BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Duke Energy Ohio, Inc., for an Increase) Case No. 21-887-EL-AIR
in Electric Distribution Rates.)
In the Matter of the Application of)
Duke Energy Ohio, Inc., for Tariff) Case No. 21-888-EL-ATA
Approval.)
In the Matter of the Application of)
Duke Energy Ohio, Inc., for Approval) Case No. 21-889-EL-AAM
to Change Accounting Methods.)

SUPPLEMENTAL DIRECT TESTIMONY OF

DYLAN W. D'ASCENDIS

ON BEHALF OF

DUKE ENERGY OHIO, INC.

- _____ Management policies, practices, and organization
- _____ Operating income
- Rate base
- _____ Allocations
- X Rate of return
- _____ Rates and tariffs
- _____Other:

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•	Attachment DWD-Supp-1 2022	Updated Staff Analysis using Data as of April 29,
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•	Attachment DWD-Supp-3 Review Model	Application of the Staff Comparable Earnings
•	Attachment DWD-Supp-4	Calculation of Staff Market Risk Premiums

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- Attachment DWD-Supp-5 Correction to Staff Application of the Capital Asset Pricing Model
- Attachment DWD-Supp-6 Derivation of the Indicated Size Premium for Duke Energy Ohio, Inc. Relative to the Staff's Proxy Group
- Attachment DWD-Supp-7 Derivation of the Indicated Credit Risk Premium for Duke Energy Ohio, Inc. Relative to the Utility Proxy Group

I. INTRODUCTION AND PURPOSE

1	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
2	A.	My name is Dylan W. D'Ascendis. My business address is 3000 Atrium Way,
3		Suite 200, Mount Laurel, New Jersey 08054.
4	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
5	A.	I am a Partner at ScottMadden, Inc.
6	Q.	ARE YOU THE SAME DYLAN W. D'ASCENDIS THAT SUBMITTED
7		DIRECT TESTIMONY IN THESE PROCEEDINGS?
8	А.	Yes.
9	Q.	WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT
10		TESTIMONY?
11	A.	My supplemental direct testimony describes and supports Duke Energy Ohio, Inc.'s
12		(Duke Energy Ohio or the Company) objections to certain findings and
13		recommendations contained in the Report by the Staff of the Public Utilities
14		Commission of Ohio (Staff) issued in these proceedings on May 19, 2022 (Staff
15		Report). The Company filed its Objections to the Staff Report of Investigation and
16		Summary of Major Issues on June 17, 2022.
17	Q.	HAVE YOU PREPARED ATTACHMENTS IN SUPPORT OF YOUR
18		SUPPLEMENTAL DIRECT TESTIMONY?
19	A.	Yes. I have prepared Attachments DWD-Supp-1 through DWD-Supp-7, which
20		were prepared by me or under my direction.

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II. OBJECTIONS SPONSORED BY WITNESS

Objection No. 18(a): Duke Energy Ohio Objects to the Market Data used by Staff in

the Staff Report

1 Q. PLEASE EXPLAIN THE COMPANY'S OBJECTION NUMBER 18(a).

- 2 A. As noted above, the Staff Report was issued in this proceeding on May 19, 2022.
- 3 In the return on common equity (ROE) portion of the Staff Report, the Staff used
- 4 market data as of the following dates:

Data Used	Date Certain
Prices in Discounted Cash Flow (DCF)	Year ended December 31, 2021
Model	
Growth Rates in DCF Model	Most recent data as of January 21, 2022
Gross National Product (GNP) Growth	Average GNP growth rate for the
Rate	period 1929-2020
Value Line Investment Survey (Value	Most recent as of January 21, 2022
<i>Line</i>) betas	
Market Risk Premium (MRP)	1926 – 2020 historical MRP from Duff
	& Phelps 2021 SBBI® Yearbook –
	Stocks, Bonds, Bills, and Inflation
Projected Risk-Free Rate	Projected 30-year Treasury bond from
	June 1, 2021 and September 1, 2021
	Blue Chip Financial Forecasts (Blue
	Chip)

Table 1: S	Spot Data	for Staff	Report Filed	May	19, 2022 ¹
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5 As shown on Table 1, above, Staff's calculations of the Company's ROE 6 were made using with stale market data compared with Staff Report's filing date of 7 May 19, 2022. As such, the Staff's calculation of the Company's ROE does not 8 reflect current market conditions and it will be shown that if Staff used current 9 market data, their conclusions would have been materially different.

¹ Source of Information: Staff workpapers.

1

2

Q. DO ECONOMIC CONDITIONS INFLUENCE THE REQUIRED COST OF CAPITAL AND REQUIRED RETURN ON COMMON EQUITY?

A. Yes. The models used to estimate the cost of equity are meant to reflect, and
therefore are influenced by, current and expected capital market conditions.
Therefore, it is important to assess the reasonableness of any financial model's
results in the context of observable market data. Because the cost of equity is a
forward-looking concept, using the most recently observable market data provides
the most accurate estimate of investor required returns moving forward, compared
to market data from several months prior.

From an analytical perspective, it is important that the inputs and assumptions used to arrive at an ROE recommendation, including assessments of capital market conditions, are consistent with the recommendation itself. Although all analyses require an element of judgment, the application of that judgment must be made in the context of the quantitative and qualitative information available to the analyst and the capital market environment in which the analyses were undertaken.

17 Q. PLEASE SUMMARIZE THE CURRENT CAPITAL MARKET 18 ENVIRONMENT.

A. The economy is currently in an inflationary environment, as evidenced by increased
levels of the Consumer Price Index (CPI) as compared to the Federal Reserve's
(Fed) traditional inflation target of 2.00%. Inflation can be characterized as an
imbalance of supply and demand in the economy, specifically, when demand is in

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excess of supply. When demand is in excess of supply, the cost of goods and
 services increase.

Part of the Fed's Congressional mandate is to mitigate inflation and they have 3 two main tools to achieve their mandate: (1) raising the Fed Funds Rate;² or 4 decreasing the size of their balance sheet. In Fed Chairman Jerome H. Powell's 5 6 Press Conference on May 4, 2022, he indicated that the Fed has the resolve to use both tools to restore price stability on behalf of American families and businesses.³ 7 8 Overall, the current market environment can be summarized as one with 9 increasing inflation, and expectations that the Fed will implement both of its tools in an attempt to limit inflation. 10

11 Q. HAS CPI RISEN RECENTLY?

A. Yes, it has. As shown on Chart 1, CPI has increased exponentially since the
 beginning of the COVID-19 pandemic in early 2020 and more recently has
 experienced year-over-year increases not seen since the early 1980s.⁴

² The Fed Funds Rate is the rate in which the Fed suggests commercial banks borrow and lend their excess reserves to each other overnight.

³ Transcript of Chair Powell's Press Conference, May 4, 2022.

⁴ Source: Bureau of Labor Statistics, Series Title: All items in U.S. city average, all urban consumers, seasonally adjusted, Series ID: CUSR0000SA0

⁽https://data.bls.gov/timeseries/CUSR0000SA0?output_view=pct_1mth).

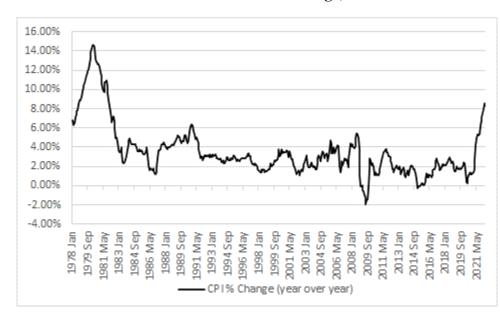


Chart 1: Consumer Price Index Change, 1978-Current⁵

Given the rise in CPI as shown in Chart 1, even if inflation were to moderate
 to a degree, it would still remain significantly elevated compared to the last several
 years and the Fed's inflation target of 2.00%.

4 Q. IS INFLATION EXPECTED TO BE ELEVATED FROM HISTORICAL

5 LEVELS MOVING FORWARD?

A. Yes, it is. The 10- and 30-year breakeven inflation rates⁶ have steadily increased
since August 27, 2020, when Mr. Powell released a statement noting that the
Federal Open Market Committee (FOMC) will adopt an approach towards inflation
that, "could be viewed as a flexible form of average inflation targeting," meaning
that following periods in which inflation has run below 2.00%, "appropriate

⁵ Source: Bureau of Labor Statistics, Series Title: All items in U.S. city average, all urban consumers, seasonally adjusted, Series ID: CUSR0000SA0

(https://data.bls.gov/timeseries/CUSR0000SA0?output_view=pct_1mth).

⁶ The breakeven inflation rate is the market's determination of the level of inflation during the period it measures. For example, the 10-year breakeven inflation rate is the market's expectation of inflation over the next 10 years.

monetary policy will likely aim to achieve inflation moderately above 2 percent for
some time."⁷ More recently, Mr. Powell has noted that, "the risk is rising that an
extended period of high inflation could push longer-term expectations
uncomfortably higher, which underscores the need for the Committee to move
expeditiously as I have described."⁸

6 In response to market conditions and Fed action, the breakeven inflation rate, 7 represented as the 10-year and 30-year Treasury Inflation-Protected Securities 8 spreads, has increased from 1.73% and 1.76% on August 27, 2020, respectively, to 9 2.64% and 2.40% respectively, as of May 31, 2022. Further, as shown in Chart 2 10 below, breakeven inflation has trended upward since the Fed's policy change at a 11 relatively consistent pace.

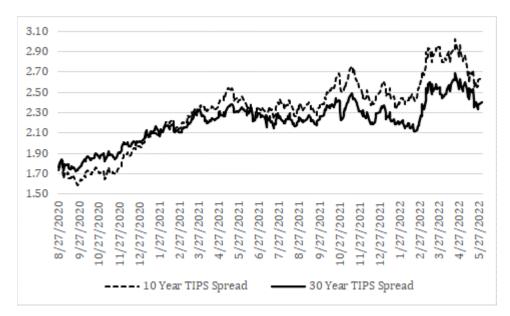


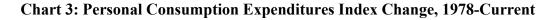
Chart 2: Breakeven Inflation Since August 27, 2020⁹

⁷ New Economic Challenges and the Fed's Monetary Policy Review, Remarks by Jerome H. Powell, Chair Board of Governors of the Federal Reserve System, August 27, 2020.

⁸ Restoring Price Stability, Chair Pro Tempore Jerome H. Powell, At "Policy Options for Sustainable and Inclusive Growth" 38th Annual Economic Policy Conference National Association for Business Economics, Washington, D.C., March 21, 2022.

⁹ Source: Federal Reserve (<u>https://www.federalreserve.gov/datadownload/</u>); downloaded on March 18, 2022.

Further, looking to other measures of inflation such as the Personal
 Consumption Expenditures Index, both with and without food and energy costs,
 recent quarterly increases are the highest they have been since the 1980s.¹⁰





4 Q. HAS MR. POWELL MADE ADDITIONAL COMMENTS CONCERNING

5 **INFLATION?**

7

6 A. Yes, he did. In his speech at the 38th Annual Economic Policy Conference before

the National Association for Business Economics, Mr. Powell stated:

8 At the Federal Reserve, our monetary policy is guided by the dual 9 mandate to promote maximum employment and stable prices. From that standpoint, the current picture is plain to see: The labor market 10 is very strong, and inflation is much too high. My colleagues and I 11 are acutely aware that high inflation imposes significant hardship, 12 13 especially on those least able to meet the higher costs of essentials 14 like food, housing, and transportation. There is an obvious need to move expeditiously to return the stance of monetary policy to a more 15 neutral level, and then to move to more restrictive levels if that is 16

¹⁰ Bureau of Economic Analysis. Table 2.3.4. Price Indexes for Personal Consumption Expenditures by Major Type of Product

⁽https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey)

1	what is required to restore price stability. We are committed to
2	restoring price stability while preserving a strong labor market.
3	At our meeting that concluded last week, we took several steps in
4	pursuit of these goals: We raised our policy interest rate for the first
5	time since the start of the pandemic and said that we anticipate that
6	ongoing rate increases will be appropriate to reach our objectives.
7	We also said that we expect to begin reducing the size of our balance
8	sheet at a coming meeting. In my press conference, I noted that
9	action could come as soon as our next meeting in May, though that
10	is not a decision that we have made. These actions, along with the
11	adjustments we have made since last fall, represent a substantial
12	firming in the stance of policy with the intention of restoring price
13	stability. In my comments today, I will first discuss the economic
14	conditions that warrant these actions and then address the path ahead
15	for monetary policy.
16	***
17	The rise in inflation has been much greater and more persistent than
18	forecasters generally expected. For example, at the time of our June
19	2021 meeting, every Federal Open Market Committee (FOMC)
20	participant and all but one of 35 submissions in the Survey of
21	Professional Forecasters predicted that 2021 inflation would be
22	below 4 percent. Inflation came in at 5.5 percent. ^{2[Footnote Omitted]}
23	***
23 24	*** The ultimate responsibility for price stability rests with the Federal
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24 25	The ultimate responsibility for price stability rests with the Federal Reserve. Price stability is essential if we are going to have another
24 25 26 27 28	The ultimate responsibility for price stability rests with the Federal Reserve. Price stability is essential if we are going to have another sustained period of strong labor market conditions. I believe that the policy approach that I have laid out is well suited to achieving this outcome. We will take the necessary steps to ensure a return to price
24 25 26 27 28 29	The ultimate responsibility for price stability rests with the Federal Reserve. Price stability is essential if we are going to have another sustained period of strong labor market conditions. I believe that the policy approach that I have laid out is well suited to achieving this outcome. We will take the necessary steps to ensure a return to price stability. In particular, if we conclude that it is appropriate to move
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24 25 26 27 28 29 30 31	The ultimate responsibility for price stability rests with the Federal Reserve. Price stability is essential if we are going to have another sustained period of strong labor market conditions. I believe that the policy approach that I have laid out is well suited to achieving this outcome. We will take the necessary steps to ensure a return to price stability. In particular, if we conclude that it is appropriate to move more aggressively by raising the federal funds rate by more than 25 basis points at a meeting or meetings, we will do so. And if we
24 25 26 27 28 29 30	The ultimate responsibility for price stability rests with the Federal Reserve. Price stability is essential if we are going to have another sustained period of strong labor market conditions. I believe that the policy approach that I have laid out is well suited to achieving this outcome. We will take the necessary steps to ensure a return to price stability. In particular, if we conclude that it is appropriate to move more aggressively by raising the federal funds rate by more than 25

¹¹ Restoring Price Stability, Chair Pro Tempore Jerome H. Powell, At "Policy Options for Sustainable and Inclusive Growth" 38th Annual Economic Policy Conference National Association for Business Economics, Washington, D.C., March 21, 2022.

1	In Mr. Powell's press conference after the FOMC's May 4, 2022 meeting
2	where they raised the Fed Funds Rate to $0.75\% - 1.00\%$ from $0.25\% - 0.50\%$, ¹² he
3	echoed much of his statement as cited above, but increased his expectations of
4	larger than normal Fed Funds Rate increases and detailed a plan to shrink their
5	balance sheet:
6	Assuming that economic and financial conditions evolve in line with
7	expectations, there is a broad sense on the Committee that additional
8	50 basis point increases should be on the table at the next couple of
9	meetings.
10	***
11	With regard to our balance sheet, we also issued our specific plans
12	for reducing our securities holdings. Consistent with the principles
13	we issued in January, we intend to significantly reduce the size of
14	our balance sheet over time in a predictable manner by allowing the
	our barance sheet over time in a predictable manner by anowing the
15	
15 16	principal payments from our securities holdings to roll off the balance sheet, up to monthly cap amounts. ¹³
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16	principal payments from our securities holdings to roll off the balance sheet, up to monthly cap amounts. ¹³
16 17	principal payments from our securities holdings to roll off the balance sheet, up to monthly cap amounts. ¹³ As can be gleaned from Mr. Powell's statements, he expects inflation to
16 17 18	principal payments from our securities holdings to roll off the balance sheet, up to monthly cap amounts. ¹³ As can be gleaned from Mr. Powell's statements, he expects inflation to continue well into next year and that the Fed will continue to use the tools at their

¹² The 50-basis point increase in the Fed Funds Rate on May 4, 2022 is the largest increase in the Fed Funds Rate since 2000.
¹³ Transcript of Chair Powell's Press Conference, May 4, 2022.

Q. IS THE MARKET CURRENTLY PRICING IN EXPECTATIONS OF SIGNIFICANT FUTURE FED FUNDS RATE INCREASES IN LINE WITH MR. POWELL'S STATEMENTS?

A. Yes. The CME FedWatch Tool, as presented in Chart 4 below, indicates that a
majority of investors are pricing in at least a Fed Funds Rate of 3.00% by the Fed's
February 1, 2023 meeting, as compared to the current level of the Fed Funds Rate
of between 0.75% and 1.00%.

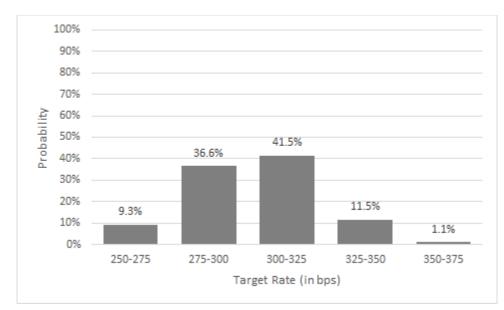


Chart 4: CME FedWatch Tool – February 1, 2023 FOMC Meeting¹⁴

8 Q. PLEASE SUMMARIZE YOUR OBSERVATIONS OF THE CURRENT

9 **MARKET ENVIRONMENT.**

10 A. In response to the current inflationary environment, the Fed recently raised the Fed

11 Funds Rate and anticipates additional increases over the next year in addition to

¹⁴ Source: <u>https://www.cmegroup.com/trading/interest-rates/countdown-to-fomc.html</u>, accessed June 2, 2022.

1		rolling off assets from their balance sheet. Investors have already priced in these
2		actions and prospective actions into market prices.
3		Regardless of current and future actions of the Fed, however, they have
4		acknowledged that inflation is higher than its target average level of 2.00% and will
5		continue to run higher than that target well into 2022 and possibly beyond.
6		Increasing inflation drives all costs higher (e.g., prices for materials, labor,
7		capital). This is an economic reality that affects companies across the board and
8		Duke Energy Ohio is not immune to such increases. As a result, higher inflation
9		increases risk for Duke Energy Ohio and in turn, its debt and equity investors.
10	Q.	HAVE YOU UPDATED STAFF'S ANALYSES TO REFLECT MORE
11		CURRENT DATA?
12	A.	Yes, I have. Given the Staff Report filing date of May 19, 2022, I assumed that
13		Staff would have been able to use data as of April 29, 2022 in its analysis. The
14		dates of the market data used in Staff's update are as follows:

Data Used	Date Certain
Prices in Discounted Cash Flow (DCF)	Year ended April 29, 2022
Model	_
Growth Rates in DCF Model	Value Line, Zacks, and Yahoo! Finance
	as of April 29, 2022, SeekingAlpha and
	CNBC growth rates as of June 3, 2022
Gross National Product (GNP) Growth	Average GNP growth rate for the
Rate	period 1929-2021
Value Line Investment Survey (Value	Most recent as of April 29, 2022
<i>Line</i>) betas	
Market Risk Premium (MRP)	1926 – 2021 historical MRP from Kroll
	2022 SBBI® Yearbook – Stocks,
	Bonds, Bills, and Inflation
Projected Risk-Free Rate	Projected 30-year Treasury bond from
	December 1, 2021 and April 29, 2022
	Blue Chip Financial Forecasts (Blue
	Chip)

Table 2: Spot data for Updated Staff Analysis¹⁵

Using current data and applying the models as directed at pages 18 through
 20 of the Staff Report results in indicated ROEs of 9.72% (capital asset pricing
 model (CAPM)) and 9.54% for the discounted cash flow model (DCF) as presented
 on Attachment DWD-1S. The average of those two results is 9.63%.
 Table 3: Indicated Model Results for Staff Report Using Data as of April 29, 2022¹⁶

Model	Indicated ROE
CAPM	9.72%
DCF Model	<u>9.54%</u>
Average	9.63%

5	Taking the combined average ROE and applying a 100-basis-point range of
6	uncertainty, which is Staff's practice, results in a range between 9.13% and 10.13%.
7	After the determination of the indicated range of ROEs, applying Staff's adjustment

¹⁵ See, Attachment DWD-Supp-1.

¹⁶ See, Attachment DWD-Supp-1.

1 factor to account for issuance and other costs of 1.01329 results in a baseline cost of common equity recommendation between 9.25% and 10.27%.¹⁷ This represents 2 a 40-basis-point increase from Staff's position simply by using data available to 3 them at the time of the study. 4 5 LIKEWISE, HAVE YOU UPDATED YOUR COST OF COMMON EQUITY **Q**. 6 **ANALYSES FOR YOUR SUPPLEMENTAL DIRECT TESTIMONY?** 7 A. Yes, I have. Due to the passage of time since my Direct Testimony analysis (data 8 as of August 31, 2021), I have updated my analysis using data as of May 31, 2022. 9 HAVE YOU UPDATED YOUR UTILITY PROXY GROUP FOR YOUR О. 10 **UPDATED ANALYSES?** Yes, I have. In my updated analysis, I have applied my selection criteria as stated 11 A. 12 at pages 11 through 12 of my Direct Testimony, but used fiscal year 2021 data. 13 This resulted in the addition of American Electric Power Company and the elimination of Otter Tail Power Company and Pinnacle West Capital Corp. 14

 $^{^{17}}$ 9.25% = 9.13% * 1.01329, 10.27% = 10.13% * 1.01329.

Company Name	Ticker Symbol
Alliant Energy Corporation	LNT
Ameren Corporation	AEE
American Electric Power	AEP
Duke Energy Corporation	DUK
Edison International	EIX
Entergy Corporation	ETR
Evergy, Inc.	EVRG
Eversource Energy	ES
IDACORP, Inc.	IDA
NorthWestern Corporation	NWE
OGE Energy Corporation	OGE
Portland General Electric Co.	POR
Xcel Energy, Inc.	XEL

Table 4: Updated Utility Proxy Group Companies

1 Q. HAVE YOU APPLIED YOUR ROE MODELS IN THE SAME MANNER IN

2 **YOUR UPDATED ANALYSES?**

3 A. Yes, I have.

4 Q. WHAT ARE THE RESULTS OF YOUR UPDATED ANALYSES?

- 5 A. Using data available as of May 31, 2022, my updated results are presented in page
- 6 1 of Attachment DWD-Supp-2 and in Table 5, below:

Discounted Cash Flow Model	8.89%
Risk Premium Model	11.46%
Capital Asset Pricing Model	11.04%
Cost of Equity Models Applied to Comparable Risk, Non-Price Regulated Companies	<u>12.41%</u>
Indicated Range of Common Equity Cost Rates Before Adjustments	9.65% - 11.65%
Size Adjustment	0.15%
Flotation Cost Adjustment	<u>0.11</u> %
Indicated Range of Common Equity Cost Rates After Adjustment	<u>9.91% – 11.91%</u>
Recommended Cost of Common Equity	<u>10.30%</u>

In view of the unadjusted and adjusted ranges of ROE, I maintain my
 original ROE recommendation of 10.30%. My recommended ROE of 10.30% is
 below the midpoint of my adjusted range of ROEs, making it a conservative
 measure of the Company's ROE at this time.

Objection No. 18(b): Duke Energy Ohio Objects to the Inconsistency of ROE Models used in its Staff Reports and Lack of a Comparable Earnings (CE) Review

5 Q. PLEASE EXPLAIN THE COMPANY'S OBJECTION NUMBER 18(b).

- A. The models employed by Staff in this proceeding are not consistent with the ROE
 models used in the concurrent Aqua Ohio, Inc. (Aqua Ohio) Case (Case Nos. 21595-WW-AIR and 21-596-ST-AIR), specifically, Staff's exclusion of its CE
 Review in this Case.
- 10In Case Nos. 21-595-WW-AIR and 21-596-ST-AIR, Staff selected two11additional comparable risk groups and used their earned returns as another tool to

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1	determine Aqua Ohio's ROE, which is consistent with the Hope and Bluefield
2	Supreme Court cases cited in my Direct Testimony. ¹⁸
3	Companies in the first comparable risk group were selected by requiring the
4	following: (1) the company having the same Safety Rank ¹⁹ as Aqua Ohio's parent
5	company, Essential Utilities, Inc.; (2) the company having the same Financial
6	Strength Rating ²⁰ as Essential Utilities, Inc.; and (3) the company having a Beta
7	coefficient (beta) between 0.65 and 1.35. ²¹ The second comparable group was
8	selected by requiring the company to be classified as a utility (electric, gas, water,
9	or telecom). ²² After determining their comparable risk groups, Staff obtained each
10	groups' earned ROE for 2020 from Value Line and then averaged them together to
11	determine an indicated ROE using the CE Review. The result of the CE Review
12	was then averaged with the CAPM and DCF model to determine Staff's
13	recommended range. ²³

¹⁸ D'Ascendis Direct Testimony, at 35-37.

¹⁹ *Value Line* also ranks stocks for Safety by analyzing the total risk of a stock compared to the approximately 1,700 stocks in the *Value Line* universe. Each of the stocks tracked in the *Value Line Investment Survey* is ranked in relationship to each other, from 1 (the highest rank) to 5 (the lowest rank). Safety is a quality rank, not a performance rank, and stocks ranked 1 and 2 are most suitable for conservative investors; those ranked 4 and 5 will be more volatile. Volatility means prices can move dramatically and often unpredictably, either down or up. The major influences on a stock's Safety rank are the company's financial strength, as measured by balance sheet and financial ratios, and the stability of its price over the past five years

²⁰ Defined as a measure of a company's balance sheet health and financial condition.

²¹ A Report by the Staff of the Public Utilities Commission of Ohio, In the Matter of the Application of Aqua Ohio, Inc., for Authority to increase its rates and charges for its wastewater service, Case Number 21-595-WW-AIR, February 11, 2022, at 8.

²² A Report by the Staff of the Public Utilities Commission of Ohio, In the Matter of the Application of Aqua Ohio, Inc., for Authority to increase its rates and charges for its wastewater service, Case Number 21-595-WW-AIR, February 11, 2022, at 8.

²³ A Report by the Staff of the Public Utilities Commission of Ohio, In the Matter of the Application of Aqua Ohio, Inc., for Authority to increase its rates and charges for its wastewater service, Case Number 21-595-WW-AIR, February 11, 2022, at 8.

Q. DID STAFF GIVE ANY REASON WHY THEY DID NOT PERFORM THEIR CE REVIEW IN THIS CASE?

3 A. No, they did not.

4 Q. HAVE YOU PERFORMED STAFF'S CE REVIEW AS PRESCRIBED IN 5 THEIR REPORT FOR AQUA OHIO?

A. Yes, I have. The selection criteria for both groups are shown on Attachment DWDSupp-3. For the first comparable risk group, I required that the companies passed
the following screens: (1) that they had an equivalent Safety Ranking to Duke
Energy Ohio's parent company, Duke Energy Corporation; (2) that they had an
equivalent Financial Strength rating to Duke Energy Corporation; and (3) that they
had a beta between 0.65 and 1.35. These screens produced a comparable risk group
of 100 companies.

13The second comparable risk group required that the company be a regulated14utility (Value Line industry groups including Electric Utility (East, Central, West),15Natural Gas Utility, Water Utility, and Telecom Utility). These screens resulted in16a comparable risk group of 68 companies.

Following Staff's CE Review process, ²⁴ I then averaged the 2021 earned ROE for both groups. As shown on Attachment DWD-Supp-3, the average earned ROE for the first comparable group is 17.58% and 10.20% for the second comparable group, averaging 13.89%. Eliminating values above or below two standard deviations of the mean earned ROE for each group resulted in indicated

²⁴ A Report by the Staff of the Public Utilities Commission of Ohio, In the Matter of the Application of Aqua Ohio, Inc., for Authority to increase its rates and charges for its wastewater service, Case Number 21-595-WW-AIR, February 11, 2022, at 8.

- 1 ROEs of 15.16% and 9.48%, respectively, averaging 12.32%. Going forward, any
- 2 reference to CE Review results will refer to the conservative average CE Review
- 3 (12.32%) results.

Group	Average	Conservative Average
First Comparable Group	17.58%	15.16%
Second Comparable Group	<u>10.20%</u>	<u>9.48%</u>
Average	<u>13.89%</u>	<u>12.32%</u>

 Table 6: Indicated Model Results for Staff CE Review²⁵

4 **Q**. HOW WOULD THE INCLUSION OF STAFF'S CE REVIEW AFFECT

5 **THEIR RECOMMENDATION?**

6 A. It would increase it. Including the Staff CE Review as applied in the Aqua Ohio 7 case to the Staff Report without any changes would result in a baseline recommended ROE range between 9.89% and 10.90%. 8

Table 7: Indicated Model Results for Staff Report Including CE Review (Conservative Average)

Model	Indicated ROE
CAPM (Staff Report)	8.92%
DCF Model (Staff Report)	9.53%
CE Review (Att. DWD-Supp-3)	<u>12.32%</u>
Average	10.26%
100-basis point range of	
uncertainty	9.76% - 10.76%
Issuance cost adjustment	<u>1.01329</u>
Baseline ROE Range	<u>9.89% - 10.90%</u>

9

In conjunction with Objection No. 18(b), using current market data as of

- 10

April 29, 2022 (no changes to Staff's methodology or inputs other than updating

²⁵ See, Attachment DWD-Supp-3.

data), an indicated baseline recommended range of ROE between 10.16% and

2 11.17% results.

1

Model	Indicated ROE
CAPM (Att. DWD-Supp-1)	9.72%
DCF Model (Att. DWD-Supp-1)	9.54%
CE Review (Att. DWD-Supp-3)	<u>12.32%</u>
Average	10.53%
100-basis point range of	
uncertainty	10.03% - 11.03%
Issuance cost adjustment	<u>1.01329</u>
Baseline ROE Range	<u>10.16% - 11.17%</u>

Table 8: Indicated Model Results for Staff Report Including CE Review (Conservative Average) Using Market Data as of April 29, 2022

In view of the above results, it is clear that the 8.84% to 9.85% recommended ROE range in the Staff Report is inadequate, as evidenced by using Staff's own models with updated data and including models that Staff used in other cases currently before the Commission.

Objection No. 18(c): Duke Energy Ohio Objects to Staff's use of only one MRP in its Calculation of its Indicated ROE using the CAPM

7 Q. PLEASE EXPLAIN THE COMPANY'S OBJECTION NUMBER 18(c).

²⁶ Staff Report, at 19-20

- of MRP is also inconsistent with financial theory, specifically, the Efficient Market
 Hypothesis (EMH).
- **3 Q. WHAT IS THE EMH?**
- A. According to Eugene F. Fama,²⁷ a market in which prices always "fully reflect"
 available information is called "efficient." There are three forms of the EMH,
 namely:
- The "weak" form asserts that all past market prices and data are fully
 reflected in securities prices. In other words, technical analysis cannot
 enable an investor to "outperform the market."
- The "semi-strong" form asserts that all publicly available information is
 fully reflected in securities prices. In other words, fundamental analysis
 cannot enable an investor to "outperform the market."
- The "strong" form asserts that all information, both public and private, is
 fully reflected in securities prices. In other words, even insider information
 cannot enable an investor to "outperform the market."
- 16 The "semi-strong" form is generally considered the most realistic 17 because the illegal use of insider information can enable an investor to "beat 18 the market" and earn excessive returns, thereby disproving the "strong" form. 19 The semi-strong form of the EMH assumes that all publicly available 20 information (including multiple measures of MRPs) are available to the 21 investor, which means alternate means of calculating the MRP would be

²⁷ Eugene F. Fama, *Efficient Capital Markets: A Review of Theory and Empirical Work*, <u>The Journal of Finance</u>, Vol. 25, No. 2. (May 1970), at 383-417.

1		considered by investors when making investment decisions and, therefore,
2		should be included in Staff's CAPM analysis.
3	Q.	DOES THE STAFF REPORT SUPPORT ANY ADDITIONAL MEASURES
4		OF THE MRP?
5	A.	Yes, it does. The Staff Report relies heavily on Value Line data, including
6		screening criteria of their proxy group, betas in their CAPM, and growth rates in
7		their DCF model. ²⁸
8		As shown on Attachment DWD-Supp-4, using data from Value Line, I
9		calculated two ex-ante market return estimates as of the date of Staff's CAPM
10		analysis and as of April 29, 2022. The first is derived from an average of the three-
11		to five-year median market price appreciation potential by Value Line for the 52
12		weeks prior to the study date, plus an average of the median estimated dividend
13		yield for the common stocks of the 1,700 firms covered in Value Line (Standard
14		Edition). These calculations resulted in estimated returns on the market of 8.99%
15		(December 31, 2021) and 10.26% (April 29, 2022).
16		The second MRP calculation is an ex-ante Market DCF calculated using
17		Value Line data for the expected dividend yields (expected income return) and long-
18		term growth estimates (expected capital appreciation), which results in expected
19		market returns of 16.33% (December 31, 2021) and 15.48% (April 29, 2022).
20		Subtracting the projected associated risk-free rates of 2.74% (December 31,
21		2021) and 3.35% (April 29, 2022), from the indicated expected market returns, I
22		derived MRPs of 6.25% and 6.91% (Value Line Summary & Index for December

²⁸ Staff Report, at 18-20.

1	31, 2021 and April 29, 2022, respectively) and 13.59% and 12.13%, (Value Line
2	S&P 500 data for December 31, 2021 and April 29, 2022, respectively) as shown
3	on Attachment DWD-Supp-4. When the MRPs derived above are averaged with
4	the 1926-2020 and 1926-2021 historical estimates from the 2021 and 2022 SBBI®
5	Yearbooks, they produce MRPs of 9.00% (December 31, 2021) and 8.80% (April
6	29, 2022), as shown on page 2 of Attachment DWD-4S.

 Table 9: Calculation of MRP Including Value Line Data²⁹

Measure	December 31, 2021	April 29, 2022
Historical MRP <i>Value Line</i> Summary & Index <i>Value Line</i> S&P 500 Data	7.15% 6.25% <u>13.59%</u>	7.35% 6.91% <u>12.13%</u>
Average MRP	<u>9.00%</u>	<u>8.80%</u>

As discussed above, the use of multiple measures of the MRP produces a
more robust estimate of investor's market expectations and is more appropriate than
reliance upon only one measure.

<u>Objection No. 18(d):</u> Duke Energy Ohio Objects to Staff's Exclusion of the Empirical CAPM (ECAPM) in its Analysis

10 Q. PLEASE EXPLAIN THE COMPANY'S OBJECTION NUMBER 18(d).

A. Staff does not consider the ECAPM in its CAPM analysis, despite the fact that
numerous tests of the CAPM have confirmed the ECAPM's validity by showing
that the empirical Security Market Line (SML) described by the traditional CAPM
is not as steeply sloped as the predicted SML. While the results of these tests
support the notion that betas are related to security returns, the empirical SML

²⁹ See, Attachment DWD-Supp-4.

1		described by the CAPM formula is not as steeply sloped as the predicted SML, as
2		discussed on pages 31 through 33 of my Direct Testimony.
3	Q.	HOW WOULD USING A MORE ROBUST MRP VALUE (OBJECTION NO.
4		18(c)) AND INCLUDING THE ECAPM AFFECT THE STAFF
5		RECOMMENDATION?
6	A.	As shown on Attachment DWD-Supp-5, including a more robust MRP value, and
7		including the ECAPM with no changes to the individual company betas or the risk-
8		free rate, would increase the CAPM-indicated result from 8.92% to 10.71%, and
9		would increase the Staff's baseline ROE recommended range from between 8.84%
10		and 9.85% to between 9.75% and 10.76%. ³⁰
11		In conjunction with Objection No. 18(a), using data as of April 29, 2022,
12		including the ECAPM in the CAPM analysis would result in an indicated ROE of
13		11.12%, and would change the Staff's baseline ROE recommended range to
14		between 9.96% and 10.98%. ³¹

³⁰ Average of 10.71% CAPM/ECAPM result and 9.53% DCF model result averages 10.12%. Application of the Staff 100-basis point range of uncertainty and issuance adjustment factor of 1.01329 equals a range

between 9.75% and 10.76%. ³¹ Average of 11.12% CAPM/ECAPM result and 9.56% DCF model result averages 10.34%. Application of the Staff 100-basis point range of uncertainty and issuance adjustment factor of 1.01329 equals a range between 9.97% and 10.98%.

<u>Objection No. 18(e)</u>: Duke Energy Ohio Objects to Staff's Omission of a Size Adjustment for Duke Energy Ohio's Smaller Relative Size Compared to their Utility Proxy Group

1 Q. PLEASE EXPLAIN THE COMPANY'S OBJECTION NUMBER 18(e).

A. As discussed in my Direct Testimony,³² size has a material bearing on risk. Smaller
 companies are less able to cope with significant events, such as those affecting
 revenues or expenses, and the adverse impacts of those events. As such, Staff
 should have considered the smaller relative size of Duke Energy Ohio as compared
 to their proxy group.

