

Company: Southern California Gas Company (U 904 G)
Proceeding: 2026 Cost of Capital
Application: A.25-03-XXX
Exhibit No.: SCG-03

CHAPTER 3
PREPARED DIRECT TESTIMONY OF
JOSHUA C. NOWAK
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY
(RETURN ON EQUITY)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

March 2025

Table of Contents

	<u>PAGE</u>
I. INTRODUCTION	1
II. SUMMARY OF TESTIMONY	3
III. REGULATORY PRINCIPLES	7
IV. ECONOMIC AND CAPITAL MARKET CONDITIONS	11
V. PROXY GROUP SELECTION.....	20
VI. DETERMINATION OF THE APPROPRIATE COST OF EQUITY	23
A. Constant Growth DCF Model.....	23
B. CAPM Analysis	28
C. Risk Premium Analysis.....	31
D. Expected Earning Analysis.....	34
E. Evaluating Model Results.....	36
VII. BUSINESS AND FINANCIAL RISKS	37
A. Capital Expenditure Program.....	38
B. Environmental and Clean Energy Mandates.....	40
C. Regulatory Risk	42
VIII. CAPITAL STRUCTURE	45
IX. CONCLUSION.....	46

I. INTRODUCTION

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

2 A. My name is Joshua C. Nowak. I am employed by Concentric Energy Advisors, Inc.
3 (“Concentric”) as a Vice President. Concentric is a management consulting and economic
4 advisory firm, focused on the North American energy and water industries. Based in
5 Marlborough, Massachusetts, and Washington, D.C., Concentric specializes in regulatory
6 and litigation support, financial advisory services, energy market strategies, market
7 assessments, energy commodity contracting and procurement, economic feasibility
8 studies, and capital market analyses. My business address is 293 Boston Post Road West,
9 Suite 500, Marlborough, Massachusetts 01752.

10 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

11 A. I am submitting this testimony to the California Public Utilities Commission (“CPUC” or
12 the “Commission”) on behalf of Southern California Gas Company (“SoCalGas”, or the
13 “Company”), which is a wholly-owned subsidiary of Sempra.

14 **Q. PLEASE DESCRIBE YOUR EXPERIENCE IN THE ENERGY AND UTILITY**
15 **INDUSTRIES AND YOUR EDUCATIONAL AND PROFESSIONAL**
16 **QUALIFICATIONS.**

17 A. I hold a Bachelor’s degree in Economics from Boston College, and have more than 15
18 years of experience in providing economic, financial, and strategic advisory services. As a
19 consultant, I primarily advise clients in regulated utility industries and have provided
20 testimony regarding financial matters before multiple regulatory agencies. I have advised
21 numerous energy and utility clients on a wide range of financial and economic issues with
22 primary concentrations in valuation and utility rate matters. Many of these assignments

1 have included the determination of the cost of capital for valuation and ratemaking
2 purposes. I have submitted testimony before the California Public Utilities Commission
3 and Federal Energy Regulatory Commission (“FERC”), as well as state and provincial
4 jurisdictions in the U.S. and Canada. Prior to joining Concentric in 2018, I was employed
5 by National Grid USA where I was responsible for regulatory filings related to the cost of
6 capital across the company’s multiple U.S. operating companies and service territories. A
7 summary of my professional and educational background is presented in Exhibit JCN-1.

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

9 A. The purpose of my direct testimony is to present evidence and provide a recommendation
10 for the return on equity (“ROE”) for SoCalGas. My direct testimony also discusses the
11 Company’s capital structure in comparison to the proxy group of companies supporting
12 my analysis.

13 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

14 A. Yes. My analyses and recommendations are supported by the data presented in Exhibits
15 JCN-2 through JCN-10, which have been prepared by me or under my direction. I sponsor
16 the following exhibits:

- 17 • JCN-2 – Comprehensive Summary of ROE Results
- 18 • JCN-3 – Proxy Group Screening Analysis
- 19 • JCN-4 – Constant Growth Discounted Cash Flow (“DCF”) Analysis
- 20 • JCN-5 – Market Risk Premium (“MRP”)
- 21 • JCN-6 – Capital Asset Pricing Model (“CAPM”) Analysis
- 22 • JCN-7 – Bond Yield Plus Risk Premium Analysis
- 23 • JCN-8 – Expected Earnings Analysis

- JCN-9 – Regulatory Framework Comparison
- JCN-10 – Capital Structure Analysis

II. SUMMARY OF TESTIMONY

Q. WHAT IS YOUR CONCLUSION REGARDING THE APPROPRIATE COST OF EQUITY AND CAPITAL STRUCTURE FOR SOCALGAS?

A. I have estimated SoCalGas’s ROE based on the results of the DCF model, the CAPM, and the Bond Yield Plus Risk Premium (“Risk Premium”) model and the general economic and capital market environment and the influence such conditions exert over the results. In addition, to assess the reasonableness of the DCF, CAPM, and Risk Premium results and evaluate the available returns for alternative investments, I considered the Expected Earnings analysis; however, I did not include the results from the Expected Earnings analysis to reach a conclusion on a just and reasonable ROE range. In addition, I analyzed the Company’s business and regulatory risk profile in determining where the Company’s cost of equity falls within the range of analytical results. A summary of the results of my analyses are shown below in Figure 1.

Figure 1: Summary of Results

	Low Mean	Mean	High Mean
<i>Primary Analyses</i>			
DCF Result	10.19%	10.24%	10.33%
CAPM Result	11.27%	12.13%	12.67%
Risk Premium	10.28%	10.39%	10.46%
Average		10.88%	
<i>Benchmark Analysis</i>			
Expected Earnings	9.79%		

1 The DCF, CAPM, and Risk Premium analysis produce a range of estimates of the
2 Company’s cost of equity of 10.19 percent to 12.67 percent. Based on these analyses, I
3 consider an ROE range of 10.25 percent to 11.25 percent to be reasonable. From within
4 that range, and considering the Company’s risk profile, I recommend an ROE of 11.00
5 percent which is above the midpoint of the range of reasonableness. As to the capital
6 structure, SoCalGas’s requested capital structure of 52.00 percent equity, 2.40 percent
7 preferred equity, and 45.60 percent debt is reasonable relative to the range of capital
8 structures for the operating companies held by the proxy group companies.

9 As a practical matter, the current yield on the 30-year Treasury is 4.73 percent, and not
10 anticipated to fall below 4.30 percent over the next five years.¹ This is considerably higher
11 than the prior decade when interest rates reached historical lows. Interest rates were last
12 in a similar range in 2010 (the average yield on the 30-year Treasury was 4.25 percent in

¹ Blue Chip Financial Forecasts, Vol. 43, No. 12, November 27, 2024, at 14.

1 2010) when SoCalGas was authorized an ROE of 10.82 percent.² As such, my
2 recommended ROE of 11.00 percent is reasonably consistent with the Commission's
3 authorized ROEs when the cost of capital was last observed at similar levels.

4 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF THE ANALYSES THAT YOU**
5 **CONDUCTED TO SUPPORT YOUR ROE RECOMMENDATION.**

6 A. As mentioned, my ROE recommendation is based on the range of results produced from
7 the above-identified modeling methodologies. Analysts and academics understand that
8 ROE models are tools to be used in the ROE estimation process, and that strict adherence
9 to any single approach, or the specific results of any single approach, can lead to flawed
10 conclusions. No model can exactly pinpoint the correct cost of equity, but each is designed
11 to provide a unique estimate of the return required to attract equity investment. Therefore,
12 my analysis considers the range of results produced by these different models. The DCF
13 analysis estimates the cost of equity based on market data on dividend yields and analysts'
14 projected earnings per share growth rates from reputable third-party sources. The CAPM
15 analysis is based on both current and forecasted interest rates and a forward-looking market
16 risk premium. The Risk Premium approach calculates the risk premium as the spread
17 between authorized ROEs for natural gas utilities and Treasury bond yields. My ROE
18 recommendation is ultimately based on the range of results produced by these
19 methodologies.

20 My recommendation also considers the general economic and capital market
21 environment, and the influence capital market conditions exert over the results of the DCF,

² Decision (D.) 08-07-046.

1 CAPM and Risk Premium models. In addition, I consider the Company's business and
2 regulatory risks in relation to a set of proxy companies to assist in the determination of the
3 appropriate ROE and capital structure from within the range of my analytical results.

4 **Q. HOW IS THE REMAINDER OF YOUR DIRECT TESTIMONY ORGANIZED?**

5 A. The remainder of my Direct Testimony is organized as follows:

- 6 • Section III provides background on the regulatory principles that guide the
7 determination of ROE.
- 8 • Section IV presents a review of current and prospective economic and capital
9 market conditions and the implications on the cost of capital for utilities.
- 10 • Section V describes the criteria and approach for the selection of a proxy group of
11 comparable companies.
- 12 • Section VI provides a description of the data and methodologies used to estimate
13 the cost of equity, as well as the results of the various ROE estimation models and
14 concludes with my recommendation and an assessment of its reasonableness under
15 the *Hope* test.
- 16 • Section VII discusses SoCalGas's business and financial risks relative to the proxy
17 group.
- 18 • Section VIII reviews SoCalGas's capital structure in the context of the proxy group.
- 19 • Finally, Section IX summarizes my results, conclusions, and recommendation.

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III. **REGULATORY PRINCIPLES**

1 **Q. PLEASE DESCRIBE THE GUIDING PRINCIPLES USED IN ESTABLISHING**
2 **THE COST OF CAPITAL FOR A REGULATED UTILITY.**

3 A. The foundations of public utility regulation require that utilities receive a fair rate of return
4 sufficient to attract needed capital to maintain important infrastructure for customers at
5 reasonable rates. The basic tenets of this regulatory doctrine originate from several
6 bellwether decisions by the United States Supreme Court, notably *Bluefield Waterworks*
7 *and Improvement Company v. Public Service Commission of West Virginia*, 262 U.S. 679
8 (1923) (*Bluefield*), and *Federal Power Commission v. Hope Natural Gas Company*, 320
9 U.S. 591 (1944) (*Hope*). In *Bluefield*, the Court stated:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties...

The return should be reasonably sufficient to assure investor confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties.

Later, in *Hope*, the Court established a standard for the ROE that remains the guiding principle for ratemaking in regulatory proceedings to this day:

[T]he return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.

1 **Q. HAS THE COMMISSION PROVIDED SIMILAR GUIDANCE?**

2 A. Yes, the Commission applies these same legal standards in setting the cost of capital for
3 utilities under its jurisdiction. In doing so, the Commission summarizes:

4 We attempt to set the ROE at a level of return commensurate with market
5 returns on investments having corresponding risks, and adequate to enable
6 a utility to attract investors to finance the replacement and expansion of a
7 utility's facilities to fulfill its public utility service obligation. To
8 accomplish this objective, we have consistently evaluated analytical
9 financial models as a starting point to arrive at a fair ROE.³

10 The Commission recently added that the "legal standard for setting the fair rate of return
11 has been established by the United States Supreme Court in the *Bluefield* and *Hope* cases."⁴
12 Furthermore, the Commission stated that the "issue of affordability as it relates to the cost
13 of capital is subsumed under the *Hope* and *Bluefield* standards,"⁵ and that "considerations
14 of affordability beyond the *Hope* and *Bluefield* standards risk undermining them."⁶

15 **Q. PLEASE EXPLAIN HOW THESE PRINCIPLES APPLY IN THE CONTEXT OF**
16 **THE REGULATED RATE OF RETURN.**

17 A. Regulated utilities rely primarily on common stock and long-term debt to finance property,
18 plant, and equipment. The allowed rate of return for a regulated utility is based on its
19 weighted average cost of capital, where the costs of the individual sources of capital (i.e.,
20 debt and equity) are weighted by their respective book values. The ROE represents the cost
21 of raising and retaining equity capital and is estimated by using one or more analytical

³ D.22-12-031 at 15; D.19-12-056 at 16; D.18-03-035 at 6; D.22-12-031 at 15.

⁴ D.24-10-008 at 30 (citations omitted).

⁵ *Id.*

⁶ *Id.*

1 techniques that use market data to quantify investor requirements for equity returns.
2 However, the ROE cannot be derived through quantitative metrics and models alone. To
3 properly estimate the ROE, the financial, regulatory, and economic context must also be
4 considered.

5 The DCF, CAPM, and Risk Premium approaches, while fundamental to the ROE
6 determination, are still only models. The results of these models cannot be mechanistically
7 applied without also using informed judgment to consider economic and capital market
8 conditions and the relative risk of SoCalGas compared to the proxy group companies.

9 Based on these widely recognized standards, the Commission's order in this case should
10 provide SoCalGas with the opportunity to earn a return on equity that is:

- 11 • Adequate to allow the Company to attract the capital that is necessary to provide
12 safe and reliable service (the "capital attraction standard");
- 13 • Sufficient to ensure the Company's ability to maintain its financial integrity (the
14 "financial integrity standard"); and
- 15 • At a level that is comparable to returns required on investments of similar risk (the
16 "comparability standard").

17 Importantly, a fair return must satisfy all three of these standards. The allowed ROE should
18 enable the Company to finance capital expenditures on reasonable terms and provide it
19 with the ability to raise capital under a full range of capital market circumstances to serve
20 its customers.

1 **Q. IS SOCIALGAS'S ABILITY TO ATTRACT EQUITY CAPITAL AFFECTED BY**
2 **ROES THAT ARE AUTHORIZED FOR OTHER UTILITIES?**

3 A. Yes, it is. SoCalGas competes with other investments of similar risk for equity capital from
4 the market. In addition, SoCalGas competes with other investments within Sempra Energy
5 for equity capital from its parent company. Therefore, the ROE awarded to a utility sends
6 an important signal to investors regarding whether there is regulatory support for financial
7 integrity, dividends, growth, and fair compensation for business and financial risk. A
8 company's cost of equity is defined by, and equal to, the opportunity cost of investing in
9 that company. In other words, if higher returns are available from other investments of
10 comparable risk, investors have an incentive to direct their capital to those investments.
11 This means that an authorized ROE for SoCalGas that is below ROEs authorized for other
12 utilities could inhibit its ability to attract capital on reasonable terms for investments to be
13 made on behalf of customers in California.

14 **Q. WHAT ARE YOUR CONCLUSIONS REGARDING REGULATORY**
15 **PRINCIPLES?**

16 A. The ratemaking process is premised on the principle that, in order for investors and
17 companies to commit the capital needed to provide safe and reliable utility services, the
18 utility must have the opportunity to recover invested capital and the market-required return
19 on that capital. Because utility operations are capital intensive, regulatory decisions should
20 enable the utility to attract capital on favorable terms. The financial community carefully
21 monitors the current and expected financial condition of utility companies as well as the
22 regulatory environment in which they operate. In that respect, the regulatory environment
23 is one of the most important factors considered by both debt and equity investors in their

1 assessments of risk. It is therefore essential that the ROE authorized in this proceeding take
2 into consideration the current and expected capital market conditions that SoCalGas faces,
3 as well as investors' expectations and requirements regarding both risks and returns. A
4 reasonable ROE is required both for continued capital investment by the Company and to
5 maintain confidence in California's regulatory environment among credit rating agencies
6 and investors.

7 **IV. ECONOMIC AND CAPITAL MARKET CONDITIONS**

8 **Q. WHY IS IT IMPORTANT TO CONSIDER THE EFFECTS OF CURRENT AND**
9 **EXPECTED ECONOMIC AND FINANCIAL MARKET CONDITIONS WHEN**
10 **SETTING THE APPROPRIATE ROE?**

11 A. It is important to consider current and expected conditions in the general economy and
12 financial markets because the authorized ROE for a public utility should allow the utility
13 to attract investor capital at a reasonable cost under current and foreseeable economic and
14 financial conditions as underscored by the *Hope* and *Bluefield* decisions discussed
15 previously. The standard ROE estimation tools, such as the DCF, CAPM, and Risk
16 Premium approaches, each reflect the state of the general economy and financial markets
17 by incorporating specific economic and financial data. These inputs are, however, only
18 samples of the various economic and market forces that determine a utility's required
19 return. Consideration must also be given to whether the assumptions relied on in the current
20 or projected market data are appropriate. If investors do not expect current market
21 conditions to continue in the future, it is possible that the ROE estimation models will not
22 provide an accurate estimate of investors' forward-looking required return. Therefore, an

1 assessment of current and projected market conditions is integral to any ROE
2 recommendation.

3 **Q. WHAT ARE THE KEY FACTORS AFFECTING THE COST OF EQUITY FOR**
4 **REGULATED UTILITIES IN THE CURRENT AND PROSPECTIVE CAPITAL**
5 **MARKETS?**

6 A. The cost of equity for regulated utility companies is being affected by several key factors
7 in the current and prospective capital markets including the uncertainty regarding the
8 economy, the impacts of the Federal Reserve’s approach to interest rates and inflation,
9 concerns over the ongoing elevated interest rates, and the resulting utility performance,
10 which has lagged the broader market. In this section, I discuss these factors and how they
11 affect the models used to estimate the cost of equity for regulated utilities.

12 **Q. HOW DO THE NATION’S MONETARY POLICY ACTIONS IMPACT CAPITAL**
13 **MARKETS AND THE U.S. ECONOMY?**

14 A. The Federal Reserve is responsible for “conducting the nation’s monetary policy by
15 influencing money and credit conditions in the economy in pursuit of full employment and
16 stable prices.”⁷ The Federal Reserve implements monetary policy through raising or
17 lowering the federal funds overnight rate, which impacts other interest rates and, in turn,
18 the demand for goods and services. This, in turn, impacts employment and inflation.
19 Monetary policy has shifted dramatically over the past several years in response first to
20 COVID-19, and then to record high inflation. The capital markets are significantly affected
21 by the Federal Reserve’s policy. While the primary monetary policy tool used by the

⁷ Federal Reserve, *The Fed - What is the purpose of the Federal Reserve System?*, available at:
https://www.federalreserve.gov/faqs/about_12594.htm.

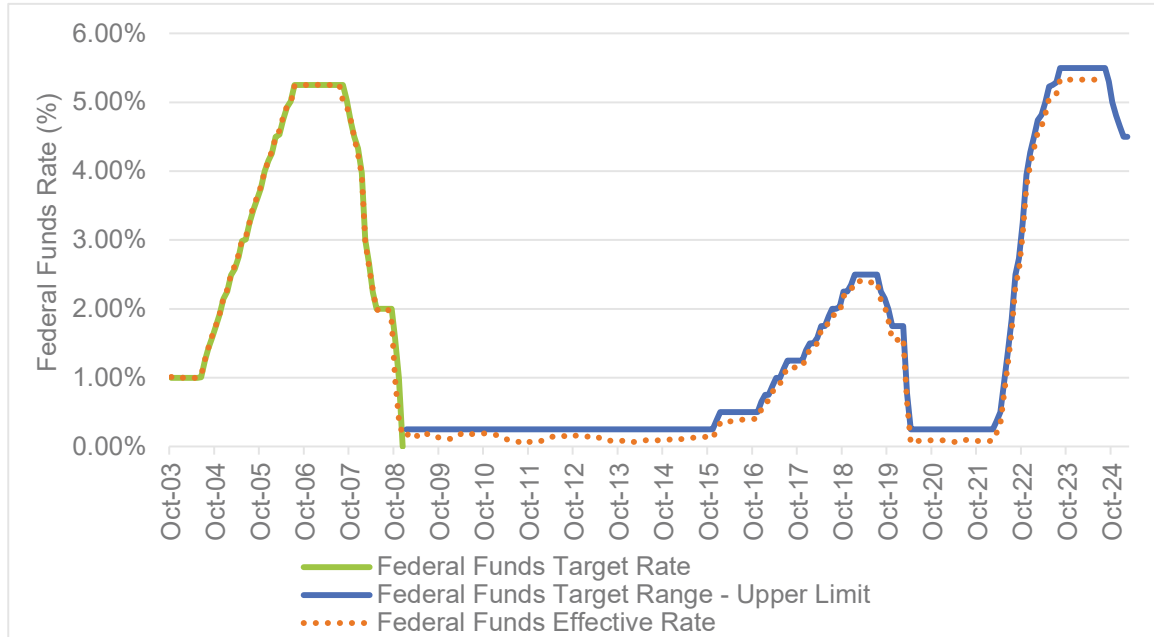
1 Federal Reserve is the short-term interest rate for overnight interbank loans, it has far-
2 reaching consequences for capital markets and significantly influences long-term interest
3 rates and the cost of equity. As discussed in more detail below, current Federal Reserve
4 policy continues to be focused on inflationary concerns, but it is important to note, even if
5 inflation moderates, the current monetary policy stance is likely to have a long-lasting
6 effect on capital market conditions.

7 **Q. WHAT STEPS DID THE FEDERAL RESERVE TAKE TO STABILIZE**
8 **FINANCIAL MARKETS AND SUPPORT THE ECONOMY IN RESPONSE TO**
9 **COVID-19?**

10 A. Beginning in 2022, inflation surged to levels not seen since the late-1970s and early-1980s,
11 and the Federal Reserve had little choice but to aggressively battle inflation through raising
12 interest rates. Previously, in response to the economic effects of COVID-19, the Federal
13 Reserve decreased the federal funds rate in March 2020 to a target range of 0.00 percent to
14 0.25 percent (which remained in effect until March 2022) in addition to other stimulus
15 measures that increased the supply of money in the economy. The Federal Reserve began
16 unwinding its quantitative easing program in 2022 and increased the target rate 11 times
17 achieving a target rate of 5.25 percent to 5.50 percent by July 2023, and it remained at that
18 level through August 2024 (the highest level in the prior 20 years). As shown in Figure 2
19 below, the Federal Reserve only began reducing the federal funds rate, first by 50 basis
20 points in September 2024, and then by 25 basis points at subsequent meetings on November
21 7, 2024 and December 18, 2024. This resulted in a current federal funds target rate (i.e.,
22 the overnight lending rate set by the Federal Open Market Committee at which commercial
23 banks borrow and lend their excess reserves to each other) of 4.25 percent to 4.50 percent.

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Figure 2: FOMC Federal Funds Rates



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Despite the recent rate reduction, the Federal Reserve indicated that inflation remains a key consideration for the Committee:

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Recent indicators suggest that economic activity has continued to expand at a solid pace. The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid. Inflation remains somewhat elevated.

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The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee judges that the risks to achieving its employment and inflation goals are roughly in balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate.

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In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 4-1/4 to 4-1/2 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

1 In assessing the appropriate stance of monetary policy, the
2 Committee will continue to monitor the implications of incoming
3 information for the economic outlook. The Committee would be
4 prepared to adjust the stance of monetary policy as appropriate if
5 risks emerge that could impede the attainment of the Committee's
6 goals. The Committee's assessments will take into account a wide
7 range of information, including readings on labor market conditions,
8 inflation pressures and inflation expectations, and financial and
9 international developments.⁸

10 Although year-over-year inflation rates have eased over the last several months—
11 increasing just 2.80 percent from February 2024 to February 2025, down from the high of
12 9.10 percent in June 2022 as measured by the Consumer Price Index (“CPI”)—the Federal
13 Reserve also affirmed that inflation “remains somewhat elevated.”⁹ And the Federal
14 Reserve has chosen to leave the federal funds rate at its current level so far in 2025.

15 **Q. HOW HAVE CAPITAL MARKETS RESPONDED?**

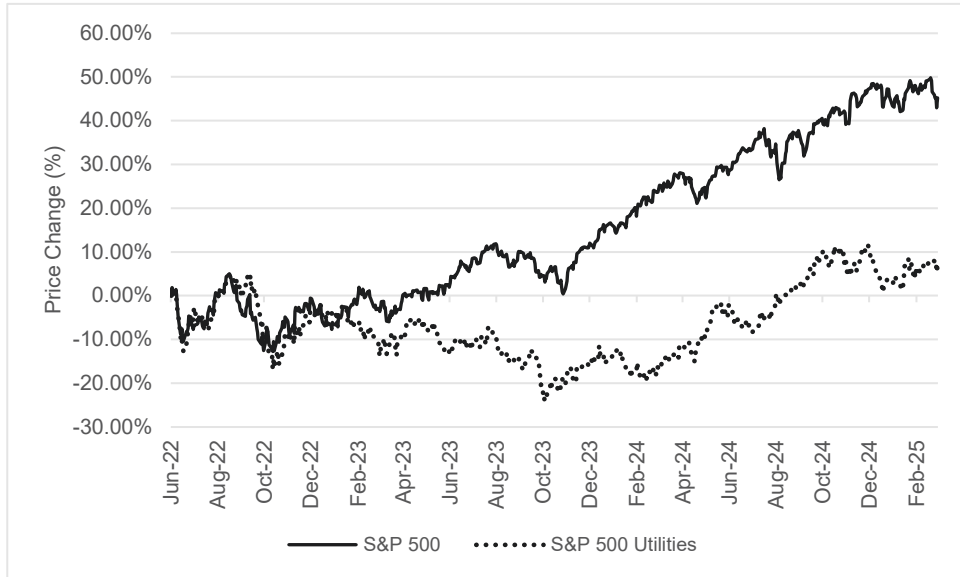
16 A. In response to monetary policy, record high inflation, and disappointing earnings reports,
17 capital markets over the past several years have been volatile. While the S&P 500 closed
18 at record highs on the first trading day of 2022, by mid-June, the S&P 500 was down more
19 than 21 percent. The S&P 500 has steadily gained ground since that time, gaining 24
20 percent in 2023. However, the utility sector has fared far worse. Since June 2022 at the
21 peak of inflation, while the S&P 500 Index increased more than 45 percent through
22 February 2025, the S&P Utilities Index has increased by less than 10 percent on a price
23 change basis, as shown in Figure 3. This suggests a more difficult environment for raising
24 capital for utilities as compared to the broader market, which indicates upward pressure in

⁸ Federal Reserve, *Federal Reserve Press Release* (January 29, 2025), available at:
<https://www.federalreserve.gov/monetarypolicy/files/monetary20250129a1.pdf>.

⁹ *Id.*, see also U.S. Bureau of Labor Statistics, *12-month percentage change*, available at:
<https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>.

1 the cost of equity capital for utilities. That is, a lower performing stock price indicates
2 investors require a higher relative return for an equity investment.

3 **Figure 3: S&P 500 and S&P 500 Utilities Indices Performance**
4 **(6/1/2022 to 2/28/2025)**

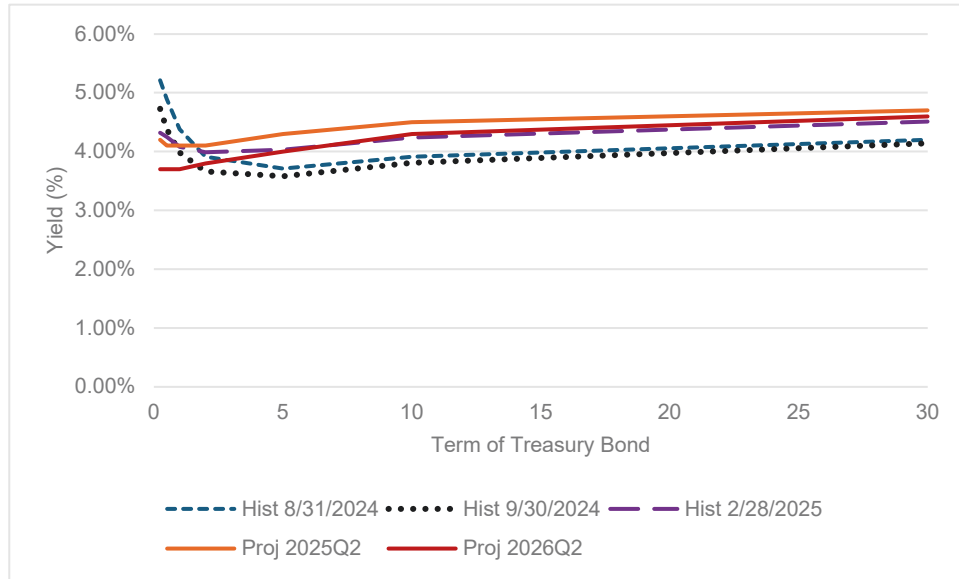


5
6 **Q. WHAT ARE EXPECTATIONS FOR LONG-TERM INTEREST RATES?**

7 A. Despite the 100-basis-point reduction on the federal funds rate in recent months, long-term
8 interest rates are not expected to change much in the coming years. That is, the change in
9 the federal funds rate is primarily having an effect on short-term interest rates. As shown
10 in Figure 4 below, the yield curve is currently inverted with short-term interest rates higher
11 than long-term interest rates. However, this is not expected to persist beyond 2025 as
12 investors expect short-term rates to continue to decline, while long-term rates remain at
13 current levels. Figure 4 below includes the yield as of August 31, 2024 (before the recent
14 reductions in the federal funds rate), September 30, 2024, and February 28, 2025 for 3-
15 month, 6-month, 1-year, 2-year, 5-year, 10-year, and 30-year treasury securities. In
16 addition, projections from Blue Chip Financial Forecasts demonstrate that the expectation

1 for continued reductions in the federal funds rate will cause near-term yields to decline
2 over the next year while long-term rates are expected to remain near current levels.

3 **Figure 4: Current and Projected Interest Rates**



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5 **Q. PLEASE EXPLAIN WHY THESE ELEVATED INTEREST RATES ARE**
6 **IMPORTANT TO THE ROE ANALYSIS.**

7 A. Utility stocks generally compete more closely with returns on long-term bonds rather than
8 short-term bonds because stocks and long-term bonds, like equity investments, are long-
9 duration assets. In general, as interest rates on government bonds increase, the cost of
10 capital also must increase, as utilities—competing with interest rates on government
11 bonds—must offer higher dividend yields to attract and retain investors. As dividend yields
12 increase, however, the stock price declines (and, therefore, the cost of equity increases).
13 The reason for this is that the stock price inherently reflects a company’s future cash flows,
14 thus, future dividends are factored into the share price. After an ex-dividend date (i.e., the
15 date on which a dividend is paid), the share price often declines to reflect the dividend paid
16 (i.e., distributing a proportion of profits to shareholders). As interest rates remain elevated,

1 utilities must continue to pay high dividends to keep investors, which suggests that the
2 stock price of these companies would decline (and the cost of equity increase) in response
3 to interest rates. To reflect this correlation in ROE models, all else being equal, higher
4 dividend yields produce higher ROE estimates in DCF models. Interest rates also are a
5 direct input to both the CAPM and the Risk Premium models.

6 **Q. HOW MIGHT THE RECENT CHANGE IN PRESIDENTIAL ADMINISTRATION**
7 **AFFECT INFLATION AND BOND YIELDS?**

8 A. On February 1, 2025, President Trump issued an executive order implementing a 25
9 percent additional tariff on imports from Canada and Mexico, and a 10 percent additional
10 tariff on imports from China. Further, on February 13, President Trump signed a
11 memorandum calling for a reciprocal tariff plan to match the rates that other countries have
12 imposed on US exports. While there were some preliminary delays, several tariffs on
13 Canada, Mexico, and China went into place on March 4, and several additional tariffs have
14 gone into effect, or have been proposed. Although the effect of these tariffs on the economy
15 is uncertain, economists generally agree that higher tariffs increase inflation by increasing
16 the cost of consumer goods. Higher inflation could complicate the Federal Reserve's
17 unwinding of restrictive monetary policies, as well as increase long-term bond yields like
18 the 30-year Treasury yield. Longer-term bonds are more sensitive to inflation expectations
19 because their value is eroded more by inflation; thus, as the value (price) of bonds declines
20 due to higher inflation expectations, the yield increases. Because utilities are capital
21 intensive enterprises, higher inflation and interest rates tend to have a negative effect on
22 utility stocks. If realized, all these factors would suggest that the cost of capital for utilities
23 may increase in the future.

