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July 8, 2025

Public Service Commission  
Attention: Steve Kahl  
600 East Boulevard Avenue, Dept. 408  
Bismarck, ND 58505-0480

Via e-mail and USPS

RE: In the Matter of the Application of Northern States Power Company for Authority to  
Increase Rates for Electric Service in North Dakota, Docket No. PU-24-376

Dear Mr. Kahl:

Enclosed for filing on behalf of Walmart Inc. in the above-referenced matter, please find the  
original and seven copies of the following:

Direct Testimony and Exhibits of Eric S. Austin

along with the Certificate of Service.

Thank you for your attention to this matter.

Respectfully,

/s/ Julie A. Clark

Julie A. Clark

JAC/pjo

cc: Service List via email

## CERTIFICATE OF SERVICE

I hereby certify that, on the 8th day of July, 2025, the original and seven (7) copies of the foregoing was mailed and emailed to the following:

Steve Kahl, Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard Avenue, Dept. 480  
Bismarck, ND 58505-0480  
ndpsc@nd.gov

With a single copy delivered via e-mail to the following:

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Julie A. Clark

**Direct Testimony and Exhibits of Eric S. Austin on behalf of Walmart Inc.  
North Dakota PSC Case No. PU-24-376**

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

In the Matter of the Application of )  
Northern States Power Company for )  
Authority to Increase Rates for Electric )  
Service in North Dakota )

Docket No. PU-24-376  
OAH File No. 20240494

**DIRECT TESTIMONY AND EXHIBITS OF  
ERIC S. AUSTIN  
ON BEHALF OF  
WALMART INC.**

**JULY 8, 2025**

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**Exhibit ESA-3:** Impact of Northern State Power’s Proposed Return on Equity vs. Currently Authorized Return on Equity

**Exhibit ESA-4:** Impact of Northern State Power’s Proposed Increase in Return on Equity vs. National Average for Vertically Integrated Utilities, 2023 to Present



**I. Introduction**

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

A. My name is Eric S. Austin. My business address is 2608 SE J Street, Bentonville, Arkansas 72716-0550. I am employed by Walmart Inc. (“Walmart”) as a Senior Manager, Utility Partnerships.

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

A. I am testifying on behalf of Walmart.

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

A. In 2009, I earned a Bachelor of Science degree in Education from Texas A&M University – Commerce, I earned a Masters of Legal Studies in energy law from Texas A&M University. I have over twelve years of experience in the utility industry, including both investor-owned utilities and cooperatives. I was involved in several areas of the utility business, including generation, transmission, distribution, demand response, and electric vehicle charging. Most recently before Walmart, I was the Manager of Electric Transportation and Public Charging at American Electric Power (“AEP”). I joined Walmart in 2023 as a Senior Manager, Utility Partnerships. My Witness Qualifications Statement is attached as Exhibit ESA-1.

**Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE NORTH DAKOTA PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

A. No, I have not.

1           **Q.     HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER**  
2                   **STATE REGULATORY COMMISSIONS?**

3           A.     Yes. I have submitted testimony before utility regulatory commissions in  
4                   Louisiana, Nevada, Indiana, New Hampshire, New Mexico, Oregon, Oklahoma,  
5                   Wisconsin, Washington, Missouri and Texas. I have submitted testimony with the  
6                   New Mexico state legislature and served as an expert witness in Kansas and New  
7                   Mexico on matters relating to Electric Vehicle Charging Infrastructure and  
8                   Geothermal Heat Pumps.

9           **Q.     ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?**

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

11          **Q.     PLEASE DESCRIBE WALMART’S OPERATIONS IN NORTH DAKOTA.**

12          A.     As shown on Walmart’s website, Walmart operates 17 retail stores and employs  
13                   over 5,100 associates in North Dakota.<sup>1</sup> In the fiscal year ending 2025, Walmart  
14                   purchased approximately \$50.7 million dollars of goods and services from North  
15                   Dakota-based suppliers, supporting approximately 4,600 supplier jobs.<sup>2</sup>

16          **Q.     PLEASE BRIEFLY DESCRIBE WALMART’S OPERATIONS WITHIN**  
17                   **THE NORTH DAKOTA SERVICE TERRITORY OF NORTHERN STATES**  
18                   **POWER COMPANY (“COMPANY” OR “NSP”).**

19          A.     Walmart has four stores and related facilities that take service from NSP, primarily  
20                   on the General Service (“GS”) and General Service, Time of Day (“GS-TOD”)  
21                   Rate.

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<sup>1</sup> <https://corporate.walmart.com/about/location-facts/united-states/north-dakota>

<sup>2</sup> *Id.*

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

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

A. The purpose of my testimony is to respond to the Company's *Application and Notice of Change in General Electric Rates* filed with the Commission on December 2, 2024 ("Application"), together with witness testimony, and to provide recommendations to assist the Commission in its thorough and careful consideration of the customer impact of the Company's proposed rate increase. Specifically, my testimony addresses (i) the proposed increase of Return on Equity ("ROE") of 10.3 percent, (ii) the stratification cost allocation methodology; (iii) proposed revenue allocation and (iv) the proposed increase in the Energy Charge Credit ("ECC").

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

A. Yes. Electricity is a significant operating cost for retailers such as Walmart. When electric rates increase, the increased cost to retailers can put pressure on consumer prices and on the other expenses required by a business to operate. The Commission should thoroughly and carefully consider the impact on customers in examining the requested revenue requirement and ROE, in addition to all other facets of this case, to ensure that any increase in the Company's rates is the minimum amount necessary to provide safe, adequate, and reliable service, while also providing NSP

1           the opportunity to recover its reasonable and prudent costs and earn a reasonable  
2           return on its investment.

3           **Q.   PLEASE SUMMARIZE WALMART’S RECOMMENDATIONS TO THE**  
4           **COMMISSION.**

5           A.   Walmart’s recommendations are as follows:

6           (1)   The Commission should thoroughly and carefully consider the impact on  
7               customers in examining the requested ROE, in addition to all other facets  
8               of this case, to ensure that any increase in the Company’s rates reflects the  
9               minimum amount necessary to compensate the Company for adequate and  
10              reliable service, while also providing the Company an opportunity to earn a  
11              reasonable return for its shareholders.

12          (2)   Specifically, the Commission should closely examine the Company’s  
13              proposed revenue requirement increase and the associated ROE  
14              considering:

- 15              (a)   the customer impact of the resulting revenue requirement increase;  
16              (b)   the Company’s currently approved ROE; and  
17              (c)   recent ROEs approved in North Dakota and other jurisdictions  
18              nationwide, which do not support the Company’s requested ROE.

19          (3)   For the purposes of this docket, Walmart recognizes that the Commission  
20              has approved the “stratification” methodology for production capacity cost  
21              for a number of years and does not propose an alternative production  
22              capacity cost allocation methodology in this case.

1           (4)     Walmart does not take a position on the remainder of the Company's  
2                     proposed cost of service study. However, to the extent that alternative cost  
3                     of service methodologies or modifications to the Company's methodology  
4                     are proposed by other parties, Walmart reserves the right to address any such  
5                     changes in accordance with the Commission's procedures in this docket.

6           (5)     For the purposes of this docket, at the Company's proposed revenue  
7                     requirement, Walmart does not oppose the Company's proposed revenue  
8                     allocation methodology.

9           (6)     If the Commission determines that the appropriate revenue requirement is  
10                    less than that proposed by the Company, the Commission should start with  
11                    the Company's proposed revenue allocation and use the reduction in  
12                    revenue requirement to further move individual rate classes towards cost of  
13                    service-based revenue levels.

14          (7)     Walmart does not oppose the Company's proposal to increase the ECC from  
15                    1.25 cents/kWh to 1.45 cents/kWh.

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

19          A.     No. The fact that an issue is not addressed herein or in related filings should not be  
20                    construed as an endorsement of, agreement with, or consent to any filed position.

**III. Revenue Requirement and ROE**

**(A) Revenue Requirement and Requested ROE**

**Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED REVENUE REQUIREMENT INCREASE?**

A. My understanding is that the Company is seeking a base rate increase of approximately \$44.556 million, which will equate to an approximately 19.34 percent average increase to customers' bills.<sup>3</sup>

**Q. WHAT IS THE COMPANY'S PROPOSED ROE IN THIS CASE?**

A. The Company proposes an ROE of 10.30 percent based on a range of 10.12 percent to 12.11 percent.<sup>4</sup> In addition, the Company proposes a capital structure of 47.50 percent debt and 52.50 percent equity, which is its actual capital.<sup>5</sup> Applying the Company's proposed ROE to its proposed capital structure, the Company is asking the Commission to approve a Rate of Return equal to 7.56 percent based on the weighted average cost of capital ("WACC").<sup>6</sup>

**Q. IS THE COMPANY'S PROPOSED ROE HIGHER THAN ITS CURRENTLY AUTHORIZED ROE?**

A. Yes. In 2021, the Commission authorized an ROE of 9.50 percent, which was the ROE agreed to by the parties in the Company's last base rate case.<sup>7</sup> The 10.30 percent ROE proposed in this proceeding represents an increase of 80 basis points to the Company's currently authorized ROE.

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<sup>3</sup> See Application, page 1, Section I: Introduction.

<sup>4</sup> See Direct Testimony and Schedules of Joshua C. Nowak, page 4, lines 17-24.

<sup>5</sup> See *id.* at page 51, lines 10-11.

<sup>6</sup> See *id.* at page 51, lines 5-7.

<sup>7</sup> See Application, page 1, Section I: Introduction.

1           **Q.    IS WALMART CONCERNED THAT THE COMPANY’S ROE IS**  
2                   **EXCESSIVE?**

3           A.    Yes. Walmart is concerned that the Company’s proposed ROE of 10.30 percent is  
4                   excessive, considering:

5                   (1)    the customer impact of the resulting revenue requirement increase, as  
6                           discussed below;

7                   (2)    the Company’s currently approved ROE; and

8                   (3)    recent ROEs approved in North Dakota and other jurisdictions nationwide,  
9                           discussed in more detail below, which do not support the Company’s  
10                          requested ROE.

11  
12   **(B)    *Recent ROEs Approved by the Commission***

13           **Q.    WHAT IS YOUR UNDERSTANDING OF THE COMPANY’S CURRENTLY**  
14                   **APPROVED ROE?**

15           A.    The Company’s currently approved ROE is 9.50 percent.<sup>8</sup>

16           **Q.    IS THE COMPANY’S PROPOSED ROE SIGNIFICANTLY HIGHER THAN**  
17                   **THE ROEs APPROVED BY THE COMMISSION FROM 2023 TO**  
18                   **PRESENT?**

19           A.    Yes, since 2023, the Commission has issued Orders with stated ROEs in two other  
20                   cases, with an average approved ROE of 9.93 percent.<sup>9</sup>

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<sup>8</sup> See Direct Testimony and Schedules of Allen D. Krug, page 7, lines 2-5.

<sup>9</sup> See Exhibit ESA-2.

