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MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

FINANCIAL ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

CHRISTOPHER C. WALTERS

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

CASE NO. GR-2024-0106

Jefferson City, Missouri
August 2024

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I. INTRODUCTION

Q. Please state your name and business address.

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

Q. Are you the same Christopher C. Walters who previously filed Direct Testimony on behalf of Staff of the Missouri Public Service Commission ("Commission")?

A. Yes, I am

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the direct testimony and recommendations offered by Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty ("Liberty Midstates") witness Mr. Cochrane.

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

II. SUMMARY

Q. Please summarize the rest of your rebuttal testimony.

A. The balance of this testimony will respond to the recommendations offered by Mr. Cochrane and the analyses he relied upon in support of his recommendations. I demonstrate

that his recommended range of 10.43% and 11.28%, with his midpoint return on equity ("ROE") estimate of 10.80%, is excessive and when reasonable adjustments are made to his analyses, a cost of equity ("COE") closer to 9.5% is produced. I further show that Mr. Cochrane's recommended equity ratio of 52.9% is excessive.

III. RESPONSE TO MR. COCHRANE

A. Summary of Mr. Cochrane's Recommendations

Q. What overall rate of return ("ROR") is Liberty Midstates proposing in this base rate case?

A. Liberty Midstates is proposing an overall ROR of 8.35%. This ROR is based on a capital structure including an equity ratio of 52.9% and an authorized ROE of 10.80%. Mr. Cochrane concludes that the reasonable range for Liberty Midstates' ROE should be between 10.43% and 11.28%, with the midpoint being around 10.80%. I have summarized the Company's request below in Table CCW-1R.

Table CCW-1R

Liberty Midstates' Proposed ROR

Description	Weight	Cost Rate	Rate of Return
Long-term Debt	47.1%	5.59%	2.63%
Common Equity	52.9%	10.80%	5.72%
Total	100.00%		8.35%

Schedule JC-15.

Q. How did Mr. Cochrane arrive at his COE recommendation for Liberty Midstates?

A. Mr. Cochrane employed four different methods to estimate the ROE for Liberty Midstates: the Constant Growth Discounted Cash Flow ("DCF") Model, the Multi-Stage DCF Model, the Capital Asset Pricing Model ("CAPM"), and the Bond Yield Plus Risk Premium ("BYPRP") Model. Mr. Cochrane also includes a flotation cost adjustment of 0.08%.

Q. What were the results of the models used by Mr. Cochrane to estimate the COE?

A. The results of the models used by Mr. Cochrane to estimate the COE are summarized below in Table CCW-2R.

Table CCW-2R

Mr. Cochrane's Model Results

Method	Low	Mid	High
Constant Growth DCF	9.28%	10.34%	11.81%
Multi-Stage DCF	9.61%	9.90%	10.34%
BYPRP	9.95%	9.97%	10.01%
CAPM	12.56%	12.58%	12.61%
Average	**10.35%**	**10.70%**	**11.19%**
Flotation Cost Adj.	0.08%	0.08%	0.08%
With Flotation Costs	**10.43%**	**10.78%**	**11.28%**

Schedule JC-2.

Q. In your opinion, are Mr. Cochrane's recommendations reasonable for Liberty Midstates?

A. No, they are not. I have several disagreements with Mr. Cochrane's analyses and recommendations, which are summarized as follows:

1. The low-end of Mr. Cochrane's recommended range (i.e., 10.43%) exceeds the average authorized ROE for natural gas utilities since 2005.

2. Mr. Cochrane's Constant Growth DCF analysis is based on unsustainable growth rates.

3. Mr. Cochrane's Multi-Stage DCF analysis assumes a terminal growth rate based on Mr. Cochrane's personal view of long-term Gross domestic product ("GDP") growth and is not representative of investor expectations.

4. Mr. Cochrane's CAPM analysis is based on excessive expected market returns and betas that are not representative of investor expectations.

5. Mr. Cochrane's BYPRP analysis is based on a very limited subset of natural gas authorized ROEs beginning in 2008.

6. Mr. Cochrane's flotation cost adjustment is based on cost information unrelated to Liberty Midstates and has not been proven to be reasonable or justified.

