

**DELMARVA POWER & LIGHT COMPANY
TOTAL COST OF CAPITAL
AS OF DECEMBER 31, 2012**

Item	Percent 1/	Cost			Weighted Cost		
Long-Term Debt	50.78%	4.91% 1/			2.49%		
Common Equity	49.22%	9.20%	9.35%	9.50%	4.53%	4.60%	4.68%
Total	100.00%				7.02%	7.17%	7.09% Mid-Point

1/ Capital structure ratios and cost of long-term debt contained in Company filing (Schedule No. 4).

ECONOMIC INDICATORS

Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
1975 - 1982 Cycle					
1975	-1.1%	-8.9%	8.5%	7.0%	6.6%
1976	5.4%	10.8%	7.7%	4.8%	3.7%
1977	5.5%	5.9%	7.0%	6.8%	6.9%
1978	5.0%	5.7%	6.0%	9.0%	9.2%
1979	2.8%	4.4%	5.8%	13.3%	12.8%
1980	-0.2%	-1.9%	7.0%	12.4%	11.8%
1981	1.8%	1.9%	7.5%	8.9%	7.1%
1982	-2.1%	-4.4%	9.5%	3.8%	3.6%
1983 - 1991 Cycle					
1983	4.0%	3.7%	9.5%	3.8%	0.6%
1984	6.8%	9.3%	7.5%	3.9%	1.7%
1985	3.7%	1.7%	7.2%	3.8%	1.8%
1986	3.1%	0.9%	7.0%	1.1%	-2.3%
1987	2.9%	4.9%	6.2%	4.4%	2.2%
1988	3.8%	4.5%	5.5%	4.4%	4.0%
1989	3.5%	1.8%	5.3%	4.6%	4.9%
1990	1.8%	-0.2%	5.6%	6.1%	5.7%
1991	-0.5%	-2.0%	6.8%	3.1%	-0.1%
1992 - 2001 Cycle					
1992	3.0%	3.1%	7.5%	2.9%	1.6%
1993	2.7%	3.4%	6.9%	2.7%	0.2%
1994	4.0%	5.5%	6.1%	2.7%	1.7%
1995	3.7%	4.8%	5.6%	2.5%	2.3%
1996	4.5%	4.3%	5.4%	3.3%	2.8%
1997	4.5%	7.3%	4.9%	1.7%	-1.2%
1998	4.2%	5.8%	4.5%	1.6%	0.0%
1999	3.7%	4.5%	4.2%	2.7%	2.9%
2000	4.1%	4.0%	4.0%	3.4%	3.6%
2001	1.1%	-3.4%	4.7%	1.6%	-1.6%
2002 - 2009 Cycle					
2002	1.8%	0.2%	5.8%	2.4%	1.2%
2003	2.5%	1.2%	6.0%	1.9%	4.0%
2004	3.5%	2.3%	5.5%	3.3%	4.2%
2005	3.1%	3.2%	5.1%	3.4%	5.4%
2006	2.7%	2.2%	4.6%	2.5%	1.1%
2007	1.9%	2.5%	4.6%	4.1%	6.2%
2008	-0.3%	-3.4%	5.8%	0.1%	-0.9%
2009	-3.1%	-11.3%	9.3%	2.7%	4.3%
Current Cycle					
2010	2.4%	5.7%	9.6%	1.5%	3.8%
2011	1.8%	3.4%	8.9%	3.0%	4.7%
2012	2.2%	3.6%	8.1%	1.7%	1.4%

*GDP=Gross Domestic Product

Source: Council of Economic Advisors, Economic Indicators, various issues.

ECONOMIC INDICATORS

Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
2002					
1st Qtr.	2.7%	-3.8%	5.6%	2.8%	4.4%
2nd Qtr.	2.2%	-1.2%	5.9%	0.9%	-2.0%
3rd Qtr.	2.4%	0.8%	5.8%	2.4%	1.2%
4th Qtr.	0.2%	1.4%	5.9%	1.6%	0.4%
2003					
1st Qtr.	1.2%	1.1%	5.8%	4.8%	5.6%
2nd Qtr.	3.5%	-0.9%	6.2%	0.0%	-0.5%
3rd Qtr.	7.5%	-0.9%	6.1%	3.2%	3.2%
4th Qtr.	2.7%	1.5%	5.9%	-0.3%	2.8%
2004					
1st Qtr.	3.0%	2.8%	5.6%	5.2%	5.2%
2nd Qtr.	3.5%	4.9%	5.6%	4.4%	4.4%
3rd Qtr.	3.6%	4.6%	5.4%	0.8%	0.8%
4th Qtr.	2.5%	4.3%	5.4%	3.6%	7.2%
2005					
1st Qtr.	4.1%	3.8%	5.3%	4.4%	5.6%
2nd Qtr.	1.7%	3.0%	5.1%	1.6%	-0.4%
3rd Qtr.	3.1%	2.7%	5.0%	8.8%	14.0%
4th Qtr.	2.1%	2.9%	4.9%	-2.0%	4.0%
2006					
1st Qtr.	5.4%	3.4%	4.7%	4.8%	-0.2%
2nd Qtr.	1.4%	4.5%	4.6%	4.8%	5.6%
3rd Qtr.	0.1%	5.2%	4.7%	0.4%	-4.4%
4th Qtr.	3.0%	3.5%	4.5%	0.0%	3.6%
2007					
1st Qtr.	0.9%	2.5%	4.5%	4.8%	6.4%
2nd Qtr.	3.2%	1.6%	4.5%	5.2%	6.8%
3rd Qtr.	2.3%	1.8%	4.6%	1.2%	1.2%
4th Qtr.	2.9%	1.7%	4.8%	6.4%	10.8%
2008					
1st Qtr.	-1.8%	1.9%	4.9%	2.8%	9.6%
2nd Qtr.	1.3%	0.2%	5.3%	7.6%	14.0%
3rd Qtr.	-3.7%	-3.0%	6.0%	2.8%	-0.4%
4th Qtr.	-8.9%	6.0%	6.9%	-13.2%	-28.4%
2009					
1st Qtr.	-5.3%	-11.6%	8.1%	2.4%	-0.4%
2nd Qtr.	-0.3%	-12.9%	9.3%	3.2%	9.2%
3rd Qtr.	1.4%	-9.3%	9.6%	2.0%	-0.8%
4th Qtr.	4.0%	-4.5%	10.0%	2.5%	8.8%
2010					
1st Qtr.	2.3%	2.7%	9.7%	0.9%	6.5%
2nd Qtr.	2.2%	6.5%	9.7%	-1.2%	-2.4%
3rd Qtr.	2.6%	6.9%	9.6%	2.8%	4.0%
4th Qtr.	2.4%	6.2%	9.6%	2.8%	9.2%
2011					
1st Qtr.	0.1%	5.4%	9.0%	4.8%	9.6%
2nd Qtr.	2.5%	3.6%	9.0%	3.2%	3.6%
3rd Qtr.	1.3%	3.3%	9.1%	2.4%	6.4%
4th Qtr.	4.1%	4.0%	8.7%	0.4%	-1.2%
2012					
1st Qtr.	2.0%	4.5%	8.3%	3.2%	2.0%
2nd Qtr.	1.3%	4.7%	8.2%	0.0%	-2.8%
3rd Qtr.	3.1%	3.4%	8.1%	4.0%	9.6%
4th Qtr.	0.4%	2.8%	7.8%	0.0%	-3.6%
2013					
1st Qtr.	1.8%	2.4%	7.7%	2.0%	0.8%
2nd Qtr.	1.7%		7.6%		

*GDP=Gross Domestic Product

Source: Council of Economic Advisors, Economic Indicators, various issues.

