ATTACHMENT G EXHIBIT NOS. NMPC-300 – NMPC-311

PREPARED DIRECT TESTIMONY OF ADRIEN M. MCKENZIE

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

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Niagara Mohawk Power Corporation d/b/a National Grid Docket No. ER22-___-000

PREPARED DIRECT TESTIMONY OF ADRIEN M. MCKENZIE, CFA

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GLOSSARY OF ACRONYMS

AFUDC	Allowance for Funds Used During Construction
	Anowalder for Funds Used During Construction
CAPM	Capital Asset Pricing Model
Commission	Federal Energy Regulatory Commission
CPI	Consumer Price Index
CWIP	Construction Work in Progress
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DCF	Discounted Cash Flow
DOE	United States Department of Energy
EEI	Edison Electric Institute
EIA	Energy Information Administration
EPAct 2005	Energy Policy Act of 2005
EPS	earnings per share
FPA	Federal Power Act
FERC	Federal Energy Regulatory Commission
FOMC	Federal Open Market Committee
GDP	Gross Domestic Product
IBES	Institutional Brokers' Estimate System
MISO TOs	Transmission-owning members of the Midcontinent Independent System Operator, Inc.
Moody's	Moody's Investors Service
NMPC	Niagara Mohawk Power Corporation
NYISO	New York Independent System Operation
NYSE	New York Stock Exchange
OPEC	Organization of the Petroleum Exporting Countries
ROE	Return on Equity
RRA	S&P Global Market Intelligence, RRA Regulatory Focus (formerly Regulatory Research Associates, Inc.
S&P	S&P Global Ratings
S&P 500	The Standard and Poor's 500
Value Line	The Value Line Investment Survey
Zacks	Zacks Investment Research

I. <u>INTRODUCTION</u>

1	Q.	Please state your name and business address.
2	A.	My name is Adrien M. McKenzie. My business address is 3907 Red River St., Austin,
3		Texas 78751.
4	Q.	In what capacity are you employed?
5	A.	I am President of FINCAP, Inc., a firm providing financial, economic, and policy
6		consulting services to business and government.
7	Q.	Please describe your qualifications and experience.
8	A.	The details of my qualifications and experience are included in Exhibit No. NMPC-301
9		attached to my testimony.
		A. Overview
10	Q.	What is the purpose of your testimony?
11	A.	NMPC is requesting an incentive-based ROE in connection with the construction of a
12		series of significant upgrades to the transmission network in New York, known as Smart
13		Path Connect. Smart Path Connect is being developed as a "priority transmission
14		project" under a New York State statute. The purpose of my testimony is to present to the
15		Commission my independent analysis of a just and reasonable base ROE applicable to
16		NMPC's investment in Smart Path Connect and to confirm that the incentive-based ROE
17		set forth in the testimony of NMPC's witness Andrew Byrne, Exhibit No. NMPC-200, is
18		reasonable.
19	Q.	How is your testimony organized?
20	A.	I first summarize my conclusions and recommendations regarding a just and reasonable
21		ROE for NMPC. I then present the details of the technical studies I relied on in reaching

my conclusions. Consistent with the Commission's current ROE methodology,¹ my
 evaluation includes applications of the two-step DCF model, the CAPM, and the Risk
 Premium method. I refer to this analysis as the "Three-Model Approach."

In addition, my testimony supports supplementing the Three-Model Approach to
include the results of the Expected Earnings approach. I refer to this analysis that includes
the Expected Earnings method as the "Four-Model Approach."

I also present alternative benchmarks that should be considered as additional
reference points in evaluating a just and reasonable base ROE. Specifically, I apply the
constant growth DCF method to the utilities in my proxy group, as well as to a low-risk
group of non-utility companies. The constant growth DCF model is a well-established
methodology that is widely relied upon to evaluate investors' required ROE.

12 Q. What base ROE is indicated for NMPC based on your analyses?

13 A. The results of my analyses support a base ROE of 10.50% for NMPC under the Three-14 Model Approach and 10.68% under the Four-Model Approach. My testimony supports consideration of the Expected Earnings method and I explain below why the Four-Model 15 Approach is appropriate. However, for purposes of this proceeding, NMPC is requesting 16 17 a base of ROE of 10.50%, based on the results of the Three-Model Approach. As I 18 discuss below, application of the constant growth DCF model indicates that the results of the Commission's two-step DCF model are understated. This implies a downward bias in 19 20 the results of the Three-Model Approach and provides further confirmation that NMPC's requested ROE of 10.50%, which corresponds to the median value produced by the 21 22 Three-Model Approach, is just and reasonable.

23

¹ Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc., Opinion No. 569-A, 171 FERC ¶ 61,154 (2020), order on reh'g, & setting aside prior order, in part, Opinion No. 569-B, 173 FERC ¶ 61,159 (2020).

1 Q. Based on your evaluation, what did you conclude regarding the reasonableness of 2 the incentive ROE adders requested by NMPC for Smart Path Connect? 3 A. I conclude that NMPC's requested incentive-based ROE, which incorporates a total 4 incentive adder of 100 basis points over the base ROE, is reasonable and should be approved. The bases for my conclusion are summarized below: 5 6 The allowed ROE for Smart Path Connect must reflect the need to provide 7 returns that are sufficient to meet the established energy and environmental policy goals, including expanding access to renewable resources, enhancing 8 9 system reliability, and reducing transmission system congestion, while recognizing the associated risks and challenges of transmission 10 11 development. 12 As NMPC's witnesses have documented, Smart Path Connect will achieve • significant benefits for customers. 13 14 The potential for renewed turmoil in financial markets and continued 15 economic uncertainties, coupled with expectations for higher interest rates and inflation, exacerbate the risks faced by utilities and their investors. 16 Finally, because the 11.50% incentive ROE requested by NMPC for Smart Path 17 Connect falls below the upper boundary produced by my application of the Three-Model 18 19 Approach, I concluded that it meets the Commission's policy guidance governing incentive-based ROEs.² The upper boundary of the range produced by the Four-Model 20 Approach also confirm that a total ROE of 11.50% for NMPC is within a reasonable range. 21 B. **Regulatory Standards** What is the role of the ROE in setting a utility's rates? 22 Q. 23 A. The ROE compensates shareholders for the use of their capital to finance the investment 24 necessary to provide utility service. Investors commit capital only if they expect to earn a

25 return on their investment commensurate with returns available from alternative

² Established Commission policy and precedent requires that the total ROE of a utility including the impact of an incentive must fall within the zone of reasonableness. *See, e.g., Promoting Transmission Inv. through Pricing Reform,* Order No. 679, FERC Stats. & Regs. ¶ 31,222 at P. 93 (2006). More recently, the Commission has proposed to eliminate the requirement that the incentive ROE fall within the zone of reasonableness in favor of a 250-basis-point cap for all ROE incentives. *Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act,* 170 FERC ¶ 61,204 at PP 79-80 (2020).

investments with comparable risks. To be consistent with sound regulatory economics 1 and the standards set forth by the U.S. Supreme Court in *Bluefield*³ and *Hope*,⁴ a utility's 2 3 allowed ROE should be sufficient to: (1) fairly compensate capital invested in the utility; (2) enable the utility to offer a return adequate to attract new capital on reasonable terms; 4 and (3) maintain the utility's financial integrity. 5 Q. What ultimately governs the selection of a fair ROE? 6 The Commission has recognized that a reasonable point estimate ROE should be 7 A. determined based on the facts specific to each proceeding.⁵ That point estimate must also 8 meet the standards mandated by the U.S. Supreme Court.⁶ As the Commission has 9 reaffirmed, "[t]he Commission's ultimate task is to ensure that the resulting ROE satisfies 10 the requirements of *Hope* and *Bluefield*."⁷ This determination requires the Commission 11 to consider all of the available evidence and identify an ROE that is just, reasonable, and 12 13 sufficient to support NMPC's need to attract capital and earn a competitive return and, at the same time, promote the Commission's goal of encouraging investment in electric 14 utility infrastructure. 15

³ Bluefield Waterworks & Improvement Co. v. Pub. Serv. Comm'n of W. Va., 262 U.S. 679 (1923) ("Bluefield").

⁴ FPC v. Hope Natural Gas Co., 320 U.S. 591 (1944) ("Hope").

⁵ See, e.g., Midwest Indep. Transmission Sys. Operator, Inc., 106 FERC ¶ 61,302 at P 8 (2004) ("Midwest ISO"), aff'd in relevant part sub. nom., Pub. Serv. Comm'n of Ky. v. FERC, 397 F.3d 1004 (D.C. Cir. 2005).

⁶ See, e.g., *id.*, 106 FERC ¶ 61,302 at PP 13-14. The Commission observed that:

[[]W]e are guided by the principle, enunciated by the Supreme Court, that an approved ROE should be "reasonably sufficient to assure confidence in the financial soundness of the utility [or, in this case, utilities] and should be adequate under efficient and economical management, to maintain and support its credit, and enable it to raise the money necessary for the proper discharge of its public duties.

Id. at P 13 (quoting Bluefield, 262 U.S. at 693).

⁷ Coakley Mass. Attorney Gen. v. Bangor Hydro-Electric Co., Opinion No. 531, 147 FERC ¶ 61,234 at P 144, order on paper hearing, Opinion No. 531-A, 149 FERC ¶ 61,032 (2014), order on reh'g, Opinion No. 531-B, 150 FERC ¶ 61,165 (2015), vacated & remanded sub nom. Emera Me. v. FERC, 854 F.3d 9 (D.C. Cir. 2017).

Q. How does fixing a just and reasonable ROE relate to attracting private capital to utility infrastructure investment?

3 A. Under the competitive market paradigm that serves as the foundation for investment 4 choices, investors' expected ROE is the key economic signal that allocates finite capital among competing opportunities. The allowed ROE and a reasonable opportunity to earn 5 it are the key factors in ensuring the flow of investment capital to new utility facilities. 6 7 Apart from the impact that economic and market turmoil can have on the availability of 8 capital, electric utility facilities must compete with alternative investments. Utilities and 9 their investors must commit huge sums of money when they invest in electric utility infrastructure. The additional funding necessary to expand the transmission grid with 10 11 new and upgraded facilities will be provided only if investors anticipate an opportunity to 12 earn a return that is sufficient to compensate for the associated risks and commensurate 13 with returns available from alternative investments of comparable risk.

14 Q. Is NMPC faced with financial pressures associated with planned capital

15 expenditures?

A. Yes. NMPC's plans call for significant incremental capital investment to address system
 needs. NMPC's anticipated capital investment in transmission facilities is addressed
 further in the Direct Testimony of Andrew Byrne. In light of these substantial capital
 requirements and financial pressures, support for the Company's financial integrity and
 flexibility will be instrumental in attracting the capital necessary to fund these
 requirements.

22 23 Q.

Is it important that investors have confidence that the regulatory environment is stable and constructive?

A. Yes. Past challenges for the economy and capital markets highlight the benefits of a fair
and balanced ROE, and any departure from the path of supporting utility financial
strength through a sound and stable ROE policy would be extremely shortsighted.
Uncertainty and volatility undermine investor confidence, and regulatory signals are the

1 primary driver of investors' risk assessments for utilities. Securities analysts study FERC and state commission orders and regulatory policy statements closely to gauge the 2 3 financial impact of regulatory actions and to advise investors accordingly. If regulatory actions instill confidence that the regulatory environment is supportive, investors will 4 5 provide the capital necessary to support needed investment. As a corollary, absent a commitment by regulators to promote a sound and stable environment for utility 6 7 investment and follow through on expectations for ROEs that are competitive with 8 alternative investment opportunities, the flow of capital into utility infrastructure may not 9 continue. As a result, the need for a stable and constructive regulatory environment, as 10 well as regulatory certainty in supporting utility infrastructure investment, is as relevant 11 today as ever.

12

Q. What do you mean by "regulatory certainty?"

13 A. Regulatory certainty exists when investors have confidence that prior regulatory 14 decisions are predictive of future regulatory actions under similar circumstances. As the Commission has stated, it "strives to provide regulatory certainty through consistent 15 approaches and actions."⁸ The Commission's policy efforts focus on constructive and 16 17 predictable rate regulation and have attracted large commitments of private capital to 18 expand transmission infrastructure, reduce congestion, improve reliability, and secure 19 access to new generation, including wind and other renewable resources. Nevertheless, 20 with respect to ROE, the Commission has recognized the potential disincentive to 21 investment stemming from uncertainties in the administrative process for determining a 22 just and reasonable ROE. In Order No. 679-A, the Commission concluded that "our 23 hearing procedures for determining ROE can create uncertainty for investors," and noted 24 that:

⁸ FERC, About FERC, https://www.ferc.gov/what-ferc (last visited Oct. 22, 2021).

1 2 3		Although our processes are designed to provide a just and reasonable return, we recognize that there can be significant uncertainty as to the ultimate return because of the uncertainties associated with administrative
4 5		determinations (<i>e.g.</i> , selection of the proxy group, changes in growth rates, etc.) This can itself constitute a substantial disincentive to new investment. ⁹
6		Having recognized the problems associated with uncertainty in its ROE policies, the
7		Commission should do what it can to ensure that the end results of its ROE determinations
8		support the regulatory certainty needed for transmission infrastructure investment.
	II.	RETURN ON EQUITY FOR NMPC
9	Q.	What is the purpose of this section of your testimony?
10	A.	This section of my testimony presents my independent evaluation of a just and reasonable
11		ROE for NMPC. This section:
12 13		 summarizes the Commission's current ROE policies and examines conditions in the capital markets and the general economy.
14 15 16		• presents the results of the Three-Model and Four-Model Approaches and my conclusion that the 10.50% base ROE requested by NMPC is just and reasonable.
17 18		 addresses how NMPC's proposed ROE of 10.50% meets the Commission's policy goal of supporting investment in electric transmission infrastructure.
19 20 21		• supports the reasonableness of a 50 basis point ROE incentive adder to recognize the customer benefits associated with NMPC's investment in Smart Path Connect.
22 23		• discusses the reasonableness of a 50 basis point incentive ROE adder to reflect the risks and challenges associated with Smart Path Connect.
		A. Commission ROE Policy
24	Q.	Please describe your understanding of the Commission's current ROE policy.
25	A.	In Opinion No. 569-A, the Commission relied on three financial models to establish a just
26		and reasonable ROE for the MISO TOs: (1) a two-step DCF model, (2) the CAPM, and

27 (3) the Risk Premium approach. Under the methodology adopted in Opinion No. 569-A,

⁹ Promoting Transmission Investment Through Pricing Reform, Order No. 679-A, 117 FERC ¶ 61,345, at P 69 (2006), order on reh'g, 119 FERC ¶ 61,062 (2007).

the composite zone of reasonableness is computed by averaging the low and high
boundaries of each model.¹⁰ For purposes of administering Section 206 of the FPA, the
Commission elected to stratify the composite zone of reasonableness into three equal
parts, which it asserted to correspond to "below average risk," "average risk," and "above
average risk" ranges.¹¹ With the exception of minor corrections to certain inputs to the
Risk Premium approach, the Commission affirmed these findings in Opinion No. 569-B.

In Opinion No. 569-A, the Commission also rejected rehearing of its decision in
Opinion No. 569 not to rely on the Expected Earnings approach to establish the ROE for
the MISO TOs. However, the Commission noted that "we do not necessarily foreclose its
use in future proceedings," so long as concerns expressed in Opinion No. 569 and reiterated
in Opinion No. 569-A are addressed.¹²

B. Impact of Economic and Capital Market Conditions

12 Q. Please summarize current economic and capital market conditions.

The U.S. economy has been severely impacted by the COVID-19 pandemic, with real 13 A. 14 GDP contracting 3.5% during 2020. With the easing of lockdowns accompanying the COVID-19 vaccine rollout, the economic outlook improved significantly during 2021, 15 with quarterly annualized GDP growth of 6.3%, 6.7%, 2.3%, and 6.9% in 2021. 16 Indicators of employment have also continued to strengthen, with the national 17 18 unemployment rate in December 2021 falling slightly to 3.9%. While marking a significant recovery from the peak of 14.7% reached in April 2020, the jobless rate 19 remains above the level immediately preceding the COVID-19 pandemic. 20

¹⁰ Because the Risk Premium approach produces a single point estimate and not a range, the Commission imputed a range around the point estimate based on the average spread between the low and high boundaries of the two-step DCF and CAPM ranges.

¹¹ Opinion No. 569-A at P 194.

¹² *Id.* at P 132.

1 Meanwhile, inflation as measured by the CPI rose to 7.0% in December 2021. This represents the fastest pace of price inflation since 1982 and the seventh straight month in 2 3 which CPI inflation exceeded 5%. Similarly, the Personal Consumption Expenditure Price Index expanded at an annual rate of 5.7% in November 2021, its highest level since 4 November 1990. Continuation of hyper-stimulative monetary and fiscal policies have led 5 to increasing concern that inflation may remain significantly above the 2% longer-run 6 7 benchmark cited by the Federal Reserve. The November 2021 Survey of Consumer 8 Expectations conducted by the New York Fed reported that expectations for year-ahead inflation rose to 6.0%, which is the highest reading on record in the survey's eight-year 9 history.¹³ Meanwhile, the Social Security Administration announced that beneficiaries 10 would receive a cost-of-living adjustment of 5.9% for 2022, up from 1.3% a year earlier.¹⁴ 11 After abandoning the word "transitory" for describing the nature of the current high 12 inflation rate,¹⁵ Federal Reserve Chair Jerome Powell noted that "overall inflation is 13 running well above our 2% longer-run goal and will likely continue to do so well into next 14 year" and that "[w]hile the drivers of higher inflation have been predominantly connected 15 to the dislocations caused by the pandemic, price increases have now spread to a broader 16 range of goods and services."¹⁶ 17

18 The underlying risk and unease have been felt worldwide as countries have 19 struggled to manage successive waves of the COVID-19 pandemic. In Britain, the 20 economy and financial markets have been challenged not only by the ongoing health crisis,

¹³ Federal Reserve Bank of New York, *Inflation Expectations Increase in Short-Term, Decline in Medium-Term; Consumers' Spending Expectations Rise*, Press Release (Dec. 13, 2021), https://www.newyorkfed.org/newsevents/news/research/2021/20211213.

¹⁴ Social Security Administration, *Fact Sheet: 2022 Social Security Changes*, https://www.ssa.gov/news/press/factsheets/colafacts2022.pdf.

¹⁵ https://www.reuters.com/article/usa-fed-instant/feds-powell-floats-dropping-transitory-label-for-inflation-idUSKBN2IF1S0.

¹⁶ Federal Reserve, *Transcript of Chair Powell's Press Conference* (Dec. 15, 2021), https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20211215.pdf.

1 but also due to uncertainties regarding the impact of Brexit, which has led to shortages of gasoline and consumer goods. The European Union experienced a 6.4% decline in 2 economic growth during 2020, although GDP is expected to expand by approximately 5% 3 during 2021. Economic activity has been volatile in many emerging market economies, 4 including Brazil and Mexico. While China's economic growth accelerated dramatically 5 during the first half of 2021, there are ongoing concerns that a highly leveraged real estate 6 7 market and the emergence of the Omicron variant of COVID-19 could derail recent gains. 8 Meanwhile, severe constraints in the global supply chain and a significant increase in oil 9 prices come on top of ongoing geopolitical tensions in Ukraine and the Middle East, which raise the potential for disruptions in energy supplies and attendant price volatility. 10

11 Q. How have common equity markets been impacted by covid-19?

The threat posed by the coronavirus pandemic led to extreme volatility in the capital 12 A. 13 markets as investors dramatically revised their risk perceptions and return requirements 14 in the face of the severe disruptions to commerce and the world economy. Despite the actions of the world's central banks to ease market strains and bolster the economy, 15 global financial markets experienced precipitous declines in asset values in March 2020. 16 17 While the broader stock market has fully recovered and currently stands near all-time 18 highs, investors continue to face the prospect of volatility as capital markets respond to uncertainties surrounding the trajectory of the economy in light of ongoing risks 19 associated with the COVID-19 pandemic.¹⁷ 20 21

Q. Have utilities and their investors faced similar turmoil?

22 Yes. Concerns over weakening credit quality prompted S&P to revise its outlook for the A. regulated utility industry from "stable" to "negative" in 2020.¹⁸ S&P recently affirmed its 23

¹⁷ The Chicago Board Options Exchange Volatility Index (commonly known as the "VIX"), which is a key measure of expectations of near-term volatility and market sentiment, rose to levels not seen since the 2008-2009 Financial Crisis during March 2020 and remains above pre-pandemic levels.

¹⁸ S&P Global Ratings, COVID-19: The Outlook For North American Regulated Utilities Turns Negative, RatingsDirect (Apr. 2, 2020).

1		negative outlook for investor-owned utilities, noting that "risk will continue to pressure
2		the credit quality of the industry in 2022." ¹⁹ As S&P elaborated:
3 4 5 6		Recently, several new credit risks have emerged, including inflation, higher interest rates, and rising commodity prices. Persistent pressure from any of these risks would likely lead to a further weakening of the industry's credit quality in 2022. ²⁰
7		While recognizing that regulatory protections have helped to mitigate the worst of the
8		coronavirus pandemic, S&P noted that, "Because the industry has experienced such a
9		significant weakening of credit quality over the past two years, the median and modale
10		(sic) ratings for the industry fell for the first time ever to the 'BBB' category from the 'A'
11		category." ²¹ S&P recently observed that "2021 could become the second consecutive year
12		that downgrades outpace upgrades" in the utility sector. ²²
13		Meanwhile, rising interest rates and inflation expectations also pose a challenge for
14		utilities, with S&P recently noting that "the threat of inflation comes at a time when credit
15		metrics are already under pressure relative to downside ratings thresholds." ²³ As Value
16		Line concluded, "Inflation clearly is worrisome." ²⁴
17	Q.	Do changes in utility company beta values since the pandemic began corroborate an
18		increase in industry risk?
19	А.	Yes. Beta measures a stock's price volatility relative to the overall market and reflects the
20		tendency of a stock's price to follow changes in the market. The investment community
21		relies on beta as an important guide to investors' risk perceptions. A stock that tends to

¹⁹ S&P Global Ratings, For The First Time Ever, The Median Investor-Owned Utility Ratings Falls To The 'BBB' Category, RatingsDirect (Jan. 20, 2022).

²⁰ Id.

 $^{^{21}}$ *Id*.

²² S&P Global Ratings, *Report: North American Regulated Utilities' Credit Quality Begins The Year On A Downward Path*, RatingsDirect (Apr. 7, 2021).

²³ S&P Global Ratings, *Will Rising Inflation Threaten North American Investor-Owned Regulated Utilities' Credit Quality?* (July 20, 2021).

²⁴ The Value Line Investment Survey, *Selection and Opinion* (Dec. 3, 2021).

1	respond less to market movements has a beta less than 1.00, while stocks that tend to
2	move more than the market have betas greater than 1.00. Generally, a higher beta means
3	the market perceives the stock to be riskier than a stock with a lower beta. As shown on
4	Exhibit No. NMPC-302, the current average beta for the firms in the proxy group I use to
5	estimate the cost of equity is 0.90. Prior to the COVID-19 pandemic, the average beta for
6	the same group of companies was 0.54. ²⁵ This dramatic increase in a primary gauge
7	referenced by investors is further proof of the higher risk of electric company common
8	stocks.

9 Q. What actions did the federal reserve take in response to the threat to the economy 10 posed by the COVID-19 pandemic?

A. In early 2020, the Federal Reserve quickly lowered its target Federal Funds rate to close
to zero to support economic activity, stabilize markets and bolster the flow of credit to
households, businesses, and communities. In March 2020, the Federal Reserve lowered
the target range for its benchmark federal funds rate by a total of 150 basis points, to the
current range of 0% to 0.25%.

In addition, the Federal Reserve reintroduced the quantitative easing measures initially adopted in response to the 2008 financial crisis by directing the purchase of Treasury securities and agency mortgage-backed securities "in the amounts needed to support the smooth functioning of markets,"²⁶ while continuing to reinvest all principal repayments from its existing holdings. The Federal Reserve also implemented wideranging initiatives designed to support credit markets and ensure liquidity, including credit

²⁵ The Value Line Investment Survey, *Summary & Index* (Feb. 14, 2020).

²⁶ Federal Reserve, *Press Release* (Mar. 23, 2020),

https://www.federalreserve.gov/monetarypolicy/files/monetary20200323a1.pdf.

- facilities to support households, businesses, and state and local governments, as well as the
 purchase of corporate bonds on the secondary market.²⁷
- As illustrated in Figure NMPC-1 below, the Federal Reserve's asset holdings exceed \$8.5 trillion, which is an all-time high, and the resulting effect on capital market conditions has likely never been more pronounced. While the Federal Reserve's aggressive monetary stimulus may have helped to ensure market liquidity and support the economy, these actions also support financial asset prices and in turn place artificial downward pressure on bond yields, which provide one commonly cited gauge of capital costs.



FIGURE NMPC-1 FEDERAL RESERVE BALANCE SHEET (BILLION \$)

https://fred.stlouisfed.org/series/WALCL

9 Q. Are bond yields expected to remain at current levels over the next few years?

²⁷ See, e.g., Federal Reserve System, Federal Reserve takes additional actions to provide up to \$2.3 trillion in loans to support the economy (Apr. 9, 2020).

https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm. The Federal Reserve discontinued purchases under its Corporate Credit Facilities in December 2020.

A. No. As illustrated in Figure NMPC-2, below, economic forecasters anticipate that bond
 yields will increase significantly over the near term.



FIGURE NMPC-2 INTEREST RATE TRENDS

						Change (bps)
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2022-26</u>
(a) 10-Yr. Treasury	1.9%	2.4%	2.8%	3.1%	3.2%	128
(a) 30-Yr. Treasury	2.4%	2.9%	3.3%	3.6%	3.7%	130
(a) Aaa Corporate	3.2%	3.7%	4.2%	4.5%	4.6%	145
(b) Baa Utility	3.9%	4.6%	5.1%	5.4%	5.5%	157

(a) Wolters Kluwer, Blue Chip Financial Forecasts (Dec. 1, 2021)

(b) Based on projected yields on Baa corporate bonds (Wolters Kluwer, Blue Chip Financial Forecasts (Dec. 1, 2021)) adjusted for six-month average yield spreads at Sep. 2021 (Moody's Investors Service).

As evidenced above, there is a consensus that the cost of permanent capital will rise over the 2021-2025 timeframe. As a result, current cost of capital estimates are likely to understate investors' requirements during the time the rates set in this proceeding will be effective.

1	Q.	Are these expectations of higher bond yields consistent with the views of the Federal
2		Open Market Committee?
3	A.	Yes. Responding to concerns over accelerating inflation, at its policy meeting on
4		December 14-15 the Federal Reserve elected to substantially increase the speed at which
5		it tapers purchases of Treasury and other securities. As Dow Jones reported:
6 7 8 9 10 11		Fed officials in early November agreed to reduce their then-\$120-billion-a- month in bond purchases by \$15 billion a month, to \$90 billion this month. On Wednesday, officials said they would accelerate that wind down beginning next month, reducing purchases by \$30 billion a month. As a result, they will purchase \$60 billion in Treasury and mortgage securities in January, putting the program on track to end by March. ²⁸
12		The quicker wind-down to the Fed's asset purchase program is widely viewed as a prelude
13		to higher interest rates, and the FOMC most recent guidance reflects a more hawkish stance
14		with respect to future increases.
15 16 17 18 19 20 21 22 23 24 25		Most Federal Reserve officials signaled Wednesday they were prepared to raise their short-term benchmark rate at least three times next year to cool high inflation. As expected, officials also approved plans to more quickly scale back its pandemic stimulus efforts in response to hotter inflation, opening the door to rate increases starting next spring. Fed officials voted to hold rates near zero on Wednesday, but the latest projections are a significant shift from just three months ago. In September, around half of those officials thought rate increases wouldn't be warranted until 2023. It is the latest sign of how an acceleration and broadening of inflationary pressures, together with signs of an ever-tighter labor market, is reshaping officials' economic outlook and policy planning. ²⁹
26		In conjunction with the December 14-15 policy meeting, the FOMC submitted
27		updated projections about where short-term interest rates are headed. The results are the
28		dot plot-a visual representation of where members think rates will go over the short,
29		medium, and longer run. As shown in the figure below, the most recent dot plot indicates

²⁸ Nick Timiraos, *Fed Officials Project Three Rate Rises Next Year and Accelerate Wind Down of Stimulus*, Dow Jones Newswires (Dec. 16, 2021).

²⁹ Id.

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that all of the FOMC participants expect its benchmark interest rate to be dramatically
 higher than current levels by 2024,³⁰ with the majority anticipating a midpoint of the federal
 funds target range at 2.5%, versus 0.125% currently.³¹





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³⁰ Summary of Economic Projections (Dec. 15, 2021).

https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20211215.pdf.

1	Q.	Has the Commission previously acknowledged the inter-relationship between capital
2		market conditions and a determination of a just and reasonable ROE?
3	A.	Yes. In Opinion No. 531, the Commission determined that capital market conditions
4		were anomalous, specifically that atypically low interest rates led to midpoint results of
5		the Commission's then-preferred DCF analysis that were too low to be just and
6		reasonable. The Commission considered yields on 10-year constant maturity Treasury
7		bonds as an indicator of a broad range of capital market conditions that affect utilities and
8		the inputs to the DCF model. ³² The Commission explained that:
9 10 11 12 13		Until the financial crisis of 2008, the yield on U.S. Treasury bonds had not fallen below 3 percent since the 1950s. U.S. Treasury bond yields are not an input in the DCF model, but they reflect current capital market conditions, which could have an indirect impact on the two inputs in the DCF model—dividend yield and growth rate. ³³
14		In addition, as the Commission noted in Opinion No. 531, the record in that proceeding
15		included evidence concerning the implications of Federal Reserve monetary policies and
16		expectations that interest rates would rise significantly over the near-term. ³⁴
17		In Opinion No. 551, which was issued in September 2016, the Commission again
18		noted that record evidence for the six-month study period ending June 2015 "reflect the
19		type of unusual conditions that the Commission identified in Opinion No. 531." ³⁵ The
20		Commission observed that the yield on 10-year Treasury notes, which had been below 2%
21		in the Docket No. EL11-66 record period, "was at 2.07 percent during the study period." ³⁶
22		Opinion No. 551 also cited "unprecedented levels of U.S. Treasury bonds and mortgage
23		backed securities" on the Federal Reserve's balance sheet as an indicator of the ongoing

³² See, e.g., Opinion No. 531-B at P 49.

³³ Opinion No. 531 at P 145 n.285 (citation omitted).

³⁴ *Id.* at P 130.

³⁵ Ass'n of Businesses Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc., Opinion No. 551, 156 FERC ¶ 61,234 at P 122 (2016), order on briefs, reh'g, & initial decision, Opinion No. 569.
³⁶ Id. at P 121.

anomaly, noting that "the Federal Reserve continues to hold approximately \$4.25 trillion
 of those bonds, a level only slightly below record- highs."³⁷ The Commission concluded
 that, "This record evidence is indicative of the same type of unusual capital market that the
 Commission found concerning in Opinion No. 531."³⁸

5

6

Q.

conditions in establishing a just and reasonable ROE for NMPC?

Would it be reasonable to disregard the implications of current capital market

7 A. No. The size of Federal Reserve's current balance sheet dwarfs what the Commission 8 previously found to call into question the reliability of its two-step DCF approach for 9 determining utility ROEs. Another key hallmark of capital market conditions that the Commission found to be problematic for the reliability of DCF results was long-term 10 bond yields that are artificially suppressed due to the Federal Reserve's unprecedented 11 12 intervention in the capital markets. Six-month average yields on both 10-year and 30-13 year Treasury bonds are below those that prevailed during the periods the Commission 14 characterized as anomalous in Opinion Nos. 531 and 551. Yields on 10-year Treasury bonds averaged 1.83% and 2.07% during the study periods referenced in Opinion Nos. 15 531 and 551, respectively, versus 1.46% for the six months ending September 2021. 16 Yields on 30-year Treasury bonds averaged 3.00% and 2.72% during the study periods 17 18 referenced in Opinion Nos. 531 and 551, respectively, versus 2.10% for the six months ending September 2021. Apart from being below levels that the Commission previously 19 highlighted as problematic,³⁹ these current yields also are far below historical levels.⁴⁰ 20 21 The Commission previously concluded that, "evidence in the record regarding

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historically low interest rates and Treasury bond yields as well as the Federal Reserve's

³⁷ *Id*.

³⁸ Id.

³⁹ Opinion No. 531 at P 145 n.285; Opinion No. 551 at P 121.

⁴⁰ For example, over the years 1962-2019, 10-year Treasury bond yields averaged 6.12%. FRED Economic Data, *Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity*, https://fred.stlouisfed.org/series/DGS10.

large and persistent intervention in markets for debt securities are sufficient to find that 1 current capital market conditions are anomalous."⁴¹ By this standard, the Commission 2 3 must recognize that the potential for distorted DCF results again exists in this case. Although the Commission later departed from the specific ROE methodology adopted in 4 Opinion Nos. 531 and 551, the Commission's findings regarding the potential impact of 5 capital market conditions on the reliability of DCF results remain valid and should inform 6 7 the Commission's determination of an ROE for NMPC. This further supports using the 8 Expected Earnings approach and other ROE benchmarks as a cross-check on the 9 reasonableness of the ROE resulting from the Three Model Approach.

C. Recommended ROE for NMPC

10 Q. Please summarize your results under the three-model approach.

- 11 A. The ROE estimates produced by the Three-Model Approach for the twenty-six risk-
- 12 comparable electric utilities in the proxy group ("Electric Group") described
- 13 subsequently in my testimony are summarized in Table NMPC-1 below.

Method	Range	Median	Midpoint
Two-Step DCF	6.00% 11.30%	9.10%	8.65%
CAPM	10.50% 14.87%	12.80%	12.69%
Risk Premium	7.17% 12.00%	9.59%	9.59%
Composite ROE	7.89% 12.72%	10.50%	10.31%

 TABLE NMPC-1

 SUMMARY OF RESULTS – THREE-MODEL APPROACH

Because NMPC's credit ratings are identical to, or within one notch of the average
for the Electric Group (Exhibit No. NMPC-303), the median and midpoint values specified

⁴¹ Opinion No. 551 at P 124.

above correspond to a utility of average risk and do not consider the risk-based ranges
 adopted in Opinion No. 569-A.⁴²

The Commission has recognized that not all methods for estimating a utility's ROE works well in all situations and has adopted the Three-Model Approach using the Two-Step DCF, CAPM, and Risk Premium to address this model risk and promote model diversity.⁴³

7 Q. What are your findings regarding the expected earnings approach?

8 A. In responding to the concerns articulated in Opinion Nos. 569 and 569-A, my evidence 9 demonstrates that the Expected Earnings approach offers a meaningful and necessary 10 benchmark in assessing the return necessary for NMPC to maintain financial integrity and attract capital. The Expected Earnings approach serves as a direct measure of the 11 12 expected returns on equity that investors associate with companies of comparable risk 13 and provides regulators with a direct guide to the return the utility should be expected to 14 earn on the embedded cost of its book equity investment. The traditional regulatory paradigm explicitly recognizes the validity of book value of equity by choosing to 15 measure rate base and capital structure components based on book value, rather than 16 17 market value. The Expected Earnings approach is uniquely matched to this standard and 18 complements the use of the Three-Model Approach to ensure that the end-result of the 19 Commission's ROE methodology satisfies the requirements of Hope and Bluefield. 20 Q. Please summarize your results under the four-model approach.

A. The ROE estimates produced by the Four-Model Approach for the Electric Group are
 summarized in Table NMPC-2 below and generally confirm the proposed ROE based on
 the Three-Model Approach is reasonable in this case, although somewhat conservative.

⁴² Opinion No. 569-A at P 194.

⁴³ Opinion No. 569-A at PP 43-45.

Method	Range	Median	Midpoint
Two-Step DCF	6.00% 11.30%	9.10%	8.65%
CAPM	10.50% 14.87%	12.80%	12.69%
Expected Earnings	8.18% 14.35%	11.23%	11.27%
Risk Premium	6.95% 12.23%	9.59%	9.59%
Composite ROE	7.91% 13.19%	10.68%	10.55%

TABLE NMPC-2 SUMMARY OF RESULTS – FOUR-MODEL APPROACH

Q. Can a mechanical application of any specific ROE methodology be expected to produce reasonable outcomes in every case and under all circumstances?

A. No. The Commission has previously recognized that a just and reasonable ROE should be determined based on the facts specific to each proceeding and noted, "[a]s an initial matter, we emphasize that the primary question to be considered here is not what constitutes the best overall method for determining ROE generically."⁴⁴ Rather, the question involves a determination of what ROE is most appropriate in each specific case.⁴⁵

9 As the Commission has recognized, this evaluation should not be based on the 10 mechanical application of a single quantitative methodology (or for that matter a 11 mechanical application of a series of models).⁴⁶ No single financial model predicts the 12 required ROE with absolute precision and all financial models are based on a series of 13 assumptions that are affected differently by market conditions.

Investors inform their investment decisions by considering multiple methodologies,
as do financial analysts. These include the DCF, CAPM, and Risk Premium models, as
well as other methods (*e.g.*, the Expected Earnings approach). As the Commission has

⁴⁴ *Midwest ISO*, 106 FERC ¶ 61,302 at P 8.

⁴⁵ *Id.* This is consistent with *Emera Maine*, which noted that "[w]hether a rate . . . is unlawful depends on the particular circumstances of the case." *Emera Maine*, 854 F.3d at 23.

⁴⁶ *See*, *e.g.*, Opinion No. 569-A at P 43.

recognized, all models, including the two-step DCF model, have flaws. Accordingly, in
 addition to the results of the Three-Model and Four-Model approaches, my testimony
 presents the results of alternative ROE benchmarks. Specifically, I apply the constant
 growth DCF method to the utilities in the Electric Group, as well as to a low-risk group of
 non-utility firms in the competitive sector.

Q. Is the constant growth DCF model well-established in evaluating investors' required ROE?

8 A. Yes. The Commission has concluded that the two-step DCF method produces an end result that fails the requirements of *Hope and Bluefield*,⁴⁷ but should also recognize that 9 diluting the downward bias of the two-step DCF method by averaging its results with 10 those produced by other methods merely masks the bias, rather than removing it. In 11 12 addition, the Commission has determined that "we must look to how investors analyze and compare their investment opportunities"⁴⁸ when evaluating a just and reasonable 13 ROE. As documented in my testimony, there is no demonstrable evidence that investors 14 look to GDP growth rates in the far distant future in assessing their expectations for 15 utility common stocks. Investors recognize that the electric utility industry is relatively 16 17 stable and mature. The fact that analysts' EPS growth estimates are routinely referenced 18 in the financial media and in investment advisory publications, while long-term GDP 19 growth rates are not, clearly implies that investors use current earnings forecasts, not 20 long-term trends in GDP, as a primary basis for their growth expectations. In view of these facts, the constant growth form of the DCF model provides a meaningful 21 22 benchmark in evaluating a just and reasonable base ROE for NMPC. 23 Q. What results are produced by the alternative ROE benchmarks? As summarized on page 2 of Exhibit No. NMPC-303: 24 A.

⁴⁷ See, e.g., Opinion No. 531 at P 145; Opinion No. 531-B at P 84; Opinion No. 551, 156 FERC ¶ 61,234 at P 122 (2016).

⁴⁸ Opinion No. 569 at P 33.

1 2		• Application of the constant growth DCF model to the proxy group of electric utilities implies a range of 6.01% to 12.26%, with a median of 9.45%.
3 4 5		• Application of the constant growth DCF model to the low-risk group of non- utility companies implies a range of 6.87% to 14.18%, with a median of 10.34%.
6		These results demonstrate a continued downward bias in the 9.10% median value resulting
7		from the Commission's two-step DCF method and indicate that the average ROE resulting
8		from the Three-Model Approach is a conservative measure of NIMO's required return. ⁴⁹
9	Q.	What then is your recommendation as to a just and reasonable base ROE for
10		NMPC?
11	A.	The results of my analysis support a base ROE for NMPC of 10.50% under the Three-
12		Model Approach and 10.68% under the Four-Model Approach. For purposes of this
13		proceeding, NMPC is proposing a base ROE of 10.50%, which corresponds to the
14		median value produced by the Three-Model Approach. The evidence presented in my
15		testimony supports this result, as well as the use of the Four-Model Approach and a base
16		ROE of 10.68%. Accordingly, I conclude that the 10.50% base ROE requested by NMPC
17		is just and reasonable.
		D. NMPC's Requested ROE Adders Are Reasonable
18	Q.	What ROE incentive adders is NIMO requesting in this proceeding?
19	A.	In addition to a 50 basis point adder to recognize NMPC's participation in NYISO, as
20		well as the benefits that Smart Path Connect will provide to customers in New York, the
21		Company is requesting a 50 basis point adder based on the risks and challenges of Smart

22 Path Connect.

⁴⁹ While I did not make an explicit adjustment to the results of my quantitative methods to include an adjustment for flotation costs, this is another legitimate consideration that supports the reasonableness of my evaluation of a just and reasonable base ROE for NMPC in this case.

1. RTO/ISO Participation/Customer Benefits Adder

Q. In evaluating a just and reasonable ROE for NIMO, is it appropriate to consider the
 benefits that will accrue to customers as a result of Smart Path Connect, including
 participation in the NYISO?

4 A. Yes. As discussed in the testimony of Brian Gemmell, Exhibit No. NMPC-100, the SPC Project will be turned over to the operational control of NYISO. Mr. Gemmell also 5 6 explains the significant financial and quality-of-life benefits that Smart Path Connect will provide to customers throughout New York. Awarding an increment of return above the 7 base cost of equity, such as the 50 basis points requested by the Company, recognizes the 8 9 importance of incentivizing utilities such as NMPC to invest in these sorts of large-scale projects aimed at achieving significant public policy benefits, as well as the benefits of 10 RTO participation. Moreover, including an adder above the minimum fair ROE required 11 12 by investors is entirely consistent with fostering an environment in which customers are assured reliable service at reasonable rates and stockholders are fairly treated. 13

Q. Is a customer benefit adder consistent with the economic rationale underlying traditional rate of return / rate base regulation?

16 A. Yes. The goal of regulation is to achieve the same result that would prevail in a 17 competitive market, where the actions of buyers and sellers serve to effectively regulate price and quality of service. Under the competitive market paradigm that serves as the 18 19 foundation for regulation, the expected ROE is a key economic signal to management and 20 investors. In competitive markets, high-performing companies are able to benefit from efficient operations by realizing higher rates of return for their shareholders. However, 21 traditional regulation departs from this competitive market ideal when the returns allowed 22 23 for well-managed, efficient utilities that improve operations and lower costs for customers fail to reflect these benefits. Moreover, NMPC must undertake significant 24 investment associated with substantial risks to achieve these benefits to customers. 25

1 The 50 basis point customer benefit adder requested by NMPC is consistent with 2 sound regulatory policy and recognizes the economic benefit associated with assuming 3 these burdens to achieve superior results for customers, as would accrue to unregulated 4 firms.

2. Incentive for New Transmission Investment Based on Risks and Challenges

Q. Why is it important to allow an incentive return for new transmission investment, such as Smart Path Connect?

A. As documented in the testimony of Mr. Gemmell, Smart Path Connect will support
environmental and public policy objectives, diversify New York's power supply mix,
increase system resilience to severe weather events, and reduce transmission system
congestion. To accommodate the scale of power transfers required to fulfill clean energy
goals, promote competition in wholesale markets, and enhance system reliability,
transmission owners, including NMPC and other regional utilities, must undertake
significant investment to upgrade and expand the existing transmission system.

14 In the past, transmission assets were treated no differently under traditional regulation than any other investment in electric utility plant. For purposes of establishing 15 rates, investment in a utility's transmission system was included as a component of rate 16 base, which determined the total amount of return on capital used to establish rates. But 17 as Congress recognized well over a decade ago with the passage of EPAct 2005, in light of 18 19 the risks associated with transmission investment, the overall rate of return allowed regulated electric utilities had been insufficient to attract the level of capital necessary to 20 keep pace with developments in the wholesale power markets. The Commission observed 21 22 that the EPAct 2005 "put to rest" any conjecture regarding the need for incentives to promote increased capital spending on transmission facilities and concluded that this 23

1 mandate was supported by "abundant evidence." ⁵⁰ The challenges posed by the need to 2 support clean energy goals heighten the need for significant new capital investment to 3 maintain and enhance service capabilities in the face of rapid evolution in the landscape 4 for electric transmission infrastructure.

Has the continued need to invest in the nation's electric transmission infrastructure

5 Q.

6

been well documented?

- 7 A. Yes. There is little debate that increased investment in the transmission system will be
- 8 required to fully realize the benefits of effective wholesale power markets and meet
- 9 climate goals. For example, Moody's recently concluded that:
- Capital expenditures will remain high. With a heightened focus on 10 reducing carbon exposure, utilities continue to invest in new renewable 11 generation capacity and to make up for accelerated coal-fired power plant 12 retirements as well as to bolster transmission and distribution networks. 13 14 Also, the frequency and severity of extreme weather events in 2021 are prompting many utilities to invest more in hardening their systems and 15 enhancing the resilience of their operations amid rising physical climate 16 risk.51 17

18 Similarly, the Edison Electric Institute recently highlighted a study by Princeton 19 University, which found that achieving a zero-carbon future by 2050 would require an 20 expansion in high voltage transmission capacity of approximately 60% by 2030 to connect 21 wind and solar resources, with total capital investment in transmission reaching \$360 22 billion through 2030 and \$2.4 trillion by 2050.⁵² As the Commission has recognized, 23 "There is a need for existing and new transmission facilities to help facilitate integration of

⁵⁰ Promoting Transmission Investment through Pricing Reform, Order No. 679, FERC Stats. & Regs. ¶ 31,222 at P 14 (2006) ("Order No. 679").

⁵¹ Moody's Investors Service, *Regulated Electric and Gas Utilities -US*, Outlook (Nov. 4, 2021) (emphasis original).

⁵² Edison Electric Institute, *Electric Transmission, Enabling the Clean Energy Transformation* (2021) at 4.