1           **Q.     IN WHICH OTHER CASES DID THE COMMISSION ISSUE ORDERS**  
2                   **WITH STATED ROEs?**

3           A.     The Commission issued Orders with stated ROEs in the following cases:

4                   (1)     Docket No. PU-22-194, MDU Resources Group general rate case that  
5                             completed in 2023, in which the Commission approved an ROE of 9.75  
6                             percent via settlement.<sup>10</sup>

7                   (2)     Docket No. PU-23-342, Otter Trail Power Co. general rate case that  
8                             completed in 2024, in which the Commission approved an ROE of 10.10  
9                             percent via settlement.<sup>11</sup>

10          **Q.     HAVE YOU CALCULATED AN ESTIMATE OF THE IMPACT TO**  
11                   **CUSTOMERS FROM THE COMPANY’S PROPOSED INCREASE IN ROE**  
12                   **FROM 9.50 PERCENT TO 10.30 PERCENT?**

13          A.     Yes. Using the Company’s proposed rate base and cost of debt, the impact of the  
14                   proposed change in the Company’s authorized ROE is an increase in revenue  
15                   requirement of approximately \$4.5 million of the Company’s proposed \$44.6  
16                   million base revenue requirement increase, or 10.19 percent.<sup>12</sup>

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<sup>10</sup> See *id.*

<sup>11</sup> See *id.*

<sup>12</sup> See Exhibit ESA-3.



1    **(C)    National Utility Industry ROE Trends**

2           **Q.    IS THE COMPANY’S PROPOSED ROE SIGNIFICANTLY HIGHER**  
3           **THAN THE ROEs APPROVED BY OTHER UTILITY REGULATORY**  
4           **COMMISSIONS IN 2023, 2024, AND SO FAR IN 2025?**

5           A.    Yes. According to data from S&P Global Market Intelligence (“S&P Global”), a  
6           financial news and reporting company, the average of the 100 reported electric  
7           utility rate case ROEs authorized by commissions to investor-owned utilities in  
8           2023, 2024, and so far in 2025, is 9.68 percent.<sup>13</sup> The range of reported authorized  
9           ROEs for the period is 8.63 percent to 11.45 percent, and the median authorized  
10          ROE is 9.70 percent.<sup>14</sup> The average and median values are significantly below the  
11          Company’s proposed ROE of 10.30 percent. As such, the Company’s proposed  
12          10.30 percent ROE is counter to broader electric industry trends.

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

17          A.    In the group reported by S&P Global, the average ROE authorized for vertically  
18          integrated utilities in 2023 was 9.71 percent, in 2024 it was 9.85 percent, and so far  
19          in 2025 it is 9.83.<sup>15</sup> As such, the Company’s proposed 10.30 percent ROE is counter  
20          to broader electric industry trend and, in fact, as shown in Figure 1 below, would

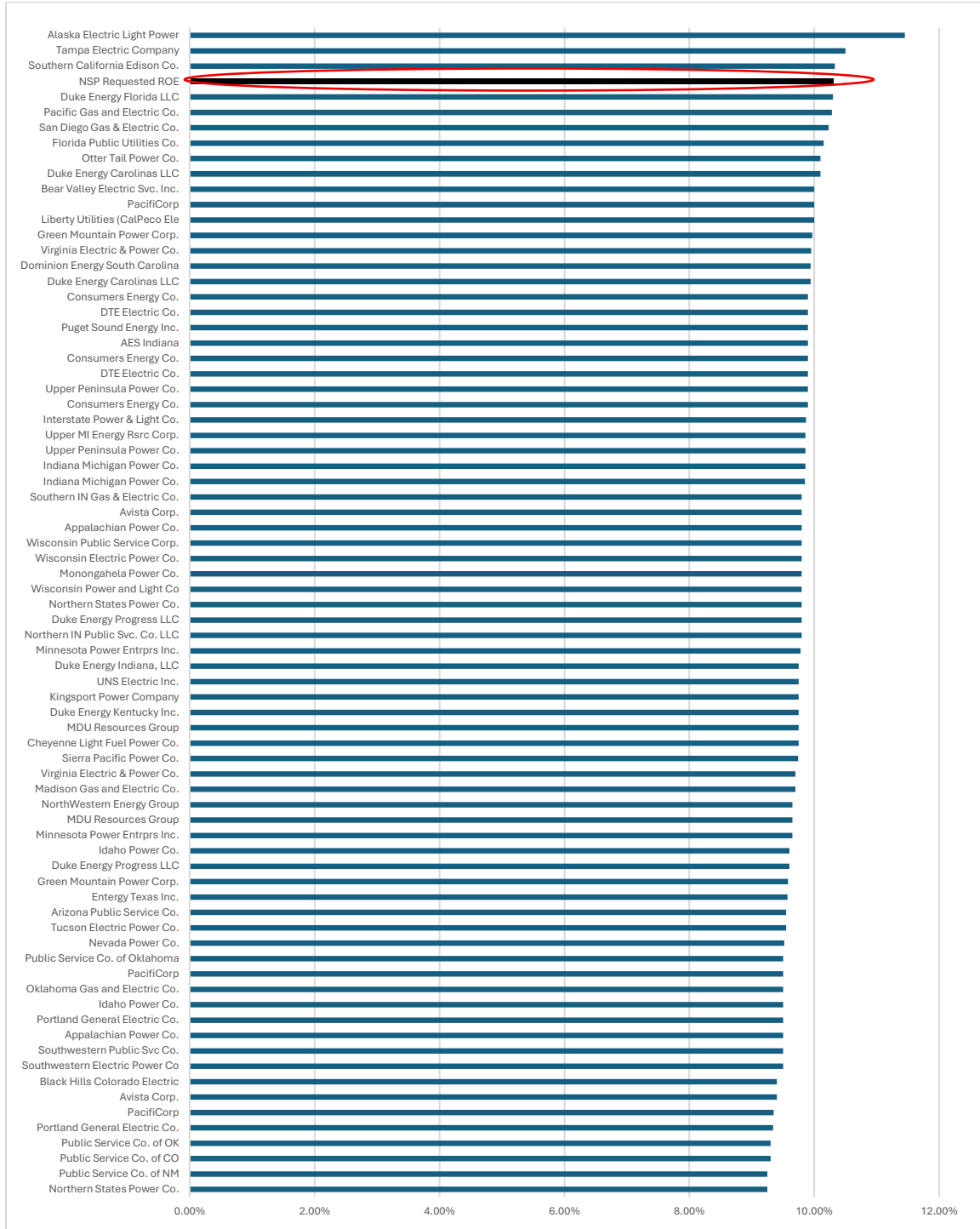
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<sup>13</sup> See Exhibit ESA-2.

<sup>14</sup> See *id.*

<sup>15</sup> See *id.*

1 be tied for the fourth highest approved ROE for a utility from 2023 to present if  
2 approved by the Commission.



**Figure 1. NSP's Proposed ROE Versus Authorized ROEs for Vertically Integrated Utilities, 2023 to Present. Source: Exhibit ESA-2**

1       **Q.   WHAT IS THE REVENUE REQUIREMENT IMPACT IF THE**  
2           **COMMISSION WERE TO AWARD AN ROE OF 9.78 PERCENT, THE**  
3           **AVERAGE AUTHORIZED ROE FOR VERTICALLY INTEGRATED**  
4           **UTILITIES FROM 2023 TO PRESENT?**

5       A.   The difference in revenue requirement for this difference in ROE is approximately  
6           \$2.95 million, or 6.62 percent of the Company's proposed increase.<sup>16</sup>

7       **Q.   IS WALMART RECOMMENDING THAT THE COMMISSION BE**  
8           **BOUND BY ROEs AUTHORIZED BY OTHER STATE REGULATORY**  
9           **COMMISSIONS?**

10      A.   No. Decisions of other state regulatory commissions are not binding on the  
11           Commission. Additionally, each state regulatory commission considers the specific  
12           circumstances in each case in its determination of the proper ROE. Walmart is  
13           providing this information to illustrate a national customer perspective on industry  
14           trends in authorized ROE.

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

17      A.   The Commission should thoroughly and carefully consider the impact on customers  
18           in examining the requested ROE, in addition to all other facets of this case, to ensure  
19           that any increase in the Company's rates reflects the minimum amount necessary  
20           to compensate the Company for adequate and reliable service, while also providing  
21           the Company an opportunity to earn a reasonable return for its shareholders.

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<sup>16</sup> See Exhibit ESA-4.

Specifically, the Commission should closely examine the Company's proposed revenue requirement increase and the associated ROE considering:

- (a) the customer impact of the resulting revenue requirement increase as discussed above;
- (b) the Company's currently approved ROE; and
- (c) recent ROEs approved in North Dakota and other jurisdictions nationwide, as discussed in more detail above, which do not support the Company's requested ROE.

**IV. Cost of Service, Revenue Allocation, and Rate design**

***(A) Cost of Service***

**Q. GENERALLY, WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE UTILITY'S COST OF SERVICE?**

A. Walmart advocates that rates be set based on the utility's cost of service for each rate class. This produces equitable rates that reflect cost causation, send proper price signals, and minimize price distortions.

**Q. HOW IS COST CAUSATION DETERMINED IN THE RATEMAKING PROCESS?**

A. In cost-of-service regulation, the Commission must determine the revenue requirement the Company is authorized to recover based on its prudently incurred cost, including a reasonable return on the investment required to provide service. The Company's cost of service study is an analytical tool commonly used to determine the total cost and equitable assignment of cost responsibility to

1 customers. This is accomplished by identifying, functionalizing, classifying, and  
2 allocating the allowable costs to customer classes in the manner that customers  
3 cause those costs to be incurred.

4 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY’S PROPOSED**  
5 **PRODUCTION CAPACITY COST ALLOCATION METHODOLOGY?**

6 A. My understanding is that the Company proposes to use the equivalent peaker  
7 methodology, or stratification, which classifies fixed production plant costs into  
8 capacity-related and energy-related components by first assigning to the capacity-  
9 related portion an amount equal to or less than the cost of a comparable combustion  
10 turbine peaking plant.<sup>17</sup> Any remaining fixed generation costs are then classified as  
11 energy-related.<sup>18</sup> The capacity- and energy-related components are expressed as  
12 percentages of the total fixed production plant costs.<sup>19</sup>

13 **Q. WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF**  
14 **PRODUCTION PLANT DEMAND COST ALLOCATION?**

15 A. Production plant cost allocation is the process of allocating to each customer class  
16 the fixed costs of a utility’s generation assets. Fixed costs are defined as costs that  
17 do not vary with the level of output and must be paid even if there is no output.<sup>20</sup>

18 **Q. DOES A UTILITY’S FIXED PRODUCTION PLANT COSTS CHANGE**  
19 **WITH CHANGES IN THE AMOUNT OF ELECTRICITY GENERATED?**

20 A. No. The utility’s fixed production plant costs do not change with changes in the  
21 amount of electricity generated. For example, if a generating unit is not dispatched

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<sup>17</sup> See Direct Testimony and Schedules of Christopher J. Barthol, page 9, lines 21-24.

<sup>18</sup> See *id.* at page 9, lines 25-27.

<sup>19</sup> See *id.* at page 10, lines 2-3.

<sup>20</sup> Pindyck, Robert S. and Daniel L. Rubinfeld, “Microeconomics”, 5<sup>th</sup> ed., 2001, page 206.

