

30-DAY MULTI-STAGE DCF -- MEAN GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$50.98	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.89%
American Electric Power Company, Inc.	AEP	\$49.74	\$2.00	4.34%	4.54%	4.73%	4.93%	5.12%	5.31%	5.51%	9.63%
Cleco Corporation	CNL	\$49.53	\$1.45	6.83%	6.61%	6.39%	6.17%	5.95%	5.73%	5.51%	9.01%
Duke Energy Corporation	DUK	\$70.37	\$3.12	3.94%	4.20%	4.46%	4.72%	4.99%	5.25%	5.51%	9.95%
Empire District Electric Company	EDE	\$23.83	\$1.02	3.33%	3.70%	4.06%	4.42%	4.78%	5.15%	5.51%	9.63%
Great Plains Energy Inc.	GXP	\$26.23	\$0.92	5.46%	5.47%	5.47%	5.48%	5.49%	5.50%	5.51%	9.36%
Hawaiian Electric Industries, Inc.	HE	\$25.16	\$1.24	4.57%	4.72%	4.88%	5.04%	5.19%	5.35%	5.51%	10.67%
NextEra Energy, Inc.	NEE	\$92.74	\$2.90	5.69%	5.66%	5.63%	5.60%	5.57%	5.54%	5.51%	8.98%
Otter Tail Corporation	OTTR	\$30.58	\$1.21	10.50%	9.67%	8.84%	8.00%	7.17%	6.34%	5.51%	11.42%
Pinnacle West Capital Corporation	PNW	\$54.64	\$2.27	4.24%	4.45%	4.66%	4.88%	5.09%	5.30%	5.51%	9.74%
PNM Resources, Inc.	PNM	\$26.25	\$0.74	9.27%	8.64%	8.01%	7.39%	6.76%	6.13%	5.51%	9.43%
Portland General Electric Company	POR	\$31.85	\$1.10	7.00%	6.75%	6.50%	6.25%	6.00%	5.76%	5.51%	9.69%
Southern Company	SO	\$42.68	\$2.03	3.72%	4.02%	4.31%	4.61%	4.91%	5.21%	5.51%	10.22%
Westar Energy, Inc.	WR	\$34.47	\$1.40	4.37%	4.56%	4.75%	4.94%	5.13%	5.32%	5.51%	9.68%

Mean DCF Result	9.81%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	10.01%

Notes:

- [1] Source: Bloomberg Professional, equals 30-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, Average Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

90-DAY MULTI-STAGE DCF -- MEAN GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$49.80	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.99%
American Electric Power Company, Inc.	AEP	\$47.99	\$2.00	4.34%	4.54%	4.73%	4.93%	5.12%	5.31%	5.51%	9.79%
Cleco Corporation	CNL	\$47.71	\$1.45	6.83%	6.61%	6.39%	6.17%	5.95%	5.73%	5.51%	9.14%
Duke Energy Corporation	DUK	\$69.65	\$3.12	3.94%	4.20%	4.46%	4.72%	4.99%	5.25%	5.51%	10.00%
Empire District Electric Company	EDE	\$23.07	\$1.02	3.33%	3.70%	4.06%	4.42%	4.78%	5.15%	5.51%	9.77%
Great Plains Energy Inc.	GXP	\$24.94	\$0.92	5.46%	5.47%	5.47%	5.48%	5.49%	5.50%	5.51%	9.56%
Hawaiian Electric Industries, Inc.	HE	\$25.60	\$1.24	4.57%	4.72%	4.88%	5.04%	5.19%	5.35%	5.51%	10.58%
NextEra Energy, Inc.	NEE	\$88.64	\$2.90	5.69%	5.66%	5.63%	5.60%	5.57%	5.54%	5.51%	9.15%
Otter Tail Corporation	OTTR	\$29.37	\$1.21	10.50%	9.67%	8.84%	8.00%	7.17%	6.34%	5.51%	11.66%
Pinnacle West Capital Corporation	PNW	\$53.50	\$2.27	4.24%	4.45%	4.66%	4.88%	5.09%	5.30%	5.51%	9.84%
PNM Resources, Inc.	PNM	\$24.71	\$0.74	9.27%	8.64%	8.01%	7.39%	6.76%	6.13%	5.51%	9.68%
Portland General Electric Company	POR	\$30.46	\$1.10	7.00%	6.75%	6.50%	6.25%	6.00%	5.76%	5.51%	9.88%
Southern Company	SO	\$41.58	\$2.03	3.72%	4.02%	4.31%	4.61%	4.91%	5.21%	5.51%	10.35%
Westar Energy, Inc.	WR	\$33.06	\$1.40	4.37%	4.56%	4.75%	4.94%	5.13%	5.32%	5.51%	9.86%

