

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130040-EI**

**IN RE: TAMPA ELECTRIC COMPANY'S
PETITION FOR AN INCREASE IN BASE RATES
AND MISCELLANEOUS SERVICE CHARGES**

**DIRECT TESTIMONY AND EXHIBIT
OF**

ROBERT B. HEVERT

ON BEHALF OF TAMPA ELECTRIC COMPANY

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OF
ROBERT B. HEVERT

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **ROBERT B. HEVERT**

5 **ON BEHALF OF TAMPA ELECTRIC COMPANY**

6
7 **I. INTRODUCTION**

8 **Q.** Please state your name, affiliation and business address.

9
10 **A.** My name is Robert B. Hevert. I am Managing Partner of
11 Sussex Economic Advisors, LLC ("Sussex"). My business
12 address is 161 Worcester Road, Suite 503, Framingham,
13 Massachusetts 01701.

14
15 **Q.** On whose behalf are you submitting this direct testimony?

16
17 **A.** I am submitting this direct testimony before the Florida
18 Public Service Commission ("Commission") on behalf of
19 Tampa Electric Company, referred to throughout my
20 testimony as "Tampa Electric," or the "Company."

21
22 **Q.** Please describe your educational background.

23
24 **A.** I hold a Bachelor's degree in Business and Economics from
25 the University of Delaware, and an MBA with a

1 concentration in Finance from the University of
2 Massachusetts. I also hold the Chartered Financial
3 Analyst designation.
4

5 **Q.** Please describe your experience in the energy and utility
6 industries.
7

8 **A.** I have worked in regulated industries for over 25 years,
9 having served as an executive and manager with consulting
10 firms, a financial officer of a publicly-traded natural
11 gas utility (at the time, Bay State Gas Company), and an
12 analyst at a telecommunications utility. In my role as a
13 consultant, I have advised numerous energy and utility
14 clients on a wide range of financial and economic issues
15 including corporate and asset-based transactions, asset
16 and enterprise valuation, transaction due diligence, and
17 strategic matters. As an expert witness, I have provided
18 testimony in approximately 100 proceedings regarding
19 various financial and regulatory matters before numerous
20 state utility regulatory agencies and the Federal Energy
21 Regulatory Commission. A summary of my professional and
22 educational background, including a list of my testimony
23 in prior proceedings, is included in Attachment A to my
24 direct testimony.
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II. PURPOSE AND OVERVIEW OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my direct testimony is to present evidence and provide the Commission with a recommendation regarding the Company's return on equity ("ROE")¹ and to provide my determinations and opinions regarding the reasonableness of Tampa Electric's capital structure. My analyses and conclusions are supported by the data presented in Document Nos. 1 through 13 of my exhibit, which have been prepared by me or under my direction.

Q. What are your conclusions regarding the appropriate Cost of Equity for the Company?

A. My analyses indicate that the Company's Cost of Equity currently is in the range of 10.50 percent to 11.50 percent. Based on the quantitative and qualitative analyses discussed throughout my direct testimony, I conclude that the Cost of Equity for Tampa Electric is 11.25 percent.

Q. Please provide a brief overview of the analyses that led to your ROE recommendation.

¹ Throughout my testimony, I interchangeably use the terms "ROE" and "Cost of Equity."

1 **A.** As discussed in more detail in Section VI, in light of
2 recent market conditions, and given the fact that equity
3 analysts and investors tend to use multiple methodologies
4 in developing their return requirements, it is important
5 to consider the results of several analytical approaches
6 in determining the Company's ROE. In order to develop my
7 ROE recommendation, I therefore applied the Constant
8 Growth Discounted Cash Flow ("DCF") model, the Capital
9 Asset Pricing Model ("CAPM"), and the Bond Yield Plus
10 Risk Premium ("Risk Premium") approach. In addition to
11 those analyses, it is important to consider a range of
12 factors, both quantitative and qualitative, in arriving
13 at an ROE determination.

14
15 In addition to the methodologies noted above, my
16 recommendation also takes into consideration: (1) the
17 incremental risks associated with the Company's need to
18 fund substantial capital expenditures; and (2) flotation
19 costs associated with equity issuances. While I did not
20 make any explicit adjustments to my ROE estimates for
21 those factors, I did take them into consideration in
22 determining the Company's Cost of Equity.

23
24 **Q.** How is the remainder of your direct testimony organized?
25

1 **A.** The remainder of my direct testimony is organized as
2 follows:

3
4 Section III - Provides a summary of my conclusions and
5 recommendations;

6 Section IV - Discusses the regulatory guidelines and
7 financial considerations pertinent to the development of
8 the cost of capital;

9 Section V - Explains my selection of the proxy group of
10 electric utilities used to develop my analytical results;

11 Section VI - Explains my analyses and the analytical
12 bases for my ROE recommendation;

13 Section VII - Provides a discussion of specific business
14 risks that have a direct bearing on the Company's Cost of
15 Equity;

16 Section VIII - Highlights the current capital market
17 conditions and the effect of those conditions on the
18 Company's Cost of Equity;

19 Section IX - Addresses the reasonableness of the
20 Company's proposed capital structure; and

21 Section X - Summarizes my conclusions and
22 recommendations.

23

24 **III. SUMMARY OF CONCLUSIONS**

25 **Q.** What are the key factors considered in your analyses and

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upon which you base your recommended ROE?

- A.** My analyses and recommendations considered the following:
- The *Hope* and *Bluefield* decisions² that established the standards for determining a fair and reasonable allowed return on equity including: consistency of the allowed return with other businesses having similar risk; adequacy of the return to provide access to capital and support credit quality; and that the end result must lead to just and reasonable rates.
 - The effect of the current capital market conditions on investors' return requirements, and in particular, the Company's accelerating need to access the capital markets.
 - The Company's business risks relative to the proxy group of comparable companies and the implications of those risks in arriving at the appropriate ROE.

Q. What are the results of your analyses?

A. The results of my analyses are summarized in Document No. 1 of my exhibit. Based on the analytical results, and in light of the considerations discussed throughout the balance of my direct testimony regarding the Company's business risks relative to the proxy group, it is my view

² See *Bluefield Waterworks & Improvement Co. v. Public Service Comm'n of West Virginia*, 262 U.S. 679 (1923); See also *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

1 that a reasonable range of estimates is from 10.50
2 percent to 11.50 percent, and within that range, I
3 conclude that the Cost of Equity for Tampa Electric is
4 11.25 percent.

5
6 **IV. REGULATORY GUIDELINES AND FINANCIAL CONSIDERATIONS**

7 **Q.** Please provide a brief summary of the guidelines
8 established by the United States Supreme Court (the
9 "Court") for the purpose of determining the Return on
10 Equity.

11
12 **A.** The Court established the guiding principles for
13 establishing a fair return for capital in two cases: (1)
14 *Bluefield Water Works and Improvement Co. v. Public*
15 *Service Comm'n of West Virginia* ("Bluefield"); and
16 (2) *Federal Power Comm'n v. Hope Natural Gas Co.*
17 ("Hope"). In *Bluefield*, the Court stated:

18 A public utility is entitled to such rates as
19 will permit it to earn a return on the value of
20 the property which it employs for the
21 convenience of the public equal to that
22 generally being made at the same time and in
23 the same general part of the country on
24 investments in other business undertakings
25 which are attended by corresponding risks and

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uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties.³

The Court, therefore, has recognized that: (1) a regulated public utility cannot remain financially sound unless the return it is allowed to earn on its invested capital is at least equal to the cost of capital (the principle relating to the demand for capital; and (2) a regulated public utility will not be able to attract capital if it does not offer investors an opportunity to earn a return on their investment equal to the return they expect to earn on other investments of similar risk (the principle relating to the supply of capital).

In *Hope*, the Court reiterated the financial integrity and capital attraction principles of the *Bluefield* case:

³ *Bluefield Water Works and Improvement Co. v. Public Service Comm'n of West Virginia*, 262 U.S. 679, 692 (1923).

1 From the investor or company point of view it
2 is important that there be enough revenue not
3 only for operating expenses but also for the
4 capital costs of the business. These include
5 service on the debt and dividends on the stock.
6 By that standard, the return to the equity
7 owner should be commensurate with returns on
8 investments in other enterprises having
9 corresponding risks. That return, moreover,
10 should be sufficient to assure confidence in
11 the financial integrity of the enterprise, so
12 as to maintain its credit and to attract
13 capital.⁴

14
15 In summary, the Court clearly has recognized that the
16 fair rate of return on equity should be: (1) comparable
17 to returns investors expect to earn on other investments
18 of similar risk; (2) sufficient to assure confidence in
19 the Company's financial integrity; and (3) adequate to
20 maintain and support the Company's credit and to attract
21 capital.

22
23 **Q.** Does the Florida Commission provide similar guidance?

24
25 **A.** Yes, the Commission upholds the precedents of the *Hope*

⁴ *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

1 and *Bluefield* cases. In numerous cases, including Tampa
2 Electric's most recent rate proceeding, the Commission
3 found that the authorized ROE "satisfies the standards
4 set forth in the *Hope* and *Bluefield* decisions of the U.S.
5 Supreme Court regarding a fair and reasonable return for
6 the provision of regulated service."⁵

7
8 **Q.** Aside from the standards established by the Commission
9 and the courts, is it important for a public utility to
10 be allowed the opportunity to earn a return that is
11 adequate to attract equity capital at reasonable terms?

12
13 **A.** Yes, it is. A return that is adequate to attract capital
14 at reasonable terms, under varying market conditions,
15 will enable the subject utility to provide safe and
16 reliable electric service while maintaining its financial
17 integrity. While the "capital attraction" and "financial
18 integrity" standards are important principles in normal
19 economic conditions, the practical implications of those
20 standards are even more pronounced when, as with Tampa
21 Electric, the subject company has substantial capital
22 expenditure plans. As discussed in more detail in
23 Section VIII, sustained increases in the incremental
24 spread on utility debt (i.e., the difference in debt
25 yields of utilities varying credit ratings) has

⁵ Order No. PSC 09-0283-F0F-EI, Docket No. 080317-EI, at 48.

1 intensified the importance of maintaining a strong
2 financial profile; the incremental cost of a downgrade in
3 bond rating is more expensive now than it historically
4 has been.⁶ Consequently, preserving Tampa Electric's
5 current credit profile is an important consideration in
6 enabling the Company to access the capital markets, as
7 needed and at reasonable cost rates.

8
9 **V. PROXY GROUP SELECTION**

10 **Q.** As a preliminary matter, why is it necessary to select a
11 group of proxy companies to determine the Cost of Equity
12 for Tampa Electric?

13
14 **A.** It is important to bear in mind that the Cost of Equity
15 for a given enterprise depends on the risks attendant to
16 the business in which the company is engaged. According
17 to financial theory, the value of a given company is
18 equal to the aggregate market value of its constituent
19 business units. The value of the individual business
20 units reflects the risks and opportunities inherent in
21 the business sectors in which those units operate. In
22 this proceeding, we are focused on estimating the Cost of
23 Equity for Tampa Electric, which is an operating
24 subsidiary of TECO Energy, Inc. ("TECO Energy"). Since
25 the ROE is a market-based concept and Tampa Electric is

⁶ See Section VIII, and Document No. 10.

1 not a publicly traded entity, it is necessary to
2 establish a group of companies that are both publicly
3 traded and reasonably comparable to the Company in
4 certain fundamental respects to serve as its "proxy" in
5 the ROE estimation process.

6
7 Even if Tampa Electric were a publicly traded entity, it
8 is possible that short-term events could bias its market
9 value in one way or another during a given period of
10 time. A significant benefit of using a proxy group,
11 therefore, is that it serves to moderate the effects of
12 anomalous, temporary events that may be associated with
13 any one company.

14
15 **Q.** Does the selection of a proxy group suggest that
16 analytical results will be tightly clustered around
17 average (i.e., mean) results?

18
19 **A.** Not necessarily. The DCF approach is based on the theory
20 that a stock's current price represents the present value
21 of its future expected cash flows. The Constant Growth
22 form of the DCF model is defined as the sum of the
23 expected dividend yield and projected long-term growth.
24 Notwithstanding the care taken to ensure risk
25 comparability, market expectations with respect to future

1 risks and growth opportunities will vary from company to
2 company. Therefore, even within a group of similarly
3 situated companies, it is common for analytical results
4 to reflect a seemingly wide range. At issue, then, is
5 how to estimate a company's ROE from within that range.
6 That determination necessarily must be based on the
7 informed judgment and experience of the analyst.

8
9 **Q.** Please provide a summary profile of Tampa Electric.

10
11 **A.** Tampa Electric provides electric generation, transmission
12 and distribution services in West Central Florida to
13 approximately 687,000 customers.⁷ Tampa Electric's
14 current long-term issuer credit ratings are BBB+
15 (outlook: Stable) by S&P, A3 (outlook: Stable) by Moody's
16 Investors Service ("Moody's"), and BBB+ (outlook: Stable)
17 by Fitch. Tampa Electric's current senior unsecured
18 credit ratings are BBB+ by S&P, A3 by Moody's, and A- by
19 Fitch.⁸

20
21 **Q.** How did you select the companies included in your proxy
22 group?

23
24 **A.** With the objective of selecting a proxy group that is
25 highly representative of the risks and prospects faced by

⁷ See TECO Energy Inc., 2012 SEC Form 10-K, at 5.
⁸ Source: SNL Financial.

1 Tampa Electric, I used the following criteria:

- 2
- 3 • I began with the universe of companies that Value Line
- 4 classifies as Electric Utilities, which includes a
- 5 group of 49 domestic U.S. utilities;
- 6 • I excluded companies that do not consistently pay
- 7 quarterly cash dividends;
- 8 • All of the companies in my proxy group have been
- 9 covered by at least two utility industry equity
- 10 analysts;
- 11 • All of the companies in my proxy group have investment
- 12 grade senior bond and/or corporate credit ratings from
- 13 S&P;
- 14 • I only selected proxy companies that are vertically
- 15 integrated utilities (i.e., utilities that own and
- 16 operate regulated generating assets);
- 17 • I excluded companies whose regulated operating income
- 18 over the three most recently reported fiscal years
- 19 comprised less than 60.00 percent of the respective
- 20 totals for that company;
- 21 • I excluded companies whose regulated electric operating
- 22 income over the three most recently reported fiscal
- 23 years represented less than 90.00 percent of total
- 24 regulated operating income;
- 25 • I excluded companies whose coal-fired generation

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constituted less than 10.00 percent of net generation;
and

- I eliminated companies that are currently known to be party to a merger, or other significant transaction.

Q. Did you include TECO Energy in your analysis?

A. No, in order to avoid the circular logic that otherwise would occur, it has been my consistent practice to exclude the subject company (or its parent) from the proxy group.

Q. What companies met those screening criteria?

A. The criteria discussed above resulted in an initial proxy group of the following thirteen companies: American Electric Power Company, Inc.; Cleco Corporation; Edison International; Empire District Electric Company; Great Plains Energy Inc.; IDACORP, Inc.; Integrys Energy Group, Inc.; Otter Tail Corporation; Pinnacle West Capital Corp.; PNM Resources, Inc.; Portland General Electric Company; Southern Company; and Westar Energy, Inc.

Q. Is this your final proxy group?

1 **A.** No, it is not. I examined the operating profile of each
2 of the thirteen companies that met my initial screens to
3 be certain that none displayed characteristics that were
4 inconsistent with my intent to produce a proxy group that
5 is fundamentally similar to the Tampa Electric. As a
6 result, I excluded two companies based on recently
7 published 2011 financial information. First, Edison
8 International experienced significant unregulated
9 operating losses in 2009 and 2011. In 2009, those
10 operating losses were the result of a global tax
11 settlement and payment to the Internal Revenue Service
12 ("IRS"), which caused the company's unregulated marketing
13 and trading segment to incur over \$1.00 billion in
14 payments to settle a claim with the IRS.⁹ In 2011, Edison
15 International recorded a loss of \$1.09 billion in its
16 competitive power generation segment¹⁰ resulting from an
17 after-tax earnings charge (recorded in the fourth quarter
18 of 2011) relating to the impairment of its Homer City,
19 Fisk, Crawford and Waukegan power plants, wind related
20 charges, and other expenses.¹¹ Lastly, on December 17,
21 2012, Edison Mission Energy, a wholly owned subsidiary of
22 Edison International, filed for bankruptcy protection
23 under Chapter 11 of the U.S. Bankruptcy Code.¹²

24
25 In addition, Integrys Energy Group, Inc. ("Integrys")

⁹ See Edison International, 2009 SEC Form 10-K, at 129.

¹⁰ See Edison International, 2011 SEC Form 10-K, at 53.

¹¹ *Ibid.*, at 54.

¹² See SNL Financial, "Edison Mission files Chapter 11 reorganization plan," December 17, 2012.

1 experienced a 2009 operating loss of \$114.6 million in
2 its Natural Gas Utility Segment due primarily to a
3 non-cash goodwill impairment loss of \$284.6 million.¹³
4 Given that (1) Integrys' operating results since 2009
5 indicate that its gas utility operations consistently
6 comprise approximately 50.00 percent of total regulated
7 income, and (2) the company's 2009 results may not
8 necessarily reflect its current and future operations, I
9 have excluded Integrys from the proxy group.
10

11 **Q.** Based on the criteria and issues discussed above, what is
12 the composition of your proxy group?
13

14 **A.** The final proxy group is comprised of the following
15 eleven companies: American Electric Power Company, Inc.;
16 Cleco Corporation; Empire District Electric Company;
17 Great Plains Energy Inc.; IDACORP, Inc.; Otter Tail
18 Corporation; Pinnacle West Capital Corp.; PNM Resources,
19 Inc.; Portland General Electric Company; Southern
20 Company; and Westar Energy, Inc.
21

22 **VI. COST OF EQUITY ESTIMATION**

23 **Q.** Please briefly discuss the ROE in the context of the
24 regulated rate of return.
25

¹³ See Integrys, 2009 SEC Form 10-K, at 35.

1 **A.** In Florida, regulated utilities use common stock,
2 long-term debt, and other sources of capital to finance
3 their permanent property, plant, and equipment. The
4 overall rate of return ("ROR") for a regulated utility is
5 based on its weighted average cost of capital, in which
6 the cost rates of the individual sources of capital are
7 weighted by their respective book values. While the cost
8 of debt and other sources of capital can be directly
9 observed, the Cost of Equity is market-based and,
10 therefore, must be estimated based on observable market
11 information.

12
13 **Q.** How is the required ROE determined?

14
15 **A.** The required ROE is estimated by using one or more
16 analytical techniques that rely on market-based data to
17 quantify investor expectations regarding required equity
18 returns, adjusted for certain incremental costs and
19 risks. By their very nature, quantitative models produce
20 a range of results from which the market required ROE
21 must be estimated. As discussed throughout my direct
22 testimony, that estimation must be based on a
23 comprehensive review of relevant data and information.
24 This estimation does not necessarily lend itself to a
25 strict mathematical solution. Consequently, the key

1 consideration in determining the Cost of Equity is to
2 ensure that the methodologies employed reasonably reflect
3 investors' view of the financial markets in general and
4 the subject company (in the context of the proxy group)
5 in particular.

6
7 **Q.** What methods did you use to estimate the Company's Cost
8 of Equity?

9
10 **A.** I used the Constant Growth DCF model as my initial
11 approach and considered the results of the CAPM and Risk
12 Premium approach in developing my ROE recommendation. In
13 light of the capital market conditions discussed in
14 Section VIII, I have relied primarily on the Constant
15 Growth DCF model, and used the CAPM and Risk Premium
16 approaches as corroborating methodologies in arriving at
17 my ROE recommendation.

18
19 **Q.** Why do you believe it is important to use more than one
20 analytical approach?

21
22 **A.** Because the Cost of Equity is not directly observable, it
23 must be estimated based on both quantitative and
24 qualitative information. As a result, a number of models
25 have been developed to estimate the Cost of Equity. As a

1 practical matter, however, all of the models available
2 for estimating the Cost of Equity are subject to limiting
3 assumptions or other methodological constraints.
4 Consequently, many finance texts recommend using multiple
5 approaches when estimating the Cost of Equity.¹⁴ When
6 faced with the task of estimating the Cost of Equity,
7 analysts and investors are inclined to gather and
8 evaluate as much relevant data as reasonably can be
9 analyzed and, therefore, are inclined to rely on multiple
10 analytical approaches.

11
12 In essence, practitioners and academics recognize that
13 financial models simply are tools to be used in the ROE
14 estimation process, and that strict adherence to any
15 single approach, or to the specific results of any single
16 approach, can lead to flawed or misleading conclusions.
17 That position is consistent with the *Hope* and *Bluefield*
18 principle that it is the analytical result, as opposed to
19 the methodology, that is controlling in arriving at ROE
20 determinations. Thus, a reasonable ROE estimate
21 appropriately considers alternate methodologies and the
22 reasonableness of their individual and collective
23 results.

24
25 Consequently, it is both prudent and appropriate to use

¹⁴ See, for example, Eugene Brigham, Louis Gapenski, *Financial Management: Theory and Practice*, 7th Ed., 1994, at 341, and Tom Copeland, Tim Koller and Jack Murrin, *Valuation: Measuring and Managing the Value of Companies*, 3rd ed., 2000, at 214.

1 multiple methodologies in order to mitigate the effects
2 of assumptions and inputs associated with relying
3 exclusively on any single approach. Such use, however,
4 must be tempered with due caution as to the results
5 generated by each individual approach.

6

7 **Constant Growth DCF Model**

8 **Q.** Are DCF models widely used in regulatory proceedings?

9

10 **A.** Yes, in my experience the Constant Growth DCF model is
11 widely recognized in regulatory proceedings, as well as
12 in financial literature. Nonetheless, neither the DCF
13 nor any other model should be applied without
14 considerable judgment in the selection of data and the
15 interpretation of results.

16

17 **Q.** Please describe the DCF approach.

18

19 **A.** The DCF approach is based on the theory that a stock's
20 current price represents the present value of all
21 expected future cash flows. In its simplest form, the
22 DCF model expresses the Cost of Equity as the sum of the
23 expected dividend yield and long-term growth rate, and is
24 expressed as follows:

25

1
$$P = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_\infty}{(1+k)^\infty} \quad [1]$$

2

3 where P represents the current stock price, $D_1 \dots D_\infty$
4 represent expected future dividends, and k is the
5 discount rate, or required ROE. Equation [1] is a
6 standard present value calculation that can be simplified
7 and rearranged into the familiar form:

8

9
$$k = \frac{D_0(1+g)}{P} + g \quad [2]$$

10

11 Equation [2] often is referred to as the "Constant Growth
12 DCF" model, in which the first term is the expected
13 dividend yield and the second term is the expected
14 long-term annual growth rate.

15

16 **Q.** What assumptions are inherent in the Constant Growth DCF
17 model?

18

19 **A.** The Constant Growth DCF model assumes: (1) a constant
20 average annual growth rate for earnings and dividends;
21 (2) a stable dividend payout ratio; (3) a constant
22 price-to-earnings multiple; and (4) a discount rate
23 greater than the expected growth rate.

24

25 **Q.** What market data did you use to calculate the dividend

1 yield component of your DCF model?

2

3 **A.** The dividend yield is based on the proxy companies'
4 current annualized dividend, and average closing stock
5 prices over the 30, 90, and 180-trading day periods as of
6 February 15, 2013.

7

8 **Q.** Why did you use three averaging periods to calculate an
9 average stock price?

10

11 **A.** I did so to ensure that the model's results are not
12 skewed by anomalous events that may affect stock prices
13 on any given trading day. At the same time, the
14 averaging period should be reasonably representative of
15 expected capital market conditions over the long term.
16 In my view, the use of the 30-, 90-, and 180-day
17 averaging periods reasonably balances those concerns.

18

19 **Q.** Did you make any adjustments to the dividend yield to
20 account for periodic growth in dividends?

21

22 **A.** Yes, I did. Since utility companies tend to increase
23 their quarterly dividends at different times throughout
24 the year, it is reasonable to assume that dividend
25 increases will be evenly distributed over calendar

1 quarters. Given that assumption, it is appropriate to
2 calculate the expected dividend yield by applying one-
3 half of the long-term growth rate to the current dividend
4 yield.¹⁵ That adjustment ensures that the expected
5 dividend yield is, on average, representative of the
6 coming twelve-month period, and does not overstate the
7 dividends to be paid during that time.

8
9 **Q.** Is it important to select appropriate measures of long-
10 term growth in applying the DCF model?

11
12 **A.** Yes. In its Constant Growth form, the DCF model (*i.e.*,
13 as presented in Equation [2] above on page 22 of my
14 direct testimony) assumes a single growth estimate in
15 perpetuity. In order to reduce the long-term growth rate
16 to a single measure, one must assume a constant payout
17 ratio, and that earnings per share, dividends per share,
18 and book value per share all grow at the same constant
19 rate. Over the long term, however, dividend growth can
20 only be sustained by earnings growth. It is important,
21 therefore, to incorporate a variety of measures of long-
22 term earnings growth into the Constant Growth DCF model.

23
24 **Q.** Please summarize your inputs to the Constant Growth DCF
25 model.

¹⁵ See Document No. 2.

1 **A.** I applied the DCF model to the proxy group of integrated
2 electric utility companies using the following inputs for
3 the price and dividend terms:

4 1. The average daily closing prices for the 30-trading
5 days, 90-trading days, and 180-trading days ended
6 February 15, 2013, for the term P_0 ; and

7 2. The annualized dividend per share as of February 15,
8 2013, for the term D_0 .

9

10 I then calculated my DCF results using each of the
11 following growth terms:

12 1. The Zacks consensus long-term earnings growth
13 estimates;

14 2. The First Call consensus long-term earnings growth
15 estimates; and

16 3. The Value Line long-term earnings growth estimates.

17

18 **Q.** How did you calculate the high and low DCF results?

19

20 **A.** I calculated the proxy group mean and median high DCF
21 results using the maximum EPS growth rate as reported by
22 Value Line, Zack's, and First Call for each proxy group
23 company in combination with the dividend yield for each
24 of the proxy group companies. The proxy group mean and
25 median high results then reflect the average maximum DCF

1 result for the proxy group as a whole. I used a similar
2 approach to calculate the proxy group mean and median low
3 results using instead the minimum growth rate as reported
4 by Value Line, Zack's, and First Call for each proxy
5 group company. However, the mean and median low results
6 are below reasonable estimates of investors' required
7 rate of return for investment in vertically integrated
8 electric utilities of comparable risk to Tampa Electric.
9 Of the 1,392 rate cases since 1980 that disclosed the
10 awarded ROE, for example, only one included an authorized
11 ROE of 9.00 percent or lower.¹⁶ On that basis alone, the
12 mean low results are highly improbable. As such, I did
13 not give those estimates any weight in arriving at my ROE
14 range and recommendation.

15
16 **Q.** What are the results of your DCF analysis?

17
18 **A.** My Constant Growth DCF results are summarized in Document
19 No. 2 of my exhibit. The mean DCF results for my proxy
20 group are 10.60 percent, 10.69 percent, and 10.70 percent
21 for the 30-, 90-, and 180-trading day periods,
22 respectively. The median DCF results for my proxy group
23 are 10.84 percent, 10.86 percent, and 10.81 percent for
24 the 30-, 90-, and 180-trading day periods, respectively.
25 The mean high DCF results for the 30-, 90-, and 180-day

¹⁶ See Document No. 6.

1 averaging periods are 13.09 percent, 13.18 percent, and
2 13.19 percent, respectively; and the median high DCF
3 results for the 30-, 90-, and 180-day averaging periods
4 are 11.45 percent, 11.47 percent, and 11.42 percent,
5 respectively.¹⁷

6
7 **Q.** Did you undertake any additional analyses to support your
8 recommendation?

9
10 **A.** Yes. As noted earlier, I also applied the CAPM and Risk
11 Premium analysis as corroborating methodologies in
12 arriving at my ROE recommendation.

13
14 ***CAPM Analysis***

15 **Q.** Please briefly describe the general form of the CAPM
16 analysis.

17
18 **A.** The CAPM analysis is a risk premium approach that
19 estimates the Cost of Equity for a given security as a
20 function of a risk-free return plus a risk premium (to
21 compensate investors for the non-diversifiable or
22 "systematic" risk of that security). As shown in
23 Equation [3], the CAPM is defined by four components,
24 each of which theoretically must be a forward-looking
25 estimate:

¹⁷ DCF results are unadjusted (i.e., prior to any adjustment for flotation costs).

$$k = r_f + \beta(r_m - r_f) \quad [3]$$

Where:

k = the required market ROE;

β = Beta coefficient of an individual security;

r_f = the risk-free rate of return; and

r_m = the required return on the market as a whole.

In Equation [3], the term $(r_m - r_f)$ represents the Market Risk Premium.¹⁸ According to the theory underlying the CAPM, since unsystematic risk can be diversified away by adding securities to their investment portfolio, investors should be concerned only with systematic or non-diversifiable risk. Non-diversifiable risk is measured by the Beta coefficient, which is defined as:

$$\beta_j = \frac{\sigma_j}{\sigma_m} \times \rho_{j,m} \quad [4]$$

where σ_j is the standard deviation of returns for company "j," σ_m is the standard deviation of returns for the broad market (as measured, for example, by the S&P 500 Index), and $\rho_{j,m}$ is the correlation of returns in between company j and the broad market. Thus, the Beta coefficient represents both relative volatility (i.e., the standard deviation) of returns, and the correlation in returns between the subject company and the overall market.

¹⁸ The Market Risk Premium is defined as the incremental return of the market over the risk-free rate.

1 **Q.** Has the CAPM been affected by recent economic conditions?

2

3 **A.** Yes, recent economic conditions have affected all three
4 components of the model. First, as noted above, the
5 risk-free rate, " r_f ," in the CAPM formula is represented
6 by the yield on long-term U.S. Treasury securities. As
7 discussed in Section VIII (below), during periods of
8 increased equity market volatility investors tend to
9 allocate their capital to low-risk securities such as
10 Treasury bonds. In addition, since the 2008 Lehman
11 Brothers bankruptcy filing, the Federal Reserve has
12 focused on maintaining low long-term interest rates.
13 Consequently, the first term in the model (i.e. the risk-
14 free rate) is lower than it would have been absent the
15 elevated degree of risk aversion and government
16 intervention that has, at least in part, resulted in
17 historically low Treasury yields.

18

19 However, the capital markets continue to change, by some
20 measures quite significantly. For example, in the 90
21 trading days ended February 15, 2013, the 30-year
22 Treasury yield ranged from a low of 2.72 percent to a
23 high of 3.23 percent.¹⁹ In that regard, it is important
24 to recognize that several capital market indices may
25 continue to be quite volatile.

¹⁹ 30-year Treasury yield range is based on daily data reported by the Federal Reserve at www.federalreserve.gov

1 Finally, as a result of the extraordinary loss in equity
2 values during 2008, the Market Risk Premium, when
3 measured on a historical basis, actually decreased from
4 the prior year, even though other measures of risk
5 sentiment, in particular market volatility, indicated
6 extremely high levels of risk aversion. That result is,
7 of course, counter-intuitive. While the subsequent
8 market rally resulted in a somewhat higher historical
9 average Market Risk Premium, it still remains below its
10 pre-financial crisis level.

11
12 **Q.** With those observations in mind, what assumptions did you
13 include in your CAPM analysis?

14
15 **A.** Since utility assets represent long-term investments, I
16 used three different estimates of the risk-free rate
17 component of the CAPM analysis: (1) the current 30-day
18 average yield on 30-year Treasury bonds (i.e., 3.12
19 percent); (2) the near-term projected 30-year Treasury
20 yield (i.e., 3.25 percent);²⁰ and (3) the long-term
21 projected 30-year Treasury yield (i.e., 5.10 percent).²¹

22
23 **Q.** What Market Risk Premium did you use in your CAPM
24 analysis?

25

²⁰ See Blue Chip Financial Forecasts, Vol. 32, No. 2, February 1, 2013, at 2. Consensus projections of the 30-year Treasury yield for the six quarters ending December 2013.

²¹ See Blue Chip Financial Forecasts, Vol. 31, No. 12, December 1, 2012, at 14. Consensus projections of the 30-year Treasury yield for the period 2014-2023.

1 **A.** For the reasons discussed above, I did not use a
2 historical average; rather, I developed two forward-
3 looking (*ex-ante*) estimates of the Market Risk Premium.

4
5 **Q.** Please describe your first *ex-ante* approach to estimating
6 the Market Risk Premium.

7
8 **A.** The first approach is based on the market required
9 return, less the current 30-year Treasury bond yield. To
10 estimate the market required return, I calculated the
11 market capitalization weighted average ROE based on the
12 Constant Growth DCF model. To do so, I relied on data
13 from two sources: (1) Bloomberg and (2) Capital IQ. For
14 both Bloomberg and Capital IQ, I calculated the market
15 capitalization weighted expected dividend yield (using
16 the same one-half growth rate assumption described
17 earlier) and combined that amount with the market
18 capitalization weighted projected earnings growth rate to
19 arrive at the market capitalization weighted average DCF
20 result. I then subtracted the current 30-year Treasury
21 yield from that amount to arrive at the market DCF-
22 derived *ex-ante* Market Risk Premium estimate. The
23 results of those two calculations are provided in
24 Document No. 3 of my exhibit.

25

1 Q. Please now describe the second ex-ante approach.

2

3 A. The second approach is based on the fundamental financial
4 principle that investors require higher returns as
5 compensation for higher risk. In essence, this approach
6 uses market-based data to determine whether investors
7 expect future risk to be higher, lower, or approximately
8 equal to historical market risk. To the extent the
9 market expects risk to be higher than historical levels,
10 the Market Risk Premium would be higher than historical
11 levels; the converse also is true.

12

13 In terms of its application, this approach relies on the
14 Sharpe Ratio, which is the ratio of the long-term average
15 Risk Premium for the S&P 500 Index, to the risk of that
16 index.²² The formula for calculating the Sharpe Ratio is
17 expressed as follows:

18
$$S_x = \frac{(R_x - R_f)}{\sigma_x} \quad [5]$$

19 where:

20 S_x = Sharpe Ratio for security "x";

21 R_x = the average return of "x";

22 R_f = the rate of return of a risk-free security; and

23 σ_x = the standard deviation of r_x .

24

25 As shown in Document No. 3 of my exhibit, the constant

²² The Sharpe Ratio is relied upon by financial professionals to assess the incremental return received for holding a risky (i.e., more volatile) asset rather than a risk-free (i.e., less volatile) asset. Risk is measured by the standard deviation of returns. That is, the higher the volatility of returns, the greater the risk.

1 Sharpe Ratio is the ratio of the historical Market Risk
2 Premium of 6.60 percent²³ (the numerator of Equation [5]
3 above) and the historical market volatility of 20.30
4 percent (the denominator of Equation [5]).²⁴ The expected
5 Market Risk Premium is then calculated as the product of
6 the Sharpe Ratio and the expected market volatility. For
7 the purpose of that calculation, I used the 30-day
8 average of the Chicago Board Options Exchange's ("CBOE")
9 three-month volatility index (i.e., the VXV) and the
10 average of settlement prices over the same 30-day period
11 of futures on the CBOE's one-month volatility index
12 (i.e., the VIX) for July 2013 through September 2013.
13 Both of those indices are market-based, observable
14 measures of investors' expectations regarding future
15 market volatility.

16
17 **Q.** How did you apply your expected Market Risk Premium and
18 risk-free rate estimates?

19
20 **A.** I relied on each of the *ex-ante* Market Risk Premia
21 discussed above, together with the current, near-term
22 projected, and long-term projected 30-year Treasury bond
23 yields as inputs to my CAPM analyses.

24
25 **Q.** What Beta coefficients did you use in your CAPM model?

²³ The historical Market Risk Premium is provided by Morningstar as the average Risk Premium over the period 1926 through 2011 (See, Morningstar Inc., Ibbotson SBBI 2012 Valuation Yearbook, Large Company Stocks: Total Returns Table A-1, at 128-133).

²⁴ The standard deviation is calculated from data provided by Morningstar in its annual Valuation Yearbook. (See, Morningstar Inc., Ibbotson SBBI 2012 Valuation Yearbook, Large Company Stocks: Total Returns Table B-1, at 162-163). I recognize that the VIX forward settlement prices are liquid for approximately six to eight months; nonetheless, that data represents a market-based measure of expected volatility that should be considered in estimating the *ex-ante* Market Risk Premium.

1 **A.** My approach includes the average reported Beta
2 coefficient from Bloomberg and Value Line for each of the
3 proxy group companies.²⁵ While both of those services
4 adjust their calculated (or "raw") Beta coefficients to
5 reflect the tendency of the Beta coefficient to regress
6 to the market mean of 1.00, Value Line calculates the
7 Beta coefficient over a five-year period, while
8 Bloomberg's calculation is based on two years of data.

9
10 **Q.** What are the results of your CAPM analyses?

11
12 **A.** The results of my CAPM analysis are summarized in
13 Document No. 5 of my exhibit. Relying on the Bloomberg
14 estimates of the Beta coefficient, the results of my CAPM
15 analysis suggest a range of returns from 7.42 percent to
16 12.16 percent with a mean result of 9.95 percent.
17 Applying the Value Line estimates of the Beta
18 coefficient, the results of my CAPM analysis produces a
19 range of results from 7.45 percent to 12.20 percent with
20 a mean result of 9.98 percent.

21
22 **Q.** Do you believe the CAPM results provide a reasonable
23 range of ROE estimates at this time?

24
25 **A.** Not entirely. As a practical matter, the low results are

²⁵ See Document No. 4.

1 approximately 100 basis points below the lowest ROE ever
2 authorized for an electric utility in at least 30 years.
3 By that measure, the mean low results simply are not
4 reasonable. As to the remaining results, as I discuss in
5 Section VIII of my direct testimony, the intended
6 consequence of continued Federal Reserve intervention in
7 the capital markets has been to maintain long-term
8 Treasury yields at historically low levels. Since the
9 CAPM defines the Cost of Equity in terms of Treasury
10 yields, the effect of those actions is to decrease,
11 rather substantially, the CAPM estimates. The effect of
12 that policy, however, will not continue indefinitely;
13 consensus forecasts call for the 30-year Treasury yield
14 to increase to 4.70 percent (from the current level of
15 approximately 3.00 percent) in the 2014-2018 timeframe.²⁶

16
17 Regarding the Sharpe Ratio Derived Market Risk Premium in
18 particular, while measures of volatility are currently
19 below the long-term average VIX, data based on the CBOE
20 VIX Term Structure, which provides a longer-term view,
21 suggests investors expect volatility to increase over the
22 next two years, suggesting a higher Cost of Equity. On
23 balance, then, I do not believe that the CAPM results
24 fully reflect the appropriate range of ROE estimates.

25

²⁶ See Blue Chip Financial Forecasts, Vol. 32, No. 12, December 1, 2012, at 14.

1 **Bond Yield Plus Risk Premium Approach**

2 **Q.** Please generally describe the Bond Yield Plus Risk
3 Premium approach.

4
5 **A.** In general terms, this approach is based on the
6 fundamental principle that equity investors bear the
7 residual risk associated with ownership and therefore
8 require a premium over the return they would have earned
9 as a bondholder. That is, since returns to equity
10 holders are more risky than returns to bondholders,
11 equity investors must be compensated for bearing that
12 risk. Risk premium approaches, therefore, estimate the
13 cost of equity as the sum of the Equity Risk Premium²⁷ and
14 the yield on a particular class of bonds. As noted in my
15 discussion of the CAPM, since the Equity Risk Premium is
16 not directly observable, it typically is estimated using
17 a variety of approaches, some of which incorporate *ex-*
18 *ante*, or forward-looking estimates of the cost of equity,
19 and others that consider historical, or *ex-post*,
20 estimates. An alternative approach is to use actual
21 authorized returns for electric utilities to estimate the
22 Equity Risk Premium.

23
24 **Q.** Please explain how you performed your Bond Yield Plus
25 Risk Premium analysis.

²⁷ The Equity Risk Premium is defined as the incremental return that an equity investment provides over a risk-free rate.

1 **A.** As discussed above, I first defined the Risk Premium as
2 the difference between the authorized ROE and the then-
3 prevailing level of long-term (i.e., 30-year) Treasury
4 yield. I also calculated the average period between the
5 filing of the case and the date of the final order (the
6 "lag period"). In order to reflect the prevailing level
7 of interest rates during the pendency of the proceedings,
8 I calculated the average 30-year Treasury yield over the
9 average lag period (approximately 201 days).

10

11 Because the data covers a number of economic cycles,²⁸ the
12 analysis also may be used to assess the stability of the
13 Equity Risk Premium. Prior research, for example, has
14 shown that the Equity Risk Premium is inversely related
15 to the level of interest rates.²⁹ That analysis is
16 particularly relevant given the historically low level of
17 current Treasury yields.

18

19 **Q.** How did you model the relationship between interest rates
20 and the Equity Risk Premium?

21

22 **A.** The basic method used was regression analysis, in which
23 the observed Equity Risk Premium is the dependent
24 variable, and the average 30-year Treasury yield is the
25 independent variable. Relative to the long-term

²⁸ See National Bureau of Economic Research, U.S. Business Cycle Expansion and Contractions.

²⁹ See, e.g., Robert S. Harris and Felicia C. Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management, Summer 1992, at 63-70; Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *The Risk Premium Approach to Measuring a Utility's Cost of Equity*, Financial Management, Spring 1985, at 33-45; and Farris M. Maddox, Donna T. Pippert, and Rodney N. Sullivan, *An Empirical Study of Ex Ante Risk Premiums for the Electric Utility Industry*, Financial Management, Autumn 1995, at 89-95.

1 historical average, the analytical period includes
2 interest rates and authorized ROEs that are quite high
3 during one period (i.e., the 1980s) and that are quite
4 low during another (the post-Lehman bankruptcy period).
5 Therefore, to account for this variability I used the
6 semi-log regression, in which the Equity Risk Premium is
7 expressed as a function of the natural log of the 30-year
8 Treasury yield:

$$RP = \alpha + \beta(LN(T_{30})) \quad [6]$$

9
10
11
12 As shown on Document No. 6 of my exhibit, the semi-log
13 form is useful when measuring an absolute change in the
14 dependent variable (in this case, the Risk Premium)
15 relative to a proportional change in the independent
16 variable (the 30-year Treasury yield).

17
18 As Document No. 6 of my exhibit illustrates, since 1980
19 there has been a statistically significant, negative
20 relationship between the 30-year Treasury yield and the
21 Equity Risk Premium. Consequently, simply applying the
22 long-term average Equity Risk Premium of 4.39 percent
23 (see Document No. 6 of my exhibit) would significantly
24 understate the Cost of Equity and produce results well
25 below any reasonable estimate. Based on the regression

1 coefficients in Document No. 6 of my exhibit, however,
2 the implied ROE is between 10.23 percent and 10.76
3 percent (see Document No. 6 of my exhibit). In any
4 event, the analysis demonstrates that there has been a
5 significant inverse relationship between the 30-year
6 Treasury yield and the Equity Risk Premium.
7

8 **VII. BUSINESS RISKS AND OTHER CONSIDERATIONS**

9 **Q.** Do the mean DCF and CAPM results for the proxy group
10 provide an appropriate estimate of the Cost of Equity for
11 Tampa Electric?
12

13 **A.** No, the mean results do not necessarily provide an
14 appropriate estimate of the Company's Cost of Equity.
15 While the intent of selecting a proxy group is to select
16 companies with similar risk profiles, future risks and
17 growth opportunities will vary from company to company.
18 Even within a group of similarly situated companies, it
19 is common for analytical results to reflect a seemingly
20 wide range of results. Therefore, in my view, there are
21 several additional factors that must be taken into
22 consideration when determining where the Company's Cost
23 of Equity falls within the range of results. These
24 factors include the Company's planned capital investment
25 program, and the costs associated with the flotation of

1 common stock. These risk factors, which are discussed
2 below, should be considered in terms of their overall
3 effect on the Company's business risk.
4

5 **Planned Capital Expenditures**

6 **Q.** Please briefly summarize the Company's capital investment
7 plans.
8

9 **A.** Tampa Electric expects an annual average of approximately
10 \$350 million in capital needs over the next five years to
11 support system reliability and modest customer growth.
12 In addition, the Company's Polk Power Station combined
13 cycle conversion will require an additional \$610 million
14 in capital expenditures.³⁰ As described in the Direct
15 Testimonies of Witnesses Mark J. Hornick, Jeffrey S.
16 Chronister and S. Beth Young, Tampa Electric must finance
17 improvements to its system and meet the other capital
18 obligations required to operate a reliable and efficient
19 electric system.
20

21 **Q.** Do credit rating agencies recognize risks associated with
22 increased capital expenditures?
23

24 **A.** Yes, they do. From a credit perspective, the additional
25 pressure on cash flows associated with high levels of

³⁰ See Florida Public Service Commission Order No. PSC-13-0014-FOF-EI, issued January 8, 2013 granting determination of need for Polk 2-5 Combined Cycle Conversion.

1 capital expenditures exerts corresponding pressure on
2 credit metrics and, therefore, credit ratings. S&P has
3 noted several long-term challenges for utilities'
4 financial health including heavy construction programs to
5 address demand growth, declining capacity margins, and
6 aging infrastructure and regulatory responsiveness to
7 mounting requests for rate increases.³¹ S&P further noted
8 that:

9 For regulated utilities, infrastructure spending
10 leads to rate-base growth. But for a company to
11 preserve its financial strength, it must be able
12 to quickly begin recovering this spending.

13 ***

14 With all these incremental investments, a
15 perfect regulatory storm could arise if costs
16 for fuel and purchased gas rise sharply at the
17 same time that utilities need to raise rates to
18 recover the costs related to infrastructure
19 spending for mandated environmental upgrades,
20 new generation construction, renewable
21 requirements, or pipeline replacements. If this
22 happens, regulators could decide to allow only
23 partial recovery of incurred capital costs
24 through rate increases to reduce rate spikes for
25 customers and possibly defer the remaining

³¹ See Standard & Poor's, *Industry Report Card: Utility Sectors In the Americas Remain Stable, While Challenges Beset European, Australian, and New Zealand Counterparts*, RatingsDirect, June 27, 2008, at 4.

1 balance. Because deferrals do not provide the
2 cash flow needed for utilities to service their
3 debt obligations, utility credit quality could
4 be affected. To retain critical access to the
5 debt markets, utilities will need to continue to
6 seek and receive supportive cost recovery from
7 regulators.³²

8
9 The rating agency views are consistent with certain
10 observations discussed in Section VIII of my direct
11 testimony: (1) the benefits of maintaining a strong
12 financial profile are significant when capital access is
13 required and become particularly acute during periods of
14 market instability; and (2) the Commission's decision in
15 this proceeding will have a direct bearing on the
16 Company's credit profile and its ability to access the
17 capital needed to fund its investments.

18
19 **Q.** Are equity investors also concerned with comparatively
20 high levels of capital expenditures?

21
22 **A.** Yes, equity investors also recognize the pressure on cash
23 flows associated with relatively high levels of capital
24 expenditures. For example, KeyBanc Capital Markets
25 ("KeyBanc") conducts a quarterly review of the electric

³² Standard & Poor's, *U.S. Utilities' Capital Spending Is Rising, And Cost-Recovery Is Vital*, RatingsDirect, May 14, 2012, at 6.

1 utility industry. In a recent report, KeyBanc noted
2 that:

3
4 While recent prices may have come off of their
5 earlier highs due to the global economic crisis
6 slowing construction demand, we believe the
7 long-term trend of rising construction
8 materials costs could resume as the global
9 economy rebounds. The cost of building new
10 generation remains a moving target, as
11 worldwide demand for construction materials
12 commodities (steel, concrete and copper), labor
13 and components (turbines and boilers) would
14 remain fundamentally strong, driven by a
15 rebound in the U.S. and Chinese economies and
16 required compliance with future U.S.
17 environmental regulations. We believe this
18 presents challenges to both unregulated and
19 regulated investment in new generation plants.
20 In particular, on the regulated side, there
21 exists a chicken-and-egg problem in that
22 securing pricing without a regulatory buy-in is
23 as difficult as receiving regulatory pre-
24 approval without firm pricing.³³

25

³³ KeyBanc Capital Markets Inc., *Electric Utilities Quarterly 3Q11*, December 2011, at 17.

1 **Q.** Have you also considered the relationship between capital
2 expenditures and the earned return on common equity?

3
4 **A.** Yes, I have. The "DuPont" formula decomposes the Return
5 on Common Equity into three components: (1) the Profit
6 Margin (net income/revenues); (2) Asset Turnover
7 (revenues/net plant); and (3) the Equity Multiplier (net
8 plant/equity).³⁴ As Document No. 7 of my exhibit
9 demonstrates, based on the Value Line Electric universe,
10 the Asset Turnover rate declined from 2003 through 2011
11 (the historical period covered by Value Line) and is
12 expected to decline further through Value Line's 2015 -
13 2017 projection period. Over that same period, according
14 to Value Line data, average Net Plant experienced a
15 cumulative increase of approximately 175.00 percent.
16 Since, as noted above, the utility industry is going
17 through a period of increased capital investment, the lag
18 between the addition of net plant and revenue generated
19 by those investments dilute the Asset Turnover ratio, at
20 least in the near term.

21
22 In order to gain an additional perspective on the
23 relationship between plant additions and Asset Turnover,
24 I performed a regression analysis in which the annual
25 change in the Asset Turnover rate was the dependent

³⁴ The DuPont formula is commonly used by financial analysts to monitor specific operational and financial drivers of a company's earned ROE. The formula expands the calculation of the ROE into the product of three financial metrics: Profit Margin, Asset Turnover and the Equity Multiplier. That is, $ROE = (\text{earnings} / \text{revenue}) \times (\text{revenue} / \text{assets}) \times (\text{assets} / \text{equity})$.

1 variable, and the annual change in Net Plant was the
2 independent variable. As shown in Document No. 7 of my
3 exhibit, that analysis shows a statistically significant
4 negative relationship between the two variables, such
5 that as annual net plant increases, the Asset Turnover
6 ratio decreases. This, in turn, suggests that an
7 increase in capital expenditures also negatively affects
8 the Return on Common Equity, causing greater financial
9 stress to the utility. To the extent investors value a
10 company based on earnings and cash flow, this additional
11 financial strain is a key concern.

12
13 **Q.** What are your conclusions regarding the effect of the
14 Company's capital spending plans on its risk profile?

15
16 **A.** It is clear that the Company's capital expenditure
17 program is significant. It also is clear that the
18 financial community recognizes the additional risks
19 associated with substantial capital expenditures. In my
20 view, these factors suggest an ROE above the mean results
21 of the Cost of Equity analyses.

22
23 **Flotation Costs**

24 **Q.** What are flotation costs?
25

1 **A.** Flotation costs are the costs associated with the sale of
2 new issues of common stock. These costs include out-of-
3 pocket expenditures for preparation, filing,
4 underwriting, and other costs of issuance of common
5 stock.

6
7 **Q.** Why is it important to recognize flotation costs in the
8 allowed return on equity?

9
10 **A.** In order to attract and retain new investors, a regulated
11 utility must have the opportunity to earn a return that
12 is both competitive and compensatory. To the extent that
13 a company is denied the opportunity to recover prudently
14 incurred flotation costs, actual returns will fall short
15 of expected (or required) returns, thereby diminishing
16 its ability to attract adequate capital on reasonable
17 terms.

18
19 **Q.** Are flotation costs part of the utility's invested costs
20 or part of the utility's expenses?

21
22 **A.** Flotation costs are part of the invested costs of the
23 utility, which are properly reflected on the balance
24 sheet under "paid in capital." They are not current
25 expenses, and therefore are not reflected on the income

1 statement. Rather, like investments in rate base or the
2 issuance costs of long-term debt, flotation costs are
3 incurred over time. As a result, the great majority of a
4 utility's flotation costs are incurred prior to the test
5 year, but remain part of the cost structure that exists
6 during the test year and beyond and, as such, should be
7 recognized for ratemaking purposes. Therefore, recovery
8 of flotation costs is appropriate even if no new
9 issuances are planned in the near future because failure
10 to allow such cost recovery may deny the Company the
11 opportunity to earn its required rate of return in the
12 future.

13
14 **Q.** Is the need to consider flotation costs eliminated
15 because the Company is a subsidiary of TECO Energy?
16

17 **A.** No. Although the Company is a wholly-owned subsidiary of
18 TECO Energy, it is appropriate to consider flotation
19 costs because wholly-owned subsidiaries receive equity
20 capital from their parents and provide returns on the
21 capital that roll up to the parent, which is designed to
22 attract and raise capital based on the returns of those
23 subsidiaries. To deny recovery of issuance costs
24 associated with the capital that is invested in the
25 subsidiaries ultimately will penalize the investors that

1 fund the utility operations and will inhibit the
2 utility's ability to obtain new equity capital at a
3 reasonable cost.

4
5 **Q.** Does the DCF model or the CAPM already incorporate
6 investor expectations of a return that compensates for
7 flotation costs?

8
9 **A.** No. All the models used to estimate the appropriate ROE
10 assume no "friction" or transaction costs, as these costs
11 are not reflected in the market price (in the case of the
12 DCF model) or risk premium (in the case of the CAPM).
13 Therefore, it is appropriate to consider flotation costs
14 when determining where within the range of reasonable
15 results the Company's return should fall.

16
17 **Q.** Is the need to consider flotation costs recognized by the
18 academic and financial communities?

