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Adam Teitzman, Commission Clerk
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20210015-EI
Petition by FPL for Base Rate Increase and Rate Unification

Dear Mr. Teitzman:

Attached for filing on behalf of Florida Power & Light Company ("FPL") in the above-referenced docket are the Rebuttal Testimony and Exhibits of FPL witness James M. Coyne.

Please let me know if you should have any questions regarding this submission.

(Document 12 of 15)

Sincerely,

A handwritten signature in black ink, appearing to read "Wade Litchfield", written in a cursive style.

R. Wade Litchfield
Vice President & General Counsel
Florida Power & Light Company

RWL:ec
Attachment
cc: Counsel of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

REBUTTAL TESTIMONY OF JAMES M. COYNE

DOCKET NO. 20210015-EI

JULY 14, 2021

1

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1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is James M. Coyne, and I am employed by Concentric Energy
5 Advisors, Inc. (“Concentric”) as a Senior Vice President. My business address
6 is 293 Boston Post Road West, Suite 500, Marlborough, MA 01752.

7 **Q. Did you previously file testimony in this proceeding?**

8 A. Yes. I submitted direct testimony to the Florida Public Service Commission
9 (the “Commission”) on behalf of Florida Power & Light Company (“FPL” or
10 the “Company”), which is a wholly-owned subsidiary of NextEra Energy, Inc.,
11 on March 12, 2021.

12 **Q. Are you sponsoring any rebuttal exhibits in this case?**

13 A. Yes. My analyses and recommendations are supported by the data presented in
14 Exhibits JMC-12 through JMC-17, which have been prepared by me or under
15 my direction. I am sponsoring the following exhibits:

- 16 • JMC-12 – Comprehensive Summary of ROE Results
- 17 • JMC-13 – Constant Growth DCF Analysis
- 18 • JMC-14.1 – Market Risk Premium
- 19 • JMC-14.2 – CAPM Analysis
- 20 • JMC-15 – Risk Premium Analysis
- 21 • JMC-16 – Expected Earnings Analysis
- 22 • JMC-17 – Woolridge Constant Growth DCF Analysis

1 **Q. What is the purpose of your rebuttal testimony?**

2 A. The purpose of my rebuttal testimony is to respond to the direct testimony of
3 Dr. J. Randall Woolridge and certain portions of the direct testimony of Kevin
4 W. O'Donnell on behalf of the Florida Office of Public Counsel ("OPC"), the
5 direct testimony of Michael P. Gorman on behalf of the Federal Executive
6 Agencies ("FEA"), the direct testimony of Breandan T. Mac Mathuna and
7 certain portions of the direct testimony of John Thomas Herndon on behalf of
8 Floridians Against Increased Rates, Inc. ("FAIR"), the direct testimony of Billie
9 LaConte on behalf of the Florida Industrial Power Users Group ("FIPUG"), the
10 direct testimony of Karl R. Rábago on behalf of Florida Rising, League of
11 United Latin American Citizens of Florida, and Environmental Confederation
12 of Southwest Florida, Inc. ("FR, LULAC, ECSF"), and the direct testimony of
13 Steve W. Chriss on behalf of Walmart Inc. ("Walmart") as it relates to the
14 appropriate return on equity ("ROE") and capital structure for FPL for the 2022-
15 2025 rate period. I collectively refer to these witnesses as "Intervenor
16 Witnesses."

17 **Q. How is the remainder of your rebuttal testimony organized?**

18 A. My rebuttal testimony is organized by topic/issue, starting in Section II with an
19 overview and summary of the results and recommendations presented by the
20 various ROE witnesses in this proceeding. Section III discusses the importance
21 of using multiple methodologies to estimate the cost of equity for FPL rather
22 than relying on the results of a single financial model. Section IV explains the
23 importance of maintaining financial strength so that FPL has access to capital

1 on reasonable terms and conditions under a variety of economic and financial
2 market conditions. Section V discusses the flaws associated with using
3 authorized returns for electric utilities in other jurisdictions as a benchmark for
4 establishing the return for FPL in this proceeding, and the importance of placing
5 those authorized returns in the proper context. Section VI presents the results
6 of my updated ROE analyses based on market data through June 30, 2021.
7 Section VII discusses economic and capital market conditions and how those
8 conditions are affecting the various models used to estimate the cost of equity
9 for FPL. In Section VIII, I respond to certain intervenor witnesses with respect
10 to the composition of a risk-comparable proxy group for FPL in this proceeding.
11 In Section IX, I address the proper application of the Discounted Cash Flow
12 (“DCF”) model, and I discuss areas of disagreement in the application of the
13 DCF model and the relevance of its results under current market conditions. In
14 Section X, I discuss areas of disagreement in the application of the Capital Asset
15 Pricing Model (“CAPM”), and in particular the appropriate inputs to that model.
16 In Section XI, I respond to comments and concerns with regard to my
17 application of the Bond Yield Plus Risk Premium (“Risk Premium”) model, as
18 well as provide a critique of their Risk Premium models. In Section XII, I
19 address concerns regarding the use of an Expected Earnings model to estimate
20 the cost of equity for FPL. In Section XIII, I discuss the unique business risk
21 of FPL and how those risks differentiate the Company from the proxy group,
22 and I respond to comments concerning the credit ratings of FPL relative to those
23 for the proxy group companies. In Section XIV, I address comments related to

1 the inclusion of flotation costs in the authorized ROE for FPL. In Section XV,
2 I respond to concerns raised by certain witnesses with respect to FPL's
3 proposed capital structure, and I explain why that capital structure is reasonable
4 by comparison to the proxy group and given the business risks of FPL. Lastly,
5 in Section XVI, I summarize my key conclusions and recommendations.

6

7 **II. COMPARISON OF COST OF CAPITAL RECOMMENDATIONS**

8

9 **Q. Please summarize the cost of capital recommendations presented by the**
10 **various witnesses in this proceeding.**

11 A. The Intervenor Witnesses who perform an ROE analysis (Mr. Gorman, Mr.
12 Mac Mathuna, and Dr. Woolridge) recommend an authorized ROE for FPL
13 between 8.56 percent and 9.40 percent. Other Intervenor Witnesses (Mr.
14 Chriss, Ms. LaConte, Mr. Herndon and Mr. Rábago) do not perform their own
15 ROE analysis, but reference authorized returns for electric utilities in other
16 jurisdictions and argue that FPL's authorized ROE should be set at or below
17 those national levels, and, in the case of Mr. Rábago, at less than 10.0 percent.
18 As it relates to capital structure, several of the Intervenor Witnesses recommend
19 a reduction in FPL's proposed equity ratio from 59.60 percent to somewhere
20 within a range from 52.0 percent to 55.4 percent.

21

22 As is evident, there are a broad array of recommendations from multiple
23 witnesses. Some are supported by analytical approaches while others are more

1 judgmental or based on decisions from other jurisdictions. At the outset, I
2 submit that the only reliable method for determining the cost of capital is
3 through the application of rigorous analysis using financial models and market
4 data from reliable sources, coupled with a comprehensive risk assessment of
5 the regulated utility.

6

7 **III. IMPORTANCE OF MULTIPLE METHODOLOGIES**

8

9 **Q. Certain Intervenor Witnesses (Woolridge, Mac Mathuna) recommend that**
10 **the Commission rely primarily on the results of the DCF model in order to**
11 **establish the authorized ROE for FPL.¹ Do you agree?**

12 **A.** No, I do not agree. While the DCF model is widely recognized for purposes of
13 estimating the cost of equity for regulated public utilities, as explained in my
14 direct testimony, it is important to consider the results of multiple
15 methodologies.² This is especially true under current market conditions when,
16 as also discussed in my direct testimony, the low interest rate environment has
17 suppressed the dividend yield component of the DCF model due to the high
18 valuations of regulated utility companies.³ Dr. Woolridge and Mr. Gorman
19 both comment on the high valuations of utilities, and yet neither witness
20 expresses any concerns with how these high valuations affect the results of the
21 DCF model.

¹ See, for example, direct testimony of J. Randall Woolridge, at 40, and direct testimony of Breandan T. Mac Mathuna, at 34-35.

² Direct testimony of James M. Coyne, at 50-52.

³ Ibid, at 26-29.

1

2 Many industry analysts do not consider these high valuations sustainable, and
3 therefore it is not appropriate to establish the forward-looking cost of equity on
4 historical stock prices and dividend yields that are not expected to be
5 sustainable. As explained in my direct testimony, a fundamental assumption of
6 the DCF model is that current price-to-earnings (“P/E”) ratios will remain
7 constant.⁴ If that assumption is violated, then the results of the DCF model will
8 tend to understate the forward-looking cost of equity because the current
9 dividend yield component is not reflective of what investors are expecting in
10 the future based on the anticipated decline in share prices and valuations.

11

12 The cost of equity cannot be directly observed in the same way as the cost of
13 debt or preferred stock. Therefore, various financial models have been
14 developed in order to estimate the cost of equity, including the DCF model,
15 CAPM, Risk Premium model, and Expected Earnings model. Each model has
16 strengths and shortcomings, depending on market conditions, and no one model
17 always produces reliable or “accurate” results. The Federal Energy Regulatory
18 Commission (“FERC”) recognized that market conditions were distorting the
19 results of the DCF model on which FERC had traditionally relied to set the
20 authorized ROE for electric transmission companies. For that reason, FERC
21 moved away from sole reliance on the DCF model and now considers an equal
22 weighting of the results of the DCF, CAPM and Risk Premium models, while

⁴ Ibid, at 47.

1 also considering evidence on the Expected Earnings model on a case-by-case
2 basis.⁵ The important conclusion to be drawn is that these various financial
3 models provide estimates of the cost of equity. They cannot be mechanically
4 applied to produce a precise or “correct” authorized ROE for a regulated utility
5 such as FPL. It is incumbent upon the analyst and the regulatory commission
6 to interpret relevant market data and use informed judgment in setting a just and
7 reasonable ROE.

8

9 **IV. IMPORTANCE OF FINANCIAL STRENGTH**

10

11 **Q. Several of the Intervenor Witnesses (Gorman, Woolridge, O’Donnell)**
12 **contend that utilities have been able to consistently access capital markets**
13 **(both equity and debt) to finance investments, even during the recent**
14 **market dislocation caused by the COVID-19 pandemic.⁶ What is your**
15 **response?**

16 **A.** While I agree with Mr. Gorman and Dr. Woolridge that certain utilities were
17 able to access debt and equity markets in the past year, even during the
18 distressed market conditions of March and April 2020, this highlights the
19 importance of maintaining financial strength for regulated utility companies.
20 Mr. O’Donnell, in particular, cites examples of NextEra Energy and Xcel
21 Energy being able to issue debt and raise common equity during the COVID-

⁵ Federal Energy Regulatory Commission, Opinion No. 569-A, Order on Rehearing, May 21, 2020, at para. 140-141 and 132.

⁶ See, for example, direct testimony of Michael P. Gorman, at 21-23, direct testimony of Dr. J. Randall Woolridge, at 13-14, and direct testimony of Kevin W. O’Donnell, at 8-9.

1 19 pandemic.⁷ However, this would not have been possible without financial
2 strength, which supports access to capital on reasonable terms and conditions
3 under a variety of economic and financial market conditions. These companies
4 enjoy the benefits of A- credit ratings, and diversification across several
5 jurisdictions and business lines. Financial strength is especially critical during
6 periods of market dislocation, such as those experienced in 2020 and during the
7 financial crisis and Great Recession of 2008-2009. As discussed in the rebuttal
8 testimony of FPL witness Barrett, several companies were unable to access debt
9 markets in 2020, while several other companies were able to access debt
10 markets but at very elevated spreads against Treasury bonds. The depth and
11 duration of the pandemic could have been more severe, and utilities must be
12 prepared for these events with a margin of safety.

13
14 Mr. Gorman observes that more utilities have been downgraded than upgraded
15 by credit rating agencies in the past year.⁸ Many of these utilities had credit
16 metrics that did not provide sufficient financial cushion for these companies to
17 maintain and support their current credit rating once economic and credit
18 market conditions became more adverse. Another important consideration is
19 that, as discussed in my direct testimony, FPL has a higher ratio of projected
20 capital expenditures to net plant than any company in the proxy group. FPL
21 will require continued access to capital on reasonable terms and conditions in
22 order to finance the investment necessary to continue providing safe and

⁷ Direct testimony of Kevin W. O'Donnell, at 10.

⁸ Direct testimony of Michael P. Gorman, at 33-34.

1 reliable electric utility service to its customers.⁹ In summary, the authorized
2 ROE and capital structure for FPL should be set at levels that enable the
3 Company to maintain access to capital under a variety of economic and
4 financial market conditions. Never was this more important than in 2020 when
5 financial markets were under extreme stress due to an external shock to the
6 economy that no one could have predicted. In retrospect, it is easy to say that
7 NextEra Energy and FPL weathered that storm, but they could not have done
8 so without having such financial strength.

9

10 **V. COMPARABLE RETURNS FOR ELECTRIC UTILITIES**

11

12 **Q. Several of the Intervenor Witnesses (Chriss, LaConte, Rábago, Gorman,**
13 **Herndon) reference authorized ROEs for electric utilities in other**
14 **jurisdictions.¹⁰ Do you agree that these returns are relevant in establishing**
15 **the ROE for FPL in this proceeding?**

16 **A.** National average returns must be placed in the proper context in order to be
17 useful. While I agree that investors consider authorized returns in other states
18 in assessing the reasonableness of the authorized ROE for FPL, I have several
19 concerns with the nationwide average ROE information presented by the
20 Intervenor Witnesses. First, several witnesses present average return data for
21 all electric utilities instead of excluding companies that do not own regulated

⁹ Direct Testimony of James M. Coyne, at 69-70.

¹⁰ See, for example, direct testimony of Steve W. Chriss, at 12-14, direct testimony of Billie LaConte, at 5-6, direct testimony of Karl R. Rabago, at 11, and direct testimony of Michael P. Gorman, at 82-83.

1 electric generation assets. Vertically-integrated electric utilities have a
2 different, higher level of business risk than Transmission and Distribution
3 (“T&D”) utility companies that do not own regulated generation.¹¹ This higher
4 risk profile differentiates integrated electric utilities from T&D utilities and
5 supports a higher authorized ROE and equity ratio in the capital structure.

6
7 Second, market conditions at the time the authorized returns were established
8 may be very different than conditions going forward. For example, equity
9 returns set when interest rates were very low in 2020 are not a reasonable basis
10 of comparison for evaluating the authorized ROE when bond yields have
11 increased and are projected to continue increasing as the economy recovers and
12 the Federal Reserve moves to a more neutral monetary policy. Interest rates are
13 forecast to increase by approximately 120 basis points above current average
14 yields on long-term government bonds over the next few years. The use of prior
15 decisions which set ROEs under previously lower levels understates the
16 forward-looking cost of equity.

17
18 Third, FPL has a different risk profile than other electric utility companies for
19 which returns were set in other jurisdictions. This means that FPL’s cost of
20 equity is higher than the average for other integrated electric utilities.

21

¹¹ Moody’s Investors Service, Rating Methodology for Electric and Gas Utilities, June 23, 2017, at 21.

1 Lastly, the average authorized ROE for vertically-integrated electric utilities
2 since 2019 has been 9.63 percent, within a range from 8.75 percent to 10.50
3 percent.¹² Further, slightly more than 71 percent (40 out of 56 decisions) of
4 authorized ROEs for integrated electric utilities have been between 9.50 percent
5 and 10.50 percent over this period. Notably, the Georgia Public Service
6 Commission approved a settlement agreement in December 2019 that included
7 an authorized ROE for Georgia Power Company of 10.50 percent on 56.00
8 percent common equity as part of a three year rate plan.

9 **Q. Several Intervenor Witnesses (Chriss, Rábago, Mac Mathuna, Gorman)**
10 **refer to the June 2021 decision for Duke Energy Florida in which the**
11 **Commission approved a settlement agreement that included an ROE of**
12 **9.85 percent and a common equity ratio of 53.0 percent.¹³ Do you agree**
13 **that this decision is an appropriate reference point?**

14 A. No, this is not a good reference point. It involves a settlement agreement that
15 was reached by Duke Energy Florida (“DEF”) without the filing of a traditional
16 rate case. The 2021 Settlement Agreement includes several components
17 including general base rate increases, clarifies cost allocation and rate design
18 matters pertaining to DEF’s Storm Protection Plan Cost Recovery Clause,
19 multiple rate design and tariff modifications, and authorizes a new Electric

¹² It is reasonable to exclude the August 2020 (8.20%) decision for Green Mountain Power because it was the result of an automatic adjustment formula in Vermont that adjusts the authorized ROE based on changes in the 10-year Treasury bond yield. That decision was not based on a full analysis using current cost of capital market data. The 8.75% authorized return for Otter Tail Power Company was set in South Dakota in May 2019. ROE was the only contested issue, with all other rate case issues resolved as part of a settlement agreement.

¹³ See, for example, direct testimony of Michael P. Gorman, at 82, direct testimony of Steve Chriss, at 11, direct testimony of Breandan T. Mac Mathuna, at 102-103, and direct testimony of Karl R. Rabago, at 12.

1 Vehicle (EV) Program. The cost of capital is just one element of a
2 comprehensive settlement that should not be viewed in isolation. In addition,
3 the Intervenor Witnesses fail to mention that the authorized ROE under terms
4 of the settlement agreement is initially set at 9.85 percent with a range of 8.85
5 percent to 10.85 percent, and will automatically increase to 10.10 percent if
6 Treasury bond yields rise above 2.264 percent on average over a six month
7 period at any time during the first three years of the four-year rate plan.¹⁴ In
8 addition, DEF's parent holding company, Duke Energy Corporation, is
9 included in my proxy group for FPL, so the ROE results already reflect the risk
10 of this company.

11

12 VI. UPDATED ROE RESULTS

13

14 **Q. Have you updated your ROE analyses?**

15 A. Yes, I have updated the results of the financial models used to estimate the cost
16 of equity for FPL in my direct testimony (data as of February 26) to include
17 market data through June 30, 2021. I have used the same proxy group of 14
18 electric utility companies. The results of those updated analyses are shown in
19 Figure 1. In response to Mr. Mac Mathuna's use of A-rated utilities in his main
20 proxy group, I have also shown the average results for those companies in my
21 proxy group with S&P ratings of A- or higher. I also have excluded the total
22 market return from Standard and Poor's Earnings and Estimate report of 18.59

¹⁴ Florida Public Service Commission, Duke Energy Florida, LLC, Order No. PSC-2021-0202-AS-EI, June 4, 2021, at 3, as further described in the Settlement Agreement, at Section 2.b.

1 percent in the calculation of the market risk premium used in my CAPM
2 analysis as it is substantially higher than other estimates.

3 **Figure 1: Updated ROE Results**

	Feb 26 data	June 30 data
DCF	9.29%	9.05%
CAPM	14.17%	14.41%
Risk Premium	9.88%	10.17%
Expected Earnings	10.22%	10.60%
Range	9.29 – 14.17%	9.05 – 14.41%
Average ROE	10.89%	11.06%
A-rated utilities	10.89%	11.04%

4

5 **Q. How do these updated results compare with those presented in your direct**
6 **testimony?**

7 A. The updated results are generally in line with those presented in my direct
8 testimony. In particular, the average of the four models is 11.06 percent, which
9 is slightly higher as compared with 10.89 percent as of February 26, 2021. The
10 mean DCF results have decreased by 24 basis points, the CAPM results have
11 increased by 24 basis points, the Risk Premium results have increased by 29
12 basis points due to the higher projected Treasury bond yield, and the mean
13 Expected Earnings results have increased by 38 basis points. Moreover, there
14 is no evidence that Beta coefficients for the proxy group of electric utilities have
15 declined since February 2021. Betas from both Value Line and Bloomberg
16 remain near 0.88, which is substantially higher than at any time in the last 20

1 years, except during the financial crisis of 2008/2009. This suggests an upward
2 shift in the market's perception of the risks for electric utilities.

3

4

VII. CAPITAL MARKET CONDITIONS

5

6 **Q. Some Intervenor Witnesses (Woolridge, Gorman, Mac Mathuna) suggest**
7 **that your ROE recommendation for FPL depends on higher interest**
8 **rates.¹⁵ What is your response?**

9 A. I have relied on forecast interest rates in my CAPM model and a combination
10 of current and forecast interest rates in the Risk Premium model. Both Dr.
11 Woolridge and Mr. Gorman likewise rely on projected interest rates in their
12 respective CAPM analyses that are higher than the current level of Treasury
13 bond yields. Dr. Woolridge, for example, relies on a “normalized” risk-free
14 rate of 2.50 percent,¹⁶ while Mr. Gorman relies on the near-term forecast from
15 Blue Chip Financial Forecasts of 2.80 percent as his risk-free rate.¹⁷ While both
16 Dr. Woolridge and Mr. Gorman testify that they expect capital costs to remain
17 low for an extended period of time, both witnesses also recognize that the
18 current level of Treasury bond yields are not representative of what investors
19 are expecting over the near to intermediate term. On that basis, both Dr.
20 Woolridge and Mr. Gorman have used a projected risk-free rate that is higher
21 than current Treasury bond yields. Furthermore, based on its monthly survey

¹⁵ See, for example, direct testimony of Dr. J. Randall Woolridge, at 5, direct testimony of Michael P. Gorman, at 92-93 and 105-106, direct testimony of Brendan T. Mac Mathuna at 64.

¹⁶ Direct testimony of Dr. J. Randall Woolridge, at 58-59.

¹⁷ Direct testimony of Michael P. Gorman, at 70.

1 of leading economists, Blue Chip recently increased its forecast for longer-term
2 projected 30-year Treasury bond yields from 2.80 percent in December 2020
3 for the period from 2022-2026 to 3.50 percent in June 2021 for the period from
4 2023-2027.

5
6 Further, as explained in my direct testimony, I have made adjustments to the
7 CAPM and Risk Premium models to take into consideration the market's
8 expectation that interest rates will increase over the next several years as the
9 economy recovers and monetary and fiscal stimulus is gradually withdrawn.
10 The DCF model, however, cannot be adjusted to reflect these higher interest
11 rates. Under these market circumstances it is especially important to rely on
12 the results from multiple methods, as I have, placing equal weight on the results
13 of the DCF, CAPM, Risk Premium and Expected Earnings analysis. This
14 approach mitigates the weakness of any one approach, such as the inability to
15 directly incorporate expectations for higher interest rates into the DCF model.

16 **Q. Some Intervenor Witnesses (Woolridge, Gorman, Mac Mathuna,
17 O'Donnell) appear to downplay the inflation risk in financial markets.¹⁸**

18 **What is your response?**

19 A. The inflation risk that was discussed in my direct testimony in February
20 2021(citing articles from Morgan Stanley and Barron's published in January
21 and February earlier this year) has quickly come to fruition, as evidenced by the
22 U.S. Bureau of Labor Statistics ("BLS") announcement on June 10, 2021 that

¹⁸ See, for example, direct testimony of Dr. J. Randall Woolridge, at 14-18, and direct testimony of Michael P. Gorman, at 31-32.

1 the Consumer Price Index for All Urban Consumers (“CPI-U”) increased at a
2 5.0 percent annual rate over the last 12 months, which was the highest
3 percentage increase in inflation since the 5.4 percent increase for the 12-month
4 period ending August 2008.

5
6 While the U.S. Federal Reserve has commented that it views inflation risk as
7 likely being short-term and transitory, six days after the BLS inflation report,
8 the Federal Reserve indicated at its June 16, 2021 FOMC meeting that it would
9 likely need to raise short-term interest rates twice in 2023 (the Fed typically
10 moves in 25 basis point increments) to balance the dual mandate of employment
11 and inflation. This was a sudden departure from the Federal Reserve’s March
12 2021 statement, where they indicated that the federal funds rate was likely to
13 remain near zero through 2023, and contrary to Mr. Gorman’s and Mr.
14 O’Donnell’s direct testimony, both which cite the Federal Reserve’s earlier
15 position.¹⁹

16
17 With regard to whether inflation is short-term or transitory in nature, several
18 investment advisory firms and economists have expressed the view that
19 inflation will last longer than expected. For example, a June 25, 2021 Reuters
20 article indicated that Bank of America expects U.S. inflation to remain elevated
21 for an extended period:

22 BofA expects U.S. inflation to remain elevated for two
23 to four years, against a rising perception of it being transitory,

¹⁹ Direct testimony of Michael P. Gorman, at 31-32 and direct testimony of Kevin W. O’Donnell, at 12-13.

1 and said that only a financial market crash would prevent central
2 banks from tightening policy in the next six months. It was
3 “fascinating so many deem inflation as transitory when stimulus,
4 economic growth, asset/housing/commodity inflation are
5 deemed permanent,” the investment bank’s top strategist
6 Michael Hartnett said in a note on Friday. Hartnett thinks
7 inflation will remain in the 2%-4% range over the next 2- 4
8 years. U.S. inflation has averaged 3% in the last 100 years, 2%
9 in the 2010s, and 1% in 2020, but it has been annualizing at 8%
10 so far in 2021, BofA said in the note.²⁰

11

12 New York University economics professor Nouriel Roubini also commented
13 recently that he expects inflation to be more than transitory, stating:

14 “I’m on the side of those who believe that the rise in
15 inflation is not going to be transitory, is going to be more
16 persistent. We have a massive monetary and fiscal stimulus,
17 much bigger and more protracted than we had after the global
18 financial crisis (in 2008/09).”

19 “Inflation expectations are rising, the dollar is
20 weakening, and that implies imported inflation and higher dollar
21 price of commodities. The Fed wants to overshoot 2% with the
22 risk of the ongoing inflation expectation.”

23 “So we’re going to end up with high inflation and a
24 wage-price spiral over time. And the Fed cannot tighten because
25 there is too much debt in the system, if they’re going to try to
26 tighten too soon, the system is going to crash. So they’re in a
27 debt trap. They are in a fiscal dominance.”²¹

28

29 **Q. Have any of the Intervenor Witnesses addressed or responded to your**
30 **analysis regarding the steepening yield curve?**

31 A. No, not directly. In my direct testimony, I explained that the yield curve, as
32 measured by the spread between 2-year and 10-year Treasury bonds, had

²⁰ Reuters, U.S. Inflation likely to remain elevated for up to four years – BofA, June 25, 2021.

²¹ Yahoo! Finance, “Roubini warns on inflation, sees ‘crash’ if Fed moves too soon on rates,” June 24, 2021.

1 widened substantially in recent months and was at the widest level since before
2 January 2018.²² A steepening of the yield curve indicates that investors are
3 anticipating an economic recovery. The utility sector is not typically in favor
4 with investors during periods of strong economic growth, as evidenced by
5 Charles Schwab’s sector analysis, which shows that Schwab has rated the
6 Utility sector as Underperform since June 2020. In the June 2021 report, while
7 noting several positives for the sector (i.e., generally stable revenues, the fact
8 that investors often turn to utilities for dividend income when interest rates are
9 low, and that low yields provide low-cost funding for this capital intensive
10 sector), Schwab also commented on the negative factors and risks of the
11 Utilities sector as follows:²³

12

13 Negatives for the sector:

- 14 - Interest rates have begun to move higher.
- 15 - Economic recovery makes the sector less attractive, relative to other
16 sectors.

17 Risks for the sector:

- 18 - Uncertainty regarding potential clean-energy legislative funding.
- 19 - Much higher interest rates due to unexpected rise in inflation.

20

21 The Schwab report confirms that investors see utilities as relatively less
22 attractive during periods of stronger economic growth, and that there is a risk

²² Direct Testimony of James M. Coyne, at 35-38.

²³ David Kastner, “Schwab Sector Insights: A View on 11 Equity Sectors,” June 6, 2021.

1 of much higher interest rates due to stronger than expected inflation. Both of
2 these factors support an authorized ROE well above the levels proposed by the
3 Intervenor Witnesses.

4

5 **VIII. PROXY GROUP COMPOSITION**

6

7 **Q. Certain Intervenor Witnesses have developed their own proxy group of**
8 **companies. Please summarize those proxy groups.**

9 A. Mr. Gorman adopts my proxy group of 14 electric utilities. Dr. Woolridge
10 develops his own proxy group consisting of 26 electric utilities based on a
11 different set of screening criteria, while also presenting the results of his various
12 ROE analyses for the companies in my proxy group. Mr. Mac Mathuna has
13 developed two proxy groups, the first with five electric utilities and the second
14 with 11 electric utilities. The other Intervenor Witnesses do not develop their
15 own ROE analyses, but rely primarily on authorized returns in other
16 jurisdictions as a benchmark of reasonableness for the ROE requested by FPL
17 in this proceeding.

18 **Q. Do you have any concerns with Dr. Woolridge's proxy group?**

19 A. Yes. Dr. Woolridge uses somewhat different screening criteria to develop his
20 proxy group, which results in a much larger group consisting of 26 electric
21 utility companies, including NextEra Energy, the parent holding company of
22 FPL.²⁴ I disagree with Dr. Woolridge's inclusion of electric utility companies

²⁴ Direct testimony of Dr. J. Randall Woolridge, at 24-26.

1 that do not own regulated generation assets because, as discussed previously,
2 those companies have a different risk profile than vertically integrated electric
3 utilities such as FPL. In particular, I disagree with the inclusion in the proxy
4 group of Consolidated Edison, Inc. and Eversource Energy, both of which are
5 T&D utilities that do not own significant generation assets. In spite of this
6 disagreement, my conclusion is that differences in our respective proxy groups
7 do not account for the differences in our respective analyses or ROE
8 recommendations.²⁵

9 **Q. Please comment on the two proxy groups that Mr. Mac Mathuna**
10 **developed.**

11 A. Mr. Mac Mathuna's first proxy group, which he considers to be the most risk
12 comparable group to FPL, consists of only five electric utilities.²⁶ In developing
13 this proxy group, Mr. Mac Mathuna has applied a credit rating screen that is
14 overly restrictive, and he has provided no evidence that investment grade
15 companies with credit ratings more than one or two notches below the subject
16 company (in this case, FPL has a long-term issuer rating of A from S&P and
17 A1 from Moody's) have a higher cost of equity. Rather than relying solely on
18 an overly restrictive credit rating screen as Mr. Mac Mathuna has done to
19 exclude the vast majority of electric utility companies from his proxy group,
20 Mr. Mac Mathuna might also have considered another reasonable indicator of
21 risk for an equity investor, which is Beta. From that perspective, the Beta

²⁵ If we look at Dr. Woolridge's DCF model using only projected EPS growth, the result increases from 9.32% to 9.37% with the exclusion of ED and ES.

²⁶ Direct testimony of Breandan T. Mac Mathuna, at 14-20.

1 coefficients for higher rated electric utilities are similar to those for lower rated
2 investment grade companies in the current market environment.

3

4 Not only does Mr. Mac Mathuna's first proxy consist of only five electric utility
5 companies, but it also includes two companies (NextEra Energy, the parent of
6 FPL, and Eversource Energy, which has no generation ownership) that should
7 be excluded. This would result in a proxy group of only three companies that
8 would not pass a reasonable standard of validity. FERC, for example, has
9 established a standard of four and preferably five companies at a minimum.²⁷

10 Mr. Mac Mathuna also develops a second proxy group consisting of 11 electric
11 utilities based on a somewhat relaxed credit rating screen. However, he claims
12 that this second group is more risky than FPL, and therefore he argues that the
13 results for this second group are higher than the cost of equity for FPL. Once
14 again, this second proxy group includes NextEra Energy and Eversource
15 Energy, both of which should be excluded from the comparator group for FPL.
16 Using this second proxy group would bring Mr. Mac Mathuna's DCF results
17 more in line with those I have estimated, as there is substantial overlap in our
18 companies. But, because he relies exclusively on the Two-Stage DCF model,
19 he misses the important information conveyed by the CAPM, Risk Premium
20 and Expected Earnings models which do not corroborate his results.

