

Before the  
New York State Public Service Commission

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**In the Matter of**  
**Consolidated Edison Company of New York, Inc.**  
**Case 25-E-0072**  
**Case 25-G-0073**  
**June 2025**

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Prepared Rebuttal Exhibits of:

New York City Finance Panel

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On Behalf of:

The City of New York

**EXHIBIT \_\_\_\_(NYCFP-1)**

## New York City Finance Panel DCF Calculations

Ticker	Stock Price [1]	DPS 2025 [2]	DPS 2026 [2]	DPS 2029 [2]	DPS Growth 2029 [2]	Sustainable Growth [2]	ROE (growth rate 0.0400) [3]	ROE (growth rate 0.0360) [4]	Average ROE [6]
LNT	62.32	2.04	2.16	2.43	4.47	5.83	7.37%	7.18%	7.31%
AEE	98.39	2.85	3.03	3.57	5.79	6.98	7.09%	6.90%	7.03%
AEP	104.2	3.8	3.98	4.31	3.2	6.01	7.61%	7.43%	7.55%
AVA	39.75	2	2.1	2.2	2.41	2.29	8.90%	8.73%	8.84%
BKH	59.42	2.7	2.8	3.1	3.51	3.63	8.54%	8.36%	8.48%
CNP	35.04	0.89	0.95	1.01	3.21	4.71	6.51%	6.33%	6.45%
CMS	71.6	2.2	2.3	2.5	3.25	5.86	7.04%	6.86%	6.98%
ED	103.95	3.4	3.6	4.24	5.67	3.96	7.47%	7.29%	7.41%
D	54.29	2.67	2.67	2.67	0	5.01	8.41%	8.24%	8.35%
DUK	117.02	4.22	4.3	5	4.33	4.11	7.66%	7.48%	7.60%
EIX	54.93	3.36	3.56	4.25	6.05	5.88	10.57%	10.40%	10.51%
ETR	82.96	2.43	2.55	3	5.41	4.61	7.08%	6.89%	7.02%
EVRG	66.6	2.71	2.84	3.25	4.65	3.71	8.20%	8.02%	8.14%
ES	59.71	3.03	3.2	3.76	5.54	4.19	9.37%	9.20%	9.32%
FE	40.09	1.8	1.9	2.3	6.32	6.31	8.85%	8.68%	8.79%
IDA	114.67	3.52	3.65	4.2	4.51	4.61	7.14%	6.96%	7.08%
MGEE	90.21	1.95	2.2	2.35	4.78	5.72	6.25%	6.07%	6.19%
NWE	55.52	2.64	2.68	2.8	1.48	2.98	8.46%	8.29%	8.41%
OGE	44.29	1.71	1.73	1.79	1.15	4.48	7.58%	7.40%	7.52%
PNW	91.15	3.61	3.67	3.85	1.62	4.06	7.73%	7.55%	7.67%
POR	43.17	2.09	2.21	2.6	5.61	3.77	9.14%	8.97%	9.08%
PPL	34.65	1.09	1.17	1.4	6.46	4.35	7.43%	7.24%	7.37%
PEG	81.17	2.56	2.72	3.24	6.07	5.2	7.39%	7.21%	7.33%
SRE	71.75	2.6	2.72	3.28	5.98	5.46	7.87%	7.69%	7.81%
SO	88.67	2.96	3.05	3.1	1.16	7.46	7.11%	6.92%	7.05%
TXNM	51.19	1.65	1.73	2.00	4.93	5.73	7.35%	7.16%	7.28%
WEC	104.75	3.57	3.81	4.59	6.48	5.02	7.71%	7.53%	7.65%
XEL	69.44	2.28	2.42	3	7.1	5.29	7.63%	7.45%	7.57%
<hr/>							7.84%	7.66%	<b>7.78%</b>
<hr/>							7.62%	7.44%	<b>7.56%</b>

