Creek represents 1,106 MW of Evergy's 12,036 MW of owned generation and its 3,754 MW purchased power portfolio.[39] Wolf Creek began operations in 1985 and has been granted a 20-year life extension to end operations in 2045.

Q. Does the proxy group selected by Ms. Bulkley included electric utilities that own nuclear generation assets?

A. Yes. Ms. Bulkley reports in her testimony that 9 of the 17 proxy companies own nuclear generation assets.[40] Accordingly, the risks associated with nuclear generation are well represented within the proxy group. The following table appears in Ms. Bulkley's direct testimony at p.48.

[39] Evergy, Inc.; SEC Form 10-K for 2024; pp.32-33.
[40] Bulkley Direct; 25-EKCE-294-RTS; p. 48.

Company	Own Nuclear Generation
Alliant Energy Corporation	No
Ameren Corporation	Yes
American Electric Power Company, Inc.	Yes
Avista Corporation	No
CMS Energy Corporation	No
DTE Energy	Yes
Duke Energy Corporation	Yes
Entergy Corporation	Yes
IDACORP, Inc.	No
NextEra Energy, Inc.	Yes
NorthWestern Corporation	No
OGE Energy Corporation	No
Pinnacle West Capital Corporation	Yes
Portland General Electric Company	No
PPL Corporation	No
Southern Company	Yes
Xcel Energy Inc.	Yes
Own Nuclear Generation	**9**
Total	**17**
% Owned Nuclear Generation	**53%**

Q. Are there other EKC witnesses addressing nuclear generation risk?

A. Mr. Ley addresses it on page 14 of his direct testimony, stating that electric utilities with nuclear generation facilities have been granted an average of 37-basis point premium over the average allowed ROE granted to electric utilities without nuclear generation. His question and response are below.

Are there any company-specific risks that should be accounted for in this proceeding?

Ms. Bulkley identifies nuclear power operations as a relevant company-specific risk.[13] Utilities with nuclear operations across the industry have more risk and have historically been allowed higher ROEs. As shown in *Figure 1* and *Figure 2* below, the average authorized ROE across all states is approximately 9.67%, while the subset of states with nuclear operations in investor owned, vertically integrated utilities report an average authorized ROE of 10.04%. That represents a 0.37% premium in the average authorized ROE for states that have utilities with nuclear operations relative to the nationwide average. Such a differential is not surprising in light of the unique risks that credit rating agencies and investors recognize when it comes to utilities' ownership of nuclear generating assets.

I disagree with Mr. Ley's extrapolation from the national data. The data does not demonstrate investors' views regarding the risk of nuclear power assets. The underlying data is the allowed returns granted to electric utilities. Mr. Ley independently and without evidence concludes that the 37 basis points are tied to only *one* issue, ownership of nuclear generation, when in reality, there are many policy issues underlying each commission's decision. To that point, Mr. Ley did not compare electric utilities of comparable risk to EKC. He simply looked at broad national averages of commission decisions on allowed ROEs and drew his own conclusion.

Q. Does Ms. Bulkley's analysis support Mr. Ley's conclusion?

A. No. Ms. Bulkley's analysis using data on the Proxy Group from the current capital markets contradicts Mr. Ley's conclusion. Ms. Bulkley's 17-member proxy group contains 9 that own nuclear generation. Based on her study that directly measures investor behavior (not behavior of commissions as Mr. Ley has done), those 9 on average have lower beta

coefficients and lower DCF results than the 17-member group; these two measures of investors' view of risk contradict Mr. Ley's assertion.

Q. Do you disagree that ownership of nuclear generation facilities brings with it, unique risks?

A. There is no doubt that there are unique risks associated with nuclear generation. Every credit rating report supplied by EKC in response to data request CURB-13 contains a discussion of that issue; it is clearly a factor in the EKC and Evergy credit ratings, and that of the proxy companies. The question is whether the Commission must make an explicit allowance for this risk because it is not captured in the proxy group. I contend that an explicit upward adjustment is not warranted to meet the Hope and Bluefield standards because that risk is captured in the proxy group.

Wildfire Risks

Q. Ms. Bulkley specifically cites wildfires in her discussion of EKC's regulatory and business risks, is this a risk that should affect EKC's allowed ROE?

A. I agree that it is a risk for EKC, as it is for virtually all electric utilities including those of the Proxy Group. It is a risk that investors are aware of and able to price that risk into their financial analysis of each member of the Proxy Group, thus that risk is captured in the DCF and CAPM analyses. There is no evidence that EKC faces greater wildfire risks than those faced by the Proxy Group members. Furthermore, legislation in Kansas through H.B. 2107 defines and reduces the liability of Kansas electric utilities for fire events.

Capital Expenditures

Q. Does Staff agree that EKC will have higher capital expenditures during the next five years it has had in the recent decade?

A. Yes, the electric utility industry and EKC are forecast to have higher levels of capital

expenditures on plant and equipment than experienced in the recent past. Mr. Ley discusses projected capital expenditures for the industry and EKC beginning on page 10 of his direct testimony. Ms. Bulkley discusses the issue beginning at page 37 of her direct testimony. The need for additional capital investment in plant and equipment to meet projected load growth is an issue throughout the electric utility industry and noted by quotes from all three credit rating firms on pages 56-57 of Ms. Bulkley's testimony. With at least one ratings firm recognizing that revenue requirement recovery of and return on those capital expenditures will press against bill affordability issues.[41]

Specific to EKC, there is evidence that it will incur a significant level of capital expenditure and a level greater than the average of the Proxy Group, although not outside the range of observations. The following table compares projected capital expenditures against existing net plant, property, and equipment balances. I excluded transmission from the projected capital expenditures because those are largely FERC-regulated, subject to an annual formula rate mechanism.

[41] Bulkley Direct 25-EKCE-294-RTS; p. 57.

Comparison of Projected Capital Expenditures (without Transmission)
Against 2024 Net Property Plant & Equipment Balances
Proxy Group, Evergy, Inc. and Evergy Kansas Central, Inc.
25-EKCE-294-RTS

1		2	3	4	5	6
		Net PP&E ($s in Mil)	CapEx '25-'27	CapEx/ Net PP&E	CapEx Annualized	
Alliant Energy Corporation	LNT	$ 18,701	$ 7,316	39%	$ 2,439	13%
Ameren Corporation	AEE	$ 36,376	$ 14,498	40%	$ 4,833	13%
American Electric Power Company, Inc.	AEP	$ 82,996	$ 11,980	14%	$ 3,993	5%
Avista Corporation	AVA	$ 6,119	$ 2,325	38%	$ 775	13%
CMS Energy Corporation	CMS	$ 27,485	$ 12,000	44%	$ 4,000	15%
DTE Energy Company	DTE	$ 31,081	$ 17,808	57%	$ 5,936	19%
Duke Energy Corporation	DUK	$ 122,757	$ 33,475	27%	$ 11,158	9%
Entergy Corporation	ETR	$ 47,847	$ 18,845	39%	$ 6,282	13%
IDACORP, Inc.	IDA	$ 6,517	$ 1,647	25%	$ 549	8%
NextEra Energy, Inc.	NEE	$ 140,050	$ 74,224	53%	$ 24,741	18%
NorthWestern Corporation	NWE	$ 6,398	$ 1,637	26%	$ 546	9%
OGE Energy Corporation	OGE	$ 11,538	$ 2,590	22%	$ 863	7%
Pinnacle West Capital Corporation	PNW	$ 20,114	$ 5,725	28%	$ 1,908	9%
Portland General Electric Company	POR	$ 10,296	$ 1,880	18%	$ 627	6%
PPL Corporation	PPL	$ 33,149	$ 9,025	27%	$ 3,008	9%
Southern Company	SO	$ 105,870	$ 21,900	21%	$ 7,300	7%
Xcel Energy Inc.	XEL	$ 57,861	$ 17,030	29%	$ 5,677	10%
			Mean	32%		11%
			Median	28%		9%
Evergy, Inc.	EVRG	$ 24,787	$ 6,025	24%	$ 2,008	8%
Evergy Kansas Central*	EKC	$ 12,880	$ 5,249	41%	$ 1,750	14%

*Geoffrey T. Ley Direct, p. 11; $7.4 billion ('25 thru '29) of EKC cap ex from EVRG earnings call November 7, 2024; Slides 25 & 26

1) Proxy Group
2) Net property, plant, and equipment at December 31, 2024, reported by S&P Capital IQ Pro,
3) Utility capital expenditures update, H1 2025: 2014–29f, as of March 24, 2025. Reported by S&P Global Market Intelligence and Regulatory Research Associates (as noted, EKC is a five year forecast period provided November 7, 2024) witout transmiision related cap ex
4) Three year forecasted Cap Ex / Net Property Plant & Equipment
5) Annualized cap ex values, three years for proxy group and five years for EKC)
6) Annualized forecasted Cap Ex / Net Property Plant & Equipment

Q. Do the projected capital expenditures distinguish EKC from the proxy group?

A. Yes, although the level of projected capital expenditures is not unique to EKC; it is industry-wide, including the proxy companies, and is well known to equity and fixed income investors. On a total and an annualized basis, EKC's projected level of capital expenditures is at the upper end of the observed range found in the proxy group. Evergy's management team educates investment analysts about their abilities and tools to manage EKC's projected capital expenditure. Those tools include plant in service accounting

(PISA) and a rider to recover construction work in progress associated with natural gas generation projects, provided through the passage of House Bill 2527. Regular rate cases are also one of those tools discussed with analysts. The following is a discussion between an analyst and Evergy senior management on their tools to manage regulatory lag.[42]

Next question comes from the line of Durgesh Chopra with Evercore.

Durgesh Chopra
Evercore ISI Institutional Equities, Research Division

Bryan, my congratulations to you as well. So just, guys, can you talk about the cadence of the long-term growth rate here, upper half of 4% to 6%. Is that a range that you will hit each year? Or is that more sort of a CAGR approach tied to rate case timings, et cetera, et cetera?

David A. Campbell
CEO, President & Chairman of the Board

Yes, Durgesh, a good question. And just to reiterate, we've established our 2025 guidance range in part to be -- give a baseline for that 4% to 6% following 2025 and a top half -- expected in the top half of that range. In general, we're going to have consistent execution in the top half. There are year-over-year, there can be some dynamics relating to timing. So we haven't given year-over-year guidance, but our overall goal is for consistency, but there can be some dynamics year-over-year.

In particular, our jurisdictions and the relative size can drive some variation, but we don't expect to be all that significant. And certainly, our goal is to be consistent. We know that that's what investors like to see, and that's what we'll strive for. A more regular cadence of rate cases can help with that, and it can also help from the customer perspective, we always balance that, of course, when we think about timing because then there's a more predictable and sort of ratable impact on customers as well.

Durgesh Chopra
Evercore ISI Institutional Equities, Research Division

Got it. So more close to just linear and consistent growth year on, year out. That's great. And then just as you think about regulatory lag, and you've got all this constructive legislation in the states, you're going to be in a more active rate filing cycle. How should we think about regulatory lags throughout your 5-year plan?

W. Bryan Buckler
Executive VP & Chief Financial Officer

Yes. Durgesh, I'll take that. And I'll just add on to what David said before. I really think it's -- 2026 is right around the corner, and we have a lot of momentum and tailwinds for the plan that are going to kick in beginning in '25, but certainly in 2026 and beyond.

And as you think about our 5-year plan and your question around regulatory lag and rate case cadence, we certainly are pleased to have PISA both in Kansas and Missouri. As you know, we have CWIP and rates for new gas generation. That's really important to help our credit metrics as we make these large investments for our customers.

So regulatory lag is certainly better managed under the provisions of PISA going forward, not that there's not any, there's still going to be some regulatory lag. And with this large of an investment profile over the next 5 years, it's going to be important that we stay current on our recoveries and investments. So that's why you'll see, as David described, us being a bit more regular in our cadence. Think about it as roughly every 18 months for most jurisdictions, but not all.

[42] Transcript of 3rd Quarter 2024 Earnings Call, November 7, 2024; https://www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/docviewer?mid=232477492&KeyProductLinkType=2

David A. Campbell
CEO, President & Chairman of the Board

And Durgesh all I'd add is the, I think we've seen in Missouri, and we've got some peer utilities in the Missouri jurisdiction. PISA creates a framework where you can manage a regulatory lag, a pretty regular cadence for the other utilities in Missouri as well, reflecting that PSA doesn't lead to the earnings contribution. It just helps to mitigate lag. So there's still -- you want to have a regular cadence. So we're really pleased to have PISA enacted in Kansas, not only for the provisions and the regulatory lag mitigation, but because it reflects the consistent and widespread support for investment to support economic development in Kansas state.

So we've got mechanisms in Kansas now they're actually slightly ahead of Missouri because there is 90% deferral rather than 85% in the Seaway provision on the Kansas side, not yet on the Missouri side. So we think there are tools to manage that regulatory lag, but a regular cadence of rate cases will be important. And again, from my perspective, also beneficial for customers because a little more predictable and more regular as opposed to having longer delays and then step function increases.

Durgesh Chopra
Evercore ISI Institutional Equities, Research Division

I appreciate that discussion, very helpful. But just kind of putting a finer point on it, Dave, are you modeling substantial improvement in regulatory lag as you roll out this 5-year capital plan? Or how should we think about that? Maybe just directionally if you don't want to quantify it?

W. Bryan Buckler
Executive VP & Chief Financial Officer

Yes. I mean, directionally, there's no doubt. As we -- I'll give it to you this way, Durgesh. When we went through the modeling, I was able, as David mentioned, to come in with some fresh lenses, but I'm quite fortunate to come into the company after -- that there was some -- the company had notched some significant achievements in 2024.

We've talked about the supportive legislation in Kansas, constructive rate case settlement in Missouri and then the Google announcement in the second quarter. So certainly, the team has been through very much the detailed planning. We've looked at earnings growth that is, as I mentioned, very strong beginning 2026, which is right around that corner.

We've embedded the load growth we expect, but with more tailwinds to come. We now have rate base growth that's 8% versus the past, it was 6%. So all those things give us tremendous confidence in being in the top half of that 4% to 6% growth through 2029.

I do think we're being conservative in our messaging, as David mentioned, because we want to execute across our work streams, and firmly land at a higher growth rate, hopefully, in the future. But directionally speaking, for sure, regulatory lag is less burdensome than it was in previous plans given the provisions of the law we have

Management states that it has tools to manage regulatory lag and that the capital investment and the load growth that those assets will serve will increase Evergy's earnings growth rate. Regulatory risk cannot be eliminated; it comes with being a regulated utility granted an exclusive franchise. Like all the electric utilities in the proxy group, EKC faces regulatory risks because economic regulation of monopolies has been found to be in the public interest. The level of regulatory risk from EKC's capital investments is not outside of what is observed in the proxy group.

Standards for a Just & Reasonable Rate of Return

Q. What is the role of rate of return in setting a revenue requirement for public utilities?

A The ROR earned on the utility's net plant is part of the revenue requirement equation. The ROR is a cost of providing the utility service, and all reasonable costs associated with the ROR need to be included in the revenue requirement.

Revenue Requirement = ROR (gross plant – accum. depr.) + Operating Exp. + Income Taxes

As you can see in the revenue requirement formula, the ROR expressed in this equation recovers the utility's return on its net plant investment.

Q How is the utility's ROR calculated?

A utility's ROR is its weighted average cost of capital (COC). COC is the cost of each of the various forms of capital supplied by investors, which includes debt, preferred equity, common equity, and any hybrid securities, multiplied by their respective weights in the utility's capital structure. The cost or return associated with each of these forms of capital is unique and a function of the risks associated with that form of capital.

Q What are we talking about when we discuss a utility's rate of return or allowed return?

A In the broadest terms, a just and reasonable rate of return enables the utility to pay interest on its debt and earn a net income that is sufficient to compensate equity investors.

Q. What standards should commissions consider when authorizing a rate of return?

A. The standards for setting a just and reasonable rate of return require that, to be reasonable, the allowed return must reflect the risks associated with an equity investment in the utility. For the allowed return to be in that reasonable range, it must compensate for those added

risks while capturing a fair proportion of benefits for consumers. The allowed ROE is best described as the forward-looking discount rate necessary to induce equity investors to commit their capital to the enterprise. Standards used to gauge the fairness and reasonableness of an allowed ROE have been stated by courts, as a result of appeals of decisions issued by regulatory agencies. Financial analysts and policy-makers rely on the courts' decisions to estimate the appropriate allowed return. The opinions do not provide a detailed discussion on precisely how to estimate or model a reasonable allowed return. Instead, the decisions provide critical questions for policymakers and analysts to consider in determining a reasonable return for a regulated utility.

In general, United States Supreme Court decisions state that returns granted to regulated public utilities should: (1) be commensurate with returns on investments of similar risk; (2) be sufficient to assure the financial integrity of the utility under efficient economic management; and (3) change over time with changes in the money market and business conditions.[43] An important take-away from these decisions is that the Supreme Court of the United States has afforded regulatory agencies a significant amount of latitude in establishing an appropriate ROR and ROE for a utility. The Kansas Supreme Court recognizes and follows this body of law.[44] This Commission has noted this fact in Orders issued in previous dockets.[45]

Q. Will you please discuss how financial analysts apply the standards established by the

[43] *Smyth v. Ames*, 169 U.S. 466 (1898); *Wilcox v. Consolidated Gas Co*., 212 U.S. 19, 48-49 (1909); *Bluefield Water Works & Improvement Company v. Public Service Commission of West Virginia*, 262 U.S. 679, 692-3 (1923); *Federal Power Commission v. Hope Natural Gas Company*, 320 U.S. 591, 603 (1944).
[44] *Kansas Gas & Elec. Co. v. State Corp. Comm'n*, 239 Kan. 483, 491, 720 P. 2d 1063, 1072 (1986).
[45] Order: 1) Addressing Prudence; 2) Approving Application, in Part; & 3) Ruling on Pending Requests, Docket No. 10-KCPE-415-RTS, November 22, 2010, 37-38.

Courts?

A. For an allowed ROE to meet the legal standards, the return should be as specific as possible to the utility in question. Financial analysts achieve this goal by analyzing not only the utility in question, when it is possible to do so, but also a proxy group of similarly situated utilities using established and accepted financial models, just as investors do.

There are several court cases that, as a group, are viewed as the keystone to measuring the adequacy of a utility's allowed return. The earliest of these decisions go back to an era when it was not only the "rate of return" at issue, but also the fundamental measurement of the investment in the utility enterprise, commonly referred to as rate base. This is less of an issue today as regulators, utility management, and investors readily accept actual historic-depreciated value as the measure of investment to estimate the value of a utility's rate base (as opposed to reproduction cost or market value). The Court's decision in *Bluefield* addressed both rate base and ROR.[46] Treatises on rate of return for public utilities, such as The Cost of Capital – A Practitioner's Guide, agree that *Bluefield* lays out the four standards for a fair return:

1) *Comparable Earnings* – a utility is entitled to a return similar to that being earned by other enterprises with similar risks, but not as high as those earned by highly profitable or speculative ventures;
2) *Financial Integrity* – a utility is entitled to a return level reasonably sufficient to assure financial soundness;
3) *Capital Attraction* – a utility is entitled to a return sufficient to support its credit and raise capital; and
4) *Changing Level of Returns* – a fair return can change along with

[46] *Bluefield Water Works & Improvement Co. v. Pub. Svc. Comm'n of West Virginia*, 262 U.S. 679, 692-3 (1923).

economic conditions and capital markets.[47]

As a financial analyst formulating rate of return analyses for our state Commission, it is my understanding from *Bluefield* a rate Order should allow a utility an opportunity to earn a return consistent with the utility's risk profile and consistent with observations in the capital markets. The Court's decision in *Hope,*[48] like that in *Bluefield,* dealt with both valuation of rate base, as well as rate of return on that rate base. With respect to the rate of return, the Court in *Hope* affirmed the four standards set out in *Bluefield.*

Q. How do the Court's decisions offer guidance to analysts and Commissioners in setting a reasonable return on equity?

A. The Court's decisions provide a framework to help decision-makers understand the critical elements of a fair return, but the Court's decisions do not endorse or reject any specific financial model. There are numerous financial models available for analysts to estimate a utility's cost of equity capital. Regardless of which model is used, the analyst's recommendation must meet the principles set out in the Court's decisions.

[47] The Cost of Capital – A Practitioner's Guide by David C. Parcell, Prepared for the Society of Utility and Regulatory Financial Analysts, 1997, pp. 3-13 to 3-14.

[48] *Federal Power Comm'n. v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944). "The rate-making process under the Act, i.e., the fixing of 'just and reasonable' rates, involves a balancing of the investor and the consumer interests. Thus, we stated in the Natural Gas Pipeline Co. case that 'regulation does not insure that the business shall produce net revenues.' But such considerations aside, the investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view, it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. By that standard, the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital. The conditions under which more or less might be allowed are not important here. Nor is it important to this case to determine the various permissible ways in which any rate base on which the return is computed might be arrived at. For we are of the view that the end result in this case cannot be condemned under the Act as unjust and unreasonable from the investor or company viewpoint."

Q. How can commissions meet those four standards?

A. Selecting a proxy group of comparable risk to the utility in question is a significant piece of meeting the standards set out by the Court. I agree with Ms. Bulkley and Mr. Ley that capital markets are highly competitive, and investments of similar risk demand an opportunity to earn a similar return for investors to commit their capital. The proxy group is of the same industry, and even further similar level of risks as assessed by credit rating specialists. Commissions can meet the financial integrity and creditworthiness standards by providing the utility a reasonable opportunity to earn the rate of return and the revenue requirement that it is granted. The ability to attract capital again goes back to relying on a suitable proxy group to determine an allowed return, and that the allowed ROE offers a sufficient premium above investments lower in risk. Cost of capital witnesses recite these standards in every rate case, the standards apply directly to cost of capital analyses.

Q. Precisely, what are the financial models attempting to measure?

A. Regulators use the financial models to estimate the investors' required rate of return for owning the stock. The required rate of return is also referred to as an opportunity cost. Investors will only commit their capital to investments that meet their required return. Investors' required rate of return is their opportunity cost for investing in the utility, as opposed to using the funds for an alternative investment of comparable risk. Of course, risk is a vital consideration; the only relevant alternative investments are those that possess a comparable risk profile to that of the utility in question.

Q. Is the return on equity supposed to compensate investors for all risks associated with the investment in a utility's common stock?

A. No, it is not. Regulators need to be cognizant of financial theory and the Court's decisions when establishing the utility's allowed return on equity. Regulators must not attempt to compensate equity investors for every risk faced by a utility. To do so would overstate investors' required return because investors can, and therefore will, reduce risk by holding a broad and diverse group of investments with complementary risk profiles. Prudent investors own a diversified portfolio of investments to reduce their exposure to risk. Diversification enables prudent investors to reduce risk without reducing returns. Diversification is implicit in cost of capital analyses because rational investors desire diversification to achieve the greatest available return for the amount of risk they can tolerate. This is well documented in financial literature and is prudent, profit-maximizing behavior by the investors.[49]

Q. Does Staff's proposal meet these standards?

A. Yes, in addition to being consistent with the Commission's policy on RORs and the fact that it is corroborated by the other data I discuss above (e.g., comparisons to ROEs set in previous cases, comparisons to ROEs in other jurisdictions, etc.), my conclusion is that Staff's ROE proposal satisfies the *Hope* and *Bluefield* standards as experts and the courts have explained them.

[49] Steven G. Kihm, How Improper Risk Assessment Leads to Overstated Required Returns for Utility Stocks (2003).

Proxy Group of Electric Utility Companies

Q. How did you select a proxy group for your cost of equity analysis?

A. I reviewed the proxy group Ms. Bulkley selected for her analysis; I found that it is reasonable to use that group of 17 electric utilities as a proxy group (Proxy Group) to estimate an ROE for EKC.

Q. Why is it reasonable to use the proxy group selected by Ms. Bulkley?

A. First, and foremost, each of the Proxy Group members are comparable to EKC as measured by a handful of fundamental business and financial measures. As we know that securities markets are efficient, we can be assured that the financial markets will value the cash flows from the Proxy Group similarly to the value of the cash flows from EKC were it publicly traded. Evergy owns all the outstanding shares of EKC, thus it is not publicly traded and not directly valued by investors. The criteria that Ms. Bulkley used to screen the 36 electric utilities followed by Value-Line Investment Survey are specific fundamental business and financial measures similar to measures I have used in past electric utility rate cases. Ms. Bulkley stated that she used the following criteria to select the Proxy Group.[50]

[50] 25-EKCE-294-RTS; Bulkley Direct p.19.

- pay consistent quarterly cash dividends, since companies that do not cannot be analyzed using the constant growth DCF model;
- have investment grade long-term issuer ratings from both S&P and Moody's;
- are covered by more than one utility industry analyst;
- have positive long-term earnings growth forecasts from at least two equity analysts;
- own generation assets included in rate base;
- derive at least 40 percent of sales from company-owned generation;
- derive at least 60 percent of the Company's operating income from regulated electric operations; and
- were not party to a merger or transformative transaction during the analytical period considered.

EKC is a vertically integrated electric utility with investment grade bond ratings, Ms. Bulkley's screens capture utilities with these qualities along with qualities to meet the requirements of the DCF model. I reviewed her discussion of the selection criteria and agree with her characterization of the process.[51] It has been my experience over the past 35 years that the proxy group does not account for the differences between parties in these ROE analyses if participants apply a rigorous selection process.

[51] 25-EKCE-294-RTS; Bulkley Direct pp. 18-22

Company	Ticker
Alliant Energy Corporation	LNT
Ameren Corporation	AEE
American Electric Power Company, Inc.	AEP
Avista Corporation	AVA
CMS Energy Corporation	CMS
DTE Energy	DTE
Duke Energy Corporation	DUK
Entergy Corporation	ETR
IDACORP, Inc.	IDA
NextEra Energy, Inc.	NEE
NorthWestern Corporation	NWE
OGE Energy Corporation	OGE
Pinnacle West Capital Corporation	PNW
Portland General Electric Company	POR
PPL Corporation	PPL
Southern Company	SO
Xcel Energy Inc.	XEL

Q. Do you agree with Ms. Bulkley conclusion that regulatory risk for EKC is higher than that of the Proxy Group, thus Kansas regulation poses more risk for investors?

A. No, the evidence demonstrates that regulatory risks for EKC are comparable to that of the Proxy Group. In addition to my earlier discussion on specific risk issues raised by EKC witnesses, I would add that EKC utilizes regulatory mechanisms like those of the Proxy Group. Specifically, EKC uses a fuel adjustment clause, pension and OPEB (other post-employment benefits) tracker, property tax surcharge rider, energy efficiency cost recovery rider, transmission delivery charge rider, critical infrastructure protection and cyber security tracker, and the opportunity for an abbreviated rate case (if granted by the

Commission) one year following a full rate review. In the past, EKC has made use of an environmental cost recovery rider. These regulatory mechanisms reduce regulatory lag and stabilize cash flow to EKC, thus are relevant for issues in setting an allowed ROE.

Recent legislation in Kansas[52] provides recovery of deferred depreciation and return on qualifying electric plant in service known as plant in service accounting or PISA. PISA enables EKC to recover through a deferral, depreciation and return that would have otherwise been unrecoverable. EKC also has a rider available to recover construction costs of gas fired generation if the Commission decides the investment is reasonable EKC can recover the return on the associated construction work in progress at its weighted average cost of capital. The Commission should consider these regulatory mechanisms when it evaluates EKC's risk to determine its allowed return because each of those mechanisms calls upon consumers to fund changes in annual cash needs of the utilities, shifting costs to consumers sooner in the assets life.

The credit rating service S&P ranks Kansas as "Highly Credit Supportive," the second highest rating on its scale of credit supportiveness with only six states ranking higher than Kansas. Exhibit AEB-10 of Ms. Bulkley's Direct provides the rankings of Kansas and state of the Proxy Group. Kansas's credit supportiveness ranking exceeds the average for the Proxy Group companies, Kansas' regulatory atmosphere possess less regulatory risk than that experienced by the Proxy Group in their respective states.

I reviewed the regulatory mechanisms of the proxy group as reported by RRA via S&P's

[52] House Bill 2527.

Capital IQ[53] as these sources are widely used by investors and one of the few publications that publish a utility-by-utility comparison of these mechanisms. The RRA report was prepared in 2022, it does not reflect the recently enacted legislation allowing PISA and the gas plant rider available to EKC.

RRA reports utilities' use of regulatory mechanisms in broad categories. The details of specific mechanisms can vary across utilities and even within utilities that serve multiple states as each state regulatory body assesses the costs and benefits of a mechanism while balancing the utility's needs with those of consumers and other stakeholders. In a broad sense, the mechanisms fall into three broad categories: expedited cost recovery, expedited capital cost recovery, and protection of cash flows from volumetric changes.

Use of adjustment clauses, as of June 2023

S&P Global Market Intelligence

	State/Company	Ultimate parent ticker	Type of adjustment clause: Electric fuel/gas commodity/ purch. power	Conserv. program expense	Decoupling: Full	Decoupling: Partial	New capital: Traditional Generation	New capital: Renewables/Non-Traditional Generation	New capital: Delivery Infrastructure	New capital: Environmental compliance	Transmission Costs
KS	Evergy Kansas Central Inc.	EVRG	✓	✓	--	✓	--	✓	--	✓	✓
KS	Evergy Kansas South Inc.	EVRG	✓	✓	--	✓	--	✓	--	✓	✓
		Proxy	51	49	4	23	11	25	18	27	30
		Group	86%	83%	7%	39%	19%	42%	31%	46%	51%

RRA reports that fuel and purchase power cost riders are nearly universal. EKC uses the most prevalent mechanisms of the proxy group. At the other end of the spectrum, few of the Proxy group have full decoupling, while more than one-third, like EKC, have mechanisms that equate to partial decoupling.

The prevalence of regulatory mechanisms for EKC is comparable to the Proxy Group. Credit rating agencies consider the availability and use of regulatory mechanisms and are

[53] Adjustment Clauses: A state by state overview; Regulatory Focus Topical Special Reports, July 18, 2022.

part of a utility's credit rating evaluation. Having selected proxy companies based on credit ratings similar to EKC, I am reluctant to make explicit adjustments based on RRA's report. The recent credit ratings include rating agencies' evaluation of the regulatory mechanisms and a full picture of each utilities' regulatory risk which offers a more complete picture of risk.

Staff's Return on Equity Analysis

Q. Please summarize the results of your cost of equity analysis.

A. Staff recommends the Commission authorize a 9.70% allowed ROE with a range of 9.30% to 9.95%. The table below summarizes the cost of equity estimates from my study in this Docket. I relied on a discounted cash flow (DCF) model, a multi-stage form of the DCF model known as an internal rate of return (IRR) analysis, and the capital asset pricing model (CAPM). These are the models I typically use to estimate a utility's required return on equity. The results in this table are based on capital markets data taken from the six months of November 1, 2024, through April 29, 2025.

Table: Summary of Staff's Allowed ROE Estimates

Summary of Staff's Cost of Equity Estimates 25-EKCE-294-RTS			
Discounted Cash Flow Analyses	**Mean**	**Low**	**High**
Two-Stage Growth DCF Model:			
Based on the Average of Short-Term Growth Forecasts & Long-Term nGDP Forecasts	9.02%	8.69%	9.35%
Internal Rate of Return or Multi-Stage DCF Analysis:			
Using Short-Term Growth EPS Growth & Long-Term nGDP Forecast	8.42%	7.71%	10.41%
Capital Asset Pricing Models			
Based on Historical Return Data, gathered from 1928 - 2022, Reported at Damodaran On-Line			
Historic Arithmetic Returns	11.01%	9.97%	12.39%
Historic Geometeric Returns	9.60%	8.80%	10.68%
Based on Forecasted Return Data:			
J.P. Morgan Asset Management	6.66%	6.20%	7.27%
BlackRock	7.03%	6.50%	7.75%
Kroll Forecasted Risk Premium	9.73%	8.91%	10.83%

Q. What is the basis for the allowed ROE you recommend and the range?

A. Staffs allowed ROE of 9.70% reflects the changes in the capital markets observed from EKC's last rate case. Notably the higher capital costs indicated by the DCF models and the increase of the beta coefficients for electric utilities. The lower bounds of 9.30% is the allowed return Staff recommended in the previous Evergy rate cases and equates to a risk premium of 335 basis points, a risk premium comparable that observed in the 23-775 docket. The current capital market data supports an allowed ROE greater than EKC's was appropriate in EKC's last few rate cases. The upper bounds of 9.95% reflects a risk premium of 400 basis points over the observed yield on Baa corporate bonds consistent with the average risk premium on Commission determined allowed ROEs.

Q. For a point of comparison, will you please summarize the return on equity decisions made by this Commission and other Commissions across the country?

A. The first table below contains the allowed return on equity decisions made by this Commission in litigated rate cases. As a point of reference to the prevailing capital markets at that time, I included the yield on the Baa corporate bonds as of the month of the Commission's decision.

Table: Commission Determined Allowed ROEs

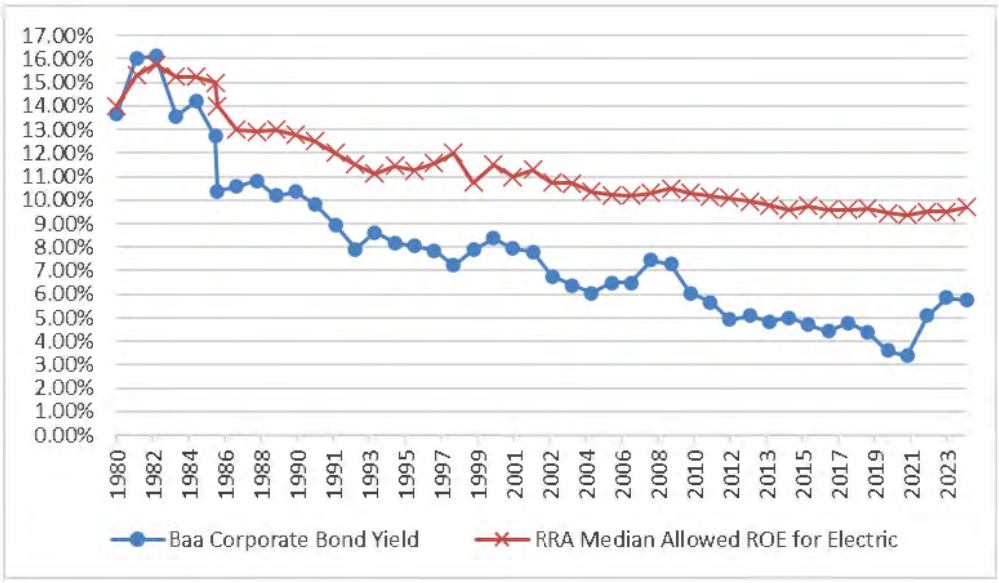
Commission Determined, Allowed ROEs -- Kansas Utilities
25-EKCE-294-RTS

Company	Docket	Order Date	Requested ROE	Ordered ROE	Baa/BBB Corp Bond Yield	Risk Premium
Atmos Energy Corp.	19-ATMG-525-RTS	2/24/2020	10.25%	9.10%	3.51%	5.59%
Kansas City Power & Light	15-KCPE-116-RTS	9/10/2015	10.30%	9.30%	5.44%	3.86%
Atmos Energy Corp.	14-ATMG-320-RTS	9/4/2014	10.53%	9.10%	4.70%	4.40%
Kansas City Power & Light	12-KCPE-764-RTS	12/13/2012	10.40%	9.50%	4.66%	4.84%
Kansas City Power & Light	10-KCPE-415-RTS	11/22/2010	10.75%	10.00%	5.94%	4.06%
Westar Energy Inc.	05-WSEE-981-RTS	12/28/2005	11.50%	10.00%	6.35%	3.65%
Westar Energy Inc.	01-WSRE-436-RTS	7/25/2001	12.75%	11.02%	7.78%	3.24%
Kansas Gas Service Co.	193,305-U	4/15/1996	12.00%	10.50%	8.19%	2.31%
					Average	3.99%

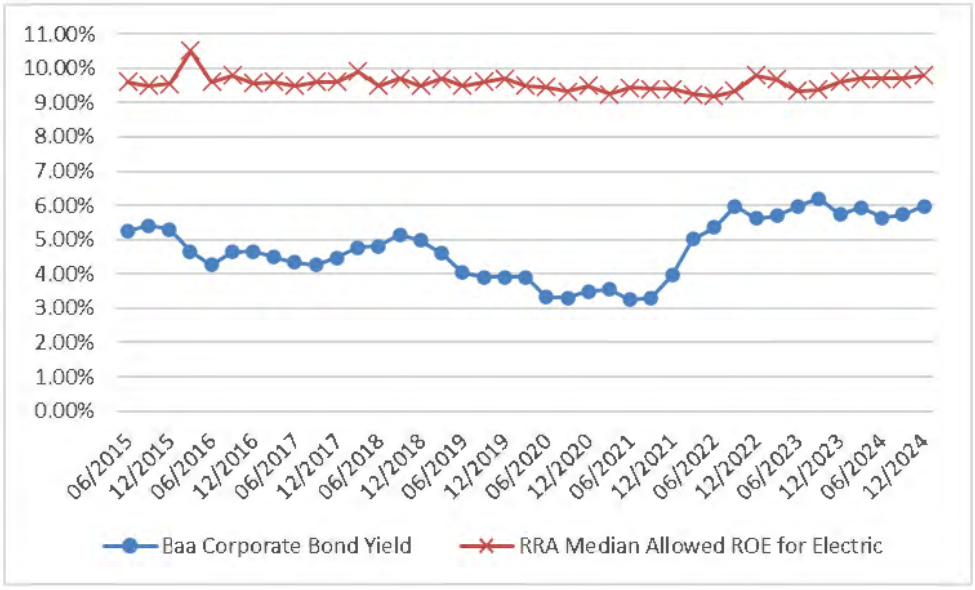
Sources: S&P Capital IQ, reports on Kansas rate cases
Moody's Seasoned Baa Corporate Bond Yield, Percent, Daily, Not Seasonally Adjusted; https://fred.stlouisfed.org

The following chart is broader in terms of both time and reporting scope. It indicates the median return on equity granted in fully litigated rate cases nationwide from 1980 through 2024. As a point of reference to the prevailing capital markets, I included the average yield to maturity of Baa corporate bonds reported by Moody's Analytics.

Graph: Annual Median Allowed Returns Granted to Electric Utilities & Bond Yields 1980 - 2024



The following chart highlights the last decade, from January 2014 through December 2024. In writing this testimony in May of 2025, rates on corporate debt are 6.00%.



Q. How does Staff's recommendation compare to the returns available on other investments?

A. The following table shows Staff's recommendation of a 9.70% allowed ROE, which allows investors a risk premium over less risky debt investments detailed in the table. These income-producing securities are considered alternatives to investments in utility stocks because, like utility stocks, bonds offer stable valuations and higher current income relative to the equity market. Risk premiums vary over time and across market conditions; thus, no absolute benchmark risk premium sets a reasonable return on equity at a given interest rate, nor has the Commission set a policy of adopting a definitive spread over bond yields in ROE decisions.

Table: Staff's Risk Premium Based on a 9.70% Allowed ROE

Staff's Risk Premium Over Fixed Income Yields
Based on a 9.70% Allowed ROE
25-EKCE-294-RTS

	30 Year (1) Treasury Bond	Corp Bonds (2) Baa
Nov 2024	4.54%	5.78%
Dec 2024	4.58%	5.80%
Jan 2025	4.85%	6.08%
Feb 2025	4.68%	5.92%
Mar 2023	4.60%	5.93%
Apr 2025	4.71%	6.18%
	4.66%	5.95%

KCC Staff's Recommended ROE	9.70%
Average Yield on 30 Year Treasury Bond	4.66%
Equity Risk Premium Over the 30-Year Treasury Bond Yield	5.04%
KCC Staff's Recommended ROE	9.70%
Average Yield on "Baa" Rated Corporate Bonds	5.95%
Equity Risk Premium Over "Baa" Corporate Bond Yield	3.75%

1) Board of Governors of the Federal Reserve System, 30-Year Treasury Constant Maturity (Federal Reserve Bank of St. Louis, www.https://fred.stlouisfed.org)
2) Yield on Moody's Seasoned Baa rated Corporate Bonds;
(Federal Reserve Bank of St. Louis, www.https://fred.stlouisfed.org)

The risk premiums from Commission decisions vary and as interest rates declined, the

premium grew larger. That same observation is apparent nationally in Commission determined ROEs seen in the earlier charts and research indicates the widening risk premium were excessive relative to the level of risk.[54]

Q. How did you perform the cost of equity analysis?

A. I am using CAPM and DCF models applied to the proxy group. This methodology is identical to that used by Staff and accepted by the Commission in recent rate cases.

Q. Does the DCF model meet the legal standards discussed earlier in your testimony?

A. Yes. A cost of equity estimate derived from the DCF model can meet the legal standards discussed above if it incorporates current information from the capital markets via current stock prices and accurate data investors use to establish their discount rate. This market-based information ensures that the cost of equity estimates evaluate investors' required rate of return or discount rate that reflects the current economic environment.

The DCF model is a valuation model used by investors to value different types of investments such as real estate, bonds, and equity securities. The DCF model is useful for valuing any investment involving regular, periodic cash flows. The notion of discounting a future receipt of cash back to the present to place a price or value on an investment goes back centuries.[55] The premise of the DCF model in the valuation of common stock is that investors determine the value of a company's common stock by discounting its future

[54] Regulated Equity Returns: a Puzzle; Energy Policy; David C. Rode and Paul S. Fischbeck; 133, 2019.

[55] The formal presentation of the DCF model as we use it today dates back to the 1930's in Irving Fisher's book: The Theory of Interest and John Burr Williams' 1938 text: The Theory of Investment Value. These two authors expressed the DCF model in modern economic terms.

dividend payments back to the present. The foundation of the DCF model is the process of discounting those future cash flows back to the present at the investors' required return. An investor's required rate of return is risk-sensitive and sensitive to the returns available on investments of comparable risk throughout the global capital markets. In other words, as the risk of the investment increases, so will the investors' required return. A higher required return rate decreases the value of the stream of dividends, which equates to the stock price. So, all other variables being equal, investors price the riskier of the two common stocks lower because the dividends are discounted back to the present at a higher rate.

The form of the DCF model that regulatory agencies are accustomed to is referred to as the Gordon Growth Model, which is a model that values the security at the present value of a stream of cash flows (dividends) growing at a constant rate into perpetuity. The basic form of this DCF equation is:

$$P_0 = \frac{D_0(1+g)}{(Ke-g)}$$

where:

P_0 = the value of the common stock or asset
D_0 = the current dividend of the stock or annual cash flow from the asset
g = the annual growth rate of the dividend or cash flow forever
Ke = cost of equity or required rate of return for the stockholders

Or

Stock Price = Annual Dividend / (Req'd Rate of Return – Dividend Growth Rate)

This is the form of the equation commonly found in finance, investments, and asset valuation texts. Such texts include both theory and practical application of the DCF model in utility regulatory settings.

Regulatory agencies responsible for setting rates and revenue requirements want to know the investors' required rate of return, or Ke, in the equation. So, we solve the equation for that variable. The equation below shows the algebraic isolation of the investors' required rate of return. By isolating investors' required rate of return in the equation, we can estimate it by knowing the stock's dividend yield and the annual dividend growth rate expected by investors. That form of the equation is:

$$Ke = \frac{D_0(1+g)}{P_0} + g$$

This equation is frequently written out as:

Req'd Rate of Return = (Dividend/Current Stock Price) + Dividend Growth Rate

or

Required Rate of Return = Dividend Yield + Dividend Growth Rate

Or as commonly abbreviated by regulatory agencies

Ke = y + g

Where: y = Dividend Yield
g = Expected Dividend Growth

Through a handful of inputs, the DCF model distills down to an equation, a complex intellectual process performed by investors to arrive at a discount rate and valuation of the security. As with any equation that attempts to model behavior, a host of assumptions comes with it.[56] Those assumptions are:

- Ke corresponds only to the specific stream of future dividends, rather than earnings, and that constitutes the source of value;
- The discount rate (Ke) must exceed the growth rate (g);
- The constant growth rate will continue for an indefinite future;
- Investors require the same discount rate (Ke) each year; and

[56] The Cost of Capital—A Practitioner's Guide; David Parcell; Prepared for the Society of Utility and Regulatory Financial Analysts; 1997 ed; p.8-5.

- There is no external financing.

Q. Why is it reasonable to accept these assumptions?

A. The DCF model attempts to emulate investors' behavior; distilling human behavior into a handful of inputs demands simplifying assumptions. The question becomes whether the assumptions are so contrary to investors' behavior in the real world that the model output becomes meaningless or illogical. The assumptions of the DCF model are not contrary to investor behavior, particularly concerning evaluating regulated public utilities. Furthermore, I do not know of any regulatory agency that has dismissed the DCF for being contrary to investor behavior. Moreover, there are methods to evaluate whether an output falls outside of the realm of reasonableness. For example, the output can be compared with the returns on other investments such as long-term corporate bonds.

Discounted Cash Flow Model

Q. How did you calculate the dividend yield (y) component of the DCF model?

A. The dividend yield (y) is the easier of the two components to measure as it is easily observable in daily stock price reports. It is calculated by dividing the stock's annual dividend payment by its market price per share.

