

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-11**

IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 7

EXHIBIT 7

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 180 proceedings filed with the Federal Energy Regulatory Commission ("FERC") and regulatory agencies in Alaska, Arkansas, Colorado, District of Columbia, 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. Assignments have involved 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 pre-filed 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

M.B.A., Finance,
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*

B.B.A., Finance,
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
(Jan. 1979 to Dec 1980)

Coursework in accounting, finance, economics, and liberal arts.

Professional Associations

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

Member – CFA Institute.

Bibliography

“A Profile of State Regulatory Commissions,” A Special Report by the Electricity Consumers Resource Council (ELCON), Summer 1991.

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

Presentations

“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.

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TESTIMONY**

EXHIBIT NO. 8

SUMMARY OF RESULTS

Method	Average
DCF	
Value Line	9.2%
IBES	10.3%
Zacks	10.0%
Internal br + sv	9.0%
CAPM	11.2%
ECAPM	11.4%
Utility Risk Premium	10.6%
Expected Earnings	11.0%

ROE Recommendation			
<u>Cost of Equity</u>	10.0%	--	11.0%
<u>Flotation Cost Adjustment</u>			
Electric Group Dividend Yield	3.88%		
Flotation Cost Expense Factor	<u>2.56%</u>		
Flotation Cost Adjustment	0.10%		
<u>Recommended ROE Range</u>			
Range	10.1%	--	11.1%
Midpoint		10.6%	

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EXHIBIT NO. 9

ELECTRIC GROUP

Company	Type of Adjustment Clause (a)									(b)	(c)
	Fuel/PPA	Conserv. Program Expense	Decoupling		New Capital			Trans. Costs	Future Test Year	Formula Rates / MRP	
			Full	Partial	Trad. Generation	Renewables/ Non-Trad.	Delivery Infra.				Environ. Compliance
1 ALLETE	✓	✓	--	--	--	--	--	✓	✓	C	✓
2 Ameren Corp.	✓	✓	✓	✓	--	✓	✓	✓	✓	O,P	✓
3 Avista Corp.	✓	✓	✓	--	--	--	--	--	--	P	✓
4 Black Hills Corp.	✓	✓	--	✓	✓	✓	--	✓	✓	O	✓
5 CMS Energy Corp.	✓	✓	--	--	--	✓	--	--	✓	C	--
6 Dominion Energy	✓	✓	--	--	✓	✓	✓	✓	✓	--	✓
7 DTE Energy Co.	✓	✓	--	--	--	✓	--	--	✓	C	--
8 Duke Energy Corp.	✓	✓	--	✓	✓	✓	✓	✓	✓	C,O,P	✓
9 Entergy Corp.	✓	✓	--	✓	✓	✓	✓	✓	✓	O,P	✓
10 Exelon Corp.	D	✓	✓	✓	--	✓	✓	✓	--	O,P	✓
11 Hawaiian Elec.	✓	✓	--	--	--	✓	--	--	--	C	✓
12 IDACORP, Inc.	✓	✓	✓	--	--	--	--	--	--	C,P	--
13 NorthWestern Corp.	✓	✓	--	--	--	--	--	--	--	--	--
14 OGE Energy Corp.	✓	✓	--	✓	✓	✓	✓	✓	✓	P	✓
15 Otter Tail Corp.	✓	✓	--	--	✓	✓	✓	✓	✓	C,O	✓
16 Pinnacle West Capital	✓	✓	--	✓	--	✓	--	✓	✓	--	✓
17 Portland General Elec.	✓	✓	--	--	✓	✓		✓	✓	C	--
18 Pub Sv Enterprise Grp.	D	✓	--	✓	--	--	✓	✓	--	P	--
19 Sempra Energy	✓	✓	✓	--	--	--	✓	--	✓	C	✓
20 Southern Company	✓	--	--	✓	✓	✓	--	✓	--	C,O	✓

Notes

D - Delivery-only utility.

C - Fully-forecasted test years commonly used in the state listed for this operating company.

O - Fully-forecasted test years occasionally used in the state listed for this operating company.

P - Partially-forecasted test years commonly or occasionally used in the state listed for this operating company.

Source: Exhibit 9, pages 2-4, contain operating company data that are aggregated into the parent company data on this page.

REGULATORY MECHANISMS

ELECTRIC GROUP OPERATING COS.

Company	State	Fuel/PPA	Type of Adjustment Clause (a)									(b)	(c)				
			Conserv. Program Expense	Decoupling		New Capital				Trans. Costs	Future Test Year	Formula Rates / MRP					
				Full	Partial	Trad. Generation	Renewables/ Non-Trad.	Delivery Infra.	Environ. Compliance								
1 ALLETE																	
Minnesota Power Enterprises Inc.	MN	✓	✓	--	--	--	✓	--	--	✓	C	✓					
2 AMEREN CORP.																	
Ameren Illinois Co.	IL	D	* ✓	--	✓	*	--	✓	--	✓	*	✓	O	✓			
Union Electric Co.	MO	✓	✓	*	--	✓	*	--	✓	*	✓	*	P	--			
3 AVISTA CORP.																	
Alaska Electric Light & Power Co.	AK	✓	--	--	--	--	--	--	--	--	--	--	--	--			
Avista Corp.	ID	✓	* ✓	✓	*	--	--	--	--	--	--	--	P	--			
Avista Corp.	WA	✓	* ✓	✓	--	*	--	--	--	--	--	--	--	✓			
4 BLACK HILLS CORP.																	
Black Hills Colorado Electric Inc.	CO	✓	✓	--	--	✓	*	✓	--	--	✓	--	✓	--			
Black Hills Power Inc.	SD	✓	--	--	--	--	--	--	--	✓	*	✓	*	--			
Cheyenne Light Fuel & Power Co.	WY	✓	✓	--	✓	*	--	--	--	--	--	--	O	--			
5 CMS ENERGY																	
Consumers Energy Co.	MI	✓	✓	--	*	--	--	✓	--	--	✓	*	C	--			
6 DOMINION ENERGY																	
Virginia Electric & Power Co.	NC	✓	✓	*	--	--	*	✓	*	--	✓	--	--	--			
Dominion Energy South Carolina	SC	✓	✓	--	--	✓	*	--	--	✓	--	--	--	✓			
Virginia Electric & Power Co.	VA	✓	✓	--	--	✓	✓	✓	✓	✓	✓	--	✓				
7 DTE ENERGY CO.																	
DTE Electric Co.	MI	✓	✓	--	*	--	--	✓	--	--	✓	*	C	--			
8 DUKE ENERGY																	
Duke Energy Florida LLC	FL	✓	✓	--	--	✓	*	✓	*	--	*	✓	--	C			
Duke Energy Indiana LLC	IN	✓	✓	--	✓	*	--	✓	✓	*	✓	*	✓	--			
Duke Energy Kentucky Inc.	KY	✓	✓	--	✓	*	--	--	--	✓	--	--	O	--			
Duke Energy Carolinas LLC	NC	✓	✓	*	--	--	*	✓	*	--	✓	--	--	--			
Duke Energy Progress LLC	NC	✓	✓	*	--	--	*	✓	*	--	✓	--	--	--			
Duke Energy Ohio Inc.	OH	D	* ✓	*	--	✓	*	--	✓	✓	*	--	✓	P			
Duke Energy Progress LLC	SC	✓	✓	--	--	--	*	--	--	✓	--	--	--	✓			
Duke Energy Carolinas LLC	SC	✓	✓	--	--	--	*	--	--	✓	--	--	--	✓			

REGULATORY MECHANISMS

ELECTRIC GROUP OPERATING COS.