7. Mr. Cochrane's recommended equity ratio of 52.9% is excessive.

As I will demonstrate throughout the balance of this testimony, Mr. Cochrane's analyses, assumptions, and interpretations of model results ultimately bias his recommendations upward and overstate the COE for a low-risk rate regulated natural gas delivery utility company like Liberty Midstates. Correcting for these biases will produce a COE closer to 9.5%.

B. Mr. Cochrane's Recommended Range is Excessive

Q. Do you have any initial comments on Mr. Cochrane's recommended range of 10.43% to 11.28%?

A. Yes. Simply comparing Mr. Cochrane's recommended range of 10.43% to 11.28% to the last 20 years of natural gas utility authorized ROEs, it is clear that his recommendations are overstated. For example, the low-end of 10.43% exceeds the national average authorized ROE for natural gas utilities since 2005 when the average was approximately 10.46%. Mr. Cochrane's recommendations should be given little weight on this observation alone.

C. Response to Mr. Cochrane's Constant Growth DCF Analysis

Q. Please summarize Mr. Cochrane's Constant Growth DCF analysis and results.

A. Mr. Cochrane averaged the closing stock prices over three periods: 30, 90, and 180 days ending January 11, 2024, to mitigate the bias introduced by anomalous market conditions. Mr. Cochrane used the latest earnings growth estimates reported by Value Line, Zacks, and Yahoo Finance. Using stock prices from the three averaging periods, Mr. Cochrane developed three ROE estimates based on different earnings growth estimates: Low, Mid, and High. His low, mid, and high growth rates for his proxy group are 5.37%, 6.42%, and 7.86%, respectively.

Based on the inputs, Mr. Cochrane's Low, Mid, and High Constant Growth DCF results are 9.28%, 10.34%, and 11.81%, respectively.

Q. What concerns do you have with Mr. Cochrane's Constant Growth DCF analysis?

A. As mentioned above, Mr. Cochrane developed his estimates based on the low, mid, and high growth rates from his various growth rate sources. His "mid" scenario assumes the average growth rate from those sources. His low, mid, and high DCF results are based on growth rates of 5.37%, 6.42%, and 7.86%, respectively. These assumed long-term growth rates compare the projected GDP growth rate of 4.14%. In other words, his proxy group's growth rates are between 29.7% (low growth) and 89.9% (high growth) higher than the expected growth rate of the U.S. economy. Growth rates that exceed the growth rate of GDP in the country in which the utility provides goods and services cannot be sustained. Because of the economic infirmities in his use of an assumed proxy company growth rate that exceeds the expected growth of the US economy in perpetuity, Mr. Cochrane should have given more weight to his low growth DCF results.

As described above, the average of his low DCF results is 9.28%. Notably, even the low results are based on a growth rate that exceeds the projected GDP consensus growth rate of 4.14% by approximately 26.7%. It is plausible that even these results overstate the COE for a low-risk natural gas utility company.

D. Response to Mr. Cochrane's Multi-Stage DCF Analysis

Q. Please summarize Mr. Cochrane's Multi-Stage DCF analysis and results.

A. Mr. Cochranes Multi-Stage DCF analysis was performed in a similar fashion to mine, where he relied on analyst growth rate estimates for Stage 1 growth (years 1-5), a linear transition from Stage 1 to the terminal GDP growth rate for Stage 2 (years 6-10), and GDP growth for Stage 3 (beginning in year 11). Similar to his Constant Growth DCF results, Mr. Cochrane separated his results based on low, mid, and high growth rates. Mr. Cochrane

calculates his own estimate of long-term GDP growth based on historical real GDP and projected inflation.

Q. What are your concerns with Mr. Cochrane's Multi-Stage DCF analysis?

A. In addition to his giving equal weight to his high-growth scenario, I disagree with his reliance on his own estimate of future GDP growth, which is based on historical real GDP growth and projected inflation.

Q. How did Mr. Cochrane calculate historical GDP?

A. Using quarterly data from the U.S. Bureau of Economic Analysis reported by the Federal Reserve Bank of St. Louis, Mr. Cochrane calculated that the U.S. economy grew at an average real rate of 3.18% per year from 1929 to 2023.