1 **Q. HAVE YOU FACTORED THESE CIRCUMSTANCES INTO YOUR COST OF**
2 **EQUITY ESTIMATES FOR SOCALGAS, AND, IF SO, WHAT CONCLUSIONS**
3 **DO YOU DRAW?**

4 A. Yes. I have relied on the most recent market data and forecasts available to me in my
5 analysis and ROE recommendations. Long-term interest rates have increased substantially
6 since the historical lows of 2020 and are expected to remain elevated as the Federal Reserve
7 continues to focus on inflation and employment. As interest rates increase, the cost of
8 capital generally increases. Interest rates are direct inputs to the CAPM and risk premium
9 analyses and indirectly affect the DCF models, as increasing interest rates influence
10 increases in dividend yields (and decreases in utility stock prices, which suggest an increase
11 in the cost of equity). As a practical matter, investors consider a range of opportunities,
12 which includes bonds. With the sustained elevated interest rates, utilities are less attractive
13 absent a corresponding increase in returns. In other words, if investors can get a higher
14 return from lower risk bonds due to higher interest rates (since bondholder investments are
15 protected in bankruptcy while shareholder investments are not), then equity returns must
16 also be correspondingly higher, or investors will invest in bonds. With the Federal
17 Reserve's expectation for elevated interest rates for an extended period of time, this will
18 continue to put upward pressure on the cost of capital for utilities. Therefore, it is important
19 that these factors are accounted for in the cost of equity models.

20 **Q. WHAT IS YOUR CONCLUSION REGARDING HOW MARKET CONDITIONS**
21 **AFFECT THE COST OF EQUITY FOR UTILITIES SUCH AS SOCALGAS?**

22 The current capital market conditions continue to be heavily influenced by monetary policy
23 aimed at mitigating inflationary pressures. This has caused both short-term and long-term

1 interest rates to remain high. As a practical matter, investors consider a range of
2 opportunities, which includes bonds. With the sustained elevated interest rates, utilities are
3 less attractive absent a corresponding increase in returns. While consensus expectations are
4 for long-term inflation to continue to moderate and near-term interest rates to decline, long-
5 term interest rates are expected to remain at an elevated level, relative to rates seen in recent
6 years. As such, there is no indication that the cost of equity for utility companies will
7 decline as inflation moderates and near-term interest rates decline. Therefore, it is
8 important that these factors are accounted for in the cost of equity models. These
9 circumstances collectively reinforce the importance of using multiple models, as I have
10 with the CAPM, DCF, and Risk Premium approaches.

11 **V. PROXY GROUP SELECTION**

12 **Q. WHY IS IT NECESSARY TO SELECT A PROXY GROUP TO ESTIMATE THE**
13 **COST OF EQUITY FOR SOCALGAS?**

14 A. Since the ROE is a market-based concept and SoCalGas is not publicly traded, it is
15 necessary to establish a group of companies that is both publicly traded and comparable to
16 SoCalGas. Even if SoCalGas were a publicly traded entity, it is possible that transitory
17 events could bias the Company's market value in one way or another in a given period of
18 time. A significant benefit of using a proxy group is the ability to mitigate the effects of
19 short-term events that may be associated with any one company. The proxy companies
20 used in my ROE analyses possess a set of business and operating characteristics similar to
21 SoCalGas's gas utility operations, and thus provide a reasonable basis for estimating the
22 Company's ROE.

1 **Q. PLEASE PROVIDE A SUMMARY PROFILE OF SOCALGAS.**

2 A. SoCalGas is a wholly owned subsidiary of Sempra, providing natural gas utility services
3 to a population of approximately 21.1 million covering a 24,000 square mile service
4 territory that encompasses Southern California and portions of central California.¹⁰
5 SoCalGas has long-term issuer ratings from S&P of A- (Outlook: Stable), Moody's
6 Investors Service ("Moody's") of A2 (Outlook: Stable), and FitchRatings ("Fitch") of A
7 (Outlook: Stable).¹¹

8 **Q. PLEASE DESCRIBE THE SPECIFIC SCREENING CRITERIA YOU HAVE**
9 **UTILIZED TO SELECT A PROXY GROUP.**

10 A. I began with the ten investor-owned domestic natural gas distribution companies by Value
11 Line and then screened companies according to the following criteria:

- 12 1. Consistently pays quarterly cash dividends;
- 13 2. Maintains an investment grade long-term issuer rating (BBB- or higher) from S&P;
- 14 3. Is covered by more than one equity analyst;
- 15 4. Has positive earnings growth rates published by at least two of the following
16 sources: Value Line, S&P Capital IQ, and Zacks Investment Research (Zacks);
- 17 5. Regulated net operating income makes up more than 60 percent of the consolidated
18 company's net operating income (based on a 3-year average from 2021-2023);
- 19 6. Natural gas distribution net operating income makes up more than 60 percent of the
20 consolidated company's regulated net operating income (based on a 3-year average
21 from 2021-2023);

¹⁰ Sempra, 2024 Form 10-K (February 25, 2025) at 16-18.

¹¹ *Id.* at 79.

1 7. Is not involved in a merger or other transformative transaction.

2 **Q. WHAT IS THE COMPOSITION OF YOUR RESULTING PROXY GROUP?**

3 A. Based on the screening criteria discussed above, and financial information through fiscal
4 year 2023, I arrived at a proxy group consisting of the seven companies shown in Figure 5.
5 The results of my screening process are shown in Exhibit JCN-3.

6 **Figure 5: Proxy Group**

Company	Ticker
Atmos Energy Corporation	ATO
New Jersey Resources Corporation	NJR
NiSource Inc.	NI
Northwest Natural Gas Company	NWN
ONE Gas Inc.	OGS
Southwest Gas Holdings, Inc.	SWX
Spire, Inc.	SR

7 **Q. DOES YOUR SCREENING CRITERIA RESULT IN A GROUP OF COMPANIES**
8 **THAT INVESTORS WOULD VIEW AS COMPARABLE TO SOCALGAS?**

9 A. Yes. While no proxy group will be identical in risk as the Company, I believe this group
10 of natural gas utilities is reasonably comparable to the financial and operational
11 characteristics of SoCalGas. The proxy group screening criterion requiring an investment
12 grade credit rating ensures that the proxy group companies, like SoCalGas, are in sound
13 financial condition. Because credit ratings take into account business and financial risks,
14 the ratings provide a broad measure of investment risk for investors. Additionally, I have
15 screened on the percent of net operating income from regulated operations to differentiate
16 between utilities that are protected by regulation and those with substantial unregulated
17 operations or market-related risks since this proceeding is limited to determining the
18 appropriate ROE for the stand-alone natural gas utility operations of SoCalGas. The proxy

1 group also includes companies with substantial natural gas operations. These screens
2 collectively reflect key risk factors that investors consider in making investments in
3 utilities. The results of each screening criterion on each potential proxy company are
4 presented in Exhibit JCN-3.

5 **Q. WHAT IS YOUR CONCLUSION WITH REGARD TO THE PROXY GROUP FOR**
6 **SOCALGAS?**

7 A. I conclude that my group of seven natural gas utilities adequately reflects the broad set of
8 risks that investors consider when investing in a U.S. regulated natural gas utility such as
9 SoCalGas.

10 **VI. DETERMINATION OF THE APPROPRIATE COST OF EQUITY**

11 **Q. WHAT MODELS DID YOU USE IN YOUR ROE ANALYSES?**

12 A. I have considered the results of several ROE estimation models, including the Constant
13 Growth DCF model, the CAPM, the Bond Yield Plus Risk Premium approach, and an
14 Expected Earnings analysis. When faced with the task of estimating the cost of equity,
15 analysts are inclined to gather and evaluate as much relevant data (both quantitative and
16 qualitative) as can be reasonably obtained.

17 **A. Constant Growth DCF Model**

18 **Q. PLEASE DESCRIBE THE DCF APPROACH.**

19 A. The DCF approach is based on the theory that a stock's current price represents the present
20 value of all expected future cash flows, which for purposes of the model, are assumed to
21 be equal to all expected future dividends. Thus, the return required by investors is implied
22 by the per share price of a company's common stock. In its most general form, the DCF
23 model is expressed as follows:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_\infty}{(1+k)^\infty} \quad [1]$$

Where P_0 represents the current stock price, $D_1 \dots D_\infty$ are all expected future dividends, and k is the discount rate, or required ROE. Equation [1] is a standard present value calculation, which can be simplified and rearranged, to the Constant Growth form of the DCF model, expressed as the sum of the expected dividend yield and long-term growth rate:

$$k = \frac{D(1+g)}{P_0} + g \quad [2]$$

Where “k” equals the required return, “D” is the current dividend, “g” is the expected growth rate, and “ P_0 ” represents the current stock price. Stated in this manner, the cost of common equity is equal to the expected dividend yield plus the dividend growth rate.

Q. WHAT ARE THE ASSUMPTIONS UNDERLYING THE CONSTANT GROWTH DCF MODEL?

A. The Constant Growth DCF model is based on the following assumptions: (1) a constant average growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price-to-earnings multiple; and (4) a discount rate greater than the expected growth rate.

Q. PLEASE SUMMARIZE YOUR APPLICATION OF THE CONSTANT GROWTH DCF MODEL.

- 1 A. I calculated DCF results for each of the proxy group companies using the following inputs:
- 2
- 3 • Average stock prices for the historical period, over 30, 90, and 180 trading days
 - 4 through February 28, 2025;
 - 5 • Annualized dividend per share as of February 28, 2025; and
 - 6 • Company-specific earnings growth forecasts for the term g .

6 My application of the Constant Growth DCF model is provided in Exhibit JCN-4.

7 **Q. WHY DID YOU USE AVERAGING PERIODS OF 30, 90, AND 180 TRADING**

8 **DAYS?**

9 A. It is important to use an average of recent trading days to calculate the term P in the DCF

10 model to ensure that the calculated ROE is not skewed by anomalous events that may affect

11 stock prices on any given trading day. At the same time, it is important to reflect the

12 conditions that have defined the financial markets over the recent past. In my view,

13 consideration of those three averaging periods reasonably balances these interests.

14 **Q. DID YOU ADJUST THE DIVIDEND YIELD TO ACCOUNT FOR PERIODIC**

15 **GROWTH IN DIVIDENDS?**

16 A. Yes, I did. Utility companies tend to increase their quarterly dividends at different times

17 throughout the year, so it is reasonable to assume that such increases will be evenly

18 distributed over calendar quarters. Given that assumption, it is reasonable to apply one-half

19 of the expected annual dividend growth rate for the purposes of calculating this component

20 of the DCF model. This adjustment ensures that the expected dividend yield is

1 representative of the coming 12-month period. Accordingly, the DCF estimates reflect one-
2 half of the expected growth in the dividend yield.¹²

3 **Q. WHAT SOURCES OF GROWTH HAVE YOU USED IN YOUR DCF ANALYSIS?**

4 A. I have used the consensus analyst five-year growth estimates in earnings per share (EPS)
5 from First Call and Zacks, as well as EPS growth rate estimates published by Value Line.

6 **Q. WHY DID YOU FOCUS ON EPS GROWTH?**

7 A. The Constant Growth DCF model assumes that dividends grow at a constant rate in
8 perpetuity. Accordingly, in order to reduce the long-term growth rate to a single measure,
9 one must assume a constant payout ratio, and that earnings per share, dividends per share,
10 and book value per share all grow at the same constant rate. Over the long term, however,
11 dividend growth can only be sustained by earnings growth. As noted by Brigham and
12 Houston in their text, *Fundamentals of Financial Management*: “Growth in dividends
13 occurs primarily as a result of growth in *earnings per share* (EPS).”¹³ It is therefore
14 important to focus on measures of long-term earnings growth from credible sources as an
15 appropriate measure of long-term growth in the DCF model.

16 **Q. ARE OTHER SOURCES OF DIVIDEND GROWTH AVAILABLE TO**
17 **INVESTORS?**

18 A. Yes, although that does not mean that investors incorporate such estimates into their
19 investment decisions. Academic studies suggest that investors base their investment

¹² The expected dividend yield is calculated as $d_1 = d_0(1 + \frac{1}{2}g)$.

¹³ Source: Eugene F. Brigham and Joel F. Houston, Fundamentals of Financial Management (Concise Fourth Edition, Thomson South-Western), at 317 (emphasis added).

1 decisions on analysts' expectations of growth in earnings.¹⁴ I am not aware of any similar
2 findings regarding non-earnings-based growth estimates. In addition, the only forward-
3 looking growth rates that are available on a consensus basis are analysts' EPS growth rates.
4 The fact that earnings growth projections are the only widely accepted estimates of growth
5 provides further support that earnings growth is the most meaningful measure of growth
6 among the investment community.

7 **Q. WHAT ARE THE RESULTS OF YOUR CONSTANT GROWTH DCF ANALYSIS?**

8 A. The results of my Constant Growth DCF analysis are provided in Exhibit JCN-4 and
9 summarized in Figure 6.

10 **Figure 6: Constant Growth DCF Results**

	Mean Low	Mean	Mean High
30-day average	9.36%	10.19%	10.99%
90-day average	9.38%	10.21%	11.01%
180-day average	9.51%	10.33%	11.14%

11 **Q. HOW DID YOU CALCULATE THE MEAN HIGH, MEAN LOW, AND OVERALL**
12 **MEAN DCF RESULTS?**

13 A. I calculated the Mean High DCF result using the maximum growth rate (i.e., the maximum
14 of the First Call, Value Line, and Zacks EPS growth rates) in combination with the
15 expected dividend yield for each of the proxy group companies. I used a similar method to

¹⁴ See, e.g., Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts Growth Forecasts*, *Financial Management*, Summer 1992, at 65; and Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, *The Journal of Portfolio Management*, Spring 1988, at 81. Please note that while the original study was published in 1988, it was updated in 2004 under the direction of Dr. Vander Weide. The results of that updated study are consistent with Vander Weide and Carleton's original conclusions.

1 calculate the Mean Low DCF results, using the minimum growth rate for each company.
2 The Mean results reflect the average growth rate from each source for each company in
3 combination with the expected dividend yield.

4 **B. CAPM Analysis**

5 **Q. PLEASE BRIEFLY DESCRIBE THE GENERAL FORM OF THE CAPITAL** 6 **ASSET PRICING MODEL.**

7 A. The CAPM is a risk premium approach that estimates the cost of equity for a given security
8 as a function of a risk-free return plus a risk premium (to compensate investors for the non-
9 diversifiable or “systematic” risk of that security).¹⁵ As shown in Equation [3], the CAPM
10 is defined by four components, each of which must theoretically be a forward-looking
11 estimate:

$$12 \quad K_e = r_f + \beta(r_m - r_f) \quad [3]$$

13 Where:

14 K_e = the required ROE for a given security;

15 r_f = the risk-free rate of return;

16 β = the Beta of an individual security; and

17 r_m = the required return for the market as a whole.

18 The term $(r_m - r_f)$ represents the Market Risk Premium (MRP). According to the theory
19 underlying the CAPM, since unsystematic risk can be diversified away, investors should

¹⁵ Systematic risks are fundamental market risks that reflect aggregate economic measures and therefore cannot be mitigated through diversification. Unsystematic risks reflect company-specific risks that can be mitigated and ultimately eliminated through investments in a portfolio of companies and/or market sectors.

1 be concerned only with systematic or non-diversifiable risk. Non-diversifiable risk is
2 measured by Beta, which is defined as:

$$3 \quad \beta = \frac{\text{Covariance}(r_e, r_m)}{\text{Variance}(r_m)} [4]$$

4 Where:

5 r_e = the rate of return for the individual security or portfolio.

6 The variance of the market return, noted in Equation [4], is a measure of the uncertainty of
7 the general market, and the covariance between the return on a specific security and the
8 market reflects the extent to which the return on that security will respond to a given change
9 in the market return. Thus, Beta represents the risk that the selected security will not be
10 effective in diversifying systematic market risks.

11 **Q. HAVE ECONOMIC AND FINANCIAL MARKET CONDITIONS ALSO**
12 **AFFECTED THE CAPM?**

13 A. Yes. As the Federal Reserve reduces federal funds rate, it is important to consider both
14 current and projected bond yields. Using the 5-year forecast of bond yields helps alleviate
15 short-term market factors affecting the risk-free rate, or “ r_f ” in the CAPM formula. As
16 discussed in Section IV, interest rates continue to remain elevated. It is also important to
17 recognize that SoCalGas is financing long-lived assets, and the cost of capital should be
18 forward looking to reflect that perspective.

1 **Q. WHAT RISK-FREE RATE DID YOU USE IN YOUR CAPM ANALYSIS?**

2 A. I considered three estimates of the expected risk-free rate: (1) the current 30-day average
3 yield on 30-year U.S. Treasury bonds (i.e., 4.73 percent);¹⁶ (2) the projected 30-year U.S.
4 Treasury bond yield for Q2 2025 through Q2 2026 (i.e., 4.64 percent);¹⁷ and (3) the
5 projected 30-year U.S. Treasury bond yield for 2026 through 2030 (i.e., 4.30 percent).¹⁸

6 **Q. WHAT MEASURES OF BETA DID YOU USE IN YOUR CAPM ANALYSIS?**

7 A. As shown in Exhibit JCN-6, I utilized two measures of Beta for the proxy group companies:
8 (1) the reported Beta coefficients from Bloomberg (which are calculated using ten years of
9 weekly data against the S&P 500 Index); and (2) the reported Beta coefficients from Value
10 Line (which are calculated using five years of weekly data against the New York Stock
11 Exchange Composite Index).

12 **Q. WHAT MARKET RISK PREMIUM DID YOU USE IN YOUR CAPM ANALYSIS?**

13 A. Consistent with the approach adopted by FERC,¹⁹ I used the Constant Growth DCF model
14 to estimate the market capitalization-weighted total market return for the S&P 500 Index,
15 using projected earnings growth rates and dividend yields. As shown in Exhibit JCN-5, to
16 calculate the Constant Growth DCF estimate for each company in the S&P 500, I relied on
17 dividend yields as of February 28, 2025, as reported by Bloomberg Professional, and
18 projected EPS growth rates from Value Line. In my initial analysis, I included all
19 companies in the S&P 500. When investors purchase the S&P 500 Index or a mutual fund

¹⁶ Bloomberg Professional, as of February 28, 2025.

¹⁷ Blue Chip Financial Forecasts, Vol. 44, No. 3 (February 28, 2025) at 2.

¹⁸ Blue Chip Financial Forecasts, Vol. 43, No. 12 (November 27, 2024) at 14.

¹⁹ *See, e.g., Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569-A, 171 FERC ¶ 61,154 (2020) (“Opinion No. 569-A”).

1 or exchange traded fund that mirrors the S&P Index, their total return is based on the returns
 2 for all 500 companies in the S&P Index. As such, this methodology provides the best
 3 indication as to the expected return for the overall market using the S&P 500 as a proxy.
 4 Applying this methodology suggests an expected market return of 15.16 percent. However,
 5 I applied FERC's more conservative convention to consider only a subset of S&P 500
 6 companies with growth rates that are between 0 percent and 20 percent. This methodology
 7 suggests an expected market return of 11.54 percent.

8 **Q. WHAT ARE THE RESULTS OF YOUR CAPM ANALYSES?**

9 A. The results of my CAPM analysis are provided in Exhibit JCN-6 and summarized in
 10 Figure 7.

11 **Figure 7: Proxy Group Average CAPM Results**
 12

	CAPM Result
<i>Value Line Beta Coefficients</i>	
Current Risk-Free Rate	12.67%
2025-26 Projected Risk-Free Rate	12.67%
2026-30 Projected Risk-Free Rate	12.64%
<i>Bloomberg Beta Coefficients</i>	
Current Risk-Free Rate	11.37%
2025-26 Projected Risk-Free Rate	11.35%
2026-30 Projected Risk-Free Rate	11.27%

13 **C. Risk Premium Analysis**

14 **Q. PLEASE DESCRIBE THE RISK PREMIUM APPROACH THAT YOU USED.**

15 A. In general terms, this approach recognizes that equity is riskier than debt because equity
 16 investors bear the residual risk associated with ownership. Equity investors, therefore,
 17 require a greater return (i.e., a premium) than would a bondholder. The Risk Premium

1 approach estimates the cost of equity as the sum of the Equity Risk Premium and the yield
2 on a particular class of bonds.

$$3 \quad \text{ROE} = RP + Y \quad [5]$$

4 Where:

5 RP = Risk Premium (difference between allowed ROE and the 30-Year Treasury
6 Yield); and

7 Y = Applicable bond yield.

8 Since the equity risk premium is not directly observable, it is typically estimated using a
9 variety of approaches, some of which incorporate *ex-ante*, or forward-looking, estimates
10 of the cost of equity and others that consider historical, or *ex-post*, estimates. For my Risk
11 Premium analysis, I have relied on authorized returns from a large sample of natural gas
12 utility companies.

13 **Q. WHAT DID YOUR RISK PREMIUM ANALYSIS REVEAL?**

14 A. To estimate the relationship between risk premia and interest rates, I conducted a regression
15 analysis using the following equation:

$$16 \quad RP = a + (b \times Y) \quad [6]$$

17 where:

18 RP = Risk Premium (difference between allowed ROEs and the 30-Year Treasury
19 Yield);

20 a = Intercept term;

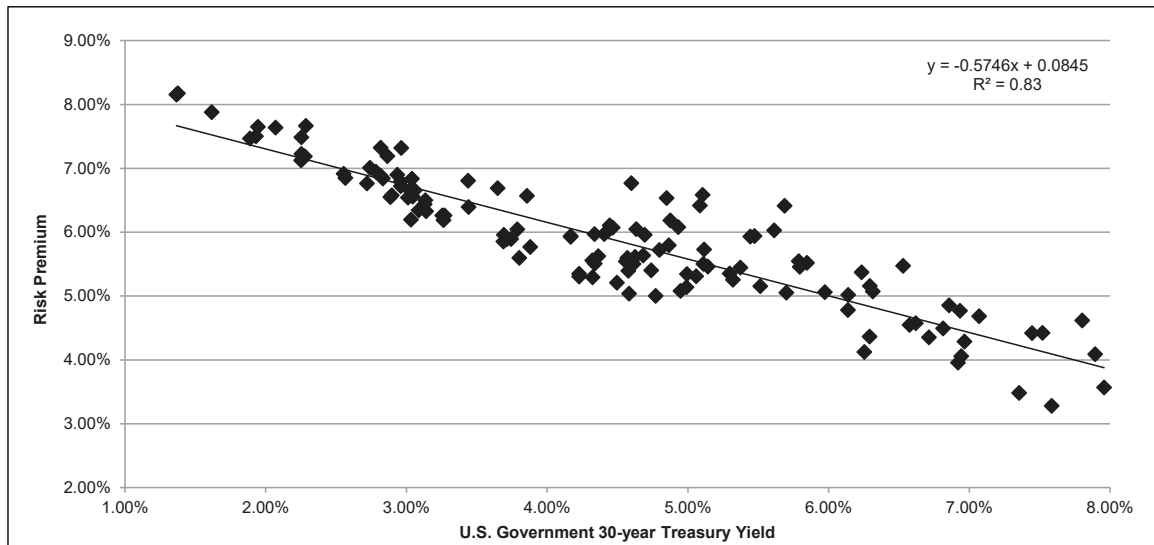
21 b = Slope term; and

22 Y = 30-Year Treasury Yield.

23 Data regarding allowed ROEs were derived from natural gas utility company rate cases
24 from January 1, 1992, through February 28, 2025, as reported by Regulatory Research
25 Associates.

1

Figure 8: Risk Premium Results



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As illustrated by Figure 8 (above), the risk premium varies with the level of bond yield, and generally increases as the bond yields decrease, and vice versa. In order to apply this relationship to current and expected bond yields, I consider three estimates of the 30-year Treasury yield, including the current 30-day average, a near-term Blue Chip consensus forecast for Q2 2025 – Q2 2026, and a Blue Chip consensus forecast for 2026–2030. Based on the regression coefficients in Exhibit JCN-7, which allow for the estimation of the risk premium at varying bond yields, the results of my Risk Premium analysis are shown in Figure 9 below.

Figure 9: Risk Premium Results Using 30-Year Treasury Yield

	30-Day Average Yield on 30-Year Treasury Bond	Q2 2025–Q2 2026 Forecast for Yield on 30-Year Treasury Bond²⁰	2026-2030 Forecast for Yield 30-Year Treasury Bond²¹
Yield	4.73%	4.64%	4.30%
Risk Premium	5.73%	5.79%	5.98%
Resulting ROE	10.76%	10.43%	10.28%

D. Expected Earning Analysis

Q. HAVE YOU CONDUCTED ANY OTHER ANALYSIS TO ESTIMATE THE COST OF EQUITY FOR SOCALGAS?

A. Yes. Although I did not rely upon the results to help inform a just and reasonable range, I have also conducted an Expected Earnings analysis to estimate the cost of equity for SoCalGas based on the projected ROEs for the proxy group companies.

Q. WHAT IS AN EXPECTED EARNINGS ANALYSIS?

A. The Expected Earnings methodology is a comparable earnings analysis that calculates the earnings that an investor expects to receive on the book value of a stock. The Expected Earnings analysis is a forward-looking estimate of investors' expected returns. The use of an Expected Earnings approach based on the proxy companies provides a range of the expected returns on a group of risk-comparable companies to the subject company. This range is useful in helping to determine the opportunity cost of investing in the subject company, which is relevant in determining a company's ROE.

²⁰ Blue Chip Financial Forecasts, Vol. 44, No. 3 (February 28, 2025) at 2.

²¹ Blue Chip Financial Forecasts, Vol. 43, No. 12 (November 27, 2024) at 14.

1 The Expected Earnings approach relying on expected returns for like-risk companies is a
2 core strength of the model and consistent with the basic tenets of *Hope*: “the return to the
3 equity owner should be commensurate with returns on investments in other enterprises
4 having corresponding risks.”²² Since the Expected Earnings model provides an accounting-
5 based approach that relies on investment analysts’ projections of earnings on book equity,
6 it affords the benefit of analyst insights, knowledge, and expertise in interpreting a given
7 company’s earnings prospects in the context of current market conditions.

8 **Q. HOW IS THE EXPECTED EARNINGS APPROACH CALCULATED?**

9 A. I relied on the projected ROE for the proxy companies as reported by Value Line for the
10 period from 2027-2029. I then adjusted those projected ROEs to account for the fact that
11 the ROEs reported by Value Line are calculated on the basis of common shares outstanding
12 at the end of the period, as opposed to average shares outstanding over the entire period.
13 As shown in Figure 10 below and Exhibit JCN-8, the Expected Earnings analysis results
14 in a mean of 9.79 percent and a median of 9.30 percent.

15 **Figure 10: Expected Earnings Results**

	ROE
Proxy Group Average	9.79%
Proxy Group Median	9.30%

16 **Q. WHAT IS YOUR CONCLUSION REGARDING THE RESULTS OF THE**
17 **EXPECTED EARNINGS MODEL?**

18 A. The model captures investor expectations for ROEs for each company in the proxy group
19 as estimated by impartial analysts. This is a valuable tool given the nature of the analysis

²² *Fed. Power Comm’n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

1 here is designed to measure required returns for SoCalGas. It is reasonable to assume that
2 investors would require returns from investment in SoCalGas similar to those they could
3 earn in comparable investments, so these results are informative. Nonetheless, as noted, I
4 have not directly relied upon the Expected Earnings analysis in determining my
5 recommended range of reasonableness.

6 **E. Evaluating Model Results**

7 **Q. PLEASE EXPLAIN HOW YOU CONSIDERED THE RESULTS OF THE DCF,**
8 **CAPM, RISK PREMIUM, AND EXPECTED EARNINGS ANALYSIS TO ARRIVE**
9 **AT YOUR ROE RECOMMENDATION.**

10 A. As shown in Figure 11, I have considered the results of the DCF, CAPM, and Risk
11 Premium in my primary analysis, and while considering the Expected Earnings as a
12 benchmark analysis. For the DCF result, I included the average of the 30-day, 90-day, and
13 180-day analyses. For the CAPM result, I relied on the average of current and projected
14 Treasury yields, the average of Value Line and Bloomberg Betas coefficients, and the MRP
15 derived from a subset of the S&P 500 companies. For the Risk Premium analysis, I relied
16 on the average of current and projected Treasury yields.

1

Figure 11: ROE Results

	Average	Median
<i>Primary Analyses</i>		
DCF Result	10.24%	10.36%
CAPM Result	12.00%	11.89%
Risk Premium	10.39%	10.39%
Average	10.88%	10.88%
<i>Benchmark Analyses</i>		
Expected Earnings	9.79%	9.30%

2

As discussed in the next Section of my testimony, these estimates serve as a base prior to consideration of the relative business and financial risks of SoCalGas as compared to the proxy companies.

3

4

5 **VII. BUSINESS AND FINANCIAL RISKS**

6 **Q. ARE THERE FACTORS SPECIFIC TO SOCALGAS’S RISK PROFILE THAT**
7 **YOU ALSO CONSIDERED IN DEVELOPING YOUR ROE**
8 **RECOMMENDATION?**

9 A. Yes, there are several factors that have a direct bearing on SoCalGas’s risk profile in
10 relation to the proxy group. Those risk factors include: (1) the Company’s substantial
11 capital expenditure program; (2) California’s clean energy mandates; and (3) regulatory
12 risk relative to the proxy group companies. In aggregate, those risk factors elevate
13 SoCalGas’s risk profile relative to the proxy group and would support an authorized ROE
14 above the mean, although I have not made an explicit adjustment.

1 **A. Capital Expenditure Program**

2 **Q. PLEASE DISCUSS SOCALGAS'S CAPITAL SPENDING PROGRAM.**

3 A. The Company plans a major capital investment program of approximately \$2 billion,
4 annually.²³ As with any utility facing substantial capital expenditure requirements, the
5 Company's risk profile is affected in two significant and related ways: (1) the heightened
6 level of investment increases the risk of under recovery or delayed recovery of the invested
7 capital; and (2) an inadequate return would put downward pressure on key credit metrics.
8 The absolute level of investment required will put significant pressure on the Company's
9 ability to raise capital, and the terms will have lasting impacts for the Company's
10 customers.

11 **Q. DO CREDIT RATING AGENCIES RECOGNIZE THE RISKS ASSOCIATED**
12 **WITH ELEVATED LEVELS OF CAPITAL EXPENDITURES?**

13 A. Yes. From a credit perspective, the additional pressure on cash flows associated with
14 higher levels of capital expenditures exerts corresponding pressure on credit metrics and,
15 therefore, credit ratings. To that point, S&P explains the importance of regulatory
16 support for large capital projects:

17 When applicable, a jurisdiction's willingness to support large capital
18 projects with cash during construction is an important aspect of our analysis.
19 This is especially true when the project represents a major addition to rate
20 base and entails long lead times and technological risks that make it
21 susceptible to construction delays. Broad support for all capital spending is
22 the most credit-sustaining. Support for only specific types of capital
23 spending, such as specific environmental projects or system integrity plans,
24 is less so, but still favorable for creditors. Allowance of a cash return on
25 construction work-in-progress or similar ratemaking methods historically
26 were extraordinary measures for use in unusual circumstances, but when
27 construction costs are rising, cash flow support could be crucial to maintain

²³ Source: S&P Global Ratings, *Sempra Outlook Revised to Negative, Ratings Affirmed; Southern California Gas Downgraded, Outlook Stable* (January 9, 2025) at 2.

1 credit quality through the spending program. Even more favorable are those
2 jurisdictions that present an opportunity for a higher return on capital
3 projects as an incentive to investors.²⁴

4 With regard to SoCalGas’s credit profile, S&P recently downgraded its issuer rating from
5 A to A- acknowledging a base case assumption of \$2 billion of annual capital investments
6 that will keep the Company’s “consistently below our downgrade threshold of FFO to debt
7 of 20%”²⁵ Therefore, to the extent that SoCalGas’s rates do not permit the Company an
8 opportunity to recover its full cost of doing business, SoCalGas will face increased
9 recovery risk and increased pressure on its credit metrics. Maintaining access to capital
10 markets on favorable terms is especially important for utilities and their customers during
11 periods of significant capital investment.

