Before the
North Carolina Utilities Commission

Docket No. G-9, Sub 781

General Rate Case

Rebuttal Testimony and Exhibit
of
Karl W. Newlin

On Behalf Of
Piedmont Natural Gas Company, Inc.

Piedmont Natural Gas

August 25, 2021

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Q. Please state your name, business address, and occupation.

A. My name is Karl Newlin. My business address is 550 South Tryon Street, Charlotte, North Carolina. I am employed by Duke Energy Business Services, LLC as Senior Vice President, Corporate Development and Treasurer.

Q. Did you file direct testimony in this proceeding?

A. Yes, I filed direct testimony supporting Piedmont Natural Gas Company, Inc.'s ("Piedmont" or the "Company") financial objectives, capital structure, and cost of capital.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to portions of the testimony submitted by Mr. John R. Hinton, witness on behalf of the Public Staff of the North Carolina Utilities Commission ("Public Staff") and Mr. Kevin W. O'Donnell, witness on behalf of Carolina Utility Customers Association, Inc. ("CUCA"). In my testimony I will address their respective recommendations on the Company's appropriate capital structure.

Q. Do you have any exhibits to your rebuttal testimony?

A. Yes. I have one exhibit, marked as Rebuttal Exhibit KWN-1, attached to my rebuttal testimony.

Q. Was this exhibit prepared by you or under your direction?

A. Yes.

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Q. Please summarize the key points made by witness Hinton and witness O'Donnell regarding your recommendation that the Company's appropriate equity ratio be 52% equity.

A. The key points are as follows:

- Witness Hinton claims that the Company's recommended equity ratio of 52% is excessive, is not necessary to maintain Piedmont's credit ratings, and does not reflect Piedmont's historical capital structure. Instead, witness Hinton recommends the Commission reduce the Company's equity ratio from 52% (as currently approved under Docket G-9, Sub 743) to 50.54% based on a 13-month historical average of Piedmont's capital structure as of May 31, 2021.
- Witness O'Donnell recommends a 50% equity ratio. To support his recommendation, Mr. O'Donnell points to the following three comparative equity ratios:
    1. The "average" capital structure calculated for the companies he utilized as "proxy" companies for the purposes of calculating Piedmont's Return on Equity ("ROE");
    2. Duke Energy Corporation's ("Duke Energy") average equity ratio based on the concept of double leverage; and
    3. The 2020 and 15-year (2006-2020) historical average allowed annual common equity ratio granted by state regulators for natural gas companies.

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Q. Witness Hinton suggests that Piedmont's 52% equity ratio is excessive and is not necessary in order to maintain the Company's "A3" credit rating and "stable" outlook by Moody's. Do you agree with witness Hinton?

A. No. Mr. Hinton points to Piedmont's average Cash Flow from Operations pre-working capital to Debt (CFO pre-WC to Debt) metric of 14.1% as the basis for his argument that Piedmont's 52% equity ratio is excessive. Below is the table from page 20 of witness Hinton's testimony with Moody's CFO pre-WC to Debt metrics utilized in his average calculation.

Moody's Financial Scorecard	Cash Flow from Operations / Debt	Debt / Book Capitalization
Mar. 31, 2021	14.9 times	43.6%
Dec. 31, 2020	13.4 times	48.6%
Dec. 31, 2019	16.3 times	48.3%
Dec. 31, 2018	11.9 times	47.8%

Moody's Investors Service states in its July 16, 2021 Credit Opinion that Piedmont's credit metrics "…are weak and have been adversely impacted by the negative cash flow impact of tax reform and increased leverage due to a large capital program." In the same credit opinion, citing what "Factors that could lead to a downgrade," Moody's states "…if we expect the CFO pre-WC to debt ratio to be below 14% for an extended period…"[1] This clearly demonstrates that Moody's downgrade threshold

1 *See* Moody's Investors Service, Credit Opinion, "Piedmont Natural Gas Company, Inc. – Update to Credit Analysis," July 16, 2021 ("July 2021 Piedmont Report")

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for Piedmont's "A3" credit rating is 14% for the Company's CFO pre-WC to debt metric. Piedmont's average CFO pre-WC to Debt of 14.1%, as calculated by witness Hinton, is only 10 basis points above Moody's downgrade threshold and shows the Company is already operating with very minimal cushion. Any reduction to the Company's currently approved equity ratio of 52% would result in higher long-term leverage, higher interest expense, and lower CFO pre-WC. This combination of lower CFO pre-WC and higher debt would weaken the Company's already strained CFO pre-WC to debt ratio.

