

**BEFORE THE NORTH DAKOTA PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**MONTANA-DAKOTA UTILITIES CO.)
2022 ELECTRIC RATE INCREASE)
APPLICATION)**

**CASE NO. PU-22-194
OAH File No. 20220225**

DIRECT TESTIMONY AND EXHIBITS OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

JANUARY 31, 2023

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Exhibits

Exhibit AJK-1 – Alex J. Kronauer Witness Qualifications Statement

Exhibit AJK-2 – Impact of Montana-Dakota Utilities' Proposed Return on Equity vs. Company's
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Proposed ROE vs. Average ROE Awarded to Vertically Integrated Utilities from 2019-Present

1 **I. Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Alex J. Kronauer. My business address is 2608 SE J St., Bentonville, AR
4 72716-0550. I am employed by Walmart Inc. ("Walmart") as a Senior Manager, Energy
5 Services.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CASE?**

7 A. I am testifying on behalf of Walmart.

8 **Q. IS WALMART SPONSORING ADDITIONAL TESTIMONY IN THIS CASE?**

9 A. Yes. Walmart is also sponsoring the testimony of Andrew D. Teague.

10 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

11 In 2011, I earned a Master of Business Administration at the McCombs School of
12 Business at The University of Texas at Austin with a concentration in Finance and
13 Investment Management. From 2011 to 2012, I was a Senior Financial Analyst at TXU
14 Energy, a Texas-based power supplier. My duties included load forecasting and
15 analysis. From 2012 to 2019, I was a Financial Analyst and later a Senior Financial
16 Analyst at CyrusOne, a data center provider in Dallas. I was involved in several power-
17 related areas, including demand response, power procurement, and power expense
18 forecasting. I joined the Walmart Energy Department in July 2019 as a Senior
19 Manager. Since joining Walmart, I have joined the Arizona Independent Scheduling
20 Administrator Association ("AZISA"), a trade association that supports open
21 transmission access to support retail electric competition in Arizona, I have completed

1 several utility-related training seminars, and earned the Certified Rate of Return
2 Analyst ("CRRRA") designation. My Witness Qualifications Statement is attached as
3 Exhibit AJK-1.

4 **Q. DO YOU HOLD ANY CERTIFICATIONS THAT ARE RELEVANT TO THE ISSUES BEFORE**
5 **THE NORTH DAKOTA PUBLIC SERVICE COMMISSION ("COMMISSION") IN THIS**
6 **PROCEEDING?**

7 A. Yes, I am a member of the Society of Utility and Regulatory Financial Analysts
8 ("SURFA"). In 2022, I was awarded the CRRRA professional designation by SURFA. The
9 CRRRA designation is based on education, experience, and the successful completion
10 of a comprehensive written examination.

11 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE COMMISSION?**

12 A. No, I have not.

13 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
14 **REGULATORY COMMISSIONS?**

15 A. Yes, I have submitted testimony with state regulatory commissions in Arkansas,
16 California, Colorado, Connecticut, Indiana, Maryland, Massachusetts, Montana, New
17 Mexico, New York, Ohio, Oregon, Pennsylvania, Texas, Washington, Wisconsin, and
18 Wyoming. A full list of the dockets I have testified in can be found in Exhibit AJK-1.

19 **Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?**

20 A. Yes. I am sponsoring the exhibits listed in the Table of Contents.

1 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN NORTH DAKOTA.**

2 A. As stated on Walmart's website, Walmart operates 17 retail units and employs over
3 4,600 associates in North Dakota. In fiscal year ending 2022, Walmart purchased
4 \$79.7 million worth of goods and services from North Dakota-based suppliers,
5 supporting over 4,200 jobs.¹

6 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN THE SERVICE**
7 **TERRITORY OF MONTANA-DAKOTA UTILITIES COMPANY ("MONTANA-DAKOTA**
8 **UTILITIES" OR "THE COMPANY").**

9 A. Walmart has four stores and related facilities that take electric service from Montana-
10 Dakota Utilities in North Dakota. Walmart primarily receives electric service under
11 General Electric Service Rate 30 Secondary ("Rate 30").

12

13 **II. Purpose of Testimony and Summary of Recommendations**

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. The purpose of my testimony is to respond to the Return on Equity ("ROE")
16 component of Montana-Dakota Utilities' rate case filing and to provide
17 recommendations to assist the Commission in its thorough and careful consideration
18 of the customer impact of the Company's proposed rate increase.

¹ <https://corporate.walmart.com/about/north-dakota>

1 **Q. IN SETTING THE REVENUE REQUIREMENT, ROE, REVENUE ALLOCATION, AND RATE**
2 **DESIGN CHANGES FOR THE COMPANY, SHOULD THE COMMISSION CONSIDER THE**
3 **IMPACT OF THE PROPOSED RATE INCREASE ON BUSINESS CUSTOMERS?**

4 A. Yes. Electricity is a significant operating cost for retailers such as Walmart. When
5 electric rates increase, the increased cost to retailers can put pressure on consumer
6 prices and on the other expenses required by a business to operate. The Commission
7 should thoroughly and carefully consider the impact on customers in examining the
8 requested revenue requirement and ROE, in addition to all other facets of this case,
9 to ensure that any increase in the Company's rates is the minimum amount necessary
10 to provide safe, adequate, and reliable service, while also providing Montana-Dakota
11 Utilities the opportunity to recover its reasonable and prudently incurred costs and
12 earn a reasonable return on its investment.

13 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATION TO THE COMMISSION.**

14 A. My recommendation is that the Commission should closely examine the Company's
15 proposed increase in ROE in light of:

- 16 1. The customer impact of the resulting revenue requirement increase from the
17 Company's currently approved ROE;
- 18 2. The ability of the Company to implement an interim rate increase, which has
19 allowed the Company to increase rates prior to the full examination of their
20 proposals in this docket;

- 1 3. The use of a future test year, which reduces regulatory lag by allowing the utility
2 to include the most current information in its rates at the time they will be in
3 effect;
- 4 4. The Company's existing riders, which also reduce regulatory lag by allowing the
5 Company to adjust cost collection without going through a formal rate case;
- 6 5. The recent rate case ROE approved by the Commission; and
- 7 6. Recent rate case ROEs approved by other state regulatory commissions.

8 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED**
9 **BY THE COMPANY INDICATE WALMART'S SUPPORT?**

10 A. No. The fact that an issue is not addressed herein or in related filings should not be
11 construed as an endorsement of any filed position.

