Date Filed: October 08, 2026

Witness: Ann Bulkley
Request from: ALLCO

Question:

(Models relied on; results by model.) (a) Identify each cost-of-equity model or method (including any risk-premium, bond-yield-plus-risk-premium, expected-earnings, or comparable-earnings method) on which the ROE Witness relies, the result of each, the weight given to each in arriving at the recommended 10.25%, and any adder or adjustment (for flotation cost, size, regulatory risk, or otherwise) applied. (b) For each risk-premium or expected-earnings method, state whether its inputs include, directly or indirectly, returns on equity previously authorized by regulatory commissions or forecasts of book returns derived from authorized returns, and identify each such input. (c) State whether the Company is aware that the Federal Energy Regulatory Commission has declined to rely on the risk-premium and expected-earnings models in setting transmission returns on equity, identify the order(s) of which it is aware, and explain why a method the Federal Energy Regulatory Commission does not accept should be accepted here. (d) Compute the ROE Witness's recommendation excluding every model in (b), using the ROE Witness's own remaining results and weights, and produce the calculation. (e) Produce the ROE Witness's complete workpapers in native format, including all price, dividend, beta, growth, and yield data and every spreadsheet used to generate the results in (a).

Response:

(a) Ms. Bulkley considered the results of the DCF, CAPM and ECAPM in setting her recommended range for the ROE in this proceeding. In addition, Ms. Bulkley considered the results of the Bond Yield Risk Premium ("BYRP") analysis as a check on the reasonableness of the results of those models. Please refer to Ms. Bulkley's testimony, Exhibit CLP-ROE-1, at page 71 for a summary of the factors considered in evaluating the reasonableness of Company's requested ROE of 10.25 percent.

(b) The BYRP analysis relies on authorized ROEs in state regulatory proceedings.

(c) Ms. Bulkley is aware of the FERC's decision regarding the Bond Yield Risk Premium methodologies that have been prepared and presented in FERC proceedings. Please refer to the response to ALLCO-141 subpart (a).

(d) Please refer to the response to ALLCO-141 subpart (a).

(e) Please refer to the response to ALLCO-141 subpart (a).