Witness Hinton further states that "the fact that Piedmont's average Cash Flow metric is above 14 times [sic] suggests that Piedmont does not require a 52.00% common equity ratio in order to maintain its "A3" credit rating…" However, Moody's in its July 16, 2021 opinion wrote that "[g]oing forward, on average, we expect Piedmont's ratio of CFO pre-WC to debt to be between 15% and 16%."[2] Clearly, 14% is not within 15% - 16% as Moody's expects, therefore a lowering of the equity component of capital structure as witness Hinton suggests would be detrimental to credit quality, Moody's expectations and potentially the A3 rating.

Q. Do you agree with witness Hinton's recommendation that a 50.54% equity ratio is appropriate for Piedmont's regulatory capital structure?

A. No, I do not. Witness Hinton's recommended 50.54% equity ratio is

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based on a 13-month historical average as of May 31, 2021. However, in March 2021, Piedmont received a $325 million equity infusion from Duke Energy to help fund the Company's capital needs for the year. Since this equity infusion was performed in March, it is only included in three of the thirteen months used in Mr. Hinton's historical average capital structure calculation. Thus, on its face, Mr. Hinton's calculation does not account for significant equity increases currently underlying Piedmont's capitalization. As I will describe next, Piedmont's projected capital structure shown in Exhibit_(KWN-1) to my direct testimony fully accounts for this equity infusion and is a more accurate reflection of the Company's actual capital structure.

Piedmont's regulatory capital structure as of December 31, 2020, consisted of 50.59% equity, 48.74% long-term debt and 0.67% short-term debt. To illustrate the variability of Piedmont's capital structure from December 31, 2020 to December 31, 2022, I presented three additional snapshots of projected capital structures in Exhibit_(KWN-1). This exhibit was prepared to account for planned capital markets activity including a $350 million long-term debt financing and the previously mentioned $325 million equity infusion in March 2021 and to reflect the future increases in the equity account from retained earnings generated by the Company. As illustrated in Exhibit__(KWN-1), the equity percentage is anticipated to increase to 52.56% by December 31, 2021 as a result of accumulating retained earnings over the next few months with no change in Piedmont's debt profile. Moving forward in the 2-year planning

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horizon, the equity ratio is projected to strengthen again to 52.87% as of December 31, 2022 as retained earnings continue to build and balance against another $300 million long-term debt financing anticipated for the second quarter of 2022 to support the capital spending requirements of the Company. This pattern of fluctuations within a reasonable band of a utility's allowed equity occurs throughout the utility industry. In the case of Piedmont, we expect this band to fall between approximately 50.5% and 53% as presented in Exhibit_(KWN-1). For this reason, the Company believes it is prudent to seek and receive a 52% equity percentage for regulatory capital structure purposes.

Q. What is the consequence of setting Piedmont's equity ratio too low for ratemaking purposes?

A. It increases our risk, reduces cash flow and potentially imperils our existing credit ratings. From the perspective of analysts and potential investors, it makes us a less desirable investment. These impacts would ultimately lead to higher financing costs and eventually increase customer rates.

Q. Witness Hinton states Piedmont's average common equity ratio since its merger with Duke Energy in October 2016 was approximately 50.5%, which is very close to the 13-month average as of May 31, 2021. Do you believe this historical average is reflective of the Company's actual capital structure?

