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**DIRECT TESTIMONY**

**OF**

**ROBERT B. HEVERT**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a Ameren Missouri**

**Framingham, Massachusetts  
July 3, 2014**

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	PURPOSE AND OVERVIEW OF TESTIMONY.....	2
III.	SUMMARY OF ISSUES SURROUNDING COST OF EQUITY ESTIMATION IN REGULATORY PROCEEDINGS.....	4
IV.	PROXY GROUP SELECTION.....	8
V.	COST OF EQUITY ESTIMATION.....	12
	A. <i>Constant Growth Discounted Cash Flow Model</i> .....	14
	B. <i>Multi-Stage DCF Model</i> .....	19
	C. <i>CAPM Analysis</i> .....	24
	D. <i>Bond Yield Plus Risk Premium Approach</i> .....	28
VI.	BUSINESS RISKS AND OTHER CONSIDERATIONS.....	31
	A. <i>Regulatory Environment</i> .....	31
	B. <i>Generation Portfolio</i> .....	35
VII.	CAPITAL MARKET ENVIRONMENT .....	37
VIII.	CONCLUSIONS AND RECOMMENDATION .....	42

### Glossary of Frequently Used Terms

<b>TERM</b>	<b>DESCRIPTION</b>
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”.

<b>TERM</b>	<b>DESCRIPTION</b>
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.
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.



1 gas utility (at the time, Bay State Gas Company), and an analyst at a telecommunications utility.  
2 In my role as a consultant, I have advised numerous energy and utility clients on a wide range of  
3 financial and economic issues, including corporate and asset-based transactions, asset and  
4 enterprise valuation, transaction due diligence, and strategic matters. As an expert witness, I  
5 have provided testimony in approximately 100 proceedings regarding various financial and  
6 regulatory matters before numerous state utility regulatory agencies and the Federal Energy  
7 Regulatory Commission. A summary of my professional and educational background, including  
8 a list of my testimony in prior proceedings, is included in Attachment A to my Direct Testimony.

9

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

11 **Q. What is the purpose of your Direct Testimony?**

12 A. On behalf of Ameren Missouri, my Direct Testimony presents evidence and  
13 provides a recommendation regarding the Company's ROE.<sup>1</sup> My analyses and conclusions are  
14 supported by the data presented in Schedules RBH-1 through RBH-6, which have been prepared  
15 by me or under my direction.

16 **Q. What are your conclusions regarding the appropriate Cost of Equity for the**  
17 **Company?**

18 A. My analyses indicate that the Company's Cost of Equity currently is in the range  
19 of 10.20 percent to 10.60 percent. Based on the quantitative and qualitative analyses discussed  
20 throughout my Direct Testimony, I recommend that the Commission authorize the Company the  
21 opportunity to earn an ROE of 10.40 percent.

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<sup>1</sup> Throughout my Direct Testimony, I interchangeably use the terms "ROE" and "Cost of Equity."

1           **Q.     Please provide a brief overview of the analyses that led to your ROE**  
2 **recommendation.**

3           A.     Because all models are subject to various assumptions and constraints, equity  
4 analysts and investors tend use multiple methods to develop their return requirements. I  
5 therefore relied on three widely-accepted approaches to develop my ROE recommendation:  
6 (1) the Discounted Cash Flow (“DCF”) model, including the Constant Growth, and Multi-Stage  
7 forms; (2) the Capital Asset Pricing Model (“CAPM”); and (3) the Bond Yield Plus Risk  
8 Premium approach.

9           **Q.     How is the remainder of your Direct Testimony organized?**

10          A.     The remainder of my Direct Testimony is organized as follows:

11                   Section III – Provides a summary of issues regarding Cost of Equity  
12                   estimation in regulatory proceedings and discusses the regulatory  
13                   guidelines pertinent to the development of the cost of capital;

14                   Section IV – Explains my selection of the proxy group used to develop my  
15                   analytical results;

16                   Section V – Explains my analyses and the analytical bases for my ROE  
17                   recommendation;

18                   Section VI – Provides a discussion of specific business risks and other  
19                   considerations that have a direct bearing on the Company’s Cost of  
20                   Equity;

21                   Section VII – Highlights the current capital market conditions and their  
22                   effect on the Company’s Cost of Equity;





1 have a claim on the firm's cash flows only after debt holders are paid; the uncertainty (or risk)  
2 associated with those residual cash flows determines the Cost of Equity. Because equity  
3 investors bear that "residual risk", they take greater risks and require higher returns than debt  
4 holders. In that basic sense, equity and debt investors differ: They invest in different securities,  
5 face different risks, and require different returns.

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

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

19 A. The United States Supreme Court (the "Court") established the guiding principles  
20 for establishing a fair return for capital in two cases: (1) *Bluefield Water Works and Improvement*  
21 *Co. v. Public Service Comm'n of West Virginia* ("Bluefield"); and (2) *Federal Power Comm'n v.*  
22 *Hope Natural Gas Co.* ("Hope"). In those cases, the Court recognized that the fair rate of return  
23 on equity should be: (1) comparable to returns investors expect to earn on other investments of

1 similar risk; (2) sufficient to assure confidence in the company's financial integrity; and  
2 (3) adequate to maintain and support the company's credit and to attract capital.

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

4 A. Yes. In a prior order, the Commission cited the *Hope* and *Bluefield* decisions at  
5 some length and acknowledged its authority and responsibility to set "just and reasonable" rates  
6 for public utility service, stating that:

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

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

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

16 A. A return that is adequate to attract capital at reasonable terms enables the utility to  
17 provide service while maintaining its financial integrity. As discussed above, and in keeping  
18 with the *Hope* and *Bluefield* standards, that return should be commensurate with the returns  
19 expected elsewhere in the market for investments of equivalent risk. The consequence of the  
20 Commission's order in this case, therefore, should be to provide Ameren Missouri with the  
21 opportunity to earn a return on equity that is: (1) adequate to attract capital at reasonable terms;  
22 (2) sufficient to ensure its financial integrity; and (3) commensurate with returns on investments

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<sup>2</sup> *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 in enterprises having corresponding risks. To the extent Ameren Missouri is provided a  
2 reasonable opportunity to earn its market-based Cost of Equity, neither customers nor  
3 shareholders should be disadvantaged. In fact, a return that is adequate to attract capital at  
4 reasonable terms enables Ameren Missouri to provide safe, reliable electric utility service while  
5 maintaining its financial integrity.

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

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

#### IV. PROXY GROUP SELECTION

1           **Q.     As a preliminary matter, why is it necessary to select a group of proxy**  
2 **companies to determine the Cost of Equity for the Company?**

3           A.     Since the ROE is a market-based concept, and Ameren Missouri is not a publicly  
4 traded entity, it is necessary to establish a group of comparable publicly-traded companies to  
5 serve as its “proxy”. Even if Ameren Missouri were a publicly traded entity, short-term events  
6 could bias its market value during a given period of time. A significant benefit of using a proxy  
7 group is that it serves to moderate the effects of anomalous, temporary events associated with  
8 any one company.

9           **Q.     Does the selection of a proxy group suggest that analytical results will be**  
10 **tightly clustered around average (*i.e.*, mean) results?**

11          A.     No. For example, the Constant Growth DCF approach, defines the Cost of Equity  
12 as the sum of the expected dividend yield and projected long-term growth. Despite the care  
13 taken to ensure risk comparability, market expectations with respect to future risks and growth  
14 opportunities will vary from company to company. Therefore, even within a group of similarly  
15 situated companies, it is common for analytical results to reflect a seemingly wide range.  
16 Consequently, at issue is how to estimate a Company’s ROE from within that range. That  
17 determination necessarily must consider a wide range of both empirical and qualitative  
18 information.

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

20          A.     Ameren Missouri, which is a wholly owned subsidiary of Ameren Corporation,  
21 provides electric service to approximately 1.2 million retail customers, and natural gas

1 distribution service to approximately 127,000 retail customers in Missouri.<sup>3</sup> Ameren  
2 Corporation's current long-term issuer credit rating from S&P is BBB+ (outlook: Stable), Baa2  
3 (outlook: Stable) from Moody's, and BBB+ (outlook: Stable) from FitchRatings ("Fitch").  
4 Ameren Missouri currently is rated BBB+ (outlook: Stable) by S&P, Baa1 (outlook: Stable) by  
5 Moody's, and BBB+ (outlook: Stable) by Fitch.<sup>4</sup>

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

7 A. I began with the universe of companies that Value Line classifies as Electric  
8 Utilities. More specifically, I applied the following screening criteria to the Value Line Electric  
9 Utility universe:

- 10 • I excluded companies that do not consistently pay quarterly cash dividends;
- 11 • All of the companies in my proxy group have been covered by at least two utility  
12 industry equity analysts;
- 13 • All of the companies in my proxy group have investment grade senior unsecured  
14 bond and/or corporate credit ratings from S&P;
- 15 • I excluded any companies whose regulated operating income over the three most  
16 recently reported fiscal years comprised less than 60.00 percent of the respective  
17 totals for that company;
- 18 • I excluded any companies whose regulated electric operating income over the  
19 three most recently reported fiscal years represented less than 90.00 percent of  
20 total regulated operating income; and

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<sup>3</sup> See, Ameren Missouri, *Facts About Ameren Missouri*.

<sup>4</sup> Source: SNL Financial

- 1                   • I eliminated companies that are currently known to be party to a merger, or other  
2                   significant transaction.

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

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

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

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

9                   **Table 1: Proxy Group Screening Results**

<b>Company</b>	<b>Ticker</b>
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

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

2           A.     No. I examined the operating profile of each of the sixteen companies that met  
3 my initial screens to be certain that none displayed characteristics that were inconsistent with my  
4 intent to produce a proxy group that is fundamentally similar to the Company. As a result, I  
5 excluded Edison International (“EIX”) based on recent financial information. Specifically, EIX  
6 recorded a loss of \$1.7 billion in 2012 as a result of placing Edison Mission Energy, the  
7 subsidiary that owns and operates unregulated electric generating assets (including Homer City),  
8 into Chapter 11 bankruptcy, and the divestiture of its Homer City assets.<sup>5</sup> As part of the  
9 Chapter 11 bankruptcy proceeding, EIX entered into a purchase agreement on October 18, 2013  
10 with NRG Energy for Edison Mission Energy’s assets including the assumption of certain related  
11 liabilities.<sup>6</sup> In addition, EIX recorded a \$1.05 billion loss resulting from an after-tax earnings  
12 charge (recorded in the fourth quarter of 2011) relating to the impairment of its Homer City,  
13 Fisk, Crawford, and Waukegan power plants, wind-related charges, and other expenses.<sup>7</sup> Given  
14 the significant nature of those results, it is difficult to assess the degree to which regulated  
15 electric utility operations would be expected to contribute to the company’s consolidated  
16 financial performance in the future. Consequently, I have excluded EIX from my final proxy  
17 group.

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

20           A.     The final proxy group is presented in Table 2.

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<sup>5</sup> See, Edison International, SEC Form 10-K for the fiscal year ended December 31, 2012, at 35.

<sup>6</sup> See, NRG Energy, Inc., SEC Form 8-K, October 18, 2013, at 2.

<sup>7</sup> See, Edison International, SEC Form 10-K for the fiscal year ended December 31, 2012, at 35-36.

1

**Table 2: Final Proxy Group**

<b>Company</b>	<b>Ticker</b>
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

2

**V. COST OF EQUITY ESTIMATION**

3 **Q. Please briefly discuss the ROE in the context of the regulated rate of return.**

4 A. Regulated utilities primarily use common stock and long-term debt to finance  
5 their capital investments. The Weighted Average Cost of Capital weights the costs of the  
6 individual sources of capital by their respective book values. While the cost of debt can be  
7 directly observed, the Cost of Equity is market-based and, therefore, must be estimated based on  
8 observable market information.



1           **Q.     How is the required ROE determined?**

2           A.     I estimated the ROE using analyses based on market data to quantify a range of  
3 investor expectations of required equity returns. By their very nature, quantitative models  
4 produce a range of results from which the market required ROE must be estimated. As discussed  
5 throughout my Direct Testimony, that estimation must be based on a comprehensive review of  
6 relevant data and information, and does not necessarily lend itself to a strict mathematical  
7 solution. Consequently, the key consideration in determining the ROE is to ensure that the  
8 overall analysis reasonably reflects investors' view of the financial markets in general, and the  
9 subject company (in the context of the proxy companies) in particular.

10           Because the Cost of Equity is not directly observable, it must be estimated based on both  
11 quantitative and qualitative information. Although a number of empirical models have been  
12 developed for that purpose, all are subject to limiting assumptions or other constraints.  
13 Consequently, many finance texts recommend using multiple approaches to estimate the Cost of  
14 Equity.<sup>8</sup> When faced with the task of estimating the Cost of Equity, analysts and investors are  
15 inclined to gather and evaluate as much relevant data as reasonably can be analyzed and,  
16 therefore, rely on multiple analytical approaches.

17           I also note that as a practical matter, no individual model is more reliable than all others  
18 under all market conditions. Therefore, it is both prudent and appropriate to use multiple  
19 methodologies in order to mitigate the effects of assumptions and inputs associated with any  
20 single approach. As such, I have considered the results of the Constant Growth and Multi-Stage

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<sup>8</sup> See, for example, Eugene Brigham, Louis Gapenski, Financial Management: Theory and Practice, 7th Ed., 1994, at 341, and Tom Copeland, Tim Koller and Jack Murrin, Valuation: Measuring and Managing the Value of Companies, 3rd ed., 2000, at 214.

1 forms of the DCF model; the Capital Asset Pricing Model,; and the Bond Yield Plus Risk  
2 Premium approach.

3 **A. Constant Growth Discounted Cash Flow Model**

4 **Q. Please more fully describe the Constant Growth DCF approach.**

5 A. The Constant Growth DCF approach is based on the theory that a stock's current  
6 price represents the present value of all expected future cash flows. In its simplest form, the  
7 Constant Growth DCF model expresses the Cost of Equity as the discount rate that sets the  
8 current price equal to expected cash flows:

9 
$$P = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_{\infty}}{(1+k)^{\infty}} \quad \text{Equation [1]}$$

10 where  $P$  represents the current stock price,  $D_1 \dots D_{\infty}$  represent expected future  
11 dividends, and  $k$  is the discount rate, or required ROE. Equation [1] is a standard present value  
12 calculation that can be simplified and rearranged into the familiar form:

13 
$$k = \frac{D_0 (1+g)}{P} + g \quad \text{Equation [2]}$$

14 Equation [2] often is referred to as the "Constant Growth DCF" model, in which  
15 the first term is the expected dividend yield and the second term is the expected long-term annual  
16 growth rate.

17 **Q. What assumptions are inherent in the Constant Growth DCF model?**

18 A. The Constant Growth DCF model assumes: (1) a constant average annual growth  
19 rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price  
20 to-earnings multiple; and (4) a discount rate greater than the expected growth rate.

1           **Q.     What market data did you use to calculate the dividend yield in your**  
2 **Constant Growth DCF model?**

3           A.     The dividend yield is based on the proxy companies' current annualized dividend,  
4 and average closing stock prices over the 30, 90, and 180-trading day periods as of May 30,  
5 2014.

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

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

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

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

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

3           A. Yes. In its Constant Growth form, the DCF model (*i.e.*, as presented in Equation  
4 [2] above) assumes a single growth estimate in perpetuity. Accordingly, in order to reduce the  
5 long-term growth rate to a single measure, one must assume a fixed payout ratio, and the same  
6 constant growth rate for earnings per share (“EPS”), dividends per share, and book value per  
7 share. Since dividend growth can only be sustained by earnings growth, the model should  
8 incorporate a variety of measures of long-term earnings growth. That can be accomplished by  
9 averaging those measures of long-term growth that tend to be least influenced by capital  
10 allocation decisions that companies may make in response to near-term changes in the business  
11 environment. Since such decisions may directly affect near-term dividend payout ratios,  
12 estimates of earnings growth are more indicative of long-term investor expectations than are  
13 dividend growth estimates. Therefore, for the purposes of the Constant Growth DCF model,  
14 growth in EPS represents the appropriate measure of long-term growth.

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

17           A. The relationship between various growth rates and stock valuation metrics has  
18 been the subject of much academic research.<sup>9</sup> As noted over 40 years ago by Charles Phillips in

19 The Economics of Regulation:

20                     For many years, it was thought that investors bought utility stocks  
21                     largely on the basis of dividends. More recently, however, studies  
22                     indicate that the market is valuing utility stocks with reference to total

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<sup>9</sup> See, for example, Harris, Robert, *Using Analysts' Growth Forecasts to Estimate Shareholder Required Rate of Return*, Financial Management, Spring 1986.

1 per share earnings, so that the earnings-price ratio has assumed  
2 increased emphasis in rate cases.<sup>10</sup>

3 Philips' conclusion continues to hold true. Subsequent academic research has clearly and  
4 consistently indicated that measures of earnings and cash flow are strongly related to returns, and  
5 that analysts' forecasts of growth are superior to other measures of growth in predicting stock  
6 prices.<sup>11</sup> For example, Vander Weide and Carleton state that, "[our] results...are consistent with  
7 the hypothesis that investors use analysts' forecasts, rather than historically oriented growth  
8 calculations, in making stock buy-and-sell decisions."<sup>12</sup> Other research specifically notes the  
9 importance of analysts' growth estimates in determining the Cost of Equity, and in the valuation  
10 of equity securities. Dr. Robert Harris noted that "a growing body of knowledge shows that  
11 analysts' earnings forecast are indeed reflected in stock prices." Citing Cragg and Malkiel,  
12 Dr. Harris notes that those authors "found that the evaluations of companies that analysts make  
13 are the sorts of ones on which market valuation is based."<sup>13</sup> Similarly, Brigham, Shome and  
14 Vinson noted that "evidence in the current literature indicates that (i) analysts' forecasts are  
15 superior to forecasts based solely on time series data; and (ii) investors do rely on analysts'  
16 forecasts."<sup>14</sup>

17 To that point, the research of Carleton and Vander Weide demonstrates that earnings  
18 growth projections have a statistically significant relationship to stock valuation levels, while

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<sup>10</sup> Charles F. Phillips, Jr., The Economics of Regulation, Revised Edition, 1969, Richard D. Irwin, Inc., at 285.

<sup>11</sup> 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.

<sup>12</sup> Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988.

<sup>13</sup> Robert S. Harris, *Using Analysts' Growth Forecasts to Estimate Shareholder Required Rate of Return*, Financial Management, Spring 1986.

<sup>14</sup> 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.

1 dividend growth rates do not.<sup>15</sup> Those findings suggest that investors form their investment  
2 decisions based on expectations of growth in earnings, not dividends. Consequently, earnings  
3 growth not dividend growth is the appropriate estimate for the purpose of the Constant Growth  
4 DCF model.

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

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

8 The average daily closing prices for the 30-trading days, 90-trading days, and 180-trading  
9 days ended May 30, 2014, for the term  $P_0$ ; and

10 The annualized dividend per share as of May 30, 2014, for the term  $D_0$ .

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

- 12 • The Zacks consensus long-term earnings growth estimates;
- 13 • The First Call consensus long-term earnings growth estimates; and
- 14 • The Value Line long-term earnings growth estimates.

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

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

---

<sup>15</sup> See Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988.

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

2           A.     My Constant Growth DCF results are summarized in Table 3, below (*see* also  
3 Schedule RBH-1).

4                           **Table 3: Constant Growth DCF Results**

	<i>Mean Low</i>	<i>Mean</i>	<i>Mean High</i>
30-Day Average	8.44%	9.56%	10.87%
90-Day Average	8.50%	9.62%	10.93%
180-Day Average	8.61%	9.73%	11.04%

5

6           **B. Multi-Stage DCF Model**

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

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

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

16           A.     The model sets the subject company's stock price equal to the present value of  
17 future cash flows received over three "stages". In the first two stages, "cash flows" are defined  
18 as projected dividends. In the third stage, "cash flows" equal both dividends and the expected

1 price at which the stock will be sold at the end of the period (*i.e.*, the “terminal price”). I  
2 calculated the terminal price based on the Gordon model, which defines the price as the expected  
3 dividend divided by the difference between the Cost of Equity (*i.e.*, the discount rate) and the  
4 long-term expected growth rate. In essence, the terminal price is defined by the present value of  
5 the remaining “cash flows” in perpetuity. In each of the three stages, the dividend is the product  
6 of the projected earnings per share and the expected dividend payout ratio. A summary  
7 description of the model is provided in Table 4 (below).

8  
9

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

<b>Stage</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
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

10

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

12 A. The principal benefits relate to the flexibility provided by the model's  
13 formulation. Since the model provides the ability to specify near, intermediate and long-term  
14 growth rates, for example, it avoids the sometimes limiting assumption that the subject company



1 will grow at the same, constant rate in perpetuity. In addition, by calculating the dividend as the  
2 product of earnings and the payout ratio, the model enables analysts to reflect assumptions  
3 regarding the timing and extent of changes in the payout ratio to reflect, for example, increases  
4 or decreases in expected capital spending, or transition from current payout levels to long-term  
5 expected levels. In that regard, because the model relies on multiple sources of earnings growth  
6 rate assumptions, it is not limited to a single source, such as Value Line, for all inputs, and  
7 mitigates the potential bias associated with relying on a single source of growth estimates.<sup>16</sup>

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

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

16 A. I applied the Multi-Stage model to the proxy group described earlier in my Direct  
17 Testimony. My assumptions with respect to the various model inputs are described in Table 5  
18 (below).

---

<sup>16</sup> See, for example, Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts’ Growth Forecasts*, Financial Management, 21 (Summer 1992).

1

**Table 5: Multi-Stage DCF Model Assumptions**

<b>Stage</b>	<b>Initial</b>	<b>First</b>	<b>Transition</b>	<b>Terminal</b>
Stock Price	30-, 90-, and 180-day average stock price as of May 30, 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 5.71 percent is based on the real GDP growth rate of

5

3.27 percent from 1929 through 2013,<sup>17</sup> and an inflation rate of 2.37 percent.<sup>18</sup> 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 2.37 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

<sup>17</sup> See Bureau of Economic Analysis, March 27, 2014 update.

<sup>18</sup> 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 5, for the first two periods, I relied on the first year and long-  
13 term projected payout ratios reported by Value Line<sup>19</sup> 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 percent.<sup>20</sup>

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

17 A. Table 6 (below; *see* also Schedule RBH-2) presents the Multi-Stage DCF analysis  
18 results. Using the Gordon model to calculate the terminal stock price, the Multi-Stage DCF  
19 analysis produces a range of results from 9.61 percent to 10.58 percent.

---

<sup>19</sup> As reported in the Value Line Investment Survey as “All Div’ds to Net Prof.”

<sup>20</sup> Source: Bloomberg Professional.

1

**Table 6: Multi-Stage DCF Model Results**

	<i>Mean Low</i>	<i>Mean</i>	<i>Mean High</i>
30-Day Average	9.61%	9.93%	10.36%
90-Day Average	9.67%	10.00%	10.43%
180-Day Average	9.80%	10.13%	10.58%

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 **C. 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  $\beta$  = 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           **Q.     Why have you relied upon the 30-year Treasury yield for your CAPM**  
2 **analysis?**

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

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

9           A.     The approach is based on the market required return, less the current 30-year  
10 Treasury yield. To estimate the market required return, I calculated the market capitalization  
11 weighted average ROE based on the Constant Growth DCF model. To do so, I relied on data  
12 from two sources: (1) Bloomberg; and (2) Value Line. With respect to Bloomberg-derived  
13 growth estimates, I calculated the expected dividend yield (using the same one-half growth rate  
14 assumption described earlier), and combined that amount with the projected earnings growth rate  
15 to arrive at the market capitalization weighted average DCF result. I performed that calculation  
16 for each of the S&P 500 companies for which Bloomberg provided consensus growth rates. I  
17 then subtracted the current 30-year Treasury yield from that amount to arrive at the market DCF-  
18 derived *ex-ante* market risk premium estimate. In the case of Value Line, I performed the same  
19 calculation, again using all companies for which five-year earnings growth rates were available.  
20 The results of those calculations are provided in Schedule RBH-3.

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

3           A.    I relied on the *ex-ante* Market Risk Premia discussed above, together with the  
4 current and near-term projected 30-year Treasury yields as inputs to my CAPM analyses.

5           **Q.    What Beta coefficient did you use in your CAPM model?**

6           A.    As shown in Schedule RBH-4, I considered the Beta coefficients reported by two  
7 sources: Bloomberg and Value Line. For each source, I employed the average of the reported  
8 Beta coefficient for each proxy group company. While both of those services adjust their  
9 calculated (or “raw”) Beta coefficients to reflect the tendency of the Beta coefficient to regress to  
10 the market mean of 1.00, Value Line calculates the Beta coefficient over a five-year period,  
11 while Bloomberg’s calculation is based on two years of data.

12           **Q.    What are the results of your CAPM analysis?**

13           A.    As shown in Table 7 the CAPM analyses suggest an ROE range of 10.59 percent  
14 to 11.92 percent (*see* also Schedule RBH-5).

1

**Table 7: Summary of CAPM Results**

	<b><i>Bloomberg Derived Market Risk Premium</i></b>	<b><i>Value Line Derived Market Risk Premium</i></b>
<i>Average Bloomberg Beta Coefficient</i>		
Current 30-Year Treasury (3.42%)	11.27%	10.69%
Near Term Projected 30-Year Treasury (4.07%)	11.92%	11.34%
<i>Average Value Line Beta Coefficient</i>		
Current 30-Year Treasury (3.42%)	11.17%	10.59%
Near Term Projected 30-Year Treasury (4.07%)	11.82%	11.24%

2

3 ***D. Bond Yield Plus Risk Premium Approach***

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

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







**VI. BUSINESS RISKS AND OTHER CONSIDERATIONS**

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

3           A.     No, the mean results do not necessarily provide an appropriate estimate of the  
4 Company's Cost of Equity. In my view, there are additional factors that must be taken into  
5 consideration when determining where the Company's cost of equity falls within the range of  
6 results. Those factors include the regulatory environment in which the Company operates, and  
7 the Company's generation portfolio. Those risk factors, which are discussed below, should be  
8 considered with respect to their overall effect on the Company's risk profile and therefore its cost  
9 of equity.

10 ***A. Regulatory Environment***

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

13           A.     The regulatory environment can significantly affect both the access to, and cost of  
14 capital in several ways. First, the proportion and cost of debt capital available to utility  
15 companies are influenced by the rating agencies' assessment of the regulatory environment. In  
16 addition, it is important to recognize that regulatory decisions regarding the authorized ROE and  
17 capital structure have direct consequences for the subject utility's internal cash flow generation  
18 (sometimes referred to as "Funds from Operations", or FFO). Since credit ratings are intended to  
19 reflect the ability to meet financial obligations as they come due, the ability to generate the cash  
20 flows required to meet those obligations (and to provide an additional amount for unexpected

1 events) is of critical importance to debt investors. Two of the most important metrics used to  
2 assess that ability are the ratios of FFO to debt, and FFO to interest expense, both of which are  
3 directly affected by regulatory decisions regarding the appropriate rate of return, and capital  
4 structure.

5 Investors recognize that a reasonable allowed ROE that is subject to earnings attrition due  
6 to unfavorable regulatory or economic factors does not provide any assurance that the utility will  
7 actually recover its costs or earn a reasonable return. The authorized ROE affects not only the  
8 cash flow-related metrics that measure financial strength, but also provides an indication of the  
9 degree of regulatory support, and risk, associated with a given utility and jurisdiction. It is,  
10 therefore, an important measure of regulatory support and financial integrity from several  
11 perspectives.

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

14 A. Yes, I believe so. As noted in an April 2013 report by Regulatory Research  
15 Associates, Missouri is one of only five states that legally prohibit utilities from including  
16 Construction Work in Progress in the rate base.<sup>22</sup> As a consequence, the Company's ability to  
17 maintain its cash flow is disadvantaged relative to others that either have the ability to include  
18 CWIP in rate base during general rate cases (and therefore earn a cash return on that investment),  
19 or are provided a more timely cash return through adjustment clauses. When the revenue per  
20 dollar of assets decreases, the earned return on common equity also will decrease. Because net

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

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

3 In addition, Missouri utilities set rates based on an historical test year, with limited  
4 "known and measurable" changes.<sup>23</sup> In contrast, other utilities, including utilities in the proxy  
5 group, have the ability to recover rate base additions through forecast test years or alternative  
6 rate plans. As Regulatory Research Associates has noted, "[s]uch rate changes provide for  
7 improved cash flow and possibly earnings through reduced regulatory lag."<sup>24</sup> As with the  
8 inability to include CWIP in its rate base, because it is subject to the regulatory lag otherwise  
9 mitigated by forecast test years or alternative rate plans, Ameren Missouri's ability to generate  
10 earnings and cash flow is disadvantaged relative to its peers.

11 The same holds true regarding the Company's inability to implement interim rates. As  
12 RRA points out, the Commission "may authorize an interim increase, subject to refund, if a  
13 company can demonstrate an emergency, or a near emergency situation." RRA concludes that as  
14 a result, "interim increases have rarely been sought or authorized" in Missouri.<sup>25</sup> Because  
15 interim rates are unlikely, the Company's cash flow position is diluted as it invests in its rate  
16 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

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<sup>23</sup> Source: Regulatory Research Associates, Missouri Public Service Commission Profile.

<sup>24</sup> Regulatory Research Associates, *Alternative Regulation/Incentive Plans, A State-by-State Review*, November 2013, at 1.

<sup>25</sup> 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 level.<sup>26</sup>

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.

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<sup>26</sup> 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. In light of those risks, I  
4 believe that an ROE of 10.40 percent is reasonable and appropriate.

5 ***B. Generation Portfolio***

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

7           A. Ameren Missouri's operations are heavily dependent on coal-fired generation,  
8 representing more than 75.00 percent of its 2013 net generation. The Company's remaining  
9 generation portfolio is largely dependent on a single nuclear plant, which represented  
10 approximately 20.00 percent of the Ameren Missouri's 2013 net generation.<sup>27</sup>

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

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

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<sup>27</sup> Source: SNL Financial.

1 approximately \$2.23 billion to \$2.47 billion from 2012 to 2022.<sup>28</sup> 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  
8 30 percent from their 2005 levels. Under the EPA's "Clean Power Plan", carbon dioxide  
9 reduction targets are proposed on a state-by-state basis, with four "pathways" to meet those  
10 goals. While states can choose their own path to compliance, they must submit their plans to the  
11 EPA for approval by June 2016.<sup>29</sup> Regardless of the path chosen, the uncertainty associated with  
12 the potential costs, and the recovery of those costs, is a consideration for companies such as  
13 Ameren 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.

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<sup>28</sup> 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.

<sup>29</sup> Regulatory Research Associates, *UPDATE: EPA proposes 30% reduction in greenhouse gas emissions from power sector*, June 2, 2014.



1

**VII. CAPITAL MARKET ENVIRONMENT**

2           **Q. Do economic conditions influence the required cost of capital and required**  
3 **return on common equity?**

4           A. Yes. As discussed in Section VI, the models used to estimate the Cost of Equity  
5 are meant to reflect, and therefore are influenced by, current and expected capital market  
6 conditions. Therefore, it is important to assess the reasonableness of any financial model's  
7 results in the context of observable market data. To the extent that certain ROE estimates are  
8 incompatible with such data or inconsistent with basic financial principles, it is appropriate to  
9 consider whether alternative estimation techniques are likely to provide more meaningful and  
10 reliable results.

11           **Q. Do you have any general observations regarding the relationship between**  
12 **current capital market conditions and the Company's Cost of Equity?**

13           A. Yes, I do. Much has been reported about the Federal Reserve's Quantitative  
14 Easing policy, and its effect on interest rates. The issue as to how those policies, and the  
15 continuing level of interest rates affect utility stock prices is less clear. As discussed below, for  
16 example, while Federal policy has affected interest rates, it also correlates to lower levels of  
17 market volatility. Generally speaking, when volatility is low investors are willing to take on  
18 more risk, and allocate capital to less defensive stocks. In essence, they are more willing to take  
19 on additional risk in expectation of realizing higher returns. Recently, however, the market  
20 appears to be providing conflicting signals; low volatility and low interest rates have resulted in  
21 defensive stocks somewhat outperforming other sectors.

1           A relevant question, then, is how investors will react when the Federal Reserve completes  
2 its market intervention. A viable outcome is that investors will perceive greater chances for  
3 economic growth, which will increase the growth rates included in the Constant Growth DCF  
4 model. At the same time, higher growth and the absence of Federal market intervention could  
5 provide the opportunity for interest rates to increase, thereby increasing the dividend yield  
6 portion of the DCF model. In that case, both terms of the Constant Growth DCF model would  
7 increase, producing increased ROE estimates.

8           At this time, however, market data is somewhat disjointed. As a consequence, it is  
9 difficult to rely on a single model to estimate the Company's Cost of Equity. A more reasoned  
10 approach is to understand the relationships among Federal Reserve policies, interest rates and  
11 risk, and assess how those factors may affect different models. For the reasons discussed below,  
12 the current market is one in which it is very important to consider a broad range of data and  
13 models when determining the Cost of Equity.

14           **Q. Please summarize the effect of recent Federal Reserve policies on interest**  
15 **rates and the cost of capital.**

16           A. Beginning in 2008, the Federal Reserve proceeded on a steady path of initiatives  
17 intended to lower long-term Treasury yields.<sup>30</sup> The Federal Reserve policy actions “were  
18 designed to put downward pressure on longer-term interest rates by having the Federal Reserve  
19 take onto its balance sheet some of the duration and prepayment risks that would otherwise have  
20 been borne by private investors.”<sup>31</sup> Under that policy, “Securities held outright” on the Federal  
21 Reserve's balance sheet increased from approximately \$489 billion at the beginning of October

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<sup>30</sup> See Federal Reserve Press Release dated June 19, 2013.