### Notes:

- [1] Average Stock Price February – April, from Exhibit \_\_\_\_(SFP-16)
- [2] From Exhibit \_\_\_\_(SFP-16)
- [3] Equals internal rate of return of cash flows for Year 1 through Year 200, using nominal growth rate of 4.0% and Commission's two-stage growth rate model
- [4] Equals internal rate of return of cash flows for Year 1 through Year 200, using nominal growth rate of 3.8% and Commission's two-stage growth rate model
- [5] Equals weighted average: ([3] \* 2 + [4]) / 3

**EXHIBIT \_\_\_\_(NYCFP-2)**

**NYC Finance Panel Overall ROE Calculation**

Variable	Description	Value	Source
A	CAPM ROE	10.38%	Exhibit__(SFP-16)
B	DCF ROE	7.78%	$= R_f + [0.75 * \beta * (R_m - R_f)] + [0.25 * (R_m - R_f)]$
C	<b>Return on Equity</b>	<b>8.64%</b>	$= 2/3*B + 1/3*A$

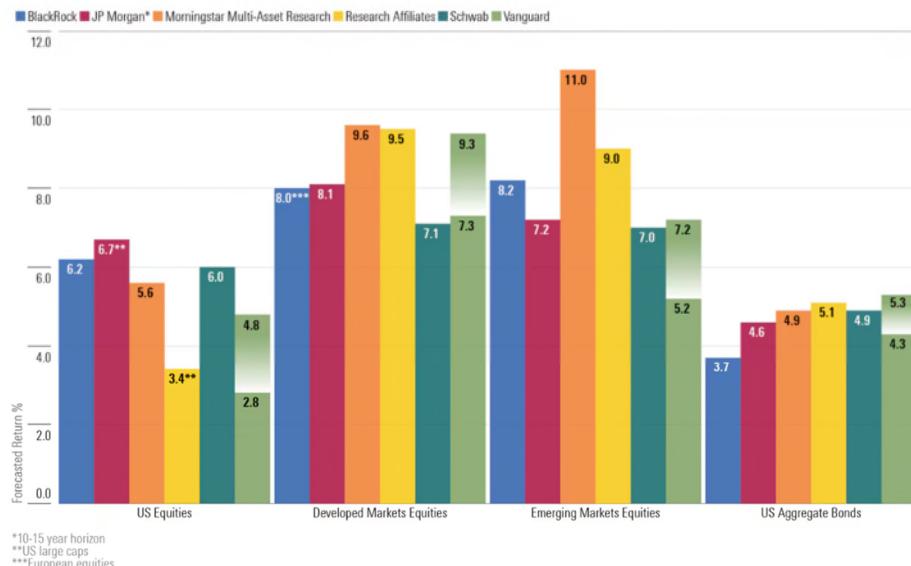
**EXHIBIT \_\_\_\_(NYCFP-3)**

## Long-Term Equity Forecasts

Forecast Source	Predicted U.S. Long-term Equity Return
BlackRock	6.20%
JP Morgan	6.70%
Morningstar Multi-Asset Research	5.60%
Research Affiliates	3.40%
Schwab	6.00%
Fidelity	5.70%
Vanguard - High Forecast	4.80%
Vanguard - Low Forecast	2.80%
State Street - Large Cap	6.10%
State Street - Mid Cap	6.30%
State Street - Small Cap	6.10%
RiverFront Investment Group	7%
<b>Average:</b>	<b>5.56%</b>

available to the public.) As such, these forecasts will have the most relevance for investors whose time horizons are in that ballpark, or for new retirees who face sequence-of-return risk in the next decade.

### Expert Forecasts for Long-Term Asset-Class Returns



BlackRock and J.P. Morgan forecasts as of September 2024. Schwab as of October 2024. Vanguard as of November 2024. Morningstar Multi-Asset Research and Research Affiliates as of December 2024.

### **Fidelity**

Fidelity's capital markets assumptions employ a 20-year horizon (2024-43) and therefore can't be stacked up neatly against the 10-year returns from other firms in our survey.

