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*Witness:* Christopher C. Walters  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Direct Testimony  
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**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL AND BUSINESS ANALYSIS DIVISION**  
**FINANCIAL ANALYSIS DEPARTMENT**

**DIRECT TESTIMONY**  
**OF**  
**CHRISTOPHER C. WALTERS**

**LIBERTY UTILITIES (Midstates Natural Gas) CORP.,**  
**d/b/a Liberty**

**CASE NO. GR-2024-0106**

*Jefferson City, Missouri*  
*July 2024*

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1 derivatives, alternative investments, risk management, and professional and ethical conduct.

2 I am a member of the CFA Institute and the CFA Society of St. Louis.

3 As a Principal at BAI, I perform detailed technical analyses and research to support  
4 regulatory projects including expert testimony covering various regulatory issues. Since my  
5 career at BAI began in 2011, I have held the positions of Analyst, Associate Consultant,  
6 Consultant, Senior Consultant, Associate, and Principal. Throughout my tenure, I have been  
7 involved with several regulated projects for electric, natural gas, and water and wastewater  
8 utilities, as well as competitive procurement of electric power and gas supply. My regulatory  
9 project work includes estimating the cost of equity capital, capital structure evaluations,  
10 assessing financial integrity, merger and acquisition related issues, risk management related  
11 issues, depreciation rate studies, and other revenue requirement issues.

12 BAI was formed in April 1995. BAI and its predecessor firm have participated in more  
13 than 700 regulatory proceedings in 40 states and Canada.

14 BAI provides consulting services in the economic, technical, accounting, and financial  
15 aspects of public utility rates and in the acquisition of utility and energy services through  
16 requests for proposal and negotiations, in both regulated and unregulated markets. Our clients  
17 include large industrial and institutional customers, some utilities and, on occasion, state  
18 regulatory agencies. We also prepare special studies and reports, forecasts, surveys and siting  
19 studies, and present seminars on utility related issues.

20 In general, we are engaged in energy and regulatory consulting, economic analysis and  
21 contract negotiation. In addition to our main office in St. Louis, the firm also has branch offices  
22 in Corpus Christi, Texas; Detroit, Michigan; Louisville, Kentucky and Phoenix, Arizona.

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

2 A. The purpose of my testimony is to provide a recommendation to the Commission  
3 on behalf of Staff regarding the appropriate overall rate of return (“ROR”) including a  
4 reasonable capital structure, cost of debt, and return on common equity (“ROE”) the  
5 Commission should authorize for Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty  
6 (“Liberty Midstates”) in this general rate case.

7 My silence with regard to any position taken by Liberty Midstates in its application or  
8 direct testimony in this proceeding does not indicate my endorsement of that position.

9 **II. SUMMARY**

10 Q. Please summarize the rest of your testimony.

11 A. In Section III of my testimony, I review and analyze the regulated utility  
12 industry’s access to capital, credit rating trends, and outlooks, as well as the overall trend in the  
13 authorized ROE for utilities throughout the country. I conclude that the trend in authorized  
14 ROEs for utilities has declined over the last several years and has remained below 10.0% in  
15 more recent history. I also review the impact that the Federal Reserve’s (the “Fed”) monetary  
16 policy actions have had on the cost of capital.

17 In Section IV of my testimony, I outline how a fair ROE should be established, provide  
18 an overview of the market’s perception of Liberty Midstates investment risk, comment on the  
19 Company’s proposed capital structure, and present the analyses I relied on to estimate an  
20 appropriate ROE for Liberty Midstates. Based on the results of several cost of equity (“COE”)   
21 estimation methods performed on publicly traded utility companies, I estimate the current fair  
22 market ROE for the Company to fall within the range of 9.00% to 9.90%. Based on my  
23 assessment of the Company’s overall risk profile and the results of the analytical methods,

1 I recommend Liberty Midstates be awarded an ROE of 9.45%, which is the mid-point of my  
2 estimated range.

3 In summary, my recommendations are as follows:

4 1. I recommend the Commission reject Liberty Midstates' proposed ROE  
5 of 10.80% and instead adopt my recommended ROE of 9.45%, which is based on my  
6 assessment of the current and expected capital market environment, the Company's overall risk  
7 profile, and the results of several analytical methods which I have used and explained more  
8 fully below, to determine a fair and reasonable ROE to be authorized for Liberty Midstates.

9 2. I recommend the Commission reject Liberty Midstates' proposed equity ratio  
10 of 52.90% and instead authorize an equity ratio of 50.0% for Liberty Midstates.

11 3. I recommend the Commission adopt my recommended ROE and capital  
12 structure for the Company, which, along with the Company's embedded cost of debt of 5.58%  
13 as of its Update filing, produce an overall ratemaking ROR of 7.51%.

14 4. Collectively, my recommendations would reduce Liberty Midstates' claimed  
15 revenue deficiency by approximately \$1.84 million.

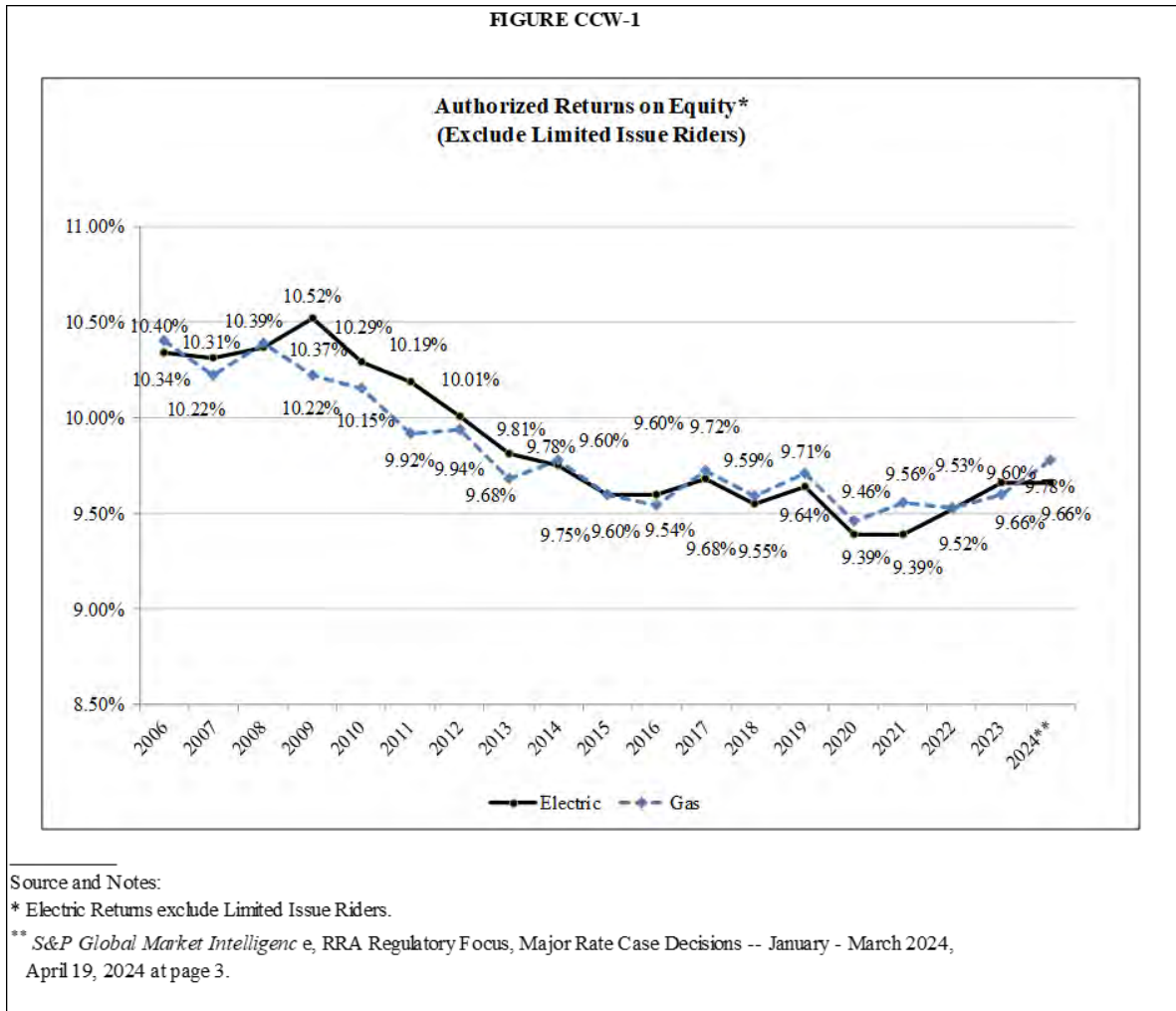
### 16 **III. INDUSTRY TRENDS AND ECONOMIC ENVIRONMENT**

#### 17 **A. Regulated Utilities Have Ample Access to Capital**

18 Q. Please describe the observable evidence regarding trends in authorized ROEs  
19 for regulated utilities.

20 A. Authorized ROEs for regulated utilities have generally declined since peaking  
21 in the 2008-2009 period, as illustrated in Figure CCW-1, and have been below 10.0% for  
22 several years.

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Q. Please describe the distribution of authorized ROEs for utilities in recent years.

4

A. The distribution of data refers to the way data is spread out or distributed across

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different values or ranges of values. The distribution of authorized ROEs for regulated natural

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gas distribution and water utility companies, as determined by state public utility regulatory

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bodies since 2016 is summarized in Table CCW-1.

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<u>Year</u>	<u>Natural Gas<sup>1</sup></u>				<u>Water<sup>2</sup></u>			
	<u>Average</u>	<u>Median</u>	<u>Share of Decisions ≤ 9.5%</u>	<u>Share of Decisions ≤ 9.7%</u>	<u>Average</u>	<u>Median</u>	<u>Share of Decisions ≤ 9.5%</u>	<u>Share of Decisions ≤ 9.7%</u>
2016	9.53%	9.50%	56.00%	72.00%	9.74%	9.75%	12.50%	12.50%
2017	9.73%	9.60%	39.13%	69.57%	9.56%	9.60%	44.44%	66.67%
2018	9.59%	9.60%	46.15%	66.67%	9.46%	9.40%	53.33%	86.67%
2019	9.73%	9.73%	19.35%	48.39%	9.63%	9.73%	16.67%	50.00%
2020	9.47%	9.44%	60.00%	77.14%	9.04%	9.45%	83.33%	100.00%
2021	9.56%	9.60%	44.19%	67.44%	9.46%	9.60%	20.00%	100.00%
2022	9.53%	9.60%	48.48%	75.76%	9.61%	9.65%	37.50%	62.50%
2023	9.60%	9.55%	45.95%	72.97%	9.64%	9.57%	40.00%	60.00%
2024	9.93%	9.70%	42.86%	57.14%	9.65%	9.65%	33.33%	66.67%

Source and Notes:  
<sup>1</sup> S&P Global Market Intelligence, data through 5/31/24.  
<sup>2</sup> S&P Global Market Intelligence, data through 3/31/24.  
 - Excludes limited issue rider cases.

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The distribution shows that the majority of authorized ROEs since 2016 have generally been below 9.7%, with many of those being below 9.5%. I note the 2024 average for natural gas utilities is being heavily influenced by a single authorized ROE of 11.88% in Alaska. If not for that decision, the range of authorized ROEs would be 9.30% to 9.85%.

Q. How has the authorized common equity ratio fluctuated over the same time period for utilities?

A. In general, the utility industry's common equity ratios have not deviated too much from the range of 50.0% to 52.0%. As shown in Table CCW-2 below, I have provided



1 the authorized common equity ratios for utilities around the country, excluding the reported  
2 common equity ratios for Arkansas, Florida, Indiana, and Michigan. For my overall market  
3 analysis, I have excluded the reported authorized common equity ratios for these states because  
4 these jurisdictions include sources of capital outside of investor supplied capital such as  
5 accumulated deferred income taxes. As such, the reported common equity ratios in these states  
6 would result in a downward bias in the reported permanent common equity ratios authorized  
7 for ratemaking purposes within my trend analysis.

**TABLE CCW-2**

**Trends in State Authorized Common Equity Ratios**  
**(Industry)**

<b><u>Year</u></b>	<b><u>Electric<sup>1</sup></u></b>		<b><u>Natural Gas<sup>1</sup></u></b>		<b><u>Water<sup>2</sup></u></b>	
	<b><u>Average</u></b>	<b><u>Median</u></b>	<b><u>Average</u></b>	<b><u>Median</u></b>	<b><u>Average</u></b>	<b><u>Median</u></b>
2013	50.12%	51.03%	51.16%	50.43%	48.34%	48.66%
2014	50.28%	50.00%	51.90%	51.99%	49.69%	50.27%
2015	50.24%	50.48%	49.79%	50.33%	51.52%	51.36%
2016	49.70%	49.99%	51.85%	51.35%	50.65%	50.77%
2017	50.02%	49.85%	51.13%	51.76%	48.43%	46.09%
2018	50.60%	50.23%	52.58%	53.08%	52.41%	53.22%
2019	51.55%	51.37%	52.72%	52.22%	50.75%	50.35%
2020	50.94%	51.17%	52.34%	52.00%	49.75%	49.10%
2021	51.01%	52.00%	51.63%	52.00%	51.96%	52.73%
2022	51.57%	51.92%	51.84%	52.00%	51.53%	51.15%
2023	51.59%	52.27%	52.45%	52.00%	52.53%	53.40%
2024	50.62%	51.93%	52.25%	51.21%	50.56%	50.56%
Min	49.70%	49.85%	49.79%	50.33%	48.34%	46.09%
Max	51.59%	52.27%	52.72%	53.08%	52.53%	53.40%
Average	50.69%	51.02%	51.80%	51.70%	50.68%	50.64%
Median	50.61%	51.10%	51.88%	51.99%	50.70%	50.67%

Source and Notes:

<sup>1</sup> S&P Global Market Intelligence; data through May 31, 2024.

<sup>2</sup> S&P Global Market Intelligence; data through March 31, 2024.

- Excludes Arkansas, Florida, Indiana and Michigan  
because they include non-investor capital.

1 Q. Have regulated utility companies been able to maintain relatively strong  
2 investment-grade credit ratings, even during periods of declining authorized ROEs?

3 A. Yes. As shown below in Table CCW-3, the credit ratings of natural gas delivery  
4 operating companies have improved since 2009. In 2009, approximately 75% of natural gas  
5 utilities were rated BBB+ or higher. Currently, 88% of the industry has a rating of BBB+  
6 or higher.

7

<u>Description</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>A or higher</b>	50%	50%	50%	50%	38%	33%	33%	44%	56%	33%	38%	38%	13%	15%	17%	18%
<b>A-</b>	0%	0%	0%	0%	38%	33%	33%	22%	11%	11%	38%	38%	38%	38%	38%	34%
<b>BBB+</b>	25%	25%	38%	38%	13%	22%	33%	33%	33%	44%	13%	13%	25%	30%	29%	36%
<b>BBB</b>	13%	13%	0%	0%	0%	0%	0%	0%	0%	11%	13%	13%	25%	18%	16%	12%
<b>BBB-</b>	13%	13%	13%	13%	13%	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Below BBB-</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

8 Source: S&P CAPITAL IQ and Market Intelligence, data retrieved 6/5/2024.  
Note: Subsidiary ratings used.

9 Q. Have utilities been able to access external capital to support capital  
10 expenditure programs?

11 A. Yes. In Regulatory Research Associates' ("RRA")<sup>1</sup> April 2, 2024,  
12 Utility Capital Expenditures report, *RRA Financial Focus*, made several relevant comments  
13 about utility investments generally:

- 14 • Multiple drivers are expected to elevate utility capital expenditures over  
15 the next several years. Pent-up demand to replace aging equipment  
16 continues to propel considerable utility investments in infrastructure,  
17 while artificial intelligence increases the power demands of  
18 datacenters daily.
- 19 • Projected 2024 capital expenditure for the 45 energy utilities included  
20 in the RRA representative sample of publicly traded, US-based

<sup>1</sup> RRA is a division of S&P Global Market Intelligence.

1 utilities is \$184 billion — an upswell of nearly 11% from the  
2 group’s \$166 billion of actual spending in 2023. The increase is largely  
3 driven by federal legislation enacted in 2021 and 2022 supporting  
4 infrastructure investment.

5 \* \* \*

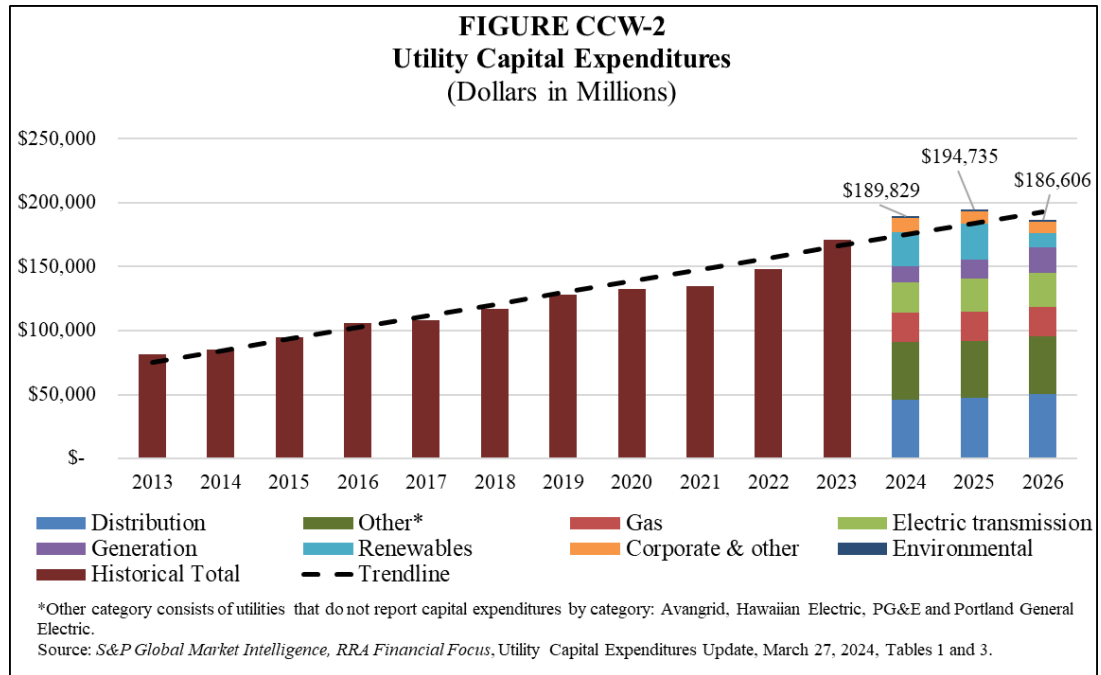
- 6 • Aggregated energy utility capex estimates for both 2024 and 2025  
7 indicate successively higher spending levels, reaching \$184 billion  
8 and \$191 billion, respectively. Spending expectations for 2024 and  
9 beyond are likely to increase as the companies’ plans for future projects  
10 continue to solidify around the new federal legislation supporting  
11 infrastructure investment.
- 12 • Utilities have multiple opportunities to finance and support energy  
13 investments through mechanisms available within the Inflation  
14 Reduction Act and the Infrastructure Investment and Jobs Act of 2021.  
15 These pieces of legislation provide billions of dollars for power  
16 infrastructure investments, financial incentives for nuclear power plants  
17 and funding for battery storage technology, among other provisions.<sup>2</sup>

18 As shown in Figure CCW-2 below, capital expenditures for the regulated electric and  
19 natural gas delivery utilities have increased considerably over the period 2023 into 2024, and  
20 the forecasted capital expenditures remain elevated through the end of 2025.

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<sup>2</sup> S&P Global Market Intelligence RRA Financial Focus, *Utility capex primed for profusion in 2024 and beyond* (Apr. 2, 2024).

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As demonstrated in Figure CCW-2 above, and in the comments made by RRA S&P Global Market Intelligence, capital investments for the utility industry continue to stay at elevated levels, and these capital expenditures are expected to fuel utilities' profit growth into the foreseeable future. This is clear evidence that the capital investments are enhancing shareholder value and are attracting both equity and debt capital to the utility industry in a manner that allows for funding these elevated capital investments. While capital markets embrace these profit-driven capital investments, regulatory commissions also must be careful to maintain reasonable prices and tariff terms and conditions to protect customers' need for reliable utility service at reasonable rates. If this is not done, utility rates will expand beyond the ability of customers to pay, resulting in revenue constraints for utilities, which will impact their financial integrity.

Q. What is the significance of these findings?

1           A.     This is clear evidence that the capital investments are enhancing shareholder  
2 value, and are attracting both equity and debt capital to the utility industry in a manner that  
3 allows for these elevated capital investments.

4           Q.     Is there evidence of robust valuations of regulated utility equity securities?

5           A.     Yes. Robust valuations are an indication that utilities can sell securities at high  
6 prices, which is a strong signal that they can access equity capital under reasonable terms and  
7 conditions, and at relatively low cost. As shown on Exhibit CCW-1, the historical valuation of  
8 utilities followed by *The Value Line Investment Survey* (“*Value Line*”), based on a  
9 price-to-earnings (“P/E”) ratio, price to cash flow (“P/CF”) ratio, and market price to book  
10 value (“M/B”) ratio, indicates utility security valuations today are very strong and robust  
11 relative to the last several years. These strong valuations of utility stocks indicate that utilities  
12 have access to equity capital under reasonable terms and at lower costs.

13          Q.     What conclusion do you draw from this observable market data in forming your  
14 recommended ROE and overall ROR?

15          A.     Generally, authorized ROEs, credit standing, and access to capital have been  
16 quite robust for utilities over the last several years, even throughout the duration of the global  
17 pandemic. It is critical that this Commission ensure that utility rates are increased no more than  
18 necessary to provide fair compensation and maintain financial integrity.

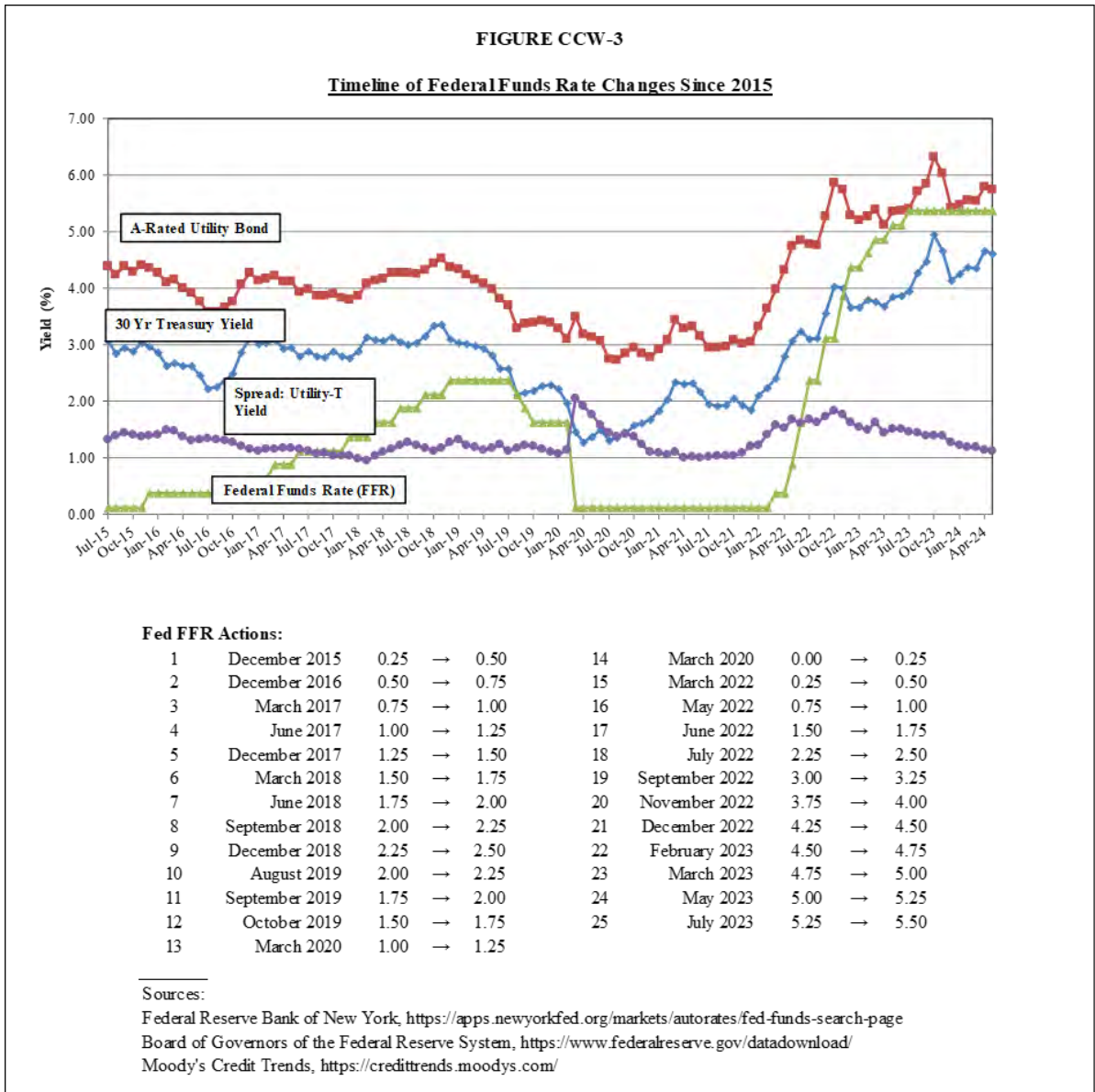
19 **B.     Federal Reserve Monetary Policy**

20          Q.     Are the Federal Open Market Committee’s (“FOMC”) actions known to the  
21 market participants, and is it reasonable to believe they are reflected in the market’s valuation  
22 of both debt and equity securities?

1           A.     Yes, to both questions. The FOMC has been transparent about its efforts to  
2 support the economy to achieve maximum employment, and to manage long-term inflation to  
3 around a 2% level. The FOMC has implemented procedures to support the economy's efforts  
4 to achieve these policy objectives. Specifically, the FOMC had previously lowered the  
5 Federal Overnight Rate for securities and had engaged in a Quantitative Easing program where  
6 the FOMC was buying, on a monthly basis, Treasury and mortgage backed securities in order  
7 to moderate the demand in the marketplaces and support the economy. Currently, the FOMC  
8 is unwinding its Quantitative Easing program and taking actions towards monetary policy  
9 normalization. Such monetary policy actions include raising the target federal funds rate and  
10 allowing maturing bonds to roll off its balance sheet.

11           A visualization of the bond market's reaction to the FOMC's actions on the federal  
12 funds rate is shown below in Figure CCW-3.

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3 As shown in Figure CCW-3 above, the rise in the Federal Funds Rate has far outpaced  
4 the rise in Utility and Treasury yields while the spread of Utility bonds over Treasury bond  
5 yields has stabilized recently.

6 Q. Has the FOMC made recent comments concerning monetary policy and the  
7 potential impact on interest rates?

8 A. Yes. On May 1, 2024, the FOMC released the following statement:

1 Recent indicators suggest that economic activity has continued to expand  
2 at a solid pace. Job gains have remained strong, and the unemployment  
3 rate has remained low. Inflation has eased over the past year but remains  
4 elevated. In recent months, there has been a lack of further progress  
5 toward the Committee's 2 percent inflation objective.

6 The Committee seeks to achieve maximum employment and inflation at  
7 the rate of 2 percent over the longer run. The Committee judges that the  
8 risks to achieving its employment and inflation goals have moved toward  
9 better balance over the past year. The economic outlook is uncertain,  
10 and the Committee remains highly attentive to inflation risks.

11 In support of its goals, the Committee decided to maintain the target  
12 range for the federal funds rate at 5-1/4 to 5-1/2 percent. In considering  
13 any adjustments to the target range for the federal funds rate, the  
14 Committee will carefully assess incoming data, the evolving outlook,  
15 and the balance of risks. The Committee does not expect it will be  
16 appropriate to reduce the target range until it has gained greater  
17 confidence that inflation is moving sustainably toward 2 percent.  
18 In addition, the Committee will continue reducing its  
19 holdings of Treasury securities and agency debt and agency  
20 mortgage-backed securities.<sup>3</sup>

21 The above quotes suggest the FOMC has had some success in taming inflation over the  
22 last year, though not as much in recent months. It further reiterated its commitment to  
23 stabilizing consumer prices and promoting maximum employment through its monetary  
24 policy tools.

25 Q. What do independent economists' outlooks for future interest rates indicate?

26 A. Independent economists, as surveyed by *Blue Chip Financial Forecasts*<sup>4</sup>, expect  
27 current capital costs to increase at mixed rates over the near term, while maintaining levels that  
28 are still low by historical standards. For example, independent projections show that the  
29 consensus is the federal funds rate will increase at a rate much faster than that of long-term

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<sup>3</sup> Federal Reserve, Federal Reserve issues FOMC statement, (May 1, 2024) <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240501a.htm>.

<sup>4</sup> Every month, Blue Chip surveys dozens of America's leading business economists and publishes their individual predictions along with an average, or consensus, of their forecasts.



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1 interest rates as measured by the 30-year Treasury bond. Inflation, as measured through the  
2 Gross Domestic Product (“GDP”) price index, is expected to cool off in the near to  
3 intermediate term.

4 The consensus of projections for the next several quarters are provided in  
5 Table CCW-4 below.

<b>TABLE CCW-4</b>											
<b>Blue Chip Financial Forecasts</b>											
<b><u>Projected Federal Funds Rate, 30-Year Treasury Bond Yields, and GDP Price Index</u></b>											
<u>Publication Date</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>
	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2025</u>
<u>Federal Funds Rate</u>											
Jun-23	<b>4.5</b>	5.0	5.1	5.0	4.6	4.2	3.9				
Jul-23		5.0	5.3	5.2	5.0	4.6	4.3	3.9			
Aug-23		5.0	5.4	5.4	5.2	4.9	4.4	4.0			
Sep-23		<b>5.0</b>	5.3	5.4	5.3	5.0	4.6	4.2			
Oct-23			5.3	5.4	5.4	5.1	4.7	4.3	4.0		
Nov-23			5.3	5.4	5.4	5.2	4.9	4.5	4.1		
Dec-23			<b>5.3</b>	5.4	5.4	5.2	4.9	4.6	4.2		
Jan-24				5.3	5.3	5.1	4.8	4.4	4.1	3.8	
Feb-24				5.3	5.3	5.1	4.7	4.4	4.1	3.8	
Mar-24				<b>5.3</b>	5.4	5.2	4.9	4.5	4.2	3.8	
Apr-24					5.3	5.2	5.0	4.6	4.2	3.9	3.7
May-24					5.3	5.4	5.2	4.9	4.6	4.3	4.0
<u>T-Bond, 30 yr.</u>											
Jun-23	<b>3.7</b>	3.8	3.8	3.8	3.8	3.8	3.7				
Jul-23		3.8	3.9	3.9	3.9	3.8	3.8	3.8			
Aug-23		3.8	4.0	3.9	4.0	3.9	3.9	3.8			
Sep-23		<b>3.8</b>	4.1	4.2	4.1	4.0	4.0	3.9			
Oct-23			4.2	4.4	4.3	4.2	4.2	4.1	4.0		
Nov-23			4.2	4.8	4.7	4.5	4.5	4.3	4.2		
Dec-23			<b>4.2</b>	4.8	4.7	4.5	4.5	4.4	4.3		
Jan-24				4.6	4.3	4.3	4.2	4.1	4.0	4.0	
Feb-24				4.6	4.3	4.2	4.2	4.1	4.0	4.0	
Mar-24				<b>4.6</b>	4.4	4.3	4.2	4.2	4.1	4.1	
Apr-24					4.3	4.3	4.2	4.2	4.1	4.1	4.0
May-24					4.3	4.6	4.5	4.4	4.3	4.2	4.2
<u>GDP Price Index</u>											
Jun-23	<b>4.2</b>	3.3	2.8	2.7	2.5	2.5	2.2				
Jul-23		3.3	2.9	2.8	2.5	2.4	2.2	2.2			
Aug-23		2.2	2.7	2.6	2.5	2.3	2.3	2.3			
Sep-23		<b>2.0</b>	2.7	2.6	2.4	2.3	2.2	2.2			
Oct-23			2.7	2.7	2.4	2.2	2.2	2.2	2.2		
Nov-23			3.5	2.7	2.4	2.3	2.2	2.2	2.3		
Dec-23			<b>3.6</b>	2.7	2.4	2.3	2.2	2.2	2.2		
Jan-24				2.7	2.3	2.3	2.3	2.2	2.2	2.1	
Feb-24				1.5	2.2	2.2	2.3	2.2	2.2	2.1	
Mar-24				<b>1.6</b>	2.2	2.3	2.2	2.2	2.1	2.1	
Apr-24					2.2	2.4	2.3	2.2	2.2	2.1	2.2
May-24					3.1	2.7	2.4	2.3	2.3	2.2	2.2
Source and Note:											
<i>Blue Chip Financial Forecasts</i> , Jan 2022 through May 2024.											
Actual Yields in Bold.											

1 Further, the outlook for long-term interest rates in the intermediate to long term are also  
2 impacted by the current Fed actions. Long-term interest rate projections are illustrated in  
3 Table CCW-5.

4

<b>TABLE CCW-5</b>			
<b><u>30-Year Treasury Bond Yield Actual Vs. Projection</u></b>			
<b><u>Description</u></b>	<b><u>Actual</u></b>	<b><u>Near-Term Projected*</u></b>	<b><u>5- to 10-Year Projected</u></b>
<u>2020</u>			
Q1	1.88%	2.57%	
Q2	1.38%	1.90%	3.0% - 3.8%
Q3	1.36%	1.87%	
Q4	1.62%	1.97%	2.8% - 3.6%
<u>2021</u>			
Q1	2.07%	2.23%	
Q2	2.26%	2.77%	3.5% - 3.9%
Q3	1.93%	2.63%	
Q4	1.95%	2.70%	3.4% - 3.8%
<u>2022</u>			
Q1	2.25%	2.87%	
Q2	3.04%	3.47%	3.8% - 3.9%
Q3	3.26%	3.63%	
Q4	3.90%	3.87%	3.9% - 4.0%
<u>2023</u>			
Q1	3.74%	3.77%	
Q2	3.80%	3.70%	3.8% - 3.9%
Q3	4.24%	3.83%	
Q4	4.58%	4.17%	4.1% - 4.2%
<hr/>			
Source and Note:			
<i>Blue Chip Financial Forecasts</i> , January 2019 through March 2024.			
*Average of all 3 reports in Quarter.			

5

1 As outlined in Table CCW-5, the outlook for increases in interest rates has jumped more  
2 recently relative to 2020 and part of 2021, but is still relatively modest compared to time periods  
3 prior to the beginning of the worldwide pandemic. Indeed, relatively low capital market costs  
4 are expected to prevail at least in the near term and out over the next five to ten years.  
5 While there is potential for some upward movement in the cost of capital, that upward  
6 movement is uncertain. In fact, as shown on Figure CCW-3 above, increases in the federal  
7 funds rate do not necessarily translate into increases in longer-term yields.

### 8 **C. Market Sentiments and Utility Industry Outlook**

9 Q. Please describe the credit rating outlook for regulated utilities.

10 A. All credit rating agencies see rate affordability as an important consideration in  
11 assessing utility credit, including Standard & Poor's ("S&P") and Moody's Investors Service  
12 ("Moody's") as discussed below.

13 In 2024, S&P updated its industry outlook to "Negative," stating the following:

#### 14 **Key Takeaways**

- 15 - We are updating our 2024 outlook on the investor-owned North American  
16 regulated utility industry to negative.
- 17 - Given the relatively high percentage of companies with negative outlooks, we  
18 expect that 2024 will likely be the fifth consecutive year that downgrades  
19 outpace upgrades.
- 20 - The industry faces rising physical risks and high cash flow deficits that may not  
21 be sufficiently funded in a credit-supportive manner.
- 22 - Still, we expect that the utility industry will maintain a median investment-grade  
23 rating of 'BBB+'.
- 24 - We also expect that a smaller percentage of companies rated 'BBB' or lower are  
25 more likely to implement measures to maintain or even improve credit quality.<sup>5</sup>

---

<sup>5</sup> S&P Global Ratings, *Rising Risks: Outlook For North American Investor-Owned Regulated Utilities Weakens* at 1 (Feb. 14, 2024).

1           Specifically, in S&P’s utility report, it notes that the credit quality of the industry has  
2 changed to BBB+ from an A- rating over the last few years. It notes the recently increased  
3 interest rates, which are expected to stabilize and ease the pressure on utilities’ financial  
4 performance. S&P also comments on the narrowing spread between utilities’ authorized returns  
5 and the 10-year Treasury yield, which hinders the financial performance of the industry.  
6 The credit rating agency expects continued robust capital spending for utilities, projecting  
7 over \$200 billion investment in 2025. S&P believes that the risks around the industry outlook  
8 include regulatory risks in responding to capital spending and the practice of many companies  
9 operating with minimal financial cushion from their downgrade thresholds.<sup>6</sup>

10           Q.     Have credit agencies noted concern about rate affordability as a credit risk  
11 to utilities?

12           A.     Yes.   Credit rating agencies have been emphasizing *rate affordability*,  
13 maintaining adequate financial coverages of debt obligations, and supporting utilities’ overall  
14 investment grade bond ratings.

15           In a recent industry report, Moody’s explained that the regulated utilities’ outlook  
16 remains “Negative” largely due to increased pricing pressures on customers. Moody’s stated  
17 that it changed its outlook from “Positive” to “Negative” due to the following:

18                   We have revised our outlook on the US regulated utilities sector to  
19 negative from stable. We changed the outlook because of increasingly  
20 challenging business and financial conditions stemming from higher  
21 natural gas prices, inflation and rising interest rates. These developments  
22 raise *residential customer affordability* issues, increasing the level of

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<sup>6</sup> *Id*

1                   uncertainty with regard to the timely recovery of costs for fuel and  
2                   purchased power, as well as for rate cases more broadly.<sup>7</sup>

3                   Also, in a report published in January of 2024, S&P specifically mentioned commodity  
4 price volatility, in combination with significant increases in capital investments, as driving  
5 utility rate increases which may strain affordability concerns.<sup>8</sup>

6                   Finally, Fitch opined that the regulated utilities' outlook is deteriorating due to elevated  
7 capital expenditures that put pressure on credit metrics. Fitch also notes the bill affordability  
8 concerns for ratepayers, and regulators' ability to balance the rate requests with  
9 *increasing customer bills*. Specifically, Fitch states:

10                   Fitch Ratings' deteriorating outlook for the North American Utilities,  
11 Power & Gas sector reflects continuing macroeconomic headwinds and  
12 elevated capex that are putting pressure on credit metrics in the high-cost  
13 funding environment. Bill affordability concerns for ratepayers continue  
14 to persist despite the pull back in natural gas prices and inflationary  
15 pressures. Fitch expects utility capex to grow by double digits in 2024,  
16 underpinned by investments needed to make the electric infrastructure  
17 more resilient against extreme weather events and to accommodate  
18 renewable generation, including distributed sources. Rate case outcomes  
19 are key to watch as regulators balance more rate requests with increases  
20 in customer bills. Authorized ROEs could prove to be sticky despite an  
21 increase in cost of capital. Higher weather-normalized retail electricity  
22 sales, driven by datacenter growth and onshoring of manufacturing  
23 activities, and tax transferability provisions of the Inflation Reduction  
24 Act could somewhat offset headwinds to utilities. Ongoing management  
25 actions to sell assets and issue equity, in some cases, is supportive of  
26 parent companies' ratings. *Within Fitch's coverage, 90% of ratings hold*  
27 *Stable Rating Outlooks. We expect limited rating movement in 2024.*  
28 *The number of upgrades in 2023 so far exceeds the number of*

---

<sup>7</sup> Moody's Investors Service Outlook, *Regulated Electric and Gas Utilities – US 2023 outlook negative due to higher natural gas prices, inflation and rising interest rates* at 1 (emphasis added) (Nov. 10, 2022).

<sup>8</sup> S&P Global Ratings, *Industry Credit Outlook 2024: North America Regulated Utilities* at 8 (Jan. 9, 2024).