1 and produces no energy, the fixed costs are not avoided by the utility or customers.  
2 Generation units can be built and operated for different reasons, such as lower fuel  
3 costs, or reliability, but the way in which a generation unit is operated does not  
4 change the fact that the fixed costs are, in fact, fixed, and should be treated as such  
5 in the production capacity cost allocation.

6 **Q. IS IT YOUR UNDERSTANDING THAT PRODUCTION PLANT**  
7 **CAPACITY IS SIZED TO MEET THE MAXIMUM DEMAND IMPOSED**  
8 **ON THE SYSTEM BY THE COMPANY'S CUSTOMERS?**

9 A. Yes. It is my understanding that the timing and size of a utility's production plant  
10 capacity additions are generally made to meet the maximum demand placed on the  
11 utility's system by all customer classes, also known as its coincident peak ("CP").  
12 All of a utility's generation units are needed to meet that demand, and removing  
13 any of the units from that stack will limit the utility's ability to do so. The utility's  
14 production plant capacity can also include power purchase agreements.

15 **Q. WHY IS IT IMPORTANT FOR THE ALLOCATION OF PRODUCTION**  
16 **PLANT COST TO RECOGNIZE THAT PRODUCTION CAPACITY IS**  
17 **DESIGNED TO MEET SYSTEM PEAK?**

18 A. Basing the allocation of production plant fixed costs on the utility's system peak  
19 ensures that the resulting rates reflect cost causation and minimizes cost  
20 responsibility shifts between rate classes. Allocation of fixed production plant costs  
21 on a variable, or energy, basis can introduce shifts in cost responsibility from lower  
22 load factor classes to higher load factor classes. Under an energy allocator, two  
23 customer classes can have the same contribution to system peak demand in the test

1 year and cause the Company to incur the same amount of fixed cost to meet that  
2 demand, but because one class uses more kWh than the other, that class will pay  
3 more of the demand cost than the class that uses fewer kWh.

4 **Q. DOES WALMART SUPPORT THE USE OF STRATIFICATION FOR**  
5 **PRODUCTION CAPACITY COST ALLOCATION?**

6 A. Generally no, as the allocation of production capacity costs on an energy basis does  
7 not represent the fixed nature of the costs as discussed above. Ultimately, the  
8 manner of the operation of a generation unit does not change the fact that the fixed  
9 costs are, in fact, fixed.<sup>21</sup> Additionally, the allocation of fixed costs on an energy  
10 basis introduces shifts in cost responsibility from lower load factor classes to higher  
11 load factor classes, which is a driver for the Company's use of the ECC for higher  
12 load factor customers. Finally, stratification essentially hard codes the Company's  
13 generation into capacity-related and energy-related resources irrespective of actual  
14 dispatch order in the operations of the system. Policy changes or changes in  
15 dispatch that reflect the environmental attributes of system resources could impact  
16 the validity of the stratification results after rates have been made effective.  
17 However, for the purposes of this docket, Walmart recognizes that the Commission  
18 has approved the stratification methodology for a number of years and does not  
19 propose an alternative production capacity cost allocation methodology in this case.

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<sup>21</sup>*Id.*

1       **Q.     DOES WALMART TAKE A POSITION AT THIS TIME ON THE**  
2       **REMAINDER OF THE COMPANY’S PROPOSED COST OF SERVICE**  
3       **STUDY?**

4       A.     No. For the purposes of this case, at this time Walmart does not take a position on  
5       the remaining cost allocation methodologies contained within the Company’s  
6       proposed class cost of service study. However, to the extent that alternative class  
7       cost of service methodologies or modification to the Company’s methodology are  
8       proposed by other parties, Walmart reserves the right to address any such changes  
9       in accordance with the Commission’s procedures in this proceeding.

10  
11   **(B)     Revenue Allocation**

12       **Q.     WHAT IS REVENUE ALLOCATION?**

13       A.     Revenue allocation is the assignment of the revenue responsibility to each customer  
14       class. A revenue allocation that assigns revenue to each class at the cost of service  
15       is free of inter-class subsidies.

16       **Q.     ARE RATES CURRENTLY AT THEIR COST-BASED LEVELS?**

17       A.     No, it does not appear that the Company’s current rates are aligned with cost-based  
18       levels. As the Company notes, applying the system-average increase indicated by  
19       the cost-of-service study to each class would still leave the Residential class 9.74  
20       percent below cost, the C&I Non-Demand class 4.73 percent above cost, the C&I  
21       Demand class 6.86 percent above cost, and the Lighting class 1.14 percent below  
22       cost.<sup>22</sup>

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<sup>22</sup> See Direct Testimony and Schedules of Nicholas N. Paluck, page 4, lines 15-22.



1           **Q.     WHAT IS YOUR UNDERSTANDING OF THE COMPANY’S REVENUE**  
2                   **ALLOCATION PROPOSAL?**

3           A.     It is my understanding that the Company proposes to gradually move each customer  
4                   class closer to its cost-based revenue requirement by moving each class 50 percent  
5                   of the way toward its allocated cost-based level.<sup>23</sup> This 50 percent movement is  
6                   measured relative to two benchmarks: one where the class receives only the system-  
7                   average retail increase (reflecting no movement toward cost-based rates), and  
8                   another where the class’s revenue responsibility is fully aligned with its cost  
9                   responsibility as indicated by the class cost of service study (reflecting full  
10                  movement to cost-based levels).<sup>24</sup>

11          **Q.     WHAT IS WALMART’S RECOMMENDATION TO THE COMMISSION**  
12                   **ON THIS ISSUE?**

13          A.     For the purposes of this docket, at the Company’s proposed revenue requirement,  
14                   Walmart does not oppose the Company’s proposed revenue allocation  
15                   methodology.

16          **Q.     WHAT IS WALMART’S RECOMMENDATION TO THE COMMISSION IF**  
17                   **IT DETERMINES THAT A LOWER REVENUE REQUIREMENT IS**  
18                   **APPROPRIATE?**

19          A.     If the Commission determines that the appropriate revenue requirement is less than  
20                   that proposed by the Company, the Commission should start with the Company’s  
21                   proposed revenue allocation and use the reduction in revenue requirement to further  
22                   move individual rate classes towards cost of service-based revenue levels.

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<sup>23</sup> See *id.* at page 4, lines 12-15.

<sup>24</sup> See *id.* at page 5, lines 7-10.

1    **(C)    Rate Design – GS and GS-TOD**

2           **Q.    WHAT IS YOUR UNDERSTANDING OF THE COMPANY’S ECC FOR**  
3               **COMMERCIAL & INDUSTRIAL DEMAND CUSTOMERS, INCLUDING**  
4               **GS AND GS-TOD CUSTOMERS?**

5           A.    My understanding of the ECC is that it is a high load factor that is applied to a  
6               customer’s monthly billed usage above 400 hours use (400 kWh/kW or 55 percent  
7               load factor) to mitigate the negative impacts of the Company’s stratification of  
8               production capacity cost allocation on high load factor customers.<sup>25</sup>

9           **Q.    WHAT IS YOUR UNDERSTANDING OF THE COMPANY’S PROPOSED**  
10           **CHANGE TO THE ECC?**

11          A.    My understanding is that the Company proposes to increase the ECC from 1.25  
12               cents/kWh to 1.45 cents/kWh.<sup>26</sup> The Company states that the change is designed to  
13               maintain the relationship of the ECC to the combination of base energy and fuel  
14               rates.<sup>27</sup>

15          **Q.    WHAT IS WALMART’S RECOMMENDATION TO THE COMMISSION**  
16               **ON THIS ISSUE?**

17          A.    Walmart does not oppose the Company’s proposal to increase the ECC from 1.25  
18               cents/kWh to 1.45 cents/kWh.

19          **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

20          A.    Yes.

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<sup>25</sup> See *id.* at page 10, line 26 to page 11, line 4.

<sup>26</sup> See *id.* at page 11, lines 17-19.

<sup>27</sup> See *id.* at page 11, lines 18-19.

STATE OF NORTH DAKOTA  
BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION

In the Matter of the Application of | Dakota Power, Inc.  
Northern States Power Company, Inc. | CSD File No. 20240004  
Authority to Increase Rates for Dakota |  
Service in North Dakota |

VERIFICATION

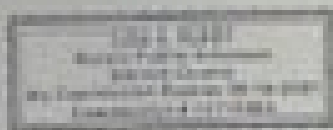
STATE OF ARIZONA |  
COUNTY OF HINTON |

I, Eric S. Austin, being first duly sworn as oath, deposes and swears that he has read the testimony and exhibits submitted in the above captioned matter under his name, that they were prepared by him or under his direction, that he knows the contents thereof, that the same are true and correct to the best of his knowledge and belief, and that he would give the same testimony orally and would present the same attachments if asked under oath.

  
Eric S. Austin

SUBSCRIBED AND SWORN to before me this 2<sup>nd</sup> day of July, 2023. Witness my hand  
and official seal.

My Commission expires 2/3/2024



  
Notary Public

[502]

## Eric S. Austin

Sr Manager, Regulatory, Energy Transformation  
Walmart Inc.  
Business Address: 2608 SE J Street, Bentonville, Arkansas 72716

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### EXPERIENCE

October 2023 – present  
Walmart Inc., Bentonville AR  
Sr. Manager, Utility Partnerships

March 2022 – October 2023  
American Electric Power  
Manager, Electric Transportation and Public Charging

March 2019 – March 2022  
Francis Energy  
SVP, Utility Operations

January 2019 – Jan 2021  
Ausco Energy Services  
Owner, General Manager

August 2012 - December 2016  
Western Farmers Electric Cooperative  
C&I Market Manager

### EDUCATION

2009 Texas A&M University -Commerce Bachelor of Science  
2025 Texas A&M University Master of Legal Studies

### Filed Testimony and Comments

#### **2015**

New Mexico

Senate Bill 249

Renewable Energy bill allowing the transfer of heat from a ground source heat pump to be calculated and used as renewable energy.

#### **2023**

New Hampshire

DE-23-039

Application of Granite State Power, Liberty, for Authority to Adjust Electric Rates.

**2024**

*Washington*

WA-U-210590

Proceeding to develop a policy statement addressing alternatives to traditional cost of service rate making, including performance measures or goals, targets, performance incentives, and penalty mechanisms.

*New Mexico*

23-00271-UT

Application for Authorization of Large Customer Renewable Connect Program and Tariff and Other Associated Relief.

*Nevada*

24-02026

Public Utility Commission Docket for Sierra Pacific Power Company d/b/a NV Energy's Electric General Rate Case Filing

*Oklahoma*

2023-000087

Application for Electric Rate Adjustment for Oklahoma Gas and Electric Company

2023-000086

Application for Electric Rate Adjustment for Public Service of Oklahoma, an American Electric Power Company.

*Louisiana*

U-36956

Application for Electric Rate Increase, weather through a Formula Rate Plan extension or rate review and proposed electric vehicle program or rates.

*Texas*

Docket No. 55338

Proceeding to Resolve Issues in Docket No. 53719 Related to Transportation Electrification and Charging Infrastructure.

Docket No. 56548

Center Point application of its Transmission and Distribution system resiliency plan.

Docket No. 56545

Oncor Energy application of its Transmission and Distribution system resiliency plan.

Docket No. 56735

Entergy Texas, Inc., application of its Transmission and Distribution system resiliency plan.

