

FLOTATION COST ADJUSTMENT

Company	Date	Shares Issued	Offering Price	Underwriting Discount	Offering Expense	Net Proceeds	Total Flotation Costs	Gross Equity Issue before Costs	Net Proceeds	Flotation Cost Percentage
Algonquin Power & Utilities Corp.	6/17/2021	23,000,000	\$50.000	\$1.200	\$0.078	\$48.722	\$29,400,000	\$1,150,000,000	\$1,120,600,000	2.557%
Algonquin Power & Utilities Corp.	10/10/2019	26,252,542	\$13.500	\$0.530	\$0.000	\$12.970	\$13,913,847	\$354,409,317	\$340,495,470	3.926%
Alliant Energy Corporation	11/14/2019	4,275,127	\$52.630	\$0.400	\$0.117	\$52.113	\$2,210,051	\$224,999,934	\$222,789,883	0.982%
Alliant Energy Corporation	12/13/2018	8,358,973	\$44.850	\$0.520	\$0.120	\$44.210	\$5,346,666	\$374,899,939	\$369,553,273	1.426%
Ameren Corporation	8/5/2019	7,549,205	\$74.300	\$0.120	\$0.099	\$74.081	\$1,655,905	\$560,905,932	\$559,250,027	0.295%
Ameren Corporation	9/9/2009	21,850,000	\$25.250	\$0.758	\$0.021	\$24.472	\$17,001,375	\$551,712,500	\$534,711,125	3.082%
American Electric Power Company, Inc.	4/1/2009	69,000,000	\$24.500	\$0.735	\$0.006	\$23.759	\$51,115,000	\$1,690,500,000	\$1,639,385,000	3.024%
American Electric Power Company, Inc.	2/27/2003	57,500,000	\$20.950	\$0.629	\$0.010	\$20.312	\$36,688,750	\$1,204,625,000	\$1,167,936,250	3.046%
Duke Energy Corporation	11/18/2019	28,750,000	\$86.450	\$0.460	\$0.021	\$85.969	\$13,817,000	\$2,485,437,500	\$2,471,620,500	0.556%
Duke Energy Corporation	3/8/2018	21,275,000	\$74.070	\$0.000	\$0.021	\$74.049	\$450,000	\$1,575,839,250	\$1,575,389,250	0.029%
Edison International	7/30/2019	32,200,000	\$68.500	\$1.630	\$0.023	\$66.847	\$53,211,000	\$2,205,700,000	\$2,152,489,000	2.412%
Entergy Corporation	6/6/2018	15,282,392	\$75.250	\$0.800	\$0.043	\$74.407	\$12,875,914	\$1,149,999,998	\$1,137,124,084	1.120%
Evergy, Inc.	9/27/2016	60,490,000	\$26.460	\$0.794	\$0.008	\$25.658	\$48,498,815	\$1,600,565,400	\$1,552,066,585	3.030%
Evergy, Inc.	9/23/2013	8,916,000	\$31.150	\$1.090	\$0.028	\$30.032	\$9,968,440	\$277,733,400	\$267,764,960	3.589%
IDACORP, Inc.	11/7/2023	3,221,982	\$92.800	\$2.784	\$0.085	\$89.931	\$9,244,998	\$298,999,930	\$289,754,932	3.092%
IDACORP, Inc.	12/9/2004	4,025,000	\$30.000	\$1.200	\$0.075	\$28.725	\$5,130,000	\$120,750,000	\$115,620,000	4.248%
