

Niagara Mohawk Power Corporation  
d/b/a National Grid

PROCEEDING ON MOTION OF THE  
COMMISSION AS TO THE RATES,  
CHARGES, RULES AND  
REGULATIONS OF NIAGARA  
MOHAWK POWER CORPORATION  
FOR ELECTRIC AND GAS SERVICE

Rebuttal Testimony and Exhibits of:

Robert B. Hevert  
Mustally A. Hussain  
Dr. Ronald White

Book 2

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Case 12-E-0201  
Case 12-G-0202

Submitted by:  
Niagara Mohawk Power Corporation



**Before the Public Service Commission**

**NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL**

**GRID**

**Rebuttal Testimony**

**of**

**Robert B. Hevert**

**Case 12-E-0201**  
**Case 12-G-0202**

**Rebuttal Testimony of Robert B. Hevert**

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1   **I.     Witness Identification**

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

3   A.     My name is Robert B. Hevert. I am Managing Partner of Sussex  
4           Economic Advisors, LLC and, in this proceeding, serve as an Executive  
5           Advisor to Concentric Energy Advisors, Inc.

6  
7   **Q.     Are you the Robert B. Hevert who submitted direct testimony in these**  
8           **proceedings?**

9   A.     Yes, I submitted direct testimony on behalf of Niagara Mohawk Power  
10          Corporation d/b/a National Grid (“Niagara Mohawk” or “the Company”),  
11          an indirect wholly-owned subsidiary of National Grid USA (“National  
12          Grid”) regarding the Company’s Cost of Equity (sometimes referred to  
13          herein as the “Return on Equity” or “ROE”). I submitted my credentials  
14          as part of my direct testimony. With respect to the Company’s ROE, my  
15          direct testimony also proposed a “Stay-Out Premium” to be added to the  
16          authorized ROE as part of a three-year rate settlement agreement.

17  
18   **Q.     Please state the purpose of your rebuttal testimony.**

19   A.     The purpose of my rebuttal testimony is to respond to the direct testimony  
20          submitted by Mr. Kwaku Duah on behalf of the Department of Public  
21          Service (“Staff”) regarding the appropriate ROE in this proceeding. My

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1           rebuttal testimony also updates the calculations contained in my direct  
2           testimony to correspond more closely to the time period and data  
3           presented by Staff, and includes several additional analyses developed in  
4           response to certain points raised by Staff.

5

6   **Q.    Have you prepared any rebuttal exhibits?**

7   A.    Yes. Exhibits \_\_ (RBH-1R) through (RBH-15R) have been prepared by  
8           me or under my direct supervision.

9

10 **Q.    Please provide an overview of the principal observations and**  
11 **conclusions contained in your rebuttal testimony.**

12 A.    For reasons explained more fully in the balance of my rebuttal testimony,  
13           my general observations and principal conclusions are as follows:

- 14           • The updates provided in my rebuttal testimony have caused me to alter  
15               my recommended ROE downward from 10.55 percent to 10.22  
16               percent.
- 17           • The ROE recommendations made by Staff in this proceeding are  
18               unduly low and cannot be reconciled with observable, relevant market  
19               data. Moreover, in several instances Staff's data and assumptions  
20               contradict, or are highly inconsistent with, Staff's recommendations.
- 21           • Staff notes that while we rely on similar forms of the Discounted Cash

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1 Flow (“DCF”) model and Capital Asset Pricing Model (“CAPM”),  
2 Staff disagrees with the assumptions used in my analyses. My rebuttal  
3 testimony discusses the differences between our respective analyses  
4 and describes the independent market data and underlying analyses  
5 that support my application of the DCF and CAPM approaches. While  
6 Staff disagrees with the assumptions used in my analyses, Staff’s  
7 conclusions regarding those issues are generally misplaced. As such,  
8 my rebuttal testimony discusses the appropriate context for estimating  
9 the Company’s ROE using the DCF and CAPM methodologies and  
10 why the approaches I have used are appropriate, especially in light of  
11 the current capital market environment.

- 12 • Staff did not address my proposed Stay-Out premium but my updated  
13 analysis provided in Exhibit \_\_ (RBH-13R) continues to show that a  
14 35 basis point increment to the authorized ROE remains a conservative  
15 estimate if the Company agrees to a three-year rate plan.

16  
17 **Q. How is the balance of your rebuttal testimony organized?**

18 A. In Section II, I provide an overview of my rebuttal testimony, including a  
19 summary of my updated results and calculations; Section III provides an  
20 update to the discussion of current market conditions; Section IV sets forth  
21 my specific responses to Staff; and Section V provides a summary of my

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1 conclusions and recommendations.

2

3 **II. Summary and Overview**

4 **Q. Please provide an overview of Staff's testimony on ROE.**

5 A. Staff recommends an ROE of 8.90 percent based on the application of the  
6 "Two-Stage" DCF model and two forms of the CAPM. Staff weights the  
7 respective DCF and CAPM median results according to a two-thirds, one-  
8 third weighting convention. (Staff Witness Duah Testimony at 41; *see*  
9 also Exhibit \_\_ (KXD-14)). Those model results and that weighting  
10 convention produce an (unrounded) ROE of 8.85 percent, which Staff  
11 rounds to 8.90 percent.

12

13 Regarding Staff's review of my direct testimony, Staff identifies specific  
14 areas of disagreement, including: (1) the composition of my proxy group;  
15 (2) the growth rates used in my Multi-Stage DCF analyses; (3) the choice  
16 of the Beta Coefficient used in my CAPM analyses; and (4) the calculation  
17 of the forward-looking Market Risk Premium ("MRP") estimate contained  
18 in my CAPM analyses. As to the issue of proxy group composition, my  
19 rebuttal testimony includes a combined proxy group, which includes all of  
20 the companies proposed by either Staff or me. With respect to the growth  
21 rates used in my DCF analyses, Staff disagrees with the method I use to



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1 calculate dividend growth in the near term and does not agree with the  
2 methods used to develop an estimate of long-term Gross Domestic Product  
3 (“GDP”) growth. Regarding the use of Beta Coefficients in the CAPM,  
4 Staff (at 84) misstates the approach Bloomberg uses in calculating Beta  
5 Coefficients, arguing that the use of Beta Coefficients calculated using 24  
6 monthly returns is unreliable. With regard to the MRP estimate, Staff is  
7 most concerned with the method employed in estimating that parameter,  
8 asserting (at 70) that the estimate included in my direct testimony is based  
9 on a growth rate that is unsustainably high.

10  
11 As discussed more fully in Section IV, I disagree with Staff’s conclusions  
12 regarding both the Company’s Cost of Equity in general, and several of  
13 the analyses relied on by Staff in arriving at the extraordinary low  
14 analytical results and recommendation in particular.

15  
16 **Q. Are there any practical benchmarks that provide a reasonable**  
17 **perspective on Staff’s recommendation?**

18 A. Yes. It is my experience that returns authorized in other jurisdictions are  
19 important to investors and therefore provide a relevant benchmark for the  
20 purposes of assessing the reasonableness of analytical results and ROE  
21 recommendations. In that regard, data provided by Regulatory Research

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1 Associates shows that the 8.90 percent ROE recommended by Staff is  
2 lower than every one of the authorized electric utility returns (and lower  
3 than all but one authorized gas utility return) during the period from 2010  
4 through 2012 and is lower than all but one authorized ROE nationally  
5 since at least 1980.

6  
7 Similarly, since 2010 the Commission has authorized ROEs in seven  
8 separate rate proceedings. The average authorized ROE for the New York  
9 utilities over that time frame was approximately 9.72 percent, fully 82  
10 basis points higher than Staff's recommendation in this case. Moreover,  
11 Staff's recommendation is fully 20 basis points lower than the lowest ROE  
12 authorized by the Commission since 1980.

13  
14 More importantly, however, the combination of Staff's recommended  
15 ROE and capital structure, together with the other aspects of Staff's  
16 revenue requirement recommendations in these proceedings, do not  
17 provide adequate support for the Company's current credit ratings. As  
18 discussed in more detail by Company Witness Hussain, based on Staff's  
19 recommendations, the Company could face the prospect of a credit rating  
20 downgrade as a result of the dilutive effect on both capital structure and  
21 cash flow-based coverage ratios. As such, Staff's proposal is not even

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1 consistent with its stated goal (at 7) of providing “a utility with a  
2 reasonable opportunity to earn a return on utility investments comparable  
3 to the return available on investments of similar risk.”