19
20 **A.** Yes. Several economists have recognized that the
21 flotation cost adjustment is made not to reflect current
22 or future financing costs, but rather to compensate
23 investors for costs incurred for all past issuances
24 comprising the total equity portion of the Company's
25 capitalization. An article in *The Journal of Finance*,

1 for example, observed that:

2
3 Under the conventional approach, in other
4 words, the flotation cost adjustment is not
5 made to reflect current or future financing
6 costs... [I]t is made to compensate investors
7 for costs incurred in *preceding* stock issues.³⁵
8

9 The need to reimburse for equity issuance costs is
10 justified by the academic and financial communities in
11 the same spirit that investors are reimbursed for the
12 costs of issuing debt. This treatment is consistent with
13 the philosophy of a fair rate of return. According to
14 Dr. Shannon Pratt, an expert in the field of business
15 valuation:

16
17 Flotation costs occur when a company issues new
18 stock. The business usually incurs several
19 kinds of flotation or transaction costs, which
20 reduce the actual proceeds received by the
21 business. Some of these are direct out-of-
22 pocket outlays, such as fees paid to
23 underwriters, legal expenses, and prospectus
24 preparation costs. Because of this reduction
25 in proceeds, the business's required returns

³⁵ Patterson, Cleveland S., *Flotation Cost Allowance in Rate of Return Regulation: Comment*, The Journal of Finance, Vol. XXXVIII, No. 4, September 1983, at 1337 [Clarification added].

1 must be greater to compensate for the
2 additional costs. Flotation costs can be
3 accounted for either by amortizing the cost,
4 thus reducing the net cash flow to discount, or
5 by incorporating the cost into the cost of
6 equity capital. Since flotation costs
7 typically are not applied to operating cash
8 flow, they must be incorporated into the cost
9 of equity capital.³⁶

10
11 **Q.** How did you calculate the effect of flotation cost
12 recovery?

13
14 **A.** I modified the DCF calculation to provide a dividend
15 yield that would reimburse investors for direct issuance
16 costs. My flotation cost calculation recognizes the
17 direct costs of issuing equity that were incurred by TECO
18 Energy and the proxy group companies in their most recent
19 two common equity issuances. Based on the direct
20 issuance costs provided in Document No. 8 of my exhibit,
21 an adjustment of 0.14 percent (*i.e.*, 14 basis points)
22 reasonably represents the direct flotation costs for the
23 Company. In addition to direct issuance costs, there is
24 another indirect component to flotation costs that arises
25 from the market pressure resulting from an increase in

³⁶ Shannon P. Pratt, Roger J. Grabowski, Cost of Capital: Applications and Examples, 4th ed. (John Wiley & Sons, Inc., 2010), at 586.

1 the supply of stock. As described by Dr. Roger A. Morin:

2
3 As far as the market pressure effect is
4 concerned, empirical studies clearly show that
5 the market pressure effect is real, tangible,
6 and measureable. All studies support the idea
7 that the announcement of the sale of large
8 blocks of stock produces a decline in a
9 company's stock price, as one would expect given
10 the increased supply of common stock.³⁷

11
12 As to the total flotation costs, "allowing for market
13 pressure costs raises the flotation cost allowance for
14 stock issues to well above 5%."³⁸ Based on a total
15 flotation cost of 5.00 percent, an adjustment of 0.22
16 percent (*i.e.*, 22 basis points) reasonably represents the
17 total direct and indirect flotation costs for the
18 Company.

19
20 **Q.** Has the Commission previously recognized the need to
21 recover flotation costs?

22
23 **A.** The Commission recently recognized "there are costs
24 incurred when a firm issues equity and those costs should
25 be recovered within the ROE."³⁹ In that case, the

³⁷ See Roger A. Morin, *New Regulatory Finance, Public Utility Reports, Inc.*, 2006, at 323-324 [Clarification added].

³⁸ *Ibid.*, at 324.

³⁹ Order No. PSC 12-0179-F0F-EI, Docket No. 110138-EI, at 51.

1 Commission did not recognize a specific adjustment for
2 flotation costs, but instead "[took] into consideration
3 the witnesses' testimony and analyses regarding an
4 allowance for flotation costs." ⁴⁰

5
6 **Q.** Are you proposing to adjust your recommended ROE to
7 reflect the effect of flotation costs on the Company's
8 ROE?

9
10 **A.** Consistent with recent Commission practice, I am not
11 proposing a specific adjustment. Rather, I have
12 considered the effect of flotation costs, in addition to
13 the Company's other business risks, in determining where
14 its ROE falls within the range of results.

15
16 **VIII. CAPITAL MARKET ENVIRONMENT**

17 **Q.** Do economic conditions influence the required cost of
18 capital and required return on common equity?

19
20 **A.** Yes. As discussed in Section VI, the models used to
21 estimate the Cost of Equity are meant to reflect, and
22 therefore are influenced by, current and expected capital
23 market conditions.

24
25 **Q.** Have you reviewed any specific indices to assess the

⁴⁰ *Ibid.*

1 relationship between current market conditions and
2 investor return requirements?

3
4 **A.** Yes, I considered several measures of capital market
5 risk, including: (1) the relationship between treasury
6 yields and the Cost of Equity; (2) incremental credit
7 spreads on investment grade utility debt; and (3) the
8 relationship between electric utility dividend yields and
9 long-term Treasury yields. As discussed below, each of
10 those measures provide information that is relevant to
11 the implementation of models used to estimate the Cost of
12 Equity, and in the interpretation of the model results.

13
14 ***Relationship Between Historically Low Treasury Yields and the***
15 ***Cost of Equity***

16 **Q.** As a preliminary matter, has the cost of equity fallen in
17 tandem with the recent decline in long-term treasury
18 yields?

19
20 **A.** No, it has not. The fear of taking the risks of equity
21 ownership, for example, has motivated many investors to
22 move their capital into the relative safety of Treasury
23 securities. In doing so, investors have bid down yields
24 to the point that they currently are receiving yields on
25 ten-year Treasury bonds that are below the rate of

1 inflation.⁴¹ In effect, those investors are willing to
2 accept a *negative* real return on Treasury bonds rather
3 than be subject to the risk of owning equity securities.
4

5 At the same time, the Federal Reserve's policy of buying
6 longer-dated Treasury securities and selling short-term
7 securities also may have had the effect of lowering long-
8 term Treasury yields. That is, of course, the objective
9 of the Federal Reserve's "maturity extension program"
10 which began in September 2011.⁴² As the Federal Reserve
11 noted:

12
13 Under the maturity extension program, the
14 Federal Reserve intends to sell or redeem a
15 total of \$667 billion of shorter-term Treasury
16 securities by the end of 2012 and use the
17 proceeds to buy longer-term Treasury
18 securities. This will extend the average
19 maturity of the securities in the Federal
20 Reserve's portfolio.

21 ***

22 By reducing the supply of longer-term Treasury
23 securities in the market, this action should
24 put downward pressure on longer-term interest
25 rates, including rates on financial assets that

⁴¹ See, for example, *Treasurys Slide After Lackluster Sale*, The Wall Street Journal, August 8, 2012.

⁴² On September 13, 2012 the Federal Reserve announced that, in addition to continuing the maturity extension program announced in June, they would also begin buying mortgage-backed securities at a pace of \$40 billion per month. See Federal Reserve Press Release, dated September 13, 2012.

1 investors consider to be close substitutes for
2 longer-term Treasury securities. The reduction
3 in longer-term interest rates, in turn, will
4 contribute to a broad easing in financial
5 market conditions that will provide additional
6 stimulus to support the economic recovery.⁴³

7
8 Consequently, two factors are at work: (1) the continued
9 focus on capital preservation on the part of investors
10 has caused them to reallocate capital to the relative
11 safety of Treasury securities, thereby bidding up the
12 price and bidding down the yield; and (2) the Federal
13 Reserve's continued policy of buying long-term Treasury
14 securities in order to lower the yield. As the Federal
15 Reserve noted in its June 2012 Open Market Committee
16 meeting minutes, the effect of those two factors has been
17 a continued decline in Treasury yields:

18
19 Yields on longer-dated nominal and inflation-
20 protected Treasury securities moved down
21 substantially, on net, over the intermeeting
22 period. The yield on nominal 10-year Treasury
23 securities reached a historically low level
24 immediately following the release of the May
25 employment report. A sizable portion of the

⁴³ <http://www.federalreserve.gov/monetarypolicy/maturityextensionprogram.htm>

1 decline in longer-term Treasury rates over the
2 period appeared to reflect greater safe-haven
3 demands by investors, along with some increase
4 in market participants' expectations of further
5 Federal Reserve balance sheet actions.⁴⁴

6
7 At issue, then, is whether those two factors - the
8 continuing tendency of investors to seek the relative
9 safety of long-term Treasury securities and the Federal
10 Reserve's policy of lowering long-term Treasury yields -
11 have caused the required return on equity to fall in a
12 fashion similar to the recent decline in interest rates.
13 In large measure, that issue becomes a question of
14 whether the premium required by debt and equity investors
15 also has remained constant as Treasury yields have
16 decreased. To the extent that the risk premium has
17 increased, the higher premium has offset, at least to
18 some degree, the decline in Treasury yields, indicating
19 that the Cost of Equity has not fallen in lock step with
20 the decline in interest rates.

21
22 One method of performing that analysis is to analyze the
23 implied required market return of the S&P 500 companies
24 on a "build-up" basis. From that perspective, the
25 required market return represents the sum of: (1) long-

⁴⁴ Minutes of the Federal Open Market Committee June 19-20, 2012, at 4.

1 term Treasury yields; (2) the credit spread (*i.e.*, the
2 incremental return required by debt investors over
3 Treasury yields; and (3) the Equity Risk Premium (*i.e.*,
4 the incremental return required by equity investors over
5 the cost of debt). As shown in Document No. 9 of my
6 exhibit, that has been the case: both debt and equity
7 investors have required increased risk premiums as long-
8 term Treasury yields have fallen. In fact, this analysis
9 demonstrates that despite Treasury yields decreasing in
10 recent years, the overall expected market return for the
11 S&P 500 has actually *increased*.

12
13 As discussed above, the proposition that the risk premium
14 has increased even as Treasury yields have declined makes
15 practical sense: as investors seek the safety of Treasury
16 securities they require higher equity returns to overcome
17 the currently perceived risk of equity markets vis-à-vis
18 Treasury securities. Even if the decrease in Treasury
19 yields is driven by investors' expectations of continued
20 buying on the part of the Federal Reserve, that
21 expectation does not affect the fundamental assessment of
22 risks associated with equity investments in utility
23 companies. If anything, the uncertainty surrounding the
24 timing and degree of continued Federal intervention
25 introduces an additional element of uncertainty, which

1 increases investment risk and, therefore, the required
2 return.

3

4 **Q.** Have you reviewed specific market indices that also
5 support the position that cost of equity has not fallen
6 in tandem with long-term interest rates?

7

8 **A.** Yes. As noted above, I have considered Incremental
9 Credit Spreads and the relationship between dividend
10 yields and Treasury yields (that is, the "Yield Spread").
11 Each of those measures, which are discussed below,
12 supports the position that the Cost of Equity has not
13 fallen in lock step with the decrease in Treasury yields.

14

15 ***Incremental Credit Spreads***

16 **Q.** How have credit spreads been affected by current market
17 conditions?

18

19 **A.** The "credit spread" is the return required by debt
20 investors to take on the default risk associated with
21 securities of differing credit quality. For a given
22 credit rating, the credit spread is measured by reference
23 to a Treasury security of similar tenure. That is, the
24 credit spread on A-rated utility bonds may be measured by
25 reference to the 30-year Treasury Bond yield; the same

1 would be true of Baa-rated securities.⁴⁵ Because lower
2 credit ratings reflect higher levels of risk, credit
3 spreads typically are higher for lower-rated securities.
4 In that regard, the "incremental credit spread" (e.g.,
5 the difference between the credit spreads associated with
6 A and Baa-rated securities) is an indication of
7 incremental return required by investors to take on
8 additional levels of risk. As my Document No. 10 of my
9 exhibit demonstrates, since the beginning of 2010, the
10 Moody's Utility Bond Index Baa/A credit spread has
11 steadily increased, indicating that debt investors have
12 increased their marginal return requirements.

13
14 It is also interesting to note that the incremental
15 credit spread has increased as long-term Treasury yields
16 have decreased. In fact, as Document No. 11 of my
17 exhibit demonstrates, even since January 2010, changes in
18 the incremental credit spread are negatively correlated
19 with changes in the 30-year Treasury yield.

20
21 **Q.** What are the implications of those findings in assessing
22 the Company's Cost of Equity?

23
24 **A.** The recent decline in long-term Treasury yields has been
25 accompanied by an increase in the premium required by

⁴⁵ The minimum maturity for the bonds in this index is 20 years, with an average of 30 years. Moody's Long-Term Corporate Bond Yield Averages are derived from pricing data on a regularly replenished population of nearly 100 seasoned corporate bonds in the U.S. market, each with current outstandings over \$100 million. The bonds have maturities as close as possible to 30 years, they are dropped from the list if their remaining life falls below 20 years, if they are susceptible to redemption, or if their ratings change. All yields are yield-to-maturity calculated on a semi-annual basis. Each observation is an unweighted average, with Average Corporate yields representing the unweighted average of the corresponding Average Industrial and Average Public Utility observations. See Bloomberg.com.

1 investors to accept incremental levels of credit risk.
2 That is, the incremental credit spread has increased as
3 the level of Treasury yields have decreased. While that
4 inverse relationship applies to the cost of debt, prior
5 academic research has demonstrated that the equity risk
6 premium likewise is inversely related to interest rates.⁴⁶
7 Consequently, neither the Cost of Equity nor the cost of
8 debt has decreased in lock step with Treasury yields.

9
10 Those results also demonstrate the importance of
11 maintaining a financial and credit profile that supports
12 the Company's current senior unsecured credit rating
13 (S&P: BBB+, Moody's: A3, Fitch: A-)⁴⁷. Because
14 incremental credit spreads have steadily increased, the
15 benefit of maintaining the Company's credit rating is
16 greater in the current market than it has been, even over
17 the past two years. That conclusion is consistent with
18 recent findings by Fitch, which noted that:

19
20 While it appears that the credit spread
21 differential between the rating categories has
22 a relatively small impact during times of
23 economic stability, during recent periods of
24 economic stress, a higher credit rating
25 produces a meaningful difference in credit

⁴⁶ Robert S. Harris and Felicia C. Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, *Financial Management*, Summer 1992; Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *The Risk Premium Approach to Measuring a Utility's Cost of Equity*, *Financial Management*, Spring 1985, at 33-45; and Farris M. Maddox, Donna T. Pippert, and Rodney N. Sullivan, *An Empirical Study of Ex Ante Risk Premiums for the Electric Utility Industry*, *Financial Management*, Autumn 1995, at 89-95.

⁴⁷ Source: SNL Financial.

1 spreads... and provides more assured access to
2 capital.⁴⁸

3
4 Since regulatory actions affect credit ratings in
5 several, often significant ways, the Commission's
6 decision in this proceeding will directly affect the
7 Company's credit profile and influence its ability to
8 maintain a credit profile that enables continued access
9 to capital at reasonable costs. Given the Company's
10 substantial capital investment plans and external funding
11 needs, the benefits of reliable and cost-effective
12 capital access are significant.

13
14 **Yield Spreads**

15 **Q.** Please briefly define the term "yield spread", and
16 explain its meaning in assessing capital market
17 conditions.

18
19 **A.** The "yield spread" is the difference between the yield on
20 long-term Treasury securities on the one hand, and common
21 stock dividend yields on the other. Investors often
22 consider yield spreads in their assessment of security
23 valuation and capital market conditions. As explained
24 below, to the extent that yield spreads materially
25 deviate from long-term relationships, it may be an

⁴⁸ Fitch's Review of Utility ROE Trends, FitchRatings, March 22, 2010, at 3.

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indication of continuing dislocations within the capital market.

Q. Have you reviewed the current and historical yield spread for electric utility companies?

A. Yes, I have. As shown in Document No. 12 of my exhibit, for much of the period from January 1, 2000 through February 15, 2013, the 30-year Treasury yield has exceeded the dividend yield on electric utility stocks (as measured by the SNL Electric Company Index). In fact, over that time, the yield spread averaged approximately 58 basis points.⁴⁹ That period, however, includes the 2002 - 2003 credit contraction, during which the Treasury yields and utility dividend yields were essentially equal, and the post-Lehman Brothers bankruptcy period, during which the yields inverted, such that the electric utility index dividend yield exceeded the 30-year Treasury yield. Excluding those two periods, the average yield spread was 129 basis points (that is, on average, the 30-year Treasury yield exceeded the dividend yield by 129 basis points).

As Document No. 12 of my exhibit also demonstrates, the yield spread inverted shortly after the September 15,

⁴⁹ That is to say that on average, the 30-year Treasury yield exceeded the electric utility dividend yield by 58 basis points.

1 2008 Lehman Brothers bankruptcy, and has essentially
2 remained inverted since that time. In fact, since August
3 2011, the yields have remained inverted, such that the
4 SNL Electric Company Index average dividend yield
5 exceeded the 30-year Treasury yield by 97 basis points.
6 The continuing instability in the yield spread also has
7 been observed by The Wall Street Journal, which noted
8 that historically, "dividend yields have tended to track
9 the yield on 10-year Treasurys closely."⁵⁰ The article
10 went on to note that:

11
12 Regulated utilities' dividend yields decoupled
13 from Treasury yields in December 2007, as the
14 U.S. recession began. After the initial flight
15 to quality cut yields on Treasurys,
16 particularly after Lehman Brothers collapsed in
17 September 2008, the Federal Reserve's policy of
18 buying up government debt has helped keep them
19 low.

20
21 **Q.** How does such data enter into your assessment of the
22 Company's Cost of Equity?

23
24 **A.** As noted above, investors often look to the relationships
25 among financial metrics to assess current and expected

⁵⁰ Denning, Liam, A Short Circuit in the Stock Market, The Wall Street Journal, October 23, 2009, at C10. I note that while this article referred to ten-year Treasury yields, the fundamental conclusion, that the utility yield spread has deviated from its long-term relationship, remains.

1 levels of market stability. As also noted above, to the
2 extent that current relationships among such indices
3 materially deviate from long-term norms, it may be an
4 indication of continuing or expected market instability.
5 Moreover, such data provide market-based methods by which
6 to assess the implications of the currently low Treasury
7 yields for the Company's Cost of Equity. If, for
8 example, the currently low level Treasury yields
9 indicated a correspondingly low Cost of Equity, the
10 average dividend yield would be approximately 2.54
11 percent, or lower.⁵¹ As shown on Document No. 2 of my
12 exhibit, however, the current (proxy group) average
13 dividend yield is approximately 3.97 percent. Again, low
14 Treasury yields are not necessarily indicative of
15 correspondingly low equity return requirements.

16
17 **Q.** What conclusions do you draw from those analyses?

18
19 **A.** First, it is important to recognize the relationships
20 among financial measures relied upon by investors, and to
21 reflect those relationships in Cost of Equity estimates.
22 Simply observing, for example, that long-term Treasury
23 rates are at historically low levels is not a sufficient
24 level of analysis to conclude that the Cost of Equity is
25 at a commensurately low level. As noted above, for

⁵¹ 2.54 percent equals 3.12 percent, less the long-term average yield spread of 58 basis points. Excluding the post-Lehman Brothers bankruptcy period, and the 2002 - 2003 credit contraction, implies a yield spread of 129 basis points, suggesting an implied dividend yield of less than 1.83 percent (assumes a constant growth rate), which is more than 200 basis points below the current (proxy group) average dividend yield of 3.97 percent.

1 example, if investors believed that the current level of
2 long-term Treasury yields is indicative of the Cost of
3 Equity, electric utility dividend yields would be more
4 than 200 basis points below their current levels.
5 Recognizing such factors provides a more complete
6 perspective of investor risk and enables a more
7 reasonable determination of the Cost of Equity.

8
9 Finally, assessing the results of the Cost of Equity
10 analyses described in Section VI requires interpretation
11 and judgment for the purpose of determining the Company's
12 ROE recommendation. An analysis of the capital market
13 environment provides a more complete perspective, and
14 enables a more reasoned determination of the Cost of
15 Equity.

16 **IX. CAPITAL STRUCTURE**

17 **Q.** What is the Company's proposed capital structure?

18
19 **A.** In its application filed in this docket, the Company has
20 proposed a capital structure comprised of 54.19 percent
21 common equity 45.81 percent debt.⁵²

22
23 **Q.** How does the capital structure affect the cost of equity?

24
25 **A.** The capital structure should enable the subject company

⁵² See Direct Testimony of Sandra W. Callahan.

1 to maintain its financial integrity, thereby enabling
2 access to capital at competitive rates under a variety of
3 economic and financial market conditions. The capital
4 structure relates to a company's financial risk, which
5 represents the risk that a company may not have adequate
6 cash flows to meet its financial obligations, and is a
7 function of the percentage of debt (or financial
8 leverage) in its capital structure. In that regard, as
9 the percentage of debt in the capital structure
10 increases, so do the fixed obligations for the repayment
11 of that debt. Consequently, as the degree of financial
12 leverage increases, the risk of financial distress (*i.e.*,
13 financial risk) also increases. Since the capital
14 structure can affect the subject company's overall level
15 of risk,⁵³ it is an important consideration in
16 establishing a just and reasonable rate of return.

17
18 **Q.** Is there support for the proposition that the capital
19 structure is a key consideration in establishing an
20 appropriate return on equity?

21
22 **A.** Yes. The United States Supreme Court and various utility
23 commissions have long recognized the role of capital
24 structure in the development of a just and reasonable
25 rate of return for a regulated utility. In particular, a

⁵³ See Roger A. Morin, *New Regulatory Finance, Public Utility Reports, Inc.*, 2006, at 45-46.

1 utility's leverage, or debt ratio, has been explicitly
2 recognized as an important element in determining a just
3 and reasonable rate of return:
4

5 Although the determination of whether bonds or
6 stocks should be issued is for management, the
7 matter of debt ratio is not exclusively within
8 its province. Debt ratio substantially affects
9 the manner and cost of obtaining new capital.
10 It is therefore an important factor in the rate
11 of return and must necessarily be considered by
12 and come within the authority of the body
13 charged by law with the duty of fixing a just
14 and reasonable rate of return.⁵⁴
15

16 Perhaps the ultimate authority for balancing the issues
17 of cost and financial integrity is the Supreme Court's
18 decision in *Hope* that was cited and applied by the U.S.
19 Court of Appeals for the D.C. Circuit in 1977:
20

21 The rate-making process under the Act, i.e.,
22 the fixing of "just and reasonable rates,
23 involves a balancing of the investor and the
24 consumer interests." 320 U.S. at 603, 64 S. Ct.
25 at 288. The equity investor's stake is made

⁵⁴ *New England Telephone & Telegraph Co. v. State*, 97 A.2d 213, 220 (N.H. 1953) (citing *New England Tel. & Tel. Co. v. Department of Pub. Util.*, 97 N.E. 2d 509, 514 (Mass. 1951) and *Petitions of New England Tel. & Tel. Co.*, 80 A.2d 671 (Vt. 1953)).

1 less secure as the company's debt rises, but
2 the consumer rate-payer's burden is
3 alleviated.⁵⁵
4

5 Consequently, the principles of fairness and
6 reasonableness with respect to the allowed rate of return
7 and capital structure are considered at both the federal
8 and state levels.
9

10 **Q.** Please discuss your analysis of the capital structures of
11 the proxy group companies.
12

13 **A.** I calculated the average capital structure for each of
14 the proxy group companies over the last eight quarters.
15 As shown in Document No. 13 of my exhibit, the proxy
16 group actual capital structure common equity ratios range
17 from 47.99 percent to 57.81 percent. Based on that
18 review, it is apparent that the Company's proposed
19 capital structure is generally consistent with the
20 capital structures of the proxy group companies.
21

22 **Q.** What is the basis for using average capital components
23 rather than a point-in-time measurement?
24

25 **A.** Measuring the capital components at a particular point in

⁵⁵ *Communications Satellite Corp. v. FCC*, 611 F.2d 883, 904 (D.C. Cir. 1977).

1 time can skew the capital structure by the specific
2 circumstances of a particular period. Therefore, it is
3 more appropriate to normalize the relative relationship
4 between the capital components over a period of time.
5

6 **Q.** What is your conclusion regarding the Company's proposed
7 capital structure as it relates to the Company's Cost of
8 Equity?
9

10 **A.** Considering the average actual common equity ratio ranges
11 from of 47.99 percent to 57.81 percent for the proxy
12 group companies, I believe that Tampa Electric's proposed
13 common equity ratio of 54.19 percent is generally
14 consistent with the proxy group companies.
15

16 **X. CONCLUSIONS AND RECOMMENDATION**

17 **Q.** What is your conclusion regarding the Company's Cost of
18 Equity?
19

20 **A.** I believe that a rate of return on common equity in the
21 range of 10.50 percent to 11.50 percent represents the
22 range of equity investors' required rate of return for
23 investment in integrated electric utilities similar to
24 Tampa Electric in today's capital markets. Within that
25 range, I conclude that the Cost of Equity for Tampa

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Electric is 11.25 percent My recommendation also takes into consideration the Company's risk profile relative to the proxy group analytical results with respect to: (1) the incremental risks associated with the Company's need to fund substantial capital; and (2) flotation costs associated with equity issuances. As such, a rate of return on common equity in the range of 10.50 percent to 11.50 percent reasonably represents the return required to invest in a company with a risk profile comparable to Tampa Electric. Document No. 1 of my exhibit summarizes my analytical results.

Q. Does this conclude your direct testimony?

A. Yes, it does.

DOCKET NO. 130040-EI
WITNESS: HEVERT

EXHIBIT

OF

ROBERT B. HEVERT

ON BEHALF OF TAMPA ELECTRIC COMPANY

Summary of Results

Constant Growth DCF Results

<i>Mean Results</i>	Mean Low	Mean	Mean High
30-Day Average	8.80%	10.60%	13.09%
90-Day Average	8.88%	10.69%	13.18%
180-Day Average	8.90%	10.70%	13.19%
<i>Median Results</i>	Median Low	Median	Median High
30-Day Average	9.58%	10.84%	11.45%
90-Day Average	9.74%	10.86%	11.47%
180-Day Average	9.68%	10.81%	11.42%

CAPM Results

	Sharpe Ratio Derived	Bloomberg Market DCF Derived	Capital IQ Market DCF Derived
<i>Proxy Group Average Bloomberg Beta Coefficient</i>			
Current 30-Year Treasury	7.42%	10.18%	10.13%
Near-Term Projected 30-Year Treasury	7.56%	10.31%	10.26%
Long-Term Projected 30-Year Treasury	9.41%	12.16%	12.11%
<i>Proxy Group Average Value Line Beta Coefficient</i>			
Current 30-Year Treasury	7.45%	10.22%	10.16%
Near-Term Projected 30-Year Treasury	7.58%	10.35%	10.30%
Long-Term Projected 30-Year Treasury	9.43%	12.20%	12.15%

Bond Yield Plus Risk Premium Results

	Return on Equity
Current 30-Year Treasury	10.23%
Near-Term Projected 30-Year Treasury	10.24%
Long-Term Projected 30-Year Treasury	10.76%

**Constant Growth Discounted Cash Flow Model
30 Day Average Stock Price**

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
American Electric Power Company, Inc.	AEP	\$1.88	\$44.20	4.25%	4.32%	3.38%	3.47%	3.00%	3.28%	7.32%	7.61%	7.80%
Cleco Corp.	CNL	\$1.35	\$42.22	3.20%	3.27%	3.00%	3.00%	8.00%	4.67%	6.25%	7.94%	11.33%
Empire District Electric	EDE	\$1.00	\$21.10	4.74%	4.93%	N/A	10.20%	5.50%	7.85%	10.37%	12.78%	15.18%
Great Plains Energy Inc.	GXP	\$0.87	\$21.19	4.11%	4.24%	7.10%	7.20%	5.50%	6.60%	9.72%	10.84%	11.45%
IDACORP, Inc.	IDA	\$1.52	\$45.18	3.36%	3.42%	4.00%	4.00%	2.00%	3.33%	5.40%	6.75%	7.43%
Otter Tail Corporation	OTTR	\$1.19	\$26.63	4.47%	4.73%	6.00%	5.00%	24.00%	11.67%	9.58%	16.40%	29.00%
Pinnacle West Capital Corp.	PNW	\$2.18	\$53.04	4.11%	4.25%	6.90%	7.50%	6.50%	6.97%	10.74%	11.22%	11.76%
PNM Resources, Inc.	PNM	\$0.58	\$20.93	2.77%	2.93%	8.35%	9.30%	16.00%	11.22%	11.24%	14.14%	18.99%
Portland General Electric Company	POR	\$1.08	\$28.30	3.82%	3.89%	4.07%	1.99%	5.50%	3.85%	5.84%	7.74%	9.42%
Southern Company	SO	\$1.96	\$43.77	4.48%	4.59%	4.98%	4.86%	5.00%	4.95%	9.45%	9.54%	9.59%
Westar Energy, Inc.	WR	\$1.32	\$29.92	4.41%	4.57%	6.38%	7.50%	7.50%	7.13%	10.93%	11.70%	12.08%
PROXY GROUP MEAN				3.97%	4.10%	5.42%	5.82%	8.05%	6.50%	8.80%	10.60%	13.09%
PROXY GROUP MEDIAN				4.11%	4.25%	5.49%	5.00%	5.50%	6.60%	9.58%	10.84%	11.45%

Notes:

- [1] Source: Bloomberg Professional
 [2] Source: Bloomberg Professional, equals 30-trading day average as of February 15, 2013
 [3] Equals [1] / [2]
 [4] Equals [3] x (1 + 0.5 x [8])
 [5] Source: Zacks
 [6] Source: Yahoo! Finance
 [7] Source: Value Line
 [8] Equals Average([5], [6], [7])
 [9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
 [10] Equals [4] + [8]
 [11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

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**Constant Growth Discounted Cash Flow Model
90 Day Average Stock Price**

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
American Electric Power Company, Inc.	AEP	\$1.88	\$43.47	4.32%	4.40%	3.38%	3.47%	3.00%	3.28%	7.39%	7.68%	7.87%
Cleco Corp.	CNL	\$1.35	\$41.30	3.27%	3.34%	3.00%	3.00%	8.00%	4.67%	6.32%	8.01%	11.40%
Empire District Electric	EDE	\$1.00	\$20.84	4.80%	4.99%	N/A	10.20%	5.50%	7.85%	10.43%	12.84%	15.24%
Great Plains Energy Inc.	GXP	\$0.87	\$21.10	4.12%	4.26%	7.10%	7.20%	5.50%	6.60%	9.74%	10.86%	11.47%
IDACORP, Inc.	IDA	\$1.52	\$43.89	3.46%	3.52%	4.00%	4.00%	2.00%	3.33%	5.50%	6.85%	7.53%
Otter Tail Corporation	OTTR	\$1.19	\$25.04	4.75%	5.03%	6.00%	5.00%	24.00%	11.67%	9.87%	16.70%	29.32%
Pinnacle West Capital Corp.	PNW	\$2.18	\$52.06	4.19%	4.33%	6.90%	7.50%	6.50%	6.97%	10.82%	11.30%	11.84%
PNM Resources, Inc.	PNM	\$0.58	\$21.07	2.75%	2.91%	8.35%	9.30%	16.00%	11.22%	11.22%	14.12%	18.97%
Portland General Electric Company	POR	\$1.08	\$27.40	3.94%	4.02%	4.07%	1.99%	5.50%	3.85%	5.97%	7.87%	9.55%
Southern Company	SO	\$1.96	\$43.99	4.46%	4.57%	4.98%	4.86%	5.00%	4.95%	9.42%	9.51%	9.57%
Westar Energy, Inc.	WR	\$1.32	\$29.22	4.52%	4.68%	6.38%	7.50%	7.50%	7.13%	11.04%	11.81%	12.19%
PROXY GROUP MEAN				4.05%	4.19%	5.42%	5.82%	8.05%	6.50%	8.88%	10.69%	13.18%
PROXY GROUP MEDIAN				4.19%	4.33%	5.49%	5.00%	5.50%	6.60%	9.74%	10.86%	11.47%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 90-trading day average as of February 15, 2013
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [8])
- [5] Source: Zacks
- [6] Source: Yahoo! Finance
- [7] Source: Value Line
- [8] Equals Average([5], [6], [7])
- [9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

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**Constant Growth Discounted Cash Flow Model
180 Day Average Stock Price**

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
American Electric Power Company, Inc.	AEP	\$1.88	\$42.69	4.40%	4.48%	3.38%	3.47%	3.00%	3.28%	7.47%	7.76%	7.95%
Cleco Corp.	CNL	\$1.35	\$41.68	3.24%	3.31%	3.00%	3.00%	8.00%	4.67%	6.29%	7.98%	11.37%
Empire District Electric	EDE	\$1.00	\$21.05	4.75%	4.94%	N/A	10.20%	5.50%	7.85%	10.38%	12.79%	15.19%
Great Plains Energy Inc.	GXP	\$0.87	\$21.36	4.07%	4.21%	7.10%	7.20%	5.50%	6.60%	9.68%	10.81%	11.42%
IDACORP, Inc.	IDA	\$1.52	\$42.96	3.54%	3.60%	4.00%	4.00%	2.00%	3.33%	5.57%	6.93%	7.61%
Otter Tail Corporation	OTTR	\$1.19	\$24.05	4.95%	5.24%	6.00%	5.00%	24.00%	11.67%	10.07%	16.90%	29.54%
Pinnacle West Capital Corp.	PNW	\$2.18	\$52.17	4.18%	4.32%	6.90%	7.50%	6.50%	6.97%	10.81%	11.29%	11.84%
PNM Resources, Inc.	PNM	\$0.58	\$20.61	2.81%	2.97%	8.35%	9.30%	16.00%	11.22%	11.28%	14.19%	19.04%
Portland General Electric Company	POR	\$1.08	\$27.16	3.98%	4.05%	4.07%	1.99%	5.50%	3.85%	6.01%	7.91%	9.59%
Southern Company	SO	\$1.96	\$45.26	4.33%	4.44%	4.98%	4.86%	5.00%	4.95%	9.30%	9.38%	9.44%
Westar Energy, Inc.	WR	\$1.32	\$29.49	4.48%	4.64%	6.38%	7.50%	7.50%	7.13%	11.00%	11.76%	12.14%
PROXY GROUP MEAN				4.07%	4.20%	5.42%	5.82%	8.05%	6.50%	8.90%	10.70%	13.19%
PROXY GROUP MEDIAN				4.18%	4.32%	5.49%	5.00%	5.50%	6.60%	9.68%	10.81%	11.42%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 180-trading day average as of February 15, 2013
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [8])
- [5] Source: Zacks
- [6] Source: Yahoo! Finance
- [7] Source: Value Line
- [8] Equals Average([5], [6], [7])
- [9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

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Sharpe Ratio Derived Ex-Ante Market Risk Premium

[1]	[2]	[3]	[4]	[5]
RP _h	Vol _h	VOL _e	Historical Sharpe Ratio	RP _e
6.60%	20.30%	18.54%	32.52%	6.03%

[6]	[7]	[8]	[9]	
Date	VXV	Jul 13 VIX Futures	Aug 13 VIX Futures	Sep 13 VIX Futures
2/15/2013	14.26	17.75	18.40	19.05
2/14/2013	14.43	17.70	18.35	18.90
2/13/2013	14.63	17.65	18.20	18.90
2/12/2013	14.53	17.70	18.40	18.95
2/11/2013	14.68	17.80	18.45	19.00
2/8/2013	14.80	18.00	18.60	19.20
2/7/2013	15.19	18.25	18.90	19.45
2/6/2013	15.14	18.30	18.95	19.50
2/5/2013	15.30	18.50	19.05	19.60
2/4/2013	15.79	18.55	19.15	19.70
2/1/2013	14.79	18.45	19.00	19.50
1/31/2013	15.55	18.50	19.05	19.55
1/30/2013	15.42	18.40	18.95	19.50
1/29/2013	14.74	18.05	18.70	19.25
1/28/2013	15.07	18.20	18.75	19.35
1/25/2013	14.66	18.10	18.75	19.30
1/24/2013	14.67	18.20	18.85	19.45
1/23/2013	14.50	18.25	18.90	19.50
1/22/2013	14.72	18.55	19.20	19.80
1/18/2013	15.29	19.15	19.80	20.45
1/17/2013	16.08	19.80	20.45	21.05
1/16/2013	16.24	20.10	20.75	21.35
1/15/2013	16.33	20.30	20.80	21.35
1/14/2013	16.29	20.30	20.85	21.40
1/11/2013	16.01	20.50	21.00	21.60
1/10/2013	16.12	20.60	21.15	21.75
1/9/2013	16.50	20.90	21.50	22.15
1/8/2013	16.45	21.15	21.75	22.35
1/7/2013	16.45	21.20	21.75	22.35
1/4/2013	16.34	21.15	21.75	22.30
Average:			18.54	

Notes:

- [1] Source: Morningstar, Inc.
RP_h = historical arithmetic average Risk Premium
- [2] Source: Morningstar, Inc.
Vol_h = historical market volatility
- [3] Vol_e = expected market volatility (average of Cols. [6] to [9])
- [4] Equals [1] / [2]
- [5] Equals [3] x [4]
- [6] Source: Bloomberg Professional
- [7] Source: Bloomberg Professional
- [8] Source: Bloomberg Professional
- [9] Source: Bloomberg Professional

**Ex-Ante Market Risk Premium
Market DCF Method Based - Bloomberg**

[1] S&P 500	[2] Current 30-Year Treasury (30-day average)	[3] Implied Market Risk Premium
Est. Required Market Return 13.00%	3.12%	9.88%

Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
AGILENT TECHNOLOGIES INC	A	14,860.28	0.11%	1.03%	8.71%	9.79%	0.0104%
ALCOA INC	AA	9,773.64	0.07%	1.31%	6.50%	7.86%	0.0055%
APPLE INC	AAPL	431,121.53	3.07%	2.35%	17.91%	20.48%	0.6287%
ABBVIE INC	ABBV	59,827.09	0.43%	4.20%	5.77%	10.09%	0.0430%
AMERISOURCEBERGEN CORP	ABC	10,838.83	0.08%	1.64%	11.60%	13.33%	0.0103%
ABBOTT LABORATORIES	ABT	54,816.63	0.39%	1.62%	10.61%	12.31%	0.0481%
ACE LTD	ACE	29,563.73	0.21%	2.22%	9.65%	11.97%	0.0252%
ACCENTURE PLC-CL A	ACN	52,421.47	0.37%	2.16%	12.32%	14.62%	0.0546%
ACTAVIS INC	ACT	10,846.55	0.08%	0.00%	12.86%	12.86%	0.0099%
ADOBE SYSTEMS INC	ADBE	19,383.02	0.14%	0.00%	10.20%	10.20%	0.0141%
ANALOG DEVICES INC	ADI	14,102.00	0.10%	2.62%	12.50%	15.29%	0.0154%
ARCHER-DANIELS-MIDLAND CO	ADM	21,653.66	N/A	2.04%	N/A	N/A	N/A
AUTOMATIC DATA PROCESSING	ADP	29,794.61	0.21%	2.72%	9.57%	12.42%	0.0263%
AUTODESK INC	ADSK	8,754.31	0.06%	0.00%	17.75%	17.75%	0.0111%
ADT CORP/THE	ADT	10,942.52	0.08%	1.02%	10.50%	11.57%	0.0090%
AMEREN CORPORATION	AEE	8,106.42	0.06%	4.81%	2.00%	6.86%	0.0040%
AMERICAN ELECTRIC POWER	AEP	22,049.72	0.16%	4.27%	4.50%	8.86%	0.0139%
AES CORP	AES	8,406.76	0.06%	0.88%	8.00%	8.92%	0.0053%
AETNA INC	AET	16,246.67	0.12%	1.49%	10.40%	11.97%	0.0138%
AFLAC INC	AFL	23,141.37	0.16%	2.90%	10.67%	13.72%	0.0226%
ALLERGAN INC	AGN	33,444.42	0.24%	0.19%	13.58%	13.78%	0.0328%
AMERICAN INTERNATIONAL GROUP	AIG	57,132.98	0.41%	0.00%	13.50%	13.50%	0.0549%
APARTMENT INVT & MGMT CO -A	AIV	4,273.20	0.03%	3.10%	9.18%	12.42%	0.0038%
ASSURANT INC	AIZ	3,360.00	0.02%	2.19%	9.67%	11.96%	0.0029%
AKAMAI TECHNOLOGIES INC	AKAM	6,871.56	0.05%	0.00%	14.83%	14.83%	0.0073%
ALLSTATE CORP	ALL	22,311.13	0.16%	2.12%	8.86%	11.08%	0.0176%
ALTERA CORP	ALTR	11,549.46	0.08%	1.14%	13.20%	14.42%	0.0119%
ALEXION PHARMACEUTICALS INC	ALXN	16,235.55	0.12%	0.00%	40.57%	40.57%	0.0469%
APPLIED MATERIALS INC	AMAT	16,515.73	0.12%	2.52%	9.67%	12.31%	0.0145%
ADVANCED MICRO DEVICES	AMD	1,978.50	0.01%	0.00%	12.50%	12.50%	0.0018%
AMGEN INC	AMGN	63,451.08	0.45%	2.22%	8.83%	11.15%	0.0504%
AMERIPRISE FINANCIAL INC	AMP	14,056.87	0.10%	2.50%	12.00%	14.65%	0.0147%

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Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
AMERICAN TOWER CORP	AMT	29,323.32	0.21%	1.21%	17.57%	18.88%	0.0394%
AMAZON.COM INC	AMZN	121,533.32	0.87%	0.00%	34.70%	34.70%	0.3003%
AUTONATION INC	AN	5,455.01	0.04%	0.00%	20.48%	20.48%	0.0080%
ABERCROMBIE & FITCH CO-CL A	ANF	4,114.98	0.03%	1.36%	19.31%	20.81%	0.0061%
AON PLC	AON	18,364.80	0.13%	1.11%	8.75%	9.90%	0.0130%
APACHE CORP	APA	30,093.84	0.21%	0.99%	6.34%	7.36%	0.0158%
ANADARKO PETROLEUM CORP	APC	41,769.88	0.30%	0.44%	12.79%	13.25%	0.0394%
AIR PRODUCTS & CHEMICALS INC	APD	18,886.19	0.13%	3.01%	9.40%	12.55%	0.0169%
AMPHENOL CORP-CL A	APH	11,329.79	0.08%	0.61%	18.50%	19.17%	0.0155%
APOLLO GROUP INC-CL A	APOL	2,171.44	0.02%	0.00%	9.26%	9.26%	0.0014%
AIRGAS INC	ARG	7,490.76	0.05%	1.46%	12.87%	14.42%	0.0077%
ALLEGHENY TECHNOLOGIES INC	ATI	3,545.27	0.03%	2.18%	15.00%	17.34%	0.0044%
AVALONBAY COMMUNITIES INC	AVB	14,872.45	0.11%	3.25%	8.57%	11.96%	0.0127%
AVON PRODUCTS INC	AVP	8,945.76	0.06%	1.15%	15.29%	16.53%	0.0105%
AVERY DENNISON CORP	AVY	4,000.65	0.03%	2.71%	7.00%	9.81%	0.0028%
AMERICAN EXPRESS CO	AXP	68,786.25	0.49%	1.37%	10.07%	11.51%	0.0564%
AUTOZONE INC	AZO	13,582.53	0.10%	0.00%	16.70%	16.70%	0.0161%
BOEING CO/THE	BA	56,205.79	0.40%	2.52%	11.48%	14.14%	0.0566%
BANK OF AMERICA CORP	BAC	132,378.64	0.94%	0.86%	8.67%	9.57%	0.0902%
BAXTER INTERNATIONAL INC	BAX	37,484.06	0.27%	2.48%	8.68%	11.27%	0.0301%
BED BATH & BEYOND INC	BBBY	13,102.30	0.09%	0.00%	13.78%	13.78%	0.0129%
BB&T CORP	BBT	21,222.75	0.15%	3.02%	6.50%	9.61%	0.0145%
BEST BUY CO INC	BBY	5,892.87	0.04%	3.05%	5.60%	8.74%	0.0037%
CR BARD INC	BCR	8,259.18	0.06%	0.82%	7.33%	8.18%	0.0048%
BECTON DICKINSON AND CO	BDX	17,157.80	0.12%	2.20%	7.85%	10.14%	0.0124%
BEAM INC	BEAM	9,914.32	0.07%	1.46%	11.92%	13.46%	0.0095%
FRANKLIN RESOURCES INC	BEN	30,941.97	0.22%	2.86%	14.68%	17.75%	0.0391%
BROWN-FORMAN CORP-CLASS B	BF/B	14,250.18	0.10%	1.48%	12.50%	14.07%	0.0143%
BAKER HUGHES INC	BHI	20,601.51	0.15%	1.29%	13.00%	14.37%	0.0211%
BIOGEN IDEC INC	BIIB	39,272.72	0.28%	0.00%	17.97%	17.97%	0.0503%
BANK OF NEW YORK MELLON CORP	BK	32,798.79	0.23%	2.11%	12.67%	14.92%	0.0348%
BLACKROCK INC	BLK	42,492.57	0.30%	2.78%	11.94%	14.89%	0.0451%
BALL CORP	BLL	6,971.03	0.05%	1.10%	10.00%	11.16%	0.0055%
BMC SOFTWARE INC	BMC	5,919.89	0.04%	0.00%	15.00%	15.00%	0.0063%
BEMIS COMPANY	BMS	3,869.24	0.03%	2.74%	7.00%	9.83%	0.0027%
BRISTOL-MYERS SQUIBB CO	BMJ	60,418.39	0.43%	3.78%	7.19%	11.10%	0.0478%
BROADCOM CORP-CL A	BRM	19,823.90	0.14%	1.26%	14.43%	15.78%	0.0223%
BERKSHIRE HATHAWAY INC-CL B	BRK/B	250,217.92	N/A	0.00%	N/A	N/A	N/A
BOSTON SCIENTIFIC CORP	BSX	10,059.38	0.07%	0.00%	7.78%	7.78%	0.0056%
PEABODY ENERGY CORP	BTU	6,548.62	0.05%	1.41%	12.00%	13.50%	0.0063%
BORGWARNER INC	BWA	8,910.05	0.06%	0.02%	14.98%	15.00%	0.0095%
BOSTON PROPERTIES INC	BXP	16,225.88	0.12%	2.46%	4.84%	7.36%	0.0085%

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Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
CITIGROUP INC	C	135,028.38	0.96%	0.81%	9.80%	10.64%	0.1024%
CA INC	CA	11,375.30	0.08%	4.03%	10.00%	14.23%	0.0115%
CONAGRA FOODS INC	CAG	13,796.02	0.10%	2.97%	6.00%	9.06%	0.0089%
CARDINAL HEALTH INC	CAH	15,863.61	0.11%	2.16%	11.40%	13.69%	0.0155%
CAMERON INTERNATIONAL CORP	CAM	16,095.63	0.11%	0.00%	17.00%	17.00%	0.0195%
CATERPILLAR INC	CAT	62,319.88	0.44%	2.14%	9.75%	11.99%	0.0532%
CHUBB CORP	CB	21,896.95	0.16%	2.02%	9.20%	11.31%	0.0176%
CBRE GROUP INC - A	CBG	8,010.23	0.06%	0.00%	11.67%	11.67%	0.0067%
CBS CORP-CLASS B NON VOTING	CBS	28,140.22	0.20%	1.10%	9.83%	10.98%	0.0220%
COCA-COLA ENTERPRISES	CCE	10,105.88	0.07%	2.22%	8.72%	11.03%	0.0079%
CROWN CASTLE INTL CORP	CCI	19,615.25	0.14%	0.00%	36.45%	36.45%	0.0509%
CARNIVAL CORP	CCL	29,945.94	0.21%	3.31%	16.16%	19.73%	0.0421%
CELGENE CORP	CELG	41,485.01	0.30%	0.00%	22.42%	22.42%	0.0662%
CERNER CORP	CERN	15,217.14	0.11%	0.00%	18.33%	18.33%	0.0199%
CF INDUSTRIES HOLDINGS INC	CF	13,693.84	0.10%	0.73%	10.00%	10.77%	0.0105%
CAREFUSION CORP	CFN	7,352.17	0.05%	0.00%	10.58%	10.58%	0.0055%
CHESAPEAKE ENERGY CORP	CHK	13,505.80	0.10%	1.67%	8.65%	10.39%	0.0100%
C.H. ROBINSON WORLDWIDE INC	CHRW	9,349.97	0.07%	2.45%	14.80%	17.43%	0.0116%
CIGNA CORP	CI	17,202.31	0.12%	0.07%	9.87%	9.94%	0.0122%
CINCINNATI FINANCIAL CORP	CINF	7,324.13	0.05%	3.62%	5.00%	8.71%	0.0045%
COLGATE-PALMOLIVE CO	CL	52,804.56	0.38%	2.32%	9.02%	11.44%	0.0430%
CLIFFS NATURAL RESOURCES INC	CLF	4,386.11	0.03%	2.72%	7.50%	10.32%	0.0032%
CLOROX COMPANY	CLX	10,804.37	0.08%	3.12%	8.68%	11.94%	0.0092%
COMERICA INC	CMA	6,663.94	0.05%	1.92%	6.64%	8.63%	0.0041%
COMCAST CORP-CLASS A	CMCSA	109,198.64	0.78%	1.86%	18.27%	20.30%	0.1579%
CME GROUP INC	CME	19,656.53	0.14%	3.98%	13.68%	17.93%	0.0251%
CHIPOTLE MEXICAN GRILL INC	CMG	9,683.53	0.07%	0.00%	19.34%	19.34%	0.0133%
CUMMINS INC	CMI	22,294.72	0.16%	1.66%	10.00%	11.75%	0.0187%
CMS ENERGY CORP	CMS	6,903.25	0.05%	3.65%	6.00%	9.76%	0.0048%
CENTERPOINT ENERGY INC	CNP	8,796.75	0.06%	3.94%	5.00%	9.03%	0.0057%
CONSOL ENERGY INC	CNX	7,756.52	0.06%	1.47%	12.00%	13.56%	0.0075%
CAPITAL ONE FINANCIAL CORP	COF	31,054.55	0.22%	1.45%	8.00%	9.51%	0.0210%
CABOT OIL & GAS CORP	COG	11,649.53	N/A	0.15%	N/A	N/A	N/A
COACH INC	COH	13,618.01	0.10%	2.53%	13.51%	16.22%	0.0157%
ROCKWELL COLLINS INC	COL	8,064.46	0.06%	2.04%	8.90%	11.04%	0.0063%
CONOCOPHILLIPS	COP	70,563.70	0.50%	4.66%	6.12%	10.92%	0.0549%
COSTCO WHOLESALE CORP	COST	44,326.01	0.32%	7.08%	13.20%	20.74%	0.0655%
COVIDIEN PLC	COV	29,856.73	0.21%	1.67%	8.65%	10.39%	0.0221%
CAMPBELL SOUP CO	CPB	12,532.99	0.09%	3.05%	6.00%	9.14%	0.0082%
SALESFORCE.COM INC	CRM	25,650.23	0.18%	0.00%	26.90%	26.90%	0.0491%
COMPUTER SCIENCES CORP	CSC	7,589.37	0.05%	1.64%	8.00%	9.70%	0.0052%
CISCO SYSTEMS INC	CSCO	113,517.73	0.81%	2.64%	9.78%	12.55%	0.1015%

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CSX CORP	CSX	23,618.55	0.17%	2.56%	12.67%	15.39%	0.0259%
CINTAS CORP	CTAS	5,492.40	0.04%	1.41%	11.17%	12.66%	0.0050%
CENTURYLINK INC	CTL	21,437.22	0.15%	7.01%	3.33%	10.45%	0.0160%
COGNIZANT TECH SOLUTIONS-A	CTSH	23,420.96	0.17%	0.00%	18.09%	18.09%	0.0302%
CITRIX SYSTEMS INC	CTXS	13,671.33	0.10%	0.00%	15.44%	15.44%	0.0150%
CABLEVISION SYSTEMS-NY GRP-A	CVC	4,051.94	0.03%	3.94%	2.00%	5.98%	0.0017%
COVENTRY HEALTH CARE INC	CVH	6,176.40	0.04%	1.10%	12.33%	13.50%	0.0059%
CVS CAREMARK CORP	CVS	64,526.89	0.46%	1.64%	11.81%	13.55%	0.0623%
CHEVRON CORP	CVX	226,700.30	1.61%	3.22%	4.76%	8.05%	0.1300%
DOMINION RESOURCES INC/VA	D	31,913.84	0.23%	4.02%	6.00%	10.14%	0.0230%
DU PONT (E.I.) DE NEMOURS	DD	44,079.71	0.31%	3.66%	6.26%	10.04%	0.0315%
DEERE & CO	DE	35,121.65	0.25%	2.06%	9.25%	11.41%	0.0285%
DELL INC	DELL	24,001.38	0.17%	1.16%	8.33%	9.54%	0.0163%
DEAN FOODS CO	DF	2,997.07	0.02%	0.00%	9.13%	9.13%	0.0019%
DISCOVER FINANCIAL SERVICES	DFS	19,606.63	0.14%	1.32%	11.50%	12.90%	0.0180%
DOLLAR GENERAL CORP	DG	14,519.23	0.10%	0.00%	16.99%	16.99%	0.0176%
QUEST DIAGNOSTICS INC	DGX	9,150.17	0.07%	1.83%	10.56%	12.49%	0.0081%
DR HORTON INC	DHI	7,451.56	0.05%	0.65%	7.67%	8.34%	0.0044%
DANAHER CORP	DHR	42,350.00	0.30%	0.20%	15.00%	15.21%	0.0459%
WALT DISNEY CO/THE	DIS	100,454.48	0.72%	1.23%	12.14%	13.45%	0.0962%
DISCOVERY COMMUNICATIONS-A	DISCA	25,238.30	0.18%	0.00%	19.70%	19.70%	0.0354%
DELPHI AUTOMOTIVE PLC	DLPH	12,533.14	0.09%	0.00%	12.88%	12.88%	0.0115%
DOLLAR TREE INC	DLTR	9,135.97	0.07%	0.00%	16.14%	16.14%	0.0105%
DUN & BRADSTREET CORP	DNB	3,697.14	N/A	1.90%	N/A	N/A	N/A
DENBURY RESOURCES INC	DNR	7,263.92	0.05%	0.00%	9.10%	9.10%	0.0047%
DIAMOND OFFSHORE DRILLING	DO	10,341.07	0.07%	4.71%	20.93%	26.13%	0.0192%
DOVER CORP	DOV	12,650.28	0.09%	1.99%	14.25%	16.38%	0.0148%
DOW CHEMICAL CO/THE	DOW	38,864.83	0.28%	4.03%	6.50%	10.67%	0.0295%
DR PEPPER SNAPPLE GROUP INC	DPS	8,827.58	0.06%	3.51%	7.38%	11.02%	0.0069%
DARDEN RESTAURANTS INC	DRI	5,836.60	0.04%	4.50%	11.54%	16.30%	0.0068%
DTE ENERGY COMPANY	DTE	11,136.59	0.08%	3.75%	5.00%	8.84%	0.0070%
DIRECTV	DTV	29,735.52	0.21%	0.00%	15.90%	15.90%	0.0337%
DUKE ENERGY CORP	DUK	48,491.52	0.35%	4.49%	4.50%	9.09%	0.0314%
DAVITA HEALTHCARE PARTNERS I	DVA	11,122.69	0.08%	0.00%	12.29%	12.29%	0.0097%
DEVON ENERGY CORPORATION	DVN	24,235.20	0.17%	1.22%	6.12%	7.37%	0.0127%
ELECTRONIC ARTS INC	EA	5,314.35	0.04%	0.00%	14.70%	14.70%	0.0056%
EBAY INC	EBAY	73,259.43	0.52%	0.00%	13.38%	13.38%	0.0698%
ECOLAB INC	ECL	21,965.19	0.16%	1.07%	13.00%	14.14%	0.0221%
CONSOLIDATED EDISON INC	ED	16,696.68	0.12%	4.30%	3.49%	7.87%	0.0094%
EQUIFAX INC	EFX	6,696.65	0.05%	1.58%	11.00%	12.67%	0.0060%
EDISON INTERNATIONAL	EIX	15,296.84	0.11%	2.78%	7.28%	10.15%	0.0111%
ESTEE LAUDER COMPANIES-CL A	EL	24,679.04	0.18%	1.57%	14.02%	15.70%	0.0276%

