

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Public Meeting held July 24, 2025

Docket Number: M-2025-3055266

BUREAU OF TECHNICAL UTILITY SERVICES
REPORT ON THE QUARTERLY EARNINGS
OF JURISDICTIONAL UTILITIES
FOR THE YEAR ENDED
March 31, 2025

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

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Introduction:

On September 20, 1991, the Commission initiated a rulemaking at L-00910061 pertaining to earnings disclosures by the public utilities subject to its jurisdiction. At that docket, the Commission stated that the submission of accurate, reliable, and complete earnings disclosure reports, at regular intervals, is essential to the fulfillment of the broad regulatory oversight responsibilities entrusted to the Commission by the Legislature in the Public Utility Code. The earnings disclosure regulations promulgated by the Commission were adopted October 1, 1992, and published January 23, 1993, at 23 Pa.B. 463. Based upon those regulations, codified at 52 Pa. Code, Chapter 71, a reporting format was developed and distributed to the jurisdictional fixed utilities of Pennsylvania.

All fixed utilities having jurisdictional revenues of \$1,000,000 or more, for a calendar year, are required to file the report by March 31 of each year. Such reports are to be based upon the results of operations for the 12-month period ending December 31 of the prior year. Utilities having more than \$10,000,000 in jurisdictional revenues are also required to file reports for the 12 months ending on March 31, June 30, and September 30 of each year.¹ On November 30, 2004, however, the Pennsylvania General Assembly signed into law Act 183 concerning alternative telecommunications regulation and broadband deployment. As a result of Act 183, the reporting requirements for the PUC jurisdictional telecommunications companies of Pennsylvania have been streamlined at section 3015(e) of the Public Utility Code. A quarterly earnings report is not listed among those reports now required of PUC jurisdictional telecommunications utilities in Pennsylvania and, therefore, this report does not address telephone company earnings.

The reports have been filed for the period ending March 31, 2025, at Docket No. M-2025-3052807.² The Finance Staff of the Bureau of Technical Utility Services has reviewed the reports and has prepared this summary report for public release. This report sets forth the achieved return on equity for each company, the last allowed return for that utility, a market return as determined through the analysis of the barometer group data and the most recent returns allowed, per industry, by the Pennsylvania Public Utility Commission and by other regulatory bodies. Where a utility has not filed a report, the reasons for not filing are indicated.

Questions pertaining to the preparation and contents of this Report should be directed to Mr. Marc Hoffer, Manager - Finance, Bureau of Technical Utility Services, at (717) 787-1869.

¹ Per Commission regulations at 52 Pa. Code § 71.3(a)(1), the major electric utilities are specifically identified by name rather than utilizing the \$10,000,000 revenue threshold utilized by gas and water utilities.

² Columbia Gas of Pennsylvania, Inc., UGI Utilities, Inc. – Gas Division, and York Water Company have rate filings at Docket Nos. R-2025-3053499, R-2024-3052716, and R-2025-3053442, respectively, and have filed a letter with the Secretary in place of a report in accordance with 52 Pa. Code § 71.4.

The equity return summaries that follow in Attachment A are, for each quarter;

ACTUAL

1. Based on actual results of operations

and

ADJUSTED

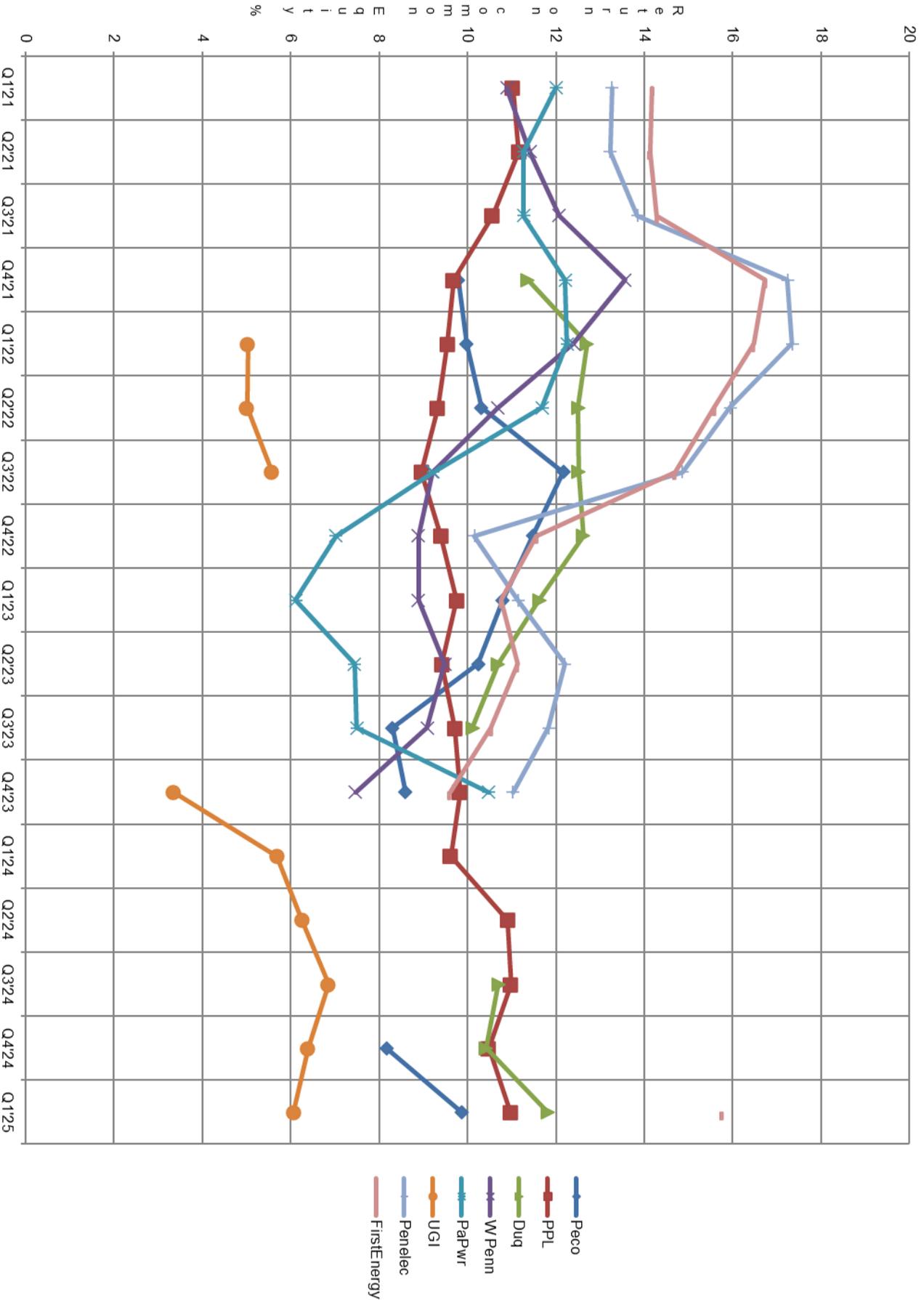
2. Based on company proposed pro forma and ratemaking adjustments