12

13 **III. Revenue Requirement and Cost of Capital**

14 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED REVENUE**
15 **REQUIREMENT INCREASE IN THIS CASE?**

16 A. My understanding is that the Company proposes a revenue increase of approximately
17 \$25.4 million as well as an interim increase of \$11.4 million effective 60 days from the
18 Company's application. See Direct Testimony of Nicole A. Kivisto, page 7, lines 8-11
19 and Application and Notice for Interim Increase in Electric Rates, page 3. The
20 Company also proposes a forward looking test year ending December 31, 2023. See
21 *id.*

1 **Q. IS IT YOUR UNDERSTANDING THAT THE COMMISSION HAS APPROVED AN INTERIM**
2 **RATE INCREASE IN THIS DOCKET?**

3 A. Yes. My understanding is that the Commission approved a 2022 interim rate increase,
4 effective July 15. *See Order on Interim Rates, July 14, 2022.*

5 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED ROE AND**
6 **WEIGHTED AVERAGE COST OF CAPITAL ("WACC") IN THIS CASE?**

7 A. My understanding is that the Company proposes an ROE of 10.50 percent based on
8 the range of 9.90 percent to 10.75 percent. *See Direct Testimony of Ann E. Bulkley,*
9 *page 6, lines 5-8. The Company proposes a cost of long-term debt of 4.503 percent, a*
10 *cost of short-term debt of 3.684 percent, and a capital structure of 50.810 percent*
11 *equity, 4.603 percent short-term debt, and 44.587 percent long-term debt for a*
12 *proposed overall WACC of 7.513 percent. See Statement E, Page 1 and Direct*
13 *Testimony of Tammy J. Nygard, page 2, line 19 to page 3, line 4.*

14 **Q. IS WALMART CONCERNED ABOUT THE REASONABLENESS OF THE COMPANY'S**
15 **PROPOSED ROE?**

16 A. Yes, in light of:

17 1. The customer impact of the resulting revenue requirement increases from the
18 Company's currently approved ROE;

19 2. The ability of the Company to implement an interim rate increase, which has
20 allowed the Company to increase rates prior to the full examination of their
21 proposals in this docket;

- 1 3. The use of a future test year, which reduces regulatory lag by allowing the utility
2 to include the most current information in its rates at the time they will be in
3 effect;
- 4 4. The Company's existing riders, which also reduce regulatory lag by allowing the
5 Company to adjust cost collection without going through a formal rate case;
- 6 5. The recent rate case ROE approved by the Commission; and
- 7 6. Recent rate case ROEs approved by other state regulatory commissions.
- 8

9 **A. Customer Impact**

10 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S CURRENTLY APPROVED ROE?**

11 A. My understanding is that the Company's currently authorized ROE is 9.65 percent.²

12 **Q. HAVE YOU ESTIMATED THE CUSTOMER IMPACT OF THE DIFFERENCE BETWEEN THE**
13 **CURRENTLY AUTHORIZED 9.65 PERCENT ROE AND THE PROPOSED 10.50 PERCENT**
14 **ROE?**

15 A. Yes. Holding rate base constant and using the Company's proposed cost of debt and
16 capital structure, the revenue requirement impact of the difference between the
17 currently authorized 9.65 percent ROE and the proposed 10.50 percent ROE is

² See Montana-Dakota Utilities, Co. a Division of MDU Resources Group, Inc. 2016 Electric Rate Increase Application, North Dakota Public Service Commission Case No. PU-16-666, Findings of Fact, Conclusions of Law and Order (issued Jun. 19, 2017), page 3.

1 approximately \$3.5 million, or 13.8 percent of the total proposed revenue
2 requirement increase. See Exhibit AJK-2.

3

4 **B. *Recent ROEs Approved by the Commission***

5 **Q. IS THE COMPANY'S PROPOSED ROE SIGNIFICANTLY HIGHER THAN THE ROEs**
6 **APPROVED BY THE COMMISSION IN 2019, 2020, 2021, 2022, AND SO FAR IN 2023?**

7 A. Yes. During 2019, 2020, 2021, 2022, and so far in 2023, the Commission has issued
8 one order with a stated ROE of 9.50 percent. See Exhibit AJK-3.

9 **Q. IN WHICH CASE DID THE COMMISSION ISSUE ORDERS WITH STATED ROE?**

10 A. The Commission issued an order with a stated ROE in Case No. PU-20-441, the
11 Northern States Power Company's general rate case.³ As such, the Company's
12 proposed 10.50 percent ROE is counter to the most recent Commission action
13 regarding ROE.

14

³ See Northern States Power Company 2021 Electric Rate Increase Application, Public Service Commission of North Dakota Case No. PU-20-441, Order on Settlement (issued Aug. 18, 2021), page 3.

1 **C. National Utility Industry ROE and Weighted Equity Cost Trends**

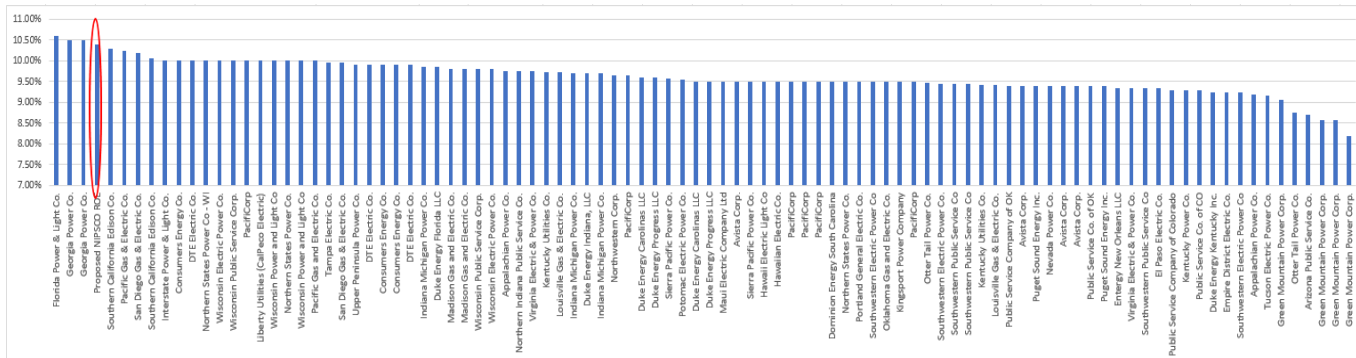
2 **Q. HOW DOES THE COMPANY'S PROPOSED ROE COMPARE TO ELECTRIC ROEs**
3 **APPROVED BY OTHER UTILITY REGULATORY COMMISSIONS IN 2019, 2020, 2021,**
4 **2022, AND SO FAR IN 2023?**

5 A. According to data from S&P Global Market Intelligence ("S&P Global"), a financial
6 news and reporting company, the average of the 140 reported electric utility rate case
7 ROEs authorized by commissions for investor-owned utilities in 2019, 2020, 2021,
8 2022, and so far in 2023, is 9.46 percent. *See* Exhibit AJK-3. Specifically, the average
9 approved ROE was 9.64 percent in 2019, 9.39 percent in 2020, 9.38 percent in 2021,
10 9.45 percent in 2022, and 9.78 percent so far in 2023. *Id.* The range of reported
11 authorized ROEs for the period is 7.36 percent to 10.60 percent, and the median
12 authorized ROE is 9.50 percent. *Id.* As such, the Company's proposed 10.50 percent
13 ROE is counter to broader electric industry trends.

14 **Q. SEVERAL OF THE REPORTED AUTHORIZED ROEs ARE FOR DISTRIBUTION-ONLY**
15 **UTILITIES. WHAT IS THE AVERAGE AUTHORIZED ROE IN THE REPORTED GROUP FOR**
16 **VERTICALLY INTEGRATED UTILITIES?**

17 A. In the group reported by S&P Global, the average electric ROE for vertically integrated
18 utilities authorized over the same time period is 9.61 percent. *Id.* The average electric
19 ROE authorized for vertically integrated utilities in 2019 was 9.73 percent, 9.55
20 percent in 2020, 9.54 percent in 2021, 9.60 percent in 2022, and 9.78 percent so far
21 in 2023. *Id.* As such, the Company's proposed ROE of 10.50 is counter to broader
22 electric industry trends. In fact, as shown in Figure 1, the Company's proposed 10.50

1 percent ROE, if approved, would be tied for the second highest approved electric ROE
 2 (out of 99) for a vertically integrated utility from 2019 to present.