Q. How did Mr. Cochrane calculate his estimate of inflation?

A. Mr. Cochrane averaged three sources to estimate inflation: the 10-Year Breakeven Inflation Rate from the Federal Reserve Bank of St. Louis, the annual growth rate of the Consumer Price Index ("CPI") for all urban consumers from 2030-2050 projected by the Energy Information Administration ("EIA"), and the annual growth rate of the GDP chain-type price index from 2030-2050 reported by the EIA. The average of these measures was 2.32%.

Q. What concerns do you have with Mr. Cochrane's long-term GDP projection?

A. My concerns with his projected GDP growth rate that it is not based on market expectations. In my direct testimony, I presented the projections of real GDP and inflation from several sources relied on by investors. Long-term real GDP forecasts range from 1.6% to 1.9%, which compares to the historical real GDP growth rate of 3.18% relied on by Mr. Cochrane. This component alone shows his estimate is not based on investor expectations and is significantly overstated. In that same table presented in my direct testimony, I show that

long-term nominal GDP growth rate projections range from 3.8% to 4.1%. These consensus estimates relied on by investors are significantly lower than the 5.5% figure Mr. Cochrane estimates the economy to grow.

Mr. Cochrane's GDP growth rate projection of 5.5% is significantly overstated and not based on, or consistent with, investor expectations. As such, Mr. Cochrane's projected GDP growth rate of 5.5% should be given little weight. As I have demonstrated in my direct testimony, 4.14% is representative of market expectations.

Q. What impact does correcting the GDP growth rate from 5.5% to 4.14% have on Mr. Cochrane's multi-stage DCF model?

A. Assuming his average analyst growth rate scenario for Stage 1, using a 4.14% GDP growth rate for the terminal growth rate in perpetuity produces mean and median results of 8.87%, a significant difference when compared to his unreasonable estimate of 9.90% using a 5.50% GDP growth rate.

E. Response to Mr. Cochrane's CAPM Analysis

Q. Please summarize Mr. Cochrane's CAPM analysis.

A. Mr. Cochrane estimated the risk-free rate by averaging the yields on 30-year constant maturity U.S. Treasury securities over three periods: 30, 90, and 180 days, with each period ending on January 11, 2024. The average yields for these periods were 4.18%, 4.53%, and 4.25%, respectively. He used multiple averaging periods to mitigate bias from transitory market conditions. For the beta coefficient, he used the average beta of 0.86 for the companies in his proxy group as reported by *Value Line*. To calculate the expected market return, he applied the Constant Growth DCF method to companies in the S&P 500 Index as reported by *Value Line*, estimating an expected market return of 13.96%. The market risk premiums,

calculated by subtracting the risk-free rates from the expected market return, were 9.77%, 9.43%, and 9.70% for the respective periods.

Q. What are the results of Mr. Cochrane's CAPM analysis?

A. Based on the risk-free rate estimates, proxy group average beta, and market risk premium calculations, Mr. Cochrane's CAPM method produced indicated COE results of 12.56% to 12.61%, with an average of approximately 12.58%.

Q. What are your concerns with Mr. Cochrane's CAPM analysis?

A. My concerns are two-fold. First, I disagree with Mr. Cochrane's sole reliance on 5-year beta estimates published by *Value Line*. Second, I am concerned with his expected market return, which is ultimately used to derive his market risk premiums.

Q. What are your concerns with Mr. Cochrane's *Value Line* betas?

A. As I mentioned in my direct testimony, all beta estimates calculated over a 5-year historical price period (i.e. *Value Line* betas) will include the unprecedented volatility and market prices caused by the onset of the COVID-19 pandemic in early 2020. It is unreasonable to assume that those prices and resulting volatility resemble investor expectations going forward. Prior to the market fallout from the pandemic, utility beta estimates were at several year lows. Subsequent to the period of peak volatility from the pandemic, utility betas have actually declined back toward their normalized levels. This is demonstrated in Table CCW-3R below. In this table, I present the raw unadjusted beta estimates for the 5-year and 3-year period ending May 31, 2024. I then apply Blume adjustment using the same weighting applied by *Value Line*.[1]

[1] The *Value Line* method to calculated adjusted betas is as follows: $B_{adjusted} = 0.35 + 0.67 \times B_{raw.}$