21

22

²⁷ 171 FERC ¶ 61,155, Inquiry Regarding the Commission's Policy for Determining Return on Equity, May 21, 2020, at para 59.

1 **IX. DCF MODEL**

2

3 **Q. A few Intervenor Witnesses (Woolridge, Mac Mathuna) base their ROE**
4 **recommendations primarily on the results of their DCF analysis,²⁸ while**
5 **Mr. Gorman sets the lower boundary of his range of results based on his**
6 **DCF model.²⁹ Do you agree that it is appropriate to place this degree of**
7 **reliance on the DCF model?**

8 A. No, I do not. As discussed in my direct testimony, while many U.S. utility
9 regulators have used the DCF model to establish the authorized ROE, several
10 regulators, including FERC, have recognized the challenges associated with
11 relying solely on the DCF to establish the authorized ROE for regulated utilities
12 in the low interest rate environment of recent years.³⁰ For that reason, other
13 federal and state regulators have relied on the results of multiple methodologies
14 both to test the reasonableness of the DCF results and to establish a cost of
15 equity that reflects investors' required return on a going- forward basis. This is
16 particularly logical and applicable when rates are set based on projected test
17 years.

18 **Q. Please elaborate on your concerns with the DCF model under current**
19 **market conditions.**

20 A. Although I have provided the results of a Constant Growth DCF model, I have
21 concerns with the ability of the DCF model to produce reliable results under

²⁸ See, for example, direct testimony of Dr. J. Randall Woolridge, at 40, Brendan T. Mac Mathuna, at 34-35.

²⁹ Direct testimony of Michael P. Gorman, at 76.

³⁰ Direct testimony of James M. Coyne, at 50-52.

1 current market conditions. This concern is amplified with an ROE analysis or
2 recommendation relying exclusively on the DCF model. As explained in my
3 direct testimony, dividend yields for utilities are suppressed by the low interest
4 rate environment. As interest rates increase, however, the dividend yields for
5 utilities will need to increase to compete with the higher bond yields, meaning
6 that utility share prices and valuations are not sustainable at current levels.
7 Basing the authorized ROE on historical average stock prices and dividend
8 yields that are not considered sustainable causes the DCF model to understate
9 the forward-looking cost of equity.³¹

10

11 Both Dr. Woolridge and Mr. Gorman observe the high valuations of electric
12 utilities, with Dr. Woolridge citing the higher than average market-to-book
13 ratios and Mr. Gorman referencing the higher than average P/E ratios. Both
14 witnesses contend that those high valuations are an indication that utilities have
15 access to capital at very low cost. They disregard the effect of those high
16 valuations on the results of the DCF model, in particular the dividend yield
17 component. In my experience, growth rates for electric utilities have generally
18 remained in the 5.0 percent to 6.0 percent range over the past decade, even as
19 utility share prices have increased while government bond yields have been
20 pressed to near record low levels. This indicates that investors are paying more
21 for a dollar of earnings from electric utilities than they did 10 years ago. As the
22 economy recovers and monetary policy moves toward a more neutral stance,

³¹ Ibid, at 26-29.

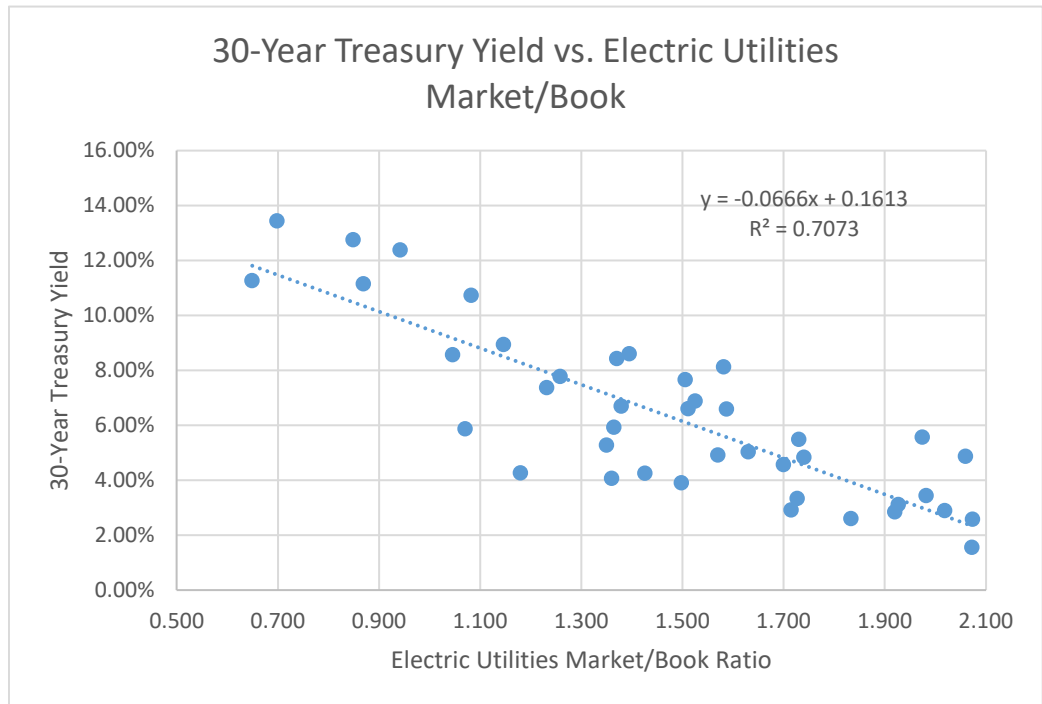
1 interest rates are expected to increase from current levels. This is expected to
2 place pressure on these high valuations, as shown in Figure 7 of my direct
3 testimony. As a result, my conclusion is that the DCF model is understating the
4 forward-looking cost of equity for regulated utilities such as FPL because the
5 model is based on average historical stock prices that are not sustainable.

6
7 In response to comments from Dr. Woolridge³² and Mr. Mac Mathuna regarding
8 high market-to-book (“M/B”) ratios being a sign that authorized ROEs for
9 regulated utilities are higher than the investor required cost of equity, I
10 performed an analysis that examines the correlation between government bond
11 yields and the market-to-book ratios for electric utilities since 1980, using data
12 provided in Exhibit MPG-17 to Mr. Gorman’s direct testimony. The R² for this
13 analysis is approximately 0.71, indicating a strong linear relationship between
14 M/B ratios and interest rates. This relationship indicates that utility M/B ratios
15 have increased not because authorized returns were higher than the true cost of
16 equity, but because interest rates on government bonds have steadily declined
17 for the past four decades. Low interest rates are favorable for capital-intensive
18 industries such as utilities, while increasing interest rates are not.

³² Direct testimony of Dr. J. Randall Woolridge, at 36-37.

1

Figure 2: Market-to-Book Ratios and Interest Rates



2

3 **Q. Do you agree with the use of growth rates in the DCF model other than**
4 **forecast earnings per share growth rates from equity analysts?**

5 A. No, I do not. Dr. Woolridge considers a variety of growth rates including both
6 historical and projected earnings per share, dividends per share, and book value
7 per share. Dr. Woolridge and Mr. Gorman also present a DCF model using
8 sustainable growth rates. In response to Dr. Woolridge’s use of historical
9 growth rates and forecast growth rates other than EPS, I agree with Mr.
10 Gorman’s statement that “[a]s predictors of future returns, securities analysts’
11 growth estimates have been shown to be more accurate than growth rates
12 derived from historical data.”³³ As explained in my direct testimony, over the

³³ Direct testimony of Michael P. Gorman, at 50.

1 long term, dividend growth can only be sustained by earnings growth,³⁴ while
2 dividend growth can depend on management decisions regarding the dividend
3 payout ratio over the near-term which do not reflect the long-term growth
4 prospects of the company. As shown in Exhibit JMC-17, if Dr. Woolridge had
5 relied only on analysts' projected EPS growth rates in his Constant Growth
6 DCF analysis, the mean results for his proxy group of 26 electric utilities would
7 be 9.32 percent. Although these results are well below a reasonable cost of
8 equity for FPL, they are 57-82 basis points higher than Dr. Woolridge's ROE
9 recommendation of 8.75 percent (or 8.50 percent with 59.60 percent common
10 equity).

11

12 I also agree with Mr. Gorman's decision to essentially discard the results of his
13 Constant Growth DCF analysis that uses sustainable growth rates. I also note
14 that both Dr. Woolridge's and Mr. Gorman's sustainable growth rate
15 calculation rely on Value Line's projected ROE data for the proxy group
16 companies. Those projected ROEs are substantially higher than the results of
17 the DCF model using sustainable growth rates presented by either Dr.
18 Woolridge or Mr. Gorman, and demonstrate the fact that investors are expecting
19 to earn higher returns on equity from the proxy group companies than what is
20 shown by the DCF model using sustainable growth rates.

21

³⁴ Direct testimony of James M. Coyne, at 48-49.

1 **Q. Dr. Woolridge expresses concern that analysts’ projected EPS growth**
2 **rates are “overly-optimistic and upwardly biased,”³⁵ while Mr. Gorman**
3 **claims that long-term GDP growth serves as a cap on long-term EPS**
4 **growth rates and suggests that short-term EPS growth rates are too high.³⁶**
5 **Do you share those concerns about analysts’ projected EPS growth rates?**

6 A. No, I do not. The 2003 Global Analysts Research Settlement (the “Global
7 Settlement”) served to significantly reduce the bias referred to by Dr.
8 Woolridge. In fact, the Global Settlement required financial institutions to
9 insulate investment banking from analysis, prohibited analysts from
10 participating in “road shows,” and required the settling financial institutions to
11 fund independent third-party research.

12
13 A 2010 article in Financial Analysts Journal found that analyst forecast bias
14 declined significantly or disappeared entirely after the Global Settlement:

15 Introduced in 2002, the Global Settlement and related
16 regulations had an even bigger impact than Reg FD on analyst
17 behavior. After the Global Settlement, the mean forecast bias
18 declined significantly, whereas the median forecast bias
19 essentially disappeared. Although disentangling the impact of
20 the Global Settlement from that of related rules and regulations
21 aimed at mitigating analysts’ conflicts of interest is impossible,
22 forecast bias clearly declined around the time the Global
23 Settlement was announced. These results suggest that the recent

³⁵ Direct testimony of Dr. J. Randall Woolridge, at 50-52.

³⁶ Direct testimony of Michael P. Gorman, at 56-57.

1 efforts of regulators have helped neutralize analysts' conflicts of
2 interest.³⁷

3

4 In addition, analysts covering the common stock of the proxy companies certify
5 that their analyses and recommendations are not related, either directly or
6 indirectly, to their compensation. Thus, it is unclear why investors would
7 assume that the proxy companies are susceptible to a continuing upward bias in
8 earnings projections, especially given the fact that electric utilities operate in
9 the mature stage of a stable industry with a very high degree of financial
10 transparency due to their regulation. Further, to the extent Dr. Woolridge
11 believes that investors are well aware of these optimistic or biased growth rates,
12 that suggests that utility stock prices already reflect that information.

13

14 Likewise, actual earnings data belie Mr. Gorman's position that projected GDP
15 growth represents a cap on long-term EPS growth. The suggestion that equity
16 earnings are limited by future growth in GDP may hold for aggregate corporate
17 earnings in a closed economy but these are not realistic assumptions for an
18 individual firm nor for utilities in general.³⁸ To illustrate this point, I have
19 compared the actual historical EPS and DPS growth rates (to the extent data
20 was available through Value Line) of all U.S. electric utilities and the
21 companies in my proxy group from 2011-2021 to historical and projected GDP

³⁷ Armen Hovakimian and Ekkachai Saenyasiri, *Conflicts of Interest and Analyst Behavior: Evidence from Recent Changes in Regulation*, Financial Analysts Journal, Volume 66, Number 4, July/August 2010 at 195.

³⁸ See MSCI Barra Research Bulletin, *Is There a Link Between GDP Growth and Equity Returns?* (May 2010).

1 growth rates from Blue Chip, the Energy Information Administration, and the
 2 Social Security Administration. The results are shown in Figure 3.

3 **Figure 3: Analysis of EPS, DPS and GDP Growth Rates**

		[1] <i>Historical</i> 2011 - 2021	[2] <i>Historical</i> 2011 - 2021	[3] <i>Projected</i>	<i>% Historical Difference</i>		<i>% Historical Multiple</i>		
	No. of Companies	EPS Growth	DPS Growth	GDP Growth	GDP Growth	EPS vs GDP	DPS vs GDP	EPS vs GDP	DPS vs GDP
U.S. All Electric Companies [4]	36	4.39%	5.24%	3.74%	4.18%	0.66%	1.50%	1.2	1.4
FPL Proxy Group	14	4.85%	5.15%	3.74%	4.18%	1.11%	1.41%	1.3	1.4
AVERAGE		4.62%	5.19%	3.74%	4.18%	0.88%	1.46%	1.2	1.4

Notes

[1] TTM EPS/DPS % CAGR over the time period 2011 Q1 - 2021 Q1 (latest reported quarter). Companies with negative or zero EPS or DPS in 2021, or negative values in the starting year as reported by Bloomberg Professional, were excluded from this calculation.

[2] Source: Bureau of Economic Analysis, June 24, 2021, nominal GDP % CAGR over the time period 2011 Q1 - 2021 Q1.

[3] Source: Blue Chip Financial Forecasts, Energy Information Administration, and Social Security Administration, as of 2021 Q1.

[4] As covered by Value Line at 2021 Q1. FirstEnergy was excluded from the analysis due to declines as a result of anomalous events.

4
 5 As shown above, the EPS and DPS growth rates of utilities can, and do, exceed
 6 GDP growth for sustained periods. Specifically, for the FPL proxy group,
 7 historical EPS has exceeded historical GDP growth by 1.1 percent from 2011-
 8 2021 and historical DPS has exceeded historical GDP growth by 1.4 percent
 9 over the same period. This rate of growth is 30-40% greater than GDP over
 10 this same period. My conclusion is that it is not unreasonable to rely on analyst
 11 EPS growth projections, as I and other experts commonly do, just because they
 12 exceed GDP growth.

13
 14 No company, or investor, would be satisfied with growth that simply tracks the
 15 broader economy. Investors would shift capital to more attractive investments.
 16 Companies are constantly searching for new avenues of growth and have levers
 17 such as capital resource allocation to achieve growth greater than GDP. There
 18 is no reason to expect that an individual corporation competing for capital as a
 19 going concern will limit earnings or dividend growth to GDP. In my opinion,

1 limiting growth in the DCF model to long-term GDP is an unfounded constraint.
2 Therefore, I do not share Mr. Gorman's concern that analysts' projected EPS
3 growth rates are too high. The average EPS growth rate that Mr. Gorman uses
4 in his Constant Growth DCF model (i.e., 5.38 percent) are almost exactly the
5 same as those used in my updated Constant Growth DCF analysis (i.e., 5.40
6 percent).

7
8 Furthermore, I note that Mr. Gorman relies on analyst's projected EPS growth
9 rates in his Constant Growth DCF model, which forms the lower boundary of
10 his range of results, while discarding the results of his Multi-Stage DCF model
11 results that include projected GDP growth in the terminal stage.

12 **Q. Intervenor Witnesses have also presented the results of a Multi-Stage DCF**
13 **model.³⁹ Do you agree that the results and weight placed on those analyses**
14 **are reasonable?**

15 A. No, I do not. Mr. Gorman presents the results of a Multi-Stage DCF analysis
16 but then once again elects not to rely on those results in setting his range or
17 recommendation for FPL, presumably because he views the results as being too
18 low.⁴⁰ Mr. Mac Mathuna also presents the results of a two-stage DCF model,
19 but unlike Mr. Gorman, he relies on those results for his ROE recommendation
20 of 8.56 percent, even though an authorized return at this level is approximately
21 200 basis points lower than FPL's current authorized ROE and more than 100

³⁹ See, for example, direct testimony of Michael P. Gorman, at 61, and direct testimony of Breandan T. Mac Mathuna, at 35-37.

⁴⁰ Direct testimony of Michael P. Gorman, at 61-62.

1 basis points lower than the average authorized ROE for integrated electric
2 utilities nationwide since January 2019. Dr. Woolridge does not present a
3 Multi-Stage DCF analysis.

4
5 The Multi-Stage DCF model suffers from the same concerns I have with the
6 Constant Growth DCF model (i.e., unsustainably high utility valuations and low
7 dividend yields) and produces even lower ROE estimates when a projected
8 GDP growth rate of 4.20 percent or 4.35 percent is used in the terminal stage
9 (in the case of Mr. Gorman) or the second stage (in the case of Mr. Mac
10 Mathuna). The GDP growth rates themselves are not unreasonable; it's their
11 use as a limit on the earnings growth of utilities that exhibit stronger growth
12 historically. Furthermore, although Mr. Mac Mathuna refers to FERC's
13 reliance on the Multi-Stage DCF model, he fails to mention that FERC has
14 moved away from exclusive reliance on the Multi-Stage DCF model due to
15 concerns with the effect of market conditions on the dividend yield component
16 of that model, and instead has placed equal weight on the results of the DCF
17 model, the CAPM, and the Risk Premium model in Opinion No. 569-A.

18
19 Mr. Mac Mathuna also applies the growth rate component differently than
20 FERC's methodology in recent decisions for electric transmission companies.
21 In particular, Mr. Mac Mathuna assigns 2/3 weight to short-term projected EPS
22 growth and 1/3 weight to projected GDP growth in his Multi-Stage DCF model,
23 whereas FERC has more recently assigned 80 percent weight to short-term EPS

1 growth and 20 percent weight to projected GDP growth. Even using FERC's
2 weights on short-term and long-term growth, however, would not cause the
3 Multi-Stage DCF model to produce reasonable results. My conclusion is that
4 Mr. Mac Mathuna's sole reliance on the results of the Multi-Stage DCF model
5 to the exclusion of other models is not reasonable, especially under current
6 market conditions.

7 **Q. According to Ms. LaConte, "Mr. Coyne has rejected his DCF analysis." In**
8 **particular, she points to the fact that your range excludes the mean low**
9 **results of your DCF model.⁴¹ Do you agree?**

10 A. No. I have given the results of the DCF model equal weight with the other three
11 models, as discussed in my direct testimony. Ms. LaConte agrees that it is
12 reasonable to use the DCF model "in conjunction with other models to
13 determine FPL estimated return on equity."⁴² There would be no basis to rely
14 on the mean low results of my DCF model because those results are
15 substantially below a reasonable estimate of the cost of equity for an integrated
16 electric utility under current market conditions. Further, Ms. LaConte does
17 not justify why the mean low results would be any more relevant than the mean
18 high results.

19

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⁴¹ Direct testimony of Billie S. LaConte, at 13-14.

⁴² Ibid, at 14.

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X. CAPITAL ASSET PRICING MODEL

Q. Some Intervenor Witnesses either suggest using the six month average Treasury bond yields of 1.93 percent as the risk-free rate in the CAPM analysis (Mac Mathuna),⁴³ or question the accuracy of interest rate forecasts (Woolridge, Gorman, Mac Mathuna) and object to your use of a projected 30-year Treasury bond yield as the risk-free rate.⁴⁴ How do you respond?

A. As explained earlier in my Rebuttal Testimony and in my Direct Testimony, I believe the use of projected 30-year Treasury bond yields as the risk-free rate in the CAPM analysis is appropriate because interest rates are expected to increase from current levels as the economy recovers and as inflation remains a concern for investors. It is not reasonable to use the current average 30-year Treasury bond yield of 2.32 percent as the risk-free rate when investors are expecting that Treasury bonds will yield 3.50 percent over the period from 2023-2027, according to Blue Chip’s June 2021 long-term outlook. In addition, I do not share Mr. Gorman’s concern with the accuracy of projected bond yields over a five year period, and I observe that he uses near-term projected bond yields from Blue Chip which cover only the next five or six quarters. Moreover, Mr. Gorman’s projected GDP growth rate of 4.35 percent in his Multi-Stage DCF model is also taken from Blue Chip and covers the same five year period

⁴³ Direct testimony of Breandan T. Mac Mathuna, at 66.
⁴⁴ See, for example, direct testimony of Dr. J. Randall Woolridge, at 87-89, direct testimony of Michael P. Gorman, at 106, and direct testimony of Breandan T. Mac Mathuna, at 64-66.

1 as the projected Treasury bond yields I have relied on in my CAPM analysis.
2 It is unclear why Mr. Gorman finds the projected GDP growth rate from Blue
3 Chip to be reasonable, but has concerns with the projected Treasury bond yields
4 from the same source and over the same time period.

5
6 Further, even though I do not agree with the use of the current average Treasury
7 bond yield as the risk-free rate, I note using current bond yields in the CAPM
8 model produces results (shown in Exhibit JMC-17) well above the DCF model
9 results and much higher than the CAPM results put forth by Dr. Woolridge, Mr.
10 Gorman, and Mr. Mac Mathuna. My conclusion is that it is reasonable and
11 appropriate to use the projected 30-year Treasury bond yield as the risk-free
12 rate under current market conditions when interest rates are forecast to increase
13 by approximately 120 basis points above current average yields on long-term
14 government bonds. The use of a current risk-free rate understates the forward-
15 looking cost of equity estimate from the CAPM analysis.

16 **Q. Certain Intervenor Witnesses (Woolridge, Gorman) observe that current**
17 **Beta coefficients from Value Line are higher than the historical average**
18 **for the electric utility industry.⁴⁵ Do you view this as a reason to adjust or**
19 **question the current Beta coefficients?**

20 A. No, I do not. Beta is the measure of relative risk in the CAPM analysis. The
21 utility industry has typically had lower than average Beta coefficients because
22 electric utilities generally tend to be less volatile than the broad market.

⁴⁵ See, for example, direct testimony of J. Randall Woolridge, at 60-63, and direct testimony of Michael P. Gorman, at 71-72.

1 However, as discussed in my direct testimony, that was not the case during the
2 market dislocation that occurred in response to the COVID-19 pandemic. Five
3 year Beta coefficients from both Value Line and Bloomberg increased
4 substantially in February and March 2020 to levels not seen since the financial
5 crisis of 2008/2009 and have remained at those elevated levels ever since.⁴⁶ In
6 my view, there is no reason to use the longer-term average Beta coefficients, as
7 suggested by Dr. Woolridge and Mr. Gorman, because both Value Line and
8 Bloomberg Beta coefficients are calculated using five years of weekly return
9 data against a broad market index (either the S&P 500 or the NYSE Composite).
10 This five year period pre-dates the COVID-19 period by 3.5 years, which
11 suggests that the proxy group Beta coefficients are being affected by factors
12 other than the pandemic.

13
14 As discussed in my direct testimony, electric utilities have not served as a safe
15 haven for investors during the recent economic downturn. This was due, in
16 part, to the fact that demand for electric utility service was negatively impacted
17 for commercial and industrial customers to a much greater extent than normally
18 happens during a typical recession due to government imposed lockdowns and
19 business closures to combat the spread of the coronavirus.⁴⁷ Even though
20 residential electricity demand increased over this same period, and even as
21 restrictions have been loosened and much of the economy has re-opened in

⁴⁶ Direct testimony of James M. Coyne, at 33-34 and 58-59.

⁴⁷ Ibid, at 31-33.

1 recent months, the Beta coefficients for electric utilities remain at elevated
2 levels.

3
4 I do not agree with Dr. Woolridge that it is reasonable to question the
5 methodology that Value Line uses to calculate its reported Beta coefficients,
6 including the time period over which Betas are calculated, the market index that
7 is used to compute weekly returns for the broader market, and the Blume
8 adjustment that is intended to take into account the tendency of Beta to regress
9 to the market mean of 1.0 over time. I note that Beta is a measure of relative
10 risk in the CAPM analysis. Utilities have traded in line with the broad market
11 since February 2020, suggesting that they currently are not perceived by
12 investors as a low-risk, defensive sector. Dr. Woolridge has consistently relied
13 on Value Line Beta coefficients for many years without questioning Value
14 Line's methodology. It is not appropriate to change his position simply because
15 the current Beta coefficients for electric utilities are higher than historical
16 levels. To my knowledge, he has always accepted and relied on Value Line
17 betas when they were in the range of 0.60 and 0.70.

18
19 Similarly, in addition to relying on the current Value Line Beta coefficients for
20 his proxy group, Mr. Gorman also computes average Value Line Betas over a
21 ten year period and establishes a range of 0.60 to 0.80. From within that range,
22 he selects the midpoint of 0.72 as a reasonable Beta coefficient for electric
23 utilities and presents a version of his CAPM analysis using that historical

1 average Beta rather than the current Betas for his proxy group companies.⁴⁸
2 Again, I do not agree with Mr. Gorman that it is necessary to question the
3 current Value Line Betas in the CAPM analysis because the other inputs to that
4 model (i.e., risk-free rate and market risk premium) are also being affected by
5 the same factors that are affecting utility betas.

6 **Q. Some Intervenor Witnesses challenge the forward-looking market risk**
7 **premium you have used in your CAPM analysis.⁴⁹ Can you please respond**
8 **to their concerns?**

9 A. The use of a forward-looking or projected market risk premium (“MRP”) is
10 appropriate because the use of historical market return data does not reflect the
11 inverse relationship between interest rates and the equity risk premium. The
12 Ibbotson data that is commonly used to calculate the historical MRP of 7.25
13 percent indicates that the long-term average return on large company stocks
14 from 1926-2020 has been 12.16 percent, while the average income-only return
15 on government bonds has been 4.91 percent over the same period. It is not
16 reasonable to use the historical MRP when the current average yield on the 30-
17 year Treasury bond is 2.32 percent, or approximately 260 basis points lower
18 than the bond yield used to calculate the historical MRP. With interest rates at
19 these levels, the forward-looking MRP should be higher than 7.25 percent.

20

⁴⁸ Direct testimony of Michael P. Gorman, at 71-72.

⁴⁹ See, for example, direct testimony of Dr. J. Randall Woolridge, at 89-103, direct testimony of Michael P. Gorman, at 90-92, and direct testimony of Breandan T. Mac Mathuna, at 67-74.

1 Second, the method I have used to calculate the forward-looking MRP is
2 consistent with the methodology used by FERC in Opinion No. 531-B.
3 Specifically, the forward-looking MRP in my CAPM analysis is derived by
4 calculating the expected total return for the companies in the S&P 500 Index
5 less the projected risk-free rate. It is appropriate to include growth rates for
6 non-dividend paying companies because when investors purchase the Index or
7 a mutual fund or exchange traded fund that mirrors the Index, their total return
8 is based on the returns for all 500 companies in the Index, not only those
9 companies that pay dividends, or those with positive EPS growth rates or
10 growth rates less than 20 percent. Further, my MRP calculation is internally
11 consistent because the Betas used in my CAPM analysis are calculated against
12 all companies in the S&P 500 Index or the NYSE Composite Index, not just
13 against those companies that pay dividends or have positive growth rates or
14 growth rates less than 20 percent.

15
16 Third, the current low interest rate environment is due to economic weakness
17 caused by the COVID-19 pandemic. The U.S. Congress has supported the
18 economy by providing fiscal stimulus, and the Federal Reserve has reduced
19 short-term interest rates and engaged in Quantitative Easing (i.e., bond-buying,
20 asset purchases, etc.), which has caused long-term interest rates to decline.
21 Under these conditions, it is perfectly reasonable that projected growth rates for
22 the S&P 500 companies would be higher than the historical average assuming

1 that financial markets have confidence that the actions taken to stimulate the
2 economy will be successful and lead to economic recovery.

3

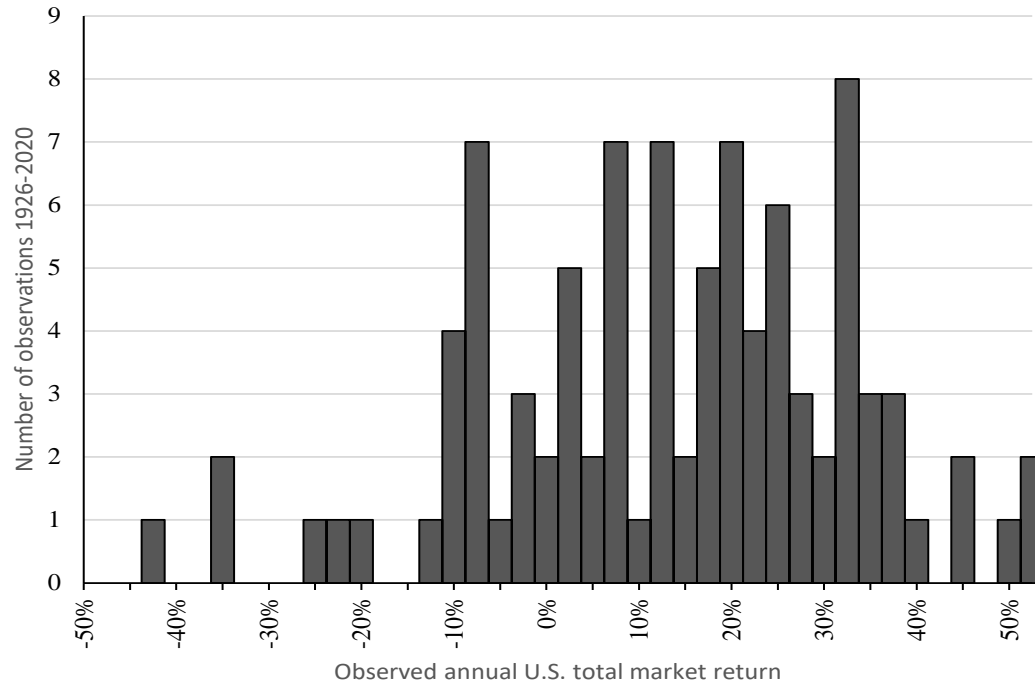
4 Dr. Woolridge refers to the compounded annual return for the broad market as
5 being about 10.0 percent,⁵⁰ while Mr. Gorman states that historical capital
6 appreciation for the S&P 500 has been 6.2 percent to 8.0 percent.⁵¹ Both
7 witnesses argue that the total market return used in my forward-looking MRP
8 calculation is not reasonable on that basis. However, these averages obscure
9 the wide distribution in realized equity returns from year to year. I have
10 analyzed the annual performance of the S&P 500 from 1926-2020. As shown
11 in Figure 4 below, the actual return on the S&P 500 Index has exceeded 15
12 percent in 49 percent (47 out of 95) of the years from 1926-2020. These data
13 demonstrate that actual total returns for the broad market greater than 15 percent
14 are not uncommon, as alleged by Dr. Woolridge and Mr. Gorman.

⁵⁰ Direct testimony of Dr. J. Randall Woolridge, at 91.

⁵¹ Direct testimony of Michael P. Gorman, at 91. This does not include dividends.

1

Figure 4: Total Returns of S&P 500 Index – 1926-2020



2

3 In my updated results, I have excluded the total market return of 18.59 percent
4 from the June 30, 2021 S&P Earnings and Estimates report in my calculation
5 of the forward-looking MRP. This produces a reasonable, if not conservative,
6 MRP of 11.98 percent based on EPS growth rates for the S&P 500 companies
7 from Bloomberg and Value Line.

8

9 My conclusion is that using reasonable forward-looking inputs for the risk-free
10 rate and MRP, along with current Betas from Value Line and Bloomberg, the
11 CAPM is producing results that are much higher than the DCF model and well
12 above authorized returns for integrated electric utilities in other states.