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EMC CORP/MA	EMC	50,798.78	0.36%	0.00%	13.67%	13.67%	0.0494%
EASTMAN CHEMICAL CO	EMN	11,263.28	0.08%	1.51%	7.67%	9.24%	0.0074%
EMERSON ELECTRIC CO	EMR	42,190.70	0.30%	2.80%	10.17%	13.11%	0.0394%
EOG RESOURCES INC	EOG	35,507.08	0.25%	0.54%	11.86%	12.44%	0.0314%
EQUITY RESIDENTIAL	EQR	18,677.64	0.13%	3.31%	6.75%	10.17%	0.0135%
EQT CORP	EQT	9,020.19	0.06%	0.51%	30.00%	30.59%	0.0196%
EXPRESS SCRIPTS HOLDING CO	ESRX	46,679.00	0.33%	0.00%	15.86%	15.86%	0.0527%
ENSCO PLC-CL A	ESV	15,125.52	0.11%	2.34%	20.07%	22.64%	0.0244%
E*TRADE FINANCIAL CORP	ETFC	3,221.65	0.02%	0.00%	26.00%	26.00%	0.0060%
EATON CORP PLC	ETN	28,519.22	0.20%	2.69%	10.00%	12.82%	0.0260%
ENTERGY CORP	ETR	10,988.04	0.08%	5.39%	3.50%	8.98%	0.0070%
EDWARDS LIFESCIENCES CORP	EW	9,970.35	0.07%	0.00%	17.68%	17.68%	0.0125%
EXELON CORP	EXC	26,089.81	0.19%	4.98%	-0.52%	4.45%	0.0083%
EXPEDITORS INTL WASH INC	EXPD	8,890.08	0.06%	1.31%	7.95%	9.32%	0.0059%
EXPEDIA INC	EXPE	8,729.49	0.06%	0.68%	13.64%	14.37%	0.0089%
FORD MOTOR CO	F	48,303.02	0.34%	2.93%	8.62%	11.68%	0.0402%
FASTENAL CO	FAST	15,679.36	0.11%	0.93%	18.77%	19.78%	0.0221%
FREEMONT-MCMORAN COPPER	FCX	32,599.61	N/A	3.64%	N/A	N/A	N/A
FAMILY DOLLAR STORES	FDO	6,358.87	0.05%	1.64%	10.79%	12.51%	0.0057%
FEDEX CORP	FDX	33,656.82	0.24%	0.52%	11.14%	11.69%	0.0280%
FIRSTENERGY CORP	FE	17,213.79	0.12%	5.34%	2.50%	7.91%	0.0097%
F5 NETWORKS INC	FFIV	8,090.15	0.06%	0.00%	18.43%	18.43%	0.0106%
FIRST HORIZON NATIONAL CORP	FHN	2,589.45	0.02%	1.41%	8.33%	9.80%	0.0018%
FIDELITY NATIONAL INFORMATIO	FIS	10,804.35	0.08%	2.39%	12.86%	15.40%	0.0118%
FISERV INC	FISV	10,831.31	0.08%	0.00%	11.71%	11.71%	0.0090%
FIFTH THIRD BANCORP	FITB	14,114.43	0.10%	2.80%	7.84%	10.75%	0.0108%
FLIR SYSTEMS INC	FLIR	4,026.70	0.03%	1.22%	12.50%	13.80%	0.0040%
FLUOR CORP	FLR	10,923.02	0.08%	0.98%	10.18%	11.20%	0.0087%
FLOWSERVE CORP	FLS	7,959.49	0.06%	0.90%	12.33%	13.29%	0.0075%
FMC CORP	FMC	8,225.79	0.06%	0.89%	11.46%	12.40%	0.0073%
FOSSIL INC	FOSL	6,221.80	0.04%	0.00%	17.05%	17.05%	0.0076%
FOREST LABORATORIES INC	FRX	9,647.48	0.07%	0.00%	10.43%	10.43%	0.0072%
FIRST SOLAR INC	FSLR	3,189.57	0.02%	0.00%	9.50%	9.50%	0.0022%
FMC TECHNOLOGIES INC	FTI	12,537.87	0.09%	0.00%	15.33%	15.33%	0.0137%
FRONTIER COMMUNICATIONS CORP	FTR	4,158.52	0.03%	9.60%	2.39%	12.11%	0.0036%
AGL RESOURCES INC	GAS	4,682.05	0.03%	4.70%	5.50%	10.32%	0.0034%
GANNETT CO	GCI	4,719.83	0.03%	4.09%	4.50%	8.68%	0.0029%
GENERAL DYNAMICS CORP	GD	23,579.46	0.17%	3.17%	5.56%	8.82%	0.0148%
GENERAL ELECTRIC CO	GE	248,577.73	1.77%	3.28%	9.75%	13.19%	0.2334%
GILEAD SCIENCES INC	GILD	63,824.28	0.45%	0.00%	22.68%	22.68%	0.1031%
GENERAL MILLS INC	GIS	29,277.87	0.21%	2.90%	8.00%	11.02%	0.0230%
CORNING INC	GLW	18,979.22	0.14%	2.82%	11.50%	14.48%	0.0196%

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GAMESTOP CORP-CLASS A	GME	2,996.78	0.02%	1.10%	11.80%	12.97%	0.0028%
GENWORTH FINANCIAL INC-CL A	GNW	4,486.13	0.03%	0.00%	5.00%	5.00%	0.0016%
GOOGLE INC-CL A	GOOG	263,779.00	1.88%	0.00%	14.70%	14.70%	0.2761%
GENUINE PARTS CO	GPC	10,722.63	N/A	3.11%	N/A	N/A	N/A
GAP INC/THE	GPS	15,542.77	0.11%	1.50%	11.95%	13.54%	0.0150%
GARMIN LTD	GRMN	7,547.29	0.05%	4.52%	7.12%	11.80%	0.0063%
GOLDMAN SACHS GROUP INC	GS	76,229.60	0.54%	1.25%	10.57%	11.89%	0.0646%
GOODYEAR TIRE & RUBBER CO	GT	3,465.06	0.02%	0.00%	25.42%	25.42%	0.0063%
VW GRAINGER INC	GWW	15,916.34	0.11%	1.49%	15.03%	16.63%	0.0188%
HALLIBURTON CO	HAL	39,699.28	0.28%	1.04%	16.33%	17.45%	0.0493%
HARMAN INTERNATIONAL	HAR	2,989.84	0.02%	1.25%	17.50%	18.86%	0.0040%
HASBRO INC	HAS	5,292.56	0.04%	3.49%	9.00%	12.64%	0.0048%
HUNTINGTON BANCSHARES INC	HBAN	6,037.18	0.04%	2.55%	5.25%	7.87%	0.0034%
HUDSON CITY BANCORP INC	HCBK	4,632.41	N/A	3.65%	N/A	N/A	N/A
HEALTH CARE REIT INC	HCN	16,523.59	0.12%	4.67%	5.13%	9.92%	0.0117%
HCP INC	HCP	21,725.93	0.15%	4.36%	3.66%	8.09%	0.0125%
HOME DEPOT INC	HD	100,550.82	0.72%	1.77%	16.80%	18.72%	0.1340%
HESS CORP	HES	23,232.03	0.17%	0.59%	6.31%	6.91%	0.0114%
HARTFORD FINANCIAL SVCS GRP	HIG	10,645.91	0.08%	2.00%	9.00%	11.09%	0.0084%
HJ HEINZ CO	HNZ	23,125.89	0.16%	2.86%	7.00%	9.96%	0.0164%
HARLEY-DAVIDSON INC	HOG	11,869.49	0.08%	1.24%	13.00%	14.32%	0.0121%
HONEYWELL INTERNATIONAL INC	HON	55,147.32	0.39%	2.36%	11.00%	13.49%	0.0530%
STARWOOD HOTELS & RESORTS	HOT	12,097.67	0.09%	1.94%	12.47%	14.53%	0.0125%
HELMERICH & PAYNE	HP	7,348.50	0.05%	0.73%	9.00%	9.76%	0.0051%
HEWLETT-PACKARD CO	HPQ	33,021.11	0.24%	3.12%	3.50%	6.67%	0.0157%
H&R BLOCK INC	HRB	6,722.63	0.05%	3.23%	11.00%	14.41%	0.0069%
HORMEL FOODS CORP	HRL	9,561.22	0.07%	1.75%	8.50%	10.33%	0.0070%
HARRIS CORP	HRS	5,399.86	0.04%	3.10%	4.00%	7.16%	0.0028%
HOSPIRA INC	HSP	4,976.42	0.04%	0.00%	8.92%	8.92%	0.0032%
HOST HOTELS & RESORTS INC	HST	12,436.71	0.09%	1.67%	9.97%	11.72%	0.0104%
HERSHEY CO/THE	HSY	17,886.34	0.13%	2.04%	7.90%	10.02%	0.0128%
HUMANA INC	HUM	11,438.00	0.08%	1.47%	9.92%	11.46%	0.0093%
INTL BUSINESS MACHINES CORP	IBM	226,969.53	1.62%	1.71%	9.40%	11.19%	0.1809%
INTERCONTINENTALEXCHANGE INC	ICE	11,318.53	0.08%	0.10%	13.45%	13.56%	0.0109%
INTL FLAVORS & FRAGRANCES	IFF	6,017.09	0.04%	1.86%	6.50%	8.42%	0.0036%
INTL GAME TECHNOLOGY	IGT	4,365.24	0.03%	1.57%	14.00%	15.68%	0.0049%
INTEL CORP	INTC	104,993.60	0.75%	4.33%	10.90%	15.47%	0.1156%
INTUIT INC	INTU	18,476.72	0.13%	1.07%	13.00%	14.14%	0.0186%
INTERNATIONAL PAPER CO	IP	18,435.31	0.13%	2.88%	5.50%	8.46%	0.0111%
INTERPUBLIC GROUP OF COS INC	IPG	5,400.98	0.04%	1.93%	12.50%	14.55%	0.0056%
INGERSOLL-RAND PLC	IR	15,867.80	0.11%	1.59%	11.00%	12.68%	0.0143%
IRON MOUNTAIN INC	IRM	6,580.75	0.05%	3.03%	12.75%	15.97%	0.0075%

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INTUITIVE SURGICAL INC	ISRG	23,062.21	0.16%	0.00%	17.89%	17.89%	0.0294%
ILLINOIS TOOL WORKS	ITW	29,799.79	0.21%	2.32%	7.63%	10.04%	0.0213%
INVESCO LTD	IVZ	12,224.48	0.09%	2.76%	13.23%	16.17%	0.0141%
JABIL CIRCUIT INC	JBL	3,992.28	0.03%	1.63%	12.00%	13.72%	0.0039%
JOHNSON CONTROLS INC	JCI	22,158.32	0.16%	2.27%	12.79%	15.20%	0.0240%
J.C. PENNEY CO INC	JCP	4,330.09	0.03%	1.52%	21.25%	22.93%	0.0071%
JDS UNIPHASE CORP	JDSU	3,573.81	0.03%	0.00%	12.00%	12.00%	0.0031%
JACOBS ENGINEERING GROUP INC	JEC	6,484.99	0.05%	0.00%	10.23%	10.23%	0.0047%
JOHNSON & JOHNSON	JNJ	213,137.73	1.52%	3.23%	6.88%	10.22%	0.1552%
JUNIPER NETWORKS INC	JNPR	11,399.36	0.08%	0.00%	13.50%	13.50%	0.0110%
JOY GLOBAL INC	JOY	6,715.80	0.05%	1.12%	7.73%	8.89%	0.0043%
JPMORGAN CHASE & CO	JPM	188,336.03	1.34%	2.82%	6.98%	9.89%	0.1327%
NORDSTROM INC	JWN	11,259.31	0.08%	1.80%	12.56%	14.47%	0.0116%
KELLOGG CO	K	21,587.60	0.15%	2.99%	8.25%	11.36%	0.0175%
KEYCORP	KEY	8,841.09	0.06%	2.60%	5.00%	7.66%	0.0048%
KIMCO REALTY CORP	KIM	8,869.26	0.06%	3.84%	5.95%	9.91%	0.0063%
KLA-TENCOR CORPORATION	KLAC	9,330.69	0.07%	2.79%	10.00%	12.93%	0.0086%
KIMBERLY-CLARK CORP	KMB	36,010.01	0.26%	3.42%	7.91%	11.47%	0.0294%
KINDER MORGAN INC	KMI	42,297.88	0.30%	4.22%	7.00%	11.37%	0.0342%
CARMAX INC	KMX	9,041.95	0.06%	0.00%	12.78%	12.78%	0.0082%
COCA-COLA CO/THE	KO	168,597.22	1.20%	2.97%	8.23%	11.32%	0.1359%
KROGER CO	KR	14,531.70	0.10%	1.86%	10.05%	12.01%	0.0124%
KRAFT FOODS GROUP INC	KRFT	28,104.27	0.20%	3.50%	3.50%	7.07%	0.0141%
KOHL'S CORP	KSS	10,706.97	0.08%	2.69%	11.22%	14.05%	0.0107%
LOEWS CORP	L	17,267.31	N/A	0.57%	N/A	N/A	N/A
LEGETT & PLATT INC	LEG	4,338.31	0.03%	3.67%	15.00%	18.94%	0.0059%
LENNAR CORP-A	LEN	7,262.44	0.05%	0.36%	8.00%	8.37%	0.0043%
LABORATORY CRP OF AMER HLDGS	LH	8,544.27	0.06%	0.00%	11.50%	11.50%	0.0070%
LIFE TECHNOLOGIES CORP	LIFE	10,887.77	0.08%	0.00%	8.68%	8.68%	0.0067%
L-3 COMMUNICATIONS HOLDINGS	LLL	7,276.38	0.05%	2.78%	0.63%	3.42%	0.0018%
LINEAR TECHNOLOGY CORP	LLTC	8,888.65	0.06%	2.67%	10.07%	12.87%	0.0081%
ELI LILLY & CO	LLY	62,676.04	0.45%	3.63%	0.60%	4.24%	0.0189%
LEGG MASON INC	LM	3,689.43	0.03%	1.56%	14.63%	16.31%	0.0043%
LOCKHEED MARTIN CORP	LMT	28,404.50	0.20%	5.29%	6.60%	12.06%	0.0244%
LINCOLN NATIONAL CORP	LNC	8,420.99	0.06%	1.49%	10.00%	11.57%	0.0069%
LORILLARD INC	LO	15,944.48	0.11%	5.14%	9.32%	14.70%	0.0167%
LOWE'S COS INC	LOW	43,974.88	0.31%	1.59%	17.29%	19.02%	0.0595%
LAM RESEARCH CORP	LRCX	6,941.95	0.05%	0.00%	11.00%	11.00%	0.0054%
LSI CORP	LSI	3,984.54	0.03%	0.00%	15.33%	15.33%	0.0044%
LIMITED BRANDS INC	LTD	12,818.12	0.09%	8.40%	12.02%	20.93%	0.0191%
LEUCADIA NATIONAL CORP	LUK	6,652.65	N/A	0.00%	N/A	N/A	N/A
SOUTHWEST AIRLINES CO	LUV	8,496.89	0.06%	0.21%	15.16%	15.39%	0.0093%

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LYONDELLBASELL INDU-CL A	LYB	34,943.98	0.25%	2.70%	9.50%	12.33%	0.0307%
MACY'S INC	M	15,664.78	0.11%	2.02%	9.43%	11.55%	0.0129%
MASTERCARD INC-CLASS A	MA	64,281.47	0.46%	0.23%	19.00%	19.25%	0.0881%
MARRIOTT INTERNATIONAL -CL A	MAR	12,867.72	0.09%	1.20%	15.15%	16.44%	0.0151%
MASCO CORP	MAS	7,081.43	0.05%	1.52%	10.00%	11.60%	0.0058%
MATTEL INC	MAT	14,116.48	0.10%	3.34%	9.00%	12.49%	0.0126%
MCDONALD'S CORP	MCD	94,193.09	0.67%	3.36%	9.89%	13.42%	0.0900%
MICROCHIP TECHNOLOGY INC	MCHP	7,228.42	N/A	3.81%	N/A	N/A	N/A
MCKESSON CORP	MCK	24,341.60	0.17%	0.74%	14.33%	15.12%	0.0262%
MOODY'S CORP	MCO	10,700.54	0.08%	1.64%	15.00%	16.76%	0.0128%
MONDELEZ INTERNATIONAL INC-A	MDLZ	47,945.84	0.34%	1.96%	9.87%	11.92%	0.0407%
MEDTRONIC INC	MDT	46,310.07	0.33%	2.31%	6.75%	9.14%	0.0301%
METLIFE INC	MET	40,174.56	0.29%	2.80%	8.00%	10.92%	0.0312%
MCGRAW-HILL COMPANIES INC	MHP	12,718.50	0.09%	2.38%	8.50%	10.98%	0.0099%
MEAD JOHNSON NUTRITION CO	MJN	16,227.64	0.12%	1.68%	10.80%	12.57%	0.0145%
MCCORMICK & CO-NON VTG SHRS	MKC	8,647.15	N/A	2.09%	N/A	N/A	N/A
MARSH & MCLENNAN COS	MMC	19,734.45	0.14%	2.56%	12.00%	14.71%	0.0207%
3M CO	MMM	71,896.98	0.51%	2.43%	11.67%	14.24%	0.0729%
MONSTER BEVERAGE CORP	MNST	8,538.59	0.06%	0.00%	17.00%	17.00%	0.0103%
ALTRIA GROUP INC	MO	70,169.93	0.50%	5.32%	7.52%	13.04%	0.0651%
MOLEX INC	MOLX	4,572.10	0.03%	3.16%	12.50%	15.86%	0.0052%
MONSANTO CO	MON	54,792.27	0.39%	1.26%	12.16%	13.50%	0.0527%
MOSAIC CO/THE	MOS	26,294.90	0.19%	1.62%	6.32%	7.99%	0.0150%
MARATHON PETROLEUM CORP	MPC	28,203.08	0.20%	1.89%	7.59%	9.55%	0.0192%
MERCK & CO. INC.	MRK	127,926.23	0.91%	4.05%	4.50%	8.64%	0.0787%
MARATHON OIL CORP	MRO	25,226.16	0.18%	1.95%	17.64%	19.75%	0.0355%
MORGAN STANLEY	MS	47,640.34	0.34%	1.00%	11.67%	12.72%	0.0432%
MICROSOFT CORP	MSFT	234,534.86	1.67%	3.24%	9.17%	12.56%	0.2097%
MOTOROLA SOLUTIONS INC	MSI	17,072.33	0.12%	1.87%	12.00%	13.98%	0.0170%
M & T BANK CORP	MTB	13,563.31	0.10%	2.67%	16.54%	19.43%	0.0188%
MICRON TECHNOLOGY INC	MU	8,245.77	0.06%	0.00%	14.04%	14.04%	0.0082%
MURPHY OIL CORP	MUR	12,035.36	0.09%	2.01%	20.00%	22.21%	0.0190%
MEADWESTVACO CORP	MWV	6,125.01	0.04%	2.89%	10.00%	13.04%	0.0057%
MYLAN INC	MYL	11,842.76	0.08%	0.00%	10.79%	10.79%	0.0091%
NOBLE ENERGY INC	NBL	20,248.39	0.14%	0.83%	7.00%	7.86%	0.0113%
NABORS INDUSTRIES LTD	NBR	5,209.49	0.04%	0.00%	9.00%	9.00%	0.0033%
NASDAQ OMX GROUP/THE	NDAQ	5,187.28	0.04%	1.68%	9.10%	10.86%	0.0040%
NOBLE CORP	NE	9,977.40	0.07%	1.57%	13.67%	15.34%	0.0109%
NEXTERA ENERGY INC	NEE	30,889.81	0.22%	3.59%	5.33%	9.02%	0.0198%
NEWMONT MINING CORP	NEM	21,429.81	0.15%	3.33%	-3.00%	0.28%	0.0004%
NETFLIX INC	NFLX	10,867.21	0.08%	0.00%	25.20%	25.20%	0.0195%
NEWFIELD EXPLORATION CO	NFX	3,640.50	0.03%	0.00%	11.50%	11.50%	0.0030%

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NISOURCE INC	NI	8,394.36	N/A	3.65%	N/A	N/A	N/A
NIKE INC -CL B	NKE	48,975.95	0.35%	1.49%	12.30%	13.88%	0.0484%
NORTHROP GRUMMAN CORP	NOC	15,650.35	0.11%	3.54%	3.33%	6.93%	0.0077%
NATIONAL OILWELL VARCO INC	NOV	29,798.00	0.21%	0.72%	11.33%	12.10%	0.0257%
NRG ENERGY INC	NRG	7,857.35	N/A	0.54%	N/A	N/A	N/A
NORFOLK SOUTHERN CORP	NSC	22,739.54	0.16%	2.78%	15.00%	17.99%	0.0291%
NETAPP INC	NTAP	13,005.71	0.09%	0.00%	12.83%	12.83%	0.0119%
NORTHERN TRUST CORP	NTRS	12,822.57	0.09%	2.38%	8.08%	10.55%	0.0096%
NORTHEAST UTILITIES	NU	12,981.55	0.09%	3.21%	7.25%	10.57%	0.0098%
NUCOR CORP	NUE	15,167.23	0.11%	3.08%	7.33%	10.52%	0.0114%
NVIDIA CORP	NVDA	7,838.75	0.06%	2.42%	13.00%	15.57%	0.0087%
NEWELL RUBBERMAID INC	NWL	6,896.65	0.05%	2.54%	8.87%	11.53%	0.0057%
NEWS CORP-CL A	NWSA	69,147.02	0.49%	0.56%	13.00%	13.60%	0.0670%
NYSE EURONEXT	NYX	9,090.63	0.06%	3.21%	10.00%	13.37%	0.0087%
OWENS-ILLINOIS INC	OI	4,366.04	0.03%	0.00%	7.00%	7.00%	0.0022%
ONEOK INC	OKE	9,766.18	0.07%	2.71%	10.50%	13.36%	0.0093%
OMNICOM GROUP	OMC	15,124.34	0.11%	2.65%	6.00%	8.73%	0.0094%
ORACLE CORP	ORCL	166,978.66	1.19%	0.73%	13.56%	14.34%	0.1705%
O'REILLY AUTOMOTIVE INC	ORLY	11,499.68	0.08%	0.00%	16.68%	16.68%	0.0137%
OCCIDENTAL PETROLEUM CORP	OXY	69,619.10	0.50%	2.71%	8.00%	10.82%	0.0536%
PAYCHEX INC	PAYX	12,322.71	0.09%	3.84%	9.57%	13.59%	0.0119%
PEOPLE'S UNITED FINANCIAL	PBCT	4,323.07	0.03%	4.91%	7.00%	12.08%	0.0037%
PITNEY BOWES INC	PBI	2,714.16	N/A	11.02%	N/A	N/A	N/A
PACCAR INC	PCAR	17,101.03	0.12%	2.63%	10.25%	13.02%	0.0158%
P G & E CORP	PCG	18,485.03	0.13%	4.25%	2.73%	7.04%	0.0093%
PLUM CREEK TIMBER CO	PCL	7,760.55	0.06%	3.50%	5.00%	8.59%	0.0047%
PRICELINE.COM INC	PCLN	35,026.50	0.25%	0.00%	18.17%	18.17%	0.0453%
PRECISION CASTPARTS CORP	PCP	27,158.16	0.19%	0.07%	13.96%	14.03%	0.0271%
METROPCS COMMUNICATIONS INC	PCS	3,750.27	0.03%	0.00%	12.90%	12.90%	0.0034%
PATTERSON COS INC	PDCO	4,034.66	0.03%	1.52%	12.33%	13.95%	0.0040%
PUBLIC SERVICE ENTERPRISE GP	PEG	15,885.81	0.11%	4.52%	0.00%	4.52%	0.0051%
PEPSICO INC	PEP	116,493.53	0.83%	2.99%	7.58%	10.68%	0.0886%
PETSMART INC	PETM	6,814.99	0.05%	0.96%	18.08%	19.13%	0.0093%
PFIZER INC	PFE	203,126.05	1.45%	3.47%	3.81%	7.35%	0.1064%
PRINCIPAL FINANCIAL GROUP	PFG	9,421.15	0.07%	2.81%	11.50%	14.47%	0.0097%
PROCTER & GAMBLE CO/THE	PG	211,539.06	1.51%	2.94%	8.83%	11.89%	0.1792%
PROGRESSIVE CORP	PGR	14,770.38	0.11%	1.46%	8.25%	9.77%	0.0103%
PARKER HANNIFIN CORP	PH	14,469.85	0.10%	1.73%	7.57%	9.36%	0.0096%
PULTEGROUP INC	PHM	7,681.71	0.05%	0.00%	10.00%	10.00%	0.0055%
PERKINELMER INC	PKI	3,900.23	0.03%	0.82%	10.65%	11.52%	0.0032%
PROLOGIS INC	PLD	18,173.68	0.13%	2.88%	4.40%	7.34%	0.0095%
PALL CORP	PLL	7,613.10	0.05%	1.26%	14.08%	15.42%	0.0084%

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PHILIP MORRIS INTERNATIONAL	PM	151,552.56	1.08%	3.99%	11.51%	15.72%	0.1697%
PNC FINANCIAL SERVICES GROUP	PNC	33,707.52	0.24%	2.77%	3.64%	6.46%	0.0155%
PENTAIR LTD-REGISTERED	PNR	11,120.26	0.08%	1.75%	12.50%	14.36%	0.0114%
PINNACLE WEST CAPITAL	PNW	6,036.78	0.04%	3.85%	5.00%	8.95%	0.0038%
PEPCO HOLDINGS INC	POM	4,598.62	0.03%	5.39%	5.00%	10.52%	0.0034%
PPG INDUSTRIES INC	PPG	19,406.22	0.14%	1.77%	8.00%	9.84%	0.0136%
PPL CORPORATION	PPL	17,724.58	0.13%	4.80%	0.33%	5.14%	0.0065%
PERRIGO CO	PRGO	10,732.64	0.08%	0.26%	12.40%	12.67%	0.0097%
PRUDENTIAL FINANCIAL INC	PRU	26,981.40	0.19%	3.06%	12.00%	15.25%	0.0293%
PUBLIC STORAGE	PSA	27,390.91	0.20%	2.89%	5.72%	8.69%	0.0169%
PHILLIPS 66	PSX	40,245.61	0.29%	1.93%	7.50%	9.51%	0.0272%
PVH CORP	PVH	9,382.58	0.07%	0.09%	14.18%	14.28%	0.0095%
QUANTA SERVICES INC	PWR	6,382.99	0.05%	0.00%	17.87%	17.87%	0.0081%
PRAXAIR INC	PX	32,880.01	0.23%	2.16%	10.25%	12.52%	0.0293%
PIONEER NATURAL RESOURCES CO	PXD	16,356.35	0.12%	0.07%	15.98%	16.05%	0.0187%
QUALCOMM INC	QCOM	112,434.42	0.80%	1.46%	15.14%	16.72%	0.1338%
QEP RESOURCES INC	QEP	5,398.72	0.04%	0.26%	15.00%	15.28%	0.0059%
RYDER SYSTEM INC	R	2,961.50	0.02%	2.13%	9.90%	12.14%	0.0026%
REYNOLDS AMERICAN INC	RAI	24,296.54	0.17%	5.70%	7.32%	13.22%	0.0229%
ROWAN COMPANIES PLC-A	RDC	4,523.15	0.03%	0.00%	25.53%	25.53%	0.0082%
REGIONS FINANCIAL CORP	RF	11,134.46	0.08%	1.62%	8.00%	9.69%	0.0077%
ROBERT HALF INTL INC	RHI	5,149.42	0.04%	1.75%	14.33%	16.21%	0.0059%
RED HAT INC	RHT	10,451.82	0.07%	0.00%	17.00%	17.00%	0.0127%
RALPH LAUREN CORP	RL	16,108.37	0.11%	0.86%	12.00%	12.91%	0.0148%
ROCKWELL AUTOMATION INC	ROK	12,708.16	0.09%	2.09%	10.33%	12.53%	0.0113%
ROPER INDUSTRIES INC	ROP	11,969.39	0.09%	0.61%	15.00%	15.66%	0.0133%
ROSS STORES INC	ROST	13,249.44	0.09%	1.00%	13.20%	14.27%	0.0135%
RANGE RESOURCES CORP	RRC	11,658.88	0.08%	0.22%	10.00%	10.23%	0.0085%
REPUBLIC SERVICES INC	RSG	11,255.01	0.08%	3.03%	2.30%	5.37%	0.0043%
RAYTHEON COMPANY	RTN	17,652.54	0.13%	4.08%	9.00%	13.26%	0.0167%
SPRINT NEXTEL CORP	S	17,637.08	0.13%	0.00%	5.00%	5.00%	0.0063%
SAIC INC	SAI	4,205.02	0.03%	3.93%	3.75%	7.75%	0.0023%
STARBUCKS CORP	SBUX	40,773.16	0.29%	1.57%	18.49%	20.20%	0.0587%
SCANA CORP	SCG	6,399.85	0.05%	4.08%	4.50%	8.67%	0.0040%
SCHWAB (CHARLES) CORP	SCHW	21,612.92	0.15%	1.46%	18.39%	19.98%	0.0308%
SPECTRA ENERGY CORP	SE	19,797.15	0.14%	4.18%	5.50%	9.80%	0.0138%
SEALED AIR CORP	SEE	4,483.54	N/A	2.22%	N/A	N/A	N/A
SHERWIN-WILLIAMS CO/THE	SHW	16,887.90	0.12%	1.07%	11.09%	12.22%	0.0147%
SIGMA-ALDRICH	SIAL	9,336.89	0.07%	1.11%	6.64%	7.79%	0.0052%
JM SMUCKER CO/THE	SJM	9,969.99	0.07%	2.24%	7.33%	9.65%	0.0069%
SCHLUMBERGER LTD	SLB	105,822.13	0.75%	1.53%	17.00%	18.65%	0.1406%
SLM CORP	SLM	8,647.77	0.06%	3.00%	-4.30%	-1.37%	-0.0008%

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SNAP-ON INC	SNA	4,638.99	0.03%	0.00%	10.00%	10.00%	0.0033%
SANDISK CORP	SNDK	12,505.30	0.09%	0.00%	19.01%	19.01%	0.0169%
SCRIPPS NETWORKS INTER-CL A	SNI	9,260.80	0.07%	0.81%	13.29%	14.15%	0.0093%
SOUTHERN CO/THE	SO	38,862.73	0.28%	4.53%	5.28%	9.93%	0.0275%
SIMON PROPERTY GROUP INC	SPG	49,763.19	0.35%	2.92%	6.92%	9.94%	0.0352%
STAPLES INC	SPLS	9,562.38	0.07%	3.03%	8.83%	12.00%	0.0082%
STERICYCLE INC	SRCL	8,321.83	0.06%	0.00%	16.00%	16.00%	0.0095%
SEMPRA ENERGY	SRE	18,487.14	0.13%	3.10%	7.00%	10.20%	0.0134%
SUNTRUST BANKS INC	STI	14,923.78	0.11%	1.73%	8.25%	10.05%	0.0107%
ST JUDE MEDICAL INC	STJ	12,878.73	0.09%	2.37%	10.17%	12.66%	0.0116%
STATE STREET CORP	STT	26,703.23	0.19%	1.90%	11.14%	13.14%	0.0250%
SEAGATE TECHNOLOGY	STX	12,895.20	0.09%	4.23%	6.09%	10.45%	0.0096%
CONSTELLATION BRANDS INC-A	STZ	7,926.99	0.06%	0.00%	11.80%	11.80%	0.0067%
STANLEY BLACK & DECKER INC	SWK	13,350.94	0.10%	2.48%	12.50%	15.13%	0.0144%
SOUTHWESTERN ENERGY CO	SWN	11,621.22	N/A	0.00%	N/A	N/A	N/A
SAFEMART INC	SWY	4,945.34	0.04%	3.22%	10.87%	14.26%	0.0050%
STRYKER CORP	SYK	24,169.35	0.17%	1.56%	9.88%	11.51%	0.0198%
SYMANTEC CORP	SYMC	15,510.19	0.11%	0.00%	7.14%	7.14%	0.0079%
SYSCO CORP	SYI	18,845.46	0.13%	3.49%	8.60%	12.24%	0.0164%
AT&T INC	T	202,321.59	1.44%	5.08%	5.75%	10.97%	0.1581%
MOLSON COORS BREWING CO -B	TAP	8,136.46	0.06%	3.05%	7.83%	11.00%	0.0064%
TERADATA CORP	TDC	10,676.97	0.08%	0.00%	16.00%	16.00%	0.0122%
TECO ENERGY INC	TE	3,707.92	0.03%	5.18%	3.67%	8.94%	0.0024%
INTEGRYS ENERGY GROUP INC	TEG	4,410.74	0.03%	4.83%	5.33%	10.29%	0.0032%
TE CONNECTIVITY LTD	TEL	17,323.15	0.12%	2.21%	15.00%	17.37%	0.0214%
TERADYNE INC	TER	3,262.99	0.02%	1.15%	11.75%	12.97%	0.0030%
TARGET CORP	TGT	40,030.36	0.29%	2.16%	11.78%	14.07%	0.0401%
TENET HEALTHCARE CORP	THC	4,290.96	0.03%	0.00%	11.00%	11.00%	0.0034%
TIFFANY & CO	TIF	8,249.19	0.06%	1.93%	14.32%	16.39%	0.0096%
TJX COMPANIES INC	TJX	32,736.15	0.23%	1.01%	11.87%	12.94%	0.0302%
TORCHMARK CORP	TMK	5,372.10	0.04%	1.14%	9.00%	10.19%	0.0039%
THERMO FISHER SCIENTIFIC INC	TMO	26,915.26	0.19%	0.80%	10.51%	11.36%	0.0218%
TRIPADVISOR INC	TRIP	6,267.85	0.04%	0.00%	16.34%	16.34%	0.0073%
T ROWE PRICE GROUP INC	TROW	18,995.89	0.14%	2.01%	14.15%	16.31%	0.0221%
TRAVELERS COS INC/THE	TRV	30,482.05	0.22%	2.37%	6.73%	9.19%	0.0199%
TYSON FOODS INC-CL A	TSN	8,554.92	0.06%	0.99%	7.33%	8.36%	0.0051%
TESORO CORP	TSO	7,673.38	0.05%	1.34%	38.82%	40.42%	0.0221%
TOTAL SYSTEM SERVICES INC	TSS	4,372.00	0.03%	1.66%	10.50%	12.25%	0.0038%
TIME WARNER CABLE	TWC	25,691.97	0.18%	3.00%	12.80%	15.99%	0.0293%
TIME WARNER INC	TWX	49,908.60	0.36%	2.13%	10.52%	12.77%	0.0454%
TEXAS INSTRUMENTS INC	TXN	37,899.95	0.27%	2.49%	9.33%	11.94%	0.0322%
TEXTRON INC	TXT	8,024.13	0.06%	0.29%	22.50%	22.83%	0.0130%

Company	Ticker	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
TYCO INTERNATIONAL LTD	TYC	14,982.49	0.11%	1.97%	11.00%	13.08%	0.0140%
UNITEDHEALTH GROUP INC	UNH	57,631.55	0.41%	1.58%	11.50%	13.17%	0.0540%
UNUM GROUP	UNM	6,682.17	0.05%	2.24%	9.50%	11.84%	0.0056%
UNION PACIFIC CORP	UNP	64,242.30	0.46%	1.99%	12.65%	14.77%	0.0675%
UNITED PARCEL SERVICE-CL B	UPS	80,902.02	0.58%	2.88%	9.73%	12.75%	0.0735%
URBAN OUTFITTERS INC	URBN	6,093.23	0.04%	0.00%	18.67%	18.67%	0.0081%
US BANCORP	USB	63,537.30	0.45%	2.60%	8.06%	10.76%	0.0487%
UNITED TECHNOLOGIES CORP	UTX	83,515.06	0.59%	2.42%	12.15%	14.71%	0.0875%
VISA INC-CLASS A SHARES	V	103,919.55	0.74%	0.80%	18.71%	19.59%	0.1450%
VARIAN MEDICAL SYSTEMS INC	VAR	7,713.21	0.05%	0.00%	11.75%	11.75%	0.0065%
VF CORP	VFC	17,749.68	0.13%	2.15%	12.67%	14.95%	0.0189%
VIACOM INC-CLASS B	VIAB	29,821.97	0.21%	1.90%	12.67%	14.69%	0.0312%
VALERO ENERGY CORP	VLO	26,232.26	0.19%	1.61%	7.85%	9.52%	0.0178%
VULCAN MATERIALS CO	VMC	7,126.51	0.05%	0.07%	9.67%	9.74%	0.0049%
VORNADO REALTY TRUST	VNO	15,918.96	0.11%	3.23%	-3.01%	0.17%	0.0002%
VERISIGN INC	VRSN	7,171.30	0.05%	0.00%	13.80%	13.80%	0.0070%
VENTAS INC	VTR	20,112.01	0.14%	3.87%	4.94%	8.90%	0.0128%
VERIZON COMMUNICATIONS INC	VZ	127,368.45	0.91%	4.66%	7.15%	11.97%	0.1086%
WALGREEN CO	WAG	39,269.10	0.28%	2.44%	12.31%	14.90%	0.0417%
WATERS CORP	WAT	8,075.42	0.06%	0.00%	9.57%	9.57%	0.0055%
WESTERN DIGITAL CORP	WDC	11,734.84	0.08%	1.90%	2.49%	4.42%	0.0037%
WISCONSIN ENERGY CORP	WEC	9,232.71	0.07%	3.37%	4.80%	8.25%	0.0054%
WELLS FARGO & CO	WFC	185,315.83	1.32%	2.89%	11.08%	14.13%	0.1864%
WHOLE FOODS MARKET INC	WFM	16,185.04	0.12%	2.70%	18.09%	21.03%	0.0242%
WHIRLPOOL CORP	WHR	8,597.39	N/A	1.81%	N/A	N/A	N/A
WINDSTREAM CORP	WIN	5,357.84	0.04%	10.98%	4.57%	15.79%	0.0060%
WELLPOINT INC	WLP	18,978.46	0.14%	1.91%	10.83%	12.85%	0.0174%
WASTE MANAGEMENT INC	WM	16,970.50	0.12%	4.04%	3.10%	7.20%	0.0087%
WILLIAMS COS INC	WMB	23,834.96	0.17%	3.46%	13.00%	16.68%	0.0283%
WAL-MART STORES INC	WMT	230,988.69	1.64%	2.33%	10.02%	12.47%	0.2051%
WASHINGTON POST-CLASS B	WPO	3,102.22	N/A	0.00%	N/A	N/A	N/A
WPX ENERGY INC	WPX	2,985.86	N/A	0.00%	N/A	N/A	N/A
WESTERN UNION CO	WU	8,507.22	0.06%	3.49%	10.20%	13.87%	0.0084%
WEYERHAEUSER CO	WY	16,576.30	0.12%	2.23%	5.33%	7.62%	0.0090%
WYNDHAM WORLDWIDE CORP	WYN	7,993.13	0.06%	1.98%	19.60%	21.78%	0.0124%
WYNN RESORTS LTD	WYNN	12,095.95	0.09%	3.33%	9.00%	12.48%	0.0107%
UNITED STATES STEEL CORP	X	3,350.24	0.02%	0.86%	6.00%	6.89%	0.0016%
XCEL ENERGY INC	XEL	13,833.77	0.10%	3.90%	5.00%	9.00%	0.0089%
XL GROUP PLC	XL	8,600.52	0.06%	1.59%	8.33%	9.99%	0.0061%
XILINX INC	XLNX	10,211.37	0.07%	2.25%	12.75%	15.14%	0.0110%
EXXON MOBIL CORP	XOM	406,283.03	2.89%	2.66%	3.08%	5.78%	0.1673%
DENTSPLY INTERNATIONAL INC	XRAY	6,161.12	0.04%	0.49%	11.50%	12.02%	0.0053%

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Company	Ticker	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
XEROX CORP	XRX	9,790.18	0.07%	2.58%	10.00%	12.70%	0.0089%
XYLEM INC	XYL	5,341.58	0.04%	1.62%	5.00%	6.66%	0.0025%
YAHOO! INC	YHOO	25,285.87	0.18%	0.00%	13.83%	13.83%	0.0249%
YUM! BRANDS INC	YUM	29,251.86	0.21%	2.13%	12.18%	14.43%	0.0301%
ZIONS BANCORPORATION	ZION	4,522.09	0.03%	0.62%	7.75%	8.39%	0.0027%
ZIMMER HOLDINGS INC	ZMH	13,175.75	0.09%	0.70%	10.65%	11.39%	0.0107%
Total Market Capitalization:		14,042,969.33					13.00%

Notes:

[1] Equals sum of Col. [9]

[2] Source: Bloomberg Professional

[3] Equals [1] - [2]

[4] Source: Bloomberg Professional

[5] Equals weight in S&P 500 based on market capitalization

[6] Source: Bloomberg Professional

[7] Source: Bloomberg Professional

[8] Equals $([6] \times (1 + (0.5 \times [7]))) + [7]$

[9] Equals Col. [5] x Col. [8]

**Ex-Ante Market Risk Premium
Market DCF Method Based - Capital IQ**

[1] S&P 500	[2] Current 30-Year	[3] Implied Market
Est. Required Market Return	Treasury (30-day average)	Risk Premium
12.93%	3.12%	9.81%

[4] Company (Ticker)	[5] Market Capitalization	[6] Weight in Index	[7] Estimated Dividend Yield	[8] Long-Term Growth Est.	[9] DCF Result	[10] Weighted DCF Result
3M Company (NYSE:MMM)	71,227.70	0.50%	2.46%	10.40%	12.99%	0.06%
Abbott Laboratories (NYSE:ABT)	55,099.30	0.38%	1.60%	11.70%	13.39%	0.05%
AbbVie Inc. (NYSE:ABBV)	59,401.60	0.41%	4.26%	1.48%	5.77%	0.02%
Abercrombie & Fitch Co. (NYSE:ANF)	4,054.50	0.03%	1.37%	20.30%	21.81%	0.01%
Accenture plc (NYSE:ACN)	47,783.80	0.33%	2.18%	10.90%	13.20%	0.04%
ACE Limited (NYSE:ACE)	29,437.90	0.21%	2.27%	7.79%	10.15%	0.02%
Actavis, Inc. (NYSE:ACT)	10,890.00	0.08%	0.00%	15.60%	15.60%	0.01%
Adobe Systems Inc. (NasdaqGS:ADBE)	19,270.80	0.13%	0.00%	11.80%	11.80%	0.02%
Advanced Micro Devices, Inc. (NYSE:AMD)	1,929.40	0.01%	0.00%	9.50%	9.50%	0.00%
Aetna Inc. (NYSE:AET)	16,461.80	0.11%	1.63%	10.60%	12.32%	0.01%
AFLAC Inc. (NYSE:AFL)	23,080.60	0.16%	2.84%	9.95%	12.93%	0.02%
Agilent Technologies Inc. (NYSE:A)	14,659.40	0.10%	1.14%	9.87%	11.07%	0.01%
AGL Resources Inc. (NYSE:GAS)	4,684.40	0.03%	4.73%	3.80%	8.62%	0.00%
Air Products & Chemicals Inc. (NYSE:APD)	18,318.70	0.13%	2.90%	9.78%	12.82%	0.02%
Airgas, Inc. (NYSE:ARG)	7,470.20	0.05%	1.63%	14.10%	15.84%	0.01%
Akamai Technologies, Inc. (NasdaqGS:AKAM)	6,830.70	0.05%	0.00%	14.40%	14.40%	0.01%
Alcoa Inc. (NYSE:AA)	9,946.40	0.07%	1.29%	8.22%	9.56%	0.01%
Alexion Pharmaceuticals, Inc. (NasdaqGS:ALXN)	16,710.50	0.12%	0.00%	33.70%	33.70%	0.04%
Allegheny Technologies Inc. (NYSE:ATI)	3,628.40	0.03%	2.13%	15.00%	17.29%	0.00%
Allergan Inc. (NYSE:AGN)	33,219.90	0.23%	0.19%	13.20%	13.40%	0.03%
Altera Corp. (NasdaqGS:ALTR)	11,429.50	0.08%	1.12%	13.20%	14.39%	0.01%
Altria Group Inc. (NYSE:MO)	68,868.60	0.48%	5.12%	8.08%	13.41%	0.06%
Amazon.com Inc. (NasdaqGS:AMZN)	120,496.90	0.84%	0.00%	45.30%	45.30%	0.38%
Ameren Corporation (NYSE:AEE)	8,038.50	0.06%	4.83%	-3.07%	1.69%	0.00%
American Electric Power Co., Inc. (NYSE:AEP)	21,899.30	0.15%	4.17%	3.15%	7.39%	0.01%
American Express Company (NYSE:AXP)	68,167.50	0.47%	1.30%	12.30%	13.68%	0.06%
American International Group, Inc. (NYSE:AIG)	56,616.60	0.39%	0.00%	19.50%	19.50%	0.08%
American Tower Corporation (NYSE:AMT)	29,722.60	0.21%	1.28%	18.60%	20.00%	0.04%
Ameriprise Financial Inc. (NYSE:AMP)	14,022.20	0.10%	2.62%	14.20%	17.01%	0.02%
AmerisourceBergen Corporation (NYSE:ABC)	10,726.00	0.07%	1.80%	12.20%	14.11%	0.01%
Amgen Inc. (NasdaqGS:AMGN)	63,209.20	0.44%	2.25%	9.09%	11.44%	0.05%
Amphenol Corporation (NYSE:APH)	11,291.30	0.08%	0.60%	12.50%	13.13%	0.01%

