

Exhibits List, Company Witness Ellen Lapson

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Credit Rating Scales

Long-Term Rating Scales and Correspondences

	Moody's	Standard & Poors	Fitch
Investment Grade	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Speculative Grade	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
	B1	B+	B+
	B2	B	B
	B3	B-	B-
	Caa1	CCC+	
	Caa2	CCC	CCC
	Caa3	CCC-	CCC-
	Ca	CC	CC
C	C	C	
Default	C	D	C or D

Source: Lapson Advisory

Short-Term Credit Rating Scales					
		Moody's	Standard & Poors	Fitch	Description
Investment Grade	Tier 1		A-1+	F1+	Strongest credit quality
		P-1 (Prime-1)	A-1	F1	Strong credit quality
	Tier 2	P-2	A-2	F2	Intermediate investment grade quality
	Tier 3	P-3	A-3	F3	Could be weakened by adverse events
Speculative Grade		Not Prime	B	C	Able to pay now, but reliant on favorable events
			C	C	Vulnerable to non-payment
Default			D	D or C	Borrower has actually defaulted or forced restructuring of debt

Typical Correlations of Short-Term with Long-Term Ratings					
Moody's		Standard & Poor's		Fitch	
Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term
		A-1+	AAA, AA+	F1+	AAA, AA+
P-1	Aaa, Aa1, Aa2	A-1	AA, AA-, A+, A	F1	AA, AA-, A+
P-2	Aa3, Baa1, Baa2	A-2	A-, BBB+, BBB	F2	A-, BBB+, BBB
P-3	Baa3	A-3	BBB, BBB-	F3	BBB, BBB-

Note: These correlations are approximations and may be affected by each agency's views on an issuer's liquidity.

Source: Lapsen Advisory, based on ratings criteria of Moody's, Standard & Poors, and Fitch Ratings

Interest Spreads: Utility Bond Index

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Interest Spreads: Utility Bond Index

Interest spread: Single-A versus BBB Utility Bond Index Rates		
Decade October 2002 - September 2012 (Percent)		
	10 Year Maturity	30 Year Maturity
Average	0.45	0.47
Median	0.33	0.43
Minimum	0.06	0.01
Maximum	1.78	1.91
Average Interest Spread: Single-A versus BBB Utility Bond		
Index Rates (Percent)		
	10 Year Maturity	30 Year Maturity
3rd Quarter 2012	0.72	0.41
Decade Oct. 2002- Sept. 2012	0.45	0.47
Source: Bloomberg LP, as of Sept. 30, 2012		

**Historical Commercial Paper Rates and Spreads
Non-Financial Corporations**

Average CP rates for Non-Financial Borrowers (in Basis Points)

	Overnight Rates		
	Tier 1 Non- Financial CP	Tier 2 Non- Financial CP	Spread (Tier 2 less Tier 1)
2008 (Jan.2-Sept.10)	246	302	56
2008 (Sept. 11-Dec. 31)	86	346	260
2009	16	55	38
2010	18	33	15
2011	9	31	23
First half 2012	9	38	29
Average Jan 1 2008 - June 30 2012	54	100	46

	Weekly Rates		
	Tier 1 Non- Financial CP	Tier 2 Non- Financial CP	Spread (Tier 2 less Tier 1)
2 Jan. 2008 - 10 Sept. 2008	244	310	66
11 Sept. 2008 - 31 Dec. 2008	88	461	372
02 Jan. 2009 - 31 Dec. 2009	13	65	51
04 Jan. 2010 - 31 Dec. 2010	17	34	17
03 Jan. 2011 - 30 Dec. 2011	9	34	25
First half 2012	10	41	31
Average Jan 1 2008 - June 30 2012	54	113	59

	Monthly Rates		
	Tier 1 Non- Financial CP	Tier 2 Non- Financial CP	Spread (Tier 2 less Tier 1)
2 Jan. 2008 - 10 Sept. 2008	239	316	77
11 Sept. 2008 - 31 Dec. 2008	108	531	423
02 Jan. 2009 - 31 Dec. 2009	18	77	59
04 Jan. 2010 - 31 Dec. 2010	18	36	17
03 Jan. 2011 - 30 Dec. 2011	12	37	25
First half 2012	12	46	34
Average Jan 1 2008 - June 30 2012	56	122	66

