Gas
Testimony of
Kevin M. McGowan

DELMARVA POWER & LIGHT COMPANY

BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION
GAS DIRECT TESTIMONY OF KEVIN M. MCGOWAN
DOCKET NO. _____

Q1. Please state your name and position.

A1. My name is Kevin M. McGowan and I am Vice President, Regulatory Policy and Strategy of Pepco Holdings. I am testifying on behalf of Delmarva Power & Light Company (Delmarva Power or the Company).

Q2. What are your responsibilities in your role as Vice President, Regulatory Policy and Strategy?

A2. I am responsible for regulatory matters for Pepco Holdings and its three regulated utility subsidiaries, Delmarva Power, Atlantic City Electric Company and Potomac Electric Power Company (Pepco). In this capacity, I am responsible for regulatory affairs related to Pepco Holdings utility business before the Delaware Public Service Commission (the Commission), the Maryland Public Service Commission, the New Jersey Board of Public Utilities, the Public Service Commission of the District of Columbia, and the Federal Energy Regulatory Commission. I also participate in Pepco Holdings analysis of regulatory issues and the development of positions on those issues.

Q3. Please state your educational background and professional experience.

A3. I hold a Bachelor of Business Administration degree in both Accounting and Business Data Systems from the University of Texas at San Antonio and a Masters of Business Administration in Finance from the University of Chicago Booth School of Business. I am also a Certified Public Accountant.

In 1998, I joined Potomac Capital Investments, a subsidiary of Pepco, as the Vice President and Treasurer. In 2004, I transferred to Pepco Holdings Inc. (PHI) Power Delivery group and eventually to PHI, where I managed various financial positions including Strategic Planning, Financial Planning, Treasury, and Corporate Risk. In March 2009, I was promoted to Vice President and Treasurer of PHI. In November 2012, I became Vice President, Regulatory Affairs. Prior to joining Potomac Capital Investments, I worked for Duty Free International, an international retail company, and prior to that I worked for Ernst & Young.

Q4. What is the purpose of your Direct Testimony?

A4. The purpose of my Direct Testimony is to provide an overview of the Company's application for an increase in base distribution rates for its Natural Gas Division, which is predominately driven by the need to make continued infrastructure investments to maintain reliability, maintain and enhance safety, improve customer service, implement the results of the Company's most recent depreciation study and address new load. Together, these items alone represent over 80% of the request. The Company has made significant investments in infrastructure and technology to maintain reliability, maintain and enhance safety, improve customer service, to comply with energy policies of the State of Delaware, and to comply with regulations and recommendations of the Federal Department of Transportation, the Pipeline and Hazardous Materials Administration and the National Transportation Safety Board, especially as it relates to the Company's Cast Iron Replacement Program. These investments are providing significant benefits to our customers. We are committed to maintaining and driving toward further improved service and enhanced safety for our

customers. To accomplish this, the Company needs to receive recovery of the investments it has already made and should be allowed to recover investments that go beyond the test period through the rate effective period.

Q5. How is your testimony organized?

A5. My testimony is organized as follows. I will: (a) discuss Delmarva Power's proposed capital structure and proposed rate of return and why it is important for Delmarva Power's customers that the Company is financially healthy and has access to capital on reasonable terms; (b) summarize the results of the Company's recent depreciation study; (c) explain the importance of the recovery of the portion of the Company's employee compensation plan that involves incentives, which is an important component of the Company's employee compensation program; (d) discuss the importance of recovering the Company's credit facility costs as part of cost of service, rather than as a component of AFUDC; (e) briefly discuss certain issues related to the PHI and Exelon merger; and (f) briefly summarize the testimony of the Company's witnesses.

This testimony and accompanying schedules were prepared by me or under my direct supervision and control. The source documents for my testimony are Company records and public documents. I also rely upon my personal knowledge and experience.

Q6. Please provide an overview of the Company.

A6. Delmarva Power was incorporated in 1909, and for decades has played a vital role in the economy of Delaware. Today, we provide natural gas service to approximately 130,000 customers in Delaware. Our Delaware natural gas service

territory is spread over 275 square miles located in roughly the northern two thirds of New Castle County, Delaware. We serve our gas customers through a gas system that includes 3,383 miles of distribution lines and 7 miles of transmission lines. The Company also has three million gallons of LNG plant capacity. Its gas mains are fed at four interstate pipelines via interconnections as four major and six minor gate stations.

Q7. Please summarize Delmarva Power's role in the economy of Delaware.

A7. Delmarva Power is an important partner in the economy of Delaware. The Company provides good customer service, safe and reliable gas service and makes direct economic contributions to the region. All of these efforts are a necessary element in the economy. Delmarva Power and Pepco Holdings have approximately 1,100 employees in Delaware. In addition to our 1,100 Delaware employees, we utilize hundreds of additional contract crews and utilize services from other businesses throughout the State. Over the past six years (2010 - 2015), Delmarva Power has invested over 90% of its earnings back into the business.

In addition, Delmarva Power donates approximately $700,000 annually to charitable organizations operating in Delaware. Delmarva Power does not seek recovery for any of those charitable contributions. Moreover, Delmarva Power's Delaware employees provide thousands of hours of volunteer services to Delaware charitable organizations.

In summary, Delmarva Power invests millions of dollars annually in the Delaware economy, making Delmarva a vital economic contributor to the State.

Although the Gas Division is not as large as our Electric Division, it is no less important to the 130,000 customers served by our natural gas division.

Summary of the Company's Requested Rate Increase

Q8. What are the main factors driving this filing?

A8. There are predominant issues driving the Company's filing: maintaining system reliability, enhancing safety, complying with the Governor's policies directed to the expansion of natural gas service to more customers in the State, and improving customer service. Over the last four years, Delmarva Power has invested $120.9 million in its natural gas distribution system in a sustained effort to maintain and enhance system safety and reliability, make natural gas service available to additional customers, and improve customer service. As Company Witness Collacchi describes in his direct testimony, these investments are delivering real and tangible benefits to our customers. We have continued to perform well across our customer service organization. Overall customer satisfaction with our Gas Division in 2015 increased to 79% from 64% in 2011. We are proud of these results and the improved level of service we are providing to our customers.

However, maintaining reliability, maintaining and enhancing safety, offering expanding gas service to customers, overall performance and customer satisfaction all require significant and sustained investments in both capital projects and in Operations and Maintenance (O&M) activities. It is those investments and related O&M costs that are driving the need to make this filing. Specifically, Delmarva Power is seeking to recover the costs of the investments the Company has made, and will continue to make, in the natural gas distribution system. As discussed further in

the Direct Testimony of Company Witness Collacchi, such investments are essential to maintain and enhance the safety and reliability performance of the natural gas distribution system, to comply with federal regulations and policies and to continue meeting the expectations of Delmarva Power's customers.

Q9. When did Delmarva Power file its most recent natural gas base rate cases prior to this filing?

A9. Delmarva filed its last natural gas base rate case over three years ago on December 7, 2012.

Q10. Please summarize the Company's current base rate increase request.

A10. In order to recover the Company's investments in its natural gas distribution infrastructure and other costs necessary to operate the system, new depreciation rates and gas infrastructure investments made to achieve Delaware's policy of expanding natural gas service, the Company is requesting a $21.5 million increase in base natural gas distribution revenue, based on a rate of return on equity of 10.60%, supported by Company Witness Hevert.

The Company is also proposing the recovery of its capital investments to maintain reliability and enhance safety as follows: (a) end of test period reliability rate base; (b) plant additions placed in service from January 2016 through September 2016 (which represents assets placed in service after the test year and prior to the anticipated hearing date); (c) the total amount of reliability additions placed in service from October 2016 through December 2016 (which represents verifiable expenditures the Company has made that will be placed in service prior to the

beginning of the rate effective period); and (d) projected reliability additions placed in service from January 2017 through June 2017.

The request includes additional depreciation expense as a result of the Company's depreciation study. The depreciation study was required by Commission Order No. 8746, which adopted the Amended Merger Settlement Agreement. Paragraph 81 of the Amended Merger Settlement Agreement required Delmarva Power to conduct a depreciation study and submit the study with this base rate filing. In compliance with Order No. 8746 and the Amended Merger Settlement Agreement, the Company has submitted a gas depreciation study. The depreciation rates from the study have been applied to the assets included in rate base, which results in a $4.5 million increase in depreciation expense. The last depreciation study was conducted in 1996 in Docket No. 94-22.

Q11. What is the impact of the requested rate increase on an average residential gas customer?

A11. A typical residential customer using an average of 120 CCF in a winter month would see a bill increase of $13.55 or 10.4%, from $129.67 to $143.22. Company Witness Santacecilia provides additional information related to the billing comparison for the overall proposed rate changes.

The Company's Requested Rate of Return and Capital Structure

Q12. What overall rate of return is Delmarva Power requesting?

A12. As shown in Schedule (KMM)-1, the Company is requesting an overall rate of return of 7.19% on its distribution rate base in Delaware.

Q13. On what capital structure is the overall rate of return based?

A13. The overall rate of return is based on the Company's actual December 31, 2015 capital structure, and is calculated using the weighted average capital structure ratios of 49.44% for common equity and 50.56% for long-term debt. The embedded long-term debt cost is 3.85% (see Schedule (KMM)-1), and its return on common equity is 10.60%, as recommended by Company Witness Hevert.

Q14. Has the capital structure been calculated in a way previously accepted by the Commission?

A14. Yes, the capital structure has been calculated in the same manner accepted by the Commission in the past several rate cases, including the most recent decisions in Docket Nos. 12-546 and 13-115 (see ordering paragraph 26 in PSC Order No. 8589, August 5, 2014).

Q15. Is this capital structure consistent with the Company's goals and objectives and the requirements of the Commission regarding capital structure?

A15. Yes, this capital structure is consistent with the Company's goals and objectives to maintain the Company's credit ratings and a target equity ratio at least in the range of 49-50%. In addition, the Company's current credit ratings are based on its commitment to maintain a minimum capital structure consistent with these percentages.

Q16. Is this capital structure consistent with industry practice and averages?

A16. Yes. The Company's recommended capital structure is in line with the 2015 and 2016 full-year reported averages of 49.93% and 50.83%, respectively, of the common equity ratios of gas utilities as published in the April 15, 2016 edition of

Regulatory Research Associates' "Regulatory Focus: Major Rate Case Decisions – January-March 2016."

Q17. Are there other reasons this capital structure is appropriate for use in this proceeding?

A17. Yes. As indicated in the Direct Testimony of Company Witness Hevert, the Company's recommended capital structure is reasonable given a mean common equity ratio 52.78%, a median equity ratio of 52.62% and a range of equity ratios of 51.47% to 53.82% in the second and third quartiles for the 23 companies in Company Witness Hevert's proxy group for the purpose of determining the cost of equity for this proceeding (see Schedule (RBH)-8).

Q18. What are the Company's credit ratings by the major rating agencies?

A18. Delmarva Power's long-term corporate credit ratings are currently BBB+, Baa1, and BBB+ from Standard & Poor's, Moody's and Fitch, respectively.

Q19. Please briefly describe the importance of the Company's credit ratings.

A19. The Company's credit ratings indicate the rating agencies' assessment of Delmarva Power's ability to meet its obligations to its long-term debt holders. The higher the credit rating, the greater the perceived likelihood that debt investors will receive their interest and principal payments as expected. As such, a company with a higher credit rating generally has access to a larger investor base, faces fewer restrictive covenants and can issue long-term debt at a lower cost. A lower cost of long term debt results in lower rates for customers because it reduces the cost of debt, which is an element of rates.

Conversely, lower credit ratings reflect increased investor risk. As a result, investors and credit providers expect to be paid more to cover the risk of providing funds to a company with a lower credit rating. In addition to paying a higher interest rate to issue new debt, the Company would be required to pay higher annual fees on its Credit Facility if its credit rating were to fall to lower levels than it is today. Moreover, lower credit ratings typically result in investors demanding more restrictive terms and covenants from the issuer. Lower credit ratings also limit the pool of investors that may otherwise invest in the Company due to ratings restrictions imposed by some institutional investors. These additional costs associated with lower credit ratings increase the cost of debt and as a result, increase rates to the Company's customers.

Q20. How does Delmarva Power fund its capital expenditures while maintaining its capital structure as noted above?

A20. Delmarva Power uses three major sources to fund these requirements: (1) internally-generated cash flows, (2) externally-raised funds and (3) equity contributions from the parent company. Delmarva Power does not generate sufficient internal cash flows to fund its capital spending program. Therefore, the Company must raise funds from the capital markets and receive equity contributions from its parent.

Delmarva Power permanently finances its long-term rate base with long-term debt and equity, which is reflected in its capital structure for ratemaking purposes. The Company uses short-term debt to fund changes in working capital and temporarily fund its construction requirements. Once the amount of short-term debt

increases to a level sufficient to issue permanent financing, the short-term debt is retired and replaced with long-term securities. This method is a cost-effective means of financing the Company's construction plan as opposed to only issuing long-term securities and holding large amounts of cash. Also, temporarily financing the construction plan with short-term debt allows the Company to continually assess the market conditions and issue long-term debt under favorable terms and conditions at that time. Accordingly, Delmarva Power's ratemaking cost of capital reflects the Company's permanent sources of funding, i.e. long-term debt and equity.

As noted above, Delmarva Power's capital structure is managed consistent with its goals and objectives. Pepco Holdings policy is to make equity contributions into Delmarva Power and make dividend payments from Delmarva Power to Pepco Holdings to ensure Delmarva Power maintains a minimum equity ratio at least in the 49-50% range.

Depreciation Study

Q21. You testified above that the Company conducted a depreciation study as part of this case. What were the results of the depreciation study?

A21. The study results in an additional $4.5 million of depreciation expense, as discussed in further detail by Company Witness Spanos.

Incentives and Executive Compensation

Q22. Is Delmarva Power seeking recovery of annual incentive plan payments to its employees in this case?

A22. Yes, the Company is seeking rate recovery for a portion of its annual incentive plan payments for most of its employees.

Q23. Please summarize the portion of the annual incentive plan payments that Delmarva Power is seeking to recover in rates.

A23. The Company has included the portion of the annual incentive plan payments related to the achievement of goals that have a direct benefit to customers, such as safety, customer satisfaction, reliability, diversity/affirmative action, regulatory compliance, and control of spending related to operations and maintenance and capital. The Company is requesting recovery of only the portions of its annual incentive plan that are tied to performance in those categories. The testimony of Company Witness Ziminsky details the amount of incentive payment tied to each performance category.

Q24. Which portions of the Company's annual incentive plan is the Company not seeking to recover?

A24. The Company is not seeking recovery of the portions of the annual incentive plan payments related to metrics that, although beneficial to the operations of the Company and its customers, are also tied directly to shareholders interests, such as net earnings. Performance in these financial categories is still critical to operations and the financial health of the Company. Earnings allow the Company to repay investors who have provided hundreds of millions of dollars in equity and debt to the Company needed to maintain the infrastructure, initiate programs and provide service for the benefit of our customers. Improving the Company's earnings to better reflect the Company's authorized return on equity leads to important benefits such as higher credit ratings and a lower cost of capital, all of which benefit customers through lower rates. Although achievement of these metrics does benefit customers, for

purposes of this filing, the Company has removed from its request all annual incentive plan payments tied to these financial metrics.

In addition, the Company has elected to exclude all of the annual incentive plan payments to the top named executive officers allocated to the Company. The testimony of Company Witness Ziminsky details the amount of annual incentive plan payments the Company is not seeking to recover.

Q25. How does Delmarva Power's annual incentive program work to achieve better performance from its employees for the benefit of customers?

A25. Our program is designed to focus employees' attention on achieving goals that are critical to meeting our obligations to customers. While detailed specifics of the annual incentive program differ somewhat from job to job, or among levels within a particular position, they all have the same framework of key drivers. For example, all of the programs have safety as a key driver. We want all of our employees operating with safety as a top priority. Safe employees are careful and aware employees. Our employees operate throughout our Delaware service territory every day. Operating safely keeps our customers, our employees and the general public safe around our crews, equipment and vehicles and keeps customers safe in our walk-in customer service locations. Our goal is to have our employees go home every night and to have no safety incidents involving customers. Accordingly, every annual incentive plan has safety as a key driver.

All of the annual incentive programs also have customer satisfaction components as critical drivers. We use Market Strategies, Inc. to conduct customer surveys several times each year. We also perform targeted surveys of customers who

have had recent interactions with the Company, such as when they contact our call center for assistance or information. The Company believes that customer satisfaction is critically important and we are proud of how we have been doing in that area. Reliability is closely tied to customer satisfaction. Our customer surveys show us that reliability is important to our customers. Accordingly, reliability measures are also included in every annual incentive plan.

Diversity is another top priority of the Company. Delmarva's service territory includes diverse areas with diverse populations. The Company believes that to provide our customers with the best service, it is important for our employees and suppliers to reflect our customer base. We value and promote the diversity of our workforce, customers and suppliers and capitalize upon that diversity to perform at the Company's best. For those reasons, the incentive compensation plans include diversity and affirmative action goals.

Finally, the annual incentive programs all have cost efficiency components that are designed to motivate employees to keep costs down and thus, benefit customers in the ratemaking process. Company leadership has determined that goals that incent employee attention to efficiency and cost control are important to both providing reasonable rates to our customers and the operation of the Company. O&M expense control and managing capital expenditures each serve to lower the revenue requirements for customers. If employees are focused on controlling costs and operating efficiently, the Company's costs will be lower, which results in rates that will be lower than they would otherwise be.

Q26 Please explain the funding trigger mechanism included in the annual incentive plan.

A26. In order for any annual incentive compensation to be paid, money must be available. Accordingly, there is a funding trigger that must be achieved before incentive compensation can be paid. The Company can use several different funding triggers such as cash flow or earnings. The Company uses earnings to measure the funding level, and therefore the trigger ensures that a minimum acceptable level of funding is available to pay out the annual incentive plan described above.

Q27. Please summarize why the Company should be permitted to recover the limited portions of the annual incentive plan costs outlined above.

A27. Company leadership has determined that to achieve the best results for customers, a portion of employee compensation should be "at-risk" and the "at-risk" portion should be directly tied to the achievement of specific goals that benefit customers through performance. The Company's annual incentive plan drives performance in safety, reliability, cost control, and customer service, all of which directly benefit customers. Compensation packages that put a portion of an employee's compensation "at risk," based upon performance, is a widely accepted method used to motivate employees to be more aware, effective, efficient and productive in providing service to customers. The annual incentive plan is an integral part of attracting and maintaining key employees to the Company, drives performance that benefits the customer and should be recovered as an appropriate cost to provide service.

Q28. Is Delmarva Power seeking recovery of costs related to the long-term incentive plan in this case?

A28. Yes. The Company is seeking rate recovery of only a portion of the costs related to the long-term incentive plan.

Q29. Please summarize what portion of the long-term incentive plan Delmarva Power is seeking to recover in rates.

A29. The Company is only seeking to recover approximately 33% of the total long-term incentive plan which is time based and provides an incentive for key experienced employees to remain with the Company.

Similar to above, the Company has also elected to exclude all the long-term incentive plan payments of the top named executive officers allocated to the Company. The testimony of Company Witness Ziminsky discusses the Company's request.

Q30. Please summarize why the Company should recover the annual long-term incentive plan costs outlined above.

A30. The long-term incentive plan provides an incentive for key employees to remain with the Company, which is the time-based portion of the long-term incentive plan. This plan provides a bonus payment to eligible employees, provided the employees remain employed with the Company for the three year period the payment was in effect. Given the complexity and coverage of the Company's operations and the cost to train new employees, it is beneficial to retain key employees. An employee that remains with the Company over a long -term, has a better understanding of the

operations and processes within the Company, a better understanding of the extensive regulatory and legal requirements that Delmarva Power must comply with, and a better understanding of the needs and expectations of our customers. More experienced employees operate more efficiently, are safer, provide better customer service and in general, result in reduced overall costs, all which directly benefit the customer.

Q31. Is Delmarva Power seeking recovery of costs related to Supplemental Executive Retirement Benefits (SERP) in this case?

A31. Yes. The Company is seeking rate recovery of its SERP costs in this case.

Q32. Would you please describe SERP?

A32. SERP constitutes supplemental retirement benefits for key executives that are in addition to the normal retirement programs provided by the Company. Internal Revenue Service (IRS) limits cap the amount of salary that the Company may use in calculating retirement benefits. Because of the IRS cap, executives do not receive the full percentage pension contribution. SERP benefits provide Delmarva Power's executives with a benefit that makes up for the contribution shortfall caused by the IRS salary/retirement benefits cap.

Q33. Why does the Company provide SERP benefits?

A33. The Company provides SERP benefits for the same general reason that it offers an annual incentive plan and a long term incentive plan: to attract and retain the quality executives needed to operate the company appropriately. It is the common practice among utilities such as Delmarva Power that offer qualified defined benefit pension plans to its employees to provide executives with a SERP

that makes up for the IRS cap. Company leadership has determined that if the Company did not offer a SERP, it would be at a disadvantage in both attracting and retaining the key executive talent needed to operate the Company appropriately.

Credit Facility Fees

Q34. Does the filed cost of service include credit facility fees?

A34. Yes. As Witness Ziminsky will discuss further, the credit facility fees are included in interest expense for financial reporting purposes but are not included in the cost of capital. In order to recover the costs related to the credit facility, a rate making adjustment has been made to the cost of service.

Q35. Is this treatment consistent with prior Commission orders?

A35. Yes. The ratemaking precedent set in Docket No. 09-414 (reference paragraph No. 75 in Order No. 8011), allowed the Company to recover the costs related to its credit facility in cost of service. In Docket No. 13-115 the Commission allowed recovery, however, the Commission did not follow past precedent and directed the Company to include the credit facility fees in the rate used for calculating AFUDC.

Q36. Does the Company agree with the Commission's decision?

A36. No. In fact, the Company appealed the decision in Docket No. 13-115. As part of the merger commitment (paragraph 76), the Company agreed to dismiss its appeal. The Company agreed to dismiss the appeal in order to reduce costs for all parties associated with a rate case over two years old, however the Company stated it would assert its position on these issues in this base rate case.

Q37. What is the purpose of the Credit Facility?

A37. The Credit Facility is a separate stand-alone financial program that is different than the Company's commercial paper program and long-term debt program. The Credit Facility provides liquidity for all portions of the Company and supports and improves the Company's overall credit rating, its long-term debt rating and because it is used as liquidity for the commercial paper program, its short-term debt rating. The types of liquidity needs the Credit Facility provides are as follows: First, the credit facility provides vital liquidity for Delmarva that is important for investor support of Delmarva's long-term borrowings because it ensures the Company has adequate and immediate access to funds at all times and since the facility is always available for Delmarva to call upon to obtain funds during its term, it is therefore a critical element in the Rating Agencies' assessment of the Company's long-term credit rating. Second, the Credit Facility supports and improves the overall credit rating of the Company, and as such, allows the Company to obtain better pricing, and terms for many purchases including electricity for our SOS customers, materials, supplies, etc. Third, the credit facility is used by the Company to support short-term debt issuances. Underwrites require liquidity support to issue the Company's commercial paper program, and the Company has determined the Credit Facility provides a less costly approach for satisfying this liquidity requirement. The commercial paper program is separate from the credit facility and allows the Company to issue short-term debt. In general, the facility provides assurance that the Company's obligations, whether short- or long-term will be paid even during unforeseen and prolonged periods of

stress in credit markets. If Delmarva did not maintain its credit facility, the Rating Agencies would not support the current long-term credit ratings of Delmarva

Since the credit facility enables the Company to obtain a higher credit rating, than it would otherwise be able to obtain, the Company can obtain long-term financing at lower rates and negotiate better terms and conditions from its vendors, all which provides a direct benefit to the customer. In addition, the credit facility provides flexibility to Delmarva's long-term financing program because the credit facility can be used to bridge the timing gap between the required due date of maturing debt and the issuance of new debt when the market is accessible or when terms are most favorable. Therefore, the Company should be permitted to include credit facility costs in the cost of service consistent with prior decisions and other states.

Q38. What is the impact of not allowing the Company to include credit facility costs in the cost of service, but instead, including the credit facility fees in the rate used for calculating AFUDC?

A38. There are two unintended consequences of including credit facility fees in the rate used for AFUDC. First, there are fixed annual fees associated with maintaining the Credit Facility. These annual fees are being capitalized into rate base through the AFUDC rate, and therefore these annual costs are being recovered over the life of the capital assets, which could be 30 years. Since the annual fees incurred in the Credit Facility benefit the Company and customers in that particular year, then the costs should not be capitalized and recovered over a 30+ year period. Second, in a period

where the Company has no short-term debt outstanding, there would be no recovery of costs for the Credit Facility in that period.

Because the Credit Facility benefits customers and is a reasonable and necessary part of the Company's overall financing, all of the Credit Facility costs should be recovered annually through cost of service and not over a 30 year, or longer, period.

Merger between PHI and Exelon Corporation

Q39. What is the status of the merger between PHI and Exelon Corporation?

A39. The merger was consummated on March 23, 2016 and Delmarva Power is now an affiliate of Exelon. Upon closing of the merger, Delmarva Power is a direct wholly owned subsidiary of Pepco Holdings LLC.

Q40. Does the test period reflect any merger synergy savings or cost to achieve?

A40. No. The test period in this case is January 1, 2015 through December 31, 2015. Since the merger between Exelon and PHI did not close until March 23, 2016, there were no synergy savings realized during the test period. Also, by the expected date of the evidentiary hearings, it is uncertain at this time as to which of the synergy related initiatives would have been completed or begun.

Q41. Has the Company made any adjustments to the revenue requirement in this case to reflect anticipated merger synergy savings or cost to achieve?

A41. Yes. At the time this docket was filed, the Merger was less than two months old. As I just explained, because the Merger did not take place until approximately 3 months after the close of the test period, no synergy savings existed during the test period. Synergy savings will begin to develop and be realized over time as the new

merged company integrates its operations and management. Nevertheless, the Company believes that it is important for customers to realize the synergy benefits presented and discussed during the merger proceedings. In order to ensure that customers benefit from synergy savings that have not yet been realized, the Company has included Adjustment No. 23, which is a synergy savings adjustment. Adjustment No. 23, reflects the projected net synergy savings that, based on the current forecast, are expected to be allocated to Delmarva Power-Delaware's Gas Division. The projected net synergy savings forecast is the same forecast presented to the parties during the merger proceedings (see Schedule (KMM)-2). The net synergy savings in Adjustment No. 23 includes the forecasted synergies, and as discussed below, the costs to achieve through year one, amortized over five years, along with a return on the unamortized balance.

Q42. How is the Company proposing to treat the cost to achieve the merger synergy savings?

A42. Delmarva requests approval to establish a regulatory asset to defer the costs to achieve the merger synergy savings. A "regulatory asset" is the name of the accounting mechanism used for deferred utility accounting.

Q43. Why does Delmarva Power want to use a regulatory asset to defer the costs incurred to achieve merger synergy savings?

A43. Delmarva Power wants to use deferred accounting to spread the costs to achieve synergy savings over several years to make sure that those costs as part of customer rates are always lower than the synergy savings benefits experienced by customers. Synergy savings benefits are only realized because of the costs incurred

to achieve the synergy savings benefits. In the normal course of utility accounting, costs are expensed when they are incurred. With regard to synergy savings, the costs to achieve the savings must be incurred before the savings are realized. As such, the costs are incurred in the earlier years, and the synergy savings benefits are provided over a much longer period into the future. If normal utility accounting practices are used to expense the costs to achieve as they are incurred, then in the early years, the costs to achieve the synergy savings will be greater than the savings and customers will not experience any synergy savings benefits. In order to ensure that customers will experience synergy savings benefits during the rate effective period (*which is the first year that new rates will be in effect*) and beyond, Delmarva requests Commission approval to defer the costs to achieve the synergy savings over a five year period, along with its authorized rate of return. Because all of the costs to achieve are incurred in the earlier years, and the synergy savings benefits are provided over a longer period into the future, deferring the costs to achieve through use of a regulatory asset is needed to ensure that synergy savings are passed on to customers right away.

Q44. How does Delmarva propose to amortize the costs to achieve?

A44. Since the actual costs to achieve may be incurred over multiple years, which may include more than one rate effective period, the Company requests that the amortization period for particular costs to achieve begin once the amortization expense for each cost is included in each rate effective period. Delmarva Power will not seek recovery of costs to achieve in any Delmarva rate case in an amount greater than the synergy savings that Delmarva demonstrates for the applicable test year.

Q45. Has the Company executed a new General Services Agreement (GSA) with the Exelon Business Services Company (EBSC)?

A45. Yes, the GSA was signed on March 24, 2016 between EBSC and Delmarva. However, no costs were allocated from the EBSC to Delmarva since the GSA was executed after the end of the test period. Delmarva Power provided a copy of the GSA to the Commission as an "informational filing on April 27, 2016."

Q46. Has the Company provided the information required in paragraph 63 of the Amended Merger Settlement Agreement (testimony regarding EBSC charges) and in paragraph 86 of the Amended Merger Settlement Agreement (track and account for merger related savings and cost to achieve those savings)?

A46. There is no information to provide at this time, since this rate case is based on a calendar year 2015 test period, which is prior to the merger closing date of March 23, 2016. The GSA was not executed during the test period and therefore no costs were allocated from the EBSC to Delmarva Power in this test period. The Company has established procedures to capture this information and will provide the required information outlined in paragraphs 63 and 86 of the Amended Merger Settlement Agreement in its next base rate case filing.

Overview of Company's Application

Q47. Please describe the structure of the Company's application.

A47. This filing consists of the application for an increase in base distribution rates together with my testimony and that of six other witnesses:

- Mr. Robert M. Collacchi, Director of Gas Operations & Engineering, provides testimony and schedules on Delmarva Power's natural gas transmission and distribution investments.
- Mr. Robert B. Hevert, Managing Partner, Sussex Economic Advisors, LLC, provides testimony and schedules in support of the Company's proposed cost of equity.
- Mr. John Spanos, Senior Vice President, Gannett Fleming Valuation and Rate Consultants, LLC, provides testimony and schedules in support of the Company's filed depreciation study.
- Mr. Jay C. Ziminsky, Director, Regulatory Strategy & Revenue Policy, provides testimony and exhibits in support of the Company's revenue requirement, the test year selection, and proposed ratemaking adjustments.
- Mr. Michael Normand, Regulatory Affairs Analyst, provides testimony and schedules in support of the Company's gas cost of service studies.
- Ms. Marlene C. Santacecilia, Senior Regulatory Affairs Coordinator, provides testimony and schedules in support of the proposed rate design and Delmarva Power's proposed tariffs.

Q48. Please summarize the Company's overall position in this case.

A48. Delmarva is an important part of the Delaware community and regional economy, and safely and reliably serving its customers is the Company's top priority. Delmarva has successfully provided its customers with safe and reliable natural gas service, and has made investments to accommodate new load in support of Delaware energy policy, and has improved customer satisfaction. However, there

are many challenges ahead to address the realities of necessary infrastructure replacement and the maintenance and modernization of the natural gas distribution system. Meeting those needs involves significant costs and a financially healthy utility is better positioned to navigate through the changes ahead. The proposed rate request will allow Delmarva Power to recover the cost of investments it has already made to serve customers, the opportunity to continue to invest in the natural gas distribution system, the opportunity to earn a reasonable ROE, and the opportunity to contribute economic value to the Delaware economy.

Q49. Does this conclude your Direct Testimony?

A49. Yes, it does.

Delmarva Power & Light Company
Overall Rate of Return With Requested ROE
December 31, 2015
Delaware - Gas

DPL Delaware - Gas

Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	50.56%	3.85%	1.95%
Common Equity	49.44%	10.60%	5.24%
Total	100.00%		7.19%

Delmarva Power & Light Company
Capital Structure and Capitalization Ratios
December 31, 2015
Delaware

Type of Capital	Actual December 31, 2015 Amount ($) ($)	Ratios
Long-Term Debt	1,273,230,000	
Unamortized Net Discount	2,027,306	
Unamortized Debt Issuance Expense	(10,022,966)	
Total Long-Term Debt	1,265,234,340	50.56%
Common Equity	1,237,088,879	49.44%
Total	2,502,323,219	100.00%

Delmarva Power & Light Company
Weighted Cost of Debt
December 31, 2015
Delaware

Issue	Coupon Rate	Maturity	Offering Date	Current Principal Amount Outstanding	Current Unamortized Debt Issuance Expense	Current Unamortized (Premium)/ Discount	Net Amount Outstanding	Effective Cost Rate	Annual Net Cost
First Mortgage Bonds									
	3.50%	11/15/2023	11/7/2013	$300,000,000	$2,080,136	$102,292	$297,817,572	3.61%	$10,742,905
	4.00%	6/1/2042	6/26/2012	$250,000,000	$2,484,598	$1,287,868	$246,227,534	4.09%	$10,080,241
	3.50%	11/15/2023	6/9/2014	$200,000,000	$1,574,221	($3,635,386)	$202,061,165	3.35%	$6,769,496
	4.15%	5/15/2045	5/11/2015	$200,000,000	$2,287,591	$170,036	$197,542,373	4.22%	$8,343,034
Total First Mortgage Bonds				$950,000,000	$8,426,546	($2,075,190)	$943,648,644		$35,935,676
Unsecured Notes									
	5.22%	12/30/2016	12/20/2006	$100,000,000	$71,515		$99,928,485	5.30%	$5,293,876
Total Unsecured Notes				$100,000,000	$71,515	$0	$99,928,485		$5,293,876
Tax Exempt Fixed Rate Bonds	5.40%	2/1/2031	4/1/2010	$78,400,000	$1,162,516		$77,237,484	5.55%	$4,283,312
				$78,400,000	$1,162,516	$0	$77,237,484		$4,283,312
Tax-Exempt Variable Rate Bonds									
	0.12%	10/1/2017	10/1/1987	$8,000,000	$18,331		$7,981,669	0.26%	$20,482
	0.12%	10/1/2017	9/28/1988	$18,000,000	$16,391		$17,983,609	0.17%	$31,123
	0.18%	10/1/2028	10/14/1993	$15,500,000	$105,054		$15,394,946	0.23%	$35,873
	0.12%	10/1/2029	10/12/1994	$30,000,000	$147,981		$29,852,019	0.16%	$48,732
	0.13%	7/1/2024	7/28/1999	$22,330,000	$68,042		$22,261,958	0.25%	$56,610
	0.13%	7/1/2024	7/28/1999	$11,000,000			$11,000,000	0.21%	$23,367
Total Tax Exempt Variable Rate Bonds				$104,830,000	$355,799	$0	$104,474,201		$216,187
Medium-Term Notes Series C									
	7.58%	2/1/2017	2/10/1997	$2,000,000	$718		$1,999,282	7.65%	$153,016
	7.56%	2/1/2017	2/18/1997	$12,000,000	$4,309		$11,995,691	7.63%	$915,657
	6.81%	1/9/2018	1/9/1998	$4,000,000	$104	$3,031	$3,996,865	6.88%	$274,968
	7.61%	12/2/2019	2/12/1997	$12,000,000	$1,459	$44,853	$11,953,688	7.68%	$917,874
	7.72%	2/1/2027	2/7/1997	$10,000,000			$10,000,000	7.78%	$778,476
Total Medium-Term Notes Series C				$40,000,000	$6,590	$47,884	$39,945,526		$3,039,991
Total Long-Term Debt Balance - ACTUAL				$1,273,230,000	$10,022,966	($2,027,306)	$1,265,234,340	3.85%	$48,769,041

Delmarva Power & Light Company
Effective Cost Rate
Long-Term Debt
December 31, 2015
Delaware

Issue	Coupon Rate	Maturity	Offering Date	Original Principal Amount Issued	Original Expense of Issuance	Original (Premium)/ Discount	Original Net Amount to Company	Net Amount Per Unit	Yield to Maturity
First Mortgage Bonds									
	3.50%	11/15/2023	11/7/2013	$300,000,000	$2,561,030	$126,000	$297,312,970	$99.10	3.61%
	4.00%	6/1/2042	6/26/2012	$250,000,000	$2,656,651	$1,377,500	$245,965,849	$98.39	4.09%
	3.50%	11/15/2023	6/9/2014	$200,000,000	$1,861,600	($4,264,000)	$202,402,400	$101.20	3.35%
	4.15%	5/15/2045	5/11/2015	$200,000,000	$2,313,720	$172,000	$197,514,280	$98.76	4.22%
Unsecured Notes									
	5.22%	12/30/2016	12/20/2006	$100,000,000	$600,000	$0	$99,400,000	$99.40	5.30%
Tax Exempt Fixed Rate Bonds									
	5.40%	2/1/2031	4/1/2010	$78,400,000	$1,406,618	$0	$76,993,382	$98.21	5.55%
Tax-Exempt Variable Rate Bonds									
	0.12%	10/1/2017	10/1/1987	$8,000,000	$315,360	$0	$7,684,640	$96.06	0.26%
	0.12%	10/1/2017	9/28/1988	$18,000,000	$270,107	$0	$17,729,893	$98.50	0.17%
	0.18%	10/1/2028	10/14/1993	$15,500,000	$275,796	$0	$15,224,204	$98.22	0.23%
	0.12%	10/1/2029	10/12/1994	$30,000,000	$440,787	$0	$29,559,213	$98.53	0.16%
	0.13%	7/1/2024	7/28/1999	$22,330,000	$669,900	$0	$21,660,100	$97.00	0.25%
	0.13%	7/1/2024	7/28/1999	$11,000,000	$220,000	$0	$10,780,000	$98.00	0.21%
Medium-Term Notes Series C									
	7.58%	2/1/2017	2/10/1997	$2,000,000	$15,000	$0	$1,985,000	$99.25	7.65%
	7.56%	2/1/2017	2/18/1997	$15,000,000	$112,500	$0	$14,887,500	$99.25	7.63%
	6.81%	1/9/2018	1/9/1998	$33,000,000	$247,500	$0	$32,752,500	$99.25	6.88%
	7.61%	12/2/2019	2/12/1997	$12,000,000	$90,000	$0	$11,910,000	$99.25	7.68%
	7.72%	2/1/2027	2/7/1997	$30,000,000	$225,000	$0	$29,775,000	$99.25	7.78%

Net synergies by PHI entity and jurisdiction

($M)	Pre-close	Y1	Y2	Y3	Y4	Y5	Total
Pepco MD							
Synergies	0	6	8	11	12	13	50
CTA	(4)	(14)	(4)	0	0	0	(21)
Net synergies	(4)	(8)	4	11	12	13	28
Pepco DC							
Synergies	0	3	4	5	6	7	24
CTA	(2)	(7)	(2)	0	0	0	(10)
Net synergies	(2)	(4)	2	5	6	7	14
Delmarva DE							
Synergies	0	4	5	7	8	8	32
CTA	(2)	(9)	(2)	0	0	0	(13)
Net synergies	(2)	(5)	3	7	8	8	18
Delmarva MD							
Synergies	0	2	2	3	4	4	15
CTA	(1)	(4)	(1)	0	0	0	(6)
Net synergies	(1)	(2)	1	3	4	4	9
ACE							
Synergies	0	4	6	9	10	11	40
CTA	(3)	(11)	(3)	0	0	0	(17)
Net synergies	(3)	(7)	3	9	10	11	23
PHI utilities							
Synergies	0	18	25	35	39	43	160
CTA	(12)	(44)	(11)	0	0	0	(68)
Net synergies	(12)	(26)	14	35	39	43	92
Cumulative	(12)	(39)	(25)	10	49	92	

Changes vs. September version

Note: Pepco and Delmarva synergies split across jurisdictions using ratio of customer counts; Totals may not sum due to rounding

Exelon.

Gas
Testimony of
Robert M. Collacchi

DELMARVA POWER & LIGHT COMPANY

BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION
GAS DIRECT TESTIMONY OF ROBERT M. COLLACCHI
DOCKET NO. _____

Q1. Please state your name and position.

A1. My name is Robert M. Collacchi and I am Director of Gas Operations & Engineering. I am testifying on behalf of Delmarva Power & Light Company (Delmarva Power or the Company).

Q2. What are your responsibilities in your role as Director of Gas Operations & Engineering?

A2. I am responsible for all aspects of reliability, safety, planning, engineering, construction, and operations and maintenance for the regulated gas utility serving approximately 130,000 customers in Delmarva Power's New Castle County service territory.

Q3. Please state your educational background and professional experience.

A3. I earned a Bachelor of Science degree in Business Management from Wilmington College in 1988. I have worked for the Company and its affiliates for 27 years in various positions including, Service Department Dispatcher, Gas Supply Analyst, Manager, Gas Trading, Director, Gas Supply. From 1996 to June of 2010, I served in various roles in Conectiv Energy including Director, Asset Management; Vice President, Asset Management; and Vice President, Wholesale Operations. Prior to my current position, I was responsible for supply of Standard Offer Service for Delmarva Power's and Pepco's Electric's electricity customers, Basic Generation

Service for Atlantic City Electric's customers and natural gas supply for Delmarva Power's natural gas customers.

Q4. What is the purpose of your Direct Testimony?

A4. The purpose of my testimony is to support the Company's Application for an increase in Gas Base Rates. I will provide a brief overview of the Company's gas delivery business; discuss the Company's investments since the last rate case required to maintain a safe and reliable system and to meet new load; provide a brief update on the Company's Advanced Metering Infrastructure (AMI) project for gas that constitutes the deployment of Interface Management Units (IMU); sponsor the design day demand; and discuss the Company's proposed tariff changes. I will also support certain Minimum Filing Requirements.

This testimony was prepared by me or under my direct supervision and control. The source documents for my testimony are Company records and public documents. I also rely on my personal knowledge and experience.

Q5. Why is the Company seeking a rate increase at this time?

A5. The requested increase in revenues is due in significant part to the Company's continued investment to ensure a safe and reliable gas transmission and distribution system. The Company continuously assesses the integrity of its infrastructure and makes investments to both maintain and enhance the safety and reliability of the system. Further investments in gas system reliability are required to address aging infrastructure in our territory as well as the promulgation of new regulations enacted in compliance with the "Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011". In addition , the Company must invest in its infrastructure in response to

new regulations and recommendations by the Federal Department of Transportation (DOT), the Pipeline and Hazardous Materials Administration (PHMSA), the National Transportation Safety Board (NTSB), applicable provisions of the Delaware Code and the Delaware Public Service Commission Pipeline Safety Program.

Significant investments in the gas distribution system are being made to rehabilitate and replace cast iron piping in Delmarva Power's territory. The Cast Iron Replacement Program, which supports Delmarva Power's Distribution Integrity Management Program (DIMP), created on August 2, 2011, and maintained in response to DOT Code, Part 192, Subpart P, requires that all gas distribution companies document their periodic comprehensive review and prioritization of risks normally associated with natural gas distribution systems. Continued administration of the DIMP is an ongoing expense for the Company.

On average, the Company has invested approximately $15 million each year as part of its pipe rehabilitation and replacement program, since the last rate case (Docket No. 12-546). As a result, Delmarva Power has retired approximately 5 miles of obsolete steel mains, 2 miles of obsolete plastic gas mains and approximately 20 miles of cast and ductile iron mains, and 38 miles or 3,500 obsolete steel and copper services. It is projected that all of the Company's cast iron mains will be either rehabilitated or replaced within the next sixteen years.

Through the pipe rehabilitation and replacement program, the Company works closely with other utility companies, municipalities, and government transportation/highway officials to coordinate its work with road or other infrastructure excavation activities so as to not duplicate efforts. The Company

promptly responds to lines that are determined to be obsolete based on leak analyses and other continuous surveillance activities.

In addition, the Company has made investments to accommodate new load. As the cost of natural gas has dropped, it has created more interest in gas as a source of heating fuel for residential customers. In addition, through certain changes in the Gas Tariff resulting from the Company's last base rate case, the Company has been working with residential and small commercial customers interested in converting to gas to enable them to connect.

Overview of Gas Delivery Business

Q6. Please provide a brief overview of the Company's gas business.

A6. The Company's service area is roughly the northern two-thirds of New Castle County, defined generally as the area north of Boyd's Corner Road. As of the end of December 2015, the Company is serving approximately 129,642 natural gas customers, of which 119,894 are residential customers. The Company's gas delivery system consists of approximately 2,021 miles of gas mains fed by four interstate pipelines via interconnections at four major and six minor gate stations.

Company Investments

Q7. Please summarize the Company's capital investments since the last base rate case.

A7. The Company has made capital investments in gas facilities of $120.9 million since the last base rate case which are summarized in Table 1 on the next page. These investments are set forth in two categories: Reliability and Customer Driven New Load Additions.

Project costs totaling $79.8 million as set forth in Table 1 below were incurred for reliability investments arising from annual load forecast studies and reliability analyses. Main, service and safety replacements are the result of continued pipeline surveillance and performance improvement programs. Liquefied Natural Gas (LNG) and Gate Station plant capital expenditures are primarily the result of planned equipment replacements and upgrades to improve operational performance and safety systems. In addition, meter replacement costs associated with planned periodic testing to maintain measurement reliability and accuracy have been incurred.

During the same period, new load projects totaling $41.1 million were related directly to installations of mains and services for residential and commercial customers.

Gas

2012-2015 Capital Spending

Table 1

Budget Category in millions	2012	2013	2014	2015	Total
Reliability Investments	20.1	19.3	20.4	20.0	**79.8**
Customer Driven - New Load	6.1	5.8	11.9	17.3	**41.1**
Total	26.2	25.1	32.3	37.3	**120.9**

Q8. Please summarize the Company's Gas Delivery Capital Expenditure Program for 2016.

A8. The 2016 Gas Delivery Capital Expenditures Projects total $31.7 million and are presented as Schedule (RMC)-1. The Projects represents a mix of $21.20 million in expenditures for reliability projects (67 %) and $10.5 million in expenditures for growth (33%).

The reliability projects include $9.2 million for implementing safe management and replacement of cast iron, plastic and steel distribution mains, the replacement of steel transmission mains and the protection of steel mains. Another $6.2 million is planned for service line replacements. An additional $1.0 million is for replacements related to minor highway projects, and $2.2 million is planned for the purchase and installation of gas meters. The majority of planned gas meter purchases are related to scheduled replacements. Further, $1.5 million is planned for reliability replacements related to system capacity and pressure regulation. Approximately $ 1.1 million is planned for gate and regulator station improvements, and LNG Plant replacements and improvements.

The $10.5 million related to new load growth includes $7.6 million for residential customer additions, $2.3 million for commercial and industrial additions and $0.6 million for approach main and new load regulator projects.

Q9. Please explain the nature of Gas Construction Work In Progress (CWIP).

A9. Gas Delivery is typically engaged in a variety of projects with job durations varying from weeks to months. Schedule 2-F–CWIP by Project, provided as part of the Minimum Filing Requirement (MFR), lists the projects which make up the Construction Work in Progress (CWIP) balance of $10.3 million for 13 month average ending December 31, 2015. The projects include $5.6 million (54%) for reliability-related projects and $4.7 million (46%) for new load-related work consistent with these categories as discussed earlier in my testimony.

Q10. Please explain the nature of the Company's Reliability-related Plant Closings for 2016 addressed by Company Witness Ziminsky.

A10. The 2016 planned reliability costs total $19.5 million, as discussed by Company Witness Ziminsky in his post test period closing adjustment. This total includes $8.3 million for replacement, improvement and retirement of cast iron, plastic and steel distribution mains, the replacement of steel transmission mains and the protection of steel mains. Another $6.0 million is planned for service line replacements. An additional $1.0 million is for replacements related to minor highway projects, and $2.1 million is planned for the purchase and installation of gas meters. Further, $1.2 million is planned for reliability replacements related to system capacity and pressure regulation. Approximately $0.9 million is planned for gate and regulator station improvements and LNG Plant replacement and improvements.

Advanced Metering Infrastructure Project

Q11. Is recovery for Interface Management Unit (IMU) costs being requested in this proceeding?

A11. Yes. The Company is requesting recovery of certain IMU expenses related to the replacement of batteries in the IMUs.

Q12. Please provide background on why the Company is replacing IMU batteries.

A12. The Company started to see IMU battery failure issues shortly after IMU installation began, and started tracking the failures in 2014. Initially, the Company thought the battery failures were just part of normal deployment growth or related to installation procedure issues. However, as the number of battery failures increased, the Company started working with the vendor, Silver Spring Network, to analyze the

battery failure issue more closely. The analysis indicated that when the battery fails or reaches a capacity level where it is unable to wake up to communicate with the IMU, it will become unreachable in the head end system UIQ after three days. As a result, the automated over the air meter read is not available and usage has to be estimated for subsequent billing. The cause of the battery failure was attributed to a design flaw and the vendor recommended replacement of all of the batteries with a newly designed battery which is warranted for ten years. The Company initiated battery replacements in February 2016 and plans to replace 130,383 batteries by December 31, 2017. The cost of the new batteries themselves will be incurred by the vendor and will not be passed on to customers. The Company is seeking recovery of the incremental labor costs associated with the replacement of the batteries in the field. The total cost of that labor is $3.1 million.

Design Day Demand

Q13. Has the Company prepared an estimate of the Delmarva Power Gas Delivery design day demand?

A13. Yes. I am sponsoring the Company's preparation of the estimated design day demand which I provided to Company Witness Normand for his cost of service study. This estimate was prepared using a National Association of Regulatory Commissioners methodology.

Q14. Please explain the results and components of the design day demand estimate contained in Schedule (RMC) –2.

A14. The calculated design day demand estimate is 215,751 MCF. The details of this estimate are provided in Schedule (RMC)-2. The Residential Class component is

3,366 MCF, the Residential Space Heat Class component is 112,233 MCF, and the General Class is 49,802 MCF. The total firm customers with Contract (MDQ) based rates total 50,350 MCF. The components are: General 8,836 MCF; Medium 12,804 MCF; Large 22,368 MCF; and LVG-QFCP-RC 6,343 MCF.

Proposed Tariff Changes

Q15. Why is the Company proposing tariff changes?

A15. The Company has determined that certain revisions to its Gas Tariff will clarify the provisions contained therein and provide for consistency with Delmarva Power's current requirements and practices. The changes being proposed are as follows:

(A) Adding a Definitions Section within the Tariff, consistent with the format of the Company's Electric Tariff and to provide for a better understanding of the terms being used throughout the Tariff;

(B) Adding a provision in Leaf No. 4 to provide for a process for the resolution of disputes between the Company and its customers and between a customer and its natural gas supplier, consistent with the current provisions of the Electric Tariff. This provision also advises the customer that there is a formal complaint process through the Division of the Public Advocate and Public Service Commission;

(C) Adding language in Leaf No. 5 pertaining to Applications for Service to permit applications for service to be made electronically. In addition, changes are proposed to provide that the Company can meter a property at one consolidated point but provide service at more than one point where the customer's load or service requirements necessitate same or if to do so would result in lower costs;

(D) Modifying the provisions of Leaf No. 20 to clarify the requirements for multiple occupancy buildings specifically addressing the requirements for master meters and consolidated meters;

(E) Modifying the provisions of Leaf No. 25 to add a Seasonal Service Restoration Charge when service is voluntarily disconnected and reconnected within a 12 month period. The Seasonal Service Restoration Charge is equal to the monthly customer charge for the customer's applicable rate schedule for each month the account is inactive; and

(F) Modifying the provisions of Leaf Nos. 55, 56, 59, 59a to match the penalties to be paid by customers for unauthorized overruns to the penalties the Company would incur from upstream pipeline companies. Currently, the amount charged by Delmarva Power to a customer in the event of an unauthorized overrun is significantly less than what is charged by the pipeline companies to Delmarva Power when such event occurs. Unauthorized overruns occur as a result of customer behavior and the imposition of the penalty upon the customer by Delmarva Power should be a pass-through of the penalty imposed upon Delmarva Power by the pipeline companies for such overruns.

Minimum Filing Requirements

Q16. Please list the Minimum Filing Requirements that you are sponsoring.

A16. I am sponsoring the following responses:

Schedule B – System Map

Schedule C-1 - Five Year Gas Supply Plan

Schedule 2-F, page 2 - CWIP by project

Schedule 3-B, pages 3-4 - Deferred Fuel Cost Accounting

Q17. Does this conclude your Direct Testimony?

A17. Yes, it does.