3 **Figure 1. Montana-Dakota Utilities Proposed 10.50 Percent ROE Versus Authorized ROEs for Vertically Integrated Utilities, 2019 through Present. Source: Exhibit AJK-3.**

4 **Q. WHAT IS THE REVENUE REQUIREMENT DIFFERENCE BETWEEN THE COMPANY'S**
 5 **PROPOSED 10.50 PERCENT ROE AND THE 9.61 PERCENT AVERAGE AUTHORIZED ROE**
 6 **FOR VERTICALLY INTEGRATED ELECTRIC UTILITIES FROM 2019 TO PRESENT?**

7 **A.** The difference in a return on rate base at the 10.50 percent proposed ROE versus the
 8 9.61 percent average authorized ROE is an increase in revenue requirement of
 9 approximately \$3.7 million, or roughly 14.5 percent of the Company's proposed
 10 revenue deficiency. See Exhibit AJK-4.

11 **Q. IS WALMART RECOMMENDING THE COMMISSION BE BOUND BY ROEs AUTHORIZED**
 12 **BY OTHER STATE REGULATORY COMMISSIONS?**

13 **A.** No. Decisions of other state regulatory commissions are not binding on the
 14 Commission. Additionally, each state regulatory commission considers the specific
 15 circumstances in each case in its determination of the proper ROE. Walmart is

1 providing this information to illustrate a national customer perspective on industry
2 trends in authorized ROE.

3

4 ***D. Conclusion***

5 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IN REGARD TO THE**
6 **COMPANY'S PROPOSED ROE?**

7 A. My recommendation is that the Commission should closely examine the Company's
8 requested increase in ROE in light of:

- 9 1. The customer impact of the resulting revenue requirement increase from the
10 Company's currently approved ROE;
- 11 2. The ability of the Company to implement an interim rate increase which has
12 allowed the Company to increase rates prior to the full examination of their
13 proposals in this docket;
- 14 3. The use of a future test year, which reduces regulatory lag by allowing the utility
15 to include the most current information in its rates at the time they will be in
16 effect;
- 17 4. The Company's existing riders, which also reduce regulatory lag by allowing the
18 Company to adjust cost collection without going through a formal rate case;
- 19 5. The recent rate case ROE approved by the Commission; and
- 20 6. Recent rate case ROEs approved by other state regulatory commissions.

1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes.

Alex J. Kronauer

Senior Manager, Energy Services
Walmart Stores, Inc.
Business Address: 2608 SE J Street, Bentonville, Arkansas 72716
Business Phone: (312) 231-6667

INDUSTRY EXPERIENCE

August 2019 – Present
Walmart Inc., Bentonville, AR
Senior Manager, Energy Services

September 2022 - Present
Arizona Independent Scheduling Administrator Association (AZISA)
Member, End Use Customers

May 2014 – July 2019
CyrusOne, Dallas, TX
Senior Financial Analyst

November 2012 – April 2014
CyrusOne, Dallas, TX
Financial Analyst

July 2011 – October 2012
TXU Energy (now Vistra Corporation), Irving, TX
Senior Financial Analyst

EDUCATION

2011	University of Texas at Austin, McCombs School of Business	MBA
2005	Colby College	B.A., Economics

INDUSTRY TRAINING

Earned the CRRA (Certified Rate of Return Analyst) designation, May 2022

Passed the Chartered Financial Analyst (CFA) level I exam

TESTIMONY BEFORE REGULATORY COMMISSIONS

2022

Indiana Utility Regulatory Commission Cause No. 45772: Petition Of Northern Indiana Public Service Company LLC Pursuant To Ind. Code §§ 8-1-2-42.7, 8-1-2-61, And, 8-1-2.5-6 For (1) Authority To Modify Its Retail Rates And Charges For Electric Utility Service Through A Phase In Of Rates; (2) Approval Of New Schedules Of Rates And Charges, General Rules And Regulations, And Riders (Both Existing And New); (3) Approval Of A New Rider For Variable

Nonlabor O&M Expenses Associated With Coal-fired Generation; (4) Modification Of The Fuel Cost Adjustment To Pass Back 100% Of Off-System Sales Revenues Net Of Expenses; (5) Approval Of Revised Common And Electric Depreciation Rates Applicable To Its Electric Plant In Service; (6) Approval Of Necessary And Appropriate Accounting Relief, Including But Not Limited To Approval Of (A) Certain Deferral Mechanisms For Pension And Other Postretirement Benefits Expenses; (B) Approval Of Regulatory Accounting For Actual Costs Of Removal Associated With Coal Units Following The Retirement Of Michigan City Unit 12, And (C) A Modification Of Joint Venture Accounting Authority To Combine Reserve Accounts For Purposes Of Passing Back Joint Venture Cash, (7) Approval Of Alternative Regulatory Plans For The (A) Modification Of Its Industrial Service Structure, And (B) Implementation Of A Low Income Program; And (8) Review And Determination Of NIPSCO's Earnings Bank For Purposes Of Ind. Code § 8-1-2-42.3.

Public Utilities Regulatory Authority of Connecticut Docket No. 22-08-08: Application of the United Illuminating Company to Amend its Rate Schedules

Public Service Commission of the State of Montana Docket No. 2022.07.078: In the Matter of Northwestern Energy's Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design

Public Service Commission of the State of Wyoming Docket No. 20003-214-ER-22 (Record No. 17072): In the Matter of the Application of Cheyenne Light, Fuel and Power Company D/B/A Black Hills Energy for a General Rate Increase of \$15,366,026 per Annum and Authority to Revise its Power Cost Adjustment Mechanism

Public Utility Commission of Texas Docket No. 53719/SOAH Docket No. 473-22-04394: Application of Entergy Texas, Inc. for Authority to Change Rates.

New York Public Service Commission Case No. 22-E-0317: Proceeding On Motion Of The Commission As To The Rates, Charges, Rules, And Regulations Of New York State Electric & Gas Corporation For Electric Service.

New York Public Service Commission Case No. 22-G-0318: Proceeding On Motion Of The Commission As To The Rates, Charges, Rules, And Regulations Of New York State Electric & Gas Corporation For Gas Service.

New York Public Service Commission Case No. 22-E-0319: Proceeding On Motion Of The Commission As To The Rates, Charges, Rules, And Regulations Of Rochester Gas And Electric Corporation For Electric Service.

New York Public Service Commission Case No. 22-G-0320: Proceeding On Motion Of The Commission As To The Rates, Charges, Rules, And Regulations Of Rochester Gas And Electric Corporation For Gas Service.

Public Service Commission of Wisconsin Docket No. 6690-UR-127, Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates.

Public Service Commission of Wisconsin Docket No. 5-UR-110, Joint Application of Wisconsin Electric Power Company and Wisconsin Gas LLC for Authority to Adjust Electric, Natural Gas and Steam Rates.

Public Utilities Commission of Texas Docket No. 53601/SOAH Docket No. 473-22-2695: Application of Oncor Electric Delivery Company LLC for Authority to Change Rates.

Maryland Public Service Commission Docket No. 9681: In the Matter of the Application of Delmarva Power & Light Company for Electric Multi-Year Plan

California Public Utilities Commission Docket No. A.22-04-008: Application of Pacific Gas and Electric Company for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2023 and to Reset the Cost of Capital Adjustment Mechanism (U39M).

California Public Utilities Commission Docket No. A.22-04-009: Application of Southern California Edison Company (U 338-E) for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2023 and to Reset the Cost of Capital Adjustment Mechanism.

California Public Utilities Commission Docket No. A.22-04-012: Application of San Diego Gas & Electric Company (U 902M) for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2023 and to Reset the Cost of Capital Adjustment Mechanism.