INTEREST RATES

Year	Prime Rate	US Treasury T Bills 3 Month	US Treasury T Bonds 10 Year	Utility Bonds Aaa	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
1975 - 1982 Cycle							
1975	7.86%	5.84%	7.99%	9.03%	9.44%	10.09%	10.96%
1976	6.84%	4.99%	7.61%	8.63%	8.92%	9.29%	9.82%
1977	6.83%	5.27%	7.42%	8.19%	8.43%	8.61%	9.06%
1978	9.06%	7.22%	8.41%	8.87%	9.10%	9.29%	9.62%
1979	12.67%	10.04%	9.44%	9.86%	10.22%	10.49%	10.96%
1980	15.27%	11.51%	11.46%	12.30%	13.00%	13.34%	13.95%
1981	18.89%	14.03%	13.93%	14.64%	15.30%	15.95%	16.60%
1982	14.86%	10.69%	13.00%	14.22%	14.79%	15.86%	16.45%
1983 - 1991 Cycle							
1983	10.79%	8.63%	11.10%	12.52%	12.83%	13.66%	14.20%
1984	12.04%	9.58%	12.44%	12.72%	13.66%	14.03%	14.53%
1985	9.93%	7.48%	10.62%	11.68%	12.06%	12.47%	12.96%
1986	8.33%	5.98%	7.68%	8.92%	9.30%	9.58%	10.00%
1987	8.21%	5.82%	8.39%	9.52%	9.77%	10.10%	10.53%
1988	9.32%	6.69%	8.85%	10.05%	10.26%	10.49%	11.00%
1989	10.87%	8.12%	8.49%	9.32%	9.56%	9.77%	9.97%
1990	10.01%	7.51%	8.55%	9.45%	9.65%	9.86%	10.06%
1991	8.46%	5.42%	7.86%	8.85%	9.09%	9.36%	9.55%
1992 - 2001 Cycle							
1992	6.25%	3.45%	7.01%	8.19%	8.55%	8.69%	8.86%
1993	6.00%	3.02%	5.87%	7.29%	7.44%	7.59%	7.91%
1994	7.15%	4.29%	7.09%	8.07%	8.21%	8.31%	8.63%
1995	8.83%	5.51%	6.57%	7.68%	7.77%	7.89%	8.29%
1996	8.27%	5.02%	6.44%	7.48%	7.57%	7.75%	8.16%
1997	8.44%	5.07%	6.35%	7.43%	7.54%	7.60%	7.95%
1998	8.35%	4.81%	5.26%	6.77%	6.91%	7.04%	7.26%
1999	8.00%	4.66%	5.65%	7.21%	7.51%	7.62%	7.88%
2000	9.23%	5.85%	6.03%	7.88%	8.06%	8.24%	8.36%
2001	6.91%	3.44%	5.02%	7.47%	7.59%	7.78%	8.02%
2002 - 2009 Cycle							
2002	4.67%	1.62%	4.61%		[1] 7.19%	7.37%	8.02%
2003	4.12%	1.01%	4.01%		6.40%	6.58%	6.84%
2004	4.34%	1.38%	4.27%		6.04%	6.16%	6.40%
2005	6.19%	3.16%	4.29%		5.44%	5.65%	5.93%
2006	7.96%	4.73%	4.80%		5.84%	6.07%	6.32%
2007	8.05%	4.41%	4.63%		5.94%	6.07%	6.33%
2008	5.09%	1.48%	3.66%		6.18%	6.53%	7.25%
2009	3.25%	0.16%	3.26%		5.75%	6.04%	7.06%
Current Cycle							
2010	3.25%	0.14%	3.22%		5.24%	5.46%	5.96%
2011	3.25%	0.06%	2.78%		4.78%	5.04%	5.57%
2012	3.25%	0.09%	1.80%		3.83%	4.13%	4.86%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

INTEREST RATES

	Prime Rate	US Treasury T Bills 3 Month	US Treasury T Bonds 10 Year	Utility Bonds Aaa	Utility Bonds [1] Aa	Utility Bonds A	Utility Bonds Baa
2007							
Jan	8.25%	4.96%	4.76%		5.78%	5.96%	6.16%
Feb	8.25%	5.02%	4.72%		5.73%	5.90%	6.10%
Mar	8.25%	4.97%	4.56%		5.66%	5.85%	6.10%
Apr	8.25%	4.88%	4.69%		5.83%	5.97%	6.24%
May	8.25%	4.77%	4.75%		5.86%	5.99%	6.23%
June	8.25%	4.63%	5.10%		6.18%	6.30%	6.54%
July	8.25%	4.84%	5.00%		6.11%	6.25%	6.49%
Aug	8.25%	4.34%	4.67%		6.11%	6.24%	6.51%
Sept	7.75%	4.01%	4.52%		6.10%	6.18%	6.45%
Oct	7.50%	3.97%	4.53%		6.04%	6.11%	6.36%
Nov	7.50%	3.49%	4.15%		5.87%	5.97%	6.27%
Dec	7.25%	3.08%	4.10%		6.03%	6.16%	6.51%
2008							
Jan	6.00%	2.86%	3.74%		5.87%	6.02%	6.35%
Feb	6.00%	2.21%	3.74%		6.04%	6.21%	6.60%
Mar	5.25%	1.38%	3.51%		5.99%	6.21%	6.68%
Apr	5.00%	1.32%	3.68%		5.99%	6.29%	6.82%
May	5.00%	1.71%	3.88%		6.07%	6.27%	6.79%
June	5.00%	1.90%	4.10%		6.19%	6.38%	6.93%
July	5.00%	1.72%	4.01%		6.13%	6.40%	6.97%
Aug	5.00%	1.79%	3.89%		6.09%	6.37%	6.98%
Sept	5.00%	1.46%	3.69%		6.13%	6.49%	7.15%
Oct	4.00%	0.84%	3.81%		6.95%	7.56%	8.58%
Nov	4.00%	0.30%	3.53%		6.83%	7.60%	8.98%
Dec	3.25%	0.04%	2.42%		5.93%	6.54%	8.13%
2009							
Jan	3.25%	0.12%	2.52%		6.01%	6.39%	7.90%
Feb	3.25%	0.31%	2.87%		6.11%	6.30%	7.74%
Mar	3.25%	0.25%	2.82%		6.14%	6.42%	8.00%
Apr	3.25%	0.17%	2.93%		6.20%	6.48%	8.03%
May	3.25%	0.15%	3.29%		6.23%	6.49%	7.76%
June	3.25%	0.17%	3.72%		6.13%	6.20%	7.30%
July	3.25%	0.19%	3.56%		5.63%	5.97%	6.87%
Aug	3.25%	0.18%	3.58%		5.33%	5.71%	6.36%
Sept	3.25%	0.13%	3.40%		5.15%	5.53%	6.12%
Oct	3.25%	0.08%	3.39%		5.23%	5.55%	6.14%
Nov	3.25%	0.05%	3.40%		5.33%	5.64%	6.18%
Dec	3.25%	0.07%	3.59%		5.52%	5.79%	6.26%
2010							
Jan	3.25%	0.06%	3.73%		5.55%	5.77%	6.16%
Feb	3.25%	0.10%	3.69%		5.69%	5.87%	6.25%
Mar	3.25%	0.15%	3.73%		5.64%	5.84%	6.22%
Apr	3.25%	0.15%	3.85%		5.62%	5.81%	6.19%
May	3.25%	0.16%	3.42%		5.29%	5.50%	5.97%
June	3.25%	0.12%	3.20%		5.22%	5.46%	6.18%
July	3.25%	0.16%	3.01%		4.99%	5.26%	5.98%
Aug	3.25%	0.15%	2.70%		4.75%	5.01%	5.55%
Sept	3.25%	0.15%	2.65%		4.74%	5.01%	5.53%
Oct	3.25%	0.13%	2.54%		4.89%	5.10%	5.62%
Nov	3.25%	0.13%	2.76%		5.12%	5.37%	5.85%
Dec	3.25%	0.15%	3.29%		5.32%	5.56%	6.04%
2011							
Jan	3.25%	0.15%	3.39%		5.29%	5.57%	6.06%
Feb	3.25%	0.14%	3.58%		5.42%	5.68%	6.10%
Mar	3.25%	0.11%	3.41%		5.33%	5.56%	5.97%
Apr	3.25%	0.06%	3.46%		5.32%	5.55%	5.98%
May	3.25%	0.04%	3.17%		5.08%	5.32%	5.74%
June	3.25%	0.04%	3.00%		5.04%	5.26%	5.67%
July	3.25%	0.03%	3.00%		5.05%	5.27%	5.70%
Aug	3.25%	0.05%	2.30%		4.44%	4.69%	5.22%
Sept	3.25%	0.02%	1.98%		4.24%	4.48%	5.11%
Oct	3.25%	0.02%	2.15%		4.21%	4.52%	5.24%
Nov	3.25%	0.01%	2.01%		3.92%	4.25%	4.93%
Dec	3.25%	0.02%	1.98%		4.00%	4.33%	5.07%
2012							
Jan	3.25%	0.02%	1.97%		4.03%	4.34%	5.06%
Feb	3.25%	0.08%	1.97%		4.02%	4.36%	5.02%
Mar	3.25%	0.09%	2.17%		4.16%	4.48%	5.13%
Apr	3.25%	0.08%	2.05%		4.10%	4.40%	5.11%
May	3.25%	0.09%	1.80%		3.92%	4.20%	4.97%
June	3.25%	0.09%	1.62%		3.79%	4.08%	4.91%
July	3.25%	0.10%	1.53%		3.58%	3.93%	4.85%
Aug	3.25%	0.11%	1.68%		3.65%	4.00%	4.88%
Sept	3.25%	0.10%	1.72%		3.69%	4.02%	4.81%
Oct	3.25%	0.10%	1.75%		3.68%	3.91%	4.54%
Nov	3.25%	0.11%	1.65%		3.60%	3.84%	4.42%
Dec	3.25%	0.08%	1.72%		3.75%	4.00%	4.56%
2013							
Jan	3.25%	0.07%	1.91%		3.90%	4.15%	4.66%
Feb	3.25%	0.10%	1.98%		3.95%	4.18%	4.74%
Mar	3.25%	0.09%	1.96%		3.90%	4.15%	4.66%
Apr	3.25%	0.06%	1.76%		3.74%	4.00%	4.49%
May	3.25%	0.05%	1.93%		3.91%	4.17%	4.65%
June	3.25%	0.05%	2.30%		4.27%	4.53%	5.08%
July	3.25%	0.04%	2.58%		4.44%	4.68%	5.21%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

