

**Northern States Power Company Minnesota - South Dakota
DCF Rate of Return Analysis Using Dividend Cash Flow Model (Constant Growth)**

Company	Dividend		Stock Price	Dividend Yield	Proj. EPS Growth (Zacks)	Proj. DPS Growth (VL)	Proj. BVPS Growth (VL)	% Ret. To Com. Eq. (VL)	Avg. Growth	DCF Cost of Equity k
	2011	2012								
A	B	C	D	E	F	G	H	I	J	K
American Electric Power	1.85	1.90	38.10	4.92%	4.00%	3.22%	4.86%	5.00%	4.27%	9.19%
Cleco Corporation	1.12	1.25	34.71	3.41%	7.00%	9.33%	4.54%	4.00%	6.22%	9.63%
Empire District Elec	0.64	1.00	20.15	4.07%	6.50% ¹	17.02%	2.63%	3.00%	7.29%	11.36%
Great Plains Energy	0.84	0.86	20.34	4.18%	6.50%	6.97%	2.22%	3.00%	4.67%	8.85%
Hawaiian Electric	1.24	1.24	25.26	4.91%	8.60%	1.19%	3.23%	3.50%	4.13%	9.04%
IDACORP, Inc.	1.20	1.20	39.53	3.04%	4.70%	5.74%	4.80%	4.50%	4.93%	7.97%
Pinnacle West	2.10	2.10	45.01	4.67%	5.30%	1.17%	3.28%	3.00%	3.19%	7.85%
Portland General	1.06	1.08	24.03	4.45%	5.00%	3.15%	3.95%	4.00%	4.03%	8.48%
Southern Company	1.87	1.94	43.02	4.43%	5.10%	4.15%	5.54%	4.50%	4.82%	9.25%
Westar Energy	1.28	1.32	26.23	4.96%	6.10%	2.99%	2.18%	4.00%	3.82%	8.77%
			Mean:	4.30%	5.88%	5.49%	3.72%	3.85%	4.74%	9.04%
			Median:	4.44%	5.70%	3.68%	3.62%	4.00%	4.47%	8.95%
				Std Error:	0.40%	1.44%	0.36%	0.21%	0.36%	0.30%

Sources

- Columns B, C and I: Value Line
- Column D: Stockcharts.Com
- Column F: Zacks Investment Research
- Column E: $((\text{Column B} + \text{Column C}) / 2) / \text{Column D}$
- Columns G and H: Computed from Value Line data
- Column J: Average of Columns F through I
- Column K: Column E plus Column J

Notes

- 1: Exhibit____(DSD-1), Schedule 2, Page 1, Column 8