1 **Q. Ms. LaConte contends that in addition to a forward-looking MRP you**
2 **should also have used a long-term historical MRP, which she calculates as**
3 **7.15 percent.⁵² How do you respond?**

4 A. As indicated in an earlier response, the use of a historical market risk premium
5 is not appropriate under current market conditions because it does not reflect
6 the inverse relationship between interest rates and the equity risk premium.
7 When the current average yield on U.S. Treasury bonds is well below the long-
8 term historical average yield, it is reasonable to expect that the MRP would be
9 well above the historical average of 7.15 percent.

10

11

XI. RISK PREMIUM MODEL

12

13 **Q. Several of the Intervenor Witnesses challenge the use of a Risk Premium**
14 **model such as the one you have presented, or they contend that your**
15 **application of the Risk Premium model is not reasonable.⁵³ How do you**
16 **respond to their concerns?**

17 A. Dr. Woolridge has expressed three primary concerns regarding my Risk
18 Premium analysis: (1) that I have used historical authorized ROEs and Treasury
19 yields and applied the resulting risk premium to projected Treasury yields;
20 (2) that the analysis is a gauge of regulatory commission behavior not investor
21 behavior, and (3) that my methodology produces an inflated required rate of

⁵² Direct testimony of Billie S. LaConte, at 15-16.

⁵³ See, for example, direct testimony of Dr. J. Randall Woolridge, at 104-106, direct testimony of Michael P. Gorman, at 94-96, direct testimony of Billie S. LaConte, at 16, and direct testimony of Breandan T. Mac Mathuna, at 76-78.

1 return because utilities have been selling at M/B ratios well in excess of 1.0 for
2 many years.⁵⁴
3
4 With regard to Dr. Woolridge’s first concern, my Risk Premium analysis
5 determines the appropriate risk premium based on the relationship between
6 historic authorized ROEs for integrated electric utilities and Treasury bonds
7 yields. FERC has adopted a similar approach in one of its approved
8 methodologies for setting ROEs for electric transmission companies.⁵⁵ I
9 disagree with Dr. Woolridge that it is incorrect to apply the historical risk
10 premium from this analysis to current and projected Treasury yields in order to
11 estimate the ROE at specified interest rates. As shown in Exhibit JMC-6, my
12 Risk Premium analysis is supported by a regression equation that evaluates the
13 relationship between Treasury bond yields and the equity risk premium over
14 time. The regression equation has an R² of 0.83, meaning that it can be used to
15 predict the equity risk premium at differing levels of interest rates. In other
16 words, my Risk Premium analysis is designed to do exactly what Dr. Woolridge
17 suggests it cannot – that is, use the historical relationship between bond yields
18 and equity risk premia to predict how investors will react to changes in interest
19 rates as a result of monetary policy and economic conditions.
20

⁵⁴ Direct testimony of Dr. J. Randall Woolridge, at 105-106.

⁵⁵ Federal Energy Regulatory Commission, Opinion No. 569-A, Order on Rehearing, issued May 21,2020, at para. 105-106 and 108-109.

1 In response to Dr. Woolridge's second concern, while my Risk Premium
2 analysis is based on authorized ROEs and the corresponding Treasury yields at
3 the time the regulatory decisions were issued, I believe that investors are
4 informed by allowed ROEs from hundreds of rate case decisions to frame their
5 return expectations. A fundamental principle in setting a just and reasonable
6 return is that the return must be comparable to returns available to investors in
7 companies with commensurate risk. In that regard, the returns that have been
8 authorized for other electric utility companies is one relevant consideration for
9 investors. This analysis must, however, reflect interest rates that prevailed
10 when these ROEs were set and adjusted for current or projected rates to be valid.
11 This analysis shows what those returns are in relation to the risk-free rate, so
12 that it is possible to use historical returns to estimate future returns given current
13 and projected Treasury yields.

14
15 In response to Dr. Woolridge's third concern, I have previously addressed this
16 in the capital markets section of this Rebuttal testimony. As demonstrated
17 there, utility M/B ratios have increased not because authorized returns were
18 higher than the true cost of equity, but because interest rates on government
19 bonds have steadily declined for the past four decades. Low interest rates are
20 favorable for capital-intensive industries such as utilities, while increasing
21 interest rates are not.

22

1 Mr. Gorman also expresses several concerns with my Risk Premium analysis,
2 including: 1) he disputes the inverse relationship between interest rates and risk
3 premia; 2) he claims that, while academic studies have shown that in the past
4 there was such an inverse relationship, the relationship has changed over time,
5 particularly since interest rate volatility is not as extreme as it was in the 1980s;
6 and 3) he contends that I have ignored investment risk differentials in my
7 regression analyses, and that my adjustment to the equity risk premium is based
8 exclusively on changes in nominal interest rates.⁵⁶

9
10 In response to Mr. Gorman's first concern, there is a large body of research in
11 addition to my own statistical analyses that supports the inverse relationship
12 between interest rates and equity risk premia, including the March 1998 article
13 published by Dr. S. Keith Berry which came to similar conclusions regarding
14 the inverse relationship between interest rates and the risk premia.⁵⁷ Several
15 other studies were published after those that Mr. Gorman cites as evidence that
16 this inverse relationship is a relic of the 1980s. As summarized in *New*
17 *Regulatory Finance*, two of these studies were published in 2005, demonstrating
18 that the inverse relationship between interest rates and the equity risk premium
19 are contemporary concepts in finance:

20 Published studies by Brigham, Shome, and Vinson
21 (1985), Harris (1986), Harris and Marston (1992, 1993),

⁵⁶ Direct testimony of Michael P. Gorman, at 94-96.

⁵⁷ See e.g., S. Keith Berry, *Interest Rate Risk and Utility Risk Premia during 1982-93*, Managerial and Decision Economics, Vol. 19, No. 2 (March, 1998), in which the author used a methodology similar to the regression approach described below, including using allowed ROEs as the relevant data source, and came to similar conclusions regarding the inverse relationship between risk premia and interest rates.

1 Carleton, Chambers, and Lakonishok (1983), Morin (2005), and
2 McShane (2005), and others demonstrate that, beginning in
3 1980, risk premiums varied inversely with the level of interest
4 rates—rising when rates fell and declining when interest rates
5 rose. The reason for this relationship is that when interest rates
6 rise, bondholders suffer a capital loss. This is referred to as
7 interest rate risk.... Conversely in low interest rate
8 environments, when bondholders’ interest rate fears subside and
9 shareholders’ fears of loss of earning power dominate, the risk
10 differential will widen and hence the risk premium will
11 increase.⁵⁸

12

13 Furthermore, as discussed previously, my Risk Premium analysis has an R² of
14 approximately 0.83, which indicates that there is a high degree of correlation
15 between the equity risk premium and changes in interest rates.

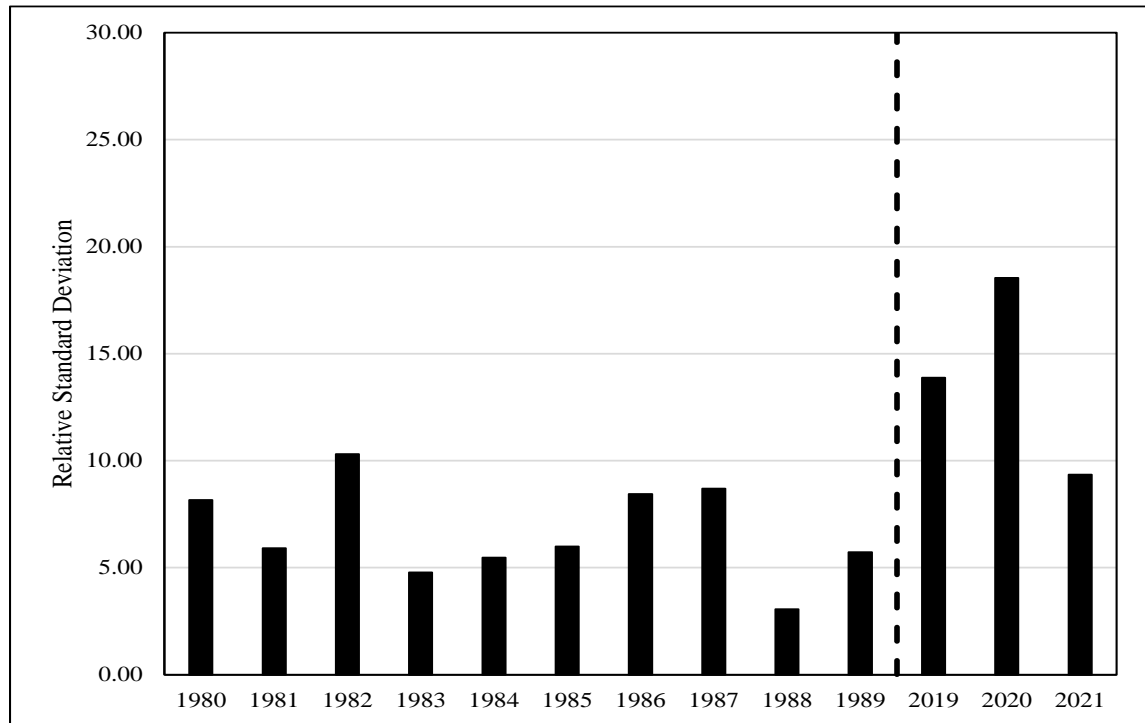
16

17 With regard to Mr. Gorman’s statement that interest rate volatility was more
18 extreme in the 1980s than it is today, I conducted an analysis that compares the
19 volatility in 30-year Treasury bond yields in each year during the 1980s to the
20 volatility in 2019, 2020 and 2021 year to date. As shown in Figure 5, the
21 relative standard deviation of Treasury bond yields was substantially higher in
22 2019 and 2020 than it was during any year in the 1980s, indicating that interest
23 rate volatility has been higher in recent years than it was in the 1980s, and has
24 remained higher in 2021 than all but one year during the 1980s (i.e., 1982).

⁵⁸ Morin, Roger A., *New Regulatory Finance*, Public Utilities Reports, Inc. (2006), at 128.

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Figure 5: Treasury Bond Yield Volatility



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In response to Mr. Gorman's third concern, he contends that I have ignored investment risk differentials in my regression analyses, and that my adjustment to the equity risk premium is based exclusively on changes in nominal interest rates. I agree that my analysis is based solely on the relationship to interest rates, but with an R^2 of .83, the relationship to interest rates accounts for 83 percent of the change in awarded ROEs, which is quite strong. To the extent that shifts in industry risk are left out of this equation, the recent increases in utility betas would suggest that the Risk Premium results are biased downwards, and would likely understate the cost of equity. This relationship is picked up directly, however, in the CAPM model, and these results are meaningfully higher.

1 benchmark for a just and reasonable return because that is the expected earned
2 ROE that an investor will consider in determining whether to purchase shares
3 in the company or to seek alternative investments with a better risk/reward
4 profile. As Dr. Morin notes:

5 The Comparable Earnings standard has a long and rich
6 history in regulatory proceedings, and finds its origins in the fair
7 return doctrine enunciated by the U.S. Supreme Court in the
8 landmark Hope case. The governing principle for setting a fair
9 return decreed in Hope is that the allowable return on equity
10 should be commensurate with returns on investments in other
11 firms having comparable risks, and that the allowed return
12 should be sufficient to assure confidence in the financial
13 integrity of the firm, in order to maintain creditworthiness and
14 ability to attract capital on reasonable terms. Two distinct
15 standards emerge from this basic premise: a standard of Capital
16 Attraction and a standard of Comparable Earnings. The Capital
17 Attraction standard focuses on investors' return requirements,
18 and is applied through market value methods described in prior
19 chapters, such as DCF, CAPM, or Risk Premium. The
20 Comparable Earnings standard uses the return earned on book
21 equity investment by enterprises of comparable risks as the
22 measure of fair return.⁶¹

23

24 Dr. Woolridge fails to note in his critique of the Expected Earnings analysis that
25 the authorized ROE that is established in this case will be applied to the net
26 book value of the Company's rate base (subject to certain regulatory
27 adjustments). In this regard, the Expected Earnings approach provides valuable
28 insight into the opportunity cost of investing in FPL's electric utility operations.
29 If investors devote capital to the Company (which would offer a return of only
30 8.75 percent on book value if Dr. Woolridge's recommendation were adopted),
31 they forgo the opportunity for that same capital to earn a potentially greater

⁶¹ New Regulatory Finance, Roger A. Morin Ph.D., Public Utility Reports, 2006, at 381.

1 return on book value through investment in the proxy companies. As a result,
2 the Expected Earnings approach is informative because it provides a measure
3 of the return on book value that is available to investors through other
4 investments with comparable risk to FPL.

5 **Q. Please comment on Dr. Woolridge’s references to Dr. Morin’s statements**
6 **in *New Regulatory Finance* as it pertains to the Expected Earnings**
7 **analysis.⁶²**

8 A. Dr. Woolridge references Dr. Morin, who does discuss some of the weaknesses
9 of the Expected Earnings analysis. However, in *New Regulatory Finance*, Dr.
10 Morin discusses the strengths and weaknesses of each of the methodologies
11 used to compute the cost of equity including the DCF and CAPM analyses.
12 Additionally, Dr. Woolridge fails to mention Dr. Morin’s conclusion regarding
13 the Expected Earnings analysis. Specifically, Dr. Morin stated:

14 The Comparable Earnings approach is far more
15 meaningful in the regulatory arena than in the sphere of
16 competitive firms. Unlike industrial companies the earnings
17 requirement of utilities is determined by applying a percentage
18 rate of return to the book value of a utility’s investment, and not
19 on the market value of that investment. Therefore, it stands to
20 reason that a different percentage rate of return than the market
21 cost of capital be applied when the investment base is stated in
22 book value terms rather than market value terms. In a
23 competitive market, investment decisions are taken on the basis
24 of market prices, market values, and market cost of capital. **If**
25 **regulation’s role was to duplicate the competitive result**
26 **perfectly, then the market cost of capital would be applied to**
27 **the current market value of rate base assets employed by**
28 **utilities to provide service. But because the investment base**
29 **for ratemaking purposes is expressed in book value terms, a**

⁶² Direct testimony of Dr. J. Randall Woolridge, at 107.

1 **rate of return on book value, as is the case with Comparable**
2 **Earnings, is highly meaningful.**⁶³

3

4 Therefore, contrary to Dr. Woolridge’s views, Dr. Morin believes that the
5 Expected Earnings approach is highly meaningful in a regulatory setting similar
6 to the one being used to set the cost of equity for FPL.

7 **Q. Please summarize Mr. Gorman’s position regarding your Expected**
8 **Earnings analysis.**

9 A. Mr. Gorman argues that my Expected Earnings analysis “should be rejected
10 because this approach does not measure the market required return appropriate
11 for the investment risk of FPL. Rather, it measures the book accounting
12 return.”⁶⁴ In addition, Mr. Gorman contends that “the earned return on book
13 equity is simply not an accurate or legitimate basis upon which to determine a
14 fair and reasonable return on equity for both investors and customers.”⁶⁵

15 **Q. What is your response to Mr. Gorman’s concerns related to the Expected**
16 **Earnings approach?**

17 A. The Expected Earnings approach provides an expected return for like-risk
18 companies, which is a core strength of the model and consistent with the basic
19 tenets of *Hope*, which requires that “the return to the equity owner should be
20 commensurate with returns on investments in other enterprises having
21 corresponding risks.” Arguably, an investor would consider both current

⁶³ New Regulatory Finance, Roger A. Morin Ph.D., Public Utility Reports, 2006, at 394-395.
(emphasis added)

⁶⁴ Direct testimony of Michael P. Gorman, at 97.

⁶⁵ *Id.*, at 98.

1 market valuations in deciding between companies of like risk and the value of
2 the expected return on book value. Lastly, in developing his sustainable growth
3 rates for the DCF model, Mr. Gorman assumes the reasonableness of the
4 projected returns on equity from Value Line for the proxy group companies,
5 which are the same returns that he dismisses as unreliable in the Expected
6 Earnings analysis.

7
8 Although the FERC has not included the Expected Earnings analysis in its most
9 recent ROE decision (i.e., Opinion No. 569-A) for electric transmission
10 companies, FERC has left the door open for presentation of an Expected
11 Earnings analysis on a case-by-case basis.⁶⁶ In my view, the Expected Earnings
12 analysis provides a more stable picture of the returns that investors are
13 expecting for companies in the Electric Utility sector based on Value Line data.
14 This stability is due to Value Line's analysis and projections which change
15 when updated, in contrast to the CAPM and DCF results which shift with more
16 volatile market data. Moreover, as explained in this section, the use of
17 accounting returns is appropriate because the authorized ROE is being applied
18 to an accounting rate base in order to determine the net income a company is
19 authorized to recover in rates. For all of these reasons, I continue to support the
20 use of an Expected Earnings analysis as one model to estimate the cost of equity
21 for FPL in this proceeding.

⁶⁶ Federal Energy Regulatory Commission, Opinion No. 569-A, Order on Rehearing, issued May 21, 2020, at para. 132.

1 incurred prior to the test year but remains part of the cost structure that exists
2 during the test year and beyond. For this reason, the Commission has
3 previously approved an adjustment for flotation costs.⁶⁸ This cost is appropriate
4 regardless of whether an equity issuance occurs during, or is planned for, the
5 test year. To the extent FPL is denied the opportunity to recover prudently
6 incurred flotation costs, the Company's actual returns will fall short of expected
7 (or required) returns, thereby diminishing FPL's ability to attract adequate
8 capital on reasonable terms.

9

10 **XIV. BUSINESS RISK**

11

12 **Q. Do you agree with the Intervenor Witnesses (Woolridge, Mac Mathuna,**
13 **Gorman) who contend that credit ratings take into account all business and**
14 **financial risks that are relevant to investors?**⁶⁹

15 A. No, I do not agree. Credit ratings, while important, are not the only
16 consideration in assessing business or financial risk, and the risks for equity
17 investors are not the same as the risks for bondholders. Equity investors are
18 more concerned with earnings and investment opportunities, regulatory support
19 for recovery of prudently-incurred costs, the strength of the local economy and
20 housing markets, changes in interest rates, changes in long-term weather

⁶⁸ See, for example, Florida Public Utilities Company, Docket Nos. 070300-EI and 070304-EI, Order No. PSC-08-0327-FOF-EI, issued May 19, 2008, at 37.

⁶⁹ See, for example, direct testimony of Dr. J. Randall Woolridge, at 26 and 78, direct testimony of Breandan T. Mac Mathuna, at 21-23, and direct testimony of Michael P. Gorman, at 101-102.

1 patterns, fleet specific risks such as nuclear generation, and more recently
2 exposure related to decarbonization of the industry. Bondholders focus more
3 on stability and predictability of cash flows and timeliness of cost recovery. As
4 discussed in my direct testimony, FPL has unique business risks that
5 differentiate it from the proxy group. These risks include elevated capital
6 spending, ownership of nuclear generation assets, and severe weather risk.⁷⁰
7 Further, while I have considered these business risks, it is important to
8 recognize that I did not make an adjustment to my ROE recommendation for
9 business risk even though my testimony demonstrates that FPL has higher
10 business risk than the proxy group on certain important factors. Instead, I relied
11 on the mean results of the four financial models I used to estimate the cost of
12 equity for FPL, plus 11 basis points for flotation costs.

13

14 In particular, as discussed in more detail in Section VIII of my rebuttal
15 testimony on proxy group composition, I disagree with Mr. Mac Mathuna's
16 overly-restrictive credit rating screen which limits his proxy group to only five
17 companies, two of which should be excluded.

18 **Q. Mr. Chriss observes that FPL uses a forecast test year, which reduces the**
19 **risk of regulatory lag for the Company, and implies that this reduces FPL's**
20 **business risk.⁷¹ What is your response?**

21 **A.** While I agree with Mr. Chriss that FPL uses a forecast test year to establish its
22 rates, as explained in my direct testimony and as shown in Exhibit JMC-9, 58

⁷⁰ Direct testimony of James M. Coyne, at 66.

⁷¹ Direct testimony of Steve W. Chriss, at 10-11.

1 percent of the operating utilities held by the proxy group companies provide
2 service in jurisdictions that allow the use of a fully or partially forecast test
3 year.⁷² Risk analysis is performed on a relative or comparative basis to the
4 proxy group. In that regard, FPL's test year convention is similar to more than
5 half of the operating companies held by my proxy group and does not suggest
6 that FPL has lower risk than the proxy group companies on this factor.

7 **Q. Mr. Rábago challenges your conclusions that FPL has greater business risk**
8 **than the proxy group companies on the factors discussed in your direct**
9 **testimony.⁷³ What is your response?**

10 A. First, as a point of clarification, my ROE recommendation does not depend on
11 the Commission finding that FPL has greater business risk than the proxy group.
12 While my research and analysis shows FPL has elevated capital spending risk
13 relative to the proxy group, generates a higher percentage of electricity from
14 nuclear plants than the average company in the proxy group, and has more
15 exposure to severe weather and storms than other companies in the proxy group,
16 my ROE recommendation is based on the mean results of the four financial
17 models I have used to estimate the cost of equity. Contrary to Mr. Rábago's
18 assertion, I have not made an adjustment to ROE for FPL's higher risk profile.

⁷² Direct testimony of James M. Coyne, at 79.

⁷³ Direct testimony of Karl R. Rabago, at 12-13.

1 **Q. According to Ms. Laconte, FPL has lower business and financial risk than**
2 **your proxy group companies.⁷⁴ Do you agree?**

3 A. No, I do not. Ms. LaConte acknowledges that FPL’s capital expenditure
4 program is significant. However, she contends that FPL is an above average
5 nuclear operator, which she claims credit rating agencies view as favorable, and
6 she contends that FPL has similar exposure to adverse weather events as the
7 proxy group. Finally, she argues that FPL’s proposed multi-year rate plan is
8 supportive of the Company’s financial health and reduces its risk relative to the
9 proxy group. As discussed in my direct testimony, credit rating agencies view
10 FPL’s storm risk as significant due to the frequency and magnitude of severe
11 weather in its service territory. Mr. Barrett provides more detailed information
12 on those risks in his direct testimony. There is no evidence that credit rating
13 agencies view FPL’s ownership of nuclear generation assets as favorable to the
14 Company’s business risk profile. While the four-year rate plan does provide
15 certain benefits to FPL, it also increases the risk associated with inflation and
16 higher interest rates over the term of the rate plan. For all of these reasons, I do
17 not agree with Ms. LaConte that FPL has lower business risk than the proxy
18 group.

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⁷⁴ Direct testimony of Billie S. LaConte, at 21-26.

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XV. CAPITAL STRUCTURE

Q. Some Intervenor Witnesses (Woolridge, O'Donnell, Gorman, Mac Mathuna) contend that FPL's proposed equity ratio is unjustifiably higher than the proxy group average.⁷⁵ What is your response?

A. The Intervenor Witnesses have compared FPL's proposed common equity ratio of 59.60 percent to the equity ratios of the proxy group companies at the holding company level. However, the appropriate equity ratio should reflect the relative business and operating risks of the utility for which the authorized return is being set, in this case FPL; thus, any comparison to equity ratios at the holding company level is not meaningful. The Company's proposed equity ratio of 59.60 percent takes into consideration the Company's unique business and operating risks, including elevated capital spending, ownership of nuclear generation assets, and severe weather and storm cost risk. As explained in my direct testimony, FPL's proposed equity ratio is at the high end of the range for the operating companies held by the proxy group.⁷⁶ This capital structure also enables FPL to maintain its financial strength, as discussed in Section IV of my rebuttal testimony, under a variety of economic and financial market conditions. Without this higher than average equity ratio, FPL may not have the necessary financial cushion in the event one of these business risks (e.g., nuclear

⁷⁵ See, for example, direct testimony of Dr. J. Randall Woolridge, at 27, direct testimony of Kevin W. O'Donnell, at 28-31, direct testimony of Breandan T. Mac Mathuna, at 85-86, and direct testimony of Michael P. Gorman, at 39.
⁷⁶ Direct testimony of James M. Coyne, at 85-86.

1 ownership, storms, etc.) becomes a material factor in the Company’s financial
2 performance.

3 **Q. Several of the Intervenor Witnesses compare FPL’s requested equity ratio**
4 **with the national average for electric utilities.⁷⁷ Please comment on these**
5 **comparisons.**

6 A. As explained previously, FPL has unique business and operating risks that
7 distinguish the Company from the average electric utility and warrant a higher
8 authorized equity ratio than the industry average. In addition, the range of
9 authorized equity ratios since 2016 has been from 40.25 percent to 58.18
10 percent.⁷⁸ FPL’s proposed equity ratio of 59.60 percent is only slightly above
11 the top of this range.

12 **Q. Are there any other relevant considerations with regard to capital**
13 **structure?**

14 A. None of the Intervenor Witnesses has argued that FPL has lower business risk
15 now than when the Commission approved the settlement agreement in 2016
16 that implicitly reflected a common equity ratio of 59.60 percent. Moreover,
17 ESG risk has become another risk factor for investors in more recent years,
18 which was not a consideration in 2016. Companies’ performance on
19 environmental, social and corporate governance (“ESG”) issues is now assessed
20 by credit rating agencies, and certain institutional investors and pension funds

⁷⁷ See, for example, direct testimony of Kevin W. O’Donnell, at 38-40, direct testimony of Billie S. LaConte, at 7-8, and direct testimony of John Thomas Herndon at 19-20.

⁷⁸ I have excluded decisions in Arkansas, Florida, Indiana and Michigan, which include zero cost capital items that are not part of investor-provided capital.

1 have restrictions that prohibit them from owning companies that do not meet
2 ESG standards.

3 **Q. What is your conclusion with regard to FPL's proposed capital structure?**

4 A. My conclusion is that FPL's proposed capital structure, which includes a
5 common equity ratio of 59.60 percent, takes into account the unique business
6 and operating risks of FPL, and is reasonable compared to the range of equity
7 ratios for the operating companies held by the proxy group and compared to the
8 authorized equity ratios for electric utilities in other jurisdictions. Further,
9 FPL's proposed capital structure enables FPL to maintain its financial strength,
10 which translates into favorable access for capital for the benefit of customers.
11 For all of these reasons, I agree with Company witness Barrett that the proposed
12 capital structure for FPL is appropriate and should be approved by the
13 Commission.

14

15 **XVI. CONCLUSIONS AND RECOMMENDATIONS**

16

17 **Q. Please summarize your key conclusions and recommendations.**

18 A. My key conclusions and recommendations are as follows:

19 1) The Commission has been presented with a broad array of
20 recommendations from multiple witnesses. Some include proposed analytical
21 approaches, while others are more judgmental or based on decisions from other
22 jurisdictions.

23 2) The only reliable method for determining the cost of capital is
24 through the application of rigorous analysis using financial models and market

1 data from reliable sources, coupled with a comprehensive risk assessment of
2 the regulated utility.

3 3) The Commission's cost of capital determination should consider the
4 general economic and capital market environment and the influence capital
5 market conditions exert over the results of the ROE estimation models.

6 4) Interest rates on government and corporate bonds have rebounded in
7 the latter part of 2020 and the first two quarters of 2021. The level of interest
8 rates does not suggest that the cost of equity for FPL has declined. On the
9 contrary, other risk factors indicate that the uncertainty and volatility in
10 financial markets have caused equity investors to require a higher rate of return
11 to compensate them for the additional uncertainty and risk created by the
12 COVID-19 pandemic and the corresponding economic fallout.

13 5) As discussed in my Direct testimony, longer term, the industry faces
14 complex structural challenges associated with climate change, decarbonization,
15 cyber security, grid modernization and shifting consumer preferences amid a
16 flat overall consumption profile. FPL is higher than average risk in comparison
17 to a proxy group of utility peers.⁷⁹

18 6) The recommended base ROE of 11.0 percent and capital structure
19 with a common equity ratio of 59.60 percent is fair and reasonable for FPL.
20 This capital structure is consistent with the Company's actual equity ratio, and
21 combined with the authorized ROE range will support continued financial

⁷⁹ Direct testimony of James M. Coyne, at 8.

1 strength and access to debt and equity capital to meet the Company's operating
2 requirements.

3 **Q. Does this conclude your rebuttal testimony?**

4 A. Yes, it does.

COMBINED DCF, CAPM, RISK PREMIUM AND EXPECTED EARNINGS RESULTS

Company	30-Day DCF	90-Day DCF	180-Day DCF	CAPM VL Beta	CAPM BB Beta	AVG DCF	AVG CAPM	Risk Premium	Expected Earnings	4-model Average	3-model Average
ALLETE, Inc.	9.74%	9.78%	10.03%	14.65%	14.91%	9.85%	14.78%	10.17%	9.16%	10.99%	11.37%
Alliant Energy Corporation (1)	8.38%	8.52%	8.60%	14.03%	14.36%	8.50%	14.19%	10.17%	10.76%	10.91%	11.71%
Ameren Corporation	9.88%	9.96%	10.03%	13.41%	13.48%	9.96%	13.45%	10.17%	10.92%	11.12%	11.51%
American Electric Power Company, Inc. (1)	9.80%	9.81%	9.82%	12.79%	14.07%	9.81%	13.43%	10.17%	11.42%	11.21%	11.68%
Duke Energy Corporation	9.67%	9.80%	9.92%	14.03%	13.70%	9.79%	13.87%	10.17%	9.63%	10.87%	11.22%
Edison International	8.50%	8.40%	8.30%	15.27%	15.12%	8.40%	15.19%	10.17%	11.79%	11.39%	12.38%
Energy Corporation	8.33%	8.44%	8.46%	15.27%	15.54%	8.41%	15.40%	10.17%	11.32%	11.33%	12.30%
Evergy, Inc. (1)	10.07%	10.16%	10.35%	15.27%	14.25%	10.20%	14.76%	10.17%	9.16%	11.07%	11.37%
Hawaiian Electric Industries, Inc.	7.01%	7.08%	7.39%	13.41%	12.63%	7.16%	13.02%	10.17%	9.17%	9.88%	10.79%
IDACORP, Inc.	6.61%	6.63%	6.76%	13.41%	14.39%	6.67%	13.90%	10.17%	9.67%	10.10%	11.25%
OGE Energy Corp.	8.87%	9.03%	9.11%	16.51%	16.60%	9.00%	16.55%	10.17%	13.23%	12.24%	13.32%
Pinnacle West Capital Corporation (1)	8.12%	8.24%	8.29%	14.65%	15.19%	8.22%	14.92%	10.17%	11.26%	11.14%	12.12%
Portland General Electric Company	11.76%	11.79%	12.06%	14.65%	14.50%	11.87%	14.57%	10.17%	10.18%	11.70%	11.64%
Xcel Energy Inc. (1)	8.83%	8.89%	8.90%	13.41%	13.88%	8.88%	13.65%	10.17%	10.77%	10.87%	11.55%
PROXY GROUP MEAN	8.97%	9.04%	9.14%	14.34%	14.47%	9.05%	14.41%	10.17%	10.60%	11.06%	11.73%
PROXY GROUP MEDIAN	8.85%	8.96%	9.01%	14.34%	14.37%	8.94%	14.38%	10.17%	10.77%	11.10%	11.59%
Range - Low	6.61%	6.63%	6.76%	12.79%	12.63%	6.67%	13.02%	10.17%	9.16%	9.88%	10.79%
Range - High	11.76%	11.79%	12.06%	16.51%	16.60%	11.87%	16.55%	10.17%	13.23%	12.24%	13.32%

Notes:

(1) Company has S&P long-term issuer rating of A- or higher.

