

**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
	2012	2013								
American Electric Power	1.90	1.96	42.48	4.54%	3.60%	3.14%	4.33%	4.00%	3.77%	8.31%
Cleco Corporation	1.25	1.40	40.68	3.26%	5.50% ¹	11.04%	5.14%	5.00%	6.67%	9.93%
Empire District Elec	1.00	1.00	20.94	4.78%	8.10% ¹	4.66%	2.52%	3.00%	4.57%	9.35%
Great Plains Energy	0.86	0.88	21.14	4.12%	7.80%	6.35%	2.52%	3.00%	4.92%	9.03%
Hawaiian Electric	1.24	1.24	26.62	4.66%	6.70%	3.08%	5.33%	3.50%	4.65%	9.31%
IDACORP, Inc.	1.32	1.40	39.53	3.44%	5.00%	9.53%	3.79%	4.00%	5.58%	9.02%
Pinnacle West	2.12	2.20	51.05	4.23%	5.90%	3.68%	3.30%	3.00%	3.97%	8.20%
Portland General	1.08	1.11	26.80	4.09%	4.10%	3.72%	3.53%	4.00%	3.84%	7.92%
Southern Company	1.94	2.02	45.13	4.39%	5.10%	3.78%	5.04%	4.00%	4.48%	8.87%
Westar Energy	1.32	1.36	28.69	4.67%	6.10%	2.90%	4.68%	3.50%	4.29%	8.97%
			Mean:	4.22%	5.79%	5.19%	4.02%	3.70%	4.67%	8.89%
			Median:	4.31%	5.70%	3.75%	4.06%	3.75%	4.52%	8.99%
			Std Error:	0.44%	0.87%	0.32%	0.19%	0.27%	0.18%	

Sources

Columns B, C and I: Value Line

Column D: Stockcharts.Com

Column F: Zacks Investment Research

Column E: ((Column B + Column C) / 2) / 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____(JMC-1), Schedule 3, Page 1, Column 8