Calculation of Electric ROE - DCF Method

	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Company[1]	Beta[2]	04/09 - 06/09 Price[3]	EPS 2012-14	DPS 2009	DPS 2010	DPS 2012-14	BPS 2009	BPS 2010	BPS 2012-14	# of Shares 2009	# of Shares 2012-14
1.	ALLETE	0.70	$26.89	$ 2.75	$ 1.76	$ 1.80	$ 1.92	$ 26.00	$ 26.65	$ 29.00	34.00	41.00
2.	Alliant Energy Corp.	0.70	24.15	3.20	1.50	1.60	1.92	26.45	26.70	31.15	111.00	116.00
3.	Ameren Corp.	0.80	23.56	3.25	1.54	1.54	1.70	34.05	35.40	40.00	216.00	225.00
4.	American Electric Power	0.75	26.54	3.50	1.64	1.66	1.90	27.30	28.60	33.25	476.76	490.00
5.	Avista Corp	0.70	15.26	1.75	0.78	0.90	1.25	19.00	19.70	21.50	56.00	58.00
6.	Black Hills Corp	0.80	20.59	2.50	1.42	1.44	1.56	27.70	28.20	30.50	39.00	40.00
7.	Cleco Corp.	0.70	21.43	2.50	0.90	1.00	1.60	18.55	19.60	22.75	62.00	66.00
8.	Consolidated Edison	0.65	37.06	3.80	2.36	2.38	2.44	36.25	37.45	41.60	285.00	290.00
9.	DPL Inc.	0.60	22.50	2.65	1.14	1.18	1.30	9.80	10.80	13.90	116.00	124.00
10.	DTE Energy Co.	0.75	30.33	4.00	2.12	2.12	2.50	37.20	37.90	41.00	166.00	178.00
11.	Duke Energy Corp.	0.65	14.11	1.40	0.94	0.98	1.10	16.65	16.85	17.75	1,295.00	1,310.00
12.	Edison International	0.80	29.64	4.25	1.25	1.28	1.50	30.70	32.40	39.00	325.81	325.81
13.	Empire District Electric	0.75	15.51	2.00	1.28	1.28	1.40	15.75	16.05	17.50	34.50	38.50
14.	Entergy Corp.	0.70	71.13	8.00	3.00	3.20	3.80	43.00	47.25	60.75	188.00	188.00
15.	FirstEnergy	0.85	39.38	5.25	2.20	2.20	2.65	28.75	30.20	37.00	304.84	304.84
16.	FPL Group, Inc.	0.75	54.79	5.75	1.89	2.00	2.30	31.00	33.95	43.25	415.00	432.00
17.	Great Plains Energy	0.75	14.55	1.50	0.83	0.83	1.00	21.20	21.60	22.25	132.00	154.00
18.	Hawaiian Electric	0.60	16.55	1.75	1.24	1.24	1.24	15.40	15.75	17.00	91.00	93.00
19.	IDACORP, Inc.	0.70	23.94	2.75	1.20	1.20	1.20	29.10	30.60	35.60	48.00	52.00
20.	MGE Energy Inc.	0.65	31.28	2.80	1.45	1.47	1.54	21.85	22.85	21.05	23.00	25.00
21.	Northeast Utilities	0.70	21.29	2.25	0.95	1.00	1.15	20.25	21.20	25.25	176.00	210.00
22.	NSTAR	0.65	31.25	3.25	1.53	1.63	1.95	17.60	18.55	22.00	106.81	106.81
23.	PG&E Corp.	0.60	37.22	4.25	1.68	1.80	2.20	27.65	29.00	35.75	365.00	408.00
24.	Pinnacle West Capital	0.70	27.78	3.25	2.10	2.10	2.20	33.20	34.10	37.00	101.50	111.00
25.	Portland General Electric	0.70	18.26	2.25	1.01	1.07	1.30	21.20	22.00	25.00	75.05	80.00
26.	Progress Energy	0.65	35.60	3.60	2.48	2.50	2.56	31.95	33.05	36.80	280.00	288.00
27.	Sempra Energy	0.90	47.06	5.75	1.56	1.72	2.10	35.60	38.75	49.75	246.00	250.00
28.	Southern Co.	0.55	29.56	3.00	1.73	1.80	2.00	18.10	19.10	22.25	796.00	823.00
29.	Teco Energy, Inc.	0.80	11.40	1.40	0.80	0.80	0.90	9.70	10.10	11.75	214.00	218.00
30.	Vectren Corp.	0.75	22.28	2.25	1.35	1.39	1.51	17.85	19.05	22.80	81.00	83.00
31.	Westar Energy	0.75	17.86	2.15	1.20	1.24	1.40	21.55	22.75	27.20	109.00	114.00
32.	Wisconsin Energy	0.65	39.93	4.50	1.35	1.55	2.15	30.15	32.10	37.75	117.00	117.00
33.	Xcel Energy, Inc.	0.65	18.02	2.00	0.97	1.00	1.10	15.90	16.50	19.00	456.00	464.00
	Median:	**0.70**										
	Average:	**0.71**										