Docket No. 56954

Texas New Mexico Power application of its Transmission and Distribution system resiliency plan.

Docket No. 57259

Southwestern Electric Power Company, an American Electric Power company, application of its Transmission and Distribution system resiliency plan.

Docket No. 57057

AEP Texas's application of its Transmission and Distribution system resiliency plan.

*Indiana*

Cause No. 46090

Indiana Michigan Power's application for Electric Transportation programs and public charging rates.

*Oregon*

Docket No UE-233

Pacificorp's Application for Electric rate adjustments.

*Wisconsin*

Docket No 5-UR-111

WEPCo/WG application for electric and gas rate adjustments.

*Missouri*

Docket No ER-2024-0319

Ameren general rate case requested EV charging rate.

## **2025**

*Texas*

Docket No 57463

Southwest Public Service Transmission and Distribution Resiliency plan

Docket No OA-24-000019196

Atmos Gas West Texas division General Rate Case

Docket No OA -24-000018879

Atmos Gas Central Texas division General Rate Case

Docket No 57568

El Paso Electric Application for Electric Rate Adjustments.

Docket No 57579

CenterPoint Energy Transmission and Distribution Resiliency plan

## **INDUSTRY TRAINING**

2012 Guernsey, Utility Rate case and Cost of Service training

2010 NRECA CKAIE certification

2024 "The Basics" New Mexico State Utility Rate Management Training

2025 Certificate of legal studies – energy policy – Texas A&M school of law

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
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)	Fully Litigated	7.12%	52.50%	5.07%
Wyoming	Cheyenne Light Fuel Power Co.	BKH	D-20003-214-ER-22	10.30%	1/26/2023	V	9.75%	(55)	Settled	7.48%	52.00%	5.07%
South Carolina	Duke Energy Progress LLC	DUK	D-2022-254-E	10.20%	2/9/2023	V	9.60%	(60)	Settled	6.83%	52.43%	5.03%
Louisiana	Southwestern Electric Power Co	AEP	D-U-35441	10.35%	2/17/2023	V	9.50%	(85)	Settled	N/A	N/A	N/A
Texas	Oncor Electric Delivery Co.	SRE	D-53601	10.30%	3/9/2023	D	9.70%	(60)	Fully Litigated	6.65%	42.50%	4.12%
Michigan	Upper Peninsula Power Co.		C-U-21286	10.80%	3/24/2023	V	9.90%	(90)	Settled	N/A	N/A	N/A
California	Liberty Utilities (CalPeco Ele	AQN	A-21-05-017	10.50%	4/27/2023	V	10.00%	(50)	Settled	N/A	52.50%	N/A
Maine	Versant Power		D-2022-00255	9.35%	5/31/2023	D	9.35%	-	Settled	5.69%	49.00%	4.58%
Minnesota	Northern States Power Co.	XEL	D-E-002/GR-21-630	10.20%	6/1/2023	V	9.25%	(95)	NA	NA	52.50%	4.86%
Maine	Central Maine Power Co.	IBE	D-2022-00152	10.20%	6/6/2023	D	9.35%	(85)	Withdrawn/Reject	NA	50.00%	4.68%
North Dakota	MDU Resources Group	MDU	C-PU-22-194	10.50%	6/6/2023	V	9.75%	(75)	Settled	7.13%	50.81%	4.95%
New York	Consolidated Edison Co. of NY	ED	C-22-E-0064	10.00%	7/20/2023	D	9.25%	(75)	Settled	6.75%	48.00%	4.44%
Indiana	Northern IN Public Svc. Co. LLC	NI	45772	10.40%	8/2/2023	V	9.80%	(60)	Settled	6.80%	51.63%	5.06%
Texas	Entergy Texas Inc.	ETR	D-53719	10.80%	8/3/2023	V	9.57%	(123)	Settled	6.61%	51.21%	4.90%
North Carolina	Duke Energy Progress LLC	DUK	D-E-2 Sub 1300	10.40%	8/18/2023	V	9.80%	(60)	Settled	7.07%	53.00%	5.19%
Connecticut	The United Illuminating Co.	IBE	D-22-08-08	10.20%	8/25/2023	D	8.63%	(157)	Fully Litigated	6.48%	50.00%	4.32%
Arizona	Tucson Electric Power Co.	FTS	D-E-01933A-22-0107	9.75%	8/25/2023	V	9.55%	(20)	NA	6.93%	54.32%	5.19%
Vermont	Green Mountain Power Corp.		C-23-1852-TF	9.58%	8/23/2023	V	9.58%	-	Fully Litigated	6.88%	49.88%	4.78%
Idaho	Avista Corp.	AVA	C-AVU-E-23-01	10.25%	8/31/2023	V	9.40%	(85)	Settled	7.19%	50.00%	4.70%
Alaska	Alaska Electric Light Power	AVA	D-U-22-078	13.45%	8/31/2023	V	11.45%	(200)	Fully Litigated	8.79%	60.70%	6.95%
Colorado	Public Service Co. of CO	XEL	D-22AL-0530E	10.25%	9/6/2023	V	9.30%	(95)	Settled	6.95%	55.69%	5.18%
Montana	MDU Resources Group	MDU	D-2022-11-099	10.50%	9/21/2023	V	9.65%	(85)	Settled	7.53%	50.30%	4.85%
Kentucky	Duke Energy Kentucky Inc.	DUK	C-2022-00372	10.35%	10/12/2023	V	9.75%	(60)	Fully Litigated	NA	52.15%	5.08%
New York	NY State Electric & Gas Corp.	IBE	C-22-E-0317	10.20%	10/12/2023	D	9.20%	(100)	Settled	6.40%	48.00%	4.42%
New York	Rochester Gas & Electric Corp.	IBE	C-22-E-0319	10.20%	10/12/2023	D	9.20%	(100)	Settled	6.67%	48.00%	4.42%
Maryland	The Potomac Edison Co.	FE	C-9695	10.60%	10/18/2023	D	9.50%	(110)	Fully Litigated	6.92%	53.00%	5.04%
New Mexico	Southwestern Public Svc Co.	XEL	C-22-00286-UT	10.75%	10/19/2023	V	9.50%	(125)	Settled	7.17%	54.70%	5.20%
Montana	NorthWestern Energy Group	NWE	D-2022-7-78 (elec)	10.54%	10/25/2023	V	9.65%	(89)	Settled	6.72%	48.02%	4.63%
Oklahoma	Public Service Co. of OK	AEP	Ca-PUD2022-000093	10.40%	11/3/2023	V	9.30%	(110)	NA	6.69%	52.00%	4.84%
Wisconsin	Madison Gas and Electric Co.	MGEE	D-3270-UR-125 (Elec)	9.80%	11/3/2023	V	9.70%	(10)	Fully Litigated	NA	55.00%	5.34%
Wisconsin	Northern States Power Co.	XEL	D-4220-UR-126 (Elec)	10.25%	11/9/2023	V	9.80%	(45)	Fully Litigated	NA	52.50%	5.15%
Wisconsin	Wisconsin Power and Light Co	LNT	D-6680-UR-124 (Elec)	10.00%	11/9/2023	V	9.80%	(20)	Fully Litigated	NA	54.00%	5.29%
New Jersey	Atlantic City Electric Co.	EXC	D-ER23020091	10.50%	11/17/2023	D	9.60%	(90)	Settled	6.58%	50.20%	4.82%
Wyoming	PacifiCorp	BRK.A	D-200000-633-ER-23	10.00%	11/28/2023	V	9.35%	(65)	Fully Litigated	7.13%	48.99%	4.58%
Virginia	Appalachian Power Co.	AEP	PUR-2023-00002	10.60%	11/30/2023	V	9.50%	(110)	Settled	N/A	N/A	N/A
Michigan	DTE Electric Co.	DTE	C-U-21297	10.25%	12/1/2023	V	9.90%	(35)	Fully Litigated	5.56%	NA	NA
California	PacifiCorp	BRK.A	A-22-05-006	10.50%	12/14/2023	V	10.00%	(50)	Fully Litigated	7.34%	52.25%	5.23%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
Illinois	Ameren Illinois	AEE	D-23-0082	10.50%	12/14/2023	D	8.72%	(178)	Fully Litigated	6.59%	50.00%	4.36%
Illinois	Commonwealth Edison Co.	EXC	D-23-0055	10.65%	12/14/2023	D	8.91%	(174)	Fully Litigated	6.70%	50.00%	4.46%
Maryland	Baltimore Gas and Electric Co.	EXC	C-9692	10.40%	12/14/2023	D	9.50%	(90)	Fully Litigated	6.77%	52.00%	4.94%
North Carolina	Duke Energy Carolinas LLC	DUK	D-E-7 Sub 1276	10.40%	12/15/2023	V	10.10%	(30)	Fully Litigated	7.50%	53.00%	5.35%
Oregon	Portland General Electric Co.	POR	D-UE-416	9.80%	12/18/2023	V	9.50%	(30)	Settled	6.99%	50.00%	4.75%
Nevada	Nevada Power Co.	BRK.A	D-23-06007	10.26%	12/26/2023	V	9.52%	(74)	Fully Litigated	7.44%	52.72%	5.02%
Idaho	Idaho Power Co.	IDA	C-IPC-E-23-11	10.40%	12/28/2023	V	9.60%	(80)	Settled	7.25%	NA	NA
New Mexico	Public Service Co. of NM	PNM	C-22-00270-UT	10.25%	1/3/2024	V	9.25%	(100)	Fully Litigated	6.47%	49.61%	4.59%
Kentucky	Kingsport Power Company	AEP	C-2023-00159	9.90%	1/19/2024	V	9.75%	(15)	Settled	NA	41.25%	4.02%
Arizona	UNS Electric Inc.	FTS	D-E-04204A-22-0251	9.95%	1/31/2024	V	9.75%	(20)	Fully Litigated	7.18%	53.72%	5.24%
New Jersey	Jersey Central Power & Light Co.	FE	D-ER23030144	10.40%	2/14/2024	D	9.60%	(80)	Settled	7.18%	51.90%	4.98%
Virginia	Virginia Electric & Power Co.	D	C-PUR-2023-00101	9.70%	2/28/2024	V	9.70%	-	Settled	7.05%	NA	NA
Michigan	Consumers Energy Co.	CMS	C-U-21389	10.25%	3/1/2024	V	9.90%	(35)	Fully Litigated	5.86%	41.13%	4.07%
Arizona	Arizona Public Service Co.	PNW	D-E-01345A-22-0144	10.25%	3/5/2024	V	9.55%	(70)	Fully Litigated	6.81%	51.93%	4.96%
West Virginia	Monongahela Power Co.	FE	C-23-0460-E-42T	10.85%	3/26/2024	V	9.80%	(105)	Settled	NA	NA	NA
Indiana	AES Indiana	AES	Ca-45911	10.60%	4/17/2024	V	9.90%	(70)	Settled	6.58%	44.36%	4.39%
Delaware	Delmarva Power & Light Co.	EXC	D-22-0897	10.50%	4/18/2024	D	9.60%	(90)	Settled	6.97%	50.50%	4.85%
Indiana	Indiana Michigan Power Co.	AEP	Ca-45933	10.50%	5/8/2024	V	9.85%	(65)	Settled	NA	NA	NA
Maryland	Potomac Electric Power Co.	EXC	C-9702	10.50%	6/10/2024	D	9.50%	(100)	Fully Litigated	7.13%	50.50%	4.80%
South Carolina	Duke Energy Carolinas LLC	DUK	2023-388-E	10.50%	6/20/2024	V	9.94%	(56)	Settled	7.32%	51.21%	5.09%
Massachusetts	Fitchburg Gas & Electric Light	UTL	DPU 23-80	10.50%	6/28/2024	D	9.40%	(110)	Fully Litigated	7.46%	52.26%	4.91%
Michigan	Indiana Michigan Power Co.	AEP	U-21461	10.50%	7/2/2024	V	9.86%	(64)	Fully Litigated	6.03%	40.20%	3.96%
New York	Central Hudson Gas & Electric	FTS	C-23-E-0418	9.80%	7/18/2024	D	9.50%	(30)	Fully Litigated	6.92%	48.00%	4.56%
South Carolina	Dominion Energy South Carolina	D	D-2024-34-E	10.60%	8/8/2024	V	9.94%	(66)	Settled	7.93%	52.51%	5.22%
Florida	Duke Energy Florida LLC	DUK	D-20240025-EI	11.15%	8/21/2024	V	10.30%	(85)	Settled	7.56%	45.57%	4.69%
Vermont	Green Mountain Power Corp.		C-24-1709-TF	9.97%	8/26/2024	V	9.97%	-	Fully Litigated	7.05%	49.81%	4.97%
Iowa	Interstate Power & Light Co.	LNT	D-RPU-2023-0002	10.11%	9/17/2024	V	9.87%	(24)	Settled	7.29%	51.00%	5.03%
Nevada	Sierra Pacific Power Co.	BRK.A	D-24-02026	10.47%	9/18/2024	V	9.74%	(73)	Fully Litigated	7.43%	52.40%	5.10%
Oregon	Idaho Power Co.	IDA	D-UE-426	10.40%	9/23/2024	V	9.50%	(90)	Settled	7.30%	50.00%	4.75%
Michigan	Upper Peninsula Power Co.		C-U-21555	10.70%	9/26/2024	V	9.86%	(84)	Settled	NA	NA	NA
Massachusetts	Massachusetts Electric Co.	NG	DPU 23-150	10.50%	9/30/2024	D	9.35%	(115)	Fully Litigated	7.09%	52.83%	4.94%
Texas	AEP Texas Inc.	AEP	D-56165	10.60%	10/8/2024	D	9.76%	(84)	Settled	6.66%	42.50%	4.15%
New Jersey	Public Service Electric Gas	PEG	D-ER23120924	10.40%	10/9/2024	D	9.60%	(80)	Settled	7.07%	55.00%	5.28%
Michigan	Upper MI Energy Rsrc Corp.	WEC	C-U-21541	10.25%	10/10/2024	V	9.86%	(39)	Settled	NA	NA	NA
California	Pacific Gas and Electric Co.	PCG	A-22-04-008 (Phase 2)	10.70%	10/17/2024	V	10.28%	(42)	Fully Litigated	NA	NA	NA
California	San Diego Gas & Electric Co.	SRE	A-22-04-012 (Phase 2)	10.65%	10/17/2024	V	10.23%	(42)	Fully Litigated	NA	NA	NA
California	Southern California Edison Co.	EIX	A-22-04-009 (Phase 2)	10.75%	10/17/2024	V	10.33%	(42)	Fully Litigated	NA	NA	NA
Minnesota	Minnesota Power Entrprs Inc.	ALE	D-E-015/GR-23-155	10.30%	10/24/2024	V	9.78%	(52)	Settled	7.25%	53.00%	5.18%



Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
Wisconsin	Wisconsin Electric Power Co.	WEC	D-5-UR-111	10.00%	11/7/2024	V	9.80%	(20)	Fully Litigated	NA	NA	NA
Wisconsin	Wisconsin Public Service Corp.	WEC	D-6690-UR-128	10.00%	11/7/2024	V	9.80%	(20)	Fully Litigated	NA	NA	NA
Virginia	Appalachian Power Co.	AEP	PUR-2024-00024	10.80%	11/20/2024	V	9.80%	(100)	Fully Litigated	7.26%	48.24%	4.73%
District of Columbia	Potomac Electric Power Co.	EXC	FC-1176	10.50%	11/25/2024	D	9.50%	(100)	Fully Litigated	7.29%	50.50%	4.80%
Oklahoma	Oklahoma Gas and Electric Co.	OGE	PUD2023-000087	10.50%	11/26/2024	V	9.50%	(100)	Settled	NA	53.50%	NA
Florida	Tampa Electric Company	EMA	20240026-EI	11.50%	12/3/2024	V	10.50%	(100)	Fully Litigated	6.90%	NA	NA
Oregon	PacifiCorp	BRK.A	UE-433	9.65%	12/19/2024	V	9.50%	(15)	Fully Litigated	7.40%	50.00%	4.75%
Oregon	Portland General Electric Co.	POR	UE-435	9.50%	12/20/2024	V	9.34%	(16)	Fully Litigated	6.99%	50.00%	4.67%
Washington	Avista Corp.	AVA	UE-240006	10.40%	12/20/2024	V	9.80%	(60)	Fully Litigated	7.32%	48.50%	4.75%
North Dakota	Otter Tail Power Co.	OTTR	PU-23-342	10.60%	12/30/2024	V	10.10%	(50)	Settled	7.53%	53.50%	5.40%
North Carolina	Virginia Electric & Power Co.	D	E-22, Sub 694	10.60%	1/14/2025	V	9.95%	(65)	Settled	7.30%	52.50%	5.22%
Oklahoma	Public Service Co. of Oklahoma	AEP	PUD2023-000086	10.80%	1/15/2025	V	9.50%	(130)	Settled	6.98%	51.12%	4.86%
Washington	Puget Sound Energy Inc.		UE-240004	10.50%	1/15/2025	V	9.90%	(60)	Fully Litigated	7.64%	50.00%	4.95%
California	Bear Valley Electric Svc. Inc.	AWR	22-08-010	11.25%	1/16/2025	V	10.00%	(125)	Settled	8.07%	57.00%	5.70%
Michigan	DTE Electric Co.	DTE	U-21534	10.50%	1/23/2025	V	9.90%	(60)	Fully Litigated	5.69%	39.23%	3.88%
Indiana	Duke Energy Indiana, LLC	DUK	46038	10.50%	1/29/2025	V	9.75%	(75)	Fully Litigated	6.19%	43.28%	4.22%
Indiana	Southern IN Gas & Electric Co.	CNP	45990	10.40%	2/3/2025	V	9.80%	(60)	Settled	6.77%	48.28%	4.73%
Florida	Florida Public Utilities Co.	CPK	20240099-EI	11.30%	3/4/2025	V	10.15%	(115)	Fully Litigated	NA	42.42%	NA
Maine	Versant Power		2023-00336	9.35%	3/11/2025	D	9.35%	-	Fully Litigated	6.84%	50.00%	4.68%
Colorado	Black Hills Colorado Electric	BKH	24AL-0275E	9.83%	3/12/2025	V	9.40%	(43)	Fully Litigated	6.90%	48.00%	4.51%
Texas	CenterPoint Energy Houston	CNP	56211	10.40%	3/13/2025	D	9.65%	(75)	Settled	6.61%	43.25%	4.17%
New York	Orange & Rockland Utilities Inc.	ED	24-E-0060	10.25%	3/20/2025	D	9.75%	(50)	Settled	7.25%	48.00%	4.68%
Michigan	Consumers Energy Co.	CMS	U-21585	10.25%	3/21/2025	V	9.90%	(35)	Fully Litigated	5.97%	41.73%	4.13%
New Hampshire	Liberty Utilities Granite State	AQN	DE-23-039	10.35%	3/25/2025	D	9.10%	(125)	Fully Litigated	7.71%	52.00%	4.73%
Entire Period												
# of Decisions			100									
Average	(All Utilities)			10.38%			9.68%	(70)		6.98%	50.09%	4.95%
Average	(Distribution Only)			10.29%			9.38%	(90)		6.85%	49.52%	4.54%
Average	(Vertically Integrated Only)			10.42%			9.78%	(63)		7.04%	50.34%	5.11%
Median	(All Utilities)			10.40%			9.70%	(70)		6.99%	50.50%	4.93%
Maximum	(All Utilities)			13.45%			11.45%	(200)		8.79%	60.70%	6.95%
Minimum	(All Utilities)			9.35%			8.63%	(72)		5.56%	39.23%	4.12%
North Dakota			2	10.55%			9.93%	(62)		7.33%	52.16%	4.95%
Settled				10.40%			9.68%	(73)		7.03%	50.43%	4.84%
Fully Litigated				10.37%			9.70%	(67)		6.93%	49.69%	5.11%

2023

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
# of Decisions				45								
Average	(All Utilities)			10.36%			9.58%	(77)		6.92%	51.42%	4.92%
Average	(Distribution Only)			10.26%			9.24%	(102)		6.56%	49.23%	4.55%
Average	(Distribution Only, exc. IL FRP)			10.20%			9.33%	(87)		6.55%	49.07%	4.58%
Average	(Vertically Integrated Only)			10.39%			9.71%	(69)		7.09%	52.40%	5.09%
2024												
# of Decisions				41								
Average	(All Utilities)			10.39%			9.78%	(61)		7.08%	49.51%	4.79%
Average	(Distribution Only)			10.41%			9.53%	(88)		7.09%	50.44%	4.81%
Average	(Distribution Only, exc. IL FRP)			10.41%			9.53%	(88)		7.09%	50.44%	4.81%
Average	(Vertically Integrated Only)			10.38%			9.85%	(54)		7.07%	49.12%	4.78%
2025												
# of Decisions				14								
Average	(All Utilities)			10.45%			9.72%	(73)		6.92%	47.63%	4.65%
Average	(Distribution Only)			10.09%			9.46%	(63)		7.10%	48.31%	4.57%
Average	(Distribution Only, exc. IL FRP)			10.09%			9.46%	(63)		7.10%	48.31%	4.57%
Average	(Vertically Integrated Only)			10.59%			9.83%	(77)		6.83%	47.36%	4.69%

Source: S&P Global Market Intelligence

Last Updated: 4/29/2025

λ S&P incorrectly reports the ROE ask as 10.26% and the authorized ROE as 9.56%

**Impact of Northern State Power's Proposed Return on Equity vs. Currently Authorized Return on Equity**

<b>Currently Authorized ROE (9.50%)</b>					
		<b>Capital Component</b>	<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(1)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Approved ROE	52.50%	9.50%	4.99%
(2)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(3)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			100.01%		
(4)	Sum (1):(3)	WACC at Currently Authorized ROE (9.50%)			7.14%
(5)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(6)	(4) x (5)	Revenue Increase, Currently Authorized ROE		\$	58,299,979
<b>Proposed ROE (10.30%)</b>					
		<b>Capital Component</b>	<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(7)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Proposed ROE	52.50%	10.30%	5.41%
(8)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(9)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			100.01%		
(10)	Sum (7):(9)	WACC at Proposed ROE (10.30%)			7.56%
(11)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(12)	(10) x (11)	Revenue Increase, Proposed ROE		\$	61,731,278
<b>Increase in Revenue Requirement from Increase in ROE</b>					
(13)	(12) - (6)	Difference in Revenue Increase		\$	3,431,299
(14)	Exhibit BCH-1, Sched. 3, p. 1	Revenue Conversion Factor			1.322837
(15)	(13) x (14)	<b>Increase Related to Increase in ROE</b>		\$	<b>4,539,050</b>
(16)	Exhibit BCH-1, Sched. 3, p. 4	Proposed Revenue Increase		\$	44,556,000
(17)	(16)/(17)	<b>Percent Increase Related to Increase in ROE</b>			<b>10.19%</b>