Company	State	Type of Adjustment Clause (a)											(b)	(c)		
		Fuel/PPA	Conserv. Program Expense	Decoupling		New Capital				Trans. Costs	Future Test Year	Formula Rates / MRP				
				Full	Partial	Trad. Generation	Renewables/ Non-Trad.	Delivery Infra.	Environ. Compliance							
9 ENTERGY CORP.																
Entergy Arkansas LLC	AR	✓	✓	--	✓	*	✓	*	✓	*	✓	*	--	✓	P	✓
Entergy New Orleans LLC	LA	✓	✓	--	--	--	--	✓	--	--	✓	*	✓	*	O	✓
Entergy Louisiana LLC	LA	✓	✓	*	--	✓	*	--	--	--	✓	--	--	✓	O	✓
Entergy Mississippi LLC	MS	✓	--	--	✓	*	--	--	--	--	--	--	✓	O	✓	
Entergy Texas Inc.	TX	✓	*	✓	--	--	✓	*	--	✓	--	--	✓	--	✓	
10 EXELON CORP.																
Delmarva Power & Light Co.	DE	D	*	✓	--	--	--	--	✓	*	--	--	✓	P	--	
Potomac Electric Power Co.	DC	D	*	--	--	✓	*	--	✓	*	✓	*	--	P	--	
Commonwealth Edison Co.	IL	D	*	✓	--	--	--	✓	✓	*	✓	*	✓	O	✓	
Baltimore Gas & Electric Co.	MD	D	*	✓	✓	--	--	--	--	--	--	--	--	P	--	
Delmarva Power & Light Co.	MD	D	*	✓	✓	--	--	--	--	--	--	--	--	P	--	
Potomac Electric Power Co.	MD	D	*	✓	✓	--	--	--	✓	*	--	--	--	P	--	
Atlantic City Electric Co.	NJ	D	*	✓	*	✓	*	--	✓	*	✓	*	--	P	--	
PECO Energy Co.	PA	D	*	✓	--	--	--	--	✓	*	--	--	✓	O	--	
11 HAWAIIAN ELEC.																
Hawaiian Electric Co.	HI	✓	✓	--	--	--	--	✓	*	--	--	--	--	C	✓	
Hawaii Electric Light Co.	HI	✓	✓	--	--	--	--	--	--	--	--	--	--	C	✓	
Maui Electric Co.	HI	✓	✓	--	--	--	--	✓	*	--	--	--	--	C	✓	
12 IDACORP																
Idaho Power Co.	ID	✓	*	✓	✓	*	--	--	--	--	--	--	--	P	--	
Idaho Power Co.	OR	✓	✓	--	--	--	--	--	--	--	--	--	--	C	--	
13 NORTHWESTERN CORP.																
NorthWestern Corp.	MT	✓	*	✓	--	--	--	--	--	--	--	--	--	--	--	
NorthWestern Corp.	SD	✓	✓	--	--	--	--	--	--	--	--	--	--	--	--	
14 OGE ENERGY CORP.																
Oklahoma Gas & Electric Co.	AR	✓	✓	--	✓	*	✓	✓	✓	✓	✓	✓	✓	P	--	
Oklahoma Gas & Electric Co.	OK	✓	✓	*	--	✓	*	--	--	✓	*	✓	*	✓	*	
15 OTTER TAIL CORP.																
Otter Tail Power Co.	MN	✓	✓	--	--	--	--	✓	--	--	✓	✓	✓	C	--	
Otter Tail Power Co.	ND	✓	--	--	--	--	✓	*	✓	*	✓	*	✓	*	O	
Otter Tail Power Corp.	SD	✓	✓	--	--	--	✓	*	--	✓	✓	✓	--	--	--	
16 PINNACLE WEST CAPITAL																
Arizona Public Service Co.	AZ	✓	✓	--	✓	*	--	✓	--	--	✓	✓	✓	--	✓	
17 PORTLAND GENERAL ELECTRIC																
Portland General Electric Co.	OR	✓	✓	--	--	--	✓	*	✓	*	--	✓	*	✓	C	

REGULATORY MECHANISMS

ELECTRIC GROUP OPERATING COS.

Company	Type of Adjustment Clause (a)														(b)	(c)		
	State	Fuel/PPA	Conserv. Program				New Capital					Trans. Costs	Future Test Year	Formula Rates / MRP				
			Expense	Full	Partial	Generation	Trad.	Renewables/ Non-Trad.	Delivery Infra.	Environ. Compliance								
18 PUB SV ENTERPRISE GRP																		
Public Service Electric & Gas Co.	NJ	D	*	✓	*	--	✓	*	--	--	✓	*	✓	*	--	P	--	
19 SEMPRA ENERGY																		
San Diego Gas & Electric Co.	CA	✓	--	--	✓	--	--	--	--	--	--	--	--	--	--	C	✓	
Oncor Electric Delivery Co.	TX	D	*	✓	--	--	--	--	--	✓	--	--	✓	--	--	--	✓	
20 SOUTHERN CO.																		
Alabama Power Co.	AL	✓	*	--	--	--	✓	*	✓	--	✓	*	✓	*	--	C	✓	
Georgia Power Co.	GA	✓	--	--	--	--	✓	*	--	--	✓	*	✓	*	--	C	✓	
Mississippi Power Co.	MS	✓	--	--	--	✓	*	--	--	--	✓	*	✓	*	--	O	✓	

(a) S&P Global Market Intelligence, *Adjustment clauses: A state by state overview*, Regulatory Focus Topical Special Report (Jul. 18, 2022).

(b) Edison Electric Institute, *Alternative Regulation for Emerging Utility Challenges: 2015 Update* (Nov. 11, 2015).

(c) Formula rates and Multiyear Rate plans approved in the state listed for this operating company. See, U.S. Department of Energy, *State Performance-Based Regulation Using Multiyear Rate Plans for U.S. Electric Utilities*, GRID Modernization Laboratory Consortium (Jul. 2017); The Brattle Group, *Exploring the Use of Alternative Regulatory Mechanisms to Establish New Base Rates*, Joint Utilities of Maryland (Mar. 29, 2018); SEC Form 10-K Reports.

Notes

D - Delivery-only utility.

C - Fully-forecasted test years commonly used in the state listed for this operating company.

O - Fully-forecasted test years occasionally used in the state listed for this operating company.

P - Partially-forecasted test years commonly or occasionally used in the state listed for this operating company.

* For additional context around the specific recovery mechanisms available to the particular operating companies in each state, see the source document.

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EXHIBIT NO. 10

CAPITAL STRUCTURE

Exhibit 10

Page 1 of 3

ELECTRIC GROUP

Company	At Year-end 2022 (a)			Value Line Projected (b)		
	Debt	Preferred	Common Equity	Debt	Preferred	Common Equity
1 ALLETE	36.5%	0.0%	63.5%	40.5%	0.0%	59.5%
2 Ameren Corp.	56.9%	0.0%	43.1%	51.0%	0.5%	48.5%
3 Avista Corp.	49.6%	0.0%	50.4%	48.5%	0.0%	51.5%
4 Black Hills Corp.	57.2%	0.0%	42.8%	50.0%	0.0%	50.0%
5 CMS Energy Corp.	65.2%	1.0%	33.8%	61.5%	1.0%	37.5%
6 Dominion Energy	60.2%	2.5%	37.2%	57.0%	2.0%	41.0%
7 DTE Energy Co.	63.4%	0.0%	36.6%	61.0%	0.0%	39.0%
8 Duke Energy Corp.	57.9%	1.6%	40.5%	61.0%	1.5%	37.5%
9 Entergy Corp.	66.1%	0.6%	33.3%	67.0%	0.0%	33.0%
10 Exelon Corp.	60.0%	0.0%	40.0%	64.5%	0.0%	35.5%
11 Hawaiian Elec.	57.9%	0.6%	41.4%	50.0%	0.5%	49.5%
12 IDACORP, Inc.	43.8%	0.0%	56.2%	50.0%	0.0%	50.0%
13 NorthWestern Corp.	48.3%	0.0%	51.7%	49.0%	0.0%	51.0%
14 OGE Energy Corp.	50.8%	0.0%	49.2%	50.0%	0.0%	50.0%
15 Otter Tail Corp.	40.4%	0.0%	59.6%	42.5%	0.0%	57.5%
16 Pinnacle West Capital	55.8%	0.0%	44.2%	54.5%	0.0%	45.5%
17 Portland General Elec.	58.8%	0.0%	41.2%	55.0%	0.0%	45.0%
18 Pub Sv Enterprise Grp.	56.8%	0.0%	43.2%	54.5%	0.0%	45.5%
19 Sempra Energy	44.9%	1.6%	53.5%	46.0%	1.5%	52.5%
20 Southern Company	61.4%	0.0%	38.6%	63.0%	0.0%	37.0%
Minimum	36.5%	0.0%	33.3%	40.5%	0.0%	33.0%
Maximum	66.1%	2.5%	63.5%	67.0%	2.0%	59.5%
Average	54.6%	0.4%	45.0%	53.8%	0.4%	45.8%

(a) SEC Form 10-K reports. Debt includes current maturities.

(b) The Value Line Investment Survey (Jan. 20, Feb. 10 and Mar. 10, 2023).

ELECTRIC GROUP OPERATING COS.