7 Q. PLEASE COMPARE DUKE ENERGY OHIO'S SIZE WITH THAT OF 8 STAFF'S PROXY GROUP.

9 A. As shown in Attachment DWD-Supp-6 and Table 10 below, Duke Energy Ohio is
10 smaller than the utilities in Staff's proxy group, as measured by market
11 capitalization.

³² D'Ascendis Direct Testimony, at 41-43.

	Market <u>Capitalization*</u> (\$ Millions)	Times Greater than <u>the Company</u>
Duke Energy Ohio	\$4,511	
Staff Proxy Group	\$42,876	9.5x

Table 10: Size as Measured by Market Capitalization for Duke Energy Ohioand the Utility Proxy Group

Duke Energy Ohio's estimated market capitalization was \$4.5 billion as of April 29, 2022,³³ compared with the market capitalization of the median company in Staff's Proxy Group of \$42.9 billion as of April 29, 2022. The median company in the Utility Proxy Group has a market capitalization 9.5 times the size of Duke Energy Ohio's estimated market capitalization.

As a result, it is necessary to upwardly adjust the range of indicated common 6 equity cost rates to reflect Duke Energy Ohio's greater risk due to their smaller 7 8 relative size. The determination is based on the size adjustments for portfolios of 9 New York Stock Exchange, American Stock Exchange, and NASDAQ listed 10 companies ranked by deciles for the 1926 to 2021 period. The average size adjustment for the Utility Proxy Group with a market capitalization of \$42.9 billion 11 falls in the 1st decile, while the Company's estimated market capitalization of \$4.5 12 billion places it in the 5th decile. The size adjustment spread between the 1st decile 13 and the 5th decile is 1.11%. In view of an indicated 1.11% upward size adjustment, 14 my recommended size adjustment of 0.15% should be considered conservative. 15

³³ \$1,768.291M (company-provided book equity as of the 4th Quarter 2020) * 255% (market-to-book ratio of Staff's proxy group) as demonstrated on Attachment DWD-Supp-6.

<u>Objection No. 18(f)</u>: Duke Energy Ohio Objects to Staff's Omission of a Credit Risk Adjustment for Duke Energy Ohio's Riskier Bond Rating Compared to their Utility Proxy Group

1 Q. PLEASE EXPLAIN THE COMPANY'S OBJECTION NUMBER 18(f).

As discussed in my Direct Testimony,³⁴ similar bond ratings reflect similar total 2 A. risk (with the exception of size). As shown on page 1 of Attachment DWD-Supp-3 4 7, the average Moody's and S&P long-term rating for Staff's proxy group is A3 and A-, respectively, compared to Duke Energy Ohio's Moody's and S&P long-5 6 term ratings of Baa1 and BBB+, respectively. Because the ratings between the 7 Company and Staff's proxy group are materially different, there needs to be an 8 adjustment to the Staff's recommended range of ROEs to reflect Duke Energy 9 Ohio's higher risk as compared to Staff's proxy group. As shown on page 2 of 10 Attachment DWD-Supp-7, 12-month spreads between A2 and Baa2-rated public utility bonds are 0.26% (calendar 2021) and 0.25% (ending April 2022). Taking 11 12 one-third of those historical spreads (i.e., a one rating notch move from A3 to Baa1) 13 results in indicated credit risk adjustments of 0.08% and 0.09%.

III. <u>CONCLUSION</u>

14 Q. WHAT ARE THE EFFECTS OF YOUR OBJECTIONS TO THE STAFF 15 REPORT?

16 A. To summarize, my objections and proposed corrections to the Staff Report are the17 following:

³⁴ D'Ascendis Direct Testimony, at 10-11.

1	•	Objection No. 18(a): The Staff Report uses data that does not reflect current
2		market conditions. Proposed solution: Update Staff analysis as of April 29,
3		2022;
4	•	Objection No. 18(b): The Staff Report omits a CE Review, which was used
5		in their report in Aqua Ohio dated February 11, 2022 and is currently before
6		the Commission. Proposed solution: Include CE Review as proposed by
7		Staff in Aqua Ohio and applied to Duke Energy Ohio;
8	•	Objection No. 18(c): The Staff Report only includes one measure of the
9		MRP in its CAPM analysis. Proposed solution: Include Value Line MRP
10		values, as Staff relies on Value Line data in several of their analyses;
11	•	Objection No. 18(d): The Staff Report does not include an ECAPM
12		analysis. Proposed solution: Include the ECAPM in Staff's CAPM
13		analysis;
14	•	Objection No. 18(e): The Staff Report did not include a size adjustment in
15		their determination of their recommended range. Proposed solution:
16		Include a size adjustment to reflect the increased risk of Duke Energy Ohio
17		compared to Staff's proxy group; and
18	•	Objection No. 18(f): The Staff Report did not include a credit risk
19		adjustment to reflect Duke Energy Ohio's riskier credit rating as compared
20		to their proxy group. Proposed solution: Include a credit risk adjustment.
21	Applyi	ng all of the proposed solutions as described in the Objections above to the
22	Staff R	eport would result in the following Staff recommended ROE range:

DYLAN W. D'ASCENDIS SUPPLEMENTAL DIRECT 29

Model	Indicated ROE
CAPM Incl. ECAPM and <i>Value Line</i> MRP as of 4/29/2022 (Att. DWD-Supp-5)	11.12%
DCF Model as of 4/29/2022 (Att. DWD-Supp-1)	9.54%
CE Review (Conservative Avg.) (Att. DWD-Supp-3)	12.32%
Average	10.99%
100-basis-point range of uncertainty	10.49% - 11.49%
Issuance cost adjustment	<u>1.01329</u>
Baseline ROE Range	10.63% - 11.65%
Size Risk Adjustment (Att. DWD-Supp-6)	0.15%
Credit Risk Adjustment (Att. DWD-Supp-7)	<u>0.08%</u>
Staff Corrected ROE Range	<u>10.87% - 11.88%</u>

Table 11: Indicated Model Results for Staff Report Including all Proposed Objections

1 In view of these objections, I believe that the 8.84% - 9.85% ROE range 2 recommended by Staff in its Staff Report is too low to permit Duke Energy Ohio 3 to earn a reasonable return under the circumstances, and therefore unjust and 4 unreasonable.

5 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT

- 6 **TESTIMONY**?
- 7 A. Yes, it does.

<u>Duke Energy Ohio, Inc.</u> Table of Contents Supporting Attachments Accompanying the Supplemental Direct Testimony <u>of Dylan W. D'Ascendis, CRRA, CVA</u>

	<u>Attachment</u>
Updated Staff Analysis using Data as of April 29, 2022	DWD-Supp-1
Updated Company Analysis using Data as of May 31, 2022	DWD-Supp-2
Application of the Staff Comparable Earnings Review Model	DWD-Supp-3
Calculation of Staff Market Risk Premiums	DWD-Supp-4
Correction to Staff Application of the Capital Asset Pricing Model	DWD-Supp-5
Derivation of the Indicated Size Premium for Duke Energy Ohio, Inc. Relative to the Staff's Proxy Group	DWD-Supp-6
Derivation of the Indicated Credit Risk Premium for Duke Energy Ohio, Inc. Relative to the Utility Proxy Group	DWD-Supp-7

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR SUMMARY OF ROE June 30, 2021 UPDATED AS OF 4/29/2022

(1) CAPM Indicated Result (page 2)	9.72%
(2) DCF Model Indicated Result (page 6)	9.54%
(3) Average Model Result	9.63%
(4) Low End Equity Cost	9.13%
(5) High End Equity Cost	10.13%
(6) Generic Issuance Cost, f	3.50%
(7) External Equity Ratio	0.36643
(8) Net Adjustment Factor, (w/(1 - f)) + (1 - w)	1.01329
(9) Low End Equity Cost [Line (4) * Line (8)]	9.25%
(10) High End Equity Cost [Line (5) * Line (8)]	10.27%

Source of Information:

Duke Energy Ohio, Inc.'s Schedule D-1.1

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR COMPARABLE PEER GROUP <u>UPDATED AS OF 4/29/2022</u>

Comparable Peer Group	Value Line Beta*				
AEP	0.75				
CMS	0.80				
D	0.85				
DTE	0.95				
DUK	0.85				
EXC	0.95				
LNT	0.85				
PEG	0.90				
SO	0.95				
SRE	0.95				
WEC	0.80				
XEL	0.80				
Average Betas:	0.87				

$ERP^1 =$	7.35%
R_f^2 =	3.35%
ß =	0.87
CAPM =	9.72%

Notes:

¹ Equity risk premium calculated using data from SBBI 2022 Yearbook (12.37% historical total market return less Long-term income return on U.S. Government securities of 5.02%)

² Forecasted risk-free rate based on the average of the Blue Chip consensus forecast of the expected yields on 30-year U.S. Treasury Bonds for the six quarters ending with the third calendar quarter of 2023 and years 2023-2027 and 2028-2032 as shown below.

Second Quarter 2022	2.90	%
Third Quarter 2022	3.10	
Fourth Quarter 2022	3.20	
First Quarter 2023	3.40	
Second Quarter 2023	3.50	
Third Quarter 2023	3.50	
2023-2027	3.40	
2028-2032	3.80	_
	3.35	%
		-

* Data as available at April 29, 2022.

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR DCF PRICE, DIVIDEND, AND GROWTH RATE UPDATED AS OF 4/29/2022

Stock Prices ¹ (\$): Date	AEP	CMS	D	DTE	DUK	EXC	LNT	PEG	SO	SRE	WEC	XEL
5/3/2021	88.68	65.03	80.37	119.49	100.71	32.01	56.17	63.65	66.05	138.06	98.00	71.62
5/4/2021	88.38	65.20	79.41	119.65	100.78	31.93	56.54	63.19	66.42	137.98	97.86	71.84
5/5/2021	87.47	64.20	77.95	118.17	99.36	31.04	55.61	61.31	65.45	135.48	96.56	70.75
5/6/2021 5/7/2021	88.12 87.19	64.43 63.99	78.48 78.45	120.23 120.56	100.54 100.86	31.72 31.86	56.57 56.74	62.57 63.15	66.05 66.26	136.61 137.82	97.95 97.64	71.55 71.32
5/10/2021	87.56	64.91	79.46	120.50	100.80	31.75	57.95	63.28	66.31	139.02	99.26	72.59
5/11/2021	86.41	63.53	78.63	121.02	103.63	31.69	56.97	62.25	65.80	138.54	96.44	71.03
5/12/2021	84.98	62.46	77.14	117.93	101.22	30.74	55.81	60.70	64.36	135.21	95.02	70.17
5/13/2021	86.52	63.53	78.38	119.34	103.00	31.67	56.88	62.15	65.73	137.73	95.84	71.12
5/14/2021	86.76	63.50	78.07 77.67	120.07 119.77	103.06	32.15	56.76	62.52 62.29	65.11 64.44	138.11 137.54	96.20 95.76	71.72 70.80
5/17/2021 5/18/2021	85.45 85.75	62.98 63.30	77.67 77.16	119.77	102.45 102.49	32.15 32.55	56.48 57.60	62.29 62.11	64.44 64.16	137.34	95.76 95.40	70.80
5/19/2021	85.92	63.22	76.98	117.20	102.49	32.33	57.70	61.98	63.98	135.95	94.87	70.57
5/20/2021	86.26	63.74	77.24	119.43	102.27	32.62	57.76	62.58	64.06	135.74	95.52	71.58
5/21/2021	86.65	64.15	78.23	119.69	102.86	32.69	58.11	63.02	64.38	136.97	96.22	72.04
5/24/2021	86.57	63.77	77.09	120.97	102.31	32.82	58.06	63.46	64.42	137.76	95.36	71.67
5/25/2021	85.93	63.25 62.95	76.01 75.95	118.07	101.31	32.02 32.21	57.60	62.19	64.08	135.45 137.03	94.21 93.99	71.24 71.00
5/26/2021 5/27/2021	85.75 85.55	62.95	75.95 75.49	117.27 117.37	101.11 100.01	32.21 31.80	57.51 56.75	62.30 62.03	63.72 63.66	137.03	93.99 93.35	70.27
5/28/2021	86.00	62.74	76.14	117.41	100.01	32.17	57.15	62.12	63.92	135.49	93.91	70.88
6/1/2021	85.10	62.31	75.55	117.48	100.08	32.19	56.99	62.03	63.43	135.93	92.97	70.00
6/2/2021	85.65	62.42	76.39	116.94	100.68	32.23	57.60	61.67	63.90	135.84	93.18	70.24
6/3/2021	85.96	62.67	76.71	117.13	101.67	32.64	58.13	61.71	64.46	137.01	93.83	70.48
6/4/2021	86.03	62.62	76.52	116.86	101.48	32.52	58.11	61.27	64.35	136.42	93.59	70.08
6/7/2021 6/8/2021	85.67 82.97	62.80 60.33	76.41 75.81	117.29 116.97	101.86 100.59	32.70 32.62	58.10 57.59	60.87 61.01	64.67 63.44	136.10 135.44	93.56 91.93	70.12 68.80
6/8/2021	82.97 84.45	59.93	76.50	118.97	100.39	32.62	57.59	61.01	63.63	135.44 139.44	91.93 92.91	68.80 69.35
6/10/2021	84.73	60.24	77.45	117.55	101.71	33.31	58.54	61.63	63.88	139.69	93.13	69.63
6/11/2021	84.76	60.67	77.32	117.95	101.93	33.45	58.58	61.80	63.85	142.24	92.90	69.54
6/14/2021	85.13	60.30	78.27	117.74	102.53	33.59	58.57	61.84	63.79	143.25	92.69	69.08
6/15/2021	85.24	60.50	78.12	117.10	103.22	33.59	58.75	62.35	64.32	144.06	93.10	69.19
6/16/2021 6/17/2021	84.40 84.39	59.67 59.51	76.50 76.78	115.35 114.45	101.81 102.42	32.94 32.80	57.57 58.12	61.23 61.20	62.98 63.35	141.16 140.58	91.93 92.38	67.76 68.35
6/18/2021	84.39 82.35	59.51	76.78	114.45	102.42 99.61	32.80 31.77	56.33	59.34	63.35 61.45	140.58 137.77	92.38 89.43	66.60
6/21/2021	83.19	58.53	75.90	112.10	101.31	31.88	57.33	60.06	62.50	138.46	90.67	67.14
6/22/2021	83.26	58.61	75.65	112.10	100.40	31.61	57.23	59.62	62.08	136.95	90.17	66.75
6/23/2021	82.65	58.54	74.55	111.09	99.23	31.48	56.75	59.19	61.47	135.56	88.97	66.23
6/24/2021	82.85	59.10	74.61	110.81	99.07	31.55	56.42	59.37	60.98	135.55	89.08	66.26
6/25/2021 6/28/2021	84.77 84.90	60.13 60.01	75.11 75.24	111.69 111.46	99.72 100.01	31.82 32.00	57.13 57.11	59.86 60.24	61.53 61.49	137.47 137.28	90.10 90.96	67.10 67.06
6/28/2021	84.90 83.93	58.85	73.51	111.46	98.12	32.00 31.77	55.74	59.49	61.49 60.46	137.28	90.96 89.02	67.06
6/30/2021	84.59	59.08	73.57	110.10	98.72	31.60	55.76	59.74	60.51	132.48	88.95	65.88
7/1/2021	85.26	60.07	74.11	111.88	99.55	32.07	56.27	60.24	61.48	134.09	90.19	67.03
7/2/2021	85.20	59.91	74.21	111.74	99.51	32.18	56.42	60.10	61.53	134.79	90.02	66.82
7/6/2021	85.24	59.81	75.39	112.30	99.83	32.00	56.39	60.30	61.64	133.37	90.70	67.07
7/7/2021 7/8/2021	85.62 85.31	60.15 60.27	75.64 75.95	113.96 114.23	100.37 100.56	32.18 32.04	56.83 56.84	60.85 60.54	61.69 61.55	133.45 131.93	91.79 92.21	67.69 67.50
7/8/2021	85.31	60.27	75.55	114.23 115.60	100.56	32.04	56.84 56.76	60.54 60.49	61.55	131.93	92.21 91.84	67.50
7/12/2021	85.41	60.36	75.55	116.00	101.53	32.29	56.94	60.70	61.80	133.44	92.37	67.84
7/13/2021	85.24	60.00	74.50	114.90	101.53	31.94	56.53	59.83	61.34	132.12	91.89	67.58
7/14/2021	86.18	60.48	75.24	114.90	102.70	32.19	57.23	60.39	61.89	132.17	93.15	68.09
7/15/2021	87.18	61.51	76.14	115.79	103.94	32.61	57.81	61.19	62.67	132.56	94.75	68.72
7/16/2021 7/19/2021	87.49	62.01	77.16	117.05	104.76 103.89	32.79	58.55	61.74 60.19	63.11 62.79	134.20 129.82	95.44 94.23	69.13
7/19/2021	85.77 85.74	61.45 61.94	75.86 75.67	113.90 116.12	103.89 103.74	32.32 32.84	58.05 58.31	60.19 60.67	62.79 62.95	129.82 131.92	94.23 93.82	68.27 68.16
7/20/2021	84.72	61.04	74.72	115.04	103.14	32.69	57.42	60.05	62.82	130.30	92.10	67.06
7/22/2021	84.88	61.23	74.39	114.88	102.92	32.81	57.56	60.21	62.98	129.12	92.47	67.24
7/23/2021	85.98	62.08	75.32	116.36	104.47	33.17	58.61	61.22	63.86	130.72	94.03	68.27
7/26/2021	87.68	61.98	75.09	115.88	104.58	33.09	58.60	61.55	63.73	130.70	94.16	68.31
7/27/2021	89.39	63.22	76.83 75.74	118.70	106.36	33.69	59.73	62.85	64.54	132.63	96.50	69.46
7/28/2021 7/29/2021	88.99 89.14	62.26 62.35	75.74 75.51	117.69 118.13	105.65 105.68	33.50 33.74	59.37 58.90	62.50 63.07	63.99 64.46	132.78 132.43	94.44 94.58	68.70 68.79
7/29/2021	89.14 88.12	62.35 61.79	75.51	118.13	105.68	33.74 33.37	58.90 58.53	62.23	63.87	132.43	94.58 94.14	68.79
8/2/2021	88.34	62.66	75.35	117.60	106.19	33.54	59.15	62.86	64.08	131.25	94.70	68.56
8/3/2021	89.09	63.24	75.50	118.13	106.61	33.79	59.98	63.51	64.13	131.98	95.61	68.70
8/4/2021	88.83	63.26	75.47	117.79	106.73	33.35	59.93	63.27	64.03	130.86	95.83	68.95
8/5/2021	89.66	63.21	76.08	119.33	107.93	33.99	60.47	63.90	64.78	132.94	96.48	69.24
8/6/2021	89.34	63.27	76.00 76.00	119.58	106.96	33.94	60.80	63.86	64.70	132.33	96.31	69.08
8/9/2021 8/10/2021	88.76 88.75	63.26 62.94	76.00 76.44	119.90 120.00	106.15 106.90	33.82 33.92	60.69 60.51	63.83 62.90	64.85 65.21	131.26 131.75	96.33 96.10	69.12 68.71
8/10/2021	89.17	63.19	76.93	120.00	108.90	34.37	60.83	63.53	65.63	132.00	96.10 96.41	69.07
8/12/2021	88.95	63.00	77.36	119.95	105.69	34.25	60.66	63.85	65.72	132.42	95.60	68.79
8/13/2021	89.69	63.46	77.71	120.30	106.00	34.48	61.07	64.72	65.53	133.77	96.21	69.04
8/16/2021	90.30	63.87	78.46	120.00	107.81	34.64	61.64	64.82	66.38	133.57	97.18	69.77
8/17/2021	90.54	64.27	78.62	120.31	107.71	34.48	61.74	64.73	66.45	133.89	97.36	69.95

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR DCF PRICE, DIVIDEND, AND GROWTH RATE UPDATED AS OF 4/29/2022

Stock Prices ¹ (\$): Date	AEP	СМЅ	D	DTE	DUK	EXC	LNT	PEG	SO	SRE	WEC	XEL
8/18/2021	89.75	63.82	77.98	120.14	107.05	34.38	61.42	64.00	66.01	132.59	96.46	69.33
8/19/2021	90.40	64.01	79.06	120.17	106.88	34.79	61.48	64.26	66.38	131.97	96.97	70.12
8/20/2021	91.08	64.81	80.05 78.98	121.48	107.21	35.20	62.18 60.97	64.95	67.32	133.36	97.59	70.61 68.99
8/23/2021 8/24/2021	90.12 89.23	64.07 63.54	78.98	121.15 120.49	105.83 105.15	34.98 34.88	60.66	64.34 63.81	66.67 65.73	131.89 130.97	95.79 94.45	68.99 68.29
8/25/2021	89.33	63.64	78.56	120.78	105.38	34.86	60.56	64.11	65.87	131.59	94.66	68.31
8/26/2021	89.25	63.84	78.45	120.49	104.85	34.78	60.59	63.79	66.14	131.79	94.38	68.30
8/27/2021	89.29	64.16	78.19	120.65	104.67	35.00	60.84	64.17	65.99	131.86	94.41	68.70
8/30/2021	89.62	64.48	78.30	120.40	104.79	35.12	60.89	64.24	65.75	131.81	95.02	69.03
8/31/2021	89.57 90.50	64.13 65.05	77.84 78.98	120.34 121.37	104.66 106.12	34.95 35.37	60.79 61.64	63.94 64.72	65.73 66.48	132.36 133.60	94.48 95.90	68.75 69.75
9/1/2021 9/2/2021	90.30	65.61	78.89	121.37	106.12	35.72	62.05	64.68	66.85	133.60	95.90 96.80	70.32
9/3/2021	90.41	64.96	78.38	120.75	105.68	35.53	61.47	64.14	66.27	133.41	96.08	69.80
9/7/2021	88.91	63.52	76.52	119.28	103.20	35.30	59.75	62.98	66.19	132.21	94.06	67.90
9/8/2021	90.68	64.72	77.84	121.33	105.33	35.91	61.08	64.10	67.31	134.00	96.42	69.31
9/9/2021	90.40	64.44	78.46	120.57	104.62	35.82	60.70	63.32	67.18	133.81	95.99	69.27
9/10/2021	88.83	63.61	77.30	118.77	103.20	35.59	59.77	62.14	66.21	132.49	94.89	67.76
9/13/2021 9/14/2021	88.32 87.83	63.00 63.18	76.54 76.15	118.05 117.42	102.73 101.61	36.05 35.92	59.43 59.28	62.32 62.57	66.33 65.97	134.00 133.83	93.68 93.42	67.08 66.11
9/14/2021 9/15/2021	87.83	62.80	75.55	117.42	101.81	35.92 36.26	59.28 59.27	62.80	66.01	135.85	93.42 92.02	65.45
9/16/2021	85.98	62.48	74.93	117.56	102.05	35.78	58.65	62.61	65.38	135.12	91.58	65.00
9/17/2021	84.10	61.66	74.12	114.00	99.67	35.55	57.83	61.91	64.14	133.38	90.75	64.00
9/20/2021	83.30	61.83	74.60	113.93	99.64	35.45	57.90	62.07	63.96	131.03	90.99	63.44
9/21/2021	82.99	61.66	74.51	113.38	98.92	34.95	57.52	61.70	63.81	130.47	91.38	63.29
9/22/2021	82.72	61.49	74.84	113.95	98.54	35.21	57.44	61.02	63.61	130.84	91.23	63.19
9/23/2021	82.31	60.66	74.26	113.75	98.40	35.40	57.25	60.69	63.40	129.03	90.28	62.90
9/24/2021	82.05	60.76	74.58	113.71	98.46	35.11	57.11	60.70	63.16	129.77	90.00	63.32
9/27/2021 9/28/2021	81.36 81.28	59.46 58.86	73.81 73.14	112.60 111.43	97.63 97.05	34.86 34.37	56.20 55.81	61.21 60.36	62.44 61.94	128.87 123.62	88.33 87.77	62.25 61.42
9/29/2021	82.17	59.85	74.35	113.13	98.34	34.68	56.75	61.26	62.64	123.02	89.01	62.67
9/30/2021	81.18	59.73	73.02	111.71	97.59	34.47	55.98	60.90	61.97	126.50	88.20	62.50
10/1/2021	81.38	59.73	72.29	111.67	98.46	34.08	55.78	60.46	61.75	125.58	87.62	62.49
10/4/2021	83.04	60.87	73.35	113.01	100.76	34.48	56.82	61.15	62.43	126.52	89.37	63.90
10/5/2021	83.02	60.37	72.78	113.79	100.17	34.47	56.41	60.85	62.06	126.64	88.89	63.30
10/6/2021	84.56	61.22	74.17	115.28	101.85	35.02	57.08	60.95	62.73	127.77	90.58	64.33
10/7/2021	84.14	60.57	73.85	115.06	100.96	34.73	56.66	60.46	62.67	125.59	89.72	63.97
10/8/2021 10/11/2021	83.58 82.51	60.15 59.35	72.70 72.12	114.13 112.15	100.53 99.71	34.48 33.92	55.96 54.66	59.89 59.28	62.56 61.92	124.62 123.13	88.81 87.33	63.20 62.44
10/12/2021	82.55	59.74	72.52	112.10	99.82	34.43	54.99	59.42	62.10	124.41	87.82	63.00
10/13/2021	83.46	60.63	73.37	113.97	100.70	35.00	55.46	60.17	62.51	126.85	88.98	64.39
10/14/2021	84.05	60.94	73.65	115.06	101.65	35.75	56.14	61.41	63.26	128.06	89.90	65.43
10/15/2021	83.49	60.30	73.10	115.04	100.35	35.52	55.77	62.11	63.13	128.41	90.07	65.93
10/18/2021	82.99	59.55	71.96	113.71	99.86	35.57	55.33	61.73	62.45	127.42	88.84	64.68
10/19/2021	83.80	60.24	75.22	114.47	101.13	35.88	55.67	62.45	62.97	129.44	89.86	64.93
10/20/2021 10/21/2021	84.90 85.20	60.79 60.80	76.59 77.29	115.47 115.40	102.23 103.00	36.52 36.42	56.45 56.75	63.40 63.09	63.71 64.16	131.28 130.26	91.06 91.21	65.57 65.61
10/22/2021	85.58	61.06	77.29	116.00	103.78	36.59	57.38	63.84	62.95	131.17	91.66	65.55
10/25/2021	84.67	60.25	76.50	115.65	102.84	36.79	56.50	63.93	62.81	130.36	90.38	64.66
10/26/2021	84.42	60.60	76.59	116.37	103.29	37.09	56.81	64.61	63.28	131.44	90.75	64.48
10/27/2021	84.30	60.35	75.99	113.82	102.76	37.07	56.51	63.98	62.64	129.87	89.97	63.39
10/28/2021	84.71	60.72	76.34	114.41	102.49	37.61	56.84	64.33	62.74	129.72	90.51	64.33
10/29/2021	84.71	60.35	75.93	113.35	102.01	37.93	56.57	63.80	62.32	127.63	90.06	64.59
11/1/2021 11/2/2021	85.13 85.30	60.29 60.44	75.41 75.49	112.97 113.08	102.31 102.45	38.43 38.32	56.85 57.08	64.36 63.98	62.48 62.49	128.89 128.03	90.34 90.89	64.50 64.71
11/2/2021	85.30 84.93	60.44 60.15	75.49 75.48	113.08	102.45	38.32 38.54	56.43	63.37	62.49 62.55	128.03	90.89 89.87	63.50
11/3/2021	83.89	60.02	75.44	113.40	102.34	38.58	55.65	63.68	62.50	127.35	89.72	63.07
11/5/2021	85.04	60.52	76.53	114.13	101.68	38.61	56.42	64.19	63.10	127.35	90.87	63.80
11/8/2021	83.90	59.57	74.58	112.33	101.42	37.88	55.28	62.17	62.62	125.58	88.95	62.74
11/9/2021	83.04	60.07	74.58	112.50	101.96	38.57	55.43	62.16	63.35	125.06	89.79	63.60
11/10/2021	84.18	60.89	75.68	113.17	101.62	38.83	56.08	62.72	63.86	124.61	90.64	64.39
11/11/2021	82.61	60.08	75.07	112.49	100.25	39.00	55.31	62.19	63.05	121.60	89.04	63.50
11/12/2021 11/15/2021	82.02 82.88	60.00 61.17	74.74 75.88	111.96 113.20	99.88 100.60	38.79 39.05	55.29 56.24	62.17 63.34	61.89 62.20	122.10 124.56	88.75 90.55	63.13 64.31
11/15/2021	82.88 82.56	60.53	75.88 75.41	113.20 112.79	99.08	39.05 38.68	56.24 55.99	62.72	62.20	124.56	90.55 90.16	64.31 64.11
11/10/2021	83.24	60.94	75.35	112.75	98.99	38.21	56.11	62.46	62.17	124.24	90.80	64.97
11/18/2021	82.82	60.45	75.19	111.38	98.37	38.18	55.25	62.40	61.63	122.74	90.13	64.33
11/19/2021	83.38	60.90	74.19	111.18	98.42	38.23	56.79	63.07	62.67	122.76	90.52	65.10
11/22/2021	84.30	61.64	74.04	112.94	100.25	38.48	57.87	63.44	63.12	124.95	91.52	66.31
11/23/2021	84.31	61.31	74.82	112.25	100.74	38.78	57.86	64.20	63.01	125.32	91.00	65.84
11/24/2021	83.82	61.04	74.90	112.18	100.18	38.87	57.62	64.59	63.10	125.53	90.69	65.55
11/26/2021 11/29/2021	82.55 83.31	60.13 61.13	73.67 74.42	110.66 111.49	99.28 100.22	38.10 38.63	56.74 57.28	63.64 64.25	62.04 62.82	121.68 124.20	89.17 90.49	64.76 65.59
11/29/2021	83.31	58.85	74.42	108.34	97.01	38.63 37.60	57.28 54.79	64.25 62.49	62.82 61.10	124.20 119.87	90.49 86.93	63.73
12/1/2021	80.28	59.00	70.85	108.34	96.62	37.29	55.36	62.44	61.14	119.66	87.68	64.21
12/2/2021	81.31	59.56	71.84	110.00	97.65	37.74	55.93	63.17	62.01	122.39	88.87	64.65

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR DCF PRICE, DIVIDEND, AND GROWTH RATE UPDATED AS OF 4/29/2022

Stock Prices ¹ (\$): Date	AEP	СМЅ	D	DTE	DUK	EXC	LNT	PEG	SO	SRE	WEC	XEL
12/3/2021	82.34	60.76	73.04	111.89	99.88	37.61	56.94	63.45	62.83	123.75	91.17	65.17
12/6/2021	83.49	61.57	74.29	114.19	101.21	38.17	57.93	63.71	64.66	125.46	92.26	65.18
12/7/2021	83.91	62.03	75.46	115.01	101.17	38.45	58.33	64.62	64.47	126.91	92.34	66.04
12/8/2021 12/9/2021	84.02 83.52	61.88 62.15	75.13 76.19	114.52 115.23	100.85 100.28	38.10 37.89	58.33 58.14	63.91 63.74	64.75 64.57	126.12 126.20	92.56 92.80	67.11 66.80
12/9/2021	83.99	62.53	75.96	115.23	100.28	37.89	58.89	63.80	65.08	126.20	92.80 93.48	66.51
12/13/2021	84.98	63.74	76.75	117.17	103.04	38.61	59.65	65.19	66.18	126.29	95.11	67.46
12/14/2021	85.13	63.47	76.60	117.46	102.77	38.40	59.54	64.53	65.97	126.15	94.76	67.39
12/15/2021	87.23	64.88	78.20	119.60	103.82	39.00	60.49	65.55	66.75	127.69	96.98	68.82
12/16/2021	88.00 86.54	65.41 64.18	78.57 76.63	120.33 116.60	104.54 103.04	38.76	60.98 59.77	65.61 64.09	67.55 66.84	128.59 126.87	98.36 96.29	68.95 67.00
12/17/2021 12/20/2021	86.54 87.23	64.18 64.52	76.63 77.96	116.60 117.13	103.04 103.67	38.16 38.08	59.77 59.93	64.09 64.09	66.84 67.12	126.87	96.29 96.27	67.00 67.12
12/20/2021	86.75	63.73	77.14	116.48	103.02	38.46	59.40	64.31	66.39	128.51	94.73	66.34
12/22/2021	86.62	63.71	77.15	116.70	103.16	38.77	59.58	64.60	66.65	129.16	94.77	66.73
12/23/2021	86.52	63.52	77.34	116.82	102.97	38.86	59.55	64.58	66.54	129.41	94.65	66.61
12/27/2021	87.08	63.91	77.43	117.85	103.29	39.08	59.99	65.06	66.96	130.16	95.28	66.82
12/28/2021 12/29/2021	88.21 88.58	64.54 65.19	77.91 78.42	118.73 119.38	104.57 104.76	39.65 40.40	60.68 61.11	65.58 65.97	67.73 68.07	130.79 131.45	96.50 96.92	67.62 67.96
12/29/2021	88.69	65.10	78.42	119.38	104.78	40.40	61.45	66.32	68.36	131.43	90.92 97.12	68.23
12/31/2021	88.97	65.05	78.56	119.54	104.90	41.19	61.47	66.73	68.58	132.28	97.07	67.70
1/3/2022	88.61	64.71	78.35	119.18	103.49	40.69	60.85	66.16	68.17	131.99	96.09	67.94
1/4/2022	88.65	64.60	78.10	119.38	103.41	40.65	60.72	65.99	68.17	134.37	95.85	68.37
1/5/2022	89.47	65.40	79.21	119.25	103.64	40.62	61.26	65.83	68.25	135.19	96.96	69.04
1/6/2022 1/7/2022	89.18 90.80	64.66 65.08	79.06 80.21	119.57 119.69	103.47 104.50	40.45 40.39	61.01 60.99	65.89 67.00	68.17 68.64	136.16 138.21	96.35 97.21	68.50 69.10
1/1/2022	90.80 90.50	65.08 64.78	80.21 79.83	119.69	104.50	40.39	60.63	66.26	68.64 68.53	138.21	97.21 96.90	69.10 69.86
1/10/2022	89.77	63.87	79.13	118.78	104.30	39.66	59.80	65.85	67.65	135.84	95.32	68.60
1/12/2022	90.29	64.12	79.32	119.21	103.62	39.92	60.13	66.04	67.78	136.22	95.70	68.59
1/13/2022	90.86	64.37	79.75	119.83	104.15	40.28	60.64	66.30	68.35	136.88	97.28	69.02
1/14/2022	90.98	63.75	79.17	119.38	104.04	40.10	60.07	65.25	68.66	137.96	96.25	68.97
1/18/2022	90.32	63.18	78.46	118.38	101.87	39.96	59.67	65.22	68.01	135.72	95.77	68.39
1/19/2022 1/20/2022	90.30 89.92	63.44 63.53	79.03 79.09	118.67 118.36	102.17 102.31	40.28 40.63	59.42 59.73	65.55 65.59	68.33 67.88	135.87 134.88	96.03 96.67	68.12 68.18
1/20/2022	89.97	63.74	79.31	118.46	102.91	40.48	59.76	65.44	67.81	134.90	96.99	68.22
1/24/2022	89.12	62.60	78.48	116.88	102.58	40.00	58.75	64.35	67.37	131.65	95.13	67.43
1/25/2022	88.96	62.57	77.98	117.63	102.32	39.55	58.31	64.72	67.25	133.92	94.75	67.88
1/26/2022	88.83	62.35	77.46	118.18	101.95	39.72	58.10	64.69	67.02	134.64	94.11	67.62
1/27/2022	89.40	63.19	78.21	119.81	103.25	40.02	58.91	65.40	68.03	135.96	95.11	68.94
1/28/2022 1/31/2022	90.13 90.40	63.84 64.38	79.46 80.66	120.24 120.43	104.73 105.06	40.88 41.32	59.31 59.86	66.03 66.53	69.00 69.49	136.86 138.16	96.57 97.04	69.84 69.66
2/1/2022	88.35	63.33	80.03	118.48	103.45	41.24	58.66	66.26	67.99	136.12	95.16	68.49
2/2/2022	89.88	63.97	81.32	120.23	105.00	42.86	59.86	67.28	68.81	138.20	96.12	69.59
2/3/2022	90.19	64.65	81.01	120.06	105.43	43.79	59.86	67.09	69.25	137.02	95.69	69.47
2/4/2022	89.17	64.68	80.18	120.00	104.25	43.52	59.13	66.64	68.69	136.27	94.64	68.78
2/7/2022	89.81	64.92	80.17	119.60	104.34	43.64	59.10	66.79	67.65	137.00	94.72	68.75
2/8/2022 2/9/2022	90.20 89.38	64.94 64.82	80.33 80.32	119.93 120.52	104.41 104.71	43.02 42.60	59.47 59.12	67.25 67.43	67.89 68.08	137.91 137.75	94.47 94.32	68.84 69.19
2/10/2022	87.39	62.48	78.25	115.88	99.79	42.04	57.23	65.85	65.95	135.56	92.00	67.08
2/11/2022	87.65	63.10	79.08	116.16	99.75	42.13	57.45	65.95	66.79	135.98	91.21	66.96
2/14/2022	86.18	62.39	78.75	116.05	99.95	42.20	56.87	64.77	65.85	135.13	89.63	66.40
2/15/2022	85.44	61.85	78.17	116.31	99.30	41.74	56.35	64.43	65.02	134.60	88.90	66.12
2/16/2022	85.41	61.92	78.67	116.49	99.51	42.00	56.33	64.79	64.87	135.23	89.12	65.94
2/17/2022 2/18/2022	85.49 85.71	62.40 62.51	79.14 79.15	118.55 119.35	98.73 99.81	41.75 41.63	56.62 57.10	64.73 64.68	64.79 63.77	135.39 135.51	89.39 90.00	66.10 66.00
2/18/2022 2/22/2022	85.99	62.69	79.13	119.33	99.81 99.45	41.65	56.70	64.68	64.29	135.51	90.00 89.79	65.94
2/23/2022	84.64	62.01	77.64	117.26	97.67	40.97	55.96	63.57	62.84	133.64	88.34	64.93
2/24/2022	86.56	61.97	77.16	117.74	97.04	41.30	55.93	62.32	62.88	134.23	88.68	64.83
2/25/2022	89.46	64.14	79.69	121.95	100.22	42.60	57.87	64.87	65.04	141.44	90.85	67.23
2/28/2022	90.65	64.01	79.53	121.59	100.41	42.56	58.40	64.83	64.77	144.22	90.88	67.33
3/1/2022 3/2/2022	90.21 91.24	63.63 64.48	79.29 80.16	120.00 122.37	99.83 100.79	42.23 42.76	57.27 57.64	64.46 65.38	64.10 64.57	145.17 148.37	89.31 90.59	66.51 67.56
3/2/2022	93.98	65.28	80.10	122.37	100.79	42.78	59.07	66.29	66.40	140.57	90.39 92.45	69.13
3/4/2022	96.33	67.00	82.70	127.88	105.26	44.28	60.59	67.60	67.58	151.92	94.61	71.26
3/7/2022	97.26	66.98	83.35	127.11	106.70	43.83	60.76	67.71	69.23	152.84	95.45	71.55
3/8/2022	95.25	65.92	81.56	126.17	105.47	43.49	60.49	66.68	67.82	153.39	94.00	70.19
3/9/2022	95.01	65.22	81.00	125.03	105.33	43.55	59.75	65.82	67.12	152.30	92.60	69.84
3/10/2022	95.99 95.54	66.05	82.21	127.30	106.19	43.60	60.14	65.40 65.72	68.61	155.28	93.56	70.16
3/11/2022 3/14/2022	95.54 94.74	65.96 66.17	82.26 81.32	126.97 126.52	106.14 106.30	43.63 43.58	60.23 60.33	65.72 66.53	68.69 68.66	154.21 153.97	93.86 93.78	70.37 69.51
3/14/2022 3/15/2022	94.74 96.11	67.25	81.32	120.52	106.50	43.36	61.28	67.53	68.66	155.01	93.78 94.59	70.23
3/16/2022	95.07	66.47	80.76	127.79	105.97	43.44	60.86	67.71	68.52	154.37	94.60	69.25
3/17/2022	94.94	66.82	82.69	127.78	106.50	43.45	60.98	67.75	68.41	155.83	95.79	69.70
3/18/2022	94.07	66.20	81.27	126.07	105.05	43.25	60.31	66.80	68.03	156.29	94.68	68.79
3/21/2022	94.69	66.99	81.83	127.10	106.16	43.66	60.94	67.45	68.89	159.25	95.70	69.32
3/22/2022	95.25	67.01	81.66	125.71	106.19	43.63	59.91	67.10	68.82	158.13	95.37	69.21