**ELECTRIC UTILITIES
EQUITY RETURNS BY QUARTER**

QTR END	Peco		PPL		Duq		W Penn		PaPwr		UGI		Penelec		FirstEnergy*		
	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	
2018	1		12.53	11.36			10.35	9.08	9.03	8.08			11.84	9.93	12.77	11.38	
	2		11.05	9.49			9.92	8.52	8.79	7.57			11.56	9.39	11.90	10.26	
	3		11.19	9.83			11.41	6.74	10.30	5.80			13.97	8.44	14.46	9.62	
	4	10.88	7.61	11.10	10.15	12.06	9.39	9.92	6.78	10.64	7.43			13.27	9.31	13.05	7.40
2019	1	12.65	7.93	10.10	8.96	12.58	9.73	9.08	6.62	9.14	7.61	7.05	5.22	12.03	8.07	12.54	7.66
	2	12.34	7.94	10.51	8.95	12.38	9.34	8.02	5.99	8.29	7.10	5.77	3.22	11.42	8.16	11.72	7.21
	3	12.49	7.96	10.61	8.99	13.88	9.33	9.90	7.87	9.28	7.76	6.20	2.04	11.26	8.78	12.25	7.77
	4	12.21	8.50	10.53	10.40	13.92	9.08	14.13	7.07	8.08	6.90	7.20	2.38	10.02	8.54	10.96	9.27
2020	1	11.31	8.35	10.84	11.20	12.66	8.31	9.82	5.54	5.06	6.71	5.43	2.26	7.24	8.74	7.20	8.31
	2	9.38	8.17	11.20	10.81	12.73	8.56	10.41	5.53	5.56	6.55	6.06	2.01	6.68	7.94	7.34	8.04
	3	9.62	8.56	11.14	11.20	12.32	8.08	10.22	5.42	5.62	6.74	7.76	0.41	7.87	8.75	7.64	8.37
	4	9.16	7.64	11.10	11.48	12.57	8.15	7.48	5.65	11.36	7.34			10.08	8.62	9.91	8.64
2021	1		11.03	11.76			10.89	6.64	12.01	7.01				13.27	8.96	14.19	9.44
	2		11.17	11.73			11.42	7.07	11.27	5.94				13.23	8.15	14.13	9.06
	3		10.57	10.65			12.08	7.91	11.27	5.91				13.85	8.67	14.29	9.38
	4	9.79	7.59	9.69	10.57	11.37	11.23	13.57	7.85	12.21	5.42			17.25	8.04	16.74	9.40
2022	1	9.98	6.99	9.55	9.49	12.71	10.91	12.40	6.99	12.26	5.30	5.03	4.93	17.35	7.83	16.48	9.40
	2	10.32	7.19	9.33	9.54	12.51	10.22	10.70	5.78	11.69	5.04	5.01	3.89	15.95	6.93	15.59	8.72
	3	12.17	7.42	8.97	9.14	12.52	9.74	9.21	4.43	9.23	4.35	5.58	0.65	14.87	5.88	14.70	7.57
	4	11.48	6.59	9.41	9.18	12.62	9.54	8.89	4.19	7.03	3.44			10.16	5.07	11.56	7.55
2023	1	10.80	6.47	9.76	9.36	11.63	9.53	8.89	5.32	6.11	4.01			11.15	6.88	10.77	8.25
	2	10.24	6.19	9.43	8.67	10.69	9.39	9.49	6.03	7.45	5.58			12.20	7.90	11.14	8.81
	3	8.30	5.48	9.72	8.12	10.12	8.89	9.09	5.96	7.50	5.76			11.84	7.79	10.54	8.60
	4	8.60	5.19	9.84	8.49			7.47	6.02	10.49	7.09	3.36	4.48	11.03	8.17	9.61	8.66
2024	1		9.63	8.22								5.70	2.03				
	2		10.92	9.17								6.26	1.11				
	3		10.99	9.46	10.71	9.16						6.86	1.70				
	4	8.17	4.22	10.49	7.23	10.42	9.38					6.40	1.41				
2025	1	9.87	5.67	10.98	7.49	11.82	9.68					6.07	1.44			15.77	11.32

*Prior to Q1 2024, this column represents the equity returns exclusively for Metropolitan Edison Co.; whereas, from Q1 2025 onward, it represents the returns for the entirety of the four former FirstEnergy entities of MetEd, Penn Power, West Penn Power, and Penelec, now collectively known as FirstEnergy Pennsylvania Electric Company.

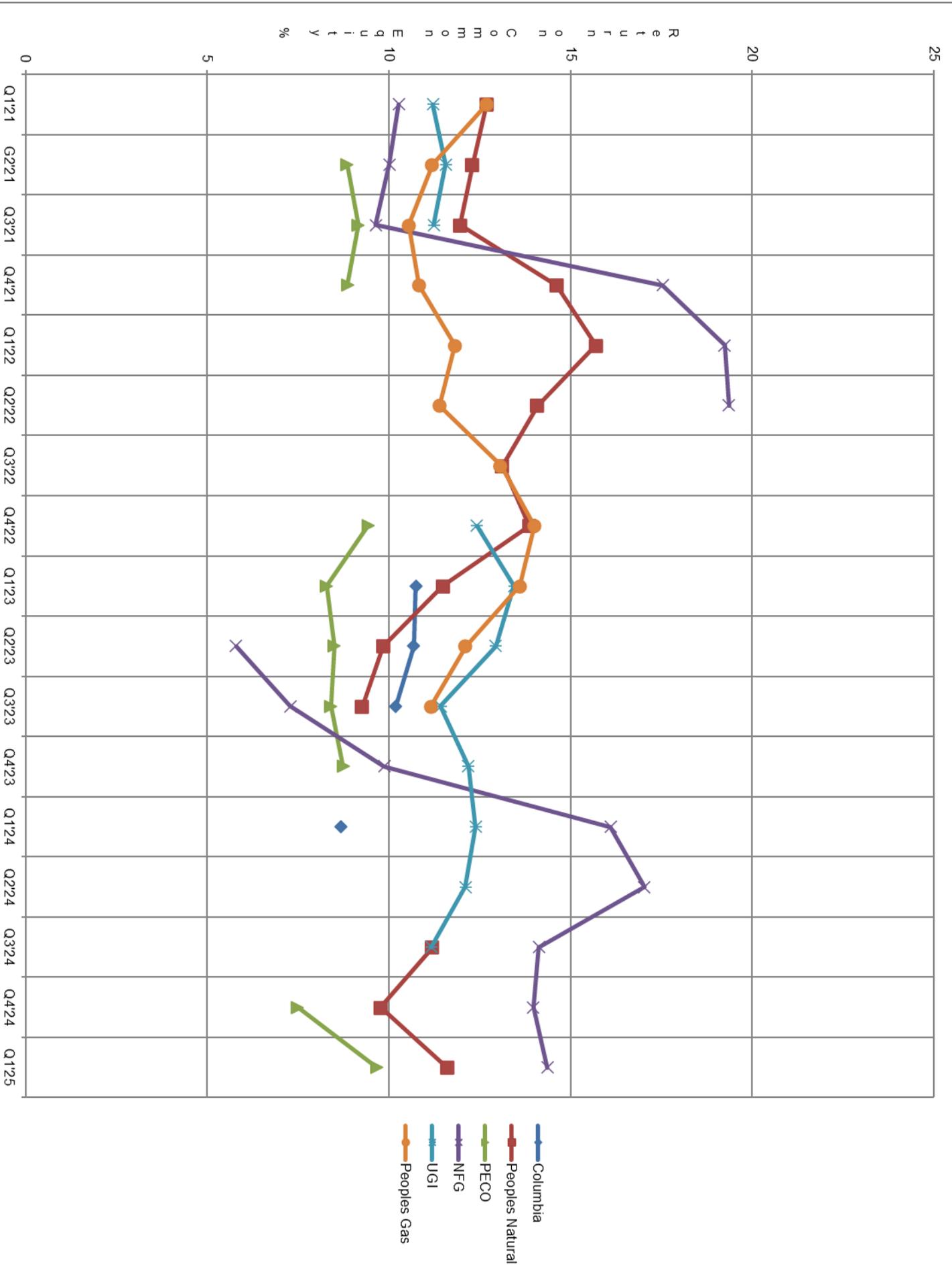
Major Pennsylvania Electric Utilities - Actual Equity Returns by Quarter



