

PAWC STATEMENT NO. 5-RJ

**REJOINDER TESTIMONY
OF
JARED DEASON**

**RESPONSE TO SURREBUTTAL TESTIMONY
OF VANESSA OKUM**

**DOCKET NOS.
R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)**

DATE: MARCH 19, 2026

PENNSYLVANIA-AMERICAN WATER COMPANY
REJOINDER TESTIMONY OF JARED DEASON

INTRODUCTION

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Q. What is your name and business address?

A. My name is Jared Deason, and my business address is 1 Water Street, Camden, New Jersey 08102.

Q. Have you previously submitted testimony in this proceeding?

A. Yes, I submitted direct testimony and rebuttal testimony on behalf of Pennsylvania-American Water Company (“PAWC” or the “Company”) that was marked as PAWC Statement No. 5 and PAWC Statement No. 5-R, respectively.

Q. What is the purpose of your rejoinder testimony?

A. The purpose of my rejoinder testimony is to correct a statement in my rebuttal testimony in response to the Surrebuttal Testimony of Bureau of Investigation and Enforcement (“I&E”) witness Vanessa Okum regarding the Company’s transportation expense.

Q. Please explain the correction.

A. On page 48 of Ms. Okum’s surrebuttal testimony,¹ Ms. Okum noted that I stated that Ms. Okum’s adjustment to the Company’s transportation expense is related to I&E’s proposed vacancy rates.² I agree with Ms. Okum that her proposed transportation expense adjustment is based on an inflation adjustment. I disagree with the proposed adjustment for the reasons set forth in the rebuttal testimony of PAWC witness Lori O’Malley.³

¹ See I&E Statement No. 1-SR.
² See PAWC Statement No. 5-R at 5-6.
³ See PAWC Statement. No. 6-R at 20-21.

CONCLUSION

1

2 **Q. Does this conclude your rejoinder testimony?**

3 **A. Yes.**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

**PENNSYLVANIA-AMERICAN WATER
COMPANY**

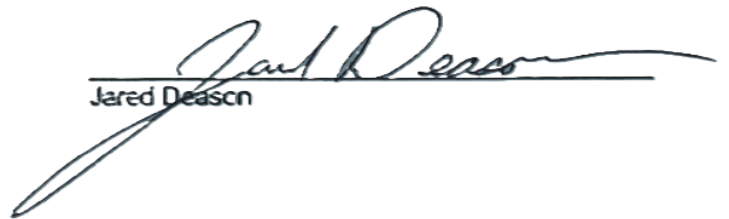
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**DOCKET NOS. R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)**

VERIFICATION

I, **Jared Deason**, hereby state that the facts set forth in the pre-marked PAWC Statement No. 5.RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief. I understand that this Verification is made subject to the provisions and penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 19, 2026



Jared Deason

PAWC STATEMENT NO. 6-RJ

**REJOINDER TESTIMONY
OF
LORI N. O'MALLEY**

**RESPONSE TO SURREBUTTAL TESTIMONY
OF VANESSA OKUM**

**DOCKET NOS.
R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)**

DATE: MARCH 19, 2026

PENNSYLVANIA-AMERICAN WATER COMPANY
REJOINDER TESTIMONY OF LORI N. O'MALLEY

INTRODUCTION

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Q. What is your name and business address?

A. My name is Lori N. O'Malley, and my business address is 1 Water Street, Camden, New Jersey 08102.

Q. Have you previously submitted testimony in this proceeding?

A. Yes, I submitted direct testimony and rebuttal testimony on behalf of Pennsylvania-American Water Company ("PAWC" or the "Company") that was marked as PAWC Statement No. 6 and PAWC Statement No. 6-R, respectively.

Q. What is the purpose of your rejoinder testimony?

A. The purpose of my rejoinder testimony is to respond to the portions of the surrebuttal testimony of the Pennsylvania Public Utility Commission ("Commission") Bureau of Investigation and Enforcement ("I&E") witness Vanessa Okum regarding the Company's labor-related expense and waste disposal expense.

RESPONSE TO MS. OKUM

Q. Have you reviewed Ms. Okum's surrebuttal testimony, I&E Statement 1-SR?

A. Yes.

Q. On page 19 of her surrebuttal testimony, Ms. Okum states that "without reducing the capitalized portion of expense, only part of the vacancy adjustment is reflected." Do you agree?

A. No. The Company has not included the capitalized portion of labor and labor-related expense in its claimed operating and maintenance ("O&M") expense in this case. Labor

1 and labor-related expense is calculated on an employee basis. Then the capitalized portion
2 is calculated and removed from total expense. Only the expense portion is included in the
3 Company's claim, so Ms. Okum is removing capitalized expense that was not included in
4 the proposed rate allowance for O&M expense.¹

5 **Q. On page 45 of her surrebuttal testimony, I&E witness Okum criticizes the data**
6 **presented in the chart on pages 21-22 of your rebuttal testimony showing a \$3.6**
7 **million increase in PAWC's waste disposal costs from 2021 to 2025, stating that it**
8 **does not match the data presented in the Company's initial filing. How do you**
9 **respond?**

10 A. Ms. Okum is correct that the referenced data does not match the data provided in the initial
11 filing. In the initial filing and during the discovery process, PAWC presented data
12 regarding its waste disposal expense by vendor for the twelve months ending June 2023,
13 2024 and 2025. On the other hand, the waste disposal expense data provided in my rebuttal
14 testimony includes accruals and adjustments recorded on the Company's books each
15 calendar year and reflects a full year of data for 2025. That updated data shows the
16 significant increase in waste disposal costs that the Company experienced in the last six
17 months of 2025. The overall 24.48% increase in waste disposal costs in 2025 compared to
18 2024 further supports the Company's methodology to calculate its waste disposal expense
19 allowance using a three-year historic average percentage change in costs.

20 **CONCLUSION**

21 **Q. Does this conclude your rejoinder testimony?**

22 A. Yes.

¹ See PAWC St. No. 6-R at 20-21.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PENNSYLVANIA-AMERICAN WATER
COMPANY

DOCKET NOS. R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)

VERIFICATION

I, **Lori O'Malley**, hereby state that the facts set forth in the pre-marked PAWC Statement No. 6-RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief. I understand that this verification is made subject to the provisions and penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 19, 2026


Lori O'Malley

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**REJOINDER TESTIMONY OF
GREGORY R. HERBERT**

ON BEHALF OF PENNSYLVANIA-AMERICAN WATER COMPANY

CONCERNING

COST OF SERVICE ALLOCATION

**DOCKET NOS.
R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)**

DATE: MARCH 19, 2026

1 PENNSYLVANIA-AMERICAN WATER COMPANY
2
3 REJOINDER TESTIMONY OF GREGORY R. HERBERT

4
5 INTRODUCTION

6 **Q. Please state your name and business address.**

7 A. My name is Gregory R. Herbert. My business address is 300 Sterling Parkway, Suite
8 200, Mechanicsburg, Pennsylvania (formerly 207 Senate Avenue, Camp Hill,
9 Pennsylvania.)

10 **Q. By whom are you employed?**

11 A. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC.

12 **Q. Have you previously submitted testimony on behalf of Pennsylvania-American**
13 **Water Company (“PAWC” or the “Company”) in this proceeding before the**
14 **Pennsylvania Public Utility Commission (“Commission”)?**

15 A. Yes. My direct testimony is set forth in PAWC Statement No. 12. I sponsored Exhibits
16 Nos. 12-A through 12-E. I also submitted rebuttal testimony that was marked as
17 PAWC Statement No. 12-R and Exhibit GRH-1R and Exhibit GRH-2R in support of
18 my rebuttal testimony.

19 **Q. What is the purpose of your rejoinder testimony in this proceeding?**

20 A. I will address the surrebuttal testimonies and exhibits of the Office of Consumer
21 Advocate (“OCA”) witness Jerome D. Mierzwa and Office of Small Business
22 Advocate (“OSBA”) witness Rodger Cathcart concerning cost of service allocation
23 issues.

24

1 **COST OF SERVICE STUDY FOR WATER OPERATIONS**

2 **Q. In his surrebuttal testimony, OCA witness Mierzwa continues to claim PAWC’s**
3 **system-wide maximum day and hour ratios are outdated, and he points to the**
4 **Commission’s recent decision in The York Water Company’s (“York Water’s”)**
5 **base rate case at Docket Nos. R-2025-3053442 and R-2025-305373 as support for**
6 **his position. Does the Commission’s decision in the York Water case provide a**
7 **basis to alter the demand factors employed in the Company’s water cost-of-**
8 **service study (“COSS”)?**

9 **A.** No. The Commission’s decision for York Water is not correlated to PAWC’s
10 operations. PAWC provides water service to many non-contiguous geographic areas
11 across the Commonwealth. If all PAWC water system facilities were designed to
12 handle 1.2 times the average daily sendouts as Mr. Mierzwa proposes, there would be
13 service areas that would experience supply constraints. A system served by PAWC
14 in western Pennsylvania that peaks at a lower ratio than 1.4 (as used in the Company’s
15 water COSS) one day does not reduce the peak demand of a system that is peaking
16 above 1.4 located in central PA on that same day. In contrast, York Water’s system
17 is more contiguous (City of York and its surrounding territories) than PAWC’s water
18 system that serves widely distributed areas in Pennsylvania. As such, the system-wide
19 demand ratios reflected in the Company’s COSS should consider how the individual
20 systems in PAWC’s water operations peak on a maximum day or maximum hour.

21

1 **Q. Please comment on the concerns raised on pages 3-4 of OSBA witness Cathcart’s**
2 **surrebuttal testimony regarding whether the cost of furnishing service to Rider**
3 **Demand Industrial Service (“DIS”) and Rider Demand Resale Service (“DRS”)**
4 **customers is subsidized by other water customers.**

5 A. Mr. Cathcart has concerns about a few Rider DIS and DRS contract customers with
6 negotiated commodity rates that are lower than the cost to produce 100 gallons of
7 water at \$0.1146. As a result, Mr. Cathcart recommends the Commission direct
8 PAWC to provide a detailed schedule of each active Rider DIS and DRS contract
9 customer showing (1) the specific commodity rate charge; (2) annual volumes and
10 revenues received; (3) the incremental (variable) costs attributable to that customer,
11 and; (4) a comparison of revenues to the full allocated cost of service for the Industrial
12 class in the cost of service study.

13 **Q. How do you respond to Mr. Cathcart’s concerns and recommendations?**

14 A. There are only two customers, DIS 1 and DRS 1 that have commodity rates that are
15 lower than \$0.1146, at \$0.0720 and \$0.0960, respectively. However, these two
16 customers also have a demand charge applied, which is projected to be \$174,367.38
17 and \$9,881.94 per month, respectively. As such, the combination of the demand
18 charges and commodity charges would result in a hypothetical volumetric rate that is
19 greater than the cost to produce 100 gallons of water. For example, Table 1 below
20 shows the total revenues under proposed rates for the DIS 1 contract customer.
21 Combining the demand charge revenue and commodity charge revenue and dividing
22 the revenue by the annual consumption produces a volumetric rate of \$0.7520.

23

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Table 1: Calculation of DIS 1 Demand Charge and Commodity Charge Blended Volumetric Rate

DIS 1 Charges (Exh. 10-A)	Annual Revenue	Consumption (100-GALS)
Demand Charge = \$174,367.38 per month	\$2,092,409	
Commodity Charge = \$0.072 per 100 gallons	\$221,539	3,076,927
Total Revenue/Consumption	\$2,313,948	3,076,927
Blended Volumetric Rate		\$0.7520

2

Therefore, Mr. Cathcart's concerns are unwarranted and his recommendations for additional reporting for Rider DIS and DRS customers in the Company's next rate case should be rejected.

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4

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CONCLUSION

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Q. Does this complete your rejoinder testimony?

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A. Yes, it does.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

**PENNSYLVANIA-AMERICAN WATER
COMPANY**

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**DOCKET NOS. R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)**

VERIFICATION

I, **Gregory R. Herbert**, hereby state that the facts set forth in the pre-marked PAWC Statement No. 12-RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief. I understand that this verification is made subject to the provisions and penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 19, 2026



Gregory R. Herbert

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PENNSYLVANIA-AMERICAN WATER COMPANY

DOCKETS NO.: R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)

REJOINDER TESTIMONY

WITNESS: ANN E. BULKLEY

SUBJECT: RESPONSES TO SURREBUTTAL
TESTIMONY OF WITNESSES D.C. PATEL
AND DAVID E. GARRETT

DATED: MARCH 19, 2026

1 those cases included “increasing inflation leading to increases in interest rates and
2 capital costs”.⁴ Therefore, it is clear that inflation and interest rates were significant
3 considerations in the Commission’s determination in those proceedings.

4 **3. Q. Has Mr. Patel provided a complete or sufficient review of current market**
5 **conditions?**

6 A. No. Mr. Patel’s review of capital market conditions is inconsistent with current
7 market conditions. Mr. Patel makes no mention in his testimony of current world
8 events that have resulted in significant increases in energy prices worldwide, that
9 will likely affect inflation in the current and near term, nor does he mention the
10 effects of these conditions on interest rates. Since the Iran conflict began on
11 February 28, 2026, interest rates have increased due to increased inflationary
12 concerns and energy price increases. Economists and market analysts have
13 adjusted forecasts with several revising projections to reflect the absence of any fed
14 rate cuts in 2026.⁵

15 **4. Q. Please respond to Mr. Patel’s review of the projections in the Blue Chip**
16 **Financial Forecast.**

17 A. First, it is important to recognize that the publication date of the Blue Chip Financial
18 Forecast relied upon by Mr. Patel, while the most currently available report, is prior
19 to the Iran conflict and the concerns about inflationary pressure that have resulted
20 from the underlying fuel price shocks experienced recently. Therefore, the data

⁴ Patel surrebuttal at 9 referencing *Pa. PUC v. Columbia Water Company*, Docket No. R-2023-3040258, p. 108 (Order Entered January 18, 2024).

⁵ As of March 18, 2026, the CME Group’s FedWatch Tool, which provides a consensus estimate of investors’ expectations about changes in the federal funds rate is not predicting any additional rate cut until April 2027. ([FedWatch - CME Group](#))

1 relied upon in that report may not reflect investors' current expectations. However,
2 even if the Commission were to determine that this report reflects investors' current
3 viewpoints, Mr. Patel's review of the Blue Chip Forecast's projections has
4 conveniently shifted away from the data that he uses from that report for his
5 analysis to inflationary measures to suggest interest rates might be expected to
6 decline in the future. When reviewing the data that Mr. Patel actually relies upon
7 in his analysis from the Blue Chip Financial Forecast; the expected yield on the 10-
8 year Treasury bond, it is clear that the projections were for the yield on this bond
9 to remain constant at 4.2 percent through the 2027 period that was reported. Using
10 the data that Mr. Patel relied upon in his own CAPM analysis, from the source that
11 he relies on, it is clear that investor expectations even before the war were for
12 interest rates to remain constant, and that Mr. Patel's analyses also reflected steady
13 interest rates, not declining interest rates as he now suggests. Finally, as noted
14 previously, it is important to recognize that this data was all collected and published
15 prior to the most recent economic shock related to the escalation of fuel prices that
16 is likely to increase inflationary pressures.