1                    *downgrades, and is driven by positive rating actions on several parent*  
2                    *holding companies and their regulated subsidiaries.*<sup>9</sup>

3                    As outlined by Moody's, S&P, and Fitch above, credit analysts are focusing on rate  
4                    affordability as an important factor needed to support strong credit standing. Customers must  
5                    be able to afford to pay their utility bills in order for utilities to maintain their financial integrity  
6                    and strong investment grade credit standing. For this reason, this Commission should carefully  
7                    assess the reasonableness of cost of service in this proceeding, including an appropriate overall  
8                    ROR necessitated by a reasonably cost effective balanced ratemaking capital structure, and a  
9                    return on equity that represents fair compensation but also maintains competitive, just and  
10                    reasonable rates.

11                    **D.        Additional Remarks**

12                    Q.        In light of higher levels of inflation, and expectations of higher interest rates,  
13                    how has the market perceived utilities as investment options?

14                    A.        Since June 30, 2021, the natural gas and electric utility sectors have  
15                    outperformed the S&P 500. This is presented below in Figure CCW-4. However, it should be  
16                    noted that the performance of the S&P 500 has largely been driven by a handful of "mega cap"  
17                    companies. Because the S&P 500 is a market capitalization weighted index (meaning the  
18                    higher the market capitalization a company has, the more influence it has on the index's  
19                    performance). For example, in the S&P Dow Jones Indices report "U.S. Equity Market  
20                    Attributes April 2024," it is noted that:

21                    Year-to-date, the S&P 500 remained up 5.57% (with 10 of the 11 sectors  
22                    up; Real Estate was down 9.86%), as breadth declined but remained  
23                    positive (302 up and 199 down, compared to last March's 369

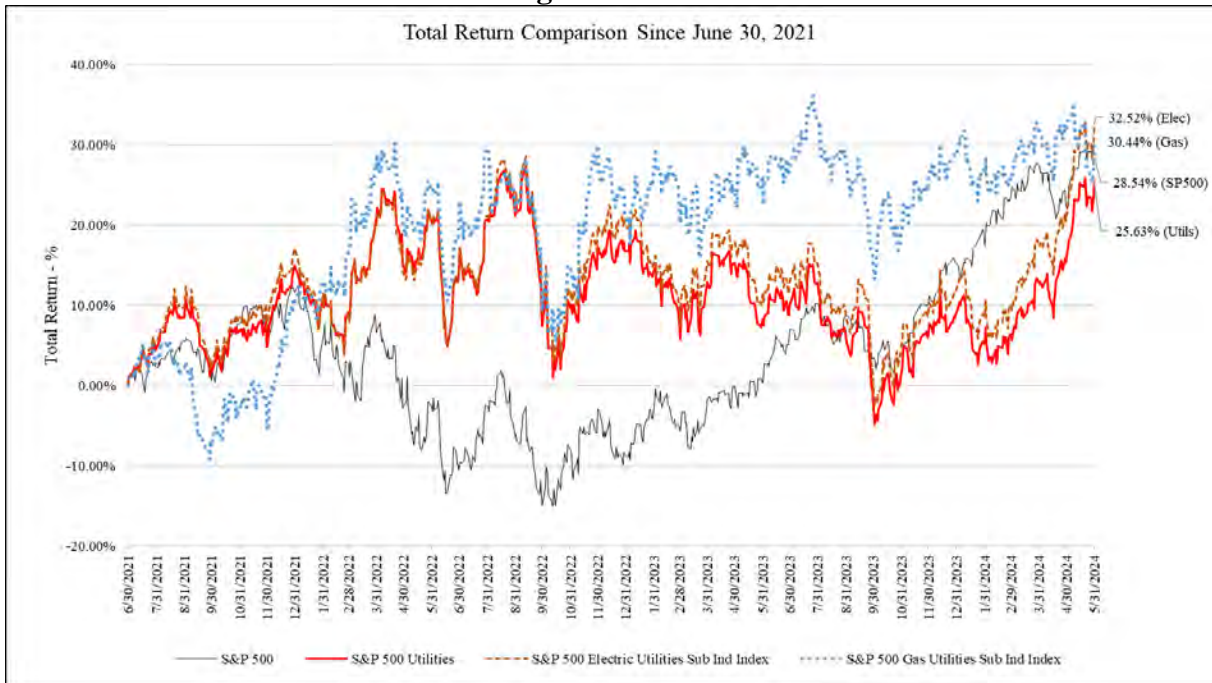
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<sup>9</sup> FitchRatings, *North American Utilities, Power & Gas Outlook 2024* at 1 (emphasis added) (Dec. 6, 2023).

1 and 134 YTD, respectively). *The Magnificent 7 as a group still*  
2 *dominated, accounting for 51% of the index return (which included*  
3 *Apple’s 11.5% YTD decline and Tesla’s 26.2% YTD decline), as*  
4 *NVIDIA (up 74.5% YTD) represented 41% of the S&P 500’s YTD gain.*<sup>10</sup>

5 The regulated utility industry has been able to deliver generally positive and relatively  
6 stable returns during a period of elevated inflation, rising interest rates, and uncertainty because  
7 of geopolitical events around the world.

8 **Figure CCW-4**



9  
10 **IV. RETURN ON EQUITY**

11 Q. Please describe what is meant by a “Utility’s Cost of Common Equity.”

<sup>10</sup> S&P Dow Jones Indices, *U.S. Equity Market Attributes April 2024* at 2, <https://www.spglobal.com/spdji/en/documents/commentary/market-attributes-us-equities-202404.pdf>. The “Magnificent 7” is a reference to Apple, Microsoft, Amazon, Alphabet (Google), Meta Platforms, Nvidia, and Tesla. These seven stocks represent some of the largest and most influential companies in the technology sector, spanning areas like consumer electronics, cloud computing, e-commerce, social media, artificial intelligence, autonomous vehicles, and semiconductors.



1           A.     A utility’s cost of common equity is the expected return that investors require  
2 on an investment in the utility. Investors expect to earn their required return from receiving  
3 dividends and through stock price appreciation.

4           Q.     Please describe the framework for determining a regulated utility’s cost of  
5 common equity.

6           A.     In general, determining a fair cost of common equity for a regulated utility has  
7 been framed by two hallmark decisions of the U.S. Supreme Court: *Bluefield Water Works &*  
8 *Improvement Co. v. Pub. Serv. Comm’n of W. Va.*, 262 U.S. 679 (1923) and *Fed. Power*  
9 *Comm’n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944). In these decisions, the Supreme Court  
10 found that just compensation depends on many circumstances and must be determined by fair  
11 and enlightened judgments based on relevant facts. The Court also found that a utility is entitled  
12 to such rates as would permit it to earn a return on a property devoted to the convenience of the  
13 public that is generally consistent with the same returns available in other investments of  
14 corresponding risk. The Court continued that the utility has “no constitutional rights to profits”  
15 such as those “realized or anticipated in highly profitable enterprises or speculative ventures,”<sup>11</sup>  
16 and defined the ratepayer/investor balance as follows:

17                   The return should be reasonably sufficient to assure confidence in the  
18                   *financial soundness* of the utility and should be adequate, under  
19                   *efficient and economical management*, to maintain and *support its credit*  
20                   and *enable it to raise the money* necessary for the proper discharge of its  
21                   public duties.<sup>12</sup>

22           As such, a fair ROR is based on the expectation that the utility costs reflect efficient and  
23 economical management, and the return will support its credit standing and access to capital,

---

<sup>11</sup> *Bluefield*, 262 U.S. at 692-93.

<sup>12</sup> *Id.* at 693 (emphasis added).

1 but the return will not be in excess of this level. Utility rates that are consistent with these  
2 standards will be just and reasonable, and compensation to the utility will be fair and support  
3 financial integrity and credit-standing, under economic management of the utility.

4 Q. Please describe the process you have used to estimate Liberty Midstates' cost of  
5 common equity.

6 A. First, I assessed the market's assessment of Liberty Midstates' risk. Then, I  
7 developed a proxy group of publicly-traded utility companies that have similar risks and  
8 characteristics to Liberty Midstates and compared potential differences in risks. I then  
9 performed several models based on financial theory to estimate Liberty Midstates' cost of  
10 common equity. These models are: (1) a constant growth Discounted Cash Flow ("DCF")  
11 model using consensus analysts' growth rate projections; (2) a constant growth DCF model  
12 using sustainable growth rate estimates; (3) a multi-stage growth DCF model; (4) a Risk  
13 Premium model, and; (5) a Capital Asset Pricing Model ("CAPM").

14 **A. Liberty Midstates' Investment Risk**

15 Q. Please describe the market's assessment of Liberty Midstates' investment risk.

16 A. The market's assessment of a company's investment risk is generally described  
17 by credit rating analysts' reports. However, Liberty Midstates is not a rated entity. While it is  
18 not directly comparable, I have considered the credit ratings of the Liberty Midstates parent  
19 company, Liberty Utilities Company ("LUCo"), in assessing the risk of Liberty Midstates.  
20 LUCo's ratings from S&P and Moody's are BBB and Baa2, respectively. These ratings are  
21 consistent with the ratings of the ultimate parent company, Algonquin Power and Utilities  
22 Corporation ("APUC"). In its most recent report covering APUC, S&P had the following to  
23 say about its assessment of APUC and its subsidiaries:

1            *Company Description*

2            APUC is a diversified mostly energy company with operations across  
3            the U.S., Canada, Chile, and Bermuda, serving about 1.2 million  
4            customer connections. Through Liberty Utilities Co. (LUCo), APUC  
5            owns and operates a portfolio of regulated electric, natural gas, water  
6            distribution, and wastewater collection utility systems. APUC also  
7            generates and sells electricity through a portfolio of nonregulated  
8            renewable and clean-energy power generation facilities at LPCo. In  
9            addition, APUC owns approximately 42% equity investment in  
10           Atlantic Sustainable Infrastructure PLC.

11           *Outlook*

12           The stable outlook on APUC and its regulated utility subsidiaries reflects  
13           our expectation that the company will sell its higher-risk renewable  
14           businesses, reducing business risk, but that financial measures will  
15           weaken because of expected share repurchases. We expect APUC's  
16           funds from operations (FFO) to debt to be 11%-13% through 2026.

17           *Downside Scenario.*

18           We could lower our ratings on APUC and its regulated utility  
19           subsidiaries over the next 24 months if the company did not sell its  
20           renewable businesses and FFO to debt fell below 14%. We could also  
21           downgrade the company if APUC sold its renewable businesses and FFO  
22           to debt weakened to below 11%. This could happen if costs increased  
23           due to high interest rates and inflationary pressures. We could also  
24           downgrade the company if its business risk increased, such that the  
25           company were the cause of a catastrophic wildfire in California or its  
26           ability to effectively manage regulatory risk weakened.

27           *Upside Scenario.*

28           While unlikely, we could raise our ratings on APUC and its regulated  
29           utility subsidiaries over the next 24 months if the company did not sell  
30           its renewable businesses and its financial measures materially improved,  
31           reflecting FFO to debt greater than 21%, without any material increase  
32           to business risk. We could also raise the rating if the company fully  
33           divested its unregulated power business and FFO to debt were  
34           consistently above 13%.<sup>13</sup>

35           Clearly, the ratings at APUC, and its rated subsidiaries, are being heavily influenced by  
36           its existing nonregulated operations and are not necessarily indicative of a lower-risk, rate  
37           regulated natural gas distribution utility like Liberty Midstates. Given this, I do not believe it

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<sup>13</sup> S&P Ratings Direct, Algonquin Power & Utilities Corp Ratings Affirmed On Planned Sale; Algonquin Power Co. CreditWatch Revised To Developing, A

1 to be reasonable to rely on LUCo or APUC's credit ratings as an indicator of Liberty Midstates'  
2 risk profile. Given the Company's ability to file rate cases using end of year rate base, with an  
3 update period, and certain cost recovery mechanisms to recover certain costs associated with  
4 infrastructure investments as well as variations in certain taxes and franchise fees, there is no  
5 reason to believe the Company would be rated much differently than that of the proxy group on  
6 a stand-alone basis.

7 **B. Liberty Midstates' Proposed Capital Structure**

8 Q. What is Liberty Midstates' proposed capital structure?

9 A. Liberty Midstates' proposed capital structure is summarized in Table CCW-6  
10 below:

11

<b><u>Description</u></b>	<b><u>As-Filed Weight<sup>1</sup></u></b>	<b><u>Update Weight<sup>2</sup></u></b>
Long-Term Debt	47.10%	47.50%
Common Equity	<u>52.90%</u>	<u>52.50%</u>
Total	100.00%	100.00%

<sup>1</sup>Schedule JC-15  
<sup>2</sup>Update Schedule 8

12 Q. Do you have any comment on Liberty Midstates' proposed capital structure?

13 A. Yes. As I will discuss later, Liberty Midstates' proposed equity ratio of 52.90%  
14 significantly exceeds the equity ratio for the proxy group used to estimate the COE for  
15

1 Liberty Midstates. As shown on Exhibit CCW-2, the proxy group has an average common  
2 equity ratio of 43.7% (including short term debt) and 49.4% (excluding short-term debt).

3 Q. Has this Commission recognized the need to align the COE with the  
4 capital structure?

5 A. Yes. In its *Report and Order* issued in WR-2023-0006 on October 25, 2023,  
6 this Commission stated as follows:

7 The Commission finds that Staff's proposed hypothetical capital  
8 structure of 50% equity and 50% debt is appropriate in this case.  
9 Ratepayers would benefit from having rates calculated from a 50% debt  
10 ratio as debt is a cheaper cost than equity; while the shareholders are  
11 benefitting from the rates being calculated from a 50% equity ratio as  
12 equity generates a greater return than debt. And each side of the  
13 ratemaking calculation, rate payers and shareholders, are protected from  
14 the other having a greater share. The Commission finds that a 50/50  
15 capital structure in this case will produce just and reasonable rates.<sup>14</sup>

16 Q. Are you aware of any other regulatory commissions recognizing the need to  
17 align the COE with the capital structure?

18 A. Yes. In Order No. 87591, the Maryland Public Service Commission rejected  
19 Baltimore Gas and Electric Company's proposed capital structure, stating that: "[o]verly high  
20 equity ratios impose significant burden on ratepayers,"<sup>15</sup> and that "[i]f, as BGE implies, it is  
21 able to lower its equity ratio in the near future, the Company would be reaping a windfall  
22 because its rates would be based on an excessive equity ratio that exceeds its actual capital  
23 structure."<sup>16</sup> Additionally, in a recent Order, the Arkansas Public Service Commission imputed  
24 the capital structure of Southwestern Electric Power Company ("SWEPCO") to be more in-line

---

<sup>14</sup> Missouri Public Service Commission, File No. WR-2023-0006, Report and Order, October 25, 2023 at 46.

<sup>15</sup> Case No. 9406, Order No. 87591 at 168 (Jun. 3, 2016).

<sup>16</sup> *Id.* at 170.

1 with the comparable companies used to estimate the COE.<sup>17</sup> The adjustment was to recognize  
2 that there must be congruence between the COE and the capital structure. Specifically,  
3 the Order states as follows:

4 Consistent with our ruling in Order No. 10 of Docket No. 06 101-U, the  
5 Commission holds that there should be congruence between the  
6 estimated cost of equity and the [debt-to-equity] ratio, whereby a lower  
7 [debt-to-equity] ratio decreases financial risk and decreases the cost of  
8 equity. The evidence of record supports imputing the average capital  
9 structure of companies with comparable risk to SWEPCO for the  
10 purposes of determining SWEPCO's overall cost of capital.<sup>18</sup>

11 As I described above, and in more detail below, my proxy group in this case has an  
12 average common equity ratio of 43.7% (including short-term debt) and 49.4% (excluding  
13 short-term debt) as calculated by S&P Global Market Intelligence and *Value Line*, respectively.  
14 In this case, Liberty Midstates proposed ratemaking equity ratio of 52.90% (including  
15 short-term debt) exceeds that of the proxy group's equity ratio and is not reasonable for  
16 ratemaking purposes.

17 Q. Are you recommending an adjustment be made to Liberty Midstates' proposed  
18 capital structure?

19 A. Yes. The Company has not reasonably demonstrated a need to be awarded a  
20 common equity ratio well in excess of 50.0%. As such, I recommend this Commission  
21 authorize Liberty Midstates an equity ratio of 50.0%. In addition, my recommended capital  
22 structure is consistent with the mean and median capital structures for Mr. Cochrane's proxy  
23 group.<sup>19</sup> Should this Commission authorize Liberty Midstates its requested equity ratio

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<sup>17</sup> APSC Docket No. 21-170-U, Doc. No. 323, Order No. 14 (May 23, 2022).

<sup>18</sup> *Id.* at 25.

<sup>19</sup> Cochrane Direct at 33 and Direct Schedule JC-13.

1 of 52.90%, an ROE in the lower half of my recommended range (i.e., 9.00% to 9.45%) would  
2 be warranted to account for the reduced financial risk.

3 **C. Development of Proxy Group**

4 Q. Please briefly describe why a proxy group is needed in estimating the COE.

5 A. There are a few reasons why a proxy group is needed to estimate the COE.  
6 To be consistent with the *Hope* and *Bluefield* standards, as described above, the allowed return  
7 should be commensurate with returns on investments in other firms of comparable risk.  
8 A proxy group of similarly situated companies of comparable risk is needed to assess the  
9 Company's proposal under this standard. In developing the appropriate proxy group for  
10 comparison with Liberty Midstates, analysts should carefully consider factors such as the  
11 companies' primary business operations, credit ratings, and overall risk profiles. Ensuring that  
12 the proxy group comprises firms with comparable risk characteristics is crucial for producing  
13 reliable and meaningful COE estimates that align with the *Hope* and *Bluefield* standards.

14 Even if Liberty Midstates were a publicly-traded company whose securities could be  
15 used to estimate its COE, there exists the potential for certain errors and biases which would  
16 make the reliance on a single estimate undesirable and potentially less accurate. A proxy group  
17 of comparable risk companies adds reliability to the estimates by mitigating the potential for  
18 bias that may be introduced by measurement errors of model inputs.

19 Q. Please describe how you identified a proxy utility group that could be used to  
20 estimate Liberty Midstates' current market COE.

21 A. I started with the same proxy group developed by Liberty Midstates' witness,  
22 Mr. Cochrane, with two exceptions. First, I removed Chesapeake Utilities for not being a rated  
23 entity by S&P or Moody's, as well as its acquisition of Florida City Gas making it a party to

1 significant merger and acquisition (“M&A”) activities. Companies involved in M&A tend to  
2 have stock prices that do not accurately reflect their underlying fundamentals and risk profile  
3 during the transaction period. In addition, not only is Chesapeake Utilities not a rated entity,  
4 neither are any of its utility subsidiaries. Credit ratings are a critical, independent assessment  
5 of total risk, and one of the most cited screening criteria used by rate of return analysts around  
6 the country.

7 Second, I removed NiSource Inc. for being a party to significant M&A activity.  
8 On June 20, 2023, NiSource announced a deal to sell Northern Indiana Public Service  
9 Company, a vertically integrated electric utility in Indiana, for \$2.15 billion, which represents  
10 more than 10% of its market capitalization. The deal closed on January 2, 2024.

11 After the exclusion of these two utilities, that left five remaining companies to be  
12 included in the proxy group. In my opinion, I do not believe five companies represents a large  
13 enough sample. As such, in order to get a more thorough and complete analysis, I also included  
14 seven additional distribution utility companies including six water utilities and  
15 one multi-utility, Eversource.

16 Q. How does the investment risk of Liberty Midstates compare to that of the  
17 proxy group?

18 A. As shown on my Exhibit CCW-2, the full proxy group has average credit ratings  
19 of A- and Baa1 from S&P and Moody’s, respectively. However, Liberty Midstates is an unrated  
20 entity. As described above, the ratings at APUC, and its rated subsidiaries, are being heavily  
21 influenced by its existing nonregulated operations and are not necessarily indicative of a  
22 lower-risk, rate regulated natural gas distribution utility like Liberty Midstates. Given this, I do  
23 not believe it to be reasonable to rely on LUCo or APUC’s credit ratings as an indicator of



1 Liberty Midstates' risk profile. Given Liberty Midstates ability to file rate cases using end of  
2 year rate base, with an update period, and certain cost recovery mechanisms to recover certain  
3 costs associated with infrastructure investments as well as variations in certain taxes and  
4 franchise fees, there is no reason to believe Liberty Midstates would be rated much differently  
5 than that of the proxy group on a stand-alone basis.

6         The capital structure of the utility, which reflects the relative proportions of debt and  
7 equity financing, has a direct bearing on the overall cost of capital. If a utility's equity ratio  
8 deviates significantly from the proxy group of comparable risk companies, it may indicate that  
9 the utility is either over-relying on costlier equity capital or taking on excessive financial risk  
10 through higher leverage. An equity ratio that is too high compared to the proxy group could  
11 suggest that the utility is paying more for its capital than similarly situated peers, potentially  
12 leading to higher costs for ratepayers. Conversely, an equity ratio that is too low may expose  
13 the utility to heightened risk of financial distress in the event of adverse economic conditions  
14 or operational challenges. Because Liberty Midstates is a utility operating company of a  
15 publicly traded company, it has no market value equity ratio to compare to the market value  
16 equity ratios of the proxy companies. As such, the most relevant, and only applicable capital  
17 structure to be used as a comparison is the book value capital structures.

18         As shown on the same exhibit, the proxy group has an average common equity ratio  
19 of 43.7% (including short-term debt) and 49.4% (excluding short-term debt) as calculated by  
20 S&P Global Market Intelligence and *Value Line*, respectively. Liberty Midstates' requested  
21 common equity ratio of 52.90% significantly exceeds the proxy group's equity ratio as  
22 described above. If such an equity ratio is authorized, the difference in financial risk between  
23 Liberty Midstates and the proxy companies will be too far apart, necessitating a reduction to

1 the authorized ROE. While my recommended ratemaking equity ratio of 50.0% is still higher  
2 than that of the proxy group, it provides a more comparable basis to estimate the COE with than  
3 the equity ratio requested by Liberty Midstates. As such, I believe my proxy group is  
4 reasonably comparable to Liberty Midstates, specifically at my recommended equity ratio  
5 of 50.0%.

6 **D. Constant Growth DCF**

7 Q. Please describe the DCF model.

8 A. The DCF model posits that a stock price equals the sum of the present value of  
9 expected future cash flows discounted at the investor's required ROR or cost of capital.

10 This model is expressed mathematically as follows:

11 
$$P_0 = \frac{D_1}{(1+K)^1} + \frac{D_2}{(1+K)^2} + \dots + \frac{D_\infty}{(1+K)^\infty} \quad (\text{Equation 1})$$

12  
13  $P_0$  = Current stock price  
14  $D$  = Dividends in periods 1 -  $\infty$   
15  $K$  = Investor's required return

16 This model can be rearranged in order to estimate the discount rate or investor required  
17 return, known as "K." If it is reasonable to assume that earnings and dividends will grow at a  
18 constant rate, then Equation 1 can be rearranged as follows:

19 
$$K = D_1/P_0 + G \quad (\text{Equation 2})$$

20  $K$  = Investor's required return  
21  $D_1$  = Dividend in first year  
22  $P_0$  = Current stock price  
23  $G$  = Expected constant dividend growth rate

24 Equation 2 is referred to as the annual "constant growth" DCF model.

25 Q. Please describe the input to your constant growth DCF model.

1           A.     As shown in Equation 2 above, the DCF model requires a current stock price,  
2 the expected dividend, and the expected growth rate in dividends.

3           Q.     What stock price have you relied on in your constant growth DCF model?

4           A.     I relied on the average of the weekly high and low stock prices of the utilities in  
5 the proxy group over a 13-week period ending on May 31, 2024. An average stock price is less  
6 susceptible to market price variations than a price at a single point in time. Therefore, an  
7 average stock price is less susceptible to aberrant market price movements, which may not  
8 reflect the stock's long-term value.

9           Q.     What dividend did you use in your constant growth DCF model?

10          A.     I used each proxy company's most recently paid quarterly dividend as reported  
11 in *Value Line*.<sup>20</sup> This dividend was annualized (multiplied by 4) and adjusted for next year's  
12 growth to produce the  $D_1$  factor for use in Equation 2 above. In other words, I calculate  $D_1$  by  
13 multiplying the annualized dividend ( $D_0$ ) by  $(1+G)$ .

14          Q.     What dividend growth rates have you used in your constant growth DCF model?

15          A.     There are several methods that can be used to estimate the expected growth in  
16 dividends. However, regardless of the method, for purposes of determining the market required  
17 return on common equity, one must attempt to estimate investors' expectations about what the  
18 dividend, or earnings growth rate, will be, and not what an individual investor or analyst may  
19 use to make individual investment decisions.

20                 As predictors of future returns, securities analysts' growth estimates have been shown  
21 to be more accurate than growth rates derived from historical data.<sup>21</sup> That is, assuming the

---

<sup>20</sup> *The Value Line Investment Survey*.

<sup>21</sup> See, e.g., David Gordon, Myron Gordon, and Lawrence Gould, Choice Among Methods of Estimating Share Yield, *The Journal of Portfolio Management*, Spring 1989

1 market generally makes rational investment decisions, analysts' growth projections are more  
2 likely to influence investors' decisions, which are captured in observable stock prices,  
3 than growth rates derived only from historical data.

4 For my constant growth DCF analysis, I have relied on a consensus, or mean,  
5 of professional securities analysts' earnings growth estimates as a proxy for investors' dividend  
6 growth rate expectations. I used the average of analysts' growth rate estimates from three  
7 sources: Zacks, S&P Capital IQ Market Intelligence ("MI"), and Yahoo! Finance. All such  
8 projections were available on May 31, 2024, and all were reported online.<sup>22</sup>

9 Each growth rate projection is based on a survey of independent securities analysts.  
10 There is no clear evidence whether a particular analyst is most influential on general market  
11 investors. Therefore, a single analyst's projection does not predict investor outlooks as reliably  
12 as does a consensus of market analysts' projections. The consensus of estimates is a simple  
13 arithmetic average, or mean, of surveyed analysts' earnings growth forecasts. A simple average  
14 of the growth forecasts gives equal weight to all surveyed analysts' projections. Therefore,  
15 a simple average, or arithmetic mean, of analysts' forecasts is a good proxy for  
16 investor expectations.

17 The growth rates I used in my DCF analysis are shown in Exhibit CCW-3. The average  
18 growth rate for my proxy group is 6.02% and a median growth rate of 6.09%.

19 Q. What are the results of your constant growth DCF model?

20 A. As shown in Exhibit CCW-4, page 1, the average and median constant growth  
21 DCF returns for my proxy group for the 13-week analysis are 9.64% and 9.92%, respectively.

22 Q. Are there limitations of the constant growth DCF analysis?

---

<sup>22</sup> [www.zacks.com](http://www.zacks.com); <https://finance.yahoo.com>; and <https://www.capitaliq.spglobal.com/>.

1           A.     Yes. The constant growth DCF analysis for my proxy group is based on a group  
2 average long-term growth rate of 6.02%. The three-to-five-year growth rates are more  
3 than 42% higher than the long-term projected GDP growth rate of 4.14%, described below.  
4 In my professional opinion, I do not consider a 6.02% growth rate to be a realistic  
5 forward-looking projection. As I explain in detail below, the consensus of research on the  
6 subject finds a utility's growth rate cannot exceed the growth rate of the economy in which it  
7 provides services in perpetuity, which is the time period assumed by the DCF model.

8           Q.     How did you identify the long-term projected GDP growth rate?

9           A.     Although there may be short-term peaks, the long-term sustainable growth rate  
10 for a utility stock cannot exceed the growth rate of the economy in which it sells its goods and  
11 services. The long-term maximum sustainable growth rate for a utility investment is limited by  
12 the projected long-term GDP growth rate, as that reflects the projected long-term growth rate  
13 of the economy as a whole. *Blue Chip Financial Forecasts* projects that over the next 5  
14 and 10 years, the U.S. nominal GDP will grow at an annual rate of approximately 4.14%.<sup>23</sup>  
15 As such, the average nominal growth rate over the next 10 years is around 4.14%, which I  
16 believe is a reasonable proxy of long-term growth.

17           Later in this testimony, I discuss academic and investment-practitioner support for using  
18 the projected long-term GDP growth outlook as a maximum long-term growth rate projection.  
19 Using the long-term GDP growth rate as a conservative projection for the maximum growth  
20 rate is logical, and is generally consistent with academic and economic-practitioner  
21 accepted practices.

---

<sup>23</sup> Blue Chip Economic Indicators, March 11, 2024 at page 14.

1 **E. Sustainable Growth DCF**

2 Q. Please describe what the sustainable growth DCF method is and how you  
3 estimated a sustainable growth rate for your sustainable growth DCF model.

4 A. The sustainable growth rate, also referred to as the internal growth rate,  
5 is determined by the proportion of the utility's earnings that is retained and reinvested in its  
6 plant and equipment. These reinvested earnings enhance the earnings base, also known as the  
7 rate base. The earnings grow as the plant, funded by the reinvested earnings, is put into  
8 operation, allowing the utility to receive its authorized return on the additional rate  
9 base investment.

10 The internal growth approach is linked to the percentage of earnings retained within  
11 Liberty Midstates, as opposed to being paid out as dividends. The earnings retention ratio is  
12 calculated as 1 minus the dividend payout ratio. As the payout ratio decreases, the retention  
13 ratio increases, leading to stronger growth as Liberty Midstates funds more investments using  
14 retained earnings.

15 The payout ratios of the proxy group are shown in my Exhibit CCW-5.  
16 These dividend-payout ratios and earnings-retention ratios can then be used to develop a  
17 long-term growth rate driven by earnings retention.

18 The data used to estimate the long-term sustainable growth rate is based on  
19 Liberty Midstates current market-to-book ratio and on *Value Line's* three-to-five-year  
20 projections of earnings, dividends, earned returns on book equity, and stock issuances.

21 As shown in Exhibit CCW-6, the average and median sustainable growth rates for the  
22 proxy group using this internal growth rate model are 5.00% and 4.51%, respectively.

23 Q. What is the DCF estimate using these sustainable growth rates?

1           A.     A DCF estimate based on these sustainable growth rates is developed in  
2 Exhibit CCW-7. As shown there, and using the same formula in Equation 2 above, a sustainable  
3 growth DCF analysis produces proxy group average and median DCF results for the 13-week  
4 period of 8.58% and 8.47%, respectively.

5 **F.     Multi-Stage Growth DCF Model**

6           Q.     Have you conducted any other DCF studies?

7           A.     Yes. As previously noted, the DCF model is intended to represent the present  
8 value of an endless series of future cash flows. Nevertheless, the initial constant growth DCF  
9 that I described above is based on analyst growth rate projections, providing a plausible  
10 representation of rational investment expectations over the next three-to-five years as that is the  
11 time period the growth forecasts cover. The limitation of this constant growth DCF model is  
12 that it cannot reflect a reasonable expectation of a shift in growth from a high or low short-term  
13 rate to a rate that aligns more with long-term sustainable growth. To accommodate changing  
14 growth expectations, I conducted a multi-stage DCF analysis that reflects growth rate change  
15 over time.

16          Q.     Why do you believe growth rates can change over time?

17          A.     The growth rate projections by analysts for the next three-to-five years are  
18 subject to change as the outlook for utility earnings-growth evolves. Utility companies  
19 experience fluctuations in their investment cycles. When these companies are undertaking  
20 substantial investments, the growth of their rate base accelerates, leading to an increase in  
21 earnings growth. However, once a major construction cycle reaches completion or plateaus,  
22 the growth in the utility rate base slows down, and its earnings growth rate declines, from an  
23 abnormally high three-to-five-year rate, to a lower, sustainable growth rate.

1           As construction cycles become longer in duration, even with an aggressive construction  
2 plan, the growth rate of the utility will naturally slow due to a decrease in rate base growth,  
3 as the utility has limited human and capital resources to expand its construction activities.  
4 Therefore, the three-to-five-year growth rate projection should be viewed as a long-term  
5 sustainable growth rate, but not without considering the current market conditions, industry  
6 trends, and determining whether the three-to-five-year growth outlook is feasible  
7 and sustainable.

8           Q.     Please describe your multi-stage DCF model.

9           A.     The multi-stage DCF model reflects the possibility of non-constant growth for a  
10 company over time. The multi-stage DCF model reflects three growth periods: (1) a short-term  
11 growth period consisting of the first five years; (2) a transition period, consisting of the next  
12 five years (6 through 10); and (3) a long-term growth period starting in year 11 and extending  
13 into perpetuity.

14           For the short-term growth period, I relied on the consensus of analysts' growth  
15 projections described above in relationship to my constant growth DCF model. For the  
16 transition period, the growth rates were reduced or increased by an equal factor reflecting the  
17 difference between the analysts' growth rates and the long-term sustainable growth rate.  
18 For the long-term growth period, I assumed each company's growth would converge to the  
19 maximum sustainable long-term growth rate.

20           Q.     Why is the GDP growth projection a reasonable proxy for the maximum  
21 sustainable long-term growth rate?

22           A.     Utilities cannot indefinitely sustain a growth rate that exceeds the growth rate of  
23 the economy in which they sell services. A utilities' earnings and dividend growth is created



1 by increased utility investment in its rate base. Examples of what can drive such investment  
2 are: service area economic growth or system reliability upgrades. As such, nominal  
3 GDP growth is a reasonable upper limit for utility sales growth, rate base growth, and earnings  
4 growth in the long-run. Therefore, the U.S. GDP nominal growth rate is a conservative proxy  
5 for the highest sustainable long-term growth rate of a utility.

6 Q. Is there research that supports your position that, over the long-term, a company  
7 earnings and dividends cannot grow at a rate greater than the rate of growth of the U.S. GDP?

8 A. Yes. This concept is supported in published analyst literature and academic  
9 work. Specifically, in a textbook titled “Fundamentals of Financial Management,” published  
10 by Eugene Brigham and Joel F. Houston, the authors’ state as follows:

11 The constant growth model is most appropriate for mature companies  
12 with a stable history of growth and stable future expectations. Expected  
13 growth rates vary somewhat among companies, but *dividends for mature*  
14 *firms are often expected to grow in the future at about the same rate as*  
15 *nominal gross domestic product (real GDP plus inflation).*<sup>24</sup>

16 The use of the economic growth rate is also supported by investment practitioners as  
17 outlined as follows:

### 18 **Estimating Growth Rates**

19 One of the advantages of a three-stage discounted cash flow model is  
20 that it fits with life cycle theories in regards to company growth. In these  
21 theories, companies are assumed to have a life cycle with varying growth  
22 characteristics. Typically, the potential for extraordinary growth in the  
23 near term eases over time and eventually growth slows to a more  
24 stable level.

25 \* \* \*

26 Another approach to estimating long-term growth rates is to focus on  
27 estimating the overall economic growth rate. Again, this is the approach

---

<sup>24</sup> Eugene F. Brigham and Joel F. Houston, *Fundamentals of Financial Management* at 298, Eleventh Edition (2007) (emphasis added).

1 used in the *Ibbotson Cost of Capital Yearbook*. To obtain the economic  
2 growth rate, a forecast is made of the growth rate's component parts.  
3 Expected growth can be broken into two main parts: expected inflation  
4 and expected real growth. By analyzing these components separately,  
5 it is easier to see the factors that drive growth.<sup>25</sup>

6 Q. How did you determine a long-term growth rate that reflects the current  
7 consensus of independent market participants?

8 A. I relied on the consensus, or the average of survey respondents,  
9 of long-term GDP growth projections as projected by independent economists.  
10 *Blue Chip Financial Forecasts* publishes the consensus for GDP growth projections twice a  
11 year. These projections reflect current outlooks for GDP and are likely to be influential on  
12 investors' expectations of future growth outlooks. The consensus of projected GDP growth is  
13 about 4.14% over the next 10 years.<sup>26</sup>

14 Q. Do you consider other sources of projected long-term GDP growth?

15 A. Yes, and these alternative sources corroborate the consensus analysts'  
16 projections I relied on. Several projections are shown in Table CCW-7 below.

---

<sup>25</sup> Morningstar, Inc., *Ibbotson SBBI 2013 Valuation Yearbook* at 51-52.

<sup>26</sup> Wolters Kluwer, *Blue Chip Economic Indicators*, March 11, 2024 at page 14.

1

**TABLE CCW-7**

**GDP Forecasts**

<u>Source</u>	<u>Projected Period</u>	<u>Real GDP</u>	<u>Inflation</u>	<u>Nominal GDP</u>
Blue Chip Economic Indicators <sup>1</sup>	5-10 Yrs	1.9%	2.2%	4.1%
Congressional Budget Office <sup>2</sup>	30 Yrs	1.7%	2.0%	3.8%
Moody's Analytics <sup>3</sup>	31 Yrs	1.9%	2.1%	4.1%
Social Security Administration <sup>4</sup>	76 Yrs	1.6%	2.4%	4.0%
Economist Intelligence Unit <sup>5</sup>	31 Yrs	1.7%	2.2%	4.0%

Sources:

<sup>1</sup>Blue Chip Economic Indicators, March 11, 2024 at 14.

<sup>2</sup>Congressional Budget Office, Long-Term Budget Outlook, March 28, 2024.

<sup>3</sup>Moody's Analytics Forecast, last updated March 11, 2024.

<sup>4</sup>Social Security Administration, "2024 OASDI Trustees Report,"  
Table VI.G6. May 6, 2024.

<sup>5</sup>S&P MI, Economist Intelligence Unit, downloaded on April 26, 2024.

2

3 As shown in the table above, the real GDP and the inflation fall in the range of 1.6%  
4 to 2.0% and 2.0% to 2.4%, respectively. This results in a nominal GDP in the range of 3.8%  
5 to 4.3%. Therefore, the nominal GDP growth projections made by these independent sources  
6 support my use of 4.14% as a reasonable estimate of market participants' expectations for long  
7 term GDP growth. The real GDP and nominal GDP growth projections made by these  
8 independent sources support my use of 4.14% as a reasonable estimate of market participants'  
9 expectations for long term GDP growth.

10 Q. What stock price, dividend, and growth rates did you use in your multi-stage  
11 DCF analysis?

1           A.     I relied on the same 13-week average stock prices and the most recent quarterly  
2 dividend payment data discussed above. For the first stage, I used the consensus of analysts'  
3 growth rate projections discussed above in my constant growth DCF model. The first stage  
4 covers the first five years, consistent with the time horizon of the securities analysts' growth  
5 rate projections. The second stage, or transition stage, begins in year 6 and extends through  
6 year 10. The second stage growth transitions the growth rate from the first stage to the third  
7 stage using a straight linear trend. For the third stage, or long-term sustainable growth stage,  
8 starting in year 11, I used a 4.14% long-term sustainable growth rate based on the consensus of  
9 economists' long-term projected nominal GDP growth rate.

10          Q.     What are the results of your multi-stage DCF model?

11           A.     As shown in Exhibit CCW-8, the average and median DCF COE estimates for  
12 my proxy group using the 13-week average stock price are 8.10% and 7.93%, respectively.

13          Q.     Please summarize the results from your DCF analyses.

14           A.     The DCF results are summarized in Table CCW-8 below. As described above,  
15 the results of the constant growth DCF using analysts' growth rates assume an average  
16 long-term growth rate of 6.02%, which is approximately 42% higher than the long-term  
17 projected GDP growth rate of 4.14%. This is an unsustainable assumption, and likely leads to  
18 an overstatement in the COE for a low-risk regulated utility. As such, it is my opinion that  
19 more weight should be given to the sustainable growth and multi stage models of the DCF.

1

<u>Description</u>	<u>Proxy Group</u>	
	<u>Mean</u>	<u>Median</u>
Constant Growth DCF Model (Analysts' Growth)	9.64%	9.92%
Constant Growth DCF Model (Sustainable Growth)	8.58%	8.47%
Multi-Stage DCF Model	<u>8.10%</u>	<u>7.93%</u>
<b>Average of Full Group Results</b>	<b>8.77%</b>	<b>8.77%</b>

2

3

**G. Risk Premium Model**

4

Q. Please describe your bond yield plus risk premium model.

5

A. This model is based on the principle that investors require a higher return to assume greater risk. Common equity investments have greater risk than bonds because bonds have more security of payment in bankruptcy proceedings than common equity and the coupon payments on bonds represent contractual obligations. In contrast, companies are not required to pay dividends or guarantee returns on common equity investments. Therefore, common equity securities are considered to be riskier than bond securities.