Q. What is the source of dividend information?

A. Historic and current dividend information is available from subscription and public services. The DCF model requires a forward-looking dividend payment. The current year's dividend payment is often increased by the forecasted growth rate for the next year. Instead of forecasting, I obtained the 2026 forecasted dividend per share information from

the Value-Line Investment Survey. The Value-Line reports for each Staff's Proxy Group company are attached as Schedule AHG-1. I obtained the stock prices for the dividend yields from NASDQ.com. I used stock price observations from November 1, 2024, through April 29, 2025, for this analysis. The stock prices for each proxy company appear on Schedule AHG-2. The following table shows the range of dividend yields observed for Staff's Proxy Group during that period.

Table: Dividend Yields of Staff's Proxy Group

Dividend Yields Based on Prices from November 1, 2024 Through April 29, 2025
25-EKCE-294-RTS

		1	2	3	4	5
		DPS	Stock Prices		Dividend Yield	
		2026	Min	Max	Min	Max
Alliant Energy Corporation	LNT	$ 2.16	$ 56.08	$ 66.54	3.25%	3.85%
Ameren Corporation	AEE	3.03	85.27	104.10	2.91%	3.55%
American Electric Power Company	AEP	3.98	89.91	110.48	3.60%	4.43%
Avista Corporation	AVA	2.10	34.80	43.09	4.87%	6.03%
CMS Energy Corporation	CMS	2.30	63.97	76.45	3.01%	3.60%
DTE Energy Company	DTE	4.71	115.59	140.39	3.35%	4.07%
Duke Energy Corporation	DUK	4.30	105.20	125.27	3.43%	4.09%
Entergy Corporation	ETR	2.55	66.85	88.38	2.89%	3.81%
IDACORP, Inc.	IDA	3.65	100.10	120.84	3.02%	3.65%
NextEra Energy, Inc.	NEE	2.50	61.72	79.89	3.13%	4.05%
NorthWestern Corporation	NWE	2.68	50.43	59.89	4.47%	5.31%
OGE Energy Corporation	OGE	1.73	39.10	46.91	3.69%	4.42%
Pinnacle West Capital Corporation	PNW	3.67	81.47	96.50	3.80%	4.50%
Portland General Electric Company	POR	2.21	40.05	36.66	6.03%	5.52%
PPL Corporation	PPL	1.17	31.22	36.66	3.19%	3.75%
Southern Company	SO	3.05	80.46	93.65	3.26%	3.79%
Xcel Energy Inc.	XEL	2.42	62.58	73.38	3.30%	3.87%
					2.89%	6.03%

1) 2024 Dividends per Share Forecasted by Value-Line Investment Survey February, April, and May of 2025
2) Minimum 6 month price observed from November 1, 2024 through April 29, 2025
3) Maximum 6 month price observed from November 1, 2024 through April 29, 2025
4) Minimum dividend yield available from time period
5) Maximum dividend yield available from time period

The dividend yields in this table are the minimum and maximum yields observed during the pricing period based on the dividends investors could expect to receive in 2026.

Forecasted Growth Rates for the DCF Model

Q. What is the importance of the second component, the growth rate (g), in the DCF equation?

A. The "g" represents the anticipated annual growth rate in cash flows that investors expect to receive through dividends from the stock. This is a challenging and contentious issue in a DCF analysis for two reasons. First, it is a critical element in the DCF model or any form of a discounted cash flow analysis because the growth rate has a one-for-one effect on the required return produced by the model. All other factors being equal, a higher growth rate results in a higher return on equity for the utility. Second, it is subjective due to uncertainty about future earnings, dividends, and the economy. As I discussed earlier in my testimony, the core disagreement with Ms. Bulkley's DCF model and CAPM analysis relates to the data she relies on to estimate growth, which results in an unrealistically high estimate of long-run growth. The growth rates are the primary point of contention in determining the allowed ROE in rate cases before this Commission.

Q. How did you estimate the growth rate in the DCF model?

A. I relied on short-term and long-term growth forecasts, which investors apply to value common stocks. The appropriate growth estimate to use in the DCF model is the long-run growth rate expected by the market, which is factored into investors' analyses to estimate stock prices. Earnings per share growth forecasts are commonly incorporated in the DCF model and are acceptable as a reasonable proxy for dividend growth. Investment analysts typically publish three- to five-year annual growth estimates for earnings. Value-Line Investment Survey also provides dividend growth rate forecasts; it is the only publication

I know that does so. I am unaware of any analysts or investment firms publishing company-specific earnings or dividend growth estimates further out than three to five years.

There are several sources for earnings growth estimates. My analysis incorporates short-term forecasts published by Value-Line Investment Survey, a consensus of analysts' forecasts published by FactSet as reported through S&P Capital IQ, and a consensus of analysts' forecasts published by Zacks Investment Research.

Q. How do investors estimate the dividend growth rate beyond the three to five-year horizon of the short-term growth forecasts?

A. For the long-term perspective of potential growth, investors rely on forecasts of the broad economy as measured by annual changes forecasted for the nation's GDP. There are sources for long-term growth estimates of this country's GDP that extend out more than 20 years. Academic texts and investment professionals use these GDP forecasts to inform about the potential long-term growth of corporate dividend payments.

GDP refers to the market value of all final goods and services produced within a country in each period. Nominal GDP (nGDP) measures goods and services that *include* the effects of price changes, better known as inflation. Inflation must be included in our forecast because the DCF analysis is interested in the nominal required return. Investors' expectations of inflation are contained in their required return. The "headline" GDP reported in the media is *real* GDP, which is nGDP *minus* the inflation experienced over the period.

Q. Is it a widely accepted practice in securities valuation to use nGDP growth estimates in the DCF model?

A. Yes, in the federal regulatory arena, like the responsibilities of the KCC, FERC uses nGDP to estimate the cost of equity. FERC has revised the weighting of the nGDP growth occasionally. The important aspect of FERC's decision to include nGDP growth estimates is that such a view of long-term growth in valuing common stocks is consistent with investor behavior. FERC reached this conclusion via stakeholder comments, including state commissions, customers, investment bankers, and interstate pipeline companies.[57] Testimony from these parties made it clear that long-term estimates of nGDP are a component of valuation analyses conducted by investment professionals, and therefore, estimates of nGDP should be the estimate of long-term growth in the DCF models used to estimate required returns for interstate pipeline companies.[58] In June 2014, FERC concluded that the same methodology should be used in setting the required returns for electric transmission companies.[59] What is important to take away from FERC's adopting long-run nGDP forecasts is that it did so as to mirror the behavior of institutional investors.

Q. Is there academic support for this issue?

A. Academic research has shown that nGDP growth forecasts are essential to valuation studies. In two of his books devoted to asset valuation, Dr. Aswath Damodaran discusses

[57] Transcript from Technical Conference held on January 23, 2008, FERC Docket PL07-2-000.
[58] Policy Statement, FERC Docket PL07-2-000 (April 17, 2008); FERC Opinion No. 486, FERC Docket RP04-274 (Oct. 19, 2006).
[59] Opinion No. 531, June 19, 2014, 147 FERC 61,234, para 36.

the nature of a stable growth rate for DCF models.[60] He argues for viewing nominal economic growth as the absolute maximum when using a stable-growth model, such as the DCF model we are using:

> The stable growth rate cannot exceed the growth rate of the economy in which a firm operates, but it can be lower. There is nothing that prevents us from assuming that mature firms will become a smaller part of the economy and it may, in fact, be the more reasonable assumption to make. Note that the growth rate of an economy reflects the contributions of both young, higher growth firms and mature, stable growth firms. If the former grow at a rate much higher than the growth rate of the economy, the latter have to grow at a lower rate. [61]

> The growth rate of a company cannot be greater than that of the economy but it can be less. Firms can become smaller over time relative to the economy. Thus, even though the cap on the growth rate may be the nominal growth rate of the economy, analysts may use growth rates much lower than this value for individual companies.[62]

Professor Damodaran cites the nGDP growth projection as a *ceiling* for long-term growth for most valuation studies. Indeed, some companies and industries will exceed the average for some time, but even for those, rapid growth cannot continue forever.

Q. Does the view that nGDP growth is a ceiling on long-term earnings growth exist outside of academia?

A. Yes, valuation analysts carefully consider the long-run growth rates used to value assets because using an incorrect growth estimate will lead to incorrectly valuing an asset.

[60] Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, 2nd Edition and Damodaran on Valuation: Security Analysis for Investment and Corporate Finance, 2nd Edition.
[61] Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, 2nd Edition, Aswath Damodaran, p. 148.
[62] Damodaran on Valuation: Security Analysis for Investment and Corporate Finance, 2nd Edition, Aswath Damodaran, p.159.

Institutions directly involved in asset valuation and asset management that apply valuation models to analyze potential acquisition and merger transactions recognize that estimates of firm-specific growth are a driver to the value of an asset; overstating growth would cause a model to overestimate the value of the asset which would result in an economic loss to the investor. These experts also warn of a ceiling to earnings growth rates, as being no more than that of broad economic growth:

> Growth rate: Few companies can be expected to grow faster than the economy for long periods. The best estimate is probably the expected long-term rate of consumption growth for the industry's products, plus inflation.[63]

The following quote from J.P. Morgan Asset Management (JPMAM) addresses the macro measures of profits; it is consistent with the firm-specific view expressed by asset valuation experts. JPMAN warns that analysts must be aware of the forecasted growth rates applied in valuation models and how those growth forecasts comport with broad measures of forecasted economic growth:

> One common mistake is to assume that earnings and dividends received by investors can grow in line with—or even in excess of—overall economic growth (GDP) in perpetuity. Granted, it is almost a truism that aggregate earnings must grow at the same pace as the overall economy in the very long run; otherwise, profits would eventually outstrip the size of the entire economy or dwindle to an insignificant share of it. But not all of this earnings growth accrues to existing shareholders. On the contrary, a large portion of economic growth comes from the birth of new enterprises. Some commentators suggest (for example, Bernstein and Arnott, 2003; Cornell, 2010) that new enterprises account for more than half of GDP growth in the U.S., while in some rapidly developing economies new enterprises may account for the lion's share of overall economic growth.[64]

[63] Valuation: Measuring and Managing the Value of Companies, Tim Koller, Mark Goedhart, and David Wessels, McKinsey & Co; 4th ed. P. 275.

[64] Long-term Capital Market Return Assumptions: 2015 Estimates and Thinking Behind the Numbers, J.P. Morgan Asset Management, p. 25, https://am.jpmorgan.com/us/institutional/ltcmra

Peter L. Bernstein and Robert Arnott, referenced in the quote, publish in peer-reviewed academic journals and books on investment strategy and have built their careers in asset management and investment strategy. Their research suggests that relying on nGDP as the long-term growth estimate could be overly optimistic. Specific to dividend growth expectations, their look at more than one hundred years of financial market returns and growth, found, "The history of dividend growth shows no evidence that dividends can ever grow materially faster than per capita GDP. Indeed, they almost always grow more slowly." [65] Putting their findings into context, historical data beginning in 1947 indicates that per capita nGDP grew at an annual rate of 5.17%, whereas nGDP grew at an annual rate of 6.35%.[66] These historical growth rates are greater than those projected for the future.

Research by William J. Bernstein and Robert Arnott warns practitioners that a portion of nGDP growth is created by new enterprises. That portion of nGDP growth does not contribute to the earnings growth of existing enterprises. Thus, for existing companies, long-term earnings grow at a rate lower than nGDP.

Professional investment managers apply the same principles. JPMAM describes how they

[65] Earnings Growth: The Two Percent Dilution, William J. Bernstein and Robert D. Arnott, Financial Analysts Journal, September/October 2003, pp 47-55.
What Risk Premium Is "Normal"?, Robert D. Arnott and Peter L. Bernstein; Financial Analysts Journal, March/April 2002, p.72.

[66] FRED Economic Data; Gross Domestic Product 1947 ($259.745 Billion) through 2024 ($29,719.647 Billion) results in a compound annual growth rate of 6.35%;
Gross Domestic Product per Capita 1947 ($1,790) through 2024 ($87,113) results in a compound annual growth rate of 5.17%

arrive at their equity market assumptions:[67]

> Our framework begins with underlying economic activity—real GDP growth plus inflation—which we believe ultimately drives earnings growth in the long run.

Thus, it becomes clear that the linkage between expected economic growth and the growth potential of corporate earnings and dividends is more than just an academic principle in finance; professional money managers accept the relationship between GDP growth and corporate earnings growth when forming their long-run forecasts.

Q. Do you believe this evidence justifies incorporating long-run nGDP growth forecasts into the cost of equity analyses of utility companies?

A. Yes, we must do so because we must ascertain the discount rate investors apply to the future cash flows from an investment in the proxy group of natural gas companies. It is not a discount rate spanning merely three to five years, as Ms. Bulkley has built into her analyses; the time horizon of the DCF model is perpetuity, far beyond the three to five-year horizon of analysts' earnings growth forecasts. The Commission should emulate investors' analytical practices as closely as possible to determine investors' discount rates or required returns. As noted above, investment professionals include a long-run growth forecast for the broad economy when applying the DCF. That measure of macroeconomic

[67] "Long-Term Capital Market Assumptions: 2014 Assumptions and the Thinking Behind the Numbers"; J.P. Morgan Asset Management, p. 50; http://www.jpmorganinstitutional.com/pages/jpmorgan/am/ia/research_and_publications/long-term_capital_market

growth serves as the upper bound of a firm-specific analysis. Therefore, the Commission should consider the same information when estimating a utility's required return.

Q. How did you estimate long-run nGDP growth?

A. I relied on several widely available sources: the long-run nGDP forecasts of the Energy Information Agency (EIA), the Congressional Budget Office (CBO), and the Social Security Administration (SSA). The average of these forecasts is 4.08% and composes the long-run growth estimate in the DCF analysis.

Table: Long-Term Forecasts of nGDP Growth

Nominal GDP Estimates	
Energy Information Agency (EIA) 2023 - 2050	4.29%
Congressional Budget Office Long-term Outlook 2024 - 2054	3.89%
Soc Sec Admin (SSA) OADSI Trustees Report 2024 - 2100	4.07%
Average of Forecasts	4.08%
Historical Compound Growth Rate 1929-2024	6.11%

Sources:
EIA Annual Energy Outlook 2023
An Update to the Economic Outlook: 2024-2054; CBO, July 2024
OADSI Trustees Report Office of the Chief Actuary, Table V.B1-V.B2 (2024)
BEA; Table 1.15 Gross Domestic Product

DCF Results

A. Please discuss the results of your DCF analysis.

Q. The results of my DCF analysis appear in the following table. I have set out the foundations for the DCF analysis in the previous pages. In this section, I will discuss the specific information I relied on for the DCF model and interpret the results.

Table: Discounted Cash Flow Analysis

Discounted Cash Flow Analysis
25-EKCE-294-RTS

		1	2	3	4	5
		Dividend Yields		Growth	DCF Estimated	
		Min	Max	Rate	Required Return	
Alliant Energy Corporation	LNT	3.25%	3.85%	5.23%	8.47%	9.08%
Ameren Corporation	AEE	2.91%	3.55%	5.41%	8.32%	8.96%
American Electric Power Company, Inc.	AEP	3.60%	4.43%	5.20%	8.80%	9.63%
Avista Corporation	AVA	4.87%	6.03%	4.78%	9.66%	10.82%
CMS Energy Corporation	CMS	3.01%	3.60%	5.31%	8.32%	8.91%
DTE Energy Company	DTE	3.35%	4.07%	4.88%	8.23%	8.95%
Duke Energy Corporation	DUK	3.43%	4.09%	4.82%	8.25%	8.91%
Entergy Corporation	ETR	2.89%	3.81%	5.43%	8.32%	9.24%
IDACORP, Inc.	IDA	3.02%	3.65%	5.57%	8.59%	9.22%
NextEra Energy, Inc.	NEE	3.13%	4.05%	6.22%	9.35%	10.27%
NorthWestern Corporation	NWE	4.47%	5.31%	4.39%	8.86%	9.70%
OGE Energy Corporation	OGE	3.69%	4.42%	4.84%	8.53%	9.26%
Pinnacle West Capital Corporation	PNW	3.80%	4.50%	3.73%	7.53%	8.23%
Portland General Electric Company	POR	6.03%	5.52%	4.58%	10.61%	10.10%
PPL Corporation	PPL	3.19%	3.75%	5.65%	8.84%	9.40%
Southern Company	SO	3.26%	3.79%	4.90%	8.15%	8.69%
Xcel Energy Inc.	XEL	3.30%	3.87%	5.65%	8.95%	9.52%
				Average of each column	8.69%	9.35%
				Average of all observations	9.02%	

1) Dividend divided by maximum price observed November 1, 2024 through April 29, 2025
2) Dividend divided by minimum price observed November 1, 2024 through April 29, 2025
3) Forecasted growth
4) Low-end estimate = col 1 + col 3
5) High-end estimate = col 2 + col 3

I gathered the pricing data from NASDAQ.Com for each proxy company from November 1, 2024, through April 29, 2025. The 2026 annual dividend rate projections come from Value-Line Investment Survey.

Q. How did you arrive at a growth rate for each proxy company?

A. The growth rate is the average of the short-term growth rates[68] and the long-run forecast of nGDP of 4.08%. The following table summarizes all the observed growth forecasts,

[68] For each proxy company, I gathered three short-run, three to five-year growth forecasts for earnings and dividend from Value-Line Investment Survey; as well as analysts' earnings growth projections by Zack's Investment Services aggregate analysts' earnings forecasts and reports the mean of those estimates. FactSet is a service similar to Zacks' in that they aggregate analysts' forecasts and publishes the mean and median of estimates. FactSet data was obtained through S&P Global Market Intelligence.

both historical and forecasted.

Table: Historical and Forecasted Growth Rates of Staff's Proxy Group

Growth Rate Summary
25-EKCE-294-RTS

		1	2	3	4	5	6	7	8	9	10	11
		Value-Line Historic Data				Forecasted Growth Rates						DCF
		Earnings Growth		Dividend Growth		Value Line		Zacks	FactSet	Short-run	Long-term	Growth
		10 Year	5 Year	10 Year	5 Year	EPS	DPS	EPS	EPS	Average	nGDP	Rate
Alliant Energy Corporation	LNT	5.50%	4.50%	6.50%	6.00%	6.00%	6.00%	6.73%	6.71%	6.36%	4.09%	5.23%
Ameren Corporation	AEE	4.00%	8.00%	3.50%	5.00%	6.50%	6.50%	6.95%	6.95%	6.73%	4.09%	5.41%
American Electric Power Company, Inc.	AEP	5.00%	4.00%	5.00%	5.00%	6.50%	5.50%	6.43%	6.80%	6.31%	4.09%	5.20%
Avista Corporation	AVA	3.00%	-1.00%	4.00%	4.00%	5.50%	4.00%	6.43%	5.98%	5.48%	4.09%	4.78%
CMS Energy Corporation	CMS	6.50%	5.00%	6.50%	6.50%	6.00%	5.00%	7.84%	7.31%	6.54%	4.09%	5.31%
DTE Energy Company	DTE	4.00%	2.50%	5.50%	5.50%	4.50%	3.00%	7.64%	7.50%	5.66%	4.09%	4.88%
Duke Energy Corporation	DUK	3.00%	3.00%	2.50%	2.00%	6.00%	3.50%	6.33%	6.38%	5.55%	4.09%	4.82%
Entergy Corporation	ETR	2.50%	4.00%	2.50%	4.00%	3.00%	5.50%	9.46%	9.12%	6.77%	4.09%	5.43%
IDACORP, Inc.	IDA	4.00%	3.50%	7.50%	6.00%	6.00%	5.50%	8.47%	8.26%	7.06%	4.09%	5.57%
NextEra Energy, Inc.	NEE	9.50%	12.50%	11.00%	11.50%	8.50%	9.50%	7.72%	7.70%	8.36%	4.09%	6.22%
NorthWestern Corporation	NWE	2.50%	-1.00%	5.50%	3.00%	4.50%	1.50%	6.87%	5.85%	4.68%	4.09%	4.39%
OGE Energy Corporation	OGE	3.00%	4.50%	7.50%	6.50%	6.50%	3.00%	6.32%	6.53%	5.59%	4.09%	4.84%
Pinnacle West Capital Corporation	PNW	2.50%	0.00%	4.00%	4.00%	5.00%	1.50%	2.12%	4.83%	3.36%	4.09%	3.73%
Portland General Electric Company	POR	3.50%	3.00%	5.50%	5.50%	6.50%	5.50%	3.44%	4.82%	5.07%	4.09%	4.58%
PPL Corporation	PPL	-9.00%	-17.00%	-1.00%	-4.50%	7.50%	**6.50%**	7.46%	7.40%	7.22%	4.09%	5.65%
Southern Company	SO	3.00%	3.00%	3.50%	3.50%	6.50%	3.50%	6.55%	6.26%	5.70%	4.09%	4.90%
Xcel Energy Inc.	XEL	5.50%	6.00%	6.50%	6.50%	7.00%	6.50%	7.52%	7.84%	7.22%	4.09%	5.65%
	Min	-9.00%	-17.00%	-1.00%	-4.50%	3.00%	1.50%	2.12%	4.82%	3.36%		4.90%
	Max	9.50%	12.50%	11.00%	11.50%	8.50%	9.50%	9.46%	9.12%	8.36%		5.65%
	Mean	3.41%	2.62%	5.06%	4.71%	6.00%	4.82%	6.72%	6.84%	6.10%		5.40%

Columns: 1) - 6) Historic 5 & 10 Year & Forecasted 2028 -2030 growth rates as reported by Value-Line in February, March, and April of 2025, Historic data is not used in DCF calculations it is for comparative purposes only.
7) 5-year forecasted annual earnings per share growth rate. Consensus forecasts gatherd by Zack's Investment Research
8) Long-term (3-5 year) forecasted annual earnings per share growth rate. Consensus forecasts gathered by FactSet and reported at S&P Global Market Intelligence on April 29, 2025
9) Average of 3 to 5-year forecasted annual growth rates (columns 5 through 9).
10) Long-term forecasted nominal GDP growth rate
11) Average of short-term and long-term growth rates.

Q. How is the long-run nGDP forecast applied in your DCF analysis?

A. In my DCF analysis, I give equal weight to short-run and long-run growth forecasts; the weighting is debatable. Whatever weighing an analyst applies between the short-term and long-term growth forecasts, the analysis needs to include the growth potential of each time horizon.

Internal Rate of Return (IRR) Analysis

Q. Please discuss the internal rate of return (IRR) analysis you performed.

A. An IRR analysis of an investment is a form of a DCF analysis, with a more complex equation than the Gordon Growth Model we applied in the earlier section. In the IRR analysis, we can apply the five-year growth forecasts to only the first five years of dividends, with the remaining years growing at the long-run nGDP forecasted growth rate of 4.08%. In the age of spreadsheets, a multi-stage DCF or the IRR equation is not much more complicated to manage than the single-stage dividend yield plus growth DCF model. The IRR model allows us to apply the growth forecasts to their respective forecast periods; the IRR model provides valuable information to policymakers because it recognizes the respective periods of both the short-run (three to five-year earnings growth) and long-run (nGDP growth rate) forecasts. The full output of the IRR calculations appears in Schedule AHG-3; the following table summarizes the results.

Table: Internal Rate of Return Summary

Internal Rate of Return Analysis Summary
25-EKCE-294-RTS

Alliant Energy Corporation	LNT	8.04%
Ameren Corporation	AEE	7.71%
American Electric Power Company, Inc.	AEP	8.55%
Avista Corporation	AVA	10.06%
CMS Energy Corporation	CMS	7.78%
DTE Energy Company	DTE	8.12%
Duke Energy Corporation	DUK	8.17%
Entergy Corporation	ETR	7.82%
IDACORP, Inc.	IDA	7.88%
NextEra Energy, Inc.	NEE	8.33%
NorthWestern Corporation	NWE	9.30%
OGE Energy Corporation	OGE	8.50%
Pinnacle West Capital Corporation	PNW	8.28%
Portland General Electric Company	POR	10.41%
PPL Corporation	PPL	8.07%
Southern Company	SO	7.93%
Xcel Energy Inc.	XEL	8.20%
	Median	8.17%
	Mean	8.42%
	Min	7.71%
	Max	10.41%

In the IRR model, short-term growth forecasts receive less weight than in the previous DCF analysis; five years of a several-hundred-year time horizon or five percent, as opposed to a weighting of 50 percent that applied in the two-stage DCF model. As a result of the greater weighting of the long-term growth estimate, the average for the proxy group in the IRR analysis is 60 basis points lower than the two-stage DCF results. As I discussed earlier in my testimony, Ms. Bulkley's analysis gives no weight to long-term growth; she assumes the three-to-five-year growth forecasts continue indefinitely.

Capital Asset Pricing Model Analysis

Q. Why do you incorporate a capital asset pricing model (CAPM) analysis?

A. The CAPM, like the DCF equation, is a cornerstone of financial and valuation models. For example, acquisition analyses by investment bankers involving Kansas utilities routinely incorporated a CAPM analysis as a critical component of the valuation process. The CAPM is a cornerstone finance tool because it explains the positive relationship between risk and ROR required by investors.[69] It is appealing to regulators because it meets the legal standards I discussed above, as it can be structured to incorporate current data from the financial markets and the unique risks of the utility in question to provide an estimate of the return required by investors to take on risk above that of the risk-free return on long-term U.S. government bonds.

Ke = Rf + Beta (Rm - Rf) or
Ke = Rf + Beta (Rp)

Where:

Ke =	required return on equity
Rf =	return on a risk-free security
Rm =	an expected return from the market, such as the S&P 500 Index
Rp =	risk premium available to investors through buying common stocks instead of risk-free securities, calculated as Rm - Rf
Beta =	volatility of the security's or portfolio's return relative to the volatility of the market's return, with the market beta equal to 1.0

Return on a Risk-Free Security (Rf)

The Rf estimate is the interest rate investors believe is a riskless return. It is accepted that a debt instrument issued by the U.S. Government is risk-free, so it is a question of what time horizon an investor should look at as a risk-free vehicle. An investment in U.S.

[69] The theoretical support for the CAPM is the work done by Harry Markowitz ("Portfolio Selection," Journal of Finance, March, 1952). W.F. Sharpe added the concept of a risk-free rate of return to the Markowitz model ("A Simplified Model of Portfolio Analysis," Management Science, January, 1963).

Treasury Bonds is risk-free if the investor holds it until maturity, in which case the investor is certain to collect the interest payments regardless of changes in the bond's price. My CAPM analyses look at the yields and returns of long-term U.S. Treasury Bonds as representative of risk-free investment returns.

Beta

The beta coefficient measures the volatility of the return earned by the utility's stock relative to the volatility of the returns earned by the broader equity market. The broad equity market is the S&P 500 Index, the New York Stock Exchange Index, or a similar broad equities index. This measure provides a look at the risk and volatility of a stock relative to other investments. A stock with a beta of 1.00 has exhibited returns equally as volatile as the broad market, while a stock with a beta of 0.5 has exhibited returns half as volatile as the market.

Rm

Rm is the expected return on the stock market as measured by a broad market index such as the S&P 500. It represents the total return of the index's price change plus dividends earned for the year. An estimate for the market return can be developed using historical or forecasted data; Staff's CAPM analyses look at both.

Rp

Rp is the risk premium, the difference between investors' expected return from the stock market and their expected return from the risk-free investment. The risk premium is written as Rm-Rf. The market return and the risk-free return should be taken from the same period to accurately measure the additional return investors require to take the risk of common

stocks over the risk-free investment over that forecasted or historic period. Investors calculate the risk premium from the expected return on the market (Rm) and the risk-free rate of return (Rf).

Q. Does the CAPM meet the *Hope-Bluefield* legal standards discussed earlier in your testimony?

A. Yes, a cost of equity estimate derived from the CAPM meets those legal standards if the model incorporates current information from the capital markets that investors rely on to evaluate investment options. This market-based information ensures the cost of equity estimates evaluate investors' required rate of return or discount rate that reflects the current economic environment. The CAPM analysis includes the expected returns in the broad equity market, the return available on risk-free investment vehicles, and the beta coefficient.

Q. Please discuss your CAPM analysis.

A. I took two approaches to the CAPM analysis commonly found in both cost of capital studies in regulatory and asset-valuation arenas. The approaches are distinct perspectives of the securities market, and analysts use both approaches to make investment decisions. One approach offers a perspective of capital costs using purely historic measures of returns from the stock and bond markets. The second incorporates forecasted returns on the broad equity market indexes and government fixed-income securities published by institutional investment services. The difference between the two approaches highlights the difference in returns earned in the past compared to the returns that institutional investors expect going

forward. The average based on historic returns on equity capital is higher, 9.60% to 11.01%, compared to forecasted returns of 6.66% to 9.73%.

Both forms of my CAPM analysis incorporate the high, low, and average beta coefficients observed in the proxy group. Value-Line reports that the proxy group of natural gas utilities has an average beta coefficient of 0.90, ranging from 0.75 to 1.10. Evergy, Inc. has a beta of 0.95.

Table: Staff's Proxy Group Beta Coefficients

Proxy Group
Beta Coefficients
25-EKCE-294-RTS

Alliant Energy Corporation	LNT	0.95
Ameren Corporation	AEE	0.90
American Electric Power Company, Inc.	AEP	0.85
Avista Corporation	AVA	0.75
CMS Energy Corporation	CMS	0.90
DTE Energy Company	DTE	1.00
Duke Energy Corporation	DUK	0.90
Entergy Corporation	ETR	1.00
IDACORP, Inc.	IDA	0.75
NextEra Energy, Inc.	NEE	1.05
NorthWestern Corporation	NWE	0.80
OGE Energy Corporation	OGE	1.05
Pinnacle West Capital Corporation	PNW	0.80
Portland General Electric Company	POR	0.80
PPL Corporation	PPL	1.10
Southern Company	SO	0.95
Xcel Energy Inc.	XEL	0.75
	Mean	0.90
Source: Value-Line	Median	0.90
	Min	0.75
	Max	1.10

Notably, the beta coefficients of gas and electric companies have increased over the past six years. Staff's analysis and recommendation capture the increase in the relative risk of utility stocks.

Q. Please describe your forecasted CAPM analyses.

A. For the forecasted CAPM analyses, I obtained forecasts of long-run returns for common equity and U.S. Treasury Bonds from three distinct sources: J.P. Morgan Asset Management (JPMAM); BlackRock Investments (BlackRock); and Kroll Corporation (Kroll) (formerly, Duff & Phelps). BlackRock and JPMAM have more than $11 trillion of assets under management with individual and institutional clients worldwide. Other asset managers like Vanguard Group, which has over $8 trillion in assets under management, have similar expectations for long-term returns. Thus, it is reasonable to assume that their published forecasts influence investors' expectations beyond their client base, which has a large base of influence. JPMAM and BlackRock publish their views of long-run (more than 15 years) returns available for numerous asset classes. Their respective forecasts are similar, though not identical; they provide a range for long-run returns on asset classes by the largest asset management companies. As a third input of projected returns, I looked to Kroll, a global advisory and asset valuation service provider to the financial industry and corporations publishes market return forecasts from time to time, as it observes changes in the capital markets.

Table: Summary of Market Returns Used in Staff's CAPM Studies

Summary of Market Returns Used in CAPM Studies 25-EKCE-294-RTS	
Forecasted Market Return 2025	
J.P. Morgan (Oct 2024)	6.87%
Black Rock (Jan 2025)	7.00%
Kroll, Inc. (March 2025) 5.50% ERP + 4.91% Riskfree	10.41%
Historic Market Returns 1928-2024	
Arithmetic Returns	11.79%
Geometric Returns	9.94%
Reported by Damadoran Online https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html	

Q. How is JPMAM data applied to the CAPM analysis?

A. For this CAPM analysis, we are interested in JPMAM's forecasted returns on U.S. common stock and U.S. Treasury Bonds to establish the expected return for the market. JPMAM publishes 10 to 15-year forecasts of expected returns on dozens of investment asset classes in its annual publication, the Long Term Capital Market Return Assumptions (LTCMRA).[70] JPMAM forecasts an annual return on common stocks of 6.87%.[71] Following the calculations and inputs through the CAPM equation in line 2 of the following

[70] J.P. Morgan Asset Management, Long-term Capital Market Return Assumptions, 2025 Edition, J.P. Morgan Asset Management (published October of 2024) www.jpmorganinstitutional.com/pages/jpmorgan/am/ia/research_and_publications/long-term_capital_market

[71] The 6.87% expected market return is the average of J.P. Morgan's expected returns on small, mid, and large sized stocks.

JPMAM Forcasted Returns 2025 Geometric	
Small Capitalization Stocks	6.70%
Mid Capitalization Stocks	7.00%
Large Capitalization Stocks	6.90%
Average	**6.87%**
Intermediate Treasuries Return	3.80%
10y T-bond Yield Assumption	3.90%
LTCMA 2025; p10. Cycle-neutral average yield on 10year	

table, the forecasted return on a risk-free investment, 10-year U.S. Treasury Bonds, is subtracted from the expected return on common stocks, resulting in a risk premium of 3.07%. This risk premium is the added return necessary to induce investors to take on the added risk associated with common stocks over the risk-free investment in a U.S. Treasury Bond. The beta coefficient is applied to the risk premium to find how much of a risk premium is necessary for investors to take on the risks of investing in utility stocks instead of the risk-free U.S. Treasury Bond.

Table: CAPM Incorporating J.P. Morgan Asset Management Forecasts

Capital Asset Pricing Model -- Forecasted Risk Premium
Using Forecasted Market Returns & Treasury Bond Yields
25-EKCE-294-RTS

			Beta Coefficients		
			Low	High	Avg.
1)	Forecasted Returns on Common Stocks		6.87%	6.87%	6.87%
2)	Forecasted Total Return on 10-Year T-Bond	-	3.80%	3.80%	3.80%
3)	Equity Risk Premium		3.07%	3.07%	3.07%
4)	Beta Coefficient	X	0.75	1.10	0.90
5)	Beta Adjusted Risk Premium		2.30%	3.37%	2.76%
6)	Forecasted Yield on 10-Year T-Bonds	+	3.90%	3.90%	3.90%
7)	For Cost of Equity		6.20%	7.27%	6.66%

1)	Forecasted 10 to 15-year annual geometric return on stocks J.P. Morgan Asset Management, 2025 Edition.
2)	Forecasted 10 to 15-year annual geometric return on intermediate term U.S. Government bonds by J.P. Morgan Asset Management 2025 Edition.
3)	Resulting risk premium (1-2).
4)	Range of beta coefficient range of Proxy Group
5)	Row 3 x Row 4 = asset specific risk premium.
6)	Forecasted yield on 10-Year U.S. Treasury bonds forecasted by J.P. Morgan Asset Management, 2025 Edition (page 10).
7)	Forecasted cost of equity capital row 5 + row 6.

Sources:
J.P. Morgan Asset Management, Long-term Capital Market Return Assumptions, 2025 Edition, J.P. Morgan Asset Management
Beta coefficients gathered from Value-Line Investment Survey

The expected risk-free yield of 3.90% forecasted by JPMAM is added to the beta-specific risk premium to arrive at the cost of equity for the given beta coefficients.

As the following table shows, a CAPM analysis incorporating BlackRock's long-term return projections is modestly lower than those published by JPMAM. The projections by BlackRock and JPMAM are relatively low, but that is to be expected as market levels at the time of their publication and now, are near historic highs as are market multiples compared to earnings. Low projected returns are the product of high asset prices.

Table: CAPM Incorporating BlackRock Investments Forecasts

Capital Asset Pricing Model -- Forecasted Risk Premium
Forecasted Market Returns & Treasury Bond Yields
by BlackRock Investments
25-EKCE-294-RTS

		Beta Coefficients		
		Low	High	Avg.
1) Forecasted Returns on Common Stocks		7.00%	7.00%	7.00%
2) Forecasted Total Return on 10+ Year U.S. T-Bonds	-	3.42%	3.42%	3.42%
3) Equity Risk Premium		3.58%	3.58%	3.58%
4) Beta Coefficients of Proxy Group	x	0.75	1.10	0.90
5) Beta Adjusted Risk Premium		2.69%	3.94%	3.22%
6) Forecasted Yield on 10-Year T-Bonds	+	4.00%	4.00%	4.00%
7) Cost of Equity		6.69%	7.94%	7.22%

1) Forecasted 20-year annual geometeric returns on U.S. common stocks; January 2025
2) Forecasted 20-year annual geometeric return on intermediate term Treasury bonds
3) Resulting risk premium (1-2)
4) Beta coefficients of the Proxy Group
5) Proxy Group risks premium
6) Survey of Prof. Forecasters; Median, Table 1; May 2025, Q2
7) Forecasted cost of equity capital row 5 + row 6.

Sources:
https://www.blackrockblog.com/blackrock-capital-markets-assumptions/
https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/
Beta coefficients gathered from Value-Line Investment Survey

Q. What is the third data source used in the forward-looking CAPM analyses?

A. I relied on data published by Kroll, a global financial services company. Specific to cost of capital estimation, Kroll provides forward-looking estimates of an equity risk premium (ERP) and a risk-free return. As in the previous CAPM equations, the ERP plus the risk-free return equates to the expected return on common stocks. Kroll develops its forecast for risk-free returns. The beta coefficient of the particular asset (in this case, Staff's Proxy Group) is applied to the ERP, and the product is added to the risk-free rate of return. As capital markets change, Kroll adjusts its ERP and risk-free return estimates. Kroll recommends a risk-free rate of 3.50% as a long-term view of risk-free investment returns, with the caveat to use the spot yield on 20-year U.S. Treasury Bonds if it is greater than 3.50%; at this time, it is 4.78%, so that is used in my analysis.

Table: CAPM Incorporating Kroll, Inc.'s Forecasts

Capital Asset Pricing Model -- Kroll Forecasted Risk Premium Using Forecasted Market Returns & Treasury Bond Yields 25-EKCE-294-RTS

			Beta Coefficients Low	High	Avg.
1)	Kroll U.S. ERP		5.50%	5.50%	5.50%
2)	Beta Coefficient	x	0.75	1.10	0.90
3)	Proxy Group Risk Premium		4.13%	6.05%	4.95%
4)	Kroll U.S. Risk-Free Rate of Return*	+	4.78%	4.78%	4.78%
5)	Proxy Group Cost of Equity		8.91%	10.83%	9.73%

1) Kroll U.S. Equity Risk Premium as of April 15, 2025
2) Beta coefficient range of proxy group reported by Value-Line.
3) Resulting risk premium for proxy group (1-2).
4) Kroll U.S. Risk-Free Rate of Return 20 Year Treasury Bond May 7, 2025
5) Forecasted Cost of Equity Range for Proxy Group

Kroll recommends a risk-free rate of the higher of 3.50% OR spot market yield on 20-Year U.S. Treasury Bond. At May 7, 2025; spot yield was 4.78% (Federal Reserve

Sources:
https://www.kroll.com/-/media/kroll-images/pdfs/kroll-increases-us-risk-free-rate.pdf
https://www.federalreserve.gov/releases/h15/
Beta coefficients gathered from Value-Line Investment Survey

What is very apparent is that the models from all three of these sources project that future returns on equity capital will be lower than the long-run historic returns discussed in the next section. JPMAM and BlackRock's views of lower future returns relative to historic returns are universally accepted across the investment banking and asset management industry.

Q. Does the historic CAPM corroborate the findings of your forecasted CAPM analyses?

A. Only to a degree, the CAPM results using historical data from 1928 through 2024 are

greater than those found with the three scenarios using forecasted returns. I prepared two historical perspectives of returns: arithmetic and geometric. Arithmetic average returns are the mean or average of the annual returns, which is common when people refer to an average. The geometric average is the compound return earned over a span of time in question, in this instance, 1928 through 2024. These two return measures differ because of the volatility in annual returns on each asset class (common stocks and U.S. Treasury bonds). The greater the volatility in annual growth, the greater the difference between the arithmetic and geometric averages for those observations. In applying the CAPM, neither measure of returns reigns supreme, as academic papers have argued which view accurately portrays the past. Both methods offer a perspective of historical returns; the arithmetic average represents a year, and the geometric average is the average annual growth over a time span. Both averages are widely reported or easily calculated from publicly available data.

Table: CAPM Incorporating Historical Data, 1928 - 2024

Capital Asset Pricing Model -- Historic Risk Premium
Based on Historic Arithmetic Risk Premiums
from 1928 to 2024
25-EKCE-294-RTS

		Beta Coefficients Low	High	Avg.
1) Total Returns on Common Stocks		11.79%	11.79%	11.79%
2) Total Return on Government Bonds	-	4.86%	4.86%	4.86%
3) Resulting Risk Premium		6.93%	6.93%	6.93%
4) Beta Coefficient	x	0.75	1.10	0.90
5) Risk Premium		5.20%	7.62%	6.24%
6) Historic Yield on Government Bonds	+	4.77%	4.77%	4.77%
7) Forecasted Cost of Equity Based on Historic Returns		9.97%	12.39%	11.01%

1) Historic returns on common stocks 1928-2024
2) Historic returns on intermediate-term government bonds 1928-2024
3) Resulting risk premium (1-2)
4) Beta coefficient range observed in the Proxy Group
5) Row 3 x Row 4 = Asset Specific Risk Premium
6) Historic year-end yield on intermediate-term government bonds 1928-2024
7) Forecasted cost of equity capital, row 5 + row 6

Sources: Damodaran Online
http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html
Beta coefficients gathered from Value-Line Investment Survey

Capital Asset Pricing Model -- Historic Risk Premium
Based on Historic Geometric Risk Premiums
from 1928 to 2024
25-EKCE-294-RTS

		Beta Coefficients Low	High	Avg.
1) Total Returns on Common Stocks		9.94%	9.94%	9.94%
2) Total Return on Government Bonds	-	4.57%	4.57%	4.57%
3) Resulting Risk Premium		5.37%	5.37%	5.37%
4) Beta Coefficient	x	0.75	1.10	0.90
5) Risk Premium		4.03%	5.91%	4.83%
6) Historic Yield on Government Bonds	+	4.77%	4.77%	4.77%
7) Forecasted Cost of Equity Based on Historic Returns		8.80%	10.68%	9.60%

1) Historic returns on common stocks 1928-2024
2) Historic returns on intermediate-term government bonds 1928-2024
3) Resulting risk premium (1-2)
4) Beta coefficient range observed in the Proxy Group
5) Row 3 x Row 4 = Asset Specific Risk Premium
6) Historic year-end yield on intermediate-term government bonds 1928-2024
7) Forecasted cost of equity capital, row 5 + row 6

Sources: Damodaran Online
http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html
Beta coefficients gathered from Value-Line Investment Survey

If we rely on purely historic data, regardless of whether it is based on arithmetic or geometric returns, we are assuming that certain trends, particularly economic growth, observed in the past 90 years, will continue at the historical level. It is well established that the U.S. economy is projected to grow more slowly than in the past. The projected growth rate is 4.08% over the next 30 years compared to the historic growth rate of 6.11%.[72] Beyond the change in economic growth, there is an issue with measuring those historic returns. Evidence shows that these frequently quoted historic returns do not

Historical Nominal GDP (Billion $'s) Compound Annual Growth Rate			
1929	$	104.60	
2024	$	29,183.80	**6.11%**

Source: Bureau of Economic Analysis
Table 1.15 Gross Domestic Product
www.bea.gov

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present a complete picture, partly due to the beginning period often used in the calculation.[73] The simple step of beginning the measurement period in the 1920s raises questions about whether the time period is representative of all modern-era securities trading. Regardless of whether the 1920s is an appropriate point for measuring historical returns, historical returns are widely reported and frequently referred to in discussions of capital markets and potential returns. Some well-regarded financial publications focus solely on this era of historical data and how to apply it in cost of capital studies. Thus, measurements from this period influence expectations despite warnings surrounding historic economic growth rates and market returns. I agree that historical data is cited and studied, but it has significant limitations, and policymakers should give it only light consideration in their final decision.

Q. Does that conclude your testimony?

A. Yes, thank you.

[73] McQuarrie, Edward F, "The Myth of 1926: How Much Do We Know Long-Term Returns on U.S. Stocks?" The Journal of Investing; Winter 2009, p. 96.

