PENNSYLVANIA PUBLIC UTILITY COMMISSION

Public Meeting held August 27, 2026

Docket Number: M-2026-3063930

BUREAU OF TECHNICAL UTILITY SERVICES

REPORT ON THE QUARTERLY EARNINGS

OF JURISDICTIONAL UTILITIES

FOR THE YEAR ENDED

March 31, 2026

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

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Introduction:

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

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

The reports have been filed for the period ending March 31, 2026, at Docket No. M-2026-3059582.[2] The Finance Staff of the Bureau of Technical Utility Services has reviewed the reports and has prepared this summary report for public release. This report sets forth the achieved return on equity for each company, the last allowed return for that utility, a market return as determined through the analysis of the barometer group data and the most recent returns allowed, per industry, by the Pennsylvania Public Utility Commission and by other regulatory bodies. Where a utility has not filed a report, the reasons for not filing are indicated.

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

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

[2] Peoples Natural Gas Company LLC, National Fuel Gas Distribution Corporation, PPL Electric Utilities Corporation, UGI Utilities, Inc. – Electric Division, UGI Utilities, Inc. – Gas Division, and Pennsylvania-American Water Company have rate filings at Docket Nos. R-2026-3060855, R-2025-3059428, R-2025-3057164, R-2025-3059430, R-2025-3059523, and R-2025-3057983 *et al.*, respectively, and have filed a letter with the Secretary in place of a report in accordance with 52 Pa. Code § 71.4.

