## **DCF MODEL - UTILITY GROUP**

## **DIVIDEND YIELD**

		(a)	(b)	
	Company	<b>Price</b>	<b>Dividends</b>	<u>Yield</u>
1	ALLETE	\$ 41.65	\$ 1.87	4.5%
2	Alliant Energy	\$ 44.24	\$ 1.85	4.2%
3	Ameren Corp.	\$ 32.75	\$ 1.64	5.0%
4	American Elec Pwr	\$ 44.33	\$ 1.94	4.4%
5	Avista Corp.	\$ 25.78	\$ 1.19	4.6%
6	Black Hills Corp.	\$ 35.58	\$ 1.50	4.2%
7	CenterPoint Energy	\$ 21.36	\$ 0.83	3.9%
8	DTE Energy Co.	\$ 60.62	\$ 2.48	4.1%
9	Edison International	\$ 46.59	\$ 1.32	2.8%
10	El Paso Electric	\$ 34.17	\$ 1.04	3.0%
11	Exelon Corp.	\$ 35.85	\$ 2.10	5.9%
12	FirstEnergy Corp.	\$ 44.96	\$ 2.20	4.9%
13	Great Plains Energy	\$ 22.43	\$ 0.87	3.9%
14	Hawaiian Elec.	\$ 26.28	\$ 1.24	4.7%
15	IDACORP, Inc.	\$ 43.93	\$ 1.52	3.5%
16	NorthWestern Corp.	\$ 35.97	\$ 1.51	4.2%
17	OGE Energy Corp.	\$ 56.49	\$ 1.64	2.9%
18	Otter Tail Corp.	\$ 23.93	\$ 1.19	5.0%
19	PG&E Corp.	\$ 42.62	\$ 1.82	4.3%
20	Pinnacle West Capital	\$ 53.05	\$ 2.20	4.1%
21	Portland General Elec.	\$ 27.40	\$ 1.10	4.0%
22	PPL Corp.	\$ 29.30	\$ 1.46	5.0%
23	Pub Sv Enterprise Grp	\$ 32.17	\$ 1.44	4.5%
24	SCANA Corp.	\$ 48.64	\$ 2.01	4.1%
25	Sempra Energy	\$ 66.81	\$ 2.48	3.7%
26	TECO Energy	\$ 17.66	\$ 0.90	5.1%
27	UIL Holdings	\$ 35.90	\$ 1.73	4.8%
28	Westar Energy	\$ 29.67	\$ 1.34	4.5%
	Average			4.3%

<sup>(</sup>a) Average of closing prices for 30 trading days ended Nov. 2, 2012.

<sup>(</sup>b) The Value Line Investment Survey, Summary & Index (November 2, 2012).