A. No. Prior to its 2019 general rate case, the Company's regulatory approved capital structure consisted of a 50.66% equity ratio, which was

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set in its 2013 general rate case, Docket No. G-9, Sub 631. Piedmont's current 52% regulatory equity ratio was not approved until October 31, 2019 in Docket No. G-9, Sub 743. Piedmont seeks to manage its capital structure within a close range of its regulatory approved capital structure and plans to do so in future periods as shown in Exhibit_(KWN-1). Therefore, it is reasonable to expect the Company's capital structure from 2013 to 2019 would have closely tracked to the approved 50.66% equity ratio at the time. However, as shown in Rebuttal Exhibit KWN-1, from January 2018 through June 2021, Piedmont's monthly equity ratio fluctuated between 47.9% and 55.1% with a mid-point of 51.5% and an average equity ratio of 51.1%.

Q. Do you agree with witness O'Donnell's recommendation that Piedmont's appropriate equity ratio is 50%?

A. No, I do not, because the basis from which Mr. O'Donnell forms his recommendation is flawed. More specifically, most of the comparative equity ratios Mr. O'Donnell points to are not applicable to Piedmont's equity ratio for rate-setting purposes. Table 5 on page 36 of Mr. O'Donnell's testimony summarizes his findings and is used to frame his recommendation that Piedmont's requested capital structure is "not as reasonable as a recommended capital structure of 50.00% for rate making purposes."

Q. Mr. O'Donnell first compares Piedmont's capital structure to the same proxy group utilized to calculate his recommended ROE for Piedmont. Do you have any concerns with this approach?

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A. Yes, while a proxy group average could potentially be a valid approach for comparing equity ratios, Mr. O'Donnell's proxy group is primarily comprised of utility holding companies where the equity ratios will be impacted by the consolidated capital structure of all regulated and non-regulated operations. It is inappropriate to compare the Company's capital structure to these groups. The assets obtained by Piedmont to serve customers were financed in a manner consistent with the Company's capital structure as a regulated utility, not that of a parent level holding company. Holding company capital structures differ from regulated utility operating company capital structures for a variety of reasons, and the risk profile for a consolidated entity can be very different than the risk profile of a single subsidiary. Arbitrarily imposing a holding company capital structure upon Piedmont would increase its leverage (and, therefore, risk), reduce its cash flows, and erode credit quality – all to the detriment of the Company's customers.

Q. Company witness D'Ascendis uses holding companies for his ROE analysis. Why does that make sense for ROE but not for capital structure?

A. Cost of Equity models require observable stock price data, which only occur at the parent level, and, therefore, those models must utilize parent company data. The appropriate capital financing structure for a given utility operating company is not dependent upon that kind of information, and there is no reason to conflate capital structure and ROE in this way.

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Q. What do you think represents an appropriate comparison group for purposes of analyzing Piedmont's capital structure?

A. If the objective is to compare Piedmont's capital structure against those of other companies, I believe a more appropriate group of companies against which to compare is a set of regulated utility operating companies. However, a meaningful comparison may still be complicated by the unique facts and circumstances surrounding each utility capital structure. Capital structure should not be viewed in isolation; it is part of an overall structure which considers capital structure, allowed ROE, and the various mechanisms used to recover costs.

Q. Please briefly describe witness O'Donnell's position that Piedmont's capital structure should be comparable to the capital structure of Duke Energy.

A. Mr. O'Donnell contends that Duke Energy is using double leverage to increase the profits of Piedmont. The concept of double leverage is that of a holding company borrowing money (i.e., incurring debt) and injecting the proceeds into the subsidiary operating company. This downstream flow of money is then treated as equity by the subsidiary. The implication of the double leverage concept is that this subsidiary equity is in some part truly debt and therefore makes the subsidiary enterprise more levered than it would appear. Mr. O'Donnell compares Duke Energy's capital structure to Piedmont, and notes that Duke Energy's capital structure indicates more debt than Piedmont.

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Q. Should double leverage be considered when establishing Piedmont's capital structure?

A. No. As I stated earlier in my testimony, Piedmont is a regulated utility operating company, not a parent-level holding company. The Company is capitalized in a manner that is consistent with similar, regulated utility operating companies, and its actual capital structure is managed around its current approved equity ratio of 52.0%. As a parent-level holding company, Duke Energy is not regulated. Duke Energy will finance its capital needs with the objective of maintaining a strong balance sheet that supports its investment grade credit ratings, while utilizing the most efficient, least cost option for raising capital.

