

**Northern States Power Company Minnesota - South Dakota
CAPM Rate of Return Analysis**

Risk-free rate = 3.20
Equity Risk Premium = 3.50

<u>Company</u>	<u>Beta</u>	<u>Required Return (k)</u>
A	B	C
American Electric Power	0.70	5.65
Cleco Corporation	0.70	5.65
Empire District Elec	0.70	5.65
Great Plains Energy	0.75	5.83
Hawaiian Electric	0.70	5.65
IDACORP, Inc.	0.70	5.65
Pinnacle West	0.70	5.65
Portland General	0.75	5.83
Southern Company	0.55	5.13
Westar Energy	0.75	5.83
	Median =	5.65