10

11

This risk premium model is based on two estimates of an equity risk premium. First, I quantify the difference between regulatory commission authorized returns on common equity and contemporary U.S. Treasury bonds. The difference between the authorized return on common equity and the Treasury bond yield is the risk premium. I estimated the risk premium on an annual basis for each year since January 1986. The authorized ROEs were based on

12

13

14

15

1 regulatory commission-authorized returns for utility companies. Authorized returns are  
2 typically based on expert witnesses' estimates of the investor-required return at the time of  
3 the proceeding.

4         The second equity risk premium estimate is based on the difference between regulatory  
5 commission-authorized returns on common equity and contemporary "A" rated utility bond  
6 yields by Moody's. I selected the period 1986 through 2023 because public utility stocks  
7 consistently traded at a premium to book value during that period. This is illustrated in  
8 Exhibit CCW-9, which shows the market to book ratio since 1986 for the utility industry was  
9 consistently above a multiple of 1.0x. Over this period, an analyst can infer that authorized  
10 ROEs were sufficient to support market prices that at least exceeded book value. This is an  
11 indication that commission authorized returns on common equity supported a utility's ability to  
12 issue additional common stock without diluting existing shares. It further demonstrates that  
13 utilities were able to access equity markets without a detrimental impact on  
14 current shareholders.

15         Based on this analysis, as shown in Exhibit CCW-10, the average indicated equity risk  
16 premium over U.S. Treasury bond yields has been 5.63%. Since the risk premium can vary  
17 depending upon market conditions and changing investor risk perceptions, I believe using an  
18 estimated range of risk premiums provides the best method to measure the current return on  
19 common equity for a risk premium methodology.

20         I assessed the five-year and ten-year rolling average risk premiums over the study period  
21 to gauge the variability over time of risk premiums. These rolling average risk premiums  
22 mitigate the impact of anomalous market conditions and skewed risk premiums over an entire  
23 business cycle. As shown on my Exhibit CCW-10, the five-year rolling average risk premium

1 over Treasury bonds ranged from 4.17% to 7.17%, while the ten-year rolling average risk  
2 premium ranged from 4.30% to 6.92%.

3 As shown on my Exhibit CCW-11, the average indicated equity risk premium over  
4 contemporary “A” rated Moody’s utility bond yields was 4.27%. The five-year and ten-year  
5 rolling average risk premiums ranged from 2.80% to 5.97% and 3.11% to 5.75%, respectively.

6 Q. Why are the time periods used to derive these equity risk premium estimates  
7 appropriate to form accurate conclusions about contemporary market conditions?

8 A. Contemporary market conditions can change dramatically during the period that  
9 rates determined in this proceeding will be in effect. A relatively long period of time where  
10 stock valuations reflect premiums to book value indicates that the authorized ROEs and the  
11 corresponding equity risk premiums were supportive of investors’ return expectations and  
12 provided utilities access to the equity markets under reasonable terms and conditions.  
13 Further, this time period is long enough to smooth abnormal market movement that might  
14 distort equity risk premiums. While market conditions and risk premiums do vary over time,  
15 this historical time period is a reasonable period to estimate contemporary risk premiums.

16 Q. Please explain other market evidence you relied on in determining an  
17 appropriate equity risk premium.

18 A. The equity risk premium should reflect the market’s perception of risk in the  
19 utility industry today. I have gauged investor perceptions in utility risk today in  
20 Exhibit CCW-12, where I show the yield-spread between utility bonds and Treasury bonds  
21 since 1980. As shown in this schedule, the average utility bond yield-spreads over  
22 Treasury bonds for “A” and “Baa” rated utility bonds for this historical period are 1.48%  
23 and 1.90%, respectively.

1           A current 13-week average “A” rated utility bond yield of 5.69% when compared to the  
2 current Treasury bond yield of 4.55%, as shown in Exhibit CCW-13, page 1, implies a  
3 yield-spread of 1.14%. This current utility bond yield-spread is lower than the long-term  
4 average-spread for “A” rated utility bonds of 1.48%. The 13-week average yield on “Baa” rated  
5 utility bonds is 5.92%. This indicates a current spread for the “Baa” rated utility bond yield  
6 of 1.37%, which is lower than the long-term average of 1.90%.

7           Q.     What are the results based on your risk premium analyses?

8           A.     I give primary consideration to the Risk Premium results using Treasury bond  
9 and A-rated utility bonds. My recommendation also takes the results of adding the Baa-rated  
10 utility bond yield to the equity risk premium over A-rated utility bonds into consideration.

11           Considering the current and projected economic environment, current yield spreads and  
12 equity risk premiums, as well as current levels of interest rates and interest rate projections,  
13 a more normalized equity risk premium is warranted. As such, I believe an average equity risk  
14 premium over Treasury yields of 5.63% is appropriate. Adding this risk premium to the  
15 projected Treasury yield of 4.20% produces a COE of 9.83%.

16           Applying a similar methodology as described above, the average of the rolling five-year  
17 average risk premiums over A-rated utility bonds is 4.27%. The A-rated utility bond yield has  
18 averaged 5.69% over the 13-week period ending May 31, 2024, while the Baa-rated utility bond  
19 yield has averaged 5.92% over the same period. Adding this risk premium to the 13-week  
20 A- rated utility bond yield of 5.69% produces an estimated COE of 9.96%. Adding this risk  
21 premium to the 13-week Baa-rated utility bond yield of 5.92% produces an estimated COE  
22 of 10.19%.



1 The A-rated utility bond yield has averaged 5.58% over the 26-week period ending  
2 May 31, 2024, while the Baa-rated utility bond yield has averaged 5.82% over the same period.  
3 Adding this risk premium to the 26-week A-rated utility bond yield of 5.58% produces an  
4 estimated COE of 9.85%. Adding this risk premium to the 26-week Baa-rated utility bond yield  
5 of 5.82% produces an estimated COE of 10.09%.

6 The results of my risk premium analyses are summarized in Table CCW-9.  
7

<b>Table CCW-9</b>	
<b><u>Summary of Risk Premium Results</u></b>	
<b><u>Description</u></b>	
Projected Treasury Yield	9.83%
<u>13-Week Yields</u>	
A-Rated Utility Bond	9.96%
Baa-Rated Utility Bond	10.19%
<u>26-Week Yields</u>	
A-Rated Utility Bond	9.85%
Baa-Rated Utility Bond	10.09%

8  
9 **H. Capital Asset Pricing Model (“CAPM”)**

10 Q. Please describe the CAPM.

11 A. The CAPM method of analysis is based upon the theory that the market-required  
12 ROR for a security is equal to the risk-free rate, plus a risk premium associated with the specific  
13 security. This relationship between risk and return can be expressed mathematically as follows:

14 
$$R_i = R_f + B_i \times (R_m - R_f) \text{ where:}$$

15  $R_i$  = Required return for stock i

16  $R_f$  = Risk-free rate

17  $R_m$  = Expected return for the market portfolio

18  $B_i$  = Beta - Measure of the risk for stock

1           The term “beta” in the equation represents the stock-specific risk that cannot be reduced  
2 through diversification. In a well-diversified portfolio, specific risks related to individual stocks  
3 can be reduced by balancing the portfolio with securities that offset the impact of firm-specific  
4 factors, such as business cycle, competition, product mix, and production limitations.

5           Non-diversifiable risks, on the other hand, are related to market conditions and are  
6 referred to as systematic risks. These risks cannot be reduced through diversification and are  
7 considered market risks. Conversely, non-systematic risks, also known as business risks, can  
8 be reduced through diversification.

9           According to the CAPM, the market does not compensate investors for taking on risks  
10 that can be diversified away. Thus, investors are only compensated for taking on systematic,  
11 or non-diversifiable, risks. Beta is a measure of these systematic risks.

12           Q.     Please describe the inputs to your CAPM.

13           A.     The CAPM requires an estimate of the market risk-free rate, the Company’s  
14 beta, and the market risk premium.

15           Q.     What did you use as an estimate of the market risk-free rate?

16           A.     As published in the *Blue Chip Financial Forecasts*, the projected 30-year  
17 Treasury bond yield is 4.20%.<sup>27</sup> The current 30-year Treasury bond yield is 4.55%, as shown  
18 in Exhibit CCW-13 at page 1. Because the COE is a forward looking exercise, I used  
19 *Blue Chip Financial Forecasts’* projected 30 year Treasury bond yield of 4.20% for my  
20 CAPM analysis.

21           Q.     Why did you use long-term Treasury bond yields as an estimate of the  
22 risk-free rate?

---

<sup>27</sup> Blue Chip Financial Forecast May 1, 2024.

1           A. Treasury securities are backed by the full faith and credit of the  
2 United States government, so long-term Treasury bonds are considered to have negligible credit  
3 risk. Also, long-term Treasury bonds have an investment horizon similar to that of common  
4 stock. As a result, investor-anticipated long-run inflation expectations are reflected in both  
5 common stock required returns and long-term bond yields. Therefore, the nominal risk-free  
6 rate (or expected inflation rate and real risk-free rate) included in a long-term bond yield is a  
7 reasonable estimate of the nominal risk-free rate included in common stock returns.

8           Treasury bond yields, however, do include risk premiums related to future inflation and  
9 liquidity. In this regard, a Treasury bond yield is not entirely risk-free. Risk premiums related  
10 to unanticipated inflation and interest rates reflect systematic market risks. Consequently,  
11 for a company with a beta less than 1.0, using the Treasury bond yield as a proxy for the risk-free  
12 rate in the CAPM analysis can produce an overstated estimate of the CAPM return.

13           Q. What Beta did you use in your analysis?

14           A. As shown in Exhibit CCW-14, the current proxy group average and median  
15 *Value Line* beta estimates are both 0.85. In my experience, these beta estimates are abnormally  
16 high and are unlikely to be sustained over the long-term. As such, I have also reviewed the  
17 historical average of the proxy group's *Value Line* betas. The historical average *Value Line*  
18 beta since 2014 is 0.75 and has ranged from 0.64 to 0.82. Prior to the recent pandemic,  
19 the high end of this range was 0.75.

20           In addition to *Value Line*, I have also included adjusted beta estimates as provided by  
21 Market Intelligence's Beta Generator Model. This model relied on a five-year period on a  
22 weekly basis ending May 31, 2024. The average and median Market Intelligence betas are 0.75  
23 and 0.75, respectively. Market Intelligence betas, as calculated using its Beta Generator Model,

1 are adjusted using the Vasicek method and calculated using the S&P 500 as the proxy for the  
2 investable market. This is in stark contrast with the *Value Line* beta estimates that are adjusted  
3 using a constant weighting of 67%/35% to the raw beta/market beta and use the  
4 New York Stock Exchange (“NYSE”) as the proxy for the investable market. Because I rely  
5 on the S&P 500 to estimate the expected return on the investable market, it makes sense to rely  
6 on beta estimates that are calculated using the S&P 500 as the benchmark for the market.

7 Further, as S&P explains:

8           The Vasicek Method is a superior alternative to the Bloomberg Beta  
9           adjustment. The Bloomberg adjustment is not appropriate for a vast  
10           number of situations, as it assigns constant weighting regardless of the  
11           standard error in the raw beta estimation (Bloomberg Beta =  $1/3 \times \text{market beta} + 2/3 \times \text{Raw Beta}$ ). Given the statistical fact that a larger sample size  
12           yields a smaller error, the Vasicek method more appropriately adjusts the  
13           raw beta via weights determined by the variance of the individual  
14           security versus the variance of a larger sample of comparable companies.  
15           The weights are designed to bring the raw beta closer to whichever beta  
16           estimation has the smallest error. This is a feature the Bloomberg beta  
17           cannot replicate.<sup>28</sup>  
18

19           Notably, while S&P makes reference to the Bloomberg method of applying 2/3 and 1/3  
20           weights to the raw beta and market beta, respectively, the comparison still applies to  
21           *Value Line*'s methodology of applying 67% and 35% weights. Both methods are forms of the  
22           Blume adjustment.<sup>29</sup> While the weights are slightly different between the Bloomberg and  
23           *Value Line* methods, they are similar and apply a constant weight without any regard to  
24           accuracy. As such, S&P's criticisms apply to both Bloomberg betas and *Value Line* betas.

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<sup>28</sup> S&P Market Intelligence, Beta Generator Model.

<sup>29</sup> The Blume adjustment is a tool used to refine a beta measurement in finance. In general, Beta attempts to explain how much a particular investment's price moves compared to the overall market. But beta is often based on historical data, which may not be an accurate method for predicting the future. The Blume adjustment tries to address this by considering the idea that, in the long run, most investments tend to become more similar in their riskiness to the overall market (represented by a beta of 1).

1 Q. How did you derive your market risk premium estimates?

2 A. My market risk premium estimates are derived using two general approaches: a  
3 risk premium approach and a DCF approach. I also consider the normalized market risk  
4 premium of 5.50% with the normalized risk-free rate of 4.65% as recommended by Kroll,  
5 formerly known as Duff & Phelps.<sup>30</sup> Based on this methodology and utilizing a “normalized”  
6 risk-free rate of 4.65%, Kroll concludes that the current expected, or forward-looking,  
7 market risk premium is 5.50%, implying an expected return on the market of 10.15%.<sup>31</sup>

8 Q. Please describe your market risk premium estimate derived using the risk  
9 premium methodology.

10 A. The forward-looking risk premium-based estimate was derived by estimating  
11 the expected return on the market (as represented by the S&P 500) and subtracting the risk-free  
12 rate from this estimate. I estimated the expected return on the S&P 500 by adding an expected  
13 inflation rate to the long-term historical arithmetic average real return on the market.  
14 The real return on the market represents the achieved return above the rate of inflation.

15 The Kroll 2023 *SBBI Yearbook* estimates the historical, arithmetic average, real market  
16 return over the period 1926 to 2022 to be 9.02%.<sup>32</sup> A current consensus for projected inflation  
17 is 2.40%.<sup>33</sup> Using these estimates, the expected market return is 11.64%.<sup>34</sup> The market risk

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<sup>30</sup> Kroll, and its predecessor Duff & Phelps, is a provider of economic, financial, and valuation data that is often relied on by finance professionals and cited in ROR testimony.

<sup>31</sup> Kroll, *Kroll Increases U.S. Normalized Risk-Free Rate from 3.0% to 3.5%, but Spot 20-Year U.S. Treasury Yield Preferred When Higher* (Jun. 16, 2022). The current 20-year yield of 4.65% exceeds the “normalized” yield of 3.5%. In accordance with Kroll’s prescribed method, the greater of the two shall be used under the normalized Kroll methodology, i.e., 4.65%.

<sup>32</sup> Kroll, 2023 *SBBI Yearbook* at 138.

<sup>33</sup> Blue Chip Financial Forecast May 1, 2024.

<sup>34</sup>  $[(1 + 9.02\%) * (1 + 2.40\%) - 1] * 100$ .

1 premium then is the difference between the 11.64% expected market return and the projected  
2 risk-free rate of 4.20%, or 7.44%.

3 Q. Please describe your market risk premium estimates derived using the  
4 DCF methodology.

5 A. I employed two versions of the constant growth DCF model to develop estimates  
6 of the market risk premium. I first employed the Federal Energy Regulatory Commission's  
7 ("FERC") method of estimating the expected return on the market that was established in its  
8 Opinion No. 569-A. FERC's method for estimating the expected return on the market is to  
9 perform a constant growth DCF analysis on each of the dividend-paying companies of the  
10 S&P 500 index. The growth rate component is based on the average of the growth projections  
11 excluding companies with growth rates that were negative or greater than 20%.<sup>35</sup> The weighted  
12 average growth rate for the remaining companies is 10.30%. After reflecting the FERC  
13 prescribed method of adjusting the dividend yield by  $(1 + 0.5g)$ , the weighted average expected  
14 dividend yield is 1.79%. Thus, the DCF derived expected return on the market is the sum of  
15 those two components, or 12.09%. The market risk premium then is the expected market return  
16 of 12.09%, less the projected risk-free rate of 4.20%, or 7.90%.

17 My second DCF-based market risk premium estimate was derived by performing the  
18 same DCF analysis described above, except I used all companies in the S&P 500 index rather  
19 than just the dividend-paying companies. The weighted average growth rate for these  
20 companies is 10.60%. After reflecting the FERC-prescribed method of adjusting the  
21 dividend yield by  $(1 + 0.5g)$ , the weighted average expected dividend yield is 1.68%.  
22 Thus, the DCF-derived expected return on the market is the sum of those two components,

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<sup>35</sup> Opinion No. 569-A, at 210.

1 or 12.28%. The market risk premium then is the expected market return of 12.28% less the  
2 projected risk-free rate of 4.20%, or 8.10%.

3 The average expected market return based on the DCF model is 12.19% and the average  
4 market risk premium based on the two DCF estimates is 8.00%.

5 Q. How do your expected market returns compare to current expectations of  
6 financial institutions?

7 A. As shown in Table CCW-10, my average expected market return of 11.33%<sup>36</sup>  
8 exceeds long-term market expectations of several financial institutions.

9

<b><u>Long-Term Expected Return on the Market</u></b>		
<b><u>Source</u></b>	<b><u>Term</u></b>	<b><u>Expected Return Large Cap Equities</u></b>
BlackRock Capital Management <sup>1</sup>	30 Years	7.00%
JP Morgan Chase <sup>2</sup>	10 - 15 Years	7.00%
Vanguard <sup>3</sup>	10 Years	4.2% - 6.2%
Research Affiliates <sup>4</sup>	10 Years	4.00%

Sources:  
<sup>1</sup>BlackRock Investment Institute, November 2023 report.  
<sup>2</sup>JP Morgan Chase, Long-Term Capital Market Assumptions, 2024 Report.  
<sup>3</sup>Vanguard economic and market outlook for 2024: A Return to Sound Money.  
<sup>4</sup>Research Affiliates, Asset Allocation Interactive. Retrieved 1/05/2024.

10

<sup>36</sup> 11.33% = (10.15% + 12.19% + 11.64%) / 3.

1           When compared to the expected market returns of financial institutions above, my  
2 average expected market return of 11.33% is greater than all of them. For these reasons,  
3 my expected market returns, and the associated market risk premiums, should be considered  
4 reasonable, if not high-end estimates.

5           Q.     How do your estimated market risk premiums compare to that estimated  
6 by Kroll?

7           A.     The Kroll analysis indicates a market risk premium falls somewhere in the range  
8 of 5.50% to 7.32%. My market risk premium estimates are in the range of 5.50% to 8.00%.

9           Q.     How does Kroll measure a market risk premium?

10          A.     Kroll's range is based on several methodologies. First, Kroll estimated a market  
11 risk premium of 7.32% based on the difference between the total market return on common  
12 stocks (S&P 500) less the income return on 20-year Treasury bond investments over  
13 the 1926-2022 period.<sup>37</sup>

14          Second, Kroll used the Ibbotson & Chen supply-side model which produced a market  
15 risk premium estimate of 6.22%.<sup>38</sup> Kroll explains that the historical market risk premium based  
16 on the S&P 500 was influenced by an abnormal expansion of P/E ratios relative to earnings and  
17 dividend growth. In order to control for the volatility of extraordinary events and their impacts  
18 on P/E ratios, Kroll takes into consideration the three-year average P/E ratio as the current P/E  
19 ratio. Therefore, Kroll adjusted this market risk premium estimate to normalize the growth in  
20 the P/E ratio to be more in line with the growth in dividends and earnings.

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<sup>37</sup> Kroll, 2023 SBBI Yearbook at 191.

<sup>38</sup> *Id.* at 199.



1           Finally, Kroll developed its own recommended equity, or market risk premium,  
2 by employing an analysis that takes into consideration a wide range of economic information,  
3 multiple risk premium estimation methodologies, and the current state of the economy by  
4 observing measures such as the level of stock indices and corporate spreads as indicators of  
5 perceived risk. Based on this methodology, and utilizing a “normalized” risk-free rate of  
6 4.65%, Kroll concludes that the current expected, or forward-looking, market risk premium is  
7 5.50%, implying an expected return on the market of 10.15%.<sup>39</sup>

8           Q.     What are the results of your CAPM analysis?

9           A.     As shown in Exhibit CCW-15, I have provided the results of nine different  
10 applications of the CAPM. The first three results presented are based on the proxy group’s  
11 current average *Value Line* beta of 0.85. The results of the CAPM based on these inputs range  
12 from 9.35% to 11.03%.

13           The next set of three results presented are based on the proxy group’s historical  
14 *Value Line* beta of 0.75. The results of the CAPM based on these inputs range from 8.77%  
15 to 10.19%.

16           The last set of three results presented are based on the proxy group’s current S&P Global  
17 Market Intelligence beta of 0.75. The results of the CAPM based on these inputs range  
18 from 8.76% to 10.18%. My CAPM results are summarized in Table CCW-11.

19           Because current beta estimates are based on the most recent five years of historical stock  
20 returns and volatility, they are being heavily impacted by the market fallout in early 2020 as the  
21 global pandemic set in and the market reacted, with this S&P 500 falling more than 40%.

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<sup>39</sup> Kroll, *Kroll Increases U.S. Normalized Risk-Free Rate from 3.0% to 3.5%, but Spot 20-Year U.S. Treasury Yield Preferred When Higher* (Jun. 16, 2022).

1 For this reason, it is not reasonable to assume current beta estimates, particularly  
2 Blume-adjusted betas such as those published by *Value Line*, are reflective of investor  
3 expectations at this time. As such, I am giving primary consideration to the results of my CAPM  
4 analyses using long-term average *Value Line* betas.

5

<b><u>Description</u></b>	<b><u>Current VL Beta</u></b>	<b><u>Historical VL Beta</u></b>	<b><u>Current S&amp;P Beta</u></b>
Kroll Method	9.35%	8.77%	8.76%
Risk Premium Method	10.52%	9.74%	9.73%
FERC DCF Method	<u>11.03%</u>	<u>10.19%</u>	<u>10.18%</u>
Average	10.30%	9.57%	9.56%

6

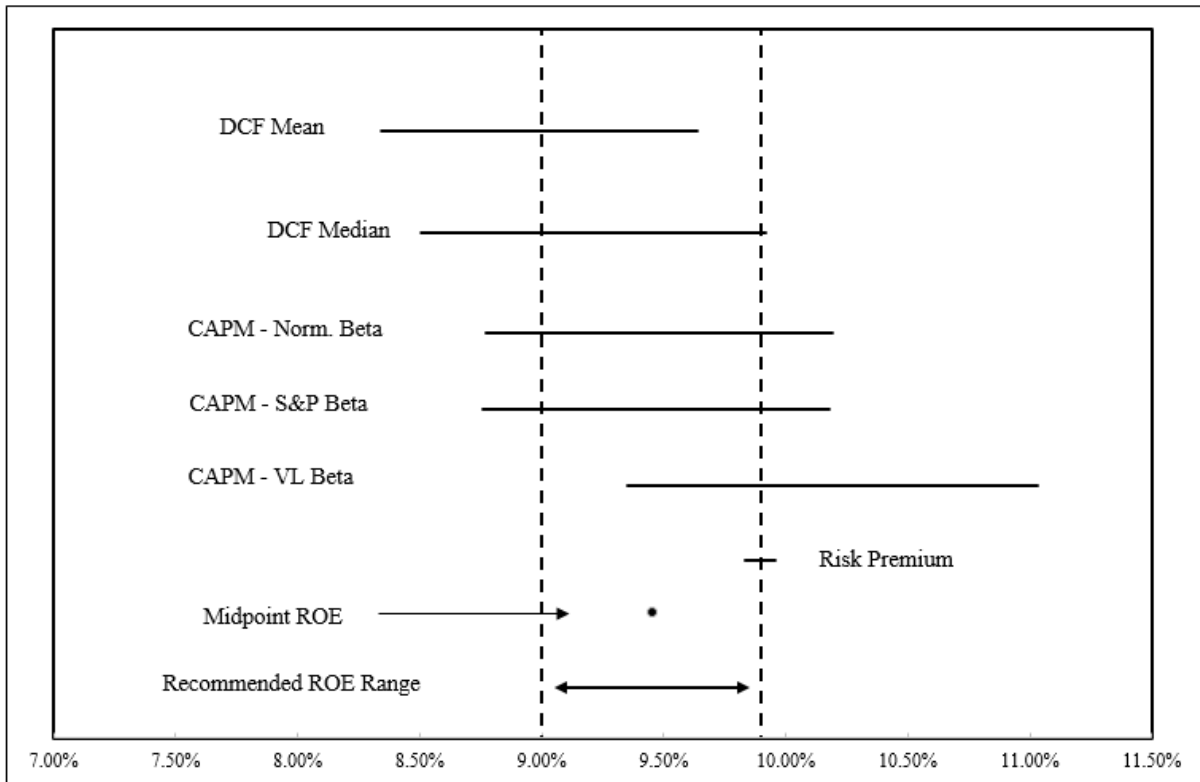
7 **I. Return on Equity Summary**

8 Q. Based on the results of your return on common equity analyses described above,  
9 what return on common equity do you recommend for the Company?

10 A. The results of my analyses are summarized in Figure CCW-5. In this figure,  
11 I present the various measures of central tendency for each of my analytical models.

1

**FIGURE CCW-5**



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Based on my analyses of the various methodologies described above, I estimate the Company's current market COE to be in the reasonable range of 9.00% to 9.90%. My recommended range accounts for the unsustainable growth rates assumed in the constant growth DCF model and the irrational assumption that *Value Line's* current beta estimates are reflective of current investor expectations. In addition, my recommended range is captured by the range of results for each of the models and is consistent with measures of central tendency of those results. Based on my assessment of Liberty Midstates' overall risk profile and the results of these analytical methods, I would recommend that this Commission authorize Liberty Midstates an ROE of 9.45%, which is the midpoint of the range produced by these models.

Q. Based on your recommendations, what is the resulting overall ROR you recommend be authorized?

A. The overall ROR produced by my recommendations is 7.51%, which is based on my midpoint ROE recommendation of 9.45%, a balanced capital structure including 50.0% equity and 50.0% debt, and the Company's embedded cost of debt filed in its Update Schedule 8. The ROR ranges from a low of 7.29% to a high 7.74% based on my recommended range for the COE. This is demonstrated in Table CCW-12.

**TABLE CCW-12**

**Rate of Return**

<b>Capital Component</b>	<b>Capital</b>	<b>Percentage of Capital</b>	<b>Embedded Cost<sup>1</sup></b>	<b><u>Allowed Rate of Return</u></b>		
				<b>Lower</b>	<b>ROE</b>	<b>Upper</b>
				<b>9.00%</b>	<b>9.45%</b>	<b>9.90%</b>
Common Stock Equity	\$ 126,350,924	50.00%		4.50%	4.73%	4.95%
Long-Term Debt	126,350,924	50.00%	5.58%	2.79%	2.79%	2.79%
<b>Total</b>	<b>\$ 252,701,848<sup>1</sup></b>	<b>100.00%</b>		<b>7.29%</b>	<b>7.51%</b>	<b>7.74%</b>

Notes:  
<sup>1</sup>Update Schedule 8.

Q. Are you recommending any adjustments be added to your recommended allowed ROE to account for flotation cost or a premium for small size?

A. No, I am not.

Q. Does this conclude your direct testimony?

A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Request of Liberty            )  
Utilities (Midstates Natural Gas) Corp.            )  
d/b/a Liberty to Implement a General Rate        )  
Increase for Natural Gas Service in the            )  
Missouri Service Areas of the Company

Case No. GR-2024-0106

**AFFIDAVIT OF CHRISTOPHER C. WALTERS**

STATE OF MISSOURI        )  
  )  
COUNTY OF ST. LOUIS    )        ss.

**COMES NOW CHRISTOPHER C. WALTERS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of Christopher C. Walters*; and that the same is true and correct according to his best knowledge and belief.


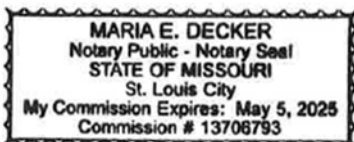
Further the Affiant sayeth not.



\_\_\_\_\_  
**CHRISTOPHER C. WALTERS**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for St. Louis County, State of Missouri, at my office in Chesterfield, Missouri, on this 12th day of July 2024.



\_\_\_\_\_  
Notary Public

**Qualifications of Christopher C. Walters**

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Christopher C. Walters. My business address is 16690 Swingley Ridge Road,  
3 Suite 140, Chesterfield, MO 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am a consultant in the field of public utility regulation and a Principal with the firm of  
6 Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

7 **Q PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL**  
8 **EMPLOYMENT EXPERIENCE.**

9 A I received a Bachelor of Science Degree in Business Economics and Finance from  
10 Southern Illinois University Edwardsville. I have also received a Master of Business  
11 Administration Degree from Lindenwood University.

12 As a Principal at BAI, I perform detailed technical analyses and research to  
13 support regulatory projects including expert testimony covering various regulatory  
14 issues. Since my career at BAI began in 2011, I have held the positions of Analyst,  
15 Associate Consultant, Consultant, Senior Consultant, and Associate. Throughout my  
16 tenure, I have been involved with several regulated projects for electric, natural gas  
17 and water and wastewater utilities, as well as competitive procurement of electric  
18 power and gas supply. My regulatory project work includes estimating the cost of  
19 equity capital, capital structure evaluations, assessing financial integrity, merger and  
20 acquisition related issues, risk management related issues, depreciation rate studies,  
21 and other revenue requirement issues.

1           BAI was formed in April 1995. BAI and its predecessor firm have participated  
2 in more than 700 regulatory proceedings in 40 states and Canada.

3           BAI provides consulting services in the economic, technical, accounting, and  
4 financial aspects of public utility rates and in the acquisition of utility and energy  
5 services through RFPs and negotiations, in both regulated and unregulated markets.  
6 Our clients include large industrial and institutional customers, some utilities and, on  
7 occasion, state regulatory agencies. We also prepare special studies and reports,  
8 forecasts, surveys and siting studies, and present seminars on utility-related issues.

9           In general, we are engaged in energy and regulatory consulting, economic  
10 analysis and contract negotiation. In addition to our main office in St. Louis, the firm  
11 also has branch offices in Corpus Christi, Texas; Louisville, Kentucky and Phoenix,  
12 Arizona.

13 **Q       HAVE YOU EVER TESTIFIED BEFORE A REGULATORY BODY?**

14 A       Yes. I have sponsored testimony before state regulatory commissions including:  
15 Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Illinois, Iowa, Kansas,  
16 Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri,  
17 Montana, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, South  
18 Carolina, Texas, Utah, and Wyoming. In addition, I have also sponsored testimony  
19 before the City Council of New Orleans and an affidavit before the FERC.

20 **Q       PLEASE DESCRIBE ANY PROFESSIONAL REGISTRATIONS OR**  
21 **ORGANIZATIONS TO WHICH YOU BELONG.**

22 A       I earned the Chartered Financial Analyst ("CFA") designation from the CFA Institute.  
23 The CFA charter was awarded after successfully completing three examinations

1        which covered the subject areas of financial accounting and reporting analysis,  
2        corporate finance, economics, fixed income and equity valuation, derivatives,  
3        alternative investments, risk management, and professional and ethical conduct. I  
4        am a member of the CFA Institute and the CFA Society of St. Louis.



**Brubaker & Associates, Inc.**  
**Testimony Filed Since**  
**January, 2019**  
**by Christopher C. Walters**

<u>Date Filed</u>	<u>State</u>	<u>Docket No.</u>	<u>Utility</u>	<u>Type</u>	<u>Subjects</u>	<u>On Behalf Of</u>
5/28/2024	IA	RPU-2023-0002	INTERSTATE POWER AND LIGHT COMPANY	Surrebuttal	Rate of Return / Capital Structure	Iowa Business Energy Coalition
5/22/2024	IL	24-0097	ILLINOIS-AMERICAN WATER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Illinois Industrial Water Consumers; Citizens Utility Board; Village of Bolingbrook
5/7/2024	MI	U-21291	DTE GAS COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
5/1/2024	IL	24-0044	AQUA ILLINOIS, INC.	Direct / Responsive	Rate of Return / Capital Structure	Viscofan USA, Inc., Citizens Utility Board and the Village of University Park
4/26/2024	OK	PUD2023-000087	OKLAHOMA GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
4/22/2024	DC	1176	POTOMAC ELECTRIC POWER COMPANY	Surrebuttal	Rate of Return / Capital Structure	Office of the People's Counsel for the District of Columbia
4/16/2024	IA	RPU-2023-0002	INTERSTATE POWER AND LIGHT COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Iowa Business Energy Coalition
3/14/2024	AK	U-23-047 / U-23-048	CHUGACH ELECTRIC ASSOCIATION, INC.	Direct / Responsive	TIER Ratio; Rate of Return / Capital Structure	Federal Executive Agencies
3/8/2024	NM	23-00255-UT	NEW MEXICO GAS COMPANY, INC.	Direct / Responsive	Stipulations / Settlements / Agreements	New Mexico Affordable Reliable Energy Alliance
2/21/2024	NM	23-00255-UT	NEW MEXICO GAS COMPANY, INC.	Direct / Responsive	Rate of Return / Capital Structure	New Mexico Affordable Reliable Energy Alliance
2/15/2024	GA	55378	GEORGIA POWER COMPANY	Direct / Responsive	IRP	The United States Department of Defense and All Other Federal Executive Agencies
2/9/2024	MI	U-21461	INDIANA MICHIGAN POWER COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
1/18/2024	MI	U-21461	INDIANA MICHIGAN POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
1/12/2024	DC	1176	POTOMAC ELECTRIC POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Office of the People's Counsel for the District of Columbia
9/8/2023	NJ	ER-23030144	JERSEY CENTRAL POWER & LIGHT COMPANY	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
8/29/2023	MI	U-21389	CONSUMERS ENERGY COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
8/22/2023	OR	UE 416	PORTLAND GENERAL ELECTRIC COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Alliance of Western Energy Consumers and Oregon Citizens' Utility Board
8/22/2023	WY	30010-215-GR-23 (17253)	QIESTAR GAS COMPANY DBA DOMINIO ENERGY	Direct / Responsive	Rate of Return / Capital Structure	Wyoming Office of Consumer Advocate
8/14/2023	WY	20000-633-ER-23 (17252)	ROCKY MOUNTAIN POWER	Direct / Responsive	Rate of Return / Capital Structure	Wyoming Office of Consumer Advocate
8/4/2023	TX	54634	SOUTHWESTERN PUBLIC SERVICE COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Texas Industrial Energy Consumers
7/28/2023	NM	22-00270-UT	PUBLIC SERVICE COMPANY OF NEW MEXICO	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	New Mexico Affordable Reliable Energy Alliance
7/26/2023	AZ	E-01345A-22-0144	ARIZONA PUBLIC SERVICE COMPANY	Surrebuttal	Rate of Return / Capital Structure	Federal Executive Agencies
7/21/2023	MO	WR-2023-0006 / SR-2023-0007	CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.	Surrebuttal	Rate of Return / Capital Structure	Missouri Public Service Commission
7/17/2023	IL	23-0068 / 23-0069	PEOPLES GAS, LIGHT, AND COKE COMPANY / NORTH SHORE GAS COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Citizens Utility Board, and People for Community Recovery
7/13/2023	IL	22-04-87 / 23-0082	AMEREN ILLINOIS COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers, Federal Executive Agencies, Citizens Utility Board, United Congregations of Metro-East and Prairie Rivers Network
7/7/2023	IL	23-0067	AMEREN ILLINOIS COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers, Federal Executive Agencies, Citizens Utility Board, United Congregations of Metro-East, and Prairie Rivers Network
6/29/2023	MO	WR-2023-0006 / SR-2023-0007	CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Missouri Public Service Commission
6/23/2023	NM	22-00270-UT	PUBLIC SERVICE COMPANY OF NEW MEXICO	Direct / Responsive	Rate of Return / Capital Structure	New Mexico Affordable Reliable Energy Alliance
6/20/2023	MD	9692	BALTIMORE GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
6/13/2023	OR	UE 416	PORTLAND GENERAL ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Alliance of Western Energy Consumers and Oregon Citizens' Utility Board
6/13/2023	MI	U-21297	DTE ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
6/5/2023	AZ	E-01345A-22-0144	ARIZONA PUBLIC SERVICE COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
5/26/2023	MO	WR-2023-0006 / SR-2023-0007	CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.	Direct / Responsive	Rate of Return / Capital Structure	Missouri Public Service Commission
5/23/2023	AR	22-064-U	LIBERTY UTILITIES (PINE BLUFF WATER) INC.	Surrebuttal		The Office of The Arkansas Attorney General Tim Griffin
5/11/2023	IL	22-0487 / 23-0082	AMEREN ILLINOIS COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers, Federal Executive Agencies, Citizens Utility Board, United Congregations of Metro-East and Prairie Rivers Network
5/9/2023	IL	23-0068 / 23-0069	PEOPLES GAS, LIGHT, AND COKE COMPANY / NORTH SHORE GAS COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Citizens Utility Board, and People for Community Recovery
5/5/2023	IL	23-0067	AMEREN ILLINOIS COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers, Federal Executive Agencies, Citizens Utility Board, United Congregations of Metro-East, and Prairie Rivers Network
4/21/2023	NM	22-00286-UT	SOUTHWESTERN PUBLIC SERVICE COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies and Louisiana Energy Services, LLC (d/b/a URENCO USA)
3/28/2023	AR	22-064-U	LIBERTY UTILITIES (PINE BLUFF WATER) INC.	Direct / Responsive	Rate of Return / Capital Structure	The Office of The Arkansas Attorney General Tim Griffin
3/27/2023	NC	E-2, Sub 1300	DUKE ENERGY PROGRESS LLC	Direct / Responsive	Rate of Return / Capital Structure; Multi-Year Grid / Rate Plan	North Carolina Utilities Commission Public Staff
3/9/2023	MI	U-21193	DTE ELECTRIC COMPANY	Direct / Responsive	Stranded Investments; Securitization; Purchased Power Contracts	Association of Businesses Advocating Tariff Equity
3/7/2023	OK	PUD 2022-000093	PUBLIC SERVICE COMPANY OF OKLAHOMA	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and All Other Federal Executive Agencies
3/6/2023	AZ	E-01933A-22-0107	TUCSON ELECTRIC POWER COMPANY	Surrebuttal	Rate of Return / Capital Structure	The United States Department of Defense and all other Federal Executive Agencies
1/31/2023	CO	22A-0515E	PUBLIC SERVICE COMPANY OF COLORADO	Direct / Responsive	Coal Plant Retirements	Colorado Energy Consumers
1/11/2023	AZ	E-01933A-22-0107	TUCSON ELECTRIC POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	The United States Department of Defense and all other Federal Executive Agencies
12/22/2022	SC	2022-254-E	DUKE ENERGY PROGRESS, LLC	Surrebuttal	Rate of Return / Capital Structure	Federal Executive Agencies
12/19/2022	MT	2022.07.078	NORTHWESTERN ENERGY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
12/1/2022	SC	2022-254-E	DUKE ENERGY PROGRESS, LLC	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
11/8/2022	WY	20003-214-ER-22 (17072)	CHEYENNE LIGHT, FUEL AND POWER COMPANY D/B/A BLACK HILLS ENERGY	Direct / Responsive	Rate of Return / Capital Structure	Dyno Nobel and Cheyenne Renewable Diesel Company LLC
10/13/2022	UT	22-057-03	DOMINION ENERGY UTAH	Surrebuttal	Rate of Return / Capital Structure	Federal Executive Agencies
8/26/2022	UT	22-057-03	DOMINION ENERGY UTAH	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
8/26/2022	FL	20220069-GU	FLORIDA CITY GAS	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
8/24/2022	MI	U-21224	CONSUMERS ENERGY COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
8/18/2022	IL	22-0297	AMEREN ILLINOIS COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Citizens Utility Board