Table CCW-3R

Beta Comparison

Proxy Group	5-Year Beta[1] Unadjusted	5-Year Beta[1] Adjusted[3]	3-Year Beta[2] Unadjusted	3-Year Beta[2] Adjusted[3]
Atmos Energy Corporation	0.74	0.85	0.60	0.75
Northwest Natural Holding Company	0.61	0.76	0.47	0.67
ONE Gas, Inc.	0.75	0.85	0.50	0.68
Spire Inc.	0.79	0.88	0.49	0.68
Southwest Gas Holdings, Inc.	0.87	0.93	0.50	0.68
Eversource Energy	0.85	0.92	0.54	0.71
American States Water Company	0.48	0.67	0.62	0.76
American Water Works Company, Inc.	0.99	1.01	0.84	0.91
California Water Service Group	0.53	0.70	0.69	0.81
Middlesex Water Company	0.66	0.79	0.66	0.79
SJW Group	0.75	0.85	0.56	0.72
Essential Utilities, Inc.	0.91	0.96	0.75	0.85
Cochrane's Group (excl. Chesapeake and NiSource)				
Average	0.75	0.85	0.51	0.69
Median	0.75	0.85	0.50	0.68
Walters' Group				
Average	0.75	0.85	0.60	0.75
Median	0.75	0.85	0.58	0.74

Source:
[1]S&P Global Market Intelligence, betas for the period 5/31/2019 - 5/31/2024.
[2]S&P Global Market Intelligence, betas for the period 5/31/2021 - 5/31/2024.
[3]Adjusted using Value Line's Blume adjustment methodology: 0.35+(0.67 x Unadjusted Beta)

These data clearly demonstrate that systematic market risk has subsided for regulated utilities after controlling for the impacts of the global pandemic and are largely in line with the long-term beta estimates discussed in my direct testimony. Mr. Cochrane's proxy group betas, excluding Chesapeake and NiSource, have average and median 3-year beta estimates of 0.69 and 0.68, respectively. These estimates compare to the average and median estimates of 0.85 in the table, or the 0.86 beta estimate relied on by Mr. Cochrane.

Q. What are your concerns with Mr. Cochrane's expected market returns and market risk premiums?

A. Mr. Cochrane estimates the expected market return by performing a constant growth DCF on the individual companies of the S&P 500. His DCF on the market produces a weighted average DCF result of 13.96%. This result assumes a market capitalization weighted adjusted dividend yield of 1.50% and a growth rate of 12.46%. The market risk premiums, calculated by subtracting the risk-free rates from the expected market return, were 9.77%, 9.43%, and 9.70% for the respective periods.

As an initial matter, his average market risk premium of 9.63% falls well outside of the range 5.00% to 8.00% that is indicated by empirical evidence. These market risk premium estimates exceed the high end of the empirical evidence by approximately 20.4%.[2] For example, Dr. Morin notes in his book, *Modern Regulatory Finance*, that several studies of the market risk premium have concluded that a market risk premium in the range of 5.0% to 8.0% is a reasonable estimate for the United States.[3] For example, the Duarte and Rosa study he cites concludes that the historical mean is "quite difficult to improve upon when considering out-of-sample performance measures."[4] Dr. Morin also notes that a survey of professional practices showed that 71% of textbooks/tradebooks used a historical average as the market risk premium, and 60% of financial advisors used a market risk premium in the range of 7.0% to 7.4% (similar to a long-term arithmetic average market risk premium).[5]

[2](9.63% ÷ 8.00%) - 1= 20.4%
[3]Dr. Morin references studies by Duarte & Rosa; Professors Ross, Westerfield, and Jordan; Mahera; and Brealey, Myers, and Allen. See *Modern Regulatory Finance*, Dr. Roger A. Morin, at 190-192. Dr. Morin notes in his textbook that there is a "slight preference" for the upper end of the range (i.e., 8%) during tumultuous times in capital markets with examples being the 2008-2009 credit crisis and the 2020 pandemic.
[4]See *Modern Regulatory Finance*, Dr. Roger A. Morin, at 191, citing the Duarte and Rosa study.
[5]See *Modern Regulatory Finance*, Dr. Roger Morin, at 190, footnote 35.