4

5 **Q. In light of that data, what are your principal conclusions regarding**  
6 **Staff’s ROE recommendation?**

7 A. As noted in my direct testimony, it is important to recognize that investors  
8 consider a broad range of data, including authorized returns from  
9 alternative jurisdictions, both in establishing their return requirements and  
10 as a means of assessing the regulatory risk associated with any given  
11 jurisdiction. As Staff undoubtedly is aware, equity investors have many  
12 options available to them, and will allocate their capital based on the  
13 expected returns associated with those alternatives. While I am not  
14 suggesting that the Commission should be bound by the decisions made in  
15 other regulatory jurisdictions, given that investors consider such data in  
16 framing their investment decisions, return recommendations that  
17 materially deviate from observed industry norms should be supported by  
18 clear and unambiguous reasons explaining those deviations. As discussed  
19 throughout my rebuttal testimony, Staff has failed to do so.

20

21 From an analytical perspective, it is important that the inputs and

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1 assumptions used to arrive at an ROE recommendation are consistent with  
2 the recommendation itself. In addition, while I appreciate that every  
3 analysis necessarily requires an element of judgment, the application of  
4 that judgment must be made in the context of the quantitative and  
5 qualitative information available to the analyst. In my view, the 8.90  
6 percent ROE recommended by Staff cannot be reconciled with the data  
7 and assumptions underlying its recommendations or with the breadth of  
8 market data typically relied upon by industry practitioners.  
9

10 **Q. Please summarize the updates and modifications made to the analyses**  
11 **contained in your direct testimony.**

12 A. As a preliminary matter, I recognize that proxy group composition is an  
13 area of disagreement between me and Staff in these proceedings. While I  
14 continue to believe that the approach used in my direct testimony is  
15 reasonable, I also recognize that the definition and application of the  
16 criteria used to develop comparison groups may be subject to reasonable  
17 differences in judgment among analysts. Consequently, to narrow the  
18 scope of the areas of disagreement, for purposes of my rebuttal testimony I  
19 have developed a proxy group that contains all of the companies used by  
20 Staff or me in these proceedings (the “combined proxy group”).  
21

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1 In order to limit the effect of timing on differences in our analytical  
2 results, I have relied, to the extent possible, on the same full three-month  
3 time period used by Staff (April through June 2012) as the basis of my  
4 updated and revised analyses. Based on that data, I have updated my DCF  
5 (both Multi-Stage models) and CAPM analyses (both traditional and Zero  
6 Beta). For the purposes of my CAPM analyses, I have updated my  
7 forward-looking MRP estimate, and have provided Beta Coefficients  
8 based on more recent market data. I have performed those analyses using  
9 the combined proxy group.

10  
11 Table 1 (below) summarizes my updated calculation of the Company's  
12 ROE based on the Commission's weighting convention.

**Table 1: Summary of Results**

|  | <b>Combined<br/>Proxy<br/>Group</b> |
|--|-------------------------------------|
| Average DCF Results  | 10.20%                              |
| Average CAPM Results   | 10.28%                              |
| Return on Equity (NYPSC Averaging Convention 2/3 DCF+1/3 CAPM) | <u>10.22%</u>                       |

14  
15 My testimony and exhibits also contain many other analyses that support  
16 and corroborate my recommended ROE.

17  
18 **Q. Have you revised your ROE recommendation based on those results?**

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1 A. As noted above, the updated results presented in my rebuttal testimony,  
2 which have been calculated in accordance with the Commission's  
3 weighting convention, support an ROE of 10.22 percent.

4

5 **III. Capital Market Conditions**

6 **Q. Please provide a brief overview of current capital market conditions.**

7 A. Table 2 (below) provides updated data for several commonly referenced  
8 capital market measures including credit spreads, expected equity  
9 volatility, and yield spreads (*i.e.*, the difference between dividend yields  
10 and Treasury yields). Except where noted, I compared current market  
11 conditions to the two-year period prior to the 2007-2009 recession (*i.e.*,  
12 January 2006 through November 2007), and to the capital market  
13 contraction period of 2002-2003. As shown in Table 2 (below), those  
14 metrics continue to indicate that current levels of instability and risk  
15 aversion are significantly higher than the levels observed prior to the  
16 recent recession, and generally higher than levels experienced during the  
17 2002-2003 capital market contraction.

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Table 2: Risk Sentiment Indicators<sup>1</sup>

|  | June 30,<br>2012 <sup>2</sup> | Pre-recession<br>(Jan-2006<br>through<br>Nov-2007) | Jan-2002<br>through<br>Dec-2003 |
|--|-------------------------------|--|---------------------------------|
| <i>Credit Spreads</i> (Moody's Utility Bond Index) |                               |  |                                 |
| Baa-rated bond to A rated bond                     | 0.74%                         | 0.25%  | 0.46%                           |
| <i>Market Volatility</i>                           |                               |  |                                 |
| CBOE VXV and CBOE VIX Futures <sup>3</sup>         | 27.27                         | 14.90 <sup>4</sup>                                 | 24.64 <sup>5</sup>              |
| <i>Dividend Yield Spreads</i>                      |                               |  |                                 |
| 10-year Treasury to Proxy Group                    | -2.14%                        | 0.84%  | -1.35%                          |

As Table 2 demonstrates, the 90-trading day average credit spread between the Moody's Baa-rated utility bond index and the Moody's A-rated utility bond index increased by 49 basis points as of June 30, 2012 relative to the pre-recession period of January 2006 through November 2007. Those higher credit spreads suggest that investors continue to be more risk averse today than they were in the period immediately preceding the recent recession. To the extent that credit spreads have increased, it is an observable measure of the capital markets' increased degree of risk aversion.

<sup>1</sup> Source: Bloomberg Professional.

<sup>2</sup> Represents the 90-trading day average as of June 30, 2012, except as noted otherwise.

<sup>3</sup> Represents the 30-trading day average pricing of six-month forward volatility. Please note that the VIX is a one-month measure of volatility, while the VXV is a three-month measure.

<sup>4</sup> Represents the average VIX measured from January 2006 to November 2007.

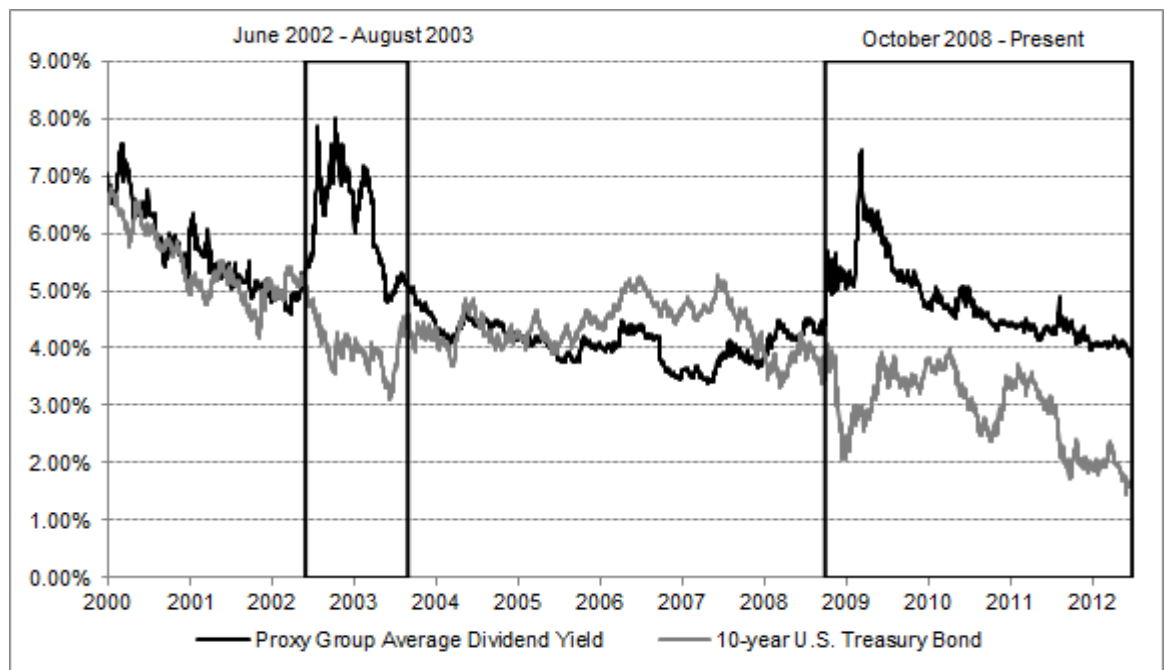
<sup>5</sup> Represents the average VIX measured from January 2002 to December 2003.