For the same reasons that it is inappropriate to use a proxy group of holding companies, it is inappropriate to apply a holding company capital structure to Piedmont. Furthermore, arbitrarily imposing a holding company capital structure on Piedmont would have detrimental effects on the Company's credit profile and ultimately customer rates. The more debt that is put into the capital structure, the more it will dilute cash flows and weaken credit coverage ratios – the consequence of which would weaken the Company's credit profile and have a negative impact on Piedmont's credit ratings.

Since the merger with Piedmont in October 2016, Duke Energy has infused equity on several occasions to manage the Company's capital structure within a reasonable range of its regulatory approved capital structure, while ensuring Piedmont is able to meet its significant capital

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obligations. As shown in the tables below, however, Piedmont regularly raised capital via the equity capital markets in the five years prior to the merger – consistent with Duke Energy's equity infusions since the merger. In addition, Duke Energy, since 2017 has issued approximately $5.5 billion of common stock via discrete public offerings, Duke Energy's dividend reinvestment program (DRIP) and its at-the-market (ATM) equity program.

Piedmont Equity Issuances 5 years pre-merger ($ Millions)	
2012	$22
2013	$120
2014	$75
2015	$85
2016	$139
Average	**$88**

Equity Infusions from DE Corp. 5 years post-merger ($ Millions)	
2017	$0
2018	$300
2019	$150
2020	$0
2021	$325
Average	**$155**

Q. Lastly, Mr. O'Donnell compares Piedmont's requested capital structure to the 15-year historical average and 2020 average allowed annual common equity ratios granted by state regulators for natural gas utilities. Please discuss these comparisons in more detail.

A. Mr. O'Donnell's analysis shows that from 2006 through 2020, the average common equity ratio granted to natural gas companies over this period was 48.05%. In fact, Chart 4 of Mr. O'Donnell's testimony illustrates how common equity ratios across the country have trended over 400 basis points higher when comparing the average equity ratio in 2020 back to the average equity ratio in 2006. Mr. O'Donnell also states the 10-year historical average of allowed equity ratios is 51.61%; however, he

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excludes this time period from his Table 5 on page 36 of his testimony, which he uses to form his recommendation for a 50.0% equity component of the capital structure.

Of the many equity ratio comparisons in Table 5 of witness O'Donnell's testimony, the inclusion of the 2020 average equity ratio approved by regulators of 52.34% is most applicable in determining Piedmont's appropriate equity ratio. If you look at the more recent years in Chart 4 of Mr. O'Donnell's testimony, you will notice that from 2018 to 2020, the average allowed common equity ratios ranged from 51.56% to 52.34%, with a 3-year average ratio of 52.21%. This time period is significant as it is post 2017 federal tax reform, which negatively impacted Piedmont's cash flow credit metrics. In fact, Regulatory Research Associates ("RRA") Regulatory Focus, *Major Rate Case Decisions January – June 2021* notes that "the negative cash flow impact of 2017 federal tax reform raised concerns regarding utility liquidity and credit metrics…and the average authorized equity ratios adopted by utility commissions in 2019 were modestly higher than the levels in 2018 and 2017."

Q. Do you continue to believe that 52% is the appropriate equity component for Piedmont's capital structure?

A. Yes. As noted in my direct testimony, the specific debt/equity ratio will vary over time, depending on a variety of factors, including, among other things, the timing and size of capital investments and payments of large invoices, debt issuances, seasonality of earnings, equity infusions from the parent company and dividend payments to the parent company. However,

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a regulatory capital structure comprised of 52% equity is consistent with the Company's financial objectives and overall plan to maintain its ability to finance operations at rates favorable for customers. A healthy capital structure and an adequate return on equity provide balance sheet protection and cash flow generation to support high credit quality. High credit quality creates financial flexibility by providing more readily available access to the capital markets on reasonable terms, and ultimately lower debt financing costs for the benefit of customers.