17 **5. Q. What is your response to Mr. Patel regarding the proxy group to be used to**
18 **estimate the cost of equity for PAWC?**

19 A. Mr. Patel asserts that fewer, more comparable proxy group companies is better than
20 a more robust proxy group, arguing for the use of a water-only proxy group. I
21 continue to disagree with this point, given that Mr. Patel's proxy group for PAWC
22 is currently four companies, based on the recent proposed merger of American
23 Water Works and Essential Utilities. However, as shown in Exhibit No. 13-RJ,

1 Schedules 1 through 5, I have updated the DCF and CAPM analyses presented in
2 my rebuttal testimony and show in Exhibit No. 13-RJ, Schedule 2 the median result
3 for the entire proxy group that I relied on as well as the median result for the water
4 companies in the proxy group. As shown in this analysis, the median DCF results
5 for the water-only proxy group, using the same growth rate assumptions that Mr.
6 Patel and I have both relied upon in our DCF models (EPS growth rates reported
7 by Value Line, S&P Cap IQ and Zacks) are *higher* than the median DCF result for
8 the combination utility proxy group including natural gas distribution companies.
9 As shown in that exhibit the median DCF result using 30-day average share prices
10 as of February 28, 2026 for the water-utility proxy group was 10.59 percent.

11 **6. Q. Has Mr. Patel provided any evidence that rebuts your analysis of the**
12 **similarities of the water and natural gas proxy group companies?**

13 A. No. Mr. Patel's response fails to consider that the list of differences that he suggests
14 make water and gas utilities less comparable should be factored into the analytical
15 data that I used to demonstrate that from an investor perspective, they are
16 comparable. In my testimony, I compare the betas of the water and natural gas
17 utility stocks, demonstrating that the market perceives the risk profile of these
18 stocks similarly. Beta measures a security's systematic risk as compared to the
19 overall market.

20 In response to my analysis of the betas of the water and natural gas proxy
21 groups, Mr. Patel offers a high level list of factors that he believes differentiate the
22 two industries:

23 Water companies also have a more captive customer base
24 than natural gas companies as customers cannot eliminate

1 the need for water whereas gas is not a necessity and can be
2 replaced with other fuel sources. Additionally, water
3 companies remain vertically integrated wherein the
4 company generates and distributes the commodity, so there
5 is no opportunity for customers to shop competitively for the
6 commodity as there is with gas shopping. All these
7 differences, among others as discussed in my direct
8 testimony, make gas utilities dissimilar enough from water
9 companies to properly be excluded from a water proxy
10 group.⁶

11 It is reasonable to believe that investors are aware of the differences
12 between water and natural gas companies that Mr. Patel has listed in his testimony
13 and that the stock prices and volatility of the stocks would reflect these factors.
14 Therefore, these differences would be reflected in the betas of the stocks in the two
15 industries. As noted in my direct and rebuttal testimony, the betas of the two
16 industries are essentially the same, with the water company betas being slightly
17 higher than the natural gas company betas, suggesting slightly higher systematic
18 risk. Therefore, I continue to believe that given the betas and other factors I used
19 to compare the water and natural gas industries using quantifiable means, the water
20 and natural gas utilities are perceived by investors as risk-comparable.

21 **7. Q. What is your response to Mr. Patel’s criticism that the use of multiple growth**
22 **rate scenarios in your DCF analysis “simply inflates the DCF results”?**

23 A. It is possible that Mr. Patel misunderstands that analysis. My DCF analysis
24 considers the full range of growth rates for each company. I rely on three scenarios
25 using 1) the lowest growth rate reported for each company in the proxy group,
26 which would produce the lowest DCF result, 2) the average growth rate reported

⁶ Patel surrebuttal at 13-14.

1 for each company, and 3) the highest growth rate reported by each company. The
2 range together represents investors' expectations more broadly. Mr. Patel and I
3 rely on the same sources for EPS growth rates. Therefore, it is unclear to me how
4 Mr. Patel could conclude that my scenario analysis "simply inflates the DCF
5 results" when I develop a low growth rate scenario that falls below the average
6 growth rate he relies on in his analysis.

7 **8. Q. Please summarize Mr. Patel's response regarding the CAPM analysis.**

8 A. In this proceeding, Mr. Patel has changed his view and now agrees that it is
9 appropriate to weigh the results of the CAPM equally with the DCF. However, as
10 noted in my rebuttal testimony, he has continued to modify the assumptions used
11 in that model over time, with the effect of reducing the result of the model that he
12 now indicates should be used in setting PAWC's ROE. In his response to this
13 criticism, Mr. Patel suggests that his CAPM methodology has changed "as financial
14 conditions have changed and Commission positions have guided I&E in updating
15 its methodology over the years"⁷. It is unclear what guidance Mr. Patel believes
16 the Commission has provided to modify his CAPM methodology over the years,
17 particularly when the Commission has relied upon his approach in the last several
18 cases. Mr. Patel provides no further explanation as to what guidance the
19 Commission provided for I&E to adjust the assumptions to its CAPM analysis, nor
20 does Mr. Patel provide any rationale for why financial market conditions would
21 require the repeated need to change the sources used to estimate the MRP in the
22 CAPM methodology over time. The assumptions used in the CAPM model reflect

⁷ Patel surrebuttal at 24.

1 the effect of market conditions. It is important to maintain consistency in those
2 assumptions over time in order to ensure that the results of the models are reflecting
3 changes in market conditions, unless there is some reason to suggest that those
4 assumptions are not expected to continue over the period when the Company's rates
5 will be in effect. When the sources of the assumptions used in the models are
6 continually modified from one case to the next, the changes introduce inconsistency
7 in the estimation of the investor required return from one period to the next.

8 **9. Q. What is your response to Mr. Patel on the use of the Kroll MRP?**

9 A. My position on the Kroll ERP is unchanged. While Mr. Patel has provided a
10 summary document that Kroll publishes indicating the types of factors considered
11 in setting its ERP, there is no analysis provided to review and critique as to how the
12 concepts considered result in the published ERP. Further, the report dates relied on
13 upon by Mr. Patel do not reflect current market conditions and therefore should not
14 be used to estimate the cost of equity or ROE for PAWC.

15 Mr. Patel notes that Kroll updates the ERP for fluctuations in global
16 economic and financial market conditions, however, it has not done so recently and
17 therefore the current ERP does not reflect current market conditions. In his direct
18 testimony Mr. Patel relied on the September 2, 2025 Kroll Cost of Capital report
19 and updated in his surrebuttal to a Kroll Cost of Capital report dated January 30,
20 2026, which affirms the ERP referenced in the September 2025 report. Reviewing
21 the January 30, 2026 Kroll ERP report demonstrates that the information is outdated
22 and does not reflect the current concerns about inflationary pressure or global
23 macroeconomic conditions that should be used to estimate the ERP. Therefore, it

1 should not be used to estimate the cost of equity in this proceeding. The January
2 2026 Kroll Cost of Capital report affirms the reduction in the ERP in September
3 2025 citing to a series of economic factors that it believes in total “help ease
4 uncertainty about the path of the global economy”.

5 On September 2, 2025, we lowered our ERP
6 recommendations for the U.S. and the Eurozone to reflect:
7 1) the de-escalation of trade tensions between the U.S. and
8 its trading partners and the signing of multiple trade deals;
9 2) global monetary policy easing decisions, with certain
10 major central banks lowering their policy rates; 3) the
11 approval and/or announcement of large-scale fiscal spending
12 plans by the U.S. (the One Big Beautiful Bill Act, or
13 OBBBA) and several other countries (targeting for example,
14 manufacturing, energy, defense, and infrastructure), which
15 were expected to stimulate global economic growth; and 4)
16 the massive business investments in artificial intelligence
17 (AI), data centers and related technology. Combined, these
18 developments helped ease uncertainty about the path of the
19 global economy and contributed to record highs in stock
20 markets in the U.S. and elsewhere.⁸

21 It is unlikely that in a more timely review of global market conditions
22 investors would draw a conclusion that the uncertainty about the path of the global
23 economy has been “eased”. Since Kroll does not provide any of the underlying
24 analytics used to estimating the ERP, there is no way to discern the effect of current
25 market conditions on their reported ERP. Therefore, while I disagree with the Kroll
26 ERP for several reasons, noted in my rebuttal testimony, even if one were to
27 disagree with those reasons, the fact that Kroll’s ERP estimate reflects less
28 uncertain macroeconomic conditions than exist currently, it is appropriate not to
29 rely on this estimate.

⁸ [Kroll Cost of Capital Updates January 2026 Executive Summary](#)

1 **10. Q. How would Mr. Patel’s updated analyses change if the Kroll CAPM were**
2 **excluded from the analysis for the reasons you have discussed?**

3 A. As shown in I&E Exhibit No. 2-SR, the result of Mr. Patel’s DCF analysis was
4 10.09 percent and the result of his CAPM not using the Kroll ERP was 9.96 percent.
5 The average of these two approaches is 10.03 percent.

6 **11. Q. Mr. Patel suggests that you did not respond to certain of his testimony**
7 **discussions regarding PAWC’s business risk. What is your response?**

8 A. As I noted in my rebuttal testimony, the fact that I did not respond to every issue
9 does not suggest that I agree with Mr. Patel on those points. Specifically, Mr. Patel
10 suggested that I did not respond to his views on the Company’s capital
11 expenditures, or the Company’s and AWK’s credit rating risk and dividend
12 payments.

13 Regarding capital investments, Mr. Patel’s position appears to ignore the
14 specific effects of investment on the Company’s credit metrics. Mr. Patel’s
15 response to concerns that \$3.5 billion in capital expenditures over the period of
16 2026-2030 will require financial support is simply that this should not be
17 considered because the issue is not unique to PAWC. I disagree. While the industry
18 does face significant capital expenditures, the credit rating agencies will review the
19 coverage ratios of PAWC on a stand-alone basis, not in comparison to the industry,
20 to determine whether or not the investment affects its overall risk profile. As
21 discussed in my direct testimony, this is a significant concern raised by the credit
22 rating agencies that cannot be assumed away as “business as usual” for the industry
23 as a whole.

1 **12. Q. What is your response to Mr. Patel’s analysis of AWK’s credit rating?**

2 A. Mr. Patel’s review of AWK’s credit ratings and dividend payments are entirely
3 misplaced. The ROE that is being set in this proceeding is for PAWC as a stand-
4 alone entity. The metrics of AWK are representative of a water utility holding
5 company financing operations across a diversified group of utilities. The credit
6 ratings of that company and its dividend policy are not relevant comparison points
7 in determining the financial stability of PAWC.

8 **II. MANAGEMENT PERFORMANCE**

9 **13. Q. Please summarize Mr. Patel’s views on the benefits of the return on system**
10 **acquisitions.**

11 A. Mr. Patel suggests that the return on the fair market value of the acquired assets
12 adequately compensates for the investment risk of the acquiring company. Further,
13 Mr. Patel suggests that there are benefits to PAWC resulting from expanding its
14 service area, a “forever revenue stream, strengthening its market monopoly” and
15 business synergies from combined water and wastewater systems. As a result, he
16 proposes that an adjustment for management performance be rejected.

17 **14. Q. Do you agree with Mr. Patel that the “benefits” as he describes them**
18 **adequately compensate investors for the risk of acquisitions?**

19 A. No, I do not. PAWC is regulated under a cost-based rate structure wherein the
20 Company has an opportunity to recover its costs including a return on and of its
21 rate base. If the Company acquires a system at fair market value (“FMV”), the
22 return on the investment simply provides a return on the investment made, there is
23 no additional compensation to assume the risk of the acquisition. Absent the ability
24 to put the acquisition on the books at the FMV, or the price paid in the acquisition,

1 the Company would not have a reasonable opportunity to earn its authorized ROE
2 and therefore would not have any incentive to acquire troubled water systems.

3 Under cost of service regulation, any additional “benefits”, such as
4 synergies and economies of scale that might result from expanding the service
5 territory, accrue to customers. Cost of service regulation requires that the
6 monopoly provider charge cost-based rates in exchange for a return on the rate base
7 assets. Therefore, while I am not in agreement with the full list of “benefits”
8 outlined by Mr. Patel, I am confident that regulation requires that synergistic
9 benefits that may reduce operating costs, resulting from acquisitions or
10 management performance do not automatically accrue to the investor, absent the
11 recognition of superior management performance, as is proposed in this
12 proceeding.

13 **III. RESPONSE TO MR. GARRETT**

14 **15. Q. Has Mr. Garrett’s surrebuttal testimony provided any new evidence that**
15 **supports the conclusion that PAWC’s ROE should be set at 8.70 percent?**

16 A. No. Mr. Garrett’s surrebuttal testimony averages and re-averages various cost of
17 equity estimates in an attempt to demonstrate that he has used the results of all of
18 his cost of equity models without consideration of the bigger picture; are the model
19 results reasonable given market conditions. Mr. Garrett has not explained how an
20 ROE of 8.70 percent for PAWC is reasonable in light of recently authorized ROEs
21 for other utilities in Pennsylvania and current and expected interest rates. As noted
22 in my rebuttal testimony, the underlying interest rates relied upon in Mr. Garrett’s
23 CAPM demonstrate that the cost of equity should be higher than his
24 recommendation in the Company’s last rate proceeding yet Mr. Garrett’s

1 recommendation of 8.70 percent is equivalent to his recommendation in the
2 Company's last rate proceeding of 8.70 percent if the Company's actual capital
3 structure approved.

4 Mr. Garrett's recommended ROE is unreasonable given that market
5 conditions demonstrate greater risk currently than at the time of the Company's last
6 rate proceeding, yet Mr. Garrett's recommendation is no change in the cost of
7 equity. Mr. Garrett has not reconciled this inconsistency. The yield on the 30-year
8 Treasury bond increased by 39 basis points from the Company's last rate
9 proceeding to the time that Mr. Garrett prepared his analysis in direct testimony in
10 this proceeding. As interest rates increase, it is reasonable to expect that the
11 investor required return would also increase. Mr. Garrett has provided no
12 explanation as to why that relationship has changed in the current market
13 conditions. Further, Mr. Garrett has offered no testimony that discusses the current
14 market conditions, which may result in increased inflation, due to the shock to
15 underlying fuel prices experienced as a result of the Iran conflict. Mr. Garrett's
16 surrebuttal testimony has provided no new evidence to demonstrate that his
17 recommended ROE of 8.70 percent is reasonable in light of the differences between
18 market conditions at the time of the Company's last rate case and the current market
19 conditions.

20 **16. Q. What is your response to Mr. Garrett on the proxy group issues raised in his**
21 **surrebuttal testimony?**

22 A. I continue to disagree with the use of a small water-only proxy group, and the use
23 of companies within that group that are parties to a proposed merger. The merger

1 screen is a standard screening criterion that has been relied upon by nearly all cost
2 of capital experts due to the fact a merger can influence the assumptions used in the
3 cost of equity models. Therefore, it is necessary to remove AWK and WTRG from
4 the proxy group at this time. The resulting water only proxy group, therefore would
5 be four companies. As discussed in my response to Mr. Patel, four companies is
6 insufficient and the use of a combination water and natural gas proxy group is
7 appropriate given the comparability of these industries, as identified through
8 quantifiable measures such as beta. In fact, according to Mr. Garrett, market risk
9 as measured by beta is the “primary type of risk the Commission should consider
10 when determining the allowed return for the utilities it regulates”.⁹ Therefore,
11 based on Mr. Garrett’s own logic, the water and natural gas companies included in
12 my proxy group are comparable because the average beta coefficient is similar.