ALLIANT ENERGY NDQ-LNT

RECENT PRICE 63.85 | P/E RATIO 20.1 (Trailing: 21.0 / Median: 21.0) | RELATIVE P/E RATIO 1.12 | DIV'D YLD 3.0% | VALUE LINE

TIMELINESS 3 Raised 5/3/24
SAFETY 1 Raised 9/6/24
TECHNICAL 3 Lowered 2/28/25
BETA .95 (1.00 = Market)

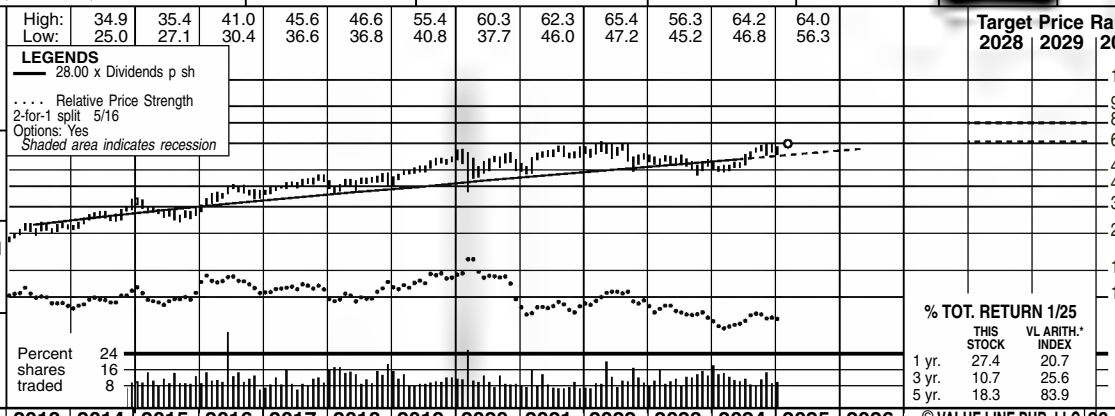
18-Month Target Price Range
Low-High: $46-$73 | Midpoint (% to Mid): $60 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+25%)	9%
Low	65	(Nil)	4%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	290	314	338
to Sell	311	265	271
Hld's(000)	208018	205430	229417



% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.4	20.7
3 yr.	10.7	25.6
5 yr.	18.3	83.9

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
15.51	15.40	16.51	13.94	14.77	15.10	14.34	14.58	14.62	14.97	14.89	13.67	14.65	16.74	15.72	15.51	*17.30*	*17.95*	Revenues per sh	*18.95*
2.10	2.60	2.75	2.95	3.34	3.49	3.45	3.43	3.97	4.32	4.59	4.92	5.25	5.40	5.38	5.70	*5.85*	*6.05*	"Cash Flow" per sh	*6.85*
.95	1.38	1.38	1.53	1.65	1.74	1.69	1.65	1.99	2.19	2.33	2.47	2.63	2.73	2.78	2.69	*3.25*	*3.45*	Earnings per sh A	*4.25*
.75	.79	.85	.90	.94	1.02	1.10	1.18	1.26	1.34	1.42	1.52	1.61	1.71	1.81	1.92	*2.04*	*2.16*	Div'd Decl'd per sh B ■ †	*2.43*
5.43	3.91	3.03	5.22	3.32	3.78	4.25	5.26	6.34	6.92	6.69	5.47	4.67	5.91	7.24	8.76	*5.60*	*5.60*	Cap'l Spending per sh	*5.40*
12.54	13.05	13.57	14.12	14.79	15.54	16.41	16.96	18.08	19.43	21.24	22.76	23.91	24.99	26.46	27.29	*28.85*	*29.00*	Book Value per sh C	*31.90*
221.31	221.79	222.04	221.97	221.89	221.87	226.92	227.67	231.35	236.06	245.02	249.87	250.47	251.14	256.10	256.69	*256.70*	*257.00*	Common Shs Outst'g D	*257.00*
13.9	12.5	14.5	14.5	15.3	16.6	18.1	22.3	20.6	19.1	21.2	21.2	21.2	21.4	18.8	20.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.5*
.93	.80	.91	.92	.86	.87	.91	1.17	1.04	1.03	1.13	1.09	1.15	1.24	1.05	1.06			Relative P/E Ratio	*.95*
5.7%	4.6%	4.3%	4.1%	3.7%	3.5%	3.6%	3.2%	3.1%	3.2%	2.9%	2.9%	2.9%	2.9%	3.5%	3.5%			Avg Ann'l Div'd Yield	*3.7%*
3253.6	3320.0	3382.2	3534.5	3647.7	3416.0	3669.0	4205.0	4027.0	3981.0	*4420*	*4610*	Revenues ($mill)	*4870*
390.9	384.0	466.1	522.3	567.4	624.0	674.0	686.0	703.0	690.0	*835*	*885*	Net Profit ($mill)	*975*
15.3%	13.4%	12.5%	8.4%	10.8%	- -	- -	3.1%	.6%	2.0%	*2.0%*	*2.0%*	Income Tax Rate	*2.0%*
9.4%	16.3%	10.7%	14.5%	16.3%	8.8%	3.7%	8.7%	14.2%	10.9%	*10.0%*	*10.0%*	AFUDC % to Net Profit	*4.0%*
47.3%	51.5%	47.8%	52.3%	50.6%	53.5%	52.9%	55.0%	54.8%	55.3%	*55.5%*	*55.5%*	Long-Term Debt Ratio	*52.0%*
50.0%	46.1%	49.8%	45.7%	47.6%	44.9%	47.1%	45.0%	45.2%	44.7%	*44.5%*	*44.5%*	Common Equity Ratio	*48.0%*
7446.3	8377.6	8392.8	10032	10938	12657	12725	13944	15002	15681	*16530*	*16750*	Total Capital ($mill)	*17070*
8970.2	9809.9	10798	12462	13527	14336	14987	16247	17157	18701	*18600*	*18900*	Net Plant ($mill)	*19180*
6.3%	5.6%	6.7%	6.3%	6.3%	5.9%	6.3%	6.1%	6.0%	5.8%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.0%*
10.0%	9.5%	10.6%	10.9%	10.5%	10.6%	11.3%	10.9%	10.4%	9.9%	*11.5%*	*11.5%*	Return on Shr. Equity	*12.0%*
10.2%	9.7%	10.9%	11.2%	10.7%	10.8%	11.0%	10.9%	10.4%	9.9%	*11.5%*	*11.5%*	Return on Com Equity E	*12.0%*
3.6%	2.8%	4.0%	4.4%	4.2%	4.2%	4.3%	4.1%	3.6%	2.8%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
66%	72%	64%	62%	61%	62%	62%	62%	65%	71%	*63%*	*63%*	All Div'ds to Net Prof	*62%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $10406 mill. **Due in 5 Yrs** $4371 mill.
LT Debt $8677 mill. **LT Interest** $370 mill.
(LT interest earned: 2.8x)

Leases, Uncapitalized Annual rentals $3 mill.

Pension Assets-12/24 $715 mill. **Oblig** $841 mill.

Pfd Stock None

Common Stock 256,690,000 shs.

MARKET CAP: $16.4 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	-.7	-.4	Unc
Avg. Indust. Use (MWH)	11494	11435	11161
Avg. Indust. Revs. per KWH (¢)	8.39	8.47	8.53
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	5629	5856	5638
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.7	+.7	+.7
Fixed Charge Cov. (%)	NA	NA	NA

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	1.0%	1.5%	*2.5%*
"Cash Flow"	5.5%	5.0%	*2.0%*
Earnings	5.5%	4.5%	*6.0%*
Dividends	6.5%	6.0%	*6.0%*
Book Value	6.0%	6.0%	*4.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1068	943	1135	1059	4205
2023	1077	912	1077	961	4027
2024	1030	894	1081	976	3981
2025	*1065*	*1005*	*1165*	*1185*	*4420*
2026	*1110*	*1050*	*1215*	*1235*	*4610*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.77	.63	.90	.43	2.73
2023	.65	.64	1.02	.47	2.78
2024	.62	.34	1.15	.58	2.69
2025	*.74*	*.69*	*1.14*	*.68*	*3.25*
2026	*.78*	*.73*	*1.21*	*.73*	*3.45*

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.4025	.4025	.4025	.4025	1.61
2022	.4275	.4275	.4275	.4275	1.71
2023	.4525	.4525	.4525	.4525	1.81
2024	.48	.48	.48	.48	1.92
2025	.48				

BUSINESS: Alliant Energy Corporation is the parent company of Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (WPL). Together, the utility subsidiaries serve approximately one million electric and 430,000 natural gas customers in Wisconsin and Iowa. Electric revenue: residential, 37%; commercial, 24%; industrial, 28%; wholesale, 8%; other, 3%. Generating sources: coal, 18%; gas, 41%; wind, 16%; other, 1%; purchased, 24%. Fuel costs: 19% of revenues. '24 reported depreciation rates: 2.9%-6.1%. Has 2,998 employees. President & CEO: Lisa M. Barton. Incorporated: Wisconsin. Address: 4902 North Biltmore Lane, Madison, Wisconsin 53718-2148. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

Alliant Energy ended 2024 on a fairly positive note. Indeed, in the December quarter, the Wisconsin-based electric and gas utility earned $0.58 a share, up 23% from the prior-year period, on a modest sub-2% rise in overall revenue. Notably, the parent company of Interstate Power and Light (IPL) and Wisconsin P&L (WPL) benefited from a sharp 26% reduction in the cost of fuel to power its plants and in the amount of money it paid to third-party power providers. That said, full-year GAAP earnings declined an uncharacteristic 3%, largely reflecting a one-time charge that IPL incurred in the June quarter, writing down the carrying value of its Lansing Generating Station.

Excluding unusual items such as 2024's writedown at IPL, management continues to target normalized bottom-line growth of between 5%–7% a year. That goal seems well within reach, thanks to, among other things, leadership's efforts in helping to foster economic development within Alliant's two state service area. To wit, it's having good success these days attracting data-center customers to the Midwest.

IPL met its 2024 goal of building out 400 megawatts of solar power generation. Meantime, WPL recently completed several projects that increased the utility's overall solar-power capacity in the Badger State to 1.1 gigawatts. Importantly, these solar projects have zero fuel costs, thus reducing Alliant's susceptibility to swings in natural-gas prices and the like. Its investments in "green" power also yield significant tax credits that can be sold to regional manufacturers and other third parties looking to maintain compliance with restrictions on harmful carbon emissions. In 2025 alone, Alliant could realize as much as $400 million from the sale of tax credits.

Alliant Energy shares remain neutrally ranked for relative year-ahead price performance. And with the stock up 15% in price last year, long-term appreciation potential no longer stands out. Still, the utility company boasts an attractive, well-covered dividend that could hold some appeal for income-oriented accounts (current yield: 3.0% versus 2.1% for the *Value Line* universe as a whole).

Nils C. Van Liew *March 7, 2025*

(A) Diluted EPS. Excl. nonrecurring losses: '11, 1¢; '12, 8¢. '20 & '21 EPS don't sum due to rounding. Next earnings report due early May. **(B)** Dividends historically paid in mid-Feb., May, Aug., and Nov. ■ Dividend reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '21: $1,980 mill., $7.91/sh. **(D)** In millions, adj. for split. **(E)** Rate base: Orig. cost. Rates all'd on com. eq. in IA in '20: various; in WI in '22: 10%; earned on avg. com. eq., '21: 11.3%. Regulatory Climate: Wisconsin, Above Average; Iowa, Average.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	100

AMEREN NYSE-AEE

RECENT PRICE 98.84 | P/E RATIO 20.3 (Trailing: 21.5 Median: 20.0) | RELATIVE P/E RATIO 1.13 | DIV'D YLD 2.9% | VALUE LINE

TIMELINESS 4 Lowered 12/29/23
SAFETY 1 Raised 9/10/21
TECHNICAL 3 Lowered 2/21/25
BETA .90 (1.00 = Market)

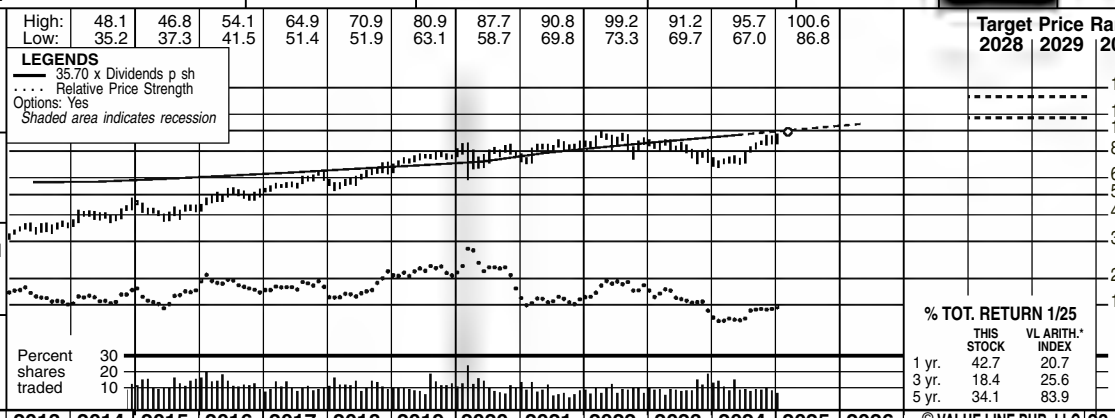
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$66-$113 $90 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+45%)	12%
Low	115	(+15%)	7%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	274	304	338
to Sell	321	278	269
Hld's(000)	218776	215842	239827



% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	42.7	20.7
3 yr.	18.4	25.6
5 yr.	34.1	83.9

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
29.87	31.77	31.04	28.14	24.06	24.95	25.13	25.04	25.46	25.73	24.00	22.87	24.81	30.37	28.10	128.56	*29.95*	*30.90*	Revenues per sh	*36.85*
6.06	6.33	5.87	5.87	5.25	5.77	6.08	6.59	6.80	7.64	7.83	8.08	8.89	9.59	9.99	10.49	*11.20*	*11.65*	"Cash Flow" per sh	*12.80*
2.78	2.77	2.47	2.41	2.10	2.40	2.38	2.68	2.77	3.32	3.35	3.50	3.84	4.14	4.37	4.59	*4.95*	*5.30*	Earnings per sh [A]	*6.50*
1.54	1.54	1.56	1.60	1.60	1.61	1.66	1.72	1.78	1.85	1.92	2.00	2.20	2.36	2.52	2.68	*2.85*	*3.03*	Div'd Decl'd per sh [B] ■	*3.57*
7.51	4.66	4.50	5.49	5.87	7.66	8.12	8.78	9.05	9.56	9.92	13.02	13.67	12.79	12.87	12.64	*12.80*	*12.85*	Cap'l Spending per sh	*13.00*
33.08	32.15	32.64	27.27	26.97	27.67	28.63	29.27	29.61	31.21	32.73	35.29	37.64	40.11	40.26	42.78	*45.95*	*48.70*	Book Value per sh [C]	*52.65*
237.40	240.40	242.60	242.63	242.63	242.63	242.63	242.63	242.63	244.50	246.20	253.30	257.70	262.00	267.00	266.93	*272.00*	*275.00*	Common Shs Outst'g [D]	*285.00*
9.3	9.7	11.9	13.4	16.5	16.7	17.5	18.3	20.6	18.3	22.1	22.2	21.4	21.5	18.8	17.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
.62	.62	.75	.85	.93	.88	.88	.96	1.04	.99	1.18	1.14	1.16	1.24	1.07	.95			Relative P/E Ratio	*1.10*
6.0%	5.8%	5.3%	5.0%	4.6%	4.0%	4.0%	3.5%	3.1%	3.0%	2.6%	2.6%	2.7%	2.7%	3.3%	2.7%			Avg Ann'l Div'd Yield	*3.0%*
6098.0	6076.0	6177.0	6291.0	5910.0	5794.0	6394.0	7957.0	7500.0	7623.0	*8150*	*8500*	Revenues ($mill)	*10500*
585.0	659.0	683.0	821.0	834.0	877.0	995.0	1074.0	1152.0	1182.0	*1345*	*1460*	Net Profit ($mill)	*1850*
38.3%	36.7%	38.2%	22.4%	17.9%	15.0%	13.6%	14.0%	12.0%	12.0%	*12.0%*	*12.0%*	Income Tax Rate	*12.0%*
5.1%	4.1%	5.6%	6.9%	5.8%	5.5%	6.0%	5.0%	6.0%	5.5%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
49.3%	47.7%	49.2%	50.3%	52.1%	55.0%	56.1%	56.6%	55.7%	53.9%	*52.5%*	*52.0%*	Long-Term Debt Ratio	*51.0%*
49.7%	51.3%	49.8%	48.8%	47.1%	44.3%	43.3%	43.4%	43.8%	45.3%	*47.0%*	*47.5%*	Common Equity Ratio	*48.5%*
13968	13840	14420	15632	17116	20158	22391	24193	24847	25432	*26450*	*27100*	Total Capital ($mill)	*29500*
18799	20113	21466	22810	24376	26807	29261	31262	33776	36376	*36300*	*37500*	Net Plant ($mill)	*38400*
5.3%	6.0%	6.0%	6.4%	6.0%	5.3%	5.3%	5.4%	5.5%	5.5%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
8.3%	9.1%	9.3%	10.6%	10.2%	9.7%	10.1%	10.2%	11.0%	11.0%	*11.0%*	*11.0%*	Return on Shr. Equity	*10.0%*
8.3%	9.2%	9.4%	10.7%	10.3%	9.7%	10.2%	10.2%	11.0%	11.0%	*11.0%*	*11.0%*	Return on Com Equity [E]	*10.0%*
2.5%	3.3%	3.4%	4.8%	4.4%	4.2%	4.4%	4.4%	5.0%	5.0%	*5.0%*	*5.0%*	Retained to Com Eq	*4.0%*
70%	64%	64%	56%	57%	57%	57%	57%	57%	56%	*56%*	*56%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $17262 mill. **Due in 5 Yrs** $2789 mill.
LT Debt $16603 mill. **LT Interest** $450 mill.
(LT interest earned: 3.8x)
Pension Assets-12/23 $5745 mill.
Oblig $5457 mill.
Pfd Stock $129 mill. **Pfd Div'd** $5 mill.
807,595 sh. $3.50 to $5.50 cum. (no par), $100 stated val., redeem. $102.176-$110/sh.; 487,508 sh. 4.00% to 5.16%, $100 par, redeem. $100-$104.30/sh.
Common Stock 269,906,252 shs.
as of 1/31/25
MARKET CAP: $26.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-5.6	+2.1	+3.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	291	325	334

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	-1.5%	.5%	*4.0%*
"Cash Flow"	4.0%	6.5%	*5.5%*
Earnings	4.0%	8.0%	*6.5%*
Dividends	3.5%	5.0%	*6.5%*
Book Value	2.0%	5.5%	*6.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1879	1726	2306	2046	7957
2023	2062	1760	2060	1618	7500
2024	1816	1693	2173	1941	7623
2025	*1900*	*1800*	*2350*	*2100*	*8150*
2026	*2050*	*1850*	*2400*	*2200*	*8500*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.97	.80	1.74	.63	4.14
2023	1.00	.90	1.87	.60	4.37
2024	.98	.97	1.87	.77	4.59
2025	*1.00*	*1.20*	*1.90*	*.85*	*4.95*
2026	*1.00*	*1.30*	*2.00*	*1.00*	*5.30*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.55	.55	.55	.55	2.20
2022	.59	.59	.59	.59	2.36
2023	.63	.63	.63	.63	2.52
2024	.67	.67	.67	.67	2.68
2025	.71				

BUSINESS: Ameren Corporation is a holding company formed through the merger of Union Electric and CIPSCO. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 813,000 gas customers in Illinois. Discontinued nonregulated power-generation operation in '13. Electric revenue breakdown: residential, 49%; commercial, 34%; industrial, 8%; other, 9%. Generating sources: coal, 73%; nuclear, 11%; hydro & other, 9%; purchased, 7%. Fuel costs: 25% of revenues. Has approximately 9,250 employees. Chairman: Warner L. Baxter. President & CEO: Martin J. Lyons, Jr. Inc.: Missouri. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, MO 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

Ameren's earnings will likely advance at a nice pace in 2025. The utility continues to benefit from new service rates and the implementation of rate cases, as well as elevated power demand, infrastructure investments, and cost management. The implementation of new electric service rates at Ameren Missouri and new gas rates at Ameren Illinois should positively impact profits this year. Ameren is also poised to capitalize on elevated demand and infrastructure investments that contribute to improved performance and efficiency. The company's focus on efficient operations and cost control will likely support profit growth in 2025 and beyond. Our 2025 profit estimate has been raised by $0.05, to $4.95 a share, which is at the midpoint of management's updated target range of $4.85-$5.05 a share.

The utility appears well positioned for the second half of this decade. Ameren projects a compound annual earnings growth rate of 6% to 8% from 2025 through 2029. The company anticipates $63 billion in investment opportunities during this period, driven by robust rate base growth of 9.2% annually. We forecast earnings of $5.30 per share in 2026, implying a growth rate of 7%, within Ameren's long-term targets.

The board of directors approved a quarterly dividend increase of approximately 6%. Specifically, the $0.04 per share quarterly raise, bringing the dividend to $0.71 per share, marks the second consecutive year of 6% dividend growth. Ameren aims for annual dividend increases in the range of 6%-8%, aligning with its target for earnings growth, while maintaining a payout ratio of 55%-70%.

These shares may appeal to conservative, income-oriented accounts. This stock is ranked 1 (Highest) for Safety and holds a top Earnings Predictability score of 100. While the dividend yield is about average by utility industry standards, it remains one of the stock's most notable features. Indeed, its dividend yield of 2.9% sits just below the utility mean, which is one of the most reliable dividend-paying industries in the market. After rolling out another year to 2028-2030, we look for the stock to trade around $115-$145 and earn about $6.50 a share in that period.

Zachary J. Hodgkinson *March 7, 2025*

(A) Diluted EPS. Excl. nonrec. gain (losses): '10, ($2.19); '11, (32¢); '12, ($6.42); '17, (63¢); gain (loss) from discontinued ops.: '13, (92¢); '15, 21¢. Next earnings report due early May.
(B) Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '23: $6.60/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate allowed on com. eq. in MO in '23: elec. & gas, none specified; in IL: electric, varies; in '23: gas, 9.68%; earned on avg. com. eq., '23: 10.5%.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	65
Earnings Predictability	100

AMERICAN ELEC. PWR. NDQ-AEP

RECENT PRICE 106.29 | P/E RATIO 18.4 (Trailing: 18.9 Median: 18.0) | RELATIVE P/E RATIO 1.02 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 4 Lowered 6/14/24
SAFETY 1 Raised 3/17/17
TECHNICAL 4 Lowered 2/21/25
BETA .85 (1.00 = Market)

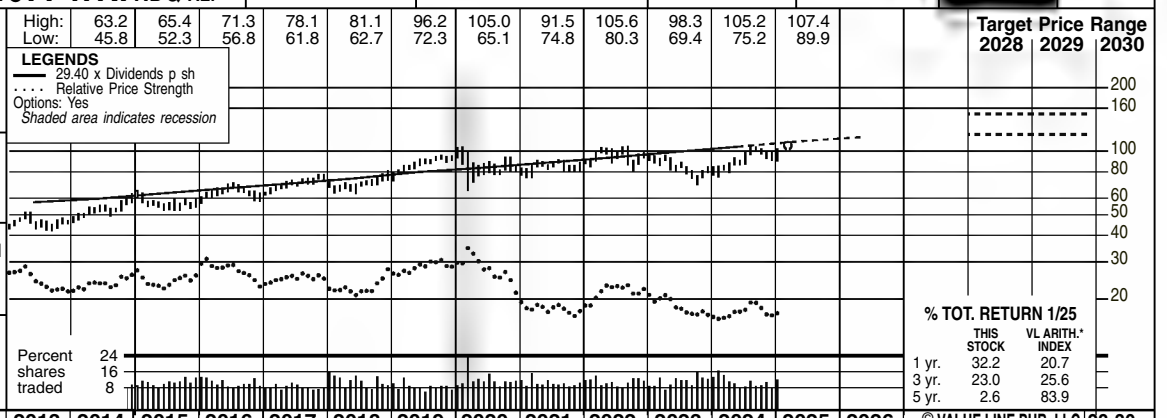
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$73-$122 $98 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+40%)	*12%*
Low	120	(+15%)	*7%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	661	695	712
to Sell	572	540	590
Hld's(000)	402930	404836	455335



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	31.49	30.04	33.30	38.20	36.08	37.01	***39.65***	***41.20***	Revenues per sh	***44.55***
6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.35	10.28	10.98	10.72	10.92	11.71	***12.20***	***12.80***	"Cash Flow" per sh	***15.50***
2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.42	4.96	5.09	5.24	5.61	***5.85***	***6.30***	Earnings per sh A	***7.50***
1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.71	2.84	3.00	3.17	3.37	3.57	***3.80***	***3.98***	Div'd Decl'd per sh B ■ †	***4.31***
6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.98	11.79	12.89	12.43	12.72	11.43	13.18	13.89	14.02	***14.10***	***14.10***	Cap'l Spending per sh	***14.00***
27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.38	44.49	46.60	48.46	50.63	***52.35***	***55.55***	Book Value per sh C	***60.90***
478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.01	493.25	494.17	496.60	504.21	513.87	526.18	532.9	***535.00***	***540.00***	Common Shs Outst'g D	***550.00***
10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	19.3	18.0	21.4	19.6	17.1	21.1	16.2	16.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***18.0***
.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.01	.92	1.23	.93	.90			Relative P/E Ratio	***1.00***
5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	3.1%	3.3%	3.5%	3.3%	4.5%	3.6%			Avg Ann'l Div'd Yield	***3.3%***
16453	16380	15425	16196	15561	14919	16792	19640	18982	19721	***21200***	***22250***	Revenues ($mill)	***24500***
1763.4	2073.6	1783.2	1923.8	2019.0	2200.1	2448.1	2307.2	2208.1	2967.1	***3130***	***3400***	Net Profit ($mill)	***4125***
35.1%	26.8%	33.7%	5.8%	.7%	1.9%	4.6%	NMF	NMF	NMF	***21.0%***	***21.0%***	Income Tax Rate	***21.0%***
11.0%	8.0%	8.0%	10.7%	12.7%	9.7%	7.8%	7.0%	7.0%	7.0%	***6.5%***	***6.0%***	AFUDC % to Net Profit	***5.0%***
49.8%	50.0%	51.5%	53.2%	56.1%	58.5%	58.3%	58.5%	58.2%	58.1%	***58.0%***	***58.0%***	Long-Term Debt Ratio	***57.5%***
50.2%	50.0%	48.5%	46.8%	43.9%	41.5%	41.7%	42.0%	42.0%	42.4%	***42.0%***	***42.0%***	Common Equity Ratio	***42.5%***
35633	34775	37707	40677	44759	49537	53734	57520	62837	67528	***70730***	***72500***	Total Capital ($mill)	***75900***
46133	45639	50262	55099	60138	63902	66001	71283	76693	82416	***81250***	***84250***	Net Plant ($mill)	***87300***
6.1%	7.2%	5.9%	5.9%	5.6%	5.6%	5.6%	4.0%	3.6%	4.1%	***4.5%***	***4.5%***	Return on Total Cap'l	***5.0%***
9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	8.7%	11.0%	***10.0%***	***10.0%***	Return on Shr. Equity	***11.0%***
9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	8.7%	11.0%	***10.0%***	***10.0%***	Return on Com Equity	***11.0%***
3.9%	5.5%	3.2%	3.5%	3.4%	3.8%	4.3%	2.9%	2.4%	3.2%	***4.0%***	***4.0%***	Retained to Com Eq	***4.5%***
60%	54%	67%	65%	67%	65%	61%	70%	63%	63%	***63%***	***63%***	All Div'ds to Net Prof	***61%***

CAPITAL STRUCTURE as of 12/31/24
Total Debt $41832 mill. **Due in 5 Yrs** $12886 mill.
LT Debt $39308 mill. **LT Interest** $1400 mill.

Leases, Uncapitalized Annual rentals $119.6 mill.

Pfd Stock None

Common Stock 532,907,715 shs.

MARKET CAP: $56.6 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	- -	+3.0	- -
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	NA	NA
Fixed Charge Cov. (%)	243	272	285

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	.5%	-.5%	*3.0%*
"Cash Flow"	5.0%	5.5%	*5.5%*
Earnings	5.0%	4.0%	*6.5%*
Dividends	5.0%	5.0%	*5.5%*
Book Value	3.5%	3.5%	*6.0%*

QUARTERLY REVENUES ($ mill.) E

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	4593	4640	5526	4881	19640
2023	4690	4373	5342	4577	18982
2024	5026	4579	5420	4696	19721
2025	***5000***	***4900***	***5800***	***5500***	***21200***
2026	***5300***	***5200***	***5900***	***5850***	***22250***

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.22	1.20	1.62	1.05	5.09
2023	1.11	1.13	1.77	1.23	5.24
2024	1.27	1.25	1.85	1.24	5.61
2025	***1.40***	***1.30***	***1.85***	***1.30***	***5.85***
2026	***1.50***	***1.45***	***1.95***	***1.40***	***6.30***

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.74	.74	.74	.78	3.00
2022	.78	.78	.78	.83	3.17
2023	.83	.83	.83	.88	3.37
2024	.88	.88	.88	.93	3.57
2025	.93				

BUSINESS: American Electric Power Company Inc. (AEP), through 10 operating utilities, serves 5.5 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Has a transmission subsidiary. Electric revenue breakdown: residential, 43%; commercial, 23%; industrial, 18%; wholesale, 10%; other, 6%. Sold commercial barge operation in '15. Generating sources not available. Fuel costs: 33% of revenues. '23 reported depreciation rates (utility): 2.6%-12.5%. Has approximately 16,700 employees. Chief Executive Officer: William J. Fehrman. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.

We expect American Electric Power to post solid earnings in 2025. Rate relief will help, as the company has multiple rate cases pending. The utility should also benefit from increased investment in its transmission business and volume growth throughout this year and beyond. Indeed, AEP recently revealed its plans to potentially substantially raise its capital spending to meet the expected rise in power demand, which we will discuss further below. Our 2025 profit estimate, which remains at $5.85, is at the midpoint of AEP's targeted range of $5.75-$5.95, which management reaffirmed upon reporting fourth-quarter results in early February. The company also maintained its long-term growth target of 6%-8%.

We anticipate sharper earnings growth in 2026. We expect further improvement to $6.30 a share, which is at the high end of AEP's targeted bottom-line growth range. The utility is considering adding $10 billion to its record $54 billion capital expenditure plan through the end of the decade as data center demand continues to ramp up significantly. AEP has 20 GW of new power load through 2029 and projects retail demand growth of up to 9% annually over the next three years.

These shares have risen nearly 10% in value since our early December review. The stock is now up about 30% over the past year as the utility looks increasingly well positioned to benefit from its investments and power demand increases. American Electric Power recently raised its dividend, as is typical. The company continues to target a payout ratio of 60%-70%, which ought to ensure the dividend continues growing.

These untimely shares are best suited for conservative, income-oriented investors. Despite being a weak selection for the year ahead, the stock is ranked 1 (Highest) for Safety and has a dividend yield of 3.6%, which stands above the industry-wide average. The dividend likely remains AEP's most notable feature. Intermediate- and long-term capital appreciation potential is nothing exciting here. Indeed, after rolling out to 2028-2030, we expect the stock to trade around $120-$150 and earn about $7.50 a share over that interim.

Zachary J. Hodgkinson *March 7, 2025*

(A) Diluted EPS. Excl. nonrec. gains (losses): '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); '16, ($2.99); '17, 26¢; '19, (20¢); gains (loss) from disc. ops.: '15, 58¢; '16, (1¢); '22, (58¢); '23, (34¢). Next earnings report due late May. **(B)** Div'ds paid early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder invest. plan avail. **(C)** Incl. intang. In '23: $52.5 million **(D)** In mill. **(E)** Rev. may not sum due to rounding.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	90

AVISTA CORP. NYSE-AVA

RECENT PRICE 39.56 | P/E RATIO 16.2 (Trailing: 17.4 Median: 19.0) | RELATIVE P/E RATIO 1.03 | DIV'D YLD 4.9% | VALUE LINE

TIMELINESS 3 Raised 3/14/25
SAFETY 3 Lowered 1/19/24
TECHNICAL 4 Lowered 3/14/25
BETA .75 (1.00 = Market)

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$29-$48 $39 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+65%)	*16%*
Low	40	(Nil)	*5%*

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	184	156	170
to Sell	102	140	143
Hld's(000)	67784	82402	84841

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	37.4	38.3	45.2	52.8	52.9	49.5	53.0	49.1	46.9	45.3	40.0	43.1						
Low:	27.7	29.8	34.3	37.8	41.9	39.8	32.1	36.7	35.7	30.5	31.9	34.8						
Revenues per sh	27.58	27.29	27.73	25.86	26.94	23.66	23.83	22.47	22.08	21.27	20.03	19.09	20.13	22.82	22.43	24.21	*23.45*	*23.75*
"Cash Flow" per sh	4.45	3.62	3.78	3.70	4.36	4.36	4.92	5.30	4.87	5.01	6.06	5.16	5.34	5.47	5.63	5.67	*6.30*	*6.50*
Earnings per sh A	1.58	1.65	1.72	1.32	1.85	1.84	1.89	2.15	1.95	2.07	2.97	1.90	2.10	2.12	2.24	2.29	*2.60*	*2.75*
Div'd Decl'd per sh B ■	.81	1.00	1.10	1.16	1.22	1.27	1.32	1.37	1.43	1.49	1.55	1.62	1.69	1.76	1.84	1.90	*2.00*	*2.10*
Cap'l Spending per sh	3.86	3.64	4.20	4.61	5.05	5.47	6.46	6.34	6.30	6.46	6.59	5.84	6.15	6.03	6.39	6.66	*6.60*	*7.00*
Book Value per sh C	19.17	19.71	20.30	21.06	21.61	23.84	24.53	25.69	26.41	26.99	28.87	29.31	30.14	31.15	31.83	32.37	*34.40*	*35.25*
Common Shs Outst'g D	54.84	57.12	58.42	59.81	60.08	62.24	62.31	64.19	65.49	65.69	67.18	69.24	71.50	74.95	78.08	80.04	*81.00*	*83.00*
Avg Ann'l P/E Ratio	11.4	12.7	14.1	19.3	14.6	17.3	17.6	18.8	23.4	24.5	15.0	21.2	20.2	20.0	17.1	15.9		
Relative P/E Ratio	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	.80	1.09	1.09	1.16	.95	.84		
Avg Ann'l Div'd Yield	4.5%	4.8%	4.5%	4.6%	4.5%	4.0%	4.0%	3.4%	3.1%	2.9%	3.5%	4.0%	4.0%	4.2%	4.8%	5.2%		
Revenues ($mill)	1484.8	1442.5	1445.9	1396.9	1345.6	1321.9	1438.9	1710.2	1751.6	1938.0							*1900*	*1970*
Net Profit ($mill)	118.1	137.2	126.1	136.4	197.0	129.5	147.3	155.2	171.2	180.0							*210*	*230*
Income Tax Rate	36.3%	36.3%	36.5%	16.0%	13.8%	5.2%	7.5%	--	7.5%	1.6%							*15.0%*	*15.0%*
AFUDC % to Net Profit	10.1%	8.1%	7.9%	7.7%	5.5%	8.5%	7.5%	2.4%	2.1%	2.8%							*4.0%*	*4.0%*
Long-Term Debt Ratio	50.0%	51.2%	47.2%	50.5%	49.4%	50.4%	47.5%	50.4%	51.2%	51.0%							*49.0%*	*48.0%*
Common Equity Ratio	50.0%	48.8%	52.8%	49.5%	50.6%	49.6%	52.5%	49.6%	48.8%	49.0%							*51.0%*	*52.0%*
Total Capital ($mill)	3060.3	3379.0	3273.2	3580.3	3834.6	4089.8	4104.7	4709.7	5091.3	5292.0							*5490*	*5625*
Net Plant ($mill)	3898.6	4147.5	4398.8	4648.9	4797.0	4991.6	5225.5	5444.7	5700.1	6020.0							*6255*	*6525*
Return on Total Cap'l	5.1%	5.3%	5.0%	4.8%	6.2%	4.2%	4.7%	4.6%	4.8%	4.8%							*5.0%*	*5.0%*
Return on Shr. Equity	7.7%	8.3%	7.3%	7.7%	10.2%	6.4%	6.8%	6.6%	6.9%	6.9%							*7.5%*	*8.0%*
Return on Com Equity E	7.7%	8.3%	7.3%	7.7%	10.2%	6.4%	6.8%	6.6%	6.9%	6.9%							*7.5%*	*8.0%*
Retained to Com Eq	2.3%	3.0%	1.9%	2.2%	4.9%	.9%	1.4%	1.1%	1.2%	1.2%							*2.0%*	*2.0%*
All Div'ds to Net Prof	70%	64%	73%	72%	52%	85%	80%	83%	82%	83%							*77%*	*76%*

Bold figures are Value Line estimates

Target Price Range 2028 | 2029 | 2030

% TOT. RETURN 3/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.6	2.2
3 yr.	7.1	12.5
5 yr.	23.7	137.1

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CAPITAL STRUCTURE as of 12/31/24
Total Debt $3055.0 mill. **Due in 5 Yrs** $40.0 mill.
LT Debt $2701.0 mill. **LT Interest** $150.0 mill.
Incl. $52 mill. debt to affiliated trusts; $35 mill. finance leases.
(LT interest earned: 2.1x)
Leases, Uncapitalized Annual rentals $10.4 mill.
Pension Assets-12/24 $608 mill.
Oblig $600 mill.
Pfd Stock None

Common Stock 80,126,259 shs.
as of 1/31/25
MARKET CAP: $3.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+3.1	-4.4	-1.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	9.99	10.58	11.78
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1860	1809	1869
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	-1.0	+1.4	+1.2
Fixed Charge Cov. (%)	175	200	210

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	-1.0%	2.0%	*2.0%*
"Cash Flow"	3.0%	1.0%	*3.5%*
Earnings	3.0%	-1.0%	*5.5%*
Dividends	4.0%	4.0%	*4.0%*
Book Value	3.5%	3.0%	*2.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	462.7	378.6	359.4	509.5	1710.2
2023	474.6	379.9	379.6	517.5	1751.6
2024	609.4	402.1	393.7	532.8	1938.0
2025	*635*	*410*	*400*	*455*	*1900*
2026	*655*	*425*	*410*	*480*	*1970*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.99	.16	d.08	1.05	2.12
2023	.73	.23	.19	1.08	2.24
2024	.91	.29	.23	.84	2.29
2025	*.95*	*.30*	*.35*	*1.00*	*2.60*
2026	*1.00*	*.35*	*.40*	*1.00*	*2.75*

QUARTERLY DIVIDENDS PAID B ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.4225	.4225	.4225	.4225	1.69
2022	.44	.44	.44	.44	1.76
2023	.46	.46	.46	.46	1.84
2024	.475	.475	.475	.475	1.90
2025	.490				

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 422,000 electric, 383,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric revenue: residential, 36%; commercial, 29%; industrial, 9%; wholesale, 21%; other, 5%. Generating sources: gas & coal, 43%; hydro, 44%; purch., 42%. Fuel costs: 35% of rev. '24 depr. rate (Avista Utilities): 3.5%. Has 1,950 employees. Chairman: Scott L. Morris. Pres. & CEO: Heather L. Rosentrater. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Telephone: 509-489-0500. Internet: www.avistacorp.com.

Avista Utilities, the primary operating division of Avista Corporation, has reached an all-party settlement in its Oregon rate case. The approved $4.2 million revenue increase is based on a 7.219% rate of return and a 9.5% return on equity, lower than the initial request of $7.8 million in November 2024, which had assumed a 7.67% rate of return and 10.4% return on equity. The company is now awaiting final approval. If granted, customers will see an average bill increase of 2%. This marks a key step toward implementing new rates in Oregon.

The company has also filed its 2025 Natural Gas Integrated Resource Plan (IRP). The filing was made with Washington, Idaho, and Oregon regulators and details how Avista plans to meet future natural gas demand and comply with emissions legislation over the next two decades. The IRP is filed every two years to show the utility's commitment to ensuring reliable natural gas service.

Avista continues to prioritize capital investments. The utility plans to spend $525 million in 2025, $575 million in 2026, and $600 million in 2027, totaling nearly $3 billion over five years ending in 2029. These investments support infrastructure modernization, grid expansion, and clean energy initiatives. A large portion of these funds will go toward electric and gas distribution upgrades, technology integration, and system reliability improvements. The company is also allocating capital toward transmission capacity enhancements and wildfire mitigation projects. Additionally, investments will support Avista's transition to cleaner energy resources, including the expansion of renewable natural gas and electrification infrastructure.

The near-term profit picture looks good. We estimate share earnings will grow in the low teens in 2025 before moderating to a mid-single-digit pace in 2026. All things considered, rate relief, customer growth, and a favorable return framework should help offset ongoing cost pressures.

Shares of Avista Corporation have below-average long-term capital appreciation potential. However, the dividend yield is above average for a utility company.

Emma Jalees *April 18, 2025*

(A) Diluted EPS. Excl. nonrec. gain (loss): '14, 9¢; '17, (16¢); gains on discont. ops.: '14, $1.17; '15, 8¢. EPS may not sum due to rounding. Next earnings report due mid-May. **(B)** Div'ds paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. **(C)** Incl. deferred chgs. In '24: $961.0 mill., $11.95/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in WA in '21: 9.4%; in ID in '21: 9.4%; in OR in '21: 9.4%; earned on avg. com. eq., '22: 7.1%. Regulatory Climate: WA, Below Avg.; ID, Above Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	70

CMS ENERGY CORP. NYSE-CMS

RECENT PRICE 72.12 | P/E RATIO 20.5 (Trailing: 21.7 Median: 21.0) | RELATIVE P/E RATIO 1.14 | DIV'D YLD 3.0% | VALUE LINE

TIMELINESS 4 Lowered 5/10/24
SAFETY 2 Raised 3/8/24
TECHNICAL 3 Lowered 2/21/25
BETA .90 (1.00 = Market)

18-Month Target Price Range

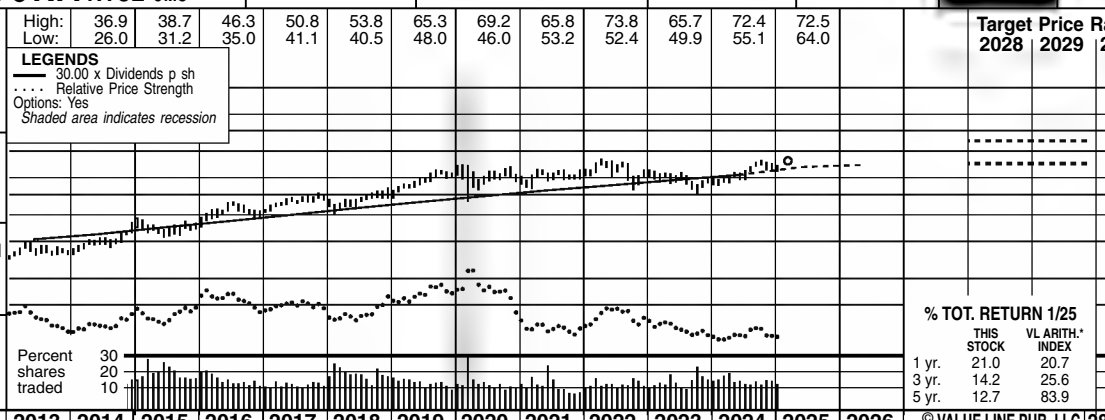
Low-High	Midpoint (% to Mid)
$63-$88	$76 (5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+30%)	*10%*
Low	70	(-5%)	*2%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	304	362	362
to Sell	271	252	284
Hld's(000)	282739	279512	313330



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
27.23	25.77	25.59	23.90	24.68	26.09	23.29	22.92	23.37	24.25	24.11	23.12	25.29	29.51	25.35	25.15	*27.15*	*27.90*	Revenues per sh	*31.45*
3.47	3.70	3.65	3.82	4.06	4.22	4.59	4.88	5.29	5.61	5.89	6.24	6.42	6.69	6.98	7.47	*7.75*	*8.00*	"Cash Flow" per sh	*9.50*
.93	1.33	1.45	1.53	1.66	1.74	1.89	1.98	2.17	2.32	2.39	2.64	2.58	2.84	3.01	3.33	*3.60*	*3.80*	Earnings per sh A	*4.20*
.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	1.63	1.74	1.84	1.95	2.06	*2.20*	*2.30*	Div'd Decl'd per sh B ■	*2.50*
3.59	3.29	3.47	4.65	4.98	5.73	5.64	5.99	5.91	7.32	7.41	8.02	7.16	8.15	8.18	10.10	*12.75*	*10.00*	Cap'l Spending per sh	*10.00*
11.42	11.19	11.92	12.09	12.98	13.34	14.21	15.23	15.77	16.78	17.68	19.02	22.11	23.32	24.86	26.79	*27.55*	*28.75*	Book Value per sh C	*30.75*
227.89	249.60	254.10	264.10	266.10	275.20	277.16	279.21	281.65	283.37	283.86	288.94	289.76	291.27	294.40	298.80	*300.00*	*301.00*	Common Shs Outst'g D	*302.00*
13.6	12.5	13.6	15.1	16.3	17.3	18.3	20.9	21.3	20.3	24.3	23.3	23.6	22.9	19.6	19.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.29	1.20	1.28	1.32	1.09	1.00			Relative P/E Ratio	*1.10*
4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	3.4%	3.0%	2.9%	3.0%	2.6%	2.6%	2.9%	2.8%	3.3%	3.3%			Avg Ann'l Div'd Yield	*3.0%*
6456.0	6399.0	6583.0	6873.0	6845.0	6680.0	7329.0	8596.0	7462.0	7515.0	*8150*	*8400*	Revenues ($mill)	*9500*
525.0	553.0	610.0	659.0	682.0	757.0	751.0	833.0	886.0	1003.0	*1090*	*1155*	Net Profit ($mill)	*1280*
34.0%	33.1%	31.2%	14.9%	17.7%	15.0%	11.5%	10.3%	15.4%	15.7%	*15.5%*	*15.5%*	Income Tax Rate	*15.5%*
2.7%	3.1%	1.1%	1.4%	2.1%	1.1%	1.5%	1.4%	1.4%	1.2%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.0%*
68.3%	67.1%	67.3%	69.0%	70.4%	71.2%	64.5%	65.3%	65.9%	65.0%	*64.5%*	*63.5%*	Long-Term Debt Ratio	*61.5%*
31.4%	32.6%	32.4%	30.7%	29.4%	28.6%	34.2%	33.6%	33.1%	34.0%	*34.5%*	*35.5%*	Common Equity Ratio	*37.5%*
12534	13040	13692	15476	17082	19223	18760	20205	22114	23536	*23775*	*24100*	Total Capital ($mill)	*24700*
14705	15715	16761	18126	18926	21039	22352	22713	25072	27461	*30025*	*31700*	Net Plant ($mill)	*34600*
5.7%	5.8%	5.9%	5.6%	5.3%	5.2%	5.3%	5.4%	5.4%	5.7%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
13.2%	12.9%	13.6%	13.8%	13.5%	13.7%	11.3%	11.9%	11.7%	12.2%	*13.0%*	*13.0%*	Return on Shr. Equity	*13.5%*
13.3%	13.0%	13.7%	13.8%	13.6%	13.7%	11.6%	12.1%	12.0%	12.4%	*13.0%*	*13.0%*	Return on Com Equity E	*13.5%*
5.2%	4.8%	5.2%	5.3%	4.9%	5.3%	3.8%	4.3%	4.2%	4.7%	*5.0%*	*5.0%*	Retained to Com Eq	*5.5%*
61%	63%	62%	62%	64%	62%	68%	65%	65%	62%	*61%*	*61%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $16501 mill. **Due in 5 Yrs** $2771 mill.
LT Debt $15306 mill. **LT Interest** $708 mill.
Incl. $112 mill. finance leases.
Leases, Uncapitalized Annual rentals $5 mill.
Pension Assets-12/24 $2964 mill.
Oblig $2195 mill.
Pfd Stock $224 mill. **Pfd Div'd** $10 mill.
Incl. 373,148 shs. $4.50 $100 par, cum., callable at $110.00; 9,200,000 shs. 4.2%, $25 par, cum.
Common Stock 298,790,000 shs.