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Anadarko Petroleum Corporation (NYSE:APC)	41,020.20	0.29%	0.44%	1.45%	1.89%	0.01%
Analog Devices, Inc. (NasdaqGS:ADI)	14,094.20	0.10%	2.60%	12.80%	15.57%	0.02%
Aon plc (NYSE:AON)	18,164.00	0.13%	1.11%	9.22%	10.38%	0.01%
Apache Corp. (NYSE:APA)	30,125.20	0.21%	1.04%	4.89%	5.96%	0.01%
Apartment Investment & Management Co. (NYSE:AIV)	4,238.30	0.03%	3.30%	8.99%	12.44%	0.00%
Apollo Group Inc. (NasdaqGS:APOL)	2,139.40	0.01%	0.00%	9.26%	9.26%	0.00%
Apple Inc. (NasdaqGS:AAPL)	432,116.90	3.01%	2.30%	18.40%	20.91%	0.63%
Applied Materials, Inc. (NasdaqGS:AMAT)	16,481.30	0.11%	2.62%	9.00%	11.74%	0.01%
Archer Daniels Midland Company (NYSE:ADM)	21,449.50	0.15%	2.33%	10.00%	12.45%	0.02%
Assurant Inc. (NYSE:AIZ)	3,293.20	0.02%	2.01%	8.60%	10.70%	0.00%
AT&T, Inc. (NYSE:T)	197,344.20	1.37%	5.09%	5.99%	11.23%	0.15%
Autodesk, Inc. (NasdaqGS:ADSK)	8,763.30	0.06%	0.00%	12.70%	12.70%	0.01%
Automatic Data Processing, Inc. (NasdaqGS:ADP)	29,692.70	0.21%	2.84%	9.70%	12.68%	0.03%
AutoNation Inc. (NYSE:AN)	5,569.00	0.04%	0.00%	19.50%	19.50%	0.01%
AutoZone, Inc. (NYSE:AZO)	13,576.90	0.09%	0.00%	15.30%	15.30%	0.01%
Avalonbay Communities Inc. (NYSE:AVB)	14,902.10	0.10%	3.29%	9.57%	13.02%	0.01%
Avery Dennison Corporation (NYSE:AVY)	3,956.80	0.03%	2.72%	10.40%	13.26%	0.00%
Avon Products Inc. (NYSE:AVP)	8,889.60	0.06%	1.17%	15.80%	17.06%	0.01%
Baker Hughes Incorporated (NYSE:BHI)	20,579.40	0.14%	1.29%	18.60%	20.01%	0.03%
Ball Corporation (NYSE:BLL)	7,006.40	0.05%	1.14%	11.30%	12.50%	0.01%
Bank of America Corporation (NYSE:BAC)	129,662.50	0.90%	0.33%	8.80%	9.15%	0.08%
Baxter International Inc. (NYSE:BAX)	37,451.10	0.26%	2.64%	8.78%	11.54%	0.03%
BB&T Corporation (NYSE:BBT)	21,180.80	0.15%	3.04%	7.88%	11.04%	0.02%
Beam, Inc. (NYSE:BEAM)	9,785.40	0.07%	1.46%	12.10%	13.65%	0.01%
Becton, Dickinson and Company (NYSE:BDX)	17,163.60	0.12%	2.24%	7.67%	10.00%	0.01%
Bed Bath & Beyond Inc. (NasdaqGS:BBBY)	12,810.10	0.09%	0.00%	14.60%	14.60%	0.01%
Bemis Company, Inc. (NYSE:BMS)	3,833.10	0.03%	2.80%	8.12%	11.03%	0.00%
Berkshire Hathaway Inc. (NYSE:BRK.A)	246,369.30	1.72%	0.00%	5.00%	5.00%	0.09%
Best Buy Co., Inc. (NYSE:BBY)	5,679.60	0.04%	4.03%	-14.60%	-10.86%	0.00%
Biogen Idec Inc. (NasdaqGS:BIIB)	39,875.30	0.28%	0.00%	16.10%	16.10%	0.04%
BlackRock, Inc. (NYSE:BLK)	41,596.80	0.29%	2.77%	11.30%	14.23%	0.04%
BMC Software Inc. (NasdaqGS:BMC)	5,911.30	0.04%	0.00%	12.90%	12.90%	0.01%
BorgWarner Inc. (NYSE:BWA)	8,801.30	0.06%	0.00%	25.60%	25.60%	0.02%
Boston Properties Inc. (NYSE:BOX)	16,253.10	0.11%	2.43%	5.71%	8.21%	0.01%
Boston Scientific Corporation (NYSE:BSX)	10,352.30	0.07%	0.00%	8.07%	8.07%	0.01%
Bristol-Myers Squibb Company (NYSE:BMJ)	59,894.40	0.42%	3.83%	6.94%	10.90%	0.05%
Broadcom Corp. (NasdaqGS:BRCM)	19,596.40	0.14%	1.28%	15.00%	16.38%	0.02%
Brown-Forman Corporation (NYSE:BF.B)	14,089.70	0.10%	1.56%	12.30%	13.96%	0.01%
CA Technologies (NasdaqGS:CA)	11,420.90	0.08%	3.99%	7.50%	11.64%	0.01%
Cablevision Systems Corporation (NYSE:CVC)	3,986.90	0.03%	3.96%	8.10%	12.22%	0.00%
Cabot Oil & Gas Corporation (NYSE:COG)	11,396.30	0.08%	0.15%	35.00%	35.17%	0.03%
Cameron International Corporation (NYSE:CAM)	15,932.80	0.11%	0.00%	21.90%	21.90%	0.02%
Campbell Soup Co. (NYSE:CPB)	12,388.00	0.09%	2.94%	6.58%	9.62%	0.01%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Capital One Financial Corp. (NYSE:COF)	24,593.70	0.17%	0.37%	7.18%	7.56%	0.01%
Cardinal Health, Inc. (NYSE:CAH)	15,918.20	0.11%	2.36%	10.60%	13.09%	0.01%
CareFusion Corporation (NYSE:CFN)	7,301.00	0.05%	0.00%	11.30%	11.30%	0.01%
CarMax Inc. (NYSE:KMX)	8,980.70	0.06%	0.00%	12.80%	12.80%	0.01%
Carnival Corporation (NYSE:CCL)	28,611.10	0.20%	2.71%	13.70%	16.60%	0.03%
Caterpillar Inc. (NYSE:CAT)	62,522.60	0.44%	2.18%	12.20%	14.51%	0.06%
CBRE Group, Inc. (NYSE:CBG)	7,962.30	0.06%	0.00%	11.70%	11.70%	0.01%
CBS Corporation (NYSE:CBS)	28,363.70	0.20%	1.08%	12.80%	13.95%	0.03%
Celgene Corporation (NasdaqGS:CELG)	41,778.40	0.29%	0.00%	22.40%	22.40%	0.07%
CenterPoint Energy, Inc. (NYSE:CNP)	8,724.10	0.06%	4.07%	5.36%	9.54%	0.01%
CenturyLink, Inc. (NYSE:CTL)	20,613.20	0.14%	8.78%	4.00%	12.96%	0.02%
Cerner Corporation (NasdaqGS:CERN)	15,142.20	0.11%	0.00%	18.60%	18.60%	0.02%
CF Industries Holdings, Inc. (NYSE:CF)	13,622.30	0.09%	0.74%	8.58%	9.35%	0.01%
CH Robinson Worldwide Inc. (NasdaqGS:CHRW)	9,319.60	0.06%	2.42%	13.90%	16.49%	0.01%
Chesapeake Energy Corporation (NYSE:CHK)	12,897.80	0.09%	1.75%	-5.91%	-4.21%	0.00%
Chevron Corporation (NYSE:CVX)	224,997.50	1.57%	3.13%	3.08%	6.26%	0.10%
Chipotle Mexican Grill, Inc. (NYSE:CMG)	9,749.90	0.07%	0.00%	19.90%	19.90%	0.01%
Cigna Corp. (NYSE:CI)	17,462.20	0.12%	0.07%	10.70%	10.77%	0.01%
Cincinnati Financial Corp. (NasdaqGS:CINF)	7,294.80	0.05%	3.64%	10.00%	13.82%	0.01%
Cintas Corporation (NasdaqGS:CTAS)	5,506.00	0.04%	1.43%	10.60%	12.11%	0.00%
Cisco Systems, Inc. (NasdaqGS:CSCO)	111,441.10	0.78%	2.67%	9.16%	11.95%	0.09%
Citigroup, Inc. (NYSE:C)	132,787.00	0.92%	0.09%	10.90%	11.00%	0.10%
Citrix Systems, Inc. (NasdaqGS:CTXS)	13,559.30	0.09%	0.00%	17.20%	17.20%	0.02%
Cliffs Natural Resources Inc. (NYSE:CLF)	4,111.30	0.03%	2.08%	6.00%	8.14%	0.00%
CME Group Inc. (NasdaqGS:CME)	19,509.80	0.14%	3.08%	11.10%	14.35%	0.02%
CMS Energy Corp. (NYSE:CMS)	6,800.90	0.05%	3.96%	5.91%	9.99%	0.00%
Coach, Inc. (NYSE:COH)	13,589.90	0.09%	2.48%	13.90%	16.55%	0.02%
Coca-Cola Enterprises Inc. (NYSE:CCE)	10,122.60	0.07%	2.21%	10.80%	13.13%	0.01%
Cognizant Technology Solutions Corporation (NasdaqGS:CTS)	23,069.70	0.16%	0.00%	19.00%	19.00%	0.03%
Colgate-Palmolive Co. (NYSE:CL)	51,982.50	0.36%	2.25%	8.80%	11.15%	0.04%
Comcast Corporation (NasdaqGS:CMCS.A)	108,617.60	0.76%	3.78%	15.60%	19.67%	0.15%
Comerica Incorporated (NYSE:CMA)	6,629.70	0.05%	1.95%	10.50%	12.55%	0.01%
Computer Sciences Corporation (NYSE:CSC)	7,378.00	0.05%	1.66%	8.20%	9.93%	0.01%
ConAgra Foods, Inc. (NYSE:CAG)	13,959.40	0.10%	2.96%	10.00%	13.11%	0.01%
ConocoPhillips (NYSE:COP)	69,759.50	0.49%	4.63%	-0.58%	4.03%	0.02%
CONSOL Energy Inc. (NYSE:CNX)	7,774.80	0.05%	1.47%	12.00%	13.56%	0.01%
Consolidated Edison Inc. (NYSE:ED)	16,570.80	0.12%	4.35%	3.04%	7.46%	0.01%
Constellation Brands Inc. (NYSE:STZ)	7,969.40	0.06%	0.00%	10.90%	10.90%	0.01%
Corning Inc. (NYSE:GLW)	18,832.00	0.13%	2.81%	0.60%	3.42%	0.00%
Costco Wholesale Corporation (NasdaqGS:COST)	44,508.90	0.31%	1.08%	12.50%	13.65%	0.04%
Coventry Health Care Inc. (NYSE:CVH)	6,212.70	0.04%	1.08%	10.60%	11.74%	0.01%
Covidien plc (NYSE:COV)	30,031.40	0.21%	1.63%	9.29%	11.00%	0.02%
CR Bard Inc. (NYSE:BCR)	8,296.20	0.06%	0.79%	8.93%	9.76%	0.01%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Crown Castle International Corp. (NYSE:CCI)	19,746.80	0.14%	0.00%	25.70%	25.70%	0.04%
CSX Corp. (NYSE:CSX)	23,505.10	0.16%	2.46%	12.50%	15.11%	0.02%
Cummins Inc. (NYSE:CMI)	22,657.80	0.16%	1.68%	15.90%	17.71%	0.03%
CVS Caremark Corporation (NYSE:CVS)	62,938.70	0.44%	1.76%	12.50%	14.37%	0.06%
Danaher Corp. (NYSE:DHR)	42,405.00	0.30%	0.16%	14.20%	14.37%	0.04%
Darden Restaurants, Inc. (NYSE:DRI)	5,840.50	0.04%	4.43%	10.70%	15.37%	0.01%
DaVita HealthCare Partners Inc. (NYSE:DVA)	12,391.90	0.09%	0.00%	12.90%	12.90%	0.01%
Dean Foods Company (NYSE:DF)	3,026.70	0.02%	0.00%	12.20%	12.20%	0.00%
Deere & Company (NYSE:DE)	34,832.40	0.24%	2.05%	10.00%	12.15%	0.03%
Dell Inc. (NasdaqGS:DELL)	24,010.10	0.17%	2.32%	5.63%	8.02%	0.01%
Delphi Automotive PLC (NYSE:DLPH)	12,605.70	0.09%	0.00%	16.00%	16.00%	0.01%
Denbury Resources Inc. (NYSE:DNR)	7,115.10	0.05%	0.00%	5.85%	5.85%	0.00%
DENTSPLY International Inc. (NasdaqGS:XRAY)	6,074.60	0.04%	0.51%	11.50%	12.04%	0.01%
Devon Energy Corporation (NYSE:DVN)	23,996.30	0.17%	1.35%	6.64%	8.03%	0.01%
Diamond Offshore Drilling, Inc. (NYSE:DO)	10,392.50	0.07%	4.68%	13.60%	18.60%	0.01%
DIRECTV (NasdaqGS:DTV)	29,717.40	0.21%	0.00%	14.80%	14.80%	0.03%
Discover Financial Services (NYSE:DFS)	19,477.30	0.14%	1.43%	10.70%	12.21%	0.02%
Discovery Communications, Inc. (NasdaqGS:DISC.A)	24,992.90	0.17%	0.00%	20.50%	20.50%	0.04%
Dollar General Corporation (NYSE:DG)	14,585.00	0.10%	0.00%	17.20%	17.20%	0.02%
Dollar Tree, Inc. (NasdaqGS:DLTR)	9,342.70	0.07%	0.00%	18.40%	18.40%	0.01%
Dominion Resources, Inc. (NYSE:D)	31,557.60	0.22%	4.10%	5.70%	9.92%	0.02%
Dover Corporation (NYSE:DOV)	12,674.70	0.09%	1.93%	13.90%	15.96%	0.01%
DR Horton Inc. (NYSE:DHI)	7,602.60	0.05%	0.63%	25.60%	26.32%	0.01%
Dr Pepper Snapple Group, Inc. (NYSE:DPS)	8,809.10	0.06%	3.54%	7.73%	11.41%	0.01%
DTE Energy Company (NYSE:DTE)	11,084.90	0.08%	3.85%	4.95%	8.90%	0.01%
Duke Energy Corporation (NYSE:DUK)	47,914.20	0.33%	4.50%	4.15%	8.74%	0.03%
Dun & Bradstreet Corp. (NYSE:DNB)	3,643.20	0.03%	1.96%	9.55%	11.60%	0.00%
E*TRADE Financial Corporation (NasdaqGS:ETFC)	3,201.10	0.02%	0.00%	23.30%	23.30%	0.01%
E. I. du Pont de Nemours and Company (NYSE:DD)	43,855.50	0.31%	3.66%	6.62%	10.40%	0.03%
Eastman Chemical Co. (NYSE:EMN)	11,266.30	0.08%	1.63%	9.37%	11.08%	0.01%
Eaton Corporation plc (NYSE:ETN)	28,194.60	0.20%	2.50%	8.83%	11.44%	0.02%
eBay Inc. (NasdaqGS:EBAY)	73,512.20	0.51%	0.00%	15.00%	15.00%	0.08%
Ecolab Inc. (NYSE:ECL)	22,029.60	0.15%	1.22%	15.30%	16.61%	0.03%
Edison International (NYSE:EIX)	15,208.90	0.11%	2.89%	4.38%	7.33%	0.01%
Edwards Lifesciences Corp. (NYSE:EW)	9,966.90	0.07%	0.00%	18.90%	18.90%	0.01%
Electronic Arts Inc. (NasdaqGS:EA)	5,092.30	0.04%	0.00%	12.70%	12.70%	0.00%
Eli Lilly and Company (NYSE:LLY)	59,366.50	0.41%	3.66%	-4.40%	-0.82%	0.00%
EMC Corporation (NYSE:EMC)	50,567.00	0.35%	0.00%	13.80%	13.80%	0.05%
Emerson Electric Co. (NYSE:EMR)	42,089.60	0.29%	2.81%	10.60%	13.56%	0.04%
Enesco plc (NYSE:ESV)	14,947.60	0.10%	2.33%	27.70%	30.35%	0.03%
Entergy Corporation (NYSE:ETR)	10,925.80	0.08%	5.40%	7.00%	12.59%	0.01%
EOG Resources, Inc. (NYSE:EOG)	34,995.10	0.24%	0.58%	17.70%	18.33%	0.04%
EQT Corporation (NYSE:EQT)	8,882.50	0.06%	0.20%	27.00%	27.23%	0.02%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Equifax Inc. (NYSE:EFX)	6,642.50	0.05%	1.60%	11.90%	13.60%	0.01%
Equity Residential (NYSE:EQR)	18,693.90	0.13%	3.10%	8.01%	11.23%	0.01%
Exelon Corporation (NYSE:EXC)	26,158.10	0.18%	6.86%	-8.70%	-2.14%	0.00%
Expedia Inc. (NasdaqGS:EXPE)	8,743.40	0.06%	0.68%	13.30%	14.03%	0.01%
Expeditors International of Washington Inc. (NasdaqGS:EXPD)	8,831.60	0.06%	1.33%	10.70%	12.10%	0.01%
Express Scripts Holding Company (NasdaqGS:ESRX)	45,367.30	0.32%	0.00%	16.30%	16.30%	0.05%
Exxon Mobil Corporation (NYSE:XOM)	397,796.70	2.77%	2.58%	1.81%	4.41%	0.12%
F5 Networks, Inc. (NasdaqGS:FFIV)	7,994.30	0.06%	0.00%	17.80%	17.80%	0.01%
Family Dollar Stores Inc. (NYSE:FDO)	6,478.10	0.05%	1.86%	13.20%	15.18%	0.01%
Fastenal Company (NasdaqGS:FAST)	15,650.50	0.11%	0.76%	18.30%	19.13%	0.02%
FedEx Corporation (NYSE:FDX)	33,465.00	0.23%	0.53%	11.70%	12.26%	0.03%
Fidelity National Information Services, Inc. (NYSE:FIS)	10,698.80	0.07%	2.41%	11.70%	14.25%	0.01%
Fifth Third Bancorp (NasdaqGS:FITB)	14,154.10	0.10%	2.49%	7.23%	9.81%	0.01%
First Horizon National Corporation (NYSE:FHN)	2,587.00	0.02%	1.88%	11.30%	13.29%	0.00%
First Solar, Inc. (NasdaqGS:FSLR)	2,966.80	0.02%	0.00%	-17.00%	-17.00%	0.00%
FirstEnergy Corp. (NYSE:FE)	16,967.00	0.12%	5.42%	0.78%	6.22%	0.01%
Fiserv, Inc. (NasdaqGS:FISV)	10,794.00	0.08%	0.00%	11.20%	11.20%	0.01%
FLIR Systems, Inc. (NasdaqGS:FLIR)	4,011.70	0.03%	1.35%	12.50%	13.93%	0.00%
Flowserve Corp. (NYSE:FLS)	7,994.90	0.06%	0.90%	12.80%	13.76%	0.01%
Fluor Corporation (NYSE:FLR)	10,741.50	0.07%	0.99%	12.60%	13.65%	0.01%
FMC Corp. (NYSE:FMC)	8,170.80	0.06%	0.91%	11.30%	12.26%	0.01%
FMC Technologies, Inc. (NYSE:FTI)	12,314.40	0.09%	0.00%	19.00%	19.00%	0.02%
Ford Motor Co. (NYSE:F)	49,640.90	0.35%	3.07%	8.09%	11.28%	0.04%
Forest Laboratories Inc. (NYSE:FRX)	9,586.20	0.07%	0.00%	-14.30%	-14.30%	-0.01%
Fossil, Inc. (NasdaqGS:FOSL)	6,293.80	0.04%	0.00%	18.90%	18.90%	0.01%
Franklin Resources Inc. (NYSE:BEN)	30,723.00	0.21%	2.88%	13.20%	16.27%	0.03%
Freeport-McMoRan Copper & Gold Inc. (NYSE:FCX)	33,266.30	0.23%	3.57%	3.00%	6.62%	0.02%
Frontier Communications Corporation (NasdaqGS:FTR)	4,088.60	0.03%	9.77%	2.00%	11.87%	0.00%
GameStop Corp. (NYSE:GME)	3,074.30	0.02%	3.94%	9.36%	13.48%	0.00%
Gannett Co., Inc. (NYSE:GCI)	4,632.50	0.03%	3.97%	5.70%	9.78%	0.00%
Gap Inc. (NYSE:GPS)	15,763.30	0.11%	1.52%	12.00%	13.61%	0.01%
Garmin Ltd. (NasdaqGS:GRMN)	7,631.10	0.05%	4.60%	7.60%	12.37%	0.01%
General Dynamics Corp. (NYSE:GO)	23,468.60	0.16%	3.07%	5.62%	8.78%	0.01%
General Electric Company (NYSE:GE)	244,225.90	1.70%	3.26%	10.70%	14.13%	0.24%
General Mills, Inc. (NYSE:GIS)	28,831.70	0.20%	2.96%	7.57%	10.64%	0.02%
Genuine Parts Company (NYSE:GPC)	11,082.60	0.08%	2.77%	8.17%	11.05%	0.01%
Genworth Financial Inc. (NYSE:GNW)	4,456.60	0.03%	0.00%	16.00%	16.00%	0.00%
Gilead Sciences Inc. (NasdaqGS:GILD)	63,197.20	0.44%	0.00%	24.30%	24.30%	0.11%
Goodyear Tire & Rubber Co. (NasdaqGS:GT)	3,460.20	0.02%	0.00%	45.10%	45.10%	0.01%
Google Inc. (NasdaqGS:GOOG)	261,386.70	1.82%	0.00%	15.70%	15.70%	0.29%
H&R Block, Inc. (NYSE:HRB)	6,809.50	0.05%	3.19%	11.00%	14.37%	0.01%
H. J. Heinz Company (NYSE:HNZ)	23,177.20	0.16%	2.85%	6.86%	9.81%	0.02%
Halliburton Company (NYSE:HAL)	39,788.40	0.28%	0.84%	17.60%	18.52%	0.05%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Harley-Davidson, Inc. (NYSE:HOG)	12,035.90	0.08%	1.60%	13.10%	14.80%	0.01%
Harman International Industries, Incorporated (NYSE:HAR)	3,002.00	0.02%	1.36%	18.30%	19.78%	0.00%
Harris Corporation (NYSE:HRS)	5,372.80	0.04%	3.11%	2.87%	6.02%	0.00%
Hasbro Inc. (NasdaqGS:HAS)	5,265.90	0.04%	3.95%	8.98%	13.11%	0.00%
HCP, Inc. (NYSE:HCP)	21,671.50	0.15%	4.39%	6.75%	11.29%	0.02%
Health Care REIT, Inc. (NYSE:HCN)	16,349.60	0.11%	4.86%	5.27%	10.26%	0.01%
Helmerich & Payne, Inc. (NYSE:HP)	7,208.20	0.05%	0.89%	6.85%	7.77%	0.00%
Hess Corporation (NYSE:HES)	22,756.20	0.16%	0.59%	4.70%	5.31%	0.01%
Hewlett-Packard Company (NYSE:HPQ)	32,786.20	0.23%	3.14%	-5.53%	-2.48%	-0.01%
Honeywell International Inc. (NYSE:HON)	54,951.40	0.38%	2.34%	11.30%	13.77%	0.05%
Hormel Foods Corporation (NYSE:HRL)	9,511.10	0.07%	1.88%	11.00%	12.98%	0.01%
Hospira Inc. (NYSE:HSP)	4,818.20	0.03%	0.00%	6.36%	6.36%	0.00%
Host Hotels & Resorts Inc. (NYSE:HST)	12,444.00	0.09%	2.10%	15.20%	17.46%	0.02%
Hudson City Bancorp, Inc. (NasdaqGS:HCBK)	4,324.20	0.03%	3.68%	-12.00%	-8.54%	0.00%
Humana Inc. (NYSE:HUM)	12,339.90	0.09%	1.33%	9.92%	11.32%	0.01%
Huntington Bancshares Incorporated (NasdaqGS:HBAN)	5,978.20	0.04%	2.25%	5.76%	8.07%	0.00%
Illinois Tool Works Inc. (NYSE:ITW)	29,313.10	0.20%	2.40%	8.14%	10.64%	0.02%
Ingersoll-Rand Plc (NYSE:IR)	15,713.90	0.11%	1.58%	10.70%	12.36%	0.01%
Integrus Energy Group, Inc. (NYSE:TEG)	4,375.30	0.03%	4.84%	5.25%	10.22%	0.00%
Intel Corporation (NasdaqGS:INTC)	104,793.70	0.73%	4.26%	8.78%	13.23%	0.10%
IntercontinentalExchange, Inc. (NYSE:ICE)	11,367.20	0.08%	0.00%	11.40%	11.40%	0.01%
International Business Machines Corporation (NYSE:IBM)	227,093.70	1.58%	1.69%	10.80%	12.58%	0.20%
International Flavors & Fragrances Inc. (NYSE:IFF)	6,026.10	0.04%	1.84%	7.40%	9.31%	0.00%
International Game Technology (NYSE:IGT)	4,301.80	0.03%	1.72%	13.50%	15.34%	0.00%
International Paper Company (NYSE:IP)	18,518.70	0.13%	2.85%	11.20%	14.21%	0.02%
Intuit Inc. (NasdaqGS:INTU)	18,376.10	0.13%	1.10%	13.30%	14.47%	0.02%
Intuitive Surgical, Inc. (NasdaqGS:ISRG)	22,840.70	0.16%	0.00%	17.90%	17.90%	0.03%
Invesco Ltd. (NYSE:IVZ)	12,149.00	0.08%	2.52%	13.40%	16.09%	0.01%
Iron Mountain Inc. (NYSE:IRM)	6,579.50	0.05%	3.11%	12.70%	16.01%	0.01%
J. C. Penney Company, Inc. (NYSE:JCP)	4,341.10	0.03%	0.00%	25.40%	25.40%	0.01%
Jabil Circuit Inc. (NYSE:JBL)	3,996.30	0.03%	1.62%	13.50%	15.23%	0.00%
Jacobs Engineering Group Inc. (NYSE:JEC)	6,432.90	0.04%	0.00%	13.80%	13.80%	0.01%
JDS Uniphase Corporation (NasdaqGS:JDSU)	3,566.90	0.02%	0.00%	15.00%	15.00%	0.00%
Johnson & Johnson (NYSE:JNJ)	211,059.30	1.47%	3.20%	6.40%	9.70%	0.14%
Johnson Controls Inc. (NYSE:JCI)	21,994.10	0.15%	2.36%	14.00%	16.53%	0.03%
Joy Global, Inc. (NYSE:JOY)	6,794.00	0.05%	1.11%	8.87%	10.03%	0.00%
JPMorgan Chase & Co. (NYSE:JPM)	185,812.50	1.29%	2.45%	8.00%	10.55%	0.14%
Juniper Networks, Inc. (NYSE:JNPR)	11,270.50	0.08%	0.00%	14.40%	14.40%	0.01%
Kellogg Company (NYSE:K)	21,577.00	0.15%	2.94%	8.37%	11.43%	0.02%
KeyCorp (NYSE:KEY)	8,776.30	0.06%	2.11%	5.84%	8.01%	0.00%
Kimberly-Clark Corporation (NYSE:KMB)	35,504.20	0.25%	3.25%	7.91%	11.29%	0.03%
Kimco Realty Corporation (NYSE:KIM)	8,852.90	0.06%	3.87%	6.19%	10.18%	0.01%
Kinder Morgan, Inc. (NYSE:KMI)	38,897.40	0.27%	3.94%	23.70%	28.11%	0.08%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
KLA-Tencor Corporation (NasdaqGS:KLAC)	9,264.20	0.06%	2.87%	10.00%	13.01%	0.01%
Kohl's Corp. (NYSE:KSS)	10,658.70	0.07%	2.76%	11.50%	14.42%	0.01%
Kraft Foods Group, Inc. (NasdaqGS:KRFT)	27,950.20	0.19%	4.24%	7.15%	11.54%	0.02%
L-3 Communications Holdings Inc. (NYSE:LLL)	7,305.60	0.05%	2.83%	1.14%	3.99%	0.00%
Laboratory Corp. of America Holdings (NYSE:LH)	8,498.90	0.06%	0.00%	11.30%	11.30%	0.01%
Lam Research Corporation (NasdaqGS:LRCX)	6,899.70	0.05%	0.00%	11.00%	11.00%	0.01%
Legg Mason Inc. (NYSE:LM)	3,548.90	0.02%	1.60%	13.70%	15.41%	0.00%
Leggett & Platt, Incorporated (NYSE:LEG)	4,362.50	0.03%	3.78%	15.00%	19.06%	0.01%
Lennar Corp. (NYSE:LEN)	7,439.90	0.05%	0.40%	8.00%	8.41%	0.00%
Leucadia National Corp. (NYSE:LUK)	6,618.40	0.05%	0.92%	0.00%	0.92%	0.00%
Life Technologies Corporation (NasdaqGS:LIFE)	10,925.60	0.08%	0.00%	10.10%	10.10%	0.01%
Limited Brands, Inc. (NYSE:LTD)	12,705.70	0.09%	11.80%	11.70%	24.19%	0.02%
Lincoln National Corporation (NYSE:LNC)	8,341.20	0.06%	1.58%	8.93%	10.58%	0.01%
Linear Technology Corporation (NasdaqGS:LLTC)	8,821.20	0.06%	2.74%	11.00%	13.89%	0.01%
Lockheed Martin Corporation (NYSE:LMT)	28,206.30	0.20%	5.24%	6.05%	11.45%	0.02%
Loews Corporation (NYSE:L)	17,203.90	0.12%	0.57%	0.00%	0.57%	0.00%
Lorillard, Inc. (NYSE:LO)	15,837.70	0.11%	5.31%	8.19%	13.72%	0.02%
Lowe's Companies Inc. (NYSE:LOW)	44,019.90	0.31%	1.64%	15.50%	17.27%	0.05%
LSI Corporation (NasdaqGS:LSI)	3,934.70	0.03%	0.00%	14.90%	14.90%	0.00%
LyondellBasell Industries NV (NYSE:LYB)	34,748.40	0.24%	3.54%	11.30%	15.04%	0.04%
M&T Bank Corporation (NYSE:MTB)	13,442.80	0.09%	2.67%	12.00%	14.83%	0.01%
Macy's, Inc. (NYSE:M)	15,463.20	0.11%	2.04%	12.00%	14.16%	0.02%
Marathon Oil Corporation (NYSE:MRO)	24,484.40	0.17%	1.96%	11.60%	13.67%	0.02%
Marathon Petroleum Corporation (NYSE:MPC)	28,002.90	0.20%	1.70%	8.66%	10.43%	0.02%
Marriott International, Inc. (NYSE:MAR)	13,009.70	0.09%	1.26%	16.90%	18.27%	0.02%
Marsh & McLennan Companies, Inc. (NYSE:MMC)	19,685.40	0.14%	2.55%	11.60%	14.30%	0.02%
Masco Corporation (NYSE:MAS)	6,980.00	0.05%	1.50%	10.00%	11.58%	0.01%
Mastercard Incorporated (NYSE:MA)	64,225.00	0.45%	0.46%	17.80%	18.30%	0.08%
Mattel, Inc. (NasdaqGS:MAT)	14,016.60	0.10%	3.53%	9.97%	13.68%	0.01%
McCormick & Company, Incorporated (NYSE:MKC)	8,584.90	0.06%	2.10%	8.76%	10.95%	0.01%
McDonald's Corp. (NYSE:MCD)	94,273.40	0.66%	3.28%	9.58%	13.02%	0.09%
McKesson Corporation (NYSE:MCK)	24,085.40	0.17%	0.77%	15.00%	15.83%	0.03%
Mead Johnson Nutrition Company (NYSE:MJN)	16,028.70	0.11%	1.52%	11.00%	12.60%	0.01%
MeadWestvaco Corporation (NYSE:MWV)	6,231.70	0.04%	2.81%	10.00%	12.95%	0.01%
Medtronic, Inc. (NYSE:MDT)	47,655.20	0.33%	2.21%	6.27%	8.55%	0.03%
Merck & Co. Inc. (NYSE:MRK)	125,919.80	0.88%	4.15%	3.86%	8.09%	0.07%
MetLife, Inc. (NYSE:MET)	39,781.50	0.28%	2.03%	11.60%	13.75%	0.04%
MetroPCS Communications, Inc. (NYSE:PCS)	3,768.50	0.03%	0.00%	14.60%	14.60%	0.00%
Microchip Technology Inc. (NasdaqGS:MCHP)	7,243.10	0.05%	3.81%	9.85%	13.85%	0.01%
Micron Technology Inc. (NasdaqGS:MU)	8,082.30	0.06%	0.00%	13.40%	13.40%	0.01%
Microsoft Corporation (NasdaqGS:MSFT)	234,618.60	1.63%	3.28%	9.47%	12.91%	0.21%
Molex Incorporated (NasdaqGS:MOLX)	4,575.90	0.03%	3.14%	11.00%	14.31%	0.00%
Molson Coors Brewing Company (NYSE:TAP)	7,903.30	0.06%	2.94%	6.83%	9.87%	0.01%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Mondelez International, Inc. (NasdaqGS:MDLZ)	47,483.80	0.33%	1.95%	12.00%	14.07%	0.05%
Monsanto Company (NYSE:MON)	55,373.70	0.39%	1.45%	12.50%	14.04%	0.05%
Monster Beverage Corporation (NasdaqGS:MNST)	8,753.60	0.06%	0.00%	18.10%	18.10%	0.01%
Moody's Corp. (NYSE:MCO)	10,450.40	0.07%	1.71%	12.80%	14.62%	0.01%
Morgan Stanley (NYSE:MS)	47,120.40	0.33%	0.84%	12.90%	13.79%	0.05%
Motorola Solutions, Inc. (NYSE:MSI)	16,953.60	0.12%	1.69%	24.00%	25.89%	0.03%
Murphy Oil Corporation (NYSE:MUR)	11,922.60	0.08%	2.04%	11.70%	13.86%	0.01%
Mylan, Inc. (NasdaqGS:MYL)	11,908.00	0.08%	0.00%	10.10%	10.10%	0.01%
Nabors Industries Ltd. (NYSE:NBR)	5,134.00	0.04%	0.00%	9.07%	9.07%	0.00%
Nasdaq OMX Group Inc. (NasdaqGS:NDAQ)	5,124.60	0.04%	1.67%	9.80%	11.55%	0.00%
National Oilwell Varco, Inc. (NYSE:NOV)	29,598.90	0.21%	0.75%	13.70%	14.50%	0.03%
NetApp, Inc. (NasdaqGS:NTAP)	13,095.30	0.09%	0.00%	12.90%	12.90%	0.01%
Netflix, Inc. (NasdaqGS:NFLX)	10,611.40	0.07%	0.00%	28.70%	28.70%	0.02%
Newell Rubbermaid Inc. (NYSE:NWL)	6,954.20	0.05%	2.48%	8.84%	11.43%	0.01%
Newfield Exploration Co. (NYSE:NFX)	3,603.30	0.03%	0.00%	5.80%	5.80%	0.00%
Newmont Mining Corp. (NYSE:NEM)	21,480.70	0.15%	3.24%	-2.50%	0.70%	0.00%
News Corp. (NasdaqGS:NWSA)	67,533.90	0.47%	0.59%	16.00%	16.64%	0.08%
NextEra Energy, Inc. (NYSE:NEE)	30,682.40	0.21%	3.64%	5.87%	9.62%	0.02%
Nike Inc. (NYSE:NKE)	49,219.40	0.34%	1.53%	11.40%	13.02%	0.04%
NiSource Inc. (NYSE:NI)	8,295.20	0.06%	3.58%	7.87%	11.59%	0.01%
Noble Corp. (NYSE:NE)	9,883.90	0.07%	1.44%	28.30%	29.94%	0.02%
Noble Energy, Inc. (NYSE:NBL)	20,011.30	0.14%	0.89%	8.15%	9.08%	0.01%
Nordstrom Inc. (NYSE:JWN)	11,085.20	0.08%	1.95%	12.90%	14.98%	0.01%
Norfolk Southern Corp. (NYSE:NSC)	22,487.90	0.16%	2.80%	11.70%	14.66%	0.02%
Northeast Utilities (NYSE:NU)	12,852.80	0.09%	3.59%	6.40%	10.10%	0.01%
Northern Trust Corporation (NasdaqGS:NTRS)	12,774.80	0.09%	2.24%	12.80%	15.18%	0.01%
Northrop Grumman Corporation (NYSE:NOC)	15,562.60	0.11%	3.35%	1.58%	4.96%	0.01%
NRG Energy, Inc. (NYSE:NRG)	5,465.40	0.04%	1.50%	21.00%	22.66%	0.01%
Nucor Corporation (NYSE:NUE)	15,284.70	0.11%	3.05%	7.13%	10.29%	0.01%
NVIDIA Corporation (NasdaqGS:NVDA)	7,955.00	0.06%	2.51%	11.80%	14.46%	0.01%
NYSE Euronext, Inc. (NYSE:NYX)	9,131.90	0.06%	3.41%	12.10%	15.72%	0.01%
O'Reilly Automotive Inc. (NasdaqGS:ORLY)	11,444.30	0.08%	0.00%	16.00%	16.00%	0.01%
Occidental Petroleum Corporation (NYSE:OXY)	68,233.90	0.48%	3.02%	3.93%	7.01%	0.03%
Omnicom Group Inc. (NYSE:OMC)	15,245.90	0.11%	2.77%	9.91%	12.82%	0.01%
ONEOK Inc. (NYSE:OKE)	9,770.30	0.07%	3.02%	15.00%	18.25%	0.01%
Oracle Corporation (NasdaqGS:ORCL)	164,800.90	1.15%	0.69%	12.40%	13.13%	0.15%
Owens-Illinois, Inc. (NYSE:OI)	4,300.40	0.03%	0.00%	9.76%	9.76%	0.00%
PACCAR Inc. (NasdaqGS:PCAR)	16,995.00	0.12%	1.66%	11.00%	12.75%	0.02%
Pall Corporation (NYSE:PLL)	7,610.80	0.05%	1.46%	12.50%	14.05%	0.01%
Parker-Hannifin Corporation (NYSE:PH)	14,325.10	0.10%	1.79%	4.60%	6.43%	0.01%
Patterson Companies, Inc. (NasdaqGS:PDCO)	4,043.40	0.03%	1.50%	10.60%	12.18%	0.00%
Paychex, Inc. (NasdaqGS:PAYX)	12,355.40	0.09%	3.89%	9.75%	13.83%	0.01%
Peabody Energy Corp. (NYSE:BTU)	6,548.60	0.05%	1.39%	12.00%	13.47%	0.01%

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Pentair Ltd. (NYSE:PNR)	11,126.50	0.08%	1.74%	15.70%	17.58%	0.01%
People's United Financial Inc. (NasdaqGS:PBCT)	4,289.90	0.03%	4.94%	8.15%	13.29%	0.00%
Pepco Holdings, Inc. (NYSE:POM)	4,557.30	0.03%	5.44%	4.50%	10.06%	0.00%
Pepsico, Inc. (NYSE:PEP)	113,972.20	0.79%	2.92%	7.77%	10.80%	0.09%
PerkinElmer Inc. (NYSE:PKI)	3,917.40	0.03%	0.82%	12.40%	13.27%	0.00%
Perrigo Co. (NasdaqGS:PRGO)	10,675.00	0.07%	0.32%	12.60%	12.94%	0.01%
PetSmart, Inc. (NasdaqGS:PETM)	6,962.20	0.05%	1.02%	18.60%	19.71%	0.01%
Pfizer Inc. (NYSE:PFE)	200,924.60	1.40%	3.52%	3.66%	7.24%	0.10%
PG&E Corp. (NYSE:PCG)	17,604.80	0.12%	4.26%	1.87%	6.17%	0.01%
Philip Morris International, Inc. (NYSE:PM)	150,333.10	1.05%	3.78%	11.20%	15.19%	0.16%
Phillips 66 (NYSE:PSX)	40,158.00	0.28%	1.95%	6.60%	8.61%	0.02%
Pinnacle West Capital Corporation (NYSE:PNW)	5,961.10	0.04%	4.01%	5.80%	9.93%	0.00%
Pioneer Natural Resources Co. (NYSE:PXD)	17,280.90	0.12%	0.06%	15.70%	15.77%	0.02%
Pitney Bowes Inc. (NYSE:PBI)	2,700.10	0.02%	11.20%	0.00%	11.20%	0.00%
Plum Creek Timber Co. Inc. (NYSE:PCL)	7,756.60	0.05%	3.51%	3.25%	6.82%	0.00%
PNC Financial Services Group Inc. (NYSE:PNC)	33,778.50	0.24%	2.51%	6.65%	9.24%	0.02%
PPG Industries Inc. (NYSE:PPG)	21,480.00	0.15%	1.69%	8.77%	10.53%	0.02%
PPL Corporation (NYSE:PPL)	17,689.70	0.12%	4.83%	-1.73%	3.06%	0.00%
Praxair Inc. (NYSE:PX)	32,728.40	0.23%	2.18%	10.20%	12.49%	0.03%
Precision Castparts Corp. (NYSE:PCP)	27,162.60	0.19%	0.07%	14.90%	14.97%	0.03%
priceline.com Incorporated (NasdaqGS:PCLN)	35,018.20	0.24%	0.00%	20.20%	20.20%	0.05%
Principal Financial Group Inc. (NYSE:PFG)	9,297.90	0.06%	2.90%	13.40%	16.49%	0.01%
Procter & Gamble Co. (NYSE:PG)	209,080.60	1.46%	2.94%	8.71%	11.78%	0.17%
Progressive Corp. (NYSE:PGR)	14,608.30	0.10%	1.18%	8.20%	9.43%	0.01%
Prologis, Inc. (NYSE:PLD)	17,903.90	0.12%	2.88%	6.08%	9.05%	0.01%
Prudential Financial, Inc. (NYSE:PRU)	26,577.90	0.19%	2.79%	12.10%	15.06%	0.03%
Public Service Enterprise Group Inc. (NYSE:PEG)	15,729.00	0.11%	4.57%	1.67%	6.28%	0.01%
Public Storage (NYSE:PSA)	25,964.20	0.18%	2.91%	6.27%	9.27%	0.02%
PulteGroup, Inc. (NYSE:PHM)	7,851.80	0.05%	0.00%	24.10%	24.10%	0.01%
PVH Corp. (NYSE:PVH)	9,680.30	0.07%	0.13%	14.20%	14.33%	0.01%
QEP Resources, Inc. (NYSE:QEP)	5,323.90	0.04%	0.27%	7.10%	7.38%	0.00%
QUALCOMM Incorporated (NasdaqGS:QCOM)	112,417.20	0.78%	1.53%	15.00%	16.64%	0.13%
Quanta Services, Inc. (NYSE:PWR)	6,126.20	0.04%	0.00%	16.10%	16.10%	0.01%
Quest Diagnostics Inc. (NYSE:DGX)	9,112.00	0.06%	2.09%	10.60%	12.80%	0.01%
Ralph Lauren Corporation (NYSE:RL)	15,972.40	0.11%	0.91%	14.90%	15.88%	0.02%
Range Resources Corporation (NYSE:RRC)	11,196.40	0.08%	0.23%	4.35%	4.58%	0.00%
Raytheon Co. (NYSE:RTN)	17,616.60	0.12%	3.71%	7.27%	11.11%	0.01%
Red Hat, Inc. (NYSE:RHT)	10,419.00	0.07%	0.00%	21.00%	21.00%	0.02%
Regions Financial Corp. (NYSE:RF)	11,092.10	0.08%	0.51%	7.38%	7.91%	0.01%
Republic Services, Inc. (NYSE:RSG)	11,352.90	0.08%	3.00%	3.65%	6.70%	0.01%
Reynolds American Inc. (NYSE:RAI)	24,097.50	0.17%	5.42%	7.48%	13.10%	0.02%
Robert Half International Inc. (NYSE:RHI)	4,956.90	0.03%	1.80%	15.70%	17.64%	0.01%
Rockwell Automation Inc. (NYSE:ROK)	12,688.60	0.09%	2.07%	10.60%	12.78%	0.01%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Rockwell Collins Inc. (NYSE:COL)	8,166.60	0.06%	2.03%	9.12%	11.24%	0.01%
Roper Industries Inc. (NYSE:ROP)	11,810.70	0.08%	0.55%	14.60%	15.19%	0.01%
Ross Stores Inc. (NasdaqGS:ROST)	13,322.80	0.09%	1.14%	13.10%	14.31%	0.01%
Rowan Companies plc (NYSE:RDC)	4,451.10	0.03%	0.00%	36.20%	36.20%	0.01%
Ryder System, Inc. (NYSE:R)	2,955.80	0.02%	2.16%	12.40%	14.69%	0.00%
Safeway Inc. (NYSE:SWY)	4,892.60	0.03%	3.43%	11.00%	14.62%	0.00%
SAIC, Inc. (NYSE:SAI)	4,184.50	0.03%	3.92%	7.00%	11.06%	0.00%
salesforce.com, inc (NYSE:CRM)	25,632.60	0.18%	0.00%	28.30%	28.30%	0.05%
SanDisk Corp. (NasdaqGS:SNDK)	12,502.90	0.09%	0.00%	14.90%	14.90%	0.01%
SCANA Corp. (NYSE:SCG)	6,315.50	0.04%	4.13%	4.58%	8.80%	0.00%
Schlumberger Limited (NYSE:SLB)	106,300.30	0.74%	1.56%	17.90%	19.60%	0.15%
Scripps Networks Interactive, Inc. (NYSE:SNI)	9,254.80	0.06%	0.97%	11.70%	12.72%	0.01%
Seagate Technology Public Limited Company (NasdaqGS:ST)	12,361.00	0.09%	4.41%	4.54%	9.05%	0.01%
Sealed Air Corporation (NYSE:SEE)	3,773.60	0.03%	2.68%	7.48%	10.26%	0.00%
Sempra Energy (NYSE:SRE)	18,142.00	0.13%	3.17%	6.20%	9.47%	0.01%
Sigma-Aldrich Corporation (NasdaqGS:SIAL)	9,292.30	0.06%	1.11%	8.28%	9.44%	0.01%
Simon Property Group Inc. (NYSE:SPG)	49,553.60	0.35%	2.88%	7.96%	10.95%	0.04%
SLM Corporation (NasdaqGS:SLM)	8,762.50	0.06%	3.16%	7.10%	10.37%	0.01%
Snap-on Inc. (NYSE:SNA)	4,628.50	0.03%	1.91%	10.00%	12.01%	0.00%
Southern Company (NYSE:SO)	38,287.50	0.27%	4.44%	5.00%	9.55%	0.03%
Southwest Airlines Co. (NYSE:LUV)	8,445.90	0.06%	0.35%	30.40%	30.80%	0.02%
Southwestern Energy Co. (NYSE:SWN)	11,545.30	0.08%	0.00%	10.00%	10.00%	0.01%
Spectra Energy Corp. (NYSE:SE)	19,679.30	0.14%	4.14%	1.50%	5.67%	0.01%
Sprint Nextel Corp. (NYSE:S)	17,757.30	0.12%	0.00%	0.90%	0.90%	0.00%
St. Jude Medical Inc. (NYSE:STJ)	12,798.60	0.09%	2.22%	9.68%	12.01%	0.01%
Stanley Black & Decker, Inc. (NYSE:SWK)	13,242.90	0.09%	2.50%	11.30%	13.94%	0.01%
Staples, Inc. (NasdaqGS:SPLS)	8,726.80	0.06%	3.40%	7.14%	10.66%	0.01%
Starbucks Corporation (NasdaqGS:SBUX)	40,717.00	0.28%	1.55%	19.10%	20.80%	0.06%
Starwood Hotels & Resorts Worldwide Inc. (NYSE:HOT)	12,023.70	0.08%	2.01%	12.20%	14.33%	0.01%
State Street Corporation (NYSE:STT)	26,605.60	0.19%	1.68%	11.70%	13.48%	0.02%
Stericycle, Inc. (NasdaqGS:SRCL)	8,351.20	0.06%	0.00%	16.00%	16.00%	0.01%
Stryker Corporation (NYSE:SYK)	24,275.80	0.17%	1.66%	8.84%	10.57%	0.02%
SunTrust Banks, Inc. (NYSE:STI)	14,969.50	0.10%	0.71%	12.20%	12.95%	0.01%
Symantec Corporation (NasdaqGS:SYMC)	15,527.40	0.11%	0.00%	8.30%	8.30%	0.01%
Sysco Corporation (NYSE:SYU)	18,792.70	0.13%	3.49%	7.70%	11.32%	0.01%
T. Rowe Price Group, Inc. (NasdaqGS:TROW)	18,856.60	0.13%	1.86%	13.80%	15.79%	0.02%
Target Corp. (NYSE:TGT)	40,160.50	0.28%	2.33%	12.10%	14.57%	0.04%
TE Connectivity Ltd. (NYSE:TEL)	17,243.30	0.12%	2.05%	13.00%	15.18%	0.02%
TECO Energy, Inc. (NYSE:TE)	3,660.30	0.03%	5.21%	3.28%	8.58%	0.00%
Tenet Healthcare Corp. (NYSE:THC)	4,269.60	0.03%	0.00%	12.80%	12.80%	0.00%
Teradata Corporation (NYSE:TDC)	10,584.00	0.07%	0.00%	14.60%	14.60%	0.01%
Teradyne Inc. (NYSE:TER)	3,248.00	0.02%	0.00%	12.50%	12.50%	0.00%
Tesoro Corporation (NYSE:TSO)	7,595.70	0.05%	1.46%	24.20%	25.84%	0.01%

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Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Texas Instruments Inc. (NasdaqGS:TXN)	37,642.20	0.26%	2.50%	8.23%	10.83%	0.03%
Textron Inc. (NYSE:TXT)	7,980.70	0.06%	0.27%	22.30%	22.60%	0.01%
The ADT Corporation (NYSE:ADT)	10,775.30	0.08%	1.08%	11.10%	12.24%	0.01%
The AES Corporation (NYSE:AES)	8,310.00	0.06%	1.43%	7.30%	8.78%	0.01%
The Allstate Corporation (NYSE:ALL)	21,962.20	0.15%	2.18%	9.13%	11.41%	0.02%
The Bank of New York Mellon Corporation (NYSE:BK)	32,566.10	0.23%	1.86%	12.80%	14.78%	0.03%
The Boeing Company (NYSE:BA)	56,735.10	0.40%	2.59%	11.90%	14.64%	0.06%
The Charles Schwab Corporation (NYSE:SCHW)	21,549.20	0.15%	1.42%	15.50%	17.03%	0.03%
The Chubb Corporation (NYSE:CB)	21,931.00	0.15%	1.96%	9.55%	11.60%	0.02%
The Clorox Company (NYSE:CLX)	10,706.10	0.07%	3.13%	8.49%	11.75%	0.01%
The Coca-Cola Company (NYSE:KO)	167,834.80	1.17%	2.73%	9.40%	12.26%	0.14%
The Dow Chemical Company (NYSE:DOW)	38,732.30	0.27%	3.98%	8.70%	12.85%	0.03%
The Estée Lauder Companies Inc. (NYSE:EL)	24,401.30	0.17%	1.14%	13.80%	15.02%	0.03%
The Goldman Sachs Group, Inc. (NYSE:GS)	74,627.70	0.52%	1.29%	9.26%	10.61%	0.06%
The Hartford Financial Services Group, Inc. (NYSE:HIG)	10,558.70	0.07%	1.65%	14.70%	16.47%	0.01%
The Hershey Company (NYSE:HSY)	18,063.70	0.13%	2.08%	8.90%	11.07%	0.01%
The Home Depot, Inc. (NYSE:HD)	100,954.50	0.70%	1.72%	15.80%	17.66%	0.12%
The Interpublic Group of Companies, Inc. (NYSE:IPG)	5,422.50	0.04%	1.91%	16.40%	18.47%	0.01%
The J. M. Smucker Company (NYSE:SJM)	10,022.10	0.07%	2.25%	8.66%	11.01%	0.01%
The Kroger Co. (NYSE:KR)	14,459.10	0.10%	2.15%	9.21%	11.46%	0.01%
The McGraw-Hill Companies, Inc. (NYSE:MHP)	12,482.60	0.09%	2.49%	17.90%	20.61%	0.02%
The Mosaic Company (NYSE:MOS)	26,469.40	0.18%	1.61%	7.45%	9.12%	0.02%
The Sherwin-Williams Company (NYSE:SHW)	17,187.90	0.12%	1.20%	15.50%	16.79%	0.02%
The TJX Companies, Inc. (NYSE:TJX)	32,823.70	0.23%	1.02%	12.30%	13.38%	0.03%
The Travelers Companies, Inc. (NYSE:TRV)	30,339.20	0.21%	2.29%	8.17%	10.55%	0.02%
The Walt Disney Company (NYSE:DIS)	100,400.30	0.70%	1.35%	11.00%	12.42%	0.09%
The Washington Post Company (NYSE:WPO)	3,057.60	0.02%	2.36%	0.00%	2.36%	0.00%
The Western Union Company (NYSE:WU)	8,238.20	0.06%	3.47%	9.39%	13.02%	0.01%
Thermo Fisher Scientific, Inc. (NYSE:TMO)	26,810.80	0.19%	0.81%	12.00%	12.85%	0.02%
Tiffany & Co. (NYSE:TIF)	8,212.40	0.06%	1.98%	14.20%	16.32%	0.01%
Time Warner Cable Inc. (NYSE:TWC)	25,692.00	0.18%	2.99%	11.90%	15.07%	0.03%
Time Warner Inc. (NYSE:TWX)	49,880.60	0.35%	2.15%	10.60%	12.86%	0.04%
Torchmark Corp. (NYSE:TMK)	5,336.00	0.04%	1.07%	9.77%	10.89%	0.00%
Total System Services, Inc. (NYSE:TSS)	4,347.70	0.03%	1.72%	11.20%	13.02%	0.00%
TripAdvisor Inc. (NasdaqGS:TRIP)	6,347.20	0.04%	0.00%	18.20%	18.20%	0.01%
Tyco International Ltd. (NYSE:TYC)	14,935.90	0.10%	2.16%	16.10%	18.43%	0.02%
Tyson Foods, Inc. (NYSE:TSN)	8,512.40	0.06%	0.83%	8.50%	9.37%	0.01%
U.S. Bancorp (NYSE:USB)	63,377.80	0.44%	2.30%	7.80%	10.19%	0.04%
Union Pacific Corporation (NYSE:UNP)	64,214.20	0.45%	2.02%	13.70%	15.86%	0.07%
United Parcel Service, Inc. (NYSE:UPS)	79,640.80	0.55%	2.97%	10.50%	13.63%	0.08%
United States Steel Corp. (NYSE:X)	3,341.60	0.02%	0.86%	5.33%	6.22%	0.00%
United Technologies Corp. (NYSE:UTX)	83,212.60	0.58%	2.36%	12.30%	14.81%	0.09%
UnitedHealth Group Incorporated (NYSE:UNH)	58,748.70	0.41%	1.48%	11.30%	12.86%	0.05%

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Company (Ticker)	[4] Market Capitalization	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
Unum Group (NYSE:UNM)	6,609.20	0.05%	2.13%	8.70%	10.92%	0.01%
Urban Outfitters Inc. (NasdaqGS:URBN)	6,024.70	0.04%	0.00%	17.60%	17.60%	0.01%
V.F. Corporation (NYSE:VFC)	17,391.60	0.12%	2.20%	12.30%	14.64%	0.02%
Valero Energy Corporation (NYSE:VLO)	26,176.90	0.18%	1.69%	10.40%	12.18%	0.02%
Varian Medical Systems, Inc. (NYSE:VAR)	7,643.40	0.05%	0.00%	12.10%	12.10%	0.01%
Ventas, Inc. (NYSE:VTR)	20,532.20	0.14%	3.86%	6.18%	10.16%	0.01%
VeriSign, Inc. (NasdaqGS:VRSN)	7,077.50	0.05%	5.96%	14.50%	20.89%	0.01%
Verizon Communications Inc. (NYSE:VZ)	126,939.60	0.88%	4.64%	8.50%	13.34%	0.12%
Viacom, Inc. (NasdaqGS:VIAB)	29,568.60	0.21%	1.85%	12.90%	14.87%	0.03%
Visa Inc. (NYSE:V)	104,456.80	0.73%	0.84%	18.90%	19.81%	0.14%
Vornado Realty Trust (NYSE:VNO)	15,801.70	0.11%	3.44%	-4.25%	-0.88%	0.00%
Vulcan Materials Company (NYSE:VMC)	7,131.70	0.05%	0.07%	9.50%	9.58%	0.00%
W.W. Grainger, Inc. (NYSE:GWW)	15,943.80	0.11%	1.39%	14.20%	15.69%	0.02%
Wal-Mart Stores Inc. (NYSE:WMT)	231,825.00	1.61%	2.29%	9.80%	12.20%	0.20%
Walgreen Co. (NYSE:WAG)	38,891.10	0.27%	2.67%	12.80%	15.64%	0.04%
Waste Management, Inc. (NYSE:WM)	17,068.20	0.12%	3.98%	5.35%	9.44%	0.01%
Waters Corp. (NYSE:WAT)	8,052.80	0.06%	0.00%	10.30%	10.30%	0.01%
WellPoint Inc. (NYSE:WLP)	19,039.20	0.13%	1.83%	10.80%	12.73%	0.02%
Wells Fargo & Company (NYSE:WFC)	185,163.10	1.29%	2.84%	8.27%	11.23%	0.14%
Western Digital Corporation (NasdaqGS:WDC)	11,693.90	0.08%	2.06%	4.07%	6.17%	0.01%
Weyerhaeuser Co. (NYSE:WY)	16,388.10	0.11%	2.22%	5.00%	7.28%	0.01%
Whirlpool Corp. (NYSE:WHR)	8,795.10	0.06%	1.80%	0.00%	1.80%	0.00%
Whole Foods Market, Inc. (NasdaqGS:WFM)	16,337.40	0.11%	0.91%	17.80%	18.79%	0.02%
Williams Companies, Inc. (NYSE:WMB)	23,666.50	0.16%	3.86%	13.60%	17.72%	0.03%
Windstream Corporation (NasdaqGS:WIN)	5,252.00	0.04%	11.20%	5.57%	17.08%	0.01%
Wisconsin Energy Corp. (NYSE:WEC)	9,152.20	0.06%	3.42%	5.22%	8.73%	0.01%
WPX Energy, Inc. (NYSE:WPX)	2,940.00	N/A	0.00%	0.00%	N/A	N/A
Wyndham Worldwide Corporation (NYSE:WYN)	8,117.50	0.06%	1.95%	19.20%	21.34%	0.01%
Wynn Resorts Ltd. (NasdaqGS:WYNN)	15,282.30	0.11%	9.35%	10.10%	19.92%	0.02%
Xcel Energy Inc. (NYSE:XEL)	13,707.00	0.10%	3.84%	5.04%	8.98%	0.01%
Xerox Corp. (NYSE:XRX)	9,753.50	0.07%	2.89%	8.60%	11.61%	0.01%
Xilinx Inc. (NasdaqGS:XLNX)	9,970.70	0.07%	2.31%	11.30%	13.74%	0.01%
XL Group plc (NYSE:XL)	8,618.40	0.06%	1.53%	8.75%	10.35%	0.01%
Xylem Inc. (NYSE:XYL)	5,254.30	0.04%	1.65%	7.76%	9.47%	0.00%
Yahoo! Inc. (NasdaqGS:YHOO)	24,854.20	0.17%	0.00%	12.30%	12.30%	0.02%
Yum! Brands, Inc. (NYSE:YUM)	28,911.30	0.20%	2.09%	11.90%	14.11%	0.03%
Zimmer Holdings, Inc. (NYSE:ZMH)	13,168.80	0.09%	0.95%	9.37%	10.36%	0.01%
Zions Bancorp. (NasdaqGS:ZION)	4,483.40	0.03%	0.16%	10.50%	10.67%	0.00%
Total Market Capitalization:	14,359,514.00					12.93%

