

Schedule E
Capital Structure and Weighted Average Cost of Capital - \$ in 000s

Capital Structure Proportion of Cost Rate Cost of Component Cost of Pre Tax
Annual Projection Total Percentage Percentage Percentage Percentage

Effective Tax Rate = 0.27715

Forecasted FY24 Cost of Capital						
Long-Term Debt Bonds	848,500,000	44.80%	4.06%	1.82%	1.82%	
Short-Term Debt Bank Loans	100,789,479	5.32%	5.32%	0.28%	0.28%	
Total Debt	949,289,479	50.12%	4.20%	2.10%	2.10%	
Common Equity	944,737,707	49.88%	9.58%	4.78%	6.61%	
Total Capital	1,894,027,186	100.00%		6.88%	8.71%	

Forecasted FY25 Cost of Capital						
Long-Term Debt Bonds	856,000,000	44.64%	4.00%	1.78%	1.78%	
Short-Term Debt Bank Loans	106,409,940	5.55%	5.32%	0.30%	0.30%	
Total Debt	962,409,940	50.19%	4.14%	2.08%	2.08%	
Common Equity	955,164,394	49.81%	9.58%	4.77%	6.60%	
Total Capital	1,917,574,334	100.00%		6.85%	8.68%	

Forecasted FY26 Cost of Capital						
Long-Term Debt Bonds	886,769,231	45.68%	4.04%	1.85%	1.85%	
Short-Term Debt Bank Loans	86,615,939	4.46%	5.32%	0.24%	0.24%	
Total Debt	973,385,170	50.14%	4.15%	2.08%	2.08%	
Common Equity	967,939,643	49.86%	9.58%	4.78%	6.61%	
Total Capital	1,941,324,813	100.00%		6.86%	8.69%	

Capital Structure and Weighted Average Cost of Capital - \$ in 000s

Schedule E1: Projected First Mortgage Bond Debt Balances

													Sep-23	
													\$823,500	
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24		13 Month Average
FY 2024	\$ 823,500	\$ 823,500	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 848,500
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25		
FY 2025	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000	\$ 856,000
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26		
FY 2026	\$ 856,000	\$ 856,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 896,000	\$ 886,769

Schedule E1: Projected Borrowings Under the Long-Term Revolver

													Sep-23	
													\$129,639	
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24		13 Month Average
FY 2024	\$ 118,761	\$ 121,099	\$ 104,835	\$ 93,945	\$ 91,049	\$ 92,215	\$ 72,417	\$ 76,941	\$ 110,882	\$ 97,471	\$ 96,450	\$ 104,560	\$ 100,789	
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25		
FY 2025	\$ 91,848	\$ 94,062	\$ 123,877	\$ 113,843	\$ 110,229	\$ 112,913	\$ 92,294	\$ 96,644	\$ 120,514	\$ 105,885	\$ 103,825	\$ 112,834	\$ 106,410	
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26		
FY 2026	\$ 99,381	\$ 99,968	\$ 92,656	\$ 85,328	\$ 81,161	\$ 87,915	\$ 64,207	\$ 66,777	\$ 95,315	\$ 78,829	\$ 75,015	\$ 86,622	\$ 86,616	

Method to Establish FY 2024, FY 2025, and FY 2026 Updated Forecast

Debt balances are fixed based on Initial Forecasts, subject to any additional capital expenditures authorized by the Commission under the Plan, which may necessitate associated debt issuances. Cost of debt fixed based on updated FY24 - FY26 forecast filed with FY24 base rates, per Plan.

FY24 to FY26 Fixed, Inflation Index Adjusted or Reforecasted:	Debt balances are fixed based on Initial Forecasts, subject to any additional capital expenditures authorized by the Commission under the Plan, which may necessitate associated debt issuances. Cost of debt fixed based on updated FY24 - FY26 forecast filed with FY24 base rates, per Plan.
Expense subject to Adjustor:	None
Reference to Annual COS File(s):	FY 2024 COS Filing Format.xls; FY 2025 COS Filing Format.xls; FY 2026 COS Filing Format.xls
Source Detail Document(s):	Rate Year 2023-2026 Capital Structure 2.22.23.xlsx

