

GAS UTILITY RISK PREMIUM

Exhibit WEA-9

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CURRENT BOND YIELDS

Current Equity Risk Premium

(a) Avg. Yield over Study Period	9.01%
(b) March 2011 Single-A Utility Bond Yield	<u>5.56%</u>
Change in Bond Yield	-3.45%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4532</u>
Adjustment to Average Risk Premium	1.56%
(a) Average Risk Premium over Study Period	<u>3.09%</u>
Adjusted Risk Premium	4.65%

Implied Cost of Equity

(b) March 2011 BBB Utility Bond Yield	5.97%
Adjusted Equity Risk Premium	<u>4.65%</u>
Risk Premium Cost of Equity	10.62%

(a) Exhibit WEA-9, page 3.

(b) Moody's Investors Service, www.credittrends.com.

(c) Exhibit WEA-9, page 4.

PROJECTED BOND YIELDSCurrent Equity Risk Premium

(a) Avg. Yield over Study Period	9.01%
(b) Projected Single-A Utility Bond Yield 2012-15	<u>6.69%</u>
Change in Bond Yield	-2.32%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4532</u>
Adjustment to Average Risk Premium	1.05%
(a) Average Risk Premium over Study Period	<u>3.09%</u>
Adjusted Risk Premium	4.14%

Implied Cost of Equity

(b) Projected Triple-B Utility Bond Yield 2012-15	7.16%
Adjusted Equity Risk Premium	<u>4.14%</u>
Risk Premium Cost of Equity	11.30%

(a) Exhibit WEA-9, page 3.

(b) Projected yields on utility bonds for 2012-15 based on data from IHS Global Insight, U.S. Economic Outlook at 19 (Feb. 2011), Energy Information Administration, Annual Energy Outlook 2011 Early Release (Dec. 16, 2010), and Moody's Investors Service at www.credittrends.com.

(c) Exhibit WEA-9, page 4.