In addition to his market risk premiums generally falling well outside of the empirical range, Mr. Cochrane's expected market return derived using the DCF model of 13.96% assumes a perpetual weighted growth rate of the 12.46% for the S&P 500. Importantly, this analysis relies on individual company growth rates as high as 85.0% (Insulet Corporation). Both assumed growth rates are simply irrational and cannot be sustained.

The DCF model requires a long-term sustainable growth rate. Mr. Cochrane's assumed market growth rate of 12.46% is far too high to be a rational outlook for sustainable long-term market growth. This growth rate is 3.0x the growth rate of the U.S. GDP long-term growth outlook of 4.14%. The assumed perpetual growth rate of 85% for Insulet Corporation is 20.5x that of the forecasted GDP growth rate.

It simply is not reasonable to believe individual companies can sustain growth rates as high as Mr. Cochrane has assumed into perpetuity. In fact, in the Chartered Financial Analyst ("CFA") curriculum textbooks, the CFA Institute notes as follows with regard to earnings growth rates for companies within the composite indices (i.e., S&P 500):

> Earnings growth for the overall national economy can differ from the growth of earnings per share in a country's equity market composites. This is due to the presence of new businesses that are not yet included in the equity indices and are typically growing at a faster rate than the mature companies that make up the composites. **Thus, the earnings growth rate of companies making up the composites should be lower than the earnings growth rate for the overall economy [Emphasis Added].**[6]

For these reasons, Mr. Cochrane's traditional CAPM results are excessive and unreliable.

[6]CFA Program Curriculum, 2014 Level II Vol. 1, "Ethical and Professional Standards, Quantitative Methods, and Economics", Paul Kutasovic, Reading 15 – Economic Growth and the Investment Decision, page 609, footnote 5 (emphasis added).

F. Response to Mr. Cochrane's BYPRP Analysis

Q. Please summarize Mr. Cochrane's BYPRP analysis.

A. Mr. Cochrane first defined the risk premium as the difference between historical authorized ROEs and the prevailing 30-year Treasury Rate. He used authorized ROEs from gas rate case proceedings over the past 15 years and matched these with the corresponding 30-year Treasury Rates at the time of each decision. He then plotted a scatterplot to illustrate the relationship between the 30-year Treasury Rates and the risk premia, performing a regression analysis to develop a predictive formula:

$$RP=\alpha+\beta(T)$$

where:
RP is the risk premium,
α is the intercept term,
β is the slope term, and
T is the 30-year Treasury Rate

Q. What are the results of Mr. Cochrane's BYPRP analysis?

A. The regression analysis produced coefficients of α equal to 0.092129 and β equal to -0.8244. Using these coefficients, Mr. Cochrane applied the 30-, 90-, and 180-day average 30-year Treasury rates to the equation to calculate the risk premium. The estimated risk premiums range from 5.48% to 5.77%. Adding the resulting risk premiums to the 30-year Treasury rates, he estimated Liberty Midstates' COE to be between 9.95% and 10.01%, with an average COE estimate of 9.97%.

Q. What are your concerns with Mr. Cochrane's BYPRP analysis?

A. My concern with Mr. Cochrane's BYPRP analysis is that he has chosen to truncate the data for his risk premium approach by disregarding all observations before 2008. He justifies this selection by stating that he "felt that a time period of 15 years was sufficient enough to provide a representative overview of the relationship between recent rate cases and

corresponding Treasury Rates," but provides no substantial explanation for excluding earlier data. This decision to limit the study period introduces unnecessary subjective bias, which undermines the credibility of his analysis.

G. Response to Mr. Cochrane's Flotation Cost Adjustment

Q. Please summarize Mr. Cochrane's flotation cost adjustment.

A. Mr. Cochrane estimated Liberty Midstates' flotation costs by analyzing the costs incurred by the proxy group companies during their two most recent common equity issuances. He then calculated the average flotation costs for the proxy group and adjusted the Constant Growth DCF model to include a dividend yield that accounts for these issuance costs. This adjusted dividend yield is calculated by dividing the current dividend yield by one minus the weighted average flotation costs of the proxy group companies. The difference between the ROE from the adjusted and unadjusted Constant Growth DCF models represents the flotation cost adjustment. Based on this method, Mr. Cochrane estimated that the appropriate adder to Liberty Midstates' ROE to cover flotation costs is 0.08%.