Mean DCF Result	9.95%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	10.15%

Notes:

- [1] Source: Bloomberg Professional, equals 90-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, Average Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

180-DAY MULTI-STAGE DCF -- MEAN GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$49.76	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.00%
American Electric Power Company, Inc.	AEP	\$46.44	\$2.00	4.34%	4.54%	4.73%	4.93%	5.12%	5.31%	5.51%	9.93%
Cleco Corporation	CNL	\$47.01	\$1.45	6.83%	6.61%	6.39%	6.17%	5.95%	5.73%	5.51%	9.20%
Duke Energy Corporation	DUK	\$69.36	\$3.12	3.94%	4.20%	4.46%	4.72%	4.99%	5.25%	5.51%	10.02%
Empire District Electric Company	EDE	\$22.69	\$1.02	3.33%	3.70%	4.06%	4.42%	4.78%	5.15%	5.51%	9.84%
Great Plains Energy Inc.	GXP	\$24.01	\$0.92	5.46%	5.47%	5.47%	5.48%	5.49%	5.50%	5.51%	9.72%
Hawaiian Electric Industries, Inc.	HE	\$25.72	\$1.24	4.57%	4.72%	4.88%	5.04%	5.19%	5.35%	5.51%	10.55%
NextEra Energy, Inc.	NEE	\$85.98	\$2.90	5.69%	5.66%	5.63%	5.60%	5.57%	5.54%	5.51%	9.26%
Otter Tail Corporation	OTTR	\$29.12	\$1.21	10.50%	9.67%	8.84%	8.00%	7.17%	6.34%	5.51%	11.71%
Pinnacle West Capital Corporation	PNW	\$54.79	\$2.27	4.24%	4.45%	4.66%	4.88%	5.09%	5.30%	5.51%	9.73%
PNM Resources, Inc.	PNM	\$23.86	\$0.74	9.27%	8.64%	8.01%	7.39%	6.76%	6.13%	5.51%	9.83%
Portland General Electric Company	POR	\$29.95	\$1.10	7.00%	6.75%	6.50%	6.25%	6.00%	5.76%	5.51%	9.96%
Southern Company	SO	\$41.99	\$2.03	3.72%	4.02%	4.31%	4.61%	4.91%	5.21%	5.51%	10.30%
Westar Energy, Inc.	WR	\$32.40	\$1.40	4.37%	4.56%	4.75%	4.94%	5.13%	5.32%	5.51%	9.96%

Mean DCF Result	10.00%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	10.20%

Notes:

- [1] Source: Bloomberg Professional, equals 180-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, Average Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

30-DAY MULTI-STAGE DCF -- LOW GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$50.98	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.89%
American Electric Power Company, Inc.	AEP	\$49.74	\$2.00	4.23%	4.44%	4.66%	4.87%	5.08%	5.30%	5.51%	9.60%
Cleco Corporation	CNL	\$49.53	\$1.45	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	8.51%
Duke Energy Corporation	DUK	\$70.37	\$3.12	3.90%	4.17%	4.44%	4.70%	4.97%	5.24%	5.51%	9.94%
Empire District Electric Company	EDE	\$23.83	\$1.02	3.00%	3.42%	3.84%	4.25%	4.67%	5.09%	5.51%	9.54%
Great Plains Energy Inc.	GXP	\$26.23	\$0.92	5.17%	5.23%	5.28%	5.34%	5.40%	5.45%	5.51%	9.29%
Hawaiian Electric Industries, Inc.	HE	\$25.16	\$1.24	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	10.33%
NextEra Energy, Inc.	NEE	\$92.74	\$2.90	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	8.72%
Otter Tail Corporation	OTTR	\$30.58	\$1.21	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.02%
Pinnacle West Capital Corporation	PNW	\$54.64	\$2.27	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	9.68%
PNM Resources, Inc.	PNM	\$26.25	\$0.74	7.60%	7.25%	6.90%	6.55%	6.21%	5.86%	5.51%	9.04%
Portland General Electric Company	POR	\$31.85	\$1.10	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	8.84%
Southern Company	SO	\$42.68	\$2.03	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	10.15%
Westar Energy, Inc.	WR	\$34.47	\$1.40	2.80%	3.25%	3.70%	4.15%	4.61%	5.06%	5.51%	9.27%