Washington Utilities and Transportation Commission Docket Nos. UE220066 and UG-220067 for Puget Sound Energy: General Rate Case to Update Electric Base Rate to Recover Increased Electric Revenue Requirements and General Rate Case to Update Natural Gas Base Rate to Recover Increase Natural Gas Revenue Requirements.

Oregon Public Utility Commission Case No. UE-399: In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision.

New York Public Service Commission Case No. 22-00217/22-E-0064: Proceeding On Motion Of The Commission As To The Rates, Charges, Rules, And Regulations Of Consolidated Edison Company Of New York, Inc. For Electric Service.

New York Public Service Commission Case No. 22-00218/22-G-0065: Proceeding On Motion Of The Commission As To The Rates, Charges, Rules, And Regulations Of Consolidated Edison Company Of New York, Inc. For Gas Service.

2021

Maryland Public Service Commission Docket No. 9670: In the Matter of the Application of Delmarva Power & Light Company for Adjustments to its Retail Rates

Colorado Public Utilities Commission Docket No. 21AL-0317E: In the Matter of Advice Letter No. 1857 – Electric Filed By Public Service Company of Colorado to Revise its Colorado PUC No. 8 – Electric To Revise Jurisdictional Base Rate Revenues, Implement New Base Rates for all Electric Rate Schedules, and Make Other Proposed Tariff Changes Effective August 2, 2021

Public Utility Commission of Texas Docket No. 52195/SOAH Docket No. 473-21-2606: Application of El Paso Electric Company to Change Rates

Public Utility Commission of Texas Docket No. 52397/SOAH Docket No. 473-21-3114: Application of Southwestern Electric Power Company to Implement a Net Interim Fuel Surcharge

Public Utilities Commission of Ohio Case No. 20-1651-EL-AIR: In the Matter of the Application of The Dayton Power and Light Company to Increase its Rates for Electric Distribution, Case No. 20-1652-EL-AAM: In the Matter of the Application of The Dayton Power and Light Company for Accounting Authority, and Case No. 20-1653-EL-ATA: In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs.

Public Utility Commission of Texas Docket No. 51802/SOAH Docket No. 473-21-0478: Application of Southwestern Public Service Company for Authority to Changes Rates.

Pennsylvania Public Utility Commission Docket No. R-2021-3024601: Pennsylvania Public Utility Commission v. PECO Energy Company – Electric Division.

New Mexico Public Regulation Commission Case No. 20-00238-UT: In the Matter of Southwestern Public Service Company’s Application for: (1) Revision of its Retail Rates under Advice Notice No. 292; (2) Authorization and Approval to Abandon its Plant X Unit 3 Generating Station; and (3) other Associated Relief.

Colorado Public Utilities Commission Docket No. 20AL-0432E: In the Matter of Advice No. 1835-Electric of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 8 – Electric Tariff to Eliminate the Currently Effective General Rate Schedule Adjustments to Place into Effect Revised Base Rates and other Phase II Tariff Proposals to Become Effective November 19 2020.

Public Utility Commission of Texas Docket No. 51547: Joint Report and Application of Texas-New Mexico Power Company, NM Green Holdings, Inc., and Avangrid, Inc. for Regulatory Approvals Under PURA §§ 14.101, 39.262 AND 39.915.

2020

New York Public Service Public Service Commission Case No. 20-E-0380: Proceeding on motion of the Commission as to the rates, charges, rules, and regulations of Niagara Mohawk Power Corporation d/b/a National Grid for electric service.

Maryland Public Service Commission Docket No. 9645: In the matter of the application of Baltimore Gas and Electric Company for an electric and gas multi-year plan.

Washington Utilities and Transportation Commission Docket UE-191024: In the matter of PacifiCorp for adjustments to its retail rates for electric energy.

Maryland Public Service Commission Docket No. 9630: In the matter of the application of Delmarva Power & Light Company for adjustments to its retail rates for the distribution of electric energy.

Arkansas Public Service Commission Docket No. 20-027-U. Issue: Demand Response participation.

2019

Arkansas Public Service Commission Docket No. 16-027. Issue: Net Metering Implementation.

KEY ACCOMPLISHMENTS

Created and maintained a Rate Monitor tool to assist Walmart's financial planning and analysis (FP&A) team with budgeting and forecasting. Scanned state PSC websites for potential rate changes and quantified rate change impacts by location by month from general rate cases, fuel adjustments, riders, and other items.

Analyzed, pitched, and secured executive approval for CyrusOne's first green energy commitment through a municipal utility. December 2018.

Implemented demand response program utilizing CyrusOne's backup generators, resulting in \$2.5mm of savings over 4 years (2015-2019). Demonstrated and ensured regulatory compliance.

Researched utility tariffs and coordinated with power utilities, contractors, and CyrusOne's commissioning teams to save over \$11mm over 3 years by minimizing utility ratchets and peak demand charges.