12 **Q. WHAT IS YOUR CONCLUSION REGARDING HOW SOCIALGAS’S CAPITAL**
13 **EXPENDITURE PROGRAM AFFECTS THE COMPANY’S RISK PROFILE AND**
14 **COST OF EQUITY?**

15 A. My primary conclusion is that SoCalGas is projecting a substantial capital spending
16 program that will require the Company to maintain access to capital markets on favorable
17 terms and conditions. The magnitude of SoCalGas’s capital program places pressure on
18 the Company’s cash flows and credit metrics. These investments elevate the risk profile
19 of SoCalGas. For these reasons, it is important that the authorized ROE be set at a level
20 that allows SoCalGas to continue to attract both debt and equity under favorable terms
21 under a variety of economic and financial market conditions.

²⁴ Source: S&P Global Ratings, *Assessing U.S. Investor-Owned Utility Regulatory Environments* (August 10, 2016) at 7.

²⁵ Source: S&P Global Ratings, *Sempra Outlook Revised to Negative, Ratings Affirmed; Southern California Gas Downgraded, Outlook Stable* (January 9, 2025) at 2.

1 **B. Environmental and Clean Energy Mandates**

2 **Q. PLEASE DESCRIBE THE ENVIRONMENTAL MANDATES THAT WILL BE**
3 **REQUIRED BY SOCALGAS TO ACHIEVE CALIFORNIA’S CLEAN ENERGY**
4 **GOALS.**

5 A. Assembly Bill 100 (“AB 32”) the California Global Warming Solutions Act of 2006,
6 assigned responsibility to the California Air Resources Board (“CARB”) for monitoring
7 and establishing policies for reducing greenhouse gas (“GHG”) emissions, including a
8 comprehensive plan for achieving quantifiable GHG emissions reductions. CARB’s plans
9 propose that some conventional natural gas be displaced with above-market renewable
10 natural gas, which could result in increased costs that may not be fully recoverable in rates.
11 In addition, Senate Bill 1440 (“SB 1440”) was passed in 2018 and requires the Commission
12 to consider adopting Renewable Natural Gas (“RNG”) targets for natural gas utilities. The
13 Commission issued its decision implementing SB 1440 in February 2022 and requires
14 SoCalGas to develop a Renewable Gas Procurement Plan requiring the Company to replace
15 12.2 percent of the traditional gas it delivers to core customers with renewable gas by 2025.

16 In addition, legislators and other stakeholder groups have expressed a desire to
17 further limit or eliminate reliance on natural gas as an energy source by advocating
18 increased use of renewable electricity and electrification in lieu of the use of natural gas.
19 Certain California state agencies have recently proposed public policies that would restrict
20 the use and consumption of natural gas, (e.g., new buildings and appliances), and certain
21 local city governments have passed ordinances restricting use of natural gas connections
22 in newly constructed buildings. These proposals and ordinances and other similar
23 regulatory actions would reduce natural gas use over time.

1 California is one of seven states where local gas bans and electrification codes in
2 new buildings have been adopted or are under development. On the other hand, twenty
3 states have adopted laws that prohibit local governments from restricting natural gas utility
4 service.²⁶ This clearly places SoCalGas at a disadvantage when it comes to future growth
5 versus its U.S. peers.

6 **Q. DO THE CREDIT RATING AGENCIES RECOGNIZE THE RISK ASSOCIATED**
7 **WITH GHG REDUCTION INITIATIVES TO SOCIALGAS?**

8 A. Yes. S&P recognizes that SoCalGas is “likely face a gradual increase in business risk
9 given California's ongoing energy transition away from natural gas-fueled technologies.”²⁷
10 FitchRatings has recognized California as “one of the most progressive states in the U.S.
11 with regard to energy policy,” but assumes regulatory policies that will be “constructive
12 and gradual and allow gas utilities sufficient time to comply with various environmental
13 mandates, implement new technologies and adjust their capital structures when necessary.”
14 ²⁸ A negative ratings action could occur if there is “Any indication of an accelerated time
15 frame or changes in regulation likely to result in significant unrecoverable stranded assets
16 could, even if the effective date were to be outside of the traditional forecast period.”²⁹ As
17 such, investors are closely monitoring regulatory developments as they relate to energy

²⁶ Source: S&P Global, *States that outlaw gas bans account for 31% of US residential/commercial gas use* (June 9, 2022).

²⁷ Source: S&P Global Ratings, *Sempra Outlook Revised to Negative, Ratings Affirmed; Southern California Gas Downgraded, Outlook Stable* (January 9, 2025) at 3.

²⁸ Source: Fitch Ratings, *Southern California Gas Company* (September 19, 2024) at 1.

²⁹ *Id.*

1 policy in California. I conclude that SoCalGas is exposed to a greater risk than the proxy
2 group companies, on average, with respect to environmental and clean energy mandates.

3 **C. Regulatory Risk**

4 **Q. PLEASE EXPLAIN HOW THE REGULATORY FRAMEWORK AFFECTS**
5 **INVESTORS' RISK ASSESSMENTS.**

6 A. The ratemaking process is premised on the principle that, for investors and companies to
7 commit the capital needed to provide safe and reliable utility services, the utility must have
8 the opportunity to recover invested capital and the market-required return on such capital.
9 Regulatory commissions recognize that, because utility operations are capital intensive,
10 regulatory decisions should enable the utility to attract capital at reasonable terms, thereby
11 balancing the long-term interests of investors and customers. In that respect, the regulatory
12 framework in which a utility operates is one of the most important factors in both debt and
13 equity investors' risk assessments. Because investors have many investment alternatives,
14 even within a given market sector, the Company's authorized return must be adequate on
15 a relative basis to ensure its ability to attract capital under a variety of economic and
16 financial market conditions.

17 **Q. PLEASE EXPLAIN HOW CREDIT RATING AGENCIES CONSIDER THE**
18 **REGULATORY FRAMEWORK IN ESTABLISHING A COMPANY'S CREDIT**
19 **RATING.**

20 A. Moody's and S&P both consider the overall regulatory framework in establishing credit
21 ratings. Moody's establishes credit ratings based on four key factors:

1 **Figure 12: Moody’s Rating Factors**

Factor	Weighting
Regulatory Framework	25%
Ability to Recover Costs and Earn Returns	25%
Diversification	10%
Financial Strength	40%
Total	100%

2
3 Two of these factors (*i.e.*, regulatory framework and the ability to recover costs and earn
4 returns) are based on the regulatory environment such that half of Moody’s overall
5 assessment of business and financial risk for regulated utilities is based upon the regulatory
6 environment.³⁰ Moody’s further subdivides the first two factors, Regulatory Framework
7 and the Ability to Recover Costs and Earn Returns, into sub-factors to help “provide more
8 granularity and transparency on the overall regulatory environment, which is the most
9 important consideration for this sector.”³¹ Similarly, S&P has identified the regulatory
10 environment as an important factor, stating, “we believe the fundamental regulatory
11 environment in the jurisdictions in which a utility operates often influence credit quality
12 the most.”³²

13 **Q. PLEASE EXPLAIN THE EFFECT OF REGULATORY RISK ON THE**
14 **COMPANY’S ABILITY TO RAISE CAPITAL AND THE IMPACT ON**
15 **CUSTOMERS.**

³⁰ Source: Moody’s, *Rating Methodology, Regulated Electric and Gas Utilities*, (December 23, 2013) at 6.

³¹ *Id.* at 3.

³² Source: Standard & Poor’s, *Assessing U.S. Utility Regulatory Environments* (March 11, 2010) at 2.

1 A. Given the robust capital spending plan, and the consequent need to raise capital, it is
2 important that the Company be able to maintain access to the capital markets at reasonable
3 rates. The Company's capital expenditure program is designed to benefit and deliver value
4 for customers. Given the significant level of planned capital expenditures, any increases
5 in borrowing costs would have a proportional impact on costs to customers.

6 **Q. HAVE YOU PERFORMED AN ANALYSIS OF THE REGULATORY**
7 **MECHANISMS FOR SOCALGAS AS COMPARED TO THOSE FOR THE**
8 **PROXY GROUP COMPANIES?**

9 A. Yes. I have conducted an analysis of the regulatory mechanisms that are in place for
10 SoCalGas compared with those for the operating utility companies held by the proxy group.
11 The results of my analysis are presented in Exhibit JMC-9. Specifically, I examined the
12 following factors that affect the regulatory risk of SoCalGas and the proxy group
13 companies: (1) test year convention; (2) rate base convention; (3) revenue decoupling; and
14 (4) capital cost recovery.

15 While SoCalGas has a number of regulatory balancing accounts, it is instructive to
16 look at the overall regulatory cost recovery mechanisms available to the proxy companies
17 when evaluating the regulatory risk of the subject company to the proxy group. As shown
18 in Exhibit JCN-9, 46 percent of the operating companies in the proxy group provide service
19 in jurisdictions that allow the use of a fully or partially forecasted test year, which is
20 effectively similar to SoCalGas's projected rate base for the forecasted test year.
21 Approximately 58 percent of the operating companies in the proxy group use year-end rate
22 base, which provides more timely cost recovery of capital investments, while 42 percent,
23 like SoCalGas, use average rate base. SoCalGas is able to apply a true-up mechanism to

1 mitigate volumetric risk through decoupling, while approximately 88 percent of the
2 operating companies held by the proxy group have either full or partial revenue decoupling
3 mechanisms that protect against volumetric risk. Approximately 71 percent of the
4 operating companies in the proxy group have capital cost tracking mechanisms that allow
5 them to recover capital investments between rate cases. Overall, from an investor
6 perspective, the regulatory framework does not provide risk mitigation that meaningfully
7 reduces the risk of the Company relative to the proxy companies.

8 **VIII. CAPITAL STRUCTURE**

9 **Q. WHAT IS SOCALGAS'S PROPOSED CAPITAL STRUCTURE?**

10 A. SoCalGas is proposing a financial capital structure targeting a mix of 52.00 percent equity,
11 2.40 percent preferred equity, and 45.60 percent debt.

12 **Q. HOW HAVE YOU ASSESSED THE REASONABLENESS OF SOCALGAS'S** 13 **PROPOSED CAPITAL STRUCTURE WITH RESPECT TO THE PROXY** 14 **GROUP?**

15 A. The proxy group has been selected to reflect comparable companies in terms of business
16 and financial risks. Therefore, it is appropriate to compare the financial capital structures
17 of the proxy group companies to the financial capital structure proposed by the Company
18 in order to assess whether the Company's capital structure is reasonable and consistent
19 with industry standards for companies with commensurate risk. I calculated the weighted
20 average capital structures for each of the proxy group operating companies for last three
21 years. Exhibit JCN-10 shows that the Company's proposed common equity ratio of 52.00
22 percent is within the range of actual common equity ratios of 47.37 percent to 60.03 percent
23 for the operating companies held by the proxy group over this period.

1 **Q. WHAT IS YOUR CONCLUSION REGARDING THE APPROPRIATENESS OF**
2 **SOCALGAS'S PROPOSED CAPITAL STRUCTURE IN THIS PROCEEDING?**

3 A. Based on the analysis presented in Exhibit JCN-10, my conclusion is that SoCalGas's
4 proposed capital structure is reasonable. Sufficient equity in the capital structure is an
5 important factor for maintaining SoCalGas's financial integrity and investment grade credit
6 rating and it is an essential component of SoCalGas's financial policies enabling access to
7 capital on favorable terms in a variety of market circumstances.

8 **IX. CONCLUSION**

9 **Q. WHAT IS YOUR CONCLUSION REGARDING A FAIR ROE FOR SOCALGAS?**

10 A. Based on the quantitative analyses provided in my Direct Testimony, I have established a
11 range of ROE results shown previously in Figure 1 (also see Exhibit JCN-2). Based on
12 these analyses, I consider an ROE range of 10.25 percent to 11.25 percent to be reasonable.
13 In creating this range, I give weight to the results of the DCF, CAPM, and Bond Yield Plus
14 Risk Premium analyses. In addition to establishing the range of ROE results, I also
15 considered SoCalGas risks compared to the proxy utilities and conclude that SoCalGas is
16 above average risk and that it would be reasonable for SoCalGas's ROE to be set in the
17 upper end of that range. Therefore, from within that range, and considering the Company's
18 risk profile, I recommend an ROE of 11.00 percent.

19 **Q. WHAT IS YOUR RECOMMENDATION WITH REGARD TO THE CAPITAL**
20 **STRUCTURE FOR SOCALGAS IN THIS PROCEEDING?**

21 A. I support SoCalGas's actual capital structure of 52.00 percent equity, 2.40 percent preferred
22 equity, and 45.60 percent debt as reasonable relative to the range of capital structures for
23 the operating companies held by the proxy group companies.

1 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

2 A. Yes, it does.

JCN-1

JOSHUA C. NOWAK RESUME

JOSHUA C. NOWAK
VICE PRESIDENT

Mr. Nowak is a financial and economic consultant with more than fifteen years of experience in the energy industry. He has provided expert testimony on regulatory issues in several proceedings before the Federal Energy Regulatory Commission and regulatory commissions in Alaska, California, Connecticut, Kentucky, Minnesota, New Brunswick, New Hampshire, New York, North Dakota, Ohio, and Texas. Mr. Nowak specializes in providing rate case services on economic conditions and financial market matters related to the cost of capital. He is also experienced in providing strategic direction on financing activities including bond offerings, credit rating analysis, and investor relations. Previously, Josh was the Director of Regulatory Strategy & Integrated Analytics at National Grid where he was responsible for issues related to the cost of capital across its federal and state jurisdictional operating companies. He holds a Bachelor's Degree in Economics and History from Boston College.

REPRESENTATIVE EXPERIENCE

Expert Testimony and Litigation Support

Mr. Nowak's work includes regulatory project management, research, and analysis for expert witness testimony. His work has included:

- Expert testimony on cost of capital, financial markets, return on equity, capital structure, and debt financing issues
- Regulatory strategy in return on equity proceedings, including coordination across several utilities in joint-party proceedings
- Extensive support for expert testimony in cost of capital and return on equity proceedings through research, financial analysis, and testimony development
- Expert testimony, sponsoring lead-lag studies, in support of utility cash working capital requirements
- Project management of expert testimony assignments, including all phases of the regulatory schedule
- Performing analysis to support expert testimony regarding affiliate expenses and allocations

Policy Analysis

Mr. Nowak has contributed to projects related to policy review including:

- A review of natural gas capacity options and a cost-benefit analysis for state regulators seeking to reduce energy costs for ratepayers
- Analysis of the economic and environmental benefits of changes to natural gas ratemaking/expansion policy



Management and Operations Consulting

Mr. Nowak has taken a lead analytical role in developing benchmarking analyses and process reviews. Specifically, he has:

- Developed benchmarking analyses, in support of expert testimony, comparing electric and gas utilities' cost and operational efficiency, taking into account a situational assessment of exogenous factors
- Performed a process review of a gas utility's expansion projects, including an evaluation of policies, procedures, and financial models
- Supported analysis for a report of the reasonableness of a shared service company's administrative and general costs

Financial Analysis

Other financial analysis Mr. Nowak has conducted include:

- Extensive analysis on issues related to utilities' cost of capital
- Developing dispatch models to estimate revenues for merchant powerplants
- Estimating damages for breach of contract in fuel delivery commitment
- Researching strategic investment opportunities for merchant generators
- A report on the profitability of various generation technologies in a deregulated energy market
- Reviewing internal financial models used by utility clients
- Supporting utility asset appraisals, including research and analysis for income approach, cost approach, and sales comparison approach

Other Experience

In his previous work, Mr. Nowak contributed to the evaluation of regulatory policy for government clients. His experience included performing policy analysis, including economic impact assessments, for federal regulations.

PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2018 - Present)

Vice President

Assistant Vice President

National Grid USA (2017 - 2018)

Director, Regulatory Strategy & Integrated Analytics

ScottMadden, Inc. (formerly Sussex Economic Advisors, LLC) (2012 - 2016)

Director

Principal



Concentric Energy Advisors, Inc. (2007 – 2012)

Senior Consultant

Consultant

Assistant Consultant

Analyst

RTI International (2006 – 2007)

Economist

EDUCATION

Boston College

B.A., Economics and History, 2006

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company, a Division of Semco Energy, Inc.	06/16	ENSTAR Natural Gas Company, a Division of Semco Energy, Inc.	TA 285-4	Cash Working Capital
California Public Utilities Commission				
Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company	02/24	Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company	A.22-04-008 / A.22-04-009 / A.22-04-011 / A.22-04-012	Return on Equity Policy
Southern California Gas Company and San Diego Gas & Electric Company	01/24	Southern California Gas Company and San Diego Gas & Electric Company	A.22-04-011 / A.22-04-012	Return on Equity Policy
Connecticut Public Utilities Regulatory Authority				
Yankee Gas Services Company d/b/a Eversource Energy	11/24	Yankee Gas Services Company d/b/a Eversource Energy	Docket No. 24-12-01	Return on Equity
Aquarion Water Company of Connecticut	08/22	Aquarion Water Company of Connecticut	Docket No. 22-07-01	Return on Equity
Aquarion Water Company of Connecticut	01/22	Aquarion Water Company of Connecticut	Docket No. 13-02-20RE06	Return on Equity and Cost of Debt
Federal Energy Regulatory Commission				
National Grid LNG LLC	01/25	National Grid LNG LLC	RP25-473-000	Return on Equity
San Diego Gas & Electric Company	10/24	San Diego Gas & Electric Company	ER25-270-000	Return on Equity
Power Authority of the State of New York	10/24	Power Authority of the State of New York	ER25-198-000	Return on Equity
Mid-Atlantic Offshore Development, LLC	07/24	Mid-Atlantic Offshore Development, LLC	ER24-2564-000	Return on Equity



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation	04/21	Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation	EL21-66-000, ER21-1647-000	Transmission Ownership Risk and Returns
Central Hudson Gas & Electric Corporation	12/19	Central Hudson Gas & Electric Corporation	ER20-715-000	Return on Equity
Kentucky Public Service Commission				
Duke Energy Kentucky, Inc.	12/24	Duke Energy Kentucky, Inc.	Case No. 2024-00354	Return on Equity
Duke Energy Kentucky, Inc.	12/22	Duke Energy Kentucky, Inc.	Case No. 2022-00372	Return on Equity
Minnesota Public Utilities Commission				
Northern States Power Company (Xcel Energy Inc.)	11/24	Northern States Power Company (Xcel Energy Inc.)	G-002/GR-24-320	Return on Equity
Northern States Power Company (Xcel Energy Inc.)	11/23	Northern States Power Company (Xcel Energy Inc.)	G-002/GR-23-413	Return on Equity
New Brunswick Energy and Utilities Board				
New Brunswick Power Corporation (NB Power)	11/22	New Brunswick Power Corporation (NB Power)	Matter 541	Macroeconomic Environment and Capital Market Conditions



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Public Utilities Commission of New Hampshire				
Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities	04/16	Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities	Docket No. DE 16-383	Cash Working Capital
New York Public Service Commission				
Consolidated Edison Company of New York, Inc.	01/25	Consolidated Edison Company of New York, Inc.	Case 25-E-0072/ Case 25-G-0073	Return on Equity
Central Hudson Gas & Electric Corporation	08/24	Central Hudson Gas & Electric Corporation	Case 24-E-0461/ Case 24-G-0462	Return on Equity
Niagara Mohawk Power Corporation d/b/a National Grid	05/24	Niagara Mohawk Power Corporation d/b/a National Grid	Case 24-E-0322/ Case 24-G- 0323	Return on Equity
National Fuel Gas Distribution Corporation	10/23	National Fuel Gas Distribution Corporation	Case 23-G-0627	Return on Equity
Central Hudson Gas & Electric Corporation	07/23	Central Hudson Gas & Electric Corporation	Case 23-E-0418/ Case 23-G-0419	Return on Equity
The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY) and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI")	04/23	The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY) and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI")	Case 23-G-0225/ Case 23-G-0226	Return on Equity
Niagara Mohawk Power Corporation d/b/a National Grid	07/20	Niagara Mohawk Power Corporation d/b/a National Grid	Case 20-E-0380/ Case 20-G- 0381	Return on Equity
Niagara Mohawk Power Corporation d/b/a National Grid	07/17	Niagara Mohawk Power Corporation d/b/a National Grid	Case 17-E-0238/ Case 17-G- 0239	Capital Structure and Overall Cost of Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
North Dakota Public Service Commission				
Northern States Power Company (Xcel Energy Inc.)	12/24	Northern States Power Company (Xcel Energy Inc.)	Docket No. PU-24-376	Return on Equity
Northern States Power Company (Xcel Energy Inc.)	12/23	Northern States Power Company (Xcel Energy Inc.)	Docket No. PU-23-367	Return on Equity
Public Utilities Commission of Ohio				
Duke Energy Ohio, Inc.	01/23	Duke Energy Ohio, Inc.	Case No. 22-1153-EL-UNC	Return on Equity
Public Utility Commission of Texas				
Wind Energy Transmission Texas, LLC	12/24	Wind Energy Transmission Texas, LLC	Docket No. 52799	Cash Working Capital
Wind Energy Transmission Texas, LLC	05/15	Wind Energy Transmission Texas, LLC	Docket No. 44746	Cash Working Capital
Lone Star Transmission, LLC	05/14	Lone Star Transmission, LLC	Docket No. 42469	Cash Working Capital
Railroad Commission of Texas				
Texas Gas Service Company, a Division of One Gas, Inc.	06/16	Texas Gas Service Company, a Division of One Gas, Inc.	GUD No. 10526	Cash Working Capital
Texas Gas Service Company, a Division of One Gas, Inc.	03/16	Texas Gas Service Company, a Division of One Gas, Inc.	GUD No. 10506	Cash Working Capital
Texas Gas Service Company, a Division of One Gas, Inc.	12/15	Texas Gas Service Company, a Division of One Gas, Inc.	GUD No. 10488	Cash Working Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	03/14	CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD No. 10432	Cash Working Capital

JCN-2

COMPREHENSIVE SUMMARY OF ROE RESULTS

SUMMARY OF RESULTS

Company	Ticker	Primary Analyses												Benchmark Analysis Expected Earnings	Average of DCF, CAPM, and Risk Premium						
		CONSTANT GROWTH DCF				Value Line Beta				CAPM						Bloomberg Beta				Risk Premium (Average)	
		30-Day Average	90-Day Average	180-Day Average	Average	Current Yield	Near-Term Projected Yield	Long-Term Projected Yield	Average	Current Yield	Near-Term Projected Yield	Long-Term Projected Yield	Average			Current Yield	Near-Term Projected Yield	Long-Term Projected Yield	Average	Near-Term Projected Yield	Long-Term Projected Yield
Almos Energy Corporation	ATO	9.28%	9.31%	9.45%	9.35%	12.49%	12.48%	12.45%	11.18%	11.16%	11.08%	11.81%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	9.35%	10.51%
New Jersey Resources Corporation	NJR	9.38%	9.36%	9.44%	9.39%	13.35%	13.35%	13.35%	11.56%	11.54%	11.47%	12.44%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	14.87%	10.74%
NISource Inc.	NI	11.60%	11.55%	11.78%	11.64%	12.92%	12.92%	12.90%	11.52%	11.50%	11.43%	12.20%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	8.36%	11.41%
Northwest Natural Gas Company	NWVN	11.48%	11.47%	11.60%	11.52%	12.49%	12.48%	12.45%	10.77%	10.74%	10.64%	11.60%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	7.73%	11.17%
ONE Gas Inc.	OCS	7.68%	7.59%	7.70%	7.66%	12.06%	12.05%	11.99%	11.32%	11.30%	11.22%	11.66%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	8.65%	9.90%
Southwest Gas Holdings, Inc.	SWX	11.73%	11.78%	11.82%	11.77%	12.92%	12.92%	12.90%	11.88%	11.87%	11.81%	12.38%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	9.30%	11.52%
Spire, Inc.	SR	10.16%	10.36%	10.55%	10.36%	12.49%	12.48%	12.45%	11.33%	11.33%	11.25%	11.89%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	7.73%	10.88%
Low		7.68%	7.59%	7.70%	7.66%	12.06%	12.05%	11.99%	10.77%	10.74%	10.64%	11.60%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	7.73%	9.90%
Median		10.16%	10.38%	10.55%	10.36%	12.49%	12.48%	12.45%	11.35%	11.33%	11.25%	11.89%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	9.30%	10.88%
Mean		10.19%	10.21%	10.33%	10.24%	12.67%	12.67%	12.64%	11.37%	11.35%	11.27%	12.00%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	9.79%	10.88%
High		11.73%	11.78%	11.82%	11.77%	13.35%	13.35%	13.35%	11.88%	11.87%	11.81%	12.44%	10.46%	10.43%	10.28%	10.39%	10.46%	10.43%	10.28%	14.87%	11.52%

JCN-3

PROXY GROUP SCREENING ANALYSIS

PROXY GROUP SCREENING DATA AND RESULTS - PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	
Company	Ticker	Dividends	S&P Credit Rating Between BBB- and AAA	Covered by More Than 1 Analyst	Positive Growth Rates From At Least 2 Sources	% Regulated Operating Income of Total Income > 50%	Regulated Gas Income of Total Regulated Income > 60%	Significant Merger or Transaction
Atmos Energy Corporation	ATO	Yes	A-	Yes	Yes	100.00%	66.30%	No
Chesapeake Utilities Corporation	CPK	Yes	NR	Yes	Yes	81.78%	44.92%	Yes
New Jersey Resources Corporation	NJR	Yes	A1	Yes	Yes	59.01%	90.21%	No
NiSource Inc.	NI	Yes	BBB+	Yes	Yes	99.56%	67.92%	No
Northwest Natural Gas Company	NWN	Yes	A-	Yes	Yes	100.00%	90.55%	No
ONE Gas, Inc.	OGS	Yes	A-	Yes	Yes	100.00%	100.00%	No
Southwest Gas Holdings, Inc.	SWX	Yes	BBB-	Yes	Yes	77.17%	100.00%	No
Spire, Inc.	SR	Yes	BBB+	Yes	Yes	83.38%	100.00%	No
UGI Corporation	UGI	Yes	A3	Yes	Yes	9.96%	100.00%	Yes

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: S&P Capital IQ Pro
- [3] Source: S&P Capital IQ and Zacks
- [4] Source: S&P Capital IQ, Value Line Investment Survey, and Zacks
- [5] - [6] Source: Form 10-Ks for 2023, 2022, & 2021, three-year average
- [7] Source: S&P Capital IQ Pro

JCN-4

CONSTANT GROWTH DISCOUNTED CASH FLOW (“DCF”) ANALYSIS

30-DAY CONSTANT GROWTH DCF

Company	Ticker	[1] Annualized Dividend	[2] Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Value Line Earnings Growth	[6] S&P Cap. IQ Earnings Growth	[7] Zacks Earnings Growth	[8] Average Growth Rate	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	\$3.48	\$145.28	2.40%	2.48%	6.00%	7.30%	7.10%	6.80%	8.47%	9.28%	9.78%
New Jersey Resources Corporation	NJR	\$1.80	\$47.03	3.83%	3.93%	5.00%	5.90%	n/a	5.45%	8.92%	9.38%	9.84%
NISource Inc.	NI	\$1.12	\$38.56	2.90%	3.03%	9.50%	8.00%	8.20%	8.57%	11.02%	11.60%	12.54%
Northwest Natural Gas Company	NWN	\$1.96	\$40.62	4.83%	4.98%	6.50%	6.50%	n/a	6.50%	11.48%	11.48%	11.48%
ONE Gas Inc.	OGS	\$2.68	\$71.68	3.74%	3.81%	4.00%	2.89%	4.70%	3.86%	6.69%	7.68%	8.53%
Southwest Gas Holdings, Inc.	SWX	\$2.48	\$75.34	3.29%	3.43%	10.00%	n/a	6.60%	8.30%	10.00%	11.73%	13.46%
Spire, Inc.	SR	\$3.14	\$72.47	4.33%	4.46%	4.50%	6.82%	5.80%	5.71%	8.93%	10.16%	11.30%
Median				3.74%	3.81%	6.00%	6.66%	6.60%	6.50%	8.93%	10.16%	11.30%
Mean				3.62%	3.73%	6.50%	6.23%	6.48%	6.46%	9.36%	10.19%	10.99%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 30-day average as of February 28, 2025
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.50 x [8])
- [5] Source: Value Line
- [6] Source: S&P Capital IQ
- [7] Source: Zacks
- [8] Equals Average ([5], [6], [7])
- [9] Equals [3] x (1 + 0.50 x Minimum ([5], [6], [7]) + Minimum ([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.50 x Maximum ([5], [6], [7]) + Maximum ([5], [6], [7])

90-DAY CONSTANT GROWTH DCF

Company	Ticker	[1] Annualized Dividend	[2] Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Value Line Earnings Growth	[6] S&P Cap. IQ Earnings Growth	[7] Zacks Earnings Growth	[8] Average Growth Rate	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	\$3.48	\$143.23	2.43%	2.51%	6.00%	7.30%	7.10%	6.80%	8.50%	9.31%	9.82%
New Jersey Resources Corporation	NJR	\$1.80	\$47.33	3.80%	3.91%	5.00%	5.90%	n/a	5.45%	8.90%	9.36%	9.82%
NISource Inc.	NI	\$1.06	\$37.04	2.86%	2.98%	9.50%	8.00%	8.20%	8.57%	10.98%	11.55%	12.50%
Northwest Natural Gas Company	NWN	\$1.96	\$40.70	4.82%	4.97%	6.50%	6.50%	n/a	6.50%	11.47%	11.47%	11.47%
ONE Gas Inc.	OGS	\$2.64	\$72.18	3.66%	3.73%	4.00%	2.89%	4.70%	3.86%	6.60%	7.59%	8.44%
Southwest Gas Holdings, Inc.	SWX	\$2.48	\$74.27	3.34%	3.48%	10.00%	n/a	6.60%	8.30%	10.05%	11.78%	13.51%
Spire, Inc.	SR	\$3.14	\$69.12	4.54%	4.67%	4.50%	6.82%	5.80%	5.71%	9.15%	10.38%	11.51%
Median				3.66%	3.73%	6.00%	6.66%	6.60%	6.50%	9.15%	10.38%	11.47%
Mean				3.64%	3.75%	6.50%	6.23%	6.48%	6.46%	9.38%	10.21%	11.01%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 90-day average as of February 28, 2025
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.50 x [8])
- [5] Source: Value Line
- [6] Source: S&P Capital IQ
- [7] Source: Zacks
- [8] Equals Average ([5], [6], [7])
- [9] Equals [3] x (1 + 0.50 x Minimum ([5], [6], [7]) + Minimum ([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.50 x Maximum ([5], [6], [7]) + Maximum ([5], [6], [7])