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR DCF PRICE, DIVIDEND, AND GROWTH RATE UPDATED AS OF 4/29/2022

Stock Prices ¹ (\$): Date	AEP	CMS	D	DTE	DUK	EXC	LNT	PEG	SO	SRE	WEC	XEL
3/23/2022	96.01	67.64	81.63	126.96	106.83	43.70	60.41	66.80	68.79	159.42	95.48	69.30
3/24/2022	96.44	68.05	82.30	127.79	107.47	44.47	60.56	67.54	69.30	158.86	96.61	69.88
3/25/2022	96.84	68.92	83.97	129.85	109.13	45.51	61.83	68.31	70.93	162.46	98.07	70.70
3/28/2022	97.61	69.12	84.24	129.70	110.04	46.02	62.00	68.52	71.00	163.12	98.55	71.24
3/29/2022	98.69	69.41	84.89	130.59	110.97	46.99	62.20	69.10	72.06	164.94	99.18	71.83
3/30/2022	99.42	69.99	85.43	132.56	111.48	47.23	62.88	69.94	72.50	167.62	100.29	72.32
3/31/2022	99.77	69.94	84.97	132.21	111.66	47.63	62.48	70.00	72.51	168.12	99.81	72.17
4/1/2022	101.51	71.10	86.33	134.94	112.82	47.66	63.29	71.06	74.12	170.34	101.13	72.75
4/4/2022 4/5/2022	100.65 101.31	70.59 71.11	85.35 86.09	133.63 134.29	111.79 112.52	47.34 47.80	62.69 63.28	70.29 70.56	73.12 74.35	166.76 165.03	100.49 101.73	72.70 73.07
4/6/2022	101.31	73.56	87.84	134.29	112.52	49.71	65.16	70.38	74.33	168.33	101.73	74.99
4/7/2022	104.49	72.36	87.66	137.01	114.86	50.02	64.33	72.08	75.76	168.05	103.97	74.55
4/8/2022	103.37	72.51	88.38	130.35	114.80	50.02	64.82	72.09	76.49	169.79	103.81	74.82
4/0/2022	102.99	72.24	87.52	136.86	114.23	48.24	64.35	71.73	74.48	168.25	103.66	74.36
4/12/2022	101.40	72.83	87.39	137.85	115.42	48.05	64.63	71.92	75.54	169.63	103.00	74.73
4/13/2022	102.25	71.90	87.19	136.63	115.12	48.64	63.59	71.55	75.36	170.42	103.20	74.37
4/14/2022	102.04	71.55	87.40	137.17	114.85	49.03	63.39	72.80	75.99	171.25	103.19	74.34
4/18/2022	101.66	71.44	86.83	137.17	114.24	49.23	62.71	72.43	75.83	171.12	102.84	74.20
4/19/2022	102.43	72.31	86.97	137.77	114.47	49.50	63.88	73.08	76.27	170.27	104.52	74.84
4/20/2022	102.83	73.04	86.99	139.12	115.43	50.25	65.11	74.73	76.50	172.67	105.40	75.35
4/21/2022	102.12	72.84	86.55	138.28	115.28	49.74	64.45	74.67	76.46	170.43	105.76	75.30
4/22/2022	100.25	71.76	84.89	136.81	114.28	48.65	63.12	73.88	75.91	168.24	103.98	74.30
4/25/2022	100.50	70.59	84.56	135.70	113.77	48.77	62.07	72.64	74.97	165.38	102.91	73.70
4/26/2022	99.24	70.38	83.57	134.52	113.50	48.42	61.63	71.26	73.74	164.44	102.63	73.38
4/27/2022	99.53	70.21	83.38	134.37	113.09	47.79	60.82	70.45	73.48	163.69	102.09	72.97
4/28/2022	102.43	70.87	83.87	135.52	113.80	48.34	61.23	71.15	75.58	165.50	102.78	74.88
4/29/2022	99.11	68.69	81.64	131.04	110.16	46.78	58.81	69.66	73.39	161.36	100.05	73.26
AVERAGE STOCK PRICE (\$)	88.38	63.39	77.86	119.12	103.51	37.89	58.76	64.19	65.81	137.31	94.07	68.12
QUARTERLY DIV. ² (\$)	0.7400	0.4350	0.6300	0.9225	0.9650	0.3825	0.4025	0.5100	0.6400	1.1000	0.6775	0.4575
	0.7400	0.4350	0.6300	0.9225	0.9850	0.3825	0.4025	0.5100	0.6600	1.1000	0.6775	0.4575
	0.7800	0.4350	0.6300	0.8250	0.9850	0.3825	0.4025	0.5100	0.6600	1.1000	0.7275	0.4575
[0.7800	0.4600	0.6675	0.8850	0.9850	0.3825	0.4275	0.5100	0.6600	1.1450	0.7275	0.4875
ANNUAL DIVIDEND (\$)	3.0400	1.7650	2.5575	3.5550	3.9200	1.5300	1.6350	2.0400	2.6200	4.4450	2.8100	1.8600
YIELD	3.44%	2.78%	3.28%	2.98%	3.79%	4.04%	2.78%	3.18%	3.98%	3.24%	2.99%	2.73%
ANALYST GROWTH RATES												
Seeking Alpha ³	6.33%	8.34%	6.52%	3.27%	5.59%	7.43%	0.0593	0.0495	0.0577	0.0514	0.0649	0.0624
Zacks ⁴	5.80%	9.20%	6.10%	6.00%	6.20%	6.20%	6.00%	4.20%	4.00%	5.60%	6.10%	6.40%
CNBC ⁵	6.60%	7.20%	3.40%	7.10%	0.40%	5.10%	8.30%	3.50%	4.00%	3.20%	7.00%	5.70%
YAHOO ¹	6.06%	8.62%	6.37%	6.00%	6.34%	8.50%	6.00%	2.50%	6.40%	6.83%	6.06%	7.08%
DCF GROWTH FACTOR	6.20%	8.34%	5.60%	5.59%	4.63%	6.81%	6.56%	3.79%	5.04%	5.19%	6.41%	6.36%
VALUE LINE ²												
23 EARNINGS (EPS)	5.35	3.05	4.35	6.30	5.80	2.40	2.90	3.80	3.80	8.90	4.65	3.35
25-27 EARNINGS (EPS)	6.50	3.75	5.25	7.50	7.00	3.00	3.25	4.50	4.50	10.75	5.50	4.00
	4.87%	5.17%	4.70%	4.36%	4.70%	5.58%	2.85%	4.23%	4.23%	4.72%	4.20%	4.43%
VALUE LINE "BOXED" (Earnings)	6.50%	6.50%	11.50%	4.50%	7.00%	NMF	4.50%	4.00%	5.50%	11.50%	6.00%	6.00%
VALUE LINE GROWTH ESTIMATE	5.68%	5.83%	8.10%	4.43%	5.85%	5.58%	3.67%	4.11%	4.86%	8.11%	5.10%	5.22%
DCF GROWTH ESTIMATE	5.94%	7.09%	6.85%	5.01%	5.24%	6.19%	5.12%	3.95%	4.95%	6.65%	5.76%	5.79%
DCF COST OF EQUITY ESTIMATE	9.80%	9.50%	9.98%	9.02%	9.88%	10.53%	8.86%	8.87%	9.95%	9.85%	9.27%	9.02%
DCF AVERAGE	9.54%											

Sources:

¹ finance.yahoo.com as of 4/29/2022 ² ValueLine.com as of 4/29/2022

³ SeekingAlpha.com as of 6/3/2022

⁴ Zacks.com as of 4/29/2022

⁵ CNBC.com as of 6/3/2022

Duke Energy Ohio, Inc. Recommended Capital Structure and Cost Rates <u>for Ratemaking Purposes</u>

Type Of Capital	Ratios (1)	Cost Rate	Weighted Cost Rate
Long-Term Debt Common Equity	49.50% 50.50%	4.16% (1) 10.30% (2)	2.06% 5.20%
Total	100.00%		7.26%

Notes:

(1) Company-provided.

(2) From page 2 of this Attachment.

Duke Energy Ohio, Inc. Brief Summary of Common Equity Cost Rate

Line No.	Principal Methods	Proxy Group of Thirteen Electric Companies
1.	Discounted Cash Flow Model (DCF) (1)	8.89%
2.	Risk Premium Model (RPM) (2)	11.46%
3.	Capital Asset Pricing Model (CAPM) (3)	11.04%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	12.41%
5.	Indicated Range of Common Equity Cost Rates before Adjustment for Company-Specific Risk	9.65% - 11.65%
6.	Size Risk Adjustment (5)	0.15%
7.	Flotation Cost Adjustment (6)	0.11%
8.	Indicated Range of Common Equity Cost Rates after Adjustment	9.91% - 11.91%
9.	Recommended Common Equity Cost Rate	10.30%
(From page 3 of this Attachment. From page 17 of this Attachment. From page 30 of this Attachment. From page 35 of this Attachment. 	

(4) From page 35 of this Attachment.

(5) Adjustment to reflect the Company's greater business risk due to its smaller size realtive to the Utility Proxy Group as detailed in Mr. D'Ascendis' direct testimony.

(6) From page 43 of this Attachment.

			ז זווו תרכזו דוכרת זר מ				
	[1]	[2]	[3]	[4]	[5]	[9]	[2]
	Average	Value Line Proiected Five	Zack's Five Year Proiected	Yahoo! Finance Proiected Five	Average Proiected Five		Indicated Common
Proxy Group of Thirteen Electric Companies	Dividend Yield (1)	Year Growth in EPS (2)	Growth Rate in EPS	Year Growth in EPS	Year Growth in EPS (3)	Adjusted Dividend Yield (4)	Equity Cost Rate (5)
Alliant Energy Corporation	2.79 %	4.50 %	5.70 %	5.40 %	5.20 %	2.86 %	8.06 %
Ameren Corporation	2.54	6.50	7.20	6.46	6.72	2.63	9.35
American Electric Power Company, Inc.	3.14	6.50	6.20	6.21	6.30	3.24	9.54
Duke Energy Corporation	3.56	6.00	6.10	5.94	6.01	3.67	9.68
Edison International	4.08	NMF	3.90	4.50	4.20	4.17	8.37
Entergy Corporation	3.44	3.00	6.10	6.02	5.04	3.53	8.57
Evergy, Inc.	3.37	7.50	6.10	4.95	6.18	3.47	9.65
Eversource Energy	2.87	6.00	6.20	6.58	6.26	2.96	9.22
IDACORP, Inc.	2.71	4.00	2.80	2.80	3.20	2.75	NMF (6)
NorthWestern Corporation	4.21	3.00	2.70	4.50	3.40	4.28	7.68
OGE Energy Corporation	4.09	6.50	3.50	1.90	3.97	4.17	8.14
Portland General Electric Company	3.49	7.50	4.40	3.30	5.07	3.58	8.65
Xcel Energy Inc.	2.67	6.00	6.40	7.08	6.49	2.76	9.25

8.85 % 8.93 %

%

8.89

Average of Mean and Median

Median Average

NA= Not Available NMF= Not Meaningful Figure

Notes:

(1) Indicated dividend at 05/31/2022 divided by the average closing price of the last 60 trading days ending 05/31/2022 for each company.

(2) From pages 4 through 16 of this Attachment.
(3) Average of columns 2 through 4 excluding negative growth rates.
(4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 6) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for Alliant Energy Corporation, 2.79% x (1+(1/2 x 5.20%)) = 2.86%.

(5) Column 5 + column 6.(6) Excluded for being 2 standard deviations away the average result.

www.zacks.com Downloaded on 05/31/2022 www.yahoo.com Downloaded on 05/31/2022 Value Line Investment Survey

Source of Information:

Attachment DWD-Supp-2 Page 4 of 44

TIMELINESS 3 Raised 10/29/21 High: Low: 22.2 23.8 27.1 34.9 35.4 41.0 45.6 46.6 55.4 60.3 62.3 61.9 SAFETY 2 Raised 9/28/07 TECHNICAL 3 Lowered 3/11/22 Devend 3/11/22	Target Pric	
TECHNICAL 3 Lowered 3/11/22		e Range 6 2027
TECHNICAL 3 Lowered 3/11/22 divided by Interest Rate	2023 202	
BEIA .85 (1.00 = Market) 2-for-1 Split 5/16		
18-Month Target Price Range Shaded area indicates recession for the state of the st		40 30
Low-High Midpoint (% to Mid) \$50-\$78 \$64 (10%) 2025-27 PROJECTIONS		25 20
2025-27 PROJECTIONS		15
		10
High 65 (+10%) 6%		75
Institutional Decisions	TOT. RETURN 2/2 THIS VL ARITI	2 +.*
202021 302021 402021 Percent 24 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	STOCK INDEX 31.4 15.1	E
to Sel 237 232 244 Hid's(000) 191641 194869 195770	39.1 61.1 72.1 84.2	F
2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 ©V	ALUE LINE PUB. LL	C 25-27
	nues per sh	17.75
	h Flow" per sh	7.00
	ings per sh A Decl'd per sh B =	3.25 † 2.15
	Spending per sh	6.25
	Value per sh ^C	29.75
	mon Shs Outst'g ^{II} Ann'l P/E Ratio	253.00
91 80 81 93 80 91 92 86 87 91 1.17 1.04 1.03 1.13 1.09 1.13 Value Line Relat	tive P/E Ratio	1.00
actimates	Ann'l Div'd Yield	3.7%
	nues (\$mill)	4500
	Profit (\$mill)	845
(I T interest earned: 3.2x) 21.3% 12.4% 10.1% 13.3% 13.4% 12.5% 0.4% 10.6% 10.6% NMF 4.0% 4.0% Incom	ne Tax Rate DC % to Net Profit	4.0% 6.0%
	-Term Debt Ratio	56.0%
48.4% 50.8% 47.5% 50.0% 46.1% 49.8% 45.7% 47.6% 44.9% 47.1% 45.0% 45.0% Comr	mon Equity Ratio	44.0%
	Capital (\$mill) Plant (\$mill)	17100 19900
	rn on Total Cap'l	6.0%
Common Stock 250,478,681 shs. 10.1% 11.0% 10.8% 10.0% 9.5% 10.6% 10.9% 10.5% 10.6% 11.3% 11.0% 11.0% Return	rn on Shr. Equity	11.0%
	rn on Com Equity	
	ned to Com Eq iv'ds to Net Prof	4.0% 64%
2019 2020 2021 PLICINECS: Alliant Energy Concertion (formatic Interactor Energy) 200/, whalacale 20/, attact 20/		
Av Lainge Federal Joses (MWH) 11448 11134 NA is a holding company formed through the merger of WPL Holdings, gas, 32%; wind, 16%; other, 1%; purcha	ased, 19%. Fuel c	osts: 25%
Avg. Indust. Revs. per KWH (c) 6.98 7.55 7.64 IES Industries, and Interstate Power. Supplies electricity to 984,000 of revs. '21 reported deprec. rates: 2.99 Capacity al Peak (Mw) NA NA NA Customers and gas to 423,000 customers in Wisconsin, Iowa, and ees. Chairman, President & CEO: John		
Peak Lad Summer (Mw) 5626 5496 5486 Annual not Factor (%) NA NA NA Minnesota. Electric revenue by static W1, 43%; 1A, 56%. MN, 1%. Address: 4902 N. Biltmore Lane, Madis		
% Change Customers (yr-end) +.6 +.6 Electric revenue: residential, 36%; commercial, 25%; industrial, Tel.: 608-458-3311. Internet: www.alliant		
Fixed Charge Cov. (%) 265 251 259 Alliant Energy's utility subsidiary in Alliant Energy's utility		
ANNUAL RATES Past Past Est'd'19-21 of chance (persh) 10 Yrs, 5 Yrs, to 25-27 inte increases at the start of 2022. Wis- consin and Iowa to a		
Revenues -1.0%5% 3.5% consin Power and Light was granted hikes energy projects. In the	first half of	2022,
"Cash Flow" 7.0% 7.5% 6.0% of \$114 million for electricity and \$15 mil- WPL expects a ruling on Earnings 7.0% 8.0% 4.5% Lion for and the electric increases was partificate of need to add		
Dividends 6.5% 6.0% 6.0% 6.0% 6.0% lion for gas. (The electric increase was certificate of need to add Book Value 5.5% 7.0% 4.0% above the initial settlement agreement of watts of solar capacity.		
Cal- QUARTERLY REVENUES (\$ mill.) Full \$70 million due to anticipated increases in plans to ask the Wiscons		
ander Mar 31 Jun 30 San 30 Dec 31 Veer fuel costs this year.) The allowed return on approve up to an addition		
2019 987.2 790.2 990.2 880.1 3647.7 equity remained at 10% and the common- newable capacity. In Iow		
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		
2022 1000 850 1075 975 3900 a mechanism that will share a portion of mw of solar capacity and	75 mw of b	attery
2023 1050 875 1125 1000 4050 its earnings if its earned ROE is greater storage.	raised the	divi-
Cal- endar Mar.31 Jun.30 Sep.30 Dec.31 Full than 10.25%. Kate refer is a key factor in The board of directors dend in the first quart		
$\frac{1}{2019}$ $\frac{1}{53}$ $\frac{40}{40}$ $\frac{46}{233}$ Our estimate is within Alliant Energy's had signaled that the in	ncrease wou	ıld be
2020 .72 .54 .94 .26 2.47 targeted range of \$2.67-\$2.81 a share, up \$0.10 a share (6.2%) ann	ually, and f	nıs 1s
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	is expens	sively
2023 .75 .60 1.10 .45 2.90 capital spending on solar power, which priced. The dividend yi	eld is belo	w the
Cal- QUARTERLY DIVIDENDS PAID B + Full will be recovered through a rider (sur- utility average. The stock		
endar Mar.31 Jun.30 Sep.30 Dec.31 Year charge) on customers' bills. out for the next 18 mont recent quotation well w		
2019 355 355 355 355 142 2023. The additions of renewable capacity 2027 Target Price Range	, total retu	rn po-
2020 38 38 38 38 1.52 should help. Our earnings estimate would tential over that time f	frame is u	nspec-
2021 4025 4025 4025 4025 1.61 produce an increase of 5%, which is within tacular. 2022 4275 the company's goal of 5%-7% annually. Paul E. Debbas, CFA	March 11	, 2022
(A) Diluted EPS. Excl. nonrecurring losses: '11, May, Aug., and Nov. Dividend reinvestment base: Orig. cost. Rates all'd on com. eq. in IA Company's Finan		A
(c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. In '21: \$1980 mill., avg. com. eq., '21: \$11.3%. Regulatory Climate Inc. (c) Incl. deferred charges. Inc. (c) Incl. (c) In	bility	95 65
	0.010100	95

(B) Dividends historically paid in mid-Feb., [\$7.91/sh. (D) In millions, adj. for split. (E) Rate | Wisconsin, Above Average; Iowa, Average. © 2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without waranties of any kind. THE FUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR ONIBISIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product. The SUBLISH of the service of the service

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AM	ERE	NNY	SE-aee						85.9	5 P/E RATIO	₀ 21.	1 (Traili Medi	ng: 22.4) an: 19.0)	RELATIV P/E RATI	5 1.1	8 DIV'D YLD	2.8	8%	/ALUI LINE	Ξ	
TIMELIN			12/10/21	High: Low:	34.1 25.5	35.3 28.4	37.3 30.6	48.1 35.2	46.8 37.3	54.1 41.5	64.9 51.4	70.9 51.9	80.9 63.1	87.7 58.7	90.8 69.8	89.5 81.8					
				0.0	64 x Divide	ends p_sh													2020	2020	
			3/11/22	div •••• Re	vided by In elative Pric	iterest Rate									\land						120
			Range			ates recess	sion									I`●.					
			•				<u> </u>						L _{ITTORN}		<u>н</u>	·					60
\$75-\$10	7 \$91	(5%)							'Int ₁₁ 11	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1											50 40
202	5-27 PR				'III''		1910 B							••							30
		Gain	Return	• ••	•••					· · · · · · · · · · · · · · · · · · ·			•••••••••								20
Low	80 `	(-5%)	2%		*****		·····	····	·			*****			• • • • • • • • • • •	•		% то	T. RETUR	N 2/22	_15
Institu	202021	3Q2021	ns 4Q2021	Percen	t 30 -														STOCK	INDEX	
to SelÍ	226	246	227	shares traded	20 -			11111.1.1.			alılının		inn. Inn	hilitoren	hlut .			3 yr.	29.4	61.1	F
				2010													2023				25-27
33.30	36.23	36.92	29.87	31.77	31.04	28.14	24.06	24.95	25.13	25.04	25.46	25.73	24.00	22.87	24.81	25.35	25.85				27.75
6.02	6.76	1	6.06	6.33	5.87	5.87	5.25	5.77	6.08	6.59	6.80	7.64	7.83	8.08	8.89	9.35	9.90	1			11.75
2.00	2.50	2.00	1.54	1.54	1.56	1.60	1.60	1.61	1.66	1.72	1.78	1.85	1.92	2.00	2.20	2.36					3.10
4.99	6.96	9.75	7.51	4.66	4.50	5.49	5.87	7.66	8.12	8.78	9.05	9.56	9.92	13.02	13.67	12.90	12.55				13.00
31.86 206.60	32.41 208.30	212.30	237.40	240.40	242.60	242.63	26.97	27.67	28.63	29.27	29.61	244.50	246.20	253.30	257.70	40.25					51.50 280.00
19.4	17.4	14.2	9.3	9.7	11.9	13.4	16.5	16.7	17.5	18.3	20.6	18.3	22.1	22.2	21.4						17.5
		1		1										1		Value estin	e Line nates				
					0.070											6650	6900	<u> </u>			
						589.0	518.0	593.0	585.0	659.0	683.0	821.0	834.0	877.0	995.0	1080	1165	Net Pro	fit (\$mill)		1500
(LT inte	rest earn	ned: 3.8x)														1				Profit	
Pensio	n Assets	s-12/21 \$			157 mill.	49.5%	45.2%	47.2%	49.3%	47.7%	49.2%	50.3%	52.1%	55.0%	56.1%	55.5%	53.5%				4.0 % 51.0%
			Pfd Div'd	\$5 mill.		49.4%	53.7%	51.7%	49.7%	51.3%	49.8%	48.8%	47.1%	44.3%	43.3%	44.0%	46.0%				48.5%
stated v	al., rede	em. \$102	.176-\$11	0/sh.; 487	,508											1		1		II)	
		6%, \$100) par, rede	eem. \$10	0-	6.0%	5.6%	5.8%	5.3%	6.0%	6.0%	6.4%	6.0%	5.3%	5.3%	5.5%	5.5%	Return	on Total C		6.0%
		x 257,724	,783 shs.													1					
		\$22 billio	on (Large	e Cap)		3.0%	1.9%	2.9%	2.5%	3.3%	3.4%	4.8%	4.4%	4.2%	4.4%	4.5%	4.5%				4.5%
ELECT	RIC OPE	RATING			2021	66%	76%	67%	70%	64%	64%	56%	57%	57%	57%	57%	58%				58%
			-3.5	-5.6	+2.1																
Avg. Indust.	Revs. per K		NA	NA	NA									rates: 3	%-4%. H	las 9,100	employe	ees. Cha	irman: W	arner L.	Baxter.
Peak Lóad,	Summer (Mi	w)	NA	NA	NA																
		/r-end)	ŇĂ	NA	NA		,	,	,	,	, ,	,									
			307	291	325																
						men	ts tha	t rais	ed eleo	ctric a	ind ga	is rate	es by	creas	e wit	hin th	is ran	ge.			
Revenu "Cash	uës Flow"				2.5% 6.0%	\$220 An a) milli	on ar	nd \$5	millic	on, rea	specti	vely. peci-								
Earning	js	3.0	1% 7.	5%	6.5%	fied,	but t	he co	mmon	equit	y rati	o for	elec-								
Book V	alue	1.0	9% 4.	5%	6.5%					Vew ta	ariffs	took e	effect								
Cal- endar					Full Year					y adv	vance	in 2	022.								
2019	1556	1379	1659	1316	5910.0	kow															
2020 2021	1440 1566	1398 1472	1628 1811	1328 1545										unkr	lown.	Our	estim	ates	and p	roject	tions
2022	1700	1500	1850	1600	6650	powe	er. A	meren	's tra	insmi	ssion	busi	ness	are b	ased	on the	e utili	ty ma	intain	ing it	ts al-
Cal- endar					Full Year	pick	up a	few c	ents a	shar	e fron	ı havi	ng a	dend	l in t	he fii	rst qu	arte	r. The	hike	was
2019	.78	.72	1.47	.38	3.35																
2021	.91	.80	1.65	.48	3.84	shou	ld out	weigł	n the e	effects	of hi	gher o	oper-	grow	th. A	merer	n's ta	rget	for th	le pa	yout
2022 2023	.90 95	.85 90	1.85 1.95	.50 55	4.10															e is	near
					Full	stick	ing w	ith ou	ır 202	2 esti	mate	of \$4.	10 a	The	divi	dend	yield	lof	this		
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year						nagen	nent's	tar-								
PAINTERLEN PAINE PAINE																					
2020	.495	.495	.495	.515	2.00									perio	d are	subpa	ar. Th -2027	e reco	ent qu	otatio	on is
		.55	.55	.55	2.20													Targe			
(A) Dilute	ed EPS.	Excl. nor	rec. gain	(losses):	(B)	Div'ds pa	id late Ma	ar., June,	Sept., &	Dec.	'22: elec.	& gas, r	ione spec	cified; in I	L: electri	c, Cor	mpany's	Financia	al Strengt	th	A
gain (los	s) from c	discontinu	ed ops.:	; '17, (63) '13, (92¢)	; '21:	\$6.60/sh.	. (D) In m	iill. (E) Ra	icl. intang ate base:	Orig.	eq., '21:	10.6%. R	egulatory	earned or / Climate:		er- Pric	ck's Pric ce Growt	h Persis	tence		100 75
15, 21¢.	Next ea	rninas re	port due	early May					n. eq. in N		age; IL, I	Below Av	erage.			Ear	nings Pr	edictabi	lítv		95

Occurrent of Figure 1 of Other with	٨
Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	95
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	ERI	CAN	ELE	<u>C. P</u>	WR.	NDQ-A	EP P	ecent Rice	90.6	5 P/E RATI	o 17 .	9 (Traili Medi	ng: 18.3 an: 17.0)	RELATIVE P/E RATIO	1.0	O DIV'D YLD	3.6	WALUE	
TIMELIN		4 Lowered		High: Low:	41.7 33.1	45.4 37.0	51.6 41.8	63.2 45.8	65.4 52.3	71.3 56.8	78.1 61.8	81.1 62.7	96.2 72.3	105.0 65.1	91.5 74.8	91.7 84.2		Target Pric 2025 202	
SAFETY		Raised 3 2 Lowered		LEGE	67 x Divid	ends p sh									\land				
ECHNI		 Lowered = Market) 	3/11/22	Re	elative Pric	nterest Rate ce Strength									, ``	`.			
		get Price	Range			ates recess	sion								աթեր	•			
.ow-Hig		dpoint (%	to Mid)						111.I.I.I		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1111111	\vdash	1.					60 50
76-\$110		3 (5%)			يتراسين ا	·····	, սկ _{կկ} իս												40
			nn'l Total		•••	*******				•*•••••			· . • • • • • • • • •	••••••					30
ligh 1		Gain (+30%)	Return 10% 6%		****		*****	······································	•••••			·········	-	•	·	•			20 15
		(+10%) Decisio																% TOT. RETURN 2/22 THIS VL ARITH	2
Buy	202021 605	561	402021 636	Percen shares	t 24 - 16 -	11.1								1.				STOCK INDEX 1 yr. 22.9 15.1	
) Sell Id's(000) (431 371285	433 373255	473 373909	traded	8 -						nhhim	Hhilinii	hlimitti					3 yr. 20.1 61.1 5 yr. 56.1 84.2	-
006	2007	-	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LL	-
31.82 6.67	33.41 6.80	35.56 6.84	28.22 6.32	30.01 6.29	31.27 6.83	30.77 6.92	31.48 7.02	34.78 7.57	33.51 7.98	33.31 8.47	31.35 7.95	32.84 8.77	31.49 9.35	30.04 10.28	33.30 10.98	33.25 11.20	34.05 11.75	Revenues per sh "Cash Flow" per sh	36. 13.
2.86	2.86	2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.42	4.96	5.00	5.35	Earnings per sh A	6.
1.50 8.89	1.58		1.64 6.19	1.71 5.07	1.85 5.74	1.88 6.45	1.95 7.75	2.03 8.68	2.15 9.37	2.27 9.98	2.39 11.79	2.53 12.89	2.71	2.84	3.00 11.43	3.17 15.35	3.35 14.15		4.
23.73	25.17	26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.38	44.49	47.05	50.05	Book Value per sh C	58.
6.67 12.9	400.43		478.05	480.81	483.42	485.67	487.78 14.5	489.40 15.9	491.05 15.8	491.71 15.2	492.01 19.3	493.25 18.0	494.17	496.60 19.6	504.21 17.1	514.00 Bold fig	523.00 wres are	Common Shs Outst'g D Avg Ann'l P/E Ratio	2 545 1
.70	.87		.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.01	.91	Value	e Line	Relative P/E Ratio	
4.1%	3.4%		5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	3.1%	3.3%	3.5%		nates	Avg Ann'l Div'd Yield	3.0
		JCTURE a D69 mill. [20 mill.	14945 1443.0	15357 1549.0	17020 1634.0	16453 1763.4	16380 2073.6	15425 1783.2	16196 1923.8	15561 2019.0	14919 2200.1	16792 2488.1	17100 2555	17800 2790	Revenues (\$mill) Net Profit (\$mill)	20
	\$31301 3.5 mill	1 mill. L . securitiz	T Interes			33.9%	36.2%	37.8%	35.1%	26.8%	33.7%	5.8%	.7%	1.9%	4.6%	7.5%	7.5%	Income Tax Rate	7.
II. fina	nce lea					11.2%	7.3%	9.0% 49.0%	11.0% 49.8%	8.0% 50.0%	8.0% 51.5%	10.7% 53.2%	12.7% 56.1%	9.7% 58.5%	7.8% 58.3%	10.0% 58.0%	9.0% 58.5%	AFUDC % to Net Profit Long-Term Debt Ratio	7. 57.
ases,	Uncap	italized Á			.6 mill.	49.4%	48.9%	51.0%	50.2%	50.0%	48.5%	46.8%	43.9%	41.5%	41.7%	42.0%	41.5%	Common Equity Ratio	42.
nsion	n Asset	s-12/21 \$		II. olig \$518	7.0 mill.	30823 38763	32913 40997	33001 44117	35633 46133	34775 45639	37707 50262	40677 55099	44759 60138	49537 63902	53734 66001	57650 70700	62825 74725	Total Capital (\$mill) Net Plant (\$mill)	757 88
d Stoo	ck None	Э		•		6.1%	6.0%	6.3%	6.1%	7.2%	5.9%	5.9%	5.6%	5.6%	5.6%	5.5%	5.5%	Return on Total Cap'l	5.
ommo	n Stocl	k 504,212	,015 shs.			9.5% 9.5%	9.6% 9.6%	9.7% 9.7%	9.9% 9.9%	11.9% 11.9%	9.8% 9.8%	10.1% 10.1%	10.3% 10.3%	10.7% 10.7%	11.1% 11.1%	10.5% 10.5%	10.5% 10.5%	Return on Shr. Equity Return on Com Equity	11.0 ⊑ 11.
ARKE	T CAP:	\$46 billio	on (Large	Cap)		3.5%	3.7%	3.8%	3.9%	5.5%	3.2%	3.5%	3.4%	3.8%	4.3%	4.0%	4.0%	Retained to Com Eq	4.
ECTF	RIC OPI	ERATING	STATIST 2019	ICS 2020	2021	63%	62%	61%	60%	54%	67%	65%	67%	65%	61%	65%		All Div'ds to Net Prof	6
hange R	Retail Sales Use (MWH	(KWH)	-2.2 NA	NA	+3.0 NA				lectric Pov erves 5.5									ting sources not availa ported depreciation rate	
i. Indust.	Revs. per H Peak (Mw)		NA NA	NA NA	NA NA	1		,	siana, Mic West Virg	0,	,	,						ees. Chairman, Presiden ton. Incorporated: New	
ık Lóad (I	Mw) I Factor (%))	NA NA	NA NA	NA NA	ary. E	lectric re	venue b	reakdown	: reside	ntial, 43	%; comr	nercial,	dress: 1	Riversid	le Plaza,	Columbu	us, Ohio 43215-2373. To	
	Customer's (yr-end)	+.3	+1.0	NA	,	,	,	nolesale, 1	,	,						ww.aep.o		. ·
	e Cov. (%)	0 D	234	243	272				ctric i ver s									. The utility is in Louisiana,	
change	L RATE (per sh)	10 Yrs.	5 Yr	s. to	1 '19-'21 '25-'27	to b	e co	mplet	t ed in would	the	seco	nd q	uar-					million, based	
evenu ash F	Flow"	4.5	% 5.	5% 0%	2.5% 5.0%	after	· taxe	es ar	id tra	nsact	ion c	osts,	and	ratio.	The	e Tez	xas o	60.8% common-6 commission gr	ante
rning viden	ds	4.5 5.0	% 6.	0%	6.5% 6.0% 6.0%				comp (The									n, based on a common-equity	
ok Va al-		4.0 Rterly Re			Full	shar	e coui	nt this	s year	is du	e to t	he coi		The l	ndian	a con	nmissi	ion approved a s	settl
dar	Mar.31	Jun.30	Sep.30	Dec.31	Year				lion of wants				reg.					chigan Power c ease, based on a	
19	4056 3747	3573 3494	4315 4066	3616 3610	15561 14918	ulat	ed c	ontra	icted	rene	wabl	e-ene	ergy	ROE	and a	ı 50%	comm	non-equity ratio	•
- w-	4281	3826	4623	4061	16792				mpany egulato									t profit growth acrease in 2023	
)21	4350	3900 4050	4700 4900	4150 4300	17100 17800	proje	ects a	nd al	locate	to it	ts tra	nsmis	ssion	comp	arison	ı witl	h the	2021 tally is	toug
)21)22	4550	ARNINGS F			Full				al tha l for n									ket accounting net. Our estim	
)21)22)23 al-	E	1, m 00	5ep.30	.51	Year 4.08	ble	expan	sion.	Any g	gains	on tl	nese s	sales	withi	n the	e com	ipany'	s targeted ran	ige (
)21)22)23 al- dar	E	Jun.30 .93	1.48			Will			l in ou ve hav									. Management nual earnings g	
)21)22)23 al- dar)19)20	E Mar.31 1.16 1.00	.93 1.05	1.50	.87	4.42		altho	uenv					J	c		, I			10001
)21)22)23 dar)19)20)21)22	E Mar.31 1.16 1.00 1.15 1.20	.93 1.05 1.15 1.15	1.50 1.59 1.65	.87 1.07 1.00	4.96 5.00	tion, our o		ates. A	AEP al	ready							6%-7	%, and our 202	23 е
)21)22)23 dar)19)20)21)22)23	E Mar.31 1.16 1.00 1.15 1.20 1.30	.93 1.05 1.15 1.15 1.25	1.50 1.59 1.65 1.75	.87 1.07 1.00 1.05	4.96 5.00 5.35	tion, our e in r	estima egula	ates. A ted r	AEP al enewa	ready bles,	and	will	soon	timat	e is w	vithin	6%-79 this 1	%, and our 202 range. Rate reli	23 e ef ar
)21)22)23 dar)19)20)21)22)23)23 ;al-	E Mar.31 1.16 1.00 1.15 1.20 1.30	.93 1.05 1.15 1.15 1.25 RTERLY DIV	1.50 1.59 1.65 1.75	.87 1.07 1.00 1.05	4.96 5.00	tion, our o in r comp 1,48	estima egula olete 4-meg	ates. A ted r the tl awatt	AEP al enewa nird p wind	ready bles, hase proje	and of a ct.	will \$2 bil	soon llion,	timat volun AEP'	te is w ne gr s earn	vithin owth ung p	6%-79 this n are ower.	%, and our 202 range. Rate reli- key factors bo	23 e ef an ostin
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Goe, 12, (Soc), 15, (14c), 16, (S2.99), 17, Mat., June, Sept., & Dec. = D/0 reinvestment avg. cont. eq., 21. 11.6%. Regulatory Chinate.
 Price Earn
 26c; 19, (20c); gains (loss) from disc. ops.: | plan avail. (C) Incl. intang. In '21: \$17.04/sh. | Average.
 Court et al., 21. 11.6%. Regulatory Chinate.
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ilpany s rinancial Strength	A+
ck's Price Stability	100
e Growth Persistence	60
nings Predictability	95
subscribe call 1-800-VAL	JELINE