Gas Capital 2016 Plan

Gas Schedule (RMC) -1

	January Plan	February Plan	March Plan	April Plan	May Plan	June Plan	July Plan	August Plan	September Plan	October Plan	November Plan	December Plan	YTD Plan
RGACCRUALS:Gas Capital Accruals	0	0	0	0	0	0	0	0	0	0	0	45,000	45,000
RGCR-1:Gas Service Renewals	269,712	251,646	301,732	615,193	762,925	771,356	762,365	609,742	604,252	614,027	363,892	273,158	6,200,000
RGCR-2:Cast Iron Renewals	187,044	312,544	449,246	742,439	737,168	730,383	736,740	864,231	674,238	366,594	365,382	333,992	6,500,001
RGCR-3:Steel Main Renewals	25,553	25,606	49,578	51,224	51,094	46,780	51,089	50,949	47,296	51,301	25,798	23,731	500,000
RGCR-6:Cathodic Protection	19,640	20,925	43,584	19,919	19,902	14,567	11,423	14,135	11,944	0	13,111	10,849	199,999
RGCR-12:Transmission Main Renewal	0	0	54,773	105,513	105,323	210,553	105,246	209,915	52,672	52,836	53,170	0	950,002
RGCR-14:Plastic Main Renewal	29,757	40,146	40,924	75,181	101,742	98,286	127,311	132,075	99,244	102,062	35,322	17,950	900,000
RGCR-15:Gas Reimbursable	9,084	9,491	10,088	10,285	0	10,425	10,400	10,380	10,372	0	9,939	9,537	100,001
RGEF-2:Gas Equipment & Facilities	40,349	49,733	48,875	50,933	125,017	48,740	100,737	110,567	99,027	50,760	50,755	24,506	799,999
RGEF-4:Gas System Control	15,002	10,000	19,996	20,004	50,022	50,013	49,977	19,979	29,987	15,010	10,001	10,009	300,000
RGHW-1:Minor Highway Relocates	22,661	22,816	74,845	100,951	151,154	104,756	151,044	100,421	100,017	151,654	25,435	24,246	1,030,001
RGUP-1:Capacity & Regulator	50,085	50,189	99,831	100,373	200,385	198,965	200,144	199,691	199,810	100,524	50,580	49,422	1,500,000
RGMR-2:Gas Meter Purchases	237,476	224,635	158,943	238,764	152,971	228,815	142,265	207,130	209,266	137,305	134,193	128,237	2,200,000
Total Reliability	**906,363**	**1,017,731**	**1,352,415**	**2,130,779**	**2,457,703**	**2,513,639**	**2,448,741**	**2,529,215**	**2,138,125**	**1,642,073**	**1,137,578**	**950,637**	**21,225,003**
RGDBLN-1:Regulated Gas Design Build New Business	20,002	39,995	89,976	250,031	250,099	250,051	249,870	249,726	249,878	250,153	250,005	250,215	2,400,002
RGNL-1:Approach Main S.I.	5,137	30,679	24,096	30,496	30,442	29,400	30,376	40,294	39,313	29,769	30,031	9,968	330,000
RGNL-2:Established Residential M&S	255,570	254,397	272,713	303,461	353,403	253,838	352,630	300,718	393,399	592,447	368,556	298,867	4,000,000
RGNL-3:Commerical M&S	41,093	35,791	47,655	76,240	76,103	173,177	202,498	201,468	147,626	99,229	100,102	99,018	1,299,998
RGNL-4:New Development M&S	66,169	60,833	59,678	70,603	75,527	145,015	150,766	150,095	147,952	98,758	99,515	75,089	1,200,000
RGNL-5:Regulators S&I	0	10,152	20,111	10,092	30,221	20,168	20,103	30,001	9,936	39,404	29,813	0	220,001
RGNL-6:Distribution Easements	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000
RGNT-1:Industrial Main & Service - Transmission	227,312	227,262	340,841	204,585	0	0	0	0	0	0	0	0	1,000,000
Total New Business	**615,283**	**659,109**	**855,070**	**945,508**	**815,795**	**871,649**	**1,006,243**	**972,302**	**988,104**	**1,109,760**	**878,022**	**738,157**	**10,455,001**
Total Closings	**1,521,646**	**1,676,840**	**2,207,485**	**3,076,287**	**3,273,498**	**3,385,288**	**3,454,984**	**3,501,517**	**3,126,229**	**2,751,833**	**2,015,600**	**1,688,794**	**31,680,004**

Delmarva Power Design Day Demand Estimate

	A	B RES	C RSH	C GG	E MDQ	TOTAL
1	Billed Sales Jan - Feb 2015 (MCF)	110,523	3,480,464	1,583,829		
2	Average Customers Jan-Feb 2015	9,411	105,582	9,013		
3	August 2015 Monthly Sales (MCF)	10,342	114,769	98,565		
4	August Average Daily Usage (MCF) = Line 3/31	334	3,702	3,180		
5	Customers - August 2015	9,640	109,135	9,585		
6	Non-Heating Usage (MCF) = Line 4 / Line 5 x (31 + 28) x Line 2	19,238	211,306	176,414		
7	Heating Usage (MCF) = Line 1 - Line 6	91,285	3,269,158	1,407,416		
8	Billed Heating Degree Days Jan-Feb 2015	2,006	2,006	2,006		
9	Heating Usage per Degree Day per Customer (=Line 7/ Line 8 / Line 2)	0.00483	0.01543	0.07784		
10	Design Degree Days	65	65	65		
11	Peak Day Heating Usage = Line 2 x Line 9 x Line 10	2,957	105,914	45,597		
12	Peak Day Non Heating Usage = Line 6 / (31+ 28)	326	3,581	2,990		
13	Design Day Contribution (MCF)	3,284	109,495	48,587		161,366
14	Maximum Daily Quantity (MDQ) for Contract customers (MCF) 1/2015				49,122	49,122
15	Design Contribution for Core Customers (MCF)	3,284	109,495	48,587	49,122	210,488
16	System Losses And Unaccounted For: tariff 2.5 %	82	2,737	1,215	1,228	5,262
17	Design Day Contribution including Loss and Unaccounted For	**3,366**	**112,233**	**49,802**	**50,350**	**215,751**
18	Design Day Contribution per Customer (MCF) =Line 16 / Line 2	0.35762	1.06300	5.52589		
19	Total Design Day Demand (MCF)					**215,751**

With Losses	General	8,836
With Losses	Medium	12,804
With Losses	Large	22,368
With Losses	LVG-QFCP-RC	6,343
		50,350

Gas
Testimony of
Robert B. Hevert

DELMARVA POWER & LIGHT COMPANY

BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION
GAS DIRECT TESTIMONY OF ROBERT B. HEVERT
DOCKET NO. _____

I. INTRODUCTION

Q1. Please state your name, affiliation and business address.

A1. My name is Robert B. Hevert. I am Managing Partner of Sussex Economic Advisors, LLC (Sussex). My business address is 1900 West Park Drive, Suite 250, Westborough, Massachusetts 01581.

Q2. On whose behalf are you submitting this testimony?

A2. I am submitting this Direct Testimony before the Delaware Public Service Commission (Commission) on behalf of Delmarva Power & Light Company (Delmarva or the Company), a wholly owned operating subsidiary of Exelon Corporation (Exelon).

Q3. Please describe your educational background.

A3. I hold a Bachelor's degree in Business and Economics from the University of Delaware, as well as an MBA with a concentration in Finance from the University of Massachusetts. I also hold the Chartered Financial Analyst designation.

Q4. Please describe your experience in the energy and utility industries.

A4. I have worked in regulated industries for over 25 years, having served as an executive and manager with consulting firms, a financial officer of a publicly traded natural gas utility (at the time, Bay State Gas Company), and an analyst at a telecommunications utility. In my role as a consultant, I have advised numerous

energy and utility clients on a wide range of financial and economic issues, including corporate and asset-based transactions, asset and enterprise valuation, transaction due diligence, and strategic matters. As an expert witness, I have provided testimony in more than 150 proceedings regarding various financial and regulatory matters before numerous state utility regulatory agencies and the Federal Energy Regulatory Commission. A summary of my professional and educational background, including a list of my testimony in prior proceedings, is included in Attachment A to my Direct Testimony.

II. PURPOSE AND OVERVIEW OF TESTIMONY

Q5. What is the purpose of your Direct Testimony?

A5. The purpose of my Direct Testimony is to present evidence and provide the Commission with a recommendation regarding the Company's Cost of Equity (sometimes referred to as the Return on Equity or ROE) and to provide an assessment of the capital structure to be used for ratemaking purposes, as proposed in the Direct Testimony of Company Witness McGowan. My analyses and conclusions are supported by the data presented in Schedule (RBH)-1 through Schedule (RBH)-8, which have been prepared by me or under my direction.

Q6. Please briefly summarize your analytical approach and recommendation regarding the Company's Cost of Equity.

A6. My recommendation is based on the application of market-based data to three widely accepted methods: (1) the Discounted Cash Flow ("DCF") model, including the Constant Growth and Multi-Stage forms; (2) the Capital Asset Pricing Model ("CAPM"); and (3) the Bond Yield Plus Risk Premium method. In addition to the

methodologies noted above, I also calculated the costs of issuing common stock, and reflected those flotation costs in my estimate of the Company's Cost of Equity. My analyses indicate that the Company's Cost of Equity currently is in the range of 10.00% to 10.75%. Based on the quantitative and qualitative analyses discussed throughout my Direct Testimony, I conclude that an ROE of 10.60% is reasonable and appropriate.

In developing my recommendation, I recognize that the low and high ends of the range of results (set by the Constant Growth DCF analyses, and the CAPM analyses, respectively) are not likely to be reasonable estimates of the Company's Cost of Equity. In large measure, that is the case because those results are far removed from the returns recently authorized in other jurisdictions and, in the case of certain DCF-based methods, fail to adequately reflect increasing capital market risk and volatility. Because Risk Premium-based methods specifically reflect measures of capital market risk, they are more likely than other approaches (such as the Constant Growth DCF method) to provide reliable estimates of the Cost of Equity during periods of market instability. As discussed below, measures such as equity market volatility and expanding utility credit spreads suggest that currently is the case.

Q7. Please now summarize the results of the three methods discussed above, and how they contributed to your ROE recommendation.

A7. The range of results produced by the three approaches noted above are as follows:

- The Discounted Cash Flow method indicates an ROE in the range of

approximately 9.75% to 10.95% (please refer to Table 5)[1];

- Giving less weight to the highest and lowest results, the CAPM estimates suggest an ROE in the range of approximately 9.90% to 11.10% (please refer to Table 6)[2]; and
- The Bond Yield Plus Risk Premium approach suggests an ROE in the range of 10.00% to 10.40% (please see Schedule (RBH)-6).

Based on those estimates, I recommend an ROE in the range of 10.00% to 10.75% and within that range, recommend an ROE of 10.60%. As discussed in more detail throughout the balance of my Direct Testimony, my conclusions and recommendations reflect the following considerations:

- Widespread expectations for increases in interest rates, as revealed in both market data and economists' consensus projections, which weigh in the evaluation of the DCF, CAPM, and Bond Yield Plus Risk Premium results;
- An increasing degree of equity market volatility as the Federal Reserve has begun its process of monetary policy normalization, indicating a level of market uncertainty that has not been observed on a sustained basis for several years;
- Widening credit spreads on utility bonds, indicating investors' views that the risks associated with the utility sector have increased;
- The capital-intensive nature of utility operations, indicating the need to finance large, long-lived investments with internally generated and externally

[1] For the reasons discussed in Section III, I find the Multi-Stage DCF approach provides more reliable ROE estimates than does the Constant Growth DCF method.

[2] As discussed above, my estimate of the indicated range is narrower than the overall range of model results.

acquired funds, both of which depend on the Company's ability to earn a reasonable return on its rate base;

- The need to maintain the financial profile required to access capital at reasonable rates, even during periods of capital market distress; and
- The effect of flotation costs, which represent a permanent reduction to the capital needed to support the assets required to provide safe and reliable utility service.

Q8. Are there other factors that should be considered in determining the weight given to the methods and results summarized above?

A8. Yes, there are. All of the models used to estimate the Cost of Equity are subject to certain assumptions, which may become more or less relevant as market conditions, and market data, change. An important consideration is the consistency of each model's underlying assumptions with current and expected market conditions, and the reasonableness of its results relative to observable benchmarks. For example, utility Price/Earnings (P/E) ratios recently have been well in excess of their historical averages. Those pricing levels, which had been associated with Federal Reserve monetary policy initiatives, weighed on utility dividend yields and, therefore, DCF-based ROE estimates. An important analytical question is whether the increase in P/E ratios represented a fundamental shift in utility valuation, or a temporary trading position to be unwound as conditions change. That question is important because the Constant Growth model assumes that current underlying relationships will remain constant, forever; the model does not allow us to incorporate such important factors, nor does it enable us to reflect the expected risk associated with changing market

conditions.

Risk Premium-based methods (such as the Capital Asset Pricing Model), on the other hand, provide a measure of risk and have the benefit of directly considering investors' expectations regarding future market returns. Other Risk Premium approaches (the Bond Yield Plus Risk Premium approach) reflect the well-documented finding that the Cost of Equity does not move in lock-step with interest rates. For example, at times interest rates fall because investors are so risk averse that they would rather accept a very modest return on Treasury securities than take on the risk of equity ownership. In such circumstances low interest rates suggest an increasing, not a decreasing Cost of Equity. The important analytical issue, therefore, is understanding each model's fundamental structure and assumptions, and interpreting its results in the context of current and expected market conditions.

As noted earlier, every model has its own strengths and weaknesses, and it is important to reflect those relative strengths in estimating the Cost of Equity. On balance, I believe the Constant Growth DCF model results in particular should be viewed with considerable caution, and should be given less weight than the other approaches. Because the Multi-Stage DCF analysis enables us to relax some of the strict assumptions underlying the Constant Growth model, it likely provides a more realistic estimate of investors' return requirements, and should be given more weight than the Constant Growth form. And, because Risk Premium-based methods provide the ability to reflect investors' views of risk, future market returns, and the relationship between interest rates and the Cost of Equity, those methods likewise should be given more weight than the Constant Growth DCF method. With those

considerations in mind, I believe that my recommendation reasonably reflects investors' return requirements in the current market environment.

Q9. Does your recommendation balance the interests of investors and ratepayers?

A9. Yes, I believe so. Investors have many options available to them and will only invest in a firm if the expected return justifies the risks taken on in making that investment. Ratepayers have an interest in safe, reliable, and efficient service, which depends on investors' willingness to commit the capital needed to maintain and improve the utility system. In that important sense, investors and ratepayers have a common interest in a financially strong utility that is able to access low-cost capital when and as needed. Therefore, to the extent the ROE is (1) adequate to attract capital at reasonable terms; (2) sufficient to ensure the utility's financial integrity; and (3) commensurate with returns on investments of comparable risk, the interests of investors and ratepayers will be aligned. I believe my recommendation meets that objective.

My recommendation also recognizes that although we estimate the ROE based on financial models, developing the actual recommendation is not an entirely mathematical exercise. As noted above, no single model is more reliable than all others under all market conditions, and all require the use of reasoned judgment in their application, and in interpreting their results. By considering a variety of methods and a range of both quantitative and qualitative information, I believe my recommendation reasonably applies that necessary judgment.

Q10. Please now summarize your conclusions regarding the Company's proposed capital structure.

A10. I conclude that the Company's proposal in this case, which includes 49.44% common equity and 50.56% long-term debt, is consistent with the capital structures that have been in place over several fiscal quarters at comparable operating utility companies. In light of its ongoing need to access external capital, and given the consistency of its proposal with similarly-situated utility companies, I conclude that the Company's proposed capital structure is reasonable and appropriate.

Q11. How is the remainder of your Direct Testimony organized?

A11. The remainder of my Direct Testimony is organized as follows:

- Section III – Discusses the regulatory guidelines and financial considerations pertinent to the development of the cost of capital;
- Section IV – Explains my selection of the electric and combination utility proxy groups used to develop my analytical results;
- Section V – Explains my analyses and the analytical basis for my ROE recommendation;
- Section VI – Provides a discussion of other considerations that have a direct bearing on the Company's Cost of Equity;
- Section VII – Briefly discusses the current capital market conditions and the effect of those conditions on the Company's Cost of Equity;
- Section VIII – Addresses the reasonableness of the Company's proposed capital structure; and
- Section IX – Summarizes my conclusions and recommendations.

III. REGULATORY GUIDELINES AND FINANCIAL CONSIDERATIONS

Q12. Please provide a brief summary of the guidelines established by the United States Supreme Court (the Court) for the purpose of determining the Return on Equity.

A12. The Court established the guiding principles for establishing a fair return for capital in two cases: (1) *Bluefield Water Works and Improvement Co. v. Public Service Comm'n of West Virginia* (*Bluefield*);[3] and (2) *Federal Power Comm'n v. Hope Natural Gas Co.* (*Hope*).[4] In those cases, the Court recognized that the fair rate of return on equity should be: (1) comparable to returns investors expect to earn on other investments of similar risk; (2) sufficient to assure confidence in the company's financial integrity; and (3) adequate to maintain and support the company's credit and to attract capital.

Q13. Does Delaware precedent provide similar guidance?

A13. Yes. In Order No. 8589, for example, the Commission stated:

> In reaching our conclusion we are mindful of the principles set forth in both the *Bluefield* and *Hope* decisions and cited by the two experts in their respective testimonies, which require a return on a utility's investment to be sufficient to attract capital on reasonable terms, maintain the financial integrity of the utility, and provide an opportunity to achieve a level of revenue that is comparable with investments of similar risks.

Based on those standards, the authorized ROE should provide the Company with the opportunity to earn a fair and reasonable return, and should enable efficient access to external capital under a variety of market conditions.

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[3] *Bluefield Waterworks & Improvement Co., v. Public Service Commission of West Virginia*, 262 U.S. 679, 692-93 (1923).

[4] *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

IV. PROXY GROUP SELECTION

Q14. As a preliminary matter, why is it necessary to select a group of proxy companies to determine the Cost of Equity for Delmarva?

A14. First, it is important to bear in mind that the Cost of Equity for a given enterprise depends on the risks attendant to the business in which the company is engaged. According to financial theory, the value of a given company is equal to the aggregate market value of its constituent business units. The value of the individual business units reflects the risks and opportunities inherent in the business sectors in which those units operate. In this proceeding, we are focused on estimating the Cost of Equity for Delmarva, whose parent is Exelon. Because the ROE is a market-based concept, and Delmarva is not a publicly traded entity, it is necessary to establish a group of companies that are both publicly traded and comparable to Delmarva in certain fundamental respects to serve as its "proxy" in the ROE estimation process.

Even if Delmarva were a publicly traded entity, short-term events could bias its market value during a given period of time. A significant benefit of using a proxy group is that it serves to moderate the effects of anomalous, temporary events associated with any one company.

Q15. Does the selection of a proxy group suggest that analytical results will be tightly clustered around average (*i.e.*, mean) results?

A15. No. The DCF approach, for example, defines the Cost of Equity as the sum of the expected dividend yield and projected long-term growth. Despite the care taken to ensure risk comparability, market expectations with respect to future risks and growth opportunities will vary from company to company. Therefore, even within a

group of similarly situated companies, it is common for analytical results to reflect a seemingly wide range. Consequently, at issue is how to estimate a Company's ROE from within that range. That determination necessarily must consider a wide range of both empirical and qualitative information.

Q16. Please provide a summary profile of Delmarva.

A16. Delmarva is a wholly-owned operating subsidiary of Exelon (NYSE: EXC). The Company provides electric transmission, distribution, and default supply service to approximately 312,000 customers in Delaware and 203,000 customers in Maryland.[5] The Company also provides natural gas supply and distribution service to approximately 130,000 customers in northern Delaware[6]. Exelon's current long-term issuer credit rating from Standard & Poor's (S&P) is BBB (outlook: Stable), Baa2 (outlook: Stable) from Moody's Investors Service (Moody's), and BBB (outlook: Stable) from FitchRatings (Fitch). Delmarva currently is rated BBB+ (outlook: Stable) by S&P, Baa1 (outlook: Stable) by Moody's, and BBB+ (outlook: Stable) by Fitch.[7]

Q17. How did you select the companies included in your proxy group?

A17. With the objective of selecting a proxy group that is most representative of the risks and prospects faced by Delmarva, I began with the universe of companies that Value Line classifies as Electric Utilities, which includes a group of 46 domestic U.S. utilities, and applied the following screening criteria:

- I excluded companies that do not consistently pay quarterly cash dividends;

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5 *See* Pepco Holdings, SEC Form 10-K for the fiscal year ended December 31, 2015, at 13.
6 *Ibid,* at 14
7 Source: SNL Financial.

- All of the companies in my proxy group have been covered by at least two utility industry equity analysts;
- All of the companies in my proxy group have investment grade senior bond and/or corporate credit ratings from S&P;
- I excluded any companies whose regulated operating income over the three most recently reported fiscal years comprised less than 60.00% of the respective totals for that company;
- I excluded any companies whose regulated electric operating income over the three most recently reported fiscal years represented less than 60.00%[8] of total regulated operating income; and
- I eliminated companies that are currently known to be party to a merger, or other significant transaction.

Q18. Did you include Exelon in your analysis?

A18. No. 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. In any event, Exelon would not have met my screening criteria because of its recent merger with Pepco Holdings, Inc.

Q19. Why did you include vertically integrated utilities in your proxy group when Delmarva is a transmission and distribution company?

A19. Although Delmarva is a transmission and distribution (T&D) company, there

[8] In past testimonies in front of the Commission, I excluded companies whose regulated electric operating income over the three most recently reported fiscal years represented less than 90.00% of total regulated operating income. However, due to recent consolidation in the industry, that threshold would produce a relatively small group of proxy companies. As such, in this proceeding I have lowered the threshold to 60.00%.

are no "pure play" state-jurisdictional electric T&D companies that may be used as a proxy for the Company's Delaware electric distribution operations. I therefore concluded that including vertically integrated electric companies in my proxy group is a reasonable approach for the purpose of estimating the Company's Cost of Equity.

Q20. What companies met those screening criteria?

A20. The criteria discussed above resulted in the following group of 23 proxy companies:

Table 1: Electric Proxy Group

Company	Ticker
ALLETE, Inc.	ALE
Alliant Energy Corporation	LNT
Ameren Corporation	AEE
American Electric Power Company, Inc.	AEP
Avista Corporation	AVA
CenterPoint Energy, Inc.	CNP
CMS Energy Corporation	CMS
Consolidated Edison, Inc.	ED
Dominion Resources, Inc.	D
DTE Energy Company	DTE
FirstEnergy Corp.	FE
Great Plains Energy Inc.	GXP
IDACORP, Inc.	IDA
Eversource Energy	ES
NorthWestern Corporation	NWE
OGE Energy Corp.	OGE
Otter Tail Corporation	OTTR
Pinnacle West Capital Corporation	PNW
PNM Resources, Inc.	PNM
Portland General Electric Company	POR
SCANA Corporation	SCG
Westar Energy, Inc.	WR
Xcel Energy Inc.	XEL

Q21. How did you take into consideration the fact that the Company has both gas and electric operations?

A21. Because the universe of companies that Value Line classifies as Electric Utilities includes a number of diversified utilities, the proxy group reflects both gas and electric operations. In that regard, eleven of the twenty three companies in my proxy group derived more than 10.00% of their regulated net income from regulated natural gas distribution over the three most recently reported fiscal years.

In addition, I reviewed recently authorized ROEs for electric and gas operating utilities and determined that they have been highly consistent over the past several years (there has only been a one basis point difference in the mean authorized ROEs for electric and gas utilities since 2014.)[9]

V. COST OF EQUITY ANALYSIS

Q22. Please briefly discuss the ROE in the context of the regulated rate of return.

A22. Regulated utilities primarily use common stock and long-term debt to finance their capital investments. The overall rate of return (ROR) weighs the costs of the individual sources of capital by their respective book values. Whereas the cost of debt and cost of preferred stock can be directly observed, the Cost of Equity is market-based and, therefore, must be estimated based on observable market information.

[9] Source: SNL Financial. Analysis excludes limited-issue riders and transmission-only authorized ROEs.

Q23. How is the required ROE determined?

A23. The required ROE is estimated by using one or more analytical techniques that rely on market-based data to quantify investor expectations regarding required equity returns, adjusted for certain incremental costs and risks. By their very nature, quantitative models produce a range of results from which the market required ROE must be estimated. As discussed throughout my Direct Testimony, that estimation must be based on a comprehensive review of relevant data and information, and does not necessarily lend itself to a strict mathematical solution or reliance on any single analytical model. Consequently, the key consideration in determining the ROE is to ensure that the methodologies employed reasonably reflect investors' view of the financial markets in general, and the subject company (in the context of the proxy group) in particular.

Although we cannot directly observe the Cost of Equity, we can observe the methods frequently used by analysts to arrive at their return requirements and expectations. Although investors and analysts tend to use multiple approaches in developing their estimate of return requirements, each methodology requires certain judgment with respect to the reasonableness of assumptions and the validity of proxies in its application. In essence, analysts and academics understand that ROE models are tools to be used in the ROE estimation process and that strict adherence to any single approach, or the specific results of any single approach, can lead to flawed and irrelevant conclusions. That position is consistent with the Hope and Bluefield finding that it is the analytical result, as opposed to the methodology, that is controlling in arriving at ROE determinations. A reasonable ROE estimate therefore

considers alternative methodologies, observable market data, and the reasonableness of their individual and collective results.

In my view, therefore, it is both prudent and appropriate to use multiple methodologies in order to mitigate the effects of assumptions and inputs associated with relying exclusively on any single approach. Such use, however, must be tempered with due caution as to the results generated by each individual approach. In light of that, I have reviewed the results of three different analytical models, as well as factors such as the conditions in the capital markets and the Company's flotation costs, and applied my professional judgment to arrive at a recommended range for the Company's ROE.

Constant Growth DCF Model

Q24. Are DCF models widely used in regulatory proceedings?

A24. Yes. In my experience, the Constant Growth DCF model is widely recognized in regulatory proceedings, as well as in financial literature. As discussed earlier, however, neither the DCF nor any other model should be applied without considerable judgment in the selection of data and the interpretation of results.

Q25. Please describe the DCF approach.

A25. The DCF approach is based on the theory that a stock's current price represents the present value of all expected future cash flows. In its simplest form, the DCF model expresses the Cost of Equity as the sum of the expected dividend yield and long-term growth rate, and is expressed as follows:

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

where P represents the current stock price, D_1 … D_∞ represent expected future

dividends, and k is the discount rate, or required ROE. Equation [1] is a standard present value calculation that can be simplified and rearranged into the familiar form:

$$k = \frac{D_0 (1 + g)}{P} + g \qquad \text{Equation [2]}$$

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

In essence, the Constant Growth DCF model assumes that the total return received by investors includes the dividend yield and the rate of growth. As explained below, under the model's assumptions, the rate of growth equals the rate of capital appreciation. That is, the model assumes that the investor's return is the sum of the dividend yield and the increase in the stock price.

Q26. What assumptions are required for the Constant Growth DCF model?

A26. The Constant Growth DCF model assumes: (1) a constant average annual growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price-to-earnings multiple; and (4) a discount rate greater than the expected growth rate. Under those assumptions, dividends, earnings, book value, and the stock price all grow at the same, constant rate.

Q27. What market data did you use to calculate the dividend yield component of your DCF model?

A27. The dividend yield is based on the proxy companies' current annualized dividend, and average closing stock prices over the 30-, 90-, and 180-trading day periods as of January 15, 2016.

Q28. Why did you use three averaging periods to calculate an average stock price?

A28. I did so to ensure that the model's results are not skewed by anomalous events that may affect stock prices on any given trading day. At the same time, the averaging period should be reasonably representative of expected capital market conditions over the long term. In my view, using 30-, 90- and 180-day averaging periods reasonably balances those concerns.

Q29. Did you make any adjustments to the dividend yield to account for periodic growth in dividends?

A29. Yes. Because utilities increase their quarterly dividends at different times throughout the year, it is reasonable to assume that dividend increases will be evenly distributed over calendar quarters. Given that assumption, it is appropriate to calculate the expected dividend yield by applying one-half of the long-term growth rate to the current dividend yield.[10] That adjustment ensures that the expected dividend yield is representative of the coming twelve-month period, and does not overstate the dividends to be paid during that time.

Q30. Is it important to select appropriate measures of long-term growth in applying the DCF model?

A30. Yes. In its Constant Growth form, the DCF model (*i.e.*, as presented in Equation [2] above) assumes a single growth estimate in perpetuity. In order to reduce the long-term growth rate to a single measure, one must assume a constant payout ratio, and that earnings per share (EPS), dividends per share and book value per share all grow at the same constant rate. However, over the long term, dividend

[10] *See* Schedule (RBH)-1.

growth can only be sustained by earnings growth. Consequently, it is important to incorporate a variety of measures of long-term earnings growth into the Constant Growth DCF model.

Q31. Please summarize your inputs to the Constant Growth DCF model.

A31. I applied the DCF model to both the electric utility proxy group and combination proxy group using the following inputs for the price and dividend terms:

1. The average daily closing prices for the 30-, 90-, and 180-trading days ended January 15, 2016, for the term P_0; and
2. The annualized dividend per share as of January 15, 2016, for the term D_0.

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

1. The Zacks consensus long-term earnings growth estimates;
2. The First Call consensus long-term earnings growth estimates; and
3. The Value Line long-term earnings growth estimates.

Q32. How did you calculate the high and low DCF results?

A32. I calculated the proxy group mean and median high DCF results by using the maximum EPS growth rate as reported by Value Line, Zacks, and First Call for each proxy group company in combination with the dividend yield for each of the proxy companies. The proxy group mean and median high results then reflect the average of the maximum DCF results for the proxy group as a whole. I used a similar approach to calculate the proxy group mean and median low results using instead the minimum of the Value Line, Zacks, and First Call growth rates for each company.

Q33. What are the results of your DCF analysis?

A33. My Constant Growth DCF results are summarized in Table 2 (*see* also Schedule (RBH)-1).

Table 2: Constant Growth DCF Results[11]

	Mean	***Mean High***
30-Day Average	9.19%	9.95%
90-Day Average	9.22%	9.97%
180-Day Average	9.27%	10.02%

As noted earlier, the Constant Growth DCF model is subject to a number of assumptions that likely are not consistent with current market conditions. For example, the model assumes that the current payout ratio will remain constant in perpetuity, even though (on average, across the proxy companies) it has fallen below long-term levels. Further, the model assumes that the return estimated today will be the same return required in the future, even though the Federal Reserve only recently has begun its move toward monetary policy normalization. That process of normalization, together with the uncertainty surrounding the "unwinding" of the assets put on the Federal Reserve's balance sheet during its "Quantitative Easing" initiatives introduce a degree of risk, and a likelihood of increasing interest rates not present in the current market. As also discussed later in my Direct Testimony, other methods more directly reflect the risk premium required by investors in response to such risks. On balance, it is my view that the Constant Growth DCF method should

[11] DCF results presented in Table 2 are unadjusted (*i.e.*, prior to any adjustment for flotation costs). *See* also Schedule (RBH)-1.

be given less weight than other methods in establishing the Company's ROE.

Q34. With those points in mind, how did you reflect the Constant Growth DCF results in your ROE range and recommendation?

A34. I first recognized that the model's mean, and mean low results are well below a reasonable estimate of the Company's Cost of Equity. For example, of the 1,468 electric utility rate cases provided by Regulatory Research Associates that disclosed the awarded ROE since 1980, only seven included an authorized ROE of 9.00% or lower. On that basis alone, the mean low results are highly improbable.

I then considered why the Constant Growth model is producing such low estimates of the Company's Cost of Equity. In one sense, relatively low dividend yields should be associated with relatively high growth rates. That is, low dividend yields are the result of relatively high stock prices which, in turn, should be associated with relatively high growth rates. If those relationships do not hold, the model's results should be viewed with some caution. Further (and as noted above), the relatively low payout ratios recently observed are not likely to remain constant; as capital requirements fall in the future, it is quite likely that payout ratios would increase. Although the Constant Growth DCF model cannot accommodate changing payout ratios, the Multi-Stage model can.

I also recognize that whereas the Constant Growth DCF model essentially assumes that existing capital market conditions will remain constant, Risk Premium-based methods (discussed later in this Section) directly reflect the changing capital market environment (*see* Section VII). Because it is important to reflect the results of different models, and the mean, and mean low Constant Growth DCF results are

far-removed from recently authorized returns, I concluded that they should be given less weight than other methods in determining the Company's ROE.

Multi-Stage DCF Model

Q35. What other form of the DCF model have you used?

A35. To address certain limiting assumptions underlying the Constant Growth form of the DCF model, I also applied the Multi-Stage (three-stage) Discounted Cash Flow Model. Among other advantages, the Multi-Stage model enables the analyst to specify growth rates over three distinct stages. As with the Constant Growth form of the DCF model, the Multi-Stage form defines the Cost of Equity as the discount rate that sets the current price equal to the discounted value of future cash flows. Unlike the Constant Growth form, however, the Multi-Stage model must be solved in an iterative fashion.

Q36. Please generally describe the structure of your Multi-Stage model.

A36. As noted above, the model sets the subject company's stock price equal to the present value of future cash flows received over three "stages". In the first two stages, "cash flows" are defined as projected dividends. In the third stage, "cash flows" equal both dividends and the expected price at which the stock will be sold at the end of the period (*i.e.*, the terminal price). I calculated the terminal price based on the Gordon model, which defines the price as the expected dividend divided by the difference between the Cost of Equity (*i.e.*, the discount rate) and the long-term expected growth rate. In essence, the terminal price is defined by the present value of the remaining "cash flows" in perpetuity. In each of the three stages, the dividend is the product of the projected earnings per share and the expected dividend payout

ratio. A summary description of the model is provided in Table 3 (below).

Table 3: Multi-Stage DCF Structure

Stage	0	1	2	3
Cash Flow Component	Initial Stock Price	Expected Dividend	Expected Dividend	Expected Dividend + Terminal Value
Inputs	Stock Price Earnings Per Share (EPS) Dividends Per Share (DPS)	Expected EPS Expected DPS	Expected EPS Expected DPS	Expected EPS Expected DPS Terminal Value

Q37. What are the analytical benefits of your three-stage model?

A37. The principal benefits relate to the flexibility provided by the model's formulation. Because the model provides the ability to specify near, intermediate, and long-term growth rates, for example, it avoids the sometimes limiting assumption that the subject company will grow at the same, constant rate in perpetuity. In addition, by calculating the dividend as the product of earnings and the payout ratio, the model enables analysts to incorporate assumptions regarding the timing and extent of changes in the payout ratio to reflect, for example, increases or decreases in expected capital spending, or transition from current payout levels to long-term expected levels. In that regard, because the model relies on multiple sources of earnings growth rate assumptions, it is not limited to a single source, such as Value Line, for all inputs, and mitigates the potential bias associated with relying on a single source of growth estimates.[12]

The model also enables the analyst to assess the reasonableness of the inputs

[12] *See* for example, Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management, 21 (Summer 1992).

and results by reference to certain market-based metrics. For example, the stock price estimate can be divided by the expected earnings per share in the final year to calculate an average P/E ratio. To the extent that the projected P/E ratio is inconsistent with either historical or expected levels, it may indicate incorrect or inconsistent assumptions within the balance of the model.

Q38. Please summarize your inputs to the Multi-Stage DCF model.

A38. I applied the Multi-Stage model to the electric utility and combination utility proxy groups described earlier in my Direct Testimony. My assumptions with respect to the various model inputs are described in Table 4 (below).

Table 4: Multi-Stage DCF Model Assumptions

Stage	Initial	First	Transition	Terminal
Stock Price	30-, 90-, and 180-day average stock price as of January 15, 2016			
Earnings Growth	2014 actual EPS escalated by Period 1 growth rate	EPS growth as average, high or low of (1) Value Line; (2) Zacks; and (3) First Call	Transition to long-term GDP growth	Long-term GDP growth
Payout Ratio		Value Line company-specific	Transition to long-term industry payout ratio	Long-term expected payout ratio
Terminal Value				Gordon Model; assumed terminal P/E ratio

Q39. How did you calculate the long-term GDP growth rate?

A39. The long-term growth rate of 5.35% is based on the real Gross Domestic

Product (GDP) growth rate of 3.25% from 1929 through 2015,[13] and an inflation rate of 2.04%. The GDP growth rate is calculated as the compound growth rate in the chain-weighted GDP for the period from 1929 through 2014. The rate of inflation of 2.04% is an average of two components: (1) the compound annual forward rate starting in ten years (*i.e.*, 2026, which is the beginning of the terminal period) based on the 30-day average spread between yields on long-term nominal Treasury Securities and long-term Treasury Inflation Protected Securities, known as the "TIPS spread" of 1.87%;[14] and (2) and the projected Blue Chip Financial Forecast of CPI for 2022 – 2026 of 2.20%.[15]

I averaged those two measures because nominal Treasury yields are related to inflation, which includes the effect of commodities such as oil, which may cause the current TIPS spread to somewhat understate long-term expected inflation. To address that concern, I also considered the 2.20% long-term projected rate of inflation as provided by Blue Chip Financial Forecast.[16] My long-term inflation rate, therefore, is the average of those two estimates, or 2.04%. Still, the resulting 5.35% projected nominal GDP growth rate remains 105 basis points below the long-term average of 6.40%.[17]

Q40. What were your specific assumptions with respect to the payout ratio?

A40. As noted in Table 4, for the first two periods I relied on the first year and

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13 Bureau of Economic Analysis, December 22, 2015 update.
14 *See* Board of Governors of the Federal Reserve System, "Table H.15 Selected Interest Rates."
15 *Blue Chip Financial Forecasts*, December 1, 2015, at 14.
16 *Blue Chip Financial Forecasts*, December 1, 2015, at 14.
17 Source: Bureau of Economic Analysis. Arithmetic average.

long-term projected payout ratios reported by Value Line[18] for each of the proxy companies. I then assumed that by the end of the second period (*i.e.*, the end of year 10), the payout ratio will converge to the industry long-term average ratio of 67.30%.[19]

Q41. What was your principal assumption regarding the terminal value?

A41. Although I performed a series of analyses in which the terminal value is calculated based on the assumed long-term nominal GDP growth rate, I also performed a series of analyses in which the terminal value is based on the current P/E ratio. The results of those analyses are shown in Table 5, below. For the reasons discussed below, I believe that assumption is reasonable, and produces reliable results.

Table 5: Multi-Stage DCF Results[20]

	Low Growth Rate	*Mean Growth Rate*	*High Growth Rate*
30-Day Average	9.72%	10.19%	10.72%
90-Day Average	9.80%	10.27%	10.80%
180-Day Average	9.94%	10.41%	10.94%

Q42. Why are the results presented in Table 5 reliable estimates of the Company's Cost of Equity?

A42. As noted earlier, we can use aspects of the Multi-Stage DCF model to assess its consistency with other market measures, including the terminal P/E ratio. On a

18 As reported in the Value Line Investment Survey as "All Div'ds to Net Prof."

19 Source: Bloomberg Professional.

20 The Mean Growth Rate results apply to average analyst growth rate as reported by Zacks, First Call, and Value Line to the first stage of the model. Low Growth Rate results apply the minimum growth rate reported by Zacks, First Call, and Value Line. I used a similar approach to calculate High Growth Rate results by applying the maximum growth rate reported by Zacks, First Call, and Value Line. Assumes year-to-day average P/E as the terminal P/E multiple.

relative basis, the proxy group current P/E ratio of 18.54 is approximately equal to the 2015 market average P/E ratio of 18.47.[21] Over time, however, the proxy group traded at discount to the market of approximately 9.00%. It is reasonable assume that in the future, the group likewise would trade at a discount to the market. Assuming that in the terminal year (that is, 2030) the 18.54 proxy group P/E ratio represents a 9.00% discount to the market P/E, the market would then trade at a P/E multiple of approximately 20.40.

That multiple (*i.e.*, 20.40), is less than one standard deviation from the long-term average market P/E ratio. Moreover, over time the market P/E ratio has expanded at a geometric average rate of approximately 0.58% per year (that is, about 58 basis points from 1954 through 2015).[22] If the market P/E ratio in 2030 is 20.40, the implied rate of expansion is 0.64% (that is, 64 basis points), only six basis points from the long-term average. On a relative valuation basis, therefore, the assumed terminal P/E ratio is reasonable, and the model results based on that assumption likewise are reasonable.

Looking to the 5.35% terminal growth rate discussed above, the implied terminal P/E ratios are in the range of 16.60 to 17.00 (*see* Schedule (RBH)-2). Assuming any rate of expansion in the market P/E over the coming fifteen years, those P/E ratios indicate a larger discount than historically has been observed. As such, they may produce results that understate investors' return requirements. On balance, and in the context of current market conditions, it is my view that the assumed terminal P/E ratio of 18.54 produces somewhat more reliable results than

[21] Source: Bloomberg Professional.
[22] Source: Bloomberg Professional.

does the assumed terminal growth rate method.

Capital Asset Pricing Model Analysis

Q43. Please briefly describe the general form of the CAPM method.

A43. The CAPM is a Risk Premium-based approach that estimates the Cost of Equity for a given security as a function of a risk-free return plus a risk premium (to compensate investors for the non-diversifiable or "systematic" risk of that security). As shown in Equation [3], the CAPM is defined by four components, each of which theoretically must be a forward-looking estimate:

$$k = r_f + \beta(r_m - r_f) \quad \text{Equation [3]}$$

where:

k = the required market ROE for a security;

β = the Beta coefficient of that 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.[23] According to the theory underlying the CAPM, because 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:

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

where σ_j is the standard deviation of returns for company "j," σ_m is the standard

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

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 between company j and the broad market. The Beta coefficient therefore represents both relative volatility (*i.e.*, the standard deviation) of returns, and the correlation in returns between the subject company and the overall market.

Intuitively, higher Beta coefficients indicate that the subject company's returns have been relatively volatile, and have moved in tandem with the overall market. Consequently, if a company has a Beta coefficient of 1.00, it is as risky as the market and does not provide any diversification benefit.

Q44. What assumptions did you include in your CAPM analysis?

A44. Because utility assets represent long-term investments, I used three different estimates of the risk-free rate: (1) the current 30-day average yield on 30-year Treasury bonds (*i.e.*, 2.96%); (2) the near-term projected 30-year Treasury yield (*i.e.*, 3.45%);[24] and (3) the long-term projected 30-year Treasury yield (*i.e.*, 4.65%).[25]

Q45. What Market Risk Premium did you use in your CAPM analysis?

A45. To reflect current market expectations, I developed two forward-looking (*ex-ante*) estimates of the Market Risk Premium.

Q46. Please describe your *ex-ante* approach to estimating the Market Risk Premium.

A46. The approach is based on the market required return, less the current 30-year Treasury bond yield. To estimate the market required return, I calculated the market capitalization weighted average ROE based on the Constant Growth DCF model. To

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24 *See* Blue Chip Financial Forecasts, Vol. 35, No. 1, January 1, 2016, at 2. Consensus projections of the 30-year Treasury yield for the six quarters ending June 2017.

25 *See* Blue Chip Financial Forecasts, Vol. 34, No. 12, December 1, 2015, at 14. Consensus projections of the 30-year Treasury yield for the periods 2017-2021 and 2022-2026.

do so, I relied on data from two sources: (1) Bloomberg; and (2) Value Line. With respect to Bloomberg-derived growth estimates, I calculated the expected dividend yield (using the same one-half growth rate assumption described earlier), and combined that amount with the projected earnings growth rate to arrive at the market capitalization weighted average DCF result. I performed that calculation for each of the companies for which Bloomberg provided both dividend yields and consensus growth rates. I then subtracted the current 30-year Treasury yield from that amount to arrive at the market DCF-derived *ex-ante* market risk premium estimate. In the case of Value Line, I performed the same calculation, again using all companies for which five-year earnings growth rates were available. The results of those calculations are provided in Schedule (RBH)-3.

Q47. How did you apply your expected Market Risk Premium and risk-free rate estimates?

A47. I relied on each of the *ex-ante* Market Risk Premiums discussed above, together with the current and near-term projected 30-year Treasury bond yields as inputs to my CAPM analysis.

Q48. What Beta coefficients did you use in your CAPM model?

A48. As shown in Schedule (RBH)-4, I considered the Beta coefficients reported by two sources: Value Line and Bloomberg. Value Line calculates the Beta coefficient over a five-year period, whereas Bloomberg's calculation is based on two years of data. Both Value Line and Bloomberg adjust their calculated (or raw) Beta coefficients to reflect the tendency of the Beta coefficient to regress to the market mean of 1.00.

Q49. What are the results of your CAPM analyses?

A49. The results of my CAPM analyses are summarized in Table 6 (*see* also Schedule (RBH)-5).

Table 6: Summary of CAPM Results

	Bloomberg Derived Market Risk Premium	***Value Line Derived Market Risk Premium***
Average Bloomberg Beta Coefficient		
Current 30-Year Treasury (2.96%)	9.41%	8.92%
Near Term Projected 30-Year Treasury (3.45%)	9.91%	9.42%
Long Term Projected 30-Year Treasury (4.65%)	11.11%	10.62%
Average Value Line Beta Coefficient		
Current 30-Year Treasury (2.96%)	11.15%	10.53%
Near Term Projected 30-Year Treasury (3.45%)	11.64%	11.02%
Long Term Projected 30-Year Treasury (4.65%)	12.84%	12.22%

Bond Yield Plus Risk Premium Approach

Q50. Please generally describe the Bond Yield Plus Risk Premium approach.

A50. This approach is based on the basic financial tenet that, because equity investors bear the residual risk of ownership, their returns are subject to more risk than are the returns to bondholders. As such, equity holders require a premium over the returns available to debt holders. Risk premium approaches, therefore, estimate the Cost of Equity as the sum of an Equity Risk Premium[26] and a bond yield. The Equity Risk Premium is the difference between the historical Cost of Equity and long-term Treasury yields. Because we are calculating the risk premium for

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

Delmarva's electric and gas operations, a reasonable approach is to use authorized returns for electric and natural gas utilities as the historical measure of the Cost of Equity.

Q51. Please explain how you performed your Bond Yield Plus Risk Premium analysis.

A51. As discussed above, I first defined the Risk Premium as the difference between authorized ROEs and the then-prevailing level of long-term (*i.e.*, 30-year) Treasury yields. I then gathered data from 1,468 electric utility and 1,029 natural gas utility rate proceedings between January 1, 1980 and January 15, 2016. In addition to the authorized ROE, I also calculated the average period between the filing of the case and the date of the final order (the lag period). In order to reflect the prevailing level of interest rates during the pendency of the proceedings, I calculated the average 30-year Treasury yield over the average lag period (approximately 200 days).

Because the data covers a number of economic cycles,[27] the analysis also may be used to assess the stability of the Equity Risk Premium. Prior research, for example, has shown that the Equity Risk Premium is inversely related to the level of interest rates.[28] That is, as interest rates fall, the Equity Risk Premium increases. That finding is particularly relevant given the low level of current Treasury yields relative to other measures of equity risk discussed later in my Direct Testimony.

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

28 *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.

Q52. How did you model the relationship between interest rates and the Equity Risk Premium?

A52. The basic method used was regression analysis, in which the observed Equity Risk Premium is the dependent variable, and the average 30-year Treasury yield is the independent variable. Relative to the long-term historical average, the analytical period includes interest rates and authorized ROEs that are quite high during one period (*i.e.*, the 1980s) and that are quite low during another (*i.e.*, the post-Lehman bankruptcy period). To account for that variability, I used the semi-log regression, in which the Equity Risk Premium is expressed as a function of the natural log of the 30-year Treasury yield:

$$RP = \alpha + \beta(\mathrm{LN}(T_{30})) \qquad \text{Equation [5]}$$

As shown on Charts 1a and 1b, the semi-log form is useful when measuring an absolute change in the dependent variable (in this case, the Risk Premium) relative to a proportional change in the independent variable (the 30-year Treasury yield).

Chart 1a: Electric Utility Equity Risk Premium

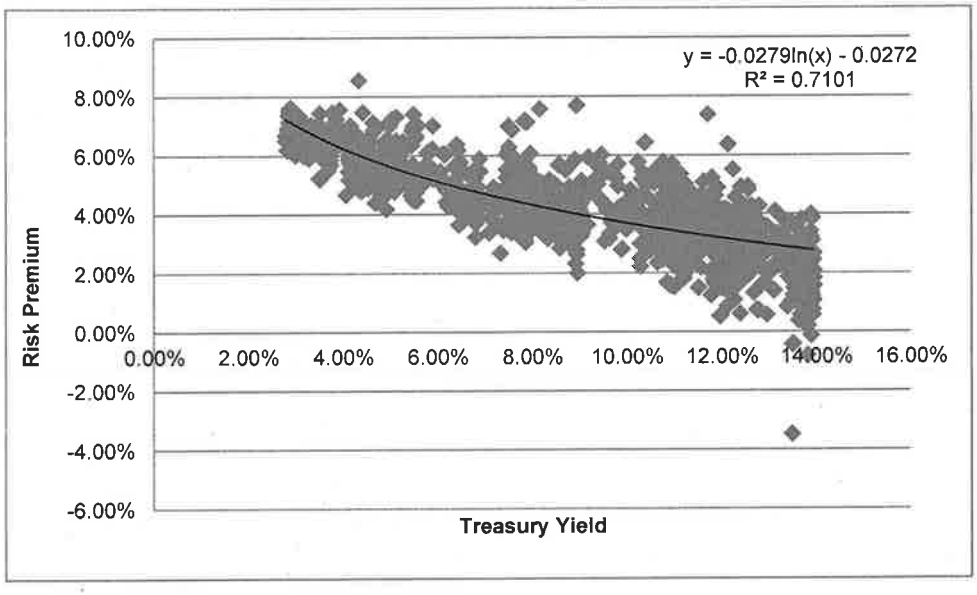
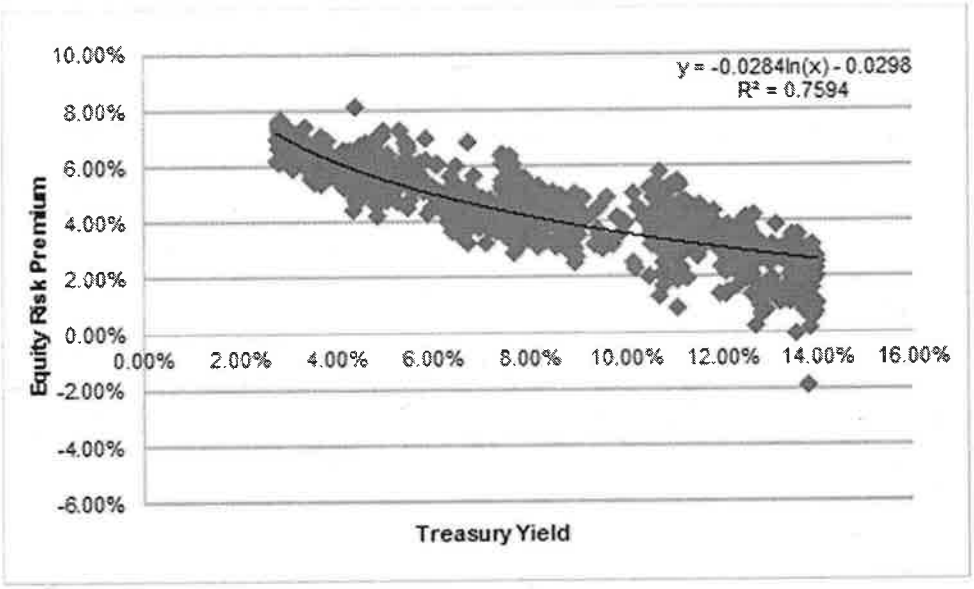


Chart 1b: Natural Gas Utility Equity Risk Premium



As Charts 1a and 1b demonstrate, over time there has been a statistically significant, negative relationship between the 30-year Treasury yield and the Equity Risk Premium. Consequently, simply applying the long-term average Equity Risk Premium of approximately 4.50% would significantly understate the Cost of Equity and produce results well below any reasonable estimate. Based on the regression coefficients in Charts 1a and 1b, however, the implied ROE is between 9.99% and 10.47% (*see* Schedule (RBH)-6). As noted earlier, the analysis also demonstrates that there has been a significant inverse relationship between the 30-year Treasury yield and the Equity Risk Premium.

VI. OTHER CONSIDERATIONS

Flotation Costs

Q53. What are flotation costs?

A53. Flotation costs are the costs associated with the sale of new issues of common

stock. These include out-of-pocket expenditures for preparation, filing, underwriting, and other costs of issuance.

Q54. Are flotation costs part of the utility's invested costs or part of the utility's expenses?

A54. Flotation costs are part of capital costs, which are properly reflected on the balance sheet under "paid in capital" rather than current expenses on the income statement. Flotation costs are incurred over time, just as investments in rate base or debt issuance costs. As a result, the great majority of flotation costs are incurred prior to the test year, but remain part of the cost structure during the test year and beyond.

Q55. How did you calculate the flotation cost recovery adjustment?

A55. I modified the DCF calculation to provide a dividend yield that would reimburse investors for issuance costs. My flotation cost adjustment recognizes the costs of issuing equity that were incurred by Pepco Holdings, Inc. (the ultimate source of Pepco's equity capital prior to its recent merger with Exelon) and the proxy companies in their most recent two issuances. As shown in Schedule (RBH)-7, an adjustment of 0.12% (*i.e.*, 12 basis points) reasonably represents flotation costs for the Company.

Q56. Does your ROE recommendation reflect flotation costs?

A56. Yes, my recommended ROE range reflects the effect of flotation costs.

VII. CAPITAL MARKET ENVIRONMENT

Q57. Do economic conditions influence the required cost of capital and required return on common equity?

A57. Yes. As discussed in Section V, the models used to estimate the Cost of

Equity are meant to reflect, and therefore are influenced by, current and expected capital market conditions. As to the analyses used to estimate the Cost of Equity, it is important to assess the reasonableness of any financial model's results in the context of observable market data. To the extent that certain ROE estimates are incompatible with such data or inconsistent with basic financial principles, it is appropriate to consider whether alternative estimation techniques are likely to provide more meaningful and reliable results.

Federal Reserve Market Intervention

Q58. Do you have any general observations regarding the relationship between Federal Reserve monetary policy, capital market conditions and Delmarva's Cost of Equity?

A58. Yes, I do. Much has been reported about the Federal Reserve's Quantitative Easing policy, and its effect on interest rates. Although the Federal Reserve completed its Quantitative Easing initiative in October 2014, it was not until December 2015 that it raised the Federal Funds rate, and began the process of rate normalization.[29] A significant issue, then, is how investors will react as that process continues, and eventually is completed. A viable outcome is that investors will perceive greater chances for economic growth, which will increase the growth rates included in the Constant Growth DCF model. At the same time, higher growth and the absence of Federal market intervention could provide the opportunity for interest rates to increase, thereby increasing the dividend yield portion of the DCF model. In that case, both terms of the Constant Growth DCF model would increase, producing

[29] *See* Federal Reserve Press Release (December 16, 2015).

increased ROE estimates.

At this time, market data is becoming increasingly disjointed, with relatively low Treasury yields, but increasing market volatility and widening credit spreads. As a consequence, it is difficult to rely on a single model to estimate the Company's Cost of Equity. A more reasoned approach is to understand the relationships among Federal Reserve policies, interest rates, and measures of market risk, and to assess how those factors may affect different models and their results. As discussed throughout my Direct Testimony, the current market is one in which it is very important to consider a broad range of data and models when determining the Cost of Equity.

Q59. Please summarize the effect of recent Federal Reserve policies on interest rates and the cost of capital.

A59. Beginning in 2008, the Federal Reserve proceeded on a steady path of initiatives intended to lower long-term Treasury yields.[30] The Federal Reserve policy actions "were designed to put downward pressure on longer-term interest rates by having the Federal Reserve take onto its balance sheet some of the duration and prepayment risks that would otherwise have been borne by private investors."[31] Under that policy, "Securities held outright" on the Federal Reserve's balance sheet increased from approximately $489 billion at the beginning of October 2008 to $4.24 trillion by mid-January 2016.[32] To put that increase in context, the securities held by

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30 *See* Federal Reserve Press Release, dated June 19, 2013.

31 Federal Reserve Bank of New York, *Domestic Open Market Operations During 2012*, April 2013, at 29.

32 Source: Federal Reserve Board Schedule H.4.1. "Securities held outright" include U.S. Treasury securities, Federal agency debt securities, and mortgage-backed securities.

the Federal Reserve represented approximately 3.29% of Gross Domestic Product (GDP) at the end of September 2008, and had risen to approximately 23.50% of GDP in January 2016.[33] As such, the Federal Reserve policy actions have represented a significant source of liquidity, and have had a substantial effect on capital markets.

Q60. Has the Federal Reserve's quantitative easing policy been associated with changes in the proxy companies' trading levels?

A60. Yes, that appears to be the case. From January 2000 through the end of August 2012 (that is, immediately prior to the third round of Quantitative Easing), the electric proxy group's average P/E ratio traded at an approximately 9.00% discount to the market. From September 2012 through May 2013, when the Federal Reserve announced it would begin to taper its asset purchases, the proxy group traded at a 23.00% premium to the market.

More recently, even after the Federal Reserve noted that it would be "patient" in assessing when it would normalize monetary policy, the proxy group's average P/E ratio fell to approximately 104.00% of the market P/E (i.e., an 4.00% premium) since the beginning of September 2015, closer to the long-term relationship. Given the convergence in the proxy group and market average P/E ratios, it may be that investors saw the utility sector as somewhat over-valued relative to the market, and bid prices down in response.

The sustainability of recent utility company valuations is a significant analytical issue. Because DCF-based methods depend on recent stock prices as a principal input, and (in the case of the Constant Growth model) assume that P/E ratios

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[33] Source: Federal Reserve Board Schedule H.4.1; Bureau of Economic Analysis.

and the Cost of Equity will remain constant in perpetuity, the lingering effects of Federal Reserve intervention may be weighing on DCF results.