180-DAY CONSTANT GROWTH DCF

Company	[1] Ticker	[2] Annualized Dividend	[3] Stock Price	[4] Dividend Yield	[5] Expected Dividend Yield	[6] Value Line Earnings Growth	[7] S&P Cap. IQ Earnings Growth	[8] Zacks Earnings Growth	[9] Average Growth Rate	[10] Low ROE	[11] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	\$3.48	\$135.81	2.56%	2.65%	6.00%	7.30%	7.10%	6.80%	8.64%	9.45%	9.96%
New Jersey Resources Corporation	NJR	\$1.80	\$46.29	3.89%	3.99%	5.00%	5.90%	n/a	5.45%	8.99%	9.44%	9.90%
NISource Inc.	NI	\$1.06	\$34.41	3.08%	3.21%	9.50%	8.00%	8.20%	8.57%	11.20%	11.78%	12.73%
Northwest Natural Gas Company	NWN	\$1.96	\$39.67	4.94%	5.10%	6.50%	6.50%	n/a	6.50%	11.60%	11.60%	11.60%
ONE Gas Inc.	OGS	\$2.64	\$70.21	3.76%	3.83%	4.00%	2.89%	4.70%	3.86%	6.71%	7.70%	8.55%
Southwest Gas Holdings, Inc.	SWX	\$2.48	\$73.46	3.38%	3.52%	10.00%	n/a	6.60%	8.30%	10.09%	11.82%	13.54%
Spire, Inc.	SR	\$3.14	\$66.60	4.71%	4.85%	4.50%	6.82%	5.80%	5.71%	9.32%	10.55%	11.69%
Median				3.76%	3.83%	6.00%	6.66%	6.60%	6.50%	9.32%	10.55%	11.60%
Mean				3.76%	3.88%	6.50%	6.23%	6.48%	6.46%	9.51%	10.33%	11.14%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 180-day average as of February 28, 2025
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.50 x [8])
- [5] Source: Value Line
- [6] Source: S&P Capital IQ
- [7] Source: Zacks
- [8] Equals Average ([5], [6], [7])
- [9] Equals [3] x (1 + 0.50 x Minimum ([5], [6], [7]) + Minimum ([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.50 x Maximum ([5], [6], [7]) + Maximum ([5], [6], [7])

JCN-5

MARKET RISK PREMIUM (“MRP”)

MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES

[1] Estimate of the S&P 500 Dividend Yield	1.31%
[2] Estimate of the S&P 500 Growth Rate	13.76%
[3] S&P 500 Estimated Required Market Return	15.16%

Notes:

- [1] Sum of [9]
- [2] Sum of [11]
- [3] Equals $([1] \times (1 + 0.5 \times [2])) + [2]$

STANDARD AND POOR'S 500 INDEX

Name	Ticker	[4] Price	[5] Shares Outstanding	[6] Market Capitalization	[7] Weight in Index	[8] Current Dividend Yield	[9] Cap-Weighted Dividend Yield	[10] Value Line Long-Term Growth Est.	[11] Cap-Weighted Long-Term Growth Est.
LyondellBasell Industries NV	LYB	76.83	323	24,850	0.05%	6.98%	0.00%	-1.50%	0.00%
American Express Co	AXP	300.96	703	211,434	0.43%	0.93%	0.00%	9.00%	0.04%
Verizon Communications Inc	VZ	43.10	4,210	181,438	0.36%	6.29%	0.02%	0.50%	0.00%
Texas Pacific Land Corp	TPL	1,427.95	23	32,821	0.07%	0.45%	0.00%	10.50%	0.01%
Broadcom Inc	AVGO	199.43	4,687	934,799	1.88%	1.18%	0.02%	30.00%	0.56%
Boeing Co/The	BA	174.63	750	Excl.	0.00%	n/a	n/a		n/a
Solventum Corp	SOLV	79.75	173	Excl.	0.00%	n/a	n/a		n/a
Caterpillar Inc	CAT	343.95	478	164,385	0.33%	1.64%	0.01%	10.50%	0.03%
JPMorgan Chase & Co	JPM	264.65	2,796	739,989	1.49%	1.89%	0.03%	8.00%	0.12%
Chevron Corp	CVX	158.62	1,761	279,266	0.56%	4.31%	0.02%	4.00%	0.02%
Coca-Cola Co/The	KO	71.21	4,301	306,274	0.62%	2.86%	0.02%	7.00%	0.04%
AbbVie Inc	ABBV	209.03	1,765	369,012	0.74%	3.14%	0.02%	4.00%	0.03%
Walt Disney Co/The	DIS	113.80	1,808	205,726	0.41%	0.88%	0.00%	31.00%	0.13%
Corpay Inc	CPAY	367.05	70	25,785	0.05%	n/a	n/a	15.50%	0.01%
Extra Space Storage Inc	EXR	152.56	212	32,340	0.07%	4.25%	0.00%	5.00%	0.00%
Exxon Mobil Corp	XOM	111.33	4,339	483,077	0.97%	3.56%	0.03%	-2.50%	-0.02%
Phillips 66	PSX	129.69	408	52,874	0.11%	3.55%	0.00%	1.00%	0.00%
General Electric Co	GE	206.98	1,073	222,150	0.45%	0.70%	0.00%	21.00%	0.09%
HP Inc	HPQ	30.87	943	29,110	0.06%	3.75%	0.00%	12.50%	0.01%
Home Depot Inc/The	HD	396.60	993	393,968	0.79%	2.32%	0.02%	6.50%	0.05%
Monolithic Power Systems Inc	MPWR	611.01	49	29,805	0.06%	1.02%	0.00%	12.00%	0.01%
International Business Machines Corp	IBM	252.44	927	234,079	0.47%	2.65%	0.01%	3.00%	0.01%
Johnson & Johnson	JNJ	165.02	2,408	397,305	0.80%	3.01%	0.02%	3.00%	0.02%
Lululemon Athletica Inc	LULU	365.61	117	42,655	0.09%	n/a	n/a	13.00%	0.01%
McDonald's Corp	MCD	308.33	714	220,290	0.44%	2.30%	0.01%	8.50%	0.04%
Merck & Co Inc	MRK	92.25	2,526	233,027	0.47%	3.51%	0.02%	15.50%	0.07%
3M Co	MMM	155.12	543	84,215	0.17%	1.88%	0.00%	31.00%	0.05%
American Water Works Co Inc	AWK	135.97	195	26,507	0.05%	2.25%	0.00%	4.50%	0.00%
Bank of America Corp	BAC	46.10	7,605	350,576	0.70%	2.26%	0.02%	7.00%	0.05%
Pfizer Inc	PFE	26.43	5,667	149,788	0.30%	6.51%	0.02%	2.50%	0.01%
Procter & Gamble Co/The	PG	173.84	2,345	407,629	0.82%	2.32%	0.02%	5.00%	0.04%
AT&T Inc	T	27.41	7,178	196,754	0.40%	4.05%	0.02%	6.50%	0.03%
Travelers Cos Inc/The	TRV	258.49	227	58,607	0.12%	1.62%	0.00%	10.50%	0.01%
RTX Corp	RTX	132.99	1,332	177,159	0.36%	1.89%	0.01%	12.00%	0.04%
Analog Devices Inc	ADI	230.06	496	114,104	0.23%	1.72%	0.00%	9.00%	0.02%
Walmart Inc	WMT	98.61	8,033	792,172	1.59%	0.95%	0.02%	9.50%	0.15%
Cisco Systems Inc	CSCO	64.11	3,978	255,048	0.51%	2.56%	0.01%	5.50%	0.03%
Intel Corp	INTC	23.73	4,330	102,751	0.21%	n/a	n/a	-2.00%	0.00%
General Motors Co	GM	49.13	995	48,884	0.10%	0.98%	0.00%	7.50%	0.01%
Microsoft Corp	MSFT	396.99	7,434	2,951,217	5.93%	0.84%	0.05%	14.50%	0.86%
Dollar General Corp	DG	74.18	220	16,314	0.03%	3.18%	0.00%	-0.50%	0.00%
Cigna Group/The	CI	308.85	274	84,526	0.17%	1.96%	0.00%	11.00%	0.02%
Kinder Morgan Inc	KMI	27.10	2,222	60,215	0.12%	4.24%	0.01%	9.00%	0.01%
Citigroup Inc	C	79.95	1,884	150,664	0.30%	2.80%	0.01%	3.00%	0.01%
American International Group Inc	AIG	82.94	593	49,211	0.10%	1.93%	0.00%	12.50%	0.01%
Altria Group Inc	MO	55.85	1,691	94,423	0.19%	7.31%	0.01%	6.00%	0.01%
HCA Healthcare Inc	HCA	306.30	248	76,067	0.15%	0.94%	0.00%	10.00%	0.02%
International Paper Co	IP	56.35	526	29,647	0.06%	3.28%	0.00%	5.50%	0.00%
Hewlett Packard Enterprise Co	HPE	19.81	1,313	26,019	0.05%	2.62%	0.00%	7.50%	0.00%
Abbott Laboratories	ABT	138.01	1,734	239,354	0.48%	1.71%	0.01%	4.50%	0.02%
Aflac Inc	AFL	109.47	547	59,835	0.12%	2.12%	0.00%	7.50%	0.01%
Air Products and Chemicals Inc	APD	316.15	222	70,336	0.14%	2.26%	0.00%	10.50%	0.01%
Super Micro Computer Inc	SMCI	41.46	593	24,606	0.05%	n/a	n/a	39.00%	0.02%
Royal Caribbean Cruises Ltd	RCL	246.10	269	Excl.	0.00%	1.22%	0.00%		n/a
Hess Corp	HES	148.94	308	45,917	0.09%	1.34%	0.00%	7.50%	0.01%
Lennox International Inc	LII	601.05	36	21,385	0.04%	0.77%	0.00%	12.50%	0.01%
Archer-Daniels-Midland Co	ADM	47.20	480	22,642	0.05%	4.32%	0.00%	3.00%	0.00%
Automatic Data Processing Inc	ADP	315.18	407	128,238	0.26%	1.95%	0.01%	8.50%	0.02%
Verisk Analytics Inc	VRSK	296.91	140	41,649	0.08%	0.61%	0.00%	11.00%	0.01%
AutoZone Inc	AZO	3,493.01	17	58,620	0.12%	n/a	n/a	11.50%	0.01%
Linde PLC	LIN	467.05	473	220,873	0.44%	1.28%	0.01%	7.00%	0.03%
Avery Dennison Corp	AVY	187.97	79	14,849	0.03%	1.87%	0.00%	2.00%	0.00%

STANDARD AND POOR'S 500 INDEX

		[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Name	Ticker	Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Enphase Energy Inc	ENPH	57.33	132	7,595	0.02%	n/a	n/a	14.00%	0.00%
MSCI Inc	MSCI	590.51	78	45,854	0.09%	1.22%	0.00%	9.50%	0.01%
Ball Corp	BALL	52.69	283	14,902	0.03%	1.52%	0.00%	10.50%	0.00%
Axon Enterprise Inc	AXON	528.45	76	40,297	0.08%	n/a	n/a	26.00%	0.02%
Dayforce Inc	DAY	61.99	158	Excl.	0.00%	n/a	n/a		n/a
Carrier Global Corp	CARR	64.80	864	55,986	0.11%	1.39%	0.00%	13.00%	0.01%
Bank of New York Mellon Corp/The	BK	88.95	716	63,717	0.13%	2.11%	0.00%	10.50%	0.01%
Otis Worldwide Corp	OTIS	99.78	397	39,565	0.08%	1.56%	0.00%	11.00%	0.01%
Baxter International Inc	BAX	34.51	512	17,656	0.04%	1.97%	0.00%	3.50%	0.00%
Becton Dickinson & Co	BDX	225.53	287	64,758	0.13%	1.84%	0.00%	7.00%	0.01%
Berkshire Hathaway Inc	BRK/B	513.83	1,338	687,531	1.38%	n/a	n/a	9.00%	0.12%
Best Buy Co Inc	BBY	89.91	214	19,222	0.04%	4.18%	0.00%	1.00%	0.00%
Boston Scientific Corp	BSX	103.79	1,476	153,171	0.31%	n/a	n/a	12.50%	0.04%
Bristol-Myers Squibb Co	BMJ	59.62	2,029	120,988	0.24%	4.16%	0.01%	1.00%	0.00%
Brown-Forman Corp	BF/B	33.11	304	10,050	0.02%	2.74%	0.00%	14.00%	0.00%
Coterra Energy Inc	CTRA	26.99	764	20,624	0.04%	3.26%	0.00%	7.00%	0.00%
Hilton Worldwide Holdings Inc	HLT	264.96	241	Excl.	0.00%	0.23%	0.00%		n/a
Carnival Corp	CCL	23.93	1,164	Excl.	0.00%	n/a	n/a		n/a
Builders FirstSource Inc	BLDR	138.99	114	15,792	0.03%	n/a	n/a	6.50%	0.00%
UDR Inc	UDR	45.18	331	14,961	0.03%	3.76%	0.00%	1.50%	0.00%
Clorox Co/The	CLX	156.39	123	19,266	0.04%	3.12%	0.00%	7.00%	0.00%
Paycom Software Inc	PAYC	219.47	57	12,568	0.03%	0.68%	0.00%	14.00%	0.00%
CMS Energy Corp	CMS	73.05	299	21,827	0.04%	2.97%	0.00%	6.00%	0.00%
Colgate-Palmolive Co	CL	91.17	812	73,988	0.15%	2.19%	0.00%	11.50%	0.02%
EPAM Systems Inc	EPAM	206.14	57	11,693	0.02%	n/a	n/a	20.50%	0.00%
Conagra Brands Inc	CAG	25.54	477	12,191	0.02%	5.48%	0.00%	2.00%	0.00%
Airbnb Inc	ABNB	138.87	440	61,103	0.12%	n/a	n/a	23.00%	0.03%
Consolidated Edison Inc	ED	101.52	347	35,198	0.07%	3.35%	0.00%	6.00%	0.00%
Corning Inc	GLW	50.15	857	42,957	0.09%	2.23%	0.00%	17.50%	0.02%
GoDaddy Inc	GDDY	179.50	141	25,373	0.05%	n/a	n/a	27.00%	0.01%
Cummins Inc	CMI	368.18	137	50,618	0.10%	1.98%	0.00%	8.50%	0.01%
Caesars Entertainment Inc	CZR	33.22	212	Excl.	0.00%	n/a	n/a		n/a
Danaher Corp	DHR	207.76	715	148,488	0.30%	0.62%	0.00%	2.00%	0.01%
Target Corp	TGT	124.24	458	56,928	0.11%	3.61%	0.00%	8.00%	0.01%
Deere & Co	DE	480.79	271	130,493	0.26%	1.35%	0.00%	3.00%	0.01%
Dominion Energy Inc	D	56.62	852	48,243	0.10%	4.72%	0.00%	3.50%	0.00%
Dover Corp	DOV	198.77	137	27,276	0.05%	1.04%	0.00%	5.00%	0.00%
Alliant Energy Corp	LNT	64.53	257	16,564	0.03%	3.15%	0.00%	6.00%	0.00%
Steel Dynamics Inc	STLD	135.07	152	20,564	0.04%	1.48%	0.00%	0.50%	0.00%
Duke Energy Corp	DUK	117.49	771	90,585	0.18%	3.56%	0.01%	6.00%	0.01%
Regency Centers Corp	REG	76.70	181	13,911	0.03%	3.68%	0.00%	11.50%	0.00%
Eaton Corp PLC	ETN	293.32	392	114,981	0.23%	1.42%	0.00%	11.00%	0.03%
Ecolab Inc	ECL	269.01	283	76,129	0.15%	0.97%	0.00%	10.50%	0.02%
Revvity Inc	RVTY	112.15	120	13,475	0.03%	0.25%	0.00%	-1.50%	0.00%
Dell Technologies Inc	DELL	102.76	357	36,720	0.07%	2.04%	0.00%	2.50%	0.00%
Emerson Electric Co	EMR	121.61	564	68,576	0.14%	1.74%	0.00%	12.50%	0.02%
EOG Resources Inc	EOG	126.94	554	70,315	0.14%	3.07%	0.00%	7.00%	0.01%
Aon PLC	AON	409.12	216	88,370	0.18%	0.66%	0.00%	12.50%	0.02%
Entergy Corp	ETR	87.31	430	37,579	0.08%	2.75%	0.00%	3.00%	0.00%
Equifax Inc	EFX	245.20	124	30,411	0.06%	0.64%	0.00%	7.00%	0.00%
EQT Corp	EQT	48.17	597	Excl.	0.00%	1.31%	0.00%		n/a
IQVIA Holdings Inc	IQV	188.80	176	33,248	0.07%	n/a	n/a	9.00%	0.01%
Gartner Inc	IT	498.32	77	38,280	0.08%	n/a	n/a	8.00%	0.01%
FedEx Corp	FDX	262.90	241	63,320	0.13%	2.10%	0.00%	9.00%	0.01%
FMC Corp	FMC	36.90	125	4,607	0.01%	6.29%	0.00%	3.50%	0.00%
Brown & Brown Inc	BRO	118.54	286	33,894	0.07%	0.51%	0.00%	12.50%	0.01%
Ford Motor Co	F	9.55	3,893	37,174	0.07%	1.57%	0.00%	17.00%	0.01%
NextEra Energy Inc	NEE	70.17	2,057	144,342	0.29%	3.23%	0.01%	8.50%	0.02%
Franklin Resources Inc	BEN	20.25	525	10,639	0.02%	6.32%	0.00%	4.00%	0.00%
Garmin Ltd	GRMN	228.93	192	44,047	0.09%	1.57%	0.00%	8.00%	0.01%
Freepport-McMoRan Inc	FCX	36.91	1,437	53,042	0.11%	1.63%	0.00%	11.00%	0.01%
Dexcom Inc	DXCM	88.37	391	Excl.	0.00%	n/a	n/a		n/a
General Dynamics Corp	GD	252.60	270	68,291	0.14%	2.25%	0.00%	9.50%	0.01%
General Mills Inc	GIS	60.62	551	33,416	0.07%	3.96%	0.00%	4.50%	0.00%
Genuine Parts Co	GPC	124.88	139	17,331	0.03%	3.30%	0.00%	3.50%	0.00%
Atmos Energy Corp	ATO	152.13	159	24,147	0.05%	2.29%	0.00%	6.00%	0.00%
WW Grainger Inc	GWV	1,021.21	48	49,239	0.10%	0.80%	0.00%	7.50%	0.01%
Halliburton Co	HAL	26.37	868	22,892	0.05%	2.58%	0.00%	16.00%	0.01%
L3Harris Technologies Inc	LHX	206.11	188	38,813	0.08%	2.33%	0.00%	9.00%	0.01%
Healthpeak Properties Inc	DOC	20.46	700	14,313	0.03%	5.96%	0.00%	7.00%	0.00%
Insulet Corp	PODD	272.27	70	Excl.	0.00%	n/a	n/a		n/a
Fortive Corp	FTV	79.54	340	27,067	0.05%	0.40%	0.00%	10.50%	0.01%
Hershey Co/The	HSY	172.71	148	25,526	0.05%	3.17%	0.00%	7.00%	0.00%
Synchrony Financial	SYF	60.68	389	23,589	0.05%	1.65%	0.00%	47.00%	0.02%
Hormel Foods Corp	HLR	28.63	550	15,744	0.03%	4.05%	0.00%	6.00%	0.00%
Arthur J Gallagher & Co	AJG	337.74	255	86,022	0.17%	0.77%	0.00%	16.50%	0.03%
Mondelez International Inc	MDLZ	64.23	1,294	83,083	0.17%	2.93%	0.00%	7.50%	0.01%

STANDARD AND POOR'S 500 INDEX

Name	Ticker	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
CenterPoint Energy Inc	CNP	34.38	652	22,406	0.05%	2.56%	0.00%	6.50%	0.00%
Humana Inc	HUM	270.42	121	32,625	0.07%	1.31%	0.00%	2.00%	0.00%
Willis Towers Watson PLC	WTW	339.65	100	33,861	0.07%	1.08%	0.00%	9.50%	0.01%
Illinois Tool Works Inc	ITW	263.98	294	77,478	0.16%	2.27%	0.00%	9.00%	0.01%
CDW Corp/DE	CDW	178.20	132	23,610	0.05%	1.40%	0.00%	7.00%	0.00%
Trane Technologies PLC	TT	353.70	224	79,332	0.16%	1.06%	0.00%	14.00%	0.02%
Interpublic Group of Cos Inc/The	IPG	27.40	373	10,211	0.02%	4.82%	0.00%	8.50%	0.00%
International Flavors & Fragrances Inc	IFF	81.81	256	20,917	0.04%	1.96%	0.00%	0.50%	0.00%
Generac Holdings Inc	GNRC	136.15	60	8,116	0.02%	n/a	n/a	12.50%	0.00%
NXP Semiconductors NV	NXPI	215.59	254	54,678	0.11%	1.88%	0.00%	7.50%	0.01%
Kellanova	K	82.90	345	28,618	0.06%	2.75%	0.00%	2.50%	0.00%
Broadridge Financial Solutions Inc	BR	241.22	117	28,227	0.06%	1.46%	0.00%	9.50%	0.01%
Kimberly-Clark Corp	KMB	142.01	332	47,103	0.09%	3.55%	0.00%	7.50%	0.01%
Kimco Realty Corp	KIM	22.10	674	14,898	0.03%	4.52%	0.00%	18.00%	0.01%
Oracle Corp	ORCL	166.06	2,797	464,463	0.93%	0.96%	0.01%	10.00%	0.09%
Kroger Co/The	KR	64.82	724	46,904	0.09%	1.97%	0.00%	5.00%	0.00%
Lennar Corp	LEN	119.63	234	27,935	0.06%	1.67%	0.00%	6.00%	0.00%
Eli Lilly & Co	LLY	920.63	948	872,914	1.75%	0.65%	0.01%	28.50%	0.50%
Charter Communications Inc	CHTR	363.57	142	51,607	0.10%	n/a	n/a	9.00%	0.01%
Loews Corp	L	86.67	213	18,449	0.04%	0.29%	0.00%	15.50%	0.01%
Lowe's Cos Inc	LOW	248.64	565	140,395	0.28%	1.85%	0.01%	5.50%	0.02%
Hubbell Inc	HUBB	371.59	54	19,942	0.04%	1.42%	0.00%	9.50%	0.00%
IDEX Corp	IEX	194.33	76	14,727	0.03%	1.42%	0.00%	5.00%	0.00%
Marsh & McLennan Cos Inc	MMC	237.84	491	116,811	0.23%	1.37%	0.00%	12.50%	0.03%
Masco Corp	MAS	75.18	212	15,937	0.03%	1.65%	0.00%	9.50%	0.00%
S&P Global Inc	SPGI	533.74	315	168,128	0.34%	0.72%	0.00%	8.50%	0.03%
Medtronic PLC	MDT	92.02	1,283	118,020	0.24%	3.04%	0.01%	6.00%	0.01%
Viatris Inc	VTRS	9.23	1,194	11,018	0.02%	5.20%	0.00%	-1.50%	0.00%
CVS Health Corp	CVS	65.72	1,261	82,859	0.17%	4.05%	0.01%	0.50%	0.00%
DuPont de Nemours Inc	DD	81.77	418	34,184	0.07%	2.01%	0.00%	9.00%	0.01%
Micron Technology Inc	MU	93.63	1,114	104,320	0.21%	0.49%	0.00%	47.50%	0.10%
Motorola Solutions Inc	MSI	440.22	167	73,489	0.15%	0.99%	0.00%	10.00%	0.01%
Cboe Global Markets Inc	CBOE	210.80	105	22,071	0.04%	1.20%	0.00%	14.50%	0.01%
Newmont Corp	NEM	42.84	1,127	48,275	0.10%	2.33%	0.00%	13.00%	0.01%
NIKE Inc	NKE	79.43	1,181	93,826	0.19%	2.01%	0.00%	10.50%	0.02%
NiSource Inc	NI	40.81	470	19,178	0.04%	2.74%	0.00%	8.00%	0.00%
Norfolk Southern Corp	NSC	245.75	226	55,646	0.11%	2.20%	0.00%	12.00%	0.01%
Principal Financial Group Inc	PFG	89.04	226	20,085	0.04%	3.37%	0.00%	4.00%	0.00%
Eversource Energy	ES	63.01	367	23,111	0.05%	4.78%	0.00%	5.50%	0.00%
Northrop Grumman Corp	NOC	461.74	145	66,839	0.13%	1.78%	0.00%	7.50%	0.01%
Wells Fargo & Co	WFC	78.32	3,288	257,531	0.52%	2.04%	0.01%	9.50%	0.05%
Nucor Corp	NUE	137.47	231	Excl.	0.00%	1.60%	0.00%	n/a	n/a
Occidental Petroleum Corp	OXY	48.84	939	45,836	0.09%	1.97%	0.00%	6.00%	0.01%
Omnicom Group Inc	OMC	82.76	196	16,262	0.03%	3.38%	0.00%	7.00%	0.00%
ONEOK Inc	OKE	100.39	624	62,677	0.13%	4.10%	0.01%	14.50%	0.02%
Raymond James Financial Inc	RJF	154.67	205	31,693	0.06%	1.29%	0.00%	10.00%	0.01%
PG&E Corp	PCG	16.34	2,194	35,843	0.07%	0.61%	0.00%	9.00%	0.01%
Parker-Hannifin Corp	PH	668.51	129	86,081	0.17%	0.98%	0.00%	12.50%	0.02%
Rollins Inc	ROL	52.39	484	25,369	0.05%	1.26%	0.00%	9.50%	0.00%
PPL Corp	PPL	35.21	738	25,995	0.05%	3.10%	0.00%	7.50%	0.00%
Aptiv PLC	APTIV	65.12	229	Excl.	0.00%	n/a	n/a	n/a	n/a
ConocoPhillips	COP	99.15	1,272	126,156	0.25%	3.15%	0.01%	4.00%	0.01%
PulteGroup Inc	PHM	103.28	202	20,910	0.04%	0.85%	0.00%	8.00%	0.00%
Pinnacle West Capital Corp	PNW	92.54	119	11,021	0.02%	3.87%	0.00%	4.00%	0.00%
PNC Financial Services Group Inc/The	PNC	191.92	396	75,952	0.15%	3.33%	0.01%	7.00%	0.01%
PPG Industries Inc	PPG	113.22	227	25,696	0.05%	2.40%	0.00%	5.00%	0.00%
Progressive Corp/The	PGR	282.00	586	165,199	0.33%	0.14%	0.00%	23.50%	0.08%
Veralto Corp	VLTO	99.76	248	24,696	0.05%	0.44%	0.00%	6.00%	0.00%
Public Service Enterprise Group Inc	PEG	81.15	499	40,458	0.08%	3.11%	0.00%	6.00%	0.00%
Cooper Cos Inc/The	COO	90.38	200	18,072	0.04%	n/a	n/a	8.50%	0.00%
Edison International	EIX	54.44	385	20,961	0.04%	6.08%	0.00%	6.50%	0.00%
Schlumberger NV	SLB	41.66	1,360	56,652	0.11%	2.74%	0.00%	18.00%	0.02%
Charles Schwab Corp/The	SCHW	79.53	1,814	144,233	0.29%	1.36%	0.00%	10.50%	0.03%
Sherwin-Williams Co/The	SHW	362.27	252	91,115	0.18%	0.87%	0.00%	12.00%	0.02%
West Pharmaceutical Services Inc	WST	232.34	72	16,799	0.03%	0.36%	0.00%	7.50%	0.00%
J M Smucker Co/The	SJM	110.53	106	11,762	0.02%	3.91%	0.00%	6.50%	0.00%
Snap-on Inc	SNA	341.17	52	17,875	0.04%	2.51%	0.00%	5.50%	0.00%
AMETEK Inc	AME	189.30	231	43,664	0.09%	0.66%	0.00%	10.00%	0.01%
Uber Technologies Inc	UBER	76.01	2,089	Excl.	0.00%	n/a	n/a	n/a	n/a
Southern Co/The	SO	89.79	1,095	98,287	0.20%	3.21%	0.01%	6.50%	0.01%
Truist Financial Corp	TFC	46.35	1,305	60,503	0.12%	4.49%	0.01%	2.00%	0.00%
Southwest Airlines Co	LUV	31.06	593	Excl.	0.00%	2.32%	0.00%	n/a	n/a
W R Berkley Corp	WRB	63.08	379	23,922	0.05%	0.51%	0.00%	14.50%	0.01%
Stanley Black & Decker Inc	SWK	86.53	154	13,361	0.03%	3.79%	0.00%	11.00%	0.00%
Public Storage	PSA	303.62	175	53,260	0.11%	3.95%	0.00%	7.00%	0.01%
Arista Networks Inc	ANET	93.05	1,261	117,347	0.24%	n/a	n/a	16.00%	0.04%
Sysco Corp	SYI	75.54	489	36,956	0.07%	2.70%	0.00%	9.50%	0.01%