**Brubaker & Associates, Inc.**  
**Testimony Filed Since**  
**January, 2019**  
**by Christopher C. Walters**

Date Filed	State	Docket No.	Utility	Type	Subjects	On Behalf Of
7/29/2022	IA	RPU-2022-0001	MIDAMERICAN ENERGY COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Iowa Business Energy Coalition
7/28/2022	IL	22-0210	ILLINOIS-AMERICAN WATER COMPANY	Rebuttal / Cross-Answering	Incentive Compensation; Rate Subsidy; Rate Case Expense; Rate of Return / Capital Structure	Illinois Industrial Water Consumers, Citizens Utility Board and Federal Executive Agencies
7/22/2022	AR	21-097-U	BLACK HILLS ENERGY ARKANSAS, INC.	Surrebuttal	Rate of Return / Capital Structure	The Office of the Arkansas Attorney General Leslie Rutledge
7/13/2022	IA	RPU-2021-0003	INTERSTATE POWER AND LIGHT COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Iowa Business Energy Coalition
6/23/2022	IL	22-0297	AMEREN ILLINOIS COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Citizens Utility Board
6/15/2022	CO	22AL-0046G	PUBLIC SERVICE COMPANY OF COLORADO	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
6/6/2022	MN	E015/GR-21-335	MINNESOTA POWER	Surrebuttal	Rate of Return / Capital Structure	Large Power Intervenor
6/3/2022	AR	21-097-U	BLACK HILLS ENERGY ARKANSAS, INC.	Direct / Responsive	Rate of Return / Capital Structure	The Office of the Arkansas Attorney General Leslie Rutledge
6/2/2022	IL	22-0210	ILLINOIS-AMERICAN WATER COMPANY	Direct / Responsive	Class Cost of Service / Rate Design / Revenue Allocation	Illinois Industrial Water Consumers and Federal Executive Agencies
5/19/2022	MI	U-20836	DTE ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
4/27/2022	OK	PUD 202100164	OKLAHOMA GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
4/18/2022	MN	E015/GR-21-335	MINNESOTA POWER	Direct / Responsive	Rate of Return / Capital Structure	Large Power Intervenor
3/14/2022	IA	RPU-2021-0003	INTERSTATE POWER AND LIGHT COMPANY	Direct / Responsive	Advanced Ratemaking Procedures; Rate of Return / Capital Structure	Iowa Business Energy Coalition
2/17/2022	AR	21-070-U	SOUTHWESTERN ELECTRIC POWER COMPANY	Surrebuttal	Rate of Return / Capital Structure	The Office of the Arkansas Attorney General Leslie Rutledge
12/7/2021	AR	21-070-U	SOUTHWESTERN ELECTRIC POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	The Office of the Arkansas Attorney General Leslie Rutledge
11/3/2021	CO	21AL-0317E	PUBLIC SERVICE COMPANY OF COLORADO	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
10/28/2021	MI	U-21090	CONSUMERS ENERGY COMPANY	Direct / Responsive	Securitization; PPA	Association of Businesses Advocating Tariff Equity
10/27/2021	LA	U-35441	SOUTHWESTERN ELECTRIC POWER COMPANY	Surrebuttal	Rate of Return / Capital Structure	Federal Executive Agencies
10/27/2021	LA	U-35441	SOUTHWESTERN ELECTRIC POWER COMPANY	Surrebuttal	Formula Rates	Federal Executive Agencies
8/25/2021	OH	20-1651-EL-AIR; 20-1652-EL-AAM; 20-1653-EL-ATA	DAYTON POWER AND LIGHT COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Office of the Ohio Consumers' Counsel
8/6/2021	OK	PUD 202100055	PUBLIC SERVICE COMPANY OF OKLAHOMA	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
7/21/2021	LA	U-35441	SOUTHWESTERN ELECTRIC POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
7/7/2021	IL	21-0098	NICOR GAS COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers and Citizens Utility Board
7/1/2021	NM	20-00238-UT	SOUTHWESTERN PUBLIC SERVICE COMPANY	Stipulations / Agreements / Settlements	Rate of Return / Capital Structure	Federal Executive Agencies and Louisiana Energy Services, LLC (d/b/a URENCO USA)
6/25/2021	US	ER19-2019-001 / ER-2023-001 (consolidated)	TUCSON ELECTRIC POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Pattern New Mexico Wind LLC and Freeport McMoran Copper & Gold Energy Services, LLC
6/22/2021	MI	U-20963	CONSUMERS ENERGY COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
5/17/2021	NM	20-00238-UT	SOUTHWESTERN PUBLIC SERVICE COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies and Louisiana Energy Services, LLC (d/b/a URENCO USA)
5/11/2021	IL	21-0098	NICOR GAS COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers and Citizens Utility Board
3/5/2021	KY	2020-00349 / 2020-00350	KENTUCKY UTILITIES COMPANY / LOUISVILLE GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
12/4/2020	AZ	E-01345A-19-0236	ARIZONA PUBLIC SERVICE COMPANY	Surrebuttal	Rate of Return / Capital Structure	Federal Executive Agencies
11/17/2020	AR	16-036-FR	ENTERGY ARKANSAS, INC.	Surrebuttal	Rate of Return / Capital Structure	The Federal Executive Agencies
10/7/2020	MD	9645	BALTIMORE GAS AND ELECTRIC COMPANY	Surrebuttal	Rate of Return / Capital Structure	The United States Department of Defense and all other Federal Executive Agencies
10/2/2020	AZ	E-01345A-19-0236	ARIZONA PUBLIC SERVICE COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
8/19/2020	IL	20-0308	AMEREN ILLINOIS COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers, Citizens Utility Board and Federal Executive Agencies
8/14/2020	MD	9645	BALTIMORE GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	The United States Department of Defense and all other Federal Executive Agencies
6/19/2020	IL	20-0308	AMEREN ILLINOIS	Direct / Responsive	Rate of Return / Capital Structure	Illinois Industrial Energy Consumers, Citizens Utility Board and Federal Executive Agencies
5/8/2020	MA	D.P.U. 19-120	NSTAR GAS COMPANY D/B/A EVERSOURCE ENERGY	Surrebuttal	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
3/30/2020	MA	D.P.U. 19-120	NSTAR GAS COMPANY D/B/A EVERSOURCE ENERGY	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
1/21/2020	MO	ER-2019-0335	AMEREN MISSOURI	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Missouri Industrial Energy Consumers
12/4/2019	MO	ER-2019-0335	AMEREN MISSOURI	Direct / Responsive	Rate of Return / Capital Structure	Missouri Industrial Energy Consumers
12/2/2019	MI	U-20561	DTE ELECTRIC COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
11/12/2019	MI	U-20359	INDIANA MICHIGAN POWER COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
11/6/2019	MI	U-20561	DTE ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure / Regulatory Plan / Tree Trimming Expense	Association of Businesses Advocating Tariff Equity
11/1/2019	WY	30026-2-GR-19 (Record No. 15267)	BLACK HILLS WYOMING GAS, LLC D/B/A BLACK HILLS ENERGY	Direct / Responsive	Stipulations / Agreements / Settlements	Federal Executive Agencies
10/22/2019	MD	9610	BALTIMORE GAS AND ELECTRIC COMPANY	Surrebuttal	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
10/17/2019	MI	U-20359	INDIANA MICHIGAN POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Association of Businesses Advocating Tariff Equity
10/4/2019	WY	30026-2-GR-19 (Record No. 15267)	BLACK HILLS WYOMING GAS, LLC D/B/A BLACK HILLS ENERGY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
9/24/2019	AR	19-008-U	SOUTHWESTERN ELECTRIC POWER COMPANY	Surrebuttal	Rate of Return / Capital Structure	The Office of the Arkansas Attorney General Leslie Rutledge
9/10/2019	MD	9610	BALTIMORE GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies
9/10/2019	IA	RPU-2019-0001	INTERSTATE POWER AND LIGHT COMPANY	Rebuttal / Cross-Answering	Rate of Return / Capital Structure	Iowa Business Energy Coalition
9/4/2019	NV	19-06002	SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY	Direct / Responsive	Rate of Return / Capital Structure	Switch, Ltd.
8/1/2019	IA	RPU-2019-0001	INTERSTATE POWER AND LIGHT COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Iowa Business Energy Coalition
7/16/2019	AR	19-008-U	SOUTHWESTERN ELECTRIC POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure	The Office of the Arkansas Attorney General Leslie Rutledge
4/26/2019	LA	UD-18-07	ENTERGY NEW ORLEANS, INC.	Surrebuttal	Rate of Return / Capital Structure	Air Products and Chemicals, Inc.
4/22/2019	OK	PUD 201800140	OKLAHOMA GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	Federal Executive Agencies
3/1/2019	MI	U-20298	DTE GAS COMPANY	Direct / Responsive	TCJA	Association of Businesses Advocating Tariff Equity
2/21/2019	MI	U-20276	UPPER PENINSULA POWER COMPANY	Direct / Responsive	Rate of Return / Capital Structure; Revenue Credits	Association of Businesses Advocating Tariff Equity and Calumet Electronics Corporation
2/1/2019	LA	UD-18-07	ENTERGY NEW ORLEANS, INC.	Direct / Responsive	Rate of Return / Capital Structure	Air Products and Chemicals, Inc.
1/16/2019	KY	2018-00294 / 2018-00295	KENTUCKY UTILITIES COMPANY / LOUISVILLE GAS AND ELECTRIC COMPANY	Direct / Responsive	Rate of Return / Capital Structure	United States Department of Defense and all other Federal Executive Agencies

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Price to Earnings (P/E) Ratio <sup>1</sup>																						
		22-Year																						
		Average (1)	2023 <sup>2</sup> (2)	2022 (3)	2021 (4)	2020 (5)	2019 (6)	2018 (7)	2017 (8)	2016 (9)	2015 (10)	2014 (11)	2013 (12)	2012 (13)	2011 (14)	2010 (15)	2009 (16)	2008 (17)	2007 (18)	2006 (19)	2005 (20)	2004 (21)	2003 (22)	2002 (23)
1	ALLETE	18.14	15.40	18.10	20.60	18.30	24.70	22.20	23.00	18.60	15.10	17.20	18.60	15.90	14.70	16.00	16.10	13.90	14.80	16.55	17.91	25.21	N/A	N/A
2	Alliant Energy	16.97	16.50	21.40	21.20	21.20	21.20	19.10	20.60	22.30	18.10	16.60	15.30	14.50	14.50	12.50	13.90	13.40	15.10	16.82	12.59	14.00	12.69	19.93
3	Ameren Corp.	16.73	15.40	21.50	21.40	22.20	22.10	18.30	20.60	18.30	17.50	16.70	16.50	13.40	11.90	9.70	9.30	14.20	17.40	19.39	16.72	16.28	13.51	15.78
4	American Electric Power	15.13	14.20	21.10	17.10	19.60	21.40	18.00	19.30	15.20	15.80	15.90	14.50	13.80	11.90	13.40	10.00	13.10	16.30	12.91	13.70	12.42	10.66	12.68
5	Avangrid, Inc.	23.69	16.30	19.60	23.20	23.60	23.10	26.10	27.30	20.50	33.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	18.32	14.60	20.00	20.20	21.20	15.00	24.50	23.40	18.80	17.60	17.30	14.60	19.30	14.10	12.70	11.40	15.00	30.90	15.39	19.45	24.43	13.84	19.27
7	Black Hills	17.62	14.20	18.10	17.70	17.00	21.20	16.80	19.50	22.30	16.10	19.00	18.20	17.10	31.10	18.10	9.90	NMF	15.00	15.77	17.27	17.13	15.95	12.52
8	CenterPoint Energy	16.80	18.80	18.70	26.10	15.90	19.50	37.00	17.90	21.90	18.10	17.00	18.70	14.80	14.60	13.80	11.80	11.30	15.00	10.27	19.06	17.84	6.05	5.59
9	CMS Energy Corp.	18.28	17.40	22.90	23.60	23.30	24.30	20.30	21.30	20.90	18.30	17.30	16.30	15.10	13.60	12.50	13.60	10.90	26.80	22.18	12.60	12.39	N/A	N/A
10	Consol. Edison	16.12	17.70	20.30	17.20	19.00	19.70	17.10	19.80	18.80	15.60	15.90	14.70	15.40	15.10	13.30	12.50	12.30	13.80	15.49	15.13	18.21	14.30	13.28
11	Dominion Resources	18.34	18.30	18.70	19.50	22.60	18.20	17.50	22.20	21.30	22.10	23.00	19.20	18.90	17.30	14.30	12.70	13.80	20.60	15.98	24.89	15.07	15.24	12.05
12	DTE Energy	16.60	14.30	22.40	30.00	16.30	19.90	17.40	18.60	19.00	18.10	14.90	17.90	14.90	13.50	12.30	10.40	14.80	18.30	17.43	13.80	16.04	13.69	11.28
13	Duke Energy	17.19	16.50	19.60	18.90	17.10	17.70	17.00	19.90	21.30	18.20	17.90	17.40	17.50	13.80	12.70	13.30	17.30	16.10	N/A	N/A	N/A	N/A	N/A
14	Edison Int'l	17.08	14.30	40.60	29.70	34.90	N/A	17.20	17.90	14.80	13.00	12.70	9.70	11.80	10.30	9.70	12.40	16.00	12.99	11.74	37.59	6.97	7.78	
15	El Paso Electric	17.68	N/A	N/A	N/A	N/A	N/A	26.85	21.78	18.66	18.33	16.38	15.88	14.47	12.60	10.72	10.79	11.89	15.26	16.92	26.72	22.03	18.26	22.99
16	Entergy Corp.	13.94	9.80	21.10	15.00	15.30	16.50	13.80	15.00	10.90	12.50	12.90	13.20	11.20	9.10	11.60	12.00	16.60	19.30	14.28	16.28	15.09	13.77	11.53
17	Eversource Energy	18.27	13.10	20.90	22.20	23.70	22.10	18.70	19.50	18.70	18.10	17.90	16.90	19.90	15.40	13.40	12.00	13.70	18.70	27.07	19.76	20.77	13.35	16.07
18	Evergy, Inc.	19.05	12.00	19.90	16.20	21.70	21.80	22.70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	14.38	15.40	19.90	16.60	12.40	14.70	13.30	13.40	12.50	12.60	16.00	13.40	19.10	11.30	11.00	11.50	18.00	18.20	16.53	15.37	12.99	11.77	10.46
20	FirstEnergy Corp.	15.19	14.40	17.00	14.10	15.70	17.10	13.60	11.40	12.70	12.60	13.20	13.10	21.10	22.40	11.70	13.00	15.60	15.60	14.23	16.07	14.13	22.47	12.95
21	Fortis Inc.	19.24	16.70	21.10	21.20	20.60	19.20	17.10	16.80	21.60	18.00	24.30	20.00	20.10	18.80	18.20	16.40	17.50	21.10	17.68	N/A	N/A	N/A	N/A
22	Great Plains Energy	15.52	N/A	N/A	N/A	N/A	N/A	N/A	NMF	17.98	19.37	16.47	14.19	15.53	16.11	12.10	16.03	20.55	16.35	18.30	13.96	12.59	12.23	11.09
23	Hawaiian Elec.	17.65	6.00	18.50	18.20	21.50	21.30	18.90	20.70	13.60	20.40	15.90	16.20	15.80	17.10	18.60	19.80	23.20	21.6	20.33	18.27	19.18	13.76	13.47
24	IDACORP, Inc.	17.15	18.10	21.00	20.80	19.90	22.30	20.50	20.60	19.10	16.20	14.70	13.40	12.40	11.50	11.80	10.20	13.90	18.20	15.07	16.70	15.49	26.51	18.88
25	MGE Energy	19.98	18.60	24.70	25.50	26.40	28.40	25.10	29.40	24.90	20.30	17.20	17.00	17.20	15.80	15.00	15.10	14.20	15.00	15.88	22.40	17.98	17.55	15.96
26	NextEra Energy, Inc.	18.76	19.80	27.80	31.30	28.90	26.80	24.80	21.60	20.70	16.90	17.30	16.60	14.40	11.50	10.80	13.40	14.50	18.90	13.65	17.88	13.65	17.88	13.60
27	NorthWestern Corp	16.92	13.70	17.30	17.40	18.60	19.90	16.80	17.80	17.20	18.40	16.20	16.90	15.70	12.60	12.90	11.50	13.90	21.70	25.95	17.09	N/A	N/A	N/A
28	OGE Energy	15.31	15.30	17.20	14.30	16.20	19.00	16.50	18.30	17.70	17.70	18.30	17.70	15.20	14.40	13.30	10.80	12.40	13.80	13.68	14.95	14.13	11.84	14.12
29	Otter Tail Corp.	20.76	16.40	9.50	12.30	18.30	23.50	22.20	22.10	20.20	18.20	18.80	21.10	21.70	47.50	NMF	31.20	30.10	19.00	17.35	15.40	17.34	17.77	16.01
30	Pinnacle West Capital	15.88	15.80	17.10	14.10	16.70	19.40	17.80	19.30	18.70	16.00	15.90	15.30	14.30	14.60	12.60	13.70	16.10	14.90	13.69	19.24	15.80	13.96	14.43
31	PNM Resources	18.28	14.20	17.40	19.90	19.60	22.20	19.40	20.40	22.40	18.70	18.70	16.10	15.00	14.50	14.00	18.10	N/A	35.60	15.57	17.38	15.02	14.73	15.08
32	Portland General	16.71	14.30	18.20	17.70	16.60	22.30	18.40	20.00	19.10	17.70	15.30	16.90	14.00	12.40	12.00	14.40	16.30	11.90	23.35	N/A	N/A	N/A	N/A
33	PPL Corp.	16.24	16.20	20.00	54.10	13.90	13.30	11.30	17.60	12.80	13.90	14.10	12.80	10.90	10.50	11.90	25.70	17.60	17.30	14.10	15.12	12.51	10.59	11.06
34	Public Serv. Enterprise	14.51	18.80	18.50	16.80	15.70	18.00	16.60	16.30	15.30	14.10	12.60	13.50	12.80	10.40	10.40	10.00	13.60	16.50	17.81	16.74	14.26	10.58	10.00
35	SCANA Corp.	13.96	N/A	N/A	N/A	N/A	N/A	N/A	14.46	16.80	14.67	13.68	14.43	14.80	13.67	12.93	11.63	12.67	14.96	15.42	14.44	13.57	13.05	12.17
36	Sempra Energy	15.54	15.00	16.80	15.40	17.50	22.50	20.40	24.30	24.40	19.70	21.90	19.70	14.90	11.80	12.60	10.10	11.80	14.00	11.50	11.79	8.65	8.96	8.19
37	Southern Co.	16.28	18.60	19.60	18.40	17.90	17.60	15.10	15.50	17.80	15.80	16.00	16.20	17.00	15.80	14.90	13.50	16.10	16.00	16.19	15.92	14.68	14.83	14.63
38	Vectren Corp.	17.05	N/A	N/A	N/A	N/A	N/A	N/A	23.54	19.18	17.92	19.98	20.66	15.02	15.83	15.10	12.89	16.79	15.33	18.92	15.11	17.57	14.80	14.16
39	WEC Energy Group	17.37	15.20	21.90	22.30	24.90	23.50	19.60	20.00	19.90	21.30	17.70	16.50	15.80	14.20	14.00	13.30	14.80	16.50	15.97	14.46	17.51	12.43	10.46
40	Westar Energy	15.58	N/A	N/A	N/A	N/A	N/A	N/A	23.40	21.59	18.45	15.36	14.04	13.43	14.78	12.96	14.95	16.96	14.10	12.18	14.79	17.44	10.78	14.02
41	Xcel Energy Inc.	17.87	15.30	22.20	22.50	23.90	22.30	18.90	20.20	18.50	16.50	15.40	15.00	14.80	14.20	14.10	12.70	13.70	16.70	14.80	15.36	13.65	11.62	40.80
42	Average	17.00	15.46	20.29	20.91	19.95	20.51	19.43	19.85	18.75	17.58	16.77	16.19	15.56	15.30	13.16	13.57	15.27	17.66	16.51	16.56	16.65	13.83	14.31
43	Median	16.10	15.40	19.90	19.70	19.30	21.20	18.55	20.00	18.80	17.81	16.47	16.20	15.02	14.20	12.80	12.70	14.20	16.32	15.92	15.49	13.69	13.47	

Sources:

The current year P/E ratio is based on the forward P/E (price over expected earnings per share). All historical year P/E ratios are based on annual average share price over achieved earnings per share.

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Market Price to Cash Flow (MP/CF) Ratio <sup>1</sup>																							
		22-Year																							
		Average (1)	2023 <sup>2</sup> (2)	2022 (3)	2021 (4)	2020 (5)	2019 (6)	2018 (7)	2017 (8)	2016 (9)	2015 (10)	2014 (11)	2013 (12)	2012 (13)	2011 (14)	2010 (15)	2009 (16)	2008 (17)	2007 (18)	2006 (19)	2005 (20)	2004 (21)	2003 (22)	2002 (23)	
1	ALLETE	9.17	6.69	7.56	8.61	8.14	11.38	10.16	10.95	8.26	7.49	8.80	9.15	8.18	7.91	8.04	8.51	9.29	10.30	11.06	11.54	11.46	N/A	N/A	
2	Alliant Energy	8.25	9.43	10.43	10.31	10.66	10.74	9.71	13.21	10.67	8.86	8.40	7.52	7.50	7.21	6.59	6.23	7.49	7.92	8.00	5.09	5.52	4.76	5.20	
3	Ameren Corp.	7.41	8.05	9.54	9.03	9.63	9.45	7.95	8.38	7.44	6.87	6.95	6.61	5.48	5.02	4.23	4.25	6.35	7.69	8.57	8.57	8.24	6.74	7.96	
4	American Electric Power	6.72	7.68	8.67	7.57	8.41	9.34	8.03	8.81	7.57	7.09	7.00	6.57	5.93	5.46	5.54	4.71	5.71	6.84	5.54	6.07	5.50	4.69	5.19	
5	Avangrid, Inc.	9.53	7.12	8.69	11.19	9.39	9.11	10.24	10.14	8.56	11.30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
6	Avista Corp.	6.97	6.73	9.39	8.03	7.80	7.34	10.14	9.35	7.63	6.76	7.30	6.21	6.88	6.40	5.80	4.06	5.12	7.58	5.30	6.58	7.58	5.36	5.90	
7	Black Hills	7.92	7.76	8.92	8.84	8.56	10.65	8.83	9.20	9.33	8.06	8.81	8.03	6.04	7.85	6.16	4.25	11.26	7.62	6.92	7.57	6.69	6.89	5.92	
8	CenterPoint Energy	5.58	7.92	8.01	7.95	5.94	7.03	8.45	6.97	5.96	5.75	6.25	6.56	5.15	5.39	4.70	4.05	4.29	5.17	3.94	4.70	4.26	2.08	2.16	
9	CMS Energy Corp.	6.51	8.28	9.43	9.27	9.87	9.85	8.40	8.75	8.50	7.53	7.13	6.68	6.03	5.41	4.48	3.64	3.45	5.57	4.40	4.04	3.20	2.88	NMF	
10	Consol. Edison	8.24	8.26	8.70	7.26	8.35	9.46	8.73	9.64	9.39	7.96	7.89	7.77	8.31	8.15	7.39	6.72	6.89	8.31	8.65	8.59	9.31	7.90	7.64	
11	Dominion Resources	9.89	9.24	9.35	11.15	14.59	13.47	10.94	11.35	11.59	11.84	12.27	10.88	9.92	9.45	8.12	6.98	8.27	8.65	7.81	10.09	7.68	7.51	6.53	
12	DTE Energy	6.76	7.27	7.96	10.62	7.85	9.67	8.54	9.05	8.64	8.52	6.42	6.65	5.91	5.18	4.69	3.59	4.90	5.73	5.21	5.54	6.00	5.62	5.20	
13	Duke Energy	7.61	7.17	7.75	7.89	8.06	7.40	7.65	8.40	8.57	7.95	8.12	8.11	9.53	6.56	6.01	5.96	7.13	7.16	N/A	N/A	N/A	N/A	N/A	
14	Edison Int'l	6.02	5.67	6.83	7.14	7.57	7.25	13.46	7.05	6.77	5.92	5.68	5.46	4.59	4.22	4.11	3.95	5.63	7.01	5.87	5.61	6.84	2.82	2.96	
15	El Paso Electric	5.93	N/A	N/A	N/A	N/A	N/A	9.43	8.54	7.46	6.47	6.33	6.19	5.78	5.16	4.31	3.98	4.95	6.44	6.25	6.67	4.65	3.90	4.39	
16	Entergy Corp.	5.74	4.62	7.15	5.61	5.78	6.05	4.92	4.66	4.01	4.11	4.21	4.03	4.23	3.90	4.66	5.68	7.96	9.21	7.16	8.76	7.12	6.84	5.57	
17	Eversource Energy	7.65	10.39	9.39	11.41	12.53	11.47	9.16	10.36	10.14	10.12	10.14	8.08	9.30	6.99	4.97	4.61	4.12	6.18	6.02	3.55	3.78	2.85	2.75	
18	Evergy, Inc.	7.73	7.11	8.66	7.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
19	Exelon Corp.	6.05	6.41	7.69	5.08	4.44	5.29	5.05	4.45	4.80	4.70	5.09	4.61	5.54	5.86	5.10	5.98	9.65	9.89	8.62	7.97	6.29	5.71	4.97	
20	FirstEnergy Corp.	6.90	7.90	8.93	6.60	9.23	11.09	8.84	4.76	5.12	5.38	7.43	6.15	7.42	7.33	4.49	4.91	7.58	7.89	7.53	6.04	5.15	6.90	5.10	
21	Fortis Inc.	8.47	8.34	9.10	9.57	9.50	9.46	7.97	8.23	10.46	7.29	9.25	7.93	8.09	8.38	7.40	6.76	7.58	9.18	7.89	N/A	N/A	N/A	N/A	
22	Great Plains Energy	6.89	N/A	N/A	N/A	N/A	N/A	N/A	14.62	8.63	6.66	6.45	5.73	6.09	5.74	4.49	5.06	7.71	7.13	7.68	6.70	6.52	5.92	5.14	
23	Hawaiian Elec.	7.96	5.70	7.95	8.23	8.69	9.30	8.34	9.21	7.44	9.25	7.64	8.15	8.05	7.73	7.81	6.95	9.10	7.95	8.47	8.29	8.44	6.12	6.20	
24	IDACORP, Inc.	8.98	11.04	12.42	11.84	11.38	12.75	11.72	11.56	10.95	9.37	8.59	7.78	7.05	6.64	6.52	5.31	7.10	8.23	7.73	7.55	7.15	7.27	7.53	
25	MGE Energy	11.68	12.28	13.63	N/A	14.90	15.58	15.04	17.33	15.66	12.53	11.42	11.20	10.77	9.48	9.05	8.40	8.42	9.23	9.30	11.73	11.04	10.20	8.09	
26	NextEra Energy, Inc.	9.20	10.89	15.17	20.40	15.48	12.33	10.77	11.61	9.24	7.93	7.98	7.60	7.58	5.98	5.33	6.09	7.34	9.02	6.51	6.71	6.13	5.97	5.77	
27	NorthWestern Corp	7.90	8.01	8.65	8.83	8.88	9.93	8.19	8.82	8.65	8.99	9.01	7.61	6.85	5.89	5.79	5.05	5.57	8.45	9.39	7.31	8.13	N/A	N/A	
28	OGE Energy	7.94	7.88	8.36	7.64	8.38	10.58	9.36	10.52	9.03	9.25	10.65	9.93	7.35	7.48	6.61	5.37	6.43	7.58	7.50	7.04	6.73	5.62	5.39	
29	Otter Tail Corp.	9.27	8.02	7.70	8.61	9.99	12.42	11.58	11.09	9.38	9.04	9.45	9.58	8.43	9.04	8.07	8.01	11.65	9.53	8.66	8.18	9.01	8.13	8.33	
30	Pinnacle West Capital	6.21	6.47	5.19	6.19	7.49	8.30	7.09	8.73	7.89	6.91	7.03	6.85	6.34	5.80	5.65	3.84	4.19	4.76	4.48	7.48	5.88	4.80	5.21	
31	PNM Resources	6.90	6.87	6.95	7.81	7.87	7.92	7.57	7.40	7.64	6.95	7.48	6.47	5.80	4.94	4.58	4.53	7.10	10.67	7.50	7.62	6.84	5.55	5.72	
32	Portland General	6.00	6.56	6.65	6.48	6.72	7.65	6.56	7.45	7.12	6.73	5.49	6.06	5.08	4.86	4.13	4.63	4.81	5.34	5.74	N/A	N/A	N/A	N/A	
33	PPL Corp.	7.84	7.83	8.82	13.74	7.46	7.99	7.02	10.11	8.37	8.73	7.32	6.59	5.87	5.98	7.46	8.82	9.17	8.90	7.58	7.57	6.49	5.41	5.30	
34	Public Serv. Enterprise	7.95	9.68	10.53	11.32	8.22	8.72	9.48	8.67	8.56	6.66	6.48	6.40	6.40	6.03	6.04	6.20	8.46	9.83	8.41	8.59	7.17	6.79	6.24	
35	SCANA Corp.	7.09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.26	9.59	8.33	7.50	7.49	7.40	6.75	6.52	5.88	6.38	7.15	7.03	5.40	6.86	6.59	6.36
36	Sempra Energy	8.45	8.93	9.75	13.23	10.40	12.05	10.10	10.65	10.88	9.99	10.77	9.37	7.26	6.13	6.53	6.07	7.07	8.61	7.22	6.96	5.16	4.85	4.00	
37	Southern Co.	8.29	8.64	9.63	8.72	8.34	8.80	7.05	7.49	8.83	8.23	8.42	8.30	8.75	8.22	7.79	7.08	8.18	8.62	8.47	8.41	8.28	8.28	7.83	
38	Vectren Corp.	7.08	N/A	N/A	N/A	N/A	N/A	N/A	10.32	8.60	7.82	7.57	6.82	5.79	5.81	5.58	5.24	6.90	6.53	7.37	7.06	7.63	7.27	6.92	
39	WEC Energy Group	9.24	10.12	11.81	11.99	13.67	12.88	10.82	11.04	10.95	12.90	10.27	9.58	9.24	8.43	8.15	6.87	7.57	7.84	7.27	6.40	6.27	4.91	4.27	
40	Wester Energy	6.91	N/A	N/A	N/A	N/A	N/A	N/A	10.87	10.86	9.05	7.93	7.23	6.71	6.67	5.51	5.32	7.09	6.88	5.81	7.00	6.54	4.24	2.94	
41	Xcel Energy Inc.	7.05	7.96	8.62	9.19	10.07	9.44	7.90	8.50	8.10	7.62	7.31	7.00	6.85	6.47	6.28	5.43	5.71	6.51	5.54	5.62	5.31	4.27	5.46	
42	Average	7.65	8.03	9.00	9.28	9.26	9.78	9.03	9.41	8.68	8.07	7.90	7.41	7.01	6.56	6.02	5.61	7.01	7.77	7.17	7.18	6.82	5.75	5.58	
43	Median	7.50	7.91	8.69	8.72	8.56	9.46	8.78	9.13	8.58	7.94	7.57	7.23	6.85	6.40	5.80	5.37	7.10	7.84	7.44	7.05	6.72	5.66	5.46	

Sources:

The current year P/E ratio is based on the forward P/E (price over expected earnings per share). All historical year P/E ratios are based on annual average share price over achieved earnings per share.

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Note:

<sup>a</sup> Based on the average of the high and low price and the projected Cash Flow per share.

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Market Price to Book Value (MP/BV) Ratio <sup>1</sup>

Line	Company	19-Year																			
		Average (1)	2023 <sup>2</sup> (2)	2022 (3)	2021 (4)	2020 (5)	2019 (6)	2018 (7)	2017 (8)	2016 (9)	2015 (10)	2014 (11)	2013 (12)	2012 (13)	2011 (14)	2010 (15)	2009 (16)	2008 (17)	2007 (18)	2006 (19)	2005 (20)
1	ALLETE	1.55	1.19	1.24	1.43	1.39	1.91	1.79	1.78	1.53	1.37	1.42	1.51	1.34	1.35	1.28	1.15	1.55	1.89	2.09	2.22
2	Alliant Energy	1.81	1.92	2.25	2.26	2.30	2.32	2.16	2.38	2.17	1.86	1.86	1.70	1.57	1.46	1.31	1.04	1.33	1.67	1.52	1.33
3	Ameren Corp.	1.60	2.00	2.15	2.13	2.21	2.26	1.95	1.93	1.67	1.46	1.45	1.29	1.18	0.90	0.83	0.78	1.25	1.60	1.62	1.68
4	American Electric Power	1.64	1.73	1.99	1.87	2.09	2.20	1.82	1.88	1.81	1.55	1.54	1.40	1.31	1.23	1.23	1.08	1.48	1.85	1.56	1.57
5	Avangrid, Inc.	0.90	0.71	0.89	1.01	0.97	1.02	1.02	0.93	0.83	0.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	1.33	1.19	1.33	1.42	1.37	1.54	1.88	1.73	1.57	1.36	1.33	1.25	1.21	1.19	1.07	0.94	1.11	1.29	1.30	1.13
7	Black Hills	1.51	1.28	1.54	1.52	1.55	1.95	1.61	2.06	1.94	1.59	1.79	1.62	1.21	1.14	1.07	0.83	1.22	1.57	1.47	1.63
8	CenterPoint Energy	2.27	1.86	1.99	1.74	1.90	2.21	2.18	2.59	2.73	2.43	2.27	2.30	1.99	1.87	1.96	1.77	2.49	3.13	2.75	3.06
9	CMS Energy Corp.	2.18	2.33	2.71	2.69	3.24	3.28	2.81	2.93	2.72	2.43	2.26	2.09	1.91	1.66	1.48	1.10	1.23	1.82	1.42	1.32
10	Consol. Edison	1.42	1.48	1.55	1.34	1.44	1.59	1.49	1.63	1.58	1.42	1.34	1.38	1.47	1.38	1.22	1.08	1.17	1.47	1.47	1.52
11	Dominion Resources	2.54	1.68	2.34	2.37	2.72	2.18	2.40	2.94	3.15	3.34	3.55	2.97	2.84	2.37	2.01	1.80	2.42	2.69	2.07	2.50
12	DTE Energy	1.65	1.97	2.41	2.82	1.80	2.07	1.91	2.01	1.82	1.65	1.62	1.51	1.35	1.20	1.16	0.89	1.10	1.35	1.29	1.39
13	Duke Energy	1.28	1.49	1.63	1.58	1.47	1.47	1.33	1.41	1.35	1.29	1.28	1.19	1.12	1.11	1.00	0.91	1.06	1.15	N/A	N/A
14	Edison Int'l	1.70	1.86	2.08	1.67	1.62	1.80	1.97	2.17	1.92	1.76	1.68	1.57	1.53	1.24	1.07	1.04	1.56	2.05	1.80	1.93
15	El Paso Electric	1.56	N/A	N/A	N/A	N/A	N/A	1.94	1.87	1.68	1.48	1.52	1.49	1.59	1.64	1.17	0.98	1.33	1.69	1.71	1.76
16	Entergy Corp.	1.74	1.45	1.81	1.75	1.93	2.03	1.74	1.76	1.67	1.40	1.33	1.21	1.31	1.35	1.62	1.66	2.44	2.65	1.89	2.01
17	Eversource Energy	1.55	1.71	1.86	2.00	2.11	1.99	1.68	1.73	1.64	1.53	1.47	1.38	1.28	1.50	1.31	1.12	1.31	1.60	1.22	1.05
18	Evergy, Inc.	1.45	1.31	1.52	1.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	2.08	1.52	1.88	1.37	1.20	1.43	1.31	1.20	1.20	1.14	1.28	1.17	1.46	1.95	2.07	2.57	4.39	4.79	3.89	3.60
20	FirstEnergy Corp.	2.06	2.08	2.37	2.33	2.81	3.39	2.67	3.53	2.37	1.16	1.15	1.28	1.44	1.33	1.36	1.54	2.52	2.23	1.92	1.64
21	Fortis Inc.	1.47	1.43	1.56	1.48	1.47	1.41	1.24	1.41	1.26	1.33	1.35	1.45	1.59	1.59	1.56	1.33	1.48	1.63	1.96	N/A
22	Great Plains Energy	1.21	N/A	N/A	N/A	N/A	N/A	N/A	1.33	1.17	1.12	1.11	1.02	0.96	0.93	0.87	0.80	1.11	1.66	1.77	1.86
23	Hawaiian Elec.	1.65	1.24	1.94	1.81	1.82	2.02	1.76	1.76	1.63	1.71	1.49	1.54	1.62	1.54	1.44	1.16	1.61	1.57	2.01	1.78
24	IDACORP, Inc.	1.52	1.75	1.91	1.88	1.84	2.10	1.96	1.94	1.76	1.54	1.45	1.33	1.19	1.17	1.13	0.92	1.09	1.26	1.37	1.22
25	MGE Energy	2.15	2.35	2.47	N/A	2.54	2.88	2.59	2.88	2.60	2.10	2.10	2.06	1.92	1.75	1.65	1.54	1.62	1.75	1.83	2.09
26	NextEra Energy, Inc.	2.38	2.89	4.07	4.27	3.58	2.75	2.32	2.35	2.30	2.09	2.15	1.93	1.74	1.55	1.49	1.70	2.06	2.34	1.80	1.93
27	NorthWestern Corp	1.44	1.18	1.25	1.43	1.45	1.74	1.48	1.64	1.68	1.60	1.54	1.56	1.42	1.35	1.22	1.07	1.15	1.48	1.65	1.42
28	OGE Energy	1.82	1.61	1.74	1.67	1.86	2.06	1.75	1.82	1.73	1.79	2.22	2.24	1.94	1.90	1.70	1.37	1.52	1.98	1.91	1.80
29	Otter Tail Corp.	1.93	2.55	2.30	2.33	2.04	2.62	2.49	2.33	1.90	1.78	1.90	1.96	1.58	1.35	1.19	1.18	1.71	1.93	1.76	1.74
30	Pinnacle West Capital	1.42	1.42	1.31	1.45	1.63	1.91	1.74	1.91	1.72	1.52	1.44	1.47	1.39	1.25	1.14	0.95	1.00	1.26	1.26	1.25
31	PNM Resources	1.37	1.75	1.81	1.86	1.87	2.28	1.83	1.84	1.56	1.33	1.21	1.09	0.98	0.80	0.69	0.56	0.66	1.23	1.21	1.45
32	Portland General	1.37	1.37	1.58	1.55	1.57	1.84	1.56	1.69	1.56	1.42	1.37	1.28	1.14	1.09	0.94	0.92	1.05	1.32	1.36	N/A
33	PPL Corp.	1.99	1.43	1.44	1.52	1.63	1.86	1.81	2.40	2.46	2.24	1.64	1.55	1.58	1.47	1.61	2.10	3.19	3.05	2.43	2.50
34	Public Serv. Enterprise	1.93	1.92	2.32	2.11	1.70	1.97	1.81	1.68	1.67	1.58	1.57	1.44	1.46	1.59	1.67	1.78	2.58	2.99	2.46	2.45
35	SCANA Corp.	1.51	N/A	N/A	N/A	N/A	N/A	N/A	1.65	1.74	1.47	1.48	1.48	1.48	1.36	1.33	1.20	1.45	1.62	1.64	1.72
36	Sempra Energy	1.79	1.65	1.84	1.64	1.84	2.22	2.06	2.24	2.00	2.17	2.20	1.84	1.53	1.28	1.35	1.32	1.60	1.87	1.70	1.73
37	Southern Co.	2.12	2.34	2.53	2.39	2.20	2.13	1.89	2.07	2.01	1.99	2.02	2.04	2.15	1.99	1.83	1.73	2.12	2.24	2.23	2.35
38	Vectren Corp.	1.83	N/A	N/A	N/A	N/A	N/A	N/A	2.75	2.29	2.11	2.08	1.82	1.57	1.53	1.41	1.34	1.64	1.74	1.77	1.82
39	WEC Energy Group	2.06	2.35	2.57	2.61	2.84	2.62	2.11	2.10	2.09	1.82	2.34	2.21	2.05	1.81	1.65	1.40	1.57	1.77	1.71	1.62
40	Westar Energy	1.37	N/A	N/A	N/A	N/A	N/A	N/A	1.94	1.95	1.49	1.44	1.33	1.26	1.20	1.10	0.93	1.10	1.36	1.30	1.41
41	Xcel Energy Inc.	1.73	2.00	2.22	2.27	2.46	2.34	1.97	2.06	1.88	1.66	1.55	1.50	1.51	1.41	1.32	1.19	1.30	1.53	1.40	1.38
42	Average	1.74	1.72	1.96	1.92	1.96	2.10	1.89	2.01	1.86	1.67	1.69	1.60	1.52	1.43	1.35	1.25	1.63	1.90	1.78	1.80
43	Median	1.69	1.69	1.89	1.75	1.84	2.06	1.86	1.92	1.75	1.57	1.54	1.50	1.47	1.36	1.31	1.15	1.48	1.69	1.71	1.73

Sources:

The current year P/E ratio is based on the forward P/E (price over expected earnings per share). All historical year P/E ratios are based on annual average share price over achieved earnings per share.