MARKET CAP: $21.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+3.0	-1.0	+1.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	8.78	8.90	10.14
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	8061	8067	8030
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+1.0	+1.0
Fixed Charge Cov. (%)	226	244	250

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	.5%	2.0%	*3.0%*
"Cash Flow"	5.5%	4.5%	*5.5%*
Earnings	6.5%	6.0%	*6.0%*
Dividends	6.5%	6.5%	*5.0%*
Book Value	7.0%	8.5%	*5.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	2374	1920	2024	2278	8596
2023	2284	1555	1673	1950	7462
2024	2176	1607	1743	1989	7515
2025	*2200*	*1750*	*1850*	*2350*	*8150*
2026	*2265*	*1800*	*1905*	*2430*	*8400*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.20	.50	.56	.58	2.84
2023	.69	.67	.60	1.05	3.01
2024	.96	.65	.84	.87	3.33
2025	*.95*	*.80*	*.90*	*.95*	*3.60*
2026	*.95*	*.90*	*.90*	*1.05*	*3.80*

QUARTERLY DIVIDENDS PAID B ■

Calendar	Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2021	.435	.435	.435	.435	1.74
2022	.46	.46	.46	.46	1.84
2023	.4875	.4875	.4875	.4875	1.95
2024	.515	.515	.515	.515	2.06
2025	.5425				

BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.9 million electric, 1.8 million gas customers. Has 2,016 megawatts of nonregulated generating capacity. Sold EnerBank in '21. Electric revenue breakdown: residential, 46%; commercial, 33%; industrial, 13%; other, 8%. Generating sources: coal, 22%; gas, 42%; renewables, 7%; purchased, 29%. Fuel costs: 37% of revenues. '24 depreciation rates: 3.8% electric, 2.8% gas, 7.8% other. Has 8,324 full-time employees. Chairman: John G. Russell. President & CEO: Garrick Rochow. Inc.: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Telephone: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy reported mixed fourth-quarter results. Revenue increased 2% year over year, to $1.99 billion, while GAAP share earnings declined 17%, to $0.87. The results were influenced by constructive regulatory outcomes, strong performance at NorthStar, and cost management initiatives under the CE Way. These factors helped offset significant weather-related challenges, particularly mild winter temperatures in the first and fourth quarters. Based on heating degree days, management noted 2024 as the warmest winter in the past 25 years. On a full-year basis, revenue remained flat at $7.5 billion, but share earnings increased 11% over the year-ago period, to $3.33.

CMS Energy's utility subsidiary, Consumers Energy, is advancing its rate cases. A decision on its electric rate case is expected by the end of March 2025, while the gas rate case remains in its early stages. However, the gas rate is anticipated to gain support from essential infrastructure investments. Consumers Energy has requested a $248 million annual gas rate increase based on a 10.25% return on equity, with a decision anticipated by late 2025.

Share profits are expected to grow in the 6%-8% range in 2025 and 2026. Management's focus on cost reduction and regulatory rate relief should support earnings, assuming normal weather.

The company is also advancing its five-year Reliability Roadmap strategy. The $20 billion investment plan is expected to enhance customer service through improved electric distribution reliability and supply security. This initiative represents a $3 billion increase over the prior plan and supports an 8.5% rate base growth through 2029. A significant portion of the investment is expected to expand the renewable energy pipeline to meet growing demand.

The board of directors approved a dividend increase in the first quarter. The new quarterly dividend payment of $0.5425 per share, distributed in February, represents a 5.3% annual increase.

Shares of CMS are expected to lag the broader market averages in the year ahead. The stock offers a below-average dividend yield for a utility company.

Emma Jalees *March 7, 2025*

(A) Dil. GAAP EPS may not sum due to rdg. Excl. nonrec. gains (losses): '09, (7¢); '10, 3¢; '11, 12¢; '12, (14¢); '17, (53¢); gains (losses) on disc. ops.: '09, 8¢; '10, (8¢); '11, 1¢; '12, 3¢; '21, $2.08; '22, 1¢. Next earnings report due late April. **(B)** Div'ds paid late Feb., May, Aug., & Nov. ■ Div'd reinvestment plan avail. **(C)** Incl. intang. In '24: $8.52/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in '22: 9.9% elec.; in '19: 9.9% gas; earned on avg. com. eq., '21: 13.2%. Regulatory Climate: Above Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	85

DTE ENERGY CO. NYSE-DTE

RECENT PRICE **132.38** | P/E RATIO **18.9** (Trailing: 19.6 Median: 18.0) | RELATIVE P/E RATIO **1.05** | DIV'D YLD **3.3%** | **VALUE LINE**

TIMELINESS 4 Lowered 11/29/24
SAFETY 2 Raised 12/21/12
TECHNICAL 3 Lowered 2/21/25
BETA 1.00 (1.00 = Market)

18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$100-$150 $125 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	200	(+50%)	*13%*
Low	145	(+10%)	*6%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	371	382	417
to Sell	287	316	300
Hld's(000)	162212	159667	183304

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	90.8	92.3	100.4	116.7	121.0	134.4	135.7	145.4	140.2	121.3	131.7	133.5						
Low:	64.8	73.2	78.0	96.6	94.3	107.3	71.2	108.2	100.6	90.1	102.2	116.3						

LEGENDS
28.00 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2028 | 2029 | 2030
320 200 160 120 100 80 60 40 18

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.7	20.7
3 yr.	12.7	25.6
5 yr.	9.7	83.9

Percent shares traded 21 14 7

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48.45	50.51	52.57	51.01	54.56	69.50	57.60	59.24	70.28	78.12	65.91	62.84	77.23	93.48	61.76	60.13	***65.20***	***67.90***	Revenues per sh	***75.25***
9.38	9.78	9.57	9.77	10.13	11.85	9.44	10.60	11.77	12.58	12.97	14.70	11.94	12.66	14.54	15.14	***15.95***	***16.75***	"Cash Flow" per sh	***18.60***
3.24	3.74	3.67	3.88	3.76	5.10	4.44	4.83	5.73	6.17	6.31	7.08	4.10	5.52	6.76	6.77	***7.20***	***7.75***	Earnings per sh [A]	***9.60***
2.12	2.18	2.32	2.42	2.59	2.69	2.84	3.06	3.36	3.59	3.85	4.12	3.88	3.54	3.88	4.15	***4.41***	***4.71***	Div'd Decl'd per sh [B] ■	***5.15***
6.26	6.49	8.77	10.56	10.59	11.58	11.26	11.40	12.54	14.91	15.59	19.91	19.47	16.42	17.02	17.48	***17.75***	***17.95***	Cap'l Spending per sh	***18.50***
37.96	39.67	41.41	42.78	44.73	47.05	48.88	50.22	53.03	56.27	60.73	64.12	44.93	46.35	53.55	55.82	***58.40***	***60.30***	Book Value per sh [C]	***63.10***
165.40	169.43	169.25	172.35	177.09	176.99	179.47	179.43	179.39	181.93	192.21	193.77	193.75	205.69	206.36	207.17	***205.50***	***205.50***	Common Shs Outst'g [D]	***206.00***
10.4	12.3	13.5	14.9	17.9	14.9	18.1	19.0	18.6	17.4	19.9	16.3	30.0	22.4	16.1	17.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***18.0***
.69	.78	.85	.95	1.01	.78	.91	1.00	.94	.94	1.06	.84	1.62	1.30	.92	.95			Relative P/E Ratio	***1.00***
6.3%	4.8%	4.7%	4.2%	3.8%	3.5%	3.5%	3.3%	3.2%	3.3%	3.1%	3.6%	3.2%	3.4%	3.8%	3.3%			Avg Ann'l Div'd Yield	***3.5%***
10337	10630	12607	14212	12669	12177	14964	19228	12745	12457	***13400***	***13950***	Revenues ($mill)	***15500***
796.0	868.0	1029.0	1120.0	1169.0	1368.0	796.0	1135.4	1395.0	1404.0	***1480***	***1595***	Net Profit ($mill)	***1980***
25.6%	24.5%	21.8%	8.1%	11.5%	10.9%	--	2.6%	4.8%	4.9%	***5.0%***	***5.0%***	Income Tax Rate	***5.0%***
4.3%	3.6%	3.5%	3.8%	3.3%	3.4%	4.9%	4.0%	3.2%	3.4%	***3.0%***	***3.0%***	AFUDC % to Net Profit	***3.0%***
50.2%	55.6%	56.2%	54.2%	57.7%	60.5%	62.5%	63.0%	61.2%	61.4%	***61.5%***	***61.5%***	Long-Term Debt Ratio	***61.0%***
49.8%	44.4%	43.8%	45.8%	42.3%	39.5%	37.5%	37.0%	38.0%	38.2%	***38.5%***	***38.5%***	Common Equity Ratio	***39.0%***
17607	20280	21697	22371	27607	31426	23236	25158	26282	29328	***30000***	***30700***	Total Capital ($mill)	***32200***
18034	19730	20721	21650	25317	27969	26944	28767	28169	31081	***32250***	***33100***	Net Plant ($mill)	***36600***
5.7%	5.3%	5.9%	6.1%	5.3%	5.4%	4.7%	4.4%	5.0%	5.0%	***5.0%***	***5.0%***	Return on Total Cap'l	***6.0%***
9.1%	9.6%	10.8%	10.9%	10.0%	11.0%	9.1%	13.0%	11.0%	11.3%	***11.5%***	***11.5%***	Return on Shr. Equity	***12.5%***
9.1%	9.6%	10.8%	10.9%	10.0%	11.0%	9.1%	13.0%	11.0%	11.3%	***11.5%***	***11.5%***	Return on Com Equity [E]	***12.5%***
3.4%	3.7%	4.6%	4.9%	4.1%	4.9%	.1%	2.0%	4.0%	4.2%	***4.5%***	***4.5%***	Retained to Com Eq	***4.5%***
63%	61%	58%	55%	59%	56%	99%	76%	60%	60%	***60%***	***60%***	All Div'ds to Net Prof	***62%***

CAPITAL STRUCTURE as of 12/31/24
Total Debt $21986 mill. **Due in 5 Yrs** $6481 mill.
LT Debt $20690 mill. **LT Interest** $514 mill.
Incl. $209 mill. securitization bonds. Incl. $19 mill. finance leases.
(LT interest earned: 1.7x)
Leases, Uncapitalized Annual rentals $16 mill.

Pension Assets-12/23 $5507 mill.
Oblig $5857 mill.
Pfd Stock None
Common Stock 207,242,390 shs.

MARKET CAP: $27.4 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+2.1	-1.4	+1.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	233	264	267

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	3.0%	2.5%	*5.0%*
"Cash Flow"	3.0%	4.5%	*4.5%*
Earnings	4.0%	2.5%	*4.5%*
Dividends	5.5%	5.5%	*3.0%*
Book Value	3.0%	1.5%	*1.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	4577	4924	5251	4476	19228
2023	3779	2684	2888	3394	12745
2024	3240	2875	2906	3436	12457
2025	*3200*	*3000*	*3100*	*4100*	*13400*
2026	*3350*	*3200*	*3250*	*4150*	*13950*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	2.03	.19	1.99	1.31	5.52
2023	2.16	.97	1.61	2.02	6.76
2024	1.51	1.55	2.30	1.41	6.77
2025	*1.85*	*1.45*	*2.30*	*1.60*	*7.20*
2026	*1.95*	*1.50*	*2.50*	*1.80*	*7.75*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.9225	.9225	.9225	.825	3.59
2022	.885	.885	.885	.885	3.54
2023	.9525	.9525	.9525	1.02	3.88
2024	1.02	1.02	1.02	1.09	4.15
2025	1.09				

BUSINESS: DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.2 mill. electric, 1.3 mill. gas. Has various nonutility operations. Electric revenue breakdown: residential, 50%; commercial, 33%; industrial, 11%; other, 6%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 62% of revenues. '23 reported deprec. rates: 4.2% electric, 2.9% gas. Has 10,600 employees. Chairman, President & CEO: Jerry Norcia. Incorporated: Michigan. Address: One Energy Plaza, Detroit, Michigan 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

DTE Energy should post solid earnings growth in 2025. In January, the Michigan Public Service Commission (MPSC) approved a $217.4 million rate increase to improve reliability and reduce outages. The approval was for less than half of DTE's original request, and the new rates went into effect in early February. The utility remains committed to its plan to fully automate the grid within five to six years and is set to spend over $100 million to build three new electric substations to further reduce power outage frequency by 30% and cut outage time in half by 2029. The company continues to be able to pass on higher costs associated with investments to the consumer through rate cases and infrastructure mechanisms. We look for full-year 2025 earnings of $7.20, representing 6% growth from 2024 levels. Management is targeting a range of $7.09-$7.23 per share, supported by tax credits contributing $50 million-$60 million annually through 2027.

We expect sharper bottom-line growth next year. DTE Energy and its grid investments are increasingly well-positioned to benefit from increased demand for power over that interim. The utility increased its investment plan by $5 billion, to $30 billion over the next five years, to enhance grid reliability and support clean energy transitions. The updated plan includes $10 billion of clean energy investments and $24 billion to DTE Electric. Thus, we are introducing our 2026 earnings estimate of $7.75 a share, indicating 7% growth, within the utility's 6%-8% long-term growth target.

These shares have risen in value since our early December review. The stock is up more than 5% in the past three months as DTE looks increasingly well-positioned to take advantage of elevated demand. It has now risen 23% over the past year.

This issue is best suited for conservative, income-oriented investors. Indeed, the stock is ranked 2 (Above Average) for Safety and holds a high (90) Price Stability score. What's more, the dividend yield of 3.3% is likely the most notable feature and is right around the industry-wide average. Plus, we look for the stock to trade around $145-$200 by 2028-2030.

Zachary J. Hodgkinson *March 7, 2025*

(A) Diluted EPS. Excl. nonrec. gains (loss): '11, 51¢; '15, (39¢); '17, 59¢; gains (losses) on discontinued operations: '12, (33¢); '21, 57¢. Next earnings report due early May. **(B)** Div'ds paid mid-Jan., Apr., July & Oct. ■ Div'd reinvestment plan available. **(C)** Incl. intang. In '23: $29.20/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on common equity in '20: 9.9% elec.; in '22: 9.9% gas; earned on avg. com. eq., '21: 7.6%. Regulatory Climate: Above Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	70

DUKE ENERGY NYSE-DUK

RECENT PRICE 112.62 | P/E RATIO 17.8 (Trailing: 19.6 Median: 18.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS 4 Lowered 10/4/24
SAFETY 2 New 6/1/07
TECHNICAL 2 Lowered 1/24/25
BETA .90 (1.00 = Market)

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$85-$127 $106 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	155	(+40%)	11%
Low	115	(Nil)	4%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	893	923	984
to Sell	830	811	849
Hld's(000)	503341	507258	578742

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	87.3	90.0	87.8	91.8	91.4	97.4	103.8	108.4	116.3	106.4	121.3	112.8						
Low:	67.1	65.5	70.2	76.1	72.0	82.5	62.1	85.6	83.8	83.1	90.1	105.2						

LEGENDS
27.0 x Dividends p sh
Relative Price Strength
1-for-3 Rev split 7/12
Options: Yes
Shaded area indicates recession

Target Price Range 2028 2029 2030

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.6	13.6
3 yr.	17.1	14.7
5 yr.	44.7	70.9

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29.18	32.22	32.63	27.88	34.84	33.84	34.10	32.49	33.66	33.73	34.21	31.04	32.64	37.36	37.69	*39.60*	*41.00*	*42.50*	Revenues per sh	*47.25*
7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	11.05	12.12	12.04	12.60	12.86	13.45	*14.15*	*15.05*	*15.75*	"Cash Flow" per sh	*18.50*
3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.72	5.06	5.12	5.24	5.27	5.56	*5.90*	*6.35*	*6.70*	Earnings per sh [A]	*8.00*
2.82	2.91	2.97	3.03	3.09	3.15	3.24	3.36	3.49	3.64	3.75	3.82	3.90	3.98	4.06	4.14	*4.22*	*4.30*	Div'd Decl'd per sh [B] ■	*5.00*
9.85	10.84	9.80	7.81	7.83	7.62	9.83	11.29	11.50	12.91	15.17	12.88	12.63	14.76	16.35	*17.50*	*17.75*	*18.00*	Cap'l Spending per sh	*18.75*
49.85	50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	61.20	59.82	61.55	61.51	61.15	*63.00*	*65.15*	*67.75*	Book Value per sh [C]	*76.25*
436.29	442.96	445.29	704.00	706.00	707.00	688.00	700.00	700.00	727.00	733.00	769.00	769.00	770.00	771.00	*772.50*	*773.00*	*774.00*	Common Shs Outst'g [D]	*777.00*
13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	17.0	17.7	17.1	18.9	19.8	16.9	*17.8*			Avg Ann'l P/E Ratio	*17.0*
.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	.92	.94	.88	1.02	1.14	.94	*.99*			Relative P/E Ratio	*.95*
6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%	4.3%	4.2%	4.5%	4.2%	4.4%	3.9%	3.8%	4.3%	4.0%			Avg Ann'l Div'd Yield	*3.7%*
23459	22743	23565	24521	25079	23868	25097	28768	29060	*30610*	*31700*	*32900*	Revenues ($mill)	*36800*
2854.0	2560.0	2963.0	3339.0	3747.0	3878.0	4133.0	4166.0	4391.0	*4655*	*5010*	*5290*	Net Profit ($mill)	*6320*
32.2%	31.0%	30.4%	14.1%	12.7%	.3%	5.1%	7.4%	9.2%	*9.0%*	*9.0%*	*9.0%*	Income Tax Rate	*9.0%*
9.2%	11.7%	12.3%	11.4%	8.0%	6.9%	5.9%	7.6%	9.1%	*9.0%*	*9.0%*	*9.0%*	AFUDC % to Net Profit	*8.0%*
48.6%	52.6%	54.0%	53.8%	54.0%	53.7%	55.1%	57.6%	59.6%	*61.0%*	*62.0%*	*62.5%*	Long-Term Debt Ratio	*62.5%*
51.4%	47.4%	46.0%	46.2%	44.1%	44.4%	43.1%	40.7%	38.8%	*38.0%*	*37.5%*	*37.0%*	Common Equity Ratio	*37.0%*
77222	86609	90774	94940	101807	103589	109744	116383	121564	*127650*	*134525*	*141400*	Total Capital ($mill)	*160500*
75709	82520	86391	91694	102127	106782	111408	111748	115315	*122425*	*129400*	*136300*	Net Plant ($mill)	*156000*
4.8%	4.0%	4.3%	4.6%	4.7%	4.8%	4.8%	4.6%	4.9%	*5.0%*	*5.0%*	*5.0%*	Return on Total Cap'l	*5.0%*
7.2%	6.2%	7.1%	7.6%	8.0%	8.1%	8.4%	8.4%	8.9%	*9.5%*	*10.0%*	*10.0%*	Return on Shr. Equity	*10.5%*
7.2%	6.2%	7.1%	7.6%	8.3%	8.2%	8.5%	8.6%	9.1%	*9.5%*	*9.5%*	*10.0%*	Return on Com Equity [E]	*10.5%*
1.5%	.6%	1.2%	2.0%	2.4%	2.3%	1.9%	2.1%	2.4%	*3.0%*	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
79%	91%	83%	74%	71%	73%	78%	76%	74%	*71%*	*67%*	*65%*	All Div'ds to Net Prof	*63%*

Bold figures are Value Line estimates

CAPITAL STRUCTURE as of 9/30/24
Total Debt $84068 mill. **Due in 5 Yrs** $18322 mill.
LT Debt $76524 mill. **LT Interest** $3020 mill.
Incl. $639 mill. finance leases.
(Total Interest Coverage: 2.5x)
Leases, Uncapitalized Annual rentals $268 mill.
Pension Assets-12/23 $7162 mill.
Oblig. $6299 mill.
Pfd Stock $973 mill. **Pfd Div'd** $106 mill.

Common Stock 772,482,405 shs.
as of 10/31/24

MARKET CAP: $87.0 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (GWH)	+2.5	+4.5%	-4.8%
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+1.6%	+1.8%	+1.7
Fixed Charge Cov. (%)	210	229	209

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	1.5%	2.0%	*4.0%*
"Cash Flow"	5.0%	3.5%	*5.0%*
Earnings	3.0%	3.0%	*6.0%*
Dividends	2.5%	2.0%	*3.5%*
Book Value	.5%	.5%	*3.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	7132	6685	7968	6983	28768
2023	7276	6578	7994	7212	29060
2024	7671	7172	8154	*7613*	*30610*
2025	*7950*	*7425*	*8450*	*7875*	*31700*
2026	*8250*	*7700*	*8775*	*8175*	*32900*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.29	1.09	1.78	1.11	5.27
2023	1.20	.91	1.94	1.51	5.56
2024	1.44	1.18	1.62	*1.66*	*5.90*
2025	*1.50*	*1.25*	*1.90*	*1.70*	*6.35*
2026	*1.57*	*1.33*	*2.00*	*1.80*	*6.70*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.965	.965	.985	.985	3.90
2022	.985	.985	1.005	1.005	3.98
2023	1.005	1.005	1.025	1.025	4.06
2024	1.025	1.025	1.045	1.045	4.14
2025					

BUSINESS: Duke Energy Corporation is a holding company for utilities with 7.6 mill. elec. customers in NC, FL, IN, SC, OH, and KY, and 1.6 mill. gas customers in OH, KY, NC, SC, and TN. Owns independent power plants & has 25% stake in National Methanol in Saudi Arabia. Acq'd Progress Energy 7/12; Piedmont Natural Gas 10/16; discontinued most int'l ops. in '16. Elec. rev. breakdown: residential, 45%; commercial, 28%; industrial, 13%; other, 14%. Generating sources: gas, 32%; nuclear, 30%; coal, 18%; other, 1%; purchased, 19%. Fuel costs: 28% of revs. '22 reported deprec. rate: 3.6%. Has 27,600 employees. Chairman, President & CEO: Lynn J. Good. Inc.: DE. Address: 550 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853. Internet: www.duke-energy.com.

For 2025 and 2026, we expect Duke Energy will continue to build on its solid track record of consecutive annual earnings gains. This assumes that the final tally for 2024, which will be reported on February 13th, is near our $5.90 estimate. The utility is apt to continue to take advantage of strong weather-adjusted electric volume growth and constructive regulatory outcomes over the intermediate term. Solid population growth in its service territories, at three to four times the national average of 0.5%, is a key part of the story. This is largely being driven by strong migration trends in the Carolinas and Florida. The company is also likely to keep benefiting from rate relief (higher regulated price adjustments) as outlined below. Leadership continues to affirm its earnings growth rate of 5%-7% per annum through 2028. As such, we're comfortable with our respective 2025 and 2026 share-earnings projections of $6.35 and $6.70.

Duke Energy has been making steady progress in a number of recent and pending general rate cases (GRC). In the Sunshine State, the Florida Public Service Commission approved a settlement which will increase Duke Energy Florida's base electric rates and assist in the building of solar-energy facilities. The decision will increase rates by $203 million in 2025 and another $59 million in 2026. It also included up to $141 million for a dozen new solar plants as they are completed. The settlement dictates that Duke uses roughly $50 million in federal tax credits to offset the need for a base-rate hike in 2027. Meanwhile, the final order in Duke's South Carolina GRC became effective in August of last year and will increase rates by 13% over a two-year period. The GRC includes $215 million of new investments in highly efficient natural gas, solar, nuclear, and hydroelectric units over a seven-year period. In addition, delivery rates in North Carolina recently increased by 2.9%. Duke also has pending GRCs in Ohio and Indiana with decisions due in the next few quarters.

This equity is untimely. The 3.7% dividend yield is right on the peer-group average. Annual total return prospects are not favorable from the recent valuation.

Anthony J. Glennon *February 7, 2025*

(A) Dil. EPS. Excl. net nonrec. losses: '12, 64¢; '13, 22¢; '14, 59¢; '15, 5¢; '16, 60¢; '18, 96; '20, $3.40; '21, 30¢; '22, $2.10; '23, $2.02; net nonrec. gain: '17, 14¢. Qtly. EPS may not sum to annual figure due to rounding. Next egs. due Feb 13th. **(B)** Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '23: $42.70/sh. **(D)** In mill., **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in '21 in NC: 9.6%; 9.5%; in '20 in FL: 9.5%-11.5%; in '20 in IN: 9.7%. in '19 in SC:9.5%; Reg. Clim.: NC, SC Avg.; OH, IN Above Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	100

ENTERGY CORP. NYSE-ETR

RECENT PRICE 85.29 | P/E RATIO 25.8 (Trailing: 34.8 Median: 15.0) | RELATIVE P/E RATIO 1.43 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Raised 8/16/24
SAFETY 1 Raised 9/6/24
TECHNICAL 3 Lowered 12/27/24
BETA 1.00 (1.00 = Market)

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$76-$135 $106 (25%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(Nil)	3%
Low	70	(-20%)	-1%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	464	496	500
to Sell	343	333	382
Hld's(000)	379314	391478	442178

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	46.0	45.2	41.0	44.0	45.4	61.0	67.8	57.5	63.4	55.9	79.0	88.4						
Low:	30.2	30.6	32.7	34.8	36.0	41.6	37.6	42.9	47.5	43.6	48.1	74.8						
Revenues per sh	28.41	32.13	31.84	28.97	31.93	34.86	32.27	30.27	30.67	29.12	27.31	25.25	28.97	32.59	28.54	27.65	*28.75*	*30.00*
"Cash Flow" per sh	6.64	8.27	8.77	7.99	8.12	8.84	8.85	9.36	8.35	8.25	8.60	9.10	8.95	7.75	10.77	8.10	*8.80*	*9.30*
Earnings per sh A	3.15	3.33	3.78	3.01	2.48	2.89	2.91	3.44	2.60	2.94	3.15	3.45	3.44	2.69	5.55	2.45	*3.35*	*3.60*
Div'd Decl'd per sh B ■ †	1.50	1.62	1.66	1.66	1.66	1.66	1.67	1.71	1.75	1.79	1.83	1.87	1.93	2.05	2.17	2.30	*2.43*	*2.55*
Cap'l Spending per sh	6.50	6.66	7.60	9.09	7.86	7.41	8.39	8.64	11.04	11.23	10.86	12.26	15.43	12.52	10.43	11.26	*12.00*	*12.50*
Book Value per sh C	22.77	23.77	25.41	25.86	27.00	27.92	25.95	22.56	22.14	23.39	25.67	27.28	28.71	30.70	34.35	35.11	*36.50*	*38.25*
Common Shs Outst'g D	378.24	357.49	352.71	355.62	356.74	358.48	356.78	358.26	361.04	378.11	398.30	400.49	405.31	422.35	425.70	429.58	*435.00*	*440.00*
Avg Ann'l P/E Ratio	12.0	11.6	9.1	11.2	13.2	12.9	12.5	10.9	15.0	13.8	16.5	15.3	15.0	21.1	9.1	24.1		
Relative P/E Ratio	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	.79	.81	1.22	.51	1.27		
Avg Ann'l Div'd Yield	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	3.5%	3.6%	3.7%	3.6%	4.3%	3.9%		
Revenues ($mill)	11513	10846	11074	11009	10879	10114	11743	13764	12147	11880	*12500*	*13200*						
Net Profit ($mill)	1061.2	1249.8	950.7	1092.1	1258.2	1406.7	1402.8	1103.2	2356.5	1055.6	*1455*	*1585*						
Income Tax Rate	2.2%	11.3%	1.8%	--	--	--	16.1%	--	16.1%	26.4%	*20.0%*	*20.0%*						
AFUDC % to Net Profit	7.4%	8.1%	14.7%	17.5%	16.7%	12.2%	7.1%	2.5%	1.7%	5.0%	*2.0%*	*2.0%*						
Long-Term Debt Ratio	57.8%	63.6%	63.6%	63.2%	62.0%	65.5%	67.6%	64.2%	60.8%	63.5%	*63.5%*	*63.5%*						
Common Equity Ratio	40.8%	35.5%	35.5%	35.9%	37.1%	33.7%	31.7%	35.2%	38.6%	36.0%	*36.5%*	*36.5%*						
Total Capital ($mill)	22714	22777	22528	24602	27557	32386	36733	36810	37851	41917	*44330*	*46985*						
Net Plant ($mill)	27824	27921	29664	31974	35183	38853	42244	42477	43834	47423	*50270*	*53285*						
Return on Total Cap'l	6.0%	6.9%	5.7%	5.8%	5.9%	5.6%	4.9%	4.3%	7.6%	4.0%	*4.5%*	*4.5%*						
Return on Shr. Equity	11.1%	15.1%	11.6%	12.0%	12.0%	12.6%	11.8%	8.4%	15.9%	6.9%	*9.0%*	*9.5%*						
Return on Com Equity E	11.2%	15.2%	11.7%	12.2%	12.1%	12.7%	11.9%	8.4%	16.0%	6.9%	*9.0%*	*9.5%*						
Retained to Com Eq	4.8%	7.7%	3.9%	4.9%	5.2%	5.9%	5.2%	1.9%	9.7%	.4%	*2.5%*	*2.5%*						
All Div'ds to Net Prof	58%	50%	68%	61%	58%	55%	57%	78%	40%	95%	*73%*	*71%*						

Bold figures are Value Line estimates

CAPITAL STRUCTURE as of 12/31/24
Total Debt $28918 mill. **Due in 5 Yrs** $11117 mill.
LT Debt $26613 mill. **LT Interest** $1046.0 mill.
Incl. $54.7 mill. of securitization bonds.
(LT interest earned: 2.2x)
Leases, Uncapitalized Annual rentals $198.8 mill.
Pension Assets-12/24 $4432.7 mill.
Oblig $4,520.7 mill.
Pfd Stock $219.4 mill. **Pfd Div'd** $18.3 mill.
200,000 shs. 6.25%-7.5%, $100 par; 250,000 shs. 8.75%, 1.4 mill. shs. 5.375%; all cum., without sinking fund.
Common Stock 430,412,580 shs. **as of 1/31/25**
MARKET CAP: $36.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+1.1	+4.5	-1.0
Total Indust. Use (GWH)	52501	52807	57081
Avg. Indust. Revs. per KWH(¢)	7.08	6.00	5.60
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+.4	+.7
Fixed Charge Cov. (%)	209	250	220

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	-1.0%	.5%	*2.0%*
"Cash Flow"	.5%	1.0%	*3.0%*
Earnings	2.5%	4.0%	*3.0%*
Dividends	2.5%	4.0%	*5.5%*
Book Value	2.0%	7.0%	*4.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	2878	3395	4219	3273	13764
2023	2981	2846	3596	2725	12147
2024	2795	2954	3389	2742	11880
2025	*2900*	*3300*	*3200*	*3100*	*12500*
2026	*3100*	*3400*	*3400*	*3300*	*13200*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.68	.39	1.37	.26	2.69
2023	.74	.92	1.57	2.33	5.55
2024	.18	.12	1.50	.65	2.45
2025	*.60*	*.40*	*1.65*	*.70*	*3.35*
2026	*.70*	*.45*	*1.70*	*.75*	*3.60*

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.475	.475	.475	.505	1.93
2022	.505	.505	.505	.535	2.05
2023	.535	.535	.535	.565	2.17
2024	.565	.565	.565	.60	2.30
2025	.60				

BUSINESS: Entergy Corporation supplies electricity to 3 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 206,000 customers in Louisiana. Is selling its last nonutility nuclear unit (shut down 5/22). Electric revenue breakdown: residential, 37%; commercial, 24%; industrial, 27%; other, 12%. Generating sources: gas, 68%; nuclear, 22%; coal, 9%; hydro and solar, 1%. Fuel costs: 32% of revenues. '23 reported depreciation rate: 2.7%. Has 11,707 employees. Chairman & CEO: Leo P. Denault. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

Entergy's fourth-quarter results require an explanation. Revenues came in flat with the year-prior period, as higher levels of energy were produced for its customers. However, prices were lower in part thanks to reduced commodity prices and a lower charge per kilowatt hour during the quarter. This led to improved operating profits, while a few regulatory credits were earned during the quarter. However, the tax burden was greater than compared to the prior-year period. Overall, these factors caused earnings to fall to $0.65 per share in the final portion of 2024. Note that the company completed a 2-for-1 stock split in December 2024, which is now reflected in our presentation.

We expect higher levels of growth in the coming years. The company should benefit from businesses and industrial processes moving into Texas and Louisiana as more reshoring occurs. Indeed, the power producer has already stated plans to spend $37 billion on capital projects devoted to service customers, improve system reliability, and allow for better operations. Additionally, Entergy ought to gain from the expansion of clean energy in Louisiana, and the company is working to increase its nuclear capabilities across its footprint. These measures should help service a higher level of industrial work, while management believes that the data center opportunity is around 5 to 10 gigawatts over the long haul. Entergy has signed several new deals, including one with a large customer in Mississippi, and several rate formula plan filings will likely be enacted shortly. The retail segment will likely benefit from more customers moving into the coverage area. Expenses will probably rise quickly, as increased electricity production leads to higher maintenance and depreciation costs. We expect greater outstanding debt to cause interest expense to increase. Overall, we project that earnings will advance to $3.35 in 2025, $3.60 in 2026, and $4.20 by 2028-2030.

Shares of Entergy are neutrally ranked for Timeliness. This stock holds lackluster long-term appreciation potential. Moreover, while the equity has a top-notch Safety rank of 1, the yield is below the industry average, and prospective increases to the payout are just decent.

John E. Seibert III *March 7, 2025*

(A) Diluted EPS. GAAP starting in 2022. Excl. nonrec. losses: '12, $1.26; '13, $1.14; '14, 56¢; '15, $6.99; '16, $10.14; '17, $2.91; '18, $1.25; '21, $1.33. Next earnings report due early May. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '24: $14.92/sh. **(D)** In mill. **(E)** Rate base: Net original cost. Allowed ROE (blended): 9.79%; earned on avg. com. eq., '24: 6.9%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	70

IDACORP, INC. NYSE-IDA

RECENT PRICE 113.75 | P/E RATIO 19.6 (Trailing: 20.8 Median: 20.0) | RELATIVE P/E RATIO 1.24 | DIV'D YLD 3.0% | VALUE LINE

TIMELINESS 3 Raised 4/4/25
SAFETY 1 Raised 4/19/24
TECHNICAL 3 Lowered 3/14/25
BETA .75 (1.00 = Market)

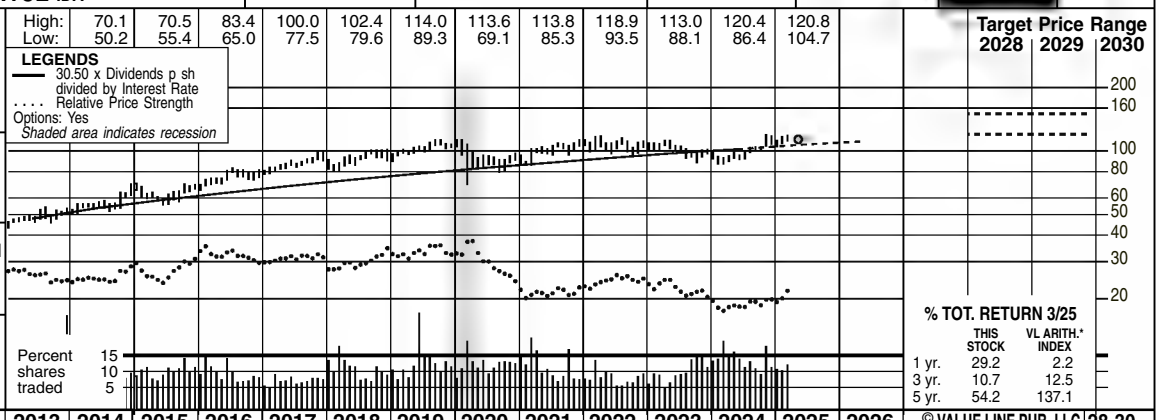
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$91-$130 $111 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+30%)	*10%*
Low	120	(+5%)	*5%*

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	191	226	235
to Sell	170	166	180
Hld's(000)	46039	51027	52388



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	26.76	27.19	26.70	26.77	28.86	32.51	34.90	33.85	*35.95*	*37.25*	Revenues per sh	*39.90*
5.07	5.35	5.84	5.93	6.29	6.58	6.70	6.86	7.50	7.85	8.07	8.19	8.41	8.55	9.11	9.59	*10.45*	*11.25*	"Cash Flow" per sh	*12.75*
2.64	2.95	3.36	3.37	3.64	3.85	3.87	3.94	4.21	4.49	4.61	4.69	4.85	5.11	5.14	5.50	*5.80*	*6.30*	Earnings per sh [A]	*7.10*
1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	2.24	2.40	2.56	2.72	2.88	3.04	3.20	3.35	*3.52*	*3.65*	Div'd Decl'd per sh [B] ■ †	*4.20*
5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	5.66	5.51	5.53	6.16	5.94	8.56	12.07	18.70	*18.50*	*21.00*	Cap'l Spending per sh	*23.00*
29.17	31.01	33.19	35.07	36.84	38.85	40.88	42.74	44.65	47.01	48.88	50.73	52.82	55.52	57.44	61.73	*66.65*	*70.00*	Book Value per sh [C]	*74.00*
47.90	49.41	49.95	50.16	50.23	50.27	50.34	50.40	50.42	50.42	50.42	50.46	50.52	50.56	50.62	53.96	*54.00*	*55.00*	Common Shs Outst'g [D]	*56.00*
10.2	11.8	11.5	12.4	13.4	14.7	16.2	19.1	20.6	20.5	22.3	19.9	20.8	21.0	19.9	18.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*19.0*
.68	.75	.72	.79	.75	.77	.82	1.00	1.04	1.11	1.19	1.02	1.12	1.21	1.11	.95			Relative P/E Ratio	*1.05*
4.5%	3.4%	3.1%	3.3%	3.2%	3.1%	3.1%	2.8%	2.6%	2.6%	2.5%	2.9%	2.9%	2.8%	3.1%	3.4%			Avg Ann'l Div'd Yield	*3.1%*
1270.3	1262.0	1349.5	1370.8	1346.4	1350.7	1458.1	1644.0	1766.4	1826.6	*1940*	*2050*	Revenues ($mill)	*2235*
194.7	198.3	212.4	226.8	232.9	237.4	245.6	259.0	261.2	289.2	*315*	*345*	Net Profit ($mill)	*400*
19.0%	15.5%	18.6%	7.1%	9.5%	10.8%	13.1%	12.7%	9.4%	4.9%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
16.3%	16.3%	13.9%	15.2%	16.2%	17.3%	17.7%	19.8%	8.8%	8.8%	*9.0%*	*9.0%*	AFUDC % to Net Profit	*12.0%*
45.6%	44.8%	43.7%	43.6%	41.3%	43.9%	42.8%	43.9%	48.8%	47.8%	*46.0%*	*44.5%*	Long-Term Debt Ratio	*43.0%*
54.4%	55.2%	56.3%	56.4%	58.7%	56.1%	57.2%	56.1%	51.2%	52.2%	*54.0%*	*55.5%*	Common Equity Ratio	*57.0%*
3783.3	3898.5	3997.5	4205.1	4201.3	4560.4	4669.1	5001.4	5683.4	6384.7	*6675*	*6950*	Total Capital ($mill)	*7300*
3992.4	4172.0	4283.9	4395.7	4531.5	4709.5	4901.8	5173.0	5745.2	6517.3	*7275*	*8000*	Net Plant ($mill)	*9000*
6.2%	6.1%	6.3%	6.4%	6.5%	6.1%	6.2%	6.1%	5.4%	5.6%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.5%*
9.5%	9.2%	9.4%	9.6%	9.4%	9.3%	9.2%	9.2%	9.0%	8.7%	*8.5%*	*9.0%*	Return on Shr. Equity	*9.5%*
9.5%	9.2%	9.4%	9.6%	9.4%	9.3%	9.2%	9.2%	9.0%	8.7%	*8.5%*	*9.0%*	Return on Com Equity [E]	*9.5%*
4.8%	4.3%	4.4%	4.4%	4.2%	3.9%	3.7%	3.7%	3.4%	3.4%	*3.5%*	*4.0%*	Retained to Com Eq	*4.0%*
50%	53%	53%	54%	56%	58%	60%	60%	63%	61%	*61%*	*57%*	All Div'ds to Net Prof	*59%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $3073.7 mill. **Due in 5 Yrs** $136.2 mill.
LT Debt $3053.8 mill. **LT Interest** $139.2 mill.
(Total Interest Coverage: 2.5x)

Pension Assets-12/24 $951.1 mill.
Oblig $998.0 mill.

Pfd Stock None

Common Stock 53,977,012 shs.
as of 2/14/25

MARKET CAP: $6.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+9.6	+7.3	+2.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3568	3615	3793
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2.4	+2.4	+2.2
Fixed Charge Cov. (%)	395	315	328

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	3.5%	4.5%	*3.5%*
"Cash Flow"	4.0%	3.0%	*6.0%*
Earnings	4.0%	3.5%	*6.0%*
Dividends	7.5%	6.0%	*5.5%*
Book Value	4.5%	4.5%	*4.5%*

QUARTERLY REVENUES($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	344.3	358.7	518.0	422.9	1644.0
2023	429.7	413.8	510.9	412.0	1766.4
2024	448.9	451.1	528.5	398.1	1826.6
2025	*475*	*475*	*550*	*440*	*1940*
2026	*500*	*520*	*550*	*480*	*2050*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.91	1.27	2.10	.83	5.11
2023	1.11	1.35	2.07	.61	5.14
2024	.95	1.71	2.12	.70	5.50
2025	*1.05*	*1.80*	*2.25*	*.70*	*5.80*
2026	*1.10*	*1.85*	*2.50*	*.85*	*6.30*

QUARTERLY DIVIDENDS PAID [B] ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.71	.71	.71	.75	2.88
2022	.75	.75	.75	.79	3.04
2023	.79	.79	.79	.83	3.20
2024	.83	.83	.83	.86	3.35
2025	.86				

BUSINESS: IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 649,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1.4 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 38%; commercial, 22%; industrial, 15%; irrigation, 11%; other, 14%. Generating sources: hydro, 54%; steam fired, 18%; gas, 28%; purchased,33%. Fuel costs: 14% of revenues. '24 depreciation rate: 12.2%. Has 2,141 employees. Chairman: Dennis L. Johnson. President & CEO: Lisa A. Grow. Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, Idaho 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

IDACORP's near-term profits will likely grow at a mid- to high-single-digit pace. Solid electric revenue growth across its residential, commercial, industrial, and irrigation customer segments continues to support the utility's strong performance. During 2024, IDACORP achieved a more than 3% year-over-year revenue increase. Meanwhile, the bottom line advanced at a faster pace, to $5.50 per share. The company has benefited from rising customer counts, elevated customer usage, partly due to warmer weather, and rate increases approved by regulators earlier this year. Considering the recent performance, management expects 2025 share earnings in the $5.65-$5.85 range, assuming normal weather. IDACORP is well positioned for continued top- and bottom-line growth despite elevated infrastructure costs. All told, we estimate share earnings of $5.80 in 2025 and $6.30 in 2026, reflecting gains of over 5% and 8%, respectively.

