

**CAPITAL ASSET PRICING MODEL (CAPM) COST OF COMMON EQUITY ESTIMATES
FOR VARIOUS PROXY GROUPS BASED ON 20-YEAR US TREASURY**

	(1)	(2)	(3)	(4)
Company Name	20-Year Risk Free Rate	Beta	Market Risk Premium	CAPM Cost of Common Equity
EEI Electric Proxy Group	1.98%	0.824	6.00%	6.92%
Less Than 10% Non-Regulated	1.98%	0.780	6.00%	6.66%
Common Proxy Companies Since 2012/2014	1.98%	0.801	6.00%	6.79%

Column 1 = Average monthly 20-Year Treasuries since January 1, 2021 found on the St. Louis Federal Reserve's website at <https://fred.stlouisfed.org/series/GS20>

Column 2 = Beta is a measure of the movement and relative risk of an individual stock to the market as a whole. I used a template provided by S&P Market Intelligence that calculates raw betas based on the Value Line approach. This approach measures the covariance of the company's weekly returns with that of the S&P 500 divided by the variance of the S&P 500 returns over an historical 5 year period. This raw beta is then adjusted by the Blume formula, which is the following:
Adjusted Beta = 0.35 + 0.67 * Unadjusted Beta

Column 3 = The equity risk premium is similar to historical spreads and estimates provided by sources, such as Duff & Phelps.

Column 4 = (Column 1 + (Column 2 * Column 3)).