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1 **Q. Have you updated your analysis of the relationship between dividend**  
 2 **yields for the proxy companies and Treasury yields?**

3 A. Yes, I have. Chart 1 (below) demonstrates that the average dividend yield  
 4 for the combined proxy group has continued to exceed the ten-year  
 5 Treasury yield since the beginning of the financial crisis in late 2008.

**Chart 1: Treasury Yield/Dividend Yield Spread**



7 **Q. What conclusions do you draw from these updated analyses?**

8 A. These analyses demonstrate that current market conditions remain  
 9 unstable and, in that respect, are similar to the 2002-2003 market  
 10 dislocation that affected all market segments, including utilities. One  
 11 outcome of the 2002-2003 market dislocation was a renewed emphasis on



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1 capital market access and the importance of maintaining a strong financial  
2 profile, both of which remain important considerations for capital-  
3 intensive companies such as Niagara Mohawk. In summary, market  
4 instability and measures of risk aversion remain above historical norms.  
5 As such, it is highly improbable that the market-required return on Niagara  
6 Mohawk's common equity has fallen to a level well below the vast  
7 majority of authorized ROEs observed in at least the last 30 years, as Staff  
8 claims.

9  
10 **IV. Response to the Testimony of Staff Witness Kwaku Duah**

11 **Q. Please provide a brief summary of Staff's analyses and**  
12 **recommendations.**

13 A. Staff recommends an ROE of 8.90 percent, which is calculated by  
14 weighting the results of a Two-Stage DCF model and two CAPM analyses  
15 according to Staff's customary two-thirds/one-third weighting  
16 methodology.

17  
18 **Q. Are there areas in your respective analyses on which you and Staff**  
19 **disagree?**

20 A. Yes, there are a number of areas in which Staff and I disagree. Each of  
21 those areas of disagreement is discussed below.

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1           **A.     Proxy Group Selection and Composition**

2       **Q.     Please summarize the criteria by which Staff selected a proxy group.**

3       A.     The primary difference between Staff and me regarding proxy group  
4           selection involves the use of revenues, as opposed to operating income, as  
5           a screening criterion. As noted earlier, our respective approaches result in  
6           proxy groups that overlap their overall composition. I also recognize that  
7           in certain circumstances it is possible to have reasonable disagreements as  
8           to the definition and application of screening criteria. As noted above, I  
9           therefore have developed the combined proxy group that contains all of  
10          the companies used by Staff or me in this proceeding. As discussed in  
11          Section V, the Cost of Equity estimates derived from the combined proxy  
12          group fully support my ROE recommendation.

13

14           **B.     Application of the Multi-Stage DCF Model**

15       **Q.     Please provide a brief summary of the Multi-Stage DCF models**  
16           **included in your direct testimony.**

17       A.     I included two Multi-Stage DCF models in my direct testimony: a Two-  
18           Stage model that takes on the same functional form as the model used by  
19           Staff and a Three-Stage model that sets the stock price equal to the present  
20           value of projected cash flows over separate, but related, stages. In all  
21           stages, cash flows are represented by expected dividends, although the

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1 terminal stage includes the “terminal value,” or the price at which the  
2 stock would be expected to be sold at the end of the forecast period. The  
3 terminal stock price is calculated by the Gordon model, which sets the  
4 price equal to the expected dividend divided by the difference between the  
5 discount rate (that is, the ROE) and the expected long-term growth rate.

6 The first stages project earnings and dividends based on analysts’  
7 projections (including Value Line) and the terminal stage dividends are  
8 based on estimates of long-term nominal GDP growth. In the case of the  
9 Three-Stage DCF model, the second stage allows for a transition between  
10 the first and terminal stages. Similarly, the first stage payout ratios are  
11 based on Value Line’s company-specific projections and the third stage  
12 assumes the industry long-term payout ratio; the second stage allows for  
13 the transition between the two. In the Two-Stage DCF model, there is no  
14 transition between the Value Line payout ratio projections and the long-  
15 term industry payout ratio.

16  
17 As discussed in my direct testimony (at 35), the projected dividends in all  
18 stages are modeled as the product of the expected Earnings Per Share  
19 (“EPS”) and the expected payout ratio. Because the average payout ratio  
20 decreased over the first stage of the models, the average dividend growth  
21 rate in my Three-Stage model is considerably lower than the projected

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1 earnings growth rate.<sup>6</sup> In fact, based on my updated results presented in  
2 Exhibit \_\_ (RBH-2R), the average annual dividend growth rate in the  
3 initial stage is approximately 2.11 percent, while the average projected  
4 earnings growth is 5.07 percent. In addition, because the terminal value is  
5 based on the Gordon model, there is no difference in analytical results  
6 between my specification (*i.e.*, a model that assumes a terminal value) and  
7 projecting expected cash flows essentially into perpetuity.<sup>7</sup>

8  
9 As also discussed in my direct testimony, a principal advantage of the  
10 Multi-Stage model with a terminal value is the ability to calculate the  
11 projected Price/Earnings (“P/E”) ratio in the terminal stage. To the extent  
12 that the projected P/E ratio is consistent with expected valuation levels, the  
13 analyst can take greater comfort in the reasonableness of the model’s  
14 results. Similarly, and quite importantly, this structure enables the analyst  
15 to model the terminal value as the product of the expected P/E ratio and  
16 the projected EPS. As discussed below, doing so mitigates the need to  
17 arrive at a “correct” long-term growth estimate.

---

<sup>6</sup> Consistent with my practice in past proceedings, I have eliminated negative earnings growth estimates from my DCF analysis. Because Ameren Inc. had no positive earnings growth estimates at the time of my analysis, it does not appear in my DCF analyses. To maintain the consistency of results, I have eliminated Ameren from the combined proxy group.

<sup>7</sup> In my experience, such models typically project cash flows for 100 to 200 years. Beyond that, the discount factors are so small as to have no effect on the calculated ROE.

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1   **Q.    Do you agree with Staff’s application of the Multi-Stage DCF model?**

2    A.    Not entirely. Staff’s model contains several assumptions that individually  
3           and in aggregate produce unduly low ROE estimates. In particular, Staff’s  
4           model assumes a year-end cash flow convention over the model’s 200  
5           year horizon. In addition, Staff’s model assumes a sustainable growth  
6           projection as a terminal growth rate that actually *ends* in the first year of  
7           the terminal period of Staff’s 200-year study DCF analysis.

8  
9   **Q.    How does Staff’s assumption of the timing of dividend payments**  
10       **affect the Multi-Stage DCF result?**

11   A.    Staff’s model assumes dividends are received at the end of each year.  
12       However, as Staff notes (at 43), “[t]he foundation of the DCF is that  
13       investors will price common stock to equal the present value of future  
14       dividend payments.” Considering that Staff’s proxy group companies’  
15       dividends are paid on a quarterly basis, assuming (as Staff has done) that  
16       the entire dividend is paid at the end of that year defers the timing of those  
17       cash flows. As Staff uses a model with annual dividend payments, a  
18       reasonable approach would be to assume that cash flows are received in  
19       the middle of the year, such that half the quarterly dividend payments  
20       occur prior to the assumed dividend payment date (*i.e.*, the “mid-year  
21       convention”).

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1   **Q.     Staff claims (at 81) that you have made a calculation error by using**  
2           **the mid-year convention in your DCF analysis. What is your response**  
3           **to Staff on that point?**

4   A.     It is Staff's assumption of end-of-year cash flows that is flawed. As Staff  
5           is undoubtedly aware, while the DCF model used in both our analyses  
6           calculates the ROE based on estimated annual dividend payments, in  
7           reality, our proxy companies pay regular quarterly dividends, which in  
8           sum equal those annual dividend payments. As such, it is reasonable to  
9           assume, as I have done, that half the dividends will occur before and half  
10          will occur after the valuation date used in the analysis. To assume that all  
11          dividends are paid at the end of the year, as Staff does, would  
12          unreasonably delay 50 percent of the dividend payments in our respective  
13          analyses. That delay, as noted by Staff and as discussed in more detail  
14          below, has a significant effect on the estimated ROE derived from the  
15          DCF model. To clarify the payment of dividends in my Multi-Stage DCF  
16          models, in Exhibit \_\_ (RBH-3R), I have amended them to reflect a  
17          payment of half a year's dividends six months from the valuation date,  
18          followed by a full year's dividend payment reflecting half a year's growth  
19          six months hence. From that point on, dividends are separated by a full  
20          year and grow at the relevant full year growth rate.

