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REBUTTAL TESTIMONY

OF

ROBERT B. HEVERT

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a Ameren Missouri

Framingham, Massachusetts
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Glossary of Frequently Used Terms

TERM	DESCRIPTION
Beta Coefficient	A component of the CAPM that measures the risk of a given stock relative to the risk of the overall market.
Capital Asset Pricing Model ("CAPM")	A risk premium-based model used to estimate the Cost of Equity, assuming the stock is added to a well-diversified portfolio. The CAPM assumes that investors are compensated for the time value of money (represented by the Risk Free Rate), and risk (represented by the combination of the Beta Coefficient and the Market Risk Premium).
Constant Growth DCF Model	A form of the DCF model that assumes cash flows will grow at a constant rate, in perpetuity. The model simplifies to a form that expresses the ROE as the sum of the expected dividend yield and the expected growth rate.
Cost of Equity	The return required by investors to invest in equity securities. The terms "Return on Equity" and "Cost of Equity" are used interchangeably.
Discounted Cash Flow ("DCF") Model	A model used to estimate the Cost of Equity based on expected cash flows. The Cost of Equity equals the discount rate that sets the current market price equal to the present value of expected cash flows.
Dividend Yield	For a given stock, the current dividend divided by the current market price.
Gross Domestic Product ("GDP")	The value of all finished goods and services produced within a country during a given period of time (usually measured annually). GDP includes public and private consumption, government expenditures, investments, and exports less imports.
Market Return	The expected return on the equity market, taken as a portfolio.
Market Risk Premium	The additional compensation required by investing in the equity market as a portfolio over the Risk-Free rate. The Market Risk Premium is a component of the CAPM.
Multi-Stage DCF Model	A form of the DCF model in which the rate of growth may change over different stages.
Proxy Group	A group of publicly traded companies used as the "proxy" for the subject company (in this case, Ameren Missouri). Proxy companies are sometimes referred to as "Comparable Companies".

TERM	DESCRIPTION
Return on Equity ("ROE")	The return required by investors to invest in equity securities. The terms "Return on Equity" and "Cost of Equity" are used interchangeably.
Risk Free Rate	The rate of return on an asset with no default risk.
Risk Premium	The additional compensation required by investors for taking on additional increments of risk. Risk Premium-based approaches are used in addition to the DCF and CAPM to estimate the Cost of Equity.
Sustainable Growth	An estimate of growth based on the percentage of earnings retained, and the expected return on retained earnings.
Terminal Growth	The expected rate of growth in the final, or terminal, stage of the Multi-Stage DCF model.
Treasury Inflation Protected Securities ("TIPS")	Treasury securities that are indexed to inflation. The principal value of TIPS increase with inflation and decrease with deflation, as measured by the Consumer Price Index.
Treasury Yield	The return on Treasury securities; the yield on long-term Treasury bonds is considered to be a measure of the Risk Free Rate.
Vertically Integrated Utilities	Electric utilities that own and operate distribution, transmission and generation assets.

1 enterprise valuation, transaction due diligence, and strategic matters. As an expert witness, I
2 have provided testimony in approximately 100 proceedings regarding various financial and
3 regulatory matters before numerous state utility regulatory agencies and the Federal Energy
4 Regulatory Commission. A summary of my professional and educational background, including
5 a list of my testimony in prior proceedings, is included in Attachment A to my Rebuttal
6 Testimony.

7 **II. PURPOSE AND OVERVIEW OF TESTIMONY**

8 **Q. What is the purpose of your Rebuttal Testimony?**

9 A. On behalf of Ameren Missouri, my Rebuttal Testimony responds to Mr. Michael
10 P. Gorman on behalf of the Noranda Aluminum, Inc. (“Noranda”) as his direct testimony relates
11 to the Company’s return on equity (“ROE”). In addition, my Rebuttal Testimony presents
12 evidence and provides a recommendation regarding the Company’s ROE¹. My analyses and
13 conclusions are supported by the data presented in Schedules RBH-1 through RBH-14, which
14 have been prepared by me or under my direction.

15 **Q. How is the remainder of your Rebuttal Testimony organized?**

16 A. The remainder of my Rebuttal Testimony is organized as follows:

17 Section III – Provides a summary of issues regarding Cost of Equity estimation in
18 regulatory proceedings;

19 Section IV – Provides my response to the Direct Testimony of Mr. Gorman;

20 Section V – Explains my analyses and the analytical bases for my ROE
21 recommendation;

22 Section VI – Provides a discussion of specific business risks that have a direct
23 bearing on the Company’s Cost of Equity; and

¹ Throughout my Rebuttal Testimony, I interchangeably use the terms “ROE” and “Cost of Equity.”

1 investors bear that “residual risk”, they take greater risks and require higher returns than debt
2 holders. In that basic sense, equity and debt investors differ: they invest in different securities,
3 face different risks, and require different returns.

4 Whereas the Cost of Debt can be directly observed, the Cost of Equity must be estimated,
5 or inferred, based on market data and various financial models. As discussed throughout my
6 Rebuttal Testimony, all of those models are subject to certain assumptions, which may be more
7 or less applicable under differing market conditions. In addition, because the Cost of Equity is
8 premised on opportunity costs, those models typically are applied to a group of “comparable” or
9 “proxy” companies. The choice of models (including their inputs), the selection of proxy
10 companies, and the interpretation of the model results all require the application of judgment.
11 That judgment also should consider data and information that is not necessarily included in the
12 models, themselves. In the end, however, the estimated Cost of Equity should reflect the return
13 that investors require in light of the subject company’s risks, and the returns available on
14 comparable investments.

15 **Q. Please now provide a brief summary of the regulatory guidelines established**
16 **for the purpose of determining the ROE.**

17 A. The United States Supreme Court (the “Court”) established the guiding principles
18 for establishing a fair return for capital in two cases: (1) *Bluefield Water Works and Improvement*
19 *Co. v. Public Service Comm’n of West Virginia* (“*Bluefield*”); and (2) *Federal Power Comm’n v.*
20 *Hope Natural Gas Co.* (“*Hope*”). In those cases, the Court recognized that the fair rate of return
21 on equity should be: (1) comparable to returns investors expect to earn on other investments of
22 similar risk; (2) sufficient to assure confidence in the company’s financial integrity; and (3)
23 adequate to maintain and support the company’s credit and to attract capital.

1 **Q. Does Missouri precedent provide similar guidance?**

2 A. Yes. In a recent order, the Commission cited the *Hope* and *Bluefield* decisions at
3 some length and acknowledged its authority and responsibility to set “just and reasonable” rates
4 for public utility service, stating that:

5 A “just and reasonable” rate is one that is fair to both the utility and its
6 customers; it is no more than is sufficient to “keep public utility plants
7 in proper repair for effective public service, [and] ...to insure to the
8 investors a reasonable return upon funds invested.”²

9 Based on those standards, the authorized ROE should provide the Company with the opportunity
10 to earn a fair and reasonable return and should enable efficient access to external capital under a
11 variety of market conditions.

12 **Q. Why is it important for a utility to be allowed the opportunity to earn a**
13 **return adequate to attract equity capital at reasonable terms?**

14 A. A return that is adequate to attract capital at reasonable terms enables the utility to
15 provide service while maintaining its financial integrity. As discussed above, and in keeping
16 with the *Hope* and *Bluefield* standards, that return should be commensurate with the returns
17 expected elsewhere in the market for investments of equivalent risk. The consequence of the
18 Commission’s order in this case, therefore, should be to provide Ameren Missouri with the
19 opportunity to earn a return on equity that is: (1) adequate to attract capital at reasonable terms;
20 (2) sufficient to ensure its financial integrity; and (3) commensurate with returns on investments
21 in enterprises having corresponding risks. To the extent Ameren Missouri is provided a
22 reasonable opportunity to earn its market-based Cost of Equity, neither customers nor
23 shareholders should be disadvantaged. In fact, a return that is adequate to attract capital at

² *In the Matter of Missouri Gas Energy and its Tariff Filing to Implement a General Rate Increase for Natural Gas Service*, Report and Order, Missouri Public Service Commission, Case No. GR-2009-0355, February 10, 2010, at 7.

1 reasonable terms enables Ameren Missouri to provide safe, reliable electric utility service while
2 maintaining its financial integrity.

3 **Q. How is the Cost of Equity estimated in regulatory proceedings?**

4 A. As noted earlier (and as discussed in more detail throughout my Rebuttal
5 Testimony), the Cost of Equity is estimated by the use of various financial models. By their very
6 nature, those models produce a range of results from which the ROE must be estimated. That
7 estimate must be based on a comprehensive review of relevant data and information, and does
8 not necessarily lend itself to a strict mathematical solution. The key consideration in
9 determining the ROE is to ensure that the overall analysis reasonably reflects investors' view of
10 the financial markets in general and the subject company (in the context of the proxy companies)
11 in particular. Both practitioners and academics, however, recognize that financial models simply
12 are tools to be used in the ROE estimation process, and that strict adherence to any single
13 approach, or to the specific results of any single approach, can lead to flawed or misleading
14 conclusions. That position is consistent with the *Hope* and *Bluefield* principle that it is the
15 analytical result, as opposed to the methodology, that is controlling in arriving at ROE
16 determinations. Thus, a reasonable ROE estimate appropriately considers alternative
17 methodologies and the reasonableness of their individual and collective results in the context of
18 observable, relevant market information.

19 **Q. Do the ROE decisions of other jurisdictions provide relevant data points for**
20 **that purpose?**

21 A. Yes, I believe so. Investors have many options available to them and will allocate
22 their capital based on expected risks and returns associated with those alternatives. While I am
23 not suggesting that the Commission should be bound by decisions of other regulatory

1 jurisdictions, the regulatory environment is one of the most important factors considered by debt
2 and equity investors in assessing the risks and prospects of utility companies. ROEs awarded by
3 regulatory commissions are important to the financial community's view of the regulatory
4 environment and, therefore, a utility's risk profile. A reasonable ROE, therefore, is important to
5 the financial community's view of the regulatory environment.

6 **Q. Have you reviewed the returns recently authorized for other vertically**
7 **integrated electric utilities?**

8 A. Yes, I have. As shown in Exhibit RBH-1, the median authorized return for
9 vertically integrated electric utilities from 2013 through 2014 has been 9.95 percent; the highest
10 return was 10.95 percent. Those returns are well above Mr. Gorman's 9.40 percent
11 recommendation.

12 **Q. What conclusions do you draw from that data?**

13 A. The regulatory environment, (including authorized returns) is one of the most
14 important issues considered by both debt and equity investors in assessing the risks and prospects
15 of utility companies. As discussed above, the opportunity cost of an investment should equal the
16 return available on an investment of comparable risk. As discussed in Section V, it is important
17 to recognize that utilities in Missouri are statutorily restricted from including Construction Work
18 In Progress ("CWIP") in rate base, rely on a historical test year, as opposed to a forecast test year
19 (or other alternative rate plans), and have a very limited ability to implement interim rates.
20 Relative to its peers, therefore, the Company is disadvantaged in its ability to earn its authorized
21 return and generate the cash flows required to fund investments in its system, and support its
22 day-to-day operations. Those factors, in addition to other operating risks discussed in Section V,

1 suggest a return above the median authorized ROE of 9.95 percent, not 55 basis points below, as
2 Mr. Gorman recommends.

3 **IV. RESPONSE TO THE DIRECT TESTIMONY OF MR. GORMAN**

4 **Q. Please briefly summarize Mr. Gorman's recommendation regarding the**
5 **Company's Cost of Equity.**

6 A. Mr. Gorman recommends an ROE of 9.40 percent, within a recommended range
7 of 8.90 percent to 9.85 percent³. Mr. Gorman establishes his ROE recommendation by reference
8 to three versions of Discounted Cash Flow method (ranging from 8.49 percent to 9.02 percent,
9 with a point estimate of 8.90 percent), his Risk Premium estimates (ranging from 9.54 percent to
10 10.14 percent, with a point estimate of 9.85 percent), and his Capital Asset Pricing Model
11 analyses (9.18 percent)⁴.

12 **Q. What are the principal areas in which you disagree with Mr. Gorman?**

13 A. The principal areas in which I disagree with Mr. Gorman's analyses and
14 conclusions include: (1) the composition of Mr. Gorman's proxy group; (2) the use of a near-
15 term estimate of Sustainable Growth in the Constant Growth DCF model; (3) the application of
16 the Multi-Stage DCF model; (4) the Market Risk Premium ("MRP") component of the CAPM
17 and, in particular, the expected market return from which the MRP is calculated; and (5) the
18 assumptions and methods underlying Mr. Gorman's Risk Premium analyses.

19 **A. *Composition of Mr. Gorman's Proxy Group***

20 **Q. Please describe the screening criteria by which Mr. Gorman developed his**
21 **proxy group.**

³ See Direct Testimony and Schedules of Michael P. Gorman, at 2 and 30.

⁴ *Ibid.*, at 18, 24, 29, 30.

1 A. Mr. Gorman begins with the universe of Value Line Electric Utility companies, to
2 which he applies four screening criteria:

- 3 1. Corporate credit ratings from S&P between BBB- and A-, and credit ratings from
4 Moody's Investor Service ("Moody's") between Baa3 and A3;
5 2. A consistent history of quarterly cash dividends;
6 3. Not subject to merger or acquisition activities; and
7 4. Classified as "Regulated" by the Edison Electric Institute⁵.

8 Based on those criteria, Mr. Gorman arrives at a proxy group of 23 companies.

9 **Q. Do you agree with Mr. Gorman's screening criteria?**

10 A. Not entirely. Although we do have certain criteria in common (for example, we
11 exclude companies that are party to a significant corporate transaction or that do not consistently
12 pay dividends), I do not believe that Mr. Gorman's screens render a group of companies that is
13 sufficiently comparable to Ameren Missouri. For example, Edison International ("EIX")
14 recorded a loss of \$1.7 billion in 2012 as a result of placing Edison Mission Energy, the
15 subsidiary that owns and operates unregulated electric generating assets (including the Homer
16 City station), into Chapter 11 bankruptcy, and the divestiture of its Homer City assets⁶. As part
17 of its Chapter 11 bankruptcy proceeding, on October 18, 2013 EIX entered into a purchase
18 agreement with NRG Energy for Edison Mission Energy's assets, including the assumption of
19 certain related liabilities⁷. In addition, EIX recorded a \$1.05 billion loss resulting from an after-
20 tax earnings charge (recorded in the fourth quarter of 2011) relating to the impairment of its
21 Homer City, Fisk, Crawford, and Waukegan power plants, wind-related charges, and other

⁵ *Ibid.*, at 5.

⁶ *See*, Edison International, SEC Form 10-K for the fiscal year ended December 31, 2012, at 35.

⁷ *See*, NRG Energy, Inc., SEC Form 8-K, October 18, 2013, at 2.

1 expenses⁸. Given the significant nature of those results, it is difficult to assess the degree to
2 which regulated electric utility operations would be expected to contribute to the company's
3 consolidated financial performance in the future. Therefore, I disagree with Mr. Gorman's
4 assessment of EIX as a company that is sufficiently comparable to Ameren Missouri. As
5 discussed in Section V, I have excluded EIX from my final proxy group for this reason.

6 There are other differences between Ameren Missouri and Mr. Gorman's proxy group
7 that should be considered, as well. For example, Consolidated Edison and UIL Holdings are
8 principally transmission and distribution utilities with significant natural gas operations. In
9 addition, although it occurred after Mr. Gorman filed his testimony, UIL recently agreed to
10 acquire Philadelphia Gas Works for approximately \$1.9 billion⁹. Several of the companies in
11 Mr. Gorman's proxy group derive a significant portion of their regulated net income from natural
12 gas operations, while others (such as UNS Energy Corporation) are party to a significant
13 transaction; Schedule RBH-2 summarizes the reasons that I disagree with many [of the
14 companies included in Mr. Gorman's proxy group.

15 ***B. Application of the Constant Growth DCF Model***

16 **Q. Do you agree with Mr. Gorman's Constant Growth DCF approach and**
17 **results?**

18 **A.** Mr. Gorman's application of the Constant Growth DCF (Analysts' Growth)
19 model is generally consistent with mine (*see* Section V). For example, we both rely on average
20 stock prices to avoid the effect of anomalous fluctuations in a given day and use projected EPS
21 growth estimates as the growth component of the model. While we use different approaches to
22 calculate the expected dividend yield, I do not believe Mr. Gorman's approach is unreasonable.

⁸ See, Edison International, SEC Form 10-K for the fiscal year ended December 31, 2012, at 35-36.

⁹ See, UIL Holdings Corporation, SEC Form 8-K, March 2, 2014.

1 However, I note that some of the results contained in Mr. Gorman's Constant Growth DCF
2 (Analysts' Growth) model are below any reasonable estimate of the Company's Cost of Equity.
3 For example, as shown in Mr. Gorman's Schedule MPG-3, the Constant Growth DCF estimate
4 for EIX is 4.36 percent, which is more than 10 basis points *below* the current cost of debt, as
5 measured by the Moody's Utility A-Rated Bond Index, a condition that is highly improbable for
6 Ameren Missouri (or, for that matter, any company¹⁰).

7 Although Mr. Gorman considers both the proxy group average and median results¹¹, more
8 than half of the results contained in Mr. Gorman's Constant Growth DCF (Analysts' Growth) are
9 below reasonable estimates of the Company's Cost of Equity. Of the 1,421 electric utility rate
10 cases provided by RRA since 1980 that disclosed the awarded ROE, for example, only three
11 included an authorized ROE below 9.00 percent. In contrast, 14 the 23 results contained in
12 Mr. Gorman's Schedule MPG-3 are below 9.00 percent; nine are below 8.00 percent¹².
13 Conversely, only six of Mr. Gorman's estimates are as high as 10.00 percent which, as noted
14 above, is the approximate median authorized ROE for vertically integrated electric utilities since
15 January 2013. On that basis alone, Mr. Gorman's mean and median Constant Growth DCF
16 results (Analysts' Growth) model should be given little, if any weight.

17 **Q. Do you agree with Mr. Gorman's Sustainable Growth Constant Growth**
18 **DCF approach?**

19 **A.** No, I do not. As a practical matter, 17 of the 23 DCF estimates (that is, nearly
20 75.00 percent) contained in Mr. Gorman's Schedule MPG-6 (Constant Growth DCF Model –
21 Sustainable Growth Rate) are below 9.00 percent. Yet only one estimate is as high as 10.00

¹⁰ The 30-day average for the Moody's Utility A-Rated Bond Index is 4.49 percent through April 15, 2014.

¹¹ See Direct Testimony and Schedules of Michael P. Gorman, at 18.

¹² I note that the average DCF result including only results within the range of observed authorized returns since 1980 is 10.02 percent.

1 percent. Again, regardless of whether we look to the mean or median, results that are
2 consistently below observable authorized returns must be called into question.

3 Moreover (and as discussed in more detail below), the Sustainable Growth method
4 assumes that the payout ratio and earned return on common equity will remain constant in
5 perpetuity, an assumption that may not hold true. Further, historical market data and
6 independent research do not support the principal assumption of the Sustainable Growth model,
7 *i.e.*, that increased retention ratios are directly and positively related to future earnings growth,
8 for electric utilities.

9 In any case, the salient issue in assessing growth rates in the context of the DCF model is
10 whether investors tend to rely on a particular estimate of growth. Prior academic research
11 indicates that, consistent with the approach used in my analyses (as presented later in my
12 Rebuttal Testimony), investors rely on analysts' earnings growth projections in valuing equity
13 securities¹³. While Mr. Gorman may be of the view that analyst growth rates are not sustainable,
14 the relevant issue is whether investors rely on those projections in making their investment
15 decisions.

16 **Q. Are there other concerns with Mr. Gorman's "Sustainable Growth"**
17 **estimate?**

18 **A.** Yes. It is important to note that the "Sustainable Growth" model itself requires an
19 estimate of the earned return on common equity and is therefore somewhat circular. By adopting
20 Value Line's earned ROE estimates, Mr. Gorman has effectively pre-supposed the Return on
21 Common Equity projected by Value Line for the proxy group companies. In addition, the use of
22 the "Sustainable Growth" model requires the assumption that the subject company not only

¹³ See, for example, Roger A. Morin, PhD, New Regulatory Finance, Public Utilities Reports, Inc., 2006, at 298-303.

1 maintains its retention ratio and ROE in perpetuity, but also that the components of “R” (*i.e.*, the
2 earned return on common equity) are reasonably stable over time.

3 In order to assess whether that assumption holds (that is, whether the components of “R”
4 are stable), I used the “DuPont” formula, which decomposes the Return on Common Equity into
5 three components: the Profit Margin (net income/revenues), Asset Turnover (revenues/net plant),
6 and the Equity Multiplier (net plant/equity). As Schedule RBH-3 demonstrates, based on
7 Mr. Gorman’s Proxy Group, the product of those three measures is approximately equal (but for
8 rounding) to Value Line’s reported Return on Common Equity, on both an historical and
9 projected basis. That analysis also shows that while all three components are expected to change
10 over time, the Equity Multiplier and Asset Turnover ratios are expected to decrease, indicating
11 the expectation that the companies in Mr. Gorman’s Proxy Group will finance an increasing
12 amount of their net plant with common equity, while each dollar of additional assets will produce
13 somewhat less revenue.

14 The decreasing Equity Multiplier (which relates to a greater proportion of equity in the
15 capital structure) is consistent with the general observation that since the 2008 capital market
16 dislocation, most often associated with the Lehman Brothers bankruptcy in September 2008,
17 capital-intensive companies such as utilities have been focused on financial integrity and the
18 ability to access the capital markets during turbulent conditions. Given that the fundamental
19 elements of the “R” component of the “Sustainable Growth” model are expected to change over
20 time, I do not believe it is appropriate to use that model as the estimate constant, perpetual
21 growth.

22 **Q. Are there other reasons why the Sustainable Growth calculation may not**
23 **accurately reflect long-term growth rates?**

1 A. Yes, there are. The underlying premise of that model is that future earnings will
2 increase as the retention ratio increases. That is, if future growth is modeled as “B x R” (where
3 B is the retention ratio, and R is the earned return on book equity), growth will increase as B
4 increases. There are several reasons, however, why that may not be the case. Management
5 decisions to conserve cash for capital investments, to manage the dividend payout for the
6 purpose of minimizing future dividend reductions or to signal future earnings prospects, can and
7 do influence dividend payout (and therefore earnings retention) decisions in the near-term.
8 Consequently, it is appropriate to determine whether the data relied upon by Mr. Gorman
9 supports the assumption that higher earnings retention ratios necessarily are associated with
10 higher future earnings growth rates.

11 **Q. Did you perform any analyses to test that assumption?**

12 A. Yes, I did. For each of the companies in Mr. Gorman’s Proxy Group, I calculated
13 (in each year of the historical periods) the dividend payout ratio, the retention ratio, and the
14 subsequent five-year earnings growth rate. I then performed a regression analysis in which the
15 dependent variable was the five-year earnings growth rate, and the explanatory variable was the
16 earnings retention ratio. The purpose of that analysis was to determine whether the data source
17 relied upon by Mr. Gorman for his “Sustainable Growth” rate estimates empirically supports the
18 assumption (which, as noted, is central to his Sustainable Growth modeling¹⁴) that higher
19 retention ratios necessarily produce higher earnings growth rates.

20 **Q. What did that analysis reveal?**

21 A. As shown in Table 1 (below), there was a significant negative relationship
22 between the five-year earnings growth rate and the earnings retention ratio. That is, on a
23 historical basis, earnings growth actually decreases as the retention ratio increases, which is

¹⁴ See Direct Testimony and Schedules of Michael P. Gorman, at 11.

1 exactly the opposite of the assumption underlying his model. Those findings clearly call into
2 question the reasonableness of Mr. Gorman's reliance on the Sustainable Growth rate.

3 **Table 1: Regression Results¹⁵**

	<i>Coefficient</i>	<i>Standard Error</i>	<i>t Stat</i>
Intercept	0.175	0.0258	6.765
Retention Ratio	-0.266	0.0404	-6.576

4
5 **C. Application of the Multi-Stage DCF Model**

6 **Q. Do you agree with Mr. Gorman's application of the Multi-Stage DCF model?**

7 **A.** While I agree that the Multi-Stage DCF approach is a reasonable analytical
8 technique, Mr. Gorman's Multi-Stage DCF model contains several assumptions that produce
9 unreasonably low ROE estimates. In particular, Mr. Gorman's model assumes a perpetual
10 growth rate beginning in the eleventh year of his model (that is, calendar year 2024) based on a
11 Gross Domestic Product ("GDP") growth rate projection that actually ends in 2024¹⁶. In
12 addition, Mr. Gorman assumes that all dividends are received at year-end, rather than over the
13 course of the year. Those assumptions have the effect of unreasonably decreasing the DCF
14 result.

15 **Q. How does Mr. Gorman's assumption with regard to the timing of dividend**
16 **payments affect his Multi-Stage DCF model results?**

17 **A.** Mr. Gorman notes that quarterly dividends in his Multi-Stage DCF model were
18 "annualized (multiplied by 4¹⁷)."
19 Considering that Mr. Gorman's proxy companies pay dividends on a quarterly basis, assuming (as Mr. Gorman has done) that the entire dividend is

¹⁵ See also Schedule RBH-4.

¹⁶ See Direct Testimony and Schedules of Michael P. Gorman, at 16 and Schedule MPG-8; see also and Blue Chip Financial Forecasts, December 1, 2013 at 14.

¹⁷ *Ibid.*, at 8.

1 paid at the end of that year essentially defers the timing of the quarterly cash flows (that is, the
2 quarterly dividends) until year-end, even though they are paid throughout the year. A more
3 reasonable approach would be to assume that cash flows are received (on average) in the middle
4 of the year, such that half the quarterly dividend payments occur prior to the assumed dividend
5 payment date, and half occur after (*i.e.*, the “mid-year convention”). That approach is consistent
6 with the common practice in the Constant Growth DCF model of accounting for periodic growth
7 in dividends by applying one-half of the expected annual dividend growth rate to calculate the
8 expected dividend yield.

9 **Q. How would the mid-year convention affect Mr. Gorman’s Multi-Stage DCF**
10 **results?**

11 A. Holding all other assumptions constant, simply changing Mr. Gorman’s
12 methodology to reflect the mid-year convention increases the mean and median results by
13 approximately 18 and 19 basis points, respectively¹⁸.

14 **Q. Do you agree with the long-term growth rate in Mr. Gorman’s Multi-Stage**
15 **DCF model?**

16 A. No, I do not. The long-term growth rate represents the expected rate of growth, in
17 perpetuity, as of the beginning of the third, or terminal, stage¹⁹. Mr. Gorman assumes a long-
18 term growth rate of 4.80 percent, which is the approximate average of the five year (2015 –
19 2019) and ten year (2020-2024) nominal GDP growth estimates, as reported by *Blue Chip*²⁰.
20 Consequently, Mr. Gorman’s long-term GDP growth rate projection, which he applies to years

¹⁸ See Schedule RBH-7.

¹⁹ See Direct Testimony and Schedules of Michael P. Gorman, at 14.

²⁰ *Ibid.*, at 16-17 and Schedule MPG-8. Mr. Gorman calculates his nominal GDP growth rates based on separate Blue Chip consensus forecasts for real GDP growth and growth in the GDP Chained Price Index for the periods 2015-2019 and 2020-2024. At page 29 of his Direct Testimony, Mr. Gorman points to the EIA Annual Energy Outlook, which projects real GDP growth in the range of 2.00 percent to 2.90 percent for the years through 2040, and Congressional Budget Office projections of real GDP growth from 2.20 percent to 2.60 percent over the coming five to ten years.

1 eleven through 200 of his model (that is, from year 2024 through 2213), is based on data that
2 includes only year eleven (that is, 2024). That is, despite the fact that the *Blue Chip* projection
3 period ends in 2024, Mr. Gorman uses it as the measure of expected perpetual GDP growth
4 beginning in 2024.

5 Since the *Blue Chip* forecast is based on data that includes only a single year of
6 Mr. Gorman's terminal stage, I developed an alternative analysis (*see* Schedule RBH-5). In that
7 analysis, I continue to include the *Blue Chip* forecast, but only in the period to which it applies.
8 Given that the *Blue Chip* forecast terminates in 2024, I added a fourth stage, which incorporates
9 an additional estimate of long-term growth beyond the period represented by the *Blue Chip*
10 forecast. As explained below, the fourth-stage growth rate represents the combination of the
11 long-term historical average real GDP growth rate, and the market's expectation of long-term
12 inflation beginning ten years from now. Limiting the *Blue Chip* forecast to the period to which it
13 applies, and incorporating the alternative estimate of long-term growth increases his mean and
14 median DCF results by 63 and 62 basis points, respectively.

15 **Q. Are there other benchmarks that put Mr. Gorman's 4.80 percent long-term**
16 **growth rate in context?**

17 A. Yes, there are. While Mr. Gorman suggests that the reasonableness of his ROE
18 estimates may be viewed in the context of his long-term growth projections, an alternative
19 approach is to assess his long-term growth projections in the context of recently authorized
20 ROEs. Given that Mr. Gorman's Risk Premium approach is premised on the use of authorized
21 returns as a measure of "expectational" data²¹, it would follow that the long-term growth rate
22 assumed in his Multi-Stage DCF model should produce results that are reasonably consistent
23 with current expectations (that is, with recently authorized equity returns).

²¹ *Ibid.*, at 33.

1 Knowing that his average Multi-Stage DCF estimate is 8.82 percent, and that recently
2 authorized equity returns are quite a bit higher (*see* Schedule RBH-1, and Mr. Gorman's
3 Schedules MPG-10 and 11), it is reasonable to question the terminal growth rate used in
4 Mr. Gorman's Multi-Stage DCF analysis. As shown in Schedule RBH-6, keeping all of
5 Mr. Gorman's data and assumptions constant but for the terminal growth rate, and solving for the
6 growth rate that produces an average ROE of 9.92 percent²² produces an implied growth rate of
7 6.19 percent²³. That, of course, is substantially above Mr. Gorman's 4.80 percent estimate,
8 although it is generally consistent with (although somewhat higher than) the assumption included
9 in my Multi-Stage analysis (5.70 percent; discussed below) and slightly lower than the long-term
10 geometric average nominal GDP growth rate (6.23 percent)²⁴.

11 **Q. Is there another approach to calculating the long-term growth rate that**
12 **produces more reasonable results than Mr. Gorman's 4.80 percent estimate?**

13 A. Yes, there is. As Mr. Gorman points out in footnote 11 of his direct testimony
14 (page 16), nominal GDP growth is the product of real GDP growth and inflation. It is possible to
15 use observable market data regarding nominal and inflation-protected Treasury yields (referred
16 to as "Treasury Inflation Protected Securities" or "TIPS") to calculate the market's forward view
17 of inflation (that is, inflation expected over the long term beginning ten years from now). In
18 particular, the difference between nominal Treasury yields and TIPS yields is commonly
19 considered to be a measure of expected inflation. Because the expected rate of inflation is easily
20 calculated, all that is needed is an estimate of long-term real GDP growth.

²² 9.92 percent represents the 2013 average authorized return for vertically integrated electric utilities, as reported by Regulatory Research Associates.

²³ *See* Schedule RBH-6.

²⁴ Source: Bureau of Economic Analysis.

1 **Q. Is there a method that can be used to estimate projected long-term real GDP**
2 **growth beginning ten years from now?**

3 A. Yes, there is. Historical real GDP growth can be used as a measure of expected
4 real GDP growth in the terminal period. According to data provided by the Bureau of Economic
5 Analysis, over the period 1929 to 2013 the average annual real GDP growth rate was 3.27
6 percent (on a geometric average basis). Combining real GDP growth with the expected inflation
7 rate of 2.36 percent produces an expected long-term growth rate of 5.70 percent, which is the
8 growth rate I used in my Multi-Stage DCF analysis²⁵.

9 **Q. With those points in mind, did you make any additional adjustments to Mr.**
10 **Gorman's analysis?**

11 A. Yes, Schedule RBH-7 provides the incremental results of those adjustments. To
12 ensure that I correctly applied the analysis, I first recreated Mr. Gorman's Multi-Stage model and
13 replicated his results. I then adjusted Mr. Gorman's Internal Rate of Return calculation to reflect
14 the mid-year convention (as explained above). Next, I revised the long-term growth rate used in
15 the final stage of Mr. Gorman's model to the more reasonable estimate of perpetual long-term
16 nominal GDP growth described above. The cumulative effect of those adjustments is to increase
17 his median ROE estimate to 9.92 percent. Although that result remains below a reasonable
18 estimate of the Company's Cost of Equity, it is 52 basis points above Mr. Gorman's 9.40 percent
19 ROE recommendation.

20 **Q. Aside from those adjustments to Mr. Gorman's model, did you provide your**
21 **own Multi-Stage DCF analysis?**

²⁵ $[(1.0236) \times (1.0327)] - 1 = .0570$.

1 A. Yes, I did²⁶. As described in Section V, below, I included a form of the Multi-
2 Stage DCF model that addresses the concerns discussed above.

3 ***D. Application of Capital Asset Pricing Model***

4 **Q. Please summarize Mr. Gorman's CAPM analysis.**

5 A. Mr. Gorman develops a single CAPM estimate of 9.18 percent, which is based on
6 Morningstar's historical Market Risk Premium estimate of 6.70 percent, *Blue Chip's* projected
7 30-year Treasury yield of 4.40 percent (as the risk-free rate), and a 0.71 average proxy group
8 Beta coefficient as reported by Value Line²⁷. Mr. Gorman selects the Morningstar historical
9 MRP estimate as an input into his CAPM analysis after determining it falls somewhere within
10 the range of his two MRP estimates. Mr. Gorman's first MRP estimate (6.60 percent) is based
11 on the long-term historical (arithmetic) average real market return from 1926 through 2012 as
12 reported by Morningstar, which he then adjusts for current inflation forecasts²⁸. Mr. Gorman's
13 second MRP estimate (5.70 percent) represents the historical difference between the average
14 return on the S&P 500, and the average total return on long-term government bonds²⁹.

15 **Q. Turning first to the expected total return on the market, do you agree with**
16 **Mr. Gorman's 10.98 percent estimate?**

17 A. No, I do not. To put Mr. Gorman's estimate in perspective, it is important to
18 understand how often various ranges of total returns actually have occurred from 1926 to 2013.
19 To perform that analysis, I gathered the annual return on Large Company Stocks reported by
20 Morningstar, produced a histogram of those observations, and calculated the probability that a
21 given market return estimate would be observed. The results of that analysis, which are

²⁶ See Schedule RBH-10.

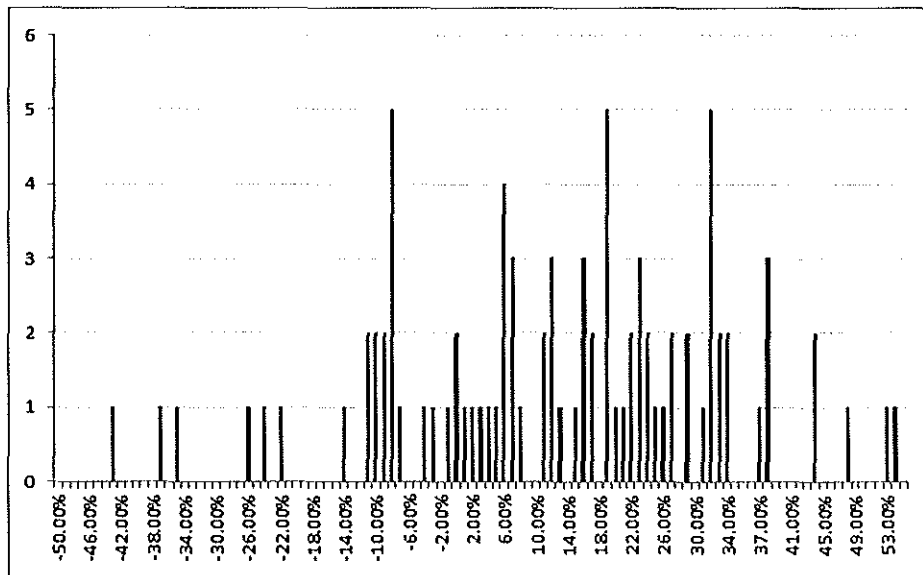
²⁷ See Direct Testimony and Schedules of Michael P. Gorman, at 25-29 and Schedule MPG-15.

²⁸ *Ibid.*, at 27.

²⁹ *Ibid.*, at 27-28.

1 presented in Chart 1, demonstrate that returns of 13.00 percent (which is consistent with my
2 analysis, described in Section V) and higher actually occurred quite often.

3 **Chart 1: Frequency Distribution of Observed Market Returns, 1926 – 2013³⁰**



4

5 In fact, the 12.31 percent and 13.91 percent estimates, which I rely on in my CAPM
6 analysis (as shown in Schedule RBH-11), represent approximately the 50th percentile of the
7 actual returns observed from 1926 to 2013. In other words, of the 88 annual observations, 46
8 were 12.31 percent or higher and 45 were 13.91 percent or higher. By that measure, my estimate
9 is entirely consistent with historical experience, although Mr. Gorman's estimate is low relative
10 to that standard.

11 **Q. Is Mr. Gorman's use of the historical rate of S&P 500 total return as a**
12 **measure of sustainable future market growth consistent with his use of the sustainable**
13 **growth rate in his DCF analysis?**

³⁰ See Morningstar, Inc., 2014 Ibbotson Stocks, Bonds, Bills and Inflation Classic Yearbook, at 196-197.

1 A. No, it is not. The Sustainable Growth rate used in Mr. Gorman's DCF analysis is
2 premised upon the assumption that there is a positive relationship between the earnings retention
3 ratio and earnings growth. In that regard, Mr. Gorman states:

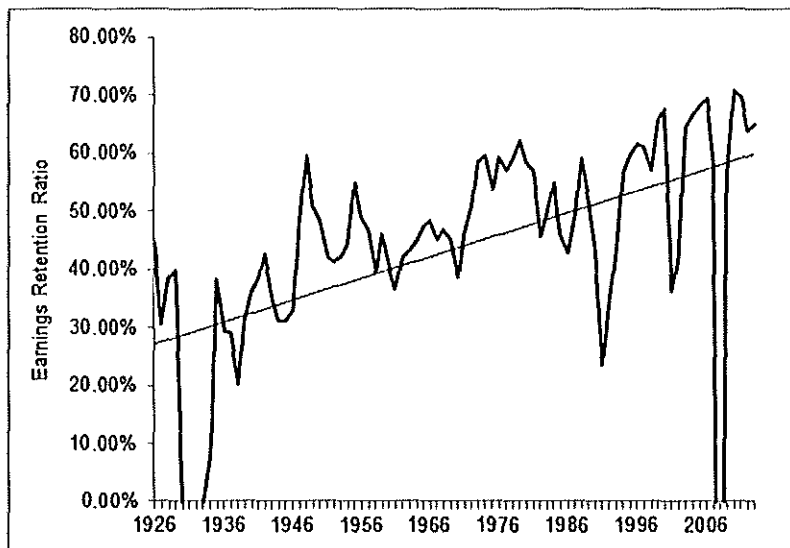
4 The internal growth methodology is tied to the percentage of earnings
5 retained in the company and not paid out as dividends. The earnings
6 retention ratio is 1 minus the dividend payout ratio. As the payout ratio
7 declines, the earnings retention ratio increases. An increased earnings
8 retention ratio will fuel stronger growth because the business funds
9 more investments with retained earnings³¹.

10 While (as discussed above) I do not agree with Mr. Gorman's use of the Sustainable
11 Growth method, it is helpful to consider the current level of the S&P 500 earnings retention ratio
12 relative to its historical level. If the current market retention ratio is well above its long-term
13 average, it calls into question whether the market will maintain that level in perpetuity. As
14 shown in Chart 2 (below), data reported by Dr. Robert J. Shiller indicates the S&P 500 earnings
15 retention has trended upward over time and is currently well above its historical average.
16 Consequently, the Sustainable Growth estimate that Mr. Gorman relied upon suggests that future
17 market growth could outpace historical growth.

³¹ Direct Testimony and Schedules of Michael P. Gorman, at 11.

1

Chart 2: S&P 500 Annual Earnings Retention Ratio, 1926 - 2013³²



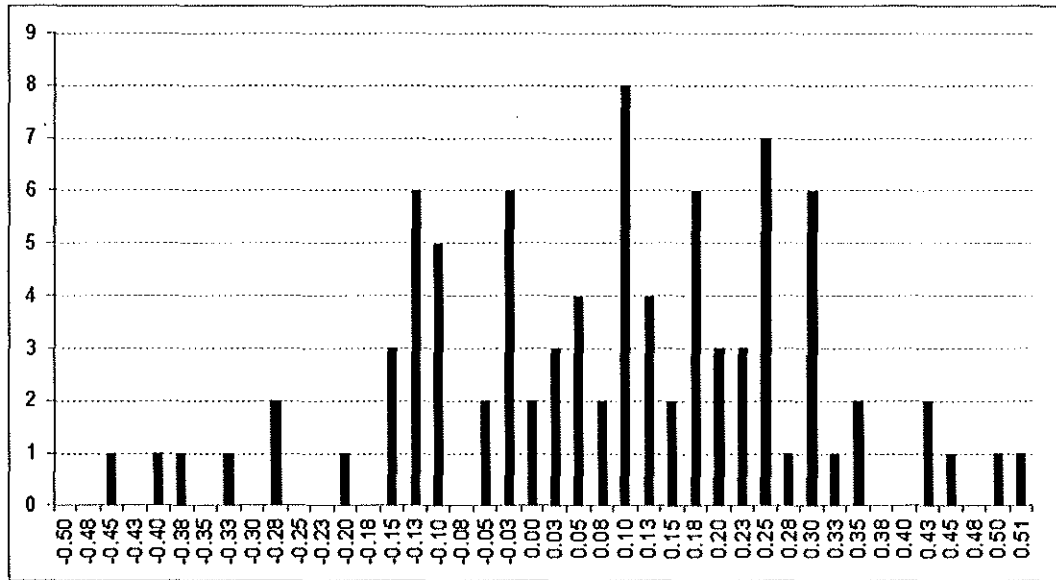
2

3 **Q. Did you also consider where Mr. Gorman's Market Risk Premium estimate**
4 **falls within the range of historical observations?**

5 A. Yes, I did. Similar to my review of observed market returns, I gathered the
6 annual Market Risk Premia reported by Morningstar and produced a histogram of the
7 observations. The results of that analysis, which are presented in Chart 3, demonstrate that
8 MRPs of at least 10.31 percent (the upper range of the MRP estimates described below; *see*
9 Schedule RBH-13) have occurred nearly half of the time.

³² Source: <http://www.econ.yale.edu/~shiller/data.htm>.

1 **Chart 3: Frequency Distribution of Market Risk Premium, 1926 - 2013³³**



2

3 I then considered a different perspective, calculating the cumulative probability of the

4 same ranges of MRP estimates. Those results, which are provided in Chart 4 demonstrate that

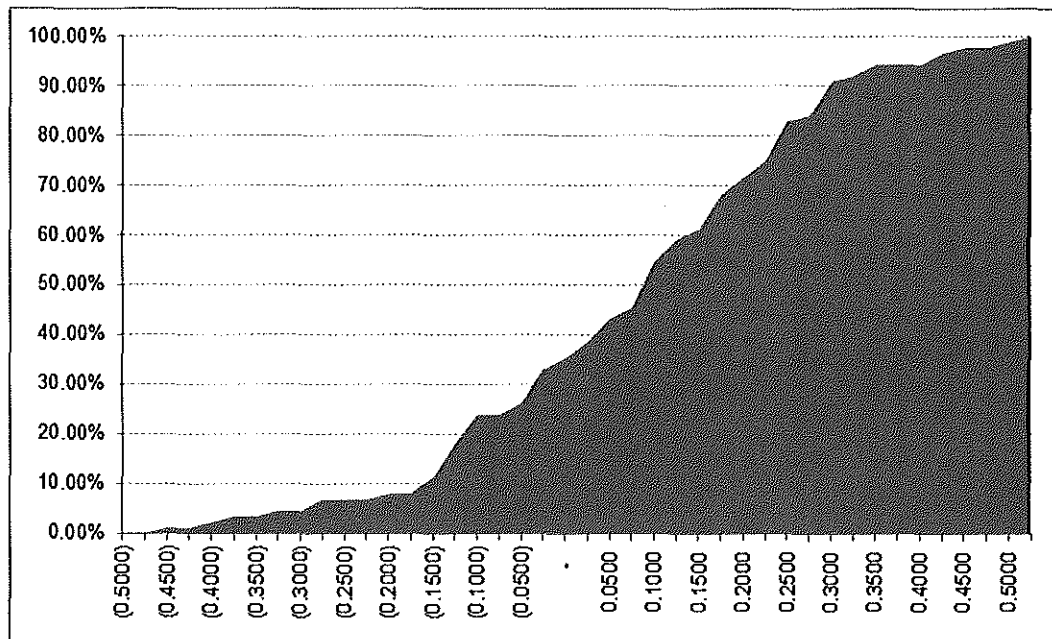
5 (based on historical observations) there is approximately a 54.60 percent likelihood that an MRP

6 of at least 10.31 percent will occur.

³³ See Morningstar, Inc., 2014 Ibbotson Stocks, Bonds, Bills and Inflation Classic Yearbook at 196-197, 208.

1

Chart 4: Cumulative Probability of Market Risk Premia, 1926 - 2013³⁴



2

3 It also is important to note that the annual average MRP of 6.70 percent is heavily
4 influenced by a small number of years in which the MRP fell because of significant market
5 losses. In 2008, for example, the market lost 37.00 percent, and as a result, MRP in that year
6 was negative 41.45 percent³⁵. Because of that large market loss, the long-term average MRP fell
7 from prior periods. In other words, in the year during which market risk and uncertainty were at
8 historically high levels (that is, 2008), the historical average MRP suggested that investors
9 required a significantly lower return on equity investments than they did on Treasury securities.
10 In fact, as shown on Table 2 (below), from 2007 to 2013, the historical average MRP decreased
11 from 7.10 percent to 6.96 percent, while market volatility increased from 17.54 percent to a high
12 of 32.69 percent in 2008, and eventually fell to 14.23 percent in 2013³⁶. That is, the effect of the

³⁴ *Ibid.*

³⁵ *Ibid.*, at 196-197, 208.

³⁶ See Morningstar, Inc., 2013 Ibbotson Stocks, Bonds, Bills and Inflation Valuation Yearbook, at 142-143 and Bloomberg Professional. Please note that the long-term average market volatility is approximately 20.13 percent.

1 2007 to 2009 financial dislocation, in which realized returns fell and volatility increased, was to
2 decrease the long-term average MRP.

3 **Table 2: Historical MRP and Market Volatility**

	<i>Market Volatility</i> ³⁷	<i>Historical MRP</i> ³⁸
2013	14.23	6.96%
2012	17.80	6.70%
2011	24.20	6.60%
2010	22.55	6.70%
2009	31.48	6.70%
2008	32.69	6.50%
2007	17.54	7.10%

4
5 Since 2008, the historical Market Risk Premium has increased even as volatility
6 decreased. The assumption that investors became less risk averse (as manifested in a lower
7 MRP) during periods of increasing market uncertainty (as measured by the volatility of returns in
8 2008) is counter-intuitive, and in my view, leads to unreliable analytical results.

9 **E. Application of the Risk Premium Model**

10 **Q. Please briefly describe Mr. Gorman's Risk Premium analyses.**

11 A. Mr. Gorman defines the "Risk Premium" as the difference between average
12 annual authorized equity returns for electric utilities, and a measure of long-term interest rates
13 each year from 1986 through 2013. Mr. Gorman's first approach calculates the annual risk
14 premium by reference to the 30-year Treasury yield, while the second considers the average
15 A-rated utility bond yield³⁹. In each case, Mr. Gorman discards the three lowest and three

³⁷ Bloomberg Professional Service. Market Volatility equals the average VIX for a given year.

³⁸ See Morningstar, Inc., 2014 Ibbotson SBBI Market Report, Table 10, at 16; See Morningstar, Inc., 2013 Ibbotson Stocks, Bonds, Bills and Inflation Valuation Yearbook, at 142-143. Historical MRP equals total return on large company stocks less income return on long-term government securities.

³⁹ See Direct Testimony and Schedules of Michael P. Gorman, Schedules MPG-10 and 11.

1 highest implied equity risk premia, and establishes the range of Risk Premium estimates based
2 on the next highest (or lowest) estimate. In other words, the lower bound of his Risk Premium
3 range is defined by the fourth-lowest risk premium, regardless of the year in which it occurred.
4 In a similar manner, the upper bound of Mr. Gorman's Risk Premium range is defined by the
5 fourth-highest estimate, regardless of the year in which that observation occurred. Mr. Gorman
6 then applies weights of 30.00 percent and 70.00 percent, respectively, to his lower and upper
7 bound estimates⁴⁰.

8 As to the period over which he gathers and analyzes his data, Mr. Gorman suggests that
9 his 28-year horizon is a "generally accepted period to develop a risk premium study using
10 'expectational' data"⁴¹. Mr. Gorman further notes that "it is reasonable to assume that averages
11 of annual achieved returns over long time periods will generally converge on the investors'
12 expected returns," and concludes that his "risk premium study is based on expectational data, not
13 actual returns, and, thus, need not encompass very long time periods"⁴². Based on those
14 assumptions, Mr. Gorman calculates a range of estimates from 8.24 percent to 10.71 percent
15 which, Mr. Gorman suggests, produces a reasonable range of 9.54 percent to 10.14 percent with
16 a (rounded) midpoint of 9.85 percent⁴³.

17 **Q. Does Mr. Gorman rely on his Risk Premium model in making his ROE**
18 **recommendation?**

⁴⁰ *Ibid.*, at 23-24. I note that Mr. Gorman states "I propose to provide 75% weight to the high-end of my risk premium estimates and 25% to the low-end of my risk premium estimates." However, footnotes 15 and 16 indicate that Mr. Gorman provided 70 percent weight to the high-end of his risk premium estimates and 30 percent to the low-end of his risk premium estimates.

⁴¹ *Ibid.*, at 21.

⁴² *Ibid.*

⁴³ *Ibid.*, at 23-24. See also Schedule RBH-8.

1 A. Yes, he does. As noted above, Mr. Gorman develops his ROE estimate (*i.e.*, 9.85
2 percent) at least in part based on his Risk Premium results⁴⁴.

3 **Q. What are your specific concerns with Mr. Gorman's Risk Premium**
4 **analyses?**

5 A. I have several concerns with Mr. Gorman's analysis: (1) his method of relying on
6 the fourth lowest and highest risk premium is arbitrary and establishes a range of ROE estimates
7 that are predicated on economic and financial conditions that are far removed from the current
8 market; (2) Mr. Gorman's method and recommendation ignore an important relationship
9 revealed by his own data, *i.e.*, that the Risk Premium has a strong negative correlation to the
10 level of interest rates (whether measured by Treasury or utility bond yields); and (3) the low end
11 of Mr. Gorman's Risk Premium estimates is far lower than any ROE authorized since at least
12 1986 and as such, has no relevance in estimating the Company's Cost of Equity.

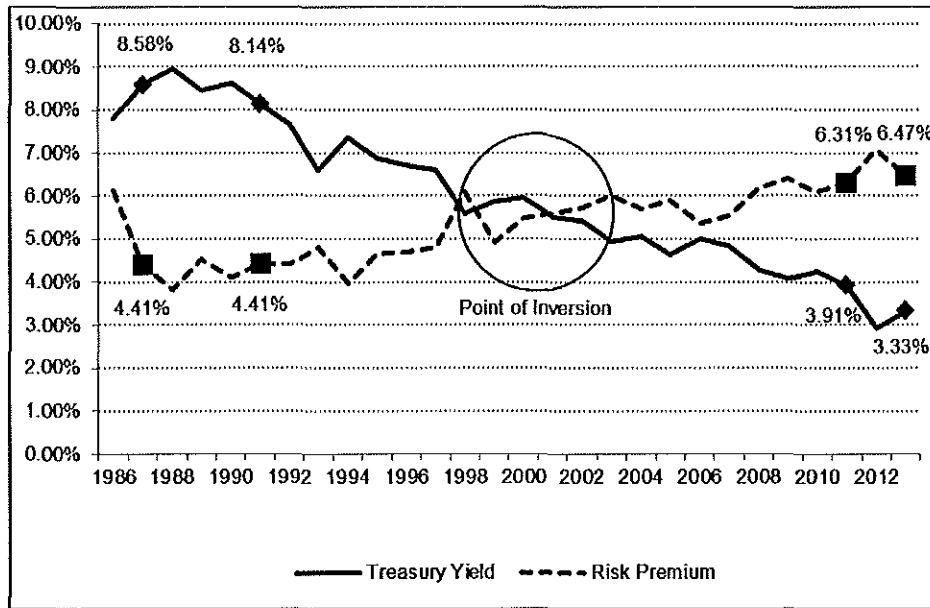
13 **Q. Turning first to the method by which Mr. Gorman selected the bounds of his**
14 **Risk Premium estimates, have you reviewed the range of data included in his analysis?**

15 A. Yes, I have. Considering first the Treasury yield-based analysis, I plotted the
16 yields and Risk Premia over the 1986 to 2013 period included in Mr. Gorman's analysis. That
17 graph is presented in Chart 5 (below).

⁴⁴ See Direct Testimony and Schedules of Michael P. Gorman, at 30.

1

Chart 5: Mr. Gorman's Treasury Yield-Based Risk Premium Data⁴⁵



2

3 There are several important points that may be taken from that data. First, the low end of
4 Mr. Gorman's Risk Premium range, 4.41 percent, was observed in 1987 and 1991. It is apparent
5 that a discrete observation from an economic environment 26 years ago has little to do with
6 current market conditions. In fact, a very visible measure of such differences is the fact that in
7 1987, Treasury yields exceeded the Risk Premium. As Schedule RBH-8 demonstrates, however,
8 since the turn of the Millennium, the opposite has been true; the Risk Premium has consistently
9 exceeded Treasury yields. By that measure alone, it is clear that the low end of Mr. Gorman's
10 range has little, if any, relevance to the current market environment.

11 As to the high end of his range, Mr. Gorman's convention of discarding the three highest
12 Treasury yield-based Risk Premium estimates has the effect of ignoring observations from 2009,
13 2012 and 2013; the Utility bond-based estimates exclude 2011, 2012 and 2013. Since 2008, the
14 Federal Reserve has proceeded on a steady path of initiatives designed to lower long-term

⁴⁵ Source: Direct Testimony and Schedules of Michael P. Gorman, Schedule MPG-10. See also Schedule RBH-8.

1 Treasury yields⁴⁶. By not including the most recent data in his analysis, Mr. Gorman's selections
2 specifically exclude the market conditions that he finds important in other aspects of his
3 analyses⁴⁷. Moreover, the Risk Premium tends to move inversely with changes in interest rates:
4 As interest rates have fallen, the Risk Premium has increased. Mr. Gorman's approach,
5 therefore, removes very recent observations for which the Risk Premium would be relatively
6 high.

7 I also note that while 2011 and 1987 represented the fourth highest and lowest Treasury
8 yield-based Risk Premium observations, respectively, the second highest and lowest were
9 observed in 2013 and 1994. Certainly 2013 is more current than 2011, and there is no reason of
10 which I am aware to conclude that 1987 is more relevant to the analysis than 1994. Similarly,
11 the second highest and lowest Utility bond-based Risk Premium observations reflect data as of
12 2013 and 1990, rather than 2005 and 1994 (*i.e.*, the fourth-highest and lowest observations).
13 Here again, 2013 is more current than 2005 and there is no reason to prefer 1994 to 1990.

14 Combining data from the second highest and lowest (rather than the fourth) return
15 produces an ROE estimate of 9.99 percent relative to the 9.85 percent result that Mr. Gorman
16 reports; the highest and lowest observations produce an ROE estimate of 10.26 percent. In fact,
17 moving from the fourth to the first highest and lowest return would increase the ROE estimate by
18 42 basis points while an equivalent move downward (*i.e.*, moving from the fourth to the seventh)
19 would decrease the ROE by only 14 basis points. Given the rather subjective nature of the
20 analysis, and in light of the significant skew in results, it is my view that Mr. Gorman's Risk
21 Premium analysis tends to understate the Company's Cost of Equity.

⁴⁶ See, also, Federal Reserve Press Release dated June 19, 2013.

⁴⁷ See, for example, Direct Testimony and Schedules of Michael P. Gorman, at 6-8.

1 **Q. Please now elaborate on your earlier observation that the Risk Premium has**
2 **increased as Treasury yields have decreased.**

3 A. As Schedule RBH-8 demonstrates, over Mr. Gorman's study period the Risk
4 Premium has moved inversely to changes in Treasury yields and this relationship is supported by
5 the data contained in Mr. Gorman's Schedules MPG-10 and 11; the correlation between the two
6 is negative 87.67 percent (*see* Schedule RBH-8). To put that degree of correlation in
7 perspective, if the two were to move in exactly opposite directions, the correlation would be
8 negative 100.00 percent, if they did not move together at all, the correlation would be zero.
9 Because correlation coefficients by definition are between zero and one (either positive or
10 negative), a correlation of negative 87.67 percent indicates a strong tendency for the Equity Risk
11 Premium to increase as interest rates decrease. These findings are supported in academic studies.
12 For example, Dr. Roger Morin notes that:

13 ...[p]ublished studies by Brigham, Shome, and Vinson (1985), Harris
14 (1986), Harris and Marston (1992, 1993), Carleton, Chambers, and
15 Lakonishok (1983), Morin (2005), and McShane (2005), and others
16 demonstrate that, beginning in 1980, risk premiums varied inversely
17 with the level of interest rates - rising when rates fell and declining
18 when interest rates rose⁴⁸.

19 Turning back to Mr. Gorman's data, a simple linear regression analysis reveals that for
20 every 100 basis point decrease in yields, the Risk Premium increases by approximately 44 basis
21 points (*see* Schedule RBH-8⁴⁹). That result is consistent with those found by Maddox, Pippert
22 and Sullivan, who determined that the Risk Premium would increase by 37 basis points for every

⁴⁸ Roger A. Morin, New Regulatory Finance, Public Utilities Reports, Inc. (2006), at 128 [clarification added].

⁴⁹ Adjusting for serial correlation does not materially affect the results; *see* Schedule RBH-8.

1 100 basis point change in the 30-year Treasury yield⁵⁰. Citing Harris and Marston, the authors
2 note a similar estimate of 36 basis points⁵¹.

3 **Q. Have you made any adjustments to Mr. Gorman's analysis to reflect the**
4 **concerns discussed above?**

5 A. Yes, I have. While I believe that the regression analysis described in Section V is
6 the appropriate method, I have adjusted Mr. Gorman's analysis to reflect the Risk Premium
7 associated with the prevailing level of interest rates. Based on Mr. Gorman's Schedule MPG-10,
8 the average 30-year Treasury yield in 2012 and 2013 was 3.13 percent; the average Risk
9 Premium during those years was 6.78 percent. Applying the projected 4.15 percent (30-year)
10 Treasury yield to that risk premium produces an ROE estimate of 10.93 percent. Assuming the
11 respective 2012 and 2013 Risk Premium estimates (combined with the projected 4.15 percent
12 Treasury yield) produces a range of 10.62 percent to 11.24 percent. Those estimates, which
13 reflect more recent and relevant data, are well above Mr. Gorman's 9.40 percent ROE estimate.