Capital investment should remain a key focus here. IDACORP plans to allocate $1.0 billion-$1.1 billion in capital spending during 2025, followed by $1.25 billion-$1.35 billion in 2026, and $3.1 billion-$3.6 billion from 2027 through 2029. In all, the company expects to invest up to $6.1 billion over the next five years. These expenditures are expected to support upcoming rate cases, as utilities are incentivized for such investments.

The company also provided updates on the progress of its major transmission projects. IDACORP is advancing two large-scale high-voltage transmission lines. The 300-mile Boardman-to-Hemingway project, linking northeastern Oregon to southwestern Idaho, began early-stage work and is slated for construction in the summer of 2025, with completion expected in or after 2027. Separately, in February 2025, the utility committed to a partial ownership stake in the 285-mile SWIP-N project, connecting Nevada and Idaho. Its construction is anticipated to start this year and take about two years to complete. IDACORP will fund approximately 11% of total project costs.

High-quality shares of IDACORP have a subpar dividend yield for a utility company.

Emma Jalees *April 18, 2025*

(A) Diluted EPS. Earnings may not sum due to rounding. Next earnings report due early May. **(B)** Dividends historically paid in late February, May, August, and November. ■ Dividend reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. intangibles. In '24: $1418.0 mill., $26.28/sh. **(D)** In millions. **(E)** Rate base: Net original cost. Rate allowed on common equity in '12: 10% (imputed); Regulatory Climate: Above Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	100

NEXTERA ENERGY NYSE-NEE

RECENT PRICE 73.83 | P/E RATIO 20.6 (Trailing: 21.5 Median: 24.0) | RELATIVE P/E RATIO 1.13 | DIV'D YLD 3.1% | VALUE LINE

TIMELINESS 3 Lowered 5/24/24
SAFETY 2 Raised 11/8/24
TECHNICAL 2 Lowered 1/10/25
BETA 1.05 (1.00 = Market)

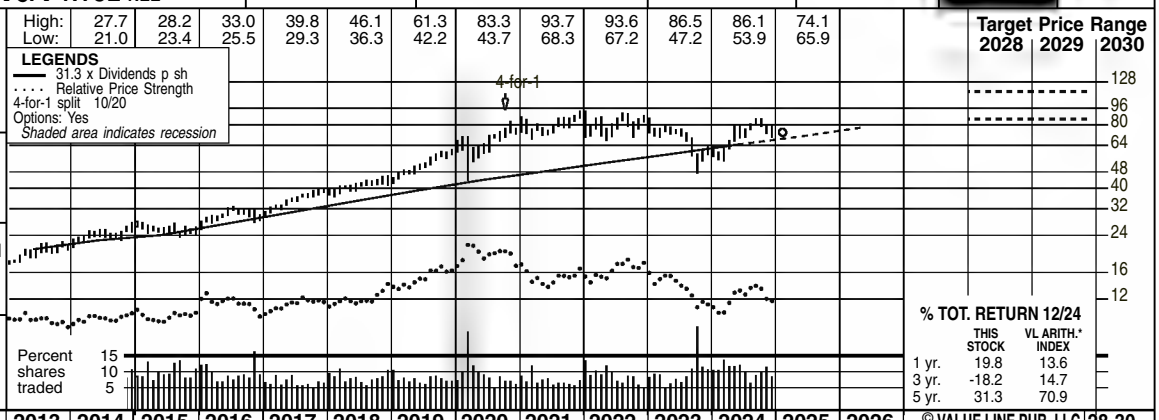
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$56-$106 $81 (10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+55%)	14%
Low	85	(+15%)	7%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	1287	1315	1324
to Sell	970	1015	1096
Hld's(000)	1593082	1666683	1762540



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.8	13.6
3 yr.	-18.2	14.7
5 yr.	31.3	70.9

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
9.45	9.10	9.22	8.41	8.70	9.61	9.48	8.63	9.13	8.75	9.82	9.18	8.70	10.55	13.70	*12.05*	*14.55*	*15.50*	Revenues per sh	*18.00*
2.19	2.41	2.32	2.17	2.63	3.03	3.23	3.24	3.03	3.84	4.22	4.52	4.70	5.30	6.14	*6.25*	*6.55*	*6.75*	"Cash Flow" per sh	*8.00*
.99	1.19	1.21	1.14	1.21	1.40	1.52	1.45	1.63	1.67	1.94	2.31	2.55	2.90	3.17	3.43	*3.70*	*4.00*	Earnings per sh [A]	*5.10*
.47	.50	.55	.60	.66	.73	.77	.87	.98	1.11	1.25	1.40	1.54	1.70	1.87	2.06	*2.26*	*2.50*	Div'd Decl'd per sh [B] ■ †	*3.22*
3.63	3.47	3.98	5.58	3.84	3.96	4.54	5.15	5.70	6.80	6.29	7.45	8.19	9.70	12.24	*12.00*	*11.00*	*11.00*	Cap'l Spending per sh	*12.00*
7.84	8.59	8.98	9.47	10.37	11.24	12.24	13.00	14.97	17.86	18.92	18.63	18.95	19.74	23.13	*24.35*	*26.05*	*28.25*	Book Value per sh [C]	*36.00*
1654.5	1683.4	1664.0	1696.0	1740.0	1772.0	1844.0	1872.0	1884.0	1912.0	1956.0	1960.0	1963.0	1987.0	2052.0	*2058.0*	*2065.0*	*2100.0*	Common Shs Outst'g [D]	*2200.0*
13.4	10.8	11.5	14.4	16.6	17.3	16.9	20.7	21.6	24.8	26.8	28.9	31.3	27.8	22.0	20.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.43	1.48	1.69	1.61	1.22	1.16			Relative P/E Ratio	*1.10*
3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%	2.4%	2.1%	1.9%	2.1%	2.7%	2.9%			Avg Ann'l Div'd Yield	*3.2%*
17486	16155	17195	16727	19204	17997	17069	20956	28114	24753	*30050*	*32500*							Revenues ($mill)	*39500*
2752.0	2693.0	3074.0	3200.0	3769.0	4552.0	5021.0	5742.0	6441.0	7063.0	*7635*	*8355*							Net Profit ($mill)	*11235*
30.8%	29.3%	24.4%	28.6%	11.7%	13.0%	15.0%	18.2%	12.5%	5.0%	*6.0%*	*7.0%*							Income Tax Rate	*9.0%*
6.9%	8.2%	6.7%	6.6%	4.1%	4.6%	6.3%	4.3%	5.4%	*6.5%*	*7.0%*	*6.0%*							AFUDC % to Net Profit	*5.0%*
54.2%	53.3%	52.7%	44.0%	50.4%	53.5%	57.8%	58.5%	56.4%	59.0%	*60.0%*	*59.5%*							Long-Term Debt Ratio	*58.0%*
45.8%	46.7%	47.3%	56.0%	49.6%	46.5%	42.2%	41.5%	43.6%	41.0%	*40.0%*	*40.5%*							Common Equity Ratio	*42.0%*
49255	52159	59671	60926	74548	78457	88162	94485	108873	122486	*135175*	*147700*							Total Capital ($mill)	*189400*
61386	66912	72416	70334	82010	91803	99348	111059	125776	138852	*152925*	*166800*							Net Plant ($mill)	*213100*
6.8%	6.3%	6.3%	6.3%	6.0%	6.8%	6.6%	6.9%	7.2%	*7.0%*	*7.0%*	*7.0%*							Return on Total Cap'l	*7.0%*
12.2%	11.1%	10.9%	9.4%	10.2%	12.5%	13.5%	14.6%	13.6%	*14.0%*	*14.0%*	*14.0%*							Return on Shr. Equity	*14.0%*
12.2%	11.1%	10.9%	9.4%	10.2%	12.5%	13.5%	14.6%	13.6%	*14.0%*	*14.0%*	*14.0%*							Return on Com Equity [E]	*14.0%*
6.1%	4.4%	4.4%	3.2%	3.7%	5.0%	5.4%	6.1%	5.6%	*5.5%*	*5.5%*	*5.5%*							Retained to Com Eq	*5.0%*
50%	60%	60%	66%	64%	60%	60%	58%	59%	*60%*	*61%*	*62%*							All Div'ds to Net Prof	*63%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $82333 mill. **Due in 5 Yrs** $32228 mill.
LT Debt $72385 mill. **LT Interest** $2500 mill.

(Total Interest coverage: 3.0x)

Pension Assets-12/23 $4897 mill.
Oblig. $2785 mill.

Pfd Stock None

Common Stock 2,056,404,540 shs.
as of 9/30/24

MARKET CAP: $151.8 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-1.0%	+3.0	+.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.5	+1.5	+1.2
Fixed Charge Cov. (%)	284	370	341

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	2.5%	4.5%	*7.5%*
"Cash Flow"	8.5%	10.0%	*6.0%*
Earnings	9.5%	12.5%	*8.5%*
Dividends	11.0%	11.5%	*9.5%*
Book Value	8.0%	6.0%	*8.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	2890	5183	6719	6164	20956
2023	6716	7349	7172	6877	28114
2024	5731	6069	7567	5386	24753
2025	*6800*	*7300*	*8150*	*7800*	*30050*
2026	*7350*	*7900*	*8800*	*8450*	*32500*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.74	.81	.85	.51	2.90
2023	.84	.88	.94	.52	3.17
2024	.91	.96	1.03	.53	3.43
2025	*.95*	*1.00*	*1.10*	*.65*	*3.70*
2026	*1.02*	*1.08*	*1.20*	*.70*	*4.00*

QUARTERLY DIVIDENDS PAID [B] ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.385	.385	.385	.385	1.54
2022	.425	.425	.425	.425	1.70
2023	.4675	.4675	.4675	.4675	1.87
2024	.515	.515	.515	.515	2.06
2025					

BUSINESS: NextEra Energy, Inc. is a holding company for Florida Power & Light Co. (FP&L), which provides electricity to roughly 5.9 million customers in eastern, southern, & northwestern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & renewables. Has 51.4% stake in NextEra Energy Partners. Acquired Gulf Power 1/19; Florida City Gas 7/18. Revenue: residential, about 55%; commercial/industrial/other, 45%. Generating sources: gas, 73%; nuclear, 20%; solar, 6%; other, 1%. Fuel costs: 19.4% of revenues. '23 depreciation rate: 3.4%. Employs about 16,800. Chairman, President and CEO: John W. Ketchum. Inc.: Florida. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

NextEra Energy looks poised for solid growth in 2025 and 2026. During the company's 2024 campaign, it posted earnings at the high end of its initial bottom-line target of $3.23-$3.43 per share. The utility subsidiary, Florida Power & Light (FPL), experienced healthy growth driven by investment in the business. Regulatory capital employed grew by nearly 10% year over year. (As a regulated utility the company receives an economic return on its electric-grid investments as part of the rates it charges customers on their monthly bills.) We're looking for more of the same this year and next, as FPL continues to benefit from long-term rising demand for electricity, known as load growth, due to migration trends in Florida and a friendly business environment in the state. (The customer base grew by nearly 2% last year, well ahead of the 0.5% average rate of population growth nationwide.) FPL is also the beneficiary of the ongoing need to invest in system resiliency in storm-challenged Florida and in utility-owned solar power generation. Lastly, the company recently filed for higher electric rates effective from January 2026.

The shares have corrected fairly significantly of late. NEE stock performed quite well in 2024 through early autumn, but are down about 15% since our last report three months ago. Over that stretch, recession fears have faded and the yield on the benchmark 10-year Treasury note has moved up from 3.63% in mid-September to 4.53% recently. As fixed-income securities are a competing investment vehicle to utilities, stocks such as NEE tend to decline in value when interest rates are on the rise, resulting in a higher dividend yield. A simple way to think about it is the yield on utilities tends to move up and down with bond yields.

This issue is ranked to mirror the broader market over the year ahead. NEE is one of the better utilities, with annual earnings and dividends expected to grow by 8%-9% and 9%-10%, respectively, out to 2028-2030. Following the recent correction, annual total-return prospects have improved significantly, but still are not quite at a level we'd want to see (11% or more at the midpoint) before recommending subscribers buy this issue.

Anthony J. Glennon *February 7, 2025*

(A) Diluted EPS. Excl. nonrecurring gains/(losses): '11, (6¢); '13, (20¢); '16, 12¢; '17, $1.22¢; '18, $1.80; '20, (83¢); '21, (74¢); '22, (80¢); '23, 43¢; '24, (6¢); disc. ops.: '13, 11¢. EPS may not some to full yr. due to rounding. Next egs. report due late April. **(B)** Div'ds paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Includes intagibles. In '23: $5.85/sh. **(D)** In mill., adj. for stock split. **(E)** Rate allowed on common eq. in '22 (FPL): 9.8%-11.8%; Regult'y Climate: Avg.

Company's Financial Strength	A+
Stock's Price Stability	70
Price Growth Persistence	70
Earnings Predictability	95

NORTHWESTERN NDQ-NWE

RECENT PRICE 54.72 | P/E RATIO 16.0 (Trailing: 16.7 Median: 17.0) | RELATIVE P/E RATIO 1.01 | DIV'D YLD 4.8% | VALUE LINE

TIMELINESS 3 Lowered 4/11/25
SAFETY 2 Raised 10/18/24
TECHNICAL 3 Raised 4/18/25
BETA .80 (1.00 = Market)

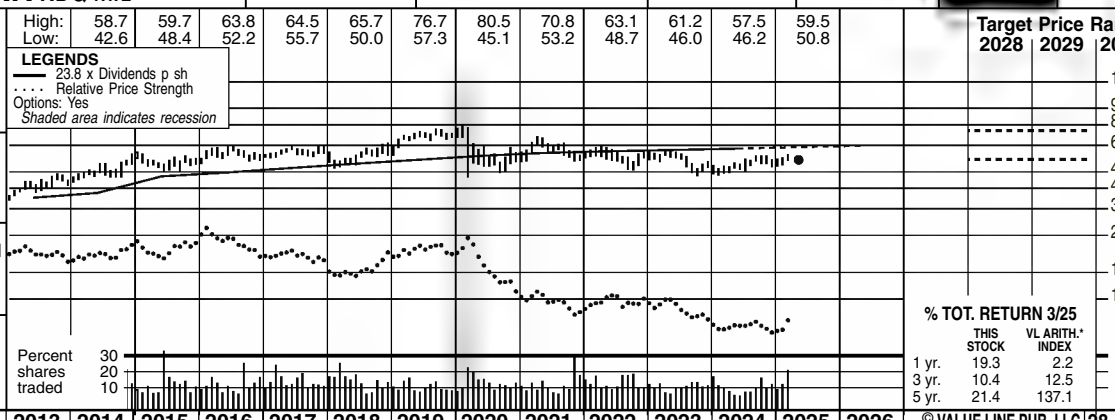
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$42-$67 $55 (0%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+35%)	12%
Low	55	(Nil)	5%

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	158	160	173
to Sell	134	139	138
Hld's(000)	58903	67655	69941



% TOT. RETURN 3/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.3	2.2
3 yr.	10.4	12.5
5 yr.	21.4	137.1

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
31.72	30.66	30.80	28.76	29.80	25.68	25.21	26.01	26.45	23.81	24.93	23.70	25.38	24.74	23.22	24.69	*25.80*	*26.55*	Revenues per sh	*28.90*
4.62	4.76	5.42	5.18	5.45	5.39	5.92	6.74	6.76	6.96	7.07	6.86	6.92	6.46	6.69	7.07	*7.30*	*7.75*	"Cash Flow" per sh	*8.60*
2.02	2.14	2.53	2.26	2.46	2.99	2.90	3.39	3.34	3.40	3.53	3.21	3.50	3.29	3.22	3.27	*3.55*	*3.80*	Earnings per sh [A]	*4.30*
1.34	1.36	1.44	1.48	1.52	1.60	1.92	2.00	2.10	2.20	2.30	2.40	2.48	2.52	2.56	2.60	*2.64*	*2.68*	Div'd Decl'd per sh [B] ■ †	*2.80*
5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.96	5.60	5.64	6.26	8.02	8.03	8.62	9.26	8.96	*8.45*	*8.50*	Cap'l Spending per sh	*8.75*
21.86	22.64	23.68	25.09	26.60	31.50	33.22	34.68	36.44	38.60	40.42	41.10	43.28	44.61	45.48	46.60	*47.40*	*48.60*	Book Value per sh [C]	*53.55*
36.00	36.23	36.28	37.22	38.75	46.91	48.17	48.33	49.37	50.32	50.45	50.59	54.06	59.74	61.25	61.32	*62.00*	*62.50*	Common Shs Outst'g [D]	*64.00*
11.5	12.9	12.6	15.7	16.9	16.2	18.4	17.2	17.8	16.8	19.9	18.6	17.4	17.3	17.0	15.9	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.5*
.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	1.06	.96	.94	1.00	.95	.85			Relative P/E Ratio	*.85*
5.7%	4.9%	4.5%	4.2%	3.7%	3.3%	3.6%	3.4%	3.5%	3.9%	3.3%	4.0%	4.1%	4.4%	4.7%	5.0%			Avg Ann'l Div'd Yield	*4.2%*
1214.3	1257.2	1305.7	1198.1	1257.9	1198.7	1372.3	1477.8	1422.1	1513.9	*1600*	*1660*	Revenues ($mill)	*1850*
138.4	164.2	162.7	171.1	179.3	162.6	181.6	185.5	194.1	201.0	*220*	*240*	Net Profit ($mill)	*275*
13.7%	--	7.6%	--	1.6%	--	.9%	--	3.7%	7.2%	*9.0%*	*11.0%*	Income Tax Rate	*12.0%*
9.8%	4.3%	5.2%	3.4%	4.6%	6.0%	14.9%	18.5%	21.6%	22.7%	*23.0%*	*23.0%*	AFUDC % to Net Profit	*24.0%*
53.1%	52.0%	50.2%	52.2%	52.5%	52.8%	52.2%	48.2%	49.1%	48.6%	*49.5%*	*50.5%*	Long-Term Debt Ratio	*50.5%*
46.9%	48.0%	49.8%	47.8%	47.5%	47.2%	47.8%	51.8%	50.9%	51.4%	*50.5%*	*49.5%*	Common Equity Ratio	*49.5%*
3408.6	3493.9	3614.5	4064.6	4289.8	4409.1	4893.1	5148.3	5475.4	5554.9	*5840*	*6125*	Total Capital ($mill)	*6950*
4059.5	4214.9	4358.3	4521.3	4700.9	4952.9	5247.2	5657.5	6039.8	6398.3	*6700*	*6975*	Net Plant ($mill)	*7800*
5.2%	5.9%	5.6%	5.2%	5.2%	4.6%	4.6%	4.5%	4.5%	4.7%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
8.6%	9.8%	9.0%	8.8%	8.8%	7.8%	7.8%	7.0%	7.0%	7.0%	*7.5%*	*8.0%*	Return on Shr. Equity	*8.0%*
8.6%	9.8%	9.0%	8.8%	8.8%	7.8%	7.8%	7.0%	7.0%	7.0%	*7.5%*	*8.0%*	Return on Com Equity [E]	*8.0%*
3.0%	4.1%	3.4%	3.2%	3.1%	2.0%	2.3%	1.7%	1.4%	1.5%	*2.0%*	*2.5%*	Retained to Com Eq	*3.0%*
65%	58%	62%	64%	64%	74%	71%	76%	79%	79%	*74%*	*70%*	All Div'ds to Net Prof	*65%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $3100.7 mill. **Due in 5 Yrs** $1036.1 mill.
LT Debt $2697.2 mill. **LT Interest** $125.0 mill.
Incl. $1.9 mill. finance leases.
(Total Interest Coverage: 2.4x)

Pension Assets-12/24 $395.3 mill.
Oblig. $447.9 mill.

Pfd Stock None

Common Stock 61,328,041 shs.
as of 2/7/25

MARKET CAP: $3.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+3.7	-.3	+1.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	2073	1992	2079
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.5	+1.6	+1.5
Fixed Charge Cov. (%)	219	216	205

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	-1.5%	-0.5%	*3.0%*
"Cash Flow"	2.5%	-0.5%	*4.0%*
Earnings	2.5%	-1.0%	*4.5%*
Dividends	5.5%	3.0%	*1.5%*
Book Value	5.0%	3.5%	*2.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	394.5	323.0	335.1	425.2	1477.8
2023	454.5	290.5	321.1	356.0	1422.1
2024	475.3	319.9	345.2	373.5	1513.9
2025	*495*	*340*	*365*	*400*	*1600*
2026	*510*	*355*	*380*	*415*	*1660*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.08	.58	.47	1.16	3.29
2023	1.10	.32	.48	1.32	3.22
2024	1.08	.52	.64	1.03	3.27
2025	*1.15*	*.55*	*.70*	*1.15*	*3.55*
2026	*1.22*	*.60*	*.77*	*1.21*	*3.80*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.62	.62	.62	.62	2.48
2022	.63	.63	.63	.63	2.52
2023	.64	.64	.64	.64	2.56
2024	.65	.65	.65	.65	2.60
2025	.66				

BUSINESS: NorthWestern Energy Group, Inc. supplies electricity & gas in the Upper Midwest and Northwest, serving 467,700 electric customers in Montana and South Dakota and 307,600 gas customers in Montana, South Dakota, and Nebraska. Electric revenue breakdown for 2024: residential, 48%; commercial, 46%; industrial, 4%; and other, 2%. Generating sources: coal, 24%; hydro, 26%; wind, 7%; natural gas, 25%; purchased power, 18%. Fuel costs: 29% of revenues. 2024 reported depreciation rate: 2.9%. Had 1,585 employees as of 12/31/24. Chair of the board of directors: Dana J. Dykhouse. President and CEO: Brian B. Bird. Incorporated: DE. Address: 3010 West 69th Street, Sioux Falls, SD 57108. Telephone: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern Energy is due for rate relief. In NWE's general rate case (GRC) filed with the Montana Public Service Commission, it requested a more than one percentage point hike to its authorized return on equity (ROE), to 10.8% for both natural gas and electric investments. The company is also seeking a $164 million annual revenue increase from electricity customers and $29 million from gas customers. A significant portion of the hike is associated with infrastructure the company has paid for, but not yet billed for. This includes utility poles, pipelines, and a 175-megawatt natural gas generation plant that was delayed and over budget, in part due to it being contested by environmentalist groups. Our expectation is that NWE will get 45%-65% of what it's asking for in what's proven to be a historically difficult regulatory climate. We'd be surprised if the ROE is raised. Late last year, the company requested an interim rate increase and received it on natural gas, but was handed an offsetting reduction on electricity delivery prices. Public hearings related to the GRC commence April 22nd, with a decision due in the fourth quarter.

We expect earnings to rise this year and next. The company's bottom line in 2025 is up against an easy 2024 comparison that was hampered by milder-than-typical weather. (Fewer heating and cooling days than average pressured last year's earnings by about $0.13 per share.) Depending on the timing of the upcoming rate-case decision, the company may get a portion of a rate hike this year, but most of it will likely fall to 2026, setting up what should be a solid earnings gain.

NorthWestern raised its dividend. Annual growth in the disbursement has been rather miserly at 1.5% over the past few years. The company's payout ratio, listed as "All Div'ds to Net Profit" in our array, had moved up to 79% in 2023 and needs to drop back to a safer level in the mid-60% area. Once that's achieved, dividend hikes can better match earnings growth.

This stock has performed well thus far this year. The above average dividend yield and defensive nature of utilities has been a plus. However, intermediate-term upside looks limited and NWE is neutrally ranked for timeliness.

Anthony J. Glennon *April 18, 2025*

(A) Diluted egs. Excl. nonrec. gains/(losses): '12, 40¢; '15, 27¢; '18, 52¢; '19, 45¢; '20, (15¢); '21, 10¢; '22, (4¢); '24, 38¢. Qtly EPS may not sum to full yr. due to rounding. Next egs. report due late April. (B) Div'ds paid late Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. † Shrhldr. invest. plan avail. (C) Incl. def'd charges and intag. '24: $18.30/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in MT in '23 (elec.): 9.65%; in '23 (gas): 9.55%; in SD in '24: 6.81%; in NE in '07: 10.4%. Reg. Climate: Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	95

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE 45.15 | P/E RATIO 17.7 (Trailing: 20.6 Median: 18.0) | RELATIVE P/E RATIO 0.98 | DIV'D YLD 3.9% | VALUE LINE

TIMELINESS 4 Lowered 10/25/24
SAFETY 3 Lowered 3/8/24
TECHNICAL 3 Lowered 2/28/25
BETA 1.05 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$31-$51	$41 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+10%)	7%
Low	35	(-20%)	-1%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	215	217	230
to Sell	218	211	205
Hld's(000)	139254	142329	165132

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	39.3	36.5	34.2	37.4	41.8	45.8	46.4	38.6	42.9	40.4	44.4	45.6						
Low:	32.8	24.2	23.4	32.6	29.6	38.0	23.0	29.2	33.3	31.3	32.1	39.4						

Target Price Range 2028 | 2029 | 2030

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	34.9	20.7
3 yr.	29.3	25.6
5 yr.	17.9	83.9

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.32	11.37	11.15	10.61	18.26	16.86	13.36	14.86	*15.00*	*15.75*	Revenues per sh	*19.25*
	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	4.03	4.44	5.63	4.61	4.70	*5.05*	*5.25*	"Cash Flow" per sh	*6.10*
	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.92	2.12	2.24	2.08	2.36	2.25	2.07	2.19	*2.30*	*2.45*	Earnings per sh [A]	*2.95*
	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.63	1.64	1.66	1.68	*1.71*	*1.73*	Div'd Decl'd per sh [B] ■	*1.79*
	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.13	2.87	3.18	3.25	3.89	5.25	4.49	4.62	*4.75*	*4.75*	Cap'l Spending per sh	*4.75*
	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	18.15	20.27	22.52	22.17	22.87	*23.75*	*24.25*	Book Value per sh [C]	*26.25*
	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	199.70	200.10	200.10	200.10	200.20	200.30	200.9	*200.20*	*200.20*	Common Shs Outst'g [D]	*200.20*
	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	18.3	16.5	19.0	16.2	14.3	17.2	17.4	17.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*14.0*
	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.77	1.00	.96	.95			Relative P/E Ratio	*.80*
	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	4.7%	4.8%	4.5%	5.1%	3.9%			Avg Ann'l Div'd Yield	*4.2%*
	2196.9	2259.2	2261.1	2270.3	2231.6	2122.3	3653.7	3375.7	2674.3	2985.3	*3000*	*3150*	Revenues ($mill)	*3850*
	337.6	338.2	384.3	425.5	449.6	415.9	472.5	665.7	416.8	438.4	*460*	*480*	Net Profit ($mill)	*590*
	29.2%	30.5%	32.5%	14.5%	7.4%	13.2%	11.5%	12.0%	12.0%	12.1%	*12.0%*	*12.0%*	Income Tax Rate	*12.0%*
	3.7%	6.4%	15.0%	8.3%	1.6%	1.6%	2.2%	2.0%	1.8%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
	44.3%	41.1%	41.7%	42.0%	43.6%	49.0%	52.6%	49.8%	51.2%	51.4%	*51.5%*	*51.0%*	Long-Term Debt Ratio	*50.0%*
	55.7%	58.9%	58.3%	58.0%	56.4%	51.0%	47.4%	52.4%	49.6%	49.2%	*48.5%*	*49.0%*	Common Equity Ratio	*50.0%*
	5971.6	5849.6	6600.7	6902.0	7334.7	7126.2	8552.7	8962.0	9238.2	9726.8	*9935*	*10100*	Total Capital ($mill)	*10400*
	7322.4	7696.2	8339.9	8643.8	9044.6	9374.6	9832.9	10546.8	11301.0	11538.0	*11650*	*11750*	Net Plant ($mill)	*12075*
	6.9%	7.0%	7.0%	7.3%	7.1%	6.9%	6.4%	5.9%	6.3%	6.8%	*7.0%*	*7.0%*	Return on Total Cap'l	*7.5%*
	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	11.0%	12.0%	12.3%	*12.5%*	*12.5%*	Return on Shr. Equity	*13.0%*
	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	11.0%	12.0%	12.3%	*12.5%*	*12.5%*	Return on Com Equity [E]	*13.0%*
	4.0%	3.3%	3.5%	3.8%	3.6%	2.8%	3.6%	3.0%	3.5%	3.8%	*4.5%*	*4.5%*	Retained to Com Eq	*5.5%*
	61%	67%	64%	64%	67%	76%	69%	73%	81%	75%	*75%*	*75%*	All Div'ds to Net Prof	*70%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $5053.3 mill. **Due in 5 Yrs** $1731.5 mill.
LT Debt $5020.9 mill. **LT Interest** $158.7 mill.
(LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals $5.7 mill.

Pension Assets-12/23 $486.0 mill. **Oblig** $502.9 mill.

Pfd Stock None

Common Stock 201,148,883 shs.

MARKET CAP: $9.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-4.9	+2.6	+8.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	4.40	7.68	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6437	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.1	+1.4	NA
Fixed Charge Cov. (%)	326	336	335

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	-3.0%	5.0%	*5.5%*
"Cash Flow"	2.5%	5.0%	*7.0%*
Earnings	3.0%	4.5%	*6.5%*
Dividends	7.5%	6.5%	*3.0%*
Book Value	4.0%	1.5%	*5.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	589.3	803.7	1270.8	711.9	3375.7
2023	557.2	605.0	945.4	566.7	2674.3
2024	596.8	662.6	965.4	760.5	2985.3
2025	*620*	*780*	*950*	*650*	*3000*
2026	*650*	*830*	*985*	*685*	*3150*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.33	.36	1.31	.25	2.25
2023	.19	.44	1.20	.24	2.07
2024	.09	.51	1.09	.50	2.19
2025	*.25*	*.55*	*1.25*	*.25*	*2.30*
2026	*.30*	*.55*	*1.30*	*.30*	*2.45*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.4025	.4025	.4025	.41	1.62
2022	.41	.41	.41	.4141	1.64
2023	.4141	.4141	.4141	.4182	1.66
2024	.4182	.4182	.4182	.4213	1.68
2025	.4213				

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 879,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 3% of Energy Transfer's limited partnership units. Electric revenue breakdown: residential, 44%; commercial, 25%; industrial, 11%; oilfield, 10%; other, 10%. Generating sources: gas, 25%; coal, 21%; wind, 6%; purchased, 48%. Fuel costs: 58% of revenues. '23 reported depreciation rate (utility): 2.6%. Has 2,200 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, OK 73101-0321. Tel.: 405-553-3000. Internet: www.oge.com.

OGE Energy's utility subsidiary is facing some potential regulatory hurdles. The Oklahoma Corporation Commission approved a $127 million rate hike last year, which was the largest increase since 2017. The boost aims to help OGE recover essential capital investment to strengthen and improve the reliability of the electric grid. In response, Oklahoma lawmakers recently filed an appeal with the Oklahoma Supreme Court. Three Republican lawmakers are seeking to disqualify Commissioner Todd Hiett as a voting member of the Corporation Commission. They argue that Mr. Hiett, who cast the deciding vote, violated state ethics rules and should not have participated. Investors ought to keep a close eye on this case as it progresses.

Our 2025 earnings estimate remains at $2.30 per share. This is near the midpoint of management's updated target range of $2.21-$2.33 per share, which implies a 5% increase versus the 2024 tally. OGE will likely benefit from continued customer growth, along with its transformation to a fully focused electric utility. Additionally, a full year of rate relief in Arkansas and potentially Oklahoma should prop up earnings. The company forecasts 8.5% weather-normalized load growth this year, following the 7.6% generated in 2024.

We are introducing our 2026 bottom-line estimate. Our target of $2.45 per share represents 7% growth from this year's projection. This is within OGE's long-term EPS growth goal of 5%-7% through 2029, aided by sustained load gains and operational execution. The utility looks increasingly well positioned over the next couple of years to take advantage of elevated power demand and the clean energy transition as a pure-play electric utility. We think investments in the grid will bear fruit over that interim, along with the data center build-out and technological advancements.

Income-oriented investors may want to take a closer look. Indeed, the dividend yield of 3.9% stands above the high-paying industry-wide average. After rolling out another year to 2028-2030, we look for the stock to trade around $35-$50 and earn $2.95 per share over that interim.

Zachary J. Hodgkinson *March 7, 2025*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '15, (33¢); '17, $1.18; '19, (8¢); '20, ($2.95); '21, $1.32; '22, $1.06; gain on discont. ops.: '19 & '21 EPS don't sum due to rounding. Next earnings report due mid May. **(B)** Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. **(C)** Incl. deferred charges. In '22: $6.15/sh. **(D)** In mill., adj. for split. **(E)** Rate base: Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in '18: 9.5%; earned on avg. com. eq., '21: 12.7%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	95

PINNACLE WEST NYSE-PNW

RECENT PRICE 89.62 | P/E RATIO 18.7 (Trailing: 17.2 Median: 17.0) | RELATIVE P/E RATIO 1.18 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 2 Raised 3/21/25
SAFETY 2 Raised 10/18/24
TECHNICAL 3 Raised 4/4/25
BETA .80 (1.00 = Market)

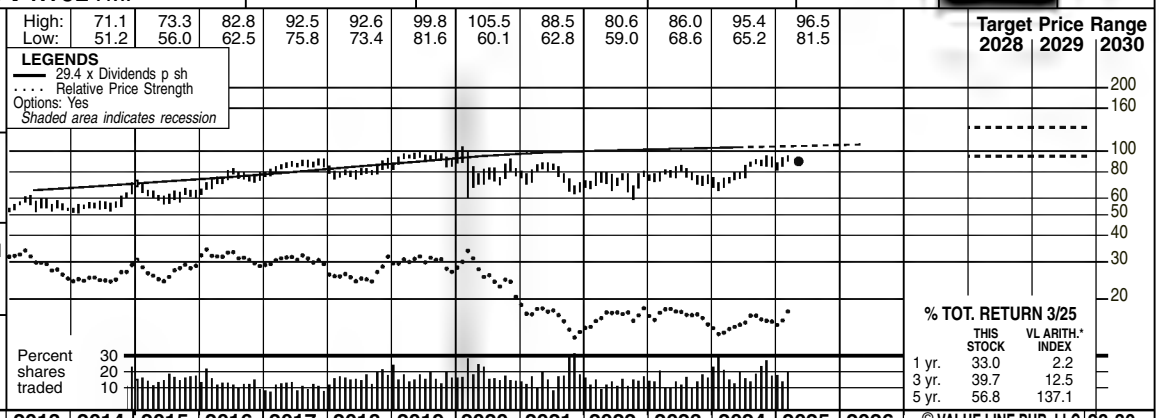
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$72-$108 $90 (0%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+45%)	13%
Low	95	(+5%)	5%

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	245	274	320
to Sell	225	226	241
Hld's(000)	114098	123296	122886



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
32.50	30.01	29.67	30.09	31.35	31.58	31.50	31.42	31.90	32.93	30.87	31.81	33.66	38.21	41.40	43.03	*43.00*	*45.10*	Revenues per sh	*51.60*
8.08	6.85	7.52	7.92	8.15	8.09	9.09	9.39	9.92	10.37	10.69	10.97	11.84	11.50	11.95	13.14	*12.85*	*13.60*	"Cash Flow" per sh	*16.25*
2.26	3.08	2.99	3.50	3.66	3.58	3.92	3.95	4.43	4.54	4.77	4.87	5.47	4.26	4.41	5.24	*4.80*	*5.15*	Earnings per sh [A]	*6.25*
2.10	2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	3.04	3.23	3.36	3.43	3.49	3.55	*3.61*	*3.67*	Div'd Decl'd per sh [B] ■	*3.85*
7.64	7.03	8.26	8.24	9.36	8.38	9.84	11.64	12.80	10.73	10.76	11.93	13.04	15.09	16.28	18.89	*16.75*	*17.00*	Cap'l Spending per sh	*17.50*
32.69	33.86	34.98	36.20	38.07	39.50	41.30	43.15	44.80	46.59	48.30	49.96	52.26	53.45	54.47	56.71	*58.00*	*58.75*	Book Value per sh [C]	*70.00*
101.43	108.77	109.25	109.74	110.18	110.57	110.98	111.34	111.75	112.10	112.44	112.76	113.01	113.17	113.42	119.10	*120.50*	*122.00*	Common Shs Outst'g [D]	*125.00*
13.7	12.6	14.6	14.3	15.3	15.9	16.0	18.7	19.3	17.8	19.4	16.7	14.1	17.1	17.4	15.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.00*
.91	.80	.92	.91	.86	.84	.81	.98	.97	.96	1.03	.86	.76	.99	.97	.81			Relative P/E Ratio	*1.00*
6.8%	5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.5%	3.3%	4.0%	4.3%	4.7%	4.5%	4.4%			Avg Ann'l Div'd Yield	*3.4%*
3495.4	3498.7	3565.3	3691.2	3471.2	3587.0	3803.8	4324.4	4696.0	5124.9	*5180*	*5500*	Revenues ($mill)	*6450*
437.3	442.0	497.8	511.0	538.3	550.6	618.7	483.6	501.6	608.8	*575*	*625*	Net Profit ($mill)	*780*
34.3%	33.9%	32.5%	20.2%	- -	12.1%	14.8%	13.0%	12.9%	15.0%	*15.0%*	*15.0%*	Income Tax Rate	*15.0%*
11.8%	14.1%	13.9%	15.2%	9.3%	9.5%	10.1%	15.2%	19.3%	14.3%	*15.0%*	*15.0%*	AFUDC % to Net Profit	*15.0%*
43.0%	45.6%	48.9%	47.0%	47.1%	52.8%	53.9%	56.1%	55.0%	54.4%	*55.5%*	*57.0%*	Long-Term Debt Ratio	*55.0%*
57.0%	54.4%	51.1%	53.0%	52.9%	47.2%	46.1%	43.9%	45.0%	45.6%	*44.5%*	*43.0%*	Common Equity Ratio	*45.0%*
8046.3	8825.4	9796.4	9861.1	10263	11948	12820	13790	13718	14813	*15800*	*16725*	Total Capital ($mill)	*19500*
11809	12714	13445	14030	14523	15159	15987	16854	17980	19198	*20225*	*21250*	Net Plant ($mill)	*24150*
6.4%	6.0%	6.1%	6.2%	6.3%	5.5%	5.8%	4.5%	4.9%	5.5%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
9.5%	9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	8.1%	9.0%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.0%*
9.5%	9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	8.1%	9.0%	*8.0%*	*8.5%*	Return on Com Equity [E]	*9.0%*
3.9%	3.5%	4.2%	3.9%	3.8%	3.5%	4.2%	1.7%	1.9%	3.2%	*2.0%*	*2.5%*	Retained to Com Eq	*3.5%*
59%	62%	58%	60%	61%	64%	60%	78%	77%	65%	*75%*	*71%*	All Div'ds to Net Prof	*61%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $9427.1 mill. **Due in 5 Yrs** $2794.0 mill.
LT Debt $8058.6 mill. **LT Interest** $400.0 mill.
(Total Interest Coverage: 2.7x)

Leases, Uncapitalized Annual rentals $20.1 mill.

Pension Assets-12/24 $2639.9 mill.
Oblig. $2792.3 mill.

Pfd Stock None

Common Stock 119,099,064 shs.
as of 2/20/25
MARKET CAP: $10.6 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+4.4	+2.8	+7.4
Total Ret'l Revs. per KWH (¢)	12.50	13.83	14.53
Avg. Indust. Revs. per KWH (¢)	9.20	10.38	10.18
Capacity at Peak (Mw)	8612	9629	9466
Peak Load, Summer (Mw)	7587	8162	8210
Annual Load Factor (%)	48.1	45.7	47.5
% Change Customers (yr-end)	+2.1	+1.8	+2.1
Fixed Charge Cov. (%)	258	220	238

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	3.0%	5.0%	*4.0%*
"Cash Flow"	4.0%	3.5%	*5.0%*
Earnings	2.5%	- -	*5.0%*
Dividends	4.0%	4.0%	*1.5%*
Book Value	4.0%	3.5%	*4.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	783.5	1061.7	1469.9	1009.3	4324.4
2023	945.0	1121.7	1637.8	991.5	4696.0
2024	951.7	1309.0	1768.8	1095.4	5124.9
2025	*990*	*1330*	*1740*	*1120*	*5180*
2026	*1030*	*1420*	*1855*	*1195*	*5500*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.15	1.45	2.88	d.21	4.26
2023	d.03	.94	3.50	Nil	4.41
2024	.15	1.76	3.37	d.06	5.24
2025	*.10*	*1.60*	*3.15*	*d.05*	*4.80*
2026	*.15*	*1.70*	*3.35*	*d.05*	*5.15*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.83	.83	.83	.85	3.34
2022	.85	.85	.85	.865	3.42
2023	.865	.865	.865	.88	3.48
2024	.88	.88	.88	.895	3.54
2025	.895				

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.4 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 50%; commercial/industrial, 46%; other, 4%. Generating sources: gas, 24%; nuclear, 21%; coal, 14%; renewables, 19%; purchased, 22%. Fuel costs: 36% of revenues. '24 reported deprec. rate: 3.13%. Has 6,403 employees. Chairman, President & CEO: Ted Geisler. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Leadership at Pinnacle West Capital expects the company's overheated bottom line to cool off some this year. In 2024, the utility benefited from a record-setting heat wave in Arizona that helped send retail sales volume up 7.4% versus the prior-year level, as customers used more electricity to cool their homes and businesses. Management has provided a preliminary 2025 weather-normalized earnings projection of $4.40 to $4.60 per share. We think the company will prove to be too conservative in its forecast. Sweltering heat in 2022 and 2023, followed by an even more oppressive stretch last year doesn't seem like a trend that will pivot back to management's idea of average temperatures that are based on decades of past data. In addition, Pinnacle West's service area benefits from strong migration, as Arizona's 2.5% flat income tax rate helps draw in out-of-state retirees. A business friendly government also keeps the regional economy headed in the right direction. Customer growth rose 2.1% last year and will probably be up by a similar amount in each of the next couple of years.

Earnings will likely be back on a growth trajectory starting in 2026. Besides the higher-than-typical electricity volumes in 2024, which make for a difficult bottom-line comparison this year, the company is also suffering from regulatory lag. The utility plans to file its next rate case by mid-2025, which should garner a decision and potential revenue increase some time next year. In Pinnacle West's most recent rate-case decision, handed down in February 2024, the utility received fair treatment from a revamped Arizona Public Service Commission.

These shares are ranked to outperform the broader market averages over the next six to 12 months. Longer term, we like this electric utility a lot, as it's the beneficiary of a premium service area in terms of rising energy demand from population growth and a thriving economy. Even so, patient utility investors need to be disciplined buyers and wait for a better entry point. A 7%-10% dip, sending the stock into the low $80 area, would translate to a worthwhile risk-adjusted annual total return expectation.