**GAS UTILITIES
EQUITY RETURNS BY QUARTER**

QTR	Columbia		Peoples Natural		PECO		NFG		UGI		Peoples Gas		
	<u>ACT</u>	<u>ADJ</u>	<u>ACT</u>	<u>ADJ</u>	<u>ACT</u>	<u>ADJ</u>	<u>ACT</u>	<u>ADJ</u>	<u>ACT</u>	<u>ADJ</u>	<u>ACT</u>	<u>ADJ</u>	
2018	1		11.42	7.00	12.65	9.77	14.40	10.20	12.82	7.90	14.02	10.17	
	2		11.03	6.80	12.66	9.05	12.06	9.89	16.75	6.80	12.78	10.15	
	3		10.21	7.43	12.54	8.36	12.52	10.12	18.69	8.04	13.03	10.20	
	4	11.39	9.81			12.86	8.68	12.24	10.21			13.92	11.13
2019	1	12.76	10.22			13.68	9.06	11.83	10.93			14.10	10.71
	2	12.04	9.92			12.62	8.41	14.56	9.99			13.80	11.66
	3	11.77	9.85			12.40	8.31	14.17	9.75			14.02	11.63
	4	9.21	9.09	10.74	12.26	11.75	6.99	14.20	9.77			12.76	11.20
2020	1	8.42	9.11	12.34	12.34	10.84	7.68	11.82	9.92			11.40	11.07
	2			13.81	12.38	11.26	7.25	11.28	9.05			11.89	11.10
	3			14.60	12.77			10.39	8.25			11.82	11.50
	4			12.09	10.37			9.68	8.12			12.93	12.11
2021	1			12.69	10.43			10.27	8.47	11.22	7.70	12.69	11.76
	2			12.31	10.23	8.85	5.13	10.02	8.47	11.57	8.04	11.20	11.61
	3			11.97	10.27	9.16	5.27	9.64	8.45	11.24	6.97	10.56	11.38
	4			14.62	10.52	8.86	5.79	17.54	8.02			10.84	10.28
2022	1			15.71	10.93			19.24	7.88			11.83	12.09
	2			14.09	11.67			19.36	6.87			11.40	12.19
	3			13.13	10.30							13.08	11.31
	4			13.87	10.56	9.43	5.93			12.42	7.62	14.01	14.19
2023	1	10.75	10.30	11.50	9.02	8.29	6.05			13.45	8.33	13.61	12.68
	2	10.68	10.33	9.85	9.50	8.50	6.20	5.80	9.98	12.94	8.97	12.12	13.84
	3	10.19	10.72	9.28	8.17	8.41	6.01	7.29	9.58	11.43	8.27	11.17	14.22
	4					8.75	6.82	9.87	10.80	12.19	7.44		
2024	1	8.67	9.61					16.10	10.64	12.39	7.55		
	2							17.03	9.78	12.11	6.91		
	3			11.20	9.07			14.13	8.63	11.17	6.45		
	4			9.78	8.84	7.49	5.56	13.98	8.62				
2025	1			11.62	8.24	9.68	6.88	14.36	8.09				

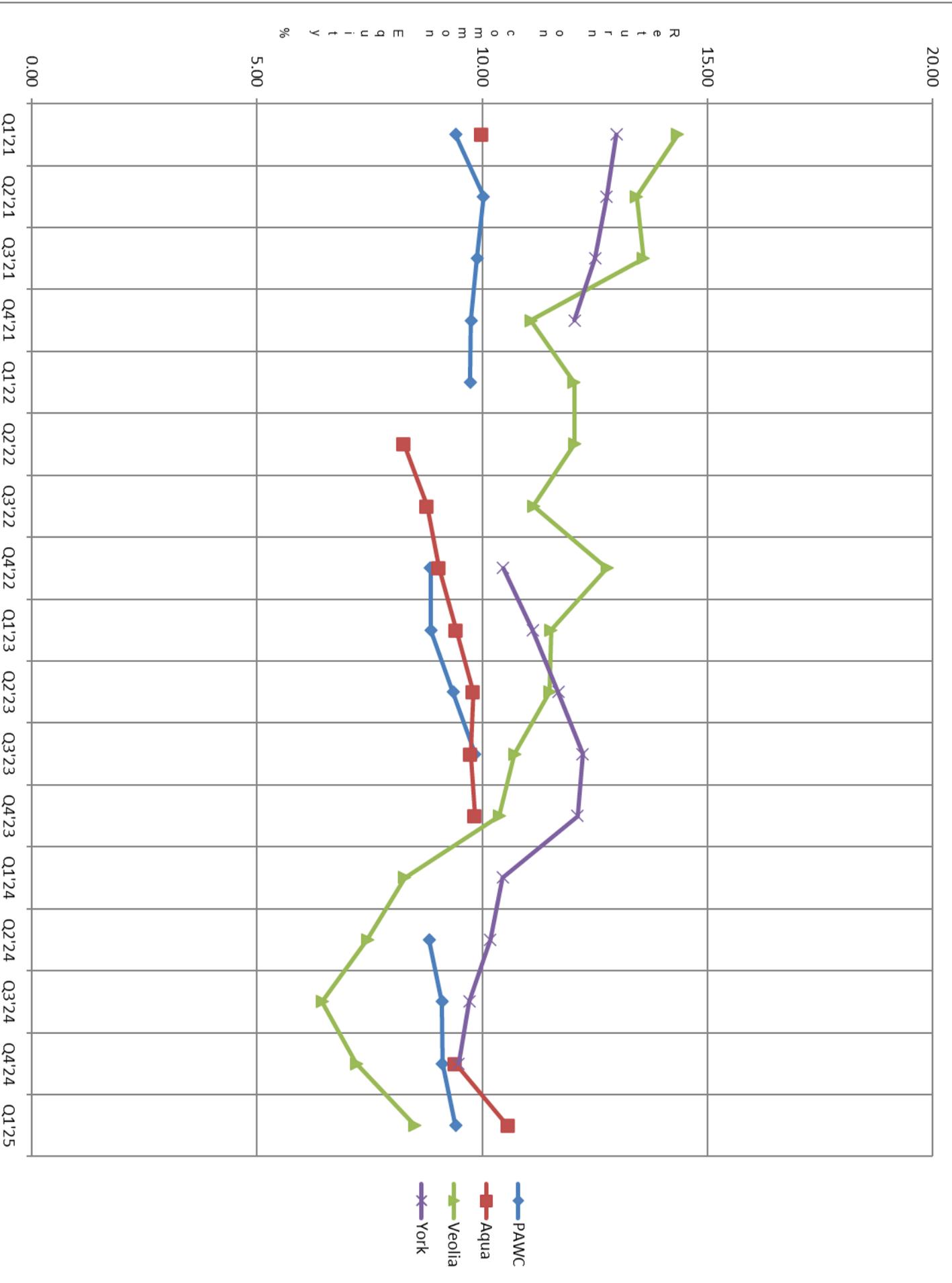
Major Pennsylvania Gas Utilities - Actual Equity Returns by Quarter



**WATER UTILITIES
EQUITY RETURNS BY QUARTER**

QTR	END	PAWC		Aqua		Veolia		York	
		ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ
2018	1	9.55	8.97	10.94	8.41				
	2	10.27	9.65						
	3	11.03	9.48						
	4	10.08	9.03					10.70	10.30
2019	1	9.82	8.87					11.60	11.60
	2	9.72	8.90	9.84	9.04	10.78	10.36	11.80	11.80
	3	9.13	8.41	10.69	8.84	11.55	11.75	12.00	12.00
	4	8.71	8.09	10.33	8.24	11.80	12.15	12.00	9.80
2020	1	8.74	7.56	10.47	8.31	11.30	11.30	12.39	12.39
	2			10.81	8.57	10.72	10.69	12.51	12.51
	3			10.33	8.55	11.13	10.69	13.76	13.76
	4	8.90	8.15	9.89	8.30	13.98	10.17	13.42	9.94
2021	1	9.41	8.90	9.99	8.38	14.34	10.48	12.98	9.74
	2	10.03	9.28			13.43	9.83	12.76	9.66
	3	9.89	8.65			13.58	9.07	12.51	9.32
	4	9.75	8.05			11.08	9.75	12.05	8.86
2022	1	9.73	7.82			12.04	9.68		
	2			8.26	8.91	12.05	9.79		
	3			8.78	8.85	11.14	9.30		
	4	8.85	8.97	9.04	8.88	12.77	9.49	10.47	10.57
2023	1	8.86	8.90	9.42	8.48	11.53	8.98	11.12	11.12
	2	9.35	8.89	9.80	8.52	11.50	8.91	11.69	11.69
	3	9.84	8.93	9.74	8.39	10.72	8.42	12.23	12.23
	4			9.84	8.35	10.38	7.64	12.12	8.16
2024	1					8.28	6.49	10.46	7.99
	2	8.82	8.56			7.46	5.70	10.18	8.00
	3	9.11	8.49			6.45	5.42	9.72	7.31
	4	9.12	8.44	9.40	9.29	7.21	5.36	9.48	7.10
2025	1	9.41	8.41	10.57	9.23	8.51	6.77		