NextEra Energy, Inc.	11/1/2016	13,800,000	\$124.000	\$0.000	\$0.054	\$123.946	\$750,000	\$1,711,200,000	\$1,710,450,000	0.044%
NextEra Energy, Inc.	11/18/2013	11,100,000	\$88.030	\$0.000	\$0.068	\$87.962	\$750,000	\$977,133,000	\$976,383,000	0.077%
NorthWestern Corporation	11/15/2021	6,985,982	\$53.500	\$1.610	\$0.129	\$51.761	\$12,147,431	\$373,750,037	\$361,602,606	3.250%
NorthWestern Corporation	11/4/2014	7,766,990	\$51.500	\$1.803	\$0.129	\$49.569	\$14,999,999	\$399,999,985	\$384,999,986	3.750%
OGE Energy Corporation	8/21/2003	5,324,074	\$21.600	\$0.790	\$0.061	\$20.749	\$4,531,018	\$114,999,998	\$110,468,980	3.940%
Pinnacle West Capital Corp	2/28/2024	9,774,436	\$66.500	\$1.995	\$0.056	\$64.449	\$20,050,000	\$649,999,994	\$629,949,994	3.085%
Pinnacle West Capital Corp	4/7/2010	6,900,000	\$38.000	\$1.330	\$0.028	\$36.642	\$9,367,000	\$262,200,000	\$252,833,000	3.572%
Portland General Electric Company	10/25/2022	11,615,000	\$43.000	\$1.236	\$0.043	\$41.721	\$14,859,044	\$499,445,000	\$484,585,956	2.975%
Portland General Electric Company	6/11/2013	12,765,000	\$29.500	\$0.959	\$0.047	\$28.494	\$12,839,082	\$376,567,500	\$363,728,418	3.410%
PPL Corporation	5/8/2018	63,250,000	\$27.000	\$0.294	\$0.016	\$26.690	\$19,614,475	\$1,707,750,000	\$1,688,135,525	1.149%
PPL Corporation	4/10/2012	11,385,000	\$27.700	\$0.680	\$0.640	\$26.380	\$15,028,200	\$315,364,500	\$300,336,300	4.765%
Southern Company	8/16/2016	32,500,000	\$49.300	\$1.660	\$0.017	\$47.623	\$54,507,000	\$1,602,250,000	\$1,547,743,000	3.402%
Southern Company	5/5/2016	18,300,000	\$48.600	\$2.020	\$0.022	\$46.558	\$37,361,000	\$889,380,000	\$852,019,000	4.201%
TXNM Energy, Inc.	1/7/2020	6,181,250	\$49.200	\$1.990	\$0.121	\$47.089	\$13,050,688	\$304,117,500	\$291,066,813	4.291%
TXNM Energy, Inc.	12/6/2006	5,750,000	\$30.790	\$1.078	\$0.043	\$29.669	\$6,448,500	\$177,042,500	\$170,594,000	3.642%
Xcel Energy Inc.	10/30/2019	11,845,000	\$63.320	\$0.630	\$0.055	\$62.635	\$8,112,350	\$750,025,400	\$741,913,050	1.082%
Xcel Energy Inc.	11/7/2018	9,359,103	\$49.150	\$0.150	\$0.069	\$48.931	\$2,053,865	\$459,999,912	\$457,946,047	0.446%
<i>Weighted Average Flotation Costs</i>							\$556,997,413	\$27,398,303,426	\$26,841,306,013	2.033%