Source: Bloomberg LP

Assessing State Regulatory Jurisdictions

Utility Regulatory Jurisdictions Among U.S. States				
Standard & Poors Rankings				
Most Credit Supportive	More Credit Supportive	Credit Supportive	Less Credit Supportive	Least Credit Supportive
0	7	21	16	4
	AL	AR, CO	CT, HI	AZ
	CA	FL, ID	IL, LA	DE
	GA	KS, KY	ME, MD	DC
	IN	MA, MI	MO, MT	NM
	IA	MN, NV	NY, RI	
	SC	MS, NH	TX, UT	
	WI	NV, NH	VT, WA	
		NJ, NC	WV, WY	
		ND, OH		
		OK, OR		
		PA, SD		
		VA		

Source: Standard & Poor, "Standard & Poors Updates Its Regulatory Assessment," March 12, 2010

Regulatory Research Associates' Rankings	Number of Jurisdictions
Above Average 1	0
Above Average 2	2
Above Average 3	4
Average 1	10
Average 2	16
Average 3	12
Below Average 1	4
Below Average 2	2
Below Average 3	<u>1</u>
Summary	
Higher ranking than NYPSC	32
Same ranking as NYPSC	11
Lower ranking than NYPSC	7

Staff Proxy Group: 32 Peer Companies

Staff Proxy Group	
Company Name	Ticker
1 ALLETE Inc.	ALE
2 Alliant Energy	LNT
3 Ameren Corp.	AEE
4 American Electric Power Co.	AEP
5 Avista Corp.	AVA
6 Black Hills Corp	BKH
7 CenterPoint Energy Inc.	CNP
8 CH Energy Group Inc.	CHG
9 Cleco Corp.	CNL
10 Consolidated Edison Inc.	ED
11 DTE Energy Co.	DTE
12 Edison International	EIX
13 Empire District Electric Co.	EDE
14 Entergy Corp.	ETR
15 FirstEnergy Corp.	FE
16 Great Plains Energy	GXP
17 Hawaiian Electric Industries	HE
18 IDACORP Inc.	IDA
19 MGE Energy Inc	MGEE
20 Pepco Holdings Inc.	POM
21 PG&E Corp.	PCG
22 Pinnacle West Capital Corp.	PNW
23 Portland General Electric Co.	POR
24 SCANA Corp.	SCG
25 Sempra Energy	SRE
26 Southern Co.	SO
27 TECO Energy Inc.	TE
28 UIL Holdings Corp.	UIL
29 Vectren Corp.	VVC
30 Westar Energy Inc.	WR
31 Wisconsin Energy Corp.	WEC
32 Xcel Energy Inc.	XEL

Source: Case 11-E-0408, Exhibit of Staff Witness Prylo

Staff Proxy Group: 32 Peer Companies

Regulated Utility Subsidiaries Of 32 Company NYPSC Staff Proxy Group

Regulated Utility	Parent Company	MDY Score	Fin. Stat.
1 Kingsport Power Company	American Electric Power Co.	NO	NO
2 Wheeling Power Company	American Electric Power Co.	NO	NO
3 Cheyenne Light, Fuel and Power Co.	Black Hills Corporation	NO	NO
4 Black Hills Colorado Gas Utility Co.	Black Hills Corporation	NO	NO
5 Black Hills Iowa Gas Utility Co.	Black Hills Corporation	NO	NO
6 Black Hills Kansas Gas Utility Co.	Black Hills Corporation	NO	NO
7 Black Hills Nebraska Gas Utility Co.	Black Hills Corporation	NO	NO
8 Black Hills Colorado Electric Utility Co.	Black Hills Corporation	NO	NO
9 Citizens Gas Fuel Company	DTE Energy Company	NO	NO
10 KCP&L Greater Missouri Operations Co.	Great Plains Energy Inc.	NO	NO
11 Hawaii Electric Light Company, Inc.	Hawaiian Electric Industries	NO	NO
12 Maui Electric Company, Limited	Hawaiian Electric Industries	NO	NO
13 Mobile Gas Service Corporation	Sempra Energy	NO	NO
14 Peoples Gas System	TECO Energy, Inc.	NO	NO
15 Vectren Energy Delivery of Ohio, Inc.	Vectren Corporation	NO	NO
16 Monongahela Power Co.	FirstEnergy Corp.	NO	√
17 West Penn Power Co.	FirstEnergy Corp.	NO	√
1 ALLETE (Minnesota Power)	ALLETE, Inc.	√	√
2 Superior Water, Light and Power Co.	ALLETE, Inc.	√	NO
3 Interstate Power and Light Co.	Alliant Energy Corporation	√	√
4 Wisconsin Power and Light Co.	Alliant Energy Corporation	√	√
5 Ameren Illinois Company	Ameren Corporation	√	√
6 Union Electric Company	Ameren Corporation	√	√
7 AEP Texas Central Company	American Electric Power Co.	√	√
8 AEP Texas North Company	American Electric Power Co.	√	√
9 Appalachian Power Company	American Electric Power Co.	√	√
10 Indiana Michigan Power Company	American Electric Power Co.	√	√
11 Kentucky Power Company	American Electric Power Co.	√	√
12 Ohio Power Company	American Electric Power Co.	√	NO
13 Public Service Co. of Oklahoma	American Electric Power Co.	√	√
14 Southwestern Electric Power Co.	American Electric Power Co.	√	√
15 Avista Utilities	Avista Corporation	√	√
16 Black Hills Power, Inc.	Black Hills Corporation	√	√
17 CenterPoint Energy Houston Electric, LL	CenterPoint Energy, Inc.	√	√
18 CenterPoint Energy Resources Corp.	CenterPoint Energy, Inc.	√	√
19 Central Hudson Gas & Electric	CH Energy Group, Inc;	√	√
20 Cleco Power LLC	Cleco Corporation	√	√
21 Consolidated Edison Co. of NY	Consolidated Edison, Inc.	√	√
22 Orange & Rockland Utilities Inc.	Consolidated Edison, Inc.	√	√