1		these resources and a need to incent development and enhancement of transmission
2		facilities so that they are effective in doing so."53
3	Q.	What is the link between an incentive-based ROE and greater investment in
4		transmission infrastructure?
5	A.	Consistent with the goals of Congress and established Commission policy, enhancements
6		to an independently operated transmission grid will provide the benefits of improved
7		access to renewable resources, enhanced reliability, and further development of economic
8		efficiency in wholesale electricity markets. It is crucial that transmission owners such as
9		NMPC be able to attract the economic resources necessary to meet these goals. Early on,
10		the United States Department of Energy noted the importance of regulatory policies in
11		supporting economic rewards that stimulate investment in new transmission:
12 13 14 15 16 17 18		The economic rewards from improving the transmission system must be greater than the rewards from maintaining the status quo or decreasing the system's ability to reliably support fair and efficient competitive wholesale markets The key to spurring new transmission investment lies in ensuring that the rewards offered by this system of regulation are commensurate with the risks of undertaking these investments and finding innovative approaches to align costs and benefits. ⁵⁴
19		The Commission has also recognized the importance of providing an ROE that
20		overcomes obstacles to new transmission projects and encourages investment. ⁵⁵ The
21		Commission noted that transmission projects must compete for capital, and that an
22		incentive ROE would provide an effective tool to foster new investments that increase grid
23		reliability, reduce congestion, and advance environmental policy objectives. More
24		recently, the Commission concluded that:

 ⁵³ Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act, 170 FERC
 ¶ 61,204 at P 28 (2020).

⁵⁴ U.S. Department of Energy, National Transmission Grid Study (May 2002).

⁵⁵ Order No. 679 at P 91.

While we are encouraged by the investment in transmission infrastructure 1 2 to date, our evaluation of the Commission's incentives policy indicates that 3 additional reform may be necessary to continue to satisfy our obligations 4 under FPA section 219 in this new transmission planning landscape 5 We continue to believe that it is necessary to offer incentives under FPA section 219 to ensure an ROE that attracts new investment in transmission 6 facilities and continues investment in beneficial transmission facilities.⁵⁶ 7 Based on formula rate filings with the Commission, RRA reported that transmission rate 8 9 base growth for a group of 76 utility companies increased approximately 9% between 2019 and 2020, which marks the second consecutive year of accelerating growth.⁵⁷ The 10 corollary is that absent a commitment to follow through on expectations for supportive 11 12 ROEs and incentives under FPA section 219, the flow of capital will diminish. 3. **Construction Work In Progess in Rate Base** Q. What is CWIP? 13 CWIP consists of investment in facilities built to meet service obligations that are not yet 14 A. physically providing service. For an electric utility, CWIP can be sizeable as a result of 15 the capital intensity of utility infrastructure investment and the extended construction 16 periods involved with these facilities. During the construction phase, the utility must pay 17 capital carrying costs (interest, dividends, etc.) on the investment in new facilities. These 18 capital carrying costs are typically accrued for future recovery in the form of AFUDC, 19 20 which is included in rate base at the time the facilities are placed in service. Alternatively, regulators may allow CWIP to be included in rate base and thus permit the 21 22 utility an opportunity to recover these capital costs through current rates. What is the financial impact of CWIP? 23 **Q**. A. If CWIP is included in rate base, the utility's revenue requirements are increased by the 24

25

capital costs associated with the new construction. Since customers pay the capital

⁵⁶ Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act, 170 FERC ¶ 61,204 at PP 31, 41 (2020).

⁵⁷ S&P Global Market Intelligence, *Electric Transmission: Rate Bases, Rate Base Growth and ROEs* – 2020 Update, RRA Regulatory Focus (Aug. 21, 2020).

1 carrying costs of CWIP in current rates, capitalized AFUDC is not added to plant cost. From the utility's standpoint, current cash flow is higher than it would have been 2 otherwise. As a result, including CWIP in rate base improves a utility's cash flow and 3 increases revenue requirements during the construction phase; however, this increase is 4 offset in the future by the lower rate base that results from eliminating capitalized 5 AFUDC. 6

7 While the level of a utility's earnings does not differ dramatically depending on 8 whether or not CWIP is included in rate base, the cash flow implications can be significant, 9 especially in the case of a large construction program. To finance the costs of construction, 10 utilities such as NMPC must obtain financing in the form of common equity or long-term debt. If CWIP is not included in rate base, no cash is generated from current rates to meet 11 12 the interest and dividend payments associated with these securities, which in turn must be 13 financed.

14 Financial pressures associated with major construction projects and cost deferrals have negative implications for earnings quality and cash flow, which is a key indicator 15 relied on by securities analysts and bond rating agencies. As a result, the greater risk 16 17 associated with higher levels of non-cash earnings (*i.e.*, AFUDC) would ultimately be 18 reflected in higher rates of return required by investors. Investors recognize that including CWIP in rate base is an important tool that supports the utility's financial integrity and 19 20 attenuates some of the financial risks associated with new infrastructure investment.

Has the Commission recognized the potential benefits associated with including 21 Q.

CWIP in rate base? 22

Yes. The Commission has recognized that including CWIP balances the interest of 23 A. 24 investors and customers, and the Commission has routinely allowed electric utilities to

14	Q.	What is the purpose of this section of your testimony?
	III.	APPLICATION OF FINANCIAL MODELS
13		Company's financial integrity and ability to attract capital.
12		providing greater regulatory certainty, both of which are instrumental in supporting the
11		pressure on NMPC associated with Smart Path Connect by improving cash flow and
10		key risk facing the Company. ⁶⁰ Including CWIP in rate base would ease the financial
9	A.	Yes. S&P cited its expectation that NMPC will face negative discretionary cash flow as a
8		path connect in rate base?
7	Q.	Do you support NMPC's request to include 100% of CWIP associated with smart
6		involve long lead times and impose risks that the project may not enter service.
5		AFUDC can result in a disincentive to construction of transmission facilities, which can
4		with construction programs. ⁵⁹ FERC recognized that deferred income in the form of
3		that encourage transmission investment by "easing the financial pressures" associated
2		rate base provides "up-front regulatory certainty, rate stability and improved cash flow"
1		include up to 50% of CWIP. ⁵⁸ Order No. 679 concluded that including 100% of CWIP in

A. This section describes how I identify the proxy group of publicly traded electric utilities
used to apply the financial models described in my testimony. I then explain my
application of the two-step DCF, CAPM, and Risk Premium methods. In addition, I
address the Commission's concerns regarding the Expected Earnings approach and
present the results of this methodology.

 ⁵⁸ Construction Work in Progress for Public Utilities; Inclusion of Costs in Rate Base, Order No. 298, FERC Stats. & Regs. ¶ 30,455 (1983), order on reh'g, 25 FERC ¶ 61,023 (1983).

⁵⁹ Order No.679 at P. 115. *See also*, Order No. 679-A at PP. 114-115.

⁶⁰ S&P Global Ratings, *Niagara Mohawk Power Corp.*, RatingsDirect (Feb. 19, 2021).

A. Development and Selection of the Proxy Group

Q. How do you implement quantitative methods to estimate the cost of common equity for NMPC?

3	A.	Application of quantitative methods to estimate the cost of common equity requires
4		observable capital market data, such as stock prices and beta values, that is not available
5		for NMPC. Moreover, even for a firm with publicly traded stock, the cost of common
6		equity can only be estimated. As a result, applying quantitative models using observable
7		market data only produces an estimate that inherently includes some degree of
8		observation error. Thus, the accepted approach to increase confidence in the results is to
9		apply alternative quantitative methods to a proxy group of publicly traded companies that
10		investors regard as comparable in risk. The results of the analysis for the sample of
11		companies are relied upon to establish a range of reasonableness for the cost of equity for
12		the specific company at issue.
13	Q.	What specific criteria do you initially examine to identify a proxy group of regulated
14		electric utilities?
15	А.	Consistent with the Commission's accepted approach, I begin with the following criteria
16		to identify a proxy group of electric utilities:
17 18		1. Companies that are included in the Electric Utility Industry groups compiled by Value Line.
19 20		2. Electric utilities that paid common dividends over the last six months and have not announced a dividend cut since that time.
21 22		3. Electric utilities with no ongoing involvement in a major merger or acquisition that would distort quantitative results.
22		In addition, the Commission has determined that credit ratings from both major
23		in addition, the commission has determined that credit runnings from both major

26 utilities with comparable risks, the Commission has adopted a "comparable risk band,"

25

when evaluating comparable risk. In evaluating credit ratings to identify a proxy group of

1		interpreted as one "notch" higher or lower than the corporate credit ratings of the utility at
2		issue and within the investment grade ratings scale.
3	Q.	What corporate credit ratings have been assigned to NMPC by Moody's and S&P?
4	А.	NMPC has been assigned an issuer credit rating of Baa1 by Moody's and a corporate
5		credit rating of BBB+ by S&P.
6	Q.	What proxy group screening criteria are indicated by NMPC's credit ratings?
7	А.	Applying the one notch higher or lower band under the Commission's guidelines results
8		in screening criteria of Baa2 to A3 based on Moody's credit ratings and BBB to A- when
9		referencing S&P's rating for NMPC.
10	Q.	Is there any other publicly traded utility THAT is relevant in establishing a proxy
11		group?
12	A.	Yes. Investors would regard Algonquin as a comparable investment alternative that is
13		relevant to an evaluation of a just and reasonable ROE for NMPC. Although it has not
14		yet been included in Value Line's electric utility industry groups, investors also regard
15		Algonquin as having operations comparable to those of other electric utilities in the proxy
16		group. Algonquin is a North American diversified generation, transmission, and
17		distribution utility with approximately \$10 billion in total assets. Algonquin provides
18		regulated utility services to over 750,000 customers in Arizona, Arkansas, California,
19		Georgia, Illinois, Iowa, Kansas, Massachusetts, Missouri, New Hampshire, Oklahoma,
20		and Texas. ⁶¹ A majority of Algonquin's revenues, earnings, and assets are related to its
21		regulated U.S. utility operations. ⁶² In addition, Algonquin reports interim and annual

⁶¹ Algonquin completed its acquisition of Empire District in 2017, which more than doubled its size. Empire District was included in Value Line's electric utility industry group prior to its merger with Algonquin.

⁶² For example, Algonquin's 2020 Annual Report noted that regulated utility operations accounted for 84% of total revenues, 86% of operating income, and 63% of total assets. Approximately 88% of Algonquin's consolidated revenue and 81% of property, plant, and equipment are attributable to operations in the U.S. <u>https://s25.q4cdn.com/253745149/files/doc_financials/2020/ar/Annual-Report-2020.pdf</u>.
1		consolidated financial statements in U.S. dollars, its dividend is denominated in U.S.
2		dollars, and its common shares are listed on the New York Stock Exchange. While
3		Algonquin is not rated by Moody's, it has been assigned a credit rating of BBB by S&P,
4		which falls within the screening criterion outlined above. ⁶³
5	Q.	Please identify the proxy group used in your analyses.
6	A.	As shown on Exhibit No. NMPC-302, applying the criteria outlined above results in a
7		proxy group of twenty-six utilities, which I refer to as the "Electric Group."
		B. Two-Step DCF Model
8	Q.	What market valuation process underlies DCF models?
9	A.	DCF models assume that the price of a share of common stock is equal to the present
10		value of the expected cash flows (i.e., future dividends and stock price appreciation) that
11		will be received while holding the stock, discounted at investors' required rate of return.
12		Thus, the cost of equity is the discount rate that equates the current price of a share of
13		stock with the present value of all expected cash flows from the stock.
14	Q.	What form of the DCF model is customarily used to estimate the cost of equity?
15	A.	Rather than developing annual estimates of cash flows into perpetuity, the DCF model
16		can be simplified to a "constant growth" form: ⁶⁴

$$P_0 = \frac{D_1}{k_e - g}$$

⁶³ The Commission does not require that a company have both S&P and Moody's credit ratings for inclusion in a proxy group. *See* Opinion No. 531 at P 107.

⁶⁴ The constant growth DCF model is dependent on a number of strict assumptions, which in practice are never entirely met. These include a constant growth rate for both dividends and earnings; a stable dividend payout ratio; the discount rate exceeds the growth rate; a constant growth rate for book value and price; a constant earned rate of return on book value; no sales of stock at a price above or below book value; a constant price-earnings ratio; a constant discount rate (*i.e.*, no changes in risk or interest rate levels and a flat yield curve); and all of the above extend to infinity. (As discussed in the text below, the Commission's two-stage DCF model also depends on these assumptions, with the sole exception of the constant earnings growth rate.) Nevertheless, the constant growth DCF method provides a workable and practical approach to estimate investors' required return that is widely referenced in utility ratemaking.

 P_0 = Current price per share; 1 where: 2 D_1 = Expected dividend per share in the coming year; 3 $k_e = Cost of equity; and$ 4 g = Investors' long-term growth expectations. 5 The cost of common equity (k_e) can be isolated by rearranging terms within the equation: $k_e = \frac{D_1}{P_0} + g$ 6 7 This constant growth form of the DCF model recognizes that the rate of return to 8 stockholders consists of two parts: (1) dividend yield (D_1/P_0) and (2) growth (g). In other words, investors expect to receive a portion of their total return in the form of current 9 10 dividends and the remainder through stock price appreciation. What is the distinction between the two-step DCF method for electric utilities and 11 Q. 12 the constant growth DCF model outlined above? The Commission's two-step DCF method for electric utilities assumes that investors 13 A. differentiate between near-term growth forecasts, such as the EPS growth rates published 14 15 by securities analysts, and some notion of longer-term growth extending into the distant 16 future. Under the Commission's two-step DCF method, the first growth rate is represented by analysts' consensus EPS growth projections specific to each individual 17 18 utility in the proxy group, while the second growth rate is based on long-term forecasts of 19 growth in nominal GDP. Based on this assumption of disparate growth expectations, the 20 two-step DCF method employs two separate growth rates for each company, which are weighted to arrive at a single value for the "g" component. However, as I discuss below, 21 the assumptions about investor expectations and growth that motivate the two-step DCF 22 23 approach are not substantiated by the evidence. How do you determine the dividend yield for the utilities in your proxy group? 24 **Q**. An average dividend yield is developed for each utility in the Electric Group during the 25 A.

six months from April through September 2021. This calculation is made by dividing the

1		indicated dividend in each month by the corresponding average of the monthly low and
2		high stock prices. The resulting six-month average historical dividend yields are
3		presented on page 1 of Exhibit No. NMPC-304.
4	Q.	What growth rate do you use to adjust this historical dividend yield?
5	A.	Consistent with the Commission's recent guidance, I adjust the historical dividend yield
6		using only the analysts' EPS growth estimate. ⁶⁵
7	Q.	What is the source of the analysts' consensus EPS growth rates used in your
8		application of the Commission's two-step DCF method?
9	A.	I obtain IBES earnings growth rates for the utilities in the Electric Group from Yahoo!
10		Finance.
11	Q.	How do you arrive at your projected growth rate in nominal GDP, representing the
12		second stage of the Commission's DCF model?
13	А.	I rely on recent long-term projections published by IHS Markit and the EIA, as well as
14		the Social Security Administration forecast over the next 50 years. This resulted in an
15		average GDP growth rate of 4.20%. The calculation of the long-term growth rate in
16		nominal GDP used in my application of the Commission's two-step DCF model is
17		presented on page 2 of Exhibit No. NMPC-304.
18	Q.	What weighting do you assign these respective growth rates to arrive at the single
19		"g" component of the two-step DCF model?
20	A.	Following the practice adopted in Opinion No. 569-A, I weight the individual analysts'
21		EPS growth rates by 80% and the GDP growth projection by 20% to compute a single,
22		two-step growth rate for each of the utilities in the proxy group.
23	Q.	Where do you present the results of your two-step DCF analyses?

⁶⁵ Opinion No. 569 at P 98.

1	A.	After combining the dividend yields and the weighted average of the respective analysts'
2		projections and GDP growth forecast for each utility, the resulting cost of common equity
3		estimates for the Electric Group are shown on page 1 of Exhibit No. NMPC-304.
4	Q.	In evaluating the results of the DCF model, is it appropriate to eliminate illogical
5		cost of equity estimates?
6	А.	Yes. Consistent with Opinion No. 569-A, in applying quantitative methods to estimate
7		the cost of equity, it is essential that the resulting values pass fundamental tests of
8		reasonableness and economic logic. Accordingly, DCF estimates that are implausibly
9		low or high should be eliminated when evaluating the results of this method.
10	Q.	What low-end threshold has the commission adopted?
11	А.	Starting with the average yield on Baa-rated public utility bonds for the six-month study
12		period, the Commission adds an increment equal to 20% of the market risk premium used
13		to apply the CAPM. ⁶⁶ Combining an average yield on Baa utility bonds of 3.36% for the
14		six months ending September 2021 with 20% of the 11.49% CAPM market risk premium
15		(Exhibit No. NMPC-305) results in a low-end threshold of 5.66%.
16	Q.	Did you exclude any low-end DCF estimates from your analyses?
17	А.	Yes. As shown on page 1 of Exhibit No. NMPC-304, I excluded one low-end estimate of
18		4.97%. The continued retention of low-end values in the 6% range—which are far below
19		any credible estimate of the cost of equity-continues to impart a downward bias to the
20		two-step DCF results.
21	Q.	What is the Commission's current position with respect to evaluating DCF values at
22		the high end of the range?

⁶⁶ Opinion No. 569 at P 387; Opinion No. 569-A at P 161.

1	A.	With respect to the evaluation of individual cost of equity estimates, the Commission has
2		established a high-end test based on 200% of the median value from each financial model
3		before eliminating estimates at the low or high end of the range. ⁶⁷
4	Q.	What is your conclusion with respect to an evaluation of two-step DCF values at the
5		high end of the range?
6	A.	As shown on page 1 of Exhibit No. NMPC-304, the upper end of the two-step DCF
7		results for the Electric Group is set by a cost of equity estimate of 11.30%, which falls
8		well below the Commission's high-end test.
9	Q.	What other consideration has the Commission raised in evaluating cost of equity
10		estimates?
11	A.	The Commission has also suggested that cost of equity estimates should be subject to a
12		"natural break" analysis, based on the difference between individual values and the next-
13		lowest or next-highest estimate. ⁶⁸
14	Q.	Do you agree that the difference between individual cost of equity estimates can be
15		used as a gauge of reasonableness?
16	A.	No. The dispersion between a particular cost of equity result and the next lowest value
17		provides no relevant information in evaluating the reasonableness of estimates at the
18		upper end of the range. The key fallacy underlying the "natural break" analysis is the
19		belief that estimating the cost of equity involves a process of sampling. On the contrary,
20		through application of proxy group criteria, the Commission has identified all of the
21		utilities deemed to be of comparable risk. In other words, the array of cost of equity
22		estimates produced by the ROE analyses represents the entire population, not a sample of
23		the population. We are not drawing 20 colored marbles from an urn containing hundreds
24		and seeking to make inferences regarding the makeup of the unobserved remainder.

⁶⁷ Opinion No. 569-A at P 154.

⁶⁸ Opinion No. 569 at P 395; Opinion No. 569-A at P 153.

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Rather, we are analyzing all of the marbles (or all of the relevant, comparable-risk companies). As a result, the dispersion of individual values is not a valid test of how well a specific cost of equity estimate reflects investors' expectations and required returns.

If there is any statistical observation to be made regarding the cost of equity estimates produced by any single financial model, it is that the relatively small size of the population (the proxy group) makes it more likely that there will be a "break" in the data set relative to an analysis for a larger population. That is not evidence of a flaw in the results. Rather, it is a predictable function of the size of the proxy group of comparablerisk utilities. Trimming so-called "outliers" on this basis has the unreasonable effect of arbitrarily making that small population even smaller and thereby skewing the results.

11 Moreover, the goal in evaluating the results of financial models, such as the DCF 12 and CAPM approaches, is not to identify "outliers," it is to remove estimates that are clearly 13 illogical for purposes of identifying the "broad range of potentially lawful ROEs" that constitutes the zone of reasonableness. The identification of clearly illogical results should 14 be a case-specific determination relying on the specific evidence at hand. The notion of an 15 "outlier" in the context of statistics and sampling theory is an entirely separate concept 16 17 from the evaluation of cost of equity estimates for the population of comparable risk 18 utilities. Apart from the fact that the arithmetic difference between two individual cost of 19 equity estimates does not provide a sound basis to evaluate the economic validity of either value, the magnitude of the "break" that might be suggestive of an "outlier" is arbitrary 20 and lacks any empirical foundation. 21

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Q. This notwithstanding, would there be any arguable basis to exclude the 11.30% 23 high-end value from your two-step DCF analysis based on a "natural break" analysis? 24

25 A. No. The "break" between the 11.30% value and the next lowest result is 36 basis points, which is less than the dispersion between other observations in the array of two-step DCF 26 estimates. Thus, not only is a "natural break" analysis misguided and lacking any 27

objective basis, a differential of 36 basis points provides no evidence that the 11.30%
value at the top end of the two-step DCF range is "truly irrational or anomalously high."⁶⁹
Beyond this, as I noted earlier the remaining low end values in the 6% range are
assuredly far below investors' required rate of return.

5 Q.

What are the results of your two-step DCF analysis?

A. As shown on page 1 of Exhibit No. NMPC-304, the two-step DCF analysis for the
Electric Group results in a range of 6.00% to 11.30%, with a median of 9.10%.

C. Capital Asset Pricing Model

8 Q. Please describe the CAPM.

9 A. The CAPM approach is generally considered to be the most widely referenced method 10 for estimating the cost of equity among academicians and professional practitioners, with the pioneering researchers of this method receiving the Nobel Prize in 1990. The CAPM 11 is a theory of market equilibrium that measures risk using the beta coefficient. Assuming 12 13 investors are fully diversified, the relevant risk of an individual asset (e.g., common 14 stock) is its volatility relative to the market as a whole, with beta reflecting the tendency of a stock's price to follow changes in the market. A stock that tends to respond less to 15 market movements has a beta less than 1.00, while stocks that tend to move more than the 16 market have betas greater than 1.00. The CAPM is mathematically expressed as: 17

18 $R_i =$ $R_f + \beta_j (R_m - R_f)$ 19 where: R_i required rate of return for stock j; = $R_{\rm f}$ = risk-free rate: 20 expected return on the market portfolio; and 21 $R_m =$ 22 Bi =beta, or systematic risk, for stock j. 23 Like the DCF model, the CAPM is an *ex-ante*, or forward-looking, model based on 24 expectations of the future. As a result, in order to produce a meaningful estimate of

investors' required rate of return, the CAPM must be applied using estimates that reflect

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⁶⁹ Opinion No. 569-A at P 154.

1		the expectations of actual investors in the market, not with backward-looking, historical
2		data.
3	Q.	What market rate of return has the commission used to apply the CAPM?
4	А.	Under the approach considered by the Commission in Opinion No. 569-A, the expected
5		market rate of return was estimated by conducting a DCF analysis on the dividend paying
6		firms in the S&P 500. ⁷⁰
7	Q.	What beta values did the commission adopt to apply the CAPM in opinion no. 569-
8		A?
9	A.	The Commission relied on the beta values reported by Value Line, which in my
10		experience is the most widely referenced source for beta in regulatory proceedings and is
11		widely relied upon by investors. As noted in New Regulatory Finance:
12 13 14 15 16		Value Line is the largest and most widely circulated independent investment advisory service, and influences the expectations of a large number of institutional and individual investors Value Line betas are computed on a theoretically sound basis using a broadly based market index, and they are adjusted for the regression tendency of betas to converge to 1.00. ⁷¹
17		The fact that investors rely on Value Line betas in evaluating expected returns for utility
18		common stocks provides strong support for this approach.
19	Q.	The Commission has suggested that it may be theoretically incorrect to apply the
20		CAPM using value line betas and a market return based on the S&P 500.72 What is
21		the crux of this argument?
22	А.	Opinion No. 569-A stated that there is an "imperfect correspondence" between a market
23		risk premium based on the dividend-paying firms in the S&P 500 and Value Line betas,
24		which are determined based on a comparison of each stock's volatility relative to the
25		stocks in the NYSE, rather than the S&P 500. While observing that there is substantial

⁷⁰ *Id.* at P 210.

⁷¹ Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc. (2006) at 71.

⁷² Opinion No. 569-A at P 75.

evidence that investors rely on Value Line betas,⁷³ in its recent decision in *Mystic* the 1 Commission accepted Trial Staff's proposal to use Bloomberg-based, alternative betas 2 derived from the returns to the S&P 500 Index.⁷⁴ 3

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Q. Do you agree that there is a lack of correspondence between a market return based on the S&P 500 and value line beta values? 5

No. Under the CAPM, the volatility at issue theoretically relates the market price of the A. 6 7 stock with the market price of every other possible investment opportunity in the 8 "market," including collectible cars and gold bullion. Just as it is not possible to define 9 precisely the growth expectations necessary to apply the DCF model directly to utilities, the forward-looking market return and beta values are unobservable and must be 10 estimated. Application of the DCF approach to the dividend-paying firms in the S&P 500 11 provides a sound proxy for investors' expected return on the "market." Similarly, 12 13 reference to Value Line's published beta values offer an objective proxy for an unobservable, forward-looking beta. There is no "mismatch," as Opinion No. 569-A and 14 Mystic seem to imply. 15 The contention that there is an "imperfect correspondence" between a market return 16

that references the S&P 500 and beta values estimated against the NYSE is further 17 18 disproved by reference to studies in the financial research. Marston and Harris noted that it derived an estimate of the market rate of return for a sample of approximately 400 19 companies selected from the S&P 500, while the beta values used in the study were 20 calculated "against . . . all NYSE securities."75 This approach, used by recognized 21 researchers in a peer-reviewed journal sponsored by the Eastern Finance Association, 22

⁷³ See, e.g., Opinion No. 569-A at P 61.

⁷⁴ Constellation Mystic Power, LLC, 176 FERC ¶ 61,019, at PP 77, 85 (2021) ("Mystic"). See also, DATC Path 15, LLC, 177 FERC ¶ 61,115 at P 111 (2021) ("DATC").

⁷⁵ Felicia Marston and Robert S. Harris, *Risk and Return: A Revisit Using Expected Returns*, Fin. Review (Feb. 1993) ("Marston & Harris"). Value Line betas are also derived based on weekly percentage changes in the New York Stock Exchange Average.

mirrors the CAPM approach adopted in Opinion No. 569-A. Similarly, in applying a
 market rate of return based on the dividend paying firms in the S&P 500, the Staff of the
 Illinois Commerce Commission also relied on published betas from Value Line.⁷⁶

4 Q. Is there other evidence that undercuts the argument of a lack of correspondence
5 between a market return for the S&P 500 and value line betas?

A. Yes. Beta measures the variability of the price of a common stock relative to the broader 6 7 market. While it is possible to calculate this measure of relative price volatility using 8 alternative market benchmarks (i.e., NYSE or S&P 500), to the extent that movements in 9 market indices are driven by the stock prices of very large capitalization companies and thus move in tandem, the beta values using similar time periods would be 10 11 indistinguishable. If there is no systemic difference in the relative movements of the 12 NYSE and the S&P 500, then there is no basis to suggest that a beta calculated against 13 the NYSE would not apply equally to a market rate of return estimated by reference to 14 the S&P 500.

The degree to which movements in the NYSE and S&P 500 are synchronized can be tested through correlation analysis. The correlation coefficient measures the degree that two variables move together. A correlation coefficient of 0.0 would indicate that there is no consistent co-movement between two variables, while a correlation coefficient of 1.0 would indicate perfect correlation, *i.e.*, that 100% of the change in one variable is reflected in the other variable.

Figure NMPC-4 displays the weekly percentage changes in the NYSE and the S&P
 500 over the five-year period ending September 30, 2021:

⁷⁶ *Direct Testimony of Rochelle Langfeldt*, Illinois Commerce Commission, Docket No. 01-0432 (2001), at 27 (citing "[t]he average Value Line adjusted beta for the Electric sample.").



FIGURE NMPC-4

1 As indicated on the chart, this analysis results in a correlation coefficient of 0.94, meaning that weekly changes for the NYSE are almost perfectly matched by similar movements in 2 the S&P 500. The high degree of correlation between movements in the NYSE and 3 movements in the S&P 500 undercuts any notion of a "mismatch" between Value Line 4 betas and a market return predicated on a subset of the S&P 500. 5

6 Q. Are there other factors that also weigh in favor of continued reference to value line 7 betas, versus those derived from Bloomberg?

Yes. Value Line is recognized as being the most widely available source of investment 8 A. 9 information to investors, and citations in many textbooks and other sources support its usefulness as a guide to investors' expectations.⁷⁷ Value Line is available at nominal

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⁷⁷ See, e.g., Roger A. Morin, New Regulatory Finance, Pub. Utils. Reports, Inc. (2006) at 71 ("Value Line is the largest and most widely circulated independent investment advisory service, and influences the expectations of a large number of institutional and individual investors.").

prices for paper subscription or internet access, as well as being freely available to
 investors in libraries and through many brokerage offices. Importantly, the beta values
 reported by Value Line are updated on a weekly basis and calculated using a consistent
 methodology.

This contrasts with Bloomberg-derived betas, which are dependent on criteria 5 specified by each individual user and subject to the potential for subjective manipulation 6 7 to produce a desired end-result. Meanwhile, Bloomberg is available only to a select subset 8 of investors that can afford substantial annual subscription fees to obtain the proprietary 9 terminal required to access Bloomberg data. The administrative benefits associated with 10 reliance on beta values from Value Line, including a consistent methodology by an 11 independent third-party and immunity to selective changes in assumptions, support 12 continued reference to Value Line betas in applying the CAPM approach.

13 Q. This evidence notwithstanding, how do you address any potential concerns

regarding an imperfect correspondence between the estimated market return and value Line betas?

A. In order to address any potential concerns regarding the correspondence between Value Line betas and the CAPM market risk premium, I estimate the market rate of return by applying the same DCF methodology adopted in Opinion No. 569-A to the dividendpaying firms in the NYSE. As a result, the index used as the basis for the estimated market return is matched with the index used to calculate Value Line's beta values, which resolves any potential for an "imperfect correspondence" between these two model inputs.

To apply the DCF model to the dividend-paying firms in the NYSE, I obtain the dividend yield for each company from Zacks, while the growth rate is based on the EPS growth projections for each firm published by IBES. As shown on Exhibit No. NMPC-306,

1		after removing companies with growth rates that were negative or greater than 20%, ⁷⁸ the
2		weighted average of the projections for the individual firms implies an average growth rate
3		of 11.31%. Combining this average growth rate with a weighted average dividend yield of
4		2.28% results in a current cost of common equity estimate for the market as a whole (R_m)
5		of 13.59%.
6	Q.	Do you include a size adjustment in applying the CAPM?
7	А.	Yes. Because financial research indicates that the CAPM does not fully account for
8		observed differences in rates of return attributable to firm size, a modification is required
9		to account for this size effect. As explained by Morningstar:
10 11 12 13 14		One of the most remarkable discoveries of modern finance is the finding of a relationship between firm size and return. On average, small companies have higher returns than large ones The relationship between firm size and return cuts across the entire size spectrum; it is not restricted to the smallest stocks. ⁷⁹
15		According to the CAPM, the expected return on a security should consist of the riskless
16		rate, plus a premium to compensate for the systematic risk of the particular security. The
17		degree of systematic risk is represented by the beta coefficient. The need for the size
18		adjustment arises because differences in investors' required rates of return that are related
19		to firm size are not fully captured by beta. To account for this, my CAPM analysis
20		incorporates an adjustment to recognize the impact of size distinctions, as measured by the
21		market capitalization for the companies in the Electric Group.

²² Q. What ROE is implied for the Electric Group using the CAPM?

⁷⁸ My use of the growth rate screen adopted in Opinion No. 569-A should not be considered an endorsement of this approach, which is based on an incorrect notion that using the DCF model to estimate the market return requires an assumption of constant growth for each of the specific firms in the NYSE. The NYSE includes a broad sample of companies at all stages of growth and the use of all of those companies to estimate the required return on common stocks reasonably reflects investors' consensus expectations about the NYSE as a whole.

⁷⁹ Morningstar, 2015 Ibbotson SBBI Classic Yearbook, at 99 (2015).

A. As detailed on Exhibit No. NMPC-305, referencing a 2.10% risk-free rate based on the
 six-month average yield on 30-year Treasury bonds in September 2021, the CAPM
 implies a cost of equity range of 10.50% to 14.87% for the Electric Group, with a median
 of 12.80%.

D. Risk Premium Approach

- 5 Q. Briefly describe the risk premium approach.
- A. The risk premium approach extends the risk-return tradeoff observed with bonds to
 estimate investors' required rate of return on common stocks. The cost of equity is
 estimated by first determining the additional return investors require to forgo the relative
 safety of bonds and to bear the greater risks associated with common stock, and then
 adding this equity risk premium to the current yield on bonds.

Q. Is the risk premium approach a widely accepted method for estimating the cost of equity?

A. Yes. The risk premium approach is based on the fundamental risk-return principle that is central to finance. This method is routinely referenced by the investment community, by academics, and in regulatory proceedings, and provides an important tool in estimating a fair ROE.

17 Q. Did the Commission direct changes to the application of this method in Opinion No. 18 569-A?

- A. Yes. To address specific concerns regarding the implementation of the Risk Premium
 approach, Opinion No. 569-A directed certain refinements in its application. Specifically,
 the Commission:
 - developed a separate risk premium for each individual case, rather than using annual averages;⁸⁰
 - adopted the six-month period preceding the filing date of the offer of settlement as the basis for establishing the six-month average bond

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⁸⁰ Opinion No. 569-A at P 108.

1 2		yield used to calculate risk premiums attributable to ROEs approved through settled proceedings; ⁸¹
3 4 5		• adopted the six-month study period as the basis for establishing the six-month average bond yield used to calculate risk premiums attributable to ROEs approved through litigated proceedings: ⁸² and
6		• extended the sample period for the Risk Premium study through the
7		conclusion of the study period, rather than the calendar year. ⁸³
8		As documented in Appendix I to Opinion No. 569-A, the Commission removed cases from
9		the Risk Premium study where:
10 11 12		• the utility was merely adopting an existing ROE without consideration of whether that ROE would be determined to be just and reasonable under fresh analysis;
13		• the ROE was clearly not under consideration;
14		• there were duplicative findings from a previous case;
15 16		• the ROE was set for a definite future date, and the Commission could not have evaluated a risk premium for a future date; and
17		• the test period predated 2006.
18		More recently, in Opinion No. 569-B, the Commission corrected a limited number of
19		typographical and other minor errors to the risk premium data set used in Opinion No. 569-
20		A. ⁸⁴ The Commission most recently refined this case set in <i>DATC</i> . ⁸⁵
21	Q.	Do you add any observations to the risk premium case set relied on by the
22		Commission in DATC?
23	А.	Yes. Apart from updating the observations to reflect ROEs approved by the Commission
24		through September 30, 2021, I also include the 9.33% ROE approved in Mystic and made
25		several corrections to the model inputs listed in DATC. Specifically, I identified three
26		cases the Commission either mistakenly omitted using the criteria listed above or failed
27		to consider altogether. These cases are listed on page 6 of Exhibit No. NMPC-307.

⁸¹ *Id.* at P 111.

- ⁸² Id.
- ⁸³ Id.

⁸⁴ Opinion No. 569-B at PP 127-28, Appendix I.

⁸⁵ *DATC* at PP 126-131.

1 The first of these additions was to reflect the 11.18% ROE approved by the 2 Commission in 2008 for Public Service Electric and Gas Company in connection with that 3 company's proposed implementation of a formula rate for transmission service.⁸⁶ This 4 11.18% ROE was based on a contemporaneous DCF analysis employing a six-month study 5 period ending May 2008.⁸⁷

The second correction reflects the addition of the 11.18% going-forward ROE for 6 7 PPL Electric Utilities Corporation specified in the May 1, 2009 settlement of Docket No. 8 ER08-1457. The settlement provided for ROEs of 11.10% and 11.14% corresponding to the periods November 1, 2008 through May 31, 2008 and June 1, 2009 through May 31, 9 2010, respectively, while also providing that, "On June 1 2010 and thereafter, the Base 10 ROE shall be 11.18 percent."⁸⁸ While DATC includes both the 11.10% and 11.14% ROEs 11 12 established in this settlement agreement, it excluded the going-forward ROE of 11.18%. 13 As the Commission determined in Opinion No. 569-B, "Use of multiple ROEs may be appropriate where the ROEs apply to distinct periods."⁸⁹ The 11.18% ROE specificed in 14 the settlement of Docket No. ER08-1457 is comparable to other ROEs routinely approved 15 by the Commission for future application of formula rates, and there is no credible basis to 16 exclude this observation. 17

18 The third addition to the *DATC* case set is necessary to include the ROE specified 19 in the settlement approved for Xcel Energy Southwest Transmission Company, LLC 20 ("XEST") in Docket No. ER14-2751 associated with Zone 11 under the open access 21 transmission tariff ("OATT") of the Southwest Power Pool, Inc. ("SPP"). As the 22 Commission specified in approving the settment, "XEST will have two ROEs. One for

⁸⁶ *Public Service Electric and Gas Company*, Order on Formula Rate Proposal, 124 FERC ¶ 61,303 (2008).

⁸⁷ See Docket No. ER08-1233, Direct Testimony of Michael J. Vilbert, Exhibit No. PEG-6 at 19-20.

⁸⁸ PPL Electric Utils. Corp., Order Approving Uncontested Settlement, 128 FERC ¶ 61,178 at P 4 (2009).

⁸⁹ Opinion No. 569-B at P 131.

calculating XEST's revenue requirement associated with Zone 11 under the SPP OATT
(Zone 11 ROE) and one for all other purposes (General ROE.)" ⁹⁰ As the Commission
noted, "The Zone 11 ROE shall equal the then-effective Commission-approved ROE used
to calculate the Southwestern Public Service Company's (SPS) revenue requirement
pursuant to the SPP OATT,"⁹¹ which was 10.00%.⁹² While *DATC* included the "General
ROE" established under XEST's settlement, it failed to include the 10.00% base ROE
applicable to Zone 11 service.

8 Q. Do you remove any observations from the risk premium case set adopted in *DATC*?

9 A. Yes. I remove a 10.05% ROE attributed to Docket No. EL15-45, which was a pancaked
10 FPA Section 206 complaint proceeding for the MISO TOs. The Commission dismissed
11 this complaint, and no ROE was approved or established in this proceeding.

In applying the risk premium approach in *DATC*, the Commission also incorporated ten ROEs stemming from settlements of cases involving publicly owned entities. Revenue requirements and underlying capital costs for publicly owned utilities are primarily driven by debt service requirements, and there is no relevant equivalent to the market cost of equity for an investor-owned utility. Accordingly, ROE determinations for municipals and cooperatives should not be included in applying the risk premium method to estimate the ROE for investor-owned electric utilities, such as NMPC.

19 Q. Is this critical distinction recognized by the investment community?

⁹⁰ See, Xcel Energy Southwest Trans. Co., Certification of Uncontested Offer of Settlement, 153 FERC ¶ 63,019 (2015).

⁹¹ *Id.* at P 13.

⁹² Golden Spread Elec. Coop., Inc., et al., Order Approving Uncontested Settlement, 153 FERC ¶ 61,103 at P 13 (2015).

1	А.	Yes. For example, S&P observed that "[c]ash available from current operating revenues
2		to pay debt service is the principal focus" of its financial analysis of cooperative
3		utilities. ⁹³ As S&P concluded:
4		We believe that fixed costs and imputed charge coverage best gauges a retail
5		utility's total financial capacity. It measures the ability of the retail utility
6		to service both its total debt and debt-like obligations, which together we
7		refer to as fixed costs and imputed charges. ⁹⁴
8		Moody's identified the "[l]ack of a profit motive or need to generate a return on equity" as
9		key characteristics typifying public power utilities. ⁹⁵ Meanwhile, Fitch concluded that:
10		Public power systems are unique from their investor-owned counterparts.
11		In nearly all cases, public power systems operate on a not-for-profit basis
12		and with the fundamental mission of providing safe, reliable and affordable
13		electric service. Excess cash flow is typically retained and used to build
14		financial cushion, fund capital investment or reduce borrowings. ⁹⁶
15		Similarly, the Presiding Judge in Missouri River Energy Services noted that:
16		Municipally-owned utilities do not answer to stockholders seeking a return
17		on their investments. They pay no dividends The governing members
18		of municipal-owned utilities are their own customers Publicly-owned
19		utilities pay no income taxes By contrast, investor-owned utilities are
20		profit-making and profit-maximizing private entities that strive to attain the
21		greatest possible ROE for their shareholders. They do so in order to attract
22		investors to their stock in the stock market In short, unlike investor-
23		owned utilities, it is not the purpose of a municipally-owned utility to earn
24		a profit. Quite the opposite, it is a <i>non</i> -profit institution that is set up that
25		way in order to achieve lower rates for ratepayers. ⁹⁷

⁹³ S&P Global Ratings, U.S. Public Finance: Applying Key Rating Factors to U.S. Cooperative Utilities, Criteria | Governments (Nov. 21, 2007).

⁹⁴ S&P Global Ratings, U.S. Municipal Retail Electric and Gas Utilities: Methodology and Assumptions (Sep. 27, 2018).

⁹⁵ Moody's Investors Service, U.S. Public Power Electric Utilities With Generation Ownership Exposure, Rating Methodology (Nov. 28, 2017).

⁹⁶ Fitch Ratings, Inc., *Exposure Draft: U.S. Public Power Rating Criteria*, Public Finance (Jun. 14, 2018).

⁹⁷ *Missouri River Energy Services*, Initial Decision, 130 FERC ¶ 63,014 at PP 228-229, 231 (2010) (emphasis in original).

1		Publicly owned (cooperative or municipal) utilities do not raise equity in the capital
2		markets and do not seek to make a profit. Consequently, ROE determinations for publicly
3		owned electric systems provide no information relevant to a determination of a just and
4		reasonable ROE for an investor-owned electric utility, such as the Company. Similarly,
5		the ROE witness in Denison and Vermillion observed that the DCF method "is not the best
6		method to determine ROE for non-jurisdictional utilities which are municipally owned,
7		have no stock price, and issue no dividends."98 In fact, of the ten proceedings for publicly-
8		owned entities included by the Commission, eight failed to include a DCF study or the
9		results of any other financial model, with the ROE request being based solely on an average
10		of previously allowed ROEs.
11	Q.	What other adjustment do you make to the DATC case set?
12	A.	The bottom panel on page 6 of Exhibit No. NMPC-307 identifies one other minor
13		correction to remove the impact of a post-record period adjustment for changes in bond
14		yields that is necessary to match the ROE to the study period interest rate. ⁹⁹ The revised
15		inputs to the Risk Premium approach are shown on pages 2-4 of Exhibit No. NMPC-307.
16	Q.	What cost of equity is implied by the risk premium method?
17	A.	As illustrated on page 1 of Exhibit No. NMPC-307, with an average six-month historical
18		yield on Baa public utility bonds at September 2021 of 3.36%, the Risk Premium method
19		implies a current equity risk premium of 6.23% for electric utilities. Adding this equity
20		risk premium to the average six-month historical yield on Baa utility bonds implies a
21		current cost of equity of 9.59%.

⁹⁸ Docket No. ER17-426, Prepared Direct Testimony of James Pardikes at 11; Docket No. ER17-428, Prepared Direct Testimony of James Pardikes at 11. In both instances, the requested ROE was based on an average of previously allowed ROEs by state regulatory commissions.

⁹⁹ The allowed ROE of 10.04% includes a 49 basis point downward adjustment that was made to reflect changes in interest rates between the study period and the date of the Commission's order. Because the Commission references the average bond yield for the six-month study period to compute the risk premium, this adjustment must be reversed.

E. Expected Earnings Approach

- 1 Q. Please explain your Expected Earnings study.
- Analysis of rates of return available from alternative investments of comparable risk can 2 A. provide an important benchmark in assessing the return necessary for a firm to maintain 3 financial integrity and attract capital. This approach is consistent with the economic 4 5 underpinnings for a fair rate of return, as reflected in the comparable earnings test established by the Supreme Court in *Hope* and *Bluefield*. Moreover, it avoids the 6 7 complexities and limitations of capital market methods and instead focuses on the returns earned on book equity, which are readily available to investors. As the Commission 8 9 recognized in Opinion No. 531: [T]he . . . expected earnings analysis, given its close relationship to the 10 comparable earnings standard that originated in Hope, and the fact that it is 11 used by investors to estimate the ROE that a utility will earn in the future 12 can be useful in validating our ROE Recommendation.¹⁰⁰ 13 14 Q. Did the Commission rely on the Expected Earnings approach in Opinion No. 569-A? 15 A. No. However, the Commission noted that it would not foreclose the use of this approach 16 in future proceedings, so long as the concerns raised in Opinion No. 569 and reiterated in Opinion No. 569-A are addressed. Specifically, the Commission raised the following 17 concerns in explaining its decision not to rely on this method: 18 The Expected Earnings approach is not based on market values. 19 • Differences between market values and book values undermine the 20 • 21 relevance of the Expected Earnings approach. 22 There is a lack of data demonstrating that investors use the Expected • Earnings approach directly to value utility common stocks. 23 My subsequent testimony addresses the misguided nature of these concerns, along with the 24 shortcomings of certain demonstrative examples presented in Opinion No. 569-A. 25

¹⁰⁰ Opinion No. 531 at P 147.

1Q.Opinion No. 569-A concluded that because investors cannot buy stock in the market2at book value, the expected earnings approach should be rejected.¹⁰¹ Does this3finding undermine the relevance of the expected earnings approach?

A. No. I agree that the Expected Earnings method is not market-based in that it is not
dependent directly or indirectly on stock prices or other data from the capital markets.
But this does not discount its usefulness as a meaningful approach for investors and
regulators to compare expected returns in one utility versus another. Specifically, it is
reasonable to expect that investors compare stock investments based on securities
analysts' projections of the expected return on common equity, which is analogous to the
return on the equity component of a utility's rate base.

11 As detailed below, this comparison is relevant to investors because it directly 12 measures the returns on book investment that the investment community expects from 13 comparable-risk investments, without the need to make the subjective evaluations inherent 14 in market-based models, such as how to best estimate investors' growth expectations or the market required return. In other words, the Expected Earnings approach serves as a direct 15 measure of the expected returns on equity that investors associate with companies of 16 17 comparable risk, which provides regulators with a meaningful guide to the return the utility 18 should be expected to earn on its book equity investment. And given that rates are 19 established on the basis of the book value of a utility's investment, this is a relevant 20 measure of the ROE that is consistent with regulatory standards of comparable earnings and capital attraction established in Hope and Bluefield. 21

Q. Has the Expected Earnings approach been recognized as a meaningful methodology in evaluating a just and reasonable ROE?