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

<u>ACTUAL</u>

1. Based on actual results of operations

and

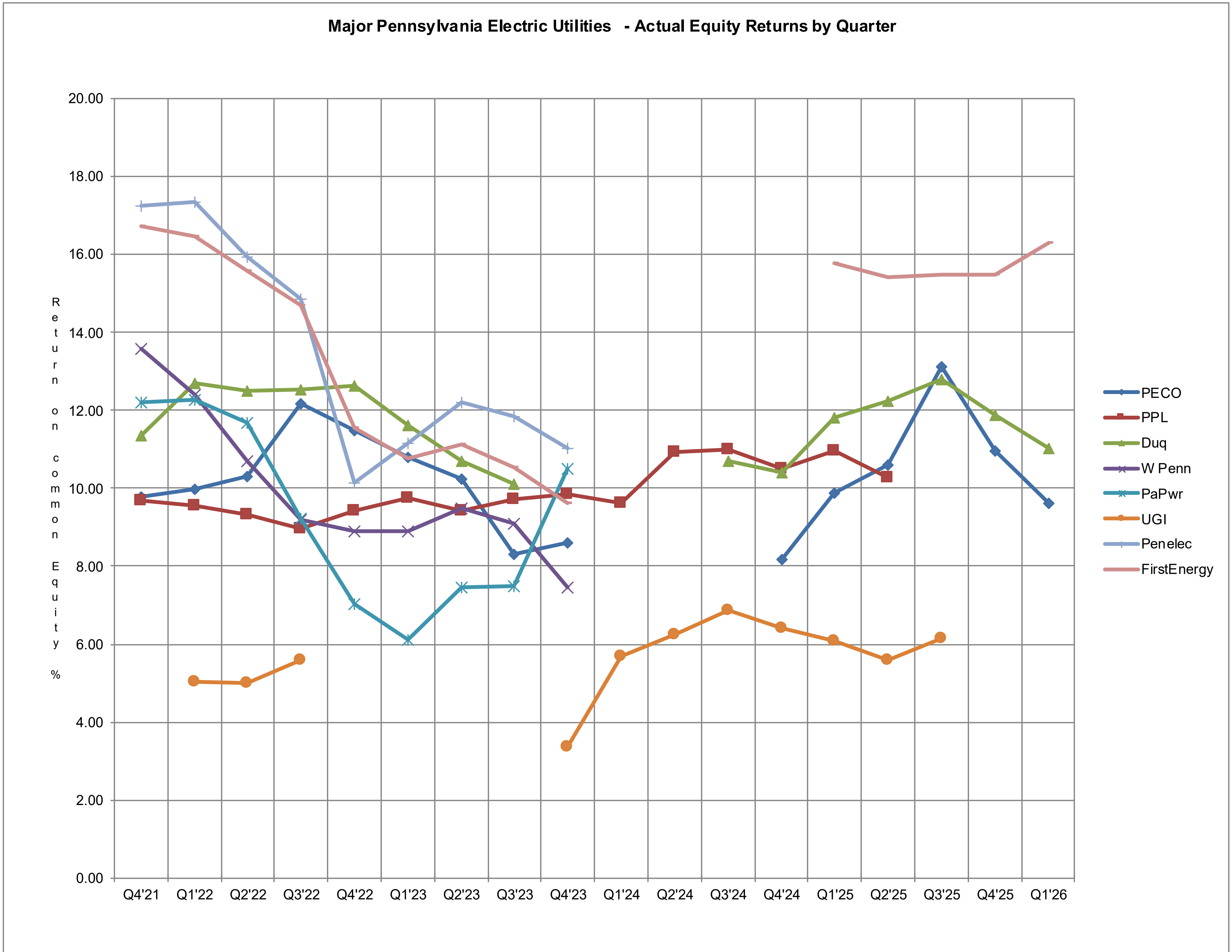
<u>ADJUSTED</u>

2. Based on company proposed pro forma and ratemaking adjustments

ELECTRIC UTILITIES
EQUITY RETURNS BY QUARTER

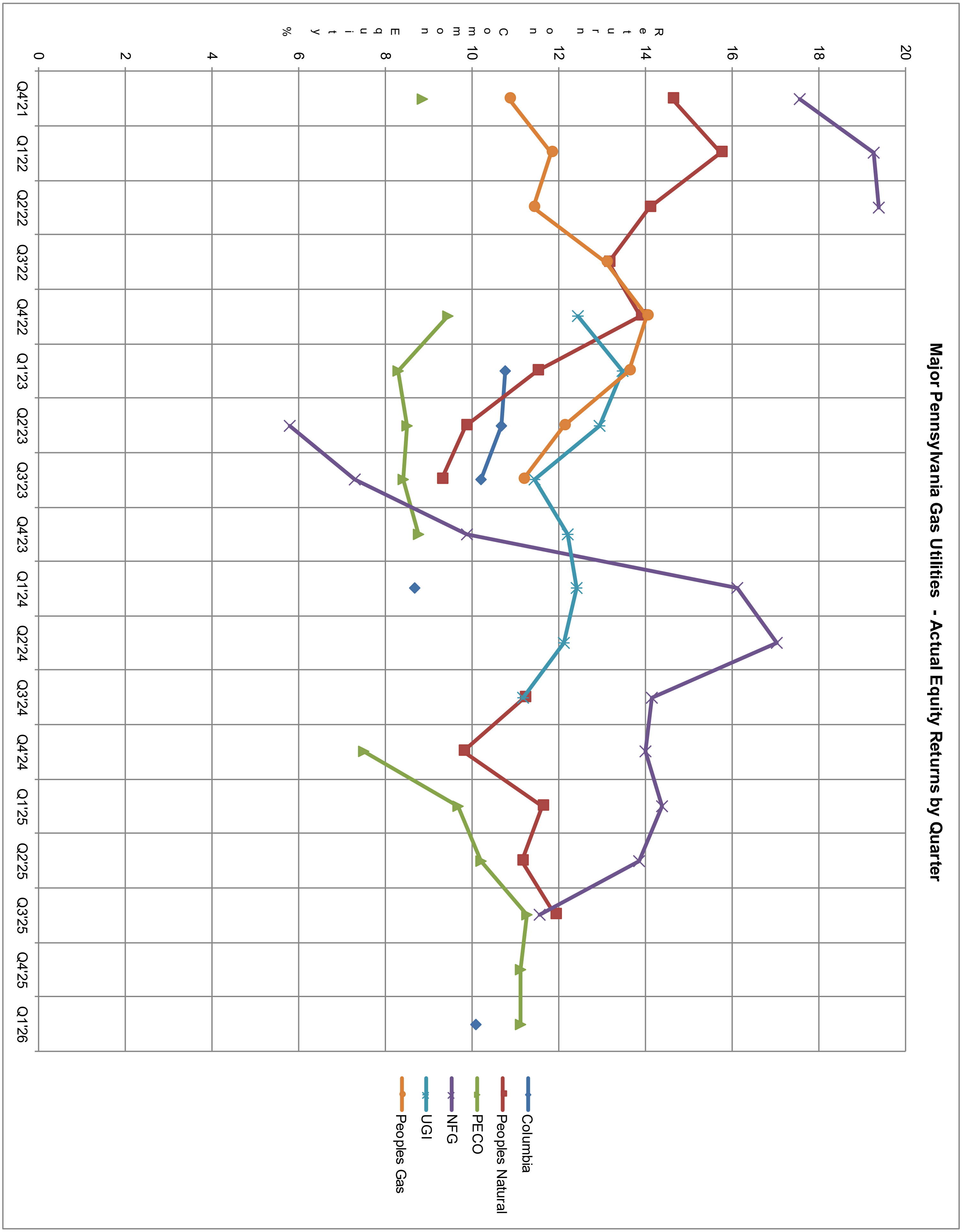
QTR END		PECO ACT	PECO ADJ	PPL ACT	PPL ADJ	Duq ACT	Duq ADJ	W Penn ACT	W Penn ADJ	PaPwr ACT	PaPwr ADJ	UGI ACT	UGI ADJ	Penelec ACT	Penelec ADJ	FirstEnergy* ACT	FirstEnergy* ADJ
2018	1			12.53	11.36			10.35	9.08	9.03	8.08			11.84	9.93	12.77	11.38
	2			11.05	9.49			9.92	8.52	8.79	7.57			11.56	9.39	11.90	10.26
	3			11.19	9.83			11.41	6.74	10.30	5.80			13.97	8.44	14.46	9.62
	4	10.88	7.61	11.10	10.15	12.06	9.39	9.92	6.78	10.64	7.43			13.27	9.31	13.05	7.40
2019	1	12.65	7.93	10.10	8.96	12.58	9.73	9.08	6.62	9.14	7.61	7.05	5.22	12.03	8.07	12.54	7.66
	2	12.34	7.94	10.51	8.95	12.38	9.34	8.02	5.99	8.29	7.10	5.77	3.22	11.42	8.16	11.72	7.21
	3	12.49	7.96	10.61	8.99	13.88	9.33	9.90	7.87	9.28	7.76	6.20	2.04	11.26	8.78	12.25	7.77
	4	12.21	8.50	10.53	10.40	13.92	9.08	14.13	7.07	8.08	6.90	7.20	2.38	10.02	8.54	10.96	9.27
2020	1	11.31	8.35	10.84	11.20	12.66	8.31	9.82	5.54	5.06	6.71	5.43	2.26	7.24	8.74	7.20	8.31
	2	9.38	8.17	11.20	10.81	12.73	8.56	10.41	5.53	5.56	6.55	6.06	2.01	6.68	7.94	7.34	8.04
	3	9.62	8.56	11.14	11.20	12.32	8.08	10.22	5.42	5.62	6.74	7.76	0.41	7.87	8.75	7.64	8.37
	4	9.16	7.64	11.10	11.48	12.57	8.15	7.48	5.65	11.36	7.34			10.08	8.62	9.91	8.64
2021	1			11.03	11.76			10.89	6.64	12.01	7.01			13.27	8.96	14.19	9.44
	2			11.17	11.73			11.42	7.07	11.27	5.94			13.23	8.15	14.13	9.06
	3			10.57	10.65			12.08	7.91	11.27	5.91			13.85	8.67	14.29	9.38
	4	9.79	7.59	9.69	10.57	11.37	11.23	13.57	7.85	12.21	5.42			17.25	8.04	16.74	9.40
2022	1	9.98	6.99	9.55	9.49	12.71	10.91	12.40	6.99	12.26	5.30	5.03	4.93	17.35	7.83	16.48	9.40
	2	10.32	7.19	9.33	9.54	12.51	10.22	10.70	5.78	11.69	5.04	5.01	3.89	15.95	6.93	15.59	8.72
	3	12.17	7.42	8.97	9.14	12.52	9.74	9.21	4.43	9.23	4.35	5.58	0.65	14.87	5.88	14.70	7.57
	4	11.48	6.59	9.41	9.18	12.62	9.54	8.89	4.19	7.03	3.44			10.16	5.07	11.56	7.55
2023	1	10.80	6.47	9.76	9.36	11.63	9.53	8.89	5.32	6.11	4.01			11.15	6.88	10.77	8.25
	2	10.24	6.19	9.43	8.67	10.69	9.39	9.49	6.03	7.45	5.58			12.20	7.90	11.14	8.81
	3	8.30	5.48	9.72	8.12	10.12	8.89	9.09	5.96	7.50	5.76			11.84	7.79	10.54	8.60
	4	8.60	5.19	9.84	8.49			7.47	6.02	10.49	7.09	3.36	4.48	11.03	8.17	9.61	8.66
2024	1			9.63	8.22							5.70	2.03				
	2			10.92	9.17							6.26	1.11				
	3			10.99	9.46	10.71	9.16					6.86	1.70				
	4	8.17	4.22	10.49	7.23	10.42	9.38					6.40	1.41				
2025	1	9.87	5.67	10.98	7.49	11.82	9.68					6.07	1.44			15.77	11.32
	2	10.59	6.58	10.29	6.49	12.23	9.42					5.60	1.41			15.41	11.04
	3	13.11	6.96			12.80	9.64					6.15	1.36			15.48	9.78
	4	10.98	7.13			11.87	8.90									15.49	9.00
2026	1	9.61	5.85			11.03	8.06									16.29	9.60

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


Major Pennsylvania Electric Utilities - Actual Equity Returns by Quarter
Return on common Equity %
20.00
18.00
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
Q4'21 Q1'22 Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24 Q3'24 Q4'24 Q1'25 Q2'25 Q3'25 Q4'25 Q1'26
PECO
PPL
Duq
W Penn
PaPwr
UGI
Penelec
FirstEnergy