Equity Market Volatility

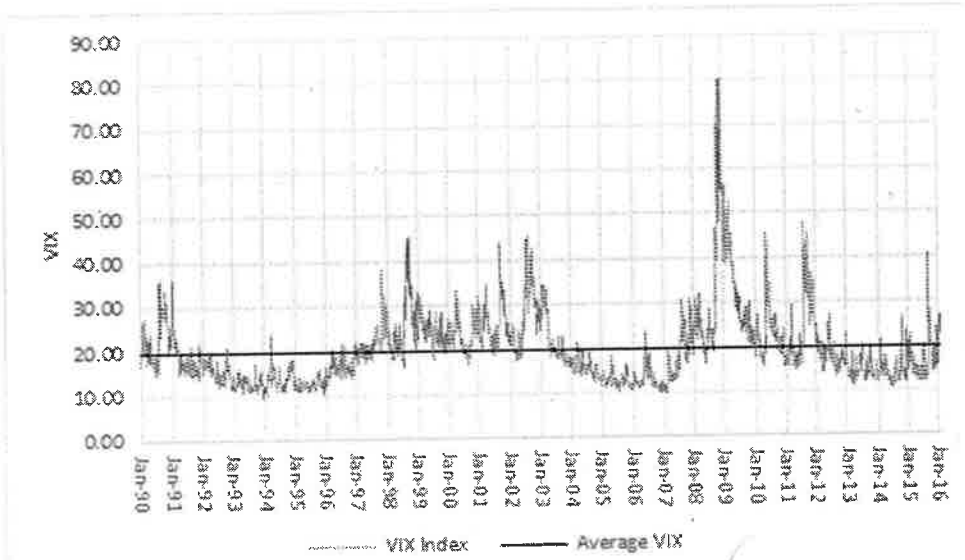
Q61. Please discuss changes in equity market volatility.

A61. One measure of the expected volatility, or risk, of the stock market is the Chicago Board Options Exchange Volatility Index (known as the "VIX"). The VIX is a highly visible, and often-reported barometer of investor risk sentiments which measures market expectations of near-term volatility of the stock market implied by near- and next-term options on the S&P 500 Index.

Although the VIX is not presented as a percentage, it should be understood as such. That is, if the VIX stood at 17.00, it would be interpreted as an expected standard deviation in annual returns on the market index of 17.00% over the coming 30 trading days. As shown on Chart 2, the VIX has averaged approximately 19.83 since 1990. That average is quite close to the long-term standard deviation of annual returns on the S&P 500, which has been 20.55%.[34]

[34] Source: Bloomberg Professional.

Chart 2: VIX Daily Levels and Long-Term Average[35]



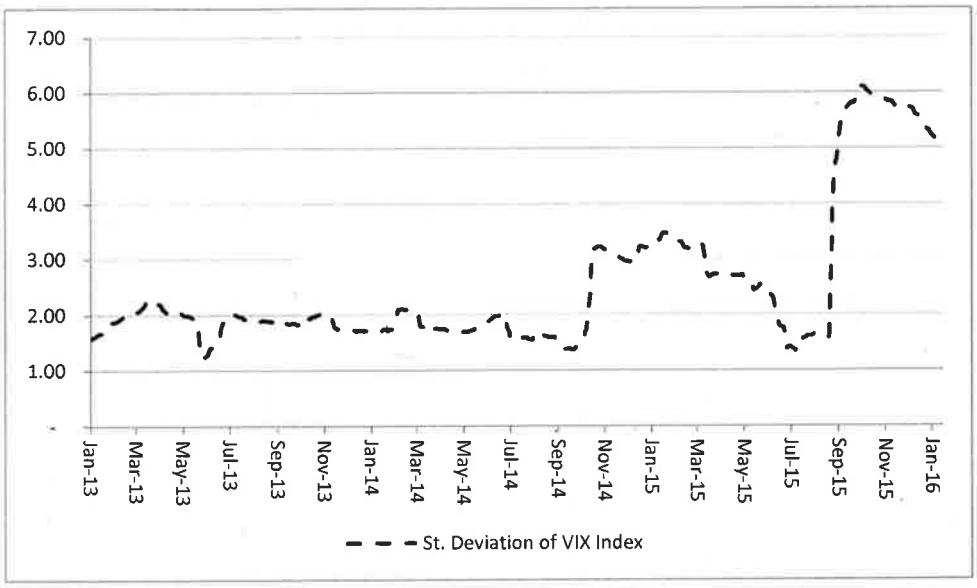
As shown in Chart 2, the VIX was at relatively low levels from 2012 – 2015 (which, as discussed below, appears to be associated with Federal Reserve monetary policy initiatives). The average VIX in 2014 (the year of the Company's last rate case) was 14.18, nearly 30.00% lower than its long-term average. Beginning in the latter portion of 2015, however, volatility returned. From that broad market perspective, equity risk currently is elevated relative to 2014 and has moved closer to its long-term average.

A further measure of market uncertainty is the volatility of the VIX itself. That is, we can look to the volatility of volatility, as measured by the standard deviation of the VIX. As Chart 3 (below) notes, the volatility of the VIX moved in a relatively narrow range during the period preceding the April 2014 Order in the Company's last rate case. Since then it has noticeably increased. Such volatility indicates that although interest rates are still near historical lows, market risk now

35 Source: Bloomberg Professional.

exceeds its recent average. Because investors require higher returns to take on higher risk, that data also indicates that the Cost of Equity likely is increasing, as well.

Chart 3: Standard Deviation (100 days) of VIX[36]



Those findings are consistent with the VVIX, which is a traded index of the expected volatility of the VIX. Over the long-term, the VVIX has averaged approximately 85.00; its 2014 average was somewhat below that level (83.01). In 2015, the VVIX increased to (on average) 94.82, and to date in 2016, has averaged 110.34; the 2015-2016 average has been 95.41. Just as the backward-looking standard deviation of the VIX indicates that observed volatility increased considerably in 2015 and 2016, the VVIX indicates that expected volatility also has been well above the 2014 levels.[37]

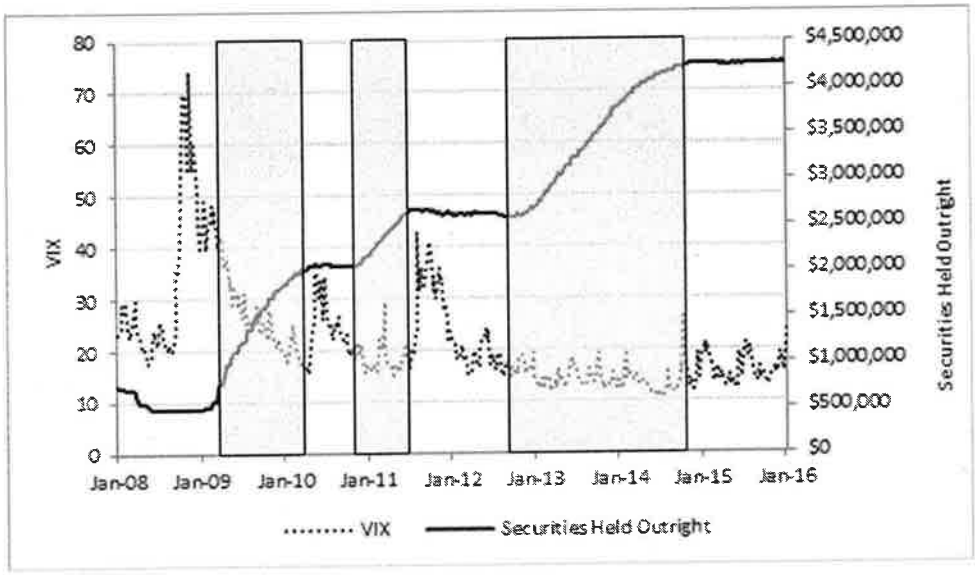
Q62. Has the Federal Reserve's quantitative easing policy affected market volatility?

A62. Yes. Just as market intervention by the Federal Reserve has reduced interest

[36] Source: Bloomberg Professional.
[37] Source: Bloomberg Professional.

rates, it also has had the effect of reducing market volatility. As shown in Chart 4 (below), each time the Federal Reserve began to purchase bonds (as evidenced by the increase in "Securities Held Outright" on its balance sheet), volatility subsequently declined. In fact, in September 2012, when the Federal Reserve began to purchase long-term securities at a pace of $85 billion per month, volatility (as measured by the VIX) fell, and through October 2014 remained in a relatively narrow range. The reason is quite straight-forward: Investors became confident that the Federal Reserve would intervene if markets were to become unstable.

Chart 4: VIX and Federal Reserve Asset Purchases[38]

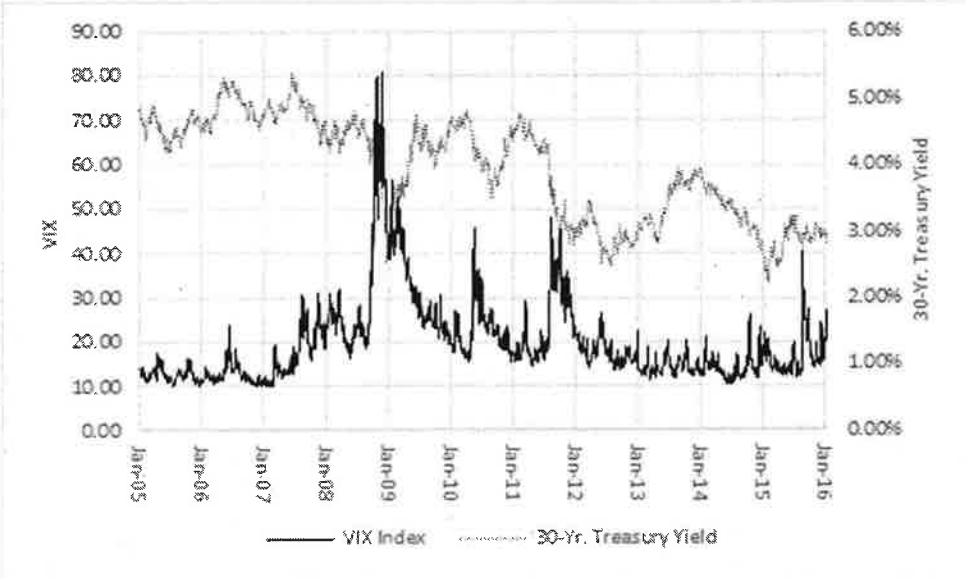


Even with the effect of the Federal Reserve intervention, periods of increased equity market volatility have been associated with unusually low Treasury bond yields. That relationship makes sense, given that investors increasingly focus on capital preservation during turbulent markets. As Chart 5 (below) demonstrates, when volatility peaks (as measured by the VIX), Treasury yields fall; that is the case

38 Source: Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis; Federal Reserve Statistical Release H.4.1, Factors Affecting Reserve Balances.

because increased demand for safe-haven securities will bid up their price, and down their yield.

Chart 5: VIX and U.S. Treasury Yields[39]



The important analytical issue is whether we can infer from the level of Treasury bond yields that risk aversion among equity investors is at a historically low level, implying a correspondingly lower Cost of Equity. Given the negative relationship between the expansion of the Federal Reserve's balance sheets and equity market volatility (as measured by the VIX), and in light of the fact that volatility has been increasing above its recent lows, it is difficult to conclude that fundamental risk aversion and investor return requirements have fallen.

Interest Rate Environment and Credit Spreads

Q63. Does your recommendation also consider the interest rate environment?

A63. Yes, it does. From an analytical perspective, it is important that the inputs and assumptions used to arrive at an ROE recommendation, including assessments of

[39] Source: Bloomberg Professional.

capital market conditions, are consistent with the recommendation itself. Although I appreciate that all analyses require an element of judgment, the application of that judgment must be made in the context of the quantitative and qualitative information available to the analyst and the capital market environment in which the analyses were undertaken.

The low interest rate environment associated with central bank intervention may lead some analysts to conclude that current capital costs, including the Cost of Equity, are low and will remain as such. Putting aside the increases in volatility discussed above, that conclusion only holds true under the hypothesis of Perfectly Competitive Capital Markets ("PCCM") and the classical valuation framework which, under normal economic and capital market conditions, underpin the traditional Cost of Equity models. Perfectly Competitive Capital Markets are those in which no single trader, or "market-mover", would have the power to change the prices of goods or services, including bond and common stock securities. In other words, under the PCCM hypothesis, no single trader would have a significant effect on market prices.

Classic valuation theory assumes that investors trade securities rationally, with prices reflecting their perceptions of value. Although central banks have the ability to set benchmark interest rates, they have been maintaining below normal rates to stimulate continued economic and capital market recovery. It therefore is reasonable to conclude that the Federal Reserve and other central banks have been acting as market-movers, thereby having a significant effect on the market prices of both bonds and stocks. The presence of market-movers, such as the Federal Reserve, runs counter to the PCCM hypothesis, which underlies traditional Cost of Equity models.

Consequently, the results of those models should be considered in the context of both quantitative and qualitative information.

Q64. Are interest rates expected to increase going forward?

A64. Yes, they are. For example, the approximately 50 economists surveyed by Blue Chip Financial Forecast see the 30-year Treasury yield as increasing to 4.00% by 2017.[40] Those projections are supported by the fact that investors currently are willing to pay about twice the premium for the option to sell long-term Government bonds in January 2018 (with an exercise price equal to the current price) than they are will to pay for the option to buy those bonds.[41] Because the prices of bonds move inversely to interest rates,[42] those option prices indicate that investors believe it is considerably more likely that interest rates will increase over the coming year, than it is likely that they will decrease.

Q65. What other indicators suggest investor risk aversion has increased?

A65. "Credit spreads", which are the incremental return required by debt investors to take on the default risk associated with securities of differing credit quality, have increased significantly over the past year. As chart 6 (below) demonstrates, the estimated credit spread (on both a spot and 30-day moving average basis) has widened, such that it currently well exceeds the levels seen from 2011 through 2014. By way of example, since the order in Delmarva's last rate case (April 2, 2014), the 30-day average spread increased by approximately 75 basis points, or a 173.15% increase.

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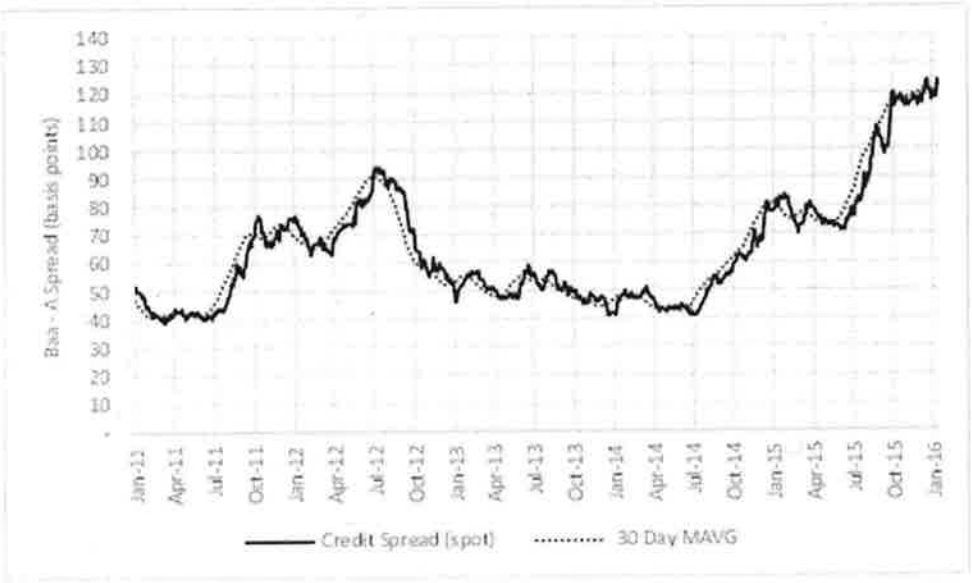
40 *See* Blue Chip Financial Forecast, Vol. 34 No. 12, December 1, 2015, at 14.
41 Source: http://www.nasdaq.com/symbol/tlt/option-chain?dateindex=7
42 That is, as interest rates move up (down), bond prices move down (up).

Chart 6: Moody's Utility Bond Index Baa-A Credit Spread[43]



To the extent that credit spreads have increased, it is an observable measure of the capital markets' increased risk aversion; increased risk aversion by investors leads to an increased Cost of Equity. Moreover, as the Bond Yield Plus Risk Premium analysis demonstrates, there is a clear and well-established inverse relationship between the level of interest rates and the Equity Risk Premium. Consequently, lower Treasury yields do not necessarily imply a correspondingly lower Cost of Equity, particularly considering the current level of credit spreads is significantly higher than seen in 2014.

Q66. What conclusions do you draw from those analyses, and how do those conclusions affect your ROE recommendation?

A66. These data clearly demonstrate that the current capital market is experiencing levels of volatility and instability that exceed those experienced during the Federal Reserve's policy of Quantitative Easing. Measures such as credit spreads and

[43] Source: Bloomberg Professional.

expected volatility, which are directly observable, indicate that capital market risks are now greater than they had been, even relative to April 2014, when the Commission authorized the Company's currently prevailing ROE. I also recognize that the Company's currently authorized return was set during a period in which the Federal Reserve had not yet begun its process of monetary policy normalization, and the liquidity provided to the capital markets affected both interest rates and volatility. That policy is changing; so have market conditions.

Because not all of the models used to estimate the Cost of Equity adequately reflect those changing market dynamics, it is important to give appropriate weight to the methods, and to their results. Moreover, because those models produce a range of results, it is important to consider the type of data discussed above in determining where the Company's ROE falls within that range. On balance, I continue to believe that DCF-based results should be viewed very carefully, and that somewhat more weight should be afforded the Risk Premium-based methods. I believe that doing so supports my recommended range of 10.00% to 10.75%, and my ROE recommendation of 10.60%.

VIII. CAPITAL STRUCTURE

Q67. What is the Company's proposed capital structure?

A67. As described in the Direct Testimony of Company Witness McGowan, the Company has proposed a capital structure comprised of 49.44% common equity and 50.56% long-term debt.[44]

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[44] *See* Direct Testimony of Kevin M. McGowan.

Q68. How does the capital structure affect the Cost of Equity?

A68. The capital structure relates to a company's financial risk, which represents the risk that a company may not have adequate cash flows to meet its financial obligations, and is a function of the percentage of debt (or financial leverage) in its capital structure. In that regard, as the percentage of debt in the capital structure increases, so do the fixed obligations for the repayment of that debt. Consequently, as the degree of financial leverage increases, the risk of financial distress (*i.e.*, financial risk) also increases. Because the capital structure can affect the subject company's overall level of risk,[45] it is an important consideration in establishing a just and reasonable rate of return.

Q69. Please discuss your analysis of the capital structures of the proxy companies.

A69. I calculated the average capital structure for each of the proxy companies over the last eight quarters. As shown in Schedule (RBH)-8, the mean of the proxy group actual capital structures is 52.78% common equity and 47.22% long-term debt. The common equity ratios range from 46.50% to 66.01%. Based on that review, it is apparent that the Company's proposed capital structure in this case is generally consistent with the capital structures of the proxy companies.

Q70. What is your conclusion regarding an appropriate capital structure for Delmarva?

A70. Considering the average actual equity ratio of 52.78% for the proxy companies, I believe that Delmarva's proposed common equity ratio of 49.44% in this case is appropriate as it is consistent with the proxy companies.

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

IX. CONCLUSIONS AND RECOMMENDATION

Q71. What is your conclusion regarding the Company's Cost of Equity?

A71. As discussed throughout my Direct Testimony, it is prudent and appropriate to consider multiple methodologies to arrive at an ROE recommendation for Delmarva. To that point, in the current capital market environment Constant Growth DCF-based models should be viewed with caution, because they do not adequately reflect the high levels of volatility and instability, whereas Risk Premium-based methods directly reflect such changing capital market conditions and measures of risk. As such, I have given somewhat more weight to the Risk Premium-based methods in arriving at my ROE recommendation.

I believe that a rate of return on common equity in the range of 10.00% to 10.75% represents the range of equity investors' required rate of return for investment in utilities similar to Delmarva in today's capital markets. Within that range, I believe that an ROE of 10.60% is reasonable and appropriate.

Q72. What is your conclusion regarding the Company's capital structure?

A72. I conclude that the Company's proposed capital structure in this case, which consists of 49.44% common equity and 50.56% long-term debt, is consistent with industry practice and on that basis, is reasonable and appropriate.

Q73. Does this conclude your Direct Testimony?

A73. Yes, it does.

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

Mr. Hevert is a financial and economic consultant with broad experience in the energy and utility industries. He has an extensive background in the areas of corporate finance, mergers and acquisitions, project finance, asset and business unit valuation, rate and regulatory matters, energy market assessment, and corporate strategic planning. Mr. Hevert has provided expert testimony on a wide range of financial, strategic and economic matters on over 100 occasions at both the state and federal levels.

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, negations, 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.

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

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.

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company	08/14	ENSTAR Natural Gas Company	Matter No. TA 262-4	Return on Equity
Alberta Utilities Commission				
Altalink, L.P., and EPCOR Distribution & Transmission, Inc.	02/16	Altalink, L.P., and EPCOR Distribution & Transmission, Inc.	2016 General Cost of Capital, Proceeding ID. 20622	Rate of Return
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	11/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	Docket No. 15-098-U	Return on Equity
SourceGas Arkansas, Inc.	03/15	SourceGas Arkansas, Inc.	Docket No. 15-011-U	Return on Equity
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	12/12	Southwest Gas Corporation	Docket No. A-12-12-024	Return on Equity
Colorado Public Utilities Commission				
Xcel Energy, Inc.	03/15	Public Service Company of Colorado	Docket No. 15AL-0135G	Return on Equity (gas)
Xcel Energy, Inc.	06/14	Public Service Company of Colorado	Docket No. 14AL-0660E	Return on Equity (electric)
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)

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
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 Public Utilities Regulatory Authority				
Connecticut Light and Power Company	06/14	Connecticut Light and Power Company	Docket No. 14-05-06	Return on Equity
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	03/13	Delmarva Power & Light Company	Case No. 13-115	Return on Equity
Delmarva Power & Light Company	12/12	Delmarva Power & Light Company	Case No. 12-546	Return on Equity
Delmarva Power & Light Company	03/12	Delmarva Power & Light Company	Case No. 11-528	Return on Equity
District of Columbia Public Service Commission				
Washington Gas Light Company	02/16	Washington Gas Light Company	Formal Case No. FC1137	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Potomac Electric Power Company	03/13	Potomac Electric Power Company	Formal Case No. FC1103-2013-E	Return on Equity
Potomac Electric Power Company	07/11	Potomac Electric Power Company	Formal Case No. FC1087	Return on Equity
Federal Energy Regulatory Commission				
Sabine Pipeline, LLC	09/15	Sabine Pipeline, LLC	Docket No. RP15-1322-000	Return on Equity
Nextera Energy Transmission West, LLC	07/15	Nextera Energy Transmission West, LLC	Docket No. ER15-2239-000	Return on Equity
Maritimes & Northeast Pipeline, LLC	05/15	Maritimes & Northeast Pipeline, LLC	Docket No. RP15-1026-000	Return on Equity
Public Service Company of New Mexico	12/12	Public Service Company of New Mexico	Docket No. ER13-685-000	Return on Equity
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

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
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
Florida Public Service Commission				
Florida Power & Light Company	03/16	Florida Power & Light Company	Docket No. 160021-EI	Return on Equity
Tampa Electric Company	04/13	Tampa Electric Company	Docket No. 130040-EI	Return on Equity
Georgia Public Service Commission				
Atlanta Gas Light Company	05/10	Atlanta Gas Light Company	Docket No. 31647-U	Return on Equity
Hawaii Public Utilities Commission				
Maui Electric Company, Limited	12/14	Maui Electric Company, Limited	Docket No. 2014-0318	Return on Equity
Hawaiian Electric Company	06/14	Hawaiian Electric Light Company	Docket No. 2013-0373	Return on Equity
Hawaii Electric Light Company	08/12	Hawaiian Electric Light Company	Docket No. 2012-0099	Return on Equity
Illinois Commerce Commission				
Ameren Illinois Company d/b/a Ameren Illinois	01/15	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 15-0142	Return on Equity
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	03/14	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Docket No. 14-0371	Return on Equity
Ameren Illinois Company d/b/a Ameren Illinois	01/13	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 13-0192	Return on Equity
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				
Duke Energy Indiana, Inc.	12/15	Duke Energy Indiana, Inc.	Cause No. 44720	Return on Equity
Duke Energy Indiana, Inc.	12/14	Duke Energy Indiana, Inc.	Cause No. 44526	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Northern Indiana Public Service Company	05/09	Northern Indiana Public Service Company	Cause No. 43894	Assessment of Valuation Approaches
Kansas Corporation Commission				
Kansas City Power & Light Company	01/15	Kansas City Power & Light Company	Docket No. 15-KCPE-116-RTS	Return on Equity
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	12/13	Potomac Electric Power Company	Case No. 9336	Return on Equity
Delmarva Power & Light Company	03/13	Delmarva Power & Light Company	Case No. 9317	Return on Equity
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				
National Grid	11/15	Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid	DPU 15-155	Return on Equity
Fitchburg Gas and Electric Light Company d/b/a Unitil	06/15	Fitchburg Gas and Electric Light Company d/b/a Unitil	DPU 15-80	Return on Equity
NSTAR Gas Company	12/14	NSTAR Gas Company	DPU 14-150	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Fitchburg Gas and Electric Light Company d/b/a Unitil	07/13	Fitchburg Gas and Electric Light Company d/b/a Unitil	DPU 13-90	Return on Equity
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
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				
Otter Tail Power Corporation	02/16	Otter Tail Power Company	Docket No. E017/GR-15-1033	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Minnesota Energy Resources Corporation	09/15	Minnesota Energy Resources Corporation	Docket No. G-011/GR-15-736	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-15-424	Return on Equity
Xcel Energy, Inc.	11/13	Northern States Power Company	Docket No. E002/GR-13-868	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/13	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-13-316	Return on Equity
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	Northern States Power Company - Minnesota	Docket No. E-002/GR-05-1428	Return on Equity (electric)
Xcel Energy, Inc.	09/04	Northern States Power Company - Minnesota	Docket No. G-002/GR-04-1511	Return on Equity (gas)
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

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Missouri Public Service Commission				
Kansas City Power & Light Company	02/16	Kansas City Power & Light Company	Case No. ER-2016-0156	Return on Equity (electric)
Kansas City Power & Light Company	10/14	Kansas City Power & Light Company	Case No. ER-2014-0370	Return on Equity (electric)
Union Electric Company d/b/a Ameren Missouri	07/14	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2014-0258	Return on Equity (electric)
Union Electric Company d/b/a Ameren Missouri	06/14	Union Electric Company d/b/a Ameren Missouri	Case No. EC-2014-0223	Return on Equity (electric)
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	02/14	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Case No. GR-2014-0152	Return on Equity
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 d/b/a Northwestern Energy	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				
Liberty Utilities d/b/a EnergyNorth Natural Gas	08/14	Liberty Utilities d/b/a EnergyNorth Natural Gas	Docket No. DG 14-180	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Liberty Utilities d/b/a Granite State Electric Company	03/13	Liberty Utilities d/b/a Granite State Electric Company	Docket No. DE 13-063	Return on Equity
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				
The Southern Company; AGL Resources Inc.; AMS Corp. and Pivotal Holdings, Inc. d/b/a Elizabethtown Gas	04/16	The Southern Company; AGL Resources Inc.; AMS Corp. and Pivotal Holdings, Inc. d/b/a Elizabethtown Gas	BPU Docket No. GM15101196	Merger Approval
Atlantic City Electric Company	03/16	Atlantic City Electric Company	Docket No. ER16030252	Return on Equity
Pepco Holdings, Inc.	04/14	Atlantic City Electric Company	Docket No. ER14030245	Return on Equity
Orange and Rockland Utilities	11/13	Rockland Electric Company	Docket No. ER13111135	Return on Equity
Atlantic City Electric Company	12/12	Atlantic City Electric Company	Docket No. ER12121071	Return on Equity
Atlantic City Electric Company	08/11	Atlantic City Electric Company	Docket No. ER11080469	Return on Equity
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

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
New Mexico Public Regulation Commission				
Public Service Company of New Mexico	08/15	Public Service Company of New Mexico	Case No. 15-00261-UT	Return on Equity (electric)
Public Service Company of New Mexico	12/14	Public Service Company of New Mexico	Case No. 14-00332-UT	Return on Equity (electric)
Public Service Company of New Mexico	12/14	Public Service Company of New Mexico	Case No. 13-00390-UT	Cost of Capital and Financial Integrity
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.	01/15	Consolidated Edison Company of New York, Inc.	Case No. 15-E-0050	Return on Equity (electric)
Orange and Rockland Utilities, Inc.	11/14	Orange and Rockland Utilities, Inc.	Case Nos. 14-E-0493 and 14-G-0494	Return on Equity (electric and gas)
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)

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
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)
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				
Public Service Company of North Carolina, Inc.	03/16	Public Service Company of North Carolina, Inc.	Docket No. G-5, Sub 565	Return on Equity
Dominion North Carolina Power	03/16	Dominion North Carolina Power	Docket No. E-22, Sub 532	Return on Equity
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
Virginia Electric and Power Company d/b/a Dominion North Carolina Power	03/12	Virginia Electric and Power Company d/b/a Dominion North Carolina Power	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				

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	03/16	CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	Cause No. PUD201600094	Return on Equity
Oklahoma Gas & Electric Company	12/15	Oklahoma Gas & Electric Company	Cause No. PUD201500273	Return on Equity
Public Service Company of Oklahoma	07/15	Public Service Company of Oklahoma	Cause No. PUD201500208	Return on Equity
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
Pennsylvania Public Utility Commission				
Pike County Light & Power Company	01/14	Pike County Light & Power Company	Docket No. R-2013-2397237	Return on Equity (electric & gas)
Veolia Energy Philadelphia, Inc.	12/13	Veolia Energy Philadelphia, Inc.	Docket No. R-2013-2386293	Return on Equity (steam)
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				
Duke Energy Carolinas, LLC	03/13	Duke Energy Carolinas, LLC	Docket No. 2013-59-E	Return on Equity
South Carolina Electric & Gas	06/12	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

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
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				
Southwestern Public Service Company	02/16	Southwestern Public Service Company	Docket No. 44524	Return on Equity (electric)
Wind Energy Transmission Texas, LLC	05/15	Wind Energy Transmission Texas, LLC	Docket No. 44746	Return on Equity
Cross Texas Transmission	12/14	Cross Texas Transmission	Docket No. 43950	Return on Equity
Southwestern Public Service Company	12/14	Southwestern Public Service Company	Docket No. 43695	Return on Equity (electric)
Sharyland Utilities, L.P.	05/13	Sharyland Utilities, L.P.	Docket No. 41474	Return on Equity
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)

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
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	03/15	Centerpoint Energy Resources Corp. d/b/a Centerpoint Energy Entex and Centerpoint Energy Texas Gas	GUD 10432	Return on Equity
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
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

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
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				
Virginia Electric and Power Company	12/15	Virginia Electric and Power Company	Case Nos. PUE-2015-0058; PUE-2015-0059; PUE-2015-0060; PUE-2015-0061; PUE-2015-0075; PUE-2015-0089; PUE-2015-0102; PUE-2015-0104	Return on Equity
Virginia Electric and Power Company	03/15	Virginia Electric and Power Company	Case No. PUE-2015-00027	Return on Equity
Virginia Electric and Power Company	03/13	Virginia Electric and Power Company	Case No. PUE-2013-00020	Return on Equity
Virginia Natural Gas, Inc.	02/11	Virginia Natural Gas, Inc.	Case No. PUE-2010-00142	Capital Structure
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

Expert Report

United States District Court, Western District of Texas, Austin Division				
Southwestern Public Service Company	02/12	Southwestern Public Service Company	C.A. No. A-09-CA-917-SS	PURPA and FERC regulations

Constant Growth Discounted Cash Flow Model
30 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] First Call Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE	[12] Value Line ROE
ALLETE, Inc.	ALE	$2.02	$50.12	4.03%	4.14%	5.00%	5.00%	6.50%	5.50%	9.13%	9.64%	10.66%	10.66%
Alliant Energy Corporation	LNT	$2.35	$61.59	3.82%	3.92%	5.40%	5.55%	6.00%	5.65%	9.32%	9.57%	9.93%	9.93%
Ameren Corporation	AEE	$1.70	$43.18	3.94%	4.06%	6.30%	6.00%	7.00%	6.43%	10.06%	10.50%	11.08%	11.08%
American Electric Power Company, Inc.	AEP	$2.24	$57.34	3.91%	4.00%	4.70%	4.43%	5.00%	4.71%	8.42%	8.71%	9.00%	9.00%
Avista Corporation	AVA	$1.32	$34.97	3.77%	3.87%	5.00%	5.00%	5.00%	5.00%	8.87%	8.87%	8.87%	8.87%
CenterPoint Energy, Inc.	CNP	$0.99	$17.44	5.68%	5.72%	2.70%	0.40%	NA	1.55%	6.09%	7.27%	8.45%	NA
CMS Energy Corporation	CMS	$1.16	$35.77	3.24%	3.34%	6.10%	6.72%	5.50%	6.11%	8.83%	9.45%	10.07%	8.83%
Consolidated Edison, Inc.	ED	$2.60	$64.24	4.05%	4.11%	3.10%	2.95%	3.00%	3.02%	7.06%	7.13%	7.21%	7.11%
Dominion Resources, Inc.	D	$2.59	$67.46	3.84%	3.96%	6.10%	5.49%	8.00%	6.53%	9.43%	10.49%	11.99%	11.99%
DTE Energy Company	DTE	$2.92	$79.78	3.66%	3.76%	5.60%	5.12%	5.00%	5.24%	8.75%	9.00%	9.36%	8.75%
FirstEnergy Corp.	FE	$1.44	$31.84	4.52%	4.68%	NA	NA	7.00%	7.00%	11.68%	11.68%	11.68%	11.68%
Great Plains Energy Inc.	GXP	$1.05	$26.91	3.90%	4.01%	5.80%	5.07%	5.00%	5.29%	9.00%	9.30%	9.81%	9.00%
IDACORP, Inc.	IDA	$2.04	$67.89	3.00%	3.05%	4.00%	4.00%	1.00%	3.00%	4.02%	6.05%	7.06%	4.02%
Eversource Energy	ES	$1.67	$50.87	3.28%	3.40%	6.70%	6.57%	8.50%	7.26%	9.96%	10.66%	11.92%	11.92%
NorthWestern Corporation	NWE	$1.92	$54.03	3.55%	3.66%	5.00%	6.81%	6.50%	6.10%	8.64%	9.77%	10.48%	10.17%
OGE Energy Corp.	OGE	$1.10	$25.52	4.31%	4.39%	5.70%	2.17%	3.00%	3.62%	6.53%	8.01%	10.13%	7.37%
Otter Tail Corporation	OTTR	$1.23	$26.51	4.64%	4.81%	NA	6.00%	9.00%	7.50%	10.78%	12.31%	13.85%	13.85%
Pinnacle West Capital Corporation	PNW	$2.50	$63.57	3.93%	4.02%	4.80%	4.95%	4.00%	4.58%	8.01%	8.61%	8.98%	8.01%
PNM Resources, Inc.	PNM	$0.88	$29.89	2.94%	3.07%	7.70%	9.30%	9.00%	8.67%	10.76%	11.74%	12.38%	12.08%
Portland General Electric Company	POR	$1.20	$36.42	3.29%	3.37%	4.40%	4.14%	6.00%	4.85%	7.50%	8.22%	9.39%	9.39%
SCANA Corporation	SCG	$2.18	$60.15	3.62%	3.71%	4.50%	4.45%	4.50%	4.48%	8.15%	8.19%	8.21%	8.21%
Westar Energy, Inc.	WR	$1.44	$41.90	3.44%	3.51%	3.60%	3.50%	6.00%	4.37%	7.00%	7.88%	9.54%	9.54%
Xcel Energy Inc.	XEL	$1.28	$35.81	3.57%	3.66%	5.00%	4.68%	4.50%	4.73%	8.16%	8.39%	8.66%	8.16%
PROXY GROUP MEAN				3.82%	3.92%	5.10%	4.92%	5.68%	5.27%	8.53%	9.19%	9.95%	9.53%
PROXY GROUP MEDIAN				3.82%	3.92%	5.00%	5.00%	5.75%	5.24%	8.75%	9.00%	9.81%	9.20%

Notes:
[1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 30-trading day average as of January 15, 2016
[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])
[12] Equals [3] x (1 + 0.5 x [7]) + [7]

Constant Growth Discounted Cash Flow Model
90 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] First Call Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE	[12] Value Line ROE
ALLETE, Inc.	ALE	$2.02	$50.31	4.02%	4.13%	5.00%	5.00%	6.50%	5.50%	9.12%	9.63%	10.65%	10.65%
Alliant Energy Corporation	LNT	$2.35	$59.72	3.93%	4.05%	5.40%	5.55%	6.00%	5.65%	9.44%	9.70%	10.05%	10.05%
Ameren Corporation	AEE	$1.70	$42.83	3.97%	4.10%	6.30%	6.00%	7.00%	6.43%	10.09%	10.53%	11.11%	11.11%
American Electric Power Company, Inc.	AEP	$2.24	$56.58	3.96%	4.05%	4.70%	4.43%	5.00%	4.71%	8.48%	8.76%	9.06%	9.06%
Avista Corporation	AVA	$1.32	$33.87	3.90%	3.99%	5.00%	5.00%	5.00%	5.00%	8.99%	8.99%	8.99%	8.99%
CenterPoint Energy, Inc.	CNP	$0.99	$17.77	5.57%	5.61%	2.70%	0.40%	NA	1.55%	5.98%	7.16%	8.35%	NA
CMS Energy Corporation	CMS	$1.16	$35.33	3.28%	3.38%	6.10%	6.72%	5.50%	6.11%	8.87%	9.49%	10.11%	8.87%
Consolidated Edison, Inc.	ED	$2.60	$64.49	4.03%	4.09%	3.10%	2.95%	3.00%	3.02%	7.04%	7.11%	7.19%	7.09%
Dominion Resources, Inc.	D	$2.59	$69.01	3.75%	3.88%	6.10%	5.49%	8.00%	6.53%	9.35%	10.41%	11.90%	11.90%
DTE Energy Company	DTE	$2.92	$80.17	3.64%	3.74%	5.60%	5.12%	5.00%	5.24%	8.73%	8.98%	9.34%	8.73%
FirstEnergy Corp.	FE	$1.44	$31.39	4.59%	4.75%	NA	NA	7.00%	7.00%	11.75%	11.75%	11.75%	11.75%
Great Plains Energy Inc.	GXP	$1.05	$26.82	3.91%	4.02%	5.80%	5.07%	5.00%	5.29%	9.01%	9.31%	9.83%	9.01%
IDACORP, Inc.	IDA	$2.04	$66.25	3.08%	3.13%	4.00%	4.00%	1.00%	3.00%	4.09%	6.13%	7.14%	4.09%
Eversource Energy	ES	$1.67	$50.32	3.32%	3.44%	6.70%	6.57%	8.50%	7.26%	10.00%	10.70%	11.96%	11.96%
NorthWestern Corporation	NWE	$1.92	$53.77	3.57%	3.68%	5.00%	6.81%	6.50%	6.10%	8.66%	9.78%	10.50%	10.19%
OGE Energy Corp.	OGE	$1.10	$26.72	4.12%	4.19%	5.70%	2.17%	3.00%	3.62%	6.33%	7.81%	9.93%	7.18%
Otter Tail Corporation	OTTR	$1.23	$26.61	4.62%	4.80%	NA	6.00%	9.00%	7.50%	10.76%	12.30%	13.83%	13.83%
Pinnacle West Capital Corporation	PNW	$2.50	$63.35	3.95%	4.04%	4.80%	4.95%	4.00%	4.58%	8.03%	8.62%	8.99%	8.03%
PNM Resources, Inc.	PNM	$0.88	$28.43	3.09%	3.23%	7.70%	9.30%	9.00%	8.67%	10.91%	11.90%	12.54%	12.23%
Portland General Electric Company	POR	$1.20	$36.56	3.28%	3.36%	4.40%	4.14%	6.00%	4.85%	7.49%	8.21%	9.38%	9.38%
SCANA Corporation	SCG	$2.18	$57.82	3.77%	3.85%	4.50%	4.45%	4.50%	4.48%	8.30%	8.34%	8.36%	8.36%
Westar Energy, Inc.	WR	$1.44	$40.32	3.57%	3.65%	3.60%	3.50%	6.00%	4.37%	7.13%	8.02%	9.68%	9.68%
Xcel Energy Inc.	XEL	$1.28	$35.44	3.61%	3.70%	5.00%	4.68%	4.50%	4.73%	8.19%	8.42%	8.70%	8.19%
PROXY GROUP MEAN				3.85%	3.95%	5.10%	4.92%	5.68%	5.27%	8.55%	9.22%	9.97%	9.56%
PROXY GROUP MEDIAN				3.90%	3.99%	5.00%	5.00%	5.75%	5.24%	8.73%	8.99%	9.83%	9.22%

Notes:
[1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 30-trading day average as of January 15, 2016
[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])
[12] Equals [3] x (1 + 0.5 x [7]) + [7]

Constant Growth Discounted Cash Flow Model
180 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] First Call Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE	[12] Value Line ROE
ALLETE, Inc.	ALE	$2.02	$49.47	4.08%	4.20%	5.00%	5.00%	6.50%	5.50%	9.19%	9.70%	10.72%	10.72%
Alliant Energy Corporation	LNT	$2.35	$59.67	3.94%	4.05%	5.40%	5.55%	6.00%	5.65%	9.44%	9.70%	10.06%	10.06%
Ameren Corporation	AEE	$1.70	$41.34	4.11%	4.24%	6.30%	6.00%	7.00%	6.43%	10.24%	10.68%	11.26%	11.26%
American Electric Power Company, Inc.	AEP	$2.24	$55.91	4.01%	4.10%	4.70%	4.43%	5.00%	4.71%	8.53%	8.81%	9.11%	9.11%
Avista Corporation	AVA	$1.32	$32.85	4.02%	4.12%	5.00%	5.00%	5.00%	5.00%	9.12%	9.12%	9.12%	9.12%
CenterPoint Energy, Inc.	CNP	$0.99	$18.58	5.33%	5.37%	2.70%	0.40%	NA	1.55%	5.74%	6.92%	8.10%	NA
CMS Energy Corporation	CMS	$1.16	$34.36	3.38%	3.48%	6.10%	6.72%	5.50%	6.11%	8.97%	9.59%	10.21%	8.97%
Consolidated Edison, Inc.	ED	$2.60	$62.97	4.13%	4.19%	3.10%	2.95%	3.00%	3.02%	7.14%	7.21%	7.29%	7.19%
Dominion Resources, Inc.	D	$2.59	$69.57	3.72%	3.84%	6.10%	5.49%	8.00%	6.53%	9.31%	10.37%	11.87%	11.87%
DTE Energy Company	DTE	$2.92	$79.11	3.69%	3.79%	5.60%	5.12%	5.00%	5.24%	8.78%	9.03%	9.39%	8.78%
FirstEnergy Corp.	FE	$1.44	$32.64	4.41%	4.57%	NA	NA	7.00%	7.00%	11.57%	11.57%	11.57%	11.57%
Great Plains Energy Inc.	GXP	$1.05	$26.16	4.01%	4.12%	5.80%	5.07%	5.00%	5.29%	9.11%	9.41%	9.93%	9.11%
IDACORP, Inc.	IDA	$2.04	$62.69	3.25%	3.30%	4.00%	4.00%	1.00%	3.00%	4.27%	6.30%	7.32%	4.27%
Eversource Energy	ES	$1.67	$49.19	3.40%	3.52%	6.70%	6.57%	8.50%	7.26%	10.08%	10.78%	12.04%	12.04%
NorthWestern Corporation	NWE	$1.92	$52.75	3.64%	3.75%	5.00%	6.81%	6.50%	6.10%	8.73%	9.85%	10.57%	10.26%
OGE Energy Corp.	OGE	$1.10	$28.22	3.90%	3.97%	5.70%	2.17%	3.00%	3.62%	6.11%	7.59%	9.71%	6.96%
Otter Tail Corporation	OTTR	$1.23	$26.76	4.60%	4.77%	NA	6.00%	9.00%	7.50%	10.73%	12.27%	13.80%	13.80%
Pinnacle West Capital Corporation	PNW	$2.50	$61.66	4.05%	4.15%	4.80%	4.95%	4.00%	4.58%	8.14%	8.73%	9.10%	8.14%
PNM Resources, Inc.	PNM	$0.88	$27.23	3.23%	3.37%	7.70%	9.30%	9.00%	8.67%	11.06%	12.04%	12.68%	12.38%
Portland General Electric Company	POR	$1.20	$35.66	3.37%	3.45%	4.40%	4.14%	6.00%	4.85%	7.57%	8.29%	9.47%	9.47%
SCANA Corporation	SCG	$2.18	$55.39	3.94%	4.02%	4.50%	4.45%	4.50%	4.48%	8.47%	8.51%	8.52%	8.52%
Westar Energy, Inc.	WR	$1.44	$38.32	3.76%	3.84%	3.60%	3.50%	6.00%	4.37%	7.32%	8.21%	9.87%	9.87%
Xcel Energy Inc.	XEL	$1.28	$34.55	3.70%	3.79%	5.00%	4.68%	4.50%	4.73%	8.29%	8.52%	8.80%	8.29%
PROXY GROUP MEAN				3.90%	4.00%	5.10%	4.92%	5.68%	5.27%	8.60%	9.27%	10.02%	9.62%
PROXY GROUP MEDIAN				3.94%	4.02%	5.00%	5.00%	5.75%	5.24%	8.78%	9.12%	9.87%	9.29%

Notes:
[1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 30-trading day average as of January 15, 2016
[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])
[12] Equals [3] x (1 + 0.5 x [7]) + [7]

Multi-Stage Growth Discounted Cash Flow Model
30 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	Average	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.12	5.00%	5.00%	6.50%	5.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	9.82%	15.83	2.96
Alliant Energy Corporation	LNT	$61.59	5.40%	5.55%	6.00%	5.65%	5.35%	61.00%	63.00%	67.30%	$0.00	9.78%	15.99	2.99
Ameren Corporation	AEE	$43.18	6.30%	6.00%	7.00%	6.43%	5.35%	62.00%	56.00%	67.30%	$0.00	9.89%	15.61	2.92
American Electric Power Company, Inc.	AEP	$57.34	4.70%	4.43%	5.00%	4.71%	5.35%	64.00%	65.00%	67.30%	$0.00	9.65%	16.46	3.08
Avista Corporation	AVA	$34.97	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.34%	17.75	3.32
CenterPoint Energy, Inc.	CNP	$17.44	2.70%	0.40%	NA	1.55%	5.35%	90.00%	84.00%	67.30%	($0.00)	10.67%	13.33	2.49
CMS Energy Corporation	CMS	$35.77	6.10%	6.72%	5.50%	6.11%	5.35%	60.00%	62.00%	67.30%	$0.00	9.28%	18.03	3.37
Consolidated Edison, Inc.	ED	$64.24	3.10%	2.95%	3.00%	3.02%	5.35%	65.00%	64.00%	67.30%	$0.00	9.01%	19.34	3.62
Dominion Resources, Inc.	D	$67.46	6.10%	5.49%	8.00%	6.53%	5.35%	74.00%	72.00%	67.30%	($0.00)	9.26%	18.14	3.39
DTE Energy Company	DTE	$79.78	5.60%	5.12%	5.00%	5.24%	5.35%	61.00%	60.00%	67.30%	$0.00	10.18%	14.67	2.74
FirstEnergy Corp.	FE	$31.84	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.62%	31.13	5.82
Great Plains Energy Inc.	GXP	$26.91	5.80%	5.07%	5.00%	5.29%	5.35%	60.00%	62.00%	67.30%	$0.00	9.79%	15.96	2.98
IDACORP, Inc.	IDA	$67.89	4.00%	4.00%	1.00%	3.00%	5.35%	53.00%	58.00%	67.30%	$0.00	8.93%	19.78	3.70
Eversource Energy	ES	$50.87	6.70%	6.57%	8.50%	7.26%	5.35%	59.00%	57.00%	67.30%	$0.00	9.74%	16.14	3.02
NorthWestern Corporation	NWE	$54.03	5.00%	6.81%	6.50%	6.10%	5.35%	61.00%	59.00%	67.30%	$0.00	9.79%	15.96	2.98
OGE Energy Corp.	OGE	$25.52	5.70%	2.17%	3.00%	3.62%	5.35%	63.00%	72.00%	67.30%	$0.00	10.77%	13.06	2.44
Otter Tail Corporation	OTTR	$26.51	NA	6.00%	9.00%	7.50%	5.35%	71.00%	59.00%	67.30%	$0.00	10.59%	13.52	2.53
Pinnacle West Capital Corporation	PNW	$63.57	4.80%	4.95%	4.00%	4.58%	5.35%	64.00%	64.00%	67.30%	$0.00	9.46%	17.24	3.22
PNM Resources, Inc.	PNM	$29.89	7.70%	9.30%	9.00%	8.67%	5.35%	51.00%	55.00%	67.30%	$0.00	9.92%	15.49	2.90
Portland General Electric Company	POR	$36.42	4.40%	4.14%	6.00%	4.85%	5.35%	52.00%	53.00%	67.30%	$0.00	9.62%	16.59	3.10
SCANA Corporation	SCG	$60.15	4.50%	4.45%	4.50%	4.48%	5.35%	56.00%	55.00%	67.30%	$0.00	9.77%	16.02	3.00
Westar Energy, Inc.	WR	$41.90	3.60%	3.50%	6.00%	4.37%	5.35%	61.00%	55.00%	67.30%	$0.00	9.28%	18.01	3.37
Xcel Energy Inc.	XEL	$35.81	5.00%	4.68%	4.50%	4.73%	5.35%	63.00%	65.00%	67.30%	$0.00	9.54%	16.92	3.17
											MEAN	9.64%		
											MAX	10.77%		
											MIN	7.62%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.06	$3.23	$3.41	$3.59	$3.79	$4.00	$4.22	$4.45	$4.69	$4.94	$5.21	$5.49	$5.78	$6.09	$6.41	$6.76
Alliant Energy Corporation	LNT	$3.48	$3.68	$3.88	$4.10	$4.34	$4.58	$4.84	$5.11	$5.39	$5.69	$6.00	$6.32	$6.66	$7.02	$7.39	$7.79	$8.21
Ameren Corporation	AEE	$2.40	$2.55	$2.72	$2.89	$3.08	$3.28	$3.49	$3.71	$3.93	$4.16	$4.40	$4.64	$4.89	$5.15	$5.43	$5.72	$6.03
American Electric Power Company, Inc.	AEP	$3.34	$3.50	$3.66	$3.83	$4.02	$4.20	$4.40	$4.61	$4.84	$5.08	$5.35	$5.63	$5.93	$6.24	$6.58	$6.93	$7.30
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.44	$1.46	$1.49	$1.51	$1.53	$1.56	$1.59	$1.64	$1.69	$1.76	$1.84	$1.94	$2.05	$2.16	$2.27	$2.39
CMS Energy Corporation	CMS	$1.74	$1.85	$1.96	$2.08	$2.21	$2.34	$2.48	$2.63	$2.79	$2.95	$3.11	$3.28	$3.46	$3.64	$3.84	$4.04	$4.26
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.96	$4.08	$4.20	$4.33	$4.47	$4.64	$4.84	$5.06	$5.31	$5.59	$5.89	$6.21	$6.54	$6.89
Dominion Resources, Inc.	D	$3.05	$3.25	$3.46	$3.69	$3.93	$4.18	$4.46	$4.74	$5.03	$5.33	$5.64	$5.95	$6.27	$6.60	$6.95	$7.33	$7.72
DTE Energy Company	DTE	$5.10	$5.37	$5.65	$5.94	$6.26	$6.58	$6.93	$7.29	$7.68	$8.08	$8.51	$8.97	$9.45	$9.95	$10.48	$11.04	$11.64
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.74	$1.83	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63	$2.77	$2.92	$3.08	$3.24	$3.41	$3.60
IDACORP, Inc.	IDA	$3.85	$3.97	$4.08	$4.21	$4.33	$4.46	$4.60	$4.75	$4.93	$5.14	$5.37	$5.64	$5.94	$6.26	$6.59	$6.95	$7.32
Eversource Energy	ES	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.93	$4.20	$4.48	$4.76	$5.05	$5.33	$5.62	$5.92	$6.23	$6.57	$6.92
NorthWestern Corporation	NWE	$2.99	$3.17	$3.37	$3.57	$3.79	$4.02	$4.27	$4.52	$4.79	$5.06	$5.34	$5.64	$5.94	$6.25	$6.59	$6.94	$7.31
OGE Energy Corp.	OGE	$1.98	$2.05	$2.13	$2.20	$2.28	$2.37	$2.45	$2.55	$2.65	$2.77	$2.91	$3.05	$3.22	$3.39	$3.57	$3.76	$3.96
Otter Tail Corporation	OTTR	$1.55	$1.67	$1.79	$1.93	$2.07	$2.23	$2.39	$2.56	$2.74	$2.91	$3.09	$3.27	$3.44	$3.62	$3.82	$4.02	$4.24
Pinnacle West Capital Corporation	PNW	$3.58	$3.74	$3.92	$4.10	$4.28	$4.48	$4.68	$4.91	$5.14	$5.40	$5.67	$5.97	$6.29	$6.62	$6.98	$7.35	$7.74
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.71	$1.86	$2.02	$2.20	$2.39	$2.58	$2.78	$2.97	$3.16	$3.35	$3.53	$3.72	$3.92	$4.13	$4.35
Portland General Electric Company	POR	$2.18	$2.29	$2.40	$2.51	$2.63	$2.76	$2.90	$3.04	$3.19	$3.35	$3.53	$3.71	$3.91	$4.12	$4.34	$4.57	$4.82
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.32	$4.52	$4.72	$4.93	$5.16	$5.41	$5.67	$5.96	$6.27	$6.60	$6.96	$7.33	$7.72	$8.13
Westar Energy, Inc.	WR	$2.35	$2.45	$2.56	$2.67	$2.79	$2.91	$3.04	$3.17	$3.32	$3.48	$3.66	$3.85	$4.06	$4.27	$4.50	$4.74	$4.99
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.23	$2.33	$2.44	$2.56	$2.68	$2.81	$2.95	$3.09	$3.25	$3.42	$3.61	$3.80	$4.00	$4.22	$4.44

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	**2016**	2017	2018	**2019**	2020	2021	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
Company	Ticker	2016	2017	2018	2019	**2020**	2021	2022	2023	2024	**2025**	2026	2027	2028	2029	2030	Terminal Value
ALLETE, Inc.	ALE	$2.13	$2.17	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$4.55	$106.98
Alliant Energy Corporation	LNT	$2.37	$2.53	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$5.52	$131.26
Ameren Corporation	AEE	$1.69	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$4.06	$94.08
American Electric Power Company, Inc.	AEP	$2.34	$2.47	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$4.91	$120.19
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$73.10
CenterPoint Energy, Inc.	CNP	$1.32	$1.31	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$1.61	$31.90
CMS Energy Corporation	CMS	$1.18	$1.26	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$2.86	$76.74
Consolidated Edison, Inc.	ED	$2.50	$2.56	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$4.64	$133.23
Dominion Resources, Inc.	D	$2.56	$2.70	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$5.19	$140.00
DTE Energy Company	DTE	$3.45	$3.61	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$7.83	$170.71
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$69.52
Great Plains Energy Inc.	GXP	$1.04	$1.11	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$2.42	$57.39
IDACORP, Inc.	IDA	$2.16	$2.30	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$4.92	$144.76
Eversource Energy	ES	$1.75	$1.86	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$4.66	$111.64
NorthWestern Corporation	NWE	$2.05	$2.15	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$4.92	$116.68
OGE Energy Corp.	OGE	$1.34	$1.45	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$2.67	$51.74
Otter Tail Corporation	OTTR	$1.27	$1.29	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$2.85	$57.29
Pinnacle West Capital Corporation	PNW	$2.51	$2.62	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$5.21	$133.49
PNM Resources, Inc.	PNM	$0.87	$0.97	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$2.92	$67.33
Portland General Electric Company	POR	$1.25	$1.31	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$3.24	$79.91
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$5.47	$130.31
Westar Energy, Inc.	WR	$1.56	$1.58	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$3.36	$89.97
Xcel Energy Inc.	XEL	$1.40	$1.48	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$2.99	$75.19