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

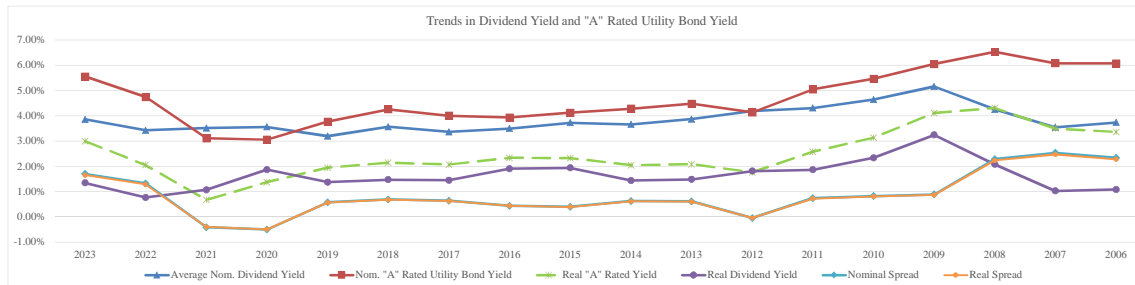
<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Notes:

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Dividend Yield <sup>1</sup>																		
		18-Year Average	2023 <sup>2a</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2007	2006	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1	ALLETE	4.01%	4.67%	4.47%	3.88%	4.03%	2.85%	2.99%	2.97%	3.56%	3.97%	3.92%	3.89%	4.49%	4.58%	5.03%	5.79%	4.37%	3.60%	3.16%
2	Alliant Energy	3.61%	3.57%	3.04%	2.97%	2.90%	2.88%	3.20%	3.07%	3.21%	3.60%	3.53%	3.74%	4.07%	4.28%	4.61%	5.73%	4.10%	3.13%	3.32%
3	Ameren Corp.	4.11%	3.13%	2.74%	2.74%	2.57%	2.59%	3.04%	3.12%	3.50%	3.96%	4.02%	4.61%	4.97%	5.28%	5.76%	5.98%	6.21%	4.88%	4.93%
4	American Electric Power	3.97%	4.02%	4.41%	3.61%	3.28%	3.18%	3.60%	3.42%	3.54%	3.80%	3.83%	4.23%	4.58%	4.96%	4.90%	5.50%	4.20%	3.40%	4.06%
5	Avangrid, Inc.	3.89%	4.87%	3.94%	3.53%	3.69%	3.52%	3.49%	3.79%	4.26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	3.86%	4.85%	4.26%	3.94%	4.03%	3.48%	2.93%	3.14%	3.39%	3.97%	4.51%	4.55%	4.54%	4.76%	4.49%	3.39%	2.68%	2.52%	
7	Black Hills	3.73%	4.15%	3.44%	3.50%	3.42%	2.74%	3.31%	2.75%	2.87%	3.55%	2.84%	3.19%	4.39%	4.64%	4.79%	6.17%	4.21%	3.40%	3.79%
8	CenterPoint Energy	4.15%	2.67%	2.46%	2.77%	4.38%	2.98%	4.09%	4.79%	4.70%	5.06%	3.94%	3.57%	4.04%	4.27%	5.29%	6.37%	4.98%	3.87%	4.39%
9	CMS Energy Corp.	3.20%	3.37%	2.92%	2.92%	2.65%	2.64%	3.03%	2.88%	2.99%	3.36%	3.59%	3.76%	4.16%	4.25%	3.98%	3.97%	2.69%	1.16%	N/A
10	Consol. Edison	4.29%	3.57%	3.51%	4.10%	3.87%	3.44%	3.68%	3.40%	3.62%	4.12%	4.38%	4.25%	4.07%	4.46%	5.16%	5.99%	5.67%	4.84%	5.04%
11	Dominion Resources	4.06%	5.18%	3.66%	3.38%	4.31%	4.76%	4.72%	3.88%	3.82%	3.66%	3.43%	3.78%	4.06%	4.13%	4.41%	5.20%	3.77%	3.32%	3.60%
12	DTE Energy	3.98%	3.67%	3.17%	3.06%	3.57%	3.07%	3.34%	3.15%	3.34%	3.53%	3.54%	3.84%	4.19%	4.68%	4.75%	6.29%	5.24%	4.36%	4.86%
13	Duke Energy	4.60%	4.28%	3.98%	4.02%	4.35%	4.17%	4.54%	4.15%	4.26%	4.45%	4.26%	4.45%	4.68%	5.21%	5.71%	6.25%	5.16%	4.44%	N/A
14	Edison Int'l	3.37%	4.47%	4.45%	4.39%	4.29%	3.73%	3.84%	2.87%	2.81%	2.83%	2.62%	2.85%	2.97%	3.37%	3.66%	3.95%	2.69%	2.21%	2.58%
15	El Paso Electric	2.74%	N/A	N/A	N/A	N/A	N/A	2.55%	2.49%	2.75%	3.13%	2.97%	2.99%	2.97%	2.11%	N/A	N/A	N/A	N/A	N/A
16	Energy Corp.	4.03%	4.36%	3.70%	3.84%	3.55%	3.52%	4.41%	4.49%	4.55%	4.59%	4.27%	5.07%	4.91%	4.85%	4.20%	3.97%	2.92%	2.39%	2.82%
17	Eversource Energy	3.27%	3.89%	3.09%	2.85%	2.63%	2.81%	3.32%	3.14%	3.22%	3.34%	3.40%	3.48%	3.52%	3.23%	3.64%	4.16%	3.25%	2.60%	3.27%
18	Evergy, Inc.	3.89%	4.42%	3.66%	3.59%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	3.75%	3.67%	2.89%	3.17%	3.82%	3.06%	3.32%	3.51%	3.75%	3.88%	3.69%	4.69%	5.73%	4.96%	4.95%	4.26%	2.78%	2.48%	2.83%
20	FirstEnergy Corp.	4.31%	4.24%	3.71%	4.39%	4.17%	3.50%	5.17%	4.23%	4.26%	4.26%	4.26%	4.26%	4.90%	5.59%	5.99%	3.21%	3.12%	3.40%	
21	Fortis Inc.	3.71%	4.09%	3.82%	3.77%	3.66%	3.60%	4.07%	3.69%	3.80%	3.76%	3.88%	3.84%	3.64%	3.58%	3.80%	4.21%	3.76%	3.01%	2.79%
22	Great Plains Energy	4.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.58%	3.64%	3.76%	3.62%	3.84%	4.08%	4.15%	4.49%	5.03%	6.96%	5.49%
23	Hawaiian Elec.	4.40%	4.09%	3.59%	3.44%	3.40%	3.02%	3.54%	3.65%	3.99%	4.05%	4.76%	4.72%	4.70%	5.04%	5.51%	6.89%	5.00%	5.18%	4.59%
24	IDACORP, Inc.	3.16%	3.18%	2.86%	2.89%	2.92%	2.49%	2.61%	2.58%	2.77%	3.06%	3.12%	3.21%	3.28%	3.10%	3.44%	4.46%	3.95%	3.55%	3.39%
25	MGE Energy	3.01%	2.25%	2.15%	N/A	2.10%	1.94%	2.16%	1.95%	2.23%	2.78%	2.91%	3.25%	3.63%	3.98%	4.26%	4.24%	4.14%	4.25%	4.25%
26	NexEra Energy, Inc.	2.89%	2.80%	2.11%	1.90%	2.10%	2.41%	2.68%	2.79%	2.91%	3.01%	3.02%	3.03%	3.65%	3.96%	3.90%	N/A	N/A	N/A	N/A
27	NorthWestern Corp	4.14%	4.78%	4.51%	4.00%	4.02%	3.28%	3.86%	3.52%	3.43%	3.61%	3.30%	3.66%	4.17%	4.51%	4.93%	5.75%	5.38%	4.09%	3.65%
28	OGI Energy	3.83%	4.63%	4.30%	4.81%	4.68%	3.54%	3.98%	3.61%	3.87%	3.51%	2.63%	2.48%	2.94%	3.06%	3.68%	4.96%	4.52%	3.77%	3.99%
29	Oter Tail Corp.	3.84%	2.33%	2.44%	2.81%	3.45%	2.74%	2.92%	3.12%	3.87%	4.33%	4.14%	4.11%	5.21%	5.57%	5.68%	5.88%	3.63%	3.46%	3.92%
30	Pinnacle West Capital	4.51%	4.51%	4.90%	4.44%	3.97%	3.29%	3.55%	3.16%	3.46%	3.88%	4.09%	3.98%	5.32%	4.81%	5.43%	6.76%	6.17%	4.75%	4.67%
31	PNM Resources	3.15%	3.27%	3.04%	2.09%	2.80%	2.45%	2.79%	2.53%	2.69%	2.90%	2.79%	2.99%	2.96%	3.19%	4.09%	4.76%	4.85%	3.36%	3.21%
32	Portland General	3.69%	4.20%	3.63%	3.62%	3.47%	2.85%	3.27%	2.92%	3.06%	3.27%	3.34%	3.67%	4.11%	4.37%	5.20%	5.36%	4.28%	3.34%	2.54%
33	PPL Corp.	4.48%	3.53%	3.23%	3.53%	3.84%	5.24%	5.61%	4.24%	4.25%	4.55%	4.45%	4.81%	5.07%	5.10%	5.12%	4.51%	3.10%	2.69%	3.41%
34	Public Serv. Enterprise	3.74%	3.83%	3.37%	3.37%	3.64%	3.19%	3.49%	3.74%	3.78%	3.81%	3.92%	4.35%	4.55%	4.24%	4.30%	4.30%	3.26%	2.73%	3.47%
35	SCANA Corp.	4.37%	N/A	N/A	N/A	N/A	N/A	N/A	4.03%	3.29%	3.90%	4.05%	4.15%	4.25%	4.78%	4.93%	5.67%	4.92%	4.29%	4.21%
36	Sempra Energy	3.00%	3.27%	2.99%	3.39%	3.24%	2.88%	3.20%	2.92%	2.92%	2.71%	2.61%	3.03%	3.71%	3.65%	3.08%	3.23%	2.62%	2.08%	2.47%
37	Southern Co.	4.58%	4.13%	3.82%	4.17%	4.36%	4.41%	5.27%	4.63%	4.42%	4.78%	4.69%	4.61%	4.29%	4.63%	5.13%	5.52%	4.58%	4.39%	4.52%
38	Veccore Corp.	4.38%	N/A	N/A	N/A	N/A	N/A	2.79%	3.31%	3.60%	3.62%	4.15%	4.82%	5.06%	5.53%	5.85%	4.79%	4.53%	4.52%	
39	WEC Energy Group	3.06%	3.57%	3.08%	3.00%	2.68%	2.81%	3.38%	3.31%	3.35%	3.49%	3.40%	3.49%	3.24%	3.35%	2.97%	3.16%	2.41%	2.14%	2.18%
40	Westar Energy	4.57%	N/A	N/A	N/A	N/A	N/A	N/A	3.00%	2.90%	3.73%	3.88%	4.27%	4.57%	4.84%	5.32%	6.27%	5.22%	4.16%	4.28%
41	Xcel Energy Inc.	3.68%	3.28%	2.90%	2.81%	2.58%	2.75%	3.25%	3.10%	3.33%	3.69%	3.83%	3.86%	3.90%	4.20%	4.54%	4.70%	4.05%	4.40%	
42	Average	3.83%	3.86%	3.42%	3.52%	3.56%	3.19%	3.56%	3.36%	3.49%	3.72%	3.66%	3.86%	4.18%	4.30%	4.64%	5.16%	4.25%	3.54%	3.73%
43	Median	3.67%	3.95%	3.43%	3.50%	3.57%	3.06%	3.36%	3.16%	3.45%	3.73%	3.69%	3.84%	4.17%	4.46%	4.78%	5.20%	4.24%	3.46%	3.65%
44	20-Yr Treasury Yields <sup>3</sup>	3.25%	4.25%	3.30%	1.98%	1.35%	2.40%	3.02%	2.65%	2.23%	2.55%	3.07%	3.12%	2.54%	3.62%	4.03%	4.11%	4.36%	4.91%	4.99%
45	20-Yr TIPS <sup>3</sup>	1.07%	1.73%	0.64%	-0.43%	-0.30%	0.60%	0.94%	0.75%	0.66%	0.78%	0.87%	0.75%	0.21%	1.19%	1.73%	2.21%	2.19%	2.36%	2.31%
46	Implied Inflation <sup>4</sup>	2.16%	2.48%	2.64%	2.42%	1.66%	1.79%	2.06%	1.89%	1.56%	1.75%	2.19%	2.35%	2.33%	2.40%	2.66%	2.58%	2.13%	2.39%	2.62%
47	Real Dividend Yield <sup>5</sup>	1.64%	1.34%	0.77%	1.07%	1.86%	1.37%	1.47%	1.44%	1.91%	1.94%	1.43%	1.48%	1.81%	1.86%	2.33%	3.24%	2.07%	1.02%	1.08%
A-Rated Utility																				
48	Nominal "A" Rated Yield <sup>6</sup>	4.70%	5.55%	4.74%	3.10%	3.05%	3.77%	4.25%	4.00%	3.93%	4.12%	4.28%	4.48%	4.13%	5.04%	5.46%	6.04%	6.53%	6.07%	6.07%
49	Real "A" Rated Yield	2.49%	2.99%	2.05%	0.67%	1.37%	1.94%	2.14%	2.07%	2.34%	2.33%	2.04%	2.08%	1.76%	2.58%	3.13%	4.11%	4.31%	3.49%	3.36%
Baa-Rated Utility																				
50	Nominal "Baa" Rated Yield	5.21%	5.85%	5.05%	3.36%	3.44%	4.19%	4.67%	4.38%	4.67%	5.03%	4.80%	4.98%	4.83%	5.57%	5.96%	7.06%	7.25%	6.33%	6.32%
51	Real "Baa" Rated Yield	2.98%	3.29%	2.35%	0.91%	1.74%	2.36%	2.55%	2.44%	3.07%	3.22%	2.55%	2.57%	2.44%	3.09%	3.62%	5.11%	5.01%	3.74%	3.60%
Spreads (A-Rated Utility Bond - Stock)																				
52	Nominal Spread <sup>7</sup>	0.87%	1.69%	1.32%	-0.41%	-0.50%	0.58%	0.69%	0.64%	0.44%	0.40%	0.62%	0.61%	-0.05%	0.74%	0.82%	0.88%	2.28%	2.53%	2.34%
53	Real Spread <sup>8</sup>	0.85%	1.65%	1.28%	-0.40%	-0.49%	0.57%	0.68%	0.62%	0.43%	0.61%	0.60%	-0.05%	0.72%	0.80%	0.87%	2.23%	2.47%	2.28%	
Spreads (Baa-Rated Utility Bond - Stock)																				
54	Nominal Spread <sup>7</sup>	1.37%	1.99%	1.63%	-0.16%	-0.12%	1.00%	1.11%	1.01%	1.18%	1.31%	1.14%	1.12%	0.65%	1.26%	1.32%	1.90%	3.00%	2.79%	2.58%
55	Real Spread <sup>8</sup>	1.34%	1.95%	1.58%	-0.16%	-0.12%	0.98%	1.09%	1.00%	1.16%	1.29%	1.12%	1.09%	0.63%	1.23%	1.29%	1.87%	2.93%	2.72%	2.52%
Spreads (Treasury Bond - Stock)																				
56	Nominal <sup>9</sup>	-0.58%	0.40%	-0.12%	-1.54%	-2.20%	-0.98%	-0.54%	-0.71%	-1.27%	-1.17%	-0.58%	-0.74%	-1.63%	-0.68%	-0.61%	-1.05%	0.11%	1.37%	1.26%
57	Real <sup>10</sup>	-0.57%	0.39%	-0.12%	-1.50%	-2.17%	-0.77%	-0.53%	-0.70%	-1.25%	-1.15%	-0.57%	-0.73%	-1.60%	-0.67%	-0.60%	-1.03%	0.11%	1.33%	1.23%



Sources:

- <sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.
- <sup>2</sup> Data for the years 2020 - 2022 was retrieved from Value Line Investment Survey.
- <sup>3</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.
- <sup>4</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.
- <sup>5</sup> [www.moody.com](http://www.moody.com), Bond Yields and Key Indicators, through December 31, 2023.

Notes:

- <sup>a</sup> Based on the average of the high and low price and the projected Dividends Declared per share, published in the Value Line Investment Survey.
- <sup>b</sup> Line 47 = (1 + Line 45) / (1 + Line 46) - 1.
- <sup>c</sup> Line 48 = (1 + Line 43) / (1 + Line 47) - 1.
- <sup>d</sup> The spread being measured here is the nominal A-rated utility bond yield over the average nominal utility dividend yield; (Line 49 - Line 43).
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Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Dividend per Share <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
1	ALLETE	2.05	2.71	2.60	2.52	2.47	2.35	2.24	2.14	2.08	2.02	1.96	1.90	1.84	1.78	1.76	1.72	1.64	1.45	
2	Alliant Energy	1.12	1.81	1.71	1.61	1.52	1.42	1.34	1.26	1.18	1.10	1.02	0.94	0.90	0.85	0.79	0.75	0.70	0.58	
3	Ameren Corp.	1.95	2.52	2.36	2.20	2.00	1.92	1.85	1.78	1.72	1.66	1.61	1.60	1.60	1.56	1.54	1.54	2.54	2.54	
4	American Electric Power	2.23	3.37	3.17	3.00	2.84	2.71	2.53	2.39	2.27	2.15	2.03	1.95	1.88	1.85	1.71	1.64	1.58	1.50	
5	Avangrid, Inc.	1.75	1.76	1.76	1.76	1.76	1.76	1.74	1.73	1.73	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
6	Avista Corp.	1.25	1.84	1.76	1.69	1.62	1.55	1.49	1.43	1.37	1.32	1.27	1.22	1.16	1.10	1.00	0.81	0.69	0.57	
7	Black Hills	1.75	2.50	2.41	2.29	2.17	2.05	1.93	1.81	1.68	1.62	1.56	1.52	1.48	1.46	1.44	1.40	1.37	1.32	
8	CenterPoint Energy	0.85	0.76	0.72	0.66	0.90	0.86	1.12	1.35	1.03	0.99	0.95	0.83	0.81	0.79	0.78	0.76	0.73	0.60	
9	CMS Energy Corp.	1.15	1.95	1.84	1.74	1.63	1.53	1.43	1.33	1.24	1.16	1.08	1.02	0.96	0.84	0.66	0.50	0.36	N/A	
10	Consol. Edison	2.66	3.24	3.16	3.10	3.06	2.96	2.86	2.76	2.68	2.60	2.52	2.46	2.42	2.40	2.38	2.36	2.34	2.30	
11	Dominion Resources	2.42	2.67	2.67	2.52	3.45	3.67	3.34	3.04	2.80	2.59	2.40	2.25	2.11	1.97	1.83	1.75	1.58	1.38	
12	DTE Energy	2.93	3.88	3.54	3.88	4.12	3.85	3.59	3.36	3.06	2.84	2.69	2.59	2.42	2.32	2.18	2.12	2.12	2.08	
13	Duke Energy	3.32	4.06	3.98	3.90	3.82	3.75	3.64	3.49	3.36	3.24	3.15	3.09	3.03	2.97	2.91	2.82	2.70	N/A	
14	Edison Int'l	1.86	2.99	2.84	2.69	2.58	2.48	2.43	2.23	1.98	1.73	1.48	1.37	1.31	1.29	1.27	1.25	1.23	1.10	
15	El Paso Electric	1.11	N/A	N/A	N/A	N/A	N/A	1.42	1.32	1.23	1.17	1.11	1.05	0.97	0.66	N/A	N/A	N/A	N/A	
16	Entergy Corp.	3.38	4.34	4.10	3.86	3.74	3.66	3.58	3.50	3.42	3.34	3.32	3.32	3.32	3.32	3.24	3.00	3.00	2.16	
17	Eversource Energy	1.62	2.70	2.55	2.41	2.27	2.14	2.02	1.90	1.78	1.67	1.57	1.47	1.32	1.10	1.03	0.95	0.83	0.73	
18	Evergy, Inc.	2.33	2.48	2.33	2.18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
19	Exelon Corp.	1.62	1.44	1.35	1.53	1.53	1.45	1.38	1.31	1.26	1.24	1.24	1.46	2.10	2.10	2.10	2.10	1.82	1.64	
20	FirstEnergy Corp.	1.77	1.60	1.56	1.56	1.56	1.53	1.82	1.44	1.44	1.44	1.44	1.65	2.20	2.20	2.20	2.20	2.05	1.85	
21	Fortis Inc.	1.46	2.29	2.17	2.08	1.97	1.86	1.75	1.65	1.55	1.43	1.30	1.25	1.21	1.17	1.12	1.04	1.00	0.67	
22	Great Plains Energy	1.11	N/A	N/A	N/A	N/A	N/A	N/A	1.10	1.06	1.00	0.94	0.88	0.86	0.84	0.83	0.83	1.66	1.66	
23	Hawaiian Elec.	1.25	1.08	1.40	1.36	1.32	1.28	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	
24	IDACORP, Inc.	1.94	3.20	3.04	2.88	2.72	2.56	2.40	2.24	2.08	1.92	1.76	1.57	1.37	1.20	1.20	1.20	1.20	1.20	
25	MGE Energy	1.18	1.67	1.59	N/A	1.45	1.38	1.32	1.26	1.21	1.16	1.11	1.07	1.04	1.01	0.99	0.97	0.96	0.93	
26	NextEra Energy, Inc.	0.90	1.87	1.70	1.54	1.40	1.25	1.11	0.98	0.87	0.77	0.73	0.66	0.60	0.55	0.50	0.47	0.45	0.38	
27	NorthWestern Corp	1.84	2.56	2.52	2.48	2.40	2.30	2.20	2.10	2.00	1.92	1.60	1.52	1.48	1.44	1.36	1.34	1.32	1.24	
28	OGE Energy	1.10	1.66	1.64	1.63	1.58	1.51	1.40	1.27	1.16	1.05	0.95	0.85	0.80	0.76	0.73	0.71	0.70	0.67	
29	Otter Tail Corp.	1.31	1.75	1.65	1.56	1.48	1.40	1.34	1.28	1.25	1.23	1.21	1.19	1.19	1.19	1.19	1.19	1.17	1.15	
30	Pinnacle West Capital	2.60	3.49	3.42	3.36	3.23	3.04	2.87	2.70	2.56	2.44	2.33	2.23	2.67	2.10	2.10	2.10	2.10	2.03	
31	PNM Resources	0.89	1.49	1.41	0.98	1.25	1.18	1.09	0.99	0.88	0.80	0.76	0.68	0.58	0.50	0.50	0.61	0.91	0.86	
32	Portland General	1.26	1.88	1.79	1.70	1.59	1.52	1.43	1.34	1.26	1.18	1.12	1.10	1.08	1.06	1.04	1.01	0.97	0.68	
33	PPL Corp.	1.40	0.95	0.88	1.66	1.66	1.65	1.64	1.58	1.52	1.50	1.49	1.47	1.44	1.40	1.40	1.38	1.34	1.10	
34	Public Serv. Enterprise	1.61	2.28	2.16	2.04	1.96	1.88	1.80	1.72	1.64	1.56	1.48	1.44	1.42	1.37	1.37	1.33	1.29	1.14	
35	SCANA Corp.	2.00	N/A	N/A	N/A	N/A	N/A	N/A	2.45	2.30	2.18	2.10	2.03	1.98	1.94	1.90	1.88	1.84	1.68	
36	Sempra Energy	2.70	2.38	4.58	4.40	4.18	3.87	3.58	3.29	3.02	2.80	2.64	2.52	2.40	1.92	1.56	1.56	1.37	1.24	
37	Southern Co.	2.13	2.78	2.70	2.62	2.54	2.46	2.38	2.30	2.22	2.15	2.08	2.01	1.94	1.87	1.80	1.73	1.66	1.54	
38	Vectren Corp.	1.42	N/A	N/A	N/A	N/A	N/A	N/A	1.71	1.62	1.54	1.46	1.43	1.41	1.39	1.37	1.35	1.31	1.23	
39	WEC Energy Group	1.66	3.12	2.91	2.71	2.53	2.36	2.21	2.08	1.98	1.74	1.56	1.45	1.20	1.04	0.80	0.68	0.54	0.46	
40	Westar Energy	1.30	N/A	N/A	N/A	N/A	N/A	N/A	1.60	1.52	1.44	1.40	1.36	1.32	1.28	1.24	1.20	1.16	0.98	
41	Xcel Energy Inc.	1.33	2.08	1.95	1.83	1.72	1.62	1.52	1.44	1.36	1.28	1.20	1.11	1.07	1.03	1.00	0.97	0.91	0.88	
42	Average	1.76	2.37	2.33	2.28	2.23	2.14	2.03	1.90	1.79	1.70	1.61	1.56	1.54	1.46	1.42	1.38	1.39	1.32	
43	Industry Average Growth	3.89%	1.47%	2.08%	2.47%	4.36%	5.29%	6.91%	5.99%	5.44%	5.35%	3.49%	1.01%	5.77%	2.46%	3.13%	-0.48%	4.89%	6.45%	

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Earnings per Share <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1	ALLETE	3.01	4.30	3.38	3.23	3.35	3.33	3.38	3.13	3.14	3.38	2.90	2.63	2.58	2.65	2.19	1.89	2.82	3.08	2.77
2	Alliant Energy	1.82	2.78	2.73	2.63	2.47	2.33	2.19	1.99	1.65	1.69	1.74	1.65	1.53	1.38	1.38	0.95	1.27	1.35	1.03
3	Ameren Corp.	2.99	4.37	4.14	3.84	3.50	3.35	3.32	2.77	2.68	2.38	2.40	2.10	2.41	2.47	2.77	2.78	2.88	2.98	2.66
4	American Electric Power	3.67	5.24	5.09	4.96	4.42	4.08	3.90	3.62	4.23	3.59	3.34	3.18	2.98	3.13	2.60	2.97	2.99	2.86	2.86
5	Avangrid, Inc.	1.88	2.09	2.32	1.97	1.88	2.26	1.92	1.67	1.98	0.86	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	1.83	2.24	2.12	2.10	1.90	2.97	2.07	1.95	2.15	1.89	1.84	1.85	1.32	1.72	1.65	1.58	1.36	0.72	1.47
7	Black Hills	2.71	3.91	3.97	3.74	3.73	3.53	3.47	3.38	2.63	2.83	2.89	2.61	1.97	1.01	1.66	2.32	0.18	2.68	2.21
8	CenterPoint Energy	1.24	1.37	1.59	0.94	1.29	1.49	0.74	1.57	1.00	1.08	1.42	1.24	1.35	1.27	1.07	1.01	1.30	1.17	1.33
9	CMS Energy Corp.	1.83	3.01	2.84	2.58	2.64	2.39	2.32	2.17	1.98	1.89	1.74	1.66	1.53	1.45	1.33	0.93	1.23	0.64	0.64
10	Consol. Edison	3.91	5.04	4.55	4.74	3.94	4.08	4.55	4.10	3.94	4.05	3.62	3.93	3.86	3.57	3.47	3.14	3.36	3.48	2.95
11	Dominion Resources	2.86	1.99	4.11	3.19	1.82	2.19	3.25	3.53	3.44	3.20	3.05	3.09	2.75	2.76	2.89	2.64	3.04	2.13	2.40
12	DTE Energy	4.57	6.76	5.52	4.10	7.08	6.31	6.17	5.73	4.83	4.44	5.10	3.76	3.88	3.67	3.74	3.24	2.73	2.66	2.45
13	Duke Energy	4.09	5.56	5.27	4.93	3.92	5.07	4.13	4.22	3.71	4.10	4.13	3.98	3.71	4.14	4.02	3.39	3.03	3.60	2.73
14	Edison Int'l	3.23	4.76	1.60	2.00	1.72	3.98	-1.26	4.51	3.94	4.15	4.33	3.78	4.55	3.23	3.35	3.24	3.68	3.32	3.28
15	El Paso Electric	2.02	N/A	N/A	N/A	N/A	N/A	N/A	2.07	2.42	2.39	2.03	2.27	2.20	2.26	2.48	2.07	1.50	1.73	1.63
16	Entergy Corp.	6.37	11.10	5.37	6.87	6.90	6.30	5.88	5.19	6.88	5.81	5.77	4.96	6.02	7.55	6.66	6.30	6.20	5.60	5.36
17	Eversource Energy	2.70	4.34	4.09	3.54	3.55	3.45	3.25	3.11	2.96	2.76	2.58	2.49	1.89	2.22	2.10	1.91	1.86	1.59	0.82
18	Eversy, Inc.	3.56	3.60	3.26	3.83	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	2.84	2.38	2.26	1.74	2.60	3.01	2.07	2.78	1.80	2.54	2.10	2.31	1.92	3.75	3.87	4.29	4.10	4.03	3.50
20	FirstEnergy Corp.	2.57	2.56	2.41	2.69	1.85	1.84	1.33	2.73	2.10	2.00	0.85	2.97	2.13	1.88	3.25	3.32	4.38	4.22	3.82
21	Fortis Inc.	2.04	3.10	2.78	2.61	2.60	2.68	2.52	2.66	1.89	2.11	1.38	1.63	1.65	1.74	1.62	1.51	1.52	1.29	1.36
22	Great Plains Energy	1.33	N/A	N/A	N/A	N/A	N/A	N/A	-0.06	1.61	1.37	1.57	1.62	1.35	1.25	1.53	1.03	1.16	1.85	1.62
23	Hawaiian Elec.	1.63	1.81	2.20	2.25	1.81	1.99	1.85	1.64	2.29	1.50	1.64	1.62	1.67	1.44	1.21	0.91	1.07	1.11	1.33
24	IDACORP, Inc.	3.73	5.14	5.11	4.85	4.69	4.61	4.49	4.21	3.94	3.87	3.85	3.64	3.37	3.36	2.95	2.64	2.18	1.86	2.35
25	MGE Energy	2.12	3.25	3.07	N/A	2.60	2.51	2.43	2.20	2.18	2.06	2.32	2.16	1.86	1.76	1.67	1.47	1.59	1.51	1.37
26	NextEra Energy, Inc	1.55	3.17	2.90	1.81	2.10	1.94	1.67	1.63	1.45	1.52	1.40	1.21	1.14	1.21	1.19	0.99	1.02	0.82	0.81
27	NorthWestern Corp	2.70	3.22	3.29	3.60	3.06	3.53	3.40	3.34	3.39	2.90	2.99	2.46	2.26	2.53	2.14	2.02	1.77	1.44	1.31
28	OGE Energy	1.80	2.07	2.25	2.36	2.08	2.24	2.12	1.92	1.69	1.69	1.98	1.94	1.79	1.73	1.50	1.33	1.25	1.32	1.23
29	Otter Tail Corp.	2.20	7.00	6.78	4.23	2.34	2.17	2.06	1.86	1.60	1.56	1.55	1.37	1.05	0.45	0.38	0.71	1.09	1.78	1.69
30	Pinnacle West Capital	3.77	4.41	4.26	5.47	4.87	4.77	4.54	4.43	3.95	3.92	3.58	3.66	3.50	2.99	3.08	2.26	2.12	2.96	3.17
31	PNM Resources	1.58	2.82	2.69	2.27	2.15	2.28	1.66	1.92	1.65	1.64	1.45	1.41	1.31	1.08	0.87	0.58	0.11	0.76	1.72
32	Portland General	2.02	2.38	2.74	2.72	1.72	2.39	2.37	2.29	2.16	2.04	2.18	1.77	1.87	1.95	1.66	1.31	1.39	2.33	1.14
33	PPL Corp.	2.15	1.60	1.41	0.53	2.04	2.37	2.58	2.11	2.79	2.37	2.38	2.38	2.61	2.61	2.29	1.19	2.45	2.63	2.29
34	Public Serv. Enterprise	2.96	3.48	3.47	2.55	3.61	3.90	2.76	2.82	2.83	3.30	2.99	2.45	2.44	3.11	3.07	3.08	2.90	2.59	1.85
35	SCANA Corp.	3.30	N/A	N/A	N/A	N/A	N/A	N/A	4.20	4.16	3.81	3.79	3.39	3.15	2.97	2.98	2.85	2.95	2.74	2.59
36	Sempra Energy	4.96	4.61	9.21	4.01	6.58	5.97	5.48	4.63	4.24	5.23	4.63	4.22	4.35	4.47	4.02	4.78	4.43	4.26	4.23
37	Southern Co.	2.83	3.64	3.61	3.42	3.25	3.17	3.00	3.21	2.83	2.84	2.77	2.70	2.67	2.55	2.36	2.32	2.25	2.28	2.10
38	Vectren Corp.	1.94	N/A	N/A	N/A	N/A	N/A	N/A	2.60	2.55	2.39	2.02	1.66	1.94	1.73	1.64	1.79	1.63	1.83	1.44
39	WEC Energy Group	2.76	4.63	4.46	4.11	3.79	3.58	3.34	3.14	2.96	2.34	2.59	2.51	2.35	2.18	1.92	1.60	1.52	1.42	1.32
40	Westar Energy	1.96	N/A	N/A	N/A	N/A	N/A	N/A	2.27	2.43	2.09	2.35	2.27	2.15	1.79	1.80	1.28	1.31	1.84	1.88
41	Xcel Energy Inc.	2.15	3.35	3.17	2.96	2.79	2.64	2.47	2.30	2.21	2.10	2.03	1.91	1.85	1.72	1.56	1.49	1.46	1.35	1.35
42	Average	2.75	3.81	3.61	3.24	3.16	3.28	2.87	2.90	2.81	2.68	2.65	2.52	2.44	2.43	2.35	2.17	2.19	2.25	2.09
43	Industry Average Growth	3.68%	5.43%	11.50%	2.47%	-3.54%	14.00%	-0.78%	3.26%	4.58%	1.09%	5.23%	3.58%	0.03%	3.76%	8.23%	-0.89%	-2.75%	7.36%	

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.



Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Cash Flow / Capital Spending <sup>1</sup>					3 - 5 yr <sup>2</sup>
		2020 (1)	2021 (2)	2022 (3)	2023 (4)	2024 <sup>2</sup> (5)	Projection (6)
1	ALLETE	0.74x	0.80x	2.26x	1.42x	1.39x	1.33x
2	Alliant Energy	0.82x	0.97x	0.94x	0.95x	0.97x	1.20x
3	Ameren Corp.	0.51x	0.59x	0.72x	0.74x	0.84x	0.94x
4	American Electric Power	0.74x	0.69x	0.73x	0.72x	0.82x	1.09x
5	Avangrid, Inc.	0.56x	0.62x	0.61x	0.57x	0.71x	0.78x
6	Avista Corp.	0.85x	0.87x	0.83x	0.78x	0.84x	0.87x
7	Black Hills	0.72x	0.76x	0.85x	0.82x	0.68x	0.86x
8	CenterPoint Energy	0.88x	0.62x	0.62x	0.57x	0.55x	0.69x
9	CMS Energy Corp.	0.82x	0.77x	0.78x	0.92x	0.81x	0.87x
10	Consol. Edison	0.82x	0.89x	0.83x	0.72x	0.84x	0.94x
11	Dominion Resources	1.00x	0.89x	0.74x	0.63x	0.51x	0.88x
12	DTE Energy	0.67x	0.70x	0.75x	0.82x	0.87x	0.95x
13	Duke Energy	0.86x	0.93x	0.81x	0.79x	0.77x	0.90x
14	Edison Int'l	0.67x	0.74x	0.67x	0.75x	0.82x	0.88x
15	El Paso Electric	1.00x	0.83x	N/A	N/A	N/A	N/A
16	Entergy Corp.	0.81x	1.05x	0.98x	0.85x	0.83x	1.08x
17	Eversource Energy	0.95x	0.74x	0.72x	0.86x	0.76x	0.80x
18	Evergy, Inc.	1.06x	0.96x	0.94x	0.86x	0.89x	0.98x
19	Exelon Corp.	1.30x	1.32x	0.96x	0.99x	0.80x	0.94x
20	FirstEnergy Corp.	0.96x	0.91x	0.86x	0.80x	0.82x	0.95x
21	Fortis Inc.	0.60x	0.74x	0.75x	0.82x	0.85x	0.97x
22	Hawaiian Elec.	1.10x	1.42x	1.30x	1.51x	1.20x	1.09x
23	IDACORP, Inc.	1.25x	1.16x	0.83x	0.63x	0.56x	0.95x
24	MGE Energy	0.73x	0.87x	N/A	1.26x	1.09x	1.18x
25	NextEra Energy, Inc.	0.58x	0.69x	0.54x	0.59x	0.59x	0.65x
26	NorthWestern Corp	0.98x	0.82x	0.66x	0.75x	0.87x	1.04x
27	OGE Energy	1.43x	1.13x	0.99x	0.97x	1.00x	1.24x
28	Otter Tail Corp.	0.45x	1.42x	1.45x	1.08x	1.23x	1.15x
29	Pinnacle West Capital	0.98x	0.85x	0.78x	0.95x	0.74x	0.89x
30	PNM Resources	0.59x	0.51x	0.63x	0.63x	0.53x	0.64x
31	Portland General	0.75x	0.97x	1.01x	0.58x	0.62x	0.93x
32	PPL Corp.	1.06x	1.12x	1.35x	0.98x	0.97x	1.03x
33	Public Serv. Enterprise	1.00x	1.05x	0.82x	0.87x	0.90x	0.90x
34	Sempra Energy	0.92x	0.78x	0.92x	0.96x	0.63x	0.68x
35	Southern Co.	1.01x	0.93x	0.97x	0.97x	0.90x	1.09x
36	WEC Energy Group	0.70x	0.75x	0.87x	0.92x	1.01x	1.28x
37	Xcel Energy Inc.	0.99x	0.86x	0.80x	0.92x	0.65x	0.97x
38	Average	0.86x	0.88x	0.89x	0.86x	0.83x	0.96x
39	Median	0.85x	0.86x	0.83x	0.84x	0.83x	0.94x

Source:

<sup>1</sup> Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Notes:

Based on the projected Cash Flow per share and Capital Spending per share.