13 **17. Q. Are the assumptions used in Mr. Garrett’s DCF models reasonable?**

14 A. No. While there are differences in our modeling assumptions, Mr. Patel and I agree
15 with the use of the constant growth DCF model and the use of earnings growth rates
16 in that model to estimate the cost of equity. Mr. Garrett’s DCF model assumptions
17 are an outlier in this proceeding. For example, Mr. Garrett states in his surrebuttal
18 testimony that he relies on his sustainable growth rate DCF model in developing
19 his recommended ROE for PAWC. The result of that model is 6.80 percent, which
20 is unreasonable, particularly when considering the cost of debt. For example,
21 American Water Capital Corporation issued debt in March 2025 at a rate of 5.25

⁹ Garrett Direct Testimony, at 16.

1 percent for a term of 10 years¹⁰ (Mr. Garrett uses a 30-year Treasury bond in his
2 CAPM. The yield on a 30-year debt instrument would be higher than a 10-year
3 instrument under normal market conditions due to the duration risk of holding that
4 debt longer.) Mr. Garrett's sustainable growth DCF model result produces an
5 equity premium of only 155 basis points above that cost of debt, which is
6 insufficient for the incremental risk of holding equity. It is also important to note
7 that while Mr. Garrett claims he relies on the results of his sustainable growth rate
8 DCF model, his recommended ROE of 8.70 percent is 190 basis points greater than
9 his sustainable DCF result of 6.80 percent which would indicate that he also views
10 the results of this model as unreasonable.

11 **18. Q. Has Mr. Garrett offered any additional information in his surrebuttal**
12 **testimony that supports the use of dividend growth rates relied on in his second**
13 **DCF analysis?**

14 A. No. Mr. Garrett just reiterates this difference between my analysis and his,
15 however, as noted previously, this is one area of agreement between my analysis
16 and Mr. Patel's. Dividends are subject to management discretion and the
17 fundamental ability to pay dividends is earnings. Therefore, earnings growth rates
18 should be relied upon in the DCF model.

19 **19. Q. Has Mr. Garrett provided any evidence that demonstrates that his estimate of**
20 **the market risk premium ("MRP") is appropriate or that the estimate you rely**

¹⁰ Exhibit No. 13-A, Schedule 19, page 2.

1 **on in your CAPM is inconsistent with the estimates of the MRP provided by**
2 **independent sources?**¹¹

3 A. No, I do not. Mr. Garrett appears to ignore the support for my estimates of the
4 MRP that I have provided in both my Direct and Rebuttal Testimonies. For
5 example, the market return that I relied on is consistent with the range of annual
6 equity returns that have been observed from 1926 to 2024.¹² Additionally, he also
7 ignores the study by the Federal Reserve Bank of New York that I referenced in my
8 rebuttal testimony, which reviewed 20 methodologies for estimating the MRP as
9 opposed to only the 3 considered by Mr. Garrett and provided support for the range
10 of MRP estimates that I relied on in both my Direct and Rebuttal Testimonies.¹³

11 Responding to Mr. Garrett’s comparison of my estimated MRP and the
12 other ERP estimates he relies upon, it is important to recognize first that his ERP
13 average is unreasonable as it includes a weighting for his own recommendation,
14 which is circular at best. If an analyst is using an average of sources to develop an
15 opinion on an assumption, it is unreasonable to include that analyst’s opinion in the
16 average, as Mr. Garrett has done.¹⁴ Further, as I discussed previously in response
17 to Mr. Patel, the Kroll MRP should not be relied upon. While it is Kroll’s stated
18 intention to reflect global economic circumstances in its ERP, it is clear that their
19 currently reported ERP is outdated and should not be relied upon given recent
20 market circumstances.

¹¹ Garrett Surrebuttal Testimony, at 12.

¹² Bulkley Direct Testimony, at 41-42.

¹³ Bulkley Rebuttal Testimony, at 69-71.

¹⁴ Garrett Exhibit DJG-10.

1 **20. Q. Does Mr. Garrett respond meaningfully to the academic studies that**
2 **considered other methodologies for estimating the MRP in addition to the**
3 **methodologies employed by the IESE Business School survey, *Kroll* and Dr.**
4 **Damodaran that Mr. Garrett references?**

5 A. No he provides no meaningful response to the academic studies presented that
6 demonstrate these MRP estimates should not be relied upon.¹⁵ Not only does Mr.
7 Garrett ignore the academic research I provided that demonstrates that the survey
8 methodologies he has relied upon to estimate the MRP are flawed, he also ignores
9 the opinion of one of the data sources he relies upon. Mr. Garrett relies upon an
10 MRP estimate provided by Professor Damodaran, which suggests that he believes
11 his opinion is meaningful, yet Mr. Garrett ignores the fact that Professor
12 Damodaran noted that very few practitioners were inclined to use survey results
13 because, among other things, they were affected by how and of whom the questions
14 were asked and on recent stock price movements.¹⁶

15 **21. Q. Is there anything presented in Mr. Garrett’s surrebuttal testimony that would**
16 **change your recommendations in this proceeding?**

17 A. No.

18 **22. Q. Does this conclude your rejoinder testimony?**

19 A. Yes, it does.

¹⁵ Garrett Surrebuttal at 12.

¹⁶ Bulkley Rebuttal at 61, referencing Aswath Damodaran, “Equity Risk Premiums (ERP): Determinants, Estimation, and Implications,” 2023, at 28-29.

PAWC Exhibit 13-RJ

COST OF EQUITY ANALYSES
SUMMARY OF RESULTS AS OF FEBRUARY 28, 2026

Constant Growth DCF

	Minimum Growth Rate	Average Growth Rate	Maximum Growth Rate
DCF			
30-Day Avg. Stock Price	10.05%	10.80%	11.56%
90-Day Avg. Stock Price	10.11%	10.87%	11.63%
180-Day Avg. Stock Price	10.19%	10.95%	11.70%
Average	10.12%	10.87%	11.63%

CAPM and ECAPM

	30-Year Treasury Bond Yield		
	Current 30-Day Avg	Near-Term Projected	Longer-Term Projected
CAPM:			
Current <i>Value Line</i> Beta	11.23%	11.22%	11.19%
Long-term Avg. <i>Value Line</i> Beta	10.94%	10.94%	10.90%
ECAPM:			
Current <i>Value Line</i> Beta	11.67%	11.67%	11.64%
Long-term Avg. <i>Value Line</i> Beta	11.46%	11.45%	11.42%

**CONSTANT GROWTH DCF
30 DAY AVERAGE STOCK PRICES**

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
						Value Line Projected EPS Growth Rate	S&P Capital IQ Projected EPS Growth Rate	Zacks Projected EPS Growth Rate	Average Projected EPS Growth Rate	Cost of Equity: Minimum Growth Rate	Cost of Equity: Mean Growth Rate	Cost of Equity: Maximum Growth Rate
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield							
Atmos Energy Corporation	ATO	\$4.00	\$172.77	2.32%	2.41%	8.00%	8.36%	7.00%	7.79%	9.40%	10.19%	10.77%
Chesapeake Utilities Corporation	CPK	\$2.74	\$130.18	2.10%	2.19%	8.00%	8.15%	n/a	8.08%	10.19%	10.26%	10.34%
NiSource Inc.	NI	\$1.20	\$44.74	2.68%	2.78%	7.50%	8.64%	6.00%	7.38%	8.76%	10.16%	11.44%
Northwest Natural Gas Company	NWN	\$1.97	\$48.19	4.09%	4.22%	6.00%	6.67%	n/a	6.33%	10.21%	10.55%	10.89%
ONE Gas, Inc.	OGS	\$2.72	\$81.56	3.34%	3.45%	6.00%	7.10%	8.10%	7.07%	9.44%	10.52%	11.57%
Southwest Gas Corporation	SWX	\$2.48	\$84.72	2.93%	3.08%	n/a	12.01%	9.20%	10.61%	12.26%	13.69%	15.11%
American States Water Company	AWR	\$2.02	\$72.80	2.77%	2.86%	7.00%	n/a	5.70%	6.35%	8.55%	9.21%	9.87%
California Water Service Group	CWT	\$1.34	\$44.94	2.98%	3.12%	9.50%	n/a	8.80%	9.15%	11.91%	12.27%	12.62%
Middlesex Water Company	MSEX	\$1.44	\$52.93	2.72%	2.84%	7.50%	9.92%	8.10%	8.51%	10.32%	11.34%	12.77%
H2O America (SJW Group)	HTO	\$1.76	\$53.05	3.32%	3.42%	6.00%	6.74%	6.50%	6.41%	9.42%	9.84%	10.17%
All												
Mean										10.05%	10.80%	11.56%
Median										9.81%	10.39%	11.17%
Natural Gas												
Mean										10.04%	10.90%	11.69%
Median										9.81%	10.39%	11.17%
Water												
Mean										10.05%	10.66%	11.36%
Median										9.87%	10.59%	11.40%

Notes:

[1] Bloomberg Professional as of February 28, 2026

[2] Bloomberg Professional 30-day average as of February 28, 2026

[3] Equals [1]/[2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Value Line

[6] S&P Capital IQ

[7] Zacks

[8] Equals average of [5], [6], [7]

[9] Equals [3] x (1 + 0.5 x (min([5], [6], [7])) + (min([5], [6], [7])))

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x (max([5], [6], [7])) + (max([5], [6], [7])))

**CONSTANT GROWTH DCF
90 DAY AVERAGE STOCK PRICES**

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]		
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Value Line Projected EPS Growth Rate	S&P Capital IQ Projected EPS Growth Rate	Zacks Projected EPS Growth Rate	Average Projected EPS Growth Rate	Cost of Equity: Minimum Growth Rate	Cost of Equity: Mean Growth Rate	Cost of Equity: Maximum Growth Rate	
Atmos Energy Corporation	ATO	\$4.00	\$171.18	2.34%	2.43%	8.00%	8.36%	7.00%	7.79%	9.42%	10.21%	10.80%	
Chesapeake Utilities Corporation	CPK	\$2.74	\$129.64	2.11%	2.20%	8.00%	8.15%	n/a	8.08%	10.20%	10.27%	10.35%	
NiSource Inc.	NI	\$1.20	\$43.02	2.79%	2.89%	7.50%	8.64%	6.00%	7.38%	8.87%	10.27%	11.55%	
Northwest Natural Gas Company	NWN	\$1.97	\$47.07	4.18%	4.32%	6.00%	6.67%	n/a	6.33%	10.31%	10.65%	10.99%	
ONE Gas, Inc.	OGS	\$2.72	\$79.87	3.41%	3.53%	6.00%	7.10%	8.10%	7.07%	9.51%	10.59%	11.64%	
Southwest Gas Corporation	SWX	\$2.48	\$81.49	3.04%	3.20%	n/a	12.01%	9.20%	10.61%	12.38%	13.81%	15.24%	
American States Water Company	AWR	\$2.02	\$72.95	2.76%	2.85%	7.00%	n/a	5.70%	6.35%	8.54%	9.20%	9.86%	
California Water Service Group	CWT	\$1.34	\$44.79	2.99%	3.13%	9.50%	n/a	8.80%	9.15%	11.92%	12.28%	12.63%	
Middlesex Water Company	MSEX	\$1.44	\$52.67	2.73%	2.85%	7.50%	9.92%	8.10%	8.51%	10.34%	11.36%	12.79%	
H2O America (SJW Group)	HTO	\$1.76	\$49.60	3.55%	3.66%	6.00%	6.74%	6.50%	6.41%	9.65%	10.08%	10.41%	
All													
Mean											10.11%	10.87%	11.63%
Median											9.93%	10.43%	11.27%
Natural Gas													
Mean											10.12%	10.97%	11.76%
Median											9.85%	10.43%	11.27%
Water													
Mean											10.11%	10.73%	11.42%
Median											10.00%	10.72%	11.52%

Notes:

[1] Bloomberg Professional as of February 28, 2026

[2] Bloomberg Professional 90-day average as of February 28, 2026

[3] Equals [1]/[2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Value Line

[6] S&P Capital IQ

[7] Zacks

[8] Equals average of [5], [6], [7]

[9] Equals [3] x (1 + 0.5 x (min([5], [6], [7])) + (min([5], [6], [7])))

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x (max([5], [6], [7])) + (max([5], [6], [7])))

**CONSTANT GROWTH DCF
180 DAY AVERAGE STOCK PRICES**

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	
					Value Line Projected EPS Growth Rate	S&P Capital IQ Projected EPS Growth Rate	Zacks Projected EPS Growth Rate	Average Projected EPS Growth Rate	Cost of Equity: Minimum Growth Rate	Cost of Equity: Mean Growth Rate	Cost of Equity: Maximum Growth Rate	
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield							
Atmos Energy Corporation	ATO	\$4.00	\$165.55	2.42%	2.51%	8.00%	8.36%	7.00%	7.79%	9.50%	10.30%	10.88%
Chesapeake Utilities Corporation	CPK	\$2.74	\$126.92	2.16%	2.25%	8.00%	8.15%	n/a	8.08%	10.25%	10.32%	10.40%
NiSource Inc.	NI	\$1.20	\$41.91	2.86%	2.97%	7.50%	8.64%	6.00%	7.38%	8.95%	10.35%	11.63%
Northwest Natural Gas Company	NWN	\$1.97	\$43.86	4.49%	4.63%	6.00%	6.67%	n/a	6.33%	10.63%	10.97%	11.31%
ONE Gas, Inc.	OGS	\$2.72	\$76.84	3.54%	3.66%	6.00%	7.10%	8.10%	7.07%	9.65%	10.73%	11.78%
Southwest Gas Corporation	SWX	\$2.48	\$78.71	3.15%	3.32%	n/a	12.01%	9.20%	10.61%	12.50%	13.92%	15.35%
American States Water Company	AWR	\$2.02	\$73.19	2.75%	2.84%	7.00%	n/a	5.70%	6.35%	8.53%	9.19%	9.85%
California Water Service Group	CWT	\$1.34	\$45.07	2.97%	3.11%	9.50%	n/a	8.80%	9.15%	11.90%	12.26%	12.61%
Middlesex Water Company	MSEX	\$1.44	\$52.97	2.72%	2.83%	7.50%	9.92%	8.10%	8.51%	10.32%	11.34%	12.77%
H2O America (SJW Group)	HTO	\$1.76	\$49.30	3.57%	3.68%	6.00%	6.74%	6.50%	6.41%	9.68%	10.10%	10.43%
All												
Mean										10.19%	10.95%	11.70%
Median										9.96%	10.54%	11.47%
Natural Gas												
Mean										10.24%	11.10%	11.89%
Median										9.95%	10.54%	11.47%
Water												
Mean										10.11%	10.72%	11.42%
Median										10.00%	10.72%	11.52%

Notes:

[1] Bloomberg Professional as of February 28, 2026

[2] Bloomberg Professional 180-day average as of February 28, 2026

[3] Equals [1]/[2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Value Line

[6] S&P Capital IQ

[7] Zacks

[8] Equals average of [5], [6], [7]