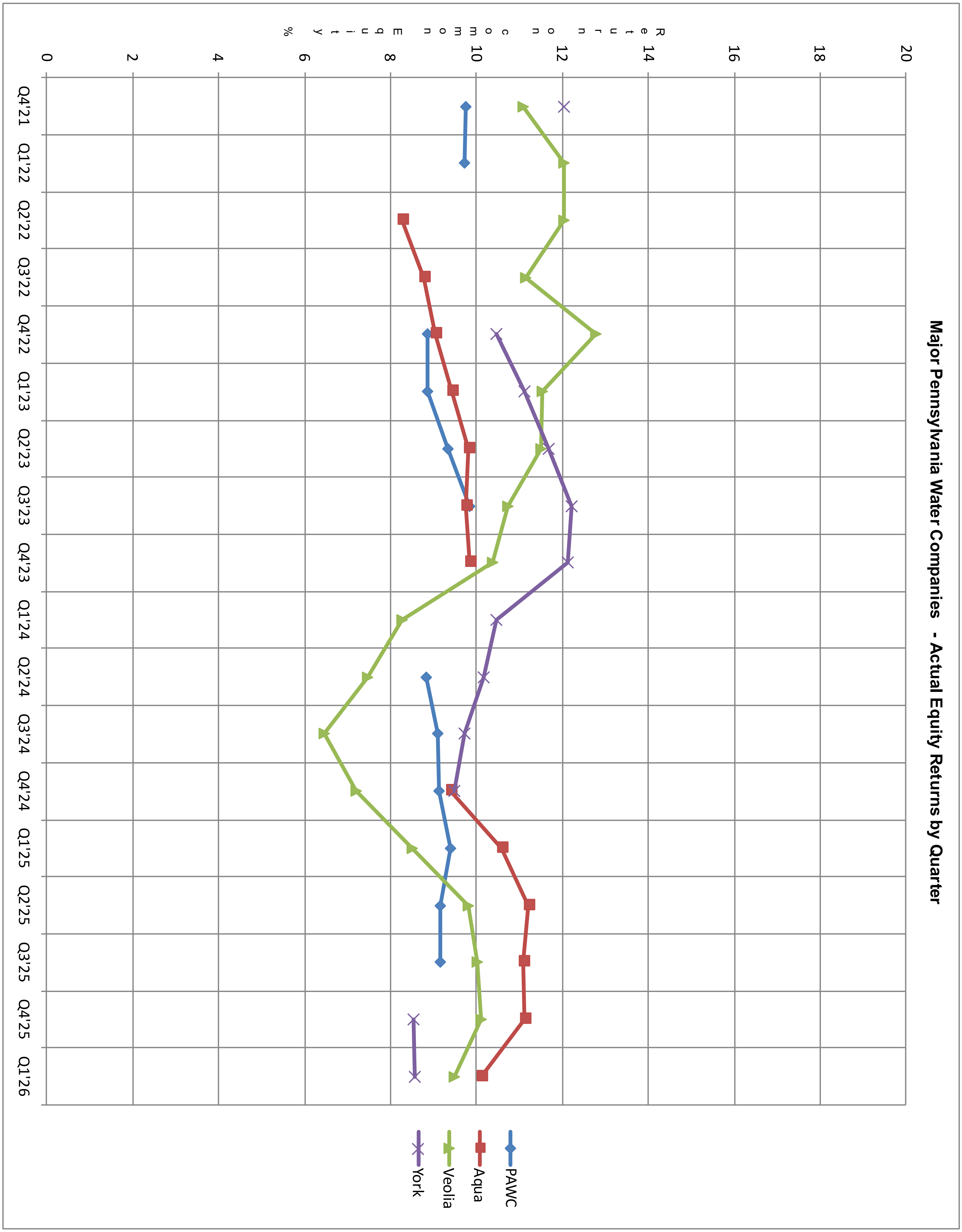
GAS UTILITIES
EQUITY RETURNS BY QUARTER

QTR		Columbia		Peoples Natural		PECO		NFG		UGI		Peoples Gas	
END		ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ	ACT	ADJ
2018	1			11.42	7.00	12.65	9.77	14.40	10.20	12.82	7.90	14.02	10.17
	2			11.03	6.80	12.66	9.05	12.06	9.89	16.75	6.80	12.78	10.15
	3			10.21	7.43	12.54	8.36	12.52	10.12	18.69	8.04	13.03	10.20
	4	11.39	9.81			12.86	8.68	12.24	10.21			13.92	11.13
2019	1	12.76	10.22			13.68	9.06	11.83	10.93			14.10	10.71
	2	12.04	9.92			12.62	8.41	14.56	9.99			13.80	11.66
	3	11.77	9.85			12.40	8.31	14.17	9.75			14.02	11.63
	4	9.21	9.09	10.74	12.26	11.75	6.99	14.20	9.77			12.76	11.20
2020	1	8.42	9.11	12.34	12.34	10.84	7.68	11.82	9.92			11.40	11.07
	2			13.81	12.38	11.26	7.25	11.28	9.05			11.89	11.10
	3			14.60	12.77			10.39	8.25			11.82	11.50
	4			12.09	10.37			9.68	8.12			12.93	12.11
2021	1			12.69	10.43			10.27	8.47	11.22	7.70	12.69	11.76
	2			12.31	10.23	8.85	5.13	10.02	8.47	11.57	8.04	11.20	11.61
	3			11.97	10.27	9.16	5.27	9.64	8.45	11.24	6.97	10.56	11.38
	4			14.62	10.52	8.86	5.79	17.54	8.02			10.84	10.28
2022	1			15.71	10.93			19.24	7.88			11.83	12.09
	2			14.09	11.67			19.36	6.87			11.40	12.19
	3			13.13	10.30							13.08	11.31
	4			13.87	10.56	9.43	5.93			12.42	7.62	14.01	14.19
2023	1	10.75	10.30	11.50	9.02	8.29	6.05			13.45	8.33	13.61	12.68
	2	10.68	10.33	9.85	9.50	8.50	6.20	5.80	9.98	12.94	8.97	12.12	13.84
	3	10.19	10.72	9.28	8.17	8.41	6.01	7.29	9.58	11.43	8.27	11.17	14.22
	4					8.75	6.82	9.87	10.80	12.19	7.44		
2024	1	8.67	9.61					16.10	10.64	12.39	7.55		
	2							17.03	9.78	12.11	6.91		
	3			11.20	9.07			14.13	8.63	11.17	6.45		
	4			9.78	8.84	7.49	5.56	13.98	8.62				
2025	1			11.62	8.24	9.68	6.88	14.36	8.09				
	2			11.14	8.14	10.19	7.39	13.84	7.72				
	3			11.90	7.25	11.26	7.49	11.56	6.03				
	4					11.12	8.44						
2026	1	10.09	9.95			11.10	7.31						


Major Pennsylvania Gas Utilities - Actual Equity Returns by Quarter
Return on Common Equity %
0
2
4
6
8
10
12
14
16
18
20
Q4'21
Q1'22
Q2'22
Q3'22
Q4'22
Q1'23
Q2'23
Q3'23
Q4'23
Q1'24
Q2'24
Q3'24
Q4'24
Q1'25
Q2'25
Q3'25
Q4'25
Q1'26
Columbia
Peoples Natural
PECO
NFG
UGI
Peoples Gas

WATER UTILITIES
EQUITY RETURNS BY QUARTER

QTR END		PAWC ACT	PAWC ADJ	Aqua ACT	Aqua ADJ	Veolia ACT	Veolia ADJ	York ACT	York ADJ
2018	1	9.55	8.97	10.94	8.41				
	2	10.27	9.65						
	3	11.03	9.48						
	4	10.08	9.03					10.70	10.30
2019	1	9.82	8.87					11.60	11.60
	2	9.72	8.90	9.84	9.04	10.78	10.36	11.80	11.80
	3	9.13	8.41	10.69	8.84	11.55	11.75	12.00	12.00
	4	8.71	8.09	10.33	8.24	11.80	12.15	12.00	9.80
2020	1	8.74	7.56	10.47	8.31	11.30	11.30	12.39	12.39
	2			10.81	8.57	10.72	10.69	12.51	12.51
	3			10.33	8.55	11.13	10.69	13.76	13.76
	4	8.90	8.15	9.89	8.30	13.98	10.17	13.42	9.94
2021	1	9.41	8.90	9.99	8.38	14.34	10.48	12.98	9.74
	2	10.03	9.28			13.43	9.83	12.76	9.66
	3	9.89	8.65			13.58	9.07	12.51	9.32
	4	9.75	8.05			11.08	9.75	12.05	8.86
2022	1	9.73	7.82			12.04	9.68		
	2			8.26	8.91	12.05	9.79		
	3			8.78	8.85	11.14	9.30		
	4	8.85	8.97	9.04	8.88	12.77	9.49	10.47	10.57
2023	1	8.86	8.90	9.42	8.48	11.53	8.98	11.12	11.12
	2	9.35	8.89	9.80	8.52	11.50	8.91	11.69	11.69
	3	9.84	8.93	9.74	8.39	10.72	8.42	12.23	12.23
	4			9.84	8.35	10.38	7.64	12.12	8.16
2024	1					8.28	6.49	10.46	7.99
	2	8.82	8.56			7.46	5.70	10.18	8.00
	3	9.11	8.49			6.45	5.42	9.72	7.31
	4	9.12	8.44	9.40	9.29	7.21	5.36	9.48	7.10
2025	1	9.41	8.41	10.57	9.23	8.51	6.77		
	2	9.16	8.38	11.20	9.22	9.80	7.42		
	3	9.17	8.29	11.09	8.75	10.03	8.53		
	4			11.11	8.15	10.10	8.86	8.54	9.43
2026	1			10.12	7.85	9.48	8.44	8.58	8.58