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Percent Dividends to Book Value <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2a</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
1	ALLETE	5.90%	5.56%	5.52%	5.56%	5.61%	5.44%	5.35%	5.29%	5.45%	5.45%	5.59%	5.86%	6.04%	6.18%	6.46%	6.67%	6.78%	6.80%	6.62%
2	Alliant Energy	6.39%	6.84%	6.84%	6.73%	6.68%	6.68%	6.90%	7.32%	6.96%	6.70%	6.56%	6.36%	6.37%	6.26%	6.06%	5.98%	5.48%	5.23%	5.04%
3	Ameren Corp.	6.03%	6.26%	5.88%	5.84%	5.67%	5.87%	5.92%	6.01%	5.86%	5.78%	5.82%	5.93%	5.87%	4.76%	4.79%	4.66%	7.74%	7.84%	7.97%
4	American Electric Power	6.35%	6.95%	6.80%	6.74%	6.86%	6.82%	6.56%	6.43%	6.42%	5.90%	5.91%	5.99%	6.10%	6.04%	5.99%	6.23%	6.28%	6.32%	6.32%
5	Avangrid, Inc.	3.15%	3.46%	3.51%	3.57%	3.58%	3.57%	3.57%	3.54%	3.53%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	5.07%	5.78%	5.65%	5.61%	5.53%	5.37%	5.52%	5.41%	5.33%	5.38%	5.33%	5.65%	5.51%	5.42%	5.07%	4.23%	3.77%	3.44%	3.26%
7	Black Hills	5.33%	5.30%	5.32%	5.32%	5.32%	5.34%	5.31%	5.67%	5.55%	5.66%	5.06%	5.17%	5.31%	5.30%	5.14%	5.10%	5.15%	5.34%	5.58%
8	CenterPoint Energy	9.31%	4.96%	4.90%	4.82%	8.35%	6.59%	8.94%	12.39%	12.82%	12.30%	8.96%	8.23%	8.05%	7.97%	10.36%	11.28%	12.40%	12.12%	12.09%
9	CMS Energy Corp.	6.71%	7.84%	7.89%	7.87%	8.57%	8.66%	8.52%	8.43%	8.14%	8.16%	8.10%	7.86%	7.94%	7.05%	5.90%	4.38%	3.31%	2.11%	0.00%
10	Consol. Edison	5.97%	5.29%	5.42%	5.48%	5.56%	5.46%	5.49%	5.55%	5.72%	5.84%	5.87%	5.88%	5.97%	6.15%	6.27%	6.47%	6.60%	7.12%	7.40%
11	Dominion Resources	10.16%	8.69%	8.54%	8.00%	11.72%	10.39%	11.31%	11.41%	12.04%	12.20%	12.16%	11.24%	11.50%	9.81%	8.86%	9.38%	9.14%	8.95%	7.46%
12	DTE Energy	6.26%	7.25%	7.64%	8.64%	6.43%	6.34%	6.38%	6.34%	6.09%	5.81%	5.72%	5.79%	5.66%	5.60%	5.49%	5.59%	5.76%	5.91%	6.28%
13	Duke Energy	5.48%	6.37%	6.47%	6.34%	6.39%	6.12%	6.04%	5.85%	5.73%	5.61%	5.45%	5.28%	5.22%	5.81%	5.72%	5.66%	5.45%	5.12%	0.00%
14	Edison Int'l	5.65%	8.30%	9.24%	7.36%	6.96%	6.73%	7.56%	6.23%	5.39%	4.97%	4.41%	4.48%	4.54%	4.16%	3.90%	4.12%	4.19%	4.53%	4.65%
15	El Paso Electric	2.94%	N/A	N/A	N/A	5.13%	N/A	4.94%	4.67%	4.62%	4.63%	4.53%	4.46%	4.72%	3.47%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Entergy Corp.	6.70%	6.32%	6.68%	6.72%	6.85%	7.13%	7.65%	7.90%	7.58%	6.44%	5.95%	6.15%	6.42%	6.53%	6.82%	6.59%	7.13%	6.34%	5.34%
17	Eversource Energy	5.09%	6.66%	5.74%	5.69%	5.54%	5.59%	5.57%	5.43%	5.27%	5.12%	4.99%	4.82%	4.49%	4.86%	4.75%	4.66%	4.26%	4.16%	4.00%
18	Evergy, Inc.	5.53%	5.81%	5.57%	5.41%	5.32%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	7.02%	5.59%	5.42%	4.36%	4.62%	4.38%	4.34%	4.23%	4.51%	4.42%	4.72%	5.49%	8.38%	9.68%	10.25%	10.96%	12.21%	11.87%	11.02%
20	FirstEnergy Corp.	8.79%	8.81%	8.78%	10.26%	11.70%	11.86%	13.82%	16.34%	10.21%	4.91%	4.88%	5.44%	7.03%	6.93%	7.85%	7.84%	8.10%	6.96%	6.54%
21	Fortis Inc.	5.42%	5.84%	5.95%	5.59%	5.39%	5.08%	5.03%	5.19%	4.80%	5.00%	5.22%	5.58%	5.81%	5.70%	5.91%	5.60%	5.55%	4.90%	5.47%
22	Great Plains Energy	5.31%	N/A	N/A	N/A	N/A	N/A	N/A	4.78%	4.27%	4.21%	4.02%	3.91%	3.93%	3.84%	3.90%	4.03%	7.76%	9.13%	9.94%
23	Hawaiian Elec.	7.09%	5.07%	6.96%	6.22%	6.17%	6.12%	6.24%	6.43%	6.51%	6.91%	7.10%	7.27%	7.77%	7.91%	7.96%	8.08%	8.11%	9.22%	9.22%
24	IDACORP, Inc.	4.70%	5.57%	5.48%	5.45%	5.36%	5.24%	5.11%	5.02%	4.87%	4.70%	4.53%	4.26%	3.91%	3.62%	3.87%	4.11%	4.32%	4.48%	4.66%
25	MGE Energy	6.11%	5.30%	5.32%	N/A	5.22%	5.59%	5.60%	5.61%	5.79%	5.82%	5.84%	6.01%	6.22%	6.36%	6.56%	6.72%	6.87%	7.24%	7.77%
26	NextEra Energy, Inc.	6.70%	8.08%	8.61%	8.13%	7.51%	6.61%	6.22%	6.55%	6.69%	6.29%	6.49%	6.36%	6.34%	6.12%	5.82%	5.99%	6.30%	6.22%	6.21%
27	NorthWestern Corp.	5.82%	5.63%	5.65%	5.73%	5.84%	5.69%	5.70%	5.76%	5.77%	5.78%	5.08%	5.71%	5.90%	6.08%	6.01%	6.13%	6.21%	6.06%	6.00%
28	OGE Energy	6.86%	7.46%	7.47%	8.04%	8.71%	7.28%	6.96%	6.59%	6.70%	6.30%	5.84%	5.56%	5.70%	5.81%	6.24%	6.79%	6.89%	7.47%	7.61%
29	Otter Tail Corp.	7.03%	5.95%	5.61%	6.54%	7.05%	7.19%	7.29%	7.27%	7.34%	7.70%	7.86%	8.07%	8.25%	7.52%	6.77%	6.33%	6.22%	6.67%	6.90%
30	Pinnacle West Capital	6.21%	6.41%	6.40%	6.43%	6.47%	6.29%	6.16%	6.03%	5.93%	5.91%	5.89%	5.84%	7.38%	6.00%	6.20%	6.42%	6.15%	5.98%	5.87%
31	PNM Resources	4.03%	5.72%	5.52%	3.88%	5.23%	5.59%	5.12%	4.67%	4.18%	3.85%	3.77%	3.26%	2.89%	2.55%	2.84%	2.65%	3.20%	4.13%	3.89%
32	Portland General	4.90%	5.73%	5.75%	5.61%	5.45%	5.24%	5.09%	4.94%	4.78%	4.64%	4.56%	4.70%	4.70%	4.78%	4.90%	4.93%	4.48%	4.42%	3.45%
33	PPL Corp.	8.50%	5.03%	4.66%	8.89%	9.55%	9.74%	10.13%	10.18%	10.44%	10.19%	7.28%	7.43%	8.00%	7.48%	8.24%	9.47%	9.89%	8.20%	8.27%
34	Public Serv. Enterprise	6.97%	7.34%	7.82%	7.12%	6.18%	6.28%	6.31%	6.27%	6.31%	6.03%	6.14%	6.28%	6.66%	6.75%	7.20%	7.66%	8.40%	8.15%	8.54%
35	SCANA Corp.	6.44%	N/A	N/A	N/A	N/A	N/A	N/A	6.67%	5.74%	5.72%	6.01%	6.14%	6.29%	6.48%	6.54%	6.80%	7.12%	6.94%	6.89%
36	Sempra Energy	5.33%	5.41%	5.49%	5.56%	5.96%	6.39%	6.59%	6.53%	5.83%	5.89%	5.74%	5.60%	5.66%	4.68%	4.16%	4.27%	4.18%	3.89%	4.19%
37	Southern Co.	9.56%	9.65%	9.67%	9.96%	9.59%	9.42%	9.95%	9.59%	8.89%	9.53%	9.48%	9.39%	9.22%	9.22%	9.38%	9.55%	9.74%	9.83%	10.07%
38	Vectren Corp.	7.71%	N/A	N/A	N/A	N/A	N/A	N/A	7.67%	7.60%	7.57%	7.51%	7.55%	7.74%	7.78%	7.84%	7.85%	7.86%	7.97%	7.97%
39	WEC Energy Group	6.42%	8.38%	7.92%	7.83%	7.62%	7.36%	7.12%	6.94%	7.00%	6.35%	7.96%	7.71%	6.65%	6.05%	4.92%	4.42%	3.78%	3.77%	3.72%
40	Westar Energy	5.71%	N/A	N/A	N/A	N/A	N/A	N/A	5.82%	5.66%	5.57%	5.60%	5.70%	5.77%	5.81%	5.84%	5.83%	5.75%	5.64%	5.56%
41	Xcel Energy Inc.	6.19%	6.55%	6.43%	6.38%	6.34%	6.42%	6.39%	6.38%	6.26%	6.13%	5.94%	5.78%	5.88%	5.91%	5.97%	6.09%	6.13%	6.19%	6.16%
42	Average	6.34%	6.42%	6.46%	6.50%	6.65%	6.57%	6.69%	6.73%	6.46%	6.13%	6.09%	6.11%	6.29%	6.11%	6.07%	6.13%	6.37%	6.29%	6.10%
43	Median	6.09%	6.10%	5.92%	6.34%	6.18%	6.29%	6.23%	6.25%	5.85%	5.82%	5.84%	5.84%	5.99%	6.08%	6.01%	5.99%	6.22%	6.22%	6.21%

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

<sup>3</sup> Based on the projected 2023 Dividend Declared per share and Book Value per share, published in The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Line	Company	Dividends to Earnings Ratio <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2a</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
1	ALLETE	0.69	0.63	0.77	0.78	0.74	0.71	0.66	0.68	0.66	0.60	0.68	0.72	0.71	0.67	0.80	0.93	0.61	0.53	0.52
2	Alliant Energy	0.61	0.65	0.63	0.61	0.62	0.61	0.61	0.63	0.72	0.65	0.59	0.57	0.59	0.62	0.57	0.79	0.55	0.47	0.56
3	Ameren Corp.	0.66	0.58	0.57	0.57	0.57	0.57	0.56	0.64	0.64	0.70	0.67	0.76	0.66	0.63	0.56	0.55	0.88	0.85	0.95
4	American Electric Power	0.61	0.64	0.62	0.60	0.64	0.66	0.65	0.66	0.54	0.60	0.61	0.61	0.63	0.59	0.66	0.55	0.55	0.55	0.52
5	Avangrid, Inc.	0.88	0.84	0.76	0.89	0.94	0.78	0.91	1.03	0.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	0.68	0.82	0.83	0.80	0.85	0.52	0.72	0.73	0.64	0.70	0.69	0.66	0.88	0.64	0.61	0.51	0.51	0.83	0.39
7	Black Hills	1.06	0.64	0.61	0.61	0.58	0.58	0.56	0.54	0.64	0.57	0.54	0.58	0.75	1.45	0.87	0.61	7.78	0.51	0.60
8	CenterPoint Energy	0.72	0.55	0.45	0.70	0.70	0.58	1.51	0.86	1.03	0.92	0.67	0.67	0.60	0.62	0.73	0.75	0.56	0.58	0.45
9	CMS Energy Corp.	0.58	0.65	0.65	0.67	0.62	0.64	0.62	0.61	0.63	0.61	0.62	0.61	0.63	0.58	0.50	0.54	0.29	0.31	N/A
10	Consol. Edison	0.68	0.64	0.69	0.65	0.78	0.73	0.63	0.67	0.68	0.64	0.70	0.63	0.63	0.67	0.69	0.75	0.70	0.67	0.78
11	Dominion Resources	0.89	1.34	0.65	0.79	1.90	1.68	1.03	0.86	0.81	0.81	0.79	0.73	0.77	0.71	0.63	0.66	0.52	0.69	0.58
12	DTE Energy	0.66	0.57	0.64	0.95	0.58	0.61	0.58	0.59	0.63	0.64	0.53	0.69	0.62	0.63	0.58	0.65	0.78	0.80	0.85
13	Duke Energy	0.80	0.73	0.76	0.79	0.97	0.74	0.88	0.83	0.91	0.79	0.76	0.78	0.82	0.72	0.72	0.83	0.89	0.72	N/A
14	Edison Int'l	0.47	0.63	1.78	1.35	1.50	0.62	- 1.93	0.50	0.50	0.42	0.34	0.36	0.29	0.40	0.38	0.38	0.33	0.35	0.34
15	El Paso Electric	0.50	N/A	N/A	N/A	N/A	N/A	0.68	0.54	0.51	0.57	0.49	0.48	0.43	0.27	N/A	N/A	N/A	N/A	N/A
16	Entergy Corp.	0.54	0.39	0.76	0.56	0.54	0.58	0.61	0.67	0.50	0.57	0.58	0.67	0.55	0.44	0.49	0.48	0.48	0.46	0.40
17	Eversource Energy	0.60	0.62	0.62	0.68	0.64	0.62	0.62	0.61	0.60	0.61	0.61	0.59	0.70	0.50	0.49	0.50	0.44	0.49	0.88
18	Evergy, Inc.	0.66	0.69	0.71	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	0.60	0.61	0.60	0.88	0.59	0.48	0.67	0.47	0.70	0.49	0.59	0.63	1.09	0.56	0.54	0.49	0.50	0.45	0.47
20	FirstEnergy Corp.	0.78	0.63	0.65	0.58	0.84	0.83	1.37	0.53	0.69	0.72	1.69	0.56	1.03	1.17	0.68	0.66	0.50	0.49	0.48
21	Fortis Inc.	0.71	0.74	0.78	0.80	0.76	0.69	0.69	0.62	0.82	0.68	0.94	0.77	0.73	0.67	0.69	0.69	0.66	0.64	0.49
22	Great Plains Energy	- 0.82	N/A	N/A	N/A	N/A	N/A	N/A	-18.33	0.66	0.73	0.60	0.54	0.63	0.67	0.54	0.81	1.43	0.90	1.02
23	Hawaiian Elec.	0.82	0.60	0.64	0.60	0.73	0.64	0.67	0.76	0.54	0.83	0.76	0.77	0.74	0.86	1.02	1.36	1.16	1.12	0.93
24	IDACORP, Inc.	0.51	0.62	0.59	0.59	0.58	0.56	0.53	0.53	0.53	0.50	0.46	0.43	0.41	0.36	0.41	0.45	0.55	0.65	0.51
25	MGE Energy	0.57	0.51	0.52	N/A	0.56	0.55	0.54	0.57	0.56	0.56	0.48	0.50	0.56	0.57	0.60	0.66	0.60	0.62	0.68
26	NextEra Energy, Inc.	0.56	0.59	0.59	0.85	0.67	0.64	0.66	0.60	0.60	0.51	0.52	0.55	0.53	0.45	0.42	0.47	0.44	0.50	0.47
27	NorthWestern Corp.	0.69	0.80	0.77	0.69	0.78	0.65	0.65	0.63	0.59	0.66	0.54	0.62	0.65	0.57	0.64	0.66	0.75	0.89	0.95
28	OGE Energy	0.60	0.80	0.73	0.69	0.76	0.67	0.66	0.66	0.68	0.62	0.48	0.44	0.45	0.44	0.49	0.54	0.56	0.52	0.55
29	Otter Tail Corp.	0.98	0.25	0.24	0.37	0.63	0.65	0.65	0.69	0.78	0.79	0.78	0.87	1.13	2.64	3.13	1.68	1.09	0.66	0.68
30	Pinnacle West Capital	0.71	0.79	0.80	0.61	0.66	0.64	0.63	0.61	0.65	0.62	0.65	0.61	0.76	0.70	0.68	0.93	0.99	0.71	0.64
31	PNM Resources	0.85	0.53	0.52	0.43	0.58	0.52	0.65	0.52	0.53	0.49	0.52	0.48	0.44	0.46	0.57	0.86	5.50	1.20	0.50
32	Portland General	0.63	0.79	0.65	0.63	0.92	0.64	0.60	0.59	0.58	0.58	0.51	0.62	0.57	0.54	0.62	0.77	0.70	0.40	0.59
33	PPL Corp.	0.78	0.59	0.62	3.13	0.81	0.70	0.64	0.75	0.54	0.63	0.63	0.62	0.55	0.54	0.61	1.16	0.55	0.46	0.48
34	Public Serv. Enterprise	0.55	0.66	0.62	0.80	0.54	0.48	0.65	0.61	0.58	0.47	0.49	0.59	0.58	0.44	0.45	0.43	0.44	0.45	0.62
35	SCANA Corp.	0.61	N/A	N/A	N/A	N/A	N/A	N/A	0.58	0.55	0.57	0.55	0.60	0.63	0.65	0.64	0.66	0.62	0.64	0.65
36	Sempra Energy	0.54	0.52	0.50	1.10	0.64	0.65	0.65	0.71	0.71	0.54	0.57	0.60	0.55	0.43	0.39	0.33	0.31	0.29	0.28
37	Southern Co.	0.75	0.76	0.75	0.77	0.78	0.78	0.79	0.72	0.79	0.76	0.75	0.75	0.73	0.73	0.76	0.75	0.74	0.70	0.73
38	Vectren Corp.	0.75	N/A	N/A	N/A	N/A	N/A	N/A	0.66	0.64	0.64	0.72	0.86	0.72	0.80	0.84	0.75	0.80	0.69	0.85
39	WEC Energy Group	0.56	0.67	0.65	0.66	0.67	0.66	0.66	0.66	0.67	0.74	0.60	0.58	0.51	0.48	0.42	0.42	0.36	0.35	0.35
40	Westar Energy	0.68	N/A	N/A	N/A	N/A	N/A	N/A	0.70	0.63	0.69	0.60	0.60	0.61	0.72	0.69	0.94	0.89	0.59	0.52
41	Xcel Energy Inc.	0.62	0.62	0.62	0.62	0.62	0.61	0.62	0.63	0.62	0.61	0.59	0.58	0.58	0.60	0.64	0.65	0.64	0.67	0.65
42	Average	0.65	0.66	0.68	0.78	0.75	0.66	0.64	0.18	0.65	0.64	0.64	0.62	0.65	0.67	0.68	0.70	0.96	0.62	0.61
43	Median	0.63	0.63	0.64	0.68	0.67	0.64	0.65	0.63	0.64	0.62	0.60	0.61	0.63	0.62	0.66	0.61	0.60	0.60	0.57

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Note:

<sup>b</sup> Based on the projected 2023 Dividends Declared per share and Earnings per share, published in The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Electric Utilities  
(Valuation Metrics)

Cash Flow to Capital Spending Ratio <sup>1</sup>

Line	Company	18-Year																		
		Average	2023 <sup>2a</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1	ALLETE	0.93	1.76	2.12	0.55	0.55	0.63	1.22	1.61	1.32	1.16	0.45	0.67	0.49	0.77	0.63	0.39	0.46	0.65	1.23
2	Alliant Energy	0.80	0.74	0.91	0.95	N/A	N/A	N/A	0.49	N/A	0.81	0.91	1.01	0.57	0.91	0.67	0.39	0.57	1.04	1.27
3	Ameren Corp.	0.87	0.77	0.71	0.62	0.62	0.79	0.80	0.75	0.75	0.75	0.75	0.89	1.07	1.31	1.36	0.81	0.66	0.97	1.21
4	American Electric Power	0.86	0.71	0.81	0.81	0.81	0.75	0.68	0.67	0.85	0.85	0.87	0.91	1.07	1.19	1.24	1.02	0.70	0.77	0.75
5	Avangrid, Inc.	0.71	0.66	0.79	0.56	0.56	0.62	0.85	0.57	0.86	0.89	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Avista Corp.	0.89	0.88	0.73	0.88	0.88	0.92	0.78	0.77	0.84	0.76	0.80	0.86	0.80	0.90	0.99	1.15	0.97	0.73	1.36
7	Black Hills	0.68	0.95	0.86	0.61	0.61	0.53	0.87	1.17	0.71	0.64	0.70	0.74	0.71	0.40	0.41	0.61	0.35	0.76	0.55
8	CenterPoint Energy	0.98	0.52	0.52	0.73	0.73	0.83	0.98	1.22	1.12	0.92	1.20	1.18	1.37	1.12	0.88	0.99	1.16	0.98	1.08
9	CMS Energy Corp.	0.86	0.85	0.82	0.78	0.78	0.79	0.77	0.89	0.81	0.81	0.74	0.82	0.82	1.05	1.13	0.97	1.11	0.55	1.07
10	Consol. Edison	0.83	0.84	0.88	0.83	0.83	0.87	0.82	0.76	0.65	0.76	0.88	0.86	1.01	0.98	0.90	0.75	0.70	0.81	0.74
11	Dominion Resources	0.77	0.46	0.86	0.73	0.73	0.96	1.04	0.81	0.65	0.64	0.63	0.77	0.73	0.79	0.87	0.75	0.83	0.74	0.85
12	DTE Energy	0.98	0.85	0.86	0.74	0.74	0.83	0.84	0.94	0.93	0.84	1.02	0.96	0.93	1.09	1.51	1.50	0.98	1.07	1.03
13	Duke Energy	0.89	0.81	0.87	0.85	0.85	0.80	0.81	0.87	0.82	0.96	1.20	1.09	0.87	0.89	0.78	0.77	0.71	1.09	0.97
14	Edison Int'l	0.74	0.83	0.62	0.55	0.55	0.68	0.34	0.94	0.91	0.80	0.83	0.80	0.76	0.61	0.60	0.79	0.93	0.88	0.93
15	El Paso Electric	0.87	N/A	N/A	0.83	N/A	N/A	0.86	1.04	0.85	0.67	0.69	0.79	0.85	1.03	0.98	0.68	0.78	0.84	1.26
16	Entergy Corp.	0.96	1.03	0.62	0.74	0.74	0.79	0.73	0.76	1.08	1.05	1.19	1.03	0.88	1.15	1.24	1.02	0.93	1.14	1.13
17	Eversource Energy	0.83	0.54	0.89	0.80	0.80	0.75	0.83	0.79	0.87	0.91	0.90	1.13	0.86	0.80	1.05	0.96	0.77	0.68	0.67
18	Evergy, Inc.	0.89	0.86	0.78	1.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	Exelon Corp.	1.20	0.82	0.84	1.09	1.09	1.20	1.05	1.06	0.76	0.82	0.93	1.07	0.98	1.19	1.66	1.66	1.61	1.84	1.86
20	FirstEnergy Corp.	1.00	0.82	0.98	0.83	0.83	0.80	0.76	1.03	0.94	0.93	0.54	0.91	0.85	1.05	1.32	1.22	0.95	1.56	1.75
21	Fortis Inc.	0.70	0.93	0.89	0.65	0.65	0.68	0.72	0.76	0.76	0.65	0.60	0.77	0.72	0.66	0.68	0.63	0.66	0.57	0.63
22	Great Plains Energy	0.79	N/A	N/A	N/A	N/A	N/A	N/A	0.78	1.17	0.90	0.79	0.91	0.86	1.03	0.86	0.50	0.35	0.69	0.64
23	Hawaiian Elec.	1.12	1.14	1.56	1.27	1.27	1.08	0.85	0.81	1.37	0.98	1.03	0.92	0.99	1.30	1.50	0.79	0.87	1.15	1.23
24	IDACORP, Inc.	1.09	0.75	1.00	1.33	1.33	1.46	1.42	1.33	1.16	1.15	1.21	1.34	1.24	0.86	0.78	0.96	0.82	0.64	0.89
25	MGE Energy	1.08	0.99	1.12	0.82	0.82	0.97	0.66	1.19	1.44	1.60	1.31	0.96	1.05	1.56	1.57	1.13	0.87	0.59	0.80
26	NextEra Energy, Inc.	0.61	0.50	0.55	0.58	0.58	0.67	0.56	0.53	0.63	0.71	0.77	0.68	0.39	0.58	0.69	0.60	0.63	0.56	0.73
27	NorthWestern Corp.	1.00	0.72	0.75	0.84	0.84	1.13	1.23	1.21	1.13	1.01	0.93	0.92	0.88	1.04	0.76	0.88	1.27	1.23	1.29
28	OGE Energy	0.91	0.96	0.87	1.24	1.24	1.27	1.30	0.81	1.00	1.18	1.19	0.69	0.63	0.51	0.69	0.61	0.60	0.79	0.84
29	Otter Tail Corp.	0.97	1.98	2.13	0.48	0.48	0.80	1.49	1.10	0.84	0.74	0.70	0.67	0.85	1.16	1.09	0.56	0.37	0.65	1.44
30	Pinnacle West Capital	0.94	0.73	0.89	0.91	0.91	1.03	1.06	0.76	0.81	0.92	0.97	0.87	0.96	0.91	0.97	1.06	0.86	0.99	1.28
31	PNM Resources	0.70	0.55	0.63	0.72	0.72	0.78	0.82	0.84	0.57	0.57	0.63	0.80	0.87	0.77	0.82	0.70	0.44	0.43	0.89
32	Portland General	0.82	0.51	0.86	0.78	0.78	1.03	1.00	1.07	0.88	0.80	0.47	0.59	1.28	1.25	0.81	0.44	0.77	0.72	0.78
33	PPL Corp.	0.97	1.06	1.05	0.90	0.90	0.98	0.93	0.82	1.00	0.72	0.75	0.69	0.91	1.07	1.11	1.07	1.25	1.13	1.18
34	Public Serv. Enterprise	1.10	0.92	1.05	1.13	1.13	1.08	0.70	0.64	0.61	0.80	1.04	0.93	0.96	1.30	1.23	1.41	1.34	1.64	1.94
35	SCANA Corp.	0.86	N/A	N/A	N/A	N/A	N/A	N/A	0.86	0.66	0.83	0.90	0.83	0.77	0.88	0.86	0.76	0.76	0.92	1.26
36	Sempra Energy	0.80	0.61	0.92	0.77	0.77	0.88	0.80	0.67	0.56	0.81	0.74	0.84	0.73	0.72	0.90	1.02	0.87	0.90	0.93
37	Southern Co.	0.90	0.88	0.97	0.99	0.99	0.88	0.83	0.90	0.77	0.88	0.80	0.86	0.93	0.94	0.93	0.78	0.87	0.91	1.00
38	Vectren Corp.	1.00	N/A	N/A	N/A	N/A	N/A	N/A	0.82	0.87	0.95	0.98	1.05	1.13	1.20	1.31	0.83	0.82	0.98	1.00
39	WEC Energy Group	0.98	0.95	1.09	0.97	0.97	0.91	0.90	0.92	1.20	0.97	1.37	1.42	1.30	1.02	0.97	0.89	0.61	0.56	0.69
40	Westar Energy	0.72	N/A	N/A	N/A	N/A	N/A	N/A	0.91	0.63	0.86	0.70	0.72	0.67	0.71	0.88	0.68	0.36	0.48	1.00
41	Xcel Energy Inc.	0.76	0.75	0.93	0.66	0.66	0.78	0.77	0.84	0.79	0.63	0.68	0.60	0.76	0.83	0.76	0.89	0.75	0.71	0.90
42	Average	0.89	0.85	0.94	0.83	0.82	0.88	0.89	0.89	0.89	0.87	0.87	0.89	0.88	0.96	0.98	0.86	0.80	0.88	1.05
43	Median	0.83	0.83	0.87	0.81	0.79	0.83	0.83	0.84	0.85	0.83	0.83	0.86	0.87	0.98	0.90	0.81	0.78	0.81	1.00

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Notes:

<sup>3</sup> Based on the projected Cash Flow per share and Capital Spending per share published in The Value Line Investment Survey, March 8, April 19, and May 10, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Natural Gas Utilities  
(Valuation Metrics)

Line	Company	Price to Earnings (P/E) Ratio <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
1	Atmos Energy	17.41	16.80	19.30	18.80	22.30	23.20	21.70	22.00	20.80	17.50	16.10	15.90	15.90	14.40	13.20	12.50	13.60	15.90	13.52
2	Chesapeake Utilities	19.38	21.60	25.80	25.60	21.60	24.70	22.90	27.80	22.30	19.10	17.70	15.60	14.80	14.20	12.20	14.20	14.20	16.70	17.85
3	New Jersey Resources	17.14	14.90	17.00	17.50	17.70	24.30	15.60	22.40	21.30	16.60	11.70	16.00	16.80	15.00	14.90	12.30	21.60	16.70	16.13
4	NiSource Inc.	22.07	16.90	19.60	18.00	18.70	21.30	19.30	64.40	23.20	37.30	22.70	18.90	17.90	19.40	15.30	14.30	12.10	18.80	19.16
5	Northwest Nat. Gas	20.63	15.40	19.60	19.50	25.00	30.90	26.60	NMF	26.90	23.70	20.70	19.40	21.10	19.00	17.00	15.20	18.10	16.70	15.85
6	ONE Gas Inc.	20.87	16.00	19.90	18.90	21.70	25.30	23.10	23.50	22.70	19.80	17.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Southwest Gas	17.84	23.00	NMF	14.30	16.80	21.30	20.60	22.20	21.60	19.40	17.90	15.80	15.00	15.70	14.00	12.20	20.30	17.30	15.94
8	Spire Inc.	18.33	14.50	17.50	13.60	51.10	22.80	16.70	19.80	19.60	16.50	19.80	21.30	14.50	13.00	13.70	13.40	14.30	14.20	13.60
9	UGI Corp.	15.30	8.40	14.10	13.90	13.80	23.40	17.80	20.80	19.30	17.70	15.80	15.40	16.40	15.00	10.90	10.30	13.30	15.10	13.97
10	Average	18.57	16.39	19.10	17.79	23.19	24.13	20.48	27.86	21.97	20.84	17.80	17.29	16.55	15.94	13.91	13.38	14.78	17.04	15.75
11	Median	17.25	16.00	19.45	18.00	21.60	23.40	20.60	22.30	21.60	19.10	17.80	15.95	16.15	15.35	13.85	13.80	13.90	16.70	15.89

Line	Company	Market Price to Cash Flow (MP/CF) Ratio <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
12	Atmos Energy	9.33	11.27	11.87	10.99	13.11	13.35	12.02	11.99	11.36	9.30	8.79	7.72	7.02	6.87	6.15	5.76	6.48	7.44	6.36
13	Chesapeake Utilities	10.71	15.77	14.21	14.20	12.31	14.17	12.24	13.78	12.06	10.16	9.25	8.12	7.46	7.35	6.36	9.48	7.88	8.58	9.40
14	New Jersey Resources	11.93	11.22	11.55	11.56	11.10	15.98	11.44	14.45	13.94	11.71	8.95	11.29	12.29	12.71	11.32	11.34	9.15	13.76	11.01
15	NiSource Inc.	7.85	7.13	8.13	7.89	7.83	8.81	8.91	12.11	8.56	10.38	10.56	8.71	7.81	6.81	5.09	4.06	4.87	6.69	6.87
16	Northwest Nat. Gas	12.16	7.56	8.76	8.57	10.10	13.13	11.75	59.72	11.57	9.46	8.84	8.61	9.48	9.08	8.94	8.26	8.75	8.54	7.83
17	ONE Gas Inc.	10.28	7.73	9.91	9.32	10.85	12.75	11.85	11.89	11.10	9.19	8.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18	Southwest Gas	7.23	7.35	19.83	6.87	7.05	8.92	9.32	9.10	7.41	6.56	6.35	5.94	5.55	5.60	4.91	3.84	4.89	5.42	5.28
19	Spire Inc.	9.60	7.53	8.34	7.55	14.01	11.27	9.60	10.39	10.32	8.47	12.03	13.76	8.80	8.08	8.12	8.58	8.95	8.46	8.46
20	UGI Corp.	7.87	5.84	7.20	9.56	7.39	12.95	9.01	10.09	9.02	8.47	7.49	6.55	6.30	7.51	6.02	5.74	7.11	7.92	7.48
21	Average	9.54	9.04	11.09	9.61	10.42	12.37	10.68	17.06	10.59	9.30	8.94	8.84	8.09	8.00	7.11	7.13	7.26	8.35	7.84
22	Median	8.60	7.56	9.91	9.32	10.85	12.95	11.44	11.99	11.10	9.30	8.84	8.37	7.64	7.43	6.26	7.01	7.50	8.19	7.65

Line	Company	Market Price to Book Value (MP/BV) Ratio <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
23	Atmos Energy	1.59	1.55	1.65	1.59	1.95	2.10	2.03	2.16	2.11	1.72	1.55	1.39	1.28	1.30	1.18	1.05	1.20	1.40	1.34
24	Chesapeake Utilities	2.06	1.93	2.69	2.77	2.27	2.69	2.50	2.51	2.28	2.19	2.12	1.83	1.66	1.61	1.40	1.37	1.64	1.84	1.85
25	New Jersey Resources	2.27	2.32	2.35	2.26	1.90	2.75	2.63	2.70	2.52	2.28	2.13	2.05	2.33	2.31	2.09	2.16	1.92	2.17	2.01
26	NiSource Inc.	1.54	1.14	2.15	1.86	1.95	2.09	1.92	1.96	1.84	1.95	1.94	1.58	1.37	1.15	0.92	0.69	0.94	1.16	1.19
27	Northwest Nat. Gas	1.82	1.29	1.51	1.45	1.98	2.38	2.35	2.41	1.92	1.63	1.59	1.56	1.72	1.70	1.78	1.73	1.96	2.05	1.69
28	ONE Gas Inc.	1.66	1.43	1.73	1.57	1.90	2.20	1.93	1.89	1.67	1.26	1.07	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	Southwest Gas	1.54	1.28	1.62	1.32	1.49	1.84	1.79	2.13	1.96	1.68	1.68	1.61	1.51	1.43	1.24	0.97	1.20	1.46	1.46
30	Spire Inc.	1.54	1.29	1.43	1.47	1.67	1.78	1.63	1.65	1.64	1.44	1.33	1.34	1.51	1.46	1.39	1.68	1.71	1.66	1.71
31	UGI Corp.	1.97	1.59	1.39	1.64	1.87	2.92	2.30	2.62	2.41	2.29	1.97	1.69	1.45	1.75	1.55	1.66	2.01	2.16	2.21
32	Average	1.77	1.53	1.83	1.77	1.89	2.30	2.12	2.23	2.04	1.83	1.71	1.63	1.60	1.59	1.44	1.41	1.57	1.74	1.68
33	Median	1.68	1.43	1.65	1.59	1.90	2.20	2.03	2.16	1.96	1.72	1.68	1.59	1.51	1.54	1.40	1.51	1.67	1.75	1.70

Sources:

The current year P/E ratio is based on the forward P/E (price over expected earnings per share). All historical year P/E ratios are based on annual average share price over achieved earnings per share.

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, May 24, 2024.

Notes:

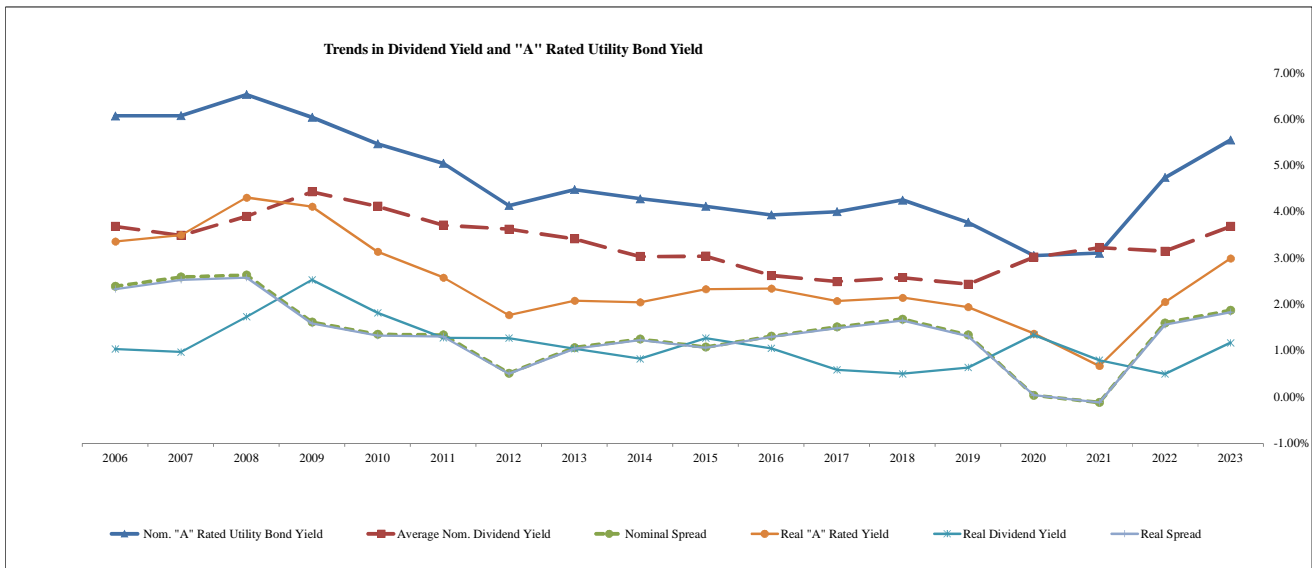
<sup>a</sup> Based on the average of the high and low price for year and the projected Cash Flow per share, published in The Value Line Investment Survey.

<sup>b</sup> Based on the average of the high and low price for the year and the projected Book Value per share, published in The Value Line Investment Survey.

Liberty Utilities (Midstates Natural Gas) Corp.