Anthony J. Glennon *April 18, 2025*

(A) Diluted EPS. Excl. nonrec. gain/(loss): '09, ($1.45); '17, 8¢; gains/(losses) from discont. ops.: '09, (13¢); '10, 18¢; '11, 10¢; '12, (5¢). Qtly. EPS may not sum to full year due to rounding. Next egs. report due May 1st. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. There were 5 declarations in '12. ■ Div'd reinvestment plan avail. **(C)** Incl. deferred charges/other intangibles. In '23: $27.22/sh. **(D)** In mill. **(E)** Rate base: Fair value. Rate allowed on common equity in '24: 9.55%-9.85%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	85

PORTLAND GENERAL NYSE-POR

RECENT PRICE **41.58** | P/E RATIO **13.7** (Trailing: 13.2 Median: 18.0) | RELATIVE P/E RATIO **0.87** | DIV'D YLD **5.1%** | **VALUE LINE**

TIMELINESS 2 Raised 4/4/25
SAFETY 2 Raised 7/19/24
TECHNICAL 4 Raised 4/18/25
BETA .80 (1.00 = Market)

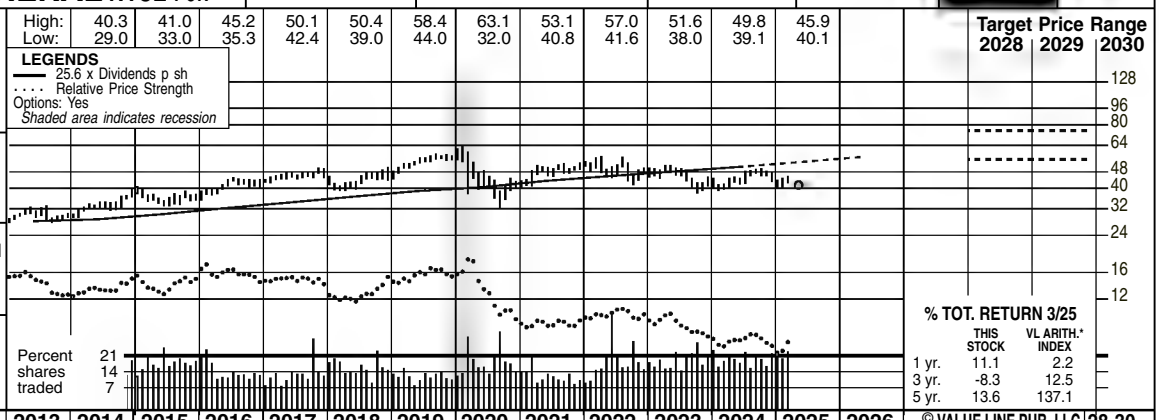
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$38-$57 $48 (15%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+80%)	*19%*
Low	55	(+30%)	*11%*

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	240	241	241
to Sell	144	166	192
Hld's(000)	106708	118198	121028



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	22.54	22.30	23.75	23.96	26.80	29.65	28.90	31.46	***31.30***	***31.60***	Revenues per sh	***35.40***
4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	6.16	6.65	6.97	7.83	7.25	7.41	6.83	7.53	***8.15***	***8.40***	"Cash Flow" per sh	***10.05***
1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	2.29	2.37	2.39	2.75	2.72	2.74	2.38	3.14	***3.25***	***3.40***	Earnings per sh [A]	***4.00***
1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	1.52	1.59	1.70	1.79	1.88	1.98	***2.09***	***2.21***	Div'd Decl'd per sh [B] ■ †	***2.60***
9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	5.77	6.67	6.78	8.76	7.11	8.58	13.42	11.60	***11.50***	***11.50***	Cap'l Spending per sh	***11.50***
20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	27.11	28.07	28.99	29.18	30.28	31.13	32.81	34.70	***36.00***	***37.50***	Book Value per sh [C]	***42.25***
75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	89.39	89.54	89.41	89.28	101.16	109.34	***111.00***	***114.00***	Common Shs Outst'g [D]	***120.00***
14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	22.3	16.6	17.7	18.2	19.3	14.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***16.5***
.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	1.19	.85	.96	1.05	1.07	.75			Relative P/E Ratio	***.90***
5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.1%	2.9%	3.3%	2.8%	3.5%	3.5%	3.6%	4.1%	4.4%			Avg Ann'l Div'd Yield	***3.9%***
1898.0	1923.0	2009.0	1991.0	2123.0	2145.0	2396.0	2647.0	2923.0	3440.0	***3475***	***3600***	Revenues ($mill)	***4250***
172.0	193.0	204.0	212.0	214.0	247.0	244.0	245.0	233.0	327.0	***355***	***385***	Net Profit ($mill)	***480***
20.7%	20.6%	25.3%	7.4%	11.2%	12.4%	8.6%	15.2%	16.8%	11.4%	***17.5%***	***17.5%***	Income Tax Rate	***17.5%***
19.8%	16.6%	8.8%	8.0%	7.0%	9.7%	10.2%	8.6%	13.7%	11.6%	***12.0%***	***13.0%***	AFUDC % to Net Profit	***14.0%***
47.8%	48.4%	50.1%	46.5%	51.3%	53.6%	56.8%	57.0%	55.8%	55.0%	***56.5%***	***57.0%***	Long-Term Debt Ratio	***58.0%***
52.2%	51.6%	49.9%	53.5%	48.7%	46.4%	43.2%	43.0%	44.2%	45.0%	***43.5%***	***43.0%***	Common Equity Ratio	***42.0%***
4329.0	4544.0	4842.0	4684.0	5323.0	5628.0	6265.0	6459.0	7513.0	8424.0	***9175***	***9900***	Total Capital ($mill)	***12025***
6012.0	6434.0	6741.0	6887.0	7161.0	7539.0	8005.0	8465.0	9546.0	10345	***11070***	***11750***	Net Plant ($mill)	***13675***
5.4%	5.6%	5.5%	5.8%	5.1%	5.6%	4.9%	4.9%	4.2%	5.0%	***5.0%***	***5.0%***	Return on Total Cap'l	***5.0%***
7.6%	8.2%	8.4%	8.5%	8.3%	9.5%	9.0%	8.8%	7.0%	8.6%	***9.0%***	***9.0%***	Return on Shr. Equity	***9.5%***
7.6%	8.2%	8.4%	8.5%	8.3%	9.5%	9.0%	8.8%	7.0%	8.6%	***9.0%***	***9.0%***	Return on Com Equity [E]	***9.5%***
3.3%	3.5%	3.6%	3.5%	3.1%	4.1%	3.5%	3.1%	1.6%	3.3%	***3.0%***	***3.0%***	Retained to Com Eq	***3.5%***
56%	57%	58%	59%	63%	57%	61%	64%	77%	61%	***65%***	***65%***	All Div'ds to Net Prof	***65%***

CAPITAL STRUCTURE as of 12/31/24
Total Debt $4827 mill. **Due in 5 Yrs** $763 mill.
LT Debt $4630 mill. **LT Interest** $188 mill.
Incl. $276 mill. finance leases.
(Total Interest Coverage: 2.6x)
Leases, Uncapitalized Annual rentals $26 mill.
Pension Assets-12/24 $484 mill.
Oblig. $612 mill.
Pfd Stock None

Common Stock 109,347,586 shs.
as of 2/7/25

MARKET CAP: $4.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+3.4	+.9	+1.3
Avg. Indust. Use (MWH)	22097	23052	24703
Avg. Indust. Revs. per KWH (¢)	5.23	5.85	6.59
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	4255	4498	4367
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.1	+.7	+1.6
Fixed Charge Cov. (%)	254	217	235

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	2.5%	5.5%	*3.0%*
"Cash Flow"	3.0%	2.0%	*5.5%*
Earnings	3.5%	3.0%	*6.5%*
Dividends	5.5%	5.5%	*5.5%*
Book Value	3.5%	3.0%	*4.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	626	591	743	687	2647
2023	748	648	802	725	2923
2024	929	758	929	824	3440
2025	***945***	***765***	***935***	***830***	***3475***
2026	***975***	***795***	***970***	***860***	***3600***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.67	.72	.65	.70	2.74
2023	.80	.44	.46	.67	2.38
2024	1.21	.69	.90	.34	3.14
2025	***1.15***	***.65***	***.90***	***.55***	***3.25***
2026	***1.20***	***.65***	***.90***	***.65***	***3.40***

QUARTERLY DIVIDENDS PAID [B] ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.4075	.4075	.43	.43	1.68
2022	.43	.43	.4525	.4525	1.77
2023	.4525	.4525	.475	.475	1.86
2024	.475	.475	.50	.50	1.95
2025	.50	.50			

BUSINESS: Portland General Electric Company provides electricity to 950,000 customers in 51 cities in a 4,000-square-mile area of Oregon, including Portland and Salem (population: 1.9 million). The company is in the process of decommissioning the Trojan nuclear plant, which was closed in 1993. Electric revenue breakdown: residential, 51%; commercial, 33%; industrial, 16%; other, less than 1%. Generating sources: gas, 28%; wind, 16%; coal, 4%; hydro, 7%; purchased, 45%. Fuel costs: 41% of revenues. '24 reported depreciation rate: 3.5%. Has 2,915 full-time employees. Chair: James P. Torgerson. President and CEO: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, OR 97204. Tel.: 503-464-8000. Internet: www.portlandgeneral.com.

Higher electric rates should lift Portland General Electric's earnings this year, but its latest rate case was not as lucrative as desired. The utility received its regulatory decision from Oregon commissioners in December. Effective January 1st, residential rates increased 5.5% and commercial/industrial rates were raised by nearly 7.7%. The utility was seeking an 8.6% across-the-board hike in rates for recoupment of investments made. In all, Portland received a $98 million revenue increase, representing 54% of the requested amount. The rates are based on an authorized return on equity of 9.34%, down 16 basis points from the 9.5% level under the prior rate case.

Longer-term prospects remain favorable. Within the utility's territory there's a cluster of high-tech companies occupying an area referred to as the "Silicon Forest." Key employers there include Intel, Adobe, Microsoft, NTT Global, NVIDIA, Synopsys, and Stack Infrastructure. Other technology companies located within Portland General's service area include Microchip Technology, Lam Research, and ON Semiconductor, among others. Weather-adjusted demand has been rising at a solid pace from the semiconductor industry and data centers, as well as the lift they provide to the region's economy. The company is expecting load growth to average 2.5% to 3.5% for the foreseeable future. The utility brought its Clearwater Wind development project on line early in 2024, and it's been a positive that the company has become less reliant on expensive at-the-market purchased power. Portland General will likely continue to add new renewable capacity under the formula of half company owned and half long-term stable purchased power agreements from a strategic partner. It has the green light from regulators to add more nonemitting annual power generation, plus significant battery storage capacity. Leadership maintains the company can grow earnings at a 5%-7% annual rate through late decade. We've penciled in 5%-6% for our projections.

This issue is timely. POR's dividend yield is about a percentage point above the peer-group median. Moreover, total return prospects look appealing.

Anthony J. Glennon *April 18, 2025*

(A) Diluted earnings. Excl. nonrecurring gains/(losses): '13, (42¢); '17, (19¢); '20, ($1.03); '22, (14¢); '23, (5¢); '24, (13¢). Quarterly EPS many not sum to full year due to rounding. Next earnings report due late Apr. **(B)** Dividends paid mid-Jan., Apr., July, and Oct. ■ Dividend reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. deferred charges. In '24: $632 mill., $5.78/sh. **(D)** In mill. **(E)** Rate base: Net original cost. Rate allowed on common equity in '25: 9.34%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	90

PPL CORPORATION NYSE-PPL

RECENT PRICE **33.51** | P/E RATIO **19.0** (Trailing: 19.3 Median: 15.0) | RELATIVE P/E RATIO **1.04** | DIV'D YLD **3.1%** | **VALUE LINE**

TIMELINESS 5 Lowered 1/3/25
SAFETY 2 Raised 8/9/24
TECHNICAL 2 Raised 2/7/25
BETA 1.10 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$24-$38	$31 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+35%)	*10%*
Low	35	(+5%)	*4%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	325	327	426
to Sell	382	359	323
Hld's(000)	547034	567935	626757

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	38.1	36.7	39.9	40.2	32.5	36.3	36.8	30.7	31.0	31.7	35.2	33.8						
Low:	29.4	29.2	32.1	30.7	25.3	27.8	18.1	26.2	23.5	22.2	25.3	31.2						

LEGENDS
25.00 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2028 | 2029 | 2030

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.1	13.6
3 yr.	20.8	14.7
5 yr.	11.9	70.9

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20.03	17.63	22.02	21.11	18.82	17.27	11.38	11.06	10.74	10.81	10.13	9.89	7.87	10.73	11.28	*11.40*	*11.25*	*11.95*	Revenues per sh	*13.30*
3.47	3.66	4.59	4.84	4.64	4.58	3.78	4.28	3.68	4.16	3.94	3.81	2.07	3.09	3.44	*3.55*	*3.70*	*3.80*	"Cash Flow" per sh	*4.25*
1.19	2.29	2.61	2.61	2.38	2.38	2.37	2.79	2.11	2.58	2.37	2.04	.53	1.41	1.60	*1.70*	*1.85*	*1.95*	Earnings per sh [A]	*2.40*
1.38	1.40	1.40	1.44	1.47	1.49	1.50	1.52	1.58	1.64	1.65	1.66	1.66	.88	.95	1.03	*1.09*	*1.17*	Div'd Decl'd per sh [B] ■	*1.40*
3.25	3.30	4.30	5.34	6.68	6.14	5.24	4.30	4.52	4.50	4.02	4.23	2.68	2.93	3.24	*3.65*	*3.70*	*3.75*	Cap'l Spending per sh	*4.00*
14.57	16.98	18.72	18.01	19.78	20.47	14.72	14.56	15.52	16.18	16.93	17.39	18.67	18.89	18.90	*19.85*	*20.55*	*21.20*	Book Value per sh [C]	*23.45*
377.18	483.39	578.41	581.94	630.32	665.85	673.86	679.73	693.40	720.32	767.23	768.91	735.11	736.49	737.13	*737.20*	*737.40*	*737.50*	Common Shs Outst'g [D]	*738.00*
25.7	11.9	10.5	10.9	12.8	14.1	13.9	12.8	17.6	11.3	13.3	13.9	54.1	20.0	16.8	*17.4*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.0*
1.71	.76	.66	.69	.72	.74	.70	.67	.89	.61	.71	.71	2.92	1.16	.93	*.97*			Relative P/E Ratio	*.95*
4.5%	5.1%	5.1%	5.1%	4.8%	4.4%	4.5%	4.2%	4.2%	5.6%	5.2%	5.8%	5.8%	3.1%	3.5%	3.1%			Avg Ann'l Div'd Yield	*3.4%*
7669.0	7517.0	7447.0	7785.0	7769.0	7607.0	5783.0	7902.0	8312.0	*8400*	*8300*	*8800*	Revenues ($mill)	*9800*
1603.0	1902.0	1449.0	1827.0	1746.0	1571.0	401.0	756.0	740.0	*1255*	*1365*	*1440*	Net Profit ($mill)	*1770*
22.5%	25.4%	24.2%	20.0%	19.0%	20.3%	23.0%	22.0%	19.9%	*21.0%*	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
1.6%	1.6%	1.9%	2.0%	1.9%	1.8%	6.0%	.7%	1.6%	*2.0%*	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
65.2%	64.3%	64.8%	63.3%	61.5%	61.7%	43.7%	48.1%	51.1%	*51.0%*	*51.0%*	*51.0%*	Long-Term Debt Ratio	*49.5%*
34.8%	35.7%	35.2%	36.7%	38.5%	38.3%	56.3%	51.9%	48.8%	*49.0%*	*49.0%*	*49.0%*	Common Equity Ratio	*50.5%*
28482	27707	30608	31726	33712	34926	24389	26804	28544	*29875*	*30925*	*32000*	Total Capital ($mill)	*34280*
30382	30074	33092	34458	36482	38892	25470	30238	31418	*31900*	*32700*	*33500*	Net Plant ($mill)	*34900*
7.1%	8.4%	6.2%	7.2%	6.6%	5.9%	2.6%	2.8%	2.6%	*5.5%*	*5.5%*	*5.5%*	Return on Total Cap'l	*6.5%*
16.2%	19.2%	13.5%	15.7%	13.4%	11.7%	2.9%	5.4%	5.3%	*8.5%*	*8.5%*	*8.5%*	Return on Shr. Equity	*9.5%*
16.2%	19.2%	13.5%	15.7%	13.4%	11.7%	2.9%	5.4%	5.3%	*8.5%*	*8.5%*	*8.5%*	Return on Com Equity [E]	*9.5%*
6.0%	8.8%	3.5%	6.0%	4.3%	2.2%	NMF	1.8%	1.6%	*3.5%*	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
63%	54%	74%	62%	68%	81%	NMF	76%	67%	*61%*	*61%*	*61%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $16500 mill. **Due in 5 Yrs** $3613 mill.
LT Debt $16499 mill. **LT Interest** $427 mill.
Incl. 23 mill. units 7.75%, $25 liq. value; 82,000 units 8.23%, $1000 face value.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $24 mill.
Pension Assets-12/23 $3175 mill.
Oblig $3333 mill.

Pfd Stock None
Common Stock 737,970,005 shs.
as of 10/28/24
MARKET CAP: $24.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+3.0	+1.5	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	154	348	NA

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	-7.5%	-3.0%	*5.0%*
"Cash Flow"	-6.0%	-8.5%	*3.0%*
Earnings	-9.0%	-17.0%	*7.5%*
Dividends	-1.0%	-4.5%	*-.5%*
Book Value	- -	4.0%	*3.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1782	1696	2134	2290	7902
2023	2415	1823	2043	2031	8312
2024	2304	1881	2066	*2149*	*8400*
2025	*1850*	*1800*	*2200*	*2450*	*8300*
2026	*2000*	*1900*	*2400*	*2500*	*8800*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.41	.30	.41	.28	1.41
2023	.48	.29	.43	.40	1.60
2024	.54	.38	.42	*.36*	*1.70*
2025	*.50*	*.40*	*.50*	*.45*	*1.85*
2026	*.50*	*.45*	*.50*	*.50*	*1.95*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.415	.415	.415	.415	1.66
2022	.415	.20	.225	.225	1.07
2023	.225	.24	.24	.24	.95
2024	.24	.258	.258	.258	1.03
2025					

BUSINESS: PPL Corporation (formerly PP&L Resources, Inc.) is a holding company for PPL Electric Utilities, which distributes electricity to 1.4 mill. customers in eastern & central Pennsylvania. Acquired Kentucky Utilities and Louisville Gas and Electric (1.3 mill. customers) 11/10. Acq'd Narragansett Electric (770,000 customers, renamed Rhode Island Energy) 5/22. Spun off power-generating sub. in '15. Sold electric distribution sub. in U.K. in '21. Electric rev. breakdown: res'l, 48%; comm'l, 22%; ind'l, 10%; other, 20%. Fuel costs: 29% of revs. '23 reported deprec. rate: 3.2%. Has 6,527 employees. Chairman: William H. Spence. President & CEO: Vincent Sorgi. Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com.

We look for PPL Corporation to post solid 2025 results. The company closed out the 2024 September period on a strong note with better-than-expected financial results, and reaffirmed its long-term annual earnings and dividend growth target of 6%-8% through at least 2027. Our estimate calls for profits of $1.85 per share, representing 7% growth. PPL's bottom line should benefit nicely from lower operating and maintenance expenses through this year and beyond. Meanwhile, we think the top line will stay relatively flat due to regulatory uncertainty and operational factors, as well as limited open rate cases this year.

Our 2026 top- and bottom-line estimates call for sharper growth. We expect the utility to record profits of $1.95 per share and revenues of $8.8 billion, implying growth upwards of 7% and 6%, respectively. PPL looks for average annual rate base growth of 5.6% through decades end, with over 7% growth in the later years of the plan, driven by $14.3 billion in capital investment. And, the utility is set to take advantage of elevated power demand over the next few years. Indeed, PPL's Louisville Gas and Electric utility subsidiary recently signed a power supply agreement with real estate developers PowerHouse Data Centers and Poe Companies on a 400 MW data center campus in Louisville. We look for more of these types of deals in the coming years as the utility is increasingly well positioned to benefit from the growing demand for data centers and electricity.

These shares have risen slightly in value since our early November report. But they are now up about 30% over the past year. At the recent quotation, long-term capital appreciation potential is very limited. Indeed, we think the stock will trade around $35-$45 by 2028-2030, indicating unattractive price upside.

This issue is best suited for conservative, income-oriented accounts. It has a solid dividend yield of 3.1%, and is ranked Above Average (2) for Safety. So, investors seeking utility exposure should take a closer look here. Meanwhile, the equity holds a 5 (Lowest) rank for Timeliness, making them a weak selection for the year ahead.

Zachary J. Hodgkinson *February 7, 2025*

(A) Dil. EPS. Excl. nonrec. gain (losses): '10, (8¢); '11, 8¢; '13, (62¢); '20, (13¢); '21, (50¢); gains (losses) on disc. ops.: '09, (10¢); '10, (4¢); '12, (1¢); '14, 23¢; '15, ($1.36); '21, ($1.94). '20 & '21 EPS don't sum due to rounding. Next egs. rept. due early May. **(B)** Div'ds paid in early Jan., April, July, & Oct. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '23: $3.10/sh. **(D)** In mill. **(E)** Rate base: Fair val. Rate all'd on com. eq. in PA in '16: none spec.; in KY in '19: 9.725%; earned on avg. com. eq., '21: 2.8%. Reg. Clim.: Avg.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	15
Earnings Predictability	45

SOUTHERN COMPANY NYSE-SO

RECENT PRICE 86.50 | P/E RATIO 20.6 (Trailing: 20.6 Median: 17.0) | RELATIVE P/E RATIO 1.13 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 4 Lowered 11/29/24
SAFETY 2 Lowered 2/21/14
TECHNICAL 2 Raised 2/7/25
BETA .95 (1.00 = Market)

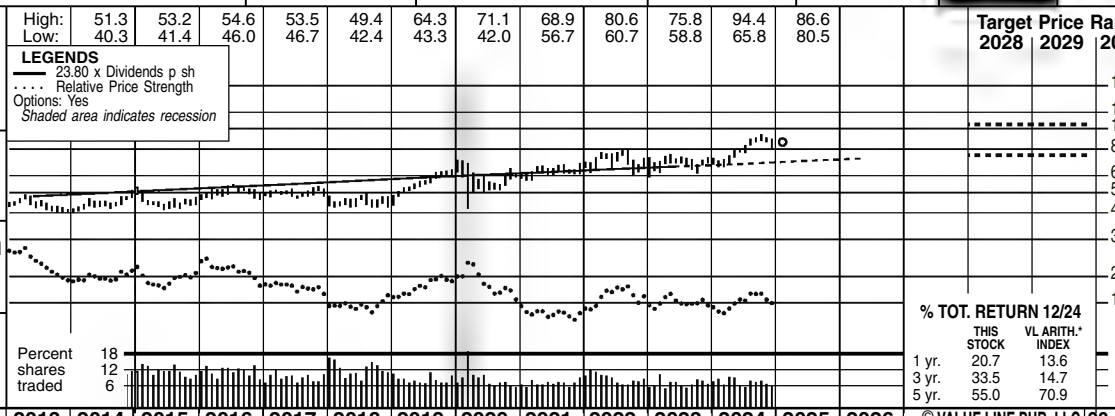
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$64-$98 $81 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+20%)	*8%*
Low	75	(-15%)	*Nil*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	822	895	980
to Sell	786	732	765
Hld's(000)	707349	735543	829101



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.7	13.6
3 yr.	33.5	14.7
5 yr.	55.0	70.9

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	20.34	19.29	21.80	26.89	23.15	*24.15*	*24.85*	*25.80*	Revenues per sh	*28.30*
4.43	4.51	4.91	5.18	5.27	5.28	5.47	5.69	6.64	6.41	6.33	6.98	7.20	7.34	7.79	*8.25*	*8.50*	*8.80*	"Cash Flow" per sh	*9.70*
2.32	2.36	2.55	2.67	2.70	2.77	2.84	2.83	3.21	3.00	3.17	3.25	3.42	3.61	3.64	*4.05*	*4.30*	*4.60*	Earnings per sh [A]	*5.50*
1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	2.46	2.54	2.62	2.70	2.78	2.86	*2.96*	*3.05*	Div'd Decl'd per sh [B] ■	*3.10*
5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	7.17	7.04	6.83	7.87	8.88	*8.85*	*8.75*	*8.70*	Cap'l Spending per sh	*8.50*
18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	26.11	26.48	26.30	27.93	28.82	*29.90*	*31.75*	*31.90*	Book Value per sh [C]	*32.25*
819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	1053.3	1056.5	1060.0	1089.0	1091.0	*1095.0*	*1095.0*	*1095.0*	Common Shs Outst'g [D]	*1095.0*
13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	15.1	17.6	17.9	18.4	19.6	19.1	*19.6*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.5*
.90	.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	.92	1.00	1.14	1.06	*1.09*			Relative P/E Ratio	*.90*
5.5%	5.1%	4.6%	4.3%	4.6%	4.7%	4.8%	4.4%	4.6%	5.3%	4.4%	4.4%	4.2%	4.1%	4.1%	3.4%			Avg Ann'l Div'd Yield	*3.6%*
17489	19896	23031	23495	21419	20375	23113	29279	25253	*26450*	*27200*	*28250*	Revenues ($mill)	*31000*
2647.0	2757.0	3269.0	3096.0	3354.0	3481.0	3670.0	3931.3	3976.0	*4435*	*4710*	*5035*	Net Profit ($mill)	*6025*
33.4%	28.5%	25.2%	21.3%	15.9%	14.3%	16.3%	18.9%	11.4%	*15.0%*	*15.0%*	*15.0%*	Income Tax Rate	*15.0%*
13.2%	11.9%	7.6%	6.8%	6.0%	6.6%	7.7%	8.0%	7.9%	*8.0%*	*8.0%*	*8.0%*	AFUDC % to Net Profit	*6.0%*
52.8%	61.5%	64.5%	62.0%	60.1%	61.5%	64.0%	63.0%	65.6%	*64.0%*	*64.0%*	*64.0%*	Long-Term Debt Ratio	*63.0%*
44.0%	35.7%	35.0%	37.6%	39.5%	38.1%	35.6%	36.5%	37.6%	*36.0%*	*36.0%*	*36.0%*	Common Equity Ratio	*37.0%*
46788	69359	68953	65750	69594	73336	78285	80558	83654	*85000*	*87500*	*90000*	Total Capital ($mill)	*93500*
61114	78446	79872	80797	83080	87634	91108	94570	99844	*100000*	*100500*	*100800*	Net Plant ($mill)	*110000*
6.6%	4.9%	5.9%	5.9%	6.0%	5.9%	5.8%	5.5%	4.6%	*5.5%*	*5.5%*	*5.5%*	Return on Total Cap'l	*6.5%*
12.0%	10.3%	13.3%	12.4%	12.1%	12.3%	13.0%	12.5%	12.6%	*13.0%*	*13.0%*	*13.0%*	Return on Shr. Equity	*14.5%*
12.6%	11.0%	13.4%	12.5%	12.1%	12.4%	13.1%	12.5%	12.6%	*13.0%*	*13.0%*	*13.0%*	Return on Com Equity [E]	*14.5%*
3.1%	2.5%	3.9%	2.6%	2.8%	2.8%	3.1%	3.0%	3.2%	*3.5%*	*3.5%*	*3.5%*	Retained to Com Eq	*5.0%*
76%	78%	72%	79%	77%	78%	76%	78%	77%	*77%*	*77%*	*77%*	All Div'ds to Net Prof	*67%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $62896 mill. **Due in 5 Yrs** $15427 mill.
LT Debt $61254 mill. **LT Interest** $1754 mill.
Incl. $215 mill. finance leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $307 mill.
Pension Assets-12/23 $14218 mill.
Oblig $16382 mill.
Pfd Stock $242 mill. **Pfd Div'd** $15 mill.
Incl. 10 mill. shs. 5.83% cum. pfd. ($25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. ($100 par).
Common Stock 1,095,684,180 shs.
MARKET CAP: $94.8 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-5.3	+2.0	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Yearend (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.5	NA
Fixed Charge Cov. (%)	270	275	NA

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	- -	.5%	*6.0%*
"Cash Flow"	4.0%	4.5%	*5.0%*
Earnings	3.0%	3.0%	*6.5%*
Dividends	3.5%	3.5%	*3.5%*
Book Value	3.0%	2.5%	*3.5%*

QUARTERLY REVENUES (mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	6648	7206	8378	7047	29279
2023	6480	5748	6980	6045	25253
2024	6646	6463	7274	*6067*	*26450*
2025	*7000*	*6500*	*7300*	*6400*	*27200*
2026	*7250*	*6700*	*7500*	*6800*	*28250*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.97	1.07	1.31	.26	3.61
2023	.79	.79	1.42	.64	3.64
2024	1.03	1.10	1.43	*.49*	*4.05*
2025	*1.10*	*1.10*	*1.50*	*.60*	*4.30*
2026	*1.15*	*1.20*	*1.55*	*.70*	*4.60*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.64	.66	.66	.66	2.62
2022	.66	.68	.68	.68	2.70
2023	.68	.70	.70	.70	2.78
2024	.70	.72	.72	.72	2.86
2025					

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.4 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric revenue breakdown: residential, 43%; commercial, 35%; industrial, 21%; other, 1%. Generating sources: gas, 51%; coal, 19%; nuclear, 10%; other, 11%; purchased, 9%. Fuel costs: 26% of revenues. '23 reported deprec. rates (utility): 2.7%-3.4%. Has 27,300 employees. President and CEO: Chris Womack. Incorporated.: Delaware. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308. Telephone: 404-506-0747. Internet: www.southerncompany.com.

We look for Southern Company's earnings to advance moderately in 2025. Our profit estimate this year remains unchanged at $4.30 per share, implying 6% growth, which is in line with the utility's long-term 5%-7% target. The recent completion of the Vogtle Nuclear Construction Project should start to benefit results in 2025 and beyond. The Vogtle plant stands to deliver 2,200 megawatts of reliable, carbon free energy for decades, and is the largest generator of clean energy in the U.S. In turn, Southern is increasingly well positioned to take advantage of the clean energy transition and elevated power demand due to technological advancements.

We have introduced our top- and bottom-line estimates for 2026. We think the company will post similar growth in 2026, within management's long-term targets. The demand for nuclear power expansion and electricity should remain elevated for the foreseeable future. And, Southern continues to expect that the U.S. will need to install more than 10 gigawatts of nuclear power to meet increased electricity demand in the coming years. Accordingly, we look for earnings of $4.60 per share and revenues of $28.25 billion.

These shares have fallen a bit in value since our early November report. The stock is down more than 5% over that interim, partly due to weak projected year over year earnings comparisons as well as increased energy transition costs. Still, Southern shares are up more than 25% over the past year, along with the sharp rise in demand for nuclear power expansion and electricity.

This issue is best suited for conservative, income-oriented investors. Indeed, the utility pays a solid dividend, which remains its most notable feature, and is ranked Above Average (2) for Safety. But, many of its peers pay even higher dividends. What's more, intermediate- and long-term capital appreciation potential is weak at this juncture. After rolling out our estimates to 2028-2030, the recent quotation is already well within our new range of $75-$105. The recent price also stands above the midpoint of our 18-month Target Price Range.

Zachary Hodgkinson *February 7, 2025*

Company's Financial Strength A
Stock's Price Stability 90
Price Growth Persistence 65
Earnings Predictability 90

(A) Diluted EPS. Excl. nonrec. gain (losses): '09, (25¢); '13, (83¢); '14, (59¢); '15, (25¢); '16, (28¢); '17, ($2.37); '18, (78¢); '19, $1.30; '20, (17¢); '21, (54¢). Next earnings report due in May. **(B)** Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. def'd charges. In '23: $17.35/sh. **(D)** In mill. **(E)** Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on common eq. (blended): 12.5%; earned on avg. com. eq., '21: 12.8%. Regulatory Climate: GA, AL Above Average; MS, FL Average.

XCEL ENERGY NDQ-XEL

RECENT PRICE 67.06 | P/E RATIO 18.1 (Trailing: 19.2 Median: 20.0) | RELATIVE P/E RATIO 1.15 | DIV'D YLD 3.5% | VALUE LINE

TIMELINESS 4 Lowered 3/21/25
SAFETY 2 Lowered 1/19/24
TECHNICAL 3 Lowered 2/28/25
BETA .75 (1.00 = Market)

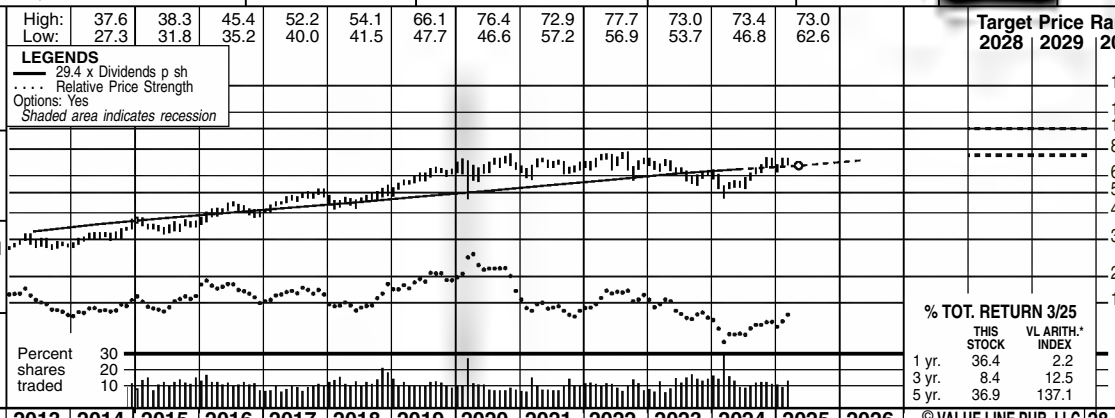
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$61-$91 $76 (15%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+50%)	13%
Low	75	(+10%)	7%

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	467	518	598
to Sell	414	408	372
Hld's(000)	437414	503378	534272



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
21.08	21.38	21.90	20.76	21.92	23.11	21.72	21.90	22.46	22.44	21.98	21.45	24.69	27.86	25.60	23.40	*25.85*	*27.35*	Revenues per sh	*31.95*
3.48	3.51	3.79	4.00	4.10	4.28	4.56	5.04	5.47	5.92	6.25	6.61	7.08	7.81	7.96	8.43	*9.10*	*9.75*	"Cash Flow" per sh	*11.70*
1.49	1.56	1.72	1.85	1.91	2.03	2.10	2.21	2.30	2.47	2.64	2.79	2.96	3.17	3.35	3.50	*3.80*	*4.05*	Earnings per sh [A]	*5.00*
.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.52	1.62	1.72	1.83	1.95	2.08	2.19	*2.28*	*2.42*	Div'd Decl'd per sh [B] ■ †	*3.00*
3.91	4.60	4.53	5.27	6.82	6.33	7.26	6.42	6.54	7.70	8.05	9.99	7.80	8.44	10.55	12.82	*15.00*	*14.00*	Cap'l Spending per sh	*13.00*
15.92	16.76	17.44	18.19	19.21	20.20	20.89	21.73	22.56	23.78	25.24	27.12	28.70	30.34	31.74	33.99	*35.80*	*37.70*	Book Value per sh [C]	*43.70*
457.51	482.33	486.49	487.96	497.97	505.73	507.54	507.22	507.76	514.04	524.54	537.44	544.03	549.58	554.94	574.37	*580.00*	*585.00*	Common Shs Outst'g [D]	*595.00*
12.7	14.1	14.2	14.8	15.0	15.4	16.5	18.5	20.2	18.9	22.3	23.9	22.5	22.2	19.0	17.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.5*
.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.19	1.23	1.22	1.28	1.06	.90			Relative P/E Ratio	*.95*
5.1%	4.5%	4.2%	3.9%	3.9%	3.8%	3.7%	3.3%	3.1%	3.3%	2.7%	2.6%	2.8%	2.8%	3.3%	3.7%			Avg Ann'l Div'd Yield	*3.4%*
11024	11107	11404	11537	11529	11526	13431	15310	14206	13441	*15000*	*16000*	Revenues ($mill)	*19000*
1063.6	1123.4	1171.0	1261.0	1372.0	1473.0	1597.0	1736.0	1851.0	1969.0	*2205*	*2360*	Net Profit ($mill)	*2975*
35.8%	34.1%	30.7%	12.6%	8.5%	- -	- -	- -	- -	- -	*NMF*	*NMF*	Income Tax Rate	*NMF*
7.7%	7.8%	9.4%	12.4%	8.3%	10.7%	6.2%	5.9%	7.7%	12.2%	*10.0%*	*10.0%*	AFUDC % to Net Profit	*9.0%*
54.1%	56.3%	55.9%	56.4%	56.8%	57.4%	58.2%	57.8%	58.6%	58.3%	*61.0%*	*61.5%*	Long-Term Debt Ratio	*61.0%*
45.9%	43.7%	44.1%	43.6%	43.2%	42.6%	41.8%	42.2%	41.4%	41.7%	*39.0%*	*38.5%*	Common Equity Ratio	*39.0%*
23092	25216	25975	28025	30646	34220	37391	39488	42529	46838	*53000*	*57500*	Total Capital ($mill)	*66500*
31206	32842	34329	36944	39483	42950	45457	48253	51642	57198	*63400*	*68000*	Net Plant ($mill)	*77800*
5.8%	5.7%	5.8%	5.7%	5.6%	5.4%	5.3%	5.5%	5.4%	5.5%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.4%	10.5%	10.1%	*10.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.4%	10.5%	10.1%	*10.5%*	*10.5%*	Return on Com Equity [E]	*11.0%*
4.3%	4.0%	3.9%	4.3%	4.4%	4.2%	4.2%	4.3%	4.3%	4.1%	*4.5%*	*4.5%*	Retained to Com Eq	*4.5%*
57%	61%	62%	58%	58%	58%	59%	58%	59%	60%	*60%*	*60%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 12/31/24
Total Debt $29114 mill. **Due in 5 Yrs** $3741 mill.
LT Debt $27316 mill. **LT Interest** $1182 mill.
Incl. $228 mill. finance leases.
(Total Interest Coverage: 2.6x)

Leases, Uncapitalized Annual rentals $277 mill.
Pension Assets-12/24 $2504 mill.
Oblig. $2752 mill.

Pfd Stock None

Common Stock 574,365,598 shs.

MARKET CAP: $38.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2022	2023	2024
% Change Retail Sales (KWH)	+1.2	-1.6	-2.4
Resid'l Revs. per KWH (¢)	13.41	13.80	13.83
C & I Revs. per KWH (¢)	9.02	8.82	8.24
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	20346	20512	20343
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+1.1	+1.2
Fixed Charge Cov. (%)	255	245	194

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	1.5%	3.0%	*3.5%*
"Cash Flow"	7.0%	6.5%	*6.5%*
Earnings	5.5%	6.0%	*7.0%*
Dividends	6.5%	6.5%	*6.5%*
Book Value	5.5%	6.0%	*5.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	3751	3424	4082	4053	15310
2023	4080	3022	3662	3442	14206
2024	3649	3028	3644	3120	13441
2025	*3900*	*3300*	*3975*	*3825*	*15000*
2026	*4125*	*3600*	*4225*	*4050*	*16000*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.70	.60	1.18	.69	3.17
2023	.76	.52	1.23	.83	3.35
2024	.89	.55	1.25	.81	3.50
2025	*.90*	*.65*	*1.35*	*.90*	*3.80*
2026	*.95*	*.70*	*1.45*	*.95*	*4.05*

QUARTERLY DIVIDENDS PAID [B] ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.43	.4575	.4575	.4575	1.80
2022	.4575	.4875	.4875	.4875	1.92
2023	.4875	.52	.52	.52	2.05
2024	.52	.5475	.5475	.5475	2.16
2025	.5475	.57			

BUSINESS: Xcel Energy Inc. is the parent of: Northern States Power Company (NSP), which supplies electricity to MN, WI, ND, SD & MI & gas to MN, WI, ND & MI; Public Service Company of Colorado (PSCo), which supplies electricity & gas to CO; & Southwestern Public Service Company (SPS), which supplies electricity to TX and NM. Customers: 3.9 mill. electric, 2.2 mill. gas. Electric revenues: resid'l, 32%; comm'l & ind'l, 49%; other, 19%. Purchases 35% of power, owns 65%. Total electric mix: wind, 33%; gas, 33%; coal, 15%, nuclear, 10%, solar/other, 9%. Fuel cost: 35% of revenues. '24 deprec. rate: 3.8%. Employs 11,380. Chrmn., President, and CEO: Robert Frenzel. Inc.: MN. Addr.: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Int.: www.xcelenergy.com.

Xcel Energy has a track record that few in the electric utility peer group can match. The company has managed to string together 19 consecutive years of rising earnings. The last time Xcel's bottom line failed to eclipse the prior year's tally was 2005. The company has made a habit of delivering results within management's profit target guidance range, with most years exceeding the midpoint. Xcel has an enormous service area encompassing portions of eight large states through its four wholly owned utility subsidiaries. That provides the company with a lot of diversification, excellent scale, and flexibility. If Xcel needs to tighten its belt to deliver financial results that meet expectations, it can typically do so. Last year's $3.50 did come in at the bottom of management's $3.50-$3.60 expectation, but that was due to the impact of fewer overall cooling and heating days than typical. Retail electric volume was down 2.4% in 2024 relative to 2023's level despite a 1.2% increase in Xcel's customer base. This sets up a relatively easy comparison for the 2025 campaign. Management's outlook is for $3.75-$3.85 in share earnings.

The company has plenty of investment opportunities. Leadership believes its five-year capital expenditure plan (base case) will deliver annual rate-base growth in excess of 9%, which should translate to 6%-8% share-earnings gains. Regular readers of our utility reports likely know by now that the rate base is the dollar value of a utility's infrastructure investments (net of accumulated depreciation), upon which it is allowed to earn a specified rate of return set by regulators. Prices set for electricity and natural gas delivery in customers' bills provide the recoupment of capital expenditures plus an economic return on investment. Xcel's main focus of late has been adding to its utility-owned generating capacity. Due to major wildfires in portions of its service areas, stepped up mitigation technology will likely be a more significant source of investment going forward.

This stock is untimely. A Colorado court case related to Xcel's role in the Marshall fire of 2021 will commence this autumn. It may result in some headline risk later this year and a potential buying opportunity.

Anthony J. Glennon *April 18, 2025*

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	100

(A) Diluted EPS. Excl. nonrec. gain/(losses): '10, 5¢; '15, (16¢); '17, (5¢); '23, (14¢); '24, (6¢); gain/ (loss) on discontin'd ops.: '09, (1¢); '10, 1¢. Qtly. EPS may not sum to full yr. due to rounding. Next egs. report due Apr. 24th. **(B)** Div'ds typically paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. intangibles. In '24: $3909 mill., $6.81/sh. **(D)** In mill. **(E)** Rate base: Varies. Rate allowed on common equity (blended): 9.6%. Regulatory Climate: Average.

