

OTTER TAIL POWER

DCF Rate of Return Analysis Using Dividend Cash Flow Model (Constant Growth)

Company	Dividend		Stock Price	Dividend Yield	Analyst Proj. EPS Growth	Proj. DPS Growth (VL)	Proj. BVPS Growth (VL)	% Ret. To Com. Eq. (VL)	Avg. Growth	DCF Cost of Equity k
	2018	2019								
A	B	C	D	E	F	G	H	I	J	K
ALLETE	2.24	2.34	75.86	3.02%	6.00%	4.78%	2.93%	3.00%	4.18%	7.20%
Alliant Energy	1.34	1.42	42.15	3.27%	6.61%	5.50%	4.73%	4.00%	5.21%	8.48%
Black Hills Corp.	1.93	2.05	61.09	3.26%	4.56%	6.15%	4.68%	4.00%	4.85%	8.10%
El Paso Electric	1.42	1.52	52.56	2.80%	4.75%	6.84%	3.04%	3.00%	4.41%	7.20%
Hawaiian Electric	1.24	1.24	35.31	3.51%	7.10%	3.08%	4.46%	3.50%	4.53%	8.04%
IDACORP, Inc.	2.40	2.56	94.62	2.62%	2.59%	6.17%	4.29%	4.00%	4.26%	6.88%
NorthWestern Corp.	2.20	2.30	58.53	3.84%	2.49%	4.26%	2.77%	3.00%	3.13%	6.97%
OGE Energy Corp	1.40	1.54	38.16	3.85%	1.46%	7.22%	3.27%	3.50%	3.86%	7.71%
PNM Resources	1.09	1.18	39.86	2.85%	4.40%	5.49%	5.43%	4.50%	4.96%	7.80%
			Mean:	3.22%	4.44%	5.50%	3.96%	3.61%	4.38%	7.60%
			Median:	3.26%	4.56%	5.50%	4.29%	3.50%	4.41%	7.71%

Sources

Columns B, C and I: Value Line

Column D: Stockcharts.Com

Column F: Average of Analysts Forecasts from Yahoo Financial and 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