Major Pennsylvania Water Companies - Actual Equity Returns by Quarter



Attachment B includes:

A. Overall Returns on rate base

1. Actual
2. Company proposed pro forma and ratemaking adjustments

and

B. Equity Returns

1. Actual
2. Company proposed pro forma and ratemaking adjustments

Summary of Returns
For the Year Ended March 31, 2025

COMPANY NAME	<u>OVERALL RETURN</u>		<u>EQUITY RETURN</u>		ROE	YEAR
	ACTUAL	ADJ	ACTUAL	ADJ	AUTH	AUTH
ELECTRIC						
<u>Major Electric Utilities</u>						
PECO Energy - Electric Operations	7.37	4.94	9.87	5.67	Settled	2024
PPL Electric Utilities Corp.	8.29	6.22	10.98	7.49	Settled	2015
Duquesne Light Company	8.72	7.45	11.82	9.68	Settled	2024
FirstEnergy Pennsylvania	10.70	8.23	15.77	11.32	Settled	2024
UGI Utilities, Inc. - Electric Division	5.42	3.21	6.07	1.44	Settled	2023
<u>Over \$1,000,000</u>						
<u>Revenues</u>						
Pike County Light & Power Co.	6.49	6.49	6.46	6.46	Settled	2021
GAS						
<u>\$10,000,000 Revenues</u>						
Columbia Gas of PA, Inc.*					Settled	2024
Peoples Natural Gas Company LLC	8.25	6.25	11.62	8.24	Settled	2024
PECO Energy - Gas Operations	7.39	5.73	9.68	6.88	Settled	2024
National Fuel Gas Distribution Co.	10.37	6.82	14.36	8.09	Settled	2023
UGI Utilities, Inc. – Gas Division*					Settled	2022
Valley Energy Inc. of PA	4.71	4.81	4.94	5.08	Settled	2022
<u>\$1,000,000 to \$10,000,000</u>						
<u>Revenues</u>						
Pike County Light & Power Co.	2.46	2.46	-0.82	-0.82	Settled	2021
WATER						
<u>\$10,000,000 Revenues</u>						
PA American Water Company	7.24	6.69	9.41	8.41	9.45	2024
Aqua Pennsylvania	7.69	6.91	10.57	9.23	Settled	2025
York Water Company*					Settled	2023
Veolia Water Pennsylvania, Inc.	6.56	5.68	8.51	6.77	Settled	2024
<u>\$1,000,000 to \$10,000,000</u>						
<u>Revenues</u>						
Newtown Artesian Water Co.	4.49	1.61	4.46	-0.45	Settled	2025
Columbia Water Company	5.23	5.23	5.43	5.43	9.75	2024

*Columbia Gas of Pennsylvania, Inc., UGI Utilities, Inc. – Gas Division, and York Water Company have rate filings at Docket Nos. R-2025-3053499, R-2024-3052716, and R-2025-3053442, respectively, and have filed a letter with the Secretary in place of a report in accordance with 52 Pa. Code § 71.4.

ALLOWED RATES OF RETURN ON COMMON EQUITY

This is a historical chart that shows the most recent rate cases for select companies in electric, gas, and water. A docket number followed by their final return on equity and year is also given.

ELECTRIC

Docket Number **ROE (%)** **Year**

Recent PA PUC Allowed

UGI Utilities, Inc. – Electric	R-2022-3037368	Settled	2023
Duquesne Light Company	R-2024-3046523	Settled	2024
PECO Energy – Electric	R-2024-3046931	Settled	2024
PPL Electric Utilities Corp.	R-2015-2469275	Settled	2015
FirstEnergy PA Electric Co.	R-2024-3047068	Settled	2024

Current Market Indicated ROE as calculated by the Bureau of Technical Utility Services. **9.44-11.33**

GAS

Recent PA PUC Allowed

National Fuel Gas Distribution Corp.	R-2022-3035730	Settled	2023
Columbia Gas of Pennsylvania, Inc.	R-2024-3046519	Settled	2024
PECO Energy – Gas	R-2024-3046932	Settled	2024
UGI Utilities, Inc. – Gas	R-2021-3030218	Settled	2022
Peoples Natural Gas Company	R-2023-3044549	Settled	2024

Current Market Indicated ROE as calculated by the Bureau of Technical Utility Services. **9.53-12.00**

WATER

Recent PA PUC Allowed

Columbia Water	R-2023-3040258	9.75	2024
PA American Water	R-2023-3043189	9.45	2024
York Water	R-2022-3031340	Settled	2023
Aqua Pennsylvania	R-2024-3047822	Settled	2025
Veolia Water Pennsylvania, Inc.	R-2024-3045192	Settled	2024

Current Market Indicated ROE as calculated by the Bureau of Technical Utility Services. **8.09-10.44**

Distribution System Improvement Charge (DSIC) Eligible Utilities
Return on Equity (ROE) Summary

	Utility Adjusted ROE ³ (%)	Commission Approved ROE ⁴ (%)
ELECTRIC		
PECO Energy – Electric Operations	5.67	10.05
PPL Electric Utilities Corp.	7.49	10.05
Duquesne Light Company	9.68	10.05
FirstEnergy Pennsylvania Electric Co.	11.32	10.05
UGI Utilities, Inc.- Electric Division	1.44	10.05
Pike County Light & Power Co.	6.46	10.05
GAS		
Columbia Gas of PA, Inc.*		10.25
Peoples Natural Gas Company LLC	8.24	10.25
PECO Energy – Gas Operations	6.88	10.25
UGI Utilities, Inc. – Gas Division*		10.25
Pike County Light & Power Co.	-0.82	10.25
National Fuel Gas Distribution Corp	8.09	10.25
WATER		
PA American Water Company	8.41	9.45
PA American – Wastewater	8.41	9.45
AQUA Pennsylvania	9.23	9.75
AQUA Pennsylvania – Wastewater	9.23	9.75
York Water Company*		9.75
Veolia Water Pennsylvania, Inc.	6.77	9.75
Columbia Water Company	5.43	9.75
Newtown Artesian Water	-0.45	9.75

*Columbia Gas of Pennsylvania, Inc., UGI Utilities, Inc. – Gas Division, and York Water Company have rate filings at Docket Nos. R-2025-3053499, R-2024-3052716, and R-2025-3053442, respectively, and have filed a letter with the Secretary in place of a report in accordance with 52 Pa. Code § 71.4.

3 Each utility lists adjustments on Schedule B of their quarterly financial report.

4 The ROE is approved in a utility's most recent fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years have elapsed between the entry of a final order and the DSIC effective date, the ROE is from this report. If the base rate proceeding is settled, without a stipulated ROE, the ROE is from this report.

Explanation of Discounted Cash Flow (DCF) and Capital Asset Pricing Model (CAPM)

Barometer Group Criteria

The criteria used for determining the industry barometer groups used to calculate ROEs in this report are as follows:

- 50% or more of the company's assets must be related to the jurisdictional utility industry;
- The company's stock must be publicly traded and must have at least three years of earnings history;
- Companies targeted by merger and acquisition (M&A) activity will be excluded; companies involved in M&A activity may be excluded;
- Investment information for the company must be available to the Commission from more than one source;
- The barometer group companies must have an investment grade credit rating (S&P BBB- or better, Moody's Baa3 or better); and
- Geographic Regions:
 - EDCs: *Value Line* Investment Survey's East, Central, and West Group Electric Utility companies;
 - NGDCs: *Value Line* Investment Survey's Natural Gas Utility industry group companies;
 - Water/Wastewater: *Value Line* Investment Survey's Water Utility industry group companies.

The barometer group companies are reviewed by staff on a quarterly basis and make any changes to these companies based upon the criteria above.

ROE Calculations

The Commission consistently uses the DCF model to determine the appropriate cost of equity for utilities. In this report, the DSIC ROE is calculated using two DCF models.