Q. Please describe your concerns with Mr. Cochrane's proposed flotation cost adjustment.

A. Mr. Cochrane's flotation cost adjustment is not based on the recovery of prudent and reasonable flotation expenses for Liberty Midstates. Rather, Mr. Cochrane derives a flotation cost adjustment based on generic cost information for his proxy group. Because he does not show that his adjustment is based on Liberty Midstates' actual and verifiable flotation expenses, there are no means of verifying whether Mr. Cochrane's proposal is reasonable or appropriate.

Further, should flotation costs be allowed to be recovered, I believe it is more appropriate to recover them as an expense through cost of service rather than an increase to the ROE. This would allow for Liberty Midstates' reasonably incurred flotation costs to be allocated in a fair manner to its various operations.

H. Response to Mr. Cochrane's Recommended Equity Ratio

Q. How did Mr. Cochrane arrive at his capital structure recommendation?

A. Mr. Cochrane began by calculating the average common equity and long-term debt capital structure components for the proxy group companies over the most recent eight quarters, as shown in Direct Schedule JC-13. During this period, the mean and median capital structures for the proxy group were both 50% common equity and 50% long-term debt, with a range of common equity ratios from 37% to 61%. He then reviewed Liberty Midstates' 13-month average capital structure, which was 61% common equity and 39% total debt (including 13% net short-term/money pool debt), and the actual capital structure ratios as of December 31, 2022, which were 56% common equity and 44% total debt (including 20% net short-term/money pool debt). Both of these were higher than his recommended common equity ratio. Finally, he factored in the forecasted results for 2023, which included the issuance of $90.6 million in long-term debt on December 14, 2023, and the retirement of existing long-term debt.

Q. What are your concerns with Mr. Cochrane's recommended equity ratio of 52.9%?

A. As an initial matter, Mr. Cochrane acknowledges the mean and median capital structures for the proxy group were both 50% common equity and 50% long-term debt, and range from 37% to 61%. However, Mr. Cochrane's recommended equity ratio of 52.9%

exceeds the mean (50.0%), median (50.0%), and midpoint (49.0%). Mr. Cochrane overlooks the difference in financial risk between Liberty Midstates and the proxy group he uses to estimate its COE. He then couples this excessive equity ratio with an egregious ROE recommendation. As I explained in my direct testimony, in its *Report and Order* issued in WR-2023-0006 on October 25, 2023, this Commission stated as follows:

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

As such, I recommend the Commission reject Mr. Cochrane's recommended equity ratio of 52.9%, and instead authorize an equity ratio of no higher than 50.0%. Should the Commission grant Liberty Midstates an equity ratio higher than 50.0%, an ROE in the lower half of my recommended range (i.e., 9.00% to 9.45%) would be warranted.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

[7] Missouri Public Service Commission, File No. WR-2023-0006, *Report and Order*, October 25, 2023, at 46.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

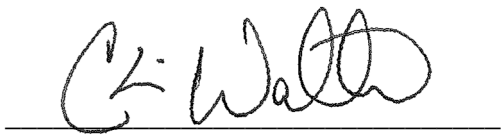
In the Matter of the Request of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty to Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company	)))))	Case No. GR-2024-0106

AFFIDAVIT OF CHRISTOPHER C. WALTERS

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

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 *Rebuttal Testimony of Christopher C. Walters*; and that the same is true and correct according to his best knowledge and belief.

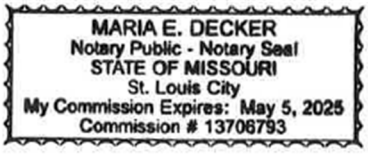
Further the Affiant sayeth not.

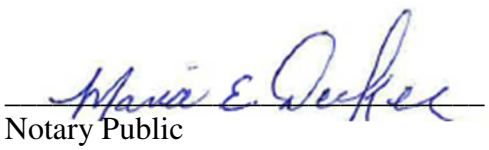


CHRISTOPHER C. WALTERS

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 19th day of August 2024.





Notary Public