30-DAY CONSTANT GROWTH DCF

Company	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Value Line Earnings Growth	Yahoo! Finance Earnings Growth	Zacks Earnings Growth	Average Growth	Low DCF ROE	Mean DCF ROE	High DCF ROE
ALLETE, Inc.	\$2.52	\$69.32	3.64%	3.74%	5.00%	7.00%	6.00%	6.00%	8.73%	9.74%	10.76%
Alliant Energy Corporation	\$1.61	\$57.51	2.80%	2.88%	5.50%	5.50%	5.50%	5.50%	8.38%	8.38%	8.38%
Ameren Corporation	\$2.20	\$83.93	2.62%	2.72%	6.50%	7.70%	7.30%	7.17%	9.21%	9.88%	10.42%
American Electric Power Company, Inc.	\$2.96	\$84.85	3.49%	3.60%	6.50%	6.20%	5.90%	6.20%	9.49%	9.80%	10.10%
Duke Energy Corporation	\$3.86	\$100.96	3.82%	3.93%	7.00%	5.00%	5.20%	5.73%	8.92%	9.67%	10.96%
Edison International	\$2.65	\$56.81	4.66%	4.75%	NMF	3.40%	4.10%	3.75%	8.14%	8.50%	8.86%
Entergy Corporation	\$3.80	\$105.17	3.61%	3.70%	3.00%	5.80%	5.10%	4.63%	6.67%	8.33%	9.52%
Evergy, Inc.	\$2.14	\$62.45	3.43%	3.54%	8.00%	5.80%	5.80%	6.53%	9.33%	10.07%	11.56%
Hawaiian Electric Industries, Inc.	\$1.36	\$43.23	3.15%	3.21%	3.00%	1.30%	7.10%	3.80%	4.47%	7.01%	10.36%
IDACORP, Inc.	\$2.84	\$99.34	2.86%	2.91%	4.00%	3.20%	3.90%	3.70%	6.10%	6.61%	6.92%
OGE Energy Corp.	\$1.61	\$34.23	4.70%	4.80%	4.00%	3.80%	4.40%	4.07%	8.59%	8.87%	9.21%
Pinnacle West Capital Corporation	\$3.32	\$84.98	3.91%	3.99%	5.00%	3.40%	4.00%	4.13%	7.37%	8.12%	9.00%
Portland General Electric Company	\$1.72	\$48.44	3.55%	3.69%	8.50%	7.10%	8.60%	8.07%	10.78%	11.76%	12.30%
Xcel Energy Inc.	\$1.83	\$69.02	2.65%	2.73%	6.00%	6.20%	6.10%	6.10%	8.73%	8.83%	8.93%
PROXY GROUP MEAN			3.49%	3.58%	5.54%	5.10%	5.64%	5.38%	8.21%	8.97%	9.81%

Notes

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 30-day average as of June 30, 2021
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.50 x [8])
- [5] Source: Value Line
- [6] Source: Yahoo! Finance
- [7] Source: Zacks
- [8] Equals Average ([5], [6], [7])
- [9] Equals [3] x (1 + 0.50 x Minimum ([5], [6], [7]) + Minimum ([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.50 x Maximum ([5], [6], [7]) + Maximum ([5], [6], [7])

90-DAY CONSTANT GROWTH DCF

Company	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Value Line Earnings Growth	Yahoo! Finance Earnings Growth	Zacks Earnings Growth	Average Growth	Low DCF ROE	Mean DCF ROE	High DCF ROE
ALLETE, Inc.	\$2.52	\$68.65	3.67%	3.78%	5.00%	7.00%	6.00%	6.00%	8.76%	9.78%	10.80%
Alliant Energy Corporation	\$1.61	\$54.85	2.94%	3.02%	5.50%	5.50%	5.50%	5.50%	8.52%	8.52%	8.52%
Ameren Corporation	\$2.20	\$81.51	2.70%	2.80%	6.50%	7.70%	7.30%	7.17%	9.29%	9.96%	10.50%
American Electric Power Company, Inc.	\$2.96	\$84.58	3.50%	3.61%	6.50%	6.20%	5.90%	6.20%	9.50%	9.81%	10.11%
Duke Energy Corporation	\$3.86	\$97.71	3.95%	4.06%	7.00%	5.00%	5.20%	5.73%	9.05%	9.80%	11.09%
Edison International	\$2.65	\$58.11	4.56%	4.65%	NMF	3.40%	4.10%	3.75%	8.04%	8.40%	8.75%
Energy Corporation	\$3.80	\$102.03	3.72%	3.81%	3.00%	5.80%	5.10%	4.63%	6.78%	8.44%	9.63%
Evergy, Inc.	\$2.14	\$60.92	3.51%	3.63%	8.00%	5.80%	5.80%	6.53%	9.41%	10.16%	11.65%
Hawaiian Electric Industries, Inc.	\$1.36	\$42.22	3.22%	3.28%	3.00%	1.30%	7.10%	3.80%	4.54%	7.08%	10.44%
IDACORP, Inc.	\$2.84	\$98.62	2.88%	2.93%	4.00%	3.20%	3.90%	3.70%	6.13%	6.63%	6.94%
OGE Energy Corp.	\$1.61	\$33.10	4.86%	4.96%	4.00%	3.80%	4.40%	4.07%	8.76%	9.03%	9.37%
Pinnacle West Capital Corporation	\$3.32	\$82.45	4.03%	4.11%	5.00%	3.40%	4.00%	4.13%	7.50%	8.24%	9.13%
Portland General Electric Company	\$1.72	\$48.02	3.58%	3.73%	8.50%	7.10%	8.60%	8.07%	10.81%	11.79%	12.34%
Xcel Energy Inc.	\$1.83	\$67.49	2.71%	2.79%	6.00%	6.20%	6.10%	6.10%	8.79%	8.89%	9.00%
PROXY GROUP MEAN			3.56%	3.65%	5.54%	5.10%	5.64%	5.38%	8.28%	9.04%	9.88%

Notes

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 90-day average as of June 30, 2021
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.50 x [8])
- [5] Source: Value Line
- [6] Source: Yahoo! Finance
- [7] Source: Zacks
- [8] Equals Average ([5], [6], [7])
- [9] Equals [3] x (1 + 0.50 x Minimum ([5], [6], [7]) + Minimum ([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.50 x Maximum ([5], [6], [7]) + Maximum ([5], [6], [7])

180-DAY CONSTANT GROWTH DCF

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Value Line Earnings Growth	Yahoo! Finance Earnings Growth	Zacks Earnings Growth	Average Growth	Low DCF ROE	Mean DCF ROE	High DCF ROE
ALLETE, Inc.	\$2.52	\$64.34	3.92%	4.03%	5.00%	7.00%	6.00%	6.00%	9.01%	10.03%	11.05%
Alliant Energy Corporation	\$1.61	\$53.41	3.01%	3.10%	5.50%	5.50%	5.50%	5.50%	8.60%	8.60%	8.60%
Ameren Corporation	\$2.20	\$79.57	2.76%	2.86%	6.50%	7.70%	7.30%	7.17%	9.35%	10.03%	10.57%
American Electric Power Company, Inc.	\$2.96	\$84.41	3.51%	3.62%	6.50%	6.20%	5.90%	6.20%	9.51%	9.82%	10.12%
Duke Energy Corporation	\$3.86	\$94.90	4.07%	4.18%	7.00%	5.00%	5.20%	5.73%	9.17%	9.92%	11.21%
Edison International	\$2.65	\$59.27	4.47%	4.55%	NMF	3.40%	4.10%	3.75%	7.95%	8.30%	8.66%
Entergy Corporation	\$3.80	\$101.68	3.74%	3.82%	3.00%	5.80%	5.10%	4.63%	6.79%	8.46%	9.65%
Evergy, Inc.	\$2.14	\$57.83	3.70%	3.82%	8.00%	5.80%	5.80%	6.53%	9.61%	10.35%	11.85%
Hawaiian Electric Industries, Inc.	\$1.36	\$38.63	3.52%	3.59%	3.00%	1.30%	7.10%	3.80%	4.84%	7.39%	10.75%
IDACORP, Inc.	\$2.84	\$94.64	3.00%	3.06%	4.00%	3.20%	3.90%	3.70%	6.25%	6.76%	7.06%
OGE Energy Corp.	\$1.61	\$32.56	4.95%	5.05%	4.00%	3.80%	4.40%	4.07%	8.84%	9.11%	9.45%
Pinnacle West Capital Corporation	\$3.32	\$81.53	4.07%	4.16%	5.00%	3.40%	4.00%	4.13%	7.54%	8.29%	9.17%
Portland General Electric Company	\$1.72	\$44.83	3.84%	3.99%	8.50%	7.10%	8.60%	8.07%	11.07%	12.06%	12.60%
Xcel Energy Inc.	\$1.83	\$67.36	2.72%	2.80%	6.00%	6.20%	6.10%	6.10%	8.80%	8.90%	9.00%
PROXY GROUP MEAN			3.66%	3.76%	5.54%	5.10%	5.64%	5.38%	8.38%	9.14%	9.98%

Notes

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 180-day average as of June 30, 2021
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.50 x [8])
- [5] Source: Value Line
- [6] Source: Yahoo! Finance
- [7] Source: Zacks
- [8] Equals Average ([5], [6], [7])
- [9] Equals [3] x (1 + 0.50 x Minimum ([5], [6], [7]) + Minimum ([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.50 x Maximum ([5], [6], [7]) + Maximum ([5], [6], [7])

MARKET RISK PREMIUM DERIVED FROM S&P EARNINGS AND ESTIMATE REPORT

[7] S&P's estimate of the S&P 500 Dividend Yield	1.38%
[8] S&P's estimate of the S&P 500 Growth Rate	17.09%
[9] S&P 500 Estimated Required Market Return	18.59%

Notes:

[7] Source: S&P Dow Jones Indices, S&P 500 Earnings and Estimate Report, June 30, 2021

[8] Source: S&P Dow Jones Indices, S&P 500 Earnings and Estimate Report, June 30, 2021

[9] Equals $([7] \times (1 + (0.5 \times [8]))) + [8]$

MARKET RISK PREMIUM CALCULATION USING CAP. WEIGHTED BLOOMBERG GROWTH RATES

[10] Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.36%
[11] Cap. Weighted Estimate of the S&P 500 Growth Rate	16.31%
[12] Cap. Weighted S&P 500 Estimated Required Market Return	17.78%

Notes:

[10] Source: Bloomberg Professional, as of June 30, 2021

[11] Source: Bloomberg Professional, as of June 30, 2021

[12] Equals ((10) x (1 + (0.5 x [11]))) + [11]

Name	Ticker	Shares Outst'g	Price	Dividend Yield	Bloomberg Long-Term Growth Estimate	Market Cap Excl. n/a Growth	% of Total Market Cap.	Cap. Weighted Div. Yield	Cap. Weighted Long-Term Growth
LyondellBasell Industries NV	LYB	334.35	102.87	4.39	5.50	34,395.00	0.09%	0.40%	0.50%
American Express Co	AXP	803.30	165.23	1.04	35.24	132,729.75	0.35%	0.37%	12.47%
Verizon Communications Inc	VZ	4140.07	56.03	4.49	2.79	231,968.01	0.62%	2.77%	1.72%
Broadcom Inc	AVGO	410.26	476.84	3.02	19.60	195,628.86	0.52%	1.56%	10.22%
Boeing Co/The	BA	584.81	239.56	n/a	13.00	140,097.08	0.37%	n/a	4.86%
Caterpillar Inc	CAT	547.79	217.63	2.04	14.75	119,214.88	0.32%	0.65%	4.69%
JPMorgan Chase & Co	JPM	3027.13	155.54	2.31	7.30	470,839.49	1.26%	2.91%	9.16%
Chevron Corp	CVX	1932.76	104.74	5.12	-4.26	202,437.18	0.54%	2.76%	-2.30%
Coca-Cola Co/The	KO	4311.68	54.11	3.10	8.18	233,305.08	0.62%	1.93%	5.09%
AbbVie Inc	ABBV	1766.22	112.64	4.62	1.49	198,947.25	0.53%	2.45%	0.79%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	66.71	319,362.14	0.85%	n/a	56.80%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	15.51	21,342.60	0.06%	n/a	0.88%
Extra Space Storage Inc	EXR	133.73	163.82	2.44	5.30	21,907.32	0.06%	0.14%	0.31%
Exxon Mobil Corp	XOM	4233.54	63.08	5.52	17.21	267,051.64	0.71%	3.93%	12.25%
Phillips 66	PSX	437.87	85.82	4.19	15.29	37,577.75	0.10%	0.42%	1.53%
General Electric Co	GE	8778.64	13.46	0.30	53.13	118,160.51	0.32%	0.06%	16.74%
HP Inc	HPQ	1201.26	30.19	2.57	8.48	36,265.89	0.10%	0.25%	0.82%
Home Depot Inc/The	HD	1063.26	318.89	2.07	10.28	339,062.34	0.90%	1.87%	9.29%
Monolithic Power Systems Inc	MPWR	45.75	373.45	0.64	20.40	17,086.83	0.05%	0.03%	0.93%
International Business Machines Corp	IBM	693.52	146.59	4.48	9.81	130,981.54	0.35%	1.56%	3.42%
Johnson & Johnson	JNJ	2633.40	164.74	2.57	9.05	433,826.66	1.16%	2.98%	10.47%
McDonald's Corp	MCD	746.17	230.99	2.23	10.76	172,358.73	0.46%	1.03%	4.94%
Merck & Co Inc	MRK	2532.06	77.77	3.34	6.62	196,918.15	0.53%	1.76%	3.48%
3M Co	MMM	579.68	198.63	2.98	9.80	115,140.85	0.31%	0.91%	3.01%
American Water Works Co Inc	AWK	181.47	154.13	1.56	8.78	27,969.82	0.07%	0.12%	0.65%
Bank of America Corp	BAC	8569.32	41.23	1.75	11.27	353,312.98	0.94%	1.65%	10.61%
Baker Hughes Co	BKR	773.84	22.87	3.15	60.90	17,597.81	0.05%	0.15%	2.87%
Pfizer Inc	PFE	5597.69	39.16	3.98	1.97	219,205.70	0.58%	2.33%	1.15%
Procter & Gamble Co/The	PG	2448.23	134.93	2.58	6.90	330,340.08	0.88%	2.27%	6.08%
AT&T Inc	T	7140.00	28.78	7.23	1.98	205,489.20	0.55%	3.96%	1.09%
Travelers Cos Inc/The	TRV	251.47	149.71	2.35	9.38	37,646.83	0.10%	0.24%	0.94%
Raytheon Technologies Corp	RTX	1515.09	85.31	2.39	23.54	129,252.33	0.34%	0.82%	8.11%
Analog Devices Inc	ADI	368.83	172.16	1.60	11.13	63,497.26	0.17%	0.27%	1.88%
Walmart Inc	WMT	2802.15	141.02	1.56	6.90	395,158.63	1.05%	1.64%	7.27%
Cisco Systems Inc/Delaware	CSCO	4214.21	53.00	2.79	5.65	223,352.87	0.60%	1.56%	3.36%
General Motors Co	INTC	4039.00	56.14	2.48	6.07	226,693.32	0.60%	1.50%	3.67%
Microsoft Corp	GM	1450.67	59.17	n/a	11.77	85,836.20	0.23%	n/a	2.69%
Dollar General Corp	MSFT	7531.58	270.90	0.83	14.68	2,040,303.67	5.44%	4.50%	79.87%
Cigna Corp	DG	236.21	216.39	0.78	10.72	51,112.40	0.14%	0.11%	1.46%
Kindler Morgan Inc	CI	343.15	237.07	1.69	9.97	81,349.62	0.22%	0.37%	2.16%
Citigroup Inc	KMI	2264.68	18.23	5.92	6.35	41,283.35	0.11%	0.65%	0.70%
American International Group Inc	C	2067.05	70.75	2.88	17.82	146,243.65	0.39%	1.12%	6.95%
Altria Group Inc	AIG	858.14	47.60	2.69	20.10	40,847.51	0.11%	0.29%	2.19%
HCA Healthcare Inc	MO	1850.64	47.68	7.21	4.35	88,238.42	0.24%	1.70%	1.02%
Under Armour Inc	HCA	336.94	206.74	0.93	11.86	69,658.36	0.19%	0.17%	2.20%
International Paper Co	UA	188.62	21.15	n/a	39.44	3,989.36	0.01%	n/a	0.42%
Hewlett Packard Enterprise Co	IP	391.74	61.31	3.34	2.80	24,017.52	0.08%	0.21%	0.18%
Abbott Laboratories	HPE	1305.93	14.58	3.29	5.81	19,040.43	0.05%	0.17%	0.30%
Affac Inc	ABT	1776.82	115.93	1.55	12.05	205,968.74	0.55%	0.85%	6.62%
Air Products and Chemicals Inc	AFL	679.67	53.66	2.46	n/a	0.00	0.00%	0.00%	n/a
Royal Caribbean Cruises Ltd	APD	221.31	287.68	2.09	14.21	63,667.61	0.17%	0.35%	2.41%
Hess Corp	RCL	254.57	85.26	n/a	n/a	0.00	0.00%	n/a	n/a
Archer-Daniels-Midland Co	HES	308.42	87.32	1.15	7.77	26,931.32	0.07%	0.08%	0.56%
Automatic Data Processing Inc	ADM	558.70	60.60	2.44	4.50	33,857.34	0.09%	0.22%	0.41%
Verisk Analytics Inc	ADP	425.52	198.62	1.87	8.60	84,516.39	0.23%	0.42%	1.94%
Verisk Analytics Inc	VRSK	162.09	174.72	0.66	7.49	28,320.54	0.08%	0.05%	0.57%
AutoZone Inc	AZ	21.55	1492.22	n/a	11.61	32,149.88	0.08%	n/a	1.00%
Avery Dennison Corp	AVY	83.01	210.24	1.29	5.65	17,461.60	0.05%	0.08%	0.26%
Enphase Energy Inc	ENPH	135.70	183.63	n/a	n/a	0.00	0.00%	n/a	n/a
MSCI Inc	MSCI	82.42	533.08	0.59	15.00	43,938.05	0.12%	0.07%	1.76%
Ball Corp	BLL	328.26	81.02	0.74	8.17	26,595.22	0.07%	0.05%	0.58%
Carrier Global Corp	CARR	869.00	48.60	0.98	16.18	42,233.35	0.11%	0.11%	1.82%
Bank of New York Mellon Corp/The	BK	875.48	51.23	2.42	9.17	44,850.89	0.12%	0.29%	1.10%
Otis Worldwide Corp	OTIS	429.14	81.77	1.17	8.50	35,091.02	0.09%	0.11%	0.80%
Baxter International Inc	BAX	502.85	80.60	1.39	11.10	40,479.59	0.11%	0.15%	1.20%
Becton Dickinson and Co	BDX	290.82	243.19	1.37	8.21	70,724.27	0.19%	0.26%	1.55%
Berkshire Hathaway Inc	BRK/B	1326.57	277.92	n/a	-0.70	368,680.89	0.98%	n/a	-0.69%
Best Buy Co Inc	BBY	250.47	114.98	2.44	3.13	28,799.39	0.08%	0.19%	0.24%
Boston Scientific Corp	BSX	1420.91	42.76	n/a	14.52	60,758.15	0.16%	n/a	2.35%
Bristol-Myers Squibb Co	BMJ	2232.84	66.82	2.93	4.08	149,198.64	0.40%	1.17%	1.62%
Fortune Brands Home & Security Inc	FBHS	138.60	99.61	1.04	12.50	13,805.75	0.04%	0.04%	0.46%
Brown-Forman Corp	BF/B	309.69	74.94	0.96	5.43	23,208.24	0.06%	0.06%	0.34%
Cabot Oil & Gas Corp	COG	399.66	17.46	2.52	43.22	6,978.13	0.02%	0.05%	0.80%
Campbell Soup Co	CPB	303.05	45.59	3.25	7.39	13,816.10	0.04%	0.12%	0.27%

AbbVie Inc	ABBV	1766.22	112.64	4.62	1.49	198,947.25	0.53%	2.45%	0.79%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	66.71	319,362.14	0.85%		56.80%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	15.51	21,342.60	0.06%		0.88%
Kansas City Southern	KSU	90.93	283.37	0.76	12.95	25,767.97	0.07%	0.05%	0.89%
Hilton Worldwide Holdings Inc	HLT	278.53	120.62	n/a	134.90	33,596.77	0.09%		12.08%
Carnival Corp	CCL	973.83	26.36	n/a	-115.66	25,670.03	0.07%		-7.92%
Qorvo Inc	QRVO	111.26	195.65	n/a	18.96	21,768.41	0.06%		1.10%
Lumen Technologies Inc	LUMN	1105.31	13.59	7.36	-4.14	15,021.20	0.04%	0.29%	-0.17%
UDR Inc	UDR	296.85	48.98	2.96	3.92	14,539.57	0.04%	0.11%	0.15%
Clorox Co/The	CLX	124.37	179.91	2.58	3.90	22,375.77	0.06%	0.15%	0.23%
Paycom Software Inc	PAYC	60.18	363.47	n/a	27.80	21,874.72	0.06%		1.62%
CMS Energy Corp	CMS	289.46	59.08	2.95	5.74	17,101.30	0.05%	0.13%	0.26%
Newell Brands Inc	NWL	425.30	27.47	3.35	3.00	11,682.99	0.03%	0.10%	0.09%
Colgate-Palmolive Co	CL	845.97	81.35	2.21	6.07	68,819.58	0.18%	0.41%	1.11%
Comerica Inc	CMA	139.61	71.34	3.81	19.36	9,959.99	0.03%	0.10%	0.51%
IPG Photonics Corp	IPGP	53.58	210.77	n/a	41.98	11,292.85	0.03%		1.26%
Conagra Brands Inc	CAG	479.95	36.38	3.02	7.80	17,460.47	0.05%	0.14%	0.36%
Consolidated Edison Inc	ED	353.07	71.72	4.32	4.60	25,322.32	0.07%	0.29%	0.31%
Corning Inc	GLW	851.36	40.90	2.35	17.33	34,820.50	0.09%	0.22%	1.61%
Cummins Inc	CMI	146.20	243.81	2.21	10.55	35,645.75	0.10%	0.21%	1.00%
Caesars Entertainment Inc	CZR	208.70	103.75	n/a	132.11	21,652.52	0.06%		7.63%
Danaher Corp	DHR	713.28	268.36	0.31	15.80	191,415.55	0.51%	0.16%	8.06%
Target Corp	TGT	494.72	241.74	1.49	17.55	119,594.58	0.32%	0.47%	5.60%
Deere & Co	DE	311.94	352.71	1.02	25.73	110,025.06	0.29%	0.30%	7.55%
Dominion Energy Inc	D	806.52	73.57	3.43	7.02	59,335.97	0.16%	0.54%	1.11%
Dover Corp	DOV	143.93	150.60	1.31	12.03	21,675.41	0.06%	0.08%	0.70%
Alliant Energy Corp	LNT	250.14	55.76	2.89	5.88	13,947.53	0.04%	0.11%	0.22%
Duke Energy Corp	DUK	769.22	98.72	3.91	4.12	75,937.10	0.20%	0.79%	0.83%
Regency Centers Corp	REG	169.86	64.07	3.71	8.38	10,883.06	0.03%	0.11%	0.24%
Eaton Corp PLC	ETN	398.50	148.18	2.05	13.33	59,049.73	0.16%	0.32%	2.10%
Ecolab Inc	ECL	285.94	205.97	0.93	15.50	58,894.44	0.16%	0.15%	2.43%
PerkinElmer Inc	PKI	112.09	154.41	0.18	-9.77	17,307.97	0.05%	0.01%	-0.45%
Emerson Electric Co	EMR	599.70	96.24	2.10	10.48	57,715.13	0.15%	0.32%	1.61%
EOG Resources Inc	EOG	583.61	83.44	1.98	18.54	48,696.00	0.13%	0.26%	2.41%
Aon PLC	AON	225.65	238.76	0.85	13.65	53,875.48	0.14%	0.12%	1.98%
Entergy Corp	ETR	200.66	99.70	3.81	3.85	20,005.80	0.05%	0.20%	0.21%
Equifax Inc	EFX	121.70	239.51	0.65	14.13	29,149.09	0.08%	0.05%	1.10%
IQVIA Holdings Inc	IQV	191.66	242.32	n/a	19.60	46,443.29	0.12%		2.43%
Gartner Inc	IT	86.08	242.20	n/a	13.50	20,847.85	0.06%		0.75%
FedEx Corp	FDX	265.34	298.33	1.01	14.04	79,159.48	0.21%	0.21%	2.96%
FMC Corp	FMC	128.88	108.20	1.77	9.60	13,944.49	0.04%	0.07%	0.36%
Ford Motor Co	F	3920.79	14.86	n/a	56.19	58,262.97	0.16%		8.73%
NextEra Energy Inc	NEE	1961.45	73.28	2.10	8.25	143,734.69	0.38%	0.81%	3.16%
Franklin Resources Inc	BEN	504.32	31.99	3.50	13.00	16,133.29	0.04%	0.15%	0.56%
Freeport-McMoRan Inc	FCX	1465.53	37.11	0.81	28.67	54,385.71	0.15%	0.12%	4.16%
Gap Inc/The	GPS	377.60	33.65	1.43	12.00	12,706.31	0.03%	0.05%	0.41%
Dexcom Inc	DXCM	96.71	427.00	n/a	13.11	41,293.46	0.11%		1.44%
General Dynamics Corp	GD	282.60	188.26	2.53	7.86	53,201.90	0.14%	0.36%	1.11%
General Mills Inc	GIS	609.97	60.93	3.35	6.35	37,165.53	0.10%	0.33%	0.63%
Genuine Parts Co	GPC	144.47	126.47	2.58	9.21	18,271.37	0.05%	0.13%	0.45%
Atmos Energy Corp	ATO	130.79	96.11	2.60	7.43	12,569.94	0.03%	0.09%	0.25%
WW Grainger Inc	GWW	52.11	438.00	1.48	12.80	22,824.18	0.06%	0.09%	0.78%
Halliburton Co	HAL	889.72	23.12	0.78	42.98	20,570.30	0.05%	0.04%	2.36%
L3Harris Technologies Inc	LHX	204.98	216.15	1.89	9.50	44,307.29	0.12%	0.22%	1.12%
Healthpeak Properties Inc	PEAK	538.93	33.29	3.60	14.56	17,941.11	0.05%	0.17%	0.70%
Catalant Inc	CTLT	170.34	108.12	n/a	20.92	18,417.38	0.05%		1.03%
Fortive Corp	FTV	338.53	69.74	0.40	9.60	23,608.80	0.06%	0.03%	0.60%
Hershey Co/The	HSY	146.38	174.18	1.85	7.65	25,496.99	0.07%	0.13%	0.52%
Synchrony Financial	SYF	581.60	48.52	1.81	34.70	28,219.18	0.08%	0.14%	2.61%
Hormel Foods Corp	HRL	542.08	47.75	2.05	5.93	25,884.08	0.07%	0.14%	0.41%
Arthur J Gallagher & Co	AJG	206.24	140.08	1.37	9.55	28,889.68	0.08%	0.11%	0.74%
Mondelez International Inc	MDLZ	1404.71	62.44	2.02	9.89	87,710.15	0.23%	0.47%	2.27%
CenterPoint Energy Inc	CNP	580.50	24.52	2.61	4.06	14,233.76	0.04%	0.10%	0.15%
Humana Inc	HUM	129.01	442.72	0.63	12.55	57,117.08	0.15%	0.10%	1.91%
Willis Towers Watson PLC	WLTW	128.98	230.02	1.23	12.00	29,667.29	0.08%	0.10%	0.95%
Illinois Tool Works Inc	ITW	315.88	223.56	2.04	13.86	70,618.80	0.19%	0.38%	2.61%
CDW Corp/DE	CDW	140.20	174.65	0.92	13.10	24,486.63	0.07%	0.08%	0.86%
Trane Technologies PLC	TT	239.15	184.14	1.28	17.25	44,036.71	0.12%	0.15%	2.03%
Interpublic Group of Cos Inc/The	IPG	393.38	32.49	3.32	5.28	12,780.79	0.03%	0.11%	0.18%
International Flavors & Fragrances Inc	IFF	248.92	149.40	2.06	15.99	37,188.65	0.10%	0.20%	1.59%
Jacobs Engineering Group Inc	J	130.22	133.42	0.63	14.66	17,373.29	0.05%	0.03%	0.68%
Generac Holdings Inc	GNRC	62.96	415.15	n/a	6.50	26,135.77	0.07%		0.45%
NXP Semiconductors NV	NXPI	275.75	205.72	1.09	25.85	56,727.29	0.15%	0.17%	3.91%
Hanesbrands Inc	HBI	349.12	18.87	3.21	7.00	6,517.98	0.02%	0.08%	0.12%
Kellogg Co	K	340.50	64.33	3.61	3.30	21,904.11	0.06%	0.21%	0.19%
Broadridge Financial Solutions Inc	BR	116.13	161.53	1.42	12.30	18,757.83	0.05%	0.07%	0.62%
Perrigo Co PLC	PRGO	133.55	45.85	2.09	n/a	0.00	0.00%		0.00%
Kimberly-Clark Corp	KMB	337.43	133.78	3.41	3.80	45,141.65	0.12%	0.41%	0.46%
Kimco Realty Corp	KIM	433.52	20.85	3.26	12.63	9,038.81	0.02%	0.08%	0.30%
Oracle Corp	ORCL	2792.00	77.84	1.64	7.03	217,329.28	0.58%	0.95%	4.08%
Kroger Co/The	KR	747.24	38.31	2.19	7.11	28,626.69	0.08%	0.17%	0.54%
Leggett & Platt Inc	LEG	133.23	51.81	3.24	n/a	0.00	0.00%		0.00%
Lennar Corp	LEN	275.76	99.35	1.01	23.20	27,386.76	0.07%	0.07%	1.69%
Eli Lilly & Co	LLY	959.03	229.52	1.48	15.28	220,115.42	0.59%	0.87%	8.96%
L Brands Inc	LB	276.82	72.06	0.83	20.00	19,947.72	0.05%	0.04%	1.06%
Charter Communications Inc	CHTR	188.67	721.45	n/a	35.21	136,113.09	0.36%		12.78%
Lincoln National Corp	LNC	190.37	62.84	2.67	28.27	11,963.04	0.03%	0.09%	0.90%
Loews Corp	L	263.18	54.65	0.46	n/a	0.00	0.00%		0.00%
Lowe's Cos Inc	LOW	708.89	193.97	1.65	13.52	137,115.45	0.37%	0.60%	4.94%
IDEX Corp	IEX	75.93	220.05	0.98	14.23	16,708.62	0.04%	0.04%	0.63%
Marsh & McLennan Cos Inc	MMC	509.48	140.68	1.32	9.78	71,673.93	0.19%	0.25%	1.87%
Masco Corp	MAS	253.79	58.91	1.60	8.70	14,950.53	0.04%	0.06%	0.35%
S&P Global Inc	SPGI	240.90	410.45	0.75	8.90	98,877.41	0.26%	0.20%	2.35%
Medtronic PLC	MDT	1343.90	124.13	2.03	12.14	166,818.80	0.44%	0.90%	5.40%
Viatris Inc	VTRS	1208.66	14.29	3.08	-5.51	17,271.69	0.05%	0.14%	-0.25%
CVS Health Corp	CVS	1316.57	83.44	2.40	6.85	109,854.43	0.29%	0.70%	2.01%
DuPont de Nemours Inc	DD	532.14	77.41	1.55	8.84	41,193.11	0.11%	0.17%	0.97%
Micron Technology Inc	MU	1121.42	84.98	n/a	20.49	95,297.93	0.25%		5.21%
Motorola Solutions Inc	MSI	169.67	216.85	1.31	12.20	36,792.51	0.10%	0.13%	1.20%