Major Pennsylvania Water Companies - Actual Equity Returns by Quarter
Return on common Equity %
0
2
4
6
8
10
12
14
16
18
20
Q4'21
Q1'22
Q2'22
Q3'22
Q4'22
Q1'23
Q2'23
Q3'23
Q4'23
Q1'24
Q2'24
Q3'24
Q4'24
Q1'25
Q2'25
Q3'25
Q4'25
Q1'26
PAWC
Aqua
Veolia
York

Attachment B includes:

A. Overall Returns on rate base
1. Actual
2. Company proposed pro forma and ratemaking adjustments

and

B. Equity Returns
1. Actual
2. Company proposed pro forma and ratemaking adjustments

Summary of Returns
For the Year Ended March 31, 2026

COMPANY NAME	OVERALL RETURN ACTUAL	OVERALL RETURN ADJ	EQUITY RETURN ACTUAL	EQUITY RETURN ADJ	ROE AUTH	YEAR AUTH
ELECTRIC						
Major Electric Utilities						
PECO Energy – Electric Operations	7.39	5.15	9.61	5.85	Settled	2024
PPL Electric Utilities Corp.*					Settled	2026
Duquesne Light Company	8.17	6.50	11.03	8.06	Settled	2024
FirstEnergy Pennsylvania	10.60	7.06	16.29	9.60	Settled	2024
UGI Utilities, Inc. – Electric Division*					Settled	2023
Over $1,000,000 Revenues						
Pike County Light & Power Co.	5.59	5.59	4.87	4.87	Settled	2025
GAS						
$10,000,000 Revenues						
Columbia Gas of PA, Inc.	7.89	7.81	10.09	9.95	10.00	2025
Peoples Natural Gas Company LLC*					Settled	2024
PECO Energy – Gas Operations	8.21	6.00	11.10	7.31	Settled	2024
National Fuel Gas Distribution Co.*					Settled	2023
UGI Utilities, Inc. – Gas Division*					Settled	2026
Valley Energy Inc. of PA	5.23	5.33	5.58	5.72	Settled	2026
$1,000,000 to $10,000,000 Revenues						
Pike County Light & Power Co.	4.15	4.15	2.81	2.81	Settled	2025
WATER						
$10,000,000 Revenues						
PA American Water Company*					9.55	2026
Aqua Pennsylvania	7.46	6.18	10.12	7.85	Settled	2025
York Water Company	6.90	6.90	8.58	8.58	Settled	2025
Veolia Water Pennsylvania, Inc.	7.14	6.60	9.48	8.44	Settled	2024
$1,000,000 to $10,000,000 Revenues						
Newtown Artesian Water Co.	7.10	4.71	8.70	4.81	Settled	2025
Columbia Water Company	2.45	2.45	1.36	1.36	9.75	2024

* Peoples Natural Gas Company LLC, National Fuel Gas Distribution Corporation, PPL Electric Utilities Corporation, UGI Utilities, Inc. – Electric Division, UGI Utilities, Inc. – Gas Division, and Pennsylvania-American Water Company have rate filings at Docket Nos. R-2026-3060855, R-2025-3059428, R-2025-3057164, R-2025-3059430, R-2025-3059523, and R-2025-3057983 *et al.*, respectively, and have filed a letter with the Secretary in place of a report in accordance with 52 Pa. Code § 71.4.

ALLOWED RATES OF RETURN ON COMMON EQUITY

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

ELECTRIC	Docket Number	ROE (%)	Year
Recent PA PUC Allowed			
UGI Utilities, Inc. – Electric	R-2022-3037368	Settled	2023
Duquesne Light Company	R-2024-3046523	Settled	2024
PECO Energy – Electric	R-2024-3046931	Settled	2024
PPL Electric Utilities Corp.	R-2025-3057164	Settled	2026
FirstEnergy PA Electric Co.	R-2024-3047068	Settled	2024
Current Market Indicated ROE as calculated by the Bureau of Technical Utility Services.		**9.06-11.53**	

GAS

Recent PA PUC Allowed			
National Fuel Gas Distribution Corp.	R-2022-3035730	Settled	2023
Columbia Gas of Pennsylvania, Inc.	R-2025-3053499	10.00	2025
PECO Energy – Gas	R-2024-3046932	Settled	2024
UGI Utilities, Inc. – Gas	R-2025-3059523	Settled	2026
Peoples Natural Gas Company	R-2023-3044549	Settled	2024
Current Market Indicated ROE as calculated by the Bureau of Technical Utility Services.		**9.73-12.78**	

WATER

Recent PA PUC Allowed			
Columbia Water	R-2023-3040258	9.75	2024
PA American Water	R-2025-3057983	9.55	2026
York Water	R-2025-3053442	Settled	2025
Aqua Pennsylvania	R-2024-3047822	Settled	2025
Veolia Water Pennsylvania	R-2024-3045192	Settled	2024
Current Market Indicated ROE as calculated by the Bureau of Technical Utility Services.		**9.06-11.91**	

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

	Utility Adjusted ROE[3] (%)	Commission Approved ROE[4] (%)
ELECTRIC		
PECO Energy – Electric Operations	5.85	10.05
PPL Electric Utilities Corp.*		10.05
Duquesne Light Company	8.06	10.05
FirstEnergy Pennsylvania Electric Co.	9.60	10.05
UGI Utilities, Inc.– Electric Division*		10.05
Pike County Light & Power Co.	4.87	10.05
GAS		
Columbia Gas of PA, Inc.	9.95	10.00
Peoples Natural Gas Company LLC*		10.25
PECO Energy – Gas Operations	7.31	10.25
UGI Utilities, Inc. – Gas Division*		10.25
Pike County Light & Power Co.	2.81	10.25
National Fuel Gas Distribution Corp.*		10.25
WATER		
PA American Water Company*		9.55
PA American – Wastewater*		9.55
AQUA Pennsylvania	7.85	9.75
AQUA Pennsylvania – Wastewater	7.85	9.75
York Water Company	8.58	9.75
Veolia Water Pennsylvania, Inc.	8.44	9.75
Columbia Water Company	1.36	9.75
Newtown Artesian Water Co.	4.81	9.75

* Peoples Natural Gas Company LLC, National Fuel Gas Distribution Corporation, PPL Electric Utilities Corporation, UGI Utilities, Inc. – Electric Division, UGI Utilities, Inc. – Gas Division, and Pennsylvania-American Water Company have rate filings at Docket Nos. R-2026-3060855, R-2025-3059428, R-2025-3057164, R-2025-3059430, R-2025-3059523, and R-2025-3057983 *et al.*, respectively, and have filed a letter with the Secretary in place of a report in accordance with 52 Pa. Code § 71.4.