	Operating Company	At Year-End 2022 (a)		
		Debt	Preferred	Common Equity
1	ALLETE			
	ALLETE, Inc. (Minnesota Power)	40.3%	0.0%	59.7%
2	AMEREN CORP.			
	Ameren Illinois Co.	43.9%	0.4%	55.6%
	Union Electric Co.	48.6%	0.6%	50.7%
3	AVISTA CORP.			
	Avista Corp.	49.3%	0.0%	50.7%
	Alaska Electric Light & Power	39.1%	0.0%	60.9%
4	BLACK HILLS CORP.			
	Black Hills Power	49.9%	0.0%	50.1%
	Cheyenne Light Fuel & Power	57.2%	0.0%	42.8%
	Black Hills/Colorado Electric Utility Co	52.1%	0.0%	47.9%
5	CMS ENERGY			
	Consumers Energy Co.	50.2%	0.2%	49.6%
6	DOMINION ENERGY			
	Virginia Electric & Power	48.4%	0.0%	51.6%
	Dominion Energy South Carolina	45.2%	0.0%	54.8%
7	DTE ENERGY CO.			
	DTE Electric Co.	50.0%	0.0%	50.0%
8	DUKE ENERGY			
	Duke Energy Carolinas	48.0%	0.0%	52.0%
	Duke Energy Florida	51.8%	0.0%	48.2%
	Duke Energy Indiana	47.8%	0.0%	52.2%
	Duke Energy Ohio	40.5%	0.0%	59.5%
	Duke Energy Progress	51.8%	0.0%	48.2%
	Duke Energy Kentucky	47.0%	0.0%	53.0%
9	ENTERGY CORP.			
	Entergy Arkansas Inc.	52.4%	0.0%	47.6%
	Entergy Louisiana LLC	53.0%	0.0%	47.0%
	Entergy Mississippi Inc.	53.3%	0.0%	46.7%
	Entergy New Orleans Inc.	52.4%	0.0%	47.6%
	Entergy Texas Inc.	51.9%	0.7%	47.4%
10	EXELON CORP.			
	Delmarva Power and Light	49.8%	0.0%	50.2%
	Baltimore Gas & Electric Co.	46.0%	0.0%	54.0%
	Commonwealth Edison Co.	44.5%	0.0%	55.5%
	PECO Energy Co.	46.3%	0.0%	53.7%
	Potomac Electric Power Co.	49.8%	0.0%	50.2%
	Atlantic City Electric Co.	50.1%	0.0%	49.9%

ELECTRIC GROUP OPERATING COS.

Operating Company	At Year-End 2022 (a)		
	Debt	Preferred	Common Equity
11 HAWAIIAN ELEC. Hawaiian Electric Co.	41.5%	0.8%	57.7%
12 IDACORP Idaho Power Co.	45.5%	0.0%	54.5%
13 NORTHWESTERN CORP. NorthWestern Corporation	49.7%	0.0%	50.3%
14 OGE ENERGY CORP. Oklahoma G&E	44.2%	0.0%	55.8%
15 OTTER TAIL CORP. Otter Tail Power Co.	45.1%	0.0%	54.9%
16 PINNACLE WEST CAPITAL Arizona Public Service Co.	49.1%	0.0%	50.9%
17 PORTLAND GENERAL ELECTRIC Portland General Electric	56.8%	0.0%	43.2%
18 PUB SV ENTERPRISE GRP Pub Service Electric & Gas Co.	44.7%	0.0%	55.3%
19 SEMPra ENERGY San Diego Gas & Electric Oncor Electric Delivery	49.8% 43.3%	0.0% 0.0%	50.2% 56.7%
20 SOUTHERN CO. Alabama Power Co. Georgia Power Co. Mississippi Power Co.	47.6% 44.2% 44.4%	0.0% 0.0% 0.0%	52.4% 55.8% 55.6%
Minimum	39.1%	0.0%	42.8%
Maximum	57.2%	0.8%	60.9%
Average	48.1%	0.1%	51.8%

(a) Data from 2022 SEC Form 10-K and FERC Form 1 reports. Debt includes current maturities.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-11**

IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 11

DIVIDEND YIELD

		(a)	(b)	
	Company	Price	Dividends	Yield
1	ALLETE	\$ 61.92	\$ 2.71	4.4%
2	Ameren Corp.	\$ 84.03	\$ 2.52	3.0%
3	Avista Corp.	\$ 41.11	\$ 1.84	4.5%
4	Black Hills Corp.	\$ 61.80	\$ 2.50	4.0%
5	CMS Energy Corp.	\$ 60.10	\$ 1.95	3.2%
6	Dominion Energy	\$ 55.51	\$ 2.75	5.0%
7	DTE Energy Co.	\$ 108.71	\$ 3.81	3.5%
8	Duke Energy Corp.	\$ 95.49	\$ 4.02	4.2%
9	Entergy Corp.	\$ 104.69	\$ 4.28	4.1%
10	Exelon Corp.	\$ 41.21	\$ 1.44	3.5%
11	Hawaiian Elec.	\$ 39.02	\$ 1.44	3.7%
12	IDACORP, Inc.	\$ 104.16	\$ 3.16	3.0%
13	NorthWestern Corp.	\$ 56.81	\$ 2.56	4.5%
14	OGE Energy Corp.	\$ 36.13	\$ 1.70	4.7%
15	Otter Tail Corp.	\$ 69.99	\$ 1.76	2.5%
16	Pinnacle West Capital	\$ 75.82	\$ 3.48	4.6%
17	Portland General Elec.	\$ 47.58	\$ 1.88	4.0%
18	Pub Sv Enterprise Grp.	\$ 59.49	\$ 2.28	3.8%
19	Sempra Energy	\$ 149.16	\$ 4.80	3.2%
20	Southern Company	\$ 65.96	\$ 2.72	4.1%
	Average			3.9%

(a) Average of closing prices for 30 trading days ended Mar. 29, 2023.

(b) The Value Line Investment Survey, Summary & Index (Mar. 31, 2023).

GROWTH RATES

	Company	(a)	(b)	(c)	(d)
		Earnings Growth			br+sv
		V Line	IBES	Zacks	Growth
1	ALLETE	6.0%	8.7%	7.3%	4.8%
2	Ameren Corp.	6.5%	6.7%	6.9%	5.8%
3	Avista Corp.	3.5%	5.2%	5.2%	4.3%
4	Black Hills Corp.	6.0%	5.4%	2.2%	6.2%
5	CMS Energy Corp.	6.5%	8.0%	8.0%	6.5%
6	Dominion Energy	4.0%	6.1%	14.9%	5.9%
7	DTE Energy Co.	4.5%	7.4%	6.0%	6.2%
8	Duke Energy Corp.	5.0%	5.3%	5.4%	3.6%
9	Entergy Corp.	0.5%	6.6%	6.0%	3.2%
10	Exelon Corp.	n/a	6.3%	6.6%	4.5%
11	Hawaiian Elec.	4.5%	1.3%	3.1%	4.6%
12	IDACORP, Inc.	4.5%	3.0%	3.0%	3.6%
13	NorthWestern Corp.	3.5%	4.5%	1.7%	3.5%
14	OGE Energy Corp.	6.5%	-12.3%	10.2%	5.0%
15	Otter Tail Corp.	4.5%	9.0%	n/a	4.7%
16	Pinnacle West Capital	0.5%	7.1%	n/a	3.3%
17	Portland General Elec.	5.0%	4.2%	6.1%	5.2%
18	Pub Sv Enterprise Grp.	4.5%	2.4%	4.3%	4.9%
19	Sempra Energy	7.0%	4.1%	5.4%	4.7%
20	Southern Company	6.5%	7.3%	4.0%	6.8%

(a) The Value Line Investment Survey (Jan. 20, Feb. 10 and Mar. 10, 2023).

(b) www.finance.yahoo.com (retrieved Mar. 30, 2023).

(c) www.zacks.com (retrieved Mar. 30, 2023).

(d) See Exhibit 12.

COST OF EQUITY ESTIMATES

	(a)	(a)	(a)	(a)
Company	V Line	IBES	Zacks	br+sv Growth
1 ALLETE	10.4%	13.1%	11.7%	9.2%
2 Ameren Corp.	9.5%	9.7%	9.9%	8.8%
3 Avista Corp.	8.0%	9.7%	9.7%	8.8%
4 Black Hills Corp.	10.0%	9.4%	6.2%	10.2%
5 CMS Energy Corp.	9.7%	11.2%	11.3%	9.8%
6 Dominion Energy	9.0%	11.0%	19.8%	10.9%
7 DTE Energy Co.	8.0%	10.9%	9.5%	9.7%
8 Duke Energy Corp.	9.2%	9.5%	9.6%	7.8%
9 Entergy Corp.	4.6%	10.7%	10.1%	7.3%
10 Exelon Corp.	n/a	9.8%	10.1%	7.9%
11 Hawaiian Elec.	8.2%	5.0%	6.8%	8.3%
12 IDACORP, Inc.	7.5%	6.0%	6.0%	6.7%
13 NorthWestern Corp.	8.0%	9.0%	6.2%	8.1%
14 OGE Energy Corp.	11.2%	-7.6%	14.9%	9.8%
15 Otter Tail Corp.	7.0%	11.5%	n/a	7.2%
16 Pinnacle West Capital	5.1%	11.6%	n/a	7.8%
17 Portland General Elec.	9.0%	8.1%	10.0%	9.2%
18 Pub Sv Enterprise Grp.	8.3%	6.2%	8.2%	8.7%
19 Sempra Energy	10.2%	7.4%	8.6%	7.9%
20 Southern Company	10.6%	11.4%	8.1%	10.9%
Average (b)	9.2%	10.3%	10.0%	9.0%

(a) Sum of dividend yield (Exhibit 11, p. 1) and respective growth rate (Exhibit 11, p. 2).