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.12)	$0.00	$2.05	$2.19	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$111.53
Alliant Energy Corporation	LNT	($61.59)	$0.00	$2.28	$2.44	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$136.78
Ameren Corporation	AEE	($43.18)	$0.00	$1.62	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$98.13
American Electric Power Company, Inc.	AEP	($57.34)	$0.00	$2.25	$2.40	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$125.10
Avista Corporation	AVA	($34.97)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$75.87
CenterPoint Energy, Inc.	CNP	($17.44)	$0.00	$1.27	$1.33	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$33.51
CMS Energy Corporation	CMS	($35.77)	$0.00	$1.13	$1.21	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$79.60
Consolidated Edison, Inc.	ED	($64.24)	$0.00	$2.40	$2.53	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$137.87
Dominion Resources, Inc.	D	($67.46)	$0.00	$2.46	$2.65	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$145.20
DTE Energy Company	DTE	($79.78)	$0.00	$3.31	$3.54	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$178.54
FirstEnergy Corp.	FE	($31.84)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$71.02
Great Plains Energy Inc.	GXP	($26.91)	$0.00	$1.00	$1.07	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$59.81
IDACORP, Inc.	IDA	($67.89)	$0.00	$2.08	$2.20	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$149.68
Eversource Energy	ES	($50.87)	$0.00	$1.68	$1.81	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$116.30
NorthWestern Corporation	NWE	($54.03)	$0.00	$1.97	$2.12	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$121.60
OGE Energy Corp.	OGE	($25.52)	$0.00	$1.29	$1.36	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$54.41
Otter Tail Corporation	OTTR	($26.51)	$0.00	$1.22	$1.32	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$60.14
Pinnacle West Capital Corporation	PNW	($63.57)	$0.00	$2.41	$2.56	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$138.70
PNM Resources, Inc.	PNM	($29.89)	$0.00	$0.84	$0.91	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$70.26
Portland General Electric Company	POR	($36.42)	$0.00	$1.20	$1.28	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$83.15
SCANA Corporation	SCG	($60.15)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$135.79
Westar Energy, Inc.	WR	($41.90)	$0.00	$1.50	$1.60	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$93.33
Xcel Energy Inc.	XEL	($35.81)	$0.00	$1.35	$1.44	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$78.18

Multi-Stage Growth Discounted Cash Flow Model
90 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.31	5.00%	5.00%	6.50%	5.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	9.81%	15.89	2.97
Alliant Energy Corporation	LNT	$59.72	5.40%	5.55%	6.00%	5.65%	5.35%	61.00%	63.00%	67.30%	$0.00	9.92%	15.51	2.90
Ameren Corporation	AEE	$42.83	6.30%	6.00%	7.00%	6.43%	5.35%	62.00%	56.00%	67.30%	$0.00	9.92%	15.49	2.90
American Electric Power Company, Inc.	AEP	$56.58	4.70%	4.43%	5.00%	4.71%	5.35%	64.00%	65.00%	67.30%	$0.00	9.71%	16.24	3.04
Avista Corporation	AVA	$33.87	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.47%	17.19	3.21
CenterPoint Energy, Inc.	CNP	$17.77	2.70%	0.40%	NA	1.55%	5.35%	90.00%	84.00%	67.30%	($0.00)	10.56%	13.61	2.55
CMS Energy Corporation	CMS	$35.33	6.10%	6.72%	5.50%	6.11%	5.35%	60.00%	62.00%	67.30%	$0.00	9.33%	17.81	3.33
Consolidated Edison, Inc.	ED	$64.49	3.10%	2.95%	3.00%	3.02%	5.35%	65.00%	64.00%	67.30%	$0.00	9.00%	19.41	3.63
Dominion Resources, Inc.	D	$69.01	6.10%	5.49%	8.00%	6.53%	5.35%	74.00%	72.00%	67.30%	($0.00)	9.17%	18.56	3.47
DTE Energy Company	DTE	$80.17	5.60%	5.12%	5.00%	5.24%	5.35%	61.00%	60.00%	67.30%	$0.00	10.16%	14.74	2.76
FirstEnergy Corp.	FE	$31.39	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.66%	30.69	5.74
Great Plains Energy Inc.	GXP	$26.82	5.80%	5.07%	5.00%	5.29%	5.35%	60.00%	62.00%	67.30%	$0.00	9.80%	15.91	2.97
IDACORP, Inc.	IDA	$66.25	4.00%	4.00%	1.00%	3.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.02%	19.30	3.61
Eversource Energy	ES	$50.32	6.70%	6.57%	8.50%	7.26%	5.35%	59.00%	57.00%	67.30%	$0.00	9.79%	15.97	2.99
NorthWestern Corporation	NWE	$53.77	5.00%	6.81%	6.50%	6.10%	5.35%	61.00%	59.00%	67.30%	$0.00	9.81%	15.88	2.97
OGE Energy Corp.	OGE	$26.72	5.70%	2.17%	3.00%	3.62%	5.35%	63.00%	72.00%	67.30%	$0.00	10.52%	13.70	2.56
Otter Tail Corporation	OTTR	$26.61	NA	6.00%	9.00%	7.50%	5.35%	71.00%	59.00%	67.30%	$0.00	10.57%	13.57	2.54
Pinnacle West Capital Corporation	PNW	$63.35	4.80%	4.95%	4.00%	4.58%	5.35%	64.00%	64.00%	67.30%	$0.00	9.48%	17.18	3.21
PNM Resources, Inc.	PNM	$28.43	7.70%	9.30%	9.00%	8.67%	5.35%	51.00%	55.00%	67.30%	$0.00	10.15%	14.77	2.76
Portland General Electric Company	POR	$36.56	4.40%	4.14%	6.00%	4.85%	5.35%	52.00%	53.00%	67.30%	$0.00	9.61%	16.65	3.11
SCANA Corporation	SCG	$57.82	4.50%	4.45%	4.50%	4.48%	5.35%	56.00%	55.00%	67.30%	$0.00	9.95%	15.41	2.88
Westar Energy, Inc.	WR	$40.32	3.60%	3.50%	6.00%	4.37%	5.35%	61.00%	55.00%	67.30%	$0.00	9.44%	17.34	3.24
Xcel Energy Inc.	XEL	$35.44	5.00%	4.68%	4.50%	4.73%	5.35%	63.00%	65.00%	67.30%	$0.00	9.58%	16.75	3.13
											MEAN	9.67%		
											MAX	10.57%		
											MIN	7.66%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.06	$3.23	$3.41	$3.59	$3.79	$4.00	$4.22	$4.45	$4.69	$4.94	$5.21	$5.49	$5.78	$6.09	$6.41	$6.76
Alliant Energy Corporation	LNT	$3.48	$3.68	$3.88	$4.10	$4.34	$4.58	$4.84	$5.11	$5.39	$5.69	$6.00	$6.32	$6.66	$7.02	$7.39	$7.79	$8.21
Ameren Corporation	AEE	$2.40	$2.55	$2.72	$2.89	$3.08	$3.28	$3.49	$3.71	$3.93	$4.16	$4.40	$4.64	$4.89	$5.15	$5.43	$5.72	$6.03
American Electric Power Company, Inc.	AEP	$3.34	$3.50	$3.66	$3.83	$4.02	$4.20	$4.40	$4.61	$4.84	$5.08	$5.35	$5.63	$5.93	$6.24	$6.58	$6.93	$7.30
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.44	$1.46	$1.49	$1.51	$1.53	$1.56	$1.59	$1.64	$1.69	$1.76	$1.84	$1.94	$2.05	$2.16	$2.27	$2.39
CMS Energy Corporation	CMS	$1.74	$1.85	$1.96	$2.08	$2.21	$2.34	$2.48	$2.63	$2.79	$2.95	$3.11	$3.28	$3.46	$3.64	$3.84	$4.04	$4.26
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.96	$4.08	$4.20	$4.33	$4.47	$4.64	$4.84	$5.06	$5.31	$5.59	$5.89	$6.21	$6.54	$6.89
Dominion Resources, Inc.	D	$3.05	$3.25	$3.46	$3.69	$3.93	$4.18	$4.46	$4.74	$5.03	$5.33	$5.64	$5.95	$6.27	$6.60	$6.95	$7.33	$7.72
DTE Energy Company	DTE	$5.10	$5.37	$5.65	$5.94	$6.26	$6.58	$6.93	$7.29	$7.68	$8.08	$8.51	$8.97	$9.45	$9.95	$10.48	$11.04	$11.64
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.74	$1.83	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63	$2.77	$2.92	$3.08	$3.24	$3.41	$3.60
IDACORP, Inc.	IDA	$3.85	$3.97	$4.08	$4.21	$4.33	$4.46	$4.60	$4.75	$4.93	$5.14	$5.37	$5.64	$5.94	$6.26	$6.59	$6.95	$7.32
Eversource Energy	ES	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.93	$4.20	$4.48	$4.76	$5.05	$5.33	$5.62	$5.92	$6.23	$6.57	$6.92
NorthWestern Corporation	NWE	$2.99	$3.17	$3.37	$3.57	$3.79	$4.02	$4.27	$4.52	$4.79	$5.06	$5.34	$5.64	$5.94	$6.25	$6.59	$6.94	$7.31
OGE Energy Corp.	OGE	$1.98	$2.05	$2.13	$2.20	$2.28	$2.37	$2.45	$2.55	$2.65	$2.77	$2.91	$3.05	$3.22	$3.39	$3.57	$3.76	$3.96
Otter Tail Corporation	OTTR	$1.55	$1.67	$1.79	$1.93	$2.07	$2.23	$2.39	$2.56	$2.74	$2.91	$3.09	$3.27	$3.44	$3.62	$3.82	$4.02	$4.24
Pinnacle West Capital Corporation	PNW	$3.58	$3.74	$3.92	$4.10	$4.28	$4.48	$4.68	$4.91	$5.14	$5.40	$5.67	$5.97	$6.29	$6.62	$6.98	$7.35	$7.74
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.71	$1.86	$2.02	$2.20	$2.39	$2.58	$2.78	$2.97	$3.16	$3.35	$3.53	$3.72	$3.92	$4.13	$4.35
Portland General Electric Company	POR	$2.18	$2.29	$2.40	$2.51	$2.63	$2.76	$2.90	$3.04	$3.19	$3.35	$3.53	$3.71	$3.91	$4.12	$4.34	$4.57	$4.82
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.32	$4.52	$4.72	$4.93	$5.16	$5.41	$5.67	$5.96	$6.27	$6.60	$6.96	$7.33	$7.72	$8.13
Westar Energy, Inc.	WR	$2.35	$2.45	$2.56	$2.67	$2.79	$2.91	$3.04	$3.17	$3.32	$3.48	$3.66	$3.85	$4.06	$4.27	$4.50	$4.74	$4.99
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.23	$2.33	$2.44	$2.56	$2.68	$2.81	$2.95	$3.09	$3.25	$3.42	$3.61	$3.80	$4.00	$4.22	$4.44

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	2017	2018	[34] 2019	2020	2021	2022	2023	2024	[40] 2025	[41] 2026	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	2017	2018	[49] 2019	[50] 2020	2021	2022	2023	2024	[55] 2025	2026	2027	2028	2029	2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.13	$2.17	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$4.55	$107.39
Alliant Energy Corporation	LNT	$2.37	$2.53	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$5.52	$127.27
Ameren Corporation	AEE	$1.69	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$4.06	$93.35
American Electric Power Company, Inc.	AEP	$2.34	$2.47	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$4.91	$118.57
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$70.77
CenterPoint Energy, Inc.	CNP	$1.32	$1.31	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$1.61	$32.58
CMS Energy Corporation	CMS	$1.18	$1.26	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$2.86	$75.79
Consolidated Edison, Inc.	ED	$2.50	$2.56	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$4.64	$133.76
Dominion Resources, Inc.	D	$2.56	$2.70	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$5.19	$143.28
DTE Energy Company	DTE	$3.45	$3.61	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$7.83	$171.53
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$68.54
Great Plains Energy Inc.	GXP	$1.04	$1.11	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$2.42	$57.20
IDACORP, Inc.	IDA	$2.16	$2.30	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$4.92	$141.26
Eversource Energy	ES	$1.75	$1.86	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$4.66	$110.46
NorthWestern Corporation	NWE	$2.05	$2.15	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$4.92	$116.13
OGE Energy Corp.	OGE	$1.34	$1.45	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$2.67	$54.28
Otter Tail Corporation	OTTR	$1.27	$1.29	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$2.85	$57.51
Pinnacle West Capital Corporation	PNW	$2.51	$2.62	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$5.21	$133.02
PNM Resources, Inc.	PNM	$0.87	$0.97	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$2.92	$64.20
Portland General Electric Company	POR	$1.25	$1.31	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$3.24	$80.20
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$5.47	$125.33
Westar Energy, Inc.	WR	$1.56	$1.58	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$3.36	$86.61
Xcel Energy Inc.	XEL	$1.40	$1.48	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$2.99	$74.42

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.31)	$0.00	$2.05	$2.19	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$111.94
Alliant Energy Corporation	LNT	($59.72)	$0.00	$2.28	$2.44	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$132.80
Ameren Corporation	AEE	($42.83)	$0.00	$1.62	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$97.40
American Electric Power Company, Inc.	AEP	($56.58)	$0.00	$2.25	$2.40	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$123.49
Avista Corporation	AVA	($33.87)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$73.54
CenterPoint Energy, Inc.	CNP	($17.77)	$0.00	$1.27	$1.33	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$34.19
CMS Energy Corporation	CMS	($35.33)	$0.00	$1.13	$1.21	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$78.66
Consolidated Edison, Inc.	ED	($64.49)	$0.00	$2.40	$2.53	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$138.40
Dominion Resources, Inc.	D	($69.01)	$0.00	$2.46	$2.65	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$148.47
DTE Energy Company	DTE	($80.17)	$0.00	$3.31	$3.54	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$179.36
FirstEnergy Corp.	FE	($31.39)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$70.04
Great Plains Energy Inc.	GXP	($26.82)	$0.00	$1.00	$1.07	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$59.62
IDACORP, Inc.	IDA	($66.25)	$0.00	$2.08	$2.20	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$146.18
Eversource Energy	ES	($50.32)	$0.00	$1.68	$1.81	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$115.12
NorthWestern Corporation	NWE	($53.77)	$0.00	$1.97	$2.12	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$121.05
OGE Energy Corp.	OGE	($26.72)	$0.00	$1.29	$1.36	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$56.94
Otter Tail Corporation	OTTR	($26.61)	$0.00	$1.22	$1.32	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$60.36
Pinnacle West Capital Corporation	PNW	($63.35)	$0.00	$2.41	$2.56	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$138.23
PNM Resources, Inc.	PNM	($28.43)	$0.00	$0.84	$0.91	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$67.12
Portland General Electric Company	POR	($36.56)	$0.00	$1.20	$1.28	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$83.44
SCANA Corporation	SCG	($57.82)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$130.81
Westar Energy, Inc.	WR	($40.32)	$0.00	$1.50	$1.60	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$89.97
Xcel Energy Inc.	XEL	($35.44)	$0.00	$1.35	$1.44	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$77.41

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$49.47	5.00%	5.00%	6.50%	5.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	9.88%	15.63	2.92
Alliant Energy Corporation	LNT	$59.67	5.40%	5.55%	6.00%	5.65%	5.35%	61.00%	63.00%	67.30%	$0.00	9.92%	15.50	2.90
Ameren Corporation	AEE	$41.34	6.30%	6.00%	7.00%	6.43%	5.35%	62.00%	56.00%	67.30%	$0.00	10.09%	14.96	2.80
American Electric Power Company, Inc.	AEP	$55.91	4.70%	4.43%	5.00%	4.71%	5.35%	64.00%	65.00%	67.30%	$0.00	9.77%	16.05	3.00
Avista Corporation	AVA	$32.85	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.60%	16.66	3.12
CenterPoint Energy, Inc.	CNP	$18.58	2.70%	0.40%	NA	1.55%	5.35%	90.00%	84.00%	67.30%	($0.00)	10.30%	14.32	2.68
CMS Energy Corporation	CMS	$34.36	6.10%	6.72%	5.50%	6.11%	5.35%	60.00%	62.00%	67.30%	$0.00	9.44%	17.32	3.24
Consolidated Edison, Inc.	ED	$62.97	3.10%	2.95%	3.00%	3.02%	5.35%	65.00%	64.00%	67.30%	$0.00	9.09%	18.95	3.54
Dominion Resources, Inc.	D	$69.57	6.10%	5.49%	8.00%	6.53%	5.35%	74.00%	72.00%	67.30%	($0.00)	9.13%	18.72	3.50
DTE Energy Company	DTE	$79.11	5.60%	5.12%	5.00%	5.24%	5.35%	61.00%	60.00%	67.30%	$0.00	10.22%	14.55	2.72
FirstEnergy Corp.	FE	$32.64	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.57%	31.89	5.96
Great Plains Energy Inc.	GXP	$26.16	5.80%	5.07%	5.00%	5.29%	5.35%	60.00%	62.00%	67.30%	$0.00	9.92%	15.51	2.90
IDACORP, Inc.	IDA	$62.69	4.00%	4.00%	1.00%	3.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.23%	18.27	3.42
Eversource Energy	ES	$49.19	6.70%	6.57%	8.50%	7.26%	5.35%	59.00%	57.00%	67.30%	$0.00	9.89%	15.62	2.92
NorthWestern Corporation	NWE	$52.75	5.00%	6.81%	6.50%	6.10%	5.35%	61.00%	59.00%	67.30%	$0.00	9.90%	15.58	2.91
OGE Energy Corp.	OGE	$28.22	5.70%	2.17%	3.00%	3.62%	5.35%	63.00%	72.00%	67.30%	$0.00	10.24%	14.50	2.71
Otter Tail Corporation	OTTR	$26.76	NA	6.00%	9.00%	7.50%	5.35%	71.00%	59.00%	67.30%	$0.00	10.54%	13.65	2.55
Pinnacle West Capital Corporation	PNW	$61.66	4.80%	4.95%	4.00%	4.58%	5.35%	64.00%	64.00%	67.30%	$0.00	9.59%	16.71	3.13
PNM Resources, Inc.	PNM	$27.23	7.70%	9.30%	9.00%	8.67%	5.35%	51.00%	55.00%	67.30%	$0.00	10.35%	14.18	2.65
Portland General Electric Company	POR	$35.66	4.40%	4.14%	6.00%	4.85%	5.35%	52.00%	53.00%	67.30%	$0.00	9.71%	16.25	3.04
SCANA Corporation	SCG	$55.39	4.50%	4.45%	4.50%	4.48%	5.35%	56.00%	55.00%	67.30%	$0.00	10.15%	14.77	2.76
Westar Energy, Inc.	WR	$38.32	3.60%	3.50%	6.00%	4.37%	5.35%	61.00%	55.00%	67.30%	$0.00	9.65%	16.48	3.08
Xcel Energy Inc.	XEL	$34.55	5.00%	4.68%	4.50%	4.73%	5.35%	63.00%	65.00%	67.30%	$0.00	9.69%	16.32	3.05
											MEAN	9.73%		
											MAX	10.54%		
											MIN	7.57%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.06	$3.23	$3.41	$3.59	$3.79	$4.00	$4.22	$4.45	$4.69	$4.94	$5.21	$5.49	$5.78	$6.09	$6.41	$6.76
Alliant Energy Corporation	LNT	$3.48	$3.68	$3.88	$4.10	$4.34	$4.58	$4.84	$5.11	$5.39	$5.69	$6.00	$6.32	$6.66	$7.02	$7.39	$7.79	$8.21
Ameren Corporation	AEE	$2.40	$2.55	$2.72	$2.89	$3.08	$3.28	$3.49	$3.71	$3.93	$4.16	$4.40	$4.64	$4.89	$5.15	$5.43	$5.72	$6.03
American Electric Power Company, Inc.	AEP	$3.34	$3.50	$3.66	$3.83	$4.02	$4.20	$4.40	$4.61	$4.84	$5.08	$5.35	$5.63	$5.93	$6.24	$6.58	$6.93	$7.30
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.44	$1.46	$1.49	$1.51	$1.53	$1.56	$1.59	$1.64	$1.69	$1.76	$1.84	$1.94	$2.05	$2.16	$2.27	$2.39
CMS Energy Corporation	CMS	$1.74	$1.85	$1.96	$2.08	$2.21	$2.34	$2.48	$2.63	$2.79	$2.95	$3.11	$3.28	$3.46	$3.64	$3.84	$4.04	$4.26
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.96	$4.08	$4.20	$4.33	$4.47	$4.64	$4.84	$5.06	$5.31	$5.59	$5.89	$6.21	$6.54	$6.89
Dominion Resources, Inc.	D	$3.05	$3.25	$3.46	$3.69	$3.93	$4.18	$4.46	$4.74	$5.03	$5.33	$5.64	$5.95	$6.27	$6.60	$6.95	$7.33	$7.72
DTE Energy Company	DTE	$5.10	$5.37	$5.65	$5.94	$6.26	$6.58	$6.93	$7.29	$7.68	$8.08	$8.51	$8.97	$9.45	$9.95	$10.48	$11.04	$11.64
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.74	$1.83	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63	$2.77	$2.92	$3.08	$3.24	$3.41	$3.60
IDACORP, Inc.	IDA	$3.85	$3.97	$4.08	$4.21	$4.33	$4.46	$4.60	$4.75	$4.93	$5.14	$5.37	$5.64	$5.94	$6.26	$6.59	$6.95	$7.32
Eversource Energy	ES	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.93	$4.20	$4.48	$4.76	$5.05	$5.33	$5.62	$5.92	$6.23	$6.57	$6.92
NorthWestern Corporation	NWE	$2.99	$3.17	$3.37	$3.57	$3.79	$4.02	$4.27	$4.52	$4.79	$5.06	$5.34	$5.64	$5.94	$6.25	$6.59	$6.94	$7.31
OGE Energy Corp.	OGE	$1.98	$2.05	$2.13	$2.20	$2.28	$2.37	$2.45	$2.55	$2.65	$2.77	$2.91	$3.05	$3.22	$3.39	$3.57	$3.76	$3.96
Otter Tail Corporation	OTTR	$1.55	$1.67	$1.79	$1.93	$2.07	$2.23	$2.39	$2.56	$2.74	$2.91	$3.09	$3.27	$3.44	$3.62	$3.82	$4.02	$4.24
Pinnacle West Capital Corporation	PNW	$3.58	$3.74	$3.92	$4.10	$4.28	$4.48	$4.68	$4.91	$5.14	$5.40	$5.67	$5.97	$6.29	$6.62	$6.98	$7.35	$7.74
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.71	$1.86	$2.02	$2.20	$2.39	$2.58	$2.78	$2.97	$3.16	$3.35	$3.53	$3.72	$3.92	$4.13	$4.35
Portland General Electric Company	POR	$2.18	$2.29	$2.40	$2.51	$2.63	$2.76	$2.90	$3.04	$3.19	$3.35	$3.53	$3.71	$3.91	$4.12	$4.34	$4.57	$4.82
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.32	$4.52	$4.72	$4.93	$5.16	$5.41	$5.67	$5.96	$6.27	$6.60	$6.96	$7.33	$7.72	$8.13
Westar Energy, Inc.	WR	$2.35	$2.45	$2.56	$2.67	$2.79	$2.91	$3.04	$3.17	$3.32	$3.48	$3.66	$3.85	$4.06	$4.27	$4.50	$4.74	$4.99
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.23	$2.33	$2.44	$2.56	$2.68	$2.81	$2.95	$3.09	$3.25	$3.42	$3.61	$3.80	$4.00	$4.22	$4.44

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
		2016	2017	2018	**2019**	2020	2021	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
		2016	2017	2018	2019	**2020**	2021	2022	2023	2024	**2025**	2026	2027	2028	2029	2030	Terminal Value
ALLETE, Inc.	ALE	$2.13	$2.17	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$4.55	$105.59
Alliant Energy Corporation	LNT	$2.37	$2.53	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$5.52	$127.17
Ameren Corporation	AEE	$1.69	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$4.06	$90.15
American Electric Power Company, Inc.	AEP	$2.34	$2.47	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$4.91	$117.15
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$68.61
CenterPoint Energy, Inc.	CNP	$1.32	$1.31	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$1.61	$34.27
CMS Energy Corporation	CMS	$1.18	$1.26	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$2.86	$73.73
Consolidated Edison, Inc.	ED	$2.50	$2.56	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$4.64	$130.55
Dominion Resources, Inc.	D	$2.56	$2.70	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$5.19	$144.48
DTE Energy Company	DTE	$3.45	$3.61	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$7.83	$169.27
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$71.22
Great Plains Energy Inc.	GXP	$1.04	$1.11	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$2.42	$55.78
IDACORP, Inc.	IDA	$2.16	$2.30	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$4.92	$133.68
Eversource Energy	ES	$1.75	$1.86	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$4.66	$108.03
NorthWestern Corporation	NWE	$2.05	$2.15	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$4.92	$113.95
OGE Energy Corp.	OGE	$1.34	$1.45	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$2.67	$57.45
Otter Tail Corporation	OTTR	$1.27	$1.29	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$2.85	$57.83
Pinnacle West Capital Corporation	PNW	$2.51	$2.62	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$5.21	$129.42
PNM Resources, Inc.	PNM	$0.87	$0.97	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$2.92	$61.61
Portland General Electric Company	POR	$1.25	$1.31	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$3.24	$78.28
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$5.47	$120.13
Westar Energy, Inc.	WR	$1.56	$1.58	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$3.36	$82.33
Xcel Energy Inc.	XEL	$1.40	$1.48	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$2.99	$72.51

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($49.47)	$0.00	$2.05	$2.19	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$110.14
Alliant Energy Corporation	LNT	($59.67)	$0.00	$2.28	$2.44	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$132.69
Ameren Corporation	AEE	($41.34)	$0.00	$1.62	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$94.20
American Electric Power Company, Inc.	AEP	($55.91)	$0.00	$2.25	$2.40	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$122.06
Avista Corporation	AVA	($32.85)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$71.38
CenterPoint Energy, Inc.	CNP	($18.58)	$0.00	$1.27	$1.33	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$35.88
CMS Energy Corporation	CMS	($34.36)	$0.00	$1.13	$1.21	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$76.60
Consolidated Edison, Inc.	ED	($62.97)	$0.00	$2.40	$2.53	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$135.18
Dominion Resources, Inc.	D	($69.57)	$0.00	$2.46	$2.65	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$149.67
DTE Energy Company	DTE	($79.11)	$0.00	$3.31	$3.54	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$177.10
FirstEnergy Corp.	FE	($32.64)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$72.72
Great Plains Energy Inc.	GXP	($26.15)	$0.00	$1.00	$1.07	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$58.20
IDACORP, Inc.	IDA	($62.69)	$0.00	$2.08	$2.20	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$138.60
Eversource Energy	ES	($49.19)	$0.00	$1.68	$1.81	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$112.69
NorthWestern Corporation	NWE	($52.75)	$0.00	$1.97	$2.12	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$118.87
OGE Energy Corp.	OGE	($28.22)	$0.00	$1.29	$1.36	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$60.11
Otter Tail Corporation	OTTR	($26.76)	$0.00	$1.22	$1.32	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$60.68
Pinnacle West Capital Corporation	PNW	($61.66)	$0.00	$2.41	$2.56	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$134.64
PNM Resources, Inc.	PNM	($27.23)	$0.00	$0.84	$0.91	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$64.54
Portland General Electric Company	POR	($35.66)	$0.00	$1.20	$1.28	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$81.52
SCANA Corporation	SCG	($55.38)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$125.60
Westar Energy, Inc.	WR	($38.32)	$0.00	$1.50	$1.60	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$85.70
Xcel Energy Inc.	XEL	($34.55)	$0.00	$1.35	$1.44	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$75.50

Multi-Stage Growth Discounted Cash Flow Model
30 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.12	5.00%	5.00%	6.50%	5.00%	5.35%	66.00%	59.00%	67.30%	($0.00)	9.67%	16.42	3.07
Alliant Energy Corporation	LNT	$61.59	5.40%	5.55%	6.00%	5.40%	5.35%	61.00%	63.00%	67.30%	$0.00	9.70%	16.29	3.05
Ameren Corporation	AEE	$43.18	6.30%	6.00%	7.00%	6.00%	5.35%	62.00%	56.00%	67.30%	$0.00	9.75%	16.10	3.01
American Electric Power Company, Inc.	AEP	$57.34	4.70%	4.43%	5.00%	4.43%	5.35%	64.00%	65.00%	67.30%	$0.00	9.57%	16.81	3.14
Avista Corporation	AVA	$34.97	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.34%	17.75	3.32
CenterPoint Energy, Inc.	CNP	$17.44	2.70%	0.40%	NA	0.40%	5.35%	90.00%	84.00%	67.30%	($0.00)	10.21%	14.60	2.73
CMS Energy Corporation	CMS	$35.77	6.10%	6.72%	5.50%	5.50%	5.35%	60.00%	62.00%	67.30%	$0.00	9.11%	18.84	3.52
Consolidated Edison, Inc.	ED	$64.24	3.10%	2.95%	3.00%	2.95%	5.35%	65.00%	64.00%	67.30%	$0.00	9.00%	19.44	3.63
Dominion Resources, Inc.	D	$67.46	6.10%	5.49%	8.00%	5.49%	5.35%	74.00%	72.00%	67.30%	($0.00)	8.97%	19.59	3.66
DTE Energy Company	DTE	$79.78	5.60%	5.12%	5.00%	5.00%	5.35%	61.00%	60.00%	67.30%	$0.00	10.10%	14.93	2.79
FirstEnergy Corp.	FE	$31.84	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.62%	31.13	5.82
Great Plains Energy Inc.	GXP	$26.91	5.80%	5.07%	5.00%	5.00%	5.35%	60.00%	62.00%	67.30%	$0.00	9.70%	16.29	3.05
IDACORP, Inc.	IDA	$67.89	4.00%	4.00%	1.00%	1.00%	5.35%	53.00%	58.00%	67.30%	$0.00	8.42%	23.05	4.31
Eversource Energy	ES	$50.87	6.70%	6.57%	8.50%	6.57%	5.35%	59.00%	57.00%	67.30%	$0.00	9.53%	16.94	3.17
NorthWestern Corporation	NWE	$54.03	5.00%	6.81%	6.50%	5.00%	5.35%	61.00%	59.00%	67.30%	$0.00	9.45%	17.27	3.23
OGE Energy Corp.	OGE	$25.52	5.70%	2.17%	3.00%	2.17%	5.35%	63.00%	72.00%	67.30%	$0.00	10.22%	14.56	2.72
Otter Tail Corporation	OTTR	$26.51	NA	6.00%	9.00%	6.00%	5.35%	71.00%	59.00%	67.30%	$0.00	10.07%	15.02	2.81
Pinnacle West Capital Corporation	PNW	$63.57	4.80%	4.95%	4.00%	4.00%	5.35%	64.00%	64.00%	67.30%	$0.00	9.29%	18.00	3.37
PNM Resources, Inc.	PNM	$29.89	7.70%	9.30%	9.00%	7.70%	5.35%	51.00%	55.00%	67.30%	$0.00	9.63%	16.56	3.10
Portland General Electric Company	POR	$36.42	4.40%	4.14%	6.00%	4.14%	5.35%	52.00%	53.00%	67.30%	$0.00	9.41%	17.45	3.26
SCANA Corporation	SCG	$60.15	4.50%	4.45%	4.50%	4.45%	5.35%	56.00%	55.00%	67.30%	$0.00	9.76%	16.06	3.00
Westar Energy, Inc.	WR	$41.90	3.60%	3.50%	6.00%	3.50%	5.35%	61.00%	55.00%	67.30%	$0.00	9.04%	19.20	3.59
Xcel Energy Inc.	XEL	$35.81	5.00%	4.68%	4.50%	4.50%	5.35%	63.00%	65.00%	67.30%	$0.00	9.47%	17.21	3.22
											MEAN	9.44%		
											MAX	10.22%		
											MIN	7.62%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.05	$3.20	$3.36	$3.52	$3.70	$3.89	$4.08	$4.29	$4.51	$4.75	$5.00	$5.27	$5.55	$5.85	$6.16	$6.49
Alliant Energy Corporation	LNT	$3.48	$3.67	$3.87	$4.07	$4.29	$4.53	$4.77	$5.03	$5.30	$5.58	$5.88	$6.20	$6.53	$6.88	$7.25	$7.63	$8.04
Ameren Corporation	AEE	$2.40	$2.54	$2.70	$2.86	$3.03	$3.21	$3.40	$3.61	$3.81	$4.03	$4.25	$4.49	$4.73	$4.98	$5.24	$5.53	$5.82
American Electric Power Company, Inc.	AEP	$3.34	$3.49	$3.64	$3.80	$3.97	$4.15	$4.33	$4.53	$4.75	$4.98	$5.23	$5.50	$5.79	$6.10	$6.43	$6.77	$7.14
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.43	$1.43	$1.44	$1.44	$1.45	$1.45	$1.47	$1.50	$1.55	$1.60	$1.68	$1.76	$1.86	$1.96	$2.06	$2.17
CMS Energy Corporation	CMS	$1.74	$1.84	$1.94	$2.04	$2.16	$2.27	$2.40	$2.53	$2.67	$2.81	$2.96	$3.12	$3.29	$3.47	$3.65	$3.85	$4.05
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.95	$4.07	$4.19	$4.31	$4.45	$4.62	$4.81	$5.03	$5.28	$5.56	$5.86	$6.17	$6.50	$6.85
Dominion Resources, Inc.	D	$3.05	$3.22	$3.39	$3.58	$3.78	$3.98	$4.20	$4.43	$4.67	$4.93	$5.19	$5.47	$5.76	$6.07	$6.40	$6.74	$7.10
DTE Energy Company	DTE	$5.10	$5.36	$5.62	$5.90	$6.20	$6.51	$6.83	$7.18	$7.55	$7.94	$8.35	$8.80	$9.27	$9.76	$10.28	$10.83	$11.41
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.73	$1.82	$1.91	$2.00	$2.10	$2.21	$2.32	$2.44	$2.57	$2.71	$2.85	$3.00	$3.17	$3.33	$3.51
IDACORP, Inc.	IDA	$3.85	$3.89	$3.93	$3.97	$4.01	$4.05	$4.09	$4.16	$4.26	$4.39	$4.57	$4.78	$5.03	$5.30	$5.58	$5.88	$6.20
Eversource Energy	ES	$2.58	$2.75	$2.93	$3.12	$3.33	$3.55	$3.78	$4.02	$4.27	$4.52	$4.78	$5.05	$5.32	$5.60	$5.90	$6.22	$6.55
NorthWestern Corporation	NWE	$2.99	$3.14	$3.30	$3.46	$3.63	$3.82	$4.01	$4.21	$4.42	$4.65	$4.90	$5.16	$5.43	$5.72	$6.03	$6.35	$6.69
OGE Energy Corp.	OGE	$1.98	$2.02	$2.07	$2.11	$2.16	$2.20	$2.25	$2.31	$2.39	$2.48	$2.58	$2.71	$2.85	$3.01	$3.17	$3.34	$3.51
Otter Tail Corporation	OTTR	$1.55	$1.64	$1.74	$1.85	$1.96	$2.07	$2.20	$2.33	$2.46	$2.60	$2.75	$2.90	$3.05	$3.22	$3.39	$3.57	$3.76
Pinnacle West Capital Corporation	PNW	$3.58	$3.72	$3.87	$4.03	$4.19	$4.36	$4.53	$4.72	$4.93	$5.16	$5.41	$5.69	$6.00	$6.32	$6.65	$7.01	$7.39
PNM Resources, Inc.	PNM	$1.45	$1.56	$1.68	$1.81	$1.95	$2.10	$2.26	$2.43	$2.60	$2.77	$2.94	$3.10	$3.27	$3.44	$3.63	$3.82	$4.03
Portland General Electric Company	POR	$2.18	$2.27	$2.36	$2.46	$2.56	$2.67	$2.78	$2.90	$3.03	$3.18	$3.33	$3.51	$3.69	$3.89	$4.10	$4.32	$4.55
SCANA Corporation	SCG	$3.79	$3.96	$4.13	$4.32	$4.51	$4.71	$4.92	$5.15	$5.39	$5.66	$5.94	$6.25	$6.59	$6.94	$7.31	$7.70	$8.11
Westar Energy, Inc.	WR	$2.35	$2.43	$2.52	$2.61	$2.70	$2.79	$2.89	$3.00	$3.12	$3.26	$3.41	$3.59	$3.78	$3.98	$4.19	$4.42	$4.65
Xcel Energy Inc.	XEL	$2.03	$2.12	$2.22	$2.32	$2.42	$2.53	$2.64	$2.77	$2.90	$3.04	$3.20	$3.36	$3.54	$3.73	$3.93	$4.14	$4.36

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
Company	Ticker	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Terminal Value
ALLETE, Inc.	ALE	$2.11	$2.14	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$4.37	$106.52
Alliant Energy Corporation	LNT	$2.36	$2.51	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$5.41	$130.98
Ameren Corporation	AEE	$1.67	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$3.92	$93.70
American Electric Power Company, Inc.	AEP	$2.33	$2.45	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$4.80	$119.93
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$73.10
CenterPoint Energy, Inc.	CNP	$1.29	$1.26	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$1.46	$31.72
CMS Energy Corporation	CMS	$1.16	$1.24	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$2.73	$76.38
Consolidated Edison, Inc.	ED	$2.49	$2.55	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$4.61	$133.18
Dominion Resources, Inc.	D	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$4.78	$139.09
DTE Energy Company	DTE	$3.43	$3.58	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$7.68	$170.33
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$69.52
Great Plains Energy Inc.	GXP	$1.04	$1.10	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$2.36	$57.24
IDACORP, Inc.	IDA	$2.08	$2.17	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$4.17	$142.85
Eversource Energy	ES	$1.73	$1.82	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$4.41	$110.94
NorthWestern Corporation	NWE	$2.01	$2.09	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$4.50	$115.57
OGE Energy Corp.	OGE	$1.30	$1.39	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$2.36	$51.15
Otter Tail Corporation	OTTR	$1.24	$1.24	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$2.53	$56.45
Pinnacle West Capital Corporation	PNW	$2.48	$2.58	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$4.97	$132.91
PNM Resources, Inc.	PNM	$0.86	$0.95	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$2.71	$66.69
Portland General Electric Company	POR	$1.23	$1.29	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$3.06	$79.40
SCANA Corporation	SCG	$2.32	$2.40	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$5.46	$130.27
Westar Energy, Inc.	WR	$1.54	$1.54	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$3.13	$89.35
Xcel Energy Inc.	XEL	$1.40	$1.47	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$2.94	$75.06

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.12)	$0.00	$2.03	$2.16	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$110.89
Alliant Energy Corporation	LNT	($61.59)	$0.00	$2.27	$2.42	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$136.39
Ameren Corporation	AEE	($43.18)	$0.00	$1.61	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$97.61
American Electric Power Company, Inc.	AEP	($57.34)	$0.00	$2.24	$2.38	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$124.73
Avista Corporation	AVA	($34.97)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$75.87
CenterPoint Energy, Inc.	CNP	($17.44)	$0.00	$1.24	$1.29	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$33.19
CMS Energy Corporation	CMS	($35.77)	$0.00	$1.12	$1.19	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$79.11
Consolidated Edison, Inc.	ED	($64.24)	$0.00	$2.40	$2.53	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$137.79
Dominion Resources, Inc.	D	($67.46)	$0.00	$2.42	$2.58	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$143.87
DTE Energy Company	DTE	($79.78)	$0.00	$3.30	$3.52	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$178.01
FirstEnergy Corp.	FE	($31.84)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$71.02
Great Plains Energy Inc.	GXP	($26.91)	$0.00	$1.00	$1.06	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$59.61
IDACORP, Inc.	IDA	($67.89)	$0.00	$2.00	$2.09	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$147.02
Eversource Energy	ES	($50.87)	$0.00	$1.66	$1.79	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$115.35
NorthWestern Corporation	NWE	($54.03)	$0.00	$1.93	$2.06	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$120.08
OGE Energy Corp.	OGE	($25.52)	$0.00	$1.25	$1.32	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$53.52
Otter Tail Corporation	OTTR	($26.51)	$0.00	$1.19	$1.27	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$58.98
Pinnacle West Capital Corporation	PNW	($63.57)	$0.00	$2.38	$2.53	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$137.88
PNM Resources, Inc.	PNM	($29.89)	$0.00	$0.82	$0.89	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$69.40
Portland General Electric Company	POR	($36.42)	$0.00	$1.18	$1.25	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$82.46
SCANA Corporation	SCG	($60.15)	$0.00	$2.23	$2.37	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$135.73
Westar Energy, Inc.	WR	($41.90)	$0.00	$1.48	$1.56	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$92.48
Xcel Energy Inc.	XEL	($35.81)	$0.00	$1.34	$1.43	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$78.00

Multi-Stage Growth Discounted Cash Flow Model
90 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.31	5.00%	5.00%	6.50%	5.00%	5.35%	66.00%	59.00%	67.30%	($0.00)	9.65%	16.48	3.08
Alliant Energy Corporation	LNT	$59.72	5.40%	5.55%	6.00%	5.40%	5.35%	61.00%	63.00%	67.30%	$0.00	9.84%	15.79	2.95
Ameren Corporation	AEE	$42.83	6.30%	6.00%	7.00%	6.00%	5.35%	62.00%	56.00%	67.30%	$0.00	9.79%	15.97	2.99
American Electric Power Company, Inc.	AEP	$56.58	4.70%	4.43%	5.00%	4.43%	5.35%	64.00%	65.00%	67.30%	$0.00	9.62%	16.58	3.10
Avista Corporation	AVA	$33.87	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.47%	17.19	3.21
CenterPoint Energy, Inc.	CNP	$17.77	2.70%	0.40%	NA	0.40%	5.35%	90.00%	84.00%	67.30%	($0.00)	10.10%	14.91	2.79
CMS Energy Corporation	CMS	$35.33	6.10%	6.72%	5.50%	5.50%	5.35%	60.00%	62.00%	67.30%	$0.00	9.16%	18.61	3.48
Consolidated Edison, Inc.	ED	$64.49	3.10%	2.95%	3.00%	2.95%	5.35%	65.00%	64.00%	67.30%	$0.00	8.98%	19.51	3.65
Dominion Resources, Inc.	D	$69.01	6.10%	5.49%	8.00%	5.49%	5.35%	74.00%	72.00%	67.30%	($0.00)	8.88%	20.05	3.75
DTE Energy Company	DTE	$80.17	5.60%	5.12%	5.00%	5.00%	5.35%	61.00%	60.00%	67.30%	$0.00	10.07%	15.00	2.80
FirstEnergy Corp.	FE	$31.39	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.66%	30.69	5.74
Great Plains Energy Inc.	GXP	$26.82	5.80%	5.07%	5.00%	5.00%	5.35%	60.00%	62.00%	67.30%	$0.00	9.71%	16.24	3.04
IDACORP, Inc.	IDA	$66.25	4.00%	4.00%	1.00%	1.00%	5.35%	53.00%	58.00%	67.30%	$0.00	8.50%	22.48	4.20
Eversource Energy	ES	$50.32	6.70%	6.57%	8.50%	6.57%	5.35%	59.00%	57.00%	67.30%	$0.00	9.58%	16.76	3.13
NorthWestern Corporation	NWE	$53.77	5.00%	6.81%	6.50%	5.00%	5.35%	61.00%	59.00%	67.30%	$0.00	9.47%	17.19	3.22
OGE Energy Corp.	OGE	$26.72	5.70%	2.17%	3.00%	2.17%	5.35%	63.00%	72.00%	67.30%	$0.00	9.99%	15.28	2.86
Otter Tail Corporation	OTTR	$26.61	NA	6.00%	9.00%	6.00%	5.35%	71.00%	59.00%	67.30%	$0.00	10.05%	15.08	2.82
Pinnacle West Capital Corporation	PNW	$63.35	4.80%	4.95%	4.00%	4.00%	5.35%	64.00%	64.00%	67.30%	$0.00	9.30%	17.93	3.35
PNM Resources, Inc.	PNM	$28.43	7.70%	9.30%	9.00%	7.70%	5.35%	51.00%	55.00%	67.30%	$0.00	9.84%	15.78	2.95
Portland General Electric Company	POR	$36.56	4.40%	4.14%	6.00%	4.14%	5.35%	52.00%	53.00%	67.30%	$0.00	9.39%	17.52	3.28
SCANA Corporation	SCG	$57.82	4.50%	4.45%	4.50%	4.45%	5.35%	56.00%	55.00%	67.30%	$0.00	9.94%	15.45	2.89
Westar Energy, Inc.	WR	$40.32	3.60%	3.50%	6.00%	3.50%	5.35%	61.00%	55.00%	67.30%	$0.00	9.18%	18.48	3.46
Xcel Energy Inc.	XEL	$35.44	5.00%	4.68%	4.50%	4.50%	5.35%	63.00%	65.00%	67.30%	$0.00	9.51%	17.03	3.19
											MEAN	9.46%		
											MAX	10.10%		
											MIN	7.66%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.05	$3.20	$3.36	$3.52	$3.70	$3.89	$4.08	$4.29	$4.51	$4.75	$5.00	$5.27	$5.55	$5.85	$6.16	$6.49
Alliant Energy Corporation	LNT	$3.48	$3.67	$3.87	$4.07	$4.29	$4.53	$4.77	$5.03	$5.30	$5.58	$5.88	$6.20	$6.53	$6.88	$7.25	$7.63	$8.04
Ameren Corporation	AEE	$2.40	$2.54	$2.70	$2.86	$3.03	$3.21	$3.40	$3.61	$3.81	$4.03	$4.25	$4.49	$4.73	$4.98	$5.24	$5.53	$5.82
American Electric Power Company, Inc.	AEP	$3.34	$3.49	$3.64	$3.80	$3.97	$4.15	$4.33	$4.53	$4.75	$4.98	$5.23	$5.50	$5.79	$6.10	$6.43	$6.77	$7.14
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.43	$1.43	$1.44	$1.44	$1.45	$1.45	$1.47	$1.50	$1.55	$1.60	$1.68	$1.76	$1.86	$1.96	$2.06	$2.17
CMS Energy Corporation	CMS	$1.74	$1.84	$1.94	$2.04	$2.16	$2.27	$2.40	$2.53	$2.67	$2.81	$2.96	$3.12	$3.29	$3.47	$3.65	$3.85	$4.05
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.95	$4.07	$4.19	$4.31	$4.45	$4.62	$4.81	$5.03	$5.28	$5.56	$5.86	$6.17	$6.50	$6.85
Dominion Resources, Inc.	D	$3.05	$3.22	$3.39	$3.58	$3.78	$3.98	$4.20	$4.43	$4.67	$4.93	$5.19	$5.47	$5.76	$6.07	$6.40	$6.74	$7.10
DTE Energy Company	DTE	$5.10	$5.36	$5.62	$5.90	$6.20	$6.51	$6.83	$7.18	$7.55	$7.94	$8.35	$8.80	$9.27	$9.76	$10.28	$10.83	$11.41
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.73	$1.82	$1.91	$2.00	$2.10	$2.21	$2.32	$2.44	$2.57	$2.71	$2.85	$3.00	$3.17	$3.33	$3.51
IDACORP, Inc.	IDA	$3.85	$3.89	$3.93	$3.97	$4.01	$4.05	$4.09	$4.16	$4.26	$4.39	$4.57	$4.78	$5.03	$5.30	$5.58	$5.88	$6.20
Eversource Energy	ES	$2.58	$2.75	$2.93	$3.12	$3.33	$3.55	$3.78	$4.02	$4.27	$4.52	$4.78	$5.05	$5.32	$5.60	$5.90	$6.22	$6.55
NorthWestern Corporation	NWE	$2.99	$3.14	$3.30	$3.46	$3.63	$3.82	$4.01	$4.21	$4.42	$4.65	$4.90	$5.16	$5.43	$5.72	$6.03	$6.35	$6.69
OGE Energy Corp.	OGE	$1.98	$2.02	$2.07	$2.11	$2.16	$2.20	$2.25	$2.31	$2.39	$2.48	$2.58	$2.71	$2.85	$3.01	$3.17	$3.34	$3.51
Otter Tail Corporation	OTTR	$1.55	$1.64	$1.74	$1.85	$1.96	$2.07	$2.20	$2.33	$2.46	$2.60	$2.75	$2.90	$3.05	$3.22	$3.39	$3.57	$3.76
Pinnacle West Capital Corporation	PNW	$3.58	$3.72	$3.87	$4.03	$4.19	$4.36	$4.53	$4.72	$4.93	$5.16	$5.41	$5.69	$6.00	$6.32	$6.65	$7.01	$7.39
PNM Resources, Inc.	PNM	$1.45	$1.56	$1.68	$1.81	$1.95	$2.10	$2.26	$2.43	$2.60	$2.77	$2.94	$3.10	$3.27	$3.44	$3.63	$3.82	$4.03
Portland General Electric Company	POR	$2.18	$2.27	$2.36	$2.46	$2.56	$2.67	$2.78	$2.90	$3.03	$3.18	$3.33	$3.51	$3.69	$3.89	$4.10	$4.32	$4.55
SCANA Corporation	SCG	$3.79	$3.96	$4.13	$4.32	$4.51	$4.71	$4.92	$5.15	$5.39	$5.66	$5.94	$6.25	$6.59	$6.94	$7.31	$7.70	$8.11
Westar Energy, Inc.	WR	$2.35	$2.43	$2.52	$2.61	$2.70	$2.79	$2.89	$3.00	$3.12	$3.26	$3.41	$3.59	$3.78	$3.98	$4.19	$4.42	$4.65
Xcel Energy Inc.	XEL	$2.03	$2.12	$2.22	$2.32	$2.42	$2.53	$2.64	$2.77	$2.90	$3.04	$3.20	$3.36	$3.54	$3.73	$3.93	$4.14	$4.36

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	**2016**	2017	2018	**2019**	2020	2021	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
																	Terminal
Company	Ticker	2016	2017	2018	2019	**2020**	2021	2022	2023	2024	**2025**	2026	2027	2028	2029	2030	Value
ALLETE, Inc.	ALE	$2.11	$2.14	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$4.37	$106.93
Alliant Energy Corporation	LNT	$2.36	$2.51	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$5.41	$127.00
Ameren Corporation	AEE	$1.67	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$3.92	$92.97
American Electric Power Company, Inc.	AEP	$2.33	$2.45	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$4.80	$118.31
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$70.77
CenterPoint Energy, Inc.	CNP	$1.29	$1.26	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$1.46	$32.40
CMS Energy Corporation	CMS	$1.16	$1.24	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$2.73	$75.44
Consolidated Edison, Inc.	ED	$2.49	$2.55	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$4.61	$133.70
Dominion Resources, Inc.	D	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$4.78	$142.36
DTE Energy Company	DTE	$3.43	$3.58	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$7.68	$171.15
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$68.54
Great Plains Energy Inc.	GXP	$1.04	$1.10	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$2.36	$57.06
IDACORP, Inc.	IDA	$2.08	$2.17	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$4.17	$139.35
Eversource Energy	ES	$1.73	$1.82	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$4.41	$109.77
NorthWestern Corporation	NWE	$2.01	$2.09	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$4.50	$115.02
OGE Energy Corp.	OGE	$1.30	$1.39	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$2.36	$53.68
Otter Tail Corporation	OTTR	$1.24	$1.24	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$2.53	$56.68
Pinnacle West Capital Corporation	PNW	$2.48	$2.58	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$4.97	$132.44
PNM Resources, Inc.	PNM	$0.86	$0.95	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$2.71	$63.56
Portland General Electric Company	POR	$1.23	$1.29	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$3.06	$79.68
SCANA Corporation	SCG	$2.32	$2.40	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$5.46	$125.29
Westar Energy, Inc.	WR	$1.54	$1.54	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$3.13	$85.99
Xcel Energy Inc.	XEL	$1.40	$1.47	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$2.94	$74.29

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.31)	$0.00	$2.03	$2.16	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$111.30
Alliant Energy Corporation	LNT	($59.72)	$0.00	$2.27	$2.42	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$132.41
Ameren Corporation	AEE	($42.83)	$0.00	$1.61	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$96.88
American Electric Power Company, Inc.	AEP	($56.58)	$0.00	$2.24	$2.38	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$123.12
Avista Corporation	AVA	($33.87)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$73.54
CenterPoint Energy, Inc.	CNP	($17.77)	$0.00	$1.24	$1.29	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$33.86
CMS Energy Corporation	CMS	($35.33)	$0.00	$1.12	$1.19	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$78.17
Consolidated Edison, Inc.	ED	($64.49)	$0.00	$2.40	$2.53	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$138.31
Dominion Resources, Inc.	D	($69.01)	$0.00	$2.42	$2.58	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$147.14
DTE Energy Company	DTE	($80.17)	$0.00	$3.30	$3.52	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$178.83
FirstEnergy Corp.	FE	($31.39)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$70.04
Great Plains Energy Inc.	GXP	($26.82)	$0.00	$1.00	$1.06	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$59.43
IDACORP, Inc.	IDA	($66.25)	$0.00	$2.00	$2.09	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$143.52
Eversource Energy	ES	($50.32)	$0.00	$1.66	$1.79	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$114.18
NorthWestern Corporation	NWE	($53.77)	$0.00	$1.93	$2.06	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$119.53
OGE Energy Corp.	OGE	($26.72)	$0.00	$1.25	$1.32	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$56.05
Otter Tail Corporation	OTTR	($26.61)	$0.00	$1.19	$1.27	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$59.21
Pinnacle West Capital Corporation	PNW	($63.35)	$0.00	$2.38	$2.53	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$137.42
PNM Resources, Inc.	PNM	($28.43)	$0.00	$0.82	$0.89	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$66.27
Portland General Electric Company	POR	($36.56)	$0.00	$1.18	$1.25	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$82.75
SCANA Corporation	SCG	($57.82)	$0.00	$2.23	$2.37	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$130.75
Westar Energy, Inc.	WR	($40.32)	$0.00	$1.48	$1.56	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$89.13
Xcel Energy Inc.	XEL	($35.44)	$0.00	$1.34	$1.43	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$77.22