TUS uses the following formula to calculate the current dividend DCF: $K = D_1/P_0 + G$

TUS uses the following formula to calculate the 52-week average dividend DCF: $K = D_0/P_a + G$

Definitions:

K	=	Cost of equity
D ₁	=	Dividend expected during the year
	=	$D_0 + \frac{1}{2}g$
D ₀	=	Latest indicated dividend, obtained from Yahoo! Finance
g	=	Expected 5-year dividend growth rate of barometer group obtained from Value Line Investment Survey.
P ₀	=	Current price of the stock, obtained from Yahoo! Finance
P _a	=	Average of high and low stock price over the latest 52-week period, obtained from Yahoo! Finance
G	=	Average of 5-year expected earnings growth rate forecasts obtained from Value Line, Zacks Investment Survey, and S&P Capital IQ.

The CAPM uses the yield of a risk-free interest-bearing obligation plus a rate of return premium that is proportional to the systematic risk of an investment.

TUS uses the following formula to calculate CAPM: $K = R_f + \beta(R_m - R_f)$

Three components are necessary to calculate the CAPM cost of equity:

- β = Beta, a measure of systematic risk for each stock
- R_f = The risk-free rate of return, 10-year U.S. Treasury yields are used for R_f . Yields are taken from the previous two quarters and forecasted next four quarters.
- R_m = Total return of the equity market as determined by Kroll

The Commission determines the ROE used for DSIC purposes based on the range of reasonableness from the DCF barometer group data, CAPM data, recent ROEs adjudicated by the Commission, and informed judgment.

The market indicated common equity cost rate range consists of data used from the barometer groups and is based on a series of calculations to average the DCF methods.

Market Based Returns on Common Equity¹	
June 17, 2025	
<u>Electric Company Barometer Group</u>	
	Cost Rates %
(1) Current DCF:	10.43
(2) 52-Week Average DCF:	<u>10.35</u>
(3) Overall DCF ((1) + (2)) / 2 :	<u>10.39</u>
(4) Market Indicated Common Equity Cost Rate Range: @ 1 standard deviation around the mean. ²	<u>9.44-11.33</u>
(5) CAPM Check of DCF Reasonableness:	10.60
(6) Recent Commission Approved ROEs ³ : *None within the last two years	*
(7) Distribution System Improvement Charge (DSIC) Return ⁴ :	<u>10.05%</u>

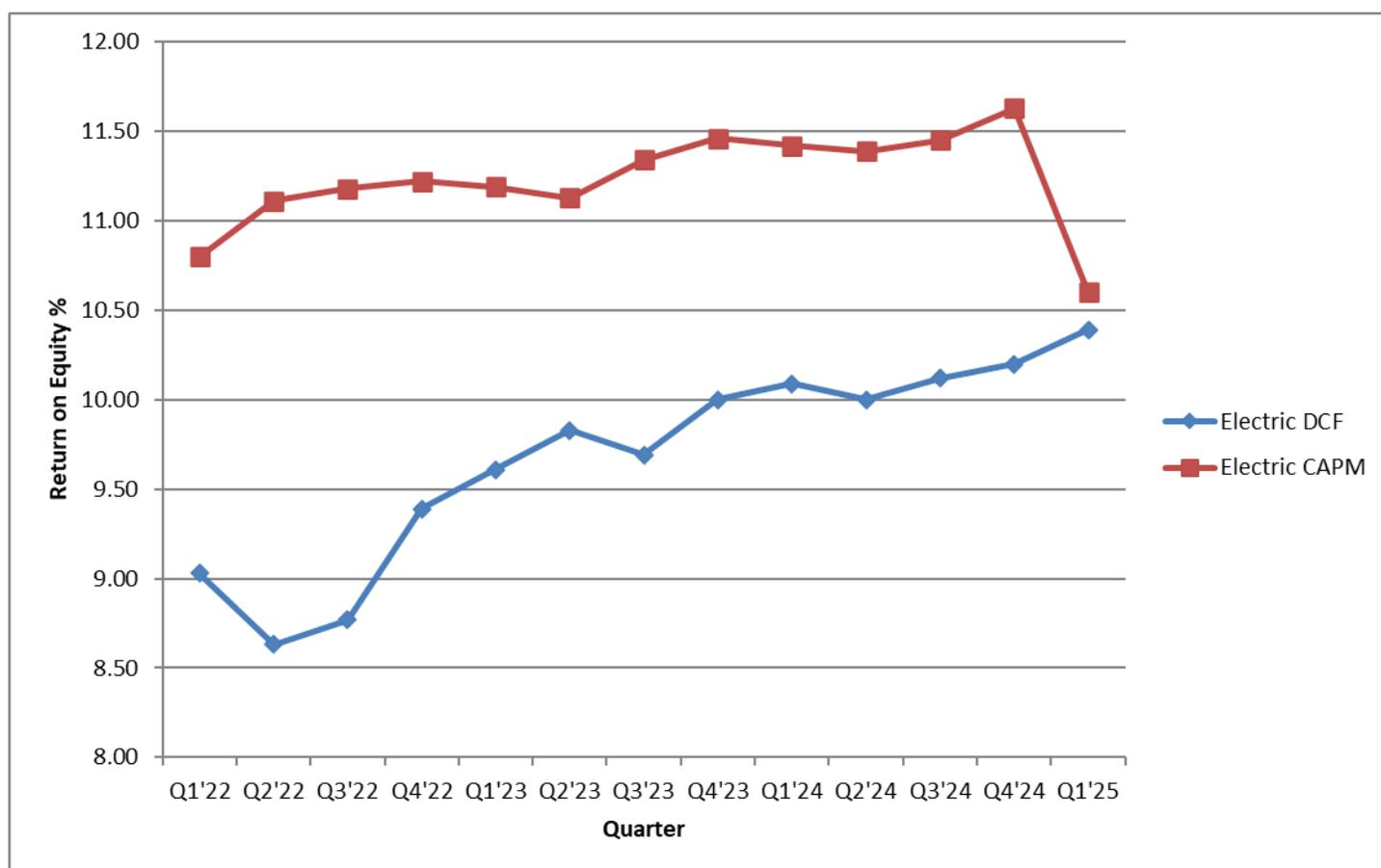
¹ As calculated by the Bureau of Technical Utility Services
² Standard Deviation of 56 DCF observations
³ Base rate case ROEs within last two years, fully litigated or stipulated for DSIC purposes
⁴ Commission authorized Return on Equity (ROE) for DSIC purposes

Any questions concerning DSIC should be directed to Rich Layton of the Bureau of Technical Utility Services at (717) 214-9117.

Historic Electric Industry Barometer Group DCF and CAPM Average ROEs

Electric		
	DCF	CAPM
Q1'22	9.03	10.80
Q2'22	8.63	11.11
Q3'22	8.77	11.18
Q4'22	9.39	11.22
Q1'23	9.61	11.19
Q2'23	9.83	11.13
Q3'23	9.69	11.34
Q4'23	10.00	11.46
Q1'24	10.09	11.42
Q2'24	10.00	11.39
Q3'24	10.12	11.45
Q4'24	10.20	11.63
Q1'25	10.39	10.60

Chart of Historic Electric Industry DCF and CAPM Average ROEs



Barometer electric companies are used to calculate the current DCF in the first chart. The second chart demonstrates the companies' 52-week average DCF. A final average of the two calculations is also shown at the bottom.