Q. Does this conclude your pre-filed rebuttal testimony?

A. Yes.

Rebuttal Exhibit KWN-1

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Piedmont Historical Equity Ratios (January 2018 - June 2021)	
Minimum	**47.9%**
Maximum	**55.1%**
Mid-Point	**51.5%**
Average	**51.1%**

Piedmont Capital Accounts

		[A=B+E+J]	[B=C-D]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J=F+G+H+I]	[K=J/A]
Year	**Month**	**Total Capitalization**	**Total Long-Term Debt**	**Long-Term Debt**	**Unamortized Debt Expense**	**North Carolina Gas Inventory Ending Balance**	**Common Stock**	**Retained Earnings**	**Other comprehensive Income (loss)**	**Balance in Paid in Capital**	**Total Common Equity**	**Equity Ratio**
2018	Jan.	3,549,261,832	1,782,307,123	1,800,000,000	17,692,877	31,800,402	859,846,537	875,117,409	190,361	-	1,735,154,307	48.9%
	Feb.	3,564,899,597	1,782,415,207	1,800,000,000	17,584,793	26,829,714	859,846,537	895,586,652	221,487	-	1,755,654,676	49.2%
	Mar.	3,572,798,832	1,782,103,593	1,800,000,000	17,896,407	17,980,691	859,846,537	912,646,524	221,487	-	1,772,714,548	49.6%
	Apr.	3,577,251,936	1,782,216,294	1,800,000,000	17,783,706	17,014,546	859,846,537	917,722,035	452,524	-	1,778,021,096	49.7%
	May.	3,575,657,729	1,782,328,994	1,800,000,000	17,671,006	18,807,022	859,846,537	914,338,357	336,819	-	1,774,521,713	49.6%
	Jun.	3,869,814,099	1,782,441,693	1,800,000,000	17,558,307	23,255,281	859,846,537	903,933,769	336,819	300,000,000	2,064,117,125	53.3%
	Jul.	3,868,560,664	1,782,494,394	1,800,000,000	17,505,606	27,594,294	859,846,537	898,288,620	336,819	300,000,000	2,058,471,976	53.2%
	Aug.	3,863,890,591	1,782,593,440	1,800,000,000	17,406,560	31,108,443	859,846,537	889,963,378	378,793	300,000,000	2,050,188,708	53.1%
	Sep.	3,860,219,922	1,782,689,260	1,800,000,000	17,310,740	33,553,023	859,846,537	883,752,309	378,793	300,000,000	2,043,977,639	52.9%
	Oct.	3,863,302,469	1,782,861,961	1,800,000,000	17,138,039	35,908,914	859,846,537	884,306,264	378,793	300,000,000	2,044,531,594	52.9%
	Nov.	3,901,615,060	1,782,974,661	1,800,000,000	17,025,339	52,184,297	859,846,537	906,231,856	377,709	300,000,000	2,066,456,102	53.0%
	Dec.	3,925,283,137	1,783,164,494	1,800,000,000	16,835,506	50,888,810	859,846,537	931,005,587	377,709	300,000,000	2,091,229,833	53.3%
2019	Jan.	3,977,896,970	1,783,200,060	1,800,000,000	16,799,940	35,837,890	859,846,537	998,634,774	377,709	300,000,000	2,158,859,020	54.3%
	Feb.	3,992,440,093	1,783,463,324	1,800,000,000	16,536,676	26,950,048	859,846,537	1,021,802,475	377,709	300,000,000	2,182,026,721	54.7%
	Mar.	4,011,712,263	1,783,266,802	1,800,000,000	16,733,198	18,130,859	859,846,537	1,050,184,387	283,678	300,000,000	2,210,314,602	55.1%
	Apr.	4,025,669,258	1,783,381,528	1,800,000,000	16,618,472	22,725,280	859,846,537	1,059,432,235	283,678	300,000,000	2,219,562,450	55.1%
	May.	4,621,927,346	2,379,180,151	2,400,000,000	20,819,849	29,522,396	859,846,537	1,053,248,609	129,653	300,000,000	2,213,224,799	47.9%
	Jun.	4,769,989,787	2,379,241,561	2,400,000,000	20,758,439	37,163,625	859,846,537	1,043,608,411	129,653	450,000,000	2,353,584,601	49.3%
	Jul.	4,773,197,282	2,379,356,820	2,400,000,000	20,643,180	44,443,220	859,846,537	1,039,421,052	129,653	450,000,000	2,349,397,242	49.2%