14 **Q. Have you completed a similar analysis using Mr. Gorman's Utility Bond**
15 **Yield data?**

16 A. Yes, and those results are consistent with my analysis of Mr. Gorman's Treasury
17 yield-based Risk Premium. Here again, it is clear that the Risk Premium has increased as the
18 Utility Bond Yield has decreased. In fact, because the two have been moving steadily in
19 opposite directions, the Risk Premium now is higher than the Bond Yield. Mr. Gorman,
20 however, developed his Risk Premium (and, therefore, his ROE) estimates based on data points
21 that occurred more than 17 years prior to that point of inversion. Even the high end of
22 Mr. Gorman's Risk Premium estimate (which is based on calendar year 2005) is derived from

⁵⁰ See Farris M. Maddox, Donna T. Pippert, and Rodney N. Sullivan, *An Empirical Study of Ex Ante Risk Premiums for the Electric Utility Industry*, Financial Management, Vol. 24, No. 3, Autumn 1995, at 93.

⁵¹ *Ibid.*

1 data reflecting a period in which the Bond Yield exceeded the Risk Premium and as such,
2 produces an ROE estimate that is incompatible with the current market environment.

3 **Q. Do you have any other observations regarding Mr. Gorman's Risk Premium**
4 **analysis?**

5 A. Yes, I do. Aside from the shortcomings discussed above, Mr. Gorman's Risk
6 Premium recommendation gives considerable weight to ROE estimates that are well below the
7 lowest return that has ever been authorized. Of the 1,421 electric utility rate authorizations since
8 1980 for which authorized ROEs were disclosed, the lowest was 8.72 percent⁵². Mr. Gorman,
9 however, gives specific weight to an ROE estimate that is approximately 50 basis points lower,
10 still (that is, the 8.24 percent ROE estimate to which Mr. Gorman gave 30.00 percent weight in
11 his "A" rated utility bond version of the Risk Premium).

12 Lastly, although Mr. Gorman suggests that he applied weights of 75.00 percent and 25.00
13 percent to his high and low observations, respectively, it appears that he actually applied weights
14 of 70.00 percent and 30.00 percent. Had he applied the 75.00 percent/25.00 percent weights, his
15 estimates would have been 10.24 percent for the Treasury yield-based analysis⁵³, and 9.64
16 percent for the Bond yield-based estimate⁵⁴. The midpoint of those two estimates is 9.94 percent,
17 nine basis points above the 9.85 percent estimate provided in Table 2 of Mr. Gorman's
18 testimony.

V. COST OF EQUITY ESTIMATION

19 **Q. Have you developed your own estimate of Ameren Missouri's cost of equity?**

20 A. Yes, using a proxy group and various analyses similar to those used by
21 Mr. Gorman.

⁵² Source: Regulatory Research Associates; *see*, also Schedule RBH-14.

⁵³ $(75\% \times 10.71\%) + (25\% \times 8.81\%) = 10.24\%$

⁵⁴ $(75\% \times 10.10\%) + (25\% \times 8.24\%) = 9.64\%$

1 A. ***Proxy Group Selection***

2 **Q. Please provide a summary profile of Ameren Missouri.**

3 A. Ameren Missouri, which is a wholly owned subsidiary of Ameren Corporation,
4 provides electric service to approximately 1.2 million retail customers, and natural gas
5 distribution service to approximately 127,000 retail customers in Missouri⁵⁵. Ameren
6 Corporation's current long-term issuer credit rating from S&P is BBB+ (outlook: Stable), Baa2
7 (outlook: Stable) from Moody's, and BBB+ (outlook: Stable) from FitchRatings ("Fitch").
8 Ameren Missouri currently is rated BBB+ (outlook: Stable) by S&P, Baa1 (outlook: Stable) by
9 Moody's, and BBB+ (outlook: Stable) by Fitch⁵⁶.

10 **Q. How did you select the companies included in your proxy group?**

11 A. As did Mr. Gorman, I began with the universe of companies that Value Line
12 classifies as Electric Utilities. However, my screening criteria narrow the proxy group to more
13 closely reflect the operations and risks of Ameren Missouri than Mr. Gorman's group (as noted
14 in Section IV, I do not believe that Mr. Gorman's screens render a group of companies that is
15 sufficiently comparable to Ameren Missouri). More specifically, I applied the following
16 screening criteria to the Value Line Electric Utility universe:

- 17 • I excluded companies that do not consistently pay quarterly cash dividends;
- 18 • All of the companies in my proxy group have been covered by at least two utility
19 industry equity analysts;
- 20 • All of the companies in my proxy group have investment grade senior unsecured
21 bond and/or corporate credit ratings from S&P;

⁵⁵ See, Ameren Missouri, *Facts About Ameren Missouri*.

⁵⁶ Source: SNL Financial

- 1 • I excluded any companies whose regulated operating income over the three most
2 recently reported fiscal years comprised less than 60.00 percent of the respective
3 totals for that company;
- 4 • I excluded any companies whose regulated electric operating income over the
5 three most recently reported fiscal years represented less than 90.00 percent of
6 total regulated operating income; and
- 7 • I eliminated companies that are currently known to be party to a merger, or other
8 significant transaction.

9 **Q. Did you include Ameren Corporation in your proxy group?**

10 A. No. In order to avoid the circular logic that would otherwise occur, it has been
11 my consistent practice to exclude the subject company (or its parent) from the proxy group.

12 **Q. What companies met those screening criteria?**

13 A. The criteria discussed above resulted in a proxy group of the following sixteen
14 companies:

1

Table 3: Proxy Group Screening Results

Company	Ticker
American Electric Power Company, Inc.	AEP
Cleco Corporation	CNL
Duke Energy Corporation	DUK
Edison International	EIX
Empire District Electric Company	EDE
Great Plains Energy Inc.	GXP
Hawaiian Electric Industries, Inc.	HE
IDACORP, Inc.	IDA
NextEra Energy, Inc.	NEE
Northeast Utilities	NU
Otter Tail Corporation	OTTR
Pinnacle West Capital Corporation	PNW
PNM Resources, Inc.	PNM
Portland General Electric Company	POR
Southern Company	SO
Westar Energy, Inc.	WR

2

3 **Q. Is this your final proxy group?**

4 A. No. I examined the operating profile of each of the sixteen companies that met
5 my initial screens to be certain that none displayed characteristics that were inconsistent with my
6 intent to produce a proxy group that is fundamentally similar to the Company. As a result, I
7 excluded EIX based on recent financial information. As discussed in my response to
8 Mr. Gorman, as part of its Chapter 11 bankruptcy proceeding, EIX entered into a purchase
9 agreement on October 18, 2013 with NRG Energy for Edison Mission Energy's assets including
10 the assumption of certain related liabilities⁵⁷. Given the significant nature of that transaction, it is
11 difficult to assess the degree to which regulated electric utility operations would be expected to

⁵⁷ See, NRG Energy, Inc., SEC Form 8-K, October 18, 2013, at 2.

1 contribute to the company's consolidated financial performance in the future. Consequently, I
2 excluded EIX from my final proxy group.

3 **Q. Based on the criteria and issues discussed above, what is the composition of**
4 **your proxy group?**

5 **A. The final proxy group is presented in Table 4.**

6 **Table 4: Final Proxy Group**

Company	Ticker
American Electric Power Company, Inc.	AEP
Cleco Corporation	CNL
Duke Energy Corporation	DUK
Empire District Electric Company	EDE
Great Plains Energy Inc.	GXP
Hawaiian Electric Industries, Inc.	HE
IDACORP, Inc.	IDA
NextEra Energy, Inc.	NEE
Northeast Utilities	NU
Otter Tail Corporation	OTTR
Pinnacle West Capital Corporation	PNW
PNM Resources, Inc.	PNM
Portland General Electric Company	POR
Southern Company	SO
Westar Energy, Inc.	WR

7

1 A. The dividend yield is based on the proxy companies' current annualized dividend,
2 and average closing stock prices over the 30, 90, and 180-trading day periods as of April 15,
3 2014.

4 **Q. Why did you use three averaging periods to calculate an average stock price?**

5 A. I did so to ensure that the model's results are not skewed by anomalous events
6 that may affect stock prices on any given trading day. At the same time, the averaging period
7 should be reasonably representative of expected capital market conditions over the long term. In
8 my view, using 30-, 90-, and 180-day averaging periods reasonably balances those concerns.

9 **Q. Did you make any adjustments to the dividend yield to account for periodic**
10 **growth in dividends?**

11 A. Yes, I did. Since utility companies tend to increase their quarterly dividends at
12 different times throughout the year, it is reasonable to assume that dividend increases will be
13 evenly distributed over calendar quarters. Given that assumption, it is appropriate to calculate
14 the expected dividend yield by applying one-half of the long-term growth rate to the current
15 dividend yield. That adjustment ensures that the expected dividend yield is, on average,
16 representative of the coming twelve-month period, and does not overstate the dividends to be
17 paid during that time.

18 **Q. Is it important to select appropriate measures of long-term growth in**
19 **applying the DCF model?**

20 A. Yes. In its Constant Growth form, the DCF model (*i.e.*, as presented in Equation
21 [2] above) assumes a single growth estimate in perpetuity. Accordingly, in order to reduce the
22 long-term growth rate to a single measure, one must assume a fixed payout ratio, and the same
23 constant growth rate for earnings per share ("EPS"), dividends per share, and book value per

1 share. Since dividend growth can only be sustained by earnings growth, the model should
2 incorporate a variety of measures of long-term earnings growth. That can be accomplished by
3 averaging those measures of long-term growth that tend to be least influenced by capital
4 allocation decisions that companies may make in response to near-term changes in the business
5 environment. Since such decisions may directly affect near-term dividend payout ratios,
6 estimates of earnings growth are more indicative of long-term investor expectations than are
7 dividend growth estimates. Therefore, for the purposes of the Constant Growth DCF model,
8 growth in EPS represents the appropriate measure of long-term growth.

9 **Q. Please summarize the findings of academic research on the appropriate**
10 **measure for estimating equity returns using the DCF model.**

11 A. The relationship between various growth rates and stock valuation metrics has
12 been the subject of much academic research⁵⁸. As noted over 40 years ago by Charles Phillips in

13 The Economics of Regulation:

14 For many years, it was thought that investors bought utility stocks
15 largely on the basis of dividends. More recently, however, studies
16 indicate that the market is valuing utility stocks with reference to total
17 per share earnings, so that the earnings-price ratio has assumed
18 increased emphasis in rate cases⁵⁹.

19 Philips' conclusion continues to hold true. Subsequent academic research has clearly and
20 consistently indicated that measures of earnings and cash flow are strongly related to returns, and
21 that analysts' forecasts of growth are superior to other measures of growth in predicting stock

⁵⁸ See, for example, Harris, Robert, *Using Analysts' Growth Forecasts to Estimate Shareholder Required Rate of Return*, Financial Management, Spring 1986.

⁵⁹ Charles F. Phillips, Jr., The Economics of Regulation, Revised Edition, 1969, Richard D. Irwin, Inc., at 285.

1 prices⁶⁰. For example, Vander Weide and Carleton state that, “[our] results...are consistent with
2 the hypothesis that investors use analysts’ forecasts, rather than historically oriented growth
3 calculations, in making stock buy-and-sell decisions⁶¹.” Other research specifically notes the
4 importance of analysts’ growth estimates in determining the Cost of Equity, and in the valuation
5 of equity securities. Dr. Robert Harris noted that “a growing body of knowledge shows that
6 analysts’ earnings forecast are indeed reflected in stock prices.” Citing Cragg and Malkiel,
7 Dr. Harris notes that those authors “found that the evaluations of companies that analysts make
8 are the sorts of ones on which market valuation is based⁶².” Similarly, Brigham, Shome and
9 Vinson noted that “evidence in the current literature indicates that (i) analysts’ forecasts are
10 superior to forecasts based solely on time series data; and (ii) investors do rely on analysts’
11 forecasts⁶³.”

12 To that point, the research of Carleton and Vander Weide demonstrates that earnings
13 growth projections have a statistically significant relationship to stock valuation levels, while
14 dividend growth rates do not⁶⁴. Those findings suggest that investors form their investment
15 decisions based on expectations of growth in earnings, not dividends. Consequently, earnings
16 growth not dividend growth is the appropriate estimate for the purpose of the Constant Growth
17 DCF model.

⁶⁰ See, for example, Christofi, Christofi, Lori and Moliver, *Evaluating Common Stocks Using Value Line's Projected Cash Flows and Implied Growth Rate*, Journal of Investing (Spring 1999); Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management, 21 (Summer 1992); and Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988.

⁶¹ Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988.

⁶² Robert S. Harris, *Using Analysts' Growth Forecasts to Estimate Shareholder Required Rate of Return*, Financial Management, Spring 1986.

⁶³ Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *The Risk Premium Approach to Measuring a Utility's Cost of Equity*, Financial Management, Spring 1985.

⁶⁴ See Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988.

1 **Q. Please summarize your inputs to the Constant Growth DCF model.**

2 A. I applied the DCF model to the proxy group of integrated electric utility
3 companies using the following inputs for the price and dividend terms:

4 The average daily closing prices for the 30-trading days, 90-trading days, and 180-trading
5 days ended April 15, 2014, for the term P_0 ; and

6 The annualized dividend per share as of April 15, 2014, for the term D_0 .

7 I then calculated my DCF results using each of the following growth terms:

- 8 • The Zacks consensus long-term earnings growth estimates;
9 • The First Call consensus long-term earnings growth estimates; and
10 • The Value Line long-term earnings growth estimates.

11 **Q. How did you calculate the mean high and mean low DCF results?**

12 A. For each proxy company, I calculated the high DCF result by combining the
13 maximum EPS growth rate estimate as reported by Value Line, Zacks, and First Call with the
14 subject company's dividend yield. The mean high result simply is the average of those
15 estimates. I used the same approach to calculate the low DCF result, using instead the minimum
16 of the Value Line, Zacks, and First Call estimate for each proxy company, and calculating the
17 average result for those estimates.

18 **Q. What are the results of your Constant Growth DCF analysis?**

19 A. My Constant Growth DCF results are summarized in Table 5, below (*see also*
20 Schedule RBH-9).

1 **Table 5: Constant Growth DCF Results**

	<i>Mean Low</i>	<i>Mean</i>	<i>Mean High</i>
30-Day Average	8.17%	9.48%	10.79%
90-Day Average	8.28%	9.59%	10.90%
180-Day Average	8.35%	9.67%	10.98%

2
3 **C. Multi-Stage DCF Model**

4 **Q. What other forms of the DCF model have you used?**

5 A. In order to address certain limiting assumptions underlying the Constant Growth
6 form of the DCF model, I also considered the Multi-Stage (three-stage) DCF Model. The Multi-
7 Stage model, which is an extension of the Constant Growth form, enables the analyst to specify
8 growth rates over three distinct stages. As with the Constant Growth form of the DCF model,
9 the Multi-Stage form defines the Cost of Equity as the discount rate that sets the current price
10 equal to the discounted value of future cash flows. Unlike the Constant Growth form, however,
11 the Multi-Stage model must be solved in an iterative fashion. As noted earlier, the Multi-Stage
12 model described below addresses several of the shortcomings contained in Mr. Gorman's
13 approach.

14 **Q. Please generally describe the structure of your Multi-Stage model.**

15 A. The model sets the subject company's stock price equal to the present value of
16 future cash flows received over three "stages". In the first two stages, "cash flows" are defined
17 as projected dividends. In the third stage, "cash flows" equal both dividends and the expected
18 price at which the stock will be sold at the end of the period (*i.e.*, the "terminal price"). I
19 calculated the terminal price based on the Gordon model, which defines the price as the expected
20 dividend divided by the difference between the Cost of Equity (*i.e.*, the discount rate) and the
21 long-term expected growth rate. In essence, the terminal price is defined by the present value of

1 the remaining “cash flows” in perpetuity. In each of the three stages, the dividend is the product
2 of the projected earnings per share and the expected dividend payout ratio. A summary
3 description of the model is provided in Table 6 (below).

4 **Table 6: Multi-Stage DCF Structure**

Stage	0	1	2	3
Cash Flow Component	Initial Stock Price	Expected Dividend	Expected Dividend	Expected Dividend + Terminal Value
Inputs	Stock Price Earnings Per Share (EPS) Dividends Per Share (DPS)	Expected EPS Expected DPS	Expected EPS Expected DPS	Expected EPS Expected DPS Terminal Value
Assumptions	30-, 90-, and 180-day average stock price	EPS Growth Rate Payout Ratio	Growth Rate Change Payout Ratio Change	Long-term Growth Rate Long-term Payout Ratio

5

6 **Q. What are the analytical benefits of your three-stage model?**

7 A. The principal benefits relate to the flexibility provided by the model’s
8 formulation. Since the model provides the ability to specify near, intermediate and long-term
9 growth rates, for example, it avoids the sometimes limiting assumption that the subject company
10 will grow at the same, constant rate in perpetuity. In addition, by calculating the dividend as the
11 product of earnings and the payout ratio, the model enables analysts to reflect assumptions
12 regarding the timing and extent of changes in the payout ratio to reflect, for example, increases
13 or decreases in expected capital spending, or transition from current payout levels to long-term
14 expected levels. In that regard, because the model relies on multiple sources of earnings growth

1 rate assumptions, it is not limited to a single source, such as Value Line, for all inputs, and
2 mitigates the potential bias associated with relying on a single source of growth estimates⁶⁵.

3 The model also enables the analyst to assess the reasonableness of the inputs and results
4 by reference to certain market-based metrics. For example, the stock price estimate can be
5 divided by the expected earnings per share in the final year to calculate an average Price to
6 Earnings (“P/E”) ratio. Similarly, the terminal P/E ratio can be divided by the terminal growth
7 rate to develop a Price to Earnings Growth (“PEG”) ratio. To the extent that either the projected
8 P/E or PEG ratios are inconsistent with either historical or expected levels, it may indicate
9 incorrect or inconsistent assumptions within the balance of the model.

10 **Q. Please summarize your inputs to the Multi-Stage DCF model.**

11 A. I applied the Multi-Stage model to the proxy group described earlier in my
12 Rebuttal Testimony. My assumptions with respect to the various model inputs are described in
13 Table 7 (below).

⁶⁵ See, for example, Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts’ Growth Forecasts*, Financial Management, 21 (Summer 1992).

1

Table 7: Multi-Stage DCF Model Assumptions

Stage	Initial	First	Transition	Terminal
Stock Price	30-, 90-, and 180-day average stock price as of April 15, 2014			
Earnings Growth	2012 actual EPS escalated by Period 1 growth rate	EPS growth as average of (1) Value Line; (2) Zacks; and (3) First Call	Transition to Long-term GDP growth	Long-term GDP growth
Payout Ratio	Value Line company-specific	Value Line company-specific	Transition to long-term industry payout ratio	Long-term expected payout ratio
Terminal Value				Expected dividend in final year divided by solved Cost of Equity less long-term growth rate

2

3

Q. How did you calculate the long-term GDP growth rate?

4

A. The long-term growth rate of 5.70 percent is based on the real GDP growth rate of

5

3.27 percent from 1929 through 2013⁶⁶, and an inflation rate of 2.36 percent⁶⁷. The GDP growth

6

rate is calculated as the compound growth rate in the chain-weighted GDP for the period from

7

1929 through 2013. The rate of inflation of 2.36 percent is a compound annual forward rate

8

starting in ten years (*i.e.*, 2024, which is the beginning of the terminal period) and is based on the

9

30-day average projected inflation based on the spread between yields on long-term nominal

⁶⁶ See Bureau of Economic Analysis, March 27, 2014 update.

⁶⁷ See Board of Governors of the Federal Reserve System, Table H.15 Selected Interest Rates.

1 Treasury Securities and long-term Treasury Inflation Protected Securities, known as the “TIPS
2 spread”.

3 In essence, my real GDP growth rate projection is based on the assumption that absent
4 specific knowledge to the contrary, it is reasonable to assume that over time, real GDP growth
5 will revert to its long-term mean. Moreover, since estimating the Cost of Equity is a market-
6 based exercise, it is important to reflect the sentiments and expectations of investors to the extent
7 possible. In that important respect, the TIPS spread represents the collective views of investors
8 regarding long-term inflation expectations. Equally important, by using forward yields we are
9 able to infer the level of long-term inflation expected by investors as of the terminal period of the
10 Multi-Stage model (that is, ten years in the future).

11 **Q. What were your specific assumptions with respect to the payout ratio?**

12 A. As noted in Table 7, for the first two periods, I relied on the first year and long-
13 term projected payout ratios reported by Value Line⁶⁸ for each of the proxy companies. I then
14 assumed that by the end of the second period (*i.e.*, the end of year 10), the payout ratio will
15 converge to the historical industry average ratio of 67.05 percent⁶⁹.

16 **Q. What are the results of your Multi-Stage DCF analysis?**

17 A. Table 8 (below; *see* also Schedule RBH-10) presents the Multi-Stage DCF
18 analysis results. Using the Gordon model to calculate the terminal stock price, the Multi-Stage
19 DCF analysis produces a range of results from 9.55 percent to 10.59 percent.

⁶⁸ As reported in the Value Line Investment Survey as “All Div’ds to Net Prof.”

⁶⁹ Source: Bloomberg Professional

1

Table 8: Multi-Stage DCF Model Results

	<i>Mean Low</i>	<i>Mean</i>	<i>Mean High</i>
30-Day Average	9.55%	9.92%	10.35%
90-Day Average	9.67%	10.05%	10.49%
180-Day Average	9.75%	10.14%	10.59%

2

3 **Q. Did you undertake any additional analyses to support your**
4 **recommendation?**

5 A. Yes. As noted earlier, I also applied the CAPM and Risk Premium approaches.

6 **D. CAPM Analysis**

7 **Q. Please briefly describe the general form of the CAPM analysis.**

8 A. The CAPM analysis is a risk premium method that estimates the Cost of Equity
9 for a given security as a function of a risk-free return plus a risk premium (to compensate
10 investors for the non-diversifiable or “systematic” risk of that security). As shown in Equation
11 [3], the CAPM is defined by four components, each of which theoretically must be a forward-
12 looking estimate:

13
$$k = r_f + \beta(r_m - r_f) \quad \text{Equation [3]}$$

14 where:

15 k = the required market ROE for a security;

16 β = the Beta coefficient of that security;

17 r_f = the risk-free rate of return; and

18 r_m = the required return on the market as a whole.

1 In Equation [4], the term $(r_m - r_f)$ represents the Market Risk Premium⁷⁰. According to
2 the theory underlying the CAPM, since unsystematic risk can be diversified away by adding
3 securities to their investment portfolio, investors should be concerned only with systematic or
4 non-diversifiable risk. Non-diversifiable risk is measured by the Beta coefficient, which is
5 defined as:

$$\beta_j = \frac{\sigma_j}{\sigma_m} \times \rho_{j,m} \quad \text{Equation [4]}$$

7 Where σ_j is the standard deviation of returns for company “j,” σ_m is the standard
8 deviation of returns for the broad market (as measured, for example, by the S&P 500 Index), and
9 $\rho_{j,m}$ is the correlation of returns in between company j and the broad market. The Beta
10 coefficient therefore represents both relative volatility (*i.e.*, the standard deviation) of returns,
11 and the correlation in returns between the subject company and the overall market.

12 Intuitively, higher Beta coefficients indicate that the subject company’s returns have been
13 relatively volatile, and have moved in tandem with the overall market. Consequently, if a
14 company has a Beta coefficient of 1.00, it is as risky as the market and does not provide any
15 diversification benefit.

16 **Q. What assumptions did you include in your CAPM analysis?**

17 A. Since utility assets represent long duration investments, I used two different
18 measures of the risk-free rate: (1) the current 30-day average yield on 30-year Treasury bonds
19 (*i.e.*, 3.60 percent); and (2) the projected 30-year Treasury yield (*i.e.*, 4.15 percent).

20 **Q. Why have you relied upon the 30-year Treasury yield for your CAPM**
21 **analysis?**

⁷⁰ The Market Risk Premium is defined as the incremental return of the market over the risk-free rate.

1 A. In determining the security most relevant to the application of the CAPM, it is
2 important to select the term (or maturity) that best matches the life of the underlying investment.
3 Electric utilities typically are long-duration investments and as such, the 30-year Treasury yield
4 is more suitable for the purpose of calculating the Cost of Equity.

5 **Q. What Market Risk Premium did you use in your CAPM analysis?**

6 A. For the reasons discussed in my response to Mr. Gorman, I did not use a historical
7 average; rather, I developed forward-looking (*ex-ante*) estimates of the Market Risk Premium.

8 **Q. Please describe your *ex-ante* approach to estimating the Market Risk**
9 **Premium.**

10 A. The approach is based on the market required return, less the current 30-year
11 Treasury yield. To estimate the market required return, I calculated the market capitalization
12 weighted average ROE based on the Constant Growth DCF model. To do so, I relied on data
13 from two sources: (1) Bloomberg; and (2) Value Line. With respect to Bloomberg-derived
14 growth estimates, I calculated the expected dividend yield (using the same one-half growth rate
15 assumption described earlier), and combined that amount with the projected earnings growth rate
16 to arrive at the market capitalization weighted average DCF result. I performed that calculation
17 for each of the S&P 500 companies for which Bloomberg provided consensus growth rates. I
18 then subtracted the current 30-year Treasury yield from that amount to arrive at the market DCF-
19 derived *ex-ante* market risk premium estimate. In the case of Value Line, I performed the same
20 calculation, again using all companies for which five-year earnings growth rates were available.
21 The results of those calculations are provided in Schedule RBH-11.

22 **Q. How did you apply your expected Market Risk Premium and risk-free rate**
23 **estimates?**

1 ***E. Bond Yield Plus Risk Premium Approach***

2 **Q. Please generally describe the Bond Yield Plus Risk Premium approach.**

3 A. This approach is based on the basic financial tenet that equity investors bear the
4 residual risk associated with ownership and therefore require a premium over the return they
5 would have earned as a bondholder. That is, since returns to equity holders are more risky than
6 returns to bondholders, equity investors must be compensated for bearing that risk. Risk
7 premium approaches, therefore, estimate the Cost of Equity as the sum of the equity risk
8 premium and the yield on a particular class of bonds. As noted in my discussion of the CAPM,
9 since the equity risk premium is not directly observable, it typically is estimated using a variety
10 of approaches, some of which incorporate *ex-ante*, or forward-looking estimates of the Cost of
11 Equity, and others that consider historical, or *ex-post*, estimates. An alternative approach is to use
12 actual authorized returns for electric utilities to estimate the Equity Risk Premium.

13 **Q. Please explain how you performed your Bond Yield Plus Risk Premium**
14 **analysis.**

15 A. As suggested above, I first defined the Risk Premium as the difference between
16 the authorized ROE and the then-prevailing level of long-term (*i.e.*, 30-year) Treasury yield. I
17 then gathered data for over 1,421 electric utility rate proceedings between January, 1980 and
18 April 15, 2014. In addition to the authorized ROE, I also calculated the average period between
19 the filing of the case and the date of the final order (the “lag period”). In order to reflect the
20 prevailing level of interest rates during the pendency of the proceedings, I calculated the average
21 30-year Treasury yield over the average lag period (approximately 201 days).

22 Because the data cover a number of economic cycles, the analysis also may be used to
23 assess the stability of the Equity Risk Premium. Prior research, for example, has shown that the

1 Equity Risk Premium is inversely related to the level of interest rates. That analysis is
2 particularly relevant given the relatively low, but increasing level of current Treasury yields.

3 **Q. How did you model the relationship between interest rates and the Equity**
4 **Risk Premium?**

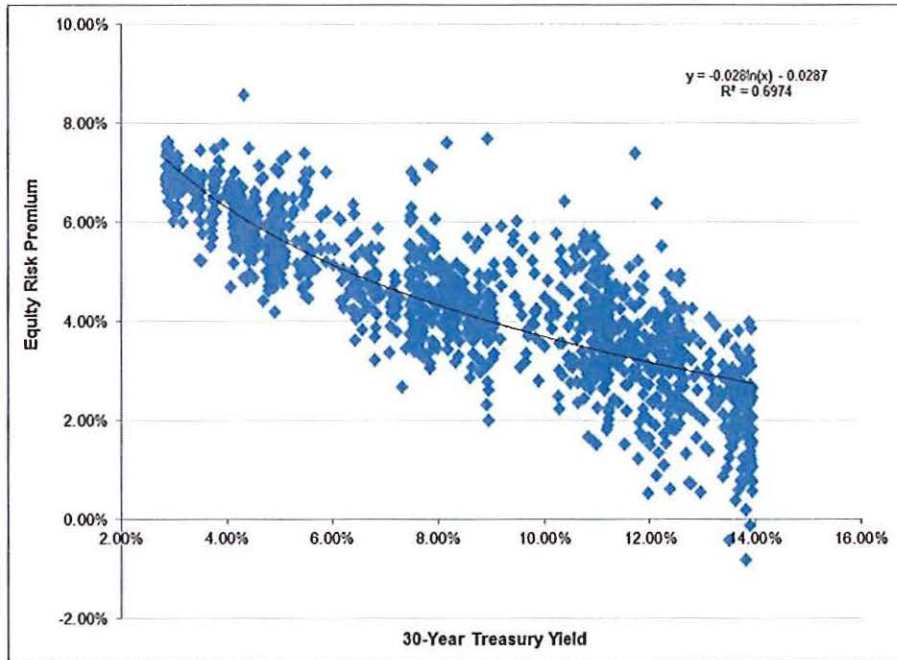
5 A. The basic method used was regression analysis, in which the observed Equity
6 Risk Premium is the dependent variable, and the average 30-year Treasury yield is the
7 independent variable. Relative to the long-term historical average, the analytical period includes
8 interest rates and authorized ROEs that are quite high during one period (*i.e.*, the 1980s) and that
9 are quite low during another (*i.e.*, the post-Lehman bankruptcy period). To account for that
10 variability, I used the semi-log regression, in which the Equity Risk Premium is expressed as a
11 function of the natural log of the 30-year Treasury yield:

12
$$RP = \alpha + \beta(\text{LN}(T_{30})) \text{ Equation [5]}$$

13 As shown on Chart 6 (below), the semi-log form is useful when measuring an absolute
14 change in the dependent variable (in this case, the Risk Premium) relative to a proportional
15 change in the independent variable (the 30-year Treasury yield).

1

Chart 6: Equity Risk Premium



2

3 As Chart 6 illustrates, over time there has been a statistically significant, negative
4 relationship between the 30-year Treasury yield and the Equity Risk Premium. Consequently,
5 simply applying the long-term average Equity Risk Premium of 4.43 percent would significantly
6 understate the Cost of Equity and produce results well below any reasonable estimate. Based on
7 the regression coefficients in Chart 6, however, the implied ROE is between 10.20 percent and
8 10.77 percent (*see* Schedule RBH-14).

VI. OTHER CONSIDERATIONS

9 **Q.** Do the mean DCF, CAPM, and Risk Premium results for the proxy group
10 provide an appropriate estimate of the Cost of Equity for Ameren Missouri?

11 **A.** No, the mean results do not necessarily provide an appropriate estimate of the
12 Company's Cost of Equity. In my view, there are additional factors that must be taken into

1 consideration when determining where the Company's cost of equity falls within the range of
2 results. Those factors include the regulatory environment in which the company operates. Those
3 risk factors, which are discussed below, should be considered with respect to their overall effect
4 on the Company's risk profile and therefore its cost of equity.

5 **A. Regulatory Environment**

6 **Q. How does the regulatory environment in which a utility operates affect its**
7 **access to and cost of capital?**

8 A. The regulatory environment can significantly affect both the access to, and cost of
9 capital in several ways. First, the proportion and cost of debt capital available to utility
10 companies are influenced by the rating agencies' assessment of the regulatory environment. As
11 noted by Moody's, "Broadly speaking, the Regulatory Framework is the foundation for how all
12 the decisions that affect utilities are made (including the setting of rates), as well as the
13 predictability and consistency of decision-making provided by that foundation⁷¹." Investors
14 recognize that a reasonable allowed ROE that is subject to earnings attrition due to unfavorable
15 regulatory or economic factors does not provide any assurance that the utility will actually
16 recover its costs or earn a reasonable return.

17 Further, Moody's acknowledges that timely cost recovery is an important determinant of
18 credit quality, stating that "A utility operating in a regulatory framework that, by statute or
19 practice, allows the regulator to arbitrarily prevent the utility from recovering its costs or earning
20 a reasonable return on prudently incurred investments... will receive a much lower [rating]
21 score⁷²."

⁷¹ Moody's Investors Service, *Rating Methodology, Regulated Electric and Gas Utilities*, December 23, 2013, at 9.

⁷² *Ibid.*, at 10.

1 **Q. Please explain how credit rating agencies consider regulatory risk in**
2 **establishing a company's credit rating.**

3 A. While both S&P and Moody's consider regulatory risk in establishing credit
4 ratings, Moody's has published a report quantifying the importance of this metric. Moody's
5 establishes credit ratings based on four key factors: (1) regulatory framework; (2) the ability to
6 recover costs and earn returns; (3) diversification; and (4) financial strength, liquidity, and key
7 financial metrics. Of those criteria, regulatory framework and the ability to recover costs and
8 earn returns are each given a broad rating factor of 25.00 percent. Therefore, Moody's assigns
9 regulatory risk a 50.00 percent weighting in the overall assessment of business and financial risk
10 for regulated utilities⁷³. The authorized ROE affects not only the cash flow-related metrics that
11 measure financial strength but also provides an indication of the degree of regulatory support,
12 and risk, associated with a given utility and jurisdiction. It is, therefore, an important measure of
13 financial integrity from several perspectives.

14 **Q. Are there specific issues relating to Missouri that are a consideration for**
15 **equity investors?**

16 A. Yes, I believe so. As noted in an April 2013 report by Regulatory Research
17 Associates, Missouri is one of only five states that legally prohibit utilities from including
18 Construction Work in Progress in the rate base⁷⁴. As a consequence, the Company's ability to
19 maintain its cash flow is disadvantaged relative to others that either have the ability to include
20 CWIP in rate base during general rate cases (and therefore earn a cash return on that investment),
21 or are provided a more timely cash return through adjustment clauses. As discussed in my
22 response to Mr. Gorman, when the revenue per dollar of assets decreases, the earned return on

⁷³ *Ibid.*, at 6.

⁷⁴ Regulatory Research Associates, *Construction Work in Progress; Getting acquainted with an old issue*, April 22, 2013, at 2

1 common equity also will decrease. Because net income is a principal element of cash flow, the
2 dilution in earnings resulting from not receiving a cash return on CWIP diminishes the
3 Company's financial profile and increases its relative risk.

4 In addition, Missouri utilities set rates based on an historical test year, with limited
5 "known and measurable" changes⁷⁵. In contrast, other utilities, including utilities in the proxy
6 group, have the ability to recover rate base additions through forecast test years or alternative
7 rate plans. As Regulatory Research Associates has noted, "[s]uch rate changes provide for
8 improved cash flow and possibly earnings through reduced regulatory lag⁷⁶." As with the
9 inability to include CWIP in its rate base, because it is subject to the regulatory lag otherwise
10 mitigated by forecast test years or alternative rate plans, Ameren Missouri's ability to generate
11 earnings and cash flow is disadvantaged relative to its peers.

12 The same holds true regarding the Company's inability to implement interim rates. As
13 RRA points out, the Commission "may authorize an interim increase, subject to refund, if a
14 company can demonstrate an emergency, or a near emergency situation." RRA concludes that as
15 a result, interim increases have rarely been sought or authorized" in Missouri⁷⁷. Because interim
16 rates are unlikely, the Company's cash flow position is diluted as it invests in its rate base.

17 The inability to include CWIP in rate base, the use of an historical test year, and the
18 inability to implement interim rates are particularly relevant in light of the Company's plan to
19 invest over \$3 billion in its regulated operations from 2014 to 2015. In 2014 alone, Ameren

⁷⁵ Source: Regulatory Research Associates, Missouri Public Service Commission Profile.

⁷⁶ Regulatory Research Associates, *Alternative Regulation/Incentive Plans, A State-by-State Review*, November 2013, at 1.

⁷⁷ Regulatory Research Associates, Missouri Public Service Commission Profile.

1 Missouri expects to invest \$756 million, which will contribute to the expected negative free cash
2 flow at the parent level⁷⁸.

3 **Q. What are your conclusions regarding the regulatory and the Company's risk**
4 **profile?**

5 A. The regulatory environment is one of the most important issues considered by
6 both debt and equity investors in assessing the risks and prospects of utility companies. From
7 the perspective of debt investors, the authorized return should enable the Company to generate
8 the cash flow needed to meet its near-term financial obligations, make the capital investments
9 needed to maintain and expand its system, and maintain sufficient levels of liquidity to fund
10 unexpected events. This financial liquidity must be derived not only from internally generated
11 funds, but also by efficient access to capital markets. Moreover, because investors have many
12 investment alternatives, even within a given market sector, the Company's financial profile must
13 be adequate on a relative basis to ensure its ability to attract capital under a variety of economic
14 and financial market conditions.

15 From the perspective of Ameren Corporation, the parent holding company of Ameren
16 Missouri, the authorized return must be sufficient to provide an incentive to allocate equity
17 capital to Ameren Missouri in order to fund capital investments that will assure the Company's
18 ability to continue to provide safe and reliable service. From the perspective of equity investors,
19 the authorized return must be adequate to provide a risk-comparable return on the equity portion
20 of the Company's capital investments. Since equity investors are the residual claimants on the
21 Company's cash flows (which is to say that the equity return is subordinate to interest payments),
22 they are particularly concerned with regulatory uncertainty and its effect on future cash flows.

⁷⁸ Ameren, Barclays Power and Utility Credit Conference, June 2014 at 20 – 21.

1 Because of the regulatory lag created by the inability to include CWIP in the rate base,
2 the use of historical test periods, and the inability to implement interim rates, Ameren Missouri is
3 at a disadvantage in terms of its ability to earn its authorized return. Mr. Gorman's 9.40 percent
4 ROE recommendation would only diminish the Company's ability to earn a reasonable return.
5 In light of those risks, I believe that an ROE of 10.40 percent is reasonable and appropriate.

6 ***B. Generation Portfolio***

7 **Q. Please provide an overview of the Company's generation portfolio.**

8 A. Ameren Missouri's operations are heavily dependent on coal-fired generation,
9 representing more than 75.00 percent of its 2013 net generation. The Company's remaining
10 generation portfolio is largely dependent on a single nuclear plant, which represented
11 approximately 20.00 percent of the Ameren Missouri's 2013 net generation⁷⁹.

12 **Q. Please briefly describe the risks associated with the ownership of coal-fired**
13 **generating resources.**

14 A. In general, capital-intensive generation assets such as coal-fired plants face risks
15 associated with capital recovery in the event of market structure changes or plant failure, or
16 replacement cost recovery in the event of extended or unplanned outages. Federal environmental
17 regulations creating emissions control requirements have been issued in recent years.
18 Compliance with new regulations can require substantial capital investment, or add operational
19 costs. In fact, a report by Staff of the Missouri Public Service Commission estimated that known
20 Environmental Protection Agency ("EPA") regulations, which primarily affect coal-fired
21 generating plants, would cost state electric utilities and their customers in the range of

⁷⁹ Source: SNL Financial.

1 approximately \$2.23 billion to \$2.47 billion from 2012 to 2022⁸⁰. The report also highlighted the
2 level of uncertainty regarding emerging environmental regulations and the potential
3 consequences. The need to respond to environmental regulations makes it particularly important
4 that Ameren Missouri maintains reasonable access to the capital markets.

5 More recently, the risks and potential costs associated with coal-fired generating plants
6 have been highlighted in the EPA's proposed carbon dioxide reduction rule. Introduced on
7 June 2, 2014, the rule proposes to reduce carbon dioxide emissions in the year 2030 by 30
8 percent from their 2005 levels. Under the EPA's "Clean Power Plan", carbon dioxide reduction
9 targets are proposed on a state-by-state basis, with four "pathways" to meet those goals. While
10 states can choose their own path to compliance, they must submit their plans to the EPA for
11 approval by June 2016⁸¹. Regardless of the path chosen, the uncertainty associated with the
12 potential costs, and the recovery of those costs, is a consideration for companies such as Ameren
13 Missouri, for which coal-fired generation represents a large share of its portfolio.

14 **Q. Do you have any other observations regarding the Company's generation**
15 **portfolio?**

16 **A.** Yes. As opposed to other owners of nuclear generating facilities, Ameren is the
17 owner of a single nuclear plant. As a single asset owner, the Company does not have the benefit
18 of diverse operations, or the scale economies that could result in lower marginal costs or higher
19 capacity factors. In that regard, Ameren may be exposed to somewhat higher risk than
20 companies that own and operate nuclear fleets, or those that operate no nuclear plants at all.

21

⁸⁰ See, Missouri Public Service Commission, *Updated Staff Report on The Cost of Compliance with Federal Environmental Regulations*, December 19, 2013 at 23. The report includes cost estimates for Ameren Missouri, Great Plains and Kansas City Power & Light, and Empire District Electric Company.

⁸¹ Regulatory Research Associates, *UPDATE: EPA proposes 30% reduction in greenhouse gas emissions from power sector*, June 2, 2014.

1

Table 10b: Summary of Risk Premium and Other Analytical Results

CAPM Results	<i>Bloomberg Derived Market Risk Premium</i>	<i>Value Line Derived Market Risk Premium</i>	
<i>Average Bloomberg Beta Coefficient</i>			
Current 30-Year Treasury (3.60%)	11.50%	10.27%	
Near Term Projected 30-Year Treasury (4.15%)	12.05%	10.82%	
<i>Average Value Line Beta Coefficient</i>			
Current 30-Year Treasury (3.60%)	11.53%	10.29%	
Near Term Projected 30-Year Treasury (4.15%)	12.08%	10.84%	
	<i>Low</i>	<i>Mid</i>	<i>High</i>
Bond Yield Plus Risk Premium	10.20%	10.34%	10.77%

2

3 **Q. Does this conclude your Rebuttal Testimony?**

4 **A. Yes, it does.**

2013 - 2014 Reported Authorized Returns on Equity, Vertically Integrated Electric Utility Rate Cases

State	Docket	Utility	Decision Date	Authorized ROE
MO	C-ER-2012-0174	Kansas City Power & Light	1/9/2013	9.70%
MO	C-ER-2012-0175	KCP&L Greater Missouri Op Co	1/9/2013	9.70%
IN	Ca-44075	Indiana Michigan Power Co.	2/13/2013	10.20%
LA	D-U-32220	Southwestern Electric Power Co	2/27/2013	10.00%
MS	D-2013-UN-0014	Mississippi Power Co.	3/5/2013	9.70%
ID	C-AVU-E-12-08	Avista Corp.	3/27/2013	9.80%
OH	C-12-1682-EL-AIR	Duke Energy Ohio Inc.	5/1/2013	9.84%
MI	C-U-17087	Consumers Energy Co.	5/15/2013	10.30%
NC	D-E-2, Sub 1023	Duke Energy Progress Inc.	5/30/2013	10.20%
HI	D-2011-0092	Maui Electric Company Ltd	5/31/2013	9.00%
AZ	D-E-01933A-12-0291	Tucson Electric Power Co.	6/11/2013	10.00%
WA	D-UE-130137	Puget Sound Energy Inc.	6/25/2013	9.80%
MN	D-E-002/GR-12-961	Northern States Power Co. - MN	8/8/2013	9.83%
FL	D-130040-EI	Tampa Electric Co.	9/11/2013	10.25%
SC	D-2013-59-E	Duke Energy Carolinas LLC	9/11/2013	10.20%
NC	D-E-7, Sub 1026	Duke Energy Carolinas LLC	9/24/2013	10.20%
TX	D-40443	Southwestern Electric Power Co	10/3/2013	9.65%
WI	D-6690-UR-122 (Elec)	Wisconsin Public Service Corp.	11/6/2013	10.20%
KS	D-13-WSEE-629-RTS	Westar Energy Inc.	11/21/2013	10.00%
VA	C-PUE-2013-00020	Virginia Electric & Power Co.	11/26/2013	10.00%
FL	D-130140-EI	Gulf Power Co.	12/3/2013	10.25%
WA	D-UE-130043	PacifiCorp	12/4/2013	9.50%
WI	D-4220-UR-119 (Elec)	Northern States Power Co - WI	12/5/2013	10.20%
OR	D-UE-262	Portland General Electric Co.	12/9/2013	9.75%
LA	D-U-32707	Entergy Gulf States LA LLC	12/16/2013	9.95%
LA	D-U-32708	Entergy Louisiana LLC	12/16/2013	9.95%
NV	D-13-06002	Sierra Pacific Power Co.	12/16/2013	10.12%
AZ	D-E-04204A-12-0504	UNS Electric Inc.	12/17/2013	9.50%
GA	D-36989	Georgia Power Co.	12/17/2013	10.95%
OR	D-UE-263	PacifiCorp	12/18/2013	9.80%
MI	C-U-17274	Upper Peninsula Power Co.	12/19/2013	10.15%
AR	D-13-028-U	Entergy Arkansas Inc.	12/30/2013	9.30%
ND	C-PU-12-813	Northern States Power Co. - MN	2/26/2014	9.75%
NH	D-DE-13-063	Liberty Utilities Granite St	3/17/2014	9.55%
NM	C-12-00350-UT	Southwestern Public Service Co	3/26/2014	9.96%
Average				9.92%
Median				9.95%
Minimum				9.00%
Maximum				10.95%

Source: Regulatory Research Associates. Excludes ROEs for Illinois formula rate plans, Virginia and West Virginia rate riders and Transmission-only.

Note: Confirmed all companies are vertically integrated with Regulatory Research Associates, *Electric Industry Restructuring: Tier Redefinition and Update*, August, 1 2012. "Tier 1" restructuring states considered T&D.

Proxy Group Comparison

Companies	Ticker	Hevert Proxy Group	Gorman Proxy Group
ALLETE, Inc.	ALE	[1]	√
Ameren Corporation	AEE	[1], [2]	√
American Electric Power Company	AEP	√	√
Black Hills Corporation	BKH	[1]	√
Cleco Corporation	CNL	√	√
CMS Energy Corporation	CMS	[1]	√
Consolidated Edison, Inc.	ED	[1]	√
DTE Energy Corporation	DTE	[1]	√
Duke Energy Corporation	DUK	√	√
Edison International	EIX	[3]	√
El Paso Electric Company	EE	[4]	√
Empire District Electric Company	EDE	√	√
Great Plains Energy Inc.	GXP	√	√
Hawaiian Electric Industries, Inc.	HE	√	
IDACORP, Inc.	IDA	√	√
NextEra Energy, Inc.	NEE	√	
Northeast Utilities	NU	√	√
Otter Tail Corporation	OTTR	√	
PG&E Corporation	PCG	[1], [5]	√
Pinnacle West Capital Corporation	PNW	√	√
PNM Resources	PNM	√	
Portland General Electric Co.	POR	√	√
Southern Company	SO	√	√
UIL Holdings Corporation	UIL	[1], [5]	√
UNS Energy Corporation	UNS	[5]	
Westar Energy, Inc.	WR	√	√
Wisconsin Energy Corporation	WEC	[1]	√
Xcel Energy, Inc.	XEL	[1]	√

√ Included in proxy group

[1] Removed for having less than 90.00% of regulated net income from electric operations

[2] In order to avoid the circular logic that otherwise would occur, it has been my consistent practice to exclude the subject company (or its parent) from the proxy group.

[3] Removed for significant losses associated with unregulated electric generating assets. In addition, on October 18, 2013, EIX entered into a purchase agreement with NRG Energy for Edison Mission Energy's assets

[4] Removed for inconsistent quarterly cash dividends payments

[5] Removed due to known merger, or other significant transaction

Year	P/E	Turnover	Asset	Market Cap	EPS	EPS Growth	ROE	Dividend Yield	Beta	Volatility	5-Year Projection		2017-2019		
											EPS	Dividend Yield	EPS	Dividend Yield	
2007	15.50	1.15	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
2008	14.50	1.10	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
2009	13.50	1.05	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
2010	12.50	1.00	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
2011	11.50	0.95	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
2012	10.50	0.90	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
2013	9.50	0.85	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
2014	8.50	0.80	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
2015	7.50	0.75	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
2016	6.50	0.70	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
2017	5.50	0.65	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2018	4.50	0.60	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
2019	3.50	0.55	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90

Retention Ratio and Earnings Growth

Company	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ALLETE, Inc.	Earnings per Share [1]						1.85	2.21	2.08	2.99	2.54	1.89	2.75	2.75	3.05	3.29
	Dividends per Share [2]						1.02	1.05	1.15	1.27	1.40	1.50	1.58	1.70	1.80	1.88
	Payout Ratio [3]						55.14%	47.51%	55.83%	47.21%	55.12%	79.37%	57.45%	61.82%	59.02%	57.14%
	Earnings Growth [4]						N/A	19.48%	-6.78%	30.58%	-5.58%	-25.59%	45.50%	0.00%	10.81%	7.87%
	Average Earnings Growth [5]						2.42%	7.63%	8.98%	5.05%	7.74%	N/A	N/A	N/A	N/A	N/A
Amoron Corporation	Earnings per Share [1]	2.82	2.81	3.33	3.41	2.69	3.14	2.82	3.13	2.86	2.98	2.88	2.78	2.77	2.47	2.41
	Dividends per Share [2]	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54
	Payout Ratio [3]	90.07%	90.39%	76.28%	74.49%	95.49%	80.89%	80.07%	81.15%	85.48%	85.23%	88.19%	55.40%	55.60%	63.16%	66.39%
	Earnings Growth [4]	N/A	-0.35%	18.51%	2.40%	-21.98%	18.05%	-10.19%	10.99%	-15.02%	12.03%	-3.36%	-3.47%	-0.36%	-10.83%	-2.43%
	Average Earnings Growth [5]	3.32%	1.35%	-0.15%	-3.83%	3.17%	-1.11%	0.24%	-2.03%	-1.20%	-4.08%	-8.07%	N/A	N/A	N/A	N/A
American Electric Power Company, Inc.	Earnings per Share [1]	2.81	2.69	1.04	3.27	2.86	2.53	2.61	2.64	2.86	2.86	2.86	2.96	2.97	2.60	3.13
	Dividends per Share [2]	2.40	2.40	2.40	2.40	2.40	1.65	1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	
	Payout Ratio [3]	85.41%	89.22%	230.77%	73.36%	83.92%	65.22%	53.64%	53.79%	52.45%	55.24%	54.85%	55.22%	65.77%	58.11%	
	Earnings Growth [4]	N/A	-4.27%	-61.34%	214.42%	-12.54%	-11.54%	3.16%	1.15%	8.33%	0.00%	4.55%	-0.67%	-12.46%	20.38%	
	Average Earnings Growth [5]	24.65%	28.43%	38.93%	0.22%	0.22%	3.44%	2.87%	-0.05%	2.36%	1.40%	1.84%	N/A	N/A	N/A	
Black Hills Corporation	Earnings per Share [1]	1.60	1.70	2.37	3.42	2.33	1.84	1.74	2.11	2.21	2.68	0.18	2.32	1.68	1.01	
	Dividends per Share [2]	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.29	1.32	1.37	1.40	1.42	1.44	1.46	
	Payout Ratio [3]	62.50%	61.18%	45.57%	32.75%	49.79%	65.22%	71.29%	60.88%	59.73%	51.12%	77.78%	61.21%	80.75%	144.55%	
	Earnings Growth [4]	N/A	6.25%	39.41%	44.30%	-31.87%	-21.03%	-5.43%	21.26%	4.74%	21.27%	-93.28%	1188.89%	-28.45%	-39.15%	
	Average Earnings Growth [5]	7.41%	5.08%	1.45%	-6.47%	4.18%	-10.26%	228.58%	218.83%	209.85%	224.61%	251.19%	N/A	N/A	N/A	
Cleco Corporation	Earnings per Share [1]	1.12	1.19	1.46	1.51	1.52	1.26	1.32	1.42	1.36	1.32	1.70	1.76	2.29	2.59	
	Dividends per Share [2]	0.81	0.83	0.85	0.87	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.98	1.12	
	Payout Ratio [3]	72.32%	69.75%	58.22%	57.62%	59.21%	71.43%	69.18%	63.38%	66.18%	68.18%	52.94%	51.14%	42.79%	43.24%	
	Earnings Growth [4]	N/A	8.25%	22.69%	3.42%	0.68%	-17.11%	4.78%	7.58%	-4.23%	-2.94%	28.79%	3.53%	30.11%	13.16%	
	Average Earnings Growth [5]	3.18%	2.89%	-0.14%	-1.67%	-2.39%	6.79%	6.55%	11.05%	14.52%	15.98%	8.83%	N/A	N/A	N/A	
CMS Energy Corporation	Earnings per Share [1]	2.24	2.85	2.53	1.27	N/A	N/A	0.74	1.10	0.94	0.94	1.23	0.93	1.33	1.45	
	Dividends per Share [2]	1.26	1.39	1.46	1.46	1.09	N/A	N/A	N/A	N/A	0.20	0.38	0.50	0.88	0.84	
	Payout Ratio [3]	56.25%	48.77%	57.71%	114.98%	N/A	N/A	N/A	N/A	N/A	31.25%	29.27%	53.76%	48.62%	57.93%	
	Earnings Growth [4]	N/A	27.23%	-11.23%	-48.80%	N/A	N/A	N/A	48.85%	-41.82%	0.00%	92.19%	-24.38%	43.01%	9.02%	
	Average Earnings Growth [5]	N/A	N/A	N/A	N/A	N/A	N/A	14.93%	13.80%	23.67%	25.07%	8.33%	N/A	N/A	N/A	
Consolidated Edison, Inc.	Earnings per Share [1]	3.04	3.13	2.74	3.21	3.13	2.63	2.32	2.98	2.95	3.48	3.36	3.14	3.47	3.57	
	Dividends per Share [2]	2.12	2.14	2.18	2.20	2.22	2.24	2.28	2.28	2.30	2.32	2.34	2.38	2.38	2.40	
	Payout Ratio [3]	69.74%	68.37%	79.56%	68.54%	70.93%	79.15%	97.41%	78.25%	77.87%	66.67%	68.64%	75.16%	68.59%	67.23%	
	Earnings Growth [4]	N/A	2.96%	-12.45%	17.15%	-2.49%	-9.58%	-18.02%	28.88%	-1.34%	17.97%	-3.45%	-6.55%	10.51%	2.89%	
	Average Earnings Growth [5]	-0.88%	-5.08%	3.19%	-0.51%	3.58%	4.81%	7.10%	3.43%	4.27%	2.30%	2.68%	N/A	N/A	N/A	
DTE Energy Company	Earnings per Share [1]	3.05	3.33	3.27	2.15	3.83	2.85	2.55	3.27	2.45	2.86	2.73	3.24	3.74	3.87	
	Dividends per Share [2]	2.06	2.06	2.08	2.08	2.08	2.06	2.06	2.08	2.08	2.12	2.12	2.12	2.18	2.32	
	Payout Ratio [3]	67.54%	61.85%	63.00%	95.81%	53.79%	72.28%	80.78%	63.90%	84.90%	79.70%	77.69%	65.43%	58.26%	63.22%	
	Earnings Growth [4]	N/A	9.18%	-1.80%	-34.25%	78.14%	-25.59%	-10.53%	28.24%	-25.08%	8.57%	2.63%	18.68%	15.43%	-1.87%	
	Average Earnings Growth [5]	5.14%	1.19%	7.20%	-4.88%	9.04%	0.77%	8.61%	4.05%	8.60%	8.12%	8.97%	N/A	N/A	N/A	
Duke Energy Corporation	Earnings per Share [1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.78	3.00	3.03	3.39	4.02		
	Dividends per Share [2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.58	2.70	2.82	2.81		
	Payout Ratio [3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.67%	88.11%	83.19%	72.38%		
	Earnings Growth [4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30.43%	-15.83%	11.88%	18.58%		
	Average Earnings Growth [5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.61%	1.45%	6.45%	N/A	N/A		
Edison International	Earnings per Share [1]	1.85	2.03	N/A	1.30	1.82	2.38	0.68	3.34	3.28	3.32	3.68	3.24	3.35		
	Dividends per Share [2]	1.04	1.08	0.83	N/A	N/A	N/A	0.80	1.02	1.10	1.18	1.23	1.25			
	Payout Ratio [3]	55.91%	53.20%	N/A	N/A	N/A	N/A	115.94%	30.54%	33.54%	35.54%	33.42%	38.58%			
	Earnings Growth [4]	N/A	8.14%	N/A	40.00%	30.77%	-71.01%	384.08%	-1.80%	1.22%	10.84%	-11.88%	3.40%			
	Average Earnings Growth [5]	N/A	N/A	N/A	76.40%	88.85%	0.34%	64.68%	75.47%	-0.02%	7.81%	1.79%	N/A			
El Paso Electric Company	Earnings per Share [1]	0.70	0.89	1.09	1.27	0.57	0.64	0.69	0.76	1.27	1.63	1.73	1.50			
	Dividends per Share [2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
	Payout Ratio [3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
	Earnings Growth [4]	N/A	22.86%	26.74%	16.51%	-55.12%	12.28%	7.81%	10.14%	67.11%	28.35%	6.13%	-13.29%			
	Average Earnings Growth [5]	4.86%	1.85%	-1.87%	8.45%	25.14%	23.91%	19.69%	25.26%	15.80%	8.38%	7.48%	N/A			
Empire District Electric	Earnings per Share [1]	1.53	1.13	1.35	0.59	1.19	1.29	0.86	0.92	1.41	1.08	1.17	1.18			
	Dividends per Share [2]	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28			
	Payout Ratio [3]	83.86%	113.27%	94.81%	216.85%	107.58%	89.22%	148.84%	139.13%	90.78%	117.43%	109.40%	108.47%			
	Earnings Growth [4]	N/A	-28.14%	19.47%	-56.30%	101.69%	8.40%	-33.33%	6.88%	53.26%	-22.70%	7.34%	0.85%			
	Average Earnings Growth [5]	9.43%	7.99%	5.49%	2.52%	2.31%	9.15%	7.58%	-0.68%	4.02%	4.67%	N/A	N/A			
Great Plains Energy Inc.	Earnings per Share [1]	1.89	1.28	2.05	1.59	2.04	2.27	2.48	2.18	1.82	1.88	1.16	1.93			
	Dividends per Share [2]	1.64	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68			
	Payout Ratio [3]	86.77%	131.75%	80.98%	104.40%	81.37%	73.13%	67.48%	76.15%	102.47%	89.25%	143.10%	80.58%			
	Earnings Growth [4]	N/A	-33.33%	62.70%	-22.44%	28.30%	11.27%	6.37%	-11.38%	-25.69%	14.81%	-37.53%	-11.21%			
	Average Earnings Growth [5]	9.30%	17.64%	2.83%	2.18%	-0.52%	-10.30%	-14.22%	-2.23%	-0.75%	-2.12%	9.41%	N/A			
IDACORP, Inc.	Earnings per Share [1]	2.37	2.43	3.50	3.35	1.83	0.98	1.80	1.75	2.35	1.86	2.16	2.84			
	Dividends per Share [2]	1.88	1.88	1.88	1.88	1.88	1.70	1.20	1.20	1.20	1.20	1.20	1.20			
	Payout Ratio [3]	79.48%	78.54%	53.14%	55.52%	114.11%	177.98%	63.16%	68.57%	51.00%	64.52%	55.05%	45.45%			
	Earnings Growth [4]	N/A	2.53%	44.03%	-4.29%	-51.34%	-41.10%	87.92%	-7.89%	34.29%	-20.85%	17.20%	21.10%			
	Average Earnings Growth [5]	-10.03%	9.04%	-1.34%	9.37%	12.47%	24.13%	8.77%	12.70%	8.62%	12.85%	N/A	N/A			