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	Low	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$49.47	5.00%	5.00%	6.50%	5.00%	5.35%	66.00%	59.00%	67.30%	($0.00)	9.72%	16.20	3.03
Alliant Energy Corporation	LNT	$59.67	5.40%	5.55%	6.00%	5.40%	5.35%	61.00%	63.00%	67.30%	$0.00	9.84%	15.78	2.95
Ameren Corporation	AEE	$41.34	6.30%	6.00%	7.00%	6.00%	5.35%	62.00%	56.00%	67.30%	$0.00	9.94%	15.42	2.88
American Electric Power Company, Inc.	AEP	$55.91	4.70%	4.43%	5.00%	4.43%	5.35%	64.00%	65.00%	67.30%	$0.00	9.68%	16.38	3.06
Avista Corporation	AVA	$32.85	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.60%	16.66	3.12
CenterPoint Energy, Inc.	CNP	$18.58	2.70%	0.40%	NA	0.40%	5.35%	90.00%	84.00%	67.30%	($0.00)	9.87%	15.69	2.93
CMS Energy Corporation	CMS	$34.36	6.10%	6.72%	5.50%	5.50%	5.35%	60.00%	62.00%	67.30%	$0.00	9.26%	18.10	3.39
Consolidated Edison, Inc.	ED	$62.97	3.10%	2.95%	3.00%	2.95%	5.35%	65.00%	64.00%	67.30%	$0.00	9.07%	19.04	3.56
Dominion Resources, Inc.	D	$69.57	6.10%	5.49%	8.00%	5.49%	5.35%	74.00%	72.00%	67.30%	($0.00)	8.85%	20.22	3.78
DTE Energy Company	DTE	$79.11	5.60%	5.12%	5.00%	5.00%	5.35%	61.00%	60.00%	67.30%	$0.00	10.14%	14.80	2.77
FirstEnergy Corp.	FE	$32.64	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.57%	31.89	5.96
Great Plains Energy Inc.	GXP	$26.16	5.80%	5.07%	5.00%	5.00%	5.35%	60.00%	62.00%	67.30%	$0.00	9.82%	15.84	2.96
IDACORP, Inc.	IDA	$62.69	4.00%	4.00%	1.00%	1.00%	5.35%	53.00%	58.00%	67.30%	$0.00	8.68%	21.26	3.98
Eversource Energy	ES	$49.19	6.70%	6.57%	8.50%	6.57%	5.35%	59.00%	57.00%	67.30%	$0.00	9.67%	16.39	3.06
NorthWestern Corporation	NWE	$52.75	5.00%	6.81%	6.50%	5.00%	5.35%	61.00%	59.00%	67.30%	$0.00	9.55%	16.87	3.15
OGE Energy Corp.	OGE	$28.22	5.70%	2.17%	3.00%	2.17%	5.35%	63.00%	72.00%	67.30%	$0.00	9.73%	16.18	3.03
Otter Tail Corporation	OTTR	$26.76	NA	6.00%	9.00%	6.00%	5.35%	71.00%	59.00%	67.30%	$0.00	10.02%	15.16	2.84
Pinnacle West Capital Corporation	PNW	$61.66	4.80%	4.95%	4.00%	4.00%	5.35%	64.00%	64.00%	67.30%	$0.00	9.41%	17.45	3.26
PNM Resources, Inc.	PNM	$27.23	7.70%	9.30%	9.00%	7.70%	5.35%	51.00%	55.00%	67.30%	$0.00	10.03%	15.14	2.83
Portland General Electric Company	POR	$35.66	4.40%	4.14%	6.00%	4.14%	5.35%	52.00%	53.00%	67.30%	$0.00	9.49%	17.10	3.20
SCANA Corporation	SCG	$55.39	4.50%	4.45%	4.50%	4.45%	5.35%	56.00%	55.00%	67.30%	$0.00	10.14%	14.81	2.77
Westar Energy, Inc.	WR	$38.32	3.60%	3.50%	6.00%	3.50%	5.35%	61.00%	55.00%	67.30%	$0.00	9.38%	17.56	3.28
Xcel Energy Inc.	XEL	$34.55	5.00%	4.68%	4.50%	4.50%	5.35%	63.00%	65.00%	67.30%	$0.00	9.62%	16.60	3.10
												MEAN	9.53%	
												MAX	10.14%	
												MIN	7.57%	

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.05	$3.20	$3.36	$3.52	$3.70	$3.89	$4.08	$4.29	$4.51	$4.75	$5.00	$5.27	$5.55	$5.85	$6.16	$6.49
Alliant Energy Corporation	LNT	$3.48	$3.67	$3.87	$4.07	$4.29	$4.53	$4.77	$5.03	$5.30	$5.58	$5.88	$6.20	$6.53	$6.88	$7.25	$7.63	$8.04
Ameren Corporation	AEE	$2.40	$2.54	$2.70	$2.86	$3.03	$3.21	$3.40	$3.61	$3.81	$4.03	$4.25	$4.49	$4.73	$4.98	$5.24	$5.53	$5.82
American Electric Power Company, Inc.	AEP	$3.34	$3.49	$3.64	$3.80	$3.97	$4.15	$4.33	$4.53	$4.75	$4.98	$5.23	$5.50	$5.79	$6.10	$6.43	$6.77	$7.14
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.43	$1.43	$1.44	$1.44	$1.45	$1.45	$1.47	$1.50	$1.55	$1.60	$1.68	$1.76	$1.86	$1.96	$2.06	$2.17
CMS Energy Corporation	CMS	$1.74	$1.84	$1.94	$2.04	$2.16	$2.27	$2.40	$2.53	$2.67	$2.81	$2.96	$3.12	$3.29	$3.47	$3.65	$3.85	$4.05
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.95	$4.07	$4.19	$4.31	$4.45	$4.62	$4.81	$5.03	$5.28	$5.56	$5.86	$6.17	$6.50	$6.85
Dominion Resources, Inc.	D	$3.05	$3.22	$3.39	$3.58	$3.78	$3.98	$4.20	$4.43	$4.67	$4.93	$5.19	$5.47	$5.76	$6.07	$6.40	$6.74	$7.10
DTE Energy Company	DTE	$5.10	$5.36	$5.62	$5.90	$6.20	$6.51	$6.83	$7.18	$7.55	$7.94	$8.35	$8.80	$9.27	$9.76	$10.28	$10.83	$11.41
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.73	$1.82	$1.91	$2.00	$2.10	$2.21	$2.32	$2.44	$2.57	$2.71	$2.85	$3.00	$3.17	$3.33	$3.51
IDACORP, Inc.	IDA	$3.85	$3.89	$3.93	$3.97	$4.01	$4.05	$4.09	$4.16	$4.26	$4.39	$4.57	$4.78	$5.03	$5.30	$5.58	$5.88	$6.20
Eversource Energy	ES	$2.58	$2.75	$2.93	$3.12	$3.33	$3.55	$3.78	$4.02	$4.27	$4.52	$4.78	$5.05	$5.32	$5.60	$5.90	$6.22	$6.55
NorthWestern Corporation	NWE	$2.99	$3.14	$3.30	$3.46	$3.63	$3.82	$4.01	$4.21	$4.42	$4.65	$4.90	$5.16	$5.43	$5.72	$6.03	$6.35	$6.69
OGE Energy Corp.	OGE	$1.98	$2.02	$2.07	$2.11	$2.16	$2.20	$2.25	$2.31	$2.39	$2.48	$2.58	$2.71	$2.85	$3.01	$3.17	$3.34	$3.51
Otter Tail Corporation	OTTR	$1.55	$1.64	$1.74	$1.85	$1.96	$2.07	$2.20	$2.33	$2.46	$2.60	$2.75	$2.90	$3.05	$3.22	$3.39	$3.57	$3.76
Pinnacle West Capital Corporation	PNW	$3.58	$3.72	$3.87	$4.03	$4.19	$4.36	$4.53	$4.72	$4.93	$5.16	$5.41	$5.69	$6.00	$6.32	$6.65	$7.01	$7.39
PNM Resources, Inc.	PNM	$1.45	$1.56	$1.68	$1.81	$1.95	$2.10	$2.26	$2.43	$2.60	$2.77	$2.94	$3.10	$3.27	$3.44	$3.63	$3.82	$4.03
Portland General Electric Company	POR	$2.18	$2.27	$2.36	$2.46	$2.56	$2.67	$2.78	$2.90	$3.03	$3.18	$3.33	$3.51	$3.69	$3.89	$4.10	$4.32	$4.55
SCANA Corporation	SCG	$3.79	$3.96	$4.13	$4.32	$4.51	$4.71	$4.92	$5.15	$5.39	$5.66	$5.94	$6.25	$6.59	$6.94	$7.31	$7.70	$8.11
Westar Energy, Inc.	WR	$2.35	$2.43	$2.52	$2.61	$2.70	$2.79	$2.89	$3.00	$3.12	$3.26	$3.41	$3.59	$3.78	$3.98	$4.19	$4.42	$4.65
Xcel Energy Inc.	XEL	$2.03	$2.12	$2.22	$2.32	$2.42	$2.53	$2.64	$2.77	$2.90	$3.04	$3.20	$3.36	$3.54	$3.73	$3.93	$4.14	$4.36

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.11	$2.14	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$4.37	$105.13
Alliant Energy Corporation	LNT	$2.36	$2.51	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$5.41	$126.89
Ameren Corporation	AEE	$1.67	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$3.92	$89.77
American Electric Power Company, Inc.	AEP	$2.33	$2.45	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$4.80	$116.89
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$68.61
CenterPoint Energy, Inc.	CNP	$1.29	$1.26	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$1.46	$34.10
CMS Energy Corporation	CMS	$1.16	$1.24	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$2.73	$73.38
Consolidated Edison, Inc.	ED	$2.49	$2.55	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$4.61	$130.49
Dominion Resources, Inc.	D	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$4.78	$143.56
DTE Energy Company	DTE	$3.43	$3.58	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$7.68	$168.89
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$71.22
Great Plains Energy Inc.	GXP	$1.04	$1.10	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$2.36	$55.64
IDACORP, Inc.	IDA	$2.08	$2.17	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$4.17	$131.78
Eversource Energy	ES	$1.73	$1.82	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$4.41	$107.34
NorthWestern Corporation	NWE	$2.01	$2.09	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$4.50	$112.85
OGE Energy Corp.	OGE	$1.30	$1.39	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$2.36	$56.85
Otter Tail Corporation	OTTR	$1.24	$1.24	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$2.53	$56.99
Pinnacle West Capital Corporation	PNW	$2.48	$2.58	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$4.97	$128.85
PNM Resources, Inc.	PNM	$0.86	$0.95	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$2.71	$60.98
Portland General Electric Company	POR	$1.23	$1.29	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$3.06	$77.76
SCANA Corporation	SCG	$2.32	$2.40	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$5.46	$120.09
Westar Energy, Inc.	WR	$1.54	$1.54	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$3.13	$81.72
Xcel Energy Inc.	XEL	$1.40	$1.47	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$2.94	$72.39

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($49.47)	$0.00	$2.03	$2.16	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$109.50
Alliant Energy Corporation	LNT	($59.67)	$0.00	$2.27	$2.42	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$132.31
Ameren Corporation	AEE	($41.34)	$0.00	$1.61	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$93.68
American Electric Power Company, Inc.	AEP	($55.91)	$0.00	$2.24	$2.38	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$121.69
Avista Corporation	AVA	($32.85)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$71.38
CenterPoint Energy, Inc.	CNP	($18.58)	$0.00	$1.24	$1.29	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$35.56
CMS Energy Corporation	CMS	($34.36)	$0.00	$1.12	$1.19	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$76.11
Consolidated Edison, Inc.	ED	($62.97)	$0.00	$2.40	$2.53	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$135.10
Dominion Resources, Inc.	D	($69.57)	$0.00	$2.42	$2.58	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$148.34
DTE Energy Company	DTE	($79.11)	$0.00	$3.30	$3.52	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$176.57
FirstEnergy Corp.	FE	($32.64)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$72.72
Great Plains Energy Inc.	GXP	($26.15)	$0.00	$1.00	$1.06	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$58.00
IDACORP, Inc.	IDA	($62.69)	$0.00	$2.00	$2.09	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$135.95
Eversource Energy	ES	($49.19)	$0.00	$1.66	$1.79	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$111.75
NorthWestern Corporation	NWE	($52.75)	$0.00	$1.93	$2.06	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$117.35
OGE Energy Corp.	OGE	($28.22)	$0.00	$1.25	$1.32	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$59.22
Otter Tail Corporation	OTTR	($26.76)	$0.00	$1.19	$1.27	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$59.52
Pinnacle West Capital Corporation	PNW	($61.66)	$0.00	$2.38	$2.53	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$133.82
PNM Resources, Inc.	PNM	($27.23)	$0.00	$0.82	$0.89	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$63.69
Portland General Electric Company	POR	($35.66)	$0.00	$1.18	$1.25	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$80.83
SCANA Corporation	SCG	($55.38)	$0.00	$2.23	$2.37	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$125.55
Westar Energy, Inc.	WR	($38.32)	$0.00	$1.48	$1.56	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$84.86
Xcel Energy Inc.	XEL	($34.55)	$0.00	$1.34	$1.43	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$75.32

Multi-Stage Growth Discounted Cash Flow Model
30 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.12	5.00%	5.00%	6.50%	6.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.15%	14.75	2.76
Alliant Energy Corporation	LNT	$61.59	5.40%	5.55%	6.00%	6.00%	5.35%	61.00%	63.00%	67.30%	$0.00	9.89%	15.60	2.92
Ameren Corporation	AEE	$43.18	6.30%	6.00%	7.00%	7.00%	5.35%	62.00%	56.00%	67.30%	$0.00	10.07%	15.00	2.81
American Electric Power Company, Inc.	AEP	$57.34	4.70%	4.43%	5.00%	5.00%	5.35%	64.00%	65.00%	67.30%	$0.00	9.75%	16.12	3.01
Avista Corporation	AVA	$34.97	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.34%	17.75	3.32
CenterPoint Energy, Inc.	CNP	$17.44	2.70%	0.40%	NA	2.70%	5.35%	90.00%	84.00%	67.30%	$0.00	11.16%	12.20	2.28
CMS Energy Corporation	CMS	$35.77	6.10%	6.72%	5.50%	6.72%	5.35%	60.00%	62.00%	67.30%	$0.00	9.46%	17.25	3.23
Consolidated Edison, Inc.	ED	$64.24	3.10%	2.95%	3.00%	3.10%	5.35%	65.00%	64.00%	67.30%	$0.00	9.04%	19.22	3.59
Dominion Resources, Inc.	D	$67.46	6.10%	5.49%	8.00%	8.00%	5.35%	74.00%	72.00%	67.30%	($0.00)	9.69%	16.31	3.05
DTE Energy Company	DTE	$79.78	5.60%	5.12%	5.00%	5.60%	5.35%	61.00%	60.00%	67.30%	$0.00	10.31%	14.30	2.67
FirstEnergy Corp.	FE	$31.84	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.62%	31.13	5.82
Great Plains Energy Inc.	GXP	$26.91	5.80%	5.07%	5.00%	5.80%	5.35%	60.00%	62.00%	67.30%	$0.00	9.96%	15.38	2.88
IDACORP, Inc.	IDA	$67.89	4.00%	4.00%	1.00%	4.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.21%	18.37	3.43
Eversource Energy	ES	$50.87	6.70%	6.57%	8.50%	8.50%	5.35%	59.00%	57.00%	67.30%	$0.00	10.14%	14.81	2.77
NorthWestern Corporation	NWE	$54.03	5.00%	6.81%	6.50%	6.81%	5.35%	61.00%	59.00%	67.30%	$0.00	10.02%	15.18	2.84
OGE Energy Corp.	OGE	$25.52	5.70%	2.17%	3.00%	5.70%	5.35%	63.00%	72.00%	67.30%	$0.00	11.65%	11.26	2.11
Otter Tail Corporation	OTTR	$26.51	NA	6.00%	9.00%	9.00%	5.35%	71.00%	59.00%	67.30%	$0.00	11.15%	12.21	2.28
Pinnacle West Capital Corporation	PNW	$63.57	4.80%	4.95%	4.00%	4.95%	5.35%	64.00%	64.00%	67.30%	$0.00	9.57%	16.78	3.14
PNM Resources, Inc.	PNM	$29.89	7.70%	9.30%	9.00%	9.30%	5.35%	51.00%	55.00%	67.30%	$0.00	10.12%	14.84	2.78
Portland General Electric Company	POR	$36.42	4.40%	4.14%	6.00%	6.00%	5.35%	52.00%	53.00%	67.30%	$0.00	9.99%	15.28	2.86
SCANA Corporation	SCG	$60.15	4.50%	4.45%	4.50%	4.50%	5.35%	56.00%	55.00%	67.30%	$0.00	9.78%	16.00	2.99
Westar Energy, Inc.	WR	$41.90	3.60%	3.50%	6.00%	6.00%	5.35%	61.00%	55.00%	67.30%	$0.00	9.77%	16.01	2.99
Xcel Energy Inc.	XEL	$35.81	5.00%	4.68%	4.50%	5.00%	5.35%	63.00%	65.00%	67.30%	$0.00	9.62%	16.59	3.10
											MEAN	9.89%		
											MAX	11.65%		
											MIN	7.62%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.09	$3.29	$3.50	$3.73	$3.97	$4.23	$4.50	$4.77	$5.06	$5.35	$5.64	$5.94	$6.26	$6.60	$6.95	$7.32
Alliant Energy Corporation	LNT	$3.48	$3.69	$3.91	$4.14	$4.39	$4.66	$4.94	$5.23	$5.53	$5.84	$6.17	$6.50	$6.85	$7.22	$7.61	$8.01	$8.44
Ameren Corporation	AEE	$2.40	$2.57	$2.75	$2.94	$3.15	$3.37	$3.60	$3.84	$4.09	$4.34	$4.60	$4.86	$5.12	$5.39	$5.68	$5.99	$6.31
American Electric Power Company, Inc.	AEP	$3.34	$3.51	$3.68	$3.87	$4.06	$4.26	$4.48	$4.70	$4.94	$5.20	$5.47	$5.76	$6.07	$6.39	$6.73	$7.09	$7.47
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.46	$1.50	$1.54	$1.58	$1.62	$1.67	$1.72	$1.78	$1.85	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63
CMS Energy Corporation	CMS	$1.74	$1.86	$1.98	$2.11	$2.26	$2.41	$2.57	$2.74	$2.91	$3.08	$3.26	$3.45	$3.63	$3.82	$4.03	$4.24	$4.47
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.85	$3.97	$4.09	$4.22	$4.35	$4.50	$4.67	$4.87	$5.09	$5.35	$5.63	$5.93	$6.25	$6.58	$6.94
Dominion Resources, Inc.	D	$3.05	$3.29	$3.56	$3.84	$4.15	$4.48	$4.84	$5.21	$5.58	$5.95	$6.32	$6.68	$7.04	$7.42	$7.82	$8.23	$8.67
DTE Energy Company	DTE	$5.10	$5.39	$5.69	$6.01	$6.34	$6.70	$7.07	$7.47	$7.88	$8.31	$8.76	$9.23	$9.73	$10.25	$10.79	$11.37	$11.98
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.66	$1.76	$1.86	$1.97	$2.08	$2.20	$2.33	$2.46	$2.60	$2.74	$2.89	$3.04	$3.21	$3.38	$3.56	$3.75
IDACORP, Inc.	IDA	$3.85	$4.00	$4.16	$4.33	$4.50	$4.68	$4.87	$5.08	$5.30	$5.55	$5.82	$6.12	$6.45	$6.79	$7.16	$7.54	$7.94
Eversource Energy	ES	$2.58	$2.80	$3.04	$3.30	$3.58	$3.88	$4.21	$4.54	$4.88	$5.22	$5.56	$5.88	$6.20	$6.53	$6.88	$7.24	$7.63
NorthWestern Corporation	NWE	$2.99	$3.19	$3.41	$3.64	$3.89	$4.16	$4.44	$4.73	$5.03	$5.34	$5.65	$5.96	$6.28	$6.62	$6.97	$7.34	$7.74
OGE Energy Corp.	OGE	$1.98	$2.09	$2.21	$2.34	$2.47	$2.61	$2.76	$2.92	$3.08	$3.25	$3.43	$3.61	$3.81	$4.01	$4.22	$4.45	$4.69
Otter Tail Corporation	OTTR	$1.55	$1.69	$1.84	$2.01	$2.19	$2.38	$2.60	$2.82	$3.04	$3.25	$3.47	$3.68	$3.87	$4.08	$4.30	$4.53	$4.77
Pinnacle West Capital Corporation	PNW	$3.58	$3.76	$3.94	$4.14	$4.34	$4.56	$4.78	$5.02	$5.28	$5.55	$5.84	$6.15	$6.48	$6.82	$7.19	$7.57	$7.98
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.73	$1.89	$2.07	$2.26	$2.47	$2.69	$2.90	$3.11	$3.32	$3.52	$3.71	$3.91	$4.11	$4.33	$4.57
Portland General Electric Company	POR	$2.18	$2.31	$2.45	$2.60	$2.75	$2.92	$3.09	$3.27	$3.46	$3.66	$3.86	$4.07	$4.29	$4.52	$4.76	$5.02	$5.29
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.33	$4.52	$4.72	$4.94	$5.16	$5.41	$5.68	$5.97	$6.28	$6.61	$6.97	$7.34	$7.73	$8.14
Westar Energy, Inc.	WR	$2.35	$2.49	$2.64	$2.80	$2.97	$3.14	$3.33	$3.53	$3.73	$3.95	$4.17	$4.39	$4.63	$4.88	$5.14	$5.41	$5.70
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.00	$3.16	$3.32	$3.50	$3.69	$3.89	$4.09	$4.31	$4.54

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	**2016**	2017	2018	**2019**	2020	2021	**2022**	2023	2024	**2025**	**2026**	2027	2028	**2029**	**2030**
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
																	Terminal
Company	Ticker	2016	2017	2018	2019	**2020**	2021	2022	2023	2024	**2025**	2026	2027	2028	2029	2030	Value
ALLETE, Inc.	ALE	$2.17	$2.23	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$4.93	$107.97
Alliant Energy Corporation	LNT	$2.39	$2.56	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$5.68	$131.65
Ameren Corporation	AEE	$1.70	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$4.24	$94.60
American Electric Power Company, Inc.	AEP	$2.36	$2.49	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$5.03	$120.47
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$73.10
CenterPoint Energy, Inc.	CNP	$1.35	$1.35	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$1.77	$32.11
CMS Energy Corporation	CMS	$1.19	$1.28	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$3.01	$77.12
Consolidated Edison, Inc.	ED	$2.50	$2.57	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$4.67	$133.31
Dominion Resources, Inc.	D	$2.63	$2.82	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$5.84	$141.48
DTE Energy Company	DTE	$3.47	$3.64	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$8.06	$171.29
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$69.52
Great Plains Energy Inc.	GXP	$1.05	$1.13	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$2.52	$57.64
IDACORP, Inc.	IDA	$2.21	$2.37	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$5.35	$145.87
Eversource Energy	ES	$1.79	$1.92	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$5.14	$113.01
NorthWestern Corporation	NWE	$2.08	$2.20	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$5.21	$117.44
OGE Energy Corp.	OGE	$1.39	$1.54	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$3.16	$52.77
Otter Tail Corporation	OTTR	$1.31	$1.34	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$3.21	$58.23
Pinnacle West Capital Corporation	PNW	$2.52	$2.65	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$5.37	$133.87
PNM Resources, Inc.	PNM	$0.88	$0.99	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$3.07	$67.78
Portland General Electric Company	POR	$1.27	$1.36	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$3.56	$80.82
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$5.48	$130.33
Westar Energy, Inc.	WR	$1.61	$1.65	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$3.84	$91.27
Xcel Energy Inc.	XEL	$1.41	$1.50	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$3.06	$75.35

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.12)	$0.00	$2.09	$2.24	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$112.90
Alliant Energy Corporation	LNT	($61.59)	$0.00	$2.29	$2.46	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$137.33
Ameren Corporation	AEE	($43.18)	$0.00	$1.64	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$98.84
American Electric Power Company, Inc.	AEP	($57.34)	$0.00	$2.27	$2.42	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$125.50
Avista Corporation	AVA	($34.97)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$75.87
CenterPoint Energy, Inc.	CNP	($17.44)	$0.00	$1.30	$1.37	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$33.88
CMS Energy Corporation	CMS	($35.77)	$0.00	$1.14	$1.23	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$80.13
Consolidated Edison, Inc.	ED	($64.24)	$0.00	$2.41	$2.54	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$137.98
Dominion Resources, Inc.	D	($67.46)	$0.00	$2.53	$2.74	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$147.31
DTE Energy Company	DTE	($79.78)	$0.00	$3.34	$3.57	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$179.36
FirstEnergy Corp.	FE	($31.84)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$71.02
Great Plains Energy Inc.	GXP	($26.91)	$0.00	$1.01	$1.09	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$60.16
IDACORP, Inc.	IDA	($67.89)	$0.00	$2.12	$2.25	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$151.21
Eversource Energy	ES	($50.87)	$0.00	$1.72	$1.87	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$118.14
NorthWestern Corporation	NWE	($54.03)	$0.00	$2.00	$2.15	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$122.65
OGE Energy Corp.	OGE	($25.52)	$0.00	$1.34	$1.43	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$55.92
Otter Tail Corporation	OTTR	($26.51)	$0.00	$1.26	$1.37	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$61.44
Pinnacle West Capital Corporation	PNW	($63.57)	$0.00	$2.43	$2.59	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$139.24
PNM Resources, Inc.	PNM	($29.89)	$0.00	$0.85	$0.92	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$70.85
Portland General Electric Company	POR	($36.42)	$0.00	$1.22	$1.31	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$84.37
SCANA Corporation	SCG	($60.15)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$135.81
Westar Energy, Inc.	WR	($41.90)	$0.00	$1.55	$1.66	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$95.11
Xcel Energy Inc.	XEL	($35.81)	$0.00	$1.36	$1.45	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$78.41

Multi-Stage Growth Discounted Cash Flow Model
90 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.31	5.00%	5.00%	6.50%	6.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.14%	14.80	2.77
Alliant Energy Corporation	LNT	$59.72	5.40%	5.55%	6.00%	6.00%	5.35%	61.00%	63.00%	67.30%	$0.00	10.03%	15.13	2.83
Ameren Corporation	AEE	$42.83	6.30%	6.00%	7.00%	7.00%	5.35%	62.00%	56.00%	67.30%	$0.00	10.11%	14.89	2.78
American Electric Power Company, Inc.	AEP	$56.58	4.70%	4.43%	5.00%	5.00%	5.35%	64.00%	65.00%	67.30%	$0.00	9.81%	15.90	2.97
Avista Corporation	AVA	$33.87	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.47%	17.19	3.21
CenterPoint Energy, Inc.	CNP	$17.77	2.70%	0.40%	NA	2.70%	5.35%	90.00%	84.00%	67.30%	($0.00)	11.04%	12.45	2.33
CMS Energy Corporation	CMS	$35.33	6.10%	6.72%	5.50%	6.72%	5.35%	60.00%	62.00%	67.30%	$0.00	9.51%	17.04	3.19
Consolidated Edison, Inc.	ED	$64.49	3.10%	2.95%	3.00%	3.10%	5.35%	65.00%	64.00%	67.30%	$0.00	9.02%	19.29	3.61
Dominion Resources, Inc.	D	$69.01	6.10%	5.49%	8.00%	8.00%	5.35%	74.00%	72.00%	67.30%	($0.00)	9.60%	16.69	3.12
DTE Energy Company	DTE	$80.17	5.60%	5.12%	5.00%	5.60%	5.35%	61.00%	60.00%	67.30%	$0.00	10.28%	14.37	2.69
FirstEnergy Corp.	FE	$31.39	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.66%	30.69	5.74
Great Plains Energy Inc.	GXP	$26.82	5.80%	5.07%	5.00%	5.80%	5.35%	60.00%	62.00%	67.30%	$0.00	9.97%	15.33	2.87
IDACORP, Inc.	IDA	$66.25	4.00%	4.00%	1.00%	4.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.30%	17.92	3.35
Eversource Energy	ES	$50.32	6.70%	6.57%	8.50%	8.50%	5.35%	59.00%	57.00%	67.30%	$0.00	10.19%	14.65	2.74
NorthWestern Corporation	NWE	$53.77	5.00%	6.81%	6.50%	6.81%	5.35%	61.00%	59.00%	67.30%	$0.00	10.04%	15.11	2.83
OGE Energy Corp.	OGE	$26.72	5.70%	2.17%	3.00%	5.70%	5.35%	63.00%	72.00%	67.30%	$0.00	11.36%	11.80	2.21
Otter Tail Corporation	OTTR	$26.61	NA	6.00%	9.00%	9.00%	5.35%	71.00%	59.00%	67.30%	$0.00	11.13%	12.26	2.29
Pinnacle West Capital Corporation	PNW	$63.35	4.80%	4.95%	4.00%	4.95%	5.35%	64.00%	64.00%	67.30%	$0.00	9.59%	16.72	3.13
PNM Resources, Inc.	PNM	$28.43	7.70%	9.30%	9.00%	9.30%	5.35%	51.00%	55.00%	67.30%	$0.00	10.36%	14.16	2.65
Portland General Electric Company	POR	$36.56	4.40%	4.14%	6.00%	6.00%	5.35%	52.00%	53.00%	67.30%	$0.00	9.97%	15.34	2.87
SCANA Corporation	SCG	$57.82	4.50%	4.45%	4.50%	4.50%	5.35%	56.00%	55.00%	67.30%	$0.00	9.95%	15.39	2.88
Westar Energy, Inc.	WR	$40.32	3.60%	3.50%	6.00%	6.00%	5.35%	61.00%	55.00%	67.30%	$0.00	9.94%	15.42	2.88
Xcel Energy Inc.	XEL	$35.44	5.00%	4.68%	4.50%	5.00%	5.35%	63.00%	65.00%	67.30%	$0.00	9.67%	16.42	3.07
											MEAN	9.92%		
											MAX	11.36%		
											MIN	7.66%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.09	$3.29	$3.50	$3.73	$3.97	$4.23	$4.50	$4.77	$5.06	$5.35	$5.64	$5.94	$6.26	$6.60	$6.95	$7.32
Alliant Energy Corporation	LNT	$3.48	$3.69	$3.91	$4.14	$4.39	$4.66	$4.94	$5.23	$5.53	$5.84	$6.17	$6.50	$6.85	$7.22	$7.61	$8.01	$8.44
Ameren Corporation	AEE	$2.40	$2.57	$2.75	$2.94	$3.15	$3.37	$3.60	$3.84	$4.09	$4.34	$4.60	$4.86	$5.12	$5.39	$5.68	$5.99	$6.31
American Electric Power Company, Inc.	AEP	$3.34	$3.51	$3.68	$3.87	$4.06	$4.26	$4.48	$4.70	$4.94	$5.20	$5.47	$5.76	$6.07	$6.39	$6.73	$7.09	$7.47
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.46	$1.50	$1.54	$1.58	$1.62	$1.67	$1.72	$1.78	$1.85	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63
CMS Energy Corporation	CMS	$1.74	$1.86	$1.98	$2.11	$2.26	$2.41	$2.57	$2.74	$2.91	$3.08	$3.26	$3.45	$3.63	$3.82	$4.03	$4.24	$4.47
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.85	$3.97	$4.09	$4.22	$4.35	$4.50	$4.67	$4.87	$5.09	$5.35	$5.63	$5.93	$6.25	$6.58	$6.94
Dominion Resources, Inc.	D	$3.05	$3.29	$3.56	$3.84	$4.15	$4.48	$4.84	$5.21	$5.58	$5.95	$6.32	$6.68	$7.04	$7.42	$7.82	$8.23	$8.67
DTE Energy Company	DTE	$5.10	$5.39	$5.69	$6.01	$6.34	$6.70	$7.07	$7.47	$7.88	$8.31	$8.76	$9.23	$9.73	$10.25	$10.79	$11.37	$11.98
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.66	$1.76	$1.86	$1.97	$2.08	$2.20	$2.33	$2.46	$2.60	$2.74	$2.89	$3.04	$3.21	$3.38	$3.56	$3.75
IDACORP, Inc.	IDA	$3.85	$4.00	$4.16	$4.33	$4.50	$4.68	$4.87	$5.08	$5.30	$5.55	$5.82	$6.12	$6.45	$6.79	$7.16	$7.54	$7.94
Eversource Energy	ES	$2.58	$2.80	$3.04	$3.30	$3.58	$3.88	$4.21	$4.54	$4.88	$5.22	$5.56	$5.88	$6.20	$6.53	$6.88	$7.24	$7.63
NorthWestern Corporation	NWE	$2.99	$3.19	$3.41	$3.64	$3.89	$4.16	$4.44	$4.73	$5.03	$5.34	$5.65	$5.96	$6.28	$6.62	$6.97	$7.34	$7.74
OGE Energy Corp.	OGE	$1.98	$2.09	$2.21	$2.34	$2.47	$2.61	$2.76	$2.92	$3.08	$3.25	$3.43	$3.61	$3.81	$4.01	$4.22	$4.45	$4.69
Otter Tail Corporation	OTTR	$1.55	$1.69	$1.84	$2.01	$2.19	$2.38	$2.60	$2.82	$3.04	$3.25	$3.47	$3.68	$3.87	$4.08	$4.30	$4.53	$4.77
Pinnacle West Capital Corporation	PNW	$3.58	$3.76	$3.94	$4.14	$4.34	$4.56	$4.78	$5.02	$5.28	$5.55	$5.84	$6.15	$6.48	$6.82	$7.19	$7.57	$7.98
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.73	$1.89	$2.07	$2.26	$2.47	$2.69	$2.90	$3.11	$3.32	$3.52	$3.71	$3.91	$4.11	$4.33	$4.57
Portland General Electric Company	POR	$2.18	$2.31	$2.45	$2.60	$2.75	$2.92	$3.09	$3.27	$3.46	$3.66	$3.86	$4.07	$4.29	$4.52	$4.76	$5.02	$5.29
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.33	$4.52	$4.72	$4.94	$5.16	$5.41	$5.68	$5.97	$6.28	$6.61	$6.97	$7.34	$7.73	$8.14
Westar Energy, Inc.	WR	$2.35	$2.49	$2.64	$2.80	$2.97	$3.14	$3.33	$3.53	$3.73	$3.95	$4.17	$4.39	$4.63	$4.88	$5.14	$5.41	$5.70
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.00	$3.16	$3.32	$3.50	$3.69	$3.89	$4.09	$4.31	$4.54

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.17	$2.23	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$4.93	$108.38
Alliant Energy Corporation	LNT	$2.39	$2.56	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$5.68	$127.67
Ameren Corporation	AEE	$1.70	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$4.24	$93.87
American Electric Power Company, Inc.	AEP	$2.36	$2.49	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$5.03	$118.85
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$70.77
CenterPoint Energy, Inc.	CNP	$1.35	$1.35	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$1.77	$32.79
CMS Energy Corporation	CMS	$1.19	$1.28	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$3.01	$76.17
Consolidated Edison, Inc.	ED	$2.50	$2.57	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$4.67	$133.83
Dominion Resources, Inc.	D	$2.63	$2.82	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$5.84	$144.75
DTE Energy Company	DTE	$3.47	$3.64	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$8.06	$172.12
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$68.54
Great Plains Energy Inc.	GXP	$1.05	$1.13	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$2.52	$57.46
IDACORP, Inc.	IDA	$2.21	$2.37	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$5.35	$142.36
Eversource Energy	ES	$1.79	$1.92	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$5.14	$111.83
NorthWestern Corporation	NWE	$2.08	$2.20	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$5.21	$116.89
OGE Energy Corp.	OGE	$1.39	$1.54	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$3.16	$55.30
Otter Tail Corporation	OTTR	$1.31	$1.34	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$3.21	$58.46
Pinnacle West Capital Corporation	PNW	$2.52	$2.65	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$5.37	$133.40
PNM Resources, Inc.	PNM	$0.88	$0.99	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$3.07	$64.64
Portland General Electric Company	POR	$1.27	$1.36	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$3.56	$81.10
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$5.48	$125.35
Westar Energy, Inc.	WR	$1.61	$1.65	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$3.84	$87.90
Xcel Energy Inc.	XEL	$1.41	$1.50	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$3.06	$74.58

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.31)	$0.00	$2.09	$2.24	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$113.31
Alliant Energy Corporation	LNT	($59.72)	$0.00	$2.29	$2.46	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$133.35
Ameren Corporation	AEE	($42.83)	$0.00	$1.64	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$98.11
American Electric Power Company, Inc.	AEP	($56.58)	$0.00	$2.27	$2.42	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$123.88
Avista Corporation	AVA	($33.87)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$73.54
CenterPoint Energy, Inc.	CNP	($17.77)	$0.00	$1.30	$1.37	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$34.56
CMS Energy Corporation	CMS	($35.33)	$0.00	$1.14	$1.23	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$79.18
Consolidated Edison, Inc.	ED	($64.49)	$0.00	$2.41	$2.54	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$138.50
Dominion Resources, Inc.	D	($69.01)	$0.00	$2.53	$2.74	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$150.59
DTE Energy Company	DTE	($80.17)	$0.00	$3.34	$3.57	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$180.18
FirstEnergy Corp.	FE	($31.39)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$70.04
Great Plains Energy Inc.	GXP	($26.82)	$0.00	$1.01	$1.09	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$59.98
IDACORP, Inc.	IDA	($66.25)	$0.00	$2.12	$2.25	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$147.71
Eversource Energy	ES	($50.32)	$0.00	$1.72	$1.87	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$116.97
NorthWestern Corporation	NWE	($53.77)	$0.00	$2.00	$2.15	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$122.10
OGE Energy Corp.	OGE	($26.72)	$0.00	$1.34	$1.43	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$58.46
Otter Tail Corporation	OTTR	($26.61)	$0.00	$1.26	$1.37	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$61.66
Pinnacle West Capital Corporation	PNW	($63.35)	$0.00	$2.43	$2.59	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$138.77
PNM Resources, Inc.	PNM	($28.43)	$0.00	$0.85	$0.92	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$67.72
Portland General Electric Company	POR	($36.56)	$0.00	$1.22	$1.31	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$84.66
SCANA Corporation	SCG	($57.82)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$130.83
Westar Energy, Inc.	WR	($40.32)	$0.00	$1.55	$1.66	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$91.74
Xcel Energy Inc.	XEL	($35.44)	$0.00	$1.36	$1.45	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$77.63

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	High	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$49.47	5.00%	5.00%	6.50%	6.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.22%	14.56	2.72
Alliant Energy Corporation	LNT	$59.67	5.40%	5.55%	6.00%	6.00%	5.35%	61.00%	63.00%	67.30%	$0.00	10.04%	15.11	2.83
Ameren Corporation	AEE	$41.34	6.30%	6.00%	7.00%	7.00%	5.35%	62.00%	56.00%	67.30%	$0.00	10.28%	14.38	2.69
American Electric Power Company, Inc.	AEP	$55.91	4.70%	4.43%	5.00%	5.00%	5.35%	64.00%	65.00%	67.30%	$0.00	9.86%	15.71	2.94
Avista Corporation	AVA	$32.85	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.60%	16.66	3.12
CenterPoint Energy, Inc.	CNP	$18.58	2.70%	0.40%	NA	2.70%	5.35%	90.00%	84.00%	67.30%	($0.00)	10.76%	13.10	2.45
CMS Energy Corporation	CMS	$34.36	6.10%	6.72%	5.50%	6.72%	5.35%	60.00%	62.00%	67.30%	$0.00	9.62%	16.58	3.10
Consolidated Edison, Inc.	ED	$62.97	3.10%	2.95%	3.00%	3.10%	5.35%	65.00%	64.00%	67.30%	$0.00	9.11%	18.83	3.52
Dominion Resources, Inc.	D	$69.57	6.10%	5.49%	8.00%	8.00%	5.35%	74.00%	72.00%	67.30%	($0.00)	9.56%	16.83	3.15
DTE Energy Company	DTE	$79.11	5.60%	5.12%	5.00%	5.60%	5.35%	61.00%	60.00%	67.30%	$0.00	10.35%	14.18	2.65
FirstEnergy Corp.	FE	$32.64	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	7.57%	31.89	5.96
Great Plains Energy Inc.	GXP	$26.16	5.80%	5.07%	5.00%	5.80%	5.35%	60.00%	62.00%	67.30%	$0.00	10.09%	14.95	2.80
IDACORP, Inc.	IDA	$62.69	4.00%	4.00%	1.00%	4.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.53%	16.97	3.17
Eversource Energy	ES	$49.19	6.70%	6.57%	8.50%	8.50%	5.35%	59.00%	57.00%	67.30%	$0.00	10.29%	14.33	2.68
NorthWestern Corporation	NWE	$52.75	5.00%	6.81%	6.50%	6.81%	5.35%	61.00%	59.00%	67.30%	$0.00	10.13%	14.83	2.77
OGE Energy Corp.	OGE	$28.22	5.70%	2.17%	3.00%	5.70%	5.35%	63.00%	72.00%	67.30%	$0.00	11.03%	12.47	2.33
Otter Tail Corporation	OTTR	$26.76	NA	6.00%	9.00%	9.00%	5.35%	71.00%	59.00%	67.30%	$0.00	11.10%	12.33	2.31
Pinnacle West Capital Corporation	PNW	$61.66	4.80%	4.95%	4.00%	4.95%	5.35%	64.00%	64.00%	67.30%	$0.00	9.71%	16.27	3.04
PNM Resources, Inc.	PNM	$27.23	7.70%	9.30%	9.00%	9.30%	5.35%	51.00%	55.00%	67.30%	$0.00	10.56%	13.59	2.54
Portland General Electric Company	POR	$35.66	4.40%	4.14%	6.00%	6.00%	5.35%	52.00%	53.00%	67.30%	$0.00	10.08%	14.98	2.80
SCANA Corporation	SCG	$55.39	4.50%	4.45%	4.50%	4.50%	5.35%	56.00%	55.00%	67.30%	$0.00	10.15%	14.75	2.76
Westar Energy, Inc.	WR	$38.32	3.60%	3.50%	6.00%	6.00%	5.35%	61.00%	55.00%	67.30%	$0.00	10.18%	14.67	2.74
Xcel Energy Inc.	XEL	$34.55	5.00%	4.68%	4.50%	5.00%	5.35%	63.00%	65.00%	67.30%	$0.00	9.78%	16.00	2.99
											MEAN	9.98%		
											MAX	11.10%		
											MIN	7.57%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.09	$3.29	$3.50	$3.73	$3.97	$4.23	$4.50	$4.77	$5.06	$5.35	$5.64	$5.94	$6.26	$6.60	$6.95	$7.32
Alliant Energy Corporation	LNT	$3.48	$3.69	$3.91	$4.14	$4.39	$4.66	$4.94	$5.23	$5.53	$5.84	$6.17	$6.50	$6.85	$7.22	$7.61	$8.01	$8.44
Ameren Corporation	AEE	$2.40	$2.57	$2.75	$2.94	$3.15	$3.37	$3.60	$3.84	$4.09	$4.34	$4.60	$4.86	$5.12	$5.39	$5.68	$5.99	$6.31
American Electric Power Company, Inc.	AEP	$3.34	$3.51	$3.68	$3.87	$4.06	$4.26	$4.48	$4.70	$4.94	$5.20	$5.47	$5.76	$6.07	$6.39	$6.73	$7.09	$7.47
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.46	$1.50	$1.54	$1.58	$1.62	$1.67	$1.72	$1.78	$1.85	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63
CMS Energy Corporation	CMS	$1.74	$1.86	$1.98	$2.11	$2.26	$2.41	$2.57	$2.74	$2.91	$3.08	$3.26	$3.45	$3.63	$3.82	$4.03	$4.24	$4.47
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.85	$3.97	$4.09	$4.22	$4.35	$4.50	$4.67	$4.87	$5.09	$5.35	$5.63	$5.93	$6.25	$6.58	$6.94
Dominion Resources, Inc.	D	$3.05	$3.29	$3.56	$3.84	$4.15	$4.48	$4.84	$5.21	$5.58	$5.95	$6.32	$6.68	$7.04	$7.42	$7.82	$8.23	$8.67
DTE Energy Company	DTE	$5.10	$5.39	$5.69	$6.01	$6.34	$6.70	$7.07	$7.47	$7.88	$8.31	$8.76	$9.23	$9.73	$10.25	$10.79	$11.37	$11.98
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.66	$1.76	$1.86	$1.97	$2.08	$2.20	$2.33	$2.46	$2.60	$2.74	$2.89	$3.04	$3.21	$3.38	$3.56	$3.75
IDACORP, Inc.	IDA	$3.85	$4.00	$4.16	$4.33	$4.50	$4.68	$4.87	$5.08	$5.30	$5.55	$5.82	$6.12	$6.45	$6.79	$7.16	$7.54	$7.94
Eversource Energy	ES	$2.58	$2.80	$3.04	$3.30	$3.58	$3.88	$4.21	$4.54	$4.88	$5.22	$5.56	$5.88	$6.20	$6.53	$6.88	$7.24	$7.63
NorthWestern Corporation	NWE	$2.99	$3.19	$3.41	$3.64	$3.89	$4.16	$4.44	$4.73	$5.03	$5.34	$5.65	$5.96	$6.28	$6.62	$6.97	$7.34	$7.74
OGE Energy Corp.	OGE	$1.98	$2.09	$2.21	$2.34	$2.47	$2.61	$2.76	$2.92	$3.08	$3.25	$3.43	$3.61	$3.81	$4.01	$4.22	$4.45	$4.69
Otter Tail Corporation	OTTR	$1.55	$1.69	$1.84	$2.01	$2.19	$2.38	$2.60	$2.82	$3.04	$3.25	$3.47	$3.68	$3.87	$4.08	$4.30	$4.53	$4.77
Pinnacle West Capital Corporation	PNW	$3.58	$3.76	$3.94	$4.14	$4.34	$4.56	$4.78	$5.02	$5.28	$5.55	$5.84	$6.15	$6.48	$6.82	$7.19	$7.57	$7.98
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.73	$1.89	$2.07	$2.26	$2.47	$2.69	$2.90	$3.11	$3.32	$3.52	$3.71	$3.91	$4.11	$4.33	$4.57
Portland General Electric Company	POR	$2.18	$2.31	$2.45	$2.60	$2.75	$2.92	$3.09	$3.27	$3.46	$3.66	$3.86	$4.07	$4.29	$4.52	$4.76	$5.02	$5.29
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.33	$4.52	$4.72	$4.94	$5.16	$5.41	$5.68	$5.97	$6.28	$6.61	$6.97	$7.34	$7.73	$8.14
Westar Energy, Inc.	WR	$2.35	$2.49	$2.64	$2.80	$2.97	$3.14	$3.33	$3.53	$3.73	$3.95	$4.17	$4.39	$4.63	$4.88	$5.14	$5.41	$5.70
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.00	$3.16	$3.32	$3.50	$3.69	$3.89	$4.09	$4.31	$4.54

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.17	$2.23	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$4.93	$106.58
Alliant Energy Corporation	LNT	$2.39	$2.56	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$5.68	$127.56
Ameren Corporation	AEE	$1.70	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$4.24	$90.66
American Electric Power Company, Inc.	AEP	$2.36	$2.49	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$5.03	$117.42
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$68.61
CenterPoint Energy, Inc.	CNP	$1.35	$1.35	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$1.77	$34.48
CMS Energy Corporation	CMS	$1.19	$1.28	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$3.01	$74.11
Consolidated Edison, Inc.	ED	$2.50	$2.57	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$4.67	$130.62
Dominion Resources, Inc.	D	$2.63	$2.82	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$5.84	$145.95
DTE Energy Company	DTE	$3.47	$3.64	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$8.06	$169.86
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$71.22
Great Plains Energy Inc.	GXP	$1.05	$1.13	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$2.52	$56.03
IDACORP, Inc.	IDA	$2.21	$2.37	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$5.35	$134.78
Eversource Energy	ES	$1.79	$1.92	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$5.14	$109.39
NorthWestern Corporation	NWE	$2.08	$2.20	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$5.21	$114.72
OGE Energy Corp.	OGE	$1.39	$1.54	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$3.16	$58.48
Otter Tail Corporation	OTTR	$1.31	$1.34	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$3.21	$58.78
Pinnacle West Capital Corporation	PNW	$2.52	$2.65	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$5.37	$129.80
PNM Resources, Inc.	PNM	$0.88	$0.99	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$3.07	$62.05
Portland General Electric Company	POR	$1.27	$1.36	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$3.56	$79.18
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$5.48	$120.15
Westar Energy, Inc.	WR	$1.61	$1.65	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$3.84	$83.62
Xcel Energy Inc.	XEL	$1.41	$1.50	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$3.06	$72.67

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($49.47)	$0.00	$2.09	$2.24	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$111.51
Alliant Energy Corporation	LNT	($59.67)	$0.00	$2.29	$2.46	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$133.24
Ameren Corporation	AEE	($41.34)	$0.00	$1.64	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$94.91
American Electric Power Company, Inc.	AEP	($55.91)	$0.00	$2.27	$2.42	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$122.45
Avista Corporation	AVA	($32.85)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$71.38
CenterPoint Energy, Inc.	CNP	($18.58)	$0.00	$1.30	$1.37	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$36.26
CMS Energy Corporation	CMS	($34.36)	$0.00	$1.14	$1.23	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$77.12
Consolidated Edison, Inc.	ED	($62.97)	$0.00	$2.41	$2.54	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$135.29
Dominion Resources, Inc.	D	($69.57)	$0.00	$2.53	$2.74	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$151.79
DTE Energy Company	DTE	($79.11)	$0.00	$3.34	$3.57	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$177.92
FirstEnergy Corp.	FE	($32.64)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$72.72
Great Plains Energy Inc.	GXP	($26.15)	$0.00	$1.01	$1.09	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$58.56
IDACORP, Inc.	IDA	($62.69)	$0.00	$2.12	$2.25	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$140.12
Eversource Energy	ES	($49.19)	$0.00	$1.72	$1.87	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$114.53
NorthWestern Corporation	NWE	($52.75)	$0.00	$2.00	$2.15	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$119.92
OGE Energy Corp.	OGE	($28.22)	$0.00	$1.34	$1.43	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$61.64
Otter Tail Corporation	OTTR	($26.76)	$0.00	$1.26	$1.37	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$61.98
Pinnacle West Capital Corporation	PNW	($61.66)	$0.00	$2.43	$2.59	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$135.17
PNM Resources, Inc.	PNM	($27.23)	$0.00	$0.85	$0.92	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$65.13
Portland General Electric Company	POR	($35.66)	$0.00	$1.22	$1.31	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$82.74
SCANA Corporation	SCG	($55.38)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$125.63
Westar Energy, Inc.	WR	($38.32)	$0.00	$1.55	$1.66	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$87.46
Xcel Energy Inc.	XEL	($34.55)	$0.00	$1.36	$1.45	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$75.73

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
30 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.12	5.00%	5.00%	6.50%	5.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.70%	18.54	3.47
Alliant Energy Corporation	LNT	$61.59	5.40%	5.55%	6.00%	5.65%	5.35%	61.00%	63.00%	67.30%	$0.00	10.60%	18.54	3.47
Ameren Corporation	AEE	$43.18	6.30%	6.00%	7.00%	6.43%	5.35%	62.00%	56.00%	67.30%	$0.00	10.85%	18.54	3.47
American Electric Power Company, Inc.	AEP	$57.34	4.70%	4.43%	5.00%	4.71%	5.35%	64.00%	65.00%	67.30%	$0.00	10.31%	18.54	3.47
Avista Corporation	AVA	$34.97	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.58%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$17.44	2.70%	0.40%	NA	1.55%	5.35%	90.00%	84.00%	67.30%	$0.00	12.37%	18.54	3.47
CMS Energy Corporation	CMS	$35.77	6.10%	6.72%	5.50%	6.11%	5.35%	60.00%	62.00%	67.30%	$0.00	9.44%	18.54	3.47
Consolidated Edison, Inc.	ED	$64.24	3.10%	2.95%	3.00%	3.02%	5.35%	65.00%	64.00%	67.30%	$0.00	8.77%	18.54	3.47
Dominion Resources, Inc.	D	$67.46	6.10%	5.49%	8.00%	6.53%	5.35%	74.00%	72.00%	67.30%	$0.00	9.38%	18.54	3.47
DTE Energy Company	DTE	$79.78	5.60%	5.12%	5.00%	5.24%	5.35%	61.00%	60.00%	67.30%	$0.00	11.47%	18.54	3.47
FirstEnergy Corp.	FE	$31.84	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.49%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.91	5.80%	5.07%	5.00%	5.29%	5.35%	60.00%	62.00%	67.30%	$0.00	10.63%	18.54	3.47
IDACORP, Inc.	IDA	$67.89	4.00%	4.00%	1.00%	3.00%	5.35%	53.00%	58.00%	67.30%	$0.00	8.56%	18.54	3.47
Eversource Energy	ES	$50.87	6.70%	6.57%	8.50%	7.26%	5.35%	59.00%	57.00%	67.30%	$0.00	10.52%	18.54	3.47
NorthWestern Corporation	NWE	$54.03	5.00%	6.81%	6.50%	6.10%	5.35%	61.00%	59.00%	67.30%	$0.00	10.63%	18.54	3.47
OGE Energy Corp.	OGE	$25.52	5.70%	2.17%	3.00%	3.62%	5.35%	63.00%	72.00%	67.30%	$0.00	12.62%	18.54	3.47
Otter Tail Corporation	OTTR	$26.51	NA	6.00%	9.00%	7.50%	5.35%	71.00%	59.00%	67.30%	$0.00	12.31%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$63.57	4.80%	4.95%	4.00%	4.58%	5.35%	64.00%	64.00%	67.30%	$0.00	9.87%	18.54	3.47
PNM Resources, Inc.	PNM	$29.89	7.70%	9.30%	9.00%	8.67%	5.35%	51.00%	55.00%	67.30%	$0.00	10.93%	18.54	3.47
Portland General Electric Company	POR	$36.42	4.40%	4.14%	6.00%	4.85%	5.35%	52.00%	53.00%	67.30%	$0.00	10.25%	18.54	3.47
SCANA Corporation	SCG	$60.15	4.50%	4.45%	4.50%	4.48%	5.35%	56.00%	55.00%	67.30%	$0.00	10.59%	18.54	3.47
Westar Energy, Inc.	WR	$41.90	3.60%	3.50%	6.00%	4.37%	5.35%	61.00%	55.00%	67.30%	$0.00	9.45%	18.54	3.47
Xcel Energy Inc.	XEL	$35.81	5.00%	4.68%	4.50%	4.73%	5.35%	63.00%	65.00%	67.30%	$0.00	10.05%	18.54	3.47
											MEAN	10.19%		
											MAX	12.62%		
											MIN	4.49%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.06	$3.23	$3.41	$3.59	$3.79	$4.00	$4.22	$4.45	$4.69	$4.94	$5.21	$5.49	$5.78	$6.09	$6.41	$6.76
Alliant Energy Corporation	LNT	$3.48	$3.68	$3.88	$4.10	$4.34	$4.58	$4.84	$5.11	$5.39	$5.69	$6.00	$6.32	$6.66	$7.02	$7.39	$7.79	$8.21
Ameren Corporation	AEE	$2.40	$2.55	$2.72	$2.89	$3.08	$3.28	$3.49	$3.71	$3.93	$4.16	$4.40	$4.64	$4.89	$5.15	$5.43	$5.72	$6.03
American Electric Power Company, Inc.	AEP	$3.34	$3.50	$3.66	$3.83	$4.02	$4.20	$4.40	$4.61	$4.84	$5.08	$5.35	$5.63	$5.93	$6.24	$6.58	$6.93	$7.30
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.44	$1.46	$1.49	$1.51	$1.53	$1.56	$1.59	$1.64	$1.69	$1.76	$1.84	$1.94	$2.05	$2.16	$2.27	$2.39
CMS Energy Corporation	CMS	$1.74	$1.85	$1.96	$2.08	$2.21	$2.34	$2.48	$2.63	$2.79	$2.95	$3.11	$3.28	$3.46	$3.64	$3.84	$4.04	$4.26
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.96	$4.08	$4.20	$4.33	$4.47	$4.64	$4.84	$5.06	$5.31	$5.59	$5.89	$6.21	$6.54	$6.89
Dominion Resources, Inc.	D	$3.05	$3.25	$3.46	$3.69	$3.93	$4.18	$4.46	$4.74	$5.03	$5.33	$5.64	$5.95	$6.27	$6.60	$6.95	$7.33	$7.72
DTE Energy Company	DTE	$5.10	$5.37	$5.65	$5.94	$6.26	$6.58	$6.93	$7.29	$7.68	$8.08	$8.51	$8.97	$9.45	$9.95	$10.48	$11.04	$11.64
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.74	$1.83	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63	$2.77	$2.92	$3.08	$3.24	$3.41	$3.60
IDACORP, Inc.	IDA	$3.85	$3.97	$4.08	$4.21	$4.33	$4.46	$4.60	$4.75	$4.93	$5.14	$5.37	$5.64	$5.94	$6.26	$6.59	$6.95	$7.32
Eversource Energy	ES	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.93	$4.20	$4.48	$4.76	$5.05	$5.33	$5.62	$5.92	$6.23	$6.57	$6.92
NorthWestern Corporation	NWE	$2.99	$3.17	$3.37	$3.57	$3.79	$4.02	$4.27	$4.52	$4.79	$5.06	$5.34	$5.64	$5.94	$6.25	$6.59	$6.94	$7.31
OGE Energy Corp.	OGE	$1.98	$2.05	$2.13	$2.20	$2.28	$2.37	$2.45	$2.55	$2.65	$2.77	$2.91	$3.05	$3.22	$3.39	$3.57	$3.76	$3.96
Otter Tail Corporation	OTTR	$1.55	$1.67	$1.79	$1.93	$2.07	$2.23	$2.39	$2.56	$2.74	$2.91	$3.09	$3.27	$3.44	$3.62	$3.82	$4.02	$4.24
Pinnacle West Capital Corporation	PNW	$3.58	$3.74	$3.92	$4.10	$4.28	$4.48	$4.68	$4.91	$5.14	$5.40	$5.67	$5.97	$6.29	$6.62	$6.98	$7.35	$7.74
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.71	$1.86	$2.02	$2.20	$2.39	$2.58	$2.78	$2.97	$3.16	$3.35	$3.53	$3.72	$3.92	$4.13	$4.35
Portland General Electric Company	POR	$2.18	$2.29	$2.40	$2.51	$2.63	$2.76	$2.90	$3.04	$3.19	$3.35	$3.53	$3.71	$3.91	$4.12	$4.34	$4.57	$4.82
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.32	$4.52	$4.72	$4.93	$5.16	$5.41	$5.67	$5.96	$6.27	$6.60	$6.96	$7.33	$7.72	$8.13
Westar Energy, Inc.	WR	$2.35	$2.45	$2.56	$2.67	$2.79	$2.91	$3.04	$3.17	$3.32	$3.48	$3.66	$3.85	$4.06	$4.27	$4.50	$4.74	$4.99
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.23	$2.33	$2.44	$2.56	$2.68	$2.81	$2.95	$3.09	$3.25	$3.42	$3.61	$3.80	$4.00	$4.22	$4.44