Staff Proxy Group: 32 Peer Companies

Regulated Utility	Parent Company	MDY Score	Fin. Stat.
23 Detroit Edison Company	DTE Energy Company	√	√
24 Michigan Consolidated Gas Company	DTE Energy Company	√	√
25 Southern California Edison Company	Edison International	√	√
26 Empire District Electric Company	Empire District Electric Co.	√	√
27 Entergy Arkansas Inc.	Entergy Corp.	√	√
28 Entergy Gulf States LA LLC	Entergy Corp.	√	√
29 Entergy Louisiana LLC	Entergy Corp.	√	√
30 Entergy Mississippi Inc.	Entergy Corp.	√	√
31 Entergy New Orleans Inc.	Entergy Corp.	√	√
32 Entergy Texas Inc.	Entergy Corp.	√	√
33 Cleveland Elec Illuminating Co	FirstEnergy Corp.	√	√
34 Jersey Cntrl Power & Light Co.	FirstEnergy Corp.	√	√
35 Metropolitan Edison Co.	FirstEnergy Corp.	√	√
36 Ohio Edison Co.	FirstEnergy Corp.	√	√
37 Pennsylvania Electric Co.	FirstEnergy Corp.	√	√
38 Toledo Edison Co.	FirstEnergy Corp.	√	√
39 Kansas City Power & Light Company	Great Plains Energy Inc.	√	√
40 Hawaiian Electric Company, Inc.	Hawaiian Electric Industries	√	√
41 Idaho Power Co.	IDACORP, Inc.	√	√
42 Madison Gas and Electric Co.	MGE Energy, Inc.	√	√
43 Atlantic City Electric Company	Pepco Holdings, Inc.	√	√
44 Delmarva Power & Light Company	Pepco Holdings, Inc.	√	√
45 Potomac Electric Power Company	Pepco Holdings, Inc.	√	√
46 Pacific Gas and Electric Company	PG&E Corporation	√	√
47 Arizona Public Service Company	Pinnacle West Capital Corp.	√	√
48 Portland General Electric Co.	Portland General Electric Co.	√	√
49 Public Service Co. of NC, Inc.	SCANA Corporation	√	NO
50 South Carolina Electric & Gas Co.	SCANA Corporation	√	√
51 San Diego Gas & Electric Co.	Sempra Energy	√	√
52 Southern California Gas Company	Sempra Energy	√	√
53 Alabama Power Company	Southern Company	√	√
54 Georgia Power Company	Southern Company	√	√
55 Gulf Power Company	Southern Company	√	√
56 Mississippi Power Company	Southern Company	√	√
57 Tampa Electric Company	TECO Energy, Inc.	√	√
58 Berkshire Gas Company	UIL Holdings Corp.	√	√
59 Connecticut Natural Gas Corporation	UIL Holdings Corp.	√	√
60 Southern Connecticut Gas Company	UIL Holdings Corp.	√	√
61 United Illuminating Company	UIL Holdings Corp.	√	√
62 Indiana Gas Company, Inc.	Vectren Corporation	√	√
63 Southern Indiana Gas and Electric Co.	Vectren Corporation	√	√