Impact of Montana-Dakota Utilities' Proposed Return on Equity vs. Company's Currently Approved Return On Equity
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Line No.	Source	Capital Component	Ratio	Cost Rate	Weighted Cost Rate
1		Long-Term Debt	44.59%	4.50%	2.01%
2	Statement E, Page 1, Case No. PU-16-666	Short-Term Debt	4.60%	3.68%	0.17%
3		Equity with Currently Approved ROE	50.81%	9.65%	4.90%
4		WACC with Currently Approved ROE	100%		7.08%
5	Statement A, Page 2	Rate Base		\$	612,177,981
6	4 x 5	Return on Rate Base, Currently Approved ROE		\$	43,345,214
7		Long-Term Debt	44.59%	4.50%	2.01%
8	Statement E, Page 1	Short-Term Debt	4.60%	3.68%	0.17%
9		Equity with Proposed ROE	50.81%	10.50%	5.34%
10		WACC with Proposed ROE	100%		7.51%
11	Statement A, Page 2	Rate Base		\$	612,177,981
12	10 x 11	Proposed Return on Rate Base		\$	45,989,119
13	12 - 6	Difference in Return on Rate Base		\$	2,643,905
14	Statement K, Page 1	Operating Income / Inverse of Federal Income tax rate			1.3228
15	13 x 14	Difference in Revenue Requirement		\$	3,497,455
16	Nicole A. Kivisto, Page 7	Proposed Revenue Deficiency		\$	25,365,558
17	15 / 16	Difference as Percent of Proposed Revenue Deficiency			13.8%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2019 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
								(8) - (5)					(8) X (13)
Michigan	Consumers Energy Co.	CMS	U-20134	10.75%	1/9/2019	V	10.00%	(75)		Settled	N/A	N/A	N/A
West Virginia	Appalachian Power Co.	AEP	18-0646-E-42T	10.22%	2/27/2019	V	9.75%	(47)	Y	Settled	7.28%	50.16%	4.89%
New Jersey	Atlantic City Electric Co.	EXC	ER18080925	10.10%	3/13/2019	D	9.60%	(50)		Settled	7.08%	49.94%	4.79%
New York	Orange & Rockland Utilities Inc.	ED	18-E-0067	9.75%	3/14/2019	D	9.00%	(75)		Settled	6.97%	48.00%	4.32%
Oklahoma	Public Service Company of OK	AEP	PUD201800097	10.30%	3/14/2019	V	9.40%	(90)	Y	Settled	6.97%	N/A	N/A
Maryland	Potomac Edison Co.	FE	9490	10.80%	3/22/2019	D	9.65%	(115)		Fully Litigated	7.15%	52.82%	5.10%
Kentucky	Kentucky Utilities Co.	PPL	2018-00294	10.42%	4/30/2019	V	9.73%	(69)		Settled	N/A	N/A	N/A
Kentucky	Louisville Gas & Electric Co.	PPL	2018-00295	10.42%	4/30/2019	V	9.73%	(69)		Settled	N/A	N/A	N/A
South Carolina	Duke Energy Carolinas LLC	DUL	2018-319-E	10.50%	5/1/2019	V	9.50%	(100)		Fully Litigated	7.16%	53.00%	5.04%
Michigan	DTE Electric Co.	DTE	U-20162	10.50%	5/2/2019	V	10.00%	(50)		Fully Litigated	5.48%	37.94%	3.79%
South Carolina	Duke Energy Progress LLC	DUK	2018-318-E	10.50%	5/8/2019	V	9.50%	(100)	Y	Fully Litigated	6.99%	53.00%	5.04%
South Dakota	Otter Tail Power Co.	OTTR	EL18-021	10.30%	5/14/2019	V	8.75%	(155)	Y	Fully Litigated	7.09%	52.92%	4.63%
Hawaii	Maui Electric Company Ltd	HE	2017-0150	10.60%	5/16/2019	V	9.50%	(110)		Settled	7.43%	57.02%	5.42%
Michigan	Upper Peninsula Power Co.		U-20276	10.50%	5/23/2019	V	9.90%	(60)		Settled	6.91%	N/A	N/A
Maryland	Potomac Electric Power Co.	EXC	9602	10.30%	8/12/2019	D	9.60%	(70)		Fully Litigated	7.45%	50.46%	4.84%
Vermont	Green Mountain Power Corp.		19-1932-TF	9.16%	8/29/2019	V	9.06%	(10)		Fully Litigated	6.85%	49.46%	4.48%
Wisconsin	Northern States Power Co - WI	XEL	4220-UR-124	N/A Ω	9/4/2019	V	10.00%	N/A	Y	Settled	7.74%	52.52%	5.25%
Massachusetts	Massachusetts Electric Co.	NG	DPU-18-150	10.50%	9/30/2019	D	9.60%	(90)		Fully Litigated	7.56%	53.49%	5.14%
Montana	Northwestern Corp.	NWE	D2018.2.12	10.65%	10/29/2019	V	9.65%	(100)	Y	Settled	6.92%	49.38%	4.77%
Wisconsin	Wisconsin Electric Power Co.	WEC	05-UR-109	10.35%	10/31/2019	V	10.00%	(35)		Settled	7.49%	54.46%	5.45%
Wisconsin	Wisconsin Public Service Corp.	WEC	6690-UR-126	10.35%	10/31/2019	V	10.00%	(35)		Settled	7.22%	51.96%	5.20%
Louisiana	Entergy New Orleans LLC	ETR	UD-18-07	10.50%	11/7/2019	V	9.35%	(115)	Y	Fully Litigated	7.09%	50.00%	4.68%
Idaho	Avista Corp.	AVA	AVU-E-19-04	9.90%	11/29/2019	V	9.50%	(40)		Settled	7.35%	50.00%	4.75%
Illinois	Commonwealth Edison Co.	EXC	19-0387	8.91%	12/4/2019	D	8.91%	-		Fully Litigated	6.51%	47.97%	4.27%
Indiana	Northern Indiana Public Service Co.	NI	45159	10.80%	12/4/2019	V	9.75%	(105)		Settled	6.52%	47.86%	4.67%
Illinois	Ameren Illinois	AEE	19-0436	8.91%	12/16/2019	D	8.91%	-	Y	Fully Litigated	6.71%	50.00%	4.46%
Georgia	Georgia Power Co.	SO	42516	10.90%	12/17/2019	V	10.50%	(40)	Y	Fully Litigated	N/A	56.00%	5.88%
Maryland	Baltimore Gas and Electric Co.	EXC	9610	10.30%	12/17/2019	D	9.70%	(60)		Settled	6.94%	N/A	N/A
California	Pacific Gas & Electric Co.	PCG	A-19-04-015	12.00%	12/19/2019	V	10.25%	(175)		Fully Litigated	7.81%	52.00%	5.33%
California	San Diego Gas & Electric Co.	SRE	A-19-04-017	12.38%	12/19/2019	V	10.20%	(218)		Fully Litigated	7.55%	52.00%	5.30%
California	Southern California Edison Co.	EIX	A-19-04-014	11.45%	12/19/2019	V	10.30%	(115)		Fully Litigated	7.68%	52.00%	5.36%
Arkansas	Southwestern Electric Power Co.	AEP	19-008-U	10.50%	12/20/2019	V	9.45%	(105)	Y	Settled	4.93%	33.71%	3.19%
Nevada	Sierra Pacific Power Co.	BRK.A	19-06002	10.21%	12/24/2019	V	9.50%	(71)		Settled	6.75%	50.92%	4.84%
Iowa	Interstate Power & Light Co.	LNT	RPU-2019-0001	10.25% ¥	1/8/2020	V	10.02% ¥	(23)	Y	Settled	7.23%	51.00%	5.11%
New York	Consolidated Edison Co. of NY	ED	19-E-0065	9.75%	1/16/2020	D	8.80%	(95)		Settled	6.61%	48.00%	4.22%
New Jersey	Rockland Electric Company	ED	ER19050552	9.60%	1/22/2020	D	9.50%	(10)		Settled	7.11%	48.32%	4.59%
Michigan	Indiana Michigan Power Co.	AEP	U-20359	10.50%	1/23/2020	V	9.86%	(64)	Y	Settled	6.08%	46.56%	4.59%
California	PacifiCorp	BRK.A	A-18-04-002	10.60%	2/6/2020	V	10.00%	(60)		Fully Litigated	N/A	51.96%	5.20%
Colorado	Public Service Company of Colorado	XEL	19AL-0268E	10.20%	2/11/2020	V	9.30%	(90)	Y	Fully Litigated	6.97%	55.61%	5.17%
Texas	Centerpoint Energy	CNP	49421	10.40%	2/14/2020	D	9.40%	(100)		Settled	6.51%	42.50%	4.00%
Maine	Central Maine Power Co.	IBE	2018-00194	10.00%	2/19/2020	D	8.25%	(175)		Fully Litigated	6.30%	50.00%	4.13%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2019 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
								(8) - (5)					(8) X (13)
North Carolina	Virginia Electric & Power Co.	D	E-22 Sub 562	10.75%	2/24/2020	V	9.75%	(100)		Settled	7.20%	52.00%	5.07%
Texas	AEP Texas Inc.	AEP	49494	10.50%	2/27/2020	D	9.40%	(110)	Y	Settled	6.45%	42.50%	4.00%
Indiana	Indiana Michigan Power Co.	AEP	45235	10.50%	3/11/2020	V	9.70%	(80)	Y	Fully Litigated	5.61%	37.55%	3.64%
Washington	Avista Corp.	AVA	UE-190334	9.90%	3/25/2020	V	9.40%	(50)		Settled	7.21%	48.50%	4.56%
Massachusetts	Fitchburg Gas & Electric Light	UTL	DPU 19-130	10.50%	4/17/2020	D	9.70%	(80)		Settled	7.99%	52.45%	5.09%
Kentucky	Duke Energy Kentucky Inc.	DUK	2019-00271	9.80%	4/27/2020	V	9.25%	(55)	Y	Fully Litigated	6.41%	48.23%	4.46%
Michigan	DTE Electric Co.	DTE	U-20561	10.50%	5/8/2020	V	9.90%	(60)		Fully Litigated	5.46%	38.32%	3.79%
New Mexico	Southwestern Public Service Co	XEL	19-00170-UT	10.10%	5/20/2020	V	9.45%	(65)	Y	Settled	7.19%	54.77%	5.18%
Indiana	Duke Energy Indiana, LLC	DUK	45253	10.40%	6/29/2020	V	9.70%	(70)	Y	Fully Litigated	5.71%	40.98%	3.98%
New Hampshire	Liberty Utilities Granite St	AQN	DE-19-064	10.00%	6/30/2020	D	9.10%	(90)		Settled	7.60%	52.00%	4.73%
Missouri	Empire District Electric Co.	AQN	ER-2019-0374	9.95%	7/1/2020	V	9.25%	(70)		Settled	6.77%	46.00%	4.26%
Washington	Puget Sound Energy Inc.	UE-190529	UE-190529	9.50%	7/8/2020	V	9.40%	(10)		Fully Litigated	7.39%	48.50%	4.56%
Maryland	Delmarva Power & Light Co.	EXC	9630	10.30%	7/14/2020	D	9.60%	(70)		Fully Litigated	6.84%	50.53%	4.85%
Hawaii	Hawaii Electric Light Co	HE	2018-0368	10.50%	7/28/2020	V	9.50%	(100)		Settled	7.52%	56.83%	5.40%
California	Liberty Utilities (CalPeco Electric)	AQN	A-18-12-001	10.30%	8/27/2020	V	10.00%	(30)		Fully Litigated	7.63%	52.50%	5.25%
Vermont	Green Mountain Power Corp.	20-1407-TF	20-1407-TF	8.20%	8/27/2020	V	8.20%	-		Fully Litigated	6.43%	49.87%	4.09%
Texas	Southwestern Public Service Co	XEL	49831	10.10%	8/27/2020	V	9.45%	(65)	Y	Settled	7.13%	54.62%	5.16%
Hawaii	Hawaiian Electric Co.	HE	2019-0085	10.50%	10/22/2020	V	9.50%	(100)		Settled	7.37%	56.83%	5.40%
New Jersey	Jersey Central Power & Light Co.	FE	ER20020146	10.15%	10/28/2020	D	9.60%	(55)		Settled	7.40%	51.44%	4.94%
New York	NY State Electric & Gas Corp	IBE	19-E-0378	9.50%	11/19/2020	D	8.80%	(70)		Settled	6.10%	48.00%	4.22%
New York	Rochester Gas & Electric Corp	IBE	19-E-0380	9.50%	11/19/2020	D	8.80%	(70)		Settled	6.62%	48.00%	4.22%
Virginia	Appalachian Power Co.	AEP	PUR-2020-00015	9.90%	11/24/2020	V	9.20%	(70)	Y	Fully Litigated	N/A	N/A	N/A
Wisconsin	Madison Gas and Electric Co.	MGEE	3270-UR-123 (Elec)	9.80%	11/24/2020	V	9.80%	-		Settled	6.95%	55.00%	5.39%
Illinois	Ameren Illinois	AEE	20-0381	8.38%	12/9/2020	D	8.38%	-	Y	Fully Litigated	6.39%	50.00%	4.19%
Illinois	Commonwealth Edison Co.	EXC	20-0393	8.38%	12/9/2020	D	8.38%	-		Fully Litigated	6.28%	48.16%	4.04%
Nevada	Nevada Power Co.	BRK.A	20-06003	10.08%	12/10/2020	V	9.40%	(68)		Settled	7.14%	N/A	N/A
Washington	PacifiCorp	BRK.A	UE-191024	10.20%	12/14/2020	V	9.50%	(70)		Settled	7.17%	49.10%	4.66%
New Hampshire	Public Service Co. of NH	ES	DE-19-057	10.40%	12/15/2020	D	9.30%	(110)		Settled	6.87%	54.40%	5.06%
Maryland	Baltimore Gas and Electric Co.	EXC	9645	10.10%	12/16/2020	D	9.50%	(60)		Fully Litigated	6.75%	52.00%	4.94%