A. Yes. The Expected Earnings approach is analogous to the comparable earnings method,
which predominated before the advent of the DCF and other financial models. While the

¹⁰¹ Opinion No. 569-A at PP 201, 204-205, 210, 216-217, 219, 221-222.

traditional comparable earnings test is often implemented using historical accounting
data, it is also common to use projections of returns on book investment. Because these
returns on book value equity are analogous to the allowed return on a utility's rate base,
this measure of opportunity costs results in a direct, "apples-to-apples" comparison, and it
has long been referenced and relied on in regulatory proceedings.¹⁰² For example, in
approving an ROE for electric utility operations, the North Carolina Utilities Commission
recently concluded that:

8 In prior cases, the Commission has given significant weight to the results of 9 the Expected Earnings methodology, which stands separate and apart from 10 the market-based methodologies (e.g., the DCF or CAPM) also used by 11 ROE experts . . . The Commission chooses to do so again in this case.¹⁰³

As S&P observed, "[h]istorically, there have been two approaches in calculating ROE in regulatory proceedings, a comparable earnings approach and a market analysis. In a comparable earnings approach, similar investments with similar risks are analyzed to determine an appropriate ROE."¹⁰⁴

16 Q. Is reference to returns on book value consistent with how utility rates are evaluated?

17 A. Yes. Regulators do not set the returns that investors earn in the capital markets—they can

- 18 only establish the allowed return on the book value of a utility's investment. The
- 19 expected earnings approach provides a direct guide to ensure that the allowed ROE is
- 20 similar to what other utilities of comparable risk are expected to earn on invested capital.
- 21 This opportunity cost test does not require theoretical models to indirectly infer investors'

¹⁰² See, e.g., Nat'l Ass'n of Regulatory Util. Comm'rs, *Utility Regulatory Policy in the U.S. and Canada, 1995-1996* (Dec. 1996). The Virginia State Corporation Commission is required by statute to consider the earned returns on book value, which establish lower and upper boundaries for the allowed ROE. Virginia Code § 56-585.1.A.2.a. The Ohio Public Utilities Commission also considers prospective earned rates of return in evaluating the impact of electric security plans. Ohio R.C. 4928.143(E).

¹⁰³ North Carolina Utilities Commission, Docket No. E-7, SUB 1187, *et al.*, *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* (Mar. 31, 2021) at 94.

¹⁰⁴ S&P Global Market Intelligence, *The rate case process: establishing a fair return for regulated utilities*, RRA Regulatory Focus (Jun. 29, 2020).

perceptions from stock prices or other market data. As long as the proxy companies are
 similar in risk, their expected earned returns on invested capital provide a direct
 benchmark for investors' opportunity costs, independent of fluctuating stock prices,
 market-to-book ratios, debates over DCF growth rates, or theoretical assumptions about
 investor behavior.

Indeed, a textbook prepared for the Society of Utility and Regulatory Financial 6 7 Analysts labels the comparable earnings approach the "granddaddy of cost of equity methods,"¹⁰⁵ and notes that the comparable earnings method is firmly anchored in the 8 regulatory economics underlying the *Bluefield* and *Hope* cases.¹⁰⁶ It also notes that the 9 10 amount of subjective judgment required to implement this method is "minimal," particularly when compared to the DCF and CAPM methods.¹⁰⁷ New Regulatory Finance 11 12 concluded that "because the investment base for ratemaking purposes is expressed in book 13 value terms, a rate of return on book value, as is the case with Comparable Earnings, is highly meaningful."108 14

Q. Does the investment community reference earned returns on book value in their evaluation of electric utilities?

A. Yes. Book value accounting measures, including earned and expected returns on book
equity, are instrumental to the financial analysis underpinning investors' evaluation of
electric utilities, including credit ratings. S&P cited the relevance of earned returns on
book value in highlighting the primary credit considerations in the utility industry, noting
that "required rate of return on equity investment is closely linked to a utility company's

¹⁰⁵ David C. Parcell, *The Cost of Capital – A Practitioner's Guide*, Society of Utility and Regulatory Financial Analysts (2010) at 115-16.

¹⁰⁶ Id.

¹⁰⁷ *Id*.

¹⁰⁸ Roger A. Morin, *New Regulatory Finance*, Pub. Utils. Reports, Inc. (2006) at 395.

profitability."¹⁰⁹ S&P indicated that "[f]or regulated utilities subject to full cost-of-1 2 service regulation and return-on-investment requirements, we normally measure 3 profitability using ROE, the ratio of net income available for common stockholders to average common equity."¹¹⁰ While recognizing that "the regulator ultimately bases its 4 decision on an authorized ROE," S&P observed that "different factors such as variances 5 in costs and usage may influence the return a utility is actually able to earn, and 6 7 consequently our analysis of profitability for cost-of-service-based utilities centers on the utility's ability to consistently earn the authorized ROE."¹¹¹ In S&P's view, the earned 8 return on book value may provide better insight into the financial health of the utility 9 because it reflects the actual impact of regulation, not the theoretical outcome implied by 10 an authorized ROE. Consistent with this paradigm, S&P examines trends in utility 11 returns on book equity, as compared with authorized ROEs, in evaluating financial 12 performance for the electric utility industry.¹¹² Similarly, in a review of financial quality 13 measures for utilities, S&P noted that "[t]he earned return on equity . . . is one of the most 14 widely followed measures of the industry's financial performance."¹¹³ 15

Moody's also recognizes the relevance of returns on book value in its assessment of a utility's prospects. While noting that "[t]he authorized ROE is a popular focal point in many regulatory rate case proceedings," Moody's recognized that "earned ROEs, as reported by utilities and adjusted by Moody's," are a key gauge of financial performance.¹¹⁴

¹⁰⁹ Standard & Poor's Corporation, *Utilities: Key Credit Factors For The Regulated Utilities Industry*, Criteria Corporates (Nov. 19, 2013).

¹¹⁰ *Id*.

¹¹¹ Id.

¹¹² See, e.g., S&P Global Ratings, *Utility-earned ROEs exceeded authorized since 2016, but 2019 may not match 2018*, Financial Focus (Jun. 10, 2019).

¹¹³ S&P Global Market Intelligence, *Utility operating company financials mixed: ROE slips*, Financial Focus (Dec. 11, 2019).

¹¹⁴ Moody's Investors Service, *Lower Authorized Equity Returns Will Not Hurt Near-Term Credit Profiles*, Sector In-Depth (Mar. 10, 2015).

As Moody's concluded, "utilities are closer to earning their authorized equity returns, 1 which is positive from an equity market valuation perspective."¹¹⁵ In explaining its 2 3 scorecard analysis for a Baa-rated utility, Moody's Investors' Service noted that regulatory outcomes should be "sufficient to attract capital without difficulty," and that this "will 4 translate to returns (measured in relation to equity, total assets, rate base, or regulatory asset 5 value, as applicable) that are average relative to global peers."¹¹⁶ Similarly, in a publication 6 entitled "Industry Surveys, Electric Utilities," CFRA¹¹⁷ highlighted the relevance of returns 7 8 on book equity to investors, noting that the earned ROE for electric utilities "generally 9 ranges between 10% and 13%, although the average has trended lower in the past few years."118 10

11 Q. Do Opinion Nos. 569 or 569-A undermine the relevance of this evidence?

12 A. No. The Commission examined some of this evidence in Opinion No. 569 but,

13 nevertheless, suggested that investors "may not" use the information from the Expected

14 Earnings analysis to inform their investment decisions.¹¹⁹ But these investment services

15 would not provide this information if investors did not rely upon it to inform their

16 decisions. The Commission also posited that investors may not use this information

17 specifically to "determine the applicable cost of capital,"¹²⁰ but this again hinges on the

18 notion that only market-based evidence is relevant in evaluating a just and reasonable

19 ROE.

Q. What other evidence supports a finding that returns on book value influence investors' valuation decisions?

¹¹⁶ Moody's Investors Service, Regulated Electric and Gas Utilities, Rating Methodology (Jun. 23, 2017).

¹¹⁷ CFRA is one of the world's largest providers of institutional-grade independent investment research and acquired the equity and fund research arm of Standard & Poor's Corporation in October 2016.

¹¹⁵ *Id*.

¹¹⁸ CFRA, *Electric Utilities*, Industry Surveys (Aug. 2018) at 50.

¹¹⁹ Opinion No. 569 at P 212.

¹²⁰ *Id.* at P 217.

1 A. In addition to the materials cited above, a research paper by Dr. Aswath Damodaran 2 emphasized the importance of considering returns on book value in evaluating performance and alternative investments.¹²¹ Contradicting Opinion No. 569's conclusion 3 that returns on book value are unrelated to an evaluation of investors' expected return on 4 investment,¹²² Dr. Damodaran noted that, "[w]hile returns on equity and capital are based 5 upon accounting earnings and capital, and are designed to measure the quality of a firm's 6 7 existing investments, they are correlated with returns you would make investing in the publicly traded equity of the firm."¹²³ A number of other peer-reviewed research studies 8 also confirm the relationship between accounting-based performance measures and 9 market-based measures such as stock returns.¹²⁴ 10

As Dr. Damodaran stated, "we can safely conclude that the key number in a 11 valuation is not the cost of capital that we assign a firm but the return earned on capital that 12 we attribute to it."¹²⁵ This is exactly what the Expected Earnings method seeks to measure. 13 If the allowed ROE is insufficient to provide a return on the book value of a utility's 14 investment as compared with what investors expect other utilities of comparable risk to 15 earn, the utility's ability to compete for capital will be undermined. The Expected Earnings 16 approach provides a measure of this necessary return as one component of the evaluation 17 18 of a just and reasonable ROE.

¹²¹ Aswath Damodaran, *Return on Capital (ROC), Return on Invested Capital (ROIC) and Return on Equity (ROE): Measurement and Implications*, New York University, Stern School of Business (July 2007).

¹²² Opinion No. 569 at PP 204-205.

¹²³ Damodaran, *supra* n.94 at 49.

¹²⁴ See, e.g., Kenneth Lehn, Anil Makhija, EVA, Accounting Profits, and CEO Turnover: An Empirical Examination, 1985-1994, Journal of Applied Corporate Finance, Vol 10.2 (Summer 1997) at 90 (documenting a significant, positive correlation between ROE, market-based performance measures, and CEO turnover); D. Craig Nichols, James M. Wahlen, *How Do Earnings Numbers Relate to Stock Returns? A Review of Classic Accounting Research with Updated Evidence*, Accounting Horizons, Vol 18, No. 4 (Dec. 2004) at 272–274, 285 (documenting a significant positive relationship between stock returns and accounting earnings).

¹²⁵ Damodaran, *supra* n.94 at 6.

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Q. What other considerations support reference to returns on book value, as a complement to market-based methods?

3 A. Opinion No. 569 contends that because investors can only purchase common stocks at 4 market value, expected returns on book value are irrelevant unless the market-to-book ratio is equal to 1.0.¹²⁶ However, this ignores the fact that existing shareholders are 5 continuously investing in a firm's equity at book value every time earnings are retained 6 7 for reinvestment, rather than being paid as dividends. Retained earnings are reflected on 8 the balance sheet as an increase in the book value of shareholders' equity. When a firm 9 retains that portion of earnings not paid out as common dividends, its shareholders 10 effectively invest in the firm's equity and these investments are made at book value.

Moreover, as the Commission has recognized, in most instances "the public utility 11 companies for which the Commission sets rates are not publicly traded and thus do not 12 have any market-determined stock values."¹²⁷ This was the case in the Supreme Court's 13 Hope decision, where the financial integrity standards were directly related to the book 14 value of a utility's equity and expected earnings. Similarly, one key gauge of a utility's 15 financial integrity is credit metrics, which depend on the book value of equity and earnings 16 17 on that book value of investment. The Expected Earnings method is directly related to 18 ensuring that the standards underlying a just and reasonable ROE are met.

Q. Do current conditions in the economy and capital markets provide additional support for the expected earnings approach?

A. Yes. As discussed earlier, investors have recently confronted unprecedented market
 volatility and uncertainty. At the same time, the Federal Reserve has undertaken hyper stimulative monetary policies on a scale never before seen and governments have adopted
 fiscal policies designed to aggressively respond to the economic threat posed by the

¹²⁶ Opinion No. 569 at P 201.

¹²⁷ Id. at P 208.

1 COVID19 pandemic. Such tumultuous and highly aberrant conditions violate the general assumptions of market equilibrium and stability underlying market-based financial 2 3 models. The Expected Earnings model is largely insulated from such concerns and including it in the set of ROE models used by the Commission to determine ROEs 4 provides a useful supplement to market-based methods that helps to ensure satisfaction of 5 the Hope and Bluefield standards. 6 7 Q. What other primary misconception underlies the rejection of the Expected Earnings 8 approach in Opinion Nos. 569 and 569-A? 9 A. Opinion No. 569-A argues that the Expected Earnings method should be excluded 10 because of a lack of evidence "that investors use such data to directly value equities, determine the cost of equity, or make investment decisions."¹²⁸ Similarly, Opinion No. 11 569 concluded that "there is insufficient record evidence to demonstrate that investors 12 13 rely on the Expected Earnings model," or that investors "use the Expected Earnings model to determine their required returns on investments in public utilities."¹²⁹ 14 Q. Does this line of argument support excluding the Expected Earnings approach? 15 No. As my testimony demonstrates, returns on book value are a key consideration in 16 A. 17 evaluating investment alternatives, particularly in the regulated sector where book values 18 play a fundamental role in establishing future earnings and cash flows. But in any event, the merit of any specific financial model is not premised on whether individual investors 19 20 rely directly on that method to "determine their required returns" or "to inform their investment decisions." In fact, it is precisely because it is impossible to know the 21 valuation process that gives rise to investors' opportunity costs that such methods have 22 23 been developed.

¹²⁸ Opinion No. 569-A at P 126.

¹²⁹ Opinion No. 569 at PP 210, 213.

1 Consider the DCF model or the CAPM approach, for example. While each of these methodologies is premised on widely accepted theoretical concepts, there is no evidence 2 3 to support a finding that either the DCF or the CAPM is used directly by investors in establishing observable stock prices or other "market-based" parameters. 4 In fact, approximately 75% of all trading on U.S. stock exchanges is generated by automatic 5 trading systems. Under the logic expounded by Opinion Nos. 569 and 569A, the DCF or 6 7 CAPM approaches could be rejected because of insufficient proof that the algorithms 8 underlying such automated trading systems rely on these methods.

9 It is because we cannot determine the process by which investors arrive at their 10 required return that theoretical models of investor behavior have been developed. Just as 11 with the DCF and CAPM, the Expected Earnings approach provides a sound basis to 12 consider and represent an unobservable artifact of investors' decision-making (*i.e.*, their 13 required ROE). But the relevance of the model is not tied to the assumption that any 14 individual investor actually depends on that specific approach, much less on the 15 Commission's preferred application of each methodology.¹³⁰

16 The purpose of all ROE models is to better understand investor return requirements, 17 and those requirements cannot be directly observed. While real world investors might not 18 apply the models in exactly the same way as theory dictates, the inputs to the models (*e.g.*, 19 beta, growth rates, dividend yields, forecasted book returns) are widely published in 20 investment advisory reports discussing utility stocks and industry prospects. Given the 21 importance of both expected earnings and book value investment for utility investors, and

¹³⁰ If such a requirement were governing, the Commission would be forced to jettison its continued reference to GDP growth in applying the DCF model. In contrast to the evidence I have presented to demonstrate the relevance of earned returns to investors' evaluation of electric utilities, there is no support for the notion that investors use GDP growth rates "to determine the cost of capital of utilities or to calculate return on an investment." Opinion No. 569 at P 216. Accordingly, by the Commission's reasoning, its own two-stage DCF model "does not reflect how an investor would make an investment decision." *Id.* at P 217.

1		the direct link to the Hope and Bluefield regulatory standards, the Expected Earnings
2		approach provides a useful perspective in evaluating a just and reasonable ROE.
3	Q.	What rates of return on equity are indicated for electric utilities based on the
4		Expected Earnings approach?
5	A.	The year-end returns on common equity projected by Value Line over its forecast horizon
6		for each of the utilities in the proxy group are shown on Exhibit No. NMPC-308. In
7		Southern California Edison Co., the Commission correctly recognized that if the rate of
8		return were based on year-end book values, such as those reported by Value Line, it
9		would understate actual returns because of growth in common equity over the year. ¹³¹
10		Accordingly, consistent with the Commission's findings and the theory underlying this
11		approach, I made an adjustment to compute an average rate of return. ¹³²
12		As shown on Exhibit No. NMPC-308, Value Line's projections for the Electric
13		Group resulted in an adjusted range of expected rates of return from 8.18% to 14.35%, with
14		a median of 11.23%.
	IV.	SUPPLEMENTAL ROE BENCHMARKS
15	Q.	What is the purpose of this section of your testimony?

A. This section presents additional benchmarks to evaluate a just and reasonable base ROE
 for NMPC. Specifically, I examine results of the constant growth DCF model applied to
 my proxy group of electric utilities and a low-risk group of companies in the competitive
 sector. These benchmark results provide additional guidance that is relevant in evaluating
 the veracity of the primary methods discussed previously.
 Q. Has the Commission acknowledged the potential relevance of evidence beyond the

22 results of any particular set of financial models?

¹³¹ So. Cal. Edison Co., 92 FERC ¶ 61,070 at 61,263 & n. 38 (2000).

¹³² Use of an average return in developing the rate of return is well supported. *See, e.g.*, Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc. (2006) at 305-06, which discusses the need to adjust Value Line's end-of-year data, consistent with the Commission's prior findings.

A. Yes. In the context of applying the first prong of Section 206 of the FPA (*i.e.*, evaluating a utility's existing ROE), the Commission has noted that the ultimate determination of a just and reasonable end result depends "on the particular circumstances of the case," and noted that a broad range of additional evidence may be pertinent in evaluating investors' required return.¹³³ There is no sound reason why such evidence would not be equally relevant to ensuring that the base ROE established in the context of a Section 205 rate change represents a just and reasonable end result.

8 In my experience, this single-stage version of the DCF approach is the model most 9 widely referenced by financial practitioners and regulatory agencies.¹³⁴ The results of these 10 benchmark analyses support my conclusion that the Three-Model Approach results in a 11 just and reasonable base ROE for NMPC in this case.

A. Constant Growth DCF Model – Electric Group

Q. Has the Commission recognized that the results of the two-step DCF approach are not necessarily indicative of investors' cost of equity?

14 A. Yes. The Commission confirmed the potential unreliability of two-step DCF results in

15 Opinion No. 531, noting that an ROE based on the midpoint of the DCF range in that

16 case would violate the *Hope* and *Bluefield* standards.¹³⁵ More recently, the Commission

17 affirmed that relying on the two-step DCF methodology alone "will not produce a just

¹³³ Opinion No. 569 at P 68 (footnote omitted); Opinion No. 569-A at P 175 (footnote omitted). For example, the Commission noted that evidence concerning "ROEs of non-utility companies, . . . non-utility stock prices, [and] investor expectations for non-utility stocks" may be relevant. Opinion No. 569 at P522; Opinion No. 569-A at P 217

¹³⁴ See also, James C. Bonbright, Albert L. Danielsen, David R. Kamerschen, *Principles of Public Utility Rates*, Pub. Util. Reports, Inc. (1988) at 318 (noting, "Virtually all cost of capital witnesses use this method, and most of them consider it their primary technique. . . [T]he majority of cost of capital witnesses use the most basic version of this model . . . ").

¹³⁵ Opinion No. 531 at P 142.

1		and reasonable ROE," and that this method "may no longer singularly reflect how
2		investors make their decisions." ¹³⁶
3	Q.	Are there significant shortcomings associated with referencing GDP growth in
4		applying the DCF model?
5	А.	Yes, there are several:
6 7 8		 Practical application of the DCF model does not require a long-term growth estimate over a horizon of 30 years and beyond—it requires a growth estimate that matches investors' expectations.
9 10 11		 Evidence supports the conclusion that investors do not reference long- term GDP growth in evaluating expectations for individual common stocks, including those in the utility industry.
12 13 14 15		3) The theoretical proposition that growth rates for all companies converge to overall growth in the economy over the very long term does not guide investors' views, and growth rates for utilities can and do routinely exceed GDP growth.
16 17		 There is no evidence that investors' growth expectations for regulated electric utilities have begun to converge to that of the economy.
18		In short, there is no demonstrable evidence that investors look to GDP growth rates
19		in the distant future in assessing their expectations for utility common stocks. Opinion No.
20		569 took issue with many aspects of the constant growth DCF model but never
21		appropriately addressed or grappled with this essential argument.
22	Q.	Did Opinion No. 569-A provide evidentiary support for its continued reference to
23		GDP growth in applying the DCF model to electric utilities?
24	A.	No. Opinion No. 569-A reduced the weighting assigned to GDP from one-third to one-
25		fifth, but there was no evidentiary basis linking the 20% weighting factor selected by the
26		Commission to the actual expectations of investors. Rather, Opinion No. 569-A noted
27		that the court has granted the Commission "broad discretion in its weighting choice." ¹³⁷

¹³⁶ Coakley v. Bangor Hydro-Elec. Co., 165 FERC ¶ 61,030 at PP 32, 40 (2018); Ass'n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc., 165 FERC ¶ 61,118 at PP 34, 42 (2018).

¹³⁷ Opinion No. 569-A at P 57 (citing CAPP v. FERC, 254 F.3d 289 (D.C. Cir. 2001)).

1 In lieu of specific evidence demonstrating that investors' growth expectations for electric utilities are linked to long-term trends in GDP, Opinion No. 569-A relied on broad-brush 2 3 observations from a 1983 gas pipeline proceeding regarding the "infinite stream of future dividends" that is baked into DCF theory.¹³⁸ Similar to Opinion No. 569's reliance on 4 New Regulatory Finance for the theoretical proposition that growth for all companies 5 must "converge to a level consistent with the growth rate of the aggregate economy,"¹³⁹ 6 this does not substantiate a finding that investors anticipate growth for all electric utilities 7 8 to coalesce at a 30-year growth projection for GDP. Dr. Morin himself in more recent 9 testimony has not utilized the two-stage DCF model or factored in long-term growth rates in his DCF model when estimating the ROE for electric utilities.¹⁴⁰ 10

Opinion No. 569-A suggested that reference to GDP growth is required to "aid in 11 normalizing any distortions that might be reflected in short-term data limited to a narrow 12 segment of the economy,"141 but the only consistent "distortion" in the two-step DCF 13 results is the downward bias explicitly recognized in Opinion Nos. 531 and 551. Moreover, 14 concern over any potential for significant distortion of DCF results is properly addressed 15 through application of appropriate low-end and high-end screening tests, not through 16 inclusion of GDP growth at an arbitrary weighting. While Opinion No. 569-A asserted 17 that it is reasonable to consider GDP "to some extent,"¹⁴² it did not cite any evidence that 18 19 directly links investors' growth expectations for electric utilities to long-term trends in

¹³⁸ *Id.* at P 59.

¹³⁹ Opinion No. 569 at P 152 (*citing* Roger A Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc. (2006) at 308).

¹⁴⁰ See, e.g., Oklahoma Gas & Elec. Co., Oklahoma Corporation Commission, Cause No. PUD 201700496, Direct Testimony of Roger A. Morin (Jan. 16, 2018) at 21 (noting, "I used Value Line's growth forecasts as well as analysts' long-term growth forecasts reported in Zacks as proxies for investors' growth expectations in applying the DCF model."); San Diego Gas & Electric Co., Docket No. ER19-221, at Exhibit Nos. SD-0019, SD-0024 and SD-0025 (filed Oct. 30, 2018).

¹⁴¹ Opinion No. 569-A at P 60 (footnote omitted).

¹⁴² *Id.* at P 59.

1		GDP growth. The Commission has previously cited this same reasoning in rejecting
2		reliance on GDP growth rates when applying the DCF model to electric utilities:
3 4 5 6 7 8 9 10 11		The Commission finds that these rationales do not support the use of GDP to develop a long-term growth rate estimate in this proceeding. Specifically, growth rate estimates for Entergy are not two to three times greater than GDP as were the growth rate estimates that led to the adoption of a two-stage approach for gas pipelines. There is also no evidence that Entergy's 'growth rate will approach that of the economy as a whole.' As such, the notion that Entergy is a company with excessive growth that will decrease in the long-term as it matures and that will eventually equate to GDP is not supported by the record. ¹⁴³
12		Nothing has changed that would justify reliance on GDP growth rates in this proceeding.
13	Q.	Are there academic studies that recognize the shortcomings of adopting a generic
14		long-term growth rate in applying the DCF model?
15	А.	Yes. Dr. Myron J. Gordon, who pioneered the application of the constant growth DCF
16		approach, stated that reference to a generic long-term growth rate was unsupported. ¹⁴⁴
17		More specifically, Dr. Gordon concluded that any assumption of a single time horizon for
18		a transition to a generic long-term growth rate was highly questionable and failed to
19		reduce error in DCF estimates. Instead, Dr. Gordon specifically recognized that, "it is the
20		growth that investors expect that should be used" in applying the DCF model, and he
21		concluded: "A number of considerations suggest that investors may, in fact, use earnings
22		growth as a measure of expected future growth." ¹⁴⁵
23		Similarly, a subsequent paper co-authored by Dr. Gordon concluded that:
24 25 26		[A]nalysts do not predict earnings beyond five years, which suggests that any consensus of opinion among investors probably deteriorates quickly after five years. ¹⁴⁶

 $^{^{143}}$ System Energy Resources, Inc., Opinion No. 446, 92 FERC \P 61,119 at 61,444-61,445 (2000) (citations omitted).

¹⁴⁴ Myron J. Gordon, *The Cost of Capital to a Public Utility*, MSU Pub. Util. Studies (1974) at 100-01. ¹⁴⁵ *Id.* at 89.

¹⁴⁶ Joseph R. Gordon and Myron T. Gordon, *The Finite Horizon Expected Return Model*, Financial Analysts Journal (May-Jun. 1997) at 52-61.

- Dr. Gordon concluded that "the consensus among investors is that the future has a finite horizon of approximately seven years."¹⁴⁷ In other words, reference to long-term forecasts of GDP growth in applying the DCF model is inconsistent with investor behavior.
- 4 Q. Is there evidence that long-term GDP growth rates understate investors'
- 5

expectations for electric utilities?

A. Yes. Actual historical growth rates for individual companies refute the notion that longterm growth for electric utilities is constrained by GDP. For example, Value Line reports
that over 80% of the companies included in its electric utility industry group achieved
earnings growth over the last 10 years that exceeded the GDP growth rate used to apply
the Commission's two-step DCF model.¹⁴⁸ These values indicate that utilities can
achieve growth over extended periods well in excess of the expected GDP growth rate,
which highlights a serious flaw in the Commission's two-step DCF model.

Q. What other evidence contradicts the pattern of growth assumed in the commission's two-step DCF approach?

A. According to the rationale underlying the two-step DCF model, company-specific growth rates collapse to the GDP growth rate. In other words, at some point in the intermediate future all the companies in the electric utility industry are assumed to grow at a constant rate equal to the economy as a whole. But such an outcome is entirely at odds with what real-world investors face in the capital markets.

For example, Figure NMPC-5 compares Value Line's forecasted EPS growth rates
 for electric utilities beginning in 1977 with current projections.

¹⁴⁷ *Id*.

¹⁴⁸ www.valueline.com (retrieved Oct. 25, 2021).



FIGURE NMPC-5 ELECTRIC UTILITY INDUSTRY EPS GROWTH PROJECTIONS

1 Under the paradigm of the Commission's two-step DCF approach, expected growth 2 in EPS should have gradually moved towards the artificial GDP growth ceiling (4.20% in 3 its current rendition) over the past four-plus decades. In fact, however, no such trend is 4 evident. Value Line is now expecting near-term EPS growth to average 6.0% for the firms in the electric utility industry, versus 6.6% in 1977 and 6.3% in 2005. In other words, there 5 has been no convergence to GDP growth observed over the last forty-plus years. This 6 provides another indication that the 4.20% GDP growth rate used in Commission's two-7 8 step DCF model is at odds with the evidence concerning the pattern of investors' growth 9 expectations for electric utilities.

Q. Do current expectations for the utility industry support a fundamental shift towards
 GDP growth?

A. No. Industry fundamentals do not suggest that investors are anticipating growth rates for
electric utilities to uniformly trend downward to the growth rate in the overall economy.
At least in part, growth in the electric utility industry is created by additional

Source: The Value Line Investment Survey
1 infrastructure investment. Contrary to the assumption that growth trends will somehow 2 mirror GDP, investors recognize that the electric utility industry is committed to a cycle 3 of significant infrastructure spending.

4

5

Q. What underlying fundamentals support investors' conclusion that electric utilities have entered a period of growth that will outpace the economy as a whole?

As the Commission has recognized,¹⁴⁹ the need for additional infrastructure investment in A. 6 the utility industry is being driven in large part by fundamental changes in generation mix 7 8 and mandated transitions to renewable resources, and that "These shifts create a need for more transmission infrastructure to bring generation to load."¹⁵⁰ More recently, in the 9 Advance Notice of Proposed Rulemaking in Docket No. RM21-17, the Commission 10 acknowledged that "[t]he electricity sector is transforming as the generation fleet shifts 11 12 from resources located close to population centers toward resources, including renewables, that may often be located far from load centers,"¹⁵¹ The ANOPR reflects the 13 Commission's concern that existing transmission planning processes do not adequately 14 anticipate the transmission investment required to deliver energy from production 15 facilities to load centers as the ongoing transition of the generation mix continues. 16 17 Consistent with these observations, the Edison Electric Institute has stated that its 18 members commit more than \$120 billion annually to electric utility infrastructure investment.¹⁵² Similarly, the investment community also understands that utilities are

19

¹⁵² Edison Electric Institute, Issues & Policy: Finance & Tax,

¹⁴⁹ Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 136 FERC ¶ 61,051 at P 45 (2011), order on reh'g and clarification, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), order on reh'g and clarification, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), aff'd, S.C. Pub. Serv. Auth. v. FERC, 762 F.3d 41 (D.C. Cir. 2014) (per curiam).

¹⁵⁰ Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act, Notice of Proposed Rulemaking, 170 FERC ¶ 61,204, at P 27 (2020).

¹⁵¹ Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection, 176 FERC ¶ 61,024, at P 3 (2021).

https://www.eei.org/issuesandpolicy/Pages/FinanceAndTax.aspx (last visited Sep. 20, 2021).

1	facing the prospect of a long-term commitment to significant and increasing levels of
2	infrastructure investment. For example, RRA concluded that:
3 4 5 6 7 8 9 10	Projected 2021 capital expenditures for the 47 energy utilities in the [RRA] sample of the publicly traded U.Sbased utility universe currently exceeds \$142 billion, well above 2020's \$130 billion investment level The nation's electric and gas utilities are investing in infrastructure to upgrade aging transmission and distribution systems, build new natural gas, solar, and wind generation, and implement new technologies, including smart meter deployment, smart grid systems, cybersecurity measures and battery storage. ¹⁵³
11	The report further concluded that "we expect considerable levels of spending to serve as
12	the basis for solid profit expansion in the sector for the foreseeable future." ¹⁵⁴
13	S&P confirmed this trend, observing that "capital expenditures are increasing
14	across the sector and are now at or near record highs in a multiyear trend that reflects the
15	proactive deployment of capital to modernize and improve utility generation and network
16	assets." ¹⁵⁵ S&P documented a 9.5% compound annual growth in utility investment since
17	2003, as reflected in the chart reproduced as Figure NMPC-6, below.

¹⁵³ S&P Global Market Intelligence, *RRA Financial Focus – Utility Capital Expenditures Update* (Apr. 8, 2021).

¹⁵⁴ *Id*. (emphasis added).

¹⁵⁵ S&P Global Ratings, *Keeping The Lights On: U.S. Utilities' Exposure To Physical Climate Risks*, RatingsDirect (Sep. 16, 2021).



FIGURE NMPC-6



Q. Do formulations of the DCF model other than the commission's two-step version offer a relevant benchmark for purposes of evaluating a just and reasonable base ROE for electric utilities?

A. Yes. As noted earlier, the Commission has determined that its evaluation should focus on
how investors analyze and compare investment opportunities.¹⁵⁶ There is no evidence to
support a finding that investors' current expectations for electric utilities follow the
pattern assumed by the two-step DCF model. As documented above, the long-term cycle
of capital investment implies higher—not lower—long-term growth and suggests that
GDP growth estimates understate investors' expectations for electric utilities. In this
light, I believe the constant growth DCF model provides a meaningful benchmark that is

Source: S&P Global Ratings.

¹⁵⁶ Opinion No. 569 at P 33.

1		more consistent with the way in which investors assess their expectations and evaluate
2		common stocks.
3	Q.	What results are produced using the constant growth DCF model?
4	A.	Application of the constant growth DCF model employing the evaluation of low- and
5		high-end values discussed previously is presented in Exhibit No. NMPC-309. As shown
6		there, the constant growth DCF model results in a range of 6.01% to 12.26%, with a
7		median of 9.45%.
		B. Constant Growth DCF Model – Non-Utility Group
8	Q.	What other proxy group do you consider in evaluating a just and reasonable ROE
9		for NMPC?
10	A.	Consistent with underlying economic and regulatory standards, I also apply the constant
11		growth DCF model to a select group of low-risk companies in the non-utility sectors of
12		the economy. I refer to this group as the "Non-Utility Group."
13	Q.	Why do you include a DCF analysis for this non-utility group?
14	A.	The primary reason I have examined DCF results for this Non-Utility Group is that
15		regulated utilities, including NMPC, need to compete with non-regulated firms for
16		capital. ¹⁵⁷ The cost of capital is an opportunity cost based on the returns that investors
17		could realize by putting their money in other alternatives. The total capital invested in
18		utility stocks is only the tip of the iceberg of total common stock investment and there is
19		a wide range of other enterprises available to investors beyond those in the utility
20		industry. Indeed, modern portfolio theory is built on the assumption that rational
21		investors will hold a diverse portfolio of stocks, not just companies in a single industry.
22	Q.	Are there other considerations that make DCF results for the Non-Utility Group a
23		useful adjunct?

¹⁵⁷ Even for a single utility, capital will be allocated between competing uses in part based on opportunity costs. Where the utility has no regulatory obligation to undertake a particular project, an anemic return may foreclose investment altogether.

Yes. The results of the non-utility group make estimating the cost of equity using the 1 A. 2 DCF model more reliable. The estimates of growth from the DCF model depend on 3 analysts' forecasts. It is possible for utility growth rates to be distorted by short-term trends in the industry, or by analysts holding the industry in favor or disfavor relative to 4 other sectors. The result of such distortions would be to bias the DCF estimates for 5 utilities relative to estimates for firms in other industries. Because the Non-Utility Group 6 7 includes low-risk companies from many industries, it diversifies away any distortion that 8 may be caused by the ebb and flow of enthusiasm for a particular sector (*i.e.*, electric utilities).158 9

10 Q. What authority can you point to for considering the returns of unregulated entities?

Going as far back as the Bluefield and Hope cases, it has been accepted practice to 11 A. consider required returns for non-utility companies. Returns in the competitive sector of 12 13 the economy underpin utility ROEs because regulation is intended to serve as a substitute for competitive market forces. The Supreme Court has recognized that it is the degree of 14 risk, not the nature of the business that is relevant in evaluating an allowed ROE for a 15 utility. The *Bluefield* case refers to "business undertakings which are attended by 16 corresponding risks and uncertainties."¹⁵⁹ It does not restrict consideration to other 17 18 utilities. Similarly, the *Hope* case states: "By that standard, the return to the equity 19 owner should be commensurate with returns on investments in other enterprises having corresponding risks."¹⁶⁰ As in the *Bluefield* decision, there is nothing to restrict "other 20 enterprises" solely to the utility industry. 21

Q. Has the Commission acknowledged the potential relevance of investors' required returns for firms in the competitive sector?

¹⁵⁸ This evidence is directly relevant to the Commission's concern regarding "distortions that might be reflected in short-term data limited to a narrow segment of the economy." Opinion No. 569-A at P 60. ¹⁵⁹ *Bluefield*, 262 U.S. at 692.

¹⁶⁰ *Hope*, 320 U.S. at 603.

Yes. The Commission has noted that utilities "must compete for capital with other 1 A. utilities (and companies in other sectors) throughout the nation."¹⁶¹ Opinion No. 569-A 2 3 noted that "evidence regarding non-utility stock prices . . . [and] investor expectations for non-utility stocks" could influence its evaluation of a just and reasonable ROE for 4 electric utilities.¹⁶² Similarly, the Commission noted that evidence concerning "ROEs of 5 non-utility companies, ... non-utility stock prices, [and] investor expectations for 6 7 non-utility stocks" could be considered in tandem with results for a proxy group of electric utilities.¹⁶³ The Commission made this statement in the context of applying the 8 first prong of Section 206 of the FPA, *i.e.*, whether a utility's existing ROE remains just 9 and reasonable. There is no sound reason why expected returns on non-utility stocks 10 would not be equally relevant to whether a utility's proposed ROE in a Section 205 rate 11 12 change is just and reasonable.

13 Investors have many investment opportunities for their capital and electric utilities must compete for funds with firms outside their own industry. The investment community 14 has recognized the interrelationship between ROEs for FERC-jurisdictional utilities and 15 other regulated utility sectors in the allocation of capital. For example, Wolfe Research 16 has noted that lower ROEs at the Commission could cause investors to divert capital to 17 "other industries generally."¹⁶⁴ This was affirmed more recently by Bank of America 18 19 Merrill Lynch, which highlighted the fact that unsupportive ROE determinations could "result in a shift away of capital to other businesses."¹⁶⁵ 20

21 Q. What criteria do you apply to develop the Non-Utility Group?

¹⁶¹ Opinion No. 531 at P 96 (emphasis added).

¹⁶² Opinion No. 569-A at P 175.

¹⁶³ Opinion No. 569 at P 522.

¹⁶⁴ Wolfe Research, *FERConomics: Risk to transmission base ROEs in focus*, Utils. & Power (Jun. 11, 2013) at 11.

¹⁶⁵ Bank of America Merrill Lynch, *Where is FERC? ROE Transmission Challenges on First Street*, Industry Overview (Dec. 5, 2019), https://www.offshorewindadvisory.com/wpcontent/uploads/2020/01/191205-BAML-MISO-ROE-Order.pdf.

1	A.	The Non-Utility Group is composed of those U.S. companies followed by Value Line
2		that: (1) pay common dividends; (2) have a Safety Rank of "1"; (3) have a Financial
3		Strength Rating of "A" or greater; (4) have a beta less than 1.00; and (5) have investment
4		grade credit ratings from S&P and Moody's. As shown on Exhibit No. NMPC-310,
5		application of these criteria resulted in a proxy group of forty-three companies.
6	Q.	How do you compare the overall risks of this non-utility group with the utility proxy
7		group?
8	A.	Investors look to credit ratings assigned by major credit rating agencies, such as S&P and
9		Moody's, as an independent and objective tool for evaluating relative risk across
10		disparate industries. As the Managing Director for Moody's Global Regulatory Affairs
11		noted in comments to the Securities and Exchange Commission:
12 13 14		To meet market needs over time, credit ratings have developed important attributes including insightful, robust and independent analysis, symbols that succinctly communicate opinions, and broad coverage across markets,
15 16 17 18 19		industries and asset classes. These attributes have enabled credit ratings to serve as a point of reference and common language of credit that is used by financial market professionals worldwide to compare credit risk across jurisdictions, industries and asset classes, thereby facilitating the efficient flow of capital worldwide. ¹⁶⁶
20		Similarly, FERC has determined that "corporate credit ratings are a reasonable measure to
21		use to screen for investment risk," and that credit ratings alone provide a sufficient test of
22		comparable investment risks. ¹⁶⁷ Credit ratings provide a well-accepted measure of
23		investment risk, which is the proper basis for assessing the comparability of the non-utility
24		proxy group to NMPC.
25		Apart from the broad assessment of investment risk provided by credit ratings, other
26		quality rankings published by investment advisory services also provide relative

¹⁶⁶ Farisa Zarin, *Letter Re: Credit Rating Standardization Study – Release No. 34-63573; File No. 4-622* (Feb. 18, 2011) (emphasis supplied).

¹⁶⁷ N. Pass Transmission LLC, 134 FERC ¶ 61,095 at P 52 & n.70 (2011); see also Potomac-Appalachian Transmission Highline, LLC, 133 FERC¶ 61,152 at P63.

assessments of risk that are considered by investors in forming their expectations.
Accordingly, my evaluation also included a comparison of three other objective measures
of the investment risks associated with common stocks—Value Line's Safety Rank,
Financial Strength Rating, and beta. Given that Value Line is perhaps the most widely
available source of investment advisory information, its rankings provide useful guidance
regarding the risk perceptions of investors.

7 The Safety Rank is Value Line's primary risk indicator and ranges from "1" (Safest) 8 to "5" (Most Risky). This overall risk measure is intended to capture the total risk of a stock and incorporates elements of stock price stability and financial strength.¹⁶⁸ The 9 Financial Strength Rating is designed as a guide to overall financial strength and 10 creditworthiness, with the key inputs including financial leverage, business volatility 11 measures, and company size. Value Line's Financial Strength Ratings range from "A++" 12 13 (strongest) down to "C" (weakest) in nine steps. Finally, as noted earlier, Value Line's beta measures the volatility of a security's price relative to the entire market. A stock that 14 tends to respond less to market movements has a beta less than 1.00, while stocks that tend 15 to move more than the market have betas greater than 1.00. Beta is the only relevant 16 measure of equity investment risk under modern capital market theory and is cited widely 17 18 in academia and in the investment industry as a guide to investors' risk perceptions.

19 Q. How do the overall risks of this non-utility group compare with the utility proxy

20 group?

A. Table NMPC-5 compares the Non-Utility Group with the utility proxy group across four indicators of investment risk:

¹⁶⁸ The Commission has previously considered Value Line's Safety Rank in evaluating relative risks. *Potomac-Appalachian Transmission Highline, LLC*, 133 FERC ¶ 61,152 at P 63 n.90 (2010) (citations omitted).

TABLE NMPC-5 COMPARISON OF RISK INDICATORS

	Value Li				
	Credit Rating		Safety	Financial	
Proxy Group	<u>S&P</u>	Moody's	<u>Rank</u>	<u>Strength</u>	<u>Beta</u>
Non-Utility Group	А	A2	1	A++	0.80
Electric Group	BBB+	Baa2	2	А	0.90

As this table demonstrates, the average risk indicators for the Non-Utility Group suggest less risk than for the proxy group of electric utilities. A comparison of these objective measures, which consider a broad spectrum of risks, including financial and business position, relative size, and exposure to company-specific factors, indicates that investors would likely conclude that the overall investment risks for the Electric Group are greater than those of the firms in the Non-Utility Group.

7 The companies that make up the Non-Utility Group represent the pinnacle of corporate America. These firms, which include household names such as Coca-Cola and 8 Procter & Gamble, have long corporate histories, well-established track records, and 9 exceedingly conservative risk profiles. Many of these companies pay dividends on par 10 with utilities, with the average dividend yield for the group exceeding 2%. Accordingly, 11 my non-utility proxy group represents a less risky investment alternative for potential 12 13 investors in NMPC and, therefore, is a relevant benchmark to determine an appropriate 14 ROE in this case.

Q. What are the results of your constant growth DCF analysis for the Non-Utility Group?

A. As shown on Exhibit No. NMPC-311, I calculated the dividend yield component of the
DCF model in the same manner described earlier for the Electric Group. With respect to
growth, my application of the DCF model to the Non-Utility Group relied on projected
EPS growth rates from IBES, Value Line, and Zacks. As indicated on pages 1-3 of

Exhibit No. NMPC-311, my DCF analyses for the Non-Utility Group resulted in median
 cost of equity estimates ranging from 9.78% to 10.68%.

3 These results provide additional evidence confirming the ongoing downward bias in the results of the Commission's two-step DCF model for electric utilities, as well as 4 supporting the reasonableness of a 10.50% base ROE for NMPC. As discussed above, 5 considering expected returns for the Non-Utility Group is consistent with established 6 7 regulatory principles. Required returns for utilities should be in line with those of 8 non-utility firms of comparable risk operating under the constraints of free competition. 9 Considering that the investment risks of the Non-Utility Group are lower than those of the 10 Electric Group, these results understate investors' required rate of return.

Q. What do these alternative benchmarks indicate with respect to a fair base ROE for NMPC in this case?

A. Application of the constant growth DCF model to the firms in the utility and non-utility proxy groups document the continued downward bias in the results of the two-step DCF approach, which produces a median value of 9.10%. These benchmarks indicate that the average ROE resulting from the Three-Model Approach is likely a conservative measure of a just and reasonable base ROE for NMPC.

18 Q. Does this conclude your testimony?

19 A. Yes, it does.

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

)

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Niagara Mohawk Power Corporation d/b/a National Grid Docket No. ER22-___-000

DECLARATION OF ADRIEN M. MCKENZIE

I depose and state under penalty of perjury that the foregoing testimony was prepared or assembled by me or under my direction, and that I have read the questions and answers labeled as my testimony: that if asked the same questions my answers in response would be as shown; and that the facts contained in my answers are true to the best of my knowledge, information, and belief.

Executed on March 3, 2022

<u>/s/ Adrien M. McKenzie</u> Adrien M. McKenzie

QUALIFICATIONS OF ADRIEN M. MCKENZIE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

 A. My name is Adrien M. McKenzie. My business address is 3907 Red River Street, Austin, Texas 78751.

Q. PLEASE STATE YOUR OCCUPATION.

A. I am a principal in FINCAP, Inc., a firm engaged primarily in financial, economic, and policy consulting in the field of public utility regulation.

Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

A. I received B.A. and M.B.A. degrees with a major in finance from The University of Texas at Austin, and hold the Chartered Financial Analyst (CFA®) designation. Since joining FINCAP in 1984, I have participated in consulting assignments involving a broad range of economic and financial issues, including cost of capital, cost of service, rate design, economic damages, and business valuation. I have extensive experience in economic and financial analysis for regulated industries, and in preparing and supporting expert witness testimony before courts, regulatory agencies, and legislative committees throughout the U.S. and Canada. I have personally sponsored direct and rebuttal testimony in over 140 proceedings filed with the Federal Energy Regulatory Commission ("FERC") and regulatory agencies in Alaska, Arkansas, Colorado, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Montana, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Virginia, Washington, West Virginia, and Wyoming. My testimony addressed the establishment of risk-comparable proxy groups, the application of alternative quantitative methods, and the consideration of regulatory standards and

policy objectives in establishing a fair rate of return on equity for regulated electric, gas, and water utility operations. In connection with these assignments, my responsibilities have included critically evaluating the positions of other parties and preparation of rebuttal testimony, representing clients in settlement negotiations and hearings, and assisting in the preparation of legal briefs.

