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Undertaking U-14:

To update the Concentric cost of capital models.

Response U-14:

Concentric updated its ROE analysis using market data as of December 31, 2025. The results are summarized below in Figure 2. Figure 1 is reproduced from Concentric's report and is based on market data as of January 31, 2025. For the update, Concentric used the same three proxy groups, the same companies within each proxy group, and the same sources of model inputs (i.e., government bond yields, beta coefficients, market risk premia, dividend yields, earnings growth rates, GDP growth rates) for each of the three models. As shown in Figure 2, the average updated results for the North American Electric proxy group are 9.43 percent as compared to 9.87 percent in the original analysis. Attachment 1 is the supporting Excel spreadsheet.

Figure 1: As Filed Summary of Results – as of January 31, 2025[1]

	Canadian Regulated Utilities (%)	**US Electric Utilities (%)**	**North American Electric Utilities (%)**
CAPM – Historical MRP	9.71	10.69	10.32
Multi-Stage DCF	9.60	9.35	9.29
Risk Premium	9.54	10.45	10.00
Average	**9.62**	**10.16**	**9.87**

Figure 2: Updated Summary of Results – as of December 31, 2025

[1] DCF results are based on 90-day average stock prices for proxy group companies. Results include 50 basis points for flotation costs and financial flexibility except for U.S. risk premium results.

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	Canadian Regulated Utilities (%)	**US Electric Utilities (%)**	**North American Electric Utilities (%)**
CAPM – Historical MRP	8.62	9.61	9.23
Multi-Stage DCF	8.94	9.16	9.02
Risk Premium	9.52	10.56	10.04
Average	**9.03**	**9.77**	**9.43**

These changes are primarily due to a sharp decrease in the beta coefficients for utilities in 2025, and to a lesser degree due to a decline in the forecast GDP growth rate for Canada. These are partly offset by higher projected interest rates on long-term government bonds in both Canada and the U.S.