

**SCHEDULE 1**

LINE	COMPANY	MOST RECENT QUARTERLY DIVIDEND (d <sub>0</sub> )	STOCK PRICE (P <sub>0</sub> )	FORECAST OF FUTURE EARNINGS GROWTH	DCF MODEL RESULT
1	Alliant Energy	0.510	54.845	4.90%	9.0%
2	Amer. Elec. Power	0.500	50.336	4.79%	9.3%
3	Ameren Corp.	0.400	40.179	5.00%	9.6%
4	Black Hills	0.390	56.517	7.00%	10.2%
5	CenterPoint Energy	0.238	23.780	3.77%	7.8%
6	Cleco Corp.	0.363	49.673	7.00%	10.4%
7	CMS Energy Corp.	0.270	28.695	6.30%	10.6%
8	Dominion Resources	0.600	69.821	6.54%	10.3%
9	DTE Energy	0.655	72.711	5.85%	10.0%
10	Duke Energy	0.780	71.092	3.92%	8.8%
11	G't Plains Energy	0.230	26.155	5.17%	9.1%
12	Hawaiian Elec.	0.310	25.093	4.20%	9.8%
13	Integrys Energy	0.680	57.785	3.50%	8.8%
14	ITC Holdings	0.143	35.502	12.00%	13.9%
15	NextEra Energy	0.725	93.962	6.26%	9.6%
16	Northeast Utilities	0.393	44.825	6.36%	10.2%
17	NorthWestern Corp.	0.400	46.522	8.00%	11.9%
18	PG&E Corp.	0.455	43.386	6.44%	11.3%
19	Pinnacle West Capital	0.568	54.538	4.28%	8.9%
20	PNM Resources	0.185	26.340	8.25%	11.4%
21	Portland General	0.275	31.840	11.21%	15.5%
22	Public Serv. Enterprise	0.370	37.062	4.50%	8.9%
23	SCANA Corp.	0.525	49.897	4.70%	9.4%
24	Sempra Energy	0.660	95.160	6.95%	10.1%
25	Southern Co.	0.507	43.170	3.64%	8.9%
26	TECO Energy	0.220	16.985	6.68%	12.8%
27	UIL Holdings	0.432	37.538	5.23%	10.5%
28	Vectren Corp.	0.360	38.298	4.50%	8.7%
29	Wisconsin Energy	0.390	45.165	4.91%	8.7%
30	Xcel Energy Inc.	0.300	30.163	4.49%	8.7%
31	Average				10.1%

Notes:

- $d_0$  = Most recent quarterly dividend.  
 $d_1, d_2, d_3, d_4$  = Next four quarterly dividends, calculated by multiplying the last four quarterly dividends by the factor  $(1 + g)$ .  
 $P_0$  = Average of the monthly high and low stock prices during the three months ending April 2014 per Thomson Reuters.  
FC = Flotation cost allowance (five percent) as a percent of stock price.  
g = I/B/E/S forecast of future earnings growth April 2014 from Thomson Reuters.  
k = Cost of equity using the quarterly version of the DCF model.

$$k = \frac{d_1(1+k)^{.75} + d_2(1+k)^{.50} + d_3(1+k)^{.25} + d_4}{P_0(1-FC)} + g$$

In my analysis, I also eliminate outlier results, including that are less than one hundred basis points above forecasted bond yields for the companies' ratings or results that exceed 17.7 percent.