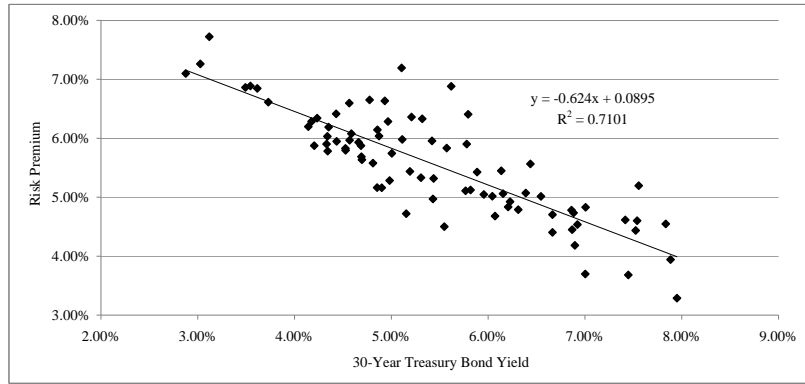


TREASURY BOND YIELD RISK PREMIUM

Quarter	[1]	[2]	[3]
	Average Authorized Electric Utility ROE	Average 30-Yr. Treasury Yield	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%	6.92%	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%	4.98%	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%	6.08%
2010.2	10.08%	4.20%	5.87%
2010.3	10.34%	3.73%	6.61%
2010.4	10.34%	4.14%	6.20%
2011.1	10.32%	4.53%	5.80%
2011.2	10.23%	4.33%	5.90%
2011.3	10.43%	3.54%	6.89%
2011.4	10.29%	3.03%	7.26%
2012.1	10.84%	3.12%	7.72%
2012.2	9.98%	2.88%	7.10%
Mean	11.00%	5.45%	5.55%

TREASURY BOND YIELD RISK PREMIUM



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.84266706
R Square	0.71008777
Adjusted R Square	0.70646386
Standard Error	0.00487476
Observations	82

ANOVA					
	df	SS	MS	F	Sig. F
Regression	1	0.00465631	0.00465631	195.945582	3.2502E-23
Residual	80	0.00190106	2.3763E-05		
Total	81	0.00655737			

	Coeff.	St. Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	0.08950448	0.00248725	35.9852755	3.5808E-51	0.08455469	0.09445427
Avg. 30-Year Treasury	-0.6239775	0.04457601	-13.9980564	3.2502E-23	-0.71268659	-0.53526841

	[4]	[5]	[6]
	30-Year Treasury	Risk Premium	ROE
Blue Chip Consensus Forecast (2014 - 2018)	5.10%	5.77%	10.87%
Lower 95% Confidence	5.10%	4.82%	9.92%
Upper 95% Confidence	5.10%	6.72%	11.82%

Notes

- [1] Source: Regulatory Research Associates, *Rate Case Statistics*, accessed June 6, 2012.
 [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 Col. [1] - Col. [2]
 [4] Source: Aspen Publishers, *Blue Chip Financial Forecasts*, Vol. 30, No. 12, December 10, 2011, p. 14.
 [5] Equals 0.0895 + (-0.6240 x Col. [4])
 [6] Equals Col. [4] + Col. [5]