

Retention Ratio Regression Analysis

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.44825419
R Square	0.20093182
Adjusted R Square	0.19421696
Standard Error	0.41731722
Observations	121

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	5.211280369	5.211280369	29.92346159	2.52462E-07
Residual	119	20.72428559	0.17415366		
Total	120	25.93556596			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	0.233	0.039	5.969	0.000	0.156	0.311
Retention Ratio	-0.253	0.046	-5.470	0.000	-0.344	-0.161

Date	Ticker	Payout Ratio	Retention Ratio	5-year Fwd EPS Growth
2004	ALE	22.22%	77.78%	13.03%
2005	ALE	50.40%	49.60%	-0.53%
2006	ALE	52.35%	47.65%	1.33%
2007	ALE	53.25%	46.75%	-1.44%
2008	ALE	60.99%	39.01%	0.64%
2009	ALE	93.12%	6.88%	9.29%
2010	ALE	80.37%	19.63%	9.42%
2011	ALE	67.17%	32.83%	3.80%
2012	ALE	71.32%	28.68%	4.27%
1996	LNT	86.78%	13.22%	6.92%
1997	LNT	105.26%	-5.26%	-0.07%
1998	LNT	158.73%	-58.73%	13.28%
1999	LNT	91.32%	8.68%	2.08%
2000	LNT	80.97%	19.03%	3.42%
2001	LNT	82.64%	17.36%	2.46%
2002	LNT	169.49%	-69.49%	18.83%
2003	LNT	63.69%	36.31%	11.10%
2004	LNT	55.14%	44.86%	2.50%
2005	LNT	47.51%	52.49%	7.55%
2006	LNT	55.83%	44.17%	8.91%
2007	LNT	47.21%	52.79%	4.97%
2008	LNT	55.12%	44.88%	7.73%
2009	LNT	78.95%	21.05%	13.86%
2010	LNT	57.45%	42.55%	4.34%
2011	LNT	61.82%	38.18%	3.86%
2012	LNT	59.02%	40.98%	5.80%
1996	BKH	65.71%	34.29%	20.76%
1997	BKH	63.76%	36.24%	13.10%
1998	BKH	62.50%	37.50%	7.41%
1999	BKH	61.18%	38.82%	5.08%
2000	BKH	45.57%	54.43%	1.45%
2001	BKH	32.75%	67.25%	-6.47%
2002	BKH	49.79%	50.21%	4.16%
2003	BKH	65.22%	34.78%	-10.29%

Date	Ticker	Payout Ratio	Retention Ratio	5-year Fwd EPS Growth
2004	BKH	71.26%	28.74%	228.58%
2005	BKH	60.66%	39.34%	218.63%
2006	BKH	59.73%	40.27%	209.85%
2007	BKH	51.12%	48.88%	224.61%
2008	BKH	777.78%	-677.78%	249.76%
2009	BKH	61.21%	38.79%	14.13%
2010	BKH	86.75%	13.25%	19.41%
2011	BKH	144.55%	-44.55%	25.82%
2012	BKH	75.13%	24.87%	12.52%
2011	EE	26.61%	73.39%	-0.24%
2012	EE	42.92%	57.08%	1.79%
1996	HE	93.08%	6.92%	4.99%
1997	HE	88.41%	11.59%	4.01%
1998	HE	83.78%	16.22%	2.06%
1999	HE	85.52%	14.48%	-0.31%
2000	HE	97.64%	2.36%	3.64%
2001	HE	77.50%	22.50%	-3.34%
2002	HE	76.54%	23.46%	-6.90%
2003	HE	78.48%	21.52%	-7.12%
2004	HE	91.18%	8.82%	-7.33%
2005	HE	84.93%	15.07%	-2.21%
2006	HE	93.23%	6.77%	3.38%
2007	HE	111.71%	-11.71%	9.88%
2008	HE	115.89%	-15.89%	10.00%
2009	HE	136.26%	-36.26%	13.24%
2010	HE	102.48%	-2.48%	4.94%
2011	HE	86.11%	13.89%	11.67%
2012	HE	74.25%	25.75%	2.80%
1996	IDA	84.16%	15.84%	9.88%
1997	IDA	80.17%	19.83%	-1.38%
1998	IDA	78.48%	21.52%	-10.03%
1999	IDA	76.54%	23.46%	9.04%
2000	IDA	53.14%	46.86%	-1.34%
2001	IDA	55.52%	44.48%	6.37%
2002	IDA	114.11%	-14.11%	12.47%
2003	IDA	177.08%	-77.08%	24.13%
2004	IDA	63.16%	36.84%	8.77%
2005	IDA	68.57%	31.43%	12.70%
2006	IDA	51.06%	48.94%	8.62%
2007	IDA	64.52%	35.48%	12.85%
2008	IDA	55.05%	44.95%	11.01%
2009	IDA	45.45%	54.55%	7.94%
2010	IDA	40.68%	59.32%	5.70%
2011	IDA	35.71%	64.29%	3.28%
2012	IDA	40.65%	59.35%	4.59%
2005	NWE	58.48%	41.52%	5.90%
2006	NWE	94.66%	5.34%	14.23%
2007	NWE	88.89%	11.11%	10.11%
2008	NWE	74.58%	25.42%	7.29%
2009	NWE	66.34%	33.66%	8.78%
2010	NWE	63.55%	36.45%	6.99%
2011	NWE	56.92%	43.08%	6.72%
2012	NWE	65.49%	34.51%	8.56%
1996	OGE	82.72%	17.28%	-2.52%
1997	OGE	82.72%	17.28%	-0.37%
1998	OGE	65.69%	34.31%	-1.39%
1999	OGE	69.07%	30.93%	0.05%