Staff Proxy Group: 32 Peer Companies

	Regulated Utility	Parent Company	MDY Score	Fin. Stat.
64	Kansas Gas and Electric Company	Westar Energy, Inc.	√	NO
65	Westar Energy (KPL)	Westar Energy, Inc.	√	√
66	Wisconsin Electric Power Company	Wisconsin Energy Corp.	√	√
67	Wisconsin Gas LLC	Wisconsin Energy Corp.	√	NO
68	Northern States Power Company - MN	Xcel Energy Inc.	√	√
69	Northern States Power Company - WI	Xcel Energy Inc.	√	√
70	Public Service Company of Colorado	Xcel Energy Inc.	√	√
71	Southwestern Public Service Company	Xcel Energy Inc.	√	√

NOTES:

MDY - Moody's


MDY Score √ - Able to identify individual Moody's regulatory factor scores in company credit reports

Fin.St. √ - Individual Financial Statements are available (SEC annual Form 10K)

Sources: Moody's Investor Services; SNL Financial LP.

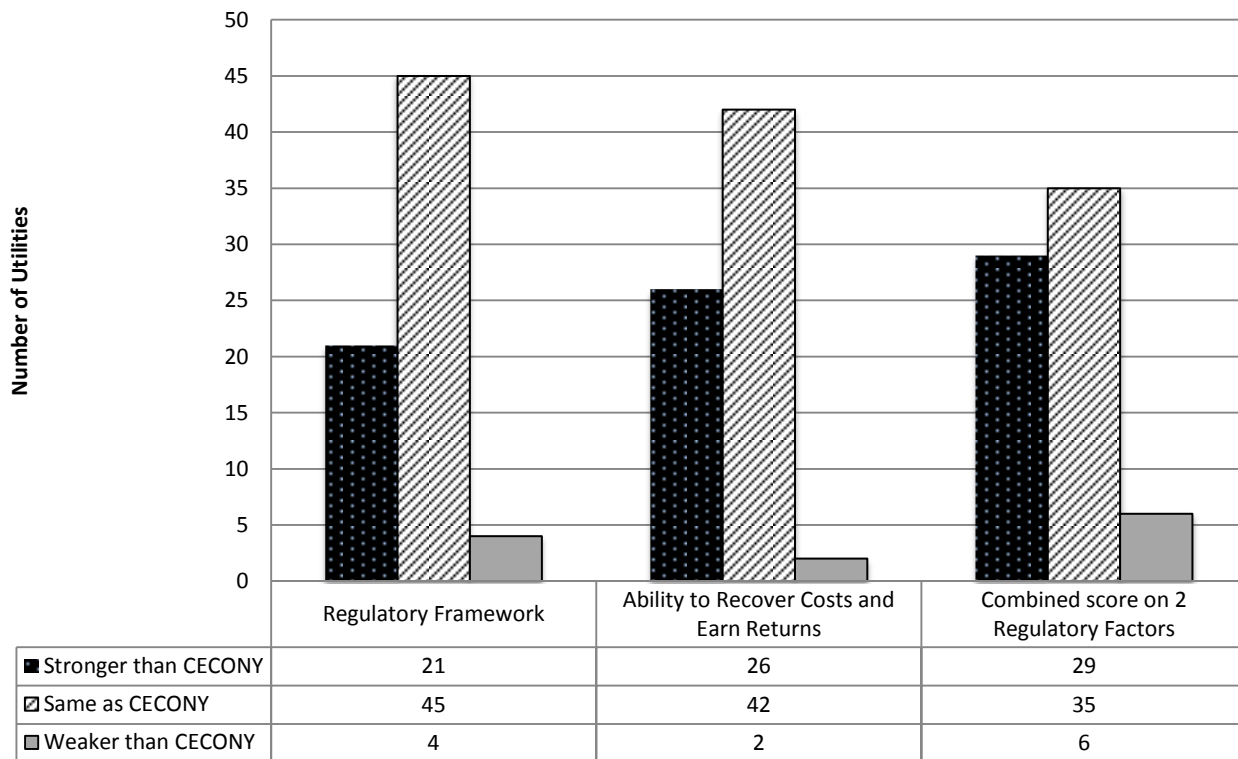
Moody's Combined Regulatory Factor Scores

**Moody's Combined Regulatory Factor Scores For Regulated Utilities in Staff Proxy Group
70 Utility Operating Company Peer Group**