	Aug.	4,766,973,027	2,379,511,757	2,400,000,000	20,488,243	46,872,516	859,846,537	1,030,612,564	129,653	450,000,000	2,340,588,754	49.1%
	Sep.	4,765,738,414	2,379,666,691	2,400,000,000	20,333,309	51,960,361	859,846,537	1,024,289,133	(24,308)	450,000,000	2,334,111,362	49.0%
	Oct.	4,775,256,970	2,379,821,625	2,400,000,000	20,178,375	54,741,181	859,846,537	1,030,871,935	(24,308)	450,000,000	2,340,694,164	49.0%
	Nov.	4,812,858,960	2,379,976,562	2,400,000,000	20,023,438	54,666,516	859,846,537	1,068,427,142	(57,797)	450,000,000	2,378,215,882	49.4%
	Dec.	4,872,773,720	2,379,824,807	2,400,000,000	20,175,193	50,331,463	859,846,537	1,132,828,710	(57,797)	450,000,000	2,442,617,450	50.1%
2020	Jan.	4,948,417,263	2,379,958,930	2,400,000,000	20,041,070	41,097,444	859,846,537	1,217,572,149	(57,797)	450,000,000	2,527,360,889	51.1%
	Feb.	4,980,267,435	2,380,113,863	2,400,000,000	19,886,137	30,157,205	859,846,537	1,260,207,627	(57,797)	450,000,000	2,569,996,367	51.6%
	Mar.	5,016,941,533	2,379,881,214	2,400,000,000	20,118,786	26,820,516	859,846,537	1,300,432,216	(38,950)	450,000,000	2,610,239,803	52.0%
	Apr.	5,025,910,820	2,380,046,878	2,400,000,000	19,953,122	25,906,941	859,846,537	1,310,149,414	(38,950)	450,000,000	2,619,957,001	52.1%
	May.	5,425,027,408	2,774,306,998	2,800,000,000	25,693,002	28,541,731	859,846,537	1,312,371,092	(38,950)	450,000,000	2,622,178,679	48.3%
	Jun.	5,263,716,179	2,614,541,646	2,640,000,000	25,458,354	31,480,040	859,846,537	1,307,886,906	(38,950)	450,000,000	2,617,694,493	49.7%
	Jul.	5,263,165,882	2,614,653,047	2,640,000,000	25,346,953	34,094,602	859,846,537	1,304,610,646	(38,950)	450,000,000	2,614,418,233	49.7%
	Aug.	5,260,523,341	2,614,798,345	2,640,000,000	25,201,655	38,321,220	859,846,537	1,297,596,189	(38,950)	450,000,000	2,607,403,776	49.6%
	Sep.	5,256,104,150	2,615,126,960	2,640,000,000	24,873,040	41,829,676	859,846,537	1,289,339,927	(38,950)	450,000,000	2,599,147,514	49.5%
	Oct.	5,268,724,849	2,615,126,960	2,640,000,000	24,873,040	43,927,454	859,846,537	1,299,862,848	(38,950)	450,000,000	2,609,670,435	49.5%
	Nov.	5,309,849,876	2,615,291,289	2,640,000,000	24,708,711	45,761,847	859,846,537	1,338,811,469	138,734	450,000,000	2,648,796,740	49.9%
	Dec.	5,371,436,309	2,615,188,961	2,640,000,000	24,811,039	41,829,676	859,846,537	1,404,432,401	138,734	450,000,000	2,714,417,672	50.5%
2021	Jan.	5,472,352,014	2,615,353,292	2,640,000,000	24,646,708	32,602,037	859,846,537	1,514,411,414	138,734	450,000,000	2,824,396,685	51.6%
	Feb.	5,503,809,138	2,615,517,620	2,640,000,000	24,482,380	26,748,198	859,846,537	1,551,558,049	138,734	450,000,000	2,861,543,320	52.0%
	Mar.	6,218,782,610	2,962,341,333	2,990,000,000	27,658,667	21,563,375	859,846,537	1,600,248,000	(216,635)	775,000,000	3,234,877,902	52.0%
	Apr.	6,231,728,851	2,962,471,097	2,990,000,000	27,528,903	22,274,499	859,846,537	1,612,353,353	(216,635)	775,000,000	3,246,983,255	52.1%
	May.	6,239,307,433	2,962,631,249	2,990,000,000	27,368,751	28,877,924	859,846,537	1,613,088,401	(136,678)	775,000,000	3,247,798,260	52.1%
	Jun.	6,235,129,898	2,962,782,143	2,990,000,000	27,217,857	35,697,997	859,846,537	1,601,958,269	(155,048)	775,000,000	3,236,649,758	51.9%