Attachment DWD-Supp-2 Page 7 of 44

DU		-	RGY	NYSE-	DUK		P	ECENT 1	08.7		o 20.	9 (Traili Medi	ng: 22.0) an: 19.0)	RELATIV P/E RATI		6 PIV'D	3.7	7%	ALUI		
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006	2007			2010	2011	2012	2013	2014		2016	2017	2018	2019	2020	2021	2022	2023		JE LINE P		25-2
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52.30	50.4			50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	61.20	59.82	61.55	62.70	64.35		lue per sh		70
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	.8			.81	.87	1.11	.98	.94	.92	1.12	1.00	1.05	.94	1.15	1.09	Value	Line		P/E Ratio		'
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			as of 12/3			19624	24598	23925	23459	22743	23565	24521	25079	23868	25097	26000		Revenue	. ,		29
			Due in 5 \ LT Interes			2136.0 30.2%	2813.0	2934.0	2854.0 32.2%	2560.0	2963.0	2928.0 14.2%	3755.0	2996.0	3901.0	4100	4525 9.0%				5
		finance le	ases.			22.3%	32.6% 8.8%	30.6% 7.2%	32.2% 9.2%	31.0% 11.7%	30.4% 12.3%	14.2%	12.7% 7.9%	4.9% 8.9%	5.1% 6.2%	10.0% 8.0%	9.0% 7.0%	Income T	% to Net F	Profit	9. 7.
		rned: 2.6x pitalized) Annual ren	ntals \$225	mill.	47.0%	48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	54.0%	53.7%	55.1%	56.5%	58.5%		rm Debt F		61.
			9235 mill.			52.9%	52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	44.1%	44.4%	43.1%	42.0%	40.0%	Commor			37.
d Sto	ck \$19	62 mill.	Pfd Div'd	Oblig \$82 \$107 mil		77307 68558	79482 69490	78088 70046	77222 75709	86609 82520	90774 86391	94940 91694	101807 102127	103589 106782	109744 111408	115150 117725	124525 124375		pital (\$mi + (\$mill)	II)	144 141
mill.	shs. 5.	75%, cum	., \$25 liq. v	value,		3.6%	4.6%	4.8%	4.8%	4.0%	4.3%	4.2%	4.8%	3.9%	4.6%	4.5%	4.5%		n Total C	ap'l	4.
		\$1000 liq	ior to 6/15 value.	/24, 1 1111	1. 5115.	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.0%	6.2%	7.9%	8.0%	9.0%	Return o	n Shr. Eq	uity	9.
			3,344 shs. on (Large		1/22	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.3%	6.3%	8.0%	8.5%	9.0%		n Com Eo		9.
			STATIST	• •		.9% 82%	1.5% 78%	1.7% 76%	1.5% 79%	.6% 91%	1.2% 83%	1.0% 84%	2.4% 71%	.4% 94%	1.4% 83%	2.0% 77%	2.5% 71%	All Div'd	l to Com I s to Net P	•	3. 6
			2019	2020	2021				y Corpora									%; indus			
. Indust.	Retail Sale . Use (MW	H)`´	2934	-2.3 NA	+2.0 NA	ities wit	th 7.6 mil	ll. elec. c	ustomers	in NC, F	L, IN, ŠC	, OH, & I	KY, and	Genera	ting source	ces: gas,	32%; nu	clear, 30°	%; coal, 1	8%; oth	er, 1
	. Revs. per Peak (Mw		NA NA	NA NA	NA NA				in OH, K k has 25%									of revs. " airman, P			
	Summer (d Factor (%		NA NA	NA NA	NA NA	Saudi /	Arabia. A		gress Ene	ergy 7/12	2; Piedm	ont Natu	ral Gas	Good.	Inc.: DE.	. Addres	s: 550	South Tr	yon St.,	Charlot	te,
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eveni	Jes	· .	5%	5%	2.5%	Duk	e En	ergy	by §	50.25	a sh	are.	The	charg	ges. I) Juke's	util:	ities	should	d bei	nef
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viden ok V	ids alue	3. 2.	0% 3. 0% 1.	.5% .	2.0% 2.5%				1 coal									ear. In			
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dar 019 020 021 022 023 Cal- dar 019 020 021 022 023 Cal- dar 019 020 021 022 023 Cal- dar 019 020 021 022 023 023 023 024 025 023 025 025 026 027 027 027 027 027 027 027 027	6150 6450 6650 Mar.3 1.24 1.24 1.25 1.10 1.45 QUA Mar.3 .89 .927	6100 EARNINGS 1 Jun.30 1 Jun.31 1 Jun.32 1 Jun.31 1 Jun.32 .98 .9275 .945 .965	Sep.30 1.82 1.74 1.79 1.90 2.00 VIDENDS P. 9 .9275 .945	.89 d.13 .93 1.05 1.10 AID ^B ■ Dec.31 .9275 .945	5.07 3.92 4.93 5.20 5.75 Full Year 3.64 3.75	shar rang clude Ear erat took shar June recei incre	e is e of es the nings ely, d an u e for e quar ving eases	\$5.30 charg will lespit nusua a wo ter. S reven or rid	-\$5.60 ge fron proba ce this al chan rkforce ome o	beca n its g ably s cha rge ir e real f Duk hroug urchar	guidar advar rge. 1 n 2021 ignme te's ut h ger rges) o	nce. nce n Duke 1, \$0. ent in ilities neral on cus	nod- also 18 a the are rate tom-	aver throu high low f to 5-y inter Elliot after	age. 1gh 20 Payou for the year p est_or	Divi D25-20 It rati e next eriod. nce a westme mber	dend 027 an o. Tot 18 n . Ther stand ent N 13th.	grov re sub al retun nonths re is so lstill a	ove th wth par d urn po s and ome sp green green	ne ut prosp ue to otenti for th pecula nent	ect al al ne ativ wit

(A) Dir. L1.3. LAG, Toillet, Ibsges, 14, 16, 20, Sett, & Dec, E Divd erain, Jaha avail. (C) Incl. SC 9.5%, in 20 in FL: 9.5%-11.5%, in 20 in \$2,21; losses on disc. ops.: '14, 80¢; '16, 60¢. intag. In '21: \$41.34/sh. (D) In mill., adj. for IN: 9.7%; earned on avg. com. eq., '21: 8.1%. '20 EPS don't sum due to rounding. Next eqs. | rev. split. (E) Rate base: Net orig. cost. Rate | Reg. Clim.: NO, SC Avg.; OH, IN Above Avg.
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 abs, CFA
 May 13, 2022

 Company's Financial Strength
 A

 Stock's Price Stability
 95

 Price Growth Persistence
 35

 Earnings Predictability
 85

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EDI	SO	N IN1	FERN	IAT'l	NYS	E-EIX	R	ecent Rice	70.8	D P/E Ratio	15 .	6 (Traili Medi	ing:NMF) an: 17.0)	RELATIV P/E RATI		8 DIV'D YLD	4.1	%	/ALUI LINE	Ξ	
TIMELI		3 Raised		High: Low:	41.6 32.6	48.0 39.6	54.2 44.3	68.7 44.7	69.6 55.2	78.7 58.0	83.4 62.7	71.0 45.5	76.4 53.4	78.9 43.6	68.6 53.9	72.0 57.9				Price	
SAFET		3 Lowered		LEGEN	70 x Divide	ends p sh													2025	2020	
TECHN		3 Lowered) = Market)	d 3/18/22	div Re Options: \	vided by In elative Pric	terest Rate e Strength									/						200 160
	-	get Price	e Range	Shaded	area indic	ates recess	ion								``						100
Low-Hig		dpoint (%	•										עיי			` <u>.</u>					80
\$54-\$84	\$6	9 (-5%)					white the							իրութ	'ıı'''	1,1 ×					60 50
202	5-27 P	ROJECTI	ONS Ann'l Total	1,11,11,11,11,11,11,11,11,11,11,11,11,1	ատի			\sim		•											40 30
	Price 15	Gain (+60%)	Return 16%	*********	******	····	•••••••		•••••	••••••	•••••••••		·•.,	•••							
Low	75	`(+5%) Decisio	6%					[••••••••••••••••••••••••••••••••••••••	••••	•••••				% TO	T. RETUR		_20
	2Q202	1 3Q2021	4Q2021	Percent											•••••••••	•••		1 yr.	THIS STOCK 23.9	INDEX 4.3	L
to Buy to Sell	320 249	9 263	252	shares traded	20 - 10 -	1.11111.11				Humm	नननम				alanah	ilu -		3 yr. 5 yr.	27.4 6.5	54.0 73.6	F
Hid's(000) 2006	2007			2010	2011	2012	2013	2014		2016	2017	2018	2019	2020	2021	2022	2023		UE LINE P		25-27
38.74	40.25		37.98	38.09	39.16	36.41	38.61	41.17	35.37	36.43	37.81	38.85	34.11	35.83	39.18	40.05	41.50	1	es per sh		46.75
7.25 3.28	7.60 3.32			8.41 3.35	9.03 3.23	9.63 4.55	8.80 3.78	9.95 4.33	10.35 4.15	10.43 3.94	11.03 4.51	4.69 d1.26	9.15 3.98	7.94	8.58 2.00	10.85 4.15	11.25 4.40		low" per s		13.00 6.00
1.10	1.18		1.25	1.27	1.29	1.31	1.37	1.48	1.73	1.98	2.23	2.43	2.48	2.58	2.69	2.84	3.00	Div'd D	ecİ'd per s	h ^B ∎	3.55
7.78 23.66	8.67 25.92		10.07 30.20	13.94 32.44	14.76 30.86	12.73 28.95	11.05 30.50	11.99 33.64	12.97 34.89	11.46 36.82	11.75 35.82	13.84 32.10	13.47 36.75	14.47 37.08	14.47 36.57	16.25 38.00	14.90 39.45		pending p alue per sl		16.75 47.00
325.81	325.8		30.20	325.81	30.86	325.81	30.50	325.81	34.89	30.82	35.82	325.81	361.99	37.08	380.38	382.00	39.45		in Shs Out		385.00
13.0	16.0			10.3	11.8	9.7	12.7	13.0	14.8	17.9	17.2		16.7	34.9	29.7		ures are Line		n'I P/E Rat		16.0
.70 2.6%	.85 2.2%			.66 3.7%	.74 3.4%	.62 3.0%	.71 2.8%	.68 2.6%	.75 2.8%	.94 2.8%	.87 2.9%	 3.8%	.89 3.7%	1.79 4.3%	1.63 4.5%		nates		e P/E Ratio n'I Div'd Y		.90 3.7%
			as of 12/3			11862	12581	13413	11524	11869	12320	12657	12347	13578	14905	15300	15850		es (\$mill)		18000
			Due in 5 \ LT Interes			1594.0 14.3%	1344.0 25.2%	1539.0 22.4%	1480.0 6.6%	1422.0	1603.0 5.0%	d290.0	1477.0	775.0	925.0	1775 5.0%	1890 5.0%		fit (\$mill) Tax Rate		2515 5.0%
		ned: 1.7x) Annual rer	ntale \$623	mill	8.5%	7.8%	5.8%	8.0%	6.8%	7.2%		11.1%	22.5%	18.5%	10.0%	9.0%		% to Net F	Profit	5.0 <i>%</i> 7.0%
			64296 mill.			45.2%	45.7%	44.1%	45.0%	41.8%	45.6%	53.6%	53.5%	55.2%	57.6%	58.5%	59.5%		erm Debt F		63.5%
Pfd Sto	ck \$38	78 mill.	Pfd Div'd	0blig \$41 \$211 mill		46.2%	46.2% 21516	47.2% 23216	46.7% 24352	49.2% 24362	45.8% 25506	38.3% 27284	39.9% 33360	39.5% 35581	33.2% 41959	32.0% 45575	31.5% 48050		n Equity F apital (\$mi		34.0% 50000
)0 liq. valu /alue; 1,25			30273	30455	32981	35085	37000	39050	41348	44285	47839	50700	54350	57450	Net Plan	nt (\$mill)		64900
5.375%	, 750,00		, \$1000 lic			8.9% 14.2%	7.3% 11.5%	7.7% 11.9%	7.1% 11.1%	6.9% 10.0%	7.3% 11.6%	.1% NMF	5.6% 9.5%	3.4% 4.9%	3.3% 5.2%	5.0% 9.5%	5.0% 9.5%	1	on Total C on Shr. Eq		5.5% 10.5%
as of 2/	17/22	,	,	0>		15.9%	12.5%	13.0%	12.0%	10.8%	12.7%	NMF	10.2%	4.6%	5.5%	11.0%	11.0%	Return	on Com E	quity E	12.0%
			on (Large STATIST	.,		11.4% 32%	8.1% 40%	8.8% 37%	7.2% 44%	5.6% 53%	6.6% 52%	NMF NMF	4.1% 63%	NMF NMF	NMF 125%	3.5% 71%	3.5% 71%	1	d to Com I ds to Net F		4.5% 67%
% Change I			2019 -2.7	2020 +.7	2021 -3.9				rnational										3%; othe		
Avg. Indust Avg. Indust	Use (MWH	H) í	657 NA	589 NA	NĂ NA				California mill. cust										3%; purc rate: 3.7		
Capacity at Peak Load,	Peak (Mw)		NA	NA	NA 21190	central,	coastal,	& south	ern CA (e	excl. Los	Angeles	s & San	Diego).	empls.	Chairmar	n: William	n P. Sulli	van. Pre	s. & CEC): Pedro	J. Piz-
Annual Loa % Change	d Factor (%) _	49.6 +.5	46.7	52.7 +.3				ergy svcs. ducer) in										ove Ave., . Web: wv		
Fixed Char			172	NMF	113				ationa										is yea		
		ES Past	t Pa	st Est'd	'19-'21				g an A me										50 a s		
of change Revenu				rs. to' .5% 4	25-'27 4.0%				ital sc										e lowe g any a		
"Cash Earning	IS	-2.5	3. 5% -9.	0%	7.0% NMF				ornia 1 for 20										to wile		
Divider Book V		-2.5 7.5 1.5	5% 8. 5% 1.	5% 0%	5.5% 4.0%				9.72%										018, is wh		
Cal-		RTERLY R	EVENUES (\$ mill.)	Full				ng pov that t										d in 21.) N		
endar 2019	Mar.3 ⁻ 2824	1 Jun.30 2812	Sep.30 3741	Dec.31 2970	Year 12347	to ac	ldress	coro	naviru	s-rela	ted d	isrupt	ions	Édise	on Int	ernati	ional's	s earn	ing po	wer 1	rises
2020	2790	2987	4644	3157	13578				raordi vent t										reases rowth		
2021 2022	2960 3100	3315 3450	5299 5300	3331 3450	14905 15300	chan	ism. V	When	the Ca	alifori	nia Pu	ıblic U	Jtili-	in 20	23.		-	-			-
2023	3250	3550	5500	3550	15850				ı will ı he ord										will 1 SCE		
Cal- endar	E Mar.3	ARNINGS: 1 Jun.30	PER SHAR Sep.30	E A Dec.31	Full Year	to th	ie stá	rt of 2	2022. 7	The a	llowe	d ROI	E for	long-	term	debt t	to fina	ance c	apital	spen	ding
2019	.64	1.57	1.35	.45	3.98				025 wi tory pr			nined	in a						s yean ent in		
2020 2021	.50 .68		d.76 d.90	1.13 1.38	1.72	Our	ear	nings	esti	mate	for			cause	e the	utility	' is ad	lding	batter	y stoi	age.
2022 2023	.80	.90	1.45	1.00	4.15				ıtility f 10.3							n, the nd pre			ipany ty	will i	ssue
2023 Cal-	<i>.85.</i> QUA		1.55 VIDENDS P	1.05 AID ^B =	4.40 Full	basis	s of n	nanag	ement	's pro	ofit gu	iidanc	e of	The	stock	c has	an a	bove	-aver		
endar	Mar.3		Sep.30		Year				hare. 1 1ortiza										a util ertaint		
2018 2019	.605 .6125	.605 5.6125	.605 .6125	.605 .6125	2.42 2.45	payn	nents	to th	e wild	lfire i	nsura	nce f	und,	ming	from	wildf	ires. 1	lotal 1	return	poter	ntial
2020	.6375	5 .6375	.6375	.6375	2.55				this l . This										nths a 27 per		elow
2021 2022	.6625 .70	5 .6625	.6625	.6625	2.65				a shai							ebbas,		20-20		il 22,	2022
(A) Dil. E	EPS. Ex	cl. nonre	c. gains (I	osses): '0	9, '13,	11¢; '14,	57¢; '15	, 11¢; '18	8, 10¢. '19 5. Next ea	EPS	(C) Incl.	def'd ch	gs. In '2'	1: \$20.14	/sh. (D)	In Cor	mpany's	Financia	al Strengt	th	B++
64¢); '1	D, 54¢;	'11, (\$3.3	33); '13, (\$1.12); '1	5, don'	t sum due	e to chan	ge in sha	 Next ea s naid late 	rnings	mill. (E) F	Rate base	e: net orig	g. cost. R	ate all'd o	on Sto	ck's Pric				75 35

(64¢); '10, 54¢; '11, (\$3.33); '13, '(\$1.12); '15, | don't sum due to change in shs. Next earnings | mill. (E) Rate base: net orig. cost. Rate all'd on (\$1.18); '17, (\$1.37); '18, (15¢); '19, (21¢); '20, | report due early May. (B) Div'ds paid late Jan., com. eq. in '20: 10.3%; earned on avg. com. 25¢; gains (loss) from disc. ops.: '12, (\$5.11); | Apr., July, & Oct. ■ Div'd reinv. plan avail. | eq., '21: 5.4%. Regulatory Climate: Average. © 2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electonic publication, service or product.

us, CIA	Арти	22, 2022
Company's Financial Stock's Price Stability	Strength	B++
		75
Price Growth Persiste	ence	35
Earnings Predictabilit	у	10
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EN	rer	GY (CORF). _{NYS}	E-ETR		R	ECENT 1	05.2	P/E RATIO	o 15. 4	4 (Traili Medi	ng: 15.3) an: 14.0)	RELATIVI P/E RATI	6.0	6 DIV'D YLD	3.9)%	/ALUI LINE	Ξ	
TIMELIN		4 Lowered		High: Low:	74.5 57.6	74.5 61.6	72.6 60.2	92.0 60.4	90.3 61.3	82.1 65.4	87.9 69.6	90.8 71.9	122.1 83.2	135.5 75.2	115.0 85.8	113.1 100.2				t Price 2026	
SAFET		2 Raised 1		LEGEI	54 x Divide	ends p sh													2020	2020	200
TECHNI BETA .9		2 Raised 3 – Market)	3/4/22	div Re Options:	vided by In elative Pric	e Strength									\bigwedge						160
		get Price	Range	Shaded	area indic	ates recess	ion				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				سلامين	``					100
Low-Hig		dpoint (%	•	ապոս	՝՝հուրը		·····		۲ <u>۱</u> ۰۰۰	ווייייוון		1000 Million		1	'11						-80
\$88-\$13		0 (5%)		•••••	<u> </u>																60 50
			nn'l Total		···	••••••••								•							40 30
High 1		Gain (+50%)	Return 14%				······		••••••••	······.			••••	••••							_20
		+10%) Decisio	6% ns							-		********			••••••••	•		% TO	T. RETUR	RN 2/22	
to Buy	202021 306		402021 352	Percen shares	t 30 - 20 -			1						1				1 yr.	THIS STOCK 25.3	INDEX 15.1	-
to Sell	273 174484	275	244	traded	10 -										titu,thi			3 yr. 5 yr.	24.3 65.2	61.1 84.2	F
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		UE LINE P	UB. LLC	
53.94 10.69	59.47 11.73		56.82 13.29	64.27 16.54	63.67 17.53	57.94 15.98	63.86 16.25	69.71 17.68	64.54 17.71	60.55 18.72	61.35 16.70	58.23 16.50	54.63 17.19	50.51 18.21	57.95 17.90	54.85 17.75	55.00 18.50		es per sh 'low" per :	sh	59.25 21.25
5.36	5.60	6.20	6.30	6.66	7.55	6.02	4.96	5.77	5.81	6.88	5.19	5.88	6.30	6.90	6.87	6.30	6.70	Earning	s per sh	A	8.00
2.16 9.44	2.58		3.00 12.99	3.24 13.33	3.32 15.21	3.32 18.18	3.32 15.73	3.32 14.82	3.34 16.79	3.42	3.50 22.07	3.58 22.45	3.66 21.72	3.74 24.52	3.86 30.86	4.09 18.15	4.30		ecl'd per s bending p		5.10 19.75
40.45	40.71	42.07	45.54	47.53	50.81	51.73	54.00	55.83	51.89	45.12	44.28	46.78	51.34	54.56	57.42	60.20	63.45	Book Va	alue per sl	h ^C	73.00
202.67 14.3	193.12 19.3		189.12 12.0	178.75 11.6	176.36 9.1	177.81 11.2	178.37 13.2	179.24 12.9	178.39 12.5	179.13 10.9	180.52 15.0	189.06 13.8	199.15 16.5	200.24	202.65 15.0	206.00	209.00		n Shs Ou n'I P/E Rat		214.00 17.0
.77	.77 1.02 1.00 .80 .74 .57 .71 .74 .68 .63 .57 .75 .75 .88 .79 .80 Value Line estimates Re 2.8% 2.4% 2.9% 4.0% 4.9% 5.1% 4.5% 4.6% 4.5% 4.4% 3.5% 3.6% 3.7% estimates Au CAPITAL STRUCTURE as of 12/31/21 10302 11391 12495 11513 10846 11074 11009 10879 10114 11743 11300 11500																P/E Ratio		.95		
	2.8% 2.4% 2.9% 4.0% 4.9% 4.9% 5.1% 4.5% 4.6% 4.5% 4.4% 3.5% 3.6% 3.7% estimates Avg Ann' I 2.8% 2.4% 2.9% 4.0% 4.9% 4.9% 5.1% 4.5% 4.6% 4.5% 4.6% 3.5% 3.6% 3.7% estimates Avg Ann' I CAPITAL STRUCTURE as of 12/31/21 10302 11391 12495 11513 10846 11074 11009 10879 10114 11743 11300 11500 Revenues (Total Debt \$27082 mill. Due in 5 Yrs \$10975 mill. 1091.9 904.5 1060.0 1061.2 1249.8 950.7 1092.1 1258.2 1406.7 1402.8 1320 1420 Net Profit (\$																ield	3.7%			
					75 mill.	1			1 1												12700 1735
			LT Interes		mill.	13.0%	26.7%	37.8%	2.2%	11.3%	1.8%	NMF	NMF	NMF	16.1%	23.0%	23.0%	Income	Tax Rate		23.0%
(LT inte	rest earr	ned: 3.0x))	11.9%	10.1%	9.3%	7.4%	8.1%	14.7%	17.5%	16.7%	12.2%	7.1%	8.0%	8.0% 66.5%		% to Net I rm Debt F		8.0% 66.5%
			6993.1 mi	II.		42.9%	43.6%	43.8%	40.8%	35.5%	35.5%	35.9%	37.1%	33.7%	31.7%	32.5%			n Equity F		33.0%
Characterization State State															38025		Total Ca Net Plai	pital (\$mi	II)	47000 49900	
Pension Assets-12/21 \$6993.1 mill. 42.9% 43.6% 43.8% 40.8% 35.5% 35.9% 37.1% 33.7% 31.7% 32.5% 33.9% Pfd Stock \$254.4 mill. Pfd Div'd \$18.3 mill. 21432 22109 22842 22714 22777 22528 24602 27557 32386 36733 38025 44 200 000 chs 6 25% 7 5% \$100 ohs 27299 27882 28723 27824 27921 29664 31974 35183 38853 42244 43675 44															45250		on Total C	ap'l	49900 5.0%		
ing fund						11.5%	9.1%	10.3%	11.1% 11.2%	15.1%	11.6% 11.7%	12.0% 12.2%	12.0%	12.6%	11.6% 11.9%	10.5%	10.5%	1	on Shr. Eq		11.0%
			,662 shs. on (Large		1/22	11.6% 5.2%	9.2% 3.0%	10.4%	4.8%	15.2% 7.7%	3.9%	4.9%	12.1% 5.2%	12.7% 5.9%	5.2%	10.5% 3.5%	10.5% 4.0%		on Com E d to Com		<u>11.0%</u> 4.0%
ELECT	RIC OPE	ERATING	STATIST 2019	ICS 2020	2021	56%	68%	58%	58%	50%	68%	61%	58%	55%	57%	65%			ls to Net F		64%
% Change F Avg. Indust.			-1.4 1070	-4.1 1017	+3.2				prporation diaries in										2%. Gene nased, 18		
Avg. Indust. Capacity at	Revs. per k		5.24	4.95 25665	5.91 NA	Texas,	and Ne	w Orlea	ns (regula	ated sep	arately fi	rom Lou	isiana).	32% of	revenues	s. '21 rep	orted dep	preciation	n rate: 2.7	7%. Has	12,400
Peak Load, Annual Loa	Summer (M			21340 62	NA NA	subsidia	ary that	owns on	0 custom e nuclear	unit (sc	heduled	to be so	ld after						ault. Inco 30x 61000		
% Change (+.8	+1.0	+1.0			,	tric reven				, ,						net: www	07	
Fixed Charç			165	202	243				king (seve					nucle	earde unta	comm	ission e sell	ing ti ler is	ust at reliev	a siz ved of	able f the
of change	(per sh)	S Past 10 Yrs	. 5 Yr		25-'27	and	202	1. In	2020), th	ree h	nurric	anes	respo	nsibil	lity of	f deco	mmis	sionin	g the	e fa-
"Cash	Flow"	-1.0 1.0	1%{	5%	1.5% 3.0%				an \$2 Texas.										risk s dowi		
Earning	ds	1.5	5% 2.0	0%	3.0% 5.0%				n rest					ence	in noi	nregul	lated j	power	gener	ration	i.
Book V		1.5 סדבסו v סב	S% 1.4		5.0%				e prev on. In										likely nt in 1		
Cal- endar	Mar.31		Sep.30		Full Year				sue mo ds, wł										ry co soth		
2019 2020	2610 2427	2666 2413	3141 2904	2462 2370	10879 10114			-	ane I										. Anot		
2021	2845	2822	3353	2723	11743				om th na ano										ease i 022 es		
2022 2023	2700 2750	2700 2750	3200 3250	2700 2750	11300 11500				from										ergy's		
Cal-	E	ARNINGS I	PER SHARE	EA	Full	for t	he rei	naind	er of t ver, E	the co	sts fr	om H	urri-	range	e of \$	6.15-\$	6.45 a	a shai	re. Éve experi	en so,	, En-
endar 2019	Mar.31 1.32	Jun.30 1.22	Sep.30 1.82	Dec.31 1.94	Year 6.30	cism	last ;	year i	n Nev	v Orle	eans f	or its	per-	econo	omic	recove	ery, a	nd tl	ne con	mpan	y is
2020	.59	1.79	2.59	1.93	6.90				ving ti regula				hich						in sev nes vi		
2021 2022	1.66 1.25	1.30 1.60	2.63 2.70	1.28 .75	6.87 6.30	The	com	pany	's ex	it fr	ôm t	he r		rate	plans). We	think	profi	ts wil	l adv	ance
2023	1.35	1.70	2.85	.80	6.70				ousine -2022.										Man 3.55-\$6		ent's
Cal- endar	QUAR Mar.31		IDENDS PA Sep.30	•	Full Year	and	sold	its n	onregu	lated	nucl	ear u	inits	This	unti	imely	stoc	ek ha	is a	divid	lend
2018	.89	.89	.89	.91	3.58				w yea Palisad										ove the spects		
2019 2020	.91 .93	.91 .93	.91 .93	.93 .95	3.66 3.74	be sh	ıut do	wn ir	May.	The s	sale of	the p	olant	par f	or the	e next	18 m	onths	and d		
2021	.95	.95	.95	1.01	3.86				lose in is tha							3- to $bbas$,		r peri	od. <i>Marc</i>	h 11	2022
2022 (A) Dilut	1.01 ed EPS	S. Excl.	nonrec. la	osses: '1	2, toric							-		st. Allov				Financia	al Strengt		B++
1.26; ¹	3, \$1.1	4; '14, 5	nonrec. lo 6¢; '15,	\$6.99; '1 \$1.33 No	l6, ∎ Di	v'd reinve stment	stment p	lan avai	e, Sept., 8 . † Share	holder	(blended)	: 9.95%	earned	on avg.	com. ec	q., Sto	ck's Pric	e Stabil	ity		90 40

S1.25; 13, \$1.14; 14, 506; 15, \$0.99; 16, Div d reinVestment plan avail. CD incl. deferred [loiended]: 9.95%; earned on avg. com. eq., 15, 10.14; 17, \$2.91; 18, \$1.25; 21, \$1.33. Next investment plan avail. (C) Incl. deferred [21: 12.1%. Regulatory Climate: Average. earnings report due early May. (B) Div'ds his- [charges. In '21: \$35.95/sh. (D) In mill. (E) Rate [02: 22 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Price Growth Persistence Earnings Predictability 40 70 To subscribe call 1-800-VALUELINE