Electric Company Barometer Group					
Calculation of a Current Dividend Yield					
	Closing	Latest	Ind. Div.		
	Market	Indicated	Plus 1/2	Current	
	Price (Po)	Dividend	Div. Growth	Dividend	
	<u>6/17/2025</u>	<u>(Do)</u>	<u>Rate (D1)</u>	<u>Yield(D1/Po)</u>	<u>DCF</u>
	(\$)	(\$)	(\$)	(%)	(%)
Alliant Energy Corp	60.46	2.03	2.09	3.46	9.80
Ameren Corp	94.81	2.84	2.93	3.09	9.92
American Electric Power	101.91	3.72	3.82	3.75	10.30
Avista Corp	36.94	1.96	2.00	5.41	11.24
CenterPoint Energy	35.97	0.88	0.91	2.52	9.95
CMS Energy Corp	69.54	2.17	2.22	3.20	10.22
Consolidated Edison	101.63	3.40	3.48	3.42	9.33
Dominion Energy	54.73	2.67	2.67	4.88	10.88
DTE Energy Company	133.18	4.36	4.43	3.32	9.93
Duke Energy Company	115.40	4.18	4.25	3.69	9.91
Edison International	48.35	3.31	3.41	7.05	14.50
Entergy Corp.	81.73	2.40	2.47	3.02	12.21
Eversource Energy	67.21	2.67	2.76	4.11	10.42
Eversource Energy	64.36	3.01	3.09	4.81	10.44
Exelon Corporation	42.68	1.60	1.60	3.75	10.16
FirstEnergy Corp	39.79	1.78	1.82	4.57	10.42
IDACORP, Inc..	112.78	3.44	3.53	3.13	10.67
MGE Energy, Inc.	88.44	1.80	1.86	2.10	9.10
NextEra Energy, Inc.	73.78	2.27	2.38	3.22	11.18
NorthWestern Corp	51.14	2.64	2.66	5.20	10.91
OGE Energy Corp	43.87	1.69	1.72	3.91	10.42
Otter Tail Corp	76.26	2.10	2.17	2.85	9.20
PPL Corporation	33.66	1.09	1.09	3.23	10.70
Pinnacle West Capital Corp	88.92	3.58	3.61	4.06	9.16
Portland General Electric Co.	40.26	2.10	2.16	5.36	10.99
Public Service Enterprise Group	81.16	2.52	2.60	3.20	10.03
Southern Company	88.94	2.96	3.01	3.39	9.92
Xcel Energy Inc.	66.79	2.28	2.35	3.52	10.93
Group Average	71.24	2.55	2.61	3.83	10.46
Group Average G				6.60	
DCF				10.43	

Electric Company Barometer Group						
52-week Average Dividend Yield Calculation						
				Latest	Average	
				Indicated	Dividend	
	High	Low	Average (Pa)	Dividend (Do)	Yield (Do/Pa)	DCF
	(\$)	(\$)	(\$)	(\$)	(%)	(%)
Alliant Energy Corp	66.54	49.49	58.02	2.03	3.50	9.84
Ameren Corp	104.10	69.39	86.75	2.84	3.27	10.10
American Electric Power	110.48	85.93	98.21	3.72	3.79	10.34
Avista Corp	43.09	33.45	38.27	1.96	5.12	10.95
CenterPoint Energy	39.31	25.41	32.36	0.88	2.72	10.15
CMS Energy Corp	76.45	58.50	67.48	2.17	3.22	10.23
Consolidated Edison	114.87	87.28	101.08	3.40	3.36	9.27
Dominion Energy	61.97	47.99	54.98	2.67	4.86	10.86
DTE Energy Company	140.39	108.40	124.40	4.36	3.50	10.11
Duke Energy Company	125.27	99.21	112.24	4.18	3.72	9.94
Edison International	88.77	47.73	68.25	3.31	4.85	12.30
Entergy Corp.	88.38	52.06	70.22	2.40	3.42	12.61
Evergy Inc	70.36	52.10	61.23	2.67	4.36	10.67
Eversource Energy	69.01	52.28	60.65	3.01	4.96	10.59
Exelon Corporation	48.11	34.01	41.06	1.60	3.90	10.31
FirstEnergy Corp	44.97	37.58	41.28	1.78	4.31	10.16
IDACORP, Inc..	120.84	90.67	105.76	3.44	3.25	10.79
MGE Energy, Inc.	109.22	72.27	90.75	1.80	1.98	8.98
NextEra Energy, Inc.	86.10	61.72	73.91	2.27	3.07	11.03
NorthWestern Corp	59.89	48.52	54.21	2.64	4.87	10.58
OGE Energy Corp	46.91	34.92	40.92	1.69	4.13	10.64
Otter Tail Corp	100.84	71.66	86.25	2.10	2.43	8.78
PPL Corporation	36.70	27.24	31.97	1.09	3.41	10.88
Pinnacle West Capital Corp	96.50	74.45	85.48	3.58	4.19	9.29
Portland General Electric Co.	49.85	39.69	44.77	2.10	4.69	10.32
Public Service Enterprise Group	95.22	72.25	83.74	2.52	3.01	9.84
Southern Company	94.45	76.96	85.71	2.96	3.45	9.98
Xcel Energy Inc.	73.38	51.97	62.68	2.28	3.64	11.05
Group Average	80.78	59.40	70.09	2.55	3.75	10.38
Group Average G					6.60	
DCF					10.35	

Multiple sources of the Barometer companies' projected 5-year Earnings Per Share are used to calculate the Group Average Dividend Growth Estimate.

Development of a Representative Dividend Growth Rate for the Barometer Group of Electric Companies						
	5 Year Forecast				Average Earnings Growth (%)	Growth Estimate (%)
	Value Line	Value Line	Zack's	S&P		
	<u>DPS</u> (%)	<u>EPS</u> (%)	<u>EPS</u> (%)	<u>EPS</u> (%)		
Alliant Energy Corp	6.00	6.00	6.60	6.42	6.34	6.34
Ameren Corp	6.50	6.50	7.00	6.98	6.83	6.83
American Electric Power	5.50	6.50	6.40	6.76	6.55	6.55
Avista Corp	4.00	5.50	6.10	5.88	5.83	5.83
CenterPoint Energy	6.00	6.50	7.80	8.00	7.43	7.43
CMS Energy Corp	5.00	6.00	7.80	7.25	7.02	7.02
Consolidated Edison	4.50	6.00	5.60	6.12	5.91	5.91
Dominion Energy	0.00	6.00	13.60	11.99	10.53	6.00
DTE Energy Company	3.00	4.50	7.60	7.72	6.61	6.61
Duke Energy Company	3.50	6.00	6.30	6.36	6.22	6.22
Edison International	6.00	6.50	7.00	8.85	7.45	7.45
Entergy Corp.	5.50	3.00	9.50	8.88	7.13	9.19
Evergy Inc	7.00	7.50	5.70	5.72	6.31	6.31
Eversource Energy	5.50	5.50	5.70	5.69	5.63	5.63
Exelon Corporation	NA	NA	6.40	6.42	6.41	6.41
FirstEnergy Corp	4.50	4.50	6.40	6.65	5.85	5.85
IDACORP, Inc..	5.50	6.00	8.10	8.52	7.54	7.54
MGE Energy, Inc.	6.50	7.00	NA	NA	7.00	7.00
NextEra Energy, Inc.	9.50	8.50	7.70	7.68	7.96	7.96
NorthWestern Corp	1.50	4.50	6.90	5.73	5.71	5.71
OGE Energy Corp	3.00	6.50	6.30	6.74	6.51	6.51
Otter Tail Corp	7.00	4.50	NA	8.20	6.35	6.35
PPL Corporation	-0.50	7.50	7.50	7.42	7.47	7.47
Pinnacle West Capital Corp	1.50	5.00	2.10	5.20	4.10	5.10
Portland General Electric Co.	5.50	6.50	3.40	4.76	4.89	5.63
Public Service Enterprise Group	6.00	7.00	7.00	6.49	6.83	6.83
Southern Company	3.50	6.50	6.50	6.59	6.53	6.53
Xcel Energy Inc.	6.50	7.00	7.50	7.73	7.41	7.41
Group Average	4.74	6.04	6.87	7.06	6.65	6.63
USE						6.60
Sources:	Value Line, June 17, 2025 (www.valueline.com)					
	Zacks, June 17, 2025 (www.zacks.com)					
	Yahoo!, June 17, 2025 (http://finance.yahoo.com/)					
	S&P Capital IQ, June 17, 2025 (www.spglobal.com)					
	* NA signifies that a forecast was not available					

The market indicated common equity cost rate range consists of data used from the barometer groups and is based on a series of calculations to average the DCF methods.