Year	Qtr.	(a)	(b)	Risk Premium	Year	Qtr.	(a)	(b)	Risk Premium
		Allowed ROE	Single-A Utility Bond Yield				Allowed ROE	Single-A Utility Bond Yield	
1980	1	13.45%	13.49%	-0.04%	1995	2	11.00%	7.93%	3.07%
	2	14.38%	12.87%	1.51%		3	11.07%	7.72%	3.35%
	3	13.87%	12.88%	0.99%		4	11.56%	7.37%	4.19%
	4	14.35%	14.11%	0.24%	1996	1	11.45%	7.44%	4.01%
1981	1	14.69%	14.77%	-0.08%		2	10.88%	7.98%	2.90%
	2	14.61%	15.82%	-1.21%		3	11.25%	7.96%	3.29%
	3	14.86%	16.65%	-1.79%		4	11.32%	7.62%	3.70%
	4	15.70%	16.57%	-0.87%	1997	1	11.31%	7.76%	3.55%
1982	1	15.55%	16.72%	-1.17%		2	11.70%	7.88%	3.82%
	2	15.62%	16.26%	-0.64%		3	12.00%	7.49%	4.51%
	3	15.72%	15.88%	-0.16%		4	11.01%	7.25%	3.76%
	4	15.62%	14.56%	1.06%	1998	2	11.37%	7.12%	4.25%
1983	1	15.41%	14.15%	1.26%		3	11.41%	6.99%	4.42%
	2	14.84%	13.58%	1.26%		4	11.69%	6.97%	4.72%
	3	15.24%	13.52%	1.72%	1999	1	10.82%	7.11%	3.71%
	4	15.41%	13.38%	2.03%		2	(c) 10.82%	7.48%	3.34%
1984	1	15.39%	13.56%	1.83%		4	10.33%	8.05%	2.28%
	2	15.07%	14.72%	0.35%	2000	1	10.71%	8.29%	2.42%
	3	15.37%	14.47%	0.90%		2	11.08%	8.45%	2.63%
	4	15.33%	13.38%	1.95%		3	11.33%	8.25%	3.08%
1985	1	15.03%	13.31%	1.72%		4	12.50%	8.03%	4.47%
	2	15.44%	12.95%	2.49%	2001	1	11.16%	7.74%	3.42%
	3	14.64%	12.11%	2.53%		2	(c) 10.75%	7.93%	2.82%
	4	14.44%	11.49%	2.95%		4	10.65%	7.68%	2.97%
1986	1	14.05%	10.18%	3.87%	2002	1	10.67%	7.65%	3.02%
	2	13.28%	9.41%	3.87%		2	11.64%	7.50%	4.14%
	3	13.09%	9.39%	3.70%		3	11.50%	7.19%	4.31%
	4	13.62%	9.31%	4.31%		4	10.78%	7.15%	3.63%
1987	1	12.61%	8.96%	3.65%	2003	1	11.38%	6.93%	4.45%
	2	13.13%	9.77%	3.36%		2	11.36%	6.40%	4.96%
	3	12.56%	10.61%	1.95%		3	10.61%	6.64%	3.97%
	4	12.73%	11.05%	1.68%		4	10.84%	6.35%	4.49%
1988	1	12.94%	10.32%	2.62%	2004	1	11.10%	6.09%	5.01%
	2	12.48%	10.71%	1.77%		2	10.25%	6.48%	3.77%
	3	12.79%	10.94%	1.85%		3	10.37%	6.13%	4.24%
	4	12.98%	9.98%	3.00%		4	10.66%	5.94%	4.72%
1989	1	12.99%	10.13%	2.86%	2005	1	10.65%	5.74%	4.91%
	2	13.25%	9.94%	3.31%		2	10.52%	5.52%	5.00%
	3	12.56%	9.53%	3.03%		3	10.47%	5.51%	4.96%
	4	12.94%	9.50%	3.44%		4	10.40%	5.82%	4.58%
1990	1	12.60%	9.72%	2.88%	2006	1	10.63%	5.85%	4.78%
	2	12.81%	9.91%	2.90%		2	10.50%	6.37%	4.13%
	3	12.34%	9.93%	2.41%		3	10.45%	6.19%	4.26%
	4	12.77%	9.89%	2.88%		4	10.14%	5.86%	4.28%
1991	1	12.69%	9.58%	3.11%	2007	1	10.44%	5.90%	4.54%
	2	12.53%	9.50%	3.03%		2	10.12%	6.09%	4.03%
	3	12.43%	9.33%	3.10%		3	10.03%	6.22%	3.81%
	4	12.38%	9.02%	3.36%		4	10.27%	6.08%	4.19%
1992	1	12.42%	8.91%	3.51%	2008	1	10.38%	6.15%	4.23%
	2	11.98%	8.86%	3.12%		2	10.17%	6.32%	3.85%
	3	11.87%	8.47%	3.40%		3	10.49%	6.42%	4.07%
	4	11.94%	8.53%	3.41%		4	10.34%	7.23%	3.11%
1993	1	11.75%	8.07%	3.68%	2009	1	10.24%	6.37%	3.87%
	2	11.71%	7.81%	3.90%		2	10.11%	6.39%	3.72%
	3	11.39%	7.28%	4.11%		3	9.88%	5.74%	4.14%
	4	11.15%	7.22%	3.93%		4	10.27%	5.66%	4.61%
1994	1	11.12%	7.55%	3.57%	2010	1	10.24%	5.83%	4.41%
	2	10.81%	8.29%	2.52%		2	9.99%	5.61%	4.38%
	3	10.95%	8.51%	2.44%		3	9.93%	5.09%	4.84%
	4	(c) 11.64%	8.87%	2.77%		4	10.09%	5.34%	4.75%
					2011	1	10.10%	5.66%	4.44%
					Average		12.10%	9.01%	3.09%

(a) Regulatory Research Associates, Inc., Major Rate Case Decisions, (Apr. 5, 2011, Jan. 24, 2002, Jan. 18, 1995, and Jan. 16, 1990).

(b) Mergent Public Utility Manual (2003); Mergent Bond Record (Sep. 2005); Moody's Credit Perspectives (Various Editions).

(c) No decisions reported for following quarter.

(d) Moody's.com for December 2010.

REGRESSION RESULTS

SUMMARY OUTPUT

Regression Statistics

Multiple R	0.9279872
R Square	0.8611602
Adjusted R Square	0.8599934
Standard Error	0.0055005
Observations	121

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.022332004	0.02233	738.703	7.49418E-53
Residual	119	0.003600459	3.03E-05		
Total	120	0.025932463			

	Coefficient	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.0717756	0.001583977	45.3135	6.7E-77	0.068639164	0.07491202	0.068639164	0.074912021
X Variable 1	-0.4532479	0.016683126	-27.168	7.49E-53	-0.486282136	-0.42021371	-0.48628214	-0.42021371