Mean DCF Result	9.49%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	9.69%

Notes:

- [1] Source: Bloomberg Professional, equals 30-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, Low Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

90-DAY MULTI-STAGE DCF -- LOW GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$49.80	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.99%
American Electric Power Company, Inc.	AEP	\$47.99	\$2.00	4.23%	4.44%	4.66%	4.87%	5.08%	5.30%	5.51%	9.75%
Cleco Corporation	CNL	\$47.71	\$1.45	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	8.63%
Duke Energy Corporation	DUK	\$69.65	\$3.12	3.90%	4.17%	4.44%	4.70%	4.97%	5.24%	5.51%	9.99%
Empire District Electric Company	EDE	\$23.07	\$1.02	3.00%	3.42%	3.84%	4.25%	4.67%	5.09%	5.51%	9.68%
Great Plains Energy Inc.	GXP	\$24.94	\$0.92	5.17%	5.23%	5.28%	5.34%	5.40%	5.45%	5.51%	9.49%
Hawaiian Electric Industries, Inc.	HE	\$25.60	\$1.24	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	10.24%
NextEra Energy, Inc.	NEE	\$88.64	\$2.90	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	8.87%
Otter Tail Corporation	OTTR	\$29.37	\$1.21	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.20%
Pinnacle West Capital Corporation	PNW	\$53.50	\$2.27	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	9.77%
PNM Resources, Inc.	PNM	\$24.71	\$0.74	7.60%	7.25%	6.90%	6.55%	6.21%	5.86%	5.51%	9.27%
Portland General Electric Company	POR	\$30.46	\$1.10	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	9.00%
Southern Company	SO	\$41.58	\$2.03	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	10.28%
Westar Energy, Inc.	WR	\$33.06	\$1.40	2.80%	3.25%	3.70%	4.15%	4.61%	5.06%	5.51%	9.44%

Mean DCF Result	9.61%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	9.82%

Notes:

- [1] Source: Bloomberg Professional, equals 90-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, Low Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

180-DAY MULTI-STAGE DCF -- LOW GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$49.76	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.00%
American Electric Power Company, Inc.	AEP	\$46.44	\$2.00	4.23%	4.44%	4.66%	4.87%	5.08%	5.30%	5.51%	9.90%
Cleco Corporation	CNL	\$47.01	\$1.45	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	8.67%
Duke Energy Corporation	DUK	\$69.36	\$3.12	3.90%	4.17%	4.44%	4.70%	4.97%	5.24%	5.51%	10.01%
Empire District Electric Company	EDE	\$22.69	\$1.02	3.00%	3.42%	3.84%	4.25%	4.67%	5.09%	5.51%	9.75%
Great Plains Energy Inc.	GXP	\$24.01	\$0.92	5.17%	5.23%	5.28%	5.34%	5.40%	5.45%	5.51%	9.65%
Hawaiian Electric Industries, Inc.	HE	\$25.72	\$1.24	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	10.22%
NextEra Energy, Inc.	NEE	\$85.98	\$2.90	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	8.98%
Otter Tail Corporation	OTTR	\$29.12	\$1.21	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.25%
Pinnacle West Capital Corporation	PNW	\$54.79	\$2.27	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	9.67%
PNM Resources, Inc.	PNM	\$23.86	\$0.74	7.60%	7.25%	6.90%	6.55%	6.21%	5.86%	5.51%	9.40%
Portland General Electric Company	POR	\$29.95	\$1.10	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	9.06%
Southern Company	SO	\$41.99	\$2.03	3.50%	3.83%	4.17%	4.50%	4.84%	5.17%	5.51%	10.23%
Westar Energy, Inc.	WR	\$32.40	\$1.40	2.80%	3.25%	3.70%	4.15%	4.61%	5.06%	5.51%	9.52%

