

FLOTATION COST ADJUSTMENT

Flotation Costs from Inception to Date

									Gross Equity			
Date	Issuing Company	Shares Issued	Market Price	Offering Price	Underwriting Discount	Offering Expense	Net Proceeds	Total Flotation Costs	Issue before Costs	Net Proceeds	Flotation Cost Percentage	
11/16/1949	Northern States Power	1,584,238	\$10.750	\$10.250	\$0.124	\$0.137	\$9.989	\$1,205,605	\$17,030,559	\$15,824,953	7.08%	
6/4/1952	Northern States Power	1,108,966	\$10.500	\$10.500	\$0.098	\$0.162	\$10.240	\$288,331	\$11,644,143	\$11,355,812	2.48%	
4/14/1954	Northern States Power	1,219,856	\$15.250	\$14.000	\$0.060	\$0.124	\$13.816	\$1,749,274	\$18,602,804	\$16,853,530	9.40%	
2/29/1956	Northern States Power	670,920	\$17.825	\$16.750	\$0.050	\$0.221	\$16.479	\$903,058	\$11,959,149	\$11,056,091	7.55%	
7/22/1959	Northern States Power	952,033	\$23.375	\$22.000	\$0.069	\$0.191	\$21.740	\$1,556,574	\$22,253,771	\$20,697,197	6.99%	
7/28/1965	Northern States Power	772,008	\$35.250	\$33.000	\$0.092	\$0.225	\$32.683	\$1,981,745	\$27,213,282	\$25,231,537	7.28%	
1/22/1969	Northern States Power	1,080,811	\$29.000	\$27.000	\$0.119	\$0.187	\$26.694	\$2,492,350	\$31,343,519	\$28,851,169	7.95%	
10/21/1970	Northern States Power	1,729,298	\$23.125	\$21.500	\$0.175	\$0.149	\$21.176	\$3,370,402	\$39,990,016	\$36,619,614	8.43%	
7/26/1972	Northern States Power	1,902,228	\$25.000	\$23.500	\$0.129	\$0.166	\$23.205	\$3,414,499	\$47,555,700	\$44,141,201	7.18%	
10/10/1973	Northern States Power	2,092,451	\$25.825	\$24.500	\$0.128	\$0.153	\$24.219	\$3,360,476	\$54,037,547	\$50,677,071	6.22%	
11/20/1974	Northern States Power	2,300,000	\$17.625	\$17.500	\$0.910	\$0.069	\$16.521	\$2,539,200	\$40,537,500	\$37,998,300	6.26%	
8/14/1975	Northern States Power	1,750,000	\$23.000	\$23.000	\$0.740	\$0.077	\$22.183	\$1,429,750	\$40,250,000	\$38,820,250	3.55%	
6/3/1976	Northern States Power	2,000,000	\$24.000	\$24.000	\$0.720	\$0.064	\$23.216	\$1,568,000	\$48,000,000	\$46,432,000	3.27%	
5/31/1993	Northern States Power	3,041,955	\$44.125	\$43.625	\$1.200	\$0.048	\$42.377	\$5,317,337	\$134,226,264	\$128,908,927	3.96%	
9/23/1997	Northern States Power	4,500,000	\$49.938	\$49.563	\$1.230	\$0.133	\$48.200	\$7,821,000	\$224,721,000	\$216,900,000	3.48%	
9/29/1997	Northern States Power	400,000	\$50.500	\$49.563	\$1.230	\$0.133	\$48.200	\$920,000	\$20,200,000	\$19,280,000	4.55%	
2/25/2002	Xcel Energy, Inc.	20,000,000	\$22.950	\$22.500	\$0.730	\$0.015	\$21.755	\$23,900,000	\$459,000,000	\$435,100,000	5.21%	
9/9/2008	Xcel Energy, Inc.	17,250,000	\$20.860	\$20.200	\$0.100	\$0.006	\$20.094	\$13,218,352	\$359,835,000	\$346,616,648	3.67%	
8/3/2010	Xcel Energy, Inc.	21,850,000	\$22.100	\$21.500	\$0.645	\$0.013	\$20.571	\$33,407,927	\$482,885,000	\$449,477,073	6.92%	
March 2013	Xcel Energy, Inc.	7,757,449	\$29.057	\$29.057	\$0.291	\$0.052	\$28.714	\$2,657,558	\$225,407,642	\$222,750,085	1.18%	
June 2014	Xcel Energy, Inc.	5,693,946	\$30.663	\$30.663	\$0.307	\$0.030	\$30.326	\$1,915,210	\$174,592,340	\$172,677,130	1.10%	
September 2018	Xcel Energy, Inc.	4,733,435	\$47.885	\$47.885	\$0.407	\$0.073	\$47.405	\$2,271,040	\$226,661,287	\$224,390,247	1.00%	
8/29/2019	Xcel Energy, Inc.	9,359,103	\$48.416	\$48.416	\$0.161	\$0.041	\$48.215	\$1,886,029	\$453,132,797	\$451,246,767	0.42%	
11/30/2020	Xcel Energy, Inc.	11,845,000	\$60.865	\$60.865	\$0.665	\$0.025	\$60.175	\$8,168,737	\$720,941,187	\$712,772,450	1.13%	
Nov-Dec 2021	Xcel Energy, Inc.	5,325,674	\$65.625	\$65.625	\$0.558	\$0.038	\$65.029	\$3,175,377	\$349,499,767	\$346,324,389	0.91%	
May 2022	Xcel Energy, Inc.	1,032,571	\$72.634	\$72.634	\$0.617	\$0.046	\$71.971	\$684,896	\$75,000,034	\$74,315,138	0.91%	
June 2022	Xcel Energy, Inc.	1,098,042	\$68.303	\$68.303	\$0.581	\$0.013	\$67.710	\$651,698	\$74,999,936	\$74,348,239	0.87%	
Nov-Dec 2022	Xcel Energy, Inc.	2,170,134	\$69.120	\$69.120	\$0.588	\$0.037	\$68.495	\$1,356,113	\$149,999,763	\$148,643,651	0.90%	
May 2023	Xcel Energy, Inc.	896,275	\$68.950	\$68.950	\$0.586	\$0.147	\$68.218	\$656,624	\$61,798,311	\$61,141,687	1.06%	
Nov 2023	Xcel Energy, Inc.	3,116,417	\$60.390	\$60.390	\$0.513	\$0.164	\$59.713	\$2,110,085	\$188,201,629	\$186,091,544	1.12%	
June-Sep 2024	Xcel Energy, Inc.	18,270,789	\$60.708	\$60.708	\$0.499	\$0.015	\$60.193	\$9,397,665	\$1,109,179,032	\$1,099,781,367	0.85%	
Total Public Issuances								\$145,374,911	\$5,900,698,981	\$5,755,324,070	2.46%	
Total Non-Public Issuances (Employee Benefit Plans)								\$0	\$1,856,724,000	\$1,856,724,000	0.00%	
Weighted Average Flotation Costs								Total	\$145,374,911	\$7,757,422,981	\$7,612,048,070	1.87%