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

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

Barometer Group Criteria

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

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

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

ROE Calculations

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

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

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

Definitions:

K	=	Cost of equity
D_1	=	Dividend expected during the year
	=	$D_0 + \frac{1}{2}g$
D_0	=	Latest indicated dividend, obtained from Yahoo! Finance
g	=	Expected 5-year dividend growth rate of barometer group obtained from Value Line Investment Survey.
P_0	=	Current price of the stock, obtained from Yahoo! Finance
P_a	=	Average of high and low stock price over the latest 52-week period, obtained from Yahoo! Finance
G	=	Average of 5-year expected earnings growth rate forecasts obtained from Value Line, Zacks Investment Survey, and S&P Capital IQ.

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

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

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

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

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

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

Market Based Returns on Common Equity[1]
July 22, 2026

Electric Company Barometer Group

		Cost Rates %
(1)	Current DCF:	10.26
(2)	52-Week Average DCF:	10.33
(3)	Overall DCF ((1) + (2)) / 2 :	10.29
(4)	Market Indicated Common Equity Cost Rate Range: @ 1 standard deviation around the mean.[2]	9.06-11.53
(5)	CAPM Check of DCF Reasonableness:	10.27
(6)	Recent Commission Approved ROEs[3]: *None within the last two years	*
(7)	Distribution System Improvement Charge (DSIC) Return[4]:	**10.05%**

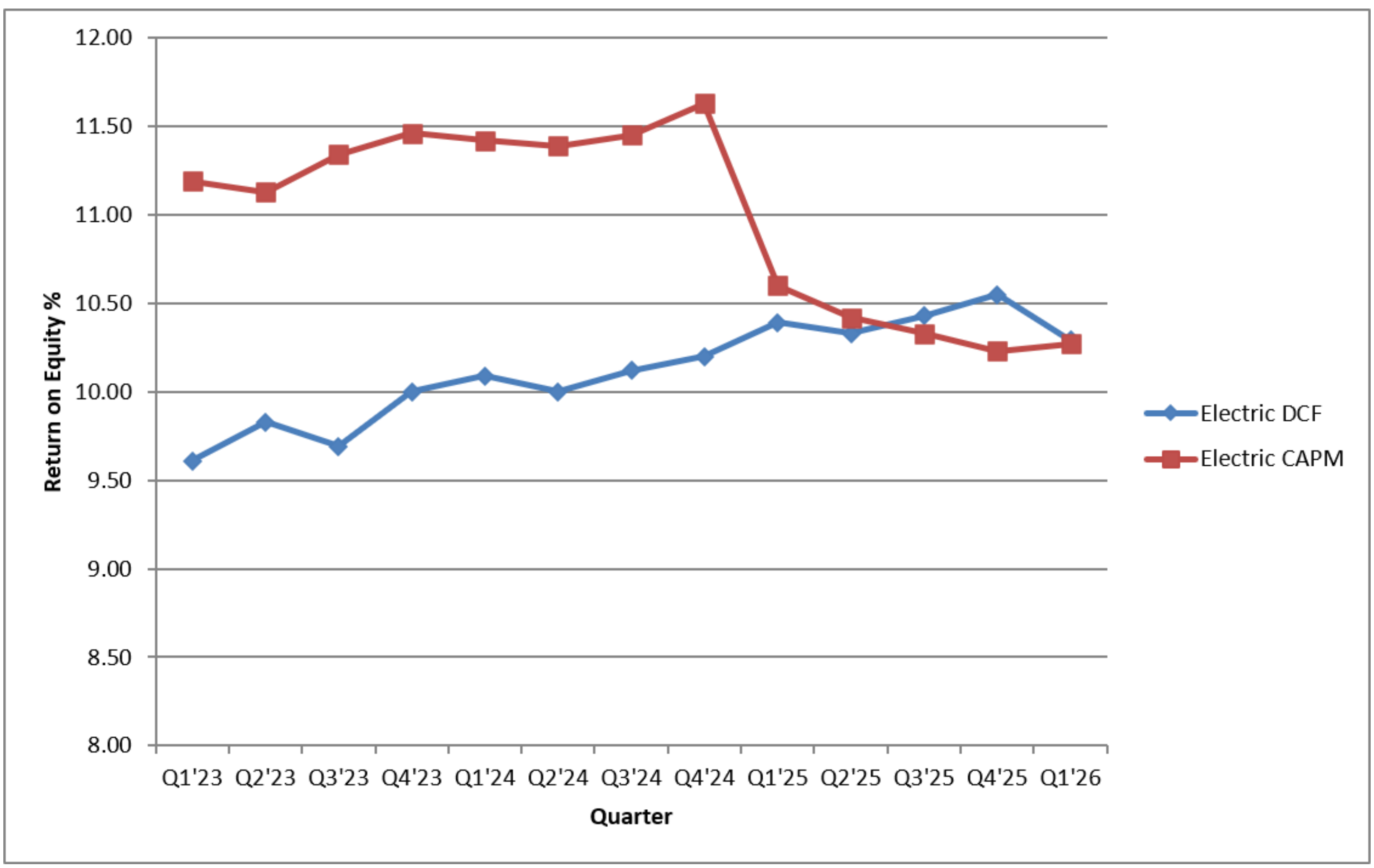
[1] As calculated by the Bureau of Technical Utility Services
[2] Standard Deviation of 52 DCF observations
[3] Base rate case ROEs within last two years, fully litigated or stipulated for DSIC purposes
[4] Commission authorized Return on Equity (ROE) for DSIC purposes

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

Historic Electric Industry Barometer Group DCF and CAPM Average ROEs

Electric		
	DCF	CAPM
Q1'23	9.61	11.19
Q2'23	9.83	11.13
Q3'23	9.69	11.34
Q4'23	10.00	11.46
Q1'24	10.09	11.42
Q2'24	10.00	11.39
Q3'24	10.12	11.45
Q4'24	10.20	11.63
Q1'25	10.39	10.60
Q2'25	10.33	10.42
Q3'25	10.43	10.33
Q4'25	10.55	10.23
Q1'26	10.29	10.27

Chart of Historic Electric Industry DCF and CAPM Average ROEs



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

Electric Company Barometer Group Calculation of a Current Dividend Yield					
	Closing Market Price (Po) 7/22/2026	Latest Indicated Dividend (Do)	Ind. Div. Plus 1/2 Div. Growth Rate (D1)	Current Dividend Yield(D1/Po)	DCF
	($)	($)	($)	(%)	(%)
Alliant Energy Corp	73.96	2.14	2.20	2.98	10.18
Ameren Corp	110.42	3.00	3.08	2.78	10.45
American Electric Power	131.05	3.80	3.87	2.95	10.51
Avista Corp	41.70	1.97	2.01	4.82	9.67
CenterPoint Energy	42.99	0.96	1.00	2.32	11.03
CMS Energy Corp	72.88	2.28	2.36	3.24	10.79
Consolidated Edison	111.05	3.51	3.61	3.25	9.66
DTE Energy Company	145.95	4.66	4.79	3.28	9.96
Duke Energy Company	125.85	4.34	4.43	3.52	10.18
Edison International	77.25	3.51	3.62	4.68	10.13
Entergy Corp.	111.91	2.56	2.62	2.34	5.34
Evergy Inc	85.16	2.78	2.82	3.31	11.59
Eversource Energy	74.05	3.15	3.22	4.35	8.51
Exelon Corporation	45.96	1.68	1.72	3.75	10.23
FirstEnergy Corp	48.54	1.86	1.91	3.93	10.86
IDACORP, Inc.	147.03	3.52	3.60	2.45	9.81
NextEra Energy, Inc.	88.00	2.49	2.59	2.94	11.40
OGE Energy Corp	48.56	1.70	1.71	3.53	9.74
Otter Tail Corp	91.32	2.21	2.30	2.52	10.52
PPL Corporation	35.43	1.14	1.17	3.31	11.11
Pinnacle West Capital Corp	106.30	3.64	3.70	3.48	10.39
Portland General Electric Co.	52.51	2.13	2.19	4.17	10.66
Public Service Enterprise Group	77.83	2.68	2.76	3.55	10.26
Southern Company	94.46	3.04	3.09	3.27	10.70
WEC Energy Group, Inc.	112.55	3.81	3.94	3.50	12.00
Xcel Energy Inc.	78.67	2.37	2.44	3.10	11.94
Group Average	85.82	2.73	2.80	3.36	10.29
Group Average G				6.90	
DCF				**10.26**	