STANDARD AND POOR'S 500 INDEX

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		Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Corteva Inc	CTVA	62.98	692	43,598	0.09%	1.08%	0.00%	7.00%	0.01%
Texas Instruments Inc	TXN	195.99	910	178,416	0.36%	2.78%	0.01%	3.00%	0.01%
Textron Inc	TXT	74.73	183	13,644	0.03%	0.11%	0.00%	13.00%	0.00%
Thermo Fisher Scientific Inc	TMO	528.96	377	199,556	0.40%	0.33%	0.00%	6.00%	0.02%
TJX Cos Inc/The	TJX	124.76	1,124	140,250	0.28%	1.20%	0.00%	12.50%	0.04%
Globe Life Inc	GL	127.43	84	10,685	0.02%	0.85%	0.00%	11.00%	0.00%
Johnson Controls International plc	JCI	85.66	660	56,548	0.11%	1.73%	0.00%	13.00%	0.01%
Ulta Beauty Inc	ULTA	366.36	46	16,989	0.03%	n/a	n/a	6.00%	0.00%
Union Pacific Corp	UNP	246.69	604	149,071	0.30%	2.17%	0.01%	8.00%	0.02%
Keysight Technologies Inc	KEYS	159.53	173	27,584	0.06%	n/a	n/a	5.50%	0.00%
UnitedHealth Group Inc	UNH	474.96	915	434,452	0.87%	1.77%	0.02%	11.00%	0.10%
Blackstone Inc	BX	161.16	722	116,358	0.23%	3.57%	0.01%	16.00%	0.04%
Ventas Inc	VTR	69.18	437	30,241	0.06%	2.78%	0.00%	23.00%	0.01%
Labcorp Holdings Inc	LH	251.04	84	21,012	0.04%	1.15%	0.00%	1.50%	0.00%
Vulcan Materials Co	VMC	247.31	132	32,672	0.07%	0.79%	0.00%	8.00%	0.01%
Weyerhaeuser Co	WY	30.10	726	21,840	0.04%	2.79%	0.00%	-2.00%	0.00%
Williams Cos Inc/The	WMB	58.18	1,219	70,943	0.14%	3.44%	0.00%	9.50%	0.01%
Constellation Energy Corp	CEG	250.55	315	Excl.	0.00%	0.62%	0.00%	n/a	n/a
WEC Energy Group Inc	WEC	106.69	318	33,901	0.07%	3.35%	0.00%	6.00%	0.00%
Adobe Inc	ADBE	438.56	435	190,905	0.38%	n/a	n/a	13.50%	0.05%
Vistra Corp	VST	133.66	340	Excl.	0.00%	0.67%	0.00%	n/a	n/a
AES Corp/The	AES	11.59	711	8,241	0.02%	6.07%	0.00%	14.00%	0.00%
Expeditors International of Washington Inc	EXPD	117.36	138	16,199	0.03%	1.24%	0.00%	-1.50%	0.00%
Amgen Inc	AMGN	308.06	537	165,491	0.33%	3.09%	0.01%	5.50%	0.02%
Apple Inc	AAPL	241.84	15,022	3,632,938	7.30%	0.41%	0.03%	9.00%	0.66%
Autodesk Inc	ADSK	274.21	215	58,955	0.12%	n/a	n/a	14.00%	0.02%
Cintas Corp	CTAS	207.50	404	83,735	0.17%	0.75%	0.00%	14.00%	0.02%
Comcast Corp	CMCSA	35.88	3,772	135,324	0.27%	3.68%	0.01%	7.50%	0.02%
Molson Coors Beverage Co	TAP	61.29	190	11,655	0.02%	3.07%	0.00%	11.50%	0.00%
KLA Corp	KLAC	708.84	133	94,195	0.19%	0.96%	0.00%	13.00%	0.02%
Marriott International Inc/MD	MAR	280.45	276	77,319	0.16%	0.90%	0.00%	11.00%	0.02%
Fiserv Inc	FI	235.69	561	132,290	0.27%	n/a	n/a	9.50%	0.03%
McCormick & Co Inc/MD	MKC	82.61	253	20,861	0.04%	2.18%	0.00%	4.50%	0.00%
PACCAR Inc	PCAR	107.24	525	56,280	0.11%	1.23%	0.00%	14.50%	0.02%
Costco Wholesale Corp	COST	1,048.61	444	465,477	0.94%	0.44%	0.00%	11.50%	0.11%
Stryker Corp	SYK	386.19	382	147,362	0.30%	0.87%	0.00%	9.50%	0.03%
Tyson Foods Inc	TSN	61.34	286	17,555	0.04%	3.26%	0.00%	6.00%	0.00%
Lamb Weston Holdings Inc	LW	51.87	143	7,399	0.01%	2.85%	0.00%	10.50%	0.00%
Applied Materials Inc	AMAT	158.07	812	128,423	0.26%	1.01%	0.00%	9.00%	0.02%
Cardinal Health Inc	CAH	129.48	242	31,278	0.06%	1.56%	0.00%	6.50%	0.00%
Cincinnati Financial Corp	CINF	147.81	157	23,136	0.05%	2.35%	0.00%	14.00%	0.01%
Paramount Global	PARA	11.36	630	7,157	0.01%	1.76%	0.00%	3.00%	0.00%
DR Horton Inc	DHI	126.81	315	39,961	0.08%	1.26%	0.00%	4.00%	0.00%
Electronic Arts Inc	EA	129.12	261	33,651	0.07%	0.59%	0.00%	14.00%	0.01%
Erie Indemnity Co	ERIE	428.07	46	19,772	0.04%	1.28%	0.00%	18.00%	0.01%
Fair Isaac Corp	FICO	1,886.35	24	46,061	0.09%	n/a	n/a	20.50%	0.02%
Fastenal Co	FAST	75.73	573	43,427	0.09%	2.27%	0.00%	9.00%	0.01%
M&T Bank Corp	MTB	191.72	164	31,506	0.06%	2.82%	0.00%	5.50%	0.00%
Xcel Energy Inc	XEL	72.10	575	41,425	0.08%	3.16%	0.00%	6.50%	0.01%
Fifth Third Bancorp	FITB	43.47	666	28,934	0.06%	3.40%	0.00%	5.00%	0.00%
Gilead Sciences Inc	GILD	114.31	1,246	142,461	0.29%	2.76%	0.01%	2.50%	0.01%
Hasbro Inc	HAS	65.11	140	9,085	0.02%	4.30%	0.00%	8.50%	0.00%
Huntington Bancshares Inc/OH	HBAN	16.47	1,454	23,943	0.05%	3.76%	0.00%	7.00%	0.00%
Welltower Inc	WELL	153.51	641	98,447	0.20%	1.75%	0.00%	27.50%	0.05%
Biogen Inc	BIIB	140.50	146	20,566	0.04%	n/a	n/a	1.00%	0.00%
Northern Trust Corp	NTRS	110.22	196	21,570	0.04%	2.72%	0.00%	5.00%	0.00%
Packaging Corp of America	PKG	213.09	90	19,136	0.04%	2.35%	0.00%	9.00%	0.00%
Paychex Inc	PAYX	151.67	360	54,611	0.11%	2.58%	0.00%	8.00%	0.01%
QUALCOMM Inc	QCOM	157.17	1,106	173,830	0.35%	2.16%	0.01%	6.00%	0.02%
Ross Stores Inc	ROST	140.32	330	46,296	0.09%	1.05%	0.00%	9.50%	0.01%
IDEXX Laboratories Inc	IDXX	437.11	81	35,549	0.07%	n/a	n/a	10.50%	0.01%
Starbucks Corp	SBUX	115.81	1,136	131,549	0.26%	2.11%	0.01%	7.00%	0.02%
KeyCorp	KEY	17.32	1,105	19,141	0.04%	4.73%	0.00%	-1.50%	0.00%
Fox Corp	FOXA	57.60	218	12,548	0.03%	0.94%	0.00%	8.50%	0.00%
Fox Corp	FOX	54.07	236	Excl.	0.00%	1.00%	0.00%	n/a	n/a
State Street Corp	STT	99.23	288	28,625	0.06%	3.06%	0.00%	7.50%	0.00%
Norwegian Cruise Line Holdings Ltd	NCLH	22.72	440	Excl.	0.00%	n/a	n/a	n/a	n/a
US Bancorp	USB	46.90	1,560	73,159	0.15%	4.26%	0.01%	4.00%	0.01%
A O Smith Corp	AOS	66.48	118	7,822	0.02%	2.05%	0.00%	9.00%	0.00%
Gen Digital Inc	GEN	27.33	616	16,844	0.03%	1.83%	0.00%	10.50%	0.00%
T Rowe Price Group Inc	TROW	105.72	223	23,537	0.05%	4.81%	0.00%	5.50%	0.00%
Waste Management Inc	WM	232.78	402	93,604	0.19%	1.42%	0.00%	8.50%	0.02%
Constellation Brands Inc	STZ	175.50	181	31,714	0.06%	2.30%	0.00%	7.50%	0.00%
Invesco Ltd	IVZ	17.39	448	7,784	0.02%	4.72%	0.00%	10.50%	0.00%
Intuit Inc	INTU	613.84	280	171,606	0.34%	0.68%	0.00%	13.50%	0.05%
Morgan Stanley	MS	133.11	1,613	214,687	0.43%	2.78%	0.01%	9.50%	0.04%
Microchip Technology Inc	MCHP	58.86	538	31,656	0.06%	3.09%	0.00%	1.50%	0.00%

STANDARD AND POOR'S 500 INDEX

Name	Ticker	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
CrowdStrike Holdings Inc	CRWD	389.66	246	Excl.	0.00%	n/a	n/a		n/a
Chubb Ltd	CB	285.48	400	114,310	0.23%	1.28%	0.00%	11.00%	0.03%
Hologic Inc	HOLX	63.39	224	14,224	0.03%	n/a	n/a	2.00%	0.00%
Citizens Financial Group Inc	CFG	45.77	437	20,008	0.04%	3.67%	0.00%	5.50%	0.00%
Jabil Inc	JBL	154.92	109	16,914	0.03%	0.21%	0.00%	13.50%	0.00%
O'Reilly Automotive Inc	ORLY	1,373.64	58	79,301	0.16%	n/a	n/a	10.50%	0.02%
Allstate Corp/The	ALL	199.15	265	52,780	0.11%	2.01%	0.00%	29.00%	0.03%
Equity Residential	EQR	74.17	380	28,163	0.06%	3.64%	0.00%	-4.00%	0.00%
BorgWarner Inc	BWA	29.77	219	6,510	0.01%	1.48%	0.00%	5.50%	0.00%
Keurig Dr Pepper Inc	KDP	33.52	1,357	45,478	0.09%	2.74%	0.00%	9.50%	0.01%
Host Hotels & Resorts Inc	HST	16.13	699	11,277	0.02%	4.96%	0.00%	15.00%	0.00%
Incyte Corp	INCY	73.50	194	14,224	0.03%	n/a	n/a	33.50%	0.01%
Simon Property Group Inc	SPG	186.09	326	60,716	0.12%	4.51%	0.01%	3.50%	0.00%
Eastman Chemical Co	EMN	97.85	115	11,269	0.02%	3.39%	0.00%	3.50%	0.00%
AvalonBay Communities Inc	AVB	226.18	142	32,175	0.06%	3.09%	0.00%	5.50%	0.00%
Prudential Financial Inc	PRU	115.10	354	40,745	0.08%	4.69%	0.00%	4.00%	0.00%
United Parcel Service Inc	UPS	119.03	740	88,067	0.18%	5.51%	0.01%	2.50%	0.00%
Walgreens Boots Alliance Inc	WBA	10.68	864	9,229	0.02%	n/a	n/a	-11.00%	0.00%
STERIS PLC	STE	219.26	98	21,542	0.04%	1.04%	0.00%	8.00%	0.00%
McKesson Corp	MCK	640.26	125	80,241	0.16%	0.44%	0.00%	10.00%	0.02%
Lockheed Martin Corp	LMT	450.37	235	106,011	0.21%	2.93%	0.01%	12.00%	0.03%
Cencora Inc	COR	253.54	194	49,114	0.10%	0.87%	0.00%	6.50%	0.01%
Capital One Financial Corp	COF	200.55	381	76,475	0.15%	1.20%	0.00%	2.50%	0.00%
The Campbell's Company	CPB	40.06	298	11,942	0.02%	3.89%	0.00%	7.00%	0.00%
Waters Corp	WAT	377.34	59	22,418	0.05%	n/a	n/a	6.50%	0.00%
Nordson Corp	NDSN	210.29	57	11,968	0.02%	1.48%	0.00%	10.50%	0.00%
Dollar Tree Inc	DLTR	72.86	215	15,668	0.03%	n/a	n/a	20.00%	0.01%
Darden Restaurants Inc	DRI	200.46	117	23,483	0.05%	2.79%	0.00%	10.50%	0.00%
Evergy Inc	EVER	68.91	230	15,832	0.03%	3.87%	0.00%	7.50%	0.00%
Match Group Inc	MTCH	31.71	250	7,941	0.02%	2.40%	0.00%	11.00%	0.00%
NVR Inc	NVR	7,245.58	3	21,668	0.04%	n/a	n/a	1.50%	0.00%
NetApp Inc	NTAP	99.81	203	20,303	0.04%	2.08%	0.00%	9.00%	0.00%
Old Dominion Freight Line Inc	ODFL	176.50	213	37,514	0.08%	0.63%	0.00%	7.00%	0.01%
DaVita Inc	DVA	147.88	80	11,830	0.02%	n/a	n/a	10.50%	0.00%
Hartford Insurance Group Inc/The	HIG	118.28	285	33,756	0.07%	1.76%	0.00%	7.00%	0.00%
Iron Mountain Inc	IRM	93.17	294	27,368	0.06%	3.37%	0.00%	8.00%	0.00%
Estee Lauder Cos Inc/The	EL	71.91	234	16,839	0.03%	1.95%	0.00%	3.50%	0.00%
Cadence Design Systems Inc	CDNS	250.50	274	68,664	0.14%	n/a	n/a	12.00%	0.02%
Tyler Technologies Inc	TYL	608.43	43	26,171	0.05%	n/a	n/a	8.00%	0.00%
Universal Health Services Inc	UHS	175.25	58	10,121	0.02%	0.46%	0.00%	13.00%	0.00%
Skyworks Solutions Inc	SWKS	66.66	161	Excl.	0.00%	4.20%	0.00%		n/a
Quest Diagnostics Inc	DGXI	172.90	111	19,188	0.04%	1.85%	0.00%	3.50%	0.00%
Rockwell Automation Inc	ROK	287.15	113	32,469	0.07%	1.82%	0.00%	9.50%	0.01%
Kraft Heinz Co/The	KHC	30.71	1,195	36,698	0.07%	5.21%	0.00%	4.50%	0.00%
American Tower Corp	AMT	205.62	467	96,119	0.19%	3.15%	0.01%	11.00%	0.02%
Regeneron Pharmaceuticals Inc	REGN	698.74	108	75,120	0.15%	0.50%	0.00%	2.00%	0.00%
Amazon.com Inc	AMZN	212.28	10,598	2,249,686	4.52%	n/a	n/a	24.50%	1.11%
Jack Henry & Associates Inc	JKHY	173.59	73	12,654	0.03%	1.34%	0.00%	6.50%	0.00%
Ralph Lauren Corp	RL	271.14	40	10,814	0.02%	1.22%	0.00%	12.00%	0.00%
BXP Inc	BXP	70.93	158	11,222	0.02%	5.53%	0.00%	0.50%	0.00%
Amphenol Corp	APH	66.60	1,211	80,658	0.16%	0.99%	0.00%	14.00%	0.02%
Howmet Aerospace Inc	HWM	136.60	405	55,326	0.11%	0.29%	0.00%	12.00%	0.01%
Valero Energy Corp	VLO	130.73	315	41,177	0.08%	3.46%	0.00%	-5.00%	0.00%
Synopsys Inc	SNPS	457.28	155	70,705	0.14%	n/a	n/a	12.00%	0.02%
CH Robinson Worldwide Inc	CHRW	101.62	119	12,063	0.02%	2.44%	0.00%	5.00%	0.00%
Accenture PLC	ACN	348.50	625	217,980	0.44%	1.70%	0.01%	12.50%	0.05%
TransDigm Group Inc	TDG	1,367.20	56	76,679	0.15%	n/a	n/a	19.00%	0.03%
Yum! Brands Inc	YUM	156.37	279	43,643	0.09%	1.82%	0.00%	10.00%	0.01%
Prologis Inc	PLD	123.92	926	114,772	0.23%	3.26%	0.01%	0.50%	0.00%
FirstEnergy Corp	FE	38.77	577	22,359	0.04%	4.38%	0.00%	5.50%	0.00%
VeriSign Inc	VRSN	237.88	95	22,503	0.05%	n/a	n/a	12.00%	0.01%
Quanta Services Inc	PWR	259.63	148	38,477	0.08%	0.15%	0.00%	18.00%	0.01%
Henry Schein Inc	HSIC	72.17	124	8,962	0.02%	n/a	n/a	8.00%	0.00%
Ameren Corp	AEE	101.56	267	27,067	0.05%	2.80%	0.00%	6.50%	0.00%
ANSYS Inc	ANSS	333.25	88	29,210	0.06%	n/a	n/a	9.50%	0.01%
FactSet Research Systems Inc	FDS	461.74	38	17,560	0.04%	0.90%	0.00%	9.00%	0.00%
NVIDIA Corp	NVDA	124.92	24,400	3,048,048	6.13%	0.03%	0.00%	41.00%	2.51%
Cognizant Technology Solutions Corp	CTSH	83.33	495	41,216	0.08%	1.49%	0.00%	9.00%	0.01%
Intuitive Surgical Inc	ISRG	573.15	357	204,418	0.41%	n/a	n/a	14.00%	0.06%
Take-Two Interactive Software Inc	TTWO	211.98	176	Excl.	0.00%	n/a	n/a		n/a
Republic Services Inc	RSG	237.02	312	74,018	0.15%	0.98%	0.00%	11.00%	0.02%
eBay Inc	EBAY	64.74	466	30,169	0.06%	1.79%	0.00%	11.50%	0.01%
Goldman Sachs Group Inc/The	GS	622.29	312	194,179	0.39%	1.93%	0.01%	7.50%	0.03%
SBA Communications Corp	SBAC	217.90	108	23,449	0.05%	2.04%	0.00%	19.00%	0.01%
Sempra	SRE	71.57	651	46,625	0.09%	3.60%	0.00%	6.00%	0.01%
Moody's Corp	MCO	503.94	180	90,709	0.18%	0.75%	0.00%	8.50%	0.02%
ON Semiconductor Corp	ON	47.05	421	19,828	0.04%	n/a	n/a	7.00%	0.00%

STANDARD AND POOR'S 500 INDEX

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Booking Holdings Inc	BKNG	5,016.01	33	164,601	0.33%	0.77%	0.00%	22.00%	0.07%
F5 Inc	FFIV	292.43	58	16,859	0.03%	n/a	n/a	10.00%	0.00%
Akamai Technologies Inc	AKAM	80.68	150	12,128	0.02%	n/a	n/a	6.00%	0.00%
Charles River Laboratories International Inc	CRL	165.31	51	8,454	0.02%	n/a	n/a	4.50%	0.00%
MarketAxess Holdings Inc	MKTX	192.79	38	7,267	0.01%	1.58%	0.00%	9.00%	0.00%
Devon Energy Corp	DVN	36.22	649	23,507	0.05%	2.65%	0.00%	1.50%	0.00%
Bio-Techne Corp	TECH	61.75	158	9,762	0.02%	0.52%	0.00%	11.00%	0.00%
Alphabet Inc	GOOGL	170.28	5,833	Excl.	0.00%	0.47%	0.00%		n/a
Teleflex Inc	TFX	132.75	46	6,155	0.01%	1.02%	0.00%	8.50%	0.00%
Allegion plc	ALLE	128.71	86	11,106	0.02%	1.58%	0.00%	8.50%	0.00%
Netflix Inc	NFLX	980.56	428	419,442	0.84%	n/a	n/a	16.50%	0.14%
Warner Bros Discovery Inc	WBD	11.46	2,455	Excl.	0.00%	n/a	n/a		n/a
Agilent Technologies Inc	A	127.92	285	36,494	0.07%	0.78%	0.00%	6.50%	0.00%
Trimble Inc	TRMB	71.98	246	17,692	0.04%	n/a	n/a	6.00%	0.00%
Elevance Health Inc	ELV	396.88	227	90,231	0.18%	1.72%	0.00%	9.50%	0.02%
CME Group Inc	CME	253.77	360	91,447	0.18%	1.97%	0.00%	6.00%	0.01%
Juniper Networks Inc	JNPR	36.20	333	12,061	0.02%	2.43%	0.00%	7.00%	0.00%
DTE Energy Co	DTE	133.70	207	27,666	0.06%	3.26%	0.00%	8.50%	0.00%
Celanese Corp	CE	50.94	109	5,569	0.01%	0.24%	0.00%	4.50%	0.00%
Nasdaq Inc	NDAQ	82.78	575	47,611	0.10%	1.16%	0.00%	3.50%	0.00%
Philip Morris International Inc	PM	155.28	1,555	241,438	0.49%	3.48%	0.02%	5.00%	0.02%
Ingersoll Rand Inc	IR	84.78	403	34,173	0.07%	0.09%	0.00%	10.50%	0.01%
Salesforce Inc	CRM	297.85	957	285,042	0.57%	0.54%	0.00%	24.50%	0.14%
Roper Technologies Inc	ROP	584.50	107	62,767	0.13%	0.56%	0.00%	9.00%	0.01%
Huntington Ingalls Industries Inc	HII	175.58	39	6,870	0.01%	3.08%	0.00%	10.00%	0.00%
MetLife Inc	MET	86.18	681	58,708	0.12%	2.53%	0.00%	7.50%	0.01%
Tapestry Inc	TPR	85.42	207	17,683	0.04%	1.64%	0.00%	9.00%	0.00%
CSX Corp	CSX	32.01	1,895	60,647	0.12%	1.62%	0.00%	10.00%	0.01%
Edwards Lifesciences Corp	EW	71.62	590	42,241	0.08%	n/a	n/a	6.50%	0.01%
Ameriprise Financial Inc	AMP	537.30	96	51,644	0.10%	1.10%	0.00%	10.00%	0.01%
Zebra Technologies Corp	ZBRA	315.05	51	16,187	0.03%	n/a	n/a	5.50%	0.00%
Zimmer Biomet Holdings Inc	ZBH	104.32	199	20,766	0.04%	0.92%	0.00%	6.50%	0.00%
Camden Property Trust	CPT	124.06	107	13,244	0.03%	3.39%	0.00%	-8.50%	0.00%
CBRE Group Inc	CBRE	141.94	300	42,587	0.09%	n/a	n/a	6.00%	0.01%
Mastercard Inc	MA	576.31	905	521,497	1.05%	0.53%	0.01%	14.50%	0.15%
CarMax Inc	KMX	82.97	154	12,761	0.03%	n/a	n/a	3.00%	0.00%
Intercontinental Exchange Inc	ICE	173.23	575	99,532	0.20%	1.11%	0.00%	7.50%	0.02%
Fidelity National Information Services Inc	FIS	71.12	530	37,672	0.08%	2.25%	0.00%	4.50%	0.00%
Smurfit WestRock PLC	SW	52.07	520	Excl.	0.00%	3.31%	0.00%		n/a
Chipotle Mexican Grill Inc	CMG	53.97	1,355	73,148	0.15%	n/a	n/a	20.50%	0.03%
Wynn Resorts Ltd	WYNN	89.32	106	9,504	0.02%	1.12%	0.00%	27.00%	0.01%
Live Nation Entertainment Inc	LYV	143.36	233	Excl.	0.00%	n/a	n/a		n/a
Assurant Inc	AIZ	207.89	51	10,559	0.02%	1.54%	0.00%	9.50%	0.00%
NRG Energy Inc	NRG	105.71	198	20,938	0.04%	1.66%	0.00%	11.00%	0.00%
Monster Beverage Corp	MNST	54.65	973	53,148	0.11%	n/a	n/a	11.50%	0.01%
Regions Financial Corp	RF	23.71	905	21,469	0.04%	4.22%	0.00%	5.00%	0.00%
Baker Hughes Co	BKR	44.59	990	44,149	0.09%	2.06%	0.00%	30.00%	0.03%
Mosaic Co/The	MOS	23.92	318	7,598	0.02%	3.68%	0.00%	-11.00%	0.00%
Expedia Group Inc	EXPE	197.96	123	24,415	0.05%	0.81%	0.00%	39.00%	0.02%
CF Industries Holdings Inc	CF	81.02	170	Excl.	0.00%	2.47%	0.00%		n/a
APA Corp	APA	20.70	370	7,658	0.02%	4.83%	0.00%	6.00%	0.00%
Leidos Holdings Inc	LDOS	129.97	131	17,048	0.03%	1.23%	0.00%	8.00%	0.00%
Alphabet Inc	GOOG	172.22	5,497	946,693	1.90%	0.46%	0.01%	13.50%	0.26%
First Solar Inc	FSLR	136.18	107	14,580	0.03%	n/a	n/a	34.50%	0.01%
Discover Financial Services	DFS	195.19	252	49,111	0.10%	1.43%	0.00%	4.00%	0.00%
Visa Inc	V	362.71	1,723	625,081	1.26%	0.65%	0.01%	13.50%	0.17%
Mid-America Apartment Communities Inc	MAA	168.12	117	19,654	0.04%	3.60%	0.00%	-15.00%	-0.01%
Xylem Inc/NY	XYL	130.89	243	31,799	0.06%	1.22%	0.00%	12.00%	0.01%
Marathon Petroleum Corp	MPC	150.18	313	46,943	0.09%	2.42%	0.00%	-6.00%	-0.01%
Tractor Supply Co	TSCO	55.35	532	29,421	0.06%	1.66%	0.00%	10.50%	0.01%
Advanced Micro Devices Inc	AMD	99.86	1,620	161,821	0.33%	n/a	n/a	17.00%	0.06%
ResMed Inc	RMD	233.52	147	34,296	0.07%	0.91%	0.00%	11.00%	0.01%
Mettler-Toledo International Inc	MTD	1,272.72	21	26,621	0.05%	n/a	n/a	9.50%	0.01%
VICI Properties Inc	VICI	32.49	1,043	33,892	0.07%	5.32%	0.00%	10.50%	0.01%
Copart Inc	CPRT	54.80	966	52,942	0.11%	n/a	n/a	9.00%	0.01%
Jacobs Solutions Inc	J	128.11	123	15,699	0.03%	1.00%	0.00%	11.00%	0.00%
Albemarle Corp	ALB	77.03	118	9,057	0.02%	2.10%	0.00%	-3.50%	0.00%
Fortinet Inc	FTNT	108.01	769	83,057	0.17%	n/a	n/a	18.00%	0.03%
Moderna Inc	MRNA	30.96	386	11,945	0.02%	n/a	n/a	-16.00%	0.00%
Essex Property Trust Inc	ESS	311.57	64	20,042	0.04%	3.30%	0.00%	4.00%	0.00%
CoStar Group Inc	CSGP	76.25	410	31,272	0.06%	n/a	n/a	11.50%	0.01%
Realty Income Corp	O	57.03	892	50,843	0.10%	5.64%	0.01%	5.00%	0.01%
Westinghouse Air Brake Technologies Corp	WAB	185.36	171	31,668	0.06%	0.54%	0.00%	16.00%	0.01%
Palantir Technologies Inc	PLTR	84.92	2,249	Excl.	0.00%	n/a	n/a		n/a
Pool Corp	POOL	347.00	38	13,058	0.03%	1.38%	0.00%	0.50%	0.00%
Western Digital Corp	WDC	48.93	348	17,019	0.03%	n/a	n/a	22.50%	0.01%
PepsiCo Inc	PEP	153.47	1,371	210,484	0.42%	3.53%	0.01%	7.50%	0.03%

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TE Connectivity PLC	TEL	154.03	298	45,955	0.09%	1.69%	0.00%	10.50%	0.01%
Diamondback Energy Inc	FANG	158.96	289	46,010	0.09%	2.52%	0.00%	2.50%	0.00%
Palo Alto Networks Inc	PANW	190.43	662	Excl.	0.00%	n/a	n/a	n/a	n/a
ServiceNow Inc	NOW	929.76	206	191,531	0.39%	n/a	n/a	32.50%	0.13%
Church & Dwight Co Inc	CHD	111.20	246	27,352	0.05%	1.06%	0.00%	6.50%	0.00%
Federal Realty Investment Trust	FRT	105.42	86	9,032	0.02%	4.17%	0.00%	2.50%	0.00%
MGM Resorts International	MGM	34.76	286	9,926	0.02%	n/a	n/a	25.00%	0.00%
American Electric Power Co Inc	AEP	106.05	533	56,547	0.11%	3.51%	0.00%	6.50%	0.01%
Invitation Homes Inc	INVH	34.01	613	20,838	0.04%	3.41%	0.00%	7.50%	0.00%
PTC Inc	PTC	163.63	120	19,689	0.04%	n/a	n/a	29.00%	0.01%
JB Hunt Transport Services Inc	JBHT	161.19	100	16,120	0.03%	1.09%	0.00%	6.00%	0.00%
Lam Research Corp	LRCX	76.74	1,284	98,508	0.20%	1.20%	0.00%	12.50%	0.02%
Mohawk Industries Inc	MHK	117.59	63	7,360	0.01%	n/a	n/a	1.00%	0.00%
GE HealthCare Technologies Inc	GEHC	87.35	457	Excl.	0.00%	0.16%	0.00%	n/a	n/a
Pentair PLC	PNR	94.20	165	15,526	0.03%	1.06%	0.00%	12.00%	0.00%
Vertex Pharmaceuticals Inc	VRTX	479.79	257	123,205	0.25%	n/a	n/a	10.00%	0.02%
Ancor PLC	AMCR	10.12	1,445	14,627	0.03%	5.04%	0.00%	11.50%	0.00%
Meta Platforms Inc	META	668.20	2,190	1,463,290	2.94%	0.31%	0.01%	19.00%	0.56%
T-Mobile US Inc	TMUS	269.69	1,142	307,917	0.62%	1.31%	0.01%	18.00%	0.11%
United Rentals Inc	URI	642.32	65	41,948	0.08%	1.11%	0.00%	19.00%	0.02%
Alexandria Real Estate Equities Inc	ARE	102.26	173	17,700	0.04%	5.16%	0.00%	9.50%	0.00%
Honeywell International Inc	HON	212.89	650	138,361	0.28%	2.12%	0.01%	11.00%	0.03%
Delta Air Lines Inc	DAL	60.12	646	38,835	0.08%	1.00%	0.00%	28.00%	0.02%
United Airlines Holdings Inc	UAL	93.81	329	Excl.	0.00%	n/a	n/a	n/a	n/a
Seagate Technology Holdings PLC	STX	101.91	212	21,575	0.04%	2.83%	0.00%	31.00%	0.01%
News Corp	NWS	32.28	189	Excl.	0.00%	0.62%	0.00%	n/a	n/a
Centene Corp	CNC	58.16	496	28,850	0.06%	n/a	n/a	9.50%	0.01%
Apollo Global Management Inc	APO	149.27	570	85,156	0.17%	1.24%	0.00%	23.50%	0.04%
Martin Marietta Materials Inc	MLM	483.14	61	29,459	0.06%	0.65%	0.00%	11.00%	0.01%
Teradyne Inc	TER	109.86	162	17,766	0.04%	0.44%	0.00%	10.50%	0.00%
PayPal Holdings Inc	PYPL	71.05	989	70,286	0.14%	n/a	n/a	11.50%	0.02%
Tesla Inc	TSLA	292.98	3,217	942,375	1.89%	n/a	n/a	16.50%	0.31%
Blackrock Inc	BLK	977.78	155	151,804	0.31%	2.13%	0.01%	9.50%	0.03%
KKR & Co Inc	KKR	135.59	888	120,435	0.24%	0.52%	0.00%	5.00%	0.01%
Arch Capital Group Ltd	ACGL	92.91	375	34,874	0.07%	n/a	n/a	15.00%	0.01%
Dow Inc	DOW	38.11	700	Excl.	0.00%	7.35%	0.00%	n/a	n/a
Everest Group Ltd	EG	353.22	43	15,165	0.03%	2.26%	0.00%	14.50%	0.00%
Teledyne Technologies Inc	TDY	515.02	47	24,121	0.05%	n/a	n/a	8.00%	0.00%
Domino's Pizza Inc	DPZ	489.71	34	16,795	0.03%	1.42%	0.00%	12.50%	0.00%
GE Vernova Inc	GEV	335.18	276	Excl.	0.00%	0.30%	0.00%	n/a	n/a
News Corp	NWSA	28.62	378	10,820	0.02%	0.70%	0.00%	14.50%	0.00%
Exelon Corp	EXC	44.20	1,005	Excl.	0.00%	3.62%	0.00%	n/a	n/a
Global Payments Inc	GPN	105.28	248	26,069	0.05%	0.95%	0.00%	13.50%	0.01%
Crown Castle Inc	CCI	94.10	435	40,896	0.08%	6.65%	0.01%	-0.50%	0.00%
Align Technology Inc	ALGN	187.03	74	13,765	0.03%	n/a	n/a	17.00%	0.00%
Kenvue Inc	KVUE	23.60	1,911	Excl.	0.00%	3.47%	0.00%	n/a	n/a
Targa Resources Corp	TRGP	201.72	218	43,996	0.09%	1.49%	0.00%	22.00%	0.02%
Bunge Global SA	BG	74.19	134	9,939	0.02%	3.67%	0.00%	0.00%	0.00%
LKQ Corp	LKQ	42.19	259	10,934	0.02%	2.84%	0.00%	7.00%	0.00%
Deckers Outdoor Corp	DECK	139.36	152	21,151	0.04%	n/a	n/a	16.00%	0.01%
Workday Inc	WDAY	263.34	214	56,355	0.11%	n/a	n/a	15.50%	0.02%
Zoetis Inc	ZTS	167.24	448	74,889	0.15%	1.20%	0.00%	7.50%	0.01%
Equinix Inc	EQIX	904.62	97	88,048	0.18%	2.07%	0.00%	15.00%	0.03%
Digital Realty Trust Inc	DLR	156.32	337	52,624	0.11%	3.12%	0.00%	-5.00%	-0.01%
Molina Healthcare Inc	MOH	301.12	56	16,712	0.03%	n/a	n/a	10.50%	0.00%
Las Vegas Sands Corp	LVS	44.71	716	Excl.	0.00%	2.24%	0.00%	n/a	n/a

Notes:

[4] Source: Bloomberg Professional

[5] Source: Bloomberg Professional

[6] Equals [4] x [5]

[7] Equals [6] / Sum of Column [6]

[8] Source: Bloomberg Professional

[9] Equals [7] x [8]

[10] Source: Value Line, as of February 28, 2025

[11] Equals [7] x [10]

MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY

[1] Estimate of the S&P 500 Dividend Yield	1.49%
[2] Estimate of the S&P 500 Growth Rate	9.98%
[3] S&P 500 Estimated Required Market Return	11.54%

Notes:

- [1] Sum of [9]
- [2] Sum of [11]
- [3] Equals $([1] \times (1 + 0.5 \times [2])) + [2]$