21

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1    **Q.     Is there academic support for the use of the mid-year convention?**

2    A.     Yes, the mid-year convention is a commonly accepted method of  
3           discounting cash flows. As noted by Pratt, Reilly, and Schweih:

4                     ...we have implied (by using whole integer  
5                     exponents) that the cash flows (or other economic  
6                     income) are expected to be received at the end of  
7                     each period. This is reasonable, since many  
8                     closely held companies wait until the end of their  
9                     fiscal year to see how things are and assess capital  
10                    requirements and decide on shareholder  
11                    distributions...On the other hand, sometimes it  
12                    seems more reasonable to assume that cash flows  
13                    are received (or at least available) more or less  
14                    evenly throughout the year. This projection can  
15                    be reflected in the discounted economic income  
16                    model by using the midyear discounting  
17                    convention. This convention projects cash flows  
18                    being received at the middle rather than the end of  
19                    each year, thus more or less approximating the  
20                    valuation effect of even cash flows throughout the  
21                    year.<sup>8</sup>

22  
23               Similarly, Dr. Roger Morin notes:

24  
25                   Clearly, given that dividends are paid quarterly  
26                   and that the observed stock price reflects the  
27                   quarterly nature of dividend payments, the  
28                   market-required return must recognize quarterly  
29                   compounding, for the investor receives dividend  
30                   checks and reinvests the proceeds on a quarterly  
31                   schedule. Perforce, a stock that pays four  
32                   quarterly dividends of \$1.00 commands a higher  
33                   price than a stock that pays a \$4.00 dividend a  
34                   year hence. Since investors are aware of the  
35                   quarterly timing of dividend payments and since

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<sup>8</sup> Pratt, Shannon P., Robert F. Reilly, and Robert P. Schweih, Valuing a Business, Fourth Ed., McGraw Hill, 2000, at 187.

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1 the stock price already fully reflects the quarterly  
2 payment of dividends, the DCF model used to  
3 estimate equity costs should also reflect the actual  
4 timing of quarterly dividends.<sup>9</sup>  
5

6 **Q. Would Staff's DCF results be different if the mid-year convention for**  
7 **dividend payments was used?**

8 A. Yes. Exhibit \_\_ (RBH-6R), replicates the calculation of Staff's Multi-  
9 Stage DCF results (as noted above, that analysis demonstrates that Staff's  
10 model assumes that dividends are received at the *end* of each period). As  
11 Exhibit \_\_ (RBH-6R) also demonstrates, simply changing the dividend  
12 timing to reflect the mid-year convention increases the mean and median  
13 results by 17 to 18 basis points (from 8.74 percent and 8.40 percent, to  
14 8.92 percent and 8.57 percent, respectively). Those results, of course,  
15 remain well below any reasonable estimate of the Company's Cost of  
16 Equity.  
17

18 **Q. How does Staff's assumption regarding the payout ratios differ from**  
19 **the assumptions included in your Multi-Stage DCF Model?**

20 A. While my model allows for payout ratios to change over time, Staff  
21 assumes that Value Line's current projections of payout ratios for the

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<sup>9</sup> Morin, Ph.D., Roger A., New Regulatory Finance, Public Utility Reports, Inc., 2006, at 344.



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1 proxy group will remain unchanged over the entire 196-year terminal  
2 period. As explained in my direct testimony (at 47), it is reasonable to  
3 assume that the payout ratios of the proxy group companies may reflect  
4 additional downward pressure due to increased utility capital requirements  
5 in the near term, but over the long term they will revert to the long-term  
6 industry average.

7

8 **Q. Do you agree with the long-term growth rate in Staff's Multi-Stage**  
9 **DCF model?**

10 A. No, I do not. Staff's model relies on company-specific "sustainable  
11 growth" estimates as of 2015 through 2017 for the estimate of long-term  
12 growth. As demonstrated in my direct testimony (Attachment B) and  
13 discussed further below, historical market data and independent research  
14 do not support the underlying assumption of the sustainable growth model  
15 that increased retention ratios are directly related to growth in underlying  
16 earnings for electric utilities.

17

18 **Q. Please summarize Staff's criticism of your Multi-Stage DCF model.**

19 A. Staff's concerns appear to be focused on the short and long-term growth  
20 rates used in my analyses and the payout ratios used to calculate the proxy  
21 companies' projected dividends. For the reasons discussed below, Staff's

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1 concerns regarding the growth rates and payout ratios included in my  
2 analyses are misplaced.

3

4 **Q. What are Staff's concerns with your short-term dividend growth rate**  
5 **projections?**

6 A. Staff expresses concern that the use of earnings growth estimates in  
7 calculating dividends in the initial period is inconsistent with the definition  
8 of the Multi-Stage DCF laid out in my direct testimony. Staff (at 63) also  
9 implies that there is no link between earnings growth rates and dividend  
10 growth rates in the short term and that earnings are more volatile than  
11 dividends, which may "overstate or understate a company's growth rate."

12

13 **Q. Please respond to Staff's concern regarding the short-term growth**  
14 **rate estimates used in your Multi-Stage DCF model.**

15 A. As to Staff's initial concern about the inconsistency of using earnings  
16 growth rates to project dividends, Staff does not appear to recognize that  
17 the model projects dividends as the product of the expected earnings  
18 growth rate and the expected payout ratio. And while Staff's testimony  
19 expresses a concern with the use of analysts' earnings projections, Staff's  
20 testimony also fails to consider that the earnings growth rate used in the  
21 first stage was the average of the Value Line EPS growth rate, and the

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1 Zacks and First Call consensus growth rates. As noted in my direct  
2 testimony (at 41), a common and legitimate criticism of DCF models that  
3 rely exclusively on projected dividend growth rates (such as that employed  
4 by Staff) is that Value Line is the sole provider of those projections.  
5 Consequently, but for the use of consensus earnings projections, all of the  
6 model's assumptions would be derived from Value Line, thereby  
7 introducing the potential for significant bias.

8  
9 Excluding the consensus earnings estimates, therefore, and assuming that  
10 Value Line is internally consistent between earnings growth rate, dividend  
11 and payout ratio projections, the dividends projected in the initial stage of  
12 my Multi-Stage models would be very similar to Value Line's own  
13 dividend per share projections. To demonstrate that point, in Exhibit \_\_\_\_  
14 (RBH-4R), I have calculated the average coefficient of variation ("CoV")  
15 for the annual dividend projections in the initial period for the combined  
16 proxy group using the methodology relied upon by Staff.<sup>10</sup> I then  
17 compared that result with the CoV of dividend projections calculated  
18 using Value Line's three-to-five year earnings projections and near and  
19 medium term payout ratios. As shown in the exhibit, the volatility of

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<sup>10</sup> The Coefficient of Variation is a measure of variability within a data set. It is defined as the standard deviation divided by the mean.

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1 dividends in the short term using individual dividends forecast by Value  
2 Line and those forecast using Value Line's average growth and payout  
3 ratio estimates are approximately equal. As such, it appears that Staff's  
4 approach to forecasting dividends is just as likely to "overstate or  
5 understate a company's growth rate" (Staff Witness Duah Testimony at  
6 63) as the methodology relied on in my analyses. The sole difference in  
7 our approaches is the added market information I have incorporated into  
8 my analyses by relying on multiple estimates of earnings growth to project  
9 dividends.

10

11 **Q. Does Staff offer any further criticism of your short-term growth rate**  
12 **estimates?**

13 A. Yes. Staff expresses two additional concerns with the derivation of  
14 dividends in the initial term of my Multi-Stage DCF models. First, Staff  
15 (at 63) notes that in a previous case, the Commission rejected the use of  
16 analysts' earnings growth estimates to estimate dividend growth. Second,  
17 Staff asserts that because my Multi-Stage DCF analyses rely on historical  
18 earnings per share to estimate future dividends per share for each proxy  
19 company, those estimates are somehow unreliable.