Capital Structure and Weighted Average Cost of Capital - \$ in 000s
Schedule E2: Projected Equity Balances

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-23	13 Month Average
FY 2024	\$ 935,447	\$ 939,991	\$ 940,586	\$ 948,068	\$ 953,619	\$ 951,517	\$ 953,121	\$ 953,964	\$ 937,434	\$ 943,491	\$ 949,844	\$ 944,872	\$ 944,738
FY 2025	\$ 951,569	\$ 955,942	\$ 945,313	\$ 953,120	\$ 958,897	\$ 956,205	\$ 957,694	\$ 958,309	\$ 951,688	\$ 958,398	\$ 965,442	\$ 959,687	\$ 955,164
FY 2026	\$ 966,405	\$ 971,721	\$ 957,112	\$ 964,807	\$ 970,415	\$ 966,592	\$ 969,321	\$ 970,639	\$ 963,267	\$ 970,934	\$ 978,938	\$ 973,377	\$ 967,940

Method to Establish FY 2024, FY 2025, and FY 2026 Updated Forecast

Equity balances are fixed for the term of the Plan based on Initial Forecasts, subject to any additional capital expenditures authorized by the Commission under the Plan, which may necessitate associated changes in equity funding.

FY24 to FY26 Fixed, Inflation Index Adjusted or Reforecasted:

Equity balances are fixed for the term of the Plan based on Initial Forecasts, subject to any additional capital expenditures authorized by the Commission under the Plan, which may necessitate associated changes in equity funding.

Expense subject to Adjustor:

None

Reference to Annual COS File(s):

FY 2024 COS Filing Format.xls; FY 2025 COS Filing Format.xls; FY 2026 COS Filing Format.xls

Source Detail Document(s):

Rate Year 2023-2026 Capital Structure 2.22.23.xlsx

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Schedule E3: Allowed ROE

Refreshed FY 2024 Base Rate Filing as of June 1, 2023

Formula: $ROE_t = ROE_{t-1} + [0.50 \times (10B_t - 10B_{t-1})]$

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
ROE_{t-1}	9.30%	9.06%	8.20%	8.57%	8.57%		
May 15 (3 month daily average), 10-Year Bond (based on Consensus Economics forecast)	2.55%	0.84%	1.59%		3.60%		
Base 10-year Bond (3 month avg. Feb. 16th to May 15)	3.04%	2.55%	0.84%		1.59%		
ROE_t	9.06%	8.20%	8.57%	8.57% *	9.58%	9.58%	9.58%

*ROE in FY23 held flat per agreement with DPS; formula not applied

Calculation

FY 2023 Base ROE	8.57%	ROE_{t-1}
May 15, 2023 for FY24 (3-month daily avg, 10-year Bond)	3.60%	$10B_t$
Base 10-year Bond for FY22 (3 month avg. ended May 15, 2021)	1.59%	$10B_{t-1}$
FY 2024 Allowed ROE	9.58%	ROE_t
$9.58 = 8.57 + [(0.50 * (3.60 - 1.59))]$		

Method to Establish FY 2024, FY 2025, and FY 2026 Updated Forecast

In this formula, 50% of the change in the 10-yr Treasury bond yield determines the adjustment to the ROE (specified as ROE_t) from its starting ROE (specified as ROE_{t-1}). The annual update adjustment takes place on May 15th of each year of the Plan. The bond yield at time “t”, is determined by taking the daily average of the 3 calendar months prior to and including the adjustment date, i.e. February 16th to May 15th, reported by the U.S. Department of the Treasury, Daily Treasury Yield Curve Rates, found at https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value=2023. For each subsequent year of the Plan, the starting bond yield (“t-1”) will reflect the daily average from the last May 15th update reviewed and approved by the Commission, such that the ROE adjustment takes place at the beginning of each fiscal year and is keyed to changes in average yields based on the current and previously approved May 15th 3-month daily averages.

FY24 to FY26 Fixed, Inflation Index Adjusted or Reforecasted:	Reforecast Annually
Expense subject to Adjustor:	None
Reference to Annual COS File(s):	FY 2024 COS Filing Format.xls; FY 2025 COS Filing Format.xls; FY 2026 COS Filing Format.xls
Source Detail Document(s):	2024 ROE Adjustment Calc.xlsx