Date Filed: October 02, 2026

Witness: Dzialo, Michael J, FALLON, MATTHEW P, Vancho, James J
Request from: Public Utilities Regulatory Authority

Question:
Application, Att. B, p. 4. Explain why the Company paid dividends in excess retained earnings in 2025 and whether any previously authorized financings funded such dividends.

Response:

Historically, the Company has authorized a dividend payout ratio greater than 50% of earnings. Therefore, the annual dividend would exceed the change in retained earnings.

No previously authorized financing would have funded 2025 dividends, nor would that ever occur or be necessary. Cash flow from operations in 2025 was $1.68 billion, far exceeding the 2025 dividend of $430 million.