STOCK PRICE INDICATORS

	S&P Composite [1]	NASDAQ Composite [1]	DJIA	S&P D/P	S&P E/P
1975 - 1982 Cycle					
1975			802.49	4.31%	9.15%
1976			974.92	3.77%	8.90%
1977			894.63	4.62%	10.79%
1978			820.23	5.28%	12.03%
1979			844.40	5.47%	13.46%
1980			891.41	5.26%	12.66%
1981			932.92	5.20%	11.96%
1982			884.36	5.81%	11.60%
1983 - 1991 Cycle					
1983			1,190.34	4.40%	8.03%
1984			1,178.48	4.64%	10.02%
1985			1,328.23	4.25%	8.12%
1986			1,792.76	3.49%	6.09%
1987			2,275.99	3.08%	5.48%
1988	[1]	[1]	2,060.82	3.64%	8.01%
1989	322.84		2,508.91	3.45%	7.41%
1990	334.59		2,678.94	3.61%	6.47%
1991	376.18	491.69	2,929.33	3.24%	4.79%
1992 - 2001 Cycle					
1992	415.74	\$599.26	3,284.29	2.99%	4.22%
1993	451.21	715.16	3,522.06	2.78%	4.46%
1994	460.42	751.65	3,793.77	2.82%	5.83%
1995	541.72	925.19	4,493.76	2.56%	6.09%
1996	670.50	1,164.96	5,742.89	2.19%	5.24%
1997	873.43	1,469.49	7,441.15	1.77%	4.57%
1998	1,085.50	1,794.91	8,625.52	1.49%	3.46%
1999	1,327.33	2,728.15	10,464.88	1.25%	3.17%
2000	1,427.22	2,783.67	10,734.90	1.15%	3.63%
2001	1,194.18	2,035.00	10,189.13	1.32%	2.95%
2002 - 2009 Cycle					
2002	993.94	1,539.73	9,226.43	1.61%	2.92%
2003	965.23	1,647.17	8,993.59	1.77%	3.84%
2004	1,130.65	1,986.53	10,317.39	1.72%	4.89%
2005	1,207.23	2,099.32	10,547.67	1.83%	5.36%
2006	1,310.46	2,263.41	11,408.67	1.87%	5.78%
2007	1,477.19	2,578.47	13,169.98	1.86%	5.29%
2008	1,220.04	2,161.65	11,252.62	2.37%	3.54%
2009	948.05	1,845.38	8,876.15	2.40%	1.86%
Current Cycle					
2010	1,139.97	2,349.89	10,662.80	1.98%	6.04%
2011	1,268.89	2,677.44	11,966.36	2.05%	6.77%
2012	1,379.35	2,965.56	12,967.08	2.24%	6.20%

[1] Note: this source did not publish the S&P Composite prior to 1988 and the NASDAQ Composite prior to 1991.

Source: Council of Economic Advisors, Economic Indicators, various issues.

STOCK PRICE INDICATORS

	S&P Composite	NASDAQ Composite	DJIA	S&P D/P	S&P E/P
2004					
1st Qtr.	1,133.29	2,041.95	10,488.43	1.64%	4.62%
2nd Qtr.	1,122.87	1,984.13	10,289.04	1.71%	4.92%
3rd Qtr.	1,104.15	1,872.90	10,129.85	1.79%	5.18%
4th Qtr.	1,162.07	2,050.22	10,362.25	1.75%	4.83%
2005					
1st Qtr.	1,191.98	2,056.01	10,648.48	1.77%	5.11%
2nd Qtr.	1,181.65	2,012.24	10,382.35	1.85%	5.32%
3rd Qtr.	1,225.91	2,144.61	10,532.24	1.83%	5.42%
4th Qtr.	1,262.07	2,246.09	10,827.79	1.86%	5.60%
2006					
1st Qtr.	1,283.04	2,287.97	10,996.04	1.85%	5.61%
2nd Qtr.	1,281.77	2,240.46	11,188.84	1.90%	5.86%
3rd Qtr.	1,288.40	2,141.97	11,274.49	1.91%	5.88%
4th Qtr.	1,389.48	2,390.26	12,175.30	1.81%	5.75%
2007					
1st Qtr.	1,425.30	2,444.85	12,470.97	1.84%	5.85%
2nd Qtr.	1,496.43	2,552.37	13,214.26	1.82%	5.65%
3rd Qtr.	1,490.81	2,609.68	13,488.43	1.86%	5.15%
4th Qtr.	1,494.09	2,701.59	13,502.95	1.91%	4.51%
2008					
1st Qtr.	1,350.19	2,332.91	12,383.86	2.11%	4.55%
2nd Qtr.	1,371.65	2,426.26	12,508.59	2.10%	4.05%
3rd Qtr.	1,251.94	2,290.87	11,322.40	2.29%	3.94%
4th Qtr.	909.80	1,599.64	8,795.61	2.98%	1.65%
2009					
1st Qtr.	809.31	1,485.14	7,774.06	3.00%	0.86%
2nd Qtr.	892.23	1,731.41	8,327.83	2.45%	0.82%
3rd Qtr.	996.68	1,985.25	9,229.93	2.16%	1.19%
4th Qtr.	1,088.70	2,162.33	10,172.78	1.99%	4.57%
2010					
1st Qtr.	1,121.60	2,274.88	10,454.42	1.94%	5.21%
2nd Qtr.	1,135.25	2,343.40	10,570.54	1.97%	6.51%
3rd Qtr.	1,096.39	2,237.97	10,390.24	2.09%	6.30%
4th Qtr.	1,204.00	2,534.62	11,236.02	1.95%	6.15%
2011					
1st Qtr.	1,302.74	2,741.01	12,024.62	1.85%	6.13%
2nd Qtr.	1,319.04	2,766.64	12,370.73	1.97%	6.35%
3rd Qtr.	1,237.12	2,613.11	11,671.47	2.15%	7.69%
4th Qtr.	1,225.65	2,600.91	11,798.65	2.25%	6.91%
2012					
1st Qtr.	1,347.44	2,902.90	12,839.80	2.12%	6.29%
2nd Qtr.	1,350.39	2,928.62	12,765.58	2.30%	6.45%
3rd Qtr.	1,402.21	3,029.86	13,118.72	2.27%	6.00%
4th Qtr.	1,418.21	3,001.69	13,142.91	2.28%	6.07%
2013					
1st Qtr.	1,514.41	3,177.10	14,000.30	2.21%	5.59%
2nd Qtr.	1,609.77	3,369.49	14,961.28	2.15%	

Source: Council of Economic Advisors, Economic Indicators, various issues.

**DELMARVA POWER & LIGHT COMPANY
DEBT RATINGS**

Date	Senior Unsecured Debt			Senior Secured Debt		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch
2007	Baa2	BBB-	A-	Baa1	BBB+	A
2008	Baa2	BBB	A-	Baa1	A-	A
2009	Baa2	BBB	A-	A3	A-	A
2010	Baa2	BBB+	A-	A3	A	A
2011	Baa2	BBB+	A-	A3	A	A
2012	Baa2	BBB+	A-	A3	A	A
2013	Baa2	BBB+	A-	A3	A	A

Source: Response to Request No. AG-COC-6

PEPCO HOLDINGS AND REGULATED SUBSIDIARIES DEBT RATINGS

Rating Agency	Delmarva Power & Light Co	Potomac Electric Power Co	Atlantic City Electric Co	Pepco Holdings
Senior Unsecured Debt				
Standard & Poor's	BBB+	BBB+	BBB+	BBB
Moody's	Baa2	Baa2	Baa2	Baa3
Fitch	A-	A-	BBB+	BBB
Senior Secured Debt				
Standard & Poor's	A	A	A	
Moody's	A3	A3	A3	
Fitch	A	A	A-	

Source: Response to Request No. AG-COC-6

DELMARVA POWER & LIGHT COMPANY
CAPITAL STRUCTURE RATIOS
2008 - 2012
(\$000)

YEAR	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
2008	\$752,436 44.8% 49.2%	\$775,513 46.2% 50.8%	\$150,000 8.9%
2009	\$807,496 50.7% 50.7%	\$784,948 49.3% 49.3%	\$0 0.0%
2010	\$840,213 49.3% 49.3%	\$862,947 50.7% 50.7%	\$0 0.0%
2011	\$851,342 48.3% 49.6%	\$864,769 49.0% 50.4%	\$47,000 2.7%
2012	\$984,604 48.4% 49.2%	\$1,015,954 50.0% 50.8%	\$32,000 1.6%

Note: Percentages may not total 100.0% due to rounding.

Source: Response to AG-COC-4.

PEPCO HOLDINGS, INC.
CAPITAL STRUCTURE RATIOS
2008 - 2012
(\$000)

YEAR	COMMON EQUITY	PREFERRED STOCK	LONG-TERM DEBT	SHORT-TERM DEBT
2008	\$4,188,842 43.8% 45.3%	\$6,215 0.1% 0.1%	\$5,043,117 52.7% 54.6%	\$325,000 3.4%
2009	\$4,254,824 43.2% 44.9%	\$6,215 0.1% 0.1%	\$5,209,426 52.9% 55.0%	\$384,000 3.9%
2010	\$4,228,874 50.2% 52.6%	\$6,215 0.1% 0.1%	\$3,802,483 45.1% 47.3%	\$388,000 4.6%
2011	\$4,333,932 48.6% 52.0%		\$4,003,211 44.9% 48.0%	\$586,000 6.6%
2012	\$4,446,000 46.3% 50.7%		\$4,316,934 45.0% 49.3%	\$837,000 8.7%

Note: Percentages may not total 100.0% due to rounding.