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
Company	Ticker	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Terminal Value
ALLETE, Inc.	ALE	$2.13	$2.17	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$4.55	$125.26
Alliant Energy Corporation	LNT	$2.37	$2.53	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$5.52	$152.14
Ameren Corporation	AEE	$1.69	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$4.06	$111.73
American Electric Power Company, Inc.	AEP	$2.34	$2.47	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$4.91	$135.34
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.32	$1.31	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$1.61	$44.37
CMS Energy Corporation	CMS	$1.18	$1.26	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$2.86	$78.91
Consolidated Edison, Inc.	ED	$2.50	$2.56	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$4.64	$127.73
Dominion Resources, Inc.	D	$2.56	$2.70	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$5.19	$143.09
DTE Energy Company	DTE	$3.45	$3.61	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$7.83	$215.72
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.04	$1.11	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$2.42	$66.68
IDACORP, Inc.	IDA	$2.16	$2.30	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$4.92	$135.66
Eversource Energy	ES	$1.75	$1.86	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$4.66	$128.26
NorthWestern Corporation	NWE	$2.05	$2.15	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$4.92	$135.57
OGE Energy Corp.	OGE	$1.34	$1.45	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$2.67	$73.43
Otter Tail Corporation	OTTR	$1.27	$1.29	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$2.85	$78.55
Pinnacle West Capital Corporation	PNW	$2.51	$2.62	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$5.21	$143.58
PNM Resources, Inc.	PNM	$0.87	$0.97	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$2.92	$80.57
Portland General Electric Company	POR	$1.25	$1.31	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$3.24	$89.32
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$5.47	$150.78
Westar Energy, Inc.	WR	$1.56	$1.58	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$3.36	$92.61
Xcel Energy Inc.	XEL	$1.40	$1.48	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$2.99	$82.37

Projected Annual Data

Investor Cash Flows		[62]	[63]	[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]
Company	Ticker	Initial Outflow	1/15/16	12/31/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30
ALLETE, Inc.	ALE	($50.12)	$0.00	$2.05	$2.19	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$129.81
Alliant Energy Corporation	LNT	($61.59)	$0.00	$2.28	$2.44	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$157.67
Ameren Corporation	AEE	($43.18)	$0.00	$1.62	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$115.79
American Electric Power Company, Inc.	AEP	($57.34)	$0.00	$2.25	$2.40	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$140.26
Avista Corporation	AVA	($34.97)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($17.44)	$0.00	$1.27	$1.33	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$45.99
CMS Energy Corporation	CMS	($35.77)	$0.00	$1.13	$1.21	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$81.78
Consolidated Edison, Inc.	ED	($64.24)	$0.00	$2.40	$2.53	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$132.37
Dominion Resources, Inc.	D	($67.46)	$0.00	$2.46	$2.65	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$148.29
DTE Energy Company	DTE	($79.78)	$0.00	$3.31	$3.54	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$223.55
FirstEnergy Corp.	FE	($31.84)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.91)	$0.00	$1.00	$1.07	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$69.10
IDACORP, Inc.	IDA	($67.89)	$0.00	$2.08	$2.20	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$140.59
Eversource Energy	ES	($50.87)	$0.00	$1.68	$1.81	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$132.91
NorthWestern Corporation	NWE	($54.03)	$0.00	$1.97	$2.12	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$140.49
OGE Energy Corp.	OGE	($25.52)	$0.00	$1.29	$1.36	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$76.10
Otter Tail Corporation	OTTR	($26.51)	$0.00	$1.22	$1.32	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$81.41
Pinnacle West Capital Corporation	PNW	($63.57)	$0.00	$2.41	$2.56	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$148.80
PNM Resources, Inc.	PNM	($29.89)	$0.00	$0.84	$0.91	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$83.49
Portland General Electric Company	POR	($36.42)	$0.00	$1.20	$1.28	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$92.56
SCANA Corporation	SCG	($60.15)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$156.25
Westar Energy, Inc.	WR	($41.90)	$0.00	$1.50	$1.60	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$95.97
Xcel Energy Inc.	XEL	($35.81)	$0.00	$1.35	$1.44	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$85.36

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
90 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.31	5.00%	5.00%	6.50%	5.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.67%	18.54	3.47
Alliant Energy Corporation	LNT	$59.72	5.40%	5.55%	6.00%	5.65%	5.35%	61.00%	63.00%	67.30%	$0.00	10.91%	18.54	3.47
Ameren Corporation	AEE	$42.83	6.30%	6.00%	7.00%	6.43%	5.35%	62.00%	56.00%	67.30%	$0.00	10.93%	18.54	3.47
American Electric Power Company, Inc.	AEP	$56.58	4.70%	4.43%	5.00%	4.71%	5.35%	64.00%	65.00%	67.30%	$0.00	10.45%	18.54	3.47
Avista Corporation	AVA	$33.87	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.90%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$17.77	2.70%	0.40%	NA	1.55%	5.35%	90.00%	84.00%	67.30%	$0.00	12.16%	18.54	3.47
CMS Energy Corporation	CMS	$35.33	6.10%	6.72%	5.50%	6.11%	5.35%	60.00%	62.00%	67.30%	$0.00	9.56%	18.54	3.47
Consolidated Edison, Inc.	ED	$64.49	3.10%	2.95%	3.00%	3.02%	5.35%	65.00%	64.00%	67.30%	$0.00	8.74%	18.54	3.47
Dominion Resources, Inc.	D	$69.01	6.10%	5.49%	8.00%	6.53%	5.35%	74.00%	72.00%	67.30%	$0.00	9.16%	18.54	3.47
DTE Energy Company	DTE	$80.17	5.60%	5.12%	5.00%	5.24%	5.35%	61.00%	60.00%	67.30%	$0.00	11.42%	18.54	3.47
FirstEnergy Corp.	FE	$31.39	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.61%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.82	5.80%	5.07%	5.00%	5.29%	5.35%	60.00%	62.00%	67.30%	$0.00	10.66%	18.54	3.47
IDACORP, Inc.	IDA	$66.25	4.00%	4.00%	1.00%	3.00%	5.35%	53.00%	58.00%	67.30%	$0.00	8.79%	18.54	3.47
Eversource Energy	ES	$50.32	6.70%	6.57%	8.50%	7.26%	5.35%	59.00%	57.00%	67.30%	$0.00	10.63%	18.54	3.47
NorthWestern Corporation	NWE	$53.77	5.00%	6.81%	6.50%	6.10%	5.35%	61.00%	59.00%	67.30%	$0.00	10.68%	18.54	3.47
OGE Energy Corp.	OGE	$26.72	5.70%	2.17%	3.00%	3.62%	5.35%	63.00%	72.00%	67.30%	$0.00	12.13%	18.54	3.47
Otter Tail Corporation	OTTR	$26.61	NA	6.00%	9.00%	7.50%	5.35%	71.00%	59.00%	67.30%	$0.00	12.27%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$63.35	4.80%	4.95%	4.00%	4.58%	5.35%	64.00%	64.00%	67.30%	$0.00	9.90%	18.54	3.47
PNM Resources, Inc.	PNM	$28.43	7.70%	9.30%	9.00%	8.67%	5.35%	51.00%	55.00%	67.30%	$0.00	11.41%	18.54	3.47
Portland General Electric Company	POR	$36.56	4.40%	4.14%	6.00%	4.85%	5.35%	52.00%	53.00%	67.30%	$0.00	10.22%	18.54	3.47
SCANA Corporation	SCG	$57.82	4.50%	4.45%	4.50%	4.48%	5.35%	56.00%	55.00%	67.30%	$0.00	10.98%	18.54	3.47
Westar Energy, Inc.	WR	$40.32	3.60%	3.50%	6.00%	4.37%	5.35%	61.00%	55.00%	67.30%	$0.00	9.82%	18.54	3.47
Xcel Energy Inc.	XEL	$35.44	5.00%	4.68%	4.50%	4.73%	5.35%	63.00%	65.00%	67.30%	$0.00	10.15%	18.54	3.47
											MEAN	10.27%		
											MAX	12.27%		
											MIN	4.61%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.06	$3.23	$3.41	$3.59	$3.79	$4.00	$4.22	$4.45	$4.69	$4.94	$5.21	$5.49	$5.78	$6.09	$6.41	$6.76
Alliant Energy Corporation	LNT	$3.48	$3.68	$3.88	$4.10	$4.34	$4.58	$4.84	$5.11	$5.39	$5.69	$6.00	$6.32	$6.66	$7.02	$7.39	$7.79	$8.21
Ameren Corporation	AEE	$2.40	$2.55	$2.72	$2.89	$3.08	$3.28	$3.49	$3.71	$3.93	$4.16	$4.40	$4.64	$4.89	$5.15	$5.43	$5.72	$6.03
American Electric Power Company, Inc.	AEP	$3.34	$3.50	$3.66	$3.83	$4.02	$4.20	$4.40	$4.61	$4.84	$5.08	$5.35	$5.63	$5.93	$6.24	$6.58	$6.93	$7.30
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.44	$1.46	$1.49	$1.51	$1.53	$1.56	$1.59	$1.64	$1.69	$1.76	$1.84	$1.94	$2.05	$2.16	$2.27	$2.39
CMS Energy Corporation	CMS	$1.74	$1.85	$1.96	$2.08	$2.21	$2.34	$2.48	$2.63	$2.79	$2.95	$3.11	$3.28	$3.46	$3.64	$3.84	$4.04	$4.26
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.96	$4.08	$4.20	$4.33	$4.47	$4.64	$4.84	$5.06	$5.31	$5.59	$5.89	$6.21	$6.54	$6.89
Dominion Resources, Inc.	D	$3.05	$3.25	$3.46	$3.69	$3.93	$4.18	$4.46	$4.74	$5.03	$5.33	$5.64	$5.95	$6.27	$6.60	$6.95	$7.33	$7.72
DTE Energy Company	DTE	$5.10	$5.37	$5.65	$5.94	$6.26	$6.58	$6.93	$7.29	$7.68	$8.08	$8.51	$8.97	$9.45	$9.95	$10.48	$11.04	$11.64
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.74	$1.83	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63	$2.77	$2.92	$3.08	$3.24	$3.41	$3.60
IDACORP, Inc.	IDA	$3.85	$3.97	$4.08	$4.21	$4.33	$4.46	$4.60	$4.75	$4.93	$5.14	$5.37	$5.64	$5.94	$6.26	$6.59	$6.95	$7.32
Eversource Energy	ES	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.93	$4.20	$4.48	$4.76	$5.05	$5.33	$5.62	$5.92	$6.23	$6.57	$6.92
NorthWestern Corporation	NWE	$2.99	$3.17	$3.37	$3.57	$3.79	$4.02	$4.27	$4.52	$4.79	$5.06	$5.34	$5.64	$5.94	$6.25	$6.59	$6.94	$7.31
OGE Energy Corp.	OGE	$1.98	$2.05	$2.13	$2.20	$2.28	$2.37	$2.45	$2.55	$2.65	$2.77	$2.91	$3.05	$3.22	$3.39	$3.57	$3.76	$3.96
Otter Tail Corporation	OTTR	$1.55	$1.67	$1.79	$1.93	$2.07	$2.23	$2.39	$2.56	$2.74	$2.91	$3.09	$3.27	$3.44	$3.62	$3.82	$4.02	$4.24
Pinnacle West Capital Corporation	PNW	$3.58	$3.74	$3.92	$4.10	$4.28	$4.48	$4.68	$4.91	$5.14	$5.40	$5.67	$5.97	$6.29	$6.62	$6.98	$7.35	$7.74
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.71	$1.86	$2.02	$2.20	$2.39	$2.58	$2.78	$2.97	$3.16	$3.35	$3.53	$3.72	$3.92	$4.13	$4.35
Portland General Electric Company	POR	$2.18	$2.29	$2.40	$2.51	$2.63	$2.76	$2.90	$3.04	$3.19	$3.35	$3.53	$3.71	$3.91	$4.12	$4.34	$4.57	$4.82
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.32	$4.52	$4.72	$4.93	$5.16	$5.41	$5.67	$5.96	$6.27	$6.60	$6.96	$7.33	$7.72	$8.13
Westar Energy, Inc.	WR	$2.35	$2.45	$2.56	$2.67	$2.79	$2.91	$3.04	$3.17	$3.32	$3.48	$3.66	$3.85	$4.06	$4.27	$4.50	$4.74	$4.99
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.23	$2.33	$2.44	$2.56	$2.68	$2.81	$2.95	$3.09	$3.25	$3.42	$3.61	$3.80	$4.00	$4.22	$4.44

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
																	Terminal
Company	Ticker	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Value
ALLETE, Inc.	ALE	$2.13	$2.17	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$4.55	$125.26
Alliant Energy Corporation	LNT	$2.37	$2.53	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$5.52	$152.14
Ameren Corporation	AEE	$1.69	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$4.06	$111.73
American Electric Power Company, Inc.	AEP	$2.34	$2.47	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$4.91	$135.34
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.32	$1.31	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$1.61	$44.37
CMS Energy Corporation	CMS	$1.18	$1.26	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$2.86	$78.91
Consolidated Edison, Inc.	ED	$2.50	$2.56	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$4.64	$127.73
Dominion Resources, Inc.	D	$2.56	$2.70	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$5.19	$143.09
DTE Energy Company	DTE	$3.45	$3.61	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$7.83	$215.72
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.04	$1.11	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$2.42	$66.68
IDACORP, Inc.	IDA	$2.16	$2.30	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$4.92	$135.66
Eversource Energy	ES	$1.75	$1.86	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$4.66	$128.26
NorthWestern Corporation	NWE	$2.05	$2.15	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$4.92	$135.57
OGE Energy Corp.	OGE	$1.34	$1.45	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$2.67	$73.43
Otter Tail Corporation	OTTR	$1.27	$1.29	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$2.85	$78.55
Pinnacle West Capital Corporation	PNW	$2.51	$2.62	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$5.21	$143.58
PNM Resources, Inc.	PNM	$0.87	$0.97	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$2.92	$80.57
Portland General Electric Company	POR	$1.25	$1.31	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$3.24	$89.32
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$5.47	$150.78
Westar Energy, Inc.	WR	$1.56	$1.58	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$3.36	$92.61
Xcel Energy Inc.	XEL	$1.40	$1.48	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$2.99	$82.37

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.31)	$0.00	$2.05	$2.19	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$129.81
Alliant Energy Corporation	LNT	($59.72)	$0.00	$2.28	$2.44	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$157.67
Ameren Corporation	AEE	($42.83)	$0.00	$1.62	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$115.79
American Electric Power Company, Inc.	AEP	($56.58)	$0.00	$2.25	$2.40	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$140.26
Avista Corporation	AVA	($33.87)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($17.77)	$0.00	$1.27	$1.33	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$45.99
CMS Energy Corporation	CMS	($35.33)	$0.00	$1.13	$1.21	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$81.78
Consolidated Edison, Inc.	ED	($64.49)	$0.00	$2.40	$2.53	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$132.37
Dominion Resources, Inc.	D	($69.01)	$0.00	$2.46	$2.65	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$148.29
DTE Energy Company	DTE	($80.17)	$0.00	$3.31	$3.54	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$223.55
FirstEnergy Corp.	FE	($31.39)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.82)	$0.00	$1.00	$1.07	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$69.10
IDACORP, Inc.	IDA	($66.25)	$0.00	$2.08	$2.20	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$140.59
Eversource Energy	ES	($50.32)	$0.00	$1.68	$1.81	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$132.91
NorthWestern Corporation	NWE	($53.77)	$0.00	$1.97	$2.12	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$140.49
OGE Energy Corp.	OGE	($26.72)	$0.00	$1.29	$1.36	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$76.10
Otter Tail Corporation	OTTR	($26.61)	$0.00	$1.22	$1.32	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$81.41
Pinnacle West Capital Corporation	PNW	($63.35)	$0.00	$2.41	$2.56	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$148.80
PNM Resources, Inc.	PNM	($28.43)	$0.00	$0.84	$0.91	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$83.49
Portland General Electric Company	POR	($36.56)	$0.00	$1.20	$1.28	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$92.56
SCANA Corporation	SCG	($57.82)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$156.25
Westar Energy, Inc.	WR	($40.32)	$0.00	$1.50	$1.60	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$95.97
Xcel Energy Inc.	XEL	($35.44)	$0.00	$1.35	$1.44	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$85.36

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
180 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	Average	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$49.47	5.00%	5.00%	6.50%	5.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.83%	18.54	3.47
Alliant Energy Corporation	LNT	$59.67	5.40%	5.55%	6.00%	5.65%	5.35%	61.00%	63.00%	67.30%	$0.00	10.92%	18.54	3.47
Ameren Corporation	AEE	$41.34	6.30%	6.00%	7.00%	6.43%	5.35%	62.00%	56.00%	67.30%	$0.00	11.28%	18.54	3.47
American Electric Power Company, Inc.	AEP	$55.91	4.70%	4.43%	5.00%	4.71%	5.35%	64.00%	65.00%	67.30%	$0.00	10.57%	18.54	3.47
Avista Corporation	AVA	$32.85	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	10.20%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$18.58	2.70%	0.40%	NA	1.55%	5.35%	90.00%	84.00%	67.30%	$0.00	11.65%	18.54	3.47
CMS Energy Corporation	CMS	$34.36	6.10%	6.72%	5.50%	6.11%	5.35%	60.00%	62.00%	67.30%	$0.00	9.82%	18.54	3.47
Consolidated Edison, Inc.	ED	$62.97	3.10%	2.95%	3.00%	3.02%	5.35%	65.00%	64.00%	67.30%	$0.00	8.97%	18.54	3.47
Dominion Resources, Inc.	D	$69.57	6.10%	5.49%	8.00%	6.53%	5.35%	74.00%	72.00%	67.30%	$0.00	9.08%	18.54	3.47
DTE Energy Company	DTE	$79.11	5.60%	5.12%	5.00%	5.24%	5.35%	61.00%	60.00%	67.30%	$0.00	11.55%	18.54	3.47
FirstEnergy Corp.	FE	$32.64	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.28%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.16	5.80%	5.07%	5.00%	5.29%	5.35%	60.00%	62.00%	67.30%	$0.00	10.91%	18.54	3.47
IDACORP, Inc.	IDA	$62.69	4.00%	4.00%	1.00%	3.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.31%	18.54	3.47
Eversource Energy	ES	$49.19	6.70%	6.57%	8.50%	7.26%	5.35%	59.00%	57.00%	67.30%	$0.00	10.85%	18.54	3.47
NorthWestern Corporation	NWE	$52.75	5.00%	6.81%	6.50%	6.10%	5.35%	61.00%	59.00%	67.30%	$0.00	10.86%	18.54	3.47
OGE Energy Corp.	OGE	$28.22	5.70%	2.17%	3.00%	3.62%	5.35%	63.00%	72.00%	67.30%	$0.00	11.56%	18.54	3.47
Otter Tail Corporation	OTTR	$26.76	NA	6.00%	9.00%	7.50%	5.35%	71.00%	59.00%	67.30%	$0.00	12.21%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$61.66	4.80%	4.95%	4.00%	4.58%	5.35%	64.00%	64.00%	67.30%	$0.00	10.17%	18.54	3.47
PNM Resources, Inc.	PNM	$27.23	7.70%	9.30%	9.00%	8.67%	5.35%	51.00%	55.00%	67.30%	$0.00	11.84%	18.54	3.47
Portland General Electric Company	POR	$35.66	4.40%	4.14%	6.00%	4.85%	5.35%	52.00%	53.00%	67.30%	$0.00	10.46%	18.54	3.47
SCANA Corporation	SCG	$55.39	4.50%	4.45%	4.50%	4.48%	5.35%	56.00%	55.00%	67.30%	$0.00	11.40%	18.54	3.47
Westar Energy, Inc.	WR	$38.32	3.60%	3.50%	6.00%	4.37%	5.35%	61.00%	55.00%	67.30%	$0.00	10.31%	18.54	3.47
Xcel Energy Inc.	XEL	$34.55	5.00%	4.68%	4.50%	4.73%	5.35%	63.00%	65.00%	67.30%	$0.00	10.40%	18.54	3.47
											MEAN	10.41%		
											MAX	12.21%		
											MIN	4.28%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.06	$3.23	$3.41	$3.59	$3.79	$4.00	$4.22	$4.45	$4.69	$4.94	$5.21	$5.49	$5.78	$6.09	$6.41	$6.76
Alliant Energy Corporation	LNT	$3.48	$3.68	$3.88	$4.10	$4.34	$4.58	$4.84	$5.11	$5.39	$5.69	$6.00	$6.32	$6.66	$7.02	$7.39	$7.79	$8.21
Ameren Corporation	AEE	$2.40	$2.55	$2.72	$2.89	$3.08	$3.28	$3.49	$3.71	$3.93	$4.16	$4.40	$4.64	$4.89	$5.15	$5.43	$5.72	$6.03
American Electric Power Company, Inc.	AEP	$3.34	$3.50	$3.66	$3.83	$4.02	$4.20	$4.40	$4.61	$4.84	$5.08	$5.35	$5.63	$5.93	$6.24	$6.58	$6.93	$7.30
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.44	$1.46	$1.49	$1.51	$1.53	$1.56	$1.59	$1.64	$1.69	$1.76	$1.84	$1.94	$2.05	$2.16	$2.27	$2.39
CMS Energy Corporation	CMS	$1.74	$1.85	$1.96	$2.08	$2.21	$2.34	$2.48	$2.63	$2.79	$2.95	$3.11	$3.28	$3.46	$3.64	$3.84	$4.04	$4.26
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.96	$4.08	$4.20	$4.33	$4.47	$4.64	$4.84	$5.06	$5.31	$5.59	$5.89	$6.21	$6.54	$6.89
Dominion Resources, Inc.	D	$3.05	$3.25	$3.46	$3.69	$3.93	$4.18	$4.46	$4.74	$5.03	$5.33	$5.64	$5.95	$6.27	$6.60	$6.95	$7.33	$7.72
DTE Energy Company	DTE	$5.10	$5.37	$5.65	$5.94	$6.26	$6.58	$6.93	$7.29	$7.68	$8.08	$8.51	$8.97	$9.45	$9.95	$10.48	$11.04	$11.64
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.74	$1.83	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63	$2.77	$2.92	$3.08	$3.24	$3.41	$3.60
IDACORP, Inc.	IDA	$3.85	$3.97	$4.08	$4.21	$4.33	$4.46	$4.60	$4.75	$4.93	$5.14	$5.37	$5.64	$5.94	$6.26	$6.59	$6.95	$7.32
Eversource Energy	ES	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.93	$4.20	$4.48	$4.76	$5.05	$5.33	$5.62	$5.92	$6.23	$6.57	$6.92
NorthWestern Corporation	NWE	$2.99	$3.17	$3.37	$3.57	$3.79	$4.02	$4.27	$4.52	$4.79	$5.06	$5.34	$5.64	$5.94	$6.25	$6.59	$6.94	$7.31
OGE Energy Corp.	OGE	$1.98	$2.05	$2.13	$2.20	$2.28	$2.37	$2.45	$2.55	$2.65	$2.77	$2.91	$3.05	$3.22	$3.39	$3.57	$3.76	$3.96
Otter Tail Corporation	OTTR	$1.55	$1.67	$1.79	$1.93	$2.07	$2.23	$2.39	$2.56	$2.74	$2.91	$3.09	$3.27	$3.44	$3.62	$3.82	$4.02	$4.24
Pinnacle West Capital Corporation	PNW	$3.58	$3.74	$3.92	$4.10	$4.28	$4.48	$4.68	$4.91	$5.14	$5.40	$5.67	$5.97	$6.29	$6.62	$6.98	$7.35	$7.74
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.71	$1.86	$2.02	$2.20	$2.39	$2.58	$2.78	$2.97	$3.16	$3.35	$3.53	$3.72	$3.92	$4.13	$4.35
Portland General Electric Company	POR	$2.18	$2.29	$2.40	$2.51	$2.63	$2.76	$2.90	$3.04	$3.19	$3.35	$3.53	$3.71	$3.91	$4.12	$4.34	$4.57	$4.82
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.32	$4.52	$4.72	$4.93	$5.16	$5.41	$5.67	$5.96	$6.27	$6.60	$6.96	$7.33	$7.72	$8.13
Westar Energy, Inc.	WR	$2.35	$2.45	$2.56	$2.67	$2.79	$2.91	$3.04	$3.17	$3.32	$3.48	$3.66	$3.85	$4.06	$4.27	$4.50	$4.74	$4.99
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.23	$2.33	$2.44	$2.56	$2.68	$2.81	$2.95	$3.09	$3.25	$3.42	$3.61	$3.80	$4.00	$4.22	$4.44

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.13	$2.17	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$4.55	$125.26
Alliant Energy Corporation	LNT	$2.37	$2.53	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$5.52	$152.14
Ameren Corporation	AEE	$1.69	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$4.06	$111.73
American Electric Power Company, Inc.	AEP	$2.34	$2.47	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$4.91	$135.34
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.32	$1.31	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$1.61	$44.37
CMS Energy Corporation	CMS	$1.18	$1.26	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$2.86	$78.91
Consolidated Edison, Inc.	ED	$2.50	$2.56	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$4.64	$127.73
Dominion Resources, Inc.	D	$2.56	$2.70	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$5.19	$143.09
DTE Energy Company	DTE	$3.45	$3.61	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$7.83	$215.72
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.04	$1.11	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$2.42	$66.68
IDACORP, Inc.	IDA	$2.16	$2.30	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$4.92	$135.66
Eversource Energy	ES	$1.75	$1.86	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$4.66	$128.26
NorthWestern Corporation	NWE	$2.05	$2.15	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$4.92	$135.57
OGE Energy Corp.	OGE	$1.34	$1.45	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$2.67	$73.43
Otter Tail Corporation	OTTR	$1.27	$1.29	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$2.85	$78.55
Pinnacle West Capital Corporation	PNW	$2.51	$2.62	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$5.21	$143.58
PNM Resources, Inc.	PNM	$0.87	$0.97	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$2.92	$80.57
Portland General Electric Company	POR	$1.25	$1.31	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$3.24	$89.32
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$5.47	$150.78
Westar Energy, Inc.	WR	$1.56	$1.58	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$3.36	$92.61
Xcel Energy Inc.	XEL	$1.40	$1.48	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$2.99	$82.37

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($49.47)	$0.00	$2.05	$2.19	$2.20	$2.24	$2.41	$2.59	$2.78	$2.99	$3.21	$3.44	$3.69	$3.89	$4.10	$4.32	$129.81
Alliant Energy Corporation	LNT	($59.67)	$0.00	$2.28	$2.44	$2.70	$2.89	$3.08	$3.28	$3.50	$3.73	$3.96	$4.22	$4.48	$4.72	$4.98	$5.24	$157.67
Ameren Corporation	AEE	($41.34)	$0.00	$1.62	$1.74	$1.79	$1.84	$2.01	$2.20	$2.39	$2.60	$2.82	$3.05	$3.29	$3.47	$3.65	$3.85	$115.79
American Electric Power Company, Inc.	AEP	($55.91)	$0.00	$2.25	$2.40	$2.60	$2.73	$2.88	$3.03	$3.19	$3.37	$3.56	$3.77	$3.99	$4.20	$4.43	$4.66	$140.26
Avista Corporation	AVA	($32.85)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($18.58)	$0.00	$1.27	$1.33	$1.30	$1.29	$1.27	$1.26	$1.26	$1.26	$1.27	$1.29	$1.31	$1.38	$1.45	$1.53	$45.99
CMS Energy Corporation	CMS	($34.36)	$0.00	$1.13	$1.21	$1.35	$1.45	$1.56	$1.67	$1.79	$1.92	$2.05	$2.18	$2.33	$2.45	$2.58	$2.72	$81.78
Consolidated Edison, Inc.	ED	($62.97)	$0.00	$2.40	$2.53	$2.62	$2.69	$2.79	$2.91	$3.04	$3.19	$3.36	$3.55	$3.76	$3.97	$4.18	$4.40	$132.37
Dominion Resources, Inc.	D	($69.57)	$0.00	$2.46	$2.65	$2.85	$3.01	$3.18	$3.35	$3.52	$3.69	$3.87	$4.04	$4.22	$4.44	$4.68	$4.93	$148.29
DTE Energy Company	DTE	($79.11)	$0.00	$3.31	$3.54	$3.77	$3.95	$4.23	$4.53	$4.85	$5.19	$5.55	$5.94	$6.36	$6.70	$7.06	$7.43	$223.55
FirstEnergy Corp.	FE	($32.64)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.16)	$0.00	$1.00	$1.07	$1.18	$1.26	$1.34	$1.43	$1.52	$1.62	$1.73	$1.84	$1.97	$2.07	$2.18	$2.30	$69.10
IDACORP, Inc.	IDA	($62.69)	$0.00	$2.08	$2.20	$2.44	$2.59	$2.73	$2.88	$3.06	$3.25	$3.47	$3.72	$4.00	$4.21	$4.44	$4.67	$140.59
Eversource Energy	ES	($49.19)	$0.00	$1.68	$1.81	$1.97	$2.09	$2.30	$2.52	$2.75	$2.99	$3.25	$3.51	$3.78	$3.98	$4.20	$4.42	$132.91
NorthWestern Corporation	NWE	($52.75)	$0.00	$1.97	$2.12	$2.26	$2.37	$2.57	$2.77	$2.99	$3.23	$3.47	$3.73	$4.00	$4.21	$4.43	$4.67	$140.49
OGE Energy Corp.	OGE	($28.22)	$0.00	$1.29	$1.36	$1.58	$1.70	$1.75	$1.80	$1.86	$1.92	$1.99	$2.07	$2.16	$2.28	$2.40	$2.53	$76.10
Otter Tail Corporation	OTTR	($26.76)	$0.00	$1.22	$1.32	$1.30	$1.31	$1.44	$1.57	$1.71	$1.86	$2.01	$2.16	$2.32	$2.44	$2.57	$2.71	$81.41
Pinnacle West Capital Corporation	PNW	($61.66)	$0.00	$2.41	$2.56	$2.74	$2.87	$3.02	$3.19	$3.36	$3.56	$3.76	$3.99	$4.23	$4.46	$4.70	$4.95	$148.80
PNM Resources, Inc.	PNM	($27.23)	$0.00	$0.84	$0.91	$1.09	$1.21	$1.36	$1.51	$1.67	$1.84	$2.02	$2.20	$2.37	$2.50	$2.64	$2.78	$83.49
Portland General Electric Company	POR	($35.66)	$0.00	$1.20	$1.28	$1.39	$1.46	$1.59	$1.73	$1.89	$2.05	$2.23	$2.42	$2.63	$2.77	$2.92	$3.08	$92.56
SCANA Corporation	SCG	($55.38)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.80	$4.11	$4.44	$4.68	$4.93	$5.20	$156.25
Westar Energy, Inc.	WR	($38.32)	$0.00	$1.50	$1.60	$1.59	$1.60	$1.72	$1.86	$2.00	$2.16	$2.33	$2.52	$2.73	$2.88	$3.03	$3.19	$95.97
Xcel Energy Inc.	XEL	($34.55)	$0.00	$1.35	$1.44	$1.57	$1.66	$1.75	$1.84	$1.94	$2.05	$2.17	$2.29	$2.43	$2.56	$2.69	$2.84	$85.36

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
30 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.12	5.00%	5.00%	6.50%	5.00%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.35%	18.54	3.47
Alliant Energy Corporation	LNT	$61.59	5.40%	5.55%	6.00%	5.40%	5.35%	61.00%	63.00%	67.30%	$0.00	10.42%	18.54	3.47
Ameren Corporation	AEE	$43.18	6.30%	6.00%	7.00%	6.00%	5.35%	62.00%	56.00%	67.30%	$0.00	10.55%	18.54	3.47
American Electric Power Company, Inc.	AEP	$57.34	4.70%	4.43%	5.00%	4.43%	5.35%	64.00%	65.00%	67.30%	$0.00	10.11%	18.54	3.47
Avista Corporation	AVA	$34.97	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.58%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$17.44	2.70%	0.40%	NA	0.40%	5.35%	90.00%	84.00%	67.30%	$0.00	11.46%	18.54	3.47
CMS Energy Corporation	CMS	$35.77	6.10%	6.72%	5.50%	5.50%	5.35%	60.00%	62.00%	67.30%	$0.00	9.02%	18.54	3.47
Consolidated Edison, Inc.	ED	$64.24	3.10%	2.95%	3.00%	2.95%	5.35%	65.00%	64.00%	67.30%	$0.00	8.73%	18.54	3.47
Dominion Resources, Inc.	D	$67.46	6.10%	5.49%	8.00%	5.49%	5.35%	74.00%	72.00%	67.30%	$0.00	8.65%	18.54	3.47
DTE Energy Company	DTE	$79.78	5.60%	5.12%	5.00%	5.00%	5.35%	61.00%	60.00%	67.30%	$0.00	11.29%	18.54	3.47
FirstEnergy Corp.	FE	$31.84	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.49%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.91	5.80%	5.07%	5.00%	5.00%	5.35%	60.00%	62.00%	67.30%	$0.00	10.42%	18.54	3.47
IDACORP, Inc.	IDA	$67.89	4.00%	4.00%	1.00%	1.00%	5.35%	53.00%	58.00%	67.30%	$0.00	7.15%	18.54	3.47
Eversource Energy	ES	$50.87	6.70%	6.57%	8.50%	6.57%	5.35%	59.00%	57.00%	67.30%	$0.00	10.04%	18.54	3.47
NorthWestern Corporation	NWE	$54.03	5.00%	6.81%	6.50%	5.00%	5.35%	61.00%	59.00%	67.30%	$0.00	9.85%	18.54	3.47
OGE Energy Corp.	OGE	$25.52	5.70%	2.17%	3.00%	2.17%	5.35%	63.00%	72.00%	67.30%	$0.00	11.52%	18.54	3.47
Otter Tail Corporation	OTTR	$26.51	NA	6.00%	9.00%	6.00%	5.35%	71.00%	59.00%	67.30%	$0.00	11.23%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$63.57	4.80%	4.95%	4.00%	4.00%	5.35%	64.00%	64.00%	67.30%	$0.00	9.45%	18.54	3.47
PNM Resources, Inc.	PNM	$29.89	7.70%	9.30%	9.00%	7.70%	5.35%	51.00%	55.00%	67.30%	$0.00	10.27%	18.54	3.47
Portland General Electric Company	POR	$36.42	4.40%	4.14%	6.00%	4.14%	5.35%	52.00%	53.00%	67.30%	$0.00	9.75%	18.54	3.47
SCANA Corporation	SCG	$60.15	4.50%	4.45%	4.50%	4.45%	5.35%	56.00%	55.00%	67.30%	$0.00	10.57%	18.54	3.47
Westar Energy, Inc.	WR	$41.90	3.60%	3.50%	6.00%	3.50%	5.35%	61.00%	55.00%	67.30%	$0.00	8.84%	18.54	3.47
Xcel Energy Inc.	XEL	$35.81	5.00%	4.68%	4.50%	4.50%	5.35%	63.00%	65.00%	67.30%	$0.00	9.88%	18.54	3.47
											MEAN	9.72%		
											MAX	11.52%		
											MIN	4.49%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.05	$3.20	$3.36	$3.52	$3.70	$3.89	$4.08	$4.29	$4.51	$4.75	$5.00	$5.27	$5.55	$5.85	$6.16	$6.49
Alliant Energy Corporation	LNT	$3.48	$3.67	$3.87	$4.07	$4.29	$4.53	$4.77	$5.03	$5.30	$5.58	$5.88	$6.20	$6.53	$6.88	$7.25	$7.63	$8.04
Ameren Corporation	AEE	$2.40	$2.54	$2.70	$2.86	$3.03	$3.21	$3.40	$3.61	$3.81	$4.03	$4.25	$4.49	$4.73	$4.98	$5.24	$5.53	$5.82
American Electric Power Company, Inc.	AEP	$3.34	$3.49	$3.64	$3.80	$3.97	$4.15	$4.33	$4.53	$4.75	$4.98	$5.23	$5.50	$5.79	$6.10	$6.43	$6.77	$7.14
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.43	$1.43	$1.44	$1.44	$1.45	$1.45	$1.47	$1.50	$1.55	$1.60	$1.68	$1.76	$1.86	$1.96	$2.06	$2.17
CMS Energy Corporation	CMS	$1.74	$1.84	$1.94	$2.04	$2.16	$2.27	$2.40	$2.53	$2.67	$2.81	$2.96	$3.12	$3.29	$3.47	$3.65	$3.85	$4.05
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.95	$4.07	$4.19	$4.31	$4.45	$4.62	$4.81	$5.03	$5.28	$5.56	$5.86	$6.17	$6.50	$6.85
Dominion Resources, Inc.	D	$3.05	$3.22	$3.39	$3.58	$3.78	$3.98	$4.20	$4.43	$4.67	$4.93	$5.19	$5.47	$5.76	$6.07	$6.40	$6.74	$7.10
DTE Energy Company	DTE	$5.10	$5.36	$5.62	$5.90	$6.20	$6.51	$6.83	$7.18	$7.55	$7.94	$8.35	$8.80	$9.27	$9.76	$10.28	$10.83	$11.41
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.73	$1.82	$1.91	$2.00	$2.10	$2.21	$2.32	$2.44	$2.57	$2.71	$2.85	$3.00	$3.17	$3.33	$3.51
IDACORP, Inc.	IDA	$3.85	$3.89	$3.93	$3.97	$4.01	$4.05	$4.09	$4.16	$4.26	$4.39	$4.57	$4.78	$5.03	$5.30	$5.58	$5.88	$6.20
Eversource Energy	ES	$2.58	$2.75	$2.93	$3.12	$3.33	$3.55	$3.78	$4.02	$4.27	$4.52	$4.78	$5.05	$5.32	$5.60	$5.90	$6.22	$6.55
NorthWestern Corporation	NWE	$2.99	$3.14	$3.30	$3.46	$3.63	$3.82	$4.01	$4.21	$4.42	$4.65	$4.90	$5.16	$5.43	$5.72	$6.03	$6.35	$6.69
OGE Energy Corp.	OGE	$1.98	$2.02	$2.07	$2.11	$2.16	$2.20	$2.25	$2.31	$2.39	$2.48	$2.58	$2.71	$2.85	$3.01	$3.17	$3.34	$3.51
Otter Tail Corporation	OTTR	$1.55	$1.64	$1.74	$1.85	$1.96	$2.07	$2.20	$2.33	$2.46	$2.60	$2.75	$2.90	$3.05	$3.22	$3.39	$3.57	$3.76
Pinnacle West Capital Corporation	PNW	$3.58	$3.72	$3.87	$4.03	$4.19	$4.36	$4.53	$4.72	$4.93	$5.16	$5.41	$5.69	$6.00	$6.32	$6.65	$7.01	$7.39
PNM Resources, Inc.	PNM	$1.45	$1.56	$1.68	$1.81	$1.95	$2.10	$2.26	$2.43	$2.60	$2.77	$2.94	$3.10	$3.27	$3.44	$3.63	$3.82	$4.03
Portland General Electric Company	POR	$2.18	$2.27	$2.36	$2.46	$2.56	$2.67	$2.78	$2.90	$3.03	$3.18	$3.33	$3.51	$3.69	$3.89	$4.10	$4.32	$4.55
SCANA Corporation	SCG	$3.79	$3.96	$4.13	$4.32	$4.51	$4.71	$4.92	$5.15	$5.39	$5.66	$5.94	$6.25	$6.59	$6.94	$7.31	$7.70	$8.11
Westar Energy, Inc.	WR	$2.35	$2.43	$2.52	$2.61	$2.70	$2.79	$2.89	$3.00	$3.12	$3.26	$3.41	$3.59	$3.78	$3.98	$4.19	$4.42	$4.65
Xcel Energy Inc.	XEL	$2.03	$2.12	$2.22	$2.32	$2.42	$2.53	$2.64	$2.77	$2.90	$3.04	$3.20	$3.36	$3.54	$3.73	$3.93	$4.14	$4.36

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	**2016**	2017	2018	**2019**	2020	2021	2022	**2023**	**2024**	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
Company	Ticker	2016	2017	2018	2019	**2020**	2021	2022	2023	2024	**2025**	2026	2027	2028	2029	2030	Terminal Value
ALLETE, Inc.	ALE	$2.11	$2.14	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$4.37	$120.31
Alliant Energy Corporation	LNT	$2.36	$2.51	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$5.41	$149.11
Ameren Corporation	AEE	$1.67	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$3.92	$107.92
American Electric Power Company, Inc.	AEP	$2.33	$2.45	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$4.80	$132.30
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.29	$1.26	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$1.46	$40.30
CMS Energy Corporation	CMS	$1.16	$1.24	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$2.73	$75.16
Consolidated Edison, Inc.	ED	$2.49	$2.55	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$4.61	$127.04
Dominion Resources, Inc.	D	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$4.78	$131.64
DTE Energy Company	DTE	$3.43	$3.58	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$7.68	$211.57
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.04	$1.10	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$2.36	$65.13
IDACORP, Inc.	IDA	$2.08	$2.17	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$4.17	$114.91
Eversource Energy	ES	$1.73	$1.82	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$4.41	$121.43
NorthWestern Corporation	NWE	$2.01	$2.09	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$4.50	$124.04
OGE Energy Corp.	OGE	$1.30	$1.39	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$2.36	$65.15
Otter Tail Corporation	OTTR	$1.24	$1.24	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$2.53	$69.70
Pinnacle West Capital Corporation	PNW	$2.48	$2.58	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$4.97	$136.92
PNM Resources, Inc.	PNM	$0.86	$0.95	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$2.71	$74.66
Portland General Electric Company	POR	$1.23	$1.29	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$3.06	$84.34
SCANA Corporation	SCG	$2.32	$2.40	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$5.46	$150.37
Westar Energy, Inc.	WR	$1.54	$1.54	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$3.13	$86.28
Xcel Energy Inc.	XEL	$1.40	$1.47	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$2.94	$80.87

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.12)	$0.00	$2.03	$2.16	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$124.67
Alliant Energy Corporation	LNT	($61.59)	$0.00	$2.27	$2.42	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$154.52
Ameren Corporation	AEE	($43.18)	$0.00	$1.61	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$111.84
American Electric Power Company, Inc.	AEP	($57.34)	$0.00	$2.24	$2.38	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$137.10
Avista Corporation	AVA	($34.97)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($17.44)	$0.00	$1.24	$1.29	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$41.76
CMS Energy Corporation	CMS	($35.77)	$0.00	$1.12	$1.19	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$77.89
Consolidated Edison, Inc.	ED	($64.24)	$0.00	$2.40	$2.53	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$131.65
Dominion Resources, Inc.	D	($67.46)	$0.00	$2.42	$2.58	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$136.42
DTE Energy Company	DTE	($79.78)	$0.00	$3.30	$3.52	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$219.25
FirstEnergy Corp.	FE	($31.84)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.91)	$0.00	$1.00	$1.06	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$67.50
IDACORP, Inc.	IDA	($67.89)	$0.00	$2.00	$2.09	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$119.08
Eversource Energy	ES	($50.87)	$0.00	$1.66	$1.79	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$125.84
NorthWestern Corporation	NWE	($54.03)	$0.00	$1.93	$2.06	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$128.54
OGE Energy Corp.	OGE	($25.52)	$0.00	$1.25	$1.32	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$67.51
Otter Tail Corporation	OTTR	($26.51)	$0.00	$1.19	$1.27	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$72.23
Pinnacle West Capital Corporation	PNW	($63.57)	$0.00	$2.38	$2.53	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$141.90
PNM Resources, Inc.	PNM	($29.89)	$0.00	$0.82	$0.89	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$77.37
Portland General Electric Company	POR	($36.42)	$0.00	$1.18	$1.25	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$87.40
SCANA Corporation	SCG	($60.15)	$0.00	$2.23	$2.37	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$155.83
Westar Energy, Inc.	WR	($41.90)	$0.00	$1.48	$1.56	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$89.41
Xcel Energy Inc.	XEL	($35.81)	$0.00	$1.34	$1.43	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$83.80

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
90 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	Low	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.31	5.00%	5.00%	6.50%	5.00%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.31%	18.54	3.47
Alliant Energy Corporation	LNT	$59.72	5.40%	5.55%	6.00%	5.40%	5.35%	61.00%	63.00%	67.30%	$0.00	10.73%	18.54	3.47
Ameren Corporation	AEE	$42.83	6.30%	6.00%	7.00%	6.00%	5.35%	62.00%	56.00%	67.30%	$0.00	10.62%	18.54	3.47
American Electric Power Company, Inc.	AEP	$56.58	4.70%	4.43%	5.00%	4.43%	5.35%	64.00%	65.00%	67.30%	$0.00	10.25%	18.54	3.47
Avista Corporation	AVA	$33.87	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.90%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$17.77	2.70%	0.40%	NA	0.40%	5.35%	90.00%	84.00%	67.30%	$0.00	11.25%	18.54	3.47
CMS Energy Corporation	CMS	$35.33	6.10%	6.72%	5.50%	5.50%	5.35%	60.00%	62.00%	67.30%	$0.00	9.14%	18.54	3.47
Consolidated Edison, Inc.	ED	$64.49	3.10%	2.95%	3.00%	2.95%	5.35%	65.00%	64.00%	67.30%	$0.00	8.69%	18.54	3.47
Dominion Resources, Inc.	D	$69.01	6.10%	5.49%	8.00%	5.49%	5.35%	74.00%	72.00%	67.30%	$0.00	8.44%	18.54	3.47
DTE Energy Company	DTE	$80.17	5.60%	5.12%	5.00%	5.00%	5.35%	61.00%	60.00%	67.30%	$0.00	11.24%	18.54	3.47
FirstEnergy Corp.	FE	$31.39	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.61%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.82	5.80%	5.07%	5.00%	5.00%	5.35%	60.00%	62.00%	67.30%	$0.00	10.45%	18.54	3.47
IDACORP, Inc.	IDA	$66.25	4.00%	4.00%	1.00%	1.00%	5.35%	53.00%	58.00%	67.30%	$0.00	7.38%	18.54	3.47
Eversource Energy	ES	$50.32	6.70%	6.57%	8.50%	6.57%	5.35%	59.00%	57.00%	67.30%	$0.00	10.15%	18.54	3.47
NorthWestern Corporation	NWE	$53.77	5.00%	6.81%	6.50%	5.00%	5.35%	61.00%	59.00%	67.30%	$0.00	9.90%	18.54	3.47
OGE Energy Corp.	OGE	$26.72	5.70%	2.17%	3.00%	2.17%	5.35%	63.00%	72.00%	67.30%	$0.00	11.04%	18.54	3.47
Otter Tail Corporation	OTTR	$26.61	NA	6.00%	9.00%	6.00%	5.35%	71.00%	59.00%	67.30%	$0.00	11.19%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$63.35	4.80%	4.95%	4.00%	4.00%	5.35%	64.00%	64.00%	67.30%	$0.00	9.49%	18.54	3.47
PNM Resources, Inc.	PNM	$28.43	7.70%	9.30%	9.00%	7.70%	5.35%	51.00%	55.00%	67.30%	$0.00	10.74%	18.54	3.47
Portland General Electric Company	POR	$36.56	4.40%	4.14%	6.00%	4.14%	5.35%	52.00%	53.00%	67.30%	$0.00	9.72%	18.54	3.47
SCANA Corporation	SCG	$57.82	4.50%	4.45%	4.50%	4.45%	5.35%	56.00%	55.00%	67.30%	$0.00	10.95%	18.54	3.47
Westar Energy, Inc.	WR	$40.32	3.60%	3.50%	6.00%	3.50%	5.35%	61.00%	55.00%	67.30%	$0.00	9.20%	18.54	3.47
Xcel Energy Inc.	XEL	$35.44	5.00%	4.68%	4.50%	4.50%	5.35%	63.00%	65.00%	67.30%	$0.00	9.98%	18.54	3.47
											MEAN	9.80%		
											MAX	11.25%		
											MIN	4.61%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.05	$3.20	$3.36	$3.52	$3.70	$3.89	$4.08	$4.29	$4.51	$4.75	$5.00	$5.27	$5.55	$5.85	$6.16	$6.49
Alliant Energy Corporation	LNT	$3.48	$3.67	$3.87	$4.07	$4.29	$4.53	$4.77	$5.03	$5.30	$5.58	$5.88	$6.20	$6.53	$6.88	$7.25	$7.63	$8.04
Ameren Corporation	AEE	$2.40	$2.54	$2.70	$2.86	$3.03	$3.21	$3.40	$3.61	$3.81	$4.03	$4.25	$4.49	$4.73	$4.98	$5.24	$5.53	$5.82
American Electric Power Company, Inc.	AEP	$3.34	$3.49	$3.64	$3.80	$3.97	$4.15	$4.33	$4.53	$4.75	$4.98	$5.23	$5.50	$5.79	$6.10	$6.43	$6.77	$7.14
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.43	$1.43	$1.44	$1.44	$1.45	$1.45	$1.47	$1.50	$1.55	$1.60	$1.68	$1.76	$1.86	$1.96	$2.06	$2.17
CMS Energy Corporation	CMS	$1.74	$1.84	$1.94	$2.04	$2.16	$2.27	$2.40	$2.53	$2.67	$2.81	$2.96	$3.12	$3.29	$3.47	$3.65	$3.85	$4.05
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.95	$4.07	$4.19	$4.31	$4.45	$4.62	$4.81	$5.03	$5.28	$5.56	$5.86	$6.17	$6.50	$6.85
Dominion Resources, Inc.	D	$3.05	$3.22	$3.39	$3.58	$3.78	$3.98	$4.20	$4.43	$4.67	$4.93	$5.19	$5.47	$5.76	$6.07	$6.40	$6.74	$7.10
DTE Energy Company	DTE	$5.10	$5.36	$5.62	$5.90	$6.20	$6.51	$6.83	$7.18	$7.55	$7.94	$8.35	$8.80	$9.27	$9.76	$10.28	$10.83	$11.41
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.73	$1.82	$1.91	$2.00	$2.10	$2.21	$2.32	$2.44	$2.57	$2.71	$2.85	$3.00	$3.17	$3.33	$3.51
IDACORP, Inc.	IDA	$3.85	$3.89	$3.93	$3.97	$4.01	$4.05	$4.09	$4.16	$4.26	$4.39	$4.57	$4.78	$5.03	$5.30	$5.58	$5.88	$6.20
Eversource Energy	ES	$2.58	$2.75	$2.93	$3.12	$3.33	$3.55	$3.78	$4.02	$4.27	$4.52	$4.78	$5.05	$5.32	$5.60	$5.90	$6.22	$6.55
NorthWestern Corporation	NWE	$2.99	$3.14	$3.30	$3.46	$3.63	$3.82	$4.01	$4.21	$4.42	$4.65	$4.90	$5.16	$5.43	$5.72	$6.03	$6.35	$6.69
OGE Energy Corp.	OGE	$1.98	$2.02	$2.07	$2.11	$2.16	$2.20	$2.25	$2.31	$2.39	$2.48	$2.58	$2.71	$2.85	$3.01	$3.17	$3.34	$3.51
Otter Tail Corporation	OTTR	$1.55	$1.64	$1.74	$1.85	$1.96	$2.07	$2.20	$2.33	$2.46	$2.60	$2.75	$2.90	$3.05	$3.22	$3.39	$3.57	$3.76
Pinnacle West Capital Corporation	PNW	$3.58	$3.72	$3.87	$4.03	$4.19	$4.36	$4.53	$4.72	$4.93	$5.16	$5.41	$5.69	$6.00	$6.32	$6.65	$7.01	$7.39
PNM Resources, Inc.	PNM	$1.45	$1.56	$1.68	$1.81	$1.95	$2.10	$2.26	$2.43	$2.60	$2.77	$2.94	$3.10	$3.27	$3.44	$3.63	$3.82	$4.03
Portland General Electric Company	POR	$2.18	$2.27	$2.36	$2.46	$2.56	$2.67	$2.78	$2.90	$3.03	$3.18	$3.33	$3.51	$3.69	$3.89	$4.10	$4.32	$4.55
SCANA Corporation	SCG	$3.79	$3.96	$4.13	$4.32	$4.51	$4.71	$4.92	$5.15	$5.39	$5.66	$5.94	$6.25	$6.59	$6.94	$7.31	$7.70	$8.11
Westar Energy, Inc.	WR	$2.35	$2.43	$2.52	$2.61	$2.70	$2.79	$2.89	$3.00	$3.12	$3.26	$3.41	$3.59	$3.78	$3.98	$4.19	$4.42	$4.65
Xcel Energy Inc.	XEL	$2.03	$2.12	$2.22	$2.32	$2.42	$2.53	$2.64	$2.77	$2.90	$3.04	$3.20	$3.36	$3.54	$3.73	$3.93	$4.14	$4.36