	Moody's Score in Points	Equivalent Moody's Rating	Number of Utilities	% of Utilities
Most Credit Supportive  Least Credit Supportive	1	Aaa	0	0%
	3	Aa	0	0%
	6	A	18	26%
	7.5	A-/Baa1	11	16%
	9	Baa	35	50%
	10.5	Ba1	6	9%
	12	Ba2	<u>0</u>	<u>0%</u>
	Total Companies		70	100%

Source: Moody's Investor Services as of July 16, 2012 (derived from individual utility credit reports)

**Moody's Combined Regulatory Factor Scores:
70 Utility Operating Companies
NYSPC Staff Proxy Group**



**Comparative Cash Flow Credit Ratios Summary
2003-2011**

Summary of Cash Flow Credit Ratios, 2003-2011		
	2003-2011	
	Average Ratio	Median Ratio
Cash Flow Ratios:		
Adjusted CFO/ Total Debt		
Staff Proxy Group Subsidiaries	22.50%	22.00%
CECONY	20.30%	19.10%
Adjusted CFO Interest Coverage		
Staff Proxy Group Subsidiaries		
CECONY	4.97	4.92
	4.52	4.48
EBITDA Ratios:		
Recurring EBITDA/Total Debt		
Staff Proxy Group Subsidiaries	30.80%	31.00%
CECONY	28.20%	28.10%
Recu EBITDA Interest Coverage		
Proxy Group Subsidiaries	5.41	5.32
CECONY	4.89	4.8
Capital Expenditures Ratios:		
Capex / Net Property, Plant & Equipment		
Staff Proxy Group Subsidiaries	8.60%	8.40%
CECONY	9.50%	9.70%
Capex / Depreciation & Amortization		
Staff Proxy Group Subsidiaries	1.79	1.82
CECONY	2.8	2.76
NOTES:		
Adjusted CFO: Cash Flow from Operations before Changes in Working Capital Accounts.		
Recurring EBITDA: Net Income before interest, income taxes, depreciation and amortization charges, adjusted to exclude non-recurring items		
Source: Data from SNL Financial, LP		

**Comparative Cash Flow Credit Ratios Summary
2003-2011**

Cash Flow Credit Ratios by Year									
CECONY compared with NYPSC Staff Proxy Group									
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cash Flow Leverage Ratio: Adjusted CFO/ Total Debt									
Sample Size	60	62	62	64	64	65	67	69	67
Median	24.5%	24.1%	20.8%	21.6%	21.3%	22.0%	21.7%	23.9%	22.6%
CECONY	24.6%	22.8%	19.1%	14.0%	14.5%	17.1%	18.1%	23.9%	28.3%
Cash Flow Coverage Ratio: (Adj CFO+Interest)/ Interest									
Sample Size	60	62	62	64	64	65	67	67	67
Median	4.92	4.92	4.58	4.65	5.04	5.09	4.83	5.50	5.21
CECONY	4.74	4.80	4.48	3.28	3.61	4.21	4.17	5.22	6.17
Leverage Ratio: EBITDA/ Debt									
Sample Size	60	62	62	64	64	65	67	69	69
Median	33.3%	31.7%	32.4%	32.1%	31.0%	28.9%	27.2%	30.1%	30.1%
CECONY	31.5%	28.1%	28.9%	28.0%	28.6%	25.5%	25.7%	28.0%	29.8%
Coverage Ratio: EBITDA/Interest									
Sample Size	60	62	62	64	64	65	67	69	69
Median	5.10	5.73	5.90	5.63	5.32	5.30	4.89	5.13	5.68
CECONY	4.80	4.68	5.24	4.57	5.02	4.79	4.51	4.98	5.45
Ratio of CapEx/ Net Property, Plant & Equipment									
Sample Size	60	62	62	64	64	65	67	69	69
Median	7.1%	7.3%	8.4%	8.7%	10.0%	10.7%	9.4%	8.0%	7.7%
CECONY	9.1%	9.0%	10.0%	10.5%	10.1%	11.2%	9.7%	8.3%	7.6%
Ratio of CapEx/ Depreciation & Amortization									
Sample Size	60	62	62	64	64	65	67	69	69
Median	1.28	1.30	1.56	1.82	2.08	2.44	2.03	1.86	1.72
CECONY	2.67	2.68	3.01	3.19	3.06	3.28	2.76	2.37	2.15

Source of data: SNL Financial, LP

Note: The sample universe consists of those utility subsidiaries of NYPSC Staff 32 Company Proxy Group that file individual financial statements. In each year, the size of the sample group for median calculation reflects the number of companies filing individual financial statements that reported the relevant data elements.