(b) Excludes highlighted values.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-11**

IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 12

BR+SV GROWTH RATE

ELECTRIC GROUP

	(a)			(b)	(c)	(d)	(e)		(f)			(g)	
	2027								Adjustment				
<u>Company</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	<u>b</u>	<u>r</u>	<u>Factor</u>	<u>Adjusted r</u>	<u>br</u>	<u>s</u>	<u>v</u>	<u>sv</u>	<u>br + sv</u>	
1 ALLETE	\$5.00	\$3.00	\$54.00	40.0%	9.3%	1.0246	9.5%	3.8%	0.0271	0.3647	0.99%	4.8%	
2 Ameren Corp.	\$5.50	\$3.30	\$55.00	40.0%	10.0%	1.0296	10.3%	4.1%	0.0339	0.5000	1.70%	5.8%	
3 Avista Corp.	\$2.85	\$2.05	\$34.95	28.1%	8.2%	1.0305	8.4%	2.4%	0.0498	0.3922	1.95%	4.3%	
4 Black Hills Corp.	\$5.25	\$2.95	\$50.75	43.8%	10.3%	1.0297	10.7%	4.7%	0.0340	0.4514	1.53%	6.2%	
5 CMS Energy Corp.	\$3.75	\$2.30	\$26.00	38.7%	14.4%	1.0105	14.6%	5.6%	0.0148	0.6000	0.89%	6.5%	
6 Dominion Energy	\$5.10	\$3.30	\$43.40	35.3%	11.8%	1.0392	12.2%	4.3%	0.0305	0.5308	1.62%	5.9%	
7 DTE Energy Co.	\$8.30	\$4.65	\$60.75	44.0%	13.7%	1.0192	13.9%	6.1%	0.0007	0.5881	0.04%	6.2%	
8 Duke Energy Corp.	\$6.80	\$4.30	\$70.00	36.8%	9.7%	1.0133	9.8%	3.6%	0.0004	0.4043	0.02%	3.6%	
9 Entergy Corp.	\$6.50	\$5.00	\$73.00	23.1%	8.9%	1.0289	9.2%	2.1%	0.0277	0.3787	1.05%	3.2%	
10 Exelon Corp.	\$3.00	\$1.80	\$28.75	40.0%	10.4%	0.9820	10.2%	4.1%	0.0078	0.4524	0.35%	4.5%	
11 Hawaiian Elec.	\$2.60	\$1.60	\$25.50	38.5%	10.2%	1.0209	10.4%	4.0%	0.0124	0.4632	0.57%	4.6%	
12 IDACORP, Inc.	\$6.10	\$4.00	\$67.30	34.4%	9.1%	1.0238	9.3%	3.2%	0.0101	0.4272	0.43%	3.6%	
13 NorthWestern Corp.	\$4.00	\$2.68	\$50.00	33.0%	8.0%	1.0277	8.2%	2.7%	0.0361	0.2308	0.83%	3.5%	
14 OGE Energy Corp.	\$3.15	\$1.85	\$26.00	41.3%	12.1%	1.0091	12.2%	5.0%	-	0.3882	0.00%	5.0%	
15 Otter Tail Corp.	\$3.65	\$2.20	\$34.25	39.7%	10.7%	1.0195	10.9%	4.3%	0.0079	0.4731	0.37%	4.7%	
16 Pinnacle West Capital	\$5.25	\$3.66	\$59.25	30.3%	8.9%	1.0172	9.0%	2.7%	0.0139	0.3763	0.52%	3.3%	
17 Portland General Elec.	\$3.50	\$2.24	\$37.00	36.0%	9.5%	1.0316	9.8%	3.5%	0.0398	0.4308	1.71%	5.2%	
18 Pub Sv Enterprise Grp.	\$4.50	\$2.80	\$33.75	37.8%	13.3%	1.0151	13.5%	5.1%	(0.0037)	0.5645	-0.21%	4.9%	
19 Sempra Energy	\$11.25	\$5.82	\$102.65	48.3%	11.0%	1.0224	11.2%	5.4%	(0.0145)	0.4736	-0.69%	4.7%	
20 Southern Company	\$5.15	\$3.10	\$32.25	39.8%	16.0%	1.0216	16.3%	6.5%	0.0050	0.6206	0.31%	6.8%	

BR+SV GROWTH RATE

Exhibit 12

Page 2 of 2

ELECTRIC GROUP

Company	(a)	(a)	(h)	(a)	(a)	(h)	(i)	(a)	(a)		(j)	(a)	(a)	(i)
	2022			2027			Chg	2027				Common Shares		
	Eq Ratio	Tot Cap	Com Eq	Eq Ratio	Tot Cap	Com Eq	Equity	High	Low	Avg.	M/B	2022	2027	Growth
1 ALLETE	57.8%	\$4,465	\$2,581	59.5%	\$5,550	\$3,302	5.1%	\$100.0	\$70.0	\$85.0	1.574	56.01	61.00	1.72%
2 Ameren Corp.	44.0%	\$24,193	\$10,645	48.5%	\$29,500	\$14,308	6.1%	\$120.0	\$100.0	\$110.0	2.000	262.00	285.00	1.70%
3 Avista Corp.	52.5%	\$4,105	\$2,155	51.5%	\$5,675	\$2,923	6.3%	\$65.0	\$50.0	\$57.5	1.645	71.50	83.00	3.03%
4 Black Hills Corp.	40.3%	\$6,914	\$2,786	50.0%	\$7,500	\$3,750	6.1%	\$105.0	\$80.0	\$92.5	1.823	64.74	71.00	1.86%
5 CMS Energy Corp.	34.5%	\$20,350	\$7,021	37.5%	\$20,800	\$7,800	2.1%	\$75.0	\$55.0	\$65.0	2.500	291.30	300.00	0.59%
6 Dominion Energy	38.5%	\$66,344	\$25,542	41.0%	\$92,200	\$37,802	8.2%	\$105.0	\$80.0	\$92.5	2.131	810.40	870.00	1.43%
7 DTE Energy Co.	37.0%	\$28,000	\$10,360	39.0%	\$32,200	\$12,558	3.9%	\$170.0	\$125.0	\$147.5	2.428	205.69	206.00	0.03%
8 Duke Energy Corp.	43.1%	\$109,744	\$47,300	37.5%	\$144,100	\$54,038	2.7%	\$135.0	\$100.0	\$117.5	1.679	769.00	770.00	0.03%
9 Entergy Corp.	35.2%	\$36,810	\$12,957	33.0%	\$52,410	\$17,295	5.9%	\$135.0	\$100.0	\$117.5	1.610	211.18	230.00	1.72%
10 Exelon Corp.	49.1%	\$70,107	\$34,423	35.5%	\$81,000	\$28,755	-3.5%	\$60.0	\$45.0	\$52.5	1.826	979.00	1000.00	0.43%
11 Hawaiian Elec.	52.8%	\$4,524	\$2,389	49.5%	\$5,950	\$2,945	4.3%	\$55.0	\$40.0	\$47.5	1.863	109.31	113.00	0.67%
12 IDACORP, Inc.	57.2%	\$4,669	\$2,671	50.0%	\$6,775	\$3,388	4.9%	\$130.0	\$105.0	\$117.5	1.746	50.52	52.00	0.58%
13 NorthWestern Corp.	47.8%	\$4,893	\$2,339	51.0%	\$6,050	\$3,086	5.7%	\$75.0	\$55.0	\$65.0	1.300	54.06	62.00	2.78%
14 OGE Energy Corp.	53.0%	\$8,962	\$4,750	50.0%	\$10,400	\$5,200	1.8%	\$50.0	\$35.0	\$42.5	1.635	200.20	200.20	0.00%
15 Otter Tail Corp.	58.5%	\$2,041	\$1,194	57.5%	\$2,525	\$1,452	4.0%	\$75.0	\$55.0	\$65.0	1.898	41.63	42.50	0.41%
16 Pinnacle West Capital	46.1%	\$12,820	\$5,910	45.5%	\$15,425	\$7,018	3.5%	\$110.0	\$80.0	\$95.0	1.603	113.01	118.00	0.87%
17 Portland General Elec.	43.2%	\$6,265	\$2,706	45.0%	\$8,250	\$3,713	6.5%	\$75.0	\$55.0	\$65.0	1.757	89.41	100.00	2.26%
18 Pub Sv Enterprise Grp.	48.7%	\$29,657	\$14,443	45.5%	\$36,900	\$16,790	3.1%	\$85.0	\$70.0	\$77.5	2.296	504.00	500.00	-0.16%
19 Sempra Energy	53.3%	\$47,069	\$25,088	52.5%	\$59,800	\$31,395	4.6%	\$225.0	\$165.0	\$195.0	1.900	316.92	305.00	-0.76%
20 Southern Company	35.6%	\$78,285	\$27,869	37.0%	\$93,500	\$34,595	4.4%	\$100.0	\$70.0	\$85.0	2.636	1060.00	1070.00	0.19%

- (a) The Value Line Investment Survey (Jan. 20, Feb. 10 and Mar. 10, 2023).
(b) "b" is the retention ratio, computed as (EPS-DPS)/EPS.
(c) "r" is the rate of return on book equity, computed as EPS/BVPS.
(d) Computed using the formula $2*(1+5\text{-Yr. Change in Equity})/(2+5\text{ Yr. Change in Equity})$.
(e) Product of average year-end "r" for 2027 and Adjustment Factor.
(f) Product of change in common shares outstanding and M/B Ratio.
(g) Computed as 1 - B/M Ratio.
(h) Product of total capital and equity ratio.
(i) Five-year rate of change.
(j) Average of High and Low expected market prices divided by 2027 BVPS.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-11**

IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 13

ELECTRIC GROUP

	(a)	(b)	(c)		(d)	(e)	(f)			
	Market Return (R_m)			Risk-Free	Risk	Unadjusted	Market	Size	CAPM	
Company	Div Yield	Proj. Growth	Cost of Equity	Rate	Premium	Beta	K_e	Cap	Adjustment	Result
1 ALLETE	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$3,500	0.93%	11.8%
2 Ameren Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.85	10.4%	\$22,000	0.45%	10.9%
3 Avista Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$3,200	0.93%	11.8%
4 Black Hills Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.95	11.2%	\$4,600	0.58%	11.8%
5 CMS Energy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.80	10.0%	\$17,400	0.45%	10.5%
6 Dominion Energy	2.1%	9.5%	11.6%	3.8%	7.8%	0.80	10.0%	\$52,200	-0.26%	9.8%
7 DTE Energy Co.	2.1%	9.5%	11.6%	3.8%	7.8%	0.95	11.2%	\$22,900	0.45%	11.7%
8 Duke Energy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.85	10.4%	\$78,300	-0.26%	10.2%
9 Entergy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.95	11.2%	\$23,000	0.45%	11.7%
10 Exelon Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	n/a	n/a	\$41,500	-0.26%	n/a
11 Hawaiian Elec.	2.1%	9.5%	11.6%	3.8%	7.8%	0.85	10.4%	\$4,600	0.58%	11.0%
12 IDACORP, Inc.	2.1%	9.5%	11.6%	3.8%	7.8%	0.80	10.0%	\$5,500	0.58%	10.6%
13 NorthWestern Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$3,400	0.93%	11.8%
14 OGE Energy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	1.00	11.6%	\$7,300	0.57%	12.2%
15 Otter Tail Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$3,000	0.93%	11.8%
16 Pinnacle West Capital	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$8,500	0.57%	11.4%
17 Portland General Elec.	2.1%	9.5%	11.6%	3.8%	7.8%	0.85	10.4%	\$4,400	0.58%	11.0%
18 Pub Sv Enterprise Grp.	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$30,500	0.45%	11.3%
19 Sempra Energy	2.1%	9.5%	11.6%	3.8%	7.8%	0.95	11.2%	\$49,400	-0.26%	11.0%
20 Southern Company	2.1%	9.5%	11.6%	3.8%	7.8%	0.90	10.8%	\$71,300	-0.26%	10.6%
Average							10.7%			11.2%

(a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (retrieved Mar. 16, 2023).

(b) Average of weighted average earnings growth rates from IBES, Value Line, and Zacks for dividend-paying stocks in the S&P 500 based on data from Refinitiv, as provided by fidelity.com (retrieved Mar. 16, 2023), www.valueline.com (retrieved Mar. 16, 2023), and www.zacks.com (retrieved Mar. 16, 2023). Eliminated growth rates that were greater than 20%, as well as all negative values.

(c) Average yield on 30-year Treasury bonds for six-months ending Mar. 2023 based on data from Moody's Investors Service.

(d) The Value Line Investment Survey, Summary & Index (Mar. 31, 2023).

(e) The Value Line Investment Survey (Jan. 20, Feb. 10 and Mar. 10, 2023).

(f) Kroll, 2023 Supplementary CRSP Decile Size Study Data Exhibits.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
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IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 14

ELECTRIC GROUP

Company	Market Return (R _m)			Risk-Free Rate	Risk Premium	Unadjusted RP		Beta Adjusted RP		Total RP	Unadjusted K _e	Market Cap	Size Adjustment	ECAPM Result		
	Div Yield	Proj. Growth	Cost of Equity			Weight	RP ¹	Beta	Weight						RP ²	
1 ALLETE	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$3,500	0.93%	11.9%	
2 Ameren Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.85	75%	5.0%	6.9%	10.7%	\$22,000	0.45%	11.2%	
3 Avista Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$3,200	0.93%	11.9%	
4 Black Hills Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.95	75%	5.6%	7.5%	11.3%	\$4,600	0.58%	11.9%	
5 CMS Energy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.80	75%	4.7%	6.6%	10.4%	\$17,400	0.45%	10.9%	
6 Dominion Energy	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.80	75%	4.7%	6.6%	10.4%	\$52,200	-0.26%	10.2%	
7 DTE Energy Co.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.95	75%	5.6%	7.5%	11.3%	\$22,900	0.45%	11.8%	
8 Duke Energy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.85	75%	5.0%	6.9%	10.7%	\$78,300	-0.26%	10.5%	
9 Entergy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.95	75%	5.6%	7.5%	11.3%	\$23,000	0.45%	11.8%	
10 Exelon Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	n/a	75%	n/a	n/a	n/a	\$41,500	-0.26%	n/a	
11 Hawaiian Elec.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.85	75%	5.0%	6.9%	10.7%	\$4,600	0.58%	11.3%	
12 IDACORP, Inc.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.80	75%	4.7%	6.6%	10.4%	\$5,500	0.58%	11.0%	
13 NorthWestern Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$3,400	0.93%	11.9%	
14 OGE Energy Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	1.00	75%	5.9%	7.8%	11.6%	\$7,300	0.57%	12.2%	
15 Otter Tail Corp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$3,000	0.93%	11.9%	
16 Pinnacle West Capital	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$8,500	0.57%	11.6%	
17 Portland General Elec.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.85	75%	5.0%	6.9%	10.7%	\$4,400	0.58%	11.3%	
18 Pub Sv Enterprise Grp.	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$30,500	0.45%	11.5%	
19 Sempra Energy	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.95	75%	5.6%	7.5%	11.3%	\$49,400	-0.26%	11.0%	
20 Southern Company	2.1%	9.5%	11.6%	3.8%	7.8%	25%	2.0%	0.90	75%	5.3%	7.2%	11.0%	\$71,300	-0.26%	10.8%	
Average												11.0%				11.4%

- (a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (retrieved Mar. 16, 2023).
- (b) Average of weighted average earnings growth rates from IBES, Value Line, and Zacks for dividend-paying stocks in the S&P 500 based on data from Refinitiv, as provided by fidelity.com (retrieved Mar. 16, 2023), www.valueline.com (retrieved Mar. 16, 2023), and www.zacks.com (retrieved Mar. 16, 2023). Eliminated growth rates that were greater than 20%, as well as all negative values.
- (c) Average yield on 30-year Treasury bonds for six-months ending Mar. 2023 based on data from Moody's Investors Service.
- (d) Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc. (2006) at 190.
- (e) The Value Line Investment Survey, Summary & Index (Mar. 31, 2023).
- (f) The Value Line Investment Survey (Jan. 20, Feb. 10 and Mar. 10, 2023).
- (g) Kroll, 2023 Supplementary CRSP Decile Size Study Data Exhibits.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
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IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 15

COST OF EQUITY ESTIMATE

<u>Current Equity Risk Premium</u>	
(a) Avg. Yield over Study Period	7.83%
(b) Average Utility Bond Yield	<u>5.49%</u>
Change in Bond Yield	-2.34%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4273</u>
Adjustment to Average Risk Premium	1.00%
(a) Average Risk Premium over Study Period	<u>3.89%</u>
Adjusted Risk Premium	4.89%
<u>Implied Cost of Equity</u>	
(b) Baa Utility Bond Yield	5.75%
Adjusted Equity Risk Premium	<u>4.89%</u>
Risk Premium Cost of Equity	10.64%

- (a) Exhibit 15, page 2.
- (b) Average bond yield on all utility bonds and 'Baa' subset for six-months ending Mar. 2023 based on data from Moody's Investors Service at www.credittrends.com.
- (c) Exhibit 15, page 3.