Source: Response to AG-COC-4.

PEPCO HOLDINGS, INC. AND SUBSIDIARIES
CAPITAL STRUCTURE RATIOS
December 31, 2012
(\$000)

COMPANY	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
Delmarva Power & Light Co.	\$984,604,304 49.2% 49.2%	\$1,015,954,082 50.8% 50.8%	\$32,000 0.0%
Potomac Electric Power Co.	\$1,643,194 46.6% 49.8%	\$1,655,194 46.9% 50.2%	\$231,000 6.5%
Atlantic City Electric Co.	\$800,998 45.9% 48.9%	\$835,738 47.8% 51.1%	\$110,000 6.3%
Pepco Holdings, Inc.	\$4,446,000 46.3% 50.7%	\$4,316,934 45.0% 49.3%	\$837,000 8.7%

Note: Percentages may not total 100.0% due to rounding.

Source: Response to AG-COC-5.

**AUS UTILITY REPORTS
ELECTRIC UTILITY GROUPS
AVERAGE COMMON EQUITY RATIOS**

Year	Electric	Combination Electric and Gas
2008	45%	43%
2009	46%	45%
2010	46%	46%
2011	47%	46%
2012	47%	46%

Note: Averages include short-term debt.

Source: AUS Utility Reports.

**PROXY COMPANIES
BASIS FOR SELECTION**

Company	Market Cap (\$000) (1)	Percent Revenues Electric (2)	Common Equity Ratio (3)	Value Line Safety Rank (4)	S&P Stock Ranking (5)	Moody's/ S&P Bond Rating (6)
Pepco Holdings	\$4,500,000	83%	51%	3	B	Baa1/Baa2/A-/BBB+
Delmarva Power & Light						A3/A
Proxy Group						
ALLETE	\$1,900,000	91%	56%	2	B	A2/A-
Alliant Energy	\$5,400,000	84%	48%	2	B	A2/A3/A-
Avista Corp.	\$1,600,000	63%	49%	2	A-	A3/A-
Black Hills Corp	\$2,100,000	52%	57%	3	B	A3/BBB+
IDACORP	\$2,400,000	100%	55%	3	B+	A2/A-
MGE Energy	\$1,300,000	72%	62%	1	B+	A1/AA-
Northwestern Energy	\$1,600,000	75%	46%	3		A2/A-
Portland General Electric	\$2,400,000	100%	53%	2		A3/A-
TECO Energy	\$3,700,000	65%	44%	2	B	A3/BBB+
Westar Energy	\$4,000,000	100%	49%	2	B+	A3/BBB+
Wisconsin Energy	\$9,500,000	75%	48%	1	A-	A2/A3/A-/BBB+

Criteria For Selection:

- Market Cap of \$1 billion to \$10 billion.
- Percent electric revenues of 50% or greater
- Common equity ratio of 40% or greater
- Value Line Safety Rank of 1, 2, or 3
- S&P Stock Ranking of A or B
- Moody's or S&P Bond Rating of A..
- Currently pays common stock dividends.
- Not currently involved in major merger.

Sources:

- (1) Value Line - May 24, 2013, June 21, 2013 and August 2, 2013 editions.
- (2) AUS Utility Reports, May, 2013 edition, 2012 data.
- (3) Value Line - May 24, 2013, June 21, 2013 and August 2, 2013 editions, excludes short-term debt.
- (4) Value Line - May 24, 2013, June 21, 2013 and August 4, 2013 editions.
- (5) Value Line - May 24, 2013, June 21, 2013 and August2, 2013 editions.
- (6) AUS Utility Reports, May, 2013 edition.

**PROXY COMPANIES
DIVIDEND YIELD**

COMPANY	Qtr DPS	May - July, 2013			YIELD	
		DPS	HIGH	LOW		AVERAGE
Parcell Proxy Group						
ALLETE	\$0.475	\$1.90	\$54.13	\$46.85	\$50.49	3.76%
Alliant Energy	\$0.470	\$1.88	\$54.18	\$46.79	\$50.49	3.72%
Avista Corp.	\$0.305	\$1.22	\$29.26	\$25.68	\$27.47	4.44%
Black Hills Corp	\$0.380	\$1.52	\$54.12	\$45.07	\$49.60	3.06%
IDACORP	\$0.380	\$1.52	\$53.10	\$46.03	\$49.57	3.07%
MGE Energy	\$0.395	\$1.58	\$60.69	\$52.12	\$56.41	2.80%
Northwestern Energy	\$0.380	\$1.52	\$44.33	\$38.12	\$41.23	3.69%
Pepco Holdings	\$0.270	\$1.08	\$22.72	\$19.19	\$20.96	5.15%
Portland General Electric	\$0.275	\$1.10	\$32.91	\$29.14	\$31.03	3.55%
TECO Energy	\$0.220	\$0.88	\$19.22	\$16.40	\$17.81	4.94%
Westar Energy	\$0.340	\$1.36	\$34.92	\$30.13	\$32.53	4.18%
Wisconsin Energy	\$0.340	\$1.36	\$44.84	\$39.04	\$41.94	3.24%
Average						3.80%
Hevert Proxy Group						
American Electric Power Co	\$0.490	\$1.96	\$51.60	\$42.83	\$47.22	4.15%
Cleco Corp	\$0.362	\$1.45	\$49.40	\$43.75	\$46.58	3.11%
Empire District Electric	\$0.250	\$1.00	\$24.32	\$21.26	\$22.79	4.39%
Great Plains Energy	\$0.217	\$0.87	\$24.65	\$21.73	\$23.19	3.74%
Hawaiian Electric Industries	\$0.310	\$1.24	\$28.24	\$23.84	\$26.04	4.76%
IDACORP	\$0.380	\$1.52	\$53.10	\$46.03	\$49.57	3.07%
Otter Tail Corp.	\$0.297	\$1.19	\$31.88	\$26.50	\$29.19	4.07%
Pinnacle West Capital	\$0.545	\$2.18	\$61.89	\$51.56	\$56.73	3.84%
PNM Resources, Inc.	\$0.165	\$0.66	\$24.14	\$21.11	\$22.63	2.92%
Portland General Electric	\$0.275	\$1.10	\$32.91	\$29.14	\$31.03	3.55%
Southern Company	\$0.507	\$2.03	\$48.30	\$42.32	\$45.31	4.48%
Westar Energy	\$0.340	\$1.36	\$34.92	\$30.13	\$32.53	4.18%
Average						3.85%

Source: Yahoo! Finance.

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2008	2009	2010	2011	2012	Average	2013	2014	2016-'18	Average
Parcell Proxy Group										
ALLETE	3.9%	0.5%	1.5%	2.9%	2.3%	2.2%	2.5%	2.5%	3.5%	2.8%
Alliant Energy	3.8%	0.9%	3.8%	3.3%	3.9%	3.1%	4.5%	4.5%	4.5%	4.5%
Avista Corp.	3.7%	4.1%	3.3%	3.1%	0.8%	3.0%	2.5%	2.5%	3.0%	2.7%
Black Hills Corp	0.0%	3.2%	0.7%	0.0%	1.8%	1.1%	3.0%	3.5%	4.0%	3.5%
IDACORP	3.4%	4.8%	5.5%	6.5%	5.7%	5.2%	4.5%	4.5%	4.0%	4.3%
MGE Energy	4.4%	3.4%	4.4%	4.7%	4.9%	4.4%	5.5%	5.5%	5.5%	5.5%
Northwestern Energy	2.3%	3.2%	3.5%	4.7%	3.2%	3.4%	4.0%	4.0%	3.5%	3.8%
Pepco Holdings	4.2%	0.0%	0.8%	0.3%	0.8%	1.2%	0.5%	1.0%	2.5%	1.3%
Portland General Electric	2.0%	1.5%	3.0%	4.1%	3.5%	2.8%	3.0%	3.0%	3.5%	3.2%
TECO Energy	0.0%	2.1%	3.1%	3.9%	2.4%	2.3%	0.5%	2.0%	4.0%	2.2%
Westar Energy	1.2%	0.8%	3.1%	2.7%	4.0%	2.4%	3.5%	3.5%	4.5%	3.8%
Wisconsin Energy	7.0%	6.2%	7.0%	6.8%	6.5%	6.7%	5.5%	5.5%	5.0%	5.3%
Average						3.2%				3.6%
Hevert Proxy Group										
American Electric Power Co	5.1%	4.6%	3.1%	4.2%	3.5%	4.1%	3.5%	4.0%	4.0%	3.8%
Cleco Corp	4.5%	4.7%	6.1%	6.3%	5.7%	5.5%	4.0%	5.0%	4.5%	4.5%
Empire District Electric	0.0%	0.0%	0.0%	4.1%	1.9%	1.2%	2.5%	2.5%	2.5%	2.5%
Great Plains Energy	0.0%	0.9%	3.4%	2.0%	2.2%	1.7%	3.0%	3.0%	3.0%	3.0%
Hawaiian Electric Industries	0.5%	0.0%	1.4%	2.1%	4.2%	1.6%	2.0%	2.0%	2.0%	2.0%
IDACORP	3.4%	4.8%	5.5%	6.5%	5.7%	5.2%	4.5%	4.5%	4.0%	4.3%
Otter Tail Corp.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	2.5%	4.0%	2.5%
Pinnacle West Capital	0.3%	0.7%	3.1%	2.8%	4.1%	2.2%	4.0%	4.0%	4.0%	4.0%
PNM Resources, Inc.	0.0%	0.4%	2.2%	3.3%	3.8%	1.9%	4.0%	3.5%	4.5%	4.0%
Portland General Electric	2.0%	1.5%	3.0%	4.1%	3.5%	2.8%	3.0%	3.0%	3.5%	3.2%
Southern Company	3.5%	3.2%	3.0%	3.4%	3.6%	3.3%	3.5%	3.5%	4.0%	3.7%
Westar Energy	1.2%	0.8%	3.1%	2.7%	4.0%	2.4%	3.5%	3.5%	4.5%	3.8%
Average						2.7%				3.4%

Source: Value Line Investment Survey.