[9] Equals [3] x (1 + 0.5 x (min([5], [6], [7])) + (min([5], [6], [7])))

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x (max([5], [6], [7])) + (max([5], [6], [7])))

**CAPITAL ASSET PRICING MODEL
CURRENT RISK FREE RATE AND VALUE LINE BETA**

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-day average of 30-year U.S. Treasury bond yield	Beta	Market Return	Market Risk Premium	Cost of Equity: CAPM	Cost of Equity: ECAPM
Atmos Energy Corporation	ATO	4.79%	0.80	12.99%	8.20%	11.35%	11.76%
Chesapeake Utilities Corporation	CPK	4.79%	0.75	12.99%	8.20%	10.94%	11.45%
NiSource Inc.	NI	4.79%	0.85	12.99%	8.20%	11.76%	12.07%
Northwest Natural Gas Company	NWN	4.79%	0.80	12.99%	8.20%	11.35%	11.76%
ONE Gas, Inc.	OGS	4.79%	0.75	12.99%	8.20%	10.94%	11.45%
Southwest Gas Corporation	SWX	4.79%	0.80	12.99%	8.20%	11.35%	11.76%
American States Water Company	AWR	4.79%	0.75	12.99%	8.20%	10.94%	11.45%
California Water Service Group	CWT	4.79%	0.80	12.99%	8.20%	11.35%	11.76%
Middlesex Water Company	MSEX	4.79%	0.80	12.99%	8.20%	11.35%	11.76%
H2O America (SJW Group)	HTO	4.79%	0.75	12.99%	8.20%	10.94%	11.45%
Mean						11.23%	11.67%
Median						11.35%	11.76%

Notes:

[1] Bloomberg Professional as of February 28, 2026

[2] Value Line

[3] Exhibit No.13-SR, Schedule 5

[4] Equals [3]-[1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

CAPITAL ASSET PRICING MODEL
NEAR TERM PROJECTED RISK-FREE RATE AND VALUE LINE BETA

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Near-term projected 30-year U.S. Treasury bond yield (Q2 2026 - Q2 2027)	Beta	Market Return	Market Risk Premium	Cost of Equity: CAPM	Cost of Equity: ECAPM
Atmos Energy Corporation	ATO	4.76%	0.80	12.99%	8.23%	11.35%	11.76%
Chesapeake Utilities Corporation	CPK	4.76%	0.75	12.99%	8.23%	10.93%	11.45%
NiSource Inc.	NI	4.76%	0.85	12.99%	8.23%	11.76%	12.07%
Northwest Natural Gas Company	NWN	4.76%	0.80	12.99%	8.23%	11.35%	11.76%
ONE Gas, Inc.	OGS	4.76%	0.75	12.99%	8.23%	10.93%	11.45%
Southwest Gas Corporation	SWX	4.76%	0.80	12.99%	8.23%	11.35%	11.76%
American States Water Company	AWR	4.76%	0.75	12.99%	8.23%	10.93%	11.45%
California Water Service Group	CWT	4.76%	0.80	12.99%	8.23%	11.35%	11.76%
Middlesex Water Company	MSEX	4.76%	0.80	12.99%	8.23%	11.35%	11.76%
H2O America (SJW Group)	HTO	4.76%	0.75	12.99%	8.23%	10.93%	11.45%
Mean						11.22%	11.67%
Median						11.35%	11.76%

Notes:

[1] Blue Chip Financial Forecasts, Vol. 45, No. 3, February 27, 2026, at 2

[2] Value Line

[3] Exhibit No.13-SR, Schedule 5

[4] Equals [3]-[1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

CAPITAL ASSET PRICING MODEL
LONG-TERM PROJECTED RISK-FREE RATE AND VALUE LINE BETA

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Projected 30-year U.S. Treasury bond yield (2027 - 2031)	Beta	Market Return	Market Risk Premium	Cost of Equity: CAPM	Cost of Equity: ECAPM
Atmos Energy Corporation	ATO	4.60%	0.80	12.99%	8.39%	11.31%	11.73%
Chesapeake Utilities Corporation	CPK	4.60%	0.75	12.99%	8.39%	10.89%	11.42%
NiSource Inc.	NI	4.60%	0.85	12.99%	8.39%	11.73%	12.05%
Northwest Natural Gas Company	NWN	4.60%	0.80	12.99%	8.39%	11.31%	11.73%
ONE Gas, Inc.	OGS	4.60%	0.75	12.99%	8.39%	10.89%	11.42%
Southwest Gas Corporation	SWX	4.60%	0.80	12.99%	8.39%	11.31%	11.73%
American States Water Company	AWR	4.60%	0.75	12.99%	8.39%	10.89%	11.42%
California Water Service Group	CWT	4.60%	0.80	12.99%	8.39%	11.31%	11.73%
Middlesex Water Company	MSEX	4.60%	0.80	12.99%	8.39%	11.31%	11.73%
H2O America (SJW Group)	HTO	4.60%	0.75	12.99%	8.39%	10.89%	11.42%
Mean						11.19%	11.64%
Median						11.31%	11.73%

Notes:

[1] Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 14

[2] Value Line

[3] Exhibit No.13-SR, Schedule 5

[4] Equals [3]-[1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**CAPITAL ASSET PRICING MODEL
CURRENT RISK FREE RATE AND LONG-TERM VALUE LINE BETA**

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-day average of 30-year U.S. Treasury bond yield	Beta	Market Return	Market Risk Premium	Cost of Equity: CAPM	Cost of Equity: ECAPM
Atmos Energy Corporation	ATO	4.79%	0.76	12.99%	8.20%	11.04%	11.53%
Chesapeake Utilities Corporation	CPK	4.79%	0.72	12.99%	8.20%	10.72%	11.29%
NiSource Inc.	NI	4.79%	0.78	12.99%	8.20%	11.20%	11.65%
Northwest Natural Gas Company	NWN	4.79%	0.73	12.99%	8.20%	10.75%	11.31%
ONE Gas, Inc.	OGS	4.79%	0.75	12.99%	8.20%	10.94%	11.45%
Southwest Gas Corporation	SWX	4.79%	0.83	12.99%	8.20%	11.60%	11.95%
American States Water Company	AWR	4.79%	0.70	12.99%	8.20%	10.53%	11.15%
California Water Service Group	CWT	4.79%	0.72	12.99%	8.20%	10.66%	11.24%
Middlesex Water Company	MSEX	4.79%	0.74	12.99%	8.20%	10.88%	11.41%
H2O America (SJW Group)	HTO	4.79%	0.77	12.99%	8.20%	11.10%	11.57%
Mean						10.94%	11.46%
Median						10.91%	11.43%

Notes:

[1] Bloomberg Professional as of February 28, 2026

[2] Exhibit No.13-SR, Schedule 4

[3] Exhibit No.13-SR, Schedule 5

[4] Equals [3]-[1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

CAPITAL ASSET PRICING MODEL
NEAR-TERM PROJECTED RISK FREE RATE AND LONG-TERM VALUE LINE BETA

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Near-term projected 30-year U.S. Treasury bond yield (Q2 2026 - Q2 2027)	Beta	Market Return	Market Risk Premium	Cost of Equity: CAPM	Cost of Equity: ECAPM
Atmos Energy Corporation	ATO	4.76%	0.76	12.99%	8.23%	11.03%	11.52%
Chesapeake Utilities Corporation	CPK	4.76%	0.72	12.99%	8.23%	10.71%	11.28%
NiSource Inc.	NI	4.76%	0.78	12.99%	8.23%	11.20%	11.65%
Northwest Natural Gas Company	NWN	4.76%	0.73	12.99%	8.23%	10.74%	11.31%
ONE Gas, Inc.	OGS	4.76%	0.75	12.99%	8.23%	10.93%	11.45%
Southwest Gas Corporation	SWX	4.76%	0.83	12.99%	8.23%	11.60%	11.95%
American States Water Company	AWR	4.76%	0.70	12.99%	8.23%	10.52%	11.14%
California Water Service Group	CWT	4.76%	0.72	12.99%	8.23%	10.65%	11.24%
Middlesex Water Company	MSEX	4.76%	0.74	12.99%	8.23%	10.87%	11.40%
H2O America (SJW Group)	HTO	4.76%	0.77	12.99%	8.23%	11.09%	11.57%
Mean						10.94%	11.45%
Median						10.90%	11.43%

Notes:

[1] Blue Chip Financial Forecasts, Vol. 45, No. 3, February 27, 2026, at 2

[2] Exhibit No.13-SR, Schedule 4

[3] Exhibit No.13-SR, Schedule 5

[4] Equals [3]-[1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

CAPITAL ASSET PRICING MODEL
LONG-TERM PROJECTED RISK FREE RATE AND LONG-TERM VALUE LINE BETA

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Projected 30-year U.S. Treasury bond yield (2027 - 2031)	Beta	Market Return	Market Risk Premium	Cost of Equity: CAPM	Cost of Equity: ECAPM
Atmos Energy Corporation	ATO	4.60%	0.76	12.99%	8.39%	10.99%	11.49%
Chesapeake Utilities Corporation	CPK	4.60%	0.72	12.99%	8.39%	10.67%	11.25%
NiSource Inc.	NI	4.60%	0.78	12.99%	8.39%	11.16%	11.62%
Northwest Natural Gas Company	NWN	4.60%	0.73	12.99%	8.39%	10.70%	11.27%
ONE Gas, Inc.	OGS	4.60%	0.75	12.99%	8.39%	10.89%	11.42%
Southwest Gas Corporation	SWX	4.60%	0.83	12.99%	8.39%	11.57%	11.93%
American States Water Company	AWR	4.60%	0.70	12.99%	8.39%	10.47%	11.10%
California Water Service Group	CWT	4.60%	0.72	12.99%	8.39%	10.60%	11.20%
Middlesex Water Company	MSEX	4.60%	0.74	12.99%	8.39%	10.83%	11.37%
H2O America (SJW Group)	HTO	4.60%	0.77	12.99%	8.39%	11.06%	11.54%
Mean						10.90%	11.42%
Median						10.86%	11.39%

Notes:

[1] Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 14

[2] Exhibit No.13-SR, Schedule 4

[3] Exhibit No.13-SR, Schedule 5

[4] Equals [3]-[1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

HISTORICAL VALUE LINE BETA

Company	Ticker	[1] 2013	[2] 2014	[3] 2015	[4] 2016	[5] 2017	[6] 2018	[7] 2019	[8] 2020	[9] 2021	[10] 2022	[11] 2023	[12] 2024	[13] 2025	[14] Average
Atmos Energy Corporation	ATO	0.80	0.80	0.80	0.70	0.70	0.60	0.60	0.80	0.80	0.80	0.85	0.90	0.75	0.76
Chesapeake Utilities Corporation	CPK	0.70	0.65	0.65	0.65	0.70	0.65	0.65	0.80	0.80	0.80	0.80	0.85	0.70	0.72
NiSource Inc.	NI	0.85	0.85	NMF	NMF	0.60	0.50	0.55	0.85	0.85	0.85	0.90	0.95	0.85	0.78
Northwest Natural Gas Company	NWN	0.65	0.70	0.65	0.65	0.70	0.60	0.60	0.80	0.85	0.80	0.80	0.90	0.75	0.73
ONE Gas, Inc.	OGS				0.70	0.70	0.65	0.65	0.80	0.80	0.80	0.80	0.85	0.75	0.75
Southwest Gas Corporation	SWX	0.80	0.85	0.80	0.75	0.80	0.70	0.70	0.95	0.95	0.90	0.90	0.95	0.75	0.83
American States Water Company	AWR	0.65	0.70	0.70	0.75	0.80	0.70	0.65	0.65	0.65	0.65	0.70	0.75	0.75	0.70
California Water Service Group	CWT	0.60	0.70	0.75	0.75	0.80	0.70	0.70	0.65	0.70	0.70	0.70	0.75	0.80	0.72
Middlesex Water Company	MSEX	0.75	0.70	0.70	0.75	0.80	0.75	0.75	0.75	0.70	0.70	0.75	0.80	0.75	0.74
H2O America (SJW Group)	HTO	0.85	0.85	0.75	0.75	0.70	0.60	0.60	0.85	0.80	0.80	0.85	0.85	0.75	0.77
Mean		0.74	0.76	0.73	0.72	0.73	0.65	0.65	0.79	0.79	0.78	0.81	0.86	0.76	0.75

Notes:

[1] Value Line, dated December 26, 2013

[2] Value Line, dated December 31, 2014

[3] Value Line, dated December 30, 2015

[4] Value Line, dated December 29, 2016

[5] Value Line, dated December 28, 2017

[6] Value Line, dated December 27, 2018

[7] Value Line, dated December 26, 2019

[8] Value Line, dated December 30, 2020

[9] Value Line, dated December 29, 2021

[10] Value Line, dated December 30, 2022

[11] Value Line, Dated December 29, 2023

[12] Value Line, Dated December 27, 2024

[13] Value Line, Dated December 26, 2025

[14] Average ([1] - [13])

MARKET RETURN DERIVED FROM S&P 500 INDEX

[1] Estimate of the S&P 500 Dividend Yield	1.27%
[2] Estimate of the S&P 500 Growth Rate	11.65%
[3] S&P 500 Estimated Required Market Return	12.99%