Notes:

[1] Equals sum of Col. [9]

[2] Source: Bloomberg Professional

[3] Equals [1] - [2]

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	[4]	[5]	[6]	[7]	[8]	[9]
Company (Ticker)	Market Capitalization	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result

[4] Source: Capital IQ

[5] Equals weight in S&P 500 based on market capitalization

[6] Source: Capital IQ

[7] Source: Capital IQ

[8] Equals $([6] \times (1 + (0.5 \times [7]))) + [7]$

[9] Equals Col. [5] x Col. [8]

Bloomberg and Value Line Beta Coefficients

Company	Ticker	[1] Bloomberg	[2] Value Line
American Electric Power Company, Inc.	AEP	0.627	0.65
Cleco Corp.	CNL	0.770	0.65
Empire District Electric	EDE	0.759	0.65
Great Plains Energy Inc.	GXP	0.767	0.75
IDACORP, Inc.	IDA	0.806	0.70
Otter Tail Corporation	OTTR	0.766	0.90
Pinnacle West Capital Corp.	PNW	0.715	0.70
PNM Resources, Inc.	PNM	0.680	0.90
Portland General Electric Company	POR	0.748	0.75
Southern Company	SO	0.523	0.55
Westar Energy, Inc.	WR	0.695	0.70
Mean		0.714	0.72

Notes:

[1] Source: Bloomberg Professional

[2] Source: Value Line

**Capital Asset Pricing Model Results
Sharpe Ratio, Bloomberg, and Capital IQ Derived Market Risk Premium**

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
	Ex-Ante Market Risk Premium					CAPM Result		
	Risk-Free Rate	Average Beta Coefficient	Sharpe Ratio Derived	Bloomberg Market DCF Derived	Capital IQ Market DCF Derived	Sharpe Ratio Derived	Bloomberg Market DCF Derived	Capital IQ Market DCF Derived
PROXY GROUP AVERAGE BLOOMBERG BETA COEFFICIENT								
Current 30-Year Treasury (30-day average) [9]	3.12%	0.714	6.03%	9.88%	9.81%	7.42%	10.18%	10.13%
Near-Term Projected 30-Year Treasury [10]	3.25%	0.714	6.03%	9.88%	9.81%	7.56%	10.31%	10.26%
Long-Term Projected 30-Year Treasury [11]	5.10%	0.714	6.03%	9.88%	9.81%	9.41%	12.16%	12.11%
Mean						8.13%	10.88%	10.83%

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
	Ex-Ante Market Risk Premium					CAPM Result		
	Risk-Free Rate	Average Beta Coefficient	Sharpe Ratio Derived	Bloomberg Market DCF Derived	Capital IQ Market DCF Derived	Sharpe Ratio Derived	Bloomberg Market DCF Derived	Capital IQ Market DCF Derived
PROXY GROUP AVERAGE VALUE LINE BETA COEFFICIENT								
Current 30-Year Treasury (30-day average) [9]	3.12%	0.718	6.03%	9.88%	9.81%	7.45%	10.22%	10.16%
Near-Term Projected 30-Year Treasury [10]	3.25%	0.718	6.03%	9.88%	9.81%	7.58%	10.35%	10.30%
Long-Term Projected 30-Year Treasury [11]	5.10%	0.718	6.03%	9.88%	9.81%	9.43%	12.20%	12.15%
Mean						8.15%	10.92%	10.87%

Notes:

- [1] See Notes [9], [10] and [11]
 [2] Source: Exhibit No. RBH-3
 [3] Source: Exhibit No. RBH-2
 [4] Source: Exhibit No. RBH-2
 [5] Source: Exhibit No. RBH-2
 [6] Equals Col. [1] + (Col. [2] x Col. [3])
 [7] Equals Col. [1] + (Col. [2] x Col. [4])
 [8] Equals Col. [1] + (Col. [2] x Col. [5])
 [9] Source: Bloomberg Professional
 [10] Source: Blue Chip Financial Forecasts, Vol. 32, No. 2, February 1, 2012, at 2
 [11] Source: Blue Chip Financial Forecasts, Vol. 31, No. 12, December 1, 2012, at 14

Bond Yield Plus Risk Premium Analysis

	[1] Constant	[2] Slope	[3] 30-Year Treasury Yield	[4] Risk Premium	[5] Return on Equity
Current	-3.08%	-2.94%	3.12%	7.11%	10.23%
Near Term Projected	-3.08%	-2.94%	3.25%	6.99%	10.24%
Long Term Projected	-3.08%	-2.94%	5.10%	5.66%	10.76%

Notes:

[1] Constant of regression equation

[2] Slope of regression equation

[3] Source: Current = Bloomberg Professional,

Near Term Projected = Blue Chip Financial Forecasts, Vol. 32, No. 2, February 1, 2012, at 2,

Long-Term Projected = Blue Chip Financial Forecasts, Vol. 31, No. 12, December 1, 2012, at 14

[4] Equals [1] + [2] x ln([3])

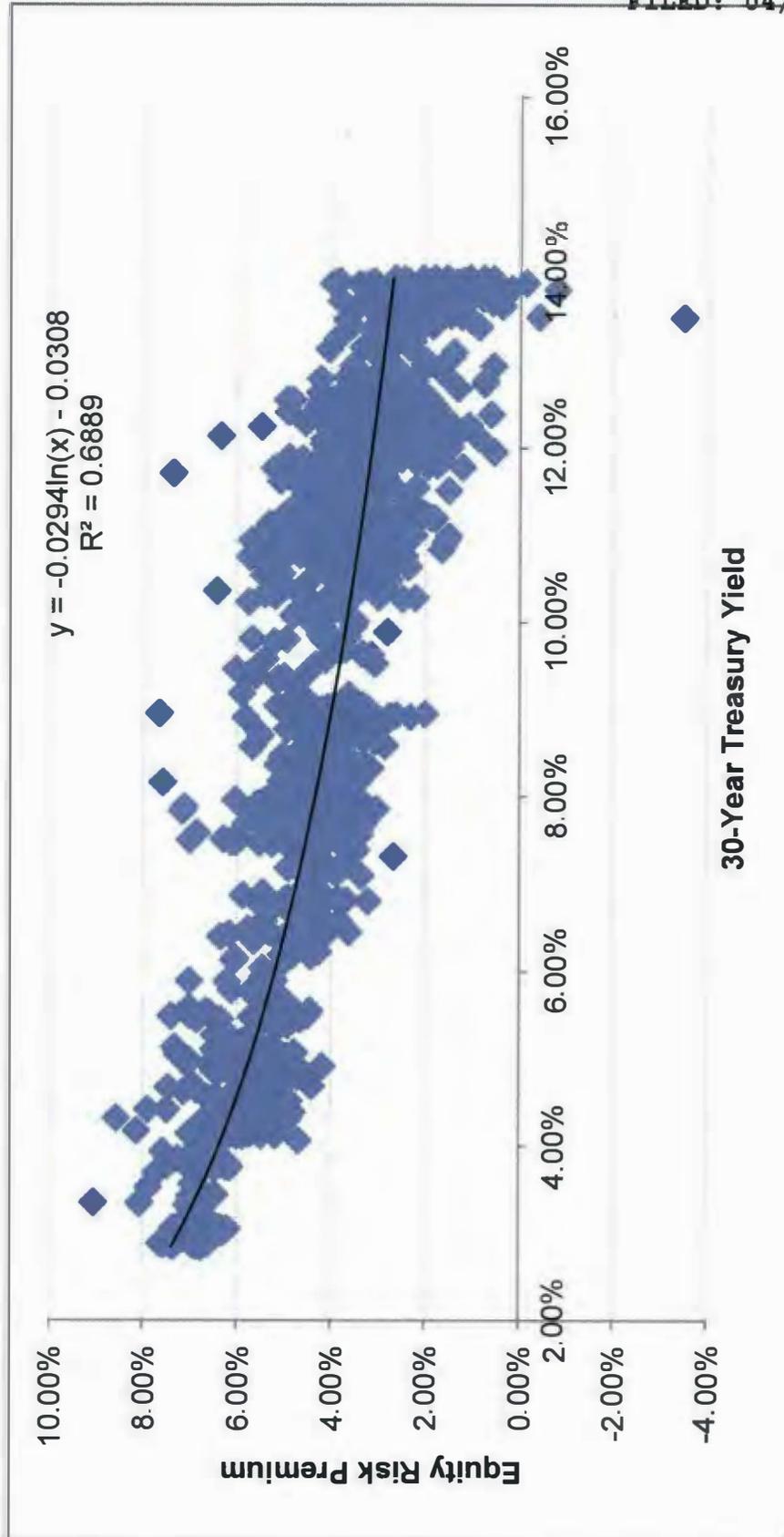
[5] Equals [3] + [4]

[6] Source: SNL Financial

[7] Source: SNL Financial

[8] Source: Bloomberg Professional, equals 201-trading day average (i.e. lag period)

[9] Equals [7] - [8]



[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
1/1/1980	14.50%	9.36%	5.14%
1/7/1980	14.39%	9.38%	5.01%
1/9/1980	15.00%	9.39%	5.61%
1/14/1980	15.17%	9.41%	5.76%
1/17/1980	13.93%	9.43%	4.50%
1/23/1980	15.50%	9.47%	6.03%
1/30/1980	13.86%	9.52%	4.34%
1/31/1980	12.61%	9.53%	3.08%
2/6/1980	13.71%	9.58%	4.13%
2/13/1980	12.80%	9.63%	3.17%
2/14/1980	13.00%	9.64%	3.36%
2/19/1980	13.50%	9.68%	3.82%
2/27/1980	13.75%	9.78%	3.97%
2/29/1980	13.75%	9.81%	3.94%
2/29/1980	14.00%	9.81%	4.19%
2/29/1980	14.77%	9.81%	4.96%
3/7/1980	12.70%	9.89%	2.81%
3/14/1980	13.50%	9.96%	3.54%
3/26/1980	14.16%	10.09%	4.07%
3/27/1980	14.24%	10.11%	4.13%
3/28/1980	14.50%	10.13%	4.37%
4/11/1980	12.75%	10.27%	2.48%
4/14/1980	13.85%	10.28%	3.57%
4/16/1980	15.50%	10.30%	5.20%
4/22/1980	13.25%	10.34%	2.91%
4/22/1980	13.90%	10.34%	3.56%
4/24/1980	16.80%	10.37%	6.43%
4/29/1980	15.50%	10.40%	5.10%
5/6/1980	13.70%	10.44%	3.26%
5/7/1980	15.00%	10.45%	4.55%
5/8/1980	13.75%	10.45%	3.30%
5/9/1980	14.35%	10.46%	3.89%
5/13/1980	13.60%	10.47%	3.13%
5/15/1980	13.25%	10.49%	2.76%
5/19/1980	13.75%	10.50%	3.25%
5/27/1980	13.62%	10.53%	3.09%
5/27/1980	14.60%	10.53%	4.07%
5/29/1980	16.00%	10.55%	5.45%
5/30/1980	13.80%	10.56%	3.24%
6/2/1980	15.63%	10.56%	5.07%
6/9/1980	15.90%	10.59%	5.31%
6/10/1980	13.78%	10.59%	3.19%
6/12/1980	14.25%	10.60%	3.65%
6/19/1980	13.40%	10.61%	2.79%
6/30/1980	13.00%	10.64%	2.36%
6/30/1980	13.40%	10.64%	2.76%
7/9/1980	14.75%	10.67%	4.08%
7/10/1980	15.00%	10.67%	4.33%
7/15/1980	15.80%	10.69%	5.11%
7/18/1980	13.80%	10.70%	3.10%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
7/22/1980	14.10%	10.71%	3.39%
7/24/1980	15.00%	10.72%	4.28%
7/25/1980	13.48%	10.73%	2.75%
7/31/1980	14.58%	10.75%	3.83%
8/8/1980	13.50%	10.77%	2.73%
8/8/1980	14.00%	10.77%	3.23%
8/8/1980	15.45%	10.77%	4.68%
8/11/1980	14.85%	10.78%	4.07%
8/14/1980	14.00%	10.79%	3.21%
8/14/1980	16.25%	10.79%	5.46%
8/25/1980	13.75%	10.82%	2.93%
8/27/1980	13.80%	10.83%	2.97%
8/29/1980	12.50%	10.83%	1.67%
9/15/1980	13.50%	10.87%	2.63%
9/15/1980	13.93%	10.87%	3.06%
9/15/1980	15.80%	10.87%	4.93%
9/24/1980	12.50%	10.92%	1.58%
9/24/1980	15.00%	10.92%	4.08%
9/26/1980	13.75%	10.94%	2.81%
9/30/1980	14.10%	10.96%	3.14%
9/30/1980	14.20%	10.96%	3.24%
10/1/1980	13.90%	10.96%	2.94%
10/3/1980	15.50%	10.98%	4.52%
10/7/1980	12.50%	10.99%	1.51%
10/9/1980	13.25%	11.00%	2.25%
10/9/1980	14.50%	11.00%	3.50%
10/9/1980	14.50%	11.00%	3.50%
10/16/1980	16.10%	11.02%	5.08%
10/17/1980	14.50%	11.03%	3.47%
10/31/1980	13.75%	11.10%	2.65%
10/31/1980	14.25%	11.10%	3.15%
11/4/1980	15.00%	11.11%	3.89%
11/5/1980	13.75%	11.12%	2.63%
11/5/1980	14.00%	11.12%	2.88%
11/8/1980	13.75%	11.14%	2.61%
11/10/1980	14.85%	11.15%	3.70%
11/17/1980	14.00%	11.18%	2.82%
11/18/1980	14.00%	11.19%	2.81%
11/19/1980	13.00%	11.19%	1.81%
11/24/1980	14.00%	11.21%	2.79%
11/26/1980	14.00%	11.21%	2.79%
12/8/1980	14.15%	11.23%	2.92%
12/8/1980	15.10%	11.23%	3.87%
12/9/1980	15.35%	11.23%	4.12%
12/12/1980	15.45%	11.23%	4.22%
12/17/1980	13.25%	11.24%	2.01%
12/18/1980	15.80%	11.24%	4.56%
12/19/1980	14.50%	11.24%	3.26%
12/19/1980	14.64%	11.24%	3.40%
12/22/1980	13.45%	11.24%	2.21%
12/22/1980	15.00%	11.24%	3.76%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
12/30/1980	14.50%	11.22%	3.28%
12/30/1980	14.95%	11.22%	3.73%
12/31/1980	13.39%	11.22%	2.17%
1/2/1981	15.25%	11.22%	4.03%
1/7/1981	14.30%	11.21%	3.09%
1/19/1981	15.25%	11.20%	4.05%
1/23/1981	13.10%	11.20%	1.90%
1/23/1981	14.40%	11.20%	3.20%
1/26/1981	15.25%	11.21%	4.04%
1/27/1981	15.00%	11.21%	3.79%
1/31/1981	13.47%	11.22%	2.25%
2/3/1981	15.25%	11.23%	4.02%
2/5/1981	15.75%	11.24%	4.51%
2/11/1981	15.60%	11.28%	4.32%
2/20/1981	15.25%	11.33%	3.92%
3/11/1981	15.40%	11.49%	3.91%
3/12/1981	14.51%	11.50%	3.01%
3/12/1981	16.00%	11.50%	4.50%
3/13/1981	13.02%	11.51%	1.51%
3/18/1981	16.19%	11.54%	4.65%
3/19/1981	13.75%	11.55%	2.20%
3/23/1981	14.30%	11.57%	2.73%
3/25/1981	15.30%	11.60%	3.70%
4/1/1981	14.53%	11.67%	2.86%
4/3/1981	19.10%	11.70%	7.40%
4/9/1981	15.00%	11.77%	3.23%
4/9/1981	15.30%	11.77%	3.53%
4/9/1981	16.50%	11.77%	4.73%
4/9/1981	17.00%	11.77%	5.23%
4/10/1981	13.75%	11.79%	1.96%
4/13/1981	13.57%	11.81%	1.76%
4/15/1981	15.30%	11.84%	3.46%
4/16/1981	13.50%	11.86%	1.64%
4/17/1981	14.10%	11.86%	2.24%
4/21/1981	14.00%	11.89%	2.11%
4/21/1981	16.80%	11.89%	4.91%
4/24/1981	16.00%	11.94%	4.06%
4/27/1981	12.50%	11.96%	0.54%
4/27/1981	13.61%	11.96%	1.65%
4/29/1981	13.65%	11.99%	1.66%
4/30/1981	13.50%	12.01%	1.49%
5/4/1981	16.22%	12.04%	4.18%
5/5/1981	14.40%	12.06%	2.34%
5/7/1981	16.25%	12.10%	4.15%
5/7/1981	16.27%	12.10%	4.17%
5/8/1981	13.00%	12.12%	0.88%
5/8/1981	16.00%	12.12%	3.88%
5/12/1981	13.50%	12.15%	1.35%
5/15/1981	15.75%	12.21%	3.54%
5/18/1981	14.88%	12.22%	2.66%
5/20/1981	16.00%	12.25%	3.75%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
5/21/1981	14.00%	12.27%	1.73%
5/26/1981	14.90%	12.29%	2.61%
5/27/1981	15.00%	12.31%	2.69%
5/27/1981	15.00%	12.31%	2.69%
5/29/1981	15.50%	12.33%	3.17%
6/1/1981	16.50%	12.34%	4.16%
6/3/1981	14.67%	12.36%	2.31%
6/5/1981	13.00%	12.38%	0.62%
6/10/1981	16.75%	12.41%	4.34%
6/17/1981	14.40%	12.45%	1.95%
6/18/1981	16.33%	12.46%	3.87%
6/25/1981	14.75%	12.51%	2.24%
6/26/1981	16.00%	12.52%	3.48%
6/30/1981	15.25%	12.54%	2.71%
7/1/1981	15.50%	12.55%	2.95%
7/1/1981	17.50%	12.55%	4.95%
7/10/1981	16.00%	12.61%	3.39%
7/14/1981	16.90%	12.63%	4.27%
7/15/1981	16.00%	12.64%	3.36%
7/17/1981	15.00%	12.66%	2.34%
7/20/1981	15.00%	12.67%	2.33%
7/21/1981	14.00%	12.68%	1.32%
7/28/1981	13.48%	12.73%	0.75%
7/31/1981	13.50%	12.77%	0.73%
7/31/1981	15.00%	12.77%	2.23%
7/31/1981	16.00%	12.77%	3.23%
8/5/1981	15.71%	12.82%	2.89%
8/10/1981	14.50%	12.86%	1.64%
8/11/1981	15.00%	12.87%	2.13%
8/20/1981	13.50%	12.94%	0.56%
8/20/1981	16.50%	12.94%	3.56%
8/24/1981	15.00%	12.96%	2.04%
8/28/1981	15.00%	13.01%	1.99%
9/3/1981	14.50%	13.05%	1.45%
9/10/1981	14.50%	13.10%	1.40%
9/11/1981	16.00%	13.11%	2.89%
9/16/1981	16.00%	13.14%	2.86%
9/17/1981	16.50%	13.15%	3.35%
9/23/1981	15.85%	13.19%	2.66%
9/28/1981	15.50%	13.23%	2.27%
10/9/1981	15.75%	13.32%	2.43%
10/15/1981	16.25%	13.36%	2.89%
10/16/1981	15.50%	13.37%	2.13%
10/16/1981	16.50%	13.37%	3.13%
10/19/1981	14.25%	13.38%	0.87%
10/20/1981	15.25%	13.40%	1.85%
10/20/1981	17.00%	13.40%	3.60%
10/23/1981	16.00%	13.44%	2.56%
10/27/1981	10.00%	13.48%	-3.48%
10/29/1981	14.75%	13.50%	1.25%
10/29/1981	16.50%	13.50%	3.00%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
11/3/1981	15.17%	13.53%	1.64%
11/5/1981	16.60%	13.55%	3.05%
11/6/1981	15.17%	13.55%	1.62%
11/24/1981	15.50%	13.60%	1.90%
11/25/1981	15.25%	13.60%	1.65%
11/25/1981	15.35%	13.60%	1.75%
11/25/1981	16.10%	13.60%	2.50%
11/25/1981	16.10%	13.60%	2.50%
12/1/1981	15.70%	13.61%	2.09%
12/1/1981	16.00%	13.61%	2.39%
12/1/1981	16.49%	13.61%	2.88%
12/1/1981	16.50%	13.61%	2.89%
12/4/1981	16.00%	13.61%	2.39%
12/11/1981	16.25%	13.62%	2.63%
12/14/1981	14.00%	13.62%	0.38%
12/15/1981	15.81%	13.63%	2.18%
12/15/1981	16.00%	13.63%	2.37%
12/16/1981	15.25%	13.63%	1.62%
12/17/1981	16.50%	13.63%	2.87%
12/18/1981	15.45%	13.63%	1.82%
12/30/1981	14.25%	13.66%	0.59%
12/30/1981	16.00%	13.66%	2.34%
12/30/1981	16.25%	13.66%	2.59%
12/31/1981	16.15%	13.67%	2.48%
1/4/1982	15.50%	13.67%	1.83%
1/11/1982	14.50%	13.72%	0.78%
1/11/1982	17.00%	13.72%	3.28%
1/13/1982	14.75%	13.74%	1.01%
1/14/1982	15.75%	13.74%	2.01%
1/15/1982	15.00%	13.75%	1.25%
1/15/1982	16.50%	13.75%	2.75%
1/22/1982	16.25%	13.79%	2.46%
1/27/1982	16.84%	13.81%	3.03%
1/28/1982	13.00%	13.81%	-0.81%
1/29/1982	15.50%	13.81%	1.69%
2/1/1982	15.85%	13.82%	2.03%
2/3/1982	16.44%	13.83%	2.61%
2/8/1982	15.50%	13.85%	1.65%
2/11/1982	16.00%	13.87%	2.13%
2/11/1982	16.20%	13.87%	2.33%
2/17/1982	15.00%	13.88%	1.12%
2/19/1982	15.17%	13.89%	1.28%
2/26/1982	15.25%	13.89%	1.36%
3/1/1982	15.03%	13.89%	1.14%
3/1/1982	16.00%	13.89%	2.11%
3/3/1982	15.00%	13.88%	1.12%
3/3/1982	15.00%	13.88%	1.12%
3/8/1982	17.10%	13.88%	3.22%
3/12/1982	16.25%	13.88%	2.37%
3/17/1982	17.30%	13.88%	3.42%
3/22/1982	15.10%	13.88%	1.22%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
3/27/1982	15.40%	13.89%	1.51%
3/30/1982	15.50%	13.90%	1.60%
3/31/1982	17.00%	13.90%	3.10%
4/1/1982	14.70%	13.91%	0.79%
4/1/1982	16.50%	13.91%	2.59%
4/2/1982	15.50%	13.91%	1.59%
4/5/1982	15.50%	13.91%	1.59%
4/8/1982	16.40%	13.93%	2.47%
4/13/1982	14.50%	13.93%	0.57%
4/23/1982	15.75%	13.94%	1.81%
4/27/1982	15.00%	13.94%	1.06%
4/28/1982	15.75%	13.94%	1.81%
4/30/1982	14.70%	13.94%	0.76%
4/30/1982	15.50%	13.94%	1.56%
5/3/1982	16.60%	13.94%	2.66%
5/4/1982	16.00%	13.94%	2.06%
5/14/1982	15.50%	13.92%	1.58%
5/18/1982	15.42%	13.92%	1.50%
5/19/1982	14.69%	13.91%	0.78%
5/20/1982	15.00%	13.91%	1.09%
5/20/1982	15.10%	13.91%	1.19%
5/20/1982	15.50%	13.91%	1.59%
5/20/1982	16.30%	13.91%	2.39%
5/21/1982	17.75%	13.91%	3.84%
5/27/1982	15.00%	13.89%	1.11%
5/28/1982	15.50%	13.89%	1.61%
5/28/1982	17.00%	13.89%	3.11%
6/1/1982	13.75%	13.89%	-0.14%
6/1/1982	16.60%	13.89%	2.71%
6/9/1982	17.86%	13.88%	3.98%
6/14/1982	15.75%	13.88%	1.87%
6/15/1982	14.85%	13.88%	0.97%
6/18/1982	15.50%	13.87%	1.63%
6/21/1982	14.90%	13.87%	1.03%
6/23/1982	16.00%	13.87%	2.13%
6/23/1982	16.17%	13.87%	2.30%
6/24/1982	14.85%	13.86%	0.99%
6/25/1982	14.70%	13.86%	0.84%
7/1/1982	16.00%	13.85%	2.15%
7/2/1982	15.62%	13.84%	1.78%
7/2/1982	17.00%	13.84%	3.16%
7/13/1982	14.00%	13.82%	0.18%
7/13/1982	16.80%	13.82%	2.98%
7/14/1982	15.76%	13.82%	1.94%
7/14/1982	16.02%	13.82%	2.20%
7/19/1982	16.50%	13.80%	2.70%
7/22/1982	14.50%	13.78%	0.72%
7/22/1982	17.00%	13.78%	3.22%
7/27/1982	16.75%	13.75%	3.00%
7/29/1982	16.50%	13.74%	2.76%
8/11/1982	17.50%	13.69%	3.81%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
8/18/1982	17.07%	13.64%	3.43%
8/20/1982	15.73%	13.61%	2.12%
8/25/1982	16.00%	13.57%	2.43%
8/26/1982	15.50%	13.56%	1.94%
8/30/1982	15.00%	13.55%	1.45%
9/3/1982	16.20%	13.53%	2.67%
9/8/1982	15.00%	13.52%	1.48%
9/15/1982	13.08%	13.50%	-0.42%
9/15/1982	16.25%	13.50%	2.75%
9/16/1982	16.00%	13.50%	2.50%
9/17/1982	15.25%	13.49%	1.76%
9/23/1982	17.17%	13.47%	3.70%
9/24/1982	14.50%	13.46%	1.04%
9/27/1982	15.25%	13.46%	1.79%
10/1/1982	15.50%	13.42%	2.08%
10/15/1982	15.90%	13.32%	2.58%
10/22/1982	15.75%	13.25%	2.50%
10/22/1982	17.15%	13.25%	3.90%
10/29/1982	15.54%	13.17%	2.37%
11/1/1982	15.50%	13.15%	2.35%
11/3/1982	17.20%	13.13%	4.07%
11/4/1982	16.25%	13.12%	3.13%
11/5/1982	16.20%	13.10%	3.10%
11/9/1982	16.00%	13.06%	2.94%
11/23/1982	15.50%	12.89%	2.61%
11/23/1982	15.85%	12.89%	2.96%
11/30/1982	16.50%	12.82%	3.68%
12/1/1982	17.04%	12.79%	4.25%
12/6/1982	15.00%	12.74%	2.26%
12/6/1982	16.35%	12.74%	3.61%
12/10/1982	15.50%	12.67%	2.83%
12/13/1982	16.00%	12.65%	3.35%
12/14/1982	15.30%	12.63%	2.67%
12/14/1982	16.40%	12.63%	3.77%
12/20/1982	16.00%	12.58%	3.42%
12/21/1982	14.75%	12.56%	2.19%
12/21/1982	15.85%	12.56%	3.29%
12/22/1982	16.25%	12.55%	3.70%
12/22/1982	16.58%	12.55%	4.03%
12/22/1982	16.75%	12.55%	4.20%
12/29/1982	14.90%	12.49%	2.41%
12/29/1982	16.25%	12.49%	3.76%
12/30/1982	16.00%	12.47%	3.53%
12/30/1982	16.35%	12.47%	3.88%
12/30/1982	16.77%	12.47%	4.30%
1/5/1983	17.33%	12.41%	4.92%
1/11/1983	15.90%	12.35%	3.55%
1/12/1983	14.63%	12.34%	2.29%
1/12/1983	15.50%	12.34%	3.16%
1/20/1983	17.75%	12.24%	5.51%
1/21/1983	15.00%	12.23%	2.77%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
1/24/1983	14.50%	12.21%	2.29%
1/24/1983	15.50%	12.21%	3.29%
1/25/1983	15.85%	12.20%	3.65%
1/27/1983	16.14%	12.17%	3.97%
2/1/1983	18.50%	12.14%	6.36%
2/4/1983	14.00%	12.10%	1.90%
2/10/1983	15.00%	12.06%	2.94%
2/21/1983	15.50%	11.99%	3.51%
2/22/1983	15.50%	11.98%	3.52%
2/23/1983	15.10%	11.96%	3.14%
2/23/1983	16.00%	11.96%	4.04%
3/2/1983	15.25%	11.90%	3.35%
3/9/1983	15.20%	11.83%	3.37%
3/15/1983	13.00%	11.78%	1.22%
3/18/1983	15.25%	11.74%	3.51%
3/23/1983	15.40%	11.70%	3.70%
3/24/1983	15.00%	11.68%	3.32%
3/29/1983	15.50%	11.64%	3.86%
3/30/1983	16.71%	11.62%	5.09%
3/31/1983	15.00%	11.61%	3.39%
4/4/1983	15.20%	11.59%	3.61%
4/8/1983	15.50%	11.52%	3.98%
4/11/1983	14.81%	11.50%	3.31%
4/19/1983	14.50%	11.39%	3.11%
4/20/1983	16.00%	11.37%	4.63%
4/29/1983	16.00%	11.26%	4.74%
5/1/1983	14.50%	11.26%	3.24%
5/9/1983	15.50%	11.16%	4.34%
5/11/1983	16.46%	11.13%	5.33%
5/12/1983	14.14%	11.12%	3.02%
5/18/1983	15.00%	11.06%	3.94%
5/23/1983	14.90%	11.02%	3.88%
5/23/1983	15.50%	11.02%	4.48%
5/25/1983	15.50%	11.00%	4.50%
5/27/1983	15.00%	10.97%	4.03%
5/31/1983	14.00%	10.96%	3.04%
5/31/1983	15.50%	10.96%	4.54%
6/2/1983	14.50%	10.94%	3.56%
6/17/1983	15.03%	10.85%	4.18%
7/1/1983	14.80%	10.78%	4.02%
7/1/1983	14.90%	10.78%	4.12%
7/8/1983	16.25%	10.76%	5.49%
7/13/1983	13.20%	10.76%	2.44%
7/19/1983	15.00%	10.75%	4.25%
7/19/1983	15.10%	10.75%	4.35%
7/25/1983	16.25%	10.74%	5.51%
7/28/1983	15.90%	10.74%	5.16%
8/3/1983	16.34%	10.75%	5.59%
8/3/1983	16.50%	10.75%	5.75%
8/19/1983	15.00%	10.80%	4.20%
8/22/1983	15.50%	10.80%	4.70%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
8/22/1983	16.40%	10.80%	5.60%
8/31/1983	14.75%	10.84%	3.91%
9/7/1983	15.00%	10.86%	4.14%
9/14/1983	15.78%	10.89%	4.89%
9/16/1983	15.00%	10.90%	4.10%
9/19/1983	14.50%	10.91%	3.59%
9/20/1983	16.50%	10.91%	5.59%
9/28/1983	14.50%	10.94%	3.56%
9/29/1983	15.50%	10.94%	4.56%
9/30/1983	15.25%	10.95%	4.30%
9/30/1983	16.15%	10.95%	5.20%
10/4/1983	14.80%	10.96%	3.84%
10/7/1983	16.00%	10.97%	5.03%
10/13/1983	15.52%	10.98%	4.54%
10/17/1983	15.50%	10.99%	4.51%
10/18/1983	14.50%	11.00%	3.50%
10/19/1983	16.25%	11.00%	5.25%
10/19/1983	16.50%	11.00%	5.50%
10/26/1983	15.00%	11.03%	3.97%
10/27/1983	15.20%	11.04%	4.16%
11/1/1983	16.00%	11.06%	4.94%
11/9/1983	14.90%	11.09%	3.81%
11/10/1983	14.35%	11.10%	3.25%
11/23/1983	16.00%	11.13%	4.87%
11/23/1983	16.15%	11.13%	5.02%
11/30/1983	15.00%	11.14%	3.86%
12/5/1983	15.25%	11.15%	4.10%
12/6/1983	15.07%	11.15%	3.92%
12/8/1983	15.90%	11.16%	4.74%
12/9/1983	14.75%	11.17%	3.58%
12/12/1983	14.50%	11.17%	3.33%
12/15/1983	15.56%	11.19%	4.37%
12/19/1983	14.80%	11.21%	3.59%
12/20/1983	14.69%	11.21%	3.48%
12/20/1983	16.00%	11.21%	4.79%
12/20/1983	16.25%	11.21%	5.04%
12/22/1983	14.75%	11.23%	3.52%
12/22/1983	15.75%	11.23%	4.52%
1/3/1984	14.75%	11.26%	3.49%
1/10/1984	15.90%	11.29%	4.61%
1/12/1984	15.60%	11.30%	4.30%
1/18/1984	13.75%	11.32%	2.43%
1/19/1984	15.90%	11.33%	4.57%
1/30/1984	16.10%	11.36%	4.74%
1/31/1984	15.25%	11.37%	3.88%
2/1/1984	14.80%	11.38%	3.42%
2/6/1984	13.75%	11.40%	2.35%
2/6/1984	14.75%	11.40%	3.35%
2/9/1984	15.25%	11.42%	3.83%
2/15/1984	15.70%	11.44%	4.26%
2/20/1984	15.00%	11.45%	3.55%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
2/20/1984	15.00%	11.45%	3.55%
2/22/1984	14.75%	11.47%	3.28%
2/28/1984	14.50%	11.50%	3.00%
3/2/1984	14.25%	11.53%	2.72%
3/20/1984	16.00%	11.64%	4.36%
3/23/1984	15.50%	11.66%	3.84%
3/26/1984	14.71%	11.67%	3.04%
4/2/1984	15.50%	11.71%	3.79%
4/6/1984	14.74%	11.75%	2.99%
4/11/1984	15.72%	11.77%	3.95%
4/17/1984	15.00%	11.80%	3.20%
4/18/1984	16.20%	11.81%	4.39%
4/25/1984	14.64%	11.85%	2.79%
4/30/1984	14.40%	11.87%	2.53%
5/16/1984	14.69%	11.98%	2.71%
5/16/1984	15.00%	11.98%	3.02%
5/22/1984	14.40%	12.02%	2.38%
5/29/1984	15.10%	12.06%	3.04%
6/13/1984	15.25%	12.15%	3.10%
6/15/1984	15.60%	12.17%	3.43%
6/22/1984	16.25%	12.21%	4.04%
6/29/1984	15.25%	12.25%	3.00%
7/2/1984	13.35%	12.26%	1.09%
7/10/1984	16.00%	12.31%	3.69%
7/12/1984	16.50%	12.32%	4.18%
7/13/1984	16.25%	12.33%	3.92%
7/17/1984	14.14%	12.35%	1.79%
7/18/1984	15.30%	12.35%	2.95%
7/18/1984	15.50%	12.35%	3.15%
7/19/1984	14.30%	12.36%	1.94%
7/24/1984	16.79%	12.39%	4.40%
7/31/1984	16.00%	12.42%	3.58%
8/3/1984	14.25%	12.44%	1.81%
8/17/1984	14.30%	12.48%	1.82%
8/20/1984	15.00%	12.49%	2.51%
8/27/1984	16.30%	12.50%	3.80%
8/31/1984	15.55%	12.52%	3.03%
9/6/1984	16.00%	12.53%	3.47%
9/10/1984	14.75%	12.54%	2.21%
9/13/1984	15.00%	12.55%	2.45%
9/17/1984	17.38%	12.55%	4.83%
9/26/1984	14.50%	12.57%	1.93%
9/28/1984	15.00%	12.57%	2.43%
9/28/1984	16.25%	12.57%	3.68%
10/9/1984	14.75%	12.58%	2.17%
10/12/1984	15.60%	12.58%	3.02%
10/22/1984	15.00%	12.58%	2.42%
10/26/1984	16.40%	12.58%	3.82%
10/31/1984	16.25%	12.58%	3.67%
11/7/1984	15.60%	12.58%	3.02%
11/9/1984	16.00%	12.58%	3.42%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
11/14/1984	15.75%	12.58%	3.17%
11/20/1984	15.25%	12.57%	2.68%
11/20/1984	15.92%	12.57%	3.35%
11/23/1984	15.00%	12.57%	2.43%
11/28/1984	16.15%	12.56%	3.59%
12/3/1984	15.80%	12.56%	3.24%
12/4/1984	16.50%	12.56%	3.94%
12/18/1984	16.40%	12.53%	3.87%
12/19/1984	14.75%	12.53%	2.22%
12/19/1984	15.00%	12.53%	2.47%
12/20/1984	16.00%	12.52%	3.48%
12/28/1984	16.00%	12.50%	3.50%
1/3/1985	14.75%	12.49%	2.26%
1/10/1985	15.75%	12.47%	3.28%
1/11/1985	16.30%	12.46%	3.84%
1/23/1985	15.80%	12.43%	3.37%
1/24/1985	15.82%	12.43%	3.39%
1/25/1985	16.75%	12.42%	4.33%
1/30/1985	14.90%	12.40%	2.50%
1/31/1985	14.75%	12.39%	2.36%
2/8/1985	14.47%	12.36%	2.11%
3/1/1985	13.84%	12.31%	1.53%
3/8/1985	16.85%	12.29%	4.56%
3/14/1985	15.50%	12.26%	3.24%
3/15/1985	15.62%	12.26%	3.36%
3/29/1985	15.62%	12.17%	3.45%
4/3/1985	14.60%	12.14%	2.46%
4/9/1985	15.50%	12.11%	3.39%
4/16/1985	15.70%	12.06%	3.64%
4/22/1985	14.00%	12.02%	1.98%
4/26/1985	15.50%	11.99%	3.51%
4/29/1985	15.00%	11.98%	3.02%
5/2/1985	14.68%	11.94%	2.74%
5/8/1985	15.62%	11.90%	3.72%
5/10/1985	16.50%	11.88%	4.62%
5/29/1985	14.61%	11.74%	2.87%
5/31/1985	16.00%	11.72%	4.28%
6/14/1985	15.50%	11.61%	3.89%
7/9/1985	15.00%	11.45%	3.55%
7/16/1985	14.50%	11.40%	3.10%
7/26/1985	14.50%	11.33%	3.17%
8/2/1985	14.80%	11.29%	3.51%
8/7/1985	15.00%	11.27%	3.73%
8/28/1985	14.25%	11.15%	3.10%
8/28/1985	15.50%	11.15%	4.35%
8/29/1985	14.50%	11.15%	3.35%
9/9/1985	14.60%	11.11%	3.49%
9/9/1985	14.90%	11.11%	3.79%
9/17/1985	14.90%	11.09%	3.81%
9/23/1985	15.00%	11.07%	3.93%
9/27/1985	15.50%	11.05%	4.45%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
9/27/1985	15.80%	11.05%	4.75%
10/2/1985	14.00%	11.04%	2.96%
10/2/1985	14.75%	11.04%	3.71%
10/3/1985	15.25%	11.03%	4.22%
10/24/1985	15.40%	10.96%	4.44%
10/24/1985	15.82%	10.96%	4.86%
10/24/1985	15.85%	10.96%	4.89%
10/28/1985	16.00%	10.95%	5.05%
10/29/1985	16.65%	10.95%	5.70%
10/31/1985	15.06%	10.93%	4.13%
11/4/1985	14.50%	10.92%	3.58%
11/7/1985	15.50%	10.90%	4.60%
11/8/1985	14.30%	10.89%	3.41%
12/12/1985	14.75%	10.73%	4.02%
12/18/1985	15.00%	10.70%	4.30%
12/20/1985	14.50%	10.68%	3.82%
12/20/1985	14.50%	10.68%	3.82%
12/20/1985	15.00%	10.68%	4.32%
1/24/1986	15.40%	10.41%	4.99%
1/31/1986	15.00%	10.36%	4.64%
2/5/1986	15.00%	10.33%	4.67%
2/5/1986	15.75%	10.33%	5.42%
2/10/1986	13.30%	10.30%	3.00%
2/11/1986	12.50%	10.28%	2.22%
2/14/1986	14.40%	10.25%	4.15%
2/18/1986	16.00%	10.24%	5.76%
2/24/1986	14.50%	10.18%	4.32%
2/26/1986	14.00%	10.16%	3.84%
3/5/1986	14.90%	10.08%	4.82%
3/11/1986	14.50%	10.02%	4.48%
3/12/1986	13.50%	10.01%	3.49%
3/27/1986	14.10%	9.86%	4.24%
3/31/1986	13.50%	9.84%	3.66%
4/1/1986	14.00%	9.83%	4.17%
4/2/1986	15.50%	9.81%	5.69%
4/4/1986	15.00%	9.78%	5.22%
4/14/1986	13.40%	9.69%	3.71%
4/23/1986	15.00%	9.58%	5.42%
5/16/1986	14.50%	9.33%	5.17%
5/16/1986	14.50%	9.33%	5.17%
5/29/1986	13.90%	9.20%	4.70%
5/30/1986	15.10%	9.19%	5.91%
6/2/1986	12.81%	9.17%	3.64%
6/11/1986	14.00%	9.08%	4.92%
6/24/1986	16.63%	8.94%	7.69%
6/26/1986	12.00%	8.91%	3.09%
6/26/1986	14.75%	8.91%	5.84%
6/30/1986	13.00%	8.88%	4.12%
7/10/1986	14.34%	8.76%	5.58%
7/11/1986	12.75%	8.74%	4.01%
7/14/1986	12.60%	8.72%	3.88%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
7/17/1986	12.40%	8.67%	3.73%
7/25/1986	14.25%	8.58%	5.67%
8/6/1986	13.50%	8.45%	5.05%
8/14/1986	13.50%	8.36%	5.14%
9/16/1986	12.75%	8.07%	4.68%
9/19/1986	13.25%	8.04%	5.21%
10/1/1986	14.00%	7.96%	6.04%
10/3/1986	13.40%	7.94%	5.46%
10/31/1986	13.50%	7.78%	5.72%
11/5/1986	13.00%	7.76%	5.24%
12/3/1986	12.90%	7.59%	5.31%
12/4/1986	14.44%	7.58%	6.86%
12/16/1986	13.60%	7.53%	6.07%
12/22/1986	13.80%	7.51%	6.29%
12/30/1986	13.00%	7.49%	5.51%
1/2/1987	13.00%	7.49%	5.51%
1/12/1987	12.40%	7.47%	4.93%
1/27/1987	12.71%	7.46%	5.25%
3/2/1987	12.47%	7.47%	5.00%
3/3/1987	13.60%	7.47%	6.13%
3/4/1987	12.38%	7.47%	4.91%
3/10/1987	13.50%	7.47%	6.03%
3/13/1987	13.00%	7.47%	5.53%
3/31/1987	13.00%	7.47%	5.53%
4/6/1987	13.00%	7.47%	5.53%
4/14/1987	12.50%	7.49%	5.01%
4/16/1987	14.50%	7.50%	7.00%
4/27/1987	12.00%	7.54%	4.46%
5/5/1987	12.85%	7.58%	5.27%
5/12/1987	12.65%	7.62%	5.03%
5/28/1987	13.50%	7.70%	5.80%
6/15/1987	13.20%	7.78%	5.42%
6/29/1987	15.00%	7.83%	7.17%
6/30/1987	12.50%	7.84%	4.66%
7/8/1987	12.00%	7.86%	4.14%
7/10/1987	12.90%	7.86%	5.04%
7/15/1987	13.50%	7.88%	5.62%
7/16/1987	13.50%	7.88%	5.62%
7/16/1987	15.00%	7.88%	7.12%
7/27/1987	13.00%	7.92%	5.08%
7/27/1987	13.40%	7.92%	5.48%
7/27/1987	13.50%	7.92%	5.58%
7/31/1987	12.98%	7.94%	5.04%
8/26/1987	12.63%	8.05%	4.58%
8/26/1987	12.75%	8.05%	4.70%
8/27/1987	13.25%	8.06%	5.19%
9/9/1987	13.00%	8.13%	4.87%
9/30/1987	12.75%	8.30%	4.45%
9/30/1987	13.00%	8.30%	4.70%
10/2/1987	11.50%	8.33%	3.17%
10/15/1987	13.00%	8.43%	4.57%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
11/2/1987	13.00%	8.54%	4.46%
11/19/1987	13.00%	8.63%	4.37%
11/30/1987	12.00%	8.68%	3.32%
12/3/1987	14.20%	8.70%	5.50%
12/15/1987	13.25%	8.77%	4.48%
12/16/1987	13.50%	8.78%	4.72%
12/16/1987	13.72%	8.78%	4.94%
12/17/1987	11.75%	8.78%	2.97%
12/18/1987	13.50%	8.79%	4.71%
12/21/1987	12.01%	8.80%	3.21%
12/22/1987	12.00%	8.81%	3.19%
12/22/1987	12.00%	8.81%	3.19%
12/22/1987	12.75%	8.81%	3.94%
12/22/1987	13.00%	8.81%	4.19%
1/20/1988	13.80%	8.93%	4.87%
1/26/1988	13.90%	8.95%	4.95%
1/29/1988	13.20%	8.95%	4.25%
2/4/1988	12.60%	8.96%	3.64%
3/1/1988	11.56%	8.94%	2.62%
3/23/1988	12.87%	8.92%	3.95%
3/24/1988	11.24%	8.92%	2.32%
3/30/1988	12.72%	8.92%	3.80%
4/1/1988	12.50%	8.92%	3.58%
4/7/1988	13.25%	8.93%	4.32%
4/25/1988	10.96%	8.95%	2.01%
5/3/1988	12.91%	8.97%	3.94%
5/11/1988	13.50%	8.99%	4.51%
5/16/1988	13.00%	8.99%	4.01%
6/30/1988	12.75%	9.00%	3.75%
7/1/1988	12.75%	9.00%	3.75%
7/20/1988	13.40%	8.97%	4.43%
8/5/1988	12.75%	8.92%	3.83%
8/23/1988	11.70%	8.93%	2.77%
8/29/1988	12.75%	8.94%	3.81%
8/30/1988	13.50%	8.94%	4.56%
9/8/1988	12.60%	8.95%	3.65%
10/13/1988	13.10%	8.93%	4.17%
12/19/1988	13.00%	9.01%	3.99%
12/20/1988	12.25%	9.02%	3.23%
12/20/1988	13.00%	9.02%	3.98%
12/21/1988	12.90%	9.02%	3.88%
12/27/1988	13.00%	9.03%	3.97%
12/28/1988	13.10%	9.03%	4.07%
12/30/1988	13.40%	9.03%	4.37%
1/27/1989	13.00%	9.05%	3.95%
1/31/1989	13.00%	9.05%	3.95%
2/17/1989	13.00%	9.05%	3.95%
2/20/1989	12.40%	9.05%	3.35%
3/1/1989	12.76%	9.05%	3.71%
3/8/1989	13.00%	9.05%	3.95%
3/30/1989	14.00%	9.05%	4.95%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
4/5/1989	14.20%	9.05%	5.15%
4/18/1989	13.00%	9.05%	3.95%
5/5/1989	12.40%	9.05%	3.35%
6/2/1989	13.20%	9.01%	4.19%
6/8/1989	13.50%	8.98%	4.52%
6/27/1989	13.25%	8.92%	4.33%
6/30/1989	13.00%	8.90%	4.10%
8/14/1989	12.50%	8.77%	3.73%
9/28/1989	12.25%	8.63%	3.62%
10/24/1989	12.50%	8.54%	3.96%
11/9/1989	13.00%	8.49%	4.51%
12/15/1989	13.00%	8.34%	4.66%
12/20/1989	12.90%	8.32%	4.58%
12/21/1989	12.90%	8.32%	4.58%
12/27/1989	12.50%	8.30%	4.20%
12/27/1989	13.00%	8.30%	4.70%
1/10/1990	12.80%	8.25%	4.55%
1/11/1990	12.90%	8.24%	4.66%
1/17/1990	12.80%	8.22%	4.58%
1/26/1990	12.00%	8.20%	3.80%
2/9/1990	12.10%	8.18%	3.92%
2/24/1990	12.86%	8.15%	4.71%
3/30/1990	12.90%	8.16%	4.74%
4/4/1990	15.76%	8.17%	7.59%
4/12/1990	12.52%	8.18%	4.34%
4/19/1990	12.75%	8.20%	4.55%
5/21/1990	12.10%	8.28%	3.82%
5/29/1990	12.40%	8.30%	4.10%
5/31/1990	12.00%	8.30%	3.70%
6/4/1990	12.90%	8.30%	4.60%
6/6/1990	12.25%	8.31%	3.94%
6/15/1990	13.20%	8.31%	4.89%
6/20/1990	12.92%	8.32%	4.60%
6/27/1990	12.90%	8.33%	4.57%
6/29/1990	12.50%	8.33%	4.17%
7/6/1990	12.10%	8.34%	3.76%
7/6/1990	12.35%	8.34%	4.01%
8/10/1990	12.55%	8.40%	4.15%
8/16/1990	13.21%	8.42%	4.79%
8/22/1990	13.10%	8.44%	4.66%
8/24/1990	13.00%	8.46%	4.54%
9/26/1990	11.45%	8.59%	2.86%
10/2/1990	13.00%	8.61%	4.39%
10/5/1990	12.84%	8.62%	4.22%
10/19/1990	13.00%	8.66%	4.34%
10/25/1990	12.30%	8.67%	3.63%
11/21/1990	12.70%	8.69%	4.01%
12/13/1990	12.30%	8.67%	3.63%
12/17/1990	12.87%	8.67%	4.20%
12/18/1990	13.10%	8.67%	4.43%
12/19/1990	12.00%	8.66%	3.34%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
12/20/1990	12.75%	8.66%	4.09%
12/21/1990	12.50%	8.66%	3.84%
12/27/1990	12.79%	8.66%	4.13%
1/2/1991	13.10%	8.65%	4.45%
1/4/1991	12.50%	8.65%	3.85%
1/15/1991	12.75%	8.64%	4.11%
1/25/1991	11.70%	8.63%	3.07%
2/4/1991	12.50%	8.61%	3.89%
2/7/1991	12.50%	8.59%	3.91%
2/12/1991	13.00%	8.58%	4.42%
2/14/1991	12.72%	8.57%	4.15%
2/22/1991	12.80%	8.55%	4.25%
3/6/1991	13.10%	8.53%	4.57%
3/8/1991	12.30%	8.52%	3.78%
3/8/1991	13.00%	8.52%	4.48%
4/22/1991	13.00%	8.49%	4.51%
5/7/1991	13.50%	8.47%	5.03%
5/13/1991	13.25%	8.47%	4.78%
5/30/1991	12.75%	8.44%	4.31%
6/12/1991	12.00%	8.41%	3.59%
6/25/1991	11.70%	8.39%	3.31%
6/28/1991	12.50%	8.38%	4.12%
7/1/1991	12.00%	8.38%	3.62%
7/3/1991	12.50%	8.37%	4.13%
7/19/1991	12.10%	8.34%	3.76%
8/1/1991	12.90%	8.32%	4.58%
8/16/1991	13.20%	8.29%	4.91%
9/27/1991	12.50%	8.23%	4.27%
9/30/1991	12.25%	8.23%	4.02%
10/17/1991	13.00%	8.20%	4.80%
10/23/1991	12.50%	8.20%	4.30%
10/23/1991	12.55%	8.20%	4.35%
10/31/1991	11.80%	8.19%	3.61%
11/1/1991	12.00%	8.19%	3.81%
11/5/1991	12.25%	8.19%	4.06%
11/12/1991	12.50%	8.18%	4.32%
11/12/1991	13.25%	8.18%	5.07%
11/25/1991	12.40%	8.18%	4.22%
11/26/1991	11.60%	8.18%	3.42%
11/26/1991	12.50%	8.18%	4.32%
11/27/1991	12.10%	8.18%	3.92%
12/18/1991	12.25%	8.15%	4.10%
12/19/1991	12.60%	8.15%	4.45%
12/19/1991	12.80%	8.15%	4.65%
12/20/1991	12.65%	8.14%	4.51%
1/9/1992	12.80%	8.09%	4.71%
1/16/1992	12.75%	8.07%	4.68%
1/21/1992	12.00%	8.06%	3.94%
1/22/1992	13.00%	8.06%	4.94%
1/27/1992	12.65%	8.06%	4.59%
1/31/1992	12.00%	8.05%	3.95%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
2/11/1992	12.40%	8.03%	4.37%
2/25/1992	12.50%	8.01%	4.49%
3/16/1992	11.43%	7.99%	3.44%
3/18/1992	12.28%	7.98%	4.30%
4/2/1992	12.10%	7.95%	4.15%
4/9/1992	11.45%	7.94%	3.51%
4/10/1992	11.50%	7.94%	3.56%
4/14/1992	11.50%	7.93%	3.57%
5/5/1992	11.50%	7.90%	3.60%
5/12/1992	11.87%	7.89%	3.98%
5/12/1992	12.46%	7.89%	4.57%
6/1/1992	12.30%	7.87%	4.43%
6/12/1992	10.90%	7.86%	3.04%
6/26/1992	12.35%	7.85%	4.50%
6/29/1992	11.00%	7.85%	3.15%
6/30/1992	13.00%	7.85%	5.15%
7/13/1992	11.90%	7.84%	4.06%
7/13/1992	13.50%	7.84%	5.66%
7/22/1992	11.20%	7.83%	3.37%
8/3/1992	12.00%	7.81%	4.19%
8/6/1992	12.50%	7.80%	4.70%
9/22/1992	12.00%	7.71%	4.29%
9/28/1992	11.40%	7.71%	3.69%
9/30/1992	11.75%	7.70%	4.05%
10/2/1992	13.00%	7.70%	5.30%
10/12/1992	12.20%	7.70%	4.50%
10/16/1992	13.16%	7.70%	5.46%
10/30/1992	11.75%	7.71%	4.04%
11/3/1992	12.00%	7.71%	4.29%
12/3/1992	11.85%	7.68%	4.17%
12/15/1992	11.00%	7.66%	3.34%
12/16/1992	11.90%	7.66%	4.24%
12/16/1992	12.40%	7.66%	4.74%
12/17/1992	12.00%	7.66%	4.34%
12/22/1992	12.30%	7.65%	4.65%
12/22/1992	12.40%	7.65%	4.75%
12/29/1992	12.25%	7.63%	4.62%
12/30/1992	12.00%	7.63%	4.37%
12/31/1992	11.90%	7.63%	4.27%
1/12/1993	12.00%	7.61%	4.39%
1/21/1993	11.25%	7.59%	3.66%
2/2/1993	11.40%	7.56%	3.84%
2/15/1993	12.30%	7.52%	4.78%
2/24/1993	11.90%	7.49%	4.41%
2/26/1993	11.80%	7.48%	4.32%
2/26/1993	12.20%	7.48%	4.72%
4/23/1993	11.75%	7.29%	4.46%
5/11/1993	11.75%	7.25%	4.50%
5/14/1993	11.50%	7.24%	4.26%
5/25/1993	11.50%	7.23%	4.27%
5/28/1993	11.00%	7.22%	3.78%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
6/3/1993	12.00%	7.21%	4.79%
6/16/1993	11.50%	7.19%	4.31%
6/18/1993	12.10%	7.18%	4.92%
6/25/1993	11.67%	7.17%	4.50%
7/21/1993	11.38%	7.10%	4.28%
7/23/1993	10.46%	7.09%	3.37%
8/24/1993	11.50%	6.96%	4.54%
9/21/1993	10.50%	6.81%	3.69%
9/29/1993	11.47%	6.77%	4.70%
9/30/1993	11.60%	6.76%	4.84%
11/2/1993	10.80%	6.61%	4.19%
11/12/1993	12.00%	6.57%	5.43%
11/26/1993	11.00%	6.52%	4.48%
12/14/1993	10.55%	6.48%	4.07%
12/16/1993	10.60%	6.48%	4.12%
12/21/1993	11.30%	6.47%	4.83%
1/4/1994	10.07%	6.45%	3.62%
1/13/1994	11.00%	6.42%	4.58%
1/21/1994	11.00%	6.40%	4.60%
1/28/1994	11.35%	6.39%	4.96%
2/3/1994	11.40%	6.38%	5.02%
2/17/1994	10.60%	6.36%	4.24%
2/25/1994	11.25%	6.36%	4.89%
2/25/1994	12.00%	6.36%	5.64%
3/1/1994	11.00%	6.35%	4.65%
3/4/1994	11.00%	6.35%	4.65%
4/25/1994	11.00%	6.41%	4.59%
5/10/1994	11.75%	6.45%	5.30%
5/13/1994	10.50%	6.46%	4.04%
6/3/1994	11.00%	6.53%	4.47%
6/27/1994	11.40%	6.64%	4.76%
8/5/1994	12.75%	6.87%	5.88%
10/31/1994	10.00%	7.32%	2.68%
11/9/1994	10.85%	7.38%	3.47%
11/9/1994	10.85%	7.38%	3.47%
11/18/1994	11.20%	7.45%	3.75%
11/22/1994	11.60%	7.46%	4.14%
11/28/1994	11.06%	7.49%	3.57%
12/8/1994	11.50%	7.54%	3.96%
12/8/1994	11.70%	7.54%	4.16%
12/14/1994	10.95%	7.56%	3.39%
12/15/1994	11.50%	7.57%	3.93%
12/19/1994	11.50%	7.57%	3.93%
12/28/1994	12.15%	7.61%	4.54%
1/9/1995	12.28%	7.64%	4.64%
1/31/1995	11.00%	7.68%	3.32%
2/10/1995	12.60%	7.70%	4.90%
2/17/1995	11.90%	7.70%	4.20%
3/9/1995	11.50%	7.71%	3.79%
3/20/1995	12.00%	7.72%	4.28%
3/23/1995	12.81%	7.72%	5.09%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
3/29/1995	11.60%	7.72%	3.88%
4/6/1995	11.10%	7.71%	3.39%
4/7/1995	11.00%	7.71%	3.29%
4/19/1995	11.00%	7.70%	3.30%
5/12/1995	11.63%	7.68%	3.95%
5/25/1995	11.20%	7.65%	3.55%
6/9/1995	11.25%	7.60%	3.65%
6/21/1995	12.25%	7.56%	4.69%
6/30/1995	11.10%	7.52%	3.58%
9/11/1995	11.30%	7.21%	4.09%
9/27/1995	11.30%	7.13%	4.17%
9/27/1995	11.50%	7.13%	4.37%
9/27/1995	11.75%	7.13%	4.62%
9/29/1995	11.00%	7.12%	3.88%
11/9/1995	11.38%	6.90%	4.48%
11/9/1995	12.36%	6.90%	5.46%
11/17/1995	11.00%	6.86%	4.14%
12/4/1995	11.35%	6.78%	4.57%
12/11/1995	11.40%	6.75%	4.65%
12/20/1995	11.60%	6.70%	4.90%
12/27/1995	12.00%	6.67%	5.33%
2/5/1996	12.25%	6.48%	5.77%
3/29/1996	10.67%	6.42%	4.25%
4/8/1996	11.00%	6.42%	4.58%
4/11/1996	12.59%	6.43%	6.16%
4/11/1996	12.59%	6.43%	6.16%
4/24/1996	11.25%	6.44%	4.81%
4/30/1996	11.00%	6.43%	4.57%
5/13/1996	11.00%	6.44%	4.56%
5/23/1996	11.25%	6.44%	4.81%
6/25/1996	11.25%	6.48%	4.77%
6/27/1996	11.20%	6.48%	4.72%
8/12/1996	10.40%	6.57%	3.83%
9/27/1996	11.00%	6.70%	4.30%
10/16/1996	12.25%	6.76%	5.49%
11/5/1996	11.00%	6.80%	4.20%
11/26/1996	11.30%	6.83%	4.47%
12/18/1996	11.75%	6.83%	4.92%
12/31/1996	11.50%	6.83%	4.67%
1/3/1997	10.70%	6.83%	3.87%
2/13/1997	11.80%	6.82%	4.98%
2/20/1997	11.80%	6.82%	4.98%
3/31/1997	10.02%	6.80%	3.22%
4/2/1997	11.65%	6.80%	4.85%
4/28/1997	11.50%	6.81%	4.69%
4/29/1997	11.70%	6.81%	4.89%
7/17/1997	12.00%	6.77%	5.23%
12/12/1997	11.00%	6.61%	4.39%
12/23/1997	11.12%	6.57%	4.55%
2/2/1998	12.75%	6.40%	6.35%
3/2/1998	11.25%	6.29%	4.96%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
3/6/1998	10.75%	6.27%	4.48%
3/20/1998	10.50%	6.23%	4.27%
4/30/1998	12.20%	6.12%	6.08%
7/10/1998	11.40%	5.94%	5.46%
9/15/1998	11.90%	5.78%	6.12%
11/30/1998	12.60%	5.58%	7.02%
12/10/1998	12.20%	5.55%	6.65%
12/17/1998	12.10%	5.52%	6.58%
2/5/1999	10.30%	5.39%	4.91%
3/4/1999	10.50%	5.34%	5.16%
4/6/1999	10.94%	5.32%	5.62%
7/29/1999	10.75%	5.51%	5.24%
9/23/1999	10.75%	5.70%	5.05%
11/17/1999	11.10%	5.89%	5.21%
1/7/2000	11.50%	6.04%	5.46%
1/7/2000	11.50%	6.04%	5.46%
2/17/2000	10.60%	6.17%	4.43%
3/28/2000	11.25%	6.19%	5.06%
5/24/2000	11.00%	6.18%	4.82%
7/18/2000	12.20%	6.16%	6.04%
9/29/2000	11.16%	6.03%	5.13%
11/28/2000	12.90%	5.89%	7.01%
11/30/2000	12.10%	5.88%	6.22%
1/23/2001	11.25%	5.79%	5.46%
2/8/2001	11.50%	5.77%	5.73%
5/8/2001	10.75%	5.62%	5.13%
6/26/2001	11.00%	5.62%	5.38%
7/25/2001	11.02%	5.60%	5.42%
7/25/2001	11.02%	5.60%	5.42%
7/31/2001	11.00%	5.59%	5.41%
8/31/2001	10.50%	5.56%	4.94%
9/7/2001	10.75%	5.55%	5.20%
9/10/2001	11.00%	5.55%	5.45%
9/20/2001	10.00%	5.55%	4.45%
10/24/2001	10.30%	5.54%	4.76%
11/28/2001	10.60%	5.49%	5.11%
12/3/2001	12.88%	5.49%	7.39%
12/20/2001	12.50%	5.50%	7.00%
1/22/2002	10.00%	5.50%	4.50%
3/27/2002	10.10%	5.45%	4.65%
4/22/2002	11.80%	5.45%	6.35%
5/28/2002	10.17%	5.46%	4.71%
6/10/2002	12.00%	5.47%	6.53%
6/18/2002	11.16%	5.48%	5.68%
6/20/2002	11.00%	5.48%	5.52%
6/20/2002	12.30%	5.48%	6.82%
7/15/2002	11.00%	5.47%	5.53%
9/12/2002	12.30%	5.45%	6.85%
9/26/2002	10.45%	5.41%	5.04%
12/4/2002	11.55%	5.29%	6.26%
12/13/2002	11.75%	5.27%	6.48%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
12/20/2002	11.40%	5.25%	6.15%
1/8/2003	11.10%	5.19%	5.91%
1/31/2003	12.45%	5.13%	7.32%
2/28/2003	12.30%	5.05%	7.25%
3/6/2003	10.75%	5.03%	5.72%
3/7/2003	9.96%	5.02%	4.94%
3/20/2003	12.00%	4.99%	7.01%
4/3/2003	12.00%	4.96%	7.04%
4/15/2003	11.15%	4.94%	6.21%
6/25/2003	10.75%	4.79%	5.96%
6/26/2003	10.75%	4.79%	5.96%
7/9/2003	9.75%	4.79%	4.96%
7/16/2003	9.75%	4.79%	4.96%
7/25/2003	9.50%	4.80%	4.70%
8/26/2003	10.50%	4.83%	5.67%
12/17/2003	9.85%	4.93%	4.92%
12/17/2003	10.70%	4.93%	5.77%
12/18/2003	11.50%	4.94%	6.56%
12/19/2003	12.00%	4.94%	7.06%
12/19/2003	12.00%	4.94%	7.06%
12/23/2003	10.50%	4.94%	5.56%
1/13/2004	12.00%	4.95%	7.05%
3/2/2004	10.75%	4.98%	5.77%
3/26/2004	10.25%	5.02%	5.23%
4/5/2004	11.25%	5.03%	6.22%
5/18/2004	10.50%	5.07%	5.43%
5/25/2004	10.25%	5.08%	5.17%
5/27/2004	10.25%	5.08%	5.17%
6/2/2004	11.22%	5.08%	6.14%
6/30/2004	10.50%	5.10%	5.40%
6/30/2004	10.50%	5.10%	5.40%
7/16/2004	11.60%	5.11%	6.49%
8/25/2004	10.25%	5.10%	5.15%
9/9/2004	10.40%	5.10%	5.30%
11/9/2004	10.50%	5.06%	5.44%
11/23/2004	11.00%	5.06%	5.94%
12/14/2004	10.97%	5.06%	5.91%
12/21/2004	11.25%	5.07%	6.18%
12/21/2004	11.50%	5.07%	6.43%
12/22/2004	10.70%	5.07%	5.63%
12/22/2004	11.50%	5.07%	6.43%
12/29/2004	9.85%	5.07%	4.78%
1/6/2005	10.70%	5.08%	5.62%
2/18/2005	10.30%	4.98%	5.32%
2/25/2005	10.50%	4.96%	5.54%
3/10/2005	11.00%	4.93%	6.07%
3/24/2005	10.30%	4.90%	5.40%
4/4/2005	10.00%	4.88%	5.12%
4/7/2005	10.25%	4.87%	5.38%
5/18/2005	10.25%	4.78%	5.47%
5/25/2005	10.75%	4.77%	5.98%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
5/26/2005	9.75%	4.76%	4.99%
6/1/2005	9.75%	4.75%	5.00%
7/19/2005	11.50%	4.65%	6.85%
8/5/2005	11.75%	4.62%	7.13%
8/15/2005	10.13%	4.62%	5.51%
9/28/2005	10.00%	4.54%	5.46%
10/4/2005	10.75%	4.54%	6.21%
12/12/2005	11.00%	4.55%	6.45%
12/13/2005	10.75%	4.55%	6.20%
12/21/2005	10.29%	4.55%	5.74%
12/21/2005	10.40%	4.55%	5.85%
12/22/2005	11.00%	4.54%	6.46%
12/22/2005	11.15%	4.54%	6.61%
12/28/2005	10.00%	4.54%	5.46%
12/28/2005	10.00%	4.54%	5.46%
1/5/2006	11.00%	4.53%	6.47%
1/27/2006	9.75%	4.52%	5.23%
3/3/2006	10.39%	4.53%	5.86%
4/17/2006	10.20%	4.61%	5.59%
4/26/2006	10.60%	4.64%	5.96%
5/17/2006	11.60%	4.69%	6.91%
6/6/2006	10.00%	4.74%	5.26%
6/27/2006	10.75%	4.80%	5.95%
7/6/2006	10.20%	4.82%	5.38%
7/24/2006	9.60%	4.86%	4.74%
7/26/2006	10.50%	4.86%	5.64%
7/28/2006	10.05%	4.86%	5.19%
8/23/2006	9.55%	4.89%	4.66%
9/1/2006	10.54%	4.89%	5.65%
9/14/2006	10.00%	4.90%	5.10%
10/6/2006	9.67%	4.92%	4.75%
11/20/2006	9.80%	4.95%	4.85%
11/21/2006	10.08%	4.95%	5.13%
11/21/2006	10.08%	4.95%	5.13%
11/21/2006	10.12%	4.95%	5.17%
12/1/2006	10.25%	4.95%	5.30%
12/1/2006	10.50%	4.95%	5.55%
12/7/2006	10.75%	4.95%	5.80%
12/21/2006	10.90%	4.95%	5.95%
12/21/2006	11.25%	4.95%	6.30%
12/22/2006	10.25%	4.95%	5.30%
1/5/2007	10.00%	4.95%	5.05%
1/11/2007	10.10%	4.95%	5.15%
1/11/2007	10.10%	4.95%	5.15%
1/11/2007	10.90%	4.95%	5.95%
1/12/2007	10.10%	4.95%	5.15%
1/13/2007	10.40%	4.95%	5.45%
1/19/2007	10.80%	4.94%	5.86%
3/21/2007	11.35%	4.87%	6.48%
3/22/2007	9.75%	4.87%	4.88%
5/15/2007	10.00%	4.81%	5.19%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
5/17/2007	10.25%	4.81%	5.44%
5/17/2007	10.25%	4.81%	5.44%
5/22/2007	10.20%	4.81%	5.39%
5/22/2007	10.50%	4.81%	5.69%
5/23/2007	10.70%	4.81%	5.89%
5/25/2007	9.67%	4.81%	4.86%
6/15/2007	9.90%	4.82%	5.08%
6/21/2007	10.20%	4.83%	5.37%
6/22/2007	10.50%	4.83%	5.67%
6/28/2007	10.75%	4.84%	5.91%
7/12/2007	9.67%	4.86%	4.81%
7/19/2007	10.00%	4.87%	5.13%
7/19/2007	10.00%	4.87%	5.13%
8/15/2007	10.40%	4.88%	5.52%
10/9/2007	10.00%	4.91%	5.09%
10/17/2007	9.10%	4.91%	4.19%
10/31/2007	9.96%	4.90%	5.06%
11/29/2007	10.90%	4.87%	6.03%
12/6/2007	10.75%	4.86%	5.89%
12/13/2007	9.90%	4.86%	5.04%
12/13/2007	9.96%	4.86%	5.10%
12/14/2007	10.70%	4.86%	5.84%
12/14/2007	10.80%	4.86%	5.94%
12/19/2007	10.20%	4.85%	5.35%
12/20/2007	10.20%	4.85%	5.35%
12/20/2007	11.00%	4.85%	6.15%
12/28/2007	10.25%	4.85%	5.40%
12/31/2007	11.25%	4.85%	6.40%
1/8/2008	10.75%	4.83%	5.92%
1/17/2008	10.75%	4.82%	5.93%
1/28/2008	9.40%	4.80%	4.60%
1/30/2008	10.00%	4.79%	5.21%
1/31/2008	10.71%	4.79%	5.92%
2/29/2008	10.25%	4.75%	5.50%
3/12/2008	10.25%	4.73%	5.52%
3/25/2008	9.10%	4.69%	4.41%
3/31/2008	12.12%	4.67%	7.45%
4/22/2008	10.25%	4.61%	5.64%
4/24/2008	10.10%	4.60%	5.50%
5/1/2008	10.70%	4.59%	6.11%
5/19/2008	11.00%	4.57%	6.43%
5/27/2008	10.00%	4.55%	5.45%
6/10/2008	10.70%	4.54%	6.16%
6/27/2008	10.50%	4.54%	5.96%
6/27/2008	11.04%	4.54%	6.50%
7/10/2008	10.43%	4.52%	5.91%
7/16/2008	9.40%	4.52%	4.88%
7/30/2008	10.80%	4.51%	6.29%
7/31/2008	10.70%	4.51%	6.19%
8/11/2008	10.25%	4.51%	5.74%
8/26/2008	10.18%	4.50%	5.68%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
9/10/2008	10.30%	4.50%	5.80%
9/24/2008	10.65%	4.48%	6.17%
9/24/2008	10.65%	4.48%	6.17%
9/24/2008	10.65%	4.48%	6.17%
9/30/2008	10.20%	4.48%	5.72%
10/8/2008	10.15%	4.46%	5.69%
10/15/2008	10.10%	4.46%	5.64%
11/13/2008	10.55%	4.45%	6.10%
11/17/2008	10.20%	4.44%	5.76%
12/1/2008	10.25%	4.40%	5.85%
12/23/2008	11.00%	4.27%	6.73%
12/29/2008	10.00%	4.24%	5.76%
12/29/2008	10.20%	4.24%	5.96%
12/31/2008	10.75%	4.22%	6.53%
1/14/2009	10.50%	4.15%	6.35%
1/14/2009	10.60%	4.15%	6.45%
1/21/2009	10.50%	4.12%	6.38%
1/21/2009	10.50%	4.12%	6.38%
1/21/2009	10.50%	4.12%	6.38%
1/27/2009	10.76%	4.09%	6.67%
1/30/2009	10.50%	4.08%	6.42%
2/4/2009	8.75%	4.06%	4.69%
3/4/2009	10.50%	3.97%	6.53%
3/12/2009	11.50%	3.93%	7.57%
4/2/2009	11.10%	3.86%	7.24%
4/21/2009	10.61%	3.80%	6.81%
4/24/2009	10.00%	3.79%	6.21%
4/30/2009	11.25%	3.78%	7.47%
5/4/2009	10.74%	3.77%	6.97%
5/20/2009	10.25%	3.75%	6.50%
5/28/2009	10.50%	3.75%	6.75%
5/29/2009	10.50%	3.75%	6.75%
6/22/2009	10.00%	3.77%	6.23%
6/24/2009	10.80%	3.77%	7.03%
7/8/2009	10.63%	3.77%	6.86%
7/17/2009	10.50%	3.78%	6.72%
8/31/2009	10.25%	3.82%	6.43%
10/14/2009	10.70%	4.01%	6.69%
10/23/2009	10.88%	4.05%	6.83%
11/2/2009	10.70%	4.09%	6.61%
11/3/2009	10.70%	4.09%	6.61%
11/24/2009	10.25%	4.15%	6.10%
11/25/2009	10.75%	4.15%	6.60%
11/30/2009	10.35%	4.16%	6.19%
12/3/2009	10.50%	4.17%	6.33%
12/7/2009	10.70%	4.18%	6.52%
12/16/2009	10.90%	4.21%	6.69%
12/16/2009	11.00%	4.21%	6.79%
12/18/2009	10.40%	4.22%	6.18%
12/18/2009	10.40%	4.22%	6.18%
12/22/2009	10.20%	4.23%	5.97%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
12/22/2009	10.40%	4.23%	6.17%
12/22/2009	10.40%	4.23%	6.17%
12/30/2009	10.00%	4.26%	5.74%
1/4/2010	10.80%	4.27%	6.53%
1/11/2010	11.00%	4.30%	6.70%
1/26/2010	10.13%	4.35%	5.78%
1/27/2010	10.40%	4.35%	6.05%
1/27/2010	10.40%	4.35%	6.05%
1/27/2010	10.70%	4.35%	6.35%
2/9/2010	9.80%	4.38%	5.42%
2/18/2010	10.60%	4.40%	6.20%
2/24/2010	10.18%	4.41%	5.77%
3/2/2010	9.63%	4.41%	5.22%
3/4/2010	10.50%	4.41%	6.09%
3/5/2010	10.50%	4.41%	6.09%
3/11/2010	11.90%	4.42%	7.48%
3/11/2010	12.30%	4.42%	7.88%
3/11/2010	12.30%	4.42%	7.88%
3/17/2010	10.00%	4.42%	5.58%
3/25/2010	10.15%	4.42%	5.73%
4/2/2010	10.10%	4.43%	5.67%
4/27/2010	10.00%	4.46%	5.54%
4/29/2010	9.90%	4.46%	5.44%
4/29/2010	10.06%	4.46%	5.60%
4/29/2010	10.26%	4.46%	5.80%
5/12/2010	10.30%	4.46%	5.84%
5/12/2010	10.30%	4.46%	5.84%
5/28/2010	10.10%	4.44%	5.66%
5/28/2010	10.20%	4.44%	5.76%
6/7/2010	10.30%	4.44%	5.86%
6/16/2010	10.00%	4.44%	5.56%
6/28/2010	9.67%	4.43%	5.24%
6/28/2010	10.50%	4.43%	6.07%
6/30/2010	9.40%	4.43%	4.97%
7/1/2010	10.25%	4.43%	5.82%
7/15/2010	10.53%	4.43%	6.10%
7/15/2010	10.70%	4.43%	6.27%
7/30/2010	10.70%	4.41%	6.29%
8/4/2010	10.50%	4.41%	6.09%
8/6/2010	9.83%	4.41%	5.42%
8/25/2010	9.90%	4.37%	5.53%
9/3/2010	10.60%	4.35%	6.25%
9/14/2010	10.70%	4.33%	6.37%
9/16/2010	10.00%	4.33%	5.67%
9/16/2010	10.00%	4.33%	5.67%
9/30/2010	9.75%	4.29%	5.46%
9/30/2010	11.00%	4.29%	6.71%
10/14/2010	10.35%	4.24%	6.11%
10/28/2010	10.70%	4.21%	6.49%
11/2/2010	10.38%	4.20%	6.18%
11/4/2010	10.70%	4.20%	6.50%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
11/19/2010	10.20%	4.18%	6.02%
11/22/2010	10.00%	4.18%	5.82%
12/1/2010	10.13%	4.16%	5.97%
12/6/2010	9.86%	4.16%	5.70%
12/9/2010	10.25%	4.15%	6.10%
12/13/2010	10.70%	4.15%	6.55%
12/14/2010	10.13%	4.15%	5.98%
12/15/2010	10.44%	4.15%	6.29%
12/17/2010	10.00%	4.15%	5.85%
12/20/2010	10.60%	4.15%	6.45%
12/21/2010	10.30%	4.15%	6.15%
12/27/2010	9.90%	4.14%	5.76%
12/29/2010	11.15%	4.14%	7.01%
1/5/2011	10.15%	4.13%	6.02%
1/12/2011	10.30%	4.13%	6.17%
1/13/2011	10.30%	4.13%	6.17%
1/18/2011	10.00%	4.12%	5.88%
1/20/2011	9.30%	4.12%	5.18%
1/20/2011	10.13%	4.12%	6.01%
1/31/2011	9.60%	4.12%	5.48%
2/3/2011	10.00%	4.12%	5.88%
2/25/2011	10.00%	4.14%	5.86%
3/22/2011	12.30%	4.17%	8.13%
3/22/2011	12.30%	4.17%	8.13%
3/25/2011	9.80%	4.18%	5.62%
3/30/2011	10.00%	4.18%	5.82%
4/12/2011	10.00%	4.21%	5.79%
4/25/2011	10.74%	4.23%	6.51%
4/26/2011	9.67%	4.23%	5.44%
4/27/2011	10.40%	4.23%	6.17%
5/4/2011	10.00%	4.24%	5.76%
5/4/2011	10.00%	4.24%	5.76%
5/24/2011	10.50%	4.27%	6.23%
6/8/2011	10.75%	4.30%	6.45%
6/16/2011	9.20%	4.31%	4.89%
6/17/2011	9.95%	4.31%	5.64%
7/13/2011	10.20%	4.36%	5.84%
8/1/2011	9.20%	4.38%	4.82%
8/8/2011	10.00%	4.38%	5.62%
8/11/2011	10.00%	4.37%	5.63%
8/12/2011	10.35%	4.37%	5.98%
8/19/2011	10.25%	4.36%	5.89%
9/2/2011	12.88%	4.32%	8.56%
9/22/2011	10.00%	4.24%	5.76%
10/12/2011	10.30%	4.14%	6.16%
10/20/2011	10.50%	4.10%	6.40%
11/30/2011	10.90%	3.88%	7.02%
11/30/2011	10.90%	3.88%	7.02%
12/14/2011	10.00%	3.80%	6.20%
12/14/2011	10.30%	3.80%	6.50%
12/20/2011	10.20%	3.77%	6.43%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
12/21/2011	10.20%	3.76%	6.44%
12/22/2011	9.90%	3.75%	6.15%
12/22/2011	10.40%	3.75%	6.65%
12/23/2011	10.19%	3.75%	6.44%
1/3/2012	11.40%	3.69%	7.71%
1/25/2012	10.50%	3.57%	6.93%
1/27/2012	10.50%	3.56%	6.94%
2/2/2012	11.40%	3.53%	7.87%
2/15/2012	10.20%	3.48%	6.72%
2/23/2012	9.90%	3.44%	6.46%
2/27/2012	10.25%	3.43%	6.82%
2/29/2012	10.40%	3.42%	6.98%
3/16/2012	12.40%	3.36%	9.04%
3/20/2012	11.40%	3.35%	8.05%
3/23/2012	11.40%	3.34%	8.06%
3/29/2012	10.37%	3.32%	7.05%
4/4/2012	10.00%	3.30%	6.70%
4/26/2012	10.00%	3.21%	6.79%
5/2/2012	10.00%	3.19%	6.81%
5/7/2012	9.80%	3.17%	6.63%
5/15/2012	10.00%	3.15%	6.85%
5/29/2012	10.05%	3.11%	6.94%
6/7/2012	10.30%	3.08%	7.22%
6/14/2012	9.40%	3.06%	6.34%
6/15/2012	10.40%	3.06%	7.34%
6/18/2012	9.60%	3.06%	6.54%
6/19/2012	9.25%	3.05%	6.20%
6/26/2012	10.10%	3.04%	7.06%
6/29/2012	10.00%	3.04%	6.96%
7/9/2012	10.20%	3.03%	7.17%
7/16/2012	9.80%	3.02%	6.78%
7/20/2012	9.31%	3.01%	6.30%
7/20/2012	9.81%	3.01%	6.80%
9/13/2012	9.80%	2.94%	6.86%
9/19/2012	9.80%	2.94%	6.86%
9/19/2012	10.05%	2.94%	7.11%
9/26/2012	9.50%	2.94%	6.56%
10/12/2012	9.60%	2.93%	6.67%
10/23/2012	9.75%	2.93%	6.82%
10/24/2012	10.30%	2.93%	7.37%
11/9/2012	10.30%	2.92%	7.38%
11/28/2012	10.40%	2.90%	7.50%
11/29/2012	9.75%	2.90%	6.85%
11/29/2012	9.88%	2.90%	6.98%
12/5/2012	9.71%	2.89%	6.82%
12/5/2012	10.40%	2.89%	7.51%
12/12/2012	9.80%	2.88%	6.92%
12/13/2012	9.50%	2.88%	6.62%
12/13/2012	10.50%	2.88%	7.62%
12/14/2012	10.40%	2.88%	7.52%
12/19/2012	9.71%	2.88%	6.83%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] Average 30- Year Treasury Yield	[9] Risk Premium
12/19/2012	10.25%	2.88%	7.37%
12/20/2012	9.50%	2.88%	6.62%
12/20/2012	9.80%	2.88%	6.92%
12/20/2012	10.25%	2.88%	7.37%
12/20/2012	10.25%	2.88%	7.37%
12/20/2012	10.30%	2.88%	7.42%
12/20/2012	10.40%	2.88%	7.52%
12/20/2012	10.45%	2.88%	7.57%
12/21/2012	10.20%	2.88%	7.32%
12/26/2012	9.80%	2.87%	6.93%
1/9/2013	9.70%	2.85%	6.85%
1/9/2013	9.70%	2.85%	6.85%
1/9/2013	9.70%	2.85%	6.85%
1/16/2013	9.60%	2.84%	6.76%
1/16/2013	9.60%	2.84%	6.76%
2/13/2013	10.20%	2.85%	7.35%
Average			4.39%
Number of Cases			1,392