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.11	$2.14	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$4.37	$120.31
Alliant Energy Corporation	LNT	$2.36	$2.51	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$5.41	$149.11
Ameren Corporation	AEE	$1.67	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$3.92	$107.92
American Electric Power Company, Inc.	AEP	$2.33	$2.45	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$4.80	$132.30
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.29	$1.26	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$1.46	$40.30
CMS Energy Corporation	CMS	$1.16	$1.24	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$2.73	$75.16
Consolidated Edison, Inc.	ED	$2.49	$2.55	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$4.61	$127.04
Dominion Resources, Inc.	D	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$4.78	$131.64
DTE Energy Company	DTE	$3.43	$3.58	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$7.68	$211.57
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.04	$1.10	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$2.36	$65.13
IDACORP, Inc.	IDA	$2.08	$2.17	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$4.17	$114.91
Eversource Energy	ES	$1.73	$1.82	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$4.41	$121.43
NorthWestern Corporation	NWE	$2.01	$2.09	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$4.50	$124.04
OGE Energy Corp.	OGE	$1.30	$1.39	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$2.36	$65.15
Otter Tail Corporation	OTTR	$1.24	$1.24	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$2.53	$69.70
Pinnacle West Capital Corporation	PNW	$2.48	$2.58	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$4.97	$136.92
PNM Resources, Inc.	PNM	$0.86	$0.95	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$2.71	$74.66
Portland General Electric Company	POR	$1.23	$1.29	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$3.06	$84.34
SCANA Corporation	SCG	$2.32	$2.40	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$5.46	$150.37
Westar Energy, Inc.	WR	$1.54	$1.54	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$3.13	$86.28
Xcel Energy Inc.	XEL	$1.40	$1.47	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$2.94	$80.87

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.31)	$0.00	$2.03	$2.16	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$124.67
Alliant Energy Corporation	LNT	($59.72)	$0.00	$2.27	$2.42	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$154.52
Ameren Corporation	AEE	($42.83)	$0.00	$1.61	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$111.84
American Electric Power Company, Inc.	AEP	($56.58)	$0.00	$2.24	$2.38	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$137.10
Avista Corporation	AVA	($33.87)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($17.77)	$0.00	$1.24	$1.29	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$41.76
CMS Energy Corporation	CMS	($35.33)	$0.00	$1.12	$1.19	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$77.89
Consolidated Edison, Inc.	ED	($64.49)	$0.00	$2.40	$2.53	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$131.65
Dominion Resources, Inc.	D	($69.01)	$0.00	$2.42	$2.58	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$136.42
DTE Energy Company	DTE	($80.17)	$0.00	$3.30	$3.52	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$219.25
FirstEnergy Corp.	FE	($31.39)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.82)	$0.00	$1.00	$1.06	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$67.50
IDACORP, Inc.	IDA	($66.25)	$0.00	$2.00	$2.09	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$119.08
Eversource Energy	ES	($50.32)	$0.00	$1.66	$1.79	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$125.84
NorthWestern Corporation	NWE	($53.77)	$0.00	$1.93	$2.06	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$128.54
OGE Energy Corp.	OGE	($26.72)	$0.00	$1.25	$1.32	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$67.51
Otter Tail Corporation	OTTR	($26.61)	$0.00	$1.19	$1.27	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$72.23
Pinnacle West Capital Corporation	PNW	($63.35)	$0.00	$2.38	$2.53	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$141.90
PNM Resources, Inc.	PNM	($28.43)	$0.00	$0.82	$0.89	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$77.37
Portland General Electric Company	POR	($36.56)	$0.00	$1.18	$1.25	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$87.40
SCANA Corporation	SCG	($57.82)	$0.00	$2.23	$2.37	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$155.83
Westar Energy, Inc.	WR	($40.32)	$0.00	$1.48	$1.56	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$89.41
Xcel Energy Inc.	XEL	($35.44)	$0.00	$1.34	$1.43	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$83.80

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
180 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	Low	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$49.47	5.00%	5.00%	6.50%	5.00%	5.35%	66.00%	59.00%	67.30%	($0.00)	10.48%	18.54	3.47
Alliant Energy Corporation	LNT	$59.67	5.40%	5.55%	6.00%	5.40%	5.35%	61.00%	63.00%	67.30%	$0.00	10.74%	18.54	3.47
Ameren Corporation	AEE	$41.34	6.30%	6.00%	7.00%	6.00%	5.35%	62.00%	56.00%	67.30%	$0.00	10.97%	18.54	3.47
American Electric Power Company, Inc.	AEP	$55.91	4.70%	4.43%	5.00%	4.43%	5.35%	64.00%	65.00%	67.30%	$0.00	10.36%	18.54	3.47
Avista Corporation	AVA	$32.85	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	10.20%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$18.58	2.70%	0.40%	NA	0.40%	5.35%	90.00%	84.00%	67.30%	$0.00	10.76%	18.54	3.47
CMS Energy Corporation	CMS	$34.36	6.10%	6.72%	5.50%	5.50%	5.35%	60.00%	62.00%	67.30%	$0.00	9.40%	18.54	3.47
Consolidated Edison, Inc.	ED	$62.97	3.10%	2.95%	3.00%	2.95%	5.35%	65.00%	64.00%	67.30%	$0.00	8.92%	18.54	3.47
Dominion Resources, Inc.	D	$69.57	6.10%	5.49%	8.00%	5.49%	5.35%	74.00%	72.00%	67.30%	$0.00	8.36%	18.54	3.47
DTE Energy Company	DTE	$79.11	5.60%	5.12%	5.00%	5.00%	5.35%	61.00%	60.00%	67.30%	$0.00	11.38%	18.54	3.47
FirstEnergy Corp.	FE	$32.64	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.28%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.16	5.80%	5.07%	5.00%	5.00%	5.35%	60.00%	62.00%	67.30%	$0.00	10.70%	18.54	3.47
IDACORP, Inc.	IDA	$62.69	4.00%	4.00%	1.00%	1.00%	5.35%	53.00%	58.00%	67.30%	$0.00	7.89%	18.54	3.47
Eversource Energy	ES	$49.19	6.70%	6.57%	8.50%	6.57%	5.35%	59.00%	57.00%	67.30%	$0.00	10.37%	18.54	3.47
NorthWestern Corporation	NWE	$52.75	5.00%	6.81%	6.50%	5.00%	5.35%	61.00%	59.00%	67.30%	$0.00	10.08%	18.54	3.47
OGE Energy Corp.	OGE	$28.22	5.70%	2.17%	3.00%	2.17%	5.35%	63.00%	72.00%	67.30%	$0.00	10.48%	18.54	3.47
Otter Tail Corporation	OTTR	$26.76	NA	6.00%	9.00%	6.00%	5.35%	71.00%	59.00%	67.30%	$0.00	11.14%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$61.66	4.80%	4.95%	4.00%	4.00%	5.35%	64.00%	64.00%	67.30%	$0.00	9.75%	18.54	3.47
PNM Resources, Inc.	PNM	$27.23	7.70%	9.30%	9.00%	7.70%	5.35%	51.00%	55.00%	67.30%	$0.00	11.16%	18.54	3.47
Portland General Electric Company	POR	$35.66	4.40%	4.14%	6.00%	4.14%	5.35%	52.00%	53.00%	67.30%	$0.00	9.95%	18.54	3.47
SCANA Corporation	SCG	$55.39	4.50%	4.45%	4.50%	4.45%	5.35%	56.00%	55.00%	67.30%	$0.00	11.38%	18.54	3.47
Westar Energy, Inc.	WR	$38.32	3.60%	3.50%	6.00%	3.50%	5.35%	61.00%	55.00%	67.30%	$0.00	9.69%	18.54	3.47
Xcel Energy Inc.	XEL	$34.55	5.00%	4.68%	4.50%	4.50%	5.35%	63.00%	65.00%	67.30%	$0.00	10.24%	18.54	3.47
											MEAN	9.94%		
											MAX	11.38%		
											MIN	4.28%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.05	$3.20	$3.36	$3.52	$3.70	$3.89	$4.08	$4.29	$4.51	$4.75	$5.00	$5.27	$5.55	$5.85	$6.16	$6.49
Alliant Energy Corporation	LNT	$3.48	$3.67	$3.87	$4.07	$4.29	$4.53	$4.77	$5.03	$5.30	$5.58	$5.88	$6.20	$6.53	$6.88	$7.25	$7.63	$8.04
Ameren Corporation	AEE	$2.40	$2.54	$2.70	$2.86	$3.03	$3.21	$3.40	$3.61	$3.81	$4.03	$4.25	$4.49	$4.73	$4.98	$5.24	$5.53	$5.82
American Electric Power Company, Inc.	AEP	$3.34	$3.49	$3.64	$3.80	$3.97	$4.15	$4.33	$4.53	$4.75	$4.98	$5.23	$5.50	$5.79	$6.10	$6.43	$6.77	$7.14
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.43	$1.43	$1.44	$1.44	$1.45	$1.45	$1.47	$1.50	$1.55	$1.60	$1.68	$1.76	$1.86	$1.96	$2.06	$2.17
CMS Energy Corporation	CMS	$1.74	$1.84	$1.94	$2.04	$2.16	$2.27	$2.40	$2.53	$2.67	$2.81	$2.96	$3.12	$3.29	$3.47	$3.65	$3.85	$4.05
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.84	$3.95	$4.07	$4.19	$4.31	$4.45	$4.62	$4.81	$5.03	$5.28	$5.56	$5.86	$6.17	$6.50	$6.85
Dominion Resources, Inc.	D	$3.05	$3.22	$3.39	$3.58	$3.78	$3.98	$4.20	$4.43	$4.67	$4.93	$5.19	$5.47	$5.76	$6.07	$6.40	$6.74	$7.10
DTE Energy Company	DTE	$5.10	$5.36	$5.62	$5.90	$6.20	$6.51	$6.83	$7.18	$7.55	$7.94	$8.35	$8.80	$9.27	$9.76	$10.28	$10.83	$11.41
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.65	$1.73	$1.82	$1.91	$2.00	$2.10	$2.21	$2.32	$2.44	$2.57	$2.71	$2.85	$3.00	$3.17	$3.33	$3.51
IDACORP, Inc.	IDA	$3.85	$3.89	$3.93	$3.97	$4.01	$4.05	$4.09	$4.16	$4.26	$4.39	$4.57	$4.78	$5.03	$5.30	$5.58	$5.88	$6.20
Eversource Energy	ES	$2.58	$2.75	$2.93	$3.12	$3.33	$3.55	$3.78	$4.02	$4.27	$4.52	$4.78	$5.05	$5.32	$5.60	$5.90	$6.22	$6.55
NorthWestern Corporation	NWE	$2.99	$3.14	$3.30	$3.46	$3.63	$3.82	$4.01	$4.21	$4.42	$4.65	$4.90	$5.16	$5.43	$5.72	$6.03	$6.35	$6.69
OGE Energy Corp.	OGE	$1.98	$2.02	$2.07	$2.11	$2.16	$2.20	$2.25	$2.31	$2.39	$2.48	$2.58	$2.71	$2.85	$3.01	$3.17	$3.34	$3.51
Otter Tail Corporation	OTTR	$1.55	$1.64	$1.74	$1.85	$1.96	$2.07	$2.20	$2.33	$2.46	$2.60	$2.75	$2.90	$3.05	$3.22	$3.39	$3.57	$3.76
Pinnacle West Capital Corporation	PNW	$3.58	$3.72	$3.87	$4.03	$4.19	$4.36	$4.53	$4.72	$4.93	$5.16	$5.41	$5.69	$6.00	$6.32	$6.65	$7.01	$7.39
PNM Resources, Inc.	PNM	$1.45	$1.56	$1.68	$1.81	$1.95	$2.10	$2.26	$2.43	$2.60	$2.77	$2.94	$3.10	$3.27	$3.44	$3.63	$3.82	$4.03
Portland General Electric Company	POR	$2.18	$2.27	$2.36	$2.46	$2.56	$2.67	$2.78	$2.90	$3.03	$3.18	$3.33	$3.51	$3.69	$3.89	$4.10	$4.32	$4.55
SCANA Corporation	SCG	$3.79	$3.96	$4.13	$4.32	$4.51	$4.71	$4.92	$5.15	$5.39	$5.66	$5.94	$6.25	$6.59	$6.94	$7.31	$7.70	$8.11
Westar Energy, Inc.	WR	$2.35	$2.43	$2.52	$2.61	$2.70	$2.79	$2.89	$3.00	$3.12	$3.26	$3.41	$3.59	$3.78	$3.98	$4.19	$4.42	$4.65
Xcel Energy Inc.	XEL	$2.03	$2.12	$2.22	$2.32	$2.42	$2.53	$2.64	$2.77	$2.90	$3.04	$3.20	$3.36	$3.54	$3.73	$3.93	$4.14	$4.36

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.11	$2.14	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$4.37	$120.31
Alliant Energy Corporation	LNT	$2.36	$2.51	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$5.41	$149.11
Ameren Corporation	AEE	$1.67	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$3.92	$107.92
American Electric Power Company, Inc.	AEP	$2.33	$2.45	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$4.80	$132.30
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.29	$1.26	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$1.46	$40.30
CMS Energy Corporation	CMS	$1.16	$1.24	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$2.73	$75.16
Consolidated Edison, Inc.	ED	$2.49	$2.55	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$4.61	$127.04
Dominion Resources, Inc.	D	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$4.78	$131.64
DTE Energy Company	DTE	$3.43	$3.58	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$7.68	$211.57
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.04	$1.10	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$2.36	$65.13
IDACORP, Inc.	IDA	$2.08	$2.17	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$4.17	$114.91
Eversource Energy	ES	$1.73	$1.82	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$4.41	$121.43
NorthWestern Corporation	NWE	$2.01	$2.09	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$4.50	$124.04
OGE Energy Corp.	OGE	$1.30	$1.39	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$2.36	$65.15
Otter Tail Corporation	OTTR	$1.24	$1.24	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$2.53	$69.70
Pinnacle West Capital Corporation	PNW	$2.48	$2.58	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$4.97	$136.92
PNM Resources, Inc.	PNM	$0.86	$0.95	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$2.71	$74.66
Portland General Electric Company	POR	$1.23	$1.29	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$3.06	$84.34
SCANA Corporation	SCG	$2.32	$2.40	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$5.46	$150.37
Westar Energy, Inc.	WR	$1.54	$1.54	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$3.13	$86.28
Xcel Energy Inc.	XEL	$1.40	$1.47	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$2.94	$80.87

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($49.47)	$0.00	$2.03	$2.16	$2.16	$2.18	$2.34	$2.51	$2.68	$2.88	$3.08	$3.31	$3.55	$3.74	$3.94	$4.15	$124.67
Alliant Energy Corporation	LNT	($59.67)	$0.00	$2.27	$2.42	$2.68	$2.85	$3.04	$3.23	$3.44	$3.66	$3.89	$4.13	$4.39	$4.63	$4.88	$5.14	$154.52
Ameren Corporation	AEE	($41.34)	$0.00	$1.61	$1.72	$1.76	$1.80	$1.96	$2.14	$2.32	$2.52	$2.73	$2.95	$3.18	$3.35	$3.53	$3.72	$111.84
American Electric Power Company, Inc.	AEP	($55.91)	$0.00	$2.24	$2.38	$2.57	$2.70	$2.83	$2.97	$3.13	$3.30	$3.48	$3.68	$3.90	$4.11	$4.33	$4.56	$137.10
Avista Corporation	AVA	($32.85)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($18.58)	$0.00	$1.24	$1.29	$1.24	$1.22	$1.19	$1.17	$1.15	$1.15	$1.16	$1.17	$1.19	$1.25	$1.32	$1.39	$41.76
CMS Energy Corporation	CMS	($34.36)	$0.00	$1.12	$1.19	$1.32	$1.41	$1.51	$1.61	$1.72	$1.83	$1.95	$2.08	$2.22	$2.33	$2.46	$2.59	$77.89
Consolidated Edison, Inc.	ED	($62.97)	$0.00	$2.40	$2.53	$2.62	$2.68	$2.78	$2.89	$3.02	$3.17	$3.34	$3.53	$3.74	$3.94	$4.16	$4.38	$131.65
Dominion Resources, Inc.	D	($69.57)	$0.00	$2.42	$2.58	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.56	$3.72	$3.88	$4.09	$4.31	$4.54	$136.42
DTE Energy Company	DTE	($79.11)	$0.00	$3.30	$3.52	$3.74	$3.91	$4.17	$4.46	$4.76	$5.09	$5.45	$5.83	$6.24	$6.57	$6.92	$7.29	$219.25
FirstEnergy Corp.	FE	($32.64)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.16)	$0.00	$1.00	$1.06	$1.17	$1.24	$1.32	$1.40	$1.49	$1.59	$1.69	$1.80	$1.92	$2.02	$2.13	$2.24	$67.50
IDACORP, Inc.	IDA	($62.69)	$0.00	$2.00	$2.09	$2.26	$2.35	$2.42	$2.52	$2.64	$2.78	$2.95	$3.15	$3.39	$3.57	$3.76	$3.96	$119.08
Eversource Energy	ES	($49.19)	$0.00	$1.66	$1.79	$1.92	$2.02	$2.21	$2.41	$2.62	$2.84	$3.08	$3.32	$3.58	$3.77	$3.97	$4.18	$125.84
NorthWestern Corporation	NWE	($52.75)	$0.00	$1.93	$2.06	$2.17	$2.25	$2.41	$2.58	$2.77	$2.97	$3.18	$3.41	$3.66	$3.85	$4.06	$4.27	$128.54
OGE Energy Corp.	OGE	($28.22)	$0.00	$1.25	$1.32	$1.49	$1.59	$1.61	$1.63	$1.67	$1.72	$1.77	$1.84	$1.92	$2.02	$2.13	$2.24	$67.51
Otter Tail Corporation	OTTR	($26.76)	$0.00	$1.19	$1.27	$1.23	$1.22	$1.32	$1.43	$1.54	$1.66	$1.78	$1.92	$2.05	$2.16	$2.28	$2.40	$72.23
Pinnacle West Capital Corporation	PNW	($61.66)	$0.00	$2.38	$2.53	$2.68	$2.79	$2.92	$3.07	$3.23	$3.40	$3.59	$3.80	$4.04	$4.25	$4.48	$4.72	$141.90
PNM Resources, Inc.	PNM	($27.23)	$0.00	$0.82	$0.89	$1.05	$1.16	$1.28	$1.42	$1.56	$1.72	$1.87	$2.03	$2.20	$2.32	$2.44	$2.57	$77.37
Portland General Electric Company	POR	($35.66)	$0.00	$1.18	$1.25	$1.35	$1.42	$1.53	$1.66	$1.79	$1.94	$2.11	$2.29	$2.49	$2.62	$2.76	$2.91	$87.40
SCANA Corporation	SCG	($55.38)	$0.00	$2.23	$2.37	$2.50	$2.59	$2.79	$3.01	$3.25	$3.51	$3.79	$4.10	$4.43	$4.67	$4.92	$5.18	$155.83
Westar Energy, Inc.	WR	($38.32)	$0.00	$1.48	$1.56	$1.54	$1.54	$1.64	$1.75	$1.88	$2.02	$2.18	$2.35	$2.54	$2.68	$2.82	$2.97	$89.41
Xcel Energy Inc.	XEL	($34.55)	$0.00	$1.34	$1.43	$1.56	$1.64	$1.73	$1.82	$1.91	$2.02	$2.13	$2.25	$2.38	$2.51	$2.65	$2.79	$83.80

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
30 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	High	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.12	5.00%	5.00%	6.50%	6.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	11.42%	18.54	3.47
Alliant Energy Corporation	LNT	$61.59	5.40%	5.55%	6.00%	6.00%	5.35%	61.00%	63.00%	67.30%	$0.00	10.85%	18.54	3.47
Ameren Corporation	AEE	$43.18	6.30%	6.00%	7.00%	7.00%	5.35%	62.00%	56.00%	67.30%	$0.00	11.25%	18.54	3.47
American Electric Power Company, Inc.	AEP	$57.34	4.70%	4.43%	5.00%	5.00%	5.35%	64.00%	65.00%	67.30%	$0.00	10.52%	18.54	3.47
Avista Corporation	AVA	$34.97	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.58%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$17.44	2.70%	0.40%	NA	2.70%	5.35%	90.00%	84.00%	67.30%	$0.00	13.29%	18.54	3.47
CMS Energy Corporation	CMS	$35.77	6.10%	6.72%	5.50%	6.72%	5.35%	60.00%	62.00%	67.30%	$0.00	9.86%	18.54	3.47
Consolidated Edison, Inc.	ED	$64.24	3.10%	2.95%	3.00%	3.10%	5.35%	65.00%	64.00%	67.30%	$0.00	8.83%	18.54	3.47
Dominion Resources, Inc.	D	$67.46	6.10%	5.49%	8.00%	8.00%	5.35%	74.00%	72.00%	67.30%	$0.00	10.40%	18.54	3.47
DTE Energy Company	DTE	$79.78	5.60%	5.12%	5.00%	5.60%	5.35%	61.00%	60.00%	67.30%	$0.00	11.73%	18.54	3.47
FirstEnergy Corp.	FE	$31.84	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.49%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.91	5.80%	5.07%	5.00%	5.80%	5.35%	60.00%	62.00%	67.30%	$0.00	10.99%	18.54	3.47
IDACORP, Inc.	IDA	$67.89	4.00%	4.00%	1.00%	4.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.26%	18.54	3.47
Eversource Energy	ES	$50.87	6.70%	6.57%	8.50%	8.50%	5.35%	59.00%	57.00%	67.30%	$0.00	11.39%	18.54	3.47
NorthWestern Corporation	NWE	$54.03	5.00%	6.81%	6.50%	6.81%	5.35%	61.00%	59.00%	67.30%	$0.00	11.13%	18.54	3.47
OGE Energy Corp.	OGE	$25.52	5.70%	2.17%	3.00%	5.70%	5.35%	63.00%	72.00%	67.30%	$0.00	14.21%	18.54	3.47
Otter Tail Corporation	OTTR	$26.51	NA	6.00%	9.00%	9.00%	5.35%	71.00%	59.00%	67.30%	$0.00	13.39%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$63.57	4.80%	4.95%	4.00%	4.95%	5.35%	64.00%	64.00%	67.30%	$0.00	10.13%	18.54	3.47
PNM Resources, Inc.	PNM	$29.89	7.70%	9.30%	9.00%	9.30%	5.35%	51.00%	55.00%	67.30%	$0.00	11.37%	18.54	3.47
Portland General Electric Company	POR	$36.42	4.40%	4.14%	6.00%	6.00%	5.35%	52.00%	53.00%	67.30%	$0.00	11.07%	18.54	3.47
SCANA Corporation	SCG	$60.15	4.50%	4.45%	4.50%	4.50%	5.35%	56.00%	55.00%	67.30%	$0.00	10.60%	18.54	3.47
Westar Energy, Inc.	WR	$41.90	3.60%	3.50%	6.00%	6.00%	5.35%	61.00%	55.00%	67.30%	$0.00	10.60%	18.54	3.47
Xcel Energy Inc.	XEL	$35.81	5.00%	4.68%	4.50%	5.00%	5.35%	63.00%	65.00%	67.30%	$0.00	10.24%	18.54	3.47
											MEAN	10.72%		
											MAX	14.21%		
											MIN	4.49%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.09	$3.29	$3.50	$3.73	$3.97	$4.23	$4.50	$4.77	$5.06	$5.35	$5.64	$5.94	$6.26	$6.60	$6.95	$7.32
Alliant Energy Corporation	LNT	$3.48	$3.69	$3.91	$4.14	$4.39	$4.66	$4.94	$5.23	$5.53	$5.84	$6.17	$6.50	$6.85	$7.22	$7.61	$8.01	$8.44
Ameren Corporation	AEE	$2.40	$2.57	$2.75	$2.94	$3.15	$3.37	$3.60	$3.84	$4.09	$4.34	$4.60	$4.86	$5.12	$5.39	$5.68	$5.99	$6.31
American Electric Power Company, Inc.	AEP	$3.34	$3.51	$3.68	$3.87	$4.06	$4.26	$4.48	$4.70	$4.94	$5.20	$5.47	$5.76	$6.07	$6.39	$6.73	$7.09	$7.47
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.46	$1.50	$1.54	$1.58	$1.62	$1.67	$1.72	$1.78	$1.85	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63
CMS Energy Corporation	CMS	$1.74	$1.86	$1.98	$2.11	$2.26	$2.41	$2.57	$2.74	$2.91	$3.08	$3.26	$3.45	$3.63	$3.82	$4.03	$4.24	$4.47
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.85	$3.97	$4.09	$4.22	$4.35	$4.50	$4.67	$4.87	$5.09	$5.35	$5.63	$5.93	$6.25	$6.58	$6.94
Dominion Resources, Inc.	D	$3.05	$3.29	$3.56	$3.84	$4.15	$4.48	$4.84	$5.21	$5.58	$5.95	$6.32	$6.68	$7.04	$7.42	$7.82	$8.23	$8.67
DTE Energy Company	DTE	$5.10	$5.39	$5.69	$6.01	$6.34	$6.70	$7.07	$7.47	$7.88	$8.31	$8.76	$9.23	$9.73	$10.25	$10.79	$11.37	$11.98
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.66	$1.76	$1.86	$1.97	$2.08	$2.20	$2.33	$2.46	$2.60	$2.74	$2.89	$3.04	$3.21	$3.38	$3.56	$3.75
IDACORP, Inc.	IDA	$3.85	$4.00	$4.16	$4.33	$4.50	$4.68	$4.87	$5.08	$5.30	$5.55	$5.82	$6.12	$6.45	$6.79	$7.16	$7.54	$7.94
Eversource Energy	ES	$2.58	$2.80	$3.04	$3.30	$3.58	$3.88	$4.21	$4.54	$4.88	$5.22	$5.56	$5.88	$6.20	$6.53	$6.88	$7.24	$7.63
NorthWestern Corporation	NWE	$2.99	$3.19	$3.41	$3.64	$3.89	$4.16	$4.44	$4.73	$5.03	$5.34	$5.65	$5.96	$6.28	$6.62	$6.97	$7.34	$7.74
OGE Energy Corp.	OGE	$1.98	$2.09	$2.21	$2.34	$2.47	$2.61	$2.76	$2.92	$3.08	$3.25	$3.43	$3.61	$3.81	$4.01	$4.22	$4.45	$4.69
Otter Tail Corporation	OTTR	$1.55	$1.69	$1.84	$2.01	$2.19	$2.38	$2.60	$2.82	$3.04	$3.25	$3.47	$3.68	$3.87	$4.08	$4.30	$4.53	$4.77
Pinnacle West Capital Corporation	PNW	$3.58	$3.76	$3.94	$4.14	$4.34	$4.56	$4.78	$5.02	$5.28	$5.55	$5.84	$6.15	$6.48	$6.82	$7.19	$7.57	$7.98
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.73	$1.89	$2.07	$2.26	$2.47	$2.69	$2.90	$3.11	$3.32	$3.52	$3.71	$3.91	$4.11	$4.33	$4.57
Portland General Electric Company	POR	$2.18	$2.31	$2.45	$2.60	$2.75	$2.92	$3.09	$3.27	$3.46	$3.66	$3.86	$4.07	$4.29	$4.52	$4.76	$5.02	$5.29
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.33	$4.52	$4.72	$4.94	$5.16	$5.41	$5.68	$5.97	$6.28	$6.61	$6.97	$7.34	$7.73	$8.14
Westar Energy, Inc.	WR	$2.35	$2.49	$2.64	$2.80	$2.97	$3.14	$3.33	$3.53	$3.73	$3.95	$4.17	$4.39	$4.63	$4.88	$5.14	$5.41	$5.70
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.00	$3.16	$3.32	$3.50	$3.69	$3.89	$4.09	$4.31	$4.54

Projected Annual
Dividend Payout Ratio

		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]
Company	Ticker	**2016**	2017	2018	**2019**	2020	2021	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

		[46]	[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]
																	Terminal
Company	Ticker	2016	2017	2018	2019	**2020**	2021	2022	2023	2024	**2025**	2026	2027	2028	2029	2030	Value
ALLETE, Inc.	ALE	$2.17	$2.23	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$4.93	$135.73
Alliant Energy Corporation	LNT	$2.39	$2.56	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$5.68	$156.48
Ameren Corporation	AEE	$1.70	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$4.24	$116.90
American Electric Power Company, Inc.	AEP	$2.36	$2.49	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$5.03	$138.56
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.35	$1.35	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$1.77	$48.82
CMS Energy Corporation	CMS	$1.19	$1.28	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$3.01	$82.88
Consolidated Edison, Inc.	ED	$2.50	$2.57	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$4.67	$128.61
Dominion Resources, Inc.	D	$2.63	$2.82	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$5.84	$160.81
DTE Energy Company	DTE	$3.47	$3.64	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$8.06	$222.07
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.05	$1.13	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$2.52	$69.47
IDACORP, Inc.	IDA	$2.21	$2.37	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$5.35	$147.25
Eversource Energy	ES	$1.79	$1.92	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$5.14	$141.49
NorthWestern Corporation	NWE	$2.08	$2.20	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$5.21	$143.45
OGE Energy Corp.	OGE	$1.39	$1.54	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$3.16	$86.91
Otter Tail Corporation	OTTR	$1.31	$1.34	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$3.21	$88.41
Pinnacle West Capital Corporation	PNW	$2.52	$2.65	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$5.37	$147.92
PNM Resources, Inc.	PNM	$0.88	$0.99	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$3.07	$84.67
Portland General Electric Company	POR	$1.27	$1.36	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$3.56	$98.03
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$5.48	$150.98
Westar Energy, Inc.	WR	$1.61	$1.65	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$3.84	$105.67
Xcel Energy Inc.	XEL	$1.41	$1.50	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$3.06	$84.21

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.12)	$0.00	$2.09	$2.24	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$140.66
Alliant Energy Corporation	LNT	($61.59)	$0.00	$2.29	$2.46	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$162.16
Ameren Corporation	AEE	($43.18)	$0.00	$1.64	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$121.14
American Electric Power Company, Inc.	AEP	($57.34)	$0.00	$2.27	$2.42	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$143.59
Avista Corporation	AVA	($34.97)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($17.44)	$0.00	$1.30	$1.37	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$50.59
CMS Energy Corporation	CMS	($35.77)	$0.00	$1.14	$1.23	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$85.89
Consolidated Edison, Inc.	ED	($64.24)	$0.00	$2.41	$2.54	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$133.28
Dominion Resources, Inc.	D	($67.46)	$0.00	$2.53	$2.74	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$166.65
DTE Energy Company	DTE	($79.78)	$0.00	$3.34	$3.57	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$230.13
FirstEnergy Corp.	FE	($31.84)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.91)	$0.00	$1.01	$1.09	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$71.99
IDACORP, Inc.	IDA	($67.89)	$0.00	$2.12	$2.25	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$152.60
Eversource Energy	ES	($50.87)	$0.00	$1.72	$1.87	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$146.63
NorthWestern Corporation	NWE	($54.03)	$0.00	$2.00	$2.15	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$148.65
OGE Energy Corp.	OGE	($25.52)	$0.00	$1.34	$1.43	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$90.07
Otter Tail Corporation	OTTR	($26.51)	$0.00	$1.26	$1.37	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$91.62
Pinnacle West Capital Corporation	PNW	($63.57)	$0.00	$2.43	$2.59	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$153.29
PNM Resources, Inc.	PNM	($29.89)	$0.00	$0.85	$0.92	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$87.74
Portland General Electric Company	POR	($36.42)	$0.00	$1.22	$1.31	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$101.59
SCANA Corporation	SCG	($60.15)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$156.46
Westar Energy, Inc.	WR	($41.90)	$0.00	$1.55	$1.66	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$109.51
Xcel Energy Inc.	XEL	($35.81)	$0.00	$1.36	$1.45	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$87.27

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
90 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
					Value									
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$50.31	5.00%	5.00%	6.50%	6.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	11.38%	18.54	3.47
Alliant Energy Corporation	LNT	$59.72	5.40%	5.55%	6.00%	6.00%	5.35%	61.00%	63.00%	67.30%	$0.00	11.16%	18.54	3.47
Ameren Corporation	AEE	$42.83	6.30%	6.00%	7.00%	7.00%	5.35%	62.00%	56.00%	67.30%	$0.00	11.33%	18.54	3.47
American Electric Power Company, Inc.	AEP	$56.58	4.70%	4.43%	5.00%	5.00%	5.35%	64.00%	65.00%	67.30%	$0.00	10.66%	18.54	3.47
Avista Corporation	AVA	$33.87	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	9.90%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$17.77	2.70%	0.40%	NA	2.70%	5.35%	90.00%	84.00%	67.30%	$0.00	13.07%	18.54	3.47
CMS Energy Corporation	CMS	$35.33	6.10%	6.72%	5.50%	6.72%	5.35%	60.00%	62.00%	67.30%	$0.00	9.98%	18.54	3.47
Consolidated Edison, Inc.	ED	$64.49	3.10%	2.95%	3.00%	3.10%	5.35%	65.00%	64.00%	67.30%	$0.00	8.80%	18.54	3.47
Dominion Resources, Inc.	D	$69.01	6.10%	5.49%	8.00%	8.00%	5.35%	74.00%	72.00%	67.30%	$0.00	10.18%	18.54	3.47
DTE Energy Company	DTE	$80.17	5.60%	5.12%	5.00%	5.60%	5.35%	61.00%	60.00%	67.30%	$0.00	11.68%	18.54	3.47
FirstEnergy Corp.	FE	$31.39	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.61%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.82	5.80%	5.07%	5.00%	5.80%	5.35%	60.00%	62.00%	67.30%	$0.00	11.02%	18.54	3.47
IDACORP, Inc.	IDA	$66.25	4.00%	4.00%	1.00%	4.00%	5.35%	53.00%	58.00%	67.30%	$0.00	9.49%	18.54	3.47
Eversource Energy	ES	$50.32	6.70%	6.57%	8.50%	8.50%	5.35%	59.00%	57.00%	67.30%	$0.00	11.49%	18.54	3.47
NorthWestern Corporation	NWE	$53.77	5.00%	6.81%	6.50%	6.81%	5.35%	61.00%	59.00%	67.30%	$0.00	11.18%	18.54	3.47
OGE Energy Corp.	OGE	$26.72	5.70%	2.17%	3.00%	5.70%	5.35%	63.00%	72.00%	67.30%	$0.00	13.71%	18.54	3.47
Otter Tail Corporation	OTTR	$26.61	NA	6.00%	9.00%	9.00%	5.35%	71.00%	59.00%	67.30%	$0.00	13.35%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$63.35	4.80%	4.95%	4.00%	4.95%	5.35%	64.00%	64.00%	67.30%	$0.00	10.16%	18.54	3.47
PNM Resources, Inc.	PNM	$28.43	7.70%	9.30%	9.00%	9.30%	5.35%	51.00%	55.00%	67.30%	$0.00	11.85%	18.54	3.47
Portland General Electric Company	POR	$36.56	4.40%	4.14%	6.00%	6.00%	5.35%	52.00%	53.00%	67.30%	$0.00	11.03%	18.54	3.47
SCANA Corporation	SCG	$57.82	4.50%	4.45%	4.50%	4.50%	5.35%	56.00%	55.00%	67.30%	$0.00	10.99%	18.54	3.47
Westar Energy, Inc.	WR	$40.32	3.60%	3.50%	6.00%	6.00%	5.35%	61.00%	55.00%	67.30%	$0.00	10.97%	18.54	3.47
Xcel Energy Inc.	XEL	$35.44	5.00%	4.68%	4.50%	5.00%	5.35%	63.00%	65.00%	67.30%	$0.00	10.34%	18.54	3.47
											MEAN	10.80%		
											MAX	13.71%		
											MIN	4.61%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	**2023**	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.09	$3.29	$3.50	$3.73	$3.97	$4.23	$4.50	$4.77	$5.06	$5.35	$5.64	$5.94	$6.26	$6.60	$6.95	$7.32
Alliant Energy Corporation	LNT	$3.48	$3.69	$3.91	$4.14	$4.39	$4.66	$4.94	$5.23	$5.53	$5.84	$6.17	$6.50	$6.85	$7.22	$7.61	$8.01	$8.44
Ameren Corporation	AEE	$2.40	$2.57	$2.75	$2.94	$3.15	$3.37	$3.60	$3.84	$4.09	$4.34	$4.60	$4.86	$5.12	$5.39	$5.68	$5.99	$6.31
American Electric Power Company, Inc.	AEP	$3.34	$3.51	$3.68	$3.87	$4.06	$4.26	$4.48	$4.70	$4.94	$5.20	$5.47	$5.76	$6.07	$6.39	$6.73	$7.09	$7.47
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.46	$1.50	$1.54	$1.58	$1.62	$1.67	$1.72	$1.78	$1.85	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63
CMS Energy Corporation	CMS	$1.74	$1.86	$1.98	$2.11	$2.26	$2.41	$2.57	$2.74	$2.91	$3.08	$3.26	$3.45	$3.63	$3.82	$4.03	$4.24	$4.47
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.85	$3.97	$4.09	$4.22	$4.35	$4.50	$4.67	$4.87	$5.09	$5.35	$5.63	$5.93	$6.25	$6.58	$6.94
Dominion Resources, Inc.	D	$3.05	$3.29	$3.56	$3.84	$4.15	$4.48	$4.84	$5.21	$5.58	$5.95	$6.32	$6.68	$7.04	$7.42	$7.82	$8.23	$8.67
DTE Energy Company	DTE	$5.10	$5.39	$5.69	$6.01	$6.34	$6.70	$7.07	$7.47	$7.88	$8.31	$8.76	$9.23	$9.73	$10.25	$10.79	$11.37	$11.98
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.66	$1.76	$1.86	$1.97	$2.08	$2.20	$2.33	$2.46	$2.60	$2.74	$2.89	$3.04	$3.21	$3.38	$3.56	$3.75
IDACORP, Inc.	IDA	$3.85	$4.00	$4.16	$4.33	$4.50	$4.68	$4.87	$5.08	$5.30	$5.55	$5.82	$6.12	$6.45	$6.79	$7.16	$7.54	$7.94
Eversource Energy	ES	$2.58	$2.80	$3.04	$3.30	$3.58	$3.88	$4.21	$4.54	$4.88	$5.22	$5.56	$5.88	$6.20	$6.53	$6.88	$7.24	$7.63
NorthWestern Corporation	NWE	$2.99	$3.19	$3.41	$3.64	$3.89	$4.16	$4.44	$4.73	$5.03	$5.34	$5.65	$5.96	$6.28	$6.62	$6.97	$7.34	$7.74
OGE Energy Corp.	OGE	$1.98	$2.09	$2.21	$2.34	$2.47	$2.61	$2.76	$2.92	$3.08	$3.25	$3.43	$3.61	$3.81	$4.01	$4.22	$4.45	$4.69
Otter Tail Corporation	OTTR	$1.55	$1.69	$1.84	$2.01	$2.19	$2.38	$2.60	$2.82	$3.04	$3.25	$3.47	$3.68	$3.87	$4.08	$4.30	$4.53	$4.77
Pinnacle West Capital Corporation	PNW	$3.58	$3.76	$3.94	$4.14	$4.34	$4.56	$4.78	$5.02	$5.28	$5.55	$5.84	$6.15	$6.48	$6.82	$7.19	$7.57	$7.98
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.73	$1.89	$2.07	$2.26	$2.47	$2.69	$2.90	$3.11	$3.32	$3.52	$3.71	$3.91	$4.11	$4.33	$4.57
Portland General Electric Company	POR	$2.18	$2.31	$2.45	$2.60	$2.75	$2.92	$3.09	$3.27	$3.46	$3.66	$3.86	$4.07	$4.29	$4.52	$4.76	$5.02	$5.29
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.33	$4.52	$4.72	$4.94	$5.16	$5.41	$5.68	$5.97	$6.28	$6.61	$6.97	$7.34	$7.73	$8.14
Westar Energy, Inc.	WR	$2.35	$2.49	$2.64	$2.80	$2.97	$3.14	$3.33	$3.53	$3.73	$3.95	$4.17	$4.39	$4.63	$4.88	$5.14	$5.41	$5.70
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.00	$3.16	$3.32	$3.50	$3.69	$3.89	$4.09	$4.31	$4.54

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.17	$2.23	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$4.93	$135.73
Alliant Energy Corporation	LNT	$2.39	$2.56	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$5.68	$156.48
Ameren Corporation	AEE	$1.70	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$4.24	$116.90
American Electric Power Company, Inc.	AEP	$2.36	$2.49	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$5.03	$138.56
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.35	$1.35	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$1.77	$48.82
CMS Energy Corporation	CMS	$1.19	$1.28	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$3.01	$82.88
Consolidated Edison, Inc.	ED	$2.50	$2.57	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$4.67	$128.61
Dominion Resources, Inc.	D	$2.63	$2.82	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$5.84	$160.81
DTE Energy Company	DTE	$3.47	$3.64	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$8.06	$222.07
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.05	$1.13	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$2.52	$69.47
IDACORP, Inc.	IDA	$2.21	$2.37	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$5.35	$147.25
Eversource Energy	ES	$1.79	$1.92	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$5.14	$141.49
NorthWestern Corporation	NWE	$2.08	$2.20	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$5.21	$143.45
OGE Energy Corp.	OGE	$1.39	$1.54	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$3.16	$86.91
Otter Tail Corporation	OTTR	$1.31	$1.34	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$3.21	$88.41
Pinnacle West Capital Corporation	PNW	$2.52	$2.65	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$5.37	$147.92
PNM Resources, Inc.	PNM	$0.88	$0.99	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$3.07	$84.67
Portland General Electric Company	POR	$1.27	$1.36	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$3.56	$98.03
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$5.48	$150.98
Westar Energy, Inc.	WR	$1.61	$1.65	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$3.84	$105.67
Xcel Energy Inc.	XEL	$1.41	$1.50	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$3.06	$84.21

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($50.31)	$0.00	$2.09	$2.24	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$140.66
Alliant Energy Corporation	LNT	($59.72)	$0.00	$2.29	$2.46	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$162.16
Ameren Corporation	AEE	($42.83)	$0.00	$1.64	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$121.14
American Electric Power Company, Inc.	AEP	($56.58)	$0.00	$2.27	$2.42	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$143.59
Avista Corporation	AVA	($33.87)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($17.77)	$0.00	$1.30	$1.37	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$50.59
CMS Energy Corporation	CMS	($35.33)	$0.00	$1.14	$1.23	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$85.89
Consolidated Edison, Inc.	ED	($64.49)	$0.00	$2.41	$2.54	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$133.28
Dominion Resources, Inc.	D	($69.01)	$0.00	$2.53	$2.74	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$166.65
DTE Energy Company	DTE	($80.17)	$0.00	$3.34	$3.57	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$230.13
FirstEnergy Corp.	FE	($31.39)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.82)	$0.00	$1.01	$1.09	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$71.99
IDACORP, Inc.	IDA	($66.25)	$0.00	$2.12	$2.25	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$152.60
Eversource Energy	ES	($50.32)	$0.00	$1.72	$1.87	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$146.63
NorthWestern Corporation	NWE	($53.77)	$0.00	$2.00	$2.15	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$148.65
OGE Energy Corp.	OGE	($26.72)	$0.00	$1.34	$1.43	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$90.07
Otter Tail Corporation	OTTR	($26.61)	$0.00	$1.26	$1.37	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$91.62
Pinnacle West Capital Corporation	PNW	($63.35)	$0.00	$2.43	$2.59	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$153.29
PNM Resources, Inc.	PNM	($28.43)	$0.00	$0.85	$0.92	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$87.74
Portland General Electric Company	POR	($36.56)	$0.00	$1.22	$1.31	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$101.59
SCANA Corporation	SCG	($57.82)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$156.46
Westar Energy, Inc.	WR	($40.32)	$0.00	$1.55	$1.66	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$109.51
Xcel Energy Inc.	XEL	($35.44)	$0.00	$1.36	$1.45	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$87.27

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 18.54
180 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		Stock	EPS Growth Rate Estimates				Long-Term		Payout Ratio		Iterative Solution		Terminal	Terminal
Company	Ticker	Price	Zacks	First Call	Value Line	High	Growth	2016	2019	2025	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	$49.47	5.00%	5.00%	6.50%	6.50%	5.35%	66.00%	59.00%	67.30%	($0.00)	11.55%	18.54	3.47
Alliant Energy Corporation	LNT	$59.67	5.40%	5.55%	6.00%	6.00%	5.35%	61.00%	63.00%	67.30%	$0.00	11.17%	18.54	3.47
Ameren Corporation	AEE	$41.34	6.30%	6.00%	7.00%	7.00%	5.35%	62.00%	56.00%	67.30%	$0.00	11.68%	18.54	3.47
American Electric Power Company, Inc.	AEP	$55.91	4.70%	4.43%	5.00%	5.00%	5.35%	64.00%	65.00%	67.30%	$0.00	10.77%	18.54	3.47
Avista Corporation	AVA	$32.85	5.00%	5.00%	5.00%	5.00%	5.35%	69.00%	65.00%	67.30%	$0.00	10.20%	18.54	3.47
CenterPoint Energy, Inc.	CNP	$18.58	2.70%	0.40%	NA	2.70%	5.35%	90.00%	84.00%	67.30%	$0.00	12.56%	18.54	3.47
CMS Energy Corporation	CMS	$34.36	6.10%	6.72%	5.50%	6.72%	5.35%	60.00%	62.00%	67.30%	$0.00	10.25%	18.54	3.47
Consolidated Edison, Inc.	ED	$62.97	3.10%	2.95%	3.00%	3.10%	5.35%	65.00%	64.00%	67.30%	$0.00	9.02%	18.54	3.47
Dominion Resources, Inc.	D	$69.57	6.10%	5.49%	8.00%	8.00%	5.35%	74.00%	72.00%	67.30%	$0.00	10.10%	18.54	3.47
DTE Energy Company	DTE	$79.11	5.60%	5.12%	5.00%	5.60%	5.35%	61.00%	60.00%	67.30%	$0.00	11.81%	18.54	3.47
FirstEnergy Corp.	FE	$32.64	NA	NA	7.00%	7.00%	5.35%	56.00%	51.00%	67.30%	$0.00	4.28%	18.54	3.47
Great Plains Energy Inc.	GXP	$26.16	5.80%	5.07%	5.00%	5.80%	5.35%	60.00%	62.00%	67.30%	$0.00	11.27%	18.54	3.47
IDACORP, Inc.	IDA	$62.69	4.00%	4.00%	1.00%	4.00%	5.35%	53.00%	58.00%	67.30%	$0.00	10.02%	18.54	3.47
Eversource Energy	ES	$49.19	6.70%	6.57%	8.50%	8.50%	5.35%	59.00%	57.00%	67.30%	$0.00	11.72%	18.54	3.47
NorthWestern Corporation	NWE	$52.75	5.00%	6.81%	6.50%	6.81%	5.35%	61.00%	59.00%	67.30%	$0.00	11.37%	18.54	3.47
OGE Energy Corp.	OGE	$28.22	5.70%	2.17%	3.00%	5.70%	5.35%	63.00%	72.00%	67.30%	$0.00	13.11%	18.54	3.47
Otter Tail Corporation	OTTR	$26.76	NA	6.00%	9.00%	9.00%	5.35%	71.00%	59.00%	67.30%	$0.00	13.29%	18.54	3.47
Pinnacle West Capital Corporation	PNW	$61.66	4.80%	4.95%	4.00%	4.95%	5.35%	64.00%	64.00%	67.30%	$0.00	10.43%	18.54	3.47
PNM Resources, Inc.	PNM	$27.23	7.70%	9.30%	9.00%	9.30%	5.35%	51.00%	55.00%	67.30%	$0.00	12.28%	18.54	3.47
Portland General Electric Company	POR	$35.66	4.40%	4.14%	6.00%	6.00%	5.35%	52.00%	53.00%	67.30%	$0.00	11.27%	18.54	3.47
SCANA Corporation	SCG	$55.39	4.50%	4.45%	4.50%	4.50%	5.35%	56.00%	55.00%	67.30%	$0.00	11.42%	18.54	3.47
Westar Energy, Inc.	WR	$38.32	3.60%	3.50%	6.00%	6.00%	5.35%	61.00%	55.00%	67.30%	$0.00	11.48%	18.54	3.47
Xcel Energy Inc.	XEL	$34.55	5.00%	4.68%	4.50%	5.00%	5.35%	63.00%	65.00%	67.30%	$0.00	10.60%	18.54	3.47
											MEAN	10.94%		
											MAX	13.29%		
											MIN	4.28%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2014	2015	2016	2017	2018	2019	2020	**2021**	2022	2023	2024	2025	**2026**	2027	2028	2029	2030
ALLETE, Inc.	ALE	$2.90	$3.09	$3.29	$3.50	$3.73	$3.97	$4.23	$4.50	$4.77	$5.06	$5.35	$5.64	$5.94	$6.26	$6.60	$6.95	$7.32
Alliant Energy Corporation	LNT	$3.48	$3.69	$3.91	$4.14	$4.39	$4.66	$4.94	$5.23	$5.53	$5.84	$6.17	$6.50	$6.85	$7.22	$7.61	$8.01	$8.44
Ameren Corporation	AEE	$2.40	$2.57	$2.75	$2.94	$3.15	$3.37	$3.60	$3.84	$4.09	$4.34	$4.60	$4.86	$5.12	$5.39	$5.68	$5.99	$6.31
American Electric Power Company, Inc.	AEP	$3.34	$3.51	$3.68	$3.87	$4.06	$4.26	$4.48	$4.70	$4.94	$5.20	$5.47	$5.76	$6.07	$6.39	$6.73	$7.09	$7.47
Avista Corporation	AVA	$1.84	$1.93	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.01	$3.17	$3.34	$3.52	$3.71	$3.91	$4.12
CenterPoint Energy, Inc.	CNP	$1.42	$1.46	$1.50	$1.54	$1.58	$1.62	$1.67	$1.72	$1.78	$1.85	$1.93	$2.03	$2.14	$2.25	$2.37	$2.50	$2.63
CMS Energy Corporation	CMS	$1.74	$1.86	$1.98	$2.11	$2.26	$2.41	$2.57	$2.74	$2.91	$3.08	$3.26	$3.45	$3.63	$3.82	$4.03	$4.24	$4.47
Consolidated Edison, Inc.	ED	$3.62	$3.73	$3.85	$3.97	$4.09	$4.22	$4.35	$4.50	$4.67	$4.87	$5.09	$5.35	$5.63	$5.93	$6.25	$6.58	$6.94
Dominion Resources, Inc.	D	$3.05	$3.29	$3.56	$3.84	$4.15	$4.48	$4.84	$5.21	$5.58	$5.95	$6.32	$6.68	$7.04	$7.42	$7.82	$8.23	$8.67
DTE Energy Company	DTE	$5.10	$5.39	$5.69	$6.01	$6.34	$6.70	$7.07	$7.47	$7.88	$8.31	$8.76	$9.23	$9.73	$10.25	$10.79	$11.37	$11.98
FirstEnergy Corp.	FE	$0.85	$0.91	$0.97	$1.04	$1.11	$1.19	$1.28	$1.36	$1.45	$1.54	$1.63	$1.72	$1.81	$1.91	$2.01	$2.12	$2.23
Great Plains Energy Inc.	GXP	$1.57	$1.66	$1.76	$1.86	$1.97	$2.08	$2.20	$2.33	$2.46	$2.60	$2.74	$2.89	$3.04	$3.21	$3.38	$3.56	$3.75
IDACORP, Inc.	IDA	$3.85	$4.00	$4.16	$4.33	$4.50	$4.68	$4.87	$5.08	$5.30	$5.55	$5.82	$6.12	$6.45	$6.79	$7.16	$7.54	$7.94
Eversource Energy	ES	$2.58	$2.80	$3.04	$3.30	$3.58	$3.88	$4.21	$4.54	$4.88	$5.22	$5.56	$5.88	$6.20	$6.53	$6.88	$7.24	$7.63
NorthWestern Corporation	NWE	$2.99	$3.19	$3.41	$3.64	$3.89	$4.16	$4.44	$4.73	$5.03	$5.34	$5.65	$5.96	$6.28	$6.62	$6.97	$7.34	$7.74
OGE Energy Corp.	OGE	$1.98	$2.09	$2.21	$2.34	$2.47	$2.61	$2.76	$2.92	$3.08	$3.25	$3.43	$3.61	$3.81	$4.01	$4.22	$4.45	$4.69
Otter Tail Corporation	OTTR	$1.55	$1.69	$1.84	$2.01	$2.19	$2.38	$2.60	$2.82	$3.04	$3.25	$3.47	$3.68	$3.87	$4.08	$4.30	$4.53	$4.77
Pinnacle West Capital Corporation	PNW	$3.58	$3.76	$3.94	$4.14	$4.34	$4.56	$4.78	$5.02	$5.28	$5.55	$5.84	$6.15	$6.48	$6.82	$7.19	$7.57	$7.98
PNM Resources, Inc.	PNM	$1.45	$1.58	$1.73	$1.89	$2.07	$2.26	$2.47	$2.69	$2.90	$3.11	$3.32	$3.52	$3.71	$3.91	$4.11	$4.33	$4.57
Portland General Electric Company	POR	$2.18	$2.31	$2.45	$2.60	$2.75	$2.92	$3.09	$3.27	$3.46	$3.66	$3.86	$4.07	$4.29	$4.52	$4.76	$5.02	$5.29
SCANA Corporation	SCG	$3.79	$3.96	$4.14	$4.33	$4.52	$4.72	$4.94	$5.16	$5.41	$5.68	$5.97	$6.28	$6.61	$6.97	$7.34	$7.73	$8.14
Westar Energy, Inc.	WR	$2.35	$2.49	$2.64	$2.80	$2.97	$3.14	$3.33	$3.53	$3.73	$3.95	$4.17	$4.39	$4.63	$4.88	$5.14	$5.41	$5.70
Xcel Energy Inc.	XEL	$2.03	$2.13	$2.24	$2.35	$2.47	$2.59	$2.72	$2.86	$3.00	$3.16	$3.32	$3.50	$3.69	$3.89	$4.09	$4.31	$4.54