Electric Company Barometer Group						
52-week Average Dividend Yield Calculation						
				Latest	Average	
				Indicated	Dividend	
	High	Low	Average (Pa)	Dividend (Do)	Yield (Do/Pa)	DCF
	($)	($)	($)	($)	(%)	(%)
Alliant Energy Corp	78.81	63.28	71.05	2.14	3.01	10.21
Ameren Corp	118.32	96.57	107.45	3.00	2.79	10.46
American Electric Power	140.58	105.70	123.14	3.80	3.09	10.65
Avista Corp	43.50	35.50	39.50	1.97	4.99	9.84
CenterPoint Energy	45.22	36.59	40.91	0.96	2.35	11.06
CMS Energy Corp	80.36	68.64	74.50	2.28	3.06	10.61
Consolidated Edison	116.23	94.96	105.60	3.51	3.32	9.74
DTE Energy Company	155.75	126.23	140.99	4.66	3.31	9.99
Duke Energy Company	134.49	113.90	124.20	4.34	3.49	10.16
Edison International	79.88	51.01	65.45	3.51	5.36	10.81
Entergy Corp.	118.45	86.40	102.43	2.56	2.50	5.50
Evergy Inc	88.62	68.00	78.31	2.78	3.55	11.83
Eversource Energy	76.41	61.53	68.97	3.15	4.57	8.73
Exelon Corporation	50.65	42.58	46.62	1.68	3.60	10.09
FirstEnergy Corp	52.34	41.03	46.69	1.86	3.98	10.92
IDACORP, Inc.	154.91	120.52	137.72	3.52	2.56	9.92
NextEra Energy, Inc.	98.75	69.24	84.00	2.49	2.96	11.42
OGE Energy Corp	50.26	41.70	45.98	1.70	3.70	9.91
Otter Tail Corp	95.00	74.15	84.58	2.21	2.61	10.61
PPL Corporation	40.11	33.17	36.64	1.14	3.11	10.91
Pinnacle West Capital Corp	111.16	85.32	98.24	3.64	3.71	10.61
Portland General Electric Co.	54.62	39.73	47.18	2.13	4.52	11.01
Public Service Enterprise Group	91.26	76.05	83.66	2.68	3.20	9.92
Southern Company	100.84	83.80	92.32	3.04	3.29	10.73
WEC Energy Group, Inc.	119.91	102.95	111.43	3.81	3.42	11.91
Xcel Energy Inc.	84.23	69.16	76.70	2.37	3.09	11.93
Group Average	91.56	72.60	82.08	2.73	3.43	10.36
Group Average G					6.90	
DCF					**10.33**	
		Average of Current and 52-Week			**10.29**	

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

Development of a Representative Dividend Growth Rate for the Barometer Group of Electric Companies						
		5 Year Forecast				
	Value Line DPS (%)	Value Line EPS (%)	Zack's EPS (%)	S&P EPS (%)	Average Earnings Growth (%)	Growth Estimate (%)
Alliant Energy Corp	6.00	6.00	7.20	8.39	7.20	7.20
Ameren Corp	5.00	7.50	7.70	7.81	7.67	7.67
American Electric Power	3.50	5.50	8.60	8.59	7.56	7.56
Avista Corp	4.00	4.50	4.10	5.96	4.85	4.85
CenterPoint Energy	7.50	8.50	8.90	8.74	8.71	8.71
CMS Energy Corp	7.00	8.00	7.10	7.55	7.55	7.55
Consolidated Edison	5.50	6.50	6.50	6.25	6.42	6.42
DTE Energy Company	5.50	6.00	5.90	8.15	6.68	6.68
Duke Energy Company	4.00	6.50	6.80	6.69	6.66	6.66
Edison International	6.00	6.00	2.10	4.90	4.33	5.45
Entergy Corp.	4.50	3.00	13.30	13.35	9.88	3.00
Evergy Inc	3.00	6.50	9.10	9.24	8.28	8.28
Eversource Energy	4.50	4.50	3.30	4.68	4.16	4.16
Exelon Corporation	5.00	7.00	6.00	6.45	6.48	6.48
FirstEnergy Corp	5.00	5.50	7.60	7.71	6.94	6.94
IDACORP, Inc.	4.50	5.50	7.80	8.79	7.36	7.36
NextEra Energy, Inc.	8.00	8.50	9.10	7.77	8.46	8.46
OGE Energy Corp	1.50	6.00	5.60	7.03	6.21	6.21
Otter Tail Corp	8.50	-1.00	NA	8.00	3.50	8.00
PPL Corporation	6.00	8.00	7.50	7.89	7.80	7.80
Pinnacle West Capital Corp	3.50	6.00	5.80	8.92	6.91	6.91
Portland General Electric Co.	5.50	6.00	7.00	6.49	6.50	6.50
Public Service Enterprise Group	6.00	7.50	6.10	6.55	6.72	6.72
Southern Company	3.00	7.00	7.20	8.11	7.44	7.44
WEC Energy Group, Inc.	7.00	7.00	10.30	8.18	8.49	8.49
Xcel Energy Inc.	6.00	8.00	9.40	9.11	8.84	8.84
Group Average	5.21	6.15	7.20	7.74	6.98	6.94
USE						**6.90**
Sources:	Value Line, July 22, 2026 (www.valueline.com)					
	Zacks, July 22, 2026 (www.zacks.com)					
	Yahoo!, July 22, 2026 (http://finance.yahoo.com/)					
	S&P Capital IQ, July 22, 2026 (www.spglobal.com)					
	* NA signifies that a forecast was not available					

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

Market Based Returns on Common Equity[1]
July 22, 2026

Gas Distribution Company Barometer Group

	Cost Rates %
(1) Current DCF:	11.23
(2) 52-Week Average DCF:	11.28
(3) Overall DCF ((1) + (2)) / 2 :	11.25
(4) Market Indicated Common Equity Cost Rate Range: @ 1 standard deviation around the mean.[2]	9.73-12.78
(5) CAPM Check of DCF Reasonableness:	10.34
(6) Recent Commission Approved ROEs[3]:	
Columbia Gas of Pennsylvania, Inc., R-2025-3053499	10.00
(7) Distribution System Improvement Charge (DSIC) Return[4]:	**10.25%**