<sup>31</sup> Federal Reserve Bank of New York, *Domestic Open Market Operations During 2012*, April 2013, page 29.

1 2008 to \$4.07 trillion by May 30, 2014.<sup>32</sup> To put that increase in context, the securities held by  
2 the Federal Reserve represented approximately 3.29 percent of Gross Domestic Product (“GDP”)  
3 at the end of September 2008, and had risen to approximately 23.78 percent of GDP in May  
4 2014.<sup>33</sup>

5 **Q. Is the Federal Reserve expected to maintain these policies?**

6 A. Although the Federal Reserve began “tapering” its asset purchases in December  
7 2013, the future pace of such reductions is not on a “preset course.”<sup>34</sup> Nonetheless, the overall  
8 increase in interest rates since May 2013 suggests that investors have continued to focus on the  
9 timing and extent of further reductions in monthly asset purchases by the Federal Reserve.<sup>35</sup> As  
10 such, uncertainties remain in the market today and going forward. The uncertainty surrounding  
11 the timing of the Federal Reserve’s future policy decisions, including the unwinding of stimulus  
12 programs, represents a risk to investors that, in my view, should be reflected in the Company’s  
13 authorized ROE.

14 Just as market intervention by the Federal Reserve has reduced interest rates, it also has  
15 had the effect of reducing market volatility. As shown in Chart 2 below, each time the Federal  
16 Reserve began to purchase bonds (as evidenced by the increase in “Securities Held Outright” on  
17 its balance sheet), volatility subsequently declined. In fact, in September 2012, when the Federal  
18 Reserve began to purchase long-term securities at a pace of \$85 billion per month, volatility (as

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<sup>32</sup> Source: Federal Reserve Schedule H.4.1. “Securities held outright” include U.S. Treasury securities, Federal agency debt securities, and mortgage-backed securities.

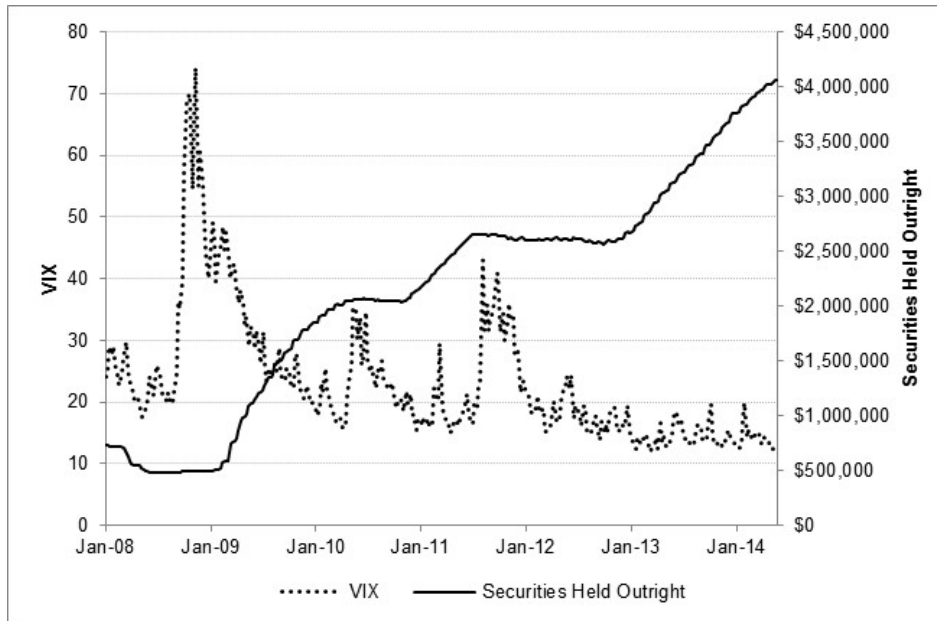
<sup>33</sup> Sources: Federal Reserve Schedule H.4.1; Bureau of Economic Analysis, GDP data as of the fourth calendar quarter of 2013.

<sup>34</sup> Minutes of the Federal Open Market Committee December 17–18, 2013, page 10; Minutes of the Federal Open Market Committee April 29 - 30, 2014, page 8.

<sup>35</sup> For example, the average 30-year Treasury Yield in May 2013 was 3.11 percent. The monthly average in May 2014 (through May 30<sup>th</sup>) was 3.39 percent. In the intervening period the 30-year Treasury Yield ranged from 3.23 percent to 3.96 percent.

1 measured by the CBOE Volatility Index, known as the “VIX”) fell, and has since remained in a  
2 relatively narrow range. The reason is quite straight-forward: Investors became confident that  
3 the Federal Reserve would intervene if markets were to become unstable.

4 **Chart 2: VIX and Federal Reserve Asset Purchases**



5  
6 The important analytical issue is whether we can infer that risk aversion among investors  
7 is at a historically low level, implying a Cost of Equity that is well below recently authorized  
8 returns. Given the negative correlation between the expansion of the Federal Reserve’s balance  
9 sheet and the VIX, it is difficult to conclude that fundamental risk aversion and investor return  
10 requirements have fallen. If it were the case that investors believe that volatility will remain at  
11 low levels (that is, that market risk and uncertainty will remain low), it is not clear why they  
12 would decrease their return requirements for defensive sectors such as utilities.

1           **Q. Does your recommendation also consider the current interest rate**  
2 **environment?**

3           A. Yes, it does. Although it is true that current interest rates (as measured by the  
4 30-year Treasury yield) are low in the context long-term historical levels, they are above the  
5 levels that prevailed in December 2012, when the Company received its current 9.80 percent  
6 ROE authorization: from July through December 2012 and January through May 2014, the  
7 average 30-year Treasury yield was 2.80 percent and 3.59 percent, respectively.<sup>36</sup> It is  
8 interesting to note that the 79 basis point increase in Treasury yields occurred despite the Federal  
9 Reserve's policy of buying long-term Treasury securities (*see* Chart 2, above). Taken in that  
10 context, my 10.40 percent ROE recommendation reflects the general increase in interest rates  
11 since 2012, and the uncertainty surrounding the timing and means by which the Federal Reserve  
12 may unwind its significant position in long-term Treasury securities.

13           **Q. What conclusions do you draw from your analyses of capital market**  
14 **conditions?**

15           A. From an analytical perspective, it is important that the inputs and assumptions  
16 used to arrive at an ROE recommendation, including assessments of capital market conditions,  
17 are consistent with the recommendation itself. While I appreciate that all analyses require an  
18 element of judgment, the application of that judgment must be made in the context of the  
19 quantitative and qualitative information available to the analyst and the capital market  
20 environment in which the analyses were undertaken. Because the application of financial models  
21 and interpretation of their results often is the subject of differences among analysts in regulatory

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<sup>36</sup> Source: Federal Reserve Schedule H.15.

1 proceedings, I believe that it is important to review and consider a variety of data points; doing  
2 so enables us to put in context both quantitative analyses and the associated recommendations.

3

### VIII. CONCLUSIONS AND RECOMMENDATION

4 **Q. What is your conclusion regarding the Company's Cost of Equity?**

5 A. As discussed earlier in Section V, I have performed several analyses to estimate  
6 the Cost of Equity. In light of those results, and taking into consideration other relevant and  
7 observable market data, I believe that ROE in the range of 10.20 percent to 10.60 percent  
8 represents the range of returns required by equity investors under current and expected market  
9 conditions. Within that range, it is my view that an ROE of 10.40 percent is reasonable and  
10 appropriate. As discussed earlier in my testimony, my recommendation reflects analytical results  
11 based on a proxy group of natural gas utilities. My recommendation also takes into  
12 consideration the Company's risk profile, including the regulatory environment in which the  
13 Company operates and its generation portfolio.

14 **Table 8a: Summary of DCF Results**

<b>Constant Growth DCF</b>	<b><i>Low</i></b>	<b><i>Mean</i></b>	<b><i>High</i></b>
30-Day Average	8.44%	9.56%	10.87%
90-Day Average	8.50%	9.62%	10.93%
180-Day Average	8.61%	9.73%	11.04%
<b>Multi-Stage DCF</b>	<b><i>Low</i></b>	<b><i>Mean</i></b>	<b><i>High</i></b>
30-Day Average	9.61%	9.93%	10.36%
90-Day Average	9.67%	10.00%	10.43%
180-Day Average	9.80%	10.13%	10.58%

15

1 **Table 8b: Summary of Risk Premium and Other Analytical Results**

<b>CAPM Results</b>	<b><i>Bloomberg Derived Market Risk Premium</i></b>	<b><i>Value Line Derived Market Risk Premium</i></b>	
<i>Average Bloomberg Beta Coefficient</i>			
Current 30-Year Treasury (3.42%)	11.27%	10.69%	
Near Term Projected 30-Year Treasury (4.07%)	11.92%	11.34%	
<i>Average Value Line Beta Coefficient</i>			
Current 30-Year Treasury (3.42%)	11.17%	10.59%	
Near Term Projected 30-Year Treasury (4.07%)	11.82%	11.24%	
	<i>Low</i>	<i>Mid</i>	<i>High</i>
<b>Bond Yield Plus Risk Premium</b>	10.16%	10.31%	10.77%

2

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

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

Constant Growth Discounted Cash Flow Model  
30 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	\$52.51	3.81%	3.90%	4.40%	4.79%	4.50%	4.56%	8.29%	8.46%	8.69%
Cleco Corporation	CNL	\$1.60	\$51.44	3.11%	3.21%	8.00%	7.00%	4.50%	6.50%	7.68%	9.71%	11.23%
Duke Energy Corporation	DUK	\$3.12	\$72.19	4.32%	4.42%	4.20%	4.19%	5.00%	4.46%	8.60%	8.88%	9.43%
Empire District Electric Company	EDE	\$1.02	\$24.01	4.25%	4.32%	3.00%	3.00%	4.00%	3.33%	7.31%	7.65%	8.33%
Great Plains Energy Inc.	GXP	\$0.92	\$26.14	3.52%	3.62%	5.10%	5.25%	6.00%	5.45%	8.71%	9.07%	9.63%
Hawaiian Electric Industries, Inc.	HE	\$1.24	\$24.04	5.16%	5.27%	6.00%	3.20%	4.00%	4.40%	8.44%	9.67%	11.31%
IDACORP, Inc.	IDA	\$1.72	\$54.88	3.13%	3.19%	4.00%	4.00%	2.00%	3.33%	5.17%	6.52%	7.20%
NextEra Energy, Inc.	NEE	\$2.90	\$97.12	2.99%	3.08%	6.40%	6.23%	6.00%	6.21%	9.08%	9.29%	9.48%
Northeast Utilities	NU	\$1.57	\$45.96	3.42%	3.54%	6.90%	6.36%	8.00%	7.09%	9.88%	10.62%	11.55%
Otter Tail Corporation	OTTR	\$1.21	\$28.68	4.22%	4.44%	NA	6.00%	15.00%	10.50%	10.34%	14.94%	19.53%
Pinnacle West Capital Corporation	PNW	\$2.27	\$55.36	4.10%	4.19%	4.10%	4.28%	4.00%	4.13%	8.18%	8.31%	8.47%
PNM Resources, Inc.	PNM	\$0.74	\$27.74	2.67%	2.80%	8.50%	8.39%	12.00%	9.63%	11.17%	12.43%	14.83%
Portland General Electric Company	POR	\$1.12	\$32.84	3.41%	3.54%	6.80%	11.21%	5.00%	7.67%	8.50%	11.21%	14.81%
Southern Company	SO	\$2.10	\$44.28	4.74%	4.83%	3.70%	3.64%	3.50%	3.61%	8.33%	8.44%	8.53%
Westar Energy, Inc.	WR	\$1.40	\$35.54	3.94%	4.02%	3.70%	2.90%	6.00%	4.20%	6.90%	8.22%	10.06%
PROXY GROUP MEAN				3.79%	3.89%	5.34%	5.36%	5.97%	5.67%	8.44%	9.56%	10.87%
PROXY GROUP MEDIAN				3.81%	3.90%	4.75%	4.79%	5.00%	4.56%	8.44%	9.07%	9.63%

Notes:

[1] Source: Bloomberg Professional Service

[2] Source: Bloomberg Professional Service, equals 30-trading day average as of May 30, 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	\$50.54	3.96%	4.05%	4.40%	4.79%	4.50%	4.56%	8.44%	8.61%	8.84%
Cleco Corporation	CNL	\$1.60	\$49.91	3.21%	3.31%	8.00%	7.00%	4.50%	6.50%	7.78%	9.81%	11.33%
Duke Energy Corporation	DUK	\$3.12	\$71.04	4.39%	4.49%	4.20%	4.19%	5.00%	4.46%	8.67%	8.95%	9.50%
Empire District Electric Company	EDE	\$1.02	\$23.73	4.30%	4.37%	3.00%	3.00%	4.00%	3.33%	7.36%	7.70%	8.38%
Great Plains Energy Inc.	GXP	\$0.92	\$25.93	3.55%	3.64%	5.10%	5.25%	6.00%	5.45%	8.74%	9.09%	9.65%
Hawaiian Electric Industries, Inc.	HE	\$1.24	\$24.85	4.99%	5.10%	6.00%	3.20%	4.00%	4.40%	8.27%	9.50%	11.14%
IDACORP, Inc.	IDA	\$1.72	\$54.47	3.16%	3.21%	4.00%	4.00%	2.00%	3.33%	5.19%	6.54%	7.22%
NextEra Energy, Inc.	NEE	\$2.90	\$94.09	3.08%	3.18%	6.40%	6.23%	6.00%	6.21%	9.17%	9.39%	9.58%
Northeast Utilities	NU	\$1.57	\$44.89	3.50%	3.62%	6.90%	6.36%	8.00%	7.09%	9.97%	10.71%	11.64%
Otter Tail Corporation	OTTR	\$1.21	\$29.41	4.11%	4.33%	NA	6.00%	15.00%	10.50%	10.24%	14.83%	19.42%
Pinnacle West Capital Corporation	PNW	\$2.27	\$54.53	4.16%	4.25%	4.10%	4.28%	4.00%	4.13%	8.25%	8.38%	8.53%
PNM Resources, Inc.	PNM	\$0.74	\$26.51	2.79%	2.93%	8.50%	8.39%	12.00%	9.63%	11.30%	12.56%	14.96%
Portland General Electric Company	POR	\$1.12	\$31.86	3.52%	3.65%	6.80%	11.21%	5.00%	7.67%	8.60%	11.32%	14.92%
Southern Company	SO	\$2.10	\$43.16	4.87%	4.95%	3.70%	3.64%	3.50%	3.61%	8.45%	8.57%	8.66%
Westar Energy, Inc.	WR	\$1.40	\$34.62	4.04%	4.13%	3.70%	2.90%	6.00%	4.20%	7.00%	8.33%	10.17%
PROXY GROUP MEAN				3.84%	3.95%	5.34%	5.36%	5.97%	5.67%	8.50%	9.62%	10.93%
PROXY GROUP MEDIAN				3.96%	4.05%	4.75%	4.79%	5.00%	4.56%	8.45%	9.09%	9.65%

Notes:

[1] Source: Bloomberg Professional Service

[2] Source: Bloomberg Professional Service, equals 90-trading day average as of May 30, 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

		[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	\$48.18	4.15%	4.25%	4.40%	4.79%	4.50%	4.56%	8.64%	8.81%	9.04%
Cleco Corporation	CNL	\$1.60	\$47.92	3.34%	3.45%	8.00%	7.00%	4.50%	6.50%	7.91%	9.95%	11.47%
Duke Energy Corporation	DUK	\$3.12	\$70.14	4.45%	4.55%	4.20%	4.19%	5.00%	4.46%	8.73%	9.01%	9.56%
Empire District Electric Company	EDE	\$1.02	\$23.04	4.43%	4.50%	3.00%	3.00%	4.00%	3.33%	7.49%	7.83%	8.52%
Great Plains Energy Inc.	GXP	\$0.92	\$24.72	3.72%	3.82%	5.10%	5.25%	6.00%	5.45%	8.92%	9.27%	9.83%
Hawaiian Electric Industries, Inc.	HE	\$1.24	\$25.31	4.90%	5.01%	6.00%	3.20%	4.00%	4.40%	8.18%	9.41%	11.05%
IDACORP, Inc.	IDA	\$1.72	\$52.61	3.27%	3.32%	4.00%	4.00%	2.00%	3.33%	5.30%	6.66%	7.33%
NextEra Energy, Inc.	NEE	\$2.90	\$89.07	3.26%	3.36%	6.40%	6.23%	6.00%	6.21%	9.35%	9.57%	9.76%
Northeast Utilities	NU	\$1.57	\$43.38	3.62%	3.75%	6.90%	6.36%	8.00%	7.09%	10.09%	10.83%	11.76%
Otter Tail Corporation	OTTR	\$1.21	\$29.13	4.15%	4.37%	NA	6.00%	15.00%	10.50%	10.28%	14.87%	19.46%
Pinnacle West Capital Corporation	PNW	\$2.27	\$54.50	4.17%	4.25%	4.10%	4.28%	4.00%	4.13%	8.25%	8.38%	8.53%
PNM Resources, Inc.	PNM	\$0.74	\$24.93	2.97%	3.11%	8.50%	8.39%	12.00%	9.63%	11.48%	12.74%	15.15%
Portland General Electric Company	POR	\$1.12	\$30.57	3.66%	3.80%	6.80%	11.21%	5.00%	7.67%	8.76%	11.47%	15.08%
Southern Company	SO	\$2.10	\$42.21	4.97%	5.06%	3.70%	3.64%	3.50%	3.61%	8.56%	8.68%	8.77%
Westar Energy, Inc.	WR	\$1.40	\$33.10	4.23%	4.32%	3.70%	2.90%	6.00%	4.20%	7.19%	8.52%	10.36%
PROXY GROUP MEAN				3.95%	4.06%	5.34%	5.36%	5.97%	5.67%	8.61%	9.73%	11.04%
PROXY GROUP MEDIAN				4.15%	4.25%	4.75%	4.79%	5.00%	4.56%	8.64%	9.27%	9.83%

Notes:

[1] Source: Bloomberg Professional Service

[2] Source: Bloomberg Professional Service, equals 180-trading day average as of May 30, 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])

Multi-Stage Growth Discounted Cash Flow Model  
30 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]	
														Stock
Company	Ticker	Price	Zacks	First Call	Value	Average	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$52.51	4.40%	4.79%	4.50%	4.56%	5.71%	64.00%	63.00%	67.05%	\$0.00	9.84%	17.16	3.00
Cleco Corporation	CNL	\$51.44	8.00%	7.00%	4.50%	6.50%	5.71%	54.00%	57.00%	67.05%	\$0.00	10.01%	16.48	2.88
Duke Energy Corporation	DUK	\$72.19	4.20%	4.19%	5.00%	4.46%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.47%	18.88	3.30
Empire District Electric Company	EDE	\$24.01	3.00%	3.00%	4.00%	3.33%	5.71%	68.00%	64.00%	67.05%	\$0.00	9.38%	19.34	3.38
Great Plains Energy Inc.	GXP	\$26.14	5.10%	5.25%	6.00%	5.45%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	9.73%	17.65	3.09
Hawaiian Electric Industries, Inc.	HE	\$24.04	6.00%	3.20%	4.00%	4.40%	5.71%	61.00%	67.00%	67.05%	\$0.00	10.78%	14.00	2.45
IDACORP, Inc.	IDA	\$54.88	4.00%	4.00%	2.00%	3.33%	5.71%	43.00%	55.00%	67.05%	(\$0.00)	9.64%	18.05	3.16
NextEra Energy, Inc.	NEE	\$97.12	6.40%	6.23%	6.00%	6.21%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.49%	18.78	3.29
Northeast Utilities	NU	\$45.96	6.90%	6.36%	8.00%	7.09%	5.71%	59.00%	58.00%	67.05%	\$0.00	9.26%	19.97	3.50
Otter Tail Corporation	OTTR	\$28.68	NA	6.00%	15.00%	10.50%	5.71%	87.00%	59.00%	67.05%	(\$0.00)	9.82%	17.25	3.02
Pinnacle West Capital Corporation	PNW	\$55.36	4.10%	4.28%	4.00%	4.13%	5.71%	58.00%	64.00%	67.05%	(\$0.00)	10.17%	15.92	2.79
PNM Resources, Inc.	PNM	\$27.74	8.50%	8.39%	12.00%	9.63%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	10.75%	14.08	2.46
Portland General Electric Company	POR	\$32.84	6.80%	11.21%	5.00%	7.67%	5.71%	61.00%	50.00%	67.05%	\$0.00	10.70%	14.23	2.49
Southern Company	SO	\$44.28	3.70%	3.64%	3.50%	3.61%	5.71%	75.00%	72.00%	67.05%	(\$0.00)	9.95%	16.74	2.93
Westar Energy, Inc.	WR	\$35.54	3.70%	2.90%	6.00%	4.20%	5.71%	55.00%	60.00%	67.05%	\$0.00	9.94%	16.78	2.94

DCF Result			
Mean	9.93%	17.02	2.98
Max	10.78%	19.97	3.50
Min	9.26%	14.00	2.45

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	\$2.98	\$3.12	\$3.26	\$3.41	\$3.56	\$3.72	\$3.89	\$4.08	\$4.28	\$4.50	\$4.74	\$5.00	\$5.29	\$5.59	\$5.91	\$6.25	\$6.61
Cleco Corporation	CNL	\$2.70	\$2.88	\$3.06	\$3.26	\$3.47	\$3.70	\$3.94	\$4.19	\$4.45	\$4.72	\$5.01	\$5.30	\$5.60	\$5.92	\$6.26	\$6.62	\$7.00
Duke Energy Corporation	DUK	\$3.71	\$3.88	\$4.05	\$4.23	\$4.42	\$4.62	\$4.82	\$5.05	\$5.29	\$5.56	\$5.86	\$6.18	\$6.53	\$6.91	\$7.30	\$7.72	\$8.16
Empire District Electric Company	EDE	\$1.32	\$1.36	\$1.41	\$1.46	\$1.50	\$1.56	\$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	\$2.30	\$2.44	\$2.57	\$2.72	\$2.88	\$3.04	\$3.22
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.74	\$1.82	\$1.90	\$1.98	\$2.07	\$2.16	\$2.26	\$2.37	\$2.49	\$2.62	\$2.77	\$2.93	\$3.09	\$3.27	\$3.46	\$3.65
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	\$6.05	\$6.39	\$6.76
NextEra Energy, Inc.	NEE	\$4.56	\$4.84	\$5.14	\$5.46	\$5.80	\$6.16	\$6.55	\$6.95	\$7.37	\$7.81	\$8.26	\$8.74	\$9.24	\$9.77	\$10.33	\$10.92	\$11.54
Northeast Utilities	NU	\$1.89	\$2.02	\$2.17	\$2.32	\$2.49	\$2.66	\$2.85	\$3.05	\$3.25	\$3.46	\$3.67	\$3.89	\$4.11	\$4.34	\$4.59	\$4.85	\$5.13
Otter 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	\$3.73
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.64	\$3.79	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.87	\$5.11	\$5.38	\$5.67	\$6.00	\$6.34	\$6.70	\$7.08	\$7.49
PNM Resources, Inc.	PNM	\$1.41	\$1.55	\$1.69	\$1.86	\$2.04	\$2.23	\$2.45	\$2.67	\$2.89	\$3.11	\$3.33	\$3.54	\$3.74	\$3.96	\$4.18	\$4.42	\$4.68
Portland General Electric Company	POR	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.71	\$2.91	\$3.13	\$3.35	\$3.57	\$3.80	\$4.03	\$4.26	\$4.50	\$4.76	\$5.03	\$5.32
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.97	\$3.08	\$3.19	\$3.30	\$3.43	\$3.58	\$3.75	\$3.94	\$4.15	\$4.39	\$4.64	\$4.90	\$5.18	\$5.48
Westar Energy, Inc.	WR	\$2.15	\$2.24	\$2.33	\$2.43	\$2.53	\$2.64	\$2.75	\$2.87	\$3.01	\$3.16	\$3.32	\$3.50	\$3.71	\$3.92	\$4.14	\$4.38	\$4.63

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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.01%	67.02%	67.03%	67.04%	67.05%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	\$2.08	\$2.16	\$2.25	\$2.35	\$2.48	\$2.62	\$2.77	\$2.94	\$3.12	\$3.33	\$3.55	\$3.75	\$3.96	\$4.19	\$4.43	\$4.67	\$113.35
Cleco Corporation	CNL	\$1.55	\$1.68	\$1.81	\$1.95	\$2.11	\$2.30	\$2.51	\$2.73	\$2.96	\$3.21	\$3.48	\$3.76	\$3.97	\$4.20	\$4.44	\$4.69	\$4.95	\$115.31
Duke Energy Corporation	DUK	\$3.02	\$3.02	\$3.00	\$2.98	\$2.95	\$3.11	\$3.27	\$3.46	\$3.66	\$3.88	\$4.12	\$4.38	\$4.63	\$4.89	\$5.17	\$5.47	\$5.82	\$154.02
Empire District Electric Company	EDE	\$0.93	\$0.94	\$0.96	\$0.98	\$1.00	\$1.04	\$1.08	\$1.13	\$1.19	\$1.26	\$1.34	\$1.42	\$1.50	\$1.59	\$1.68	\$1.77	\$1.86	\$51.18
Great Plains Energy Inc.	GXP	\$0.78	\$0.87	\$0.96	\$1.06	\$1.16	\$1.23	\$1.30	\$1.37	\$1.45	\$1.54	\$1.63	\$1.73	\$1.82	\$1.93	\$2.04	\$2.16	\$2.28	\$56.75
Hawaiian Electric Industries, Inc.	HE	\$1.06	\$1.14	\$1.22	\$1.30	\$1.39	\$1.45	\$1.52	\$1.59	\$1.67	\$1.76	\$1.86	\$1.96	\$2.07	\$2.19	\$2.32	\$2.45	\$2.59	\$51.15
IDACORP, Inc.	IDA	\$1.50	\$1.66	\$1.82	\$2.00	\$2.18	\$2.33	\$2.49	\$2.67	\$2.87	\$3.09	\$3.34	\$3.63	\$3.83	\$4.05	\$4.29	\$4.53	\$4.78	\$121.98
NextEra Energy, Inc.	NEE	\$2.62	\$2.82	\$3.03	\$3.26	\$3.51	\$3.82	\$4.16	\$4.52	\$4.90	\$5.30	\$5.74	\$6.20	\$6.55	\$6.93	\$7.32	\$7.74	\$8.19	\$216.80
Northeast Utilities	NU	\$1.19	\$1.27	\$1.36	\$1.45	\$1.54	\$1.69	\$1.85	\$2.01	\$2.18	\$2.36	\$2.56	\$2.75	\$2.91	\$3.08	\$3.25	\$3.44	\$3.64	\$102.47
Otter 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	\$2.64	\$64.25
Pinnacle West Capital Corporation	PNW	\$2.11	\$2.26	\$2.41	\$2.57	\$2.74	\$2.87	\$3.02	\$3.18	\$3.36	\$3.56	\$3.78	\$4.02	\$4.25	\$4.49	\$4.75	\$5.02	\$5.29	\$119.19
PNM Resources, Inc.	PNM	\$0.70	\$0.78	\$0.87	\$0.98	\$1.09	\$1.26	\$1.44	\$1.64	\$1.85	\$2.06	\$2.28	\$2.51	\$2.65	\$2.81	\$2.97	\$3.14	\$3.34	\$65.82
Portland General Electric Company	POR	\$1.23	\$1.26	\$1.30	\$1.33	\$1.35	\$1.53	\$1.72	\$1.92	\$2.13	\$2.36	\$2.60	\$2.85	\$3.02	\$3.19	\$3.37	\$3.57	\$3.78	\$75.65
Southern Company	SO	\$2.07	\$2.13	\$2.18	\$2.24	\$2.30	\$2.36	\$2.42	\$2.50	\$2.59	\$2.70	\$2.81	\$2.94	\$3.11	\$3.29	\$3.47	\$3.67	\$3.87	\$91.72
Westar Energy, Inc.	WR	\$1.23	\$1.31	\$1.40	\$1.49	\$1.58	\$1.68	\$1.78	\$1.90	\$2.02	\$2.16	\$2.31	\$2.48	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$77.67

Projected Annual Data Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
Company	Ticker	Initial	5/30/14	12/31/14	6/30/15													

Multi-Stage Growth Discounted Cash Flow Model  
30 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
Company	Ticker	Price	Zacks	First Call	Value Line	High Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$52.51	4.40%	4.79%	4.50%	4.79%	5.71%	64.00%	63.00%	67.05%	(\$0.00)	9.91%	16.87	2.95
Cleco Corporation	CNL	\$51.44	8.00%	7.00%	4.50%	8.00%	5.71%	54.00%	57.00%	67.05%	\$0.00	10.49%	14.82	2.59
Duke Energy Corporation	DUK	\$72.19	4.20%	4.19%	5.00%	5.00%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.62%	18.13	3.17
Empire District Electric Company	EDE	\$24.01	3.00%	3.00%	4.00%	4.00%	5.71%	68.00%	64.00%	67.05%	\$0.00	9.57%	18.38	3.22
Great Plains Energy Inc.	GXP	\$26.14	5.10%	5.25%	6.00%	6.00%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	9.90%	16.95	2.97
Hawaiian Electric Industries, Inc.	HE	\$24.04	6.00%	3.20%	4.00%	6.00%	5.71%	61.00%	67.00%	67.05%	(\$0.00)	11.40%	12.46	2.18
IDACORP, Inc.	IDA	\$54.88	4.00%	4.00%	2.00%	4.00%	5.71%	43.00%	55.00%	67.05%	(\$0.00)	9.84%	17.18	3.01
NextEra Energy, Inc.	NEE	\$97.12	6.40%	6.23%	6.00%	6.40%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.54%	18.52	3.24
Northeast Utilities	NU	\$45.96	6.90%	6.36%	8.00%	8.00%	5.71%	59.00%	58.00%	67.05%	(\$0.00)	9.50%	18.70	3.27
Otter Tail Corporation	OTTR	\$28.68	NA	6.00%	15.00%	15.00%	5.71%	87.00%	59.00%	67.05%	(\$0.00)	11.26%	12.77	2.23
Pinnacle West Capital Corporation	PNW	\$55.36	4.10%	4.28%	4.00%	4.28%	5.71%	58.00%	64.00%	67.05%	\$0.00	10.22%	15.74	2.75
PNM Resources, Inc.	PNM	\$27.74	8.50%	8.39%	12.00%	12.00%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	11.59%	12.05	2.11
Portland General Electric Company	POR	\$32.84	6.80%	11.21%	5.00%	11.21%	5.71%	61.00%	50.00%	67.05%	\$0.00	12.02%	11.24	1.97
Southern Company	SO	\$44.28	3.70%	3.64%	3.50%	3.70%	5.71%	75.00%	72.00%	67.05%	(\$0.00)	9.97%	16.63	2.91
Westar Energy, Inc.	WR	\$35.54	3.70%	2.90%	6.00%	6.00%	5.71%	55.00%	60.00%	67.05%	(\$0.00)	10.53%	14.72	2.58

DCF Result			
Mean	10.36%	15.68	2.74
Max	12.02%	18.70	3.27
Min	9.50%	11.24	1.97

Projected Annual Earnings per Share																		
Company	Ticker	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
American Electric Power Company, Inc.	AEP	\$2.98	\$3.12	\$3.27	\$3.43	\$3.59	\$3.77	\$3.95	\$4.14	\$4.35	\$4.58	\$4.83	\$5.10	\$5.39	\$5.70	\$6.02	\$6.37	\$6.73
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	\$3.90	\$4.09	\$4.29	\$4.51	\$4.74	\$4.97	\$5.23	\$5.50	\$5.79	\$6.11	\$6.45	\$6.82	\$7.21	\$7.62	\$8.06	\$8.52
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	\$2.80
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	\$2.55	\$2.69	\$2.84	\$3.01	\$3.18	\$3.36
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.77	\$1.88	\$1.99	\$2.11	\$2.23	\$2.37	\$2.51	\$2.66	\$2.81	\$2.98	\$3.15	\$3.33	\$3.52	\$3.72	\$3.93	\$4.16
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	\$5.41	\$5.71	\$6.04	\$6.39	\$6.75	\$7.14
NextEra Energy, Inc.	NEE	\$4.56	\$4.85	\$5.16	\$5.49	\$5.84	\$6.22	\$6.62	\$7.03	\$7.47	\$7.92	\$8.39	\$8.88	\$9.39	\$9.92	\$10.49	\$11.09	\$11.72
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	\$4.94	\$5.22	\$5.52
Otter Tail Corporation	OTTR	\$1.05	\$1.21	\$1.39	\$1.60	\$1.84	\$2.11	\$2.43	\$2.76	\$3.08	\$3.40	\$3.70	\$3.97	\$4.20	\$4.44	\$4.69	\$4.96	\$5.24
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.65	\$3.81	\$3.97	\$4.14	\$4.32	\$4.50	\$4.70	\$4.93	\$5.17	\$5.44	\$5.74	\$6.07	\$6.42	\$6.78	\$7.17	\$7.58
PNM Resources, Inc.	PNM	\$1.41	\$1.58	\$1.77	\$1.98	\$2.22	\$2.48	\$2.78	\$3.09	\$3.39	\$3.69	\$3.98	\$4.25	\$4.50	\$4.75	\$5.02	\$5.31	\$5.61
Portland General Electric Company	POR	\$1.87	\$2.08	\$2.31	\$2.57	\$2.86	\$3.18	\$3.54	\$3.90	\$4.27	\$4.63	\$4.98	\$5.31	\$5.61	\$5.93	\$6.27	\$6.63	\$7.01
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.98	\$3.09	\$3.20	\$3.32	\$3.45	\$3.61	\$3.78	\$3.97	\$4.18	\$4.42	\$4.67	\$4.94	\$5.22	\$5.52
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	\$4.29	\$4.53	\$4.79	\$5.06	\$5.35