FINCAP was formed in 1979 as an economic and financial consulting firm serving clients in both the regulated and competitive sectors. FINCAP conducts assignments ranging from broad qualitative analyses and policy consulting to technical analyses and research. The firm's experience is in the areas of public utilities, valuation of closely-held businesses, and economic evaluations (e.g., damage and cost/benefit analyses). Prior to joining FINCAP, I was employed by an oil and gas firm and was responsible for operations and accounting. I am a member of the CFA Institute. A resume containing the details of my qualifications and experience is attached below.

ADRIEN M. McKENZIE

FINCAP, INC. Financial Concepts and Applications *Economic and Financial Counsel* 3907 Red River Street Austin, Texas 78751 (512) 923-2790 FAX (512) 458-4768 amm.fincap@outlook.com

Summary of Qualifications

Adrien McKenzie has an MBA in finance from the University of Texas at Austin and holds the Chartered Financial Analyst (CFA[®]) designation. He has over 30 years of experience in economic and financial analysis for regulated industries, and in preparing and supporting expert witness testimony before courts, regulatory agencies, and legislative committees throughout the U.S. and Canada. Assignments have included a broad range of economic and financial issues, including cost of capital, cost of service, rate design, economic damages, and business valuation.

Employment

President FINCAP, Inc. (June 1984 to June 1987) (April 1988 to present) Economic consulting firm specializing in regulated industries and valuation of closely-held businesses. involved Assignments have electric. gas, telecommunication, and water/sewer utilities, with clients including utilities, consumer groups, municipalities, regulatory agencies, and cogenerators. Areas of participation have included rate of return, revenue requirements, rate design, tariff analysis, avoided cost, forecasting, and negotiations. Develop cost of capital analyses using alternative market models for electric, gas, and telephone utilities. Prepare prefiled direct and rebuttal testimony, participate in settlement negotiations, respond to interrogatories, evaluate opposition testimony, and assist in the areas of cross-examination and the preparations of legal briefs. Other assignments have involved preparation of technical reports, valuations, estimation of damages, industry studies, and various economic analyses in support of litigation.

Manager, McKenzie Energy Company (Jan. 1981 to May. 1984) Responsible for operations and accounting for firm engaged in the management of working interests in oil and gas properties.

Education

<i>M.B.A., Finance,</i> University of Texas at Austin (Sep. 1982 to May. 1984)	Program included coursework in corporate finance, accounting, financial modeling, and statistics. Received Dean's Award for Academic Excellence and Good Neighbor Scholarship.					
	Professional Report: The Impact of Construction Expenditures on Investor-Owned Electric Utilities					
<i>B.B.A., Finance</i> , University of Texas at Austin (Jan. 1981 to May 1982)	Electives included capital market theory, portfolio management, and international economics and finance. Elected to Beta Gamma Sigma business honor society. Dean's List 1981-1982.					
Simon Fraser University, Vancouver, Canada and University of Hawaii at Manoa, Honolulu, Hawaii	Coursework in accounting, finance, economics, and liberal arts.					
(Jan. 1979 to Dec 1980)						

Professional Associations

Received Chartered Financial Analyst (CFA®) designation in 1990.

Member – CFA Institute.

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- "The Impact of Regulatory Climate on Utility Capital Costs: An Alternative Test," with Bruce H. Fairchild, *Public Utilities Fortnightly* (May 25, 1989).

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- "ROE at FERC: Issues and Methods," *Expert Briefing on Parallels in ROE Issues between AER, ERA, and FERC*, Jones Day (Sydney, Melbourne, and Perth, Australia) (April 15, 2014).
- Cost of Capital Working Group eforum, Edison Electric Institute (April 24, 2012).
- "Cost-of-Service Studies and Rate Design," General Management of Electric Utilities (A Training Program for Electric Utility Managers from Developing Countries), Austin, Texas (October 1989 and November 1990 and 1991).

Representative Assignments

Mr. McKenzie has prepared and sponsored prefiled testimony submitted in over 150 regulatory proceedings. In addition to filings before regulatory agencies in Alaska, Arkansas, Colorado, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Montana, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Virginia, Washington, West Virginia, and Wyoming, Mr. McKenzie has considerable expertise in preparing expert analyses and testimony before the Federal Energy Regulatory Commission ("FERC") on the issue of rate of return on equity ("ROE"), and has broad experience in applying and evaluating the results of quantitative methods to estimate a fair ROE. Other representative assignments have included developing cost of service and cost allocation studies, the application of econometric models to analyze the impact of anti-competitive behavior and estimate lost profits; development of explanatory models for nuclear plant capital costs in connection with prudency reviews; and the analysis of avoided cost pricing for cogenerated power.

RISK MEASURES

ELECTRIC GROUP

			(a)	(b)	(c)		(c)	
			S&P	Moody's		Value Line		Market
			Corporate	Long-term	Safety	Financial		Сар
	Company	SYM	Rating	Rating	Rank	Strength	Beta	(\$M)
1	Algonquin Pwr & Util	AQN	BBB	NR	n/a	n/a	1.00	\$9,338
2	ALLETE	ALE	BBB	Baa1	2	А	0.90	\$3,500
3	Alliant Energy	LNT	A-	Baa2	2	А	0.85	\$15,000
4	Ameren Corp.	AEE	BBB+	Baa1	1	А	0.85	\$23,000
5	American Elec Pwr	AEP	A-	Baa2	1	A+	0.75	\$45,000
6	Avista Corp.	AVA	BBB	Baa2	2	B++	0.95	\$2,700
7	Black Hills Corp.	BKH	BBB+	Baa2	2	А	1.00	\$4,000
8	CMS Energy Corp.	CMS	BBB+	Baa2	2	B++	0.80	\$19,000
9	Consolidated Edison	ED	A-	Baa2	1	A+	0.75	\$26,000
10	Dominion Energy	D	BBB+	Baa2	2	B++	0.85	\$61,000
11	Duke Energy Corp.	DUK	BBB+	Baa2	2	А	0.90	\$82,000
12	Entergy Corp.	ETR	BBB+	Baa2	2	B++	0.95	\$22,000
13	Evergy Inc.	EVRG	A-	Baa2	2	B++	0.95	\$16,000
14	Eversource Energy	ES	A-	Baa1	1	А	0.90	\$30,000
15	IDACORP, Inc.	IDA	BBB	Baa1	1	A+	0.85	\$5,000
16	NextEra Energy, Inc.	NEE	A-	Baa1	1	A+	0.95	\$155,000
17	NorthWestern Corp.	NWE	BBB	Baa2	2	B++	0.95	\$3,000
18	OGE Energy Corp.	OGE	BBB+	Baa1	2	А	1.05	\$7,100
19	Otter Tail Corp.	OTTR	BBB	Baa2	2	А	0.90	\$2,200
20	Pinnacle West Capital	PNW	A-	A3	2	А	0.95	\$7,600
21	Portland General Elec.	POR	BBB+	A3	2	B++	0.90	\$4,300
22	Pub Sv Enterprise Grp.	PEG	BBB+	Baa2	1	A++	0.95	\$32,000
23	Sempra Energy	SRE	BBB+	Baa2	2	А	1.00	\$39,000
24	Southern Company	SO	A-	Baa2	2	А	0.95	\$68,000
25	WEC Energy Group	WEC	A-	Baa1	1	A+	0.80	\$30,000
26	Xcel Energy Inc.	XEL	A-	Baa1	1	A+	0.80	\$34,000
			BBB+	Baa2	2	A	0.90	\$28,682

(a) Issuer credit rating from www.standardandpoors.com (retrieved Oct. 19, 2021).

(b) Long-term rating from www.moodys.com (retrieved Oct. 19, 2021).

(c) The Value Line Investment Survey (Aug, 13, Sep. 10, and Oct. 22, 2021).

SUMMARY OF RESULTS

OPINION NO. 569-A METHOD

I. THREE MODEL APPROACH

Method	Range	Median	Midpoint	
Two-Step DCF	6.00% 11.30%	9.10%	8.65%	
CAPM	10.50% 14.87%	12.80%	12.69%	
Risk Premium	7.17% 12.00%	9.59%	9.59%	
Composite ROE	7.89% 12.72%	10.50%	10.31%	

II. FOUR MODEL APPROACH

Method	Range	Median	Midpoint	
Two-Step DCF	6.00% 11.30%	9.10%	8.65%	
САРМ	10.50% 14.87%	12.80%	12.69%	
Expected Earnings	8.18% 14.35%	11.23%	11.27%	
Risk Premium	6.95% 12.23%	9.59%	9.59%	
Composite ROE	7.91% 13.19%	10.68%	10.55%	

SUMMARY OF RESULTS

ALTERNATIVE BENCHMARKS

Constant Growth DCF	Range	Median	Midpoint
Electric Group - IBES	6.01% 12.26%	9.45%	9.14%
Non-Utility Group			
IBES	6.58% 14.20%	10.56%	10.39%
Value Line	6.93% 14.24%	9.78%	10.58%
Zacks	7.10% 14.11%	10.68%	10.60%
	6.87% 14.18%	10.34%	10.53%

TWO-STEP DCF MODEL

ELECTRIC GROUP

		(a)	(b)	(c)	(d)	(e)	(f)	
		6-mo. Avg				Adjusted		
		Dividend	EPS			Dividend	DCF	Break
	Company	Yield	Growth	GDP	Weighted	Yield	Result	(b Pts)
1	Otter Tail Corp.	3.11%	9.00%	4.20%	8.04%	3.26%	11.30%	36
2	Algonquin Pwr & Util	3.97%	7.47%	4.20%	6.82%	4.12%	10.93%	66
3	Southern Company	4.10%	6.50%	4.20%	6.04%	4.24%	10.28%	16
4	Portland General Elec.	3.48%	7.10%	4.20%	6.52%	3.60%	10.12%	34
5	Avista Corp.	3.86%	6.20%	4.20%	5.80%	3.98%	9.78%	7
6	Ameren Corp.	2.61%	7.70%	4.20%	7.00%	2.71%	9.71%	12
7	Dominion Energy	3.28%	6.70%	4.20%	6.20%	3.39%	9.59%	3
8	NextEra Energy, Inc.	1.98%	8.32%	4.20%	7.50%	2.06%	9.56%	39
9	American Elec Pwr	3.41%	6.03%	4.20%	5.66%	3.51%	9.17%	3
10	ALLETE	3.67%	5.67%	4.20%	5.38%	3.77%	9.15%	3
11	Duke Energy Corp.	3.82%	5.45%	4.20%	5.20%	3.92%	9.12%	2
12	Eversource Energy	2.83%	6.68%	4.20%	6.18%	2.92%	9.10%	0
13	Entergy Corp.	3.60%	5.70%	4.20%	5.40%	3.70%	9.10%	8
14	WEC Energy Group	2.89%	6.50%	4.20%	6.04%	2.98%	9.02%	8
15	Xcel Energy Inc.	2.67%	6.70%	4.20%	6.20%	2.76%	8.96%	6
16	Evergy Inc.	3.34%	5.70%	4.20%	5.40%	3.44%	8.84%	12
17	OGE Energy Corp.	4.73%	3.90%	4.20%	3.96%	4.82%	8.78%	6
18	NorthWestern Corp.	3.90%	4.50%	4.20%	4.44%	3.99%	8.43%	35
19	Alliant Energy	2.79%	5.80%	4.20%	5.48%	2.87%	8.35%	7
20	CMS Energy Corp.	2.80%	5.72%	4.20%	5.42%	2.88%	8.29%	6
21	Black Hills Corp.	3.33%	4.67%	4.20%	4.58%	3.41%	7.98%	31
22	Sempra Energy	3.28%	4.30%	4.20%	4.28%	3.35%	7.63%	35
23	Consolidated Edison	4.10%	2.00%	4.20%	2.44%	4.14%	6.58%	105
24	IDACORP, Inc.	2.77%	3.20%	4.20%	3.40%	2.81%	6.21%	36
25	Pub Sv Enterprise Grp.	3.28%	2.30%	4.20%	2.68%	3.32%	6.00%	22
26	Pinnacle West Capital	4.05%	0.10%	4.20%	0.92%	4.05%	4.97%	103
	Lower End (g)						6.00%	
	Upper End (g)						11.30%	
	$\mathbf{Median} (g)$						9.10%	
	Midpoint						8.65%	
	Median - All Values						9.06%	
	Low-End Test (h)						5.66%	
	High-End Test (i)						18.12%	

(a) Six-month average dividend yield for Apr. 2021 to Sep. 2021.

(b) www.finance.yahoo.com (retreived Oct. 15, 2021).

(c) Exhibit No. NMPC-304, page 2.

(d) EPS Growth x 80% + GDP Growth x 20%.

(e) Six-month average dividend yield x [1+ (EPS Growth Rate / 2)].

(f) (d) + (e).

(g) Excludes highlighted values.

(h) Average Baa utility bond yield for six-months ending Sep. 2021, plus 20% of CAPM market risk premium.

(i) 200% of Median - All Values.

TWO-STEP DCF MODEL

Exhibit No. NMPC-304 Page 2 of 2

GDP GROWTH RATE

		No	Compound			
	Source	2026	2050	2051	2076	Growth Rate
(a)	IHS Markit	28,646		79,197		4.15%
(b)	EIA					
	Real GDP	21,645	34,365			
	GDP Deflator	1.248	2.213			
		27,013	76,054			4.41%
(c)	SSA Trustees Report	28,190			205,423	4.05%
	Average Projected GDP Growth					4.20%

(a) IHS Markit, Long-Term Macro Forecast - Baseline (Mar. 1, 2021).

(b) Energy Information Administration, Annual Energy Outlook 2021 (Feb. 3, 2021).

(c) Social Security Administration, 2021 OASDI Trustees Report, Table VI.G6.-Selected Economic Variables.

ELECTRIC GROUP

		(a)	(b)		(c)		(d)		(e)	(f)		
		Mark	ket Retur	n (R _m)		Market						
		Div	Proj.	Cost of	Risk-Free	Risk		Unadjusted	Market	Size	CAPM	Break
	Company	Yield	Growth	Equity	Rate	Premium	Beta	K _e	Сар	Adjustment	Result	(B Pts)
1	OGE Energy Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	1.05	14.16%	\$7,100	0.71%	14.87%	53
2	Black Hills Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	1.00	13.59%	\$4,000	0.75%	14.34%	4
3	Algonquin Pwr & Util	2.28%	11.31%	13.59%	2.10%	11.49%	1.00	13.59%	\$9,338	0.71%	14.30%	19
4	Avista Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$2,700	1.09%	14.11%	0
5	NorthWestern Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$3,000	1.09%	14.11%	30
6	Otter Tail Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.90	12.44%	\$2,200	1.37%	13.81%	8
7	Pinnacle West Capital	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$7,600	0.71%	13.73%	20
8	ALLETE	2.28%	11.31%	13.59%	2.10%	11.49%	0.90	12.44%	\$3,500	1.09%	13.53%	2
9	Entergy Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$22,000	0.49%	13.51%	0
10	Evergy Inc.	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$16,000	0.49%	13.51%	14
11	Sempra Energy	2.28%	11.31%	13.59%	2.10%	11.49%	1.00	13.59%	\$39,000	-0.22%	13.37%	18
12	Portland General Elec.	2.28%	11.31%	13.59%	2.10%	11.49%	0.90	12.44%	\$4,300	0.75%	13.19%	39
13	NextEra Energy, Inc.	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$155,000	-0.22%	12.80%	
14	Pub Sv Enterprise Grp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$32,000	-0.22%	12.80%	
15	Southern Company	2.28%	11.31%	13.59%	2.10%	11.49%	0.95	13.02%	\$68,000	-0.22%	12.80%	
16	IDACORP, Inc.	2.28%	11.31%	13.59%	2.10%	11.49%	0.85	11.87%	\$5,000	0.75%	12.62%	18
17	Alliant Energy	2.28%	11.31%	13.59%	2.10%	11.49%	0.85	11.87%	\$15,000	0.49%	12.36%	26
18	Ameren Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.85	11.87%	\$23,000	0.49%	12.36%	0
19	Duke Energy Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.90	12.44%	\$82,000	-0.22%	12.22%	14
20	Eversource Energy	2.28%	11.31%	13.59%	2.10%	11.49%	0.90	12.44%	\$30,000	-0.22%	12.22%	0
21	CMS Energy Corp.	2.28%	11.31%	13.59%	2.10%	11.49%	0.80	11.29%	\$19,000	0.49%	11.78%	44
22	Dominion Energy	2.28%	11.31%	13.59%	2.10%	11.49%	0.85	11.87%	\$61,000	-0.22%	11.65%	13
23	Consolidated Edison	2.28%	11.31%	13.59%	2.10%	11.49%	0.75	10.72%	\$26,000	0.49%	11.21%	44
24	WEC Energy Group	2.28%	11.31%	13.59%	2.10%	11.49%	0.80	11.29%	\$30,000	-0.22%	11.07%	14
25	Xcel Energy Inc.	2.28%	11.31%	13.59%	2.10%	11.49%	0.80	11.29%	\$34,000	-0.22%	11.07%	0
26	American Elec Pwr	2.28%	11.31%	13.59%	2.10%	11.49%	0.75	10.72%	\$45,000	-0.22%	10.50%	57
	Lower End (g)										10.50%	
	Upper End (g)										14.87%	
	Median (g)										12.80%	
	Midpoint										12.69%	
	Median - All Values										12.80%	
	Low-End Test (h)										5.66%	
	High-End Test (i)										25.60%	

(a) Weighted average for dividend-paying stocks in the NYSE based on data from www.zacks.com (retrieved Oct. 5, 2021).

(b) IBES growth rates from Refinitiv, as provided by www.fidelity.com (retrieved Oct. 5, 2021). Eliminated growth rates greater than 20%, as well as all negative values.

(c) Six-month average yield on 30-year Treasury bonds for Sep. 2021 from https://fred.stlouisfed.org/.

(d) The Value Line Investment Survey, Summary & Index (Oct. 15, 2021).

(e) The Value Line Investment Survey (Aug, 13, Sep. 10, and Oct. 22, 2021).

(f) Duff & Phelps, 2021 CRSP Deciles Size Study -- Supplementary Data Exhibits, Cost of Capital Navigator.

(g) Excludes highlighted values.

(h) Average Baa utility bond yield for six-months ending Sep. 2021, plus 20% of CAPM market risk premium.

(i) 200% of Median - All Values.

<u>N</u>	VYSE / IBES (a)		(b)	(b)	(b)			U	
					Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
1	Agilent Technologies, Inc.	А	0.51%	13.60%	46.123	46.12	0.0028	0.000014	0.000383
2	The Aarons Co., Inc.	AAN	1.45%	n/a	0.902				
3	Advance Auto Parts, Inc.	AAP	1.93%	14.20%	13.052	13.05	0.0008	0.000015	0.000113
4	American Assets Trust, Inc.	AAT	3.15%	n/a	2.303				
5	AllianceBernstein Holding L.P.	AB	7.23%	n/a	5.023				
6	ABB Ltd	ABB	1.56%	n/a	67.631				
7	AbbVie Inc.	ABBV	4.78%	4.68%	192.145	192.15	0.0117	0.000561	0.000549
8	AmerisourceBergen Corp.	ABC	1.49%	12.35%	24.587	24.59	0.0015	0.000022	0.000186
9	Ambev S.A.	ABEV	0.54%	7.40%	43.114	43.11	0.0026	0.000014	0.000195
10	ABM Industries Inc.	ABM	1.62%	n/a	3.148				
11	Arbor Realty Trust	ABR	7.42%	n/a	2.681				
12	Abbott Laboratories	ABT	1.56%	12.53%	204.814	204.81	0.0125	0.000195	0.001568
13	Associated Capital Group, Inc.	AC	0.54%	n/a	0.824				
14	Arcosa, Inc.	ACA	0.40%	4.10%	2.410	2.41	0.0001	0.000001	0.000006
15	American Campus Communities Inc	ACC	3.69%	n/a	7.083				
16	Acco Brands Corp.	ACCO	2.96%	n/a	0.838				
1/	Albertsons Cos., Inc.	ACI	1.33%	-10.5/%	14.042				
18	Accenture PLC	ACN	1.10%	11.80%	202.765	202.77	0.0124	0.000136	0.001462
19	Ares Commercial Real Estate Corp.	ACRE	8.64%	n/a	0./18				
20	Agree Realty Corp.	ADC	3.89% 2.420/	n/a	4.012		0.0021		
21	Alliance Date Systems Com		2.42%	9.55%	5 080	54.17	0.0021	0.000031	0.000199
22	ADT Inc	ADS	0.82%	11/a 7 00%	5.060				
23	Adams Diversified Equity Fund Inc.	ADY	5 25%	-7.00%	0.071 2.178				
24	Ameren Corn	ΔEE	2.69%	7 70%	21.050	21.05	0.0013	0.000035	990000 0
26	Aegon NV	AEG	3.15%	n/a	13 456	21.05	0.0015	0.000035	0.0000
27	American Equity Investment Life Holding Co	AFL	1.06%	n/a	2 783				
28	Agnico Fagle Mines Ltd	AEM	2.69%	1 80%	12,732	12 73	0.0008	0.000021	0.000014
29	American Eagle Outfitters, Inc.	AEO	2.80%	n/a	4.340				
30	The AES Corp.	AES	2.64%	8.15%	15.220	15.22	0.0009	0.000025	0.000076
31	American Financial Group, Inc.	AFG	1.57%	n/a	10.807				
32	Aflac Inc.	AFL	2.50%	n/a	35.395				
33	First Majestic Silver Corp.	AG	0.22%	n/a	2.806				
34	AGCO Corp.	AGCO	0.63%	26.43%	9.543				
35	iShares Core U.S. Aggregate Bond ETF	AGG	1.82%	n/a	89.534				
36	Alamos Gold Inc.	AGI	1.36%	n/a	2.880				
37	Federal Agricultural Mortgage Corp.	AGM	3.11%	n/a	1.220				
38	Assured Guaranty Ltd.	AGO	1.85%	n/a	3.479				
39	Avangrid, Inc.	AGR	3.55%	8.50%	19.186	19.19	0.0012	0.000042	0.000100
40	Argan, Inc.	AGX	2.27%	n/a	0.695				
41	iShares Agency Bond ETF	AGZ	1.71%	n/a	0.776				
42	Armada Hoffler Properties, Inc.	AHH	4.66%	n/a	1.125				
43	American International Group, Inc.	AIG	2.29%	31.70%	47.737				
44	Albany International Corp.	AIN	1.00%	n/a	2.575				
45	Apartment Income REIT Corp.	AIRC	3.53%	n/a	7.823				
46	Applied Industrial Technologies, Inc.	AIT	1.42%	n/a	3.579				
47	Apartment Investment and Mgmt. Co.	AIV	14.01%	n/a	1.085				
48	Assurant, Inc.	AIZ	1.68%	17.80%	9.251	9.25	0.0006	0.000009	0.000101
49	Arthur J. Gallagher & Co.	AJG	1.29%	12.40%	30.855	30.86	0.0019	0.000024	0.000234
50	Great Ajax Corp.	AJX	6.06%	n/a	0.318				
51	Embotelladora Andina S.A.	AKO.A	4.85%	n/a	1.767				
52	Embotelladora Andina S.A.	AKO.B	4.59%	n/a	2.051				
53	Acadia Realty Trust	AKR	2.77%	n/a	1.914				
54 57	All Lease Corp.	AL	1.5/%	16./8%	4.639	4.64	0.0003	0.000004	0.000048
55 57	Alberta Inc.	ALE	0.72%	n/a	25.169				
50 57	Allevender & Deldwin Heldinger Inc.	ALEY	4.19%	5.6/%	5.144	5.14	0.0002	0.000008	0.000011
5/ 50	Alexander & Baldwin Holdings, Inc.	ALEX	2.98% 0.40%	n/a	1./51				
50	Alamo Group, Inc.	ALG	0.40%	n/a	1.085				
39 60	Allegion DLC		2.30% 1.110/	-0.80%	37.430				0.00072
00	Anegion PLC	ALLE	1.11%	10.05%	11.684	11.68	0.0007	0.000008	0.000072

N	YSE / IBES (a)		(b)	(b)	(b)			0	
				. ,	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
61	Ally Financial Inc.	ALLY	1.88%	n/a	19.166				
62	Allison Transmission Holdings, Inc.	ALSN	2.12%	25.88%	3.797				
63	Autoliv, Inc.	ALV	2.85%	47.90%	7.601				
64	Alexanders, Inc.	ALX	6.75%	n/a	1.362				
65	Antero Midstream Corp.	AM	8.29%	n/a	5.180				
66	Amcor PLC	AMCR	4.04%	5.57%	17.891	17.89	0.0011	0.000044	0.000061
67	AMETEK, Inc.	AME	0.65%	n/a	28.464				
68	Affiliated Managers Group, Inc.	AMG	0.03%	19.12%	6.163	6.16	0.0004	0.000000	0.000072
69	American Homes 4 Rent	AMH	1.04%	n/a	12.404				
70	Ameriprise Financial, Inc.	AMP	1.71%	n/a	30.130				
71	American Tower Corp.	AMT	1.98%	17.01%	120.717	120.72	0.0074	0.000146	0.001254
72	America Movil, S.A.B. de C.V.	AMX	2.27%	24.30%	58.300				
73	InfraCap MLP ETF	AMZA	9.75%	n/a	0.294				
74	Anthem, Inc.	ANTM	1.22%	13.55%	90.261	90.26	0.0055	0.000067	0.000747
75	Angel Oak Mortgage, Inc.	AOMR	2.76%	n/a	0.443				
76	Aon plc	AON	0.72%	n/a	64.401				
//	A. O. Smith Corp.	AOS	1.70%	n/a	9.737				
/8	Artisan Partners Asset Mgmt. Inc.	APAM	8.31%	n/a	3.804				
/9	Air Products and Chemicals, Inc.	APD	2.34%	12.20%	56.667	56.67	0.0035	0.000081	0.000414
80	Ample Herritelite DET Inc		0.79%	15.20%	43.991	43.99	0.0027	0.000021	0.000355
81	Apple Hospitality REIT, Inc.	APLE	0.25%	n/a	3.03/				
02 92	Apollo Global Might, Inc.	APU	5.40%	n/a	15.647				
00	Algonguin Bower & Utilities Corn	APIS	J.00%	11/a 7 470/	0.048	0.24		0.000026	0.000042
04 85	APC Document Solutions, Inc.	AQN	4.00%	/.4/%	9.239	9.24	0.0000	0.000020	0.000042
0J 86	Arcos Dorados Holdings Inc.	ARC	2.04%	11/a	1.062				
80	Ardagh Group S A		2 40%	22 2304	0.450				
88	Alayandria Real Estate Equities Inc.		2.49%	22.3370 n/a	20.580				
89	Ares Mamt Corp	ARES	2.51%	n/a	21.086				
90	Argo Group International Holdings I td	ARGO	2.37%	n/a	1 849				
91	Apollo Commercial Real Estate Finance	ARI	9 29%	n/a	2 108				
92	Aramark	ARMK	1.23%	n/a	9 166				
93	Archrock Inc	AROC	6 75%	n/a n/a	1 323				
94	ARMOUR Residential REIT. Inc.	ARR	11.09%	-2.35%	0.771				
95	ASA Gold and Precious Metals Ltd.	ASA	0.11%		0.366				
96	Sendas Distribuidora S.A. Sponsored ADR	ASAI	0.36%	22.40%	4,737				
97	Associated BancCorp	ASB	3.60%	n/a	3.400				
98	Liberty AllStar Growth Fund	ASG	8.91%	n/a	0.364				
99	Ashland Global Holdings Inc.	ASH	1.33%	n/a	5.476				
100	Grupo Aeroportuario del Sureste, S.A. de C.V.	ASR	1.98%	n/a	5.627				
101	ASE Technology Holding Co., Ltd.	ASX	2.98%	n/a	15.986				
102	Atlas Corp.	ATCO	3.46%	n/a	3.580				
103	Autohome Inc.	ATHM	1.89%	12.91%	5.732	5.73	0.0004	0.000007	0.000045
104	Atmos Energy Corp.	ATO	2.76%	7.80%	11.843	11.84	0.0007	0.000020	0.000056
105	AptarGroup, Inc.	ATR	1.24%	7.03%	8.066	8.07	0.0005	0.000006	0.000035
106	AngloGold Ashanti Ltd.	AU	0.74%	n/a	6.974				
107	Yamana Gold Inc.	AUY	3.03%	-17.10%	3.814				
108	Avista Corp.	AVA	4.24%	6.20%	2.780	2.78	0.0002	0.000007	0.000011
109	Grupo Aval Acciones y Valores S.A.	AVAL	4.33%	n/a	6.516				
110	AvalonBay Communities, Inc.	AVB	2.83%	n/a	31.384				
111	American Vanguard Corp.	AVD	0.53%	n/a	0.466				
112	Avient Corp.	AVNT	1.80%	n/a	4.306				
113	Avery Dennison Corp.	AVY	1.31%	10.07%	17.235	17.23	0.0011	0.000014	0.000106
114	AllianceBernstein Global High Inc Fund, Inc.	AWF	5.93%	n/a	1.048				
115	Armstrong World Industries, Inc.	AWI	0.87%	n/a	4.590				
116	American Water Works Co., Inc.	AWK	1.41%	8.60%	31.019	31.02	0.0019	0.000027	0.000163
117	American States Water Co.	AWR	1.67%	6.30%	3.232	3.23	0.0002	0.000003	0.000012
118	American Express Co.	AXP	1.00%	40.95%	137.167				
119	Axis Capital Holdings Ltd.	AXS	3.62%	n/a	3.932				
120	Acuity Brands Inc	AYI	0.30%	12.78%	6.212	6.21	0.0004	0.000001	0.000048

N	$\mathbf{YSE} / \mathbf{IBES} $ (a)		(b)	(b)	(b)			U	
	(u)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
121	AZZ Inc.	AZZ	1.25%	n/a	1.364				
122	Barnes Group, Inc.	В	1.47%	n/a	2.200				
123	Bank of America Corp.	BAC	1.94%	24.38%	364.702				
124	Booz Allen Hamilton Holding Corp.	BAH	1.82%	8.80%	10.984	10.98	0.0007	0.000012	0.000059
125	Brookfield Asset Mgmt. Inc	BAM	0.98%	n/a	88.220				
126	Banc of CA, Inc.	BANC	1.22%	n/a	0.996				
127	Credicorp Ltd.	BAP	1.09%	n/a	8.820				
128	Baxter International Inc.	BAX	1.39%	11.57%	40.203	40.20	0.0025	0.000034	0.000284
129	Banco Bradesco SA	BBD	0.84%	n/a	37.321				
130	BARINGS BDC, INC.	BBDC	7.69%	n/a	0.524				
131	Banco Bradesco SA	BBDO	0.88%	n/a	52,200				
132	BHP Billiton PLC	BBL	15.85%	n/a	2 500				
133	Brookneid Business Partners L.P. Bath & Body Works, Inc.		0.35%	n/a	5.390 16 750				
134	Batt & Body Works, Inc. Best Buy Co. Inc.	BBV	0.95%	11/a n/a	25 047				
136	Brunswick Corp	BC	1 36%	n/a	7 633				
137	Boise Cascade, L.L.C	BCC	0.73%	-9 00%	2.156				
138	BCE. Inc.	BCE	5.53%	5.80%	45.482	45.48	0.0028	0.000154	0.000161
139	Bonanza Creek Energy, Inc.	BCEI	2.81%	n/a	1.536				
140	Banco De Chile	BCH	2.07%	14.80%	9.122	9.12	0.0006	0.000012	0.000082
141	Brinks Co. The	BCO	1.25%	n/a	3.192				
142	Barclays PLC	BCS	2.08%	n/a	44.114				
143	Bain Capital Specialty Finance, Inc.	BCSF	9.17%	n/a	0.957				
144	Belden Inc	BDC	0.34%	n/a	2.642				
145	Brandywine Realty Trust	BDN	5.47%	n/a	2.374				
146	Becton, Dickinson and Co.	BDX	1.38%	10.10%	69.084	69.08	0.0042	0.000058	0.000426
147	Bright Scholar Education Holdings Ltd.	BEDU	3.71%	n/a	0.340				
148	Franklin Resources, Inc.	BEN	3.79%	10.64%	14.859	14.86	0.0009	0.000034	0.000097
149	Brookfield Renewable Partners L.P.	BEP	3.35%	n/a	9.969				
150	Brookfield Renewable Corp.	BEPC	3.20%	n/a	6.542				
151	Brown Forman Corp.	BF.A	1.13%	n/a	30.474				
152	BrownForman Corp.	BF.B	1.07%	n/a	32.150				
153	Saul Centers, Inc.	BFS	4.81%	n/a	11.704				
154	Bunge Ltd.	BG	2.54%	-3.80%	11./04				
155	B&G FOODS, IIC.	BCSE	0.51%	-0.30%	0.131				
157	Boost, Inc. Benchmark Electronics Inc.	BHE	2.8270 2.44%	11/a n/a	0.131				
158	Berkshire Hills Bancorn Inc	BHI B	2.44%	n/a	1 315				
159	BHP Group Ltd. Sponsored ADR	BHP	14 99%	n/a	78 595				
160	BOULDER GR&INC	BIF	3.10%	n/a n/a	1.293				
161	Big Lots, Inc.	BIG	2.80%	-1.48%	1.393				
162	Brookfield Infrastructure Partners LP	BIP	3.60%	n/a	16.710				
163	Brookfield Infrastructure Corp.	BIPC	3.42%	n/a	2.678				
164	The Bank of New York Mellon Corp.	BK	2.57%	11.19%	45.619	45.62	0.0028	0.000072	0.000312
165	Buckle, Inc. The	BKE	3.14%	n/a	2.096				
166	Black Hills Corp.	BKH	3.51%	n/a	4.091				
167	BLACKROCK INVT	BKN	4.73%	n/a	0.297				
168	Baker Hughes Co.	BKR	2.83%	n/a	26.532				
169	BLACKROCK INCOM	BKT	6.71%	n/a	0.392				
170	BankUnited, Inc.	BKU	2.11%	n/a	4.040				
171	BlackRock, Inc.	BLK	2.00%	16.66%	125.647	125.65	0.0077	0.000154	0.001279
172	Ball Corp.	BLL	0.89%	15.05%	29.336	29.34	0.0018	0.000016	0.000270
1/5	Banco Latinoamericano de Comercio Badgar Matar, Inc	BLX	5.6U%	n/a	0.708				
1/4	Dauger Mieter, Inc.	БМІ РМО	0.78%	n/a	2.977				
175 176	Bristol Myers Squibb Co	BMV	3.33% 3.32%	∠1.80% 6.020/	130.040	120.05			0.000554
177	Broadstone Net Lease Inc	BNI	3.33% 3.97%	0.92%	130.949	150.95	0.0080	0.000200	0.000334
178	Bank of Nova Scotia The	BNS	5.5770 4 64%	16 15%	74 780	 74 78	0.0046	0.000212	0 000738
179	Bank of Hawaii Corp.	BOH	3.37%	n/a	3.358				
180	BP p.l.c.	BP	4.61%	n/a	94.027				

N	IYSE / IBES (a)		(b)	(h)	(h)			U	
_	(4)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
181	BP Midstream Partners LP	BPMP	10.22%	n/a	1.425				
182	BP Prudhoe Bay Royalty Trust	BPT	2.28%	n/a	0.091				
183	Broadridge Financial Solutions, Inc.	BR	1.57%	11.80%	18.883	18.88	0.0012	0.000018	0.000136
184	Brady Corp.	BRC	1.73%	7.00%	2.644	2.64	0.0002	0.000003	0.000011
185	Broadmark Realty Capital Inc.	BRMK	8.38%	n/a	1.329				
186	Brown & Brown, Inc.	BRO	0.65%	n/a	16.102				
187	BrightSpire Capital, Inc.	BRSP	5.77%	n/a	1.259				
188	BRT Apartments Corp.	BRT	4.76%	n/a	0.351				
189	Brixmor Property Group Inc.	BRX	3.73%	n/a	6.854				
190	Banco Santander Chile	BSAC	3.54%	n/a	9.144				
191	Banco Santander Brasil SA	BSBR	5.79%	10.00%	24.633	24.63	0.0015	0.000087	0.000150
192	BrightSphere Investment Group Inc.	BSIG	0.15%	n/a	2.059				
193	Black Stone Minerals, L.P.	BSM	6.48%	n/a	2.577				
194	Grupo Financiero Santander Mexico	BSMX	1./3%	n/a	/.669				
195	British American Tobacco p.I.c.	BII	8.39%	4.00%	/5.390	/5.39	0.0046	0.000386	0.000184
196	John Hancock Financial Opportunities Fund	BIO	5.10%	n/a	0.810				
19/	AnneuserBusch InBev SAINV	BUD	0.79%	0.70%	10.692	111.07	0.0068	0.000054	0.000048
198	SDDD Dimbro Dorologic Int. Traccours Dond ETE	BWA	1.55%	21.50%	10.083				
200	SPDK Bimorg Barciays Int. Treasury Bond ETF	BWA DWVT	0.92%	n/a	0.982	5 22			0.000021
200	Blackstone Inc.	DWAI BV	2 52%	0.40%	76 106	5.52	0.0005	0.000003	0.000021
201	Blackstone Mortgage Trust Inc	BYMT	2.52%	11/a n/a	/0.100				
202	Boston Properties Inc	BXP	3.50%	11/a n/a	4.515				
203	BancornSouth Bank	BXS	2 64%	n/a	3 110				
204	Byline Bancorp Inc	BY	1 43%	n/a n/a	0.949				
206	Citigroup Inc.	C	2.86%	28.35%	144.490				
207	Cable One. Inc.	CABO	0.59%	10.90%	11,197	11.20	0.0007	0.000004	0.000075
208	Cadence Bancorp	CADE	2.67%	n/a	2.800				
209	CONAGRA BRANDS	CAG	3.67%	1.80%	16.341	16.34	0.0010	0.000037	0.000018
210	Cardinal Health, Inc.	CAH	3.96%	6.57%	14.054	14.05	0.0009	0.000034	0.000056
211	CAI International, Inc.	CAI	2.15%	n/a	0.971				
212	Canon, Inc.	CAJ	2.76%	n/a	25.032				
213	Caleres, Inc.	CAL	1.22%	n/a	0.880				
214	CrossAmerica Partners LP	CAPL	10.28%	n/a	0.774				
215	Carrier Global Corp.	CARR	0.92%	18.79%	45.407	45.41	0.0028	0.000026	0.000521
216	Caterpillar Inc.	CAT	2.30%	29.97%	105.733				
217	Cato Corp. The	CATO	4.01%	n/a	0.383				
218	Chubb Ltd.	CB	1.84%	26.32%	76.170				
219	Companhia Brasileira de Distribuicao	CBD	2.17%	n/a	1.170				
220	Cabot Corp.	CBT	2.73%	41.57%	2.905				
221	Community Bank System, Inc.	CBU	2.45%	n/a	3.789				
222	The Chemours Co.	CC	3.39%	27.50%	4.867				
223	Crown Castle International Corp.	CCI	3.06%	21.00%	75.055				
224	Cameco Corp.	CCJ	0.27%	111.20%	8.691				
225	Crown Holdings, Inc.	CCK	0.80%	10.12%	13.552	13.55	0.0008	0.000007	0.000084
226	Century Communities, Inc.	CCS	0.96%	n/a	2.120				
227	Compania Cervecerias Unidas, S.A.	CCU	3.01%	14.90%	3.035	3.04	0.0002	0.000006	0.000028
228	Cedar Realty Trust, Inc.	CDK	1.18%	n/a	0.306				
229	Celanese Corp.	CE	1.//%	28.37%	0.190				
230	The Central and Eastern Europe Fund, Inc.	CEE	3.14% 9.690/	n/a	0.189				
231	CE Industrias Holdings Inc.	CEQF	0.00%	n/a	12.065				
232 222	Citizans Financial Group, Inc.	CFC	1.70% 3.720/	n/a	13.003				
233 234	CullenFrost Bankers, Inc.	CFP	5.25% 2 17%	11/a	20.303 7 779				
234 235	Centerra Gold Inc	CGAU	∠.+/% 3.08%	11/d n/o	7.720 2.158				
236	Community Healthcare Trust Inc	СНСТ	3 78%	n/9	1 130				
237	Church & Dwight Co. Inc.	CHD	1.24%	7 31%	20.068	20.07	0.0012	0.000015	0.000090
238	Chemed Corp.	CHE	0.32%	7.55%	7.063	7.06	0.0004	0.000001	0.000033
239	Choice Hotels International. Inc.	СНН	0.68%	34.71%	7.403				
240	Cherry Hill Mortgage Investment Corp.	CHMI	12.12%	n/a	0.152				

N	NYSE / IBES (a)		(b)	(b)	(h)			8	
_	(1)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
241	Chunghwa Telecom Co., Ltd.	CHT	3.04%	n/a	30.688				
242	Cigna Corp.	CI	2.01%	13.66%	67.834	67.83	0.0041	0.000083	0.000566
243	BanColombia S.A.	CIB	0.77%	n/a	8.414				
244	MFS Intermediate High Income Fund	CIF	7.75%	n/a	0.058				
245	Comp En De Mn Cemig ADS	CIG	6.17%	n/a	4.777				
246	Chimera Investment Corp.	CIM	8.79%	-2.35%	3.542				
247	City Office REIT, Inc.	CIO	3.24%	n/a	0.806				
248	CIT Group Inc.	CIT	2.62%	n/a	5.294				
249	CI Financial Corp.	CIXX	2.83%	n/a	4.064				
250	ColgatePalmolive Co.	CL	2.40%	6.83%	63.314	63.31	0.0039	0.000093	0.000264
251	Core Laboratories N.V.	CLB	0.14%	33.30%	1.361				
252	Clipper Realty Inc.	CLPK	4.69%	n/a	0.130	10.00			
255	The Clorey Co.		1.21%	5.00%	18.278	18.28	0.0011	0.000014	0.000056
254	Canadian Imparial Bank of Commerce	CLA	2.03%	16.03%	20.108	20.11	0.0012	0.000033	0.000018
255	Comerica Inc	CMA	3 28%	10.03%	11 112	51.01	0.0031	0.000127	0.000500
257	Commercial Metals Co	CMC	1 53%	7 23%	3 783	3 78	0.0002	0.000004	0.000017
258	Cummins Inc	CMI	2 55%	18 04%	32 674	32 67	0.0002	0.000051	0.000360
259	Canstead Mortgage Corn	CMO	4 28%	10.0470 n/a	0.657	52.07	0.0020	0.000051	0.000500
260	Compass Minerals International Inc	CMP	4 34%	n/a	2.258				
261	Costamare Inc.	CMRE	3.23%	n/a	1.759				
262	CMS Energy Corp.	CMS	2.86%	5.72%	17.631	17.63	0.0011	0.000031	0.000062
263	CNA Financial Corp.	CNA	3.58%	n/a	11.505				
264	Canadian National Railway Co.	CNI	1.66%	10.80%	82.796	82.80	0.0051	0.000084	0.000546
265	CONMED Corp.	CNMD	0.62%	24.80%	3.787				
266	CNO Financial Group, Inc.	CNO	2.12%	n/a	3.139				
267	CenterPoint Energy, Inc.	CNP	2.51%	n/a	15.113				
268	Canadian Natural Resources Ltd.	CNQ	3.91%	n/a	44.904				
269	Cohen & Steers Inc	CNS	2.10%	n/a	4.133				
270	Compass Diversified Holdings	CODI	5.09%	n/a	1.835				
271	Capital One Financial Corp.	COF	1.44%	44.70%	74.104				
272	Americold Realty Trust	COLD	3.05%	n/a	7.540				
273	The Cooper Cos., Inc.	COO	0.01%	n/a	20.145				
274	ConocoPhillips	COP	2.41%	n/a	95.731				
275	CoreSite Realty Corp.	COR	3.58%	n/a	6.267				
276	CorEnergy Infrastructure Trust, Inc.	CORR	4.34%	n/a	0.068				
211	Canadian Pacific Rallway Ltd.	CP	0.90%	9.00%	44.301	44.30	0.0027	0.000024	0.000260
270	Cemphall Soup Co	CPAC	22.05%	11/a	12 607				
219	CPB Inc	CPE	3.51%	11/a n/a	0.738				
280	Crescent Point Energy Corn	CPG	0.16%	n/a	2 846				
282	Chesapeake Utilities Corp.	CPK	1 51%	n/a	2.040				
283	Camden Property Trust	CPT	2.19%	n/a	15.220				
284	Crane Co.	CR	1.79%	19.00%	5.637	5.64	0.0003	0.000006	0.000065
285	Crawford & Co.	CRD.A	2.64%	n/a	0.482				
286	Crawford & Co.	CRD.B	2.74%	n/a	0.465				
287	CRH PLC	CRH	0.98%	n/a	36.382				
288	Carters, Inc.	CRI	1.60%	31.30%	4.408				
289	Carpenter Technology Corp.	CRS	2.42%	n/a	1.592				
290	Cross Timbers Royalty Trust	CRT	13.58%	n/a	0.086				
291	Credit Suisse Group	CS	0.88%	4.50%	26.057	26.06	0.0016	0.000014	0.000072
292	Cosan S.A. Sponsored ADR	CSAN	6.98%	n/a	6.559				
293	Carlisle Cos. Inc.	CSL	1.07%	n/a	10.474				
294	Centerspace	CSR	2.94%	n/a	1.375				
295	Carriage Services, Inc.	CSV	0.90%	n/a	0.796				
296	CTO Realty Growth, Inc.	СТО	7.27%	n/a	0.328				
297	Cabot Oil & Gas Corp.	CTRA	1.93%	n/a	9.100				
298	CTS Corp.	CTS	0.51%	n/a	1.022				
299	CatchMark Timber Trust, Inc.	CTT	4.58%	n/a	0.577				
300	Corteva, Inc.	CTVA	1.32%	21.98%	31.240				