The firm is forecasting a 5.7% nominal and a 3.1% real return for US equities over the next 20 years, less than half of US stocks' 7.4% annualized real return over the period from 2004 to 2023 and well below US stocks' 7% real return since 1926. Fidelity cites elevated equity valuations as the main constraint on US equity gains relative to their gains over the past 20 years. The firm expects the 20-year returns on non-US stocks to be a bit higher than US stocks over the next two decades: 6.8% nominally. The firm is most sanguine about the prospects for emerging-markets equities: 8.6% nominally.

On the fixed-income side, the firm was forecasting a 5.2% nominal 20-year return (2.6% real) for the Bloomberg US Aggregate Bond Index as of April 2024.

Source: "Experts Forecast Stock and Bond Returns: 2025 Edition".  
<https://www.morningstar.com/portfolios/experts-forecast-stock-bond-returns-2025-edition>. Accessed June 17, 2025.

← → ⌂ ssga.com/us/en/institutional/insights/long-term-asset-class-forecasts-q1-2025

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Figure 2: Asset Class Return Forecasts

Asset Class	Benchmark	Short Term 1 Year (%)	Intermediate Term 3-5 Years (%)	Long Term 10+ Years (%)	Long-Horizon Risk (Std Dev) (%)	Long-term Risk (Std Dev) (%)
Global Equities (ACWI)	MSCI ACWI	6.9	6.7	6.3	4.7	14.6
Global Equities (ACWI) ex US	MSCI ACWI Ex USA	7.3	7.1	6.8	4.7	14.2
<b>Global Developed (World)</b>	<b>MSCI World</b>	<b>6.7</b>	<b>6.6</b>	<b>6.2</b>	<b>4.6</b>	<b>14.8</b>
Global Developed ex US	MSCI World ex USA	6.7	6.8	6.6	4.7	14.5
Global Developed ex US Small Cap	MSCI World ex US Small Cap	8.4	7.5	7.4	5.6	16.3
US Large Cap	S&P 500	6.7	6.5	6.1	4.7	15.5
US Mid Cap	S&P MidCap 400	6.9	6.7	6.3	5.1	18.8
US Small Cap	S&P Small Cap 600	7.2	7.0	6.6	5.4	20.6
Europe	MSCI Europe	7.4	7.5	7.3	4.6	15.2
Euro	MSCI Euro	6.7	7.3	7.1	5.3	18.1
Developed Pacific	MSCI Pacific	5.6	5.6	5.5	5.4	15.9
Australian Equities	MSCI Australia	7.1	7.2	7.4	4.4	15.2
New Zealand Equities	MSCI New Zealand	1.2	4.8	4.6	4.3	14.4
Canadian Equities	S&P/TSX 60	6.1	6.5	6.5	4.1	14.7
Global Value Tilted	MSCI World Value Weighted	6.5	6.3	6.0	5.1	15.9
Global Quality Tilted	MSCI World Quality	6.8	6.7	6.4	3.9	13.8
Global Momentum Tilted	MSCI World Momentum	7.9	7.7	7.3	5.2	15.3
Global Minimum Variance	MSCI World Minimum Vol	7.1	6.9	6.6	3.3	10.8
<b>Emerging Markets (EM)</b>	<b>MSCI EM</b>	<b>8.6</b>	<b>7.8</b>	<b>7.3</b>	<b>5.7</b>	<b>16.3</b>
EM Asia	MSCI EM Asia	8.1	7.2	6.7	6.0	17.6
EM EMEA	MSCI EM EMEA	8.6	9.4	8.9	5.8	17.4
EM Latin America	MSCI EM Latin America	16.2	13.4	13.5	5.3	19.3
<b>Global Government Bonds</b>	<b>BofA Global Government Bond Index</b>	<b>2.7</b>	<b>3.1</b>	<b>3.1</b>	<b>1.2</b>	<b>4.4</b>
<b>Global Corporate</b>	<b>Barclays Global Aggregate Corporate</b>	<b>6.0</b>	<b>4.0</b>	<b>4.2</b>	<b>2.3</b>	<b>8.5</b>
Canadian Government bonds	FTSE Canada Non-Agency Bond	3.1	3.1	3.0	1.3	5.1
Canadian Corporate bonds	FTSE Canada All Corporate Bond	3.7	3.7	3.6	1.4	5.0
Canadian Universe bonds	FTSE Canada Universe Bond	3.3	3.2	3.2	1.3	5.4
Non-US Government Bonds	Citi WGBI NonUSD	2.3	2.5	2.5	1.3	4.3
Non-US Corporate Bonds	BofA Merrill Lynch Global Large Cap Corporate Ex/Barclays Global Agg x — Corporate	3.1	3.4	3.3	3.1	11.9
US Government Bond	Barclays US Aggregate Government	3.6	4.6	4.5	1.4	5.2
US Investment Grade Bond	Barclays US Agg Bond	5.2	5.1	4.8	1.4	5.1
US High Yield Bond	BofA US High Yield	8.1	5.7	5.4	3.3	9.6
US TIPS Bond	Barclays US Treasury Inflation Protected Notes (TIPS)	3.8	4.4	4.2	1.7	6.9
US Long Treasury STRIPS Bond	Barclays Treasury US STRIPS 20Y+	2.6	5.5	6.0	5.6	25.3
Euro Government Bonds	BofA Euro Government	2.7	2.8	2.8	1.7	5.8