Projected Annual Dividend Payout Ratio																	
Company	Ticker	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.02%	67.03%	67.04%	67.05%	67.06%	67.07%	67.08%	67.09%	67.10%	67.11%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
American Electric Power Company, Inc.	AEP	\$2.00	\$2.09	\$2.18	\$2.27	\$2.37	\$2.51	\$2.66	\$2.82	\$2.99	\$3.18	\$3.39	\$3.61	\$3.82	\$4.04	\$4.27	\$4.51	\$481.53	
Cleco Corporation	CNL	\$1.57	\$1.72	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.32	\$3.61	\$3.92	\$4.23	\$4.47	\$4.73	\$5.00	\$5.28	\$116.81	
Duke Energy Corporation	DUK	\$3.04	\$3.05	\$3.05	\$3.04	\$3.03	\$3.20	\$3.39	\$3.59	\$3.81	\$4.04	\$4.30	\$4.57	\$4.84	\$5.11	\$5.40	\$5.71	\$154.52	
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	\$51.37	
Great Plains Energy Inc.	GXP	\$0.79	\$0.88	\$0.97	\$1.08	\$1.19	\$1.27	\$1.35	\$1.43	\$1.51	\$1.61	\$1.70	\$1.80	\$1.91	\$2.02	\$2.13	\$2.25	\$56.96	
Hawaiian Electric Industries, Inc.	HE	\$1.08	\$1.17	\$1.27	\$1.38	\$1.50	\$1.59	\$1.68	\$1.78	\$1.89	\$2.00	\$2.11	\$2.23	\$2.36	\$2.49	\$2.64	\$2.79	\$51.81	
IDACORP, Inc.	IDA	\$1.51	\$1.68	\$1.86	\$2.05	\$2.26	\$2.42	\$2.60	\$2.80	\$3.02	\$3.26	\$3.53	\$3.83	\$4.05	\$4.28	\$4.53	\$4.78	\$122.61	
NextEra Energy, Inc.	NEE	\$2.62	\$2.83	\$3.05	\$3.29	\$3.54	\$3.87	\$4.21	\$4.58	\$4.97	\$5.38	\$5.82	\$6.29	\$6.65	\$7.03	\$7.43	\$7.86	\$217.10	
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	\$103.13	
Otter 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	\$2.98	\$3.15	\$3.33	\$3.52	\$66.95	
Pinnacle West Capital Corporation	PNW	\$2.12	\$2.26	\$2.42	\$2.59	\$2.76	\$2.90	\$3.05	\$3.22	\$3.40	\$3.60	\$3.83	\$4.07	\$4.30	\$4.55	\$4.81	\$5.08	\$119.32	
PNM Resources, Inc.	PNM	\$0.71	\$0.81	\$0.93	\$1.06	\$1.22	\$1.44	\$1.67	\$1.93	\$2.19	\$2.46	\$2.74	\$3.01	\$3.19	\$3.37	\$3.56	\$3.76	\$67.65	
Portland General Electric Company	POR	\$1.27	\$1.35	\$1.43	\$1.51	\$1.59	\$1.85	\$2.14	\$2.45	\$2.77	\$3.10	\$3.43	\$3.76	\$3.98	\$4.20	\$4.44	\$4.70	\$78.76	
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	\$91.76	
Westar Energy, Inc.	WR	\$1.25	\$1.36	\$1.47	\$1.59	\$1.73	\$1.86	\$2.00	\$2.16	\$2.32	\$2.49	\$2.68	\$2.87	\$3.04	\$3.21	\$3.39	\$3.59	\$78.77	

Projected Annual Data Investor Cash Flows																		
Company	Ticker	[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
		Initial	5/30/14	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	(\$52.51)	\$0.00	\$1.21	\$2.18	\$2.27	\$2.37	\$2.51	\$2.66	\$2.82	\$2.99	\$3.18	\$3.39	\$3.61	\$3.82	\$4.04	\$4.27	\$118.04
Cleco Corporation	CNL	(\$51.44)	\$0.00	\$0.96	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.32	\$3.61	\$3.92	\$4.23	\$4.47	\$4.73	\$5.00	\$122.10
Duke Energy Corporation	DUK	(\$72.19)	\$0.00	\$1.83	\$3.05	\$3.04	\$3.03	\$3.2										

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

Inputs	Company	Ticker	[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	Terminal	
			Price	Zacks	First Call	Value Line	Low Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$52.51	4.40%	4.79%	4.50%	4.40%	5.71%	64.00%	63.00%	67.05%	\$0.00	9.79%	17.37	3.04	
Cleco Corporation	CNL	\$51.44	8.00%	7.00%	4.50%	4.50%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.43%	19.08	3.34	
Duke Energy Corporation	DUK	\$72.19	4.20%	4.19%	5.00%	4.19%	5.71%	78.00%	64.00%	67.05%	\$0.00	9.39%	19.27	3.37	
Empire District Electric Company	EDE	\$24.01	3.00%	3.00%	4.00%	3.00%	5.71%	68.00%	64.00%	67.05%	\$0.00	9.29%	19.84	3.47	
Great Plains Energy Inc.	GXP	\$26.14	5.10%	5.25%	6.00%	5.10%	5.71%	55.00%	66.00%	67.05%	\$0.00	9.63%	18.12	3.17	
Hawaiian Electric Industries, Inc.	HE	\$24.04	6.00%	3.20%	4.00%	3.20%	5.71%	61.00%	67.00%	67.05%	\$0.00	10.34%	15.31	2.68	
IDACORP, Inc.	IDA	\$54.88	4.00%	4.00%	2.00%	2.00%	5.71%	43.00%	55.00%	67.05%	(\$0.00)	9.26%	19.96	3.49	
NextEra Energy, Inc.	NEE	\$97.12	6.40%	6.23%	6.00%	6.00%	5.71%	54.00%	57.00%	67.05%	(\$0.00)	9.43%	19.07	3.34	
Northeast Utilities	NU	\$45.96	6.90%	6.36%	8.00%	6.36%	5.71%	59.00%	58.00%	67.05%	(\$0.00)	9.08%	21.06	3.69	
Otter Tail Corporation	OTTR	\$28.68	NA	6.00%	15.00%	6.00%	5.71%	87.00%	59.00%	67.05%	(\$0.00)	8.68%	23.87	4.18	
Pinnacle West Capital Corporation	PNW	\$55.36	4.10%	4.28%	4.00%	4.00%	5.71%	58.00%	64.00%	67.05%	(\$0.00)	10.12%	16.07	2.81	
PNM Resources, Inc.	PNM	\$27.74	8.50%	8.39%	12.00%	8.39%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	10.34%	15.31	2.68	
Portland General Electric Company	POR	\$32.84	6.80%	11.21%	5.00%	5.00%	5.71%	61.00%	50.00%	67.05%	(\$0.00)	9.84%	17.19	3.01	
Southern Company	SO	\$44.28	3.70%	3.64%	3.50%	3.50%	5.71%	75.00%	72.00%	67.05%	(\$0.00)	9.91%	16.89	2.96	
Westar Energy, Inc.	WR	\$35.54	3.70%	2.90%	6.00%	2.90%	5.71%	55.00%	60.00%	67.05%	(\$0.00)	9.54%	18.50	3.24	

DCF Result			
Mean	9.61%	18.46	3.23
Max	10.34%	23.87	4.18
Min	8.68%	15.31	2.68

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	\$2.98	\$3.11	\$3.25	\$3.39	\$3.54	\$3.70	\$3.86	\$4.04	\$4.23	\$4.45	\$4.68	\$4.94	\$5.22	\$5.52	\$5.83	\$6.17	\$6.52
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	\$3.87	\$4.03	\$4.20	\$4.37	\$4.56	\$4.75	\$4.96	\$5.19	\$5.45	\$5.73	\$6.04	\$6.39	\$6.75	\$7.14	\$7.55	\$7.98
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	\$2.44	\$2.58
Great Plains Energy Inc.	GXP	\$1.35	\$1.42	\$1.49	\$1.57	\$1.65	\$1.73	\$1.82	\$1.91	\$2.02	\$2.12	\$2.24	\$2.37	\$2.50	\$2.65	\$2.80	\$2.96	\$3.13
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.72	\$1.78	\$1.84	\$1.89	\$1.95	\$2.02	\$2.09	\$2.17	\$2.27	\$2.38	\$2.51	\$2.65	\$2.80	\$2.96	\$3.13	\$3.31
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	\$5.42	\$5.73	\$6.05
NextEra Energy, Inc.	NEE	\$4.56	\$4.83	\$5.12	\$5.43	\$5.76	\$6.10	\$6.47	\$6.85	\$7.26	\$7.68	\$8.13	\$8.60	\$9.09	\$9.61	\$10.16	\$10.74	\$11.35
Northeast Utilities	NU	\$1.89	\$2.01	\$2.14	\$2.27	\$2.42	\$2.57	\$2.74	\$2.91	\$3.09	\$3.27	\$3.47	\$3.67	\$3.88	\$4.10	\$4.33	\$4.58	\$4.84
Otter 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	\$1.98	\$2.09	\$2.21	\$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	\$1.41	\$1.53	\$1.66	\$1.80	\$1.95	\$2.11	\$2.29	\$2.47	\$2.65	\$2.84	\$3.03	\$3.21	\$3.40	\$3.59	\$3.80	\$4.01	\$4.24
Portland General Electric Company	POR	\$1.87	\$1.96	\$2.06	\$2.16	\$2.27	\$2.39	\$2.51	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.44	\$3.64	\$3.84	\$4.06	\$4.29
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	\$4.35	\$4.59	\$4.86	\$5.13	\$5.43
Westar Energy, Inc.	WR	\$2.15	\$2.21	\$2.28	\$2.34	\$2.41	\$2.48	\$2.55	\$2.64	\$2.74	\$2.86	\$2.99	\$3.15	\$3.33	\$3.52	\$3.72	\$3.94	\$4.16

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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.01%	67.02%	67.03%	67.03%	67.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	\$2.15	\$2.24	\$2.33	\$2.45	\$2.59	\$2.74	\$2.90	\$3.08	\$3.28	\$3.50	\$3.70	\$3.91	\$4.13	\$4.37	\$461.23	
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	\$3.78	\$3.99	\$461.59	
Duke Energy Corporation	DUK	\$3.02	\$3.00	\$2.98	\$2.95	\$2.92	\$3.06	\$3.22	\$3.39	\$3.58	\$3.79	\$4.03	\$4.28	\$4.53	\$4.79	\$5.06	\$5.35	\$561.78	
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	\$51.08	
Great Plains Energy Inc.	GXP	\$0.78	\$0.86	\$0.95	\$1.04	\$1.14	\$1.20	\$1.27	\$1.34	\$1.41	\$1.50	\$1.58	\$1.68	\$1.77	\$1.88	\$1.98	\$2.10	\$56.63	
Hawaiian Electric Industries, Inc.	HE	\$1.05	\$1.11	\$1.17	\$1.24	\$1.31	\$1.35	\$1.40	\$1.46	\$1.52	\$1.60	\$1.68	\$1.78	\$1.88	\$1.99	\$2.10	\$2.22	\$50.71	
IDACORP, Inc.	IDA	\$1.48	\$1.61	\$1.75	\$1.90	\$2.05	\$2.15	\$2.28	\$2.42	\$2.58	\$2.77	\$3.00	\$3.25	\$3.44	\$3.63	\$3.84	\$4.06	\$120.85	
NextEra Energy, Inc.	NEE	\$2.61	\$2.81	\$3.01	\$3.24	\$3.48	\$3.78	\$4.10	\$4.45	\$4.82	\$5.22	\$5.64	\$6.09	\$6.44	\$6.81	\$7.20	\$7.61	\$216.47	
Northeast Utilities	NU	\$1.19	\$1.26	\$1.33	\$1.41	\$1.49	\$1.62	\$1.76	\$1.91	\$2.07	\$2.23	\$2.41	\$2.60	\$2.75	\$2.91	\$3.07	\$3.25	\$101.97	
Otter 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	\$1.75	\$62.40	
Pinnacle West Capital Corporation	PNW	\$2.11	\$2.25	\$2.40	\$2.56	\$2.73	\$2.85	\$3.00	\$3.15	\$3.33	\$3.52	\$3.74	\$3.98	\$4.21	\$4.45	\$4.70	\$4.97	\$119.08	
PNM Resources, Inc.	PNM	\$0.69	\$0.76	\$0.84	\$0.93	\$1.03	\$1.18	\$1.34	\$1.51	\$1.68	\$1.87	\$2.07	\$2.28	\$2.41	\$2.55	\$2.69	\$2.85	\$64.98	
Portland General Electric Company	POR	\$1.20	\$1.20	\$1.20	\$1.20	\$1.19	\$1.31	\$1.45	\$1.59	\$1.74	\$1.92	\$2.10	\$2.31	\$2.44	\$2.58	\$2.72	\$2.88	\$73.82	
Southern Company	SO	\$2.07	\$2.12	\$2.18	\$2.23	\$2.28	\$2.34	\$2.41	\$2.48	\$2.57	\$2.67	\$2.79	\$2.91	\$3.08	\$3.26	\$3.44	\$3.64	\$91.66	
Westar Energy, Inc.	WR	\$1.22	\$1.28	\$1.35	\$1.42	\$1.49	\$1.56	\$1.64	\$1.73	\$1.83	\$1.95	\$2.08	\$2.23	\$2.36	\$2.50	\$2.64	\$2.79	\$76.98	

Projected Annual Data Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
Company	Ticker	Initial	5/30/14	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																	

Multi-Stage Growth Discounted Cash Flow Model  
90 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]	
														Stock
Company	Ticker	Price	Zacks	First Call	Value	Average	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$50.54	4.40%	4.79%	4.50%	4.56%	5.71%	64.00%	63.00%	67.05%	(\$0.00)	10.01%	16.51	2.89
Cleco Corporation	CNL	\$49.91	8.00%	7.00%	4.50%	6.50%	5.71%	54.00%	57.00%	67.05%	\$0.00	10.14%	16.00	2.80
Duke Energy Corporation	DUK	\$71.04	4.20%	4.19%	5.00%	4.46%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.53%	18.57	3.25
Empire District Electric Company	EDE	\$23.73	3.00%	3.00%	4.00%	3.33%	5.71%	68.00%	64.00%	67.05%	(\$0.00)	9.42%	19.11	3.34
Great Plains Energy Inc.	GXP	\$25.93	5.10%	5.25%	6.00%	5.45%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	9.76%	17.51	3.06
Hawaiian Electric Industries, Inc.	HE	\$24.85	6.00%	3.20%	4.00%	4.40%	5.71%	61.00%	67.00%	67.05%	\$0.00	10.61%	14.48	2.53
IDACORP, Inc.	IDA	\$54.47	4.00%	4.00%	2.00%	3.33%	5.71%	43.00%	55.00%	67.05%	\$0.00	9.67%	17.92	3.14
NextEra Energy, Inc.	NEE	\$94.09	6.40%	6.23%	6.00%	6.21%	5.71%	54.00%	57.00%	67.05%	(\$0.00)	9.61%	18.20	3.19
Northeast Utilities	NU	\$44.89	6.90%	6.36%	8.00%	7.09%	5.71%	59.00%	58.00%	67.05%	\$0.00	9.35%	19.51	3.41
Otter Tail Corporation	OTTR	\$29.41	NA	6.00%	15.00%	10.50%	5.71%	87.00%	59.00%	67.05%	\$0.00	9.72%	17.68	3.09
Pinnacle West Capital Corporation	PNW	\$54.53	4.10%	4.28%	4.00%	4.13%	5.71%	58.00%	64.00%	67.05%	\$0.00	10.24%	15.67	2.74
PNM Resources, Inc.	PNM	\$26.51	8.50%	8.39%	12.00%	9.63%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	10.97%	13.49	2.36
Portland General Electric Company	POR	\$31.86	6.80%	11.21%	5.00%	7.67%	5.71%	61.00%	50.00%	67.05%	(\$0.00)	10.84%	13.82	2.42
Southern Company	SO	\$43.16	3.70%	3.64%	3.50%	3.61%	5.71%	75.00%	72.00%	67.05%	(\$0.00)	10.06%	16.30	2.85
Westar Energy, Inc.	WR	\$34.62	3.70%	2.90%	6.00%	4.20%	5.71%	55.00%	60.00%	67.05%	\$0.00	10.05%	16.35	2.86

DCF Result			
Mean	10.00%	16.74	2.93
Max	10.97%	19.51	3.41
Min	9.35%	13.49	2.36

Projected Annual Earnings per Share																		
Company	Ticker	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
American Electric Power Company, Inc.	AEP	\$2.98	\$3.12	\$3.26	\$3.41	\$3.56	\$3.72	\$3.89	\$4.08	\$4.28	\$4.50	\$4.74	\$5.00	\$5.29	\$5.59	\$5.91	\$6.25	\$6.61
Cleco Corporation	CNL	\$2.70	\$2.88	\$3.06	\$3.26	\$3.47	\$3.70	\$3.94	\$4.19	\$4.45	\$4.72	\$5.01	\$5.30	\$5.60	\$5.92	\$6.26	\$6.62	\$7.00
Duke Energy Corporation	DUK	\$3.71	\$3.88	\$4.05	\$4.23	\$4.42	\$4.62	\$4.82	\$5.05	\$5.29	\$5.56	\$5.86	\$6.18	\$6.53	\$6.91	\$7.30	\$7.72	\$8.16
Empire District Electric Company	EDE	\$1.32	\$1.36	\$1.41	\$1.46	\$1.50	\$1.56	\$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	\$2.30	\$2.44	\$2.57	\$2.72	\$2.88	\$3.04	\$3.22
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.74	\$1.82	\$1.90	\$1.98	\$2.07	\$2.16	\$2.26	\$2.37	\$2.49	\$2.62	\$2.77	\$2.93	\$3.09	\$3.27	\$3.46	\$3.65
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	\$6.05	\$6.39	\$6.76
NextEra Energy, Inc.	NEE	\$4.56	\$4.84	\$5.14	\$5.46	\$5.80	\$6.16	\$6.55	\$6.95	\$7.37	\$7.81	\$8.26	\$8.74	\$9.24	\$9.77	\$10.33	\$10.92	\$11.54
Northeast Utilities	NU	\$1.89	\$2.02	\$2.17	\$2.32	\$2.49	\$2.66	\$2.85	\$3.05	\$3.25	\$3.46	\$3.67	\$3.89	\$4.11	\$4.34	\$4.59	\$4.85	\$5.13
Otter 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	\$3.73
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.64	\$3.79	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.87	\$5.11	\$5.38	\$5.67	\$6.00	\$6.34	\$6.70	\$7.08	\$7.49
PNM Resources, Inc.	PNM	\$1.41	\$1.55	\$1.69	\$1.86	\$2.04	\$2.23	\$2.45	\$2.67	\$2.89	\$3.11	\$3.33	\$3.54	\$3.74	\$3.96	\$4.18	\$4.42	\$4.68
Portland General Electric Company	POR	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.71	\$2.91	\$3.13	\$3.35	\$3.57	\$3.80	\$4.03	\$4.26	\$4.50	\$4.76	\$5.03	\$5.32
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.97	\$3.08	\$3.19	\$3.30	\$3.43	\$3.58	\$3.75	\$3.94	\$4.15	\$4.39	\$4.64	\$4.90	\$5.18	\$5.48
Westar Energy, Inc.	WR	\$2.15	\$2.24	\$2.33	\$2.43	\$2.53	\$2.64	\$2.75	\$2.87	\$3.01	\$3.16	\$3.32	\$3.50	\$3.71	\$3.92	\$4.14	\$4.38	\$4.63

Projected Annual Dividend Payout Ratio																	
Company	Ticker	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.02%	67.03%	67.04%	67.05%	67.06%	67.07%	67.08%	67.09%	67.10%	67.11%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
American Electric Power Company, Inc.	AEP	\$1.99	\$2.08	\$2.16	\$2.25	\$2.35	\$2.48	\$2.62	\$2.77	\$2.94	\$3.12	\$3.33	\$3.55	\$3.75	\$3.96	\$4.19	\$4.43	\$4.67	\$109.04
Cleco Corporation	CNL	\$1.55	\$1.68	\$1.81	\$1.95	\$2.11	\$2.30	\$2.51	\$2.73	\$2.96	\$3.21	\$3.48	\$3.76	\$3.97	\$4.20	\$4.44	\$4.69	\$4.94	\$111.94
Duke Energy Corporation	DUK	\$3.02	\$3.02	\$3.00	\$2.98	\$2.95	\$3.11	\$3.27	\$3.46	\$3.66	\$3.88	\$4.12	\$4.38	\$4.63	\$4.89	\$5.17	\$5.47	\$5.77	\$151.51
Empire District Electric Company	EDE	\$0.93	\$0.94	\$0.96	\$0.98	\$1.00	\$1.04	\$1.08	\$1.13	\$1.19	\$1.26	\$1.34	\$1.42	\$1.50	\$1.59	\$1.68	\$1.77	\$1.86	\$50.57
Great Plains Energy Inc.	GXP	\$0.78	\$0.87	\$0.96	\$1.06	\$1.16	\$1.23	\$1.30	\$1.37	\$1.45	\$1.54	\$1.63	\$1.73	\$1.82	\$1.93	\$2.04	\$2.16	\$2.28	\$56.30
Hawaiian Electric Industries, Inc.	HE	\$1.06	\$1.14	\$1.22	\$1.30	\$1.39	\$1.45	\$1.52	\$1.59	\$1.67	\$1.76	\$1.86	\$1.96	\$2.07	\$2.19	\$2.32	\$2.45	\$2.59	\$52.91
IDACORP, Inc.	IDA	\$1.50	\$1.66	\$1.82	\$2.00	\$2.18	\$2.33	\$2.49	\$2.67	\$2.87	\$3.09	\$3.34	\$3.63	\$3.83	\$4.05	\$4.29	\$4.53	\$4.77	\$121.07
NextEra Energy, Inc.	NEE	\$2.62	\$2.82	\$3.03	\$3.26	\$3.51	\$3.82	\$4.16	\$4.52	\$4.90	\$5.30	\$5.74	\$6.20	\$6.55	\$6.93	\$7.32	\$7.74	\$8.18	\$210.15
Northeast Utilities	NU	\$1.19	\$1.27	\$1.36	\$1.45	\$1.54	\$1.69	\$1.85	\$2.01	\$2.18	\$2.36	\$2.56	\$2.75	\$2.91	\$3.08	\$3.25	\$3.44	\$3.63	\$100.11
Otter 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	\$2.65	\$65.85
Pinnacle West Capital Corporation	PNW	\$2.11	\$2.26	\$2.41	\$2.57	\$2.74	\$2.87	\$3.02	\$3.18	\$3.36	\$3.56	\$3.78	\$4.02	\$4.25	\$4.49	\$4.75	\$5.02	\$5.29	\$117.37
PNM Resources, Inc.	PNM	\$0.70	\$0.78	\$0.87	\$0.98	\$1.09	\$1.26	\$1.44	\$1.64	\$1.85	\$2.06	\$2.28	\$2.51	\$2.65	\$2.81	\$2.97	\$3.14	\$3.31	\$63.09
Portland General Electric Company	POR	\$1.23	\$1.26	\$1.30	\$1.33	\$1.35	\$1.53	\$1.72	\$1.92	\$2.13	\$2.36	\$2.60	\$2.85	\$3.02	\$3.19	\$3.37	\$3.57	\$3.77	\$73.47
Southern Company	SO	\$2.07	\$2.13	\$2.18	\$2.24	\$2.30	\$2.36	\$2.42	\$2.50	\$2.59	\$2.70	\$2.81	\$2.94	\$3.11	\$3.29	\$3.47	\$3.67	\$3.87	\$89.28
Westar Energy, Inc.	WR	\$1.23	\$1.31	\$1.40	\$1.49	\$1.58	\$1.68	\$1.78	\$1.90	\$2.02	\$2.16	\$2.31	\$2.48	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$75.64

Projected Annual Data Investor Cash Flows																			
Company	Ticker	[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	
		Initial	5/30/14	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	(\$50.54)	\$0.00	\$1.20	\$2.16	\$2.25	\$2.35	\$2.48	\$2.62	\$2.77	\$2.94	\$3.12	\$3.33	\$3.55	\$3.75	\$3.96	\$4.19	\$4.43	\$113.46
Cleco Corporation	CNL	(\$49.91)	\$0.00	\$0.94	\$1.81	\$1.95	\$2.11	\$2.30	\$2.51	\$2.73	\$2.96	\$3.21</							

Multi-Stage Growth Discounted Cash Flow Model  
90 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
Company	Ticker	Price	Zacks	First Call	Value Line	High Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$50.54	4.40%	4.79%	4.50%	4.79%	5.71%	64.00%	63.00%	67.05%	(\$0.00)	10.08%	16.23	2.84
Cleco Corporation	CNL	\$49.91	8.00%	7.00%	4.50%	8.00%	5.71%	54.00%	57.00%	67.05%	\$0.00	10.64%	14.40	2.52
Duke Energy Corporation	DUK	\$71.04	4.20%	4.19%	5.00%	5.00%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.69%	17.84	3.12
Empire District Electric Company	EDE	\$23.73	3.00%	3.00%	4.00%	4.00%	5.71%	68.00%	64.00%	67.05%	(\$0.00)	9.62%	18.16	3.18
Great Plains Energy Inc.	GXP	\$25.93	5.10%	5.25%	6.00%	6.00%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	9.93%	16.82	2.94
Hawaiian Electric Industries, Inc.	HE	\$24.85	6.00%	3.20%	4.00%	6.00%	5.71%	61.00%	67.00%	67.05%	(\$0.00)	11.21%	12.89	2.26
IDACORP, Inc.	IDA	\$54.47	4.00%	4.00%	2.00%	4.00%	5.71%	43.00%	55.00%	67.05%	\$0.00	9.87%	17.05	2.98
NextEra Energy, Inc.	NEE	\$94.09	6.40%	6.23%	6.00%	6.40%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.66%	17.95	3.14
Northeast Utilities	NU	\$44.89	6.90%	6.36%	8.00%	8.00%	5.71%	59.00%	58.00%	67.05%	(\$0.00)	9.59%	18.27	3.20
Otter Tail Corporation	OTTR	\$29.41	NA	6.00%	15.00%	15.00%	5.71%	87.00%	59.00%	67.05%	\$0.00	11.13%	13.08	2.29
Pinnacle West Capital Corporation	PNW	\$54.53	4.10%	4.28%	4.00%	4.28%	5.71%	58.00%	64.00%	67.05%	\$0.00	10.29%	15.50	2.71
PNM Resources, Inc.	PNM	\$26.51	8.50%	8.39%	12.00%	12.00%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	11.84%	11.56	2.02
Portland General Electric Company	POR	\$31.86	6.80%	11.21%	5.00%	11.21%	5.71%	61.00%	50.00%	67.05%	\$0.00	12.20%	10.92	1.91
Southern Company	SO	\$43.16	3.70%	3.64%	3.50%	3.70%	5.71%	75.00%	72.00%	67.05%	\$0.00	10.09%	16.19	2.83
Westar Energy, Inc.	WR	\$34.62	3.70%	2.90%	6.00%	6.00%	5.71%	55.00%	60.00%	67.05%	\$0.00	10.66%	14.34	2.51

DCF Result			
Mean	10.43%	15.41	2.70
Max	12.20%	18.27	3.20
Min	9.59%	10.92	1.91

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	\$2.98	\$3.12	\$3.27	\$3.43	\$3.59	\$3.77	\$3.95	\$4.14	\$4.35	\$4.58	\$4.83	\$5.10	\$5.39	\$5.70	\$6.02	\$6.37	\$6.73
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	\$3.90	\$4.09	\$4.29	\$4.51	\$4.74	\$4.97	\$5.23	\$5.50	\$5.79	\$6.11	\$6.45	\$6.82	\$7.21	\$7.62	\$8.06	\$8.52
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	\$2.80
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	\$2.55	\$2.69	\$2.84	\$3.01	\$3.18	\$3.36
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.77	\$1.88	\$1.99	\$2.11	\$2.23	\$2.37	\$2.51	\$2.66	\$2.81	\$2.98	\$3.15	\$3.33	\$3.52	\$3.72	\$3.93	\$4.16
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	\$5.41	\$5.71	\$6.04	\$6.39	\$6.75	\$7.14
NextEra Energy, Inc.	NEE	\$4.56	\$4.85	\$5.16	\$5.49	\$5.84	\$6.22	\$6.62	\$7.03	\$7.47	\$7.92	\$8.39	\$8.88	\$9.39	\$9.92	\$10.49	\$11.09	\$11.72
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	\$4.94	\$5.22	\$5.52
Otter Tail Corporation	OTTR	\$1.05	\$1.21	\$1.39	\$1.60	\$1.84	\$2.11	\$2.43	\$2.76	\$3.08	\$3.40	\$3.70	\$3.97	\$4.20	\$4.44	\$4.69	\$4.96	\$5.24
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.65	\$3.81	\$3.97	\$4.14	\$4.32	\$4.50	\$4.70	\$4.93	\$5.17	\$5.44	\$5.74	\$6.07	\$6.42	\$6.78	\$7.17	\$7.58
PNM Resources, Inc.	PNM	\$1.41	\$1.58	\$1.77	\$1.98	\$2.22	\$2.48	\$2.78	\$3.09	\$3.39	\$3.69	\$3.98	\$4.25	\$4.50	\$4.75	\$5.02	\$5.31	\$5.61
Portland General Electric Company	POR	\$1.87	\$2.08	\$2.31	\$2.57	\$2.86	\$3.18	\$3.54	\$3.90	\$4.27	\$4.63	\$4.98	\$5.31	\$5.61	\$5.93	\$6.27	\$6.63	\$7.01
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.98	\$3.09	\$3.20	\$3.32	\$3.45	\$3.61	\$3.78	\$3.97	\$4.18	\$4.42	\$4.67	\$4.94	\$5.22	\$5.52
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	\$4.29	\$4.53	\$4.79	\$5.06	\$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%	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	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.02%	67.03%	67.04%	67.05%	67.06%	67.07%	67.08%	67.09%	67.10%	67.11%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	\$2.00	\$2.09	\$2.18	\$2.27	\$2.37	\$2.51	\$2.66	\$2.82	\$2.99	\$3.18	\$3.39	\$3.61	\$3.82	\$4.04	\$4.27	\$4.51	\$109.21	
Cleco Corporation	CNL	\$1.57	\$1.72	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.32	\$3.61	\$3.92	\$4.23	\$4.47	\$4.73	\$5.00	\$5.28	\$113.44	
Duke Energy Corporation	DUK	\$3.04	\$3.05	\$3.05	\$3.04	\$3.03	\$3.20	\$3.39	\$3.59	\$3.81	\$4.04	\$4.30	\$4.57	\$4.84	\$5.11	\$5.40	\$5.71	\$152.00	
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	\$50.77	
Great Plains Energy Inc.	GXP	\$0.79	\$0.88	\$0.97	\$1.08	\$1.19	\$1.27	\$1.35	\$1.43	\$1.51	\$1.61	\$1.70	\$1.80	\$1.91	\$2.02	\$2.13	\$2.25	\$56.51	
Hawaiian Electric Industries, Inc.	HE	\$1.08	\$1.17	\$1.27	\$1.38	\$1.50	\$1.59	\$1.68	\$1.78	\$1.89	\$2.00	\$2.11	\$2.23	\$2.36	\$2.49	\$2.64	\$2.79	\$53.58	
IDACORP, Inc.	IDA	\$1.51	\$1.68	\$1.86	\$2.05	\$2.26	\$2.42	\$2.60	\$2.80	\$3.02	\$3.26	\$3.53	\$3.83	\$4.05	\$4.28	\$4.53	\$4.78	\$121.70	
NextEra Energy, Inc.	NEE	\$2.62	\$2.83	\$3.05	\$3.29	\$3.54	\$3.87	\$4.21	\$4.58	\$4.97	\$5.38	\$5.82	\$6.29	\$6.65	\$7.03	\$7.43	\$7.86	\$210.45	
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	\$100.77	
Otter 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	\$2.98	\$3.15	\$3.33	\$3.52	\$68.56	
Pinnacle West Capital Corporation	PNW	\$2.12	\$2.26	\$2.42	\$2.59	\$2.76	\$2.90	\$3.05	\$3.22	\$3.40	\$3.60	\$3.83	\$4.07	\$4.30	\$4.55	\$4.81	\$5.08	\$117.50	
PNM Resources, Inc.	PNM	\$0.71	\$0.81	\$0.93	\$1.06	\$1.22	\$1.44	\$1.67	\$1.93	\$2.19	\$2.46	\$2.74	\$3.01	\$3.19	\$3.37	\$3.56	\$3.76	\$64.91	
Portland General Electric Company	POR	\$1.27	\$1.35	\$1.43	\$1.51	\$1.59	\$1.85	\$2.14	\$2.45	\$2.77	\$3.10	\$3.43	\$3.76	\$3.98	\$4.20	\$4.44	\$4.70	\$76.55	
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	\$89.32	
Westar Energy, Inc.	WR	\$1.25	\$1.36	\$1.47	\$1.59	\$1.73	\$1.86	\$2.00	\$2.16	\$2.32	\$2.49	\$2.68	\$2.87	\$3.04	\$3.21	\$3.39	\$3.59	\$76.75	

