

EXPECTED EARNINGS APPROACH

COMBINATION GROUP

		(a)	(b)	(c)
	<u>Company</u>	<u>Expected Return on Common Equity</u>	<u>Adjustment Factor</u>	<u>Adjusted Return on Common Equity</u>
1	Alliant Energy	11.5%	1.0113	11.6%
2	Ameren Corp.	10.0%	1.0237	10.2%
3	Avista Corp.	8.5%	1.0152	8.6%
4	CenterPoint Energy	12.0%	1.0156	12.2%
5	CMS Energy Corp.	13.5%	1.0316	13.9%
6	Consolidated Edison	9.0%	1.0161	9.1%
7	Dominion Resources	17.5%	1.0421	18.2%
8	DTE Energy Co.	10.0%	1.0306	10.3%
9	Duke Energy Corp.	8.5%	1.0086	8.6%
10	Empire District Elec	8.5%	1.0205	8.7%
11	Entergy Corp.	9.0%	1.0155	9.1%
12	Eversource Energy	10.0%	1.0210	10.2%
13	MGE Energy	13.0%	1.0312	13.4%
14	NorthWestern Corp.	10.0%	1.0212	10.2%
15	PG&E Corp.	10.0%	1.0341	10.3%
16	Pub Sv Enterprise Grp	10.5%	1.0252	10.8%
17	SCANA Corp.	9.5%	1.0306	9.8%
18	Sempra Energy	12.5%	1.0265	12.8%
19	Vectren Corp.	14.5%	1.0167	14.7%
20	Xcel Energy Inc.	10.5%	1.0219	10.7%
	Average (d)			10.8%
	Midpoint (d)			11.7%

(a) The Value Line Investment Survey (June 19, July 31 & August 21, 2015).

(b) Computed using the formula $2 \times (1 + 5\text{-Yr. Change in Equity}) / (2 + 5 \text{ Yr. Change in Equity})$.

(c) (a) \times (b).

(d) Eliminates highlighted values.