Date	Ticker	Payout Ratio	Retention Ratio	5-year Fwd EPS Growth
2000	OGE	70.53%	29.47%	1.14%
2001	OGE	103.08%	-3.08%	14.19%
2002	OGE	93.06%	6.94%	13.50%
2003	OGE	77.01%	22.99%	8.28%
2004	OGE	75.28%	24.72%	9.10%
2005	OGE	72.83%	27.17%	10.98%
2006	OGE	54.47%	45.53%	7.31%
2007	OGE	51.52%	48.48%	6.54%
2008	OGE	56.00%	44.00%	9.27%
2009	OGE	53.38%	46.62%	8.41%
2010	OGE	48.67%	51.33%	2.92%
2011	OGE	43.93%	56.07%	-0.15%
2012	OGE	44.69%	55.31%	1.88%
1996	PNM	20.87%	79.13%	20.65%
1997	PNM	33.60%	66.40%	7.11%
1998	PNM	34.00%	66.00%	4.60%
1999	PNM	41.09%	58.91%	12.27%
2000	PNM	34.19%	65.81%	10.06%
2001	PNM	20.31%	79.69%	-1.57%
2002	PNM	53.27%	46.73%	-0.93%
2003	PNM	53.04%	46.96%	-19.53%
2004	PNM	44.06%	55.94%	61.06%
2005	PNM	50.64%	49.36%	69.24%
2006	PNM	50.00%	50.00%	72.01%
2007	PNM	119.74%	-19.74%	87.44%
2008	PNM	554.55%	-454.55%	106.07%
2009	PNM	86.21%	13.79%	21.18%
2010	PNM	57.47%	42.53%	11.59%
2011	PNM	46.30%	53.70%	6.50%
2012	PNM	44.27%	55.73%	8.54%