Sources:

[1] Value Line Investment Survey, Electric Industry Central, June 26, 2009.
Value Line Investment Survey, Electric Industry East, May 29, 2009.
Value Line Investment Survey, Electric Industry West, May 8, 2009.

[2] Beta data is from Value Line Investment Survey.

[3] Historical price data is from Yahoo.com

Calculation of Electric R(Calculation of Electric ROE - DCF Method

	(B)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)
		DPS Growth	Retention Rate	Return on Equity		Increase in	MBR				Sustainable	Long-Form
	Company[1]	2012-14	2013	2013	B x R	Shares	2009	S Factor	V Factor	S x V	Growth	ROE
1.	ALLETE	2.17	0.30	9.62	2.90	4.79	1.03	4.96	0.03	0.16	3.07	9.53%
2.	Alliant Energy Corp.	6.27	0.40	10.54	4.21	1.11	0.91	1.01	(0.10)	(0.10)	4.12	10.89%
3.	Ameren Corp.	3.35	0.48	8.29	3.95	1.03	0.69	0.71	(0.45)	(0.32)	3.64	10.13%
4.	American Electric Power	4.60	0.46	10.79	4.93	0.69	0.97	0.67	(0.03)	(0.02)	4.91	11.08%
5.	Avista Corp	11.57	0.29	8.26	2.36	0.88	0.80	0.71	(0.25)	(0.17)	2.19	9.14%
6.	Black Hills Corp	2.70	0.38	8.30	3.12	0.63	0.74	0.47	(0.35)	(0.16)	2.96	9.86%
7.	Cleco Corp.	16.96	0.36	11.26	4.05	1.58	1.16	1.82	0.13	0.24	4.30	10.35%
8.	Consolidated Edison	0.83	0.36	9.29	3.33	0.44	1.02	0.45	0.02	0.01	3.34	9.33%
9.	DPL Inc.	3.28	0.51	19.87	10.12	1.68	2.30	3.86	0.56	2.18	12.30	16.38%
10.	DTE Energy Co.	5.65	0.38	9.88	3.71	1.76	0.82	1.43	(0.23)	(0.33)	3.38	10.78%
11.	Duke Energy Corp.	3.93	0.21	7.96	1.70	0.29	0.85	0.24	(0.18)	(0.04)	1.66	8.87%
12.	Edison International	5.43	0.65	11.23	7.27	0.00	0.97	0.00	(0.04)	0.00	7.27	11.33%
13.	Empire District Electric	3.03	0.30	11.59	3.48	2.78	0.98	2.74	(0.02)	(0.04)	3.44	11.61%
14.	Entergy Corp.	5.90	0.53	13.72	7.20	0.00	1.65	0.00	0.40	0.00	7.20	11.41%
15.	FirstEnergy	6.40	0.50	14.67	7.26	0.00	1.37	0.00	0.27	0.00	7.26	12.73%
16.	FPL Group, Inc.	4.77	0.60	13.83	8.30	1.01	1.77	1.78	0.43	0.77	9.07	12.23%
17.	Great Plains Energy	6.41	0.33	6.77	2.26	3.93	0.69	2.70	(0.46)	(1.23)	1.03	7.58%
18.	Hawaiian Electric	0.00	0.29	10.43	3.04	0.54	1.07	0.59	0.07	0.04	3.08	10.00%
19.	IDACORP, Inc.	0.00	0.56	7.92	4.46	2.02	0.82	1.66	(0.22)	(0.36)	4.11	8.59%