Natural Gas Utilities  
(Valuation Metrics)

Line	Company	Dividend Yield <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2a</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1	Atmos Energy	3.35%	2.62%	2.46%	2.63%	2.19%	2.08%	2.23%	2.27%	2.39%	2.88%	3.11%	3.53%	4.13%	4.19%	4.70%	5.34%	4.78%	4.16%	4.66%
2	Chesapeake Utilities	2.65%	2.08%	1.61%	1.50%	1.86%	1.68%	1.76%	1.69%	1.91%	2.18%	2.44%	2.87%	3.25%	3.36%	3.91%	4.09%	4.10%	3.62%	3.76%
3	New Jersey Resources	3.22%	3.29%	3.25%	3.50%	3.47%	2.50%	2.61%	2.69%	2.86%	3.14%	3.50%	3.71%	3.38%	3.33%	3.69%	3.46%	3.35%	3.02%	3.19%
4	NiSource Inc.	3.95%	3.85%	3.33%	3.60%	3.41%	2.86%	3.10%	2.79%	2.76%	3.53%	2.69%	3.30%	3.84%	4.53%	5.66%	7.64%	5.69%	4.29%	4.21%
5	Northwest Nat. Gas	3.62%	4.40%	3.86%	3.90%	3.33%	2.81%	3.05%	3.02%	3.28%	4.01%	4.14%	4.22%	3.83%	3.85%	3.63%	3.73%	3.27%	3.12%	3.73%
6	ONE Gas Inc.	2.71%	3.72%	3.08%	3.21%	2.70%	2.25%	2.46%	2.37%	2.32%	2.71%	2.28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Southwest Gas	3.00%	4.07%	3.20%	3.65%	3.28%	2.60%	2.74%	2.46%	2.62%	2.87%	2.72%	2.69%	2.75%	2.78%	3.15%	4.01%	3.19%	2.56%	2.60%
8	Spire Inc.	3.82%	4.44%	3.89%	3.79%	3.38%	2.95%	3.10%	3.09%	3.08%	3.53%	3.78%	3.96%	4.11%	4.31%	4.70%	3.91%	3.94%	4.43%	4.34%
9	UGI Corp.	3.00%	4.64%	3.61%	3.25%	3.56%	2.16%	2.09%	2.01%	2.35%	2.50%	2.61%	3.01%	3.68%	3.30%	3.48%	3.23%	2.85%	2.69%	2.96%
10	Average	3.31%	3.68%	3.14%	3.23%	3.02%	2.43%	2.57%	2.49%	2.62%	3.04%	3.03%	3.41%	3.62%	3.71%	4.12%	4.43%	3.90%	3.48%	3.68%
11	Median	3.39%	3.85%	3.25%	3.50%	3.33%	2.50%	2.61%	2.46%	2.62%	2.88%	2.72%	3.42%	3.75%	3.60%	3.80%	3.96%	3.65%	3.37%	3.75%
12	20-Yr Treasury Yields <sup>3</sup>	3.25%	4.25%	3.30%	1.98%	1.35%	2.40%	3.02%	2.65%	2.23%	2.55%	3.07%	3.12%	2.54%	3.62%	4.03%	4.11%	4.36%	4.91%	4.99%
13	20-Yr TIPS <sup>3</sup>	1.07%	1.73%	0.64%	-0.43%	-0.30%	0.60%	0.94%	0.75%	0.66%	0.78%	0.87%	0.75%	0.21%	1.19%	1.73%	2.21%	2.19%	2.36%	2.31%
14	Implied Inflation <sup>b</sup>	2.16%	2.48%	2.64%	2.42%	1.66%	1.79%	2.06%	1.89%	1.56%	1.75%	2.19%	2.35%	2.33%	2.40%	2.26%	1.85%	2.13%	2.49%	2.62%
15	Real Dividend Yield <sup>c</sup>	1.13%	1.17%	0.49%	0.79%	1.33%	0.63%	0.50%	0.58%	1.05%	1.27%	0.82%	1.04%	1.27%	1.27%	1.82%	2.53%	1.73%	0.97%	1.03%
Utility																				
16	Nominal "A" Rated Yield <sup>d</sup>	4.70%	5.55%	4.74%	3.10%	3.05%	3.77%	4.25%	4.00%	3.93%	4.12%	4.28%	4.48%	4.13%	5.04%	5.46%	6.04%	6.53%	6.07%	6.07%
17	Real "A" Rated Yield	2.49%	2.99%	2.05%	0.67%	1.37%	1.94%	2.14%	2.07%	2.34%	2.33%	2.04%	2.08%	1.76%	2.58%	3.13%	4.11%	4.31%	3.49%	3.36%
Spreads (Utility Bond - Stock)																				
18	Nominal <sup>d</sup>	1.39%	1.87%	1.60%	-0.12%	0.03%	1.33%	1.68%	1.51%	1.31%	1.08%	1.25%	1.06%	0.51%	1.33%	1.35%	1.61%	2.63%	2.59%	2.39%
19	Real <sup>e</sup>	1.36%	1.82%	1.56%	-0.12%	0.03%	1.31%	1.64%	1.48%	1.29%	1.06%	1.22%	1.04%	0.50%	1.30%	1.32%	1.58%	2.58%	2.53%	2.33%
Spreads (Treasury Bond - Stock)																				
20	Nominal <sup>f</sup>	-0.06%	0.57%	0.16%	-1.25%	-1.67%	-0.03%	0.45%	0.17%	-0.39%	-0.49%	0.05%	-0.29%	-1.08%	-0.09%	-0.09%	-0.32%	0.46%	1.42%	1.31%
21	Real <sup>g</sup>	-0.06%	0.56%	0.15%	-1.22%	-1.64%	-0.03%	0.44%	0.16%	-0.39%	-0.48%	0.04%	-0.29%	-1.05%	-0.08%	-0.08%	-0.31%	0.46%	1.39%	1.28%



Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, May 24, 2024.

<sup>3</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.

<sup>4</sup> [www.moody.com](http://www.moody.com), Bond Yields and Key Indicators, through December 31, 2023.

Notes:

<sup>a</sup> Based on the average of the high and low price for the year and the projected Dividends Declared per share published in the Value Line Investment Survey.

<sup>b</sup> Line 16 = (1 + Line 14) / (1 + Line 15) - 1.

<sup>c</sup> Line 17 = (1 + Line 12) / (1 + Line 16) - 1.

<sup>d</sup> The spread being measured here is the nominal A-rated utility bond yield over the average nominal utility dividend yield; (Line 18 - Line 12).

<sup>e</sup> The spread being measured here is the real A-rated utility bond yield over the average real utility dividend yield; (Line 19 - Line 12).

<sup>f</sup> The spread being measured here is the nominal 20-Year Treasury yield over the average nominal utility dividend yield; (Line 14 - Line 12).

<sup>g</sup> The spread being measured here is the real 20-Year TIPS yield over the average real utility dividend yield; (Line 15 - Line 12).

Liberty Utilities (Midstates Natural Gas) Corp.

Natural Gas Utilities  
(Valuation Metrics)

Line	Company	Dividend per Share <sup>1</sup>																				
		18-Year																	2018	2017		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	CAGR	CAGR
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)		
1	Atmos Energy	1.76	2.96	2.72	2.50	2.30	2.10	1.94	1.80	1.68	1.56	1.48	1.40	1.38	1.36	1.34	1.32	1.30	1.28	1.26	2.16%	2.25%
2	Chesapeake Utilities	1.24	2.25	2.03	1.84	1.69	1.55	1.39	1.26	1.19	1.12	1.07	1.01	0.96	0.91	0.87	0.83	0.81	0.78	0.77	2.97%	3.13%
3	New Jersey Resources	0.94	1.56	1.45	1.36	1.27	1.19	1.11	1.04	0.98	0.93	0.86	0.81	0.77	0.72	0.68	0.62	0.56	0.51	0.48	4.26%	4.95%
4	NiSource Inc.	0.88	1.00	0.94	0.88	0.84	0.80	0.78	0.70	0.64	0.83	1.02	0.98	0.94	0.92	0.92	0.92	0.92	0.92	0.92	-0.82%	-1.69%
5	Northwest Nat. Gas	1.78	1.94	1.93	1.92	1.91	1.90	1.89	1.88	1.87	1.86	1.85	1.83	1.79	1.75	1.68	1.60	1.52	1.44	1.39	1.54%	1.91%
6	ONE Gas Inc.	1.85	2.60	2.48	2.32	2.16	2.00	1.84	1.68	1.40	1.20	0.84	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.66%	9.05%
7	Southwest Gas	1.60	2.48	2.48	2.38	2.28	2.18	2.08	1.98	1.80	1.62	1.46	1.32	1.18	1.06	1.00	0.95	0.90	0.86	0.82	4.73%	5.66%
8	Spire Inc.	1.97	2.88	2.74	2.60	2.49	2.37	2.25	2.10	1.96	1.84	1.76	1.70	1.66	1.61	1.57	1.53	1.49	1.45	1.40	2.38%	2.57%
9	UGI Corp.	0.89	1.47	1.41	1.35	1.31	1.15	1.02	0.96	0.93	0.89	0.79	0.74	0.71	0.68	0.60	0.52	0.50	0.48	0.46	4.09%	4.78%
10	Average	1.39	2.13	2.02	1.91	1.81	1.69	1.59	1.49	1.38	1.32	1.24	1.22	1.17	1.13	1.08	1.04	1.00	0.97	0.94	3.11%	3.62%
11	Industry Average Growth	4.95%	5.28%	6.01%	5.54%	6.63%	6.56%	6.73%	7.63%	5.06%	6.54%	0.96%	4.33%	4.18%	4.04%	4.39%	3.76%	3.55%	3.02%			

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, May 24, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Natural Gas Utilities  
(Valuation Metrics)

Line	Company	Earnings per Share <sup>1</sup>																		
		18-Year																		
		Average	2023 <sup>2</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
1	Atmos Energy	3.33	6.10	5.60	5.12	4.72	4.35	4.00	3.60	3.38	3.09	2.96	2.50	2.10	2.26	2.16	1.97	2.00	1.94	2.00
2	Chesapeake Utilities	2.76	4.73	4.97	4.70	4.21	3.72	3.45	2.68	2.86	2.68	2.47	2.26	1.99	1.91	1.82	1.43	1.39	1.29	1.15
3	New Jersey Resources	1.71	2.70	2.50	2.16	2.07	1.96	2.72	1.73	1.61	1.78	2.08	1.37	1.36	1.29	1.23	1.20	1.35	0.78	0.93
4	NiSource Inc.	1.20	1.60	1.47	1.35	1.32	1.31	1.30	0.39	1.00	0.63	1.67	1.57	1.37	1.05	1.06	0.84	1.34	1.14	1.14
5	Northwest Nat. Gas	2.16	2.59	2.54	2.50	2.30	2.19	2.33	-1.94	2.12	1.96	2.16	2.24	2.22	2.39	2.73	2.83	2.57	2.76	2.35
6	ONE Gas Inc.	3.25	4.14	4.08	3.85	3.68	3.51	3.25	3.02	2.65	2.24	2.07	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Southwest Gas	2.86	2.13	3.10	3.80	4.14	3.94	3.68	3.62	3.18	2.92	3.01	3.11	2.86	2.43	2.27	1.94	1.39	1.95	1.98
8	Spire Inc.	3.03	3.85	3.95	4.96	1.44	3.52	4.33	3.43	3.24	3.16	2.35	2.02	2.79	2.86	2.43	2.92	2.64	2.31	2.37
9	UGI Corp.	1.98	2.84	2.90	2.96	2.67	2.28	2.74	2.29	2.05	2.01	1.92	1.59	1.17	1.37	1.59	1.57	1.33	1.18	1.10
10	<b>Average</b>	<b>2.41</b>	<b>3.41</b>	<b>3.46</b>	<b>3.49</b>	<b>2.95</b>	<b>2.98</b>	<b>3.09</b>	<b>2.09</b>	<b>2.45</b>	<b>2.27</b>	<b>2.30</b>	<b>2.08</b>	<b>1.98</b>	<b>1.95</b>	<b>1.91</b>	<b>1.84</b>	<b>1.75</b>	<b>1.67</b>	<b>1.63</b>
11	<b>Industry Average Growth</b>	<b>5.10%</b>	<b>-1.38%</b>	<b>-0.92%</b>	<b>18.27%</b>	<b>-0.86%</b>	<b>-3.67%</b>	<b>47.72%</b>	<b>-14.80%</b>	<b>7.91%</b>	<b>-1.06%</b>	<b>10.40%</b>	<b>5.02%</b>	<b>1.90%</b>	<b>1.83%</b>	<b>3.95%</b>	<b>4.98%</b>	<b>4.94%</b>	<b>2.53%</b>	

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, May 24, 2024.



Liberty Utilities (Midstates Natural Gas) Corp.

Natural Gas Utilities  
(Valuation Metrics)

<u>Line</u>	<u>Company</u>	<u>Cash Flow / Capital Spending<sup>1</sup></u>						<u>3 - 5 yr<sup>2</sup></u>
		<u>2019</u> (1)	<u>2020</u> (2)	<u>2021</u> (3)	<u>2022</u> (4)	<u>2023</u> (5)	<u>2024<sup>2</sup></u> (6)	<u>Projection</u> (7)
1	Atmos Energy	0.53x	0.53x	0.53x	0.54x	0.54x	0.55x	0.68x
2	Chesapeake Utilities	0.66x	0.64x	0.82x	1.23x	0.84x	0.61x	0.68x
3	New Jersey Resources	1.41x	0.65x	0.72x	0.59x	0.68x	1.03x	0.84x
4	NiSource Inc.	0.66x	0.65x	0.69x	0.55x	0.43x	0.54x	0.65x
5	Northwest Nat. Gas	0.77x	0.75x	0.61x	0.60x	0.68x	0.63x	0.72x
6	ONE Gas Inc.	0.78x	0.88x	0.86x	0.74x	0.83x	0.81x	1.11x
7	Southwest Gas	0.62x	0.53x	0.61x	0.31x	0.84x	0.76x	0.76x
8	Spire Inc.	0.65x	0.65x	0.70x	0.80x	0.71x	0.64x	0.76x
9	UGI Corp.	1.33x	1.54x	1.66x	1.42x	1.33x	1.24x	1.20x
10	Average	0.82x	0.76x	0.80x	0.75x	0.76x	0.76x	0.82x
11	Median	0.66x	0.65x	0.70x	0.60x	0.71x	0.64x	0.76x

Sources:

<sup>1</sup> The Value Line Investment Survey, various report dates.

<sup>2</sup> The Value Line Investment Survey, May 24, 2024.

Notes:

Based on the projected Cash Flow per share and Capital Spending per share.

Liberty Utilities (Midstates Natural Gas) Corp.

Natural Gas Utilities  
(Valuation Metrics)

Line	Company	Percent Dividends to Book Value <sup>1</sup>																		
		18-Year		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		Average	2023 <sup>2a</sup>																	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
1	Atmos Energy	4.99%	4.04%	4.07%	4.19%	4.26%	4.36%	4.53%	4.90%	5.04%	4.96%	4.81%	4.92%	5.28%	5.44%	5.55%	5.61%	5.75%	5.82%	6.25%
2	Chesapeake Utilities	5.09%	4.01%	4.32%	4.15%	4.23%	4.53%	4.39%	4.23%	4.35%	4.78%	5.18%	5.25%	5.39%	5.42%	5.49%	5.60%	6.71%	6.66%	6.95%
3	New Jersey Resources	7.24%	7.65%	7.63%	7.92%	6.60%	6.85%	6.87%	7.26%	7.21%	7.16%	7.45%	7.60%	7.86%	7.69%	7.72%	7.48%	6.42%	6.54%	6.40%
4	NiSource Inc.	5.61%	4.40%	7.15%	6.69%	6.64%	5.99%	5.96%	5.46%	5.08%	6.89%	5.22%	5.25%	5.19%	5.22%	5.25%	5.34%	4.97%	5.02%	
5	Northwest Nat. Gas	6.44%	5.69%	5.83%	5.66%	6.57%	6.69%	7.16%	7.27%	6.30%	6.53%	6.58%	6.59%	6.57%	6.55%	6.44%	6.43%	6.41%	6.39%	6.32%
6	ONE Gas Inc.	4.47%	5.32%	5.31%	5.04%	5.14%	4.96%	4.73%	4.48%	3.88%	3.41%	2.44%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Southwest Gas	4.51%	5.20%	5.17%	4.80%	4.87%	4.79%	4.90%	5.25%	5.14%	4.82%	4.57%	4.33%	4.16%	3.98%	3.90%	3.89%	3.83%	3.74%	3.80%
8	Spire Inc.	5.86%	5.73%	5.58%	5.56%	5.63%	5.25%	5.06%	5.09%	5.06%	5.07%	5.04%	5.31%	6.22%	6.30%	6.53%	6.56%	6.74%	7.33%	7.43%
9	UGI Corp.	5.68%	7.35%	5.02%	5.34%	6.65%	6.30%	4.82%	5.28%	5.65%	5.72%	5.14%	5.07%	5.35%	5.77%	5.41%	5.35%	5.72%	5.82%	6.54%
10	Average	5.61%	5.49%	5.57%	5.48%	5.62%	5.52%	5.38%	5.47%	5.30%	5.48%	5.16%	5.54%	5.76%	5.79%	5.78%	5.77%	5.86%	5.91%	6.09%
11	Median	5.33%	5.32%	5.31%	5.34%	5.63%	5.25%	4.90%	5.25%	5.08%	5.07%	5.14%	5.24%	5.37%	5.61%	5.52%	6.08%	6.11%	6.36%	

Line	Company	Dividends to Earnings Ratio <sup>1</sup>																		
		18-Year		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		Average	2023 <sup>2a</sup>																	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
12	Atmos Energy	0.55	0.49	0.49	0.49	0.49	0.48	0.49	0.50	0.50	0.50	0.50	0.56	0.66	0.60	0.62	0.67	0.65	0.66	0.63
13	Chesapeake Utilities	0.48	0.48	0.41	0.39	0.40	0.42	0.40	0.47	0.42	0.42	0.43	0.45	0.48	0.48	0.48	0.58	0.58	0.61	0.67
14	New Jersey Resources	0.55	0.58	0.58	0.63	0.61	0.61	0.41	0.60	0.61	0.52	0.41	0.59	0.57	0.56	0.55	0.52	0.41	0.65	0.51
15	NiSource Inc.	0.81	0.63	0.64	0.65	0.64	0.61	0.60	1.79	0.64	1.32	0.61	0.62	0.69	0.88	0.87	1.10	0.69	0.81	0.81
16	Northwest Nat. Gas	0.65	0.75	0.76	0.77	0.83	0.87	0.81	-0.97	0.88	0.95	0.86	0.82	0.81	0.73	0.62	0.57	0.59	0.52	0.59
17	ONE Gas Inc.	0.56	0.63	0.61	0.60	0.59	0.57	0.57	0.56	0.53	0.54	0.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18	Southwest Gas	0.56	1.16	0.80	0.63	0.55	0.55	0.57	0.55	0.57	0.55	0.49	0.42	0.41	0.44	0.44	0.49	0.65	0.44	0.41
19	Spire Inc.	0.69	0.75	0.69	0.52	1.73	0.67	0.52	0.61	0.60	0.58	0.75	0.84	0.59	0.56	0.65	0.52	0.56	0.63	0.59
20	UGI Corp.	0.45	0.52	0.49	0.46	0.49	0.50	0.37	0.42	0.45	0.44	0.41	0.46	0.60	0.50	0.38	0.33	0.38	0.41	0.41
21	Average	0.59	0.66	0.61	0.57	0.70	0.59	0.53	0.50	0.58	0.65	0.54	0.60	0.60	0.59	0.57	0.60	0.56	0.59	0.58
22	Median	0.58	0.63	0.61	0.60	0.59	0.57	0.52	0.55	0.57	0.54	0.49	0.58	0.60	0.56	0.58	0.54	0.59	0.62	0.59

Line	Company	Cash Flow to Capital Spending Ratio <sup>1</sup>																		
		18-Year		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		Average	2023 <sup>2a</sup>																	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
23	Atmos Energy	0.65	0.53	0.54	0.58	0.52	0.53	0.55	0.62	0.59	0.60	0.65	0.55	0.59	0.68	0.77	0.78	0.81	0.94	0.82
24	Chesapeake Utilities	0.77	0.81	1.23	0.81	0.78	0.62	0.39	0.50	0.50	0.53	0.71	0.65	0.79	1.12	1.10	1.14	0.83	0.82	0.45
25	New Jersey Resources	1.20	0.82	0.59	0.62	0.71	0.51	0.85	0.70	0.59	0.67	1.79	1.46	1.48	1.51	1.55	1.75	2.11	1.67	2.14
26	NiSource Inc.	0.74	0.61	0.55	0.68	0.66	0.61	0.58	0.41	0.59	0.53	0.56	0.57	0.65	0.75	1.11	1.06	0.94	1.11	1.37
27	Northwest Nat. Gas	0.90	0.67	0.60	0.68	0.66	0.69	0.71	0.14	1.01	1.12	1.15	0.98	1.01	1.33	0.55	1.02	1.35	1.21	1.34
28	ONE Gas Inc.	0.84	0.77	0.74	0.86	0.83	0.89	0.84	0.87	0.92	0.86	0.79	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	Southwest Gas	0.82	0.68	0.31	0.86	0.69	0.53	0.56	0.68	0.83	0.84	0.99	1.05	0.90	0.82	1.37	1.28	0.85	0.78	0.72
30	Spire Inc.	1.03	0.69	0.80	0.75	0.42	0.44	0.77	0.72	0.96	0.92	0.98	0.78	0.95	1.53	1.61	1.93	1.64	1.42	1.28
31	UGI Corp.	1.45	1.18	1.42	1.32	1.59	1.22	1.64	1.29	1.35	1.48	1.53	1.32	1.52	1.28	1.36	1.52	1.72	1.62	1.69
32	Average	0.95	0.75	0.75	0.80	0.76	0.67	0.77	0.66	0.82	0.84	1.02	0.92	0.98	1.13	1.18	1.31	1.28	1.20	1.23
33	Median	0.86	0.69	0.60	0.75	0.69	0.61	0.71	0.68	0.83	0.84	0.98	0.88	0.93	1.20	1.23	1.21	1.15	1.16	1.31

Sources:

<sup>1</sup> Data for years 2019 and prior were retrieved from the Value Line Investment Survey Investment Analyzer Software, downloaded on June 18, 2021.

Data for the years 2020 - 2022 was retrieved from Value Line Investment Surveys.

<sup>2</sup> The Value Line Investment Survey, May 24, 2024.

Notes:

<sup>a</sup> Based on the projected Dividends Declared per share and Book Value per share, published in The Value Line Investment Survey.

<sup>b</sup> Based on the projected Dividends Declared per share and Earnings per share, published in The Value Line Investment Survey.

<sup>c</sup> Based on the projected Cash Flow per share and Capital Spending per share, published in The Value Line Investment Survey.

## Liberty Utilities (Midstates Natural Gas) Corp.

Proxy Group

<u>Line</u>	<u>Company</u>	<u>Credit Ratings</u> <sup>1</sup>		<u>Common Equity Ratios</u>	
		<u>S&amp;P</u> (1)	<u>Moody's</u> (2)	<u>MI</u> <sup>1</sup> (3)	<u>Value Line</u> <sup>2</sup> (4)
1	Atmos Energy Corporation	A-	A1	52.9%	62.1%
2	Northwest Natural Holding Company	A	N/A	41.2%	48.5%
3	ONE Gas, Inc.	A-	A3	44.2%	49.3%
4	Spire Inc.	A-	Baa2	35.8%	44.6%
5	Southwest Gas Holdings, Inc.	BBB-	Baa2	32.7%	42.2%
6	Eversource Energy	A-	Baa2	40.0%	43.3%
7	American States Water Company	A	N/A	48.9%	60.1%
8	American Water Works Company, Inc.	A	Baa1	38.1%	41.3%
9	California Water Service Group	A+	N/A	53.9%	55.6%
10	Middlesex Water Company	A	N/A	52.4%	57.7%
11	SJW Group	A-	N/A	39.8%	42.7%
12	Essential Utilities, Inc.	A-	Baa2	43.9%	45.8%
13	<b>Gas Average</b>	<b>A-</b>	<b>A3</b>	<b>41.4%</b>	<b>49.3%</b>
14	<b>Gas Median</b>			<b>41.2%</b>	<b>48.5%</b>
15	<b>Total Average</b>	<b>A-</b>	<b>Baa1</b>	<b>43.7%</b>	<b>49.4%</b>
16	<b>Total Median</b>			<b>42.5%</b>	<b>47.2%</b>
17	<b>Liberty Utilities Corp.</b> <sup>3,4</sup>	<b>BBB</b>	<b>Baa2</b>		<b>52.90%</b>

Sources:

Note: If credit rating/common equity ratio unavailable for utility, subsidiary data used.

<sup>1</sup> S&P Global Market Intelligence, Downloaded on May 31, 2024.<sup>2</sup> *The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.<sup>3</sup> Used rating of parent company, Liberty Utilities Co.<sup>4</sup> Cochrane Direct, page 33.

Liberty Utilities (Midstates Natural Gas) Corp.

Consensus Analysts' Growth Rates

<u>Line</u>	<u>Company</u>	<u>Zacks</u>		<u>MI</u>		<u>Yahoo! Finance</u>		<u>Average of Growth Rates</u>
		<u>Estimated Growth %<sup>1</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>2</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>3</sup></u>	<u>Number of Estimates</u>	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	Atmos Energy Corporation	7.00%	N/A	N/A	NA	7.40%	N/A	7.20%
2	Northwest Natural Holding Company	N/A	N/A	4.40%	5	2.80%	N/A	3.60%
3	ONE Gas, Inc.	5.00%	N/A	3.00%	2	5.00%	N/A	4.33%
4	Spire Inc.	5.00%	N/A	6.50%	2	6.36%	N/A	5.95%
5	Southwest Gas Holdings, Inc.	6.00%	N/A	8.65%	2	4.00%	N/A	6.22%
6	Eversource Energy	5.41%	N/A	6.00%	4	4.20%	N/A	5.20%
7	American States Water Company	6.30%	N/A	8.00%	1	4.40%	N/A	6.23%
8	American Water Works Company, Inc.	8.00%	N/A	7.33%	3	7.50%	N/A	7.61%
9	California Water Service Group	N/A	N/A	9.00%	1	10.80%	N/A	9.90%
10	Middlesex Water Company	N/A	N/A	N/A	NA	2.70%	N/A	2.70%
11	SJW Group	7.50%	N/A	N/A	NA	7.50%	N/A	7.50%
12	Essential Utilities, Inc.	5.75%	N/A	6.40%	3	5.20%	N/A	5.78%
13	<b>Gas Average</b>	<b>5.75%</b>	<b>N/A</b>	<b>5.64%</b>	<b>3</b>	<b>5.11%</b>	<b>N/A</b>	<b>5.46%</b>
14	<b>Gas Median</b>							<b>5.95%</b>
15	<b>Total Average</b>	<b>6.22%</b>	<b>N/A</b>	<b>6.59%</b>	<b>3</b>	<b>5.66%</b>	<b>N/A</b>	<b>6.02%</b>
16	<b>Total Median</b>							<b>6.09%</b>

Sources:

<sup>1</sup> Zacks, <http://www.zacks.com/>, downloaded on May 31, 2024.

<sup>2</sup> S&P Global Market Intelligence, <https://platform.mi.spglobal.com>, downloaded on May 31, 2024.

<sup>3</sup> Yahoo! Finance, <http://www.finance.yahoo.com/>, downloaded on May 31, 2024.

## Liberty Utilities (Midstates Natural Gas) Corp.

**Constant Growth DCF Model**  
**(Consensus Analysts' Growth Rates)**

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price<sup>1</sup></u> (1)	<u>Analysts' Growth<sup>2</sup></u> (2)	<u>Annualized Dividend<sup>3</sup></u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	Atmos Energy Corporation	\$116.28	7.20%	\$3.22	2.97%	10.17%
2	Northwest Natural Holding Company	\$37.20	3.60%	\$1.95	5.44%	9.04%
3	ONE Gas, Inc.	\$62.93	4.33%	\$2.64	4.38%	8.71%
4	Spire Inc.	\$60.63	5.95%	\$3.02	5.28%	11.23%
5	Southwest Gas Holdings, Inc.	\$74.19	6.22%	\$2.48	3.55%	9.77%
6	Eversource Energy	\$59.35	5.20%	\$2.86	5.07%	10.27%
7	American States Water Company	\$72.22	6.23%	\$1.72	2.53%	8.76%
8	American Water Works Company, Inc.	\$123.24	7.61%	\$2.83	2.47%	10.08%
9	California Water Service Group	\$47.98	9.90%	\$1.12	2.57%	12.47%
10	Middlesex Water Company	\$51.75	2.70%	\$1.30	2.58%	5.28%
11	SJW Group	\$55.71	7.50%	\$1.60	3.09%	10.59%
12	Essential Utilities, Inc.	\$36.67	5.78%	\$1.23	3.54%	9.33%
13	<b>Gas Average</b>	<b>\$70.25</b>	<b>5.46%</b>	<b>\$2.66</b>	<b>4.32%</b>	<b>9.78%</b>
14	<b>Gas Median</b>					<b>9.77%</b>
15	<b>Total Average</b>	<b>\$66.51</b>	<b>6.02%</b>	<b>\$2.16</b>	<b>3.62%</b>	<b>9.64%</b>
16	<b>Total Median</b>					<b>9.92%</b>

## Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on May 31, 2024.<sup>2</sup> Exhibit CCW-3<sup>3</sup> *The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Payout Ratios

<u>Line</u>	<u>Company</u>	<u>Dividends Per Share</u>		<u>Earnings Per Share</u>		<u>Payout Ratio</u>	
		<u>2022</u>	<u>Projected</u>	<u>2022</u>	<u>Projected</u>	<u>2022</u>	<u>Projected</u>
		(1)	(2)	(3)	(4)	(5)	(6)
1	Atmos Energy Corporation	\$2.72	\$4.25	\$5.60	\$8.35	48.57%	50.90%
2	Northwest Natural Holding Company	\$1.93	\$1.98	\$2.54	\$3.20	75.98%	61.88%
3	ONE Gas, Inc.	\$2.48	\$2.85	\$4.08	\$5.00	60.78%	57.00%
4	Spire Inc.	\$2.74	\$3.60	\$3.95	\$5.50	69.37%	65.45%
5	Southwest Gas Holdings, Inc.	\$2.48	\$2.60	\$3.10	\$4.20	80.00%	61.90%
6	Eversource Energy	\$2.55	\$3.60	\$4.09	\$5.80	62.35%	62.07%
7	American States Water Company	\$1.53	\$2.50	\$2.11	\$3.90	72.51%	64.10%
8	American Water Works Company, Inc.	\$2.57	\$4.10	\$4.51	\$7.00	56.98%	58.57%
9	California Water Service Group	\$1.00	\$1.40	\$1.77	\$2.75	56.50%	50.91%
10	Middlesex Water Company	\$1.18	\$1.60	\$2.39	\$3.00	49.37%	53.33%
11	SJW Group	\$1.44	\$1.85	\$2.43	\$3.45	59.26%	53.62%
12	Essential Utilities, Inc.	\$1.11	\$1.75	\$1.77	\$2.65	62.71%	66.04%
13	<b>Gas Average</b>	<b>\$2.47</b>	<b>\$3.06</b>	<b>\$3.85</b>	<b>\$5.25</b>	<b>66.94%</b>	<b>59.43%</b>
14	<b>Total Average</b>	<b>\$1.98</b>	<b>\$2.67</b>	<b>\$3.20</b>	<b>\$4.57</b>	<b>62.87%</b>	<b>58.81%</b>

Source:  
*The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Sustainable Growth Rate

Line	Company	3 to 5 Year Projections										Sustainable Growth Rate
		Dividends	Earnings	Book Value	Book Value		Adjustment	Adjusted	Payout	Retention	Internal	
		Per Share	Per Share	Per Share	Growth	ROE	Factor	ROE	Ratio	Rate	Growth Rate	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Atmos Energy Corporation	\$4.25	\$8.35	\$83.50	3.78%	10.00%	1.02	10.19%	50.90%	49.10%	5.00%	7.72%
2	Northwest Natural Holding Company	\$1.98	\$3.20	\$36.10	1.47%	8.86%	1.01	8.93%	61.88%	38.13%	3.40%	3.90%
3	ONE Gas, Inc.	\$2.85	\$5.00	\$60.20	4.33%	8.31%	1.02	8.48%	57.00%	43.00%	3.65%	3.82%
4	Spire Inc.	\$3.60	\$5.50	\$66.05	5.07%	8.33%	1.02	8.53%	65.45%	34.55%	2.95%	3.61%
5	Southwest Gas Holdings, Inc.	\$2.60	\$4.20	\$57.35	3.03%	7.32%	1.01	7.43%	61.90%	38.10%	2.83%	3.85%
6	Eversource Energy	\$3.60	\$5.80	\$51.75	2.58%	11.21%	1.01	11.35%	62.07%	37.93%	4.31%	4.57%
7	American States Water Company	\$2.50	\$3.90	\$31.75	8.74%	12.28%	1.04	12.80%	64.10%	35.90%	4.59%	5.26%
8	American Water Works Company, Inc.	\$4.10	\$7.00	\$62.75	6.79%	11.16%	1.03	11.52%	58.57%	41.43%	4.77%	8.15%
9	California Water Service Group	\$1.40	\$2.75	\$30.90	4.52%	8.90%	1.02	9.10%	50.91%	49.09%	4.47%	4.47%
10	Middlesex Water Company	\$1.60	\$3.00	\$23.70	0.76%	12.66%	1.00	12.71%	53.33%	46.67%	5.93%	6.36%
11	SJW Group	\$1.85	\$3.45	\$44.15	3.43%	7.81%	1.02	7.95%	53.62%	46.38%	3.69%	3.69%
12	Essential Utilities, Inc.	\$1.75	\$2.65	\$27.25	4.95%	9.72%	1.02	9.96%	66.04%	33.96%	3.38%	4.56%
13	<b>Gas Average</b>	<b>\$3.06</b>	<b>\$5.25</b>	<b>\$60.64</b>	<b>3.53%</b>	<b>8.56%</b>	<b>1.02</b>	<b>8.71%</b>	<b>59.43%</b>	<b>40.57%</b>	<b>3.57%</b>	<b>4.58%</b>
14	<b>Gas Median</b>											<b>3.85%</b>
15	<b>Total Average</b>	<b>\$2.67</b>	<b>\$4.57</b>	<b>\$47.95</b>	<b>4.12%</b>	<b>9.71%</b>	<b>1.02</b>	<b>9.91%</b>	<b>58.81%</b>	<b>41.19%</b>	<b>4.08%</b>	<b>5.00%</b>
16	<b>Total Median</b>											<b>4.51%</b>

Sources and Notes:

Cols. (1), (2) and (3): *The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.

Col. (4): [ Col. (3) / Page 2 Col. (2) ] ^ (1/number of years projected) - 1.

Col. (5): Col. (2) / Col. (3).

Col. (6): [ 2 \* (1 + Col. (4)) ] / (2 + Col. (4)).

Col. (7): Col. (6) \* Col. (5).

Col. (8): Col. (1) / Col. (2).

Col. (9): 1 - Col. (8).

Col. (10): Col. (9) \* Col. (7).

Col. (11): Col. (10) + Page 2 Col. (9).

Liberty Utilities (Midstates Natural Gas) Corp.

Sustainable Growth Rate

<u>Line</u>	<u>Company</u>	<u>13-Week</u>	<u>2022</u>	<u>Market</u>	<u>Common Shares</u>		<u>Growth</u>	<u>S Factor<sup>3</sup></u>	<u>V Factor<sup>4</sup></u>	<u>S * V</u>
		<u>Average</u>	<u>Book Value</u>	<u>to Book</u>	<u>Outstanding (in Millions)<sup>2</sup></u>					
		<u>Stock Price<sup>1</sup></u>	<u>Per Share<sup>2</sup></u>	<u>Ratio</u>	<u>2022</u>	<u>3-5 Years</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
		(1)	(2)	(3)	(4)	(5)				
1	Atmos Energy Corporation	\$116.28	\$66.85	1.74	140.90	175.00	3.68%	6.40%	42.51%	2.72%
2	Northwest Natural Holding Company	\$37.20	\$33.08	1.12	35.53	45.00	4.02%	4.52%	11.08%	0.50%
3	ONE Gas, Inc.	\$62.93	\$46.69	1.35	55.35	57.00	0.49%	0.66%	25.80%	0.17%
4	Spire Inc.	\$60.63	\$49.08	1.24	52.50	62.00	2.81%	3.47%	19.05%	0.66%
5	Southwest Gas Holdings, Inc.	\$74.19	\$47.95	1.55	67.12	75.00	1.87%	2.89%	35.37%	1.02%
6	Eversource Energy	\$59.35	\$44.41	1.34	348.44	365.00	0.78%	1.04%	25.17%	0.26%
7	American States Water Company	\$72.22	\$19.20	3.76	36.96	37.50	0.24%	0.91%	73.41%	0.67%
8	American Water Works Company, Inc.	\$123.24	\$42.30	2.91	181.86	202.00	1.77%	5.14%	65.68%	3.38%
9	California Water Service Group	\$47.98	\$23.70	2.02	55.60	50.00	- 1.75%	- 3.55%	50.60%	- 1.80%
10	Middlesex Water Company	\$51.75	\$22.65	2.28	17.64	18.00	0.34%	0.77%	56.23%	0.43%
11	SJW Group	\$55.71	\$36.06	1.54	30.80	30.00	- 0.44%	- 0.68%	35.27%	- 0.24%
12	Essential Utilities, Inc.	\$36.67	\$20.39	1.80	263.74	288.00	1.48%	2.66%	44.40%	1.18%
	<b>Gas Average</b>	<b>\$70.25</b>	<b>\$48.73</b>	<b>1.40</b>	<b>70.28</b>	<b>82.80</b>	<b>2.57%</b>	<b>3.59%</b>	<b>26.76%</b>	<b>1.01%</b>
	<b>Total Average</b>	<b>\$66.51</b>	<b>\$37.70</b>	<b>1.89</b>	<b>107.20</b>	<b>117.04</b>	<b>1.27%</b>	<b>2.02%</b>	<b>40.38%</b>	<b>0.75%</b>

Sources and Notes:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on May 31, 2024.

<sup>2</sup> *The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.

<sup>3</sup> Expected Growth in the Number of Shares, Column (3) \* Column (6).

<sup>4</sup> Expected Profit of Stock Investment, [ 1 - 1 / Column (3) ].



## Liberty Utilities (Midstates Natural Gas) Corp.

Constant Growth DCF Model  
(Sustainable Growth Rate)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price<sup>1</sup></u> (1)	<u>Sustainable Growth<sup>2</sup></u> (2)	<u>Annualized Dividend<sup>3</sup></u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	Atmos Energy Corporation	\$116.28	7.72%	\$3.22	2.98%	10.70%
2	Northwest Natural Holding Company	\$37.20	3.90%	\$1.95	5.45%	9.36%
3	ONE Gas, Inc.	\$62.93	3.82%	\$2.64	4.36%	8.17%
4	Spire Inc.	\$60.63	3.61%	\$3.02	5.16%	8.77%
5	Southwest Gas Holdings, Inc.	\$74.19	3.85%	\$2.48	3.47%	7.32%
6	Eversource Energy	\$59.35	4.57%	\$2.86	5.04%	9.61%
7	American States Water Company	\$72.22	5.26%	\$1.72	2.51%	7.77%
8	American Water Works Company, Inc.	\$123.24	8.15%	\$2.83	2.48%	10.64%
9	California Water Service Group	\$47.98	4.47%	\$1.12	2.44%	6.90%
10	Middlesex Water Company	\$51.75	6.36%	\$1.30	2.67%	9.03%
11	SJW Group	\$55.71	3.69%	\$1.60	2.98%	6.66%
12	Essential Utilities, Inc.	\$36.67	4.56%	\$1.23	3.50%	8.06%
13	<b>Gas Average</b>	<b>\$70.25</b>	<b>4.58%</b>	<b>\$2.66</b>	<b>4.28%</b>	<b>8.87%</b>
14	<b>Gas Median</b>					<b>8.77%</b>
15	<b>Total Average</b>	<b>\$66.51</b>	<b>5.00%</b>	<b>\$2.16</b>	<b>3.59%</b>	<b>8.58%</b>
16	<b>Total Median</b>					<b>8.47%</b>

Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on May 31, 2024.<sup>2</sup> Exhibit CCW-6, page 1.<sup>3</sup> *The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.

Liberty Utilities (Midstates Natural Gas) Corp.

Multi-Stage Growth DCF Model

Line	Company	13-Week AVG	Annualized	First Stage	Second Stage Growth					Third Stage	Multi-Stage
		Stock Price <sup>1</sup>	Dividend <sup>2</sup>	Growth <sup>3</sup>	Year 6	Year 7	Year 8	Year 9	Year 10	Growth <sup>4</sup>	Growth DCF
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Atmos Energy Corporation	\$116.28	\$3.22	7.20%	6.69%	6.18%	5.67%	5.16%	4.65%	4.14%	7.64%
2	Northwest Natural Holding Company	\$37.20	\$1.95	3.60%	3.69%	3.78%	3.87%	3.96%	4.05%	4.14%	9.43%
3	ONE Gas, Inc.	\$62.93	\$2.64	4.33%	4.30%	4.27%	4.24%	4.20%	4.17%	4.14%	8.56%
4	Spire Inc.	\$60.63	\$3.02	5.95%	5.65%	5.35%	5.05%	4.74%	4.44%	4.14%	9.92%
5	Southwest Gas Holdings, Inc.	\$74.19	\$2.48	6.22%	5.87%	5.52%	5.18%	4.83%	4.49%	4.14%	8.11%
6	Eversource Energy	\$59.35	\$2.86	5.20%	5.03%	4.85%	4.67%	4.49%	4.32%	4.14%	9.49%
7	American States Water Company	\$72.22	\$1.72	6.23%	5.88%	5.54%	5.19%	4.84%	4.49%	4.14%	6.97%
8	American Water Works Company, Inc.	\$123.24	\$2.83	7.61%	7.03%	6.45%	5.88%	5.30%	4.72%	4.14%	7.13%
9	California Water Service Group	\$47.98	\$1.12	9.90%	8.94%	7.98%	7.02%	6.06%	5.10%	4.14%	7.64%
10	Middlesex Water Company	\$51.75	\$1.30	2.70%	2.94%	3.18%	3.42%	3.66%	3.90%	4.14%	6.49%
11	SJW Group	\$55.71	\$1.60	7.50%	6.94%	6.38%	5.82%	5.26%	4.70%	4.14%	7.84%
12	Essential Utilities, Inc.	\$36.67	\$1.23	5.78%	5.51%	5.24%	4.96%	4.69%	4.41%	4.14%	8.01%
13	<b>Gas Average</b>	<b>\$70.25</b>	<b>\$2.66</b>	<b>5.46%</b>	<b>5.24%</b>	<b>5.02%</b>	<b>4.80%</b>	<b>4.58%</b>	<b>4.36%</b>	<b>4.14%</b>	<b>8.73%</b>
14	<b>Gas Median</b>										<b>8.56%</b>
15	<b>Total Average</b>	<b>\$66.51</b>	<b>\$2.16</b>	<b>6.02%</b>	<b>5.71%</b>	<b>5.39%</b>	<b>5.08%</b>	<b>4.77%</b>	<b>4.45%</b>	<b>4.14%</b>	<b>8.10%</b>
16	<b>Total Median</b>										<b>7.93%</b>

Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on May 31, 2024.