STANDARD AND POOR'S 500 INDEX

Name	Ticker	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
LyondellBasell Industries NV	LYB	76.83	323	Excl.	Excl.	6.98%	n/a	-1.50%	n/a
American Express Co	AXP	300.96	703	211,434	0.54%	0.93%	0.00%	9.00%	0.05%
Verizon Communications Inc	VZ	43.10	4,210	181,438	0.46%	6.29%	0.03%	0.50%	0.00%
Texas Pacific Land Corp	TPL	1,427.95	23	32,821	0.08%	0.45%	0.00%	10.50%	0.01%
Broadcom Inc	AVGO	199.43	4,687	Excl.	Excl.	1.18%	n/a	30.00%	n/a
Boeing Co/The	BA	174.63	750	Excl.	Excl.	n/a	n/a	n/a	n/a
Solventum Corp	SOLV	79.75	173	Excl.	Excl.	n/a	n/a	n/a	n/a
Caterpillar Inc	CAT	343.95	478	164,385	0.42%	1.64%	0.01%	10.50%	0.04%
JPMorgan Chase & Co	JPM	264.65	2,796	739,989	1.88%	1.89%	0.04%	8.00%	0.15%
Chevron Corp	CVX	158.62	1,761	279,266	0.71%	4.31%	0.03%	4.00%	0.03%
Coca-Cola Co/The	KO	71.21	4,301	306,274	0.78%	2.86%	0.02%	7.00%	0.05%
AbbVie Inc	ABBV	209.03	1,765	369,012	0.94%	3.14%	0.03%	4.00%	0.04%
Walt Disney Co/The	DIS	113.80	1,808	Excl.	Excl.	0.88%	n/a	31.00%	n/a
Corpay Inc	CPAY	367.05	70	25,785	0.07%	n/a	n/a	15.50%	0.01%
Extra Space Storage Inc	EXR	152.56	212	32,340	0.08%	4.25%	0.00%	5.00%	0.00%
Exxon Mobil Corp	XOM	111.33	4,339	Excl.	Excl.	3.56%	n/a	-2.50%	n/a
Phillips 66	PSX	129.69	408	52,874	0.13%	3.55%	0.00%	1.00%	0.00%
General Electric Co	GE	206.98	1,073	Excl.	Excl.	0.70%	n/a	21.00%	n/a
HP Inc	HPQ	30.87	943	29,110	0.07%	3.75%	0.00%	12.50%	0.01%
Home Depot Inc/The	HD	396.60	993	393,968	1.00%	2.32%	0.02%	6.50%	0.07%
Monolithic Power Systems Inc	MPWR	611.01	49	29,805	0.08%	1.02%	0.00%	12.00%	0.01%
International Business Machines Corp	IBM	252.44	927	234,079	0.59%	2.65%	0.02%	3.00%	0.02%
Johnson & Johnson	JNJ	165.02	2,408	397,305	1.01%	3.01%	0.03%	3.00%	0.03%
Lululemon Athletica Inc	LULU	365.61	117	42,655	0.11%	n/a	n/a	13.00%	0.01%
McDonald's Corp	MCD	308.33	714	220,290	0.56%	2.30%	0.01%	8.50%	0.05%
Merck & Co Inc	MRK	92.25	2,526	233,027	0.59%	3.51%	0.02%	15.50%	0.09%
3M Co	MMM	155.12	543	Excl.	Excl.	1.88%	n/a	31.00%	n/a
American Water Works Co Inc	AWK	135.97	195	26,507	0.07%	2.25%	0.00%	4.50%	0.00%
Bank of America Corp	BAC	46.10	7,605	350,576	0.89%	2.26%	0.02%	7.00%	0.06%
Pfizer Inc	PFE	26.43	5,667	149,788	0.38%	6.51%	0.02%	2.50%	0.01%
Procter & Gamble Co/The	PG	173.84	2,345	407,629	1.03%	2.32%	0.02%	5.00%	0.05%
AT&T Inc	T	27.41	7,178	196,754	0.50%	4.05%	0.02%	6.50%	0.03%
Travelers Cos Inc/The	TRV	258.49	227	58,607	0.15%	1.62%	0.00%	10.50%	0.02%
RTX Corp	RTX	132.99	1,332	177,159	0.45%	1.89%	0.01%	12.00%	0.05%
Analog Devices Inc	ADI	230.06	496	114,104	0.29%	1.72%	0.00%	9.00%	0.03%
Walmart Inc	WMT	98.61	8,033	792,172	2.01%	0.95%	0.02%	9.50%	0.19%
Cisco Systems Inc	CSCO	64.11	3,978	255,048	0.65%	2.56%	0.02%	5.50%	0.04%
Intel Corp	INTC	23.73	4,330	Excl.	Excl.	n/a	n/a	-2.00%	n/a
General Motors Co	GM	49.13	995	48,884	0.12%	0.98%	0.00%	7.50%	0.01%
Microsoft Corp	MSFT	396.99	7,434	2,951,217	7.49%	0.84%	0.06%	14.50%	1.09%
Dollar General Corp	DG	74.18	220	Excl.	Excl.	3.18%	n/a	-0.50%	n/a
Cigna Group/The	CI	308.85	274	84,526	0.21%	1.96%	0.00%	11.00%	0.02%
Kinder Morgan Inc	KMI	27.10	2,222	60,215	0.15%	4.24%	0.01%	9.00%	0.01%
Citigroup Inc	C	79.95	1,884	150,664	0.38%	2.80%	0.01%	3.00%	0.01%
American International Group Inc	AIG	82.94	593	49,211	0.12%	1.93%	0.00%	12.50%	0.02%
Altria Group Inc	MO	55.85	1,691	94,423	0.24%	7.31%	0.02%	6.00%	0.01%
HCA Healthcare Inc	HCA	306.30	248	76,067	0.19%	0.94%	0.00%	10.00%	0.02%
International Paper Co	IP	56.35	526	29,647	0.08%	3.28%	0.00%	5.50%	0.00%
Hewlett Packard Enterprise Co	HPE	19.81	1,313	26,019	0.07%	2.62%	0.00%	7.50%	0.00%
Abbott Laboratories	ABT	138.01	1,734	239,354	0.61%	1.71%	0.01%	4.50%	0.03%
Aflac Inc	AFL	109.47	547	59,835	0.15%	2.12%	0.00%	7.50%	0.01%
Air Products and Chemicals Inc	APD	316.15	222	70,336	0.18%	2.26%	0.00%	10.50%	0.02%
Super Micro Computer Inc	SMCI	41.46	593	Excl.	Excl.	n/a	n/a	39.00%	n/a
Royal Caribbean Cruises Ltd	RCL	246.10	269	Excl.	Excl.	1.22%	n/a	n/a	n/a
Hess Corp	HES	148.94	308	45,917	0.12%	1.34%	0.00%	7.50%	0.01%
Lennox International Inc	LII	601.05	36	21,385	0.05%	0.77%	0.00%	12.50%	0.01%
Archer-Daniels-Midland Co	ADM	47.20	480	22,642	0.06%	4.32%	0.00%	3.00%	0.00%
Automatic Data Processing Inc	ADP	315.18	407	128,238	0.33%	1.95%	0.01%	8.50%	0.03%
Verisk Analytics Inc	VRSK	296.91	140	41,649	0.11%	0.61%	0.00%	11.00%	0.01%
AutoZone Inc	AZO	3,493.01	17	58,620	0.15%	n/a	n/a	11.50%	0.02%
Linde PLC	LIN	467.05	473	220,873	0.56%	1.28%	0.01%	7.00%	0.04%
Avery Dennison Corp	AVY	187.97	79	14,849	0.04%	1.87%	0.00%	2.00%	0.00%

STANDARD AND POOR'S 500 INDEX

Name	Ticker	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
Enphase Energy Inc	ENPH	57.33	132	7,595	0.02%	n/a	n/a	14.00%	0.00%
MSCI Inc	MSCI	590.51	78	45,854	0.12%	1.22%	0.00%	9.50%	0.01%
Ball Corp	BALL	52.69	283	14,902	0.04%	1.52%	0.00%	10.50%	0.00%
Axon Enterprise Inc	AXON	528.45	76	Excl.	Excl.	n/a	n/a	26.00%	n/a
Dayforce Inc	DAY	61.99	158	Excl.	Excl.	n/a	n/a	n/a	n/a
Carrier Global Corp	CARR	64.80	864	55,986	0.14%	1.39%	0.00%	13.00%	0.02%
Bank of New York Mellon Corp/The	BK	88.95	716	63,717	0.16%	2.11%	0.00%	10.50%	0.02%
Otis Worldwide Corp	OTIS	99.78	397	39,565	0.10%	1.56%	0.00%	11.00%	0.01%
Baxter International Inc	BAX	34.51	512	17,656	0.04%	1.97%	0.00%	3.50%	0.00%
Becton Dickinson & Co	BDX	225.53	287	64,758	0.16%	1.84%	0.00%	7.00%	0.01%
Berkshire Hathaway Inc	BRK/B	513.83	1,338	687,531	1.75%	n/a	n/a	9.00%	0.16%
Best Buy Co Inc	BBY	89.91	214	19,222	0.05%	4.18%	0.00%	1.00%	0.00%
Boston Scientific Corp	BSX	103.79	1,476	153,171	0.39%	n/a	n/a	12.50%	0.05%
Bristol-Myers Squibb Co	BMJ	59.62	2,029	120,988	0.31%	4.16%	0.01%	1.00%	0.00%
Brown-Forman Corp	BF/B	33.11	304	10,050	0.03%	2.74%	0.00%	14.00%	0.00%
Coterra Energy Inc	CTRA	26.99	764	20,624	0.05%	3.26%	0.00%	7.00%	0.00%
Hilton Worldwide Holdings Inc	HLT	264.96	241	Excl.	Excl.	0.23%	n/a	n/a	n/a
Carnival Corp	CCL	23.93	1,164	Excl.	Excl.	n/a	n/a	n/a	n/a
Builders FirstSource Inc	BLDR	138.99	114	15,792	0.04%	n/a	n/a	6.50%	0.00%
UDR Inc	UDR	45.18	331	14,961	0.04%	3.76%	0.00%	1.50%	0.00%
Clorox Co/The	CLX	156.39	123	19,266	0.05%	3.12%	0.00%	7.00%	0.00%
Paycom Software Inc	PAYC	219.47	57	12,568	0.03%	0.68%	0.00%	14.00%	0.00%
CMS Energy Corp	CMS	73.05	299	21,827	0.06%	2.97%	0.00%	6.00%	0.00%
Colgate-Palmolive Co	CL	91.17	812	73,988	0.19%	2.19%	0.00%	11.50%	0.02%
EPAM Systems Inc	EPAM	206.14	57	Excl.	Excl.	n/a	n/a	20.50%	n/a
Conagra Brands Inc	CAG	25.54	477	12,191	0.03%	5.48%	0.00%	2.00%	0.00%
Airbnb Inc	ABNB	138.87	440	Excl.	Excl.	n/a	n/a	23.00%	n/a
Consolidated Edison Inc	ED	101.52	347	35,198	0.09%	3.35%	0.00%	6.00%	0.01%
Corning Inc	GLW	50.15	857	42,957	0.11%	2.23%	0.00%	17.50%	0.02%
GoDaddy Inc	GDDY	179.50	141	Excl.	Excl.	n/a	n/a	27.00%	n/a
Cummins Inc	CMI	368.18	137	50,618	0.13%	1.98%	0.00%	8.50%	0.01%
Caesars Entertainment Inc	CZR	33.22	212	Excl.	Excl.	n/a	n/a	n/a	n/a
Danaher Corp	DHR	207.76	715	148,488	0.38%	0.62%	0.00%	2.00%	0.01%
Target Corp	TGT	124.24	458	56,928	0.14%	3.61%	0.01%	8.00%	0.01%
Deere & Co	DE	480.79	271	130,493	0.33%	1.35%	0.00%	3.00%	0.01%
Dominion Energy Inc	D	56.62	852	48,243	0.12%	4.72%	0.01%	3.50%	0.00%
Dover Corp	DOV	198.77	137	27,276	0.07%	1.04%	0.00%	5.00%	0.00%
Alliant Energy Corp	LNT	64.53	257	16,564	0.04%	3.15%	0.00%	6.00%	0.00%
Steel Dynamics Inc	STLD	135.07	152	20,564	0.05%	1.48%	0.00%	0.50%	0.00%
Duke Energy Corp	DUK	117.49	771	90,585	0.23%	3.56%	0.01%	6.00%	0.01%
Regency Centers Corp	REG	76.70	181	13,911	0.04%	3.68%	0.00%	11.50%	0.00%
Eaton Corp PLC	ETN	293.32	392	114,981	0.29%	1.42%	0.00%	11.00%	0.03%
Ecolab Inc	ECL	269.01	283	76,129	0.19%	0.97%	0.00%	10.50%	0.02%
Revvity Inc	RVTY	112.15	120	Excl.	Excl.	0.25%	n/a	-1.50%	n/a
Dell Technologies Inc	DELL	102.76	357	36,720	0.09%	2.04%	0.00%	2.50%	0.00%
Emerson Electric Co	EMR	121.61	564	68,576	0.17%	1.74%	0.00%	12.50%	0.02%
EOG Resources Inc	EOG	126.94	554	70,315	0.18%	3.07%	0.01%	7.00%	0.01%
Aon PLC	AON	409.12	216	88,370	0.22%	0.66%	0.00%	12.50%	0.03%
Entergy Corp	ETR	87.31	430	37,579	0.10%	2.75%	0.00%	3.00%	0.00%
Equifax Inc	EFX	245.20	124	30,411	0.08%	0.64%	0.00%	7.00%	0.01%
EQT Corp	EQT	48.17	597	Excl.	Excl.	1.31%	n/a	n/a	n/a
IQVIA Holdings Inc	IQV	188.80	176	33,248	0.08%	n/a	n/a	9.00%	0.01%
Gartner Inc	IT	498.32	77	38,280	0.10%	n/a	n/a	8.00%	0.01%
FedEx Corp	FDX	262.90	241	63,320	0.16%	2.10%	0.00%	9.00%	0.01%
FMC Corp	FMC	36.90	125	4,607	0.01%	6.29%	0.00%	3.50%	0.00%
Brown & Brown Inc	BRO	118.54	286	33,894	0.09%	0.51%	0.00%	12.50%	0.01%
Ford Motor Co	F	9.55	3,893	37,174	0.09%	1.57%	0.00%	17.00%	0.02%
NextEra Energy Inc	NEE	70.17	2,057	144,342	0.37%	3.23%	0.01%	8.50%	0.03%
Franklin Resources Inc	BEN	20.25	525	10,639	0.03%	6.32%	0.00%	4.00%	0.00%
Garmin Ltd	GRMN	228.93	192	44,047	0.11%	1.57%	0.00%	8.00%	0.01%
Freeport-McMoRan Inc	FCX	36.91	1,437	53,042	0.13%	1.63%	0.00%	11.00%	0.01%
Dexcom Inc	DXCM	88.37	391	Excl.	Excl.	n/a	n/a	n/a	n/a
General Dynamics Corp	GD	252.60	270	68,291	0.17%	2.25%	0.00%	9.50%	0.02%
General Mills Inc	GIS	60.62	551	33,416	0.08%	3.96%	0.00%	4.50%	0.00%
Genuine Parts Co	GPC	124.88	139	17,331	0.04%	3.30%	0.00%	3.50%	0.00%
Atmos Energy Corp	ATO	152.13	159	24,147	0.06%	2.29%	0.00%	6.00%	0.00%
WW Grainger Inc	GWV	1,021.21	48	49,239	0.12%	0.80%	0.00%	7.50%	0.01%
Halliburton Co	HAL	26.37	868	22,892	0.06%	2.58%	0.00%	16.00%	0.01%
L3Harris Technologies Inc	LHX	206.11	188	38,813	0.10%	2.33%	0.00%	9.00%	0.01%
Healthpeak Properties Inc	DOC	20.46	700	14,313	0.04%	5.96%	0.00%	7.00%	0.00%
Insulet Corp	PODD	272.27	70	Excl.	Excl.	n/a	n/a	n/a	n/a
Fortive Corp	FTV	79.54	340	27,067	0.07%	0.40%	0.00%	10.50%	0.01%
Hershey Co/The	HSY	172.71	148	25,526	0.06%	3.17%	0.00%	7.00%	0.00%
Synchrony Financial	SYF	60.68	389	Excl.	Excl.	1.65%	n/a	47.00%	n/a
Hormel Foods Corp	HLR	28.63	550	15,744	0.04%	4.05%	0.00%	6.00%	0.00%
Arthur J Gallagher & Co	AJG	337.74	255	86,022	0.22%	0.77%	0.00%	16.50%	0.04%
Mondelez International Inc	MDLZ	64.23	1,294	83,083	0.21%	2.93%	0.01%	7.50%	0.02%

STANDARD AND POOR'S 500 INDEX

Name	Ticker	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Price	Shares Outstanding	Market Capitalization	Weight in Index	Current Dividend Yield	Cap-Weighted Dividend Yield	Value Line Long-Term Growth Est.	Cap-Weighted Long-Term Growth Est.
CenterPoint Energy Inc	CNP	34.38	652	22,406	0.06%	2.56%	0.00%	6.50%	0.00%
Humana Inc	HUM	270.42	121	32,625	0.08%	1.31%	0.00%	2.00%	0.00%
Willis Towers Watson PLC	WTW	339.65	100	33,861	0.09%	1.08%	0.00%	9.50%	0.01%
Illinois Tool Works Inc	ITW	263.98	294	77,478	0.20%	2.27%	0.00%	9.00%	0.02%
CDW Corp/DE	CDW	178.20	132	23,610	0.06%	1.40%	0.00%	7.00%	0.00%
Trane Technologies PLC	TT	353.70	224	79,332	0.20%	1.06%	0.00%	14.00%	0.03%
Interpublic Group of Cos Inc/The	IPG	27.40	373	10,211	0.03%	4.82%	0.00%	8.50%	0.00%
International Flavors & Fragrances Inc	IFF	81.81	256	20,917	0.05%	1.96%	0.00%	0.50%	0.00%
Generac Holdings Inc	GNRC	136.15	60	8,116	0.02%	n/a	n/a	12.50%	0.00%
NXP Semiconductors NV	NXPI	215.59	254	54,678	0.14%	1.88%	0.00%	7.50%	0.01%
Kellanova	K	82.90	345	28,618	0.07%	2.75%	0.00%	2.50%	0.00%
Broadridge Financial Solutions Inc	BR	241.22	117	28,227	0.07%	1.46%	0.00%	9.50%	0.01%
Kimberly-Clark Corp	KMB	142.01	332	47,103	0.12%	3.55%	0.00%	7.50%	0.01%
Kimco Realty Corp	KIM	22.10	674	14,898	0.04%	4.52%	0.00%	18.00%	0.01%
Oracle Corp	ORCL	166.06	2,797	464,463	1.18%	0.96%	0.01%	10.00%	0.12%
Kroger Co/The	KR	64.82	724	46,904	0.12%	1.97%	0.00%	5.00%	0.01%
Lennar Corp	LEN	119.63	234	27,935	0.07%	1.67%	0.00%	6.00%	0.00%
Eli Lilly & Co	LLY	920.63	948	Excl.	Excl.	0.65%	n/a	28.50%	n/a
Charter Communications Inc	CHTR	363.57	142	51,607	0.13%	n/a	n/a	9.00%	0.01%
Loews Corp	L	86.67	213	18,449	0.05%	0.29%	0.00%	15.50%	0.01%
Lowe's Cos Inc	LOW	248.64	565	140,395	0.36%	1.85%	0.01%	5.50%	0.02%
Hubbell Inc	HUBB	371.59	54	19,942	0.05%	1.42%	0.00%	9.50%	0.00%
IDEX Corp	IEX	194.33	76	14,727	0.04%	1.42%	0.00%	5.00%	0.00%
Marsh & McLennan Cos Inc	MMC	237.84	491	116,811	0.30%	1.37%	0.00%	12.50%	0.04%
Masco Corp	MAS	75.18	212	15,937	0.04%	1.65%	0.00%	9.50%	0.00%
S&P Global Inc	SPGI	533.74	315	168,128	0.43%	0.72%	0.00%	8.50%	0.04%
Medtronic PLC	MDT	92.02	1,283	118,020	0.30%	3.04%	0.01%	6.00%	0.02%
Viatris Inc	VTRS	9.23	1,194	Excl.	Excl.	5.20%	n/a	-1.50%	n/a
CVS Health Corp	CVS	65.72	1,261	82,859	0.21%	4.05%	0.01%	0.50%	0.00%
DuPont de Nemours Inc	DD	81.77	418	34,184	0.09%	2.01%	0.00%	9.00%	0.01%
Micron Technology Inc	MU	93.63	1,114	Excl.	Excl.	0.49%	n/a	47.50%	n/a
Motorola Solutions Inc	MSI	440.22	167	73,489	0.19%	0.99%	0.00%	10.00%	0.02%
Cboe Global Markets Inc	CBOE	210.80	105	22,071	0.06%	1.20%	0.00%	14.50%	0.01%
Newmont Corp	NEM	42.84	1,127	48,275	0.12%	2.33%	0.00%	13.00%	0.02%
NIKE Inc	NKE	79.43	1,181	93,826	0.24%	2.01%	0.00%	10.50%	0.03%
NiSource Inc	NI	40.81	470	19,178	0.05%	2.74%	0.00%	8.00%	0.00%
Norfolk Southern Corp	NSC	245.75	226	55,646	0.14%	2.20%	0.00%	12.00%	0.02%
Principal Financial Group Inc	PFG	89.04	226	20,085	0.05%	3.37%	0.00%	4.00%	0.00%
Eversource Energy	ES	63.01	367	23,111	0.06%	4.78%	0.00%	5.50%	0.00%
Northrop Grumman Corp	NOC	461.74	145	66,839	0.17%	1.78%	0.00%	7.50%	0.01%
Wells Fargo & Co	WFC	78.32	3,288	257,531	0.65%	2.04%	0.01%	9.50%	0.06%
Nucor Corp	NUE	137.47	231	Excl.	Excl.	1.60%	n/a	n/a	n/a
Occidental Petroleum Corp	OXY	48.84	939	45,836	0.12%	1.97%	0.00%	6.00%	0.01%
Omnicom Group Inc	OMC	82.76	196	16,262	0.04%	3.38%	0.00%	7.00%	0.00%
ONEOK Inc	OKE	100.39	624	62,677	0.16%	4.10%	0.01%	14.50%	0.02%
Raymond James Financial Inc	RJF	154.67	205	31,693	0.08%	1.29%	0.00%	10.00%	0.01%
PG&E Corp	PCG	16.34	2,194	35,843	0.09%	0.61%	0.00%	9.00%	0.01%
Parker-Hannifin Corp	PH	668.51	129	86,081	0.22%	0.98%	0.00%	12.50%	0.03%
Rollins Inc	ROL	52.39	484	25,369	0.06%	1.26%	0.00%	9.50%	0.01%
PPL Corp	PPL	35.21	738	25,995	0.07%	3.10%	0.00%	7.50%	0.00%
Aptiv PLC	APTIV	65.12	229	Excl.	Excl.	n/a	n/a	n/a	n/a
ConocoPhillips	COP	99.15	1,272	126,156	0.32%	3.15%	0.01%	4.00%	0.01%
PulteGroup Inc	PHM	103.28	202	20,910	0.05%	0.85%	0.00%	8.00%	0.00%
Pinnacle West Capital Corp	PNW	92.54	119	11,021	0.03%	3.87%	0.00%	4.00%	0.00%
PNC Financial Services Group Inc/The	PNC	191.92	396	75,952	0.19%	3.33%	0.01%	7.00%	0.01%
PPG Industries Inc	PPG	113.22	227	25,696	0.07%	2.40%	0.00%	5.00%	0.00%
Progressive Corp/The	PGR	282.00	586	Excl.	Excl.	0.14%	n/a	23.50%	n/a
Veralto Corp	VLTO	99.76	248	24,696	0.06%	0.44%	0.00%	6.00%	0.00%
Public Service Enterprise Group Inc	PEG	81.15	499	40,458	0.10%	3.11%	0.00%	6.00%	0.01%
Cooper Cos Inc/The	COO	90.38	200	18,072	0.05%	n/a	n/a	8.50%	0.00%
Edison International	EIX	54.44	385	20,961	0.05%	6.08%	0.00%	6.50%	0.00%
Schlumberger NV	SLB	41.66	1,360	56,652	0.14%	2.74%	0.00%	18.00%	0.03%
Charles Schwab Corp/The	SCHW	79.53	1,814	144,233	0.37%	1.36%	0.00%	10.50%	0.04%
Sherwin-Williams Co/The	SHW	362.27	252	91,115	0.23%	0.87%	0.00%	12.00%	0.03%
West Pharmaceutical Services Inc	WST	232.34	72	16,799	0.04%	0.36%	0.00%	7.50%	0.00%
J M Smucker Co/The	SJM	110.53	106	11,762	0.03%	3.91%	0.00%	6.50%	0.00%
Snap-on Inc	SNA	341.17	52	17,875	0.05%	2.51%	0.00%	5.50%	0.00%
AMETEK Inc	AME	189.30	231	43,664	0.11%	0.66%	0.00%	10.00%	0.01%
Uber Technologies Inc	UBER	76.01	2,089	Excl.	Excl.	n/a	n/a	n/a	n/a
Southern Co/The	SO	89.79	1,095	98,287	0.25%	3.21%	0.01%	6.50%	0.02%
Truist Financial Corp	TFC	46.35	1,305	60,503	0.15%	4.49%	0.01%	2.00%	0.00%
Southwest Airlines Co	LUV	31.06	593	Excl.	Excl.	2.32%	n/a	n/a	n/a
W R Berkley Corp	WRB	63.08	379	23,922	0.06%	0.51%	0.00%	14.50%	0.01%
Stanley Black & Decker Inc	SWK	86.53	154	13,361	0.03%	3.79%	0.00%	11.00%	0.00%
Public Storage	PSA	303.62	175	53,260	0.14%	3.95%	0.01%	7.00%	0.01%
Arista Networks Inc	ANET	93.05	1,261	117,347	0.30%	n/a	n/a	16.00%	0.05%
Sysco Corp	SYO	75.54	489	36,956	0.09%	2.70%	0.00%	9.50%	0.01%

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Corteva Inc	CTVA	62.98	692	43,598	0.11%	1.08%	0.00%	7.00%	0.01%
Texas Instruments Inc	TXN	195.99	910	178,416	0.45%	2.78%	0.01%	3.00%	0.01%
Textron Inc	TXT	74.73	183	13,644	0.03%	0.11%	0.00%	13.00%	0.00%
Thermo Fisher Scientific Inc	TMO	528.96	377	199,556	0.51%	0.33%	0.00%	6.00%	0.03%
TJX Cos Inc/The	TJX	124.76	1,124	140,250	0.36%	1.20%	0.00%	12.50%	0.04%
Globe Life Inc	GL	127.43	84	10,685	0.03%	0.85%	0.00%	11.00%	0.00%
Johnson Controls International plc	JCI	85.66	660	56,548	0.14%	1.73%	0.00%	13.00%	0.02%
Ulta Beauty Inc	ULTA	366.36	46	16,989	0.04%	n/a	n/a	6.00%	0.00%
Union Pacific Corp	UNP	246.69	604	149,071	0.38%	2.17%	0.01%	8.00%	0.03%
Keysight Technologies Inc	KEYS	159.53	173	27,584	0.07%	n/a	n/a	5.50%	0.00%
UnitedHealth Group Inc	UNH	474.96	915	434,452	1.10%	1.77%	0.02%	11.00%	0.12%
Blackstone Inc	BX	161.16	722	116,358	0.30%	3.57%	0.01%	16.00%	0.05%
Ventas Inc	VTR	69.18	437	Excl.	Excl.	2.78%	n/a	23.00%	n/a
Labcorp Holdings Inc	LH	251.04	84	21,012	0.05%	1.15%	0.00%	1.50%	0.00%
Vulcan Materials Co	VMC	247.31	132	32,672	0.08%	0.79%	0.00%	8.00%	0.01%
Weyerhaeuser Co	WY	30.10	726	Excl.	Excl.	2.79%	n/a	-2.00%	n/a
Williams Cos Inc/The	WMB	58.18	1,219	70,943	0.18%	3.44%	0.01%	9.50%	0.02%
Constellation Energy Corp	CEG	250.55	315	Excl.	Excl.	0.62%	n/a	n/a	n/a
WEC Energy Group Inc	WEC	106.69	318	33,901	0.09%	3.35%	0.00%	6.00%	0.01%
Adobe Inc	ADBE	438.56	435	190,905	0.48%	n/a	n/a	13.50%	0.07%
Vistra Corp	VST	133.66	340	Excl.	Excl.	0.67%	n/a	n/a	n/a
AES Corp/The	AES	11.59	711	8,241	0.02%	6.07%	0.00%	14.00%	0.00%
Expeditors International of Washington Inc	EXPD	117.36	138	Excl.	Excl.	1.24%	n/a	-1.50%	n/a
Amgen Inc	AMGN	308.06	537	165,491	0.42%	3.09%	0.01%	5.50%	0.02%
Apple Inc	AAPL	241.84	15,022	3,632,938	9.22%	0.41%	0.04%	9.00%	0.83%
Autodesk Inc	ADSK	274.21	215	58,955	0.15%	n/a	n/a	14.00%	0.02%
Cintas Corp	CTAS	207.50	404	83,735	0.21%	0.75%	0.00%	14.00%	0.03%
Comcast Corp	CMCSA	35.88	3,772	135,324	0.34%	3.68%	0.01%	7.50%	0.03%
Molson Coors Beverage Co	TAP	61.29	190	11,655	0.03%	3.07%	0.00%	11.50%	0.00%
KLA Corp	KLAC	708.84	133	94,195	0.24%	0.96%	0.00%	13.00%	0.03%
Marriott International Inc/MD	MAR	280.45	276	77,319	0.20%	0.90%	0.00%	11.00%	0.02%
Fiserv Inc	FI	235.69	561	132,290	0.34%	n/a	n/a	9.50%	0.03%
McCormick & Co Inc/MD	MKC	82.61	253	20,861	0.05%	2.18%	0.00%	4.50%	0.00%
PACCAR Inc	PCAR	107.24	525	56,280	0.14%	1.23%	0.00%	14.50%	0.02%
Costco Wholesale Corp	COST	1,048.61	444	465,477	1.18%	0.44%	0.01%	11.50%	0.14%
Stryker Corp	SYK	386.19	382	147,362	0.37%	0.87%	0.00%	9.50%	0.04%
Tyson Foods Inc	TSN	61.34	286	17,555	0.04%	3.26%	0.00%	6.00%	0.00%
Lamb Weston Holdings Inc	LW	51.87	143	7,399	0.02%	2.85%	0.00%	10.50%	0.00%
Applied Materials Inc	AMAT	158.07	812	128,423	0.33%	1.01%	0.00%	9.00%	0.03%
Cardinal Health Inc	CAH	129.48	242	31,278	0.08%	1.56%	0.00%	6.50%	0.01%
Cincinnati Financial Corp	CINF	147.81	157	23,136	0.06%	2.35%	0.00%	14.00%	0.01%
Paramount Global	PARA	11.36	630	7,157	0.02%	1.76%	0.00%	3.00%	0.00%
DR Horton Inc	DHI	126.81	315	39,961	0.10%	1.26%	0.00%	4.00%	0.00%
Electronic Arts Inc	EA	129.12	261	33,651	0.09%	0.59%	0.00%	14.00%	0.01%
Erie Indemnity Co	ERIE	428.07	46	19,772	0.05%	1.28%	0.00%	18.00%	0.01%
Fair Isaac Corp	FICO	1,886.35	24	Excl.	Excl.	n/a	n/a	20.50%	n/a
Fastenal Co	FAST	75.73	573	43,427	0.11%	2.27%	0.00%	9.00%	0.01%
M&T Bank Corp	MTB	191.72	164	31,506	0.08%	2.82%	0.00%	5.50%	0.00%
Xcel Energy Inc	XEL	72.10	575	41,425	0.11%	3.16%	0.00%	6.50%	0.01%
Fifth Third Bancorp	FITB	43.47	666	28,934	0.07%	3.40%	0.00%	5.00%	0.00%
Gilead Sciences Inc	GILD	114.31	1,246	142,461	0.36%	2.76%	0.01%	2.50%	0.01%
Hasbro Inc	HAS	65.11	140	9,085	0.02%	4.30%	0.00%	8.50%	0.00%
Huntington Bancshares Inc/OH	HBAN	16.47	1,454	23,943	0.06%	3.76%	0.00%	7.00%	0.00%
Welltower Inc	WELL	153.51	641	Excl.	Excl.	1.75%	n/a	27.50%	n/a
Biogen Inc	BIIB	140.50	146	20,566	0.05%	n/a	n/a	1.00%	0.00%
Northern Trust Corp	NTRS	110.22	196	21,570	0.05%	2.72%	0.00%	5.00%	0.00%
Packaging Corp of America	PKG	213.09	90	19,136	0.05%	2.35%	0.00%	9.00%	0.00%
Paychex Inc	PAYX	151.67	360	54,611	0.14%	2.58%	0.00%	8.00%	0.01%
QUALCOMM Inc	QCOM	157.17	1,106	173,830	0.44%	2.16%	0.01%	6.00%	0.03%
Ross Stores Inc	ROST	140.32	330	46,296	0.12%	1.05%	0.00%	9.50%	0.01%
IDEXX Laboratories Inc	IDXX	437.11	81	35,549	0.09%	n/a	n/a	10.50%	0.01%
Starbucks Corp	SBUX	115.81	1,136	131,549	0.33%	2.11%	0.01%	7.00%	0.02%
KeyCorp	KEY	17.32	1,105	Excl.	Excl.	4.73%	n/a	-1.50%	n/a
Fox Corp	FOXA	57.60	218	12,548	0.03%	0.94%	0.00%	8.50%	0.00%
Fox Corp	FOX	54.07	236	Excl.	Excl.	1.00%	n/a	n/a	n/a
State Street Corp	STT	99.23	288	28,625	0.07%	3.06%	0.00%	7.50%	0.01%
Norwegian Cruise Line Holdings Ltd	NCLH	22.72	440	Excl.	Excl.	n/a	n/a	n/a	n/a
US Bancorp	USB	46.90	1,560	73,159	0.19%	4.26%	0.01%	4.00%	0.01%
A O Smith Corp	AOS	66.48	118	7,822	0.02%	2.05%	0.00%	9.00%	0.00%
Gen Digital Inc	GEN	27.33	616	16,844	0.04%	1.83%	0.00%	10.50%	0.00%
T Rowe Price Group Inc	TROW	105.72	223	23,537	0.06%	4.81%	0.00%	5.50%	0.00%
Waste Management Inc	WM	232.78	402	93,604	0.24%	1.42%	0.00%	8.50%	0.02%
Constellation Brands Inc	STZ	175.50	181	31,714	0.08%	2.30%	0.00%	7.50%	0.01%
Invesco Ltd	IVZ	17.39	448	7,784	0.02%	4.72%	0.00%	10.50%	0.00%
Intuit Inc	INTU	613.84	280	171,606	0.44%	0.68%	0.00%	13.50%	0.06%
Morgan Stanley	MS	133.11	1,613	214,687	0.54%	2.78%	0.02%	9.50%	0.05%
Microchip Technology Inc	MCHP	58.86	538	31,656	0.08%	3.09%	0.00%	1.50%	0.00%