**Impact of Northern State Power's Proposed Increase in Return on Equity vs. National Average for Vertically Integrated Utilities,  
2023 to Present**

<b>National Average ROE for Vertically Integrated Utilities, 2023 to Present (9.78%)</b>					
		<b>Capital Component</b>	<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(1)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Approved ROE	52.50%	9.78%	5.13%
(2)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(3)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			<u>100.01%</u>		
(4)	Sum (1):(3)	WACC at National Average ROE (9.78%)			7.28%
(5)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(6)	(4) x (5)	Revenue Increase, National Average ROE		\$	59,500,934
<b>Proposed ROE (10.30%)</b>					
		<b>Capital Component</b>	<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(7)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Proposed ROE	52.50%	10.30%	5.41%
(8)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(9)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			<u>100.01%</u>		
(10)	Sum (7):(9)	WACC at Proposed ROE (10.30%)			7.56%
(11)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(12)	(10) x (11)	Revenue Increase, Proposed ROE		\$	61,731,278
<b>Increase in Revenue Requirement from Increase in ROE</b>					
(13)	(12) - (6)	Difference in Revenue Increase		\$	2,230,344
(14)	Exhibit BCH-1, Sched. 3, p. 1	Revenue Conversion Factor			1.322837
(15)	(13) x (14)	<b>Increase Related to Increase in ROE</b>		\$	<b>2,950,382</b>
(16)	Exhibit BCH-1, Sched. 3, p. 4	Proposed Revenue Increase		\$	44,556,000
(17)	(16)/(15)	<b>Percent Increase Related to Increase in ROE</b>			<b>6.62%</b>

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
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 Entprps Inc.	ALE	D-E-015/GR-21-335	10.25%	1/23/2023	V	9.65%	(60)	Fully Litigated	7.12%	52.50%	5.07%
Wyoming	Cheyenne Light Fuel Power Co.	BKH	D-20003-214-ER-22	10.30%	1/26/2023	V	9.75%	(55)	Settled	7.48%	52.00%	5.07%
South Carolina	Duke Energy Progress LLC	DUK	D-2022-254-E	10.20%	2/9/2023	V	9.60%	(60)	Settled	6.83%	52.43%	5.03%
Louisiana	Southwestern Electric Power Co	AEP	D-U-35441	10.35%	2/17/2023	V	9.50%	(85)	Settled	N/A	N/A	N/A
Texas	Oncor Electric Delivery Co.	SRE	D-53601	10.30%	3/9/2023	D	9.70%	(60)	Fully Litigated	6.65%	42.50%	4.12%
Michigan	Upper Peninsula Power Co.		C-U-21286	10.80%	3/24/2023	V	9.90%	(90)	Settled	N/A	N/A	N/A
California	Liberty Utilities (CalPeco Ele	AQN	A-21-05-017	10.50%	4/27/2023	V	10.00%	(50)	Settled	N/A	52.50%	N/A
Maine	Versant Power		D-2022-00255	9.35%	5/31/2023	D	9.35%	-	Settled	5.69%	49.00%	4.58%
Minnesota	Northern States Power Co.	XEL	D-E-002/GR-21-630	10.20%	6/1/2023	V	9.25%	(95)	NA	NA	52.50%	4.86%
Maine	Central Maine Power Co.	IBE	D-2022-00152	10.20%	6/6/2023	D	9.35%	(85)	Withdrawn/Reject	NA	50.00%	4.68%
North Dakota	MDU Resources Group	MDU	C-PU-22-194	10.50%	6/6/2023	V	9.75%	(75)	Settled	7.13%	50.81%	4.95%
New York	Consolidated Edison Co. of NY	ED	C-22-E-0064	10.00%	7/20/2023	D	9.25%	(75)	Settled	6.75%	48.00%	4.44%
Indiana	Northern IN Public Svc. Co. LLC	NI	45772	10.40%	8/2/2023	V	9.80%	(60)	Settled	6.80%	51.63%	5.06%
Texas	Entergy Texas Inc.	ETR	D-53719	10.80%	8/3/2023	V	9.57%	(123)	Settled	6.61%	51.21%	4.90%
North Carolina	Duke Energy Progress LLC	DUK	D-E-2 Sub 1300	10.40%	8/18/2023	V	9.80%	(60)	Settled	7.07%	53.00%	5.19%
Connecticut	The United Illuminating Co.	IBE	D-22-08-08	10.20%	8/25/2023	D	8.63%	(157)	Fully Litigated	6.48%	50.00%	4.32%
Arizona	Tucson Electric Power Co.	FTS	D-E-01933A-22-0107	9.75%	8/25/2023	V	9.55%	(20)	NA	6.93%	54.32%	5.19%
Vermont	Green Mountain Power Corp.		C-23-1852-TF	9.58%	8/23/2023	V	9.58%	-	Fully Litigated	6.88%	49.88%	4.78%
Idaho	Avista Corp.	AVA	C-AVU-E-23-01	10.25%	8/31/2023	V	9.40%	(85)	Settled	7.19%	50.00%	4.70%
Alaska	Alaska Electric Light Power	AVA	D-U-22-078	13.45%	8/31/2023	V	11.45%	(200)	Fully Litigated	8.79%	60.70%	6.95%
Colorado	Public Service Co. of CO	XEL	D-22AL-0530E	10.25%	9/6/2023	V	9.30%	(95)	Settled	6.95%	55.69%	5.18%
Montana	MDU Resources Group	MDU	D-2022-11-099	10.50%	9/21/2023	V	9.65%	(85)	Settled	7.53%	50.30%	4.85%
Kentucky	Duke Energy Kentucky Inc.	DUK	C-2022-00372	10.35%	10/12/2023	V	9.75%	(60)	Fully Litigated	NA	52.15%	5.08%
New York	NY State Electric & Gas Corp.	IBE	C-22-E-0317	10.20%	10/12/2023	D	9.20%	(100)	Settled	6.40%	48.00%	4.42%
New York	Rochester Gas & Electric Corp.	IBE	C-22-E-0319	10.20%	10/12/2023	D	9.20%	(100)	Settled	6.67%	48.00%	4.42%
Maryland	The Potomac Edison Co.	FE	C-9695	10.60%	10/18/2023	D	9.50%	(110)	Fully Litigated	6.92%	53.00%	5.04%
New Mexico	Southwestern Public Svc Co.	XEL	C-22-00286-UT	10.75%	10/19/2023	V	9.50%	(125)	Settled	7.17%	54.70%	5.20%
Montana	NorthWestern Energy Group	NWE	D-2022-7-78 (elec)	10.54%	10/25/2023	V	9.65%	(89)	Settled	6.72%	48.02%	4.63%
Oklahoma	Public Service Co. of OK	AEP	Ca-PUD2022-000093	10.40%	11/3/2023	V	9.30%	(110)	NA	6.69%	52.00%	4.84%
Wisconsin	Madison Gas and Electric Co.	MGEE	D-3270-UR-125 (Elec)	9.80%	11/3/2023	V	9.70%	(10)	Fully Litigated	NA	55.00%	5.34%
Wisconsin	Northern States Power Co.	XEL	D-4220-UR-126 (Elec)	10.25%	11/9/2023	V	9.80%	(45)	Fully Litigated	NA	52.50%	5.15%
Wisconsin	Wisconsin Power and Light Co	LNT	D-6680-UR-124 (Elec)	10.00%	11/9/2023	V	9.80%	(20)	Fully Litigated	NA	54.00%	5.29%
New Jersey	Atlantic City Electric Co.	EXC	D-ER23020091	10.50%	11/17/2023	D	9.60%	(90)	Settled	6.58%	50.20%	4.82%
Wyoming	PacifiCorp	BRK.A	D-200000-633-ER-23	10.00%	11/28/2023	V	9.35%	(65)	Fully Litigated	7.13%	48.99%	4.58%
Virginia	Appalachian Power Co.	AEP	PUR-2023-00002	10.60%	11/30/2023	V	9.50%	(110)	Settled	N/A	N/A	N/A
Michigan	DTE Electric Co.	DTE	C-U-21297	10.25%	12/1/2023	V	9.90%	(35)	Fully Litigated	5.56%	NA	NA
California	PacifiCorp	BRK.A	A-22-05-006	10.50%	12/14/2023	V	10.00%	(50)	Fully Litigated	7.34%	52.25%	5.23%
Illinois	Ameren Illinois	AEE	D-23-0082	10.50%	12/14/2023	D	8.72%	(178)	Fully Litigated	6.59%	50.00%	4.36%
Illinois	Commonwealth Edison Co.	EXC	D-23-0055	10.65%	12/14/2023	D	8.91%	(174)	Fully Litigated	6.70%	50.00%	4.46%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(11)	(12)	(13)	(14)
								(8) - (5)				(8) X (13)
Maryland	Baltimore Gas and Electric Co.	EXC	C-9692	10.40%	12/14/2023	D	9.50%	(90)	Fully Litigated	6.77%	52.00%	4.94%
North Carolina	Duke Energy Carolinas LLC	DUK	D-E-7 Sub 1276	10.40%	12/15/2023	V	10.10%	(30)	Fully Litigated	7.50%	53.00%	5.35%
Oregon	Portland General Electric Co.	POR	D-UE-416	9.80%	12/18/2023	V	9.50%	(30)	Settled	6.99%	50.00%	4.75%
Nevada	Nevada Power Co.	BRK.A	D-23-06007	10.26%	12/26/2023	V	9.52%	(74)	Fully Litigated	7.44%	52.72%	5.02%
Idaho	Idaho Power Co.	IDA	C-IPC-E-23-11	10.40%	12/28/2023	V	9.60%	(80)	Settled	7.25%	NA	NA
New Mexico	Public Service Co. of NM	PNM	C-22-00270-UT	10.25%	1/3/2024	V	9.25%	(100)	Fully Litigated	6.47%	49.61%	4.59%
Kentucky	Kingsport Power Company	AEP	C-2023-00159	9.90%	1/19/2024	V	9.75%	(15)	Settled	NA	41.25%	4.02%
Arizona	UNS Electric Inc.	FTS	D-E-04204A-22-0251	9.95%	1/31/2024	V	9.75%	(20)	Fully Litigated	7.18%	53.72%	5.24%
New Jersey	Jersey Central Power & Light Co.	FE	D-ER23030144	10.40%	2/14/2024	D	9.60%	(80)	Settled	7.18%	51.90%	4.98%
Virginia	Virginia Electric & Power Co.	D	C-PUR-2023-00101	9.70%	2/28/2024	V	9.70%	-	Settled	7.05%	NA	NA
Michigan	Consumers Energy Co.	CMS	C-U-21389	10.25%	3/1/2024	V	9.90%	(35)	Fully Litigated	5.86%	41.13%	4.07%
Arizona	Arizona Public Service Co.	PNW	D-E-01345A-22-0144	10.25%	3/5/2024	V	9.55%	(70)	Fully Litigated	6.81%	51.93%	4.96%
West Virginia	Monongahela Power Co.	FE	C-23-0460-E-42T	10.85%	3/26/2024	V	9.80%	(105)	Settled	NA	NA	NA
Indiana	AES Indiana	AES	Ca-45911	10.60%	4/17/2024	V	9.90%	(70)	Settled	6.58%	44.36%	4.39%
Delaware	Delmarva Power & Light Co.	EXC	D-22-0897	10.50%	4/18/2024	D	9.60%	(90)	Settled	6.97%	50.50%	4.85%
Indiana	Indiana Michigan Power Co.	AEP	Ca-45933	10.50%	5/8/2024	V	9.85%	(65)	Settled	NA	NA	NA
Maryland	Potomac Electric Power Co.	EXC	C-9702	10.50%	6/10/2024	D	9.50%	(100)	Fully Litigated	7.13%	50.50%	4.80%
South Carolina	Duke Energy Carolinas LLC	DUK	2023-388-E	10.50%	6/20/2024	V	9.94%	(56)	Settled	7.32%	51.21%	5.09%
Massachusetts	Fitchburg Gas & Electric Light	UTL	DPU 23-80	10.50%	6/28/2024	D	9.40%	(110)	Fully Litigated	7.46%	52.26%	4.91%
Michigan	Indiana Michigan Power Co.	AEP	U-21461	10.50%	7/2/2024	V	9.86%	(64)	Fully Litigated	6.03%	40.20%	3.96%
New York	Central Hudson Gas & Electric	FTS	C-23-E-0418	9.80%	7/18/2024	D	9.50%	(30)	Fully Litigated	6.92%	48.00%	4.56%
South Carolina	Dominion Energy South Carolina	D	D-2024-34-E	10.60%	8/8/2024	V	9.94%	(66)	Settled	7.93%	52.51%	5.22%
Florida	Duke Energy Florida LLC	DUK	D-20240025-EI	11.15%	8/21/2024	V	10.30%	(85)		7.56%	45.57%	4.69%
Vermont	Green Mountain Power Corp.		C-24-1709-TF	9.97%	8/26/2024	V	9.97%	-	Fully Litigated	7.05%	49.81%	4.97%
Iowa	Interstate Power & Light Co.	LNT	D-RPU-2023-0002	10.11%	9/17/2024	V	9.87%	(24)	Settled	7.29%	51.00%	5.03%
Nevada	Sierra Pacific Power Co.	BRK.A	D-24-02026	10.47%	9/18/2024	V	9.74%	(73)	Fully Litigated	7.43%	52.40%	5.10%
Oregon	Idaho Power Co.	IDA	D-UE-426	10.40%	9/23/2024	V	9.50%	(90)	Settled	7.30%	50.00%	4.75%
Michigan	Upper Peninsula Power Co.		C-U-21555	10.70%	9/26/2024	V	9.86%	(84)	Settled	NA	NA	NA
Massachusetts	Massachusetts Electric Co.	NG	DPU 23-150	10.50%	9/30/2024	D	9.35%	(115)	Fully Litigated	7.09%	52.83%	4.94%
Texas	AEP Texas Inc.	AEP	D-56165	10.60%	10/8/2024	D	9.76%	(84)	Settled	6.66%	42.50%	4.15%
New Jersey	Public Service Electric Gas	PEG	D-ER23120924	10.40%	10/9/2024	D	9.60%	(80)	Settled	7.07%	55.00%	5.28%
Michigan	Upper MI Energy Rsrc Corp.	WEC	C-U-21541	10.25%	10/10/2024	V	9.86%	(39)	Settled	NA	NA	NA
California	Pacific Gas and Electric Co.	PCG	A-22-04-008 (Phase 2)	10.70%	10/17/2024	V	10.28%	(42)	Fully Litigated	NA	NA	NA
California	San Diego Gas & Electric Co.	SRE	A-22-04-012 (Phase 2)	10.65%	10/17/2024	V	10.23%	(42)	Fully Litigated	NA	NA	NA
California	Southern California Edison Co.	EIX	A-22-04-009 (Phase 2)	10.75%	10/17/2024	V	10.33%	(42)	Fully Litigated	NA	NA	NA
Minnesota	Minnesota Power Entprps Inc.	ALE	D-E-015/GR-23-155	10.30%	10/24/2024	V	9.78%	(52)	Settled	7.25%	53.00%	5.18%
Wisconsin	Wisconsin Electric Power Co.	WEC	D-5-UR-111	10.00%	11/7/2024	V	9.80%	(20)	Fully Litigated	NA	NA	NA
Wisconsin	Wisconsin Public Service Corp.	WEC	D-6690-UR-128	10.00%	11/7/2024	V	9.80%	(20)	Fully Litigated	NA	NA	NA
Virginia	Appalachian Power Co.	AEP	PUR-2024-00024	10.80%	11/20/2024	V	9.80%	(100)	Fully Litigated	7.26%	48.24%	4.73%
District of Columbia	Potomac Electric Power Co.	EXC	FC-1176	10.50%	11/25/2024	D	9.50%	(100)	Fully Litigated	7.29%	50.50%	4.80%



Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
Oklahoma	Oklahoma Gas and Electric Co.	OGE	PUD2023-000087	10.50%	11/26/2024	V	9.50%	(100)	Settled	NA	53.50%	NA
Florida	Tampa Electric Company	EMA	20240026-EI	11.50%	12/3/2024	V	10.50%	(100)	Fully Litigated	6.90%	NA	NA
Oregon	PacifiCorp	BRK.A	UE-433	9.65%	12/19/2024	V	9.50%	(15)	Fully Litigated	7.40%	50.00%	4.75%
Oregon	Portland General Electric Co.	POR	UE-435	9.50%	12/20/2024	V	9.34%	(16)	Fully Litigated	6.99%	50.00%	4.67%
Washington	Avista Corp.	AVA	UE-240006	10.40%	12/20/2024	V	9.80%	(60)	Fully Litigated	7.32%	48.50%	4.75%
North Dakota	Otter Tail Power Co.	OTTR	PU-23-342	10.60%	12/30/2024	V	10.10%	(50)	Settled	7.53%	53.50%	5.40%
North Carolina	Virginia Electric & Power Co.	D	E-22, Sub 694	10.60%	1/14/2025	V	9.95%	(65)	Settled	7.30%	52.50%	5.22%
Oklahoma	Public Service Co. of Oklahoma	AEP	PUD2023-000086	10.80%	1/15/2025	V	9.50%	(130)	Settled	6.98%	51.12%	4.86%
Washington	Puget Sound Energy Inc.		UE-240004	10.50%	1/15/2025	V	9.90%	(60)	Fully Litigated	7.64%	50.00%	4.95%
California	Bear Valley Electric Svc. Inc.	AWR	22-08-010	11.25%	1/16/2025	V	10.00%	(125)	Settled	8.07%	57.00%	5.70%
Michigan	DTE Electric Co.	DTE	U-21534	10.50%	1/23/2025	V	9.90%	(60)	Fully Litigated	5.69%	39.23%	3.88%
Indiana	Duke Energy Indiana, LLC	DUK	46038	10.50%	1/29/2025	V	9.75%	(75)	Fully Litigated	6.19%	43.28%	4.22%
Indiana	Southern IN Gas & Electric Co.	CNP	45990	10.40%	2/3/2025	V	9.80%	(60)	Settled	6.77%	48.28%	4.73%
Florida	Florida Public Utilities Co.	CPK	20240099-EI	11.30%	3/4/2025	V	10.15%	(115)	Fully Litigated	NA	42.42%	NA
Maine	Versant Power		2023-00336	9.35%	3/11/2025	D	9.35%	-	Fully Litigated	6.84%	50.00%	4.68%
Colorado	Black Hills Colorado Electric	BKH	24AL-0275E	9.83%	3/12/2025	V	9.40%	(43)	Fully Litigated	6.90%	48.00%	4.51%
Texas	CenterPoint Energy Houston	CNP	56211	10.40%	3/13/2025	D	9.65%	(75)	Settled	6.61%	43.25%	4.17%
New York	Orange & Rockland Utilities Inc.	ED	24-E-0060	10.25%	3/20/2025	D	9.75%	(50)	Settled	7.25%	48.00%	4.68%
Michigan	Consumers Energy Co.	CMS	U-21585	10.25%	3/21/2025	V	9.90%	(35)	Fully Litigated	5.97%	41.73%	4.13%
New Hampshire	Liberty Utilities Granite State	AQN	DE-23-039	10.35%	3/25/2025	D	9.10%	(125)	Fully Litigated	7.71%	52.00%	4.73%
<b>Entire Period</b>												
# of Decisions			100									
Average	(All Utilities)			10.38%			9.68%	(70)		6.98%	50.09%	4.95%
Average	(Distribution Only)			10.29%			9.38%	(90)		6.85%	49.52%	4.54%
Average	(Vertically Integrated Only)			10.42%			9.78%	(63)		7.04%	50.34%	5.11%
Median	(All Utilities)			10.40%			9.70%	(70)		6.99%	50.50%	4.93%
Maximum	(All Utilities)			13.45%			11.45%	(200)		8.79%	60.70%	6.95%
Minimum	(All Utilities)			9.35%			8.63%	(72)		5.56%	39.23%	4.12%
North Dakota			2	10.55%			9.93%	(62)		7.33%	52.16%	4.95%
Settled				10.40%			9.68%	(73)		7.03%	50.43%	4.84%
Fully Litigated				10.37%			9.70%	(67)		6.93%	49.69%	5.11%
<b>2023</b>												
# of Decisions			45									
Average	(All Utilities)			10.36%			9.58%	(77)		6.92%	51.42%	4.92%
Average	(Distribution Only)			10.26%			9.24%	(102)		6.56%	49.23%	4.55%
Average	(Distribution Only, exc. IL FRP)			10.20%			9.33%	(87)		6.55%	49.07%	4.58%
Average	(Vertically Integrated Only)			10.39%			9.71%	(69)		7.09%	52.40%	5.09%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	Order Date	Vertically Integrated (V) / Distribution Only (D)	Approved ROE	Difference	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (8) - (5)	(11)	(12)	(13)	(14) (8) X (13)
<b>2024</b>												
# of Decisions			41									
Average	(All Utilities)			10.39%			9.78%	(61)		7.08%	49.51%	4.79%
Average	(Distribution Only)			10.41%			9.53%	(88)		7.09%	50.44%	4.81%
Average	(Distribution Only, exc. IL FRP)			10.41%			9.53%	(88)		7.09%	50.44%	4.81%
Average	(Vertically Integrated Only)			10.38%			9.85%	(54)		7.07%	49.12%	4.78%
<b>2025</b>												
# of Decisions			14									
Average	(All Utilities)			10.45%			9.72%	(73)		6.92%	47.63%	4.65%
Average	(Distribution Only)			10.09%			9.46%	(63)		7.10%	48.31%	4.57%
Average	(Distribution Only, exc. IL FRP)			10.09%			9.46%	(63)		7.10%	48.31%	4.57%
Average	(Vertically Integrated Only)			10.59%			9.83%	(77)		6.83%	47.36%	4.69%