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
ALE	2002	NA	NA			
ALE	2003	NA	NA			
ALE	2004	\$ 751.40	\$ 883.10	85.09%		
ALE	2005	737.40	860.40	85.70%	-2.57%	0.73%
ALE	2006	767.10	921.60	83.24%	7.11%	-2.88%
ALE	2007	841.70	1,104.50	76.21%	19.85%	-8.44%
ALE	2008	801.00	1,387.30	57.74%	25.60%	-24.23%
ALE	2009	759.10	1,622.70	46.78%	16.97%	-18.98%
ALE	2010	907.00	1,805.60	50.23%	11.27%	7.38%
ALE	2011	928.20	1,982.70	46.81%	9.81%	-6.80%
ALE	2012	955.00	2,325.00	41.08%	17.26%	-12.26%
ALE	2013	1,005.00	2,515.00	39.96%	8.17%	-2.71%
ALE	2015-2017	1,180.00	2,825.00	41.77%	12.33%	4.53%
LNT	2002	\$ 2,608.80	\$ 3,729.20	69.96%		
LNT	2003	3,128.20	4,432.60	70.57%	18.86%	0.88%
LNT	2004	2,958.70	5,284.60	55.99%	19.22%	-20.67%
LNT	2005	3,279.60	4,866.20	67.40%	-7.92%	20.38%
LNT	2006	3,359.40	4,944.90	67.94%	1.62%	0.80%
LNT	2007	3,437.60	4,679.90	73.45%	-5.36%	8.12%
LNT	2008	3,681.70	5,353.50	68.77%	14.39%	-6.38%
LNT	2009	3,432.80	6,203.00	55.34%	15.87%	-19.53%
LNT	2010	3,416.10	6,730.60	50.75%	8.51%	-8.29%
LNT	2011	3,665.30	7,037.10	52.09%	4.55%	2.62%
LNT	2012	3,100.00	7,500.00	41.33%	6.58%	-20.64%
LNT	2013	3,300.00	7,800.00	42.31%	4.00%	2.36%
LNT	2015-2017	4,500.00	8,500.00	52.94%	8.97%	25.13%
AEE	2002	\$ 3,841.00	\$ 8,914.00	43.09%		
AEE	2003	4,593.00	10,917.00	42.07%	22.47%	-2.36%
AEE	2004	5,160.00	13,297.00	38.81%	21.80%	-7.76%
AEE	2005	6,780.00	13,572.00	49.96%	2.07%	28.73%
AEE	2006	6,880.00	14,286.00	48.16%	5.26%	-3.60%
AEE	2007	7,546.00	15,069.00	50.08%	5.48%	3.98%
AEE	2008	7,839.00	16,567.00	47.32%	9.94%	-5.51%
AEE	2009	7,090.00	17,610.00	40.26%	6.30%	-14.91%
AEE	2010	7,638.00	17,853.00	42.78%	1.38%	6.26%
AEE	2011	7,531.00	18,127.00	41.55%	1.53%	-2.89%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
AEE	2012	6,850.00	18,650.00	36.73%	2.89%	-11.59%
AEE	2013	7,000.00	19,100.00	36.65%	2.41%	-0.22%
AEE	2015-2017	7,700.00	20,600.00	37.38%	7.85%	1.99%
AEP	2002 \$	14,555.00 \$	21,684.00	67.12%		
AEP	2003	14,545.00	22,029.00	66.03%	1.59%	-1.63%
AEP	2004	14,057.00	22,801.00	61.65%	3.50%	-6.63%
AEP	2005	12,111.00	24,284.00	49.87%	6.50%	-19.11%
AEP	2006	12,622.00	26,781.00	47.13%	10.28%	-5.50%
AEP	2007	13,380.00	29,870.00	44.79%	11.53%	-4.96%
AEP	2008	14,440.00	32,987.00	43.77%	10.44%	-2.28%
AEP	2009	13,489.00	34,344.00	39.28%	4.11%	-10.28%
AEP	2010	14,427.00	35,674.00	40.44%	3.87%	2.97%
AEP	2011	15,116.00	36,971.00	40.89%	3.64%	1.10%
AEP	2012	14,700.00	38,425.00	38.26%	3.93%	-6.43%
AEP	2013	15,400.00	40,225.00	38.28%	4.68%	0.07%
AEP	2015-2017	17,850.00	45,300.00	39.40%	12.62%	2.92%
AVA	2002 \$	980.40 \$	1,563.70	62.70%		
AVA	2003	1,123.40	1,944.60	57.77%	24.36%	-7.86%
AVA	2004	1,151.60	1,956.10	58.87%	0.59%	1.91%
AVA	2005	1,359.60	2,126.40	63.94%	8.71%	8.61%
AVA	2006	1,506.30	2,215.00	68.00%	4.17%	6.36%
AVA	2007	1,417.80	2,351.30	60.30%	6.15%	-11.33%
AVA	2008	1,676.80	2,492.20	67.28%	5.99%	11.58%
AVA	2009	1,512.60	2,607.00	58.02%	4.61%	-13.76%
AVA	2010	1,558.70	2,714.20	57.43%	4.11%	-1.02%
AVA	2011	1,619.80	2,860.80	56.62%	5.40%	-1.41%
AVA	2012	1,550.00	3,000.00	51.67%	4.87%	-8.75%
AVA	2013	1,600.00	3,130.00	51.12%	4.33%	-1.06%
AVA	2015-2017	1,900.00	3,475.00	54.68%	11.02%	6.96%
BKH	2002 \$	423.90 \$	1,476.30	28.71%		
BKH	2003	1,136.10	1,442.40	78.76%	-2.30%	174.31%
BKH	2004	1,121.70	1,445.70	77.59%	0.23%	-1.49%
BKH	2005	1,391.60	1,435.40	96.95%	-0.71%	24.95%
BKH	2006	656.90	1,646.40	39.90%	14.70%	-58.85%
BKH	2007	695.90	1,823.50	38.16%	10.76%	-4.35%
BKH	2008	1,005.80	2,022.20	49.74%	10.90%	30.33%

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DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
BKH	2009	1,269.60	2,160.70	58.76%	6.85%	18.14%
BKH	2010	1,307.30	2,495.40	52.39%	15.49%	-10.84%
BKH	2011	1,272.20	2,789.60	45.61%	11.79%	-12.95%
BKH	2012	1,215.00	2,975.00	40.84%	6.65%	-10.45%
BKH	2013	1,280.00	3,265.00	39.20%	9.75%	-4.01%
BKH	2015-2017	1,480.00	3,875.00	38.19%	18.68%	-2.58%
CNP	2002 \$	7,922.50 \$	11,409.00	69.44%		
CNP	2003	9,760.10	11,812.00	82.63%	3.53%	18.99%
CNP	2004	8,510.40	8,186.40	103.96%	-30.69%	25.81%
CNP	2005	9,722.00	8,492.00	114.48%	3.73%	10.13%
CNP	2006	9,319.00	9,204.00	101.25%	8.38%	-11.56%
CNP	2007	9,623.00	9,740.00	98.80%	5.82%	-2.42%
CNP	2008	11,322.00	10,296.00	109.97%	5.71%	11.30%
CNP	2009	8,281.00	10,788.00	76.76%	4.78%	-30.19%
CNP	2010	8,785.00	11,732.00	74.88%	8.75%	-2.45%
CNP	2011	8,450.00	12,402.00	68.13%	5.71%	-9.01%
CNP	2012	7,250.00	13,200.00	54.92%	6.43%	-19.39%
CNP	2013	7,700.00	13,300.00	57.89%	0.76%	5.41%
CNP	2015-2017	8,700.00	12,900.00	67.44%	-3.01%	16.49%
CHG	2002 \$	695.50 \$	601.70	115.59%		
CHG	2003	806.70	707.50	114.02%	17.58%	-1.36%
CHG	2004	791.50	745.10	106.23%	5.31%	-6.84%
CHG	2005	972.50	779.50	124.76%	4.62%	17.45%
CHG	2006	993.40	827.10	120.11%	6.11%	-3.73%
CHG	2007	1,196.80	891.30	134.28%	7.76%	11.80%
CHG	2008	1,332.90	945.90	140.91%	6.13%	4.94%
CHG	2009	931.60	1,012.40	92.02%	7.03%	-34.70%
CHG	2010	972.30	1,054.70	92.19%	4.18%	0.18%
CHG	2011	985.50	1,131.40	87.10%	7.27%	-5.51%
CHG	2012	940.00	1,180.00	79.66%	4.30%	-8.55%
CHG	2013	1,010.00	1,230.00	82.11%	4.24%	3.08%
CHG	2015-2017	1,230.00	1,300.00	94.62%	5.69%	15.22%
CNL	2002 \$	721.20 \$	1,566.20	46.05%		
CNL	2003	874.60	1,417.10	61.72%	-9.52%	34.03%
CNL	2004	745.80	1,060.00	70.36%	-25.20%	14.00%
CNL	2005	920.20	1,188.70	77.41%	12.14%	10.03%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
CNL	2006	1,000.70	1,304.90	76.69%	9.78%	-0.94%
CNL	2007	1,030.60	1,725.90	59.71%	32.26%	-22.13%
CNL	2008	1,080.20	2,045.30	52.81%	18.51%	-11.56%
CNL	2009	853.80	2,247.00	38.00%	9.86%	-28.05%
CNL	2010	1,148.70	2,784.20	41.26%	23.91%	8.58%
CNL	2011	1,117.30	2,893.90	38.61%	3.94%	-6.42%
CNL	2012	950.00	2,980.00	31.88%	2.98%	-17.43%
CNL	2013	1,000.00	2,945.00	33.96%	-1.17%	6.51%
CNL	2015-2017	1,250.00	2,775.00	45.05%	-5.77%	32.66%
CMS	2002 \$	8,687.00 \$	5,234.00	165.97%		
CMS	2003	5,513.00	6,944.00	79.39%	32.67%	-52.17%
CMS	2004	5,472.00	8,636.00	63.36%	24.37%	-20.19%
CMS	2005	6,288.00	7,845.00	80.15%	-9.16%	26.50%
CMS	2006	6,810.00	7,976.00	85.38%	1.67%	6.52%
CMS	2007	6,519.00	8,728.00	74.69%	9.43%	-12.52%
CMS	2008	6,821.00	9,190.00	74.22%	5.29%	-0.63%
CMS	2009	6,205.00	9,682.00	64.09%	5.35%	-13.65%
CMS	2010	6,432.00	10,069.00	63.88%	4.00%	-0.33%
CMS	2011	6,503.00	10,633.00	61.16%	5.60%	-4.26%
CMS	2012	6,200.00	11,500.00	53.91%	8.15%	-11.85%
CMS	2013	6,350.00	12,275.00	51.73%	6.74%	-4.05%
CMS	2015-2017	7,200.00	14,500.00	49.66%	18.13%	-4.01%
ED	2002 \$	8,482.00 \$	13,329.00	63.64%		
ED	2003	9,827.00	15,225.00	64.55%	14.22%	1.43%
ED	2004	9,758.00	16,106.00	60.59%	5.79%	-6.13%
ED	2005	11,690.00	17,112.00	68.31%	6.25%	12.76%
ED	2006	12,137.00	18,445.00	65.80%	7.79%	-3.68%
ED	2007	13,120.00	19,914.00	65.88%	7.96%	0.13%
ED	2008	13,583.00	20,874.00	65.07%	4.82%	-1.23%
ED	2009	13,032.00	22,464.00	58.01%	7.62%	-10.85%
ED	2010	13,325.00	23,863.00	55.84%	6.23%	-3.75%
ED	2011	12,938.00	25,093.00	51.56%	5.15%	-7.66%
ED	2012	12,100.00	26,350.00	45.92%	5.01%	-10.94%
ED	2013	12,500.00	27,500.00	45.45%	4.36%	-1.01%
ED	2015-2017	13,800.00	30,200.00	45.70%	9.82%	0.53%
D	2002 \$	10,218.00 \$	20,257.00	50.44%		

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Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
D	2003	12,078.00	25,850.00	46.72%	27.61%	-7.37%
D	2004	13,972.00	26,716.00	52.30%	3.35%	11.93%
D	2005	18,041.00	28,940.00	62.34%	8.32%	19.20%
D	2006	16,482.00	29,382.00	56.10%	1.53%	-10.02%
D	2007	15,674.00	21,352.00	73.41%	-27.33%	30.86%
D	2008	16,290.00	23,274.00	69.99%	9.00%	-4.65%
D	2009	15,131.00	25,592.00	59.12%	9.96%	-15.53%
D	2010	15,197.00	26,713.00	56.89%	4.38%	-3.78%
D	2011	14,379.00	29,670.00	48.46%	11.07%	-14.81%
D	2012	13,200.00	32,500.00	40.62%	9.54%	-16.19%
D	2013	13,700.00	35,775.00	38.29%	10.08%	-5.71%
D	2015-2017	15,400.00	43,500.00	35.40%	21.59%	-7.55%
DTE	2002	\$ 6,749.00	\$ 9,813.00	68.78%		
DTE	2003	7,041.00	10,324.00	68.20%	5.21%	-0.84%
DTE	2004	7,114.00	10,491.00	67.81%	1.62%	-0.57%
DTE	2005	9,022.00	10,830.00	83.31%	3.23%	22.85%
DTE	2006	9,022.00	11,451.00	78.79%	5.73%	-5.42%
DTE	2007	8,861.00	11,408.00	77.67%	-0.38%	-1.41%
DTE	2008	9,329.00	12,231.00	76.27%	7.21%	-1.80%
DTE	2009	8,014.00	12,431.00	64.47%	1.64%	-15.48%
DTE	2010	8,557.00	12,992.00	65.86%	4.51%	2.17%
DTE	2011	8,897.00	13,746.00	64.72%	5.80%	-1.73%
DTE	2012	8,600.00	14,825.00	58.01%	7.85%	-10.37%
DTE	2013	9,000.00	15,575.00	57.78%	5.06%	-0.39%
DTE	2015-2017	10,350.00	17,500.00	59.14%	12.36%	2.35%
DUK	2002	NA	NA			
DUK	2003	NA	NA			
DUK	2004	NA	NA			
DUK	2005	NA	NA			
DUK	2006	\$ 10,607.00	\$ 41,447.00	25.59%		
DUK	2007	12,720.00	31,110.00	40.89%	-24.94%	59.77%
DUK	2008	13,207.00	34,036.00	38.80%	9.41%	-5.10%
DUK	2009	12,731.00	37,950.00	33.55%	11.50%	-13.55%
DUK	2010	14,272.00	40,344.00	35.38%	6.31%	5.45%
DUK	2011	14,529.00	42,661.00	34.06%	5.74%	-3.73%
DUK	2012	19,900.00	68,800.00	28.92%	61.27%	-15.07%