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CrowdStrike Holdings Inc	CRWD	389.66	246	Excl.	Excl.	n/a	n/a		n/a
Chubb Ltd	CB	285.48	400	114,310	0.29%	1.28%	0.00%	11.00%	0.03%
Hologic Inc	HOLX	63.39	224	14,224	0.04%	n/a	n/a	2.00%	0.00%
Citizens Financial Group Inc	CFG	45.77	437	20,008	0.05%	3.67%	0.00%	5.50%	0.00%
Jabil Inc	JBL	154.92	109	16,914	0.04%	0.21%	0.00%	13.50%	0.01%
O'Reilly Automotive Inc	ORLY	1,373.64	58	79,301	0.20%	n/a	n/a	10.50%	0.02%
Allstate Corp/The	ALL	199.15	265	Excl.	Excl.	2.01%	n/a	29.00%	n/a
Equity Residential	EQR	74.17	380	Excl.	Excl.	3.64%	n/a	-4.00%	n/a
BorgWarner Inc	BWA	29.77	219	6,510	0.02%	1.48%	0.00%	5.50%	0.00%
Keurig Dr Pepper Inc	KDP	33.52	1,357	45,478	0.12%	2.74%	0.00%	9.50%	0.01%
Host Hotels & Resorts Inc	HST	16.13	699	11,277	0.03%	4.96%	0.00%	15.00%	0.00%
Incyte Corp	INCY	73.50	194	Excl.	Excl.	n/a	n/a	33.50%	n/a
Simon Property Group Inc	SPG	186.09	326	60,716	0.15%	4.51%	0.01%	3.50%	0.01%
Eastman Chemical Co	EMN	97.85	115	11,269	0.03%	3.39%	0.00%	3.50%	0.00%
AvalonBay Communities Inc	AVB	226.18	142	32,175	0.08%	3.09%	0.00%	5.50%	0.00%
Prudential Financial Inc	PRU	115.10	354	40,745	0.10%	4.69%	0.00%	4.00%	0.00%
United Parcel Service Inc	UPS	119.03	740	88,067	0.22%	5.51%	0.01%	2.50%	0.01%
Walgreens Boots Alliance Inc	WBA	10.68	864	Excl.	Excl.	n/a	n/a	-11.00%	n/a
STERIS PLC	STE	219.26	98	21,542	0.05%	1.04%	0.00%	8.00%	0.00%
McKesson Corp	MCK	640.26	125	80,241	0.20%	0.44%	0.00%	10.00%	0.02%
Lockheed Martin Corp	LMT	450.37	235	106,011	0.27%	2.93%	0.01%	12.00%	0.03%
Cencora Inc	COR	253.54	194	49,114	0.12%	0.87%	0.00%	6.50%	0.01%
Capital One Financial Corp	COF	200.55	381	76,475	0.19%	1.20%	0.00%	2.50%	0.00%
The Campbell's Company	CPB	40.06	298	11,942	0.03%	3.89%	0.00%	7.00%	0.00%
Waters Corp	WAT	377.34	59	22,418	0.06%	n/a	n/a	6.50%	0.00%
Nordson Corp	NDSN	210.29	57	11,968	0.03%	1.48%	0.00%	10.50%	0.00%
Dollar Tree Inc	DLTR	72.86	215	15,668	0.04%	n/a	n/a	20.00%	0.01%
Darden Restaurants Inc	DRI	200.46	117	23,483	0.06%	2.79%	0.00%	10.50%	0.01%
Evergy Inc	EVRG	68.91	230	15,832	0.04%	3.87%	0.00%	7.50%	0.00%
Match Group Inc	MTCH	31.71	250	7,941	0.02%	2.40%	0.00%	11.00%	0.00%
NVR Inc	NVR	7,245.58	3	21,668	0.06%	n/a	n/a	1.50%	0.00%
NetApp Inc	NTAP	99.81	203	20,303	0.05%	2.08%	0.00%	9.00%	0.00%
Old Dominion Freight Line Inc	ODFL	176.50	213	37,514	0.10%	0.63%	0.00%	7.00%	0.01%
DaVita Inc	DVA	147.88	80	11,830	0.03%	n/a	n/a	10.50%	0.00%
Hartford Insurance Group Inc/The	HIG	118.28	285	33,756	0.09%	1.76%	0.00%	7.00%	0.01%
Iron Mountain Inc	IRM	93.17	294	27,368	0.07%	3.37%	0.00%	8.00%	0.01%
Estee Lauder Cos Inc/The	EL	71.91	234	16,839	0.04%	1.95%	0.00%	3.50%	0.00%
Cadence Design Systems Inc	CDNS	250.50	274	68,664	0.17%	n/a	n/a	12.00%	0.02%
Tyler Technologies Inc	TYL	608.43	43	26,171	0.07%	n/a	n/a	8.00%	0.01%
Universal Health Services Inc	UHS	175.25	58	10,121	0.03%	0.46%	0.00%	13.00%	0.00%
Skyworks Solutions Inc	SWKS	66.66	161	Excl.	Excl.	4.20%	n/a		n/a
Quest Diagnostics Inc	DGX	172.90	111	19,188	0.05%	1.85%	0.00%	3.50%	0.00%
Rockwell Automation Inc	ROK	287.15	113	32,469	0.08%	1.82%	0.00%	9.50%	0.01%
Kraft Heinz Co/The	KHC	30.71	1,195	36,698	0.09%	5.21%	0.00%	4.50%	0.00%
American Tower Corp	AMT	205.62	467	96,119	0.24%	3.15%	0.01%	11.00%	0.03%
Regeneron Pharmaceuticals Inc	REGN	698.74	108	75,120	0.19%	0.50%	0.00%	2.00%	0.00%
Amazon.com Inc	AMZN	212.28	10,598	Excl.	Excl.	n/a	n/a	24.50%	n/a
Jack Henry & Associates Inc	JKHY	173.59	73	12,654	0.03%	1.34%	0.00%	6.50%	0.00%
Ralph Lauren Corp	RL	271.14	40	10,814	0.03%	1.22%	0.00%	12.00%	0.00%
BXP Inc	BXP	70.93	158	11,222	0.03%	5.53%	0.00%	0.50%	0.00%
Amphenol Corp	APH	66.60	1,211	80,658	0.20%	0.99%	0.00%	14.00%	0.03%
Howmet Aerospace Inc	HWM	136.60	405	55,326	0.14%	0.29%	0.00%	12.00%	0.02%
Valero Energy Corp	VLO	130.73	315	Excl.	Excl.	3.46%	n/a	-5.00%	n/a
Synopsys Inc	SNPS	457.28	155	70,705	0.18%	n/a	n/a	12.00%	0.02%
CH Robinson Worldwide Inc	CHRW	101.62	119	12,063	0.03%	2.44%	0.00%	5.00%	0.00%
Accenture PLC	ACN	348.50	625	217,980	0.55%	1.70%	0.01%	12.50%	0.07%
TransDigm Group Inc	TDG	1,367.20	56	76,679	0.19%	n/a	n/a	19.00%	0.04%
Yum! Brands Inc	YUM	156.37	279	43,643	0.11%	1.82%	0.00%	10.00%	0.01%
Prologis Inc	PLD	123.92	926	114,772	0.29%	3.26%	0.01%	0.50%	0.00%
FirstEnergy Corp	FE	38.77	577	22,359	0.06%	4.38%	0.00%	5.50%	0.00%
VeriSign Inc	VRSN	237.88	95	22,503	0.06%	n/a	n/a	12.00%	0.01%
Quanta Services Inc	PWR	259.63	148	38,477	0.10%	0.15%	0.00%	18.00%	0.02%
Henry Schein Inc	HSIC	72.17	124	8,962	0.02%	n/a	n/a	8.00%	0.00%
Ameren Corp	AEE	101.56	267	27,067	0.07%	2.80%	0.00%	6.50%	0.00%
ANSYS Inc	ANSS	333.25	88	29,210	0.07%	n/a	n/a	9.50%	0.01%
FactSet Research Systems Inc	FDS	461.74	38	17,560	0.04%	0.90%	0.00%	9.00%	0.00%
NVIDIA Corp	NVDA	124.92	24,400	Excl.	Excl.	0.03%	n/a	41.00%	n/a
Cognizant Technology Solutions Corp	CTSH	83.33	495	41,216	0.10%	1.49%	0.00%	9.00%	0.01%
Intuitive Surgical Inc	ISRG	573.15	357	204,418	0.52%	n/a	n/a	14.00%	0.07%
Take-Two Interactive Software Inc	TTWO	211.98	176	Excl.	Excl.	n/a	n/a		n/a
Republic Services Inc	RSG	237.02	312	74,018	0.19%	0.98%	0.00%	11.00%	0.02%
eBay Inc	EBAY	64.74	466	30,169	0.08%	1.79%	0.00%	11.50%	0.01%
Goldman Sachs Group Inc/The	GS	622.29	312	194,179	0.49%	1.93%	0.01%	7.50%	0.04%
SBA Communications Corp	SBAC	217.90	108	23,449	0.06%	2.04%	0.00%	19.00%	0.01%
Sempra	SRE	71.57	651	46,625	0.12%	3.60%	0.00%	6.00%	0.01%
Moody's Corp	MCO	503.94	180	90,709	0.23%	0.75%	0.00%	8.50%	0.02%
ON Semiconductor Corp	ON	47.05	421	19,828	0.05%	n/a	n/a	7.00%	0.00%

STANDARD AND POOR'S 500 INDEX

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Booking Holdings Inc	BKNG	5,016.01	33	Excl.	Excl.	0.77%	n/a	22.00%	n/a
F5 Inc	FFIV	292.43	58	16,859	0.04%	n/a	n/a	10.00%	0.00%
Akamai Technologies Inc	AKAM	80.68	150	12,128	0.03%	n/a	n/a	6.00%	0.00%
Charles River Laboratories International Inc	CRL	165.31	51	8,454	0.02%	n/a	n/a	4.50%	0.00%
MarketAxess Holdings Inc	MKTX	192.79	38	7,267	0.02%	1.58%	0.00%	9.00%	0.00%
Devon Energy Corp	DVN	36.22	649	23,507	0.06%	2.65%	0.00%	1.50%	0.00%
Bio-Techne Corp	TECH	61.75	158	9,762	0.02%	0.52%	0.00%	11.00%	0.00%
Alphabet Inc	GOOGL	170.28	5,833	Excl.	Excl.	0.47%	n/a	n/a	n/a
Teleflex Inc	TFX	132.75	46	6,155	0.02%	1.02%	0.00%	8.50%	0.00%
Allegion plc	ALLE	128.71	86	11,106	0.03%	1.58%	0.00%	8.50%	0.00%
Netflix Inc	NFLX	980.56	428	419,442	1.06%	n/a	n/a	16.50%	0.18%
Warner Bros Discovery Inc	WBD	11.46	2,455	Excl.	Excl.	n/a	n/a	n/a	n/a
Agilent Technologies Inc	A	127.92	285	36,494	0.09%	0.78%	0.00%	6.50%	0.01%
Trimble Inc	TRMB	71.98	246	17,692	0.04%	n/a	n/a	6.00%	0.00%
Elevance Health Inc	ELV	396.88	227	90,231	0.23%	1.72%	0.00%	9.50%	0.02%
CME Group Inc	CME	253.77	360	91,447	0.23%	1.97%	0.00%	6.00%	0.01%
Juniper Networks Inc	JNPR	36.20	333	12,061	0.03%	2.43%	0.00%	7.00%	0.00%
DTE Energy Co	DTE	133.70	207	27,666	0.07%	3.26%	0.00%	8.50%	0.01%
Celanese Corp	CE	50.94	109	5,569	0.01%	0.24%	0.00%	4.50%	0.00%
Nasdaq Inc	NDAQ	82.78	575	47,611	0.12%	1.16%	0.00%	3.50%	0.00%
Philip Morris International Inc	PM	155.28	1,555	241,438	0.61%	3.48%	0.02%	5.00%	0.03%
Ingersoll Rand Inc	IR	84.78	403	34,173	0.09%	0.09%	0.00%	10.50%	0.01%
Salesforce Inc	CRM	297.85	957	Excl.	Excl.	0.54%	n/a	24.50%	n/a
Roper Technologies Inc	ROP	584.50	107	62,767	0.16%	0.56%	0.00%	9.00%	0.01%
Huntington Ingalls Industries Inc	HII	175.58	39	6,870	0.02%	3.08%	0.00%	10.00%	0.00%
MetLife Inc	MET	86.18	681	58,708	0.15%	2.53%	0.00%	7.50%	0.01%
Tapestry Inc	TPR	85.42	207	17,683	0.04%	1.64%	0.00%	9.00%	0.00%
CSX Corp	CSX	32.01	1,895	60,647	0.15%	1.62%	0.00%	10.00%	0.02%
Edwards Lifesciences Corp	EW	71.62	590	42,241	0.11%	n/a	n/a	6.50%	0.01%
Ameriprise Financial Inc	AMP	537.30	96	51,644	0.13%	1.10%	0.00%	10.00%	0.01%
Zebra Technologies Corp	ZBRA	315.05	51	16,187	0.04%	n/a	n/a	5.50%	0.00%
Zimmer Biomet Holdings Inc	ZBH	104.32	199	20,766	0.05%	0.92%	0.00%	6.50%	0.00%
Camden Property Trust	CPT	124.06	107	Excl.	Excl.	3.39%	n/a	-8.50%	n/a
CBRE Group Inc	CBRE	141.94	300	42,587	0.11%	n/a	n/a	6.00%	0.01%
Mastercard Inc	MA	576.31	905	521,497	1.32%	0.53%	0.01%	14.50%	0.19%
CarMax Inc	KMX	82.97	154	12,761	0.03%	n/a	n/a	3.00%	0.00%
Intercontinental Exchange Inc	ICE	173.23	575	99,532	0.25%	1.11%	0.00%	7.50%	0.02%
Fidelity National Information Services Inc	FIS	71.12	530	37,672	0.10%	2.25%	0.00%	4.50%	0.00%
Smurfit WestRock PLC	SW	52.07	520	Excl.	Excl.	3.31%	n/a	n/a	n/a
Chipotle Mexican Grill Inc	CMG	53.97	1,355	Excl.	Excl.	n/a	n/a	20.50%	n/a
Wynn Resorts Ltd	WYNN	89.32	106	Excl.	Excl.	1.12%	n/a	27.00%	n/a
Live Nation Entertainment Inc	LYV	143.36	233	Excl.	Excl.	n/a	n/a	n/a	n/a
Assurant Inc	AIZ	207.89	51	10,559	0.03%	1.54%	0.00%	9.50%	0.00%
NRG Energy Inc	NRG	105.71	198	20,938	0.05%	1.66%	0.00%	11.00%	0.01%
Monster Beverage Corp	MNST	54.65	973	53,148	0.13%	n/a	n/a	11.50%	0.02%
Regions Financial Corp	RF	23.71	905	21,469	0.05%	4.22%	0.00%	5.00%	0.00%
Baker Hughes Co	BKR	44.59	990	Excl.	Excl.	2.06%	n/a	30.00%	n/a
Mosaic Co/The	MOS	23.92	318	Excl.	Excl.	3.68%	n/a	-11.00%	n/a
Expedia Group Inc	EXPE	197.96	123	Excl.	Excl.	0.81%	n/a	39.00%	n/a
CF Industries Holdings Inc	CF	81.02	170	Excl.	Excl.	2.47%	n/a	n/a	n/a
APA Corp	APA	20.70	370	7,658	0.02%	4.83%	0.00%	6.00%	0.00%
Leidos Holdings Inc	LDOS	129.97	131	17,048	0.04%	1.23%	0.00%	8.00%	0.00%
Alphabet Inc	GOOG	172.22	5,497	946,693	2.40%	0.46%	0.01%	13.50%	0.32%
First Solar Inc	FSLR	136.18	107	Excl.	Excl.	n/a	n/a	34.50%	n/a
Discover Financial Services	DFS	195.19	252	49,111	0.12%	1.43%	0.00%	4.00%	0.00%
Visa Inc	V	362.71	1,723	625,081	1.59%	0.65%	0.01%	13.50%	0.21%
Mid-America Apartment Communities Inc	MAA	168.12	117	Excl.	Excl.	3.60%	n/a	-15.00%	n/a
Xylem Inc/NY	XYL	130.89	243	31,799	0.08%	1.22%	0.00%	12.00%	0.01%
Marathon Petroleum Corp	MPC	150.18	313	Excl.	Excl.	2.42%	n/a	-6.00%	n/a
Tractor Supply Co	TSCO	55.35	532	29,421	0.07%	1.66%	0.00%	10.50%	0.01%
Advanced Micro Devices Inc	AMD	99.86	1,620	161,821	0.41%	n/a	n/a	17.00%	0.07%
ResMed Inc	RMD	233.52	147	34,296	0.09%	0.91%	0.00%	11.00%	0.01%
Mettler-Toledo International Inc	MTD	1,272.72	21	26,621	0.07%	n/a	n/a	9.50%	0.01%
VICI Properties Inc	VICI	32.49	1,043	33,892	0.09%	5.32%	0.00%	10.50%	0.01%
Copart Inc	CPRT	54.80	966	52,942	0.13%	n/a	n/a	9.00%	0.01%
Jacobs Solutions Inc	J	128.11	123	15,699	0.04%	1.00%	0.00%	11.00%	0.00%
Albemarle Corp	ALB	77.03	118	Excl.	Excl.	2.10%	n/a	-3.50%	n/a
Fortinet Inc	FTNT	108.01	769	83,057	0.21%	n/a	n/a	18.00%	0.04%
Moderna Inc	MRNA	30.96	386	Excl.	Excl.	n/a	n/a	-16.00%	n/a
Essex Property Trust Inc	ESS	311.57	64	20,042	0.05%	3.30%	0.00%	4.00%	0.00%
CoStar Group Inc	CSGP	76.25	410	31,272	0.08%	n/a	n/a	11.50%	0.01%
Realty Income Corp	O	57.03	892	50,843	0.13%	5.64%	0.01%	5.00%	0.01%
Westinghouse Air Brake Technologies Corp	WAB	185.36	171	31,668	0.08%	0.54%	0.00%	16.00%	0.01%
Palantir Technologies Inc	PLTR	84.92	2,249	Excl.	Excl.	n/a	n/a	n/a	n/a
Pool Corp	POOL	347.00	38	13,058	0.03%	1.38%	0.00%	0.50%	0.00%
Western Digital Corp	WDC	48.93	348	Excl.	Excl.	n/a	n/a	22.50%	n/a
PepsiCo Inc	PEP	153.47	1,371	210,484	0.53%	3.53%	0.02%	7.50%	0.04%

STANDARD AND POOR'S 500 INDEX

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TE Connectivity PLC	TEL	154.03	298	45,955	0.12%	1.69%	0.00%	10.50%	0.01%
Diamondback Energy Inc	FANG	158.96	289	46,010	0.12%	2.52%	0.00%	2.50%	0.00%
Palo Alto Networks Inc	PANW	190.43	662	Excl.	Excl.	n/a	n/a	n/a	n/a
ServiceNow Inc	NOW	929.76	206	Excl.	Excl.	n/a	n/a	32.50%	n/a
Church & Dwight Co Inc	CHD	111.20	246	27,352	0.07%	1.06%	0.00%	6.50%	0.00%
Federal Realty Investment Trust	FRT	105.42	86	9,032	0.02%	4.17%	0.00%	2.50%	0.00%
MGM Resorts International	MGM	34.76	286	Excl.	Excl.	n/a	n/a	25.00%	n/a
American Electric Power Co Inc	AEP	106.05	533	56,547	0.14%	3.51%	0.01%	6.50%	0.01%
Invitation Homes Inc	INVH	34.01	613	20,838	0.05%	3.41%	0.00%	7.50%	0.00%
PTC Inc	PTC	163.63	120	Excl.	Excl.	n/a	n/a	29.00%	n/a
JB Hunt Transport Services Inc	JBHT	161.19	100	16,120	0.04%	1.09%	0.00%	6.00%	0.00%
Lam Research Corp	LRCX	76.74	1,284	98,508	0.25%	1.20%	0.00%	12.50%	0.03%
Mohawk Industries Inc	MHK	117.59	63	7,360	0.02%	n/a	n/a	1.00%	0.00%
GE HealthCare Technologies Inc	GEHC	87.35	457	Excl.	Excl.	0.16%	n/a	n/a	n/a
Pentair PLC	PNR	94.20	165	15,526	0.04%	1.06%	0.00%	12.00%	0.00%
Vertex Pharmaceuticals Inc	VRTX	479.79	257	123,205	0.31%	n/a	n/a	10.00%	0.03%
Amcor PLC	AMCR	10.12	1,445	14,627	0.04%	5.04%	0.00%	11.50%	0.00%
Meta Platforms Inc	META	668.20	2,190	1,463,290	3.71%	0.31%	0.01%	19.00%	0.71%
T-Mobile US Inc	TMUS	269.69	1,142	307,917	0.78%	1.31%	0.01%	18.00%	0.14%
United Rentals Inc	URI	642.32	65	41,948	0.11%	1.11%	0.00%	19.00%	0.02%
Alexandria Real Estate Equities Inc	ARE	102.26	173	17,700	0.04%	5.16%	0.00%	9.50%	0.00%
Honeywell International Inc	HON	212.89	650	138,361	0.35%	2.12%	0.01%	11.00%	0.04%
Delta Air Lines Inc	DAL	60.12	646	Excl.	Excl.	1.00%	n/a	28.00%	n/a
United Airlines Holdings Inc	UAL	93.81	329	Excl.	Excl.	n/a	n/a	n/a	n/a
Seagate Technology Holdings PLC	STX	101.91	212	Excl.	Excl.	2.83%	n/a	31.00%	n/a
News Corp	NWS	32.28	189	Excl.	Excl.	0.62%	n/a	n/a	n/a
Centene Corp	CNC	58.16	496	28,850	0.07%	n/a	n/a	9.50%	0.01%
Apollo Global Management Inc	APO	149.27	570	Excl.	Excl.	1.24%	n/a	23.50%	n/a
Martin Marietta Materials Inc	MLM	483.14	61	29,459	0.07%	0.65%	0.00%	11.00%	0.01%
Teradyne Inc	TER	109.86	162	17,766	0.05%	0.44%	0.00%	10.50%	0.00%
PayPal Holdings Inc	PYPL	71.05	989	70,286	0.18%	n/a	n/a	11.50%	0.02%
Tesla Inc	TSLA	292.98	3,217	942,375	2.39%	n/a	n/a	16.50%	0.39%
Blackrock Inc	BLK	977.78	155	151,804	0.39%	2.13%	0.01%	9.50%	0.04%
KKR & Co Inc	KKR	135.59	888	120,435	0.31%	0.52%	0.00%	5.00%	0.02%
Arch Capital Group Ltd	ACGL	92.91	375	34,874	0.09%	n/a	n/a	15.00%	0.01%
Dow Inc	DOW	38.11	700	Excl.	Excl.	7.35%	n/a	n/a	n/a
Everest Group Ltd	EG	353.22	43	15,165	0.04%	2.26%	0.00%	14.50%	0.01%
Teledyne Technologies Inc	TDY	515.02	47	24,121	0.06%	n/a	n/a	8.00%	0.00%
Domino's Pizza Inc	DPZ	489.71	34	16,795	0.04%	1.42%	0.00%	12.50%	0.01%
GE Vernova Inc	GEV	335.18	276	Excl.	Excl.	0.30%	n/a	n/a	n/a
News Corp	NWSA	28.62	378	10,820	0.03%	0.70%	0.00%	14.50%	0.00%
Exelon Corp	EXC	44.20	1,005	Excl.	Excl.	3.62%	n/a	n/a	n/a
Global Payments Inc	GPN	105.28	248	26,069	0.07%	0.95%	0.00%	13.50%	0.01%
Crown Castle Inc	CCI	94.10	435	Excl.	Excl.	6.65%	n/a	-0.50%	n/a
Align Technology Inc	ALGN	187.03	74	13,765	0.03%	n/a	n/a	17.00%	0.01%
Kenvue Inc	KVUE	23.60	1,911	Excl.	Excl.	3.47%	n/a	n/a	n/a
Targa Resources Corp	TRGP	201.72	218	Excl.	Excl.	1.49%	n/a	22.00%	n/a
Bunge Global SA	BG	74.19	134	9,939	0.03%	3.67%	0.00%	0.00%	0.00%
LKQ Corp	LKQ	42.19	259	10,934	0.03%	2.84%	0.00%	7.00%	0.00%
Deckers Outdoor Corp	DECK	139.36	152	21,151	0.05%	n/a	n/a	16.00%	0.01%
Workday Inc	WDAY	263.34	214	56,355	0.14%	n/a	n/a	15.50%	0.02%
Zoetis Inc	ZTS	167.24	448	74,889	0.19%	1.20%	0.00%	7.50%	0.01%
Equinix Inc	EQIX	904.62	97	88,048	0.22%	2.07%	0.00%	15.00%	0.03%
Digital Realty Trust Inc	DLR	156.32	337	Excl.	Excl.	3.12%	n/a	-5.00%	n/a
Molina Healthcare Inc	MOH	301.12	56	16,712	0.04%	n/a	n/a	10.50%	0.00%
Las Vegas Sands Corp	LVS	44.71	716	Excl.	Excl.	2.24%	n/a	n/a	n/a

Notes:

[4] Source: Bloomberg Professional

[5] Source: Bloomberg Professional

[6] Equals [4] x [5], excluding companies with growth rates <0% or >20%

[7] Equals [6] / Sum of Column [6], excluding companies with growth rates <0% or >20%

[8] Source: Bloomberg Professional

[9] Equals [7] x [8]

[10] Source: Value Line, as of February 28, 2025

[11] Equals [7] x [10]

JCN-6

CAPITAL ASSET PRICING MODEL (“CAPM”) ANALYSIS

CAPITAL ASSET PRICING MODEL - CURRENT RISK-FREE RATE, VALUE LINE BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Current 30-day average of 30-year U.S. Treasury bond yield	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker					
Atmos Energy Corporation	ATO	4.73%	0.90	15.16%	10.43%	14.12%
New Jersey Resources Corporation	NJR	4.73%	1.00	15.16%	10.43%	15.16%
NiSource Inc.	NI	4.73%	0.95	15.16%	10.43%	14.64%
Northwest Natural Gas Company	NWN	4.73%	0.90	15.16%	10.43%	14.12%
ONE Gas Inc.	OGS	4.73%	0.85	15.16%	10.43%	13.60%
Southwest Gas Holdings, Inc.	SWX	4.73%	0.95	15.16%	10.43%	14.64%
Spire, Inc.	SR	4.73%	0.90	15.16%	10.43%	14.12%
Median			0.90			14.12%
Mean			0.92			14.34%

Notes:

- [1] Source: Bloomberg Professional, 30-day average as of February 28, 2025
 [2] Source: Value Line Reports
 [3] Source: Exhibit JCN-5, page 1
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- NEAR-TERM PROJECTED RISK-FREE RATE, VALUE LINE BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Near-term projected 30-year U.S. Treasury bond yield (Q1 2025 - Q1 2026)	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker					
Atmos Energy Corporation	ATO	4.64%	0.90	15.16%	10.52%	14.11%
New Jersey Resources Corporation	NJR	4.64%	1.00	15.16%	10.52%	15.16%
NiSource Inc.	NI	4.64%	0.95	15.16%	10.52%	14.64%
Northwest Natural Gas Company	NWN	4.64%	0.90	15.16%	10.52%	14.11%
ONE Gas Inc.	OGS	4.64%	0.85	15.16%	10.52%	13.58%
Southwest Gas Holdings, Inc.	SWX	4.64%	0.95	15.16%	10.52%	14.64%
Spire, Inc.	SR	4.64%	0.90	15.16%	10.52%	14.11%
Median			0.90			14.11%
Mean			0.92			14.33%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 44, No. 3, February 28, 2025 at 2
 [2] Source: Value Line Reports
 [3] Source: Exhibit JCN-5, page 1
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- LONG-TERM PROJECTED RISK-FREE RATE, VALUE LINE BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Projected 30-year U.S. Treasury bond yield (2026 - 2030)	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker					
Atmos Energy Corporation	ATO	4.30%	0.90	15.16%	10.86%	14.08%
New Jersey Resources Corporation	NJR	4.30%	1.00	15.16%	10.86%	15.16%
NiSource Inc.	NI	4.30%	0.95	15.16%	10.86%	14.62%
Northwest Natural Gas Company	NWN	4.30%	0.90	15.16%	10.86%	14.08%
ONE Gas Inc.	OGS	4.30%	0.85	15.16%	10.86%	13.53%
Southwest Gas Holdings, Inc.	SWX	4.30%	0.95	15.16%	10.86%	14.62%
Spire, Inc.	SR	4.30%	0.90	15.16%	10.86%	14.08%
Median			0.90			14.08%
Mean			0.92			14.31%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 43, No. 6, November 27, 2024 at 14
 [2] Source: Value Line Reports
 [3] Source: Exhibit JCN-5, page 1
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL – CURRENT RISK-FREE RATE, BLOOMBERG BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES
 $K = R_f + \beta (R_m - R_f)$