**PROXY COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '10-'12 to '16-'18 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
ALLETE	-2.5%	4.5%	5.5%	2.5%	7.0%	3.5%	4.0%	4.8%
Alliant Energy	4.0%	8.0%	3.5%	5.2%	5.0%	4.5%	4.0%	4.5%
Avista Corp.	8.5%	14.0%	4.0%	8.8%	4.0%	4.5%	3.0%	3.8%
Black Hills Corp	-8.0%	2.0%	3.0%	-1.0%	11.5%	2.5%	3.0%	5.7%
IDACORP	10.0%	1.0%	5.5%	5.5%	2.0%	7.0%	4.5%	4.5%
MGE Energy	6.0%	2.0%	5.5%	4.5%	4.5%	3.5%	5.0%	4.3%
Northwestern Energy	9.0%	4.0%	2.5%	5.2%	4.5%	4.0%	4.5%	4.3%
Pepco Holdings	-4.5%	1.5%	0.5%	-0.8%	6.0%	1.0%	2.0%	3.0%
Portland General Electric	4.0%	14.5%	2.0%	6.8%	3.5%	3.0%	3.5%	3.3%
TECO Energy	0.5%	2.0%	4.0%	2.2%	3.5%	2.0%	2.5%	2.7%
Westar Energy	1.5%	5.0%	4.5%	3.7%	6.0%	3.0%	5.0%	4.7%
Wisconsin Energy	10.0%	17.0%	7.0%	11.3%	5.5%	12.0%	3.5%	7.0%
Average				4.5%				4.4%
Hevert Proxy Group								
American Electric Power Co	1.0%	4.0%	4.5%	3.2%	4.5%	4.0%	4.0%	4.2%
Cleco Corp	13.0%	4.5%	9.0%	8.8%	5.5%	10.0%	5.0%	6.8%
Empire District Electric	2.0%	-5.5%	1.0%	-0.8%	5.0%	3.5%	2.5%	3.7%
Great Plains Energy	-6.0%	-12.5%	5.0%	-4.5%	6.5%	6.0%	2.5%	5.0%
Hawaiian Electric Industries	2.0%	0.0%	2.0%	1.3%	3.5%	1.0%	4.5%	3.0%
IDACORP	10.0%	1.0%	5.5%	5.5%	2.0%	7.0%	4.5%	4.5%
Otter Tail Corp.	-18.5%	0.5%	-1.0%	-6.3%	21.5%	1.5%	2.0%	8.3%
Pinnacle West Capital	2.5%	2.5%		2.5%	5.0%	2.0%	3.5%	3.5%
PNM Resources, Inc.	-4.0%	-9.0%	-2.0%	-5.0%	12.0%	12.5%	3.5%	9.3%
Portland General Electric	4.0%	14.5%	2.0%	6.8%	3.5%	3.0%	3.5%	3.3%
Southern Company	3.0%	4.0%	5.5%	4.2%	4.5%	3.5%	4.0%	4.0%
Westar Energy	1.5%	5.0%	4.5%	3.7%	6.0%	3.0%	5.0%	4.7%
Average				1.6%				5.0%

Source: Value Line Investment Survey.

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcel Proxy Group								
ALLETE	3.8%	2.2%	2.8%	2.5%	4.8%	6.00%	3.7%	7.5%
Alliant Energy	3.8%	3.1%	4.5%	5.2%	4.5%	5.90%	4.6%	8.5%
Avista Corp.	4.5%	3.0%	2.7%	8.8%	3.8%	4.50%	4.6%	9.1%
Black Hills Corp	3.1%	1.1%	3.5%		5.7%	5.00%	3.8%	7.0%
IDACORP	3.1%	5.2%	4.3%	5.5%	4.5%	4.00%	4.7%	7.8%
MGE Energy	2.9%	4.4%	5.5%	4.5%	4.3%	4.00%	4.5%	7.4%
Northwestern Energy	3.8%	3.4%	3.8%	5.2%	4.3%	4.00%	4.1%	7.9%
Pepco Holdings	5.2%	1.2%	1.3%		3.0%	4.23%	2.4%	7.7%
Portland General Electric	3.6%	2.8%	3.2%	6.8%	3.3%	6.52%	4.5%	8.2%
TECO Energy	5.0%	2.3%	2.2%	2.2%	2.7%	2.74%	2.4%	7.4%
Westar Energy	4.3%	2.4%	3.8%	3.7%	4.7%	3.90%	3.7%	7.9%
Wisconsin Energy	3.4%	6.7%	5.3%	11.3%	7.0%	4.89%	7.1%	10.4%
Mean	3.9%	3.2%	3.6%	5.6%	4.4%	4.6%	4.2%	8.1%
Median	3.8%	2.9%	3.7%	5.2%	4.4%	4.4%	4.3%	7.9%
Composite - Mean		7.0%	7.5%	9.4%	8.3%	8.5%	8.1%	
Composite - Median		6.7%	7.5%	9.0%	8.2%	8.2%	8.1%	
Hevert Proxy Group								
American Electric Power Co	4.2%	4.1%	3.8%	3.2%	4.2%	3.81%	3.8%	8.0%
Cleco Corp	3.2%	5.5%	4.5%	8.8%	6.8%	8.00%	6.7%	9.9%
Empire District Electric	4.4%	1.2%	2.5%		3.7%	3.00%	2.6%	7.0%
Great Plains Energy	3.8%	1.7%	3.0%		5.0%	6.26%	4.0%	7.8%
Hawaiian Electric Industries	4.8%	1.6%	2.0%	1.3%	3.0%	2.40%	2.1%	6.9%
IDACORP	3.1%	5.2%	4.3%	5.5%	4.5%	4.00%	4.7%	7.8%
Otter Tail Corp.	4.2%		2.5%		8.3%	6.00%	5.6%	9.8%
Pinnacle West Capital	3.9%	2.2%	4.0%	2.5%	3.5%	5.45%	3.5%	7.4%
PNM Resources, Inc.	3.0%	1.9%	4.0%		9.3%	6.43%	5.4%	8.4%
Portland General Electric	3.6%	2.8%	3.2%	6.8%	3.3%	6.52%	4.5%	8.2%
Southern Company	4.6%	3.3%	3.7%	4.2%	4.0%	4.60%	4.0%	8.5%
Westar Energy	4.3%	2.4%	3.8%	3.7%	4.7%	3.90%	3.7%	7.9%
Mean	3.9%	2.9%	3.4%	4.5%	5.0%	5.0%	4.2%	8.2%
Median	4.0%	2.4%	3.8%	3.9%	4.3%	5.0%	4.0%	8.0%
Composite - Mean		6.8%	7.4%	8.4%	9.0%	9.0%	8.2%	
Composite - Median		6.4%	7.8%	8.0%	8.4%	9.1%	8.0%	

Note: negative values not used in calculations.

Sources: Prior pages of this schedule.