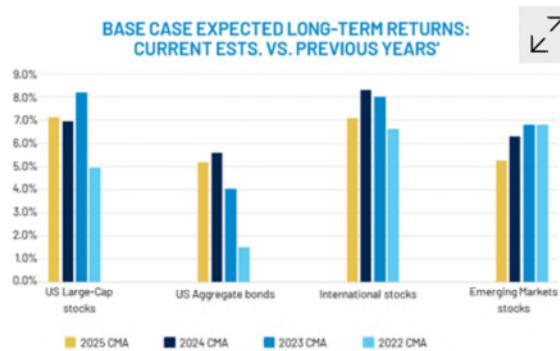
Source: “Long-Term Asset Class Forecasts: Q1 2025”.

<https://www.ssga.com/us/en/institutional/insights/long-term-asset-class-forecasts-q1-2025>. Accessed June 17, 2025.



last update.

## Return Forecasts Remain Below Average for US Stocks and Credit; Small-Caps Attractive



Shown for illustrative purposes. Index and asset class definitions are available in the disclosures. The table above depicts Riverfront's Capital Market Assumption (CMA) predictions for 2025 as compared to 2022, 2023 and 2024 using the Base scenario. The assessment is based on Riverfront's Investment Team's views and opinions as of December 20, 2024. Each case is hypothetical and is not based on actual investor experience. These views are subject to change and are not intended as investment recommendations. The returns above are not an indication of RiverFront portfolio or product performance.

Our Base Case forecast for US Large-Cap Stocks of approximately 7% (see chart, above and table, below) is similar to [last December's forecast](#). This is due to our increased earnings forecast of roughly +8% annually over the next 5-to-7 years, about one percentage point higher than last year's forecast. This past year has underlined to us that [American Economic Exceptionalism](#) allows US corporate earnings to remain resilient despite significant interest rate hikes and inflation...a trend we expect to continue throughout the next business cycle. In addition, we now believe there is a good possibility of corporate tax reform going forward, which could also be another driver of solid earnings. However, this more optimistic view of earnings is offset over our forecast horizon by more elevated starting valuations in most equity asset classes today, relative to a year ago. Our expected terminal multiple for US Large-Caps of roughly 18x twelve-month forward earnings suggests significant contraction in valuation multiples over the forecast horizon.

Source: "2025 Long-Term Capital Market Assumptions Summary".

<https://www.riverfrontig.com/insights/2025-long-term-capital-market-assumptions-summary/>. Accessed June 17, 2025.