The flotation adjustment is derived by dividing the dividend yield by 1-F (where F = flotation costs expressed in percentage terms), or by 0.9813, and adding that result to the constant growth rate to determine the cost of equity. Using the formulas shown previously in my testimony, the Constant Growth DCF calculation is modified as follows to accommodate an adjustment for flotation costs:

Source: Company data.

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

FLOTATION COST ADJUSTMENT

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
						Expected Dividend Yield						
		Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Adjusted for Flotation Costs	Value Line Earnings Growth	S&P Capital IQ Earnings Growth	Zacks Earnings Growth	Average Growth Estimate	DCF k(e)	Flotation Adjusted DCF k(e)
Alliant Energy Corporation	LNT	\$ 2.03	\$ 61.86	3.28%	3.39%	3.45%	6.00%	6.55%	6.70%	6.42%	9.80%	9.87%
Ameren Corporation	AEE	\$ 2.84	\$ 98.47	2.88%	2.98%	3.04%	6.50%	7.00%	7.00%	6.83%	9.82%	9.87%
American Electric Power Company, Inc.	AEP	\$ 3.72	\$ 105.89	3.51%	3.63%	3.70%	6.50%	n/a	6.40%	6.45%	10.08%	10.15%
Dominion Resources, Inc.	D	\$ 2.67	\$ 53.71	4.97%	5.19%	5.29%	3.50%	9.60%	13.60%	8.90%	14.09%	14.19%
Duke Energy Corporation	DUK	\$ 4.18	\$ 119.69	3.49%	3.60%	3.67%	6.00%	6.30%	6.30%	6.20%	9.80%	9.87%
Entergy Corporation	ETR	\$ 2.40	\$ 83.21	2.88%	2.99%	3.05%	3.00%	9.60%	9.50%	7.37%	10.36%	10.41%
FirstEnergy Corporation	FE	\$ 1.78	\$ 40.60	4.38%	4.52%	4.60%	5.50%	6.42%	6.40%	6.11%	10.63%	10.71%
Evergy, Inc.	EVRG	\$ 2.67	\$ 67.54	3.95%	4.08%	4.16%	7.50%	5.71%	5.70%	6.30%	10.38%	10.46%
IDACORP, Inc.	IDA	\$ 3.44	\$ 116.36	2.96%	3.07%	3.13%	6.00%	8.61%	8.50%	7.70%	10.77%	10.83%
NextEra Energy, Inc.	NEE	\$ 2.27	\$ 68.02	3.33%	3.46%	3.53%	8.50%	7.59%	7.70%	7.93%	11.39%	11.46%
NorthWestern Corporation	NWE	\$ 2.64	\$ 57.09	4.62%	4.76%	4.85%	4.50%	6.05%	6.90%	5.82%	10.58%	10.67%
OGE Energy Corporation	OGE	\$ 1.69	\$ 44.80	3.76%	3.88%	3.95%	6.50%	6.00%	6.30%	6.27%	10.15%	10.22%
Pinnacle West Capital Corporation	PNW	\$ 3.58	\$ 93.41	3.83%	3.91%	3.98%	5.00%	4.95%	2.10%	4.02%	7.93%	8.00%
TXNM Energy, Inc.	TXNM	\$ 1.63	\$ 52.87	3.08%	3.16%	3.22%	4.50%	7.25%	3.00%	4.92%	8.08%	8.14%
Portland General Electric Company	POR	\$ 2.10	\$ 43.04	4.88%	5.00%	5.09%	6.50%	4.80%	3.40%	4.90%	9.90%	9.99%
PPL Corporation	PPL	\$ 1.09	\$ 35.30	3.09%	3.20%	3.26%	7.50%	7.40%	7.50%	7.47%	10.67%	10.73%
Southern Company	SO	\$ 2.96	\$ 90.21	3.28%	3.39%	3.45%	6.50%	6.20%	6.50%	6.40%	9.79%	9.85%
PROXY GROUP MEAN				3.66%	3.78%	3.85%	5.88%	6.88%	6.68%	6.47%	10.25%	10.32%
MEAN												10.32%
UNADJUSTED CONSTANT GROWTH DCF MEAN												10.25%
DIFFERENCE (FLOTATION COST ADJUSTMENT)											[12]	0.07%

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