UTILITY RISK PREMIUM

AUTHORIZED RETURNS

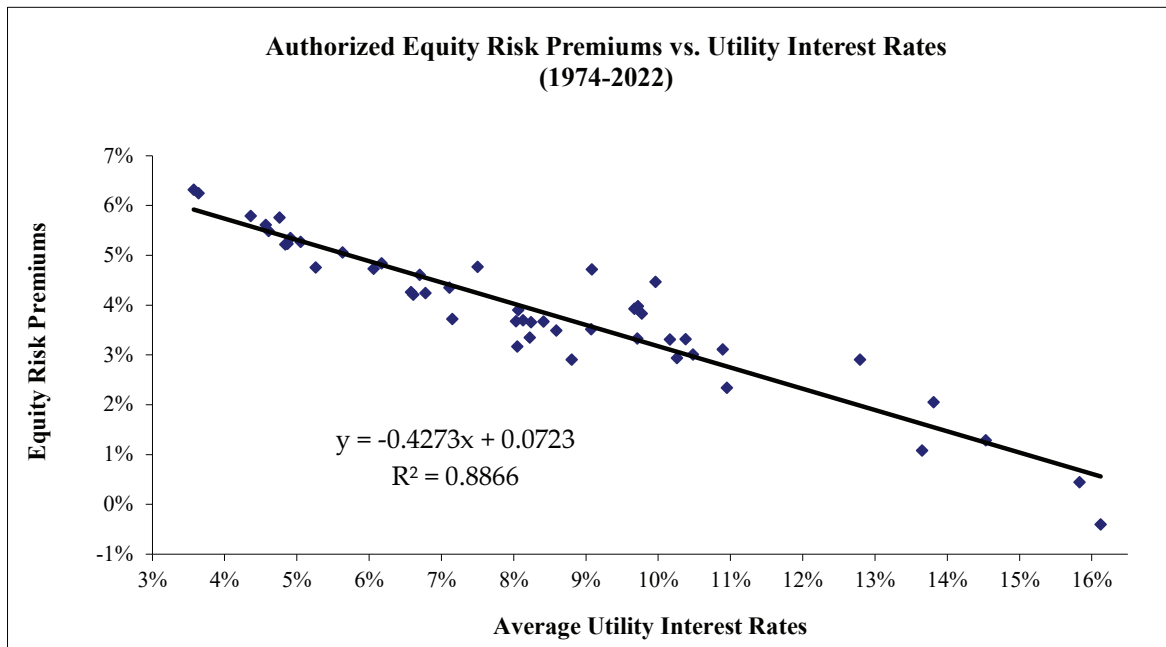
	(a)	(b)	
Year	Allowed ROE	Average Utility Bond Yield	Risk Premium
1974	13.10%	9.27%	3.83%
1975	13.20%	9.88%	3.32%
1976	13.10%	9.17%	3.93%
1977	13.30%	8.58%	4.72%
1978	13.20%	9.22%	3.98%
1979	13.50%	10.39%	3.11%
1980	14.23%	13.15%	1.08%
1981	15.22%	15.62%	-0.40%
1982	15.78%	15.33%	0.45%
1983	15.36%	13.31%	2.05%
1984	15.32%	14.03%	1.29%
1985	15.20%	12.29%	2.91%
1986	13.93%	9.46%	4.47%
1987	12.99%	9.98%	3.01%
1988	12.79%	10.45%	2.34%
1989	12.97%	9.66%	3.31%
1990	12.70%	9.76%	2.94%
1991	12.54%	9.21%	3.33%
1992	12.09%	8.57%	3.52%
1993	11.46%	7.56%	3.90%
1994	11.21%	8.30%	2.91%
1995	11.58%	7.91%	3.67%
1996	11.40%	7.74%	3.66%
1997	11.33%	7.63%	3.70%
1998	11.77%	7.00%	4.77%

	(a)	(b)	
Year	Allowed ROE	Average Utility Bond Yield	Risk Premium
1999	10.72%	7.55%	3.17%
2000	11.58%	8.09%	3.49%
2001	11.07%	7.72%	3.35%
2002	11.21%	7.53%	3.68%
2003	10.96%	6.61%	4.35%
2004	10.81%	6.20%	4.61%
2005	10.51%	5.67%	4.84%
2006	10.34%	6.08%	4.26%
2007	10.32%	6.11%	4.21%
2008	10.37%	6.65%	3.72%
2009	10.52%	6.28%	4.24%
2010	10.29%	5.56%	4.73%
2011	10.19%	5.13%	5.06%
2012	10.02%	4.26%	5.76%
2013	9.82%	4.55%	5.27%
2014	9.76%	4.41%	5.35%
2015	9.60%	4.37%	5.23%
2016	9.60%	4.11%	5.49%
2017	9.68%	4.07%	5.61%
2018	9.56%	4.34%	5.22%
2019	9.65%	3.86%	5.79%
2020	9.39%	3.07%	6.32%
2021	9.39%	3.14%	6.25%
2022	<u>9.52%</u>	<u>4.75%</u>	<u>4.77%</u>
Average	11.72%	7.83%	3.89%

(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.

REGRESSION RESULTS



SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.941588
R Square	0.886588
Adjusted R Square	0.884175
Standard Error	0.004801
Observations	49

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.008469	0.008469	367.418596	0.000000
Residual	47	0.001083	0.000023		
Total	48	0.009552			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.072337	0.001875	38.582107	0.000000	0.068565	0.076109	0.068565	0.076109
X Variable 1	-0.427257	0.022290	-19.168166	0.000000	-0.472099	-0.382416	-0.472099	-0.382416

**BEFORE THE
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IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 16

EXPECTED EARNINGS APPROACH

Exhibit 16

Page 1 of 1

ELECTRIC GROUP

	(a)	(b)	(c)
Company	Expected Return on Common Equity	Adjustment Factor	Adjusted Return on Common Equity
1 ALLETE	9.0%	1.0246	9.2%
2 Ameren Corp.	10.0%	1.0296	10.3%
3 Avista Corp.	8.0%	1.0305	8.2%
4 Black Hills Corp.	9.5%	1.0297	9.8%
5 CMS Energy Corp.	14.0%	1.0105	14.1%
6 Dominion Energy	12.0%	1.0392	12.5%
7 DTE Energy Co.	12.5%	1.0192	12.7%
8 Duke Energy Corp.	9.0%	1.0133	9.1%
9 Entergy Corp.	9.0%	1.0289	9.3%
10 Exelon Corp.	10.0%	0.9820	9.8%
11 Hawaiian Elec.	12.5%	1.0209	12.8%
12 IDACORP, Inc.	9.5%	1.0238	9.7%
13 NorthWestern Corp.	8.0%	1.0277	8.2%
14 OGE Energy Corp.	13.0%	1.0091	13.1%
15 Otter Tail Corp.	11.5%	1.0195	11.7%
16 Pinnacle West Capital	9.0%	1.0172	9.2%
17 Portland General Elec.	9.5%	1.0316	9.8%
18 Pub Sv Enterprise Grp.	13.5%	1.0151	13.7%
19 Sempra Energy	11.0%	1.0224	11.2%
20 Southern Company	14.5%	1.0216	14.8%
Average (d)	<u>10.8%</u>		<u>11.0%</u>

- (a) The Value Line Investment Survey (Jan. 20, Feb. 10 and Mar. 10, 2023).
- (b) Adjustment to convert year-end return to an average rate of return from Exhibit 12.
- (c) (a) x (b).
- (d) Excludes highlighted values.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-11**

IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 17

VALUE LINE UTILITIES

No.	Sym	Company	(1)	(2)	(3)	Underwriting		(6)	(7)	(8)	(9)
			Date	Shares Issued	Offering Price	Discount (per share)	Underwriting Discount	Offering Expense	Total Flotation Costs	Gross Proceeds Before Flot. Costs	Flotation Cost (%)
1	ALE	ALLETE	4/1/2022	3,200,000	\$63.00	\$2.20500	\$7,056,000	\$700,000	\$7,756,000	\$201,600,000	3.847%
2	LNT	Alliant Energy	11/14/2019	3,717,502	\$52.63	\$0.39500	\$1,468,413	\$500,000	\$1,968,413	\$195,652,130	1.006%
3	AEE	Ameren Corp.	8/5/2019	7,549,205	\$74.30	\$0.12000	\$905,905	\$750,000	\$1,655,905	\$560,905,932	0.295%
4	AEP	American Elec Pwr	4/2/2009	69,000,000	\$24.50	\$0.73500	\$50,715,000	\$400,000	\$51,115,000	\$1,690,500,000	3.024%
5	AGR	Avangrid, Inc.					N/A				
6	AVA	Avista Corp.	12/13/2006	3,162,500	\$25.05	\$0.48000	\$1,518,000	\$300,000	\$1,818,000	\$79,220,625	2.295%
7	BKH	Black Hills Corp.	2/25/2020	1,222,942	\$81.77	\$0.73590	\$899,963	\$230,000	\$1,129,963	\$99,999,967	1.130%
8	CNP	CenterPoint Energy	9/27/2018	60,550,459	\$27.25	\$0.75000	\$45,412,844	\$1,000,000	\$46,412,844	\$1,650,000,008	2.813%
9	CMS	CMS Energy Corp.	3/31/2005	23,000,000	\$12.25	\$0.42880	\$9,862,400	\$325,000	\$10,187,400	\$281,750,000	3.616%
10	ED	Consolidated Edison (a)	6/17/2021	10,100,000	\$76.92	\$0.83000	\$8,383,000	\$450,000	\$8,833,000	\$776,892,000	1.137%
11	D	Dominion Energy (a)	3/29/2018	20,000,000	\$67.33	\$1.89420	\$37,884,000	\$450,000	\$38,334,000	\$1,346,516,000	2.847%
12	DTE	DTE Energy Co.	10/29/2019	2,400,000	\$126.00	\$3.15000	\$7,560,000	\$300,000	\$7,860,000	\$302,400,000	2.599%
13	DUK	Duke Energy Corp. (a)	11/18/2019	25,000,000	\$85.99	\$2.66000	\$66,500,000	\$592,000	\$67,092,000	\$2,149,750,000	3.121%
14	EIX	Edison International	5/13/2020	14,181,882	\$56.41	\$0.98718	\$14,000,000	\$1,000,000	\$15,000,000	\$799,999,964	1.875%
15	ETR	Entergy Corp.	6/8/2018	13,289,037	\$75.25	\$0.80000	\$10,631,230	\$650,000	\$11,281,230	\$1,000,000,034	1.128%
16	EVRG	Eergy Inc.					N/A				
17	ES	Eversource Energy	6/12/2020	6,000,000	\$84.91	\$1.35000	\$8,100,000	\$600,000	\$8,700,000	\$509,460,000	1.708%
18	EXC	Exelon Corp. (a)	8/8/2022	11,300,000	\$43.32	\$0.99000	\$11,187,000	\$900,000	\$12,087,000	\$489,516,000	2.469%
19	FE	FirstEnergy Corp.	9/15/2003	32,200,000	\$30.00	\$0.97500	\$31,395,000	\$423,000	\$31,818,000	\$966,000,000	3.294%
20	HE	Hawaiian Elec.	3/20/2013	7,000,000	\$26.75	\$1.00312	\$7,021,840	\$450,000	\$7,471,840	\$187,250,000	3.990%
21	IDA	IDACORP, Inc.	12/10/2004	4,025,000	\$30.00	\$1.20000	\$4,830,000	\$300,000	\$5,130,000	\$120,750,000	4.248%
22	NEE	NextEra Energy, Inc. (a)	11/3/2016	13,800,000	\$124.00	\$1.89000	\$26,082,000	\$750,000	\$26,832,000	\$1,711,200,000	1.568%
23	NWE	NorthWestern Corp.	11/18/2021	6,074,767	\$53.50	\$1.60500	\$9,750,001	\$900,000	\$10,650,001	\$325,000,035	3.277%
24	OGE	OGE Energy Corp.	8/22/2003	5,324,074	\$21.60	\$0.79000	\$4,206,018	\$325,000	\$4,531,018	\$114,999,998	3.940%
25	OTTR	Otter Tail Corp.					N/A				
26	PNW	Pinnacle West Capital	4/9/2010	6,900,000	\$38.00	\$1.33000	\$9,177,000	\$190,000	\$9,367,000	\$262,200,000	3.572%
27	PNM	PNM Resources	1/7/2020	5,375,000	\$47.21	\$1.99000	\$10,696,250	\$750,000	\$11,446,250	\$253,753,750	4.511%
28	POR	Portland General Elec.	10/27/2022	10,100,000	\$43.00	\$1.23625	\$12,486,125	\$515,000	\$13,001,125	\$434,300,000	2.994%
29	PPL	PPL Corp.	5/10/2018	55,000,000	\$27.00	\$0.29430	\$16,186,500	\$1,000,000	\$17,186,500	\$1,485,000,000	1.157%
30	PEG	Pub Sv Enterprise Grp.	10/2/2003	9,487,500	\$41.75	\$1.25250	\$11,883,094	\$350,000	\$12,233,094	\$396,103,125	3.088%
31	SRE	Sempra Energy	1/5/2018	26,869,158	\$107.00	\$1.92600	\$51,749,998	\$1,500,000	\$53,249,998	\$2,874,999,906	1.852%
32	SO	Southern Company (a)	8/18/2016	32,500,000	\$49.30	\$1.66000	\$53,950,000	\$557,000	\$54,507,000	\$1,602,250,000	3.402%
33	WEC	WEC Energy Group					N/A				
34	XEL	Xcel Energy Inc. (a)	10/30/2019	10,300,000	\$62.69	\$0.63000	\$6,489,000	\$650,000	\$7,139,000	\$645,707,000	1.106%
Average - Electric											
2.564%											
1	ATO	Atmos Energy Corp.	11/30/2018	7,008,087	\$92.75	\$0.97690	\$6,846,200	\$1,000,000	\$7,846,200	\$650,000,069	1.207%
2	CPK	Chesapeake Utilities	9/23/2016	960,488	\$62.26	\$2.33000	\$2,237,937	\$162,046	\$2,399,983	\$59,799,983	4.013%
3	NJR	New Jersey Resources	12/4/2019	5,700,000	\$41.25	\$1.23750	\$7,053,750	\$500,000	\$7,553,750	\$235,125,000	3.213%
4	NI	NiSource Inc.	5/3/2017	N/A	N/A	N/A	\$10,000,000	\$57,950	\$10,057,950	\$500,000,000	2.012%
5	NWN	Northwest Nat. Holding Co.	3/30/2022	2,500,000	\$50.00	\$1.62500	\$4,062,500	\$450,000	\$4,512,500	\$125,000,000	3.610%
6	OGS	ONE Gas, Inc.					N/A				
7	SWX	Southwest Gas	3/9/2023	3,576,180	\$60.12	\$2.02910	\$7,256,427	\$538,000	\$7,794,427	\$214,999,942	3.625%
8	SR	Spire Inc.	5/9/2018	2,000,000	\$63.05	\$2.10938	\$4,218,760	\$325,000	\$4,543,760	\$126,100,000	3.603%
Average - Gas											
3.040%											
Average - Electric & Gas											
2.654%											

Column Notes:

- (1-4) SEC Form 424B for each company (through April 10, 2023).
- (5) Column (2) * Column (4)
- (6) SEC Form 424B for each company (through April 10, 2023).
- (7) Column (5) + Column (6)
- (8) Column (2) * Column (3)
- (9) Column (7) / Column (8)

Note (a): Underwriting discount computed as the difference between the current market price and the price offered to the issuing company by the underwriters.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-11**

IDAHO POWER COMPANY

**MCKENZIE, DI
TESTIMONY**

EXHIBIT NO. 18

DIVIDEND YIELD

	Company	Industry Group	(a) Price	(b) Dividends	Yield
1	3M Company	Diversified Co.	\$106.36	\$ 6.00	5.6%
2	Abbott Labs.	Med Supp Non-Invasive	\$100.29	\$ 2.04	2.0%
3	Air Products & Chem.	Chemical (Diversified)	\$281.14	\$ 7.00	2.5%
4	Allstate Corp.	Insurance (Prop/Cas.)	\$120.44	\$ 3.56	3.0%
5	Amdocs Ltd.	IT Services	\$92.79	\$ 1.74	1.9%
6	Amgen	Biotechnology	\$234.21	\$ 8.52	3.6%
7	Archer Daniels Midl'd	Food Processing	\$79.03	\$ 1.80	2.3%
8	Becton, Dickinson	Med Supp Invasive	\$237.50	\$ 3.68	1.5%
9	Bristol-Myers Squibb	Drug	\$68.51	\$ 2.31	3.4%
10	Brown & Brown	Financial Svcs. (Div.)	\$55.82	\$ 0.46	0.8%
11	Brown-Forman 'B'	Beverage	\$63.90	\$ 0.82	1.3%
12	Church & Dwight	Household Products	\$84.48	\$ 1.09	1.3%
13	Cisco Systems	Telecom. Equipment	\$49.51	\$ 1.56	3.2%
14	Coca-Cola	Beverage	\$60.07	\$ 1.84	3.1%
15	Colgate-Palmolive	Household Products	\$72.99	\$ 1.92	2.6%
16	Comcast Corp.	Cable TV	\$36.81	\$ 1.16	3.2%
17	Costco Wholesale	Retail Store	\$488.50	\$ 3.75	0.8%
18	Danaher Corp.	Diversified Co.	\$247.94	\$ 1.08	0.4%
19	Gen'l Mills	Food Processing	\$80.16	\$ 2.17	2.7%
20	Gilead Sciences	Drug	\$80.65	\$ 3.00	3.7%
21	Hershey Co.	Food Processing	\$241.73	\$ 4.27	1.8%
22	Home Depot	Retail Building Supply	\$292.87	\$ 8.36	2.9%
23	Hormel Foods	Food Processing	\$41.24	\$ 1.10	2.7%
24	Intercontinental Exch.	Brokers & Exchanges	\$100.99	\$ 1.68	1.7%
25	Johnson & Johnson	Med Supp Non-Invasive	\$154.32	\$ 4.52	2.9%
26	Kimberly-Clark	Household Products	\$126.71	\$ 4.72	3.7%
27	Lilly (Eli)	Drug	\$325.23	\$ 4.52	1.4%
28	Lockheed Martin	Aerospace/Defense	\$475.63	\$ 12.20	2.6%
29	Marsh & McLennan	Financial Svcs. (Div.)	\$161.25	\$ 2.48	1.5%
30	McCormick & Co.	Food Processing	\$73.91	\$ 1.56	2.1%
31	McDonald's Corp.	Restaurant	\$267.83	\$ 6.20	2.3%
32	McKesson Corp.	Med Supp Non-Invasive	\$348.20	\$ 2.28	0.7%
33	Merck & Co.	Drug	\$107.28	\$ 2.92	2.7%
34	Microsoft Corp.	Computer Software	\$262.00	\$ 2.73	1.0%
35	Mondelez Int'l	Food Processing	\$66.46	\$ 1.54	2.3%
36	NewMarket Corp.	Chemical (Specialty)	\$347.55	\$ 8.40	2.4%
37	Northrop Grumman	Aerospace/Defense	\$461.03	\$ 6.92	1.5%
38	Oracle Corp.	Computer Software	\$87.33	\$ 1.60	1.8%
39	PepsiCo, Inc.	Beverage	\$175.49	\$ 4.60	2.6%
40	Pfizer, Inc.	Drug	\$40.85	\$ 1.64	4.0%
41	Procter & Gamble	Household Products	\$140.96	\$ 3.65	2.6%
42	Progressive Corp.	Insurance (Prop/Cas.)	\$141.53	\$ 0.40	0.3%
43	Republic Services	Environmental	\$129.80	\$ 1.98	1.5%
44	Sherwin-Williams	Retail Building Supply	\$219.55	\$ 2.42	1.1%
45	Smucker (J.M.)	Food Processing	\$150.87	\$ 4.14	2.7%
46	Texas Instruments	Semiconductor	\$174.94	\$ 4.96	2.8%
47	Thermo Fisher Sci.	Precision Instrument	\$551.89	\$ 1.40	0.3%
48	Travelers Cos.	Insurance (Prop/Cas.)	\$176.47	\$ 3.72	2.1%
49	Verizon Communic.	Telecom. Services	\$38.05	\$ 2.64	6.9%
50	Walmart Inc.	Retail Store	\$141.28	\$ 2.32	1.6%
51	Waste Management	Environmental	\$152.25	\$ 2.80	1.8%
	Average				2.3%