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Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
DUK	2013	25,500.00	71,950.00	35.44%	4.58%	22.53%
DUK	2015-2017	29,000.00	82,400.00	35.19%	14.52%	-0.70%
EIX	2002 \$	11,488.00 \$	8,247.00	139.30%		
EIX	2003	12,135.00	12,587.00	96.41%	52.63%	-30.79%
EIX	2004	10,199.00	13,475.00	75.69%	7.05%	-21.49%
EIX	2005	11,852.00	14,469.00	81.91%	7.38%	8.22%
EIX	2006	12,622.00	15,913.00	79.32%	9.98%	-3.17%
EIX	2007	13,113.00	17,403.00	75.35%	9.36%	-5.00%
EIX	2008	14,112.00	18,969.00	74.40%	9.00%	-1.27%
EIX	2009	12,374.00	21,966.00	56.33%	15.80%	-24.28%
EIX	2010	12,409.00	24,778.00	50.08%	12.80%	-11.10%
EIX	2011	12,760.00	32,116.00	39.73%	29.61%	-20.67%
EIX	2012	12,000.00	30,550.00	39.28%	-4.88%	-1.14%
EIX	2013	12,700.00	32,900.00	38.60%	7.69%	-1.73%
EIX	2015-2017	15,500.00	38,700.00	40.05%	17.63%	3.76%
EE	2002	690.10 \$	1,345.00	51.31%		
EE	2003	664.40	1,298.00	51.19%	-3.49%	-0.24%
EE	2004	708.60	1,283.00	55.23%	-1.16%	7.90%
EE	2005	803.90	1,291.70	62.24%	0.68%	12.68%
EE	2006	816.50	1,332.20	61.29%	3.14%	-1.52%
EE	2007	877.40	1,450.60	60.49%	8.89%	-1.31%
EE	2008	1,038.90	1,595.60	65.11%	10.00%	7.65%
EE	2009	828.00	1,756.00	47.15%	10.05%	-27.58%
EE	2010	877.30	1,865.80	47.02%	6.25%	-0.28%
EE	2011	918.00	1,947.10	47.15%	4.36%	0.27%
EE	2012	850.00	2,110.00	40.28%	8.37%	-14.56%
EE	2013	875.00	2,265.00	38.63%	7.35%	-4.10%
EE	2015-2017	1,000.00	2,800.00	35.71%	23.62%	-7.55%
EDE	2002 \$	305.90 \$	794.10	38.52%		
EDE	2003	325.50	833.90	39.03%	5.01%	1.33%
EDE	2004	325.50	857.00	37.98%	2.77%	-2.70%
EDE	2005	386.20	896.00	43.10%	4.55%	13.48%
EDE	2006	413.50	1,031.00	40.11%	15.07%	-6.95%
EDE	2007	490.20	1,178.90	41.58%	14.35%	3.68%
EDE	2008	518.20	1,342.80	38.59%	13.90%	-7.19%
EDE	2009	497.20	1,459.00	34.08%	8.65%	-11.69%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
EDE	2010	541.30	1,519.10	35.63%	4.12%	4.56%
EDE	2011	576.90	1,563.70	36.89%	2.94%	3.54%
EDE	2012	560.00	1,645.00	34.04%	5.20%	-7.73%
EDE	2013	590.00	1,735.00	34.01%	5.47%	-0.11%
EDE	2015-2017	710.00	1,925.00	36.88%	10.95%	8.46%
ETR	2002	\$ 8,305.00	\$ 17,195.00	48.30%		
ETR	2003	9,195.00	18,299.00	50.25%	6.42%	4.04%
ETR	2004	10,124.00	18,696.00	54.15%	2.17%	7.77%
ETR	2005	10,106.00	19,197.00	52.64%	2.68%	-2.78%
ETR	2006	10,932.00	19,438.00	56.24%	1.26%	6.83%
ETR	2007	11,484.00	20,974.00	54.75%	7.90%	-2.64%
ETR	2008	13,094.00	22,429.00	58.38%	6.94%	6.62%
ETR	2009	10,746.00	23,389.00	45.94%	4.28%	-21.30%
ETR	2010	11,488.00	23,848.00	48.17%	1.96%	4.85%
ETR	2011	11,229.00	25,609.00	43.85%	7.38%	-8.98%
ETR	2012	10,250.00	26,350.00	38.90%	2.89%	-11.29%
ETR	2013	10,350.00	26,650.00	38.84%	1.14%	-0.16%
ETR	2015-2017	11,500.00	27,200.00	42.28%	2.06%	8.86%
EXC	2002	\$ 14,955.00	\$ 17,134.00	87.28%		
EXC	2003	15,812.00	20,630.00	76.65%	20.40%	-12.19%
EXC	2004	14,515.00	21,482.00	67.57%	4.13%	-11.84%
EXC	2005	15,357.00	21,981.00	69.86%	2.32%	3.40%
EXC	2006	15,655.00	22,775.00	68.74%	3.61%	-1.61%
EXC	2007	18,916.00	24,153.00	78.32%	6.05%	13.94%
EXC	2008	18,859.00	25,813.00	73.06%	6.87%	-6.71%
EXC	2009	17,318.00	27,341.00	63.34%	5.92%	-13.30%
EXC	2010	18,644.00	29,941.00	62.27%	9.51%	-1.69%
EXC	2011	18,924.00	32,570.00	58.10%	8.78%	-6.69%
EXC	2012	23,200.00	44,150.00	52.55%	35.55%	-9.56%
EXC	2013	25,300.00	46,225.00	54.73%	4.70%	4.16%
EXC	2015-2017	28,200.00	52,000.00	54.23%	12.49%	-0.92%
FE	2002	\$ 12,152.00	\$ 12,680.00	95.84%		
FE	2003	12,307.00	13,269.00	92.75%	4.65%	-3.22%
FE	2004	12,453.00	13,478.00	92.40%	1.58%	-0.38%
FE	2005	11,989.00	13,998.00	85.65%	3.86%	-7.30%
FE	2006	11,501.00	14,667.00	78.41%	4.78%	-8.45%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
FE	2007	12,802.00	15,383.00	83.22%	4.88%	6.13%
FE	2008	13,627.00	17,723.00	76.89%	15.21%	-7.61%
FE	2009	12,712.00	19,164.00	66.33%	8.13%	-13.73%
FE	2010	13,339.00	19,788.00	67.41%	3.26%	1.62%
FE	2011	16,258.00	30,337.00	53.59%	53.31%	-20.50%
FE	2012	16,100.00	31,225.00	51.56%	2.93%	-3.79%
FE	2013	16,400.00	32,275.00	50.81%	3.36%	-1.45%
FE	2015-2017	19,000.00	34,800.00	54.60%	7.82%	7.45%
GXP	2002	\$ 1,861.90	\$ 2,604.10	71.50%		
GXP	2003	2,149.50	2,700.90	79.58%	3.72%	11.31%
GXP	2004	2,464.00	2,734.50	90.11%	1.24%	13.22%
GXP	2005	2,604.90	2,765.60	94.19%	1.14%	4.53%
GXP	2006	2,675.30	3,066.20	87.25%	10.87%	-7.37%
GXP	2007	3,267.10	3,444.50	94.85%	12.34%	8.71%
GXP	2008	1,670.10	6,081.30	27.46%	76.55%	-71.05%
GXP	2009	1,965.00	6,651.10	29.54%	9.37%	7.58%
GXP	2010	2,255.50	6,892.30	32.72%	3.63%	10.77%
GXP	2011	2,318.00	7,053.50	32.86%	2.34%	0.42%
GXP	2012	2,300.00	7,365.00	31.23%	4.42%	-4.97%
GXP	2013	2,400.00	7,810.00	30.73%	6.04%	-1.60%
GXP	2015-2017	2,900.00	8,475.00	34.22%	8.51%	11.35%
HE	2002	\$ 1,653.70	\$ 2,079.30	79.53%		
HE	2003	1,781.30	2,311.90	77.05%	11.19%	-3.12%
HE	2004	1,924.10	2,422.30	79.43%	4.78%	3.09%
HE	2005	2,215.60	2,542.80	87.13%	4.97%	9.69%
HE	2006	2,460.90	2,647.50	92.95%	4.12%	6.68%
HE	2007	2,536.40	2,743.40	92.45%	3.62%	-0.53%
HE	2008	3,218.90	2,907.40	110.71%	5.98%	19.75%
HE	2009	2,309.60	3,088.60	74.78%	6.23%	-32.46%
HE	2010	2,665.00	3,165.90	84.18%	2.50%	12.57%
HE	2011	3,242.30	3,334.50	97.23%	5.33%	15.51%
HE	2012	3,400.00	3,505.00	97.00%	5.11%	-0.24%
HE	2013	3,450.00	3,750.00	92.00%	6.99%	-5.16%
HE	2015-2017	3,900.00	5,525.00	70.59%	47.33%	-23.27%
IDA	2002	\$ 928.80	\$ 1,906.50	48.72%		
IDA	2003	782.70	2,088.30	37.48%	9.54%	-23.07%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
IDA	2004	844.50	2,209.50	38.22%	5.80%	1.98%
IDA	2005	859.50	2,314.30	37.14%	4.74%	-2.83%
IDA	2006	926.30	2,419.10	38.29%	4.53%	3.10%
IDA	2007	879.40	2,616.60	33.61%	8.16%	-12.23%
IDA	2008	960.40	2,758.20	34.82%	5.41%	3.60%
IDA	2009	1,049.80	2,917.00	35.99%	5.76%	3.36%
IDA	2010	1,036.00	3,161.40	32.77%	8.38%	-8.94%
IDA	2011	1,026.80	3,406.60	30.14%	7.76%	-8.02%
IDA	2012	1,100.00	3,680.00	29.89%	8.03%	-0.83%
IDA	2013	1,155.00	3,975.00	29.06%	8.02%	-2.79%
IDA	2015-2017	1,265.00	5,000.00	25.30%	25.79%	-12.93%
TEG	2002	\$ 2,674.90	\$ 1,610.20	166.12%		
TEG	2003	4,321.30	1,828.70	236.30%	13.57%	42.25%
TEG	2004	4,890.60	2,002.60	244.21%	9.51%	3.35%
TEG	2005	6,962.70	2,049.40	339.74%	2.34%	39.12%
TEG	2006	6,890.70	2,534.80	271.84%	23.68%	-19.99%
TEG	2007	10,292.00	4,463.80	230.57%	76.10%	-15.18%
TEG	2008	14,048.00	4,773.30	294.30%	6.93%	27.64%
TEG	2009	7,499.80	4,945.10	151.66%	3.60%	-48.47%
TEG	2010	5,203.20	5,013.40	103.79%	1.38%	-31.57%
TEG	2011	4,708.70	5,199.10	90.57%	3.70%	-12.74%
TEG	2012	4,100.00	5,580.00	73.48%	7.33%	-18.87%
TEG	2013	4,500.00	6,140.00	73.29%	10.04%	-0.25%
TEG	2015-2017	5,100.00	7,425.00	68.69%	20.93%	-6.28%
ITC	2002	NA	NA			
ITC	2003	NA	NA			
ITC	2004	126.40	513.70	24.61%		
ITC	2005	205.30	603.60	34.01%	17.50%	38.23%
ITC	2006	223.60	1,197.90	18.67%	98.46%	-45.12%
ITC	2007	426.20	1,960.40	21.74%	63.65%	16.47%
ITC	2008	617.90	2,304.40	26.81%	17.55%	23.34%
ITC	2009	621.00	2,542.10	24.43%	10.32%	-8.90%
ITC	2010	696.80	2,872.30	24.26%	12.99%	-0.69%
ITC	2011	757.40	3,415.80	22.17%	18.92%	-8.60%
ITC	2012	830.00	4,105.00	20.22%	20.18%	-8.81%
ITC	2013	920.00	4,780.00	19.25%	16.44%	-4.81%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
ITC	2015-2017	1,325.00	6,925.00	19.13%	44.87%	-0.59%
MGEE	2002 \$	347.10 \$	451.50	76.88%		
MGEE	2003	401.50	537.50	74.70%	19.05%	-2.83%
MGEE	2004	424.90	607.40	69.95%	13.00%	-6.35%
MGEE	2005	513.40	667.70	76.89%	9.93%	9.92%
MGEE	2006	507.50	728.40	69.67%	9.09%	-9.39%
MGEE	2007	537.60	844.00	63.70%	15.87%	-8.58%
MGEE	2008	596.00	901.20	66.13%	6.78%	3.83%
MGEE	2009	533.80	939.80	56.80%	4.28%	-14.11%
MGEE	2010	532.60	968.00	55.02%	3.00%	-3.13%
MGEE	2011	546.40	995.60	54.88%	2.85%	-0.25%
MGEE	2012	540.00	1,060.00	50.94%	6.47%	-7.18%
MGEE	2013	555.00	1,100.00	50.45%	3.77%	-0.96%
MGEE	2015-2017	650.00	1,200.00	54.17%	9.09%	7.36%
NEE	2002 \$	8,311.00 \$	14,304.00	58.10%		
NEE	2003	9,630.00	20,297.00	47.45%	41.90%	-18.34%
NEE	2004	10,522.00	21,226.00	49.57%	4.58%	4.48%
NEE	2005	11,846.00	22,463.00	52.74%	5.83%	6.38%
NEE	2006	15,710.00	24,499.00	64.13%	9.06%	21.60%
NEE	2007	15,263.00	28,652.00	53.27%	16.95%	-16.93%
NEE	2008	16,410.00	32,411.00	50.63%	13.12%	-4.95%
NEE	2009	15,643.00	36,078.00	43.36%	11.31%	-14.36%
NEE	2010	15,317.00	39,075.00	39.20%	8.31%	-9.59%
NEE	2011	15,341.00	42,490.00	36.10%	8.74%	-7.89%
NEE	2012	14,400.00	46,725.00	30.82%	9.97%	-14.64%
NEE	2013	15,000.00	50,450.00	29.73%	7.97%	-3.52%
NEE	2015-2017	16,800.00	60,600.00	27.72%	20.12%	-6.76%
NU	2002 \$	5,216.30 \$	4,728.40	110.32%		
NU	2003	6,069.20	5,429.90	111.77%	14.84%	1.32%
NU	2004	6,686.70	5,864.20	114.03%	8.00%	2.01%
NU	2005	5,507.30	6,417.20	85.82%	9.43%	-24.74%
NU	2006	6,884.40	6,242.20	110.29%	-2.73%	28.51%
NU	2007	5,822.20	7,229.90	80.53%	15.82%	-26.98%
NU	2008	5,800.10	8,207.90	70.66%	13.53%	-12.25%
NU	2009	5,439.40	8,840.00	61.53%	7.70%	-12.92%
NU	2010	4,898.20	9,567.70	51.20%	8.23%	-16.80%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
NU	2011	4,465.70	10,403.00	42.93%	8.73%	-16.15%
NU	2012	6,300.00	16,325.00	38.59%	56.93%	-10.10%
NU	2013	7,450.00	16,950.00	43.95%	3.83%	13.89%
NU	2015-2017	8,300.00	19,200.00	43.23%	13.27%	-1.65%
NWE	2002 NA		NA			
NWE	2003 NA		NA			
NWE	2004 NA		NA			
NWE	2005	1,165.80	1,409.20	82.73%		
NWE	2006	1,132.70	1,491.90	75.92%	5.87%	-8.23%
NWE	2007	1,200.10	1,770.90	67.77%	18.70%	-10.74%
NWE	2008	1,260.80	1,839.70	68.53%	3.89%	1.13%
NWE	2009	1,141.90	1,964.10	58.14%	6.76%	-15.17%
NWE	2010	1,110.70	2,118.00	52.44%	7.84%	-9.80%
NWE	2011	1,117.30	2,213.30	50.48%	4.50%	-3.74%
NWE	2012	1,075.00	2,430.00	44.24%	9.79%	-12.37%
NWE	2013	1,150.00	2,570.00	44.75%	5.76%	1.15%
NWE	2015-2017	1,350.00	2,825.00	47.79%	16.26%	8.02%
NVE	2002 \$	2,991.70	\$ 4,308.70	69.43%		
NVE	2003	2,789.20	4,642.70	60.08%	7.75%	-13.48%
NVE	2004	2,823.80	4,926.90	57.31%	6.12%	-4.60%
NVE	2005	3,030.20	5,397.60	56.14%	9.55%	-2.05%
NVE	2006	3,356.00	6,087.00	55.13%	12.77%	-1.79%
NVE	2007	3,601.00	7,011.00	51.36%	15.18%	-6.84%
NVE	2008	3,528.10	8,310.30	42.45%	18.53%	-17.34%
NVE	2009	3,585.80	8,665.60	41.38%	4.28%	-2.53%
NVE	2010	3,280.20	8,929.70	36.73%	3.05%	-11.23%
NVE	2011	2,943.30	9,227.10	31.90%	3.33%	-13.16%
NVE	2012	3,000.00	9,335.00	32.14%	1.17%	0.75%
NVE	2013	3,050.00	9,435.00	32.33%	1.07%	0.59%
NVE	2015-2017	3,250.00	9,450.00	34.39%	0.16%	6.39%
OGE	2002 \$	3,023.90	\$ 3,204.30	94.37%		
OGE	2003	3,779.00	3,309.50	114.19%	3.28%	21.00%
OGE	2004	4,926.60	3,581.00	137.58%	8.20%	20.48%
OGE	2005	5,948.20	3,567.40	166.74%	-0.38%	21.20%
OGE	2006	4,005.60	3,867.50	103.57%	8.41%	-37.88%
OGE	2007	3,797.60	4,246.30	89.43%	9.79%	-13.65%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
OGE	2008	4,070.70	5,249.80	77.54%	23.63%	-13.30%
OGE	2009	2,869.70	5,911.60	48.54%	12.61%	-37.40%
OGE	2010	3,716.90	6,464.40	57.50%	9.35%	18.45%
OGE	2011	3,915.90	7,474.00	52.39%	15.62%	-8.88%
OGE	2012	3,600.00	8,225.00	43.77%	10.05%	-16.46%
OGE	2013	3,700.00	9,020.00	41.02%	9.67%	-6.28%
OGE	2015-2017	4,300.00	9,275.00	46.36%	2.83%	13.02%
OTTR	2002	\$ 710.10	\$ 587.90	120.79%		
OTTR	2003	753.20	633.30	118.93%	7.72%	-1.53%
OTTR	2004	882.30	682.10	129.35%	7.71%	8.76%
OTTR	2005	1,046.40	697.10	150.11%	2.20%	16.05%
OTTR	2006	1,105.00	718.60	153.77%	3.08%	2.44%
OTTR	2007	1,238.90	854.00	145.07%	18.84%	-5.66%
OTTR	2008	1,311.20	1,037.60	126.37%	21.50%	-12.89%
OTTR	2009	1,039.50	1,098.60	94.62%	5.88%	-25.12%
OTTR	2010	1,119.10	1,108.70	100.94%	0.92%	6.68%
OTTR	2011	1,077.90	1,077.50	100.04%	-2.81%	-0.89%
OTTR	2012	1,070.00	1,070.00	100.00%	-0.70%	-0.04%
OTTR	2013	1,125.00	1,125.00	100.00%	5.14%	0.00%
OTTR	2015-2017	1,450.00	1,325.00	109.43%	17.78%	9.43%
POM	2002	\$ 6,777.30	\$ 6,798.00	99.70%		
POM	2003	7,271.30	6,964.90	104.40%	2.46%	4.72%
POM	2004	7,221.80	7,088.00	101.89%	1.77%	-2.41%
POM	2005	8,065.50	7,312.00	110.30%	3.16%	8.26%
POM	2006	8,362.90	7,576.60	110.38%	3.62%	0.07%
POM	2007	9,366.40	7,876.70	118.91%	3.96%	7.73%
POM	2008	10,700.00	8,314.00	128.70%	5.55%	8.23%
POM	2009	9,259.00	8,863.00	104.47%	6.60%	-18.83%
POM	2010	7,039.00	7,673.00	91.74%	-13.43%	-12.19%
POM	2011	5,920.00	8,220.00	72.02%	7.13%	-21.49%
POM	2012	5,600.00	7,750.00	72.26%	-5.72%	0.33%
POM	2013	6,200.00	7,800.00	79.49%	0.65%	10.00%
POM	2015-2017	7,000.00	8,100.00	86.42%	3.85%	8.72%
PCG	2002	\$ 12,495.00	\$ 16,928.00	73.81%		
PCG	2003	10,435.00	18,107.00	57.63%	6.96%	-21.92%
PCG	2004	11,080.00	18,989.00	58.35%	4.87%	1.25%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
PCG	2005	11,703.00	19,955.00	58.65%	5.09%	0.51%
PCG	2006	12,539.00	21,785.00	57.56%	9.17%	-1.86%
PCG	2007	13,237.00	23,656.00	55.96%	8.59%	-2.78%
PCG	2008	14,628.00	26,261.00	55.70%	11.01%	-0.45%
PCG	2009	13,399.00	28,892.00	46.38%	10.02%	-16.74%
PCG	2010	13,841.00	31,449.00	44.01%	8.85%	-5.10%
PCG	2011	14,956.00	33,655.00	44.44%	7.01%	0.97%
PCG	2012	15,100.00	36,025.00	41.92%	7.04%	-5.68%
PCG	2013	15,600.00	38,325.00	40.70%	6.38%	-2.89%
PCG	2015-2017	18,650.00	45,700.00	40.81%	19.24%	0.26%
PNW	2002	\$ 2,637.30	\$ 6,479.40	40.70%		
PNW	2003	2,817.90	7,480.10	37.67%	15.44%	-7.45%
PNW	2004	2,899.70	7,535.50	38.48%	0.74%	2.15%
PNW	2005	2,988.00	7,577.10	39.43%	0.55%	2.48%
PNW	2006	3,401.70	7,881.90	43.16%	4.02%	9.44%
PNW	2007	3,523.60	8,436.40	41.77%	7.04%	-3.22%
PNW	2008	3,367.10	8,916.70	37.76%	5.69%	-9.59%
PNW	2009	3,297.10	9,257.80	35.61%	3.83%	-5.69%
PNW	2010	3,263.60	9,578.80	34.07%	3.47%	-4.33%
PNW	2011	3,241.40	9,962.30	32.54%	4.00%	-4.50%
PNW	2012	3,300.00	10,360.00	31.85%	3.99%	-2.10%
PNW	2013	3,425.00	10,810.00	31.68%	4.34%	-0.53%
PNW	2015-2017	3,800.00	12,675.00	29.98%	17.25%	-5.38%
PNM	2002	\$ 1,169.00	\$ 1,867.30	62.60%		
PNM	2003	1,455.70	2,194.40	66.34%	17.52%	5.96%
PNM	2004	1,604.80	2,324.60	69.04%	5.93%	4.07%
PNM	2005	2,076.80	2,984.10	69.60%	28.37%	0.81%
PNM	2006	2,471.70	3,761.90	65.70%	26.06%	-5.59%
PNM	2007	1,914.00	2,935.40	65.20%	-21.97%	-0.76%
PNM	2008	1,959.50	3,192.00	61.39%	8.74%	-5.85%
PNM	2009	1,647.70	3,332.40	49.44%	4.40%	-19.45%
PNM	2010	1,673.50	3,444.40	48.59%	3.36%	-1.74%
PNM	2011	1,700.60	3,627.10	46.89%	5.30%	-3.50%
PNM	2012	1,350.00	3,810.00	35.43%	5.04%	-24.43%
PNM	2013	1,385.00	4,000.00	34.63%	4.99%	-2.28%
PNM	2015-2017	1,600.00	4,630.00	34.56%	15.75%	-0.20%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
POR	2002	NA	NA			
POR	2003	NA	NA			
POR	2004	1,454.00	2,275.00	63.91%		
POR	2005	1,446.00	2,436.00	59.36%	7.08%	-7.12%
POR	2006	1,520.00	2,718.00	55.92%	11.58%	-5.79%
POR	2007	1,743.00	3,066.00	56.85%	12.80%	1.66%
POR	2008	1,745.00	3,301.00	52.86%	7.66%	-7.01%
POR	2009	1,804.00	3,858.00	46.76%	16.87%	-11.54%
POR	2010	1,783.00	4,133.00	43.14%	7.13%	-7.74%
POR	2011	1,813.00	4,285.00	42.31%	3.68%	-1.92%
POR	2012	1,825.00	4,380.00	41.67%	2.22%	-1.52%
POR	2013	1,875.00	4,485.00	41.81%	2.40%	0.33%
POR	2015-2017	2,100.00	4,575.00	45.90%	2.01%	9.80%
PPL	2002	\$ 5,429.00	\$ 9,566.00	56.75%		
PPL	2003	5,587.00	10,446.00	53.48%	9.20%	-5.76%
PPL	2004	5,812.00	11,209.00	51.85%	7.30%	-3.05%
PPL	2005	6,219.00	10,916.00	56.97%	-2.61%	9.87%
PPL	2006	6,899.00	12,069.00	57.16%	10.56%	0.34%
PPL	2007	6,498.00	12,605.00	51.55%	4.44%	-9.82%
PPL	2008	8,044.00	12,416.00	64.79%	-1.50%	25.68%
PPL	2009	7,556.00	13,174.00	57.36%	6.11%	-11.47%
PPL	2010	8,521.00	20,858.00	40.85%	58.33%	-28.77%
PPL	2011	12,737.00	27,266.00	46.71%	30.72%	14.35%
PPL	2012	11,800.00	29,475.00	40.03%	8.10%	-14.30%
PPL	2013	12,250.00	32,325.00	37.90%	9.67%	-5.34%
PPL	2015-2017	14,000.00	38,200.00	36.65%	18.17%	-3.29%
PEG	2002	\$ 8,390.00	\$ 11,449.00	73.28%		
PEG	2003	11,116.00	12,422.00	89.49%	8.50%	22.11%
PEG	2004	10,996.00	13,750.00	79.97%	10.69%	-10.63%
PEG	2005	12,430.00	13,336.00	93.21%	-3.01%	16.55%
PEG	2006	12,164.00	13,002.00	93.55%	-2.50%	0.37%
PEG	2007	12,853.00	13,275.00	96.82%	2.10%	3.49%
PEG	2008	14,139.00	14,433.00	97.96%	8.72%	1.18%
PEG	2009	12,431.00	15,440.00	80.51%	6.98%	-17.81%
PEG	2010	11,793.00	16,390.00	71.95%	6.15%	-10.63%
PEG	2011	11,343.00	17,849.00	63.55%	8.90%	-11.68%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
PEG	2012	9,700.00	19,125.00	50.72%	7.15%	-20.19%
PEG	2013	9,800.00	20,200.00	48.51%	5.62%	-4.35%
PEG	2015-2017	11,300.00	22,800.00	49.56%	12.87%	2.16%
SCG	2002 \$	2,954.00 \$	5,474.00	53.96%		
SCG	2003	3,416.00	6,417.00	53.23%	17.23%	-1.35%
SCG	2004	3,885.00	6,762.00	57.45%	5.38%	7.93%
SCG	2005	4,777.00	6,734.00	70.94%	-0.41%	23.47%
SCG	2006	4,563.00	7,007.00	65.12%	4.05%	-8.20%
SCG	2007	4,621.00	7,538.00	61.30%	7.58%	-5.86%
SCG	2008	5,319.00	8,305.00	64.05%	10.18%	4.47%
SCG	2009	4,237.00	9,009.00	47.03%	8.48%	-26.57%
SCG	2010	4,601.00	9,662.00	47.62%	7.25%	1.25%
SCG	2011	4,409.00	10,047.00	43.88%	3.98%	-7.85%
SCG	2012	4,000.00	10,965.00	36.48%	9.14%	-16.87%
SCG	2013	4,300.00	12,150.00	35.39%	10.81%	-2.98%
SCG	2015-2017	5,150.00	15,375.00	33.50%	26.54%	-5.35%
SRE	2002 \$	6,020.00 \$	6,832.00	88.11%		
SRE	2003	7,887.00	10,474.00	75.30%	53.31%	-14.54%
SRE	2004	9,410.00	11,086.00	84.88%	5.84%	12.72%
SRE	2005	11,737.00	12,101.00	96.99%	9.16%	14.27%
SRE	2006	11,761.00	13,175.00	89.27%	8.88%	-7.96%
SRE	2007	11,438.00	14,884.00	76.85%	12.97%	-13.91%
SRE	2008	10,758.00	16,865.00	63.79%	13.31%	-16.99%
SRE	2009	8,106.00	18,281.00	44.34%	8.40%	-30.49%
SRE	2010	9,003.00	19,876.00	45.30%	8.72%	2.15%
SRE	2011	10,036.00	23,572.00	42.58%	18.60%	-6.00%
SRE	2012	9,500.00	25,675.00	37.00%	8.92%	-13.09%
SRE	2013	9,900.00	27,000.00	36.67%	5.16%	-0.90%
SRE	2015-2017	12,150.00	31,100.00	39.07%	15.19%	6.55%
SO	2002 \$	10,549.00 \$	24,642.00	42.81%		
SO	2003	11,251.00	27,534.00	40.86%	11.74%	-4.55%
SO	2004	11,902.00	28,361.00	41.97%	3.00%	2.70%
SO	2005	13,554.00	29,480.00	45.98%	3.95%	9.56%
SO	2006	14,356.00	31,092.00	46.17%	5.47%	0.43%
SO	2007	15,353.00	33,327.00	46.07%	7.19%	-0.23%
SO	2008	17,127.00	35,878.00	47.74%	7.65%	3.62%

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Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
SO	2009	15,743.00	39,230.00	40.13%	9.34%	-15.93%
SO	2010	17,456.00	42,002.00	41.56%	7.07%	3.56%
SO	2011	17,657.00	45,010.00	39.23%	7.16%	-5.61%
SO	2012	16,600.00	48,275.00	34.39%	7.25%	-12.34%
SO	2013	17,000.00	50,900.00	33.40%	5.44%	-2.87%
SO	2015-2017	20,000.00	61,500.00	32.52%	20.83%	-2.63%
TE	2002 \$	2,675.80 \$	5,464.00	48.97%		
TE	2003	2,740.00	5,679.00	48.25%	3.93%	-1.48%
TE	2004	2,669.10	4,657.90	57.30%	-17.98%	18.77%
TE	2005	3,010.10	4,566.90	65.91%	-1.95%	15.02%
TE	2006	3,448.10	4,766.90	72.33%	4.38%	9.74%
TE	2007	3,536.10	4,888.20	72.34%	2.54%	0.01%
TE	2008	3,375.30	5,221.30	64.64%	6.81%	-10.64%
TE	2009	3,310.50	5,544.10	59.71%	6.18%	-7.63%
TE	2010	3,487.90	5,841.00	59.71%	5.36%	0.00%
TE	2011	3,343.40	5,967.80	56.02%	2.17%	-6.18%
TE	2012	2,950.00	6,135.00	48.08%	2.80%	-14.17%
TE	2013	3,050.00	6,320.00	48.26%	3.02%	0.36%
TE	2015-2017	3,425.00	7,225.00	47.40%	14.32%	-1.77%
UIL	2002 \$	1,131.00 \$	517.10	218.72%		
UIL	2003	963.70	548.80	175.60%	6.13%	-19.71%
UIL	2004	1,101.30	563.90	195.30%	2.75%	11.22%
UIL	2005	1,213.10	592.10	204.88%	5.00%	4.91%
UIL	2006	846.00	647.00	130.76%	9.27%	-36.18%
UIL	2007	982.00	878.40	111.79%	35.77%	-14.50%
UIL	2008	948.70	1,073.60	88.37%	22.22%	-20.96%
UIL	2009	896.60	1,153.00	77.76%	7.40%	-12.00%
UIL	2010	997.70	2,327.50	42.87%	101.86%	-44.88%
UIL	2011	1,570.40	2,570.40	61.10%	10.44%	42.53%
UIL	2012	1,510.00	2,700.00	55.93%	5.04%	-8.46%
UIL	2013	1,600.00	2,800.00	57.14%	3.70%	2.18%
UIL	2015-2017	1,850.00	3,100.00	59.68%	10.71%	4.44%
UNS	2002 \$	856.20 \$	1,668.40	51.32%		
UNS	2003	969.90	2,069.20	46.87%	24.02%	-8.66%
UNS	2004	1,169.00	2,081.10	56.17%	0.58%	19.84%
UNS	2005	1,229.50	2,171.50	56.62%	4.34%	0.80%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
UNS	2006	1,316.90	2,259.60	58.28%	4.06%	2.93%
UNS	2007	1,381.40	2,407.30	57.38%	6.54%	-1.54%
UNS	2008	1,397.50	2,617.70	53.39%	8.74%	-6.97%
UNS	2009	1,394.40	2,785.70	50.06%	6.42%	-6.24%
UNS	2010	1,453.70	2,961.50	49.09%	6.31%	-1.94%
UNS	2011	1,509.50	3,182.30	47.43%	7.46%	-3.37%
UNS	2012	1,450.00	3,405.00	42.58%	7.00%	-10.22%
UNS	2013	1,500.00	3,645.00	41.15%	7.05%	-3.36%
UNS	2015-2017	1,715.00	4,465.00	38.41%	22.50%	-6.66%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
WVC	2002	\$ 1,804.30	\$ 1,648.10	109.48%		
WVC	2003	1,587.60	2,003.70	79.23%	21.58%	-27.63%
WVC	2004	1,689.80	2,156.20	78.37%	7.61%	-1.09%
WVC	2005	2,028.00	2,251.90	90.06%	4.44%	14.91%
WVC	2006	2,041.60	2,385.50	85.58%	5.93%	-4.97%
WVC	2007	2,281.90	2,539.70	89.85%	6.46%	4.98%
WVC	2008	2,484.70	2,720.30	91.34%	7.11%	1.66%
WVC	2009	2,088.90	2,878.80	72.56%	5.83%	-20.56%
WVC	2010	2,129.50	2,955.40	72.05%	2.66%	-0.70%
WVC	2011	2,325.20	3,032.60	76.67%	2.61%	6.41%
WVC	2012	2,225.00	3,150.00	70.63%	3.87%	-7.88%
WVC	2013	2,340.00	3,250.00	72.00%	3.17%	1.93%
WVC	2015-2017	2,900.00	3,600.00	80.56%	10.77%	11.88%
WR	2002	\$ 1,771.10	\$ 3,995.40	44.33%		
WR	2003	1,461.10	3,909.50	37.37%	-2.15%	-15.69%
WR	2004	1,464.50	3,911.00	37.45%	0.04%	0.19%
WR	2005	1,583.30	3,947.70	40.11%	0.94%	7.11%
WR	2006	1,605.70	4,071.60	39.44%	3.14%	-1.67%
WR	2007	1,726.80	4,803.70	35.95%	17.98%	-8.85%
WR	2008	1,839.00	5,533.50	33.23%	15.19%	-7.55%
WR	2009	1,858.20	5,771.70	32.20%	4.30%	-3.13%
WR	2010	2,056.20	6,309.50	32.59%	9.32%	1.22%
WR	2011	2,171.00	6,745.40	32.18%	6.91%	-1.24%
WR	2012	2,250.00	7,250.00	31.03%	7.48%	-3.57%
WR	2013	2,340.00	7,500.00	31.20%	3.45%	0.53%
WR	2015-2017	2,700.00	8,500.00	31.76%	13.33%	1.81%
WEC	2002	\$ 3,736.20	\$ 4,398.80	84.94%		
WEC	2003	4,054.30	5,926.10	68.41%	34.72%	-19.45%
WEC	2004	3,431.10	5,903.10	58.12%	-0.39%	-15.04%
WEC	2005	3,815.50	6,362.90	59.96%	7.79%	3.17%
WEC	2006	3,996.40	7,052.50	56.67%	10.84%	-5.50%
WEC	2007	4,237.80	7,681.20	55.17%	8.91%	-2.64%
WEC	2008	4,431.00	8,517.00	52.03%	10.88%	-5.70%
WEC	2009	4,127.90	9,070.50	45.51%	6.50%	-12.53%
WEC	2010	4,202.50	9,601.50	43.77%	5.85%	-3.82%
WEC	2011	4,486.40	10,160.00	44.16%	5.82%	0.89%

DuPont Formula

Ticker	Year	Revenue	Net Plant	Revenue/Net Plant	Change in Net Plant	Change in Revenue/Net Plant
WEC	2012	4,300.00	10,555.00	40.74%	3.89%	-7.74%
WEC	2013	4,550.00	10,870.00	41.86%	2.98%	2.75%
WEC	2015-2017	5,200.00	11,525.00	45.12%	6.03%	7.79%
XEL	2002	\$ 9,524.40	\$ 18,816.00	50.62%		
XEL	2003	7,937.50	13,667.00	58.08%	-27.37%	14.74%
XEL	2004	8,345.30	14,096.00	59.20%	3.14%	1.94%
XEL	2005	9,625.50	14,696.00	65.50%	4.26%	10.63%
XEL	2006	9,840.30	15,549.00	63.29%	5.80%	-3.38%
XEL	2007	10,034.00	16,676.00	60.17%	7.25%	-4.92%
XEL	2008	11,203.00	17,689.00	63.33%	6.07%	5.26%
XEL	2009	9,644.30	18,508.00	52.11%	4.63%	-17.72%
XEL	2010	10,311.00	20,663.00	49.90%	11.64%	-4.24%
XEL	2011	10,655.00	22,353.00	47.67%	8.18%	-4.48%
XEL	2012	10,000.00	23,950.00	41.75%	7.14%	-12.41%
XEL	2013	10,500.00	26,025.00	40.35%	8.66%	-3.37%
XEL	2015-2017	12,150.00	29,600.00	41.05%	13.74%	1.74%

	Average Revenue/Net Plant	Average Change in Net Plant	Cumulative Change in Net Plant
2003	74.74%	13.13%	13.13%
2004	74.67%	3.56%	17.16%
2005	82.66%	4.26%	22.14%
2006	75.10%	9.03%	33.17%
2007	72.25%	10.52%	47.19%
2008	70.75%	11.69%	64.39%
2009	56.33%	7.67%	76.99%
2010	53.48%	9.27%	93.40%
2011	50.97%	8.42%	109.68%
2012	45.82%	8.71%	127.95%
2013	45.81%	5.51%	140.51%
2015-2017	47.23%	14.07%	174.35%

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DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
ALE	2005	-2.57%	0.73%
ALE	2006	7.11%	-2.88%
ALE	2007	19.85%	-8.44%
ALE	2008	25.60%	-24.23%
ALE	2009	16.97%	-18.98%
ALE	2010	11.27%	7.38%
ALE	2011	9.81%	-6.80%
ALE	2012	17.26%	-12.26%
ALE	2013	8.17%	-2.71%
ALE	2015-2017	12.33%	4.53%
LNT	2003	18.86%	0.88%
LNT	2004	19.22%	-20.67%
LNT	2005	-7.92%	20.38%
LNT	2006	1.62%	0.80%
LNT	2007	-5.36%	8.12%
LNT	2008	14.39%	-6.38%
LNT	2009	15.87%	-19.53%
LNT	2010	8.51%	-8.29%
LNT	2011	4.55%	2.62%
LNT	2012	6.58%	-20.64%
LNT	2013	4.00%	2.36%
LNT	2015-2017	8.97%	25.13%
AEE	2003	22.47%	-2.36%
AEE	2004	21.80%	-7.76%
AEE	2005	2.07%	28.73%
AEE	2006	5.26%	-3.60%
AEE	2007	5.48%	3.98%
AEE	2008	9.94%	-5.51%
AEE	2009	6.30%	-14.91%
AEE	2010	1.38%	6.26%
AEE	2011	1.53%	-2.89%
AEE	2012	2.89%	-11.59%
AEE	2013	2.41%	-0.22%
AEE	2015-2017	7.85%	1.99%
AEP	2003	1.59%	-1.63%
AEP	2004	3.50%	-6.63%
AEP	2005	6.50%	-19.11%
AEP	2006	10.28%	-5.50%
AEP	2007	11.53%	-4.96%
AEP	2008	10.44%	-2.28%
AEP	2009	4.11%	-10.28%
AEP	2010	3.87%	2.97%
AEP	2011	3.64%	1.10%
AEP	2012	3.93%	-6.43%
AEP	2013	4.68%	0.07%
AEP	2015-2017	12.62%	2.92%
AVA	2003	24.36%	-7.86%
AVA	2004	0.59%	1.91%
AVA	2005	8.71%	8.61%
AVA	2006	4.17%	6.36%
AVA	2007	6.15%	-11.33%
AVA	2008	5.99%	11.58%
AVA	2009	4.61%	-13.76%
AVA	2010	4.11%	-1.02%
AVA	2011	5.40%	-1.41%
AVA	2012	4.87%	-8.75%
AVA	2013	4.33%	-1.06%
AVA	2015-2017	11.02%	6.96%
BKH	2003	-2.30%	174.31%
BKH	2004	0.23%	-1.49%
BKH	2005	-0.71%	24.95%
BKH	2006	14.70%	-58.85%

DuPont Formula - Regression Analysis			
Ticker	Year	Change in Net Plant	Change in
			Revenue/Net Plant
BKH	2007	10.76%	-4.35%
BKH	2008	10.90%	30.33%
BKH	2009	6.85%	18.14%
BKH	2010	15.49%	-10.84%
BKH	2011	11.79%	-12.95%
BKH	2012	6.65%	-10.45%
BKH	2013	9.75%	-4.01%
BKH	2015-2017	18.68%	-2.58%
CNP	2003	3.53%	18.99%
CNP	2004	-30.69%	25.81%
CNP	2005	3.73%	10.13%
CNP	2006	8.38%	-11.56%
CNP	2007	5.82%	-2.42%
CNP	2008	5.71%	11.30%
CNP	2009	4.78%	-30.19%
CNP	2010	8.75%	-2.45%
CNP	2011	5.71%	-9.01%
CNP	2012	6.43%	-19.39%
CNP	2013	0.76%	5.41%
CNP	2015-2017	-3.01%	16.49%
CHG	2003	17.58%	-1.36%
CHG	2004	5.31%	-6.84%
CHG	2005	4.62%	17.45%
CHG	2006	6.11%	-3.73%
CHG	2007	7.76%	11.80%
CHG	2008	6.13%	4.94%
CHG	2009	7.03%	-34.70%
CHG	2010	4.18%	0.18%
CHG	2011	7.27%	-5.51%
CHG	2012	4.30%	-8.55%
CHG	2013	4.24%	3.08%
CHG	2015-2017	5.69%	15.22%
CNL	2003	-9.52%	34.03%
CNL	2004	-25.20%	14.00%
CNL	2005	12.14%	10.03%
CNL	2006	9.78%	-0.94%
CNL	2007	32.26%	-22.13%
CNL	2008	18.51%	-11.56%
CNL	2009	9.86%	-28.05%
CNL	2010	23.91%	8.58%
CNL	2011	3.94%	-6.42%
CNL	2012	2.98%	-17.43%
CNL	2013	-1.17%	6.51%
CNL	2015-2017	-5.77%	32.66%
CMS	2003	32.67%	-52.17%
CMS	2004	24.37%	-20.19%
CMS	2005	-9.16%	26.50%
CMS	2006	1.67%	6.52%
CMS	2007	9.43%	-12.52%
CMS	2008	5.29%	-0.63%
CMS	2009	5.35%	-13.65%
CMS	2010	4.00%	-0.33%
CMS	2011	5.60%	-4.26%
CMS	2012	8.15%	-11.85%
CMS	2013	6.74%	-4.05%
CMS	2015-2017	18.13%	-4.01%
ED	2003	14.22%	1.43%
ED	2004	5.79%	-6.13%
ED	2005	6.25%	12.76%
ED	2006	7.79%	-3.68%
ED	2007	7.96%	0.13%
ED	2008	4.82%	-1.23%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
ED	2009	7.62%	-10.85%
ED	2010	6.23%	-3.75%
ED	2011	5.15%	-7.66%
ED	2012	5.01%	-10.94%
ED	2013	4.36%	-1.01%
ED	2015-2017	9.82%	0.53%
D	2003	27.61%	-7.37%
D	2004	3.35%	11.93%
D	2005	8.32%	19.20%
D	2006	1.53%	-10.02%
D	2007	-27.33%	30.86%
D	2008	9.00%	-4.65%
D	2009	9.96%	-15.53%
D	2010	4.38%	-3.78%
D	2011	11.07%	-14.81%
D	2012	9.54%	-16.19%
D	2013	10.08%	-5.71%
D	2015-2017	21.59%	-7.55%
DTE	2003	5.21%	-0.84%
DTE	2004	1.62%	-0.57%
DTE	2005	3.23%	22.85%
DTE	2006	5.73%	-5.42%
DTE	2007	-0.38%	-1.41%
DTE	2008	7.21%	-1.80%
DTE	2009	1.64%	-15.48%
DTE	2010	4.51%	2.17%
DTE	2011	5.80%	-1.73%
DTE	2012	7.85%	-10.37%
DTE	2013	5.06%	-0.39%
DTE	2015-2017	12.36%	2.35%
DUK	2007	-24.94%	59.77%
DUK	2008	9.41%	-5.10%
DUK	2009	11.50%	-13.55%
DUK	2010	6.31%	5.45%
DUK	2011	5.74%	-3.73%
DUK	2012	61.27%	-15.07%
DUK	2013	4.58%	22.53%
DUK	2015-2017	14.52%	-0.70%
EIX	2003	52.63%	-30.79%
EIX	2004	7.05%	-21.49%
EIX	2005	7.38%	8.22%
EIX	2006	9.98%	-3.17%
EIX	2007	9.36%	-5.00%
EIX	2008	9.00%	-1.27%
EIX	2009	15.80%	-24.28%
EIX	2010	12.80%	-11.10%
EIX	2011	29.61%	-20.67%
EIX	2012	-4.88%	-1.14%
EIX	2013	7.69%	-1.73%
EIX	2015-2017	17.63%	3.76%
EE	2003	-3.49%	-0.24%
EE	2004	-1.16%	7.90%
EE	2005	0.68%	12.68%
EE	2006	3.14%	-1.52%
EE	2007	8.89%	-1.31%
EE	2008	10.00%	7.65%
EE	2009	10.05%	-27.58%
EE	2010	6.25%	-0.28%
EE	2011	4.36%	0.27%
EE	2012	8.37%	-14.56%
EE	2013	7.35%	-4.10%
EE	2015-2017	23.62%	-7.55%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
EDE	2003	5.01%	1.33%
EDE	2004	2.77%	-2.70%
EDE	2005	4.55%	13.48%
EDE	2006	15.07%	-6.95%
EDE	2007	14.35%	3.68%
EDE	2008	13.90%	-7.19%
EDE	2009	8.65%	-11.69%
EDE	2010	4.12%	4.56%
EDE	2011	2.94%	3.54%
EDE	2012	5.20%	-7.73%
EDE	2013	5.47%	-0.11%
EDE	2015-2017	10.95%	8.46%
ETR	2003	6.42%	4.04%
ETR	2004	2.17%	7.77%
ETR	2005	2.68%	-2.78%
ETR	2006	1.26%	6.83%
ETR	2007	7.90%	-2.64%
ETR	2008	6.94%	6.62%
ETR	2009	4.28%	-21.30%
ETR	2010	1.96%	4.85%
ETR	2011	7.38%	-8.98%
ETR	2012	2.89%	-11.29%
ETR	2013	1.14%	-0.16%
ETR	2015-2017	2.06%	8.86%
EXC	2003	20.40%	-12.19%
EXC	2004	4.13%	-11.84%
EXC	2005	2.32%	3.40%
EXC	2006	3.61%	-1.61%
EXC	2007	6.05%	13.94%
EXC	2008	6.87%	-6.71%
EXC	2009	5.92%	-13.30%
EXC	2010	9.51%	-1.69%
EXC	2011	8.78%	-6.69%
EXC	2012	35.55%	-9.56%
EXC	2013	4.70%	4.16%
EXC	2015-2017	12.49%	-0.92%
FE	2003	4.65%	-3.22%
FE	2004	1.58%	-0.38%
FE	2005	3.86%	-7.30%
FE	2006	4.78%	-8.45%
FE	2007	4.88%	6.13%
FE	2008	15.21%	-7.61%
FE	2009	8.13%	-13.73%
FE	2010	3.26%	1.62%
FE	2011	53.31%	-20.50%
FE	2012	2.93%	-3.79%
FE	2013	3.36%	-1.45%
FE	2015-2017	7.82%	7.45%
GXP	2003	3.72%	11.31%
GXP	2004	1.24%	13.22%
GXP	2005	1.14%	4.53%
GXP	2006	10.87%	-7.37%
GXP	2007	12.34%	8.71%
GXP	2008	76.55%	-71.05%
GXP	2009	9.37%	7.58%
GXP	2010	3.63%	10.77%
GXP	2011	2.34%	0.42%
GXP	2012	4.42%	-4.97%
GXP	2013	6.04%	-1.60%
GXP	2015-2017	8.51%	11.35%
HE	2003	11.19%	-3.12%
HE	2004	4.78%	3.09%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
HE	2005	4.97%	9.69%
HE	2006	4.12%	6.68%
HE	2007	3.62%	-0.53%
HE	2008	5.98%	19.75%
HE	2009	6.23%	-32.46%
HE	2010	2.50%	12.57%
HE	2011	5.33%	15.51%
HE	2012	5.11%	-0.24%
HE	2013	6.99%	-5.16%
HE	2015-2017	47.33%	-23.27%
IDA	2003	9.54%	-23.07%
IDA	2004	5.80%	1.98%
IDA	2005	4.74%	-2.83%
IDA	2006	4.53%	3.10%
IDA	2007	8.16%	-12.23%
IDA	2008	5.41%	3.60%
IDA	2009	5.76%	3.36%
IDA	2010	8.38%	-8.94%
IDA	2011	7.76%	-8.02%
IDA	2012	8.03%	-0.83%
IDA	2013	8.02%	-2.79%
IDA	2015-2017	25.79%	-12.93%
TEG	2003	13.57%	42.25%
TEG	2004	9.51%	3.35%
TEG	2005	2.34%	39.12%
TEG	2006	23.68%	-19.99%
TEG	2007	76.10%	-15.18%
TEG	2008	6.93%	27.64%
TEG	2009	3.60%	-48.47%
TEG	2010	1.38%	-31.57%
TEG	2011	3.70%	-12.74%
TEG	2012	7.33%	-18.87%
TEG	2013	10.04%	-0.25%
TEG	2015-2017	20.93%	-6.28%
ITC	2005	17.50%	38.23%
ITC	2006	98.46%	-45.12%
ITC	2007	63.65%	16.47%
ITC	2008	17.55%	23.34%
ITC	2009	10.32%	-8.90%
ITC	2010	12.99%	-0.69%
ITC	2011	18.92%	-8.60%
ITC	2012	20.18%	-8.81%
ITC	2013	16.44%	-4.81%
ITC	2015-2017	44.87%	-0.59%
MGEE	2003	19.05%	-2.83%
MGEE	2004	13.00%	-6.35%
MGEE	2005	9.93%	9.92%
MGEE	2006	9.09%	-9.39%
MGEE	2007	15.87%	-8.58%
MGEE	2008	6.78%	3.83%
MGEE	2009	4.28%	-14.11%
MGEE	2010	3.00%	-3.13%
MGEE	2011	2.85%	-0.25%
MGEE	2012	6.47%	-7.18%
MGEE	2013	3.77%	-0.96%
MGEE	2015-2017	9.09%	7.36%
NEE	2003	41.90%	-18.34%
NEE	2004	4.58%	4.48%
NEE	2005	5.83%	6.38%
NEE	2006	9.06%	21.60%
NEE	2007	16.95%	-16.93%
NEE	2008	13.12%	-4.95%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
NEE	2009	11.31%	-14.36%
NEE	2010	8.31%	-9.59%
NEE	2011	8.74%	-7.89%
NEE	2012	9.97%	-14.64%
NEE	2013	7.97%	-3.52%
NEE	2015-2017	20.12%	-6.76%
NU	2003	14.84%	1.32%
NU	2004	8.00%	2.01%
NU	2005	9.43%	-24.74%
NU	2006	-2.73%	28.51%
NU	2007	15.82%	-26.98%
NU	2008	13.53%	-12.25%
NU	2009	7.70%	-12.92%
NU	2010	8.23%	-16.80%
NU	2011	8.73%	-16.15%
NU	2012	56.93%	-10.10%
NU	2013	3.83%	13.89%
NU	2015-2017	13.27%	-1.65%
NWE	2006	5.87%	-8.23%
NWE	2007	18.70%	-10.74%
NWE	2008	3.89%	1.13%
NWE	2009	6.76%	-15.17%
NWE	2010	7.84%	-9.80%
NWE	2011	4.50%	-3.74%
NWE	2012	9.79%	-12.37%
NWE	2013	5.76%	1.15%
NWE	2015-2017	16.26%	8.02%
NVE	2003	7.75%	-13.48%
NVE	2004	6.12%	-4.60%
NVE	2005	9.55%	-2.05%
NVE	2006	12.77%	-1.79%
NVE	2007	15.18%	-6.84%
NVE	2008	18.53%	-17.34%
NVE	2009	4.28%	-2.53%
NVE	2010	3.05%	-11.23%
NVE	2011	3.33%	-13.16%
NVE	2012	1.17%	0.75%
NVE	2013	1.07%	0.59%
NVE	2015-2017	0.16%	6.39%
OGE	2003	3.28%	21.00%
OGE	2004	8.20%	20.48%
OGE	2005	-0.38%	21.20%
OGE	2006	8.41%	-37.88%
OGE	2007	9.79%	-13.65%
OGE	2008	23.63%	-13.30%
OGE	2009	12.61%	-37.40%
OGE	2010	9.35%	18.45%
OGE	2011	15.62%	-8.88%
OGE	2012	10.05%	-16.46%
OGE	2013	9.67%	-6.28%
OGE	2015-2017	2.83%	13.02%
OTTR	2003	7.72%	-1.53%
OTTR	2004	7.71%	8.76%
OTTR	2005	2.20%	16.05%
OTTR	2006	3.08%	2.44%
OTTR	2007	18.84%	-5.66%
OTTR	2008	21.50%	-12.89%
OTTR	2009	5.88%	-25.12%
OTTR	2010	0.92%	6.68%
OTTR	2011	-2.81%	-0.89%
OTTR	2012	-0.70%	-0.04%
OTTR	2013	5.14%	0.00%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
OTTR	2015-2017	17.78%	9.43%
POM	2003	2.46%	4.72%
POM	2004	1.77%	-2.41%
POM	2005	3.16%	8.26%
POM	2006	3.62%	0.07%
POM	2007	3.96%	7.73%
POM	2008	5.55%	8.23%
POM	2009	6.60%	-18.83%
POM	2010	-13.43%	-12.19%
POM	2011	7.13%	-21.49%
POM	2012	-5.72%	0.33%
POM	2013	0.65%	10.00%
POM	2015-2017	3.85%	8.72%
PCG	2003	6.96%	-21.92%
PCG	2004	4.87%	1.25%
PCG	2005	5.09%	0.51%
PCG	2006	9.17%	-1.86%
PCG	2007	8.59%	-2.78%
PCG	2008	11.01%	-0.45%
PCG	2009	10.02%	-16.74%
PCG	2010	8.85%	-5.10%
PCG	2011	7.01%	0.97%
PCG	2012	7.04%	-5.68%
PCG	2013	6.38%	-2.89%
PCG	2015-2017	19.24%	0.26%
PNW	2003	15.44%	-7.45%
PNW	2004	0.74%	2.15%
PNW	2005	0.55%	2.48%
PNW	2006	4.02%	9.44%
PNW	2007	7.04%	-3.22%
PNW	2008	5.69%	-9.59%
PNW	2009	3.83%	-5.69%
PNW	2010	3.47%	-4.33%
PNW	2011	4.00%	-4.50%
PNW	2012	3.99%	-2.10%
PNW	2013	4.34%	-0.53%
PNW	2015-2017	17.25%	-5.38%
PNM	2003	17.52%	5.96%
PNM	2004	5.93%	4.07%
PNM	2005	28.37%	0.81%
PNM	2006	26.06%	-5.59%
PNM	2007	-21.97%	-0.76%
PNM	2008	8.74%	-5.85%
PNM	2009	4.40%	-19.45%
PNM	2010	3.36%	-1.74%
PNM	2011	5.30%	-3.50%
PNM	2012	5.04%	-24.43%
PNM	2013	4.99%	-2.28%
PNM	2015-2017	15.75%	-0.20%
POR	2005	7.08%	-7.12%
POR	2006	11.58%	-5.79%
POR	2007	12.80%	1.66%
POR	2008	7.66%	-7.01%
POR	2009	16.87%	-11.54%
POR	2010	7.13%	-7.74%
POR	2011	3.68%	-1.92%
POR	2012	2.22%	-1.52%
POR	2013	2.40%	0.33%
POR	2015-2017	2.01%	9.80%
PPL	2003	9.20%	-5.76%
PPL	2004	7.30%	-3.05%
PPL	2005	-2.61%	9.87%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
PPL	2006	10.56%	0.34%
PPL	2007	4.44%	-9.82%
PPL	2008	-1.50%	25.68%
PPL	2009	6.11%	-11.47%
PPL	2010	58.33%	-28.77%
PPL	2011	30.72%	14.35%
PPL	2012	8.10%	-14.30%
PPL	2013	9.67%	-5.34%
PPL	2015-2017	18.17%	-3.29%
PEG	2003	8.50%	22.11%
PEG	2004	10.69%	-10.63%
PEG	2005	-3.01%	16.55%
PEG	2006	-2.50%	0.37%
PEG	2007	2.10%	3.49%
PEG	2008	8.72%	1.18%
PEG	2009	6.98%	-17.81%
PEG	2010	6.15%	-10.63%
PEG	2011	8.90%	-11.68%
PEG	2012	7.15%	-20.19%
PEG	2013	5.62%	-4.35%
PEG	2015-2017	12.87%	2.16%
SCG	2003	17.23%	-1.35%
SCG	2004	5.38%	7.93%
SCG	2005	-0.41%	23.47%
SCG	2006	4.05%	-8.20%
SCG	2007	7.58%	-5.86%
SCG	2008	10.18%	4.47%
SCG	2009	8.48%	-26.57%
SCG	2010	7.25%	1.25%
SCG	2011	3.98%	-7.85%
SCG	2012	9.14%	-16.87%
SCG	2013	10.81%	-2.98%
SCG	2015-2017	26.54%	-5.35%
SRE	2003	53.31%	-14.54%
SRE	2004	5.84%	12.72%
SRE	2005	9.16%	14.27%
SRE	2006	8.88%	-7.96%
SRE	2007	12.97%	-13.91%
SRE	2008	13.31%	-16.99%
SRE	2009	8.40%	-30.49%
SRE	2010	8.72%	2.15%
SRE	2011	18.60%	-6.00%
SRE	2012	8.92%	-13.09%
SRE	2013	5.16%	-0.90%
SRE	2015-2017	15.19%	6.55%
SO	2003	11.74%	-4.55%
SO	2004	3.00%	2.70%
SO	2005	3.95%	9.56%
SO	2006	5.47%	0.43%
SO	2007	7.19%	-0.23%
SO	2008	7.65%	3.62%
SO	2009	9.34%	-15.93%
SO	2010	7.07%	3.56%
SO	2011	7.16%	-5.61%
SO	2012	7.25%	-12.34%
SO	2013	5.44%	-2.87%
SO	2015-2017	20.83%	-2.63%
TE	2003	3.93%	-1.48%
TE	2004	-17.98%	18.77%
TE	2005	-1.95%	15.02%
TE	2006	4.38%	9.74%
TE	2007	2.54%	0.01%

DuPont Formula - Regression Analysis			
Ticker	Year	Change in Net Plant	Change in Revenue/Net Plant
TE	2008	6.81%	-10.64%
TE	2009	6.18%	-7.63%
TE	2010	5.36%	0.00%
TE	2011	2.17%	-6.18%
TE	2012	2.80%	-14.17%
TE	2013	3.02%	0.36%
TE	2015-2017	14.32%	-1.77%
UIL	2003	6.13%	-19.71%
UIL	2004	2.75%	11.22%
UIL	2005	5.00%	4.91%
UIL	2006	9.27%	-36.18%
UIL	2007	35.77%	-14.50%
UIL	2008	22.22%	-20.96%
UIL	2009	7.40%	-12.00%
UIL	2010	101.86%	-44.88%
UIL	2011	10.44%	42.53%
UIL	2012	5.04%	-8.46%
UIL	2013	3.70%	2.18%
UIL	2015-2017	10.71%	4.44%
UNS	2003	24.02%	-8.66%
UNS	2004	0.58%	19.84%
UNS	2005	4.34%	0.80%
UNS	2006	4.06%	2.93%
UNS	2007	6.54%	-1.54%
UNS	2008	8.74%	-6.97%
UNS	2009	6.42%	-6.24%
UNS	2010	6.31%	-1.94%
UNS	2011	7.46%	-3.37%
UNS	2012	7.00%	-10.22%
UNS	2013	7.05%	-3.36%
UNS	2015-2017	22.50%	-6.66%
VVC	2003	21.58%	-27.63%
VVC	2004	7.61%	-1.09%
VVC	2005	4.44%	14.91%
VVC	2006	5.93%	-4.97%
VVC	2007	6.46%	4.98%
VVC	2008	7.11%	1.66%
VVC	2009	5.83%	-20.56%
VVC	2010	2.66%	-0.70%
VVC	2011	2.61%	6.41%
VVC	2012	3.87%	-7.88%
VVC	2013	3.17%	1.93%
VVC	2015-2017	10.77%	11.88%
WR	2003	-2.15%	-15.69%
WR	2004	0.04%	0.19%
WR	2005	0.94%	7.11%
WR	2006	3.14%	-1.67%
WR	2007	17.98%	-8.85%
WR	2008	15.19%	-7.55%
WR	2009	4.30%	-3.13%
WR	2010	9.32%	1.22%
WR	2011	6.91%	-1.24%
WR	2012	7.48%	-3.57%
WR	2013	3.45%	0.53%
WR	2015-2017	13.33%	1.81%
WEC	2003	34.72%	-19.45%
WEC	2004	-0.39%	-15.04%
WEC	2005	7.79%	3.17%
WEC	2006	10.84%	-5.50%
WEC	2007	8.91%	-2.64%
WEC	2008	10.88%	-5.70%
WEC	2009	6.50%	-12.53%

DuPont Formula - Regression Analysis

Ticker	Year	Change in	
		Change in Net Plant	Revenue/Net Plant
WEC	2010	5.85%	-3.82%
WEC	2011	5.82%	0.89%
WEC	2012	3.89%	-7.74%
WEC	2013	2.98%	2.75%
WEC	2015-2017	6.03%	7.79%
XEL	2003	-27.37%	14.74%
XEL	2004	3.14%	1.94%
XEL	2005	4.26%	10.63%
XEL	2006	5.80%	-3.38%
XEL	2007	7.25%	-4.92%
XEL	2008	6.07%	5.26%
XEL	2009	4.63%	-17.72%
XEL	2010	11.64%	-4.24%
XEL	2011	8.18%	-4.48%
XEL	2012	7.14%	-12.41%
XEL	2013	8.66%	-3.37%
XEL	2015-2017	13.74%	1.74%

Dupont Formula - Regression Analysis

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.39545972
R Square	0.15638839
Adjusted R Square	0.15491612
Standard Error	0.13911066
Observations	575

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	2.05559430	2.05559430	106.22251481	0.00000000
Residual	573	11.08856756	0.01935178		
Total	574	13.14416186			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	0.02132933	0.00727660	2.93122191	0.00351100	0.00703727	0.03562140
Change in Net Plant	-0.51192493	0.04967044	-10.30643075	0.00000000	-0.60948327	-0.41436659

Flotation Cost Adjustment

Two most recent open market common stock issuances per company, if available

Company	Date	Shares Issued	Offering Price	Underwriting Discount	Offering Expense	Net Proceeds Per Share	Total Flotation Costs	Gross Equity Issue Before Costs	Net Proceeds	Flotation Cost Percentage
TECO Energy Inc.	10/10/2002	19,550,000	\$11.00	\$0.3300	\$500,000	\$10.64	\$6,951,500	\$215,050,000	\$208,098,500	3.233%
TECO Energy Inc.	6/4/2002	15,525,000	\$23.00	\$0.6900	\$250,000	\$22.29	\$10,962,250	\$357,075,000	\$346,112,750	3.070%
American Electric Power Company, Inc.	4/1/2009	69,000,000	\$24.50	\$0.7350	\$400,000	\$23.76	\$51,115,000	\$1,690,500,000	\$1,639,385,000	3.024%
American Electric Power Company, Inc.	2/27/2003	57,500,000	\$20.95	\$0.6285	\$550,000	\$20.31	\$36,688,750	\$1,204,625,000	\$1,167,936,250	3.046%
Cleco Corp.	8/14/2006	6,900,000	\$23.75	\$0.8900	\$225,000	\$22.83	\$6,366,000	\$163,875,000	\$157,509,000	3.885%
Cleco Corp.	11/9/2004	2,000,000	\$18.50	\$0.6475	\$200,000	\$17.75	\$1,495,000	\$37,000,000	\$35,505,000	4.041%
Empire District Electric	12/6/2007	3,450,000	\$23.00	\$0.9775	\$250,000	\$21.95	\$3,622,375	\$79,350,000	\$75,727,625	4.565%
Empire District Electric	6/15/2006	3,795,000	\$20.25	\$0.8600	\$250,000	\$19.32	\$3,513,700	\$76,848,750	\$73,335,050	4.572%
Great Plains Energy Inc.	5/12/2009	11,500,000	\$14.00	\$0.4900	\$500,000	\$13.47	\$6,135,000	\$161,000,000	\$154,865,000	3.811%
Great Plains Energy Inc.	5/17/2006	7,002,450	\$27.50	\$0.8938	\$500,000	\$26.53	\$6,758,790	\$192,567,375	\$185,808,585	3.510%
IDACORP, Inc.	12/9/2004	4,025,000	\$30.00	\$1.2000	\$300,000	\$28.73	\$5,130,000	\$120,750,000	\$115,620,000	4.248%
Otter Tail Corporation	9/19/2008	5,175,000	\$30.00	\$1.0875	\$400,000	\$28.84	\$6,027,813	\$155,250,000	\$149,222,188	3.883%
Otter Tail Corporation	12/7/2004	3,335,000	\$25.45	\$0.9500	\$300,000	\$24.41	\$3,468,250	\$84,875,750	\$81,407,500	4.086%
Pinnacle West Capital Corp.	4/8/2010	6,900,000	\$38.00	\$1.3300	\$190,000	\$36.64	\$9,367,000	\$262,200,000	\$252,833,000	3.572%
Pinnacle West Capital Corp.	4/27/2005	6,095,000	\$42.00	\$1.3650	\$250,000	\$40.59	\$8,569,675	\$255,990,000	\$247,420,325	3.348%
PNM Resources, Inc.	12/6/2006	5,750,000	\$30.79	\$1.0780	\$250,000	\$29.67	\$6,448,500	\$177,042,500	\$170,594,000	3.642%
PNM Resources, Inc.	3/23/2005	3,910,000	\$26.76	\$0.8697	\$200,000	\$25.84	\$3,600,527	\$104,631,600	\$101,031,073	3.441%
Portland General Electric Company	3/5/2009	12,477,500	\$14.10	\$0.4935	\$375,000	\$13.58	\$6,532,646	\$175,932,750	\$169,400,104	3.713%
Portland General Electric Company	6/12/2007	23,658,106	\$26.00	\$0.7800	\$700,000	\$25.19	\$19,153,323	\$615,110,756	\$595,957,433	3.114%
Southern Company	12/6/2000	28,750,000	\$28.50	\$0.9200	\$490,000	\$27.56	\$26,940,000	\$819,375,000	\$792,435,000	3.288%
Westar Energy, Inc.	11/4/2010	8,625,000	\$25.54	\$0.8939	\$250,000	\$24.62	\$7,959,888	\$220,282,500	\$212,322,613	3.613%
Westar Energy, Inc.	5/29/2008	6,900,000	\$24.28	\$0.8498	\$325,000	\$23.38	\$6,188,620	\$167,532,000	\$161,343,380	3.694%
Mean							\$11,045,209	\$333,493,817		
							WEIGHTED AVERAGE FLOTATION COSTS:		3.312%	

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Constant Growth Discounted Cash Flow Model Adjusted for Flotation Costs - 30 Day Average Stock Price

Company	Ticker	[1]	[2]	[3]	[4]		[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield Current	Adjusted for Flot. Costs	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	DCF k(e)	Flotation Adjusted DCF k(e)	
American Electric Power Company, Inc.	AEP	\$1.88	\$44.20	4.25%	4.32%	4.47%	3.38%	3.47%	3.00%	3.28%	7.61%	7.75%	
Cleco Corp.	CNL	\$1.35	\$42.22	3.20%	3.27%	3.38%	3.00%	3.00%	8.00%	4.67%	7.94%	8.05%	
Empire District Electric	EDE	\$1.00	\$21.10	4.74%	4.93%	5.10%	N/A	10.20%	5.50%	7.85%	12.78%	12.95%	
Great Plains Energy Inc.	GXP	\$0.87	\$21.19	4.11%	4.24%	4.39%	7.10%	7.20%	5.50%	6.60%	10.84%	10.99%	
IDACORP, Inc.	IDA	\$1.52	\$45.18	3.36%	3.42%	3.54%	4.00%	4.00%	2.00%	3.33%	6.75%	6.87%	
Otter Tail Corporation	OTTR	\$1.19	\$26.63	4.47%	4.73%	4.89%	6.00%	5.00%	24.00%	11.67%	16.40%	16.56%	
Pinnacle West Capital Corp.	PNW	\$2.18	\$53.04	4.11%	4.25%	4.40%	6.90%	7.50%	6.50%	6.97%	11.22%	11.37%	
PNM Resources, Inc.	PNM	\$0.58	\$20.93	2.77%	2.93%	3.03%	8.35%	9.30%	16.00%	11.22%	14.14%	14.24%	
Portland General Electric Company	POR	\$1.08	\$28.30	3.82%	3.89%	4.02%	4.07%	1.99%	5.50%	3.85%	7.74%	7.88%	
Southern Company	SO	\$1.96	\$43.77	4.48%	4.59%	4.75%	4.98%	4.86%	5.00%	4.95%	9.54%	9.69%	
Westar Energy, Inc.	WR	\$1.32	\$29.92	4.41%	4.57%	4.73%	6.38%	7.50%	7.50%	7.13%	11.70%	11.85%	
PROXY GROUP MEAN											10.60%	10.74%	

Notes:

The proxy group DCF result is adjusted for flotation costs by dividing each company's expected dividend yield by (1 - flotation cost). The flotation cost adjustment is derived as the difference between the unadjusted DCF result and the DCF result adjusted for flotation costs.