Projected Annual Data Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
Company	Ticker	Initial	5/30/14	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	

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

Inputs	Company	Ticker	[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	Terminal	
			Price	Zacks	First Call	Value Line	Low Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$50.54	4.40%	4.79%	4.50%	4.40%	5.71%	64.00%	63.00%	67.05%	\$0.00	9.96%	16.71	2.92	
Cleco Corporation	CNL	\$49.91	8.00%	7.00%	4.50%	4.50%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.54%	18.51	3.24	
Duke Energy Corporation	DUK	\$71.04	4.20%	4.19%	5.00%	4.19%	5.71%	78.00%	64.00%	67.05%	\$0.00	9.45%	18.96	3.32	
Empire District Electric Company	EDE	\$23.73	3.00%	3.00%	4.00%	3.00%	5.71%	68.00%	64.00%	67.05%	(\$0.00)	9.33%	19.60	3.43	
Great Plains Energy Inc.	GXP	\$25.93	5.10%	5.25%	6.00%	5.10%	5.71%	55.00%	66.00%	67.05%	\$0.00	9.66%	17.97	3.15	
Hawaiian Electric Industries, Inc.	HE	\$24.85	6.00%	3.20%	4.00%	3.20%	5.71%	61.00%	67.00%	67.05%	\$0.00	10.19%	15.85	2.77	
IDACORP, Inc.	IDA	\$54.47	4.00%	4.00%	2.00%	2.00%	5.71%	43.00%	55.00%	67.05%	\$0.00	9.29%	19.81	3.47	
NextEra Energy, Inc.	NEE	\$94.09	6.40%	6.23%	6.00%	6.00%	5.71%	54.00%	57.00%	67.05%	(\$0.00)	9.55%	18.48	3.24	
Northeast Utilities	NU	\$44.89	6.90%	6.36%	8.00%	6.36%	5.71%	59.00%	58.00%	67.05%	(\$0.00)	9.16%	20.57	3.60	
Otter Tail Corporation	OTTR	\$29.41	NA	6.00%	15.00%	6.00%	5.71%	87.00%	59.00%	67.05%	\$0.00	8.61%	24.48	4.28	
Pinnacle West Capital Corporation	PNW	\$54.53	4.10%	4.28%	4.00%	4.00%	5.71%	58.00%	64.00%	67.05%	(\$0.00)	10.19%	15.82	2.77	
PNM Resources, Inc.	PNM	\$26.51	8.50%	8.39%	12.00%	8.39%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	10.54%	14.67	2.57	
Portland General Electric Company	POR	\$31.86	6.80%	11.21%	5.00%	5.00%	5.71%	61.00%	50.00%	67.05%	(\$0.00)	9.96%	16.68	2.92	
Southern Company	SO	\$43.16	3.70%	3.64%	3.50%	3.50%	5.71%	75.00%	72.00%	67.05%	\$0.00	10.02%	16.44	2.88	
Westar Energy, Inc.	WR	\$34.62	3.70%	2.90%	6.00%	2.90%	5.71%	55.00%	60.00%	67.05%	(\$0.00)	9.65%	18.02	3.15	

DCF Result			
Mean	9.67%	18.17	3.18
Max	10.54%	24.48	4.28
Min	8.61%	14.67	2.57

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	\$2.98	\$3.11	\$3.25	\$3.39	\$3.54	\$3.70	\$3.86	\$4.04	\$4.23	\$4.45	\$4.68	\$4.94	\$5.22	\$5.52	\$5.83	\$6.17	\$6.52
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	\$3.87	\$4.03	\$4.20	\$4.37	\$4.56	\$4.75	\$4.96	\$5.19	\$5.45	\$5.73	\$6.04	\$6.39	\$6.75	\$7.14	\$7.55	\$7.98
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	\$2.44	\$2.58
Great Plains Energy Inc.	GXP	\$1.35	\$1.42	\$1.49	\$1.57	\$1.65	\$1.73	\$1.82	\$1.91	\$2.02	\$2.12	\$2.24	\$2.37	\$2.50	\$2.65	\$2.80	\$2.96	\$3.13
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.72	\$1.78	\$1.84	\$1.89	\$1.95	\$2.02	\$2.09	\$2.17	\$2.27	\$2.38	\$2.51	\$2.65	\$2.80	\$2.96	\$3.13	\$3.31
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	\$5.42	\$5.73	\$6.05
NextEra Energy, Inc.	NEE	\$4.56	\$4.83	\$5.12	\$5.43	\$5.76	\$6.10	\$6.47	\$6.85	\$7.26	\$7.68	\$8.13	\$8.60	\$9.09	\$9.61	\$10.16	\$10.74	\$11.35
Northeast Utilities	NU	\$1.89	\$2.01	\$2.14	\$2.27	\$2.42	\$2.57	\$2.74	\$2.91	\$3.09	\$3.27	\$3.47	\$3.67	\$3.88	\$4.10	\$4.33	\$4.58	\$4.84
Otter 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	\$1.98	\$2.09	\$2.21	\$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	\$1.41	\$1.53	\$1.66	\$1.80	\$1.95	\$2.11	\$2.29	\$2.47	\$2.65	\$2.84	\$3.03	\$3.21	\$3.40	\$3.59	\$3.80	\$4.01	\$4.24
Portland General Electric Company	POR	\$1.87	\$1.96	\$2.06	\$2.16	\$2.27	\$2.39	\$2.51	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.44	\$3.64	\$3.84	\$4.06	\$4.29
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	\$4.35	\$4.59	\$4.86	\$5.13	\$5.43
Westar Energy, Inc.	WR	\$2.15	\$2.21	\$2.28	\$2.34	\$2.41	\$2.48	\$2.55	\$2.64	\$2.74	\$2.86	\$2.99	\$3.15	\$3.33	\$3.52	\$3.72	\$3.94	\$4.16

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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.01%	67.02%	67.03%	67.03%	67.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	\$2.15	\$2.24	\$2.33	\$2.45	\$2.59	\$2.74	\$2.90	\$3.08	\$3.28	\$3.50	\$3.70	\$3.91	\$4.13	\$4.37	\$468.91	
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	\$3.78	\$3.99	\$110.23	
Duke Energy Corporation	DUK	\$3.02	\$3.00	\$2.98	\$2.95	\$2.92	\$3.06	\$3.22	\$3.39	\$3.58	\$3.79	\$4.03	\$4.28	\$4.53	\$4.79	\$5.06	\$5.35	\$151.27	
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	\$50.48	
Great Plains Energy Inc.	GXP	\$0.78	\$0.86	\$0.95	\$1.04	\$1.14	\$1.20	\$1.27	\$1.34	\$1.41	\$1.50	\$1.58	\$1.68	\$1.77	\$1.88	\$1.98	\$2.10	\$56.17	
Hawaiian Electric Industries, Inc.	HE	\$1.05	\$1.11	\$1.17	\$1.24	\$1.31	\$1.35	\$1.40	\$1.46	\$1.52	\$1.60	\$1.68	\$1.78	\$1.88	\$1.99	\$2.10	\$2.22	\$52.48	
IDACORP, Inc.	IDA	\$1.48	\$1.61	\$1.75	\$1.90	\$2.05	\$2.15	\$2.28	\$2.42	\$2.58	\$2.77	\$3.00	\$3.25	\$3.44	\$3.63	\$3.84	\$4.06	\$119.94	
NextEra Energy, Inc.	NEE	\$2.61	\$2.81	\$3.01	\$3.24	\$3.48	\$3.78	\$4.10	\$4.45	\$4.82	\$5.22	\$5.64	\$6.09	\$6.44	\$6.81	\$7.20	\$7.61	\$209.82	
Northeast Utilities	NU	\$1.19	\$1.26	\$1.33	\$1.41	\$1.49	\$1.62	\$1.76	\$1.91	\$2.07	\$2.23	\$2.41	\$2.60	\$2.75	\$2.91	\$3.07	\$3.25	\$99.62	
Otter 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	\$1.75	\$63.99	
Pinnacle West Capital Corporation	PNW	\$2.11	\$2.25	\$2.40	\$2.56	\$2.73	\$2.85	\$3.00	\$3.15	\$3.33	\$3.52	\$3.74	\$3.98	\$4.21	\$4.45	\$4.70	\$4.97	\$117.26	
PNM Resources, Inc.	PNM	\$0.69	\$0.76	\$0.84	\$0.93	\$1.03	\$1.18	\$1.34	\$1.51	\$1.68	\$1.87	\$2.07	\$2.28	\$2.41	\$2.55	\$2.69	\$2.85	\$62.26	
Portland General Electric Company	POR	\$1.20	\$1.20	\$1.20	\$1.20	\$1.19	\$1.31	\$1.45	\$1.59	\$1.74	\$1.92	\$2.10	\$2.31	\$2.44	\$2.58	\$2.72	\$2.88	\$71.65	
Southern Company	SO	\$2.07	\$2.12	\$2.18	\$2.23	\$2.28	\$2.34	\$2.41	\$2.48	\$2.57	\$2.67	\$2.79	\$2.91	\$3.08	\$3.26	\$3.44	\$3.64	\$89.22	
Westar Energy, Inc.	WR	\$1.22	\$1.28	\$1.35	\$1.42	\$1.49	\$1.56	\$1.64	\$1.73	\$1.83	\$1.95	\$2.08	\$2.23	\$2.36	\$2.50	\$2.64	\$2.79	\$74.96	

Projected Annual Data Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
Company	Ticker	Initial	5/30/14	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	(\$																



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]	
														Stock
Company	Ticker	Price	Zacks	First Call	Value	Average	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$48.18	4.40%	4.79%	4.50%	4.56%	5.71%	64.00%	63.00%	67.05%	(\$0.00)	10.22%	15.72	2.75
Cleco Corporation	CNL	\$47.92	8.00%	7.00%	4.50%	6.50%	5.71%	54.00%	57.00%	67.05%	\$0.00	10.32%	15.38	2.69
Duke Energy Corporation	DUK	\$70.14	4.20%	4.19%	5.00%	4.46%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.58%	18.33	3.21
Empire District Electric Company	EDE	\$23.04	3.00%	3.00%	4.00%	3.33%	5.71%	68.00%	64.00%	67.05%	(\$0.00)	9.54%	18.54	3.24
Great Plains Energy Inc.	GXP	\$24.72	5.10%	5.25%	6.00%	5.45%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	9.96%	16.68	2.92
Hawaiian Electric Industries, Inc.	HE	\$25.31	6.00%	3.20%	4.00%	4.40%	5.71%	61.00%	67.00%	67.05%	\$0.00	10.52%	14.76	2.58
IDACORP, Inc.	IDA	\$52.61	4.00%	4.00%	2.00%	3.33%	5.71%	43.00%	55.00%	67.05%	\$0.00	9.81%	17.31	3.03
NextEra Energy, Inc.	NEE	\$89.07	6.40%	6.23%	6.00%	6.21%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.82%	17.25	3.02
Northeast Utilities	NU	\$43.38	6.90%	6.36%	8.00%	7.09%	5.71%	59.00%	58.00%	67.05%	\$0.00	9.47%	18.87	3.30
Otter Tail Corporation	OTTR	\$29.13	NA	6.00%	15.00%	10.50%	5.71%	87.00%	59.00%	67.05%	\$0.00	9.76%	17.51	3.06
Pinnacle West Capital Corporation	PNW	\$54.50	4.10%	4.28%	4.00%	4.13%	5.71%	58.00%	64.00%	67.05%	(\$0.00)	10.24%	15.67	2.74
PNM Resources, Inc.	PNM	\$24.93	8.50%	8.39%	12.00%	9.63%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	11.28%	12.74	2.23
Portland General Electric Company	POR	\$30.57	6.80%	11.21%	5.00%	7.67%	5.71%	61.00%	50.00%	67.05%	\$0.00	11.05%	13.28	2.32
Southern Company	SO	\$42.21	3.70%	3.64%	3.50%	3.61%	5.71%	75.00%	72.00%	67.05%	\$0.00	10.17%	15.92	2.79
Westar Energy, Inc.	WR	\$33.10	3.70%	2.90%	6.00%	4.20%	5.71%	55.00%	60.00%	67.05%	\$0.00	10.25%	15.63	2.73

DCF Result			
Mean	10.13%	16.24	2.84
Max	11.28%	18.87	3.30
Min	9.47%	12.74	2.23

Projected Annual Earnings per Share																		
Company	Ticker	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
American Electric Power Company, Inc.	AEP	\$2.98	\$3.12	\$3.26	\$3.41	\$3.56	\$3.72	\$3.89	\$4.08	\$4.28	\$4.50	\$4.74	\$5.00	\$5.29	\$5.59	\$5.91	\$6.25	\$6.61
Cleco Corporation	CNL	\$2.70	\$2.88	\$3.06	\$3.26	\$3.47	\$3.70	\$3.94	\$4.19	\$4.45	\$4.72	\$5.01	\$5.30	\$5.60	\$5.92	\$6.26	\$6.62	\$7.00
Duke Energy Corporation	DUK	\$3.71	\$3.88	\$4.05	\$4.23	\$4.42	\$4.62	\$4.82	\$5.05	\$5.29	\$5.56	\$5.86	\$6.18	\$6.53	\$6.91	\$7.30	\$7.72	\$8.16
Empire District Electric Company	EDE	\$1.32	\$1.36	\$1.41	\$1.46	\$1.50	\$1.56	\$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	\$2.30	\$2.44	\$2.57	\$2.72	\$2.88	\$3.04	\$3.22
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.74	\$1.82	\$1.90	\$1.98	\$2.07	\$2.16	\$2.26	\$2.37	\$2.49	\$2.62	\$2.77	\$2.93	\$3.09	\$3.27	\$3.46	\$3.65
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	\$6.05	\$6.39	\$6.76
NextEra Energy, Inc.	NEE	\$4.56	\$4.84	\$5.14	\$5.46	\$5.80	\$6.16	\$6.55	\$6.95	\$7.37	\$7.81	\$8.26	\$8.74	\$9.24	\$9.77	\$10.33	\$10.92	\$11.54
Northeast Utilities	NU	\$1.89	\$2.02	\$2.17	\$2.32	\$2.49	\$2.66	\$2.85	\$3.05	\$3.25	\$3.46	\$3.67	\$3.89	\$4.11	\$4.34	\$4.59	\$4.85	\$5.13
Otter 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	\$3.73
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.64	\$3.79	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.87	\$5.11	\$5.38	\$5.67	\$6.00	\$6.34	\$6.70	\$7.08	\$7.49
PNM Resources, Inc.	PNM	\$1.41	\$1.55	\$1.69	\$1.86	\$2.04	\$2.23	\$2.45	\$2.67	\$2.89	\$3.11	\$3.33	\$3.54	\$3.74	\$3.96	\$4.18	\$4.42	\$4.68
Portland General Electric Company	POR	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.71	\$2.91	\$3.13	\$3.35	\$3.57	\$3.80	\$4.03	\$4.26	\$4.50	\$4.76	\$5.03	\$5.32
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.97	\$3.08	\$3.19	\$3.30	\$3.43	\$3.58	\$3.75	\$3.94	\$4.15	\$4.39	\$4.64	\$4.90	\$5.18	\$5.48
Westar Energy, Inc.	WR	\$2.15	\$2.24	\$2.33	\$2.43	\$2.53	\$2.64	\$2.75	\$2.87	\$3.01	\$3.16	\$3.32	\$3.50	\$3.71	\$3.92	\$4.14	\$4.38	\$4.63

Projected Annual Dividend Payout Ratio																	
Company	Ticker	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.02%	67.03%	67.04%	67.05%	67.06%	67.07%	67.08%	67.09%	67.10%	67.11%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
American Electric Power Company, Inc.	AEP	\$1.99	\$2.08	\$2.16	\$2.25	\$2.35	\$2.48	\$2.62	\$2.77	\$2.94	\$3.12	\$3.33	\$3.55	\$3.75	\$3.96	\$4.19	\$4.43	\$4.67	\$103.87
Cleco Corporation	CNL	\$1.55	\$1.68	\$1.81	\$1.95	\$2.11	\$2.30	\$2.51	\$2.73	\$2.96	\$3.21	\$3.48	\$3.76	\$3.97	\$4.20	\$4.44	\$4.69	\$4.94	\$107.56
Duke Energy Corporation	DUK	\$3.02	\$3.02	\$3.00	\$2.98	\$2.95	\$3.11	\$3.27	\$3.46	\$3.66	\$3.88	\$4.12	\$4.38	\$4.63	\$4.89	\$5.17	\$5.47	\$5.77	\$149.54
Empire District Electric Company	EDE	\$0.93	\$0.94	\$0.96	\$0.98	\$1.00	\$1.04	\$1.08	\$1.13	\$1.19	\$1.26	\$1.34	\$1.42	\$1.50	\$1.59	\$1.68	\$1.77	\$1.86	\$49.06
Great Plains Energy Inc.	GXP	\$0.78	\$0.87	\$0.96	\$1.06	\$1.16	\$1.23	\$1.30	\$1.37	\$1.45	\$1.54	\$1.63	\$1.73	\$1.82	\$1.93	\$2.04	\$2.16	\$2.28	\$53.65
Hawaiian Electric Industries, Inc.	HE	\$1.06	\$1.14	\$1.22	\$1.30	\$1.39	\$1.45	\$1.52	\$1.59	\$1.67	\$1.76	\$1.86	\$1.96	\$2.07	\$2.19	\$2.32	\$2.45	\$2.58	\$53.92
IDACORP, Inc.	IDA	\$1.50	\$1.66	\$1.82	\$2.00	\$2.18	\$2.33	\$2.49	\$2.67	\$2.87	\$3.09	\$3.34	\$3.63	\$3.83	\$4.05	\$4.29	\$4.53	\$4.77	\$117.00
NextEra Energy, Inc.	NEE	\$2.62	\$2.82	\$3.03	\$3.26	\$3.51	\$3.82	\$4.16	\$4.52	\$4.90	\$5.30	\$5.74	\$6.20	\$6.55	\$6.93	\$7.32	\$7.74	\$8.18	\$199.11
Northeast Utilities	NU	\$1.19	\$1.27	\$1.36	\$1.45	\$1.54	\$1.69	\$1.85	\$2.01	\$2.18	\$2.36	\$2.56	\$2.75	\$2.91	\$3.08	\$3.25	\$3.44	\$3.63	\$96.80
Otter 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	\$2.64	\$65.23
Pinnacle West Capital Corporation	PNW	\$2.11	\$2.26	\$2.41	\$2.57	\$2.74	\$2.87	\$3.02	\$3.18	\$3.36	\$3.56	\$3.78	\$4.02	\$4.25	\$4.49	\$4.75	\$5.02	\$5.29	\$117.30
PNM Resources, Inc.	PNM	\$0.70	\$0.78	\$0.87	\$0.98	\$1.09	\$1.26	\$1.44	\$1.64	\$1.85	\$2.06	\$2.28	\$2.51	\$2.65	\$2.81	\$2.97	\$3.14	\$3.31	\$96.58
Portland General Electric Company	POR	\$1.23	\$1.26	\$1.30	\$1.33	\$1.35	\$1.53	\$1.72	\$1.92	\$2.13	\$2.36	\$2.60	\$2.85	\$3.02	\$3.19	\$3.37	\$3.57	\$3.77	\$70.61
Southern Company	SO	\$2.07	\$2.13	\$2.18	\$2.24	\$2.30	\$2.36	\$2.42	\$2.50	\$2.59	\$2.70	\$2.81	\$2.94	\$3.11	\$3.29	\$3.47	\$3.67	\$3.87	\$87.20
Westar Energy, Inc.	WR	\$1.23	\$1.31	\$1.40	\$1.49	\$1.58	\$1.68	\$1.78	\$1.90	\$2.02	\$2.16	\$2.31	\$2.48	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$72.30

Projected Annual Data Investor Cash Flows																		
Company	Ticker	[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
		Initial	5/30/14	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	(\$48.18)	\$0.00	\$1.20	\$2.16	\$2.25	\$2.35	\$2.48	\$2.62	\$2.77	\$2.94	\$3.12	\$3.33	\$3.55	\$3.75	\$3.96	\$4.19	\$108.30
Cleco Corporation	CNL	(\$47.92)	\$0.00	\$0.94	\$1.81	\$1.95	\$2.11	\$2.30	\$2.51	\$2.73	\$2.96	\$3.21	\$3.48					

Multi-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
Company	Ticker	Price	Zacks	First Call	Value Line	High Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$48.18	4.40%	4.79%	4.50%	4.79%	5.71%	64.00%	63.00%	67.05%	(\$0.00)	10.30%	15.46	2.71
Cleco Corporation	CNL	\$47.92	8.00%	7.00%	4.50%	8.00%	5.71%	54.00%	57.00%	67.05%	(\$0.00)	10.84%	13.84	2.42
Duke Energy Corporation	DUK	\$70.14	4.20%	4.19%	5.00%	5.00%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.74%	17.61	3.08
Empire District Electric Company	EDE	\$23.04	3.00%	3.00%	4.00%	4.00%	5.71%	68.00%	64.00%	67.05%	(\$0.00)	9.74%	17.62	3.08
Great Plains Energy Inc.	GXP	\$24.72	5.10%	5.25%	6.00%	6.00%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	10.14%	16.02	2.80
Hawaiian Electric Industries, Inc.	HE	\$25.31	6.00%	3.20%	4.00%	6.00%	5.71%	61.00%	67.00%	67.05%	\$0.00	11.11%	13.13	2.30
IDACORP, Inc.	IDA	\$52.61	4.00%	4.00%	2.00%	4.00%	5.71%	43.00%	55.00%	67.05%	\$0.00	10.01%	16.48	2.88
NextEra Energy, Inc.	NEE	\$89.07	6.40%	6.23%	6.00%	6.40%	5.71%	54.00%	57.00%	67.05%	\$0.00	9.88%	17.01	2.98
Northeast Utilities	NU	\$43.38	6.90%	6.36%	8.00%	8.00%	5.71%	59.00%	58.00%	67.05%	(\$0.00)	9.72%	17.67	3.09
Otter Tail Corporation	OTTR	\$29.13	NA	6.00%	15.00%	15.00%	5.71%	87.00%	59.00%	67.05%	\$0.00	11.18%	12.96	2.27
Pinnacle West Capital Corporation	PNW	\$54.50	4.10%	4.28%	4.00%	4.28%	5.71%	58.00%	64.00%	67.05%	(\$0.00)	10.29%	15.49	2.71
PNM Resources, Inc.	PNM	\$24.93	8.50%	8.39%	12.00%	12.00%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	12.20%	10.93	1.91
Portland General Electric Company	POR	\$30.57	6.80%	11.21%	5.00%	11.21%	5.71%	61.00%	50.00%	67.05%	(\$0.00)	12.46%	10.51	1.84
Southern Company	SO	\$42.21	3.70%	3.64%	3.50%	3.70%	5.71%	75.00%	72.00%	67.05%	\$0.00	10.20%	15.81	2.77
Westar Energy, Inc.	WR	\$33.10	3.70%	2.90%	6.00%	6.00%	5.71%	55.00%	60.00%	67.05%	(\$0.00)	10.88%	13.71	2.40

DCF Result			
Mean	10.58%	14.95	2.62
Max	12.46%	17.67	3.09
Min	9.72%	10.51	1.84

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	\$2.98	\$3.12	\$3.27	\$3.43	\$3.59	\$3.77	\$3.95	\$4.14	\$4.35	\$4.58	\$4.83	\$5.10	\$5.39	\$5.70	\$6.02	\$6.37	\$6.73
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	\$3.90	\$4.09	\$4.29	\$4.51	\$4.74	\$4.97	\$5.23	\$5.50	\$5.79	\$6.11	\$6.45	\$6.82	\$7.21	\$7.62	\$8.06	\$8.52
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	\$2.80
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	\$2.55	\$2.69	\$2.84	\$3.01	\$3.18	\$3.36
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.77	\$1.88	\$1.99	\$2.11	\$2.23	\$2.37	\$2.51	\$2.66	\$2.81	\$2.98	\$3.15	\$3.33	\$3.52	\$3.72	\$3.93	\$4.16
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	\$5.41	\$5.71	\$6.04	\$6.39	\$6.75	\$7.14
NextEra Energy, Inc.	NEE	\$4.56	\$4.85	\$5.16	\$5.49	\$5.84	\$6.22	\$6.62	\$7.03	\$7.47	\$7.92	\$8.39	\$8.88	\$9.39	\$9.92	\$10.49	\$11.09	\$11.72
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	\$4.94	\$5.22	\$5.52
Otter Tail Corporation	OTTR	\$1.05	\$1.21	\$1.39	\$1.60	\$1.84	\$2.11	\$2.43	\$2.76	\$3.08	\$3.40	\$3.70	\$3.97	\$4.20	\$4.44	\$4.69	\$4.96	\$5.24
Pinnacle West Capital Corporation	PNW	\$3.50	\$3.65	\$3.81	\$3.97	\$4.14	\$4.32	\$4.50	\$4.70	\$4.93	\$5.17	\$5.44	\$5.74	\$6.07	\$6.42	\$6.78	\$7.17	\$7.58
PNM Resources, Inc.	PNM	\$1.41	\$1.58	\$1.77	\$1.98	\$2.22	\$2.48	\$2.78	\$3.09	\$3.39	\$3.69	\$3.98	\$4.25	\$4.50	\$4.75	\$5.02	\$5.31	\$5.61
Portland General Electric Company	POR	\$1.87	\$2.08	\$2.31	\$2.57	\$2.86	\$3.18	\$3.54	\$3.90	\$4.27	\$4.63	\$4.98	\$5.31	\$5.61	\$5.93	\$6.27	\$6.63	\$7.01
Southern Company	SO	\$2.67	\$2.77	\$2.87	\$2.98	\$3.09	\$3.20	\$3.32	\$3.45	\$3.61	\$3.78	\$3.97	\$4.18	\$4.42	\$4.67	\$4.94	\$5.22	\$5.52
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	\$4.29	\$4.53	\$4.79	\$5.06	\$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%	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	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.02%	67.03%	67.04%	67.05%	67.06%	67.07%	67.08%	67.09%	67.10%	67.11%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	\$2.00	\$2.09	\$2.18	\$2.27	\$2.37	\$2.51	\$2.66	\$2.82	\$2.99	\$3.18	\$3.39	\$3.61	\$3.82	\$4.04	\$4.27	\$4.51	\$104.04	
Cleco Corporation	CNL	\$1.57	\$1.72	\$1.89	\$2.07	\$2.26	\$2.50	\$2.76	\$3.03	\$3.32	\$3.61	\$3.92	\$4.23	\$4.47	\$4.73	\$5.00	\$5.28	\$109.05	
Duke Energy Corporation	DUK	\$3.04	\$3.05	\$3.05	\$3.04	\$3.03	\$3.20	\$3.39	\$3.59	\$3.81	\$4.04	\$4.30	\$4.57	\$4.84	\$5.11	\$5.40	\$5.71	\$150.03	
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	\$49.26	
Great Plains Energy Inc.	GXP	\$0.79	\$0.88	\$0.97	\$1.08	\$1.19	\$1.27	\$1.35	\$1.43	\$1.51	\$1.61	\$1.70	\$1.80	\$1.91	\$2.02	\$2.13	\$2.25	\$53.85	
Hawaiian Electric Industries, Inc.	HE	\$1.08	\$1.17	\$1.27	\$1.38	\$1.50	\$1.59	\$1.68	\$1.78	\$1.89	\$2.00	\$2.11	\$2.23	\$2.36	\$2.49	\$2.64	\$2.79	\$54.59	
IDACORP, Inc.	IDA	\$1.51	\$1.68	\$1.86	\$2.05	\$2.26	\$2.42	\$2.60	\$2.80	\$3.02	\$3.26	\$3.53	\$3.83	\$4.05	\$4.28	\$4.53	\$4.78	\$117.62	
NextEra Energy, Inc.	NEE	\$2.62	\$2.83	\$3.05	\$3.29	\$3.54	\$3.87	\$4.21	\$4.58	\$4.97	\$5.38	\$5.82	\$6.29	\$6.65	\$7.03	\$7.43	\$7.86	\$199.40	
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	\$97.46	
Otter 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	\$2.98	\$3.15	\$3.33	\$3.52	\$67.94	
Pinnacle West Capital Corporation	PNW	\$2.12	\$2.26	\$2.42	\$2.59	\$2.76	\$2.90	\$3.05	\$3.22	\$3.40	\$3.60	\$3.83	\$4.07	\$4.30	\$4.55	\$4.81	\$5.08	\$117.43	
PNM Resources, Inc.	PNM	\$0.71	\$0.81	\$0.93	\$1.06	\$1.22	\$1.44	\$1.67	\$1.93	\$2.19	\$2.46	\$2.74	\$3.01	\$3.19	\$3.37	\$3.56	\$3.76	\$61.37	
Portland General Electric Company	POR	\$1.27	\$1.35	\$1.43	\$1.51	\$1.59	\$1.85	\$2.14	\$2.45	\$2.77	\$3.10	\$3.43	\$3.76	\$3.98	\$4.20	\$4.44	\$4.70	\$73.67	
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	\$87.25	
Westar Energy, Inc.	WR	\$1.25	\$1.36	\$1.47	\$1.59	\$1.73	\$1.86	\$2.00	\$2.16	\$2.32	\$2.49	\$2.68	\$2.87	\$3.04	\$3.21	\$3.39	\$3.59	\$73.40	

Projected Annual Data Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
Company	Ticker	Initial	5/30/14	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		

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

Inputs	Company	Ticker	[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	Terminal	
			Price	Zacks	First Call	Value Line	Low Growth	Growth	2013	2017	2024	Proof	IRR	P/E Ratio	PEG Ratio
American Electric Power Company, Inc.	AEP	\$48.18	4.40%	4.79%	4.50%	4.40%	5.71%	64.00%	63.00%	67.05%	(\$0.00)	10.17%	15.91	2.79	
Cleco Corporation	CNL	\$47.92	8.00%	7.00%	4.50%	4.50%	5.71%	54.00%	57.00%	67.05%	(\$0.00)	9.70%	17.78	3.11	
Duke Energy Corporation	DUK	\$70.14	4.20%	4.19%	5.00%	4.19%	5.71%	78.00%	64.00%	67.05%	(\$0.00)	9.50%	18.71	3.28	
Empire District Electric Company	EDE	\$23.04	3.00%	3.00%	4.00%	3.00%	5.71%	68.00%	64.00%	67.05%	(\$0.00)	9.44%	19.01	3.33	
Great Plains Energy Inc.	GXP	\$24.72	5.10%	5.25%	6.00%	5.10%	5.71%	55.00%	66.00%	67.05%	(\$0.00)	9.85%	17.12	3.00	
Hawaiian Electric Industries, Inc.	HE	\$25.31	6.00%	3.20%	4.00%	3.20%	5.71%	61.00%	67.00%	67.05%	\$0.00	10.10%	16.15	2.83	
IDACORP, Inc.	IDA	\$52.61	4.00%	4.00%	2.00%	2.00%	5.71%	43.00%	55.00%	67.05%	\$0.00	9.42%	19.14	3.35	
NextEra Energy, Inc.	NEE	\$89.07	6.40%	6.23%	6.00%	6.00%	5.71%	54.00%	57.00%	67.05%	(\$0.00)	9.76%	17.51	3.07	
Northeast Utilities	NU	\$43.38	6.90%	6.36%	8.00%	6.36%	5.71%	59.00%	58.00%	67.05%	\$0.00	9.28%	19.89	3.48	
Otter Tail Corporation	OTTR	\$29.13	NA	6.00%	15.00%	6.00%	5.71%	87.00%	59.00%	67.05%	\$0.00	8.64%	24.25	4.24	
Pinnacle West Capital Corporation	PNW	\$54.50	4.10%	4.28%	4.00%	4.00%	5.71%	58.00%	64.00%	67.05%	\$0.00	10.20%	15.81	2.77	
PNM Resources, Inc.	PNM	\$24.93	8.50%	8.39%	12.00%	8.39%	5.71%	45.00%	49.00%	67.05%	(\$0.00)	10.83%	13.85	2.42	
Portland General Electric Company	POR	\$30.57	6.80%	11.21%	5.00%	5.00%	5.71%	61.00%	50.00%	67.05%	(\$0.00)	10.14%	16.02	2.80	
Southern Company	SO	\$42.21	3.70%	3.64%	3.50%	3.50%	5.71%	75.00%	72.00%	67.05%	\$0.00	10.13%	16.06	2.81	
Westar Energy, Inc.	WR	\$33.10	3.70%	2.90%	6.00%	2.90%	5.71%	55.00%	60.00%	67.05%	(\$0.00)	9.83%	17.22	3.01	

