REGULATORY RESEARCH ASSOCIATES

The table below tracks the average equity return authorized for all electric and gas rate cases combined, by year, for the last 25 years. As the table indicates, since 1990 the authorized ROEs have generally trended downward, reflecting the significant decline in interest rates and capital costs that has occurred over this time frame. The combined average equity returns authorized for electric and gas utilities in each of the years 1990 through 2014, and the number of observations for each year are as follows:

12.69%	(75)		2003	10.98%	(47)
12.51	(80)		2004	10.67	(39)
12.06	(77)		2005	10.50	(55)
11.37	(77)		2006	10.39	(42)
11.34	(59)		2007	10.30	(76)
11.51	(49)		2008	10.42	(67)
11.29	(42)		2009	10.36	(68)
11.34	(24)		2010	10.24	(96)
11.59	(20)		2011	10.21	(59)
10.74	(29)		2012	10.08	(93)
11.41	(24)		2013	9.92	(71)
11.05	(25)		2014	9.86	(63)
11.10	(43)				
	12.51 12.06 11.37 11.34 11.51 11.29 11.34 11.59 10.74 11.41 11.05	12.51 (80) 12.06 (77) 11.37 (77) 11.34 (59) 11.51 (49) 11.29 (42) 11.34 (24) 11.59 (20) 10.74 (29) 11.41 (24) 11.05 (25)	12.51 (80) 12.06 (77) 11.37 (77) 11.34 (59) 11.51 (49) 11.29 (42) 11.34 (24) 11.59 (20) 10.74 (29) 11.41 (24) 11.05 (25)	12.51 (80) 2004 12.06 (77) 2005 11.37 (77) 2006 11.34 (59) 2007 11.51 (49) 2008 11.29 (42) 2009 11.34 (24) 2010 11.59 (20) 2011 10.74 (29) 2012 11.41 (24) 2013 11.05 (25) 2014	12.51 (80) 2004 10.67 12.06 (77) 2005 10.50 11.37 (77) 2006 10.39 11.34 (59) 2007 10.30 11.51 (49) 2008 10.42 11.29 (42) 2009 10.36 11.34 (24) 2010 10.24 11.59 (20) 2011 10.21 10.74 (29) 2012 10.08 11.41 (24) 2013 9.92 11.05 (25) 2014 9.86

Source: Regulatory Research Associates, Inc., "Major Rate Case Decisions -- Calendar 2014," Regulatory Focus (Jan. 15, 2015).