Retention Ratio Regression Analysis

Company	Ticker	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
ALLETE, Inc.	ALE	Earnings Per Share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.35	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	2.90	3.38	3.14	3.13	
		Dividends Per Share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.30	1.25	1.45	1.64	1.72	1.76	1.78	1.84	1.90	1.96	2.02	2.08	2.14	
		Payout Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	22.22%	50.40%	52.35%	53.25%	60.99%	93.12%	80.37%	67.17%	71.32%	72.24%	67.59%	59.76%	66.24%	68.37%
		Annual Earnings Growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	83.70%	11.69%	11.19%	-8.44%	-32.98%	15.87%	21.00%	-2.64%	1.94%	10.27%	16.55%	-7.10%	-0.32%
		Syr Avg Fwd EPS Growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13.03%	-0.53%	1.33%	-1.44%	0.64%	9.29%	9.42%	3.80%	4.27%	N/A	N/A	N/A	N/A	N/A
Alliant Energy Corporation	LNT	Earnings Per Share	1.14	0.93	0.63	1.10	1.24	1.21	0.59	0.33	1.11	1.03	1.35	1.27	0.95	1.38	1.55	1.85	1.74	1.68	1.68	1.68	1.59	
		Dividends Per Share	0.99	1.00	1.00	1.00	1.00	1.00	0.50	0.51	0.53	0.58	0.64	0.70	0.75	0.79	0.85	0.90	0.94	1.02	1.10	1.18	1.26	
		Payout Ratio	86.78%	105.26%	158.73%	91.32%	80.97%	82.64%	169.49%	63.69%	55.14%	47.51%	56.31%	47.41%	55.12%	78.95%	57.25%	61.59%	58.82%	56.97%	58.62%	65.09%	71.52%	63.32%
		Annual Earnings Growth	N/A	-16.30%	-33.68%	73.81%	12.79%	-2.02%	-51.24%	33.05%	17.83%	19.46%	-6.79%	31.07%	-5.93%	-25.20%	45.26%	0.00%	10.87%	7.84%	5.45%	-2.87%	-2.37%	20.61%
		Syr Avg Fwd EPS Growth	6.92%	-0.07%	13.28%	2.08%	3.42%	2.46%	18.93%	11.13%	2.52%	7.68%	9.04%	5.00%	7.76%	13.89%	4.26%	3.79%	5.73%	N/A	N/A	N/A	N/A	N/A
Black Hills Corporation	BKH	Earnings Per Share	1.40	1.49	1.60	1.70	2.37	3.42	2.33	1.84	1.74	2.11	2.21	2.68	0.18	2.32	1.66	1.01	1.97	2.61	2.89	2.83	2.63	3.38
		Dividends Per Share	0.92	0.95	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.28	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.52	1.56	1.62	1.68	1.81
		Payout Ratio	65.71%	63.76%	62.50%	61.18%	45.57%	32.75%	49.79%	65.22%	71.26%	60.66%	59.73%	51.12%	777.78%	61.21%	86.75%	144.55%	75.13%	58.24%	53.98%	57.24%	63.88%	53.55%
		Annual Earnings Growth	N/A	6.43%	7.33%	6.25%	39.41%	44.30%	-31.87%	-21.03%	-5.43%	21.26%	4.74%	21.27%	-93.28%	1188.89%	-28.45%	-39.16%	95.05%	32.49%	10.73%	-2.08%	-7.07%	28.52%
		Syr Avg Fwd EPS Growth	20.76%	13.10%	7.41%	5.08%	1.45%	-6.47%	4.16%	-10.29%	228.58%	218.63%	209.85%	224.61%	249.76%	14.13%	19.41%	25.82%	12.52%	N/A	N/A	N/A	N/A	N/A
El Paso Electric	EE	Earnings Per Share	0.52	0.61	0.70	0.86	1.09	1.27	0.57	0.64	0.69	0.76	1.27	1.63	1.73	1.50	2.07	2.48	2.20	2.27	2.03	2.39	2.42	
		Dividends Per Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.66	0.97	1.05	1.11	1.17	1.23	
		Payout Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.61%	42.92%	47.73%	48.90%	57.64%	51.46%	54.55%
		Annual Earnings Growth	N/A	17.31%	14.75%	22.86%	26.74%	16.51%	-55.12%	12.28%	7.81%	10.14%	67.11%	28.35%	6.13%	-13.29%	38.00%	19.81%	-8.87%	-2.65%	3.18%	-10.57%	17.73%	1.26%
		Syr Avg Fwd EPS Growth	19.64%	5.15%	4.66%	1.65%	-1.67%	8.45%	25.14%	23.91%	19.69%	25.26%	15.80%	8.36%	6.60%	9.89%	0.18%	-0.24%	1.79%	N/A	N/A	N/A	N/A	N/A
Hawaiian Electric Industries, Inc.	HE	Earnings Per Share	1.30	1.38	1.48	1.45	1.27	1.50	1.62	1.58	1.36	1.46	1.33	1.11	1.07	0.91	1.21	1.44	1.87	1.62	1.64	1.50	2.29	1.84
		Dividends Per Share	1.21	1.22	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
