

ELECTRIC GROUP

	Company	(a) (b) (c)			(d)			(e)		(f)	Size
		Market Return (R _m)			Risk-Free	Risk	Unadjusted	Market	Size	Adjusted	
		Div	Proj.	Cost of	Rate	Premium					Beta
Yield	Growth	Equity				K _e					
1	ALLETE	2.3%	10.8%	13.1%	3.3%	9.8%	0.80	11.1%	\$ 2,197.2	1.75%	12.9%
2	Alliant Energy	2.3%	10.8%	13.1%	3.3%	9.8%	0.80	11.1%	\$ 6,868.0	0.93%	12.1%
3	Ameren Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 10,329.9	0.80%	11.5%
4	American Elec Pwr	2.3%	10.8%	13.1%	3.3%	9.8%	0.70	10.2%	\$ 28,507.2	-0.33%	9.8%
5	Avista Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.80	11.1%	\$ 2,147.5	1.75%	12.9%
6	Black Hills Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.90	12.1%	\$ 2,437.4	1.72%	13.8%
7	CenterPoint Energy	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 10,491.3	0.80%	11.5%
8	CMS Energy Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 9,015.0	0.93%	11.6%
9	Dominion Resources	2.3%	10.8%	13.1%	3.3%	9.8%	0.70	10.2%	\$ 41,707.3	-0.33%	9.8%
10	DTE Energy Co.	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 14,511.5	0.80%	11.5%
11	Duke Energy Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.60	9.2%	\$ 58,179.0	-0.33%	8.9%
12	Edison International	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 20,382.7	0.80%	11.5%
13	El Paso Electric	2.3%	10.8%	13.1%	3.3%	9.8%	0.70	10.2%	\$ 1,527.3	1.75%	11.9%
14	Empire District Elec	2.3%	10.8%	13.1%	3.3%	9.8%	0.65	9.7%	\$ 1,227.2	1.75%	11.4%
15	Great Plains Energy	2.3%	10.8%	13.1%	3.3%	9.8%	0.85	11.6%	\$ 4,135.3	1.19%	12.8%
16	IDACORP, Inc.	2.3%	10.8%	13.1%	3.3%	9.8%	0.80	11.1%	\$ 3,176.4	1.72%	12.9%
17	ITC Holdings Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.65	9.7%	\$ 6,178.9	0.93%	10.6%
18	NextEra Energy, Inc.	2.3%	10.8%	13.1%	3.3%	9.8%	0.70	10.2%	\$ 43,596.4	-0.33%	9.8%
19	Northeast Utilities	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 15,605.4	0.80%	11.5%
20	NorthWestern Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.70	10.2%	\$ 2,064.8	1.75%	11.9%
21	Otter Tail Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.95	12.6%	\$ 1,128.7	1.75%	14.4%
22	PG&E Corp.	2.3%	10.8%	13.1%	3.3%	9.8%	0.65	9.7%	\$ 23,655.5	-0.33%	9.3%
23	Portland General Elec.	2.3%	10.8%	13.1%	3.3%	9.8%	0.80	11.1%	\$ 2,847.6	1.72%	12.9%
24	Sempra Energy	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 27,146.1	-0.33%	10.3%
25	Westar Energy	2.3%	10.8%	13.1%	3.3%	9.8%	0.75	10.7%	\$ 4,869.7	1.19%	11.8%
26	Xcel Energy, Inc.	2.3%	10.8%	13.1%	3.3%	9.8%	0.70	10.2%	\$ 16,931.1	0.80%	11.0%
	Average							10.6%			11.6%
	Midpoint (g)							10.9%			11.7%

(a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (Retrieved Sep. 19, 2014).

(b) Weighted average of IBES earnings growth rates for the dividend paying firms in the S&P 500 from http://finance.yahoo.com (retrieved Sep. 22, 2014).

(c)

Average yield on 30-year Treasury bonds for the six-months ending Oct. 2014 based on data from the http://www.federalreserve.gov/releases/h15/data.htm.

(d) The Value Line Investment Survey (Aug. 22, Sep. 19, & Oct. 31, 2014).

(e) www.valueline.com (retrieved Nov. 5, 2014).

(f) Morningstar, "2014 Ibbotson SBBI Market Report," at Table 10 (2014).

(g) Average of low and high values.

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	Company	(a) (b) (c)			(d)			(e)		(f)	Size Adjusted K _e
		Market Return (R _m)			Risk-Free Rate	Risk Premium	Beta	Unadjusted K _e	Market Cap	Size Adjustment	
		Div Yield	Proj. Growth	Cost of Equity							
1	ALLETE	2.3%	10.8%	13.1%	4.7%	8.4%	0.80	11.4%	\$ 2,197.2	1.75%	13.2%
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	Average							11.0%			11.9%
	Midpoint (g)							11.2%			11.9%

(a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (Retrieved Sep. 19, 2014).

(b) Weighted average of IBES earnings growth rates for the dividend paying firms in the S&P 500 from http://finance.yahoo.com (retrieved Sep. 22, 2014).

(c) Average yield on 30-year Treasury bonds for 2015-2019 based on data from the Value Line Investment Survey, Forecast for the U.S. Economy (Aug. 22, 2014); IHS Global Insight, U.S. Economic Outlook at 79 (May 2014); & Blue Chip Financial Forecasts, Vol. 33, No. 6 (Jun. 1, 2014).

(d) The Value Line Investment Survey (Aug. 22, Sep. 19, & Oct. 31, 2014).

(e) www.valueline.com (retrieved Nov. 5, 2014).

(f) Morningstar, "2014 Ibbotson SBBI Market Report," at Table 10 (2014).

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