		[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Name	Ticker	Shares Outst'g	Price	Market Capitalization	Weight in Index	Estimated Dividend Yield	Cap-Weighted Dividend Yield	Bloomberg Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Agilent Technologies Inc	A	282.840	121.38	34,331.08	0.09%	0.84%	0.00%	7.99%	0.01%
Apple Inc	AAPL	14681.140	264.18	3,878,463.57	10.48%	0.39%	0.04%	13.33%	1.40%
AbbVie Inc	ABBV	1768.169	232.08	410,356.66	1.11%	2.98%	0.03%	19.68%	0.22%
Airbnb Inc	ABNB	423.573	135.11	57,228.99	0.15%			16.62%	0.03%
Abbott Laboratories	ABT	1737.683	116.35	202,179.40	0.55%	2.17%	0.01%	10.11%	0.06%
Arch Capital Group Ltd	ACGL	355.803	100.15	35,633.70	0.10%			2.64%	0.00%
Accenture PLC	ACN	615.307	208.72	128,426.83		3.12%			
Adobe Inc	ADBE	410.500	262.41	107,719.31	0.29%			13.73%	0.04%
Analog Devices Inc	ADI	488.204	354.6796	173,156.06		1.24%		22.33%	
Archer-Daniels-Midland Co	ADM	481.202	69.04	33,222.18	0.09%	3.01%	0.00%	18.91%	0.02%
Automatic Data Processing Inc	ADP	402.644	214.36	86,310.85		3.17%			
Autodesk Inc	ADSK	212.000	245.87	52,124.44				21.63%	
Ameren Corp	AEE	276.425	113.28	31,313.37	0.08%	2.65%	0.00%	8.44%	0.01%
American Electric Power Co Inc	AEP	540.861	133.82	72,378.08	0.20%	2.84%	0.01%	7.91%	0.02%
AES Corp/The	AES	712.121	17.28	12,305.45	0.03%	4.07%	0.00%	11.17%	0.00%
Aflac Inc	AFL	516.369	112.93	58,313.60		2.16%			
American International Group Inc	AIG	536.560	80.49	43,187.69		2.24%			
Assurant Inc	AIZ	49.700	229.59	11,410.57		1.53%			
Arthur J Gallagher & Co	AJG	257.100	228.2	58,670.22		1.23%			
Akamai Technologies Inc	AKAM	144.888	98.39	14,255.54	0.04%			5.96%	0.00%
Albemarle Corp	ALB	117.847	178.67	21,055.76		0.91%		175.50%	
Align Technology Inc	ALGN	71.282	190.1	13,550.73				-2.94%	
Allstate Corp/The	ALL	259.536	213.4401	55,395.36		2.02%		-1.75%	
Allegion plc	ALLE	86.145	161.15	13,882.34	0.04%	1.37%	0.00%	5.28%	0.00%
Applied Materials Inc	AMAT	793.610	372.3	295,460.95	0.80%	0.49%	0.00%	18.89%	0.15%
Amcor PLC	AMCR	462.046	48.43	22,376.87	0.06%	5.37%	0.00%	9.93%	0.01%
Advanced Micro Devices Inc	AMD	1630.411	200.21	326,424.55				48.15%	
AMETEK Inc	AME	228.977	239.22	54,775.93	0.15%	0.57%	0.00%	9.07%	0.01%
Amgen Inc	AMGN	539.068	388.16	209,244.51	0.57%	2.60%	0.01%	1.00%	0.01%
Ameriprise Financial Inc	AMP	91.179	470.12	42,865.07	0.12%	1.36%	0.00%	10.31%	0.01%
American Tower Corp	AMT	466.085	191.86	89,423.03		3.54%			
Amazon.com Inc	AMZN	10734.921	210	2,254,333.38	6.09%			18.30%	1.11%
Arista Networks Inc	ANET	1256.538	133.5	167,747.81	0.45%			17.94%	0.08%
Aon PLC	AON	214.255	335.47	71,875.96		0.89%			
A O Smith Corp	AOS	113.372	78	8,843.03		1.85%			
APA Corp	APA	353.251	30.37	10,728.25		3.29%		-23.17%	
Air Products and Chemicals Inc	APD	222.656	275.67	61,379.58	0.17%	2.63%	0.00%	6.86%	0.01%
Amphenol Corp	APH	1229.215	146.06	179,539.13		0.68%		21.90%	
Apollo Global Management Inc	APO	578.247	104.6	60,484.67	0.16%	1.95%	0.00%	14.55%	0.02%
AppLovin Corp	APP	307.070	434.77	133,504.82				47.15%	
Aptiv PLC	APTIV	212.748	73.54	15,645.52					
Alexandria Real Estate Equities Inc	ARE	173.300	54.04	9,365.15		5.33%		-10.82%	
Ares Management Corp	ARES	220.903	112.01	24,743.30		4.82%		28.84%	
Atmos Energy Corp	ATO	165.439	186.79	30,902.34	0.08%	2.14%	0.00%	9.02%	0.01%
AvalonBay Communities Inc	AVB	140.083	177.23	24,826.99	0.07%	4.02%	0.00%	4.13%	0.00%
Broadcom Inc	AVGO	4741.274	319.55	1,515,074.04		0.81%		35.56%	
Avery Dennison Corp	AVY	76.878	196.35	15,094.98	0.04%	1.91%	0.00%	5.53%	0.00%
American Water Works Co Inc	AWK	195.209	136.03	26,554.24	0.07%	2.43%	0.00%	7.04%	0.01%
Axon Enterprise Inc	AXON	80.398	542.4	43,607.70				33.23%	
American Express Co	AXP	686.614	308.9	212,095.07	0.57%	1.06%	0.01%	14.24%	0.08%
AutoZone Inc	AZO	16.568	3755.58	62,221.77	0.17%			14.21%	0.02%
Boeing Co/The	BA	785.347	227.53	178,690.03					
Bank of America Corp	BAC	7176.682	49.83	357,614.07		2.25%			
Ball Corp	BALL	266.077	66.93	17,808.55	0.05%	1.20%	0.00%	13.36%	0.01%
Baxter International Inc	BAX	514.490	20.37	10,480.16		0.20%		-2.87%	
Best Buy Co Inc	BBY	209.535	61.97	12,984.89	0.04%	6.13%	0.00%	4.46%	0.00%
Becton Dickinson & Co	BDX	284.742	176.48	50,251.23	0.14%	2.38%	0.00%	1.10%	0.00%
Franklin Resources Inc	BEN	520.763	26.54	13,821.06	0.04%	4.97%	0.00%	12.01%	0.00%
Brown-Forman Corp	BF/B	294.595	28.86	8,502.00	0.02%	3.20%	0.00%	2.43%	0.00%
Bunge Global SA	BG	193.509	120.65	23,346.87	0.06%	2.32%	0.00%	19.44%	0.01%
Biogen Inc	BIIB	146.759	191.82	28,151.22	0.08%			4.41%	0.00%
Bank of New York Mellon Corp/The	BK	686.907	119.1	81,810.67	0.22%	1.78%	0.00%	12.87%	0.03%
Booking Holdings Inc	BKNG	31.673	4239.35	134,274.42	0.36%	0.99%	0.00%	16.40%	0.06%
Baker Hughes Co	BKR	988.237	65.26	64,492.31	0.17%	1.41%	0.00%	14.08%	0.02%
Builders FirstSource Inc	BLDR	110.605	104.29	11,535.00	0.03%			10.56%	0.00%
Blackrock Inc	BLK	155.542	1063.23	165,376.43	0.45%	2.16%	0.01%	15.14%	0.07%
Bristol-Myers Squibb Co	BMJ	2036.474	62.37	127,014.87		4.04%		53.01%	
Broadridge Financial Solutions Inc	BR	116.749	185.87	21,700.08		2.10%			
Berkshire Hathaway Inc	BRK/B	1372.820	504.95	693,205.53					
Brown & Brown Inc	BRO	340.420	71.82	24,448.97		0.92%			
Boston Scientific Corp	BSX	1483.885	76.85	114,036.60	0.31%			13.45%	0.04%
Blackstone Inc	BX	742.181	113.37	84,141.03		5.26%		20.02%	
BXP Inc	BXP	158.629	57.58	9,133.86	0.02%	4.86%	0.00%	3.36%	0.00%
Citigroup Inc	C	1749.319	110.19	192,757.46	0.52%	2.18%	0.01%	19.71%	0.10%
Conagra Brands Inc	CAG	478.369	19.25	9,208.61		7.27%		-8.19%	
Cardinal Health Inc	CAH	235.316	229.23	53,941.49	0.15%	0.89%	0.00%	14.74%	0.02%
Carrier Global Corp	CARR	835.844	64.4	53,828.35	0.15%	1.49%	0.00%	9.39%	0.01%
Caterpillar Inc	CAT	465.287	742.83	345,629.39		0.81%		25.31%	
Chubb Ltd	CB	390.157	340.86	132,988.76	0.36%	1.14%	0.00%	3.42%	0.01%
Cboe Global Markets Inc	CBOE	104.668	299.72	31,371.00	0.08%	0.96%	0.00%	13.75%	0.01%
CBRE Group Inc	CBRE	295.159	147.66	43,583.11					
Crown Castle Inc	CCI	436.070	89.54	39,045.75		4.75%			

		[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Name	Ticker	Shares Outst'g	Price	Market Capitalization	Weight in Index	Estimated Dividend Yield	Cap-Weighted Dividend Yield	Bloomberg Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Carnival Corp	CCL	1236.707	31.55	39,018.09	0.11%	1.90%	0.00%	11.20%	0.01%
Cadence Design Systems Inc	CDNS	275.875	301.4	83,148.87	0.22%			14.61%	0.03%
CDW Corp/DE	CDW	128.994	122.64	15,819.77	0.04%	2.05%	0.00%	7.25%	0.00%
Constellation Energy Corp	CEG	362.355	329.88	119,533.83	0.32%	0.52%	0.00%	15.42%	0.05%
CF Industries Holdings Inc	CF	153.669	99.54	15,296.19		2.01%		-16.61%	
Citizens Financial Group Inc	CFG	424.984	60.19	25,579.77		3.06%		24.19%	
Church & Dwight Co Inc	CHD	236.694	104.86	24,819.76	0.07%	1.17%	0.00%	7.21%	0.00%
CH Robinson Worldwide Inc	CHRW	118.621	185.25	21,974.51	0.06%	1.36%	0.00%	17.23%	0.01%
Charter Communications Inc	CHTR	126.632	234.63	29,711.56				21.90%	
Cigna Group/The	CI	263.528	289.82	76,375.77	0.21%	2.15%	0.00%	9.89%	0.02%
Ciena Corp	CIEN	141.463	348.7	49,328.31				41.75%	
Cincinnati Financial Corp	CINF	155.618	163.98	25,518.17	0.07%	2.29%	0.00%	5.30%	0.00%
Colgate-Palmolive Co	CL	801.548	99.14	79,465.47	0.21%	2.10%	0.00%	5.54%	0.01%
Clorox Co/The	CLX	120.912	127.16	15,375.15		3.90%		-0.22%	
Comcast Corp	CMCSA	3588.402	30.96	111,096.91		4.26%		-3.89%	
CME Group Inc	CME	358.622	319.5	114,579.83	0.31%	1.63%	0.01%	5.82%	0.02%
Chipotle Mexican Grill Inc	CMG	1302.423	37.22	48,476.18	0.13%			12.82%	0.02%
Cummins Inc	CMI	138.165	583.87	80,670.67	0.22%	1.37%	0.00%	14.29%	0.03%
CMS Energy Corp	CMS	306.421	78.07	23,922.28	0.06%	2.92%	0.00%	7.27%	0.00%
Centene Corp	CNC	491.771	44.88	22,070.68				42.35%	
CenterPoint Energy Inc	CNP	652.868	43.5	28,399.77	0.08%	2.11%	0.00%	8.95%	0.01%
Capital One Financial Corp	COF	621.932	195.64	121,674.70	0.33%	1.64%	0.01%	13.86%	0.05%
Coinbase Global Inc	COIN	223.041	175.85	39,221.81				23.32%	
Cooper Cos Inc/The	COO	195.114	83.67	16,325.21	0.04%			7.77%	0.00%
ConocoPhillips	COP	1222.339	113.46	138,686.60		2.96%			
Cencora Inc	COR	194.531	372.14	72,392.65	0.20%	0.64%	0.00%	10.42%	0.02%
Costco Wholesale Corp	COST	443.869	1010.79	448,658.76	1.21%	0.51%	0.01%	11.37%	0.14%
Corpay Inc	CPAY	68.050	325.1	22,123.15	0.06%			12.37%	0.01%
Campbell's Company/The	CPB	298.134	26.95	8,034.72		5.79%		-3.24%	
Copart Inc	CPRT	968.018	38.09	36,871.79					
Camden Property Trust	CPT	103.408	108.34	11,203.25	0.03%	3.91%	0.00%	2.13%	0.00%
CRH PLC	CRH	668.251	119.98	80,176.73	0.22%	1.30%	0.00%	9.98%	0.02%
Charles River Laboratories International Inc	CRL	49.228	178.49	8,786.67	0.02%			7.41%	0.00%
Salesforce Inc	CRM	937.000	194.79	182,518.23	0.49%	0.90%	0.00%	12.79%	0.06%
CrowdStrike Holdings Inc	CRWD	252.098	371.98	93,775.58				23.15%	
Cisco Systems Inc	CSCO	3949.893	79.46	313,858.50	0.85%	2.11%	0.02%	7.80%	0.07%
CoStar Group Inc	CSGP	419.793	44.63	18,735.37				42.74%	
CSX Corp	CSX	1859.557	42.69	79,384.48	0.21%	1.31%	0.00%	14.00%	0.03%
Cintas Corp	CTAS	399.890	201.13	80,429.81	0.22%	0.89%	0.00%	10.79%	0.02%
Coterra Energy Inc	CTRA	759.273	30.59	23,226.15		2.88%		23.71%	
Cognizant Technology Solutions Corp	CTSH	478.247	64.43	30,813.45		2.05%			
Corteva Inc	CTVA	683.015	79.94	54,600.19	0.15%	0.90%	0.00%	9.29%	0.01%
Carvana Co	CVNA	142.736	334.16	47,696.73					
CVS Health Corp	CVS	1272.211	79.9	101,649.66	0.27%	3.33%	0.01%	13.13%	0.04%
Chevron Corp	CVX	1995.386	186.76	372,658.20		3.81%		-8.85%	
Dominion Energy Inc	D	878.786	63.14	55,486.52	0.15%	4.23%	0.01%	13.32%	0.02%
Delta Air Lines Inc	DAL	653.131	65.7	42,910.69	0.12%	1.14%	0.00%	14.65%	0.02%
DoorDash Inc	DASH	409.967	176.47	72,346.85				39.94%	
DuPont de Nemours Inc	DD	408.924	49.84	20,380.77	0.06%	1.61%	0.00%	17.42%	0.01%
Datadog Inc	DDOG	328.483	111.96	36,777.00				24.38%	
Deere & Co	DE	270.107	629.71	170,089.26	0.46%	1.03%	0.00%	16.83%	0.08%
Deckers Outdoor Corp	DECK	141.950	117.27	16,646.47	0.04%			6.38%	0.00%
Dell Technologies Inc	DELL	333.918	148.08	49,446.55	0.13%	1.42%	0.00%	18.13%	0.02%
Dollar General Corp	DG	220.119	156.24	34,391.37	0.09%	1.51%	0.00%	8.97%	0.01%
Quest Diagnostics Inc	DGX	109.866	211.91	23,281.77	0.06%	1.62%	0.00%	7.25%	0.00%
DR Horton Inc	DHI	289.703	160.39	46,465.53	0.13%	1.12%	0.00%	5.46%	0.01%
Danaher Corp	DHR	707.139	210.64	148,951.83	0.40%	0.76%	0.00%	7.82%	0.03%
Walt Disney Co/The	DIS	1771.520	106.04	187,851.96	0.51%	1.41%	0.01%	11.32%	0.06%
Digital Realty Trust Inc	DLR	343.615	177.2	60,888.66	0.16%	2.75%	0.00%	7.38%	0.01%
Dollar Tree Inc	DLTR	198.853	126.48	25,150.95	0.07%			11.87%	0.01%
Healthpeak Properties Inc	DOC	695.044	17.68	12,288.38	0.03%	6.90%	0.00%	1.08%	0.00%
Dover Corp	DOV	134.867	225.5	30,412.43	0.08%	0.92%	0.00%	9.65%	0.01%
Dow Inc	DOW	705.764	30.73	21,688.14		4.56%		54.00%	
Domino's Pizza Inc	DPZ	33.629	402.51	13,535.97	0.04%	1.98%	0.00%	11.36%	0.00%
Darden Restaurants Inc	DRI	115.139	213.85	24,622.53	0.07%	2.81%	0.00%	10.65%	0.01%
DTE Energy Co	DTE	207.683	148.24	30,786.93	0.08%	3.14%	0.00%	7.38%	0.01%
Duke Energy Corp	DUK	778.000	130.85	101,801.30	0.28%	3.26%	0.01%	6.69%	0.02%
DaVita Inc	DVA	66.800	156.3	10,440.84				25.82%	
Devon Energy Corp	DVN	620.000	43.53	26,988.60	0.07%	2.21%	0.00%	1.93%	0.00%
Dexcom Inc	DXCM	384.865	73.43	28,260.63	0.08%			16.87%	0.01%
Electronic Arts Inc	EA	250.254	200.57	50,193.39	0.14%	0.38%	0.00%	13.01%	0.02%
eBay Inc	EBAY	448.000	90.86	40,705.28	0.11%	1.36%	0.00%	9.91%	0.01%
Ecolab Inc	ECL	281.969	308.35	86,945.28	0.23%	0.95%	0.00%	12.93%	0.03%
Consolidated Edison Inc	ED	361.247	112.52	40,647.56	0.11%	3.15%	0.00%	7.39%	0.01%
Equifax Inc	EFX	120.270	208.96	25,131.62	0.07%	1.07%	0.00%	17.72%	0.01%
Everest Group Ltd	EG	40.390	335.49	13,550.49		2.38%		26.06%	
Edison International	EIX	384.791	74.74	28,759.27	0.08%	4.70%	0.00%	7.58%	0.01%
Estee Lauder Cos Inc/The	EL	247.220	109.47	27,063.14		1.28%		39.63%	
Elevance Health Inc	ELV	220.705	320	70,625.49	0.19%	2.15%	0.00%	2.04%	0.00%
EMCOR Group Inc	EME	44.533	724.62	32,269.19		0.22%			
Emerson Electric Co	EMR	562.000	150.75	84,721.50	0.23%	1.47%	0.00%	10.43%	0.02%
EOG Resources Inc	EOG	536.491	124.08	66,567.86		3.29%		-1.03%	
EPAM Systems Inc	EPAM	54.140	141	7,633.74					
Equinix Inc	EQIX	98.255	974.26	95,725.85	0.26%	2.12%	0.01%	15.00%	0.04%
Equity Residential	EQR	377.547	63.21	23,864.75	0.06%	4.38%	0.00%	3.24%	0.00%
EQT Corp	EQT	624.274	61.42	38,342.91		1.07%		34.05%	
Erie Indemnity Co	ERIE	46.189	269.44	12,445.18		2.17%			
Eversource Energy	ES	375.497	76.21	28,616.60	0.08%	4.13%	0.00%	4.71%	0.00%
Essex Property Trust Inc	ESS	64.476	255.11	16,448.35	0.04%	4.06%	0.00%	1.99%	0.00%
Eaton Corp PLC	ETN	387.900	375.92	145,819.37		1.17%			
Entergy Corp	ETR	452.990	107.11	48,519.74	0.13%	2.39%	0.00%	11.15%	0.01%