20

21 **Q. Do you agree with Staff's interpretation of the Commission's order**

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1           **with respect to the use of earnings growth estimates in Case 10-E-**  
2           **0362?**

3       A.    No, I do not. It is important to note that in that proceeding I proposed  
4            using both the Constant Growth DCF and Multi-Stage DCF models.<sup>11</sup>  
5            Consequently, the discussion cited by Staff was in reference to the use of  
6            earnings growth estimates to directly compute dividend growth rates using  
7            the Constant Growth DCF model. In these proceedings, I have not relied  
8            on a Constant Growth DCF model. Rather, I have relied on the Multi-  
9            Stage form of the model, and have modeled cash flows specifically in the  
10           form of dividends. The only difference between my approach and Staff's  
11           is that Staff relies on a single source of estimated dividends (*i.e.*, Value  
12           Line), whereas my method takes the more balanced approach of  
13           combining consensus earnings growth estimates with Value Line's  
14           projected payout ratios. As noted above, because payout ratios generally  
15           decline during the first stage, the growth rate in dividends is well below  
16           the projected earnings growth rate. Consequently, Staff's concerns are  
17           misplaced.

18  
19       **Q.    Does the fact that your Multi-Stage DCF models project future**  
20       **dividends based on historical earnings per share invalidate the**

---

<sup>11</sup>       See, Direct Testimony of Robert B. Hevert, Case No. 10-E-0362, at 20.

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1           **results?**

2       A.     No. Staff states (at 61-62) that my Multi-Stage DCF analyses should be  
3           disregarded because 2010 earnings per share figures were used to project  
4           future dividends per share and the 2011 dividends per share derived by the  
5           models do not match with the proxy companies' subsequently reported  
6           results. However, Staff fails to recognize several important factors. First,  
7           as a practical matter, the analyses included in my direct testimony were  
8           conducted prior to the final earnings announcements for the proxy group  
9           companies. Having updated my analyses for the three months ended June  
10          2012, I now have incorporated the 2011 reported financial results into my  
11          analyses. Second, Staff does not acknowledge that the models we both  
12          rely on utilize estimates of the proxy companies' future financial  
13          performance. As such, the prices used in our respective analyses represent  
14          a proxy for the current market price for each proxy company, even though  
15          we both rely on a three month historical average price, which, in no case,  
16          is the same as the actual current market price. Similarly, the projected  
17          dividends relied upon by Staff are also estimates, in this case provided by  
18          one source, Value Line.

19

20          Indeed, Staff's own estimates of proxy company dividend growth in the  
21          short term do not match Value Line's published methodology. As shown

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1 in Exhibit \_\_ (KXD-18), Value Line reports forecast dividends per share  
2 for the years 2015 through 2017. That forecast dividend per share for each  
3 proxy company represents Value Line's average forecast dividend per  
4 share for that time period. Moreover, Value Line does not project a  
5 dividend per share for 2014. However, to derive an estimate for 2014,  
6 Staff calculates the growth in dividends per share over the 2015 through  
7 2017 time period and applies that growth rate to years 2014 through 2016.  
8 To forecast a 2017 dividend per share estimate for each proxy group  
9 company, Staff applies an estimate of each company's respective  
10 sustainable growth rate. Clearly, there is a timing mismatch between the  
11 data published by Value Line and the derivation of dividend per share  
12 estimates conducted by Staff. As such, there is no guarantee that the  
13 growth in cash flows will proceed as projected by any single analyst.  
14 Moreover, as discussed earlier, the potential for an analysis to be  
15 influenced by the market view of the forecaster increases where fewer  
16 sources are used to derive an input. The role of the analyst, therefore, is to  
17 determine the reasonableness of the results obtained in consideration of  
18 the robustness of any particular analysis.

19  
20 **Q. Does Staff agree with your long-term growth rate projection?**

21 **A.** No. Staff's model relies on company-specific "sustainable growth"

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1 estimates as of 2015 through 2017 for the estimate of long-term growth,  
2 whereas (as noted above) I use an estimate of long-term nominal GDP  
3 growth derived from current market information. Staff notes a number of  
4 concerns regarding the GDP growth rate to project long-term growth in  
5 utility cash flows; I address those concerns in turn, below.

6  
7 **Q. Staff claims (at 65) that by using the GDP growth rate as the terminal**  
8 **growth rate in the Multi-Stage DCF analyses, you did not “consider**  
9 **the unique circumstances facing each company.” What is your**  
10 **response?**

11 A. Staff’s position on the long-term growth rate is not consistent with the  
12 approach underlying its own analysis. While Staff implies that the use of  
13 the sustainable growth rate provides consideration of each company’s  
14 unique circumstances, it is unreasonable to assume that certain proxy  
15 group companies would grow at a rate of nearly three and one half times  
16 expected long-term inflation (Hawaiian Electric has a sustainable growth  
17 rate of 9.26 percent, *see* Exhibit \_\_ (KXD-18)) in perpetuity, while others  
18 would grow at levels below the level of expected long-term inflation in  
19 perpetuity. Such consideration of each company’s unique circumstances  
20 would suggest that Hawaiian Electric is positioned to grow earnings to  
21 such an extent that it will soon overtake its peer group and become the



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1 dominant electric utility in the United States. Conversely, an investment  
2 in Ameren Corporation, at an annual growth rate of approximately 2.11  
3 percent, would result in the annual dilution of earnings due to inflation of  
4 58 basis points, assuming an annual inflation rate of 2.69 percent. Of  
5 course, as Staff notes (at 62), “reality is an inconvenient truth that cannot  
6 be suspended,” and it is extremely unlikely that Hawaiian Electric’s or  
7 Ameren Corporations’ near-term sustainable growth rate reflects their  
8 unique circumstances over the long term. Likewise, it is highly unlikely  
9 that the growth prospects represented by the near-term sustainable growth  
10 estimates of the remaining proxy group companies are any more reliable.

11

12 Absent the ability to properly project the individual prospects of the proxy  
13 group companies over the very long-term, therefore, the GDP growth rate  
14 remains the best estimate of a central tendency among regulated utilities.

15

16 **Q. Staff notes (at 66) that your testimony “seems to contradict” your**  
17 **GDP growth assumption. Do you agree?**

18 A. No, I do not. What Staff has failed to consider is that Multi-Stage DCF  
19 models project cash flows in perpetuity. As noted in my direct testimony  
20 (at 45):

21

The assumption is designed to address the

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1                   uncertainty associated with estimating individual  
2                   company growth rates over very long time  
3                   horizons and is not meant to act as a prediction  
4                   that company growth rates in the economy will  
5                   indeed converge in practice over any given period.  
6

7           The purpose of using the GDP growth rate as the long-term growth rate  
8           for all proxy group companies, therefore, is exactly because it is  
9           impossible to accurately predict the “unique circumstances facing each  
10          company” (Staff Witness Duah Testimony at 65). As such, it is apparent  
11          that Staff and I disagree on the likelihood that any given company’s long-  
12          term financial prospects can be accurately modeled in the very long term.  
13          Moreover, while my direct testimony discusses the market data used to  
14          derive my estimates of GDP growth, Staff has not demonstrated the  
15          reasonableness of the near-term sustainable growth estimate, either  
16          individually or in aggregate, as a measure of growth over the very long  
17          term.

18  
19   **Q.   Staff cites an article (at 66-67) that challenges the notion that utilities**  
20   **would grow at the rate of GDP growth over the long term. What is**  
21   **your response?**

22   A.   I simply note that the article cited by Staff, “Rethinking ROE”, advocates  
23   for a bifurcation of the setting of authorized ROEs. In that article, the

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1 author argues that while the Cost of Equity may be lower than commonly  
2 assumed by regulatory commissions in the setting of authorized ROEs,  
3 those authorized ROEs should be established at a rate higher than the Cost  
4 of Equity. The author states “[i]n a dynamic economy, the notion that  
5 regulators should set utility returns on equity at the Cost of Equity lacks a  
6 solid economic foundation. Regulators who set returns in this fashion  
7 would leave utility executives in the economic doldrums, with no way of  
8 making real progress.” (Exhibit \_\_ (KXD-22) at 19-20). The article cited  
9 by Staff is not supportive of Staff’s overall approach in establishing the  
10 Company’s authorized ROE.

