

SUSTAINABLE GROWTH RATE

Exhibit WEA - 3
Sustainable Growth Rate
Utility Proxy Group

UTILITY PROXY GROUP

	(a)	(a)	(b)	(a)	(a)	(a)	(c)	(d)
<u>Company</u>	<u>2012-14 Market Price</u>			<u>2012-14 Projections</u>			<u>b</u>	<u>r</u>
	<u>High</u>	<u>Low</u>	<u>Avg.</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>		
1 Allegheny Energy	75.00	50.00	\$62.50	\$3.65	\$1.20	\$27.85	67.1%	13.1%
2 American Elec Pwr	50.00	35.00	\$42.50	\$3.50	\$1.90	\$33.25	45.7%	10.5%
3 Black Hills Corp.	40.00	25.00	\$32.50	\$3.00	\$1.56	\$32.00	48.0%	9.4%
4 CenterPoint Energy	25.00	15.00	\$20.00	\$1.50	\$0.92	\$9.00	38.7%	16.7%
5 Cleco Corp.	40.00	25.00	\$32.50	\$2.50	\$1.60	\$22.75	36.0%	11.0%
6 CMS Energy	20.00	13.00	\$16.50	\$1.50	\$0.80	\$14.50	46.7%	10.3%
7 DTE Energy Co.	60.00	40.00	\$50.00	\$4.00	\$2.50	\$41.00	37.5%	9.8%
8 Edison International	60.00	40.00	\$50.00	\$4.25	\$1.50	\$38.50	64.7%	11.0%
9 Great Plains Energy	20.00	14.00	\$17.00	\$1.50	\$1.00	\$22.25	33.3%	6.7%
10 IDACORP, Inc.	45.00	30.00	\$37.50	\$2.75	\$1.40	\$36.00	49.1%	7.6%
11 Northeast Utilities	40.00	25.00	\$32.50	\$2.25	\$1.15	\$25.25	48.9%	8.9%
12 Pepco Holdings	25.00	17.00	\$21.00	\$1.90	\$1.08	\$22.10	43.2%	8.6%
13 Pinnacle West Capital	50.00	30.00	\$40.00	\$3.25	\$2.20	\$36.50	32.3%	8.9%
14 TECO Energy	20.00	14.00	\$17.00	\$1.40	\$0.90	\$11.75	35.7%	11.9%
15 UIL Holdings	35.00	25.00	\$30.00	\$2.20	\$1.73	\$19.40	21.4%	11.3%
16 Westar Energy	30.00	25.00	\$27.50	\$2.15	\$1.40	\$27.20	34.9%	7.9%

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	(a)	(a)	(e)	(a)	(a)	(e)	(f)	(g)	(h)
		2008		2012-14			Adjusted "r"		
<u>Company</u>	<u>BVPS</u>	<u>No. Shares</u>	<u>Common Equity</u>	<u>BVPS</u>	<u>No. Shares</u>	<u>Common Equity</u>	<u>Chg in Equity</u>	<u>Adj. Factor</u>	<u>Adj. r</u>
1 Allegheny Energy	\$16.83	169.36	\$2,850	\$27.85	175.00	\$4,874	11.3%	1.0536	13.8%
2 American Elec Pwr	\$26.33	406.07	\$10,692	\$33.25	490.00	\$16,293	8.8%	1.0421	11.0%
3 Black Hills Corp.	\$27.19	38.64	\$1,051	\$32.00	40.00	\$1,280	4.0%	1.0197	9.6%
4 CenterPoint Energy	\$5.89	346.09	\$2,038	\$9.00	390.00	\$3,510	11.5%	1.0543	17.6%
5 Cleco Corp.	\$17.65	60.04	\$1,060	\$22.75	66.00	\$1,502	7.2%	1.0348	11.4%
6 CMS Energy	\$10.88	226.41	\$2,463	\$14.50	236.00	\$3,422	6.8%	1.0329	10.7%
7 DTE Energy Co.	\$36.77	163.02	\$5,994	\$41.00	178.00	\$7,298	4.0%	1.0197	9.9%
8 Edison International	\$29.21	325.81	\$9,517	\$38.50	325.81	\$12,544	5.7%	1.0276	11.3%
9 Great Plains Energy	\$21.39	119.26	\$2,551	\$22.25	154.00	\$3,427	6.1%	1.0295	6.9%
10 IDACORP, Inc.	\$27.76	46.92	\$1,302	\$36.00	52.00	\$1,872	7.5%	1.0363	7.9%
11 Northeast Utilities	\$19.38	155.83	\$3,020	\$25.25	210.00	\$5,303	11.9%	1.0562	9.4%
12 Pepco Holdings	\$19.14	218.91	\$4,190	\$22.10	265.00	\$5,857	6.9%	1.0335	8.9%
13 Pinnacle West Capital	\$34.16	100.89	\$3,446	\$36.50	112.00	\$4,088	3.5%	1.0171	9.1%
14 TECO Energy	\$9.43	212.90	\$2,008	\$11.75	218.00	\$2,562	5.0%	1.0244	12.2%
15 UIL Holdings	\$18.85	25.17	\$474	\$19.40	26.80	\$520	1.8%	1.0092	11.4%
16 Westar Energy	\$20.18	108.31	\$2,186	\$27.20	114.00	\$3,101	7.2%	1.0350	8.2%