Attachment AHG - 3
25-EKCE-294-RTS

Internal Rate of Return Analysis Summary
25-EKCE-294-RTS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
			Aver	ST Growth	LT Growth	2026	2025	2026	2027	2028	2029	2030	2031	Sum of 2030 through 2273
		IRR	ric	Estimate	Estimate	Dividends	Year 0	Year1	Year2	Year3	Year4	Year5	Year6	Year 7 through Year 250
Alliant Energy Corporation	LNT	8.04%		6.36%	4.09%	$ 2.16	$ (59.15)	$ 2.16	$ 2.30	$ 2.44	$ 2.60	$ 2.76	$ 2.88	$ 1,295,493.72
Ameren Corporation	AEE	7.71%		6.73%	4.09%	3.03	(91.66)	3.03	3.23	3.45	3.68	3.93	4.09	1,842,364.38
American Electric Power Company, Inc.	AEP	8.55%		6.31%	4.09%	3.98	(96.22)	3.98	4.23	4.50	4.78	5.08	5.29	2,382,357.52
Avista Corporation	AVA	10.06%		5.48%	4.09%	2.10	(36.85)	2.10	2.22	2.34	2.46	2.60	2.71	1,218,223.16
CMS Energy Corporation	CMS	7.78%		6.54%	4.09%	2.30	(67.91)	2.30	2.45	2.61	2.78	2.96	3.08	1,388,692.49
DTE Energy Company	DTE	8.12%		5.66%	4.09%	4.71	(123.28)	4.71	4.98	5.26	5.56	5.87	6.11	2,751,259.64
Duke Energy Corporation	DUK	8.17%		5.55%	4.09%	4.30	(110.94)	4.30	4.54	4.79	5.06	5.34	5.56	2,501,559.27
Entergy Corporation	ETR	7.82%		6.77%	4.09%	2.55	(75.07)	2.55	2.72	2.91	3.10	3.31	3.45	1,553,121.37
IDACORP, Inc.	IDA	7.88%		7.06%	4.09%	3.65	(106.82)	3.65	3.91	4.18	4.48	4.79	4.99	2,247,136.74
NextEra Energy, Inc.	NEE	8.33%		8.36%	4.09%	2.50	(68.31)	2.50	2.71	2.94	3.18	3.45	3.59	1,615,117.34
NorthWestern Corporation	NWE	9.30%		4.68%	4.09%	2.68	(52.48)	2.68	2.81	2.94	3.07	3.22	3.35	1,508,196.38
OGE Energy Corporation	OGE	8.50%		5.59%	4.09%	1.73	(41.28)	1.73	1.83	1.93	2.04	2.15	2.24	1,007,776.85
Pinnacle West Capital Corporation	PNW	8.28%		3.36%	4.09%	3.67	(85.32)	3.67	3.79	3.92	4.05	4.19	4.36	1,963,298.47
Portland General Electric Company	POR	10.41%		5.07%	4.09%	2.21	(36.15)	2.21	2.32	2.44	2.56	2.69	2.80	1,262,097.13
PPL Corporation	PPL	8.07%		7.22%	4.09%	1.17	(32.77)	1.17	1.25	1.34	1.44	1.55	1.61	724,563.26
Southern Company	SO	7.93%		5.70%	4.09%	3.05	(84.01)	3.05	3.22	3.41	3.60	3.81	3.96	1,784,469.46
Xcel Energy Inc.	XEL	8.20%		7.22%	4.09%	2.42	(65.56)	2.42	2.59	2.78	2.98	3.20	3.33	1,498,669.30
	Mean	8.42%												
	Median	8.17%												
	Mean	8.42%												
	Min	7.71%												
	Max	10.41%												

Column 1) Proxy group
2) Internal rate of return calcuation which is the discount rate that equates the stock price paid to the stream of future dividends recieved
3) Mean of observed weekly high and low stock prices from November 1, 2024 through April 29, 2025
4) Average of short-term growth rates used in first 5 years
5) Long-term nGDP growth rate used beginning in year 6
6) 2026 dividends reported by Value-Line
7) Year 0 Cashflow; stock price less 2026 dividend
8 through 12) Annual cashflow growing at short-term growth rate
13 through 250) Annual cashflow growing at long-term growth rate

Alliant Energy Corp. LNT			Ameren Corp. AEE			Am. Electr. Pwr. Co., Inc. AEP			Avista Corp. AVA		
6 Month	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**
Range	$66.54	$56.08	**Range**	$104.10	$85.27	**Range**	$110.48	$89.91	**Range**	$43.09	$34.80
Mean	$61.44	$60.28	**Mean**	$95.43	$93.61	**Mean**	$100.95	$98.97	**Mean**	$38.63	$37.87
Median	$61.14	$60.24	**Median**	$95.69	$93.57	**Median**	$100.44	$98.31	**Median**	$38.01	$37.44
3 Month			**3 Month**			**3 Month**			**3 Month**		
Range	$66.54	$57.09	**Range**	$104.10	$91.77	**Range**	$110.48	$97.32	**Range**	$43.09	$36.28
Mean	$62.64	$61.35	**Mean**	$99.43	$97.36	**Mean**	$105.68	$103.44	**Mean**	$39.93	$39.11
Median	$62.89	$61.50	**Median**	$99.42	$97.53	**Median**	$106.40	$104.04	**Median**	$40.05	$39.26
4/29/2025	$61.80	$60.48	4/29/2025	$99.52	$98.27	4/29/2025	$108.58	$106.29	4/29/2025	$41.84	$41.17
4/28/2025	$61.04	$60.14	4/28/2025	$99.42	$97.95	4/28/2025	$107.56	$105.70	4/28/2025	$41.55	$40.74
4/25/2025	$61.43	$60.35	4/25/2025	$99.00	$97.76	4/25/2025	$106.88	$105.58	4/25/2025	$41.37	$40.60
4/24/2025	$61.72	$60.87	4/24/2025	$99.58	$97.92	4/24/2025	$107.63	$105.70	4/24/2025	$41.57	$41.24
4/23/2025	$61.49	$60.30	4/23/2025	$99.67	$97.69	4/23/2025	$108.13	$105.57	4/23/2025	$41.83	$41.12
4/22/2025	$61.07	$59.31	4/22/2025	$99.42	$96.56	4/22/2025	$108.31	$106.13	4/22/2025	$41.88	$41.27
4/21/2025	$60.92	$58.67	4/21/2025	$98.24	$95.27	4/21/2025	$107.77	$104.72	4/21/2025	$41.94	$40.95
4/17/2025	$61.77	$60.29	4/17/2025	$99.82	$98.08	4/17/2025	$109.03	$106.67	4/17/2025	$42.45	$41.49
4/16/2025	$61.93	$60.28	4/16/2025	$99.63	$97.56	4/16/2025	$107.46	$105.65	4/16/2025	$42.30	$41.55
4/15/2025	$62.38	$61.51	4/15/2025	$100.08	$98.87	4/15/2025	$107.51	$106.21	4/15/2025	$41.92	$41.00
4/14/2025	$62.21	$60.55	4/14/2025	$99.35	$97.14	4/14/2025	$106.94	$103.73	4/14/2025	$41.33	$40.53
4/11/2025	$60.90	$59.29	4/11/2025	$98.29	$95.28	4/11/2025	$105.17	$101.86	4/11/2025	$40.77	$39.78
4/10/2025	$61.14	$59.04	4/10/2025	$98.34	$94.75	4/10/2025	$104.31	$101.52	4/10/2025	$40.64	$39.24
4/9/2025	$60.57	$57.09	4/9/2025	$97.61	$91.77	4/9/2025	$103.82	$98.35	4/9/2025	$40.94	$38.27
4/8/2025	$61.11	$58.20	4/8/2025	$97.30	$93.33	4/8/2025	$103.98	$100.56	4/8/2025	$40.53	$39.07
4/7/2025	$61.51	$58.80	4/7/2025	$96.67	$92.50	4/7/2025	$104.79	$100.67	4/7/2025	$40.60	$38.51
4/4/2025	$65.17	$60.91	4/4/2025	$102.54	$95.05	4/4/2025	$110.48	$103.92	4/4/2025	$42.59	$40.53
4/3/2025	$65.72	$64.51	4/3/2025	$102.94	$100.90	4/3/2025	$110.46	$107.75	4/3/2025	$43.09	$42.13
4/2/2025	$64.90	$63.94	4/2/2025	$101.63	$100.07	4/2/2025	$108.80	$107.27	4/2/2025	$42.52	$42.03
4/1/2025	$64.56	$63.86	4/1/2025	$100.87	$99.59	4/1/2025	$108.88	$107.52	4/1/2025	$42.46	$41.41
3/31/2025	$64.75	$63.63	3/31/2025	$101.86	$99.82	3/31/2025	$109.76	$107.84	3/31/2025	$41.98	$41.01
3/28/2025	$64.07	$63.29	3/28/2025	$100.08	$99.17	3/28/2025	$107.41	$105.37	3/28/2025	$41.01	$40.00
3/27/2025	$63.51	$62.79	3/27/2025	$99.38	$98.44	3/27/2025	$105.60	$103.78	3/27/2025	$40.18	$39.96
3/26/2025	$63.28	$62.14	3/26/2025	$99.26	$96.98	3/26/2025	$104.31	$102.57	3/26/2025	$40.04	$39.77
3/25/2025	$62.90	$61.73	3/25/2025	$98.94	$96.59	3/25/2025	$103.00	$101.96	3/25/2025	$39.75	$39.01
3/24/2025	$63.61	$62.92	3/24/2025	$99.94	$98.65	3/24/2025	$105.69	$104.03	3/24/2025	$40.06	$39.60
3/21/2025	$63.91	$62.58	3/21/2025	$99.82	$98.15	3/21/2025	$106.65	$104.40	3/21/2025	$40.20	$39.43
3/20/2025	$63.72	$63.20	3/20/2025	$100.47	$99.48	3/20/2025	$106.59	$105.55	3/20/2025	$40.02	$39.54
3/19/2025	$63.68	$62.93	3/19/2025	$100.46	$99.08	3/19/2025	$106.30	$105.14	3/19/2025	$39.72	$39.24
3/18/2025	$63.50	$62.84	3/18/2025	$100.64	$99.04	3/18/2025	$106.49	$105.38	3/18/2025	$39.92	$39.38
3/17/2025	$64.20	$62.92	3/17/2025	$100.88	$99.04	3/17/2025	$106.83	$105.13	3/17/2025	$40.17	$39.76
3/14/2025	$63.02	$61.88	3/14/2025	$99.62	$97.44	3/14/2025	$105.95	$103.59	3/14/2025	$40.01	$38.99
3/13/2025	$62.92	$61.88	3/13/2025	$98.57	$97.35	3/13/2025	$104.29	$102.70	3/13/2025	$39.59	$38.87
3/12/2025	$62.88	$62.07	3/12/2025	$98.23	$97.09	3/12/2025	$103.79	$102.35	3/12/2025	$39.50	$38.77
3/11/2025	$63.81	$62.47	3/11/2025	$99.30	$97.54	3/11/2025	$107.99	$104.39	3/11/2025	$39.92	$38.90
3/10/2025	$64.28	$62.51	3/10/2025	$100.71	$98.24	3/10/2025	$108.67	$104.91	3/10/2025	$40.23	$39.45
3/7/2025	$62.98	$62.00	3/7/2025	$99.38	$96.97	3/7/2025	$104.88	$102.68	3/7/2025	$40.00	$39.02
3/6/2025	$63.21	$62.08	3/6/2025	$98.48	$96.59	3/6/2025	$103.31	$101.42	3/6/2025	$39.54	$38.69
3/5/2025	$64.57	$63.27	3/5/2025	$100.15	$98.40	3/5/2025	$105.46	$103.19	3/5/2025	$39.97	$39.28
3/4/2025	$66.54	$64.21	3/4/2025	$104.10	$99.87	3/4/2025	$109.52	$105.14	3/4/2025	$40.11	$39.70
3/3/2025	$66.15	$64.49	3/3/2025	$103.87	$100.98	3/3/2025	$107.82	$105.69	3/3/2025	$40.04	$39.70
2/28/2025	$64.76	$63.77	2/28/2025	$101.75	$99.87	2/28/2025	$107.11	$104.66	2/28/2025	$40.21	$39.58
2/27/2025	$64.35	$63.31	2/27/2025	$100.08	$98.28	2/27/2025	$106.78	$104.80	2/27/2025	$40.02	$38.50
2/26/2025	$64.05	$63.30	2/26/2025	$99.72	$98.73	2/26/2025	$107.51	$106.37	2/26/2025	$40.17	$38.65
2/25/2025	$64.15	$63.40	2/25/2025	$99.71	$98.46	2/25/2025	$107.84	$105.97	2/25/2025	$38.86	$38.24
2/24/2025	$63.97	$62.60	2/24/2025	$99.78	$97.92	2/24/2025	$107.36	$105.21	2/24/2025	$38.57	$37.74
2/21/2025	$63.30	$61.32	2/21/2025	$98.73	$96.68	2/21/2025	$105.73	$104.06	2/21/2025	$38.14	$37.56
2/20/2025	$61.90	$61.12	2/20/2025	$97.82	$96.59	2/20/2025	$104.65	$102.20	2/20/2025	$37.69	$37.00
2/19/2025	$61.94	$61.48	2/19/2025	$98.66	$97.25	2/19/2025	$103.16	$101.72	2/19/2025	$37.60	$36.91
2/18/2025	$62.04	$61.02	2/18/2025	$98.51	$97.52	2/18/2025	$103.24	$101.00	2/18/2025	$37.15	$36.59
2/14/2025	$62.08	$61.12	2/14/2025	$100.62	$97.40	2/14/2025	$102.92	$100.84	2/14/2025	$37.64	$36.74
2/13/2025	$61.45	$60.50	2/13/2025	$98.69	$97.39	2/13/2025	$102.57	$100.32	2/13/2025	$37.44	$37.05
2/12/2025	$60.73	$59.44	2/12/2025	$98.33	$96.62	2/12/2025	$102.52	$100.60	2/12/2025	$37.21	$36.56
2/11/2025	$60.36	$59.21	2/11/2025	$98.25	$96.50	2/11/2025	$102.11	$99.47	2/11/2025	$37.33	$36.55
2/10/2025	$59.98	$59.07	2/10/2025	$97.99	$96.37	2/10/2025	$100.96	$99.11	2/10/2025	$36.86	$36.32
2/7/2025	$59.68	$59.12	2/7/2025	$97.37	$96.06	2/7/2025	$100.44	$99.41	2/7/2025	$36.75	$36.41
2/6/2025	$60.03	$59.22	2/6/2025	$96.97	$95.62	2/6/2025	$100.67	$98.87	2/6/2025	$37.11	$36.49
2/5/2025	$60.11	$59.37	2/5/2025	$97.29	$96.03	2/5/2025	$99.89	$98.40	2/5/2025	$37.30	$36.73
2/4/2025	$59.52	$58.36	2/4/2025	$95.58	$94.10	2/4/2025	$99.07	$97.80	2/4/2025	$36.83	$36.28
2/3/2025	$59.38	$58.10	2/3/2025	$96.23	$93.16	2/3/2025	$99.69	$97.32	2/3/2025	$36.91	$36.28
1/31/2025	$59.25	$58.64	1/31/2025	$94.77	$93.65	1/31/2025	$99.05	$97.52	1/31/2025	$36.74	$36.35
1/30/2025	$59.60	$58.84	1/30/2025	$94.22	$93.23	1/30/2025	$99.15	$97.56	1/30/2025	$36.68	$36.21
1/29/2025	$59.36	$58.56	1/29/2025	$93.91	$92.53	1/29/2025	$100.73	$97.36	1/29/2025	$36.48	$35.92
1/28/2025	$59.92	$58.62	1/28/2025	$94.33	$92.45	1/28/2025	$102.47	$99.75	1/28/2025	$36.86	$36.10
1/27/2025	$60.03	$58.31	1/27/2025	$94.79	$91.87	1/27/2025	$103.05	$98.16	1/27/2025	$36.92	$36.03
1/24/2025	$59.08	$58.45	1/24/2025	$94.25	$92.79	1/24/2025	$98.50	$97.05	1/24/2025	$36.08	$35.48
1/23/2025	$59.21	$58.55	1/23/2025	$94.10	$93.07	1/23/2025	$99.50	$97.38	1/23/2025	$36.29	$35.61
1/22/2025	$60.84	$59.05	1/22/2025	$96.03	$93.11	1/22/2025	$98.13	$96.85	1/22/2025	$37.42	$36.19
1/21/2025	$61.93	$60.77	1/21/2025	$96.74	$95.16	1/21/2025	$98.73	$97.60	1/21/2025	$37.89	$37.44
1/17/2025	$60.73	$59.96	1/17/2025	$94.93	$93.31	1/17/2025	$97.98	$96.80	1/17/2025	$37.43	$36.95
1/16/2025	$60.11	$58.30	1/16/2025	$93.90	$90.84	1/16/2025	$96.85	$94.70	1/16/2025	$37.07	$36.02
1/15/2025	$58.87	$58.14	1/15/2025	$91.50	$90.26	1/15/2025	$95.61	$94.53	1/15/2025	$36.51	$35.90
1/14/2025	$57.86	$56.81	1/14/2025	$89.93	$88.74	1/14/2025	$94.54	$93.43	1/14/2025	$36.03	$35.45
1/13/2025	$57.17	$56.30	1/13/2025	$88.95	$87.55	1/13/2025	$95.92	$92.76	1/13/2025	$35.45	$34.80
1/10/2025	$57.93	$56.64	1/10/2025	$89.18	$87.91	1/10/2025	$94.67	$92.67	1/10/2025	$36.08	$34.87
1/8/2025	$58.25	$56.87	1/8/2025	$89.29	$87.32	1/8/2025	$92.35	$89.91	1/8/2025	$36.59	$35.57
1/7/2025	$57.94	$57.06	1/7/2025	$88.47	$87.04	1/7/2025	$91.91	$90.10	1/7/2025	$36.05	$35.40
1/6/2025	$58.23	$57.13	1/6/2025	$88.68	$86.81	1/6/2025	$92.05	$90.01	1/6/2025	$36.58	$35.20
1/3/2025	$58.72	$58.23	1/3/2025	$89.80	$88.77	1/3/2025	$93.06	$92.03	1/3/2025	$36.63	$36.22
1/2/2025	$59.73	$58.45	1/2/2025	$90.06	$88.68	1/2/2025	$93.23	$91.59	1/2/2025	$36.99	$36.26
12/31/2024	$59.70	$58.83	12/31/2024	$90.16	$88.72	12/31/2024	$92.48	$91.50	12/31/2024	$36.99	$36.40
12/30/2024	$59.53	$58.84	12/30/2024	$89.85	$88.93	12/30/2024	$92.64	$91.23	12/30/2024	$36.82	$36.15
12/27/2024	$60.09	$58.64	12/27/2024	$90.85	$89.89	12/27/2024	$92.66	$91.31	12/27/2024	$36.75	$36.28
12/26/2024	$59.83	$59.30	12/26/2024	$91.10	$90.23	12/26/2024	$92.56	$91.80	12/26/2024	$36.91	$36.35
12/24/2024	$59.63	$59.01	12/24/2024	$90.90	$89.34	12/24/2024	$93.11	$92.25	12/24/2024	$36.66	$36.17
12/23/2024	$59.33	$58.33	12/23/2024	$89.86	$88.18	12/23/2024	$92.98	$91.59	12/23/2024	$36.53	$35.91
12/20/2024	$59.10	$58.37	12/20/2024	$89.32	$87.88	12/20/2024	$93.07	$91.23	12/20/2024	$36.44	$35.28
12/19/2024	$59.08	$57.89	12/19/2024	$90.01	$86.40	12/19/2024	$92.03	$90.42	12/19/2024	$36.18	$35.45
12/18/2024	$59.71	$58.11	12/18/2024	$88.94	$86.91	12/18/2024	$92.25	$90.86	12/18/2024	$36.80	$35.37
12/17/2024	$59.93	$59.25	12/17/2024	$89.20	$88.01	12/17/2024	$93.04	$91.29	12/17/2024	$36.93	$36.32
12/16/2024	$60.74	$59.85	12/16/2024	$89.76	$88.71	12/16/2024	$92.86	$91.70	12/16/2024	$36.78	$36.47
12/13/2024	$60.94	$60.31	12/13/2024	$90.36	$89.39	12/13/2024	$93.38	$92.17	12/13/2024	$36.73	$36.15
12/12/2024	$60.70	$59.91	12/12/2024	$90.96	$89.65	12/12/2024	$94.20	$92.80	12/12/2024	$37.03	$36.44
12/11/2024	$60.82	$60.24	12/11/2024	$90.81	$89.58	12/11/2024	$95.21	$93.24	12/11/2024	$37.23	$36.65
12/10/2024	$61.05	$59.71	12/10/2024	$91.75	$89.50	12/10/2024	$95.58	$93.59	12/10/2024	$37.60	$36.89
12/9/2024	$61.16	$60.63	12/9/2024	$92.16	$90.94	12/9/2024	$96.86	$95.30	12/9/2024	$37.71	$37.16
12/6/2024	$61.68	$60.80	12/6/2024	$92.63	$91.73	12/6/2024	$97.43	$95.66	12/6/2024	$37.48	$36.76
12/5/2024	$62.12	$61.24	12/5/2024	$93.04	$92.21	12/5/2024	$97.98	$96.21	12/5/2024	$37.66	$37.28
12/4/2024	$62.12	$61.57	12/4/2024	$92.84	$91.47	12/4/2024	$97.34	$95.88	12/4/2024	$37.91	$37.46
12/3/2024	$62.82	$61.81	12/3/2024	$93.78	$91.78	12/3/2024	$98.90	$97.01	12/3/2024	$38.35	$37.91
12/2/2024	$63.38	$61.90	12/2/2024	$94.81	$92.83	12/2/2024	$100.00	$97.73	12/2/2024	$38.79	$37.79
11/29/2024	$63.57	$63.11	11/29/2024	$95.05	$94.19	11/29/2024	$100.28	$99.30	11/29/2024	$38.82	$38.52
11/27/2024	$64.05	$63.37	11/27/2024	$95.69	$94.59	11/27/2024	$100.72	$99.60	11/27/2024	$39.01	$38.55
11/26/2024	$63.92	$63.08	11/26/2024	$94.46	$93.61	11/26/2024	$99.47	$98.31	11/26/2024	$39.01	$38.49
11/25/2024	$64.19	$63.14	11/25/2024	$94.62	$93.31	11/25/2024	$98.50	$97.12	11/25/2024	$39.72	$39.21
11/22/2024	$63.63	$63.13	11/22/2024	$94.46	$93.57	11/22/2024	$98.52	$97.54	11/22/2024	$39.45	$39.02
11/21/2024	$63.27	$62.01	11/21/2024	$94.21	$91.95	11/21/2024	$98.15	$96.41	11/21/2024	$39.13	$38.36
11/20/2024	$62.59	$61.67	11/20/2024	$92.58	$91.71	11/20/2024	$96.86	$95.90	11/20/2024	$38.94	$38.39
11/19/2024	$62.32	$61.13	11/19/2024	$92.30	$91.27	11/19/2024	$96.76	$95.38	11/19/2024	$38.78	$38.23
11/18/2024	$61.93	$60.69	11/18/2024	$92.57	$90.87	11/18/2024	$97.38	$96.10	11/18/2024	$38.82	$37.73
11/15/2024	$61.04	$59.40	11/15/2024	$91.28	$89.54	11/15/2024	$96.44	$93.81	11/15/2024	$37.87	$37.35
11/14/2024	$60.24	$59.44	11/14/2024	$91.45	$89.66	11/14/2024	$94.59	$92.95	11/14/2024	$37.69	$37.07
11/13/2024	$60.23	$59.36	11/13/2024	$92.58	$90.81	11/13/2024	$93.47	$92.51	11/13/2024	$38.01	$37.38
11/12/2024	$60.53	$59.78	11/12/2024	$92.77	$91.63	11/12/2024	$94.74	$92.60	11/12/2024	$38.32	$37.57
11/11/2024	$60.02	$57.78	11/11/2024	$92.69	$89.78	11/11/2024	$96.37	$94.25	11/11/2024	$38.30	$37.44
11/8/2024	$57.98	$56.20	11/8/2024	$90.59	$86.69	11/8/2024	$97.15	$95.59	11/8/2024	$37.50	$36.70
11/7/2024	$57.34	$56.08	11/7/2024	$88.48	$85.70	11/7/2024	$96.91	$95.31	11/7/2024	$37.33	$36.51
11/6/2024	$57.56	$56.26	11/6/2024	$88.55	$86.81	11/6/2024	$100.00	$96.18	11/6/2024	$37.68	$36.47
11/5/2024	$58.17	$57.22	11/5/2024	$87.67	$85.69	11/5/2024	$100.48	$98.19	11/5/2024	$37.39	$36.23
11/4/2024	$58.14	$57.00	11/4/2024	$86.18	$85.27	11/4/2024	$98.44	$96.69	11/4/2024	$36.75	$36.25
11/1/2024	$59.67	$57.36	11/1/2024	$87.37	$85.44	11/1/2024	$99.23	$97.07	11/1/2024	$37.66	$36.67
10/31/2024	$60.46	$58.94	10/31/2024	$88.15	$86.65	10/31/2024	$99.34	$97.26	10/31/2024	$37.86	$37.42
10/30/2024	$60.06	$59.14	10/30/2024	$86.79	$86.01	10/30/2024	$97.85	$96.69	10/30/2024	$38.04	$37.47

CMS Energy Corp.	CMS		DTE Energy Co.	DTE		Duke Energy Corp.	DUK		Entergy Corp.	ETR	
6 Month	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**
Range	$76.45	$63.97	**Range**	$140.39	$115.59	**Range**	$125.27	$105.20	**Range**	$88.38	$66.85
Mean	$70.27	$68.96	**Mean**	$127.58	$125.14	**Mean**	$115.15	$113.10	**Mean**	$80.67	$78.75
Median	$69.68	$68.27	**Median**	$125.00	$122.91	**Median**	$115.27	$113.00	**Median**	$81.77	$78.95
3 Month			**3 Month**			**3 Month**			**3 Month**		
Range	$76.45	$65.17	**Range**	$140.39	$118.20	**Range**	$125.27	$110.51	**Range**	$88.38	$75.57
Mean	$72.69	$71.18	**Mean**	$133.11	$130.35	**Mean**	$118.69	$116.32	**Mean**	$84.53	$82.39
Median	$73.36	$71.91	**Median**	$133.72	$131.15	**Median**	$118.54	$116.23	**Median**	$84.46	$82.54
4/29/2025	$73.79	$72.06	4/29/2025	$137.75	$134.75	4/29/2025	$121.91	$119.37	4/29/2025	$84.84	$82.36
4/28/2025	$72.67	$71.81	4/28/2025	$136.12	$133.06	4/28/2025	$120.88	$119.18	4/28/2025	$85.15	$84.02
4/25/2025	$74.61	$72.07	4/25/2025	$136.79	$134.32	4/25/2025	$121.27	$119.42	4/25/2025	$85.20	$84.19
4/24/2025	$75.50	$73.46	4/24/2025	$137.75	$134.91	4/24/2025	$121.52	$120.17	4/24/2025	$85.26	$83.25
4/23/2025	$73.82	$72.46	4/23/2025	$136.76	$134.04	4/23/2025	$122.12	$120.04	4/23/2025	$85.11	$83.32
4/22/2025	$73.83	$72.47	4/22/2025	$136.42	$132.80	4/22/2025	$122.89	$120.50	4/22/2025	$83.69	$81.23
4/21/2025	$73.09	$71.47	4/21/2025	$133.28	$130.19	4/21/2025	$121.95	$118.99	4/21/2025	$82.75	$79.48
4/17/2025	$73.96	$72.27	4/17/2025	$135.29	$132.69	4/17/2025	$123.55	$120.50	4/17/2025	$84.38	$82.50
4/16/2025	$73.43	$71.86	4/16/2025	$134.25	$131.48	4/16/2025	$121.98	$120.07	4/16/2025	$83.74	$81.92
4/15/2025	$73.98	$72.68	4/15/2025	$134.27	$132.56	4/15/2025	$121.75	$120.34	4/15/2025	$84.46	$82.85
4/14/2025	$73.75	$71.60	4/14/2025	$133.96	$129.94	4/14/2025	$121.19	$118.07	4/14/2025	$83.38	$82.08
4/11/2025	$72.29	$69.70	4/11/2025	$129.89	$126.75	4/11/2025	$119.33	$115.52	4/11/2025	$82.04	$78.99
4/10/2025	$72.20	$70.02	4/10/2025	$130.90	$126.71	4/10/2025	$118.00	$114.62	4/10/2025	$81.36	$78.46
4/9/2025	$71.94	$68.15	4/9/2025	$131.36	$123.69	4/9/2025	$117.84	$112.07	4/9/2025	$81.32	$75.57
4/8/2025	$72.46	$69.45	4/8/2025	$131.21	$125.72	4/8/2025	$118.36	$114.70	4/8/2025	$81.77	$78.07
4/7/2025	$72.91	$70.50	4/7/2025	$131.27	$126.09	4/7/2025	$120.32	$115.71	4/7/2025	$81.35	$75.62
4/4/2025	$76.38	$72.39	4/4/2025	$140.32	$130.64	4/4/2025	$125.27	$117.86	4/4/2025	$85.02	$78.51
4/3/2025	$76.45	$74.67	4/3/2025	$140.39	$137.68	4/3/2025	$124.67	$121.63	4/3/2025	$87.25	$84.85
4/2/2025	$75.45	$74.47	4/2/2025	$138.94	$136.55	4/2/2025	$121.39	$119.90	4/2/2025	$86.94	$85.02
4/1/2025	$75.30	$74.31	4/1/2025	$138.37	$136.81	4/1/2025	$122.04	$120.59	4/1/2025	$86.07	$84.19
3/31/2025	$75.52	$74.35	3/31/2025	$139.05	$136.63	3/31/2025	$122.50	$120.17	3/31/2025	$85.65	$84.16
3/28/2025	$74.73	$73.02	3/28/2025	$137.19	$135.49	3/28/2025	$119.96	$117.64	3/28/2025	$85.06	$84.10
3/27/2025	$73.75	$73.03	3/27/2025	$136.39	$134.95	3/27/2025	$118.23	$117.11	3/27/2025	$84.83	$83.44
3/26/2025	$73.52	$72.05	3/26/2025	$136.15	$134.60	3/26/2025	$117.33	$116.08	3/26/2025	$84.27	$82.86
3/25/2025	$73.31	$71.49	3/25/2025	$136.48	$133.00	3/25/2025	$118.23	$114.92	3/25/2025	$84.09	$82.42
3/24/2025	$74.13	$73.09	3/24/2025	$138.09	$135.97	3/24/2025	$119.81	$118.01	3/24/2025	$84.78	$82.54
3/21/2025	$74.31	$73.02	3/21/2025	$138.22	$135.54	3/21/2025	$120.91	$118.38	3/21/2025	$84.40	$83.39
3/20/2025	$73.90	$73.20	3/20/2025	$137.03	$135.74	3/20/2025	$120.26	$119.11	3/20/2025	$84.85	$84.18
3/19/2025	$73.99	$73.05	3/19/2025	$136.76	$134.87	3/19/2025	$120.88	$118.67	3/19/2025	$84.96	$83.12
3/18/2025	$73.63	$72.70	3/18/2025	$135.93	$134.39	3/18/2025	$121.07	$119.69	3/18/2025	$83.59	$82.30
3/17/2025	$73.84	$72.71	3/17/2025	$136.31	$133.33	3/17/2025	$121.47	$119.05	3/17/2025	$86.42	$84.56
3/14/2025	$72.89	$71.51	3/14/2025	$135.52	$132.32	3/14/2025	$120.40	$117.54	3/14/2025	$85.17	$82.83
3/13/2025	$72.04	$71.06	3/13/2025	$133.01	$130.93	3/13/2025	$118.34	$116.37	3/13/2025	$83.23	$81.75
3/12/2025	$72.02	$70.94	3/12/2025	$132.42	$130.95	3/12/2025	$117.30	$115.65	3/12/2025	$84.44	$82.53
3/11/2025	$74.23	$72.05	3/11/2025	$132.83	$131.11	3/11/2025	$119.51	$117.20	3/11/2025	$83.26	$80.29
3/10/2025	$74.88	$73.00	3/10/2025	$133.94	$130.15	3/10/2025	$119.26	$116.91	3/10/2025	$81.22	$78.95
3/7/2025	$73.46	$71.50	3/7/2025	$132.55	$130.57	3/7/2025	$116.94	$114.32	3/7/2025	$82.45	$79.93
3/6/2025	$72.49	$71.28	3/6/2025	$132.01	$129.69	3/6/2025	$115.68	$113.81	3/6/2025	$83.94	$80.99
3/5/2025	$73.05	$71.95	3/5/2025	$133.09	$130.72	3/5/2025	$116.91	$115.05	3/5/2025	$85.39	$83.96
3/4/2025	$75.06	$72.82	3/4/2025	$136.28	$131.63	3/4/2025	$119.68	$116.37	3/4/2025	$88.00	$84.95
3/3/2025	$74.19	$72.68	3/3/2025	$135.24	$132.95	3/3/2025	$118.72	$116.66	3/3/2025	$88.02	$86.60
2/28/2025	$73.34	$72.04	2/28/2025	$134.11	$131.72	2/28/2025	$117.98	$115.80	2/28/2025	$87.51	$85.27
2/27/2025	$73.35	$72.26	2/27/2025	$133.00	$131.19	2/27/2025	$116.79	$115.00	2/27/2025	$86.91	$85.13
2/26/2025	$73.36	$72.57	2/26/2025	$133.42	$131.84	2/26/2025	$117.14	$115.80	2/26/2025	$86.99	$85.77
2/25/2025	$73.37	$72.01	2/25/2025	$133.49	$132.39	2/25/2025	$117.71	$116.01	2/25/2025	$85.67	$83.30
2/24/2025	$72.48	$71.16	2/24/2025	$133.45	$130.85	2/24/2025	$116.97	$114.79	2/24/2025	$85.80	$83.92
2/21/2025	$71.94	$70.57	2/21/2025	$132.88	$129.80	2/21/2025	$115.96	$112.56	2/21/2025	$86.37	$84.22
2/20/2025	$71.00	$70.07	2/20/2025	$131.84	$128.27	2/20/2025	$113.26	$111.04	2/20/2025	$87.31	$85.22
2/19/2025	$70.24	$69.46	2/19/2025	$130.53	$128.97	2/19/2025	$112.11	$110.95	2/19/2025	$87.89	$86.47
2/18/2025	$69.89	$68.91	2/18/2025	$130.36	$128.57	2/18/2025	$112.23	$110.51	2/18/2025	$88.38	$85.00
2/14/2025	$69.78	$68.74	2/14/2025	$130.22	$128.34	2/14/2025	$113.95	$111.53	2/14/2025	$84.46	$82.45
2/13/2025	$70.03	$69.41	2/13/2025	$128.74	$123.48	2/13/2025	$115.66	$112.88	2/13/2025	$83.69	$82.23
2/12/2025	$69.68	$68.35	2/12/2025	$124.55	$122.85	2/12/2025	$116.48	$114.34	2/12/2025	$83.00	$80.60
2/11/2025	$69.48	$68.23	2/11/2025	$124.94	$122.22	2/11/2025	$116.81	$113.98	2/11/2025	$82.14	$80.73
2/10/2025	$69.18	$68.03	2/10/2025	$123.82	$122.12	2/10/2025	$115.62	$113.66	2/10/2025	$82.04	$80.72
2/7/2025	$68.74	$67.04	2/7/2025	$122.88	$121.45	2/7/2025	$115.70	$113.92	2/7/2025	$83.45	$81.71
2/6/2025	$68.33	$66.53	2/6/2025	$123.00	$121.58	2/6/2025	$114.91	$113.36	2/6/2025	$83.36	$82.32
2/5/2025	$67.42	$66.38	2/5/2025	$123.24	$121.19	2/5/2025	$114.21	$112.45	2/5/2025	$83.26	$81.71
2/4/2025	$66.31	$65.50	2/4/2025	$121.13	$119.00	2/4/2025	$112.83	$111.32	2/4/2025	$82.50	$80.66
2/3/2025	$66.71	$65.17	2/3/2025	$121.40	$118.20	2/3/2025	$113.46	$111.20	2/3/2025	$82.19	$79.62
1/31/2025	$66.51	$65.83	1/31/2025	$120.73	$118.82	1/31/2025	$112.45	$111.38	1/31/2025	$81.74	$80.71
1/30/2025	$66.51	$65.51	1/30/2025	$119.73	$118.25	1/30/2025	$112.40	$110.81	1/30/2025	$81.50	$80.07
1/29/2025	$66.29	$65.71	1/29/2025	$119.67	$117.56	1/29/2025	$112.21	$110.54	1/29/2025	$80.24	$77.68
1/28/2025	$67.13	$65.35	1/28/2025	$121.26	$118.06	1/28/2025	$112.70	$111.28	1/28/2025	$79.09	$75.55
1/27/2025	$67.56	$65.47	1/27/2025	$122.13	$118.11	1/27/2025	$112.76	$109.43	1/27/2025	$82.67	$77.75
1/24/2025	$66.26	$65.55	1/24/2025	$120.25	$118.86	1/24/2025	$110.25	$108.74	1/24/2025	$82.80	$81.71
1/23/2025	$66.88	$65.10	1/23/2025	$121.25	$116.30	1/23/2025	$109.74	$108.68	1/23/2025	$83.16	$81.73
1/22/2025	$68.08	$66.42	1/22/2025	$123.42	$119.90	1/22/2025	$110.62	$108.63	1/22/2025	$83.43	$82.08
1/21/2025	$68.94	$68.20	1/21/2025	$125.60	$123.44	1/21/2025	$111.35	$109.30	1/21/2025	$84.26	$82.60
1/17/2025	$68.68	$67.61	1/17/2025	$124.09	$122.40	1/17/2025	$109.90	$108.45	1/17/2025	$82.50	$80.88
1/16/2025	$68.02	$66.45	1/16/2025	$123.00	$120.28	1/16/2025	$109.08	$105.90	1/16/2025	$81.37	$78.66
1/15/2025	$66.83	$65.80	1/15/2025	$121.73	$120.11	1/15/2025	$108.10	$106.35	1/15/2025	$79.34	$78.18
1/14/2025	$65.90	$64.41	1/14/2025	$120.15	$117.95	1/14/2025	$106.88	$105.61	1/14/2025	$77.94	$76.64
1/13/2025	$65.23	$63.97	1/13/2025	$119.08	$116.76	1/13/2025	$106.56	$105.20	1/13/2025	$77.16	$75.04
1/10/2025	$66.48	$64.97	1/10/2025	$120.80	$118.36	1/10/2025	$108.59	$105.44	1/10/2025	$76.80	$75.47
1/8/2025	$66.41	$65.34	1/8/2025	$121.09	$118.95	1/8/2025	$108.45	$106.49	1/8/2025	$76.88	$75.19
1/7/2025	$66.24	$65.37	1/7/2025	$121.43	$119.70	1/7/2025	$107.85	$106.30	1/7/2025	$76.73	$75.49
1/6/2025	$66.59	$65.27	1/6/2025	$121.61	$119.46	1/6/2025	$107.42	$105.90	1/6/2025	$76.64	$75.01
1/3/2025	$66.93	$66.34	1/3/2025	$122.30	$120.75	1/3/2025	$108.67	$107.65	1/3/2025	$77.16	$74.81
1/2/2025	$67.46	$66.38	1/2/2025	$122.83	$120.65	1/2/2025	$108.88	$107.44	1/2/2025	$76.54	$74.77
12/31/2024	$67.11	$66.22	12/31/2024	$121.43	$120.02	12/31/2024	$108.12	$107.18	12/31/2024	$76.19	$75.24
12/30/2024	$66.82	$66.10	12/30/2024	$121.00	$119.43	12/30/2024	$108.13	$107.05	12/30/2024	$76.04	$74.72
12/27/2024	$67.48	$66.60	12/27/2024	$122.08	$120.10	12/27/2024	$109.00	$107.50	12/27/2024	$76.28	$75.25
12/26/2024	$67.13	$66.54	12/26/2024	$121.35	$120.04	12/26/2024	$108.95	$107.87	12/26/2024	$76.22	$75.50
12/24/2024	$66.83	$66.44	12/24/2024	$120.81	$120.07	12/24/2024	$109.03	$108.11	12/24/2024	$76.25	$75.31
12/23/2024	$66.69	$66.03	12/23/2024	$120.41	$118.92	12/23/2024	$108.64	$107.16	12/23/2024	$75.55	$74.19
12/20/2024	$66.82	$65.65	12/20/2024	$120.49	$116.70	12/20/2024	$108.69	$106.72	12/20/2024	$75.18	$73.70
12/19/2024	$66.42	$65.47	12/19/2024	$119.28	$116.65	12/19/2024	$108.24	$105.74	12/19/2024	$75.07	$73.43
12/18/2024	$67.15	$65.82	12/18/2024	$120.81	$117.49	12/18/2024	$107.91	$105.63	12/18/2024	$75.30	$73.15
12/17/2024	$67.71	$66.24	12/17/2024	$122.94	$120.23	12/17/2024	$108.20	$106.53	12/17/2024	$75.68	$73.88
12/16/2024	$67.56	$66.08	12/16/2024	$123.07	$119.84	12/16/2024	$109.21	$107.18	12/16/2024	$75.66	$73.52
12/13/2024	$67.88	$66.84	12/13/2024	$121.93	$120.43	12/13/2024	$110.00	$108.73	12/13/2024	$74.49	$73.62
12/12/2024	$67.54	$66.68	12/12/2024	$121.69	$120.62	12/12/2024	$110.32	$108.77	12/12/2024	$75.07	$74.04
12/11/2024	$67.92	$66.63	12/11/2024	$122.28	$120.80	12/11/2024	$110.99	$109.18	12/11/2024	$74.46	$73.86
12/10/2024	$67.97	$66.45	12/10/2024	$122.26	$119.52	12/10/2024	$111.94	$110.32	12/10/2024	$74.66	$73.53
12/9/2024	$67.79	$66.70	12/9/2024	$122.25	$121.15	12/9/2024	$112.60	$111.28	12/9/2024	$76.00	$74.76
12/6/2024	$67.55	$66.68	12/6/2024	$122.65	$121.15	12/6/2024	$114.35	$111.95	12/6/2024	$77.09	$75.47
12/5/2024	$68.05	$67.28	12/5/2024	$123.17	$122.08	12/5/2024	$114.40	$113.00	12/5/2024	$77.43	$75.55
12/4/2024	$68.31	$67.14	12/4/2024	$123.40	$121.77	12/4/2024	$113.75	$112.72	12/4/2024	$76.53	$74.82
12/3/2024	$69.07	$68.24	12/3/2024	$125.44	$122.91	12/3/2024	$116.21	$113.63	12/3/2024	$77.49	$75.66
12/2/2024	$69.91	$68.34	12/2/2024	$125.85	$123.42	12/2/2024	$117.29	$114.81	12/2/2024	$78.27	$76.48
11/29/2024	$70.62	$69.59	11/29/2024	$126.36	$125.25	11/29/2024	$117.72	$116.88	11/29/2024	$78.69	$77.75
11/27/2024	$71.35	$70.36	11/27/2024	$127.53	$125.88	11/27/2024	$118.58	$117.28	11/27/2024	$79.04	$78.02
11/26/2024	$70.49	$69.45	11/26/2024	$125.63	$124.63	11/26/2024	$117.10	$115.08	11/26/2024	$78.02	$76.34
11/25/2024	$70.18	$69.11	11/25/2024	$125.60	$124.69	11/25/2024	$115.90	$114.17	11/25/2024	$76.43	$75.14
11/22/2024	$69.72	$69.20	11/22/2024	$125.05	$123.98	11/22/2024	$116.00	$114.61	11/22/2024	$76.64	$75.48
11/21/2024	$69.26	$68.27	11/21/2024	$124.09	$121.85	11/21/2024	$115.04	$113.15	11/21/2024	$76.38	$74.89
11/20/2024	$68.89	$68.37	11/20/2024	$122.43	$121.27	11/20/2024	$113.95	$113.00	11/20/2024	$75.94	$74.87
11/19/2024	$68.68	$67.71	11/19/2024	$121.76	$119.89	11/19/2024	$113.63	$112.05	11/19/2024	$75.09	$73.72
11/18/2024	$69.02	$68.00	11/18/2024	$121.09	$119.32	11/18/2024	$113.68	$111.67	11/18/2024	$75.61	$74.34
11/15/2024	$68.30	$67.20	11/15/2024	$120.34	$118.95	11/15/2024	$112.25	$109.40	11/15/2024	$74.89	$73.56
11/14/2024	$68.07	$67.20	11/14/2024	$120.54	$118.96	11/14/2024	$111.57	$110.54	11/14/2024	$74.26	$73.43
11/13/2024	$68.11	$67.18	11/13/2024	$120.82	$117.90	11/13/2024	$112.80	$110.67	11/13/2024	$74.55	$73.24
11/12/2024	$68.72	$67.86	11/12/2024	$120.74	$119.49	11/12/2024	$113.08	$111.76	11/12/2024	$75.35	$74.23
11/11/2024	$68.83	$67.20	11/11/2024	$119.92	$117.77	11/11/2024	$114.16	$112.39	11/11/2024	$76.29	$74.36
11/8/2024	$67.90	$66.65	11/8/2024	$119.36	$117.15	11/8/2024	$114.05	$111.56	11/8/2024	$74.67	$72.65
11/7/2024	$68.05	$65.09	11/7/2024	$123.17	$115.59	11/7/2024	$113.21	$110.31	11/7/2024	$73.47	$72.35
11/6/2024	$69.10	$67.56	11/6/2024	$123.67	$120.98	11/6/2024	$114.25	$112.52	11/6/2024	$74.17	$72.17
11/5/2024	$69.12	$68.24	11/5/2024	$123.53	$121.41	11/5/2024	$114.17	$112.06	11/5/2024	$72.98	$70.80
11/4/2024	$68.58	$67.54	11/4/2024	$122.01	$120.26	11/4/2024	$113.13	$112.07	11/4/2024	$72.36	$70.22
11/1/2024	$69.94	$68.08	11/1/2024	$124.54	$121.09	11/1/2024	$115.40	$112.60	11/1/2024	$77.27	$72.17
10/31/2024	$70.52	$69.09	10/31/2024	$125.36	$123.72	10/31/2024	$115.82	$113.89	10/31/2024	$78.43	$70.71
10/30/2024	$70.13	$69.48	10/30/2024	$125.00	$123.50	10/30/2024	$115.27	$113.82	10/30/2024	$67.63	$66.85