Market Based Returns on Common Equity¹	
June 17, 2025	
<u>Gas Distribution Company Barometer Group</u>	
	Cost Rates %
(1) Current DCF:	10.76
(2) 52-Week Average DCF:	<u>10.77</u>
(3) Overall DCF ((1) + (2)) / 2 :	<u>10.77</u>
(4) Market Indicated Common Equity Cost Rate Range: @ 1 standard deviation around the mean. ²	<u>9.53-12.00</u>
(5) CAPM Check of DCF Reasonableness:	10.60
(6) Recent Commission Approved ROEs ³ : *None within the last two years	*
(7) Distribution System Improvement Charge (DSIC) Return ⁴ :	<u>10.25%</u>

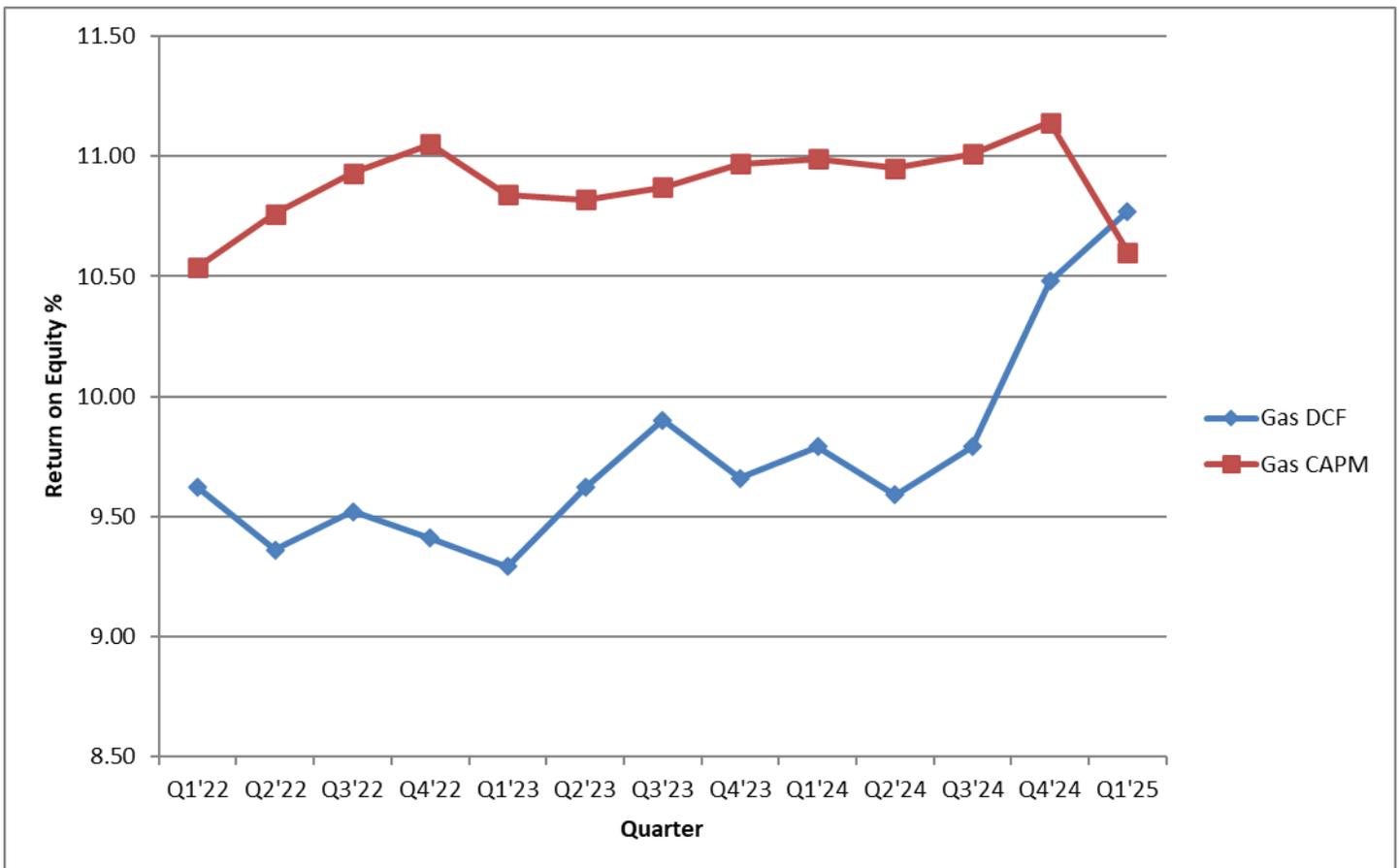
¹ As calculated by the Bureau of Technical Utility Services
² Standard Deviation of 16 DCF observations
³ Base rate case ROEs within last two years, fully litigated or stipulated for DSIC purposes
⁴ Commission authorized Return on Equity (ROE) for DSIC purposes

Any questions concerning DSIC should be directed to Rich Layton of the Bureau of Technical Utility Services at (717) 214-9117.

Historic Gas Industry DCF and CAPM Average ROEs

	Gas	
	DCF	CAPM
Q1'22	9.62	10.54
Q2'22	9.36	10.76
Q3'22	9.52	10.93
Q4'22	9.41	11.05
Q1'23	9.29	10.84
Q2'23	9.62	10.82
Q3'23	9.90	10.87
Q4'23	9.66	10.97
Q1'24	9.79	10.99
Q2'24	9.59	10.95
Q3'24	9.79	11.01
Q4'24	10.48	11.14
Q1'25	10.77	10.60

Graph of Historic Gas Industry DCF and CAPM Average ROEs



Multiple sources of the Barometer companies' projected 5-year Earnings Per Share are used to calculate the Group Average Dividend Growth Estimate.

Development of a Representative Dividend Growth Rate for the Barometer Group of Gas Companies						
<u>5 Yr Forecast</u>						
	Value Line	Value Line	Zack's	S&P	Average Earnings	Growth
	<u>DPS</u>	<u>EPS</u>	<u>EPS</u>	<u>EPS</u>	<u>Growth</u>	<u>Estimate</u>
	(%)	(%)	(%)	(%)	(%)	(%)
Atmos Energy	7.00	7.00	7.20	7.28	7.16	7.16
Chesapeake Utilities Corporation	7.00	8.00	NA	8.33	8.17	8.17
New Jersey Resources	5.00	5.00	NA	7.90	6.45	6.45
NiSource Inc.	4.50	9.50	7.90	7.96	8.45	8.45
Northwest Natural Gas	0.50	6.50	NA	5.75	6.13	6.13
ONE Gas, Inc.	2.00	4.50	5.60	5.84	5.31	5.31
Southwest Gas	5.50	10.00	9.90	9.55	9.82	9.82
Spire Inc.	4.00	4.50	6.50	8.08	6.36	6.36
Group Average	4.44	6.88	7.42	7.59	7.23	7.23
USE						7.20
Sources:	Value Line, June 17, 2025 (www.valueline.com)					
	Zacks, June 17, 2025 (www.zacks.com)					
	Yahoo!, June 17, 2025 (http://finance.yahoo.com/)					
	S&P Capital IQ, June 17, 2025 (www.spglobal.com)					
	* NA signifies that a forecast was not available					

The market indicated common equity cost rate range consists of data used from the barometer groups and is based on a series of calculations to average the DCF methods.

Market Based Returns on Common Equity ¹	
June 17, 2025	
<u>Water Company Barometer Group</u>	
	Cost Rates <u>%</u>
(1) Current DCF	9.34
(2) 52-Week Average DCF	9.19
(3) Average DCF	<u>9.26</u>
(4) Market Indicated Common Equity Cost Rate Range @ 1 standard deviation around the mean. ²	<u>8.09-10.44</u>
(5) CAPM Check of DCF Reasonableness	10.67
(6) Recent Commission Approved ROEs ³ :	
Columbia Water Company, R-2023-3040258	9.75
Pennsylvania-American Water Company, R-2023-3043189	9.45
(7) Distribution System Improvement Charge (DSIC) Return ⁴ :	<u>9.75%</u>

¹ As calculated by the Bureau of Technical Utility Services

² Standard Deviation of 12 DCF observations

³ Base rate cases ROEs within last two years, fully litigated or stipulated for DSIC purposes