11

12 **Q. What support is there for the use of GDP growth estimates in the**  
13 **Multi-Stage DCF model?**

14 A. As I noted in my direct testimony (at 45), the Federal Energy Regulatory  
15 Commission (“FERC”) relies on estimates of GDP growth rates in the  
16 calculation of a blended growth estimate in certain cases. Dr. Roger  
17 Morin also discusses this approach as being a commonly accepted  
18 approach, noting “[i]t is useful to remember that eventually all company  
19 growth rates, especially utility services growth rates, converge to a level

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1 consistent with the growth rate of the aggregate economy.”<sup>12</sup>

2 I also note that utility commissions in Alabama, Arizona, Illinois,  
3 Missouri, Montana, New York, Pennsylvania, and Washington have all  
4 considered or relied on growth in GDP in their evaluations of the Cost of  
5 Equity. As stated by the Pennsylvania Public Utility Commission: “[w]e  
6 can think of no other industry that is more closely and inexorably linked to  
7 the long-term growth of our economy, and therefore GDP, as is the  
8 electric utility industry.”<sup>13</sup>

9

10 **Q. What are your methodological concerns with Staff’s use of the 2015 –**  
11 **2017 sustainable growth rate estimate as a measure of long-term**  
12 **growth?**

13 A. The first issue is a matter of timing. Multi-Stage DCF models, as a  
14 practical matter, have projection horizons of 100 to 200 years.<sup>14</sup> In fact,  
15 Staff’s model calculates dividends for a 200 year period. Staff’s long-term

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<sup>12</sup> Morin, Ph.D., Roger A., New Regulatory Finance, Public Utility Reports, Inc., 2006, at 308.

<sup>13</sup> Pennsylvania Public Utility Commission, et al. v. West Penn Power Company *et al.*; Docket Nos. R-00942986 *et. al.*, Pennsylvania Public Utility Commission, December 29, 1994.

<sup>14</sup> The long-term nature of the Multi-Stage models is a reason why my calculation of the long-term real growth rate is appropriate. That is, since the model projects cash flows for 200 years, and there is no forecast of which I am aware that includes such a period, it is reasonable to assume that the real growth rate observed over the past 80 years is an appropriate proxy of the future real growth rate.

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1 growth rate calculations, however, are based on Value Line's three to five  
2 year projection period. That time period overlaps the 196-year terminal  
3 period of Staff's DCF model only in 2017. Importantly, in describing the  
4 data on its summary page, Value Line describes the data as such:

5 The historical data (item 26) appear on the left  
6 side and are presented in regular type. We also  
7 project statistical data (item 15) for the next fiscal  
8 year, as well as *three to five years into the*  
9 *future*.<sup>15</sup>  
10

11 As such, Value Line's description of the data provided on its summary  
12 page clearly references the three to five year period over which that  
13 forecast applies. As shown in Exhibit \_\_ (RBH-6R), the average portion of  
14 the total value derived from the terminal stage of Staff's DCF model is  
15 approximately 84.92 percent. Given the importance of the terminal  
16 growth rate to the overall result of Staff's DCF model, it remains unclear  
17 why a short-term sustainable growth estimate represents a reasonable  
18 estimate of growth in perpetuity.  
19

20 In addition, it is important to realize that for the purpose of setting utility  
21 rates, the sustainable growth method of estimating long-term growth  
22 requires an estimate of the return on common equity. As Staff's Exhibit

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<sup>15</sup> *How to Invest in Common Stocks – The Guide to Using the Value Line Investment Survey*, Value Line Publishing, Inc., 2005, at 17. (Emphasis added).

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1        \_\_ (KXD-18) indicates, the sustainable growth estimate is sometimes  
2        referred to as the “BR + SV” approach, in which the first term (BR) is the  
3        product of the retention ratio and the projected Return on Equity, and the  
4        second term (SV) relates to the growth associated with issuing additional  
5        common equity. Since the “R” in the “BR” approach refers to the return  
6        on common equity, Staff has effectively pre-supposed the 2015 - 2017  
7        return on common equity projected by Value Line for all of the proxy  
8        group companies in perpetuity. Notwithstanding that Staff has assumed  
9        the reasonableness of those projections, Staff’s median DCF result of 8.40  
10       percent is 128 basis points below the median Value Line Return on Equity  
11       estimate of 9.68 percent, which is used to derive Staff’s results. The rather  
12       substantial difference between the return on common equity assumed by  
13       Staff and Staff’s DCF results calls into question the reasonableness of  
14       Staff’s analytical results and recommendation. As such, either Staff’s  
15       estimates of overall proxy company ROEs are too low, or Value Line’s  
16       earned ROE projections are too high, or the Value Line data Staff uses are  
17       not reasonable to project indefinitely.

18  
19    **Q.    Do you have any other concerns with Staff’s use of the sustainable**  
20    **growth rate as the long-term growth rate?**

21    **A.**    Yes, I do. Since the fundamental assumption underlying the sustainable

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1 growth model is that future earnings increase as the retention ratio  
2 increases, it is important to determine whether in practice that actually is  
3 the case. As noted in my direct testimony (at 38), published research on  
4 this topic has concluded the opposite; *i.e.*, that higher dividend payout  
5 ratios (lower retention ratios) are statistically related to higher growth  
6 rates. My direct testimony (at 37) further demonstrated that for the  
7 companies in my original proxy group, there was a statistically significant  
8 negative relationship between the retention ratio and the subsequent five-  
9 year growth rate. As demonstrated in Exhibit \_\_ (RBH-5R), the same  
10 holds true for the combined proxy group. Since the premise of the  
11 sustainable growth model is not supported by observable data, and given  
12 that published research supports the observation that increased retention  
13 ratios have been associated with decreased earnings growth rates, I  
14 disagree with Staff's use of that model in these proceedings.

15  
16 **Q. Staff (at 73) argues that your regression results do not apply to the**  
17 **growth rates used in Staff's DCF analysis. What is your response?**

18 A. Staff's position simply misstates the applicability of the analysis  
19 conducted in my direct testimony (and repeated for the combined proxy  
20 group in Exhibit \_\_ (RBH-R-5R)). Staff (at 73) states, "[m]y sustainable  
21 growth estimate is the long-term forecasted sustainable growth rate in

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1 dividends.” However, as Staff notes elsewhere (at 46), “[l]ong-term  
2 internal growth will be achieved based upon a company’s earned return on  
3 common equity and on the portion of earnings retained within the  
4 business.” As such, Staff appears to agree with the definition of  
5 sustainable growth presented in my direct testimony (Attachment B),  
6 represented by the familiar formula:  $g = B \cdot R + S \cdot V$ . Indeed, it appears  
7 that Staff’s estimate of sustainable growth has little to do with the  
8 “sustainable growth rate in dividends”, but rather is an estimate of an  
9 earnings growth rate based on financial parameters estimated by Value  
10 Line in the near term. While Staff categorizes the sustainable growth  
11 estimates as “long term,” the derivation of those estimates are from near  
12 term estimated financial metrics.

13  
14 **Q. Please continue.**

15 A. Given that the sustainable growth estimates used by Staff are near-term  
16 earnings growth estimates, it remains reasonable to apply the results of the  
17 regression analysis presented in Exhibit \_\_ (RBH- 5R) as a test of  
18 reasonableness in their use. The sustainable growth rate estimate, whether  
19 performed using forecast data or historical data, relies on inputs that  
20 remain relatively consistent over time. Moreover, because the sustainable  
21 growth rate assumes a fundamental relationship that does not necessarily



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1       exist (*e.g.*, that earnings growth increases with an increase in the earnings  
2       retention ratio), it remains reasonable to use historical data to demonstrate  
3       the inconsistencies in assuming that relationship. My analyses continue to  
4       show a strong negative statistical relationship between earnings retention  
5       ratios and subsequent five-year earnings growth rates. Despite Staff's  
6       claim to the contrary (at 74), the fact that many of the subsequent five-year  
7       earnings growth rates were negative, despite positive retention ratios,  
8       supports that analysis. Because Staff uses the Value Line three-to-five  
9       year projections of proxy company retention ratios in the derivation of the  
10      sustainable growth estimates, the results of Staff's two-stage DCF analysis  
11      based on those estimates should not be relied upon.

12  
13   **Q.    Do other potential factors such as "new debt, external equity [or]**  
14   **changes in the profitability of the existing assets" (Staff Witness Duah**  
15   **Testimony at 74) invalidate the results of your regression analysis?**

16   A.   No, they do not. My statistical analysis demonstrates a strong negative  
17       relationship between earnings retention ratios and five year earnings  
18       growth. The inclusion of additional factors in that analysis may provide  
19       additional factors to consider, but does not invalidate the results of my  
20       analyses. Moreover, Staff's own analysis fails to incorporate assumptions  
21       of new debt or changes in profitability of existing assets in the use of a

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1 constant sustainable growth rate in perpetuity. Similarly, the median  
2 growth due to external equity issuances, as represented by the “S\*V” term  
3 of the sustainable growth formula (0.17 percent) makes up only a very  
4 small proportion of the median sustainable growth estimate used by Staff  
5 (4.22 percent).<sup>16</sup> As such, the statistically significant negative relationship  
6 between retention ratios and subsequent earnings growth is directly  
7 applicable to Staff’s application of that estimate of growth in the DCF  
8 model.