**STANDARD & POOR'S 500 COMPOSITE
20-YEAR U.S. TREASURY BOND YIELDS
RISK PREMIUMS**

Year	EPS	BVPS	ROE	20-YEAR T-BOND YIELD	RISK PREMIUM
1977		\$79.07			
1978	\$12.33	\$85.35	15.00%	7.90%	7.10%
1979	\$14.86	\$94.27	16.55%	8.86%	7.69%
1980	\$14.82	\$102.48	15.06%	9.97%	5.09%
1981	\$15.36	\$109.43	14.50%	11.55%	2.95%
1982	\$12.64	\$112.46	11.39%	13.50%	-2.11%
1983	\$14.03	\$116.93	12.23%	10.38%	1.85%
1984	\$16.64	\$122.47	13.90%	11.74%	2.16%
1985	\$14.61	\$125.20	11.80%	11.25%	0.55%
1986	\$14.48	\$126.82	11.49%	8.98%	2.51%
1987	\$17.50	\$134.04	13.42%	7.92%	5.50%
1988	\$23.75	\$141.32	17.25%	8.97%	8.28%
1989	\$22.87	\$147.26	15.85%	8.81%	7.04%
1990	\$21.73	\$153.01	14.47%	8.19%	6.28%
1991	\$16.29	\$158.85	10.45%	8.22%	2.23%
1992	\$19.09	\$149.74	12.37%	7.29%	5.08%
1993	\$21.89	\$180.88	13.24%	7.17%	6.07%
1994	\$30.60	\$193.06	16.37%	6.59%	9.78%
1995	\$33.96	\$215.51	16.62%	7.60%	9.02%
1996	\$38.73	\$237.08	17.11%	6.18%	10.93%
1997	\$39.72	\$249.52	16.33%	6.64%	9.69%
1998	\$37.71	\$266.40	14.62%	5.83%	8.79%
1999	\$48.17	\$290.68	17.29%	5.57%	11.72%
2000	\$50.00	\$325.80	16.22%	6.50%	9.72%
2001	\$24.69	\$338.37	7.43%	5.53%	1.90%
2002	\$27.59	\$321.72	8.36%	5.59%	2.77%
2003	\$48.73	\$367.17	14.15%	4.80%	9.35%
2004	\$58.55	\$414.75	14.98%	5.02%	9.96%
2005	\$69.93	\$453.06	16.12%	4.69%	11.43%
2006	\$81.51	\$504.39	17.03%	4.68%	12.35%
2007	\$66.17	\$529.59	12.49%	4.86%	7.63%
2008	\$14.88	\$451.37	3.03%	4.45%	-1.42%
2009	\$50.97	\$513.58	10.56%	3.47%	7.09%
2010	\$77.35	\$579.14	14.16%	4.25%	9.91%
2011	\$86.58	\$613.14	14.52%	3.81%	10.71%
2012	\$86.51	\$666.97	13.52%	2.40%	11.12%
Average					6.59%

Source: Standard & Poor's Analysts' Handbook, Ibbotson Associates Handbook.

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
ALLETE	3.04%	0.70	5.47%	6.9%
Alliant Energy	3.04%	0.70	5.47%	6.9%
Avista Corp.	3.04%	0.70	5.47%	6.9%
Black Hills Corp	3.04%	0.80	5.47%	7.4%
IDACORP	3.04%	0.70	5.47%	6.9%
MGE Energy	3.04%	0.60	5.47%	6.3%
Northwestern Energy	3.04%	0.70	5.47%	6.9%
Peppo Holdings	3.04%	0.75	5.47%	7.1%
Portland General Electric	3.04%	0.75	5.47%	7.1%
TECO Energy	3.04%	0.85	5.47%	7.7%
Westar Energy	3.04%	0.75	5.47%	7.1%
Wisconsin Energy	3.04%	0.60	5.47%	6.3%
Mean				7.0%
Median				6.9%
Hevert Proxy Group				
American Electric Power Co	3.04%	0.65	5.47%	6.6%
Cleco Corp	3.04%	0.65	5.47%	6.6%
Empire District Electric	3.04%	0.65	5.47%	6.6%
Great Plains Energy	3.04%	0.80	5.47%	7.4%
Hawaiian Electric Industries	3.04%	0.70	5.47%	6.9%
IDACORP	3.04%	0.70	5.47%	6.9%
Otter Tail Corp.	3.04%	0.90	5.47%	8.0%
Pinnacle West Capital	3.04%	0.70	5.47%	6.9%
PNM Resources, Inc.	3.04%	0.95	5.47%	8.2%
Portland General Electric	3.04%	0.75	5.47%	7.1%
Southern Company	3.04%	0.55	5.47%	6.0%
Westar Energy	3.04%	0.75	5.47%	7.1%
Mean				7.0%
Median				6.9%

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

<u>20-year Treasury Bonds</u>	
Month	Rate
May, 2013	2.73%
June, 2013	3.07%
July, 2013	3.31%
Average	3.04%

PROXY COMPANIES
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	1992-2001	2002-2008	2009-2012	2013	2014	2016-18	
	Average																											
Parcel Proxy Group																												
ALLETE	12.2%	11.5%	11.6%	12.0%	11.6%	9.6%	6.2%	9.1%	9.3%	10.3%	5.7%	7.6%	12.7%	12.6%	13.2%	13.1%	11.4%	7.3%	8.2%	9.5%	8.7%	10.3%	12.5%	8.4%	8.0%	8.5%	9.5%	
Aliant Energy	11.7%	12.2%	10.5%	11.2%	10.6%	15.0%	10.2%	11.1%	13.4%	7.3%	4.5%	6.7%	6.6%	5.8%	8.8%	4.1%	7.6%	6.4%	8.5%	8.6%	8.6%	10.4%	8.0%	9.8%	11.3%	11.0%	11.0%	
Avesta Corp	16.2%	14.7%	13.9%	14.4%	16.1%	18.2%	16.8%	17.2%	21.4%	22.1%	12.1%	8.5%	7.8%	9.4%	9.6%	10.9%	0.7%	8.4%	5.9%	3.6%	3.6%	16.9%	8.5%	6.3%	8.5%	8.5%	9.5%	
Black-His Corp	9.0%	11.2%	10.1%	11.6%	12.1%	12.4%	12.4%	12.3%	16.7%	14.8%	7.1%	4.2%	8.3%	7.3%	9.4%	7.1%	8.0%	9.3%	9.8%	10.5%	9.9%	12.3%	7.3%	9.9%	9.0%	8.5%	8.5%	
IDACORP	13.1%	13.3%	13.1%	12.5%	7.1%	12.5%	12.2%	13.0%	14.2%	13.1%	13.2%	12.5%	11.4%	16.6%	6.4%	11.9%	11.8%	10.4%	11.3%	11.3%	11.3%	11.4%	11.8%	11.1%	11.5%	11.5%	11.5%	
MGE Energy	10.6%	12.0%	10.8%	10.5%	11.7%	10.5%	11.3%	11.7%	8.9%	11.9%	9.8%	7.6%	8.3%	8.1%	7.1%	7.9%	9.9%	9.4%	9.6%	10.9%	10.9%	9.3%	9.6%	9.8%	9.5%	9.5%	9.5%	
Northwestern Energy	10.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	
Portland General Electric	16.1%	15.1%	14.5%	16.6%	16.8%	14.8%	14.8%	13.8%	17.4%	17.3%	13.5%	0.7%	9.2%	14.2%	5.9%	11.5%	6.5%	6.2%	8.0%	9.0%	8.3%	12.7%	8.0%	7.9%	8.6%	8.6%	9.0%	
TECO Energy	11.0%	12.4%	10.7%	11.1%	10.4%	-1.6%	7.1%	5.2%	3.2%	-2.2%	5.0%	10.8%	7.7%	9.5%	11.1%	10.0%	6.7%	6.3%	8.6%	6.7%	9.6%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	
Westar Energy	11.4%	11.8%	10.5%	13.0%	11.5%	3.2%	10.1%	11.3%	6.4%	10.6%	12.8%	11.8%	9.0%	11.6%	11.1%	11.1%	11.0%	10.8%	12.2%	13.0%	13.0%	10.2%	11.2%	13.3%	13.0%	13.0%	14.5%	
Wisconsin Energy																												
Average	12.4%	12.6%	11.7%	12.0%	12.2%	10.3%	11.1%	10.5%	12.3%	11.8%	9.3%	7.7%	8.6%	10.4%	9.9%	10.1%	9.4%	8.3%	9.2%	9.4%	9.4%	11.8%	9.3%	9.1%	9.2%	9.3%	10.0%	
Median	12.0%	12.1%	11.1%	12.3%	11.7%	12.4%	11.3%	11.7%	13.4%	11.9%	9.8%	7.6%	8.4%	9.6%	8.5%	11.0%	8.3%	8.4%	9.1%	9.9%	9.9%	12.0%	9.2%	9.2%	9.0%	8.8%	9.5%	
Hecht Proxy Group																												
American Electric Power Co	11.1%	11.9%	12.0%	12.4%	13.2%	13.5%	11.3%	10.5%	4.1%	12.9%	12.3%	12.4%	12.7%	11.9%	12.2%	11.7%	11.6%	11.0%	9.3%	10.7%	10.7%	11.3%	12.1%	10.2%	9.5%	10.2%	10.2%	
Cleco Corp	14.0%	12.4%	12.9%	13.4%	13.8%	13.2%	12.6%	12.9%	15.0%	14.6%	13.5%	11.5%	12.6%	11.6%	9.4%	8.2%	9.9%	9.7%	11.4%	11.4%	11.4%	11.2%	11.0%	10.9%	9.5%	10.5%	11.2%	
Entire Dashed Electric	10.3%	9.4%	10.6%	9.4%	9.6%	9.8%	11.6%	8.4%	10.0%	4.3%	8.4%	8.7%	5.7%	6.2%	9.2%	6.6%	7.4%	7.5%	7.4%	8.1%	7.9%	9.4%	7.5%	10.9%	9.4%	10.5%	11.2%	
Great Plains Energy	9.8%	12.0%	11.7%	13.4%	11.6%	11.7%	13.2%	8.9%	14.2%	11.6%	15.6%	16.6%	16.8%	13.7%	8.8%	10.6%	5.9%	4.3%	7.3%	5.6%	6.2%	11.8%	12.7%	6.1%	7.0%	8.0%	8.5%	
Hawaiian Electric Industries	10.9%	10.5%	11.1%	11.0%	10.5%	10.9%	11.5%	11.1%	9.8%	12.4%	11.9%	11.1%	9.3%	9.7%	9.3%	7.7%	7.0%	5.9%	7.7%	9.1%	10.4%	9.4%	9.4%	6.3%	5.0%	5.5%	6.0%	
IDCORP	13.1%	13.3%	13.1%	12.5%	7.1%	12.5%	12.2%	13.0%	14.2%	13.1%	13.2%	12.5%	11.4%	9.4%	10.5%	12.1%	11.8%	10.4%	11.3%	11.3%	11.3%	11.4%	11.8%	11.1%	11.5%	11.5%	11.5%	
Northwestern Energy	10.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	
Portland General Electric	16.1%	15.1%	14.5%	16.6%	16.8%	14.8%	14.8%	13.8%	17.4%	17.3%	13.5%	0.7%	9.2%	14.2%	5.9%	11.5%	6.5%	6.2%	8.0%	9.0%	8.3%	12.7%	8.0%	7.9%	8.6%	8.6%	9.0%	
Public Service Capital	10.3%	9.0%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	
PNW Resources, Inc	4.6%	5.6%	11.7%	8.5%	9.8%	10.0%	11.3%	9.1%	10.2%	15.8%	6.3%	8.7%	7.9%	8.6%	8.4%	9.4%	6.5%	9.1%	4.8%	5.8%	5.8%	10.0%	5.5%	5.1%	7.2%	7.2%	7.2%	
Southern Company	12.8%	13.4%	12.4%	13.0%	13.4%	13.9%	13.4%	13.1%	13.6%	11.9%	15.7%	15.6%	15.2%	15.0%	14.2%	14.5%	13.5%	13.2%	12.6%	13.5%	13.5%	12.7%	14.3%	12.9%	13.0%	13.0%	13.5%	
Westar Energy	11.0%	12.4%	10.7%	11.1%	10.4%	-1.6%	7.1%	5.2%	3.2%	-2.2%	5.0%	10.8%	7.7%	9.5%	11.1%	10.0%	6.7%	6.3%	8.6%	6.7%	9.6%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	
Average	11.4%	11.8%	11.3%	12.0%	11.5%	10.7%	11.7%	10.8%	11.1%	11.1%	11.4%	11.5%	10.8%	10.4%	10.1%	9.9%	7.7%	7.4%	8.3%	8.5%	8.2%	11.5%	10.1%	8.4%	9.2%	9.3%	9.8%	
Median	11.1%	12.0%	11.7%	12.5%	11.4%	11.7%	11.6%	11.1%	12.4%	12.8%	12.3%	11.5%	10.8%	9.7%	9.6%	10.2%	6.5%	6.6%	8.3%	8.6%	8.6%	11.8%	10.1%	8.3%	9.0%	9.5%	9.5%	