Mean DCF Result	9.66%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	9.87%

Notes:

- [1] Source: Bloomberg Professional, equals 180-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, Low Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

30-DAY MULTI-STAGE DCF -- HIGH GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$50.98	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.89%
American Electric Power Company, Inc.	AEP	\$49.74	\$2.00	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	9.67%
Cleco Corporation	CNL	\$49.53	\$1.45	8.00%	7.58%	7.17%	6.75%	6.34%	5.92%	5.51%	9.28%
Duke Energy Corporation	DUK	\$70.37	\$3.12	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	9.97%
Empire District Electric Company	EDE	\$23.83	\$1.02	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	9.81%
Great Plains Energy Inc.	GXP	\$26.23	\$0.92	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.49%
Hawaiian Electric Industries, Inc.	HE	\$25.16	\$1.24	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	11.15%
NextEra Energy, Inc.	NEE	\$92.74	\$2.90	6.48%	6.32%	6.16%	5.99%	5.83%	5.67%	5.51%	9.16%
Otter Tail Corporation	OTTR	\$30.58	\$1.21	15.00%	13.42%	11.84%	10.25%	8.67%	7.09%	5.51%	13.08%
Pinnacle West Capital Corporation	PNW	\$54.64	\$2.27	4.60%	4.75%	4.90%	5.05%	5.21%	5.36%	5.51%	9.84%
PNM Resources, Inc.	PNM	\$26.25	\$0.74	12.00%	10.92%	9.84%	8.75%	7.67%	6.59%	5.51%	10.14%
Portland General Electric Company	POR	\$31.85	\$1.10	10.89%	9.99%	9.10%	8.20%	7.30%	6.41%	5.51%	10.80%
Southern Company	SO	\$42.68	\$2.03	4.10%	4.33%	4.57%	4.80%	5.04%	5.27%	5.51%	10.34%
Westar Energy, Inc.	WR	\$34.47	\$1.40	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.14%

Mean DCF Result	10.20%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	10.40%

Notes:

- [1] Source: Bloomberg Professional, equals 30-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, High Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

90-DAY MULTI-STAGE DCF -- HIGH GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$49.80	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.99%
American Electric Power Company, Inc.	AEP	\$47.99	\$2.00	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	9.83%
Cleco Corporation	CNL	\$47.71	\$1.45	8.00%	7.58%	7.17%	6.75%	6.34%	5.92%	5.51%	9.42%
Duke Energy Corporation	DUK	\$69.65	\$3.12	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	10.02%
Empire District Electric Company	EDE	\$23.07	\$1.02	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	9.96%
Great Plains Energy Inc.	GXP	\$24.94	\$0.92	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.70%
Hawaiian Electric Industries, Inc.	HE	\$25.60	\$1.24	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	11.05%
NextEra Energy, Inc.	NEE	\$88.64	\$2.90	6.48%	6.32%	6.16%	5.99%	5.83%	5.67%	5.51%	9.34%
Otter Tail Corporation	OTTR	\$29.37	\$1.21	15.00%	13.42%	11.84%	10.25%	8.67%	7.09%	5.51%	13.37%
Pinnacle West Capital Corporation	PNW	\$53.50	\$2.27	4.60%	4.75%	4.90%	5.05%	5.21%	5.36%	5.51%	9.94%
PNM Resources, Inc.	PNM	\$24.71	\$0.74	12.00%	10.92%	9.84%	8.75%	7.67%	6.59%	5.51%	10.42%
Portland General Electric Company	POR	\$30.46	\$1.10	10.89%	9.99%	9.10%	8.20%	7.30%	6.41%	5.51%	11.04%
Southern Company	SO	\$41.58	\$2.03	4.10%	4.33%	4.57%	4.80%	5.04%	5.27%	5.51%	10.47%
Westar Energy, Inc.	WR	\$33.06	\$1.40	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.34%

Mean DCF Result	10.35%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	10.55%

Notes:

- [1] Source: Bloomberg Professional, equals 90-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, High Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