		Payout Ratio	93.08%	88.41%	83.78%	85.52%	97.64%	77.50%	76.54%	78.48%	91.18%	84.93%	93.23%	111.71%	115.89%	136.26%	102.48%	86.11%	74.25%	76.54%	75.61%	82.67%	54.15%	75.61%
		Annual Earnings Growth	N/A	6.15%	7.25%	-2.03%	-12.41%	25.98%	1.25%	-2.47%	-13.92%	7.35%	-8.90%	-16.54%	-3.60%	-14.95%	32.97%	19.01%	15.97%	-2.99%	1.23%	-8.54%	52.67%	-28.38%
		Syr Avg Fwd EPS Growth	4.99%	4.01%	2.06%	-0.31%	3.64%	-3.34%	-6.90%	-7.12%	-7.33%	-2.21%	3.38%	9.88%	10.00%	13.24%	4.94%	11.67%	2.80%	N/A	N/A	N/A	N/A	N/A
IDACORP, Inc.	IDA	Earnings Per Share	2.21	2.32	2.37	2.43	3.50	3.35	1.63	0.96	1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.37	3.64	3.85	3.87	3.94	4.21
		Dividends Per Share	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	
		Payout Ratio	84.16%	80.17%	79.48%	76.54%	53.14%	55.52%	114.11%	177.08%	63.16%	68.57%	51.06%	64.52%	55.05%	45.45%	40.68%	35.71%	40.65%	43.13%	45.71%	49.61%	52.79%	53.21%
		Annual Earnings Growth	N/A	4.98%	2.16%	2.53%	44.03%	-4.29%	-51.34%	-41.10%	97.92%	-7.89%	34.29%	-20.85%	17.20%	21.10%	11.74%	13.90%	0.30%	8.01%	5.77%	0.52%	1.81%	6.85%
		Syr Avg Fwd EPS Growth	9.88%	-1.38%	-10.03%	9.04%	-1.34%	6.37%	12.47%	24.13%	8.77%	12.70%	8.62%	12.85%	11.01%	7.94%	5.70%	3.28%	4.59%	N/A	N/A	N/A	N/A	N/A
NorthWestern Corporation	NWE	Earnings Per Share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.71	1.31	1.44	1.77	2.02	2.14	2.53	2.26	2.46	2.99	2.90	3.39	3.34	
		Dividends Per Share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.52	1.60	1.92	2.00	2.10	
		Payout Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58.48%	94.66%	88.89%	74.58%	66.34%	63.55%	56.92%	65.49%	61.79%	53.51%	66.21%	59.00%	62.87%	
		Annual Earnings Growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-23.39%	9.92%	22.92%	14.12%	5.94%	18.22%	-10.67%	8.85%	21.54%	-3.01%	16.90%	-1.47%	
		Syr Avg Fwd EPS Growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.90%	14.23%	10.11%	7.29%	8.78%	6.99%	6.72%	8.56%	N/A	N/A	N/A	N/A	N/A
OGE Energy Corp.	OGE	Earnings Per Share	0.81	0.81	1.02	0.97	0.95	0.65	0.72	0.87	0.89	0.92	1.23	1.32	1.25	1.33	1.5	1.73	1.79	1.94	1.98	1.69	1.69	
		Dividends Per Share	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.68	0.7	0.71	0.73	0.76	0.8	0.85	0.95	1.05	1.16	
		Payout Ratio	82.72%	82.72%	65.69%	69.07%	70.53%	103.08%	93.06%	77.01%	75.28%	72.83%	54.47%	51.52%	56.00%	53.38%	48.67%	43.93%	44.69%	43.81%	47.98%	62.13%	68.64%	66.15%
		Annual Earnings Growth	N/A	0.00%	25.93%	-4.90%	-2.06%	-31.58%	10.77%	20.83%	2.30%	3.37%	33.70%	7.32%	-5.30%	6.40%	12.78%	15.33%	3.47%	8.38%	2.06%	-14.65%	0.00%	13.61%
		Syr Avg Fwd EPS Growth	-2.52%	-0.37%	-1.39%	0.05%	1.14%	14.19%	13.50%	8.28%	9.10%	10.98%	7.31%	6.54%	9.27%	8.41%	2.92%	-0.15%	1.88%	N/A	N/A	N/A	N/A	N/A
PNM Resources	PNM	Earnings Per Share	1.15	1.25	1.50	1.29	1.55	2.61	1.07	1.15	1.43	1.56	1.72	0.76	0.11	0.58	0.87	1.08	1.31	1.41	1.45	1.48	1.46	
		Dividends Per Share	0.24	0.42	0.51	0.53	0.53	0.57	0.61	0.63	0.79	0.86	0.91	0.61	0.50	0.50	0.58	0.68	0.76	0.82	0.90	0.99		
		Payout Ratio	20.87%	33.60%	34.00%	41.09%	34.19%	20.31%	53.27%	53.04%	44.06%	50.64%	50.00%	119.74%	55.55%	86.21%	57.47%	46.30%	44.27%	48.23%	52.41%	55.41%	61.64%	51.56%
		Annual Earnings Growth	N/A	8.70%	20.00%	-14.00%	20.16%	68.39%	-59.00%	7.48%	24.35%	9.09%	10.26%	-55.81%	-85.53%	427.27%	50.00%	24.14%	21.30%	7.63%	2.84%	2.07%	-1.35%	31.51%
		Syr Avg Fwd EPS Growth	20.65%	7.11%	4.60%	12.27%	10.06%	-1.57%	-0.93%	-19.53%	61.06%	69.24%	72.01%	87.44%	106.07%	21.18%	11.59%	6.50%	8.54%	N/A	N/A	N/A	N/A	N/A