DCF Result			
Mean	9.80%	17.63	3.09
Max	10.83%	24.25	4.24
Min	8.64%	13.85	2.42

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	\$2.98	\$3.11	\$3.25	\$3.39	\$3.54	\$3.70	\$3.86	\$4.04	\$4.23	\$4.45	\$4.68	\$4.94	\$5.22	\$5.52	\$5.83	\$6.17	\$6.52
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	\$3.87	\$4.03	\$4.20	\$4.37	\$4.56	\$4.75	\$4.96	\$5.19	\$5.45	\$5.73	\$6.04	\$6.39	\$6.75	\$7.14	\$7.55	\$7.98
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	\$2.44	\$2.58
Great Plains Energy Inc.	GXP	\$1.35	\$1.42	\$1.49	\$1.57	\$1.65	\$1.73	\$1.82	\$1.91	\$2.02	\$2.12	\$2.24	\$2.37	\$2.50	\$2.65	\$2.80	\$2.96	\$3.13
Hawaiian Electric Industries, Inc.	HE	\$1.67	\$1.72	\$1.78	\$1.84	\$1.89	\$1.95	\$2.02	\$2.09	\$2.17	\$2.27	\$2.38	\$2.51	\$2.65	\$2.80	\$2.96	\$3.13	\$3.31
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	\$5.42	\$5.73	\$6.05
NextEra Energy, Inc.	NEE	\$4.56	\$4.83	\$5.12	\$5.43	\$5.76	\$6.10	\$6.47	\$6.85	\$7.26	\$7.68	\$8.13	\$8.60	\$9.09	\$9.61	\$10.16	\$10.74	\$11.35
Northeast Utilities	NU	\$1.89	\$2.01	\$2.14	\$2.27	\$2.42	\$2.57	\$2.74	\$2.91	\$3.09	\$3.27	\$3.47	\$3.67	\$3.88	\$4.10	\$4.33	\$4.58	\$4.84
Otter 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	\$1.98	\$2.09	\$2.21	\$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	\$1.41	\$1.53	\$1.66	\$1.80	\$1.95	\$2.11	\$2.29	\$2.47	\$2.65	\$2.84	\$3.03	\$3.21	\$3.40	\$3.59	\$3.80	\$4.01	\$4.24
Portland General Electric Company	POR	\$1.87	\$1.96	\$2.06	\$2.16	\$2.27	\$2.39	\$2.51	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.44	\$3.64	\$3.84	\$4.06	\$4.29
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	\$4.35	\$4.59	\$4.86	\$5.13	\$5.43
Westar Energy, Inc.	WR	\$2.15	\$2.21	\$2.28	\$2.34	\$2.41	\$2.48	\$2.55	\$2.64	\$2.74	\$2.86	\$2.99	\$3.15	\$3.33	\$3.52	\$3.72	\$3.94	\$4.16

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%	64.18%	65.61%	67.05%	67.05%	67.05%	67.05%	67.05%
Duke Energy Corporation	DUK	78.00%	74.50%	71.00%	67.50%	64.00%	64.44%	64.87%	65.31%	65.74%	66.18%	66.61%	67.05%	67.05%	67.05%	67.05%	67.05%
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	61.00%	62.50%	64.00%	65.50%	67.00%	67.01%	67.01%	67.02%	67.03%	67.03%	67.04%	67.05%	67.05%	67.05%	67.05%	67.05%
IDACORP, Inc.	IDA	43.00%	46.00%	49.00%	52.00%	55.00%	56.72%	58.44%	60.16%	61.88%	63.60%	65.33%	67.05%	67.05%	67.05%	67.05%	67.05%
NextEra Energy, Inc.	NEE	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%
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%
Otter 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	58.00%	59.50%	61.00%	62.50%	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	45.00%	46.00%	47.00%	48.00%	49.00%	51.58%	54.16%	56.73%	59.31%	61.89%	64.47%	67.05%	67.05%	67.05%	67.05%	67.05%
Portland General Electric Company	POR	61.00%	58.25%	55.50%	52.75%	50.00%	52.44%	54.87%	57.31%	59.74%	62.18%	64.61%	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	\$2.15	\$2.24	\$2.33	\$2.45	\$2.59	\$2.74	\$2.90	\$3.08	\$3.28	\$3.50	\$3.70	\$3.91	\$4.13	\$4.37	\$46.52	
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	\$3.78	\$3.99	\$105.86	
Duke Energy Corporation	DUK	\$3.02	\$3.00	\$2.98	\$2.95	\$2.92	\$3.06	\$3.22	\$3.39	\$3.58	\$3.79	\$4.03	\$4.28	\$4.53	\$4.79	\$5.06	\$5.35	\$149.30	
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	\$48.97	
Great Plains Energy Inc.	GXP	\$0.78	\$0.86	\$0.95	\$1.04	\$1.14	\$1.20	\$1.27	\$1.34	\$1.41	\$1.50	\$1.58	\$1.68	\$1.77	\$1.88	\$1.98	\$2.10	\$53.52	
Hawaiian Electric Industries, Inc.	HE	\$1.05	\$1.11	\$1.17	\$1.24	\$1.31	\$1.35	\$1.40	\$1.46	\$1.52	\$1.60	\$1.68	\$1.78	\$1.88	\$1.99	\$2.10	\$2.22	\$53.48	
IDACORP, Inc.	IDA	\$1.48	\$1.61	\$1.75	\$1.90	\$2.05	\$2.15	\$2.28	\$2.42	\$2.58	\$2.77	\$3.00	\$3.25	\$3.44	\$3.63	\$3.84	\$4.06	\$115.87	
NextEra Energy, Inc.	NEE	\$2.61	\$2.81	\$3.01	\$3.24	\$3.48	\$3.78	\$4.10	\$4.45	\$4.82	\$5.22	\$5.64	\$6.09	\$6.44	\$6.81	\$7.20	\$7.61	\$198.78	
Northeast Utilities	NU	\$1.19	\$1.26	\$1.33	\$1.41	\$1.49	\$1.62	\$1.76	\$1.91	\$2.07	\$2.23	\$2.41	\$2.60	\$2.75	\$2.91	\$3.07	\$3.25	\$96.32	
Otter 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	\$1.75	\$63.38	
Pinnacle West Capital Corporation	PNW	\$2.11	\$2.25	\$2.40	\$2.56	\$2.73	\$2.85	\$3.00	\$3.15	\$3.33	\$3.52	\$3.74	\$3.98	\$4.21	\$4.45	\$4.70	\$4.97	\$117.20	
PNM Resources, Inc.	PNM	\$0.69	\$0.76	\$0.84	\$0.93	\$1.03	\$1.18	\$1.34	\$1.51	\$1.68	\$1.87	\$2.07	\$2.28	\$2.41	\$2.55	\$2.69	\$2.85	\$58.75	
Portland General Electric Company	POR	\$1.20	\$1.20	\$1.20	\$1.20	\$1.19	\$1.31	\$1.45	\$1.59	\$1.74	\$1.92	\$2.10	\$2.31	\$2.44	\$2.58	\$2.72	\$2.88	\$68.80	
Southern Company	SO	\$2.07	\$2.12	\$2.18	\$2.23	\$2.28	\$2.34	\$2.41	\$2.48	\$2.57	\$2.67	\$2.79	\$2.91	\$3.08	\$3.26	\$3.44	\$3.64	\$87.15	
Westar Energy, Inc.	WR	\$1.22	\$1.28	\$1.35	\$1.42	\$1.49	\$1.56	\$1.64	\$1.73	\$1.83	\$1.95	\$2.08	\$2.23	\$2.36	\$2.50	\$2.64	\$2.79	\$71.62	

Projected Annual Data Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]
Company	Ticker	Initial	5/30/14	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																	

Multi-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) of 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 (12/31/2014 - 5/30/2014) / 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	Current 30-Year	
Est. Required	Treasury (30-day	Implied Market
Market Return	average)	Risk Premium
13.44%	3.42%	10.02%

		[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
AGILENT TECHNOLOGIES INC	A	18,984.96	0.10%	0.93%	10.15%	11.12%	0.0114%
ALCOA INC	AA	15,954.78	0.09%	0.88%	10.67%	11.60%	0.0100%
APPLE INC	AAPL	545,254.17	2.96%	2.01%	12.29%	14.43%	0.4264%
ABBVIE INC	ABBV	86,388.31	0.47%	3.06%	4.10%	7.23%	0.0338%
AMERISOURCEBERGEN CORP	ABC	16,526.96	0.09%	1.29%	10.88%	12.24%	0.0110%
ABBOTT LABORATORIES	ABT	60,092.56	0.33%	2.20%	11.41%	13.74%	0.0448%
ACE LTD	ACE	35,022.89	0.19%	2.45%	10.00%	12.58%	0.0239%
ACCENTURE PLC-CL A	ACN	54,829.32	0.30%	2.27%	10.38%	12.77%	0.0380%
ACTAVIS PLC	ACT	36,902.44	0.20%	0.00%	11.33%	11.33%	0.0227%
ADOBE SYSTEMS INC	ADBE	32,123.52	0.17%	0.00%	15.70%	15.70%	0.0273%
ANALOG DEVICES INC	ADI	16,454.94	0.09%	2.76%	10.88%	13.79%	0.0123%
ARCHER-DANIELS-MIDLAND CO	ADM	29,411.74	0.16%	1.98%	7.80%	9.86%	0.0157%
AUTOMATIC DATA PROCESSING	ADP	38,413.91	0.21%	2.32%	9.84%	12.28%	0.0256%
ALLIANCE DATA SYSTEMS CORP	ADS	13,879.95	0.08%	0.00%	14.60%	14.60%	0.0110%
AUTODESK INC	ADSK	11,913.07	0.06%	0.00%	12.03%	12.03%	0.0078%
ADT CORP/THE	ADT	5,610.71	0.03%	2.16%	6.63%	8.87%	0.0027%
AMEREN CORPORATION	AEE	9,547.68	0.05%	4.14%	7.30%	11.59%	0.0060%
AMERICAN ELECTRIC POWER	AEP	26,039.23	0.14%	3.82%	5.66%	9.59%	0.0135%
AES CORP	AES	10,227.21	0.06%	1.38%	8.00%	9.43%	0.0052%
AETNA INC	AET	27,716.37	0.15%	1.14%	11.22%	12.42%	0.0187%
AFLAC INC	AFL	27,807.24	0.15%	2.46%	10.24%	12.82%	0.0193%
ALLERGAN INC	AGN	49,828.83	0.27%	0.12%	17.24%	17.37%	0.0469%
AMERICAN INTERNATIONAL GROUP	AIG	78,220.31	0.42%	0.94%	12.40%	13.39%	0.0568%
APARTMENT INVT & MGMT CO -A	AIV	4,599.22	0.02%	3.34%	7.12%	10.57%	0.0026%
ASSURANT INC	AIZ	4,858.08	0.03%	1.58%	3.07%	4.67%	0.0012%
AKAMAI TECHNOLOGIES INC	AKAM	9,672.58	0.05%	0.00%	15.83%	15.83%	0.0083%
ALLSTATE CORP	ALL	25,284.32	0.14%	1.87%	8.72%	10.67%	0.0146%
ALLEGION PLC	ALLE	5,057.17	0.03%	0.52%	17.60%	18.17%	0.0050%
ALTERA CORP	ALTR	10,378.18	0.06%	1.78%	11.19%	13.06%	0.0073%
ALEXION PHARMACEUTICALS INC	ALXN	32,897.51	0.18%	0.00%	24.58%	24.58%	0.0438%
APPLIED MATERIALS INC	AMAT	24,579.33	0.13%	1.97%	24.95%	27.16%	0.0362%
AMETEK INC	AME	13,020.65	0.07%	0.47%	15.00%	15.51%	0.0109%
AMGEN INC	AMGN	87,806.94	0.48%	2.10%	7.87%	10.05%	0.0478%
AMERIPRISE FINANCIAL INC	AMP	21,382.33	0.12%	2.03%	13.00%	15.16%	0.0176%
AMERICAN TOWER CORP	AMT	35,470.69	0.19%	1.49%	23.25%	24.91%	0.0479%
AMAZON.COM INC	AMZN	143,825.32	0.78%	0.00%	38.38%	38.38%	0.2992%
AUTONATION INC	AN	6,825.79	0.04%	0.00%	12.77%	12.77%	0.0047%
AON PLC	AON	26,666.75	0.14%	0.96%	12.01%	13.02%	0.0188%
APACHE CORP	APA	35,955.46	0.19%	1.02%	6.56%	7.62%	0.0148%
ANADARKO PETROLEUM CORP	APC	51,949.87	0.28%	0.71%	18.23%	19.00%	0.0535%
AIR PRODUCTS & CHEMICALS INC	APD	25,466.69	0.14%	2.47%	8.48%	11.05%	0.0153%
AMPHENOL CORP-CL A	APH	15,053.84	0.08%	0.79%	9.12%	9.94%	0.0081%
AIRGAS INC	ARG	7,898.98	0.04%	2.09%	13.21%	15.45%	0.0066%
ALLEGHENY TECHNOLOGIES INC	ATI	4,459.10	0.02%	1.75%	20.65%	22.58%	0.0055%
AVALONBAY COMMUNITIES INC	AVB	18,383.76	0.10%	3.27%	8.69%	12.10%	0.0121%
AVAGO TECHNOLOGIES LTD	AVGO	17,655.51	0.10%	1.50%	15.33%	16.95%	0.0162%
AVON PRODUCTS INC	AVP	6,208.24	0.03%	1.74%	10.32%	12.16%	0.0041%
VERY DENNISON CORP	AVY	4,826.89	0.03%	2.39%	10.80%	13.32%	0.0035%
AMERICAN EXPRESS CO	AXP	96,862.38	0.53%	1.09%	10.78%	11.93%	0.0626%
AUTOZONE INC	AZO	17,692.87	0.10%	0.00%	12.50%	12.50%	0.0120%
BOEING CO/THE	BA	98,627.61	0.53%	2.16%	10.60%	12.88%	0.0688%
BANK OF AMERICA CORP	BAC	159,207.09	0.86%	0.89%	8.50%	9.42%	0.0813%
BAXTER INTERNATIONAL INC	BAX	40,374.86	0.22%	2.72%	10.00%	12.86%	0.0281%
BED BATH & BEYOND INC	BBBY	12,414.39	0.07%	0.00%	11.27%	11.27%	0.0076%
BB&T CORP	BBT	27,245.39	0.15%	2.51%	10.23%	12.87%	0.0190%
BEST BUY CO INC	BBY	9,637.33	0.05%	2.47%	10.90%	13.50%	0.0071%
CR BARD INC	BCR	11,279.18	0.06%	0.60%	10.92%	11.55%	0.0071%
BECTON DICKINSON AND CO	BDX	22,740.11	0.12%	1.84%	9.60%	11.53%	0.0142%
FRANKLIN RESOURCES INC	BEN	34,654.74	0.19%	0.87%	13.84%	14.77%	0.0277%
BROWN-FORMAN CORP-CLASS B	BF/B	19,651.99	0.11%	1.19%	9.60%	10.84%	0.0115%
BAKER HUGHES INC	BHI	30,745.10	0.17%	0.87%	19.58%	20.53%	0.0342%
BIOGEN IDEC INC	BIIB	75,754.50	0.41%	0.00%	20.01%	20.01%	0.0822%
BANK OF NEW YORK MELLON CORP	BK	39,411.29	0.21%	1.91%	11.15%	13.17%	0.0281%
BLACKROCK INC	BLK	52,095.16	0.28%	2.54%	12.77%	15.47%	0.0437%

		[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
BALL CORP	BLL	8,414.89	0.05%	0.88%	9.97%	10.90%	0.0050%
BEMIS COMPANY	BMS	4,176.34	0.02%	2.61%	7.20%	9.90%	0.0022%
BRISTOL-MYERS SQUIBB CO	BMJ	82,427.94	0.45%	2.89%	12.80%	15.88%	0.0709%
BROADCOM CORP-CL A	BRCM	18,102.16	0.10%	1.50%	10.59%	12.17%	0.0119%
BERKSHIRE HATHAWAY INC-CL B	BRK/B	316,118.88	1.71%	0.00%	3.20%	3.20%	0.0548%
BOSTON SCIENTIFIC CORP	BSX	16,969.93	0.09%	0.00%	9.00%	9.00%	0.0083%
PEABODY ENERGY CORP	BTU	4,384.52	0.02%	2.15%	12.00%	14.28%	0.0034%
BORGWARNER INC	BWA	14,378.06	0.08%	0.58%	12.64%	13.26%	0.0103%
BOSTON PROPERTIES INC	BXP	18,468.99	0.10%	2.93%	5.26%	8.27%	0.0083%
CITIGROUP INC	C	144,508.15	0.78%	0.08%	11.04%	11.12%	0.0871%
CA INC	CA	12,707.97	0.07%	3.49%	5.17%	8.74%	0.0060%
CONAGRA FOODS INC	CAG	13,603.23	0.07%	3.13%	10.00%	13.29%	0.0098%
CARDINAL HEALTH INC	CAH	24,028.42	0.13%	1.73%	11.00%	12.82%	0.0167%
CAMERON INTERNATIONAL CORP	CAM	13,057.83	0.07%	0.00%	17.50%	17.50%	0.0124%
CATERPILLAR INC	CAT	63,815.43	0.35%	2.41%	9.48%	12.01%	0.0415%
CHUBB CORP	CB	22,654.08	0.12%	2.15%	8.42%	10.66%	0.0131%
CBRE GROUP INC - A	CBG	9,907.85	0.05%	0.00%	12.30%	12.30%	0.0066%
CBS CORP-CLASS B NON VOTING	CBS	34,306.13	0.19%	0.86%	15.83%	16.76%	0.0312%
COCA-COLA ENTERPRISES	CCE	11,475.16	0.06%	2.15%	10.11%	12.37%	0.0077%
CROWN CASTLE INTL CORP	CCI	25,612.12	0.14%	2.13%	18.00%	20.32%	0.0282%
CARNIVAL CORP	CCL	31,180.39	0.17%	2.49%	16.92%	19.63%	0.0332%
CELGENE CORP	CELG	61,275.79	0.33%	0.00%	25.73%	25.73%	0.0854%
CERNER CORP	CERN	18,559.25	0.10%	0.00%	17.51%	17.51%	0.0176%
CF INDUSTRIES HOLDINGS INC	CF	12,669.98	0.07%	1.64%	5.58%	7.26%	0.0050%
CAREFUSION CORP	CFN	8,899.91	0.05%	0.00%	11.50%	11.50%	0.0055%
CHESAPEAKE ENERGY CORP	CHK	19,133.60	0.10%	1.21%	19.17%	20.49%	0.0213%
C.H. ROBINSON WORLDWIDE INC	CHRW	8,885.02	0.05%	2.40%	12.86%	15.41%	0.0074%
CIGNA CORP	CI	24,119.48	0.13%	0.04%	10.40%	10.44%	0.0137%
CINCINNATI FINANCIAL CORP	CINF	8,015.71	N/A	3.53%	NA	N/A	N/A
COLGATE-PALMOLIVE CO	CL	62,612.43	0.34%	2.12%	9.29%	11.50%	0.0390%
CLOROX COMPANY	CLX	11,523.99	0.06%	3.14%	7.45%	10.70%	0.0067%
COMERICA INC	CMA	8,714.89	0.05%	1.64%	9.13%	10.84%	0.0051%
COMCAST CORP-CLASS A	CMCSA	135,548.22	0.73%	1.72%	11.40%	13.22%	0.0971%
CME GROUP INC	CME	24,177.18	0.13%	4.63%	13.92%	18.87%	0.0247%
CHIPOTLE MEXICAN GRILL INC	CMG	17,005.21	0.09%	0.00%	21.14%	21.14%	0.0195%
CUMMINS INC	CMI	28,121.78	0.15%	1.73%	13.29%	15.13%	0.0231%
CMS ENERGY CORP	CMS	8,017.33	0.04%	3.63%	5.68%	9.41%	0.0041%
CENTERPOINT ENERGY INC	CNP	10,365.53	0.06%	3.94%	4.97%	9.00%	0.0051%
CONSOL ENERGY INC	CNX	10,155.02	0.06%	0.69%	11.10%	11.82%	0.0065%
CAPITAL ONE FINANCIAL CORP	COF	45,091.95	0.24%	1.46%	6.65%	8.16%	0.0199%
CABOT OIL & GAS CORP	COG	15,122.61	0.08%	0.22%	30.00%	30.25%	0.0248%
COACH INC	COH	11,161.56	0.06%	3.32%	9.03%	12.50%	0.0076%
ROCKWELL COLLINS INC	COL	10,709.88	0.06%	1.57%	9.20%	10.84%	0.0063%
CONOCOPHILLIPS	COP	98,142.77	0.53%	3.50%	7.50%	11.13%	0.0592%
COSTCO WHOLESALE CORP	COST	51,034.59	0.28%	1.13%	10.87%	12.06%	0.0334%
COVIDIEN PLC	COV	32,963.54	0.18%	1.75%	9.63%	11.46%	0.0205%
CAMPBELL SOUP CO	CPB	14,400.97	0.08%	2.70%	4.77%	7.53%	0.0059%
SALESFORCE.COM INC	CRM	32,314.82	0.18%	0.00%	27.40%	27.40%	0.0480%
COMPUTER SCIENCES CORP	CSC	9,110.88	0.05%	1.42%	11.33%	12.83%	0.0063%
CISCO SYSTEMS INC	CSCO	126,120.62	0.68%	2.92%	10.21%	13.28%	0.0908%
CSX CORP	CSX	29,528.26	0.16%	2.15%	12.66%	14.95%	0.0239%
CINTAS CORP	CTAS	7,466.36	0.04%	1.22%	10.96%	12.25%	0.0050%
CENTURYLINK INC	CTL	21,575.38	0.12%	5.73%	1.36%	7.13%	0.0083%
COGNIZANT TECH SOLUTIONS-A	CTSH	29,576.95	0.16%	0.00%	16.92%	16.92%	0.0271%
CITRIX SYSTEMS INC	CTXS	10,154.61	0.06%	0.00%	12.73%	12.73%	0.0070%
CABLEVISION SYSTEMS-NY GRP-A	CVC	4,714.22	0.03%	3.29%	0.24%	3.53%	0.0009%
CVS CAREMARK CORP	CVS	91,574.10	0.50%	1.28%	13.93%	15.30%	0.0759%
CHEVRON CORP	CVX	233,750.83	1.27%	3.39%	4.59%	8.06%	0.1021%
DOMINION RESOURCES INC/VA	D	40,107.70	0.22%	3.48%	6.08%	9.66%	0.0210%
DELTA AIR LINES INC	DAL	33,840.76	0.18%	0.78%	9.53%	10.34%	0.0190%
DU PONT (E.I.) DE NEMOURS	DD	63,650.70	0.35%	2.74%	7.83%	10.68%	0.0368%
DEERE & CO	DE	33,167.00	0.18%	2.26%	6.58%	8.92%	0.0160%
DISCOVER FINANCIAL SERVICES	DFS	27,570.77	0.15%	1.53%	11.67%	13.29%	0.0199%
DOLLAR GENERAL CORP	DG	16,670.35	0.09%	0.00%	14.13%	14.13%	0.0128%
QUEST DIAGNOSTICS INC	DGX	8,653.22	0.05%	2.19%	10.60%	12.90%	0.0061%
DR HORTON INC	DHI	7,702.41	0.04%	0.57%	11.28%	11.88%	0.0050%
DANAHER CORP	DHR	54,864.32	0.30%	0.42%	11.03%	11.48%	0.0341%
WALT DISNEY CO/THE	DIS	145,492.22	0.79%	1.02%	11.37%	12.45%	0.0982%
DISCOVERY COMMUNICATIONS-A	DISCA	26,317.89	0.14%	0.00%	19.03%	19.03%	0.0272%
DELPHI AUTOMOTIVE PLC	DLPH	20,971.05	0.11%	1.44%	14.61%	16.15%	0.0184%
DOLLAR TREE INC	DLTR	10,967.41	0.06%	0.00%	16.28%	16.28%	0.0097%
DUN & BRADSTREET CORP	DNB	3,821.91	0.02%	1.69%	9.55%	11.32%	0.0023%
DENBURY RESOURCES INC	DNR	5,939.96	0.03%	1.23%	10.80%	12.10%	0.0039%
DIAMOND OFFSHORE DRILLING	DO	7,002.36	0.04%	6.86%	20.00%	27.55%	0.0105%
DOVER CORP	DOV	14,514.51	0.08%	1.77%	13.15%	15.04%	0.0118%

		[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
DOW CHEMICAL CO/THE	DOW	62,755.52	0.34%	2.66%	7.30%	10.05%	0.0342%
DR PEPPER SNAPPLE GROUP INC	DPS	11,330.96	0.06%	2.82%	6.69%	9.60%	0.0059%
DARDEN RESTAURANTS INC	DRI	6,612.32	0.04%	4.39%	7.99%	12.55%	0.0045%
DTE ENERGY COMPANY	DTE	13,474.70	0.07%	3.55%	5.49%	9.14%	0.0067%
DIRECTV	DTV	41,535.29	0.23%	0.00%	7.47%	7.47%	0.0168%
DUKE ENERGY CORP	DUK	50,270.44	0.27%	4.45%	4.58%	9.13%	0.0249%
DAVITA HEALTHCARE PARTNERS I	DVA	15,120.38	0.08%	0.00%	12.73%	12.73%	0.0104%
DEVON ENERGY CORPORATION	DVN	30,143.81	0.16%	1.24%	1.55%	2.80%	0.0046%
ELECTRONIC ARTS INC	EA	11,049.78	0.06%	3.56%	14.50%	18.32%	0.0110%
EBAY INC	EBAY	64,292.29	0.35%	0.00%	13.84%	13.84%	0.0482%
ECOLAB INC	ECL	32,778.76	0.18%	1.01%	12.68%	13.75%	0.0244%
CONSOLIDATED EDISON INC	ED	16,112.11	0.09%	4.56%	3.83%	8.48%	0.0074%
EQUIFAX INC	EFX	8,638.48	0.05%	1.39%	11.95%	13.43%	0.0063%
EDISON INTERNATIONAL	EIX	17,965.23	0.10%	2.61%	3.68%	6.34%	0.0062%
ESTEE LAUDER COMPANIES-CL A	EL	29,330.02	0.16%	1.01%	11.74%	12.81%	0.0204%
EMC CORP/MA	EMC	54,376.28	0.29%	1.62%	11.76%	13.47%	0.0397%
EASTMAN CHEMICAL CO	EMN	13,260.37	0.07%	1.59%	7.93%	9.58%	0.0069%
EMERSON ELECTRIC CO	EMR	46,827.38	0.25%	2.57%	9.26%	11.95%	0.0303%
EOG RESOURCES INC	EOG	57,820.32	0.31%	0.46%	12.00%	12.49%	0.0391%
EQUITY RESIDENTIAL	EQR	22,322.35	0.12%	3.24%	7.77%	11.14%	0.0135%
EQT CORP	EQT	16,219.15	0.09%	0.12%	30.00%	30.14%	0.0265%
EXPRESS SCRIPTS HOLDING CO	ESRX	55,287.76	0.30%	0.00%	14.53%	14.53%	0.0435%
ESSEX PROPERTY TRUST INC	ESS	11,312.46	0.06%	2.74%	7.54%	10.37%	0.0064%
ENSCO PLC-CL A	ESV	12,304.66	0.07%	5.46%	26.34%	32.52%	0.0217%
E*TRADE FINANCIAL CORP	ETFC	5,877.41	0.03%	0.00%	40.00%	40.00%	0.0127%
EATON CORP PLC	ETN	35,128.02	0.19%	2.65%	11.68%	14.49%	0.0276%
ENTERGY CORP	ETR	13,528.97	0.07%	4.41%	0.13%	4.54%	0.0033%
EDWARDS LIFESCIENCES CORP	EW	8,566.10	0.05%	0.00%	13.69%	13.69%	0.0064%
EXELON CORP	EXC	31,626.71	0.17%	3.37%	5.42%	8.88%	0.0152%
EXPEDITORS INTL WASH INC	EXPD	8,982.51	0.05%	1.49%	9.48%	11.05%	0.0054%
EXPEDIA INC	EXPE	9,554.87	0.05%	0.82%	19.00%	19.90%	0.0103%
FORD MOTOR CO	F	65,008.01	0.35%	2.88%	9.78%	12.80%	0.0451%
FASTENAL CO	FAST	14,461.16	0.08%	2.08%	16.50%	18.76%	0.0147%
FACEBOOK INC-A	FB	162,449.78	0.88%	0.00%	31.80%	31.80%	0.2800%
FREEMONT-MCMORAN COPPER	FCX	35,368.20	0.19%	3.67%	16.34%	20.31%	0.0389%
FAMILY DOLLAR STORES	FDO	6,670.16	0.04%	1.90%	7.18%	9.15%	0.0033%
FEDEX CORP	FDX	42,601.64	0.23%	0.42%	14.10%	14.55%	0.0336%
FIRSTENERGY CORP	FE	14,201.31	0.08%	4.26%	5.00%	9.36%	0.0072%
F5 NETWORKS INC	FFIV	8,219.99	0.04%	0.00%	15.41%	15.41%	0.0069%
FIDELITY NATIONAL INFORMATIO	FIS	15,584.22	0.08%	1.74%	12.63%	14.47%	0.0122%
FISERV INC	FISV	14,981.10	0.08%	0.00%	10.90%	10.90%	0.0089%
FIFTH THIRD BANCORP	FITB	17,597.11	0.10%	2.46%	17.47%	20.14%	0.0192%
FLIR SYSTEMS INC	FLIR	4,944.05	0.03%	1.22%	15.00%	16.31%	0.0044%
FLUOR CORP	FLR	11,948.38	0.06%	1.03%	12.68%	13.78%	0.0089%
FLOWSERVE CORP	FLS	10,126.87	0.05%	0.85%	14.71%	15.62%	0.0086%
FMC CORP	FMC	10,194.92	0.06%	0.74%	10.00%	10.78%	0.0060%
FOSSIL GROUP INC	FOSL	5,606.54	0.03%	0.00%	14.23%	14.23%	0.0043%
TWENTY-FIRST CENTURY FOX-A	FOXA	80,040.16	0.43%	0.71%	11.60%	12.36%	0.0536%
FOREST LABORATORIES INC	FRX	25,836.49	0.14%	0.00%	44.28%	44.28%	0.0620%
FIRST SOLAR INC	FSLR	6,185.70	0.03%	0.00%	1.82%	1.82%	0.0006%
FMC TECHNOLOGIES INC	FTI	13,654.83	0.07%	0.00%	18.43%	18.43%	0.0136%
FRONTIER COMMUNICATIONS CORP	FTR	5,803.21	0.03%	6.91%	9.45%	16.68%	0.0052%
AGL RESOURCES INC	GAS	6,365.99	0.03%	3.63%	5.53%	9.27%	0.0032%
GANNETT CO	GCI	6,302.56	0.03%	3.17%	8.33%	11.63%	0.0040%
GENERAL DYNAMICS CORP	GD	40,498.71	0.22%	2.10%	7.10%	9.27%	0.0204%
GENERAL ELECTRIC CO	GE	268,643.82	1.46%	3.37%	9.30%	12.83%	0.1868%
GENERAL GROWTH PROPERTIES	GGP	21,059.34	0.11%	2.50%	8.42%	11.02%	0.0126%
GRAHAM HOLDINGS CO-CLASS B	GHC	5,010.71	N/A	0.00%	NA	N/A	N/A
GILEAD SCIENCES INC	GILD	124,712.74	0.68%	0.00%	25.27%	25.27%	0.1708%
GENERAL MILLS INC	GIS	33,754.06	0.18%	2.79%	8.02%	10.92%	0.0200%
CORNING INC	GLW	27,870.54	0.15%	1.97%	11.86%	13.95%	0.0211%
GENERAL MOTORS CO	GM	55,456.58	0.30%	3.13%	16.83%	20.22%	0.0608%
KEURIG GREEN MOUNTAIN INC	GMCR	18,353.37	0.10%	0.89%	16.40%	17.36%	0.0173%
GAMESTOP CORP-CLASS A	GME	4,337.33	0.02%	3.49%	12.26%	15.96%	0.0038%
GENWORTH FINANCIAL INC-CL A	GNW	8,431.81	0.05%	0.00%	5.00%	5.00%	0.0023%
GOOGLE INC-CL C	GOOG	381,679.49	2.07%	0.00%	18.59%	18.59%	0.3846%
GOOGLE INC-CL A	GOOGL	381,281.60	2.07%	0.00%	18.59%	18.59%	0.3842%
GENUINE PARTS CO	GPC	13,260.65	0.07%	2.63%	6.99%	9.71%	0.0070%
GAP INC/THE	GPS	18,422.23	0.10%	2.04%	12.47%	14.63%	0.0146%
GARMIN LTD	GRMN	12,257.84	0.07%	3.21%	4.50%	7.78%	0.0052%
GOLDMAN SACHS GROUP INC	GS	74,170.96	0.40%	1.42%	7.60%	9.07%	0.0365%
GOODYEAR TIRE & RUBBER CO	GT	6,551.67	0.04%	0.78%	9.02%	9.84%	0.0035%
WW GRAINGER INC	GWW	17,680.48	0.10%	1.57%	13.06%	14.73%	0.0141%
HALLIBURTON CO	HAL	54,589.78	0.30%	0.89%	16.50%	17.46%	0.0517%
HARMAN INTERNATIONAL	HAR	7,152.50	0.04%	1.14%	14.90%	16.13%	0.0063%