9  
10 **Q. Have you performed any other analyses to assess the reasonableness**  
11 **of Staff’s Multi-Stage DCF results?**

12 A. Yes, I have. To test the reasonableness of the growth rate assumptions  
13 used in the 196-year terminal period of Staff’s analysis, I calculated the  
14 required ROE using the data contained in Exhibit \_\_ (RBH-6R) but  
15 assuming that investors sold the stock at the end of the first year of the  
16 long-term constant growth stage of the analysis (year five). As discussed  
17 in my direct testimony (at 37-38), the use of a terminal price in the Multi-  
18 Stage DCF model is equivalent to assuming cash flows in perpetuity.  
19 Moreover, the use of a terminal value allows for alternative market  
20 measures of reasonableness to be used to test the terminal growth estimate

---

<sup>16</sup> Data calculated from Exhibit \_\_ (KXD-18).

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1           used.

2

3           For the reasons discussed above, I first adjusted Staff's analysis to reflect  
4           the mid-year convention for payment of dividends. I then determined the  
5           terminal sale price at the end of year five by (1) escalating the individual  
6           proxy group companies' 2015-2017 earnings found in Exhibit \_\_ (KXD-  
7           18) by the sustainable growth rate provided in that exhibit; and (2)  
8           multiplying those earnings by the average utility industry P/E ratio  
9           published by Bank of America Merrill Lynch ("BofAML") in Exhibit \_\_  
10          (KXD-20) of approximately 15.47.<sup>17</sup>

11

12   **Q.     What did that analysis reveal?**

13   A.     As shown in Exhibit \_\_ (RBH-6R), the result of that analysis increases the  
14           mean and median ROE results to 10.05 percent and 9.72 percent, from  
15           8.74 percent and 8.40 percent (increases of 132 basis points in both  
16           instances).

17

18           Moreover, assuming (as Staff does) that dividends grow at a constant rate  
19           from year five forward, the implied growth rate in the terminal stage can  
20           then be determined using the Constant Growth DCF Model equation,

---

<sup>17</sup>       Calculated as the average of 15.2, 15.0, and 16.2.

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1 which takes the form:

2 
$$k = \frac{D(1+g)}{P_0} + g \quad [1]$$

3 Where k represents the ROE, D is the current dividend, P<sub>0</sub> is the current  
4 market stock price and g is the long-term growth rate. As shown in  
5 Exhibit \_\_ (RBH- 6R), using the calculated ROE and the terminal  
6 dividend yield implies mean and median long-term growth rates of 6.14  
7 percent and 5.92 percent, respectively. Those results are significantly  
8 above the updated 5.65 percent and 5.68 percent long-term growth rates  
9 used in my DCF analyses and significantly exceed Staff's median terminal  
10 growth estimate of 4.22 percent.

11

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

13 A. As an alternative to estimating long-term growth rates, the use of the  
14 current P/E ratio provides a reasonable basis of estimating the terminal  
15 value and, therefore, the Multi-Stage DCF model results. Using the  
16 current P/E ratio and mid-year convention dividend payments, the mean  
17 and median Two-Stage DCF results (based on Staff's methodology) range

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1 from 9.72 percent to 10.05 percent.<sup>18</sup> Those two reasonable adjustments  
2 to Staff's analysis produce results that are far more consistent with other  
3 observable data.

4

5 **Q. Do you have any final observations on this point?**

6 A. Yes. Staff states (at 64) that "[n]ominal GDP growth is not truly  
7 representative of the long-term growth rate for a utility." It is important to  
8 note, however, that my long-term growth estimate is consistent with  
9 BofAML's estimates of long-term utility growth. Although Staff does not  
10 rely on BofAML's estimates of utility growth *per-se*, Staff relies  
11 considerably on BofAML's market return calculations in estimating the  
12 Company's ROE. Exhibit \_\_ (KXD-20), which is the BofAML  
13 *Quantitative Profiles* report, provides estimates of the "Implied Return"  
14 and the "Yield" for the utility industry, as well as the S&P 500 Index. The  
15 Implied Return is derived by BofAML through the use of a Multi-Stage  
16 Dividend Discount Model ("DDM").<sup>19</sup> As shown in Exhibit \_\_ (KXD-

---

<sup>18</sup> Please note that I am not suggesting that 9.72 percent or 10.05 percent is an appropriate DCF result because I disagree with Staff's sole reliance on Value Line for dividend projections and Staff's reliance on median, as opposed to mean, results.

<sup>19</sup> See, Exhibit \_\_ (KXD-20) at 60, where BofAML defines its "Dividend Discount Model Alpha" as "The implied return from the BofAML Quantitative Strategy Three-Stage dividend discount model less the required return from a Capital Asset Pricing Model." This definition shows that BofAML uses a dividend discount model and a CAPM to project rates of return.

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1           20), the May, June and July Implied Returns for the utility industry were  
2           9.80 percent, 9.90 percent, and 9.50 percent, respectively, which produce  
3           an average Implied Return of approximately 9.73 percent. For those same  
4           months (as noted in Exhibit \_\_ (KXD-20)), the dividend yield was 4.10  
5           percent, 4.20 percent, and 4.00 percent, respectively, or 4.10 percent on  
6           average. Since the total return consists of capital appreciation (*i.e.*,  
7           growth) and yield, that data suggests an expected utility growth rate of  
8           approximately 5.63 percent, which, as discussed below, is highly  
9           consistent with the revised long-term growth estimate of 5.65 to 5.68  
10          percent used in my updated Multi-Stage DCF analyses, but 123 basis  
11          points above Staff's median long-term growth estimate.

12  
13          Finally, the GDP growth estimate relied upon in my DCF analyses and the  
14          BofAML implied utility industry long-term growth rate both are  
15          significantly lower than the long-term historical nominal GDP growth rate  
16          experienced from 1929 through 2011. According to the Bureau of  
17          Economic Analysis, between 1929 and 2011, GDP grew at an average  
18          annual rate of approximately 6.26 percent and a median rate of  
19          approximately 6.38 percent. As such, the GDP estimate of 5.65 to 5.68  
20          percent included in my updated Multi-Stage DCF model already reflects  
21          lower-than-historical long-term GDP growth.

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1

2           **C.     Risk-Free Rate Component of the Capital Asset Pricing Model**

3   **Q.     Please briefly summarize the method by which Staff calculates the**  
4           **risk-free rate component of the CAPM.**

5   A.     Staff uses the three-month average yield on ten and 30-year Treasury  
6           securities for the period April 2012 through June 2012 as the risk-free rate  
7           component of the CAPM. In support of that method, Staff notes (at 54)  
8           that “blending of the 10-year and 30-year Treasury Bond Yields is a  
9           reasonable estimate of the risk-free rate over most investors’ time  
10          horizon.” Moreover, Staff argues (at 67) that “the most prominent  
11          argument in favor of the 30-year bond as a proxy for risk-free rate” in my  
12          direct testimony is “that the yield should match the life of the underlying  
13          assets.”

14

15   **Q.     Is it the case that the term of the risk-free rate should match**  
16           **investors’ assumed holding periods?**

17   A.     No, it is not. My direct testimony discusses that the investment horizon of  
18           utility investors is not a consideration in the selection of the risk-free rate  
19           used to estimate the Company’s ROE. As noted in my direct testimony,  
20           the term of the Treasury security used to establish the risk-free rate should  
21           match the life of the underlying investment, not the holding period of the

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1 investor. As Staff notes, in my direct testimony, I provided a citation to  
2 Morningstar, Inc. (at 51-52) (formerly Ibbotson Associates), which noted  
3 that:

4 The horizon of the chosen Treasury security  
5 should match the horizon of whatever is being  
6 valued...If an investor plans to hold stock in a  
7 company for only five years, the yield on a five-  
8 year Treasury note would not be appropriate since  
9 the company will continue to exist beyond those  
10 five years.  
11

12 I further noted that “[b]ecause utility companies represent long-duration  
13 investments, it is appropriate to use yields on long-term Treasury Bonds as  
14 the risk-free rate component of the CAPM.” However, the investment  
15 horizon of utility investors is not directly related to the duration of the  
16 utility’s common equity, nor is it related to the utility’s underlying asset  
17 life.  
18

19 **Q. Staff claims (at 67) that the age of a company’s plant is irrelevant**  
20 **because its risk can be diversified away. Do you agree with that**  
21 **claim?**

22 A. No, I do not, insofar as the asset life of a company’s plant is representative  
23 of the long-term nature of that Company’s economic life. The purpose of  
24 using the risk-free rate in this manner is to determine what return an



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1 investor would require in the absence of market risk for a given security.