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EVERGY, INC. NYS	SE-EVRG		R	ecent Rice	62.4 ⁻	P/E RATI	₀ 17.	9 (Traili Medi	ing: 16.3 an: NMF)	RELATIV P/E RATI		O DIV'D YLD	3.8	8%	/ALUI LINE	3	
TIMELINESS 5 Lowered 12/31/21							High: Low:	61.1 50.9	67.8 54.6	76.6 42.0	69.4 51.9	68.9 59.5					Range
SAFETY 2 New 9/14/18	LEGENDS Belative	Price Strength						00.0	00		0110	00.0			2025	2026	
TECHNICAL 2 Lowered 3/11/22	Options: Yes	indicates reces															128 96
BETA .95 (1.00 = Market)																	80
18-Month Target Price Range								րող	han an a	որոր	լ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	•					64 48
Low-High Midpoint (% to Mid)										1							40
\$50-\$73 \$62 (0%)																	32 24
2025-27 PROJECTIONS Ann'l Total									••••••								
Price Gain Return High 95 (+50%) 14%								••••	-								16 12
High 95 (+50%) 14% Low 70 (+10%) 7%														% то	T. RETUR	N 2/22	- 12
Institutional Decisions 202021 302021 402021	Percent	36													STOCK	L ARITH.*	L
to Buy 291 262 308 to Sell 220 240 237	shares	24 12												1 yr. 3 yr.	26.4 29.7	15.1 61.1	E
Hid's(000) 198932 204443 206094			0010	0014	0015	0010	0017					0000	0000	5 yr.		84.2	05.07
Evergy, Inc. was formed throug of Great Plains Energy and W			2013	2014	2015	2016	2017	2018 16.75	2019 22.71	2020 21.66	2021 24.36	2022 23.05	2023 23.70		UE LINE P es per sh	UB. LLC	25-27 26.50
in June of 2018. Great P								4.89	7.18	7.06	8.18	23.05	8.45	1	low" per si	sh	20.50
holders received .5981 of a sh								2.50	2.79	2.72	3.83	3.55	3.80	Earning	s per sh 4	4	4.75
for each of their shares, and W holders received one share of								1.74	1.93	2.05	2.18 8.60	2.33			cl'd per s		3.05
each of their shares. The merg	aer was co	m-l						4.19 39.28	5.34 37.82	6.88 38.50	40.32	8.60 41.45			ending police po		9.50 47.75
pleted on June 4, 2018. Shar	res of Eve	gy						255.33	226.64	226.84	229.30	230.00		Commo	n Shs Out	st'g D	230.00
began trading on the New Yo	ork Stock I							22.7	21.8	21.7	16.2		ures are Line		I'l P/E Rat		17.5
change one day later.	1/01	- ::						1.23	1.16 3.2%	1.11 3.5%	.87 3.5%		nates		P/E Ratio I'l Div'd Y		.95. 3.7%
CAPITAL STRUCTURE as of 12/31 Total Debt \$11166 mill. Due in 5 Yi		ill						4275.9	5147.8	4913.4	5586.7	5300	5450	Revenue			6100
LT Debt \$9297.9 mill. LT Interest Incl. \$40.9 mill. finance leases.	t \$332.8 mill.							535.8	669.9	618.3	879.7	835		Net Prof			1130
(LT interest earned: 3.8x)								9.8%	12.6%	14.1%	11.7%	10.0%	10.0%		Tax Rate		10.0%
Leases, Uncapitalized Annual renta	als \$18.8 mill							2.5%	2.5%	5.5% 51.3%	5.0% 50.1%	5.0% 51.5%			% to Net F rm Debt F		5.0% 53.0%
								60.0%	49.4%	48.7%	49.9%	48.5%			n Equity F		47.0%
Pension Assets-12/21 \$1714.7 mill Obl	l. lig \$2561.7 n	nill						16716	17337	17924	18542	19675		1	pital (\$mi	ll)	23400
Pfd Stock None								18952 4.0%	19346 4.8%	20106 4.5%	21150 5.7%	22100 5.0%	23150 5.5%	Net Plan	it (\$mill) on Total C	an'i	26300 6.0%
Common Stock 229,311,689 shs.								5.3%	7.8%	7.1%	9.5%	8.5%			on Shr. Eq		10.0%
as of 2/18/22 MARKET CAP: \$14 billion (Large (Can)							5.3%	7.8%	7.1%	9.5%	8.5%			on Com E		10.0%
ELECTRIC OPERATING STATISTIC								.6% 89%	2.4% 69%	1.8% 75%	4.1% 57%	3.0% 64%	3.0%		l to Com I s to Net F		4.0% 62%
2019	2020 20	21		erav Inc	. was forn								rating so				
Avg. Indust. Use (MWH) NA	NA N	IA Plains	Energy a	nd West	ar Energy	in June	of 2018.	Through	its sub-	purchas	sed, 29%.	. Fuel co	sts: 28%	of reven	ues. '21 r	eported	deprec.
Avg. Indust. Revs. per KWH (¢) 7.25 Capacity at Peak (Mw) NA		IA clootri			siness un Ilion custo								ployees. ampbell.				
Peak Load, Summer (Mw) NA Annual Load Factor (%) NA	NA N	A cludin	g the grea	ater Kans	sas City ar	rea. Eleo	ctric reve	nue brea	kdown:	souri. A	Address:	1200 M	ain Stree	et, Kansa	s City, M		
% Change Customer's (yr-end) NA	NA M	_			nercial, 30								net: www.				
Fixed Charge Cov. (%) 305		£1	rgy's	utili	ities i rate ca	in N	lissou The	ari h	ave				auspic o norn				
ANNUAL RATES Past Past of change (per sh) 10 Yrs. 5 Yrs		7 Mis	u gen souri	Metro	utilit	tv re	quest	ed an	iny s				egativ				
Revenues "Cash Flow"	2.5% 5.0%	crea	se of	\$43.9	millio	n (5.2	2%), k	ased	on a	comp	oarisoi	n, as	favora	able w	veathe	r boo	sted
Earnings	7.5%	, 1000			ty of 1 51.2%								0.08 positi				
	7.0% 3.5%				r a hi								ne fr				
Cal- QUARTERLY REVENUES (\$	i mill.) F	(3.8)	%), ba	sed of	n a 10	%_R0	DE an	da 5	1.8%				stem.				
endar Mar.31 Jun.30 Sep.30	Dec.31 Ye	ear com	mon-e	quity Ever	ratio. gy has	Thes filed	se are	the	nrst com-				ings e with				
2019 1217 1222 1578 2020 1117 1185 1517	1131 514 1094 491	3.4 pan	y was	forn	ned th	rougl	h a 1	merge	r in	rang	e of \$3	3.43-\$	3.63.			-	
2021 1612 1236 1617	1122 558	6.7 Jun	e of 2	2018.	Capita	ıl ado	dition	s and	up-				rning				
2022 1250 1250 1650 2023 1300 1300 1700	1150 530 1150 545				tion ra v offset						-		ef in l est gro			_	
Cal- EARNINGS PER SHARE		erat	ing a	nd m	aintena	ance	exper	nses.	New	sales	shou	ld hel	p, as	well.	Our e	stima	te of
endar Mar.31 Jun.30 Sep.30	Dec.31 Ye	ar tari			ected t					\$3.80) a sha Thia	are w	ould p	roduc	e an i	ncrea	se of
2019 .39 .57 1.56 2020 .31 .59 1.60					1 mon be too					1%. 6%-8		s with	nin Ev	ergys		ai go	ai 01
2021 .84 .81 1.95	.23 3	83 nific	ant e	ffect	on ear	nings	in 2	022.	Note	This	unti		stoc				
2022 .55 .85 1.85 2023 .60 .90 2.00					any pl .nsas ir			e rate	ap-				bout poten				
Cal- QUARTERLY DIVIDENDS PA		ull The	earn	ings	declin	ie th	at is			next	18 m	on ths	and s	omew	hat be	elow a	aver-
endar Mar.31 Jun.30 Sep.30		ar for	2022	shou	ld no	t be	trou	bling	for	age f	or the	e 3- to	5-yea	ar per	iod. A	stand	lstill
2018 .40 .40 .46		" C1			t year, on in l								two iı l meet				
2019 .475 .475 .475 2020 .505 .505 .505		05 for	Evergy	y's en	ergy-m	arket	ting s	ubsidi	iary.	the f	first v	veek	of Ma				
2021 .535 .535 .535		18 This	boost	ted pi	retax i	ncom	e by	\$86.6	mil-	specu	ılative	e appe	eal.				
2022 .5725					quart		-				E. De	-		Electric de la companya de la company	Marc		
(A) Diluted earnings. '19 EPS don't s year total due to rounding. Next earni	ings report	Dividend rei ntangibles.	In '21: \$	4327.7 1	mill., \$18.8	87/sh.	'18: 9.3%	 Earned 	on aver	ade comr	non eauit	ty, Sto	mpany's ock's Pric	e Stabili	ty Ŭ	n	B++ 80
due early May. (B) Dividends pai March, June, September, and Dec	id in mid-	(D) In millio depreciated.	ns. (E) F	Rate bas	e: Origina	l cost	'21: 9.8%	. Regula	tory Clim	ate: Aver	age.		ce Growt mings Pr				NMF NMF

due early May. (B) Dividends paid in mid-March, June, September, and December. • (D) In millions. (E) Hate base: Original cost ['21: 9.8%. Regulatory Climate: Average. © 2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE FUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	NMF
Earnings Predictability	NMF
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Total Debt 320:19 mil. Due in 5 Yrs S831.5 mill. TU interest seared: 3.60 LT interest seared: 3.60 LT interest seared: 3.60 LT interest seared: 3.60 LT interest seared: 3.60 Lesses, Uncapitalized Annual creatals \$11.1 mill. Pension Assets: 1221 54265 mill. Pension Assets: 1221 54265 mill. Pension Assets: 1221 54265 mill. Pension Assets: 1221 54265 mill. Pension Assets: 1221 5426 52 mill. Pension Pension Pensio	3.3%
LT Debt S1747 mill. T interest 5619.8 mill. $45.\%$ $56.\%$ $66.\%$ 79% $86.\%$ $21.\%$ $12.\%$ $12.\%$ 24.0% 2	1165
Leases, Uncapitalized Annual rentals \$11.1 mil. 2.3% 1.4% 2.4% 1.4% 2.4% 1.4% 5.1% 5.4% 5.2%	24.0%
Oblig ST227 mill548%46%47%46%47%45%Common Equity RatioIncl. 2.324 000 shs \$1.90.53 20 rates (550 pml)1667517761664719892213123617276612786308333373422342034223420<	4.0%
 Incl. 2.32.4000 shs 31.90-33.28 rates (\$50 part) not ubject to maddity redemption, all, at \$10.50. St4.00.430,000 shs 4.25%, 4.7%, not subject to madatory redemption, all, at \$10.20.5103, 35% St7% <	43.5%
subject to mandatory redemption, call, at \$02.05- \$2500, \$4,000, \$4,25%, 47%, 60%, 62%, 62%, 62%, 62%, 62%, 62%, 62%, 62	4450
mandatory redemption, call, at \$102,805,105,68. Common Stock 44,439,005,814,439,005,814,83,857,84,85%,85%,85%,85%,85%,85%,85%,85%,85%,85%	5.0%
MARKET CAP: \$30 billion (Large Cap)16%3.4%3.5%3.6% <t< td=""><td>9.5% 9.5%</td></t<>	9.5% 9.5%
Charge field Stars (NH)SignBUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities with 3.3 mill electric, 887.000 gas, 226.000 waterAcqd NSTAR 4/12; Aquarion 12/17; Columbia Gas 10/ rev. breakdown: residential, 53%; commercial, 33%; indicates 104 rev. breakdown: residential, 104 rev. 54%; for 24%; fo	3.5%
Stome Peak Skei (WH)-3.3-2.7+1.6My Indxi Lis (WH)NANANANAMy Indxi Lis (WH)NANANAMy Indxi Lis (WH)NANANAVarial Lad Fatch (WH)NANANANaNANANAVarial Lis (First (VH)NANAVarial Lis (First (VH)NANANaNANaNANaNANaNANaNANaNANaNANaNANaNaNa <t< td=""><td>64%</td></t<>	64%
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% Change Customes (yr-end)+.7+.8+.6MA & gas to central & eastern MA: supplex water to C1, MA, & NH.01104. 1el: 413-785-5871. Internet: www.eversource.comDirdange Cw. (%)319345324ANNUAL RATES Past Ordnarge (ew. (%)319345324ANNUAL RATES Past Ordnarge (ew. (%)7.0%55%5.0%6.0%Cash Flow"3.0%7.0%5.5%5.5%Cash Flow"5.5%5.5%6.0%Book Value6.5%4.5%4.5%Cal-QUARTERLY REVENES (6 mill.)FullendarMar.31Jun.30Sep.30Dec.31Vealue 22222022203255010450202122522122243224412022225022002550104502023295023002650255020211.06.778.93.5420211.06.778.93.5420221.06.778.93.5420211.06.778.93.5420221.06.778.93.5420211.06.778.93.5420221.25.901.13.9720231.25.901.13.9720241.06.77.893.5420211.06.77.893.5420211.06.77.893.5420211.06.77.893.5420221.	gfield, MA
ANNUAL RATESPastEstd '1'9-'1annual, RATESPastEst'd '19-'21at change (per sh)10 Yrs.5 yrs.to '2.5'7Cah-0.04RTERLY REVENUES (\$ mill.)FullCah-OUARTERLY REVENUES (\$ mill.)Full201924151884217520052021285023002550550520222900220025502500202128502300255010502021285025001050202128502500105020212122432243120321.13.974.2520321.17.871.0820321.17.871.0820311.25.901.1320315.505.5055.0520315.505.50520321.25.9020315.505.50520321.13.9720315.505.50520315.50520315.5052031.5052031.5055.505.5052031.5052031.5052031.5055.505.5052031.5055.505.5052031.5055.505.5052031.5055.505.5052031.5055.505.5052031.5052031 <t< td=""><td></td></t<>	
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"Cash Flow" 3.0% 7.0% 5.5% 5.0% 6.0% 4.5% 4.5% 4.5% Caher and marked by \$0.32. There will probably still be some braition costs associated with the acqui- stiton, but these should be relatively low and diminish after the second quarter. Besides the easy comparison, Eversource is building offshore the company's earning power annually through a forward-looking power annual threat the second quarter. The in the board of trustees raised the agas construction risk. The board of trustees raised the agas construction risk. The board of trustees raised the dend in the first quarter. The in was \$0.14 a share (5.8%) annual same as in 2021.	
Dividends 8.5% 6.5% 6.0% Book Value 6.5% 4.5% 4.5% Book Value 6.5% 4.5% 4.5% Cal- QUARTERLY REVENUES (\$ mill.) Cal- QUARTERLY REVENUES (\$ mill.) 2019 2415 1884 2175 2050 85265 2020 2373 1953 2343 2233 8904.4 2021 2825 2122 2432 2481 9863.0 2022 2900 2200 2550 2550 10450 Cal- Cal- QUARTERLY DIVDENDS PAID $^{\text{B}}_{-}$ Tull 2020 1.17 .87 1.08 .93 2022 1.17 .87 1.08 .93 2023 1.25 .90 1.13 .97 4.25 Cal- QUARTERLY DIVDENDS PAID $^{\text{B}}_{-}$ Tull 2021 2023 1.25 .505 .505 .505 .505 .505 2.02	
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2018 505 505 505 505 2.02 creases of \$46 million and \$47 million at yield that is a cut below the	
2000 5675 5675 5675 5675 27 based on a 10.5% return on equity and a the next 18 months and the 3- to	
2021 .6025 .6025 .6025 .6025 .2.41 53.8% common-equity ratio. The utility is period. 2022 .6375 2025 .6025 .6025 .6025 .2.41 also asking for a specific tariff for recovery <i>Paul E. Debbas, CFA</i> May 1	3. 202:
A Diluted EPS. Evol. poprecurring gain Div/d reinvestment plan avail (C) Incl. deferred. (elec.) '18. 9.25%: (nas) '18. 9.3%: in NH: '21. Company's Financial Strength	A A
arnings report due early Aug. (B) Div ds his- mill. (E) Rate allowed on com. eq. in MA: Regulatory Climate: CT, Below Average; NH, Price Growth Persistence	85 60

earning's report due early Aug. (B) Div'ds historically paid late Mar., June, Sept., & Dec. • (elec.) '18, 10.0%; (gas) '20, 9.7%-9.9%; in CT: 2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMESIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

 Stock's Price Stability
 85

 Price Growth Persistence
 60

 Earnings Predictability
 100

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IDA	CO	rp, II	NC. N	IYSE-ID	A		R P	ecent - Rice	16.1	9 P/E RATIO	o 23 .	5 (Traili Medi	ng: 24.0) an: 19.0)	RELATIV P/E RATI	5 1.3	2 DIV'D YLD	2.7	7% VALUE		
TIMELIN		4 Lowered		High: Low:	42.7 33.9	45.7 38.2	54.7 43.1	70.1 50.2	70.5 55.4	83.4 65.0	100.0 77.5	102.4 79.6	114.0 89.3	113.6 69.1	113.8 85.3	118.9 99.1		Target		
SAFETY		1 Raised 1		LEGEN	NDS 70 x Divide	ends p sh	·											2025	2020	
TECHNI		3 Lowered		div •••• Re	rided by In lative Pric	iterest Rate e Strength									\sum					200 160
		= Market) get Price	Ranno	Options: ` Shaded	res area indic	ates recess	ion									nt●				100
		dpoint (%	to Mid)							עיייוייי	,	ш _{пп} ,,,,,,	1	יווייאל	I'Il.	· ·				80
\$88-\$13		0 (-5%)	,										\geq							60 50
202	5-27 PF	ROJECTI	ONS nn'l Total		տար		fanneb.			·				••						40
	Price 30 (Gain (+10%)	Return 6%	*****	*************	••••	•*•*•••	••••••••	•••••	*******	************	********		••••						30
Low 1	05	(-10%)	1%										1		• • • • • • • • • • • • • •			% TOT. RETUR	N 3/22	20
Institu	202021	Decisio 302021	ns 4Q2021	Percent	t 15 -									1				STOCK	L ARITH.*	L
to Buy to Sell	145 186	145	208 137	shares traded	10 - 5 -													1 yr. 17.7 3 yr. 24.2	4.3 54.0	E
Hld's(000) 2006	39928 2007		39410 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 yr. 57.0 © VALUE LINE PU	73.6	25-27
21.23	19.51	20.47	21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	26.76	27.19	26.70	26.77	28.86	29.70	30.70			34.50
4.58 2.35	4.11 1.86		5.07 2.64	5.35 2.95	5.84 3.36	5.93 3.37	6.29 3.64	6.58 3.85	6.70 3.87	6.86 3.94	7.50 4.21	7.85 4.49	8.07 4.61	8.19 4.69	8.41 4.85	8.75 5.05	9.10 5.25	"Cash Flow" per s Earnings per sh		10.25 6.00
1.20	1.20		1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	2.24	2.40	2.56	2.72	2.88	3.05	3.25			4.00
5.16	6.39		5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	5.66	5.51	5.53	6.16	5.94	10.60	14.95			10.00
25.77 43.63	26.79 45.06		29.17 47.90	31.01 49.41	33.19 49.95	35.07 50.16	36.84 50.23	38.85 50.27	40.88 50.34	42.74 50.40	44.65 50.42	47.01 50.42	48.88	50.73 50.46	52.82 50.52	54.85 50.50	56.85 50.50			64.00 52.00
15.1 18.2 13.9 10.2 11.8 11.5 12.4 13.4 14.7 16.2 19.1 20.6 20.5 22.3 19.9 20.8 Bold figures are Value Line Avg Ann'l P/E Ratio 3.4% 3.5% 4.0% 4.5% 3.4% 3.1% 3.2% 3.1% 3.1% 2.6% 2.6% 2.6% 2.5% 2.9% 2.9% Avg Ann'l P/E Ratio Avg Ann'l P/E Ratio 3.3% 3.2% 3.1% 3.1% 2.6% 2.6% 2.6% 2.5% 2.9% 2.9% Avg Ann'l P/E Ratio Avg Ann'l P/E Ratio 3.3% 3.2% 3.1% 3.1% 2.6% 2.6% 2.6% 2.9% 2.9% 2.9% Avg Ann'l P/E Ratio CAPITAL STRUCTURE as of 12/31/21 1080.7 1246.2 1282.5 1270.3 1262.0 1349.5 1370.8 1346.4 1350.7 1458.1 1500 Revenues (\$mill)															0	19.5				
.82 .97 .84 .68 .75 .72 .79 .75 .77 .82 1.00 1.04 1.11 1.19 1.02 1.14 Value Line estimates Relative P/E Ra 3.4% 3.5% 4.0% 4.5% 3.4% 3.1% 3.3% 3.2% 3.1% 3.1% 2.8% 2.6% 2.6% 2.6% 2.9% 2.9% 2.9% Avg Ann'I Div'd CAPITAL STRUCTURE as of 12/31/21 1080.7 1246.2 1282.5 1270.3 1262.0 1349.5 1370.8 1346.4 1350.7 1458.1 1500 1550 Revenues (\$mill																	1.10 3.4%			
3.4% 3.5% 4.0% 4.5% 3.4% 3.1% 3.2% 3.1% 3.1% 2.8% 2.6% 2.6% 2.9% 2.9% estimates Avg Ann'l Div'd Yield CAPITAL STRUCTURE as of 12/31/21 Total Debt \$2000.6 mill. Due in 5 Yrs \$260.1 mill. 1080.7 1246.2 1282.5 1270.3 1262.0 1349.5 1370.8 1346.4 1350.7 1458.1 1500 Revenues (\$mill) LT Debt \$2000.6 mill. LT Interest \$83.4 mill. 182.4 193.5 194.7 198.3 212.4 226.8 232.9 237.4 245.6 255 265 Net Profit (\$mill) LT Debt \$2000.6 mill. LT Interest \$83.4 mill. 13.4% 28.3% 8.0% 19.0% 15.5% 18.6% 71% 9.5% 10.8% 13.1% 13.0%															ciu	1800				
Total Debt \$2000.6 mill. Due in 5 Yrs \$260.1 mill. 168.9 182.4 193.5 194.7 198.3 212.4 226.8 232.9 237.4 245.6 255 265 Net Profit (\$mill)															310					
				5 1 003.4 11										1					rofit	13.0% 16.0%
Pensior	Asset	s-12/21 \$	984.5 mill	L		45.5%	46.6%	45.3%	45.6%	44.8%	43.7%	43.6%	41.3%	43.9%	42.8%	44.5%	48.5%	Long-Term Debt R		51.0%
				blig \$1346	6.5 mill.	54.5%	53.4%	54.7%	54.4%	55.2%	56.3%	56.4%	58.7%	56.1%	57.2%	55.5%	51.5%	Common Equity R		49.0%
Pfd Sto	ck None	e				3225.4 3536.0	3465.9 3665.0	3567.6 3833.5	3783.3 3992.4	3898.5 4172.0	3997.5 4283.9	4205.1 4395.7	4201.3 4531.5	4560.4 4709.5	4669.1 4901.8	4995 5250	5570 5810		I)	6800 6700
Commo	n Stocl	k 50,523,8	310 shs.			6.5%	6.4%	6.6%	6.2%	6.1%	6.3%	6.4%	6.5%	6.1%	6.2%	6.0%	5.5%	Return on Total Ca		5.5%
as of 2/	11/22					9.6% 9.6%	9.9% 9.9%	9.9% 9.9%	9.5% 9.5%	9.2% 9.2%	9.4% 9.4%	9.6% 9.6%	9.4% 9.4%	9.3% 9.3%	9.2% 9.2%	9.0% 9.0%	9.0% 9.0%	Return on Shr. Eq Return on Com Ec	•	9.5% 9.5%
MARKE	T CAP:	\$5.9 billi	on (Larg	e Cap)		5.7%	5.6%	5.4%	4.8%	4.3%	4.4%	4.4%	4.2%	3.9%	3.7%	3.5%	3.5%	Retained to Com E		3.0%
ELECT	RIC OPI	ERATING	STATIST 2019	ICS 2020	2021	41%	43%	46%	50%	53%	53%	54%	56%	58%	60%	60%	62%	All Div'ds to Net P		67%
% Change F Avg. Indust.	Retail Sales	(KWH)	3 NA	+2.0 NA	+3.9 NA				Inc. is a l lectric utili									Generating source , 38%. Fuel costs		
Avg. Indust. Capacity at I	Revs. per k		5.32 NA	5.38 NA	5.62 NA	through	nout a 22	,000-squ	are-mile	area in s	outhern	ldaho an	d east-	nues. '2	1 reporte	ed depre	ciation ra	ate: 2.9%. Has 2,0	00 emp	loyees.
Peak Load, Annual Load	Summer (M		3242 NA	3392 NA	3751 NA				1.3 millio he Idaho									sident & CEO: Lis /. Idaho St., Boise		
% Change C			+2.5	+2.7	+2.8	nue bi	reakdowr	n: reside	ntial, 45%	; comn	nercial, 2	24%; inc	lustrial,	Telepho	one: 208-	388-2200). Internet	t: www.idacorpinc.o	com.	
Fixed Charg	1 /		307	313	334				ACOI ance				e its	rise.	Idaho	Powe	er pla	ns to boost \$1.2 billion	its ov	wner-
ANNUA of change				st Est'd rs. to'	' 19-'21 25-'27								nings	sion	line	from	21%	to 45%. T	he u	tility
Revenu "Cash I	ies	2.5 4.5	5% 1.	5% 4	4.0% 3.5%	grow	rth f CORP		he p tility									million for 1 age, which is		
Earning Dividen	S	4.5	5% 4.	0% 4	4.0%	Powe	er, is	benef	iting f	rom i	ts ser	vice a	irea's	to be	in se	ervice	by Ju	ine of 2023.	This	s will
Book V	alue	5.0	0% 4.		6.5% 4.0%	heal	thy e	conon	iy and th ha	d pop	ulatio	n gro	owth.	requi	re fi	nancir	ng. In	nitially, the	COM	pany
Cal- endar		RTERLY RI Jun.30			Full Year				in 202					proba	ably is	ssue e	quity.			
2019	350.3	316.9	386.3	292.9	1346.4	the	region	's tra	ditiona	al ind	ustrie	s, su	ch as	Rate	case	es mi	ight	well be u		
2020 2021	291.0 316.1	318.8 360.1	425.3 446.9	315.6 335.0	1350.7 1458.1	is s	chedu	led to	and r begi	n ope	eratin	g in	mid-	enab	led th	e util	ity to	customer gi go for mor	e tha	n 10
2022	330	355	465	350	1500	2022), ne	w ind	lustria	l cus	tomer	s suc	h as	years	s witl	hout	filing	a rate a	oplica	ation
2023	345	360 Arnings I	480	365 F A	1550				e ente as con									ny's capital to be placed		
Cal- endar	Mar.31		Sep.30		Full Year	mair	ntenâr	nce e	expens	es e	ffectiv	ely, Č	even	espec	cially	in vie	ew of	the increas	ed ca	ipital
2019	.84	1.05	1.78	.93	4.61													vill probably Any rate re		
2020 2021	.74 .89	1.19 1.38	2.02 1.93	.74 .65	4.69 4.85	year	, wh	ich i	sat	\mathbf{the}	uppe	r en	d of	come	until	2023.		-		
2022 2023	.95 1.00	1.25 1.30	2.10 2.20	.75 .75	5.05 5.25				geted gemer									's dividend verage. Th		
ZUZS Cal-		TERLY DIV			Full	cally	cons	ervati	ve, an	d is u	sually	7 raise	edas	has	recog	nized	IDA	ACORP's co	nsist	ency
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year													Predictabili I does not		
2018 2019	.59 .63	.59 .63	.59 .63	.63 .67	2.40 2.56	grow	rth in							for tl	he nez	xt 18	montl	hs or the 3-	to 5	-year
2020	.67	.67	.67	.71	2.72	shar		tal h	udaat	hee	inor	acad	eia					otation is v	vithir	ı our
2021 2022	.71 .75	.71	.71	.75	2.88	nific	capi	ι αι 10 γ. Tw	u dget o thir	паs 1gs a	re dr	ased iving	sig- this	2025 Paul	E. De	bbas,	CFA	e Range. <i>April</i>	22, 2	2022
A) Dilute	ed EPS			g gain: '0		, and No	ov. ■ Div	idend re	investmer	nt plan	original c	ost. Rate	e allowed	d on com	mon equi	ity Cor	mpany's	Financial Strengt	,	A+
				o roundin April. (I					ment plan 1: \$1,462.									ce Stability th Persistence		100 70
				Feb., Ma					Rate bas					,				redictability		100

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NO		IWES		N ND	Q-NWE		P	ecent Rice	60.1(7 (Traili Media	ng: 16.7) an: 17.0)	RELATIV P/E RATI	5 1.0		4.2	% VALUE		
		5 Lowered		High: Low:	36.6 27.4	38.0 33.0	47.2 35.1	58.7 42.6	59.7 48.4	63.8 52.2	64.5 55.7	65.7 50.0	76.7 57.3	80.5 45.1	70.8 53.2	62.6 55.6		Target 2025		
SAFET TECHN		2 Raised		LEGEN 	31 x Divide	ends p sh iterest Bate														160
-) = Market)	+/0/22	Options: \	Yes	e Strength									\bigwedge					120
18-Mc	onth Tai	get Price	e Range			ates recess							ىرىلىرىنى.			`				80
Low-H	-	dpoint (%	to Mid)				\sim		^{ار} الم			I		- Tiluuti	n ⁿⁿⁿ	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				60 50
\$49-\$7		2 (0%) ROJECTI	ONS				, nutri													40
20	Price		nn'l Total Return	الاران معرفة الم						•••••••••										30
High Low		(+35%) (-10%)	11% 2%	•••••••••	••••	*******	********	**************************************	****	···	*********			•						20 15
	utional	Decisio	ns	1											••••••••			% TOT. RETURI	ARITH.*	
to Buy	2Q202	3 121	4Q2021 170	Percent shares	20 -							ulut .		11				STOCK 1 yr2.8 3 yr2.8	4.3 54.0	-
to Sell HId's(000		2 49375	56973	traded	10 -													5 yr. 25.4	73.6	<u></u>
2006 31.49		-		2010 30.66	2011 30.80	2012 28.76	2013 29.80	2014 25.68	2015 25.21	2016 26.01	2017 26.45	2018 23.81	2019 24.93	2020 23.70	2021 25.38	2022 24.15	2023 23.40	© VALUE LINE PU Revenues per sh	B. LLC	25-27 25.75
3.62	3.7	0 4.40	4.62	4.76	5.42	5.18	5.45	5.39	5.92	6.74	6.76	6.96	7.07	6.72	7.02	6.65	6.70	"Cash Flow" per s		8.00
1.31 1.24	1.4			2.14 1.36	2.53 1.44	2.26 1.48	2.46 1.52	2.99 1.60	2.90 1.92	3.39 2.00	3.34 2.10	3.40 2.20	3.53 2.30	3.06 2.40	3.60 2.48	3.30 2.52	3.40 2.56	Earnings per sh A Div'd Decl'd per sh		4.00 2.70
2.81	3.0	3.47	5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.96	5.60	5.64	6.26	8.02	8.03	10.05	9.10	Cap'l Spending pe	r sh	6.50
20.65 35.97	21.1			22.64 36.23	23.68 36.28	25.09 37.22	26.60 38.75	31.50 46.91	33.22 48.17	34.68 48.33	36.44 49.37	38.60 50.32	40.42 50.45	41.10 50.59	43.28 54.06	44.55 58.00	46.15 62.00	Book Value per sh Common Shs Outs		49.50 62.00
26.0				12.9	12.6	15.7	16.9	16.2	18.4	17.2	17.8	16.8	19.9	19.5	16.9	Bold fig	ures are	Avg Ann'l P/E Rati		17.0
1.40 3.6%	1.1 4.19			.82 4.9%	.79 4.5%	1.00 4.2%	.95 3.7%	.85 3.3%	.93 3.6%	.90 3.4%	.90 3.5%	.91 3.9%	1.06 3.3%	1.00 4.0%	.93 4.1%	Value estim		Relative P/E Ratio Avg Ann'l Div'd Yie	bld	.95. 4.0%
					4.3 /0	1070.3	1154.5	1204.9	1214.3	1257.2	1305.7	1198.1	1257.9	1198.7	1372.3	1400	1450		siu	1600
		56.2 mill. .4 mill.				83.7	94.0	120.7	138.4	164.2	162.7	171.1	179.3	155.2	186.8	185	205	Net Profit (\$mill)		250
Incl. \$1	1.9 mill.	finance le	ases.	σφ07.0 Π		9.6% 9.4%	13.2% 8.7%	8.9%	13.7% 9.8%	4.3%	7.6% 5.2%	3.4%	1.6% 4.6%	1.6% 6.3%	1.8% 14.4%	1.5% 16.0%	3.0% 14.0%	Income Tax Rate AFUDC % to Net P	rofit	12.0% 10.0%
		med: 2.8x				53.8%	53.5%	53.4%	53.1%	52.0%	50.2%	52.2%	52.5%	52.8%	52.2%	50.0%	49.5%	Long-Term Debt Ra	atio	49.0%
Pensio	on Asse	ts-12/21 \$		l. Dblig \$690	6.8 mill.	46.2%	46.5% 2215.7	46.6% 3168.0	46.9% 3408.6	48.0% 3493.9	49.8% 3614.5	47.8% 4064.6	47.5% 4289.8	47.2%	47.8% 4893.1	50.0% 5190	50.5% 5660	Common Equity Ra Total Capital (\$mill		51.0% 6025
Pfd St	ock Nor	е				2435.6	2690.1	3758.0	4059.5	4214.9	4358.3	4521.3	4700.9	4952.9	5247.2	5630	5980	Net Plant (\$mill)		6550
Comm as of 2		k 54,082,	096 shs.			5.5% 9.0%	5.5% 9.1%	4.8% 8.2%	5.2% 8.6%	5.9% 9.8%	5.6% 9.0%	5.2% 8.8%	5.2% 8.8%	4.5% 7.5%	4.7% 8.0%	4.5% 7.0%	4.5% 7.0%	Return on Total Ca Return on Shr. Equ		5.0% 8.0%
		<u> </u>				9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	7.5%	8.0%	7.0%	7.0%	Return on Com Eq	uity E	8.0%
		: \$3.3 bill ERATING		• /		3.2% 65%	3.5% 61%	3.8% 54%	3.0% 65%	4.1% 58%	3.4% 62%	3.2% 64%	3.1% 64%	1.7% 78%	2.5% 69%	1.5% 76%	2.0% 75%	Retained to Com E All Div'ds to Net P		2.5% 67%
	Retail Sale		2019 +4.6	2020 -4.4	2021 +.7				rn Corpor			ness as	North-		er, 4%.			es: coal, 28%; hyd		; wind,
Avg. Indus	st. Use (MW st. Revs. per	H)	37808 NA		31792 NA				es electric 156,000 el									Fuel costs: 31% of as 1,500 employe		
Capacity a	t Peak (Mw) J, Winter (Mi		NA 2237	NA NA	NA NA	South	Dakota	and 298,	000 gas	custome	ers in Mo	ontana (8	85% of	Dana J.	Dykhou	se. CEO:	Robert (C. Rowe. President	& COC	D: Brian
Annual Lo	ad Factor (% Customers	b)	NA +1.2	NA +1.2	NA +1.6				akota (149 dential, 43									West 69th Street, 8 et: www.northweste		
Fixed Cha	rge Cov. (%)	284	237	252				s sha									hike of		
ANNU	AL RAT	ES Past		st Est'd					this average									w increases net reaches f		
Rever		10 Yrs -2.5 3.5	5% -1.	.0%	25-'27 .5%	is a	key :	reasor	n. Last	t yea	r, the	comp	pany	end o	of the	compa	any's g	guidance in	2022	, the
Earnir	Flow" Igs	3.0 4.8 5.8	5% 2.	0% 2 0% 3	2.5% 3.0% 2.0%				lion in 0 mil									be above its run, dividen		
Book	Value	6.0)% 3.)% 4.	5% 2 5% 3	3.0%				23 thre					will	prol	bably			earn	
Cal- endar		RTERLY R			Full Year				estern and st					grow Nort		stern	is a	adding ger	ierat	ting
2019	384.2	270.7	274.8	328.2	1257.9				ictors es and									, the compa ver, and wind		
2020 2021	335.3		280.6 326.0	313.4 347.3	1198.7 1372.3	ation	ı. Oui	r estir	nate i	s at	the m	idpoíı	nt of	energ	gy car	nnot b	e disj	patched. An	\$80	mil-
2022 2023	410 430	305 315	330 340	355 365	1400 1450		ageme) a sh		target	ed ra	ange	of \$3	3.20-					s-fired plant e for complet		
ZUZ3 Cal-	-	ARNINGS			Full	We l	look	for a	parti					The	utility	7 plan	s to l	build a \$278	5 mil	lion,
endar	Mar.3	1 Jun.30	Sep.30	Dec.31	Year				orthWe ontana									ontana, but nging the a		
2019 2020	1.44	.43	.42 .58	1.18 1.06	3.53 3.06	thus	shou	ld ob	tain so	ome	rate 1	elief	next	perm	it th	at wa	as iss	sued. This	plân	t is
2021 2022	1.24	.72	.68 .60	.96 1.05	3.60 <i>3.30</i>	ing v	will o	nce ag	averag gain ri	se du	ie to i	the ec	uity	durir	ng the	2023-	-2024	ommercial of winter sease	on.	
2023	1.20	.50	.60	1.10	3.40	that	will	be is	sued t	hrou	gh th	e forv	ward	The	divid	dend	yield	l of this u	ıntin	
Cal- endar	QUAF Mar.3	TERLY DIV	IDENDS PA Sep.30	•	Full Year				. Our duce a									percentag nean. Howe		
2019	.55	.55	.55	.55	2.20	at th	ne lov	v end	of the	e com	ipany'	s goa		retur	n pot	ential	does	not stand or	ut foi	r the
2020 2021	.57 .60	5.575	.575 .60	.575 .60	2.30 2.40				s growt lirecte				livi-					the 3- to 5- ation is wi		
2022	.62	.62	.62	.62	2.40	deno	d in t	the fi	rst qu	arte	r. Hov	vever,	the	2025	-2027		et Pric	e Range.		
2023 (A) Dilu	63 ted EPS	Excl no	nrecurring	1 gains: '1	2. late				e cent ∎ Div'd rei				·					Apria Financial Strength		2022 B++
39¢ net	; '15, 27	'¢; '18, 52 to roundir	¢; '19, 45	ś¢. '20 EF	PS plan	avail. †	Shareh	older inv	Div'd rein est. plan 19.39/sh.	avail.	(gas): 9.5 NE in '07	55%; in 9	SD in '15	i: none s	pecified; m. eq '2	in Sto	ck's Pric	e Stability th Persistence	-	90 45
	late Ap	ril. (B) Div	'ds histori	cally paid	in mill.	(E) Rate	base: Ne	t oria. co	st. Rate al	owed	8.5%. Re	gulatory	Climate:	Below Av	erade.	Ear	ninas Pr	edictability		90