		[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
HASBRO INC	HAS	6,970.88	0.04%	3.18%	10.95%	14.31%	0.0054%
HUNTINGTON BANCSHARES INC	HBAN	7,673.44	0.04%	2.33%	6.86%	9.26%	0.0039%
HUDSON CITY BANCORP INC	HCBK	5,165.80	N/A	1.64%	NA	N/A	N/A
HEALTH CARE REIT INC	HCN	19,314.11	0.10%	5.03%	5.93%	11.11%	0.0116%
HCP INC	HCP	19,129.75	0.10%	5.22%	3.02%	8.32%	0.0086%
HOME DEPOT INC	HD	109,723.94	0.59%	2.35%	15.82%	18.36%	0.1092%
HESS CORP	HES	28,687.22	0.16%	1.11%	7.71%	8.86%	0.0138%
HARTFORD FINANCIAL SVCS GRP	HIG	15,581.84	0.08%	1.86%	9.00%	10.95%	0.0092%
HARLEY-DAVIDSON INC	HOG	15,556.36	0.08%	1.55%	11.95%	13.59%	0.0115%
HONEYWELL INTERNATIONAL INC	HON	72,947.65	0.40%	1.95%	10.22%	12.27%	0.0485%
STARWOOD HOTELS & RESORTS	HOT	15,331.00	0.08%	1.74%	9.98%	11.80%	0.0098%
HELMERICH & PAYNE	HP	11,890.35	0.06%	2.10%	8.50%	10.69%	0.0069%
HEWLETT-PACKARD CO	HPQ	63,486.55	0.34%	1.82%	3.67%	5.52%	0.0190%
H&R BLOCK INC	HRB	8,166.19	0.04%	2.69%	11.00%	13.83%	0.0061%
HORMEL FOODS CORP	HRL	12,990.96	0.07%	1.62%	9.80%	11.49%	0.0081%
HARRIS CORP	HRS	8,227.08	0.04%	2.18%	3.00%	5.21%	0.0023%
HOSPIRA INC	HSP	8,218.48	0.04%	0.00%	11.21%	11.21%	0.0050%
HOST HOTELS & RESORTS INC	HST	16,705.61	0.09%	2.68%	10.72%	13.54%	0.0123%
HERSHEY CO/THE	HSY	21,677.55	0.12%	1.99%	9.33%	11.42%	0.0134%
HUMANA INC	HUM	19,264.45	0.10%	0.92%	9.67%	10.63%	0.0111%
INTL BUSINESS MACHINES CORP	IBM	186,606.14	1.01%	2.16%	9.56%	11.82%	0.1196%
INTERCONTINENTALEXCHANGE GRO	ICE	22,616.82	0.12%	1.33%	18.71%	20.16%	0.0247%
INTL FLAVORS & FRAGRANCES	IFF	8,068.84	0.04%	1.68%	8.30%	10.05%	0.0044%
INTL GAME TECHNOLOGY	IGT	3,099.85	0.02%	3.40%	13.00%	16.62%	0.0028%
INTEL CORP	INTC	135,998.96	0.74%	3.33%	6.00%	9.43%	0.0695%
INTUIT INC	INTU	22,509.39	0.12%	0.94%	14.22%	15.22%	0.0186%
INTERNATIONAL PAPER CO	IP	20,632.72	0.11%	3.00%	6.20%	9.30%	0.0104%
INTERPUBLIC GROUP OF COS INC	IPG	8,100.27	0.04%	1.52%	9.27%	10.85%	0.0048%
INGERSOLL-RAND PLC	IR	16,145.58	0.09%	1.66%	13.25%	15.02%	0.0131%
IRON MOUNTAIN INC	IRM	5,977.50	0.03%	3.86%	17.47%	21.66%	0.0070%
INTUITIVE SURGICAL INC	ISRG	14,199.37	0.08%	0.00%	5.11%	5.11%	0.0039%
ILLINOIS TOOL WORKS	ITW	36,772.33	0.20%	2.01%	16.90%	19.08%	0.0380%
INVESCO LTD	IVZ	15,879.30	0.09%	2.71%	13.12%	16.01%	0.0138%
JABIL CIRCUIT INC	JBL	3,825.56	0.02%	1.72%	11.00%	12.82%	0.0027%
JOHNSON CONTROLS INC	JCI	32,118.68	0.17%	1.80%	14.25%	16.18%	0.0282%
JACOBS ENGINEERING GROUP INC	JEC	7,283.77	0.04%	0.00%	12.78%	12.78%	0.0050%
JOHNSON & JOHNSON	JNJ	287,040.46	1.56%	2.76%	7.31%	10.17%	0.1583%
JUNIPER NETWORKS INC	JNPR	11,588.21	0.06%	0.30%	10.63%	10.95%	0.0069%
JOY GLOBAL INC	JOY	5,722.79	0.03%	1.23%	15.00%	16.32%	0.0051%
JPMORGAN CHASE & CO	JPM	210,316.49	1.14%	2.85%	5.14%	8.07%	0.0919%
NORDSTROM INC	JWN	12,910.48	0.07%	1.90%	10.78%	12.79%	0.0089%
KELLOGG CO	K	24,766.91	0.13%	2.70%	6.87%	9.66%	0.0130%
KEYCORP	KEY	12,092.39	0.07%	1.80%	5.20%	7.05%	0.0046%
KIMCO REALTY CORP	KIM	9,410.81	0.05%	3.97%	4.51%	8.57%	0.0044%
KLA-TENCOR CORPORATION	KLAC	10,864.98	0.06%	2.74%	9.02%	11.88%	0.0070%
KIMBERLY-CLARK CORP	KMB	42,332.52	0.23%	2.96%	8.80%	11.89%	0.0273%
KINDER MORGAN INC	KMI	34,321.78	0.19%	5.16%	20.95%	26.65%	0.0496%
CARMAX INC	KMX	9,783.90	0.05%	0.00%	13.71%	13.71%	0.0073%
COCA-COLA CO/THE	KO	179,806.93	0.97%	2.98%	7.09%	10.18%	0.0992%
MICHAEL KORS HOLDINGS LTD	KORS	19,281.18	0.10%	0.00%	24.50%	24.50%	0.0256%
KROGER CO	KR	24,326.07	0.13%	1.44%	10.16%	11.68%	0.0154%
KRAFT FOODS GROUP INC	KRFT	35,396.67	0.19%	3.61%	9.52%	13.30%	0.0255%
KOHL'S CORP	KSS	11,353.87	0.06%	2.86%	8.15%	11.12%	0.0068%
KANSAS CITY SOUTHERN	KSU	11,862.14	0.06%	0.99%	15.77%	16.83%	0.0108%
LOEWS CORP	L	16,669.73	N/A	0.58%	NA	N/A	N/A
L BRANDS INC	LB	16,701.30	0.09%	4.13%	11.63%	15.99%	0.0145%
LEGGETT & PLATT INC	LEG	4,703.37	0.03%	3.54%	15.00%	18.80%	0.0048%
LENNAR CORP-A	LEN	8,159.42	0.04%	0.34%	7.55%	7.91%	0.0035%
LABORATORY CRP OF AMER HLDGS	LH	8,698.78	0.05%	0.00%	9.16%	9.16%	0.0043%
L-3 COMMUNICATIONS HOLDINGS	LLL	10,448.76	0.06%	1.91%	3.93%	5.87%	0.0033%
LINEAR TECHNOLOGY CORP	LLTC	10,919.36	0.06%	2.28%	10.08%	12.47%	0.0074%
ELI LILLY & CO	LLY	67,010.34	0.36%	3.27%	4.25%	7.59%	0.0276%
LEGG MASON INC	LM	5,704.66	0.03%	1.32%	14.91%	16.32%	0.0050%
LOCKHEED MARTIN CORP	LMT	51,938.76	0.28%	3.36%	7.52%	11.01%	0.0310%
LINCOLN NATIONAL CORP	LNC	12,649.27	0.07%	1.34%	10.60%	12.01%	0.0082%
LORILLARD INC	LO	22,539.02	0.12%	3.95%	10.30%	14.45%	0.0176%
LOWE'S COS INC	LOW	47,963.99	0.26%	1.63%	15.85%	17.61%	0.0458%
LAM RESEARCH CORP	LRCX	10,058.57	0.05%	0.08%	34.45%	34.54%	0.0188%
LEUCADIA NATIONAL CORP	LUK	9,453.71	N/A	0.00%	NA	N/A	N/A
SOUTHWEST AIRLINES CO	LUV	18,299.25	0.10%	0.65%	15.06%	15.76%	0.0156%
LYONDELLBASELL INDU-CL A	LYB	52,502.79	0.28%	2.48%	6.50%	9.06%	0.0258%
MACY'S INC	M	22,100.74	0.12%	1.98%	9.26%	11.33%	0.0136%
MASTERCARD INC-CLASS A	MA	90,711.04	0.49%	0.58%	17.40%	18.03%	0.0886%
MACERICH CO/THE	MAC	9,291.33	0.05%	3.81%	5.64%	9.56%	0.0048%
MARRIOTT INTERNATIONAL -CL A	MAR	18,040.18	0.10%	1.17%	10.50%	11.73%	0.0115%



		[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
MASCO CORP	MAS	7,618.67	0.04%	1.46%	11.80%	13.34%	0.0055%
MATTEL INC	MAT	13,173.15	0.07%	3.92%	9.27%	13.37%	0.0095%
MCDONALD'S CORP	MCD	100,255.16	0.54%	3.26%	8.52%	11.92%	0.0648%
MICROCHIP TECHNOLOGY INC	MCHP	9,533.86	0.05%	2.96%	11.15%	14.27%	0.0074%
MCKESSON CORP	MCK	43,726.58	0.24%	0.49%	13.72%	14.24%	0.0338%
MOODY'S CORP	MCO	18,279.90	0.10%	1.31%	13.50%	14.90%	0.0148%
MONDELEZ INTERNATIONAL INC-A	MDLZ	63,632.96	0.34%	1.54%	12.15%	13.79%	0.0476%
MEDTRONIC INC	MDT	61,079.73	0.33%	1.99%	7.39%	9.45%	0.0313%
METLIFE INC	MET	57,325.66	0.31%	2.53%	12.23%	14.91%	0.0463%
MCGRAW HILL FINANCIAL INC	MHFI	22,257.79	0.12%	1.47%	12.50%	14.06%	0.0170%
MOHAWK INDUSTRIES INC	MHK	9,879.98	0.05%	0.00%	9.00%	9.00%	0.0048%
MEAD JOHNSON NUTRITION CO	MJN	18,081.95	0.10%	1.68%	9.90%	11.66%	0.0114%
MCCORMICK & CO-NON VTG SHRS	MKC	9,540.09	0.05%	2.03%	7.80%	9.91%	0.0051%
MARSH & MCLENNAN COS	MMC	27,628.46	0.15%	2.13%	13.50%	15.78%	0.0236%
3M CO	MMM	93,267.39	0.51%	2.40%	11.67%	14.21%	0.0718%
MONSTER BEVERAGE CORP	MNST	11,591.83	0.06%	0.00%	16.33%	16.33%	0.0103%
ALTRIA GROUP INC	MO	82,557.32	0.45%	4.82%	6.48%	11.46%	0.0513%
MONSANTO CO	MON	63,870.21	0.35%	1.38%	13.50%	14.97%	0.0518%
MOSAIC CO/THE	MOS	19,179.19	0.10%	2.02%	10.77%	12.89%	0.0134%
MARATHON PETROLEUM CORP	MPC	25,800.86	0.14%	1.89%	11.09%	13.08%	0.0183%
MERCK & CO. INC.	MRK	169,088.69	0.92%	3.04%	4.64%	7.75%	0.0710%
MARATHON OIL CORP	MRO	24,785.01	0.13%	2.10%	8.52%	10.70%	0.0144%
MORGAN STANLEY	MS	60,834.15	0.33%	1.06%	13.59%	14.72%	0.0485%
MICROSOFT CORP	MSFT	338,181.27	1.83%	2.60%	8.46%	11.17%	0.2048%
MOTOROLA SOLUTIONS INC	MSI	17,138.69	0.09%	1.90%	5.10%	7.05%	0.0065%
M & T BANK CORP	MTB	15,958.78	0.09%	2.31%	6.42%	8.80%	0.0076%
MICRON TECHNOLOGY INC	MU	30,602.15	0.17%	0.00%	11.00%	11.00%	0.0182%
MURPHY OIL CORP	MUR	11,066.48	0.06%	2.08%	11.50%	13.70%	0.0082%
MEADWESTVACO CORP	MWV	6,811.96	0.04%	3.56%	7.95%	11.65%	0.0043%
MYLAN INC	MYL	18,626.77	0.10%	0.00%	10.12%	10.12%	0.0102%
NAVIENT CORP	NAVI	6,679.28	N/A	3.80%	NA	N/A	N/A
NOBLE ENERGY INC	NBL	25,998.54	0.14%	0.89%	15.99%	16.95%	0.0239%
NABORS INDUSTRIES LTD	NBR	7,801.96	0.04%	0.54%	23.11%	23.71%	0.0100%
NASDAQ OMX GROUP/THE	NDAQ	6,468.41	0.04%	1.53%	11.17%	12.78%	0.0045%
NOBLE CORP PLC	NE	7,998.16	0.04%	4.66%	12.50%	17.45%	0.0076%
NEXTERA ENERGY INC	NEE	42,460.51	0.23%	2.95%	6.45%	9.50%	0.0219%
NEWMONT MINING CORP	NEM	11,411.33	0.06%	1.31%	-2.53%	-1.24%	-0.0008%
NETFLIX INC	NFLX	25,047.91	0.14%	0.00%	40.06%	40.06%	0.0544%
NEWFIELD EXPLORATION CO	NFX	4,973.70	0.03%	0.00%	9.00%	9.00%	0.0024%
NISOURCE INC	NI	11,766.95	0.06%	2.74%	5.45%	8.26%	0.0053%
NIKE INC -CL B	NKE	67,537.66	0.37%	1.20%	12.73%	14.00%	0.0512%
NIELSEN NV	NLSN	18,286.45	0.10%	1.77%	15.00%	16.90%	0.0168%
NORTHROP GRUMMAN CORP	NOC	26,028.14	0.14%	2.10%	6.19%	8.36%	0.0118%
NATIONAL OILWELL VARCO INC	NOV	35,126.15	0.19%	1.85%	9.16%	11.10%	0.0211%
NRG ENERGY INC	NRG	12,019.26	0.07%	1.50%	33.60%	35.35%	0.0230%
NORFOLK SOUTHERN CORP	NSC	31,196.84	0.17%	2.15%	12.86%	15.15%	0.0256%
NETAPP INC	NTAP	12,260.50	0.07%	1.78%	13.00%	14.89%	0.0099%
NORTHERN TRUST CORP	NTRS	14,283.46	0.08%	2.15%	13.22%	15.51%	0.0120%
NORTHEAST UTILITIES	NU	14,345.73	0.08%	3.46%	6.70%	10.28%	0.0080%
NUCOR CORP	NUE	16,123.90	0.09%	2.92%	13.28%	16.39%	0.0143%
NVIDIA CORP	NVDA	10,601.36	0.06%	1.79%	10.15%	12.04%	0.0069%
NEWELL RUBBERMAID INC	NWL	8,101.78	0.04%	2.23%	9.66%	11.99%	0.0053%
NEWS CORP - CLASS A	NWSA	9,784.31	0.05%	0.00%	-1.30%	-1.30%	-0.0007%
OWENS-ILLINOIS INC	OI	5,485.41	0.03%	0.00%	9.10%	9.10%	0.0027%
ONEOK INC	OKE	13,405.45	0.07%	3.54%	20.55%	24.45%	0.0178%
OMNICOM GROUP	OMC	18,388.06	0.10%	2.37%	8.37%	10.84%	0.0108%
ORACLE CORP	ORCL	187,362.39	1.02%	1.14%	9.88%	11.07%	0.1124%
O'REILLY AUTOMOTIVE INC	ORLY	15,694.32	0.09%	0.00%	15.50%	15.50%	0.0132%
OCCIDENTAL PETROLEUM CORP	OXY	78,317.87	0.42%	2.82%	5.60%	8.50%	0.0361%
PAYCHEX INC	PAYX	14,953.31	0.08%	3.33%	9.02%	12.51%	0.0101%
PEOPLE'S UNITED FINANCIAL	PBCT	4,457.01	0.02%	4.58%	13.19%	18.07%	0.0044%
PITNEY BOWES INC	PBI	5,598.95	0.03%	2.71%	13.00%	15.89%	0.0048%
PACCAR INC	PCAR	22,473.63	0.12%	2.55%	11.00%	13.69%	0.0167%
P G & E CORP	PCG	21,318.37	0.12%	3.99%	5.75%	9.85%	0.0114%
PLUM CREEK TIMBER CO	PCL	7,987.05	0.04%	3.92%	7.40%	11.46%	0.0050%
PRICELINE GROUP INC/THE	PCLN	67,041.63	0.36%	0.00%	21.90%	21.90%	0.0796%
PRECISION CASTPARTS CORP	PCP	36,622.15	0.20%	0.05%	12.07%	12.12%	0.0241%
PATTERSON COS INC	PDCO	4,069.59	0.02%	2.15%	9.50%	11.75%	0.0026%
PUBLIC SERVICE ENTERPRISE GP	PEG	19,710.97	0.11%	3.80%	5.20%	9.10%	0.0097%
PEPSICO INC	PEP	133,912.91	0.73%	2.86%	7.25%	10.21%	0.0741%
PETSMART INC	PETM	5,701.52	0.03%	1.44%	12.25%	13.78%	0.0043%
PFIZER INC	PFE	188,731.90	1.02%	3.51%	1.97%	5.51%	0.0564%
PRINCIPAL FINANCIAL GROUP	PFG	13,761.19	0.07%	2.64%	11.50%	14.29%	0.0107%
PROCTER & GAMBLE CO/THE	PG	218,614.53	1.18%	3.04%	8.66%	11.83%	0.1401%
PROGRESSIVE CORP	PGR	14,817.91	0.08%	3.55%	8.26%	11.95%	0.0096%

		[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
PARKER HANNIFIN CORP	PH	18,651.29	0.10%	1.46%	9.92%	11.45%	0.0116%
PULTEGROUP INC	PHM	7,406.43	0.04%	1.10%	7.90%	9.05%	0.0036%
PERKINELMER INC	PKI	5,091.50	0.03%	0.62%	12.22%	12.88%	0.0036%
PROLOGIS INC	PLD	20,742.05	0.11%	3.16%	5.03%	8.26%	0.0093%
PALL CORP	PLL	9,302.40	0.05%	1.25%	10.84%	12.16%	0.0061%
PHILIP MORRIS INTERNATIONAL	PM	139,262.56	0.75%	4.23%	8.12%	12.53%	0.0946%
PNC FINANCIAL SERVICES GROUP	PNC	45,545.16	0.25%	2.20%	6.08%	8.35%	0.0206%
PENTAIR LTD-REGISTERED	PNR	14,532.58	0.08%	1.46%	14.33%	15.90%	0.0125%
PINNACLE WEST CAPITAL	PNW	6,116.00	0.03%	4.16%	4.47%	8.72%	0.0029%
PEPCO HOLDINGS INC	POM	6,953.39	0.04%	3.90%	5.83%	9.84%	0.0037%
PPG INDUSTRIES INC	PPG	27,874.63	0.15%	1.28%	7.33%	8.66%	0.0131%
PPL CORPORATION	PPL	22,167.91	0.12%	4.24%	3.93%	8.26%	0.0099%
PERRIGO CO PLC	PRGO	18,491.14	0.10%	0.30%	14.38%	14.70%	0.0147%
PRUDENTIAL FINANCIAL INC	PRU	37,957.92	0.21%	2.48%	10.67%	13.28%	0.0273%
PUBLIC STORAGE	PSA	29,649.47	0.16%	3.29%	4.51%	7.87%	0.0126%
PHILLIPS 66	PSX	47,978.07	0.26%	1.92%	6.53%	8.52%	0.0222%
PVH CORP	PVH	10,829.86	0.06%	0.11%	13.16%	13.29%	0.0078%
QUANTA SERVICES INC	PWR	7,224.31	0.04%	0.00%	11.75%	11.75%	0.0046%
PRAXAIR INC	PX	38,737.69	0.21%	1.96%	9.59%	11.64%	0.0244%
PIONEER NATURAL RESOURCES CO	PXD	30,062.75	0.16%	0.03%	32.37%	32.40%	0.0528%
QUALCOMM INC	QCOM	135,789.43	0.74%	1.84%	13.46%	15.42%	0.1135%
QEP RESOURCES INC	QEP	5,751.45	0.03%	0.25%	15.00%	15.27%	0.0048%
RYDER SYSTEM INC	R	4,615.88	0.03%	1.52%	13.20%	14.82%	0.0037%
REYNOLDS AMERICAN INC	RAI	31,963.29	0.17%	4.49%	6.70%	11.34%	0.0196%
ROWAN COMPANIES PLC-A	RDC	3,850.28	0.02%	0.84%	18.15%	19.07%	0.0040%
REGENERON PHARMACEUTICALS	REGN	30,517.54	0.17%	0.00%	28.88%	28.88%	0.0478%
REGIONS FINANCIAL CORP	RF	14,052.08	0.08%	1.78%	5.57%	7.40%	0.0056%
ROBERT HALF INTL INC	RHI	6,267.96	0.03%	1.56%	16.39%	18.08%	0.0061%
RED HAT INC	RHT	9,489.94	0.05%	0.00%	16.48%	16.48%	0.0085%
TRANSOCEAN LTD	RIG	15,380.87	0.08%	6.78%	12.50%	19.71%	0.0164%
RALPH LAUREN CORP	RL	13,865.45	0.08%	1.19%	11.89%	13.15%	0.0099%
ROCKWELL AUTOMATION INC	ROK	16,763.04	0.09%	1.91%	10.97%	12.98%	0.0118%
ROPER INDUSTRIES INC	ROP	14,137.86	0.08%	0.51%	12.20%	12.74%	0.0098%
ROSS STORES INC	ROST	14,539.77	0.08%	1.15%	11.29%	12.50%	0.0098%
RANGE RESOURCES CORP	RRC	15,232.60	0.08%	0.17%	25.50%	25.70%	0.0212%
REPUBLIC SERVICES INC	RSG	12,614.97	0.07%	2.93%	6.50%	9.53%	0.0065%
RAYTHEON COMPANY	RTN	30,525.46	0.17%	2.46%	8.66%	11.22%	0.0186%
STARBUCKS CORP	SBUX	55,135.07	0.30%	1.46%	17.80%	19.39%	0.0579%
SCANA CORP	SCG	7,362.76	0.04%	4.01%	5.00%	9.11%	0.0036%
SCHWAB (CHARLES) CORP	SCHW	32,801.75	0.18%	1.04%	21.64%	22.79%	0.0405%
SPECTRA ENERGY CORP	SE	27,216.41	0.15%	3.32%	5.50%	8.92%	0.0132%
SEALED AIR CORP	SEE	7,110.46	0.04%	1.54%	11.48%	13.11%	0.0051%
SHERWIN-WILLIAMS CO/THE	SHW	20,389.77	0.11%	1.07%	10.00%	11.13%	0.0123%
SIGMA-ALDRICH	SIAL	11,709.46	0.06%	0.93%	7.83%	8.80%	0.0056%
JM SMUCKER CO/THE	SJM	10,638.48	0.06%	2.25%	7.03%	9.36%	0.0054%
SCHLUMBERGER LTD	SLB	135,308.74	0.73%	1.48%	14.75%	16.34%	0.1199%
SNAP-ON INC	SNA	6,829.71	N/A	1.45%	NA	N/A	N/A
SANDISK CORP	SNDK	21,858.80	0.12%	1.03%	13.43%	14.52%	0.0172%
SCRIPPS NETWORKS INTER-CL A	SNI	10,927.81	0.06%	1.04%	12.13%	13.24%	0.0078%
SOUTHERN CO/THE	SO	39,029.02	0.21%	4.76%	3.94%	8.80%	0.0186%
SIMON PROPERTY GROUP INC	SPG	51,712.22	0.28%	3.11%	6.04%	9.24%	0.0259%
STAPLES INC	SPLS	7,274.47	0.04%	4.38%	3.06%	7.51%	0.0030%
STERICYCLE INC	SRCL	9,686.09	0.05%	0.00%	15.73%	15.73%	0.0083%
SEMPRA ENERGY	SRE	24,628.56	0.13%	2.62%	6.89%	9.60%	0.0128%
SUNTRUST BANKS INC	STI	20,418.55	0.11%	1.83%	8.77%	10.68%	0.0118%
ST JUDE MEDICAL INC	STJ	18,446.21	0.10%	1.62%	9.68%	11.38%	0.0114%
STATE STREET CORP	STT	28,093.62	0.15%	1.78%	10.28%	12.14%	0.0185%
SEAGATE TECHNOLOGY	STX	17,546.02	0.10%	3.10%	7.40%	10.62%	0.0101%
CONSTELLATION BRANDS INC-A	STZ	15,926.16	0.09%	0.00%	18.51%	18.51%	0.0160%
STANLEY BLACK & DECKER INC	SWK	13,639.72	0.07%	2.34%	9.00%	11.45%	0.0085%
SOUTHWESTERN ENERGY CO	SWN	16,054.25	0.09%	0.00%	18.30%	18.30%	0.0159%
SAFEWAY INC	SWY	7,908.50	0.04%	2.28%	10.50%	12.90%	0.0055%
STRYKER CORP	SYK	32,029.65	0.17%	1.43%	11.56%	13.07%	0.0227%
SYMANTEC CORP	SYMC	15,210.35	0.08%	2.88%	6.84%	9.82%	0.0081%
SYSCO CORP	SYU	21,938.88	0.12%	3.11%	9.37%	12.62%	0.0150%
AT&T INC	T	184,089.30	1.00%	5.21%	5.67%	11.02%	0.1100%
MOLSON COORS BREWING CO -B	TAP	12,143.78	0.07%	2.22%	6.63%	8.92%	0.0059%
TERADATA CORP	TDC	6,621.82	0.04%	0.00%	9.77%	9.77%	0.0035%
TECO ENERGY INC	TE	3,761.50	N/A	5.12%	NA	N/A	N/A
INTEGRYS ENERGY GROUP INC	TEG	4,637.06	0.03%	4.69%	5.00%	9.81%	0.0025%
TE CONNECTIVITY LTD	TEL	24,302.83	0.13%	1.77%	9.70%	11.56%	0.0152%
TARGET CORP	TGT	35,969.06	0.19%	3.04%	10.27%	13.46%	0.0262%
TENET HEALTHCARE CORP	THC	4,589.71	0.02%	0.00%	13.49%	13.49%	0.0034%
TIFFANY & CO	TIF	12,828.30	0.07%	1.48%	13.60%	15.19%	0.0106%
TJX COMPANIES INC	TJX	38,131.99	0.21%	1.22%	10.76%	12.05%	0.0249%

		[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
TORCHMARK CORP	TMK	7,106.55	0.04%	0.91%	8.67%	9.62%	0.0037%
THERMO FISHER SCIENTIFIC INC	TMO	46,639.88	0.25%	0.51%	13.91%	14.46%	0.0365%
TRIPADVISOR INC	TRIP	13,861.61	N/A	0.00%	NA	N/A	N/A
T ROWE PRICE GROUP INC	TROW	21,420.68	0.12%	2.15%	13.04%	15.33%	0.0178%
TRAVELERS COS INC/THE	TRV	32,471.22	0.18%	2.30%	6.70%	9.08%	0.0160%
TRACTOR SUPPLY COMPANY	TSCO	9,004.81	0.05%	0.88%	16.69%	17.64%	0.0086%
TYSON FOODS INC-CL A	TSN	14,448.54	N/A	0.67%	NA	N/A	N/A
TESORO CORP	TSO	7,268.01	0.04%	1.81%	86.34%	88.93%	0.0350%
TOTAL SYSTEM SERVICES INC	TSS	5,711.23	0.03%	1.32%	10.65%	12.04%	0.0037%
TIME WARNER CABLE	TWC	39,328.81	0.21%	2.14%	7.26%	9.47%	0.0202%
TIME WARNER INC	TWX	61,596.89	0.33%	1.82%	10.16%	12.06%	0.0403%
TEXAS INSTRUMENTS INC	TXN	50,707.92	0.27%	2.58%	10.10%	12.81%	0.0352%
TEXTRON INC	TXT	10,947.78	0.06%	0.20%	16.77%	16.99%	0.0101%
TYCO INTERNATIONAL LTD	TYC	20,130.11	0.11%	1.55%	12.70%	14.35%	0.0157%
UNDER ARMOUR INC-CLASS A	UA	10,816.24	0.06%	0.00%	23.54%	23.54%	0.0138%
UNITEDHEALTH GROUP INC	UNH	78,026.31	0.42%	1.40%	9.86%	11.34%	0.0479%
UNUM GROUP	UNM	8,728.78	0.05%	1.83%	9.00%	10.91%	0.0052%
UNION PACIFIC CORP	UNP	90,251.72	0.49%	1.81%	13.16%	15.09%	0.0738%
UNITED PARCEL SERVICE-CL B	UPS	95,501.23	0.52%	2.54%	10.00%	12.67%	0.0656%
URBAN OUTFITTERS INC	URBN	4,845.68	0.03%	0.00%	14.58%	14.58%	0.0038%
US BANCORP	USB	76,581.17	0.42%	2.31%	7.50%	9.90%	0.0411%
UNITED TECHNOLOGIES CORP	UTX	106,542.52	0.58%	2.06%	11.42%	13.59%	0.0785%
VISA INC-CLASS A SHARES	V	165,554.02	0.90%	0.74%	17.76%	18.57%	0.1666%
VARIAN MEDICAL SYSTEMS INC	VAR	8,570.87	0.05%	0.00%	10.50%	10.50%	0.0049%
VF CORP	VFC	27,118.86	0.15%	1.66%	12.61%	14.37%	0.0211%
VIACOM INC-CLASS B	VIAB	36,680.22	0.20%	1.44%	11.91%	13.43%	0.0267%
VALERO ENERGY CORP	VLO	29,909.63	0.16%	1.80%	10.41%	12.30%	0.0199%
VULCAN MATERIALS CO	VMC	7,974.98	0.04%	0.27%	6.67%	6.94%	0.0030%
VORNADO REALTY TRUST	VNO	20,068.03	0.11%	2.75%	10.79%	13.68%	0.0149%
VERISIGN INC	VRSN	6,583.01	0.04%	0.00%	11.00%	11.00%	0.0039%
VERTEX PHARMACEUTICALS INC	VRTX	17,067.40	0.09%	0.00%	20.50%	20.50%	0.0190%
VENTAS INC	VTR	19,661.71	0.11%	4.33%	3.99%	8.40%	0.0090%
VERIZON COMMUNICATIONS INC	VZ	206,891.80	1.12%	4.26%	6.63%	11.02%	0.1236%
WALGREEN CO	WAG	68,625.95	0.37%	1.71%	13.38%	15.20%	0.0566%
WATERS CORP	WAT	8,492.32	0.05%	0.00%	10.17%	10.17%	0.0047%
WESTERN DIGITAL CORP	WDC	20,650.78	0.11%	1.30%	4.26%	5.59%	0.0063%
WISCONSIN ENERGY CORP	WEC	10,265.65	0.06%	3.43%	4.73%	8.24%	0.0046%
WELLS FARGO & CO	WFC	267,461.80	1.45%	2.61%	11.94%	14.70%	0.2132%
WHOLE FOODS MARKET INC	WFM	14,055.99	0.08%	1.25%	13.96%	15.29%	0.0117%
WHIRLPOOL CORP	WHR	11,159.82	0.06%	1.99%	20.52%	22.71%	0.0137%
WINDSTREAM HOLDINGS INC	WIN	5,767.46	0.03%	10.45%	-1.00%	9.40%	0.0029%
WELLPOINT INC	WLP	30,305.29	0.16%	1.59%	9.28%	10.94%	0.0180%
WASTE MANAGEMENT INC	WM	20,792.38	0.11%	3.34%	8.13%	11.61%	0.0131%
WILLIAMS COS INC	WMB	32,191.95	0.17%	3.72%	11.50%	15.44%	0.0269%
WAL-MART STORES INC	WMT	247,787.44	1.34%	2.53%	8.50%	11.14%	0.1496%
WESTERN UNION CO	WU	8,714.40	0.05%	3.10%	8.66%	11.90%	0.0056%
WEYERHAEUSER CO	WY	18,380.93	0.10%	2.82%	5.50%	8.40%	0.0084%
WYNDHAM WORLDWIDE CORP	WYN	9,411.71	0.05%	1.81%	14.70%	16.65%	0.0085%
WYNN RESORTS LTD	WYNN	21,767.26	0.12%	2.33%	11.00%	13.46%	0.0159%
UNITED STATES STEEL CORP	X	3,333.93	0.02%	0.87%	6.00%	6.89%	0.0012%
XCEL ENERGY INC	XEL	15,440.59	0.08%	3.84%	5.03%	8.97%	0.0075%
XL GROUP PLC	XL	8,812.86	0.05%	1.93%	8.90%	10.91%	0.0052%
XILINX INC	XLNX	12,622.57	0.07%	2.45%	10.88%	13.47%	0.0092%
EXXON MOBIL CORP	XOM	431,713.49	2.34%	2.66%	12.10%	14.92%	0.3491%
DENTSPLY INTERNATIONAL INC	XRAY	6,705.35	0.04%	0.57%	10.53%	11.13%	0.0040%
XEROX CORP	XRX	14,416.42	0.08%	2.02%	8.65%	10.76%	0.0084%
XYLEM INC	XYL	6,854.91	0.04%	1.36%	10.35%	11.78%	0.0044%
YAHOO! INC	YHOO	34,885.90	0.19%	0.00%	15.42%	15.42%	0.0292%
YUM! BRANDS INC	YUM	34,123.12	0.18%	1.97%	13.36%	15.46%	0.0286%
ZIONS BANCORPORATION	ZION	5,286.15	0.03%	0.58%	9.00%	9.60%	0.0028%
ZIMMER HOLDINGS INC	ZMH	17,511.95	0.09%	0.79%	10.64%	11.47%	0.0109%
ZOETIS INC	ZTS	15,381.27	0.08%	0.94%	10.88%	11.88%	0.0099%
Total Market Capitalization:		18,448,604.27					13.44%

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 Est. Required Market Return	Current 30-Year Treasury (30-day average)	Implied Market Risk Premium
12.70%	3.42%	9.28%

