

UTILITY RISK PREMIUM**COST OF EQUITY ESTIMATE**

<u>Current Equity Risk Premium</u>	
(a) Avg. Yield over Study Period	7.74%
(b) Average Utility Bond Yield	<u>5.70%</u>
Change in Bond Yield	-2.04%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4212</u>
Adjustment to Average Risk Premium	0.86%
(a) Average Risk Premium over Study Period	<u>3.90%</u>
Adjusted Risk Premium	4.76%
<u>Implied Cost of Equity</u>	
(b) Baa Utility Bond Yield	5.88%
Adjusted Equity Risk Premium	<u>4.76%</u>
Risk Premium Cost of Equity	10.64%

- (a) Exhibit AMM-9, page 2.
- (b) Average bond yield on all utility bonds and 'Baa' subset for six-months ending Dec. 2025 based on data from Moody's Investors Service at www.credittrends.com.
- (c) Exhibit AMM-9, page 3.

UTILITY RISK PREMIUM**AUTHORIZED RETURNS**

	(a)	(b)		(a)	(b)		
Year	Allowed ROE	Average Utility Bond Yield	Risk Premium	Year	Allowed ROE	Average Utility Bond Yield	Risk Premium
1974	13.10%	9.27%	3.83%	2000	11.58%	8.09%	3.49%
1975	13.20%	9.88%	3.32%	2001	11.07%	7.72%	3.35%
1976	13.10%	9.17%	3.93%	2002	11.21%	7.53%	3.68%
1977	13.30%	8.58%	4.72%	2003	10.96%	6.61%	4.35%
1978	13.20%	9.22%	3.98%	2004	10.81%	6.20%	4.61%
1979	13.50%	10.39%	3.11%	2005	10.51%	5.67%	4.84%
1980	14.23%	13.15%	1.08%	2006	10.34%	6.08%	4.26%
1981	15.22%	15.62%	-0.40%	2007	10.32%	6.11%	4.21%
1982	15.78%	15.33%	0.45%	2008	10.37%	6.65%	3.72%
1983	15.36%	13.31%	2.05%	2009	10.52%	6.28%	4.24%
1984	15.32%	14.03%	1.29%	2010	10.29%	5.56%	4.73%
1985	15.20%	12.29%	2.91%	2011	10.19%	5.13%	5.06%
1986	13.93%	9.46%	4.47%	2012	10.02%	4.26%	5.76%
1987	12.99%	9.98%	3.01%	2013	9.82%	4.55%	5.27%
1988	12.79%	10.45%	2.34%	2014	9.76%	4.41%	5.35%
1989	12.97%	9.66%	3.31%	2015	9.60%	4.37%	5.23%
1990	12.70%	9.76%	2.94%	2016	9.60%	4.11%	5.49%
1991	12.54%	9.21%	3.33%	2017	9.68%	4.07%	5.61%
1992	12.09%	8.57%	3.52%	2018	9.56%	4.34%	5.22%
1993	11.46%	7.56%	3.90%	2019	9.65%	3.86%	5.79%
1994	11.21%	8.30%	2.91%	2020	9.39%	3.07%	6.32%
1995	11.58%	7.91%	3.67%	2021	9.39%	3.14%	6.25%
1996	11.40%	7.74%	3.66%	2022	9.58%	4.76%	4.82%
1997	11.33%	7.63%	3.70%	2023	9.66%	5.60%	4.06%
1998	11.77%	7.00%	4.77%	2024	<u>9.78%</u>	<u>5.57%</u>	<u>4.21%</u>
1999	10.72%	7.55%	3.17%	Average	11.64%	7.74%	3.90%

(a) S&P Global Market Intelligence, *Major Rate Case Decisions*, RRA Regulatory Focus; *UtilityScope Regulatory Service*, Argus. Data for "general" rate cases (excluding limited-issue rider cases) beginning in 2006 (the first year such data presented by RRA).

(b) Moody's Investors Service.

UTILITY RISK PREMIUM

REGRESSION RESULTS