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OG	E El	NER	GY C	ORF) I NYS	E-OGE	R P	ecent Rice	37.5	5 P/E RATI	o 15 .	2 (Traili Medi	ng: 16.0) an: 17.0)	RELATIVI P/e rati	0.8	5 DIV'D YLD	4.4	%	/ALUI LINE	Ξ	
TIMELI	NESS (4 Lowered	12/17/21	High: Low:	28.6 20.3	30.1 25.1	40.0 27.7	39.3 32.8	36.5 24.2	34.2 23.4	37.4 32.6	41.8 29.6	45.8 38.0	46.4 23.0	38.6 29.2	38.5 35.2				Price	
SAFET		2 Lowered		LEGEI	NDS 56 x Divide	ends p sh													2025	2020	
TECHN		2 Lowered		div •••• Re	vided by In elative Pric	terest Rate e Strength															160 120
		0 = Market)		2-for-1 sp Options:	olit 7/13 Yes										<u></u>						-100
Low-Hig		get Price	•	Snaueu		ates recess															80 60
\$27-\$43		5 (-5%)	,										ىتلىتىن			``					50 40
202	5-27 PF	ROJECT					րդիդ՝	սիսդսի	۱۱ ۱۱	مر الملائلين	++1++	1111111		1 լլլոր	աստես	•					30
	Price	Gain	nn'l Total Return		ասեր	h	\sim	<u> </u>		11.				ľ							20
High Low	55 (40	(+45%) (+5%)	13% 6%	•••••••		·		********										% то	I T. RETUR	N 2/22	_15
Institu	tional 202021	Decisio 302021							······	•	•••••••		**************************************	•••••						/L ARITH.*	
to Buy to Sell	165 229	188		Percen shares	12 -	ال ال	ىلىر. با	հորութ	որութ				Hiliann		†+_+++++++++++++++++++++++++++++++++++	1		1 yr. 3 yr.	33.3 -1.0	15.1 61.1	F
HId's(000)	125366	126167	128749	traded	6 -				2015								2022	5 yr.	23.3 UE LINE P	84.2	-
2006 21.96	2007 20.68		2009 14.79	2010 19.04	2011 19.96	2012 18.58	2013 14.45	2014 12.30	2015 11.00	2016 11.31	2017 11.32	2018 11.37	2019 11.15	2020 10.61	2021 18.26	2022 14.00	2023 15.00		es per sh	UB. LLU	25-21 18.25
2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	4.03	4.44	4.70	4.95		low" per s	sh	6.25
1.23 .67	1.32			1.50	1.73	1.79 .80	1.94	1.98	1.69 1.05	1.69	1.92	2.12 1.40	2.24 1.51	2.08 1.58	2.36 1.63	2.50 1.66	2.65 1.70		s per sh 4 cl'd per s		3.25 1.85
2.67	3.04		.71 4.37	.73 4.36	.76 6.48	5.85	.85 4.99	.95 2.86	2.74	1.16 3.31	1.27 4.13	2.87	3.18	3.25	3.89	4.75	4.75		ending per		4.75
8.79	9.16			11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	18.15	20.27	21.10	22.05		lue per sh		25.75
182.40 13.7	183.60 13.8			195.20 13.3	196.20 14.4	197.60 15.2	198.50 17.7	199.40 18.3	199.70 17.7	199.70 17.7	199.70 18.3	199.70 16.5	200.10	200.10	200.10 14.3	200.10 Bold fig	200.10 ures are		n Shs Out I'l P/E Rat		200.10
.74	.73	.75		.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.76	Value	Line		P/E Ratio		.80
4.0%	3.8%			3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	4.7%	4.8%			<u> </u>	n'l Div'd Y	ield	4.0%
			as of 12/3 Due in 5 \		6.9 mill.	3671.2 355.0	2867.7 387.6	2453.1 395.8	2196.9 337.6	2259.2 338.2	2261.1 384.3	2270.3 425.5	2231.6 449.6	2122.3 415.9	3653.7 472.5	2800 500		Revenue Net Prof	· · ·		3650 660
		4 mill. I ned: 4.4x)	LT Interes	st \$158.7	mill.	26.0%	24.9%	30.4%	29.2%	30.5%	32.5%	14.5%	7.4%	13.2%	11.5%	12.0%	12.0%	Income	<u> </u>		12.0%
						2.7%	2.6%	1.7%	3.7%	6.4%	15.0%	8.3%	1.6%	1.6%	2.2%	2.0%	2.0%		% to Net F		2.0%
Leases	, Uncap	italized A	Annual ren	itals \$5.7	mill.	50.7% 49.3%	43.1% 56.9%	45.9% 54.1%	44.3% 55.7%	41.1% 58.9%	41.7% 58.3%	42.0% 58.0%	43.6% 56.4%	49.0% 51.0%	52.6% 47.4%	47.5% 52.5%	53.0% 47.0%		rm Debt F n Equity F		50.5% 49.5%
Pensio	n Asset	s-12/21 \$	486.0 mill)blig \$50	2.0 mill	5615.8	5337.2	5999.7	5971.6	5849.6	6600.7	6902.0	7334.7	7126.2	8552.7	8020	9360	Total Ca	pital (\$mi		10375
Pfd Sto	ck None	е	, c	biig 400	2.3 11111.	8344.8 7.7%	6672.8 8.6%	6979.9 7.8%	7322.4 6.9%	7696.2	8339.9 7.0%	8643.8 7.3%	9044.6 7.1%	9374.6 6.9%	9832.9 6.4%	10345 7.5%	10830 6.5%	Net Plan	it (\$mill) on Total Ca	an'l	12075 7.5%
Commo	on Stoc	k 200,201	,818 shs.			12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	12.0%	12.0%		on Shr. Eq		13.0%
as of 1/ MARKE		\$7.5 bill	ion (Large	e Can)		12.8% 7.2%	12.8%	12.2%	10.2%	9.8%	10.0% 3.5%	10.6%	10.9%	11.5% 2.8%	11.6%	12.0%	12.0%		on Com Ed		13.0%
			STATIST	• /		44%	7.3% 43%	6.5% 47%	4.0% 61%	3.3% 67%	5.5 % 64%	3.8% 64%	3.6% 67%	2.0%	3.6% 69%	4.0% 66%	4.5% 64%		d to Com I Is to Net P	•	5.5% 56%
	Retail Sales		2019 +1.1	2020 -4.9	2021 +2.6	BUSIN	ESS: 00	E Energ	y Corp. is	a hold	ing comp	any for () Oklaho-	other, 1	0%. Gen	nerating s	sources:	gas, 25%	6; coal, 2	21%; wir	nd, 6%;
Avg. Indŭst	Use (MWH Revs. per l	Ì	NA 4.69	NA 4.40	NA 7.68				npany (OC)klahoma								sts: 58% . Has 2,2				
Capacity at			NA 6817	NA 6437	NA	westerr	n Arkans	as (8%);	wholesal	e is (8%	6). Owns	3% of	Energy	dent an	d Chief	Executiv	e Officer	: Sean 1	, rauschke	e. Incorp	orated:
Annual Loa	d Factor (%) Customers () ´	NA +1.0	NA +1.1	NA +1.4				ership unit ercial, 25%								North H .: 405-55				
		yi-ciiu)		326	336		-	-	utilit						-		ise th		-	-	-
Fixed Charç ANNUA		S Past	335 t Pa :		1'19-'21	a ge	neral	l rate	case	in Ol	daho	ma. ()kla-	unit	sales	to re	invest	in O	G&E.	The	sale
	e (per sh)		s. 5 Yr	s. to	' 25-'27 5.5%				Electri based (ess wi leted		gradu 2023	al an	d mig	ht no	it be
"Cash Earning	Flow"	3.5	5% 4.	5%	7.0% 6.5%	equit	ty and	da 5	3.4% c	comm	on-eq	uity r	atio.	Our	earni	ings e	estim				
Divider Book V	ıds	8.0)% 8.	5%	3.0% 4.5%				seekii the pa								are Ener				
Cal-			EVENUES (Full	tĥe 1	rate k	base a	ind as	king	the co	ommis	ssion	Tran	sfer u	ntil tl	he uni	its are	e sold.	Man	lage-
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year				ice-bas t gas								earnin idiary				
2019 2020	490.0 431.3		755.4 702.1	472.5 485.4	2231.6 2122.3	state	e. An o	order	is expe	ected	in tin	ne for		\$1.80) a sha	are la	st yea	r, and	the d	compa	any's
2021	1630.6	577.4	864.4	581.3	3653.7				ffect in is pei				60 0				22 is a lomy				
2022 2023	600 650	650 700	900 950	650 700	2800 3000				a sett								is a				
Cal-			PER SHAR		Full				crease								ngs g				
endar 2010			Sep.30		Year				ula ra five-y								7. Divi rawl				
2019 2020	.24 .23	.50 .51	1.25 1.04	.26 .30	2.24 2.08	plan	, and	expec	ts a de	cisior	i in A	pril.		out	ratio	is h	igher	than	OGI	E En	ergy
2021 2022	.26 .27	.56 .60	1.26 1.33	.27 .30	2.36 2.50				wants fer. 00								t the ៖ is not				
2022	.27	.65	1.33	.30	2.50	milli	on ur	nits (v	valued	at \$	931 i	nillior	n) of	surge	in	gas a	and p	ower	price	s, pa	issed
Cal-			VIDENDS P		Full				nited acquisi								omers 1 the f				
endar 2018	Mar.31 .3325	Jun.30 .3325	Sep.30		Year 1.36				s in D								intim				
2019	.365	.365	.3325 .365	.365 .388	1.48				ftertax					tract	tive	divid	end	yield	. Tota	al re	turn
2020 2021	.3875 .4025	.3875 .4025	.3875 .4025	.4025 .41	1.57 1.62				share) <i>led</i> fro								low th the 3				
2021	.4025	020	.4023	т.		enta	tion a	s a n	onrecu	rring	item.	The	com-	Paul	E. De	bbas,			Marc		
A) Dilute	ed EPS.	Excl. nor	nrecurring 1.18; '19,	gains	Next	earnings	report d	lue early	May. (B) I r., July, &	Div'ds	split. (E)	Rate bas	e: Net or	iginal cos	t. Rate a	- Col	npany's ck's Pric	Financia Stabili	l Strengt	th	A 85
, 05), i	10, (00	γ, ι/, Φ 20: αοίο ο		ops.: '06		t roinvoct	mont nla	n avail (C) Incl. de	forrod	10.0 50/	· oornod		1 13. 3.3 00m 00	2010 AL	310		h Persis			65 25

(Iosses): 15, (336): 17, \$1.16; 19, (8¢); 20, (82.95); 12, \$1.32; gain on discont. ops.: '06, Div'd reinvestment plan avail. (C) Incl. (deferred 20c. '19 & '21 EPS don't sum due to rounding. © 2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE FUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength	А
Stock's Price Stability	85
Price Growth Persistence	25
Earnings Predictability	90
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PO	rtl	AND	GEN	NER/		(SE-po	R P	ecent Rice	55.34	4 P/E RATI	o 19 .	6 (Traili Medi	ng: 20.3) an: 18.0)	RELATIV P/E RATI		O DIV'D YLD	3.3	8%	VALU		
TIMELI		3 Raised 3		High: Low:	26.0 21.3	28.1 24.3	33.3 27.4	40.3 29.0	41.0 33.0	45.2 35.3	50.1 42.4	50.4 39.0	58.4 44.0	63.1 32.0	53.1 40.8	57.0 48.3				t Price	
SAFET		2 Raised 1		LEGEN	63 x Divide	ends p sh													2025	2020	128
TECHN		3 Lowered	3/25/22	div	vided by In elative Pric	terest Rate e Strength									<u>/`.</u>						96
		= Market) get Price	Pango	Options: Shaded	Yes area indic	ates recess	ion								<u>``</u>						80 64
Low-Hi		dpoint (%	•									LIIIII	1 ⁰⁰⁰⁰⁰		սորությու					+	48
\$34-\$5	-	6 (-15%)						سسا'	יייויי וויווויייויי	m ¹⁷¹⁰			\sim	1 Millin							40 32
20	25-27 PI	ROJECTI	ONS			I' WILL	p							_							24
	Price	Gain	nn'l Total Return	111,111,111	*****					• • • • • • • • • • • • • • •											16
High Low	70 (55	(+25%) (Nil)	9% 4%	•••••	**** *	•••	****	**************************************	*****			*****	Po ⁻ *	•••				а/ т с		1	_12
Institu		Decisio		1	I									•"•	••••••••	,•••		% 10		VL ARITH.*	
to Buy	202021 157	142	4Q2021 149	Percent shares	t 21 - 14 -					1		1111. 11	t. ru					1 yr.	19.0	INDEX 4.3	E
to Sell HId's(000	142 81434		141 81443	traded	7 -													3 yr. 5 yr.	16.7 45.0	54.0 73.6	-
2006	2007			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VAL	UE LINE P	UB. LLC	
24.32	27.87 5.21		23.99 4.07	23.67 4.82	24.06 4.96	23.89 5.15	23.18 4.93	24.29 6.08	21.38 5.37	21.62 5.78	22.54 6.16	22.30 6.65	23.75 6.97	23.96 6.80	26.80 7.25	27.95 7.70	28.75 8.15	1	es per sh Flow" per :	ch	31.25 9.50
1.14	2.33		1.31	4.02	4.90	1.87	4.93	2.18	2.04	2.16	2.29	2.37	2.39	1.72	2.72	2.90	3.05		is per sh		9.50 3.50
.68	.93		1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	1.52	1.59	1.70	1.80	1.90		ecl'd per s		2.30
5.94 19.58	7.28		9.25 20.50	5.97 21.14	3.98 22.07	4.01 22.87	8.40 23.30	12.87 24.43	6.73 25.43	6.57 26.35	5.77 27.11	6.67 28.07	6.78 28.99	8.76 29.18	7.11 30.28	7.65 31.35	7.55 32.50		pending p alue per sl		7.50 36.25
62.50	62.53		75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	89.39	89.54	89.41	89.50	89.50		on Shs Ou		89.50
23.4	11.9		14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	22.3	26.6	17.7		ures are		n'I P/E Rat		18.0
1.26 2.5%	.63 3.3%		.96 5.4%	.76 5.2%	.78 4.4%	.89 4.1%	.95 3.7%	.81 3.3%	.89 3.3%	1.00 3.1%	1.01 2.9%	.99 3.3%	1.19 2.8%	1.37 3.5%	.97 3.5%		Line nates		e P/E Ratio n'l Div'd Y		1.00 3.7%
					U, F .T	1805.0	1810.0	1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	2145.0	2396.0	2500	2575		es (\$mill)		2800
Total D	ebt \$35	78 mill. 🛛	Due in 5 \	/rs \$186		141.0	137.0	175.0	172.0	193.0	204.0	212.0	214.0	155.0	244.0	260	275	Net Pro	fit (\$mill)		320
	t \$3558 73 mill. 1	mili. I	LT Interes ases.	st \$128 m		31.4%	23.2%	26.0%	20.7%	20.6%	25.3%	7.4%	11.2%	11.2%	8.6%	17.5%	17.5%		Tax Rate		17.5%
		ned: 2.9x) italized A		tala ¢1 m		7.1%	14.6% 51.3%	33.7% 52.7%	19.8% 47.8%	16.6% 48.4%	8.8% 50.1%	8.0% 46.5%	7.0%	15.5% 53.6%	10.2% 56.8%	10.0% 55.5%	9.0% 56.0%		% to Net I erm Debt F		8.0% 57.5%
		s-12/21 \$	800 mill.			52.9%	48.7%	47.3%	52.2%	51.6%	49.9%	53.5%	48.7%	46.4%	43.2%	44.5%	44.0%		n Equity F		42.5%
Pfd Sto	ock Non	e		Oblig \$9	72 mill.	3264.0	3735.0	4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	5628.0	6265.0	6320	6580	1	apital (\$mi	ill)	7600
			000 - k -			4392.0 5.9%	4880.0 5.1%	5679.0 5.8%	6012.0 5.4%	6434.0 5.6%	6741.0 5.5%	6887.0 5.8%	7161.0 5.1%	7539.0	8005.0 4.9%	8060 5.0%	8480 5.0%		nt (\$mill) on Total C	an'l	9000 5.5%
as of 2		k 89,426,8	360 shs.			8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	5.9%	9.0%	9.5%	9.5%	1	on Shr. Eq		10.0%
MARK		\$4.9 billi	on (Mid C	an)		8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	5.9%	9.0%	9.5%	9.5%		on Com E		10.0%
		ERATING		• /		3.5% 57%	2.9% 61%	4.6% 50%	3.3% 56%	3.5% 57%	3.6% 58%	3.5% 59%	3.1% 63%	.6% 90%	3.5% 61%	3.5% 62%	3.5% 62%		d to Com ds to Net F		3.5% 65%
	Retail Sales		2019 +1.2	2020 +.4	2021 +5.1	BUSIN	ESS: Po	rtland G	eneral Ele	ectric C	ompany	(PGE) p	rovides	Generat	ting source	ces: gas,	37%; wi	nd, 9%;	coal, 8%;	hydro, 4	%; pur-
Avg. Indus	. Use (MWH . Revs. per) '	17827 4.75	18472 4.99	20002 5.22				stomers in g Portland										s. '21 rep yees. Ch		
Capacity a	Peak (Mw)	.,	NA	NA	NA		0,		the proces										icer: Mar		
Annual Loa	Summer (N Id Factor (%)	3765 NA	3771 NA	4447 NA				osed in 19 ercial, 299										Salmon S ww.portla		
	Customers	yr-end)	+1.1	+1.5	+.6		,	,	eral	,	,	,	,						re. We	•	
	ge Cov. (%)	S Past	265 Pas	187	261 ' 19-'21				on its					0					which		
of chang	e (per sh)	10 Yrs	. 5 Yr	's. to'	25-'27				nave a										al of 4		
Reven "Cash		.5 4.5			4.0% 5.0%				crease on of										ecisio PGE		
Earnin Divide	gs nds	3.5 4.5		5% 2 0% 0	7.5% 6.0%	recov	very o	of higl	her po	wer d	costs.	The e	extra						mitting		
Book \	alue	3.5	5% 3.	0% 3	3.5%				esn't s ement										be kn s to be		
Cal- endar	QUA Mar.31	RTERLY RE	EVENUES (Sep.30		Full Year				rates					with	the v	winnii	ng bi	dders	by ye	earen	d. If
2019	573.0	460.0	542.0	548.0	2123.0	coal-	fired	plant,	which	n is r	io lon	ger in	the	PGE	winds	s up b	ouildir	ng son	ne of t	his ca	ipac-
2020	573.0		547.0		2145.0				allow uity ra										equit not d		
2021 2022	609.0 645	537.0 560	642.0 660	608.0 635	2396.0 2500	9.5%	and	50%, 1	respect	tively	. Othe	r mat	ters	2015			-				
2023	675	575	675	650	2575				settled										direc . This		
Cal- endar		ARNINGS I Jun.30			Full Year				der com is case										ne disk		
2019	.82	.28	.61	.68	2.39	deco	upling	g mec	hanisn	n will	be e	limina	ated.	in 20	021. V	Ve est	imate	e that	the b	ooard	will
2020	.91	.43	d.19	.57	1.72				the O new ta										a sha erm gr		
2021 2022	1.07 1.05	.36 .45	.56 .60	.73 .80	2.72 2.90		than				uan	5 5110	110						o of 60		
2023	1.10	.45	.65	.85	3.05				vth is										this		
Cal- endar		TERLY DIV	IDENDS PA Sep.30		Full Year				year o 's effe										ty. Tot the		
2018	Mar.31	.34	.3625	Dec.31 .3625	1.41	one	factor	: And	other	is ac	celera	ting	load	mont	hs an	d low	for th	ne 3- <u>†</u>	to 5-ye	ear pe	riod.
2019	.3625	.3625	.385	.385	1.50				to the vice te										he rece 27 Tar		
2020 2021	.385	.385 .4075	.385 .43	.4075 .43	1.56				i secto					Rang		00	ii 202	10-202		0	
2022	.4070	.43			1.00				er end							bbas,	CFA		Apr	il 22,	2022
		nings. Ex '17, 19¢.							ment plan s. In '21:					avg. com Average.			npany's ck's Pric		al Strengi itv	th	B++ 90
due Apri	l 28. (B)	Dividend	s paid mid	l-Jan., Áp	or., mill.,	\$5.96/sh	n. (D) In	mill. (E)	Rate base	e: Net		Janatory	J			Pric	ce Growt	th Persis	stence		55
									common believed to		hla and is	provided	without y	varrantiae	of any kir		nings Pr	euictabi	lity		80

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Attachment DWD-Supp-2 Page 16 of 44

XC			GY ⊧	NDQ-XE	L		R	ecent Rice	74.3	6 P/E RATIO	o 23 .	9 (Traili Medi	ing: 25.1) an: 19.0)	RELATIVI P/E RATI		4 DIV'D YLD	2.7	7%	/ALUI LINE		
TIMELI		Raised 1		High: Low:	27.8 21.2	29.9 25.8	31.8 26.8	37.6 27.3	38.3 31.8	45.4 35.2	52.2 40.0	54.1 41.5	66.1 47.7	76.4 46.6	72.9 57.2	75.5 63.8				Price	
SAFET		1 Raised 5 3 Lowered		LEGEN	68 x Divide	ends p sh															160
TECHN BETA	ICAL 、 30 (1.00		4/8/22	Options: "	elative Pric	terest Rate e Strength									<u>^.</u>						120
		get Price	Range	Shaded	area indic	ates recess	ion								\bigwedge						100 80
Low-Hi	gh Mid	dpoint (%	to Mid)												պուրո	n(● `					60 50
\$58-\$89		4 (0%)					\sim		11	HH-H-111		111111111									40
			nn'l Total		لالسفين	1		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,													30
High	Price 80 (Gain +10%)	Return 5%			•••••••••				******			••••	, • ,							20
Low		(-15%) Decisio	<u>Nil</u> ns				****	•• ^{•••} ••••	*****		•••••	*********			••••••••	***		% TO	T. RETUR	N 3/22 /L ARITH.*	_ 15
to Buy	202021 381	302021 355	402021 449	Percen	t 30 -									1				1 yr.	STOCK 12.3	INDEX 4.3	-
to Sell	344 412491	343	338 413762	shares traded	20 - 10 -	որդուս	nhihi	huuuh		HIIIIII	तत्वात्ता				uluulu	111		3 yr. 5 yr.	40.1 88.6	54.0 73.6	F
2006	2007	2008		2010	2011	2012	2013	2014		2016	2017	2018	2019	2020	2021	2022	2023	© VAL	UE LINE P	UB. LLC	25-27
24.16 3.61	23.40 3.45		21.08 3.48	21.38 3.51	21.90 3.79	20.76 4.00	21.92 4.10	23.11 4.28	21.72 4.56	21.90 5.04	22.46 5.47	22.44 5.92	21.98 6.25	21.45 6.61	24.69 7.08	26.50 7.75	27.25 8.30		es per sh	.	29.50 10.00
1.35	1.35		1.49	1.56	1.72	4.00	1.91	2.03	2.10	2.21	2.30	2.47	2.64	2.79	2.96	3.15	3.35		low" per sh		4.00
.88	.91	.94	.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.52	1.62	1.72	1.83	1.95	2.08		ecl'd per s		2.50
4.00 14.28	4.89 14.70		3.91 15.92	4.60 16.76	4.53 17.44	5.27 18.19	6.82 19.21	6.33 20.20	7.26 20.89	6.42 21.73	6.54 22.56	7.70 23.78	8.05 25.24	9.99 27.12	7.80 28.70	9.65 30.15	9.00 31.65		pending p alue per sl		9.00 37.00
407.30	428.78		457.51	482.33	486.49	487.96	497.97	505.73	507.54	507.22	507.76	514.04	524.54	537.44	544.03	547.00	550.00		n Shs Out		561.00
14.8 .80	16.7 .89	13.7	12.7	14.1 .90	14.2 .89	14.8 .94	15.0 .84	15.4 .81	16.5 .83	18.5 .97	20.2 1.02	18.9 1.02	22.3 1.19	23.9 1.23	22.5 1.23	Bold fig Value	Line		n'l P/E Rat P/E Ratio		18.5 1.05
4.4%	4.0%		5.1%	4.5%	4.2%	3.9%	3.9%	3.8%	3.7%	3.3%	3.1%	3.3%	2.7%	2.6%	2.8%	estin	ates	Avg Ani	n'l Div'd Y	ield	3.4%
			as of 12/3 Due in 5 \		1 mill	10128	10915	11686	11024	11107	11404	11537	11529	11526	13431	14500	15000		es (\$mill)		16500
LT Deb	t \$21779	9 mill. I	LT Interes			905.2 33.2%	948.2 33.8%	1021.3 33.9%	1063.6 35.8%	1123.4 34.1%	1171.0 30.7%	1261.0 12.6%	1372.0 8.5%	1473.0 8.5%	1597.0	1720 NMF	1855 NMF		fit (\$mill) Tax Rate		2260 NMF
		nance leas ned: 2.9x)				10.8%	13.4%	12.5%	7.7%	7.8%	9.4%	12.4%	8.3%	10.7%	6.2%	7.0%	6.0%		% to Net I		5.0%
Leases	. Uncap	italized A	nnual rer	ntals \$69 r	mill.	53.3% 46.7%	53.3% 46.7%	53.0% 47.0%	54.1% 45.9%	56.3% 43.7%	55.9% 44.1%	56.4% 43.6%	56.8% 43.2%	57.4% 42.6%	58.2% 41.8%	58.0% 42.0%	58.0% 42.0%		rm Debt F n Equity F		58.0% 42.0%
		s-12/21 \$	3670 mill.			19018	20477	21714	23092	25216	25975	28025	30646	34220	37391	39150	41600	Total Ca	ipital (\$mi		49200
Pfd Sto	ck None	e		Oblig \$37	/ 10 11111.	23809 6.1%	26122 6.0%	28757 6.0%	31206 5.8%	32842 5.7%	34329 5.8%	36944 5.7%	39483 5.6%	42950	45457 5.3%	48225 5.5%	50475 5.5%	Net Plan	nt (\$mill) on Total C	an'l	57000 5.5%
Commo	on Stock	k 544,213	,730 shs.			10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.5%	10.5%		on Shr. Eq		11.0%
as of 2/ MARKE		\$40 billio	on (Large	(Cap		10.2% 4.7%	9.9% 4.5%	10.0%	10.0% 4.3%	10.2%	10.2% 3.9%	10.3% 4.3%	10.4%	10.1% 4.2%	10.2% 4.2%	10.5% 4.0%	10.5% 4.0%		on Com Eo d to Com		11.0% 4.0%
			STATIST	.,		54%	4.3% 54%	55%	57%	61%	62%	58%	58%	58%	59%	62%		1	is to Net F	•	0 <i>%</i>
% Change	Retail Sales	(KWH)	2019 -1.2	2020 -2.3	2021 +1.4				gy Inc. is										31%; sm.		
	Use (MWH) Revs. per K		NA 5.96	NA 5.78	NA 6.60				electricity Michigan										. Generat I deprec.		
Capacity at Peak Load,	Summer (M	w)	NA 20146	NA 19665	NA 19849	North E	Dakota &	Michiga	n; P.S. of	Colorad	o, which	supplies	electri-	11,300	employee	es. Chair	man: Be	n Fowke	. Preside	nt & CE	O: Bob
	d Factor (%) Customers (\		NA +1.0	NA NA	NA NA				& Southwe & New M										: Mall, M celenerg		is, ivin
Fixed Char		, ,	272	252	262				Ener										roduc		
ANNUA	L RATE	S Past	Pa	st Est'd	'19-'21				e na. Tl t of No										of the energy		
of change Revenu	Jes		5%.	5%	' 25-'27 4.5%	in M	linnes	sota. I	NSP fi	iled f	or ele	ectric	rate	in th	e râte	e base	. Mar	nagem	ent is	also	con-
"Cash Earning	js	6.5 6.0)% 6.	0%	7.0% 6.0%				illion i 131 m										ses e ires. (
Divider Book V		5.5 5.0	0% 6.)% 5.	.0% .0%	6.5% 5.5%	on a	i reti	arn o	n equ	ity o	f 10.2	2% ai	nd a	earni	ngs e	estima	te is	at t	he mi	dpoin	it of
Cal-			EVENUES (Full				ratio incre										.20 a s f the		
endar 2019	Mar.31 3141	2577	Sep.30 3013	2798	Year 11529	base	d on a	a 10.5	% ROI	E and	the s	ame	equi-	nary	gas	costs	that	NSF	incu	rred	last
2020	2811	2586	3182	2947	11526				im hil 25 mil										ission ly imp		
2021 2022	3541 3850	3068 3250	3467 3800	3355 3600	13431 14500	at t	he_st	art o	f 2022	2. Pu	blic \$	Servic	e of	We	expe	ct an	othe	r sol	lid p	rofit	in-
2023	3950	3400	3950	3700	15000				for a g ng rev										ain, r The		
Cal- endar			PER SHAR Sep.30		Full Year	cover	red th	hrougl	1 surc	harge	s), fo	llowe	d by	grow	th we	e look	for	would	be w		
2019	.61	.46	1.01	.56	2.64				2023 an R							annua d rai s			%-7%. i vider	ıd. ef	fec-
2020 2021	.56 .67	.54 .58	1.14 1.13	.54 .58	2.79 2.96	comr	non-e	quity	ratio d	of 55.	7%. N	ew ta	riffs	tive	with	the	Apri	l pay	ment	. The	e in-
2022 2023	.71 .75	.62 .65	1.20 1.30	.62 .65	3.15 3.35				take ublic s										5.6%) end a		
ZUZ3 Cal-			IDENDS PA		Full	rulin	g in '	F exas	on a se	ettlen	nent t	hat w	ould	grow	th and	d a pa	yout 1	ratio o	of 60%	-70%.	_
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year				\$89 m 1. Bea										nas a ow th		
2018 2019	.36 .38	.38 .405	.38 .405	.38 .405	1.50 1.60	cases	s, the	comp	any re	eceive	d rat	e reli	ef in	aver	age. '	The is	ssue o	doesn	't stan	d out	t for
2020	.405	.43	.43	.43	1.70	Wisc	onsin	at t	he sta end o	rt_of	2022	l, in	New	the n riod.	ext 1	8 mor	nths o	r the	3- to	5-yea	r pe-
2021 2022	.43 .4575	.4575 .4875	.4575	.4575	1.80				ic) at t						E. De	bbas,	CFA		Apri	il 22,	2022
(A) Dilut	ed EPS.	Excl. nor	nrecurring						28. (B) Div		tangibles	. In '21: 9	\$2738 mil	II., \$4.42/	sh. (D) In				al Strengt	h	A+ 95
(loss) on	disconti	inued ops); '17, (5¢ '06, 1¢	; '09, (1¢)	; 🛛 = Div	v'd reinve	stment p	lan availa	July, and able. † Sh	are-	com. eq.	(blended	l): 9.6%; e	. Rate allo earned or	avg. cor	m. Pric	ck's Pric	h Persis	tence		95 65
10, 1¢. '	20 EPS	don't sun	n due to r	ounding.	hold	er investr	nent plar	n availabl	e. (C) Incl	. ın-	eq., '21: '	10.6%. F	regulatory	/ Climate:	Average	e. Ear	nings Pr	edictabi	nty		100

10, 1c. '20 EPS don't sum due to rounding.' | holder investment plan available. (C) Incl. in- | eq., '21: 10.6%. Regulatory Climate: Average. Ea (2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE FUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

ompany's Financial Strength tock's Price Stability rice Growth Persistence arnings Predictability	A+ 95 65 100
anninge i realetazinty	100
subscribe call 1-800-VALU	eline

<u>Duke Energy Ohio, Inc.</u> Summary of Risk Premium Models for the <u>Proxy Group of Thirteen Electric Companies</u>

		Proxy Group of Thirteen Electric Companies
Predictive Risk Premium Model (PRPM) (1)		11.93 %
Risk Premium Using an Adjusted Total Market Approach (2)	_	10.98
	Average _	11.46_%

Notes:

(1) From page 18 of this Attachment.

(2) From page 19 of this Attachment.

	[2]	Indicated ROE (5)	13.84%	10.17%	12.24%	11.03%	12.08%	NMF	9.50%	10.73%	13.21%	12.89%	12.19%	10.24%	12.49%	11.72%	12.14%	11.93%
	[9]	Risk-Free Rate (4)	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	Average	Median	ın and Median
	[5]	Predicted Risk Premium (3)	10.33%	6.66%	8.73%	7.52%	8.57%	12.31%	5.99%	7.22%	9.70%	9.38%	8.68%	6.73%	8.98%			Average of Mean and Median
TT TOPOLL	[4]	GARCH Coefficient	2.72	2.07	2.40	1.89	1.51	2.25	1.53	1.68	2.21	2.27	2.23	1.85	2.85			
	[3]	Recommended Variance (2)	0.30%	0.26%	0.29%	0.32%	0.46%	0.43%	0.32%	0.35%	0.35%	0.33%	0.31%	0.29%	0.25%			
	[2]	Spot Predicted Variance	0.33%	0.29%	0.30%	0.33%	0.48%	0.46%	0.25%	0.39%	0.41%	0.33%	0.32%	0.72%	0.23%			
	[1]	LT Average Predicted Variance	0.27%	0.23%	0.29%	0.31%	0.43%	0.40%	0.39%	0.31%	0.29%	0.33%	0.31%	0.29%	0.27%			
		Proxy Group of Thirteen Electric Companies	Alliant Energy Corporation	Ameren Corporation	American Electric Power Company, Inc.	Duke Energy Corporation	Edison International	Entergy Corporation	Evergy, Inc.	Eversource Energy	IDACORP, Inc.	NorthWestern Corporation	OGE Energy Corporation	Portland General Electric Company	Xcel Energy Inc.			

Derived by the Predictive Risk Premium Model [1]

Indicated ROE

Duke Energy Ohio, Inc.

Notes:

- The Predictive Risk Premium Model uses historical data to generate a predicted variance and a GARCH coefficient. The historical data used are the equity risk premiums for the first available trading month as reported by Bloomberg Professional Service. <u>(</u>
 - Average of Column [1] and Column [2].
- $(1+(Column [3] * Column [4])^{12}) 1$.
- From note 2 on page 31 of this Attachment.
 - Column [5] + Column [6]. $\begin{array}{c} (2) \\ (4) \\ (2) \\ (2) \\ (3) \\$

Duke Energy Ohio, Inc. Indicated Common Equity Cost Rate Through Use of a Risk Premium Model Using an Adjusted Total Market Approach

Line No.		Proxy Group of Thirteen Electric Companies
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	4.73 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds	0.57 (2)
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	5.30 %
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	0.21 (3)
5.	Adjusted Prospective Bond Yield	5.51 %
6.	Equity Risk Premium (4)	5.47
7.	Risk Premium Derived Common Equity Cost Rate	<u> 10.98 </u> %

Notes: (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 26-27 of this Attachment).

- (2) The average yield spread of A rated public utility bonds over Aaa rated corporate bonds of 0.57% from page 20 of this Attachment.
- (3) Adjustment to reflect the Baa1 Moody's LT issuer rating of the Utility Proxy Group as shown on page 21 of this Attachment. The 0.21% upward adjustment is derived by taking 2/3 of the spread between A2 and Baa2 Public Utility Bonds (2/3 * 0.31% = 0.21%) as derived from page 20 of this Attachment.
- (4) From page 23 of this Attachment.

<u>Duke Energy Ohio, Inc.</u> Interest Rates and Bond Spreads for <u>Moody's Corporate and Public Utility Bonds</u>

Selected Bond Yields

	[1]	[2]	[3]			
	Aaa Rated Corporate Bond	A2 Rated Public Utility Bond	Baa2 Rated Public Utility Bond			
May-2022 Apr-2022	4.13 % 3.75	4.75 % 4.30	5.07 % 4.60			
Mar-2022	3.43	3.98	4.28			
Average	3.77 %	4.34 %	4.65 %			

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds:

0.57 %(1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds:

0.31 % (2)

Notes:

(1) Column [2] - Column [1].
 (2) Column [3] - Column [2].

Source of Information: Bloomberg Professional Service

Duke Energy Ohio, Inc. Comparison of Long-Term Issuer Ratings for Proxy Group of Thirteen Electric Companies

		oody's 1 Issuer Rating		d & Poor's Issuer Rating
		y 2022		7 2022
Proxy Group of Thirteen Electric Companies	Long- Term Issuer Rating (1)	Numerical Weighting (2)	Long-Term Issuer Rating (1)	Numerical Weighting (2)
Alliant Energy Corporation	A3/Baa1	7.5	A/A-	6.5
Ameren Corporation	A3	7.5	BBB+	8.0
American Electric Power Company, Inc.	Baa1	8.0	A-	7.0
Duke Energy Corporation	A3	7.0	BBB+	8.0
Edison International	Baa2	9.0	BBB	9.0
Entergy Corporation	Baa1	8.0	BBB+	8.0
Evergy, Inc.	Baa1	8.0	A-	7.0
Eversource Energy	A3	7.0	A-	7.0
IDACORP, Inc.	A3	7.0	BBB	9.0
NorthWestern Corporation	Baa2	9.0	BBB	9.0
OGE Energy Corporation	A3	7.0	A-	7.0
Portland General Electric Company	A3	7.0	BBB+	8.0
Xcel Energy Inc.	A3	7.0	A	7.0
Average	Baa1	7.6	BBB+	7.7

Notes:

(1) Ratings are that of the average of each company's utility operating subsidiaries.

(2) From page 22 of this Attachment.

Source Information: Moody's Investors Service Standard & Poor's Global Utilities Rating Service

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	А
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B1 B2	15	В
B2 B3	16	B-

Numerical Assignment for Moody's and Standard & Poor's Bond Ratings

<u>Duke Energy Ohio, Inc.</u> Judgment of Equity Risk Premium for <u>Proxy Group of Thirteen Electric Companies</u>

Line No.	-	Proxy Group of Thirteen Electric Companies
1.	Calculated equity risk premium based on the total market using the beta approach (1)	6.30 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A rated bonds (2)	5.05
3.	Predicted Equity Risk Premium Based on Regression Analysis of 1,193 Fully-Litigated Electric Utility Rate Cases (3)	5.07
4.	Average equity risk premium	<u> </u>
Notes:	(1) From page 24 of this Attachment.	

- (2) From page 28 of this Attachment.
- (3) From page 29 of this Attachment.

Duke Energy Ohio, Inc. Derivation of Equity Risk Premium Based on the Total Market Approach Using the Beta for the Proxy Group of Thirteen Electric Companies

<u>Line No.</u>	Equity Risk Premium Measure	Proxy Group of Thirteen Electric Companies
	Ibbotson-Based Equity Risk Premiums:	
1.	Ibbotson Equity Risk Premium (1)	6.13 %
2.	Regression on Ibbotson Risk Premium Data (2)	7.67
3.	Ibbotson Equity Risk Premium based on PRPM (3)	8.79
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	9.37
5.	Equity Risk Premium Based on Value Line S&P 500 Companies (5)	11.56
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	7.62
7.	Conclusion of Equity Risk Premium	8.52 %
8.	Adjusted Beta (7)	0.74
9.	Forecasted Equity Risk Premium	6.30 %

Notes provided on page 25 of this Attachment.