		[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
AGILENT TECHNOLOGIES INC	A	18,518.15	0.11%	1.01%	6.50%	7.54%	0.0081%
ALCOA INC	AA	15,493.64	0.09%	0.91%	17.00%	17.99%	0.0161%
APPLE INC	AAPL	541,956.30	3.14%	2.17%	12.50%	14.81%	0.4642%
ABBVIE INC	ABBV	85,275.23	0.49%	3.13%	0.00%	3.13%	0.0154%
AMERISOURCEBERGEN CORP	ABC	16,233.48	0.09%	1.32%	14.00%	15.41%	0.0145%
ABBOTT LABORATORIES	ABT	59,551.84	0.34%	2.22%	-4.00%	-1.82%	-0.0063%
ACE LTD	ACE	35,006.70	0.20%	2.53%	9.00%	11.64%	0.0236%
ACCENTURE PLC-CL A	ACN	50,310.28	0.29%	2.44%	7.50%	10.03%	0.0292%
ACTAVIS PLC	ACT	28,392.67	0.16%	0.00%	24.50%	24.50%	0.0402%
ADOBE SYSTEMS INC	ADBE	31,480.34	0.18%	0.00%	15.00%	15.00%	0.0273%
ANALOG DEVICES INC	ADI	16,170.15	0.09%	2.86%	11.00%	14.02%	0.0131%
ARCHER-DANIELS-MIDLAND CO	ADM	28,590.75	0.17%	2.20%	9.00%	11.30%	0.0187%
AUTOMATIC DATA PROCESSING	ADP	37,626.75	0.22%	2.61%	9.00%	11.73%	0.0255%
ALLIANCE DATA SYSTEMS CORP	ADS	13,323.76	0.08%	0.00%	14.50%	14.50%	0.0112%
AUTODESK INC	ADSK	11,677.32	0.07%	0.00%	7.50%	7.50%	0.0051%
ADT CORP/THE	ADT	5,772.01	0.03%	2.46%	0.00%	2.46%	0.0008%
AMEREN CORPORATION	AEE	9,395.90	0.05%	4.16%	2.50%	6.71%	0.0036%
AMERICAN ELECTRIC POWER	AEP	25,130.21	0.15%	3.96%	4.50%	8.55%	0.0124%
AES CORP	AES	9,847.84	0.06%	1.46%	10.50%	12.04%	0.0069%
AETNA INC	AET	27,346.10	0.16%	1.19%	10.50%	11.75%	0.0186%
AFLAC INC	AFL	28,419.29	0.16%	2.46%	7.50%	10.05%	0.0165%
ALLERGAN INC	AGN	48,842.53	0.28%	0.12%	13.50%	13.63%	0.0385%
AMERICAN INTERNATIONAL GROUP	AIG	78,829.24	0.46%	0.93%	0.00%	0.93%	0.0042%
APARTMENT INVT & MGMT CO -A	AIV	-	0.00%	3.35%	0.00%	3.35%	0.0000%
ASSURANT INC	AIZ	4,779.44	0.03%	1.62%	4.00%	5.65%	0.0016%
AKAMAI TECHNOLOGIES INC	AKAM	9,547.09	0.06%	0.00%	13.50%	13.50%	0.0075%
ALLSTATE CORP	ALL	26,199.15	0.15%	1.92%	16.00%	18.07%	0.0274%
ALLEGION PLC	ALLE	N/A	N/A	N/A	N/A	N/A	N/A
ALTERA CORP	ALTR	10,393.00	0.06%	1.81%	0.00%	1.81%	0.0011%
ALEXION PHARMACEUTICALS INC	ALXN	31,806.66	0.18%	0.00%	31.50%	31.50%	0.0580%
APPLIED MATERIALS INC	AMAT	24,086.79	0.14%	2.01%	17.00%	19.18%	0.0267%
AMETEK INC	AME	12,844.01	0.07%	0.69%	10.50%	11.23%	0.0083%
AMGEN INC	AMGN	86,937.53	0.50%	2.16%	8.50%	10.75%	0.0541%
AMERIPRISE FINANCIAL INC	AMP	22,465.79	0.13%	2.10%	14.50%	16.75%	0.0218%
AMERICAN TOWER CORP	AMT	35,000.09	0.20%	1.54%	16.50%	18.17%	0.0368%
AMAZON.COM INC	AMZN	140,258.60	0.81%	0.00%	71.50%	71.50%	0.5802%
AUTONATION INC	AN	6,727.00	0.04%	0.00%	12.50%	12.50%	0.0049%
AON PLC	AON	26,096.44	0.15%	1.14%	16.00%	17.23%	0.0260%
APACHE CORP	APA	35,238.56	0.20%	1.11%	10.00%	11.17%	0.0228%
ANADARKO PETROLEUM CORP	APC	51,277.59	0.30%	1.06%	75.00%	76.46%	0.2268%
AIR PRODUCTS & CHEMICALS INC	APD	25,088.78	0.15%	2.61%	9.00%	11.73%	0.0170%
AMPHENOL CORP-CL A	APH	14,982.51	0.09%	0.84%	8.00%	8.87%	0.0077%
AIRGAS INC	ARG	7,752.78	0.04%	2.10%	13.50%	15.74%	0.0071%
ALLEGHENY TECHNOLOGIES INC	ATI	4,308.23	0.02%	1.78%	17.50%	19.44%	0.0048%
AVALONBAY COMMUNITIES INC	AVB	-	0.00%	3.40%	0.00%	3.40%	0.0000%
AVAGO TECHNOLOGIES LTD	AVGO	N/A	N/A	N/A	N/A	N/A	N/A
AVON PRODUCTS INC	AVP	6,008.39	0.03%	1.74%	36.50%	38.56%	0.0134%
AVERY DENNISON CORP	AVY	4,618.21	0.03%	2.90%	10.00%	13.05%	0.0035%
AMERICAN EXPRESS CO	AXP	93,791.59	0.54%	1.18%	10.00%	11.24%	0.0610%
AUTOZONE INC	AZO	18,067.07	0.10%	0.00%	14.00%	14.00%	0.0146%
BOEING CO/THE	BA	96,342.08	0.56%	2.27%	11.00%	13.39%	0.0747%
BANK OF AMERICA CORP	BAC	155,805.50	0.90%	0.54%	30.00%	30.62%	0.2760%
BAXTER INTERNATIONAL INC	BAX	40,433.25	0.23%	2.79%	8.50%	11.41%	0.0267%
BED BATH & BEYOND INC	BBBY	12,843.54	0.07%	0.00%	8.50%	8.50%	0.0063%
BB&T CORP	BBT	26,455.86	0.15%	2.56%	7.50%	10.16%	0.0155%
BEST BUY CO INC	BBY	9,091.81	0.05%	2.75%	5.50%	8.33%	0.0044%
CR BARD INC	BCR	11,151.82	0.06%	0.60%	10.00%	10.63%	0.0069%
BECTON DICKINSON AND CO	BDX	22,322.79	0.13%	1.89%	8.50%	10.47%	0.0135%
FRANKLIN RESOURCES INC	BEN	34,403.61	0.20%	0.97%	9.00%	10.01%	0.0199%
BROWN-FORMAN CORP-CLASS B	BF/B	19,595.16	0.11%	1.28%	10.00%	11.34%	0.0129%
BAKER HUGHES INC	BHI	30,387.60	0.18%	0.98%	13.50%	14.55%	0.0256%
BIOGEN IDEC INC	BIIB	71,086.17	0.41%	0.00%	14.50%	14.50%	0.0596%
BANK OF NEW YORK MELLON CORP	BK	39,422.66	0.23%	1.97%	11.50%	13.58%	0.0310%
BLACKROCK INC	BLK	50,837.81	0.29%	2.57%	7.00%	9.66%	0.0284%
BALL CORP	BLL	8,348.43	0.05%	0.87%	12.00%	12.92%	0.0062%
BEMIS COMPANY	BMS	4,097.55	0.02%	2.68%	8.00%	10.79%	0.0026%

		[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	80,870.20	0.47%	2.95%	8.50%	11.58%	0.0542%
BROADCOM CORP-CL A	BRCM	17,637.75	0.10%	1.59%	2.50%	4.11%	0.0042%
BERKSHIRE HATHAWAY INC-CL B	BRK/B	-	0.00%	0.00%	0.00%	0.00%	0.0000%
BOSTON SCIENTIFIC CORP	BSX	16,768.88	0.10%	0.00%	13.00%	13.00%	0.0126%
PEABODY ENERGY CORP	BTU	4,747.75	0.03%	1.94%	4.00%	5.98%	0.0016%
BORGWARNER INC	BWA	13,959.66	0.08%	0.82%	14.00%	14.88%	0.0120%
BOSTON PROPERTIES INC	BXP	-	0.00%	2.24%	0.00%	2.24%	0.0000%
CITIGROUP INC	C	143,201.20	0.83%	0.09%	9.50%	9.59%	0.0795%
CA INC	CA	12,847.50	0.07%	3.45%	4.50%	8.03%	0.0060%
CONAGRA FOODS INC	CAG	13,304.19	0.08%	3.17%	10.00%	13.33%	0.0103%
CARDINAL HEALTH INC	CAH	23,112.98	0.13%	2.07%	12.00%	14.19%	0.0190%
CAMERON INTERNATIONAL CORP	CAM	13,156.98	0.08%	0.00%	14.00%	14.00%	0.0107%
CATERPILLAR INC	CAT	64,345.94	0.37%	2.33%	5.00%	7.39%	0.0275%
CHUBB CORP	CB	22,906.23	0.13%	2.17%	8.50%	10.76%	0.0143%
CBRE GROUP INC - A	CBG	9,577.62	0.06%	0.00%	11.50%	11.50%	0.0064%
CBS CORP-CLASS B NON VOTING	CBS	35,181.38	0.20%	0.81%	8.50%	9.34%	0.0190%
COCA-COLA ENTERPRISES	CCE	11,520.38	0.07%	2.23%	10.00%	12.34%	0.0082%
CROWN CASTLE INTL CORP	CCI	25,364.08	0.15%	1.83%	27.00%	29.08%	0.0427%
CARNIVAL CORP	CCL	30,862.44	0.18%	2.52%	8.00%	10.62%	0.0190%
CELGENE CORP	CELG	60,244.18	0.35%	0.00%	14.00%	14.00%	0.0488%
CERNER CORP	CERN	17,967.09	0.10%	0.00%	15.00%	15.00%	0.0156%
CF INDUSTRIES HOLDINGS INC	CF	12,903.18	0.07%	1.74%	4.50%	6.28%	0.0047%
CAREFUSION CORP	CFN	8,748.63	0.05%	0.00%	13.00%	13.00%	0.0066%
CHESAPEAKE ENERGY CORP	CHK	18,136.00	0.10%	1.25%	7.00%	8.29%	0.0087%
C.H. ROBINSON WORLDWIDE INC	CHRW	8,844.07	0.05%	2.35%	6.50%	8.93%	0.0046%
CIGNA CORP	CI	24,793.11	0.14%	0.05%	9.00%	9.05%	0.0130%
CINCINNATI FINANCIAL CORP	CINF	7,976.96	0.05%	3.62%	12.50%	16.35%	0.0075%
COLGATE-PALMOLIVE CO	CL	60,973.86	0.35%	2.22%	10.50%	12.84%	0.0453%
CLOROX COMPANY	CLX	11,315.45	0.07%	3.36%	10.50%	14.04%	0.0092%
COMERICA INC	CMA	8,489.02	0.05%	1.71%	11.00%	12.80%	0.0063%
COMCAST CORP-CLASS A	CMCSA	134,409.90	0.78%	1.74%	12.00%	13.84%	0.1077%
CME GROUP INC	CME	23,828.27	0.14%	2.64%	8.50%	11.25%	0.0155%
CHIPOTLE MEXICAN GRILL INC	CMG	16,180.68	0.09%	0.00%	17.00%	17.00%	0.0159%
CUMMINS INC	CMI	27,129.12	0.16%	1.68%	8.00%	9.75%	0.0153%
CMS ENERGY CORP	CMS	7,842.65	0.05%	3.77%	6.50%	10.39%	0.0047%
CENTERPOINT ENERGY INC	CNP	10,308.87	0.06%	4.00%	2.50%	6.55%	0.0039%
CONSOL ENERGY INC	CNX	10,160.74	0.06%	0.57%	4.00%	4.58%	0.0027%
CAPITAL ONE FINANCIAL CORP	COF	43,895.54	0.25%	1.57%	4.00%	5.60%	0.0142%
CABOT OIL & GAS CORP	COG	15,051.58	0.09%	0.28%	33.00%	33.33%	0.0290%
COACH INC	COH	113,334.40	0.66%	3.27%	5.00%	8.35%	0.0548%
ROCKWELL COLLINS INC	COL	10,376.59	0.06%	1.57%	7.00%	8.62%	0.0052%
CONOCOPHILLIPS	COP	96,325.74	0.56%	3.52%	3.00%	6.57%	0.0366%
COSTCO WHOLESALE CORP	COST	50,468.35	0.29%	1.24%	10.50%	11.81%	0.0345%
COVIDIEN PLC	COV	32,003.96	0.19%	1.80%	8.00%	9.87%	0.0183%
CAMPBELL SOUP CO	CPB	13,806.00	0.08%	2.83%	6.00%	8.91%	0.0071%
SALESFORCE.COM INC	CRM	32,121.81	0.19%	0.00%	0.00%	0.00%	0.0000%
COMPUTER SCIENCES CORP	CSC	8,914.18	0.05%	1.51%	7.50%	9.07%	0.0047%
CISCO SYSTEMS INC	CSCO	126,556.60	0.73%	3.12%	5.50%	8.71%	0.0637%
CSX CORP	CSX	29,578.46	0.17%	2.17%	8.50%	10.76%	0.0184%
CINTAS CORP	CTAS	7,388.06	0.04%	1.25%	11.50%	12.82%	0.0055%
CENTURYLINK INC	CTL	21,365.45	0.12%	5.81%	6.50%	12.50%	0.0155%
COGNIZANT TECH SOLUTIONS-A	CTSH	28,815.77	0.17%	0.00%	21.00%	21.00%	0.0350%
CITRIX SYSTEMS INC	CTXS	11,499.61	0.07%	0.00%	12.50%	12.50%	0.0083%
CABLEVISION SYSTEMS-NY GRP-A	CVC	4,647.21	0.03%	3.49%	19.00%	22.82%	0.0061%
CVS CAREMARK CORP	CVS	90,567.34	0.52%	1.43%	11.00%	12.51%	0.0655%
CHEVRON CORP	CVX	235,348.30	1.36%	3.46%	4.50%	8.04%	0.1094%
DOMINION RESOURCES INC/VA	D	40,607.88	0.23%	3.51%	5.50%	9.11%	0.0214%
DELTA AIR LINES INC	DAL	32,603.72	0.19%	0.62%	16.00%	16.67%	0.0314%
DU PONT (E.I.) DE NEMOURS	DD	61,953.72	0.36%	2.79%	8.50%	11.41%	0.0409%
DEERE & CO	DE	33,269.39	0.19%	2.27%	3.00%	5.30%	0.0102%
DISCOVER FINANCIAL SERVICES	DFS	27,315.14	0.16%	1.68%	8.50%	10.25%	0.0162%
DOLLAR GENERAL CORP	DG	17,571.35	0.10%	0.00%	14.50%	14.50%	0.0147%
QUEST DIAGNOSTICS INC	DGX	8,256.96	0.05%	2.30%	6.50%	8.87%	0.0042%
DR HORTON INC	DHI	7,362.59	0.04%	0.66%	25.50%	26.24%	0.0112%
DANAHER CORP	DHR	54,584.48	0.32%	0.51%	12.00%	12.54%	0.0396%
WALT DISNEY CO/THE	DIS	139,995.00	0.81%	1.04%	11.50%	12.60%	0.1021%
DISCOVERY COMMUNICATIONS-A	DISCA	23,361.80	0.14%	0.00%	14.50%	14.50%	0.0196%
DELPHI AUTOMOTIVE PLC	DLPH	20,649.18	0.12%	1.47%	12.00%	13.56%	0.0162%
DOLLAR TREE INC	DLTR	11,095.46	0.06%	0.00%	14.50%	14.50%	0.0093%
DUN & BRADSTREET CORP	DNB	3,890.38	0.02%	1.68%	3.50%	5.21%	0.0012%
DENBURY RESOURCES INC	DNR	5,917.10	0.03%	1.84%	9.00%	10.92%	0.0037%
DIAMOND OFFSHORE DRILLING	DO	7,061.51	0.04%	6.80%	9.00%	16.11%	0.0066%
DOVER CORP	DOV	14,319.63	0.08%	1.74%	6.00%	7.79%	0.0065%
DOW CHEMICAL CO/THE	DOW	59,268.07	0.34%	2.97%	14.50%	17.69%	0.0606%
DR PEPPER SNAPPLE GROUP INC	DPS	11,329.55	0.07%	2.90%	6.50%	9.49%	0.0062%
DARDEN RESTAURANTS INC	DRI	6,531.81	0.04%	4.44%	6.50%	11.08%	0.0042%
DTE ENERGY COMPANY	DTE	13,302.75	0.08%	3.67%	5.00%	8.76%	0.0067%

		[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	42,678.93	0.25%	0.00%	14.50%	14.50%	0.0358%
DUKE ENERGY CORP	DUK	49,808.30	0.29%	4.49%	5.00%	9.60%	0.0277%
DAVITA HEALTHCARE PARTNERS I	DVA	14,589.31	0.08%	0.00%	11.00%	11.00%	0.0093%
DEVON ENERGY CORPORATION	DVN	29,665.68	0.17%	1.32%	6.50%	7.86%	0.0135%
ELECTRONIC ARTS INC	EA	10,682.13	0.06%	0.00%	15.00%	15.00%	0.0093%
EBAY INC	EBAY	66,641.00	0.39%	0.00%	13.00%	13.00%	0.0501%
ECOLAB INC	ECL	32,302.37	0.19%	1.05%	11.50%	12.61%	0.0236%
CONSOLIDATED EDISON INC	ED	15,864.88	0.09%	4.71%	1.00%	5.73%	0.0053%
EQUIFAX INC	EFX	8,472.90	0.05%	1.44%	10.00%	11.51%	0.0056%
EDISON INTERNATIONAL	EIX	17,711.09	0.10%	2.70%	2.50%	5.23%	0.0054%
ESTEE LAUDER COMPANIES-CL A	EL	28,685.14	0.17%	1.07%	11.50%	12.63%	0.0210%
EMC CORP/MA	EMC	54,130.58	0.31%	1.74%	9.00%	10.82%	0.0339%
EASTMAN CHEMICAL CO	EMN	12,778.25	0.07%	1.65%	10.00%	11.73%	0.0087%
EMERSON ELECTRIC CO	EMR	46,394.89	0.27%	2.60%	6.50%	9.18%	0.0247%
EOG RESOURCES INC	EOG	56,660.60	0.33%	0.48%	21.50%	22.03%	0.0722%
EQUITY RESIDENTIAL	EQR	-	0.00%	3.30%	0.00%	3.30%	0.0000%
EQT CORP	EQT	15,628.84	0.09%	0.12%	15.50%	15.63%	0.0141%
EXPRESS SCRIPTS HOLDING CO	ESRX	54,344.00	0.31%	0.00%	12.50%	12.50%	0.0393%
ESSEX PROPERTY TRUST INC	ESS	N/A	N/A	N/A	N/A	N/A	N/A
ENSCO PLC-CL A	ESV	12,037.65	0.07%	5.82%	10.50%	16.63%	0.0116%
E*TRADE FINANCIAL CORP	ETFC	5,887.76	0.03%	0.00%	0.00%	0.00%	0.0000%
EATON CORP PLC	ETN	34,942.11	0.20%	2.67%	9.00%	11.79%	0.0238%
ENTERGY CORP	ETR	13,263.82	0.08%	4.48%	-2.50%	1.92%	0.0015%
EDWARDS LIFESCIENCES CORP	EW	8,571.42	0.05%	0.00%	12.50%	12.50%	0.0062%
EXELON CORP	EXC	29,309.40	0.17%	3.63%	0.50%	4.14%	0.0070%
EXPEDITORS INTL WASH INC	EXPD	9,004.57	0.05%	1.40%	10.00%	11.47%	0.0060%
EXPEDIA INC	EXPE	9,216.55	0.05%	0.85%	15.00%	15.91%	0.0085%
FORD MOTOR CO	F	62,912.24	0.36%	3.14%	9.50%	12.79%	0.0466%
FASTENAL CO	FAST	14,273.55	0.08%	2.08%	12.00%	14.20%	0.0117%
FACEBOOK INC-A	FB	154,507.50	0.89%	0.00%	0.00%	0.00%	0.0000%
FREEMONT-MCMORAN COPPER	FCX	35,627.86	0.21%	3.73%	6.00%	9.84%	0.0203%
FAMILY DOLLAR STORES	FDO	6,451.49	0.04%	2.19%	5.50%	7.75%	0.0029%
FEDEX CORP	FDX	41,174.24	0.24%	0.43%	9.00%	9.45%	0.0225%
FIRSTENERGY CORP	FE	13,207.71	0.08%	4.56%	4.50%	9.16%	0.0070%
F5 NETWORKS INC	FFIV	8,184.19	0.05%	0.00%	12.00%	12.00%	0.0057%
FIDELITY NATIONAL INFORMATIO	FIS	15,290.81	0.09%	1.81%	10.00%	11.90%	0.0105%
FISERV INC	FISV	15,219.74	0.09%	0.00%	9.50%	9.50%	0.0084%
FIFTH THIRD BANCORP	FITB	17,298.86	0.10%	2.55%	10.00%	12.68%	0.0127%
FLIR SYSTEMS INC	FLIR	4,822.77	0.03%	1.20%	11.00%	12.27%	0.0034%
FLUOR CORP	FLR	11,758.15	0.07%	1.14%	7.00%	8.18%	0.0056%
FLOWSERVE CORP	FLS	10,069.74	0.06%	0.87%	12.00%	12.92%	0.0075%
FMC CORP	FMC	10,091.02	0.06%	0.79%	12.00%	12.84%	0.0075%
FOSSIL GROUP INC	FOSL	5,438.98	0.03%	0.00%	13.00%	13.00%	0.0041%
TWENTY-FIRST CENTURY FOX-A	FOXA	78,317.21	0.45%	0.75%	9.50%	10.29%	0.0466%
FOREST LABORATORIES INC	FRX	25,675.04	0.15%	0.00%	10.00%	10.00%	0.0149%
FIRST SOLAR INC	FSLR	6,068.70	0.04%	0.00%	-2.00%	-2.00%	-0.0007%
FMC TECHNOLOGIES INC	FTI	13,203.58	0.08%	0.00%	17.50%	17.50%	0.0134%
FRONTIER COMMUNICATIONS CORP	FTR	5,753.09	0.03%	6.97%	13.50%	20.94%	0.0070%
AGL RESOURCES INC	GAS	6,347.52	0.04%	3.68%	9.00%	12.85%	0.0047%
GANNETT CO	GCI	6,288.94	0.04%	2.89%	8.50%	11.51%	0.0042%
GENERAL DYNAMICS CORP	GD	39,349.84	0.23%	2.16%	3.00%	5.19%	0.0118%
GENERAL ELECTRIC CO	GE	265,836.00	1.54%	3.32%	10.50%	13.99%	0.2152%
GENERAL GROWTH PROPERTIES	GGP	-	0.00%	2.56%	0.00%	2.56%	0.0000%
GRAHAM HOLDINGS CO-CLASS B	GHC	4,948.83	0.03%	1.53%	10.50%	12.11%	0.0035%
GILEAD SCIENCES INC	GILD	127,470.50	0.74%	0.00%	13.00%	13.00%	0.0959%
GENERAL MILLS INC	GIS	33,114.59	0.19%	3.05%	6.50%	9.65%	0.0185%
CORNING INC	GLW	27,713.32	0.16%	1.89%	6.50%	8.45%	0.0136%
GENERAL MOTORS CO	GM	53,472.00	0.31%	3.59%	10.00%	13.77%	0.0426%
KEURIG GREEN MOUNTAIN INC	GMCR	18,358.34	0.11%	0.88%	19.00%	19.96%	0.0212%
GAMESTOP CORP-CLASS A	GME	4,285.46	0.02%	3.72%	12.00%	15.94%	0.0040%
GENWORTH FINANCIAL INC-CL A	GNW	8,528.85	0.05%	0.00%	20.00%	20.00%	0.0099%
GOOGLE INC-CL C	GOOG	367,622.30	2.13%	0.00%	15.50%	15.50%	0.3297%
GOOGLE INC-CL A	GOOGL	N/A	N/A	N/A	N/A	N/A	N/A
GENUINE PARTS CO	GPC	13,062.48	0.08%	2.71%	9.00%	11.83%	0.0089%
GAP INC/THE	GPS	18,346.14	0.11%	2.20%	12.50%	14.84%	0.0157%
GARMIN LTD	GRMN	10,874.18	0.06%	3.44%	1.50%	4.97%	0.0031%
GOLDMAN SACHS GROUP INC	GS	74,298.28	0.43%	1.38%	13.00%	14.47%	0.0622%
GOODYEAR TIRE & RUBBER CO	GT	6,136.74	0.04%	0.81%	11.50%	12.36%	0.0044%
WW GRAINGER INC	GWW	17,254.62	0.10%	1.71%	12.50%	14.32%	0.0143%
HALLIBURTON CO	HAL	53,454.63	0.31%	0.95%	14.50%	15.52%	0.0480%
HARMAN INTERNATIONAL	HAR	7,200.62	0.04%	1.14%	19.50%	20.75%	0.0086%
HASBRO INC	HAS	6,993.24	0.04%	3.20%	7.00%	10.31%	0.0042%
HUNTINGTON BANCSHARES INC	HBAN	7,499.61	0.04%	2.21%	6.00%	8.28%	0.0036%
HUDSON CITY BANCORP INC	HCBK	5,130.95	0.03%	1.65%	0.00%	1.65%	0.0005%
HEALTH CARE REIT INC	HCN	-	0.00%	5.09%	0.00%	5.09%	0.0000%
HCP INC	HCP	-	0.00%	5.28%	0.00%	5.28%	0.0000%
HOME DEPOT INC	HD	110,922.20	0.64%	2.39%	14.50%	17.06%	0.1095%

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Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
HESS CORP	HES	28,721.25	0.17%	1.11%	-1.00%	0.10%	0.0002%
HARTFORD FINANCIAL SVCS GRP	HIG	15,522.34	0.09%	1.73%	11.00%	12.83%	0.0115%
HARLEY-DAVIDSON INC	HOG	15,757.86	0.09%	1.54%	13.50%	15.14%	0.0138%
HONEYWELL INTERNATIONAL INC	HON	71,616.32	0.41%	1.97%	9.50%	11.56%	0.0479%
STARWOOD HOTELS & RESORTS	HOT	15,109.07	0.09%	1.79%	11.00%	12.89%	0.0113%
HELMERICH & PAYNE	HP	11,495.96	0.07%	2.35%	9.50%	11.96%	0.0080%
HEWLETT-PACKARD CO	HPQ	60,350.22	0.35%	2.01%	0.00%	2.01%	0.0070%
H&R BLOCK INC	HRB	8,020.85	0.05%	2.74%	10.00%	12.88%	0.0060%
HORMEL FOODS CORP	HRL	12,222.46	0.07%	1.81%	11.00%	12.91%	0.0091%
HARRIS CORP	HRS	8,111.87	0.05%	2.33%	1.50%	3.85%	0.0018%
HOSPIRA INC	HSP	8,016.00	0.05%	0.00%	7.00%	7.00%	0.0032%
HOST HOTELS & RESORTS INC	HST	-	0.00%	2.88%	0.00%	2.88%	0.0000%
HERSHEY CO/THE	HSY	21,791.89	0.13%	2.05%	11.50%	13.67%	0.0172%
HUMANA INC	HUM	18,993.93	0.11%	0.91%	7.50%	8.44%	0.0093%
INTL BUSINESS MACHINES CORP	IBM	187,942.10	1.09%	2.37%	7.50%	9.96%	0.1083%
INTERCONTINENTALEXCHANGE GRO	ICE	22,486.60	0.13%	1.34%	18.50%	19.96%	0.0260%
INTL FLAVORS & FRAGRANCES	IFF	7,980.52	0.05%	1.65%	7.00%	8.71%	0.0040%
INTL GAME TECHNOLOGY	IGT	3,072.68	0.02%	3.54%	10.50%	14.23%	0.0025%
INTEL CORP	INTC	130,017.80	0.75%	3.44%	6.00%	9.54%	0.0718%
INTUIT INC	INTU	22,204.74	0.13%	0.97%	10.00%	11.02%	0.0142%
INTERNATIONAL PAPER CO	IP	20,175.29	0.12%	3.01%	12.00%	15.19%	0.0177%
INTERPUBLIC GROUP OF COS INC	IPG	7,858.78	0.05%	2.05%	12.00%	14.17%	0.0064%
INGERSOLL-RAND PLC	IR	15,499.08	0.09%	1.75%	12.50%	14.36%	0.0129%
IRON MOUNTAIN INC	IRM	5,723.05	0.03%	3.62%	6.50%	10.24%	0.0034%
INTUITIVE SURGICAL INC	ISRG	14,002.18	0.08%	0.00%	6.50%	6.50%	0.0053%
ILLINOIS TOOL WORKS	ITW	35,424.63	0.20%	1.96%	10.50%	12.56%	0.0257%
INVESCO LTD	IVZ	15,325.45	0.09%	2.82%	14.00%	17.02%	0.0151%
JABIL CIRCUIT INC	JBL	3,682.74	0.02%	1.77%	3.00%	4.80%	0.0010%
JOHNSON CONTROLS INC	JCI	31,733.42	0.18%	1.84%	12.00%	13.95%	0.0256%
JACOBS ENGINEERING GROUP INC	JEC	7,011.10	0.04%	0.00%	12.00%	12.00%	0.0049%
JOHNSON & JOHNSON	JNJ	285,478.70	1.65%	2.77%	6.50%	9.36%	0.1546%
JUNIPER NETWORKS INC	JNPR	12,231.44	0.07%	1.22%	16.50%	17.82%	0.0126%
JOY GLOBAL INC	JOY	5,793.87	0.03%	1.21%	2.00%	3.22%	0.0011%
JPMORGAN CHASE & CO	JPM	204,895.70	1.19%	2.93%	7.50%	10.54%	0.1249%
NORDSTROM INC	JWN	13,046.80	0.08%	2.00%	8.50%	10.59%	0.0080%
KELLOGG CO	K	24,543.48	0.14%	2.75%	6.50%	9.34%	0.0133%
KEYCORP	KEY	11,759.91	0.07%	1.96%	6.00%	8.02%	0.0055%
KIMCO REALTY CORP	KIM	-	0.00%	4.08%	0.00%	4.08%	0.0000%
KLA-TENCOR CORPORATION	KLAC	10,553.17	0.06%	2.83%	6.00%	8.91%	0.0054%
KIMBERLY-CLARK CORP	KMB	41,541.04	0.24%	3.05%	8.50%	11.68%	0.0281%
KINDER MORGAN INC	KMI	34,805.96	0.20%	4.98%	15.00%	20.35%	0.0410%
CARMAX INC	KMX	9,940.34	0.06%	0.00%	10.50%	10.50%	0.0060%
COCA-COLA CO/THE	KO	178,227.40	1.03%	3.08%	6.50%	9.68%	0.0998%
MICHAEL KORS HOLDINGS LTD	KORS	N/A	N/A	N/A	N/A	N/A	N/A
KROGER CO	KR	23,525.48	0.14%	1.53%	9.50%	11.10%	0.0151%
KRAFT FOODS GROUP INC	KRFT	34,435.28	0.20%	3.63%	0.00%	3.63%	0.0072%
KOHL'S CORP	KSS	11,157.68	0.06%	3.03%	7.50%	10.64%	0.0069%
KANSAS CITY SOUTHERN	KSU	11,704.38	0.07%	1.06%	14.00%	15.13%	0.0102%
LOEWS CORP	L	16,688.20	0.10%	0.58%	16.00%	16.63%	0.0161%
L BRANDS INC	LB	16,496.79	0.10%	2.40%	8.50%	11.00%	0.0105%
LEGGETT & PLATT INC	LEG	4,618.76	0.03%	3.60%	12.50%	16.33%	0.0044%
LENNAR CORP-A	LEN	7,970.22	0.05%	0.41%	27.00%	27.47%	0.0127%
LABORATORY CRP OF AMER HLDGS	LH	8,504.59	0.05%	0.00%	5.00%	5.00%	0.0025%
L-3 COMMUNICATIONS HOLDINGS	LLL	10,041.49	0.06%	2.07%	4.00%	6.11%	0.0036%
LINEAR TECHNOLOGY CORP	LLTC	10,768.55	0.06%	2.37%	6.50%	8.95%	0.0056%
ELI LILLY & CO	LLY	64,061.64	0.37%	3.28%	-2.50%	0.74%	0.0027%
LEGG MASON INC	LM	5,826.32	0.03%	1.31%	14.00%	15.40%	0.0052%
LOCKHEED MARTIN CORP	LMT	51,636.77	0.30%	3.44%	7.50%	11.07%	0.0331%
LINCOLN NATIONAL CORP	LNC	12,742.57	0.07%	1.40%	8.00%	9.46%	0.0070%
LORILLARD INC	LO	21,602.13	0.12%	4.13%	11.00%	15.36%	0.0192%
LOWE'S COS INC	LOW	49,234.50	0.28%	1.54%	15.00%	16.66%	0.0474%
LAM RESEARCH CORP	LRCX	9,600.40	0.06%	1.22%	13.50%	14.80%	0.0082%
LEUCADIA NATIONAL CORP	LUK	N/A	N/A	N/A	N/A	N/A	N/A
SOUTHWEST AIRLINES CO	LUV	17,482.87	0.10%	0.95%	16.50%	17.53%	0.0177%
LYONDELLBASELL INDU-CL A	LYB	N/A	N/A	N/A	N/A	N/A	N/A
MACY'S INC	M	21,228.19	0.12%	2.17%	14.00%	16.32%	0.0200%
MASTERCARD INC-CLASS A	MA	91,733.25	0.53%	0.58%	14.00%	14.62%	0.0776%
MACERICH CO/THE	MAC	-	0.00%	3.81%	0.00%	3.81%	0.0000%
MARRIOTT INTERNATIONAL -CL A	MAR	17,298.95	0.10%	1.36%	12.50%	13.95%	0.0140%
MASCO CORP	MAS	7,311.54	0.04%	1.72%	33.50%	35.51%	0.0150%
MATTEL INC	MAT	13,132.80	0.08%	3.93%	7.00%	11.07%	0.0084%
MCDONALD'S CORP	MCD	101,466.50	0.59%	3.16%	7.00%	10.27%	0.0603%
MICROCHIP TECHNOLOGY INC	MCHP	9,246.99	0.05%	3.06%	9.00%	12.20%	0.0065%
MCKESSON CORP	MCK	42,248.83	0.24%	0.52%	14.00%	14.56%	0.0356%
MOODY'S CORP	MCO	17,499.89	0.10%	1.37%	11.50%	12.95%	0.0131%
MONDELEZ INTERNATIONAL INC-A	MDLZ	63,233.96	0.37%	1.50%	7.50%	9.06%	0.0331%
MEDTRONIC INC	MDT	59,678.37	0.35%	2.01%	7.50%	9.59%	0.0331%