## **GROWTH RATES**

	(a)	(b)	(c)	(d)	
	Earı	<b>Earnings Growth</b>			
Company	V Line	<u>IBES</u>	Zacks	<b>Growth</b>	
ALLETE	9.0%	6.0%	5.5%	5.3%	
Alliant Energy	6.5%	4.8%	6.1%	4.7%	
Ameren Corp.	-1.0%	-4.1%	-1.4%	2.1%	
American Elec Pwr	3.0%	3.4%	3.5%	4.0%	
Avista Corp.	3.5%	4.0%	4.3%	3.3%	
Black Hills Corp.	7.0%	6.0%	6.0%	3.0%	
CenterPoint Energy	5.0%	5.7%	5.7%	5.0%	
DTE Energy Co.	5.0%	4.8%	5.0%	4.3%	
Edison International	0.0%	3.1%	4.9%	4.6%	
El Paso Electric	3.5%	3.7%	1.1%	4.7%	
Exelon Corp.	-2.0%	-14.1%	-4.9%	7.9%	
FirstEnergy Corp.	5.0%	2.5%	1.2%	3.7%	
Great Plains Energy	5.5%	7.6%	8.2%	2.5%	
Hawaiian Elec.	9.0%	7.9%	6.2%	4.9%	
IDACORP, Inc.	2.0%	4.0%	4.0%	4.1%	
NorthWestern Corp.	3.5%	6.7%	5.3%	3.8%	
OGE Energy Corp.	4.5%	5.4%	5.4%	6.4%	
Otter Tail Corp.	24.0%	5.0%	5.0%	3.6%	
PG&E Corp.	3.5%	-1.3%	2.5%	4.7%	
Pinnacle West Capital	5.0%	5.1%	6.0%	3.6%	
Portland General Elec.	5.5%	2.7%	4.1%	3.9%	
PPL Corp.	6.5%	-8.2%	-2.4%	7.1%	
Pub Sv Enterprise Grp	-0.5%	2.0%	-1.1%	5.7%	
SCANA Corp.	4.0%	5.0%	4.8%	4.9%	
Sempra Energy	4.5%	7.0%	4.3%	6.2%	
TECO Energy	6.5%	3.3%	1.8%	5.4%	
UIL Holdings	4.0%	4.1%	4.5%	2.9%	
Westar Energy	6.5%	5.9%	5.7%	3.4%	
	ALLETE Alliant Energy Ameren Corp. American Elec Pwr Avista Corp. Black Hills Corp. CenterPoint Energy DTE Energy Co. Edison International El Paso Electric Exelon Corp. FirstEnergy Corp. Great Plains Energy Hawaiian Elec. IDACORP, Inc. NorthWestern Corp. OGE Energy Corp. Otter Tail Corp. PG&E Corp. Pinnacle West Capital Portland General Elec. PPL Corp. Pub Sv Enterprise Grp SCANA Corp. Sempra Energy UIL Holdings	Company         V Line           ALLETE         9.0%           Alliant Energy         6.5%           Ameren Corp.         -1.0%           American Elec Pwr         3.0%           Avista Corp.         3.5%           Black Hills Corp.         7.0%           CenterPoint Energy         5.0%           DTE Energy Co.         5.0%           Edison International         0.0%           El Paso Electric         3.5%           Exelon Corp.         -2.0%           FirstEnergy Corp.         5.0%           Great Plains Energy         5.5%           Hawaiian Elec.         9.0%           IDACORP, Inc.         2.0%           NorthWestern Corp.         3.5%           OGE Energy Corp.         4.5%           Otter Tail Corp.         24.0%           PG&E Corp.         3.5%           Pinnacle West Capital         5.0%           Portland General Elec.         5.5%           PPL Corp.         6.5%           Pub Sv Enterprise Grp         -0.5%           ScANA Corp.         4.0%           Sempra Energy         4.5%           UIL Holdings         4.0%	Company         V Line         IBES           ALLETE         9.0%         6.0%           Alliant Energy         6.5%         4.8%           Ameren Corp.         -1.0%         -4.1%           American Elec Pwr         3.0%         3.4%           Avista Corp.         3.5%         4.0%           Black Hills Corp.         7.0%         6.0%           CenterPoint Energy         5.0%         5.7%           DTE Energy Co.         5.0%         4.8%           Edison International         0.0%         3.1%           El Paso Electric         3.5%         3.7%           Exelon Corp.         -2.0%         -14.1%           FirstEnergy Corp.         5.0%         2.5%           Great Plains Energy         5.5%         7.6%           Hawaiian Elec.         9.0%         7.9%           IDACORP, Inc.         2.0%         4.0%           NorthWestern Corp.         3.5%         5.4%           OGE Energy Corp.         4.5%         5.4%           Otter Tail Corp.         24.0%         5.0%           PG&E Corp.         3.5%         -1.3%           Pinnacle West Capital         5.0%         2.7%           PUL	Company         V Line         IBES         Zacks           ALLETE         9.0%         6.0%         5.5%           Alliant Energy         6.5%         4.8%         6.1%           Ameren Corp.         -1.0%         4.1%         -1.4%           American Elec Pwr         3.0%         3.4%         3.5%           Avista Corp.         7.0%         6.0%         6.0%           Black Hills Corp.         7.0%         6.0%         6.0%           CenterPoint Energy         5.0%         5.7%         5.7%           DTE Energy Co.         5.0%         4.8%         5.0%           Edison International         0.0%         3.1%         4.9%           El Paso Electric         3.5%         3.7%         1.1%           Exelon Corp.         -2.0%         -14.1%         -4.9%           FirstEnergy Corp.         5.0%         2.5%         1.2%           Great Plains Energy         5.5%         7.6%         8.2%           Hawaiian Elec.         9.0%         7.9%         6.2%           IDACORP, Inc.         2.0%         4.0%         4.0%           NorthWestern Corp.         3.5%         6.7%         5.3%           Otter Tail Corp.<	