AbbVie Inc	ABBV	1768.22	112.64	4.62	1.49	198,947.25	0.53%	2.45%	0.79%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	66.71	319,362.14	0.85%		56.80%
FleetCor Technologies Inc	FLT	83.35	266.06	n/a	15.51	21,342.60	0.06%		0.88%
Cboe Global Markets Inc	CBOE	106.69	119.05	1.41	2.85	12,700.97	0.03%	0.05%	0.10%
Laboratory Corp of America Holdings	LH	97.64	275.85	n/a	-10.33	28,934.27	0.07%		-0.74%
Newmont Corp	NEM	801.16	63.38	3.47	-6.70	50,777.65	0.14%	0.47%	-0.91%
NIKE Inc	NKE	1274.96	154.49	0.71	19.28	196,967.95	0.53%	0.37%	10.12%
NiSource Inc	NI	392.22	24.50	3.59	6.72	9,609.32	0.03%	0.09%	0.17%
Norfolk Southern Corp	NSC	250.24	265.41	1.49	12.61	66,416.46	0.18%	0.26%	2.23%
Principal Financial Group Inc	PFJ	272.01	63.19	3.86	15.44	17,188.44	0.05%	0.18%	0.71%
Eversource Energy	ES	343.47	80.24	3.00	7.76	27,559.71	0.07%	0.22%	0.57%
Northrop Grumman Corp	NOC	160.96	363.43	1.73	5.67	58,498.06	0.16%	0.27%	0.88%
Wells Fargo & Co	WFC	4133.57	45.29	0.88	20.80	187,209.48	0.50%	0.44%	10.38%
Nucor Corp	NUE	299.24	95.93	1.69	12.00	28,706.29	0.08%	0.13%	0.92%
PVH Corp	PVH	71.36	107.59	n/a	26.54	7,677.62	0.02%		0.54%
Occidental Petroleum Corp	OXY	933.42	31.27	0.13	18.00	29,188.01	0.08%	0.01%	1.40%
Omnicom Group Inc	OMC	215.08	79.99	3.50	12.48	17,204.33	0.05%	0.16%	0.57%
ONEOK Inc	OKE	445.54	55.64	6.72	11.30	24,789.68	0.07%	0.44%	0.75%
Raymond James Financial Inc	RJF	137.42	129.90	1.20	16.50	17,850.60	0.05%	0.06%	0.79%
Parker-Hannifin Corp	PH	129.06	307.11	1.34	12.88	39,634.39	0.11%	0.14%	1.36%
Rollins Inc	ROL	492.12	34.20	0.94	n/a	0.00	0.00%	0.00%	
PPL Corp	PPL	769.42	27.97	5.93	2.70	21,520.59	0.06%	0.34%	0.15%
ConocoPhillips	COP	1349.42	60.90	2.82	2.50	82,179.56	0.22%	0.62%	0.55%
PulteGroup Inc	PHM	262.97	54.57	1.03	n/a	0.00	0.00%	0.00%	
Pinnacle West Capital Corp	PNW	112.75	81.97	4.05	2.53	9,242.20	0.02%	0.10%	0.08%
PNC Financial Services Group Inc/The	PNC	424.86	190.76	2.41	25.52	81,045.91	0.22%	0.52%	5.52%
PPG Industries Inc	PPG	237.09	169.77	1.27	4.57	40,250.94	0.11%	0.14%	0.49%
Progressive Corp/The	PGR	585.30	98.21	0.41	0.62	57,482.31	0.15%	0.06%	0.10%
Public Service Enterprise Group Inc	PEG	505.48	59.74	3.41	4.54	30,197.38	0.08%	0.27%	0.37%
Robert Half International Inc	RHI	112.78	89.97	1.71	11.12	10,034.13	0.03%	0.05%	0.30%
Edison International	EIX	379.44	57.82	4.58	4.65	21,939.11	0.08%	0.27%	0.27%
Schlumberger NV	SLB	1398.33	32.01	1.56	48.38	44,760.61	0.12%	0.19%	5.77%
Charles Schwab Corp/The	SCHW	1807.05	72.81	0.99	13.45	131,571.53	0.35%	0.35%	4.72%
Sherwin-Williams Co/The	SHW	265.95	272.45	0.81	6.02	72,458.08	0.19%	0.16%	1.16%
West Pharmaceutical Services Inc	WST	73.82	359.10	0.19	18.15	26,510.20	0.07%	0.01%	1.28%
J M Smucker Co/The	SJM	108.34	129.57	2.78	1.03	14,038.13	0.04%	0.10%	0.04%
Snap-on Inc	SNA	54.08	223.43	2.20	8.22	12,083.09	0.03%	0.07%	0.26%
AMETEK Inc	AME	230.92	133.50	0.60	11.63	30,827.69	0.08%	0.06%	0.96%
Southern Co/The	SO	1059.66	80.51	4.36	4.93	64,120.09	0.17%	0.75%	0.84%
Truist Financial Corp	TFC	1344.85	55.50	3.24	10.86	74,638.90	0.20%	0.65%	2.16%
Southwest Airlines Co	LUV	591.38	53.09	n/a	n/a	0.00	0.00%		
W R Berkley Corp	WRB	177.38	74.43	0.70	20.93	13,202.47	0.04%	0.02%	0.74%
Stanley Black & Decker Inc	SWK	161.50	204.99	1.37	12.83	33,104.86	0.09%	0.12%	1.13%
Public Storage	PSA	174.98	300.69	2.66	6.79	52,614.13	0.14%	0.37%	0.95%
Arista Networks Inc	ANET	76.32	362.31	n/a	11.19	27,652.22	0.07%		0.83%
Sysco Corp	SY	511.58	77.75	2.42	19.00	39,775.50	0.11%	0.26%	2.01%
Corteva Inc	CTVA	738.32	44.35	1.17	16.08	32,744.54	0.09%	0.10%	1.40%
Texas Instruments Inc	TXN	923.52	192.30	2.12	10.57	177,593.67	0.47%	1.00%	5.00%
Textron Inc	TXT	225.71	68.77	0.12	29.59	15,522.01	0.04%	0.00%	1.22%
Thermo Fisher Scientific Inc	TMO	393.03	504.47	0.21	8.80	198,270.84	0.53%	0.11%	4.65%
TJX Cos Inc/The	TJX	1206.49	67.42	1.54	67.90	81,341.35	0.22%	0.33%	14.73%
Globe Life Inc	GL	103.05	95.25	0.83	n/a	0.00	0.00%	0.00%	
Johnson Controls International plc	JCI	716.72	69.63	1.57	13.70	49,188.15	0.13%	0.21%	1.80%
Ulta Beauty Inc	ULTA	54.76	345.77	n/a	33.30	18,933.67	0.05%		1.68%
Union Pacific Corp	UNP	664.30	219.93	1.95	10.57	146,100.16	0.39%	0.76%	4.12%
Keysight Technologies Inc	KEYS	184.23	154.41	n/a	11.92	28,446.34	0.08%		0.90%
UnitedHealth Group Inc	UNH	943.70	400.44	1.45	11.77	377,899.03	1.01%	1.46%	11.86%
Unum Group	UNM	204.24	28.40	4.23	5.19	5,800.44	0.02%	0.07%	0.08%
Marathon Oil Corp	MRO	788.15	13.62	1.17	6.00	10,734.64	0.03%	0.03%	0.17%
Bio-Rad Laboratories Inc	BIO	24.69	644.29	n/a	11.45	15,909.45	0.04%		0.49%
Ventas Inc	VTR	375.20	57.10	3.15	14.20	21,423.81	0.06%	0.18%	0.81%
VF Corp	VFC	392.36	82.04	2.39	29.33	32,188.89	0.09%	0.21%	2.52%
Vornado Realty Trust	VNO	191.47	46.67	4.54	-2.07	8,935.67	0.02%	0.11%	-0.05%
Vulcan Materials Co	VMC	132.67	174.07	0.85	15.74	23,093.00	0.08%	0.05%	0.97%
Weyerhaeuser Co	WY	749.22	34.42	1.98	n/a	0.00	0.00%	0.00%	
Whirlpool Corp	WHR	62.63	218.02	2.57	7.66	13,653.50	0.04%	0.09%	0.28%
Williams Cos Inc/The	WMB	1214.78	26.55	6.18	5.90	32,251.93	0.09%	0.53%	0.51%
WEC Energy Group Inc	WEC	315.44	88.95	3.05	6.30	28,057.94	0.07%	0.23%	0.47%
Adobe Inc	ADBE	478.00	585.64	n/a	17.78	279,935.92	0.75%		13.27%
AES Corp/The	AES	666.26	26.07	2.31	8.33	17,369.32	0.05%	0.11%	0.39%
Amgen Inc	AMGN	574.55	243.75	2.89	7.75	140,047.54	0.37%	1.08%	2.89%
Apple Inc	AAPL	16887.63	136.96	0.64	12.33	2,285,537.94	6.09%	3.92%	75.10%
Autodesk Inc	ADSK	220.01	291.90	n/a	27.15	64,221.79	0.17%		4.65%
Cintas Corp	CTAS	105.05	382.00	0.79	10.35	40,130.25	0.11%	0.08%	1.11%
Comcast Corp	CMCSA	4584.85	57.02	1.75	13.14	261,427.86	0.70%	1.22%	9.16%
Molson Coors Beverage Co	TAP	200.53	53.89	n/a	5.23	10,766.62	0.03%		0.15%
KLA Corp	KLAC	153.28	324.21	1.11	12.25	49,695.56	0.13%	0.15%	1.62%
Mariott International Inc/MD	MAR	325.64	136.52	n/a	121.20	44,458.24	0.12%		14.37%
McCormick & Co Inc/MD	MKC	249.00	88.32	1.54	5.87	21,991.94	0.06%	0.09%	0.34%
PACCAR Inc	PCAR	347.16	89.25	1.52	13.50	30,983.67	0.08%	0.13%	1.12%
Costco Wholesale Corp	COST	442.07	395.67	0.80	9.90	174,913.44	0.47%	0.37%	4.62%
First Republic Bank/CA	FRC	178.25	187.17	0.47	14.15	32,989.09	0.09%	0.04%	1.24%
Stryker Corp	SYK	376.75	259.73	0.97	10.97	97,852.76	0.26%	0.25%	2.86%
Tyson Foods Inc	TSN	294.77	73.76	2.41	6.33	21,742.46	0.06%	0.14%	0.37%
Lamb Weston Holdings Inc	LW	146.28	80.66	1.17	13.16	11,799.11	0.03%	0.04%	0.41%
Applied Materials Inc	AMAT	913.98	142.40	0.67	19.08	130,150.89	0.35%	0.23%	6.62%
American Airlines Group Inc	AAL	641.38	21.21	n/a	-118.89	13,803.73	0.04%		-4.24%
Cardinal Health Inc	CAH	290.15	57.09	3.44	4.79	16,564.55	0.04%	0.15%	0.21%
Cerner Corp	CERN	301.32	78.16	1.13	9.66	23,550.94	0.06%	0.07%	0.61%
Cincinnati Financial Corp	CINF	161.10	118.62	2.16	n/a	0.00	0.00%	0.00%	
ViacomCBS Inc	VIAC	605.59	45.20	2.12	2.55	27,372.49	0.07%	0.16%	0.19%
DR Horton Inc	DHI	360.48	90.37	0.89	15.10	32,576.94	0.09%	0.08%	1.31%
Electronic Arts Inc	EA	285.73	143.83	0.47	20.75	41,097.12	0.11%	0.05%	2.27%
Expeditors International of Washington Inc	EXPD	168.89	126.60	0.92	15.35	21,380.97	0.06%	0.05%	0.88%
Fastenal Co	FAST	574.34	52.00	2.15	8.70	29,865.73	0.08%	0.17%	0.69%
M&T Bank Corp	MTB	128.65	145.31	3.03	8.82	18,694.71	0.05%	0.15%	0.44%
Xcel Energy Inc	XEL	538.21	65.88	2.78	6.20	35,457.08	0.09%	0.26%	0.59%
Fiserv Inc	FISV	666.77	108.89	n/a	17.70	71,270.94	0.19%		3.36%
Fifth Third Bancorp	FITB	703.97	38.23	2.83	18.25	26,912.62	0.07%	0.20%	1.31%

AbbVie Inc	ABBV	1766.22	112.64	4.62	1.49	198,947.25	0.53%	2.45%	0.79%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	66.71	319,362.14	0.85%		56.80%
FleetCor Technologies Inc	FLT	83.35	266.06	n/a	15.51	21,342.60	0.06%		0.88%
Gilead Sciences Inc	GILD	1254.18	68.86	4.12	10.30	86,362.70	0.23%	0.95%	2.37%
Hasbro Inc	HAS	137.57	94.52	2.88	13.80	13,003.02	0.03%	0.10%	0.48%
Huntington Bancshares Inc/OH	HBAN	1476.43	14.27	4.20	29.09	21,068.60	0.06%	0.24%	1.63%
Welltower Inc	WELL	417.52	83.10	2.94	16.88	34,695.00	0.09%	0.27%	1.56%
Biogen Inc	BIIB	150.56	346.27	n/a	-5.82	52,132.68	0.14%		-0.81%
Northern Trust Corp	NTRS	208.14	115.62	2.42	13.16	24,065.15	0.06%	0.16%	0.84%
Packaging Corp of America	PKG	94.99	135.42	2.95	3.00	12,864.09	0.03%	0.10%	0.10%
Paychex Inc	PAYX	359.80	107.30	2.46	7.70	38,606.54	0.10%	0.25%	0.79%
People's United Financial Inc	PBCT	427.63	17.14	4.26	n/a	0.00	0.00%	0.00%	
QUALCOMM Inc	QCOM	1128.00	142.93	1.90	25.45	161,225.04	0.43%	0.82%	10.94%
Roper Technologies Inc	ROP	105.24	470.20	0.48	13.87	49,483.38	0.13%	0.06%	1.83%
Ross Stores Inc	ROST	357.12	124.00	0.92	42.10	44,283.00	0.12%	0.11%	4.97%
IDEXX Laboratories Inc	IDXX	85.28	631.55	n/a	15.91	53,859.22	0.14%		2.27%
Starbucks Corp	SBUX	1178.30	111.81	1.61	26.80	131,745.72	0.35%	0.57%	9.41%
KeyCorp	KEY	970.52	20.65	3.58	17.39	20,041.22	0.05%	0.19%	0.93%
Fox Corp	FOXA	326.94	37.13	1.24	7.91	12,139.21	0.03%	0.04%	0.26%
Fox Corp	FOX	253.27	35.20	1.31	7.91	8,915.07	0.02%	0.03%	0.19%
State Street Corp	STT	347.77	82.28	2.53	9.34	28,614.35	0.08%	0.19%	0.71%
Norwegian Cruise Line Holdings Ltd	NCLH	369.93	28.41	n/a	-96.28	10,879.73	0.03%		-2.79%
US Bancorp	USB	1469.68	56.97	2.95	8.80	84,886.96	0.23%	0.67%	1.99%
A O Smith Corp	AOS	134.47	72.06	1.44	10.00	9,689.69	0.03%	0.04%	0.26%
NortonLifeLock Inc	NLOK	579.95	27.22	1.84	10.45	15,786.10	0.04%	0.08%	0.44%
T Rowe Price Group Inc	TROW	226.86	197.97	2.18	13.16	44,910.68	0.12%	0.26%	1.58%
Waste Management Inc	WM	422.04	140.11	1.64	11.10	59,132.16	0.16%	0.26%	1.75%
Constellation Brands Inc	STZ	169.00	233.89	1.30	7.55	39,527.18	0.11%	0.14%	0.80%
Xilinx Inc	XLNX	245.88	144.64	n/a	9.50	35,563.65	0.09%		0.90%
DENTSPLY SIRONA Inc	XRAY	218.32	63.26	0.70	21.51	13,810.80	0.04%	0.03%	0.79%
Zions Bancorp NA	ZION	163.52	52.86	2.57	11.20	8,659.31	0.02%	0.06%	0.26%
Alaska Air Group Inc	ALK	124.48	60.31	n/a	n/a	0.00	0.00%		
Invesco Ltd	IVZ	461.45	26.73	2.54	16.53	12,334.59	0.03%	0.08%	0.54%
Linde PLC	LIN	518.89	289.10	1.47	10.27	150,011.10	0.40%	0.59%	4.11%
Intuit Inc	INTU	273.26	490.17	0.48	15.52	133,943.36	0.36%	0.17%	5.54%
Morgan Stanley	MS	1860.59	91.69	1.53	5.51	170,587.41	0.45%	0.69%	2.51%
Microchip Technology Inc	MCHP	273.53	149.74	1.10	12.95	40,958.53	0.11%	0.12%	1.41%
Chubb Ltd	CB	449.69	158.94	2.01	16.70	71,473.89	0.19%	0.38%	3.18%
Hologic Inc	HOLX	256.23	66.72	n/a	13.09	17,095.87	0.05%		0.60%
Citizens Financial Group Inc	CFG	425.93	45.87	3.40	20.97	19,537.41	0.05%	0.18%	1.09%
O'Reilly Automotive Inc	ORLY	69.76	566.21	n/a	9.79	39,499.94	0.11%		1.03%
Allstate Corp/The	ALL	299.34	130.44	2.48	0.97	39,045.78	0.10%	0.26%	0.10%
Equity Residential	EQR	374.01	77.00	3.13	2.97	28,798.39	0.08%	0.24%	0.23%
BorgWarner Inc	BWA	239.85	48.54	1.40	24.56	11,642.22	0.03%	0.04%	0.76%
Organon & Co	OGN	253.52	30.26	n/a	n/a	0.00	0.00%		
Host Hotels & Resorts Inc	HST	705.09	17.09	n/a	n/a	0.00	0.00%		
Incyte Corp	INCY	219.92	84.13	n/a	61.69	18,502.12	0.05%		3.04%
Simon Property Group Inc	SPG	328.53	130.48	4.29	38.63	42,866.72	0.11%	0.49%	4.41%
Eastman Chemical Co	EMN	136.52	116.75	2.36	13.82	15,938.24	0.04%	0.10%	0.59%
Twitter Inc	TWTR	798.13	68.81	n/a	-2.00	54,919.12	0.15%		-0.29%
AvalonBay Communities Inc	AVB	139.61	208.69	3.05	4.39	29,134.17	0.08%	0.24%	0.34%
Prudential Financial Inc	PRU	394.00	102.47	4.49	6.94	40,373.18	0.11%	0.48%	0.75%
United Parcel Service Inc	UPS	723.32	207.97	1.95	14.06	150,428.24	0.40%	0.79%	5.64%
Walgreens Boots Alliance Inc	WBA	864.39	52.61	3.55	4.76	45,475.77	0.12%	0.43%	0.58%
STERIS PLC	STE	99.67	206.30	0.78	12.00	20,561.30	0.05%	0.04%	0.66%
McKesson Corp	MCK	154.67	191.24	0.88	5.52	29,578.52	0.08%	0.07%	0.44%
Lockheed Martin Corp	LMT	277.93	378.35	2.75	4.46	105,156.33	0.28%	0.77%	1.25%
AmerisourceBergen Corp	ABC	207.41	114.49	1.54	10.13	23,746.49	0.06%	0.10%	0.64%
Capital One Financial Corp	COF	451.49	154.69	1.03	48.32	69,840.83	0.19%	0.19%	9.00%
Waters Corp	WAT	61.70	345.61	n/a	7.08	21,324.14	0.06%		0.40%
Dollar Tree Inc	DLTR	231.95	99.50	n/a	9.99	23,079.42	0.06%		0.61%
Darden Restaurants Inc	DRI	130.84	145.99	3.01	12.28	19,101.77	0.05%	0.15%	0.63%
Domino's Pizza Inc	DPZ	38.83	466.49	0.81	13.95	18,112.87	0.05%	0.04%	0.67%
NVR Inc	NVR	3.64	4973.30	n/a	n/a	0.00	0.00%		
NetApp Inc	NTAP	223.22	81.82	2.44	10.02	18,263.61	0.05%	0.12%	0.49%
Citrix Systems Inc	CTXS	124.17	117.27	1.26	8.20	14,561.06	0.04%	0.05%	0.32%
DXC Technology Co	DXC	254.81	38.94	n/a	21.07	9,922.18	0.03%		0.56%
Old Dominion Freight Line Inc	ODFL	115.97	253.80	0.32	19.58	29,431.92	0.08%	0.02%	1.54%
DaVita Inc	DVA	106.20	120.43	n/a	14.84	12,789.67	0.03%		0.51%
Hartford Financial Services Group Inc/The	HIG	357.19	61.97	2.26	7.00	22,135.13	0.06%	0.13%	0.41%
Iron Mountain Inc	IRM	288.73	42.32	5.85	0.66	12,219.10	0.03%	0.19%	0.02%
Estee Lauder Cos Inc/The	EL	231.90	318.08	0.67	18.25	73,761.16	0.20%	0.13%	3.59%
Cadence Design Systems Inc	CDNS	278.27	136.82	n/a	11.80	38,072.22	0.10%		1.18%
Tyler Technologies Inc	TYL	40.74	452.37	n/a	19.70	18,429.10	0.05%		0.97%
Universal Health Services Inc	UHS	77.97	148.43	0.55	6.52	11,417.44	0.03%	0.02%	0.20%
Skyworks Solutions Inc	SWKS	165.09	191.75	1.04	20.67	31,658.58	0.08%	0.09%	1.74%
NOV Inc	NOV	390.64	15.32	n/a	n/a	0.00	0.00%		
Quest Diagnostics Inc	DGX	130.64	131.97	1.88	-6.93	17,240.30	0.05%	0.09%	-0.32%
Activision Blizzard Inc	ATVI	777.02	95.44	0.49	13.90	74,158.50	0.20%	0.10%	2.75%
Rockwell Automation Inc	ROK	116.08	286.02	1.50	13.07	33,200.34	0.09%	0.13%	1.16%
Kraft Heinz Co/The	KHC	1223.15	40.78	3.92	2.28	49,879.93	0.13%	0.52%	0.30%
American Tower Corp	AMT	454.70	270.14	1.88	16.87	122,831.58	0.33%	0.62%	5.52%
Regeneron Pharmaceuticals Inc	REGN	104.70	558.54	n/a	8.40	58,476.35	0.16%		1.31%
Amazon.com Inc	AMZN	504.32	3440.16	n/a	35.63	1,734,955.25	4.63%		164.80%
Jack Henry & Associates Inc	JKHY	74.28	163.51	1.13	12.47	12,146.01	0.03%	0.04%	0.40%
Ralph Lauren Corp	RL	48.61	117.81	2.33	81.99	5,727.22	0.02%	0.04%	1.25%
Boston Properties Inc	BXP	156.07	114.59	3.42	5.71	17,884.52	0.05%	0.16%	0.27%
Amphenol Corp	APH	597.62	68.41	0.85	12.97	40,882.91	0.11%	0.09%	1.41%
Howmet Aerospace Inc	HWM	434.33	34.47	n/a	35.55	14,971.18	0.04%		1.42%
Pioneer Natural Resources Co	PXD	243.95	162.52	1.38	29.55	39,647.08	0.11%	0.15%	3.12%
Valero Energy Corp	VLO	408.76	78.08	5.02	-4.23	31,915.98	0.09%	0.43%	-0.36%
Synopsys Inc	SNPS	152.58	275.79	n/a	15.18	42,078.66	0.11%		1.70%
Western Union Co/The	WU	409.25	22.97	4.09	4.57	9,400.52	0.03%	0.10%	0.11%
Etys Inc	ETSY	127.10	205.84	n/a	20.50	26,162.88	0.07%		1.43%
CH Robinson Worldwide Inc	CHRW	132.99	93.67	2.18	13.40	12,457.08	0.03%	0.07%	0.45%
Accenture PLC	ACN	634.14	294.79	1.19	11.13	186,937.25	0.50%	0.60%	5.55%
TransDigm Group Inc	TDG	54.89	647.29	n/a	25.16	35,531.04	0.09%		2.38%
Yum! Brands Inc	YUM	297.90	115.03	1.74	13.70	34,267.55	0.09%	0.16%	1.25%
Prologis Inc	PLD	739.75	119.53	2.11	6.74	88,421.72	0.24%	0.50%	1.59%

AbbVie Inc	ABBV	1769.22	112.84	4.62	1.49	198,947.25	0.53%	2.45%	0.79%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	66.71	319,362.14	0.85%		56.80%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	15.51	21,342.60	0.06%	0.28%	
FirstEnergy Corp	FE	543.90	37.21	4.19	5.40	20,238.52	0.05%	0.23%	0.29%
VeriSign Inc	VRSN	112.62	227.69	n/a	4.50	25,642.22	0.07%		0.31%
Quanta Services Inc	PWR	139.35	90.57	0.26	13.00	12,620.57	0.03%	0.01%	0.44%
Henry Schein Inc	HSIC	140.70	74.19	n/a	13.28	10,438.24	0.03%		0.37%
Ameren Corp	AEE	255.41	80.04	2.75	7.55	20,443.02	0.05%	0.15%	0.41%
ANSYS Inc	ANSS	87.15	347.06	n/a	12.12	30,246.97	0.08%		0.98%
NVIDIA Corp	NVDA	623.00	800.10	0.08	21.12	498,462.30	1.33%	0.11%	28.07%
Sealed Air Corp	SEE	151.99	59.25	1.35	7.64	9,005.41	0.02%	0.03%	0.18%
Cognizant Technology Solutions Corp	CTSH	527.41	69.26	1.39	11.45	36,528.56	0.10%	0.13%	1.12%
SVB Financial Group	SIVB	54.32	556.43	n/a	7.00	30,222.50	0.08%		0.56%
Intuitive Surgical Inc	ISRG	118.41	919.64	n/a	16.93	108,867.33	0.29%		4.91%
Take-Two Interactive Software Inc	TTWO	116.17	177.02	n/a	8.73	20,564.59	0.05%		0.48%
Republic Services Inc	RSRG	319.03	110.01	1.55	8.77	35,086.82	0.09%	0.14%	0.82%
eBay Inc	EBAY	681.26	70.21	1.03	13.53	47,831.41	0.13%	0.13%	1.73%
Goldman Sachs Group Inc/The	GS	339.76	379.53	1.32	12.31	128,949.87	0.34%	0.45%	4.23%
SBA Communications Corp	SBAC	109.35	318.70	0.73	8.00	34,848.25	0.09%	0.07%	0.74%
Sempra Energy	SRE	315.07	132.48	3.32	5.29	41,740.61	0.11%	0.37%	0.59%
Moody's Corp	MCO	187.20	362.37	0.69	11.10	67,835.66	0.18%	0.12%	2.01%
Booking Holdings Inc	BKNG	41.05	2188.09	n/a	62.25	89,827.66	0.24%		14.91%
F5 Networks Inc	FFIV	59.62	186.65	n/a	14.62	11,127.74	0.03%		0.43%
Akamai Technologies Inc	AKAM	162.99	116.60	n/a	11.50	19,004.87	0.05%		0.58%
Charles River Laboratories International Inc	CRL	50.25	369.92	n/a	14.23	18,589.59	0.05%		0.71%
MarketAxess Holdings Inc	MKTX	37.98	463.59	0.57	n/a	0.00	0.00%	0.00%	
Devon Energy Corp	DVN	676.90	29.19	1.51	31.20	19,758.71	0.05%	0.08%	1.64%
Alphabet Inc	GOOGL	300.75	2441.79	n/a	22.85	734,361.02	1.98%		44.73%
Teleflex Inc	TFX	46.73	401.79	0.34	13.25	16,776.85	0.05%	0.02%	0.66%
Allegion plc	ALLE	89.98	139.30	1.03	6.74	12,533.94	0.03%	0.03%	0.23%
Netflix Inc	NFLX	443.40	528.21	n/a	32.34	234,209.90	0.62%		20.19%
Agilent Technologies Inc	A	303.44	147.81	0.52	14.57	44,851.91	0.12%	0.06%	1.74%
Trimble Inc	TRMB	250.97	81.83	n/a	10.00	20,536.47	0.05%		0.55%
Anthem Inc	ANTM	244.84	381.80	1.18	13.44	93,480.29	0.25%	0.30%	3.35%
CME Group Inc	CME	359.09	212.68	1.69	7.10	76,372.11	0.20%	0.34%	1.45%
Juniper Networks Inc	JNPR	327.74	27.35	2.93	11.57	8,983.69	0.02%	0.07%	0.28%
BlackRock Inc	BLK	152.53	874.97	1.89	10.76	133,455.67	0.36%	0.67%	3.83%
DTE Energy Co	DTE	193.73	110.27	2.99	4.03	21,362.28	0.06%	0.17%	0.23%
Celanese Corp	CE	112.63	151.60	1.79	14.08	17,075.16	0.05%	0.08%	0.64%
Nasdaq Inc	NDQA	164.09	175.80	1.23	7.05	28,847.55	0.08%	0.09%	0.54%
Philip Morris International Inc	PM	1558.54	99.11	4.84	10.90	154,466.60	0.41%	1.99%	4.49%
Ingersoll Rand Inc	IR	419.45	48.81	n/a	14.80	20,473.50	0.05%		0.81%
salesforce.com Inc	CRM	926.00	244.27	n/a	17.98	226,194.02	0.60%		10.84%
Huntington Ingalls Industries Inc	HII	40.23	210.75	2.16	27.70	8,478.89	0.02%	0.05%	0.83%
MetLife Inc	MET	875.42	59.85	3.21	4.38	52,393.59	0.14%	0.45%	0.61%
Under Armour Inc	UA	233.92	18.57	n/a	39.44	4,343.86	0.01%		0.46%
Tapestry Inc	TPR	278.86	43.48	n/a	18.60	12,124.75	0.03%		0.60%
CSX Corp	CSX	2272.20	32.08	1.16	12.11	72,892.21	0.19%	0.23%	2.35%
Edwards Lifesciences Corp	EW	621.64	103.57	n/a	15.00	64,382.94	0.17%		2.57%
Ameriprise Financial Inc	AMP	115.91	248.88	1.82	13.20	28,846.44	0.08%	0.14%	1.02%
Zebra Technologies Corp	ZBRA	53.51	529.49	n/a	14.30	28,333.54	0.08%		1.08%
Zimmer Biomet Holdings Inc	ZBH	208.48	160.82	0.60	11.94	33,526.08	0.09%	0.05%	1.07%
CBRE Group Inc	CBRE	335.66	85.73	n/a	18.70	28,775.87	0.08%		1.43%
Mastercard Inc	MA	982.91	365.09	0.48	25.18	358,848.79	0.96%	0.46%	24.09%
CarMax Inc	KMX	162.94	129.15	n/a	14.42	21,043.06	0.08%		0.81%
Intercontinental Exchange Inc	ICE	562.77	118.70	1.11	7.88	66,800.32	0.18%	0.20%	1.40%
Fidelity National Information Services Inc	FIS	620.13	141.67	1.10	15.24	87,853.25	0.23%	0.28%	3.57%
Chipotle Mexican Grill Inc	CMG	28.15	1550.34	n/a	25.40	43,642.07	0.12%		2.96%
Wynn Resorts Ltd	WYNN	115.66	122.30	n/a	91.43	14,144.97	0.04%		3.45%
Live Nation Entertainment Inc	LYV	218.68	87.59	n/a	n/a	0.00	0.00%		
Assurant Inc	AIZ	80.57	156.18	1.69	17.78	9,459.35	0.03%	0.04%	0.45%
NRG Energy Inc	NRG	244.75	40.30	3.23	31.32	9,863.59	0.03%	0.08%	0.82%
Monster Beverage Corp	MNST	528.56	91.35	n/a	11.48	48,284.14	0.13%		1.48%
Regions Financial Corp	RF	961.29	20.18	3.07	23.20	19,398.73	0.05%	0.16%	1.20%
Mosaic Co/The	MOS	379.79	31.91	0.94	8.10	12,118.97	0.03%	0.03%	0.26%
Expedia Group Inc	EXPE	141.45	163.71	n/a	10.00	23,156.29	0.06%		0.62%
Evergy Inc	EVRG	226.99	60.43	3.54	6.35	13,717.19	0.04%	0.13%	0.23%
Discovery Inc	DISCA	168.65	30.68	n/a	6.80	5,174.30	0.01%		0.09%
CF Industries Holdings Inc	CF	214.52	51.45	2.33	15.10	11,036.80	0.03%	0.07%	0.44%
APA Corp	APA	377.97	21.63	0.46	10.39	8,175.66	0.02%	0.01%	0.23%
Leidos Holdings Inc	LDOS	141.42	101.10	1.35	11.07	14,297.56	0.04%	0.05%	0.42%
Alphabet Inc	GOOG	323.58	2506.32	n/a	22.85	810,995.03	2.16%		49.40%
Cooper Cos Inc/The	COO	49.25	396.27	0.02	10.50	19,515.50	0.05%	0.00%	0.55%
TE Connectivity Ltd	TEL	330.23	135.21	1.48	12.54	44,649.72	0.12%	0.18%	1.49%
Discover Financial Services	DFS	304.89	118.29	1.49	54.58	35,065.20	0.10%	0.14%	5.25%
Visa Inc	V	1691.81	233.82	0.55	20.11	395,578.08	1.05%	0.58%	21.21%
Mid-America Apartment Communities Inc	MAA	114.49	168.42	2.43	n/a	0.00	0.00%	0.00%	
Xylem Inc/NY	XYL	180.04	119.96	0.93	16.05	21,597.84	0.06%	0.05%	0.92%
Marathon Petroleum Corp	MPC	652.65	60.42	3.84	27.15	39,433.11	0.11%	0.40%	2.85%
Advanced Micro Devices Inc	AMD	1215.02	93.93	n/a	29.50	114,126.92	0.30%		8.98%
Tractor Supply Co	TSCO	115.26	186.06	1.12	8.53	21,444.53	0.08%	0.06%	0.49%
ResMed Inc	RMD	145.52	246.52	0.63	15.75	35,873.10	0.10%	0.06%	1.51%
Mettler-Toledo International Inc	MTD	23.27	1385.34	n/a	14.88	32,235.48	0.09%		1.28%
Copart Inc	CPRT	236.58	131.83	n/a	n/a	0.00	0.00%		
Fortinet Inc	FTNT	163.32	238.19	n/a	15.13	38,900.71	0.10%		1.57%
Albermarle Corp	ALB	116.72	168.46	0.93	15.95	19,662.99	0.05%	0.05%	0.84%
Essex Property Trust Inc	ESS	65.00	300.01	2.79	6.41	19,500.35	0.05%	0.14%	0.33%
Realty Income Corp	O	379.81	66.74	4.23	5.82	25,348.39	0.07%	0.29%	0.39%
Westrock Co	WRK	266.12	53.22	1.80	24.05	14,162.89	0.04%	0.07%	0.91%
IHS Markit Ltd	INFO	398.61	112.66	0.71	11.60	44,907.63	0.12%	0.09%	1.39%
Westinghouse Air Brake Technologies Corp	WAB	189.00	82.30	0.58	9.97	15,554.54	0.04%	0.02%	0.41%
Pool Corp	POOL	40.11	458.66	0.70	n/a	0.00	0.00%	0.00%	
Western Digital Corp	WDC	306.45	71.17	n/a	5.97	21,810.26	0.06%		0.35%
PepsiCo Inc	PEP	1381.63	148.17	2.90	7.79	204,716.27	0.55%	1.58%	4.25%
Diamondback Energy Inc	FANG	181.00	93.89	1.70	22.17	16,993.81	0.05%	0.08%	1.00%
Maxim Integrated Products Inc	MXIM	268.36	105.36	n/a	11.95	28,274.83	0.08%		0.90%
ServiceNow Inc	NOW	197.45	549.55	n/a	38.37	108,507.55	0.29%		10.52%
Church & Dwight Co Inc	CHD	245.25	85.22	1.19	7.33	20,899.86	0.06%	0.07%	0.41%
Duke Realty Corp	DRE	374.99	47.35	2.15	5.07	17,755.54	0.05%	0.10%	0.24%