(a) Average of closing prices for 30 trading days ended Mar. 29, 2023.

(b) The Value Line Investment Survey, *Summary & Index* (Mar. 31, 2023).

GROWTH RATES

	Company	(a)	(b)	(c)
		Earnings Growth		
		V Line	IBES	Zacks
1	3M Company	7.50%	0.09%	9.50%
2	Abbott Labs.	6.50%	8.30%	5.09%
3	Air Products & Chem.	11.50%	8.79%	11.68%
4	Allstate Corp.	3.50%	-2.19%	7.00%
5	Amdocs Ltd.	7.50%	11.07%	11.00%
6	Amgen	4.50%	4.12%	7.00%
7	Archer Daniels Midl'd	13.00%	-2.80%	6.39%
8	Becton, Dickinson	5.00%	6.30%	7.77%
9	Bristol-Myers Squibb	n/a	4.06%	5.70%
10	Brown & Brown	8.00%	13.22%	n/a
11	Brown-Forman 'B'	14.50%	8.85%	n/a
12	Church & Dwight	6.00%	7.81%	7.64%
13	Cisco Systems	8.50%	7.32%	6.50%
14	Coca-Cola	8.00%	6.06%	6.66%
15	Colgate-Palmolive	6.00%	6.02%	6.21%
16	Comcast Corp.	8.50%	6.40%	12.64%
17	Costco Wholesale	10.50%	9.90%	9.24%
18	Danaher Corp.	16.00%	3.31%	12.00%
19	Gen'l Mills	4.50%	7.04%	7.50%
20	Gilead Sciences	12.00%	2.52%	12.26%
21	Hershey Co.	9.00%	9.64%	7.67%
22	Home Depot	9.00%	2.22%	11.22%
23	Hormel Foods	7.50%	3.30%	5.83%
24	Intercontinental Exch.	7.00%	5.86%	5.40%
25	Johnson & Johnson	8.00%	3.94%	5.53%
26	Kimberly-Clark	7.00%	9.61%	9.86%
27	Lilly (Eli)	11.50%	22.87%	20.62%
28	Lockheed Martin	7.00%	9.55%	6.86%
29	Marsh & McLennan	10.50%	9.08%	8.46%
30	McCormick & Co.	4.50%	3.51%	6.92%
31	McDonald's Corp.	9.00%	7.75%	8.07%
32	McKesson Corp.	10.00%	11.87%	10.36%
33	Merck & Co.	8.50%	10.47%	8.01%
34	Microsoft Corp.	15.00%	11.90%	11.66%
35	Mondelez Int'l	7.50%	6.45%	7.14%
36	NewMarket Corp.	1.00%	7.70%	n/a
37	Northrop Grumman	9.50%	3.00%	3.45%
38	Oracle Corp.	10.00%	9.06%	8.00%
39	PepsiCo, Inc.	6.50%	7.55%	7.63%
40	Pfizer, Inc.	2.00%	-8.00%	9.00%
41	Procter & Gamble	5.50%	5.07%	6.14%
42	Progressive Corp.	6.50%	28.64%	23.89%
43	Republic Services	12.50%	8.97%	9.11%
44	Sherwin-Williams	7.00%	9.07%	10.30%
45	Smucker (J.M.)	4.00%	3.79%	4.00%
46	Texas Instruments	4.50%	10.00%	9.33%
47	Thermo Fisher Sci.	11.00%	7.77%	12.50%
48	Travelers Cos.	7.50%	8.83%	10.71%
49	Verizon Communic.	2.50%	0.13%	4.15%
50	Walmart Inc.	7.50%	5.09%	5.50%
51	Waste Management	6.50%	8.75%	10.88%

(a) The Value Line Investment Survey (various editions as of Mar. 31, 2023).

(b) www.finance.yahoo.com (retrieved Mar. 30, 2023).

(c) www.zacks.com (retrieved Mar. 30, 2023).

DCF COST OF EQUITY ESTIMATES

	Company	(a)	(b)	(c)
		Earnings Growth		
	V Line	IBES	Zacks	
1	3M Company	13.1%	5.7%	15.1%
2	Abbott Labs.	8.5%	10.3%	7.1%
3	Air Products & Chem.	14.0%	11.3%	14.2%
4	Allstate Corp.	6.5%	0.8%	10.0%
5	Amdocs Ltd.	9.4%	12.9%	12.9%
6	Amgen	8.1%	7.8%	10.6%
7	Archer Daniels Mid'l'd	15.3%	-0.5%	8.7%
8	Becton, Dickinson	6.5%	7.8%	9.3%
9	Bristol-Myers Squibb	n/a	7.4%	9.1%
10	Brown & Brown	8.8%	14.0%	n/a
11	Brown-Forman 'B'	15.8%	10.1%	n/a
12	Church & Dwight	7.3%	9.1%	8.9%
13	Cisco Systems	11.7%	10.5%	9.7%
14	Coca-Cola	11.1%	9.1%	9.7%
15	Colgate-Palmolive	8.6%	8.7%	8.8%
16	Comcast Corp.	11.7%	9.6%	15.8%
17	Costco Wholesale	11.3%	10.7%	10.0%
18	Danaher Corp.	16.4%	3.7%	12.4%
19	Gen'l Mills	7.2%	9.7%	10.2%
20	Gilead Sciences	15.7%	6.2%	16.0%
21	Hershey Co.	10.8%	11.4%	9.4%
22	Home Depot	11.9%	5.1%	14.1%
23	Hormel Foods	10.2%	6.0%	8.5%
24	Intercontinental Exch.	8.7%	7.5%	7.1%
25	Johnson & Johnson	10.9%	6.9%	8.5%
26	Kimberly-Clark	10.7%	13.3%	13.6%
27	Lilly (Eli)	12.9%	24.3%	22.0%
28	Lockheed Martin	9.6%	12.1%	9.4%
29	Marsh & McLennan	12.0%	10.6%	10.0%
30	McCormick & Co.	6.6%	5.6%	9.0%
31	McDonald's Corp.	11.3%	10.1%	10.4%
32	McKesson Corp.	10.7%	12.5%	11.0%
33	Merck & Co.	11.2%	13.2%	10.7%
34	Microsoft Corp.	16.0%	12.9%	12.7%
35	Mondelez Int'l	9.8%	8.8%	9.5%
36	NewMarket Corp.	3.4%	10.1%	n/a
37	Northrop Grumman	11.0%	4.5%	5.0%
38	Oracle Corp.	11.8%	10.9%	9.8%
39	PepsiCo, Inc.	9.1%	10.2%	10.3%
40	Pfizer, Inc.	6.0%	-4.0%	13.0%
41	Procter & Gamble	8.1%	7.7%	8.7%
42	Progressive Corp.	6.8%	28.9%	24.2%
43	Republic Services	14.0%	10.5%	10.6%
44	Sherwin-Williams	8.1%	10.2%	11.4%
45	Smucker (J.M.)	6.7%	6.5%	6.7%
46	Texas Instruments	7.3%	12.8%	12.2%
47	Thermo Fisher Sci.	11.3%	8.0%	12.8%
48	Travelers Cos.	9.6%	10.9%	12.8%
49	Verizon Communic.	9.4%	7.1%	11.1%
50	Walmart Inc.	9.1%	6.7%	7.1%
51	Waste Management	8.3%	10.6%	12.7%
	Average (b)	10.9%	10.4%	10.9%

(a) Sum of dividend yield (p. 1) and respective growth rate (p. 2).

(b) Excludes highlighted figures.