Source: S&P Global Market Intelligence

Last Updated: 4/29/2025

λ S&P incorrectly reports the ROE ask as 10.26% and the authorized ROE as 9.56%



**Impact of Northern State Power's Proposed Return on Equity vs. Currently Authorized Return on Equity**

<b>Currently Authorized ROE (9.50%)</b>					
	<b>Capital Component</b>		<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(1)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Approved ROE	52.50%	9.50%	4.99%
(2)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(3)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			100.01%		
(4)	Sum (1):(3)	WACC at Currently Authorized ROE (9.50%)			7.14%
(5)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(6)	(4) x (5)	Revenue Increase, Currently Authorized ROE		\$	58,299,979
<b>Proposed ROE (10.30%)</b>					
	<b>Capital Component</b>		<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(7)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Proposed ROE	52.50%	10.30%	5.41%
(8)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(9)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			100.01%		
(10)	Sum (7):(9)	WACC at Proposed ROE (10.30%)			7.56%
(11)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(12)	(10) x (11)	Revenue Increase, Proposed ROE		\$	61,731,278
<b>Increase in Revenue Requirement from Increase in ROE</b>					
(13)	(12) - (6)	Difference in Revenue Increase		\$	3,431,299
(14)	Exhibit BCH-1, Sched. 3, p. 1	Revenue Conversion Factor			1.322837
(15)	(13) x (14)	<b>Increase Related to Increase in ROE</b>		\$	<b>4,539,050</b>
(16)	Exhibit BCH-1, Sched. 3, p. 4	Proposed Revenue Increase		\$	44,556,000
(17)	(16)/(15)	<b>Percent Increase Related to Increase in ROE</b>			<b>10.19%</b>

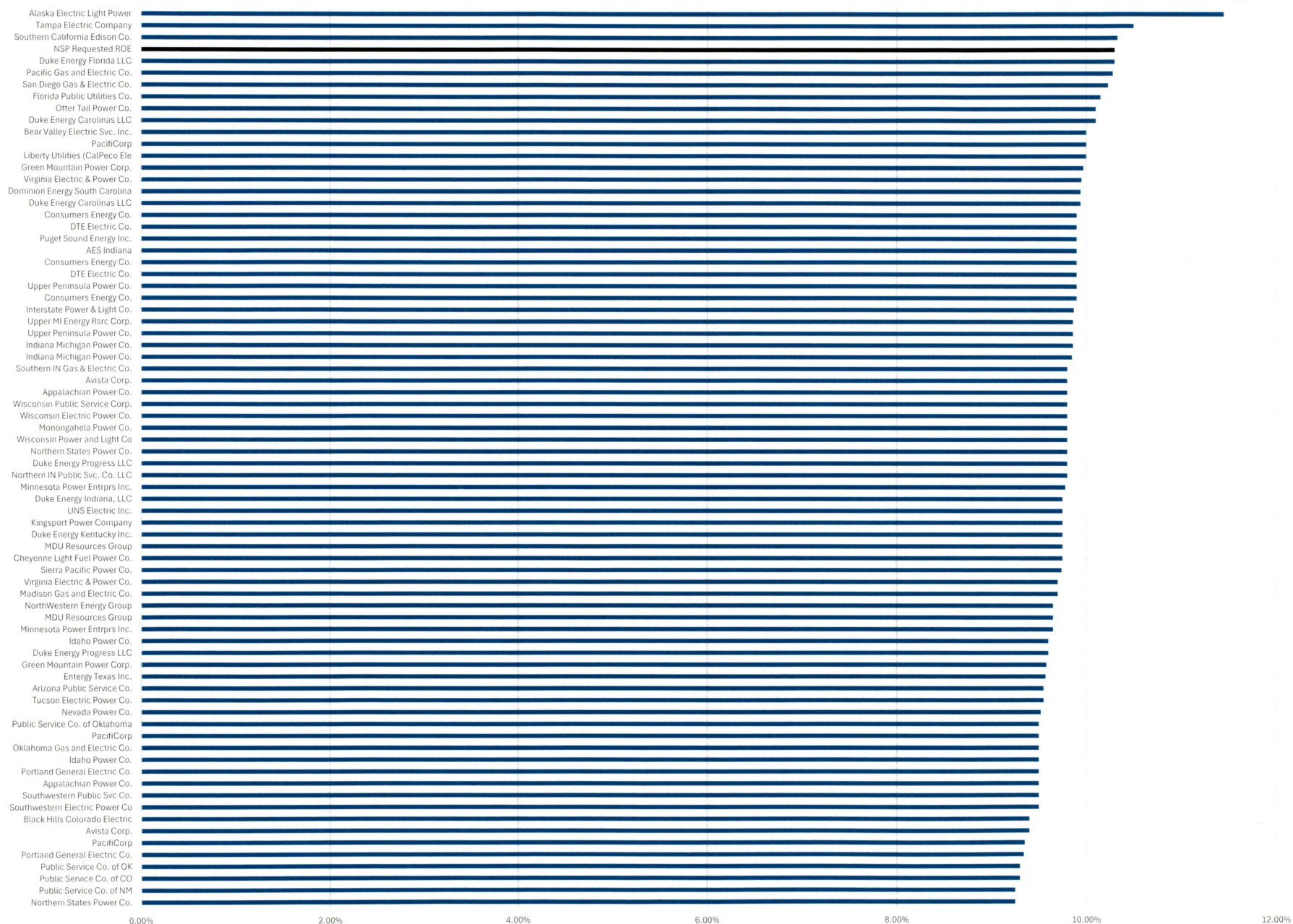
**Impact of Northern State Power's Proposed Increase in Return on Equity vs. National Average for Vertically Integrated Utilities,  
2023 to Present**

**National Average ROE for Vertically Integrated Utilities, 2023 to Present (9.78%)**

		<b>Capital Component</b>	<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(1)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Approved ROE	52.50%	9.78%	5.13%
(2)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(3)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			<u>100.01%</u>		
(4)	Sum (1):(3)	WACC at National Average ROE (9.78%)			7.28%
(5)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(6)	(4) x (5)	Revenue Increase, National Average ROE		\$	59,500,934

**Proposed ROE (10.30%)**

		<b>Capital Component</b>	<b>Ratio</b>	<b>Cost</b>	<b>Weighted Cost</b>
(7)	Exhibit JCN-1, Sched. 11, p. 1	Common Equity with Proposed ROE	52.50%	10.30%	5.41%
(8)	Exhibit JCN-1, Sched. 11, p. 1	Long-Term Debt	46.71%	4.51%	2.11%
(9)	Exhibit JCN-1, Sched. 11, p. 1	Short Term Debt	0.79%	5.31%	0.04%
			<u>100.01%</u>		
(10)	Sum (7):(9)	WACC at Proposed ROE (10.30%)			7.56%
(11)	Exhibit BCH-1, Sched. 3, p. 1	Total North Dakota Rate Base		\$	816,976,000
(12)	(10) x (11)	Revenue Increase, Proposed ROE		\$	61,731,278
		<b>Increase in Revenue Requirement from Increase in ROE</b>			
(13)	(12) - (6)	Difference in Revenue Increase		\$	2,230,344
(14)	Exhibit BCH-1, Sched. 3, p. 1	Revenue Conversion Factor			1.322837
(15)	(13) x (14)	<b>Increase Related to Increase in ROE</b>		\$	<b>2,950,382</b>
(16)	Exhibit BCH-1, Sched. 3, p. 4	Proposed Revenue Increase		\$	44,556,000
(17)	(16)/(15)	<b>Percent Increase Related to Increase in ROE</b>			<b>6.62%</b>





Northern States Power Co.	9.25%
Public Service Co. of NM	9.25%
Public Service Co. of CO	9.30%
Public Service Co. of OK	9.30%
Portland General Electric Co.	9.34%
PacifiCorp	9.35%
Avista Corp.	9.40%
Black Hills Colorado Electric	9.40%
Southwestern Electric Power Co	9.50%
Southwestern Public Svc Co.	9.50%
Appalachian Power Co.	9.50%
Portland General Electric Co.	9.50%
Idaho Power Co.	9.50%
Oklahoma Gas and Electric Co.	9.50%
PacifiCorp	9.50%
Public Service Co. of Oklahoma	9.50%
Nevada Power Co.	9.52%
Tucson Electric Power Co.	9.55%
Arizona Public Service Co.	9.55%
Entergy Texas Inc.	9.57%
Green Mountain Power Corp.	9.58%
Duke Energy Progress LLC	9.60%
Idaho Power Co.	9.60%
Minnesota Power Entrprs Inc.	9.65%
MDU Resources Group	9.65%
NorthWestern Energy Group	9.65%
Madison Gas and Electric Co.	9.70%
Virginia Electric & Power Co.	9.70%
Sierra Pacific Power Co.	9.74%
Cheyenne Light Fuel Power Co.	9.75%
MDU Resources Group	9.75%
Duke Energy Kentucky Inc.	9.75%
Kingsport Power Company	9.75%
UNS Electric Inc.	9.75%

Duke Energy Indiana, LLC	9.75%
Minnesota Power Entrprs Inc.	9.78%
Northern IN Public Svc. Co. LLC	9.80%
Duke Energy Progress LLC	9.80%
Northern States Power Co.	9.80%
Wisconsin Power and Light Co	9.80%
Monongahela Power Co.	9.80%
Wisconsin Electric Power Co.	9.80%
Wisconsin Public Service Corp.	9.80%
Appalachian Power Co.	9.80%
Avista Corp.	9.80%
Southern IN Gas & Electric Co.	9.80%
Indiana Michigan Power Co.	9.85%
Indiana Michigan Power Co.	9.86%
Upper Peninsula Power Co.	9.86%
Upper MI Energy Rsrc Corp.	9.86%
Interstate Power & Light Co.	9.87%
Consumers Energy Co.	9.90%
Upper Peninsula Power Co.	9.90%
DTE Electric Co.	9.90%
Consumers Energy Co.	9.90%
AES Indiana	9.90%
Puget Sound Energy Inc.	9.90%
DTE Electric Co.	9.90%
Consumers Energy Co.	9.90%
Duke Energy Carolinas LLC	9.94%
Dominion Energy South Carolina	9.94%
Virginia Electric & Power Co.	9.95%
Green Mountain Power Corp.	9.97%
Liberty Utilities (CalPeco Ele	10.00%
PacifiCorp	10.00%
Bear Valley Electric Svc. Inc.	10.00%
Duke Energy Carolinas LLC	10.10%
Otter Tail Power Co.	10.10%

Florida Public Utilities Co.	10.15%
San Diego Gas & Electric Co.	10.23%
Pacific Gas and Electric Co.	10.28%
Duke Energy Florida LLC	10.30%
<b>NSP Requested ROE</b>	<b>10.30%</b>
Southern California Edison Co.	10.33%
Tampa Electric Company	10.50%
Alaska Electric Light Power	11.45%