AbbVie Inc	ABBV	1766.22	112.64	4.62	1.49	198,947.25	0.53%	2.45%	0.79%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	66.71	319,362.14	0.85%		56.80%
FleetCor Technologies Inc	FLT	83.35	266.06	n/a	15.51	21,342.60	0.06%		0.88%
Federal Realty Investment Trust	FRT	77.76	117.17	3.62	7.54	9,111.14	0.02%	0.09%	0.18%
MGM Resorts International	MGM	490.54	42.65	0.02	31.35	20,921.36	0.06%	0.00%	1.75%
American Electric Power Co Inc	AEP	499.75	84.59	3.50	5.64	42,273.85	0.11%	0.39%	0.64%
PTC Inc	PTC	116.86	141.26	n/a	21.70	18,506.94	0.04%		0.95%
JB Hunt Transport Services Inc	JBHT	105.67	162.95	0.74	15.00	17,219.09	0.05%	0.03%	0.69%
Lam Research Corp	LRCX	142.62	650.70	0.80	20.90	92,802.18	0.25%	0.20%	5.17%
Mohawk Industries Inc	MHK	69.71	192.19	n/a	n/a	0.00	0.00%		
Pentair PLC	PNR	166.17	67.49	1.19	13.03	11,214.95	0.03%	0.04%	0.39%
Vertex Pharmaceuticals Inc	VRTX	258.87	201.63	n/a	30.40	52,195.15	0.14%		4.23%
Amcor PLC	AMCR	1541.79	11.46	4.10	9.23	17,668.95	0.05%	0.19%	0.43%
Facebook Inc	FB	2366.05	347.71	n/a	21.66	833,129.50	2.22%		48.11%
T-Mobile US Inc	TMUS	1246.66	144.83	n/a	19.90	180,582.44	0.48%		9.58%
United Rentals Inc	URI	72.38	319.01	n/a	13.44	23,089.31	0.06%		0.83%
Alexandria Real Estate Equities Inc	ARE	155.56	181.94	2.46	89.91	28,301.86	0.08%	0.19%	6.78%
Honeywell International Inc	HON	694.56	219.35	1.70	11.84	152,350.86	0.01%	0.69%	4.81%
ABIOMED Inc	ABMD	45.35	312.11	n/a	n/a	0.00	0.00%		
Delta Air Lines Inc	DAL	639.65	43.26	n/a	n/a	0.00	0.00%		
United Airlines Holdings Inc	UAL	323.58	52.29	n/a	-120.09	16,919.89	0.05%		-5.42%
Seagate Technology Holdings PLC	STX	228.87	87.93	3.05	8.00	20,124.80	0.05%	0.16%	0.43%
News Corp	NWS	199.63	24.35	0.82	29.05	4,880.99	0.01%	0.01%	0.36%
Centene Corp	CNC	582.74	72.93	n/a	12.29	42,498.86	0.11%		1.39%
Martin Marietta Materials Inc	MLM	62.36	351.81	0.65	15.70	21,938.87	0.06%	0.04%	0.92%
Teradyne Inc	TER	166.27	133.96	0.30	15.00	22,272.99	0.06%	0.02%	0.89%
PayPal Holdings Inc	PYPL	1174.73	291.48	n/a	23.82	342,409.72	0.91%		21.75%
Tesla Inc	TSLA	953.33	679.70	n/a	38.43	654,775.40	1.75%		67.09%
DISH Network Corp	DISH	288.91	41.80	n/a	6.34	12,076.44	0.03%		0.20%
Alexion Pharmaceuticals Inc	ALXN	221.02	183.71	n/a	11.85	40,603.40	0.11%		1.28%
Penn National Gaming Inc	PENN	156.36	76.49	n/a	80.69	11,959.82	0.03%		2.57%
Dow Inc	DOW	745.23	63.28	4.42	50.25	47,157.84	0.13%	0.56%	6.32%
Everest Re Group Ltd	RE	40.08	252.01	2.46	62.87	10,101.57	0.03%	0.07%	1.69%
Teledyne Technologies Inc	TDY	46.54	418.83	n/a	18.29	19,492.35	0.05%		0.95%
News Corp	NWSA	391.18	25.77	0.78	29.05	10,080.76	0.03%	0.02%	0.78%
Exelon Corp	EXC	976.76	44.31	3.45	2.54	43,280.24	0.12%	0.40%	0.29%
Global Payments Inc	GPN	295.22	187.54	0.42	18.91	55,364.81	0.15%	0.06%	2.79%
Crown Castle International Corp	CCI	432.19	195.10	2.73	20.85	84,320.27	0.22%	0.61%	4.69%
Aptiv PLC	APTIV	270.46	157.33	n/a	18.02	42,551.94	0.11%		2.04%
Advance Auto Parts Inc	AAP	65.44	205.14	1.95	14.44	13,424.16	0.04%	0.07%	0.52%
Align Technology Inc	ALGN	79.14	611.00	n/a	7.25	48,352.71	0.13%		0.93%
Illumina Inc	ILMN	146.00	473.21	n/a	30.73	69,088.66	0.18%		5.66%
LKQ Corp	LKQ	302.16	49.22	n/a	10.20	14,872.32	0.04%		0.40%
Nielsen Holdings PLC	NLSN	358.50	24.67	0.97	n/a	0.00	0.00%	0.00%	
Garmin Ltd	GRMN	192.15	144.64	1.85	6.90	27,791.85	0.07%	0.14%	0.51%
Zoetis Inc	ZTS	474.77	186.36	0.54	13.10	88,477.58	0.24%	0.13%	3.09%
Digital Realty Trust Inc	DLR	281.59	150.46	3.08	21.70	42,367.73	0.11%	0.35%	2.45%
Equinix Inc	EQIX	89.58	802.60	1.43	22.03	71,896.91	0.19%	0.27%	4.22%
Las Vegas Sands Corp	LVS	763.97	52.69	n/a	4.00	40,253.32	0.11%		0.43%
Discovery Inc	DISCK	330.15	28.98	n/a	6.80	9,567.63	0.03%		0.17%

MARKET RISK PREMIUM CALCULATION USING CAP. WEIGHTED VALUE LINE GROWTH RATES

[13] Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.41%
[14] Cap. Weighted Estimate of the S&P 500 Growth Rate	12.50%
[15] Cap. Weighted S&P 500 Estimated Required Market Return	14.00%

Notes:

- [13] Source: Bloomberg Professional, as of June 30, 2021
[14] Source: Bloomberg Professional, as of June 30, 2021, and Value Line, as of June 30, 2021
[15] Equals $([13] \times (1 + (0.5 \times [14]))) + [14]$

Name	Ticker	Shares Outst'g	Price	Dividend Yield	Value Line Long-Term Growth Estimate	Market Cap Excl. n/a Growth	% of Total Market Cap.	Cap. Weighted Div. Yield	Cap. Weighted Long-Term Growth
LyondellBasell Industries NV	LYB	334.35	102.87	4.39	0.00	34,395.00	0.10%	0.42%	0.00%
American Express Co	AXP	803.30	165.23	1.04	6.00	132,729.75	0.37%	0.39%	2.23%
Verizon Communications Inc	VZ	4140.07	56.03	4.48	3.50	231,968.01	0.65%	2.91%	2.28%
Broadcom Inc	AVGO	410.26	476.84	3.02	27.00	195,628.86	0.55%	1.66%	14.81%
Boeing Co/The	BA	584.81	239.56	n/a	0.00	0.00	0.00%	0.00%	0.00%
Caterpillar Inc	CAT	547.79	217.63	2.04	8.50	119,214.88	0.33%	0.68%	2.84%
JPMorgan Chase & Co	JPM	3027.13	155.54	2.31	6.50	470,839.49	1.32%	3.05%	8.58%
Chevron Corp	CVX	1932.76	104.74	5.12	23.50	202,437.18	0.57%	2.90%	13.34%
Coca-Cola Co/The	KO	4311.68	54.11	3.10	6.50	233,305.06	0.65%	2.03%	4.25%
AbbVie Inc	ABBV	1766.22	112.64	4.62	6.50	198,947.25	0.56%	2.57%	3.62%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	14.00	319,362.14	0.90%		12.53%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	11.00	21,342.60	0.06%		0.66%
Extra Space Storage Inc	EXR	133.73	163.82	2.44	5.00	21,907.32	0.08%	0.15%	0.31%
Exxon Mobil Corp	XOM	4233.54	63.08	5.52	2.50	267,051.64	0.75%	4.13%	1.87%
Phillips 66	PSX	437.87	85.82	4.19	20.00	37,577.75	0.11%	0.44%	2.11%
General Electric Co	GE	8778.64	13.46	0.30	4.00	118,160.51	0.33%	0.10%	1.32%
HP Inc	HPQ	1201.26	30.19	2.57	14.00	36,265.89	0.10%	0.26%	1.42%
Home Depot Inc/The	HD	1063.26	318.89	2.07	8.00	339,062.34	0.95%	1.97%	7.60%
Monolithic Power Systems Inc	MPWR	45.75	373.45	0.64	17.50	17,086.83	0.05%	0.03%	0.84%
International Business Machines Corp	IBM	893.52	146.59	4.48	1.50	130,981.54	0.37%	1.64%	0.55%
Johnson & Johnson	JNJ	2633.40	164.74	2.57	10.00	433,825.66	1.22%	3.13%	12.16%
McDonald's Corp	MCD	748.17	230.99	2.23	10.00	172,358.73	0.48%	1.08%	4.83%
Merck & Co Inc	MRK	2532.06	77.77	3.34	7.50	195,918.15	0.55%	1.85%	4.14%
3M Co	MMM	579.68	198.63	2.98	4.50	115,140.85	0.32%	0.96%	1.45%
American Water Works Co Inc	AWK	181.47	154.13	1.56	8.50	27,969.82	0.08%	0.12%	0.67%
Bank of America Corp	BAC	8569.32	41.23	1.75	4.50	353,312.98	0.90%	1.73%	4.46%
Baker Hughes Co	BKR	773.84	22.87	3.15	0.00	0.00	0.00%	0.00%	0.00%
Pfizer Inc	PFE	5597.69	39.16	3.98	8.00	219,205.70	0.61%	2.45%	4.92%
Procter & Gamble Co/The	PG	2448.23	134.93	2.58	7.00	330,340.08	0.93%	2.39%	6.48%
AT&T Inc	T	7140.00	28.78	7.23	2.50	205,489.20	0.58%	4.16%	1.44%
Travelers Cos Inc/The	TRV	251.47	149.71	2.35	8.00	37,645.83	0.11%	0.25%	0.84%
Raytheon Technologies Corp	RTX	1515.09	85.31	2.39	1.00	129,252.33	0.36%	0.87%	0.36%
Analog Devices Inc	ADI	368.83	172.16	1.60	8.50	63,497.26	0.18%	0.29%	1.51%
Walmart Inc	WMT	2802.15	141.02	1.56	6.00	395,158.63	1.11%	1.73%	6.65%
Cisco Systems Inc/Delaware	CSCO	4214.21	53.00	2.79	6.00	223,352.87	0.63%	1.75%	3.76%
Intel Corp	INTC	4038.00	56.14	2.48	7.00	226,693.32	0.64%	1.57%	4.45%
General Motors Co	GM	1450.67	59.17	n/a	11.00	85,836.20	0.24%		2.65%
Microsoft Corp	MSFT	7531.58	270.90	0.83	15.00	2,040,303.67	5.72%	4.73%	85.79%
Dollar General Corp	DG	236.21	216.39	0.78	10.50	51,112.40	0.14%	0.11%	1.50%
Cigna Corp	CI	343.15	237.07	1.69	11.00	81,349.62	0.23%	0.38%	2.51%
Kindler Morgan Inc	KMI	2264.58	18.23	5.92	19.00	41,283.35	0.12%	0.69%	2.20%
Citigroup Inc	C	2087.05	70.75	2.88	5.00	146,243.65	0.41%	1.18%	2.05%
American International Group Inc	AIG	858.14	47.60	2.69	28.50	40,847.51	0.11%	0.31%	3.26%
Altria Group Inc	MO	1850.64	47.68	7.21	6.50	88,238.42	0.25%	1.78%	1.61%
HCA Healthcare Inc	HCA	336.94	206.74	0.93	10.50	69,658.36	0.20%	0.18%	2.05%
Under Armour Inc	UA	188.62	21.15	n/a	11.00	3,989.36	0.01%		0.12%
International Paper Co	IP	391.74	61.31	3.34	11.00	24,017.52	0.07%	0.23%	0.74%
Hewlett Packard Enterprise Co	HPE	1305.93	14.58	3.29	6.50	19,040.43	0.05%	0.18%	0.35%
Abbott Laboratories	ABT	1778.82	115.93	1.55	11.50	205,986.74	0.58%	0.90%	6.64%
Aflac Inc	AFL	879.67	53.65	2.46	8.50	36,470.93	0.10%	0.25%	0.87%
Air Products and Chemicals Inc	APD	221.31	287.68	2.09	12.00	63,667.61	0.18%	0.37%	2.14%
Royal Caribbean Cruises Ltd	RCL	254.57	85.28	n/a	0.00	0.00	0.00%		0.00%
Hess Corp	HES	308.42	87.32	1.15	0.00	0.00	0.00%	0.00%	0.00%
Archer-Daniels-Midland Co	ADM	558.70	60.60	2.44	7.50	33,857.34	0.09%	0.23%	0.71%
Automatic Data Processing Inc	ADP	425.52	198.62	1.87	9.00	84,516.39	0.24%	0.44%	2.13%
Verisk Analytics Inc	VRSK	162.09	174.72	0.66	7.50	28,320.54	0.08%	0.05%	0.60%
AutoZone Inc	AZO	21.55	1492.22	n/a	14.50	32,149.88	0.09%		1.31%
Avery Dennison Corp	AVY	83.01	210.24	1.29	9.50	17,451.80	0.05%	0.06%	0.46%
Enphase Energy Inc	ENPH	135.70	183.63	n/a	40.00	24,918.41	0.07%		2.79%
MSCI Inc	MSCI	82.42	533.08	0.59	16.00	43,938.05	0.12%	0.07%	1.97%
Ball Corp	BLL	328.26	81.02	0.74	22.00	26,595.22	0.07%	0.06%	1.64%
Carrier Global Corp	CARR	869.00	48.60	0.99	0.00	0.00	0.00%	0.00%	0.00%
Bank of New York Mellon Corp/The	BK	875.48	51.23	2.42	3.00	44,850.89	0.13%	0.30%	0.38%
Otis Worldwide Corp	OTIS	429.14	81.77	1.17	0.00	0.00	0.00%	0.00%	0.00%
Baxter International Inc	BAX	502.85	80.50	1.39	8.50	40,479.59	0.11%	0.16%	0.96%
Beckton Dickinson and Co	BDX	290.82	243.19	1.37	7.50	70,724.27	0.20%	0.27%	1.49%
Berkshire Hathaway Inc	BRK/B	1326.57	277.92	n/a	6.00	368,680.89	1.03%		6.20%
Best Buy Co Inc	BBY	250.47	114.98	2.44	8.50	28,799.39	0.08%	0.20%	0.69%

AbbVie Inc	ABBV	1766.22	112.64	4.62	6.50	198,947.25	0.56%	2.57%	3.62%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	14.00	319,362.14	0.90%		12.53%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	11.00	21,342.60	0.06%		0.66%
Boston Scientific Corp	BSX	1420.91	42.76	n/a	17.50	60,758.15	0.17%		2.98%
Bristol-Myers Squibb Co	BMJ	2232.84	66.82	2.93	12.50	149,198.64	0.42%	1.23%	5.23%
Fortune Brands Home & Security Inc	FBHS	138.60	99.61	1.04	10.00	13,805.75	0.04%	0.04%	0.39%
Brown-Forman Corp	BF/B	309.69	74.94	0.96	11.00	23,208.24	0.07%	0.06%	0.72%
Cabot Oil & Gas Corp	COG	399.66	17.46	2.52	14.50	6,978.13	0.02%	0.05%	0.28%
Campbell Soup Co	CPB	303.05	45.59	3.25	5.00	13,816.10	0.04%	0.13%	0.19%
Kansas City Southern	KSU	90.93	283.37	0.76	12.50	25,767.97	0.07%	0.06%	0.90%
Hilton Worldwide Holdings Inc	HLT	278.53	120.62	n/a	26.50	33,596.77	0.09%		2.50%
Carnival Corp	CCL	973.83	26.36	n/a		0.00	0.00%		0.00%
Qorvo Inc	QRVO	111.26	195.65	n/a	19.50	21,768.41	0.06%		1.19%
Lumen Technologies Inc	LUMN	1105.31	13.59	7.36	2.50	15,021.20	0.04%	0.31%	0.11%
UDR Inc	UDR	296.85	48.98	2.96	6.00	14,539.57	0.04%	0.12%	0.24%
Clorox Co/The	CLX	124.37	179.91	2.58	6.00	22,375.77	0.06%	0.16%	0.38%
Paycom Software Inc	PAYC	60.18	363.47	n/a	19.50	21,874.72	0.06%		1.20%
CMS Energy Corp	CMS	289.46	59.08	2.95	7.50	17,101.30	0.05%	0.14%	0.36%
Newell Brands Inc	NWL	425.30	27.47	3.35		0.00	0.00%	0.00%	0.00%
Colgate-Palmolive Co	CL	845.97	81.35	2.21	4.50	68,819.58	0.19%	0.43%	0.87%
Comerica Inc	CMA	139.61	71.34	3.81	2.50	9,959.99	0.03%	0.11%	0.07%
IPG Photonics Corp	IPGP	53.58	210.77	n/a	17.00	11,292.85	0.03%		0.54%
Conagra Brands Inc	CAG	479.95	36.38	3.02	5.00	17,460.47	0.05%	0.15%	0.24%
Consolidated Edison Inc	ED	353.07	71.72	4.32	4.00	25,322.32	0.07%	0.31%	0.28%
Corning Inc	GLW	851.36	40.90	2.35	20.00	34,820.50	0.10%	0.23%	1.95%
Cummins Inc	CMI	146.20	243.81	2.21	7.50	35,645.75	0.10%	0.22%	0.75%
Caesars Entertainment Inc	CZR	208.70	103.75	n/a		0.00	0.00%		0.00%
Danaher Corp	DHR	713.28	268.36	0.31	18.00	191,415.55	0.54%	0.17%	9.65%
Target Corp	TGT	494.72	241.74	1.49	13.00	119,594.58	0.34%	0.50%	4.36%
Deere & Co	DE	311.94	352.71	1.02	14.00	110,025.06	0.31%	0.31%	4.32%
Dominion Energy Inc	D	806.52	73.57	3.43	12.00	59,335.97	0.17%	0.57%	2.00%
Dover Corp	DOV	143.93	150.60	1.31	6.50	21,675.41	0.06%	0.08%	0.39%
Alliant Energy Corp	LNT	250.14	55.76	2.89	5.50	13,947.53	0.04%	0.11%	0.22%
Duke Energy Corp	DUK	789.22	98.72	3.91	7.00	75,937.10	0.21%	0.83%	1.49%
Regency Centers Corp	REG	169.86	64.07	3.71	10.00	10,883.06	0.03%	0.11%	0.31%
Eaton Corp PLC	ETN	398.50	148.18	2.05	5.50	59,049.73	0.17%	0.34%	0.91%
Ecobal Inc	ECL	285.94	205.97	0.93	6.00	58,894.44	0.17%	0.15%	0.99%
PerkinElmer Inc	PKI	112.09	154.41	0.18	11.00	17,307.97	0.05%	0.01%	0.53%
Emerson Electric Co	EMR	599.70	96.24	2.10	10.50	57,715.13	0.16%	0.34%	1.70%
EOG Resources Inc	EOG	583.61	83.44	1.98	12.50	48,696.00	0.14%	0.27%	1.71%
Aon PLC	AN	225.65	238.76	0.85	7.00	53,875.48	0.15%	0.13%	1.05%
Entergy Corp	ETR	200.66	99.70	3.81	3.00	20,005.80	0.06%	0.21%	0.17%
Equifax Inc	EFX	121.70	239.51	0.65	5.50	29,149.09	0.08%	0.05%	0.45%
IQVIA Holdings Inc	IQV	191.66	242.32	n/a	14.00	46,443.29	0.13%		1.82%
Gartner Inc	IT	86.08	242.20	n/a	15.50	20,847.85	0.06%		0.91%
FedEx Corp	FDX	265.34	298.33	1.01	8.50	79,159.48	0.22%	0.22%	1.89%
FMC Corp	FMC	128.88	108.20	1.77	9.50	13,944.49	0.04%	0.07%	0.37%
Ford Motor Co	F	3920.79	14.86	n/a	46.00	58,262.97	0.16%		7.51%
NextEra Energy Inc	NEE	1961.45	73.28	2.10	10.50	143,734.69	0.40%	0.85%	4.23%
Franklin Resources Inc	BEN	504.32	31.99	3.50	11.50	16,133.29	0.05%	0.16%	0.52%
Freight-McMoRan Inc	FCX	1465.53	37.11	0.81	36.50	54,385.71	0.15%	0.12%	5.56%
Gap Inc/The	GPS	377.60	33.65	1.43	25.00	12,706.31	0.04%	0.05%	0.89%
Dexcom Inc	DXCM	96.71	427.00	n/a	27.50	41,293.46	0.12%		3.18%
General Dynamics Corp	GD	282.60	188.26	2.53	5.00	53,201.90	0.15%	0.38%	0.75%
General Mills Inc	GIS	609.97	60.93	3.35	3.50	37,165.53	0.10%	0.35%	0.36%
Genuine Parts Co	GPC	144.47	126.47	2.58	7.00	18,271.37	0.05%	0.13%	0.36%
Atmos Energy Corp	ATO	130.79	96.11	2.60	7.00	12,569.94	0.04%	0.09%	0.25%
WW Grainger Inc	GWVW	52.11	438.00	1.48	5.50	22,824.18	0.06%	0.09%	0.35%
Halliburton Co	HAL	889.72	23.12	0.78	7.00	20,570.30	0.06%	0.04%	0.40%
L3Harris Technologies Inc	LHX	204.98	216.15	1.89		0.00	0.00%	0.00%	0.00%
Healthpeak Properties Inc	PEAK	538.93	33.29	3.60	-12.00	17,941.11	0.05%	0.18%	-0.60%
Catalent Inc	CTLT	170.34	108.12	n/a	21.00	18,417.38	0.05%		1.08%
Fortive Corp	FTV	338.53	69.74	0.40	6.00	23,608.80	0.07%	0.03%	0.40%
Hershey Co/The	HSY	146.38	174.18	1.85	5.50	25,496.99	0.07%	0.13%	0.39%
Synchrony Financial	SYF	581.60	48.52	1.81	4.50	28,219.18	0.08%	0.14%	0.36%
Hormel Foods Corp	HRL	542.08	47.75	2.05	9.00	25,884.08	0.07%	0.15%	0.65%
Arthur J Gallagher & Co	AJG	206.24	140.08	1.37	12.50	28,889.68	0.08%	0.11%	1.01%
Mondelez International Inc	MDLZ	1404.71	62.44	2.02	8.00	87,710.15	0.25%	0.50%	1.97%
CenterPoint Energy Inc	CNP	580.50	24.52	2.61	8.00	14,233.76	0.04%	0.10%	0.32%
Humana Inc	HUM	129.01	442.72	0.63	11.00	57,117.08	0.16%	0.10%	1.76%
Willis Towers Watson PLC	WLTW	128.98	230.02	1.23	11.50	29,667.29	0.08%	0.10%	0.98%
Illinois Tool Works Inc	ITW	315.88	223.56	2.04	11.00	70,618.80	0.20%	0.40%	2.18%
CDW Corp/DE	CDW	140.20	174.65	0.92	11.00	24,486.63	0.07%	0.06%	0.76%
Trane Technologies PLC	TT	239.15	184.14	1.28		0.00	0.00%	0.00%	0.00%
Interpublic Group of Cos Inc/The	IPG	393.38	32.49	3.32	12.00	12,780.79	0.04%	0.12%	0.43%
International Flavors & Fragrances Inc	IFF	248.92	149.40	2.06	7.50	37,188.65	0.10%	0.21%	0.78%
Jacobs Engineering Group Inc	J	130.22	133.42	0.63	15.00	17,373.29	0.05%	0.03%	0.73%
Generac Holdings Inc	GNRC	62.96	415.15	n/a	23.50	26,135.77	0.07%		1.72%
NXP Semiconductors NV	NXPI	275.75	205.72	1.09	11.00	56,727.29	0.16%	0.17%	1.75%
Hanesbrands Inc	HBI	349.12	18.67	3.21	6.50	6,517.98	0.02%	0.06%	0.12%
Kellogg Co	K	340.50	64.33	3.61	3.00	21,904.11	0.06%	0.22%	0.18%
Broadridge Financial Solutions Inc	BR	116.13	161.53	1.42	10.50	18,757.83	0.05%	0.07%	0.55%
Perrigo Co PLC	PRGO	133.55	45.85	2.09	-2.00	6,123.22	0.02%	0.04%	-0.03%
Kimberly-Clark Corp	KMB	337.43	133.78	3.41	5.50	45,141.65	0.13%	0.43%	0.70%
Kimco Realty Corp	KIM	433.52	20.85	3.26	-2.00	9,038.81	0.03%	0.08%	-0.05%
Oracle Corp	ORCL	2792.00	77.84	1.64	9.50	217,329.28	0.61%	1.00%	5.79%
Kroger Co/The	KR	747.24	38.31	2.19	5.00	28,626.69	0.08%	0.18%	0.40%
Leggett & Platt Inc	LEG	133.23	51.81	3.24	10.00	6,902.80	0.02%	0.06%	0.19%
Lennar Corp	LEN	275.76	99.35	1.01	9.00	27,396.76	0.08%	0.08%	0.69%
Eli Lilly & Co	LLY	959.03	229.52	1.48	11.00	220,115.42	0.62%	0.91%	6.79%
L Brands Inc	LB	276.82	72.06	0.83	28.50	19,947.72	0.06%	0.05%	1.59%
Charter Communications Inc	CHTR	188.67	721.45	n/a	26.50	136,113.09	0.38%		10.11%
Lincoln National Corp	LNC	190.37	62.84	2.67	9.00	11,963.04	0.03%	0.09%	0.30%