N	NYSE / IBES (a)		(b)	(b)	(b)			U	
			(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
301	CubeSmart	CUBE	2.80%	n/a	9.796				
302	Culp, Inc.	CULP	3.42%	n/a	0.157				
303	CURO Group Holdings Corp.	CURO	2.43%	n/a	0.750				
304	Cousins Properties Inc.	CUZ	3.24%	n/a	5.689				
305	Covanta Holding Corp.	CVA	1.58%	n/a	2.688				
306	Cenovus Energy Inc	CVE	0.53%	n/a	21.043				
307	CVS Health Corp.	CVS	2.39%	6.33%	110.594	110.59	0.0068	0.000161	0.000428
308	Chevron Corp.	CVX	5.12%	n/a	202.519				
309	CurtissWright Corp.	CW	0.56%	n/a	5.281				
310	Clearway Energy, Inc.	CWEN	4.40%	n/a	6.136				
311	CLEARWAY ENERGY, INC.	CWENA	4.67%	n/a	5.785				
312	Camping World Holdings Inc.	CWH	4.86%	n/a	3.604				
214	MES Lich Income Muni Trust	CWI	1.54%	n/a	5.040 0.165				
314	MFS Investment Grade Muni Trust		4.70%	n/a	0.105				
316	Columbia Property Trust Inc	CYP	4.7170	11/a n/a	2 180				
317	China Yuchai International Ltd	CYD	4.4170	n/a	0.558				
318	Dominion Energy Inc	D	3 44%	6 65%	59 303	59 30	0.0036	0.000125	0.000241
319	Danaos Corn	DAC	2 82%	0.0570 n/a	1 460		0.0050	0.000125	0.000241
320	Dana Inc	DAN	1 71%	112.65%	3 404				
321	Donaldson Co., Inc.	DCI	1.51%	10.00%	7.214	7.21	0.0004	0.000007	0.000044
322	DCP Midstream Partners, LP	DCP	5.16%	n/a	6.305				
323	DuPont de Nemours, Inc.	DD	1.71%	n/a	36.708				
324	DELAWARE GRP DI	DDF	6.89%	n/a	0.084				
325	Dillards, Inc.	DDS	0.43%	n/a	3.817				
326	Deere & Co.	DE	1.24%	41.52%	104.937				
327	Easterly Government Properties, Inc.	DEA	5.00%	n/a	1.781				
328	Douglas Emmett, Inc.	DEI	3.48%	n/a	5.648				
329	WisdomTree Emerging Mrkts High Div ETF	DEM	4.81%	n/a	1.913				
330	Diageo plc	DEO	2.56%	10.50%	123.476	123.48	0.0075	0.000193	0.000792
331	Discover Financial Services	DFS	1.59%	n/a	37.727				
332	Dollar General Corp.	DG	0.81%	6.62%	48.106	48.11	0.0029	0.000024	0.000194
333	Quest Diagnostics Inc.	DGX	1.76%	-8.60%	17.257				
334	BNY Mellon High Yield Strategies Fund	DHF	7.99%	n/a	0.235				
335	D.R. Horton, Inc.	DHI	0.96%	7.00%	29.733	29.73	0.0018	0.000017	0.000127
336	Danaher Corp.	DHR	0.28%	17.40%	213.149	213.15	0.0130	0.000036	0.002266
331	DHI Holdings, Inc.	DHI	1.21%	n/a	1.131				
220	SPDR Dow Jones Industrial Average ETF	DIA	1.05%	n/a	28.540	2.05			
339	DICKS Sporting Goods Inc.	DKS	1.98%	4.07%	2.047	2.05	0.0001	0.000010	0.000003
340	Dolby Laboratories	DI B	1.4470	10.40%	8 834	10.70	0.0007	0.000009	0.000108
342	Digital Realty Trust Inc	DLD	3 19%	17 29%	41 103	41 10	0.0025	0.000080	0 000434
343	Deluxe Corp	DLX	3 25%	n/a	1 573		0.0025		
344	DNP Select Income Fund Inc.	DNP	7.38%	n/a n/a	3.604				
345	Physicians Realty Trust	DOC	5.18%	n/a n/a	3.861				
346	Dover Corp.	DOV	1.28%	14.66%	22.456	22.46	0.0014	0.000018	0.000201
347	Dow Inc.	DOW	4.81%	n/a	43.434				
348	Dominos Pizza Inc	DPZ	0.80%	12.22%	17.355	17.36	0.0011	0.000008	0.000130
349	DRDGOLD Ltd.	DRD	4.87%	n/a	0.718				
350	Duke Realty Corp.	DRE	2.06%	n/a	18.694				
351	Darden Restaurants, Inc.	DRI	2.83%	30.19%	20.267				
352	BNY Mellon Strategic Muni Bond Fund, Inc.	DSM	4.52%	n/a	0.394				
353	BlackRock Debt Strategies Fund, Inc.	DSU	6.51%	n/a	0.537				
354	DTE Energy Co.	DTE	2.92%	2.65%	21.896	21.90	0.0013	0.000039	0.000035
355	DTF TaxFree Income, Inc.	DTF	3.34%	n/a	0.122				
356	DT Midstream, Inc.	DTM	1.26%	8.18%	4.592	4.59	0.0003	0.000004	0.000023
357	Duke Energy Corp.	DUK	3.91%	5.45%	77.518	77.52	0.0047	0.000185	0.000258
358	Dover Motorsports, Inc.	DVD	3.42%	n/a	0.085				
359	Devon Energy Corp.	DVN	1.14%	n/a	26.241				
360	wisdom free International Equity ETF	DWM	3.55%	n/a	0.604				

N	<u>IYSE / IBES</u> (a)		(b)	(b)	(b)			0	
					Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
361	Dynex Capital, Inc.	DX	8.91%	-2.07%	0.605				
362	Eni SpA	Е	5.34%	n/a	48.874				
363	GrafTech International Ltd.	EAF	0.39%	n/a	2.738				
364	Ellington Residential Mortgage REIT	EARN	10.56%	-5.98%	0.147				
365	Ennis, Inc.	EBF	5.16%	n/a	0.506				
366	Centrais Eltricas Brasileiras SA	EBR	6.01%	n/a	10.637				
367	Eletrobras	EBR.B	6.98%	n/a	10.167				
368	Ecopetrol S.A.	EC	0.58%	n/a	30.673				
369	Eagle Point Credit Co. Inc.	ECC	6.81%	n/a	0.447				
370	Ecolab Inc.	ECL	0.90%	16.13%	60.756	60.76	0.0037	0.000033	0.000599
371	Consolidated Edison Inc	ED	4.23%	2.00%	25.875	25.87	0.0016	0.000067	0.000032
372	The European Equity Fund, Inc.	EEA	0.91%	n/a	0.079				
3/3	1Shares MSCI Emerging Markets ETF	EEM	1.53%	n/a	29.233				
3/4	ISHAFES MISCI EAFE EIF	EFA	2.32%	n/a	0.021				
276	Emiligion Financial Inc.	EFU	9.09%	12 690/	20.951	20.97	0.0010	0.000012	0.000258
370	Equilax, inc. EastGroup Properties Inc.	EFA	2 10%	15.00% n/a	6 011	30.87	0.0019	0.000012	0.000238
378	Encompass Health Corp	FHC	2.10%	18.00%	7 308	7 31	0.0004	0.000007	0.000080
379	Employers Holdings Inc	FIG	2 52%	10.0070 n/a	1 121	7.51	0.0004	0.000007	0.000000
380	Edison International	FIX	$\frac{2.32\%}{4.71\%}$	4 10%	21 351	21.35	0.0013	0.000061	0.000053
381	The Estee Lauder Cos. Inc.	EL	0.69%	18.71%	110.626	110.63	0.0068	0.000047	0.001265
382	Companhia Paranaense de Energia COPEL	ELP	17.40%	-16.90%	3.224				
383	Equity Lifestyle Properties, Inc.	ELS	1.84%	n/a	14.343				
384	EMCOR Group, Inc.	EME	0.43%	n/a	6.438				
385	Templeton Emerging Markets Fund	EMF	3.91%	n/a	0.272				
386	Eastman Chemical Co.	EMN	2.70%	13.53%	13.865	13.86	0.0008	0.000023	0.000115
387	Emerson Electric Co.	EMR	2.16%	12.90%	55.978	55.98	0.0034	0.000074	0.000441
388	Enbridge Inc	ENB	6.61%	9.51%	81.880	81.88	0.0050	0.000331	0.000476
389	Enable Midstream Partners, LP	ENBL	7.68%	n/a	3.753				
390	Enel Americas S.A.	ENIA	4.55%	n/a	9.009				
391	Enersis Chile S.A.	ENIC	6.52%	n/a	3.362				
392	EnLink Midstream, LLC	ENLC	5.22%	n/a	3.508				
393	Energizer Holdings, Inc.	ENR	3.01%	16.80%	2.727	2.73	0.0002	0.000005	0.000028
394	Enersys	ENS	0.92%	n/a	3.225				
395	EOG Resources, Inc.	EOG	1.91%	61.45%	50.446				
396	Enerpac Tool Group Corp.	EPAC	0.19%		1.300				
397	Edgewell Personal Care Co.	EPC	1.65%	2.90%	1.982	1.98	0.0001	0.000002	0.000004
398 200	Enterprise Products Partners L.P.	EPD	7.95%	10.20%	49.455	49.46	0.0030	0.000240	0.000308
399 400	EDD Properties	EPP	2.39%	n/a	2.554				
400	Er K Froperties Essential Properties Realty Trust Inc.	EFR	3.79%	11/a 26.82%	3.370				
402	Equitable Holdings Inc	FOH	2 40%	10 70%	12 349	12 35	0.0008	0.000018	0.000081
403	Equinor ASA	EONR	1.62%	n/a	86 025			0.000010	
404	Equity Residential	EOR	2.90%	n/a n/a	31.076				
405	Enerplus Corp.	ERF	1.45%	n/a	2.152				
406	Eversource Energy	ES	2.84%	6.68%	29.182	29.18	0.0018	0.000051	0.000119
407	ESCO Technologies Inc.	ESE	0.41%	n/a	2.034				
408	Element Solutions Inc.	ESI	1.08%	n/a	5.521				
409	Essent Group Ltd.	ESNT	1.60%	15.41%	5.039	5.04	0.0003	0.000005	0.000047
410	Empire State Realty Trust, Inc.	ESRT	1.35%	n/a	1.798				
411	Essex Property Trust, Inc.	ESS	2.55%	n/a	21.307				
412	Energy Transfer LP	ET	6.05%	n/a	27.265				
413	Ethan Allen Interiors Inc.	ETD	4.16%	n/a	0.606				
414	Eaton Corp., PLC	ETN	2.05%	18.00%	59.164	59.16	0.0036	0.000074	0.000651
415	Entergy Corp.	ETR	3.75%	3.50%	20.373	20.37	0.0012	0.000047	0.000044
416	Equitrans Midstream Corp.	ETRN	5.67%	n/a	4.576				
417	Euronav NV	EURN	0.85%	n/a	1.991				
418	Enviva Partners, LP	EVA	6.01%	n/a	2.441				
419	Entravision Communications Corp.	EVC	1.36%	n/a	0.627				
420	Eaton Vance Muni Income Trust	EVN	4.13%	n/a	0.550				

N	IYSE / IBES (a)		(b)	(b)	(h)			U	
_	(4)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
421	Evercore Inc	EVR	1.94%	n/a	5.555				
422	Evergy Inc.	EVRG	3.42%	5.70%	14.359	14.36	0.0009	0.000030	0.000050
423	Evertec, Inc.	EVTC	0.43%	13.39%	3.368	3.37	0.0002	0.000001	0.000028
424	iShares MSCI Australia ETF	EWA	2.30%	n/a	1.398				
425	iShares MSCI Sweden ETF	EWD	3.16%	n/a	0.558				
426	iShares MSCI Germany ETF	EWG	2.27%	n/a	2.765				
427	iShares MSCI Hong Kong ETF	EWH	2.53%	n/a	0.943				
428	iShares MSCI Italy ETF	EWI	2.04%	n/a	0.561				
429	iShares MSCI Japan ETF	EWJ	1.12%	n/a	12.514				
430	iShares MSCI Switzerland ETF	EWL	2.00%	n/a	1.638				
431	iShares MSCI Malaysia ETF	EWM	3.34%	n/a	0.251				
432	iShares MSCI Spain ETF	EWP	3.34%	n/a	0.736				
433	1Shares MSCI France ETF	EWQ	1.60%	n/a	0.681				
434	1Shares MSCI Singapore ETF	EWS	2.77%	n/a	0.629				
435	iShares MSCI United Kingdom ETF	EWU	2.77%	n/a	5.303				
430	ishares MSCI South Korea EIF		0.79%	n/a	5.599 4 000				
437	Engle Meterials Inc.	EWL	2.82%	n/a	4.009				
430	Eagle Materials Inc	EAF	0.74%	11/a	22.520				
439	isharas MSCI South Africa ETE	EAR E7A	2.97%	11/a	0.262				
440	First American Financial Corn	EZA	4.84% 2.00%	11/a n/a	7 505				
441	Direvion Daily Financial Bull 3X Shares	FAS	0.43%	n/a	3 110				
443	Flagstar Bancorn Inc	FBC	0.45%	n/a	2 822				
444	Fortune Brands Home & Security Inc.	FBHS	1 14%	n/a	12.602				
445	FB Financial Corp.	FBK	1.00%	n/a n/a	2.087				
446	First BanCorp.	FBP	2.05%	n/a	2.848				
447	First Commonwealth Financial Corp.	FCF	3.28%	n/a	1.347				
448	Four Corners Property Trust, Inc.	FCPT	4.68%	n/a	2.067				
449	FreeportMcMoRan Inc.	FCX	0.92%	18.10%	48.020	48.02	0.0029	0.000027	0.000531
450	Fresh Del Monte Produce, Inc.	FDP	1.84%	n/a	1.552				
451	FactSet Research Systems Inc.	FDS	0.83%	7.19%	14.984	14.98	0.0009	0.000008	0.000066
452	FedEx Corp.	FDX	1.38%	11.79%	57.877	57.88	0.0035	0.000049	0.000417
453	FirstEnergy Corp.	FE	4.33%	-1.84%	19.596				
454	Wolseley PLC	FERG	1.05%	n/a	31.387				
455	FutureFuel Corp.	FF	3.28%	n/a	0.320				
456	Federated Hermes, Inc.	FHI	3.34%	0.75%	3.159	3.16	0.0002	0.000006	0.000001
457	First Horizon Corp.	FHN	3.61%	n/a	9.135				
458	PPDAI Group Inc. Sponsored ADR	FINV	2.76%	6.38%	1.529	1.53	0.0001	0.000003	0.000006
459	Fidelity National Information Services, Inc.	FIS	1.29%	17.26%	74.759	74.76	0.0046	0.000059	0.000788
460	Comfort Systems USA, Inc.	FIX	0.64%	n/a	2.733				
461	Foot Locker, Inc.	FL	1.72%	38.96%	4.836				
462	Flex LNG Ltd.	FLNG	8.45%	n/a	1.008				
463	Flowers Foods, Inc.	FLO	3.48%	-1.22%	5.112				
464	SPX FLOW, Inc.	FLOW	0.49%	38.30%	3.066				
465	Flowserve Corp.	FLS	2.26%	14.65%	4.607	4.61	0.0003	0.000006	0.000041
400	FMC COIP. Erecenius Medical Care AG & Co. KGo A	FMC	2.11%	8.31% 2.40%	20 661	20.66	0.0007	0.000013	0.000039
407	Fomanto Economico Mavicano S A B. da C V	FMS	1.05%	2.40%	20.001	20.00	0.0015	0.000021	0.000030
408	F N B Corp	FNR	4.06%	11/a n/a	30.737				
470	Fidelity National Financial Inc	FNE	3.49%	n/a	13.065				
471	FrancoNevada Corp	FNV	0.94%	5 30%	24 507	24 51	0.0015	0.000014	0.000079
472	Farmland Partners Inc	FPI	1.68%	0.5070 n/a	0 392				
473	First Industrial Realty Trust. Inc.	FR	2.03%	n/a	6.885				
474	First Republic Bank	FRC	0.45%	16.35%	34,005	34 01	0.0021	0.000009	0.000340
475	Federal Realty Investment Trust	FRT	3.51%	n/a	9.485				
476	FS KKR Capital Corp.	FSK	11.70%	n/a	6.338				
477	Federal Signal Corp.	FSS	0.89%	n/a	2.463				
478	Franklin Universal Trust	FT	5.30%	n/a	0.207				
479	Fortress Transport. and Infrast. Investors LLC	FTAI	5.06%	n/a	2.234				
480	Fortis Inc.	FTS	3.55%	n/a	20.971				
N	YSE / IBES (a)		(b)	(b)	(b)			U	
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	(")		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
	Fortive Corp.	FTV	0.39%	10.17%	25.478	25.48	0.0016	0.000006	0.00015
	H. B. Fuller Co.	FUL	1.03%	18.56%	3.408	3.41	0.0002	0.000002	0.00003
	iShares China LargeCap ETF	FXI	2.22%	n/a	4.734				-
	Genpact Ltd.	G	0.90%	13.55%	8.998	9.00	0.0005	0.000005	0.00007
	Gabelli Equity Trust Inc.	GAB	9.04%	n/a	1.738				-
	General American Investors, Inc.	GAM	6.44%	n/a	1.051				-
	GATX Corp.	GATX	2.16%	n/a	3.284				-
	Gamco Investors, Inc.	GBL	0.31%	n/a	0.697				
	Greenbrier Cos., Inc. The	GBX	2.45%	n/a	1.427				
	Gabelli Convertible & Income Securities Fund Inc	GCV	7.99%	n/a	0.113				
	General Dynamics Corp.	GD	2.41%	8.35%	55.212	55.21	0.0034	0.000081	0.00028
	General Electric Co.	GE	0.31%	263.58%	115.390				
	Greif, Inc.	GEF	2.74%	n/a	3.266				
	Greif Bros. Corp.	GEF.B	4.20%	n/a	3.188				
	Genesis Energy, L.P.	GEL	5.60%	n/a	1.313				
	Guess. Inc.	GES	2.09%	n/a	1.402				
	Griffon Corp	GFF	1 29%	n/a n/a	1 403				
	Gold Fields Ltd	GFI	2.89%	n/a n/a	7 262				
	GEL Environmental Inc	GEI	0.12%	n/a	12 169				
	Gardau S A	GGB	6.00%	n/a	8 530				
	Grace Inc	CCC	1.08%	n/a	11 814				
	Gaballi Multimadia Trust Inc	GGT	0.60%	11/a	0.220				
	Graham Holdings Co.	GUC	9.09% 1.01%	11/a	3 001				
	Granhill & Co. Inc.		1.01%	n/a	0.202				
	Greham Corm	CUM	1.30%	11/a	0.295				
	Clabal Industrial Co	CIC	5.47% 1.640/	n/a	0.155				
			1.64%	n/a	1.470				
	Gildan Activewear, Inc.	GIL	1.66%	n/a	/.333				
	rempleton Global Income Fund, Inc.	GIM	5.80%	n/a	0.720				0.00011
	General Mills, Inc.	GIS	3.32%	4.85%	37.220	37.22	0.0023	0.000075	0.00011
	Globe Life Inc.	GL	0.88%	n/a	9.141				
	GasLog Partners LP	GLOP	0.88%	n/a	0.227				
	Global Partners LP	GLP	10.60%	-18.00%	0.737				
	Glatfelter Corp.	GLT	3.94%	n/a	0.633				
	Corning Inc.	GLW	2.63%	24.00%	31.223				
	SPDR S&P Emerging Asia Pacific ETF	GMF	1.39%	n/a	0.584				
	Global Medical REIT Inc.	GMRE	5.40%	n/a	0.975				
	Genco Shipping & Trading Ltd.	GNK	2.11%	n/a	0.793				
	Global Net Lease, Inc.	GNL	9.70%	n/a	1.655				
	Barrick Gold Corp.	GOLD	1.97%	-7.20%	32.420				
	Acushnet Holdings Corp.	GOLF	1.33%	n/a	3.669				
	Genuine Parts Co.	GPC	2.66%	n/a	17.525				
	Group 1 Automotive, Inc.	GPI	0.71%	n/a	3.470				
	Graphic Packaging Holding Co.	GPK	1.56%	23.10%	5.889				
	Granite Point Mortgage Trust Inc.	GPMT	7.40%	0.70%	0.741	0.74	0.0000	0.000003	0.00000
	Global Payments Inc.	GPN	0.64%	20.40%	45.889				
	Geopark Ltd	GPRK	1.18%	n/a	0.847				
	The Gap, Inc.	GPS	2.01%	n/a	8.985				
	GormanRupp Co. The	GRC	1.68%	n/a	0.964				
	Granite Real Estate Inc.	GRP.U	3.32%	n/a	4.700				
	The Goldman Sachs Group, Inc.	GS	2.14%	19.40%	126.125	126.13	0.0077	0.000165	0.00149
	Goldman Sachs BDC, Inc.	GSBD	9.72%	n/a	1.884				
	GlaxoSmithKline plc	GSK	5.44%	4.40%	103.423	103.42	0.0063	0.000344	0.00027
	Global Ship Lease, Inc.	GSL	4.72%	n/a	0.768				
	Gray Television, Inc.	GTN	1.36%	n/a	2.252				
	Gray Television, Inc.	GTN A	1.44%	n/a	2.122				
	Getty Realty Corp.	GTY	5.17%	n/a	1.349				
	Granite Construction Inc.	GVA	1,30%	n/a n/a	1.836				
	Great Western Bancorn, Inc	GWB	0.59%	n/a	1 868				-
	W.W. Grainger. Inc.	GWW	1.63%	15 38%	20.686	20.69	0.0013	0.000021	0.00019
	Halliburton Co	нл	0 78%	55 200/	20.000	20.07	0.0013	0.000021	0.00019
	Hannulun CO.	11/11/	V. / 070	JJ.∠U%0	20.499				

N	YSE / IBES (a)		(b)	(b)	(b)			8	
_	(a)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
541	Hannon Armstrong Sustainable Infrastructure Cap	HASI	2.64%	8.00%	4.175	4.17	0.0003	0.000007	0.000020
542	Hamilton Beach Brands Holding Co.	HBB	2.61%	n/a	0.213				
543	Hanesbrands Inc.	HBI	3.44%	15.00%	6.086	6.09	0.0004	0.000013	0.000056
544	HudBay Minerals Inc	HBM	0.25%	n/a	1.640				
545	HCA Healthcare, Inc.	HCA	0.79%	14.03%	78.236	78.24	0.0048	0.000038	0.000671
546	WARRIOR MET COA	HCC	0.74%	n/a	1.394				
547	HCI Group, Inc.	HCI	1.39%	n/a	0.976				
548	The Home Depot, Inc.	HD	2.02%	10.60%	344.543	344.54	0.0210	0.000425	0.002231
549	HDFC Bank Ltd.	HDB	0.29%	n/a	133.556				
550	Hawaiian Electric Industries, Inc.	HE	3.24%	n/a	4.582				
551	Heico Corp.	HELA	0.15%	9.80%	18.178	18.18	0.0011	0.000001	0.000109
552	Helco Corp.	HEI.A	0.15%	n/a	10.293				
555	Hory Energy Farmers, L.F.	HES	1.33%	7.00% n/a	2.015	2.01	0.0001	0.000009	0.000009
555	Hess Midstream Partners I P	HESM	7.06%	15 03%	0.715	0.71	0.0000	0.000003	0.00007
556	Hillenbrand Inc	HI	1.00%	n/a	3 249	0.71	0.0000	0.000005	0.000007
557	The Hartford Financial Services Group. Inc.	HIG	2.00%	9.36%	24.362	24.36	0.0015	0.000030	0.000139
558	Huntington Ingalls Industries, Inc.	HII	2.34%	0.70%	7.830	7.83	0.0005	0.000011	0.000003
559	Highwoods Properties, Inc.	HIW	4.42%	n/a	4.704				
560	Hecla Mining Co.	HL	0.82%	n/a	2.937				
561	Houlihan Lokey, Inc.	HLI	1.81%	n/a	6.482				
562	Honda Motor Co., Ltd.	HMC	1.92%	n/a	52.437				
563	Hoegh LNG Partners LP	HMLP	0.83%	n/a	0.161				
564	Horace Mann Educators Corp.	HMN	3.04%	n/a	1.694				
565	Harmony Gold Mining Co. Ltd.	HMY	3.83%	n/a	1.984				
566	HNI Corp.	HNI	3.27%	n/a	1.666				
567	Huaneng Power International, Inc.	HNP	4.93%	n/a	7.778				
568	HarleyDavidson, Inc.	HOG	1.62%	n/a	5.691				
569	Helmerich & Payne, Inc.	HP	3.31%	n/a	3.255				
570	Hewlett Packard Enterprise Co.	HPE	3.23%	13.61%	19.425	19.42	0.0012	0.000038	0.000162
5/1	Hudson Pacific Properties, Inc.	HPP	3.68%	n/a	4.149				
572	HP Inc.	HPQ	2.70%	10.52%	32.303	32.30	0.0020	0.000055	0.000327
574	Tekla Life Sciences Investors	поп	8.10% 8.30%	n/a	1.107				
575	Healtheara Dealty Trust Inc	пql	0.3970 3 0104	11/a	4 504				
576	H&R Block Inc	HRR	3.91% 4.20%	10.00%	4.504	4 68	0.0003	0.000012	0.000029
577	HillRom Holdings Inc	HRC	0.64%	7 50%	9.889	9.89	0.0005	0.0000012	0.000025
578	Hormel Foods Corp.	HRL	2.38%	7.80%	22.375	22.38	0.0014	0.000033	0.000107
579	Heritage Insurance Holdings, Inc.	HRTG	3.54%	n/a	0.190				
580	HSBC Holdings plc	HSBC	4.18%	87.80%	106.624				
581	Hershey Co. The	HSY	2.10%	8.82%	35.348	35.35	0.0022	0.000045	0.000190
582	Healthcare Trust of America, Inc.	HTA	4.31%	n/a	6.601				
583	Hercules Capital, Inc.	HTGC	7.71%	n/a	1.924				
584	Hilltop Holdings Inc.	HTH	1.44%	n/a	2.710				
585	Hubbell Inc	HUBB	2.17%	10.00%	9.812	9.81	0.0006	0.000013	0.000060
586	Humana Inc.	HUM	0.73%	13.30%	49.469	49.47	0.0030	0.000022	0.000402
587	Huntsman Corp.	HUN	2.46%	n/a	6.762				
588	Haverty Furniture Cos., Inc.	HVT	2.97%	n/a	0.615				
589	Haverty Furniture Cos., Inc.	HVT.A	2.57%	n/a	0.652				
590	Howmet Aerospace Inc.	HWM	0.25%	30.80%	13.674				
591	Hyster Y ale Materials Handling, Inc.	HY	2.56%	n/a	0.847				
592 502	New America High Income Fund, Inc.	нүв	5.//%	n/a	0.223				
393 504	ISDATES IBOXX HIGN YIELD COTP. BOND ETF		4.25%	n/a	19.589				
394 505	Industrias Dachoco, S.A. de C.V.	IDA IBM	1.89%	n/a	2.210	120.17	0.0070	0.000250	
595 596	ICICI Bank I td	IBN	4.33% 0.26%	10.30% n/o	64 072	129.17	0.0079	0.000339	0.001291
597	Installed Building Products Inc	IBP	1 1 20%	11/d n/e	3 180				
598	Intercontinental Exchange Inc.	ICE	1.15%	8.88%	64,594	 64 59	0.0039	0.000045	0.000350
599	ICL Group Ltd	ICL	2.13%	n/a	9.779				
600	IDACORP, Inc.	IDA	2.70%	3.20%	5.304	5.30	0.0003	0.000009	0.000010

N	NYSE / IBES (a)		(b)	(b)	(b)			_	
					Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
601	IDEX Corp.	IEX	1.04%	12.00%	15.841	15.84	0.0010	0.000010	0.000116
602	International Flavors & Fragrances Inc.	IFF	2.29%	6.43%	34.371	34.37	0.0021	0.000048	0.000135
603	The India Fund, Inc.	IFN	10.07%	n/a	0.607				
604	Intercorp Financial Services Inc.	IFS	3.21%	n/a	2.632				
605	Independence Holding Co.	IHC	0.89%	n/a	0.720				
606	Morgan Stanley India Investment Fund, Inc.	IIF	0.01%	n/a	0.311				
607	Insteel Industries, Inc.	IIIN	0.32%	n/a	0.736				
608	INVVLU MU INCM	IIM	4.73%	n/a	0.759				
609	Innovative Industrial Properties, Inc.	ПРК	2.63%	n/a	5.467				
610	ishares Core S&P MidCap EIF	IJH	1.14%	n/a	02.038				
612	ishares S&P MidCap 400 value ETF		1.30%	n/a	8.701				
612	isharas Cora S&P SmallCap ETE		0.30%	n/a	60.026				
614	iShares S&P SmallCan 600 Value ETE		1.14%	11/a n/a	8 956				
615	iShares Latin America 40 FTF	IJS II F	2 48%	n/a	1 279				
616	IHS Markit Ltd	INFO	0.70%	11 12%	45 667	45.67	0.0028	0.000020	0.000310
617	Infosys Ltd	INFY	1 53%	n/a	93 954		0.0020		0.000510
618	ING Group N V	ING	4 27%	n/a	54 999				
619	Ingredion Inc	INGR	2.84%	n/a n/a	6 130				
620	Insight Select Income Fund	INSI	6.14%	n/a n/a	0.225				
621	International Seaways Inc.	INSW	1.26%	n/a	0.535				
622	World Fuel Services Corp.	INT	1.55%	5.00%	1.966	1.97	0.0001	0.000002	0.000006
623	Invitation Home Inc.	INVH	1.76%	n/a	22.333				
624	International Paper Co.	IP	3.81%	n/a	21.039				
625	Interpublic Group of Cos., Inc. The	IPG	2.88%	16.60%	14.749	14.75	0.0009	0.000026	0.000150
626	INVQUALITY MU	IQI	4.76%	n/a	0.688				
627	NEW IRELAND FD	IRL	2.45%	n/a	0.061				
628	Iron Mountain Inc.	IRM	5.60%	6.41%	12.788	12.79	0.0008	0.000044	0.000050
629	Independence Realty Trust, Inc.	IRT	2.28%	n/a	2.208				
630	ITT Inc.	ITT	1.02%	17.80%	7.423	7.42	0.0005	0.000005	0.000081
631	Itau Unibanco Holding S.A.	ITUB	0.78%	n/a	43.610				
632	Illinois Tool Works Inc.	ITW	2.35%	14.19%	65.523	65.52	0.0040	0.000094	0.000568
633	INVESCO MORTGAGE CAPITAL INC	IVR	11.15%	n/a	0.936				
634	iShares Core S&P 500 ETF	IVV	1.36%	n/a	286.315				
635	Invesco Ltd.	IVZ	2.82%	22.55%	11.120				
636	iShares Russell 1000 Value ETF	IWD	1.65%	n/a	53.600				
637	Shares Russell 1000 Growth ETF		0.55%	n/a	/0.593				
638	iShares Russell 2000 ETF		0.92%	n/a	0/.3/8				
640	iShares Russell 2000 Value ETF		1.35%	n/a	15.840				
640 641	iSharas Russell MidCan Growth ETF		0.33%	n/a	15 355				
642	iShares Russell MidCap ETE	IWR	1.07%	n/a	29 106				
643	iShares Russell MidCap Value ETE	IWS	1.07%	n/a	14 037				
644	Orix Corn Ads	IX	3 53%	24 10%	23 034				
645	iShares U.S. Energy ETF	IYE	2.80%	210/0 n/a	2.370				
646	iShares U.S. Real Estate ETF	IYR	1.79%	n/a n/a	7.321				
647	iShares U.S. Technology ETF	IYW	0.32%	n/a	8.469				
648	Jacobs Engineering Group Inc.	J	0.64%	14.40%	17.118	17.12	0.0010	0.000007	0.000151
649	JBG SMITH Properties	JBGS	2.97%	n/a	4.003				
650	Jabil, Inc.	JBL	0.54%	12.00%	8.617	8.62	0.0005	0.000003	0.000063
651	John Bean Technologies Corp.	JBT	0.27%	15.70%	4.638	4.64	0.0003	0.000001	0.000044
652	Johnson Controls International plc	JCI	1.57%	20.05%	48.851				
653	Jefferies Financial Group Inc.	JEF	2.63%	n/a	9.375				
654	Aberdeen Japan Equity Fund, Inc.	JEQ	4.65%	n/a	0.125				
655	Janus Henderson Group plc	JHG	3.66%	13.23%	7.151	7.15	0.0004	0.000016	0.000058
656	John Hancock Investors Trust	JHI	7.68%	n/a	0.162				
657	John Hancock Income Securities Trust	JHS	5.53%	n/a	0.186				
658	Nuveen MultiMarket Income Fund	JMM	4.42%	n/a	0.071				
659	Johnson & Johnson	JNJ	2.66%	8.89%	419.144	419.14	0.0256	0.000681	0.002277
660	SPDR Blmbrg Barclays High Yield Bond ETF	JNK	4.40%	n/a	8.997				

N	NYSE / IBES (a)		(b)	(b)	(b)			U	
					Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
661	Juniper Networks, Inc.	JNPR	2.88%	9.56%	9.036	9.04	0.0006	0.000016	0.000053
662	St. Joe Co. The	JOE	0.73%	n/a	2.566				
663	Japan Smaller Capitalization Fund, Inc.	JOF	3.88%	n/a	0.251				
664	JPMorgan Chase & Co.	JPM	2.16%	8.25%	498.873	498.87	0.0305	0.000658	0.002513
665	John Wiley & Sons, Inc.	JW.A	2.63%	n/a	2.932				
666	John Wiley & Sons, Inc.	JW.B	2.63%	n/a	2.931				
667	Kellogg Co.	K	3.60%	3.29%	21.997	22.00	0.0013	0.000048	0.000044
668	Kadant Inc	KAI	0.49%	n/a	2.370				
669	Kaman Corp.	KAMN	2.16%	n/a	1.029				
670	KB Financial Group Inc	KB	2.27%	n/a	19.472				
671	KB Home	KBH	1.55%	n/a	3.570				
672	KBR, Inc.	KBR	1.09%	16.47%	5.703	5.70	0.0003	0.000004	0.000057
673	Kenon Holdings Ltd.	KEN	4.97%	n/a	2.015				
674	Korea Electric Power Corp.	KEP	5.17%	n/a	12.801				
675	KeyCorp	KEY	3.30%	n/a	21.432				
676	The Korea Fund, Inc.	KF	1.31%	n/a	0.201				
677	KornFerry International	KFY	0.63%	n/a	4.126				
6/8	Kinross Gold Corp.	KGC	2.20%	-8.00%	6.8/8				
679	Kimco Realty Corp.	KIM	3.12%	n/a	13.343				
680	KKR & Co. Inc.	KKK	0.96%	27.33%	35.139				
681	Kirkland Lake Gold Ltd.	KL	1.80%	5.94%	11.027	11.03	0.0007	0.000012	0.000040
682	KimberlyClark Corp.	KMB	3.45%	1.89%	44.503	44.50	0.0027	0.000094	0.000051
083	Kinder Morgan, Inc.	KMI	0.38%	0.92%	38.395	38.39	0.0025	0.000150	0.000162
004 695	Kemper Corp.	KMPK	1.83%	11/a	4.510				
696	Kellianietai nic. KNOT Offshore Dortnore I D	KNOP	2.29%	41.70%	2.930				
697	KNOT Offshore Fathers Lr VnightSwift Transportation Holdings Inc.	KNUF	0.8004	11/a	0.056	 8 25	0.0005	0.000004	
688	CocoCola Co. The	KNA	0.00%	10.12%	0.231	0.23	0.0003	0.000004	0.000079
680	Coca Cola Fernsa S A B de C V	KOF	J.17%	13 00%	01 731	228.48 01.73	0.0140	0.000442	0.001413
690	The Kroger Co	KR	4.50% 2.12%	6.92%	29.470	29.47	0.0050	0.000232	0.000775
691	Kilrov Realty Corp	KRC	3.08%	0.7270 n/a	7 870	27.47	0.0010	0.000050	0.000125
692	KKR Real Estate Finance Trust Inc	KREF	5.00% 7.97%	n/a	1 201				
693	Kite Realty Group Trust	KRG	3 32%	n/a	1.201				
694	Kronos Worldwide Inc	KRO	5.64%	n/a	1.476				
695	KIMBELL ROYALTY	KRP	8 27%	n/a	0.908				
696	DWS Strategic Muni Income Trust	KSM	4.58%	n/a	0.138				
697	Kohls Corp.	KSS	2.04%	n/a	7.370				
698	Kansas City Southern	KSU	0.78%	16.50%	25.151	25.15	0.0015	0.000012	0.000254
699	KT Corp.	KT	3.77%	n/a	6.646				
700	Kontoor Brands, Inc.	KTB	3.12%	24.20%	2.961				
701	DWS Muni Income Trust	KTF	4.51%	n/a	0.466				
702	KennedyWilson Holdings Inc.	KW	4.07%	0.10%	3.040	3.04	0.0002	0.000008	0.000000
703	Quaker Chemical Corp.	KWR	0.65%	25.18%	4.357				
704	Loews Corp.	L	0.45%	n/a	14.158				
705	Lithia Motors, Inc.	LAD	0.45%	21.90%	9.516				
706	Ladder Capital Corp	LADR	6.98%	n/a	1.447				
707	Lazard Ltd	LAZ	3.90%	n/a	5.059				
708	LCI Industries	LCII	2.62%	n/a	3.473				
709	loanDepot, Inc.	LDI	2.60%	n/a	1.902				
710	Leidos Holdings, Inc.	LDOS	1.47%	9.60%	13.854	13.85	0.0008	0.000012	0.000081
711	Lear Corp.	LEA	1.25%	56.22%	9.540				
712	Leggett & Platt, Inc.	LEG	3.65%	n/a	6.138				
713	Lennar Corp.	LEN	1.08%	n/a	28.922				
714	Lennar Corp.	LEN.B	1.31%	n/a	23.867				
715	BNY Mellon Strategic Munis, Inc.	LEO	4.87%	n/a	0.537				
716	Levi Strauss & Co.	LEVI	1.27%	n/a	10.109				
717	China Life Insurance Co. Ltd.	LFC	5.27%	n/a	45.506				
718	Lument Finance Trust, Inc.	LFT	9.05%	n/a	0.099				
719	L3Harris Technologies Inc	LHX	1.87%	10.60%	43.894	43.89	0.0027	0.000050	0.000284
720	Lennox International, Inc.	LII	1.24%	16.72%	11.002	11.00	0.0007	0.000008	0.000112

N	NYSE / IBES (a)		(b)	(b)	(b)			0	
			(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
721	Linde plc	LIN	1.44%	14.92%	152.161	152.16	0.0093	0.000134	0.001387
722	Eli Lilly and Co.	LLY	1.51%	14.75%	215.637	215.64	0.0132	0.000199	0.001943
723	Lockheed Martin Corp.	LMT	3.01%	4.35%	95.810	95.81	0.0059	0.000176	0.000255
724	Lincoln National Corp.	LNC	2.42%	42.75%	13.070				
725	Brasilagro Cia Brasil De Propriedades Agricolas	LND	2.03%	n/a	0.352				
726	Lindsay Corp.	LNN	0.85%	n/a	1.692				
727	Loma Negra Comp Indust Argentina S.A. ADR	LOMA	3.65%	26.30%	0.830				
728	Lowes Cos., Inc.	LOW	1.56%	17.70%	141.609	141.61	0.0087	0.000135	0.001531
729	Dorian LPG Ltd.	LPG	7.81%	n/a	0.516				
/30	LouisianaPacific Corp.		1.18%	n/a	5.822				
/31	ISnares IBOXX Invest Grd Corp. Bond EIF		2.34%	n/a	39.850				
152	Life Storage, Inc.		2.37%	n/a	9.451				
737	PIMCO 15 Vear U.S. TIPS Index FTE	LIC I TP7	7.03%	n/a	0.840				
734	Lumen Technologies Inc		5.55% 7.73%	-11 70%	14 291				
736	Lamb Weston Holdings Inc	LUMIN	1 49%	17 25%	9 132	9 13	0.0006	0.000008	0.000096
737	Luxfer Holdings PLC	LXFR	2.53%	n/a	0.566			0.000000	0.000070
738	Lexington Realty Trust	LXP	3.33%	n/a n/a	3.588				
739	LyondellBasell Industries N.V.	LYB	4.77%	51.39%	31.669				
740	Llovds Banking Group PLC	LYG	3.08%	n/a	42.592				
741	LaZBoy Inc.	LZB	1.84%	n/a	1.448				
742	Macys, Inc.	М	2.62%	n/a	7.089				
743	Mastercard Inc.	MA	0.51%	27.30%	339.648				
744	MidAmerica Apartment Communities, Inc.	MAA	2.15%	n/a	21.901				
745	Macerich Co. The	MAC	3.50%	n/a	3.651				
746	Main Street Capital Corp.	MAIN	6.07%	n/a	2.849				
747	ManpowerGroup Inc.	MAN	2.27%	33.30%	6.008				
748	Manchester United Ltd.	MANU	0.92%	n/a	0.851				
749	Masco Corp.	MAS	1.68%	n/a	13.839				
750	Matson, Inc.	MATX	1.47%	n/a	3.543				
751	Maxar Technologies Inc.	MAXR	0.14%	n/a	2.058				
752	Mobile TeleSystems PJSC	MBT	7.98%	n/a	9.672				
753	Moelis & Co.	MC	3.67%	n/a	4.311				
754	BlackRock Muni Yield CA Quality Fund, Inc.	MCA	4.13%	n/a	0.537				
755	McDonalds Corp.	MCD	2.12%	20.42%	181.532				
/56	Barings Corp. Investors	MCI	6.20%	n/a	0.314				
151	McResson Corp.	MCK	0.94%	9.48%	50.929	50.95 65.12	0.0019	0.000018	0.000179
750	Moroury Corp.	MCU	0.71%	11.01%	2 116	03.12	0.0040	0.000028	0.000438
760	M D C Holdings Inc	MDC	4.30%	n/a	3 283				
761	Medtronic PI C	MDT	2.44%	13 58%	168 055	168.06	0.0103	0.000207	0.001394
762	MDU Resources Group Inc	MDU	2.02%	7 10%	6 178	6.18	0.0004	0.000011	0.000027
763	MEDIFAST INC	MED	3.02%	n/a	2.209				
764	Methode Electronics. Inc.	MEI	1.30%	n/a	1.647				
765	MetLife. Inc.	MET	3.08%	7.60%	53.445	53.44	0.0033	0.000101	0.000248
766	MFA Financial, Inc.	MFA	8.68%	n/a	2.032				
767	Manulife Financial Corp	MFC	4.61%	n/a	37.738				
768	Mizuho Financial Group, Inc.	MFG	3.78%	n/a	34.870				
769	Micro Focus International PLC Sponsored ADR	MFGP	2.52%	n/a	1.812				
770	BlackRock MuniHoldings Invest Qual Fund	MFL	4.02%	n/a	0.549				
771	MFS MUNI INC TR	MFM	4.43%	n/a	0.288				
772	MFS SPL VALUE T	MFV	8.18%	n/a	0.048				
773	Magna International Inc.	MGA	2.22%	39.80%	23.300				
774	MFS GOVT MKTS	MGF	7.73%	n/a	0.141				
775	MGM Resorts International	MGM	0.02%	-221.50%	21.448				
776	MGM Growth Properties LLC	MGP	5.31%	42.96%	6.139				
777	Magnolia Oil & Gas Corp	MGY	0.83%	n/a	4.524				
778	Western Asset Muni High Income Fund Inc.	MHF	3.26%	n/a	0.174				
779	BlackRock MuniHoldings NY Quality Fund, Inc.	MHN	4.55%	n/a	0.448				
780	MFS Intermediate Income Trust	MIN	9.05%	n/a	0.421				

N	NYSE / IBES		(b)	(b)	(b)			0	
_	(d)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Can		-	Dividend	Growth
	Company	Ticker	Vield	Growth	(\$hil.)	Mkt. Can.	Weight	Vield	Rate
781	AG Mortgage Investment Trust. Inc.	MITT	7.18%	n/a	0.189				
782	MiX Telematics Ltd.	MIXT	1.54%	n/a	0.310				
783	BlackRock MuniYield MI Ouality Fund. Inc.	MIY	4.33%	n/a	0.458				
784	McCormick & Co., Inc.	MKC	1.69%	5.50%	21.566	21.57	0.0013	0.000022	0.000072
785	Mueller Industries, Inc.	MLI	1.23%	n/a	2.411				
786	Martin Marietta Materials, Inc.	MLM	0.70%	15.75%	21.760	21.76	0.0013	0.000009	0.000209
787	Miller Industries, Inc.	MLR	2.12%	n/a	0.388				
788	Marsh & McLennan Cos., Inc.	MMC	1.41%	12.50%	76.875	76.88	0.0047	0.000066	0.000587
789	3M Co.	MMM	3.36%	8.93%	101.863	101.86	0.0062	0.000209	0.000556
790	Magellan Midstream Partners, L.P.	MMP	8.89%	9.08%	10.247	10.25	0.0006	0.000056	0.000057
791	Maximus, Inc.	MMS	1.32%	n/a	5.218				
792	MFS Multimarket Income Trust	MMT	7.76%	n/a	0.392				
793	Western Asset Managed Munis Fund, Inc.	MMU	3.92%	n/a	0.575				
794	Manning & Napier, Inc.	MN	2.18%	n/a	0.169				
795	Western Asset Muni Partners Fund Inc.	MNP	3.66%	n/a	0.151				
796	Monmouth Real Estate Investment Corp.	MNR	3.80%	n/a	1.861				
797	Brigham Minerals, Inc.	MNRL	6.83%	n/a	1.165				
798	MINISO Group Holding Ltd. Unsponsored ADR	MNSO	0.87%	19.10%	4.769	4.77	0.0003	0.000003	0.000056
799	Altria Group, Inc.	MO	7.74%	4.67%	85.750	85.75	0.0052	0.000405	0.000245
800	Moog Inc.	MOG.A	1.27%	n/a	2.537				
801	Moog Inc.	MOG.B	1.30%	n/a	2.479				
802	The Mosaic Co.	MOS	0.78%	n/a	14.539				
803	Movado Group Inc.	MOV	2.46%	n/a	0.748				
804	BlackRock Muni Yield PA Quality Fund	MPA	4.07%	n/a	0.216				
805	Marathon Petroleum Corp.	MPC	3.68%	n/a	40.220				
806	MPLX LP	MPLX	9.34%	n/a	30.184				
807	Barings Participation Investors	MPV	5.81%	n/a	0.146				
808	Medical Properties Trust, Inc.	MPW	5.59% 2.72%	n/a	0.420				
809	Marine Products Corp.	MPX	5.72%	n/a	0.439				
01U 011	BlackRock Muni Field Quality Fund In.	MQT	4.48%	n/a	0.527				
011	Marak & Co. Inc.	MQI	4.52%	12 740/	0.492	210.26	0.0120	0.000402	
012 813	Merck & Co., Inc. Marathan Oil Corn	MPO	5.15% 1.35%	12.74%	11 602	210.30	0.0129	0.000402	0.001037
015 814	Maranon On Corp.	MS	2 88%	6 28%	177 256	177.26	0.0108	0.000312	0.000681
814 815	Molgan Stanley MSA Safety Incorporated	MSA	2.00%	0.28%	5 821	177.20	0.0108	0.000312	0.000081
816	Mosabi Trust	MSR	1.10%	11/a	0.300				
817	MSCI Inc	MSCI	0.71%	17 80%	18 /18		0.0030	0.000021	0.000526
818	Morgan Stanley Emerging Markets Debt Fund	MSD	1 75%	17.00/0 n/a	0 185	40.42	0.0050	0.000021	0.000320
819	Motorola Solutions Inc	MSI	1.73%	13 73%	39 194	39.19	0.0024	0.000029	0.000329
820	MSC Industrial Direct Co. Inc.	MSM	3.65%	9.12%	4 578	4 58	0.0024	0.000022	0.000022
821	ArcelorMittal	MT	0.89%	9.1270 n/a	29 673		0.0005	0.000010	0.000020
822	M&T Bank Corp	MTB	2.86%	14 20%	19 771	19 77	0.0012	0.000035	0.000172
823	Matador Resources Co.	MTDR	0.25%	n/a	4,733				
824	MGIC Investment Corp	MTG	2.07%	10 65%	5 249	5 25	0.0003	0.000007	0.000034
825	Vail Resorts. Inc.	MTN	1.02%	56.68%	13.874				
826	Materion Corp.	MTRN	0.69%	n/a	1.414				
827	Minerals Technologies Inc.	MTX	0.28%	n/a	2.413				
828	BlackRock MuniAssets Fund, Inc.	MUA	4.11%	n/a	0.570				
829	iShares National Muni Bond ETF	MUB	1.88%	n/a	23.586				
830	BlackRock MuniHoldings CA Quality Fund, Inc.	MUC	4.25%	n/a	0.637				
831	Mitsubishi UFJ Financial Group, Inc.	MUFG	3.26%	n/a	72.958				
832	BlackRock MuniHoldings NJ Quality Fund, Inc.	MUJ	4.83%	n/a	0.471				
833	Murphy Oil Corp.	MUR	1.81%	n/a	4.275				
834	Murphy USA Inc.	MUSA	0.59%	n/a	4.373				
835	BlackRock MuniVest Fund, Inc.	MVF	4.22%	n/a	0.618				
836	MV Oil Trust	MVO	13.45%	n/a	0.103				
837	BlackRock MuniVest Fund II, Inc.	MVT	4.59%	n/a	0.327				
838	MUELLER WATER PRODUCTS	MWA	1.42%	n/a	2.453				
839	Mexico Fund, Inc. The	MXF	1.21%	n/a	0.223				
840	BlackRock MuniYield CA Fund, Inc.	MYC	3.39%	n/a	0.326				