180-DAY MULTI-STAGE DCF -- HIGH GROWTH RATE

Company	Ticker	[1]	[2]	[3]	Second Stage Growth					[9]	[10]
		Stock Price	Annualized Dividend	First Stage Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Third Stage Growth	ROE
ALLETE, Inc.	ALE	\$49.76	\$1.96	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.00%
American Electric Power Company, Inc.	AEP	\$46.44	\$2.00	4.50%	4.67%	4.84%	5.00%	5.17%	5.34%	5.51%	9.98%
Cleco Corporation	CNL	\$47.01	\$1.45	8.00%	7.58%	7.17%	6.75%	6.34%	5.92%	5.51%	9.48%
Duke Energy Corporation	DUK	\$69.36	\$3.12	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	10.04%
Empire District Electric Company	EDE	\$22.69	\$1.02	4.00%	4.25%	4.50%	4.75%	5.01%	5.26%	5.51%	10.03%
Great Plains Energy Inc.	GXP	\$24.01	\$0.92	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	9.87%
Hawaiian Electric Industries, Inc.	HE	\$25.72	\$1.24	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	11.02%
NextEra Energy, Inc.	NEE	\$85.98	\$2.90	6.48%	6.32%	6.16%	5.99%	5.83%	5.67%	5.51%	9.46%
Otter Tail Corporation	OTTR	\$29.12	\$1.21	15.00%	13.42%	11.84%	10.25%	8.67%	7.09%	5.51%	13.44%
Pinnacle West Capital Corporation	PNW	\$54.79	\$2.27	4.60%	4.75%	4.90%	5.05%	5.21%	5.36%	5.51%	9.83%
PNM Resources, Inc.	PNM	\$23.86	\$0.74	12.00%	10.92%	9.84%	8.75%	7.67%	6.59%	5.51%	10.59%
Portland General Electric Company	POR	\$29.95	\$1.10	10.89%	9.99%	9.10%	8.20%	7.30%	6.41%	5.51%	11.13%
Southern Company	SO	\$41.99	\$2.03	4.10%	4.33%	4.57%	4.80%	5.04%	5.27%	5.51%	10.42%
Westar Energy, Inc.	WR	\$32.40	\$1.40	6.00%	5.92%	5.84%	5.75%	5.67%	5.59%	5.51%	10.44%

Mean DCF Result	10.41%
Flotation Cost Adjustment	0.20%
Flotation Cost Adjusted DCF Result	10.61%

Notes:

- [1] Source: Bloomberg Professional, equals 180-day average as of March 31, 2014
- [2] Source: Bloomberg Professional
- [3] Source: Exhibit \_\_ (AEB-1), Schedule 3, High Growth Rate
- [4] Equals  $[3] + ([9] - [3]) / 6$
- [5] Equals  $[4] + ([9] - [3]) / 6$
- [6] Equals  $[5] + ([9] - [3]) / 6$
- [7] Equals  $[6] + ([9] - [3]) / 6$
- [8] Equals  $[7] + ([9] - [3]) / 6$
- [9] Source: Exhibit \_\_ (AEB-1), Schedule 4, p. 10
- [10] Equals internal rate of return of cash flows for Year 0 through Year 200

CALCULATION OF LONG-TERM GDP GROWTH RATE

Step 1

Real GDP (\$ Billions) [1]	
1929	\$ 1,055.6
2013	\$ 15,761.3
<b>Compound Annual Growth Rate</b>	<b>3.27%</b>

Step 2

Consumer Price Index (YoY % Change) [2]	
2020-2024	2.30%
Average	2.30%

Consumer Price Index (All-Urban) [3]	
2023	2.79
2040	4.05
Compound Annual Growth Rate	2.23%

GDP Chain-type Price Index (2005=1.000) [3]	
2023	1.374
2040	1.913
Compound Annual Growth Rate	1.97%

**Average Inflation Forecast 2.17%**

**Long-Term GDP Growth Rate 5.51%**

Notes:

[1] Bureau of Economic Analysis, March 27, 2014

[2] Blue Chip Financial Forecasts, Vol. 32, No. 12, December 1, 2013, at 14

[3] Energy Information Administration, Annual Energy Outlook 2014 Early Release, Table 20

[4] The long-term growth rate is calculated as follows:  $(1+3.27\%)*(1+2.17\%)-1$ .