IDACORP, Inc. IDA			NextEra Energy, Inc. NEE			N.W. Energy Grp. Inc. NWE			OGE Energy Corp. OGE		
6 Month	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**
Range	$120.84	$100.10	**Range**	$79.89	$61.72	**Range**	$59.89	$50.43	**Range**	$46.91	$39.10
Mean	$114.38	$112.26	**Mean**	$72.44	$70.74	**Mean**	$55.20	$54.12	**Mean**	$43.62	$42.78
Median	$115.00	$112.69	**Median**	$71.94	$70.51	**Median**	$54.92	$53.90	**Median**	$43.62	$42.74
3 Month			**3 Month**			**3 Month**			**3 Month**		
Range	$120.84	$108.68	**Range**	$76.29	$61.72	**Range**	$59.89	$51.66	**Range**	$46.91	$40.80
Mean	$115.97	$113.61	**Mean**	$70.39	$68.54	**Mean**	$56.28	$55.07	**Mean**	$44.90	$43.96
Median	$116.07	$113.81	**Median**	$70.64	$69.08	**Median**	$56.20	$54.93	**Median**	$45.13	$44.34
4/29/2025	$118.60	$117.08	4/29/2025	$67.40	$65.72	4/29/2025	$59.89	$58.43	4/29/2025	$45.83	$45.29
4/28/2025	$117.92	$115.98	4/28/2025	$66.34	$65.28	4/28/2025	$58.89	$57.74	4/28/2025	$45.57	$44.56
4/25/2025	$117.46	$115.42	4/25/2025	$66.87	$65.36	4/25/2025	$58.51	$57.81	4/25/2025	$45.24	$44.78
4/24/2025	$118.66	$115.38	4/24/2025	$67.20	$65.24	4/24/2025	$58.58	$58.01	4/24/2025	$45.53	$44.64
4/23/2025	$118.20	$114.75	4/23/2025	$69.10	$66.99	4/23/2025	$58.90	$57.83	4/23/2025	$45.59	$44.78
4/22/2025	$118.47	$116.66	4/22/2025	$66.80	$65.35	4/22/2025	$59.08	$58.04	4/22/2025	$45.38	$44.52
4/21/2025	$119.44	$115.74	4/21/2025	$66.06	$63.64	4/21/2025	$59.08	$58.00	4/21/2025	$45.12	$43.74
4/17/2025	$120.78	$117.96	4/17/2025	$67.34	$65.97	4/17/2025	$59.15	$57.73	4/17/2025	$45.74	$44.72
4/16/2025	$120.82	$117.53	4/16/2025	$68.05	$65.30	4/16/2025	$58.34	$57.37	4/16/2025	$45.34	$44.62
4/15/2025	$120.82	$119.24	4/15/2025	$68.44	$67.53	4/15/2025	$57.86	$57.29	4/15/2025	$45.12	$44.67
4/14/2025	$119.69	$117.51	4/14/2025	$68.12	$65.96	4/14/2025	$57.33	$56.36	4/14/2025	$44.96	$44.22
4/11/2025	$117.71	$113.98	4/11/2025	$66.99	$64.60	4/11/2025	$56.58	$54.89	4/11/2025	$44.33	$43.02
4/10/2025	$116.89	$113.58	4/10/2025	$67.50	$65.24	4/10/2025	$56.10	$54.26	4/10/2025	$43.92	$42.62
4/9/2025	$115.80	$109.30	4/9/2025	$67.79	$61.72	4/9/2025	$56.85	$53.46	4/9/2025	$43.62	$40.80
4/8/2025	$116.16	$111.92	4/8/2025	$66.59	$63.20	4/8/2025	$56.10	$54.11	4/8/2025	$43.59	$41.74
4/7/2025	$114.99	$110.14	4/7/2025	$67.27	$63.93	4/7/2025	$56.62	$53.83	4/7/2025	$43.65	$41.17
4/4/2025	$120.48	$113.57	4/4/2025	$73.42	$66.86	4/4/2025	$58.00	$55.73	4/4/2025	$46.22	$43.30
4/3/2025	$120.84	$118.80	4/3/2025	$72.96	$71.37	4/3/2025	$59.52	$58.08	4/3/2025	$46.91	$45.93
4/2/2025	$119.28	$117.78	4/2/2025	$71.29	$70.13	4/2/2025	$58.99	$57.99	4/2/2025	$46.49	$45.77
4/1/2025	$117.52	$115.30	4/1/2025	$71.57	$70.52	4/1/2025	$58.71	$57.27	4/1/2025	$46.22	$45.58
3/31/2025	$116.45	$115.10	3/31/2025	$71.75	$70.62	3/31/2025	$58.06	$56.84	3/31/2025	$46.29	$45.38
3/28/2025	$115.54	$114.28	3/28/2025	$70.98	$70.17	3/28/2025	$57.00	$55.79	3/28/2025	$45.76	$45.18
3/27/2025	$114.96	$113.83	3/27/2025	$71.02	$69.61	3/27/2025	$55.97	$55.44	3/27/2025	$45.35	$44.85
3/26/2025	$114.22	$112.32	3/26/2025	$69.84	$68.68	3/26/2025	$55.65	$54.64	3/26/2025	$45.01	$44.35
3/25/2025	$113.81	$111.41	3/25/2025	$70.48	$68.42	3/25/2025	$55.67	$54.08	3/25/2025	$44.98	$44.04
3/24/2025	$115.34	$113.76	3/24/2025	$71.79	$69.91	3/24/2025	$55.86	$55.30	3/24/2025	$45.61	$45.00
3/21/2025	$116.81	$113.62	3/21/2025	$71.96	$70.17	3/21/2025	$56.36	$55.01	3/21/2025	$45.43	$44.67
3/20/2025	$117.31	$116.07	3/20/2025	$72.09	$70.59	3/20/2025	$56.49	$55.95	3/20/2025	$45.40	$45.04
3/19/2025	$117.02	$114.89	3/19/2025	$71.18	$70.00	3/19/2025	$56.56	$55.65	3/19/2025	$45.23	$44.59
3/18/2025	$116.55	$114.80	3/18/2025	$72.21	$70.27	3/18/2025	$56.26	$55.37	3/18/2025	$45.03	$44.36
3/17/2025	$117.05	$115.63	3/17/2025	$73.43	$71.07	3/17/2025	$56.54	$55.86	3/17/2025	$45.31	$44.33
3/14/2025	$116.14	$113.79	3/14/2025	$73.68	$72.33	3/14/2025	$56.14	$54.94	3/14/2025	$45.28	$44.36
3/13/2025	$115.96	$114.09	3/13/2025	$73.55	$72.05	3/13/2025	$55.86	$54.88	3/13/2025	$45.05	$44.21
3/12/2025	$115.71	$114.62	3/12/2025	$73.38	$71.78	3/12/2025	$55.25	$54.17	3/12/2025	$44.68	$43.83
3/11/2025	$116.50	$115.12	3/11/2025	$76.26	$73.20	3/11/2025	$56.75	$55.23	3/11/2025	$44.73	$43.92
3/10/2025	$115.60	$113.15	3/10/2025	$76.29	$72.48	3/10/2025	$57.44	$56.02	3/10/2025	$44.95	$43.73
3/7/2025	$114.48	$112.52	3/7/2025	$73.12	$70.06	3/7/2025	$56.43	$54.93	3/7/2025	$44.46	$43.69
3/6/2025	$113.45	$111.56	3/6/2025	$70.11	$69.02	3/6/2025	$55.35	$54.31	3/6/2025	$44.42	$43.72
3/5/2025	$115.17	$113.31	3/5/2025	$70.89	$69.39	3/5/2025	$55.85	$54.92	3/5/2025	$45.13	$44.36
3/4/2025	$119.58	$115.03	3/4/2025	$73.08	$70.76	3/4/2025	$57.16	$55.53	3/4/2025	$46.54	$45.06
3/3/2025	$119.53	$117.20	3/3/2025	$71.70	$70.00	3/3/2025	$56.66	$55.48	3/3/2025	$46.54	$45.57
2/28/2025	$118.19	$115.30	2/28/2025	$70.22	$69.28	2/28/2025	$55.95	$54.88	2/28/2025	$46.28	$45.31
2/27/2025	$115.79	$114.22	2/27/2025	$70.91	$69.31	2/27/2025	$55.22	$53.60	2/27/2025	$45.48	$44.75
2/26/2025	$116.50	$114.92	2/26/2025	$71.64	$70.51	2/26/2025	$54.76	$54.09	2/26/2025	$45.69	$44.80
2/25/2025	$115.99	$113.73	2/25/2025	$71.71	$70.68	2/25/2025	$54.92	$54.11	2/25/2025	$45.40	$44.79
2/24/2025	$115.54	$113.50	2/24/2025	$71.46	$69.92	2/24/2025	$54.69	$53.73	2/24/2025	$45.60	$44.79
2/21/2025	$115.13	$111.62	2/21/2025	$71.97	$70.01	2/21/2025	$54.17	$53.52	2/21/2025	$45.32	$44.04
2/20/2025	$115.00	$111.89	2/20/2025	$70.44	$68.82	2/20/2025	$53.81	$52.69	2/20/2025	$44.43	$43.45
2/19/2025	$112.50	$110.95	2/19/2025	$69.51	$68.41	2/19/2025	$53.78	$52.89	2/19/2025	$44.72	$42.89
2/18/2025	$110.98	$109.78	2/18/2025	$68.55	$67.53	2/18/2025	$53.15	$51.82	2/18/2025	$44.00	$43.51
2/14/2025	$112.31	$109.55	2/14/2025	$69.02	$67.88	2/14/2025	$53.61	$51.66	2/14/2025	$44.19	$43.45
2/13/2025	$112.31	$110.85	2/13/2025	$69.66	$68.56	2/13/2025	$53.93	$51.81	2/13/2025	$43.88	$43.39
2/12/2025	$111.49	$109.46	2/12/2025	$70.19	$68.98	2/12/2025	$54.27	$53.42	2/12/2025	$43.43	$42.74
2/11/2025	$111.66	$109.10	2/11/2025	$70.38	$68.71	2/11/2025	$54.73	$53.44	2/11/2025	$43.47	$42.46
2/10/2025	$110.87	$109.62	2/10/2025	$69.74	$68.09	2/10/2025	$53.82	$52.69	2/10/2025	$43.03	$42.30
2/7/2025	$111.69	$110.11	2/7/2025	$69.39	$68.20	2/7/2025	$53.65	$52.94	2/7/2025	$42.90	$42.14
2/6/2025	$111.36	$110.19	2/6/2025	$69.62	$68.26	2/6/2025	$54.25	$53.03	2/6/2025	$42.84	$42.21
2/5/2025	$111.23	$110.47	2/5/2025	$70.79	$69.14	2/5/2025	$54.28	$53.76	2/5/2025	$42.99	$42.53
2/4/2025	$111.25	$109.20	2/4/2025	$70.85	$69.62	2/4/2025	$53.71	$52.85	2/4/2025	$42.47	$41.60
2/3/2025	$110.77	$108.68	2/3/2025	$71.79	$70.19	2/3/2025	$53.99	$53.00	2/3/2025	$42.40	$41.51
1/31/2025	$110.61	$109.66	1/31/2025	$71.73	$70.93	1/31/2025	$54.47	$53.76	1/31/2025	$42.84	$42.05
1/30/2025	$110.07	$108.80	1/30/2025	$72.00	$70.79	1/30/2025	$54.78	$53.90	1/30/2025	$42.95	$42.49
1/29/2025	$109.25	$108.31	1/29/2025	$71.52	$70.61	1/29/2025	$54.47	$53.30	1/29/2025	$42.48	$41.93
1/28/2025	$109.54	$107.95	1/28/2025	$72.88	$69.92	1/28/2025	$55.30	$54.19	1/28/2025	$42.80	$41.82
1/27/2025	$109.90	$108.24	1/27/2025	$73.93	$70.64	1/27/2025	$54.97	$53.71	1/27/2025	$43.39	$41.69
1/24/2025	$109.37	$107.64	1/24/2025	$74.05	$68.00	1/24/2025	$54.24	$53.33	1/24/2025	$43.43	$43.00
1/23/2025	$109.12	$107.27	1/23/2025	$69.35	$68.27	1/23/2025	$54.05	$53.44	1/23/2025	$43.23	$42.42
1/22/2025	$111.34	$107.64	1/22/2025	$70.57	$68.34	1/22/2025	$54.65	$53.16	1/22/2025	$43.25	$42.45
1/21/2025	$112.69	$111.26	1/21/2025	$71.88	$70.78	1/21/2025	$55.46	$54.70	1/21/2025	$43.62	$42.96
1/17/2025	$110.94	$109.88	1/17/2025	$71.84	$70.74	1/17/2025	$54.79	$54.10	1/17/2025	$42.73	$42.10
1/16/2025	$110.33	$106.93	1/16/2025	$71.42	$68.89	1/16/2025	$54.35	$52.86	1/16/2025	$42.39	$41.03
1/15/2025	$108.60	$106.91	1/15/2025	$70.04	$69.01	1/15/2025	$53.52	$52.81	1/15/2025	$41.44	$40.92
1/14/2025	$107.13	$105.31	1/14/2025	$68.01	$66.88	1/14/2025	$52.41	$51.63	1/14/2025	$40.87	$40.14
1/13/2025	$107.22	$104.74	1/13/2025	$67.36	$65.89	1/13/2025	$51.62	$51.07	1/13/2025	$40.04	$39.41
1/10/2025	$110.23	$106.29	1/10/2025	$70.07	$67.07	1/10/2025	$52.28	$50.77	1/10/2025	$40.71	$39.71
1/8/2025	$110.44	$107.68	1/8/2025	$70.70	$69.46	1/8/2025	$52.50	$51.35	1/8/2025	$40.89	$40.11
1/7/2025	$109.37	$107.30	1/7/2025	$71.90	$70.06	1/7/2025	$52.24	$51.66	1/7/2025	$40.80	$40.29
1/6/2025	$109.06	$107.32	1/6/2025	$71.94	$70.84	1/6/2025	$52.97	$51.60	1/6/2025	$41.17	$40.07
1/3/2025	$109.44	$108.30	1/3/2025	$72.68	$71.59	1/3/2025	$53.47	$52.84	1/3/2025	$41.77	$41.24
1/2/2025	$110.03	$108.00	1/2/2025	$72.62	$71.29	1/2/2025	$53.84	$52.83	1/2/2025	$41.59	$41.16
12/31/2024	$110.28	$108.84	12/31/2024	$72.41	$71.40	12/31/2024	$53.88	$52.99	12/31/2024	$41.52	$41.06
12/30/2024	$109.91	$108.43	12/30/2024	$71.91	$70.98	12/30/2024	$53.63	$52.35	12/30/2024	$41.40	$40.76
12/27/2024	$110.29	$109.08	12/27/2024	$72.43	$71.68	12/27/2024	$53.40	$52.76	12/27/2024	$41.51	$41.09
12/26/2024	$110.44	$108.99	12/26/2024	$72.90	$72.27	12/26/2024	$53.46	$52.61	12/26/2024	$41.57	$41.24
12/24/2024	$111.05	$110.05	12/24/2024	$72.91	$72.03	12/24/2024	$53.22	$52.65	12/24/2024	$41.55	$41.05
12/23/2024	$110.40	$107.39	12/23/2024	$72.53	$71.25	12/23/2024	$52.82	$51.92	12/23/2024	$41.37	$40.58
12/20/2024	$109.54	$108.09	12/20/2024	$71.98	$69.32	12/20/2024	$53.25	$52.20	12/20/2024	$41.41	$40.68
12/19/2024	$110.38	$108.83	12/19/2024	$71.00	$69.71	12/19/2024	$53.24	$51.73	12/19/2024	$41.31	$40.51
12/18/2024	$112.06	$108.73	12/18/2024	$72.54	$70.43	12/18/2024	$52.31	$50.43	12/18/2024	$41.83	$40.50
12/17/2024	$113.96	$111.38	12/17/2024	$72.60	$71.80	12/17/2024	$53.30	$51.10	12/17/2024	$42.06	$41.52
12/16/2024	$114.12	$112.95	12/16/2024	$74.22	$72.76	12/16/2024	$51.42	$50.69	12/16/2024	$42.46	$41.88
12/13/2024	$114.10	$112.00	12/13/2024	$73.75	$72.94	12/13/2024	$51.36	$50.43	12/13/2024	$42.34	$41.95
12/12/2024	$114.58	$112.70	12/12/2024	$74.08	$73.09	12/12/2024	$52.73	$51.51	12/12/2024	$42.34	$41.95
12/11/2024	$113.75	$112.69	12/11/2024	$74.55	$73.58	12/11/2024	$52.84	$52.25	12/11/2024	$42.27	$41.94
12/10/2024	$113.77	$112.42	12/10/2024	$74.52	$73.35	12/10/2024	$53.19	$52.26	12/10/2024	$42.32	$41.25
12/9/2024	$115.00	$113.38	12/9/2024	$75.63	$74.56	12/9/2024	$53.74	$52.94	12/9/2024	$42.35	$41.73
12/6/2024	$116.21	$114.65	12/6/2024	$76.50	$74.92	12/6/2024	$54.12	$53.37	12/6/2024	$43.19	$42.22
12/5/2024	$116.67	$115.79	12/5/2024	$76.54	$75.42	12/5/2024	$54.30	$53.64	12/5/2024	$43.39	$42.95
12/4/2024	$116.72	$115.73	12/4/2024	$76.02	$75.10	12/4/2024	$54.27	$53.86	12/4/2024	$43.09	$42.68
12/3/2024	$117.89	$116.47	12/3/2024	$77.57	$76.23	12/3/2024	$54.79	$54.14	12/3/2024	$43.14	$42.61
12/2/2024	$118.39	$115.88	12/2/2024	$79.05	$76.90	12/2/2024	$54.97	$54.18	12/2/2024	$44.00	$42.69
11/29/2024	$119.25	$118.28	11/29/2024	$78.99	$78.32	11/29/2024	$55.47	$54.68	11/29/2024	$44.19	$43.87
11/27/2024	$119.56	$118.03	11/27/2024	$79.38	$77.86	11/27/2024	$55.16	$54.52	11/27/2024	$44.41	$43.97
11/26/2024	$119.28	$117.82	11/26/2024	$77.78	$76.47	11/26/2024	$57.00	$54.37	11/26/2024	$44.14	$43.74
11/25/2024	$120.42	$118.93	11/25/2024	$77.10	$75.83	11/25/2024	$57.49	$56.98	11/25/2024	$44.32	$43.53
11/22/2024	$120.02	$118.78	11/22/2024	$77.54	$75.76	11/22/2024	$57.00	$56.49	11/22/2024	$44.34	$43.75
11/21/2024	$119.21	$117.77	11/21/2024	$77.51	$76.36	11/21/2024	$56.54	$55.50	11/21/2024	$43.87	$43.07
11/20/2024	$118.23	$117.36	11/20/2024	$77.50	$76.36	11/20/2024	$55.61	$55.04	11/20/2024	$43.26	$42.77
11/19/2024	$117.99	$116.78	11/19/2024	$77.32	$75.72	11/19/2024	$55.69	$54.79	11/19/2024	$43.21	$42.36
11/18/2024	$118.89	$116.43	11/18/2024	$76.67	$75.31	11/18/2024	$55.92	$54.87	11/18/2024	$43.22	$42.65
11/15/2024	$117.66	$116.60	11/15/2024	$76.69	$75.29	11/15/2024	$55.42	$54.86	11/15/2024	$42.87	$41.88
11/14/2024	$117.84	$116.64	11/14/2024	$76.18	$73.65	11/14/2024	$55.40	$54.70	11/14/2024	$43.03	$41.71
11/13/2024	$119.65	$117.00	11/13/2024	$75.04	$73.92	11/13/2024	$55.74	$54.94	11/13/2024	$43.81	$42.78
11/12/2024	$119.26	$117.37	11/12/2024	$75.80	$73.62	11/12/2024	$55.63	$54.90	11/12/2024	$44.09	$42.97
11/11/2024	$117.26	$113.40	11/11/2024	$77.15	$75.74	11/11/2024	$55.23	$54.32	11/11/2024	$43.96	$42.79
11/8/2024	$114.24	$111.17	11/8/2024	$77.19	$74.68	11/8/2024	$54.35	$53.27	11/8/2024	$42.96	$42.19
11/7/2024	$112.00	$110.44	11/7/2024	$75.09	$73.57	11/7/2024	$54.72	$53.32	11/7/2024	$42.50	$41.95
11/6/2024	$112.03	$108.98	11/6/2024	$74.98	$72.69	11/6/2024	$54.76	$53.60	11/6/2024	$42.26	$41.10
11/5/2024	$109.53	$107.20	11/5/2024	$78.79	$76.97	11/5/2024	$53.33	$52.41	11/5/2024	$41.05	$39.10
11/4/2024	$107.01	$105.22	11/4/2024	$78.82	$77.10	11/4/2024	$52.93	$52.32	11/4/2024	$40.18	$39.57
11/1/2024	$109.47	$105.75	11/1/2024	$79.46	$76.97	11/1/2024	$54.06	$52.69	11/1/2024	$40.66	$39.61
10/31/2024	$104.87	$100.10	10/31/2024	$79.85	$78.14	10/31/2024	$54.16	$53.34	10/31/2024	$40.32	$39.78
10/30/2024	$102.91	$101.62	10/30/2024	$79.89	$78.89	10/30/2024	$54.48	$53.66	10/30/2024	$40.26	$39.68

Pinncale West Capital Corp.	PNW		Portland Gen. Electric Co.	POR		PPL Corp.	PPL		The Southern Co.	SO		Xcel Energy, Inc.	XEL	
6 Month	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**	**6 Month**	**High**	**Low**
Range	$96.50	$81.47	**Range**	$48.40	$40.05	**Range**	$36.66	$31.22	**Range**	$93.65	$80.46	**Range**	$75.18	$59.58
Mean	$90.77	$89.06	**Mean**	$44.38	$43.54	**Mean**	$34.18	$33.56	**Mean**	$87.77	$86.18	**Mean**	$69.24	$67.85
Median	$91.73	$89.74	**Median**	$44.30	$43.51	**Median**	$34.32	$33.71	**Median**	$88.63	$87.00	**Median**	$69.39	$68.05
3 Month			**3 Month**			**3 Month**			**3 Month**			**3 Month**		
Range	$96.50	$85.03	**Range**	$45.91	$40.29	**Range**	$36.66	$32.50	**Range**	$93.65	$82.78	**Range**	$73.00	$65.43
Mean	$92.81	$90.98	**Mean**	$43.66	$42.73	**Mean**	$35.15	$34.43	**Mean**	$89.79	$88.01	**Mean**	$70.04	$68.45
Median	$93.20	$91.15	**Median**	$43.87	$43.02	**Median**	$35.01	$34.35	**Median**	$90.16	$88.60	**Median**	$70.07	$68.44
4/29/2025	$95.58	$94.18	4/29/2025	$42.05	$41.14	4/29/2025	$36.57	$36.16	4/29/2025	$91.60	$90.34	4/29/2025	$70.77	$69.22
4/28/2025	$94.70	$93.13	4/28/2025	$41.56	$40.74	4/28/2025	$36.52	$35.85	4/28/2025	$91.05	$89.82	4/28/2025	$69.68	$68.46
4/25/2025	$94.45	$93.36	4/25/2025	$42.99	$41.03	4/25/2025	$36.34	$35.87	4/25/2025	$91.34	$90.15	4/25/2025	$70.55	$68.41
4/24/2025	$95.65	$93.74	4/24/2025	$43.50	$42.80	4/24/2025	$36.62	$35.89	4/24/2025	$91.44	$90.27	4/24/2025	$71.48	$69.01
4/23/2025	$95.15	$93.48	4/23/2025	$43.87	$43.00	4/23/2025	$36.66	$35.86	4/23/2025	$91.58	$90.17	4/23/2025	$72.10	$70.58
4/22/2025	$95.78	$93.86	4/22/2025	$43.87	$42.90	4/22/2025	$36.31	$35.55	4/22/2025	$92.22	$90.25	4/22/2025	$71.71	$69.38
4/21/2025	$94.19	$92.26	4/21/2025	$43.30	$42.01	4/21/2025	$35.64	$34.78	4/21/2025	$91.71	$89.58	4/21/2025	$70.30	$68.19
4/17/2025	$96.13	$93.66	4/17/2025	$43.74	$42.96	4/17/2025	$36.15	$35.24	4/17/2025	$93.04	$90.81	4/17/2025	$71.03	$69.50
4/16/2025	$94.98	$93.09	4/16/2025	$43.64	$42.80	4/16/2025	$35.70	$35.15	4/16/2025	$91.90	$90.26	4/16/2025	$70.82	$68.86
4/15/2025	$95.00	$93.60	4/15/2025	$43.66	$43.04	4/15/2025	$35.72	$35.33	4/15/2025	$91.70	$90.93	4/15/2025	$71.48	$70.21
4/14/2025	$94.00	$92.15	4/14/2025	$43.28	$42.36	4/14/2025	$35.55	$34.84	4/14/2025	$91.69	$89.16	4/14/2025	$70.87	$68.28
4/11/2025	$92.53	$89.13	4/11/2025	$42.37	$41.18	4/11/2025	$34.87	$33.75	4/11/2025	$90.18	$87.68	4/11/2025	$69.93	$67.52
4/10/2025	$91.32	$88.25	4/10/2025	$42.09	$40.77	4/10/2025	$34.62	$33.53	4/10/2025	$89.70	$87.00	4/10/2025	$69.31	$67.01
4/9/2025	$91.46	$86.55	4/9/2025	$43.04	$40.29	4/9/2025	$34.50	$32.50	4/9/2025	$89.40	$85.00	4/9/2025	$69.17	$65.43
4/8/2025	$91.75	$87.96	4/8/2025	$42.86	$40.94	4/8/2025	$34.46	$33.12	4/8/2025	$88.69	$86.16	4/8/2025	$69.20	$66.35
4/7/2025	$91.58	$87.44	4/7/2025	$42.74	$40.74	4/7/2025	$34.31	$32.89	4/7/2025	$89.43	$86.36	4/7/2025	$68.38	$65.75
4/4/2025	$95.88	$90.49	4/4/2025	$44.39	$42.28	4/4/2025	$36.49	$34.27	4/4/2025	$93.65	$88.49	4/4/2025	$73.00	$67.78
4/3/2025	$96.50	$95.04	4/3/2025	$45.17	$44.28	4/3/2025	$36.64	$36.01	4/3/2025	$93.30	$92.00	4/3/2025	$72.64	$71.15
4/2/2025	$95.84	$94.51	4/2/2025	$44.84	$44.43	4/2/2025	$36.31	$35.77	4/2/2025	$92.05	$90.71	4/2/2025	$71.30	$70.06
4/1/2025	$95.34	$94.23	4/1/2025	$44.81	$44.11	4/1/2025	$36.10	$35.72	4/1/2025	$92.17	$91.15	4/1/2025	$70.82	$69.97
3/31/2025	$95.83	$94.50	3/31/2025	$45.16	$44.27	3/31/2025	$36.42	$35.79	3/31/2025	$92.69	$91.09	3/31/2025	$71.36	$69.90
3/28/2025	$95.04	$93.32	3/28/2025	$44.57	$43.87	3/28/2025	$35.97	$35.06	3/28/2025	$91.44	$90.27	3/28/2025	$70.49	$69.64
3/27/2025	$93.96	$92.90	3/27/2025	$43.85	$43.05	3/27/2025	$35.08	$34.58	3/27/2025	$90.28	$89.00	3/27/2025	$69.80	$68.93
3/26/2025	$93.18	$91.56	3/26/2025	$43.29	$42.52	3/26/2025	$34.67	$34.10	3/26/2025	$89.20	$87.85	3/26/2025	$69.44	$67.99
3/25/2025	$92.97	$90.98	3/25/2025	$43.42	$42.41	3/25/2025	$34.71	$33.91	3/25/2025	$88.92	$87.40	3/25/2025	$68.79	$67.50
3/24/2025	$94.23	$92.91	3/24/2025	$43.88	$43.33	3/24/2025	$35.01	$34.65	3/24/2025	$90.14	$88.77	3/24/2025	$69.65	$68.71
3/21/2025	$94.71	$93.25	3/21/2025	$44.43	$43.63	3/21/2025	$35.01	$34.44	3/21/2025	$90.67	$88.75	3/21/2025	$70.36	$68.82
3/20/2025	$94.52	$93.80	3/20/2025	$44.59	$44.10	3/20/2025	$35.14	$34.85	3/20/2025	$90.06	$89.14	3/20/2025	$70.58	$69.80
3/19/2025	$94.51	$93.10	3/19/2025	$44.68	$43.98	3/19/2025	$35.02	$34.66	3/19/2025	$90.49	$89.27	3/19/2025	$70.50	$69.84
3/18/2025	$94.28	$92.95	3/18/2025	$44.80	$44.25	3/18/2025	$35.12	$34.59	3/18/2025	$90.47	$89.66	3/18/2025	$70.33	$69.40
3/17/2025	$94.86	$93.69	3/17/2025	$45.36	$44.54	3/17/2025	$35.42	$34.88	3/17/2025	$91.41	$89.87	3/17/2025	$70.70	$69.54
3/14/2025	$93.86	$91.60	3/14/2025	$44.96	$44.13	3/14/2025	$35.01	$34.02	3/14/2025	$90.54	$88.78	3/14/2025	$69.91	$67.88
3/13/2025	$92.37	$91.16	3/13/2025	$44.44	$43.71	3/13/2025	$34.27	$33.91	3/13/2025	$90.00	$88.68	3/13/2025	$69.76	$68.15
3/12/2025	$91.76	$90.12	3/12/2025	$44.30	$43.51	3/12/2025	$34.36	$33.92	3/12/2025	$89.61	$88.30	3/12/2025	$69.70	$68.17
3/11/2025	$92.29	$90.67	3/11/2025	$45.12	$44.04	3/11/2025	$34.64	$34.07	3/11/2025	$92.68	$89.96	3/11/2025	$69.64	$68.11
3/10/2025	$93.62	$91.03	3/10/2025	$45.65	$44.61	3/10/2025	$34.57	$33.76	3/10/2025	$93.48	$91.20	3/10/2025	$69.89	$68.05
3/7/2025	$92.67	$90.55	3/7/2025	$44.77	$43.87	3/7/2025	$34.40	$33.80	3/7/2025	$91.77	$88.52	3/7/2025	$68.61	$67.52
3/6/2025	$91.02	$89.48	3/6/2025	$44.04	$43.21	3/6/2025	$34.46	$33.75	3/6/2025	$89.16	$87.09	3/6/2025	$68.58	$67.25
3/5/2025	$92.09	$90.63	3/5/2025	$44.46	$43.68	3/5/2025	$34.94	$34.31	3/5/2025	$90.19	$88.38	3/5/2025	$70.22	$68.60
3/4/2025	$94.57	$91.77	3/4/2025	$45.91	$44.39	3/4/2025	$35.91	$34.65	3/4/2025	$92.33	$89.76	3/4/2025	$72.70	$69.98
3/3/2025	$94.27	$92.19	3/3/2025	$45.37	$44.72	3/3/2025	$35.69	$35.14	3/3/2025	$90.85	$89.34	3/3/2025	$72.64	$71.36
2/28/2025	$92.56	$91.14	2/28/2025	$44.88	$44.26	2/28/2025	$35.28	$34.58	2/28/2025	$89.80	$88.33	2/28/2025	$72.39	$71.10
2/27/2025	$92.27	$90.68	2/27/2025	$44.30	$43.34	2/27/2025	$35.01	$34.39	2/27/2025	$89.07	$87.95	2/27/2025	$70.97	$69.57
2/26/2025	$93.22	$91.49	2/26/2025	$44.68	$44.12	2/26/2025	$35.11	$34.71	2/26/2025	$89.46	$88.23	2/26/2025	$70.48	$69.49
2/25/2025	$93.54	$91.94	2/25/2025	$44.85	$44.25	2/25/2025	$35.07	$34.76	2/25/2025	$90.03	$88.93	2/25/2025	$71.05	$70.14
2/24/2025	$92.56	$91.08	2/24/2025	$44.89	$44.07	2/24/2025	$35.15	$34.51	2/24/2025	$89.63	$88.07	2/24/2025	$71.37	$69.91
2/21/2025	$91.79	$90.55	2/21/2025	$44.57	$43.81	2/21/2025	$34.86	$34.07	2/21/2025	$88.98	$87.10	2/21/2025	$70.24	$69.19
2/20/2025	$91.08	$89.47	2/20/2025	$44.02	$43.10	2/20/2025	$34.49	$34.00	2/20/2025	$89.00	$84.50	2/20/2025	$69.44	$68.20
2/19/2025	$90.96	$89.74	2/19/2025	$43.54	$42.67	2/19/2025	$34.69	$34.13	2/19/2025	$86.61	$85.38	2/19/2025	$69.39	$68.50
2/18/2025	$90.03	$89.00	2/18/2025	$42.90	$41.32	2/18/2025	$34.27	$33.71	2/18/2025	$85.90	$84.67	2/18/2025	$69.14	$68.27
2/14/2025	$90.19	$89.17	2/14/2025	$42.80	$41.35	2/14/2025	$34.65	$33.70	2/14/2025	$87.48	$85.48	2/14/2025	$69.59	$68.42
2/13/2025	$89.67	$88.80	2/13/2025	$42.16	$41.56	2/13/2025	$34.88	$33.45	2/13/2025	$87.03	$86.03	2/13/2025	$68.58	$67.26
2/12/2025	$89.22	$87.63	2/12/2025	$41.86	$41.25	2/12/2025	$34.53	$33.92	2/12/2025	$86.87	$85.00	2/12/2025	$67.49	$66.18
2/11/2025	$89.22	$87.16	2/11/2025	$41.94	$40.87	2/11/2025	$34.54	$33.76	2/11/2025	$86.53	$84.29	2/11/2025	$67.23	$65.99
2/10/2025	$88.01	$86.67	2/10/2025	$41.20	$40.56	2/10/2025	$34.24	$33.71	2/10/2025	$85.53	$84.18	2/10/2025	$67.03	$65.87
2/7/2025	$88.22	$86.84	2/7/2025	$41.37	$40.77	2/7/2025	$34.27	$33.87	2/7/2025	$84.66	$83.16	2/7/2025	$67.89	$66.43
2/6/2025	$88.63	$87.64	2/6/2025	$41.41	$40.92	2/6/2025	$34.18	$33.70	2/6/2025	$84.23	$82.90	2/6/2025	$67.73	$66.00
2/5/2025	$88.64	$87.36	2/5/2025	$41.47	$41.05	2/5/2025	$33.99	$33.65	2/5/2025	$84.19	$83.23	2/5/2025	$68.49	$67.38
2/4/2025	$87.62	$85.41	2/4/2025	$41.04	$40.37	2/4/2025	$33.95	$33.35	2/4/2025	$83.89	$82.78	2/4/2025	$67.57	$66.58
2/3/2025	$87.06	$85.03	2/3/2025	$41.18	$40.48	2/3/2025	$33.85	$33.26	2/3/2025	$84.38	$83.00	2/3/2025	$67.98	$66.45
1/31/2025	$87.27	$86.41	1/31/2025	$41.38	$40.94	1/31/2025	$33.62	$33.35	1/31/2025	$84.74	$83.43	1/31/2025	$67.24	$66.61
1/30/2025	$87.31	$86.58	1/30/2025	$41.81	$40.87	1/30/2025	$33.50	$33.03	1/30/2025	$85.10	$83.50	1/30/2025	$67.04	$66.23
1/29/2025	$87.00	$85.83	1/29/2025	$41.87	$41.12	1/29/2025	$33.12	$32.66	1/29/2025	$84.45	$82.69	1/29/2025	$66.82	$65.97
1/28/2025	$87.95	$86.03	1/28/2025	$42.39	$41.57	1/28/2025	$33.55	$32.66	1/28/2025	$86.28	$83.53	1/28/2025	$67.86	$66.18
1/27/2025	$87.53	$84.28	1/27/2025	$42.39	$41.23	1/27/2025	$33.53	$32.24	1/27/2025	$86.65	$82.87	1/27/2025	$68.05	$66.32
1/24/2025	$86.10	$84.76	1/24/2025	$41.30	$40.73	1/24/2025	$32.95	$32.64	1/24/2025	$83.91	$82.05	1/24/2025	$66.99	$65.75
1/23/2025	$86.16	$85.23	1/23/2025	$41.30	$40.92	1/23/2025	$33.04	$32.61	1/23/2025	$82.90	$82.13	1/23/2025	$67.28	$65.99
1/22/2025	$87.71	$85.85	1/22/2025	$42.48	$41.15	1/22/2025	$33.57	$32.63	1/22/2025	$84.56	$82.46	1/22/2025	$67.57	$66.83
1/21/2025	$88.49	$87.07	1/21/2025	$42.58	$42.09	1/21/2025	$33.79	$33.38	1/21/2025	$85.47	$84.10	1/21/2025	$67.98	$66.63
1/17/2025	$87.06	$86.15	1/17/2025	$42.16	$41.72	1/17/2025	$33.37	$33.01	1/17/2025	$84.49	$83.35	1/17/2025	$66.89	$65.93
1/16/2025	$86.63	$84.23	1/16/2025	$41.95	$41.00	1/16/2025	$33.20	$32.03	1/16/2025	$83.93	$81.96	1/16/2025	$66.21	$64.61
1/15/2025	$84.83	$83.79	1/15/2025	$41.80	$41.20	1/15/2025	$32.43	$31.99	1/15/2025	$83.21	$82.00	1/15/2025	$65.54	$64.75
1/14/2025	$83.70	$82.54	1/14/2025	$41.18	$40.50	1/14/2025	$32.10	$31.60	1/14/2025	$82.24	$81.41	1/14/2025	$64.29	$63.21
1/13/2025	$82.95	$81.47	1/13/2025	$40.81	$40.05	1/13/2025	$31.80	$31.22	1/13/2025	$81.96	$80.50	1/13/2025	$64.14	$63.13
1/10/2025	$83.28	$81.67	1/10/2025	$42.26	$40.36	1/10/2025	$32.24	$31.69	1/10/2025	$82.93	$81.20	1/10/2025	$66.04	$62.58
1/8/2025	$83.87	$82.09	1/8/2025	$42.80	$41.83	1/8/2025	$32.18	$31.61	1/8/2025	$83.05	$81.31	1/8/2025	$66.44	$65.05
1/7/2025	$83.96	$82.79	1/7/2025	$42.80	$42.05	1/7/2025	$32.14	$31.82	1/7/2025	$82.10	$80.97	1/7/2025	$66.52	$64.97
1/6/2025	$83.99	$82.90	1/6/2025	$43.17	$42.21	1/6/2025	$32.24	$31.66	1/6/2025	$82.38	$80.46	1/6/2025	$66.42	$64.99
1/3/2025	$85.15	$84.09	1/3/2025	$43.37	$42.55	1/3/2025	$32.50	$32.15	1/3/2025	$83.00	$82.10	1/3/2025	$67.31	$66.56
1/2/2025	$85.63	$84.08	1/2/2025	$43.96	$43.12	1/2/2025	$32.68	$32.08	1/2/2025	$82.99	$81.81	1/2/2025	$68.00	$66.63
12/31/2024	$85.36	$84.31	12/31/2024	$43.72	$43.35	12/31/2024	$32.59	$32.19	12/31/2024	$82.79	$81.65	12/31/2024	$68.06	$67.22
12/30/2024	$85.10	$84.00	12/30/2024	$43.65	$43.10	12/30/2024	$32.46	$32.07	12/30/2024	$82.96	$82.03	12/30/2024	$68.14	$67.16
12/27/2024	$85.80	$84.75	12/27/2024	$43.99	$43.31	12/27/2024	$32.75	$32.33	12/27/2024	$83.32	$82.26	12/27/2024	$68.65	$67.61
12/26/2024	$85.79	$84.84	12/26/2024	$43.91	$43.42	12/26/2024	$32.68	$32.43	12/26/2024	$83.18	$82.50	12/26/2024	$68.44	$67.73
12/24/2024	$85.85	$84.92	12/24/2024	$43.79	$43.22	12/24/2024	$32.62	$32.32	12/24/2024	$83.17	$82.71	12/24/2024	$68.28	$67.60
12/23/2024	$85.34	$84.13	12/23/2024	$44.28	$43.60	12/23/2024	$32.47	$32.11	12/23/2024	$83.10	$81.96	12/23/2024	$67.83	$66.83
12/20/2024	$85.66	$84.09	12/20/2024	$44.27	$43.65	12/20/2024	$32.46	$31.85	12/20/2024	$83.10	$81.40	12/20/2024	$67.82	$66.47
12/19/2024	$85.72	$84.05	12/19/2024	$44.54	$43.55	12/19/2024	$32.29	$31.52	12/19/2024	$82.79	$81.38	12/19/2024	$67.59	$66.07
12/18/2024	$86.07	$83.97	12/18/2024	$44.72	$43.65	12/18/2024	$32.30	$31.57	12/18/2024	$83.20	$81.45	12/18/2024	$68.04	$66.34
12/17/2024	$86.98	$85.20	12/17/2024	$44.60	$43.95	12/17/2024	$32.48	$32.12	12/17/2024	$83.36	$81.38	12/17/2024	$68.75	$67.02
12/16/2024	$87.59	$85.98	12/16/2024	$44.82	$44.23	12/16/2024	$32.78	$32.30	12/16/2024	$83.34	$81.82	12/16/2024	$68.45	$67.63
12/13/2024	$88.84	$87.49	12/13/2024	$44.93	$43.72	12/13/2024	$32.57	$32.18	12/13/2024	$83.39	$82.71	12/13/2024	$68.58	$67.90
12/12/2024	$90.33	$88.64	12/12/2024	$45.55	$44.51	12/12/2024	$32.92	$32.29	12/12/2024	$84.17	$83.18	12/12/2024	$69.24	$68.18
12/11/2024	$90.60	$88.67	12/11/2024	$45.76	$44.97	12/11/2024	$33.13	$32.67	12/11/2024	$84.36	$83.00	12/11/2024	$69.45	$68.30
12/10/2024	$90.75	$88.91	12/10/2024	$45.80	$45.09	12/10/2024	$33.02	$32.40	12/10/2024	$84.68	$83.24	12/10/2024	$69.64	$68.22
12/9/2024	$91.73	$90.38	12/9/2024	$46.31	$45.82	12/9/2024	$33.60	$33.13	12/9/2024	$85.20	$83.85	12/9/2024	$70.08	$68.93
12/6/2024	$93.09	$91.43	12/6/2024	$46.49	$45.86	12/6/2024	$34.14	$33.56	12/6/2024	$86.44	$84.50	12/6/2024	$70.75	$69.53
12/5/2024	$93.23	$91.45	12/5/2024	$46.94	$46.37	12/5/2024	$34.36	$33.91	12/5/2024	$86.65	$85.89	12/5/2024	$71.26	$70.61
12/4/2024	$92.74	$90.70	12/4/2024	$47.24	$46.64	12/4/2024	$34.36	$33.87	12/4/2024	$86.47	$85.50	12/4/2024	$71.39	$70.36
12/3/2024	$92.99	$91.25	12/3/2024	$47.55	$47.09	12/3/2024	$34.68	$34.25	12/3/2024	$88.50	$86.24	12/3/2024	$71.76	$70.98
12/2/2024	$94.20	$92.15	12/2/2024	$47.93	$46.83	12/2/2024	$34.98	$34.23	12/2/2024	$89.39	$87.64	12/2/2024	$72.59	$71.13
11/29/2024	$95.18	$93.70	11/29/2024	$48.13	$47.81	11/29/2024	$35.15	$34.79	11/29/2024	$90.09	$88.92	11/29/2024	$73.08	$72.47
11/27/2024	$95.42	$93.78	11/27/2024	$48.40	$47.95	11/27/2024	$35.14	$34.88	11/27/2024	$90.24	$89.34	11/27/2024	$73.38	$72.22
11/26/2024	$93.81	$92.71	11/26/2024	$48.19	$47.66	11/26/2024	$34.86	$34.37	11/26/2024	$89.36	$88.14	11/26/2024	$72.09	$71.25
11/25/2024	$94.04	$92.57	11/25/2024	$48.31	$47.75	11/25/2024	$34.75	$34.08	11/25/2024	$88.44	$87.41	11/25/2024	$71.95	$71.19
11/22/2024	$94.38	$92.86	11/22/2024	$47.87	$47.49	11/22/2024	$35.00	$34.43	11/22/2024	$88.63	$87.58	11/22/2024	$71.79	$71.23
11/21/2024	$93.65	$91.47	11/21/2024	$47.64	$46.85	11/21/2024	$34.89	$34.19	11/21/2024	$88.41	$87.37	11/21/2024	$71.43	$69.82
11/20/2024	$91.80	$90.54	11/20/2024	$47.03	$46.53	11/20/2024	$34.32	$33.78	11/20/2024	$88.41	$87.80	11/20/2024	$70.24	$69.35
11/19/2024	$91.51	$89.87	11/19/2024	$46.95	$46.20	11/19/2024	$34.16	$33.71	11/19/2024	$88.39	$87.14	11/19/2024	$70.00	$69.11
11/18/2024	$92.41	$90.56	11/18/2024	$47.02	$46.38	11/18/2024	$34.05	$33.64	11/18/2024	$88.17	$86.84	11/18/2024	$70.42	$69.42
11/15/2024	$92.08	$90.53	11/15/2024	$46.85	$45.96	11/15/2024	$33.75	$33.18	11/15/2024	$88.00	$86.67	11/15/2024	$69.90	$68.68
11/14/2024	$91.51	$90.62	11/14/2024	$46.63	$45.84	11/14/2024	$33.55	$33.18	11/14/2024	$87.50	$86.61	11/14/2024	$69.53	$68.48
11/13/2024	$91.60	$90.53	11/13/2024	$47.46	$45.85	11/13/2024	$33.60	$33.20	11/13/2024	$88.23	$86.78	11/13/2024	$68.94	$68.13
11/12/2024	$92.21	$90.77	11/12/2024	$47.78	$47.12	11/12/2024	$33.58	$33.20	11/12/2024	$88.63	$87.60	11/12/2024	$69.35	$68.35
11/11/2024	$93.12	$91.02	11/11/2024	$47.70	$46.92	11/11/2024	$33.58	$33.00	11/11/2024	$89.13	$88.14	11/11/2024	$68.82	$67.14
11/8/2024	$92.13	$89.40	11/8/2024	$47.20	$46.46	11/8/2024	$33.18	$32.43	11/8/2024	$88.79	$87.15	11/8/2024	$67.44	$66.21
11/7/2024	$90.29	$87.76	11/7/2024	$47.21	$46.41	11/7/2024	$32.76	$32.10	11/7/2024	$87.73	$86.37	11/7/2024	$66.88	$66.07
11/6/2024	$92.59	$87.64	11/6/2024	$47.71	$46.76	11/6/2024	$32.90	$32.34	11/6/2024	$88.74	$87.11	11/6/2024	$67.10	$65.32
11/5/2024	$86.97	$85.02	11/5/2024	$46.82	$45.87	11/5/2024	$32.61	$31.89	11/5/2024	$88.78	$87.78	11/5/2024	$66.44	$65.71
11/4/2024	$85.79	$84.54	11/4/2024	$46.27	$45.73	11/4/2024	$32.48	$31.85	11/4/2024	$89.21	$87.50	11/4/2024	$66.18	$65.27
11/1/2024	$88.07	$85.48	11/1/2024	$47.58	$46.04	11/1/2024	$33.08	$31.47	11/1/2024	$91.00	$88.30	11/1/2024	$68.36	$66.60
10/31/2024	$88.50	$87.52	10/31/2024	$47.84	$47.38	10/31/2024	$32.90	$32.35	10/31/2024	$92.38	$90.12	10/31/2024	$67.73	$63.64
10/30/2024	$87.94	$86.82	10/30/2024	$48.06	$47.44	10/30/2024	$32.33	$32.12	10/30/2024	$90.33	$89.04	10/30/2024	$63.78	$62.63

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Adam Gatewood, being duly sworn upon his oath deposes and states that he is a Senior Managing Financial Analyst of the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that (he/she) has read and is familiar with the foregoing Direct Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Adam Gatewood
Senior Managing Financial Analyst
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 3rd day of June, 2025.

Notary Public

Kiley McManaman
NOTARY PUBLIC–STATE OF KANSAS
MY APPT EXP: 07/09/2028

CERTIFICATE OF SERVICE

25-EKCE-294-RTS

I, the undersigned, certify that a true copy of the attached Direct Testimony has been served to the following by means of electronic service on June 6, 2025.

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