Company	Ticker	[1]	[2]	[3]	[4]	[5]
		Current 30-day average of 30-year U.S. Treasury bond yield	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Atmos Energy Corporation	ATO	4.73%	0.75	15.16%	10.43%	12.54%
New Jersey Resources Corporation	NJR	4.73%	0.79	15.16%	10.43%	12.99%
NiSource Inc.	NI	4.73%	0.79	15.16%	10.43%	12.94%
Northwest Natural Gas Company	NWN	4.73%	0.70	15.16%	10.43%	12.04%
ONE Gas Inc.	OGS	4.73%	0.76	15.16%	10.43%	12.70%
Southwest Gas Holdings, Inc.	SWX	4.73%	0.83	15.16%	10.43%	13.38%
Spire, Inc.	SR	4.73%	0.77	15.16%	10.43%	12.74%
Median			0.77			12.74%
Mean			0.77			12.76%

Notes:

- [1] Source: Bloomberg Professional, 30-day average as of February 28, 2025
 [2] Source: Bloomberg Professional, as of February 28, 2025
 [3] Source: Exhibit JCN-5, page 1
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL – NEAR-TERM PROJECTED RISK-FREE RATE, BLOOMBERG BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES
 $K = R_f + \beta (R_m - R_f)$

Company	Ticker	[1]	[2]	[3]	[4]	[5]
		Near-term projected 30-year U.S. Treasury bond yield (Q1 2025 - Q1 2026)	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Atmos Energy Corporation	ATO	4.64%	0.75	15.16%	10.52%	12.52%
New Jersey Resources Corporation	NJR	4.64%	0.79	15.16%	10.52%	12.98%
NiSource Inc.	NI	4.64%	0.79	15.16%	10.52%	12.92%
Northwest Natural Gas Company	NWN	4.64%	0.70	15.16%	10.52%	12.01%
ONE Gas Inc.	OGS	4.64%	0.76	15.16%	10.52%	12.68%
Southwest Gas Holdings, Inc.	SWX	4.64%	0.83	15.16%	10.52%	13.37%
Spire, Inc.	SR	4.64%	0.77	15.16%	10.52%	12.72%
Median			0.77			12.72%
Mean			0.77			12.74%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 44, No. 3, February 28, 2025 at 2
 [2] Source: Bloomberg Professional, as of February 28, 2025
 [3] Source: Exhibit JCN-5, page 1
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL – LONG-TERM PROJECTED RISK-FREE RATE, BLOOMBERG BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - ALL COMPANIES
 $K = R_f + \beta (R_m - R_f)$

Company	Ticker	[1]	[2]	[3]	[4]	[5]
		Projected 30-year U.S. Treasury bond yield (2026 - 2030)	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Atmos Energy Corporation	ATO	4.30%	0.75	15.16%	10.86%	12.43%
New Jersey Resources Corporation	NJR	4.30%	0.79	15.16%	10.86%	12.91%
NiSource Inc.	NI	4.30%	0.79	15.16%	10.86%	12.85%
Northwest Natural Gas Company	NWN	4.30%	0.70	15.16%	10.86%	11.91%
ONE Gas Inc.	OGS	4.30%	0.76	15.16%	10.86%	12.60%
Southwest Gas Holdings, Inc.	SWX	4.30%	0.83	15.16%	10.86%	13.31%
Spire, Inc.	SR	4.30%	0.77	15.16%	10.86%	12.64%
Median			0.77			12.64%
Mean			0.77			12.66%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 43, No. 6, November 27, 2024 at 14
 [2] Source: Bloomberg Professional, as of February 28, 2025
 [3] Source: Exhibit JCN-5, page 1
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- CURRENT RISK-FREE RATE, VALUE LINE BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Current 30-day average of 30-year U.S. Treasury bond yield	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker					
Atmos Energy Corporation	ATO	4.73%	0.90	11.54%	6.81%	10.86%
New Jersey Resources Corporation	NJR	4.73%	1.00	11.54%	6.81%	11.54%
NiSource Inc.	NI	4.73%	0.95	11.54%	6.81%	11.20%
Northwest Natural Gas Company	NWN	4.73%	0.90	11.54%	6.81%	10.86%
ONE Gas Inc.	OGS	4.73%	0.85	11.54%	6.81%	10.52%
Southwest Gas Holdings, Inc.	SWX	4.73%	0.95	11.54%	6.81%	11.20%
Spire, Inc.	SR	4.73%	0.90	11.54%	6.81%	10.86%
Median			0.90			10.86%
Mean			0.92			11.01%

Notes:

- [1] Source: Bloomberg Professional, 30-day average as of February 28, 2025
 [2] Source: Value Line Reports
 [3] Source: Exhibit JCN-5, page 8
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- NEAR-TERM PROJECTED RISK-FREE RATE, VALUE LINE BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Near-term projected 30-year U.S. Treasury bond yield (Q1 2025 - Q1 2026)	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker					
Atmos Energy Corporation	ATO	4.64%	0.90	11.54%	6.90%	10.85%
New Jersey Resources Corporation	NJR	4.64%	1.00	11.54%	6.90%	11.54%
NiSource Inc.	NI	4.64%	0.95	11.54%	6.90%	11.20%
Northwest Natural Gas Company	NWN	4.64%	0.90	11.54%	6.90%	10.85%
ONE Gas Inc.	OGS	4.64%	0.85	11.54%	6.90%	10.51%
Southwest Gas Holdings, Inc.	SWX	4.64%	0.95	11.54%	6.90%	11.20%
Spire, Inc.	SR	4.64%	0.90	11.54%	6.90%	10.85%
Median			0.90			10.85%
Mean			0.92			11.00%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 44, No. 3, February 28, 2025 at 2
 [2] Source: Value Line Reports
 [3] Source: Exhibit JCN-5, page 8
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- LONG-TERM PROJECTED RISK-FREE RATE, VALUE LINE BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Projected 30-year U.S. Treasury bond yield (2026 - 2030)	Beta (β)	Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker					
Atmos Energy Corporation	ATO	4.30%	0.90	11.54%	7.24%	10.82%
New Jersey Resources Corporation	NJR	4.30%	1.00	11.54%	7.24%	11.54%
NiSource Inc.	NI	4.30%	0.95	11.54%	7.24%	11.18%
Northwest Natural Gas Company	NWN	4.30%	0.90	11.54%	7.24%	10.82%
ONE Gas Inc.	OGS	4.30%	0.85	11.54%	7.24%	10.46%
Southwest Gas Holdings, Inc.	SWX	4.30%	0.95	11.54%	7.24%	11.18%
Spire, Inc.	SR	4.30%	0.90	11.54%	7.24%	10.82%
Median			0.90			10.82%
Mean			0.92			10.97%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 43, No. 6, November 27, 2024 at 14
 [2] Source: Value Line Reports
 [3] Source: Exhibit JCN-5, page 8
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- CURRENT RISK-FREE RATE, BLOOMBERG BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Current 30-day average of 30-year U.S. Treasury bond yield		Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker		Beta (β)			
Atmos Energy Corporation	ATO	4.73%	0.75	11.54%	6.81%	9.83%
New Jersey Resources Corporation	NJR	4.73%	0.79	11.54%	6.81%	10.13%
NiSource Inc.	NI	4.73%	0.79	11.54%	6.81%	10.09%
Northwest Natural Gas Company	NWN	4.73%	0.70	11.54%	6.81%	9.50%
ONE Gas Inc.	OGS	4.73%	0.76	11.54%	6.81%	9.94%
Southwest Gas Holdings, Inc.	SWX	4.73%	0.83	11.54%	6.81%	10.38%
Spire, Inc.	SR	4.73%	0.77	11.54%	6.81%	9.96%
Median			0.77			9.96%
Mean			0.77			9.98%

Notes:

- [1] Source: Bloomberg Professional, 30-day average as of February 28, 2025
 [2] Source: Bloomberg Professional, as of February 28, 2025
 [3] Source: Exhibit JCN-5, page 8
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- NEAR-TERM PROJECTED RISK-FREE RATE, BLOOMBERG BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Near-term projected 30-year U.S. Treasury bond yield (Q1 2025 - Q1 2026)		Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker		Beta (β)			
Atmos Energy Corporation	ATO	4.64%	0.75	11.54%	6.90%	9.81%
New Jersey Resources Corporation	NJR	4.64%	0.79	11.54%	6.90%	10.11%
NiSource Inc.	NI	4.64%	0.79	11.54%	6.90%	10.08%
Northwest Natural Gas Company	NWN	4.64%	0.70	11.54%	6.90%	9.48%
ONE Gas Inc.	OGS	4.64%	0.76	11.54%	6.90%	9.92%
Southwest Gas Holdings, Inc.	SWX	4.64%	0.83	11.54%	6.90%	10.37%
Spire, Inc.	SR	4.64%	0.77	11.54%	6.90%	9.94%
Median			0.77			9.94%
Mean			0.77			9.96%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 44, No. 3, February 28, 2025 at 2
 [2] Source: Bloomberg Professional, as of February 28, 2025
 [3] Source: Exhibit JCN-5, page 8
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- LONG-TERM PROJECTED RISK-FREE RATE, BLOOMBERG BETA, AND
MARKET RISK PREMIUM DERIVED FROM S&P 500 - FERC METHODOLOGY
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Projected 30-year U.S. Treasury bond yield (2026 - 2030)		Market Return (Rm)	Market Risk Premium (Rm - Rf)	ROE (K)
Company	Ticker		Beta (β)			
Atmos Energy Corporation	ATO	4.30%	0.75	11.54%	7.24%	9.72%
New Jersey Resources Corporation	NJR	4.30%	0.79	11.54%	7.24%	10.04%
NiSource Inc.	NI	4.30%	0.79	11.54%	7.24%	10.00%
Northwest Natural Gas Company	NWN	4.30%	0.70	11.54%	7.24%	9.37%
ONE Gas Inc.	OGS	4.30%	0.76	11.54%	7.24%	9.84%
Southwest Gas Holdings, Inc.	SWX	4.30%	0.83	11.54%	7.24%	10.31%
Spire, Inc.	SR	4.30%	0.77	11.54%	7.24%	9.86%
Median			0.77			9.86%
Mean			0.77			9.88%

Notes:

- [1] Source: Blue Chip Financial Forecasts, Vol. 43, No. 6, November 27, 2024 at 14
 [2] Source: Bloomberg Professional, as of February 28, 2025
 [3] Source: Exhibit JCN-5, page 8
 [4] Equals [3] - [1]
 [5] Equals [1] + [2] x [4]

JCN-7

BOND YIELD PLUS RISK PREMIUM ANALYSIS

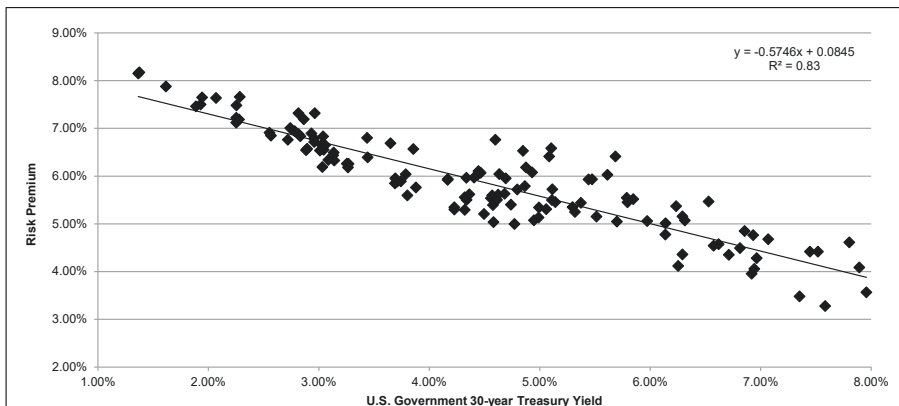
BOND YIELD PLUS RISK PREMIUM ANALYSIS
Risk Premium -- Natural Gas Utilities (US)

	[1]	[2]	[3]
	Average Authorized Gas ROE	U.S. Govt. 30- year Treasury	Risk Premium
1992.1	12.42%	7.80%	4.62%
1992.2	11.98%	7.89%	4.09%
1992.3	11.87%	7.45%	4.42%
1992.4	11.94%	7.52%	4.42%
1993.1	11.75%	7.07%	4.68%
1993.2	11.71%	6.86%	4.85%
1993.3	11.39%	6.31%	5.07%
1993.4	11.16%	6.14%	5.02%
1994.1	11.12%	6.57%	4.55%
1994.2	10.84%	7.35%	3.48%
1994.3	10.87%	7.58%	3.28%
1994.4	11.53%	7.96%	3.57%
1995.2	11.00%	6.94%	4.06%
1995.3	11.07%	6.71%	4.35%
1995.4	11.61%	6.23%	5.37%
1996.1	11.45%	6.29%	5.16%
1996.2	10.88%	6.92%	3.96%
1996.3	11.25%	6.96%	4.29%
1996.4	11.19%	6.62%	4.58%
1997.1	11.31%	6.81%	4.49%
1997.2	11.70%	6.93%	4.77%
1997.3	12.00%	6.53%	5.47%
1997.4	10.92%	6.14%	4.78%
1998.2	11.37%	5.85%	5.52%
1998.3	11.41%	5.47%	5.94%
1998.4	11.69%	5.10%	6.59%
1999.1	10.82%	5.37%	5.44%
1999.2	11.25%	5.79%	5.46%
1999.4	10.38%	6.25%	4.12%
2000.1	10.66%	6.29%	4.36%
2000.2	11.03%	5.97%	5.06%
2000.3	11.33%	5.79%	5.55%
2000.4	12.10%	5.69%	6.41%
2001.1	11.38%	5.44%	5.93%
2001.2	10.75%	5.70%	5.05%
2001.4	10.65%	5.30%	5.35%
2002.1	10.67%	5.51%	5.15%
2002.2	11.64%	5.61%	6.03%
2002.3	11.50%	5.08%	6.42%
2002.4	11.01%	4.93%	6.08%
2003.1	11.38%	4.85%	6.53%
2003.2	11.36%	4.60%	6.76%
2003.3	10.61%	5.11%	5.50%
2003.4	10.84%	5.11%	5.73%
2004.1	11.06%	4.88%	6.18%
2004.2	10.57%	5.32%	5.25%
2004.3	10.37%	5.06%	5.31%
2004.4	10.66%	4.86%	5.79%
2005.1	10.65%	4.69%	5.96%
2005.2	10.54%	4.47%	6.07%
2005.3	10.47%	4.44%	6.03%
2005.4	10.28%	4.68%	5.63%
2006.1	10.68%	4.63%	6.05%
2006.2	10.60%	5.14%	5.46%
2006.3	10.34%	4.99%	5.34%
2006.4	10.14%	4.74%	5.40%
2007.1	10.52%	4.80%	5.72%
2007.2	10.13%	4.99%	5.14%
2007.3	10.03%	4.95%	5.08%
2007.4	10.12%	4.61%	5.50%
2008.1	10.38%	4.41%	5.97%
2008.2	10.17%	4.57%	5.60%
2008.3	10.55%	4.44%	6.11%
2008.4	10.34%	3.65%	6.69%
2009.1	10.24%	3.44%	6.81%
2009.2	10.11%	4.17%	5.94%
2009.3	9.88%	4.32%	5.56%
2009.4	10.31%	4.34%	5.97%
2010.1	10.24%	4.62%	5.61%
2010.2	9.99%	4.36%	5.62%
2010.3	10.43%	3.86%	6.57%
2010.4	10.09%	4.17%	5.93%
2011.1	10.10%	4.56%	5.54%
2011.2	9.85%	4.34%	5.51%
2011.3	9.65%	3.69%	5.96%
2011.4	9.88%	3.04%	6.84%
2012.1	9.63%	3.14%	6.50%
2012.2	9.83%	2.93%	6.90%
2012.3	9.75%	2.74%	7.01%
2012.4	10.06%	2.86%	7.19%
2013.1	9.57%	3.13%	6.44%
2013.2	9.47%	3.14%	6.33%
2013.3	9.60%	3.71%	5.89%
2013.4	9.83%	3.79%	6.04%
2014.1	9.54%	3.69%	5.85%
2014.2	9.84%	3.44%	6.39%
2014.3	9.45%	3.26%	6.19%

BOND YIELD PLUS RISK PREMIUM ANALYSIS
Risk Premium -- Natural Gas Utilities (US)

	[1]	[2]	[3]
	Average Authorized Gas ROE	U.S. Govt. 30- year Treasury	Risk Premium
2014.4	10.28%	2.96%	7.32%
2015.1	9.47%	2.55%	6.91%
2015.2	9.43%	2.88%	6.55%
2015.3	9.75%	2.96%	6.79%
2015.4	9.68%	2.96%	6.72%
2016.1	9.48%	2.72%	6.76%
2016.2	9.42%	2.57%	6.85%
2016.3	9.47%	2.28%	7.19%
2016.4	9.67%	2.83%	6.84%
2017.1	9.60%	3.04%	6.56%
2017.2	9.47%	2.90%	6.58%
2017.3	10.14%	2.82%	7.32%
2017.4	9.70%	2.82%	6.88%
2018.1	9.68%	3.02%	6.66%
2018.2	9.43%	3.09%	6.34%
2018.3	9.71%	3.06%	6.65%
2018.4	9.53%	3.27%	6.26%
2019.1	9.55%	3.01%	6.54%
2019.2	9.73%	2.78%	6.94%
2019.3	9.95%	2.29%	7.66%
2019.4	9.74%	2.25%	7.48%
2020.1	9.35%	1.89%	7.46%
2020.2	9.55%	1.38%	8.17%
2020.3	9.52%	1.37%	8.15%
2020.4	9.50%	1.62%	7.88%
2021.1	9.71%	2.07%	7.64%
2021.2	9.48%	2.25%	7.22%
2021.3	9.43%	1.93%	7.50%
2021.4	9.59%	1.94%	7.65%
2022.1	9.38%	2.25%	7.12%
2022.2	9.23%	3.03%	6.19%
2022.3	9.52%	3.26%	6.26%
2022.4	9.65%	3.88%	5.77%
2023.1	9.64%	3.74%	5.89%
2023.2	9.40%	3.80%	5.60%
2023.3	9.53%	4.23%	5.30%
2023.4	9.620%	4.58%	5.04%
2024.1	9.617%	4.32%	5.29%
2024.2	9.97%	4.58%	5.40%
2024.3	9.58%	4.23%	5.35%
2024.4	9.70%	4.50%	5.21%
2025.1	9.70%	4.77%	5.00%
AVERAGE	10.36%	4.48%	5.88%
MEDIAN	10.17%	4.50%	5.93%

BOND YIELD PLUS RISK PREMIUM ANALYSIS
Risk Premium -- Natural Gas Utilities (US)



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.91062912
R Square	0.829245395
Adjusted R Square	0.82790087
Standard Error	0.004167427
Observations	129

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.010711502	0.010711502	616.7573919	1.39573E-50
Residual	127	0.002205666	1.73674E-05		
Total	128	0.012917168			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	0.084513999	0.001100026	76.82906419	2.4915E-108	0.082337245	0.08669075
X Variable 1	-0.574635284	0.023138495	-24.8346007	1.39573E-50	-0.62042219	-0.5288484

	[7]	[8]	[9]
	U.S. Govt. 30-year Treasury	Risk Premium	ROE
Current 30-day average of 30-year U.S. Treasury bond yield [4]	4.73%	5.73%	10.46%
Blue Chip Near-Term Projected Forecast (Q2 2025 - Q2 2026) [5]	4.64%	5.79%	10.43%
Blue Chip Long-Term Projected Forecast (2026-2030) [6]	4.30%	5.98%	10.28%
AVERAGE			10.39%

Notes:

- [1] Source: Regulatory Research Associates, rate cases through February 28, 2025
- [2] Source: Bloomberg Professional, quarterly bond yields are the average of each trading day in the quarter
- [3] Equals Column [1] - Column [2]
- [4] Source: Bloomberg Professional, 30-day average as of February 28, 2025
- [5] Source: Blue Chip Financial Forecasts, Vol. 44, No. 3, February 28, 2025 at 2
- [6] Source: Blue Chip Financial Forecasts, Vol. 43, No. 6, November 27, 2024 at 14
- [7] See notes [4], [5] & [6]
- [8] Equals $0.084514 + (-0.574635 \times \text{Column [7]})$
- [9] Equals Column [7] + Column [8]

JCN-8

EXPECTED EARNINGS ANALYSIS

EXPECTED EARNINGS ANALYSIS

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
	Value Line ROE 2027-2029	Value Line Total Capital 2023	Value Line Common Equity Ratio 2023	Total Equity 2023	Value Line Total Capital 2027-2029	Value Line Common Equity Ratio 2027-2029	Total Equity 2027-2029	Compound Annual Growth Rate	Adjustment Factor	Adjusted Return on Common Equity
Atmos Energy Corporation	9.00%	20,018.00	60.70%	12,151	30,000.00	60.00%	18,000.00	8.18%	1.039	9.35%
New Jersey Resources Corporation	14.50%	5,079.90	43.30%	2,200	6,300.00	45.00%	2,835.00	5.21%	1.025	14.87%
NiSource Inc.	10.00%	22,800.00	46.00%	10,488	30,000.00	45.00%	13,500.00	5.18%	1.025	10.25%
Northwest Natural Gas Company	8.00%	3,150.00	45.00%	1,418	4,915.00	45.00%	2,211.75	9.31%	1.044	8.36%
ONE Gas Inc.	7.50%	5,415.00	54.00%	2,924	7,200.00	55.00%	3,960.00	6.25%	1.030	7.73%
Southwest Gas Holdings, Inc.	8.50%	8,200.00	45.00%	3,690	10,000.00	44.00%	4,400.00	3.58%	1.018	8.65%
Spire, Inc.	9.00%	6,937.10	43.10%	2,990	9,250.00	45.00%	4,162.50	6.84%	1.033	9.30%
Median										9.30%
Mean										9.79%

Notes:

- [1] Source: Value Line
- [2] Source: Value Line
- [3] Source: Value Line
- [4] Equals [2] x [3]
- [5] Source: Value Line
- [6] Source: Value Line
- [7] Equals [5] x [6]
- [8] Equals $([7] / [4]) ^ (1/5) - 1$
- [9] Equals $2 \times (1 + [8]) / (2 + [8])$
- [10] Equals [1] x [9]

JCN-9

REGULATORY FRAMEWORK COMPARISON

COMPARISON OF PROXY GROUP COMPANIES
REGULATORY FRAMEWORK

Company	[1] Jurisdiction/Service	[2] Test Year	[3] Rate Base	[4] Revenue Decoupling	[4] Capital Cost Recovery Mechanism		
Atmos Energy Corporation	Kansas - Gas	Historical	Year End	Partial	Yes		
	Kentucky - Gas	Fully Forecast	Average	Partial	Yes		
	Louisiana - Gas	Partially Forecast	Average	Partial	No		
	Mississippi - Gas	Fully Forecast	Year End	Partial	Yes		
	Tennessee - Gas	Historical	Average	Partial	No		
New Jersey Resources Corporation NiSource Inc.	Texas - Gas	Historical	Year End	Partial	Yes		
	New Jersey - Gas	Partially Forecast	Year End	Full	Yes		
	Indiana - Gas	Fully Forecast	Year End	No	Yes		
	Kentucky - Gas	Fully Forecast	Average	Partial	Yes		
	Maryland - Gas	Historical	Average	Partial	Yes		
Northwest Natural Gas Company	Ohio - Gas	Partially Forecast	Year End	No	Yes		
	Pennsylvania - Gas	Fully Forecast	Year End	Partial	Yes		
	Virginia - Gas	Fully Forecast	Average	Partial	Yes		
	Oregon - Gas	Fully Forecast	Average	Partial	Yes		
	Washington - Gas	Historical	Average	No	No		
ONE Gas, Inc.	Kansas - Gas	Historical	Year End	Partial	Yes		
	Oklahoma - Gas	Historical	Year End	Partial	No		
Southwest Gas Holdings, Inc.	Texas - Gas	Historical	Year End	Partial	Yes		
	Arizona - Gas	Historical	Year End	Full	Yes		
	California - Gas	Fully Forecast	Average	Full	No		
Spire, Inc.	Nevada - Gas	Historical	Year End	Full	Yes		
	Spire Alabama Inc.	Historical	Average	Partial	No		
	Spire Gulf Inc.	Historical	Year End	Partial	No		
Proxy Group Operating Company Count	Fully Forecast	8	Year End	14	4	Yes	17
	Partially Forecast	3	Average	10	17	No	7
	Historical	13	Date Certain	0	No	3	
Southern California Gas	Forecast	45.83%	Year End	Year End	RDM	CCRIM	70.83%
	Forecast	Forecast	58.33%	87.50%	87.50%	Full	

Notes

[1] - [2] Source: S&P Global - Market Intelligence Rate Case History (Past Rate Cases), accessed 8/31/2024
 [3] - [4] Source: "Adjustment Clauses: A State-by-state Overview," Regulatory Research Associates, Jul 2022. Operating subsidiaries not covered in this report were excluded from this exhibit.

JCN-10

CAPITAL STRUCTURE ANALYSIS

CAPITAL STRUCTURE ANALYSIS

COMMON EQUITY RATIO [1]

Proxy Group Company	Ticker	2023	2022	2021	2021-2023 Average
Atmos Energy Corporation	ATO	60.20%	60.01%	59.88%	60.03%
New Jersey Resources Corporation	NJR	55.15%	53.98%	55.19%	54.77%
NiSource Inc.	NI	55.39%	54.17%	54.85%	54.80%
Northwest Natural Holding Company	NWN	47.26%	53.27%	49.57%	50.03%
ONE Gas, Inc.	OGS	60.41%	58.24%	61.09%	59.92%
Southwest Gas Holdings, Inc.	SWX	47.45%	43.96%	50.70%	47.37%
Spire Inc.	SR	46.27%	49.43%	51.66%	49.12%
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Proxy Group					
MEAN		53.16%	53.30%	54.71%	53.72%
LOW		46.27%	43.96%	49.57%	47.37%
HIGH		60.41%	60.01%	61.09%	60.03%

COMMON EQUITY RATIO - UTILITY OPERATING COMPANIES

Company Name	Ticker	2023	2022	2021	2021-2023 Average
Atmos Energy Corporation	ATO	60.20%	60.01%	59.88%	60.03%
New Jersey Natural Gas Company	NJR	55.15%	53.98%	55.19%	54.77%
Columbia Gas of Kentucky, Incorporated	NI	53.66%	54.91%	53.87%	54.15%
Columbia Gas of Maryland, Incorporated	NI	52.00%	51.96%	55.26%	53.07%
Columbia Gas of Ohio, Inc.	NI	50.50%	50.67%	50.79%	50.65%
Columbia Gas of Pennsylvania, Inc.	NI	55.88%	56.64%	56.05%	56.19%
Columbia Gas of Virginia, Incorporated	NI	45.25%	44.25%	44.52%	44.67%
Northern Indiana Public Service Company, LLC	NI	59.14%	56.92%	58.59%	58.22%
Northwest Natural Gas Company	NWN	47.26%	53.27%	49.57%	50.03%
Kansas Gas Service Company, Inc.	OGS	60.44%	58.37%	61.37%	60.06%
Oklahoma Natural Gas Company	OGS	60.46%	58.26%	60.99%	59.90%
Texas Gas Service Company, Inc.	OGS	60.35%	58.13%	60.98%	59.82%
Southwest Gas Corporation	SWX	47.45%	43.96%	50.70%	47.37%
Spire Alabama Inc.	SR	51.50%	52.01%	56.67%	53.39%
Spire Gulf Inc.	SR	44.44%	41.35%	41.14%	42.31%
Spire Missouri Inc.	SR	44.11%	48.66%	49.85%	47.54%

Notes:

[1] Ratios are weighted by actual common capital, long-term debt, of Operating Subsidiaries. No company had any preferred stock outstanding

CAPITAL STRUCTURE ANALYSIS

LONG-TERM DEBT RATIO [1]

Proxy Group Company	Ticker	2023	2022	2021	2021-2023 Average
Atmos Energy Corporation	ATO	39.80%	39.99%	40.12%	39.97%
New Jersey Resources Corporation	NJR	44.85%	46.02%	44.81%	45.23%
NiSource Inc.	NI	44.61%	45.83%	45.15%	45.20%
Northwest Natural Holding Company	NWN	52.74%	46.73%	50.43%	49.97%
ONE Gas, Inc.	OGS	39.59%	41.76%	38.91%	40.08%
Southwest Gas Holdings, Inc.	SWX	52.55%	56.04%	49.30%	52.63%
Spire Inc.	SR	53.73%	50.57%	48.34%	50.88%
<hr/>					
Proxy Group					
MEAN		46.84%	46.70%	45.29%	46.28%
LOW		39.59%	39.99%	38.91%	39.97%
HIGH		53.73%	56.04%	50.43%	52.63%

LONG-TERM DEBT RATIO - UTILITY OPERATING COMPANIES

Company Name	Ticker	2023	2022	2021	2021-2023 Average
Atmos Energy Corporation	ATO	39.80%	39.99%	40.12%	39.97%
New Jersey Natural Gas Company	NJR	44.85%	46.02%	44.81%	45.23%
Columbia Gas of Kentucky, Incorporated	NI	46.34%	45.09%	46.13%	45.85%
Columbia Gas of Maryland, Incorporated	NI	48.00%	48.04%	44.74%	46.93%
Columbia Gas of Ohio, Inc.	NI	49.50%	49.33%	49.21%	49.35%
Columbia Gas of Pennsylvania, Inc.	NI	44.12%	43.36%	43.95%	43.81%
Columbia Gas of Virginia, Incorporated	NI	54.75%	55.75%	55.48%	55.33%
Northern Indiana Public Service Company, LLC	NI	40.86%	43.08%	41.41%	41.78%
Northwest Natural Gas Company	NWN	52.74%	46.73%	50.43%	49.97%
Kansas Gas Service Company, Inc.	OGS	39.56%	41.63%	38.63%	39.94%
Oklahoma Natural Gas Company	OGS	39.54%	41.74%	39.01%	40.10%
Texas Gas Service Company, Inc.	OGS	39.65%	41.87%	39.02%	40.18%
Southwest Gas Corporation	SWX	52.55%	56.04%	49.30%	52.63%
Spire Alabama Inc.	SR	48.50%	47.99%	43.33%	46.61%
Spire Gulf Inc.	SR	55.56%	58.65%	58.86%	57.69%
Spire Missouri Inc.	SR	55.89%	51.34%	50.15%	52.46%

Notes:

[1] Ratios are weighted by actual common capital, long-term debt, of Operating Subsidiaries. No company had any preferred stock outstanding