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13-Month Average Equity Ratios from January 2018 to June 2021

	Number of Periods	Percentage
13-Month Periods at or above 52.0%	7	23%
13-Month Periods at or above 50.5%	19	63%
Total 13-Month Average Periods	30	100%

13-month Period	13-month Average Total Capitalization	13-month Average Total Common Equity	13-month Average Equity Ratio
Jan. 2018 - Jan. 2019	3,766,957,911	1,953,376,795	51.9%
Feb. 2018 - Feb. 2019	3,801,048,546	1,987,751,596	52.3%
Mar. 2018 - Mar. 2019	3,835,418,751	2,022,725,437	52.7%
Apr. 2018 - Apr. 2019	3,870,254,938	2,057,098,352	53.2%
May 2018 - May 2019	3,950,614,585	2,090,575,560	52.9%
Jun. 2018 - June. 2019	4,042,486,281	2,135,118,859	52.8%
Jul. 2018 - Jul. 2019	4,111,977,296	2,157,063,484	52.5%
Aug. 2018 - Aug. 2019	4,181,085,939	2,178,764,774	52.1%
Sep. 2018 - Sep. 2019	4,250,458,848	2,200,604,978	51.8%
Oct. 2018 - Oct. 2019	4,320,846,314	2,223,429,326	51.5%
Nov. 2018 - Nov. 2019	4,393,889,121	2,249,097,349	51.2%
Dec. 2018 - Dec. 2019	4,468,593,633	2,278,032,837	51.0%
Jan. 2019 - Jan. 2020	4,547,296,258	2,311,581,380	50.8%
Feb. 2019 - Feb. 2020	4,624,401,678	2,343,207,329	50.7%
Mar. 2019 - Mar. 2020	4,703,209,481	2,376,146,797	50.5%
Apr. 2019 - Apr. 2020	4,781,224,755	2,407,657,751	50.4%
May 2019 - May 2020	4,888,867,690	2,438,628,230	49.9%
Jun. 2019 - June. 2020	4,938,236,061	2,469,741,284	50.0%
Jul. 2019 - Jul. 2020	4,976,172,684	2,489,805,409	50.0%
Aug. 2019 - Aug. 2020	5,013,659,304	2,509,652,066	50.1%
Sep. 2019 - Sep. 2020	5,051,284,775	2,529,541,201	50.1%
Oct. 2019 - Oct. 2020	5,089,976,039	2,550,738,053	50.1%
Nov. 2019 - Nov. 2020	5,131,098,570	2,574,438,251	50.2%
Dec. 2019 - Dec. 2020	5,174,066,059	2,600,299,927	50.3%
Jan. 2020 - Jan. 2021	5,220,187,466	2,629,667,561	50.4%
Feb. 2020 - Feb. 2021	5,262,909,918	2,655,373,901	50.5%
Mar. 2020 - Mar. 2021	5,358,180,316	2,706,518,635	50.5%
Apr. 2020 - Apr. 2021	5,451,625,494	2,755,498,900	50.5%
May 2020 - May 2021	5,544,963,695	2,803,794,382	50.6%
Jun. 2020 - June. 2021	5,607,279,272	2,851,061,388	50.8%