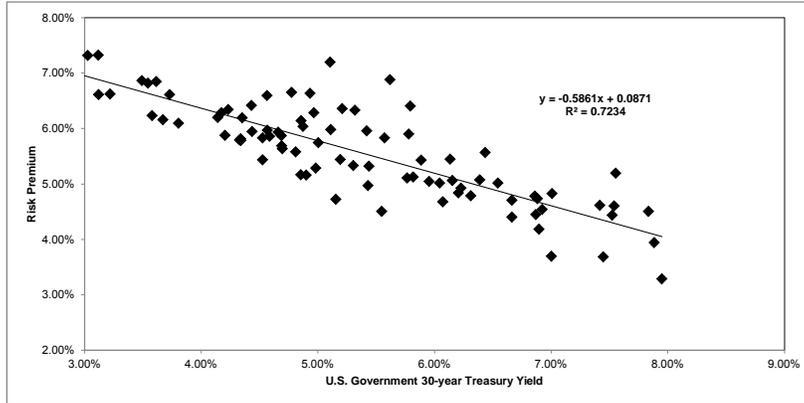


Risk Premium -- Electric Utilities

	[1]	[2]	[3]
	Average Authorized Electric ROE	U.S. Govt. 30-year Treasury	Risk Premium
1992.1	12.34%	7.84%	4.51%
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	10.15%	4.34%	5.81%
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	10.45%	4.59%	5.86%
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	9.96%	4.53%	5.44%
2011.2	10.12%	4.33%	5.79%
2011.3	10.36%	3.54%	6.82%
2011.4	10.34%	3.03%	7.32%
2012.1	10.44%	3.12%	7.32%
2012.2	9.92%	2.84%	7.08%
2012.3	9.78%	2.68%	7.10%
2012.4	10.10%	2.87%	7.23%
2013.1	9.73%	3.12%	6.61%
2013.2	9.84%	3.22%	6.62%
2013.3	9.83%	3.67%	6.16%
2013.4	9.90%	3.81%	6.09%
2014.1	9.81%	3.58%	6.23%
AVERAGE	10.89%	5.28%	5.62%
MEDIAN	10.85%	5.11%	5.74%



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.850533839
R Square	0.723407812
Adjusted R Square	0.720228591
Standard Error	0.004778161
Observations	89

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.005194982	0.005194982	227.5425058	5.2412E-26
Residual	87	0.001986281	2.28308E-05		
Total	88	0.007181263			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.087092955	0.002111923	41.23868892	6.8633E-59	0.082895278	0.09129063	0.082895278	0.091290631
US Government 30-year Treasury	-0.586141093	0.038857146	-15.08451212	5.2412E-26	-0.663373878	-0.50890831	-0.663373878	-0.508908307

	[7]	[8]	[9]
	U.S. Govt. 30-year Treasury	Risk Premium	Authorized ROE
Current 30-Day Average [4]	3.63%	6.58%	10.21%
Blue Chip Consensus Forecast (Q2 2014 - Q3 2015) [5]	4.15%	6.28%	10.43%
Blue Chip Consensus Forecast (2015 - 2019) [6]	5.00%	5.78%	10.78%
AVERAGE			10.47%
MEDIAN			10.43%

Notes:

- [1] Source: Regulatory Research Associates, accessed April 28, 2014
- [2] Source: Bloomberg Professional, quarterly bond yields are the average of the last trading day of each month in the quarter
- [3] Equals Column [1] - Column [2]
- [4] Source: Bloomberg Professional
- [5] Source: Blue Chip Financial Forecasts, Vol. 33, No. 4, April 1, 2014, at 2
- [6] Source: Blue Chip Financial Forecasts, Vol. 32, No. 12, December 1, 2013, at 14
- [7] See notes [4], [5] & [6]
- [8] Equals $0.087093 + (-0.586141 \times \text{Column [7]})$
- [9] Equals Column [7] + Column [8]