N	NYSE / IBES (a)		(b)	(b)	(b)			0	
	(1)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Can		-	Dividend	Growth
	Company	Ticker	Vield	Growth	(\$hil.)	Mkt Can	Weight	Vield	Rate
841	BlackRock MuniYield Fund, Inc.	MYD	4.54%	n/a	0.695	ык. Сар. 			
842	Myers Industries. Inc.	MYE	2.67%	n/a n/a	0.731				
843	BlackRock MuniYield Ouality Fund III. Inc.	MYI	4.25%	n/a	0.990				
844	BlackRock MuniYield New Jersev Fund. Inc.	MYJ	4.82%	n/a	0.375				
845	BlackRock MuniYield NY Quality Fund, Inc.	MYN	4.48%	n/a	0.546				
846	Nordic American Tankers Ltd.	NAT	1.44%	n/a	0.478				
847	National Bank Holdings Corp.	NBHC	2.14%	n/a	1.266				
848	NACCO Industries, Inc.	NC	2.41%	n/a	0.235				
849	Nuveen CA Muni Va	NCA	3.02%	n/a	0.290				
850	NextEra Energy, Inc.	NEE	1.94%	8.21%	155.660	155.66	0.0095	0.000184	0.000781
851	Newmont Corp.	NEM	4.02%	-1.60%	43.688				
852	NextEra Energy Partners, LP	NEP	3.42%	26.90%	5.933				
853	Eneti Inc.	NETI	0.23%	n/a	0.194				
854	NewMarket Corp.	NEU	2.40%	n/a	3.832				
855	Nexa Resources S.A.	NEXA	3.41%	n/a	1.026				
856	National Fuel Gas Co.	NFG	3.27%	n/a	5.080				
857	National Grid Transco, PLC	NGG	7.33%	n/a	43.790				
858	Natural Grocers by Vitamin Cottage, Inc.	NGVC	2.41%	n/a	0.262				
859	National Health Investors, Inc.	NHI	6.66%	n/a	2.477				
860	NiSource, Inc	NI	3.58%	n/a	9.649				
861	Nuveen Select Maturities Muni Fund	NIM	3.27%	n/a	0.133				
862	NewJersey Resources Corp.	NJR	3.96%	6.00%	3.528	3.53	0.0002	0.000009	0.000013
863	NIKE, Inc.	NKE	0.75%	15.01%	232.746	232.75	0.0142	0.000107	0.002134
864	NL Industries, Inc.	NL	3.88%	n/a	0.302				
865	Nielsen Holdings Plc	NLSN NL V	1.23%	n/a	0.980				
800	Annaly Capital Mgmt. Inc		10.35%	n/a	12.270				
80/	Nuveen Muni Income Fund, Inc.	NIMI	5.50% 0.65%	n/a	0.10/				
000 860	Norura Holdings Inc. ADP	NMD	0.05%	n/a	0.011				
870	Notifula Holdings Inc ADK		4.01%	n/a	0.064				
870	Nelnet Inc	NNI	1.29%	n/a	3 193				
872	National Retail Properties	NNN	4 75%	n/a	7 832				
873	Nuveen New York Muni Valu	NNY		n/a	0.154				
874	North American Construction Group Ltd	NOA	0.86%	n/a	0.134				
875	Northron Grumman Corp	NOC	1 72%	6 70%	58 547	58 55	0.0036	0.000062	0.000240
876	Nuveen Missouri Quality Muni Income Fund	NOM	3.34%	n/a	0.037				
877	Neenah. Inc.	NP	3.94%	n/a	0.805				
878	National Presto Industries, Inc.	NPK	1.21%	n/a	0.582				
879	EnPro Industries	NPO	1.22%	5.10%	1.828	1.83	0.0001	0.000001	0.000006
880	Nuveen Virginia Quality Muni Income Fund	NPV	3.57%	n/a	0.291				
881	NexPoint Real Estate Finance, Inc.	NREF	9.73%	n/a	0.107				
882	NRG Energy, Inc.	NRG	3.22%	42.00%	9.872				
883	Natural Resource Partners LP	NRP	7.03%	n/a	0.314				
884	North European Oil Royality Trust	NRT	5.88%	n/a	0.094				
885	New Residential Investment Corp.	NRZ	9.25%	14.89%	5.044	5.04	0.0003	0.000029	0.000046
886	NuStar Energy L.P.	NS	9.72%	n/a	1.803				
887	National Storage Affiliates Trust	NSA	3.10%	n/a	4.692				
888	Norfolk Southern Corp.	NSC	1.76%	13.97%	61.219	61.22	0.0037	0.000066	0.000522
889	Insperity, Inc.	NSP	1.56%	15.00%	4.465	4.46	0.0003	0.000004	0.000041
890	Nomad Royalty Co. Ltd.	NSR	2.62%	n/a	0.342				
891	Bank of N.T. Butterfield & Son Ltd. The	NTB	4.87%	n/a	1.942				
892	Nutrien Ltd.	NTR	2.15%	n/a	38.697				
893	NETSTREIT Corp.	NTST	3.31%	n/a	0.956				
894	Nucor Corp.	NUE	1.67%	34.17%	28.424				
895	Nu Skin Enterprises, Inc.	NUS	3.74%	n/a	2.038				
896	Nuveen Muni Value Fund, Inc.	NUV	3.17%	n/a	2.370				
897	Novo Nordisk AS	NVO	0.80%	10.50%	228.274	228.27	0.0139	0.000112	0.001464
898	Novartis AG	NVS	2.52%	7.84%	184.419	184.42	0.0113	0.000284	0.000883
899	n vent Electric PLC	NVT	2.13%	16.60%	5.537	5.54	0.0003	0.000007	0.000056
900	Natwest Group plc	NWG	2.65%	n/a	35.276				

N	NYSE / IBES (a)		(b)	(h)	(h)			_	
	(4)		(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
901	Northwest Natural Gas Co.	NWN	4.07%	5.50%	1.448	1.45	0.0001	0.000004	0.000005
902	Quanex Building Products Corp.	NX	1.46%	n/a	0.734				
903	Nuveen CA Select TaxFree Income Portfolio	NXC	3.18%	n/a	0.100				
904	Nuveen NY Select TaxFree Income Portfolio	NXN	3.16%	n/a	0.054				
905	NUVEEN SL TFIP	NXP	3.18%	n/a	0.284				
906	NUVEEN SL TFIP2	NXQ	3.25%	n/a	0.275				
907	Nuveen Select Tax Free Income Portfolio III	NXR	3.15%	n/a	0.223				
908	NexPoint Residential Trust, Inc.	NXRT	2.16%	n/a	1.588				
909	New York City REIT, Inc.	NYC	4.99%	n/a	0.105				
910	New York Community Bancorp, Inc.	NYCB	5.04%	n/a	6.269				
911	The New York Times Co.	NYT	0.57%	10.40%	8.266	8.27	0.0005	0.000003	0.000053
912	Realty Income Corp.	0	4.26%	n/a	25.894				
915	OilDri Corn Of America		1.18%	n/a	9.074				
914	Corp. Office Properties Trust	OFC	3.15%	n/a	3 164				
916	OFG Bancorn	OFG	1 84%	n/a	1 344				
917	OGE Energy Corp	OGE	1.0470	3 90%	6 734	6 73	0 0004	0.000020	0.000016
918	ONE Gas. Inc.	OGS	3.44%	5.00%	3.604	3.60	0.0002	0.000008	0.000011
919	Omega Healthcare Investors, Inc.	OHI	8.89%	n/a	7.202				
920	INVMUN INCOM	OIA	4.84%	n/a n/a	0.371				
921	VanEck Oil Services ETF	OIH	0.90%	n/a	2.839				
922	ONEOK, Inc.	OKE	6.23%	9.86%	26.766	26.77	0.0016	0.000102	0.000161
923	Olin Corp.	OLN	1.64%	n/a	7.818				
924	One Liberty Properties, Inc.	OLP	5.74%	n/a	0.654				
925	Omnicom Group Inc.	OMC	3.79%	9.50%	15.845	15.84	0.0010	0.000037	0.000092
926	OneMain Holdings, Inc.	OMF	4.89%	n/a	7.554				
927	Owens & Minor, Inc.	OMI	0.03%	21.02%	2.434				
928	Oppenheimer Holdings, Inc.	OPY	1.29%	n/a	0.591				
929	Osisko Gold Royalties Ltd	OR	1.55%	n/a	1.882				
930	Ormat Technologies, Inc.	ORA	0.70%	11.00%	3.849	3.85	0.0002	0.000002	0.000026
931	Orange	ORAN	8.82%	-7.20%	29.064				
932	Orchid Island Capital, Inc.	ORC	15.79%	n/a	0.682				
933	Owl Rock Capital Corp.	ORCC	8.81%	n/a	5.522				
934	Oracle Corp.	ORCL	1.43%	10.60%	244.410	244.41	0.0149	0.000214	0.001583
935	Old Republic International Corp.	ORI	3.73%	n/a	7.206				
936	Osnkosn Corp.	OSK	1.25%	21.26%	1.253				
937	OUTEPONT Modia Inc		1.1/%	11.97%	34.957	34.90	0.0021	0.000025	0.000256
930	Ovintiv Inc	OVV	1.52%	168 70%	5.620 0.148				
940	Blue Owl Capital Inc	OWI	1.00%	100.7970 n/a	0.521				
941	Oxford Industries Inc	OXM	1.05%	n/a	1 578				
942	Occidental Petroleum Corp.	OXY	0.13%	n/a	29.702				
943	Grupo Aeroportuario Del Pacifico, S.A. de C.V.	PAC	3.19%	n/a n/a	6.286				
944	Penske Automotive Group. Inc.	PAG	1.76%	14.80%	8.199	8.20	0.0005	0.000009	0.000074
945	Western Asset Investt Grade Income Fund Inc.	PAI	3.52%	n/a	0.151				
946	Prosperity Bancshares, Inc.	PB	2.67%	n/a	6.821				
947	Pembina Pipeline Corp.	PBA	6.19%	n/a	17.762				
948	PBF Logistics LP	PBFX	8.88%	n/a	0.845				
949	Pitney Bowes Inc.	PBI	2.70%	n/a	1.302				
950	Petroleo Brasileiro S.A. Petrobras	PBR	5.62%	n/a	70.504				
951	Petroleo Brasileiro S.A. Petrobras	PBR.A	5.76%	n/a	68.873				
952	Permian Basin Royalty Trust	PBT	4.47%	n/a	0.289				
953	High Income Securities Fund	PCF	10.70%	n/a	0.084				
954	PCM FUND INC	PCM	8.55%	n/a	0.130				
955	Invesco Emerging Markets Sovereign Debt ETF	PCY	4.75%	n/a	2.683				
956	Piedmont Office Realty Trust, Inc.	PDM	4.67%	n/a	2.232				
957	John Hancock Premium Dividend Fund	PDT	7.02%	n/a	0.812				
958	Healthpeak Properties, Inc.	PEAK	3.52%	1.70%	18.390	18.39	0.0011	0.000040	0.000019
959	Pedbledrook Hotel Irust	PEB	0.18%	n/a	2.969				
900	Public Service Enterprise Group Inc.	PEG	3.34%	2.50%	30.916	30.92	0.0019	0.000063	0.000043

N	IYSE / IBES		(b)	(b)	(b)			U	
_	(a)		(0)	(0)	(U) Market			Weig	hted
			Dividend	IBES	Can		-	Dividend	Growth
	Company	Ticker	Vield	Growth	(\$hil.)	Mkt. Can.	Weight	Vield	Rate
961	Adams Natural Resources Fund. Inc.	PEO	4.47%	n/a	0.393				
962	Pfizer Inc.	PFE	3.68%	12.42%	237.836	237.84	0.0145	0.000535	0.001805
963	Flaherty & Crumrine Preferred and Income Fund	I PFO	6.39%	n/a	0.162				
964	Provident Financial Services, Inc	PFS	3.79%	n/a	1.892				
965	PennyMac Financial Services, Inc.	PFSI	1.30%	n/a	3.805				
966	Procter & Gamble Co. The	PG	2.51%	7.03%	337.026	337.03	0.0206	0.000517	0.001447
967	The Progressive Corp.	PGR	0.44%	-9.80%	52.846				
968	Paramount Group, Inc.	PGRE	3.00%	n/a	2.043				
969	Invesco Preferred ETF	PGX	4.95%	n/a	7.435				
970	ParkerHannifin Corp.	PH	1.43%	9.68%	37.147	37.15	0.0023	0.000032	0.000220
971	Koninklijke Philips N.V.	PHG	2.02%	n/a	39.353				
972	PLDT Inc.	PHI	3.70%	n/a	7.097				
973	PIMCO High Income Fund	PHK	9.10%	n/a	0.836				
974	PulteGroup, Inc.	PHM	1.21%	n/a	12.003				
975	PHX Minerals Inc.	PHX	1.20%	n/a	0.102				
976	Polaris Inc.	PII	2.07%	n/a	7.385				
977	PUTNAM MAST INT	PIM	6.88%	n/a	0.208				
978	Invesco India ETF	PIN	0.91%	n/a	0.123				
979	Alpine Income Property Trust, Inc.	PINE	5.52%	n/a	0.209				
980	Piper Sandler Cos.	PIPR	1.52%	n/a	2.616				
981	PJT Partners Inc.	PJT	0.26%	n/a	1.915				
982	Park Aerospace Corp.	PKE	2.88%	n/a	0.283				
983	Packaging Corp. of America	PKG	2.87%	16.86%	13.242	13.24	0.0008	0.000023	0.000136
984	PerkinElmer, Inc.	PKI	0.16%	37.90%	19.182				
985	POSCO	PKX	4.20%	n/a	23.819				
986	Prologis, Inc.	PLD	1.99%	n/a	93.759				
987	Douglas Dynamics, Inc.	PLOW	3.07%	n/a	0.854				
988	Plymouth Industrial REIT, Inc.	PLYM	3.63%	n/a	0.710				
989	Philip Morris International Inc.	PM	5.20%	12.57%	149.916	149.92	0.0092	0.000476	0.001151
990	PUTNAM MANAGED	PMM	4.62%	n/a	0.407				
991	PUTNAM MUN OPPO	PMO	4./1%	n/a	0.462				
992	The DNC Einengiel Services Crown Inc.	PMT	9.44%	n/a	1.950				
993	DNM Decourage Inc	PINC	2.52%	-4.02%	4 257				
994	PINM Resources, Inc.	PINIVI	2.04%	16 400/	4.237				
993	Pennair pic		1.12%	10.40%	0 242	11.90	0.0007	0.000008	0.000119
990	Primacie west Capital Corp.		4.49%	0.10%	0.545 4 222	0.34 4 22	0.0003	0.000023	0.000001
000	PORtiand General Electric Co.	DDC	5.55% 1.64%	7.10%	4.552	4.55	0.0003	0.000009	0.000019
000	PDI Corr		1.04% 5.87%	11/a	24.162 21.772				
1000	Putnam Premier Income Trust	PPT	J.0770 7.27%	11/a n/a	0.465				
1000	ProAssurance Corn		0.86%	11/a n/a	1 257				
1001	Aarons Holdings Co. Inc.	PRG	0.00%	n/a	2 898				
1002	Perrigo Co. plc	PRGO	2.00%	n/a	6 434				
1003	Primerica Inc	PRI	1 24%	n/a	5 982				
1004	Primo Water Corn	PRMW	1.24%	n/a	2 596				
1005	PermRock Royalty Trust	PRT	8 71%	n/a	0.084				
1007	Prudential Financial Inc	PRI	4 35%	9 40%	40 804	40.80	0.0025	0.000108	0.000234
1007	Public Storage	PSA	2 68%	7.4070 n/a	52 227	+0.00	0.0025	0.000100	0.000234
1009	PS Business Parks Inc	PSB	2.60%	n/a	4 413				
1010	Pearson PLC	PSO	1 74%	n/a	7 469				
1011	Invesco Global Listed Private Equity ETF	PSP	8 4 1 %	n/a	0.253				
1012	Postal Realty Trust, Inc.	PSTL	4.88%	n/a	0.249				
1012	Phillips 66	PSX	4 76%	n/a	33 160				
1014	Phillips 66 Partners LP	PSXP	9.31%	6.26%	8,586	8.59	0.0005	0.000049	0.000033
1015	PetroChina Co. Ltd.	PTR	7.51%	n/a	87.173				
1016	Pimco Corp. & Income Opportunity Fund	PTY	8.36%	n/a	1.967				
1017	Prudential Public Ltd. Co.	PUK	0.53%	n/a	52.490				
1018	PERMIANVILLE ROYALTY TRUST	PVL	12.86%	n/a	0.065				
1019	Quanta Services, Inc.	PWR	0.21%	15.44%	15.766	15.77	0.0010	0.000002	0.000149
1020	Pioneer Natural Resources Co.	PXD	1.25%	82.39%	43.661				

N	YSE / IBES (a)		(b)	(b)	(b)				
					Market		_	Weig	hted
			Dividend	IBES	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
1021	Pzena Investment Mgmt. Inc	PZN	1.19%	n/a	0.731				
1022	Restaurant Brands International Inc.	QSR	3.42%	19.71%	19.108	19.11	0.0012	0.000040	0.000230
1023	Ryder System, Inc.	R	2.80%	n/a	4.463				
1024	Ritchie Bros. Auctioneers Inc.	RBA	1.61%	n/a	6.860				
1025	Regal Beloit Corp.	RBC	0.87%	n/a	6.145				
1026	Ready Capital Corp	RC	11.37%	n/a	1.052				
1027	Rogers Communication, Inc.	RCI	0.82%	10.30%	23.610	23.61	0.0014	0.000012	0.000149
1028	PINICO Strategic Income Fund, Inc.	RCS	8.52% 2.410/	n/a	0.515				
1029	AL DS DEIT Dividend Dess ETE	RDN	2.41%	22.00%	4.303				
1030	Royal Dutch Shell PLC	RDS A	4.2470	11/a n/a	178 322				
1031	Royal Dutch Shell PLC	RDS R	4.20%	n/a	177 150				
1032	Dr. Reddys I aboratories I td	RDS.D	4.23%	n/a	11 187				
1034	Everest Re Group I td	RE	2 48%	n/a	9 937				
1035	RELX PLC	RELX	1 35%	n/a	56 409				
1036	REV Group. Inc.	REVG	1.14%	115.69%	1.141				
1037	Rexford Industrial Realty. Inc.	REXR	1.67%	n/a	7.906				
1038	Regions Financial Corp.	RF	2.84%	44.80%	20.828				
1039	Cohen & Steers Total Return Realty Fund. Inc.	RFI	6.22%	n/a	0.426				
1040	Reinsurance Group of America. Inc.	RGA	2.52%	n/a	7.894				
1041	Sturm, Ruger & Co., Inc.	RGR	5.34%	n/a	1.319				
1042	Robert Half International Inc.	RHI	1.48%	31.00%	11.487				
1043	Rio Tinto PLC	RIO	11.30%	-4.50%	83.052				
1044	Raymond James Financial, Inc.	RJF	1.11%	n/a	19.217				
1045	Ralph Lauren Corp.	RL	2.34%	74.15%	8.627				
1046	RLI Corp.	RLI	0.99%	n/a	4.552				
1047	RLJ Lodging Trust	RLJ	0.26%	n/a	2.524				
1048	Regional Mgmt. Corp.	RM	1.74%	n/a	0.592				
1049	REMAX Holdings, Inc.	RMAX	2.92%	n/a	0.596				
1050	ResMed Inc.	RMD	0.66%	23.00%	37.152				
1051	ROYCE OTC MICRO	RMT	6.23%	n/a	0.491				
1052	RenaissanceRe Holdings Ltd.	RNR	1.03%	435.70%	6.555				
1053	Rockwell Automation, Inc.	ROK	1.46%	12.19%	33.967	33.97	0.0021	0.000030	0.000253
1054	Rollins, Inc.	ROL	0.90%	n/a	17.449				
1055	Roper Technologies, Inc.	ROP	0.51%	11.90%	46.965	46.97	0.0029	0.000015	0.000341
1056	Retail Properties of America, Inc.	RPAI	2.20%	n/a	2.926				
1057	RPM International Inc.	RPM	1.93%	15.90%	10.236	10.24	0.0006	0.000012	0.000099
1058	RPT Realty	RPT	3.56%	n/a	1.094				
1059	Reliance Steel & Aluminum Co.	RS	1.92%	16.54%	9.076	9.08	0.0006	0.000011	0.000092
1060	Republic Services, Inc.	RSG	1.53%	9.68%	38.207	38.21	0.0023	0.000036	0.000226
1061	Invesco S&P 500 Equal weight ETF	RSP	1.37%	n/a	28.682				
1062	Raymeon Technologies Corp.		2.55%	24.30%	0.552				
1064	Retail Value Inc.	KVI DVT	4.44%	n/a	1 961				
1065	Royce value ITust, Inc.		6 35%	n/a	1.001				
1065	SPDR Dow Jones International Real Estate ETE	RWY	0.33%	11/a n/a	0.886				
1067	Revnord Corp	RXN	0.55%	n/a	7 866				
1068	Royal Bank Of Canada	RY	3 47%	14 80%	142 941	142 94	0.0087	0.000303	0.001292
1069	Rverson Holding Corp	RYI	1 41%	n/a	0.871		0.0007	0.000505	0.001272
1070	Ravonier Inc	RYN	3.06%	n/a	4 980				
1071	Safehold Inc	SAFE	0.94%	n/a	3 849				
1072	Sonic Automotive Inc.	SAH	0.86%	n/a	2.332				
1073	Science Applications International Corp	SAIC	1 71%	n/a	4 980				
1074	SAP SE	SAP	1.22%	6.85%	164,337	164.34	0.0100	0.000122	0.000688
1075	Saratoga Investment Corp	SAR	7.19%	n/a	0.324				
1076	Sabine Royalty Trust	SBR	7.64%	n/a	0.630				
1077	Companhia de saneamento Basico Do Estado De S	SBS	0.87%	n/a	4.716				
1078	Sibanye Gold Ltd.	SBSW	10.05%	n/a	8.954				
1079	Santander Consumer USA Holdings Inc.	SC	2.12%	13.85%	12.727	12.73	0.0008	0.000016	0.000108
1080	Southern Copper Corp.	SCCO	6.37%	7.36%	43.695	43.69	0.0027	0.000170	0.000196

N	IVSE / IBES		(1-)	(1-)	(1-)			8	
-	(a)		(D)	(0)	(D) Market			Weig	hted
			Dividend	IBES	Can		-	Dividend	Growth
	Company	Tiekor	Viold	Crowth	(\$bil.)	Mlzt Con	Woight	Viold	Poto
1081	The Charles Schwah Corp	SCHW	0.98%	n/a	132 330	Mikt. Cap.	weight	1100	Kate
1082	Service Corn International	SCI	1 50%	4 11%	10 246	10.25	0.0006	0.000009	0.000026
1083	Stervan Co	SCL	1.06%	ч.11/0 n/a	2 585		0.0000	0.000007	0.000020
1084	Stellus Capital Investment Corp	SCM	8.15%	n/a	0.258				
1085	Steelcase Inc	SCS	4 60%	n/a	1 430				
1086	OchZiff Capital Mgmt, Group LLC	SCU	7.68%	n/a	1.635				
1087	SPDR S&P Dividend ETF	SDY	2.86%	n/a	19.021				
1088	Sealed Air Corp.	SEE	1.43%	9.60%	8.388	8.39	0.0005	0.000007	0.000049
1089	Select Medical Holdings Corp.	SEM	1.38%	18.72%	4.893	4.89	0.0003	0.000004	0.000056
1090	Stifel Financial Corp.	SF	0.87%	n/a	7.257				
1091	ServisFirst Bancshares, Inc.	SFBS	1.02%	n/a	4.266				
1092	SFL Corp. Ltd.	SFL	7.16%	n/a	1.074				
1093	Star Gas Partners, L.P.	SGU	5.62%	n/a	0.402				
1094	Shinhan Financial Group Co Ltd	SHG	1.13%	n/a	17.373				
1095	SINOPEC Shangai Petrochem Co., Ltd.	SHI	5.48%	n/a	2.670				
1096	Shell Midstream Partners, L.P.	SHLX	10.25%	8.47%	4.605	4.61	0.0003	0.000029	0.000024
1097	SPDR Nyn Blmbrg Barclays ST Muni Bond ETF	SHM	0.94%	n/a	5.044				
1098	The SherwinWilliams Co.	SHW	0.77%	11.80%	75.118	75.12	0.0046	0.000035	0.000542
1099	National Steel Co	SID	8 76%	n/a	7 038				
1100	Signet Jewelers Ltd	SIG	0.86%	n/a	4 465				
1101	Sprott Inc.	SII	2.75%	n/a	0.935				
1102	SITE CENTERS CORP	SITC	2.93%	n/a	3 461				
1102	South Jersey Industries Inc	SIL	5 44%	4 80%	2,500	2.50	0.0002	0.000008	0.000007
1104	The J. M. Smucker Co.	SIM	3.27%	1.11%	13,108	13.11	0.0008	0.000026	0.000009
1105	Shaw Communications Inc.	SJR	3.20%	n/a	14.004				
1106	San Juan Basin Royalty Trust	SIT	8.34%	n/a	0.248				
1107	SIW Group	SIW	2.00%	n/a	2 022				
1108	SK Telecom Co. Ltd	SKM	1 24%	n/a	22.189				
1109	Tanger Factory Outlet Centers Inc	SKT	4 23%	n/a	1 743				
1110	Schlumberger Ltd.	SLB	1.62%	53,50%	43,184				
1111	Sun Life Financial Inc.	SLE	3.32%	n/a	31.021				
1112	SL Green Realty Corp.	SLG	5.00%	n/a	5.050				
1113	SM Energy Co.	SM	0.07%	n/a	3.515				
1114	Sumitomo Mitsui Financial Group Inc.	SMFG	4.18%	n/a	46.591				
1115	The Scotts MiracleGro Co	SMG	1.81%	n/a	8 161				
1116	Standard Motor Products. Inc.	SMP	2.20%	n/a	1.008				
1117	SnapOn Inc.	SNA	2.30%	9.80%	11.523	11.52	0.0007	0.000016	0.000069
1118	Schneider National, Inc.	SNDR	1.23%	17.90%	4.051	4.05	0.0002	0.000003	0.000044
1119	Smith & Nephew SNATS, Inc.	SNN	1.60%	n/a	15.246				
1120	China Petroleum & Chemical Corp.	SNP	8.89%	n/a	59.918				
1121	Synovus Financial Corp.	SNV	2.92%	n/a	6.612				
1122	SYNNEX Corp.	SNX	0.76%	5.00%	5.501	5.50	0.0003	0.000003	0.000017
1123	Southern Co. The	SO	4.23%	n/a	66.102				
1124	Solaris Oilfield Infrastructure, Inc.	SOI	4.99%	n/a	0.385				
1125	Sonoco Products Co.	SON	2.97%	5.29%	5.950	5.95	0.0004	0.000011	0.000019
1126	Sony Corp.	SONY	0.39%	11.60%	130.521	130.52	0.0080	0.000031	0.000925
1127	Source Capital. Inc.	SOR	3.81%	n/a	0.377				
1128	Spectrum Brands Holdings Inc.	SPB	1.72%	n/a	4.172				
1129	Special Opportunities Fund. Inc.	SPE	7.57%	n/a	0.131				
1130	Simon Property Group. Inc.	SPG	4.54%	n/a	43.460				
1131	S&P Global Inc.	SPGI	0.74%	9.34%	100.220	100.22	0.0061	0.000045	0.000572
1132	Suburban Propane Partners, L.P	SPH	8,44%	n/a	0.964				
1133	Spirit Aerosystems Holdings, Inc.	SPR	0.09%	n/a	4.925				
1134	SPDR S&P 500 ETF	SPY	1.32%	n/a	385.832				
1135	Sociedad Ouimica v Minera S.A.	SOM	1.53%	42.00%	13.897				
1136	Spire Inc.	SR	4.12%		3.265				
1137	Spirit Realty Capital. Inc.	SRC	5.35%	n/a	5.685				
1138	Sempra Energy	SRE	3.48%	4.30%	40.401	40.40	0.0025	0.000086	0.000106
1139	Sprague Resources LP	SRLP	13.40%	n/a	0.522				
1140	Simpson Manufacturing Co., Inc.	SSD	0.91%	n/a	4.773				

1140 Simpson Manufacturing Co., Inc.	SSD	0.91%	n/a	4.773	

N	YSE / IBES (a)		(b)	(b)	(b)			U	
			(0)	(0)	Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
1141	Shutterstock, Inc.	SSTK	0.74%	13.45%	4.170	4.17	0.0003	0.000002	0.000034
1142	Stag Industrial, Inc.	STAG	3.61%	n/a	6.512				
1143	iStar Financial Inc.	STAR	1.99%	n/a	1.804				
1144	Stewart Information Services Corp.	STC	2.06%	n/a	1.726				
1145	STERIS plc	STE	0.83%	n/a	20.552				
1146	Sterling Bancorp	STL	1.09%	n/a	4.960				
1147	STMicroelectronics N.V.	STM	0.49%	5.00%	38.126	38.13	0.0023	0.000011	0.000116
1148	Stantec Inc.	SIN	1.11%	n/a	5.252				
1149	Scorpio Tankers Inc.	SING	2.14%	n/a	1.088 8.012				
1150	PIMCO 15 Year U.S. TIPS Index ETE	STDK STP7	4.07%	n/a	1 111				
1152	State Street Corp	STT	2.65%	14 76%	29 582	29 58	0.0018	0.000048	0.000267
1153	STARWOOD PROP. TRUST. INC.	STWD	7.74%	n/a	7.149				
1154	Constellation Brands Inc	STZ	1.43%	9.51%	40.918	40.92	0.0025	0.000036	0.000238
1155	Constellation Brands Inc	STZ.B	1.30%	n/a	40.871				
1156	Suncor Energy Inc.	SU	3.12%	n/a	31.691				
1157	Sun Communities, Inc.	SUI	1.79%	n/a	21.504				
1158	Sunoco LP	SUN	8.69%	n/a	3.791				
1159	Grupo Supervielle S.A.	SUPV	0.59%	-23.60%	0.208				
1160	Switch, Inc.	SWCH	0.83%	n/a	6.118				
1161	Stanley Black & Decker, Inc.	SWK	1.82%	14.40%	28.347	28.35	0.0017	0.000032	0.000249
1162	SchweitzerMauduit International, Inc.	SWM	4.97%	n/a	1.114				
1163	Southwest Gas Corp.	SWX	3.60%	4.00%	3.904	3.90	0.0002	0.000009	0.000010
1164	Swiss Helvetia Fund, Inc. The	SWZ	6.02% 2.65%	n/a	0.121				
1165	Standay International Corp	SAC	5.03% 0.04%	n/a	1 242				
1167	Sensient Technologies Corp.	SXT	1.67%	n/a	3 927				
1168	Synchrony Financial	SYE	1.07%	n/a	28 268				
1169	Stryker Corp.	SYK	0.96%	13.35%	98.927	98.93	0.0060	0.000058	0.000807
1170	Sysco Corp.	SYY	2.31%	53.44%	41.694				
1171	AT&T Inc.	Т	7.63%	n/a	194.565				
1172	TransAlta Corp.	TAC	1.34%	n/a	2.878				
1173	Takeda Pharmaceutical Co.	TAK	4.22%	n/a	51.012				
1174	Molson Coors Beverage Co.	TAP	2.86%	3.97%	10.329	10.33	0.0006	0.000018	0.000025
1175	Toronto Dominion Bank The	TD	3.77%	18.30%	123.229	123.23	0.0075	0.000284	0.001378
1176	Templeton Dragon Fund, Inc.	TDF	31.55%	n/a	0.600				
1177	Telephone and Data Systems, Inc.	TDS	3.52%	n/a	2.280				
1170	Telefornice S A	TECK	0.61%	52.28%	13.547				
119	TE Connectivity I td	I EF TEI	1.01%	10.80%	20.008	20.07	0.0010	0.000114	0.000178
1180	Telecom Argentina Stet France Tlcm	TEC	15 11%	n/a	2 132	40.01	0.0028	0.000040	0.000309
1182	Terex Corp	TEX	1.11%	235.47%	3.030				
1183	Truist Financial Corp.	TFC	3.20%	n/a	80.758				
1184	SPDR Nvn Blmbrg Barclays Muni Bond ETF	TFI	1.92%	n/a	3.782				
1185	TFI International Inc.	TFII	0.92%	n/a	9.308				
1186	Teleflex Inc.	TFX	0.36%	11.00%	17.520	17.52	0.0011	0.000004	0.000118
1187	Tredegar Corp.	TG	3.84%	n/a	0.422				
1188	TEGNA Inc.	TGNA	1.89%	n/a	4.453				
1189	Teekay LNG Partners L.P.	TGP	6.69%	n/a	1.495				
1190	Target Corp.	TGT	1.59%	13.29%	110.243	110.24	0.0067	0.000107	0.000895
1191	iShares MSCI Thailand ETF	THD	2.31%	n/a	0.370				
1192	The Hanover Insurance Group, Inc.	THG	2.15%	6.15%	4.656	4.66	0.0003	0.000006	0.000017
1193	TIMS A Sponsored ADD	TIMP	1.50%	n/a	/.00/				
1194	iShares TIPS Rond ETF	TIP	3.00%	11/d	33 714				
1196	The TIX Cos., Inc.	TIX	1.58%	126 20%	79 199				
1197	Turkcell Iletisim Hizmetleri AS	TKC	1.85%	n/a	3.758				
1198	Timken Co. The	TKR	1.80%	n/a	5.094				
1199	PT Telekomunikasi Indonesia, Tbk	TLK	2.62%	n/a	23.137				
1200	Toyota Motor Corp.	TM	2.54%	22.70%	240.187				

1260 U.S. Bancorp

N	<u>IYSE / IBES</u> (a)		(b)	(b)	(b)			U	
					Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
1201	Thermo Fisher Scientific Inc.	ТМО	0.18%	11.95%	223.855	223.86	0.0137	0.000025	0.001634
1202	Tennant Co.	TNC	1.20%	n/a	1.435				
1203	Travel Leisure Co.	TNL	2.16%	n/a	4.783				
1204	Tsakos Energy Navigation Ltd	TNP	2.03%	n/a	0.202				
1205	Toll Brothers Inc.	TOL	1.23%	n/a	6.721				
1206	Turning Point Brands, Inc.	TPB	0.46%	n/a	0.915				
1207	Texas Pacific Land Corp.	TPL	0.96%	18.83%	8.929	8.93	0.0005	0.000005	0.000103
1208	Tapestry, Inc.	TPR	2.63%	8.80%	10.571	10.57	0.0006	0.000017	0.000057
1209	TriplePoint Venture Grwth BDC Corp.	TPVG	8.94%	n/a	0.498				
1210	Tempur Sealy International, Inc.	TPX	0.79%	31.50%	8.960				
1211	Tootsie Roll Industries, Inc.	TR	1.16%	n/a	2.098				
1212	Targa Resources, Inc.	TRGP	0.77%	n/a	11.906				
1213	Thomson Reuters Corp	TRI	1.48%	15.12%	53.985	53.99	0.0033	0.000049	0.000499
1214	Trinity Industries, Inc.	TRN	2.98%	n/a	2.798				
1215	Terreno Realty Corp.	TRNO	2.12%	n/a	4.523				
1216	Tronox Holdings PLC	TROX	1.63%	64.70%	3.773				
1217	TC Energy Corp.	TRP	5.61%	3.37%	48.137	48.14	0.0029	0.000165	0.000099
1218	Triton International Ltd.	TRTN	4.33%	n/a	3.548				
1219	TPG RE Finance Trust, Inc.	TRTX	7.54%	n/a	0.981				
1220	TransUnion	TRU	0.34%	15.88%	21.630	21.63	0.0013	0.000004	0.000210
1221	The Travelers Cos., Inc.	TRV	2.33%	8.15%	37.768	37.77	0.0023	0.000054	0.000188
1222	Tenaris S.A.	TS	2.59%	n/a	12.762				
1223	Trinseo S.A.	TSE	2.27%	n/a	2.187				
1224	TCW Strategic Income Fund, Inc.	TSI	3.53%	n/a	0.275				
1225	Sixth Street Specialty Lending, Inc.	TSLX	7.26%	n/a	1.646				
1226	Taiwan Semiconductor Mnfg Co. Ltd.	TSM	1.44%	16.10%	565.386	565.39	0.0345	0.000497	0.005561
1227	Tyson Foods, Inc.	TSN	2.28%	7.50%	28.486	28.49	0.0017	0.000040	0.000131
1228	Trane Technologies plc	TT	1.35%	20.91%	41.572				
1229	Toro Co. The	TTC	1.06%	n/a	10.533				
1230	TotalEnergies SE Sponsored ADR	TTE	4.52%	36.00%	129.128				
1231	TELUS Corp.	TU	4.57%	10.90%	29.756	29.76	0.0018	0.000083	0.000198
1232	Grupo Televisa S.A.	TV	0.70%	n/a	6.196				
1233	Taiwan Fund, Inc. The	TWN	9.69%	n/a	0.255				
1234	Two Harbors Investments Corp	TWO	10.59%	n/a	2.015				
1235	Ternium S.A.	TX	5.07%	n/a	8.300				
1236	Textron Inc.	TXT	0.11%	27.85%	15.699				
1237	Tri Continental Corp.	TY	5.09%	n/a	1./8/				
1238	Tortoise Energy Infrastructure Corp.	TYG	4.72%	n/a	0.334				
1239	CVR Partners, LP	UAN	8.99%	n/a	0.81/				
1240	Urstadt Biddle Properties Inc.	UBA	4./1%	n/a	0.780				
1241	UPS Crown AC	UDP	4.05%	11/a	0.720		0.0024	0.000025	0.000201
1242	United Dominion Boolty Trust Inc.		0.75%	5.92%	15 052	55.54	0.0054	0.000023	0.000201
1245	United Dominion Realty Hust, Inc.	UDK	2.70%	11/a	13.933				
1244	UGL Corp	UE	3.11% 2.12%	11/a 7 750/	2.238	0.25			0.000044
1245	Ultranar Dartiginggoog S A	UGI	5.12% 2.48%	1.15%	9.230	9.23	0.0000	0.000018	0.000044
1240	Universal Health Services Inc.	UUF	2.40%	8 200%	11 208	11.30		0.000004	0.000057
1247	Universal Health Boolty Income Trust		0.39%	0.29%	0.790	11.50	0.0007	0.000004	0.000037
1240	Ubiquiti Inc		4.94%	11/a 23 000%	18 847				
1249	Unilover PLC		3 70%	23.90%	1/1 /20				
1250	United Microelectronics Corp		2.02%	28 10%	26 511				
1251	UMH Properties Inc.		2.0270	20.10/0	1 106				
1252	Unifirst Corp	UNE	0.46%	11/a n/a	4 116				
1255	United Health Group Inc		1 50%	13 77%	364.018	364.02	0.0223	0.000334	0.003060
1254	Unum Group	UNM	4 67%	13.7770 <u>A</u> 1004	5 31/	5 21	0.0223	0.000334	0.003009
1255	Union Pacific Corp	LIND	2 02%	+.1070 15 630/	134 019	13/ 02	0.0003	0.000170	0.000013
1257	United Parcel Service Inc	LIDC	2.00%	15.05%	155 411	155 /1	0.0082	0.000170	0.001200
1258	Liberty AllStar Fauity Fund	USA	2.2970 8 8104	1J.0770	1 827	155.41	0.0095	0.000217	0.001307
1259	USA Compression Partners I P	USAC	12.58%	n/a	1.620				
1260	U.S. Bancorp	USB	3.04%	13 06%	89 743	89 74	0.0055	0.000167	0.000716
				-2.00/0		J., F			