Michigan	Consumers Energy Co.	CMS	U-20697	10.50%	12/17/2020	V	9.90%	(60)		Fully Litigated	5.67%	N/A	N/A
Oregon	PacifiCorp	BRK.A	UE 374	9.80%	12/18/2020	V	9.50%	(30)		Fully Litigated	7.14%	50.00%	4.75%
Arizona	Tucson Electric Power Co.	FTS	E-1933A-19-0028	10.00%	12/22/2020	V	9.15%	(85)		Fully Litigated	7.04%	53.08%	4.86%
Wisconsin	Wisconsin Power and Light Co	LNT	6680-UR-122 (Elec)	N/A	12/23/2020	V	10.00%	N/A	Y	Fully Litigated	7.26%	52.53%	5.25%
Utah	PacifiCorp	BRK.A	20-035-04	9.80%	12/30/2020	V	9.65%	(15)		Fully Litigated	7.34%	52.50%	5.07%
Kentucky	Kentucky Power Co.	AEP	C-2020-00174	10.00%	1/13/2021	V	9.30%	(70)	Y	Fully Litigated	6.19%	43.25%	4.02%
North Carolina	Duke Energy Carolinas LLC	DUK	D-E-7, Sub 1214	10.50%	3/31/2021	V	9.60%	(90)	Y	Settled	7.04%	52.00%	4.99%
North Carolina	Duke Energy Progress LLC	DUK	D-E-2, Sub 1219	10.50%	4/16/2021	V	9.60%	(90)	Y	Settled	6.92%	52.00%	4.99%
Florida	Duke Energy Florida LLC	DUK	D-20210016-EI	9.85%	5/4/2021	V	9.85%	-	Y	Settled	N/A	N/A	N/A
Wyoming	PacifiCorp	BRK.A	20000-578-ER-20	9.80%	5/18/2021	V	9.50%	(30)		Fully Litigated	7.19%	51.00%	4.85%
District of Columbia	Potomac Electric	EXC	FC-1156	9.70%	6/4/2021	D	9.28%	(42)		Fully Litigated	7.17%	50.68%	4.70%
Maryland	Potomac Electric Power Co.	EXC	C-9655	10.20%	6/23/2021	V	9.55%	(65)		Fully Litigated	7.21%	50.50%	4.82%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2019 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
								(8) - (5)					(8) X (13)
New Mexico	El Paso Electric Co.		C-20-00104-UT	10.30%	6/28/2021	D	9.00%	(130)		Fully Litigated	7.18%	49.21%	4.43%
Kentucky	Kentucky Utilities Co.	PPL	C-2020-00349	10.00%	6/30/2021	V	9.43%	(57)		Settled	N/A	N/A	N/A
Kentucky	Louisville Gas & Electric Co.	PPL	C-2020-00350 (elec.)	10.00%	6/30/2021	V	9.43%	(57)		Settled	N/A	N/A	N/A
New Jersey	Atlantic City Electric Co.	EXC	D-ER20120746	10.30%	7/14/2021	D	9.60%	(70)		Settled	6.99%	50.21%	4.82%
South Carolina	Dominion Energy South Carolina	D	D-2020-125-E	10.25%	7/21/2021	V	9.50%	(75)		Settled	N/A	51.62%	4.90%
Delaware	Delmarva Power & Light Co.	EXC	D-20-0149	10.30%	8/5/2021	D	9.60%	(70)		Fully Litigated	6.80%	N/A	N/A
North Dakota	Northern States Power Co.	XEL	C-PU-20-441	10.20%	8/18/2021	V	9.50%	(70)	Y	Settled	6.97%	52.50%	4.99%
Vermont	Green Mountain Power Corp.		21-1963-TF	8.57%	8/31/2021	V	8.57%	-		Fully Litigated	6.67%	50.42%	4.32%
Idaho	Avista Corp.	AVA	C-AVU-E-21-01	9.90%	9/1/2021	V	9.40%	(50)		Settled	7.05%	50.00%	4.70%
Washington	Avista Corp.	AVA	D-UE-200900	9.90%	9/27/2021	V	9.40%	(50)		Settled	7.12%	48.50%	4.56%
Florida	Tampa Electric Co.	EMA	D-20210034-EI	10.75%	10/21/2021	V	9.95%	(80)		Settled	6.26%	45.07%	4.48%
Florida	Florida Power & Light Co.	NEE	D-20210015-EI	11.50%	10/26/2021	V	10.60%	(90)	Y	Settled	N/A	N/A	N/A
Maine	Versant Power		D-2020-00316	9.35%	10/28/2021	D	9.35%	-		NA	6.57%	49.00%	4.58%
Arizona	Arizona Public Service Co.	PNW	D-E-01345A-19-0236	10.00%	11/2/2021	V	8.70%	(130)		Settled	6.62%	54.67%	4.76%
Minnesota	Otter Tail Power Co.	OTTR	D-E-017/GR-20-719	10.20%	11/4/2021	V	9.48%	(72)	Y	Fully Litigated	7.18%	52.50%	4.98%
Ohio	Ohio Power Co.	AEP	C-20-0585-EL-AIR	10.15%	11/17/2021	D	9.70%	(45)	Y	Settled	7.28%	43.43%	4.21%
New York	Central Hudson Gas & Electric	FTS	C-20-E-0428	9.10%	11/18/2021	D	9.00%	(10)		Settled	6.48%	50.00%	4.50%
Texas	Southwestern Electric Power Co	AEP	D-51415	10.35%	11/18/2021	V	9.25%	(110)	Y	Fully Litigated	6.69%	49.37%	4.57%
Virginia	Virginia Electric & Power Co.	D	C-PUR-2021-00058	10.80%	11/18/2021	V	9.35%	(145)		Settled	6.92%	51.92%	4.85%
Wisconsin	Madison Gas and Electric Co.	MGEE	D-3270-UR-124 (Elec)	9.80%	11/23/2021	V	9.80%	-		Settled	7.18%	55.00%	5.39%
Wisconsin	Northern States Power Co.	XEL	D-4220-UR-125 (Elec)	10.00%	11/18/2021	V	10.00%	-	Y	Settled	7.31%	52.50%	5.25%
Wisconsin	Wisconsin Power and Light Co	LNT	D-6680-UR-123 (Elec)	10.00%	11/18/2021	V	10.00%	-	Y	Settled	7.48%	52.50%	5.25%
Illinois	Commonwealth Edison Co.	EXC	D-21-0367	7.36%	12/1/2021	D	7.36%	-		Fully Litigated	5.72%	48.70%	3.58%
Illinois	Ameren Illinois	AEE	D-21-0365	7.36%	12/13/2021	D	7.36%	-	Y	Fully Litigated	5.78%	51.00%	3.75%
New Jersey	Rockland Electric Company	ED	D-ER21050823	10.00%	12/15/2021	D	9.60%	(40)		Settled	7.08%	48.51%	4.66%
Michigan	Consumers Energy Co.	CMS	C-U-20963	10.50%	12/22/2021	V	9.90%	(60)		Fully Litigated	5.62%	41.84%	4.14%
Oklahoma	Public Service Co. of OK	AEP	Ca-PUD202100055	10.00%	12/28/2021	V	9.40%	(60)	Y	Settled	6.74%	N/A	N/A
New York	Niagara Mohawk Power Corp.	NG.	C-20-E-0380	9.50%	1/20/2022	D	9.00%	(50)		Settled	6.08%	48.00%	4.32%
New Mexico	Southwestern Public Service Co	XEL	C-20-00238-UT	10.35%	2/16/2022	V	9.35%	(100)	Y	Settled	7.07%	54.72%	5.12%
Indiana	Indiana Michigan Power Co.	AEP	Ca-45576	10.00%	2/23/2022	V	9.70%	(30)	Y	Settled	5.78%	40.70%	3.95%
Colorado	Public Service Co. of CO	XEL	D-21AL-0317E	10.00%	3/16/2022	V	9.30%	(70)	Y	Settled	6.82%	55.69%	5.18%
New York	Orange & Rockland Utlits Inc.	ED	C-21-E-0074	9.50%	4/14/2022	D	9.20%	(30)		Settled	6.77%	48.00%	4.42%
New Hampshire	Unitil Energy Systems Inc.	UTL	D-DE-21-030	10.00%	5/12/2022	D	9.20%	(80)		Settled	7.42%	50.00%	4.60%
Oregon	Portland General Electric Co.	POR	D-UE-394	9.50%	4/25/2022	V	9.50%	-	Y	Settled	6.81%	52.00%	4.94%
Arkansas	Southwestern Electric Power Co	AEP	D-21-070-U	10.35%	5/23/2022	V	9.50%	(85)	Y	Fully Litigated	4.74%	44.54%	4.23%
Texas	El Paso Electric Co.		D-52195	10.30%	9/15/2022	V	9.35%	(95)		Settled	7.50%	51.00%	4.77%
Vermont	Green Mountain Power Corp.		C-22-0175-TF	8.57%	8/31/2022	V	8.57%	-		Fully Litigated	6.30%	49.98%	4.28%
Oklahoma	Oklahoma Gas and Electric Co.	OGE	Ca-PUD202100164	10.20%	9/8/2022	V	9.50%	(70)	Y	Settled	N/A	53.37%	5.07%
Tennessee	Kingsport Power Company	AEP	D-21-00107	10.20%	10/25/2022	V	9.50%	(70)	Y	Settled	6.02%	48.90%	4.65%
Illinois	Commonwealth Edison Co.	EXC	D-22-0302	7.85%	11/17/2022	D	7.85%	-		Fully Litigated	5.94%	49.45%	3.88%
Michigan	DTE Electric Co.	DTE	C-U-20836	10.25%	11/18/2022	V	9.90%	(35)		Fully Litigated	5.42%	39.62%	3.92%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2019 to Present													
State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
								(8) - (5)					(8) X (13)
Massachusetts	NSTAR Electric Co.	ES	DPU 22-22	10.50%	11/30/2022	D	9.80%	(70)		Fully Litigated	7.06%	53.21%	5.21%
Illinois	Ameren Illinois	AEE	D-22-0297	7.85%	12/1/2022	D	7.85%	-	Y	Fully Litigated	5.90%	50.00%	3.93%
Maryland	Delmarva Power & Light Co.	EXC	C-9681	10.25%	12/14/2022	D	9.60%	(65)		Settled	6.62%	50.50%	4.85%
Ohio	Duke Energy Ohio Inc.	DUK	C-21-0887-EL-AIR	10.30%	12/14/2022	D	9.50%	(80)	Y	Settled	6.86%	50.50%	4.80%
Ohio	The Dayton Power & Light Co.	AES	C-20-1651-EL-AIR	10.50%	12/14/2022	D	10.00%	(50)		Fully Litigated	7.43%	53.87%	5.39%
California	Pacific Gas and Electric Co.	PCG	A-22-04-008	11.00%	12/15/2022	V	10.00%	(100)		Fully Litigated	7.27%	52.00%	5.20%
California	San Diego Gas & Electric Co.	SRE	A-22-04-012	10.55%	12/15/2022	V	9.95%	(60)		Fully Litigated	7.18%	52.00%	5.17%
California	Southern California Edison Co.	EIX	A-22-04-009	10.53%	12/15/2022	V	10.05%	(48)		Fully Litigated	7.44%	52.00%	5.23%
Oregon	PacifiCorp	BRK.A	D-UE-399	9.80%	12/16/2022	V	9.50%	(30)		Settled	7.11%	50.00%	4.75%
Georgia	Georgia Power Co.	SO	D-44280	11.00%	12/20/2022	V	10.50%	(50)	Y	Settled	NA	56.00%	5.88%
Wisconsin	Wisconsin Public Service Corp.	WEC	D-6690-UR-127 (Elec)	10.00%	12/22/2022	V	9.80%	(20)		Fully Litigated	N/A	53.00%	5.19%
Washington	Puget Sound Energy Inc.		D-UE-220066	9.90%	12/22/2022	V	9.40%	(50)		Settled	7.16%	49.00%	4.61%
Nevada	Sierra Pacific Power Co.	BRK.A	D-22-06014	10.26%	12/27/2022	V	9.56%	(70)		Fully Litigated	6.98%	52.40%	5.01%
Wisconsin	Wisconsin Electric Power Co.	WEC	D-5-UR-110 (WEP-Elec)	10.00%	12/29/2022	V	9.80%	(20)		Fully Litigated	N/A	53.00%	5.19%
Oklahoma	Empire District Electric Co.	AQN	Ca-PUD202100163	10.00%	12/29/2022	V	9.30%	(70)		Settled	N/A	N/A	N/A
Michigan	Consumers Energy Co.	CMS	C-U-21224	10.25%	1/19/2023	V	9.90%	(35)		Settled	N/A	N/A	N/A
Minnesota	Minnesota Power Entrprs Inc.	ALE	D-E-015/GR-21-335	10.25%	1/23/2023	V	9.65%	(60)	Y	Fully Litigated	7.12%	52.50%	5.07%
Entire Period													
# of Decisions				140									
Average	(All Utilities)			10.08%			9.46%	(61)			6.84%	50.11%	4.70%
Average	(Distribution Only)			9.70%			9.13%	(57)			6.79%	49.63%	4.52%
Average	(Vertically Integrated Only)			10.25%			9.61%	(64)			6.86%	50.35%	4.83%
Median	(All Utilities)			10.20%			9.50%				6.99%	50.50%	4.79%
Maximum	(All Utilities)			12.38%			10.60%				7.99%	57.02%	5.88%
Minimum	(All Utilities)			7.36%			7.36%				4.74%	33.71%	3.19%
North Dakota				10.20%	1		9.50%	(70)			6.97%	52.50%	4.99%
Applicant Proxy Group				10.09%			9.49%	(60)			6.67%	49.81%	4.71%
Settled				10.18%			9.54%	(64)			6.95%	50.37%	4.79%
Fully Litigated				9.96%			9.37%	(60)			6.71%	49.85%	4.67%
2019													
# of Decisions				33									
Average	(All Utilities)			10.43%			9.64%	(79)			7.02%	50.33%	4.85%
Average	(Distribution Only)			9.95%			9.37%	(58)			7.05%	50.38%	4.70%
Average	(Distribution Only, exc. IL FRP)			10.29%			9.53%	(77)			7.19%	50.94%	4.84%
Average	(Vertically Integrated Only)			10.59%			9.73%	(86)			7.01%	50.32%	4.90%
2020													