Source: Calculations made from data contained in Value Line Investment Survey

PROXY COMPANIES
MARKET TO BOOK RATIOS

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	2002-2008 Average	2009-2012 Average
Parcels Proxy Group																								
ALLETE	190%	185%	154%	152%	156%	155%	156%	126%	120%	128%	110%	97%	323%	213%	216%	198%	156%	113%	127%	138%	136%	152%	221%	128%
Altant Energy	151%	163%	133%	125%	145%	162%	163%	152%	317%	114%	87%	94%	111%	120%	158%	173%	131%	102%	131%	147%	162%	152%	131%	135%
Avista Corp.	264%	221%	169%	185%	198%	228%	255%	237%	301%	273%	143%	134%	118%	118%	135%	121%	110%	97%	108%	108%	123%	163%	111%	111%
Black Hills Corp.	155%	172%	146%	148%	168%	177%	177%	158%	189%	185%	134%	112%	125%	122%	138%	164%	124%	77%	106%	108%	123%	148%	111%	111%
IDACORP	189%	196%	189%	183%	203%	189%	197%	177%	172%	197%	214%	223%	207%	207%	138%	178%	160%	154%	113%	108%	120%	148%	124%	124%
MGE Energy	160%	162%	135%	138%	161%	151%	161%	166%	139%	124%	110%	103%	109%	262%	160%	147%	109%	105%	122%	138%	148%	155%	175%	128%
Northwestern Energy	115%	125%	112%	140%	199%	151%	161%	166%	210%	222%	138%	111%	174%	122%	139%	141%	115%	75%	92%	98%	101%	150%	148%	92%
Popco Holdings	243%	268%	234%	238%	241%	234%	247%	210%	223%	222%	138%	111%	174%	243%	159%	140%	83%	83%	97%	109%	117%	138%	131%	102%
Portland General Electric	144%	152%	130%	129%	128%	131%	129%	89%	74%	78%	67%	109%	132%	142%	139%	148%	107%	91%	111%	119%	133%	118%	145%	145%
TECO Energy	178%	177%	160%	172%	168%	154%	165%	152%	119%	126%	128%	147%	166%	138%	182%	178%	153%	147%	171%	166%	213%	158%	155%	175%
Westar Energy	178%	177%	160%	172%	168%	154%	165%	152%	119%	126%	128%	147%	166%	138%	182%	178%	153%	147%	171%	166%	213%	158%	155%	175%
Wisconsin Energy	178%	177%	160%	172%	168%	154%	165%	152%	119%	126%	128%	147%	166%	138%	182%	178%	153%	147%	171%	166%	213%	158%	155%	175%
Average	179%	182%	155%	161%	175%	176%	185%	162%	184%	161%	125%	126%	158%	171%	163%	158%	128%	106%	126%	136%	146%	170%	150%	128%
Median	169%	175%	150%	150%	169%	162%	177%	158%	172%	129%	129%	111%	133%	142%	154%	156%	120%	98%	118%	129%	135%	161%	135%	120%
Hevort Proxy Group																								
American Electric Power Co	143%	158%	143%	156%	178%	187%	191%	154%	147%	178%	138%	124%	155%	165%	161%	198%	145%	112%	118%	138%	134%	164%	154%	123%
Cleco Corp.	177%	175%	158%	162%	168%	171%	181%	172%	223%	224%	154%	134%	177%	177%	162%	162%	132%	126%	139%	151%	163%	181%	167%	142%
Empire District Electric	184%	178%	143%	142%	143%	138%	168%	177%	163%	132%	132%	133%	144%	148%	162%	158%	127%	105%	127%	135%	124%	142%	142%	133%
Great Plains Electric	160%	173%	151%	158%	181%	198%	209%	178%	173%	162%	163%	158%	148%	189%	181%	173%	113%	73%	87%	82%	97%	120%	120%	
Hawaiian Electric Industries	171%	154%	141%	149%	147%	147%	154%	132%	127%	145%	153%	151%	178%	181%	192%	168%	113%	73%	87%	82%	97%	120%	120%	
IDACORP	155%	172%	148%	148%	168%	177%	177%	158%	168%	185%	134%	112%	125%	122%	132%	132%	104%	94%	113%	118%	123%	147%	124%	
Offer Tail Corp.	116%	120%	207%	213%	205%	195%	177%	158%	168%	185%	134%	112%	125%	122%	132%	132%	104%	94%	113%	118%	123%	147%	124%	
Pinnacle West Capital	116%	120%	207%	213%	205%	195%	177%	158%	168%	185%	134%	112%	125%	122%	132%	132%	104%	94%	113%	118%	123%	147%	124%	
PNM Resources Inc.	72%	84%	87%	95%	108%	106%	105%	85%	94%	123%	95%	93%	124%	147%	153%	127%	100%	50%	113%	125%	141%	136%	121%	
Portland General Electric	115%	125%	112%	140%	199%	151%	161%	166%	210%	222%	138%	111%	174%	243%	159%	140%	83%	83%	97%	109%	117%	138%	131%	
Southern Company	154%	180%	161%	174%	176%	167%	186%	186%	189%	209%	230%	233%	227%	238%	229%	239%	211%	182%	165%	169%	218%	179%	131%	
Westar Energy	144%	152%	130%	129%	126%	131%	128%	89%	74%	78%	67%	109%	132%	142%	139%	148%	107%	91%	111%	119%	133%	118%	145%	
Average	142%	150%	140%	149%	161%	161%	172%	152%	160%	172%	148%	146%	163%	166%	152%	161%	128%	102%	118%	126%	135%	155%	152%	
Median	149%	157%	143%	149%	168%	167%	180%	158%	173%	179%	138%	133%	155%	165%	157%	156%	116%	97%	116%	124%	134%	162%	146%	

Source: Calculations made from data contained in Value Line Investment Survey.