**CECONY Pro Forma Credit Ratios
2007-2011**

Effect on CECONY Cash Flow Credit Measure of One-time, Non-Recurring Tax Reductions Bonus Depreciation & Prior Years' Repair Allowance Deductions					
	2007	2008	2009	2010	2011
Adjustments in \$millions:					
Estimated adjustment to CFO	0	0	(247)	(136)	(351)
Imputed increase in CECONY debt	0	0	247	383	734
Imputed Increase in interest expense	0	0	6	14	22
CECONY CFO Credit Measures:					
CFO/ Total Debt, unadjusted	14.5%	17.1%	18.1%	23.9%	28.3%
CFO/ Total Debt, as adjusted	14.5%	17.1%	15.1%	21.7%	23.0%
CFO Interest Coverage, unadjusted	3.5	4.2	4.2	5.3	6.2
CFO Interest Coverage, as adjusted	3.5	4.2	3.7	4.9	5.3
Source: Lapson Advisory analysis and estimates and CECONY financial statements 2009-2011.					
Interest rate on imputed debt increments of 5.2%, 4.6%, and 4% in 2009, 2010, and 2011.					

**Comparing the Ratio of Equity to Total Capital
Staff Proxy Group**

Ratio Equity / Total Cap					
	2003	2004	2005	2006	2007
Number of companies	65	67	67	68	65
Proxy Utilities Group median	46%	48%	49%	48%	49%
CECONY	48%	50%	49%	49%	50%
	2008	2009	2010	2011	
Number of companies	65	67	69	69	
Proxy Utilities Group median	46%	47%	48%	48%	
CECONY	49%	49%	50%	51%	
2003 - 2011	<u>Average</u>	<u>Median</u>			
Proxy Utilities Group median	48%	48%			
CECONY	49%	49%			
Source: SNL Financial, LP					

State Regulatory Adjustments and Trackers

State Regulatory Adjustment Mechanisms and Expense Trackers for U.S. Investor-Owned Electric Utilities									
	Total (a)	Fuel (b)	Purchased Power (b)	Energy Conservation	Renewables	Environmental Rules	New Plant	Full Decoupling	Partial Decoupling
Number of Jurisdictions	152								
Rate Rider or Adjustment Clause		104	101	69	39	43	41	21	26
Alternate Structure (b)		44	46						
Total with Rate Rider, Adjustment, or Alternative Mechanism		148	147	69	39	43	41	21	26
Percent of Total with Mechanism	100%	97%	97%	45%	26%	28%	27%	14%	17%
CECONY/ New York PSC		Yes	Yes	No	No	No	No	Yes	NA
<p>Source: "Adjustment Clauses and Rate Riders: A State by State Overview", March 21 (revisions March 28, 2012), Regulatory Research Associates/ SNL Financial; Lapson Advisory</p> <p>Notes:</p> <p>(a) The survey tallies each state jurisdiction for a utility as a single observation. Thus, a utility that serves in two state jurisdictions appears in this study as two observations.</p> <p>(b) Includes state jurisdictions with an alternate structure, i.e., all consumers purchase energy from third-party providers or are supplied pursuant to competitive auction purchase, eliminating commodity supply risk for the distributor.</p> <p>NA = Not applicable</p>									

Test Periods and Related Mechanisms by Jurisdiction

State Regulatory Jurisdictions: Test Periods for Rate Cases and Related Mechanisms						
Jurisdiction	Rate Case Test Period				Other Related Mechanisms	CWIP
	Fully Forecasted	Partially Forecasted	Historic with Known & Measurable	Historic		
1 Alabama			√		Formulary rate adjustments annual adjustments	CWIP allowed
2 Alaska				√		
3 Arizona			√			
4 Arkansas		√				
5 California	√					
6 Colorado				√		CWIP allowed
7 Connecticut				√		
8 Delaware			√			CWIP on environmental control projects
9 District of Columbia		√				CWIP on environmental control projects
10 Florida	√					
11 Georgia		√				CWIP allowed
12 Hawaii		√				
13 Idaho			√			
14 Illinois				√	Historic coupled with formulary adjustments (reconciliation of revenues & expenses)	CWIP for no more than 12 months before completion
15 Indiana			√			CWIP for environmental project
16 Iowa			√			
17 Kansas			√			CWIP has occasionally been allowed
18 Kentucky			√			CWIP allowed
19 Louisiana				√		
20 Maine		√			Attrition adjustments sometimes allowed	
21 Maryland			√			
22 Michigan		√ See: Other			Interim rate increase collected almost immediately, so revenues collected during the test year.	Certification process for major capex. CWIP allowed.
23 Minnesota		√			Interim rate increase collected almost immediately, so revenues collected during the test year.	CWIP allowed for various types of projects.
24 Mississippi	√					CWIP allowed
25 Missouri			√			
26 Montana			√			