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [9])

[5] Equals [4] / (1 - 0.0331)

[6] Source: Zacks

[7] Source: Yahoo! Finance

[8] Source: Value Line

[9] Equals Average([6], [7], [8])

[10] Equals [4] + [9]

[11] Equals [5] + [9]

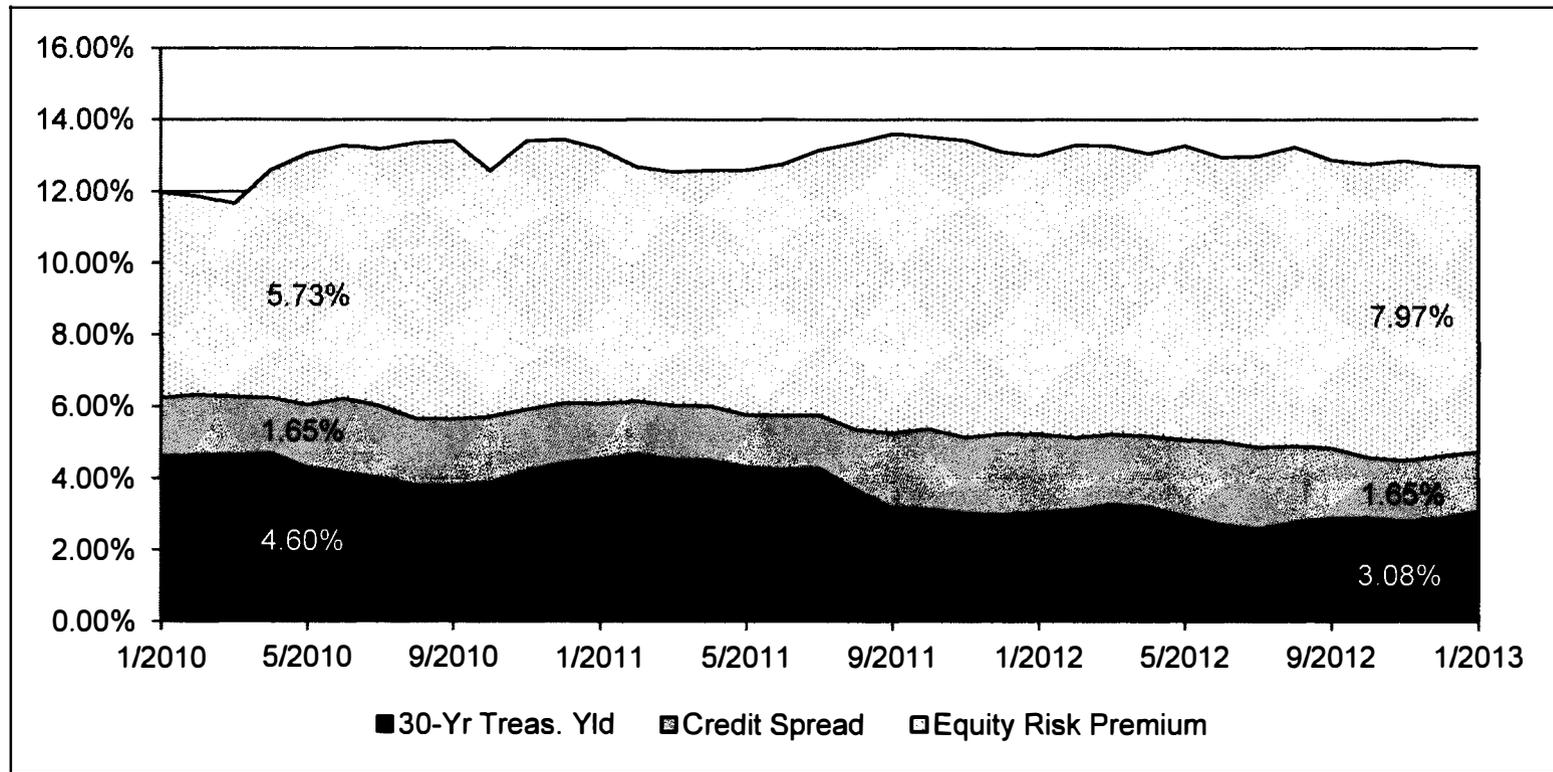
[12] Equals average [11] - average [10]

DCF Result Adjusted For Flotation Costs: 10.74%
 DCF Result Unadjusted For Flotation Costs: 10.60%
 Difference (Flotation Cost Adjustment): 0.14% [12]

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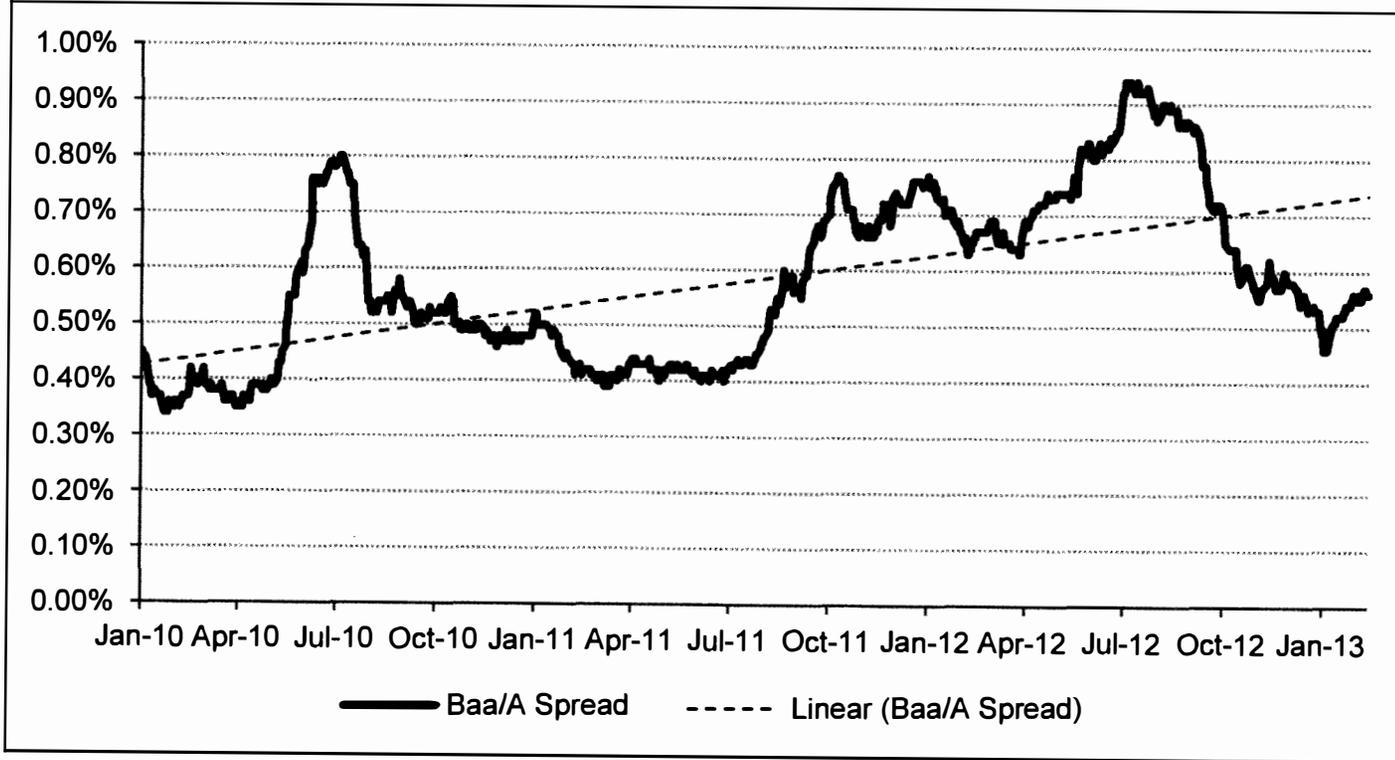
Components of the S&P 500 Market Risk Premium



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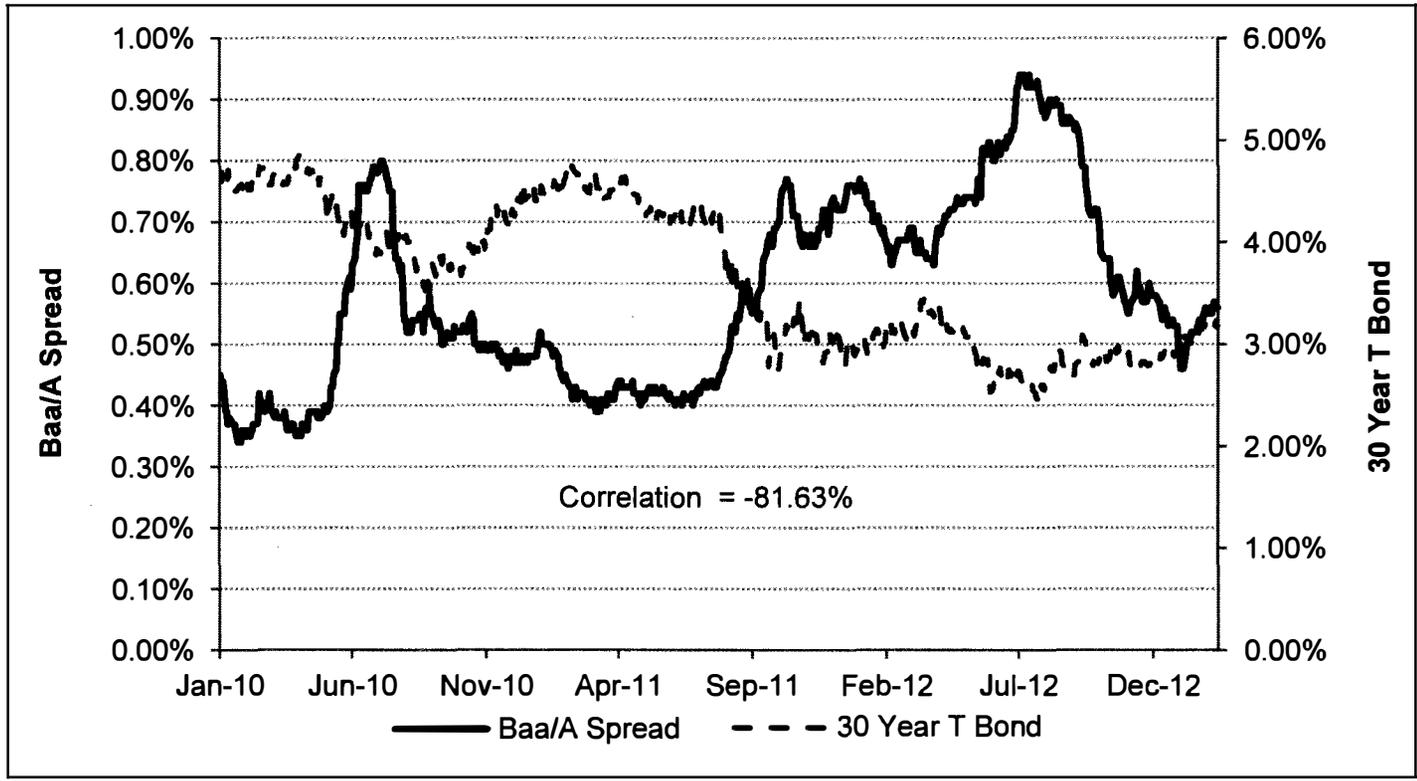
Moody's Utility Bond Index Baa/A Credit Spread



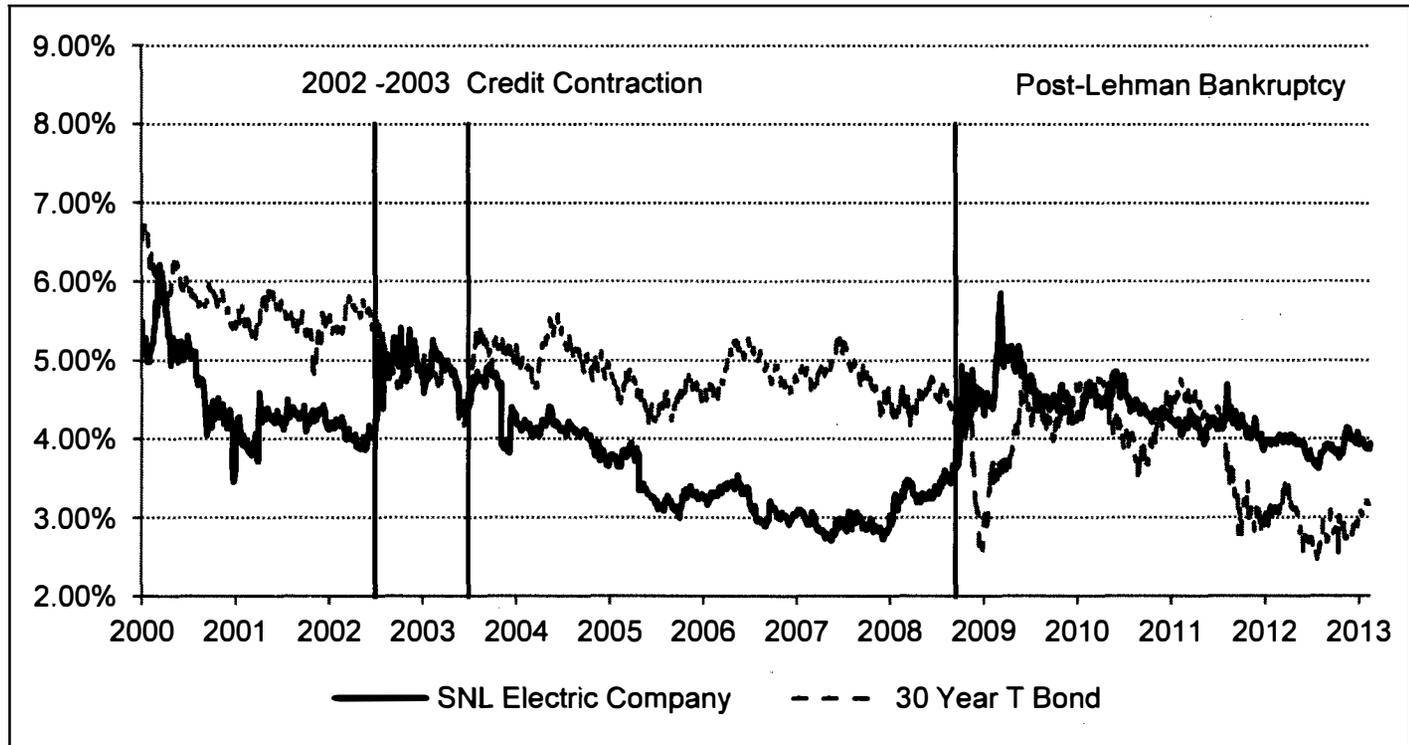
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Moody's Utility Bond Index Baa/A Credit Spread and 30-Year Treasury Yield



Treasury/Dividend Yield Spread



Proxy Group Capital Structure

Company	Ticker	% Common Equity								
		2012Q3	2012Q2	2012Q1	2011Q4	2011Q3	2011Q2	2011Q1	2010Q4	Average
American Electric Power Company, Inc.	AEP	48.05%	47.67%	47.22%	48.97%	49.44%	48.00%	47.23%	47.35%	47.99%
Cleco Corporation	CNL	49.77%	48.91%	48.38%	48.08%	47.52%	47.75%	46.98%	47.33%	48.09%
Empire District Electric Company	EDE	53.03%	51.81%	52.02%	51.82%	51.79%	50.24%	50.60%	50.00%	51.41%
Great Plains Energy Inc.	GXP	51.77%	47.37%	49.13%	50.07%	50.74%	49.18%	49.45%	50.35%	49.76%
IDACORP, Inc.	IDA	51.53%	50.21%	50.88%	50.59%	50.44%	48.95%	48.84%	46.61%	49.76%
Otter Tail Corporation	OTTR	49.45%	49.57%	50.31%	50.28%	51.81%	51.86%	51.61%	51.12%	50.75%
Pinnacle West Capital Corporation	PNW	56.30%	53.78%	52.76%	54.46%	52.06%	52.44%	52.57%	52.97%	53.42%
PNM Resources, Inc.	PNM	51.08%	48.68%	49.53%	48.61%	46.70%	45.64%	46.87%	47.42%	48.07%
Portland General Electric Company	POR	49.74%	49.47%	49.37%	48.51%	47.90%	47.78%	47.74%	46.57%	48.38%
Southern Company	SO	47.91%	46.66%	45.65%	46.50%	50.96%	49.54%	49.80%	48.39%	48.18%
Westar Energy, Inc.	WR	58.96%	57.26%	58.19%	59.31%	57.87%	56.29%	56.99%	57.66%	57.81%

Operating Company Capital Structure

Operating Company	Parent	% Common Equity							
		2012Q3	2012Q2	2012Q1	2011Q4	2011Q3	2011Q2	2011Q1	2010Q4
Appalachian Power Company	AEP	44.04%	43.63%	43.41%	42.80%	44.19%	43.14%	41.53%	43.19%
AEP Texas Central Company	AEP	47.67%	46.97%	45.78%	62.61%	60.84%	47.26%	44.99%	44.85%
Indiana Michigan Power Company	AEP	49.61%	49.42%	49.55%	49.13%	49.10%	48.64%	48.86%	47.81%
Kentucky Power Company	AEP	46.46%	46.12%	45.76%	45.61%	45.62%	45.42%	45.50%	44.84%
Ohio Power Company	AEP	54.38%	53.94%	53.49%	52.12%	53.92%	54.34%	54.52%	53.43%
Public Service Company of Oklahoma	AEP	49.69%	48.93%	48.40%	48.52%	48.56%	47.51%	45.21%	44.22%
Southwestern Electric Power Company	AEP	50.42%	49.27%	48.55%	49.96%	51.38%	50.32%	49.58%	49.15%
AEP Texas North Company	AEP	44.68%	44.43%	44.81%	45.25%	45.26%	43.74%	43.29%	45.52%
Kingsport Power Company	AEP	44.60%	47.42%	48.58%	48.27%	47.26%	50.87%	47.37%	46.71%
Wheeling Power Company	AEP	48.95%	46.54%	43.84%	45.44%	48.30%	48.72%	51.49%	53.73%
Cleco Power LLC	CNL	49.77%	48.91%	48.38%	48.08%	47.52%	47.75%	46.98%	47.33%
Empire District Electric Company	EDE	53.03%	51.81%	52.02%	51.82%	51.79%	50.24%	50.60%	50.00%
KCP&L Greater Missouri Operations Company	GXP	54.19%	47.22%	50.04%	51.45%	51.77%	50.29%	50.27%	51.27%
Kansas City Power & Light Company	GXP	49.36%	47.51%	48.21%	48.69%	49.71%	48.08%	48.63%	49.43%
Idaho Power Co.	IDA	51.53%	50.21%	50.88%	50.59%	50.44%	48.95%	48.84%	46.61%
Otter Tail Power Company	OTTR	49.45%	49.57%	50.31%	50.28%	51.81%	51.86%	51.61%	51.12%
Arizona Public Service Company	PNW	56.30%	53.78%	52.76%	54.46%	52.06%	52.44%	52.57%	52.97%
Public Service Company of New Mexico	PNM	51.08%	48.68%	49.53%	48.61%	46.70%	45.64%	46.87%	47.42%
Portland General Electric Company	POR	49.74%	49.47%	49.37%	48.51%	47.90%	47.78%	47.74%	46.57%
Georgia Power Company	SO	49.60%	47.90%	48.51%	50.24%	51.93%	49.83%	49.70%	49.64%
Alabama Power Company	SO	47.52%	46.81%	45.57%	46.53%	47.29%	46.71%	46.46%	46.54%
Gulf Power Company	SO	48.35%	46.07%	46.72%	45.41%	47.06%	45.62%	45.82%	44.89%
Mississippi Power Company	SO	46.17%	45.88%	41.82%	43.83%	57.54%	55.99%	57.21%	52.51%
Kansas Gas and Electric Company	WR	59.27%	58.30%	57.85%	57.55%	57.70%	56.77%	56.52%	57.00%
Westar Energy (KPL)	WR	58.65%	56.21%	58.54%	61.07%	58.04%	55.80%	57.45%	58.32%

Source: SNL Financial

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Proxy Group Capital Structure

Company	Ticker	% Debt								
		2012Q3	2012Q2	2012Q1	2011Q4	2011Q3	2011Q2	2011Q1	2010Q4	Average
American Electric Power Company, Inc.	AEP	51.95%	52.33%	52.78%	51.03%	50.56%	52.00%	52.77%	52.65%	52.01%
Cleco Corporation	CNL	50.23%	51.09%	51.62%	51.92%	52.48%	52.25%	53.02%	52.67%	51.91%
Empire District Electric Company	EDE	46.97%	48.19%	47.98%	48.18%	48.21%	49.76%	49.40%	50.00%	48.59%
Great Plains Energy Inc.	GXP	48.23%	52.63%	50.87%	49.93%	49.26%	50.82%	50.55%	49.65%	50.24%
IDACORP, Inc.	IDA	48.47%	49.79%	49.12%	49.41%	49.56%	51.05%	51.16%	53.39%	50.24%
Otter Tail Corporation	OTTR	50.55%	50.43%	49.69%	49.72%	48.19%	48.14%	48.39%	48.88%	49.25%
Pinnacle West Capital Corporation	PNW	43.70%	46.22%	47.24%	45.54%	47.94%	47.56%	47.43%	47.03%	46.58%
PNM Resources, Inc.	PNM	48.92%	51.32%	50.47%	51.39%	53.30%	54.36%	53.13%	52.58%	51.93%
Portland General Electric Company	POR	50.26%	50.53%	50.63%	51.49%	52.10%	52.22%	52.26%	53.43%	51.62%
Southern Company	SO	52.09%	53.34%	54.35%	53.50%	49.04%	50.46%	50.20%	51.61%	51.82%
Westar Energy, Inc.	WR	41.04%	42.74%	41.81%	40.69%	42.13%	43.71%	43.01%	42.34%	42.19%

Operating Company Capital Structure

Operating Company	Parent	% Debt							
		2012Q3	2012Q2	2012Q1	2011Q4	2011Q3	2011Q2	2011Q1	2010Q4
Appalachian Power Company	AEP	55.96%	56.37%	56.59%	57.20%	55.81%	56.86%	58.47%	56.81%
AEP Texas Central Company	AEP	52.33%	53.03%	54.22%	37.39%	39.16%	52.74%	55.01%	55.15%
Indiana Michigan Power Company	AEP	50.39%	50.58%	50.45%	50.87%	50.90%	51.36%	51.14%	52.19%
Kentucky Power Company	AEP	53.54%	53.88%	54.24%	54.39%	54.38%	54.58%	54.50%	55.16%
Ohio Power Company	AEP	45.62%	46.06%	46.51%	47.88%	46.08%	45.66%	45.48%	46.57%
Public Service Company of Oklahoma	AEP	50.31%	51.07%	51.60%	51.48%	51.44%	52.49%	54.79%	55.78%
Southwestern Electric Power Company	AEP	49.58%	50.73%	51.45%	50.04%	48.62%	49.68%	50.42%	50.85%
AEP Texas North Company	AEP	55.32%	55.57%	55.19%	54.75%	54.74%	56.26%	56.71%	54.48%
Kingsport Power Company	AEP	55.40%	52.58%	51.42%	51.73%	52.74%	49.13%	52.63%	53.29%
Wheeling Power Company	AEP	51.05%	53.46%	56.16%	54.56%	51.70%	51.28%	48.51%	46.27%
Cleco Power LLC	CNL	50.23%	51.09%	51.62%	51.92%	52.48%	52.25%	53.02%	52.67%
Empire District Electric Company	EDE	46.97%	48.19%	47.98%	48.18%	48.21%	49.76%	49.40%	50.00%
KCP&L Greater Missouri Operations Company	GXP	45.81%	52.78%	49.96%	48.55%	48.23%	49.71%	49.73%	48.73%
Kansas City Power & Light Company	GXP	50.64%	52.49%	51.79%	51.31%	50.29%	51.92%	51.37%	50.57%
Idaho Power Co.	IDA	48.47%	49.79%	49.12%	49.41%	49.56%	51.05%	51.16%	53.39%
Otter Tail Power Company	OTTR	50.55%	50.43%	49.69%	49.72%	48.19%	48.14%	48.39%	48.88%
Arizona Public Service Company	PNW	43.70%	46.22%	47.24%	45.54%	47.94%	47.56%	47.43%	47.03%
Public Service Company of New Mexico	PNM	48.92%	51.32%	50.47%	51.39%	53.30%	54.36%	53.13%	52.58%
Portland General Electric Company	POR	50.26%	50.53%	50.63%	51.49%	52.10%	52.22%	52.26%	53.43%
Georgia Power Company	SO	50.40%	52.10%	51.49%	49.76%	48.07%	50.17%	50.30%	50.36%
Alabama Power Company	SO	52.48%	53.19%	54.43%	53.47%	52.71%	53.29%	53.54%	53.46%
Gulf Power Company	SO	51.65%	53.93%	53.28%	54.59%	52.94%	54.38%	54.18%	55.11%
Mississippi Power Company	SO	53.83%	54.12%	58.18%	56.17%	42.46%	44.01%	42.79%	47.49%
Kansas Gas and Electric Company	WR	40.73%	41.70%	42.15%	42.45%	42.30%	43.23%	43.48%	43.00%
Westar Energy (KPL)	WR	41.35%	43.79%	41.46%	38.93%	41.96%	44.20%	42.55%	41.68%

Source: SNL Financial

ATTACHMENT A

OF

ROBERT B. HEVERT

ON BEHALF OF TAMPA ELECTRIC COMPANY

Attachment A

Robert B. Hevert, CFA
Managing Partner
Sussex Economic Advisors, LLC

Mr. Hevert is an economic and financial consultant with broad experience in regulated industries. He has an extensive background in the areas of corporate finance, corporate strategic planning, energy market assessment, mergers, and acquisitions, asset-based transactions, feasibility and due diligence analyses, and providing expert testimony in litigated proceedings. Mr. Hevert has significant management experience with both operating and professional services companies.

REPRESENTATIVE PROJECT EXPERIENCE

Litigation Support and Expert Testimony

Provided expert testimony and support of litigation in various regulatory proceedings on a variety of energy and economic issues including: cost of capital for ratemaking purposes; the proposed transfer of power purchase agreements; procurement of residual service electric supply; the legal separation of generation assets; merger-related synergies; assessment of economic damages; and specific financing transactions. Services provided include collaborating with counsel, business and technical staff to develop litigation strategies, preparing and reviewing discovery and briefing materials, preparing presentation materials and participating in technical sessions with regulators and intervenors.

Financial and Economic Advisory Services

Retained by numerous leading energy companies and financial institutions throughout North America to provide services relating to the strategic evaluation, acquisition, sale or development of a variety of regulated and non-regulated enterprises. Specific services have included: developing strategic and financial analyses and managing multi-faceted due diligence reviews of proposed corporate M&A counter-parties; developing, screening and recommending potential M&A transactions and facilitating discussions between senior utility executives regarding transaction strategy and structure; performing valuation analyses and financial due diligence reviews of electric generation projects, retail marketing companies, and wholesale trading entities in support of significant M&A transactions.

Specific divestiture-related services have included advising both buy and sell-side clients in transactions for physical and contractual electric generation resources. Sell-side services have included: development and implementation of key aspects of asset divestiture programs such as marketing, offering memorandum development, development of transaction terms and conditions, bid process management, bid evaluation, negotiations, and regulatory approval process. Buy-side services have included comprehensive asset screening, selection, valuation and due diligence reviews. Both buy and sell-side services have included the use of sophisticated asset valuation techniques, and the development and delivery of fairness opinions.

Specific corporate finance experience while a Vice President with Bay State Gas included: negotiation, placement and closing of both private and public long-term debt, preferred and common equity; structured and project financing; corporate cash management; financial analysis, planning and forecasting; and various aspects of investor relations.

Regulatory Analysis and Ratemaking

On behalf of electric, natural gas and combination utilities throughout North America, provided services relating to energy industry restructuring including merchant function exit, residual energy supply obligations, and stranded cost assessment and recovery. Specific services provided include: performing strategic review and development of merchant function exit strategies including analysis of provider of last resort obligations in both electric and gas markets; and developing value optimizing strategies for physical generation assets.

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Energy Market Assessment

Retained by numerous leading energy companies and financial institutions nationwide to manage or provide assessments of regional energy markets throughout the U.S. and Canada. Such assessments have included development of electric and natural gas price forecasts, analysis of generation project entry and exit scenarios, assessment of natural gas and electric transmission infrastructure, market structure and regulatory situation analysis, and assessment of competitive position. Market assessment engagements typically have been used as integral elements of business unit or asset-specific strategic plans or valuation analyses.

Resource Procurement, Contracting and Analysis

Assisted various clients in evaluating alternatives for acquiring fuel and power supplies, including the development and negotiation of energy contracts and tolling agreements. Assignments also have included developing generation resource optimization strategies. Provided advice and analyses of transition service power supply contracts in the context of both physical and contractual generation resource divestiture transactions.

Business Strategy and Operations

Retained by numerous leading North American energy companies and financial institutions nationwide to provide services relating to the development of strategic plans and planning processes for both regulated and non-regulated enterprises. Specific services provided include: developing and implementing electric generation strategies and business process redesign initiatives; developing market entry strategies for retail and wholesale businesses including assessment of asset-based marketing and trading strategies; and facilitating executive level strategic planning retreats. As Vice President, of Bay State was responsible for the company's strategic planning and business development processes, played an integral role in developing the company's non-regulated marketing affiliate, EnergyUSA, and managed the company's non-regulated investments, partnerships and strategic alliances.

PROFESSIONAL HISTORY

Sussex Economic Advisors, LLC (2012 – Present)
Managing Partner

Concentric Energy Advisors, Inc. (2002 – 2012)
President

Navigant Consulting, Inc. (1997 – 2001)
Managing Director (2000 – 2001)
Director (1998 – 2000)
Vice President, REED Consulting Group (1997 – 1998)

Bay State Gas Company (now Columbia Gas Company of Massachusetts) (1987 – 1997)
Vice President and Assistant Treasurer

Boston College (1986 – 1987)
Financial Analyst

General Telephone Company of the South (1984 – 1986)
Revenue Requirements Analyst

EDUCATION

M.B.A., University of Massachusetts at Amherst, 1984
B.S., University of Delaware, 1982

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DESIGNATIONS AND PROFESSIONAL AFFILIATIONS

Chartered Financial Analyst, 1991
Association for Investment Management and Research
Boston Security Analyst Society

PUBLICATIONS/PRESENTATIONS

Has made numerous presentations throughout the United States and Canada on several topics, including:

- Generation Asset Valuation and the Use of Real Options
 - Retail and Wholesale Market Entry Strategies
 - The Use Strategic Alliances in Restructured Energy Markets
 - Gas Supply and Pipeline Infrastructure in the Northeast Energy Markets
 - Nuclear Asset Valuation and the Divestiture Process
-

AVAILABLE UPON REQUEST

Extensive client and project listings, and specific references.

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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Arizona Corporation Commission				
Southwest Gas Corporation	11/10	Southwest Gas Corporation	Docket No. G-01551A-10-0458	Return on Equity
Arkansas Public Service Commission				
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	01/07	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	Docket No. 06-161-U	Return on Equity
California Public Utilities Commission				
Southwest Gas Corporation	09/12	Southwest Gas Corporation	Docket No. A-12-12-024	Return on Equity
Colorado Public Utilities Commission				
Xcel Energy, Inc.	12/12	Public Service Company of Colorado	Docket No. 12AL-1268G	Return on Equity (gas)
Xcel Energy, Inc.	11/11	Public Service Company of Colorado	Docket No. 11AL-947E	Return on Equity (electric)
Xcel Energy, Inc.	12/10	Public Service Company of Colorado	Docket No. 10AL-963G	Return on Equity (electric)
Atmos Energy Corporation	07/09	Atmos Energy Colorado-Kansas Division	Docket No. 09AL-507G	Return on Equity (gas)
Xcel Energy, Inc.	12/06	Public Service Company of Colorado	Docket No. 06S-656G	Return on Equity (gas)
Xcel Energy, Inc.	04/06	Public Service Company of Colorado	Docket No. 06S-234EG	Return on Equity (electric)
Xcel Energy, Inc.	08/05	Public Service Company of Colorado	Docket No. 05S-369ST	Return on Equity (steam)
Xcel Energy, Inc.	05/05	Public Service Company of Colorado	Docket No. 05S-246G	Return on Equity (gas)
Connecticut Department of Public Utility Control				
Southern Connecticut Gas Company	09/08	Southern Connecticut Gas Company	Docket No. 08-08-17	Return on Equity
Southern Connecticut Gas Company	12/07	Southern Connecticut Gas Company	Docket No. 05-03-17PH02	Return on Equity
Connecticut Natural Gas Corporation	12/07	Connecticut Natural Gas Corporation	Docket No. 06-03-04PH02	Return on Equity
Delaware Public Service Commission				
Delmarva Power & Light Company	12/12	Delmarva Power & Light Company	Case No. 12-546	Return on Equity
Delmarva Power & Light Company	12/11	Delmarva Power & Light Company	Case No. 11-528	Return on Equity

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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
District of Columbia Public Service Commission				
Potomac Electric Power Company	07/11	Potomac Electric Power Company	Formal Case No. FC1087	Return on Equity
Federal Energy Regulatory Commission				
Public Service Company of New Mexico	10/10	Public Service Company of New Mexico	Docket No. ER11-1915-000	Return on Equity
Portland Natural Gas Transmission System	05/10	Portland Natural Gas Transmission System	Docket No. RP10-729-000	Return on Equity
Florida Gas Transmission Company, LLC	10/09	Florida Gas Transmission Company, LLC	Docket No. RP10-21-000	Return on Equity
Maritimes and Northeast Pipeline, LLC	07/09	Maritimes and Northeast Pipeline, LLC	Docket No. RP09-809-000	Return on Equity
Spectra Energy	02/08	Saltville Gas Storage	Docket No. RP08-257-000	Return on Equity
Panhandle Energy Pipelines	08/07	Panhandle Energy Pipelines	Docket No. PL07-2-000	Response to draft policy statement regarding inclusion of MLPs in proxy groups for determination of gas pipeline ROEs
Southwest Gas Storage Company	08/07	Southwest Gas Storage Company	Docket No. RP07-541-000	Return on Equity
Southwest Gas Storage Company	06/07	Southwest Gas Storage Company	Docket No. RP07-34-000	Return on Equity
Sea Robin Pipeline LLC	06/07	Sea Robin Pipeline LLC	Docket No. RP07-513-000	Return on Equity
Transwestern Pipeline Company	09/06	Transwestern Pipeline Company	Docket No. RP06-614-000	Return on Equity
GPU International and Aquila	11/00	GPU International	Docket No. EC01-24-000	Market Power Study
Georgia Public Service Commission				
Atlanta Gas Light Company	05/10	Atlanta Gas Light Company	Docket No. 31647-U	Return on Equity
Hawaiian Public Utilities Commission				
Hawaiian Electric Light Company	08/12	Hawaiian Electric Light Company	Docket No. 2012-0099	Return on Equity

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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Illinois Commerce Commission				
Ameren Illinois Company d/b/a Ameren Illinois	02/11	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 11-0279	Return on Equity (electric)
Ameren Illinois Company d/b/a Ameren Illinois	02/11	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 11-0282	Return on Equity (gas)
Indiana Utility Regulatory Commission				
Northern Indiana Public Service Company	05/09	Northern Indiana Public Service Company	Cause No. 43894	
Maine Public Utilities Commission				
Central Maine Power Company	06/11	Central Maine Power Company	Docket No. 2010-327	Response to Bench Analysis provided by Commission Staff relating to the Company's credit and collections processes
Maryland Public Service Commission				
Potomac Electric Power Company	11/12	Potomac Electric Power Company	Case No. 9311	Return on Equity
Potomac Electric Power Company	12/11	Potomac Electric Power Company	Case No. 9286	Return on Equity
Delmarva Power & Light Company	12/11	Delmarva Power & Light Company	Case No. 9285	Return on Equity
Delmarva Power & Light Company	12/10	Delmarva Power & Light Company	Case No. 9249	Return on Equity
Massachusetts Department of Public Utilities				
Bay State Gas Company d/b/a Columbia Gas of Massachusetts	04/12	Bay State Gas Company d/b/a Columbia Gas of Massachusetts	DPU 12-25	Capital Cost Recovery
National Grid	08/09	Massachusetts Electric Company d/b/a National Grid	DPU 09-39	Revenue Decoupling and Return on Equity
National Grid	08/09	Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid	DPU 09-38	Return on Equity – Solar Generation
Bay State Gas Company	04/09	Bay State Gas Company	DPU 09-30	Return on Equity
NSTAR Electric	09/04	NSTAR Electric	DTE 04-85	Divestiture of Power Purchase Agreement

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NSTAR Electric	08/04	NSTAR Electric	DTE 04-78	Divestiture of Power Purchase Agreement
NSTAR Electric	07/04	NSTAR Electric	DTE 04-68	Divestiture of Power Purchase Agreement
NSTAR Electric	07/04	NSTAR Electric	DTE 04-61	Divestiture of Power Purchase Agreement
NSTAR Electric	06/04	NSTAR Electric	DTE 04-60	Divestiture of Power Purchase Agreement
Unitil Corporation	01/04	Fitchburg Gas and Electric	DTE 03-52	Integrated Resource Plan; Gas Demand Forecast
Bay State Gas Company	01/93	Bay State Gas Company	DPU 93-14	Divestiture of Shelf Registration
Bay State Gas Company	01/91	Bay State Gas Company	DPU 91-25	Divestiture of Shelf Registration
Minnesota Public Utilities Commission				
Xcel Energy, Inc.	11/12	Northern States Power Company	Docket No. E002/GR-12-961	Return on Equity
Otter Tail Power Corporation	04/10	Otter Tail Power Company	Docket No. E-017/GR-10-239	Return on Equity
Minnesota Power a division of ALLETE, Inc.	11/09	Minnesota Power	Docket No. E-015/GR-09-1151	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	11/08	CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-08-1075	Return on Equity
Otter Tail Power Corporation	10/07	Otter Tail Power Company	Docket No. E-017/GR-07-1178	Return on Equity
Xcel Energy, Inc.	11/05	NSP-Minnesota	Docket No. E-002/GR-05-1428	Return on Equity (electric)
Xcel Energy, Inc.	09/04	NSP Minnesota	Docket No. G-002/GR-04-1511	Return on Equity (gas)

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Mississippi Public Service Commission				
CenterPoint Energy Resources, Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Mississippi Gas	07/09	CenterPoint Energy Mississippi Gas	Docket No. 09-UN-334	Return on Equity
Missouri Public Service Commission				
Laclede Gas Company	12/12	Laclede Gas Company	Case No. GR-2013-0171	Return on Equity
Union Electric Company d/b/a Ameren Missouri	02/12	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2012-0166	Return on Equity (electric)
Union Electric Company d/b/a AmerenUE	09/10	Union Electric Company d/b/a AmerenUE	Case No. ER-2011-0028	Return on Equity (electric)
Union Electric Company d/b/a AmerenUE	06/10	Union Electric Company d/b/a AmerenUE	Case No. GR-2010-0363	Return on Equity (gas)
Montana Public Service Commission				
Northwestern Corporation	09/12	Northwestern Corporation	Docket No. D2012.9.94	Return on Equity (gas)
Nevada Public Utilities Commission				
Southwest Gas Corporation	04/12	Southwest Gas Corporation	Docket No. 12-04005	Return on Equity (gas)
Nevada Power Company	06/11	Nevada Power Company	Docket No. 11-06006	Return on Equity (electric)
New Hampshire Public Utilities Commission				
EnergyNorth Natural Gas d/b/a National Grid NH	02/10	EnergyNorth Natural Gas d/b/a National Grid NH	Docket No. DG 10-017	Return on Equity
Unitil Energy Systems, Inc. ("Unitil"), EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. – New Hampshire Division	08/08	Unitil Energy Systems, Inc. ("Unitil"), EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. – New Hampshire Division	Docket No. DG 07-072	Carrying Charge Rate on Cash Working Capital
New Jersey Board of Public Utilities				
Atlantic City Electric Company	08/11	Atlantic City Electric Company	Docket No. ER11080469	Return on Equity

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Pepco Holdings, Inc.	09/06	Atlantic City Electric Company	Docket No. EM06090638	Divestiture and Valuation of Electric Generating Assets
Pepco Holdings, Inc.	12/05	Atlantic City Electric Company	Docket No. EM05121058	Market Value of Electric Generation Assets; Auction
Conectiv	06/03	Atlantic City Electric Company	Docket No. EO03020091	Market Value of Electric Generation Assets; Auction Process
New Mexico Public Regulation Commission				
Southwestern Public Service Company	02/11	Southwestern Public Service Company	Case No. 10-00395-UT	Return on Equity (electric)
Public Service Company of New Mexico	06/10	Public Service Company of New Mexico	Case No. 10-00086-UT	Return on Equity (electric)
Public Service Company of New Mexico	09/08	Public Service Company of New Mexico	Case No. 08-00273-UT	Return on Equity (electric)
Xcel Energy, Inc.	07/07	Southwestern Public Service Company	Case No. 07-00319-UT	Return on Equity (electric)
New York State Public Service Commission				
Consolidated Edison Company of New York, Inc.	01/13	Consolidated Edison Company of New York, Inc.	Case No. 13-E-0030	Return on Equity (electric)
Niagara Mohawk Corporation d/b/a National Grid for Electric Service	04/12	Niagara Mohawk Corporation d/b/a National Grid for Electric Service	Case No. 12-E-0201	Return on Equity (electric)
Niagara Mohawk Corporation d/b/a National Grid for Gas Service	04/12	Niagara Mohawk Corporation d/b/a National Grid for Gas Service	Case No. 12-G-0202	Return on Equity (gas)
Orange and Rockland Utilities, Inc.	07/11	Orange and Rockland Utilities, Inc.	Case No. 11-E-0408	Return on Equity (electric)
Orange and Rockland Utilities, Inc.	07/10	Orange and Rockland Utilities, Inc.	Case No. 10-E-0362	Return on Equity (electric)
Consolidated Edison Company of New York, Inc.	11/09	Consolidated Edison Company of New York, Inc.	Case No. 09-G-0795	Return on Equity (gas)

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Consolidated Edison Company of New York, Inc.	11/09	Consolidated Edison Company of New York, Inc.	Case No. 09-S-0794	Return on Equity (steam)
Niagara Mohawk Power Corporation	07/01	Niagara Mohawk Power Corporation	Case No. 01-E-1046	Power Purchase and Sale Agreement; Standard Offer Service Agreement
North Carolina Utilities Commission				
Duke Energy Carolinas, LLC	02/13	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1026	Return on Equity
Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.	10/12	Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.	Docket No. E-2, Sub 1023	Return on Equity
Dominion North Carolina Power	03/12	Dominion Resources	Docket No. E-22, Sub 479	Return on Equity (electric)
Duke Energy Carolinas, LLC	07/11	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 989	Return on Equity (electric)
North Dakota Public Service Commission				
Otter Tail Power Company	11/08	Otter Tail Power Company	Docket No. 08-862	Return on Equity (electric)
Oklahoma Corporation Commission				
Oklahoma Gas & Electric Company	07/11	Oklahoma Gas & Electric Company	Cause No. PUD201100087	Return on Equity
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	03/09	CenterPoint Energy Oklahoma Gas	Cause No. PUD200900055	Return on Equity
Rhode Island Public Utilities Commission				
The Narragansett Electric Company d/b/a National Grid	04/12	The Narragansett Electric Company d/b/a National Grid	Docket No. 4323	Return on Equity (electric & gas)
National Grid RI – Gas	08/08	National Grid RI – Gas	Docket No. 3943	Revenue Decoupling and Return on Equity
South Carolina Public Service Commission				
South Carolina Electric & Gas	10/12	South Carolina Electric & Gas	Docket No. 2012-218-E	Return on Equity
Duke Energy Carolinas, LLC	08/11	Duke Energy Carolinas, LLC	Docket No. 2011-271-E	Return on Equity
South Carolina Electric & Gas	03/10	South Carolina Electric & Gas	Docket No. 2009-489-E	Return on Equity

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South Dakota Public Utilities Commission				
Otter Tail Power Company	08/10	Otter Tail Power Company	Docket No. EL10-011	Return on Equity (electric)
Northern States Power Company	06/09	South Dakota Division of Northern States Power	Docket No. EL09-009	Return on Equity (electric)
Otter Tail Power Company	10/08	Otter Tail Power Company	Docket No. EL08-030	Return on Equity (electric)
Texas Public Utility Commission				
Wind Energy Texas Transmission, LLC	08/12	Wind Energy Texas Transmission, LLC	Docket No. 40606	Return on Equity
Southwestern Electric Power Company	07/12	Southwestern Electric Power Company	Docket No. 40443	Return on Equity
Oncor Electric Delivery Company, LLC	01/11	Oncor Electric Delivery Company, LLC	Docket No. 38929	Return on Equity
Texas-New Mexico Power Company	08/10	Texas-New Mexico Power Company	Docket No. 38480	Return on Equity (electric)
CenterPoint Energy Houston Electric LLC	06/10	CenterPoint Energy Houston Electric LLC	Docket No. 38339	Return on Equity
Xcel Energy, Inc.	05/10	Southwestern Public Service Company	Docket No. 38147	Return on Equity (electric)
Texas-New Mexico Power Company	08/08	Texas-New Mexico Power Company	Docket No. 36025	Return on Equity (electric)
Xcel Energy, Inc.	05/06	Southwestern Public Service Company	Docket No. 32766	Return on Equity (electric)
Texas Railroad Commission				
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	07/12	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10182	Return on Equity
Atmos Energy Corporation – West Texas Division	06/12	Atmos Energy Corporation – West Texas Division	GUD 10175	Return on Equity
Atmos Energy Corporation – Mid-Texas Division	06/12	Atmos Energy Corporation – Mid-Texas Division	GUD 10171	Return on Equity

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CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	12/10	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10038	Return on Equity
Atmos Pipeline - Texas	09/10	Atmos Pipeline - Texas	GUD 10000	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	07/09	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 9902	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas	03/08	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas	GUD 9791	Return on Equity
Utah Public Service Commission				
Questar Gas Company	12/07	Questar Gas Company	Docket No. 07-057-13	Return on Equity
Vermont Public Service Board				
Central Vermont Public Service Corporation; Green Mountain Power	02/12	Central Vermont Public Service Corporation; Green Mountain Power	Docket No. 7770	Merger Policy
Central Vermont Public Service Corporation	12/10	Central Vermont Public Service Corporation	Docket No. 7627	Return on Equity (electric)
Green Mountain Power	04/06	Green Mountain Power	Docket Nos. 7175 and 7176	Return on Equity (electric)
Vermont Gas Systems, Inc.	12/05	Vermont Gas Systems	Docket Nos. 7109 and 7160	Return on Equity (gas)
Virginia State Corporation Commission				
Columbia Gas Of Virginia, Inc.	06/06	Columbia Gas Of Virginia, Inc.	Case No. PUE-2005-00098	Merger Synergies
Dominion Resources	10/01	Virginia Electric and Power Company	Case No. PUE000584	Corporate Structure and Electric Generation Strategy
Virginia Natural Gas, Inc.	02/11	Virginia Natural Gas, Inc.	Case No. PUE-2010-0014	Capital Structure

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