Retention Ratio and Earnings Growth

Company		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Northeast Utilities	Earnings per Share [1]	N/A	N/A	N/A	1.37	1.08	1.24	0.91	0.98	0.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49
	Dividends per Share [2]	N/A	0.10	0.40	0.45	0.53	0.58	0.63	0.68	0.73	0.78	0.83	0.95	1.03	1.10	1.32	1.47
	Payout Ratio [3]	N/A	N/A	N/A	32.85%	49.07%	46.77%	69.23%	69.30%	69.02%	49.06%	44.62%	49.74%	49.05%	49.55%	63.84%	59.04%
	Earnings Growth [4]	N/A	N/A	N/A	N/A	-21.17%	14.81%	-26.61%	7.66%	-16.33%	93.99%	16.98%	2.68%	9.95%	5.71%	-14.85%	31.75%
	Average Earnings Growth [5]	N/A	N/A	N/A	-8.32%	14.59%	15.13%	20.98%	21.44%	25.85%	4.09%	N/A	N/A	N/A	N/A	N/A	N/A
PG&E Corporation	Earnings per Share [1]	1.88	2.24	N/A	3.02	N/A	2.05	2.12	2.35	2.78	2.78	3.22	3.03	2.82	2.78	2.07	2.00
	Dividends per Share [2]	1.20	1.20	1.20	N/A	N/A	N/A	N/A	1.25	1.32	1.44	1.58	1.68	1.82	1.82	1.82	1.82
	Payout Ratio [3]	63.83%	53.57%	N/A	N/A	N/A	N/A	N/A	52.34%	47.83%	51.80%	48.45%	55.45%	64.54%	65.47%	87.92%	81.00%
	Earnings Growth [4]	N/A	19.15%	N/A	N/A	N/A	N/A	3.41%	10.85%	17.45%	0.72%	15.83%	-5.90%	-8.93%	-1.42%	-25.54%	-3.38%
	Average Earnings Growth [5]	N/A	N/A	N/A	N/A	N/A	9.85%	7.79%	4.23%	0.48%	-4.78%	-8.53%	N/A	N/A	N/A	N/A	N/A
Pinnacle West Capital Corp.	Earnings per Share [1]	2.85	3.18	3.35	3.68	2.53	2.52	2.58	2.24	3.17	2.86	2.12	2.25	3.08	2.99	3.50	3.55
	Dividends per Share [2]	1.23	1.33	1.43	1.53	1.93	1.73	1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.67	1.66
	Payout Ratio [3]	43.16%	41.82%	42.68%	41.58%	84.43%	68.85%	70.93%	86.16%	64.04%	70.95%	99.05%	92.92%	68.18%	70.23%	76.29%	48.76%
	Earnings Growth [4]	N/A	11.56%	5.35%	9.85%	-31.25%	-0.40%	2.38%	-13.18%	41.52%	-6.62%	-28.38%	6.60%	36.28%	-2.92%	17.06%	1.43%
	Average Earnings Growth [5]	-0.07%	-2.81%	-8.52%	-0.18%	4.74%	-0.86%	-0.01%	8.88%	0.89%	5.73%	11.69%	N/A	N/A	N/A	N/A	N/A
Portland General Electric Company	Earnings per Share [1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.02	1.14	2.33	1.39	1.31	1.68	1.95	1.87	1.65
	Dividends per Share [2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.68	0.93	0.97	1.01	1.04	1.06	1.08	1.10
	Payout Ratio [3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.85%	39.91%	89.78%	77.10%	82.85%	54.30%	57.75%	68.87%
	Earnings Growth [4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11.78%	104.38%	-40.34%	-5.76%	26.72%	17.47%	-4.10%	-11.78%
	Average Earnings Growth [5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.35%	20.49%	-1.20%	4.51%	N/A	N/A	N/A	N/A	N/A
Southern Company	Earnings per Share [1]	1.73	1.83	2.01	1.81	1.85	1.97	2.06	2.13	2.10	2.28	2.25	2.32	2.38	2.55	2.67	2.70
	Dividends per Share [2]	1.34	1.34	1.34	1.34	1.36	1.39	1.42	1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.84	2.01
	Payout Ratio [3]	77.46%	73.22%	66.67%	83.23%	73.51%	70.56%	69.93%	69.48%	73.33%	70.18%	73.78%	74.57%	76.27%	73.33%	72.66%	74.44%
	Earnings Growth [4]	N/A	5.78%	9.84%	-19.90%	14.91%	6.49%	4.57%	3.40%	-1.41%	8.57%	-1.32%	3.11%	1.72%	8.05%	4.71%	1.12%
	Average Earnings Growth [5]	3.42%	3.18%	1.88%	5.56%	4.32%	2.78%	2.47%	2.14%	4.03%	3.26%	3.74%	N/A	N/A	N/A	N/A	N/A
UIL Holdings Corporation	Earnings per Share [1]	1.80	2.23	2.50	2.53	1.85	1.24	1.54	1.30	1.86	1.87	1.89	1.94	1.99	1.95	2.02	2.25
	Dividends per Share [2]	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73
	Payout Ratio [3]	96.11%	77.58%	67.58%	68.28%	93.51%	139.52%	112.34%	133.08%	83.01%	92.51%	91.53%	89.18%	86.93%	88.72%	85.84%	76.80%
	Earnings Growth [4]	N/A	23.89%	14.80%	-1.17%	-26.88%	-32.97%	24.19%	-15.58%	43.08%	0.54%	1.07%	2.58%	2.58%	-2.01%	3.59%	11.39%
	Average Earnings Growth [5]	-4.47%	-4.41%	-10.48%	-1.63%	3.95%	1.66%	6.35%	9.98%	0.96%	1.57%	3.64%	N/A	N/A	N/A	N/A	N/A
Westar Energy, Inc.	Earnings per Share [1]	2.13	1.48	0.89	N/A	1.00	1.48	1.17	1.55	1.88	1.84	1.31	1.28	1.80	1.79	2.15	2.27
	Dividends per Share [2]	2.14	2.14	1.44	1.20	1.20	0.87	0.80	0.82	0.88	1.08	1.16	1.20	1.24	1.28	1.32	1.38
	Payout Ratio [3]	100.47%	144.58%	161.80%	N/A	120.00%	58.78%	68.38%	59.35%	52.13%	58.70%	68.55%	93.75%	68.89%	71.51%	61.40%	59.81%
	Earnings Growth [4]	N/A	-30.52%	-38.85%	N/A	N/A	48.00%	-20.85%	32.48%	21.20%	-2.13%	-28.80%	-2.28%	40.63%	-0.50%	20.11%	5.58%
	Average Earnings Growth [5]	N/A	N/A	N/A	N/A	15.74%	0.38%	4.11%	5.74%	1.37%	5.82%	12.99%	N/A	N/A	N/A	N/A	N/A
Wisconsin Energy Corporation	Earnings per Share [1]	0.83	0.94	0.54	0.92	1.16	1.13	0.93	1.28	1.32	1.42	1.52	1.60	1.82	2.18	2.35	2.51
	Dividends per Share [2]	0.78	0.78	0.59	0.40	0.40	0.40	0.42	0.44	0.46	0.50	0.54	0.68	0.80	1.04	1.20	1.45
	Payout Ratio [3]	93.88%	82.86%	127.78%	43.48%	34.48%	35.40%	45.18%	34.38%	34.85%	35.21%	35.53%	42.50%	41.67%	47.71%	51.06%	57.77%
	Earnings Growth [4]	N/A	13.25%	-42.55%	70.37%	26.09%	-2.59%	-17.70%	37.83%	3.13%	7.58%	7.04%	5.26%	20.00%	13.54%	7.80%	6.81%
	Average Earnings Growth [5]	12.81%	8.72%	22.76%	9.31%	5.81%	7.54%	12.13%	8.60%	10.98%	10.73%	10.68%	N/A	N/A	N/A	N/A	N/A
Xcel Energy Inc.	Earnings per Share [1]	1.84	1.43	1.80	2.27	0.42	1.23	1.27	1.20	1.35	1.35	1.48	1.49	1.58	1.72	1.85	1.90
	Dividends per Share [2]	1.43	1.45	1.48	1.50	1.13	0.75	0.81	0.85	0.88	0.91	0.94	0.97	1.00	1.03	1.07	1.11
	Payout Ratio [3]	77.72%	101.40%	82.50%	66.08%	269.05%	60.98%	63.78%	70.83%	65.19%	67.41%	64.38%	65.10%	64.10%	59.88%	57.84%	58.42%
	Earnings Growth [4]	N/A	-22.28%	11.89%	41.89%	-81.50%	182.86%	3.25%	-5.51%	12.50%	0.00%	8.15%	2.05%	4.70%	10.29%	7.56%	2.70%
	Average Earnings Growth [5]	28.57%	33.67%	30.18%	24.32%	40.62%	3.68%	3.44%	5.48%	5.03%	6.54%	5.45%	N/A	N/A	N/A	N/A	N/A

Notes:

- [1] Source: Value Line, negative earnings have been excluded (shown as N/A)
- [2] Source: Value Line
- [3] Equals [2] / [1]
- [4] Equals $\frac{[1]_t - [1]_{t-1}}{[1]_{t-1}}$
- [5] Equals Average of ([4]1, [4]2, [4]3, [4]4, [4]5)

X = Retention ratio
Y = 5-year average growth rate

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.434333202
R Square	0.188645331
Adjusted R Square	0.184283209
Standard Error	0.334625567
Observations	188

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	4.842465158	4.842465158	43.24823106	4.74185E-10
Residual	186	20.82721424	0.11197427		
Total	187	25.6696794			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.174804142	0.025839376	6.765028668	1.87907E-10	0.123828211	0.22578	0.123828	0.22578
X Variable 1	-0.285628549	0.040392185	-6.576186868	4.74185E-10	-0.345312256	-0.185941	-0.345312	-0.185941

Adjustment of Mr. Gorman's Multi-Stage DCF Model
Add Fourth Stage to Reflect Blue Chip Forecast Period - Mr. Hevert's Long-Term Growth Rate

Company	Ticker	[1] Stock Price	[2] Annualized Dividend	[3] First-Stage Growth	[6] Second-Stage Growth					[9] Third-Stage Growth	[10] Fourth-Stage Growth	[11] Multi-Stage Growth DCF
					[4] Year 6	[5] Year 7	[6] Year 8	[7] Year 9	[8] Year 10			
ALLETE, Inc.	ALE	\$49.64	\$1.90	6.00%	5.80%	5.60%	5.40%	5.20%	5.00%	4.80%	5.70%	9.73%
Ameren Corporation	AEE	\$46.52	\$2.00	4.30%	4.38%	4.47%	4.55%	4.63%	4.72%	4.80%	5.70%	9.77%
American Electric Power Company, Inc.	AEP	\$36.01	\$1.60	3.27%	3.53%	3.78%	4.04%	4.29%	4.55%	4.80%	5.70%	9.64%
Black Hills Corporation	BKH	\$51.41	\$1.52	4.00%	4.13%	4.27%	4.40%	4.53%	4.67%	4.80%	5.70%	8.42%
Cleco Corporation	CNL	\$46.19	\$1.45	5.36%	5.27%	5.17%	5.08%	4.99%	4.89%	4.80%	5.70%	8.87%
CMS Energy Corporation	CMS	\$26.94	\$1.02	6.09%	5.88%	5.66%	5.45%	5.23%	5.02%	4.80%	5.70%	9.71%
Consolidated Edison, Inc.	ED	\$56.02	\$2.46	1.93%	2.41%	2.89%	3.37%	3.84%	4.32%	4.80%	5.70%	9.27%
DTE Energy Company	DTE	\$67.41	\$2.62	5.41%	5.31%	5.21%	5.11%	5.00%	4.90%	4.80%	5.70%	9.65%
Duke Energy Corporation	DUK	\$70.08	\$3.12	3.56%	3.77%	3.97%	4.18%	4.39%	4.59%	4.80%	5.70%	9.73%
Edison International	EIX	\$47.05	\$1.35	1.45%	2.01%	2.57%	3.13%	3.68%	4.24%	4.80%	5.70%	7.89%
El Paso Electric Company	EE	\$34.95	\$1.06	3.15%	3.43%	3.70%	3.98%	4.25%	4.53%	4.80%	5.70%	8.33%
Empire District Electric Company	EDE	\$22.58	\$1.02	3.00%	3.30%	3.60%	3.90%	4.20%	4.50%	4.80%	5.70%	9.64%
Great Plains Energy Inc.	GXP	\$23.89	\$0.92	6.90%	6.55%	6.20%	5.85%	5.50%	5.15%	4.80%	5.70%	9.99%
IDACORP, Inc.	IDA	\$51.56	\$1.72	4.00%	4.13%	4.27%	4.40%	4.53%	4.67%	4.80%	5.70%	8.78%
Northeast Utilities	NU	\$42.01	\$1.47	7.45%	7.01%	6.57%	6.13%	5.68%	5.24%	4.80%	5.70%	9.74%
PG&E Corporation	PCG	\$40.89	\$1.82	1.11%	1.73%	2.34%	2.96%	3.57%	4.19%	4.80%	5.70%	9.12%
Pinnacle West Capital Corporation	PNW	\$54.37	\$2.27	4.18%	4.28%	4.39%	4.49%	4.59%	4.70%	4.80%	5.70%	9.62%
Portland General Electric Company	POR	\$29.49	\$1.10	6.17%	5.94%	5.71%	5.49%	5.26%	5.03%	4.80%	5.70%	9.67%
Southern Company	SO	\$41.23	\$2.03	3.67%	3.86%	4.05%	4.24%	4.42%	4.61%	4.80%	5.70%	10.20%
UIL Holdings Corporation	UIL	\$38.00	\$1.73	7.32%	6.90%	6.46%	6.06%	5.64%	5.22%	4.80%	5.70%	10.90%
Westar Energy, Inc.	WR	\$31.81	\$1.36	3.40%	3.63%	3.87%	4.10%	4.33%	4.57%	4.80%	5.70%	9.52%
Wisconsin Energy Corporation	WEC	\$41.54	\$1.53	5.51%	5.39%	5.27%	5.16%	5.04%	4.92%	4.80%	5.70%	9.46%
Xcel Energy Inc.	XEL	\$28.25	\$1.12	4.92%	4.90%	4.88%	4.86%	4.84%	4.82%	4.80%	5.70%	9.60%
Mean				4.44%	4.50%	4.56%	4.62%	4.68%	4.74%	4.80%	5.70%	9.45%
Median				4.18%	4.28%	4.39%	4.49%	4.59%	4.70%	4.80%	5.70%	9.64%

Notes:

- [1] 13-week average stock price; Source: Schedule MPG-8
- [2] Source: Schedule MPG-8
- [3] Source: Schedule MPG-8
- [4] Equals [3] + ([9] - [3])/6
- [5] Equals [4] + ([9] - [3])/6
- [6] Equals [5] + ([9] - [3])/6
- [7] Equals [6] + ([9] - [3])/6
- [8] Equals [7] + ([9] - [3])/6
- [9] Source: Schedule MPG-8
- [10] Source: Schedule RBH-10
- [11] IRR based on stock price ([1]) and 200 years of projected dividends

Mr. Gorman's Multi-Stage DCF Growth Model
Implied Growth Rate to Produce Average Authorized ROE as DCF Result

Company	Ticker	[1] Stock Price	[2] Annualized Dividend	[3] First-Stage Growth	[6] Second-Stage Growth				[8] Year 10	[9] Third-Stage Growth	[10] Multi-Stage Growth DCF
					Year 6	Year 7	Year 8	Year 9			
ALLETE, Inc.	ALE	\$49.64	\$1.90	6.00%	6.03%	6.06%	6.10%	6.13%	6.16%	6.19%	10.21%
Ameren Corporation	AEE	\$46.52	\$2.00	4.30%	4.62%	4.93%	5.25%	5.56%	5.88%	6.19%	10.25%
American Electric Power Company, Inc.	AEP	\$36.01	\$1.60	3.27%	3.76%	4.24%	4.73%	5.22%	5.71%	6.19%	10.12%
Black Hills Corporation	BKH	\$51.41	\$1.52	4.00%	4.37%	4.73%	5.10%	5.46%	5.83%	6.19%	8.90%
Cleco Corporation	CNL	\$46.19	\$1.45	5.36%	5.50%	5.64%	5.78%	5.92%	6.05%	6.19%	9.35%
CMS Energy Corporation	CMS	\$26.94	\$1.02	6.09%	6.11%	6.12%	6.14%	6.16%	6.18%	6.19%	10.19%
Consolidated Edison, Inc.	ED	\$56.02	\$2.46	1.93%	2.64%	3.35%	4.06%	4.77%	5.48%	6.19%	9.74%
DTE Energy Company	DTE	\$67.41	\$2.62	5.41%	5.54%	5.67%	5.80%	5.93%	6.06%	6.19%	10.12%
Duke Energy Corporation	DUK	\$70.08	\$3.12	3.56%	4.00%	4.44%	4.88%	5.32%	5.76%	6.19%	10.20%
Edison International	EIX	\$47.05	\$1.35	1.45%	2.24%	3.03%	3.82%	4.61%	5.40%	6.19%	8.38%
El Paso Electric Company	EE	\$34.95	\$1.06	3.15%	3.66%	4.16%	4.67%	5.18%	5.69%	6.19%	8.81%
Empire District Electric Company	EDE	\$22.58	\$1.02	3.00%	3.53%	4.06%	4.60%	5.13%	5.66%	6.19%	10.11%
Great Plains Energy Inc.	GXP	\$23.89	\$0.92	6.90%	6.78%	6.66%	6.55%	6.43%	6.31%	6.19%	10.47%
IDACORP, Inc.	IDA	\$51.56	\$1.72	4.00%	4.37%	4.73%	5.10%	5.46%	5.83%	6.19%	9.26%
Northeast Utilities	NU	\$42.01	\$1.47	7.45%	7.24%	7.03%	6.82%	6.61%	6.40%	6.19%	10.21%
PG&E Corporation	PCG	\$40.89	\$1.82	1.11%	1.96%	2.80%	3.65%	4.50%	5.35%	6.19%	9.60%
Pinnacle West Capital Corporation	PNW	\$54.37	\$2.27	4.18%	4.52%	4.85%	5.19%	5.52%	5.86%	6.19%	10.10%
Portland General Electric Company	POR	\$29.49	\$1.10	6.17%	6.17%	6.18%	6.18%	6.19%	6.19%	6.19%	10.15%
Southern Company	SO	\$41.23	\$2.03	3.67%	4.09%	4.51%	4.93%	5.35%	5.77%	6.19%	10.67%
UIL Holdings Corporation	UIL	\$38.00	\$1.73	7.32%	7.13%	6.94%	6.76%	6.57%	6.38%	6.19%	11.37%
Westar Energy, Inc.	WR	\$31.81	\$1.36	3.40%	3.87%	4.33%	4.80%	5.26%	5.73%	6.19%	10.00%
Wisconsin Energy Corporation	WEC	\$41.54	\$1.53	5.51%	5.62%	5.74%	5.85%	5.97%	6.08%	6.19%	9.94%
Xcel Energy Inc.	XEL	\$28.25	\$1.12	4.92%	5.13%	5.34%	5.56%	5.77%	5.98%	6.19%	10.08%
MEAN				4.44%	4.73%	5.03%	5.32%	5.61%	5.90%	6.19%	9.92%
MEDIAN				4.18%	4.52%	4.85%	5.19%	5.52%	5.86%	6.19%	10.11%

Notes:

- [1] 13-week average stock price; Source: Schedule MPG-8
- [2] Source: Schedule MPG-8
- [3] Source: Schedule MPG-8
- [4] Equals [3] + ([9] - [3])/6
- [5] Equals [4] + ([9] - [3])/6
- [6] Equals [5] + ([9] - [3])/6
- [7] Equals [6] + ([9] - [3])/6
- [8] Equals [7] + ([9] - [3])/6
- [9] Implicit Growth Rate
- [10] IRR based on stock price ([1]) and 200 years of projected dividends

Step-By-Step Adjustment of Mr. Gorman's Multi-Stage DCF Model
Re-Creation of Schedule MPG-8

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		Stock Price	Annualized Dividend	First-Stage Growth	Second-Stage Growth				Third-Stage Growth	Multi-Stage Growth DCF	
					Year 6	Year 7	Year 8	Year 9	Year 10		
ALLETE, Inc.	ALE	\$49.64	\$1.90	6.00%	5.80%	5.60%	5.40%	5.20%	5.00%	4.80%	9.12%
Ameren Corporation	AEE	\$46.52	\$2.00	4.30%	4.38%	4.47%	4.55%	4.63%	4.72%	4.80%	9.17%
American Electric Power Company, Inc.	AEP	\$36.01	\$1.60	3.27%	3.53%	3.78%	4.04%	4.29%	4.55%	4.80%	9.03%
Black Hills Corporation	BKH	\$51.41	\$1.52	4.00%	4.13%	4.27%	4.40%	4.53%	4.67%	4.80%	7.73%
Cleco Corporation	CNL	\$46.19	\$1.45	5.36%	5.27%	5.17%	5.08%	4.99%	4.89%	4.80%	8.20%
CMS Energy Corporation	CMS	\$26.94	\$1.02	6.09%	5.88%	5.66%	5.45%	5.23%	5.02%	4.80%	9.10%
Consolidated Edison, Inc.	ED	\$56.02	\$2.46	1.93%	2.41%	2.89%	3.37%	3.84%	4.32%	4.80%	8.63%
DTE Energy Company	DTE	\$67.41	\$2.62	5.41%	5.31%	5.21%	5.11%	5.00%	4.90%	4.80%	9.03%
Duke Energy Corporation	DUK	\$70.08	\$3.12	3.56%	3.77%	3.97%	4.18%	4.39%	4.59%	4.80%	9.12%
Edison International	EIX	\$47.05	\$1.35	1.45%	2.01%	2.57%	3.13%	3.68%	4.24%	4.80%	7.18%
El Paso Electric Company	EE	\$34.95	\$1.06	3.15%	3.43%	3.70%	3.98%	4.25%	4.53%	4.80%	7.64%
Empire District Electric Company	EDE	\$22.58	\$1.02	3.00%	3.30%	3.60%	3.90%	4.20%	4.50%	4.80%	9.02%
Great Plains Energy Inc.	GXP	\$23.89	\$0.92	6.90%	6.55%	6.20%	5.85%	5.50%	5.15%	4.80%	9.40%
IDACORP, Inc.	IDA	\$51.56	\$1.72	4.00%	4.13%	4.27%	4.40%	4.53%	4.67%	4.80%	8.11%
Northeast Utilities	NU	\$42.01	\$1.47	7.45%	7.01%	6.57%	6.13%	5.68%	5.24%	4.80%	9.12%
PG&E Corporation	PCG	\$40.89	\$1.82	1.11%	1.73%	2.34%	2.96%	3.57%	4.19%	4.80%	8.48%
Pinnacle West Capital Corporation	PNW	\$54.37	\$2.27	4.18%	4.28%	4.39%	4.49%	4.59%	4.70%	4.80%	9.01%
Portland General Electric Company	POR	\$29.49	\$1.10	6.17%	5.94%	5.71%	5.49%	5.26%	5.03%	4.80%	9.06%
Southern Company	SO	\$41.23	\$2.03	3.67%	3.86%	4.05%	4.24%	4.42%	4.61%	4.80%	9.61%
UIL Holdings Corporation	UIL	\$38.00	\$1.73	7.32%	6.90%	6.48%	6.06%	5.64%	5.22%	4.80%	10.35%
Westar Energy, Inc.	WR	\$31.81	\$1.36	3.40%	3.63%	3.87%	4.10%	4.33%	4.57%	4.80%	8.90%
Wisconsin Energy Corporation	WEC	\$41.54	\$1.53	5.51%	5.39%	5.27%	5.16%	5.04%	4.92%	4.80%	8.83%
Xcel Energy Inc.	XEL	\$28.25	\$1.12	4.92%	4.90%	4.88%	4.86%	4.84%	4.82%	4.80%	8.98%
Mean				4.44%	4.50%	4.56%	4.62%	4.68%	4.74%	4.80%	8.62%
Median				4.18%	4.26%	4.39%	4.49%	4.59%	4.70%	4.80%	9.02%

Notes:

- [1] 13-week average stock price; Source: Schedule MPG-8
- [2] Source: Schedule MPG-8
- [3] Source: Schedule MPG-8
- [4] Equals [3] + ([9] - [3])/6
- [5] Equals [4] + ([9] - [3])/6
- [6] Equals [5] + ([9] - [3])/6
- [7] Equals [6] + ([9] - [3])/6
- [8] Equals [7] + ([9] - [3])/6
- [9] Source: Schedule MPG-8
- [10] IRR based on stock price ([1]) and 200 years of projected dividends

Step-By-Step Adjustment of Mr. Gorman's Multi-Stage DCF Model
Step 1: Adjust The IRR Calculation To Reflect The Mid-Year Convention

Company	Ticker	[1] Stock Price	[2] Annualized Dividend	[3] First-Stage Growth	[5] Second-Stage Growth					[9] Third-Stage Growth	[10] Multi-Stage Growth DCF
					[4] Year 6	[5] Year 7	[6] Year 8	[7] Year 9	[8] Year 10		
ALLETE, Inc.	ALE	\$49.64	\$1.90	6.00%	5.80%	5.60%	5.40%	5.20%	5.00%	4.80%	9.31%
Ameren Corporation	AEE	\$46.52	\$2.00	4.30%	4.38%	4.47%	4.55%	4.63%	4.72%	4.80%	9.36%
American Electric Power Company, Inc.	AEP	\$36.01	\$1.60	3.27%	3.53%	3.78%	4.04%	4.29%	4.55%	4.80%	9.22%
Black Hills Corporation	BKH	\$51.41	\$1.52	4.00%	4.13%	4.27%	4.40%	4.53%	4.67%	4.80%	7.84%
Cleco Corporation	CNL	\$46.19	\$1.45	5.36%	5.27%	5.17%	5.08%	4.99%	4.89%	4.80%	8.34%
CMS Energy Corporation	CMS	\$26.94	\$1.02	6.09%	5.88%	5.66%	5.45%	5.23%	5.02%	4.80%	9.29%
Consolidated Edison, Inc.	ED	\$56.02	\$2.46	1.93%	2.41%	2.89%	3.37%	3.84%	4.32%	4.80%	8.79%
DTE Energy Company	DTE	\$67.41	\$2.62	5.41%	5.31%	5.21%	5.11%	5.00%	4.90%	4.80%	9.22%
Duke Energy Corporation	DUK	\$70.08	\$3.12	3.56%	3.77%	3.97%	4.18%	4.39%	4.59%	4.80%	9.31%
Edison International	EIX	\$47.05	\$1.35	1.45%	2.01%	2.57%	3.13%	3.68%	4.24%	4.80%	7.26%
El Paso Electric Company	EE	\$34.95	\$1.06	3.15%	3.43%	3.70%	3.98%	4.25%	4.53%	4.80%	7.75%
Empire District Electric Company	EDE	\$22.58	\$1.02	3.00%	3.30%	3.60%	3.90%	4.20%	4.50%	4.80%	9.21%
Great Plains Energy Inc.	GXP	\$23.89	\$0.92	6.90%	6.55%	6.20%	5.85%	5.50%	5.15%	4.80%	9.60%
IDACORP, Inc.	IDA	\$51.56	\$1.72	4.00%	4.13%	4.27%	4.40%	4.53%	4.67%	4.80%	8.25%
Northeast Utilities	NU	\$42.01	\$1.47	7.45%	7.01%	6.57%	6.13%	5.68%	5.24%	4.80%	9.31%
PG&E Corporation	PCG	\$40.89	\$1.82	1.11%	1.73%	2.34%	2.96%	3.57%	4.19%	4.80%	8.63%
Pinnacle West Capital Corporation	PNW	\$54.37	\$2.27	4.18%	4.28%	4.39%	4.49%	4.59%	4.70%	4.80%	9.19%
Portland General Electric Company	POR	\$29.49	\$1.10	6.17%	5.94%	5.71%	5.49%	5.26%	5.03%	4.80%	9.24%
Southern Company	SO	\$41.23	\$2.03	3.67%	3.86%	4.05%	4.24%	4.42%	4.61%	4.80%	9.84%
UIL Holdings Corporation	UIL	\$38.00	\$1.73	7.32%	6.90%	6.48%	6.06%	5.64%	5.22%	4.80%	10.63%
Westar Energy, Inc.	WR	\$31.81	\$1.36	3.40%	3.63%	3.87%	4.10%	4.33%	4.57%	4.80%	9.08%
Wisconsin Energy Corporation	WEC	\$41.54	\$1.53	5.51%	5.39%	5.27%	5.16%	5.04%	4.92%	4.80%	9.01%
Xcel Energy Inc.	XEL	\$28.25	\$1.12	4.92%	4.90%	4.88%	4.86%	4.84%	4.82%	4.80%	9.17%
Mean				4.44%	4.50%	4.56%	4.62%	4.68%	4.74%	4.80%	8.99%
Median				4.18%	4.28%	4.39%	4.49%	4.59%	4.70%	4.80%	9.21%

Notes:

[1] 13-week average stock price; Source: Schedule MPG-8

[2] Source: Schedule MPG-8

[3] Source: Schedule MPG-8

[4] Equals [3] + ([9] - [3])/6

[5] Equals [4] + ([9] - [3])/6

[6] Equals [5] + ([9] - [3])/6

[7] Equals [6] + ([9] - [3])/6

[8] Equals [7] + ([9] - [3])/6

[9] Source: Schedule MPG-8

[10] IRR based on stock price ([1]) and 200 years of projected dividends using the mid-year convention

Step-By-Step Adjustment of Mr. Gorman's Multi-Stage DCF Model
Step 2: Correct Long-Term Growth Estimate

Company	Ticker	[1] Stock Price	[2] Annualized Dividend	[3] First-Stage Growth	[6] Second-Stage Growth					[9] Third-Stage Growth	[10] Multi-Stage Growth DCF
					[4] Year 6	[5] Year 7	[6] Year 8	[7] Year 9	[8] Year 10		
ALLETE, Inc.	ALE	\$49.64	\$1.90	6.00%	5.95%	5.90%	5.85%	5.80%	5.75%	5.70%	10.02%
Ameren Corporation	AEE	\$46.52	\$2.00	4.30%	4.53%	4.77%	5.00%	5.24%	5.47%	5.70%	10.07%
American Electric Power Company, Inc.	AEP	\$36.01	\$1.60	3.27%	3.68%	4.08%	4.49%	4.89%	5.30%	5.70%	9.93%
Black Hills Corporation	BKH	\$51.41	\$1.52	4.00%	4.28%	4.57%	4.85%	5.14%	5.42%	5.70%	8.60%
Cleco Corporation	CNL	\$46.19	\$1.45	5.36%	5.42%	5.47%	5.53%	5.59%	5.65%	5.70%	9.08%
CMS Energy Corporation	CMS	\$26.94	\$1.02	6.09%	6.03%	5.96%	5.90%	5.83%	5.77%	5.70%	10.00%
Consolidated Edison, Inc.	ED	\$56.02	\$2.46	1.93%	2.56%	3.19%	3.82%	4.45%	5.08%	5.70%	9.52%
DTE Energy Company	DTE	\$67.41	\$2.62	5.41%	5.46%	5.51%	5.56%	5.61%	5.66%	5.70%	9.93%
Duke Energy Corporation	DUK	\$70.08	\$3.12	3.56%	3.92%	4.27%	4.63%	4.99%	5.35%	5.70%	10.02%
Edison International	EIX	\$47.05	\$1.35	1.45%	2.16%	2.87%	3.58%	4.29%	5.00%	5.70%	8.05%
El Paso Electric Company	EE	\$34.95	\$1.06	3.15%	3.58%	4.00%	4.43%	4.85%	5.28%	5.70%	8.51%
Empire District Electric Company	EDE	\$22.58	\$1.02	3.00%	3.45%	3.90%	4.35%	4.80%	5.25%	5.70%	9.92%
Great Plains Energy Inc.	GXP	\$23.89	\$0.92	6.90%	6.70%	6.50%	6.30%	6.10%	5.90%	5.70%	10.30%
IDACORP, Inc.	IDA	\$51.56	\$1.72	4.00%	4.28%	4.57%	4.85%	5.14%	5.42%	5.70%	8.99%
Northeast Utilities	NU	\$42.01	\$1.47	7.45%	7.16%	6.87%	6.58%	6.29%	6.00%	5.70%	10.02%
PG&E Corporation	PCG	\$40.89	\$1.82	1.11%	1.88%	2.64%	3.41%	4.17%	4.94%	5.70%	9.36%
Pinnacle West Capital Corporation	PNW	\$54.37	\$2.27	4.18%	4.43%	4.69%	4.94%	5.20%	5.45%	5.70%	9.90%
Portland General Electric Company	POR	\$29.49	\$1.10	6.17%	6.09%	6.01%	5.94%	5.86%	5.78%	5.70%	9.85%
Southern Company	SO	\$41.23	\$2.03	3.67%	4.01%	4.35%	4.69%	5.03%	5.37%	5.70%	10.53%
UIL Holdings Corporation	UIL	\$38.00	\$1.73	7.32%	7.05%	6.78%	6.51%	6.24%	5.97%	5.70%	11.29%
Westar Energy, Inc.	WR	\$31.81	\$1.36	3.40%	3.78%	4.17%	4.55%	4.94%	5.32%	5.70%	9.79%
Wisconsin Energy Corporation	WEC	\$41.54	\$1.53	5.51%	5.54%	5.57%	5.61%	5.64%	5.67%	5.70%	9.73%
Xcel Energy Inc.	XEL	\$28.25	\$1.12	4.92%	5.05%	5.18%	5.31%	5.44%	5.57%	5.70%	9.88%
Mean				4.44%	4.65%	4.86%	5.07%	5.28%	5.49%	5.70%	9.71%
Median				4.18%	4.43%	4.69%	4.94%	5.20%	5.45%	5.70%	9.92%

Notes:

[1] 13-week average stock price; Source: Schedule MPG-8

[2] Source: Schedule MPG-8

[3] Source: Schedule MPG-8

[4] Equals [3] + ([9] - [3])/6

[5] Equals [4] + ([9] - [3])/6

[6] Equals [5] + ([9] - [3])/6

[7] Equals [6] + ([9] - [3])/6

[8] Equals [7] + ([9] - [3])/6

[9] Source: Schedule RBH-10

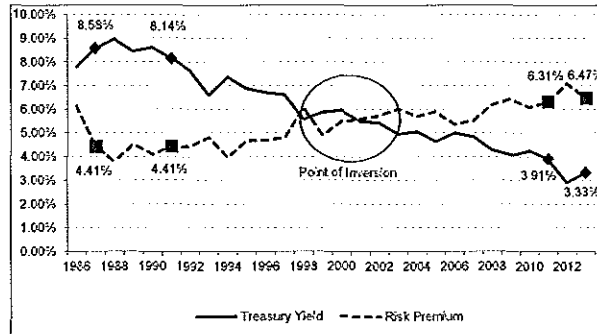
[10] IRR based on stock price ([1]) and 200 years of projected dividends using the mid-year convention

Analysis Using Mr. Gorman's Equity Risk Premium Data

Year	Authorized Electric Returns	30-Year Treasury Yield	Indicated Risk Premium
1986	13.93%	7.80%	6.13%
1987	12.99%	8.58%	4.41%
1988	12.79%	8.96%	3.83%
1989	12.97%	8.45%	4.52%
1990	12.70%	8.61%	4.09%
1991	12.55%	8.14%	4.41%
1992	12.09%	7.67%	4.42%
1993	11.41%	6.60%	4.81%
1994	11.34%	7.37%	3.97%
1995	11.55%	6.88%	4.67%
1996	11.39%	6.70%	4.69%
1997	11.40%	6.61%	4.79%
1998	11.66%	5.58%	6.08%
1999	10.77%	5.87%	4.90%
2000	11.43%	5.94%	5.49%
2001	11.09%	5.49%	5.60%
2002	11.16%	5.43%	5.73%
2003	10.97%	4.96%	6.01%
2004	10.75%	5.05%	5.70%
2005	10.54%	4.65%	5.89%
2006	10.36%	4.99%	5.37%
2007	10.36%	4.83%	5.53%
2008	10.46%	4.28%	6.18%
2009	10.48%	4.07%	6.41%
2010	10.34%	4.25%	6.09%
2011	10.22%	3.91%	6.31%
2012	10.01%	2.92%	7.09%
2013	9.80%	3.33%	6.47%
Average	11.34%	6.00%	5.34%

Source: Schedule MPG-10

Correlation: -0.8767



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.87672601
R Square	0.7686485
Adjusted R Square	0.75975036
Standard Error	0.00428427
Observations	28

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.00158556	0.001585557	86.38310319	9.51474E-10
Residual	26	0.00047723	1.83548E-05		
Total	27	0.00206279			

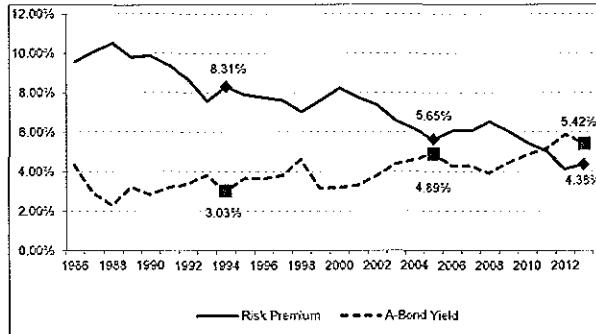
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.08006446	0.00297777	26.88735365	1.67615E-20	0.07394356	0.0861854	0.07394356	0.08618536
30-Year Treasury Yield	-0.4441474	0.04778732	-9.294251083	9.51474E-10	-0.54237565	-0.3459191	-0.54237565	-0.34591914

Analysis Using Mr. Gorman's Equity Risk Premium Data

Year	Authorized Electric Returns	Average A Rated Utility Bond Yield	Indicated Risk Premium
1986	13.93%	9.58%	4.35%
1987	12.99%	10.10%	2.89%
1988	12.79%	10.49%	2.30%
1989	12.97%	9.77%	3.20%
1990	12.70%	9.86%	2.84%
1991	12.55%	9.36%	3.19%
1992	12.09%	8.69%	3.40%
1993	11.41%	7.59%	3.82%
1994	11.34%	8.31%	3.03%
1995	11.55%	7.89%	3.66%
1996	11.39%	7.75%	3.64%
1997	11.40%	7.60%	3.80%
1998	11.66%	7.04%	4.62%
1999	10.77%	7.62%	3.15%
2000	11.43%	8.24%	3.19%
2001	11.09%	7.76%	3.33%
2002	11.16%	7.37%	3.79%
2003	10.97%	6.58%	4.39%
2004	10.75%	6.16%	4.59%
2005	10.54%	5.65%	4.89%
2006	10.36%	6.07%	4.29%
2007	10.36%	6.07%	4.29%
2008	10.46%	6.53%	3.93%
2009	10.48%	6.04%	4.44%
2010	10.34%	5.46%	4.88%
2011	10.22%	5.04%	5.18%
2012	10.01%	4.13%	5.88%
2013	9.80%	4.38%	5.42%
Average	11.34%	7.40%	3.94%

Source: Schedule MPG-11

Correlation: -0.8907



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.89065729
R Square	0.79327041
Adjusted R Square	0.78531927
Standard Error	0.00399289
Observations	28

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.00159062	0.001590625	99.76815764	2.17192E-10
Residual	26	0.00041452	1.59432E-05		
Total	27	0.00200515			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.07207712	0.0033556	21.47962665	4.50559E-18	0.06517958	0.0789747	0.06517958	0.07897467
A Rated Util Bond Yield	-0.4414648	0.04419775	-9.988401155	2.17192E-10	-0.5323146	-0.3506151	-0.5323146	-0.35061506

Analysis Using Mr. Gorman's Equity Risk Premium Data

Year	Authorized Electric Returns	Average A Rated Utility Bond Yield	30-Year Treasury Yield	Credit Spread	Indicated Risk Premium
1986	13.93%	9.58%	7.80%	1.78%	6.13%
1987	12.99%	10.10%	8.58%	1.52%	4.41%
1988	12.79%	10.49%	8.96%	1.53%	3.83%
1989	12.97%	9.77%	8.45%	1.32%	4.52%
1990	12.70%	9.86%	8.61%	1.25%	4.09%
1991	12.55%	9.36%	8.14%	1.22%	4.41%
1992	12.09%	8.69%	7.67%	1.02%	4.42%
1993	11.41%	7.59%	6.60%	0.99%	4.81%
1994	11.34%	8.31%	7.37%	0.94%	3.97%
1995	11.55%	7.89%	6.88%	1.01%	4.67%
1996	11.39%	7.75%	6.70%	1.05%	4.69%
1997	11.40%	7.60%	6.61%	0.99%	4.79%
1998	11.66%	7.04%	5.58%	1.46%	6.08%
1999	10.77%	7.62%	5.87%	1.75%	4.90%
2000	11.43%	8.24%	5.94%	2.30%	5.49%
2001	11.09%	7.76%	5.49%	2.27%	5.60%
2002	11.16%	7.37%	5.43%	1.94%	5.73%
2003	10.97%	6.58%	4.96%	1.62%	6.01%
2004	10.75%	6.16%	5.05%	1.11%	5.70%
2005	10.54%	5.65%	4.65%	1.00%	5.89%
2006	10.36%	6.07%	4.99%	1.08%	5.37%
2007	10.36%	6.07%	4.83%	1.24%	5.53%
2008	10.46%	6.53%	4.28%	2.25%	6.18%
2009	10.48%	6.04%	4.07%	1.97%	6.41%
2010	10.34%	5.46%	4.25%	1.21%	6.09%
2011	10.22%	5.04%	3.91%	1.13%	6.31%
2012	10.01%	4.13%	2.92%	1.21%	7.09%
2013	9.80%	4.38%	3.33%	1.05%	6.47%
Average	11.34%	7.40%	6.00%	1.40%	5.34%

Source: Schedules MPG-10 & MPG-11

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.89761412
R Square	0.80571111
Adjusted R Square	0.790168
Standard Error	0.00400388
Observations	28

ANOVA					
	df	SS	MS	F	Significance F
Regression	2	0.00166201	0.000831005	51.83718471	1.27526E-09
Residual	25	0.00040078	1.60311E-05		
Total	27	0.00206279			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.07397465	0.00393966	18.77691919	2.97929E-16	0.065860769	0.0820885	0.06586077	0.08208853
30-Year Treasury Yield	-0.4350801	0.04485244	-9.700254174	5.90466E-10	-0.5274554	-0.3427047	-0.5274554	-0.34270474
Credit Spread	0.39579554	0.18124116	2.183806071	0.038570978	0.022522389	0.7690687	0.02252239	0.76906869

Analysis Using Mr. Gorman's Equity Risk Premium Data

Mr. Gorman's Projected Treasury Yield: 4.40%
 Mr. Gorman's Current Utility Bond Yield: 5.21%

HIGH RANK	YEAR	RISK PREMIUM			LOW RANK	YEAR	RISK PREMIUM		WEIGHTED ROE
		M	ROE	M			ROE		
Treasury Yield-Based Risk Premium									
1	2012	7.09%	11.49%	28	1988	3.83%	8.23%	10.51%	
2	2013	6.47%	10.87%	27	1994	3.97%	8.37%	10.12%	
3	2009	6.41%	10.81%	26	1990	4.09%	8.49%	10.12%	
4	2011	6.31%	10.71%	25	1987	4.41%	8.81%	10.14%	
5	2008	6.18%	10.58%	24	1991	4.41%	8.81%	10.05%	
6	1986	6.13%	10.53%	23	1992	4.42%	8.82%	10.02%	
7	2010	6.09%	10.49%	22	1989	4.52%	8.92%	10.02%	
8	1998	6.08%	10.48%	21	1995	4.67%	9.07%	10.06%	
9	2003	6.01%	10.41%	20	1996	4.69%	9.09%	10.02%	
10	2005	5.89%	10.29%	19	1997	4.79%	9.19%	9.96%	
A-Utility Bond-Based Risk Premium									
1	2012	5.88%	11.09%	28	1988	2.30%	7.51%	10.02%	
2	2013	5.42%	10.63%	27	1990	2.84%	8.05%	9.86%	
3	2011	5.18%	10.39%	26	1987	2.89%	8.10%	9.70%	
4	2005	4.89%	10.10%	25	1994	3.03%	8.24%	9.54%	
5	2010	4.88%	10.09%	24	1999	3.15%	8.36%	9.57%	
6	1998	4.62%	9.83%	23	2000	3.19%	8.40%	9.40%	
7	2004	4.59%	9.80%	22	1991	3.19%	8.40%	9.38%	
8	2009	4.44%	9.65%	21	1989	3.20%	8.41%	9.28%	
9	2003	4.39%	9.60%	20	2001	3.33%	8.54%	9.28%	
10	1986	4.35%	9.56%	19	1992	3.40%	8.61%	9.28%	
Estimated Return on Equity (Midpoint)									
1	-----								10.26%
2	-----								9.99%
3	-----								9.91%
4	-----								9.84%
5	-----								9.81%
6	-----								9.71%
7	-----								9.70%
8	-----								9.67%
9	-----								9.65%
10	-----								9.62%

Source: Schedules MPG-10, MPG-11 and MPG-13
 Note: Differences due to rounding

Autoregression

Notes		
Output Created		03-JUN-2014 15:04:48
Comments		
Input	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	28
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Cases with missing values that successively occur at the beginning or end of the series are skipped. All other cases may not contain any missing value.
Syntax		areg var00001 with var00002 /method=PW.
Resources	Processor Time	00.00 00.00
	Elapsed Time	00.00 00.02
Use	From	First observation
	To	Last observation
Predict	From	First observation following the use period
	To	Last observation
Time Series Settings (TSET)	Amount of Output	PRINT = DEFAULT
	Saving New Variables	NEWVAR = CURRENT
	Maximum Number of Lags in Autocorrelation or Partial Autocorrelation Plots	MXAUTO = 16
	Maximum Number of Lags in Cross-Correlation Plots	MXCROSS = 7
	Maximum Number of New Variables Generated Per Procedure	MXNEWVAR = 60
	Maximum Number of New Cases Per Procedure	MXPREDICT = 1000
	Treatment of User-Missing Values	MISSING = EXCLUDE
	Confidence Interval Percentage Value	CIN = 95
	Tolerance for Entering Variables in Regression Equations	TOLER = .0001
	Maximum Iterative Parameter Change	CONVERGE = .001
	Method of Calculating Std. Errors for Autocorrelations	ACFSE = IND
	Length of Seasonal Period	Unspecified
	Variable Whose Values Label Observations in Plots	Unspecified
	Equations Include	CONSTANT
Variables Created or Modified	FIT#1	Fit for VAR00001 from AREG, MOD_5
	ERR#1	Error for VAR00001 from AREG, MOD_5
	LCL#1	95% LCL for VAR00001 from AREG, MOD_5
	UCL#1	95% UCL for VAR00001 from AREG, MOD_5
	SEP#1	SE of Fit for VAR00001 from AREG, MOD_5

Model Description		
Model Name		MOD_5
Dependent Series		RiskPremium
Independent Series	1	Treasury30Y
Constant		Included
AR		1

Applying the model specifications from MOD_5

Iteration Termination Criteria		
Maximum Parameter Change		.001
Number of Iterations Equal to		10

Analysis Using Mr. Gorman's Equity Risk Premium Data

Case Processing Summary

Series Length	28
Number of Cases Skipped Due to Missing Values At the Beginning of the Series	0
Number of Cases Skipped Due to Missing Values At the End of the Series	0
Number of Cases with Missing Values within the Series	0
Number of Forecasted Cases	0
Number of New Cases Added to the Current Working File	0

Requested Initial Configuration

Rho (AR1)		AUTO
Regression Coefficients	Treasury30Y	AUTO*
Constant		AUTO*

a. The prior parameter value is invalid and is reset to 0.1.

Iteration 0

Autocorrelation Coefficient

Rho (AR1)	Std. Error
0	.004

The Prais-Winsten estimation method is used.

Model Fit Summary

R	R Square	Adjusted R Square	Estimate	Durbin-Watson
.877	.769	.760	.004	1.241

The Prais-Winsten estimation method is used.

ANOVA

	Sum of Squares	df	Mean Square
Regression	.002	1	.002
Residual	.000	26	.000

The Prais-Winsten estimation method is used.

Regression Coefficients

	Unstandardized Coefficients		Coefficients			
	B	Std. Error	Beta	t	Sig.	
Treasury30Y	-.444	.048	-.877	-9.294	.000	
(Constant)	.080	.003		26.887	.000	

The Prais-Winsten estimation method is used.

Iteration History

	Rho (AR1)			
	Value	Std. Error	Durbin-Watson	Mean Squared Errors
0	.115	.199	1.470	.000
1	.118	.199	1.477	.000
2*	.118	.199	1.477	.000

The Prais-Winsten estimation method is used.

a. The estimation terminated at this iteration, because all the parameter estimates changed by less than .001.

Final Iteration 2

Autocorrelation Coefficient

Rho (AR1)	Std. Error
.118	.199

The Prais-Winsten estimation method is used.

Model Fit Summary

R	R Square	Adjusted R Square	Estimate	Durbin-Watson
.856	.734	.712	.004	1.477

The Prais-Winsten estimation method is used.

ANOVA

	Sum of Squares	df	Mean Square
Regression	.001	1	.001
Residual	.000	25	.000

The Prais-Winsten estimation method is used.

Regression Coefficients

	Unstandardized Coefficients		Coefficients			
	B	Std. Error	Beta	t	Sig.	
Treasury30Y	-.447	.054	-.856	-8.296	.000	
(Constant)	.080	.003		23.923	.000	

The Prais-Winsten estimation method is used.

Autoregression

Notes		
Output Created		03-JUN-2014 15:07:12
Comments		
Input	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	28
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Cases with missing values that successively occur at the beginning or end of the series are skipped. All other cases may not contain any missing value.
Syntax		areg var00001 with var00002 /method=PW.
Resources	Processor Time	00.00.00.00
	Elapsed Time	00.00.00.01
Use	From	First observation
	To	Last observation
Predict	From	First observation following the use period
	To	Last observation
Time Series Settings (TSET)	Amount of Output	PRINT = DEFAULT
	Saving New Variables	NEWVAR = CURRENT
	Maximum Number of Lags in Autocorrelation or Partial Autocorrelation Plots	MXAUTO = 16
	Maximum Number of Lags in Cross-Correlation Plots	MXCROSS = 7
	Maximum Number of New Variables Generated Per Procedure	MXNEWVAR = 60
	Maximum Number of New Cases Per Procedure	MXPREDICT = 1000
	Treatment of User-Missing Values	MISSING = EXCLUDE
	Confidence Interval Percentage Value	CIN = 95
	Tolerance for Entering Variables in Regression Equations	TOLER = .0001
	Maximum Iterative Parameter Change	CONVERGE = .001
	Method of Calculating Std. Errors for Autocorrelations	ACFSE = IND
	Length of Seasonal Period	Unspecified
	Variable Whose Values Label Observations in Plots	Unspecified
	Equations Include	CONSTANT
Variables Created or Modified	FIT#1	Fit for VAR00001 from AREG, MOD_6
	ERR#1	Error for VAR00001 from AREG, MOD_6
	LCL#1	95% LCL for VAR00001 from AREG, MOD_6
	UCL#1	95% UCL for VAR00001 from AREG, MOD_6
	SEP#1	SE of Fit for VAR00001 from AREG, MOD_6

Model Description

Model Name		MOD_6
Dependent Series		RiskPremium
Independent Series	1	UtilityABondYield
Constant		Included
AR		1

Applying the model specifications from MOD_6

Iteration Termination Criteria

Maximum Parameter Change		.001
Number of Iterations Equal to		10

Analysis Using Mr. Gorman's Equity Risk Premium Data

Case Processing Summary

Series Length	28
Number of Cases Skipped Due to Missing Values At the Beginning of the Series	0
Number of Cases with Missing Values within the Series	0
Number of Forecasted Cases	0
Number of New Cases Added to the Current Working File	0

Requested Initial Configuration

Rho (AR1)		AUTO
Regression Coefficients	UtilityABondYield	AUTO*
Constant		AUTO*

a. The prior parameter value is invalid and is reset to 0.1.

Iteration 0

Autocorrelation Coefficient

Rho (AR1)	Std. Error
0	.004

The Prais-Winsten estimation method is used.

Model Fit Summary

R	R Square	Adjusted R Square	Estimate	Durbin-Watson
.891	.793	.785	.004	1.252

The Prais-Winsten estimation method is used.

ANOVA

	Sum of Squares	df	Mean Square
Regression	.002	1	.002
Residual	.000	26	.000

The Prais-Winsten estimation method is used.

Regression Coefficients

	Unstandardized Coefficients		Coefficients		t	Sig.
	B	Std. Error	Beta			
UtilityABondYield	-.441	.044		-.891	-9.988	.000
(Constant)	.072	.003			21.480	.000

The Prais-Winsten estimation method is used.

Iteration History

	Rho (AR1)		Durbin-Watson	Mean Squared Errors
	Value	Std. Error		
0	.144	.198	1.521	.000
1	.149	.198	1.531	.000
2 ^a	.150	.198	1.532	.000

The Prais-Winsten estimation method is used.

a. The estimation terminated at this iteration, because all the parameter estimates changed by less than .001.

Final Iteration 2

Autocorrelation Coefficient

Rho (AR1)	Std. Error
.150	.198

The Prais-Winsten estimation method is used.

Model Fit Summary

R	R Square	Adjusted R Square	Estimate	Durbin-Watson
.868	.754	.734	.004	1.532

The Prais-Winsten estimation method is used.

ANOVA

	Sum of Squares	df	Mean Square
Regression	.001	1	.001
Residual	.000	25	.000

The Prais-Winsten estimation method is used.

Regression Coefficients

	Unstandardized Coefficients		Coefficients		t	Sig.
	B	Std. Error	Beta			
UtilityABondYield	-.445	.051		-.868	-8.750	.000
(Constant)	.072	.004			18.747	.000

The Prais-Winsten estimation method is used.