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	(a)	(a)	(f)	(i)	(j)	(k)	(l)	(m)
	Common Shares			M/B	"sv" Factor			
	Outstanding			Ratio	s	v	sv	br + sv
<u>Company</u>	<u>2008</u>	<u>2012-14</u>	<u>Change</u>					
1 Allegheny Energy	169.4	175.0	0.66%	2.24	0.0148	0.5544	0.82%	10.1%
2 American Elec Pwr	406.1	490.0	3.83%	1.28	0.0489	0.2176	1.07%	6.1%
3 Black Hills Corp.	38.6	40.0	0.69%	1.02	0.0071	0.0154	0.01%	4.6%
4 CenterPoint Energy	346.1	390.0	2.42%	2.22	0.0537	0.5500	2.95%	9.7%
5 Cleco Corp.	60.0	66.0	1.91%	1.43	0.0273	0.3000	0.82%	4.9%
6 CMS Energy	226.4	236.0	0.83%	1.14	0.0095	0.1212	0.11%	5.1%
7 DTE Energy Co.	163.0	178.0	1.77%	1.22	0.0216	0.1800	0.39%	4.1%
8 Edison International	325.8	325.8	0.00%	1.30	-	0.2300	0.00%	7.3%
9 Great Plains Energy	119.3	154.0	5.25%	0.76	0.0401	(0.3088)	-1.24%	1.1%
10 IDACORP, Inc.	46.9	52.0	2.08%	1.04	0.0216	0.0400	0.09%	4.0%
11 Northeast Utilities	155.8	210.0	6.15%	1.29	0.0791	0.2231	1.77%	6.4%
12 Pepco Holdings	218.9	265.0	3.90%	0.95	0.0370	(0.0524)	-0.19%	3.6%
13 Pinnacle West Capital	100.9	112.0	2.11%	1.10	0.0231	0.0875	0.20%	3.1%
14 TECO Energy	212.9	218.0	0.47%	1.45	0.0069	0.3088	0.21%	4.6%
15 UIL Holdings	25.2	26.8	1.26%	1.55	0.0195	0.3533	0.69%	3.1%
16 Westar Energy	108.3	114.0	1.03%	1.01	0.0104	0.0109	0.01%	2.9%

- (a) The Value Line Investment Survey (May, 29, June 26, & Aug. 7, 2009).
 (b) Average of High and Low expected market prices.
 (c) Computed at (EPS - DPS) / EPS.
 (d) Computed as EPS / BVPS.
 (e) Product of BVPS and No. Shares Outstanding.
 (f) Five-year rate of change.
 (g) Computed using the formula $2 \times (1 + 5\text{-Yr. Change in Equity}) / (2 + 5 \text{ Yr. Change in Equity})$
 (h) Product of year-end "r" for 2012-14 and Adjustment Factor.
 (i) Average of High and Low expected market prices divided by 2012-14 BVPS.
 (j) Product of change in common shares outstanding and M/B Ratio
 (k) Computed as 1 - B/M Ratio.
 (l) Product of "s" and "v".
 (m) Product of average "b" and adjusted "r", plus "sv".