Projected Annual
Dividend Payout Ratio

Company	Ticker	[31] 2016	[32] 2017	[33] 2018	[34] 2019	[35] 2020	[36] 2021	[37] 2022	[38] 2023	[39] 2024	[40] 2025	[41] 2026	[42] 2027	[43] 2028	[44] 2029	[45] 2030
ALLETE, Inc.	ALE	66.00%	63.67%	61.33%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Alliant Energy Corporation	LNT	61.00%	61.67%	62.33%	63.00%	63.61%	64.23%	64.84%	65.46%	66.07%	66.69%	67.30%	67.30%	67.30%	67.30%	67.30%
Ameren Corporation	AEE	62.00%	60.00%	58.00%	56.00%	57.61%	59.23%	60.84%	62.46%	64.07%	65.69%	67.30%	67.30%	67.30%	67.30%	67.30%
American Electric Power Company, Inc.	AEP	64.00%	64.33%	64.67%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Avista Corporation	AVA	69.00%	67.67%	66.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%
CenterPoint Energy, Inc.	CNP	90.00%	88.00%	86.00%	84.00%	81.61%	79.23%	76.84%	74.46%	72.07%	69.69%	67.30%	67.30%	67.30%	67.30%	67.30%
CMS Energy Corporation	CMS	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Consolidated Edison, Inc.	ED	65.00%	64.67%	64.33%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
Dominion Resources, Inc.	D	74.00%	73.33%	72.67%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
DTE Energy Company	DTE	61.00%	60.67%	60.33%	60.00%	61.04%	62.09%	63.13%	64.17%	65.22%	66.26%	67.30%	67.30%	67.30%	67.30%	67.30%
FirstEnergy Corp.	FE	56.00%	54.33%	52.67%	51.00%	53.33%	55.66%	57.99%	60.32%	62.64%	64.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Great Plains Energy Inc.	GXP	60.00%	60.67%	61.33%	62.00%	62.76%	63.52%	64.27%	65.03%	65.79%	66.55%	67.30%	67.30%	67.30%	67.30%	67.30%
IDACORP, Inc.	IDA	53.00%	54.67%	56.33%	58.00%	59.33%	60.66%	61.99%	63.32%	64.64%	65.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Eversource Energy	ES	59.00%	58.33%	57.67%	57.00%	58.47%	59.94%	61.42%	62.89%	64.36%	65.83%	67.30%	67.30%	67.30%	67.30%	67.30%
NorthWestern Corporation	NWE	61.00%	60.33%	59.67%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
OGE Energy Corp.	OGE	63.00%	66.00%	69.00%	72.00%	71.33%	70.66%	69.99%	69.32%	68.64%	67.97%	67.30%	67.30%	67.30%	67.30%	67.30%
Otter Tail Corporation	OTTR	71.00%	67.00%	63.00%	59.00%	60.19%	61.37%	62.56%	63.74%	64.93%	66.12%	67.30%	67.30%	67.30%	67.30%	67.30%
Pinnacle West Capital Corporation	PNW	64.00%	64.00%	64.00%	64.00%	64.47%	64.94%	65.42%	65.89%	66.36%	66.83%	67.30%	67.30%	67.30%	67.30%	67.30%
PNM Resources, Inc.	PNM	51.00%	52.33%	53.67%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Portland General Electric Company	POR	52.00%	52.33%	52.67%	53.00%	55.04%	57.09%	59.13%	61.17%	63.22%	65.26%	67.30%	67.30%	67.30%	67.30%	67.30%
SCANA Corporation	SCG	56.00%	55.67%	55.33%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Westar Energy, Inc.	WR	61.00%	59.00%	57.00%	55.00%	56.76%	58.52%	60.27%	62.03%	63.79%	65.55%	67.30%	67.30%	67.30%	67.30%	67.30%
Xcel Energy Inc.	XEL	63.00%	63.67%	64.33%	65.00%	65.33%	65.66%	65.99%	66.32%	66.64%	66.97%	67.30%	67.30%	67.30%	67.30%	67.30%

Projected Annual
Cash Flows

Company	Ticker	[46] 2016	[47] 2017	[48] 2018	[49] 2019	[50] 2020	[51] 2021	[52] 2022	[53] 2023	[54] 2024	[55] 2025	[56] 2026	[57] 2027	[58] 2028	[59] 2029	[60] 2030	[61] Terminal Value
ALLETE, Inc.	ALE	$2.17	$2.23	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$4.93	$135.73
Alliant Energy Corporation	LNT	$2.39	$2.56	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$5.68	$156.48
Ameren Corporation	AEE	$1.70	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$4.24	$116.90
American Electric Power Company, Inc.	AEP	$2.36	$2.49	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$5.03	$138.56
Avista Corporation	AVA	$1.40	$1.44	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$2.77	$76.33
CenterPoint Energy, Inc.	CNP	$1.35	$1.35	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$1.77	$48.82
CMS Energy Corporation	CMS	$1.19	$1.28	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$3.01	$82.88
Consolidated Edison, Inc.	ED	$2.50	$2.57	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$4.67	$128.61
Dominion Resources, Inc.	D	$2.63	$2.82	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$5.84	$160.81
DTE Energy Company	DTE	$3.47	$3.64	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$8.06	$222.07
FirstEnergy Corp.	FE	$0.54	$0.57	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$1.50	$41.40
Great Plains Energy Inc.	GXP	$1.05	$1.13	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$2.52	$69.47
IDACORP, Inc.	IDA	$2.21	$2.37	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$5.35	$147.25
Eversource Energy	ES	$1.79	$1.92	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$5.14	$141.49
NorthWestern Corporation	NWE	$2.08	$2.20	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$5.21	$143.45
OGE Energy Corp.	OGE	$1.39	$1.54	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$3.16	$86.91
Otter Tail Corporation	OTTR	$1.31	$1.34	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$3.21	$88.41
Pinnacle West Capital Corporation	PNW	$2.52	$2.65	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$5.37	$147.92
PNM Resources, Inc.	PNM	$0.88	$0.99	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$3.07	$84.67
Portland General Electric Company	POR	$1.27	$1.36	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$3.56	$98.03
SCANA Corporation	SCG	$2.32	$2.41	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$5.48	$150.98
Westar Energy, Inc.	WR	$1.61	$1.65	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$3.84	$105.67
Xcel Energy Inc.	XEL	$1.41	$1.50	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$3.06	$84.21

Projected Annual Data
Investor Cash Flows

Company	Ticker	[62] Initial Outflow	[63] 1/15/16	[64] 12/31/16	[65] 6/30/17	[66] 6/30/18	[67] 6/30/19	[68] 6/30/20	[69] 6/30/21	[70] 6/30/22	[71] 6/30/23	[72] 6/30/24	[73] 6/30/25	[74] 6/30/26	[75] 6/30/27	[76] 6/30/28	[77] 6/30/29	[78] 6/30/30
ALLETE, Inc.	ALE	($49.47)	$0.00	$2.09	$2.24	$2.29	$2.34	$2.55	$2.76	$2.99	$3.22	$3.47	$3.73	$4.00	$4.21	$4.44	$4.68	$140.66
Alliant Energy Corporation	LNT	($59.67)	$0.00	$2.29	$2.46	$2.74	$2.93	$3.14	$3.36	$3.59	$3.82	$4.08	$4.34	$4.61	$4.86	$5.12	$5.39	$162.16
Ameren Corporation	AEE	($41.34)	$0.00	$1.64	$1.76	$1.82	$1.89	$2.08	$2.28	$2.49	$2.71	$2.95	$3.19	$3.45	$3.63	$3.82	$4.03	$121.14
American Electric Power Company, Inc.	AEP	($55.91)	$0.00	$2.27	$2.42	$2.63	$2.77	$2.92	$3.09	$3.26	$3.45	$3.65	$3.86	$4.08	$4.30	$4.53	$4.77	$143.59
Avista Corporation	AVA	($32.85)	$0.00	$1.35	$1.43	$1.48	$1.53	$1.61	$1.70	$1.80	$1.90	$2.01	$2.13	$2.25	$2.37	$2.50	$2.63	$79.10
CenterPoint Energy, Inc.	CNP	($18.58)	$0.00	$1.30	$1.37	$1.36	$1.36	$1.36	$1.36	$1.37	$1.38	$1.39	$1.41	$1.44	$1.52	$1.60	$1.68	$50.59
CMS Energy Corporation	CMS	($34.36)	$0.00	$1.14	$1.23	$1.38	$1.49	$1.61	$1.74	$1.87	$2.01	$2.15	$2.29	$2.44	$2.57	$2.71	$2.86	$85.89
Consolidated Edison, Inc.	ED	($62.97)	$0.00	$2.41	$2.54	$2.63	$2.70	$2.80	$2.92	$3.06	$3.21	$3.38	$3.57	$3.79	$3.99	$4.21	$4.43	$133.28
Dominion Resources, Inc.	D	($69.57)	$0.00	$2.53	$2.74	$3.02	$3.23	$3.45	$3.68	$3.90	$4.12	$4.34	$4.54	$4.74	$4.99	$5.26	$5.54	$166.65
DTE Energy Company	DTE	($79.11)	$0.00	$3.34	$3.57	$3.83	$4.02	$4.32	$4.63	$4.97	$5.33	$5.71	$6.12	$6.55	$6.90	$7.26	$7.65	$230.13
FirstEnergy Corp.	FE	($32.64)	$0.00	$0.52	$0.56	$0.59	$0.61	$0.68	$0.76	$0.84	$0.93	$1.02	$1.12	$1.22	$1.29	$1.35	$1.43	$42.90
Great Plains Energy Inc.	GXP	($26.16)	$0.00	$1.01	$1.09	$1.21	$1.29	$1.38	$1.48	$1.58	$1.69	$1.80	$1.92	$2.05	$2.16	$2.27	$2.39	$71.99
IDACORP, Inc.	IDA	($62.69)	$0.00	$2.12	$2.25	$2.54	$2.72	$2.89	$3.08	$3.29	$3.51	$3.76	$4.04	$4.34	$4.57	$4.82	$5.07	$152.60
Eversource Energy	ES	($49.19)	$0.00	$1.72	$1.87	$2.06	$2.21	$2.46	$2.72	$3.00	$3.28	$3.58	$3.87	$4.17	$4.39	$4.63	$4.88	$146.63
NorthWestern Corporation	NWE	($52.75)	$0.00	$2.00	$2.15	$2.32	$2.45	$2.67	$2.90	$3.15	$3.40	$3.67	$3.94	$4.23	$4.45	$4.69	$4.94	$148.65
OGE Energy Corp.	OGE	($28.22)	$0.00	$1.34	$1.43	$1.71	$1.88	$1.97	$2.06	$2.16	$2.25	$2.35	$2.46	$2.56	$2.70	$2.84	$2.99	$90.07
Otter Tail Corporation	OTTR	($26.76)	$0.00	$1.26	$1.37	$1.38	$1.41	$1.56	$1.73	$1.90	$2.07	$2.25	$2.43	$2.61	$2.74	$2.89	$3.05	$91.62
Pinnacle West Capital Corporation	PNW	($61.66)	$0.00	$2.43	$2.59	$2.78	$2.92	$3.08	$3.26	$3.45	$3.66	$3.88	$4.11	$4.36	$4.59	$4.84	$5.10	$153.29
PNM Resources, Inc.	PNM	($27.23)	$0.00	$0.85	$0.92	$1.11	$1.24	$1.40	$1.57	$1.75	$1.93	$2.12	$2.31	$2.50	$2.63	$2.77	$2.92	$87.74
Portland General Electric Company	POR	($35.66)	$0.00	$1.22	$1.31	$1.45	$1.55	$1.70	$1.87	$2.05	$2.24	$2.44	$2.66	$2.89	$3.04	$3.21	$3.38	$101.59
SCANA Corporation	SCG	($55.38)	$0.00	$2.23	$2.37	$2.50	$2.60	$2.80	$3.02	$3.26	$3.52	$3.81	$4.11	$4.45	$4.69	$4.94	$5.20	$156.46
Westar Energy, Inc.	WR	($38.32)	$0.00	$1.55	$1.66	$1.69	$1.73	$1.89	$2.07	$2.25	$2.45	$2.66	$2.88	$3.11	$3.28	$3.46	$3.64	$109.51
Xcel Energy Inc.	XEL	($34.55)	$0.00	$1.36	$1.45	$1.59	$1.68	$1.78	$1.88	$1.98	$2.10	$2.22	$2.34	$2.48	$2.61	$2.75	$2.90	$87.27

Multi-Stage DCF Notes:

[1] Source: Bloomberg; based on 30-, 90-, and 180-day historical average
[2] Source: Zacks
[3] Source: Yahoo! Finance
[4] Source: Value Line
[5] Equals indicated value (average, minimum, maximum) of Columns [2], [3], [4]
[6] Source: Federal Reserve, Bureau of Economic Analysis
[7] Source: Value Line
[8] Source: Value Line
[9] Source: Bloomberg Professional
[10] Equals Column [1] + Column [62]
[11] Equals result of Excel Solver function; goal: Column [10] equals $0.00
[12] Equals Column [61] / Column [30]
[13] Equals Column [12] / (Column [6] x 100)
[14] Source: Value Line
[15] Equals Column [14] x (1 + Column [5])
[16] Equals Column [15] x (1 + Column [5])
[17] Equals Column [16] x (1 + Column [5])
[18] Equals Column [17] x (1 + Column [5])
[19] Equals Column [18] x (1 + Column [5])
[20] Equals Column [19] x (1 + Column [5])
[21] Equals (1 + (Column [5] + (((Column [6] – Column [5]) / (2026 – 2021 + 1)) x (2021 – 2020)))) x Column [20]
[22] Equals (1 + (Column [5] + (((Column [6] – Column [5]) / (2026 – 2021 + 1)) x (2022 – 2020)))) x Column [21]
[23] Equals (1 + (Column [5] + (((Column [6] – Column [5]) / (2026 – 2021 + 1)) x (2023 – 2020)))) x Column [22]
[24] Equals (1 + (Column [5] + (((Column [6] – Column [5]) / (2026 – 2021 + 1)) x (2024 – 2020)))) x Column [23]
[25] Equals (1 + (Column [5] + (((Column [6] – Column [5]) / (2026 – 2021 + 1)) x (2025 – 2020)))) x Column [24]
[26] Equals Column [25] x (1 + Column [6])
[27] Equals Column [26] x (1 + Column [6])
[28] Equals Column [27] x (1 + Column [6])
[29] Equals Column [28] x (1 + Column [6])
[30] Equals Column [29] x (1 + Column [6])
[31] Equals Column [7]
[32] Equals Column [31] + ((Column [34] – Column [31]) / 3)
[33] Equals Column [32] + ((Column [34] – Column [31]) / 3)
[34] Equals Column [8]
[35] Equals Column [34] + ((Column [41] – Column [34]) / 7)
[36] Equals Column [35] + ((Column [41] – Column [34]) / 7)
[37] Equals Column [36] + ((Column [41] – Column [34]) / 7)
[38] Equals Column [37] + ((Column [41] – Column [34]) / 7)
[39] Equals Column [38] + ((Column [41] – Column [34]) / 7)
[40] Equals Column [39] + ((Column [41] – Column [34]) / 7)
[41] Equals Column [9]
[42] Equals Column [9]
[43] Equals Column [9]
[44] Equals Column [9]
[45] Equals Column [9]
[46] Equals Column [16] x Column [31]
[47] Equals Column [17] x Column [32]
[48] Equals Column [18] x Column [33]
[49] Equals Column [19] x Column [34]
[50] Equals Column [20] x Column [35]
[51] Equals Column [21] x Column [36]
[52] Equals Column [22] x Column [37]
[53] Equals Column [23] x Column [38]
[54] Equals Column [24] x Column [39]
[55] Equals Column [25] x Column [40]
[56] Equals Column [26] x Column [41]
[57] Equals Column [27] x Column [42]
[58] Equals Column [28] x Column [43]
[59] Equals Column [29] x Column [44]
[60] Equals Column [30] x Column [45]
[61] Equals Gordon Growth (Column [60] x (1 + Column [6])) / (Column [11] – Column [6]); or P/E (Column [12] x Column [61])
[62] Equals negative net present value; discount rate equals Column [11], cash flows equal Column [63] through Column [78]
[63] Equals $0.00
[64] Equals (12/31/2016 - 1/15/2016) / 365 x Column [46]
[65] Equals Column [46] x (1 + .5 x Column [5])
[66] Equals Column [48]
[67] Equals Column [49]
[68] Equals Column [50]
[69] Equals Column [51]
[70] Equals Column [52]
[71] Equals Column [53]
[72] Equals Column [54]
[73] Equals Column [55]
[74] Equals Column [56]
[75] Equals Column [57]
[76] Equals Column [58]
[77] Equals Column [59]
[78] Equals Column [60] + Column [61]

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

[1]	[2]	[3]
S&P 500 Est. Required Market Return	Current 30-Year Treasury (30-day average)	Implied Market Risk Premium
13.63%	2.96%	10.68%

Notes:
[1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional
[3] Equals [1] – [2]

Ex-Ante Market Risk Premium
Market DCF Method Based - Value Line

[1]	[2]	[3]
S&P 500 Est. Required Market Return	Current 30-Year Treasury (30-day average)	Implied Market Risk Premium
12.82%	2.96%	9.87%

Notes:
[1] Source: Value Line
[2] Source: Bloomberg Professional
[3] Equals [1] – [2]

Bloomberg and Value Line Beta Coefficients

Company	Ticker	[1] Bloomberg	[2] Value Line
ALLETE, Inc.	ALE	0.588	0.80
Alliant Energy Corporation	LNT	0.620	0.80
Ameren Corporation	AEE	0.590	0.75
American Electric Power Company, Inc.	AEP	0.550	0.70
Avista Corporation	AVA	0.594	0.80
CenterPoint Energy, Inc.	CNP	0.704	0.85
CMS Energy Corporation	CMS	0.529	0.75
Consolidated Edison, Inc.	ED	0.427	0.60
Dominion Resources, Inc.	D	0.573	0.70
DTE Energy Company	DTE	0.602	0.75
FirstEnergy Corp.	FE	0.659	0.70
Great Plains Energy Inc.	GXP	0.595	0.85
IDACORP, Inc.	IDA	0.683	0.80
Eversource Energy	ES	0.559	0.75
NorthWestern Corporation	NWE	0.632	0.70
OGE Energy Corp.	OGE	0.700	0.95
Otter Tail Corporation	OTTR	0.723	0.85
Pinnacle West Capital Corporation	PNW	0.598	0.75
PNM Resources, Inc.	PNM	0.622	0.85
Portland General Electric Company	POR	0.653	0.80
SCANA Corporation	SCG	0.578	0.75
Westar Energy, Inc.	WR	0.640	0.75
Xcel Energy Inc.	XEL	0.489	0.65
Mean		0.605	0.77

Notes:
[1] Source: Bloomberg Professional
[2] Source: Value Line

Capital Asset Pricing Model Results
Bloomberg and Value Line Derived Market Risk Premium

	[1]	[2]	[3]	[4]	[5]	[6]
			Ex-Ante Market Risk Premium		CAPM Result	
	Risk-Free Rate	Average Beta Coefficient	Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg Market DCF Derived	Value Line Market DCF Derived
PROXY GROUP BLOOMBERG BETA COEFFICIENT						
Current 30-Year Treasury (30-day average) [7]	2.96%	0.605	10.68%	9.87%	9.41%	8.92%
Near-Term Projected 30-Year Treasury [8]	3.45%	0.605	10.68%	9.87%	9.91%	9.42%
Long-Term Projected 30-Year Treasury [9]	4.65%	0.605	10.68%	9.87%	11.11%	10.62%
Mean					10.14%	9.65%

			Ex-Ante Market Risk Premium		CAPM Result	
	Risk-Free Rate	Average Beta Coefficient	Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg Market DCF Derived	Value Line Market DCF Derived
PROXY GROUP VALUE LINE AVERAGE BETA COEFFICIENT						
Current 30-Year Treasury (30-day average) [7]	2.96%	0.767	10.68%	9.87%	11.15%	10.53%
Near-Term Projected 30-Year Treasury [8]	3.45%	0.767	10.68%	9.87%	11.64%	11.02%
Long-Term Projected 30-Year Treasury [9]	4.65%	0.767	10.68%	9.87%	12.84%	12.22%
Mean					11.88%	11.26%

Notes:
[1] *See Notes [7] and [8]*
[2] Source: Schedule (RBH)-4
[3] Source: Schedule (RBH)-3
[4] Source: Schedule (RBH)-3
[5] Equals Col. [1] + (Col. [2] x Col. [3])
[6] Equals Col. [1] + (Col. [2] x Col. [4])
[7] Source: Bloomberg Professional
[8] Source: Blue Chip Financial Forecasts, Vol. 35, No. 1, January 1, 2016, at 2
[9] Source: Blue Chip Financial Forecasts, Vol. 34, No. 12, December 1, 2015, at 14

Bond Yield Plus Risk Premium

ELECTRIC RISK PREMIUM

	[1] Constant	[2] Slope	[3] 30-Year Treasury Yield	[4] Risk Premium	[5] Return on Equity
Current	-2.72%	-2.79%	2.96%	7.08%	10.04%
Near Term Projected	-2.72%	-2.79%	3.45%	6.65%	10.10%
Long-Term Projected	-2.72%	-2.79%	4.65%	5.82%	10.47%

NATURAL GAS RISK PREMIUM

	[1] Constant	[2] Slope	[3] 30-Year Treasury Yield	[4] Risk Premium	[5] Return on Equity
Current	-2.98%	-2.84%	2.96%	7.03%	9.99%
Near Term Projected	-2.98%	-2.84%	3.45%	6.59%	10.04%
Long-Term Projected	-2.98%	-2.84%	4.65%	5.74%	10.39%

Notes:
[1] Constant of regression equation
[2] Slope of regression equation
[3] Source: Current = Bloomberg Professional,
[3] Near Term Projected = Blue Chip Financial Forecasts, Vol. 35, No. 1, January 1, 2016, at 2.
[3] Long Term Projected = Blue Chip Financial Forecasts, Vol. 34, No. 12, December 1, 2015, at 14
[4] Equals [1] + ln([3]) x [2]

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
Pepco Holdings, Inc.	3/5/2012	17,922,077	$19.25	$0.6738	$500,000	$18.55	$12,574,999	$344,999,982	$332,424,983	3.645%
Pepco Holdings, Inc.	11/5/2008	16,100,000	$16.50	$0.6188	$200,000	$15.87	$10,161,875	$265,650,000	$255,488,125	3.825%
ALLETE, Inc.	2/27/2014	3,220,000	$49.75	$1.7413	$450,000	$47.87	$6,056,825	$160,195,000	$154,138,175	3.781%
ALLETE, Inc.	5/25/2001	7,475,000	$23.68	$0.9472	$350,000	$22.69	$7,430,320	$177,008,000	$169,577,680	4.198%
Alliant Energy Corporation	7/1/2003	17,250,000	$19.25	$0.7700	$370,000	$18.46	$13,652,500	$332,062,500	$318,410,000	4.111%
Alliant Energy Corporation	11/8/2001	9,775,000	$28.00	$1.0500	$425,000	$26.91	$10,688,750	$273,700,000	$263,011,250	3.905%
Ameren Corp.	9/9/2009	21,850,000	$25.25	$0.7575	$450,000	$24.47	$17,001,375	$551,712,500	$534,711,125	3.082%
Ameren Corp.	6/30/2004	10,925,000	$42.00	$1.2600	$400,000	$40.70	$14,165,500	$458,850,000	$444,684,500	3.087%
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%
Avista Corporation	12/11/2006	3,162,500	$25.05	$0.4800	$300,000	$24.48	$1,818,000	$79,220,625	$77,402,625	2.295%
CenterPoint Energy, Inc.	6/9/2010	25,300,000	$12.90	$0.4515	$390,000	$12.43	$11,812,950	$326,370,000	$314,557,050	3.619%
CenterPoint Energy, Inc.	9/10/2009	24,150,000	$12.00	$0.4200	$345,000	$11.57	$10,488,000	$289,800,000	$279,312,000	3.619%
CMS Energy Corporation	3/30/2005	23,000,000	$12.25	$0.4288	$325,000	$11.81	$10,187,400	$281,750,000	$271,562,600	3.616%
CMS Energy Corporation	10/7/2004	32,775,000	$9.10	$0.3185	$325,000	$8.77	$10,763,838	$298,252,500	$287,488,663	3.609%
Consolidated Edison, Inc	9/27/2010	6,300,000	$48.31	$0.1899	$500,000	$48.04	$1,696,370	$304,321,500	$302,625,130	0.557%
Consolidated Edison, Inc	11/30/2009	5,000,000	$42.70	$0.0700	$500,000	$42.53	$850,000	$213,500,000	$212,650,000	0.398%
Dominion Resources, Inc.	5/20/2015	2,800,000	$71.99	$0.0300	$200,000	$71.89	$284,000	$201,572,000	$201,288,000	0.141%
Dominion Resources, Inc.	9/7/2004	11,000,000	$65.20	$0.0800	$200,000	$65.10	$1,080,000	$717,200,000	$716,120,000	0.151%
DTE Energy Company	6/19/2002	6,325,000	$43.25	$1.4056	$250,000	$41.80	$9,140,420	$273,556,250	$264,415,830	3.341%
Eversource Energy	3/16/2009	18,975,000	$20.20	$0.6565	$335,000	$19.53	$12,792,088	$383,295,000	$370,502,913	3.337%
Eversource Energy	12/6/2005	23,000,000	$19.09	$0.6200	$340,000	$18.46	$14,600,000	$439,070,000	$424,470,000	3.325%
FirstEnergy Corp.	9/11/2003	32,200,000	$30.00	$0.9750	$423,000	$29.01	$31,818,000	$966,000,000	$934,182,000	3.294%
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%
NorthWestern Corporation	9/29/2015	1,100,000	$51.81	$1.3300	$1,000,000	$49.57	$2,463,000	$56,991,000	$54,528,000	4.322%
NorthWestern Corporation	11/5/2014	7,766,990	$51.50	$1.8025	$1,000,000	$49.57	$14,999,999	$399,999,985	$384,999,986	3.750%
OGE Energy Corp.	8/21/2003	5,324,074	$21.60	$0.7900	$325,000	$20.75	$4,531,018	$114,999,998	$110,468,980	3.940%
Otter Tail Corporation	9/18/2008	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 Corporation	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 Corporation	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	6/11/2013	12,765,000	$29.50	$0.9588	$600,000	$28.49	$12,838,444	$376,567,500	$363,729,056	3.409%
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%
SCANA Corporation	5/11/2010	8,222,500	$37.00	$1.2950	$350,000	$35.66	$10,998,138	$304,232,500	$293,234,363	3.615%
SCANA Corporation	12/31/2008	2,875,000	$35.50	$0.5325	$350,000	$34.85	$1,880,938	$102,062,500	$100,181,563	1.843%
Westar Energy, Inc.	9/24/2013	9,200,000	$31.15	$1.0903	$250,000	$30.03	$10,280,300	$286,580,000	$276,299,700	3.587%
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%
Xcel Energy Inc.	8/3/2010	21,850,000	$21.50	$0.6450	$600,000	$20.83	$14,693,250	$469,775,000	$455,081,750	3.128%
Xcel Energy Inc.	9/9/2008	17,250,000	$20.25	$0.1500	$600,000	$20.07	$3,187,500	$349,312,500	$346,125,000	0.913%
Mean							$10,296,224	$339,633,821		
								WEIGHTED AVERAGE FLOTATION COSTS:		3.032%

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

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield Current	[5] Expected Dividend Yield Adjusted for Flot. Costs	[6] Zacks Earnings Growth	[7] First Call Earnings Growth	[8] Value Line Earnings Growth	[9] Average Earnings Growth	[10] DCF k(e)	[11] Flotation Adjusted DCF k(e)
ALLETE, Inc.	ALE	$2.02	$50.12	4.03%	4.14%	4.27%	5.00%	5.00%	6.50%	5.50%	9.64%	9.77%
Alliant Energy Corporation	LNT	$2.35	$61.59	3.82%	3.92%	4.05%	5.40%	5.55%	6.00%	5.65%	9.57%	9.70%
Ameren Corporation	AEE	$1.70	$43.18	3.94%	4.06%	4.19%	6.30%	6.00%	7.00%	6.43%	10.50%	10.62%
American Electric Power Company, Inc.	AEP	$2.24	$57.34	3.91%	4.00%	4.12%	4.70%	4.43%	5.00%	4.71%	8.71%	8.83%
Avista Corporation	AVA	$1.32	$34.97	3.77%	3.87%	3.99%	5.00%	5.00%	5.00%	5.00%	8.87%	8.99%
CenterPoint Energy, Inc.	CNP	$0.99	$17.44	5.68%	5.72%	5.90%	2.70%	0.40%	NA	1.55%	7.27%	7.45%
CMS Energy Corporation	CMS	$1.16	$35.77	3.24%	3.34%	3.45%	6.10%	6.72%	5.50%	6.11%	9.45%	9.55%
Consolidated Edison, Inc.	ED	$2.60	$64.24	4.05%	4.11%	4.24%	3.10%	2.95%	3.00%	3.02%	7.13%	7.25%
Dominion Resources, Inc.	D	$2.59	$67.46	3.84%	3.96%	4.09%	6.10%	5.49%	8.00%	6.53%	10.49%	10.62%
DTE Energy Company	DTE	$2.92	$79.78	3.66%	3.76%	3.87%	5.60%	5.12%	5.00%	5.24%	9.00%	9.11%
FirstEnergy Corp.	FE	$1.44	$31.84	4.52%	4.68%	4.83%	NA	NA	7.00%	7.00%	11.68%	11.83%
Great Plains Energy Inc.	GXP	$1.05	$26.91	3.90%	4.01%	4.13%	5.80%	5.07%	5.00%	5.29%	9.30%	9.42%
IDACORP, Inc.	IDA	$2.04	$67.89	3.00%	3.05%	3.15%	4.00%	4.00%	1.00%	3.00%	6.05%	6.15%
Eversource Energy	ES	$1.67	$50.87	3.28%	3.40%	3.51%	6.70%	6.57%	8.50%	7.26%	10.66%	10.76%
NorthWestern Corporation	NWE	$1.92	$54.03	3.55%	3.66%	3.78%	5.00%	6.81%	6.50%	6.10%	9.77%	9.88%
OGE Energy Corp.	OGE	$1.10	$25.52	4.31%	4.39%	4.53%	5.70%	2.17%	3.00%	3.62%	8.01%	8.15%
Otter Tail Corporation	OTTR	$1.23	$26.51	4.64%	4.81%	4.96%	NA	6.00%	9.00%	7.50%	12.31%	12.46%
Pinnacle West Capital Corporation	PNW	$2.50	$63.57	3.93%	4.02%	4.15%	4.80%	4.95%	4.00%	4.58%	8.61%	8.73%
PNM Resources, Inc.	PNM	$0.88	$29.89	2.94%	3.07%	3.17%	7.70%	9.30%	9.00%	8.67%	11.74%	11.83%
Portland General Electric Company	POR	$1.20	$36.42	3.29%	3.37%	3.48%	4.40%	4.14%	6.00%	4.85%	8.22%	8.33%
SCANA Corporation	SCG	$2.18	$60.15	3.62%	3.71%	3.82%	4.50%	4.45%	4.50%	4.48%	8.19%	8.30%
Westar Energy, Inc.	WR	$1.44	$41.90	3.44%	3.51%	3.62%	3.60%	3.50%	6.00%	4.37%	7.88%	7.99%
Xcel Energy Inc.	XEL	$1.28	$35.81	3.57%	3.66%	3.77%	5.00%	4.68%	4.50%	4.73%	8.39%	8.50%
PROXY GROUP MEAN											9.19%	9.31%

DCF Result Adjusted For Flotation Costs: 9.31%
DCF Result Unadjusted For Flotation Costs: 9.19%
Difference (Flotation Cost Adjustment): 0.12% [12]

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 - 0.0303)
[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]

Proxy Group Capital Structure

		% Common Equity								
Company	Ticker	2015Q3	2015Q2	2015Q1	2014Q4	2014Q3	2014Q2	2014Q1	2013Q4	Average
ALLETE, Inc.	ALE	58.01%	58.93%	58.70%	56.98%	56.18%	55.83%	56.79%	56.37%	57.22%
Alliant Energy Corporation	LNT	51.27%	51.18%	50.32%	50.11%	54.23%	52.94%	52.81%	52.36%	51.90%
Ameren Corporation	AEE	53.40%	52.44%	52.88%	52.82%	54.54%	53.83%	56.09%	54.78%	53.85%
American Electric Power Company, Inc.	AEP	49.13%	49.63%	52.23%	52.11%	52.27%	52.31%	52.34%	52.36%	51.55%
Avista Corporation	AVA	54.95%	54.98%	54.81%	51.39%	52.62%	51.19%	49.76%	49.15%	52.36%
CenterPoint Energy, Inc.	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
CMS Energy Corporation	CMS	51.44%	51.15%	51.35%	50.21%	49.99%	53.44%	52.63%	51.35%	51.44%
Consolidated Edison, Inc.	ED	55.06%	53.41%	54.65%	54.61%	55.57%	55.51%	55.48%	55.26%	54.94%
Dominion Resources, Inc.	D	52.22%	51.68%	53.24%	52.94%	53.47%	53.18%	53.17%	54.95%	53.11%
DTE Energy Company	DTE	50.32%	49.81%	48.42%	50.39%	49.32%	50.30%	50.54%	50.25%	49.92%
FirstEnergy Corp.	FE	52.50%	52.50%	52.06%	51.43%	51.69%	50.90%	50.92%	50.45%	51.56%
Great Plains Energy Inc.	GXP	52.26%	53.19%	53.21%	53.30%	53.42%	52.67%	52.56%	52.49%	52.89%
IDACORP, Inc.	IDA	52.25%	51.61%	49.38%	52.94%	52.92%	52.03%	51.72%	51.61%	51.81%
Eversource Energy	ES	54.83%	53.73%	53.84%	53.64%	53.44%	52.05%	51.25%	52.89%	53.21%
NorthWestern Corporation	NWE	46.01%	46.97%	47.54%	47.06%	47.78%	47.45%	48.19%	47.15%	47.27%
OGE Energy Corp.	OGE	54.38%	53.31%	52.98%	53.08%	55.43%	52.94%	52.53%	55.16%	53.73%
Otter Tail Corporation	OTTR	52.51%	52.32%	51.13%	49.80%	49.32%	47.60%	47.20%	53.72%	50.45%
Pinnacle West Capital Corporation	PNW	57.11%	55.72%	55.86%	57.54%	58.43%	57.32%	55.67%	57.39%	56.88%
PNM Resources, Inc.	PNM	44.76%	45.63%	46.11%	45.86%	47.43%	47.14%	46.70%	48.39%	46.50%
Portland General Electric Company	POR	50.31%	49.57%	44.11%	43.31%	44.86%	46.64%	49.21%	48.70%	47.09%
SCANA Corporation	SCG	52.55%	52.08%	53.72%	53.46%	53.47%	52.85%	54.36%	53.90%	53.30%
Westar Energy, Inc.	WR	68.96%	67.60%	66.54%	65.73%	65.95%	66.62%	63.45%	63.22%	66.01%
Xcel Energy Inc.	XEL	53.02%	53.88%	54.97%	54.62%	54.54%	53.41%	54.88%	54.92%	54.28%
Mean		53.06%	52.79%	52.64%	52.43%	53.04%	52.64%	52.65%	53.04%	52.78%

Operating Company Capital Structure

Operating Company	Parent	% Common Equity 2015Q3	2015Q2	2015Q1	2014Q4	2014Q3	2014Q2	2014Q1	2013Q4	Average
Ameren Illinois Company	AEE	55.55%	54.67%	54.39%	53.90%	56.91%	56.19%	59.29%	56.48%	55.92%
Union Electric Company	AEE	51.25%	50.21%	51.37%	51.74%	52.17%	51.48%	52.89%	53.08%	51.77%
AEP Texas Central Company	AEP	43.32%	47.46%	45.01%	42.39%	43.93%	43.18%	47.56%	46.75%	44.95%
AEP Texas North Company	AEP	45.03%	48.87%	47.15%	46.96%	47.06%	46.79%	46.82%	46.68%	46.92%
Appalachian Power Company	AEP	46.66%	46.50%	46.52%	45.83%	46.29%	46.00%	44.13%	43.52%	45.68%
Indiana Michigan Power Company	AEP	52.41%	52.08%	51.94%	51.36%	51.45%	51.39%	51.63%	50.80%	51.63%
Kentucky Power Company	AEP	43.72%	43.87%	44.19%	44.74%	46.25%	48.23%	50.30%	52.83%	46.77%
Kingsport Power Company	AEP	59.76%	60.44%	60.77%	61.00%	60.55%	60.91%	58.88%	60.85%	60.39%
Ohio Power Company	AEP	50.36%	50.33%	49.30%	48.96%	46.03%	44.79%	42.54%	39.71%	46.50%
Public Service Company of Oklahoma	AEP	46.30%	45.29%	44.66%	49.69%	49.43%	48.30%	47.51%	48.51%	47.46%
Southwestern Electric Power Company	AEP	49.88%	47.62%	46.25%	50.46%	50.60%	51.26%	51.18%	51.21%	49.81%
Wheeling Power Company	AEP	53.89%	53.82%	86.56%	79.75%	81.14%	82.27%	82.89%	82.79%	75.39%
ALLETE (Minnesota Power)	ALE	55.62%	57.67%	57.56%	55.24%	53.98%	53.01%	55.16%	55.93%	55.52%
Superior Water, Light and Power Company	ALE	60.40%	60.19%	59.83%	58.72%	58.39%	58.65%	58.42%	56.81%	58.93%
Alaska Electric Light and Power Company	AVA	58.09%	58.07%	57.83%	NA	NA	NA	NA	NA	NA
Avista Corporation	AVA	51.80%	51.90%	51.78%	51.39%	52.62%	51.19%	49.76%	49.15%	51.20%
Consumers Energy Company	CMS	51.44%	51.15%	51.35%	50.21%	49.99%	53.44%	52.63%	51.35%	51.44%
CenterPoint Energy Houston Electric, LLC	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Virginia Electric and Power Company	D	52.22%	51.68%	53.24%	52.94%	53.47%	53.18%	53.17%	54.95%	53.11%
DTE Electric Company	DTE	50.32%	49.81%	48.42%	50.39%	49.32%	50.30%	50.54%	50.25%	49.92%
Consolidated Edison Company of New York, Inc.	ED	50.47%	50.04%	49.96%	49.94%	52.34%	51.84%	51.19%	52.43%	51.03%
Orange and Rockland Utilities, Inc.	ED	51.56%	47.04%	50.91%	51.91%	52.66%	52.21%	52.25%	51.73%	51.28%
Pike County Light and Power Company	ED	63.16%	63.16%	63.08%	61.98%	61.71%	62.46%	62.98%	61.61%	62.52%
Rockland Electric Company	ED	NA	NA	NA	NA	NA	NA	NA	NA	NA
Connecticut Light and Power Company	ES	53.35%	52.25%	53.26%	53.11%	52.72%	50.52%	52.33%	52.01%	52.44%
NSTAR Electric Company	ES	59.18%	58.53%	58.22%	57.84%	57.17%	55.95%	51.45%	57.35%	56.96%
Public Service Company of New Hampshire	ES	53.56%	53.44%	53.40%	53.29%	53.92%	52.44%	52.27%	51.90%	53.03%
Western Massachusetts Electric Company	ES	53.25%	50.70%	50.48%	50.31%	49.97%	49.29%	48.96%	50.31%	50.41%
Cleveland Electric Illuminating Company	FE	44.89%	44.35%	45.44%	44.99%	45.28%	44.88%	44.64%	45.74%	45.03%
Jersey Central Power & Light Company	FE	52.77%	55.19%	54.99%	54.77%	55.24%	54.49%	54.20%	53.94%	54.45%
Metropolitan Edison Company	FE	50.17%	49.36%	48.76%	48.29%	50.21%	49.53%	51.25%	50.61%	49.77%
Monongahela Power Company	FE	48.79%	48.17%	47.92%	47.04%	46.86%	46.27%	45.74%	44.74%	46.94%
Ohio Edison Company	FE	65.73%	64.75%	64.01%	63.05%	57.70%	56.35%	55.35%	53.98%	60.11%
Pennsylvania Electric Company	FE	49.01%	48.46%	48.06%	47.66%	48.17%	47.74%	51.17%	50.77%	48.88%
Pennsylvania Power Company	FE	57.91%	55.06%	53.79%	52.55%	54.80%	53.53%	52.63%	51.21%	53.93%
Potomac Edison Company	FE	52.56%	51.73%	51.11%	51.05%	51.96%	51.17%	50.46%	49.09%	51.14%
Toledo Edison Company	FE	52.06%	51.72%	51.37%	50.74%	51.51%	50.70%	50.11%	51.86%	51.26%
West Penn Power Company	FE	51.14%	56.25%	55.18%	54.20%	55.21%	54.31%	53.62%	52.51%	54.05%
Kansas City Power & Light Company	GXP	48.24%	50.18%	49.84%	49.53%	49.54%	48.67%	48.46%	48.46%	49.12%
KCP&L Greater Missouri Operations Company	GXP	56.27%	56.20%	56.57%	57.07%	57.30%	56.68%	56.66%	56.52%	56.66%
Idaho Power Co.	IDA	52.25%	51.61%	49.38%	52.94%	52.92%	52.03%	51.72%	51.61%	51.81%
Interstate Power and Light Company	LNT	50.90%	51.72%	50.09%	49.90%	54.01%	52.05%	51.88%	51.35%	51.49%
Wisconsin Power and Light Company	LNT	51.63%	50.65%	50.54%	50.32%	54.45%	53.82%	53.74%	53.37%	52.32%
NorthWestern Corporation	NWE	46.01%	46.97%	47.54%	47.06%	47.78%	47.45%	48.19%	47.15%	47.27%
Oklahoma Gas and Electric Company	OGE	54.38%	53.31%	52.98%	53.08%	55.43%	52.94%	52.53%	55.16%	53.73%
Otter Tail Power Company	OTTR	52.51%	52.32%	51.13%	49.80%	49.32%	47.60%	47.20%	53.72%	50.45%
Public Service Company of New Mexico	PNM	44.76%	45.63%	46.11%	45.86%	47.43%	47.14%	46.70%	48.39%	46.50%
Texas-New Mexico Power Company	PNM	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona Public Service Company	PNW	57.11%	55.72%	55.86%	57.54%	58.43%	57.32%	55.67%	57.39%	56.88%
Portland General Electric Company	POR	50.31%	49.57%	44.11%	43.31%	44.86%	46.64%	49.21%	48.70%	47.09%
South Carolina Electric & Gas Co.	SCG	52.55%	52.08%	53.72%	53.46%	53.47%	52.85%	54.36%	53.90%	53.30%
Kansas Gas and Electric Company	WR	72.91%	72.43%	72.15%	71.99%	72.65%	77.67%	69.73%	69.54%	72.38%
Westar Energy (KPL)	WR	65.01%	62.76%	60.94%	59.48%	59.26%	55.58%	57.17%	56.90%	59.64%
Northern States Power Company - MN	XEL	51.95%	53.34%	53.03%	52.89%	52.84%	52.49%	54.32%	53.54%	53.05%
Northern States Power Company - WI	XEL	52.92%	52.53%	56.36%	55.18%	55.01%	52.92%	57.06%	56.42%	54.80%
Public Service Company of Colorado	XEL	56.00%	55.55%	56.94%	56.79%	56.51%	56.12%	54.21%	56.53%	56.08%
Southwestern Public Service Company	XEL	51.20%	54.08%	53.54%	53.62%	53.81%	52.10%	53.92%	53.20%	53.18%
Mean		52.86%	52.75%	53.13%	52.80%	53.25%	52.76%	52.80%	52.93%	52.87%

Source: SNL Financial

Proxy Group Capital Structure

		% Long-Term Debt								
Company	Ticker	2015Q3	2015Q2	2015Q1	2014Q4	2014Q3	2014Q2	2014Q1	2013Q4	Average
ALLETE, Inc.	ALE	41.99%	41.07%	41.30%	43.02%	43.82%	44.17%	43.21%	43.63%	42.78%
Alliant Energy Corporation	LNT	48.73%	48.82%	49.68%	49.89%	45.77%	47.06%	47.19%	47.64%	48.10%
Ameren Corporation	AEE	46.60%	47.56%	47.12%	47.18%	45.46%	46.17%	43.91%	45.22%	46.15%
American Electric Power Company, Inc.	AEP	50.87%	50.37%	47.77%	47.89%	47.73%	47.69%	47.66%	47.64%	48.45%
Avista Corporation	AVA	45.05%	45.02%	45.19%	48.61%	47.38%	48.81%	50.24%	50.85%	47.64%
CenterPoint Energy, Inc.	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
CMS Energy Corporation	CMS	48.56%	48.85%	48.65%	49.79%	50.01%	46.56%	47.37%	48.65%	48.56%
Consolidated Edison, Inc.	ED	44.94%	46.59%	45.35%	45.39%	44.43%	44.49%	44.52%	44.74%	45.06%
Dominion Resources, Inc.	D	47.78%	48.32%	46.76%	47.06%	46.53%	46.82%	46.83%	45.05%	46.89%
DTE Energy Company	DTE	49.68%	50.19%	51.58%	49.61%	50.68%	49.70%	49.46%	49.75%	50.08%
FirstEnergy Corp.	FE	47.50%	47.50%	47.94%	48.57%	48.31%	49.10%	49.08%	49.55%	48.44%
Great Plains Energy Inc.	GXP	47.74%	46.81%	46.79%	46.70%	46.58%	47.33%	47.44%	47.51%	47.11%
IDACORP, Inc.	IDA	47.75%	48.39%	50.62%	47.06%	47.08%	47.97%	48.28%	48.39%	48.19%
Eversource Energy	ES	45.17%	46.27%	46.16%	46.36%	46.56%	47.95%	48.75%	47.11%	46.79%
NorthWestern Corporation	NWE	53.99%	53.03%	52.46%	52.94%	52.22%	52.55%	51.81%	52.85%	52.73%
OGE Energy Corp.	OGE	45.62%	46.69%	47.02%	46.92%	44.57%	47.06%	47.47%	44.84%	46.27%
Otter Tail Corporation	OTTR	47.49%	47.68%	48.87%	50.20%	50.68%	52.40%	52.80%	46.28%	49.55%
Pinnacle West Capital Corporation	PNW	42.89%	44.28%	44.14%	42.46%	41.57%	42.68%	44.33%	42.61%	43.12%
PNM Resources, Inc.	PNM	55.24%	54.37%	53.89%	54.14%	52.57%	52.86%	53.30%	51.61%	53.50%
Portland General Electric Company	POR	49.69%	50.43%	55.89%	56.69%	55.14%	53.36%	50.79%	51.30%	52.91%
SCANA Corporation	SCG	47.45%	47.92%	46.28%	46.54%	46.53%	47.15%	45.64%	46.10%	46.70%
Westar Energy, Inc.	WR	31.04%	32.40%	33.46%	34.27%	34.05%	33.38%	36.55%	36.78%	33.99%
Xcel Energy Inc.	XEL	46.98%	46.12%	45.03%	45.38%	45.46%	46.59%	45.12%	45.08%	45.72%
Mean		46.94%	47.21%	47.36%	47.57%	46.96%	47.36%	47.35%	46.96%	47.22%

Operating Company Capital Structure

Operating Company	Parent	% Long-Term Debt 2015Q3	2015Q2	2015Q1	2014Q4	2014Q3	2014Q2	2014Q1	2013Q4	Average
Ameren Illinois Company	AEE	44.45%	45.33%	45.61%	46.10%	43.09%	43.81%	40.71%	43.52%	44.08%
Union Electric Company	AEE	48.75%	49.79%	48.63%	48.26%	47.83%	48.52%	47.11%	46.92%	48.23%
AEP Texas Central Company	AEP	56.68%	52.54%	54.99%	57.61%	56.07%	56.82%	52.44%	53.25%	55.05%
AEP Texas North Company	AEP	54.97%	51.13%	52.85%	53.04%	52.94%	53.21%	53.18%	53.32%	53.08%
Appalachian Power Company	AEP	53.34%	53.50%	53.48%	54.17%	53.71%	54.00%	55.87%	56.48%	54.32%
Indiana Michigan Power Company	AEP	47.59%	47.92%	48.06%	48.64%	48.55%	48.61%	48.37%	49.20%	48.37%
Kentucky Power Company	AEP	56.28%	56.13%	55.81%	55.26%	53.75%	51.77%	49.70%	47.17%	53.23%
Kingsport Power Company	AEP	40.24%	39.56%	39.23%	39.00%	39.45%	39.09%	41.12%	39.15%	39.61%
Ohio Power Company	AEP	49.64%	49.67%	50.70%	51.04%	53.97%	55.21%	57.46%	60.29%	53.50%
Public Service Company of Oklahoma	AEP	53.70%	54.71%	55.34%	50.31%	50.57%	51.70%	52.49%	51.49%	52.54%
Southwestern Electric Power Company	AEP	50.12%	52.38%	53.75%	49.54%	49.40%	48.74%	48.82%	48.79%	50.19%
Wheeling Power Company	AEP	46.11%	46.18%	13.44%	20.25%	18.86%	17.73%	17.11%	17.21%	24.61%
ALLETE (Minnesota Power)	ALE	44.38%	42.33%	42.44%	44.76%	46.02%	46.99%	44.84%	44.07%	44.48%
Superior Water, Light and Power Company	ALE	39.60%	39.81%	40.17%	41.28%	41.61%	41.35%	41.58%	43.19%	41.07%
Alaska Electric Light and Power Company	AVA	41.91%	41.93%	42.17%	NA	NA	NA	NA	NA	NA
Avista Corporation	AVA	48.20%	48.10%	48.22%	48.61%	47.38%	48.81%	50.24%	50.85%	48.80%
Consumers Energy Company	CMS	48.56%	48.85%	48.65%	49.79%	50.01%	46.56%	47.37%	48.65%	48.56%
CenterPoint Energy Houston Electric, LLC	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Virginia Electric and Power Company	D	47.78%	48.32%	46.76%	47.06%	46.53%	46.82%	46.83%	45.05%	46.89%
DTE Electric Company	DTE	49.68%	50.19%	51.58%	49.61%	50.68%	49.70%	49.46%	49.75%	50.08%
Consolidated Edison Company of New York, Inc.	ED	49.53%	49.96%	50.04%	50.06%	47.66%	48.16%	48.81%	47.57%	48.97%
Orange and Rockland Utilities, Inc.	ED	48.44%	52.96%	49.09%	48.09%	47.34%	47.79%	47.75%	48.27%	48.72%
Pike County Light and Power Company	ED	36.84%	36.84%	36.92%	38.02%	38.29%	37.54%	37.02%	38.39%	37.48%
Rockland Electric Company	ED	NA	NA	NA	NA	NA	NA	NA	NA	NA
Connecticut Light and Power Company	ES	46.65%	47.75%	46.74%	46.89%	47.28%	49.48%	47.67%	47.99%	47.56%
NSTAR Electric Company	ES	40.82%	41.47%	41.78%	42.16%	42.83%	44.05%	48.55%	42.65%	43.04%
Public Service Company of New Hampshire	ES	46.44%	46.56%	46.60%	46.71%	46.08%	47.56%	47.73%	48.10%	46.97%
Western Massachusetts Electric Company	ES	46.75%	49.30%	49.52%	49.69%	50.03%	50.71%	51.04%	49.69%	49.59%
Cleveland Electric Illuminating Company	FE	55.11%	55.65%	54.56%	55.01%	54.72%	55.12%	55.36%	54.26%	54.97%
Jersey Central Power & Light Company	FE	47.23%	44.81%	45.01%	45.23%	44.76%	45.51%	45.80%	46.06%	45.55%
Metropolitan Edison Company	FE	49.83%	50.64%	51.24%	51.71%	49.79%	50.47%	48.75%	49.39%	50.23%
Monongahela Power Company	FE	51.21%	51.83%	52.08%	52.96%	53.14%	53.73%	54.26%	55.26%	53.06%
Ohio Edison Company	FE	34.27%	35.25%	35.99%	36.95%	42.30%	43.65%	44.65%	46.02%	39.89%
Pennsylvania Electric Company	FE	50.99%	51.54%	51.94%	52.34%	51.83%	52.26%	48.83%	49.23%	51.12%
Pennsylvania Power Company	FE	42.09%	44.94%	46.21%	47.45%	45.20%	46.47%	47.37%	48.79%	46.07%
Potomac Edison Company	FE	47.44%	48.27%	48.89%	48.95%	48.04%	48.83%	49.54%	50.91%	48.86%
Toledo Edison Company	FE	47.94%	48.28%	48.63%	49.26%	48.49%	49.30%	49.89%	48.14%	48.74%
West Penn Power Company	FE	48.86%	43.75%	44.82%	45.80%	44.79%	45.69%	46.38%	47.49%	45.95%
Kansas City Power & Light Company	GXP	51.76%	49.82%	50.16%	50.47%	50.46%	51.33%	51.54%	51.54%	50.88%
KCP&L Greater Missouri Operations Company	GXP	43.73%	43.80%	43.43%	42.93%	42.70%	43.32%	43.34%	43.48%	43.34%
Idaho Power Co.	IDA	47.75%	48.39%	50.62%	47.06%	47.08%	47.97%	48.28%	48.39%	48.19%
Interstate Power and Light Company	LNT	49.10%	48.28%	49.91%	50.10%	45.99%	47.95%	48.12%	48.65%	48.51%
Wisconsin Power and Light Company	LNT	48.37%	49.35%	49.46%	49.68%	45.55%	46.18%	46.26%	46.63%	47.68%
NorthWestern Corporation	NWE	53.99%	53.03%	52.46%	52.94%	52.22%	52.55%	51.81%	52.85%	52.73%
Oklahoma Gas and Electric Company	OGE	45.62%	46.69%	47.02%	46.92%	44.57%	47.06%	47.47%	44.84%	46.27%
Otter Tail Power Company	OTTR	47.49%	47.68%	48.87%	50.20%	50.68%	52.40%	52.80%	46.28%	49.55%
Public Service Company of New Mexico	PNM	55.24%	54.37%	53.89%	54.14%	52.57%	52.86%	53.30%	51.61%	53.50%
Texas-New Mexico Power Company	PNM	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona Public Service Company	PNW	42.89%	44.28%	44.14%	42.46%	41.57%	42.68%	44.33%	42.61%	43.12%
Portland General Electric Company	POR	49.69%	50.43%	55.89%	56.69%	55.14%	53.36%	50.79%	51.30%	52.91%
South Carolina Electric & Gas Co.	SCG	47.45%	47.92%	46.28%	46.54%	46.53%	47.15%	45.64%	46.10%	46.70%
Kansas Gas and Electric Company	WR	27.09%	27.57%	27.85%	28.01%	27.35%	22.33%	30.27%	30.46%	27.62%
Westar Energy (KPL)	WR	34.99%	37.24%	39.06%	40.52%	40.74%	44.42%	42.83%	43.10%	40.36%
Northern States Power Company - MN	XEL	48.05%	46.66%	46.97%	47.11%	47.16%	47.51%	45.68%	46.46%	46.95%
Northern States Power Company - WI	XEL	47.08%	47.47%	43.64%	44.82%	44.99%	47.08%	42.94%	43.58%	45.20%
Public Service Company of Colorado	XEL	44.00%	44.45%	43.06%	43.21%	43.49%	43.88%	45.79%	43.47%	43.92%
Southwestern Public Service Company	XEL	48.80%	45.92%	46.46%	46.38%	46.19%	47.90%	46.08%	46.80%	46.82%
Mean		47.14%	47.25%	46.87%	47.20%	46.75%	47.24%	47.20%	47.07%	47.13%