Constant Growth Discounted Cash Flow Model
30 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
American Electric Power Company, Inc.	AEP	\$2.00	\$50.06	3.99%	4.08%	4.30%	4.23%	4.50%	4.34%	8.31%	8.42%	8.58%
Cleco Corporation	CNL	\$1.45	\$49.74	2.92%	3.01%	8.00%	8.00%	4.50%	6.83%	7.48%	9.85%	11.03%
Duke Energy Corporation	DUK	\$3.12	\$70.52	4.42%	4.51%	3.90%	3.92%	4.00%	3.94%	8.41%	8.45%	8.51%
Empire District Electric Company	EDE	\$1.02	\$23.98	4.25%	4.32%	3.00%	3.00%	4.00%	3.33%	7.32%	7.66%	8.34%
Great Plains Energy Inc.	GXP	\$0.92	\$26.49	3.47%	3.57%	5.20%	5.17%	6.00%	5.46%	8.73%	9.02%	9.58%
Hawaiian Electric Industries, Inc.	HE	\$1.24	\$24.77	5.01%	5.12%	6.00%	4.20%	3.50%	4.57%	8.59%	9.69%	11.16%
IDACORP, Inc.	IDA	\$1.72	\$55.09	3.12%	3.17%	4.00%	4.00%	2.00%	3.33%	5.15%	6.51%	7.18%
NextEra Energy, Inc.	NEE	\$2.90	\$94.11	3.08%	3.17%	6.10%	6.48%	4.50%	5.69%	7.65%	8.86%	9.66%
Northeast Utilities	NU	\$1.57	\$44.77	3.51%	3.64%	7.80%	6.28%	8.00%	7.36%	9.90%	11.00%	11.65%
Otter Tail Corporation	OTTR	\$1.21	\$30.39	3.98%	4.19%	NA	6.00%	15.00%	10.50%	10.10%	14.69%	19.28%
Pinnacle West Capital Corporation	PNW	\$2.27	\$54.61	4.16%	4.24%	4.60%	4.13%	4.00%	4.24%	8.24%	8.49%	8.85%
PNM Resources, Inc.	PNM	\$0.74	\$26.78	2.76%	2.89%	7.60%	8.20%	12.00%	9.27%	10.47%	12.16%	14.93%
Portland General Electric Company	POR	\$1.10	\$32.09	3.43%	3.55%	6.60%	10.89%	3.50%	7.00%	6.99%	10.54%	14.50%
Southern Company	SO	\$2.03	\$43.39	4.68%	4.76%	3.70%	3.55%	3.50%	3.58%	8.26%	8.35%	8.47%
Westar Energy, Inc.	WR	\$1.40	\$34.64	4.04%	4.13%	4.30%	2.80%	6.00%	4.37%	6.90%	8.50%	10.16%
PROXY GROUP MEAN				3.79%	3.89%	5.36%	5.39%	5.67%	5.59%	8.17%	9.48%	10.79%
PROXY GROUP MEDIAN				3.98%	4.08%	4.90%	4.23%	4.50%	4.57%	8.26%	8.86%	9.66%

Notes:

[1] Source: Bloomberg Professional Service

[2] Source: Bloomberg Professional Service, equals 30-trading day average as of April 15, 2014

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Source: Zacks

[6] Source: Yahoo! Finance

[7] Source: Value Line

[8] Equals Average([5], [6], [7])

[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model
90 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
American Electric Power Company, Inc.	AEP	\$2.00	\$48.45	4.13%	4.22%	4.30%	4.23%	4.50%	4.34%	8.45%	8.56%	8.72%
Cleco Corporation	CNL	\$1.45	\$48.20	3.01%	3.11%	8.00%	8.00%	4.50%	6.83%	7.58%	9.94%	11.13%
Duke Energy Corporation	DUK	\$3.12	\$69.79	4.47%	4.56%	3.90%	3.92%	4.00%	3.94%	8.46%	8.50%	8.56%
Empire District Electric Company	EDE	\$1.02	\$23.23	4.39%	4.46%	3.00%	3.00%	4.00%	3.33%	7.46%	7.80%	8.48%
Great Plains Energy Inc.	GXP	\$0.92	\$25.25	3.64%	3.74%	5.20%	5.17%	6.00%	5.46%	8.91%	9.20%	9.75%
Hawaiian Electric Industries, Inc.	HE	\$1.24	\$25.45	4.87%	4.98%	6.00%	4.20%	3.50%	4.57%	8.46%	9.55%	11.02%
IDACORP, Inc.	IDA	\$1.72	\$53.48	3.22%	3.27%	4.00%	4.00%	2.00%	3.33%	5.25%	6.60%	7.28%
NextEra Energy, Inc.	NEE	\$2.90	\$89.87	3.23%	3.32%	6.10%	6.48%	4.50%	5.69%	7.80%	9.01%	9.81%
Northeast Utilities	NU	\$1.57	\$43.49	3.61%	3.74%	7.80%	6.28%	8.00%	7.36%	10.00%	11.10%	11.75%
Otter Tail Corporation	OTTR	\$1.21	\$29.45	4.11%	4.32%	NA	6.00%	15.00%	10.50%	10.23%	14.82%	19.42%
Pinnacle West Capital Corporation	PNW	\$2.27	\$53.65	4.23%	4.32%	4.60%	4.13%	4.00%	4.24%	8.32%	8.56%	8.93%
PNM Resources, Inc.	PNM	\$0.74	\$25.19	2.94%	3.07%	7.60%	8.20%	12.00%	9.27%	10.65%	12.34%	15.11%
Portland General Electric Company	POR	\$1.10	\$30.80	3.57%	3.70%	6.60%	10.89%	3.50%	7.00%	7.13%	10.69%	14.66%
Southern Company	SO	\$2.03	\$41.96	4.84%	4.92%	3.70%	3.55%	3.50%	3.58%	8.42%	8.51%	8.63%
Westar Energy, Inc.	WR	\$1.40	\$33.44	4.19%	4.28%	4.30%	2.80%	6.00%	4.37%	7.05%	8.64%	10.31%
PROXY GROUP MEAN				3.90%	4.00%	5.36%	5.39%	5.67%	5.59%	8.28%	9.59%	10.90%
PROXY GROUP MEDIAN				4.11%	4.22%	4.90%	4.23%	4.50%	4.57%	8.42%	9.01%	9.81%

Notes:

[1] Source: Bloomberg Professional Service

[2] Source: Bloomberg Professional Service, equals 90-trading day average as of April 15, 2014

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Source: Zacks

[6] Source: Yahoo! Finance

[7] Source: Value Line

[8] Equals Average([5], [6], [7])

[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model
180 Day Average Stock Price

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
American Electric Power Company, Inc.	AEP	\$2.00	\$46.69	4.28%	4.38%	4.30%	4.23%	4.50%	4.34%	8.60%	8.72%	8.88%
Cleco Corporation	CNL	\$1.45	\$47.08	3.08%	3.19%	8.00%	8.00%	4.50%	6.83%	7.65%	10.02%	11.20%
Duke Energy Corporation	DUK	\$3.12	\$69.39	4.50%	4.58%	3.90%	3.92%	4.00%	3.94%	8.48%	8.52%	8.59%
Empire District Electric Company	EDE	\$1.02	\$22.71	4.49%	4.57%	3.00%	3.00%	4.00%	3.33%	7.56%	7.90%	8.58%
Great Plains Energy Inc.	GXP	\$0.92	\$24.16	3.81%	3.91%	5.20%	5.17%	6.00%	5.46%	9.08%	9.37%	9.92%
Hawaiian Electric Industries, Inc.	HE	\$1.24	\$25.58	4.85%	4.96%	6.00%	4.20%	3.50%	4.57%	8.43%	9.52%	10.99%
IDACORP, Inc.	IDA	\$1.72	\$51.73	3.32%	3.38%	4.00%	4.00%	2.00%	3.33%	5.36%	6.71%	7.39%
NextEra Energy, Inc.	NEE	\$2.90	\$86.64	3.35%	3.44%	6.10%	6.48%	4.50%	5.69%	7.92%	9.14%	9.94%
Northeast Utilities	NU	\$1.57	\$42.73	3.67%	3.81%	7.80%	6.28%	8.00%	7.36%	10.07%	11.17%	11.82%
Otter Tail Corporation	OTTR	\$1.21	\$29.04	4.17%	4.39%	NA	6.00%	15.00%	10.50%	10.29%	14.89%	19.48%
Pinnacle West Capital Corporation	PNW	\$2.27	\$54.52	4.16%	4.25%	4.60%	4.13%	4.00%	4.24%	8.25%	8.50%	8.86%
PNM Resources, Inc.	PNM	\$0.74	\$24.08	3.07%	3.22%	7.60%	8.20%	12.00%	9.27%	10.79%	12.48%	15.26%
Portland General Electric Company	POR	\$1.10	\$29.98	3.67%	3.80%	6.60%	10.89%	3.50%	7.00%	7.23%	10.79%	14.76%
Southern Company	SO	\$2.03	\$41.92	4.84%	4.93%	3.70%	3.55%	3.50%	3.58%	8.43%	8.51%	8.63%
Westar Energy, Inc.	WR	\$1.40	\$32.49	4.31%	4.40%	4.30%	2.80%	6.00%	4.37%	7.17%	8.77%	10.44%
PROXY GROUP MEAN				3.97%	4.08%	5.36%	5.39%	5.67%	5.59%	8.35%	9.67%	10.98%
PROXY GROUP MEDIAN				4.16%	4.25%	4.90%	4.23%	4.50%	4.57%	8.43%	9.14%	9.94%

Notes:

- [1] Source: Bloomberg Professional Service
- [2] Source: Bloomberg Professional Service, equals 180-trading day average as of April 15, 2014
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [8])
- [5] Source: Zacks
- [6] Source: Yahoo! Finance
- [7] Source: Value Line
- [8] Equals Average([5], [6], [7])
- [9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Mkt-Stage Growth Discounted Cash Flow Model
 30 Day Average Stock Price
 High EPS Growth Rate Estimate in First Stage

Inputs	Stock	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
		Price	Zacks	First Cal	Value	High	Long-Term	Growth	2013	2017	2024	Iterative	IRR	PIE Ratio	Terminal
Company	Ticker	Price	Zacks	First Cal	Value	High	Long-Term	Growth	2013	2017	2024	Proof	IRR	PIE Ratio	Terminal
American Electric Power Company, Inc.	AEP	\$50.06	4.30%	4.23%	4.56%	4.50%	5.70%	64.00%	63.00%	67.05%	(50.00)	9.99%	15.53	2.90	
Cleco Corporation	CNL	\$49.74	8.00%	8.00%	4.50%	8.00%	5.70%	54.00%	57.00%	67.05%	(50.00)	10.61%	14.46	2.54	
Duke Energy Corporation	DUK	\$70.52	3.90%	3.92%	4.00%	4.00%	5.70%	76.00%	63.00%	67.05%	(50.00)	9.35%	19.28	3.38	
Empire District Electric Company	EDE	\$23.98	3.00%	3.00%	4.00%	4.00%	5.70%	68.00%	64.00%	67.05%	(50.00)	9.54%	18.47	3.24	
Great Plains Energy Inc.	GXP	\$26.49	5.20%	5.17%	6.00%	6.00%	5.70%	55.00%	66.00%	67.05%	(50.00)	9.80%	17.31	3.03	
Hawaiian Electric Industries, Inc.	HE	\$24.77	6.00%	4.26%	3.50%	6.00%	5.70%	78.00%	74.00%	67.05%	(50.00)	11.44%	12.35	2.17	
IDACORP, Inc.	IDA	\$55.09	4.00%	4.00%	2.00%	4.00%	5.70%	45.00%	61.00%	67.05%	(50.00)	9.86%	17.07	2.99	
NextEra Energy, Inc.	NEE	\$94.11	6.10%	6.48%	4.50%	6.48%	5.70%	54.00%	59.00%	67.05%	(50.00)	9.85%	17.00	3.14	
Northeast Utilities	NU	\$44.77	7.60%	6.26%	8.00%	8.00%	5.70%	59.00%	58.00%	67.05%	(50.00)	9.57%	18.36	3.22	
Oter Tail Corporation	OTTR	\$30.39	NA	6.00%	15.00%	15.00%	5.70%	87.00%	59.00%	67.05%	(50.00)	10.92%	13.59	2.38	
Pinnacle West Capital Corporation	PNW	\$54.61	4.60%	4.13%	4.00%	4.60%	5.70%	62.00%	64.00%	67.05%	(50.00)	10.36%	15.21	2.67	
PNM Resources, Inc.	PNM	\$28.78	7.60%	8.26%	12.00%	12.00%	5.70%	50.00%	51.00%	67.05%	(50.00)	11.39%	12.47	2.19	
Portland General Electric Company	POR	\$32.09	6.60%	10.89%	3.50%	10.89%	5.70%	66.00%	56.00%	67.05%	(50.00)	12.12%	11.05	1.94	
Southern Company	SO	\$43.39	3.70%	3.55%	3.50%	3.70%	5.70%	75.00%	72.00%	67.05%	(50.00)	10.03%	16.38	2.87	
Westar Energy, Inc.	WR	\$34.64	4.30%	2.80%	6.00%	6.00%	5.70%	55.00%	60.00%	67.05%	(50.00)	10.61%	14.46	2.53	

DCF Result	
Mean	10.35%
Max	12.12%
Min	9.35%

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	\$2.93	\$3.11	\$3.25	\$3.40	\$3.55	\$3.71	\$3.88	\$4.06	\$4.26	\$4.48	\$4.72	\$4.98	\$5.26	\$5.56	\$5.88	\$6.21	\$6.57
Cleco Corporation	CNL	\$2.70	\$2.92	\$3.15	\$3.40	\$3.67	\$3.97	\$4.28	\$4.61	\$4.94	\$5.28	\$5.63	\$5.97	\$6.31	\$6.67	\$7.05	\$7.45	\$7.88
Duke Energy Corporation	DUK	\$3.71	\$3.86	\$4.01	\$4.17	\$4.34	\$4.51	\$4.69	\$4.90	\$5.12	\$5.37	\$5.64	\$5.95	\$6.29	\$6.65	\$7.03	\$7.43	\$7.85
Empire District Electric Company	EDE	\$1.32	\$1.37	\$1.43	\$1.48	\$1.54	\$1.61	\$1.67	\$1.74	\$1.82	\$1.91	\$2.01	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79
Great Plains Energy Inc.	GXP	\$1.35	\$1.43	\$1.52	\$1.61	\$1.70	\$1.81	\$1.92	\$2.03	\$2.15	\$2.27	\$2.41	\$2.54	\$2.69	\$2.84	\$3.01	\$3.18	\$3.36
Hawaiian Electric Industries, Inc.	HE	\$1.69	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25	\$2.38	\$2.52	\$2.67	\$2.83	\$2.99	\$3.17	\$3.35	\$3.54	\$3.74	\$3.95	\$4.18
IDACORP, Inc.	IDA	\$3.37	\$3.50	\$3.64	\$3.79	\$3.94	\$4.10	\$4.26	\$4.45	\$4.65	\$4.88	\$5.13	\$5.40	\$5.71	\$6.04	\$6.38	\$6.75	\$7.13
NextEra Energy, Inc.	NEE	\$4.56	\$4.86	\$5.17	\$5.51	\$5.88	\$6.24	\$6.65	\$7.07	\$7.51	\$7.97	\$8.44	\$8.93	\$9.44	\$9.98	\$10.55	\$11.15	\$11.79
Northeast Utilities	NU	\$1.89	\$2.04	\$2.20	\$2.38	\$2.57	\$2.78	\$3.00	\$3.23	\$3.46	\$3.70	\$3.94	\$4.18	\$4.42	\$4.67	\$4.93	\$5.22	\$5.51
Oter Tail Corporation	OTTR	\$1.05	\$1.21	\$1.39	\$1.60	\$1.84	\$2.11	\$2.43	\$2.76	\$3.13	\$3.40	\$3.70	\$3.97	\$4.20	\$4.44	\$4.69	\$4.96	\$5.24
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.66	\$3.83	\$4.01	\$4.19	\$4.38	\$4.58	\$4.80	\$5.04	\$5.30	\$5.58	\$5.89	\$6.23	\$6.59	\$6.98	\$7.38	\$7.78
PNM Resources, Inc.	PNM	\$1.31	\$1.47	\$1.64	\$1.84	\$2.05	\$2.31	\$2.59	\$2.87	\$3.15	\$3.43	\$3.70	\$3.95	\$4.18	\$4.41	\$4.66	\$4.93	\$5.21
Portland General Electric Company	POR	\$1.87	\$2.07	\$2.30	\$2.55	\$2.83	\$3.14	\$3.48	\$3.83	\$4.18	\$4.52	\$4.86	\$5.18	\$5.47	\$5.79	\$6.12	\$6.46	\$6.83
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.98	\$3.09	\$3.20	\$3.32	\$3.45	\$3.61	\$3.77	\$3.96	\$4.18	\$4.42	\$4.67	\$4.93	\$5.22	\$5.51
Westar Energy, Inc.	WR	\$2.15	\$2.28	\$2.42	\$2.56	\$2.71	\$2.88	\$3.05	\$3.23	\$3.42	\$3.62	\$3.83	\$4.05	\$4.28	\$4.53	\$4.78	\$5.05	\$5.35

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	64.00%	63.75%	63.50%	63.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Cleco Corporation	CNL	54.00%	64.75%	65.50%	66.25%	67.00%	68.44%	69.87%	71.31%	62.74%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	76.00%	72.75%	69.50%	66.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Empire District Electric Company	EDE	68.00%	67.00%	66.00%	65.00%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Great Plains Energy Inc.	GXP	55.00%	57.75%	60.50%	63.25%	66.00%	66.15%	66.30%	66.45%	66.60%	66.75%	66.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Hawaiian Electric Industries, Inc.	HE	78.00%	77.00%	76.00%	75.00%	74.00%	73.01%	72.01%	71.02%	70.03%	69.03%	68.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	45.00%	49.00%	53.00%	57.00%	61.00%	61.86%	62.73%	63.59%	64.45%	65.32%	66.18%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	54.00%	55.25%	56.50%	57.75%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Northeast Utilities	NU	58.00%	58.75%	59.50%	60.25%	61.00%	59.29%	60.56%	61.83%	63.10%	64.38%	65.65%	67.05%	67.05%	67.05%	67.05%	67.05%
Oter Tail Corporation	OTTR	87.00%	80.00%	73.00%	66.00%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Pinnacle West Capital Corporation	PNW	62.00%	62.50%	63.00%	63.50%	64.00%	64.51%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
PNM Resources, Inc.	PNM	50.00%	50.25%	50.50%	50.75%	51.00%	53.29%	55.58%	57.83%	60.17%	62.46%	64.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	66.00%	63.50%	61.00%	58.50%	56.00%	57.58%	59.16%	60.73%	62.31%	63.89%	65.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Southern Company	SO	75.00%	74.25%	73.50%	72.75%	72.00%	71.29%	70.58%	69.88%	69.17%	68.46%	67.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Westar Energy, Inc.	WR	55.00%	56.25%	57.50%	58.75%	60.00%	61.01%	62.01%	63.02%	64.03%	65.03%	66.04%	67.05%	67.05%	67.05%	67.05%	67.05%

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2028	Terminal Value
American Electric Power Company, Inc.	AEP	\$1.99	\$2.07	\$2.16	\$2.25	\$2.34	\$2.47	\$2.61	\$2.76	\$2.93	\$3.11	\$3.31	\$3.53	\$3.73	\$3.94	\$4.17	\$4.40	\$103.59	
Cleco Corporation	CNL	\$1.57	\$1.72	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.31	\$3.61	\$3.92	\$4.23	\$4.47	\$4.73	\$5.00	\$5.28	\$113.89	
Duke Energy Corporation	DUK	\$2.93	\$2.92	\$2.90	\$2.88	\$2.84	\$2.98	\$3.14	\$3.31	\$3.51	\$3.72	\$3.95	\$4.22	\$4.46	\$4.71	\$4.98	\$5.26	\$151.34	
Empire District Electric Company	EDE	\$0.93	\$0.96	\$0.98	\$1.00	\$1.03	\$1.08	\$1.13	\$1.19	\$1.26	\$1.33	\$1.41	\$1.50	\$1.59	\$1.68	\$1.77	\$1.87	\$51.60	
Great Plains Energy Inc.	GXP	\$0.79	\$0.83	\$0.87	\$0.91	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.33	\$1.41	\$1.50	\$1.60	\$1.70	\$1.81	\$22.25	
Hawaiian Electric Industries, Inc.	HE	\$1.39	\$1.45	\$1.52	\$1.59	\$1.66	\$1.74	\$1.82	\$1.90	\$1.98	\$2.07	\$2.15	\$2.24	\$2.37	\$2.51	\$2.65	\$2.80	\$51.63	
IDACORP, Inc.	IDA	\$1.58	\$1.79	\$2.01	\$2.25	\$2.50	\$2.84	\$3.29	\$3.84	\$4.39	\$4.94	\$5.49	\$6.04	\$6.59	\$7.14	\$7.69	\$8.24	\$121.72	
NextEra Energy, Inc.	NEE	\$2.62	\$2.86	\$3.11	\$3.39	\$3.68	\$4.00	\$4.33	\$4.69	\$5.07	\$5.46	\$5.89	\$6.33	\$6.79	\$7.27	\$7.77	\$8.29	\$211.01	
Northeast Utilities	NU	\$1.20	\$1.30	\$1.39	\$1.50	\$1.61	\$1.78	\$1.96	\$2.14	\$2.34	\$2.54	\$2.75	\$2.95	\$3.13	\$3.31	\$3.50	\$3.70	\$101.19	
Oter Tail Corporation	OTTR	\$1.05	\$1.11	\$1.17	\$1.21	\$1.26	\$1.46	\$1.69	\$1.93	\$2.16	\$2.40	\$2.62	\$2.81	\$2.97	\$3.14	\$3.32	\$3.51	\$71.22	
Pinnacle West Capital Corporation	PNW	\$2.27	\$2.39	\$2.52	\$2.66	\$2.80	\$2.95	\$3.12	\$3.29	\$3.49	\$3.70	\$3.93	\$4.18	\$4.41	\$4.67	\$4.93	\$5.21	\$118.29	
PNM Resources, Inc.	PNM	\$0																	

Index	EPS Growth Rate Estimates										EPS Growth Rate Estimate in First Stage	Low EPS Growth Rate Estimate in First Stage	30 Day Average Stock Price	Multi-Stage Growth Discounted Cash Flow Model	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
Company	AFEP	\$50.0%	4.30%	4.23%	4.50%	5.70%	64.00%	63.00%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%
American Electric Power Company, Inc.	AFEP	\$2.98	\$3.24	\$3.37	\$3.62	\$3.82	\$3.99	\$4.18	\$4.37	\$4.54	\$4.71	\$4.87	\$5.04	\$5.20	\$5.36
Cleco Corporation	CN	\$2.70	\$2.82	\$2.95	\$3.08	\$3.22	\$3.36	\$3.50	\$3.64	\$3.77	\$3.91	\$4.04	\$4.17	\$4.31	\$4.44
Duke Energy Corporation	DUK	\$3.71	\$3.85	\$4.01	\$4.16	\$4.32	\$4.47	\$4.63	\$4.78	\$4.94	\$5.09	\$5.24	\$5.39	\$5.54	\$5.69
Empire District Electric Company	EDF	\$1.32	\$1.35	\$1.38	\$1.41	\$1.44	\$1.47	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65	\$1.68	\$1.71
Great Plains Energy Inc.	HE	\$1.42	\$1.45	\$1.48	\$1.51	\$1.54	\$1.57	\$1.60	\$1.63	\$1.66	\$1.69	\$1.72	\$1.75	\$1.78	\$1.81
Midwest Energy, Inc.	NEE	\$4.56	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29
NextEra Utilities	NU	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13
NextEra Energy, Inc.	NEE	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29	\$7.50
OTTR	OTTR	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39
Portland General Electric Corporation	PMW	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61
Portland Resources, Inc.	PRM	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78
Portland General Electric Company	POR	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87
Southern Company	SO	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67
Westar Energy, Inc.	WR	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
Company	AFEP	\$50.0%	4.30%	4.23%	4.50%	5.70%	64.00%	63.00%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%
American Electric Power Company, Inc.	AFEP	\$2.98	\$3.24	\$3.37	\$3.62	\$3.82	\$3.99	\$4.18	\$4.37	\$4.54	\$4.71	\$4.87	\$5.04	\$5.20	\$5.36
Cleco Corporation	CN	\$2.70	\$2.82	\$2.95	\$3.08	\$3.22	\$3.36	\$3.50	\$3.64	\$3.77	\$3.91	\$4.04	\$4.17	\$4.31	\$4.44
Duke Energy Corporation	DUK	\$3.71	\$3.85	\$4.01	\$4.16	\$4.32	\$4.47	\$4.63	\$4.78	\$4.94	\$5.09	\$5.24	\$5.39	\$5.54	\$5.69
Empire District Electric Company	EDF	\$1.32	\$1.35	\$1.38	\$1.41	\$1.44	\$1.47	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65	\$1.68	\$1.71
Great Plains Energy Inc.	HE	\$1.42	\$1.45	\$1.48	\$1.51	\$1.54	\$1.57	\$1.60	\$1.63	\$1.66	\$1.69	\$1.72	\$1.75	\$1.78	\$1.81
Midwest Energy, Inc.	NEE	\$4.56	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29
NextEra Utilities	NU	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13
NextEra Energy, Inc.	NEE	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29	\$7.50
OTTR	OTTR	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39
Portland General Electric Corporation	PMW	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61
Portland Resources, Inc.	PRM	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78
Portland General Electric Company	POR	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87
Southern Company	SO	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67
Westar Energy, Inc.	WR	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
Company	AFEP	\$50.0%	4.30%	4.23%	4.50%	5.70%	64.00%	63.00%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%
American Electric Power Company, Inc.	AFEP	\$2.98	\$3.24	\$3.37	\$3.62	\$3.82	\$3.99	\$4.18	\$4.37	\$4.54	\$4.71	\$4.87	\$5.04	\$5.20	\$5.36
Cleco Corporation	CN	\$2.70	\$2.82	\$2.95	\$3.08	\$3.22	\$3.36	\$3.50	\$3.64	\$3.77	\$3.91	\$4.04	\$4.17	\$4.31	\$4.44
Duke Energy Corporation	DUK	\$3.71	\$3.85	\$4.01	\$4.16	\$4.32	\$4.47	\$4.63	\$4.78	\$4.94	\$5.09	\$5.24	\$5.39	\$5.54	\$5.69
Empire District Electric Company	EDF	\$1.32	\$1.35	\$1.38	\$1.41	\$1.44	\$1.47	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65	\$1.68	\$1.71
Great Plains Energy Inc.	HE	\$1.42	\$1.45	\$1.48	\$1.51	\$1.54	\$1.57	\$1.60	\$1.63	\$1.66	\$1.69	\$1.72	\$1.75	\$1.78	\$1.81
Midwest Energy, Inc.	NEE	\$4.56	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29
NextEra Utilities	NU	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13
NextEra Energy, Inc.	NEE	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29	\$7.50
OTTR	OTTR	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39
Portland General Electric Corporation	PMW	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61
Portland Resources, Inc.	PRM	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78
Portland General Electric Company	POR	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87
Southern Company	SO	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67
Westar Energy, Inc.	WR	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
Company	AFEP	\$50.0%	4.30%	4.23%	4.50%	5.70%	64.00%	63.00%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%
American Electric Power Company, Inc.	AFEP	\$2.98	\$3.24	\$3.37	\$3.62	\$3.82	\$3.99	\$4.18	\$4.37	\$4.54	\$4.71	\$4.87	\$5.04	\$5.20	\$5.36
Cleco Corporation	CN	\$2.70	\$2.82	\$2.95	\$3.08	\$3.22	\$3.36	\$3.50	\$3.64	\$3.77	\$3.91	\$4.04	\$4.17	\$4.31	\$4.44
Duke Energy Corporation	DUK	\$3.71	\$3.85	\$4.01	\$4.16	\$4.32	\$4.47	\$4.63	\$4.78	\$4.94	\$5.09	\$5.24	\$5.39	\$5.54	\$5.69
Empire District Electric Company	EDF	\$1.32	\$1.35	\$1.38	\$1.41	\$1.44	\$1.47	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65	\$1.68	\$1.71
Great Plains Energy Inc.	HE	\$1.42	\$1.45	\$1.48	\$1.51	\$1.54	\$1.57	\$1.60	\$1.63	\$1.66	\$1.69	\$1.72	\$1.75	\$1.78	\$1.81
Midwest Energy, Inc.	NEE	\$4.56	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29
NextEra Utilities	NU	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13	\$2.13
NextEra Energy, Inc.	NEE	\$4.77	\$4.98	\$5.19	\$5.40	\$5.61	\$5.82	\$6.03	\$6.24	\$6.45	\$6.66	\$6.87	\$7.08	\$7.29	\$7.50
OTTR	OTTR	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39
Portland General Electric Corporation	PMW	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61	\$5.61
Portland Resources, Inc.	PRM	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78
Portland General Electric Company	POR	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87
Southern Company	SO	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67
Westar Energy, Inc.	WR	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15

Mean 9.55%
Max 10.47%
Min 4.46

DCF Result
18.29
16.63
15.51
14.87
14.21
13.55

Company	Ticker	EPS Growth Rate Estimates										P/E Ratio	Market Cap	Dividend Yield	Beta	50 Day Average Stock Price	Average EPS Growth Rate Estimate in Full Stage	
		11	12	13	14	15	16	17	18	19	20							
American Electric Power Company, Inc.	AEP	4.5%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.6%	3.5%	3.4%	3.3%	3.2%	3.1%	3.0%	3.0%	3.0%
Cleco Corporation	CN	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Duke Energy Corporation	DUK	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Empire District Electric Company	ED	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Great Plains Energy Inc.	GP	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Heavens Electric Industries, Inc.	HE	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
MidCon Energy, Inc.	DA	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Northstar Utilities	NU	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Old Tail Corporation	OTTR	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Portland General Electric Corporation	PGEM	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Prisma Health	PRM	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Portland General Electric Company	POR	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Southern Company	SO	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Westar Energy, Inc.	WR	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Mid-Stage Growth Discounted Cash Flow Model
 90 Day Average Stock Price
 Average EPS Growth Rate Estimate in Full Stage

Company	Ticker	EPS Growth Rate	P/E Ratio	Market Cap	Dividend Yield	Beta	50 Day Average Stock Price	Average EPS Growth Rate Estimate in Full Stage
American Electric Power Company, Inc.	AEP	4.5%	10.0%	16.5B	2.6%	1.05	32.50	3.0%
Cleco Corporation	CN	3.1%	10.8%	19.1B	3.5%	1.04	33.00	3.0%
Duke Energy Corporation	DUK	2.2%	13.8%	2.4B	2.4%	0.90	44.91	2.7%
Empire District Electric Company	ED	3.2%	10.7%	15.3B	2.6%	1.03	33.75	3.0%
Great Plains Energy Inc.	GP	5.2%	10.4%	13.8B	2.4%	1.05	32.50	3.0%
Heavens Electric Industries, Inc.	HE	2.5%	10.1%	15.9B	2.8%	1.02	32.50	3.0%
MidCon Energy, Inc.	DA	3.5%	10.2%	15.7B	2.7%	1.03	32.50	3.0%
Northstar Utilities	NU	4.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Old Tail Corporation	OTTR	2.5%	10.7%	16.8B	2.8%	1.03	32.50	3.0%
Portland General Electric Corporation	PGEM	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Prisma Health	PRM	2.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Portland General Electric Company	POR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Southern Company	SO	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Westar Energy, Inc.	WR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%

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Northstar Utilities	NU	4.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Old Tail Corporation	OTTR	2.5%	10.7%	16.8B	2.8%	1.03	32.50	3.0%
Portland General Electric Corporation	PGEM	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Prisma Health	PRM	2.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Portland General Electric Company	POR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Southern Company	SO	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Westar Energy, Inc.	WR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%

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Heavens Electric Industries, Inc.	HE	2.5%	10.1%	15.9B	2.8%	1.02	32.50	3.0%
MidCon Energy, Inc.	DA	3.5%	10.2%	15.7B	2.7%	1.03	32.50	3.0%
Northstar Utilities	NU	4.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Old Tail Corporation	OTTR	2.5%	10.7%	16.8B	2.8%	1.03	32.50	3.0%
Portland General Electric Corporation	PGEM	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Prisma Health	PRM	2.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Portland General Electric Company	POR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Southern Company	SO	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Westar Energy, Inc.	WR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%

Company	Ticker	EPS Growth Rate	P/E Ratio	Market Cap	Dividend Yield	Beta	50 Day Average Stock Price	Average EPS Growth Rate Estimate in Full Stage
American Electric Power Company, Inc.	AEP	4.5%	10.0%	16.5B	2.6%	1.05	32.50	3.0%
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Great Plains Energy Inc.	GP	5.2%	10.4%	13.8B	2.4%	1.05	32.50	3.0%
Heavens Electric Industries, Inc.	HE	2.5%	10.1%	15.9B	2.8%	1.02	32.50	3.0%
MidCon Energy, Inc.	DA	3.5%	10.2%	15.7B	2.7%	1.03	32.50	3.0%
Northstar Utilities	NU	4.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Old Tail Corporation	OTTR	2.5%	10.7%	16.8B	2.8%	1.03	32.50	3.0%
Portland General Electric Corporation	PGEM	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Prisma Health	PRM	2.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Portland General Electric Company	POR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Southern Company	SO	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%
Westar Energy, Inc.	WR	3.5%	10.3%	15.3B	2.6%	1.03	33.75	3.0%

Ticker	Company	High EPS Growth Rate Estimate										50 Day Average Stock Price										High EPS Growth Rate Estimate at First Stage																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
AEP	American Electric Power Company, Inc.	\$2.59	\$3.11	\$3.40	\$3.71	\$3.97	\$4.28	\$4.61	\$4.96	\$5.34	\$5.74	\$6.16	\$6.60	\$7.07	\$7.57	\$8.10	\$8.66	\$9.25	\$9.87	\$10.52	\$11.20	\$11.91	\$12.65	\$13.43	\$14.24	\$15.08	\$15.95	\$16.85	\$17.78	\$18.74	\$19.73	\$20.75	\$21.80	\$22.88	\$23.99	\$25.13	\$26.30	\$27.50	\$28.73	\$29.99	\$31.28	\$32.60	\$33.95	\$35.33	\$36.74	\$38.18	\$39.65	\$41.15	\$42.68	\$44.24	\$45.83	\$47.45	\$49.10	\$50.78	\$52.49	\$54.23	\$56.00	\$57.80	\$59.63	\$61.49	\$63.38	\$65.30	\$67.25	\$69.23	\$71.24	\$73.28	\$75.35	\$77.45	\$79.58	\$81.74	\$83.93	\$86.15	\$88.40	\$90.68	\$93.00	\$95.35	\$97.73	\$100.14	\$102.58	\$105.05	\$107.55	\$110.08	\$112.64	\$115.23	\$117.85	\$120.50	\$123.18	\$125.89	\$128.63	\$131.40	\$134.20	\$137.03	\$139.89	\$142.78	\$145.70	\$148.65	\$151.63	\$154.64	\$157.68	\$160.75	\$163.85	\$166.98	\$170.14	\$173.33	\$176.55	\$179.80	\$183.08	\$186.39	\$189.73	\$193.10	\$196.50	\$200.00	\$203.50	\$207.00	\$210.50	\$214.00	\$217.50	\$221.00	\$224.50	\$228.00	\$231.50	\$235.00	\$238.50	\$242.00	\$245.50	\$249.00	\$252.50	\$256.00	\$259.50	\$263.00	\$266.50	\$270.00	\$273.50	\$277.00	\$280.50	\$284.00	\$287.50	\$291.00	\$294.50	\$298.00	\$301.50	\$305.00	\$308.50	\$312.00	\$315.50	\$319.00	\$322.50	\$326.00	\$329.50	\$333.00	\$336.50	\$340.00	\$343.50	\$347.00	\$350.50	\$354.00	\$357.50	\$361.00	\$364.50	\$368.00	\$371.50	\$375.00	\$378.50	\$382.00	\$385.50	\$389.00	\$392.50	\$396.00	\$400.00	\$403.50	\$407.00	\$410.50	\$414.00	\$417.50	\$421.00	\$424.50	\$428.00	\$431.50	\$435.00	\$438.50	\$442.00	\$445.50	\$449.00	\$452.50	\$456.00	\$459.50	\$463.00	\$466.50	\$470.00	\$473.50	\$477.00	\$480.50	\$484.00	\$487.50	\$491.00	\$494.50	\$498.00	\$501.50	\$505.00	\$508.50	\$512.00	\$515.50	\$519.00	\$522.50	\$526.00	\$529.50	\$533.00	\$536.50	\$540.00	\$543.50	\$547.00	\$550.50	\$554.00	\$557.50	\$561.00	\$564.50	\$568.00	\$571.50	\$575.00	\$578.50	\$582.00	\$585.50	\$589.00	\$592.50	\$596.00	\$600.00	\$603.50	\$607.00	\$610.50	\$614.00	\$617.50	\$621.00	\$624.50	\$628.00	\$631.50	\$635.00	\$638.50	\$642.00	\$645.50	\$649.00	\$652.50	\$656.00	\$659.50	\$663.00	\$666.50	\$670.00	\$673.50	\$677.00	\$680.50	\$684.00	\$687.50	\$691.00	\$694.50	\$698.00	\$701.50	\$705.00	\$708.50	\$712.00	\$715.50	\$719.00	\$722.50	\$726.00	\$729.50	\$733.00	\$736.50	\$740.00	\$743.50	\$747.00	\$750.50	\$754.00	\$757.50	\$761.00	\$764.50	\$768.00	\$771.50	\$775.00	\$778.50	\$782.00	\$785.50	\$789.00	\$792.50	\$796.00	\$800.00	\$803.50	\$807.00	\$810.50	\$814.00	\$817.50	\$821.00	\$824.50	\$828.00	\$831.50	\$835.00	\$838.50	\$842.00	\$845.50	\$849.00	\$852.50	\$856.00	\$859.50	\$863.00	\$866.50	\$870.00	\$873.50	\$877.00	\$880.50	\$884.00	\$887.50	\$891.00	\$894.50	\$898.00	\$901.50	\$905.00	\$908.50	\$912.00	\$915.50	\$919.00	\$922.50	\$926.00	\$929.50	\$933.00	\$936.50	\$940.00	\$943.50	\$947.00	\$950.50	\$954.00	\$957.50	\$961.00	\$964.50	\$968.00	\$971.50	\$975.00	\$978.50	\$982.00	\$985.50	\$989.00	\$992.50	\$996.00	\$1000.00	\$1003.50	\$1007.00	\$1010.50	\$1014.00	\$1017.50	\$1021.00	\$1024.50	\$1028.00	\$1031.50	\$1035.00	\$1038.50	\$1042.00	\$1045.50	\$1049.00	\$1052.50	\$1056.00	\$1059.50	\$1063.00	\$1066.50	\$1070.00	\$1073.50	\$1077.00	\$1080.50	\$1084.00	\$1087.50	\$1091.00	\$1094.50	\$1098.00	\$1101.50	\$1105.00	\$1108.50	\$1112.00	\$1115.50	\$1119.00	\$1122.50	\$1126.00	\$1129.50	\$1133.00	\$1136.50	\$1140.00	\$1143.50	\$1147.00	\$1150.50	\$1154.00	\$1157.50	\$1161.00	\$1164.50	\$1168.00	\$1171.50	\$1175.00	\$1178.50	\$1182.00	\$1185.50	\$1189.00	\$1192.50	\$1196.00	\$1199.50	\$1203.00	\$1206.50	\$1210.00	\$1213.50	\$1217.00	\$1220.50	\$1224.00	\$1227.50	\$1231.00	\$1234.50	\$1238.00	\$1241.50	\$1245.00	\$1248.50	\$1252.00	\$1255.50	\$1259.00	\$1262.50	\$1266.00	\$1269.50	\$1273.00	\$1276.50	\$1280.00	\$1283.50	\$1287.00	\$1290.50	\$1294.00	\$1297.50	\$1301.00	\$1304.50	\$1308.00	\$1311.50	\$1315.00	\$1318.50	\$1322.00	\$1325.50	\$1329.00	\$1332.50	\$1336.00	\$1339.50	\$1343.00	\$1346.50	\$1350.00	\$1353.50	\$1357.00	\$1360.50	\$1364.00	\$1367.50	\$1371.00	\$1374.50	\$1378.00	\$1381.50	\$1385.00	\$1388.50	\$1392.00	\$1395.50	\$1399.00	\$1402.50	\$1406.00	\$1409.50	\$1413.00	\$1416.50	\$1420.00	\$1423.50	\$1427.00	\$1430.50	\$1434.00	\$1437.50	\$1441.00	\$1444.50	\$1448.00	\$1451.50	\$1455.00	\$1458.50	\$1462.00	\$1465.50	\$1469.00	\$1472.50	\$1476.00	\$1479.50	\$1483.00	\$1486.50	\$1490.00	\$1493.50	\$1497.00	\$1500.50	\$1504.00	\$1507.50	\$1511.00	\$1514.50	\$1518.00	\$1521.50	\$1525.00	\$1528.50	\$1532.00	\$1535.50	\$1539.00	\$1542.50	\$1546.00	\$1549.50	\$1553.00	\$1556.50	\$1560.00	\$1563.50	\$1567.00	\$1570.50	\$1574.00	\$1577.50	\$1581.00	\$1584.50	\$1588.00	\$1591.50	\$1595.00	\$1598.50	\$1602.00	\$1605.50	\$1609.00	\$1612.50	\$1616.00	\$1619.50	\$1623.00	\$1626.50	\$1630.00	\$1633.50	\$1637.00	\$1640.50	\$1644.00	\$1647.50	\$1651.00	\$1654.50	\$1658.00	\$1661.50	\$1665.00	\$1668.50	\$1672.00	\$1675.50	\$1679.00	\$1682.50	\$1686.00	\$1689.50	\$1693.00	\$1696.50	\$1700.00	\$1703.50	\$1707.00	\$1710.50	\$1714.00	\$1717.50	\$1721.00	\$1724.50	\$1728.00	\$1731.50	\$1735.00	\$1738.50	\$1742.00	\$1745.50	\$1749.00	\$1752.50	\$1756.00	\$1759.50	\$1763.00	\$1766.50	\$1770.00	\$1773.50	\$1777.00	\$1780.50	\$1784.00	\$1787.50	\$1791.00	\$1794.50	\$1798.00	\$1801.50	\$1805.00	\$1808.50	\$1812.00	\$1815.50	\$1819.00	\$1822.50	\$1826.00	\$1829.50	\$1833.00	\$1836.50	\$1840.00	\$1843.50	\$1847.00	\$1850.50	\$1854.00	\$1857.50	\$1861.00	\$1864.50	\$1868.00	\$1871.50	\$1875.00	\$1878.50	\$1882.00	\$1885.50	\$1889.00	\$1892.50	\$1896.00	\$1899.50	\$1903.00	\$1906.50	\$1910.00	\$1913.50	\$1917.00	\$1920.50	\$1924.00	\$1927.50	\$1931.00	\$1934.50	\$1938.00	\$1941.50	\$1945.00	\$1948.50	\$1952.00	\$1955.50	\$1959.00	\$1962.50	\$1966.00	\$1969.50	\$1973.00	\$1976.50	\$1980.00	\$1983.50	\$1987.00	\$1990.50	\$1994.00	\$1997.50	\$2001.00	\$2004.50	\$2008.00	\$2011.50	\$2015.00	\$2018.50	\$2022.00	\$2025.50	\$2029.00	\$2032.50	\$2036.00	\$2039.50	\$2043.00	\$2046.50	\$2050.00	\$2053.50	\$2057.00	\$2060.50	\$2064.00	\$2067.50	\$2071.00	\$2074.50	\$2078.00	\$2081.50	\$2085.00	\$2088.50	\$2092.00	\$2095.50	\$2099.00	\$2102.50	\$2106.00	\$2109.50	\$2113.00	\$2116.50	\$2120.00	\$2123.50	\$2127.00	\$2130.50	\$2134.00	\$2137.50	\$2141.00	\$2144.50	\$2148.00	\$2151.50	\$2155.00	\$2158.50	\$2162.00	\$2165.50	\$2169.00	\$2172.50	\$2176.00	\$2179.50	\$2183.00	\$2186.50	\$2190.00	\$2193.50	\$2197.00	\$2200.50	\$2204.00	\$2207.50	\$2211.00	\$2214.50	\$2218.00	\$2221.50	\$2225.00	\$2228.50	\$2232.00	\$2235.50	\$2239.00	\$2242.50	\$2246.00	\$2249.50	\$2253.00	\$2256.50	\$2260.00	\$2263.50	\$2267.00	\$2270.50	\$2274.00	\$2277.50	\$2281.00	\$2284.50	\$2288.00	\$2291.50	\$2295.00	\$2298.50	\$2302.00	\$2305.50	\$2309.00	\$2312.50	\$2316.00	\$2319.50	\$2323.00	\$2326.50	\$2330.00	\$2333.50	\$2337.00	\$2340.50	\$2344.00	\$2347.50	\$2351.00	\$2354.50	\$2358.00	\$2361.50	\$2365.00	\$2368.50	\$2372.00	\$2375.50	\$2379.00	\$2382.50	\$2386.00	\$2389.50	\$2393.00	\$2396.50	\$2400.00	\$2403.50	\$2407.00	\$2410.50	\$2414.00	\$2417.50	\$2421.00	\$2424.50	\$2428.00	\$2431.50	\$2435.00	\$2438.50	\$2442.00	\$2445.50	\$2449.00	\$2452.50	\$2456.00	\$2459.50	\$2463.00	\$2466.50	\$2470.00	\$2473.50	\$2477.00	\$2480.50	\$2484.00	\$2487.50	\$2491.00	\$2494.50	\$2498.00	\$2501.50	\$2505.00	\$2508.50	\$2512.00	\$2515.50	\$2519.00	\$2522.50	\$2526.00	\$2529.50	\$2533.00	\$2536.50	\$2540.00	\$2543.50	\$2547.00	\$2550.50	\$2554.00	\$2557.50	\$2561.00	\$2564.50	\$2568.00	\$2571.50	\$2575.00	\$2578.50	\$2582.00	\$2585.50	\$2589.00	\$2592.50	\$2596.00	\$2599.50	\$2603.00	\$2606.50	\$2610.00	\$2613.50	\$2617.00	\$2620.50	\$2624.00	\$2627.50	\$2631.00	\$2634.50	\$2638.00	\$2641.50	\$2645.00	\$2648.50	\$2652.00	\$2655.50	\$2659.00	\$2662.50	\$2666.00	\$2669.50	\$2673.00	\$2676.50	\$2680.00	\$2683.50	\$2687.00	\$2690.50	\$2694.00	\$2697.50	\$2701.00	\$2704.50	\$2708.00	\$2711.50	\$2715.00	\$2718.50	\$2722.00	\$2725.50	\$2729.00	\$2732.50	\$2736.00	\$2739.50	\$2743.00	\$2746.50	\$2750.00	\$2753.50	\$2757.00	\$2760.50	\$2764.00	\$2767.50	\$2771.00	\$2774.50	\$2778.00	\$2781.50	\$2785.00	\$2788.50	\$2792.00	\$2795.50	\$2799.00	\$2802.50	\$2806.00	\$2809.50	\$2813.00	\$2816.50	\$2820.00	\$2823.50	\$2827.00	\$2830.50	\$2834.00	\$2837.50	\$2841.00	\$2844.50	\$2848.00	\$2851.50	\$2855.00	\$2858.50	\$2862.00	\$2865.50	\$2869.00	\$2872.50	\$2876.00	\$2879.50	\$2883.00	\$2886.50	\$2890.00	\$2893.50	\$2897.00	\$2900.50	\$2904.00	\$2907.50	\$2911.00	\$2914.50	\$2918.00	\$2921.50	\$2925.00	\$2928.50	\$2932.00	\$2935.50	\$2939.00	\$2942.50	\$2946.00	\$2949.50	\$2953.00	\$2956.50	\$2960.00	\$2963.50	\$2967.00	\$2970.50	\$2974.00	\$2977.50	\$2981.00	\$2984.50	\$2988.00	\$2991.50	\$2995.00	\$2998.50	\$3002.00	\$3005.50	\$3009.00	\$3012.50	\$3016.00	\$3019.50	\$3023.00	\$3026.50	\$3030.00	\$3033.50	\$3037.00	\$3040.50	\$3044.00	\$3047.50	\$3051.00	\$3054.50	\$3058.00	\$3061.50	\$3065.00	\$3068.50	\$3072.00	\$3075.50	\$3079.00	\$3082.50	\$3086.00	\$3089.50	\$3093.00	\$3096.50	\$3100.00	\$3103.50	\$3107.00	\$3110.50	\$3114.00	\$3117.50	\$3121.00	\$3124.50	\$3128.00	\$3131.50	\$3135.00	\$3138.50	\$3142.00	\$3145.50	\$3149.00	\$3152.50	\$3156.00	\$3159.50	\$3163.00	\$3166.50	\$3170.00	\$3173.50	\$3177.00	\$3180.50	\$3184.00	\$3187.50	\$3191.00	\$3194.50	\$3198.00	\$3201.50	\$3205.00	\$3208.50	\$3212.00	\$3215.50	\$3219.00	\$3222.50	\$3226.00	\$3229.50	\$3233.00	\$3236.50	\$3240.00	\$3243.50	\$3247.00	\$3250.50	\$3254.00	\$3257.50	\$3261.00	\$3264.50	\$3268.00	\$3271.50	\$3275.00	\$3278.50	\$3282.00	\$3285.50	\$3289.00	\$3292.50	\$3296.00	\$3299.50	\$3303.00	\$3306.50	\$3310.00	\$3313.50	\$3317.00	\$3320.50	\$3324.00	\$3327.50	\$3331.00	\$3334.50	\$3338.00	\$3341.50	\$3345.00	\$3348.50	\$3352.00	\$3355.50	\$3359.00	\$3362.50	\$3366.00	\$3369.50	\$3373.00	\$3376.50	\$3380.00	\$3383.50	\$3387.00	\$3390.50	\$3394.00	\$3397.50	\$3401.00	\$3404.50	\$3408.00	\$3411.50	\$3415.00	\$3418.50	\$3422.00	\$3425.50	\$3429.00	\$3432.50

Multistage Growth Discounted Cash Flow Model
 90 Day Average Stock Price
 Low EPS Growth Rate Estimate in First Stage

Inputs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
	Stock	EPS Growth Rate Estimates			Value	Low	Long-Term			Payout Ratio	Iterative	SAF/M	Terminal	Terminal
Company	Ticker	Price	First Cal	Line	Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio	
American Electric Power Company, Inc.	AEP	\$48.45	4.30%	4.23%	4.50%	4.23%	5.70%	64.00%	63.00%	67.05%	\$0.00	10.05%	16.31	2.66
Cleco Corporation	CNL	\$49.20	8.00%	8.00%	4.50%	4.50%	5.70%	54.00%	57.00%	67.05%	\$0.00	9.64%	18.01	3.16
Duke Energy Corporation	DUK	\$69.79	3.00%	3.92%	4.00%	3.90%	5.70%	76.00%	63.00%	67.05%	\$0.00	9.39%	19.21	3.37
Empire District Electric Company	EDE	\$23.23	3.00%	3.00%	4.00%	3.00%	5.70%	68.00%	64.00%	67.05%	\$0.00	9.38%	19.29	3.38
Great Plains Energy Inc.	GXP	\$25.25	5.20%	6.17%	6.00%	6.17%	5.70%	55.00%	66.00%	67.05%	\$0.00	9.75%	17.53	3.07
Hawaiian Electric Industries, Inc.	HE	\$26.45	6.00%	4.20%	3.50%	3.50%	5.70%	78.00%	74.00%	67.05%	\$0.00	10.34%	15.30	2.68
IDACORP, Inc.	IDA	\$53.48	4.00%	4.00%	2.00%	2.00%	5.70%	45.00%	61.00%	67.05%	\$0.00	9.38%	19.26	3.38
NextEra Energy, Inc.	NEE	\$89.87	6.10%	6.48%	4.50%	4.50%	5.70%	54.00%	59.00%	67.05%	\$0.00	9.29%	19.77	3.47
Northeast Utilities	NU	\$43.49	7.80%	6.26%	8.00%	6.26%	5.70%	59.00%	58.00%	67.05%	\$0.00	9.21%	20.20	3.54
Oter Tail Corporation	OTTR	\$29.45	NA	6.00%	15.00%	6.00%	5.70%	87.00%	59.00%	67.05%	\$0.00	8.58%	24.66	4.32
Pinnacle West Capital Corporation	PNW	\$53.65	4.60%	4.13%	4.00%	4.00%	5.70%	62.00%	64.00%	67.05%	\$0.00	10.24%	15.61	2.74
PNM Resources, Inc.	PNM	\$25.19	7.60%	8.20%	12.00%	7.60%	5.70%	50.00%	51.00%	67.05%	\$0.00	10.19%	15.81	2.77
Portland General Electric Company	POR	\$30.80	6.60%	10.89%	3.50%	3.50%	5.70%	66.00%	56.00%	67.05%	\$0.00	9.70%	17.76	3.11
Southern Company	SO	\$41.96	3.70%	3.55%	3.50%	3.50%	5.70%	75.00%	72.00%	67.05%	\$0.00	10.12%	16.05	2.81
Westar Energy, Inc.	WR	\$33.44	4.30%	2.60%	6.00%	2.60%	5.70%	55.00%	60.00%	67.05%	\$0.00	9.72%	17.65	3.09

DCF Result			
Mean	9.67%	16.16	3.18
Max	10.34%	24.66	4.32
Min	8.58%	15.30	2.65

Projected Annual Earnings per Share	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Company	Ticker	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	\$2.68	\$3.11	\$3.24	\$3.37	\$3.52	\$3.67	\$3.82	\$3.99	\$4.18	\$4.39	\$4.62	\$4.87	\$5.15	\$5.44	\$5.76	\$6.08	\$6.43
Cleco Corporation	CNL	\$2.70	\$2.82	\$2.95	\$3.08	\$3.22	\$3.36	\$3.52	\$3.68	\$3.86	\$4.06	\$4.27	\$4.51	\$4.77	\$5.04	\$5.33	\$5.63	\$5.95
Duke Energy Corporation	DUK	\$3.71	\$3.85	\$4.01	\$4.16	\$4.32	\$4.49	\$4.67	\$4.86	\$5.08	\$5.33	\$5.60	\$5.90	\$6.24	\$6.59	\$6.97	\$7.37	\$7.79
Empire District Electric Company	EDE	\$1.32	\$1.36	\$1.40	\$1.44	\$1.49	\$1.53	\$1.58	\$1.63	\$1.69	\$1.77	\$1.85	\$1.95	\$2.06	\$2.18	\$2.30	\$2.43	\$2.57
Great Plains Energy Inc.	GXP	\$1.35	\$1.42	\$1.49	\$1.57	\$1.65	\$1.74	\$1.83	\$1.92	\$2.03	\$2.14	\$2.25	\$2.38	\$2.52	\$2.66	\$2.81	\$2.97	\$3.14
Hawaiian Electric Industries, Inc.	HE	\$1.68	\$1.74	\$1.80	\$1.86	\$1.93	\$2.00	\$2.07	\$2.15	\$2.24	\$2.34	\$2.45	\$2.59	\$2.73	\$2.89	\$3.05	\$3.23	\$3.41
IDACORP, Inc.	IDA	\$3.37	\$3.44	\$3.51	\$3.58	\$3.65	\$3.72	\$3.80	\$3.89	\$4.02	\$4.18	\$4.36	\$4.58	\$4.85	\$5.12	\$5.41	\$5.72	\$6.05
NextEra Energy, Inc.	NEE	\$4.56	\$4.77	\$4.98	\$5.20	\$5.44	\$5.78	\$6.15	\$6.54	\$6.92	\$7.28	\$7.62	\$7.92	\$8.15	\$8.51	\$8.99	\$9.51	\$10.05
Northeast Utilities	NU	\$1.89	\$2.01	\$2.13	\$2.27	\$2.41	\$2.56	\$2.72	\$2.89	\$3.07	\$3.25	\$3.44	\$3.64	\$3.85	\$4.07	\$4.30	\$4.55	\$4.81
Oter Tail Corporation	OTTR	\$1.05	\$1.11	\$1.18	\$1.25	\$1.33	\$1.41	\$1.49	\$1.58	\$1.67	\$1.77	\$1.87	\$1.99	\$2.09	\$2.22	\$2.34	\$2.47	\$2.61
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.64	\$3.79	\$3.94	\$4.09	\$4.26	\$4.43	\$4.62	\$4.83	\$5.06	\$5.32	\$5.61	\$5.93	\$6.27	\$6.63	\$7.01	\$7.41
PNM Resources, Inc.	PNM	\$1.31	\$1.41	\$1.52	\$1.63	\$1.76	\$1.89	\$2.03	\$2.18	\$2.33	\$2.49	\$2.65	\$2.81	\$2.97	\$3.13	\$3.31	\$3.50	\$3.70
Portland General Electric Company	POR	\$1.87	\$1.94	\$2.00	\$2.07	\$2.15	\$2.22	\$2.30	\$2.39	\$2.49	\$2.59	\$2.73	\$2.88	\$3.04	\$3.22	\$3.40	\$3.59	\$3.80
Southern Company	SO	\$2.67	\$2.76	\$2.86	\$2.96	\$3.06	\$3.17	\$3.28	\$3.41	\$3.55	\$3.72	\$3.90	\$4.11	\$4.34	\$4.59	\$4.85	\$5.13	\$5.42
Westar Energy, Inc.	WR	\$2.15	\$2.21	\$2.27	\$2.34	\$2.40	\$2.47	\$2.54	\$2.62	\$2.72	\$2.84	\$2.97	\$3.12	\$3.30	\$3.49	\$3.69	\$3.90	\$4.12

Projected Annual Dividend Payout Ratio	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	
Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	64.00%	63.75%	63.50%	63.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Cleco Corporation	CNL	54.00%	54.75%	55.50%	56.25%	57.00%	58.44%	59.87%	61.31%	62.74%	64.16%	65.51%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	76.00%	72.75%	69.50%	66.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Empire District Electric Company	EDE	68.00%	67.00%	66.00%	65.00%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Great Plains Energy Inc.	GXP	55.00%	57.75%	60.50%	63.25%	66.00%	66.15%	66.30%	66.45%	66.60%	66.75%	66.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Hawaiian Electric Industries, Inc.	HE	78.00%	77.00%	76.00%	75.00%	74.00%	73.01%	72.01%	71.02%	70.03%	69.03%	68.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	45.00%	49.00%	53.00%	57.00%	61.00%	61.86%	62.73%	63.59%	64.45%	65.32%	66.18%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	54.00%	55.25%	56.50%	57.75%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Northeast Utilities	NU	59.00%	58.75%	58.50%	58.25%	58.00%	59.29%	60.58%	61.88%	63.17%	64.46%	65.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Oter Tail Corporation	OTTR	87.00%	80.00%	73.00%	66.00%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Pinnacle West Capital Corporation	PNW	62.00%	62.50%	63.00%	63.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
PNM Resources, Inc.	PNM	50.90%	50.25%	50.50%	50.75%	51.00%	53.25%	55.58%	57.88%	60.17%	62.45%	64.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	66.00%	63.50%	61.00%	58.50%	56.00%	57.53%	59.16%	60.73%	62.31%	63.89%	65.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Southern Company	SO	75.00%	74.25%	73.50%	72.75%	72.00%	71.29%	70.58%	69.88%	69.17%	68.46%	67.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Westar Energy, Inc.	WR	55.00%	56.25%	57.50%	58.75%	60.00%	61.01%	62.01%	63.02%	64.03%	65.03%	66.04%	67.05%	67.05%	67.05%	67.05%	67.05%

Projected Annual Cash Flows	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	Terminal Value
Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Value
American Electric Power Company, Inc.	AEP	\$1.99	\$2.06	\$2.14	\$2.22	\$2.31	\$2.43	\$2.56	\$2.71	\$2.87	\$3.04	\$3.24	\$3.45	\$3.65	\$3.86	\$4.08	\$4.31	\$104.82
Cleco Corporation	CNL	\$1.52	\$1.61	\$1.71	\$1.81	\$1.92	\$2.05	\$2.20	\$2.37	\$2.55	\$2.74	\$2.96	\$3.20	\$3.38	\$3.57	\$3.77	\$3.99	\$107.17
Duke Energy Corporation	DUK	\$2.93	\$2.91	\$2.89	\$2.86	\$2.83	\$2.97	\$3.12	\$3.29	\$3.48	\$3.69	\$3.92	\$4.18	\$4.42	\$4.67	\$4.94	\$5.22	\$149.62
Empire District Electric Company	EDE	\$0.92	\$0.94	\$0.95	\$0.97	\$0.98	\$1.02	\$1.06	\$1.11	\$1.16	\$1.23	\$1.30	\$1.38	\$1.46	\$1.54	\$1.63	\$1.73	\$49.66
Great Plains Energy Inc.	GXP	\$0.78	\$0.86	\$0.95	\$1.04	\$1.15	\$1.21	\$1.27	\$1.35	\$1.42	\$1.50	\$1.59	\$1.69	\$1.78	\$1.89	\$1.99	\$2.11	\$95.07
Hawaiian Electric Industries, Inc.	HE	\$1.36	\$1.39	\$1.42	\$1.45	\$1.48	\$1.51	\$1.54	\$1.59	\$1.64	\$1.69	\$1.76	\$1.83	\$1.94	\$2.05	\$2.16	\$2.29	\$52.22
IDACORP, Inc.	IDA	\$1.55	\$1.72	\$1.90	\$2.03	\$2.27	\$2.35	\$2.44	\$2.56	\$2.69	\$2.85	\$3.03	\$3.25	\$3.43	\$3.63	\$3.84	\$4.06	\$116.52
NextEra Energy, Inc.	NEE	\$2.57	\$2.75	\$2.94	\$3.14	\$3.35	\$3.57	\$3.81	\$4.07	\$4.36	\$4.67	\$5.02	\$5.40	\$5.71	\$6.03	\$6.37	\$6.74	\$188.73
Northeast Utilities	NU	\$1.19	\$1.25	\$1.33	\$1.40	\$1.49	\$1.61	\$1.75	\$1.90	\$2.05	\$2.22	\$2.40	\$2.58	\$2.73	\$2.89	\$3.05	\$3.22	\$97.11
Oter Tail Corporation	OTTR	\$0.97	\$0.94	\$0.91	\$0.87	\$0.83	\$0.90	\$0.97	\$1.04	\$1.13	\$1.21	\$1.30	\$1.40	\$1.48	\$1.57	\$1.66	\$1.76	\$64.41
Pinnacle West Capital Corporation	PNW	\$2.26	\$2.37	\$2.48	\$2.60	\$2.73	\$2.85	\$3.00	\$3.15	\$3.33	\$3.52	\$3.74	\$3.98	\$4.20	\$4.44	\$4.70	\$4.97	\$115.55
PNM Resources, Inc.	PNM	\$0.70	\$0.76	\$0.82	\$0.89</													