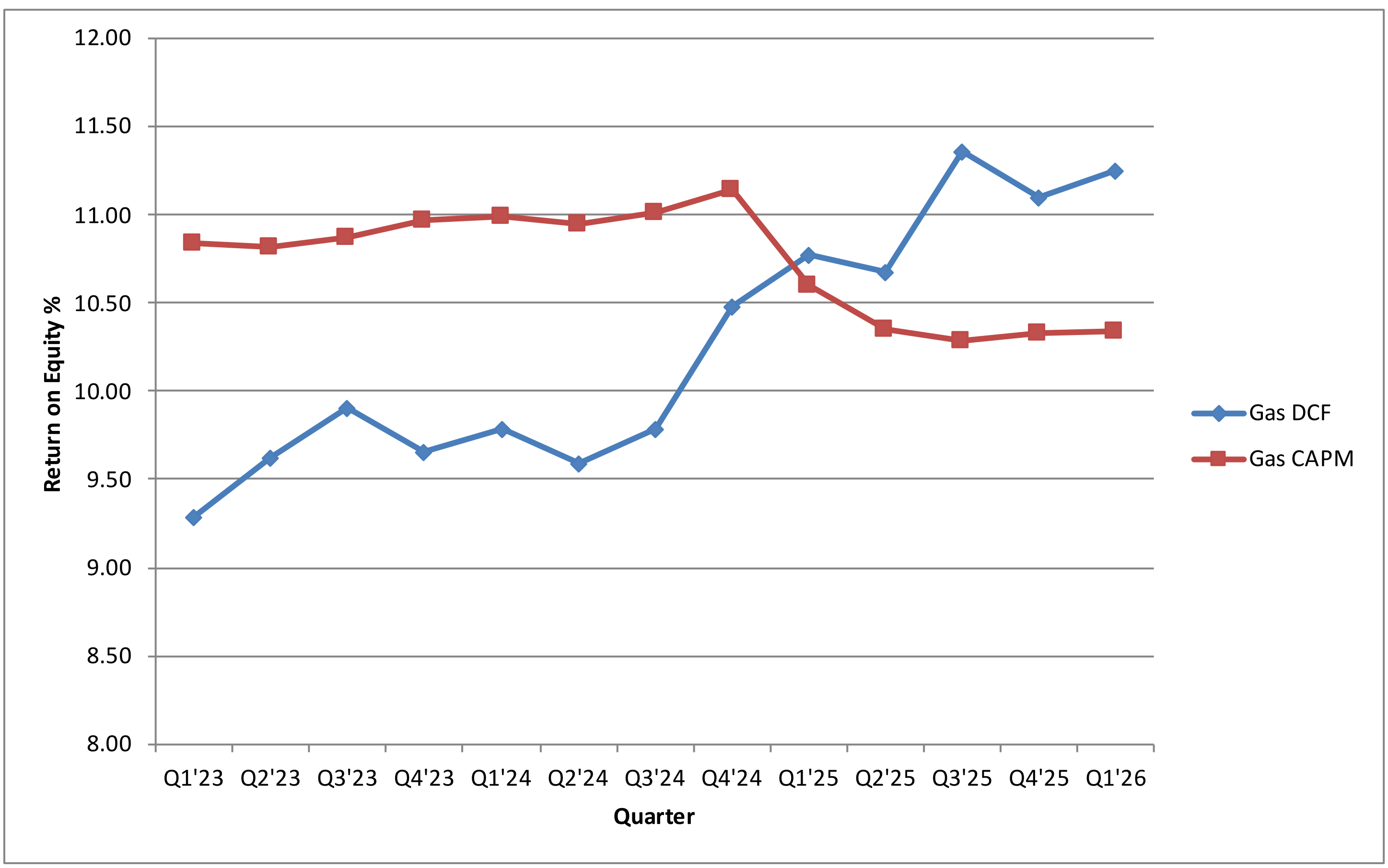
[1] As calculated by the Bureau of Technical Utility Services
[2] Standard Deviation of 16 DCF observations
[3] Base rate case ROEs within last two years, fully litigated or stipulated for DSIC purposes
[4] Commission authorized Return on Equity (ROE) for DSIC purposes

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

Historic Gas Industry DCF and CAPM Average ROEs

Gas		
	DCF	CAPM
Q1'23	9.29	10.84
Q2'23	9.62	10.82
Q3'23	9.90	10.87
Q4'23	9.66	10.97
Q1'24	9.79	10.99
Q2'24	9.59	10.95
Q3'24	9.79	11.01
Q4'24	10.48	11.14
Q1'25	10.77	10.60
Q2'25	10.68	10.35
Q3'25	11.36	10.28
Q4'25	11.10	10.33
Q1'26	11.25	10.34

Graph of Historic Gas Industry DCF and CAPM Average ROEs



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

Gas Company Barometer Group
Calculation of a Current Dividend Yield

	Closing Market Price (Po) 7/22/2026	Latest Indicated Dividend (Do)	Ind. Div. Plus 1/2 Div. Growth Rate (D1)	Current Dividend Yield(D1/Po)	DCF
	($)	($)	($)	(%)	(%)
Atmos Energy	177.33	4.00	4.16	2.35	10.12
Chesapeake Utilities Corporation	133.00	2.94	3.04	2.29	11.46
New Jersey Resources	58.56	1.90	1.96	3.34	10.01
NiSource Inc.	45.37	1.20	1.24	2.72	11.30
Northwest Natural Gas	50.96	1.97	1.97	3.88	10.06
ONE Gas, Inc.	79.45	2.72	2.75	3.46	9.84
Southwest Gas	91.73	2.58	2.58	2.81	12.71
Spire Inc.	81.19	3.30	3.38	4.17	14.35
Group Average	89.70	2.58	2.64	3.13	11.23
Group Average G				8.10	
DCF				**11.23**	

Gas Company Barometer Group
52-week Average Dividend Yield Calculation

	High	Low	Average (Pa)	Latest Indicated Dividend (Do)	Average Dividend Yield (Do/Pa)	DCF
	($)	($)	($)	($)	(%)	(%)
Atmos Energy	192.51	154.23	173.37	4.00	2.31	10.08
Chesapeake Utilities Corporation	140.59	118.84	129.72	2.94	2.27	11.44
New Jersey Resources	60.69	43.46	52.08	1.90	3.65	10.31
NiSource Inc.	49.21	38.45	43.83	1.20	2.74	11.32
Northwest Natural Gas	55.99	39.29	47.64	1.97	4.14	10.32
ONE Gas, Inc.	90.78	71.72	81.25	2.72	3.35	9.73
Southwest Gas	94.47	75.75	85.11	2.58	3.03	12.93
Spire Inc.	95.31	71.24	83.28	3.30	3.96	14.15
Group Average	97.44	76.62	87.03	2.58	3.18	11.29
Group Average G					8.10	
DCF					**11.28**	
		Average of Current and 52-Week			**11.25**	

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

Development of a Representative Dividend Growth Rate
for the Barometer Group of Gas Companies
5 Yr Forecast

	Value Line DPS (%)	Value Line EPS (%)	Zack's EPS (%)	S&P EPS (%)	Average Earnings Growth (%)	Growth Estimate (%)
Atmos Energy	8.00	8.50	6.80	8.02	7.77	7.77
Chesapeake Utilities Corporation	7.00	10.00	NA	8.35	9.18	9.18
New Jersey Resources	6.00	6.00	NA	7.33	6.67	6.67
NiSource Inc.	6.00	9.00	6.60	10.14	8.58	8.58
Northwest Natural Gas	0.50	6.50	NA	5.87	6.19	6.19
ONE Gas, Inc.	2.00	7.00	6.20	5.94	6.38	6.38
Southwest Gas	NA	NA	9.90	13.17	11.54	9.90
Spire Inc.	5.00	8.50	11.20	10.86	10.19	10.19
Group Average	4.93	7.93	8.14	8.71	8.31	8.11
USE						**8.10**

Sources: Value Line, July 22, 2026 (www.valueline.com)
Zacks, July 22, 2026 (www.zacks.com)
Yahoo!, July 22, 2026 (http://finance.yahoo.com/)
S&P Capital IQ, July 22, 2026 (www.spglobal.com)
* NA signifies that a forecast was not available

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

Market Based Returns on Common Equity [1]
July 22, 2026

Water Company Barometer Group

	Cost Rates %
(1) Current DCF	10.41
(2) 52-Week Average DCF	10.56
(3) Average DCF	10.48
(4) Market Indicated Common Equity Cost Rate Range @ 1 standard deviation around the mean.[2]	9.06-11.91
(5) CAPM Check of DCF Reasonableness	10.15
(6) Recent Commission Approved ROEs[3]: Pennsylvania-American Water Company, R-2025-3057983	9.55
(7) Distribution System Improvement Charge (DSIC) Return[4]:	**9.75%**