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Name	Ticker	Shares Outst'g	Price	Market Capitalization	Weight in Index	Estimated Dividend Yield	Cap-Weighted Dividend Yield	Bloomberg Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Evergy Inc	EVRG	229,746	83.66	19,220.55	0.05%	3.32%	0.00%	5.91%	0.00%
Edwards Lifesciences Corp	EW	580,800	86.47	50,221.78	0.14%			12.45%	0.02%
Exelon Corp	EXC	1009,536	49.05	49,517.72	0.13%	3.43%	0.00%	5.92%	0.01%
Expand Energy Corp	EXE	240,398	107.92	25,943.78		2.13%		58.23%	
Expeditors International of Washington Inc	EXPD	133,504	145.03	19,362.04	0.05%	1.06%	0.00%	8.97%	0.00%
Expedia Group Inc	EXPE	117,011	215.69	25,238.19		0.89%		21.20%	
Extra Space Storage Inc	EXR	211,138	151.03	31,888.12	0.09%	4.29%	0.00%	2.03%	0.00%
Ford Motor Co	F	3918,623	14.09	55,213.40		4.26%			
Diamondback Energy Inc	FANG	282,079	174.08	49,104.31		2.41%		-5.23%	
Fastenal Co	FAST	1148,329	46.04	52,869.04	0.14%	2.09%	0.00%	11.48%	0.02%
Freepoint-McMoRan Inc	FCX	1437,202	68.08	97,844.69		0.88%		27.40%	
FactSet Research Systems Inc	FDS	37,099	216.81	8,043.49	0.02%	2.03%	0.00%	4.86%	0.00%
FedEx Corp	FDX	235,123	387	90,992.53	0.25%	1.50%	0.00%	11.09%	0.03%
FirstEnergy Corp	FE	577,126	51.16	29,525.78	0.08%	3.64%	0.00%	7.29%	0.01%
F5 Inc	FFIV	56,519	271.36	15,337.07	0.04%			2.91%	0.00%
Fair Isaac Corp	FICO	23,722	1409.36	33,433.02				31.35%	
Fidelity National Information Services Inc	FIS	514,404	50.96	26,214.01		3.45%			
Fiserv Inc	FISV	534,778	62.29	33,311.29					
Fifth Third Bancorp	FITB	899,700	49.47	44,508.17		3.23%			
Comfort Systems USA Inc	FIX	35,175	1429.37	50,278.05		0.20%		24.00%	
Fox Corp	FOX	224,702	51.73	11,623.85	0.03%	1.08%	0.00%	1.58%	0.00%
Fox Corp	FOXA	200,694	56.34	11,307.09	0.03%	0.99%	0.00%	1.58%	0.00%
Federal Realty Investment Trust	FRT	86,276	108.77	9,384.24	0.03%	4.16%	0.00%	4.66%	0.00%
First Solar Inc	FSLR	107,311	197.2	21,161.73				37.78%	
Fortinet Inc	FTNT	739,924	79.03	58,476.16					
Fortive Corp	FTV	307,859	59.2	18,225.26		0.41%			
General Dynamics Corp	GD	270,390	357.05	96,542.66	0.26%	1.68%	0.00%	10.51%	0.03%
GoDaddy Inc	GDDY	133,354	87.16	11,623.15					
General Electric Co	GE	1048,814	342.26	358,966.95	0.97%	0.55%	0.01%	15.18%	0.15%
GE Healthcare Technologies Inc	GEHC	455,750	84.27	38,406.03	0.10%	0.17%	0.00%	10.18%	0.01%
Gen Digital Inc	GEN	605,664	22.57	13,669.83	0.04%	2.22%	0.00%	13.08%	0.00%
GE Vernova Inc	GEV	269,529	873.6	235,460.94		0.23%		67.22%	
Gilead Sciences Inc	GILD	1241,421	148.95	184,909.59	0.50%	2.20%	0.01%	7.32%	0.04%
General Mills Inc	GIS	533,582	45.23	24,133.92		5.39%		-6.42%	
Globe Life Inc	GL	78,637	145.26	11,422.83		0.91%			
Corning Inc	GLW	857,948	150.38	129,018.24		0.74%		26.81%	
General Motors Co	GM	903,968	78.71	71,151.31		0.91%			
Generac Holdings Inc	GNRC	58,676	225.37	13,223.77					
Alphabet Inc	GOOG	5438,000	311.43	1,693,556.34	4.58%	0.27%	0.01%	10.11%	0.46%
Alphabet Inc	GOOGL	5822,000	311.76	1,815,066.72	4.90%	0.27%	0.01%	10.11%	0.50%
Genuine Parts Co	GPC	139,122	119.26	16,591.70		3.56%			
Global Payments Inc	GPN	279,901	76.46	21,401.26		1.31%			
Garmin Ltd	GRMN	192,481	252.83	48,664.93	0.13%	1.66%	0.00%	8.88%	0.01%
Goldman Sachs Group Inc/The	GS	296,753	855.07	253,744.52	0.69%	2.11%	0.01%	14.78%	0.10%
WW Grainger Inc	GW	47,373	1144.73	54,229.32	0.15%	0.79%	0.00%	8.76%	0.01%
Halliburton Co	HAL	837,548	36	30,151.74	0.08%	1.89%	0.00%	7.42%	0.01%
Hasbro Inc	HAS	140,686	99.59	14,010.89	0.04%	2.81%	0.00%	10.25%	0.00%
Huntington Bancshares Inc/OH	HBAN	2030,000	16.8	34,104.00		3.69%			
HCA Healthcare Inc	HCA	223,622	529.7	118,452.68	0.32%	0.59%	0.00%	8.56%	0.03%
Home Depot Inc/The	HD	995,511	380.72	379,011.13	1.02%	2.45%	0.03%	6.09%	0.06%
Hartford Insurance Group Inc/The	HIG	275,863	140,230.1	38,684.33		1.71%			
Huntington Ingalls Industries Inc	HII	39,243	444.52	17,444.16	0.05%	1.24%	0.00%	17.55%	0.01%
Hilton Worldwide Holdings Inc	HLT	229,292	311.78	71,488.54	0.19%	0.19%	0.00%	12.94%	0.02%
Hologic Inc	HOLX	223,245	75.36	16,823.74	0.05%			9.00%	0.00%
Honeywell International Inc	HON	635,676	243.59	154,844.24	0.42%	1.95%	0.01%	7.71%	0.03%
Robinhood Markets Inc	HOOD	790,055	75.85	59,925.65	0.16%			17.60%	0.03%
Hewlett Packard Enterprise Co	HPE	1328,808	21.47	28,529.52	0.08%	2.65%	0.00%	18.64%	0.01%
HP Inc	HPQ	914,550	18.99	17,367.31	0.05%	6.32%	0.00%	1.27%	0.00%
Hormel Foods Corp	HRL	550,284	25.6	14,087.28	0.04%	4.57%	0.00%	6.61%	0.00%
Henry Schein Inc	HSIC	114,704	82.39	9,450.47	0.03%			7.01%	0.00%
Host Hotels & Resorts Inc	HST	687,802	19.59	13,474.04		4.08%		-1.83%	
Hershey Co/The	HSY	148,077	236.28	34,987.74	0.09%	2.46%	0.00%	16.20%	0.02%
Hubbell Inc	HUBB	53,162	511.63	27,199.07		1.11%			
Humana Inc	HUM	120,596	190.54	22,978.36	0.06%	1.86%	0.00%	14.94%	0.01%
Howmet Aerospace Inc	HWM	400,940	262.53	105,258.79		0.18%		20.01%	
Interactive Brokers Group Inc	IBKR	445,439	71.19	31,710.84	0.09%	0.45%	0.00%	15.21%	0.01%
International Business Machines Corp	IBM	938,034	240.21	225,325.24	0.61%	2.80%	0.02%	6.14%	0.04%
Intercontinental Exchange Inc	ICE	567,897	164.13	93,208.85	0.25%	1.27%	0.00%	16.14%	0.04%
IDEXX Laboratories Inc	IDXX	79,624	656.73	52,291.49	0.14%			11.32%	0.02%
IDEX Corp	IEX	74,348	209.47	15,573.64		1.36%			
International Flavors & Fragrances Inc	IFF	255,477	82.23	21,007.91	0.06%	1.95%	0.00%	9.82%	0.01%
Incyte Corp	INCY	199,014	101.27	20,154.20				25.00%	
Intel Corp	INTC	4995,000	45.61	227,821.95				27.92%	
Intuit Inc	INTU	276,550	409.03	113,117.25	0.31%	1.17%	0.00%	14.47%	0.04%
Invitation Homes Inc	INVH	609,386	26.34	16,051.23	0.04%	4.56%	0.00%	3.54%	0.00%
International Paper Co	IP	529,469	43.55	23,058.39		4.25%			
IQVIA Holdings Inc	IQV	169,700	178.81	30,344.06	0.08%			7.90%	0.01%
Ingersoll Rand Inc	IR	391,618	94.14	36,866.92		0.08%			
Iron Mountain Inc	IRM	295,835	108.33	32,047.83		3.19%			
Intuitive Surgical Inc	ISRG	355,130	503.51	178,811.63	0.48%			12.37%	0.06%
Gartner Inc	IT	70,450	157.2	11,074.79	0.03%			7.46%	0.00%
Illinois Tool Works Inc	ITW	288,200	290.63	83,759.57	0.23%	2.22%	0.01%	8.83%	0.02%
Invesco Ltd	IVZ	443,674	26.26	11,650.87	0.03%	3.20%	0.00%	19.45%	0.01%
Jacobs Solutions Inc	J	117,447	137.86	16,191.20	0.04%	1.04%	0.00%	13.57%	0.01%
JB Hunt Transport Services Inc	JBHT	94,604	233.41	22,081.54	0.06%	0.77%	0.00%	16.39%	0.01%
Jabil Inc	JBL	105,595	264.99	27,981.69	0.08%	0.12%	0.00%	14.77%	0.01%
Johnson Controls International plc	JCI	612,066	144.3	88,321.15	0.24%	1.11%	0.00%	18.90%	0.05%
Jack Henry & Associates Inc	JKHY	72,167	162.46	11,724.31		1.50%			
Johnson & Johnson	JNJ	2409,899	248.43	598,691.19	1.62%	2.09%	0.03%	8.86%	0.14%
JPMorgan Chase & Co	JPM	2697,032	300.3	809,918.82	2.19%	2.00%	0.04%	11.12%	0.24%
Keurig Dr Pepper Inc	KDP	1358,666	30.28	41,140.41	0.11%	3.04%	0.00%	8.93%	0.01%

