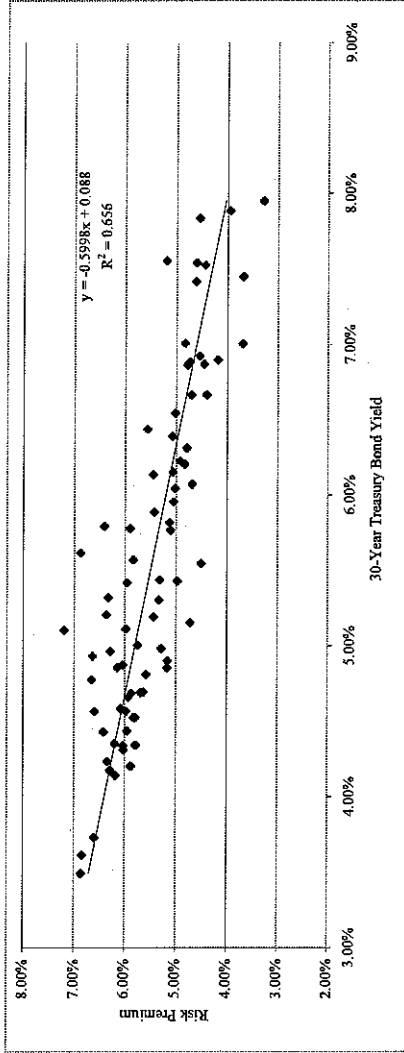


TREASURY BOND YIELD RISK PREMIUM

Quarter	Average Authorized Electric Utility ROE [1]	Average 30-Yr. Treasury Yield [2]	Risk Premium (ROE- Treasury Yield)
1992.1	12.38%	7.84%	4.55%
1992.2	11.83%	7.88%	3.94%
1992.3	12.03%	7.42%	4.62%
1992.4	12.14%	7.54%	4.60%
1993.1	11.84%	7.01%	4.83%
1993.2	11.64%	6.86%	4.78%
1993.3	11.15%	6.23%	4.92%
1993.4	11.04%	6.21%	4.84%
1994.1	11.07%	6.66%	4.40%
1994.2	11.13%	7.45%	3.68%
1994.3	12.75%	7.55%	5.20%
1994.4	11.24%	7.95%	3.29%
1995.1	11.96%	7.52%	4.44%
1995.2	11.32%	6.87%	4.45%
1995.3	11.37%	6.66%	4.71%
1995.4	11.58%	6.14%	5.45%
1996.1	11.46%	6.39%	5.07%
1996.2	11.46%	6.82%	4.54%
1996.3	10.70%	7.00%	3.70%
1996.4	11.56%	6.54%	5.02%
1997.1	11.08%	6.90%	4.18%
1997.2	11.62%	6.88%	4.73%
1997.3	12.00%	6.44%	5.56%
1997.4	11.06%	6.04%	5.02%
1998.1	11.31%	5.89%	5.43%
1998.2	12.20%	5.79%	6.41%
1998.3	11.65%	5.32%	6.33%
1998.4	12.30%	5.11%	7.20%
1999.1	10.40%	5.43%	4.97%
1999.2	10.94%	5.82%	5.12%
1999.3	10.75%	6.07%	4.68%
1999.4	11.10%	6.31%	4.79%
2000.1	11.21%	6.15%	5.06%
2000.2	11.00%	5.95%	5.05%
2000.3	11.68%	5.78%	5.90%
2000.4	12.50%	5.62%	6.88%
2001.1	11.38%	5.42%	5.96%
2001.2	10.88%	5.77%	5.11%
2001.3	10.76%	5.44%	5.32%
2001.4	11.57%	5.21%	6.36%
2002.1	10.05%	5.55%	4.50%
2002.2	11.41%	5.57%	5.83%
2002.3	11.25%	4.96%	6.29%
2002.4	11.57%	4.93%	6.63%
2003.1	11.43%	4.78%	6.65%
2003.2	11.16%	4.57%	6.60%
2003.3	9.88%	5.15%	4.72%
2003.4	11.09%	5.11%	5.98%
2004.1	11.00%	4.86%	6.14%
2004.2	10.64%	5.31%	5.33%
2004.3	10.75%	5.01%	5.74%
2004.4	10.91%	4.87%	6.04%
2005.1	10.56%	4.69%	5.87%
2005.2	10.13%	4.34%	5.78%
2005.3	10.85%	4.43%	6.41%
2005.4	10.59%	4.66%	5.93%
2006.1	10.38%	4.69%	5.69%
2006.2	10.63%	5.19%	5.44%
2006.3	10.06%	4.90%	5.16%
2006.4	10.33%	4.70%	5.64%
2007.1	10.39%	4.81%	5.58%
2007.2	10.27%	4.96%	5.28%
2007.3	10.02%	4.85%	5.16%
2007.4	10.36%	4.53%	5.83%
2008.1	10.37%	4.34%	6.03%
2008.2	10.54%	4.57%	5.97%
2008.3	10.38%	4.44%	5.95%
2008.4	10.36%	3.49%	6.86%
2009.1	10.46%	3.62%	6.85%
2009.2	10.58%	4.23%	6.34%
2009.3	10.46%	4.18%	6.28%
2009.4	10.54%	4.35%	6.19%
2010.1	10.66%	4.59%	6.06%
2010.2	10.08%	4.20%	5.87%
2010.3	10.32%	3.73%	6.59%
2010.4	10.33%	4.14%	6.18%
2011.1	10.32%	4.53%	5.80%
2011.2	10.33%	4.31%	6.02%
Mean	11.03%	5.57%	5.47%

TREASURY BOND YIELD RISK PREMIUM



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.80996605
R Square	0.656045002
Adjusted R Square	0.651518278
Standard Error	0.004907308
Observations	78

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.003490869	0.003490869	144.9691383	2.72789E-19
Residual	76	0.001830207	2.40817E-05		
Total	77	0.005321066			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.088037347	0.002827686	31.13427887	5.18963E-45	0.082405562	0.0936691	0.082405562	0.093669133
X Variable 1	-0.599781768	0.049816184	-12.03989777	2.72789E-19	-0.698999297	-0.5005642	-0.698999297	-0.50056424

30-Year Treasury Yield	30-Year Treasury	Risk Prem [3]	ROE
Blue Chip Consensus Forecast (Q2 2011 - Q3 2012) [4]	4.86%	5.87%	10.78%
Blue Chip Consensus Forecast (2012 - 2021) [5]	5.45%	5.63%	10.98%
MEAN		5.70%	10.87%

Notes

- [1] Source: Regulatory Research Associates, Rate Case Statistics, accessed June 8, 2011.
- [2] Source: Bloomberg Professional Service. Quarterly T-bond yields are the average of the last trading day of each month in the quarter.
- [3] Equals Intercept + regression coefficient x 30-year Treasury
- [4] Source: Aspen Publishers, *Blue Chip Financial Forecasts*, Vol. 3D, No. 5 May 1, 2011, p. 2.
- [5] Source: Aspen Publishers, *Blue Chip Financial Forecasts*, Vol. 29 No. 12 December 1, 2010 p. 14.