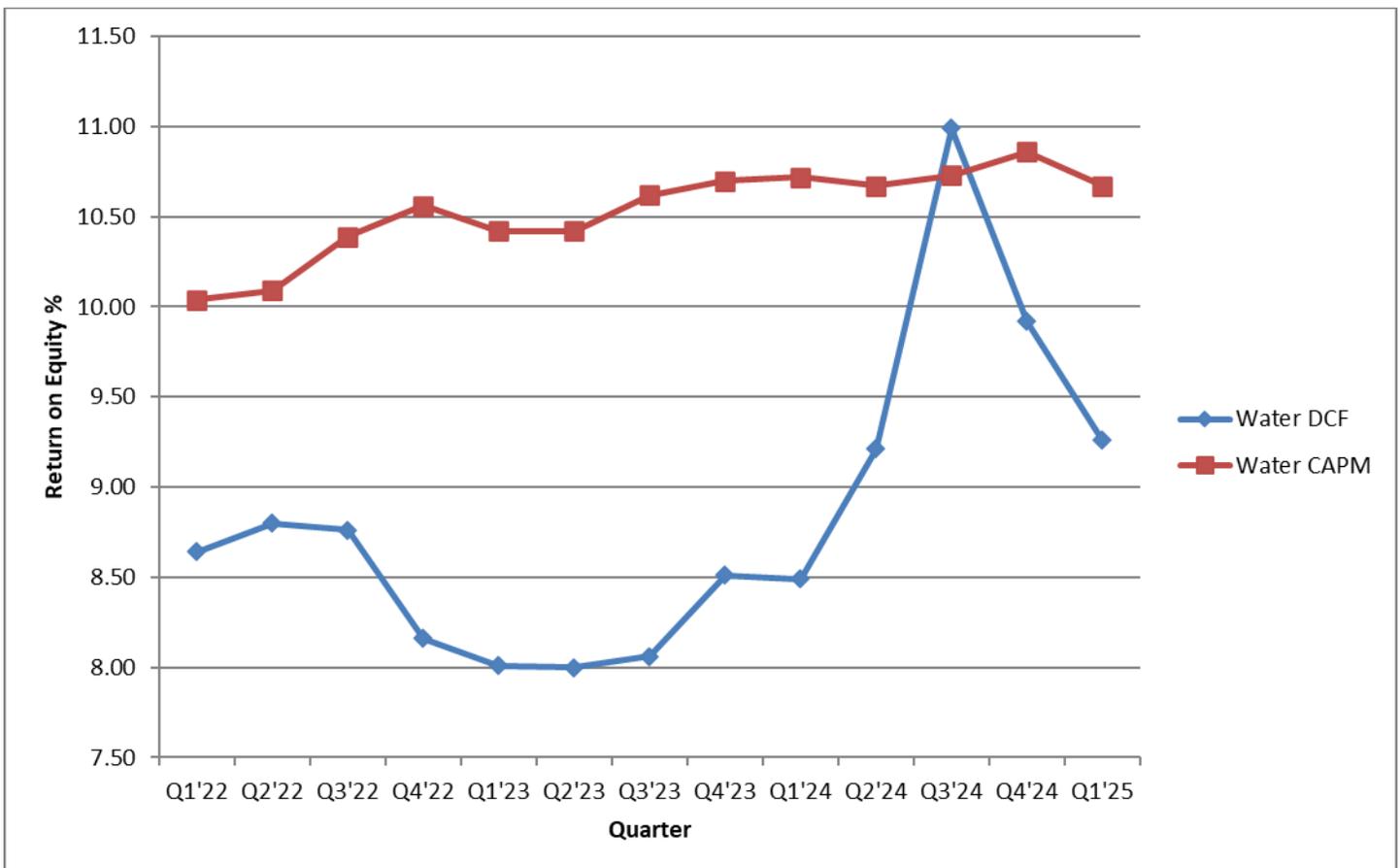
⁴ Commission authorized Return on Equity (ROE) for DSIC purposes

Any questions concerning DSIC should be directed to Rich Layton of the Bureau of Technical Utility Services at (717) 214-9117.

Historic Water Industry DCF and CAPM Average ROEs

Water		
	DCF	CAPM
Q1'22	8.64	10.04
Q2'22	8.80	10.09
Q3'22	8.76	10.39
Q4'22	8.16	10.56
Q1'23	8.01	10.42
Q2'23	8.00	10.42
Q3'23	8.06	10.62
Q4'23	8.51	10.70
Q1'24	8.49	10.72
Q2'24	9.21	10.67
Q3'24	10.99	10.73
Q4'24	9.92	10.86
Q1'25	9.26	10.67

Chart of Historic Water Industry DCF and CAPM Average ROEs



Barometer water companies are used to calculate the current DCF in the first chart. The second chart demonstrates the companies' 52-week average DCF. A final average of the two calculations is also shown at the bottom.

Water Company Barometer Group						
Calculation of a Current Dividend Yield						
	Closing	Latest	Ind. Div.			
	Market	Indicated	Plus 1/2	Current		
	Price (Po)	Dividend	Div. Growth	Dividend		
	<u>6/17/2025</u>	<u>(Do)</u>	<u>Rate (D1)</u>	<u>Yield(D1/Po)</u>	<u>Growth</u>	<u>DCF</u>
	(\$)	(\$)	(\$)	(%)	(%)	(%)
American States Water Company	77.21	1.86	1.93	2.51	6.12	8.62
American Water Works Co., Inc.	140.47	3.31	3.45	2.46	6.42	8.88
California Water Service Group	46.04	1.20	1.23	2.68	9.03	11.70
Essential Utilities, Inc.	37.38	1.30	1.35	3.62	6.16	9.77
Middlesex Water Company	55.67	1.36	1.39	2.50	6.40	8.90
H2O America	52.21	1.68	1.72	3.29	5.04	8.33
Group Average	68.16	1.79	1.85	2.84	6.53	9.37
Group Average G				6.50		
DCF				9.34		

Water Company Barometer Group							
52-week Average Dividend Yield Calculation							
				Latest	Average		
				Indicated	Dividend		
	<u>High</u>	<u>Low</u>	<u>Average (Pa)</u>	<u>Dividend (Do)</u>	<u>Yield (Do/Pa)</u>	<u>Growth</u>	<u>DCF</u>
	(\$)	(\$)	(\$)	(\$)	(%)	(%)	(%)
American States Water Company	87.50	70.03	78.77	1.86	2.36	6.12	8.48
American Water Works Co., Inc.	155.50	118.74	137.12	3.31	2.41	6.42	8.83
California Water Service Group	56.25	41.64	48.95	1.20	2.45	9.03	11.48
Essential Utilities, Inc.	41.78	33.18	37.48	1.30	3.47	6.16	9.63
Middlesex Water Company	70.73	48.18	59.46	1.36	2.29	6.40	8.69
H2O America	62.18	44.91	53.55	1.68	3.14	5.04	8.18
Group Average	78.99	59.45	69.22	1.79	2.69	6.53	9.21
Group Average G					6.50		
DCF					9.19		
					9.26		

Multiple sources of the Barometer companies' projected 5-year Earnings Per Share are used to calculate the Group Average Dividend Growth Estimate.

Development of a Representative Dividend Growth Rate						
for the Barometer Group of Water Companies						
	<u>5 Yr Forecast</u>					
	Value Line	Value Line	Zacks	S&P	Average	
	<u>DPS</u>	<u>EPS</u>	<u>EPS</u>	<u>EPS</u>	<u>Earnings</u>	<u>Growth</u>
	(%)	(%)	(%)	(%)	(%)	<u>Estimate</u>
	(%)	(%)	(%)	(%)	(%)	(%)
American States Water Company	8.00	7.00	5.70	5.65	6.12	6.12
American Water Works Co., Inc.	8.50	4.50	7.40	7.36	6.42	6.42
California Water Service Group	5.50	9.50	8.80	8.78	9.03	9.03
Essential Utilities, Inc.	8.00	7.00	5.20	6.27	6.16	6.16
Middlesex Water Company	5.00	7.00	6.10	6.10	6.40	6.40
H2O America	4.50	6.50	4.30	4.33	5.04	5.04
Group Average	6.58	6.92	6.25	6.42	6.53	6.53
USE						6.50
Sources: Value Line, June 17, 2025 (www.valueline.com)						
Zacks, June 17, 2025 (www.zacks.com)						
Yahoo!, June 17, 2025 (http://finance.yahoo.com/)						
S&P Capital IQ, June 17, 2025 (www.spglobal.com)						
* NA signifies that a forecast was not available						