<sup>(</sup>a) The Value Line Investment Survey (Aug. 24, Sep. 21, & Nov. 2, 2012).

<sup>(</sup>b) www.finance.yahoo.com (Retrieved May 17, 2012).

<sup>(</sup>c) www.zacks.com (retrieved May 17, 2012).

<sup>(</sup>d) See Exhibit WEA-3.

## **COST OF EQUITY ESTIMATES**

		(a)	(a)	(a)	(a)
		<b>Earnings Growth</b>			br+sv
	Company	V Line	<u>IBES</u>	Zacks	<b>Growth</b>
1	ALLETE	13.5%	10.5%	10.0%	9.8%
2	Alliant Energy	10.7%	9.0%	10.3%	8.9%
3	Ameren Corp.	4.0%	0.9%	3.6%	7.1%
4	American Elec Pwr	7.4%	7.7%	7.9%	8.3%
5	Avista Corp.	8.1%	8.6%	8.9%	7.9%
6	Black Hills Corp.	11.2%	10.2%	10.2%	7.2%
7	CenterPoint Energy	8.9%	9.5%	9.6%	8.9%
8	DTE Energy Co.	9.1%	8.9%	9.1%	8.4%
9	Edison International	2.8%	6.0%	7.7%	7.5%
10	El Paso Electric	6.5%	6.7%	4.1%	7.8%
11	Exelon Corp.	3.9%	-8.2%	1.0%	13.8%
12	FirstEnergy Corp.	9.9%	7.4%	6.1%	8.6%
13	Great Plains Energy	9.4%	11.5%	12.1%	6.3%
14	Hawaiian Elec.	13.7%	12.6%	10.9%	9.6%
15	IDACORP, Inc.	5.5%	7.5%	7.5%	7.5%
16	NorthWestern Corp.	7.7%	10.9%	9.5%	8.0%
17	OGE Energy Corp.	7.4%	8.3%	8.3%	9.3%
18	Otter Tail Corp.	29.0%	10.0%	10.0%	8.6%
19	PG&E Corp.	7.8%	3.0%	6.8%	9.0%
20	Pinnacle West Capital	9.1%	9.2%	10.1%	7.8%
21	Portland General Elec.	9.5%	6.7%	8.1%	7.9%
22	PPL Corp.	11.5%	-3.2%	2.6%	12.1%
23	Pub Sv Enterprise Grp	4.0%	6.5%	3.4%	10.1%
24	SCANA Corp.	8.1%	9.2%	8.9%	9.0%
25	Sempra Energy	8.2%	10.7%	8.0%	9.9%
26	TECO Energy	11.6%	8.4%	6.9%	10.5%
27	UIL Holdings	8.8%	8.9%	9.3%	7.8%
28	Westar Energy	11.0%	10.4%	10.2%	7.9%
	Average (b)	9.6%	9.5%	9.3%	8.9%
	Midpoint (c)	10.5%	10.0%	9.8%	10.5%

<sup>(</sup>a) Sum of dividend yield (Exhibit WEA-2, p. 1) and respective growth rate (Exhibit WEA-2, p. 2).

<sup>(</sup>b) Excludes highlighted figures.

<sup>(</sup>c) Average of low and high values.