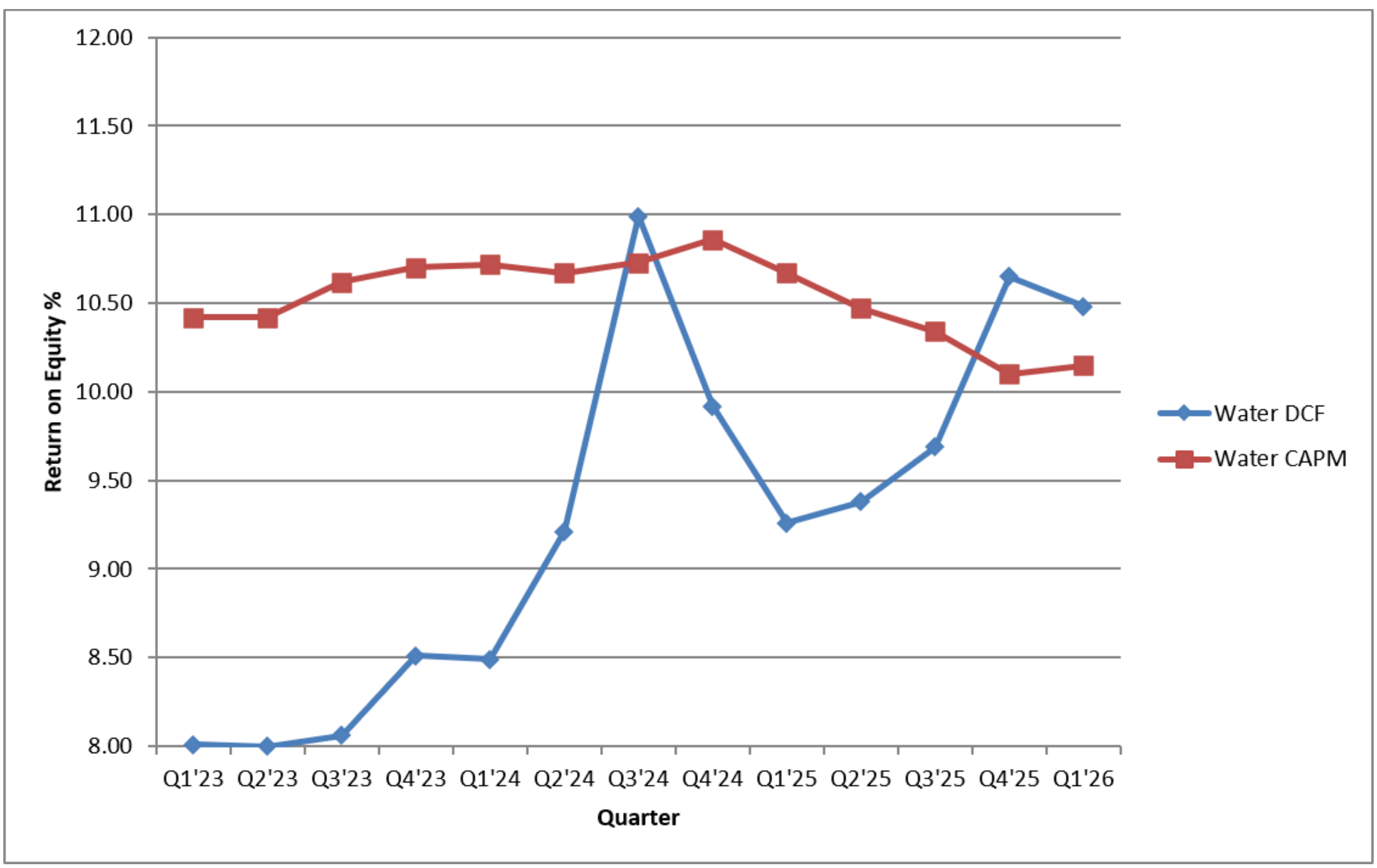
[1] As calculated by the Bureau of Technical Utility Services
[2] Standard Deviation of 10 DCF observations
[3] Base rate cases ROEs within last two years, fully litigated or stipulated for DSIC purposes
[4] Commission authorized Return on Equity (ROE) for DSIC purposes

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

Historic Water Industry DCF and CAPM Average ROEs

Water		
	DCF	CAPM
Q1'23	8.01	10.42
Q2'23	8.00	10.42
Q3'23	8.06	10.62
Q4'23	8.51	10.70
Q1'24	8.49	10.72
Q2'24	9.21	10.67
Q3'24	10.99	10.73
Q4'24	9.92	10.86
Q1'25	9.26	10.67
Q2'25	9.38	10.47
Q3'25	9.69	10.34
Q4'25	10.65	10.10
Q1'26	10.48	10.15

Chart of Historic Water Industry DCF and CAPM Average ROEs



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

Water Company Barometer Group Calculation of a Current Dividend Yield						
	Closing Market Price (Po) 7/22/2026	Latest Indicated Dividend (Do)	Ind. Div. Plus 1/2 Div. Growth Rate (D1)	Current Dividend Yield(D1/Po)	Growth	DCF
	($)	($)	($)	(%)	(%)	(%)
American States Water Company	88.40	2.02	2.10	2.38	6.52	8.90
American Water Works Co., Inc.	133.65	3.58	3.73	2.79	7.71	10.51
California Water Service Group	51.38	1.27	1.30	2.54	10.24	12.78
Middlesex Water Company	56.79	1.42	1.45	2.55	8.05	10.60
H2O America	64.52	1.76	1.79	2.78	6.45	9.23
Group Average	78.95	2.01	2.08	2.61	7.79	10.40
Group Average G				7.80		
DCF				**10.41**		

Water Company Barometer Group 52-week Average Dividend Yield Calculation							
	High	Low	Average (Pa)	Latest Indicated Dividend (Do)	Average Dividend Yield (Do/Pa)	Growth	DCF
	($)	($)	($)	($)	(%)	(%)	(%)
American States Water Company	90.11	69.45	79.78	2.02	2.53	6.52	9.05
American Water Works Co., Inc.	147.87	120.57	134.22	3.58	2.67	7.71	10.38
California Water Service Group	52.51	41.29	46.90	1.27	2.71	10.24	12.95
Middlesex Water Company	62.18	44.17	53.18	1.42	2.67	8.05	10.72
H2O America	66.05	43.75	54.90	1.76	3.21	6.45	9.66
Group Average	83.74	63.85	73.80	2.01	2.76	7.79	10.55
Group Average G					7.80		
DCF					**10.56**		
		Average of Current and 52-Week			**10.48**		

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

Development of a Representative Dividend Growth Rate for the Barometer Group of Water Companies						
	5 Yr Forecast					
	Value Line DPS (%)	Value Line EPS (%)	Zack's EPS (%)	S&P EPS (%)	Average Earnings Growth (%)	Growth Estimate (%)
American States Water Company	8.00	7.00	6.90	5.66	6.52	6.52
American Water Works Co., Inc.	8.50	7.00	8.10	8.04	7.71	7.71
California Water Service Group	5.50	9.50	10.60	10.62	10.24	10.24
Middlesex Water Company	4.00	8.00	NA	8.10	8.05	8.05
H2O America	3.50	5.00	3.30	7.90	5.40	6.45
Group Average	5.90	7.30	7.23	8.06	7.58	7.79
USE						**7.80**

Sources: Value Line, July 22, 2026 (www.valueline.com)
Zacks, July 22, 2026 (www.zacks.com)
Yahoo!, July 22, 2026 (http://finance.yahoo.com/)
S&P Capital IQ, July 22, 2026 (www.spglobal.com)
* NA signifies that a forecast was not available