Test Periods and Related Mechanisms by Jurisdiction

27 Nebraska	√					CWIP allowed
	Fully Forecasted	Partially Forecasted	Known & Measurable	Historic	Other Related Mechanisms	CWIP
28 New Hampshire			√			
29 New Jersey	√					CWIP allowed in cases of financial hardship
30 New Mexico	√ (new law)					
31 New York	√				Annual updates in case of multi-year plan	
32 North Carolina	√		√			
33 North Dakota						CWIP allowed
34 NV			√			
35 Ohio		√				CWIP allowed on projects if 75% or more complete
36 Oklahoma			√			CWIP allowed
37 Oregon	√ (full or partial)					CWIP for environmental compliance or PUC mandated investment
38 Pennsylvania	√ (new law)					
39 Rhode Island	√					
40 South Carolina			√			CWIP allowed
41 South Dakota			√			CWIP for certificated projects within 12 months of completion and for transmission
42 Tennessee	√					CWIP allowed
43 Texas PUC			√			
44 Texas Railroad C.			√			
45 Utah	√					
46 Vermont			√			CWIP allowed
47 Virginia			√		Formulary ROE mechanism	CWIP allowed
48 W. Virginia			√			CWIP allowed
49 Washington			√ See Other		May allow attrition adjustments	CWIP allowed
50 Wisconsin	√				Alternative to CWIP: Cash return allowed on 50% of CWIP via adder to ROR on ratebase	
51 Wyoming			√			
Total	14	8	24	5		

Source: Based on individual PSC reports from Regulatory Research Associates (SNL Financial, LLC), Data as of Oct. 14, 2012.

Tariff Penalty Incentive Mechanisms by Jurisdiction

As of October 19, 2012

Exhibit EL-12

Page 1 of 3

	ANY PENALTY	Service Reliability; Customer Service Standards	Energy Efficiency, DSM, Conservation, or Renewable Energy Standards	Other - Describe Type
1 Alabama				
2 Alaska				
3 Arizona				
4 Arkansas				
5 California	√			√ LSE power capacity relative to load
6 Colorado				
7 Connecticut				
8 Delaware				
9 District of Columbia	√	√		
10 Florida				
11 Georgia	√	√		
Hawaii	√		√	
13 Idaho				
14 Illinois	√	√		
15 Indiana				
16 Iowa				
17 Kansas	√		√	√ Cost of fuel and purchased power
18 Kentucky				
19 Louisiana				
20 Maine	√	√		
21 Maryland	√	√		
22 Massachusetts	√	√		
23 Michigan				
24 Minnesota				
25 Mississippi				
26 Missouri	√		√	
27 Montana				
28 Nebraska				
29 New Hampshire				
30 New Jersey				
31 New Mexico				
32 New York	√	√	√	√ Stray voltage; other safety
33 North Carolina				
34 North Dakota				
35 Nevada				
36 Ohio				
37 Oklahoma				
38 Oregon	√		√	
39 Pennsylvania	√	√		
40 Rhode Island				
41 South Carolina				
42 South Dakota				
43 Tennessee				
44 Texas PUC				
45 Texas Railroad				
46 Utah				
47 Vermont				
48 Virginia	√	√		
49 W. Virginia			√	
50 Washington	√			
51 Wisconsin				
52 Wyoming				
SUM (Number of Jurisdictions)				
√ - One or more penalty				
mechanism	15	9	6	3
No - None	37			

Notes: LSE - Load Serving Entity; DSM - Demand Side Management; PUC - Public Utility Commission;

Source: Regulatory Research Associates, SNL Financial LP

**Tariff Penalty or
Incentive Mechanisms by Jurisdiction**

Penalty Programs Currently in Effect (as of October 19, 2012)