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
Company	Ticker	Stock	EPS Growth Rate Estimates			Long-Term	Payout Ratio			Iterative Solution	Terminal	Terminal	Terminal	Terminal
			Yrks	First Call	Line	Average	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio	Value
American Electric Power Company, Inc.	AEP	\$46.69	4.30%	4.23%	4.50%	4.34%	5.70%	64.00%	63.00%	67.05%	69.00	10.25%	15.58	2.73
Cleco Corporation	CHL	\$47.03	8.00%	8.00%	4.50%	6.83%	5.70%	54.00%	57.00%	67.05%	69.00	10.47%	14.87	2.61
Duke Energy Corporation	DUK	\$69.39	3.00%	3.02%	4.00%	3.94%	5.70%	76.00%	63.00%	67.05%	69.00	9.43%	19.05	3.34
Empire District Electric Company	EDE	\$22.71	3.00%	3.00%	4.00%	3.33%	5.70%	68.00%	64.00%	67.05%	69.00	9.56%	18.37	3.22
Great Plains Energy Inc.	GXP	\$24.16	5.20%	5.17%	6.00%	5.46%	5.70%	55.00%	66.00%	67.05%	69.00	10.02%	16.42	2.88
Hawaiian Electric Industries, Inc.	HE	\$25.58	6.00%	4.20%	3.50%	4.57%	5.70%	78.00%	74.00%	67.05%	69.00	10.70%	14.20	2.49
IDACORP, Inc.	IDA	\$51.73	4.00%	4.00%	2.00%	3.33%	5.70%	45.00%	61.00%	67.05%	69.00	9.91%	16.84	2.95
NextEra Energy, Inc.	NEE	\$66.64	6.10%	6.48%	4.50%	5.69%	5.70%	54.00%	59.00%	67.05%	69.00	9.76%	17.46	3.06
Northeast Utilities	NU	\$42.73	7.80%	6.28%	8.00%	7.36%	5.70%	59.00%	58.00%	67.05%	69.00	9.57%	18.36	3.22
Oter Tail Corporation	OTTR	\$28.04	NA	6.00%	15.00%	10.50%	5.70%	87.00%	59.00%	67.05%	69.00	9.74%	17.57	3.03
Pinnacle West Capital Corporation	PNW	\$54.52	4.80%	4.13%	4.00%	4.24%	5.70%	62.00%	64.00%	67.05%	69.00	10.25%	15.59	2.73
PNM Resources, Inc.	PNM	\$24.08	7.80%	8.20%	12.00%	9.27%	5.70%	50.00%	51.00%	67.05%	69.00	10.95%	13.51	2.37
Portland General Electric Company	POR	\$29.98	6.60%	10.89%	3.50%	7.00%	5.70%	66.00%	56.00%	67.05%	69.00	10.88%	13.44	2.36
Southern Company	SO	\$41.92	3.70%	3.55%	3.50%	3.58%	5.70%	76.00%	72.00%	67.05%	69.00	10.15%	15.93	2.79
Westar Energy, Inc.	WR	\$32.49	4.30%	2.60%	6.00%	4.37%	5.70%	55.00%	60.00%	67.05%	69.00	10.35%	15.26	2.67

DCF Result

Mean	10.14%	16.16	2.83
Max	10.98%	19.05	3.34
Min	9.43%	13.44	2.36

Projected Annual Earnings per Share

Company	Ticker	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	\$2.88	\$3.11	\$3.24	\$3.39	\$3.53	\$3.69	\$3.85	\$4.02	\$4.21	\$4.43	\$4.66	\$4.91	\$5.19	\$5.49	\$5.80	\$6.14	\$6.49
Cleco Corporation	CHL	\$2.70	\$2.88	\$3.08	\$3.29	\$3.52	\$3.76	\$4.01	\$4.28	\$4.56	\$4.84	\$5.14	\$5.44	\$5.75	\$6.03	\$6.43	\$6.79	\$7.18
Duke Energy Corporation	DUK	\$3.71	\$3.66	\$4.01	\$4.17	\$4.33	\$4.50	\$4.68	\$4.88	\$5.10	\$5.34	\$5.62	\$5.92	\$6.26	\$6.61	\$6.99	\$7.39	\$7.81
Empire District Electric Company	EDE	\$1.32	\$1.36	\$1.41	\$1.46	\$1.50	\$1.55	\$1.61	\$1.67	\$1.74	\$1.81	\$1.90	\$2.00	\$2.12	\$2.24	\$2.37	\$2.50	\$2.65
Great Plains Energy Inc.	GXP	\$1.35	\$1.42	\$1.50	\$1.58	\$1.67	\$1.76	\$1.86	\$1.96	\$2.07	\$2.18	\$2.31	\$2.44	\$2.58	\$2.72	\$2.88	\$3.04	\$3.21
Hawaiian Electric Industries, Inc.	HE	\$1.68	\$1.76	\$1.84	\$1.92	\$2.01	\$2.10	\$2.20	\$2.30	\$2.41	\$2.54	\$2.67	\$2.82	\$2.98	\$3.15	\$3.33	\$3.52	\$3.72
IDACORP, Inc.	IDA	\$3.37	\$3.48	\$3.60	\$3.72	\$3.84	\$3.97	\$4.10	\$4.26	\$4.43	\$4.63	\$4.86	\$5.12	\$5.41	\$5.72	\$6.04	\$6.39	\$6.75
NextEra Energy, Inc.	NEE	\$4.56	\$4.82	\$5.09	\$5.38	\$5.69	\$6.01	\$6.36	\$6.72	\$7.10	\$7.51	\$7.93	\$8.39	\$8.87	\$9.37	\$9.91	\$10.47	\$11.07
Northeast Utilities	NU	\$1.89	\$2.03	\$2.18	\$2.34	\$2.51	\$2.70	\$2.89	\$3.10	\$3.31	\$3.53	\$3.75	\$3.97	\$4.20	\$4.44	\$4.69	\$4.96	\$5.24
Oter Tail Corporation	OTTR	\$1.05	\$1.16	\$1.28	\$1.42	\$1.57	\$1.73	\$1.91	\$2.10	\$2.28	\$2.47	\$2.65	\$2.82	\$2.98	\$3.15	\$3.33	\$3.52	\$3.72
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.65	\$3.80	\$3.96	\$4.13	\$4.31	\$4.49	\$4.69	\$4.91	\$5.16	\$5.43	\$5.72	\$6.05	\$6.40	\$6.76	\$7.15	\$7.55
PNM Resources, Inc.	PNM	\$1.31	\$1.43	\$1.56	\$1.71	\$1.87	\$2.04	\$2.23	\$2.42	\$2.62	\$2.81	\$3.01	\$3.20	\$3.38	\$3.57	\$3.78	\$3.99	\$4.22
Portland General Electric Company	POR	\$1.87	\$2.00	\$2.14	\$2.29	\$2.45	\$2.62	\$2.81	\$3.00	\$3.19	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.77	\$5.04
Southern Company	SO	\$2.67	\$2.77	\$2.88	\$2.97	\$3.07	\$3.18	\$3.30	\$3.43	\$3.57	\$3.74	\$3.93	\$4.14	\$4.37	\$4.62	\$4.89	\$5.17	\$5.46
Westar Energy, Inc.	WR	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.66	\$2.78	\$2.91	\$3.05	\$3.20	\$3.37	\$3.55	\$3.75	\$3.97	\$4.20	\$4.43	\$4.69

Projected Annual Dividend Payout Ratio

Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	64.00%	63.75%	63.50%	63.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Cleco Corporation	CHL	54.00%	64.75%	65.50%	66.25%	67.00%	58.44%	59.87%	61.31%	62.74%	64.16%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	76.00%	72.75%	69.50%	66.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Empire District Electric Company	EDE	68.00%	67.00%	66.00%	65.00%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Great Plains Energy Inc.	GXP	55.00%	57.75%	60.50%	63.25%	66.00%	66.15%	66.30%	66.45%	66.60%	66.75%	66.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Hawaiian Electric Industries, Inc.	HE	78.00%	77.00%	76.00%	75.00%	74.00%	73.01%	72.01%	71.02%	70.03%	69.03%	68.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	45.00%	49.00%	53.00%	57.00%	61.00%	61.66%	62.33%	63.03%	64.45%	65.32%	66.18%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	54.00%	55.25%	56.50%	57.75%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Northeast Utilities	NU	59.00%	58.75%	58.50%	58.25%	58.00%	59.29%	60.58%	61.88%	63.17%	64.46%	65.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Oter Tail Corporation	OTTR	87.00%	80.00%	73.00%	66.00%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Pinnacle West Capital Corporation	PNW	62.00%	62.50%	63.00%	63.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
PNM Resources, Inc.	PNM	60.00%	60.25%	60.50%	60.75%	61.00%	63.29%	65.58%	67.87%	70.16%	72.46%	74.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	68.00%	63.50%	61.00%	58.50%	56.00%	57.58%	59.16%	60.73%	62.31%	63.89%	65.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Southern Company	SO	75.00%	74.25%	73.50%	72.75%	72.00%	71.29%	70.58%	69.86%	69.17%	68.46%	67.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Westar Energy, Inc.	WR	55.00%	56.25%	57.50%	58.75%	60.00%	61.01%	62.01%	63.02%	64.03%	65.03%	66.04%	67.05%	67.05%	67.05%	67.05%	67.05%

Projected Annual Cash Flows

Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal Value
American Electric Power Company, Inc.	AEP	\$1.99	\$2.07	\$2.15	\$2.23	\$2.32	\$2.45	\$2.58	\$2.73	\$2.89	\$3.07	\$3.27	\$3.48	\$3.68	\$3.89	\$4.11	\$4.35	\$101.05
Cleco Corporation	CHL	\$1.56	\$1.69	\$1.83	\$1.98	\$2.14	\$2.35	\$2.56	\$2.79	\$3.04	\$3.30	\$3.57	\$3.86	\$4.08	\$4.31	\$4.55	\$4.81	\$106.77
Duke Energy Corporation	DUK	\$2.93	\$2.92	\$2.90	\$2.87	\$2.84	\$2.97	\$3.13	\$3.30	\$3.49	\$3.70	\$3.93	\$4.20	\$4.43	\$4.69	\$4.96	\$5.24	\$148.60
Empire District Electric Company	EDE	\$0.93	\$0.94	\$0.95	\$0.93	\$0.90	\$1.04	\$1.03	\$1.13	\$1.19	\$1.26	\$1.34	\$1.42	\$1.50	\$1.59	\$1.68	\$1.77	\$48.60
Great Plains Energy Inc.	GXP	\$0.78	\$0.87	\$0.96	\$1.05	\$1.16	\$1.23	\$1.30	\$1.37	\$1.45	\$1.54	\$1.63	\$1.73	\$1.82	\$1.93	\$2.04	\$2.16	\$52.78
Hawaiian Electric Industries, Inc.	HE	\$1.37	\$1.41	\$1.46	\$1.51	\$1.55	\$1.60	\$1.65	\$1.71	\$1.78	\$1.85	\$1.92	\$2.00	\$2.11	\$2.23	\$2.36	\$2.50	\$52.89
IDACORP, Inc.	IDA	\$1.57	\$1.76	\$1.97	\$2.19	\$2.42	\$2.64	\$2.87	\$3.12	\$3.39	\$3.67	\$3.93	\$4.05	\$4.29	\$4.53	\$4.83	\$5.17	\$113.73
NextEra Energy, Inc.	NEE	\$2.60	\$2.81	\$3.04	\$3.29	\$3.55	\$3.82	\$4.12	\$4.43	\$4.77	\$5.14	\$5.53	\$5.94	\$6.38	\$6.84	\$7.32	\$7.82	\$193.29
Northeast Utilities	NU	\$1.20	\$1.28	\$1.37	\$1.46	\$1.56	\$1.72	\$1.88	\$2.05	\$2.23	\$2.42	\$2.61	\$2.81	\$2.97	\$3.14	\$3.32	\$3.51	\$95.19
Oter Tail Corporation	OTTR	\$1.01	\$1.03	\$1.03	\$1.03	\$1.02	\$1.15	\$1.29	\$1.43	\$1.57	\$1.72	\$1.86	\$2.00	\$2.11	\$2.23	\$2.36	\$2.50	\$65.42
Pinnacle West Capital Corporation	PNW	\$2.26	\$2.38	\$2.50	\$2.62	\$2.76	\$2.89	\$3.04	\$3.21	\$3.39	\$3.59	\$3.81	\$4.06	\$4.29	\$4.53	\$4.79	\$5.07	\$117.76
PNM Resources, Inc.	PNM	\$0.72	\$0.79	\$0.86	\$0.95	\$1.04	\$1.19	\$1.35	\$1.52	\$1.69	\$1.88	\$2.07	\$2.27	\$2.40	\$2.53	\$2.68	\$2.83	\$57.02
Portland General Electric Company	POR	\$1.32	\$1.36	\$1.40	\$1.43	\$1.47	\$1.62	\$1.77	\$1.94	\$2.12	\$2.30	\$2.50	\$2.71	\$2.86	\$3.02	\$3.20	\$3.38	\$67.70
Southern Company	SO	\$2.07	\$2.13	\$2.18	\$2.24	\$2.29	\$2.35	\$2.42										

M&A Stage Growth Discounted Cash Flow Model
 180 Day Average Stock Price
 High EPS Growth Rate Estimate in First Stage

Inputs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Stock		EPS Growth Rate Estimates					Long-Term			Payout Ratio			Iterative Solution		Terminal	PEG Ratio
Company	Ticker	Price	Yrks	First Call	Line	High	Growth	2013	2017	2024	Proof	IRR	PE Ratio	Terminal	PEG Ratio	
American Electric Power Company, Inc.	AEP	\$46.69	4.30%	4.23%	4.50%	4.50%	5.70%	64.00%	63.00%	67.05%	(0.00)	10.31%	15.40	2.70		
Cleco Corporation	CHL	\$47.03	6.00%	6.00%	4.50%	8.00%	5.70%	64.00%	67.05%	(0.00)	(0.00)	10.87%	13.71	2.49		
Duke Energy Corporation	DUK	\$69.39	3.90%	3.92%	4.00%	4.00%	5.70%	76.00%	63.00%	67.05%	(0.00)	9.44%	18.96	3.32		
Empire District Electric Company	EDE	\$22.71	3.00%	3.00%	4.00%	4.00%	5.70%	68.00%	64.00%	67.05%	(0.00)	9.76%	17.47	3.05		
Great Plains Energy Inc.	GXP	\$24.16	5.20%	5.17%	6.00%	6.00%	5.70%	55.00%	60.00%	67.05%	(0.00)	10.20%	15.78	2.77		
Hawaiian Electric Industries, Inc.	HE	\$25.58	8.00%	4.20%	3.50%	6.00%	5.70%	78.00%	74.00%	67.05%	(0.00)	11.25%	12.78	2.24		
IDACORP, Inc.	IDA	\$51.73	4.00%	4.00%	2.00%	4.00%	5.70%	45.00%	61.00%	67.05%	(0.00)	10.13%	16.03	2.81		
NextEra Energy, Inc.	NEE	\$66.64	6.10%	6.48%	4.50%	6.48%	5.70%	54.00%	59.00%	67.05%	(0.00)	10.00%	16.50	2.89		
Northeast Utilities	NU	\$42.73	7.80%	8.28%	8.00%	8.00%	5.70%	59.00%	58.00%	67.05%	(0.00)	9.75%	17.54	3.07		
Oter Tail Corporation	OTTR	\$29.04	NA	6.00%	15.00%	15.00%	5.70%	87.00%	59.00%	67.05%	(0.00)	11.15%	13.02	2.28		
Pinnacle West Capital Corporation	PNW	\$54.52	4.60%	4.13%	4.00%	4.60%	5.70%	62.00%	64.00%	67.05%	(0.00)	10.37%	15.18	2.66		
PNM Resources, Inc.	PNM	\$24.03	7.60%	8.20%	12.00%	12.00%	5.70%	50.00%	51.00%	67.05%	(0.00)	11.97%	11.31	1.93		
Portland General Electric Company	POR	\$29.98	6.60%	10.89%	3.50%	10.89%	5.70%	66.00%	56.00%	67.05%	(0.00)	12.55%	10.36	1.82		
Southern Company	SO	\$41.92	3.70%	3.55%	3.50%	3.70%	5.70%	76.00%	72.00%	67.05%	(0.00)	10.19%	15.79	2.77		
Westar Energy, Inc.	WR	\$32.49	4.30%	2.80%	6.00%	6.00%	5.70%	55.00%	60.00%	67.05%	(0.00)	10.93%	13.57	2.38		

DCF Result

Mean	10.99%	14.89	2.61
Max	12.55%	18.96	3.32
Min	9.44%	10.36	1.82

Projected Annual Earnings per Share

Company	Ticker	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	\$2.98	\$3.11	\$3.25	\$3.40	\$3.55	\$3.71	\$3.88	\$4.06	\$4.26	\$4.48	\$4.72	\$4.98	\$5.26	\$5.56	\$5.88	\$6.21	\$6.57
Cleco Corporation	CHL	\$2.70	\$2.92	\$3.15	\$3.40	\$3.67	\$3.97	\$4.28	\$4.61	\$4.94	\$5.28	\$5.63	\$5.97	\$6.31	\$6.67	\$7.05	\$7.45	\$7.88
Duke Energy Corporation	DUK	\$3.71	\$3.86	\$4.01	\$4.17	\$4.34	\$4.51	\$4.69	\$4.90	\$5.12	\$5.37	\$5.64	\$5.95	\$6.29	\$6.65	\$7.03	\$7.43	\$7.85
Empire District Electric Company	EDE	\$1.32	\$1.37	\$1.43	\$1.48	\$1.54	\$1.61	\$1.67	\$1.74	\$1.82	\$1.91	\$2.01	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79
Great Plains Energy Inc.	GXP	\$1.35	\$1.43	\$1.52	\$1.61	\$1.70	\$1.81	\$1.92	\$2.03	\$2.15	\$2.27	\$2.41	\$2.54	\$2.69	\$2.84	\$3.01	\$3.18	\$3.36
Hawaiian Electric Industries, Inc.	HE	\$1.68	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25	\$2.38	\$2.52	\$2.67	\$2.83	\$2.99	\$3.17	\$3.35	\$3.54	\$3.74	\$3.95	\$4.18
IDACORP, Inc.	IDA	\$3.37	\$3.50	\$3.64	\$3.79	\$3.94	\$4.10	\$4.26	\$4.45	\$4.65	\$4.88	\$5.13	\$5.40	\$5.71	\$6.04	\$6.38	\$6.75	\$7.13
NextEra Energy, Inc.	NEE	\$4.56	\$4.66	\$5.17	\$5.51	\$5.86	\$6.24	\$6.65	\$7.07	\$7.51	\$7.97	\$8.44	\$8.93	\$9.44	\$9.98	\$10.55	\$11.15	\$11.79
Northeast Utilities	NU	\$1.89	\$2.04	\$2.20	\$2.38	\$2.67	\$2.78	\$3.00	\$3.23	\$3.46	\$3.70	\$3.94	\$4.18	\$4.42	\$4.67	\$4.93	\$5.22	\$5.51
Oter Tail Corporation	OTTR	\$1.05	\$1.21	\$1.39	\$1.60	\$1.84	\$2.11	\$2.43	\$2.76	\$3.09	\$3.40	\$3.70	\$3.97	\$4.20	\$4.44	\$4.69	\$4.96	\$5.24
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.66	\$3.83	\$4.01	\$4.19	\$4.38	\$4.58	\$4.80	\$5.04	\$5.30	\$5.58	\$5.89	\$6.23	\$6.58	\$6.96	\$7.36	\$7.78
PNM Resources, Inc.	PNM	\$1.31	\$1.47	\$1.64	\$1.84	\$2.06	\$2.31	\$2.59	\$2.87	\$3.15	\$3.43	\$3.70	\$3.95	\$4.18	\$4.41	\$4.66	\$4.93	\$5.21
Portland General Electric Company	POR	\$1.87	\$2.07	\$2.30	\$2.55	\$2.83	\$3.14	\$3.48	\$3.83	\$4.18	\$4.52	\$4.86	\$5.19	\$5.47	\$5.79	\$6.12	\$6.46	\$6.83
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.98	\$3.09	\$3.20	\$3.32	\$3.45	\$3.61	\$3.77	\$3.96	\$4.18	\$4.42	\$4.67	\$4.93	\$5.22	\$5.51
Westar Energy, Inc.	WR	\$2.15	\$2.28	\$2.42	\$2.56	\$2.71	\$2.88	\$3.05	\$3.23	\$3.42	\$3.62	\$3.83	\$4.05	\$4.28	\$4.53	\$4.79	\$5.06	\$5.33

Projected Annual Dividend Payout Ratio

Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
American Electric Power Company, Inc.	AEP	64.00%	63.75%	63.50%	63.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.63%	67.05%	67.05%	67.05%
Cleco Corporation	CHL	54.00%	54.75%	55.50%	56.25%	57.00%	58.44%	59.87%	61.31%	62.74%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	76.00%	72.75%	69.50%	66.25%	63.00%	63.58%	64.16%	64.73%	65.31%	65.89%	66.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Empire District Electric Company	EDE	69.00%	67.00%	66.00%	65.00%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Great Plains Energy Inc.	GXP	55.00%	57.75%	60.50%	63.25%	66.00%	66.15%	66.30%	66.45%	66.60%	66.75%	66.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Hawaiian Electric Industries, Inc.	HE	78.00%	77.00%	76.00%	75.00%	74.00%	73.01%	72.01%	71.02%	70.03%	69.03%	68.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	45.00%	49.00%	53.00%	57.00%	61.00%	61.86%	62.73%	63.59%	64.45%	65.32%	66.18%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	54.00%	55.25%	56.50%	57.75%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Northeast Utilities	NU	59.00%	58.75%	58.50%	58.25%	58.00%	59.29%	60.58%	61.88%	63.17%	64.46%	65.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Oter Tail Corporation	OTTR	87.00%	80.00%	73.00%	66.00%	59.00%	60.15%	61.30%	62.45%	63.60%	64.75%	65.90%	67.05%	67.05%	67.05%	67.05%	67.05%
Pinnacle West Capital Corporation	PNW	62.00%	62.50%	63.00%	63.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
PNM Resources, Inc.	PNM	60.00%	60.25%	60.50%	60.75%	61.00%	62.29%	63.58%	64.87%	66.16%	67.45%	68.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	66.00%	63.50%	61.00%	58.50%	56.00%	57.58%	59.16%	60.73%	62.31%	63.89%	65.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Southern Company	SO	75.00%	74.25%	73.50%	72.75%	72.00%	71.29%	70.58%	69.88%	69.17%	68.46%	67.75%	67.05%	67.05%	67.05%	67.05%	67.05%
Westar Energy, Inc.	WR	55.00%	56.25%	57.50%	58.75%	60.00%	61.01%	62.01%	63.02%	64.03%	65.03%	66.04%	67.05%	67.05%	67.05%	67.05%	67.05%

Projected Annual Cash Flows

Company	Ticker	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Terminal Value
American Electric Power Company, Inc.	AEP	\$1.99	\$2.07	\$2.16	\$2.25	\$2.34	\$2.47	\$2.61	\$2.76	\$2.93	\$3.11	\$3.31	\$3.53	\$3.73	\$3.94	\$4.17	\$4.40	\$101.17
Cleco Corporation	CHL	\$1.57	\$1.72	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.31	\$3.61	\$3.92	\$4.23	\$4.54	\$4.73	\$5.00	\$5.28	\$107.93
Duke Energy Corporation	DUK	\$2.93	\$2.92	\$2.90	\$2.83	\$2.84	\$2.93	\$3.14	\$3.31	\$3.51	\$3.72	\$3.95	\$4.22	\$4.46	\$4.71	\$4.98	\$5.26	\$148.85
Empire District Electric Company	EDE	\$0.93	\$0.96	\$0.98	\$1.00	\$1.03	\$1.03	\$1.13	\$1.19	\$1.26	\$1.33	\$1.41	\$1.50	\$1.59	\$1.68	\$1.77	\$1.87	\$48.81
Great Plains Energy Inc.	GXP	\$0.79	\$0.83	\$0.87	\$1.01	\$1.19	\$1.27	\$1.35	\$1.43	\$1.51	\$1.61	\$1.70	\$1.80	\$1.91	\$2.02	\$2.13	\$2.25	\$52.99
Hawaiian Electric Industries, Inc.	HE	\$1.39	\$1.45	\$1.52	\$1.59	\$1.66	\$1.74	\$1.82	\$1.91	\$1.99	\$2.07	\$2.15	\$2.24	\$2.37	\$2.51	\$2.65	\$2.80	\$53.40
IDACORP, Inc.	IDA	\$1.58	\$1.79	\$2.01	\$2.25	\$2.50	\$2.64	\$2.79	\$2.96	\$3.14	\$3.35	\$3.58	\$3.83	\$4.05	\$4.28	\$4.52	\$4.78	\$114.31
NextEra Energy, Inc.	NEE	\$2.62	\$2.65	\$3.11	\$3.39	\$3.69	\$4.00	\$4.33	\$4.69	\$5.07	\$5.46	\$5.89	\$6.33	\$6.80	\$7.07	\$7.48	\$7.90	\$184.50
Northeast Utilities	NU	\$1.20	\$1.30	\$1.39	\$1.50	\$1.61	\$1.78	\$1.96	\$2.14	\$2.34	\$2.54	\$2.75	\$2.96	\$3.13	\$3.31	\$3.50	\$3.70	\$96.63
Oter Tail Corporation	OTTR	\$1.05	\$1.11	\$1.17	\$1.21	\$1.25	\$1.46	\$1.69	\$1.93	\$2.16	\$2.40	\$2.62	\$2.81	\$2.97	\$3.14	\$3.32	\$3.51	\$68.22
Pinnacle West Capital Corporation	PNW	\$2.27	\$2.39	\$2.52	\$2.66	\$2.80	\$2.95	\$3.12	\$3.29	\$3.49	\$3.70	\$3.93	\$4.18	\$4.41	\$4.67	\$4.93	\$5.21	\$118.03
PNM Resources, Inc.	PNM	\$0.73	\$0.63	\$0.53	\$1.05	\$1.18	\$1.38	\$1.59	\$1.82	\$2.07	\$2.31	\$2.56	\$2.80	\$2.95	\$3.13	\$3.31	\$3.49	\$58.94
Portland General Electric Company	POR	\$1.37	\$1.46	\$1.56	\$1.65	\$1.76	\$2.00	\$2.26	\$2.54	\$2.82	\$3.10	\$3.39	\$3.67	\$3.88	\$4.10	\$4.33	\$4.58	\$70.78
Southern Company	SO	\$2.08	\$2.13	\$2.19	\$2.25	\$2.31	\$2.37	\$2.44	\$2.52	\$2.61	\$2.71	\$2.83	\$2.96	\$3.13	\$3.31	\$3.50	\$3.70	\$87.07
Westar Energy, Inc.	WR	\$1.25	\$1.36	\$1.47	\$1.59	\$1.73	\$1.88	\$2.00	\$2.16	\$2.32	\$2.49	\$2.68	\$2.87	\$3.04	\$3.21	\$3.39	\$3.58	\$72.57

Projected Annual Data Investor Cash Flows

Company	Ticker	Initial	4/15/14	12/31/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28
American Electric Power Company, Inc.	AEP	(\$46.69)	\$0.00	\$1.45	\$2.16	\$2.25	\$2.34	\$2.47	\$2.61	\$2.76	\$2.93	\$3.11	\$3.31	\$3.53	\$3.73	\$3.94	\$4.17	\$105.57
Cleco Corporation	CHL	(\$47.03)	\$0.00	\$1.17	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.31	\$3.61	\$3.92	\$4.23	\$4.47	\$4.73	\$5.00	\$113.26
Duke Energy Corporation	DUK	(\$69.39)	\$0.00	\$2.13	\$2.90	\$2.83	\$2.84	\$2.93	\$3.14	\$3.31	\$3.51	\$3.72	\$3.95	\$4.22	\$4.46	\$4.71	\$4.98	\$154.11
Empire District Electric Company	EDE	(\$22.71)	\$0.00	\$0.68	\$0.93	\$1.00	\$1.03											

Index	Stock	EPS Growth Rate Estimate	Value Low	Value High	Payoff Rule		Reverse Solution		Terminal	
					[1]	[2]	[11]	[12]	[11]	[12]
111	WNR	332.49	4.30%	2.80%	17.14	17.14	17.14	17.14	17.14	17.14
112	SO	\$41.92	3.55%	2.80%	16.03	16.03	16.03	16.03	16.03	16.03
113	POR	\$29.89	6.60%	10.89%	15.13	15.13	15.13	15.13	15.13	15.13
114	PMM	\$24.08	7.60%	12.00%	14.26	14.26	14.26	14.26	14.26	14.26
115	PMM	\$54.52	4.60%	4.00%	15.87	15.87	15.87	15.87	15.87	15.87
116	OTTR	NA	6.00%	6.00%	24.31	24.31	24.31	24.31	24.31	24.31
117	NU	\$42.73	7.80%	6.28%	19.65	19.65	19.65	19.65	19.65	19.65
118	NEE	\$66.64	6.10%	4.50%	3.34	3.34	3.34	3.34	3.34	3.34
119	IDA	\$51.73	4.00%	2.00%	2.70	2.70	2.70	2.70	2.70	2.70
120	HE	\$25.58	6.00%	4.26%	2.94	2.94	2.94	2.94	2.94	2.94
121	QXP	\$24.16	5.20%	4.17%	1.85	1.85	1.85	1.85	1.85	1.85
122	EDF	\$27.11	3.80%	3.00%	1.85	1.85	1.85	1.85	1.85	1.85
123	DUR	\$59.23	4.80%	4.50%	3.35	3.35	3.35	3.35	3.35	3.35
124	CNE	\$41.83	6.00%	4.23%	2.75	2.75	2.75	2.75	2.75	2.75
125	AFP	\$45.69	4.30%	4.23%	1.71	1.71	1.71	1.71	1.71	1.71
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Mid-Stage Growth Discounted Cash Flow Model
 180 Day Average Stock Price
 Low EPS Growth Rates Extrapolate in First Stage

MHI-Stage DCF Notes:

- [1] Source: Bloomberg, based on 30-, 90-, and 180-day historical average
- [2] Source: Zacks
- [3] Source: Yahoo! Finance
- [4] Source: Value Line
- [5] Equals indicated value (average, minimum, maximum) from Columns [2], [3], [4]
- [6] Source: Federal Reserve, Bureau of Economic Analysis
- [7] Source: Value Line
- [8] Source: Value Line
- [9] Source: Bloomberg Professional
- [10] Equals Column [1] + Column [64]
- [11] Equals result of Excel Solver function; goal: Column [10] equals \$0.00
- [12] Equals Column [63] / Column [30]
- [13] Equals Column [12] / (Column [6] x 100)
- [14] Source: Value Line
- [15] Equals Column [14] x (1 + Column [5])
- [16] Equals Column [15] x (1 + Column [5])
- [17] Equals Column [16] x (1 + Column [5])
- [18] Equals Column [17] x (1 + Column [5])
- [19] Equals Column [18] x (1 + Column [5])
- [20] Equals Column [19] x (1 + Column [5])
- [21] Equals (1 + (Column [5] + ((Column [6] - Column [5]) / (2024 - 2019 + 1)) x (2019 - 2018)))) x Column [20]
- [22] Equals (1 + (Column [5] + ((Column [6] - Column [5]) / (2024 - 2019 + 1)) x (2020 - 2018)))) x Column [21]
- [23] Equals (1 + (Column [5] + ((Column [6] - Column [5]) / (2024 - 2019 + 1)) x (2021 - 2018)))) x Column [22]
- [24] Equals (1 + (Column [5] + ((Column [6] - Column [5]) / (2024 - 2019 + 1)) x (2022 - 2018)))) x Column [23]
- [25] Equals (1 + (Column [5] + ((Column [6] - Column [5]) / (2024 - 2019 + 1)) x (2023 - 2018)))) x Column [24]
- [26] Equals Column [25] x (1 + Column [6])
- [27] Equals Column [26] x (1 + Column [6])
- [28] Equals Column [27] x (1 + Column [6])
- [29] Equals Column [28] x (1 + Column [6])
- [30] Equals Column [29] x (1 + Column [6])
- [31] Equals Column [7]
- [32] Equals Column [31] + ((Column [35] - Column [31]) / 4)
- [33] Equals Column [32] + ((Column [35] - Column [31]) / 4)
- [34] Equals Column [33] + ((Column [35] - Column [31]) / 4)
- [35] Equals Column [8]
- [36] Equals Column [35] + ((Column [42] - Column [35]) / 7)
- [37] Equals Column [36] + ((Column [42] - Column [35]) / 7)
- [38] Equals Column [37] + ((Column [42] - Column [35]) / 7)
- [39] Equals Column [38] + ((Column [42] - Column [35]) / 7)
- [40] Equals Column [39] + ((Column [42] - Column [35]) / 7)
- [41] Equals Column [40] + ((Column [42] - Column [35]) / 7)
- [42] Equals Column [9]
- [43] Equals Column [9]
- [44] Equals Column [9]
- [45] Equals Column [9]
- [46] Equals Column [9]
- [47] Equals Column [15] x Column [31]
- [48] Equals Column [16] x Column [32]
- [49] Equals Column [17] x Column [33]
- [50] Equals Column [18] x Column [34]
- [51] Equals Column [19] x Column [35]
- [52] Equals Column [20] x Column [36]
- [53] Equals Column [21] x Column [37]
- [54] Equals Column [22] x Column [38]
- [55] Equals Column [23] x Column [39]
- [56] Equals Column [24] x Column [40]
- [57] Equals Column [25] x Column [41]
- [58] Equals Column [26] x Column [42]
- [59] Equals Column [27] x Column [43]
- [60] Equals Column [28] x Column [44]
- [61] Equals Column [29] x Column [45]
- [62] Equals Column [30] x Column [46]
- [63] Equals (Column [62] x (1 + Column [6]) / (Column [11] - Column [6]))
- [64] Equals negative net present value; discount rate equals Column [11]; cash flows equal Column [65] through Column [80]
- [65] Equals \$0.00
- [66] Equals Column [47] x (1 + (0.5 x Column [5])) x ((2/31/2014 - 4/15/2014) / 365)
- [67] Equals Column [49]
- [68] Equals Column [50]
- [69] Equals Column [51]
- [70] Equals Column [52]
- [71] Equals Column [53]
- [72] Equals Column [54]
- [73] Equals Column [55]
- [74] Equals Column [56]
- [75] Equals Column [57]
- [76] Equals Column [58]
- [77] Equals Column [59]
- [78] Equals Column [60]
- [79] Equals Column [61]
- [80] Equals Column [62] + [63]

Ex-Ante Market Risk Premium
Market DCF Method Based - Bloomberg

[1]	[2]	[3]
S&P 500 Est. Required Market Return	Current 30-Year Treasury (30-day average)	Implied Market Risk Premium
13.91%	3.60%	10.31%

Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
AGILENT TECHNOLOGIES INC	A	17,707.96	0.10%	0.91%	8.85%	9.80%	0.0100%
ALCOA INC	AA	15,282.85	0.09%	0.92%	5.00%	5.94%	0.0053%
APPLE INC	AAPL	462,005.70	2.67%	2.44%	16.49%	19.14%	0.5112%
ABBVIE INC	ABBV	76,386.96	0.44%	3.48%	2.50%	6.02%	0.0266%
AMERISOURCEBERGEN CORP	ABC	14,719.30	0.09%	1.47%	13.65%	15.22%	0.0129%
ABBOTT LABORATORIES	ABT	58,590.38	0.34%	2.32%	11.81%	14.27%	0.0483%
ACE LTD	ACE	33,834.64	0.20%	2.54%	7.83%	10.46%	0.0205%
ACCENTURE PLC-CL A	ACN	53,126.22	0.31%	2.36%	10.50%	12.98%	0.0399%
ACTAVIS PLC	ACT	33,841.49	0.20%	0.00%	14.01%	14.01%	0.0274%
ADOBE SYSTEMS INC	ADBE	30,909.06	0.18%	0.00%	15.70%	15.70%	0.0281%
ANALOG DEVICES INC	ADI	16,620.23	0.10%	2.70%	10.88%	13.73%	0.0132%
ARCHER-DANIELS-MIDLAND CO	ADM	29,030.68	0.17%	1.98%	7.45%	9.50%	0.0159%
AUTOMATIC DATA PROCESSING	ADP	36,175.46	0.21%	2.39%	10.33%	12.85%	0.0269%
ALLIANCE DATA SYSTEMS CORP	ADS	13,684.50	0.08%	0.00%	14.26%	14.26%	0.0113%
AUTODESK INC	ADSK	10,636.80	0.06%	0.00%	11.27%	11.27%	0.0069%
ADT CORP/THE	ADT	5,488.30	0.03%	1.86%	8.00%	9.94%	0.0032%
AMEREN CORPORATION	AEE	10,130.00	0.06%	3.91%	6.57%	10.60%	0.0062%
AMERICAN ELECTRIC POWER	AEP	25,522.77	0.15%	3.88%	5.23%	9.21%	0.0136%
AES CORP	AES	10,373.88	0.06%	1.40%	6.82%	8.26%	0.0050%
AETNA INC	AET	25,980.20	0.15%	1.26%	10.20%	11.53%	0.0173%
AFLAC INC	AFL	28,028.27	0.16%	2.44%	10.11%	12.68%	0.0205%
ALLERGAN INC	AGN	38,226.13	0.22%	0.16%	14.64%	14.81%	0.0327%
AMERICAN INTERNATIONAL GROUP	AIG	72,220.37	0.42%	0.99%	12.40%	13.45%	0.0562%
APARTMENT INVT & MGMT CO -A	AIV	4,270.48	0.02%	3.62%	7.28%	11.02%	0.0027%
ASSURANT INC	AIZ	4,577.99	0.03%	1.68%	3.40%	5.11%	0.0014%
AKAMAI TECHNOLOGIES INC	AKAM	9,570.84	0.06%	0.00%	14.50%	14.50%	0.0080%
ALLSTATE CORP	ALL	24,791.46	0.14%	1.94%	9.68%	11.72%	0.0168%
ALLEGION PLC	ALLE	4,820.57	N/A	30.34%	N/A	N/A	N/A
ALTERA CORP	ALTR	10,737.15	0.06%	1.73%	11.88%	13.72%	0.0085%
ALEXION PHARMACEUTICALS INC	ALXN	28,768.49	0.17%	0.00%	39.48%	39.48%	0.0657%
APPLIED MATERIALS INC	AMAT	22,840.75	0.13%	2.08%	20.06%	22.35%	0.0295%
AMETEK INC	AME	12,447.72	0.07%	0.52%	15.00%	15.55%	0.0112%
AMGEN INC	AMGN	86,996.04	0.50%	2.11%	8.01%	10.20%	0.0513%
AMERIPRISE FINANCIAL INC	AMP	19,699.85	0.11%	2.20%	13.00%	15.34%	0.0175%
AMERICAN TOWER CORP	AMT	32,317.29	0.19%	1.61%	23.42%	25.21%	0.0471%
AMAZON.COM INC	AMZN	145,442.03	0.84%	0.00%	42.42%	42.42%	0.3567%
AUTONATION INC	AN	6,337.76	N/A	N/A	13.44%	N/A	N/A
AON PLC	AON	24,464.41	0.14%	0.90%	13.18%	14.14%	0.0200%
APACHE CORP	APA	32,813.72	0.19%	1.11%	9.55%	10.71%	0.0203%
ANADARKO PETROLEUM CORP	APC	50,152.79	0.29%	0.67%	18.23%	18.97%	0.0550%
AIR PRODUCTS & CHEMICALS INC	APD	24,619.67	0.14%	2.51%	8.70%	11.32%	0.0161%
AMPHENOL CORP-CL A	APH	14,453.11	0.08%	0.87%	8.71%	9.61%	0.0080%
AIRGAS INC	ARG	7,817.02	0.05%	1.78%	12.71%	14.61%	0.0066%
ALLEGHENY TECHNOLOGIES INC	ATI	4,414.03	0.03%	1.77%	20.65%	22.60%	0.0058%
AVALONBAY COMMUNITIES INC	AVB	17,433.63	0.10%	3.26%	8.58%	11.98%	0.0121%
AVON PRODUCTS INC	AVP	6,351.11	0.04%	1.68%	11.22%	12.99%	0.0048%
AVERY DENNISON CORP	AVY	4,755.54	0.03%	2.32%	10.45%	12.89%	0.0035%
AMERICAN EXPRESS CO	AXP	91,423.36	0.53%	1.15%	11.27%	12.48%	0.0660%
AUTOZONE INC	AZO	17,267.58	0.10%	0.00%	14.96%	14.96%	0.0149%
BOEING CO/THE	BA	91,596.60	0.53%	2.35%	10.60%	13.08%	0.0692%
BANK OF AMERICA CORP	BAC	172,558.55	1.00%	1.06%	9.50%	10.61%	0.1059%
BAXTER INTERNATIONAL INC	BAX	39,683.06	0.23%	2.78%	9.59%	12.49%	0.0287%
BED BATH & BEYOND INC	BBBY	13,689.09	0.08%	0.00%	12.08%	12.08%	0.0096%
BB&T CORP	BBT	27,844.25	0.16%	2.46%	6.91%	9.45%	0.0152%
BEST BUY CO INC	BBY	8,676.09	0.05%	2.78%	11.04%	13.97%	0.0070%
CR BARD INC	BCR	10,793.70	0.06%	0.64%	10.44%	11.11%	0.0069%
BECTON DICKINSON AND CO	BDX	21,958.09	0.13%	1.90%	9.60%	11.60%	0.0147%
BEAM INC	BEAM	13,772.49	0.08%	1.16%	8.40%	9.61%	0.0077%
FRANKLIN RESOURCES INC	BEN	32,740.87	0.19%	0.92%	13.88%	14.87%	0.0282%
BROWN-FORMAN CORP-CLASS B	BF/B	18,467.55	0.11%	1.26%	9.40%	10.71%	0.0114%
BAKER HUGHES INC	BHI	28,491.26	0.16%	0.92%	17.73%	18.73%	0.0309%
BIOGEN IDEC INC	BIIB	67,488.10	0.39%	0.00%	19.76%	19.76%	0.0771%
BANK OF NEW YORK MELLON CORP	BK	37,740.43	0.22%	1.99%	12.83%	14.95%	0.0326%
BLACKROCK INC	BLK	51,379.26	0.30%	2.58%	13.45%	16.20%	0.0481%
BALL CORP	BLL	7,779.54	0.04%	0.97%	10.07%	11.08%	0.0050%
BEMIS COMPANY	BMS	4,037.03	0.02%	2.68%	6.93%	9.71%	0.0023%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
BRISTOL-MYERS SQUIBB CO	BMJ	79,491.70	0.46%	2.99%	13.92%	17.12%	0.0787%
BROADCOM CORP-CL A	BRCM	16,801.44	0.10%	1.61%	10.13%	11.82%	0.0115%
BERKSHIRE HATHAWAY INC-CL B	BRK/B	305,193.22	N/A	N/A	N/A	N/A	N/A
BOSTON SCIENTIFIC CORP	BSX	17,668.34	0.10%	0.00%	9.90%	9.90%	0.0101%
PEABODY ENERGY CORP	BTU	4,574.56	0.03%	2.06%	12.00%	14.19%	0.0038%
BORGWARNER INC	BWA	13,913.83	0.08%	0.60%	13.83%	14.47%	0.0116%
BOSTON PROPERTIES INC	BXP	17,870.94	0.10%	3.09%	5.62%	8.79%	0.0091%
CITIGROUP INC	C	146,756.12	0.85%	0.11%	9.10%	9.22%	0.0782%
CA INC	CA	13,406.18	0.08%	3.35%	5.87%	9.32%	0.0072%
CONAGRA FOODS INC	CAG	13,000.98	0.08%	3.23%	9.87%	13.26%	0.0100%
CARDINAL HEALTH INC	CAH	23,045.54	0.13%	1.80%	11.00%	12.90%	0.0172%
CAMERON INTERNATIONAL CORP	CAM	13,226.46	0.08%	0.00%	16.00%	16.00%	0.0122%
CATERPILLAR INC	CAT	65,376.79	0.38%	2.40%	10.35%	12.87%	0.0487%
CHUBB CORP	CB	22,086.69	0.13%	2.11%	9.00%	11.20%	0.0143%
CBRE GROUP INC - A	CBG	8,861.90	N/A	N/A	10.95%	N/A	N/A
CBS CORP-CLASS B NON VOTING	CBS	34,053.66	0.20%	0.88%	15.83%	16.78%	0.0330%
COCA-COLA ENTERPRISES	CCE	11,293.83	0.07%	2.20%	9.97%	12.28%	0.0080%
CROWN CASTLE INTL CORP	CCI	24,534.00	0.14%	1.95%	18.00%	20.12%	0.0285%
CARNIVAL CORP	CCL	28,193.75	0.16%	2.75%	16.06%	19.03%	0.0310%
CELGENE CORP	CELG	56,777.85	0.33%	0.00%	25.56%	25.56%	0.0839%
CERNER CORP	CERN	18,530.08	0.11%	0.00%	18.14%	18.14%	0.0194%
CF INDUSTRIES HOLDINGS INC	CF	12,867.97	0.07%	1.66%	7.04%	8.76%	0.0065%
CAREFUSION CORP	CFN	8,054.04	0.05%	0.00%	11.24%	11.24%	0.0052%
CHESAPEAKE ENERGY CORP	CHK	18,100.99	0.10%	1.31%	5.00%	6.34%	0.0066%
C.H. ROBINSON WORLDWIDE INC	CHRW	8,191.58	0.05%	2.70%	13.18%	16.06%	0.0076%
CIGNA CORP	CI	20,989.97	0.12%	0.05%	10.27%	10.33%	0.0125%
CINCINNATI FINANCIAL CORP	CINF	7,875.25	N/A	3.58%	N/A	N/A	N/A
COLGATE-PALMOLIVE CO	CL	60,838.68	0.35%	2.19%	9.27%	11.56%	0.0407%
CLOROX COMPANY	CLX	11,676.67	0.07%	3.16%	7.78%	11.06%	0.0075%
COMERICA INC	CMA	8,845.89	0.05%	1.60%	8.10%	9.76%	0.0050%
COMCAST CORP-CLASS A	CMCSA	125,375.35	0.72%	1.86%	11.98%	13.95%	0.1011%
CME GROUP INC	CME	22,756.79	0.13%	4.51%	14.49%	19.32%	0.0254%
CHIPOTLE MEXICAN GRILL INC	CMG	16,804.95	0.10%	0.00%	21.13%	21.13%	0.0205%
CUMMINS INC	CMI	26,066.71	0.15%	1.90%	13.91%	15.94%	0.0240%
CMS ENERGY CORP	CMS	8,046.15	0.05%	3.60%	6.30%	10.02%	0.0047%
CENTERPOINT ENERGY INC	CNP	10,490.47	0.06%	3.88%	4.97%	8.95%	0.0054%
CONSOL ENERGY INC	CNX	9,406.84	0.05%	0.70%	12.00%	12.75%	0.0069%
CAPITAL ONE FINANCIAL CORP	COF	42,681.86	0.25%	1.63%	7.75%	9.44%	0.0233%
CABOT OIL & GAS CORP	COG	13,757.99	0.08%	0.24%	35.00%	35.29%	0.0281%
COACH INC	COH	13,562.61	0.08%	2.77%	9.91%	12.82%	0.0101%
ROCKWELL COLLINS INC	COL	10,485.33	0.06%	1.62%	9.70%	11.40%	0.0069%
CONOCOPHILLIPS	COP	89,537.69	0.52%	3.84%	7.50%	11.48%	0.0594%
COSTCO WHOLESALE CORP	COST	49,292.68	0.29%	1.14%	11.30%	12.50%	0.0356%
COVDIEN PLC	COV	31,507.17	0.18%	1.78%	9.02%	10.88%	0.0198%
CAMPBELL SOUP CO	CPB	13,858.19	0.08%	2.81%	5.57%	8.46%	0.0068%
SALESFORCE.COM INC	CRM	33,695.82	0.19%	0.00%	28.80%	28.80%	0.0561%
COMPUTER SCIENCES CORP	CSC	8,750.29	0.05%	1.33%	12.40%	13.81%	0.0070%
CISCO SYSTEMS INC	CSCO	117,912.82	0.68%	3.15%	10.14%	13.44%	0.0917%
CSX CORP	CSX	28,442.40	0.16%	2.24%	12.70%	15.09%	0.0248%
CINTAS CORP	CTAS	6,771.65	0.04%	1.37%	10.96%	12.41%	0.0049%
CENTURYLINK INC	CTL	19,679.38	0.11%	6.34%	1.30%	7.68%	0.0087%
COGNIZANT TECH SOLUTIONS-A	CTSH	29,690.88	0.17%	0.00%	16.18%	16.18%	0.0278%
CITRIX SYSTEMS INC	CTXS	10,173.68	0.06%	0.00%	14.13%	14.13%	0.0083%
CABLEVISION SYSTEMS-NY GRP-A	CVC	4,315.79	0.02%	3.75%	-1.43%	2.30%	0.0006%
CVS CAREMARK CORP	CVS	87,284.83	0.50%	1.38%	14.13%	15.60%	0.0787%
CHEVRON CORP	CVX	229,010.71	1.32%	3.46%	4.60%	8.14%	0.1077%
DOMINION RESOURCES INC/VA	D	41,043.80	0.24%	3.40%	6.14%	9.64%	0.0229%
DELTA AIR LINES INC	DAL	27,103.68	0.16%	0.82%	-0.64%	0.18%	0.0003%
DU PONT (E.I.) DE NEMOURS	DD	61,298.83	0.35%	2.83%	7.30%	10.23%	0.0363%
DEERE & CO	DE	34,138.25	0.20%	2.23%	6.58%	8.89%	0.0175%
DISCOVER FINANCIAL SERVICES	DFS	26,060.87	0.15%	1.67%	11.25%	13.01%	0.0196%
DOLLAR GENERAL CORP	DG	17,039.22	0.10%	0.00%	13.91%	13.91%	0.0137%
QUEST DIAGNOSTICS INC	DGX	8,667.32	0.05%	2.20%	9.16%	11.46%	0.0057%
DR HORTON INC	DHI	7,014.96	0.04%	0.65%	6.90%	7.58%	0.0031%
DANAHER CORP	DHR	51,049.68	0.30%	0.42%	11.28%	11.72%	0.0346%
WALT DISNEY CO/THE	DIS	136,064.91	0.79%	1.10%	11.19%	12.35%	0.0972%
DISCOVERY COMMUNICATIONS-A	DISCA	26,200.46	0.15%	0.00%	20.02%	20.02%	0.0303%
DELPHI AUTOMOTIVE PLC	DLPH	20,091.96	0.12%	1.45%	13.73%	15.28%	0.0178%
DOLLAR TREE INC	DLTR	10,461.79	N/A	N/A	16.04%	N/A	N/A
DUN & BRADSTREET CORP	DNB	3,783.48	0.02%	1.72%	8.95%	10.75%	0.0024%
DENBURY RESOURCES INC	DNR	5,832.74	0.03%	1.08%	10.80%	11.94%	0.0040%
DIAMOND OFFSHORE DRILLING	DO	6,558.10	0.04%	7.32%	20.00%	28.06%	0.0106%
DOVER CORP	DOV	13,934.64	0.08%	1.87%	13.08%	15.07%	0.0121%
DOW CHEMICAL CO/THE	DOW	57,535.20	0.33%	2.90%	6.69%	9.68%	0.0322%
DR PEPPER SNAPPLE GROUP INC	DPS	10,259.98	0.06%	3.16%	6.79%	10.06%	0.0060%
DARDEN RESTAURANTS INC	DRI	6,385.40	0.04%	4.55%	7.46%	12.18%	0.0045%
DTE ENERGY COMPANY	DTE	13,602.15	0.08%	3.52%	5.42%	9.04%	0.0071%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
DIRECTV	DTV	38,210.78	0.22%	0.00%	10.88%	10.88%	0.0240%
DUKE ENERGY CORP	DUK	51,473.39	0.30%	4.36%	4.68%	9.13%	0.0272%
DAVITA HEALTHCARE PARTNERS I	DVA	14,585.01	0.08%	0.00%	12.32%	12.32%	0.0104%
DEVON ENERGY CORPORATION	DVN	27,980.23	0.16%	1.30%	5.83%	7.17%	0.0116%
ELECTRONIC ARTS INC	EA	8,502.90	0.05%	0.00%	17.68%	17.68%	0.0087%
EBAY INC	EBAY	68,406.43	0.40%	0.00%	14.66%	14.66%	0.0580%
ECOLAB INC	ECL	31,719.36	0.18%	1.01%	13.38%	14.46%	0.0265%
CONSOLIDATED EDISON INC	ED	16,751.03	0.10%	4.37%	3.46%	7.90%	0.0077%
EQUIFAX INC	EFX	8,060.03	0.05%	1.55%	20.30%	22.01%	0.0103%
EDISON INTERNATIONAL	EIX	18,554.95	0.11%	2.53%	3.01%	5.59%	0.0060%
ESTEE LAUDER COMPANIES-CL A	EL	27,467.09	0.16%	1.10%	12.33%	13.50%	0.0214%
EMC CORP/MA	EMC	54,530.05	0.32%	1.53%	12.00%	13.63%	0.0430%
EASTMAN CHEMICAL CO	EMN	13,038.08	0.08%	1.59%	7.70%	9.35%	0.0070%
EMERSON ELECTRIC CO	EMR	46,783.71	0.27%	2.59%	8.85%	11.55%	0.0312%
EOG RESOURCES INC	EOG	55,231.91	0.32%	0.45%	19.22%	19.71%	0.0629%
EQUITY RESIDENTIAL	EQR	20,946.20	0.12%	3.45%	7.43%	11.00%	0.0133%
EQT CORP	EQT	15,629.40	0.09%	0.12%	30.00%	30.14%	0.0272%
EXPRESS SCRIPTS HOLDING CO	ESRX	57,100.98	0.33%	0.00%	14.55%	14.55%	0.0480%
ESSEX PROPERTY TRUST INC	ESS	10,288.28	0.06%	2.97%	7.36%	10.44%	0.0062%
ENSCO PLC-CL A	ESV	11,865.33	0.07%	5.69%	15.97%	22.11%	0.0152%
E*TRADE FINANCIAL CORP	ETFC	5,872.65	0.03%	0.00%	40.00%	40.00%	0.0136%
EATON CORP PLC	ETN	34,216.92	0.20%	2.65%	11.52%	14.32%	0.0283%
ENTERGY CORP	ETR	12,923.72	0.07%	4.62%	0.78%	5.41%	0.0040%
EDWARDS LIFESCIENCES CORP	EW	8,479.75	0.05%	0.00%	14.76%	14.76%	0.0072%
EXELON CORP	EXC	30,903.49	0.18%	3.45%	6.13%	6.13%	0.0110%
EXPEDITORS INTL WASH INC	EXPD	7,909.90	0.05%	1.67%	11.90%	13.67%	0.0063%
EXPEDIA INC	EXPE	9,244.63	0.05%	0.85%	19.00%	19.93%	0.0107%
FORD MOTOR CO	F	62,479.88	0.36%	2.98%	9.68%	12.80%	0.0463%
FASTENAL CO	FAST	14,860.95	0.09%	2.07%	16.50%	18.75%	0.0161%
FACEBOOK INC-A	FB	153,260.38	0.89%	0.00%	31.50%	31.50%	0.2792%
FREEMPORT-MCMORAN COPPER	FCX	34,278.18	0.20%	3.79%	7.00%	10.92%	0.0216%
FAMILY DOLLAR STORES	FDO	6,476.65	0.04%	1.96%	6.89%	8.91%	0.0033%
FEDEX CORP	FDX	39,058.40	0.23%	0.46%	14.10%	14.59%	0.0329%
FIRSTENERGY CORP	FE	14,286.17	0.08%	4.23%	0.08%	9.00%	0.0074%
F5 NETWORKS INC	FFIV	8,127.52	0.05%	0.00%	16.07%	16.07%	0.0076%
FIDELITY NATIONAL INFORMATIO	FIS	15,158.38	0.09%	1.76%	12.00%	13.87%	0.0122%
FISERV INC	FISV	14,304.69	0.08%	0.00%	9.45%	9.45%	0.0078%
FIFTH THIRD BANCORP	FITB	18,418.91	0.11%	2.36%	17.60%	20.17%	0.0215%
FLIR SYSTEMS INC	FLIR	4,944.83	0.03%	1.21%	12.50%	13.79%	0.0039%
FLUOR CORP	FLR	12,131.04	0.07%	1.02%	12.60%	13.69%	0.0096%
FLOWSERVE CORP	FLS	10,480.34	0.06%	0.81%	14.87%	15.74%	0.0095%
FMC CORP	FMC	10,037.79	0.06%	0.75%	10.00%	10.79%	0.0063%
FOSSIL GROUP INC	FOSL	5,756.78	0.03%	0.00%	15.20%	15.20%	0.0051%
TWENTY-FIRST CENTURY FOX-A	FOXA	71,516.47	0.41%	0.80%	17.01%	17.87%	0.0739%
FOREST LABORATORIES INC	FRX	23,936.69	0.14%	0.00%	41.78%	41.78%	0.0578%
FIRST SOLAR INC	FSLR	6,645.32	0.04%	0.00%	-0.85%	-0.85%	-0.0003%
FMC TECHNOLOGIES INC	FTI	12,653.49	0.07%	0.00%	19.30%	19.30%	0.0141%
FRONTIER COMMUNICATIONS CORP	FTR	5,662.73	0.03%	7.08%	3.00%	10.19%	0.0033%
AGL RESOURCES INC	GAS	6,150.88	0.04%	3.77%	5.50%	9.37%	0.0033%
GANNETT CO	GCI	5,904.50	0.03%	3.60%	7.50%	11.24%	0.0038%
GENERAL DYNAMICS CORP	GD	36,714.10	0.21%	2.28%	6.96%	9.31%	0.0198%
GENERAL ELECTRIC CO	GE	258,845.52	1.50%	3.49%	9.02%	12.66%	0.1895%
GENERAL GROWTH PROPERTIES	GGP	19,829.93	0.11%	2.56%	8.32%	10.98%	0.0126%
GRAHAM HOLDINGS CO-CLASS B	GHC	4,890.52	N/A	N/A	N/A	N/A	N/A
GILEAD SCIENCES INC	GILD	104,835.47	0.61%	0.00%	25.71%	25.71%	0.1559%
GENERAL MILLS INC	GIS	31,492.73	0.18%	2.99%	8.02%	11.13%	0.0203%
CORNING INC	GLW	28,581.96	0.17%	2.10%	12.35%	14.58%	0.0241%
GENERAL MOTORS CO	GM	53,035.34	0.31%	3.19%	15.73%	19.18%	0.0588%
KEURIG GREEN MOUNTAIN INC	GMCR	15,757.34	0.09%	1.03%	19.00%	20.12%	0.0183%
GAMESTOP CORP-CLASS A	GME	4,779.43	0.03%	3.18%	12.63%	16.01%	0.0044%
GENWORTH FINANCIAL INC-CL A	GNW	7,980.21	0.05%	0.00%	5.00%	5.00%	0.0023%
GOOGLE INC-CL C	GOOG	364,964.49	2.11%	0.00%	19.53%	19.53%	0.4121%
GOOGLE INC-CL A	GOOGL	364,964.49	2.11%	0.00%	19.53%	19.53%	0.4121%
GENUINE PARTS CO	GPC	13,097.56	0.08%	2.70%	7.88%	10.69%	0.0081%
GAP INC/THE	GPS	17,144.34	0.10%	2.22%	13.11%	15.48%	0.0153%
GARMIN LTD	GRMN	10,817.17	0.06%	3.41%	5.71%	9.22%	0.0058%
GOLDMAN SACHS GROUP INC	GS	71,901.41	0.42%	1.49%	7.60%	9.14%	0.0380%
GOODYEAR TIRE & RUBBER CO	GT	6,461.32	0.04%	0.79%	8.95%	9.77%	0.0036%
VWV GRAINGER INC	GWW	17,218.45	0.10%	1.59%	13.68%	15.38%	0.0153%
HALLIBURTON CO	HAL	50,626.21	0.29%	1.04%	20.42%	21.56%	0.0631%
HARMAN INTERNATIONAL	HAR	7,049.98	0.04%	1.15%	15.00%	16.24%	0.0066%
HASBRO INC	HAS	6,976.94	0.04%	3.20%	10.00%	13.36%	0.0054%
HUNTINGTON BANCSHARES INC	HBAN	7,972.67	0.05%	2.28%	5.65%	8.00%	0.0037%
HUDSON CITY BANCORP INC	HCBK	5,183.79	N/A	1.63%	N/A	N/A	N/A
HEALTH CARE REIT INC	HCN	18,243.60	0.11%	5.07%	5.60%	10.80%	0.0114%
HCP INC	HCP	18,885.11	0.11%	5.29%	4.06%	9.46%	0.0103%
HOME DEPOT INC	HD	103,824.89	0.60%	2.49%	15.95%	18.64%	0.1119%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
HESS CORP	HES	27,130.82	0.16%	1.17%	6.31%	7.52%	0.0118%
HARTFORD FINANCIAL SVCS GRP	HIG	15,396.63	0.09%	1.88%	9.00%	10.97%	0.0098%
HARLEY-DAVIDSON INC	HOG	14,382.16	0.08%	1.48%	12.28%	13.85%	0.0115%
HONEYWELL INTERNATIONAL INC	HON	71,716.61	0.41%	1.99%	10.08%	12.17%	0.0505%
STARWOOD HOTELS & RESORTS	HOT	14,549.80	0.08%	1.87%	11.40%	13.38%	0.0113%
HELMERICH & PAYNE	HP	11,708.38	0.07%	2.09%	7.75%	9.92%	0.0067%
HEWLETT-PACKARD CO	HPQ	61,382.96	0.35%	1.86%	5.71%	7.63%	0.0271%
H&R BLOCK INC	HRB	7,721.96	0.04%	2.84%	11.00%	14.00%	0.0062%
HORMEL FOODS CORP	HRL	12,497.30	0.07%	1.68%	9.80%	11.56%	0.0084%
HARRIS CORP	HRS	7,526.09	0.04%	2.39%	3.00%	5.42%	0.0024%
HOSPIRA INC	HSP	7,247.83	0.04%	0.00%	11.88%	11.88%	0.0050%
HOST HOTELS & RESORTS INC	HST	15,492.69	0.09%	2.96%	6.00%	9.05%	0.0081%
HERSHEY CO/THE	HSY	22,270.86	0.13%	2.01%	9.33%	11.44%	0.0147%
HUMANA INC	HUM	16,965.36	0.10%	1.03%	9.95%	11.03%	0.0108%
INTL BUSINESS MACHINES CORP	IBM	205,164.96	1.19%	2.04%	9.76%	11.90%	0.1411%
INTERCONTINENTALEXCHANGE GRO	ICE	22,301.94	0.13%	1.34%	19.81%	21.29%	0.0275%
INTL FLAVORS & FRAGRANCES	IFF	7,571.84	0.04%	1.79%	6.50%	8.34%	0.0037%
INTL GAME TECHNOLOGY	IGT	3,414.33	0.02%	3.05%	14.00%	17.26%	0.0034%
INTEL CORP	INTC	133,145.78	0.77%	3.32%	5.86%	9.28%	0.0715%
INTUIT INC	INTU	20,891.56	0.12%	1.00%	14.50%	15.57%	0.0188%
INTERNATIONAL PAPER CO	IP	19,703.90	0.11%	3.16%	8.67%	11.97%	0.0136%
INTERPUBLIC GROUP OF COS INC	IPG	6,926.89	0.04%	2.27%	8.63%	11.00%	0.0044%
INGERSOLL-RAND PLC	IR	15,450.44	0.09%	1.83%	12.07%	14.01%	0.0125%
IRON MOUNTAIN INC	IRM	5,041.64	0.03%	5.04%	13.50%	18.88%	0.0055%
INTUITIVE SURGICAL INC	ISRG	15,989.19	N/A	N/A	8.45%	N/A	N/A
ILLINOIS TOOL WORKS	ITW	34,495.02	0.20%	2.02%	17.24%	19.43%	0.0388%
INVESCO LTD	IVZ	14,943.79	0.09%	2.87%	13.67%	16.74%	0.0145%
JABIL CIRCUIT INC	JBL	3,526.75	0.02%	1.87%	6.17%	8.09%	0.0017%
JOHNSON CONTROLS INC	JCI	30,518.74	0.18%	1.88%	13.45%	15.46%	0.0273%
JACOBS ENGINEERING GROUP INC	JEC	8,191.26	0.05%	0.00%	14.33%	14.33%	0.0068%
JOHNSON & JOHNSON	JNJ	280,569.74	1.62%	2.84%	7.11%	10.05%	0.1630%
JUNIPER NETWORKS INC	JNPR	11,781.45	0.07%	0.36%	10.90%	11.28%	0.0077%
JOY GLOBAL INC	JOY	6,080.28	0.04%	1.15%	15.00%	16.24%	0.0057%
JPMORGAN CHASE & CO	JPM	207,423.03	1.20%	2.89%	4.05%	7.00%	0.0840%
NORDSTROM INC	JWN	11,567.46	0.07%	2.04%	10.44%	12.59%	0.0084%
KELLOGG CO	K	23,422.91	0.14%	2.90%	7.00%	10.00%	0.0135%
KEYCORP	KEY	11,834.85	0.07%	1.97%	5.20%	7.22%	0.0049%
KIMCO REALTY CORP	KIM	9,092.44	0.05%	4.06%	3.83%	7.97%	0.0042%
KLA-TENCOR CORPORATION	KLAC	11,019.08	0.06%	2.71%	16.44%	19.38%	0.0123%
KIMBERLY-CLARK CORP	KMB	41,863.53	0.24%	3.03%	7.46%	10.60%	0.0256%
KINDER MORGAN INC	KMI	33,817.57	N/A	5.23%	N/A	N/A	N/A
CARMAX INC	KMX	9,681.21	N/A	N/A	14.51%	N/A	N/A
COCA-COLA CO/THE	KO	177,028.79	1.02%	2.95%	7.13%	10.19%	0.1043%
MICHAEL KORS HOLDINGS LTD	KORS	18,224.94	0.11%	0.00%	23.88%	23.88%	0.0252%
KROGER CO	KR	22,483.90	0.13%	1.56%	10.18%	11.83%	0.0154%
KRAFT FOODS GROUP INC	KRFT	33,472.26	0.19%	3.82%	9.65%	13.65%	0.0264%
KOHL'S CORP	KSS	11,351.79	0.07%	2.86%	9.77%	12.77%	0.0084%
KANSAS CITY SOUTHERN	KSU	10,941.16	0.06%	1.04%	16.50%	17.62%	0.0111%
LOEWS CORP	L	16,955.94	N/A	0.57%	N/A	N/A	N/A
L BRANDS INC	LB	15,755.50	0.09%	3.14%	11.44%	14.76%	0.0134%
LEGGITT & PLATT INC	LEG	4,506.73	0.03%	3.69%	15.00%	18.97%	0.0049%
LENNAR CORP-A	LEN	7,729.00	0.04%	0.36%	7.55%	7.92%	0.0035%
LABORATORY CRP OF AMER HLDGS	LH	8,634.43	0.05%	0.00%	10.27%	10.27%	0.0051%
L-3 COMMUNICATIONS HOLDINGS	LLL	10,077.89	0.06%	1.95%	3.65%	5.63%	0.0033%
LINEAR TECHNOLOGY CORP	LLTC	11,118.95	0.06%	2.24%	10.05%	12.40%	0.0080%
ELI LILLY & CO	LLY	66,535.98	0.38%	3.30%	1.40%	4.72%	0.0182%
LEGG MASON INC	LM	5,310.86	0.03%	1.14%	20.35%	21.61%	0.0066%
LOCKHEED MARTIN CORP	LMT	50,589.91	0.29%	3.48%	7.46%	11.07%	0.0324%
LINCOLN NATIONAL CORP	LNC	12,167.33	0.07%	1.39%	10.18%	11.64%	0.0082%
LORILLARD INC	LO	19,163.64	0.11%	4.64%	10.80%	15.69%	0.0174%
LOWE'S COS INC	LOW	47,587.05	0.28%	1.64%	16.59%	18.36%	0.0505%
LAM RESEARCH CORP	LRCX	8,500.31	0.05%	0.00%	27.26%	27.26%	0.0134%
LSI CORP	LSI	6,186.29	N/A	0.54%	N/A	N/A	N/A
LEUCADIA NATIONAL CORP	LUK	9,375.50	N/A	N/A	N/A	N/A	N/A
SOUTHWEST AIRLINES CO	LUV	15,973.24	0.09%	0.67%	15.26%	15.98%	0.0148%
LYONDELLBASELL INDU-CL A	LYB	48,623.38	0.28%	2.28%	6.50%	8.85%	0.0249%
MACY'S INC	M	21,248.30	0.12%	1.83%	10.62%	12.54%	0.0154%
MASTERCARD INC-CLASS A	MA	85,608.92	0.50%	0.58%	17.72%	18.35%	0.0908%
MACERICH CO/THE	MAC	9,135.98	0.05%	3.87%	5.73%	9.71%	0.0051%
MARRIOTT INTERNATIONAL -CL A	MAR	16,619.55	0.10%	1.25%	12.68%	14.01%	0.0135%
MASCO CORP	MAS	7,672.32	0.04%	1.45%	13.63%	15.17%	0.0067%
MATTEL INC	MAT	13,067.00	0.08%	3.92%	10.00%	14.12%	0.0107%
MCDONALD'S CORP	MCD	99,716.90	0.58%	3.29%	8.96%	12.39%	0.0714%
MICROCHIP TECHNOLOGY INC	MCHP	9,393.17	0.05%	2.95%	12.35%	15.49%	0.0084%
MCKESSON CORP	MCK	38,732.64	0.22%	0.54%	14.38%	14.97%	0.0335%
MOODY'S CORP	MCO	16,158.20	0.09%	1.49%	13.50%	15.09%	0.0141%
MONDELEZ INTERNATIONAL INC-A	MDLZ	58,201.79	0.34%	1.72%	12.29%	14.12%	0.0475%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
MEDTRONIC INC	MDT	58,097.30	0.34%	1.93%	7.16%	9.15%	0.0307%
METLIFE INC	MET	56,202.18	0.32%	2.49%	7.70%	10.28%	0.0334%
MCGRAW HILL FINANCIAL INC	MHFI	20,080.18	0.12%	1.64%	12.50%	14.24%	0.0165%
MOHAWK INDUSTRIES INC	MHK	9,823.27	N/A	N/A	40.00%	N/A	N/A
MEAD JOHNSON NUTRITION CO	MJN	16,612.33	0.10%	1.84%	10.80%	12.74%	0.0122%
MCCORMICK & CO-NON VTG SHRS	MKC	9,260.04	0.05%	2.10%	6.30%	8.46%	0.0045%
MARSH & MCLENNAN COS	MMC	26,254.50	0.15%	2.22%	11.43%	13.78%	0.0209%
3M CO	MMM	88,205.53	0.51%	2.56%	9.90%	12.59%	0.0642%
MONSTER BEVERAGE CORP	MNST	10,658.44	0.06%	0.00%	15.33%	15.33%	0.0094%
ALTRIA GROUP INC	MO	75,960.77	0.44%	5.26%	7.07%	12.52%	0.0550%
MONSANTO CO	MON	57,989.02	0.34%	1.52%	13.50%	15.12%	0.0507%
MOSAIC CO/THE	MOS	19,292.40	0.11%	2.10%	1.67%	3.78%	0.0042%
MARATHON PETROLEUM CORP	MPC	25,355.43	0.15%	1.99%	11.26%	13.36%	0.0198%
MERCK & CO. INC.	MRK	164,206.57	0.95%	3.12%	3.53%	6.70%	0.0636%
MARATHON OIL CORP	MRO	25,020.31	0.14%	2.13%	9.00%	11.22%	0.0162%
MORGAN STANLEY	MS	58,285.67	0.34%	1.06%	16.64%	17.79%	0.0599%
MICROSOFT CORP	MSFT	329,953.77	1.91%	2.70%	9.04%	11.86%	0.2263%
MOTOROLA SOLUTIONS INC	MSI	16,101.36	0.09%	2.08%	7.00%	9.15%	0.0085%
M & T BANK CORP	MTB	15,790.33	0.09%	2.33%	6.72%	9.13%	0.0083%
MICRON TECHNOLOGY INC	MU	23,730.31	0.14%	0.00%	10.94%	10.94%	0.0150%
MURPHY OIL CORP	MUR	11,053.21	0.06%	2.10%	10.77%	12.98%	0.0083%
MEADWESTVACO CORP	MWV	6,365.19	0.04%	4.14%	8.55%	12.87%	0.0047%
MYLAN INC	MYL	17,193.52	0.10%	0.00%	12.39%	12.39%	0.0123%
NOBLE ENERGY INC	NBL	25,912.76	0.15%	0.79%	13.17%	14.01%	0.0210%
NABORS INDUSTRIES LTD	NBR	7,089.52	0.04%	0.67%	22.00%	22.74%	0.0093%
NASDAQ OMX GROUP/THE	NDAQ	5,801.38	0.03%	1.66%	12.77%	14.54%	0.0049%
NOBLE CORP PLC	NE	7,827.48	0.05%	4.98%	13.67%	18.99%	0.0086%
NEXTERA ENERGY INC	NEE	42,408.17	0.25%	2.96%	6.42%	9.47%	0.0232%
NEWMONT MINING CORP	NEM	11,870.54	0.07%	1.66%	-2.30%	-0.66%	-0.0005%
NETFLIX INC	NFLX	19,513.31	0.11%	0.00%	36.20%	36.20%	0.0408%
NEWFIELD EXPLORATION CO	NFX	4,466.75	0.03%	0.00%	11.00%	11.00%	0.0028%
NISOURCE INC	NI	11,202.26	0.06%	2.88%	5.45%	8.41%	0.0054%
NIKE INC -CL B	NKE	63,471.87	0.37%	1.27%	12.73%	14.08%	0.0517%
NIELSEN HOLDINGS NV	NLSN	16,509.21	0.10%	1.90%	15.33%	17.38%	0.0166%
NORTHROP GRUMMAN CORP	NOC	25,667.49	0.15%	2.14%	7.01%	9.23%	0.0137%
NATIONAL OILWELL VARCO INC	NOV	34,612.66	0.20%	1.70%	11.13%	12.93%	0.0259%
NRG ENERGY INC	NRG	10,526.52	0.06%	1.64%	75.85%	78.11%	0.0475%
NORFOLK SOUTHERN CORP	NSC	29,264.98	0.17%	2.29%	14.36%	16.82%	0.0285%
NETAPP INC	NTAP	12,255.53	0.07%	1.62%	13.00%	14.72%	0.0104%
NORTHERN TRUST CORP	NTRS	14,150.78	0.08%	2.18%	13.54%	15.86%	0.0130%
NORTHEAST UTILITIES	NU	14,619.98	0.08%	3.39%	6.70%	10.21%	0.0086%
NUCOR CORP	NUE	16,458.03	0.10%	2.87%	7.33%	10.30%	0.0088%
VIDIA CORP	NVDA	10,282.29	0.06%	1.83%	9.98%	11.90%	0.0071%
NEWELL RUBBERMAID INC	NWL	8,057.83	0.05%	2.20%	9.88%	12.19%	0.0057%
NEWS CORP - CLASS A	NWSA	9,561.17	0.06%	0.81%	6.00%	6.84%	0.0038%
OWENS-ILLINOIS INC	OI	5,446.96	0.03%	0.00%	9.90%	9.90%	0.0031%
ONEOK INC	OKE	12,349.29	0.07%	3.86%	18.05%	22.26%	0.0159%
OMNICOM GROUP	OMC	18,033.89	0.10%	2.42%	8.00%	10.52%	0.0110%
ORACLE CORP	ORCL	177,151.54	1.02%	1.20%	10.10%	11.36%	0.1164%
O'REILLY AUTOMOTIVE INC	ORLY	15,199.01	0.09%	0.00%	15.80%	15.80%	0.0139%
OCCIDENTAL PETROLEUM CORP	OXY	74,981.29	0.43%	3.02%	6.21%	9.32%	0.0404%
PAYCHEX INC	PAYX	14,796.91	0.09%	3.37%	9.14%	12.66%	0.0108%
PEOPLE'S UNITED FINANCIAL	PBCT	4,600.74	0.03%	4.40%	13.45%	18.15%	0.0048%
PITNEY BOWES INC	PBI	4,982.17	0.03%	3.05%	13.00%	16.25%	0.0047%
PACCAR INC	PCAR	22,892.18	0.13%	2.33%	11.00%	13.46%	0.0178%
P G & E CORP	PCG	20,930.53	0.12%	4.06%	5.91%	10.09%	0.0122%
PLUM CREEK TIMBER CO	PCL	7,331.73	0.04%	4.29%	5.00%	9.40%	0.0040%
PRICELINE GROUP INC/THE	PCLN	60,993.51	0.35%	0.00%	23.12%	23.12%	0.0815%
PRECISION CASTPARTS CORP	PCP	35,814.62	0.21%	0.05%	13.50%	13.55%	0.0281%
PATTERSON COS INC	PDCO	4,299.26	0.02%	1.64%	9.76%	11.48%	0.0029%
PUBLIC SERVICE ENTERPRISE GP	PEG	20,039.07	0.12%	3.74%	3.67%	7.47%	0.0087%
PEPSICO INC	PEP	128,974.49	0.75%	3.02%	7.71%	10.85%	0.0809%
PETSMART INC	PETM	6,571.39	0.04%	1.25%	12.95%	14.28%	0.0054%
PFIZER INC	PFE	191,102.58	1.10%	3.48%	4.33%	7.88%	0.0871%
PRINCIPAL FINANCIAL GROUP	PFG	13,045.79	0.08%	2.60%	11.50%	14.25%	0.0108%
PROCTER & GAMBLE CO/THE	PG	219,190.24	1.27%	3.03%	8.66%	11.82%	0.1498%
PROGRESSIVE CORP	PGR	14,161.84	0.08%	3.16%	8.25%	11.54%	0.0095%
PARKER HANNIFIN CORP	PH	18,084.85	0.10%	1.51%	10.95%	12.54%	0.0131%
PULTEGROUP INC	PHM	7,123.98	0.04%	1.20%	17.75%	19.06%	0.0079%
PERKINELMER INC	PKI	4,968.94	0.03%	0.64%	12.83%	13.50%	0.0039%
PROLOGIS INC	PLD	20,340.80	0.12%	3.13%	5.31%	8.52%	0.0100%
PALL CORP	PLL	9,356.19	0.05%	1.23%	11.23%	12.52%	0.0068%
PHILIP MORRIS INTERNATIONAL	PM	133,354.72	0.77%	4.39%	8.12%	12.69%	0.0979%
PNC FINANCIAL SERVICES GROUP	PNC	43,873.41	0.25%	2.30%	7.70%	10.09%	0.0256%
PENTAIR LTD-REGISTERED	PNR	15,179.11	0.09%	1.36%	15.50%	16.97%	0.0149%
PINNACLE WEST CAPITAL	PNW	6,138.89	0.04%	4.14%	4.39%	8.62%	0.0031%
PEPCO HOLDINGS INC	POM	5,362.70	0.03%	5.05%	6.37%	11.58%	0.0036%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
PPG INDUSTRIES INC	PPG	26,144.47	0.15%	1.34%	7.68%	9.07%	0.0137%
PPL CORPORATION	PPL	20,952.56	0.12%	4.49%	3.56%	8.13%	0.0099%
PERRIGO CO PLC	PRGO	18,843.69	0.11%	0.27%	15.05%	15.34%	0.0167%
PRUDENTIAL FINANCIAL INC	PRU	36,396.43	0.21%	2.64%	10.67%	13.45%	0.0283%
PUBLIC STORAGE	PSA	29,415.43	0.17%	3.32%	4.94%	8.34%	0.0142%
PHILLIPS 66	PSX	44,627.16	0.26%	2.05%	6.53%	8.65%	0.0223%
PVH CORP	PVH	10,024.81	0.06%	0.12%	12.71%	12.84%	0.0074%
QUANTA SERVICES INC	PWR	7,515.84	N/A	N/A	11.30%	N/A	N/A
PRAXAIR INC	PX	37,910.19	0.22%	2.01%	9.59%	11.69%	0.0256%
PIONEER NATURAL RESOURCES CO	PXD	27,975.93	0.16%	0.03%	36.98%	37.02%	0.0599%
QUALCOMM INC	QCOM	134,423.94	0.78%	1.83%	13.57%	15.52%	0.1207%
QEP RESOURCES INC	QEP	5,634.61	0.03%	0.26%	15.00%	15.27%	0.0050%
RYDER SYSTEM INC	R	4,194.78	0.02%	1.71%	13.00%	14.82%	0.0036%
REYNOLDS AMERICAN INC	RAJ	29,221.89	0.17%	4.94%	6.58%	11.68%	0.0197%
ROWAN COMPANIES PLC-A	RDC	3,812.26	0.02%	0.79%	18.15%	19.01%	0.0042%
REGENERON PHARMACEUTICALS	REGN	28,640.52	0.17%	0.00%	28.83%	28.83%	0.0477%
REGIONS FINANCIAL CORP	RF	14,157.57	0.08%	1.76%	7.96%	9.80%	0.0080%
ROBERT HALF INTL INC	RHI	5,527.92	0.03%	1.73%	17.11%	18.98%	0.0061%
RED HAT INC	RHT	9,495.87	0.05%	0.00%	16.48%	16.48%	0.0090%
TRANSOCEAN LTD	RIG	15,018.27	0.09%	6.92%	15.50%	22.95%	0.0199%
RALPH LAUREN CORP	RL	14,033.48	0.08%	1.10%	12.57%	13.73%	0.0111%
ROCKWELL AUTOMATION INC	ROK	16,990.99	0.10%	1.84%	10.73%	12.67%	0.0124%
ROPER INDUSTRIES INC	ROP	12,840.68	0.07%	0.61%	15.00%	15.65%	0.0116%
ROSS STORES INC	ROST	14,686.33	0.08%	1.10%	11.60%	12.76%	0.0108%
RANGE RESOURCES CORP	RRC	14,630.27	0.08%	0.18%	25.50%	25.70%	0.0217%
REPUBLIC SERVICES INC	RSG	12,328.77	0.07%	3.05%	4.30%	7.42%	0.0053%
RAYTHEON COMPANY	RTN	30,796.72	0.18%	2.43%	9.61%	12.16%	0.0217%
STARBUCKS CORP	SBUX	52,073.95	0.30%	1.55%	17.95%	19.64%	0.0591%
SCANA CORP	SCG	7,452.51	0.04%	3.95%	5.00%	9.05%	0.0039%
SCHWAB (CHARLES) CORP	SCHW	33,954.92	0.20%	0.92%	21.80%	22.82%	0.0448%
SPECTRA ENERGY CORP	SE	26,002.65	0.15%	3.48%	5.50%	9.07%	0.0136%
SEALED AIR CORP	SEE	6,827.62	0.04%	1.59%	12.47%	14.16%	0.0056%
SHERWIN-WILLIAMS CO/THE	SHW	19,177.95	0.11%	1.13%	13.50%	14.71%	0.0163%
SIGMA-ALDRICH	SIAL	11,036.48	0.06%	0.98%	7.13%	8.14%	0.0052%
JM SMUCKER CO/THE	SJM	9,858.74	0.06%	2.44%	7.03%	9.56%	0.0054%
SCHLUMBERGER LTD	SLB	130,787.74	0.76%	1.51%	14.86%	16.49%	0.1247%
SLM CORP	SLM	10,657.44	N/A	2.58%	N/A	N/A	N/A
SNAP-ON INC	SNA	6,444.36	0.04%	1.53%	7.25%	8.84%	0.0033%
SANDISK CORP	SNDK	16,989.73	0.10%	1.19%	7.25%	8.49%	0.0083%
SCRIPPS NETWORKS INTER-CL A	SNI	10,678.02	0.06%	1.09%	12.05%	13.21%	0.0082%
SOUTHERN CO/THE	SO	40,339.49	0.23%	4.61%	4.05%	8.75%	0.0204%
SIMON PROPERTY GROUP INC	SPG	53,409.04	0.31%	2.99%	6.80%	9.89%	0.0306%
STAPLES INC	SPLS	7,815.29	0.05%	4.06%	5.64%	9.81%	0.0044%
STERICYCLE INC	SRCL	9,353.19	N/A	N/A	16.00%	N/A	N/A
SEMPRA ENERGY	SRE	23,742.93	0.14%	2.72%	6.86%	9.66%	0.0133%
SUNTRUST BANKS INC	STI	20,338.92	0.12%	1.71%	7.88%	9.65%	0.0114%
ST JUDE MEDICAL INC	STJ	17,948.36	0.10%	1.72%	10.86%	12.67%	0.0132%
STATE STREET CORP	STT	27,752.30	0.16%	1.82%	12.20%	14.13%	0.0227%
SEAGATE TECHNOLOGY	STX	18,042.08	0.10%	3.03%	7.80%	10.95%	0.0114%
CONSTELLATION BRANDS INC-A	STZ	14,811.62	0.09%	0.00%	18.51%	18.51%	0.0159%
STANLEY BLACK & DECKER INC	SWK	12,493.50	0.07%	2.54%	9.07%	11.73%	0.0085%
SOUTHWESTERN ENERGY CO	SWN	16,724.20	0.10%	0.00%	18.30%	18.30%	0.0177%
SAFEWAY INC	SWY	7,873.96	0.05%	2.38%	10.46%	12.97%	0.0059%
STRYKER CORP	SYK	30,093.37	0.17%	1.50%	9.10%	10.67%	0.0186%
SYMANTEC CORP	SYMC	14,356.67	0.08%	2.89%	7.68%	10.68%	0.0089%
SYSCO CORP	SY	20,918.44	0.12%	3.26%	9.00%	12.40%	0.0150%
AT&T INC	T	185,780.39	1.07%	5.18%	4.75%	10.05%	0.1080%
MOLSON COORS BREWING CO -B	TAP	10,534.94	0.06%	2.55%	5.80%	8.42%	0.0051%
TERADATA CORP	TDC	7,463.73	0.04%	0.00%	11.36%	11.36%	0.0049%
TECO ENERGY INC	TE	3,971.16	0.02%	4.88%	4.50%	9.49%	0.0022%
INTEGRYS ENERGY GROUP INC	TEG	4,915.33	0.03%	4.42%	5.00%	9.54%	0.0027%
TE CONNECTIVITY LTD	TEL	24,498.40	0.14%	1.73%	9.40%	11.21%	0.0159%
TARGET CORP	TGT	37,661.23	0.22%	3.00%	10.60%	13.76%	0.0300%
TENET HEALTHCARE CORP	THC	3,848.26	0.02%	0.00%	12.87%	12.87%	0.0029%
TIFFANY & CO	TIF	11,084.54	0.06%	1.71%	14.24%	16.08%	0.0103%
TJX COMPANIES INC	TJX	41,292.13	0.24%	1.13%	10.81%	12.00%	0.0286%
TORCHMARK CORP	TMK	6,822.25	0.04%	0.96%	8.50%	9.50%	0.0037%
THERMO FISHER SCIENTIFIC INC	TMO	46,935.09	0.27%	0.53%	13.71%	14.27%	0.0387%
TRIPADVISOR INC	TRIP	11,833.80	N/A	N/A	24.50%	N/A	N/A
T ROWE PRICE GROUP INC	TROW	20,810.16	0.12%	2.13%	12.75%	15.01%	0.0181%
TRAVELERS COS INC/THE	TRV	29,843.43	0.17%	2.40%	8.33%	10.83%	0.0187%
TRACTOR SUPPLY COMPANY	TSCO	9,255.37	0.05%	0.81%	16.98%	17.86%	0.0096%
TYSON FOODS INC-CL A	TSN	14,441.73	0.08%	0.67%	8.00%	8.70%	0.0073%
TESORO CORP	TSO	6,713.90	0.04%	2.05%	97.61%	100.67%	0.0391%
TOTAL SYSTEM SERVICES INC	TSS	5,442.25	0.03%	1.38%	11.14%	12.60%	0.0040%
TIME WARNER CABLE	TWC	37,214.53	0.22%	2.23%	12.05%	14.41%	0.0310%
TIME WARNER INC	TWX	56,487.60	0.33%	2.00%	12.56%	14.68%	0.0480%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
TEXAS INSTRUMENTS INC	TXN	49,667.84	0.29%	2.61%	10.00%	12.74%	0.0366%
TEXTRON INC	TXT	10,500.89	0.06%	0.27%	16.77%	17.06%	0.0104%
TYCO INTERNATIONAL LTD	TYC	18,835.82	0.11%	1.63%	10.50%	12.22%	0.0133%
UNITEDHEALTH GROUP INC	UNH	78,650.64	0.45%	1.44%	10.40%	11.91%	0.0542%
UNUM GROUP	UNM	8,585.98	0.05%	1.87%	9.00%	10.96%	0.0054%
UNION PACIFIC CORP	UNP	84,089.50	0.49%	1.88%	17.52%	19.57%	0.0952%
UNITED PARCEL SERVICE-CL B	UPS	88,054.57	0.51%	2.77%	10.18%	13.09%	0.0666%
URBAN OUTFITTERS INC	URBN	5,214.31	0.03%	0.00%	16.74%	16.74%	0.0050%
US BANCORP	USB	74,640.47	0.43%	2.29%	7.50%	9.87%	0.0426%
UNITED TECHNOLOGIES CORP	UTX	106,160.87	0.61%	2.08%	11.24%	13.43%	0.0824%
VISA INC-CLASS A SHARES	V	129,226.17	0.75%	0.78%	17.64%	18.48%	0.1381%
VARIAN MEDICAL SYSTEMS INC	VAR	8,497.56	0.05%	0.00%	11.00%	11.00%	0.0054%
VF CORP	VFC	26,056.56	0.15%	1.82%	12.23%	14.16%	0.0213%
VIACOM INC-CLASS B	VIAB	36,028.55	0.21%	1.50%	10.86%	12.44%	0.0259%
VALERO ENERGY CORP	VLO	28,537.04	0.17%	1.84%	8.36%	10.28%	0.0170%
VULCAN MATERIALS CO	VMC	8,319.60	0.05%	0.16%	6.67%	6.83%	0.0033%
VORNADO REALTY TRUST	VNO	18,588.60	0.11%	2.97%	10.59%	13.72%	0.0147%
VERISIGN INC	VRSN	6,567.54	0.04%	0.00%	12.50%	12.50%	0.0047%
VERTEX PHARMACEUTICALS INC	VRTX	14,934.12	0.09%	0.00%	22.00%	22.00%	0.0190%
VENTAS INC	VTR	19,425.63	0.11%	4.44%	3.95%	8.47%	0.0095%
VERIZON COMMUNICATIONS INC	VZ	194,248.80	1.12%	4.57%	5.52%	10.21%	0.1147%
WALGREEN CO	WAG	62,995.40	0.36%	1.89%	14.00%	16.03%	0.0584%
WATERS CORP	WAT	9,294.34	0.05%	0.00%	10.53%	10.53%	0.0057%
WESTERN DIGITAL CORP	WDC	21,114.70	0.12%	1.22%	5.59%	6.84%	0.0084%
WISCONSIN ENERGY CORP	WEC	10,857.19	0.06%	3.25%	4.67%	8.00%	0.0050%
WELLS FARGO & CO	WFC	256,860.85	1.49%	2.70%	12.92%	15.79%	0.2345%
WHOLE FOODS MARKET INC	WFM	18,187.47	0.11%	0.98%	16.50%	17.56%	0.0185%
WHIRLPOOL CORP	WHR	11,735.32	0.07%	1.74%	21.02%	22.94%	0.0156%
WINDSTREAM HOLDINGS INC	WIN	5,297.67	0.03%	11.38%	-2.50%	8.73%	0.0027%
WELLPOINT INC	WLP	27,169.04	0.16%	1.81%	9.26%	11.16%	0.0175%
WASTE MANAGEMENT INC	WM	19,258.95	0.11%	3.61%	6.33%	10.06%	0.0112%
WILLIAMS COS INC	WMB	27,896.53	0.16%	4.28%	11.50%	16.03%	0.0259%
WAL-MART STORES INC	WMT	248,259.00	1.44%	2.62%	8.62%	11.35%	0.1629%
WESTERN UNION CO	WU	8,486.96	0.05%	3.65%	8.80%	12.61%	0.0062%
WEYERHAEUSER CO	WY	16,207.11	0.09%	3.18%	5.50%	8.77%	0.0082%
WYNDHAM WORLDWIDE CORP	WYN	8,988.46	N/A	1.99%	N/A	N/A	N/A
WYNN RESORTS LTD	WYNN	20,536.99	0.12%	2.47%	15.57%	18.23%	0.0216%
UNITED STATES STEEL CORP	X	3,921.03	0.02%	0.74%	6.00%	6.76%	0.0015%
XCEL ENERGY INC	XEL	15,742.73	0.09%	3.71%	4.75%	8.55%	0.0078%
XL GROUP PLC	XL	8,669.70	0.05%	1.90%	9.61%	11.59%	0.0058%
XILINX INC	XLNX	13,836.42	0.08%	1.73%	10.25%	12.07%	0.0097%
EXXON MOBIL CORP	XOM	425,343.57	2.46%	2.67%	12.04%	14.87%	0.3658%
DENTSPLY INTERNATIONAL INC	XRAY	6,330.37	0.04%	0.59%	10.37%	10.99%	0.0040%
XEROX CORP	XRX	13,217.39	0.08%	1.63%	10.00%	11.71%	0.0089%
XYLEM INC	XYL	6,456.74	0.04%	1.46%	6.00%	7.51%	0.0028%
YAHOO! INC	YHOO	34,531.31	0.20%	0.00%	12.37%	12.37%	0.0247%
YUM! BRANDS INC	YUM	33,353.28	0.19%	2.01%	12.44%	14.58%	0.0281%
ZIONS BANCORPORATION	ZION	5,468.46	0.03%	0.67%	7.67%	8.36%	0.0026%
ZIMMER HOLDINGS INC	ZMH	15,611.87	0.09%	0.88%	10.67%	11.60%	0.0105%
ZOETIS INC	ZTS	14,295.83	0.08%	1.05%	12.20%	13.31%	0.0110%
Total Market Capitalization:		17,294,635.59					13.91%

Notes:

- [1] Equals sum of Col. [9]
- [2] Source: Bloomberg Professional
- [3] Equals [1] - [2]
- [4] Source: Bloomberg Professional
- [5] Equals weight in S&P 500 based on market capitalization
- [6] Source: Bloomberg Professional
- [7] Source: Bloomberg Professional
- [8] Equals ([6] x (1 + (0.5 x [7]))) + [7]
- [9] Equals Col. [5] x Col. [8]

Ex-Ante Market Risk Premium
Market DCF Method Based - Value Line

[1]	[2]	[3]
S&P 500	Current 30-Year	
Est. Required	Treasury (30-day	Implied Market
Market Return	average)	Risk Premium
12.31%	3.60%	8.71%

Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
AGILENT TECHNOLOGIES INC	A	18,431.46	0.11%	0.96%	7.50%	8.50%	0.0091%
ALCOA INC	AA	15,903.52	0.09%	0.88%	17.00%	17.95%	0.0166%
APPLE INC	AAPL	506,704.70	2.94%	2.15%	12.50%	14.78%	0.4350%
ABBVIE INC	ABBV	78,288.59	0.45%	3.41%	0.00%	3.41%	0.0155%
AMERISOURCEBERGEN CORP	ABC	14,956.63	0.09%	1.45%	13.50%	15.05%	0.0131%
ABBOTT LABORATORIES	ABT	59,419.89	0.35%	2.29%	-4.00%	-1.76%	-0.0061%
ACE LTD	ACE	34,727.84	0.20%	2.47%	9.00%	11.58%	0.0234%
ACCENTURE PLC-CL A	CAM	15,477.93	0.09%	0.00%	16.00%	16.00%	0.0144%
ACTAVIS PLC	ACT	27,071.37	0.16%	0.00%	24.50%	24.50%	0.0385%
ADOBE SYSTEMS INC	ADBE	31,515.23	0.18%	0.00%	12.00%	12.00%	0.0220%
ANALOG DEVICES INC	ADI	16,782.70	0.10%	2.76%	11.00%	13.91%	0.0136%
ARCHER-DANIELS-MIDLAND CO	ADM	29,411.17	0.17%	2.15%	9.00%	11.25%	0.0192%
AUTOMATIC DATA PROCESSING	ADP	36,884.87	0.21%	2.58%	9.00%	11.70%	0.0251%
ALLIANCE DATA SYSTEMS CORP	ADS	11,743.11	0.07%	0.00%	15.00%	15.00%	0.0102%
AUTODESK INC	ADSK	10,765.63	0.06%	0.00%	8.00%	8.00%	0.0050%
ADT CORP/THE	ADT	5,430.11	0.03%	2.70%	0.00%	2.70%	0.0009%
AMEREN CORPORATION	AEE	9,977.11	0.06%	3.92%	2.50%	6.47%	0.0037%
AMERICAN ELECTRIC POWER	AEP	25,525.37	0.15%	3.90%	4.50%	8.49%	0.0126%
AES CORP	AES	10,445.33	0.06%	1.38%	10.50%	11.95%	0.0072%
AETNA INC	AET	26,426.11	0.15%	1.23%	10.50%	11.79%	0.0181%
AFLAC INC	AFL	28,557.11	0.17%	2.45%	7.50%	10.04%	0.0167%
ALLERGAN INC	AGN	49,584.13	0.29%	0.12%	13.50%	13.63%	0.0392%
AMERICAN INTERNATIONAL GROUP	AIG	77,283.28	0.45%	0.95%	0.00%	0.95%	0.0043%
APARTMENT INVT & MGMT CO -A	AIV	-	0.00%	3.41%	0.00%	3.41%	0.0000%
ASSURANT INC	AIZ	4,924.84	0.03%	1.49%	7.50%	9.05%	0.0026%
AKAMAI TECHNOLOGIES INC	AKAM	9,527.24	0.06%	0.00%	13.50%	13.50%	0.0075%
ALLSTATE CORP	ALL	25,323.60	0.15%	1.99%	16.00%	18.15%	0.0267%
ALLEGION PLC	ALLE	4,964.36	0.03%	0.62%	0.00%	0.62%	0.0002%
ALTERA CORP	ALTR	10,962.53	0.06%	1.76%	0.00%	1.76%	0.0011%
ALEXION PHARMACEUTICALS INC	ALXN	30,727.11	0.18%	0.00%	31.50%	31.50%	0.0562%
APPLIED MATERIALS INC	AMAT	23,457.07	0.14%	2.07%	17.00%	19.25%	0.0262%
AMETEK INC	AME	12,707.58	0.07%	0.46%	10.50%	10.98%	0.0081%
AMGEN INC	AMGN	85,813.11	0.50%	2.18%	8.50%	10.77%	0.0537%
AMERIPRISE FINANCIAL INC	AMP	20,666.05	0.12%	1.97%	13.50%	15.60%	0.0187%
AMERICAN TOWER CORP	AMT	32,967.26	0.19%	1.58%	16.50%	18.21%	0.0349%
AMAZON.COM INC	AMZN	154,414.70	0.90%	0.00%	45.00%	45.00%	0.4035%
AUTONATION INC	AN	6,364.02	0.04%	0.00%	12.50%	12.50%	0.0046%
AON PLC	AON	24,743.14	0.14%	0.85%	15.50%	16.42%	0.0236%
APACHE CORP	APA	34,836.21	0.20%	1.14%	8.00%	9.19%	0.0186%
ANADARKO PETROLEUM CORP	APC	50,468.21	0.29%	0.72%	74.50%	75.49%	0.2212%
AIR PRODUCTS & CHEMICALS INC	APD	25,072.55	0.15%	2.60%	9.00%	11.72%	0.0171%
AMPHENOL CORP-CL A	APH	15,238.40	0.09%	0.83%	8.00%	8.86%	0.0078%
AIRGAS INC	ARG	7,963.20	0.05%	2.04%	13.50%	15.68%	0.0072%
ALLEGHENY TECHNOLOGIES INC	ATI	4,314.60	0.03%	1.77%	17.50%	19.42%	0.0049%
AVALONBAY COMMUNITIES INC	AVB	-	0.00%	3.54%	0.00%	3.54%	0.0000%
AVON PRODUCTS INC	AVP	6,486.81	0.04%	1.61%	36.50%	38.40%	0.0145%
AVERY DENNISON CORP	AVY	4,765.00	0.03%	2.49%	10.00%	12.61%	0.0035%
AMERICAN EXPRESS CO	AXP	93,004.24	0.54%	1.16%	10.00%	11.22%	0.0606%
AUTOZONE INC	AZO	17,540.73	0.10%	0.00%	12.00%	12.00%	0.0122%
BOEING CO/THE	BA	97,057.35	0.56%	2.30%	11.00%	13.43%	0.0757%
BANK OF AMERICA CORP	BAC	174,564.80	1.01%	0.73%	0.00%	0.73%	0.0074%
BAXTER INTERNATIONAL INC	BAX	39,262.45	0.23%	2.71%	8.00%	10.82%	0.0247%
BED BATH & BEYOND INC	BBBY	13,129.84	0.08%	0.00%	8.50%	8.50%	0.0065%
BB&T CORP	BBT	26,717.30	0.16%	2.65%	11.50%	14.30%	0.0222%
BEST BUY CO INC	BBY	8,387.91	0.05%	2.98%	5.50%	8.56%	0.0042%
CR BARD INC	BCR	10,549.11	0.06%	0.62%	8.00%	8.64%	0.0053%
BECTON DICKINSON AND CO	BDX	22,012.11	0.13%	1.91%	8.00%	9.99%	0.0128%
BEAM INC	BEAM	13,652.42	0.08%	1.08%	11.50%	12.64%	0.0100%
FRANKLIN RESOURCES INC	BEN	33,981.14	0.20%	0.93%	9.50%	10.47%	0.0207%
BROWN-FORMAN CORP-CLASS B	BF/B	18,895.63	0.11%	1.33%	10.00%	11.40%	0.0125%
BAKER HUGHES INC	BHI	30,559.26	0.18%	0.86%	13.00%	13.92%	0.0247%
BIOGEN IDEC INC	BIIB	69,644.75	0.40%	0.00%	14.50%	14.50%	0.0586%
BANK OF NEW YORK MELLON CORP	BK	38,613.28	0.22%	2.02%	10.00%	12.12%	0.0272%
BLACKROCK INC	BLK	51,436.87	0.30%	2.54%	9.00%	11.65%	0.0348%
BALL CORP	BLL	7,873.34	0.05%	0.94%	12.00%	13.00%	0.0059%
BEMIS COMPANY	BMS	4,140.20	0.02%	2.68%	8.00%	10.79%	0.0026%

Company	Ticker	[4] Market Capitalization	[5] Weight In Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
BRISTOL-MYERS SQUIBB CO	BMY	83,496.14	0.48%	2.84%	8.50%	11.46%	0.0556%
BROADCOM CORP-CL A	BRCM	18,092.34	0.11%	1.54%	2.50%	4.06%	0.0043%
BERKSHIRE HATHAWAY INC-CL B	BRK/B	-	0.00%	0.00%	0.00%	0.00%	0.0000%
BOSTON SCIENTIFIC CORP	BSX	18,408.99	0.11%	0.00%	10.50%	10.50%	0.0112%
PEABODY ENERGY CORP	BTU	4,813.23	0.03%	1.91%	4.00%	5.95%	0.0017%
BORGWARNER INC	BWA	14,506.70	0.08%	0.78%	14.00%	14.83%	0.0125%
BOSTON PROPERTIES INC	BXP	-	0.00%	2.24%	0.00%	2.24%	0.0000%
CITIGROUP INC	C	146,584.90	0.85%	0.79%	14.00%	14.85%	0.1264%
CA INC	CA	13,547.71	0.08%	3.27%	5.00%	8.35%	0.0066%
CONAGRA FOODS INC	CAG	13,080.98	0.08%	3.22%	10.00%	13.38%	0.0102%
CARDINAL HEALTH INC	CAH	23,533.23	0.14%	1.92%	12.00%	14.04%	0.0192%
CAMERON INTERNATIONAL CORP	CAM	15,477.93	0.09%	0.00%	16.00%	16.00%	0.0144%
CATERPILLAR INC	CAT	66,995.45	0.39%	2.28%	5.50%	7.84%	0.0305%
CHUBB CORP	CB	22,777.11	0.13%	2.18%	8.50%	10.77%	0.0142%
CBRE GROUP INC - A	CBG	8,742.82	0.05%	0.00%	12.00%	12.00%	0.0061%
CBS CORP-CLASS B NON VOTING	CBS	34,576.13	0.20%	0.82%	13.00%	13.87%	0.0279%
COCA-COLA ENTERPRISES	CCE	11,980.84	0.07%	2.19%	10.00%	12.30%	0.0086%
CROWN CASTLE INTL CORP	CCI	21,441.07	0.12%	1.90%	27.00%	29.16%	0.0363%
CARNIVAL CORP	CCL	29,658.09	0.17%	2.62%	5.00%	7.69%	0.0132%
CELGENE CORP	CELG	57,870.13	0.34%	0.00%	14.00%	14.00%	0.0470%
CERNER CORP	CERN	17,981.63	0.10%	0.00%	15.00%	15.00%	0.0157%
CF INDUSTRIES HOLDINGS INC	CF	13,419.72	0.08%	1.77%	4.50%	6.31%	0.0049%
CAREFUSION CORP	CFN	8,000.48	0.05%	0.00%	13.00%	13.00%	0.0060%
CHESAPEAKE ENERGY CORP	CHK	18,939.82	0.11%	1.20%	7.00%	8.24%	0.0091%
C.H. ROBINSON WORLDWIDE INC	CHRW	8,680.70	0.05%	2.46%	7.00%	9.55%	0.0048%
CIGNA CORP	CI	22,198.45	0.13%	0.05%	9.00%	9.05%	0.0117%
CINCINNATI FINANCIAL CORP	CINF	8,152.44	0.05%	3.54%	12.50%	16.26%	0.0077%
COLGATE-PALMOLIVE CO	CL	61,112.01	0.35%	2.23%	10.50%	12.85%	0.0456%
CLOROX COMPANY	CLX	11,572.86	0.07%	3.32%	10.50%	13.99%	0.0094%
COMERICA INC	CMA	8,931.50	0.05%	1.65%	11.00%	12.74%	0.0066%
COMCAST CORP-CLASS A	CMCSA	133,551.90	0.78%	1.75%	12.00%	13.86%	0.1074%
CME GROUP INC	CME	24,024.61	0.14%	2.65%	8.50%	11.26%	0.0157%
CHIPOTLE MEXICAN GRILL INC	CMG	15,780.27	0.09%	0.00%	16.50%	16.50%	0.0151%
CUMMINS INC	CMI	27,740.07	0.16%	1.68%	8.50%	10.25%	0.0165%
CMS ENERGY CORP	CMS	7,969.70	0.05%	3.67%	6.50%	10.29%	0.0048%
CENTERPOINT ENERGY INC	CNP	10,536.24	0.06%	3.91%	2.50%	6.46%	0.0040%
CONSOL ENERGY INC	CNX	9,880.27	0.06%	0.58%	4.00%	4.59%	0.0026%
CAPITAL ONE FINANCIAL CORP	COF	43,521.11	0.25%	1.61%	4.00%	5.64%	0.0143%
CABOT OIL & GAS CORP	COG	15,991.07	0.09%	0.26%	33.00%	33.30%	0.0309%
COACH INC	COH	138,776.00	0.81%	2.70%	5.00%	7.77%	0.0626%
ROCKWELL COLLINS INC	COL	10,536.48	0.06%	1.54%	7.00%	8.59%	0.0053%
CONOCOPHILLIPS	COP	91,320.20	0.53%	3.71%	3.50%	7.27%	0.0386%
COSTCO WHOLESALE CORP	COST	50,600.32	0.29%	1.15%	10.50%	11.71%	0.0344%
COVIDIEN PLC	COV	31,942.72	0.19%	1.80%	7.50%	9.37%	0.0174%
CAMPBELL SOUP CO	CPB	13,999.44	0.08%	2.79%	6.00%	8.87%	0.0072%
SALESFORCE.COM INC	CRM	33,002.19	0.19%	0.00%	0.00%	0.00%	0.0000%
COMPUTER SCIENCES CORP	CSC	8,645.74	0.05%	1.35%	7.00%	8.40%	0.0042%
CISCO SYSTEMS INC	CSCO	121,106.00	0.70%	3.26%	5.50%	8.85%	0.0622%
CSX CORP	CSX	28,523.88	0.17%	2.25%	9.00%	11.35%	0.0188%
CINTAS CORP	CTAS	6,971.48	0.04%	1.33%	12.00%	13.41%	0.0054%
CENTURYLINK INC	CTL	20,552.80	0.12%	6.24%	6.50%	12.94%	0.0154%
COGNIZANT TECH SOLUTIONS-A	CTSH	29,813.59	0.17%	0.00%	19.50%	19.50%	0.0338%
CITRIX SYSTEMS INC	CTXS	11,233.74	0.07%	0.00%	12.50%	12.50%	0.0082%
CABLEVISION SYSTEMS-NY GRP-A	CVC	4,452.45	0.03%	3.61%	19.00%	22.95%	0.0059%
CVS CAREMARK CORP	CVS	87,976.29	0.51%	1.51%	11.00%	12.59%	0.0643%
CHEVRON CORP	CVX	239,050.40	1.39%	3.22%	4.50%	7.79%	0.1082%
DOMINION RESOURCES INC/A	D	41,588.88	0.24%	3.40%	5.00%	8.49%	0.0205%
DELTA AIR LINES INC	DAL	31,257.23	0.18%	0.65%	11.50%	12.19%	0.0221%
DU PONT (E.I.) DE NEMOURS	DD	61,586.64	0.36%	2.80%	8.50%	11.42%	0.0408%
DEERE & CO	DE	34,711.23	0.20%	2.17%	6.00%	8.24%	0.0166%
DISCOVER FINANCIAL SERVICES	DFS	26,932.11	0.16%	1.71%	8.50%	10.28%	0.0161%
DOLLAR GENERAL CORP	DG	17,536.48	0.10%	0.00%	14.50%	14.50%	0.0148%
QUEST DIAGNOSTICS INC	DGX	8,290.08	0.05%	2.29%	6.50%	8.86%	0.0043%
DR HORTON INC	DHI	7,482.37	0.04%	0.65%	25.50%	26.23%	0.0114%
DANAHER CORP	DHR	51,527.53	0.30%	0.54%	12.00%	12.57%	0.0376%
WALT DISNEY CO/THE	DIS	135,303.00	0.79%	1.08%	11.50%	12.64%	0.0993%
DISCOVERY COMMUNICATIONS-A	DISCA	23,854.60	0.14%	0.00%	15.00%	15.00%	0.0208%
DELPHI AUTOMOTIVE PLC	DLPH	20,938.62	0.12%	1.46%	12.00%	13.55%	0.0165%
DOLLAR TREE INC	DLTR	10,702.10	0.06%	0.00%	14.50%	14.50%	0.0090%
DUN & BRADSTREET CORP	DNB	4,029.31	0.02%	1.67%	6.00%	7.72%	0.0018%
DENBURY RESOURCES INC	DNR	6,260.44	0.04%	1.45%	11.50%	13.03%	0.0047%
DIAMOND OFFSHORE DRILLING	DO	7,186.72	0.04%	6.77%	6.50%	13.49%	0.0056%
DOVER CORP	DOV	14,349.60	0.08%	1.74%	6.00%	7.79%	0.0065%
DOW CHEMICAL CO/THE	DOW	59,748.06	0.35%	3.01%	14.50%	17.73%	0.0615%
DR PEPPER SNAPPLE GROUP INC	DPS	10,655.23	0.06%	3.08%	6.50%	9.68%	0.0060%
DARDEN RESTAURANTS INC	DRI	6,610.96	0.04%	4.39%	7.00%	11.54%	0.0044%
DTE ENERGY COMPANY	DTE	13,639.89	0.08%	3.58%	5.00%	8.67%	0.0069%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
DIRECTV	DTV	40,891.53	0.24%	0.00%	14.50%	14.50%	0.0344%
DUKE ENERGY CORP	DUK	51,580.36	0.30%	4.31%	4.00%	8.40%	0.0251%
DAVITA HEALTHCARE PARTNERS I	DVA	14,789.25	0.09%	0.00%	11.00%	11.00%	0.0094%
DEVON ENERGY CORPORATION	DVN	29,195.46	0.17%	1.34%	6.50%	7.88%	0.0134%
ELECTRONIC ARTS INC	EA	8,682.90	0.05%	0.00%	15.00%	15.00%	0.0076%
EBAY INC	EBAY	70,962.95	0.41%	0.00%	14.50%	14.50%	0.0597%
ECOLAB INC	ECL	31,908.37	0.19%	1.07%	11.50%	12.63%	0.0234%
CONSOLIDATED EDISON INC	ED	16,685.18	0.10%	4.46%	1.50%	5.99%	0.0058%
EQUIFAX INC	EFX	8,393.22	0.05%	1.45%	10.00%	11.52%	0.0056%
EDISON INTERNATIONAL	EIX	18,486.52	0.11%	2.59%	2.50%	5.12%	0.0055%
ESTEE LAUDER COMPANIES-CL A	EL	27,967.39	0.16%	1.11%	11.50%	12.67%	0.0206%
EMC CORP/MA	EMC	51,530.20	0.30%	1.80%	9.00%	10.88%	0.0326%
EASTMAN CHEMICAL CO	EMN	13,434.30	0.08%	1.60%	13.00%	14.70%	0.0115%
EMERSON ELECTRIC CO	EMR	48,954.96	0.28%	2.48%	6.50%	9.06%	0.0258%
EOG RESOURCES INC	EOG	56,483.31	0.33%	0.48%	21.50%	22.03%	0.0723%
EQUITY RESIDENTIAL	EQR	-	0.00%	3.42%	0.00%	3.42%	0.0000%
EQT CORP	EQT	16,302.95	0.09%	0.11%	15.50%	15.62%	0.0148%
EXPRESS SCRIPTS HOLDING CO	ESRX	57,558.72	0.33%	0.00%	12.50%	12.50%	0.0418%
ESSEX PROPERTY TRUST INC	ESS	N/A	N/A	N/A	N/A	N/A	N/A
ENSCO PLC-CL A	ESV	12,025.49	0.07%	5.83%	17.00%	23.33%	0.0163%
E*TRADE FINANCIAL CORP	ETFC	6,508.81	0.04%	0.00%	0.00%	0.00%	0.0000%
EATON CORP PLC	ETN	35,613.50	0.21%	2.62%	9.00%	11.74%	0.0243%
ENTERGY CORP	ETR	12,739.18	0.07%	4.65%	-2.50%	2.09%	0.0015%
EDWARDS LIFESCIENCES CORP	EW	8,781.54	0.05%	0.00%	13.50%	13.50%	0.0069%
EXELON CORP	EXC	30,857.08	0.18%	3.44%	-5.00%	-1.65%	-0.0029%
EXPEDITORS INTL WASH INC	EXPD	8,343.53	0.05%	1.48%	6.50%	8.03%	0.0039%
EXPEDIA INC	EXPE	9,514.46	0.06%	0.83%	7.50%	8.36%	0.0046%
FORD MOTOR CO	F	64,373.20	0.37%	3.06%	8.00%	11.18%	0.0418%
FASTENAL CO	FAST	14,816.37	0.09%	2.00%	12.00%	14.12%	0.0121%
FACEBOOK INC-A	FB	155,035.90	0.90%	0.00%	0.00%	0.00%	0.0000%
FREEMONT-MCMORAN COPPER	FCX	35,219.34	0.20%	3.77%	6.00%	9.88%	0.0202%
FAMILY DOLLAR STORES	FDO	6,493.60	0.04%	2.17%	5.50%	7.73%	0.0029%
FEDEX CORP	FDX	40,213.81	0.23%	0.44%	9.00%	9.46%	0.0221%
FIRSTENERGY CORP	FE	14,294.62	0.08%	4.21%	2.00%	6.25%	0.0052%
F5 NETWORKS INC	FFIV	8,058.72	0.05%	0.00%	12.00%	12.00%	0.0056%
FIDELITY NATIONAL INFORMATIO	FIS	15,297.31	0.09%	1.83%	10.00%	11.92%	0.0106%
FISERV INC	FISV	14,654.86	0.09%	0.00%	10.00%	10.00%	0.0085%
FIFTH THIRD BANCORP	FITB	17,987.06	0.10%	2.47%	10.00%	12.59%	0.0132%
FLIR SYSTEMS INC	FLIR	5,235.68	0.03%	1.10%	11.00%	12.16%	0.0037%
FLUOR CORP	FLR	12,406.20	0.07%	1.09%	7.00%	8.13%	0.0059%
FLOWSERVE CORP	FLS	10,144.58	0.06%	0.87%	12.00%	12.92%	0.0076%
FMC CORP	FMC	10,076.67	0.06%	0.79%	12.00%	12.84%	0.0075%
FOSSIL GROUP INC	FOSL	5,948.95	0.03%	0.00%	13.00%	13.00%	0.0045%
TWENTY-FIRST CENTURY FOX-A	FOXA	74,574.86	0.43%	0.79%	11.00%	11.83%	0.0512%
FOREST LABORATORIES INC	FRX	24,687.02	0.14%	0.00%	10.00%	10.00%	0.0143%
FIRST SOLAR INC	FSLR	7,022.31	0.04%	0.00%	-2.00%	-2.00%	-0.0008%
FMC TECHNOLOGIES INC	FTI	13,532.14	0.08%	0.00%	20.50%	20.50%	0.0161%
FRONTIER COMMUNICATIONS CORP	FTR	5,807.19	0.03%	6.89%	13.50%	20.86%	0.0070%
AGL RESOURCES INC	GAS	6,194.07	0.04%	3.76%	9.00%	12.93%	0.0047%
GANNETT CO	GCI	6,235.36	0.04%	2.92%	6.50%	9.51%	0.0034%
GENERAL DYNAMICS CORP	GD	39,022.65	0.23%	2.25%	3.00%	5.28%	0.0120%
GENERAL ELECTRIC CO	GE	266,210.90	1.55%	3.33%	10.50%	14.00%	0.2165%
GENERAL GROWTH PROPERTIES	GGP	-	0.00%	2.46%	0.00%	2.46%	0.0000%
GRAHAM HOLDINGS CO-CLASS B	GHC	5,109.56	0.03%	1.47%	10.50%	12.05%	0.0036%
GILEAD SCIENCES INC	GILD	113,640.80	0.66%	0.00%	13.00%	13.00%	0.0858%
GENERAL MILLS INC	GIS	32,307.37	0.19%	3.13%	6.50%	9.73%	0.0183%
CORNING INC	GLW	29,644.81	0.17%	1.89%	6.50%	8.45%	0.0145%
GENERAL MOTORS CO	GM	47,838.00	0.28%	3.51%	9.50%	13.18%	0.0366%
KEURIG GREEN MOUNTAIN INC	GMCR	13,995.89	0.08%	1.06%	19.00%	20.16%	0.0164%
GAMESTOP CORP-CLASS A	GME	4,672.40	0.03%	3.41%	12.00%	15.61%	0.0042%
GENWORTH FINANCIAL INC-CL A	GNW	8,677.35	0.05%	0.00%	20.00%	20.00%	0.0101%
GOOGLE INC-CL C	GOOG	350,971.80	2.04%	0.00%	14.50%	14.50%	0.2955%
GOOGLE INC-CL A	GOOGL	N/A	N/A	N/A	N/A	N/A	N/A
GENUINE PARTS CO	GPC	13,310.20	0.08%	2.67%	9.00%	11.79%	0.0091%
GAP INC/THE	GPS	17,475.08	0.10%	2.31%	12.50%	14.95%	0.0152%
GARMIN LTD	GRMN	10,828.87	0.06%	3.46%	1.50%	4.99%	0.0031%
GOLDMAN SACHS GROUP INC	GS	71,796.85	0.42%	1.37%	13.00%	14.46%	0.0603%
GOODYEAR TIRE & RUBBER CO	GT	6,986.64	0.04%	0.71%	11.50%	12.25%	0.0050%
VW GRAINGER INC	GWW	17,373.31	0.10%	1.47%	12.50%	14.06%	0.0142%
HALLIBURTON CO	HAL	53,903.01	0.31%	0.95%	11.50%	12.50%	0.0391%
HARMAN INTERNATIONAL	HAR	7,588.01	0.04%	1.07%	19.50%	20.67%	0.0091%
HASBRO INC	HAS	7,134.65	0.04%	3.13%	7.00%	10.24%	0.0042%
HUNTINGTON BANCSHARES INC	HBAN	7,752.89	0.05%	2.14%	6.00%	8.20%	0.0037%
HUDSON CITY BANCORP INC	HCBK	5,268.34	0.03%	1.61%	0.00%	1.61%	0.0005%
HEALTH CARE REIT INC	HCN	-	0.00%	5.20%	0.00%	5.20%	0.0000%
HCP INC	HCP	-	0.00%	5.38%	0.00%	5.38%	0.0000%
HOME DEPOT INC	HD	112,316.20	0.65%	2.36%	14.50%	17.03%	0.1111%

Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
HESS CORP	HES	29,937.09	0.17%	1.13%	-1.00%	0.12%	0.0002%
HARTFORD FINANCIAL SVCS GRP	HIG	15,634.47	0.09%	1.72%	11.00%	12.81%	0.0116%
HARLEY-DAVIDSON INC	HOG	15,755.66	0.09%	1.54%	16.00%	17.66%	0.0162%
HONEYWELL INTERNATIONAL INC	HON	73,323.53	0.43%	1.92%	9.50%	11.51%	0.0490%
STARWOOD HOTELS & RESORTS	HOT	14,618.71	0.08%	1.84%	14.00%	15.97%	0.0136%
HELMERICH & PAYNE	HP	11,498.76	0.07%	2.34%	10.00%	12.46%	0.0083%
HEWLETT-PACKARD CO	HPQ	60,768.00	0.35%	2.00%	0.00%	2.00%	0.0071%
H&R BLOCK INC	HRB	7,669.85	0.04%	3.40%	9.00%	12.55%	0.0056%
HORMEL FOODS CORP	HRL	12,562.92	0.07%	1.77%	11.00%	12.87%	0.0094%
HARRIS CORP	HRS	7,696.83	0.04%	2.45%	1.50%	3.97%	0.0018%
HOSPIRA INC	HSP	7,279.78	0.04%	0.00%	7.00%	7.00%	0.0030%
HOST HOTELS & RESORTS INC	HST	-	0.00%	2.94%	0.00%	2.94%	0.0000%
HERSHEY CO/THE	HSY	21,489.76	0.12%	2.08%	11.50%	13.70%	0.0171%
HUMANA INC	HUM	16,761.98	0.10%	0.99%	7.50%	8.53%	0.0083%
INTL BUSINESS MACHINES CORP	IBM	200,566.10	1.16%	2.10%	7.50%	9.68%	0.1127%
INTERCONTINENTALEXCHANGE GRO	ICE	23,663.55	0.14%	1.26%	18.50%	19.88%	0.0273%
INTL FLAVORS & FRAGRANCES	IFF	7,786.82	0.05%	1.69%	7.00%	8.75%	0.0040%
INTL GAME TECHNOLOGY	IGT	3,158.76	0.02%	3.48%	13.00%	16.71%	0.0031%
INTEL CORP	INTC	132,867.30	0.77%	3.36%	6.00%	9.46%	0.0730%
INTUIT INC	INTU	21,025.32	0.12%	1.03%	11.00%	12.09%	0.0148%
INTERNATIONAL PAPER CO	IP	20,071.27	0.12%	3.04%	12.00%	15.22%	0.0177%
INTERPUBLIC GROUP OF COS INC	IPG	7,200.97	0.04%	2.20%	13.50%	15.85%	0.0066%
INGERSOLL-RAND PLC	IR	16,570.89	0.10%	1.68%	12.50%	14.29%	0.0137%
IRON MOUNTAIN INC	IRM	5,371.15	0.03%	3.85%	5.50%	9.46%	0.0029%
INTUITIVE SURGICAL INC	ISRG	14,147.29	0.08%	0.00%	9.00%	9.00%	0.0074%
ILLINOIS TOOL WORKS	ITW	37,996.89	0.22%	1.96%	10.50%	12.56%	0.0277%
INVESCO LTD	IVZ	15,680.42	0.09%	2.54%	17.00%	19.76%	0.0180%
JABIL CIRCUIT INC	JBL	3,660.37	0.02%	1.78%	3.00%	4.81%	0.0010%
JOHNSON CONTROLS INC	JCI	30,392.56	0.18%	1.92%	12.00%	14.04%	0.0248%
JACOBS ENGINEERING GROUP INC	JEC	8,354.78	0.05%	0.00%	12.00%	12.00%	0.0058%
JOHNSON & JOHNSON	JNJ	281,953.10	1.64%	2.64%	6.50%	9.23%	0.1510%
JUNIPER NETWORKS INC	JNPR	12,498.85	0.07%	1.19%	16.50%	17.79%	0.0129%
JOY GLOBAL INC	JOY	6,116.31	0.04%	1.15%	2.00%	3.16%	0.0011%
JPMORGAN CHASE & CO	JPM	211,202.00	1.23%	2.85%	8.00%	10.96%	0.1345%
NORDSTROM INC	JWN	11,984.20	0.07%	2.18%	8.50%	10.77%	0.0075%
KELLOGG CO	K	24,137.15	0.14%	2.80%	6.50%	9.39%	0.0132%
KEYCORP	KEY	12,131.66	0.07%	1.76%	8.50%	10.33%	0.0073%
KIMCO REALTY CORP	KIM	-	0.00%	4.06%	0.00%	4.06%	0.0000%
KLA-TENCOR CORPORATION	KLAC	11,283.93	0.07%	2.66%	6.00%	8.74%	0.0057%
KIMBERLY-CLARK CORP	KMB	41,126.12	0.24%	3.08%	8.50%	11.71%	0.0280%
KINDER MORGAN INC	KMI	34,713.20	0.20%	4.99%	15.00%	20.36%	0.0410%
CARMAX INC	KMX	9,719.35	0.06%	0.00%	10.00%	10.00%	0.0056%
COCA-COLA CO/THE	KO	179,161.40	1.04%	3.07%	6.50%	9.67%	0.1006%
MICHAEL KORS HOLDINGS LTD	KORS	18,599.64	0.11%	0.00%	29.50%	29.50%	0.0319%
KROGER CO	KR	23,037.80	0.13%	1.57%	9.50%	11.14%	0.0149%
KRAFT FOODS GROUP INC	KRFT	33,883.98	0.20%	3.70%	0.00%	3.70%	0.0073%
KOHL'S CORP	KSS	11,548.03	0.07%	2.92%	7.50%	10.53%	0.0071%
KANSAS CITY SOUTHERN	KSU	11,127.38	0.06%	1.11%	14.00%	15.19%	0.0098%
LOEWS CORP	L	17,205.26	0.10%	0.56%	13.00%	13.60%	0.0136%
L BRANDS INC	LB	15,786.75	0.09%	2.51%	8.50%	11.12%	0.0102%
LEGGETT & PLATT INC	LEG	4,703.36	0.03%	3.56%	12.50%	16.28%	0.0044%
LENNAR CORP-A	LEN	8,076.52	0.05%	0.41%	27.00%	27.47%	0.0129%
LABORATORY CRP OF AMER HLDGS	LH	8,605.99	0.05%	0.00%	5.00%	5.00%	0.0025%
L-3 COMMUNICATIONS HOLDINGS	LLL	9,997.74	0.06%	2.06%	4.00%	6.10%	0.0035%
LINEAR TECHNOLOGY CORP	LLTC	10,991.77	0.06%	2.31%	6.50%	8.89%	0.0057%
ELI LILLY & CO	LLY	63,386.14	0.37%	3.34%	-2.50%	0.80%	0.0029%
LEGG MASON INC	LM	5,553.75	0.03%	1.11%	14.50%	15.69%	0.0051%
LOCKHEED MARTIN CORP	LMT	51,237.78	0.30%	3.46%	7.50%	11.09%	0.0330%
LINCOLN NATIONAL CORP	LNC	12,768.86	0.07%	1.40%	8.00%	9.46%	0.0070%
LORILLARD INC	LO	19,948.14	0.12%	4.55%	11.00%	15.80%	0.0183%
LOWE'S COS INC	LOW	49,518.00	0.29%	1.53%	15.00%	16.64%	0.0479%
LAM RESEARCH CORP	LRCX	9,447.97	0.05%	0.00%	13.50%	13.50%	0.0074%
LSI CORP	LSI	6,050.52	0.04%	0.00%	26.50%	26.50%	0.0083%
LEUCADIA NATIONAL CORP	LUK	N/A	N/A	N/A	N/A	N/A	N/A
SOUTHWEST AIRLINES CO	LUV	16,909.39	0.10%	0.66%	17.00%	17.72%	0.0174%
LYONDELLBASELL INDU-CL A	LYB	48,662.93	0.28%	2.75%	12.00%	14.92%	0.0421%
MACY'S INC	M	21,390.32	0.12%	1.98%	14.00%	16.12%	0.0200%
MASTERCARD INC-CLASS A	MA	89,497.93	0.52%	0.59%	15.00%	15.63%	0.0813%
MACERICH CO/THE	MAC	-	0.00%	3.86%	0.00%	3.86%	0.0000%
MARRIOTT INTERNATIONAL -CL A	MAR	17,577.15	0.10%	1.18%	14.00%	15.26%	0.0156%
MASCO CORP	MAS	7,846.28	0.05%	1.34%	33.50%	35.06%	0.0160%
MATTEL INC	MAT	12,822.50	0.07%	4.03%	9.50%	13.72%	0.0102%
MCDONALD'S CORP	MCD	98,881.53	0.57%	3.25%	7.00%	10.36%	0.0595%
MICROCHIP TECHNOLOGY INC	MCHP	9,635.27	0.06%	2.93%	9.00%	12.06%	0.0067%
MCKESSON CORP	MCK	39,227.28	0.23%	0.56%	14.00%	14.60%	0.0333%
MOODY'S CORP	MCO	17,132.71	0.10%	1.41%	12.50%	14.00%	0.0139%
MONDELEZ INTERNATIONAL INC-A	MDLZ	60,200.48	0.35%	1.59%	7.50%	9.15%	0.0320%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
MEDTRONIC INC	MDT	58,240.82	0.34%	2.02%	6.50%	8.59%	0.0290%
METLIFE INC	MET	58,289.45	0.34%	2.70%	7.50%	10.30%	0.0349%
MCGRAW HILL FINANCIAL INC	MHFI	20,578.09	0.12%	1.58%	0.00%	1.58%	0.0019%
MOHAWK INDUSTRIES INC	MHK	10,003.05	0.06%	0.00%	15.50%	15.50%	0.0090%
MEAD JOHNSON NUTRITION CO	MJN	18,243.90	0.11%	1.70%	11.00%	12.79%	0.0136%
MCCORMICK & CO-NON VTG SHRS	MKC	9,303.34	0.05%	2.16%	7.50%	9.74%	0.0053%
MARSH & MCLENNAN COS	MMC	26,529.50	0.15%	2.06%	13.00%	15.19%	0.0234%
3M CO	MMM	90,639.39	0.53%	2.50%	9.00%	11.61%	0.0611%
MONSTER BEVERAGE CORP	MNST	11,135.37	0.06%	0.00%	14.50%	14.50%	0.0094%
ALTRIA GROUP INC	MO	76,549.59	0.44%	5.00%	10.50%	15.76%	0.0701%
MONSANTO CO	MON	58,005.17	0.34%	1.56%	13.50%	15.17%	0.0511%
MOSAIC CO/THE	MOS	20,782.88	0.12%	2.46%	6.00%	8.53%	0.0103%
MARATHON PETROLEUM CORP	MPC	26,949.78	0.16%	1.92%	0.00%	1.92%	0.0030%
MERCK & CO. INC.	MRK	168,368.00	0.98%	3.06%	2.00%	5.09%	0.0498%
MARATHON OIL CORP	MRO	25,320.48	0.15%	2.09%	0.00%	2.09%	0.0031%
MORGAN STANLEY	MS	60,174.21	0.35%	1.29%	30.00%	31.48%	0.1100%
MICROSOFT CORP	MSFT	330,838.00	1.92%	2.81%	8.50%	11.43%	0.2196%
MOTOROLA SOLUTIONS INC	MSI	16,033.50	0.09%	2.11%	8.00%	10.19%	0.0095%
M & T BANK CORP	MTB	16,007.92	0.09%	2.28%	7.00%	9.36%	0.0087%
MICRON TECHNOLOGY INC	MU	27,991.20	0.16%	0.00%	80.50%	80.50%	0.1308%
MURPHY OIL CORP	MUR	12,601.39	0.07%	1.93%	9.00%	11.02%	0.0081%
MEADWESTVACO CORP	MWV	6,696.87	0.04%	2.61%	11.00%	13.75%	0.0053%
MYLAN INC	MYL	19,270.30	0.11%	0.00%	14.00%	14.00%	0.0157%
NOBLE ENERGY INC	NBL	27,154.16	0.16%	0.96%	17.00%	18.04%	0.0284%
NABORS INDUSTRIES LTD	NBR	7,305.65	0.04%	0.65%	16.50%	17.20%	0.0073%
NASDAQ OMX GROUP/THE	NDAQ	6,142.58	0.04%	1.65%	8.50%	10.22%	0.0036%
NOBLE CORP PLC	NE	8,055.21	0.05%	4.72%	19.50%	24.68%	0.0115%
NEXTERA ENERGY INC	NEE	42,060.15	0.24%	3.00%	4.50%	7.57%	0.0185%
NEWMONT MINING CORP	NEM	12,694.02	0.07%	0.39%	-17.50%	-17.14%	-0.0126%
NETFLIX INC	NFLX	20,508.98	0.12%	0.00%	20.50%	20.50%	0.0244%
NEWFIELD EXPLORATION CO	NFX	4,387.24	0.03%	0.00%	-1.00%	-1.00%	-0.0003%
NISOURCE INC	NI	11,251.52	0.07%	2.79%	10.50%	13.44%	0.0088%
NIKE INC -CL B	NKE	64,656.59	0.38%	1.31%	12.50%	13.89%	0.0522%
NIELSEN HOLDINGS NV	NLSN	17,396.12	0.10%	1.74%	0.00%	1.74%	0.0018%
NORTHROP GRUMMAN CORP	NOC	25,830.71	0.15%	2.05%	5.00%	7.10%	0.0107%
NATIONAL OILWELL VARCO INC	NOV	35,449.35	0.21%	1.26%	11.50%	12.83%	0.0264%
NRG ENERGY INC	NRG	10,660.09	0.06%	1.70%	7.00%	8.76%	0.0054%
NORFOLK SOUTHERN CORP	NSC	29,377.39	0.17%	2.27%	8.50%	10.87%	0.0185%
NETAPP INC	NTAP	11,868.58	0.07%	1.68%	9.50%	11.26%	0.0078%
NORTHERN TRUST CORP	NTRS	14,396.33	0.08%	2.19%	9.50%	11.79%	0.0099%
NORTHEAST UTILITIES	NU	14,641.28	0.09%	3.38%	8.00%	11.52%	0.0098%
NUCOR CORP	NUE	16,390.71	0.10%	2.87%	22.00%	25.19%	0.0240%
NVIDIA CORP	NVDA	10,949.98	0.06%	1.77%	6.50%	8.33%	0.0053%
NEWELL RUBBERMAID INC	NWL	8,444.37	0.05%	1.98%	12.50%	14.60%	0.0072%
NEWS CORP - CLASS A	NWSA	N/A	N/A	N/A	N/A	N/A	N/A
OWENS-ILLINOIS INC	OI	5,338.38	0.03%	0.00%	8.50%	8.50%	0.0026%
ONEOK INC	OKE	12,830.18	0.07%	3.76%	10.00%	13.95%	0.0104%
OMNICOM GROUP	OMC	18,064.95	0.10%	2.29%	11.50%	13.92%	0.0146%
ORACLE CORP	ORCL	178,199.30	1.03%	1.21%	9.00%	10.26%	0.1062%
O'REILLY AUTOMOTIVE INC	ORLY	16,134.25	0.09%	0.00%	12.00%	12.00%	0.0112%
OCCIDENTAL PETROLEUM CORP	OXY	78,300.57	0.45%	3.00%	3.50%	6.55%	0.0298%
PAYCHEX INC	PAYX	14,884.20	0.09%	3.62%	8.00%	11.76%	0.0102%
PEOPLE'S UNITED FINANCIAL	PBCT	4,463.78	0.03%	4.54%	14.00%	18.86%	0.0049%
PITNEY BOWES INC	PBI	5,157.13	0.03%	2.94%	2.00%	4.97%	0.0015%
PACCAR INC	PCAR	23,473.29	0.14%	2.56%	12.50%	15.22%	0.0207%
P G & E CORP	PCG	20,504.48	0.12%	4.05%	5.00%	9.15%	0.0109%
PLUM CREEK TIMBER CO	PCL	7,602.15	0.04%	4.10%	12.50%	16.86%	0.0074%
PRICELINE GROUP INC/THE	PCLN	62,141.55	0.36%	0.00%	25.50%	25.50%	0.0920%
PRECISION CASTPARTS CORP	PCP	37,204.25	0.22%	0.05%	13.00%	13.05%	0.0282%
PATTERSON COS INC	PDCO	4,138.23	0.02%	1.96%	11.50%	13.57%	0.0033%
PUBLIC SERVICE ENTERPRISE GP	PEG	20,117.93	0.12%	3.72%	-0.50%	3.21%	0.0038%
PEPSICO INC	PEP	130,760.10	0.76%	3.06%	8.50%	11.69%	0.0888%
PETSMART INC	PETM	6,806.49	0.04%	1.20%	11.50%	12.77%	0.0050%
PFIZER INC	PFE	199,033.70	1.16%	3.39%	10.50%	14.07%	0.1626%
PRINCIPAL FINANCIAL GROUP	PFG	13,163.78	0.08%	2.50%	9.50%	12.12%	0.0093%
PROCTER & GAMBLE CO/THE	PG	220,030.80	1.28%	3.17%	7.50%	10.79%	0.1378%
PROGRESSIVE CORP	PGR	14,263.45	0.08%	2.05%	14.00%	16.19%	0.0134%
PARKER HANNIFIN CORP	PH	18,560.47	0.11%	1.54%	6.50%	8.09%	0.0087%
PULTEGROUP INC	PHM	7,240.87	0.04%	1.05%	31.50%	32.72%	0.0138%
PERKINELMER INC	PKI	4,990.46	0.03%	0.63%	8.50%	9.16%	0.0027%
PROLOGIS INC	PLD	-	0.00%	3.25%	0.00%	3.25%	0.0000%
PALL CORP	PLL	9,229.88	0.05%	1.31%	10.50%	11.88%	0.0064%
PHILIP MORRIS INTERNATIONAL	PM	132,665.80	0.77%	4.50%	7.50%	12.17%	0.0937%
PNC FINANCIAL SERVICES GROUP	PNC	44,826.32	0.26%	2.28%	7.00%	9.36%	0.0244%
PENTAIR LTD-REGISTERED	PNR	14,571.50	0.08%	1.34%	16.50%	17.95%	0.0152%
PINNACLE WEST CAPITAL	PNW	6,188.87	0.04%	4.13%	4.00%	8.21%	0.0030%
PEPCO HOLDINGS INC	POM	5,353.85	0.03%	5.04%	5.50%	10.68%	0.0033%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
PPG INDUSTRIES INC	PPG	27,624.70	0.16%	1.38%	13.00%	14.47%	0.0232%
PPL CORPORATION	PPL	21,046.42	0.12%	4.46%	0.00%	4.46%	0.0055%
PERRIGO CO PLC	PRGO	19,747.49	0.11%	0.28%	13.50%	13.80%	0.0158%
PRUDENTIAL FINANCIAL INC	PRU	37,765.02	0.22%	2.63%	10.00%	12.76%	0.0280%
PUBLIC STORAGE	PSA	-	0.00%	3.26%	0.00%	3.26%	0.0000%
PHILLIPS 66	PSX	49,503.69	0.29%	1.93%	0.00%	1.93%	0.0055%
PVH CORP	PVH	9,937.98	0.06%	0.12%	10.50%	10.63%	0.0061%
QUANTA SERVICES INC	PWR	7,630.16	0.04%	0.00%	19.50%	19.50%	0.0086%
PRAXAIR INC	PX	38,458.52	0.22%	2.05%	10.50%	12.66%	0.0283%
PIONEER NATURAL RESOURCES CO	PXD	28,143.16	0.16%	0.04%	23.00%	23.04%	0.0377%
QUALCOMM INC	QCOM	131,366.70	0.76%	2.16%	9.50%	11.76%	0.0897%
QEP RESOURCES INC	QEP	5,769.87	0.03%	0.34%	11.50%	11.86%	0.0040%
RYDER SYSTEM INC	R	4,371.53	0.03%	1.64%	14.50%	16.26%	0.0041%
REYNOLDS AMERICAN INC	RAI	29,017.20	0.17%	4.97%	9.50%	14.71%	0.0248%
ROWAN COMPANIES PLC-A	RDC	3,909.74	0.02%	0.00%	23.00%	23.00%	0.0052%
REGENERON PHARMACEUTICALS	REGN	28,658.13	0.17%	0.00%	35.50%	35.50%	0.0591%
REGIONS FINANCIAL CORP	RF	14,204.29	0.08%	1.16%	72.50%	74.08%	0.0611%
ROBERT HALF INTL INC	RHI	6,060.88	0.04%	1.66%	12.00%	13.76%	0.0048%
RED HAT INC	RHT	9,406.13	0.05%	0.00%	14.50%	14.50%	0.0079%
TRANSOCEAN LTD	RIG	15,550.91	0.09%	5.19%	13.50%	19.04%	0.0172%
RALPH LAUREN CORP	RL	13,853.05	0.08%	1.16%	9.00%	10.21%	0.0082%
ROCKWELL AUTOMATION INC	ROK	17,714.01	0.10%	1.82%	8.50%	10.40%	0.0107%
ROPER INDUSTRIES INC	ROP	13,111.33	0.08%	0.61%	11.00%	11.64%	0.0089%
ROSS STORES INC	ROST	14,604.33	0.08%	1.21%	9.00%	10.26%	0.0087%
RANGE RESOURCES CORP	RRC	15,291.54	0.09%	0.17%	38.00%	38.20%	0.0339%
REPUBLIC SERVICES INC	RSR	12,510.00	0.07%	3.11%	8.50%	11.74%	0.0085%
RAYTHEON COMPANY	RTN	30,166.84	0.18%	2.52%	9.50%	12.14%	0.0213%
STARBUCKS CORP	SBUX	53,779.58	0.31%	1.58%	18.50%	20.23%	0.0632%
SCANA CORP	SCG	7,410.96	0.04%	4.00%	5.00%	9.10%	0.0039%
SCHWAB (CHARLES) CORP	SCHW	35,132.64	0.20%	0.89%	10.50%	11.44%	0.0233%
SPECTRA ENERGY CORP	SE	26,190.30	0.15%	3.48%	3.00%	6.53%	0.0099%
SEALED AIR CORP	SEE	6,533.17	0.04%	1.57%	19.50%	21.22%	0.0081%
SHERWIN-WILLIAMS CO/THE	SHW	20,129.94	0.12%	1.14%	15.50%	16.73%	0.0196%
SIGMA-ALDRICH	SIAL	11,345.42	0.07%	0.97%	7.50%	8.51%	0.0056%
JM SMUCKER CO/THE	SJM	10,139.72	0.06%	2.45%	7.50%	10.04%	0.0059%
SCHLUMBERGER LTD	SLB	133,086.20	0.77%	1.57%	15.00%	16.69%	0.1290%
SLM CORP	SLM	11,614.92	0.07%	0.00%	8.50%	8.50%	0.0057%
SNAP-ON INC	SNA	6,817.11	0.04%	1.50%	9.00%	10.57%	0.0042%
SANDISK CORP	SNDK	19,210.94	0.11%	1.06%	11.50%	12.62%	0.0141%
SCRIPPS NETWORKS INTER-CL A	SNI	10,979.07	0.06%	1.07%	9.00%	10.12%	0.0065%
SOUTHERN CO/THE	SO	40,522.09	0.24%	4.60%	3.50%	8.18%	0.0192%
SIMON PROPERTY GROUP INC	SPG	-	0.00%	3.04%	0.00%	3.04%	0.0000%
STAPLES INC	SPLS	7,906.14	0.05%	3.98%	-1.50%	2.43%	0.0011%
STERICYCLE INC	SRCL	9,692.62	0.06%	0.00%	11.50%	11.50%	0.0065%
SEMPRA ENERGY	SRE	23,759.16	0.14%	2.76%	6.00%	8.84%	0.0122%
SUNTRUST BANKS INC	STI	20,717.90	0.12%	2.06%	26.00%	28.33%	0.0341%
ST JUDE MEDICAL INC	STJ	18,063.39	0.10%	1.73%	8.50%	10.30%	0.0108%
STATE STREET CORP	STT	28,535.23	0.17%	1.70%	10.00%	11.79%	0.0195%
SEAGATE TECHNOLOGY	STX	17,717.89	0.10%	3.19%	6.50%	9.79%	0.0101%
CONSTELLATION BRANDS INC-A	STZ	15,102.25	0.09%	0.00%	16.50%	16.50%	0.0145%
STANLEY BLACK & DECKER INC	SWK	13,308.81	0.08%	2.34%	10.00%	12.46%	0.0096%
SOUTHWESTERN ENERGY CO	SWN	17,071.61	0.10%	0.00%	11.00%	11.00%	0.0109%
SAFeway INC	SWY	7,828.00	0.05%	2.65%	8.50%	11.26%	0.0051%
STRYKER CORP	SYK	29,471.20	0.17%	1.57%	7.50%	9.13%	0.0156%
SYMANTEC CORP	SYMC	14,225.27	0.08%	2.92%	15.00%	18.14%	0.0150%
SYSCO CORP	SY	21,267.97	0.12%	3.19%	8.50%	11.83%	0.0146%
AT&T INC	T	180,307.90	1.05%	5.36%	7.00%	12.55%	0.1314%
MOLSON COORS BREWING CO -B	TAP	11,325.64	0.07%	2.51%	8.50%	11.12%	0.0073%
TERADATA CORP	TDC	7,327.80	0.04%	0.00%	13.00%	13.00%	0.0055%
TECO ENERGY INC	TE	3,941.82	0.02%	4.85%	2.00%	6.90%	0.0016%
INTEGRYS ENERGY GROUP INC	TEG	4,808.81	0.03%	4.49%	3.50%	8.07%	0.0023%
TE CONNECTIVITY LTD	TEL	24,954.19	0.14%	1.65%	8.50%	10.22%	0.0148%
TARGET CORP	TGT	38,821.59	0.23%	3.06%	5.50%	8.64%	0.0195%
TENET HEALTHCARE CORP	THC	4,093.26	0.02%	0.00%	28.00%	28.00%	0.0067%
TIFFANY & CO	TIF	11,338.93	0.07%	1.63%	12.50%	14.23%	0.0094%
TJX COMPANIES INC	TJX	41,427.29	0.24%	1.20%	12.50%	13.78%	0.0331%
TORCHMARK CORP	TMK	7,090.08	0.04%	0.96%	5.50%	6.49%	0.0027%
THERMO FISHER SCIENTIFIC INC	TMO	41,694.53	0.24%	0.52%	11.00%	11.55%	0.0280%
TRIPADVISOR INC	TRIP	11,861.59	0.07%	0.00%	0.00%	0.00%	0.0000%
T ROWE PRICE GROUP INC	TROW	21,344.55	0.12%	2.15%	12.50%	14.78%	0.0183%
TRAVELERS COS INC/THE	TRV	31,316.56	0.18%	2.48%	9.50%	12.10%	0.0220%
TRACTOR SUPPLY COMPANY	TSCO	9,313.53	0.05%	0.96%	16.00%	17.04%	0.0092%
TYSON FOODS INC-CL A	TSN	14,462.11	0.08%	0.71%	12.00%	12.75%	0.0107%
TESORO CORP	TSO	7,296.67	0.04%	1.85%	15.50%	17.49%	0.0074%
TOTAL SYSTEM SERVICES INC	TSS	5,591.92	0.03%	1.36%	9.50%	10.92%	0.0035%
TIME WARNER CABLE	TWC	39,719.16	0.23%	2.14%	10.00%	12.25%	0.0282%
TIME WARNER INC	TWX	58,747.80	0.34%	1.94%	12.50%	14.56%	0.0497%

Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
TEXAS INSTRUMENTS INC	TXN	53,220.06	0.31%	2.48%	8.00%	10.58%	0.0327%
TEXTRON INC	TXT	11,206.21	0.07%	0.28%	17.00%	17.30%	0.0113%
TYCO INTERNATIONAL LTD	TYC	19,416.60	0.11%	1.71%	15.00%	16.84%	0.0190%
UNITEDHEALTH GROUP INC	UNH	75,670.91	0.44%	1.46%	10.00%	11.53%	0.0507%
UNUM GROUP	UNM	8,699.26	0.05%	1.73%	7.50%	9.29%	0.0047%
UNION PACIFIC CORP	UNP	86,333.88	0.50%	1.91%	11.00%	13.02%	0.0652%
UNITED PARCEL SERVICE-CL B	UPS	91,735.20	0.53%	2.72%	7.50%	10.32%	0.0550%
URBAN OUTFITTERS INC	URBN	5,297.55	0.03%	0.00%	14.50%	14.50%	0.0045%
US BANCORP	USB	74,176.01	0.43%	2.31%	5.50%	7.87%	0.0339%
UNITED TECHNOLOGIES CORP	UTX	109,067.30	0.63%	1.98%	9.50%	11.57%	0.0733%
VISA INC-CLASS A SHARES	V	162,494.40	0.94%	0.80%	18.50%	19.37%	0.1828%
VARIAN MEDICAL SYSTEMS INC	VAR	8,292.58	0.05%	0.00%	6.00%	6.00%	0.0029%
VF CORP	VFC	26,467.03	0.15%	1.75%	11.50%	13.35%	0.0205%
VIACOM INC-CLASS B	VIAB	37,287.18	0.22%	1.41%	13.50%	15.01%	0.0325%
VALERO ENERGY CORP	VLO	30,628.89	0.18%	1.77%	15.00%	16.90%	0.0301%
VULCAN MATERIALS CO	VMC	8,519.30	0.05%	0.31%	0.00%	0.31%	0.0002%
VORNADO REALTY TRUST	VNO	18,895.59	0.11%	2.91%	6.50%	9.50%	0.0104%
VERISIGN INC	VRSN	6,585.91	0.04%	0.00%	21.00%	21.00%	0.0080%
VERTEX PHARMACEUTICALS INC	VRTX	15,472.09	0.09%	0.00%	0.00%	0.00%	0.0000%
VENTAS INC	VTR	-	0.00%	4.51%	0.00%	4.51%	0.0000%
VERIZON COMMUNICATIONS INC	VZ	132,441.80	0.77%	4.58%	10.50%	15.32%	0.1178%
WALGREEN CO	WAG	64,340.99	0.37%	1.87%	10.50%	12.47%	0.0466%
WATERS CORP	WAT	9,677.73	0.06%	0.00%	7.00%	7.00%	0.0039%
WESTERN DIGITAL CORP	WDC	21,282.60	0.12%	1.34%	6.00%	7.38%	0.0091%
WISCONSIN ENERGY CORP	WEC	10,791.95	0.08%	3.33%	6.00%	9.43%	0.0059%
WELLS FARGO & CO	WFC	260,100.60	1.51%	2.43%	8.00%	10.53%	0.1590%
WHOLE FOODS MARKET INC	WFM	18,974.34	0.11%	1.06%	15.50%	16.64%	0.0183%
WHIRLPOOL CORP	WHR	12,218.14	0.07%	1.94%	10.50%	12.54%	0.0089%
WINDSTREAM HOLDINGS INC	WIN	5,358.94	0.03%	11.12%	4.00%	15.34%	0.0048%
WELLPOINT INC	WLP	27,268.59	0.16%	1.81%	6.50%	8.37%	0.0133%
WASTE MANAGEMENT INC	WM	20,100.53	0.12%	3.50%	6.50%	10.11%	0.0118%
WILLIAMS COS INC	WMB	28,228.39	0.16%	4.23%	8.00%	12.40%	0.0203%
WAL-MART STORES INC	WMT	253,881.00	1.47%	2.45%	7.50%	10.04%	0.1480%
WESTERN UNION CO	WU	8,730.28	0.05%	3.16%	5.00%	8.24%	0.0042%
WEYERHAEUSER CO	WY	16,771.17	0.10%	3.06%	17.00%	20.32%	0.0198%
WYNDHAM WORLDWIDE CORP	WYN	9,590.60	0.06%	1.87%	13.50%	15.50%	0.0086%
WYNN RESORTS LTD	WYNN	21,458.99	0.12%	2.35%	14.00%	16.51%	0.0206%
UNITED STATES STEEL CORP	X	3,973.76	0.02%	0.73%	0.00%	0.73%	0.0002%
XCEL ENERGY INC	XEL	15,686.09	0.09%	3.87%	5.50%	9.48%	0.0086%
XL GROUP PLC	XL	9,423.42	0.05%	2.03%	16.00%	18.19%	0.0100%
XILINX INC	XLNX	12,701.39	0.07%	2.43%	8.50%	11.03%	0.0081%
EXXON MOBIL CORP	XOM	433,543.30	2.52%	2.64%	6.00%	8.72%	0.2195%
DENTSPLY INTERNATIONAL INC	XRAY	6,359.18	0.04%	0.60%	8.50%	9.13%	0.0034%
XEROX CORP	XRX	14,247.96	0.08%	2.09%	6.00%	8.15%	0.0067%
XYLEM INC	XYL	6,608.68	0.04%	1.43%	10.50%	12.01%	0.0046%
YAHOO! INC	YHOO	35,700.20	0.21%	0.00%	10.00%	10.00%	0.0207%
YUM! BRANDS INC	YUM	34,017.97	0.20%	2.05%	9.50%	11.65%	0.0230%
ZIONS BANCORPORATION	ZION	5,385.18	0.03%	0.55%	0.00%	0.55%	0.0002%
ZIMMER HOLDINGS INC	ZMH	17,385.88	0.10%	0.88%	9.50%	10.42%	0.0105%
ZOETIS INC	ZTS	14,945.18	0.09%	0.97%	0.00%	0.97%	0.0008%
Total Market Capitalization:		17,221,275.51					12.31%

Notes:

- [1] Equals sum of Col. [9]
- [2] Source: Bloomberg Professional
- [3] Equals [1] - [2]
- [4] Source: Value Line
- [5] Equals weight in S&P 500 based on market capitalization
- [6] Source: Value Line
- [7] Source: Value Line
- [8] Equals ([6] x (1 + (0.5 x [7]))) + [7]
- [9] Equals Col. [5] x Col. [8]

Bloomberg, Value Line, and Calculated Beta Coefficients

Company	Ticker	[1]	[2]
		Bloomberg	Value Line
American Electric Power Company, Inc.	AEP	0.755	0.70
Cleco Corporation	CNL	0.761	0.70
Duke Energy Corporation	DUK	0.642	0.70
Empire District Electric Company	EDE	0.720	0.75
Great Plains Energy Inc.	GXP	0.843	0.90
Hawaiian Electric Industries, Inc.	HE	0.782	0.80
IDACORP, Inc.	IDA	0.880	0.75
NextEra Energy, Inc.	NEE	0.717	0.75
Northeast Utilities	NU	0.736	0.75
Otter Tail Corporation	OTTR	0.898	0.95
Pinnacle West Capital Corporation	PNW	0.815	0.75
PNM Resources, Inc.	PNM	0.826	0.95
Portland General Electric Company	POR	0.830	0.75
Southern Company	SO	0.612	0.60
UniSource Energy Corporation	UNS	0.696	0.70
Westar Energy, Inc.	WR	0.749	0.80
Mean		0.766	0.77

Notes:

[1] Source: Bloomberg Professional Service

[2] Source: Value Line

Capital Asset Pricing Model Results
Bloomberg and Value Line Derived Market Risk Premium

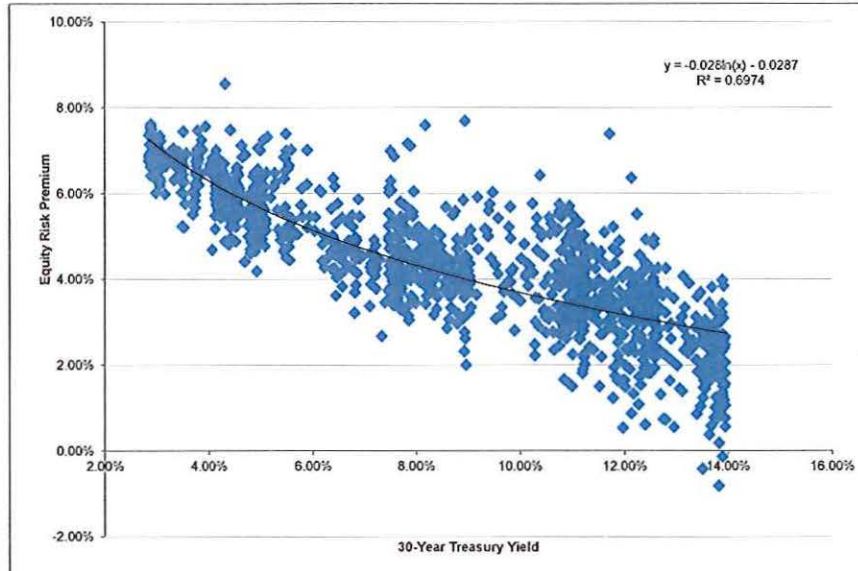
	[1]	[2]	[3]	[4]	[5]	[6]
	Risk-Free Rate	Average Beta Coefficient	Ex-Ante Market Risk Premium Bloomberg Market DCF Derived	Value Line Market DCF Derived	CAPM Result	
					Bloomberg Market DCF Derived	Value Line Market DCF Derived
PROXY GROUP BLOOMBERG BETA COEFFICIENT						
Current 30-Year Treasury (30-day average) [7]	3.60%	0.766	10.31%	8.71%	11.50%	10.27%
Near-Term Projected 30-Year Treasury [8]	4.15%	0.766	10.31%	8.71%	12.05%	10.82%
Mean					11.78%	10.55%
PROXY GROUP VALUE LINE AVERAGE BETA COEFFICIENT						
Current 30-Year Treasury (30-day average) [7]	3.60%	0.769	10.31%	8.71%	11.53%	10.29%
Near-Term Projected 30-Year Treasury [8]	4.15%	0.769	10.31%	8.71%	12.08%	10.84%
Mean					11.80%	10.57%

Notes:

- [1] See Notes [9] and [10]
 [2] Source: Schedule RBH-12
 [3] Source: Schedule RBH-13
 [4] Source: Schedule RBH-13
 [5] Equals Col. [1] + (Col. [2] x Col. [3])
 [6] Equals Col. [1] + (Col. [2] x Col. [4])
 [7] Source: Bloomberg Professional
 [8] Source: Blue Chip Financial Forecasts, Vol. 33, No. 4, April 1, 2014, at 2

Bond Yield Plus Risk Premium

[1]	[2]	[3]	[4]	[5]
Constant	Slope	30-Year Treasury Yield	Risk Premium	Return on Equity
-2.87%	-2.85%	Current 3.60%	6.60%	10.20%
		Near Term Projected 4.15%	6.19%	10.34%
		Long Term Projected 5.25%	5.52%	10.77%



Notes:

- [1] Constant of regression equation
- [2] Slope of regression equation
- [3] Source: Current = Bloomberg Professional,
Near Term Projected = Blue Chip Financial Forecasts, Vol. 33, No. 4, April 1, 2014, at 2,
Long Term Projected = Blue Chip Financial Forecasts, Vol. 32, No. 12, December 1, 2013, at 14
- [4] Equals [1] + ln([2]) x [3]
- [5] Equals [3] + [4]
- [6] Source: SNL Financial
- [7] Source: SNL Financial (excludes Virginia Generation Riders)
- [8] Source: Bloomberg Professional, equals 201-trading day average (i.e. lag period) as of April 15th, 2014
- [9] Equals [7] - [8]

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
01/01/1980	14.50%	9.36%	5.14%
01/07/1980	14.39%	9.38%	5.01%
01/09/1980	15.00%	9.40%	5.60%
01/14/1980	15.17%	9.42%	5.75%
01/17/1980	13.93%	9.44%	4.49%
01/23/1980	15.50%	9.47%	6.03%
01/30/1980	13.85%	9.52%	4.34%
01/31/1980	12.61%	9.53%	3.08%
02/06/1980	13.71%	9.58%	4.13%
02/13/1980	12.80%	9.63%	3.17%
02/14/1980	13.00%	9.65%	3.35%
02/19/1980	13.50%	9.68%	3.82%
02/27/1980	13.75%	9.78%	3.97%
02/29/1980	13.75%	9.81%	3.94%
02/29/1980	14.00%	9.81%	4.19%
02/29/1980	14.77%	9.81%	4.96%
03/07/1980	12.70%	9.89%	2.81%
03/14/1980	13.50%	9.97%	3.53%
03/26/1980	14.16%	10.10%	4.06%
03/27/1980	14.24%	10.12%	4.12%
03/28/1980	14.50%	10.13%	4.37%
04/11/1980	12.75%	10.27%	2.48%
04/14/1980	13.85%	10.29%	3.56%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
04/16/1980	15.50%	10.31%	5.19%
04/22/1980	13.25%	10.35%	2.90%
04/22/1980	13.90%	10.35%	3.55%
04/24/1980	16.80%	10.38%	6.43%
04/29/1980	15.50%	10.41%	5.09%
05/06/1980	13.70%	10.45%	3.25%
05/07/1980	15.00%	10.45%	4.55%
05/08/1980	13.75%	10.46%	3.29%
05/09/1980	14.35%	10.47%	3.88%
05/13/1980	13.60%	10.48%	3.12%
05/15/1980	13.25%	10.49%	2.76%
05/19/1980	13.75%	10.51%	3.24%
05/27/1980	13.62%	10.54%	3.08%
05/27/1980	14.60%	10.54%	4.06%
05/29/1980	16.00%	10.56%	5.44%
05/30/1980	13.80%	10.56%	3.24%
06/02/1980	15.63%	10.57%	5.06%
06/09/1980	15.90%	10.60%	5.30%
06/10/1980	13.78%	10.60%	3.18%
06/12/1980	14.25%	10.61%	3.64%
06/19/1980	13.40%	10.62%	2.78%
06/30/1980	13.00%	10.65%	2.35%
06/30/1980	13.40%	10.65%	2.75%
07/09/1980	14.75%	10.67%	4.08%
07/10/1980	15.00%	10.68%	4.32%
07/15/1980	15.80%	10.70%	5.10%
07/18/1980	13.80%	10.71%	3.09%
07/22/1980	14.10%	10.72%	3.38%
07/24/1980	15.00%	10.73%	4.27%
07/25/1980	13.48%	10.73%	2.75%
07/31/1980	14.58%	10.75%	3.83%
08/08/1980	13.50%	10.78%	2.72%
08/08/1980	14.00%	10.78%	3.22%
08/08/1980	15.45%	10.78%	4.67%
08/11/1980	14.85%	10.78%	4.07%
08/14/1980	14.00%	10.79%	3.21%
08/14/1980	16.25%	10.79%	5.46%
08/25/1980	13.75%	10.82%	2.93%
08/27/1980	13.80%	10.83%	2.97%
08/29/1980	12.50%	10.84%	1.66%
09/15/1980	13.50%	10.88%	2.62%
09/15/1980	13.93%	10.88%	3.05%
09/15/1980	15.80%	10.88%	4.92%
09/24/1980	12.50%	10.93%	1.57%
09/24/1980	15.00%	10.93%	4.07%
09/26/1980	13.75%	10.94%	2.81%
09/30/1980	14.10%	10.96%	3.14%
09/30/1980	14.20%	10.96%	3.24%
10/01/1980	13.90%	10.97%	2.93%
10/03/1980	15.50%	10.98%	4.52%
10/07/1980	12.50%	10.99%	1.51%
10/09/1980	13.25%	11.00%	2.25%
10/09/1980	14.50%	11.00%	3.50%
10/09/1980	14.50%	11.00%	3.50%
10/16/1980	16.10%	11.02%	5.08%
10/17/1980	14.50%	11.03%	3.47%
10/31/1980	13.75%	11.11%	2.64%
10/31/1980	14.25%	11.11%	3.14%
11/04/1980	15.00%	11.12%	3.88%
11/05/1980	13.75%	11.12%	2.63%
11/05/1980	14.00%	11.12%	2.88%
11/08/1980	13.75%	11.14%	2.61%
11/10/1980	14.85%	11.15%	3.70%
11/17/1980	14.00%	11.18%	2.82%
11/18/1980	14.00%	11.19%	2.81%
11/19/1980	13.00%	11.19%	1.81%
11/24/1980	14.00%	11.21%	2.79%
11/26/1980	14.00%	11.21%	2.79%
12/08/1980	14.15%	11.22%	2.93%
12/08/1980	15.10%	11.22%	3.88%
12/09/1980	15.35%	11.22%	4.13%
12/12/1980	15.45%	11.23%	4.22%
12/17/1980	13.25%	11.23%	2.02%
12/18/1980	15.80%	11.23%	4.57%
12/19/1980	14.50%	11.23%	3.27%
12/19/1980	14.64%	11.23%	3.41%
12/22/1980	13.45%	11.23%	2.22%
12/22/1980	15.00%	11.23%	3.77%
12/30/1980	14.50%	11.22%	3.28%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
12/30/1980	14.95%	11.22%	3.73%
12/31/1980	13.39%	11.22%	2.17%
01/02/1981	15.25%	11.22%	4.03%
01/07/1981	14.30%	11.21%	3.09%
01/19/1981	15.25%	11.20%	4.05%
01/23/1981	13.10%	11.20%	1.90%
01/23/1981	14.40%	11.20%	3.20%
01/28/1981	15.25%	11.20%	4.05%
01/27/1981	15.00%	11.21%	3.79%
01/31/1981	13.47%	11.22%	2.25%
02/03/1981	15.25%	11.23%	4.02%
02/05/1981	15.75%	11.25%	4.50%
02/11/1981	15.60%	11.28%	4.32%
02/20/1981	15.25%	11.33%	3.92%
03/11/1981	15.40%	11.49%	3.91%
03/12/1981	14.51%	11.50%	3.01%
03/12/1981	16.00%	11.50%	4.50%
03/13/1981	13.02%	11.52%	1.50%
03/18/1981	16.19%	11.55%	4.64%
03/19/1981	13.75%	11.56%	2.19%
03/23/1981	14.30%	11.58%	2.72%
03/25/1981	15.30%	11.60%	3.70%
04/01/1981	14.53%	11.68%	2.85%
04/03/1981	19.10%	11.71%	7.39%
04/09/1981	15.00%	11.78%	3.22%
04/09/1981	15.30%	11.78%	3.52%
04/09/1981	16.50%	11.78%	4.72%
04/09/1981	17.00%	11.78%	5.22%
04/10/1981	13.75%	11.80%	1.95%
04/13/1981	13.57%	11.82%	1.75%
04/15/1981	15.30%	11.85%	3.45%
04/16/1981	13.50%	11.87%	1.63%
04/17/1981	14.10%	11.87%	2.23%
04/21/1981	14.00%	11.90%	2.10%
04/21/1981	16.80%	11.90%	4.90%
04/24/1981	16.00%	11.95%	4.05%
04/27/1981	12.50%	11.97%	0.53%
04/27/1981	13.61%	11.97%	1.64%
04/29/1981	13.65%	12.00%	1.65%
04/30/1981	13.50%	12.02%	1.48%
05/04/1981	16.22%	12.05%	4.17%
05/05/1981	14.40%	12.07%	2.33%
05/07/1981	16.25%	12.11%	4.14%
05/07/1981	16.27%	12.11%	4.16%
05/08/1981	13.00%	12.13%	0.87%
05/08/1981	16.00%	12.13%	3.87%
05/12/1981	13.50%	12.16%	1.34%
05/15/1981	15.75%	12.22%	3.53%
05/18/1981	14.88%	12.23%	2.65%
05/20/1981	16.00%	12.26%	3.74%
05/21/1981	14.00%	12.27%	1.73%
05/26/1981	14.90%	12.30%	2.60%
05/27/1981	15.00%	12.31%	2.69%
05/29/1981	15.50%	12.34%	3.16%
06/01/1981	16.50%	12.35%	4.15%
06/03/1981	14.67%	12.37%	2.30%
06/05/1981	13.00%	12.39%	0.61%
06/10/1981	16.75%	12.42%	4.33%
06/17/1981	14.40%	12.46%	1.94%
06/18/1981	16.33%	12.47%	3.86%
06/25/1981	14.75%	12.51%	2.24%
06/26/1981	16.00%	12.52%	3.48%
06/30/1981	15.25%	12.54%	2.71%
07/01/1981	15.50%	12.56%	2.94%
07/01/1981	17.50%	12.56%	4.94%
07/10/1981	16.00%	12.62%	3.38%
07/14/1981	16.90%	12.64%	4.26%
07/15/1981	16.00%	12.65%	3.35%
07/17/1981	15.00%	12.67%	2.33%
07/20/1981	15.00%	12.68%	2.32%
07/21/1981	14.00%	12.69%	1.31%
07/28/1981	13.48%	12.74%	0.74%
07/31/1981	13.50%	12.78%	0.72%
07/31/1981	15.00%	12.78%	2.22%
07/31/1981	16.00%	12.78%	3.22%
08/05/1981	15.71%	12.83%	2.88%
08/10/1981	14.50%	12.87%	1.63%
08/11/1981	15.00%	12.88%	2.12%
08/20/1981	13.50%	12.95%	0.55%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
08/20/1981	16.50%	12.95%	3.55%
08/24/1981	15.00%	12.97%	2.03%
08/28/1981	15.00%	13.01%	1.99%
09/03/1981	14.50%	13.05%	1.45%
09/10/1981	14.50%	13.11%	1.39%
09/11/1981	16.00%	13.12%	2.88%
09/16/1981	16.00%	13.15%	2.85%
09/17/1981	16.50%	13.16%	3.34%
09/23/1981	15.85%	13.20%	2.65%
09/28/1981	15.50%	13.23%	2.27%
10/09/1981	15.75%	13.33%	2.42%
10/15/1981	16.25%	13.37%	2.88%
10/16/1981	15.50%	13.38%	2.12%
10/16/1981	16.50%	13.38%	3.12%
10/19/1981	14.25%	13.39%	0.86%
10/20/1981	15.25%	13.41%	1.84%
10/20/1981	17.00%	13.41%	3.59%
10/23/1981	16.00%	13.45%	2.55%
10/27/1981	10.00%	13.48%	-3.48%
10/29/1981	14.75%	13.51%	1.24%
10/29/1981	16.50%	13.51%	2.99%
11/03/1981	15.17%	13.53%	1.64%
11/05/1981	16.60%	13.55%	3.05%
11/06/1981	15.17%	13.56%	1.61%
11/24/1981	15.50%	13.61%	1.89%
11/25/1981	15.25%	13.61%	1.64%
11/25/1981	15.35%	13.61%	1.74%
11/25/1981	16.10%	13.61%	2.49%
11/25/1981	16.10%	13.61%	2.49%
12/01/1981	15.70%	13.61%	2.09%
12/01/1981	16.00%	13.61%	2.39%
12/01/1981	16.49%	13.61%	2.88%
12/01/1981	16.50%	13.61%	2.89%
12/04/1981	16.00%	13.61%	2.39%
12/11/1981	16.25%	13.63%	2.62%
12/14/1981	14.00%	13.63%	0.37%
12/15/1981	15.81%	13.63%	2.18%
12/15/1981	16.00%	13.63%	2.37%
12/16/1981	15.25%	13.63%	1.62%
12/17/1981	16.50%	13.63%	2.67%
12/18/1981	15.45%	13.63%	1.82%
12/30/1981	14.25%	13.67%	0.58%
12/30/1981	16.00%	13.67%	2.33%
12/30/1981	16.25%	13.67%	2.58%
12/31/1981	16.15%	13.67%	2.48%
01/04/1982	15.50%	13.67%	1.83%
01/11/1982	14.50%	13.72%	0.78%
01/11/1982	17.00%	13.72%	3.28%
01/13/1982	14.75%	13.74%	1.01%
01/14/1982	15.75%	13.75%	2.00%
01/15/1982	15.00%	13.76%	1.24%
01/15/1982	16.50%	13.76%	2.74%
01/22/1982	16.25%	13.79%	2.46%
01/27/1982	16.84%	13.81%	3.03%
01/28/1982	13.00%	13.81%	-0.81%
01/29/1982	15.50%	13.82%	1.68%
02/01/1982	15.85%	13.82%	2.03%
02/03/1982	16.44%	13.84%	2.60%
02/08/1982	15.50%	13.86%	1.64%
02/11/1982	16.00%	13.88%	2.12%
02/11/1982	16.20%	13.88%	2.32%
02/17/1982	15.00%	13.89%	1.11%
02/19/1982	15.17%	13.89%	1.28%
02/26/1982	15.25%	13.89%	1.36%
03/01/1982	15.03%	13.89%	1.14%
03/01/1982	16.00%	13.89%	2.11%
03/03/1982	15.00%	13.88%	1.12%
03/03/1982	15.00%	13.88%	1.12%
03/08/1982	17.10%	13.88%	3.22%
03/12/1982	16.25%	13.88%	2.37%
03/17/1982	17.30%	13.88%	3.42%
03/22/1982	15.10%	13.89%	1.21%
03/27/1982	15.40%	13.89%	1.51%
03/30/1982	15.50%	13.90%	1.60%
03/31/1982	17.00%	13.91%	3.09%
04/01/1982	14.70%	13.91%	0.79%
04/01/1982	16.50%	13.91%	2.59%
04/02/1982	15.50%	13.91%	1.59%
04/05/1982	15.50%	13.92%	1.58%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
04/03/1982	16.40%	13.93%	2.47%
04/13/1982	14.50%	13.94%	0.56%
04/23/1982	15.75%	13.94%	1.81%
04/27/1982	15.00%	13.94%	1.06%
04/28/1982	15.75%	13.94%	1.81%
04/30/1982	14.70%	13.94%	0.76%
04/30/1982	15.50%	13.94%	1.56%
05/03/1982	16.60%	13.94%	2.66%
05/04/1982	16.00%	13.94%	2.06%
05/14/1982	15.50%	13.92%	1.58%
05/18/1982	15.42%	13.92%	1.50%
05/19/1982	14.69%	13.92%	0.77%
05/20/1982	15.00%	13.91%	1.09%
05/20/1982	15.10%	13.91%	1.19%
05/20/1982	15.50%	13.91%	1.59%
05/20/1982	16.30%	13.91%	2.39%
05/21/1982	17.75%	13.91%	3.84%
05/27/1982	15.00%	13.89%	1.11%
05/28/1982	15.50%	13.89%	1.61%
05/28/1982	17.00%	13.89%	3.11%
06/01/1982	13.75%	13.89%	-0.14%
06/01/1982	16.60%	13.89%	2.71%
06/09/1982	17.86%	13.88%	3.98%
06/14/1982	15.75%	13.88%	1.87%
06/15/1982	14.85%	13.88%	0.97%
06/18/1982	15.50%	13.87%	1.63%
06/21/1982	14.90%	13.87%	1.03%
06/23/1982	16.00%	13.86%	2.14%
06/23/1982	16.17%	13.86%	2.31%
06/24/1982	14.85%	13.86%	0.99%
06/25/1982	14.70%	13.86%	0.84%
07/01/1982	16.00%	13.84%	2.16%
07/02/1982	15.62%	13.84%	1.78%
07/02/1982	17.00%	13.84%	3.16%
07/13/1982	14.00%	13.82%	0.18%
07/13/1982	16.80%	13.82%	2.98%
07/14/1982	15.76%	13.82%	1.94%
07/14/1982	16.02%	13.82%	2.20%
07/19/1982	16.50%	13.80%	2.70%
07/22/1982	14.50%	13.77%	0.73%
07/22/1982	17.00%	13.77%	3.23%
07/27/1982	16.75%	13.75%	3.00%
07/29/1982	16.50%	13.74%	2.76%
08/11/1982	17.50%	13.68%	3.82%
08/18/1982	17.07%	13.63%	3.44%
08/20/1982	15.73%	13.60%	2.13%
08/25/1982	16.00%	13.57%	2.43%
08/26/1982	15.50%	13.56%	1.94%
08/30/1982	15.00%	13.55%	1.45%
09/03/1982	16.20%	13.53%	2.67%
09/03/1982	15.00%	13.52%	1.48%
09/15/1982	13.08%	13.50%	-0.42%
09/15/1982	16.25%	13.50%	2.75%
09/16/1982	16.00%	13.50%	2.50%
09/17/1982	15.25%	13.50%	1.75%
09/23/1982	17.17%	13.47%	3.70%
09/24/1982	14.50%	13.46%	1.04%
09/27/1982	15.25%	13.46%	1.79%
10/01/1982	15.50%	13.42%	2.08%
10/15/1982	15.90%	13.32%	2.58%
10/22/1982	15.75%	13.24%	2.51%
10/22/1982	17.15%	13.24%	3.91%
10/29/1982	15.54%	13.16%	2.38%
11/01/1982	15.50%	13.15%	2.35%
11/03/1982	17.20%	13.13%	4.07%
11/04/1982	16.25%	13.11%	3.14%
11/05/1982	16.20%	13.09%	3.11%
11/09/1982	16.00%	13.05%	2.95%
11/23/1982	15.50%	12.89%	2.61%
11/23/1982	15.85%	12.89%	2.96%
11/30/1982	16.50%	12.81%	3.69%
12/01/1982	17.04%	12.79%	4.25%
12/06/1982	15.00%	12.73%	2.27%
12/06/1982	16.35%	12.73%	3.62%
12/10/1982	15.50%	12.66%	2.84%
12/13/1982	16.00%	12.65%	3.35%
12/14/1982	15.30%	12.63%	2.67%
12/14/1982	16.40%	12.63%	3.77%
12/20/1982	16.00%	12.57%	3.43%