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2019 to Present														
State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
								(8) - (5)					(8) X (13)	

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
								(8) - (5)					(8) X (13)	
# of Decisions			42											
Average	(All Utilities)			10.00%			9.39%	(62)			6.82%	49.77%	4.67%	
Average	(Distribution Only)			9.83%			9.10%	(73)			6.79%	49.22%	4.48%	
Average	(Distribution Only, exc. IL FRP)			10.07%			9.21%	(86)			6.86%	49.24%	4.54%	
Average	(Vertically Integrated Only)			10.10%			9.55%	(56)			6.84%	50.12%	4.78%	
2021														
# of Decisions			34											
Average	(All Utilities)			9.93%			9.38%	(55)			6.81%	49.93%	4.64%	
Average	(Distribution Only)			9.39%			8.99%	(41)			6.71%	48.97%	4.36%	
Average	(Distribution Only, exc. IL FRP)			9.90%			9.39%	(51)			6.94%	48.72%	4.56%	
Average	(Vertically Integrated Only)			10.15%			9.54%	(60)			6.87%	50.38%	4.78%	
2022														
# of Decisions			29											
Average	(All Utilities)			9.97%			9.45%	(52)			6.65%	50.48%	4.78%	
Average	(Distribution Only)			9.58%			9.11%	(47)			6.68%	50.39%	4.60%	
Average	(Distribution Only, exc. IL FRP)			10.08%			9.47%	(61)			6.89%	50.58%	4.80%	
Average	(Vertically Integrated Only)			10.14%			9.60%	(54)			6.64%	50.52%	4.86%	
2023														
# of Decisions			2											
Average	(All Utilities)			10.25%			9.78%	(47)			7.12%	52.50%	5.07%	
Average	(Distribution Only)			None			None	-			None	None	None	
Average	(Distribution Only, exc. IL FRP)			None			None	-			None	None	None	
Average	(Vertically Integrated Only)			10.25%			9.78%	(47)			7.12%	52.50%	5.07%	