20.	MGE Energy Inc.	1.56	0.45	13.12	5.90	2.11	1.43	3.02	0.30	0.91	6.81	10.87%
21.	Northeast Utilities	4.77	0.49	9.17	4.48	4.51	1.05	4.75	0.05	0.23	4.71	9.30%
22.	NSTAR	6.16	0.40	15.19	6.08	0.00	1.78	0.00	0.44	0.00	6.08	11.14%
23.	PG&E Corp.	6.92	0.48	12.30	5.93	2.82	1.35	3.80	0.26	0.98	6.91	11.59%
24.	Pinnacle West Capital	1.56	0.32	8.90	2.88	2.26	0.84	1.89	(0.20)	(0.37)	2.51	9.89%
25.	Portland General Electric	6.71	0.42	9.19	3.88	1.61	0.86	1.39	(0.16)	(0.22)	3.66	9.81%
26.	Progress Energy	0.79	0.29	9.96	2.88	0.71	1.11	0.79	0.10	0.08	2.96	9.57%
27.	Sempra Energy	6.88	0.63	12.04	7.64	0.40	1.32	0.53	0.24	0.13	7.77	11.17%
28.	Southern Co.	3.57	0.33	13.83	4.61	0.84	1.63	1.37	0.39	0.53	5.14	10.87%
29.	Teco Energy, Inc.	4.00	0.36	12.22	4.36	0.46	1.17	0.55	0.15	0.08	4.44	11.39%
30.	Vectren Corp.	2.80	0.33	10.16	3.34	0.61	1.25	0.76	0.20	0.15	3.49	9.53%
31.	Westar Energy	4.13	0.35	8.14	2.84	1.13	0.83	0.93	(0.21)	(0.19)	2.65	9.74%
32.	Wisconsin Energy	11.52	0.52	12.24	6.39	0.00	1.32	0.00	0.24	0.00	6.39	10.53%
33.	Xcel Energy, Inc.	3.23	0.45	10.77	4.85	0.44	1.13	0.49	0.12	0.06	4.91	10.14%
	Median:	**4.13**	**0.40**	**10.54**	**4.21**		**1.05**			Median Result:	**4.12**	**10.35%**
	Average:	**4.78**	**0.42**	**10.95**	**4.66**		**1.14**				**4.75**	**10.53%**

Calculation of GFC Cost of Equity - Staff Proxy Group

Merrill Lynch Cost of Market[1]: 12.40%

	Treasury Rates[2]	
	10 year	*30 year*
Apr-09	2.93%	3.76%
May-09	3.29%	4.23%
Jun-09	3.72%	4.52%

Risk Free Rate (04/09 - 06/09)	3.74%
Market Risk Premium (MRP):	8.66%
Proxy Group Beta	0.70
Proxy Group DCF ROE	10.35%
Traditional CAPM ROE	9.80%
Zero Beta CAPM ROE	10.45%
Generic CAPM ROE	10.13%
2/3 DCF 1/3 CAPM Weighting Return on Equity	10.28%
Credit Quality Adjustment	-0.31%
Issuance Expense Adjustment	0.08%
RECOMMENDED ROE (Unrounded)	**10.05%**

Sources:
[1]Merrill Lynch, *Quantitative Profiles*, July 9, 2009; figure is average of Implied and Required Returns for S&P 50(
[2]Federal Reserve Statistical Release, FRB: Federal Reserve Statistical Release H.15 - Historical Data