Service Quality and Reliability Standards

Jurisdiction	Description of Mechanism
1 District of Columbia	In the event PEPSCO fails to meet annual reliability benchmarks, penalties will be determined on a case-by-case basis. In July 2011 the DC Council passed a new act which increases potential penalty amounts.
2 Georgia	Atlanta Gas Light is subject to service quality standards. A penalty of \$50,000 per occurrence applies if standards are not met after a remediation period.
3 Illinois	New 2011 Illinois law established a minimum ROE of 600 bp over a debt index and establishes performance standards and ROE penalties ranging from 30-36 BP if not achieved.
4 Maine	Central Maine Power multi-year ARP provides for a service quality penalty of up to \$5 million in any year.
5 Maryland	In May 2012 a new Maryland law requires the Commission to set enhanced reliability rules for electric utilities, with a schedule of penalties.
6 Massachusetts	Electric and gas utilities may be subject to a maximum penalty equal to 2.5% of transmission and distribution revenues for poor service quality. Poor service on one indicator may be offset by evidence of superior performance on other indicators.
7 New York	Multi-year rate plans generally include the potential for penalties related to service quality and customer service.
8 Pennsylvania	The PUC's electric reliability rules set benchmarks for the number and duration of service outages annually. Large electric utilities are subject to penalties if they fail to remain with 20% of the benchmark in 12 months or 10% for a rolling 3-years.
9 Virginia	The 2007 law allows the Commission discretion to modify the formula ROE by as much as 100 bp premium or penalty, based on the utility's operating performance.

Renewable Energy or Energy Efficiency Mandates

1 Hawaii	Failure to meet certain renewable resource targets; penalties may be waived if compliance is not feasible.
2 Kansas	Failure to meet renewable energy standards
3 Missouri	Penalties may be imposed for failure to comply with renewable energy standard.
4 Oregon	Penalties for failure to comply with renewable energy standard
5 New York	Energy efficiency portfolio standards
6 W. Virginia	Non-compliance with a renewable energy and conservation certificate program is subject to penalties.

Other Standards

1 California	Load Serving Entities including electric aggregators and marketers are subject to penalties for failure to obtain required capacity relative to load.
2 Kansas	Energy cost recovery clause: Penalties may be imposed if actual costs exceed projections for three consecutive months.
3 New York	Stray voltage and other safety standards

Notes: bp - Basis point (1/100 of 1 %) ; ARP - Alternate Rate Plan

Source: Lapson Advisory, derived from Regulatory Research Associates, SNL Financial LP, as of October 19, 2012

Tariff Penalty or Incentive Mechanisms by Jurisdiction

As of October 19, 2012

State Jurisdiction	ANY INCENTIVE	Gas: Purchase, off-system sales, capacity release	Power: plant heat rate, purchase, off-system sales	Energy Efficiency or DSM programs	Renewable Energy Targets	Other - Describe Type
1 Alabama	√					√ O&M Expenses
2 Alaska						
3 Arizona						
4 Arkansas	√			√		
5 California	√	√		√		
6 Colorado	√			√	√	
7 Connecticut	√			√		
8 Delaware						
9 District of Columbia						
10 Florida	√		√			
11 Georgia						
12 Hawaii	√			√ *		
13 Idaho	√		√			
14 Illinois						
15 Indiana	√			√	√	
16 Iowa	√	√				
17 Kansas	√	√				
18 Kentucky	√	√				
19 Louisiana						
20 Maine						
21 Maryland	√			√		
22 Massachusetts	√			√		√ Transmission projects
23 Michigan	√			√		
24 Minnesota	√			√		√ Reduce Hg emissions
25 Mississippi						
26 Missouri	√		√			
27 Montana	√		√			
28 Nebraska						
29 New Hampshire						
30 New Jersey						
31 New Mexico						
32 New York						
33 North Carolina	√			√		
34 North Dakota	√					√ Various in ARPs
35 Nevada	√			√		√ Critical investment projects
36 Ohio						
37 Oklahoma	√			√		
38 Oregon	√	√				
39 Pennsylvania	√		√			
40 Rhode Island	√				√*	
41 South Carolina	√			√		
42 South Dakota						
43 Tennessee	√					
44 Texas PUC						
45 Texas Railroad						
46 Utah	√		√			
47 Vermont	√					√ ARP incentive mechanism
48 Virginia	√			√		√* Critical investment projects
49 W. Virginia	√				√	
50 Washington	√			√		
51 Wisconsin						
52 Wyoming	√	√				√* Efficiency, modernization, cost control
SUM (No. of Jurisdictions)	33	6	6	16	4	8
33	√ - Commission has one or more incentive mechanisms.					
19	No - None					

Notes: √* - Incentive mechanism is known to be incentive only, no penalties for non-compliance:

ARP - Alternate Regulation Plan; Hg - Mercury; PUC - Public Utility Commission. Source: Regulatory Research Assoc., SNL Financial.