Duke Energy Ohio, Inc. Derivation of Equity Risk Premium Based on the Total Market Approach Using the Beta for the <u>Proxy Group of Thirteen Electric Companies</u>

Notes:

- (1) Based on the arithmetic mean historical monthly returns on large company common stocks from Kroll 2022 SBBI® Yearbook minus the arithmetic mean monthly yield of Moody's average Aaa and Aa corporate bonds from 1926-2021.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa rated corporate bond yields from 1928-2021 referenced in note 1 above.
- (3) The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa corporate monthly bond yields, from January 1928 through May 2022.
- (4) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 4.73% (from page 19 of this Attachment) from the projected 3-5 year total annual market return of 14.10% (described fully in note 1 on page 31 of this Attachment).
- (5) Using data from Value Line for the S&P 500, an expected total return of 16.29% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 4.73% results in an expected equity risk premium of 11.56%.
- (6) Using data from Bloomberg Professional Service for the S&P 500, an expected total return of 12.35% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 4.73% results in an expected equity risk premium of 7.62%.
- (7) Average of mean and median beta from page 30 of this Attachment.

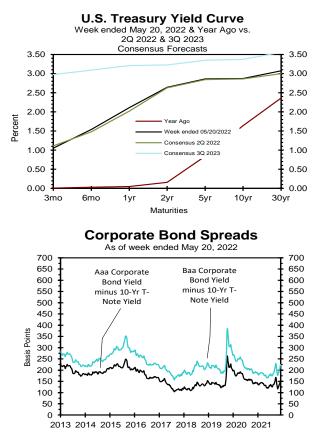
Sources of Information:

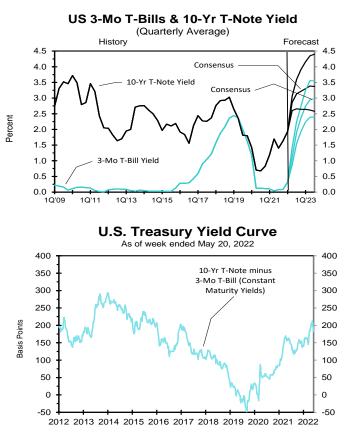
Kroll 2022 SBBI® Yearbook Industrial Manual and Mergent Bond Record Monthly Update. Value Line Summary and Index Blue Chip Financial Forecasts, June 1, 2022 Bloomberg Professional Service

Consensus Forecasts of U.S. Interest Rates and Key Assumptions

	History								Cons	ensus 1	Forecas	sts-Qua	arterly	Avg.
	Av	erage For	Week End		Ave	erage For	Month	Latest Qtr	2Q	3Q	4Q	1Q	2Q	3Q
Interest Rates	May 20	May 13	May 6	Apr 29	Apr	Mar	Feb	1Q 2022	2022	<u>2022</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
Federal Funds Rate	0.83	0.83	0.33	0.33	0.33	0.20	0.08	0.12	1.0	1.9	2.4	2.8	3.0	3.1
Prime Rate	4.00	4.00	3.50	3.50	3.50	3.37	3.25	3.29	4.0	5.0	5.5	5.9	6.1	6.2
SOFR	0.79	0.78	0.49	0.28	0.29	0.16	0.05	0.09	0.9	1.8	2.3	2.7	2.9	3.0
Commercial Paper, 1-mo.	0.83	0.82	0.71	0.55	0.44	0.32	0.16	0.18	0.9	1.8	2.4	2.8	3.0	3.0
Treasury bill, 3-mo.	1.05	0.94	0.88	0.85	0.76	0.45	0.31	0.30	1.1	1.9	2.4	2.7	2.9	3.0
Treasury bill, 6-mo.	1.54	1.44	1.43	1.40	1.26	0.86	0.64	0.61	1.5	2.2	2.6	2.9	3.1	3.1
Treasury bill, 1 yr.	2.11	2.00	2.10	2.03	1.89	1.34	1.00	0.96	2.0	2.6	2.9	3.1	3.2	3.2
Treasury note, 2 yr.	2.64	2.61	2.72	2.62	2.54	1.91	1.44	1.44	2.6	2.9	3.1	3.2	3.3	3.2
Treasury note, 5 yr.	2.86	2.89	3.00	2.84	2.78	2.11	1.81	1.82	2.8	3.1	3.2	3.3	3.4	3.4
Treasury note, 10 yr.	2.87	2.94	3.01	2.83	2.75	2.13	1.93	1.94	2.9	3.1	3.2	3.3	3.4	3.4
Treasury note, 30 yr.	3.07	3.09	3.10	2.91	2.81	2.41	2.25	2.25	3.0	3.3	3.4	3.5	3.6	3.6
Corporate Aaa bond	4.43	4.42	4.40	4.19	4.01	3.63	3.36	3.35	4.1	4.5	4.7	4.8	4.9	4.9
Corporate Baa bond	5.13	5.10	5.06	4.84	4.63	4.23	3.92	3.90	5.0	5.4	5.6	5.7	5.8	5.8
State & Local bonds	4.09	4.03	3.93	3.84	3.70	3.30	3.01	3.02	3.5	3.8	4.0	4.1	4.2	4.2
Home mortgage rate	5.25	5.30	5.27	5.10	4.98	4.17	3.76	3.79	5.1	5.3	5.5	5.6	5.6	5.5
				Histor	y				Co	onsensu	is Fore	casts-(Juarte	rly
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Key Assumptions	2020	2020	2020	2021	2021	2021	2021	2022	2022	2022	2022	2023	2023	2023
Fed's AFE \$ Index	112.4	107.2	105.1	103.4	102.9	105.0	107.0	108.4	112.7	113.9	114.1	114.0	113.6	112.9
Real GDP	-31.2	33.8	4.5	6.3	6.7	2.3	6.9	-1.5	2.9	2.5	2.2	1.8	1.6	1.6
GDP Price Index	-1.5	3.6	2.2	4.3	6.1	6.0	7.1	8.1	5.9	4.6	3.5	3.1	2.8	2.7
Consumer Price Index	-3.4	4.8	2.2	4.1	8.2	6.7	7.9	9.2	7.6	4.8	3.4	3.0	2.6	2.6
PCE Price Index	-1.6	3.7	1.5	3.8	6.5	5.3	6.4	7.0	5.8	4.3	3.2	2.8	2.6	2.5

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index, PCE Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; LIBOR quotes from Intercontinental Exchange. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP, GDP Price Index and PCE Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index history is from the Department of Labor's Bureau of Labor Statistics (BLS).





14 ■ BLUE CHIP FINANCIAL FORECASTS ■ JUNE 1, 2022

Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2023 through 2028 and averages for the five-year periods 2024-2028 and 2029-2033. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

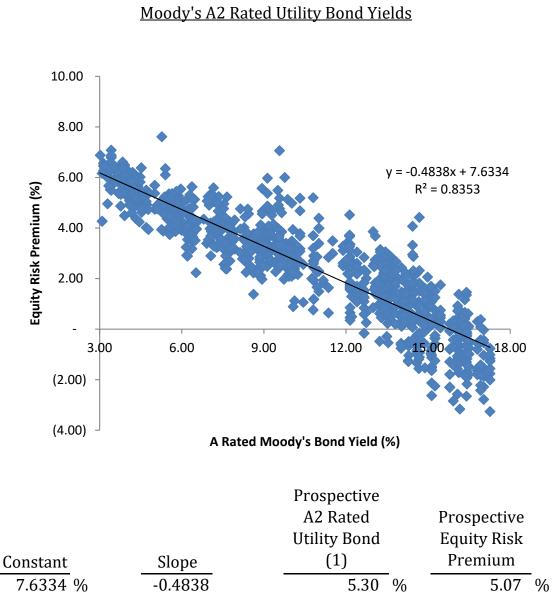
		Average For The Year						Five-Year Averages				
		2023	2024	2025	2026	2027	2028	2024-2028	2029-2033			
1. Federal Funds Rate	CONSENSUS	3.0	2.7	2.5	2.5	2.5	2.5	2.6	2.5			
	Top 10 Average	3.5	3.3	3.0	2.8	2.8	2.8	3.0	2.8			
	Bottom 10 Average	2.6	2.1	2.0	2.2	2.2	2.2	2.2	2.1			
2. Prime Rate	CONSENSUS	6.1	5.9	5.7	5.6	5.6	5.6	5.7	5.6			
	Top 10 Average	6.6	6.4	6.1	6.0	6.0	6.0	6.1	5.9			
	Bottom 10 Average	5.6	5.3	5.2	5.3	5.3	5.3	5.3	5.2			
3. SOFR	CONSENSUS	3.0	2.8	2.5	2.5	2.5	2.5	2.6	2.5			
	Top 10 Average	3.4	3.3	3.0	2.9	2.8	2.8	3.0	2.8			
	Bottom 10 Average	2.7	2.2	2.0	2.2	2.2	2.2	2.2	2.1			
4. Commercial Paper, 1-Mo	CONSENSUS	3.2	2.9	2.6	2.6	2.6	2.6	2.7	2.6			
	Top 10 Average	3.5	3.4	3.1	2.9	2.9	2.9	3.0	2.9			
	Bottom 10 Average	2.8	2.5	2.3	2.4	2.4	2.3	2.3	2.3			
5. Treasury Bill Yield, 3-Mo	CONSENSUS	3.0	2.8	2.6	2.6	2.6	2.5	2.6	2.5			
	Top 10 Average	3.6	3.4	3.1	3.1	3.0	2.9	3.1	2.9			
	Bottom 10 Average	2.5	2.2	2.0	2.1	2.2	2.2	2.1	2.2			
6. Treasury Bill Yield, 6-Mo	CONSENSUS	3.2	2.9	2.7	2.7	2.7	2.6	2.7	2.6			
	Top 10 Average	3.8	3.6	3.2	3.2	3.1	3.0	3.2	3.0			
	Bottom 10 Average	2.6	2.2	2.1	2.2	2.3	2.3	2.2	2.3			
7. Treasury Bill Yield, 1-Yr	CONSENSUS	3.2	3.0	2.9	2.9	2.8	2.8	2.9	2.8			
	Top 10 Average	3.9	3.8	3.5	3.4	3.3	3.2	3.4	3.2			
8. Treasury Note Yield, 2-Yr	Bottom 10 Average	2.6	2.4	2.2	2.4	2.4	2.4	2.3	2.4			
8. Heasury Note Heid, 2-H	CONSENSUS	3.4 4.3	3.2	3.1 3.8	3.1	3.0	3.0	3.1 3.7	3.0 3.5			
	Top 10 Average Bottom 10 Average	2.7	4.1 2.4	2.3	3.6 2.5	3.5 2.6	3.5 2.5	2.4	2.5			
9. Treasury Note Yield, 5-Yr	CONSENSUS	3.5	2.4 3.4	2.3 3.3	2.3 3.3	3.3	3.2	3.3	2.3 3.3			
9. Heasury Note Heid, 5-11	Top 10 Average	3.5 4.3	3.4 4.2	3.3 4.1	3.9	3.8	3.8	3.9	3.8			
	Bottom 10 Average	2.8	2.6	2.5	2.7	2.7	2.7	2.6	2.8			
10. Treasury Note Yield, 10-Yr	CONSENSUS	3.5	3.5	3.4	3.5	3.5	3.4	3.5	3.5			
10. Heasing Note Tield, 10-11	Top 10 Average	4.4	4.4	4.2	4.2	4.1	4.1	4.2	4.1			
	Bottom 10 Average	2.8	2.5	2.6	2.9	2.9	2.8	2.7	2.8			
11. Treasury Bond Yield, 30-Yr	-	3.8	3.8	3.8	3.9	3.8	3.8	3.8	3.9			
The file as any Bona Tiena, so Ti	Top 10 Average	4.6	4.7	4.5	4.5	4.4	4.5	4.5	4.5			
	Bottom 10 Average	3.0	2.9	3.0	3.3	3.2	3.2	3.1	3.2			
12. Corporate Aaa Bond Yield	CONSENSUS	5.0	5.0	4.9	5.0	5.0	4.9	4.9	5.0			
r r r r r r r r r r r r r r r r r r r	Top 10 Average	5.7	5.7	5.6	5.5	5.5	5.5	5.5	5.6			
	Bottom 10 Average	4.4	4.2	4.3	4.4	4.4	4.4	4.3	4.4			
13. Corporate Baa Bond Yield	CONSENSUS	6.0	5.9	5.8	5.9	5.9	5.9	5.9	5.9			
•	Top 10 Average	6.6	6.6	6.4	6.3	6.3	6.3	6.4	6.4			
	Bottom 10 Average	5.4	5.3	5.2	5.4	5.4	5.4	5.3	5.4			
14. State & Local Bonds Yield	CONSENSUS	4.3	4.3	4.2	4.3	4.3	4.3	4.3	4.3			
	Top 10 Average	5.0	5.0	4.8	4.8	4.7	4.7	4.8	4.8			
	Bottom 10 Average	3.7	3.7	3.7	3.9	3.9	3.9	3.8	3.9			
15. Home Mortgage Rate	CONSENSUS	5.7	5.5	5.4	5.4	5.4	5.4	5.4	5.4			
	Top 10 Average	6.4	6.4	6.1	6.0	6.0	6.0	6.1	6.0			
	Bottom 10 Average	4.9	4.7	4.6	4.8	4.8	4.8	4.7	4.8			
A. Fed's AFE Nominal \$ Index	CONSENSUS	113.8	112.8	111.9	111.0	110.6	110.4	111.3	109.8			
	Top 10 Average	115.6	114.7	114.0	113.4	113.1	112.8	113.6	112.7			
	Bottom 10 Average	112.2	111.0	109.9	108.8	108.2	107.9	109.2	107.4			
				- Year-Over-Ye	ar, % Change			Five-Year	Averages			
		2023	2024	2025	2026	2027	2028	2024-2028	2029-2033			
B. Real GDP	CONSENSUS	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.0			
	Top 10 Average	2.6	2.4	2.4	2.4	2.4	2.4	2.4	2.3			
	Bottom 10 Average	1.5	1.5	1.8	1.8	1.8	1.8	1.7	1.8			
C. GDP Chained Price Index	CONSENSUS	3.0	2.4	2.3	2.3	2.2	2.2	2.3	2.2			
	Top 10 Average	3.7	2.8	2.7	2.6	2.6	2.6	2.7	2.6			
	Bottom 10 Average	2.3	2.0	1.9	1.9	1.9	1.9	1.9	1.9			
D. Consumer Price Index	CONSENSUS	3.2	2.4	2.4	2.4	2.3	2.3	2.4	2.3			
	Top 10 Average	4.1	3.0	2.9	2.8	2.7	2.7	2.8	2.7			
	Bottom 10 Average	2.3	1.8	2.0	2.0	1.9	1.9	1.9	1.9			
E. PCE Price Index	CONSENSUS	3.0	2.3	2.3	2.3	2.3	2.2	2.3	2.3			
	Top 10 Average	3.8	2.8	2.8	2.7	2.7	2.6	2.7	2.7			
	Bottom 10 Average	2.2	1.8	1.9	1.9	1.9	1.8	1.9	1.9			

Duke Energy Ohio, Inc. Derivation of Mean Equity Risk Premium Based Studies Using Holding Period Returns and Projected Market Appreciation of the S&P Utility Index

<u>Line No.</u>		Implied Equity Risk Premium
	Equity Risk Premium based on S&P Utility Index Holding Period Returns (1):	
1.	Historical Equity Risk Premium	4.28 %
2.	Regression of Historical Equity Risk Premium (2)	5.28
3.	Forecasted Equity Risk Premium Based on PRPM (3)	5.85
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Value Line Data) (4)	5.28
5.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg Data) (5)	4.58
6.	Average Equity Risk Premium (6)	5.05 %
Notes:	(1) Based on S&P Public Utility Index monthly total returns and Bond average monthly yields from 1928-2021. Holding per	riod returns are

calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.(2) This equity risk premium is based on a regression of the monthly equity risk

- premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2021 referenced in note 1 above.
- (3) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A2 rated public utility bonds from January 1928 May 2022.
- (4) Using data from Value Line for the S&P Utilities Index, an expected total return of 10.58% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the expected A2 rated public utility bond yield of 5.30% results in an expected equity risk premium of 5.28%. (10.58% - 5.30 = 5.28%)
- (5) Using data from the Bloomberg Professional Service for the S&P Utilities Index, an expected total return of 9.88% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the expected A2 rated public utility bond yield of 5.30% results in an expected equity risk premium of 4.58%. (9.88% 5.30 = 4.58%)
- (6) Average of lines 1 through 5.



<u>Duke Energy Ohio, Inc.</u> <u>Prediction of Equity Risk Premiums Relative to</u> <u>Moody's A2 Rated Utility Bond Yields</u>

Notes:

(1) From line 3 of page 19 of this Attachment.

Source of Information: Regulatory Research Associates

<u>Duke Energy Ohio. Inc.</u> Indicated Common Equity Cost Rate Through Use of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)	[8]	Indicated Common Equity Cost Rate (3)	11.22 % 10.79 10.28 10.37 11.90 11.90 11.90 11.90 10.88 11.65 NMF (4) 11.13 11.13 11.07 % 11.01 %	
	[7]	ECAPM Cost Rate	11.51 % 11.15 10.71 10.78 10.78 12.10 12.10 11.22 11.22 11.22 11.22 11.22 11.22 11.22 11.23 % 11.44 11.33 % 11.33 %	
	[9]	Traditional CAPM Cost Rate	$\begin{array}{c} 10.93 \\ 9.85 \\ 9.85 \\ 9.95 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 11.71 \\ 10.54 \\ 10.54 \\ 10.15 \\ 10.68 \\ \% \end{array}$	
	[2]	Risk-Free Rate (2)	3.51 3.51 3.51 3.51 3.51 3.51 3.51 3.51	
	[4]	Market Risk Premium (1)	9.76 9.76 9.76 9.76 9.76 9.76 9.76 9.76	
	[3]	Average Beta	0.76 0.71 0.65 0.66 0.84 0.84 0.84 0.84 0.77 0.77 0.72 0.72 0.72 0.72 0.72 0.72	
	[2]	Bloomberg Adjusted Beta	0.66 0.56 0.56 0.72 0.63 0.64 0.64 0.64 0.64 0.64 0.65 0.55	
	[1]	Value Line Adjusted Beta	$\begin{array}{c} 0.85\\ 0.75\\ 0.75\\ 0.95\\ 0.95\\ 0.95\\ 0.95\\ 0.80\\ 0.85\\ 0.80\\ 0.80\\ 0.80\\ 0.80\\ 0.80\\ \end{array}$	
		Proxy Group of Thirteen Electric Companies	Alliant Energy Corporation Ameren Corporation American Electric Power Company, Inc. Duke Energy Corporation Edison International Entergy Corporation Eversource Energy IDACORP, Inc. Eversource Energy IDACORP, Inc. NorthWestern Corporation OGE Energy Corporation OGE Energy Corporation Portland General Electric Company Xcel Energy Inc. Mean Mean and Median	

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Notes on page 31 of this Attachment.

Duke Energy Ohio, Inc. Notes to Accompany the Application of the CAPM and ECAPM

Notes	:

(1) The market risk premium (MRP) is derived by using six different measures from three sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

Historical Data MRP Estimates:

Measure 1: Ibbotson Arithmetic Mean MRP (1926-2021)

Arithmetic Mean Monthly Returns for Large Stocks 1926-2021: Arithmetic Mean Income Returns on Long-Term Government Bonds: MRP based on Ibbotson Historical Data:	12.37 % 5.02 7.35 %
Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2021)	9.15 %
Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - May 2022)	9.84 %
Value Line MRP Estimates:	
Measure 4: Value Line Projected MRP (Thirteen weeks ending June 03, 2022)	
Total projected return on the market 3-5 years hence*: Projected Risk-Free Rate (see note 2): MRP based on Value Line Summary & Index: *Forecasted 3-5 year capital appreciation plus expected dividend yield	$ \begin{array}{rrrr} 14.10 & \% \\ 3.51 \\ 10.59 & \% \end{array} $
Measure 5: Value Line Projected Return on the Market based on the S&P 500	
Total return on the Market based on the S&P 500: Projected Risk-Free Rate (see note 2): MRP based on Value Line data	16.29 % 3.51 12.78 %
Measure 6: Bloomberg Projected MRP	
Total return on the Market based on the S&P 500: Projected Risk-Free Rate (see note 2): MRP based on Bloomberg data	12.35 % 3.51 8.84 %
Average of Value Line, Ibbotson, and Bloomberg MRP:	9.76 %

(2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 26-27 of this Attachment.) The projection of the risk-free rate is illustrated below:

Second Quarter 2022	3.00 %
Third Quarter 2022	3.30
Fourth Quarter 2022	3.40
First Quarter 2023	3.50
Second Quarter 2023	3.60
Third Quarter 2023	3.60
2024-2028	3.80
2029-2033	3.90
	3.51 %

(3) Average of Column 6 and Column 7.

(4) Excluded result for being 2 standard deviations away from the mean result.

Sources of Information: Value Line Summary and Index Blue Chip Financial Forecasts, June 1, 2022 Kroll 2022 SBBI® Yearbook Bloomberg Professional Services

<u>Duke Energy Ohio, Inc.</u> Basis of Selection of the Group of Non-Price Regulated Companies <u>Comparable in Total Risk to the Utility Proxy Group</u>

The criteria for selection of the proxy group of fifty non-price regulated companies was that the non-price regulated companies be domestic and reported in <u>Value Line Investment</u> <u>Survey</u> (Standard Edition).

The Non-Price Regulated Proxy Group were then selected based on the unadjusted beta range of 0.64 - 0.92 and residual standard error of the regression range of 2.5330 - 3.0210 of the Utility Proxy Group.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus two standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Utility Proxy Group's residual standard error of the regression is 0.1220. The standard deviation of the standard error of the regression is calculated as follows:

Standard Deviation of the Std. Err. of the Regr. = <u>Standard Error of the Regression</u> $\sqrt{2N}$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

Thus, 0.1220 = $\frac{2.7770}{\sqrt{518}}$ = $\frac{2.7770}{22.7596}$

Source of Information: Value Line, Inc., March 2022 Value Line Investment Survey (Standard Edition)

Duke Energy Ohio, Inc. Basis of Selection of Comparable Risk Domestic Non-Price Regulated Companies

	[1]	[2]	[3]	[4]
Proxy Group of Thirteen Electric Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
Alliant Energy Corporation Ameren Corporation American Electric Power Company, Inc. Duke Energy Corporation Edison International Entergy Corporation Evergy, Inc. Eversource Energy IDACORP, Inc. NorthWestern Corporation OGE Energy Corporation Portland General Electric Company	0.85 0.80 0.75 0.85 0.95 0.95 0.95 0.90 0.80 0.95 1.05 0.85	0.71 0.69 0.58 0.75 0.91 0.86 0.85 0.82 0.67 0.89 1.03 0.77 0.67	2.6953 2.5235 2.6108 2.6859 3.2986 2.7525 3.0574 3.0252 2.5897 2.7299 2.6847 2.7744	0.0667 0.0624 0.0646 0.0816 0.0681 0.0778 0.0748 0.0641 0.0675 0.0664 0.0686 0.0686
Xcel Energy Inc. Average	0.80	0.65	2.6727 2.7770	0.0661
Beta Range (+/- 2 std. Devs. of Beta) 2 std. Devs. of Beta	0.64 0.14	0.92		
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.5330	3.0210		
Std. dev. of the Res. Std. Err.	0.1220			
2 std. devs. of the Res. Std. Err.	0.2440			

Source of Information:

Valueline Proprietary Database, March 2022

<u>Duke Energy Ohio. Inc.</u> Proxy Group of Non-Price Regulated Companies Comparable in Total Risk to the <u>Proxy Group of Thirteen Electric Companies</u>

	[1]	[2]	[3]	[4]
Proxy Group of Forty-Seven Non-Price Regulated Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
Agilent Technologies	0.90	0.78	2.7005	0.0668
Abbott Labs.	0.90	0.82	2.8039	0.0694
Analog Devices	0.95	0.88	2.8212	0.0698
Assurant Inc.	0.90	0.84	2.7387	0.0677
Smith (A.O.)	0.85	0.77	2.8592	0.0707
Air Products & Chem.	0.90	0.79	2.6168	0.0647
Brown-Forman 'B'	0.90	0.80	2.7317	0.0676
Ball Corp.	0.95	0.91	2.8617	0.0708
Bristol-Myers Squibb	0.85	0.75	2.9154	0.0721
Broadridge Fin'l	0.85	0.73	2.7513	0.0681
Brady Corp.	1.00	0.92	2.7776	0.0687
CACI Int'l	0.90	0.84	2.8642	0.0709
Cerner Corp.	0.90	0.80	2.6984	0.0667
Chemed Corp.	0.85	0.70	2.8432	0.0703
CSW Industrials	0.90	0.80	2.8686	0.0710
Dolby Labs.	0.95	0.88	2.6074	0.0645
Exponent, Inc.	0.90	0.79	3.0005	0.0742
FactSet Research	0.95	0.92	2.7561	0.0682
GATX Corp.	0.95	0.88	2.9561	0.0731
Gentex Corp.	0.95	0.89	2.7619	0.0683
Alphabet Inc.	0.90	0.79	2.5405	0.0628
Ingredion Inc.	0.95	0.85	2.7688	0.0685
Hunt (J.B.)	0.95	0.91	2.8935	0.0716
J&J Snack Foods	0.95	0.86	3.0009	0.0742
Henry (Jack) & Assoc	0.85	0.70	2.9159	0.0721
McCormick & Co.	0.80	0.65	2.8247	0.0699
Monster Beverage	0.85	0.75	2.9659	0.0734
Motorola Solutions	0.90	0.79	2.6488	0.0655
Mettler-Toledo Int'l	0.95	0.91	2.8032	0.0693
Northrop Grumman	0.85	0.75	2.9830	0.0738
Old Dominion Freight	0.95	0.86	2.9874	0.0739
Pfizer, Inc.	0.80	0.65	2.6589	0.0658
Packaging Corp.	0.95	0.89	2.8411	0.0703
Post Holdings	0.95	0.87	2.8860	0.0714
RLI Corp.	0.80	0.65	2.8568	0.0707
Service Corp. Int'l	0.95	0.88	2.7221 2.5345	0.0673
Sherwin-Williams Selective Ins. Group	0.90 0.90	0.84 0.81	2.5345 2.9172	0.0627 0.0722
Sirius XM Holdings	0.90	0.81	2.9172	0.0722
Sensient Techn. Thermo Fisher Sci.	0.90 0.85	0.82 0.70	2.6687 2.6150	0.0660 0.0647
Texas Instruments	0.85	0.76	2.6869	0.0665
AMERCO	0.95	0.90	2.7432	0.0679
UniFirst Corp.	0.95	0.90	2.7432	0.0672
VeriSign Inc.	0.90	0.79	2.6081	0.0645
Waters Corp.	0.95	0.88	2.8517	0.0705
Watsco, Inc.	0.85	0.74	2.6836	0.0664
Average	0.90	0.81	2.7922	0.0691
Proxy Group of Thirteen Electric				
Companies	0.88	0.78	2.7770	0.0689
				0.0007

Source of Information:

Valueline Proprietary Database, March 2022

Duke Energy Ohio, Inc. Summary of Cost of Equity Models Applied to Proxy Group of Forty-Seven Non-Price Regulated Companies Comparable in Total Risk to the <u>Proxy Group of Thirteen Electric Companies</u>

Principal Methods	Proxy Group of Forty-Seven Non- Price Regulated Companies
Discounted Cash Flow Model (DCF) (1)	12.05 %
Risk Premium Model (RPM) (2)	13.07
Capital Asset Pricing Model (CAPM) (3)	12.33
Mean	12.48 %
Median	12.33 %
Average of Mean and Median	<u> 12.41 </u> %

Notes:

- (1) From page 36 of this Attachment.
- (2) From page 37 of this Attachment.
- (3) From page 40 of this Attachment.

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Duke Energy Ohio, Inc. DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the Proxy Group of Thirteen Electric Companies

	[1]	[2]	[3]	[5]	[6]	[7]	[8]
Proxy Group of Forty- Seven Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
Agilent Technologies	0.66 %	11.50 %	10.00 %	13.98 %	11.83 %	0.70 %	12.53 %
Abbott Labs.	1.61	8.00	7.80	11.53	9.11	1.68	10.79
Analog Devices	1.91	14.00	12.30	18.71	15.00	2.05	17.05
Assurant Inc.	1.50	15.50	17.20	17.20	16.63	1.62	18.25
Smith (A.O.)	1.77	11.50	9.00	8.00	9.50	1.85	11.35
Air Products & Chem.	2.71	12.00	13.10	12.13	12.41	2.88	15.29
Brown-Forman 'B'	1.14	12.00	NA	7.01	9.51	1.19	10.70
Ball Corp.	0.96	21.00	5.00	14.33	13.44	1.02	14.46
Bristol-Myers Squibb	2.90	NMF	6.20	4.43	5.32	2.98	8.30
Broadridge Fin'l	1.73	9.00	NA	11.80	10.40	1.82	12.22
Brady Corp.	1.98	9.00	7.00	7.00	7.67	2.06	9.73
CACI Int'l	-	7.00	4.10	2.40	4.50	-	NA
Cerner Corp.	1.15	9.50	12.80	13.30	11.87	1.22	13.09
Chemed Corp.	0.29	7.00	8.50	7.00	7.50	0.30	7.80
CSW Industrials	0.61	12.00	NA	12.00	12.00	0.65	12.65
Dolby Labs.	1.32	9.50	16.00	16.00	13.83	1.41	15.24
Exponent, Inc.	0.98	9.50	NA	15.00	12.25	1.04	13.29
FactSet Research	0.87	10.50	10.00	15.10	11.87	0.92	12.79
GATX Corp.	1.82	5.50	NA	12.00	8.75	1.90	10.65
Gentex Corp.	1.65	10.00	11.50	15.80	12.43	1.75	14.18
Alphabet Inc.	-	18.50	19.00	17.06	18.19	-	NA
Ingredion Inc.	2.94	8.00	NA	7.72	7.86	3.06	10.92
Hunt (J.B.)	0.88	11.50	15.00	22.97	16.49	0.95	17.44
J&J Snack Foods	1.75	8.50	NA	6.00	7.25	1.81	9.06
Henry (Jack) & Assoc	1.03	9.00	9.00	14.00	10.67	1.08	11.75
McCormick & Co.	1.50	6.00	6.10	6.95	6.35	1.55	7.90
Monster Beverage	-	11.50	15.70	14.58	13.93	-	NA
Motorola Solutions	1.41	8.00	9.00	14.27	10.42	1.48	11.90
Mettler-Toledo Int'l	-	12.50	19.10	17.80	16.47	-	NA
Northrop Grumman	1.53	7.50	6.10	6.10	6.57	1.58	8.15
Old Dominion Freight	0.43	10.50	17.30	25.56	17.79	0.47	18.26
Pfizer, Inc.	3.12	6.50	12.50	(0.80)	9.50	3.27	12.77
Packaging Corp.	3.20	9.00	5.00	9.71	7.90	3.33	11.23
Post Holdings	-	4.00	NA	(0.40)	4.00	-	NA
RLI Corp.	0.92	12.00	NA	9.80	10.90	0.97	11.87
Service Corp. Int'l	1.50	1.00	8.70	7.94	5.88	1.54	7.42
Sherwin-Williams	0.93	11.50	13.20	14.86	13.19	0.99	14.18
Selective Ins. Group	1.34	11.00	3.00	13.40	9.13	1.40	10.53
Sirius XM Holdings	1.39	32.50	9.70	9.75	17.32	1.51	NMF
Sensient Techn.	1.98	2.50	NA	3.80	3.15	2.01	NMF
Thermo Fisher Sci.	0.21	10.00	13.00	8.70	10.57	0.22	10.79
Texas Instruments	2.64	8.50	9.30	10.00	9.27	2.76	12.03
AMERCO	-	11.50	NA	15.00	13.25	-	NA
UniFirst Corp.	0.70	5.50	NA	10.00	7.75	0.73	8.48
VeriSign Inc.	-	11.00	NA	8.00	9.50	-	NA
Waters Corp.	-	6.00	9.00	11.30	8.77	-	NA
Watsco, Inc.	3.14	11.00	NA	15.00	13.00	3.34	16.34
						Mean	12.20 %
						Median	11.90 %

Average of Mean and Median 12.05 %

NA= Not Available NMF= Not Meaningful Figure

(1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the Utility Proxy Group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of May 31, 2022. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.zacks.com, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

Source of Information: Value Line Investment Survey www.zacks.com Downloaded on 05/31/2022 www.yahoo.com Downloaded on 05/31/2022

Duke Energy Ohio, Inc. Indicated Common Equity Cost Rate Through Use of a Risk Premium Model Using an Adjusted Total Market Approach

<u>Line No.</u>		Proxy Group of Forty- Seven Non-Price Regulated Companies
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	5.64 %
2.	Adjustment to Reflect Bond rating Difference of Non-Price Regulated Companies (2)	(0.15)
3.	Adjusted Prospective Bond Yield	5.49
4.	Equity Risk Premium (3)	7.58
5.	Risk Premium Derived Common Equity Cost Rate	<u> 13.07 </u> %

Notes: (1) Average forecast of Baa corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated June 1, 2022 (see pages 26-27 of this Attachment). The estimates are detailed below.

Second Quarter 2022		5.00	%
Third Quarter 2022		5.40	
Fourth Quarter 2022		5.60	
First Quarter 2023		5.70	
Second Quarter 2023		5.80	
Third Quarter 2023		5.80	
2024-2028		5.90	
2029-2033	_	5.90	_
			-
Average	_	5.64	%

(2) The average yield spread of Baa2 rated corporate bonds over A2 corporate bonds for the three months ending May 2022. To reflect the Baa1 average rating of the non-utility proxy group, the prosepctive yield on Baa2 corporate bonds must be adjusted by 1/3 of the spread between A2 and Baa2 corporate bond yields as shown below:

	A2 Corp.		Baa2 Corp.					
	Bond Yield		Bond Yield		Spread			
May-22	4.65	%	5.12	%	0.47	%		
Apr-22	4.21		4.64		0.43			
Mar-22	3.88		4.29		0.41			
	Avera		0.44					
		-	0.15	_				

(3) From page 39 of this Attachment.

<u>Duke Energy Ohio. Inc.</u> Comparison of Long-Term Issuer Ratings for the Proxy Group of Forty-Seven Non-Price Regulated Companies of Comparable risk to the <u>Proxy Group of Thirteen Electric Companies</u>

	Mood Long-Term Is May 2	ssuer Rating	Standard & Poor's Long-Term Issuer Rating May 2022					
Proxy Group of Forty-Seven Non- Price Regulated Companies	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1				
Agilent Technologies	Baa2	9.0	BBB+	8.0				
Abbott Labs.	A1	5.0	AA-	4.0				
Analog Devices	A3	7.0	A-	7.0				
Assurant Inc.	Baa3	10.0	BBB	9.0				
Smith (A.O.)	NA		NA					
Air Products & Chem.	A2	6.0	А	6.0				
Brown-Forman 'B'	A1	5.0	A-	7.0				
Ball Corp.	Ba1	11.0	BB+	11.0				
Bristol-Myers Squibb	A2	6.0	A+	5.0				
Broadridge Fin'l	Baa1	8.0	BBB+	8.0				
Brady Corp.	NA		NA					
CACI Int'l	NA		BB+	11.0				
Cerner Corp.	NA		NA					
Chemed Corp.	WR		NR					
CSW Industrials	NA		NA					
Dolby Labs.	NA		NA					
Exponent, Inc.	NA		NA					
FactSet Research	Baa3	10.0	NA					
GATX Corp.	Baa2	9.0	BBB	9.0				
Gentex Corp.	NA		NA					
Alphabet Inc.	Aa2	3.0	AA+	2.0				
Ingredion Inc.	Baa1	8.0	BBB	9.0				
Hunt (J.B.)	Baa1	8.0	BBB+	8.0				
J&J Snack Foods	NA		NA					
Henry (Jack) & Assoc	NA		NA					
McCormick & Co.	Baa2	9.0	BBB	9.0				
Monster Beverage	NA		NA					
Motorola Solutions	Baa3	10.0	BBB-	10.0				
Mettler-Toledo Int'l	WR		NR					
Northrop Grumman	Baa1	8.0	BBB+	8.0				
Old Dominion Freight	NA		NA					
Pfizer, Inc.	A2	6.0	A+	5.0				
Packaging Corp.	Baa2	9.0	BBB	9.0				
Post Holdings	B2	15.0	BBB B+	14.0				
RLI Corp.	Baa2	9.0	BBB	9.0				
Service Corp. Int'l	Ba3	13.0	BBB+	11.0				
Sherwin-Williams	Baa2	9.0	BBB	9.0				
Selective Ins. Group	Baa2	9.0	BBB	9.0				
Sirius XM Holdings	NA		BB	12.0				
Sensient Techn.	WR		NR					
Thermo Fisher Sci.	A3	7.0	BBB+	8.0				
Texas Instruments	Aa3	4.0	A+	5.0				
AMERCO	WR	4.0	NR					
UniFirst Corp.	NA		NA					
VeriSign Inc.	Baa3	10.0	BBB	9.0				
Waters Corp.	NA		NA	9.0				
Waters corp. Waterco, Inc.	NA		NA					
Average	Baa1	8.3	BBB+	8.3				

Notes:

(1) From page 22 of this Attachment.

