

FORWARD-LOOKING CAPM

Exhibit WEA - 7

Capital Asset Pricing Model
Non-Utility Proxy GroupNON-UTILITY PROXY GROUP

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|-------------------------|------------------|---------------------|-----------------------|-----------------------|---------------------|-------------|-------------------------------|
| | S&P 500 | | | | | | |
| <u>Company</u> | <u>Div Yield</u> | <u>Proj. Growth</u> | <u>Cost of Equity</u> | <u>Risk-Free Rate</u> | <u>Risk Premium</u> | <u>Beta</u> | <u>Implied Cost of Equity</u> |
| 1 3M Company | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 2 Abbott Labs. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.55 | 9.4% |
| 3 Allergan, Inc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.90 | 12.5% |
| 4 Automatic Data Proc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 5 Bard (C.R.) | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.60 | 9.8% |
| 6 Baxter Int'l Inc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.65 | 10.3% |
| 7 Becton, Dickinson | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.65 | 10.3% |
| 8 Bemis Co. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.90 | 12.5% |
| 9 Bristol-Myers Squibb | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 10 Brown-Forman 'B | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 11 Chevron Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.90 | 12.5% |
| 12 Chubb Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.90 | 12.5% |
| 13 Coca-Cola | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.55 | 9.4% |
| 14 Colgate-Palmolive | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.60 | 9.8% |
| 15 ConocoPhillips | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.10 | 14.4% |
| 16 Costco Wholesale | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 17 Disney (Walt) | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.00 | 13.5% |
| 18 Du Pont | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.05 | 13.9% |
| 19 Eaton Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.05 | 13.9% |
| 20 Ecolab Inc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.85 | 12.1% |
| 21 Emerson Electric | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.00 | 13.5% |
| 22 Exxon Mobil Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 23 Gen'l Dynamics | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.90 | 12.5% |
| 24 Gen'l Mills | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.50 | 8.9% |
| 25 Grainger (W.W.) | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.00 | 13.5% |
| 26 Heinz (H.J.) | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.65 | 10.3% |
| 27 Hewlett-Packard | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.00 | 13.5% |
| 28 Home Depot | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.95 | 13.0% |
| 29 Honeywell Int'l | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.15 | 14.8% |
| 30 Hormel Foods | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 31 Illinois Tool Works | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.95 | 13.0% |
| 32 Intel Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.10 | 14.4% |
| 33 Int'l Business Mach. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.95 | 13.0% |
| 34 ITT Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.00 | 13.5% |
| 35 Johnson & Johnson | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.55 | 9.4% |
| 36 Kellogg | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.60 | 9.8% |
| 37 Kimberly-Clark | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.55 | 9.4% |
| 38 Lilly (Eli) | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 39 Lockheed Martin | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.80 | 11.6% |

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| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|------------------------|----------------------|-------------------------|---------------------------|---------------------------|-------------------------|-------------|-----------------------------------|
| | S&P 500 | | | | | | |
| <u>Company</u> | <u>Div Yield</u> | <u>Proj. Growth</u> | <u>Cost of Equity</u> | <u>Risk-Free Rate</u> | <u>Risk Premium</u> | <u>Beta</u> | <u>Implied Cost of Equity</u> |
| 40 McCormick & Co. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.60 | 9.8% |
| 41 McDonald's Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 42 Medtronic, Inc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.65 | 10.3% |
| 43 Microsoft Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.80 | 11.6% |
| 44 NIKE, Inc. 'B' | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.90 | 12.5% |
| 45 Northrop Grumman | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 46 PepsiCo, Inc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.60 | 9.8% |
| 47 Pfizer, Inc. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 48 PPG Inds. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.00 | 13.5% |
| 49 Procter & Gamble | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.55 | 9.4% |
| 50 Raytheon Co. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 51 Sigma-Aldrich | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.95 | 13.0% |
| 52 Sysco Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.65 | 10.3% |
| 53 TJX Companies | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.85 | 12.1% |
| 54 Torchmark Corp. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 1.10 | 14.4% |
| 55 United Parcel Serv. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 56 United Technologies | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.95 | 13.0% |
| 57 Verizon Communic. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.70 | 10.7% |
| 58 Walgreen Co. | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.75 | 11.2% |
| 59 Wal-Mart Stores | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.60 | 9.8% |
| 60 Waste Management | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.85 | 12.1% |
| 61 Wyeth | 4.4% | 9.1% | 13.5% | 4.4% | 9.1% | 0.65 | 10.3% |
| Average | | | | | | | 11.6% |

- (a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (retrieved Mar. 13, 2009).
- (b) Weighted average of Value Line, IBES, First Call, and Zacks earnings growth rates for the dividend paying firms in the S&P 500 based on data from www.valueline.com (retrieved Mar. 13, 2009), Thomson Reuters Company in Context Report (Mar. 16, 2009), First Call Valuation Report (Mar. 17, 2009), and www.zacks.com (retrieved Mar. 18, 2009).
- (c) (a) + (b).
- (d) Average yield on 20-year Treasury bonds for July 2009 from the Federal Reserve Board at <http://www.federalreserve.gov/releases/h15/data.htm>.
- (e) (c) - (d).
- (f) www.valueline.com (retrieved May 1, 2009).
- (g) (d) + (e) x (f).
- (h) Excludes highlighted figures.