The flotation adjustment is derived by dividing the dividend yield by 1-F (where F = flotation costs expressed in percentage terms), or by 0.9797, and adding that result to the constant growth rate to determine the cost of equity. Using the formulas shown previously in my testimony, the Constant Growth DCF calculation is modified as follows to accommodate an adjustment for flotation costs:

Source: S&P Capital IQ Pro

## FLOTATION COST ADJUSTMENT

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	
	Stock Price	Annualized Dividend	Dividend Yield	Expected Dividend Yield	Expected Dividend Yield Adjusted for Flotation Costs	Proj EPS Growth (Zacks)	Proj EPS Growth (Value Line)	Proj EPS Growth (First Call)	Average Growth Estimate	DCF k(e)	Flotation Adjusted DCF k(e)	
Alliant Energy Corporation	LNT	\$56.64	\$1.92	3.39%	3.51%	3.58%	6.80%	6.00%	7.70%	6.83%	10.34%	10.41%
Ameren Corporation	AEE	\$80.50	\$2.68	3.33%	3.44%	3.51%	6.60%	6.50%	6.20%	6.43%	9.87%	9.94%
American Electric Power Company, Inc.	AEP	\$97.83	\$3.52	3.60%	3.71%	3.79%	6.20%	6.50%	6.62%	6.44%	10.15%	10.23%
Duke Energy Corporation	DUK	\$111.62	\$4.18	3.74%	3.86%	3.94%	6.10%	5.00%	6.66%	5.92%	9.78%	9.86%
Edison International	EIX	\$81.83	\$3.12	3.81%	3.94%	4.02%	n/a	6.00%	7.60%	6.80%	10.74%	10.82%
Entergy Corporation	ETR	\$116.99	\$4.52	3.86%	3.96%	4.04%	7.30%	0.50%	6.80%	4.87%	8.82%	8.91%
Evergy, Inc.	EVRG	\$58.24	\$2.57	4.41%	4.55%	4.64%	5.00%	7.50%	6.00%	6.17%	10.72%	10.81%
IDACORP, Inc.	IDA	\$100.57	\$3.32	3.30%	3.38%	3.45%	n/a	5.50%	4.40%	4.95%	8.33%	8.40%
NextEra Energy, Inc.	NEE	\$77.45	\$2.06	2.66%	2.77%	2.83%	8.10%	8.00%	8.20%	8.10%	10.87%	10.93%
NorthWestern Corporation	NWE	\$53.03	\$2.60	4.90%	5.01%	5.11%	n/a	4.00%	4.50%	4.25%	9.26%	9.36%
OGE Energy Corporation	OGE	\$38.99	\$1.67	4.29%	4.41%	4.51%	5.00%	6.50%	negative	5.75%	10.16%	10.26%
Pinnacle West Capital Corp	PNW	\$85.90	\$3.52	4.10%	4.23%	4.32%	8.20%	4.50%	7.20%	6.63%	10.87%	10.96%
Portland General Electric Company	POR	\$47.11	\$2.00	4.25%	4.44%	4.53%	n/a	6.00%	12.50%	9.25%	13.69%	13.78%
PPL Corporation	PPL	\$30.65	\$1.03	3.36%	3.48%	3.55%	6.80%	7.50%	6.80%	7.03%	10.51%	10.58%
Southern Company	SO	\$85.65	\$2.88	3.36%	3.48%	3.55%	7.00%	6.50%	7.30%	6.93%	10.41%	10.48%
TXNM Energy, Inc.	TXNM	\$40.78	\$1.55	3.80%	3.87%	3.95%	2.50%	5.00%	3.78%	3.76%	7.63%	7.71%
Xcel Energy Inc.	XEL	\$58.89	\$2.19	3.72%	3.84%	3.92%	6.40%	7.00%	6.73%	6.71%	10.55%	10.63%
PROXY GROUP MEDIAN										10.34%	10.41%	

MEDIAN												10.41%
UNADJUSTED CONSTANT GROWTH DCF MEDIAN												10.34%
DIFFERENCE (FLOTATION COST ADJUSTMENT)											[12]	0.07%

[1] Source: Bloomberg, 30-day average price

[2] Bloomberg

[3] = Col. [1] / Col. [2] or [Annualized Dividend] / [Price]

[4] = Col. [3] x [1 + (.5 x Col. [9])] or [Dividend Yield] x [1 + (.5 x average growth rate)]

[5] = [Expected Dividend Yield] / [1 - Flotation Cost Percentage]

[6] Source: Zacks

[7] Source: Value Line

[8] Source: First Call

[9] Average of columns [6], [7], [8]

[10] = Column [4] + Column [9]

[11] = Column [5] + Column [9]

[12] = Col. [11] - Col. [10] or [Median Adjusted DCF] - [Median Unadjusted DCF]