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Name	Ticker	Shares Outst'g	Price	Market Capitalization	Weight in Index	Estimated Dividend Yield	Cap-Weighted Dividend Yield	Bloomberg Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
KeyCorp	KEY	1089.647	20.5367	22,377.76	0.06%	3.99%	0.00%	18.71%	0.01%
Keysight Technologies Inc	KEYS	171.800	307.33	52,799.29	0.14%			17.45%	0.02%
Kraft Heinz Co/The	KHC	1183.745	24.61	29,131.96		6.50%		-6.02%	
Kimco Realty Corp	KIM	679.499	23.55	16,002.19	0.04%	4.42%	0.00%	3.32%	0.00%
KKR & Co Inc	KKR	891.551	87.68	78,171.18		0.84%			
KLA Corp	KLAC	131.077	1524.55	199,832.85	0.54%	0.50%	0.00%	13.99%	0.08%
Kimberly-Clark Corp	KMB	331.922	111.44	36,989.43	0.10%	4.59%	0.00%	4.12%	0.00%
Kinder Morgan Inc	KMI	2224.806	33.27	74,019.31		3.52%			
Coca-Cola Co/The	KO	4300.723	81.56	350,766.97	0.95%	2.60%	0.02%	7.24%	0.07%
Kroger Co/The	KR	632.849	68.24	43,185.63	0.12%	2.05%	0.00%	6.90%	0.01%
Kenvue Inc	KVUE	1916.732	19.12	36,647.92	0.10%	4.34%	0.00%	13.12%	0.01%
Loews Corp	L	206.053	110.02	22,669.94		0.23%			
Leidos Holdings Inc	LDOS	126.393	175.1	22,131.36	0.06%	0.98%	0.00%	11.62%	0.01%
Lennar Corp	LEN	216.508	114.36	24,759.89	0.07%	1.75%	0.00%	12.35%	0.01%
Labcorp Holdings Inc	LH	82.400	289.12	23,823.49	0.06%	1.00%	0.00%	7.23%	0.00%
L3Harris Technologies Inc	LHX	186.776	364.54	68,087.42	0.18%	1.37%	0.00%	13.72%	0.03%
Lennox International Inc	LII	34.803	569.94	19,835.57		0.91%			
Linde PLC	LIN	463.394	508.08	235,441.30	0.64%	1.26%	0.01%	9.05%	0.06%
Eli Lilly & Co	LLY	943.357	1051.99	992,402.57	2.68%	0.66%	0.02%	14.00%	0.38%
Lockheed Martin Corp	LMT	230.080	654.63	150,617.43		2.11%		20.87%	
Alliant Energy Corp	LNT	257.141	72.34	18,601.57	0.05%	2.96%	0.00%	6.78%	0.00%
Lowe's Cos Inc	LOW	561.000	264.57	148,423.77	0.40%	1.81%	0.01%	3.65%	0.01%
Lam Research Corp	LRCX	1248.771	233.89	292,075.05		0.44%		21.18%	
Lululemon Athletica Inc	LULU	112.190	185.17	20,774.23				-0.73%	
Southwest Airlines Co	LUV	491.318	49.26	24,202.32		1.46%		82.46%	
Las Vegas Sands Corp	LVS	671.911	56.72	38,110.78	0.10%	2.12%	0.00%	10.21%	0.01%
Lamb Weston Holdings Inc	LW	138.880	48.19	6,692.62		3.15%		-6.94%	
LyondellBasell Industries NV	LYB	322.170	56.83	18,308.92		4.86%		48.35%	
Live Nation Entertainment Inc	LYV	234.802	162.14	38,070.78					
Mastercard Inc	MA	885.216	517.21	457,842.77		0.67%			
Mid-America Apartment Communities Inc	MAA	116.901	133.86	15,648.37	0.04%	4.57%	0.00%	0.61%	0.00%
Marriott International Inc/MD	MAR	264.985	341.73	90,553.17	0.24%	0.78%	0.00%	11.09%	0.03%
Masco Corp	MAS	203.607	71.62	14,582.34	0.04%	1.79%	0.00%	6.72%	0.00%
McDonald's Corp	MCD	710.399	339.165	240,942.35	0.65%	2.19%	0.01%	9.05%	0.06%
Microchip Technology Inc	MCHP	541.135	74.64	40,390.35		2.44%		34.96%	
McKesson Corp	MCK	122.487	986.55	120,840.00	0.33%	0.33%	0.00%	14.56%	0.05%
Moody's Corp	MCO	177.300	476.5598	84,494.05	0.23%	0.86%	0.00%	12.16%	0.03%
Mondelez International Inc	MDLZ	1281.846	61.58	78,936.06	0.21%	3.25%	0.01%	7.72%	0.02%
Medtronic PLC	MDT	1283.885	97.66	125,384.21	0.34%	2.91%	0.01%	7.53%	0.03%
MetLife Inc	MET	652.054	72.07	46,993.52	0.13%	3.15%	0.00%	12.62%	0.02%
Meta Platforms Inc	META	2187.178	648.18	1,417,684.87	3.83%	0.32%	0.01%	17.07%	0.65%
MGM Resorts International	MGM	255.829	36.86	9,429.84					
McCormick & Co Inc/MD	MKC	253.591	71.04	18,015.07	0.05%	2.70%	0.00%	5.27%	0.00%
Martin Marietta Materials Inc	MLM	60.312	675.74	40,755.26		0.49%		-7.47%	
3M Co	MMM	526.700	165.32	87,074.04	0.24%	1.89%	0.00%	6.70%	0.02%
Monster Beverage Corp	MNST	978.271	85.3	83,446.49	0.23%			11.57%	0.03%
Altria Group Inc	MO	1671.898	69.04	115,427.84	0.31%	6.14%	0.02%	2.81%	0.01%
Molina Healthcare Inc	MOH	51.500	154.05	7,933.58	0.02%			19.43%	0.00%
Mosaic Co/The	MOS	317.505	27.84	8,839.35	0.02%	3.16%	0.00%	10.89%	0.00%
Marathon Petroleum Corp	MPC	294.740	198.21	58,420.45		2.02%			
Monolithic Power Systems Inc	MPWR	49.118	1142.74	56,129.10		0.70%			
Merck & Co Inc	MRK	2472.392	123.82	306,131.58		2.75%			
Moderna Inc	MRNA	394.939	53.57	21,156.90				24.62%	
Marsh & McLennan Cos Inc	MRSN	484.124	186.74	90,405.36		1.93%			
Morgan Stanley	MS	1587.860	166.51	264,394.60	0.71%	2.40%	0.02%	9.41%	0.07%
MSCI Inc	MSCI	73.474	571.83	42,014.66	0.11%	1.43%	0.00%	13.40%	0.02%
Microsoft Corp	MSFT	7425.629	392.74	2,916,341.56		0.93%			
Motorola Solutions Inc	MSI	165.659	482.26	79,890.67	0.22%	1.00%	0.00%	8.80%	0.02%
M&T Bank Corp	MTB	149.000	215.48	32,106.57	0.09%	2.78%	0.00%	11.47%	0.01%
Match Group Inc	MTCH	232.644	31.6	7,351.57	0.02%	2.53%	0.00%	16.50%	0.00%
Mettler-Toledo International Inc	MTD	20.325	1366.69	27,778.32	0.08%			10.25%	0.01%
Micron Technology Inc	MU	1125.509	412.37	464,126.25		0.11%		59.90%	
Norwegian Cruise Line Holdings Ltd	NCLH	455.257	24.79	11,285.83	0.03%			14.54%	0.00%
Nasdaq Inc	NDAQ	568.444	87.58	49,784.31	0.13%	1.23%	0.00%	16.20%	0.02%
Nordson Corp	NDSN	55.784	293.44	16,369.14		1.12%			
NextEra Energy Inc	NEE	2083.522	93.77	195,371.85	0.53%	2.66%	0.01%	7.70%	0.04%
Newmont Corp	NEM	1087.874	129.7374	141,137.97		0.80%		-2.37%	
Netflix Inc	NFLX	4222.162	96.24	406,340.89					
NiSource Inc	NI	478.533	47.3	22,634.62	0.06%	2.54%	0.00%	8.27%	0.01%
NIKE Inc	NKE	1191.496	61.77	73,598.69	0.20%	2.66%	0.01%	14.71%	0.03%
Northrop Grumman Corp	NOC	141.922	724.38	102,805.18	0.28%	1.28%	0.00%	7.20%	0.02%
ServiceNow Inc	NOW	1046.000	108.01	112,978.46					
NRG Energy Inc	NRG	214.678	178.96	38,418.69		1.06%			
Norfolk Southern Corp	NSC	224.572	314.74	70,681.80		1.72%			
NetApp Inc	NTAP	197.330	99.03	19,541.63	0.05%	2.10%	0.00%	4.98%	0.00%
Northern Trust Corp	NTRS	185.828	143.09	26,590.10	0.07%	2.24%	0.00%	10.50%	0.01%
Nucor Corp	NUE	227.775	176.88	40,288.77		1.27%		23.67%	
NVIDIA Corp	NVDA	24300.000	177.19	4,305,717.00		0.02%		42.55%	
NVR Inc	NVR	2.794	7517.79	21,002.90	0.06%			7.04%	0.00%
News Corp	NWS	185.152	26.78	4,958.38		0.75%			
News Corp	NWSA	370.226	24.29	8,992.78		0.82%			
NXP Semiconductors NV	NXPI	252.693	227.01	57,363.80	0.15%	1.79%	0.00%	14.09%	0.02%
Realty Income Corp	O	932.440	67	62,473.49	0.17%	4.84%	0.01%	3.82%	0.01%
Old Dominion Freight Line Inc	ODFL	208.426	203.05	42,320.82		0.57%			
ONEOK Inc	OKE	629.784	82.77	52,127.19	0.14%	5.17%	0.01%	3.06%	0.00%
Omnicom Group Inc	OMC	310.336	85.29	26,468.59	0.07%	3.75%	0.00%	6.79%	0.00%
ON Semiconductor Corp	ON	394.021	66.48	26,194.48				24.64%	
Oracle Corp	ORCL	2873.130	145.4	417,753.10		1.38%		26.75%	
O'Reilly Automotive Inc	ORLY	838.487	93.88	78,717.16	0.21%			9.97%	0.02%
Otis Worldwide Corp	OTIS	388.721	92.56	35,979.99		1.82%			
Occidental Petroleum Corp	OXY	986.267	53.08	52,351.03		1.96%		-31.27%	

		[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Name	Ticker	Shares Outst'g	Price	Market Capitalization	Weight in Index	Estimated Dividend Yield	Cap-Weighted Dividend Yield	Bloomberg Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Palo Alto Networks Inc	PANW	816.000	148.92	121,518.72					
Paycom Software Inc	PAYC	54.275	125.83	6,829.44		1.19%			
Paychex Inc	PAYX	358.967	93.65	33,617.30		4.61%			
PACCAR Inc	PCAR	525.894	126.09	66,310.03		1.05%		21.56%	
PG&E Corp	PCG	2197.968	19	41,761.39	0.11%	1.05%	0.00%	12.55%	0.01%
Public Service Enterprise Group Inc	PEG	498.740	86.07	42,926.54	0.12%	3.11%	0.00%	7.54%	0.01%
PepsiCo Inc	PEP	1366.649	169.74	231,975.01	0.63%	3.35%	0.02%	5.84%	0.04%
Pfizer Inc	PFE	5686.267	27.65	157,225.29		6.22%			
Principal Financial Group Inc	PFG	216.835	95.42	20,690.41	0.06%	3.35%	0.00%	11.50%	0.01%
Procter & Gamble Co/The	PG	2324.001	167.2	388,572.92	1.05%	2.53%	0.03%	4.48%	0.05%
Progressive Corp/The	PGR	586.100	213.66	125,226.13	0.34%	0.19%	0.00%	1.40%	0.00%
Parker-Hannifin Corp	PH	126.217	1009.18	127,375.20	0.34%	0.71%	0.00%	10.02%	0.03%
PulteGroup Inc	PHM	192.328	137.2	26,387.39	0.07%	0.76%	0.00%	5.96%	0.00%
Packaging Corp of America	PKG	89.213	232.14	20,710.00	0.06%	2.15%	0.00%	11.62%	0.01%
Prologis Inc	PLD	926.175	142.57	132,044.77	0.36%	3.00%	0.01%	6.61%	0.02%
Palantir Technologies Inc	PLTR	2291.471	137.19	314,366.87				47.57%	
Philip Morris International Inc	PM	1556.680	186.83	290,834.45	0.79%	3.15%	0.02%	10.23%	0.08%
PNC Financial Services Group Inc/The	PNC	403.371	212.35	85,655.81	0.23%	3.20%	0.01%	13.05%	0.03%
Pentair PLC	PNR	163.236	99.19	16,191.35		1.09%			
Pinnacle West Capital Corp	PNW	120.905	100.3	12,126.81	0.03%	3.63%	0.00%	7.00%	0.00%
Insulet Corp	PODD	70.396	246.61	17,360.32				26.20%	
Pool Corp	POOL	36.788	227.18	8,357.46	0.02%	2.20%	0.00%	7.73%	0.00%
PPG Industries Inc	PPG	223.495	123.27	27,550.19	0.07%	2.30%	0.00%	8.75%	0.01%
PPL Corp	PPL	751.307	38.98	29,285.95	0.08%	2.92%	0.00%	8.40%	0.01%
Prudential Financial Inc	PRU	348.000	98.38	34,236.24		5.69%			
Public Storage	PSA	175.506	307.06	53,891.01	0.15%	3.91%	0.01%	2.92%	0.00%
Paramount Skydance Corp	PSKY	1080.241	13.51	14,594.06		1.48%			
Phillips 66	PSX	400.744	154.33	61,846.82		3.29%			
PTC Inc	PTC	118.996	156.59	18,633.60	0.05%			7.40%	0.00%
Quanta Services Inc	PWR	149.619	563.08	84,247.71	0.23%	0.08%	0.00%	18.42%	0.04%
PayPal Holdings Inc	PYPL	920.665	46.21	42,543.91	0.11%	1.21%	0.00%	13.23%	0.02%
Qnity Electronics Inc	Q	209.659	126.76	26,576.36		0.25%			
QUALCOMM Inc	QCOM	1067.000	142.36	151,898.12	0.41%	2.50%	0.01%	2.35%	0.01%
Royal Caribbean Cruises Ltd	RCL	270.528	310.96	84,123.48	0.23%	1.93%	0.00%	13.63%	0.03%
Regency Centers Corp	REG	182.907	79	14,449.62	0.04%	3.82%	0.00%	4.80%	0.00%
Regeneron Pharmaceuticals Inc	REGN	103.903	781.67	81,217.59	0.22%	0.48%	0.00%	12.00%	0.03%
Regions Financial Corp	RF	863.507	27.565	23,802.56	0.06%	3.85%	0.00%	8.79%	0.01%
Raymond James Financial Inc	RJF	197.091	153.08	30,170.70	0.08%	1.41%	0.00%	14.18%	0.01%
Ralph Lauren Corp	RL	38.655	362.6	14,016.35	0.04%	1.01%	0.00%	18.14%	0.01%
ResMed Inc	RMD	145.678	256.26	37,331.55	0.10%	0.94%	0.00%	9.44%	0.01%
Rockwell Automation Inc	ROK	112.358	407.45	45,780.23	0.12%	1.35%	0.00%	14.96%	0.02%
Rollins Inc	ROL	481.092	60.89	29,293.71	0.08%	1.20%	0.00%	13.09%	0.01%
Roper Technologies Inc	ROP	102.928	349.73	35,996.84		1.04%			
Ross Stores Inc	ROST	323.445	205.64	66,513.22	0.18%	0.79%	0.00%	7.04%	0.01%
Republic Services Inc	RSG	308.805	229	70,716.34	0.19%	1.09%	0.00%	7.99%	0.02%
RTX Corp	RTX	1342.288	202.62	271,974.33	0.73%	1.34%	0.01%	10.12%	0.07%
Revvity Inc	RVTY	111.799	98.31	10,991.00	0.03%	0.28%	0.00%	8.71%	0.00%
SBA Communications Corp	SBAC	105.789	201.16	21,280.43		2.49%		-5.46%	
Starbucks Corp	SBUX	1139.300	98.02	111,674.19	0.30%	2.53%	0.01%	16.75%	0.05%
Charles Schwab Corp/The	SCHW	1752.210	95.2	166,810.43	0.45%	1.34%	0.01%	15.22%	0.07%
Sherwin-Williams Co/The	SHW	247.775	361.79	89,642.43	0.24%	0.88%	0.00%	10.95%	0.03%
J M Smucker Co/The	SJM	106.648	115.95	12,365.87	0.03%	3.79%	0.00%	2.51%	0.00%
SLB Ltd	SLB	1501.133	51.34	77,068.18	0.21%	2.30%	0.00%	5.03%	0.01%
Super Micro Computer Inc	SMCI	598.989	32.39	19,401.27				28.11%	
Snap-on Inc	SNA	51.913	385.22	19,997.97	0.05%	2.53%	0.00%	4.59%	0.00%
Sandisk Corp/DE	SNDK	153.388	635.36	97,456.84					
Synopsys Inc	SNPS	191.562	414	79,306.68	0.21%			14.46%	0.03%
Southern Co/The	SO	1100.194	97.38	107,136.85	0.29%	3.04%	0.01%	7.18%	0.02%
Solventum Corp	SOLV	173.493	74.2	12,873.18	0.03%			9.40%	0.00%
Simon Property Group Inc	SPG	324.945	203.85	66,240.09	0.18%	4.32%	0.01%	1.62%	0.00%
S&P Global Inc	SPGI	306.000	441.88	135,215.28	0.37%	0.88%	0.00%	12.28%	0.04%
Sempra	SRE	652.682	96.27	62,833.65	0.17%	2.73%	0.00%	6.99%	0.01%
STERIS PLC	STE	98.075	252.35	24,749.23		1.00%			
Steel Dynamics Inc	STLD	144.882	193.13	27,981.14		1.10%		27.32%	
State Street Corp	STT	278.728	128.62	35,850.02	0.10%	2.61%	0.00%	9.85%	0.01%
Seagate Technology Holdings PLC	STX	218.073	407.84	88,938.92		0.73%		38.04%	
Constellation Brands Inc	STZ	173.385	157.86	27,370.50		2.58%		-1.97%	
Smurfit Westrock PLC	SW	524.254	47.01	24,645.17		3.85%		65.65%	
Stanley Black & Decker Inc	SWK	155.079	86.49	13,412.82		3.84%			
Skyworks Solutions Inc	SWKS	150.374	59.58	8,959.26		4.77%		-4.65%	
Synchrony Financial	SYF	347.596	69.11	24,022.38	0.06%	1.74%	0.00%	8.79%	0.01%
Stryker Corp	SYK	382.689	387.46	148,276.56	0.40%	0.91%	0.00%	10.60%	0.04%
Sysco Corp	SYYS	478.931	91.16	43,659.32		2.37%			
AT&T Inc	T	7000.577	28.01	196,086.17	0.53%	3.96%	0.02%	10.62%	0.06%
Molson Coors Beverage Co	TAP	175.593	48.99	8,602.28		3.92%		-4.36%	
TransDigm Group Inc	TDG	56.474	1302.79	73,573.19	0.20%			12.68%	0.03%
Teledyne Technologies Inc	TDY	46.305	681.1	31,538.55	0.09%			8.48%	0.01%
Bio-Techne Corp	TECH	156.453	59	9,230.74	0.02%	0.54%	0.00%	10.00%	0.00%
TE Connectivity PLC	TEL	293.434	230.15	67,533.90	0.18%	1.23%	0.00%	13.90%	0.03%
Teradyne Inc	TER	156.556	320.03	50,102.60		0.16%		34.29%	
Truist Financial Corp	TFC	1249.168	49.31	61,596.49	0.17%	4.22%	0.01%	13.18%	0.02%
Target Corp	TGT	452.806	113.79	51,524.84		4.01%		-1.57%	
TJX Cos Inc/The	TJX	1110.467	161.66	179,518.11	0.49%	1.05%	0.01%	8.25%	0.04%
TKO Group Holdings Inc	TKO	77.966	223.87	17,454.32		1.39%		80.03%	
Thermo Fisher Scientific Inc	TMO	371.484	521.11	193,584.15	0.52%	0.36%	0.00%	7.12%	0.04%
T-Mobile US Inc	TMUS	1101.863	217.09	239,203.38		1.88%			
Texas Pacific Land Corp	TPL	68.942	523.69	36,104.00		0.46%			
Tapestry Inc	TPR	202.464	155.47	31,477.11	0.09%	1.03%	0.00%	13.83%	0.01%
Targa Resources Corp	TRGP	214.952	235.8	50,685.63		2.12%		23.24%	
Trimble Inc	TRMB	233.929	66.87	15,642.86					
T Rowe Price Group Inc	TROW	218.073	94.63	20,636.24	0.06%	5.50%	0.00%	2.38%	0.00%