**STANDARD & POOR'S 500 COMPOSITE
RETURNS AND MARKET-TO-BOOK RATIOS
1992 - 2012**

YEAR	RETURN ON AVERAGE EQUITY	MARKET-TO BOOK RATIO
1992	12.2%	271%
1993	13.2%	272%
1994	16.4%	246%
1995	16.6%	264%
1996	17.1%	299%
1997	16.3%	354%
1998	14.6%	421%
1999	17.3%	481%
2000	16.2%	453%
2001	7.5%	353%
2002	8.4%	296%
2003	14.2%	278%
2004	15.0%	291%
2005	16.1%	278%
2006	17.0%	277%
2007	12.8%	284%
2008	3.0%	224%
2009	10.6%	187%
2010	14.2%	208%
2011	14.6%	208%
2012	13.5%	214%
Averages:		
1992-2001	14.7%	341%
2002-2008	12.4%	275%
2009-2012	13.2%	204%

Source: Standard & Poor's Analyst's Handbook, 2012 edition, page 1.

RISK INDICATORS

COMPANY	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FINANCIAL STRENGTH	S&P STOCK RANKING	
Parcell Proxy Group					
ALLETE	2	0.70	A	4.00	B 3.00
Alliant Energy	2	0.70	A	4.00	B 3.00
Avista Corp.	2	0.70	A	4.00	A- 3.67
Black Hills Corp	3	0.80	B+	3.33	B 3.00
IDACORP	2	0.70	B++	3.67	B+ 3.33
MGE Energy	1	0.60	A	4.00	B+ 3.33
Northwestern Energy	3	0.70	B+	3.33	NR
Pepco Holdings	3	0.75	B	3.00	B 3.00
Portland General Electric	2	0.75	B++	3.67	NR
TECO Energy	2	0.85	B++	3.67	B 3.00
Westar Energy	2	0.75	B++	3.67	B+ 3.33
Wisconsin Energy	1	0.60	A	4.00	A 4.00
	2.1	0.72	B++	3.70	B+ 3.27
Hevert Proxy Group					
American Electric Power Co	3	0.65	B++	3.67	B 3.00
Cleco Corp	1	0.65	A	4.00	B 3.00
Empire District Electric	2	0.65	B++	3.67	B+ 3.33
Great Plains Energy	3	0.80	B++	3.67	B 3.00
Hawaiian Electric Industries	2	0.70	B++	3.67	B 3.00
IDACORP	2	0.70	B++	3.67	B+ 3.33
Otter Tail Corp.	3	0.90	B++	3.33	B 3.00
Pinnacle West Capital	1	0.70	A	4.00	B 3.00
PNM Resources, Inc.	3	0.95	B	3.00	B 3.00
Portland General Electric	2	0.75	B++	3.67	NR
Southern Company	1	0.55	A	4.00	A- 3.67
Westar Energy	2	0.75	B++	3.67	B+ 3.33
Average	2.1	0.73	B++	3.67	B+ 3.15

RISK INDICATORS

GROUP	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FIN STR	S & P STK RANK
S & P's 500 Composite	2.7	1.05	B++	B
Parcell Proxy Group	2.1	0.72	B++	B+
Hevert Proxy Group	2.1	0.73	B++	B+

Sources: Value Line Investment Survey, Standard & Poor's Stock Guide.

Definitions:

Safety rankings are in a range of 1 to 5, with 1 representing the highest safety or lowest risk.

Beta reflects the variability of a particular stock, relative to the market as a whole. A stock with a beta of 1.0 moves in concert with the market, a stock with a beta below 1.0 is less variable than the market, and a stock with a beta above 1.0 is more variable than the market.

Financial strengths range from C to A++, with the latter representing the highest level.

Common stock rankings range from D to A+, with the later representing the highest level.

**DELMARVA POWER & LIGHT COMPANY
RATING AGENCY RATIOS**

Item	Percent	Cost	Weighted Cost	Pre-Tax Cost	
Long-Term Debt	50.78%	4.91%	2.49%	2.49%	
Common Equity	49.22%	9.35%	4.60%	7.67%	
Total	100.00%		7.09%	10.16%	1/

1/ Post-tax weighted cost divided by .60 (composite tax factor)

Pre-Tax coverage = **4.08** = (10.16% / 2.49%)

Standard & Poor's Utility Benchmark Ratios:
Business Profile of "3"

	A	BBB
Pre-tax coverage	2.8x - 3.4x	1.8x - 2.8x
Total debt to total capital	50%-55%	55%-65%

UPDATE OF DP&L WITNESS HEVERT'S DISCOUNTED CASH FLOW ANALYSES

	Dividend Yield (1)	Expected Dividend Yield (2)	Zacks EPS Growth (3)	Zacks DCF (4)	Expected Dividend Yield (5)	First Call EPS Growth (6)	First Call DCF (7)	Expected Dividend Yield (8)	Value Line EPS Growth (9)	Value Line DCF (10)	Average DCF (11)	Expected Dividend Yield (12)	Highest EPS Growth (13)	Highest DCF (14)	Highest DCF Excl Extreme Values (15)
American Electric Power Co	4.15%	4.23%	3.87%	8.10%	4.23%	3.81%	8.04%	4.24%	4.50%	8.74%	8.30%	4.24%	4.50%	8.74%	8.74%
Cleco Corp	3.11%	3.23%	8.00%	11.23%	3.23%	8.00%	11.23%	3.19%	5.50%	8.69%	10.39%	3.23%	8.00%	11.23%	11.23%
Empire District Electric	4.39%	4.45%	3.00%	7.45%	4.45%	3.00%	7.45%	4.50%	5.00%	9.50%	8.14%	4.50%	5.00%	9.50%	9.50%
Great Plains Energy	3.74%	3.86%	6.19%	10.05%	3.86%	6.26%	10.12%	3.86%	6.50%	10.36%	10.18%	3.86%	6.50%	10.36%	10.36%
Hawaiian Electric Industries	4.76%	4.85%	3.70%	8.55%	4.82%	2.40%	7.22%	4.85%	3.50%	8.35%	8.04%	4.85%	3.70%	8.55%	8.55%
IDACORP	3.07%	3.14%	4.50%	7.64%	3.13%	4.00%	7.13%	3.10%	2.00%	5.10%	6.62%	3.14%	4.50%	7.64%	7.64%
Otter Tail Corp.	4.07%	4.19%	6.00%	10.19%	4.19%	6.00%	10.19%	4.51%	21.50%	26.01%	15.46%	4.51%	21.50%	26.01%	(16)
Pinnacle West Capital	3.84%	3.93%	4.59%	8.52%	3.95%	5.45%	9.40%	3.94%	5.00%	8.84%	8.95%	3.95%	5.45%	9.40%	9.40%
PNM Resources, Inc.	2.92%	3.02%	7.32%	10.34%	3.01%	6.43%	9.44%	3.09%	12.00%	15.09%	11.63%	3.09%	12.00%	15.09%	(17)
Portland General Electric	3.55%	3.66%	6.27%	9.93%	3.66%	6.52%	10.18%	3.61%	3.50%	7.11%	9.07%	3.66%	6.52%	10.18%	10.18%
Southern Company	4.48%	4.58%	4.44%	9.02%	4.58%	4.60%	9.18%	4.58%	4.50%	9.08%	9.09%	4.58%	4.60%	9.18%	9.18%
Westar Energy	4.18%	4.29%	5.07%	9.38%	4.28%	3.90%	8.16%	4.31%	6.00%	10.31%	9.28%	4.31%	6.00%	10.31%	10.31%
Average	3.85%	3.95%	5.25%	9.20%	3.95%	5.03%	8.98%	3.98%	6.63%	10.61%	9.59%	3.99%	7.36%	11.35%	9.51%
Median	3.96%	4.06%	4.83%	9.19%	4.07%	5.03%	9.29%	4.09%	5.00%	9.01%	9.08%	4.10%	5.73%	9.84%	9.45%

(1) Current annualized dividend rate divided by average of high and low stock price for the three-month period ended July 31, 2013, as shown on Exhibit DCP-7, page 1 of 4.

(2) Current dividend yield, from column (1), increased by one-half the EPS growth rate, as shown in column (3).

(3) Current Zacks EPS growth rates, using Zacks website as of August 12, 2013.

(4) DCF cost rate by combining columns (2) and (3).

(5) Current dividend yield, from column (1), increased by one-half the EPS growth rate, as shown in column (6).

(6) Current First Call EPS growth rates, using Yahoo! Finance website, as shown on Exhibit DCP-7, page 4 of 4.

(7) DCF cost rate by combining columns (5) and (6).

(8) Current dividend yield, from column (1), increased by one-half the EPS growth rate, as shown in column (9).

(9) Current Value Line EPS growth rate, as shown on Exhibit DCP-7, page 3.

(10) DCF cost rate by combining columns (8) and (9).

(11) Average of columns (4), (7), and (10).

(12) Current dividend yield, from column (1), increased by one-half the EPS growth rate, as shown in column (13).

(13) Highest EPS growth rate, from columns (3), (6), and (9).

(14) DCF cost rate by combining columns (12) and (13).

(15) Highest DCF cost rates excluding two companies that exhibit extreme and unsustainable values of EPS growth, as described in (16) and (17) below.

(16) Otter Tail Power has a Value Line projected EPS growth rate of 21.5%. This follows a five-year annual historic decline in EPS growth of 18.5%.

(17) PNM Resources has a Value Line projected EPS growth rate of 12.0%. This follows a five-year annual historic decline in EPS growth of 4.0%.