Source: S&P Global Market Intelligence

Last Updated: 1/24/23

Ω Utility did not file a full rate case, approved ROE based on a settlement

¥ Weighted to include ratemaking-principles rate base and ROE

μ S&P incorrectly reports this value as 9.6%

Calculation of Revenue Requirement Impact of Montana-Dakota Utilities' Proposed ROE vs. Average ROE Awarded to Vertically Integrated Utilities from 2019-Present

Line No.	Source	Capital Component	Ratio	Cost	Weighted Cost
1		Long-Term Debt	44.59%	4.50%	2.01%
2	<i>Statement E, Page 1, AJK-3</i>	Short-Term Debt	4.60%	3.68%	0.17%
3		Common Equity	50.81%	9.61%	4.88%
4		WACC with National Average Vertically Integrated ROE			7.06%
5	<i>Statement A, Page 2</i>	Rate Base		\$	612,177,981
6	4 X 5	Return on Rate Base at National Average ROE			\$ 43,216,351
7		Long-Term Debt	44.59%	4.50%	2.01%
8	<i>Statement E, Page 1</i>	Short-Term Debt	4.60%	3.68%	0.17%
9		Common Equity	50.81%	10.50%	5.34%
10		Rate of Return at Requested ROE			7.51%
11	<i>Statement A, Page 2</i>	Rate Base		\$	612,177,981
12	10 X 11	Return on Rate Base with Proposed ROE			\$ 45,989,119
13	12 - 6	Difference in Return on Rate Base			\$ 2,772,767
14	<i>Statement K, Page 1</i>	Operating Income / Inverse of Federal Income tax rate			1.3228
15	13 X 14	Difference in Revenue Requirement			\$ 3,667,920
16	<i>Nicole A. Kivisto, Page 7</i>	Proposed Revenue Deficiency			\$ 25,365,558
17	15 / 16	Difference as a Percent of Proposed Revenue Deficiency			14.5%