		[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
METLIFE INC	MET	56,752.28	0.33%	2.77%	7.50%	10.37%	0.0341%
MCGRAW HILL FINANCIAL INC	MHFI	21,678.01	0.13%	1.51%	0.00%	1.51%	0.0019%
MOHAWK INDUSTRIES INC	MHK	9,742.10	0.06%	0.00%	15.50%	15.50%	0.0087%
MEAD JOHNSON NUTRITION CO	MJN	17,334.12	0.10%	1.75%	11.00%	12.85%	0.0129%
MCCORMICK & CO-NON VTG SHRS	MKC	9,227.66	0.05%	2.18%	7.50%	9.76%	0.0052%
MARSH & MCLENNAN COS	MMC	27,169.49	0.16%	2.26%	12.50%	14.90%	0.0234%
3M CO	MMM	91,801.74	0.53%	2.44%	9.00%	11.55%	0.0613%
MONSTER BEVERAGE CORP	MNST	11,588.25	0.07%	0.00%	14.50%	14.50%	0.0097%
ALTRIA GROUP INC	MO	80,790.48	0.47%	4.72%	10.50%	15.47%	0.0723%
MONSANTO CO	MON	62,567.96	0.36%	1.44%	11.50%	13.02%	0.0471%
MOSAIC CO/THE	MOS	21,076.80	0.12%	2.43%	6.00%	8.50%	0.0104%
MARATHON PETROLEUM CORP	MPC	25,203.90	0.15%	2.00%	0.00%	2.00%	0.0029%
MERCK & CO. INC.	MRK	165,324.40	0.96%	3.12%	2.00%	5.15%	0.0493%
MARATHON OIL CORP	MRO	24,638.58	0.14%	2.27%	9.00%	11.37%	0.0162%
MORGAN STANLEY	MS	59,919.54	0.35%	1.32%	30.00%	31.52%	0.1093%
MICROSOFT CORP	MSFT	331,226.00	1.92%	2.99%	7.00%	10.09%	0.1935%
MOTOROLA SOLUTIONS INC	MSI	16,937.81	0.10%	2.00%	8.00%	10.08%	0.0099%
M & T BANK CORP	MTB	15,872.80	0.09%	2.32%	5.00%	7.38%	0.0068%
MICRON TECHNOLOGY INC	MU	29,071.90	0.17%	0.00%	80.50%	80.50%	0.1354%
MURPHY OIL CORP	MUR	10,973.12	0.06%	2.04%	9.00%	11.13%	0.0071%
MEADWESTVACO CORP	MWV	6,979.47	0.04%	2.50%	11.00%	13.64%	0.0055%
MYLAN INC	MYL	17,705.98	0.10%	0.00%	14.00%	14.00%	0.0143%
NAVIENT CORP	NAVI	N/A	N/A	N/A	N/A	N/A	N/A
NOBLE ENERGY INC	NBL	25,268.40	0.15%	1.03%	15.00%	16.11%	0.0235%
NABORS INDUSTRIES LTD	NBR	7,677.72	0.04%	0.62%	22.50%	23.19%	0.0103%
NASDAQ OMX GROUP/THE	NDAQ	6,157.82	0.04%	1.65%	8.50%	10.22%	0.0036%
NOBLE CORP PLC	NE	7,768.17	0.04%	4.91%	23.50%	28.99%	0.0130%
NEXTERA ENERGY INC	NEE	42,146.44	0.24%	3.07%	6.00%	9.16%	0.0223%
NEWMONT MINING CORP	NEM	11,645.64	0.07%	0.43%	-17.50%	-17.11%	-0.0115%
NETFLIX INC	NFLX	23,484.49	0.14%	0.00%	29.00%	29.00%	0.0394%
NEWFIELD EXPLORATION CO	NFX	4,738.65	0.03%	0.00%	-1.00%	-1.00%	-0.0003%
NISOURCE INC	NI	11,707.41	0.07%	2.80%	10.50%	13.45%	0.0091%
NIKE INC -CL B	NKE	65,969.28	0.38%	1.28%	12.50%	13.86%	0.0529%
NIELSEN NV	NLSN	18,104.56	0.10%	2.09%	12.50%	14.72%	0.0154%
NORTHROP GRUMMAN CORP	NOC	25,478.33	0.15%	2.36%	5.00%	7.42%	0.0109%
NATIONAL OILWELL VARCO INC	NOV	35,302.88	0.20%	2.23%	10.50%	12.85%	0.0262%
NRG ENERGY INC	NRG	10,849.84	0.06%	1.66%	7.00%	8.72%	0.0055%
NORFOLK SOUTHERN CORP	NSC	30,667.34	0.18%	2.18%	8.50%	10.77%	0.0191%
NETAPP INC	NTAP	12,048.51	0.07%	1.83%	9.50%	11.42%	0.0080%
NORTHERN TRUST CORP	NTRS	14,266.90	0.08%	2.19%	9.50%	11.79%	0.0097%
NORTHEAST UTILITIES	NU	14,366.51	0.08%	3.58%	8.00%	11.72%	0.0097%
NUCOR CORP	NUE	16,222.61	0.09%	2.91%	22.00%	25.23%	0.0237%
NVIDIA CORP	NVDA	10,415.56	0.06%	1.86%	6.50%	8.42%	0.0051%
NEWELL RUBBERMAID INC	NWL	8,060.27	0.05%	2.33%	12.50%	14.98%	0.0070%
NEWS CORP - CLASS A	NWSA	9,940.12	0.06%	0.00%	0.00%	0.00%	0.0000%
OWENS-ILLINOIS INC	OI	5,376.27	0.03%	0.00%	8.50%	8.50%	0.0026%
ONEOK INC	OKE	13,376.11	0.08%	3.64%	10.00%	13.82%	0.0107%
OMNICOM GROUP	OMC	17,899.55	0.10%	2.89%	10.50%	13.54%	0.0140%
ORACLE CORP	ORCL	186,134.10	1.08%	1.35%	9.50%	10.91%	0.1175%
O'REILLY AUTOMOTIVE INC	ORLY	15,745.60	0.09%	0.00%	12.00%	12.00%	0.0109%
OCCIDENTAL PETROLEUM CORP	OXY	76,385.24	0.44%	2.99%	3.50%	6.54%	0.0289%
PAYCHEX INC	PAYX	14,698.69	0.09%	3.76%	8.00%	11.91%	0.0101%
PEOPLE'S UNITED FINANCIAL	PBCT	4,318.65	0.02%	4.58%	14.00%	18.90%	0.0047%
PITNEY BOWES INC	PBI	5,369.32	0.03%	2.82%	2.00%	4.85%	0.0015%
PACCAR INC	PCAR	22,108.45	0.13%	2.89%	12.50%	15.57%	0.0199%
P G & E CORP	PCG	20,710.77	0.12%	4.08%	5.00%	9.18%	0.0110%
PLUM CREEK TIMBER CO	PCL	7,523.21	0.04%	4.14%	12.50%	16.90%	0.0074%
PRICELINE GROUP INC/THE	PCLN	61,594.87	0.36%	0.00%	22.00%	22.00%	0.0784%
PRECISION CASTPARTS CORP	PCP	35,805.71	0.21%	0.05%	13.00%	13.05%	0.0270%
PATTERSON COS INC	PDCO	3,966.35	0.02%	2.14%	10.00%	12.25%	0.0028%
PUBLIC SERVICE ENTERPRISE GP	PEG	19,031.02	0.11%	3.96%	2.00%	6.00%	0.0066%
PEPSICO INC	PEP	130,851.80	0.76%	3.06%	8.50%	11.69%	0.0885%
PETSMART INC	PETM	5,610.68	0.03%	1.45%	11.50%	13.03%	0.0042%
PFIZER INC	PFE	192,228.50	1.11%	3.51%	10.50%	14.19%	0.1579%
PRINCIPAL FINANCIAL GROUP	PFG	13,639.90	0.08%	2.76%	10.00%	12.90%	0.0102%
PROCTER & GAMBLE CO/THE	PG	218,235.70	1.26%	3.19%	7.50%	10.81%	0.1365%
PROGRESSIVE CORP	PGR	14,990.33	0.09%	1.95%	14.00%	16.09%	0.0140%
PARKER HANNIFIN CORP	PH	18,152.32	0.11%	1.58%	6.50%	8.13%	0.0085%
PULTEGROUP INC	PHM	7,287.82	0.04%	1.04%	31.50%	32.70%	0.0138%
PERKINELMER INC	PKI	4,984.49	0.03%	0.64%	7.50%	8.16%	0.0024%
PROLOGIS INC	PLD	-	0.00%	3.31%	0.00%	3.31%	0.0000%
PALL CORP	PLL	9,328.68	0.05%	1.29%	9.50%	10.85%	0.0059%
PHILIP MORRIS INTERNATIONAL	PM	136,011.80	0.79%	4.36%	7.50%	12.02%	0.0946%
PNC FINANCIAL SERVICES GROUP	PNC	44,819.97	0.26%	2.28%	5.50%	7.84%	0.0203%
PENTAIR LTD-REGISTERED	PNR	14,427.42	0.08%	1.35%	16.50%	17.96%	0.0150%
PINNACLE WEST CAPITAL	PNW	6,062.85	0.04%	4.22%	4.00%	8.30%	0.0029%
PEPCO HOLDINGS INC	POM	6,943.99	0.04%	3.89%	7.00%	11.03%	0.0044%



		[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	27,147.35	0.16%	1.37%	11.50%	12.95%	0.0203%
PPL CORPORATION	PPL	21,196.67	0.12%	4.47%	0.00%	4.47%	0.0055%
PERRIGO CO PLC	PRGO	18,307.85	0.11%	0.31%	13.50%	13.83%	0.0147%
PRUDENTIAL FINANCIAL INC	PRU	37,557.54	0.22%	2.64%	10.00%	12.77%	0.0278%
PUBLIC STORAGE	PSA	-	0.00%	3.35%	0.00%	3.35%	0.0000%
PHILLIPS 66	PSX	46,614.31	0.27%	2.43%	0.00%	2.43%	0.0066%
PVH CORP	PVH	10,777.71	0.06%	0.11%	10.50%	10.62%	0.0066%
QUANTA SERVICES INC	PWR	7,142.59	0.04%	0.00%	19.50%	19.50%	0.0081%
PRAXAIR INC	PX	38,166.37	0.22%	2.06%	10.50%	12.67%	0.0280%
PIONEER NATURAL RESOURCES CO	PXD	29,001.83	0.17%	0.04%	19.50%	19.54%	0.0328%
QUALCOMM INC	QCOM	134,138.20	0.78%	2.11%	9.50%	11.71%	0.0909%
QEP RESOURCES INC	QEP	5,511.94	0.03%	0.36%	11.50%	11.88%	0.0038%
RYDER SYSTEM INC	R	4,395.66	0.03%	1.65%	13.00%	14.76%	0.0038%
REYNOLDS AMERICAN INC	RAI	31,373.66	0.18%	4.58%	9.50%	14.30%	0.0260%
ROWAN COMPANIES PLC-A	RDC	3,754.31	0.02%	1.33%	28.50%	30.02%	0.0065%
REGENERON PHARMACEUTICALS	REGN	29,442.92	0.17%	0.00%	35.50%	35.50%	0.0605%
REGIONS FINANCIAL CORP	RF	13,901.20	0.08%	2.08%	13.00%	15.22%	0.0122%
ROBERT HALF INTL INC	RHI	6,103.52	0.04%	1.62%	12.00%	13.72%	0.0048%
RED HAT INC	RHT	9,572.87	0.06%	0.00%	12.00%	12.00%	0.0066%
TRANSOCEAN LTD	RIG	15,424.14	0.09%	5.26%	13.00%	18.60%	0.0166%
RALPH LAUREN CORP	RL	13,610.24	0.08%	1.19%	9.00%	10.24%	0.0081%
ROCKWELL AUTOMATION INC	ROK	16,596.79	0.10%	1.94%	8.50%	10.52%	0.0101%
ROPER INDUSTRIES INC	ROP	14,039.03	0.08%	0.57%	11.00%	11.60%	0.0094%
ROSS STORES INC	ROST	14,533.90	0.08%	1.22%	9.00%	10.27%	0.0086%
RANGE RESOURCES CORP	RRC	14,268.28	0.08%	0.18%	32.50%	32.71%	0.0270%
REPUBLIC SERVICES INC	RSG	12,451.99	0.07%	3.16%	9.00%	12.30%	0.0089%
RAYTHEON COMPANY	RTN	30,085.10	0.17%	2.52%	9.50%	12.14%	0.0211%
STARBUCKS CORP	SBUX	53,842.73	0.31%	1.63%	18.50%	20.28%	0.0632%
SCANA CORP	SCG	7,243.17	0.04%	4.13%	5.00%	9.23%	0.0039%
SCHWAB (CHARLES) CORP	SCHW	33,302.88	0.19%	0.94%	10.50%	11.49%	0.0221%
SPECTRA ENERGY CORP	SE	27,168.50	0.16%	3.35%	3.00%	6.40%	0.0101%
SEALED AIR CORP	SEE	7,016.78	0.04%	1.60%	19.50%	21.26%	0.0086%
SHERWIN-WILLIAMS CO/THE	SHW	19,810.09	0.11%	1.15%	15.50%	16.74%	0.0192%
SIGMA-ALDRICH	SIAL	11,535.90	0.07%	0.95%	7.50%	8.49%	0.0057%
JM SMUCKER CO/THE	SJM	10,323.72	0.06%	2.41%	7.50%	10.00%	0.0060%
SCHLUMBERGER LTD	SLB	132,302.70	0.77%	1.58%	13.50%	15.19%	0.1162%
SNAP-ON INC	SNA	6,688.41	0.04%	1.53%	9.00%	10.60%	0.0041%
SANDISK CORP	SNDK	21,017.25	0.12%	1.29%	11.50%	12.86%	0.0156%
SCRIPPS NETWORKS INTER-CL A	SNI	10,893.61	0.06%	1.06%	8.00%	9.10%	0.0057%
SOUTHERN CO/THE	SO	38,313.25	0.22%	4.91%	3.50%	8.50%	0.0188%
SIMON PROPERTY GROUP INC	SPG	-	0.00%	2.99%	0.00%	2.99%	0.0000%
STAPLES INC	SPLS	7,570.02	0.04%	4.10%	-1.50%	2.57%	0.0011%
STERICYCLE INC	SRCL	9,587.97	0.06%	0.00%	12.00%	12.00%	0.0067%
SEMPRA ENERGY	SRE	24,159.79	0.14%	2.72%	6.00%	8.80%	0.0123%
SUNTRUST BANKS INC	STI	20,430.66	0.12%	2.10%	15.00%	17.26%	0.0204%
ST JUDE MEDICAL INC	STJ	18,379.17	0.11%	1.70%	8.50%	10.27%	0.0109%
STATE STREET CORP	STT	27,845.16	0.16%	1.86%	9.50%	11.45%	0.0184%
SEAGATE TECHNOLOGY	STX	16,952.54	0.10%	3.33%	6.50%	9.94%	0.0097%
CONSTELLATION BRANDS INC-A	STZ	15,742.75	0.09%	0.00%	16.50%	16.50%	0.0150%
STANLEY BLACK & DECKER INC	SWK	13,441.45	0.08%	2.32%	10.00%	12.44%	0.0097%
SOUTHWESTERN ENERGY CO	SWN	15,648.91	0.09%	0.00%	11.00%	11.00%	0.0100%
SAFeway INC	SWY	7,892.43	0.05%	2.68%	8.50%	11.29%	0.0052%
STRYKER CORP	SYK	30,551.10	0.18%	1.51%	13.50%	15.11%	0.0267%
SYMANTEC CORP	SYMC	15,366.33	0.09%	2.70%	9.50%	12.33%	0.0110%
SYSCO CORP	SYO	21,314.72	0.12%	3.18%	8.50%	11.82%	0.0146%
AT&T INC	T	183,784.70	1.06%	5.23%	7.00%	12.41%	0.1320%
MOLSON COORS BREWING CO -B	TAP	12,374.24	0.07%	2.29%	8.50%	10.89%	0.0078%
TERADATA CORP	TDC	6,468.85	0.04%	0.00%	7.00%	7.00%	0.0026%
TECO ENERGY INC	TE	3,735.58	0.02%	5.14%	4.50%	9.76%	0.0021%
INTEGRYS ENERGY GROUP INC	TEG	4,614.96	0.03%	4.68%	3.50%	8.26%	0.0022%
TE CONNECTIVITY LTD	TEL	23,454.00	0.14%	2.02%	8.50%	10.61%	0.0144%
TARGET CORP	TGT	35,372.18	0.20%	3.36%	5.50%	8.95%	0.0183%
TENET HEALTHCARE CORP	THC	4,581.43	0.03%	0.00%	28.00%	28.00%	0.0074%
TIFFANY & CO	TIF	12,388.52	0.07%	1.57%	12.50%	14.17%	0.0102%
TJX COMPANIES INC	TJX	39,450.15	0.23%	1.26%	12.50%	13.84%	0.0316%
TORCHMARK CORP	TMK	7,272.52	0.04%	0.94%	5.50%	6.47%	0.0027%
THERMO FISHER SCIENTIFIC INC	TMO	46,248.88	0.27%	0.52%	13.00%	13.55%	0.0363%
TRIPADVISOR INC	TRIP	12,982.67	0.08%	0.00%	23.50%	23.50%	0.0177%
T ROWE PRICE GROUP INC	TROW	21,247.90	0.12%	2.21%	12.00%	14.34%	0.0176%
TRAVELERS COS INC/THE	TRV	32,879.03	0.19%	2.37%	9.50%	11.98%	0.0228%
TRACTOR SUPPLY COMPANY	TSCO	8,819.36	0.05%	1.01%	16.00%	17.09%	0.0087%
TYSON FOODS INC-CL A	TSN	13,633.52	0.08%	0.77%	12.00%	12.82%	0.0101%
TESORO CORP	TSO	7,145.35	0.04%	1.84%	15.50%	17.48%	0.0072%
TOTAL SYSTEM SERVICES INC	TSS	5,747.89	0.03%	1.31%	9.50%	10.87%	0.0036%
TIME WARNER CABLE	TWC	39,151.66	0.23%	2.14%	10.00%	12.25%	0.0277%
TIME WARNER INC	TWX	61,993.42	0.36%	1.82%	11.00%	12.92%	0.0463%
TEXAS INSTRUMENTS INC	TXN	49,801.25	0.29%	2.60%	8.00%	10.70%	0.0308%

		[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
TEXTRON INC	TXT	10,620.06	0.06%	0.29%	17.00%	17.31%	0.0106%
TYCO INTERNATIONAL LTD	TYC	19,716.97	0.11%	1.68%	15.00%	16.81%	0.0192%
UNDER ARMOUR INC-CLASS A	UA	10,205.60	0.06%	0.00%	23.00%	23.00%	0.0136%
UNITEDHEALTH GROUP INC	UNH	77,399.91	0.45%	1.43%	10.00%	11.50%	0.0515%
UNUM GROUP	UNM	8,631.80	0.05%	1.74%	7.50%	9.31%	0.0046%
UNION PACIFIC CORP	UNP	88,472.06	0.51%	1.86%	11.00%	12.96%	0.0664%
UNITED PARCEL SERVICE-CL B	UPS	94,543.80	0.55%	2.64%	7.50%	10.24%	0.0560%
URBAN OUTFITTERS INC	URBN	4,790.92	0.03%	0.00%	14.50%	14.50%	0.0040%
US BANCORP	USB	75,334.77	0.44%	2.27%	5.50%	7.83%	0.0341%
UNITED TECHNOLOGIES CORP	UTX	105,460.70	0.61%	2.05%	9.50%	11.65%	0.0711%
VISA INC-CLASS A SHARES	V	161,424.30	0.93%	0.84%	16.50%	17.41%	0.1626%
VARIAN MEDICAL SYSTEMS INC	VAR	8,462.99	0.05%	0.00%	6.00%	6.00%	0.0029%
VF CORP	VFC	27,038.22	0.16%	1.68%	11.50%	13.28%	0.0208%
VIACOM INC-CLASS B	VIAB	37,212.46	0.22%	1.56%	13.00%	14.66%	0.0316%
VALERO ENERGY CORP	VLO	29,279.56	0.17%	1.83%	15.00%	16.97%	0.0287%
VULCAN MATERIALS CO	VMC	7,836.29	0.05%	0.33%	0.00%	0.33%	0.0001%
VORNADO REALTY TRUST	VNO	19,518.46	0.11%	2.82%	6.50%	9.41%	0.0106%
VERISIGN INC	VRSN	6,502.03	0.04%	0.00%	16.00%	16.00%	0.0060%
VERTEX PHARMACEUTICALS INC	VRTX	16,641.03	0.10%	0.00%	0.00%	0.00%	0.0000%
VENTAS INC	VTR	-	0.00%	4.39%	0.00%	4.39%	0.0000%
VERIZON COMMUNICATIONS INC	VZ	204,779.80	1.18%	4.29%	10.50%	15.02%	0.1779%
WALGREEN CO	WAG	66,640.94	0.39%	1.80%	10.50%	12.39%	0.0478%
WATERS CORP	WAT	8,508.32	0.05%	0.00%	7.50%	7.50%	0.0037%
WESTERN DIGITAL CORP	WDC	19,655.40	0.11%	1.91%	6.00%	7.97%	0.0091%
WISCONSIN ENERGY CORP	WEC	10,173.16	0.06%	3.53%	6.00%	9.64%	0.0057%
WELLS FARGO & CO	WFC	263,233.60	1.52%	2.80%	8.50%	11.42%	0.1739%
WHOLE FOODS MARKET INC	WFM	13,927.50	0.08%	1.44%	15.50%	17.05%	0.0137%
WHIRLPOOL CORP	WHR	11,233.53	0.06%	2.06%	10.50%	12.67%	0.0082%
WINDSTREAM HOLDINGS INC	WIN	5,665.38	0.03%	10.64%	4.00%	14.85%	0.0049%
WELLPOINT INC	WLP	30,319.15	0.18%	1.63%	6.50%	8.18%	0.0144%
WASTE MANAGEMENT INC	WM	20,231.25	0.12%	3.47%	7.50%	11.10%	0.0130%
WILLIAMS COS INC	WMB	31,968.95	0.18%	3.75%	8.00%	11.90%	0.0220%
WAL-MART STORES INC	WMT	243,735.90	1.41%	2.55%	7.50%	10.15%	0.1431%
WESTERN UNION CO	WU	8,691.63	0.05%	3.18%	6.00%	9.28%	0.0047%
WEYERHAEUSER CO	WY	17,753.56	0.10%	2.90%	17.00%	20.15%	0.0207%
WYNDHAM WORLDWIDE CORP	WYN	9,072.88	0.05%	1.96%	10.00%	12.06%	0.0063%
WYNN RESORTS LTD	WYNN	21,006.26	0.12%	2.40%	9.00%	11.51%	0.0140%
UNITED STATES STEEL CORP	X	3,450.93	0.02%	0.84%	0.00%	0.84%	0.0002%
XCEL ENERGY INC	XEL	15,184.88	0.09%	4.03%	5.50%	9.64%	0.0085%
XL GROUP PLC	XL	9,692.23	0.06%	1.97%	16.00%	18.13%	0.0102%
XILINX INC	XLNX	12,203.04	0.07%	2.53%	8.50%	11.14%	0.0079%
EXXON MOBIL CORP	XOM	435,879.00	2.52%	2.72%	6.00%	8.80%	0.2220%
DENTSPLY INTERNATIONAL INC	XRAY	6,649.00	0.04%	0.58%	8.50%	9.10%	0.0035%
XEROX CORP	XRX	14,045.94	0.08%	2.12%	6.00%	8.18%	0.0067%
XYLEM INC	XYL	6,975.21	0.04%	1.34%	10.50%	11.91%	0.0048%
YAHOO! INC	YHOO	35,236.11	0.20%	0.00%	8.50%	8.50%	0.0173%
YUM! BRANDS INC	YUM	33,092.54	0.19%	2.10%	10.50%	12.71%	0.0243%
ZIONS BANCORPORATION	ZION	5,256.57	0.03%	0.56%	12.00%	12.59%	0.0038%
ZIMMER HOLDINGS INC	ZMH	17,280.55	0.10%	0.88%	9.50%	10.42%	0.0104%
ZOETIS INC	ZTS	15,195.33	0.09%	0.96%	0.00%	0.96%	0.0008%
Total Market Capitalization:		17,283,941.97					12.70%

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  $([6] \times (1 + (0.5 \times [7]))) + [7]$

[9] Equals Col. [5] x Col. [8]

Bloomberg and Value Line Beta Coefficients

Company	Ticker	[1]	[2]
		Bloomberg	Value Line
American Electric Power Company, Inc.	AEP	0.787	0.70
Cleco Corporation	CNL	0.758	0.70
Duke Energy Corporation	DUK	0.687	0.60
Empire District Electric Company	EDE	0.695	0.75
Great Plains Energy Inc.	GXP	0.865	0.90
Hawaiian Electric Industries, Inc.	HE	0.806	0.85
IDACORP, Inc.	IDA	0.873	0.80
NextEra Energy, Inc.	NEE	0.758	0.70
Northeast Utilities	NU	0.701	0.75
Otter Tail Corporation	OTTR	0.954	0.95
Pinnacle West Capital Corporation	PNW	0.865	0.75
PNM Resources, Inc.	PNM	0.789	0.95
Portland General Electric Company	POR	0.817	0.80
Southern Company	SO	0.653	0.60
Westar Energy, Inc.	WR	0.751	0.80
Mean		0.784	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

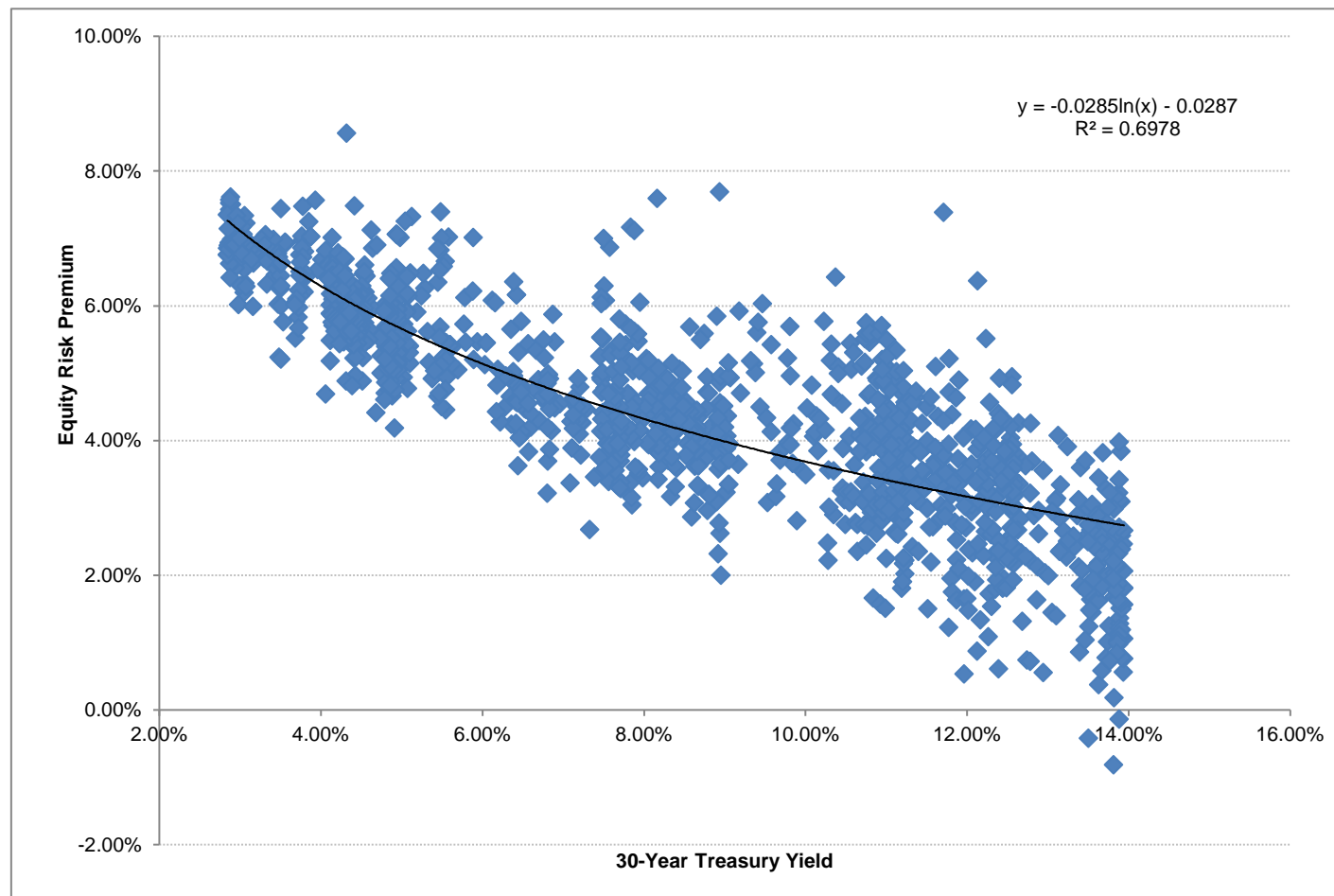
	[1]	[2]	[3]	[4]	[5]	[6]
			Ex-Ante Market Risk Premium		CAPM Result	
	Risk-Free Rate	Average Beta Coefficient	Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg Market DCF Derived	Value Line Market DCF Derived
<b>PROXY GROUP BLOOMBERG AVERAGE BETA COEFFICIENT</b>						
Current 30-Year Treasury (30-day average) [7]	3.42%	0.784	10.02%	9.28%	11.27%	10.69%
Near-Term Projected 30-Year Treasury [8]	4.07%	0.784	10.02%	9.28%	11.92%	11.34%
Mean					11.60%	11.02%
			Ex-Ante Market Risk Premium		CAPM Result	
	Risk-Free Rate	Average Beta Coefficient	Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg Market DCF Derived	Value Line Market DCF Derived
<b>PROXY GROUP VALUE LINE AVERAGE BETA COEFFICIENT</b>						
Current 30-Year Treasury (30-day average) [7]	3.42%	0.773	10.02%	9.28%	11.17%	10.59%
Near-Term Projected 30-Year Treasury [8]	4.07%	0.773	10.02%	9.28%	11.82%	11.24%
Mean					11.49%	10.92%

Notes:

- [1] See Notes [7] and [8]  
 [2] Source: Schedule RBH-4  
 [3] Source: Schedule RBH-3  
 [4] Source: Schedule RBH-3  
 [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. 5, May 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 3.42%	6.74%	10.16%
		Near Term Projected 4.07%	6.25%	10.31%
		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. 5, May 1, 2014, at 2,  
Long Term Projected = Blue Chip Financial Forecasts, Vol. 32, No. 12, December 1, 2013, at 14
- [4] Equals [1] + ln([3]) x [2]
- [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 May 30, 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	13.86%	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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
04/14/1980	13.85%	10.29%	3.56%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
12/22/1980	15.00%	11.23%	3.77%
12/30/1980	14.50%	11.22%	3.28%
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%
01/26/1981	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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%	2.87%
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%



[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
04/08/1982	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%
09/08/1982	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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
12/21/1982	14.75%	12.56%	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%	11.38%	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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%	3.49%
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%	4.86%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
08/27/1987	13.25%	8.06%	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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%
02/26/1993	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%



[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%

[6]	[7]	[8]	[9]
Date of		Average	
Electric Rate	Return on	30-Year	Risk
Case	Equity	Treasury	Premium
		Yield	
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%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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	10.80%	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%

[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	Average 30-Year Treasury Yield	Risk Premium
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%
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%	5.86%
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%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30-Year Treasury Yield	[9] Risk Premium
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%
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%

[6]	[7]	[8]	[9]
Date of		Average	
Electric Rate	Return on	30-Year	Risk
Case	Equity	Treasury	Premium
		Yield	
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%
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%
05/16/2014	9.80%	3.70%	6.10%
05/30/2014	9.70%	3.68%	6.02%

Average  
Count

4.43%  
1,423