OD OD Harket (1) USD Harket (2) USD Harket (2) Harket (2) <thharket (2) Harket (2) Harkett (</thharket 	N	$\mathbf{YSE} / \mathbf{IBES} $		(b)	(b)	(b)			0	
	_	(1)		(0)	(0)	Market			Weig	hted
				Dividend	IBES	Can		-	Dividend	Growth
1241 USDP 7.20% 20 1.43 1.13 1.13 1.13 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.133 1.132 1.133 1.132 1.132 1.133 1.132 1.133 1.132 1.132 1.132 1.132 1.132 1.133 1.133 1.133 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.135 1.1308 1.1308		Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
1262 USP Mysical Theory, Inc. USP M 1.439 1264 Umit Dranst, Inc. UTZ 1.238 6.408 0.0000 0.00000 0.000000 1264 UTZ 1.238 0.408 2.232 - 1265 UNTVERALINS, ILOLDINGS INC UVE 4.538 n/a 1.233	1261	USD Partners LP	USDP	7.26%	n/a	0.177				
1263 URL 3.43% 6.40% 0.707 0.71 0.000 0.000001 0.000001 1265 UNVERSAL INS. IDCDINGS INC UVE 4.93% n/a 0.466 - <	1262	U.S. Physical Therapy, Inc.	USPH	1.36%	n/a	1.439				
1264 UL Branch, Inc. UTZ 1.22% 2.0.83% 2.252 1266 UNIVERSAL.NS. HOLINGS INC UVE 4.23% n/n 1.233 1260 WING Corp. UVV 6.27% Horio Vacations Worklowic Corp. V.C. 1.37% 1.077 0.267 0.000152 0.000522 1270 VALE SA. VALE 2.1.69% 11.10% 71.23 0.014 0.00034 0.000143 1271 Invesso Bond Fund VEF 1.10% n/a 0.633 1271 Invesso Bond Fund VEF 1.38% n/a 0.633 1273 Vecknat Ad. VEF 2.69% 47.27% 2.6686 1274 VEREIT Inc. VEK 3.58% 47.27% 2.6686 1275 VER.Cop. VEC 4.55% 6.72% 2.0663 1270 VVMK IN NV VCM 4.57% n/a 0.304	1263	Unitil Corp.	UTL	3.43%	6.40%	0.707	0.71	0.0000	0.000001	0.000003
12a5 UNYERSAL INS. HOLDINGS INC UW 4.33% m/u 0.406	1264	Utz Brands, Inc.	UTZ	1.22%	20.83%	2.252				
1266 Universal Corp. UV 6.22% n ^{iu} 1.233 1268 Visa Inc. V 0.57% 19.71% 437.77 0.207 0.000152 0.000272 1269 Mario Vacations Worldwide Corp. VAC 1.33% n ^{iu} 6.957 1270 VALF S.A. VAL 2.169% 11.10% 71.23 0.0014 0.00044 0.00044 1271 Investo Berland VEE 1.10% n ^{iu} 0.435 1272 IVAC AVALU VEC 4.18% n ^{iu} 0.235	1265	UNIVERSAL INS. HOLDINGS INC	UVE	4.93%	n/a	0.406				
1267 UWM Holdings Corp. UWMC 5.94% -1.647% 0.679 <	1266	Universal Corp.	UVV	6.22%	n/a	1.233				
1268 Visa Inc. V 0.57% 19.71% 437.765 437.77 637.77 747.77 747.77 747.77	1267	UWM Holdings Corp.	UWMC	5.94%	-16.47%	0.679				
1269 Marriot Vacations Worldwide Corp. VALE 21.09% 11.05% m^{+}	1268	Visa Inc.	V	0.57%	19.71%	437.765	437.77	0.0267	0.000152	0.005272
1270 VALE S.A. VALE 21.69% 11.10% 71.23 71.23 0.00044 0.000944 0.000944 1271 Invesse Bond Fund VBF 6.94% n/a 0.653	1269	Marriot Vacations Worldwide Corp.	VAC	1.33%	n/a	6.957				
1271 Invesce Bond Fund VBF 6.94% n/a 0.235 1272 Vex Ket A VALU VCV 4.18% n/a 0.653 1273 Vex Edata VEE 3.98% n/a 10.642 1274 VERET 10.79% 2.0896 1275 Vex Cort Corop VFC 2.85% 47.72% 2.0966 1276 Vangand Financials ETF VFH 1.99% n/a 10.739 1280 VICT Moperisis Inc. VICT 4.95% n/a 17.501 1281 Telefonica Erasil S.A. VIV 2.97% n/a 0.031 1281 Telefonica Erasil S.A. VIV 2.97% n/a 0.064 1284 Telefonica Erasil S.A. VIV 2.75% 0.014 0.00021 0.00029 <td>1270</td> <td>VALE S.A.</td> <td>VALE</td> <td>21.69%</td> <td>11.10%</td> <td>71.232</td> <td>71.23</td> <td>0.0044</td> <td>0.000944</td> <td>0.000483</td>	1270	VALE S.A.	VALE	21.69%	11.10%	71.232	71.23	0.0044	0.000944	0.000483
1212 INV VK CA VALU VCV 4.18% n/a 0.653 1274 VEREIT Inc. VER 3.98% n/a 10.642 1275 V.F. Corp. VFC 2.85% 47.72% 25.9686 1276 V.G. Corp. VFC 2.85% 47.72% 25.9686 1270 INV KR INV VCM 4.78% n/a 0.799 <	1271	Invesco Bond Fund	VBF	6.94%	n/a	0.235				
1273 Vedanta Ld. VEDL 11.05% µ [*] µ [*] 14.720 1274 VER. Corp. VFC 2.85% 47.72% 26.986 1275 V.F. Corp. VFC 2.85% 47.72% 26.986 1277 INV KT RLINV VCM 4.78% n/a 0.799 1278 Vector Group Ld. VCM 4.78% n/a 0.766 2.06 2.07 0.0001 0.000008 0.000009 1280 VICI Properties Inc. VII 1.39% n/a 1.05% <t< td=""><td>1272</td><td>INV VK CA VALU</td><td>VCV</td><td>4.18%</td><td>n/a</td><td>0.653</td><td></td><td></td><td></td><td></td></t<>	1272	INV VK CA VALU	VCV	4.18%	n/a	0.653				
12/4 VER 3.98% n/a 10.642 1275 V.E. Corp. VRC 2.85% 47.72% 26.986 1276 V.E. Corp. VRC 1.98% n/a 10.799 1278 Vector Group Ld. VGR 5.97% 6.90% 2.066 2.07 0.0001 0.00008 0.00009 1280 VICI Properties Inc. VIEI 1.39% n/a 0.734 1281 Velconic Brasil S.A. VIV 2.97% n/a 0.069 <td>1273</td> <td>Vedanta Ltd.</td> <td>VEDL</td> <td>11.05%</td> <td>n/a</td> <td>14.720</td> <td></td> <td></td> <td></td> <td></td>	1273	Vedanta Ltd.	VEDL	11.05%	n/a	14.720				
	1274	VEREIT Inc.	VER	3.98%	n/a	10.642				
1270 VARUA CONSTRAINT VARUA	1275	V.F. Corp.	VFC	2.85%	47.72%	26.986				
12/1 INV VK IK INV VGM 4,78% DB 0,739	12/6	Vanguard Financials ETF	VFH	1.90%	n/a	10.799				
12.16 Vector Group Luc. Vork 5.97% 69.07% 2.007 6.000.000 60.000.000 60.000.000 12.18 Vector Group Luc. VICI 4.95% n/a 17.501 12.18 Telefonica Brasil S.A. VIV 2.97% n/a 13.098 12.18 Telefonica Brasil S.A. VIV 2.97% n/a 10.0670 1282 Value Braery Corp. VIC 5.23% n/a 0.0604 1283 Value Braery Corp. VMC 0.86% n/a 0.094 1283 Value Braery Corp. VMC 0.86% n/a 0.918 1283 Vanguard Real State ETF VNQ 3.15% n/a 0.0003 0.00001 0.000024 1293 Vork ROV RAUU VOC 13.33% n/a 0.0817 <	12//	INV VK IR INV	VGM	4./8%	n/a	0.739				
12/9Vail vails1.3 (12)1/12 (12)<	12/8	Vector Group Ltd.	VGK	5.97%	6.90%	2.066	2.07	0.0001	0.000008	0.000009
1240 VIC.I 4.93% 10.1 17.301	12/9	Valni, inc.	VHI	1.39%	n/a	0.653				
12.1112.1112.17.1710.1413.0731111112.18INV VK MUIN TRVKQ4.7.7%n/a30.670	1200	VICI Properties Inc.	VICI	4.95%	n/a	17.301				
12a:11/1411/1411/1411/1411/1411/1411/1411/1411/14128Victor Energy Cop.VLD5.23%n/a 30.670 128Victor Materials Co.VMC 0.86% 17.20% 0.2733 22.75 0.0010 0.000012 0.000239 1285Vulcan Materials Co.VMC 0.86% n/a 5.020 128Vancoa Realty TrustVMO 4.87% n/a 5.020 128Vancoa Realty TrustVNO 4.87% n/a $4.2.85$ 129Vonter Corp.VNT 0.30% 6.78% 6.78% 7.003 0.00001 0.000024 1291VOC Energy TrustVOC 13.33% n/a 0.082 1292Voya Financial, Inc.VOX 1.66% 34.70% 7.039 <td>1201</td> <td>INV VK MUN TD</td> <td>VKO</td> <td>2.97% 1770/</td> <td>n/a</td> <td>0.734</td> <td></td> <td></td> <td></td> <td></td>	1201	INV VK MUN TD	VKO	2.97% 1770/	n/a	0.734				
12.1311.23 <th< td=""><td>1202</td><td>Valaro Eporgy Corp</td><td>VIO</td><td>4.77%</td><td>n/a</td><td>30.670</td><td></td><td></td><td></td><td></td></th<>	1202	Valaro Eporgy Corp	VIO	4.77%	n/a	30.670				
1201 INV FAILING2 INI 1.2.% INI 0.001 0.000123 0.000123 1285 Vulanont Industries, Inc. VMI 0.85% n/a 5.020 1286 Vulanont Industries, Inc. VMI 0.85% n/a 0.918 1288 Vornado Realty Trust VNO 4.87% n/a 8.346 1289 Vornado Realty Trust VNO 4.87% n/a 8.346 <	1205	INV VK HLINC2	VLU	7 07%	11/a n/a	0.00/0				
12.0517.0517.0512.7512.7510.001700.001100.0000100.0000100.0000100.0000100.0000100.00001100.00001100.00001100.0001100.0001100.0001100.0001100.0001100.0001100.0001100.0001100.00010100.00111100.00111100.00111100.00111100.00111100.00111100.0011110	1285	Vulcan Materials Co	VMC	0.86%	17 20%	22 753	22 75	0.0014	0.000012	0.000239
1200 TMINON WA MUNOPP VMO 4.87% n/a 0.918 1288 INV VK MUNOPP VMO 4.87% n/a 0.8346 1289 Vanguard Real Estate ETF VNQ 3.15% n/a 0.082	1286	Valmont Industries Inc	VMI	0.85%	n/a	5 020		0.0014	0.000012	0.000237
1258 Vinda Realty Trust VNO 4.87% n/a 8.346 1289 Vanguard Real Estate ETF VNQ 3.15% n/a 8.346	1287	INV VK MUN OPP	VMO	4 69%	n/a	0.918				
1289 Vanguard Real Estate ETF VNQ 3.15% n/n 4 2.885 1290 Vontier Corp. VNQ 3.33% n/a 42.885 1291 VOC Energy Trust VOC 13.33% n/a 0.082 1292 Voya Financial, Inc. VOYA 13.33% n/a 0.0317 1293 Veriv Holdings Co. VRT 0.04% 19.80% 8.374 8.37 0.0005 0.00000 0.001011 1295 Veriv Holdings Co. VRT 0.04% 19.80% 8.212 8.21 0.0005 0.00000 0.001011 1296 Vishay Intertechnology, Inc. VST 3.53% 19.80% 8.212 8.21 0.0005 0.00000 0.000101 1297 Vistra Corp. VTR 3.23% n/a 2.737	1288	Vornado Realty Trust	VNO	4.87%	n/a	8 346				
1210 Vontier Corp. VNT 0.30% 6.78% 5.702 5.70 0.0003 0.00001 0.00024 1291 VOC Energy Trust VOC 13.33% n/a 0.082 <td>1289</td> <td>Vanguard Real Estate ETF</td> <td>VNO</td> <td>3.15%</td> <td>n/a</td> <td>42.885</td> <td></td> <td></td> <td></td> <td></td>	1289	Vanguard Real Estate ETF	VNO	3.15%	n/a	42.885				
1291 VOC 13.33% n/a 0.082 1292 Voya Financial, Inc. VOYA 1.06% 34.70% 7.059 1293 INV KR PA VALU VPV 4.51% n/a 0.671 1294 Verso Corp. VRS 1.95% n/a 0.671 1295 Verity Holdings Co. VRT 0.04% 19.80% 8.374 8.37 0.0005 0.000018 0.000099 1295 Vistar Corp. VST 3.53% 19.80% 8.212 8.21 0.0005 0.00018 0.000099 1298 Vanguard Total Stock Market ETF VTI 1.29% n/a 25.837 1.00 Ventas, Inc. VTR 3.15% n/a 0.263 1.01 29% n/a 5.636 225.64 0.0138 0.000636 0.000500 1.030 1.267	1290	Vontier Corp.	VNT	0.30%	6.78%	5.702	5.70	0.0003	0.000001	0.000024
1292 Voya Financial, Inc. VOYA 1.06% 34.70% 7.059 1293 INV VK PA VALU VPV 4.51% n/a 0.317 1294 Verso Corp. VRS 1.95% n/a 0.671 1295 Verity Holdings Co. VRT 0.04% 19.80% 8.374 8.70 0.0005 0.00009 0.00011 1296 Vishay Intertechnology, Inc. VSH 1.87% 23.90% 2.934 1297 Vistra Corp. VST 3.53% 19.80% 8.212 0.0005 0.000018 0.000991 1298 Vanguard Total Stock Market ETF VTI 4.15% n/a 0.263 1300 Velvoline Inc. VTV 1.5% n/a 5.737 1303 Velzon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000050 1304 <t< td=""><td>1291</td><td>VOC Energy Trust</td><td>VOC</td><td>13.33%</td><td>n/a</td><td>0.082</td><td></td><td></td><td></td><td></td></t<>	1291	VOC Energy Trust	VOC	13.33%	n/a	0.082				
1293 NV VK PA VALU VPV 4.51% n/a 0.317 1294 Verso Corp. VRS 1.95% n/a 0.671 1295 Vertiv Holdings Co. VRT 0.04% 19.80% 8.374 8.37 0.0005 0.000000 0.000101 1295 Vista Corp. VST 3.53% 19.80% 8.212 8.21 0.005 0.00018 0.000099 1298 Vaguard Total Stock Market ETF VTI 1.29% n/a 258.827 1299 INV VK INVT NY VTN 4.15% n/a 0.263 1300 Ventas, Inc. VTN 4.15% n/a 5.737 1.30 Valvoline Inc. VZ 4.61% 3.63% 225.636 225.64 0.018 0.000636 0.000500 0.0013 0.00274	1292	Voya Financial, Inc.	VOYA	1.06%	34.70%	7.059				
1294Verso Corp.VRS 1.95% n/a 0.671 $$ $$ $$ $$ 1295Veriv Holdings Co.VRT 0.04% 19.80% 8.374 8.37 0.0005 0.00000 0.000101 1296Vistay Intertechnology, Inc.VSH 1.87% 23.90% 2.934 $$ $$ $$ $$ 1297Vistra Corp.VST 3.53% 19.80% 8.212 8.21 0.0005 0.00018 0.00099 1298Vanguard Total Stock Market ETFVTI 1.29% n/a 258.827 $$ $$ $$ $$ 1209INV VK INVT NYVTN 4.15% n/a 256.33 $$ $$ $$ $$ $$ 1300Ventas, Inc.VTV 1.58% n/a 5.737 $$ $$ $$ $$ $$ 1301Valvoline Inc.VTV 1.58% n/a 5.737 $$ $$ $$ $$ 1303Verizon Communications Inc.VZ 4.61% 3.63% 225.64 0.0138 0.00636 0.000504 1304Western Alliance BancorporationWAL 1.29% $n'a$ 16.820 $$ $$ $$ $$ 1305Western Alliance BancorporationWAL 1.29% $n'a$ 16.820 $$ $$ $$ $$ 1306Wester Gonp, Inc.WD 1.72% $n'a$ 3.238 3.238 0.0020 0.00013 0.000274	1293	INV VK PA VALU	VPV	4.51%	n/a	0.317				
1295 Vertiv Holdings Co. VRT 0.04% 19.80% 8.374 8.37 0.0005 0.000001 1296 Vishay Intertechnology, Inc. VSH 1.87% 23.90% 2.934 1297 Vistra Corp. VST 3.53% 19.80% 8.212 8.21 0.0005 0.000018 0.000099 1298 Vanguard Total Stock Market ETF VTI 1.29% n/a 258.827 1200 Ventas, Inc. VTR 3.20% -10.90% 21.409 1301 Valouine Inc. VTR 3.20% -10.90% 21.409 1302 Vanguard FTSE Emerging Markets ETF VWO 2.27% n/a 77.435 1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 68.859 <td>1294</td> <td>Verso Corp.</td> <td>VRS</td> <td>1.95%</td> <td>n/a</td> <td>0.671</td> <td></td> <td></td> <td></td> <td></td>	1294	Verso Corp.	VRS	1.95%	n/a	0.671				
1296 Vishay Intercennology, Inc. VSH 1.87% 23.90% 2.934 1297 Vistra Corp. VST 3.53% 19.80% 8.212 8.21 0.0005 0.000018 0.000099 1298 Vanguard Total Stock Market ETF VTI 1.29% n/a 258.827 1299 INV K INVT NY VTR 3.20% -10.90% 21.409 1301 Valvoline Inc. VTR 3.20% -10.90% 21.409 1302 Ventas, Inc. VTR 3.20% n/a 5.737 1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 16.820 1305 Wester Alliance Bancorporation WAL 1.29% n/a 11.267	1295	Vertiv Holdings Co.	VRT	0.04%	19.80%	8.374	8.37	0.0005	0.000000	0.000101
1297 Vistra Corp. VST 3.53% 19.80% 8.212 8.21 0.0005 0.000018 0.000099 1298 Vanguard Total Stock Market ETF VTI 1.29% n/a 258.827 1-10 1299 INV VK INVT NY VTN 4.15% n/a 0.263 1	1296	Vishay Intertechnology, Inc.	VSH	1.87%	23.90%	2.934				
1298 Vanguard Total Stock Market ETF VTI 1.29% n/a 258.827 1299 INV VK INVT NY VTN 4.15% n/a 0.263 1300 Ventas, Inc. VTR 3.20% -10.90% 21.409 1301 Valvoline Inc. VVV 1.58% n/a 5.737 1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 16.820 1305 Wester Alliance Bancorporation WAL 1.29% n/a 16.820 1306 Westinghouse Air Brake Technologies Corp. WBK 4.69% n/a 68.859 1306 Wester Financial Corp. WBS 2.84% n/a 5.100 <tr< td=""><td>1297</td><td>Vistra Corp.</td><td>VST</td><td>3.53%</td><td>19.80%</td><td>8.212</td><td>8.21</td><td>0.0005</td><td>0.000018</td><td>0.000099</td></tr<>	1297	Vistra Corp.	VST	3.53%	19.80%	8.212	8.21	0.0005	0.000018	0.000099
1299 INV VK INVT NY VTN 4.15% n/a 0.263 1300 Ventas, Inc. VTR 3.20% -10.90% 21.409 1301 Valvoline Inc. VTV 1.58% n/a 5.737 1302 Vanguard FTSE Emerging Markets ETF VWO 2.27% n/a 7.7435 1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 11.267 1306 Wester Alliance Bancorporation WAL 1.29% n/a 11.267 1306 Westpac Banking Corp. WBS 2.84% n/a 6.5100 1307 Wester Financial Corp. WBS 2.84% n/a 3.700 1308 Wate	1298	Vanguard Total Stock Market ETF	VTI	1.29%	n/a	258.827				
1300 Ventas, Inc. VTR 3.20% -10.90% 21.409 1301 Valvoline Inc. VVV 1.58% n/a 5.737 1302 Vanguard FTSE Emerging Markets ETF VWO 2.27% n/a 77.435 1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 16.820 1305 Western Alliance Bancorporation WAL 1.29% n/a 11.267 1306 Westpac Banking Corp. WBK 4.69% n/a 5.100 1309 Wester & Danlop, Inc. WD 1.72% n/a 3.700 </td <td>1299</td> <td>INV VK INVT NY</td> <td>VTN</td> <td>4.15%</td> <td>n/a</td> <td>0.263</td> <td></td> <td></td> <td></td> <td></td>	1299	INV VK INVT NY	VTN	4.15%	n/a	0.263				
1301 Valvoline Inc. VVV 1.58% n/a 5.737 1302 Vanguard FTSE Emerging Markets ETF VWO 2.27% n/a 77.435 1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 16.820 <	1300	Ventas, Inc.	VTR	3.20%	-10.90%	21.409				
1302 Vanguard FTSE Emerging Markets ETF VWO 2.27% n/a 77.435 1	1301	Valvoline Inc.	VVV	1.58%	n/a	5.737				
1303 Verizon Communications Inc. VZ 4.61% 3.63% 225.636 225.64 0.0138 0.000636 0.000500 1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 16.820 100 0.00013 0.000274 0.00013 0.000274 0.00013 0.000274 0.00013 0.000121 0.000112 0.000112 0.000112 0.000112 0.000112 0.000112 0.000112 0.000112 0.000124 0.00012	1302	Vanguard FTSE Emerging Markets ETF	VWO	2.27%	n/a	77.435				
1304 Westinghouse Air Brake Technologies Corp. WAB 0.54% n/a 16.820 1305 Western Alliance Bancorporation WAL 1.29% n/a 11.267 1306 Westpac Banking Corp. WBK 4.69% n/a 68.859 1307 Webster Financial Corp. WBS 2.84% n/a 5.100 1308 Waste Connections, Inc. WCN 0.66% 13.86% 32.383 32.38 0.0020 0.00013 0.000274 1309 Walker & Dunlop, Inc. WD 1.72% n/a 3.700 1310 WEC Energy Group, Inc. WEC 3.03% 6.50% 28.190 28.19 0.0017 0.00052 0.00112 1311 Welltower Inc. WEL 2.91% n/a 35.381 1313 Woori Bank WF 3.74% n/a 7.055 <td>1303</td> <td>Verizon Communications Inc.</td> <td>VZ</td> <td>4.61%</td> <td>3.63%</td> <td>225.636</td> <td>225.64</td> <td>0.0138</td> <td>0.000636</td> <td>0.000500</td>	1303	Verizon Communications Inc.	VZ	4.61%	3.63%	225.636	225.64	0.0138	0.000636	0.000500
1305 Western Alliance Bancorporation WAL 1.29% n/a 11.267 1	1304	Westinghouse Air Brake Technologies Corp.	WAB	0.54%	n/a	16.820				
1306 Westpac Banking Corp. WBK 4.69% n/a 68.859 1307 Webster Financial Corp. WBS 2.84% n/a 5.100 1308 Waste Connections, Inc. WCN 0.66% 13.86% 32.383 32.38 0.0020 0.000013 0.000274 1309 Walker & Dunlop, Inc. WD 1.72% n/a 3.700 1310 WEC Energy Group, Inc. WEC 3.03% 6.50% 28.190 28.19 0.0017 0.00052 0.000112 1311 Welltower Inc. WEL 2.91% n/a 35.381 1312 Western Midstream Partners, LP WES 5.72% n/a 9.212 1313 Woori Bank WF 3.74% n/a 7.055 1314 Wells Fargo & Co. WFG 0.94% n/a 8.889	1305	Western Alliance Bancorporation	WAL	1.29%	n/a	11.267				
1307Webster Financial Corp.WBS2.84%n/a5.1001308Waste Connections, Inc.WCN0.66%13.86%32.38332.380.00200.0000130.0002741309Walker & Dunlop, Inc.WD1.72%n/a3.7001310WEC Energy Group, Inc.WEC3.03%6.50%28.19028.190.00170.0000520.0001121311Weltower Inc.WEL2.91%n/a35.3811312Western Midstream Partners, LPWES5.72%n/a9.2121313Woori BankWF3.74%n/a7.0551314Wells Fargo & Co.WFC1.70%114.26%193.0831315West Fraser Timber Co. Ltd.WFG0.94%n/a8.889	1306	Westpac Banking Corp.	WBK	4.69%	n/a	68.859				
1308Waste Connections, Inc.WCN0.66%13.86%32.38332.380.00200.0000130.0002741309Walker & Dunlop, Inc.WD1.72%n/a3.7001310WEC Energy Group, Inc.WEC3.03%6.50%28.19028.190.00170.0000520.0001121311Welltower Inc.WEC3.03%6.50%28.19028.190.00170.0000520.0001121311Welltower Inc.WELL2.91%n/a35.3811312Western Midstream Partners, LPWES5.72%n/a9.2121313Woori BankWF3.74%n/a7.0551314Wells Fargo & Co.WFC1.70%114.26%193.0831315West Fraser Timber Co. Ltd.WFG0.94%n/a8.8891316Winnebago Industries, Inc.WGO0.92%n/a2.6391317Wyndham Hotels & Resorts Inc.WH1.19%n/a7.5521318Cactus, Inc.WHD0.98%41.20%3.096<	1307	Webster Financial Corp.	WBS	2.84%	n/a	5.100				
1309 Walker & Dunlop, Inc. WD 1.72% n/a 5.700 <t< td=""><td>1308</td><td>Waste Connections, Inc.</td><td>WCN</td><td>0.66%</td><td>13.86%</td><td>32.383</td><td>32.38</td><td>0.0020</td><td>0.000013</td><td>0.000274</td></t<>	1308	Waste Connections, Inc.	WCN	0.66%	13.86%	32.383	32.38	0.0020	0.000013	0.000274
1310 WEC Energy Group, Inc. WEC 3.03% 6.50% 28.190 28.19 0.0017 0.000052 0.000112 1311 Welltower Inc. WELL 2.91% n/a 35.381 1312 Western Midstream Partners, LP WES 5.72% n/a 9.212 1313 Woori Bank WF 3.74% n/a 7.055 1314 Wells Fargo & Co. WFC 1.70% 114.26% 193.083 1315 West Fraser Timber Co. Ltd. WFG 0.94% n/a 8.889 1316 Winnebago Industries, Inc. WGO 0.92% n/a 2.639 1317 Wyndham Hotels & Resorts Inc. WH 1.19% n/a 7.552 1318 Cactus, Inc. WHD 0.98% 41.20% 3.096 -	1309	Walker & Dunlop, Inc.	WD	1.72%	n/a	3.700				
1311 Welltower Inc. WELL 2.91% n/a 35.381 131 Woori Bank WF 3.74% n/a 7.055 131 Wells Fargo & Co. WFC 1.70% 114.26% 193.083 131 1315 West Fraser Timber Co. Ltd. WFG 0.94% n/a 2.639 -	1310	WEC Energy Group, Inc.	WEC	3.03%	6.50%	28.190	28.19	0.0017	0.000052	0.000112
1312 Western Midstream Partners, LP WES 5.72% n/a 9.212 131 Start St	1311	Welltower Inc.	WELL	2.91%	n/a	35.381				
1315 WOT Balk WF 5.74% ft/a 7.055 1314 Wells Fargo & Co. WFC 1.70% 114.26% 193.083 1315 West Fraser Timber Co. Ltd. WFG 0.94% n/a 8.889 1316 Winnebago Industries, Inc. WGO 0.92% n/a 2.639 1317 Wyndham Hotels & Resorts Inc. WH 1.19% n/a 7.552 1318 Cactus, Inc. WHD 0.98% 41.20% 3.096 1 1 1 1 1 1 1 1 1318 Westwood Holdings Group Inc WHG 2.06% n/a 0.162 <	1312	Weeri Park	WES	5.12% 2.74%	n/a	9.212				
1314 Werk Fargo & Co. WFC 1.70% 114.20% 195.085 1315 West Fraser Timber Co. Ltd. WFG 0.94% n/a 8.889 1316 Winnebago Industries, Inc. WH 1.19% n/a 7.552 1318 Cactus, Inc. WHD 0.98% 41.20% 3.096 1 1 1 1 1 1319 Westwood Holdings Group Inc WHG 2.06% n/a 0.162	1313	Wolls Farge & Co	WEC	3.74% 1.70%	n/a	102.092				
1315 West Praser Finder Co. Edu. WFG 0.94% II/a 8.889 1317 Wyndham Hotels & Resorts Inc. WH 1.19% n/a 7.552 1318 Cactus, Inc. WHD 0.98% 41.20% 3.096	1214	West Frager Timber Co. 1 td	WEC	1.70%	114.20%	173.083				
1316 Will Coago Industries, Inc. WGO 0.5270 II/a 2.059 <t< td=""><td>1313</td><td>Winnebago Industrias Inc</td><td>WCO</td><td>0.94%</td><td>n/a</td><td>0.009</td><td></td><td></td><td></td><td></td></t<>	1313	Winnebago Industrias Inc	WCO	0.94%	n/a	0.009				
1317 Will 1.1770 11/a 7.352 1318 Cactus, Inc. WHD 0.98% 41.20% 3.096 1319 Westwood Holdings Group Inc WHG 2.06% n/a 0.162	1310	Wyndham Hotels & Resorts Inc.	WUU WH	0.92%	11/a	2.039 7 552				
1319 Westwood Holdings Group Inc WHG 2.06% n/a 0.162	1318	Cactus Inc	WHD	0.98%	41 20%	3 096				
	1319	Westwood Holdings Group Inc	WHG	2.06%	n/9	0.162				
1320 Whirlpool Corp. WHR 2.73% 8.10% 12.875 12.87 0.0008 0.000021 0.000064	1320	Whirlpool Corp.	WHR	2.73%	8.10%	12.875	12.87	0.0008	0.000021	0.000064

N	IYSE / IBES (a)		(b)	(b)	(b)				
					Market			Weig	hted
			Dividend	IBES	Сар		-	Dividend	Growth
	Company	Ticker	Yield	Growth	(\$bil.)	Mkt. Cap.	Weight	Yield	Rate
1321	Wipro Ltd.	WIT	0.14%	9.00%	50.383	50.38	0.0031	0.000004	0.000277
1322	Westlake Chemical Corp.	WLK	1.26%	49.70%	12.068				
1323	Westlake Chemical Partners LP	WLKP	7.73%	8.50%	0.859	0.86	0.0001	0.000004	0.000004
1324	Waste Mgmt., Inc.	WM	1.55%	14.57%	62.672	62.67	0.0038	0.000059	0.000558
1325	Williams Cos., Inc. The	WMB	6.00%	n/a	33.217				
1326	Western Asset Mortgage Capital Corp.	WMC	9.38%	n/a	0.156				
1327	Weis Markets, Inc.	WMK	2.33%	n/a	1.431				
1328	Advanced Drainage Systems, Inc.	WMS	0.40%	n/a	7.671				
1329	Walmart Inc.	WMT	1.62%	8.00%	378.483	378.48	0.0231	0.000375	0.001849
1330	Wabash National Corp.	WNC	2.01%	n/a	0.796				
1331	Worthington Industries, Inc.	WOR	2.03%	n/a	2.851				
1332	W P Carey Inc	WPC	5.62%	n/a	13 793				
1333	Wheaton Precious Metals Corn	WPM	1.61%	7 30%	16 835	16 84	0.0010	0.000017	0.000075
1334	WPP PLC	WPP	2.89%	n/a	16.057				
1335	W R Berkley Corn	WRB	0.70%	9.00%	13 132	13 13	0.0008	0.000006	0.000072
1336	Washington Real Estate Investment Trust	WRE	2 64%	n/a	2 176				
1337	WestRock Co	WRK	1.87%	26 55%	13 689				
1338	WilliamsSonoma Inc	WSM	1.39%	14 05%	12 649	12 65	0.0008	0.000011	0.000109
1330	Watsco Inc	WSO	2 92%	n/a	10 357	12.05	0.0000	0.000011	0.000109
1340	Watsco, Inc.	WSO B	2.92%	n/a	10.336				
1341	Whitestone REIT	WSR	4 30%	n/a	0.428				
1342	West Pharmaceutical Services Inc	WSR	4.30% 0.17%	27 30%	30 318				
1342	White Mountains Insurance Group I td	WTM	0.17%	27.3070 n/a	3 202				
1343	Essential Utilities Inc.	WTRG	2 20%	n/a	11 531				
1344	Watts Water Technologies Inc.	WTS	0.62%	8 00%	5 674	5 67	0.0003	0.000002	0.000028
1345	The Western Union Co	WIS	1 58%	0.00%	8 342	9.07 8.34	0.0005	0.000002	0.000028
1247	World Wrestling Entertainment Inc.	WWE	4.58%	16.00%	4 200	4 20	0.0003	0.000023	0.000040
1240	Wolverine World Wide, Inc.		1 2004	10.90%	2 522	4.37	0.0005	0.000002	0.000045
1240	Weiverheeuser Co		1.50%	n/a	2.333				
1250	United States Steel Corn	V I V	0.190%	n/a	20.762				
1251	SDDD S & D Diotoch ETE	A VDI	0.10%	n/a	7.075				
1252	SFDK S&F BIOlecti E1F Vinyuan Boal Estata Co I td	ADI VIN	0.10%	n/a	0.003				
1252	Anyuan Real Estate Co Ltu Matariala Salaat Saatar SDDP ETE		1.50%	n/a	0.095				
1253	Financial Select Sector SPDR ETF	ALD VI E	1.74%	n/a	1.379				
1334		ALF VLU	1.00%	n/a	41.207				
1333	Utilities Select Sector SPDR ETF	ALU VLV	3.05% 0.61%	n/a	12.277				
1350	Consumer Discrin Select Sector SPDR EIF		0.61%	n/a	19.0//				
1357	SPDR S&P Metals & Mining EIF	XME	0.73%	n/a	1./54				
1358	Exxon Mobil Corp.	XOM	5.64%	n/a	261.296				
1359	Xylem Inc.	XYL	0.94%	21.89%	21.493				
1360	Yum Brands, Inc.	YUM	1.63%	15.54%	36.376	36.38	0.0022	0.000036	0.000345
1361	Yum China Holdings Inc.	YUMC	0.83%	13.07%	24.369	24.37	0.0015	0.000012	0.000195
1362	Zimmer Biomet Holdings, Inc.	ZBH	0.65%	11.24%	30.643	30.64	0.0019	0.000012	0.000211
1363	Virtus Total Return Fund Inc.	ZTR	10.20%	n/a	0.447				
1364	Zoetis Inc.	ZTS	0.52%	12.70%	91.798	91.80	0.0056	0.000029	0.000712
						16,367.90	1.0000		

Weighted Average

2.28% 11.31%

n/a Not Available

(a) www.zacks.com (retrieved Oct. 5, 2021).

(b) IBES growth rates from Refinitiv, as provided by www.fidelity.com (retrieved Oct. 5, 2021). Eliminated growth rates greater than 20%, as well as all negative values.

EXHIBIT NO. NMPC-307

HISTORICAL BOND YIELDS

Current Equity Risk Premium	
(a) Average Yield Over Study Period	5.38%
(b) Baa Utility Bond Yield	3.36%
Change in Bond Yield	-2.02%
(c) Risk Premium/Interest Rate Relationship Adjustment to Average Risk Premium	<u>-0.6709</u> 1.35%
(a) Average Risk Premium over Study Period	<u>4.87%</u>
Adjusted Risk Premium	6.23%

Implied Cost of Equity

(b) Baa Utility Bond Yield	3.36%
Adjusted Equity Risk Premium	<u>6.23%</u>
Risk Premium Cost of Equity	9.59%

- (a) See Exhibit No. NMPC-307, pp. 2-4.
- (b) Six-month average yield for Apr. 2021 to Sep. 2021 based on data from Moody's Investors Service, www.moodys.credittrends.com.
- (c) See Exhibit No. NMPC-307, p. 5.

ALLOWED ROE

			Baa	Implied	
			Base	Bond	Risk
Date	Docket No.	Utility	ROE	Yield	Premium
Feb-06	ER05-515	Baltimore Gas & Elec.	10.80%	6.07%	4.73%
Feb-06	ER05-515	Baltimore Gas & Elec.	11.30%	6.07%	5.23%
Jun-06	ER05-925	Westar Energy Inc.	10.80%	6.36%	4.44%
Feb-07	ER07-284	San Diego Gas & Elec.	11.35%	6.14%	5.21%
May-07	ER06-787	Idaho Power Co.	10.70%	6.15%	4.55%
May-07	ER06-1320	Wisconsin Elec. Pwr. Co.	11.00%	6.15%	4.85%
Sep-07	EL06-109	Duquesne Light Co.	10.90%	6.41%	4.49%
Sep-07	ER07-583	Commonwealth Edison Co.	11.00%	6.41%	4.59%
Oct-07	ER08-92	Virginia Elec. & Power Co.	10.90%	6.43%	4.47%
Nov-07	ER08-374	Atlantic Path 15	10.65%	6.44%	4.21%
Nov-07	ER08-396	Westar Energy Inc.	10.80%	6.44%	4.36%
Nov-07	ER08-413	Startrans IO, LLC	10.65%	6.44%	4.21%
Nov-07	ER08-375	So. Cal Edison	10.55%	6.44%	4.11%
Jan-08	ER08-686	Pepco Holdings, Inc.	11.30%	6.41%	4.89%
Feb-08	ER07-562	Trans-Allegheny	11.20%	6.42%	4.78%
Apr-08	ER07-1142	Arizona Public Service Co.	10.75%	6.54%	4.21%
May-08	ER08-1207	Virginia Elec. & Power Co.	10.90%	6.62%	4.28%
May-08	ER08-1233	Public Service Elec. & Gas	11.18%	6.62%	4.56%
Jun-08	ER08-1402	Duquesne Light Co.	10.90%	6.69%	4.21%
Jun-08	ER08-1423	Pepco Holdings, Inc.	10.80%	6.69%	4.11%
Jul-08	ER09-35/36	Tallgrass / Prairie Wind	10.80%	6.80%	4.00%
Sep-08	ER09-249	Public Service Elec. & Gas	11.18%	6.94%	4.24%
Sep-08	ER09-187	So. Cal Edison	10.53%	6.94%	3.59%
Sep-08	ER09-548	ITC Great Plains	10.66%	6.94%	3.72%
Sep-08	ER09-75	Pioneer Transmission	10.54%	6.94%	3.60%
Nov-08	ER08-1584	Black Hills Power Co.	10.80%	7.60%	3.20%
Dec-08	ER09-745	Baltimore Gas & Elec.	10.80%	7.80%	3.00%
Jan-09	ER07-1069	AEP - SPP Zone	10.70%	7.95%	2.75%
Jan-09	ER09-681	Green Power Express	10.78%	7.95%	2.83%
Mar-09	ER08-281	Oklahoma Gas & Elec.	10.60%	8.22%	2.38%
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.10%	8.13%	2.97%
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.14%	8.13%	3.01%
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.18%	8.13%	3.05%
Apr-09	ER08-1588	Kentucky Utilities Co.	11.00%	8.13%	2.87%
Jul-09	ER08-552	Niagara Mohawk Pwr. Co.	11.00%	7.62%	3.38%
Aug-09	ER08-313	Southwestern Public Service Co.	10.77%	7.39%	3.38%
Aug-09	ER09-628	National Grid Generation LLC	10.75%	7.08%	3.67%
Sep-09	ER10-160	So. Cal Edison	10.33%	7.08%	3.25%
Mar-10	ER08-1329	AEP - PJM Zone	10.99%	6.20%	4.79%
Aug-10	ER10-230	Kansas City Power & Light Co.	10.60%	6.05%	4.55%
Aug-10	ER10-355	AEP Transcos - PJM	10.99%	6.05%	4.94%
Aug-10	ER10-355	AEP Transcos - SPP	10.70%	6.05%	4.65%
Sep-10	ER11-1952	So. Cal Edison	10.30%	5.93%	4.37%
Oct-10	EL11-13	Atlantic Grid Operations	10.09%	5.84%	4.25%

				Baa	Implied
			Base	Bond	Risk
Date	Docket No.	Utility	ROE	Yield	Premium
Oct-10	ER11-2895	Duke Energy Carolinas	10.20%	5.84%	4.36%
Nov-10	ER11-2377	Northern Pass Transmission	10.40%	5.79%	4.61%
Mar-11	ER10-1377	Northern States Power Co. (MN)	10.40%	5.94%	4.46%
Apr-11	ER10-516	South Carolina Elec. & Gas	10.55%	6.00%	4.55%
Apr-11	ER10-992	Northern States Power Co.	10.20%	6.00%	4.20%
May-11	ER11-4069	RITELine	9.93%	5.98%	3.95%
Aug-11	ER12-296	PJM & PSE&G	11.18%	5.71%	5.47%
Sep-11	ER08-386	PATH	10.40%	5.57%	4.83%
Dec-11	ER11-2560	Entergy Arkansas	10.20%	5.21%	4.99%
Mar-12	ER12-2300	Public Service Co. of Colorado	10.25%	5.08%	5.17%
Mar-12	ER11-2853	Public Service Co. of Colorado	10.10%	5.08%	5.02%
Mar-12	ER11-2853	Public Service Co. of Colorado	10.40%	5.08%	5.32%
Nov-12	ER12-1378	Cleco Power LLC	10.50%	4.74%	5.76%
Jan-13	ER12-778	Puget Sound Energy	9.80%	4.65%	5.15%
Jan-13	ER12-778	Puget Sound Energy - PSANI	10.30%	4.65%	5.65%
Jan-13	ER12-2554	Transource Missouri	9.80%	4.65%	5.15%
Feb-13	ER11-3643	PacifiCorp	9.80%	4.62%	5.18%
Feb-13	ER12-1650	Maine Public Service Co.	9.75%	4.62%	5.13%
Jul-13	ER11-3697	So. Cal Edison	9.30%	4.82%	4.48%
Jan-14	ER13-941	San Diego Gas & Electric	9.55%	5.22%	4.33%
Aug-14	ER12-1589	Public Service Co. of Colorado	9.72%	4.76%	4.96%
Sep-14	ER12-91	Duke Energy Ohio	10.88%	4.73%	6.15%
Nov-14	ER13-1508	Entergy Arkansas	10.37%	4.71%	5.66%
Jan-15	EL12-101	Niagara Mohawk Power Corp.	9.80%	4.66%	5.14%
Feb-15	ER13-685	Public Service Company of New Mexico	10.00%	4.62%	5.38%
Mar-15	ER14-1661	MidAmerican Central Calif. Transco	9.80%	4.58%	5.22%
May-15	EL14-93	Westar Energy	9.80%	4.58%	5.22%
Jun-15	ER15-303	American Transmission Systems, Inc.	9.88%	4.65%	5.23%
Jun-15	EL12-39	Duke Energy Florida	10.00%	4.65%	5.35%
Jun-15	ER15-303	American Transmission Systems, Inc.	10.56%	4.65%	5.91%
Jun-15	EL14-12	MISO Complaint I	10.02%	4.65%	5.37%
Jul-15	ER14-192	Southwestern Public Service Co.	10.00%	4.79%	5.21%
Jul-15	ER13-2428	Kentucky Utilities Co.	10.25%	4.79%	5.46%
Sep-15	ER14-2751	Xcel Energy Southwest Trans. Co. (Gen)	10.20%	5.07%	5.13%
Sep-15	ER14-2751	Xcel Energy Southwest Trans. Co. (Zn 11)	10.00%	5.07%	4.93%
Oct-15	EL15-27	Baltimore G&E / Pepco Holdings, Inc.	10.00%	5.23%	4.77%
Oct-15	ER15-572	New York Transco LLC	9.50%	5.23%	4.27%
Dec-15	ER15-2237	Kanstar Transmission, LLC	9.80%	5.41%	4.39%
Dec-15	ER15-2114	Transource West Virginia, LLC	10.00%	5.41%	4.59%
Jan-16	ER15-1809	ATX Southwest, LLC	9.90%	5.46%	4.44%
Mar-16	ER15-958	Transource Kansas, LLC	9.80%	5.41%	4.39%
Jul-16	EL16-30	Duke Energy Carolinas	10.00%	4.73%	5.27%
Jul-16	ER15-1682	TransCanyon DCR, LLC	9.80%	4.73%	5.07%
Jul-16	ER15-2069	NorthWestern Corp.	9.65%	4.73%	4.92%

				Baa	Implied
			Base	Bond	Risk
Date	Docket No.	Utility	ROE	Yield	Premium
Aug-16	ER15-2239	NextEra Energy Transmission West	9.70%	4.55%	5.15%
Aug-16	ER16-453	Northeast Transmission Development	9.85%	4.55%	5.30%
Sep-16	ER15-2594	South Central MCN LLC	9.80%	4.41%	5.39%
May-17	ER15-1429	Emera Maine	9.60%	4.60%	5.00%
Jul-17	ER15-572	New York Transco, LLC	9.65%	4.48%	5.17%
Aug-17	ER17-856	Rockland Electric Co.	9.50%	4.42%	5.08%
Sep-17	ER17-211	Mid-Atlantic Interstate Transmission	9.80%	4.36%	5.44%
Sep-17	ER17-419	Transource Pennsylvania/Maryland, LLC	9.90%	4.36%	5.54%
Nov-17	ER16-2720	NextEra Energy Trans. Southwest LLC	9.80%	4.26%	5.54%
Feb-18	ER16-2716	NextEra Energy Trans. MidAtlantic, LLC	9.60%	4.23%	5.37%
Feb-18	ER17-706	GridLiance West Transco LLC	9.60%	4.23%	5.37%
Feb-18	EL17-13	AEP East Cos.	9.85%	4.23%	5.62%
Mar-18	ER17-135	DesertLink, LLC	9.30%	4.28%	5.02%
Apr-18	ER16-2719	NextEra Energy Trans. New York LLC	9.65%	4.33%	5.32%
Sep-18	ER18-1639	Constellation Mystic Power, LLC	9.33%	4.68%	4.65%
Nov-18	ER18-1225	Southwestern Electric Power Co.	10.10%	4.78%	5.32%
Nov-18	ER19-605	Republic Transmission, LLC	9.30%	4.78%	4.52%
Feb-19	ER19-1396	AEP West Cos.	10.00%	4.88%	5.12%
Feb-19	ER19-1427	Alabama Power Co.	10.60%	4.88%	5.72%
Apr-19	EL18-58	Oklahoma G&E	10.00%	4.81%	5.19%
May-19	ER18-1953	Gulf Power Co.	10.25%	4.71%	5.54%
Jun-19	ER17-1519	PECO	9.85%	4.61%	5.24%
Aug-19	ER18-169-002	Southern California Edison	9.70%	4.29%	5.41%
Sep-19	ER19-221	San Diego Gas & Electric Co.	10.10%	4.13%	5.97%
Feb-20	ER19-697-001	Cheyenne Light, Fuel and Power	9.90%	3.66%	6.24%
Jun-20	ER19-1553	Southern California Edison Co.	9.80%	3.65%	6.15%
Sep-20	ER19-13	Pacific Gas & Electric Co.	9.95%	3.37%	6.58%
Oct-20	ER19-1756	NorthWestern Corp.	9.65%	3.28%	6.37%
Nov-20	ER20-1150	Dayton Power and Light Co.	9.85%	3.20%	6.65%
Dec-20	ER21-2198	Avista Corp.	9.60%	3.14%	6.46%
Jan-21	ER20-227	Jersey Central Power & Light Co.	9.70%	3.15%	6.55%
Feb-21	ER21-1319	Duke Energy Progress	9.85%	3.20%	6.65%
Jun-21	ER21-2450	Public Service Elec. & Gas Co.	9.90%	3.47%	6.43%
Jul-21	ER21-1065	TransCanvon Western Development, LLC	9.90%	3.48%	6.42%
Jul-21	ER21-669	Morongo Transmission LLC	9.30%	3.48%	5.82%
Jul-21	EL20-48	PPL Elec. Utilities Corp.	9.90%	3.48%	6.42%
Jul-21	EL20-48	PPL Elec. Utilities Corp.	9.95%	3.48%	6.47%
Jul-21	EL20-48	PPL Elec. Utilities Corp.	10.00%	3.48%	6.52%
		Average	10.25%	5.38%	4.87%

REGRESSION RESULTS



SUMMARY OUTPUT

Regression Statistics								
Multiple R	0.928013198							
R Square	0.861208495							
Adjusted R Square	0.860080109							
Standard Error	0.003422766							
Observations	125							

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.008941389	0.008941389	763.221385	1.39095E-54
Residual	123	0.001440985	1.17153E-05		
Total	124	0.010382374			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.084776756	0.001345314	63.01634309	1.75511E-95	0.08211379	0.087439722	0.08211379	0.087439722
X Variable 1	-0.67094215	0.024286214	-27.62646168	1.39095E-54	-0.71901522	-0.62286908	-0.71901522	-0.622869078

ADJUSTMENTS TO DATC CASE SET

Date	Docket No.	Utility	Base ROE	Explanation
Cases A	dded to DATC	Case Set	-	1
May-08	ER08-1233	Public Service Elec. & Gas	11.18%	Original formula rate order. Commission accepted 11.18% ROE based on applicant's DCF analysis using May 2008 study period. 124 FERC ¶ 61,303 at P 1 (2008).
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.18%	Order authorized ROEs of 11.10%, 11.14%, and 11.18%. Opinion No. 569-B included 11.10% and 11.14% values. No basis to distinguish 11.18% or to exclude it because it applies to a future date.
Sep-15	ER14-2751	Xcel Energy Southwest Trans. Co. (Zn 11)	10.00%	Settlement specifies separate ROE for Zone 11 under SPP OATT. 153 FERC ¶ 63,019 (2015). Commission failed to include.
Sep-18	ER18-1639	Constellation Mystic Power, LLC	9.33%	Add observation corresponding to 176 FERC ¶ 61,019 (2021).
Apr-19	EL18-58	Oklahoma G&E	10.00%	Offer of Settlement dated 5/21/19. 167 FERC ¶ 63,048 (2019).
May-19	ER18-1953	Gulf Power Co.	10.25%	Offer of Settlement dated 6/20/19. 169 FERC ¶ 61,023 (2019).
Jun-19	ER17-1519	PECO	9.85%	Offer of Settlement dated 7/22/19. 168 FERC ¶ 63,038 (2019).
Aug-19	ER18-169-002	Southern California Edison	9.70%	Offer of Settlement dated 9/19/19. 169 FERC ¶ 63,009 (2019).
Sep-19	ER19-221	San Diego Gas & Electric Co.	10.10%	Offer of Settlement dated 10/18/19. 170 FERC ¶ 63,010 (2020).
Feb-20	ER19-697-001	Cheyenne Light, Fuel and Power	9.90%	Offer of Settlement dated 3/20/20. 171 FERC ¶ 63,012 (2020).
Jun-20	ER19-1553	Southern California Edison Co.	9.80%	Offer of Settlement dated 7/01/20. 172 FERC ¶ 63,011 (2020).
Sep-20	ER19-13	Pacific Gas & Electric Co.	9.95%	Offer of Settlement dated 10/15/20. 173 FERC ¶ 63,024 (2020).
Oct-20	ER19-1756	NorthWestern Corp.	9.65%	Offer of Settlement dated 11/16/20. 174 FERC ¶ 61,074 (2020).
Nov-20	ER20-1150	Dayton Power and Light Co.	9.85%	Offer of Settlement dated 12/10/20. 175 FERC ¶ 61,021 (2020).
Dec-20	ER21-2198	Avista Corp.	9.60%	Approved 9/30/21 based on study period ending Dec. 2020. 176 FERC ¶ 61,222 (2020).
Jan-21	ER20-227	Jersey Central Power & Light Co.	9.70%	Offer of Settlement dated 02/02/21. 175 FERC ¶ 61,023 (2020).
Feb-21	ER21-1319	Duke Energy Progress	9.85%	Offer of Settlement dated 03/10/21. 175 FERC ¶ 63,006 (2021).
Jun-21	ER21-2450	Public Service Elec. & Gas Co.	9.90%	Offer of Settlement dated 07/14/21. 177 FERC ¶ 61,115 (2021).
Jul-21	ER21-1065	TransCanyon Western Development, LLC	9.90%	Offer of Settlement dated 08/13/21. 176 FERC ¶ 63,025 (2021).
Jul-21	ER21-669	Morongo Transmission LLC	9.30%	Offer of Settlement dated 08/16/21. 178 FERC ¶ 61,062 (2021).
Jul-21	EL20-48	PPL Elec. Utilities Corp.	9.90%	Offer of Settlement dated 08/20/21. Effective 05/21/20-05/31/22. 176 FERC ¶ 63,028.
Jul-21	EL20-48	PPL Elec. Utilities Corp.	9.95%	Offer of Settlement dated 08/20/21 Effective 06/1/22-05/31/23. 176 FERC ¶ 63,028.
Jul-21	EL20-48	PPL Elec. Utilities Corp.	10.00%	Offer of Settlement dated 08/20/21 Effective 06/1/23. 176 FERC ¶ 63,028.
Cases R	emoved from D	ATC Case Set		
Dec-15	ER15-45	MISO Complaint II	10.05%	Remove ROE attributed to Complaint II, which was dismissed. No ROE was established or approved in that proceeding.
Jul-16	ER15-1976	East River	9.60%	Remove observation for publicly-owned entity.
Aug-16	ER16-835	NYPA	8.95%	Remove observation for publicly-owned entity.
Sep-16	ER15-1775	Basin Electric	9.60%	Remove observation for publicly-owned entity.
Jan-17	ER16-204	Tri-State	9.30%	Remove observation for publicly-owned entity.
Feb-17	ER16-209	Central Power	9.50%	Remove observation for publicly-owned entity.
Feb-17	ER16-1774	Western Farmers	8.77%	Remove observation for publicly-owned entity.
Feb-17	ER16-1546	Arkansas Electric	8.00%	Remove observation for publicly-owned entity.
Aug-17	ER17-426	Denison	9.60%	Remove observation for publicly-owned entity.
Nov-17	ER17-1610	Mountrail-Williams	9.60%	Remove observation for publicly-owned entity.
Nov-17	ER17-428	Vermillion	9.60%	Remove observation for publicly-owned entity.
Feb-19	ER19-1396	PSCo, SWPECo, AEP Oklahoma, et al.	10.00%	Remove duplicate observation previously reflected as "AEP West."
Other C	Corrections to D	ATC Case Set		

Sep-08 ER09-187 So. Cal Edison

10.53% Remove post-record period adjustment from 10.04% authorized ROE to match ROE with study period interest rate. 139 FERC ¶ 61,042 at P 41 (2012).