AbbVie Inc	ABBV	1766.22	112.64	4.62	6.50	198,947.25	0.56%	2.57%	3.62%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	14.00	319,362.14	0.90%		12.53%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	11.00	21,342.60	0.08%		0.66%
Loews Corp	L	263.18	54.65	0.46	12.00	14,382.57	0.04%	0.02%	0.48%
Lowes's Cos Inc	LOW	706.89	193.97	1.65	14.00	137,115.45	0.38%	0.63%	5.38%
IDEX Corp	IEX	75.93	220.05	0.98	7.50	16,708.62	0.05%	0.05%	0.35%
Marsh & McLennan Cos Inc	MMC	509.48	140.68	1.32	9.50	71,673.93	0.20%	0.27%	1.91%
Masco Corp	MAS	253.79	58.91	1.60	9.00	14,950.53	0.04%	0.07%	0.38%
S&P Global Inc	SPGI	240.90	410.45	0.75	8.50	98,877.41	0.28%	0.21%	2.36%
Medtronic PLC	MDT	1343.90	124.13	2.03	7.00	166,818.80	0.47%	0.95%	3.27%
Viatris Inc	VTRS	1208.66	14.29	3.08		0.00	0.00%	0.00%	0.00%
CVS Health Corp	CVS	1316.57	83.44	2.40	6.00	109,854.43	0.31%	0.74%	1.85%
DuPont de Nemours Inc	DD	532.14	77.41	1.55		0.00	0.00%	0.00%	0.00%
Micron Technology Inc	MU	1121.42	84.98	n/a	11.50	95,297.93	0.27%		3.07%
Motorola Solutions Inc	MSI	169.67	216.85	1.31	7.00	36,792.51	0.10%	0.14%	0.72%
Cboe Global Markets Inc	CBOE	106.69	119.05	1.41	12.00	12,700.97	0.04%	0.05%	0.43%
Laboratory Corp of America Holdings	LH	97.64	275.85	n/a	9.50	26,934.27	0.08%		0.72%
Newmont Corp	NEM	801.16	63.38	3.47	14.50	50,777.65	0.14%	0.49%	2.06%
NIKE Inc	NKE	1274.95	154.49	0.71	24.00	196,987.95	0.55%	0.39%	13.25%
NISource Inc	NI	392.22	24.50	3.59	9.50	9,609.32	0.03%	0.10%	0.26%
Norfolk Southern Corp	NSC	250.24	265.41	1.49	9.00	66,416.46	0.19%	0.28%	1.68%
Principal Financial Group Inc	PFJ	272.01	63.19	3.86	5.50	17,188.44	0.05%	0.19%	0.27%
Eversource Energy	ES	343.47	80.24	3.00	5.50	27,558.71	0.08%	0.23%	0.42%
Northrop Grumman Corp	NOC	160.95	363.43	1.73	7.00	59,498.06	0.16%	0.28%	1.15%
Wells Fargo & Co	WFC	4133.57	45.29	0.88	5.00	187,209.48	0.52%	0.46%	2.62%
Nucor Corp	NUE	299.24	95.93	1.69	8.00	28,706.29	0.08%	0.14%	0.64%
PVH Corp	PVH	71.38	107.59	n/a	12.50	7,677.62	0.02%		0.27%
Occidental Petroleum Corp	OXY	933.42	31.27	0.13	36.50	29,188.01	0.08%	0.01%	2.99%
Omnicom Group Inc	OMC	215.08	79.99	3.50	6.00	17,204.33	0.05%	0.17%	0.29%
ONEOK Inc	ONE	445.54	55.64	6.72	9.50	24,789.68	0.07%	0.47%	0.66%
Raymond James Financial Inc	RJF	137.42	129.90	1.20	6.50	17,850.60	0.05%	0.06%	0.33%
Parker-Hannifin Corp	PH	129.08	307.11	1.34	13.00	39,634.39	0.11%	0.15%	1.44%
Rollins Inc	ROL	492.12	34.20	0.94	11.50	16,830.64	0.05%	0.04%	0.54%
PPL Corp	PPL	769.42	27.97	5.93	3.00	21,520.59	0.06%	0.36%	0.18%
ConocoPhillips	COP	1349.42	60.90	2.82	10.50	82,179.56	0.23%	0.65%	2.42%
PulteGroup Inc	PHM	262.97	54.57	1.03	11.00	14,350.05	0.04%	0.04%	0.44%
Pinnacle West Capital Corp	PNW	112.75	81.97	4.05	5.00	9,242.20	0.03%	0.10%	0.13%
PNC Financial Services Group Inc/The	PNC	424.86	190.76	2.41	3.00	81,045.91	0.23%	0.55%	0.68%
PPG Industries Inc	PPG	237.09	169.77	1.27	3.00	40,250.94	0.11%	0.14%	0.34%
Progressive Corp/The	PGR	585.30	98.21	0.41	5.00	57,482.31	0.16%	0.07%	0.81%
Public Service Enterprise Group Inc	PEG	505.48	59.74	3.41	3.50	30,197.38	0.08%	0.29%	0.30%
Robert Half International Inc	RHI	112.78	88.97	1.71	7.50	10,034.13	0.03%	0.05%	0.21%
Edison International	EIX	379.44	57.82	4.58	23.50	21,939.11	0.06%	0.28%	1.45%
Schlumberger NV	SLB	1398.33	32.01	1.56	8.50	44,760.61	0.13%	0.20%	1.07%
Charles Schwab Corp/The	SCHW	1807.05	72.81	0.99	7.50	131,571.53	0.37%	0.36%	2.77%
Sherwin-Williams Co/The	SHW	285.95	272.45	0.81	10.50	72,458.08	0.20%	0.16%	2.13%
West Pharmaceutical Services Inc	WST	73.82	359.10	0.19	17.00	26,510.20	0.07%	0.01%	1.26%
J M Smucker Co/The	SJM	108.34	129.57	2.78	4.00	14,038.13	0.04%	0.11%	0.16%
Snap-on Inc	SNA	54.08	223.43	2.20	5.00	12,083.09	0.03%	0.07%	0.17%
AMETEK Inc	AME	230.92	133.50	0.60	10.00	30,827.69	0.09%	0.05%	0.86%
Southern Co/The	SO	1059.66	60.51	4.36	5.00	64,120.09	0.18%	0.78%	0.90%
Truist Financial Corp	TFC	1344.85	55.50	3.24	5.50	74,638.90	0.21%	0.68%	1.15%
Southwest Airlines Co	LUV	591.38	53.09	n/a	1.50	31,396.20	0.09%		0.13%
W R Berkley Corp	WRB	177.38	74.43	0.70	14.50	13,202.47	0.04%	0.03%	0.54%
Stanley Black & Decker Inc	SWK	161.50	204.99	1.37	6.00	33,104.86	0.09%	0.13%	0.56%
Public Storage	PSA	174.98	300.69	2.66	2.50	52,614.13	0.15%	0.39%	0.37%
Arista Networks Inc	ANET	76.32	362.31	n/a	4.50	27,652.22	0.08%		0.35%
Sysco Corp	SYF	511.58	77.75	2.42	11.50	39,775.50	0.11%	0.27%	1.28%
Corteva Inc	CTVA	738.32	44.35	1.17		0.00	0.00%	0.00%	0.00%
Texas Instruments Inc	TXN	923.52	192.30	2.12	8.50	177,593.67	0.50%	1.06%	4.23%
Textron Inc	TXT	225.71	68.77	0.12	7.50	15,522.01	0.04%	0.01%	0.33%
Thermo Fisher Scientific Inc	TMO	393.03	604.47	0.21	13.00	198,270.84	0.56%	0.11%	7.23%
TJX Cos Inc/The	TJX	1206.49	67.42	1.54	12.00	81,341.35	0.23%	0.35%	2.74%
Globe Life Inc	GL	103.05	95.25	0.83	8.00	9,815.80	0.03%	0.02%	0.22%
Johnson Controls International plc	JCI	716.72	68.63	1.57	8.50	49,188.15	0.14%	0.22%	1.17%
Ulta Beauty Inc	ULTA	54.76	345.77	n/a	12.50	18,933.67	0.05%		0.66%
Union Pacific Corp	UNP	684.30	219.93	1.95	10.00	146,100.16	0.41%	0.80%	4.10%
Keysight Technologies Inc	KEYS	184.23	154.41	n/a	17.00	28,446.34	0.08%		1.36%
UnitedHealth Group Inc	UNH	943.70	400.44	1.45	12.00	377,896.03	1.06%	1.53%	12.71%
Unum Group	UNM	204.24	28.40	4.23	3.50	5,800.44	0.02%	0.07%	0.05%
Marathon Oil Corp	MRO	788.15	13.62	1.17	49.00	10,734.64	0.03%	0.04%	1.47%
Bio-Rad Laboratories Inc	BIO	24.69	644.29	n/a	11.50	15,909.45	0.04%		0.51%
Ventas Inc	VTR	375.20	57.10	3.15	4.50	21,423.81	0.06%	0.19%	0.27%
VF Corp	VFC	392.36	82.04	2.39	5.50	32,188.89	0.09%	0.22%	0.50%
Vornado Realty Trust	VNO	191.47	46.67	4.54	-19.00	8,935.67	0.03%	0.11%	-0.48%
Vulcan Materials Co	VMC	132.67	174.07	0.85	10.00	23,093.00	0.06%	0.06%	0.65%
Weyerhaeuser Co	WY	749.22	34.42	1.98	21.00	25,787.98	0.07%	0.14%	1.52%
Whirlpool Corp	WHR	62.63	218.02	2.57	5.50	13,653.50	0.04%	0.10%	0.21%
Williams Cos Inc/The	WMB	1214.76	26.55	6.18	12.00	32,251.93	0.09%	0.56%	1.08%
WEC Energy Group Inc	WEC	315.44	88.95	3.05	6.50	28,057.94	0.08%	0.24%	0.51%
Adobe Inc	ADBE	478.00	585.64	n/a	14.50	279,935.92	0.78%		11.38%
AES Corp/The	AES	666.26	26.07	2.31	24.00	17,369.32	0.05%	0.11%	1.17%
Amgen Inc	AMGN	574.55	243.75	2.89	6.00	140,047.54	0.39%	1.13%	2.36%
Apple Inc	AAPL	16687.63	136.96	0.64	14.50	2,285,537.94	8.41%	4.12%	82.90%
Autodesk Inc	ADSK	220.01	291.90	n/a	18.00	64,221.79	0.18%		3.24%
Cintas Corp	CTAS	105.05	382.00	0.79	13.00	40,130.25	0.11%	0.09%	1.46%
Comcast Corp	CMCSA	4584.85	57.02	1.75	11.00	261,427.86	0.73%	1.29%	8.08%
Molson Coors Beverage Co	TAP	200.53	53.69	n/a	41.00	10,766.62	0.03%		1.24%
KLA Corp	KLAC	153.28	324.21	1.11	17.50	49,695.56	0.14%	0.15%	2.44%
Marriott International Inc/MD	MAR	325.64	138.52	n/a	17.50	44,456.24	0.12%		2.18%
McCormick & Co Inc/MD	MKC	249.00	88.32	1.54	5.50	21,991.94	0.06%	0.09%	0.34%
PACCAR Inc	PCAR	347.16	89.25	1.52	5.50	30,983.67	0.09%	0.13%	0.48%
Costco Wholesale Corp	COST	442.07	395.67	0.80	9.50	174,913.44	0.49%	0.39%	4.66%

AbbVie Inc	ABBV	1766.22	112.64	4.62	6.50	198,947.25	0.56%	2.57%	3.62%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	14.00	319,362.14	0.90%		12.53%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	11.00	21,342.60	0.06%		0.66%
First Republic Bank/CA	FRC	176.25	187.17	0.47	12.50	32,989.09	0.09%	0.04%	1.16%
Stryker Corp	SYK	376.75	259.73	0.97	11.00	97,852.76	0.27%	0.27%	3.02%
Tyson Foods Inc	TSN	294.77	73.76	2.41	6.50	21,742.46	0.06%	0.15%	0.40%
Lamb Weston Holdings Inc	LW	146.28	80.66	1.17	2.50	11,799.11	0.03%	0.04%	0.08%
Applied Materials Inc	AMAT	913.98	142.40	0.67	16.00	130,150.89	0.36%	0.25%	5.84%
American Airlines Group Inc	AAL	641.38	21.21	n/a	-3.50	13,603.73	0.04%		-0.13%
Cardinal Health Inc	CAH	290.15	57.09	3.44	12.00	16,564.55	0.05%	0.16%	0.56%
Cerner Corp	CERN	301.32	78.16	1.13	9.00	23,550.94	0.07%	0.07%	0.59%
Cincinnati Financial Corp	CINF	161.10	116.62	2.16	13.50	18,787.13	0.05%	0.11%	0.71%
ViacomCBS Inc	VIAC	605.59	45.20	2.12	8.00	27,372.49	0.08%	0.16%	0.61%
DR Horton Inc	DHI	360.48	90.37	0.89	14.50	32,576.94	0.09%	0.08%	1.32%
Electronic Arts Inc	EA	285.73	143.83	0.47	9.00	41,097.12	0.12%	0.05%	1.04%
Expeditors International of Washington Inc	EXPD	168.89	126.60	0.92	8.50	21,380.97	0.06%	0.05%	0.51%
Fastenal Co	FAST	574.34	52.00	2.15	9.00	29,865.73	0.08%	0.18%	0.75%
M&T Bank Corp	MTB	128.65	145.31	3.03	4.00	18,694.71	0.05%	0.16%	0.21%
Xcel Energy Inc	XEL	538.21	65.88	2.78	6.00	35,457.08	0.10%	0.28%	0.60%
Fiserv Inc	FISV	666.77	106.89	n/a	13.00	71,270.94	0.20%		2.60%
Fifth Third Bancorp	FITB	703.97	38.23	2.83	7.00	26,912.62	0.08%	0.21%	0.53%
Gilead Sciences Inc	GILD	1254.18	68.86	4.12	3.50	86,362.70	0.24%	1.00%	0.85%
Hasbro Inc	HAS	137.57	94.52	2.88	12.50	13,003.02	0.04%	0.10%	0.46%
Huntington Bancshares Inc/OH	HBAN	1476.43	14.27	4.20	6.00	21,068.60	0.06%	0.25%	0.35%
Welltower Inc	WELL	417.52	83.10	2.94	-1.50	34,696.00	0.10%	0.29%	-0.15%
Biogen Inc	BIIB	150.56	346.27	n/a	7.00	52,132.68	0.15%		1.02%
Northern Trust Corp	NTRS	208.14	115.62	2.42	7.00	24,065.15	0.07%	0.16%	0.47%
Packaging Corp of America	PKG	94.99	135.42	2.95	5.00	12,864.09	0.04%	0.11%	0.18%
Paychex Inc	PAYX	359.80	107.30	2.46	6.50	38,606.54	0.11%	0.27%	0.70%
People's United Financial Inc	PBCT	427.63	17.14	4.26	4.00	7,329.58	0.02%	0.09%	0.08%
QUALCOMM Inc	QCOM	1128.00	142.93	1.90	14.00	161,225.04	0.45%	0.86%	6.33%
Roper Technologies Inc	ROP	105.24	470.20	0.48	10.00	49,483.38	0.14%	0.07%	1.39%
Ross Stores Inc	ROST	357.12	124.00	0.92	14.00	44,283.00	0.12%	0.11%	1.74%
IDEXX Laboratories Inc	IDXX	85.28	631.55	n/a	13.50	53,859.22	0.15%		2.04%
Starbucks Corp	SBUX	1178.30	111.81	1.61	16.00	131,745.72	0.37%	0.59%	5.91%
KeyCorp	KEY	970.52	20.65	3.58	9.50	20,041.22	0.06%	0.20%	0.53%
Fox Corp	FOXA	326.94	37.13	1.24		0.00	0.00%	0.00%	0.00%
Fox Corp	FOX	253.27	35.20	1.31		0.00	0.00%	0.00%	0.00%
State Street Corp	STT	347.77	82.28	2.53	6.50	28,614.35	0.08%	0.20%	0.52%
Norwegian Cruise Line Holdings Ltd	NCLH	369.93	29.41	n/a		0.00	0.00%		0.00%
US Bancorp	USB	1489.68	56.97	2.95	4.50	84,866.96	0.24%	0.70%	1.07%
A O Smith Corp	AOS	134.47	72.06	1.44	5.00	9,889.69	0.03%	0.04%	0.14%
NortonLifeLock Inc	NLOK	579.95	27.22	1.84	7.00	15,786.10	0.04%	0.08%	0.31%
T Rowe Price Group Inc	TROW	226.86	197.97	2.18	8.00	44,910.68	0.13%	0.27%	1.01%
Waste Management Inc	WM	422.04	140.11	1.64	6.00	59,132.16	0.17%	0.27%	0.99%
Constellation Brands Inc	STZ	169.00	233.89	1.30	6.50	39,527.18	0.11%	0.14%	0.72%
Xilinx Inc	XLNX	245.88	144.64	n/a	7.50	35,563.65	0.10%		0.75%
DENTSPLY SIRONA Inc	XRAY	218.32	63.26	0.70	5.50	13,810.80	0.04%	0.03%	0.21%
Zions Bancorp NA	ZION	163.82	52.86	2.57	7.00	8,659.31	0.02%	0.06%	0.17%
Alaska Air Group Inc	ALK	124.48	60.31	n/a	77.50	7,507.51	0.02%		1.63%
Invesco Ltd	IVZ	461.45	26.73	2.54	12.00	12,334.59	0.03%	0.09%	0.41%
Linde PLC	LIN	518.89	289.10	1.47		0.00	0.00%	0.00%	0.00%
Intuit Inc	INTU	273.26	490.17	0.48	14.50	133,943.36	0.38%	0.18%	5.44%
Morgan Stanley	MS	1860.59	91.69	1.53	8.50	170,597.41	0.48%	0.73%	4.06%
Microchip Technology Inc	MCHP	273.53	149.74	1.10	9.00	40,958.53	0.11%	0.13%	1.03%
Chubb Ltd	CB	449.69	158.94	2.01	10.00	71,473.69	0.20%	0.40%	2.00%
Hologic Inc	HOLX	256.23	66.72	n/a	25.00	17,096.87	0.05%		1.20%
Citizens Financial Group Inc	CFG	425.93	45.87	3.40	12.00	19,537.41	0.05%	0.19%	0.66%
O'Reilly Automotive Inc	ORLY	69.76	566.21	n/a	11.00	39,499.94	0.11%		1.22%
Allstate Corp/The	ALL	299.34	130.44	2.48	5.00	39,045.78	0.11%	0.27%	0.55%
Equity Residential	EQR	374.01	77.00	3.13	2.00	28,798.39	0.08%	0.25%	0.16%
BorgWarner Inc	BWA	239.85	48.54	1.40	5.50	11,642.22	0.03%	0.05%	0.18%
Organon & Co	OGN	253.52	30.26	n/a		0.00	0.00%		0.00%
Host Hotels & Resorts Inc	HST	706.09	17.09	n/a	10.00	12,067.01	0.03%		0.34%
Incyte Corp	INCY	219.92	84.13	n/a	59.00	18,502.12	0.05%		3.05%
Simon Property Group Inc	SPG	328.53	130.48	4.29	1.50	42,866.72	0.12%	0.52%	0.18%
Eastman Chemical Co	EMN	136.52	118.75	2.36	5.00	15,938.24	0.04%	0.11%	0.22%
Twitter Inc	TWTR	798.13	68.81	n/a	29.00	54,919.12	0.15%		4.46%
AvalonBay Communities Inc	AVB	139.61	208.69	3.05	1.00	29,134.17	0.08%	0.25%	0.08%
Prudential Financial Inc	PRU	394.00	102.47	4.49	4.50	40,373.18	0.11%	0.51%	0.51%
United Parcel Service Inc	UPS	723.32	207.97	1.96	10.50	150,428.24	0.42%	0.83%	4.43%
Walgreens Boots Alliance Inc	WBA	864.39	52.61	3.55	6.00	45,475.77	0.13%	0.45%	0.76%
STERIS PLC	STE	99.67	205.30	0.78	10.00	20,561.30	0.06%	0.04%	0.58%
McKesson Corp	MCK	154.67	191.24	0.88	9.00	29,578.52	0.08%	0.07%	0.75%
Lockheed Martin Corp	LMT	277.93	378.35	2.75	7.50	105,156.33	0.29%	0.81%	2.21%
AmerisourceBergen Corp	ABC	207.41	114.49	1.54	6.50	23,746.49	0.07%	0.10%	0.43%
Capital One Financial Corp	COF	451.49	154.69	1.03	5.50	69,840.83	0.20%	0.20%	1.08%
Waters Corp	WAT	61.70	345.61	n/a	6.00	21,324.14	0.06%		0.36%
Dollar Tree Inc	DLTR	231.95	99.50	n/a	9.50	23,079.42	0.06%		0.61%
Darden Restaurants Inc	DRI	130.84	145.99	3.01	14.50	19,101.77	0.05%	0.16%	0.78%
Domino's Pizza Inc	DPZ	38.83	466.49	0.81	13.00	18,112.87	0.05%	0.04%	0.66%
NVR Inc	NVR	3.64	4973.30	n/a	8.00	18,087.89	0.05%		0.41%
NetApp Inc	NTAP	223.22	81.82	2.44	6.50	18,263.61	0.05%	0.13%	0.33%
Citrix Systems Inc	CTXS	124.17	117.27	1.26	9.00	14,561.06	0.04%	0.05%	0.37%
DXC Technology Co	DXC	254.81	38.94	n/a	2.50	9,922.18	0.03%		0.07%
Old Dominion Freight Line Inc	ODFL	115.97	253.80	0.32	9.00	29,431.92	0.08%	0.03%	0.74%
DaVita Inc	DVA	106.20	120.43	n/a	15.00	12,789.67	0.04%		0.54%
Hartford Financial Services Group Inc/The	HIG	357.19	61.97	2.26	8.50	22,135.13	0.08%	0.14%	0.53%
Iron Mountain Inc	IRM	288.73	42.32	5.85	7.50	12,219.10	0.03%	0.20%	0.26%
Estee Lauder Cos Inc/The	EL	231.90	318.08	0.67	11.00	73,761.16	0.21%	0.14%	2.27%
Cadence Design Systems Inc	CDNS	278.27	136.82	n/a	9.50	38,072.22	0.11%		1.01%
Tyler Technologies Inc	TYL	40.74	452.37	n/a	8.00	18,429.10	0.05%		0.41%
Universal Health Services Inc	UHS	77.97	146.43	0.55	10.00	11,417.44	0.03%	0.02%	0.32%

AbbVie Inc	ABBV	1766.22	112.64	4.62	6.50	199,947.25	0.56%	2.57%	3.62%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	14.00	319,362.14	0.90%		12.53%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	11.00	21,342.60	0.06%		0.66%
Skyworks Solutions Inc	SWKS	165.09	191.75	1.04	13.50	31,656.58	0.09%	0.09%	1.20%
NOV Inc	NOV	390.64	15.32	n/a		0.00	0.00%		0.00%
Quest Diagnostics Inc	DGX	130.64	131.97	1.88	7.00	17,240.30	0.05%	0.09%	0.34%
Activision Blizzard Inc	ATVI	777.02	95.44	0.49	14.50	74,158.50	0.21%	0.10%	3.01%
Rockwell Automation Inc	ROK	116.08	286.02	1.50	6.50	33,200.34	0.09%	0.14%	0.60%
Kraft Heinz Co/The	KHC	1223.15	40.78	3.92	1.50	49,879.93	0.14%	0.55%	0.21%
American Tower Corp	AMT	454.70	270.14	1.86	10.00	122,831.58	0.34%	0.65%	3.44%
Regeneron Pharmaceuticals Inc	REGN	104.70	558.54	n/a	12.50	58,476.35	0.16%		2.05%
Amazon.com Inc	AMZN	504.32	3440.16	n/a	28.50	1,734,955.25	4.86%		138.61%
Jack Henry & Associates Inc	JKHY	74.28	163.51	1.13	10.50	12,146.01	0.03%	0.04%	0.35%
Ralph Lauren Corp	RL	48.61	117.81	2.33	6.00	5,727.22	0.02%	0.04%	0.10%
Boston Properties Inc	BXP	156.07	114.69	3.42	-2.00	17,884.52	0.05%	0.17%	-0.10%
Amphenol Corp	APH	597.62	68.41	0.85	10.50	40,882.91	0.11%	0.10%	1.20%
Howmet Aerospace Inc	HWM	434.33	34.47	n/a	12.00	14,971.18	0.04%		0.50%
Pioneer Natural Resources Co	PXD	243.95	162.52	1.38	17.50	39,647.08	0.11%	0.15%	1.94%
Valero Energy Corp	VLO	408.78	78.08	5.02	2.00	31,915.98	0.09%	0.45%	0.18%
Synopsys Inc	SNPS	152.58	275.79	n/a	12.50	42,078.66	0.12%		1.47%
Western Union Co/The	WU	409.25	22.97	4.09	6.00	9,400.52	0.03%	0.11%	0.16%
Etsy Inc	ETSY	127.10	205.84	n/a	27.00	26,162.88	0.07%		1.98%
CH Robinson Worldwide Inc	CHRW	132.99	93.67	2.18	8.00	12,457.08	0.03%	0.08%	0.28%
Accenture PLC	ACN	634.14	294.79	1.19	9.50	186,937.25	0.52%	0.63%	4.98%
TransDigm Group Inc	TDG	54.89	647.29	n/a	9.50	35,531.04	0.10%		0.95%
Yum! Brands Inc	YUM	297.90	115.03	1.74	10.50	34,267.55	0.10%	0.17%	1.01%
Prologis Inc	PLD	739.75	119.53	2.11	8.50	88,421.72	0.25%	0.52%	2.11%
FirstEnergy Corp	FE	543.90	37.21	4.19	11.50	20,238.52	0.06%	0.24%	0.65%
VeriSign Inc	VRSN	112.62	227.69	n/a	9.50	25,642.22	0.07%		0.68%
Quanta Services Inc	PWR	139.35	90.57	0.26	12.50	12,620.57	0.04%	0.01%	0.44%
Henry Schein Inc	HSIC	140.70	74.19	n/a	6.50	10,438.24	0.03%		0.19%
Ameren Corp	AEE	255.41	80.04	2.75	6.50	20,443.02	0.08%	0.16%	0.37%
ANSYS Inc	ANSS	87.15	347.05	n/a	8.00	30,246.97	0.08%		0.68%
NVIDIA Corp	NVDA	623.00	800.10	0.08	15.50	498,462.30	1.40%	0.11%	21.66%
Sealed Air Corp	SEE	151.99	59.25	1.35	13.50	9,005.41	0.03%	0.03%	0.34%
Cognizant Technology Solutions Corp	CTSH	527.41	69.26	1.39	6.50	36,528.56	0.10%	0.14%	0.67%
SVB Financial Group	SIVB	54.32	556.43	n/a	8.00	30,222.50	0.08%		0.68%
Intuitive Surgical Inc	ISRG	118.41	919.64	n/a	15.00	108,897.33	0.31%		4.58%
Take-Two Interactive Software Inc	TTWO	116.17	177.02	n/a	15.50	20,584.59	0.06%		0.89%
Republic Services Inc	RSRG	319.03	110.01	1.55	7.50	35,096.82	0.10%	0.15%	0.74%
eBay Inc	EBAY	681.26	70.21	1.03	16.50	47,831.41	0.13%	0.14%	2.21%
Goldman Sachs Group Inc/The	GS	339.76	379.53	1.32	7.00	128,949.87	0.36%	0.48%	2.53%
SBA Communications Corp	SBAC	109.35	318.70	0.73	43.50	34,848.25	0.10%	0.07%	4.25%
Sempra Energy	SRE	315.07	132.48	3.32	10.00	41,740.61	0.12%	0.39%	1.17%
Moody's Corp	MCO	187.20	362.37	0.68	9.00	67,835.66	0.19%	0.13%	1.71%
Booking Holdings Inc	BKNG	41.05	2188.09	n/a	14.00	89,827.66	0.25%		3.53%
F5 Networks Inc	FFIV	59.62	186.66	n/a	7.00	11,127.74	0.03%		0.22%
Akamai Technologies Inc	AKAM	162.99	116.60	n/a	9.50	19,004.87	0.05%		0.51%
Charles River Laboratories International Inc	CRL	50.25	369.92	n/a	7.00	18,589.59	0.05%		0.36%
MarketAxess Holdings Inc	MKTX	37.98	463.59	0.57	15.00	17,608.54	0.05%	0.03%	0.74%
Devon Energy Corp	DVN	676.90	29.19	1.51	21.00	19,758.71	0.06%	0.08%	1.16%
Alphabet Inc	GOOGL	300.75	2441.79	n/a		0.00	0.00%		0.00%
Teleflex Inc	TFX	46.73	401.79	0.34	14.50	18,776.85	0.05%	0.02%	0.76%
Allegrion plc	ALLE	89.98	139.30	1.03	8.50	12,533.94	0.04%	0.04%	0.30%
Netflix Inc	NFLX	443.40	528.21	n/a	23.50	234,209.90	0.66%		15.43%
Agilent Technologies Inc	A	303.44	147.81	0.52	11.00	44,851.91	0.13%	0.07%	1.38%
Trimble Inc	TRMB	250.97	81.83	n/a	14.00	20,536.47	0.06%		0.81%
Anthem Inc	ANTM	244.84	381.80	1.18	12.50	93,480.29	0.26%	0.31%	3.28%
CME Group Inc	CME	359.09	212.68	1.69	8.00	76,372.11	0.21%	0.36%	1.71%
Juniper Networks Inc	JNPR	327.74	27.35	2.93	7.00	8,963.69	0.03%	0.07%	0.18%
BlackRock Inc	BLK	152.53	874.97	1.89	9.50	133,455.67	0.37%	0.71%	3.55%
DTE Energy Co	DTE	193.73	110.27	2.99	6.00	21,362.28	0.06%	0.18%	0.36%
Celanese Corp	CE	112.63	151.60	1.79	5.50	17,075.16	0.05%	0.09%	0.26%
Nasdaq Inc	NDAQ	164.09	175.80	1.23	5.00	28,847.55	0.08%	0.10%	0.40%
Philip Morris International Inc	PM	1558.54	99.11	4.84	5.00	154,466.60	0.43%	2.10%	2.17%
Ingersoll Rand Inc	IR	419.45	48.81	n/a		0.00	0.00%		0.00%
salesforce.com Inc	CRM	926.00	244.27	n/a	39.50	226,194.02	0.63%		25.05%
Huntington Ingalls Industries Inc	HII	40.23	210.75	2.16	7.00	8,478.89	0.02%	0.05%	0.17%
MetLife Inc	MET	875.42	59.85	3.21	6.50	52,393.59	0.15%	0.47%	0.95%
Under Armour Inc	UA	233.92	18.57	n/a		0.00	0.00%		0.00%
Tapscott Inc	TPR	278.86	43.48	n/a	1.50	12,124.75	0.03%		0.05%
CSX Corp	CSX	2272.20	32.08	1.16	8.50	72,892.21	0.20%	0.24%	1.74%
Edwards Lifesciences Corp	EW	621.64	103.57	n/a	13.00	64,382.94	0.18%		2.35%
Ameriprise Financial Inc	AMP	115.91	248.88	1.82	13.00	28,846.44	0.08%	0.15%	1.05%
Zebra Technologies Corp	ZBRA	53.51	529.49	n/a	11.00	28,333.54	0.08%		0.87%
Zimmer Biomet Holdings Inc	ZBH	208.48	160.82	0.60	8.50	33,528.08	0.09%	0.06%	0.80%
CBRE Group Inc	CBRE	335.66	85.73	n/a	8.50	28,775.87	0.08%		0.69%
Mastercard Inc	MA	982.91	365.09	0.48	12.50	358,848.79	1.01%	0.48%	12.57%
CarMax Inc	KMX	162.94	129.15	n/a	11.00	21,043.06	0.06%		0.65%
Intercontinental Exchange Inc	ICE	562.77	118.70	1.11	8.00	66,800.32	0.19%	0.21%	1.50%
Fidelity National Information Services Inc	FIS	620.13	141.67	1.10	28.00	87,853.25	0.25%	0.27%	6.90%
Chipotle Mexican Grill Inc	CMG	28.15	1550.34	n/a	18.50	43,642.07	0.12%		2.26%
Wynn Resorts Ltd	WYNN	115.66	122.30	n/a	27.00	14,144.97	0.04%		1.07%
Live Nation Entertainment Inc	LYV	218.68	87.59	n/a		0.00	0.00%		0.00%
Assurant Inc	AIZ	60.57	156.18	1.69	11.50	9,459.35	0.03%	0.04%	0.30%
NRG Energy Inc	NRG	244.75	40.30	3.23	-1.50	9,863.59	0.03%	0.09%	-0.04%
Monster Beverage Corp	MONS	528.66	91.35	n/a	11.50	48,284.14	0.14%		1.56%
Regions Financial Corp	RF	961.29	20.18	3.07	9.00	19,398.73	0.05%	0.17%	0.49%
Mosaic Co/The	MOS	379.79	31.91	0.94	33.50	12,118.97	0.03%	0.03%	1.14%
Expedia Group Inc	EXPE	141.45	163.71	n/a		0.00	0.00%		0.00%
Evergy Inc	EVRG	226.99	60.43	3.54	8.00	13,717.19	0.04%	0.14%	0.31%
Discovery Inc	DISCA	168.65	30.68	n/a	15.50	5,174.30	0.01%		0.22%
CF Industries Holdings Inc	CF	214.52	51.45	2.33	19.50	11,036.80	0.03%	0.07%	0.60%