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Name	Ticker	Shares Outst'g	Price	Market Capitalization	Weight in Index	Estimated Dividend Yield	Cap-Weighted Dividend Yield	Bloomberg Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Travelers Cos Inc/The	TRV	216.238	308.64	66,739.67		1.43%		-1.90%	
Tractor Supply Co	TSCO	526.351	51.84	27,286.05	0.07%	1.85%	0.00%	8.35%	0.01%
Tesla Inc	TSLA	3752.432	402.51	1,510,391.40					
Tyson Foods Inc	TSN	282.070	64.99	18,331.73	0.05%	3.14%	0.00%	11.69%	0.01%
Trane Technologies PLC	TT	221.332	462.32	102,326.17	0.28%	0.91%	0.00%	12.53%	0.03%
Trade Desk Inc/The	TTD	432.868	23.82	10,310.93	0.03%			15.40%	0.00%
Take-Two Interactive Software Inc	TTWO	185.175	211.48	39,160.91				62.23%	
Texas Instruments Inc	TXN	907.551	212.11	192,500.59	0.52%	2.68%	0.01%	14.12%	0.07%
Textron Inc	TXT	174.162	98.65	17,181.12	0.05%	0.08%	0.00%	10.14%	0.00%
Tyler Technologies Inc	TYL	42.985	354.69	15,246.47					
United Airlines Holdings Inc	UAL	327.704	106.3	34,834.92	0.09%			16.94%	0.02%
Uber Technologies Inc	UBER	2058.116	75.42	155,223.11	0.42%			3.27%	0.01%
UDR Inc	UDR	328.572	37.5	12,321.45	0.03%	4.59%	0.00%	1.17%	0.00%
Universal Health Services Inc	UHS	53.838	205.9001	11,085.22	0.03%	0.39%	0.00%	6.82%	0.00%
Ulta Beauty Inc	ULTA	44.362	684.79	30,378.77	0.08%			6.85%	0.01%
UnitedHealth Group Inc	UNH	905.839	293.27	265,655.29	0.72%	3.01%	0.02%	11.94%	0.09%
Union Pacific Corp	UNP	593.391	264.98	157,236.87	0.42%	2.08%	0.01%	8.21%	0.03%
United Parcel Service Inc	UPS	743.856	115.96	86,257.52	0.23%	5.66%	0.01%	9.01%	0.02%
United Rentals Inc	URI	62.998	840	52,918.45	0.14%	0.94%	0.00%	14.54%	0.02%
US Bancorp	USB	1553.696	54.66	84,925.01	0.23%	3.81%	0.01%	11.13%	0.03%
Visa Inc	V	1681.094	320.14	538,185.41	1.45%	0.84%	0.01%	13.86%	0.20%
VICI Properties Inc	VICI	1068.737	30.21	32,286.55	0.09%	5.96%	0.01%	4.11%	0.00%
Valero Energy Corp	VLO	299.026	204.64	61,192.73		2.35%			
Veralto Corp	VLTO	247.843	97.43	24,147.38		0.53%			
Vulcan Materials Co	VMC	130.580	310	40,479.92	0.11%	0.67%	0.00%	15.26%	0.02%
Verisk Analytics Inc	VRSK	137.942	207.57	28,632.60	0.08%	0.96%	0.00%	11.03%	0.01%
VeriSign Inc	VRSN	91.700	227.94	20,902.10		1.42%			
Vertex Pharmaceuticals Inc	VRTX	254.034	496.83	126,211.81					
Vistra Corp	VST	336.954	173.89	58,592.98	0.16%	0.52%	0.00%	18.89%	0.03%
Ventas Inc	VTR	474.965	86.16	40,923.00	0.11%	2.41%	0.00%	10.72%	0.01%
Viatris Inc	VTRS	1151.393	14.93	17,190.30	0.05%	3.22%	0.00%	3.66%	0.00%
Verizon Communications Inc	VZ	4217.684	50.14	211,474.68		5.64%			
Westinghouse Air Brake Technologies Corp	WAB	170.517	263.95	45,008.01	0.12%	0.47%	0.00%	12.73%	0.02%
Waters Corp	WAT	98.102	319.38	31,331.78	0.08%			11.70%	0.01%
Warner Bros Discovery Inc	WBD	2479.930	28.17	69,859.61					
Workday Inc	WDAY	213.000	133.76	28,490.88					
Western Digital Corp	WDC	339.038	279.7	94,828.91		0.18%		51.11%	
WEC Energy Group Inc	WEC	325.531	116.96	38,074.15	0.10%	3.26%	0.00%	7.05%	0.01%
Welltower Inc	WELL	697.753	207.12	144,518.50	0.39%	1.43%	0.01%	18.58%	0.07%
Wells Fargo & Co	WFC	3085.636	81.45	251,325.02	0.68%	2.21%	0.02%	13.66%	0.09%
Waste Management Inc	WM	403.336	240.84	97,139.39	0.26%	1.37%	0.00%	9.48%	0.02%
Williams Cos Inc/The	WMB	1221.563	74.72	91,275.20		2.81%		24.06%	
Walmart Inc	WMT	7970.167	127.95	1,019,782.86	2.76%	0.77%	0.02%	10.27%	0.28%
W R Berkley Corp	WRB	374.491	71.7	26,850.99	0.07%	0.50%	0.00%	5.24%	0.00%
Williams-Sonoma Inc	WSM	119.381	205.65	24,550.64	0.07%	1.28%	0.00%	4.68%	0.00%
West Pharmaceutical Services Inc	WST	72.021	254.34	18,317.95	0.05%	0.35%	0.00%	11.11%	0.01%
Willis Towers Watson PLC	WTW	94.546	305.17	28,852.57		1.26%			
Weyerhaeuser Co	WY	720.665	24.53	17,677.91		3.42%			
Wynn Resorts Ltd	WYNN	103.974	108.19	11,249.00		0.92%			
Xcel Energy Inc	XEL	623.877	83.36	52,006.37	0.14%	2.84%	0.00%	8.88%	0.01%
Exxon Mobil Corp	XOM	4166.763	152.5	635,431.43		2.70%			
Xylem Inc/NY	XYL	243.141	129.56	31,501.40		1.33%			
Block Inc	XYZ	539.103	63.7	34,340.86				29.74%	
Yum! Brands Inc	YUM	276.430	168.16	46,484.49	0.13%	1.78%	0.00%	8.99%	0.01%
Zimmer Biomet Holdings Inc	ZBH	195.652	98.44	19,259.98	0.05%	0.98%	0.00%	5.83%	0.00%
Zebra Technologies Corp	ZBRA	49.192	223.96	11,016.97					
Zoetis Inc	ZTS	422.128	131.1	55,340.94	0.15%	1.62%	0.00%	9.00%	0.01%

Notes:

[1] Equals sum of Col. [9]

[2] Equals sum of Col. [11]

[3] Equals $([1] \times (1 + (0.5 \times [2]))) + [2]$

[4] Bloomberg Professional as of February 28, 2026

[5] Bloomberg Professional as of February 28, 2026

[6] Equals [4] x [5]

[7] Equals weight in S&P 500 based on market capitalization [6] if Growth Rate >0% and ≤20%

[8] Bloomberg Professional, as of February 28, 2026

[9] Equals [7] x [8]

[10] Value Line, as of February 28, 2026

[11] Equals [7] x [10]

PAWC STATEMENT NO. 16-RJ

**REJOINDER TESTIMONY
OF
ROBERT V. MUSTICH**

**RESPONSE TO SURREBUTTAL TESTIMONY OF WITNESSES VANESSA
OKUM AND LAFAYETTE MORGAN**

**DOCKET NOS.
R-2025-3057983 (WATER)
R-2025-3058051 (WASTEWATER)**

DATE: MARCH 19, 2026

PENNSYLVANIA-AMERICAN WATER COMPANY
REJOINDER TESTIMONY OF ROBERT V. MUSTICH

INTRODUCTION

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Q. What is your name and business address?

A. My name is Robert V. Mustich. My business address is 800 North Glebe Road, Arlington, VA 22203.

Q. Have you submitted testimony in this proceeding?

A. Yes, I submitted rebuttal testimony as PAWC Statement No. 16-R.

Q. What is the purpose of your rejoinder testimony?

A. The purpose of my testimony is to respond to the surrebuttal testimony of Bureau of Investigation and Enforcement (“I&E”) witness Vanessa Okum and Office of the Consumer Advocate (“OCA”) witness Lafayette Morgan, Jr.

RESPONSE TO I&E WITNESS OKUM AND OCA WITNESS MORGAN

Q. Ms. Okum, on page 24 of her surrebuttal testimony, acknowledges that there is an interdependence between the Company’s financial performance and operational success, but still recommends disallowing the portions of the Company’s Annual Performance Plan (“APP”) and Long-Term Performance Plan (“LTPP”) expense based on earnings per share, stating that customers should not fund the payout of financial metrics that align employee performance with shareholder interests. How do you respond?

A. The interdependence of financial and operational performance, which Ms. Okum acknowledges, is precisely why companies design compensation plans that balance both. Customers, employees, and shareholders benefit when incentive structures reinforce this

1 interdependence. Despite this, Ms. Okum continues to recommend arbitrarily disallowing a
2 portion of the Company's compensation expense. That is inconsistent with her own
3 acknowledgement of the interdependence between financial and operational performance, and
4 ignores the fact that the total compensation expense the Company seeks to recover is set at
5 reasonable and competitive market levels.

6 Ms. Okum's recommendation effectively reduces performance compensation
7 recovery simply because of the form in which it is delivered to employees. This implies
8 limiting or eliminating the Company's ability to use performance based compensation—an
9 essential tool for reinforcing the behaviors that drive financial and operational results.
10 Following her logic, if the same competitive compensation levels were delivered entirely
11 through base salary, she would apparently not oppose full recovery. That outcome
12 underscores the arbitrary nature of her adjustment and its disconnect from how competitive
13 compensation programs are designed and implemented.

14 **Q. Mr. Morgan, on pages 9-10 of his surrebuttal testimony, discusses shareholder benefits**
15 **from performance-based compensation. How do you respond?**

16 A. Mr. Morgan states that shareholders receive benefits through higher earnings (i.e., rate of
17 return) and higher dividends, but customers do not realize similar benefits. Mr. Morgan,
18 however, fails to recognize the interdependence of the financial and operational performance
19 discussed above and in my rebuttal testimony. Shareholders and customers benefit from
20 strong financial performance. For example, strong financial performance enables the
21 Company to invest resources in both infrastructure and people that help ensure the efficient
22 operation of the Company, which ultimately benefits customers, employees, and shareholders.
23 In addition, water and wastewater operations are capital intensive. The availability of sources

1 of capital at reasonable costs depends on the utility's financial performance, including credit
2 and bond ratings. The Company is seeking recovery only of **target** performance-based
3 compensation, which is set at **market-median competitive levels**. If the Company exceeds
4 its financial and operational goals and actual performance compensation exceeds target, the
5 Company is **not** seeking additional recovery from customers. In that circumstance, customers,
6 employees, and shareholders all benefit from improved performance without any incremental
7 cost to ratepayers.

8 **Q. Does this conclude your rejoinder testimony?**

9 A. Yes.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2025-3057983 (WATER)
	:	R-2025-3058051 (WASTEWATER)
PENNSYLVANIA-AMERICAN WATER COMPANY	:	

VERIFICATION

I, **Robert V. Mustich**, hereby state that the facts set forth in the pre-marked PAWC Statement No. 16-RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief. I understand that this verification is made subject to the provisions and penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 19, 2026



Robert V. Mustich