Source of Information:

Bloomberg Professional Services

Duke Energy Ohio, Inc. Derivation of Equity Risk Premium Based on the Total Market Approach Using the Beta for Proxy Group of Forty-Seven Non-Price Regulated Companies of Comparable risk to the Proxy Group of Thirteen Electric Companies

Line No.	Equity Risk Premium Measure	Proxy Group of Forty-Seven Non- Price Regulated Companies
	Ibbotson-Based Equity Risk Premiums:	
1.	Ibbotson Equity Risk Premium (1)	6.13 %
2.	Regression on Ibbotson Risk Premium Data (2)	7.67
3.	Ibbotson Equity Risk Premium based on PRPM (3)	8.79
4.	Equity Risk Premium Based on <u>Value Line</u> Summary and Index (4)	9.37
5	Equity Risk Premium Based on <u>Value Line</u> S&P 500 Companies (5)	11.56
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	7.62
7.	Conclusion of Equity Risk Premium	8.52 %
8.	Adjusted Beta (7)	0.89
9.	Forecasted Equity Risk Premium	7.58 %
Notes:	(1) From note 1 of page 25 of this Attachment.	

(2) From note 2 of page 25 of this Attachment.

(2) From note 2 of page 25 of this Attachment.(3) From note 3 of page 25 of this Attachment.

(4) From note 4 of page 25 of this Attachment.

(5) From note 5 of page 25 of this Attachment.

(6) From note 5 of page 25 of this Attachment.

(7) Average of mean and median beta from page 41 of this Attachment.

Sources of Information:

Kroll 2022 SBBI® Yearbook Value Line Summary and Index Blue Chip Financial Forecasts, June 1, 2022 Bloomberg Professional Services

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Duke Energy Ohio, Inc. Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the <u>Proxy Group of Thirteen Electric Companies</u>

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty- Seven Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
Agilent Technologies	0.90	0.99	0.95	9.76 %	3.51 %	12.78 %	12.90 %	12.84 %
Abbott Labs.	0.90	0.76	0.83	9.76	3.51	11.61	12.02	11.82
Analog Devices	0.95	1.03	0.99	9.76	3.51	13.17	13.20	13.18
Assurant Inc.	0.90	0.73	0.82	9.76	3.51	11.51	11.95	11.73
Smith (A.O.)	0.85	1.00	0.93	9.76	3.51	12.59	12.76	12.67
Air Products & Chem.	0.90	0.84	0.87	9.76	3.51	12.00	12.32	12.16
Brown-Forman 'B'	0.90	0.87	0.89	9.76	3.51	12.20	12.46	12.33
Ball Corp.	0.95	0.94	0.94	9.76	3.51	12.68	12.83	12.76
Bristol-Myers Squibb	0.85	0.61	NMF (4)		3.51	NA (4)	NA (4)	NMF (4)
Broadridge Fin'l	0.85	0.87	0.86	9.76	3.51	11.90	12.24	12.07
Brady Corp.	1.00	1.10	NMF	9.76	3.51	NA	NA	NMF
CACI Int'l	0.90	0.73	0.82	9.76	3.51	11.51	11.95	11.73
Cerner Corp.	0.90	0.62	0.76	9.76	3.51	10.93	11.51	11.22
Chemed Corp.	0.85	0.82	0.83	9.76	3.51	11.61	12.02	11.82
CSW Industrials	0.90	0.90	0.90	9.76	3.51	12.29	12.54	12.41
Dolby Labs.	0.95	0.75	0.85	9.76	3.51	11.80	12.17	11.99
Exponent, Inc. FactSet Research	0.90	1.07	0.98	9.76	3.51	13.07	13.12	13.10
	0.95 0.95	0.87 0.93	0.91 0.94	9.76 9.76	3.51 3.51	12.39 12.68	12.61 12.83	12.50 12.76
GATX Corp. Gentex Corp.	0.95	0.93	0.94	9.76	3.51	12.88	12.83	12.78
Alphabet Inc.	0.93	1.12	1.01	9.76	3.51	13.37	13.34	13.35
Ingredion Inc.	0.95	0.71	0.83	9.76	3.51	11.61	12.02	11.82
Hunt (J.B.)	0.95	0.94	0.95	9.76	3.51	12.78	12.90	12.84
[&] Snack Foods	0.95	0.71	0.83	9.76	3.51	11.61	12.02	11.82
Henry (Jack) & Assoc	0.85	0.74	0.79	9.76	3.51	11.22	11.73	11.48
McCormick & Co.	0.80	0.65	0.73	9.76	3.51	10.63	11.29	10.96
Monster Beverage	0.85	0.92	0.89	9.76	3.51	12.20	12.46	12.33
Motorola Solutions	0.90	0.95	0.93	9.76	3.51	12.59	12.76	12.67
Mettler-Toledo Int'l	0.95	1.15	NMF (4)	9.76	3.51	NA (4)	NA (4)	NMF (4)
Northrop Grumman	0.85	0.67	0.76	9.76	3.51	10.93	11.51	11.22
Old Dominion Freight	0.95	1.10	1.03	9.76	3.51	13.56	13.49	13.52
Pfizer, Inc.	0.80	0.67	NMF (4)	9.76	3.51	NA (4)	NA (4)	NMF (4)
Packaging Corp.	0.95	0.78	0.86	9.76	3.51	11.90	12.24	12.07
Post Holdings	0.95	0.84	0.89	9.76	3.51	12.20	12.46	12.33
RLI Corp.	0.80	0.85	0.83	9.76	3.51	11.61	12.02	11.82
Service Corp. Int'l	0.95	0.87	0.91	9.76	3.51	12.39	12.61	12.50
Sherwin-Williams	0.90	0.86	0.88	9.76	3.51	12.10	12.39	12.24
Selective Ins. Group	0.90	0.98	0.94	9.76	3.51	12.68	12.83	12.76
Sirius XM Holdings	0.95	0.80	0.87	9.76	3.51	12.00	12.32	12.16
Sensient Techn.	0.90	0.95	0.92	9.76	3.51	12.49	12.68	12.59
Thermo Fisher Sci.	0.85	0.86	0.86	9.76	3.51	11.90	12.24	12.07
Texas Instruments	0.85	0.93	0.89	9.76	3.51	12.20	12.46	12.33
AMERCO UniFirst Corp.	0.95 0.95	0.92 0.88	0.94 0.91	9.76 9.76	3.51 3.51	12.68 12.39	12.83 12.61	12.76 12.50
VeriSign Inc.	0.93	0.88	0.91	9.76	3.51	12.39	12.54	12.30
Waters Corp.	0.90	0.91	0.90	9.76	3.51	12.68	12.83	12.41
Watsco, Inc.	0.85	0.95	0.88	9.76	3.51	12.10	12.39	12.24
wabet, me.	0.05	0.91	0.00	9.70	5.51	12.10	14.37	12.27
Mean			0.89			12.18 %	12.45 %	12.32 %
Median			0.89			12.20 %	12.46 %	12.33 %
Average of Mean and Median			0.89			12.19_%	12.46 %	12.33 %

Notes:

(1) From note 1 of page 31 of this Attachment.

(2) From note 2 of page 31 of this Attachment.

(3) Average of CAPM and ECAPM cost rates.

(4) Excluded result for being 2 standard deviations away from the mean result.

	[4]	Spread from Applicable Size Premium (4)		0.46%	[D]	Size Premium (Return in	Excess of CAPM)*		-0.22%	0.43%	0.55%	0/100 0	0.09%	1.34%	1.21%	2.10%	4.80%) corresponds to	
	[3]	Applicable Size Premium (3)	0.89%	0.43%	[C]	Market	Capitalization of Largest Company	(millions)	\$ 2,324,390.219	36,099.221	16,738.364	8,412.038 E 002 747	3,003.747	2,164.524	1,306.038	627.803	289.007	st of Capital Navigator	opriate decile (Column [A]]. ae bottom of this page. % in Column [4] Line No	
<u>Duke Energy Ohio. Inc.</u> Derivation of Investment Risk Adjustment Based upon Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ	[2]	Applicable Decile of the NYSE/AMEX/ NASDAQ (2)	Ŋ	2	[B]	Market	Capitalization of Smallest Company	(millions)	\$ 36,160.584	16,759.390	8,216.356 5 010 002	000 100 c	2,170,315	1,306.402	629.118	290.002	10.588	*From 2022 Duff & Phelps Cost of Capital Navigator	From page 42 of this Attachment. Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1]. Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page. Line No. 1. Column [3] – Line No. 2. Column [3]. For example, the 0.46% in Column [4]. Line No. 2 is derived as	
<u>Duke Energy Ohio. Inc.</u> Derivation of Investment Risk Adjustment Based upon ates' Size Premia for the Decile Portfolios of the NYSE/		May 31, 2022 (1) (times larger)		5.6 x	[A]		Decile		1	2	ς ,	4 Π	r y	2	8	6	10	[⊥, *	achment. B] and [C] on the bot t of the proxy group, v tium to the decile is p	0.43%.
<u>Duke En</u> vation of Investmen Size Premia for the	[1]	Market Capitalization on May 31, 2022 (1) (millions) (times larger)	3,630.302	20,210.233					Largest								Smallest		From page 42 of this Attachment. Gleaned from Columns [B] and [0 the market capitalization of the pi Corresponding risk premium to th Line No. 1 Column [3] – Line No.	follows $0.46\% = 0.89\% - 0.43\%$.
Deri otson Associates'		Marl	\$	\$														Motor.	Notes: (1) From (2) Gleau the n (3) Corri (4) Line	
<u>dd1</u>			Duke Energy Ohio, Inc.	Proxy Group of Thirteen Electric Companies																
		Line No.	1.	2.																

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	[9]	n Market Capitalization on May 31, 2022 (3) (millions)		<u>3</u> (5) \$ 3,630.302 (6)		9 % \$ 15,985.284 3 24 530 463			2 26,592.236 5 24.383.231	Η		3,529.535		4	3 % \$ 20,210.233		ratio of Proxy Group of	
	[5]	Market-to- Book Ratio on May 31, 2022 (2)		205.3		266.9 257 9	229.3	182.8	191.2 209.5	173.5	206.4	150.9	162.7	262.5	205.3		narket-to-book	
	[4]	Closing Stock Market Price on May 31, 2022	NA			\$ 63.820 95.190	102.030	112.520	69.910 120.320	69.940	109.020	61.270	49.250	75.340	\$ 72.640		d to be equal to the n	
c. and the nies	[3]	Total Common Equity at Fiscal Year End 2021 (millions)	1,768.291 (4)			5,990.000 9.700.000	22,433.200	47,334.000	13,911.000 11.637.284	9,244.400	2,668.436	2,339.713	4,030,300	15,612.000	9,472.200		lay 31, 2022 is assumediate.	
<u>, Inc.</u> rgy Ohio, I ctric Comp		Tota at Fis				\$									÷		, Inc. on M as appropri	
Duke Energy Ohio, Inc. st Capitalization of Duke Energy Ohio, Inc. an Proxy Group of Thirteen Electric Companies	[2]	Book Value per Share at Fiscal Year End 2021 (1)	NA			\$ 23.915 37.641	44.492	61.553	36.572 57.425	40.316	52.823	40.616	30.276	28.697	\$ 38.979		Duke Energy Ohic on May 31, 2022	lumn [5].
<u>Duke Energy Ohio, Inc.</u> Market Capitalization of Duke Energy Ohio, Inc. and the Proxy Group of Thirteen Electric Companies	[1]	Common Stock Shares Outstanding at Fiscal Year End 2021 (millions)	NA			250.475 257 700	504.212	769.000	380.378 202.653	229.300	50.516	57.606 200 E00	89.411	544.025	239.887		Column 3 / Column 1. Column 4 / Column 2. Column 1 * Column 4. I Company provided. I The marker book ratio of Duke Energy Ohio, Inc. on May 31, 2022 is assumed to be equal to the market-to-book ratio of Proxy Group of Thirteen Electric Companies on May 31, 2022 as appropriate.	Column [3] multiplied by Column [5]
		Exchange				NASDAQ NVSF	NASDAQ	NYSE	NYSE NYSE	NYSE	NYSE	NASDAQ	NYSE	NASDAQ		NA= Not Available	Notes: (1) (2) (3) (4) (5)	(9)
		Company	Duke Energy Ohio, Inc.	Based upon Proxy Group of Thirteen Electric Companies	Proxy Group of Thirteen Electric Commanies	Alliant Energy Corporation	American Electric Power Company, Inc.	Duke Energy Corporation	Edison International Entergy Cornoration	Evergy, Inc.	IDACORP, Inc.	NorthWestern Corporation	Out the Bound of the Company Portland General Flectric Company	Xcel Energy Inc.	Median	Z		

Source of Information: 2021 Annual Forms 10K yahoo.finance.com Bloomberg Professional

Attachment DWD-Supp-2 Page 42 of 44 Duke Energy Ohio. Inc. Derivation of the Flotation Cost Adjustment to the Cost of Common Equity.

Equity Issuances since 2010

[Column 10]	Flotation Cost Percentage (7)	302% 2.38% 4.84% 3.10%
[Column 9]	Total Flotation Costs (6)	\$ 77,067,000 \$ 38,489,700 \$ 37,737,625 \$ 153,294,325
[Column 8]	Total Net Proceeds (5)	<pre>\$ 2,471,620,500 \$ 1,575,431,800 \$ 742,523,000 \$ 4,789,575,300</pre>
[Column 7]	Gross Equity Issue before Costs (4)	 \$ 2,548,687,500 \$ 1,613,921,500 \$ 780,260,625 \$ 4,942,869,625
[Column 6]	Net Proceeds per Share (3)	 \$ 85.9694 \$ 74.0508 \$ 69.8024
[Column 5]	Total Offering Expense per Share	\$ 0.021 \$ 0.021 \$ 0.038
[Column 4]	Market Pressure (2)	\$ 2.66 \$ 1.79 \$ 3.51
[Column 3]	Average Offering Price per Share	\$ 85.99 \$ 74.07 \$ 69.84
[Column 2]	Market Price per Share	88.65 75.86 73.35
2	W	\$\$ \$\$ \$\$
[Column 1]	Shares Issued	28,750,000 21,275,000 10,637,500
	Transaction (1)	Equity Offering Equity Offering Equity Offering
	Date of Offering	11/18/19 03/06/18 03/01/16

Flotation Cost Adjustment

Flotation Cost Adjustment (10)	0.11 %
DCF Cost Rate Adjusted for Flotation (9)	8.73 %
Average DCF Cost Rate Unadjusted for Flotation (8)	8.62 %
Adjusted Dividend Yield	3.39 %
Average Projected EPS Growth Rate	5.23 %
Average Dividend Yield	3.30 %
	Proxy Group of Fourteen Electric Companies

See page 44 of this Attachment for notes.

Source of Information: Company SEC filings

Duke Energy Ohio, Inc. Notes to Accompany the Derivation of the Flotation Cost Adjustment to the Cost of Common Equity

- (1) Company SEC Filings.
- (2) Column 2 Column 3.
- (3) Column 1 * Column 2.
- (4) Column1 * Column 4.
- (5) Column 1 * Column 3.
- (6) Column 5 Column 6
- (7) (Column 5 Column 6) divided by Column 5.
- (8) Using the average growth rate from page 3 of this Attachment.
- (9) Adjustment for flotation costs based on adjusting the average DCF constant growth cost rate in accordance with the following:

$$K = \frac{D(1+0.5g)}{P(1-F)} + g,$$

where g is the growth factor and F is the percentage of flotation costs.

(10) Flotation cost adjustment of 0.11% equals the difference between the flotation adjusted average DCF cost rate of 8.73% and the unadjusted average DCF cost rate of 8.62% of the Utility Proxy Group.

Source of Information:

Company SEC Filings.

<u>Duke Energy Ohio, Inc.</u> <u>Summary of Staff CE Review</u>

Proxy Group	Average Result	Conservative Average Result
Non-Utility Specific Group (1)	17.58 %	15.16 %
Utility Group (2)	10.20	9.48
Average	13.89 %	12.32 %

Notes:

(1) From page 3 of this Attachment.

(2) From page 5 of this Attachment.

Non-Utility Specific Group - Generated by Value Line based on the approximately 1,700+ stocks covered in the Value Line Investment Survey screened by Safety Rank, Financial Strength Rating and a Beta range of 0.65 to 1.35

		Safety™	Financial Strength		% Return On Shareholders
Company Name	Ticker	Ranking	Rating	Beta	Equity
Agilent Technologies	А	2	А	0.90	24.7
AmerisourceBergen Corp	ABC	2	А	0.90	nmf
AFLAC Inc	AFL	2	А	1.25	12.1
Assurant Inc	AIZ	2	A	0.90	11.2
Akamai Technologies Inc	AKAM	2	A	0.65	14.4
Allete Inc	ALE	2	A	0.90	7.0
AMETEK Inc.	AME	2	A	1.15	14.4
American Tower Corporation	AMT	2	A	0.80	50.5
Ali. Couche-Tard	ATD.TO	2	A	0.75	22.2
Avnet Inc	AVT	2	A	1.10	6.6
		2	A		
American States Water Co	AWR			0.65	13.8
Bio Rad Laboratories Inc	BIO	2	A	0.80	3.5
Bank of New York Mellon Corporation	BK	2	A	1.10	8.8
Black Hills Corp	BKH	2	A	0.95	8.5
Cboe Global Markets	CBOE	2	А	0.85	14.6
Community Bank System Inc	CBU	2	А	0.95	9.0
Crown Castle International Corporation	CCI	2	А	0.80	14.0
City Holding Co	CHCO	2	А	0.85	12.9
Chemed Corporation	CHE	2	А	0.80	49.5
CH Robinson Worldwide Inc	CHRW	2	А	0.70	41.8
Cooper Companies Inc	C00	2	А	1.00	9.5
Canadian Pacific Railway Inc	СР	2	А	0.95	8.4
Chesapeake Utilities	СРК	2	А	0.75	10.8
Copart Inc	CPRT	2	A	1.05	25.2
CorVel Corp	CRVL	2	A	0.75	21.0
Carlisle Companies Inc	CSL	2	A	1.10	14.8
Cintas Corp	CTAS	2	A	1.15	29.4
CVB Financial Corp	CVBF	2	A	0.90	10.2
Donaldson Co	DCI	2	A	1.10	25.2
		2			2.3
Walt Disney Co	DIS		A	1.00	
Dolby Laboratories Inc	DLB	2	A	0.95	11.9
Descartes Systems Group Inc	DSGX	2	A	0.90	8.6
DTE Energy Company	DTE	2	A	0.95	9.1
Duke Energy Corp New	DUK	2	А	0.85	7.9
Estee Lauder Companies Inc	EL	2	A	1.05	39.4
Erie Indemnity Company	ERIE	2	А	0.65	24.7
Elbit Systems Ltd	ESLT	2	А	0.80	14.4
FTI Consulting Inc	FCN	2	А	0.70	15.1
Franklin Electric Co Inc	FELE	2	А	0.90	16.3
First Financial Bankshares Inc	FFIN	2	А	0.95	12.9
F5 Inc.	FFIV	2	А	0.95	14.0
FUJIFILM Holdings Corporation	FUJIY	2	А	0.75	8.2
Glacier Bancorp Inc	GBCI	2	А	1.05	9.0
Graco Inc	GGG	2	A	1.05	25.7
Corning Inc	GLW	2	A	1.15	15.5
Hawaiian Electric Industries Inc	HE	2	A	0.80	10.2
Hartford Financial Services Group Inc	HIG	2	A	1.15	12.3
-		2	A		22.6
Houlihan Lokey	HLI			0.70	
Heartland Express Inc	HTLD	2	A	0.70	11.0
Hubbell Inc.	HUBB	2	A	1.20	20.5
ICON plc	ICLR	2	A	0.95	18.8
Jacobs Engineering Group Inc	J	2	А	1.10	13.8
Jazz Pharmac. plc	JAZZ	2	А	0.90	19.2
Johnson Ctrls. Int'l plc	JCI	2	А	1.10	10.9

Non-Utility Specific Group - Generated by Value Line based on the approximately 1,700+ stocks covered in the Value Line Investment Survey screened by Safety Rank, Financial Strength Rating and a Beta range of 0.65 to 1.35

		Safety™	Financial Strength		% Return On Shareholders
Company Name	Ticker	Ranking	Rating	Beta	Equity
Juniper Networks Inc	JNPR	2	А	1.00	13.3
Keysight Technologies	KEYS	2	A	0.85	30.8
Lancaster Colony Corporation	LANC	2	A	0.65	16.9
Lincoln Electric Holdings Inc	LECO	2	A	1.05	30.5
Laboratory Corp	LH	2	A	1.05	25.1
Linde plc	LIN	2	A	0.95	12.7
Alliant Energy Corp	LNT	2	A	0.80	11.3
Landstar System Inc	LSTR	2	A	0.80	44.3
Mid-America Apt.	MAA	2	A	1.00	8.9
Markel Corp	MKL	2	A	1.15	6.4
MSA Safety	MSA	2	A	1.00	22.1
National Bank of Canada	NA.TO	2	A	1.00	16.9
NICE Ltd. ADR	NICE	2	A	0.75	15.5
Realty Income Corporation	0	2	A	1.05	13.5
OGE Energy Corp	OGE	2	A	1.00	11.4
Otter Tail Corp	OTTR	2	A	0.85	17.8
Paychex Inc	PAYX	2	A	1.10	37.2
5	PAIX	2	A		8.1
Prosperity Bancshares Inc PACCAR Inc	PCAR	2	A	1.05 1.10	27.7
		2			
Packaging Corp	PKG		A	0.95	24.8
Pinnacle West Capital Corp	PNW	2	A	0.90	10.5
Pool Corporation	POOL	2	A	0.85	60.7
Everest Re Group Ltd	RE	2	A	1.00	13.6
RLI Corp	RLI	2	A	0.80	10.4
Rockwell Automation Inc	ROK	2	A	1.10	46.3
Rollins Inc	ROL	2	A	0.80	32.4
SAP AE	SAP	2	A	0.95	13.5
SEI Investments Company	SEIC	2	A	1.20	29.4
ServisFirst Bancshares Inc	SFBS	2	A	1.00	18.0
Siemens AG	SIEGY	2	А	1.05	11.5
Southern Co	SO	2	А	0.90	13.0
Sonoco Products	SON	2	А	0.95	19.4
Sempra Energy	SRE	2	А	0.95	5.1
STERIS plc	STE	2	А	1.05	13.7
Bio-Techne Corp.	TECH	2	А	0.90	9.0
TE Connectivity Ltd	TEL	2	А	1.15	20.4
Target Corp	TGT	2	А	0.70	52.1
Hanover Insurance Group Inc	THG	2	А	0.95	11.1
Toromont Inds.	TIH.TO	2	А	0.75	17.0
UniFirst Corp	UNF	2	А	0.95	8.1
US Bancorp	USB	2	А	1.20	9.3
Valmont Industries	VMI	2	А	1.05	16.9
Westamerica Bancorporation	WABC	2	А	0.85	10.5
WR Berkley Corp	WRB	2	А	1.05	7.1
West Pharmaceutical Services Inc	WST	2	А	0.85	28.3
Alleghany Corp	Y	2	А	1.15	1.2

Average 17.58

Average - within 2 Standard Deviations 15.16

Utility Group - Value Line Screener based on Industry Groups consisting of: Electric Utility (East, Central, West), Natural Gas Utility, Water Utility, and Telecom. Utility

Company Name	Ticker	Industry	% Return On Shareholders Equity
Adams Resources and Energy Inc	AE	Natural Gas Utility	7.4
Ameren Corp	AEE	Electric Util. (Central)	10.1
American Electric Power Company Inc	AEP	Electric Util. (Central)	11.1
AVANGRID Inc.	AGR	Electric Utility (East)	3.7
Allete Inc	ALE	Electric Util. (Central)	7.0
Artesian Resources Corporation	ARTNA	Water Utility	9.5
Atmos Energy Corp	ATO	Natural Gas Utility	8.4
Avista Corp	AVA	Electric Utility (West)	6.8
American Water Works	AWK	Water Utility	17.3
American States Water Co	AWR	Water Utility	13.8
BCE Inc	BCE	Telecom. Utility	13.7
Black Hills Corp	BKH	Electric Utility (West)	8.5
CMS Energy Corp	CMS	Electric Util. (Central)	11.3
Corning Natural Gas Holding Corporation	CNIG	Natural Gas Utility	3.8
CenterPoint Energy Inc	CNP	Electric Util. (Central)	7.1
Consolidated Communications Holdings Inc	CNSL	Telecom. Utility	9.7
Chesapeake Utilities	CPK	Natural Gas Utility	10.8
Consolidated Water	CWCO	Water Utility	5.4
California Water Service Group	CWCO	Water Utility	8.6
-	D	Electric Utility (East)	9.4
Dominion Energy DTE Energy Company	DTE	Electric Util. (Central)	9.4
Deutsche Telekom AG	DTEGY	Telecom. Utility	9.8
Duke Energy Corp New	DIEGI	Electric Utility (East)	7.9
Consolidated Edison Inc	ED	Electric Utility (East)	8.3
Edison International	EIX	Electric Utility (West)	5.2
Eversource Energy	ES	Electric Utility (East)	8.3
Entergy Corp	ETR	Electric Util. (Central)	11.6
Evergy Inc.	EVRG	Electric Util. (Central)	9.5
Exelon Corp	EXC	Electric Utility (East)	5.0
FirstEnergy Corp	FE	Electric Utility (East)	16.9
Fortis Inc	FTS.TO	Electric Util. (Central)	6.7
Global Water Resources Inc	GWRS	Water Utility	12.0
Hawaiian Electric Industries Inc	HE	Electric Utility (West)	10.2
IDACORP Inc	IDA	Electric Utility (West)	9.2
Alliant Energy Corp	LNT	Electric Util. (Central)	11.3
Lumen Technologies	LUMN	Telecom. Utility	17.2
MGE Energy Inc	MGEE	Electric Util. (Central)	10.3
Middlesex Water Co	MSEX	Water Utility	9.9
NextEra Energy Inc	NEE	Electric Utility (East)	9.6
Nisource Inc	NLL	Natural Gas Utility	9.0
New Jersey Resources Corp	NJR	Natural Gas Utility	12.7
Nuvera Communications Inc.	NUVR	Telecom. Utility	11.2
NorthWestern Corporation	NWE	Electric Utility (West)	8.0

Utility Group - Value Line Screener based on Industry Groups consisting of: Electric Utility (East, Central, West), Natural Gas Utility, Water Utility, and Telecom. Utility

Company Name	Ticker	Industry	% Return On Shareholders Equity
	N 11 A 7 N 1		0.4
Northwest Natural	NWN	Natural Gas Utility	8.4
OGE Energy Corp	OGE	Electric Util. (Central)	11.6
ONE Gas Inc.	OGS	Natural Gas Utility	8.8
Otter Tail Corp	OTTR	Electric Util. (Central)	17.8
Public Service Enterprise Group Inc	PEG	Electric Utility (East)	8.9
PNM Resources Inc	PNM	Electric Utility (West)	9.0
Pinnacle West Capital Corp	PNW	Electric Utility (West)	10.5
Portland General Electric Company	POR	Electric Utility (West)	9.0
PPL Corporation	PPL	Electric Utility (East)	2.9
RGC Resources Inc	RGCO	Natural Gas Utility	10.1
Star Group L.P.	SGU	Natural Gas Utility	31.5
South Jersey Industries Inc	SJI	Natural Gas Utility	9.0
SJW Group	SJW	Water Utility	5.8
Southern Co	SO	Electric Utility (East)	13.0
Spire Inc.	SR	Natural Gas Utility	10.2
Sempra Energy	SRE	Electric Utility (West)	5.1
Southwest Gas	SWX	Natural Gas Utility	6.8
Telefonica SA	TEF	Telecom. Utility	36.6
UGI Corp	UGI	Natural Gas Utility	11.4
Unitil Corp	UTL	Electric Utility (East)	8.0
Vidler Water Resources Inc	VWTR	Water Utility	5.6
WEC Energy Group	WEC	Electric Util. (Central)	11.9
Essential Utilities	WTRG	Water Utility	8.3
Xcel Energy Inc	XEL	Electric Utility (West)	10.2
York Water Company	YORW	Water Utility	11.1

Average: 10.20

Average - within 2 Standard Deviations ______9.48

Duke Energy Ohio. Inc. Notes to Accompany the Application of the CAPM and ECAPM for Staff's Analysis

Notes: (1)

The market risk premium (MRP) is derived by using three different measures from two sources: lbbotson and Value Line as illustrated below:

Historical Data MRP Estimates:	Data as of 12/31/2021	Data as of 4/29/2022
Measure 1: Ibbotson Arithmetic Mean MRP		
Arithmetic Mean Monthly Returns for Large Stocks 1926-2020 (12/31/2021) and 1926-2021 (4/29/2022): Arithmetic Mean Income Returns on Long-Term Government Bonds: MRP based on Ibbotson Historical Data:	12.20 % 5.05 7.15 %	12.37 % 5.02 7.35 %
Value Line MRP Estimates:		
Measure 2: Value Line Projected MRP (Fifty-two weeks ending 12/31/2021 and 4/29/2022)		
Total projected return on the market 3-5 years hence*: Projected Risk-Free Rate (see note 2): MRP based on Value Line Summary & Index: *Forecasted 3-5 year capital appreciation plus expected dividend yield	8.99 % 2.74 6.25 %	10.26 3.35 6.91 %
Measure 3: Value Line Projected Return on the Market based on the S&P 500		
Total return on the Market based on the S&P 500: Projected Risk-Free Rate (see note 2): MRP based on Value Line data	16.33 % 2.74 13.59 %	15.48 % 3.35 12.13 %
Average of Value Line and Ibbotson MRP:	9.00 %	8.80 %

(2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 2-4 of this Attachment.) The projection of the risk-free rate is illustrated below:

As of 12/31/2021:		As of 4/29/2022:	
First Quarter 2022	2.10 %	Second Quarter 2022	2.90 %
Second Quarter 2022	2.20	Third Quarter 2022	3.10
Third Quarter 2022	2.40	Fourth Quarter 2022	3.20
Fourth Quarter 2022	2.50	First Quarter 2023	3.40
First Quarter 2023	2.70	Second Quarter 2023	3.50
Second Quarter 2023	2.80	Third Quarter 2023	3.50
2023-2027	3.40	2023-2027	3.40
2028-2032	3.80	2028-2032	3.80
	2.74 %		3.35 %

Sources of Information:

Value Line Summary and Index

Blue Chip Financial Forecasts, December 1, 2021, January 1, 2022, and May 1, 2022. Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc. Kroll 2022 SBBI® Yearbook

DUKE ENERGY OHIO, INC. CASE NO. 21-887-EL-AIR **COMPARABLE PEER GROUP** CORRECTED

		As of 12/31/2021	As of 4/29/2022
	Comparable Peer Group	Value Line Beta	Value Line Beta
	AEP	0.75	0.75
	CMS	0.80	0.80
	D	0.85	0.85
	DTE	0.95	0.95
	DUK	0.85	0.85
	EXC	0.95	0.95
	LNT	0.85	0.85
	PEG	0.90	0.90
	SO	0.95	0.95
	SRE	1.00	0.95
	WEC	0.80	0.80
	XEL	0.80	0.80
	Average Betas:	0.87	0.87
[1]	$ERP^1 =$	9.00%	8.80%
[2]	$R_f^2 =$	2.74%	3.35%
[3]	ß =	0.87	0.87
	$CAPM^3 =$	10.57%	10.97%
	$ECAPM^4 =$	10.86%	11.27%
	AVERAGE	10.71%	11.12%

Notes:

¹ See Attachment DWD-Supp-4, note 1 ² See Attachment DWD-Supp-4, note 2

³ CAPM = [2] + ([3] * [1])

⁴ ECAPM = [2] + (0.25 * [1]) + (0.75 * ([3] * [1]))

<u>Duke Energy Ohio. Inc.</u> Comparison of Market Capitalization between <u>the Company and the Staff Proxy Group</u>

Duke Energy Ohio, Inc. Book Equity (1)		\$	1,768
Staff Proxy Group Market-to-Book Ratio			2.55
Duke Energy Ohio Assumed Market Capitalizatio	n	\$	4,511 Decile 5
Staff Proxy Group Companies	Market-to-Book Ratio (4/29/2022)	Capi	Aarket talization 29/2022)
American Electric Power Company CMS Energy Corporation Dominion Energy DTE Energy Company Duke Energy Corporation Exelon Corporation Alliant Energy Corporation Public Service Enterprise Group Southern Company Sempra Energy WEC Energy Group Xcel Energy, Inc.	2.13 3.01 2.57 2.86 1.79 1.95 2.43 2.57 2.02 2.76 2.81 2.54	\$	50,897 19,929 66,183 25,388 84,812 45,851 14,750 34,975 50,953 78,030 31,559 39,901
Median	2.55	\$	42,876 Decile 1

Indicated Risk Premium (2) 1.11%

Times Greater than the Company 9.5

-	Decile		Market italization of Smallest Company millions)		ket Capitalization argest Company (millions)	Size Premium (Return in Excess of CAPM)*
Largest	1	\$	36,160.584	\$	2,324,390.219	-0.22%
	2		16,759.390		36,099.221	0.43%
	3		8,216.356		16,738.364	0.55%
	4		5,019.883		8,212.638	0.54%
	5		3,281.009		5,003.747	0.89%
	6		2,170.315		3,276.553	1.18%
	7		1,306.402		2,164.524	1.34%
	8		629.118		1,306.038	1.21%
	9		290.002		627.803	2.10%
Smallest	10		10.588		289.007	4.80%
		*From 2	022 Duff & Phel	ps Cost c	of Capital Navigator	

Notes:

(1) From Attachment DWD-7, page 2.

(2) Decile 5 risk premium less Decile 1 risk premium. 1.11% = 0.89% - (0.22%).

Sources of Information:

2022 Duff & Phelps Cost of Capital Navigator Bloomberg Professional Services

Duke Energy Ohio, Inc. Comparison of Long-Term Issuer Ratings for Staff's Proxy Group of Twelve Electric Companies

	Moody's Long-Term Issuer Rating May 2022		Standard & Poor's Long-Term Issuer Rating May 2022	
Staff's Proxy Group of Twelve Electric Companies	Long- Term Issuer Rating (1)	Numerical Weighting (2)	Long-Term Issuer Rating (1)	Numerical Weighting (2)
American Electric Power Company	Baa1	8.0	A-	7.0
CMS Energy Corporation	Baa1	8.0	A-	7.0
Dominion Energy	A3	7.0	BBB+	8.0
DTE Energy Company	A2/A3	6.5	A-	7.0
Duke Energy Corporation	A3	7.0	BBB+	8.0
Exelon Corporation	A3	7.0	A-	7.0
Alliant Energy Corporation	A3/Baa1	6.5	A/A-	
Public Service Enterprise Group	A3	7.0	A-	7.0
Southern Company	A3	7.0	BBB+	8.0
Sempra Energy	A2	6.0	A-	7.0
WEC Energy Group	A2	6.0	A-	7.0
Xcel Energy, Inc.	A3	7.0	A-	7.0
Average	A3	6.9	A-	7.3

Notes:

(1) Ratings are that of the average of each company's utility operating subsidiaries.

(2) From page 22 of Attachment DWD-Supp-2.

Source Information:

Moody's Investors Service Standard & Poor's Global Utilities Rating Service

Duke Energy Ohio, Inc. Interest Rates and Bond Spreads for Moody's Corporate and Public Utility Bonds

Selected Bond Yields

[1]

[2]

A2 Rated Public Baa2 Rated Public Utility Bond Utility Bond

Apr-2022	4.30 %	4.60 %
Mar-2022	3.98	4.28
Feb-2022	3.68	3.95
Jan-2022	3.33	3.57
Dec-2021	3.04	3.28
Nov-2021	3.02	3.25
Oct-2021	3.09	3.32
Sep-2021	2.96	3.19
Aug-2021	2.95	3.19
Jul-2021	2.95	3.20
Jun-2021	3.16	3.41
May-2021	3.33	3.58
Apr-2021	3.30	3.57
Mar-2021	3.44	3.72
Feb-2021	3.09	3.37
Jan-2021	2.91	3.18
Average 2021	3.10 %	3.36 %
Avg. May 2021 -		
April 2022	3.32 %	3.57 %

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds - Calendar 2021:

0.26 % (1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds - May 2021 - April 2022:

0.25 %(1)

Notes:

(1) Column [2] - Column [1].

Source of Information: **Bloomberg Professional Service**

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Case No(s). 21-0887-EL-AIR, 21-0888-EL-ATA, 21-0889-EL-AAM

Summary: Testimony Supplemental Direct Testimony of Dylan W. D'Ascendis on Behalf of Duke Energy Ohio, Inc. electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Kingery, Jeanne and Akhbari, Elyse Hanson and Vaysman, Larisa and Brama, Elizabeth