AbbVie Inc	ABBV	1766.22	112.64	4.62	6.50	198,947.25	0.58%	2.57%	3.62%
Walt Disney Co/The	DIS	1816.93	175.77	n/a	14.00	319,362.14	0.90%		12.53%
FleetCor Technologies Inc	FLT	83.35	256.06	n/a	11.00	21,342.60	0.06%		0.66%
APA Corp	APA	377.97	21.63	0.46	47.00	8,175.56	0.02%	0.01%	1.08%
Leidos Holdings Inc	LDOS	141.42	101.10	1.35	9.50	14,297.56	0.04%	0.05%	0.38%
Alphabet Inc	GOOG	323.58	2506.32	n/a	15.00	810,995.03	2.27%		34.10%
Cooper Cos Inc/The	COO	49.25	396.27	0.02	14.50	19,515.50	0.05%	0.00%	0.79%
TE Connectivity Ltd	TEL	330.23	135.21	1.48	9.00	44,649.72	0.13%	0.19%	1.13%
Discover Financial Services	DFS	304.89	118.29	1.49	5.50	36,065.20	0.10%	0.15%	0.56%
Visa Inc	V	1691.81	233.82	0.55	12.00	395,578.08	1.11%	0.61%	13.31%
Mid-America Apartment Communities Inc	MAA	114.49	168.42	2.43	0.50	19,281.90	0.05%	0.13%	0.03%
Xylem Inc/NY	XYL	180.04	119.96	0.93	10.50	21,597.84	0.06%	0.06%	0.64%
Marathon Petroleum Corp	MPC	652.65	60.42	3.84	3.50	39,433.11	0.11%	0.42%	0.39%
Advanced Micro Devices Inc	AMD	1215.02	93.93	n/a	26.50	114,126.92	0.32%		8.48%
Tractor Supply Co	TSCO	115.26	186.06	1.12	10.00	21,444.53	0.06%	0.07%	0.60%
ResMed Inc	RMD	145.52	246.52	0.63	8.50	35,873.10	0.10%	0.06%	0.85%
Mettler-Toledo International Inc	MTD	23.27	1385.34	n/a	11.50	32,235.48	0.09%		1.04%
Copart Inc	CPRT	236.58	131.83	n/a	10.00	31,188.08	0.06%		0.87%
Fortinet Inc	FTNT	163.32	238.19	n/a	19.00	38,900.71	0.11%		2.07%
Albemarle Corp	ALB	116.72	168.46	0.93	4.00	19,662.99	0.06%	0.05%	0.22%
Essex Property Trust Inc	ESS	65.00	300.01	2.79	-0.50	19,500.35	0.05%	0.15%	-0.03%
Realty Income Corp	O	379.81	66.74	4.23	6.00	25,348.39	0.07%	0.30%	0.43%
Westrock Co	WRK	266.12	53.22	1.80	8.00	14,162.69	0.04%	0.07%	0.32%
IHS Markit Ltd	INFO	398.61	112.66	0.71	11.50	44,907.63	0.13%	0.09%	1.45%
Westinghouse Air Brake Technologies Corp	WAB	189.00	82.30	0.58	9.50	15,554.54	0.04%	0.03%	0.41%
Pool Corp	POOL	40.11	458.66	0.70	15.00	18,395.02	0.05%	0.04%	0.77%
Western Digital Corp	WDC	306.45	71.17	n/a	1.00	21,810.26	0.06%		0.06%
PepsiCo Inc	PEP	1381.63	148.17	2.90	6.00	204,716.27	0.57%	1.67%	3.44%
Diamondback Energy Inc	FANG	181.00	93.89	1.70	0.50	16,993.81	0.05%	0.08%	0.02%
Maxim Integrated Products Inc	MXIM	268.36	105.36	n/a	11.00	28,274.83	0.08%		0.87%
ServiceNow Inc	NOW	197.45	549.55	n/a	44.50	108,507.55	0.30%		13.54%
Church & Dwight Co Inc	CHD	245.25	85.22	1.19	8.00	20,899.86	0.06%	0.07%	0.47%
Duke Realty Corp	DRE	374.99	47.35	2.15	-1.00	17,755.54	0.05%	0.11%	-0.05%
Federal Realty Investment Trust	FRT	77.76	117.17	3.62	-2.00	9,111.14	0.03%	0.09%	-0.05%
MGM Resorts International	MGM	490.54	42.65	0.02	25.00	20,921.36	0.06%	0.00%	1.47%
American Electric Power Co Inc	AEP	499.75	84.59	3.50	6.50	42,273.85	0.12%	0.41%	0.77%
PTC Inc	PTC	116.86	141.26	n/a	33.50	16,506.94	0.05%		1.55%
JB Hunt Transport Services Inc	JBHT	105.67	162.95	0.74	8.00	17,219.09	0.05%	0.04%	0.39%
Lam Research Corp	LRCX	142.62	650.70	0.80	17.50	92,802.18	0.26%	0.21%	4.55%
Mohawk Industries Inc	MHK	69.71	192.19	n/a	6.50	13,397.18	0.04%		0.24%
Pentair PLC	PNR	166.17	67.49	1.19	5.50	11,214.95	0.03%	0.04%	0.17%
Vertex Pharmaceuticals Inc	VRTX	258.87	201.63	n/a	26.50	52,195.15	0.15%		4.17%
Amcor PLC	AMCR	1541.79	11.46	4.10		0.00	0.00%	0.00%	0.00%
Facebook Inc	FB	2396.05	347.71	n/a	15.50	833,129.50	2.34%		36.20%
T-Mobile US Inc	TMUS	1246.86	144.83	n/a	8.50	180,582.44	0.51%		4.30%
United Rentals Inc	URI	72.38	319.01	n/a	7.50	23,089.31	0.06%		0.49%
Alexandria Real Estate Equities Inc	ARE	155.56	181.94	2.46	13.00	28,301.86	0.08%	0.20%	1.03%
Honeywell International Inc	HON	694.56	219.35	1.70	8.00	152,350.86	0.43%	0.72%	3.42%
ABIOMED Inc	ABMD	45.35	312.11	n/a	10.00	14,152.63	0.04%		0.40%
Delta Air Lines Inc	DAL	639.65	43.26	n/a	49.00	27,671.13	0.08%		3.80%
United Airlines Holdings Inc	UAL	323.58	52.29	n/a		0.00	0.00%		0.00%
Seagate Technology Holdings PLC	STX	228.87	87.93	3.05	4.00	20,124.80	0.06%	0.17%	0.23%
News Corp	NWS	199.63	24.35	0.82		0.00	0.00%	0.00%	0.00%
Centene Corp	CNC	582.74	72.93	n/a	9.50	42,498.86	0.12%		1.13%
Martin Marietta Materials Inc	MLM	62.36	351.81	0.65	6.00	21,938.87	0.06%	0.04%	0.37%
Terradyne Inc	TER	166.27	133.96	0.30	13.00	22,272.99	0.06%	0.02%	0.81%
PayPal Holdings Inc	PYPL	1174.73	291.48	n/a	19.00	342,409.72	0.96%		18.24%
Tesla Inc	TSLA	963.33	679.70	n/a		0.00	0.00%		0.00%
DISH Network Corp	DISH	288.91	41.80	n/a	2.50	12,076.44	0.03%		0.08%
Alexion Pharmaceuticals Inc	ALXN	221.02	183.71	n/a	19.50	40,603.40	0.11%		2.22%
Penn National Gaming Inc	PENN	155.36	76.49	n/a	27.00	11,959.82	0.03%		0.91%
Dow Inc	DOW	745.23	63.28	4.42		0.00	0.00%	0.00%	0.00%
Everest Re Group Ltd	RE	40.08	252.01	2.46	10.50	10,101.57	0.03%	0.07%	0.30%
Teledyne Technologies Inc	TDY	46.54	418.83	n/a	7.50	19,492.35	0.05%		0.41%
News Corp	NWSA	391.18	25.77	0.78		0.00	0.00%	0.00%	0.00%
Exeion Corp	EXC	976.76	44.31	3.45	5.50	43,280.24	0.12%	0.42%	0.67%
Global Payments Inc	GPN	295.22	187.54	0.42	16.50	55,364.81	0.16%	0.06%	2.56%
Crown Castle International Corp	CCI	432.19	195.10	2.73	11.50	84,320.27	0.24%	0.64%	2.72%
Aptiv PLC	APTIV	270.46	157.33	n/a	15.50	42,551.94	0.12%		1.85%
Advance Auto Parts Inc	AAP	65.44	205.14	1.95	11.00	13,424.16	0.04%	0.07%	0.41%
Align Technology Inc	ALGN	79.14	611.00	n/a	17.00	48,352.71	0.14%		2.30%
Illumina Inc	ILMN	146.00	473.21	n/a	14.00	69,088.66	0.19%		2.71%
LKQ Corp	LKQ	302.16	49.22	n/a	12.00	14,872.32	0.04%		0.50%
Nielsen Holdings PLC	NLSN	358.50	24.67	0.97		0.00	0.00%	0.00%	0.00%
Garmin Ltd	GRMN	192.15	144.64	1.85	9.00	27,791.85	0.08%	0.14%	0.70%
Zoetis Inc	ZTS	474.77	186.36	0.54	10.50	88,477.58	0.25%	0.13%	2.60%
Digital Realty Trust Inc	DLR	281.59	150.46	3.08	7.00	42,367.73	0.12%	0.37%	0.83%
Equinix Inc	EQIX	89.58	802.60	1.43	17.00	71,896.91	0.20%	0.29%	3.43%
Las Vegas Sands Corp	LVS	763.97	52.69	n/a	19.00	40,253.32	0.11%		2.14%
Discovery Inc	DISCK	330.15	28.98	n/a		0.00	0.00%		0.00%

CAPITAL ASSET PRICING MODEL -- LONG-TERM PROJECTED RISK-FREE RATE & VL BETA
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Projected 30-year U.S. Treasury bond yield (2023 - 2027)	Beta (β)	Market Return (R_m)	Market Risk Premium ($R_m - R_f$)	ROE (K)
Company	Ticker					
ALLETE, Inc.	ALE	3.50%	0.90	15.89%	12.39%	14.65%
Alliant Energy Corporation	LNT	3.50%	0.85	15.89%	12.39%	14.03%
Ameren Corporation	AEE	3.50%	0.80	15.89%	12.39%	13.41%
American Electric Power Company, In	AEP	3.50%	0.75	15.89%	12.39%	12.79%
Duke Energy Corporation	DUK	3.50%	0.85	15.89%	12.39%	14.03%
Edison International	EIX	3.50%	0.95	15.89%	12.39%	15.27%
Entergy Corporation	ETR	3.50%	0.95	15.89%	12.39%	15.27%
Evergy, Inc.	EVRG	3.50%	0.95	15.89%	12.39%	15.27%
Hawaiian Electric Industries, Inc.	HE	3.50%	0.80	15.89%	12.39%	13.41%
IDACORP, Inc.	IDA	3.50%	0.80	15.89%	12.39%	13.41%
OGE Energy Corporation	OGE	3.50%	1.05	15.89%	12.39%	16.51%
Pinnacle West Capital Corporation	PNW	3.50%	0.90	15.89%	12.39%	14.65%
Portland General Electric Company	POR	3.50%	0.90	15.89%	12.39%	14.65%
Xcel Energy Inc.	XEL	3.50%	0.80	15.89%	12.39%	13.41%
Mean			0.875			14.34%

Notes:

[1] Source: Blue Chip Financial Forecasts, Vol. 40, No. 6, June 1, 2021, at 14

[2] Source: Value Line, as of June 30, 2021

[3] Source: JMC-5.1 SP500 MRP 2 & 3

[4] Equals [3] - [1]

[5] Equals [1] + [2] x [4]

CAPITAL ASSET PRICING MODEL -- LONG-TERM PROJECTED RISK-FREE RATE & BLOOMBERG BE
 $K = R_f + \beta (R_m - R_f)$

		[1]	[2]	[3]	[4]	[5]
		Projected 30-year U.S. Treasury bond yield (2023 - 2027)	Beta (β)	Market Return (R_m)	Market Risk Premium ($R_m - R_f$)	ROE (K)
Company	Ticker					
ALLETE, Inc.	ALE	3.50%	0.92	15.89%	12.39%	14.91%
Alliant Energy Corporation	LNT	3.50%	0.88	15.89%	12.39%	14.36%
Ameren Corporation	AEE	3.50%	0.81	15.89%	12.39%	13.48%
American Electric Power Company, In	AEP	3.50%	0.85	15.89%	12.39%	14.07%
Duke Energy Corporation	DUK	3.50%	0.82	15.89%	12.39%	13.70%
Edison International	EIX	3.50%	0.94	15.89%	12.39%	15.12%
Entergy Corporation	ETR	3.50%	0.97	15.89%	12.39%	15.54%
Evergy, Inc.	EVRG	3.50%	0.87	15.89%	12.39%	14.25%
Hawaiian Electric Industries, Inc.	HE	3.50%	0.74	15.89%	12.39%	12.63%
IDACORP, Inc.	IDA	3.50%	0.88	15.89%	12.39%	14.39%
OGE Energy Corporation	OGE	3.50%	1.06	15.89%	12.39%	16.60%
Pinnacle West Capital Corporation	PNW	3.50%	0.94	15.89%	12.39%	15.19%
Portland General Electric Company	POR	3.50%	0.89	15.89%	12.39%	14.50%
Xcel Energy Inc.	XEL	3.50%	0.84	15.89%	12.39%	13.88%
Mean			0.886			14.47%

Notes:

[1] Source: Blue Chip Financial Forecasts, Vol. 40, No. 6, June 1, 2021, at 14

[2] Source: Bloomberg Professional, 5-Year Betas as of June 30, 2021

[3] Source: JMC-5.1 SP500 MRP 2 & 3

[4] Equals [3] - [1]

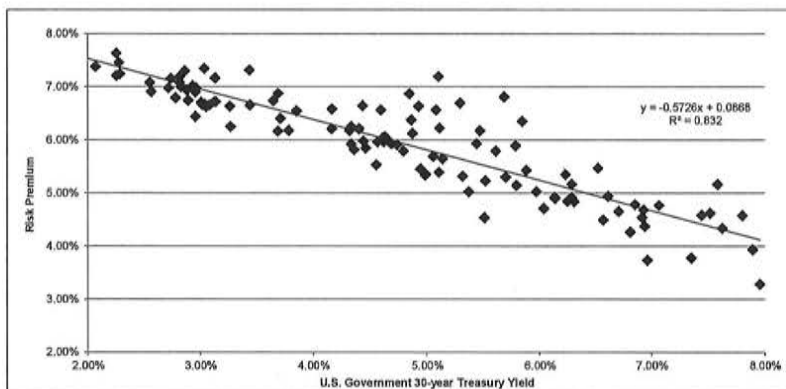
[5] Equals [1] + [2] x [4]

Risk Premium -- Vertically Integrated Electric Utilities

	[1]	[2]	[3]
	Average Authorized Electric ROE	U.S. Govt. 30-year Treasury	Risk Premium
1992.1	12.38%	7.80%	4.58%
1992.2	11.83%	7.89%	3.93%
1992.3	12.03%	7.45%	4.59%
1992.4	12.14%	7.52%	4.62%
1993.1	11.84%	7.07%	4.77%
1993.2	11.64%	6.86%	4.79%
1993.3	11.15%	6.31%	4.84%
1993.4	11.04%	6.14%	4.90%
1994.1	11.07%	6.57%	4.49%
1994.2	11.13%	7.35%	3.78%
1994.3	12.75%	7.58%	5.17%
1994.4	11.24%	7.96%	3.28%
1995.1	11.96%	7.63%	4.34%
1995.2	11.32%	6.94%	4.37%
1995.3	11.37%	6.71%	4.66%
1995.4	11.58%	6.23%	5.35%
1996.1	11.46%	6.29%	5.17%
1996.2	11.46%	6.92%	4.54%
1996.3	10.70%	6.96%	3.74%
1996.4	11.56%	6.62%	4.94%
1997.1	11.08%	6.81%	4.27%
1997.2	11.62%	6.93%	4.69%
1997.3	12.00%	6.53%	5.47%
1997.4	11.06%	6.14%	4.92%
1998.1	11.31%	5.88%	5.43%
1998.2	12.20%	5.85%	6.35%
1998.3	11.65%	5.47%	6.18%
1998.4	12.30%	5.10%	7.20%
1999.1	10.40%	5.37%	5.03%
1999.2	10.94%	5.79%	5.15%
1999.3	10.75%	6.04%	4.71%
1999.4	11.10%	6.25%	4.85%
2000.1	11.21%	6.29%	4.92%
2000.2	11.00%	5.97%	5.03%
2000.3	11.68%	5.79%	5.89%
2000.4	12.50%	5.69%	6.81%
2001.1	11.38%	5.44%	5.93%
2001.2	11.00%	5.70%	5.30%
2001.3	10.76%	5.52%	5.23%
2001.4	11.99%	5.30%	6.70%
2002.1	10.05%	5.51%	4.54%
2002.2	11.41%	5.61%	5.79%
2002.3	11.65%	5.08%	6.57%
2002.4	11.57%	4.93%	6.64%
2003.1	11.72%	4.85%	6.87%
2003.2	11.18%	4.60%	6.56%
2003.3	10.50%	5.11%	5.39%
2003.4	11.34%	5.11%	6.23%
2004.1	11.00%	4.88%	6.12%
2004.2	10.64%	5.32%	5.32%
2004.3	10.75%	5.06%	5.69%
2004.4	11.24%	4.86%	6.38%
2005.1	10.63%	4.69%	5.93%
2005.2	10.31%	4.47%	5.85%
2005.3	11.08%	4.44%	6.65%
2005.4	10.63%	4.68%	5.95%
2006.1	10.70%	4.63%	6.06%
2006.2	10.79%	5.14%	5.65%
2006.3	10.35%	4.99%	5.35%
2006.4	10.65%	4.74%	5.91%
2007.1	10.59%	4.80%	5.80%
2007.2	10.33%	4.99%	5.34%

Risk Premium -- Vertically Integrated Electric Utilities

	[1]	[2]	[3]
	Average Authorized Electric ROE	U.S. Govt. 30-year Treasury	Risk Premium
2007.3	10.40%	4.95%	5.45%
2007.4	10.65%	4.61%	6.04%
2008.1	10.62%	4.41%	6.21%
2008.2	10.54%	4.57%	5.97%
2008.3	10.43%	4.44%	5.99%
2008.4	10.39%	3.65%	6.74%
2009.1	10.75%	3.44%	7.31%
2009.2	10.75%	4.17%	6.58%
2009.3	10.50%	4.32%	6.18%
2009.4	10.59%	4.34%	6.26%
2010.1	10.59%	4.62%	5.97%
2010.2	10.18%	4.36%	5.82%
2010.3	10.40%	3.86%	6.55%
2010.4	10.38%	4.17%	6.21%
2011.1	10.09%	4.56%	5.53%
2011.2	10.26%	4.34%	5.92%
2011.3	10.57%	3.69%	6.88%
2011.4	10.39%	3.04%	7.35%
2012.1	10.30%	3.14%	7.17%
2012.2	9.95%	2.93%	7.02%
2012.3	9.90%	2.74%	7.16%
2012.4	10.18%	2.86%	7.30%
2013.1	9.85%	3.13%	6.72%
2013.2	9.86%	3.14%	6.72%
2013.3	10.12%	3.71%	6.41%
2013.4	9.97%	3.79%	6.18%
2014.1	9.86%	3.69%	6.17%
2014.2	10.10%	3.44%	6.66%
2014.3	9.90%	3.26%	6.64%
2014.4	9.94%	2.96%	6.98%
2015.1	9.64%	2.55%	7.09%
2015.2	9.83%	2.88%	6.94%
2015.3	9.40%	2.86%	6.44%
2015.4	9.86%	2.86%	6.90%
2016.1	9.70%	2.72%	6.98%
2016.2	9.48%	2.57%	6.91%
2016.3	9.74%	2.28%	7.46%
2016.4	9.83%	2.83%	7.00%
2017.1	9.72%	3.04%	6.67%
2017.2	9.64%	2.90%	6.75%
2017.3	10.00%	2.82%	7.18%
2017.4	9.91%	2.82%	7.09%
2018.1	9.69%	3.02%	6.66%
2018.2	9.75%	3.09%	6.66%
2018.3	9.69%	3.06%	6.63%
2018.4	9.52%	3.27%	6.25%
2019.1	9.72%	3.01%	6.71%
2019.2	9.58%	2.78%	6.79%
2019.3	9.53%	2.29%	7.24%
2019.4	9.89%	2.25%	7.63%
2020.1	9.72%	1.89%	7.83%
2020.2	9.58%	1.38%	8.20%
2020.3	9.30%	1.37%	7.93%
2020.4	9.56%	1.62%	7.94%
2021.1	9.45%	2.07%	7.38%
2021.2	9.47%	2.25%	7.21%
AVERAGE	10.66%	4.65%	6.02%
MEDIAN	10.60%	4.66%	6.17%



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.91214
R Square	0.83200
Adjusted R Square	0.83056
Standard Error	0.00423
Observations	118

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.0103	0.0103	574.4902	0.0000
Residual	116	0.0021	0.0000		
Total	117	0.0124			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.0868	0.00118	73.77340	0.00000	0.08444	0.08910	0.08444	0.08910
X Variable 1	-0.5726	0.02389	-23.96852	0.00000	-0.61996	-0.52532	-0.61996	-0.52532

	[7]	[8]	[9]
	U.S. Govt. 30-year Treasury	Risk Premium	ROE
Current 30-day average of 30-year U.S. Treasury bond yield [4]	2.20%	7.42%	9.62%
Blue Chip Near-Term Projected Forecast (Q4 2021 - Q4 2022) [5]	2.62%	7.18%	9.80%
Blue Chip Long-Term Projected Forecast (2023-2027) [6]	3.50%	6.67%	10.17%
AVERAGE			9.86%

Notes:

- [1] Source: Regulatory Research Associates, rate cases through June 30, 2021
- [2] Source: Bloomberg Professional, quarterly bond yields are the average of each trading day in the quarter
- [3] Equals Column [1] - Column [2]
- [4] Source: Bloomberg Professional, 30-day average as of June 30, 2021
- [5] Source: Blue Chip Financial Forecasts, Vol. 40, No. 7, July 1, 2021, at 2
- [6] Source: Blue Chip Financial Forecasts, Vol. 40, No. 6, June 1, 2020, at 14
- [7] See notes [4], [5] & [6]
- [8] Equals $0.086774 + (-0.572642 \times \text{Column [6]})$
- [9] Equals Column [8] + Column [7]

EXPECTED EARNINGS ANALYSIS

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Company	Value Line ROE 2024-2026	Value Line Total Capital 2020	Value Line Common Equity Ratio 2020	Total Equity 2020	Value Line Total Capital 2024-2026	Value Line Common Equity Ratio 2024-2026	Total Equity 2024-2026	Compound Annual Growth Rate	Adjustment Factor	Adjusted Return on Common Equity
ALLETE, Inc.	9.00%	3887.80	59.00%	2,294	4825.00	57.00%	2,750	3.70%	1.018	9.16%
Alliant Energy Corporation	10.50%	11362.00	45.70%	5,192	14500.00	46.00%	6,670	5.14%	1.025	10.76%
Ameren Corporation	10.50%	20158.00	44.30%	8,930	27200.00	49.00%	13,328	8.34%	1.040	10.92%
American Electric Power Company, Inc	11.00%	49537.00	41.50%	20,558	75500.00	40.00%	30,200	8.00%	1.038	11.42%
Duke Energy Corporation	9.50%	103589.00	44.40%	45,994	120900.00	43.50%	52,592	2.72%	1.013	9.63%
Edison International	11.50%	35581.00	39.50%	14,054	50100.00	36.00%	18,036	5.12%	1.025	11.79%
Energy Corporation	11.00%	32386.00	33.70%	10,914	43600.00	33.50%	14,606	6.00%	1.029	11.32%
Evergy, Inc.	9.00%	17924.00	48.70%	8,729	21600.00	48.50%	10,476	3.72%	1.018	9.16%
Hawaiian Electric Industries, Inc.	9.00%	4435.90	52.70%	2,338	5350.00	52.50%	2,809	3.74%	1.018	9.17%
IDACORP, Inc.	9.50%	4560.40	56.10%	2,558	6000.00	51.00%	3,060	3.65%	1.018	9.67%
OGE Energy Corp.	13.00%	7126.20	51.00%	3,634	8275.00	52.50%	4,344	3.63%	1.018	13.23%
Pinnacle West Capital Corporation	11.00%	11948.00	47.20%	5,639	17025.00	42.00%	7,151	4.86%	1.024	11.26%
Portland General Electric Company	10.00%	5628.00	46.40%	2,611	6550.00	47.50%	3,111	3.56%	1.018	10.18%
Xcel Energy Inc.	10.50%	34220.00	42.60%	14,578	45100.00	42.00%	18,942	5.38%	1.026	10.77%
Mean										10.60%
Median										10.77%

Notes:

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

90-DAY CONSTANT GROWTH DCF AS OF MAY 2021 - WOOLRIDGE PROXY GROUP

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company		90-Day Dividend Yield	Expected Dividend Yield	S&P Earnings Growth	Yahoo! Finance Earnings Growth	Zacks Earnings Growth	Average Growth	Low DCF ROE	Mean DCF ROE	High DCF ROE
ALLETE, Inc.	ALE	3.80%	3.92%	6.00%	7.00%	6.00%	6.33%	9.91%	10.25%	10.93%
Alliant Energy Corporation	LNT	3.00%	3.09%	6.00%	5.50%	5.50%	5.67%	8.58%	8.75%	9.09%
Ameren Corporation	AEE	2.70%	2.80%	7.10%	7.70%	7.30%	7.37%	9.90%	10.17%	10.50%
American Electric Power Company, Inc.	AEP	3.60%	3.71%	6.00%	5.90%	5.90%	5.93%	9.61%	9.64%	9.71%
Avista Corporation	AVA	3.90%	4.01%	5.00%	6.90%	5.40%	5.77%	9.00%	9.78%	10.93%
CMS Energy Corporation	CMS	2.90%	3.00%	6.90%	7.20%	6.50%	6.87%	9.49%	9.87%	10.20%
Consolidated Edison, Inc.	ED	4.30%	4.36%	3.50%	3.00%	2.00%	2.83%	6.34%	7.19%	7.88%
Dominion Resources, Inc.	D	3.40%	3.51%	6.50%	6.80%	6.70%	6.67%	10.01%	10.18%	10.32%
Duke Energy Corporation	DUK	4.10%	4.21%	6.00%	4.50%	5.20%	5.23%	8.69%	9.44%	10.22%
Edison International	EIX	4.50%	4.60%	4.30%	4.50%	4.60%	4.47%	8.90%	9.07%	9.20%
Entergy Corporation	ETR	3.90%	4.01%	5.80%	5.80%	5.10%	5.57%	9.10%	9.58%	9.81%
Eversource Energy	EVRG	3.70%	3.81%	6.70%	5.80%	5.90%	6.13%	9.61%	9.95%	10.52%
Eversource Energy	ES	2.80%	2.89%	6.90%	6.90%	6.50%	6.77%	9.39%	9.66%	9.80%
Hawaiian Electric Industries, Inc.	HE	3.50%	3.59%	6.60%	1.30%	7.10%	5.00%	4.82%	8.59%	10.72%
IDACORP, Inc.	IDA	3.00%	3.05%	3.10%	3.20%	3.90%	3.40%	6.15%	6.45%	6.96%
MGE Energy, Inc.	MGEE	2.10%	2.16%	5.90%	5.90%	5.90%	5.90%	8.06%	8.06%	8.06%
NextEra Energy, Inc.	NEE	2.00%	2.08%	7.60%	8.40%	7.80%	7.93%	9.68%	10.01%	10.48%
NorthWestern Corporation	NWE	4.00%	4.10%	5.00%	4.50%	4.90%	4.80%	8.59%	8.90%	9.10%
OGE Energy Corporation	OGE	5.00%	5.09%	2.90%	3.80%	4.40%	3.70%	7.97%	8.79%	9.51%
Otter Tail Corporation	OTTR	3.50%	3.61%	6.00%	9.00%	4.70%	6.57%	8.28%	10.18%	12.66%
Pinnacle West Capital Corporation	PNW	4.20%	4.28%	4.00%	3.50%	4.00%	3.83%	7.77%	8.11%	8.28%
Portland General Electric Company	POR	3.60%	3.76%	5.00%	12.50%	8.60%	8.70%	8.69%	12.46%	16.33%
Sempra Energy	SRE	3.40%	3.49%	5.90%	4.30%	5.40%	5.20%	7.77%	8.69%	9.40%
Southern Company	SO	4.20%	4.32%	6.00%	6.50%	4.90%	5.80%	9.20%	10.12%	10.84%
Wisconsin Energy Corporation	WEC	3.00%	3.09%	6.00%	6.20%	6.00%	6.07%	9.09%	9.16%	9.29%
Xcel Energy Inc.	XEL	2.80%	2.89%	6.20%	6.20%	7.00%	6.47%	9.09%	9.36%	9.90%
WOOLRIDGE PROXY GROUP MEAN		3.50%	3.59%	5.65%	5.88%	5.66%	5.73%	8.60%	9.32%	10.03%

Notes

- [1] - [2] Source: Woolridge testimony, Docket No. 20210015-EI DCF Study Exhibit JRW-7, p. 2 of 6
- [3] Source: Woolridge testimony, Docket No. 20210015-EI DCF Study Exhibit JRW-7, p. 2 of 6
- [4] Equals $[3] \times (1 + 0.50 \times [8])$
- [5] - [7] Source: Woolridge testimony, Docket No. 20210015-EI DCF Study Exhibit JRW-7, p. 5 of 6. All growth rates rounded to one decimal figure as per Woolridge testimony.
- [8] Equals Average ([5], [6], [7])
- [9] Equals $[3] \times (1 + 0.50 \times \text{Minimum} ([5], [6], [7]) + \text{Minimum} ([5], [6], [7])$
- [10] Equals $[4] + [8]$
- [11] Equals $[3] \times (1 + 0.50 \times \text{Maximum} ([5], [6], [7]) + \text{Maximum} ([5], [6], [7])$