EXHIBIT NO. NMPC-308

EXPECTED EARNINGS APPROACH

ELECTRIC GROUP

	(a)	(b)	(c)	
	Expected Return	Adjustment	Adjusted Return	Break
Company	on Common Equity	Factor	on Common Equity	(B Pts)
1 Algonquin Pwr & Util	n/a	n/a	n/a	
2 Southern Company	14.00%	1.0251	14.35%	39
3 CMS Energy Corp.	13.50%	1.0342	13.96%	71
4 WEC Energy Group	13.00%	1.0196	13.25%	1
5 OGE Energy Corp.	13.00%	1.0181	13.24%	29
6 NextEra Energy, Inc.	12.50%	1.0357	12.95%	51
7 Dominion Energy	12.00%	1.0366	12.44%	10
8 Otter Tail Corp.	12.00%	1.0286	12.34%	37
9 Sempra Energy	11.50%	1.0405	11.97%	17
10 Entergy Corp.	11.50%	1.0259	11.80%	36
11 American Elec Pwr	11.00%	1.0403	11.44%	15
12 Xcel Energy Inc.	11.00%	1.0264	11.29%	4
13 Alliant Energy	11.00%	1.0229	11.25%	2
14 Pub Sv Enterprise Grp.	11.00%	1.0209	11.23%	
15 Ameren Corp.	10.50%	1.0410	10.93%	30
16 Eversource Energy	9.50%	1.0244	9.73%	120
17 IDACORP, Inc.	9.50%	1.0183	9.67%	6
18 Portland General Elec.	9.50%	1.0177	9.67%	0
19 Duke Energy Corp.	9.50%	1.0134	9.63%	4
20 Black Hills Corp.	9.00%	1.0331	9.30%	33
21 ALLETE	9.00%	1.0190	9.17%	13
22 Evergy Inc.	9.00%	1.0182	9.16%	1
23 NorthWestern Corp.	8.50%	1.0275	8.73%	43
24 Consolidated Edison	8.50%	1.0239	8.70%	3
25 Avista Corp.	8.00%	1.0278	8.22%	48
26 Pinnacle West Capital	8.00%	1.0222	8.18%	4
Lower End (d)			8.18%	
Upper End (d)			14.35%	
Median (d)			11.23%	
Midpoint			11.27%	
Median - All Values			11.23%	
Low-End Test (e)			5.66%	
High-End Test (f)			22.46%	

(a) The Value Line Investment Survey (Aug, 13, Sep. 10, and Oct. 22, 2021).

(b) Computed using the formula 2*(1+5-Yr. Change in Equity)/(2+5 Yr. Change in Equity).

(c) (a) x (b).

(d) Excludes highlighted values.

(e) Average Baa utility bond yield for six-months ending Sep. 2021, plus 20% of CAPM market risk premium.

(f) 200% of Median - All Values.

EXHIBIT NO. NMPC-309

CONSTANT GROWTH DCF MODEL

ELECTRIC GROUP

		(a)	(b)	(c)	(d)	
		6-mo. Avg		Adjusted		
		Dividend	EPS	Dividend	DCF	Break
	Company	Yield	Growth	Yield	Result	(b Pts)
1	Otter Tail Corp.	3.11%	9.00%	3.26%	12.26%	67
2	Algonquin Pwr & Util	3.97%	7.47%	4.12%	11.59%	85
3	Southern Company	4.10%	6.50%	4.24%	10.74%	4
4	Portland General Elec.	3.48%	7.10%	3.60%	10.70%	29
5	Ameren Corp.	2.61%	7.70%	2.71%	10.41%	3
6	NextEra Energy, Inc.	1.98%	8.32%	2.06%	10.38%	20
7	Avista Corp.	3.86%	6.20%	3.98%	10.18%	9
8	Dominion Energy	3.28%	6.70%	3.39%	10.09%	49
9	Eversource Energy	2.83%	6.68%	2.92%	9.60%	6
10	American Elec Pwr	3.41%	6.03%	3.51%	9.54%	6
11	WEC Energy Group	2.89%	6.50%	2.98%	9.48%	2
12	Xcel Energy Inc.	2.67%	6.70%	2.76%	9.46%	2
13	ALLETE	3.67%	5.67%	3.77%	9.44%	4
14	Entergy Corp.	3.60%	5.70%	3.70%	9.40%	4
15	Duke Energy Corp.	3.82%	5.45%	3.92%	9.37%	3
16	Evergy Inc.	3.34%	5.70%	3.44%	9.14%	23
17	OGE Energy Corp.	4.73%	3.90%	4.82%	8.72%	42
18	Alliant Energy	2.79%	5.80%	2.87%	8.67%	5
19	CMS Energy Corp.	2.80%	5.72%	2.88%	8.60%	7
20	NorthWestern Corp.	3.90%	4.50%	3.99%	8.49%	11
21	Black Hills Corp.	3.33%	4.67%	3.41%	8.08%	41
22	Sempra Energy	3.28%	4.30%	3.35%	7.65%	43
23	Consolidated Edison	4.10%	2.00%	4.14%	6.14%	151
24	IDACORP, Inc.	2.77%	3.20%	2.81%	6.01%	13
25	Pub Sv Enterprise Grp.	3.28%	2.30%	3.32%	5.62%	39
26	Pinnacle West Capital	4.05%	0.10%	4.05%	4.15%	147
	Lower End (e)				6.01%	
	Upper End (e)				12.26%	
	Median (e)				9.45%	
	Midpoint				9.14%	
	Median - All Values				9.42%	
	Low-End Test (f)				5.66%	
	High-End Test (g)				18.84%	

(a) Six-month average dividend yield for Apr. 2021 to Sep. 2021.

(b) www.finance.yahoo.com (retreived Oct. 15, 2021).

(c) Six-month average dividend yield x [1+ (EPS Growth Rate / 2)].

(e) Excludes highlighted values.

(f) Average Baa utility bond yield for six-months ending Sep. 2021, plus 20% of CAPM market risk premium.

(g) 200% of Median - All Values.

⁽d) (b) + (c)

EXHIBIT NO. NMPC-310

RISK MEASURES

NON-UTILITY PROXY GROUP

				(a)	(b)	(c)	(c)	(d)
				S&P	Moody's		Value Line	
				Corporate	Long-term	Safety	Financial	
	Company	SYM	Industry	Rating	Rating	Rank	Strength	Beta
1	3M Company	MMM	Diversified Co.	A+	A1	1	A++	0.95
2	Abbott Labs.	ABT	Med Supp Non-Invasive	A+	A2	1	A++	0.90
3	Air Products & Chem.	APD	Chemical (Diversified)	А	A2	1	A++	0.90
4	Amgen	AMGN	Biotechnology	A-	Baa1	1	A++	0.75
5	Analog Devices	ADI	Semiconductor	A-	A3	1	A+	0.95
6	Apple Inc.	AAPL	Computers/Peripherals	AA+	Aa1	1	A++	0.90
7	Baxter Int'l Inc.	BAX	Med Supp Invasive	A-	Baa1	1	A+	0.75
8	Becton, Dickinson	BDX	Med Supp Invasive	BBB	Baa3	1	A++	0.75
9	Bristol-Myers Squibb	BMY	Drug	A+	A2	1	A++	0.85
10	Church & Dwight	CHD	Household Products	BBB+	A3	1	A+	0.60
11	Cisco Systems	CSCO	Telecom. Equipment	AA-	A1	1	A++	0.90
12	CME Group	CME	Brokers & Exchanges	AA-	Aa3	1	A+	0.95
13	Coca-Cola	KO	Beverage	A+	A1	1	A++	0.90
14	Comcast Corp.	CMCS	Cable TV	A-	A3	1	A+	0.80
15	Costco Wholesale	COST	Retail Store	A+	Aa3	1	A++	0.60
16	Danaher Corp.	DHR	Diversified Co.	BBB+	Baa1	1	A+	0.80
17	Gen'l Mills	GIS	Food Processing	BBB	Baa2	1	A+	0.60
18	Hershey Co.	HSY	Food Processing	А	A1	1	A+	0.85
19	Hormel Foods	HRL	Food Processing	А	A1	1	A+	0.55
20	Hunt (J.B.)	JBHT	Trucking	BBB+	Baa1	1	A+	0.95
21	Intel Corp.	INTC	Semiconductor	A+	A1	1	A++	0.80
22	Int'l Flavors & Frag.	IFF	Chemical (Specialty)	BBB	Baa3	1	A+	0.90
23	Johnson & Johnson	JNJ	Med Supp Non-Invasive	AAA	Aaa	1	A++	0.85
24	Kellogg	K	Food Processing	BBB	Baa2	1	A+	0.65
25	Kimberly-Clark	KMB	Household Products	A	A2	1	A+	0.70
26	Lilly (Eli)	LLY	Drug	A+	A2	1	A++	0.75
27	Marsh & McLennan	MMC	Financial Sycs. (Div.)	A-	Baa1	1	A+	0.95
28	McCormick & Co	MKC	Food Processing	RRR	Baa?	1	A+	0.80
20	McDonald's Corn	MCD	Restaurant	BBB BBB+	Baa1	1	A_{++}	0.00
30	Merck & Co	MRK	Drug	Δ_{\pm}	A1	1	A++	0.95
31	Microsoft Corn	MSFT	Computer Software	ΔΔΔ	Aaa	1	A_{++}	0.85
32	Northron Grumman	NOC	Aerospace/Defense	BBB+	Raa1	1	A_{++}	0.85
33	Oracle Corp	ORCI	Computer Software		Baa?	1	A_{++}	0.05
34	PensiCo Inc	PFP	Reverage	Δ_{\pm}	A1	1	A_{++}	0.75
35	Pfizer Inc.	DEE	Drug		Δ2	1		0.75
36	Proctor & Comble	DC	Household Products		A2	1		0.00
30	Public Storage			AA- A	AdJ AD	1	A^{++}	0.75
20	Shorwin Williams	SUW	R.L.I.I. Dotail Duilding Supply		A2 Dag2	1	A+	0.80
20	Sherwill-williams	SUM	Food Processing		Daa2	1	A+	0.95
39 40	Taxas Instruments	5JWI TVM	Semiconductor			1	A^+	0.05
40 41	I EXAS INSULUMENTS		Air Tropport	A+	Aas	1	A^{++}	0.00
41	Varizon Communication	UPS VZ	An Transport	A-	AZ Daal	1	A+	0.60
42 42	venzon Communic.		Telecolli. Services	DDD+	Daa1	1	A++	0.03
43	vv annart mc.	VV IVI I	Ketall Store	AA	Aa2	1	A++	0.33
	Average			Α	A2	1	A++	0.80

(a) www.standardandpoors.com (retrieved Oct. 19, 2021).

(b) www.moodys.com (retrieved Oct. 19, 2021).

(c) The Value Line Investment Survey (various editions as of Oct. 15, 2021).

(d) The Value Line Investment Survey, Summary & Index (Oct. 15, 2021).

EXHIBIT NO. NMPC-311

Industry Group 6-Mo. Adjusted FFS DCF Company Diversified Co. 3.01% 8.14% 8.48% 11.62% 2 Abbont Labs. Med Supp Non-Invasive 1.52% 1.61% 12.33% 3 Air Products & Chemicals Chemical (Diversified) 2.11% 2.24% 11.96% 14.20% 4 Amgen Biorechnology 2.96% 3.05% 5.95% 9.00% 5 Analog Devices Semiconductor 1.69% 1.83% 17.37% 1.30% 6 Apple Inc. Computers/Peripherals 0.63% 0.69% 1.86% 20.05% 8 Betton, Dickiason Med Supp Invasive 1.34% 1.40% 1.00% 8.15% 10 Church & Systems Telecom. Equipment 2.73% 2.82% 6.53% 9.25% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.36% 8.16% 10 Coar-Cola Beverage 3.03% 3.45% 8.82% 10.05%				(a)	(b)	(c)	(d)
Company Industry Group Div. Yield Yield Yield Yield Yield Field Field<						IBES	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		~		6-Mo.	Adjusted	EPS	DCF
1 3M Company Diversified Co. 3.01% 3.14% 8.48% 11.02% 2 Abbot Labs. Med Supp Non-Invasive 1.52% 1.61% 12.33% 14.14% 3 Air Products & Chemicals Chemical (Diversified) 2.11% 2.24% 11.96% 14.20% 4 Angen Biotechnology 2.96% 3.05% 5.95% 9.00% 6 Apple Inc. Computers/Peripherals 0.63% 0.69% 19.86% 20.55% 8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.01% 11.57% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Household Products 1.18% 1.22% 6.53% 9.35% 10 Churco Againe Retail Store 0.73% 3.45% 10.02% 13.33% 10 Conco Vholesale Retail Store 0.73% 3.45% 4.85% 8.30% 10 Danaher Corp. Div		Company	Industry Group	Div. Yield	Yield	Growth	Result
2 Abbott Labs. Med Supp Non-Invasive 1.52% 1.61% 12.3% 14.14% 4 Arige Products & Chemical Diversified 2.11% 2.24% 11.96% 14.20% 4 Angen Biotechnology 2.96% 3.05% 5.95% 9.00% 6 Angle Inc. Computers/Peripherals 0.63% 0.69% 19.86% 20.55% 7 Baxter Int'l Inc. Med Supp Invasive 1.34% 1.40% 10.10% 11.50% 8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.10% 13.00% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Divight Household Products 1.18% 1.22% 7.01% 8.23% 11 Cisco Systems Telecom. Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.35% 8.16% 15 Coac-Cola Beverage 3.05% 3.21% 1.012% 1.33% 14 Gromak	1	3M Company	Diversified Co.	3.01%	3.14%	8.48%	11.62%
3 Air Products & Chemical (Diversified) 2.11% 2.24% 11.99% 14.20% 5 Analog Devices Semiconductor 1.69% 1.83% 17.27% 19.10% 6 Apple Inc. Computers/Peripherals 0.63% 0.69% 19.86% 20.55% 7 Baxter Int Inc. Med Supp Invasive 1.33% 11.77% 19.10% 8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.10% 11.50% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Household Products 1.18% 1.22% 7.01% 8.23% 11 Cisco Systems Telecom, Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokersk Exchanges 1.74% 1.80% 6.36% 8.16% 13 Coracat Cop. Cale IV 1.75% 1.91% 18.49% 10.35% 14 Corneast Cop. Diversified Co. 0.31% 0.33% 17.40% 17.73% 16 Banaher Cop.	2	Abbott Labs.	Med Supp Non-Invasive	1.52%	1.61%	12.53%	14.14%
4 Angen Biotechnology 2.96% 3.05% 5.37% 9.00% 6 Apple Inc. Computers/Peripherals 0.63% 0.69% 19.86% 20.55% 7 Baxter Int'l Inc. Med Supp Invasive 1.35% 1.43% 11.75% 13.00% 8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.10% 13.00% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Household Products 1.18% 1.22% 7.01% 8.23% 10 Church & Dwight Household Products 1.18% 1.22% 7.01% 8.23% 10 Church & Dwight Houses 1.43% 1.17% 1.30% 11 Cisco Systems Telecom, Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brixersk Exchanges 1.74% 1.02% 3.33% 17.40% 10.256% 15 Costco Wholesale Retail Store 0.78% 0.82% 9.74% 10.556% 10.85%	3	Air Products & Chemicals	Chemical (Diversified)	2.11%	2.24%	11.96%	14.20%
5 Analog Devices Semiconductor 1.69% 1.83% 17.27% 19.10% 6 Apple Inc. Computers/Peripherals 0.63% 0.69% 19.86% 30.00% 7 Baxter Int'l Inc. Med Supp Invasive 1.33% 11.57% 13.00% 8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.10% 11.50% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Household Products 1.18% 1.22% 7.01% 8.23% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.36% 8.16% 13 Concast Corp. Cable I'V 1.75% 1.91% 18.49% 10.28% 14 Concast Corp. Cable Processing 3.05% 3.21% 17.40% 17.23% 16 Databer Corp. Diversified Co. 0.31% 0.43% 4.85% 8.30% 18 Hershey Co. Food Processing <	4	Amgen	Biotechnology	2.96%	3.05%	5.95%	9.00%
6 Apple Inc. Computers/Peripherals 0.63% 0.69% 19.86% 20.55% 7 Baxter Int/Inc. Med Supp Invasive 1.35% 1.43% 11.57% 13.00% 8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.10% 11.50% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Cisco Systems Telecom, Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokers & Exchanges 1.74% 1.84% 6.36% 8.16% 15 Cosca Cola Beverage 3.05% 3.21% 10.12% 13.33% 16 Danaher Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 17 Gen' Mills Food Processing 1.94% 2.03% 8.82% 10.85% 18 Hershey Co. Food Processing	5	Analog Devices	Semiconductor	1.69%	1.83%	17.27%	19.10%
7 Baxter Int'l Inc. Med Supp Invasive 1.33% 1.43% 1.43% 1.157% 13.00% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Household Products 1.18% 1.22% 6.53% 9.35% 10 Church & Dwight Household Products 1.74% 1.80% 6.36% 8.16% 12 Corea-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Corncast Corp. Cable TV 1.75% 19.15% 18.49% 20.40% 16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 16 Banaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 17 Gerl Mills Food Processing 2.10% 2.18% 7.65% 9.83% 18 Hershey Co. Food Processing 2.10% 2.18% 7.65% 9.83% 0.100% 12.60% 1.150% 2.127% 1 Intel Corp. Semiconductor 2.48% 2.	6	Apple Inc.	Computers/Peripherals	0.63%	0.69%	19.86%	20.55%
8 Becton, Dickinson Med Supp Invasive 1.34% 1.40% 10.10% 11.50% 9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Household Products 1.18% 1.22% 7.01% 8.23% 11 Cisco Systems Telecom. Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.36% 8.16% 13 Coca-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Corncast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costco Wholesale Retail Store 0.77% 0.82% 9.74% 10.56% 16 Danaher Corp. Diversified Co. 0.017% 2.05% 8.82% 10.85% 17 Gen'I Mills Food Processing 1.94% 2.03% 8.82% 10.85% 19 Horand Kong Johnson	7	Baxter Int'l Inc.	Med Supp Invasive	1.35%	1.43%	11.57%	13.00%
9 Bristol-Myers Squibb Drug 2.99% 3.09% 6.72% 9.81% 10 Church & Dwight Houschold Products 1.18% 1.22% 7.01% 8.23% 11 Cisco Systems Telecom. Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.63% 8.16% 13 Coca-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Concast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costoo Wholesale Retail Store 0.78% 0.83% 4.85% 8.30% 16 Danaher Corp. Diversified Co. 0.31% 0.43% 4.85% 8.30% 18 Hershey Co. Food Processing 2.10% 2.18% 7.65% 9.83% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.58% 25 Kinnberly-Clark	8	Becton, Dickinson	Med Supp Invasive	1.34%	1.40%	10.10%	11.50%
10 Church & Dwight Household Products 1.18% 1.22% 7.01% 8.23% 11 Cisco Systems Telecom. Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.53% 8.16% 13 Corca-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Concast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costo Wholesale Retail Store 0.78% 0.82% 9.74% 10.56% 16 Danaher Corp. Diversified Co. 0.31% 3.45% 4.85% 8.30% 16 Hershey Co. Food Processing 1.94% 2.03% 8.82% 10.65% 19 Hornel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (JB.) Trucking 0.69% 0.77% 20.05% 2.127% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 1.26% 21 Intel Corp. <	9	Bristol-Myers Squibb	Drug	2.99%	3.09%	6.72%	9.81%
11 Cisco Systems Telecom. Equipment 2.73% 2.82% 6.53% 9.35% 12 CME Group Brokers & Exchanges 1.74% 1.80% 6.36% 8.16% 13 Cocac-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Comcast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costco Wholesale Retail Store 0.78% 0.82% 9.74% 10.56% 16 Danaher Corp. Diversified Co. 0.31% 0.74% 10.73% 8.82% 10.85% 16 Hershey Co. Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Foors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.38% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.60% 3.32% 6.98% 25<	10	Church & Dwight	Household Products	1.18%	1.22%	7.01%	8.23%
12 CME Group Brokers & Exchanges 1.74% 1.80% 6.36% 8.16% 13 Coca-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Concast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costco Wholesale Retail Store 0.78% 0.82% 9.74% 10.55% 16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 16 Danaher Corp. Food Processing 3.37% 3.45% 4.85% 8.30% 17.73% Hurdi J.B. Food Processing 2.10% 2.18% 7.65% 9.83% 19 Hormel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 21 Intel Flavors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.58% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.00% 4.38% 26 Li	11	Cisco Systems	Telecom. Equipment	2.73%	2.82%	6.53%	9.35%
13 Coca-Cola Beverage 3.05% 3.21% 10.12% 13.33% 14 Comcast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costco Wholesale Retail Store 0.78% 0.82% 9.74% 10.56% 16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 17 Genl Mills Food Processing 1.94% 2.03% 8.82% 10.85% 18 Hershey Co. Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 15.9% 24 Kellogg Food Processing 3.60% 3.28% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 25 Kimberly-Clark Co.	12	CME Group	Brokers & Exchanges	1.74%	1.80%	6.36%	8.16%
14 Comcast Corp. Cable TV 1.75% 1.91% 18.49% 20.40% 15 Costco Wholesale Retail Store 0.78% 0.82% 9.74% 10.56% 16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 17 Gen'l Mills Food Processing 1.94% 2.03% 8.82% 10.85% 18 Hershey Co. Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 23 Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 1.50% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.60% 5.50% 7.10% 28 McCornick & Co. Drou	13	Coca-Cola	Beverage	3.05%	3.21%	10.12%	13.33%
15 Costco Wholesale Retail Store 0.78% 0.82% 9.74% 10.56% 16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 17 Gen! Mills Food Processing 3.37% 3.45% 4.85% 8.30% 18 Hershey Co. Food Processing 2.10% 2.18% 7.65% 9.83% 19 Hornel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.21% 4.38% 6.58% 24 Kellog Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.60% 5.50% 7.10% 28 McCornick & Co.	14	Comcast Corp.	Cable TV	1.75%	1.91%	18.49%	20.40%
16 Danaher Corp. Diversified Co. 0.31% 0.33% 17.40% 17.73% 17 Gen1 Mills Food Processing 3.37% 3.45% 4.85% 8.30% 18 Hershey Co. Food Processing 1.94% 2.03% 8.82% 10.85% 19 Hormel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.20% 4.38% 6.58% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.340% 0.98% 4.38% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.66% 16.38% 18.06% 27 Marsh & McLennan Financial Sves. (Div.) 1.40% 1.40% 22.09% 27 McCornick & Co.	15	Costco Wholesale	Retail Store	0.78%	0.82%	9.74%	10.56%
17 Gen1 Mills Food Processing 3.37% 3.45% 4.85% 8.30% 18 Hershey Co. Food Processing 1.94% 2.03% 8.82% 10.85% 19 Hormel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 21 Intel Corp. Semiconductor 2.48% 2.60% 6.98% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.66% 16.04% 14.09% 28 McCornick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 Mcosoft Corp. Computer Softwar	16	Danaher Corp.	Diversified Co.	0.31%	0.33%	17.40%	17.73%
18 Hershey Co. Food Processing 1.94% 2.03% 8.82% 10.85% 19 Hormel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 22 Int'l Flavors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.58% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 5.50% 7.10% 28 McCornick & Co. Food Processing 1.56% 1.63% 12.60% 16.41% 20 Mcrok & Co. </td <td>17</td> <td>Gen'l Mills</td> <td>Food Processing</td> <td>3.37%</td> <td>3.45%</td> <td>4.85%</td> <td>8.30%</td>	17	Gen'l Mills	Food Processing	3.37%	3.45%	4.85%	8.30%
19 Hormel Foods Food Processing 2.10% 2.18% 7.65% 9.83% 20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 21 Intel Tevors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.58% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.40% 0.98% 4.38% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 29 McCornick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 20 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop	18	Hershey Co.	Food Processing	1.94%	2.03%	8.82%	10.85%
20 Hunt (J.B.) Trucking 0.69% 0.77% 20.50% 21.27% 21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 22 Int'l Flavors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.58% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 10.74% 16.41% 30 O	19	Hormel Foods	Food Processing	2.10%	2.18%	7.65%	9.83%
21 Intel Corp. Semiconductor 2.48% 2.60% 10.00% 12.60% 22 Int'l Flavors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.58% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCornick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 30 <td>20</td> <td>Hunt (J.B.)</td> <td>Trucking</td> <td>0.69%</td> <td>0.77%</td> <td>20.50%</td> <td>21.27%</td>	20	Hunt (J.B.)	Trucking	0.69%	0.77%	20.50%	21.27%
22 Int'l Flavors & Frag. Chemical (Specialty) 2.15% 2.20% 4.38% 6.58% 23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.06% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 4.38% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grunman Aerospace/Defense 1.70% 1.76% 6.70% 8.46%	21	Intel Corp.	Semiconductor	2.48%	2.60%	10.00%	12.60%
23 Johnson & Johnson Med Supp Non-Invasive 2.50% 2.61% 8.89% 11.50% 24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McIonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34	22	Int'l Flavors & Frag.	Chemical (Specialty)	2.15%	2.20%	4.38%	6.58%
24 Kellogg Food Processing 3.60% 3.66% 3.32% 6.98% 25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer,	23	Johnson & Johnson	Med Supp Non-Invasive	2.50%	2.61%	8.89%	11.50%
25 Kimberly-Clark Household Products 3.38% 3.40% 0.98% 4.38% 26 Lilly (Eli) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grunman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter &	24	Kellogg	Food Processing	3.60%	3.66%	3.32%	6.98%
26 Lilly (El) Drug 1.55% 1.68% 16.38% 18.06% 27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public St	25	Kimberly-Clark	Household Products	3.38%	3.40%	0.98%	4.38%
27 Marsh & McLennan Financial Svcs. (Div.) 1.40% 1.49% 12.60% 14.09% 28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39	26	Lilly (Eli)	Drug	1.55%	1.68%	16.38%	18.06%
28 McCormick & Co. Food Processing 1.56% 1.60% 5.50% 7.10% 29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 S	27	Marsh & McLennan	Financial Svcs. (Div.)	1.40%	1.49%	12.60%	14.09%
29 McDonald's Corp. Restaurant 2.19% 2.41% 20.49% 22.90% 30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 Snucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Te	28	McCormick & Co.	Food Processing	1.56%	1.60%	5.50%	7.10%
30 Merck & Co. Drug 3.81% 4.05% 12.74% 16.79% 31 Microsoft Corp. Computer Software 0.85% 0.91% 15.50% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 Smucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 <t< td=""><td>29</td><td>McDonald's Corp.</td><td>Restaurant</td><td>2.19%</td><td>2.41%</td><td>20.49%</td><td>22.90%</td></t<>	29	McDonald's Corp.	Restaurant	2.19%	2.41%	20.49%	22.90%
1 Microsoft Corp. Computer Software 0.85% 0.91% 12.17.0% 16.41% 32 Northrop Grumman Aerospace/Defense 1.70% 1.76% 6.70% 8.46% 33 Oracle Corp. Computer Software 1.55% 1.63% 10.60% 12.23% 34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 Smucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 8.21%	30	Merck & Co.	Drug	3.81%	4.05%	12.74%	16.79%
11 Infinition of the formation of the formati	31	Microsoft Corp.	Computer Software	0.85%	0.91%	15.50%	16.41%
11 11 <td< td=""><td>32</td><td>Northron Grumman</td><td>Aerospace/Defense</td><td>1 70%</td><td>1 76%</td><td>6 70%</td><td>8 46%</td></td<>	32	Northron Grumman	Aerospace/Defense	1 70%	1 76%	6 70%	8 46%
34 PepsiCo, Inc. Beverage 2.84% 2.98% 9.75% 12.73% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 Smucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 18.11% 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 10.39% 10.56% 10.39% 10.39% 10.39% Low-End Test (h)	33	Oracle Corp	Computer Software	1.55%	1.63%	10.60%	12.23%
31 Pipfred, inc. Devenue 2.64% 2.56% 5.16% 112.15% 35 Pfizer, Inc. Drug 3.76% 5.78% 107.68% 113.46% 36 Procter & Gamble Household Products 2.51% 2.60% 7.03% 9.63% 37 Public Storage R.E.I.T. 2.72% 2.95% 17.00% 19.95% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 Smucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 18.11% 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) Idea (g) Idea (g) Idea (g) 10.39% 10.39% Low-End Test (h) <td>34</td> <td>PensiCo Inc</td> <td>Beverage</td> <td>2 84%</td> <td>2 98%</td> <td>975%</td> <td>12.23%</td>	34	PensiCo Inc	Beverage	2 84%	2 98%	975%	12.23%
36 Finder, inter, i	35	Pfizer Inc	Drug	3 76%	5 78%	107 68%	113 46%
30 Flotter & Gamble Flotter & Gam	36	Procter & Gamble	Household Products	2 51%	2 60%	7.03%	9.63%
5) Fublic Horige Fublic Fublic 2.7276 2.93% 17.60% 12.63% 38 Sherwin-Williams Retail Building Supply 0.78% 0.83% 11.80% 12.63% 39 Smucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 18.11% 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% 10.39% 10.56% Median (g) 10.39% 10.39% 10.39% Low-End Test (h) 5.66% 14.35%	37	Public Storage	RFIT	2.51%	2.00%	17.00%	19.95%
30 Sherwir Winnans Retail Dataing Suppry 0.10% 0.05% 11.00% 12.05% 39 Smucker (J.M.) Food Processing 2.91% 2.93% 1.11% 4.04% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 18.11% 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% 10.56% 10.56% 10.39% Low-End Test (h) 10.39% 10.39% 10.39%	38	Sherwin-Williams	Retail Building Supply	0.78%	0.83%	11.80%	12 63%
35 Sindeker (si,ki,) Food Frocessing 2.57.% 1.11% 1.07% 40 Texas Instruments Semiconductor 2.17% 2.28% 10.00% 12.28% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 18.11% 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% 1.62% 7.99% 9.61% 14.20% Median (g) 10.56% 10.39% 10.39% 10.39% Low-End Test (h) 5.66% 14.35% 14.35%	30	Smucker (I M)	Food Processing	2 91%	2 93%	1 1 1 1 %	4 04%
40 Fexas instruments Semiconductor 2.17% 2.25% 10.00% 12.25% 41 United Parcel Services Air Transport 2.05% 2.22% 15.89% 18.11% 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% 1.62% 7.99% 9.61% 14.20% Median (g) 10.56% 10.39% 10.39% 10.39% Low-End Test (h) 5.66% 14.35% 14.35%	40	Texas Instruments	Semiconductor	2.91%	2.25%	10.00%	12 28%
41 Onicol Factoristics An Transport 2.05 % 2.22 % 15.07 % 16.11 % 42 Verizon Communications Telecom. Services 4.46% 4.54% 3.67% 8.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% 1.420% 10.56% 10.39% Median (g) 10.39% 10.39% 10.39% Low-End Test (h) 5.66% 14.35%	40 //1	United Parcel Services	Air Transport	2.17%	2.20%	15 89%	18 11%
42 Verification Communications refection. Services 4.40% 4.54% 5.01% 6.21% 43 Walmart Inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% 14.20% 14.20% 14.20% Median (g) 10.56% 10.39% 10.39% Low-End Test (h) 5.66% 14.35%	42	Verizon Communications	Telecom Services	2.05%	1 5 1 %	3 67%	8 21%
4.5 Waimart inc. Retail Store 1.55% 1.62% 7.99% 9.61% Lower End (g) 6.58% Upper End (g) 14.20% Median (g) 10.56% Midpoint 10.39% Low-End Test (h) 5.66% High-End Test (i) 14.35%	42	Welmert Inc	Pateil Store	4.40%	4.5470	7.00%	0.2170
Lower End (g) 6.58% Upper End (g) 14.20% Median (g) 10.56% Midpoint 10.39% Low-End Test (h) 5.66% High-End Test (i) 14.35%	43	Wannart Inc.	Retail Store	1.55%	1.0270	1.99%	9.01%
Opper End (g) 14.20% Median (g) 10.56% Midpoint 10.39% Low-End Test (h) 5.66% High-End Test (i) 14.35%		Lower End (g)					0.58%
Midpoint 10.56% Low-End Test (h) 5.66% High-End Test (i) 14.35%		Madian (a)					14.20%
Low-End Test (h) 5.66% High-End Test (i) 14.35%		Midnoint					10.50%
Low-End Test (h) 5.66% High-End Test (i) 14.35%		wiiapoint					10.39%
High-End Test (i) 14.35%		Low-End Test (h)					5.66%
		High-End Test (i)					14.35%

(a) Six-month average dividend yield for Apr. 2021 to Sep. 2021.

(b) Six-month average yield x [1 + 0.5 x EPS Growth].

(c) www.finance.yahoo.com (retrieved Oct. 18, 2021).

(d) Sum of adjusted yield and growth rate.

(e) The Value Line Investment Survey (various editions as of Oct. 15, 2021).

(f) www.zacks.com (retrieved Oct. 18, 2021).

(g) Excludes highlighted values.

(h) 6-mo. avg. Baa utility bonds yield for Sep. 2021, plus 20% of CAPM risk premium.

(i) Highest cost of equity estimate for Electric Group from Exhibit No. NMPC308.

		-	(a)	(b)	(e)	(d)
					Value Line	D.CE
	0		6-Mo.	Adjusted	EPS	DCF
1	Company	Industry Group	Div. Yield	Y ield	Growth	Result
1	3M Company	Diversified Co.	3.01%	3.10%	6.00%	9.10%
2	Abbott Labs.	Med Supp Non-Invasive	1.52%	1.61%	11.50%	13.11%
3	Air Products & Chemicals	Chemical (Diversified)	2.11%	2.24%	12.00%	14.24%
4	Amgen	Biotechnology	2.96%	3.04%	5.50%	8.54%
5	Analog Devices	Semiconductor	1.69%	1.78%	11.00%	12.78%
6	Apple Inc.	Computers/Peripherals	0.63%	0.69%	17.00%	17.69%
7	Baxter Int'l Inc.	Med Supp Invasive	1.35%	1.41%	8.50%	9.91%
8	Becton, Dickinson	Med Supp Invasive	1.34%	1.39%	7.50%	8.89%
9	Bristol-Myers Squibb	Drug	2.99%	3.17%	12.50%	15.67%
10	Church & Dwight	Household Products	1.18%	1.22%	8.00%	9.22%
11	Cisco Systems	Telecom. Equipment	2.73%	2.82%	7.00%	9.82%
12	CME Group	Brokers & Exchanges	1.74%	1.82%	8.50%	10.32%
13	Coca-Cola	Beverage	3.05%	3.16%	7.00%	10.16%
14	Comcast Corp.	Cable TV	1.75%	1.85%	11.00%	12.85%
15	Costco Wholesale	Retail Store	0.78%	0.82%	10.50%	11.32%
16	Danaher Corp.	Diversified Co.	0.31%	0.34%	21.00%	21.34%
17	Gen'l Mills	Food Processing	3.37%	3.43%	3.50%	6.93%
18	Hershey Co.	Food Processing	1.94%	2.00%	6.00%	8.00%
19	Hormel Foods	Food Processing	2.10%	2.17%	6.00%	8.17%
20	Hunt (J.B.)	Trucking	0.69%	0.72%	8.00%	8.72%
21	Intel Corp.	Semiconductor	2.48%	2.57%	7.00%	9.57%
22	Int'l Flavors & Frag.	Chemical (Specialty)	2.15%	2.23%	7.50%	9.73%
23	Johnson & Johnson	Med Supp Non-Invasive	2.50%	2.63%	10.00%	12.63%
24	Kellogg	Food Processing	3.60%	3.66%	3.50%	7.16%
25	Kimberly-Clark	Household Products	3.38%	3.47%	5.50%	8.97%
26	Lilly (Eli)	Drug	1.55%	1.63%	11.00%	12.63%
27	Marsh & McLennan	Financial Svcs. (Div.)	1.40%	1.48%	11.00%	12.48%
28	McCormick & Co.	Food Processing	1.56%	1.61%	6.00%	7.61%
29	McDonald's Corp.	Restaurant	2.19%	2.31%	10.50%	12.81%
30	Merck & Co.	Drug	3.81%	3.95%	7.50%	11.45%
31	Microsoft Corp.	Computer Software	0.85%	0.91%	15.00%	15.91%
32	Northrop Grumman	Aerospace/Defense	1.70%	1.77%	7.50%	9.27%
33	Oracle Corp.	Computer Software	1.55%	1.63%	10.00%	11.63%
34	PepsiCo, Inc.	Beverage	2.84%	2.93%	6.50%	9.43%
35	Pfizer, Inc.	Drug	3.76%	3.91%	8.00%	11.91%
36	Procter & Gamble	Household Products	2.51%	2.60%	7.00%	9.60%
37	Public Storage	R.E.I.T.	2.72%	n/a	n/a	n/a
38	Sherwin-Williams	Retail Building Supply	0.78%	0.82%	10.50%	11.32%
39	Smucker (J.M.)	Food Processing	2.91%	2.97%	4.00%	6.97%
40	Texas Instruments	Semiconductor	2.17%	2.27%	9.00%	11.27%
41	United Parcel Services	Air Transport	2.05%	2.16%	10.50%	12.66%
42	Verizon Communications	Telecom. Services	4.46%	4.52%	2.50%	7.02%
43	Walmart Inc.	Retail Store	1.55%	1.61%	7.50%	9.11%
	Lower End (g)					6.93%
	Upper End (g)					14.24%
	Median (g)					9.78%
	Midpoint					10.58%
	Low-End Test (h)					5.66%
	nign-Ena Test (1)					14.35%

(a) Six-month average dividend yield for Apr. 2021 to Sep. 2021.

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			(a)	(b)	(f)	(d)
					Zacks	
	-		6-Mo.	Adjusted		DCF
	Company	Industry Group	Div. Yield	Yield	Zacks	Result
1	3M Company	Diversified Co.	3.01%	3.16%	9.50%	12.66%
2	Abbott Labs.	Med Supp Non-Invasive	1.52%	1.61%	11.89%	13.50%
3	Air Products & Chemicals	Chemical (Diversified)	2.11%	2.22%	10.52%	12.74%
4	Amgen	Biotechnology	2.96%	3.08%	8.25%	11.33%
5	Analog Devices	Semiconductor	1.69%	1.77%	9.67%	11.44%
6	Apple Inc.	Computers/Peripherals	0.63%	0.67%	12.50%	13.17%
7	Baxter Int'l Inc.	Med Supp Invasive	1.35%	1.42%	10.00%	11.42%
8	Becton, Dickinson	Med Supp Invasive	1.34%	1.39%	8.27%	9.66%
9	Bristol-Myers Squibb	Drug	2.99%	3.09%	7.05%	10.14%
10	Church & Dwight	Household Products	1.18%	1.22%	8.00%	9.22%
11	Cisco Systems	Telecom. Equipment	2.73%	2.82%	7.00%	9.82%
12	CME Group	Brokers & Exchanges	1.74%	n/a	n/a	n/a
13	Coca-Cola	Beverage	3.05%	3.19%	8.68%	11.87%
14	Comcast Corp.	Cable TV	1.75%	1.89%	15.78%	17.67%
15	Costco Wholesale	Retail Store	0.78%	0.81%	8.56%	9.37%
16	Danaher Corp.	Diversified Co.	0.31%	0.33%	13.65%	13.98%
17	Gen'l Mills	Food Processing	3.37%	3.49%	7.50%	10.99%
18	Hershey Co.	Food Processing	1.94%	2.03%	8.50%	10.53%
19	Hormel Foods	Food Processing	2.10%	2.18%	7.31%	9.49%
20	Hunt (J.B.)	Trucking	0.69%	0.75%	15.00%	15.75%
21	Intel Corp.	Semiconductor	2.48%	2.57%	7.50%	10.07%
22	Int'l Flavors & Frag.	Chemical (Specialty)	2.15%	2.25%	9.52%	11.77%
23	Johnson & Johnson	Med Supp Non-Invasive	2.50%	2.60%	7.76%	10.36%
24	Kellogg	Food Processing	3.60%	3.68%	4.42%	8.10%
25	Kimberly-Clark	Household Products	3.38%	3.46%	5.00%	8.46%
26	Lilly (Eli)	Drug	1.55%	1.68%	16.30%	17.98%
27	Marsh & McLennan	Financial Svcs. (Div.)	1.40%	1.49%	12.62%	14.11%
28	McCormick & Co.	Food Processing	1.56%	1.61%	6.35%	7.96%
29	McDonald's Corp.	Restaurant	2.19%	2.32%	11.71%	14.03%
30	Merck & Co.	Drug	3.81%	3.93%	6.30%	10.23%
31	Microsoft Corp.	Computer Software	0.85%	0.89%	11.09%	11.98%
32	Northrop Grumman	Aerospace/Defense	1.70%	1.78%	8.98%	10.76%
33	Oracle Corp	Computer Software	1 55%	1.62%	8 50%	10.12%
34	PensiCo Inc	Beverage	2.84%	2.97%	8 76%	11 73%
35	Pfizer Inc	Drug	3 76%	3 88%	672%	10.60%
36	Procter & Gamble	Household Products	2 51%	2.60%	6.68%	9 28%
37	Public Storage	REIT	2.72%	2.80%	674%	9 55%
38	Sherwin-Williams	Retail Building Supply	0.78%	0.83%	12 47%	13 30%
39	Smucker (IM)	Food Processing	2.91%	2 93%	1 19%	4 12%
40	Texas Instruments	Semiconductor	2.91%	2.23%	9 33%	11.60%
41	United Parcel Services	Air Transport	2.17%	2.27%	11.65%	13.82%
41 42	Verizon Communications	Telecom Services	4.46%	2.17%	3 /1%	7 95%
13	Walmart Inc	Retail Store	4.40%	1.60%	5.50%	7.00%
45	Lower End (a)	Retail Store	1.5570	1.00%	5.50%	7.10%
	Lower End (g)					
	Modion (g)					14.11% 10.400/
	Midnoint					10.0070 10 600/
	mapoint					10.00 %
	Low-End Test (h)					5.66%
	High-End Test (i)					14.35%

(a) Six-month average dividend yield for Apr. 2021 to Sep. 2021.

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