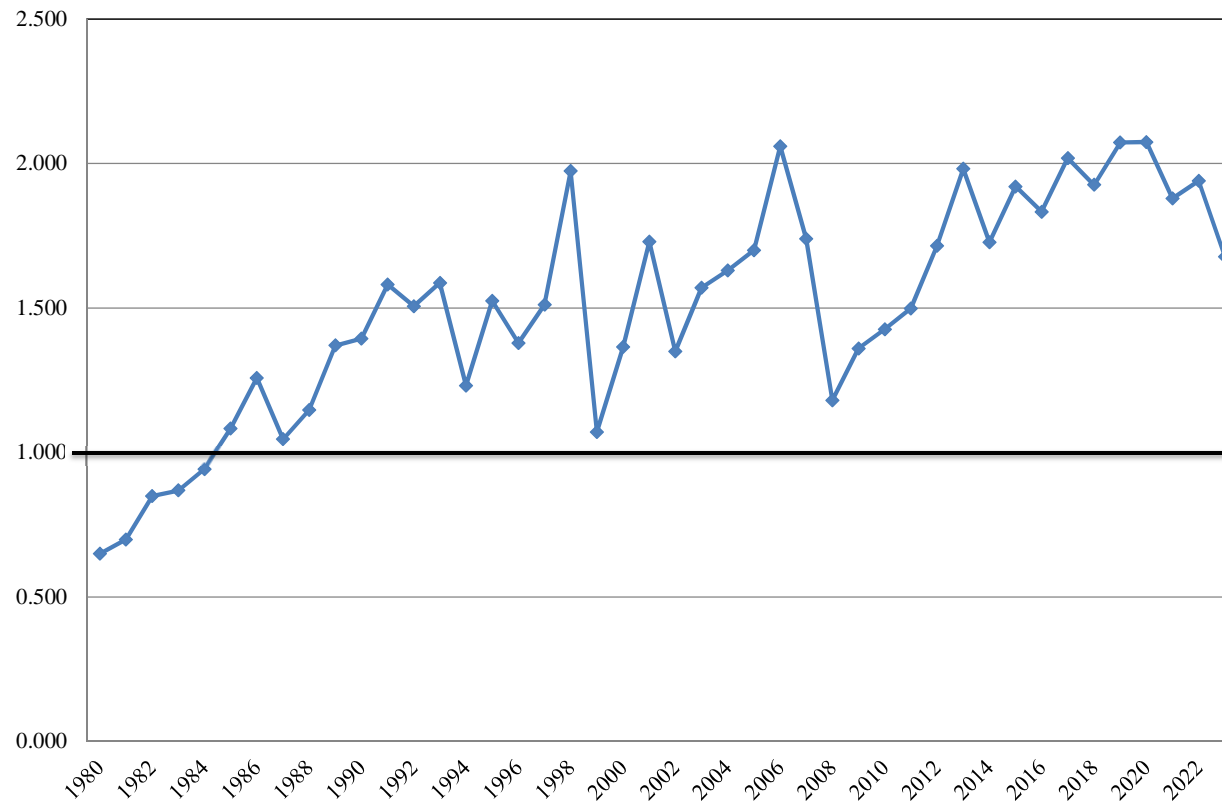
<sup>2</sup> *The Value Line Investment Survey*, April 5, May 10, and May 24, 2024.

<sup>3</sup> Exhibit CCW-3

<sup>4</sup> *Blue Chip Economic Indicators, March 11, 2024 at page 14.*

Liberty Utilities (Midstates Natural Gas) Corp.

Common Stock Market/Book Ratio



Source:

1980 - 2000: Mergent Public Utility Manual.

2001 - 2015: AUS Utility Reports, multiple dates.

2016 - 2022: Value Line Investment Survey, multiple dates.

\* Value Line Investment Survey Reports March 8, April 19, May 10, and May 24, 2024.

## Liberty Utilities (Midstates Natural Gas) Corp.

Equity Risk Premium - Treasury Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Gas Returns<sup>1</sup></u> (1)	<u>30 yr. Treasury Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)	<u>Rolling 5 - Year Average</u> (4)	<u>Rolling 10 - Year Average</u> (5)
1	1986	13.46%	7.80%	5.66%		
2	1987	12.74%	8.58%	4.16%		
3	1988	12.85%	8.96%	3.89%		
4	1989	12.88%	8.45%	4.43%		
5	1990	12.67%	8.61%	4.06%	4.44%	
6	1991	12.46%	8.14%	4.32%	4.17%	
7	1992	12.01%	7.67%	4.34%	4.21%	
8	1993	11.35%	6.60%	4.75%	4.38%	
9	1994	11.35%	7.37%	3.98%	4.29%	
10	1995	11.43%	6.88%	4.55%	4.39%	4.42%
11	1996	11.19%	6.70%	4.49%	4.42%	4.30%
12	1997	11.29%	6.61%	4.68%	4.49%	4.35%
13	1998	11.51%	5.58%	5.93%	4.73%	4.55%
14	1999	10.66%	5.87%	4.79%	4.89%	4.59%
15	2000	11.39%	5.94%	5.45%	5.07%	4.73%
16	2001	10.95%	5.49%	5.46%	5.26%	4.84%
17	2002	11.03%	5.43%	5.60%	5.45%	4.97%
18	2003	10.99%	4.96%	6.03%	5.47%	5.10%
19	2004	10.59%	5.05%	5.54%	5.62%	5.25%
20	2005	10.46%	4.65%	5.81%	5.69%	5.38%
21	2006	10.40%	4.87%	5.53%	5.70%	5.48%
22	2007	10.22%	4.83%	5.39%	5.66%	5.55%
23	2008	10.39%	4.28%	6.11%	5.68%	5.57%
24	2009	10.22%	4.07%	6.15%	5.80%	5.71%
25	2010	10.15%	4.25%	5.90%	5.81%	5.75%
26	2011	9.92%	3.91%	6.01%	5.91%	5.81%
27	2012	9.94%	2.92%	7.02%	6.24%	5.95%
28	2013	9.68%	3.45%	6.23%	6.26%	5.97%
29	2014	9.78%	3.34%	6.44%	6.32%	6.06%
30	2015	9.60%	2.84%	6.76%	6.49%	6.15%
31	2016	9.54%	2.60%	6.94%	6.68%	6.29%
32	2017	9.72%	2.90%	6.83%	6.64%	6.44%
33	2018	9.59%	3.11%	6.48%	6.69%	6.48%
34	2019	9.71%	2.58%	7.13%	6.83%	6.57%
35	2020	9.46%	1.56%	7.90%	7.05%	6.77%
36	2021	9.56%	2.05%	7.51%	7.17%	6.92%
37	2022	9.53%	3.12%	6.42%	7.08%	6.86%
38	2023	9.60%	4.09%	5.51%	6.89%	6.79%
39	2024 <sup>3</sup>	9.78%	4.33%	5.45%	6.55%	6.69%
40	<b>Average</b>	<b>10.77%</b>	<b>5.14%</b>	<b>5.63%</b>	<b>5.67%</b>	<b>5.68%</b>
41	<b>Minimum</b>				<b>4.17%</b>	<b>4.30%</b>
42	<b>Maximum</b>				<b>7.17%</b>	<b>6.92%</b>

Sources:

<sup>1</sup> Regulatory Research Associates, Inc., Regulatory Focus, Major Rate Case Decisions, Jan. 1997 p. 5, and Jan. 2011 p. S&P Global Market Intelligence, RRA Regulatory Focus, Major Rate Case Decisions, January - March 2024, April 19, 2024 at page 3.

<sup>2</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

<sup>3</sup> Data represents January - March, 2024.

## Liberty Utilities (Midstates Natural Gas) Corp.

Equity Risk Premium - Utility Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Gas Returns<sup>1</sup></u> (1)	<u>Average "A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)	<u>Rolling 5 - Year Average</u> (4)	<u>Rolling 10 - Year Average</u> (5)
1	1986	13.46%	9.58%	3.88%		
2	1987	12.74%	10.10%	2.64%		
3	1988	12.85%	10.49%	2.36%		
4	1989	12.88%	9.77%	3.11%		
5	1990	12.67%	9.86%	2.81%	2.96%	
6	1991	12.46%	9.36%	3.10%	2.80%	
7	1992	12.01%	8.69%	3.32%	2.94%	
8	1993	11.35%	7.59%	3.76%	3.22%	
9	1994	11.35%	8.31%	3.04%	3.21%	
10	1995	11.43%	7.89%	3.54%	3.35%	3.16%
11	1996	11.19%	7.75%	3.44%	3.42%	3.11%
12	1997	11.29%	7.60%	3.69%	3.49%	3.22%
13	1998	11.51%	7.04%	4.47%	3.64%	3.43%
14	1999	10.66%	7.62%	3.04%	3.64%	3.42%
15	2000	11.39%	8.24%	3.15%	3.56%	3.45%
16	2001	10.95%	7.76%	3.19%	3.51%	3.46%
17	2002	11.03%	7.37%	3.66%	3.50%	3.50%
18	2003	10.99%	6.58%	4.41%	3.49%	3.56%
19	2004	10.59%	6.16%	4.43%	3.77%	3.70%
20	2005	10.46%	5.65%	4.81%	4.10%	3.83%
21	2006	10.40%	6.07%	4.33%	4.33%	3.92%
22	2007	10.22%	6.07%	4.15%	4.43%	3.96%
23	2008	10.39%	6.53%	3.86%	4.32%	3.90%
24	2009	10.22%	6.04%	4.18%	4.27%	4.02%
25	2010	10.15%	5.47%	4.68%	4.24%	4.17%
26	2011	9.92%	5.04%	4.88%	4.35%	4.34%
27	2012	9.94%	4.13%	5.81%	4.68%	4.55%
28	2013	9.68%	4.48%	5.20%	4.95%	4.63%
29	2014	9.78%	4.28%	5.50%	5.22%	4.74%
30	2015	9.60%	4.12%	5.48%	5.38%	4.81%
31	2016	9.54%	3.93%	5.61%	5.52%	4.94%
32	2017	9.72%	4.00%	5.72%	5.50%	5.09%
33	2018	9.59%	4.25%	5.34%	5.53%	5.24%
34	2019	9.71%	3.77%	5.94%	5.62%	5.42%
35	2020	9.46%	3.05%	6.41%	5.80%	5.59%
36	2021	9.56%	3.10%	6.46%	5.97%	5.75%
37	2022	9.53%	4.72%	4.81%	5.79%	5.65%
38	2023	9.60%	5.55%	4.05%	5.53%	5.53%
39	2024 <sup>3</sup>	9.78%	5.53%	4.25%	5.19%	5.41%
39	<b>Average</b>	<b>10.77%</b>	<b>6.50%</b>	<b>4.27%</b>	<b>4.32%</b>	<b>4.32%</b>
40	<b>Minimum</b>				<b>2.80%</b>	<b>3.11%</b>
41	<b>Maximum</b>				<b>5.97%</b>	<b>5.75%</b>

Sources:

<sup>1</sup> Regulatory Research Associates, Inc., Regulatory Focus, Major Rate Case Decisions, Jan. 1997 p. 5, and Jan. 2011 p. S&P Global Market Intelligence, RRA Regulatory Focus, Major Rate Case Decisions, January - March 2024, April 19, 2024 at page 3.

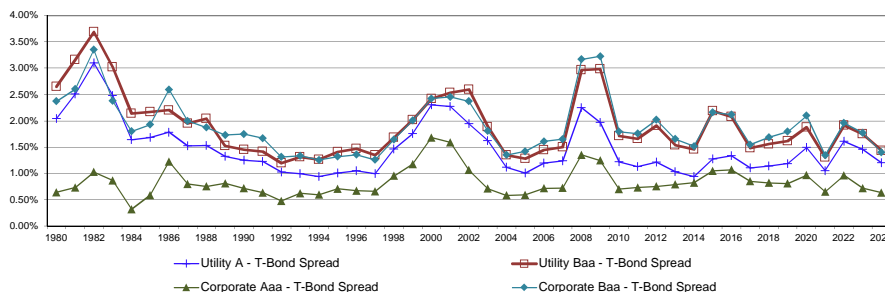
<sup>2</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

Liberty Utilities (Midstates Natural Gas) Corp.

Bond Yield Spreads

Line	Year	Public Utility Bond					Corporate Bond				Utility to Corporate	
		T-Bond Yield <sup>1</sup> (1)	A <sup>2</sup> (2)	Baa <sup>2</sup> (3)	A-T-Bond Spread (4)	Baa-T-Bond Spread (5)	Aaa <sup>3</sup> (6)	Baa <sup>3</sup> (7)	Aaa-T-Bond Spread (8)	Baa-T-Bond Spread (9)	Baa Spread (10)	A-Aaa Spread (11)
1	1980	11.30%	13.34%	13.95%	2.04%	2.65%	#####	13.67%	0.64%	2.37%	0.28%	1.40%
2	1981	13.44%	15.95%	16.60%	2.51%	3.16%	#####	16.04%	0.73%	2.60%	0.56%	1.78%
3	1982	12.76%	15.86%	16.45%	3.10%	3.69%	#####	16.11%	1.03%	3.35%	0.34%	2.07%
4	1983	11.18%	13.66%	14.20%	2.48%	3.02%	#####	13.55%	0.86%	2.38%	0.65%	1.62%
5	1984	12.39%	14.03%	14.53%	1.64%	2.14%	#####	14.19%	0.32%	1.80%	0.34%	1.32%
6	1985	10.79%	12.47%	12.96%	1.68%	2.17%	#####	12.72%	0.58%	1.93%	0.24%	1.10%
7	1986	7.80%	9.58%	10.00%	1.78%	2.20%	9.02%	10.39%	1.22%	2.59%	-0.39%	0.56%
8	1987	8.58%	10.10%	10.53%	1.52%	1.95%	9.38%	10.58%	0.80%	2.00%	-0.05%	0.72%
9	1988	8.96%	10.49%	11.00%	1.53%	2.04%	9.71%	10.83%	0.75%	1.87%	0.17%	0.78%
10	1989	8.45%	9.77%	9.97%	1.32%	1.52%	9.26%	10.18%	0.81%	1.73%	-0.21%	0.51%
11	1990	8.61%	9.86%	10.06%	1.25%	1.45%	9.32%	10.36%	0.71%	1.75%	-0.30%	0.54%
12	1991	8.14%	9.36%	9.55%	1.22%	1.41%	8.77%	9.80%	0.63%	1.67%	-0.25%	0.59%
13	1992	7.67%	8.69%	8.86%	1.02%	1.19%	8.14%	8.98%	0.47%	1.31%	-0.12%	0.55%
14	1993	6.60%	7.59%	7.91%	0.99%	1.31%	7.22%	7.93%	0.62%	1.33%	-0.02%	0.37%
15	1994	7.37%	8.31%	8.63%	0.94%	1.26%	7.96%	8.62%	0.59%	1.25%	0.01%	0.35%
16	1995	6.88%	7.89%	8.29%	1.01%	1.41%	7.59%	8.20%	0.71%	1.32%	0.09%	0.30%
17	1996	6.70%	7.75%	8.17%	1.05%	1.47%	7.37%	8.05%	0.67%	1.35%	0.12%	0.38%
18	1997	6.61%	7.60%	7.95%	0.99%	1.34%	7.26%	7.86%	0.66%	1.26%	0.09%	0.34%
19	1998	5.58%	7.04%	7.26%	1.46%	1.68%	6.53%	7.22%	0.95%	1.64%	0.04%	0.51%
20	1999	5.87%	7.62%	7.88%	1.75%	2.01%	7.04%	7.87%	1.18%	2.01%	0.01%	0.58%
21	2000	5.94%	8.24%	8.36%	2.30%	2.42%	7.62%	8.36%	1.68%	2.42%	-0.01%	0.62%
22	2001	5.49%	7.76%	8.03%	2.27%	2.54%	7.08%	7.95%	1.59%	2.45%	0.08%	0.68%
23	2002	5.43%	7.37%	8.02%	1.94%	2.59%	6.49%	7.80%	1.06%	2.37%	0.22%	0.88%
24	2003	4.96%	6.58%	6.84%	1.62%	1.89%	5.67%	6.77%	0.71%	1.81%	0.08%	0.91%
25	2004	5.05%	6.16%	6.40%	1.11%	1.35%	5.63%	6.39%	0.58%	1.35%	0.00%	0.53%
26	2005	4.65%	5.65%	5.93%	1.00%	1.28%	5.24%	6.06%	0.59%	1.42%	-0.14%	0.41%
27	2006	4.87%	6.07%	6.32%	1.20%	1.44%	5.59%	6.48%	0.71%	1.61%	-0.16%	0.48%
28	2007	4.83%	6.07%	6.33%	1.24%	1.50%	5.56%	6.48%	0.72%	1.65%	-0.15%	0.52%
29	2008	4.28%	6.53%	7.25%	2.25%	2.97%	5.63%	7.45%	1.35%	3.17%	-0.20%	0.90%
30	2009	4.07%	6.04%	7.06%	1.97%	2.99%	5.31%	7.30%	1.24%	3.23%	-0.24%	0.73%
31	2010	4.25%	5.47%	5.96%	1.22%	1.71%	4.95%	6.04%	0.70%	1.79%	-0.08%	0.52%
32	2011	3.91%	5.04%	5.57%	1.13%	1.66%	4.64%	5.67%	0.73%	1.76%	-0.10%	0.40%
33	2012	2.92%	4.13%	4.83%	1.21%	1.90%	3.67%	4.94%	0.75%	2.02%	-0.11%	0.46%
34	2013	3.45%	4.48%	4.98%	1.03%	1.53%	4.24%	5.10%	0.79%	1.65%	-0.12%	0.24%
35	2014	3.34%	4.28%	4.80%	0.94%	1.46%	4.16%	4.86%	0.82%	1.52%	-0.06%	0.12%
36	2015	2.84%	4.12%	5.03%	1.27%	2.19%	3.89%	5.00%	1.05%	2.16%	0.03%	0.23%
37	2016	2.60%	3.93%	4.67%	1.33%	2.08%	3.66%	4.71%	1.07%	2.12%	-0.04%	0.27%
38	2017	2.90%	4.00%	4.38%	1.10%	1.48%	3.74%	4.44%	0.85%	1.55%	-0.06%	0.26%
39	2018	3.11%	4.25%	4.67%	1.14%	1.56%	3.93%	4.80%	0.82%	1.69%	-0.13%	0.32%
40	2019	2.58%	3.77%	4.19%	1.18%	1.61%	3.39%	4.38%	0.81%	1.79%	-0.18%	0.38%
41	2020	1.56%	3.05%	3.44%	1.49%	1.87%	2.53%	3.66%	0.96%	2.10%	-0.22%	0.53%
42	2021	2.05%	3.10%	3.36%	1.05%	1.30%	2.70%	3.39%	0.65%	1.34%	-0.04%	0.40%
43	2022	3.12%	4.72%	5.03%	1.61%	1.91%	4.08%	5.07%	0.96%	1.96%	-0.04%	0.65%
44	2023	4.09%	5.55%	5.84%	1.45%	1.75%	4.81%	5.86%	0.72%	1.77%	-0.02%	0.74%
45	2024 <sup>4</sup>	4.33%	5.53%	5.77%	1.20%	1.43%	4.97%	5.73%	0.63%	1.40%	0.04%	0.56%
46	Average	6.05%	7.53%	7.95%	1.48%	1.90%	6.88%	7.95%	0.83%	1.90%	0.00%	0.65%

Yield Spreads  
Treasury Vs. Corporate & Treasury Vs. Utility



Sources:

<sup>1</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

<sup>2</sup> The utility yields for the period 1980-2000 were obtained from Mergent Public Utility Manual, Mergent Weekly News Reports, 2003.

The utility yields for the period 2001-2009 were obtained from the Mergent Bond Record.

The utility yields for the period 2010-2023 were obtained from <http://credittrends.moodys.com/>.

<sup>3</sup> The corporate yields for the period 1980-2009 were obtained from the St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

The corporate yields from 2010-2024 were obtained from <http://credittrends.moodys.com/>.

<sup>4</sup> Data represents January - March, 2024.

**Liberty Utilities (Midstates Natural Gas) Corp.**

**13-Week Treasury and Utility Bond Yields**

<u>Line</u>	<u>Date</u>	<u>Treasury Bond Yield<sup>1</sup></u> (1)	<u>"A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>"Baa" Rated Utility Bond Yield<sup>2</sup></u> (3)
1	05/31/24	4.65%	5.77%	6.00%
2	05/24/24	4.57%	5.71%	5.94%
3	05/17/24	4.56%	5.69%	5.92%
4	05/10/24	4.64%	5.77%	6.00%
5	05/03/24	4.66%	5.78%	6.01%
6	04/26/24	4.78%	5.91%	6.14%
7	04/19/24	4.72%	5.85%	6.08%
8	04/12/24	4.61%	5.73%	5.95%
9	04/05/24	4.54%	5.67%	5.90%
10	03/28/24	4.34%	5.50%	5.72%
11	03/22/24	4.39%	5.55%	5.78%
12	03/15/24	4.43%	5.60%	5.83%
13	03/08/24	4.26%	5.48%	5.72%
14	<b>Average</b>	<b>4.55%</b>	<b>5.69%</b>	<b>5.92%</b>
15	<b>Spread To Treasury</b>		<b>1.14%</b>	<b>1.37%</b>

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Sources:

<sup>1</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.

<sup>2</sup> <http://credittrends.moody.com/>.

## Liberty Utilities (Midstates Natural Gas) Corp.

26-Week Treasury and Utility Bond Yields

<u>Line</u>	<u>Date</u>	<u>Treasury Bond Yield<sup>1</sup></u> (1)	<u>"A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>"Baa" Rated Utility Bond Yield<sup>2</sup></u> (3)
1	05/31/24	4.65%	5.77%	6.00%
2	05/24/24	4.57%	5.71%	5.94%
3	05/17/24	4.56%	5.69%	5.92%
4	05/10/24	4.64%	5.77%	6.00%
5	05/03/24	4.66%	5.78%	6.01%
6	04/26/24	4.78%	5.91%	6.14%
7	04/19/24	4.72%	5.85%	6.08%
8	04/12/24	4.61%	5.73%	5.95%
9	04/05/24	4.54%	5.67%	5.90%
10	03/28/24	4.34%	5.50%	5.72%
11	03/22/24	4.39%	5.55%	5.78%
12	03/15/24	4.43%	5.60%	5.83%
13	03/08/24	4.26%	5.48%	5.72%
14	03/01/24	4.33%	5.56%	5.79%
15	02/23/24	4.37%	5.56%	5.77%
16	02/16/24	4.45%	5.62%	5.85%
17	02/09/24	4.37%	5.56%	5.79%
18	02/02/24	4.22%	5.42%	5.66%
19	01/26/24	4.38%	5.54%	5.78%
20	01/19/24	4.36%	5.55%	5.80%
21	01/12/24	4.20%	5.42%	5.66%
22	01/05/24	4.21%	5.47%	5.74%
23	12/29/23	4.03%	5.28%	5.54%
24	12/22/23	4.05%	5.32%	5.58%
25	12/15/23	4.00%	5.26%	5.52%
26	12/08/23	4.31%	5.62%	5.88%
27	<b>Average</b>	<b>4.40%</b>	<b>5.58%</b>	<b>5.82%</b>
28	<b>Spread To Treasury</b>		<b>1.18%</b>	<b>1.42%</b>

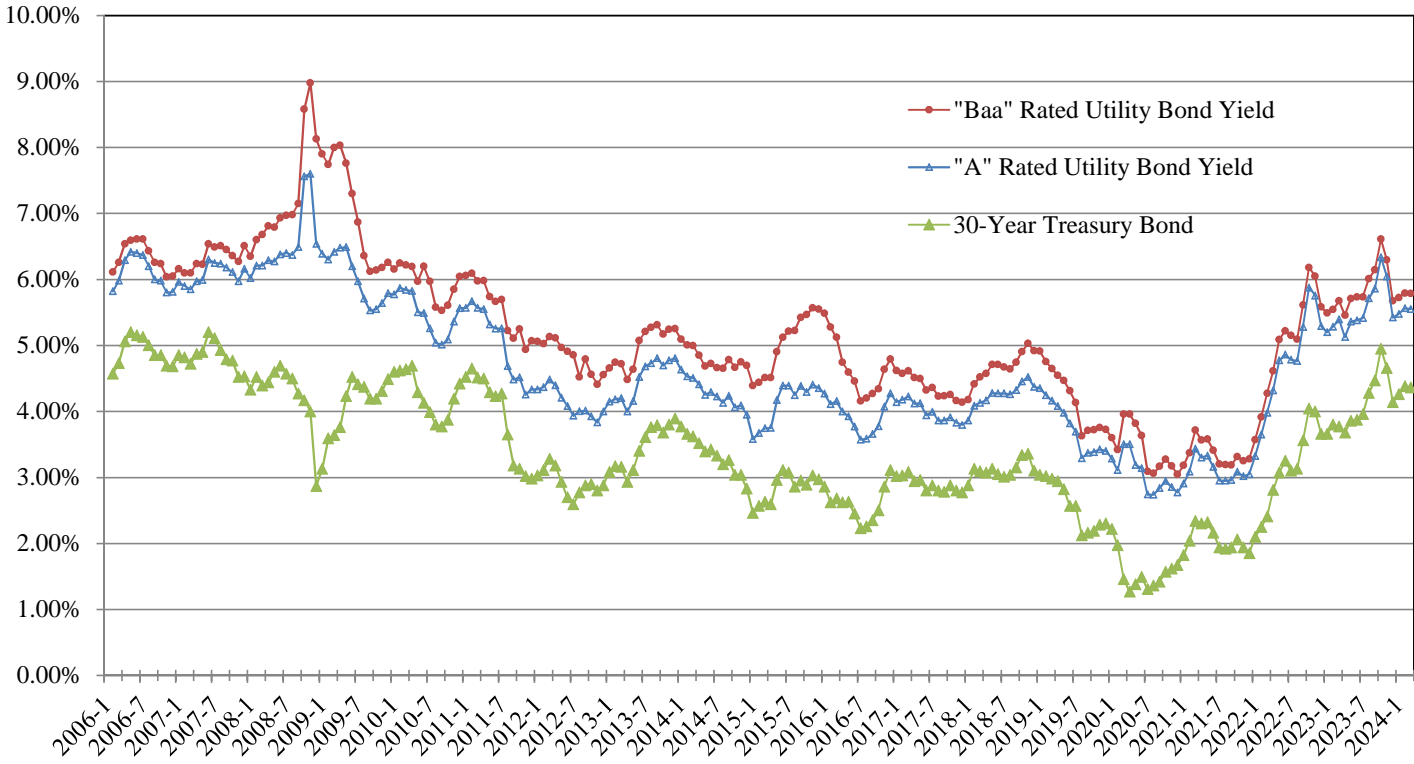
Sources:

<sup>1</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.<sup>2</sup> <http://credittrends.moodys.com/>.



Liberty Utilities (Midstates Natural Gas) Corp.

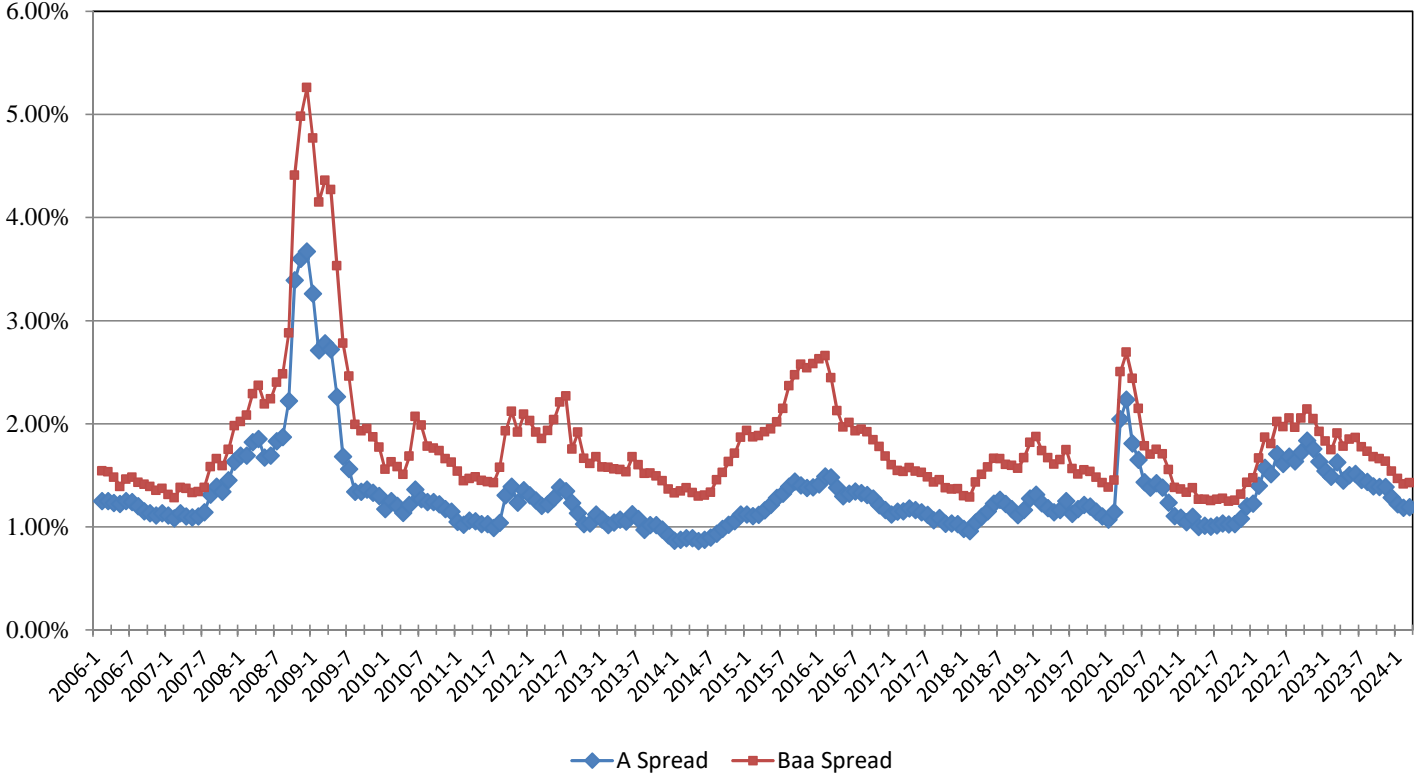
Trends in Bond Yields



Sources:  
Mergent Bond Record.  
www.moodys.com, Bond Yields and Key Indicators.  
St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>

Liberty Utilities (Midstates Natural Gas) Corp.

Yield Spread Between Utility Bonds and 30-Year Treasury Bonds



Sources:  
Mergent Bond Record.  
www.moodys.com, Bond Yields and Key Indicators.  
St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>

**Liberty Utilities (Midstates Natural Gas) Corp.**

		<u>Beta</u>	S&P Global Market Intelligence
<u>Line</u>	<u>Company</u>	<u>Beta</u> <sup>1</sup>	<u>Beta</u> <sup>2</sup>
1	Atmos Energy Corporation	0.85	0.74
2	Northwest Natural Holding Company	0.85	0.68
3	ONE Gas, Inc.	0.85	0.75
4	Spire Inc.	0.85	0.77
5	Southwest Gas Holdings, Inc.	0.90	0.80
6	Eversource Energy	0.95	0.80
7	American States Water Company	0.70	0.62
8	American Water Works Company, Inc.	0.95	0.88
9	California Water Service Group	0.75	0.65
10	Middlesex Water Company	0.75	0.71
11	SJW Group	0.85	0.75
12	Essential Utilities, Inc.	1.00	0.84
13	<b>Gas Average</b>	<b>0.86</b>	<b>0.75</b>
14	<b>Gas Median</b>	<b>0.85</b>	<b>0.75</b>
15	<b>Total Average</b>	<b>0.85</b>	<b>0.75</b>
16	<b>Total Median</b>	<b>0.85</b>	<b>0.75</b>
17	<b>Historical Beta</b> <sup>3</sup>	<b>0.75</b>	

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Source:

<sup>1</sup> *The Value Line Investment Survey*,  
April 5, May 10, and May 24, 2024.

<sup>2</sup> S&P Global Market Intelligence, betas for the period 5/31/2019 - 5/31/2024.

<sup>3</sup> Exhibit CCW-14, page 2.

Liberty Utilities (Midstates Natural Gas) Corp.

Line	Company	Average	Historical Rates (Natural Gas and Water Utilities)																																														
			4Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14								
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)								
1	Atmos Energy Corporation	0.75	0.85	0.85	0.85	0.85	0.85	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.55	0.60	0.60	0.65	0.60	0.60	0.60	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.80	0.80	0.80	0.80				
2	Northwest Natural Holding Company	0.72	0.85	0.85	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.85	0.85	0.85	0.80	0.80	0.80	0.80	0.80	0.55	0.60	0.60	0.60	0.65	0.60	0.65	0.70	0.65	0.70	0.70	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70			
3	ONE Gas, Inc.	0.75	0.85	0.85	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.70	0.70	0.70	0.70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				
4	Spire Inc.	0.75	0.85	0.85	0.85	0.80	0.85	0.85	0.80	0.80	0.85	0.85	0.85	0.85	1.00	0.80	0.80	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70				
5	Southwest Gas Holdings, Inc.	0.83	0.90	0.90	0.85	0.90	0.90	0.90	0.90	0.95	0.95	0.95	0.95	0.95	0.95	0.90	0.90	0.65	0.70	0.70	0.70	0.70	0.70	0.75	0.80	0.75	0.80	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85				
6	Eversource Energy	0.77	0.95	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.70	0.70	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75		
7	American States Water Company	0.69	0.70	0.70	0.65	0.70	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.75	0.75	0.75	0.75	0.80	0.80	0.80	0.80	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70			
8	American Water Works Company, Inc.	0.74	0.95	0.95	0.90	0.90	0.90	0.90	0.90	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.60	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
9	California Water Service Group	0.71	0.75	0.70	0.70	0.70	0.70	0.70	0.65	0.65	0.70	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.70	0.70	0.75	0.75	0.75	0.75	0.75	0.80	0.80	0.80	0.80	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75		
10	Middlesex Water Company	0.72	0.75	0.75	0.70	0.75	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80	0.80	0.80	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70		
11	SFW Group	0.75	0.85	0.85	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	
12	Essential Utilities, Inc.	0.80	1.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	N/A	0.95	0.95	0.95	0.95	0.90	0.90	0.90	0.90	0.65	0.65	0.65	0.65	0.65	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70		
13	Gas Average	0.76	0.86	0.86	0.84	0.82	0.84	0.83	0.82	0.82	0.84	0.85	0.85	0.85	0.84	0.87	0.82	0.82	0.59	0.64	0.64	0.65	0.65	0.64	0.66	0.72	0.69	0.72	0.71	0.70	0.70	0.70	0.71	0.71	0.74	0.74	0.74	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78		
14	Total Average	0.75	0.85	0.85	0.82	0.82	0.82	0.81	0.80	0.80	0.80	0.81	0.81	0.81	0.81	0.82	0.80	0.80	0.67	0.64	0.64	0.65	0.65	0.67	0.68	0.70	0.69	0.73	0.73	0.72	0.73	0.72	0.73	0.70	0.70	0.71	0.72	0.74	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	

Source: Value Line Software Analyzer

## Liberty Utilities (Midstates Natural Gas) Corp.

CAPM Return

<u>Line</u>	<u>Description</u>	<u>Kroll Normalized<sup>2</sup> MRP (1)</u>	<u>Risk Premium<sup>3</sup> Derived MRP (2)</u>	<u>Average FERC S&amp;P 500 DCF<sup>4</sup> Derived MRP (3)</u>
<b><u>Current Beta</u></b>				
1	Risk-Free Rate <sup>1,2</sup>	4.65%	4.20%	4.20%
2	Market Risk Premium	5.50%	7.40%	8.00%
3	Beta <sup>6</sup>	0.85	0.85	0.85
4	<b>CAPM</b>	<b>9.35%</b>	<b>10.52%</b>	<b>11.03%</b>
<b><u>Historical Beta</u></b>				
5	Risk-Free Rate <sup>1,2</sup>	4.65%	4.20%	4.20%
6	Market Risk Premium	5.50%	7.40%	8.00%
7	Beta <sup>6</sup>	0.75	0.75	0.75
8	<b>CAPM</b>	<b>8.77%</b>	<b>9.74%</b>	<b>10.19%</b>
<b><u>Current S&amp;P Global Market Intelligence Beta</u></b>				
9	Risk-Free Rate <sup>1,2</sup>	4.65%	4.20%	4.20%
10	Market Risk Premium	5.50%	7.40%	8.00%
11	Beta <sup>6</sup>	0.75	0.75	0.75
12	<b>CAPM</b>	<b>8.76%</b>	<b>9.73%</b>	<b>10.18%</b>

Sources:1 *Kroll Cost of Capital Navigator.*2 *Morningstar Direct.*3 *Kroll 2023 SBBI Yearbook*, page 138.

4 S&amp;P 500 1-Step DCF through May 31, 2024 for Dividend Paying Companies.

5 S&amp;P 500 1-Step DCF through May 31, 2024 for all Companies.

6 Exhibit CCW-14, page 1.

Liberty Utilities (Midstates Natural Gas) Corp.

Development of the Market Risk Premium

<u>Line</u>	<u>Description</u>	<u>MRP</u>
<b><u>Risk Premium Based Method:</u></b>		
1	Lg. Co. Stock Real Market Return	9.02% 1
2	Projected Consumer Price Index	<u>2.40%</u> 2
3	Expected Market Return	11.64%
4	Risk-Free Rate	<u>4.20%</u> 2
5	Market Risk Premium	<b>7.40%</b>
<b><u>FERC S&amp;P 500 (Dividend Companies) 1-Step DCF Based Method:</u></b>		
6	S&P 500 Growth	10.30% 3
7	Index Dividend Yield	1.70% 3
8	Adjusted Yield	<u>1.79%</u>
9	Expected Market Return	12.09%
10	Risk-Free Rate	<u>4.20%</u> 2
11	Market Risk Premium	<b>7.90%</b>
<b><u>FERC S&amp;P 500 (All Companies) 1-Step DCF Based Method:</u></b>		
12	Short-Term S&P 500 Growth	10.60% 4
13	Index Dividend Yield	1.60% 4
14	Adjusted Yield	<u>1.68%</u>
15	Expected Market Return	12.28%
16	Risk-Free Rate	<u>4.20%</u> 2
17	Market Risk Premium	<b>8.10%</b>
18	Average DCF Based MRP	<b>8.00%</b>

Sources & Note:

1 Morningstar Direct.

2 *Blue Chip Financial Forecast May 1, 2024.*

3 S&P 500 1-Step DCF through May 31, 2024 for Dividend Paying Companies.

4 S&P 500 1-Step DCF through May 31, 2024 for all Companies.