

1
2

Figure 15: Average Authorized Equity Ratios for Water and Natural Gas Utilities⁷⁷

Year	Mean	Median	Minimum	Maximum
2013	50.32%	50.43%	40.75%	59.30%
2014	51.25%	51.60%	44.00%	58.96%
2015	50.39%	50.48%	42.01%	53.54%
2016	51.45%	50.77%	45.84%	60.50%
2017	50.20%	51.45%	42.90%	55.70%
2018	51.85%	52.00%	46.00%	57.00%
2019	52.57%	52.02%	48.00%	60.18%
2020	52.04%	51.63%	47.09%	60.12%
2021	51.83%	52.00%	47.45%	59.88%
2022	52.12%	52.00%	47.00%	60.59%
2023	51.89%	50.35%	40.73%	62.20%

3

4 **Q. What is your conclusion regarding the appropriate capital structure for the**
5 **Company?**

6 A. I continue to conclude that that the Company’s proposed capital structure is reasonable.
7 The Company’s proposed equity ratio of 52.45 percent is both: (1) consistent with the
8 average actual equity ratio of the utility subsidiaries of the proxy group companies (*i.e.*,
9 utilities with risk profiles that are similar to the Company’s risk profile); and (2) consistent
10 with the mean and median equity ratios authorized for other water and natural gas utilities
11 across the U.S. over the past ten years.

12 **Q. Does this conclude your rebuttal testimony?**

13 A. Yes, it does.

⁷⁷ S&P Capital IQ Pro.