[6]	[7]	[8]	[9]
Date of	Return on	Average	Risk
Electric Rate	Equity	30-Year	Premium
Case	Yield	Treasury	
12/21/1982	14.75%	12.66%	2.19%
12/21/1982	15.85%	12.56%	3.29%
12/22/1982	16.25%	12.54%	3.71%
12/22/1982	16.58%	12.54%	4.04%
12/22/1982	16.75%	12.54%	4.21%
12/29/1982	14.90%	12.48%	2.42%
12/29/1982	16.25%	12.48%	3.77%
12/30/1982	16.00%	12.47%	3.53%
12/30/1982	16.35%	12.47%	3.88%
12/30/1982	16.77%	12.47%	4.30%
01/05/1983	17.33%	12.40%	4.93%
01/11/1983	15.90%	12.34%	3.56%
01/12/1983	14.63%	12.33%	2.30%
01/12/1983	15.50%	12.33%	3.17%
01/20/1983	17.75%	12.24%	5.51%
01/21/1983	15.00%	12.22%	2.78%
01/24/1983	14.50%	12.21%	2.29%
01/24/1983	15.50%	12.21%	3.29%
01/25/1983	15.85%	12.19%	3.66%
01/27/1983	16.14%	12.17%	3.97%
02/01/1983	18.50%	12.13%	6.37%
02/04/1983	14.00%	12.10%	1.90%
02/10/1983	15.00%	12.06%	2.94%
02/21/1983	15.50%	11.98%	3.52%
02/22/1983	15.50%	11.97%	3.53%
02/23/1983	15.10%	11.96%	3.14%
02/23/1983	16.00%	11.96%	4.04%
03/02/1983	15.25%	11.89%	3.36%
03/09/1983	15.20%	11.82%	3.38%
03/15/1983	13.00%	11.77%	1.23%
03/18/1983	15.25%	11.73%	3.52%
03/23/1983	15.40%	11.69%	3.71%
03/24/1983	15.00%	11.67%	3.33%
03/29/1983	15.50%	11.63%	3.87%
03/30/1983	16.71%	11.61%	5.10%
03/31/1983	15.00%	11.59%	3.41%
04/04/1983	15.20%	11.58%	3.62%
04/08/1983	15.50%	11.51%	3.99%
04/11/1983	14.81%	11.49%	3.32%
04/19/1983	14.50%	11.36%	3.12%
04/20/1983	16.00%	11.36%	4.64%
04/29/1983	16.00%	11.24%	4.76%
05/01/1983	14.50%	11.24%	3.26%
05/09/1983	15.50%	11.15%	4.35%
05/11/1983	16.46%	11.12%	5.34%
05/12/1983	14.14%	11.11%	3.03%
05/18/1983	15.00%	11.05%	3.95%
05/23/1983	14.90%	11.01%	3.89%
05/23/1983	15.50%	11.01%	4.49%
05/25/1983	15.50%	10.98%	4.52%
05/27/1983	15.00%	10.96%	4.04%
05/31/1983	14.00%	10.95%	3.05%
05/31/1983	15.50%	10.95%	4.55%
06/02/1983	14.50%	10.93%	3.57%
06/17/1983	15.03%	10.84%	4.19%
07/01/1983	14.80%	10.78%	4.02%
07/01/1983	14.90%	10.78%	4.12%
07/08/1983	16.25%	10.76%	5.49%
07/13/1983	13.20%	10.75%	2.45%
07/19/1983	15.00%	10.74%	4.26%
07/19/1983	15.10%	10.74%	4.36%
07/25/1983	16.25%	10.73%	5.52%
07/28/1983	15.90%	10.74%	5.16%
08/03/1983	16.34%	10.75%	5.59%
08/03/1983	16.50%	10.75%	5.75%
08/19/1983	15.00%	10.80%	4.20%
08/22/1983	15.50%	10.80%	4.70%
08/22/1983	16.40%	10.80%	5.60%
08/31/1983	14.75%	10.84%	3.91%
09/07/1983	15.00%	10.86%	4.14%
09/14/1983	15.78%	10.89%	4.89%
09/16/1983	15.00%	10.90%	4.10%
09/19/1983	14.50%	10.91%	3.59%
09/20/1983	16.50%	10.91%	5.59%
09/28/1983	14.50%	10.94%	3.56%
09/29/1983	15.50%	10.95%	4.55%
09/30/1983	15.25%	10.95%	4.30%
09/30/1983	16.15%	10.95%	5.20%
10/04/1983	14.80%	10.96%	3.84%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
10/07/1983	16.00%	10.97%	5.03%
10/13/1983	15.52%	10.99%	4.53%
10/17/1983	15.50%	11.00%	4.50%
10/18/1983	14.50%	11.00%	3.50%
10/19/1983	16.25%	11.01%	5.24%
10/19/1983	16.50%	11.01%	5.49%
10/26/1983	15.00%	11.04%	3.96%
10/27/1983	15.20%	11.04%	4.16%
11/01/1983	16.00%	11.06%	4.94%
11/09/1983	14.90%	11.09%	3.81%
11/10/1983	14.35%	11.10%	3.25%
11/23/1983	16.00%	11.13%	4.87%
11/23/1983	16.15%	11.13%	5.02%
11/30/1983	15.00%	11.14%	3.86%
12/05/1983	15.25%	11.15%	4.10%
12/06/1983	15.07%	11.15%	3.92%
12/08/1983	15.90%	11.16%	4.74%
12/09/1983	14.75%	11.17%	3.58%
12/12/1983	14.50%	11.17%	3.33%
12/15/1983	15.56%	11.19%	4.37%
12/19/1983	14.80%	11.21%	3.59%
12/20/1983	14.69%	11.22%	3.47%
12/20/1983	16.00%	11.22%	4.78%
12/20/1983	16.25%	11.22%	5.03%
12/22/1983	14.75%	11.23%	3.52%
12/22/1983	15.75%	11.23%	4.52%
01/03/1984	14.75%	11.27%	3.48%
01/10/1984	15.90%	11.30%	4.60%
01/12/1984	15.60%	11.31%	4.29%
01/18/1984	13.75%	11.33%	2.42%
01/19/1984	15.90%	11.33%	4.57%
01/30/1984	16.10%	11.37%	4.73%
01/31/1984	15.25%	11.37%	3.88%
02/01/1984	14.80%	11.38%	3.42%
02/06/1984	13.75%	11.40%	2.35%
02/06/1984	14.75%	11.40%	3.35%
02/09/1984	15.25%	11.42%	3.83%
02/15/1984	15.70%	11.44%	4.26%
02/20/1984	15.00%	11.46%	3.54%
02/20/1984	15.00%	11.46%	3.54%
02/22/1984	14.75%	11.47%	3.28%
02/28/1984	14.50%	11.51%	2.99%
03/02/1984	14.25%	11.54%	2.71%
03/20/1984	16.00%	11.64%	4.36%
03/23/1984	15.50%	11.67%	3.83%
03/26/1984	14.71%	11.68%	3.03%
04/02/1984	15.50%	11.71%	3.79%
04/06/1984	14.74%	11.75%	2.99%
04/11/1984	15.72%	11.78%	3.94%
04/17/1984	15.00%	11.81%	3.19%
04/18/1984	16.20%	11.82%	4.38%
04/25/1984	14.64%	11.85%	2.79%
04/30/1984	14.40%	11.87%	2.53%
05/16/1984	14.69%	11.98%	2.71%
05/16/1984	15.00%	11.98%	3.02%
05/22/1984	14.40%	12.02%	2.38%
05/29/1984	15.10%	12.06%	3.04%
06/13/1984	15.25%	12.15%	3.10%
06/15/1984	15.60%	12.17%	3.43%
06/22/1984	16.25%	12.21%	4.04%
06/29/1984	15.25%	12.26%	2.99%
07/02/1984	13.35%	12.27%	1.08%
07/10/1984	16.00%	12.31%	3.69%
07/12/1984	16.50%	12.32%	4.18%
07/13/1984	16.25%	12.33%	3.92%
07/17/1984	14.14%	12.35%	1.79%
07/18/1984	15.30%	12.36%	2.94%
07/18/1984	15.50%	12.36%	3.14%
07/19/1984	14.30%	12.37%	1.93%
07/24/1984	16.79%	12.39%	4.40%
07/31/1984	16.00%	12.43%	3.57%
08/03/1984	14.25%	12.44%	1.81%
08/17/1984	14.30%	12.49%	1.81%
08/20/1984	15.00%	12.49%	2.51%
08/27/1984	16.30%	12.51%	3.79%
08/31/1984	15.55%	12.52%	3.03%
09/06/1984	16.00%	12.53%	3.47%
09/10/1984	14.75%	12.54%	2.21%
09/13/1984	15.00%	12.55%	2.45%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
09/17/1984	17.38%	12.56%	4.82%
09/26/1984	14.50%	12.57%	1.93%
09/28/1984	15.00%	12.57%	2.43%
09/28/1984	16.25%	12.57%	3.68%
10/09/1984	14.75%	12.58%	2.17%
10/12/1984	15.60%	12.59%	3.01%
10/22/1984	15.00%	12.59%	2.41%
10/26/1984	16.40%	12.58%	3.82%
10/31/1984	16.25%	12.58%	3.67%
11/07/1984	15.60%	12.58%	3.02%
11/09/1984	16.00%	12.58%	3.42%
11/14/1984	15.75%	12.58%	3.17%
11/20/1984	15.25%	12.58%	2.67%
11/20/1984	15.92%	12.58%	3.34%
11/23/1984	15.00%	12.58%	2.42%
11/28/1984	16.15%	12.57%	3.58%
12/03/1984	15.80%	12.56%	3.24%
12/04/1984	16.50%	12.56%	3.94%
12/18/1984	16.40%	12.53%	3.87%
12/19/1984	14.75%	12.53%	2.22%
12/19/1984	15.00%	12.53%	2.47%
12/20/1984	16.00%	12.53%	3.47%
12/28/1984	16.00%	12.50%	3.50%
01/03/1985	14.75%	12.49%	2.26%
01/10/1985	15.75%	12.47%	3.28%
01/11/1985	16.30%	12.46%	3.84%
01/23/1985	15.80%	12.43%	3.37%
01/24/1985	15.82%	12.43%	3.39%
01/25/1985	16.75%	12.42%	4.33%
01/30/1985	14.90%	12.40%	2.50%
01/31/1985	14.75%	12.39%	2.36%
02/08/1985	14.47%	12.35%	2.12%
03/01/1985	13.84%	12.31%	1.53%
03/08/1985	16.85%	12.28%	4.57%
03/14/1985	15.50%	12.25%	3.25%
03/15/1985	15.62%	12.25%	3.37%
03/29/1985	15.62%	12.17%	3.45%
04/03/1985	14.60%	12.14%	2.46%
04/09/1985	15.50%	12.11%	3.39%
04/16/1985	15.70%	12.06%	3.64%
04/22/1985	14.00%	12.02%	1.98%
04/26/1985	15.50%	11.98%	3.52%
04/29/1985	15.00%	11.97%	3.03%
05/02/1985	14.68%	11.94%	2.74%
05/08/1985	15.62%	11.89%	3.73%
05/10/1985	16.50%	11.87%	4.63%
05/29/1985	14.61%	11.73%	2.88%
05/31/1985	16.00%	11.71%	4.29%
06/14/1985	15.50%	11.61%	3.89%
07/09/1985	15.00%	11.45%	3.55%
07/16/1985	14.50%	11.39%	3.11%
07/26/1985	14.50%	11.33%	3.17%
08/02/1985	14.80%	11.29%	3.51%
08/07/1985	15.00%	11.27%	3.73%
08/28/1985	14.25%	11.15%	3.10%
08/28/1985	15.50%	11.15%	4.35%
08/29/1985	14.50%	11.15%	3.35%
09/09/1985	14.60%	11.11%	3.48%
09/09/1985	14.90%	11.11%	3.79%
09/17/1985	14.90%	11.08%	3.82%
09/23/1985	15.00%	11.06%	3.94%
09/27/1985	15.50%	11.05%	4.45%
09/27/1985	15.80%	11.05%	4.75%
10/02/1985	14.00%	11.03%	2.97%
10/02/1985	14.75%	11.03%	3.72%
10/03/1985	15.25%	11.03%	4.22%
10/24/1985	15.40%	10.96%	4.44%
10/24/1985	15.82%	10.96%	4.66%
10/24/1985	15.85%	10.96%	4.89%
10/28/1985	16.00%	10.95%	5.05%
10/29/1985	16.65%	10.94%	5.71%
10/31/1985	15.06%	10.93%	4.13%
11/04/1985	14.50%	10.92%	3.58%
11/07/1985	15.50%	10.90%	4.60%
11/08/1985	14.30%	10.89%	3.41%
12/12/1985	14.75%	10.73%	4.02%
12/18/1985	15.00%	10.69%	4.31%
12/20/1985	14.50%	10.67%	3.83%
12/20/1985	14.50%	10.67%	3.83%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
12/20/1985	15.00%	10.67%	4.33%
01/24/1986	15.40%	10.41%	4.99%
01/31/1986	15.00%	10.35%	4.65%
02/05/1986	15.00%	10.32%	4.68%
02/05/1986	15.75%	10.32%	5.43%
02/10/1986	13.30%	10.29%	3.01%
02/11/1986	12.50%	10.28%	2.22%
02/14/1986	14.40%	10.24%	4.16%
02/18/1986	16.00%	10.23%	5.77%
02/24/1986	14.50%	10.18%	4.32%
02/26/1986	14.00%	10.15%	3.85%
03/05/1986	14.90%	10.08%	4.82%
03/11/1986	14.50%	10.02%	4.48%
03/12/1986	13.50%	10.00%	3.50%
03/27/1986	14.10%	9.86%	4.24%
03/31/1986	13.50%	9.84%	3.66%
04/01/1986	14.00%	9.83%	4.17%
04/02/1986	15.50%	9.81%	5.69%
04/04/1986	15.00%	9.78%	5.22%
04/14/1986	13.40%	9.69%	3.71%
04/23/1986	15.00%	9.57%	5.43%
05/16/1986	14.50%	9.32%	5.18%
05/16/1986	14.50%	9.32%	5.18%
05/29/1986	13.90%	9.19%	4.71%
05/30/1986	15.10%	9.18%	5.92%
06/02/1986	12.81%	9.17%	3.64%
06/11/1986	14.00%	9.07%	4.93%
06/24/1986	16.63%	8.94%	7.69%
06/26/1986	12.00%	8.91%	3.09%
06/26/1986	14.75%	8.91%	5.84%
06/30/1986	13.00%	8.87%	4.13%
07/10/1986	14.34%	8.75%	5.59%
07/11/1986	12.75%	8.73%	4.02%
07/14/1986	12.60%	8.71%	3.89%
07/17/1986	12.40%	8.66%	3.74%
07/25/1986	14.25%	8.57%	5.68%
08/06/1986	13.50%	8.44%	5.06%
08/14/1986	13.50%	8.35%	5.15%
09/16/1986	12.75%	8.06%	4.69%
09/19/1986	13.25%	8.03%	5.22%
10/01/1986	14.00%	7.95%	6.05%
10/03/1986	13.40%	7.93%	5.47%
10/31/1986	13.50%	7.77%	5.73%
11/05/1986	13.00%	7.75%	5.25%
12/03/1986	12.90%	7.58%	5.32%
12/04/1986	14.44%	7.58%	6.86%
12/16/1986	13.60%	7.52%	6.08%
12/22/1986	13.80%	7.51%	6.29%
12/30/1986	13.00%	7.49%	5.51%
01/02/1987	13.00%	7.49%	5.51%
01/12/1987	12.40%	7.47%	4.93%
01/27/1987	12.71%	7.46%	5.25%
03/02/1987	12.47%	7.47%	5.00%
03/03/1987	13.60%	7.47%	6.13%
03/04/1987	12.38%	7.47%	4.91%
03/10/1987	13.50%	7.47%	6.03%
03/13/1987	13.00%	7.47%	5.53%
03/31/1987	13.00%	7.46%	5.54%
04/06/1987	13.00%	7.47%	5.53%
04/14/1987	12.50%	7.49%	5.01%
04/16/1987	14.50%	7.50%	7.00%
04/27/1987	12.00%	7.54%	4.46%
05/05/1987	12.85%	7.58%	5.27%
05/12/1987	12.65%	7.62%	5.03%
05/28/1987	13.50%	7.70%	5.80%
06/15/1987	13.20%	7.78%	5.42%
06/29/1987	15.00%	7.83%	7.17%
06/30/1987	12.50%	7.84%	4.66%
07/08/1987	12.00%	7.86%	4.14%
07/10/1987	12.90%	7.86%	5.04%
07/15/1987	13.50%	7.88%	5.62%
07/16/1987	13.50%	7.88%	5.62%
07/16/1987	15.00%	7.88%	7.12%
07/27/1987	13.00%	7.92%	5.08%
07/27/1987	13.40%	7.92%	5.48%
07/27/1987	13.50%	7.92%	5.58%
07/31/1987	12.98%	7.95%	5.03%
08/26/1987	12.63%	8.06%	4.57%
08/26/1987	12.75%	8.06%	4.69%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
08/27/1987	13.25%	8.08%	5.19%
09/09/1987	13.00%	8.14%	4.86%
09/30/1987	12.75%	8.31%	4.44%
09/30/1987	13.00%	8.31%	4.69%
10/02/1987	11.50%	8.33%	3.17%
10/15/1987	13.00%	8.43%	4.57%
11/02/1987	13.00%	8.55%	4.45%
11/19/1987	13.00%	8.64%	4.36%
11/30/1987	12.00%	8.68%	3.32%
12/03/1987	14.20%	8.70%	5.50%
12/15/1987	13.25%	8.77%	4.48%
12/16/1987	13.50%	8.78%	4.72%
12/16/1987	13.72%	8.78%	4.94%
12/17/1987	11.75%	8.79%	2.96%
12/18/1987	13.50%	8.80%	4.70%
12/21/1987	12.01%	8.81%	3.20%
12/22/1987	12.00%	8.81%	3.19%
12/22/1987	12.00%	8.81%	3.19%
12/22/1987	12.75%	8.81%	3.94%
12/22/1987	13.00%	8.81%	4.19%
01/20/1988	13.80%	8.94%	4.86%
01/26/1988	13.90%	8.95%	4.95%
01/29/1988	13.20%	8.96%	4.24%
02/04/1988	12.60%	8.96%	3.64%
03/01/1988	11.56%	8.94%	2.62%
03/23/1988	12.87%	8.92%	3.95%
03/24/1988	11.24%	8.92%	2.32%
03/30/1988	12.72%	8.92%	3.80%
04/01/1988	12.50%	8.92%	3.58%
04/07/1988	13.25%	8.93%	4.32%
04/25/1988	10.96%	8.96%	2.00%
05/03/1988	12.91%	8.97%	3.94%
05/11/1988	13.50%	8.99%	4.51%
05/16/1988	13.00%	8.99%	4.01%
06/30/1988	12.75%	9.00%	3.75%
07/01/1988	12.75%	8.99%	3.76%
07/20/1988	13.40%	8.96%	4.44%
08/05/1988	12.75%	8.92%	3.83%
08/23/1988	11.70%	8.93%	2.77%
08/29/1988	12.75%	8.94%	3.81%
08/30/1988	13.50%	8.94%	4.56%
09/08/1988	12.60%	8.95%	3.65%
10/13/1988	13.10%	8.93%	4.17%
12/19/1988	13.00%	9.02%	3.98%
12/20/1988	12.25%	9.02%	3.23%
12/20/1988	13.00%	9.02%	3.98%
12/21/1988	12.90%	9.02%	3.88%
12/27/1988	13.00%	9.03%	3.97%
12/28/1988	13.10%	9.03%	4.07%
12/30/1988	13.40%	9.04%	4.36%
01/27/1989	13.00%	9.05%	3.95%
01/31/1989	13.00%	9.05%	3.95%
02/17/1989	13.00%	9.05%	3.95%
02/20/1989	12.40%	9.05%	3.35%
03/01/1989	12.76%	9.05%	3.71%
03/08/1989	13.00%	9.05%	3.95%
03/30/1989	14.00%	9.05%	4.95%
04/05/1989	14.20%	9.05%	5.15%
04/18/1989	13.00%	9.05%	3.95%
05/05/1989	12.40%	9.05%	3.35%
06/02/1989	13.20%	9.00%	4.20%
06/08/1989	13.50%	8.98%	4.52%
06/27/1989	13.25%	8.91%	4.34%
06/30/1989	13.00%	8.90%	4.10%
08/14/1989	12.50%	8.77%	3.73%
09/28/1989	12.25%	8.63%	3.62%
10/24/1989	12.50%	8.54%	3.96%
11/09/1989	13.00%	8.49%	4.51%
12/15/1989	13.00%	8.34%	4.66%
12/20/1989	12.90%	8.32%	4.58%
12/21/1989	12.90%	8.31%	4.59%
12/27/1989	12.50%	8.29%	4.21%
12/27/1989	13.00%	8.29%	4.71%
01/10/1990	12.80%	8.24%	4.56%
01/11/1990	12.90%	8.24%	4.66%
01/17/1990	12.80%	8.22%	4.58%
01/26/1990	12.00%	8.20%	3.80%
02/09/1990	12.10%	8.17%	3.93%
02/24/1990	12.86%	8.15%	4.71%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30-Year Treasury Yield	[9] Risk Premium
03/30/1990	12.90%	8.16%	4.74%
04/04/1990	15.76%	8.17%	7.59%
04/12/1990	12.52%	8.18%	4.34%
04/19/1990	12.75%	8.20%	4.55%
05/21/1990	12.10%	8.28%	3.82%
05/29/1990	12.40%	8.30%	4.10%
05/31/1990	12.00%	8.30%	3.70%
06/04/1990	12.90%	8.30%	4.60%
06/06/1990	12.25%	8.31%	3.94%
06/15/1990	13.20%	8.32%	4.88%
06/20/1990	12.92%	8.32%	4.60%
06/27/1990	12.90%	8.33%	4.57%
06/29/1990	12.50%	8.33%	4.17%
07/06/1990	12.10%	8.34%	3.76%
07/06/1990	12.35%	8.34%	4.01%
08/10/1990	12.55%	8.41%	4.14%
08/16/1990	13.21%	8.43%	4.78%
08/22/1990	13.10%	8.45%	4.65%
08/24/1990	13.00%	8.46%	4.54%
09/26/1990	11.45%	8.59%	2.86%
10/02/1990	13.00%	8.61%	4.39%
10/05/1990	12.84%	8.62%	4.22%
10/19/1990	13.00%	8.67%	4.33%
10/25/1990	12.30%	8.68%	3.62%
11/21/1990	12.70%	8.69%	4.01%
12/13/1990	12.30%	8.67%	3.63%
12/17/1990	12.87%	8.67%	4.20%
12/18/1990	13.10%	8.67%	4.43%
12/19/1990	12.00%	8.66%	3.34%
12/20/1990	12.75%	8.66%	4.09%
12/21/1990	12.50%	8.66%	3.84%
12/27/1990	12.79%	8.66%	4.13%
01/02/1991	13.10%	8.65%	4.45%
01/04/1991	12.50%	8.65%	3.85%
01/15/1991	12.75%	8.64%	4.11%
01/25/1991	11.70%	8.63%	3.07%
02/04/1991	12.50%	8.60%	3.90%
02/07/1991	12.50%	8.59%	3.91%
02/12/1991	13.00%	8.58%	4.43%
02/14/1991	12.72%	8.57%	4.15%
02/22/1991	12.80%	8.55%	4.25%
03/06/1991	13.10%	8.53%	4.57%
03/08/1991	12.30%	8.52%	3.78%
03/08/1991	13.00%	8.52%	4.48%
04/22/1991	13.00%	8.49%	4.51%
05/07/1991	13.50%	8.47%	5.03%
05/13/1991	13.25%	8.47%	4.78%
05/30/1991	12.75%	8.44%	4.31%
06/12/1991	12.00%	8.41%	3.59%
06/25/1991	11.70%	8.39%	3.31%
06/28/1991	12.50%	8.38%	4.12%
07/01/1991	12.00%	8.38%	3.62%
07/03/1991	12.50%	8.37%	4.13%
07/19/1991	12.10%	8.34%	3.76%
08/01/1991	12.90%	8.32%	4.58%
08/16/1991	13.20%	8.29%	4.91%
09/27/1991	12.50%	8.23%	4.27%
09/30/1991	12.25%	8.23%	4.02%
10/17/1991	13.00%	8.20%	4.80%
10/23/1991	12.50%	8.20%	4.30%
10/23/1991	12.55%	8.20%	4.35%
10/31/1991	11.80%	8.19%	3.61%
11/01/1991	12.00%	8.19%	3.81%
11/05/1991	12.25%	8.19%	4.06%
11/12/1991	12.50%	8.18%	4.32%
11/12/1991	13.25%	8.18%	5.07%
11/25/1991	12.40%	8.18%	4.22%
11/26/1991	11.60%	8.18%	3.42%
11/26/1991	12.50%	8.18%	4.32%
11/27/1991	12.10%	8.18%	3.92%
12/18/1991	12.25%	8.15%	4.10%
12/19/1991	12.60%	8.15%	4.45%
12/19/1991	12.80%	8.15%	4.65%
12/20/1991	12.65%	8.14%	4.51%
01/09/1992	12.80%	8.09%	4.71%
01/16/1992	12.75%	8.07%	4.68%
01/21/1992	12.00%	8.06%	3.94%
01/22/1992	13.00%	8.06%	4.94%
01/27/1992	12.65%	8.05%	4.60%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
01/31/1992	12.00%	8.04%	3.96%
02/11/1992	12.40%	8.03%	4.37%
02/25/1992	12.50%	8.01%	4.49%
03/16/1992	11.43%	7.98%	3.45%
03/18/1992	12.28%	7.98%	4.30%
04/02/1992	12.10%	7.95%	4.15%
04/09/1992	11.45%	7.94%	3.51%
04/10/1992	11.50%	7.93%	3.57%
04/14/1992	11.50%	7.93%	3.57%
05/05/1992	11.50%	7.89%	3.61%
05/12/1992	11.87%	7.88%	3.99%
05/12/1992	12.46%	7.88%	4.58%
06/01/1992	12.30%	7.87%	4.43%
06/12/1992	10.90%	7.86%	3.04%
06/26/1992	12.35%	7.85%	4.50%
06/29/1992	11.00%	7.85%	3.15%
06/30/1992	13.00%	7.85%	5.15%
07/13/1992	11.90%	7.84%	4.06%
07/13/1992	13.50%	7.84%	5.66%
07/22/1992	11.20%	7.83%	3.37%
08/03/1992	12.00%	7.81%	4.19%
08/06/1992	12.50%	7.80%	4.70%
09/22/1992	12.00%	7.71%	4.29%
09/28/1992	11.40%	7.71%	3.69%
09/30/1992	11.75%	7.70%	4.05%
10/02/1992	13.00%	7.70%	5.30%
10/12/1992	12.20%	7.70%	4.50%
10/16/1992	13.16%	7.70%	5.46%
10/30/1992	11.75%	7.71%	4.04%
11/03/1992	12.00%	7.71%	4.29%
12/03/1992	11.85%	7.68%	4.17%
12/15/1992	11.00%	7.66%	3.34%
12/16/1992	11.90%	7.66%	4.24%
12/16/1992	12.40%	7.66%	4.74%
12/17/1992	12.00%	7.66%	4.34%
12/22/1992	12.30%	7.65%	4.65%
12/22/1992	12.40%	7.65%	4.75%
12/29/1992	12.25%	7.63%	4.62%
12/30/1992	12.00%	7.63%	4.37%
12/31/1992	11.90%	7.63%	4.27%
01/12/1993	12.00%	7.61%	4.39%
01/21/1993	11.25%	7.59%	3.66%
02/02/1993	11.40%	7.56%	3.84%
02/15/1993	12.30%	7.52%	4.78%
02/24/1993	11.90%	7.49%	4.41%
02/26/1993	11.80%	7.48%	4.32%
02/28/1993	12.20%	7.48%	4.72%
04/23/1993	11.75%	7.29%	4.46%
05/11/1993	11.75%	7.25%	4.50%
05/14/1993	11.50%	7.24%	4.26%
05/25/1993	11.50%	7.23%	4.27%
05/28/1993	11.00%	7.22%	3.78%
06/03/1993	12.00%	7.21%	4.79%
06/16/1993	11.50%	7.19%	4.31%
06/18/1993	12.10%	7.18%	4.92%
06/25/1993	11.67%	7.17%	4.50%
07/21/1993	11.38%	7.10%	4.28%
07/23/1993	10.46%	7.09%	3.37%
08/24/1993	11.50%	6.96%	4.54%
09/21/1993	10.50%	6.81%	3.69%
09/29/1993	11.47%	6.77%	4.70%
09/30/1993	11.60%	6.76%	4.84%
11/02/1993	10.80%	6.60%	4.20%
11/12/1993	12.00%	6.57%	5.43%
11/26/1993	11.00%	6.52%	4.48%
12/14/1993	10.55%	6.48%	4.07%
12/16/1993	10.60%	6.48%	4.12%
12/21/1993	11.30%	6.47%	4.83%
01/04/1994	10.07%	6.44%	3.63%
01/13/1994	11.00%	6.42%	4.58%
01/21/1994	11.00%	6.40%	4.60%
01/28/1994	11.35%	6.39%	4.96%
02/03/1994	11.40%	6.38%	5.02%
02/17/1994	10.60%	6.36%	4.24%
02/25/1994	11.25%	6.35%	4.90%
02/25/1994	12.00%	6.35%	5.65%
03/01/1994	11.00%	6.35%	4.65%
03/04/1994	11.00%	6.35%	4.65%
04/25/1994	11.00%	6.41%	4.59%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
05/10/1994	11.75%	6.45%	5.30%
05/13/1994	10.50%	6.46%	4.04%
06/03/1994	11.00%	6.54%	4.46%
06/27/1994	11.40%	6.65%	4.75%
08/05/1994	12.75%	6.88%	5.87%
10/31/1994	10.00%	7.33%	2.67%
11/09/1994	10.85%	7.39%	3.46%
11/09/1994	10.85%	7.39%	3.46%
11/18/1994	11.20%	7.45%	3.75%
11/22/1994	11.60%	7.47%	4.13%
11/28/1994	11.06%	7.49%	3.57%
12/08/1994	11.50%	7.54%	3.96%
12/08/1994	11.70%	7.54%	4.16%
12/14/1994	10.95%	7.56%	3.39%
12/15/1994	11.50%	7.57%	3.93%
12/19/1994	11.50%	7.58%	3.92%
12/28/1994	12.15%	7.61%	4.54%
01/09/1995	12.28%	7.64%	4.64%
01/31/1995	11.00%	7.69%	3.31%
02/10/1995	12.60%	7.70%	4.90%
02/17/1995	11.90%	7.70%	4.20%
03/09/1995	11.50%	7.71%	3.79%
03/20/1995	12.00%	7.72%	4.28%
03/23/1995	12.81%	7.72%	5.09%
03/29/1995	11.60%	7.72%	3.88%
04/06/1995	11.10%	7.71%	3.39%
04/07/1995	11.00%	7.71%	3.29%
04/19/1995	11.00%	7.70%	3.30%
05/12/1995	11.63%	7.68%	3.95%
05/25/1995	11.20%	7.65%	3.55%
06/09/1995	11.25%	7.60%	3.65%
06/21/1995	12.25%	7.56%	4.69%
06/30/1995	11.10%	7.52%	3.58%
09/11/1995	11.30%	7.20%	4.10%
09/27/1995	11.30%	7.12%	4.18%
09/27/1995	11.50%	7.12%	4.38%
09/27/1995	11.75%	7.12%	4.63%
09/29/1995	11.00%	7.11%	3.89%
11/09/1995	11.38%	6.90%	4.48%
11/09/1995	12.36%	6.90%	5.46%
11/17/1995	11.00%	6.86%	4.14%
12/04/1995	11.35%	6.78%	4.57%
12/11/1995	11.40%	6.74%	4.66%
12/20/1995	11.60%	6.70%	4.90%
12/27/1995	12.00%	6.66%	5.34%
02/05/1996	12.25%	6.48%	5.77%
03/29/1996	10.67%	6.42%	4.25%
04/08/1996	11.00%	6.42%	4.58%
04/11/1996	12.59%	6.43%	6.16%
04/11/1996	12.59%	6.43%	6.16%
04/24/1996	11.25%	6.43%	4.82%
04/30/1996	11.00%	6.43%	4.57%
05/13/1996	11.00%	6.44%	4.56%
05/23/1996	11.25%	6.43%	4.82%
06/25/1996	11.25%	6.48%	4.77%
06/27/1996	11.20%	6.48%	4.72%
08/12/1996	10.40%	6.57%	3.83%
09/27/1996	11.00%	6.71%	4.29%
10/16/1996	12.25%	6.76%	5.49%
11/05/1996	11.00%	6.81%	4.19%
11/26/1996	11.30%	6.83%	4.47%
12/18/1996	11.75%	6.83%	4.92%
12/31/1996	11.50%	6.83%	4.67%
01/03/1997	10.70%	6.83%	3.87%
02/13/1997	11.80%	6.82%	4.98%
02/20/1997	11.80%	6.82%	4.98%
03/31/1997	10.02%	6.80%	3.22%
04/02/1997	11.65%	6.80%	4.85%
04/28/1997	11.50%	6.81%	4.69%
04/29/1997	11.70%	6.81%	4.89%
07/17/1997	12.00%	6.77%	5.23%
12/12/1997	11.00%	6.60%	4.40%
12/23/1997	11.12%	6.57%	4.55%
02/02/1998	12.75%	6.39%	6.36%
03/02/1998	11.25%	6.29%	4.96%
03/06/1998	10.75%	6.27%	4.48%
03/20/1998	10.50%	6.22%	4.28%
04/30/1998	12.20%	6.12%	6.08%
07/10/1998	11.40%	5.94%	5.46%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
09/15/1998	11.90%	5.78%	6.12%
11/30/1998	12.60%	5.58%	7.02%
12/10/1998	12.20%	5.54%	6.66%
12/17/1998	12.10%	5.52%	6.58%
02/05/1999	10.30%	5.38%	4.92%
03/04/1999	10.50%	5.34%	5.16%
04/06/1999	10.94%	5.32%	5.62%
07/29/1999	10.75%	5.52%	5.23%
09/23/1999	10.75%	5.70%	5.05%
11/17/1999	11.10%	5.90%	5.20%
01/07/2000	11.50%	6.05%	5.45%
01/07/2000	11.50%	6.05%	5.45%
02/17/2000	10.60%	6.17%	4.43%
03/28/2000	11.25%	6.20%	5.05%
05/24/2000	11.00%	6.18%	4.82%
07/18/2000	12.20%	6.16%	6.04%
09/29/2000	11.16%	6.03%	5.13%
11/28/2000	12.90%	5.89%	7.01%
11/30/2000	12.10%	5.88%	6.22%
01/23/2001	11.25%	5.79%	5.46%
02/08/2001	11.50%	5.77%	5.73%
05/08/2001	10.75%	5.62%	5.13%
06/26/2001	11.00%	5.62%	5.38%
07/25/2001	11.02%	5.60%	5.42%
07/25/2001	11.02%	5.60%	5.42%
07/31/2001	11.00%	5.59%	5.41%
08/31/2001	10.50%	5.56%	4.94%
09/07/2001	10.75%	5.55%	5.20%
09/10/2001	11.00%	5.55%	5.45%
09/20/2001	10.00%	5.55%	4.45%
10/24/2001	10.30%	5.54%	4.76%
11/28/2001	10.60%	5.49%	5.11%
12/03/2001	12.88%	5.49%	7.39%
12/20/2001	12.50%	5.50%	7.00%
01/22/2002	10.00%	5.50%	4.50%
03/27/2002	10.10%	5.45%	4.65%
04/22/2002	11.80%	5.45%	6.35%
05/28/2002	10.17%	5.46%	4.71%
06/10/2002	12.00%	5.47%	6.53%
06/18/2002	11.16%	5.48%	5.68%
06/20/2002	11.00%	5.48%	5.52%
06/20/2002	12.30%	5.48%	6.82%
07/15/2002	11.00%	5.48%	5.52%
09/12/2002	12.30%	5.45%	6.85%
09/26/2002	10.45%	5.41%	5.04%
12/04/2002	11.55%	5.29%	6.26%
12/13/2002	11.75%	5.27%	6.48%
12/20/2002	11.40%	5.25%	6.15%
01/08/2003	11.10%	5.19%	5.91%
01/31/2003	12.45%	5.13%	7.32%
02/28/2003	12.30%	5.05%	7.25%
03/06/2003	10.75%	5.03%	5.72%
03/07/2003	9.96%	5.02%	4.94%
03/20/2003	12.00%	4.98%	7.02%
04/03/2003	12.00%	4.96%	7.04%
04/15/2003	11.15%	4.94%	6.21%
06/25/2003	10.75%	4.79%	5.96%
06/26/2003	10.75%	4.79%	5.96%
07/09/2003	9.75%	4.79%	4.96%
07/16/2003	9.75%	4.79%	4.96%
07/25/2003	9.50%	4.80%	4.70%
08/26/2003	10.50%	4.83%	5.67%
12/17/2003	9.85%	4.94%	4.91%
12/17/2003	10.70%	4.94%	5.76%
12/18/2003	11.50%	4.94%	6.56%
12/19/2003	12.00%	4.94%	7.06%
12/19/2003	12.00%	4.94%	7.06%
12/23/2003	10.50%	4.94%	5.56%
01/13/2004	12.00%	4.95%	7.05%
03/02/2004	10.75%	4.99%	5.76%
03/26/2004	10.25%	5.02%	5.23%
04/05/2004	11.25%	5.03%	6.22%
05/18/2004	10.50%	5.07%	5.43%
05/25/2004	10.25%	5.08%	5.17%
05/27/2004	10.25%	5.08%	5.17%
06/02/2004	11.22%	5.08%	6.14%
06/30/2004	10.50%	5.10%	5.40%
06/30/2004	10.50%	5.10%	5.40%
07/16/2004	11.60%	5.11%	6.49%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
08/25/2004	10.25%	5.10%	5.15%
09/09/2004	10.40%	5.10%	5.30%
11/09/2004	10.50%	5.07%	5.43%
11/23/2004	11.00%	5.06%	5.94%
12/14/2004	10.97%	5.07%	5.90%
12/21/2004	11.25%	5.07%	6.18%
12/21/2004	11.50%	5.07%	6.43%
12/22/2004	10.70%	5.07%	5.63%
12/22/2004	11.50%	5.07%	6.43%
12/29/2004	9.85%	5.07%	4.78%
01/06/2005	10.70%	5.08%	5.62%
02/18/2005	10.30%	4.98%	5.32%
02/25/2005	10.50%	4.96%	5.54%
03/10/2005	11.00%	4.93%	6.07%
03/24/2005	10.30%	4.90%	5.40%
04/04/2005	10.00%	4.88%	5.12%
04/07/2005	10.25%	4.87%	5.38%
05/18/2005	10.25%	4.78%	5.47%
05/25/2005	10.75%	4.76%	5.99%
05/26/2005	9.75%	4.76%	4.99%
06/01/2005	9.75%	4.75%	5.00%
07/19/2005	11.50%	4.64%	6.86%
08/05/2005	11.75%	4.62%	7.13%
08/15/2005	10.13%	4.61%	5.52%
09/28/2005	10.00%	4.54%	5.46%
10/04/2005	10.75%	4.54%	6.21%
12/12/2005	11.00%	4.55%	6.45%
12/13/2005	10.75%	4.55%	6.20%
12/21/2005	10.29%	4.54%	5.75%
12/21/2005	10.40%	4.54%	5.86%
12/22/2005	11.00%	4.54%	6.46%
12/22/2005	11.15%	4.54%	6.61%
12/28/2005	10.00%	4.54%	5.46%
12/28/2005	10.00%	4.54%	5.46%
01/05/2006	11.00%	4.53%	6.47%
01/27/2006	9.75%	4.52%	5.23%
03/03/2006	10.39%	4.53%	5.86%
04/17/2006	10.20%	4.61%	5.59%
04/26/2006	10.60%	4.64%	5.96%
05/17/2006	11.60%	4.69%	6.91%
06/06/2006	10.00%	4.74%	5.26%
06/27/2006	10.75%	4.80%	5.95%
07/06/2006	10.20%	4.83%	5.37%
07/24/2006	9.60%	4.86%	4.74%
07/26/2006	10.50%	4.86%	5.64%
07/28/2006	10.05%	4.86%	5.19%
08/23/2006	9.55%	4.89%	4.66%
09/01/2006	10.54%	4.90%	5.64%
09/14/2006	10.00%	4.91%	5.09%
10/06/2006	9.67%	4.92%	4.75%
11/21/2006	10.08%	4.95%	5.13%
11/21/2006	10.08%	4.95%	5.13%
11/21/2006	10.12%	4.95%	5.17%
12/01/2006	10.25%	4.95%	5.30%
12/01/2006	10.50%	4.95%	5.55%
12/07/2006	10.75%	4.95%	5.80%
12/21/2006	10.90%	4.95%	5.95%
12/21/2006	11.25%	4.95%	6.30%
12/22/2006	10.25%	4.95%	5.30%
01/05/2007	10.00%	4.95%	5.05%
01/11/2007	10.10%	4.95%	5.15%
01/11/2007	10.10%	4.95%	5.15%
01/11/2007	10.90%	4.95%	5.95%
01/12/2007	10.10%	4.95%	5.15%
01/13/2007	10.40%	4.95%	5.45%
01/19/2007	10.80%	4.94%	5.86%
03/21/2007	11.35%	4.87%	6.48%
03/22/2007	9.75%	4.86%	4.89%
05/15/2007	10.00%	4.81%	5.19%
05/17/2007	10.25%	4.81%	5.44%
05/17/2007	10.25%	4.81%	5.44%
05/22/2007	10.20%	4.80%	5.40%
05/22/2007	10.50%	4.80%	5.70%
05/23/2007	10.70%	4.80%	5.90%
05/25/2007	9.67%	4.80%	4.87%
06/15/2007	9.90%	4.82%	5.08%
06/21/2007	10.20%	4.83%	5.37%
06/22/2007	10.50%	4.83%	5.67%
06/28/2007	10.75%	4.84%	5.91%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
07/12/2007	9.67%	4.86%	4.81%
07/19/2007	10.00%	4.87%	5.13%
07/19/2007	10.00%	4.87%	5.13%
08/15/2007	10.40%	4.88%	5.52%
10/09/2007	10.00%	4.91%	5.09%
10/17/2007	9.10%	4.91%	4.19%
10/31/2007	9.96%	4.90%	5.06%
11/29/2007	10.90%	4.87%	6.03%
12/06/2007	10.75%	4.86%	5.89%
12/13/2007	9.96%	4.86%	5.10%
12/14/2007	10.70%	4.86%	5.84%
12/14/2007	10.60%	4.86%	5.94%
12/19/2007	10.20%	4.86%	5.34%
12/20/2007	10.20%	4.85%	5.35%
12/20/2007	11.00%	4.85%	6.15%
12/28/2007	10.25%	4.85%	5.40%
12/31/2007	11.25%	4.85%	6.40%
01/08/2008	10.75%	4.83%	5.92%
01/17/2008	10.75%	4.81%	5.94%
01/28/2008	9.40%	4.80%	4.60%
01/30/2008	10.00%	4.79%	5.21%
01/31/2008	10.71%	4.79%	5.92%
02/29/2008	10.25%	4.75%	5.50%
03/12/2008	10.25%	4.73%	5.52%
03/25/2008	9.10%	4.68%	4.42%
04/22/2008	10.25%	4.60%	5.65%
04/24/2008	10.10%	4.60%	5.50%
05/01/2008	10.70%	4.59%	6.11%
05/19/2008	11.00%	4.56%	6.44%
05/27/2008	10.00%	4.55%	5.45%
06/10/2008	10.70%	4.54%	6.16%
06/27/2008	10.50%	4.54%	5.96%
06/27/2008	11.04%	4.54%	6.50%
07/10/2008	10.43%	4.52%	5.91%
07/16/2008	9.40%	4.52%	4.88%
07/30/2008	10.80%	4.51%	6.29%
07/31/2008	10.70%	4.51%	6.19%
08/11/2008	10.25%	4.51%	5.74%
08/26/2008	10.18%	4.50%	5.68%
09/10/2008	10.30%	4.50%	5.80%
09/24/2008	10.65%	4.48%	6.17%
09/24/2008	10.65%	4.48%	6.17%
09/24/2008	10.65%	4.48%	6.17%
09/30/2008	10.20%	4.48%	5.72%
10/08/2008	10.15%	4.46%	5.69%
11/13/2008	10.55%	4.45%	6.10%
11/17/2008	10.20%	4.44%	5.76%
12/01/2008	10.25%	4.40%	5.85%
12/23/2008	11.00%	4.27%	6.73%
12/29/2008	10.00%	4.24%	5.76%
12/29/2008	10.20%	4.24%	5.96%
12/31/2008	10.75%	4.22%	6.53%
01/14/2009	10.50%	4.15%	6.35%
01/21/2009	10.50%	4.12%	6.38%
01/21/2009	10.50%	4.12%	6.38%
01/21/2009	10.50%	4.12%	6.38%
01/27/2009	10.76%	4.09%	6.67%
01/30/2009	10.50%	4.08%	6.42%
02/04/2009	8.75%	4.06%	4.69%
03/04/2009	10.50%	3.96%	6.54%
03/12/2009	11.50%	3.93%	7.57%
04/02/2009	11.10%	3.85%	7.25%
04/21/2009	10.61%	3.80%	6.81%
04/24/2009	10.00%	3.79%	6.21%
04/30/2009	11.25%	3.78%	7.47%
05/04/2009	10.74%	3.77%	6.97%
05/20/2009	10.25%	3.74%	6.51%
05/28/2009	10.50%	3.74%	6.76%
05/29/2009	10.50%	3.74%	6.76%
06/22/2009	10.00%	3.76%	6.24%
06/24/2009	10.80%	3.77%	7.03%
07/08/2009	10.63%	3.77%	6.86%
07/17/2009	10.50%	3.78%	6.72%
08/31/2009	10.25%	3.82%	6.43%
10/14/2009	10.70%	4.01%	6.69%
10/23/2009	10.88%	4.06%	6.82%
11/02/2009	10.70%	4.09%	6.61%
11/03/2009	10.70%	4.10%	6.60%
11/24/2009	10.25%	4.15%	6.10%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30-Year Treasury Yield	[9] Risk Premium
11/25/2009	10.75%	4.16%	6.59%
11/30/2009	10.35%	4.17%	6.18%
12/03/2009	10.50%	4.18%	6.32%
12/07/2009	10.70%	4.18%	6.52%
12/16/2009	10.90%	4.21%	6.69%
12/16/2009	11.00%	4.21%	6.79%
12/18/2009	10.40%	4.22%	6.18%
12/18/2009	10.40%	4.22%	6.18%
12/22/2009	10.20%	4.23%	5.97%
12/22/2009	10.40%	4.23%	6.17%
12/22/2009	10.40%	4.23%	6.17%
12/30/2009	10.00%	4.26%	5.74%
01/04/2010	10.80%	4.28%	6.52%
01/11/2010	11.00%	4.30%	6.70%
01/26/2010	10.13%	4.35%	5.78%
01/27/2010	10.40%	4.35%	6.05%
01/27/2010	10.40%	4.35%	6.05%
01/27/2010	10.70%	4.35%	6.35%
02/09/2010	9.80%	4.38%	5.42%
02/18/2010	10.60%	4.40%	6.20%
02/24/2010	10.18%	4.41%	5.77%
03/02/2010	9.63%	4.41%	5.22%
03/04/2010	10.50%	4.41%	6.09%
03/05/2010	10.50%	4.41%	6.09%
03/11/2010	11.90%	4.42%	7.48%
03/17/2010	10.00%	4.41%	5.59%
03/25/2010	10.15%	4.42%	5.73%
04/02/2010	10.10%	4.43%	5.67%
04/27/2010	10.00%	4.46%	5.54%
04/29/2010	9.90%	4.46%	5.44%
04/29/2010	10.06%	4.46%	5.60%
04/29/2010	10.26%	4.46%	5.80%
05/12/2010	10.30%	4.45%	5.85%
05/12/2010	10.30%	4.45%	5.85%
05/28/2010	10.10%	4.44%	5.66%
05/28/2010	10.20%	4.44%	5.76%
06/07/2010	10.30%	4.44%	5.88%
06/16/2010	10.00%	4.44%	5.56%
06/28/2010	9.67%	4.43%	5.24%
06/28/2010	10.50%	4.43%	6.07%
06/30/2010	9.40%	4.43%	4.97%
07/01/2010	10.25%	4.43%	5.82%
07/15/2010	10.53%	4.43%	6.10%
07/15/2010	10.70%	4.43%	6.27%
07/30/2010	10.70%	4.41%	6.29%
08/04/2010	10.50%	4.41%	6.09%
08/06/2010	9.83%	4.41%	5.42%
08/25/2010	9.90%	4.37%	5.53%
09/03/2010	10.60%	4.35%	6.25%
09/14/2010	10.70%	4.33%	6.37%
09/16/2010	10.00%	4.33%	5.67%
09/16/2010	10.00%	4.33%	5.67%
09/30/2010	9.75%	4.29%	5.46%
09/30/2010	11.00%	4.29%	6.71%
10/14/2010	10.35%	4.24%	6.11%
10/28/2010	10.70%	4.21%	6.49%
11/02/2010	10.38%	4.20%	6.18%
11/04/2010	10.70%	4.20%	6.50%
11/19/2010	10.20%	4.18%	6.02%
11/22/2010	10.00%	4.18%	5.82%
12/01/2010	10.13%	4.16%	5.97%
12/06/2010	9.86%	4.15%	5.71%
12/09/2010	10.25%	4.15%	6.10%
12/13/2010	10.70%	4.15%	6.55%
12/14/2010	10.13%	4.15%	5.98%
12/15/2010	10.44%	4.15%	6.29%
12/17/2010	10.00%	4.15%	5.85%
12/20/2010	10.60%	4.15%	6.45%
12/21/2010	10.30%	4.14%	6.16%
12/27/2010	9.90%	4.14%	5.76%
12/29/2010	11.15%	4.14%	7.01%
01/05/2011	10.15%	4.13%	6.02%
01/12/2011	10.30%	4.12%	6.18%
01/13/2011	10.30%	4.12%	6.18%
01/18/2011	10.00%	4.12%	5.88%
01/20/2011	9.30%	4.12%	5.18%
01/20/2011	10.13%	4.12%	6.01%
01/31/2011	9.60%	4.12%	5.48%
02/03/2011	10.00%	4.12%	5.88%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30-Year Treasury Yield	[9] Risk Premium
02/25/2011	10.00%	4.14%	5.86%
03/25/2011	9.80%	4.18%	5.62%
03/30/2011	10.00%	4.18%	5.82%
04/12/2011	10.00%	4.21%	5.79%
04/25/2011	10.74%	4.23%	6.51%
04/26/2011	9.67%	4.23%	5.44%
04/27/2011	10.40%	4.24%	6.16%
05/04/2011	10.00%	4.24%	5.76%
05/04/2011	10.00%	4.24%	5.76%
05/24/2011	10.50%	4.27%	6.23%
06/08/2011	10.75%	4.30%	6.45%
06/16/2011	9.20%	4.32%	4.88%
06/17/2011	9.95%	4.32%	5.63%
07/13/2011	10.20%	4.36%	5.84%
08/01/2011	9.20%	4.39%	4.81%
08/08/2011	10.00%	4.38%	5.62%
08/11/2011	10.00%	4.38%	5.62%
08/12/2011	10.35%	4.37%	5.98%
08/19/2011	10.25%	4.36%	5.89%
09/02/2011	12.88%	4.32%	8.56%
09/22/2011	10.00%	4.24%	5.76%
10/12/2011	10.30%	4.14%	6.16%
10/20/2011	10.50%	4.10%	6.40%
11/30/2011	10.90%	3.87%	7.03%
11/30/2011	10.90%	3.87%	7.03%
12/14/2011	10.00%	3.80%	6.20%
12/14/2011	10.30%	3.80%	6.50%
12/20/2011	10.20%	3.76%	6.44%
12/21/2011	10.20%	3.76%	6.44%
12/22/2011	9.90%	3.75%	6.15%
12/22/2011	10.40%	3.75%	6.65%
12/23/2011	10.19%	3.74%	6.45%
01/25/2012	10.50%	3.57%	6.93%
01/27/2012	10.50%	3.56%	6.94%
02/15/2012	10.20%	3.47%	6.73%
02/23/2012	9.90%	3.44%	6.46%
02/27/2012	10.25%	3.43%	6.82%
02/29/2012	10.40%	3.41%	6.99%
03/29/2012	10.37%	3.32%	7.05%
04/04/2012	10.00%	3.30%	6.70%
04/26/2012	10.00%	3.21%	6.79%
05/02/2012	10.00%	3.18%	6.82%
05/07/2012	9.80%	3.17%	6.63%
05/15/2012	10.00%	3.14%	6.86%
05/29/2012	10.05%	3.11%	6.94%
06/07/2012	10.30%	3.08%	7.22%
06/14/2012	9.40%	3.06%	6.34%
06/15/2012	10.40%	3.06%	7.34%
06/18/2012	9.60%	3.06%	6.54%
06/19/2012	9.25%	3.05%	6.20%
06/26/2012	10.10%	3.04%	7.06%
06/29/2012	10.00%	3.04%	6.96%
07/09/2012	10.20%	3.03%	7.17%
07/16/2012	9.80%	3.02%	6.78%
07/20/2012	9.31%	3.01%	6.30%
07/20/2012	9.81%	3.01%	6.80%
09/13/2012	9.80%	2.94%	6.86%
09/19/2012	9.80%	2.94%	6.86%
09/19/2012	10.05%	2.94%	7.11%
09/26/2012	9.50%	2.94%	6.56%
10/12/2012	9.60%	2.93%	6.67%
10/23/2012	9.75%	2.93%	6.82%
10/24/2012	10.30%	2.93%	7.37%
11/09/2012	10.30%	2.92%	7.38%
11/28/2012	10.40%	2.90%	7.50%
11/29/2012	9.75%	2.90%	6.85%
11/29/2012	9.88%	2.90%	6.98%
12/05/2012	9.71%	2.89%	6.82%
12/05/2012	10.40%	2.89%	7.51%
12/12/2012	9.80%	2.88%	6.92%
12/13/2012	9.50%	2.88%	6.62%
12/13/2012	10.50%	2.88%	7.62%
12/14/2012	10.40%	2.88%	7.52%
12/19/2012	9.71%	2.88%	6.83%
12/19/2012	10.25%	2.88%	7.37%
12/20/2012	9.50%	2.87%	6.63%
12/20/2012	9.80%	2.87%	6.93%
12/20/2012	10.25%	2.87%	7.38%
12/20/2012	10.25%	2.87%	7.38%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30-Year Treasury Yield	[9] Risk Premium
12/20/2012	10.30%	2.87%	7.43%
12/20/2012	10.40%	2.87%	7.53%
12/20/2012	10.45%	2.87%	7.58%
12/21/2012	10.20%	2.87%	7.33%
12/26/2012	9.80%	2.86%	6.94%
01/09/2013	9.70%	2.85%	6.85%
01/09/2013	9.70%	2.85%	6.85%
01/09/2013	9.70%	2.85%	6.85%
01/16/2013	9.60%	2.84%	6.76%
01/16/2013	9.60%	2.84%	6.76%
02/13/2013	10.20%	2.84%	7.36%
02/22/2013	9.75%	2.85%	6.90%
02/27/2013	10.00%	2.86%	7.14%
03/05/2013	9.70%	2.86%	6.84%
03/14/2013	9.30%	2.88%	6.42%
03/27/2013	9.80%	2.90%	6.90%
05/01/2013	9.84%	2.94%	6.90%
05/15/2013	10.30%	2.96%	7.34%
05/30/2013	10.20%	2.98%	7.22%
05/31/2013	9.00%	2.98%	6.02%
06/11/2013	10.00%	3.00%	7.00%
06/21/2013	9.75%	3.02%	6.73%
06/25/2013	9.80%	3.03%	6.77%
07/12/2013	9.36%	3.08%	6.28%
08/08/2013	9.83%	3.14%	6.69%
08/14/2013	9.15%	3.16%	5.99%
09/11/2013	10.20%	3.26%	6.94%
09/11/2013	10.25%	3.26%	6.99%
09/24/2013	10.20%	3.31%	6.89%
10/03/2013	9.65%	3.33%	6.32%
10/07/2013	10.00%	3.34%	6.66%
11/06/2013	10.20%	3.41%	6.79%
11/21/2013	10.00%	3.44%	6.56%
11/26/2013	10.00%	3.45%	6.55%
12/03/2013	10.25%	3.47%	6.78%
12/04/2013	9.50%	3.47%	6.03%
12/05/2013	10.20%	3.48%	6.72%
12/09/2013	8.72%	3.48%	5.24%
12/09/2013	9.75%	3.48%	6.27%
12/13/2013	9.75%	3.50%	6.25%
12/16/2013	9.95%	3.50%	6.45%
12/16/2013	9.95%	3.50%	6.45%
12/16/2013	10.12%	3.50%	6.62%
12/17/2013	9.50%	3.51%	5.99%
12/17/2013	10.95%	3.51%	7.44%
12/18/2013	8.72%	3.51%	5.21%
12/18/2013	9.80%	3.51%	6.29%
12/19/2013	10.15%	3.51%	6.64%
12/30/2013	9.30%	3.54%	5.76%
02/20/2014	9.20%	3.68%	5.52%
02/26/2014	9.75%	3.69%	6.06%
03/17/2014	9.55%	3.72%	5.83%
03/26/2014	9.40%	3.73%	5.67%
03/26/2014	9.96%	3.73%	6.23%
04/02/2014	9.70%	3.73%	5.97%
		Average	4.43%
		Count	1,421