2 As such, the risk-free rate for all common equity valuations, and

3 particularly for regulated common equity valuations, should properly

4 reflect the underlying riskless component of that common equity

5 security's risk-adjusted return. As discussed by Dr. Roger Morin:

6 ...because common stock is a long-term  
7 investment and because the cash flows to  
8 investors in the form of dividends last indefinitely,  
9 the yield on very long-term government bonds,  
10 namely, the yield on 30-year Treasury bonds, is  
11 the best measure of the risk-free rate for use in the  
12 CAPM and Risk Premium methods.<sup>20</sup>  
13

14 In essence, common equity ownership represents a perpetual claim on the

15 subject company's cash flows and as such, the longest-term Treasury

16 security best fits the risk-free rate component of the CAPM. In this sense,

17 the 30-year Treasury yield is the most appropriate rate for that purpose.

18

19 **Q. Staff further claims (at 67) that if the age of a company's plant is to be**  
20 **considered, the average age of plant for the S&P 500 Companies**  
21 **should be the relevant benchmark. What is your response to that**  
22 **point?**

23 **A.** Staff's claim does not conform to the common use and interpretation of

---

<sup>20</sup> Morin, Ph.D., Roger A., New Regulatory Finance, Public Utility Reports, Inc., 2006, at 151.

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1 the CAPM in estimating required ROEs. As noted above, the risk  
2 premium established by the use of the Beta Coefficient and the MRP is  
3 meant to represent the undiversifiable risk of the common equity over and  
4 above a riskless investment. The riskless investment, represented in the  
5 model by the risk-free rate, corresponds directly to whatever is being  
6 valued. To use a risk-free rate that does not correspond directly to the  
7 security being valued would misstate the underlying risk-free rate and  
8 therefore the required ROE.

9  
10 **Q. Is Staff's assumption that 10-year and 30-year treasury yields are**  
11 **equally valid measures of the risk-free rate supported by its data?**

12 A. No, it is not. Staff's Exhibit \_\_ (KXD-20) shows that, according to  
13 BofAML, as of July 2012, the equity duration of all utility stocks is  
14 approximately 29.00 years, while the same measure is approximately  
15 26.50 years for all stocks in the BofAML Universe and 26.40 years for the  
16 S&P 500 index. Moreover, I note that, based on Staff's Two-Stage DCF  
17 analysis, as shown in Exhibit \_\_ (RBH-7R), the average Equity Duration  
18 of Staff's proposed proxy group is approximately 36.34 years. The  
19 median equity duration is 22.79. Those observations support the position  
20 that utility companies are "long duration investments."

21

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1 As discussed in my direct testimony, a “common investment strategy is to  
2 match the duration of investments with the term of the underlying asset in  
3 which the funds are being invested, or the term of the liability being  
4 funded.” That investment strategy is particularly relevant to the electric  
5 utility stocks that comprise the combined proxy group, as institutional  
6 investors own (on average) 62.86 percent of those companies’ shares. *See*  
7 Exhibit \_\_ (RBH-8R).

8  
9 **Q. What conclusions do you draw as to the appropriate risk-free rate to**  
10 **employ with the CAPM in this case?**

11 A. As I noted in my direct testimony (at 51-52), the term of the risk-free rate  
12 employed in the CAPM analysis should match the expected life of the  
13 assets underlying the entity being valued. Knowing that the Company’s  
14 assets have an average useful life of over 35 years, having reviewed the  
15 equity duration estimates included in the *Quantitative Profiles* report, and  
16 seeing no direct connection between the maturity length of a given  
17 security and any measure of investor holding period, it continues to be my  
18 view that the 30-year Treasury yield is a reasonable measure of the risk-  
19 free rate for the purposes of the CAPM models.

20

21

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1           **D.     Market Risk Premium Used in CAPM**

2       **Q.     How does Staff determine the Market Risk Premium to be used in the**  
3           **CAPM?**

4       A.     Staff calculates the MRP as the difference between the average of the  
5           required and implied market return as calculated by BofAML, and the  
6           average of the three-month 10-year and 30-year Treasury yields as the  
7           risk-free rate.

8  
9       **Q.     Please describe the approach to estimating the MRP presented in your**  
10           **direct testimony.**

11      A.     In my direct testimony, I incorporated the calculation of the implied  
12           market return using consensus projected analyst growth rates and current  
13           expected dividend yields (that is, the Constant Growth DCF model) on a  
14           market capitalization-weighted basis for the S&P 500 Index to calculate  
15           the required market return. From that required market return, I calculated  
16           the MRP by subtracting the current three-month average yield on 30-year  
17           Treasury securities.

18  
19      **Q.     What is Staff's response to your MRP estimate?**

20      A.     Staff states (at 69) that my direct testimony employs a "simplistic  
21           approach that subtracts the 30-Year Treasury Bond Yield ...from his

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1 expected market return ... to arrive at 10.11% for his CAPM and ECAPM  
2 analysis.” Staff takes issue with the growth rate used to calculate the  
3 required market return, noting (at 69) that “...it is unlikely that any  
4 reasonable investor would think that the S&P 500 would earn this high  
5 return on a forward going basis.” Staff then proceeds at some length (at  
6 69-72) to cite published studies that call into question the reasonableness  
7 of required returns on the S&P 500 index in excess of 4.00 percent to  
8 “about 8 percent.”  
9

10 **Q. What is your response to Staff on that point?**

11 A. I simply note that Staff’s own estimate (Exhibit \_\_ (KXD-21)) of the total  
12 market return is approximately 12.35 percent. Based on the dividend  
13 yields published by BofAML (Exhibit \_\_ (KXD-20)) in the studies relied  
14 upon by Staff of approximately 2.20 percent,<sup>21</sup> the implied growth rate  
15 assumed by Staff’s MRP estimate is approximately 10.15 percent.<sup>22</sup> That  
16 growth rate is, of course, well above the levels cited in Staff’s own  
17 testimony as being reasonable.  
18

19 Finally, as shown in Exhibit \_\_ (RBH-3R), based on my updated CAPM

---

<sup>21</sup> Equals the average of 2.10 percent, 2.30 percent, and 2.20 percent.

<sup>22</sup> Equals 12.35 percent - 2.20 percent.

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1 analyses, the updated required return on the S&P 500 was 12.88 percent,  
2 which is consistent with the estimate relied upon by Staff. Moreover, the  
3 implied risk premium derived from my analysis is within three basis  
4 points of Staff's estimate. As such, most of the difference between Staff's  
5 estimate of the MRP and the estimate provided in my direct testimony can  
6 be attributed simply to timing differences, and not, as Staff implies, to  
7 significant differences in approach or estimation. Staff's concerns,  
8 therefore, are entirely misplaced.

9  
10 **Q. Do you have any additional comments on Staff's calculation of the**  
11 **MRP using BofAML data?**

12 **A.** There is one additional factor to consider regarding Staff's reliance on the  
13 BofAML market return projections. As discussed below, Staff takes issue  
14 with the use of Bloomberg's Beta Coefficients. As such, to match the  
15 source of Staff's preferred Beta Coefficients with an estimate of the MRP,  
16 it is reasonable to consider Value Line's market return projections, in  
17 addition to those provided by BofAML. As shown in Exhibit \_\_ (RBH-  
18 9R), Value Line provides estimates of the future total return for all of the  
19 companies it follows. Based on those projections and the market  
20 capitalization reported by Value Line, it is possible to calculate Value  
21 Line's expected total market return using the same index that it uses to

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1 calculate the Beta Coefficients relied upon by Staff. As Exhibit \_\_ (RBH-  
2 9R) shows, Value Line projects a total market return of approximately  
3 16.11 percent on a simple average basis and 13.57 percent on a market  
4 capitalization-weighted basis, which imply MRPs of 13.17 percent and  
5 10.63 percent, respectively, based on the 2.94 percent risk-free rate used in  
6 my updated CAPM analyses. (Exhibit \_\_ (RBH-9R)).

7  
8 **E. Beta Coefficients Used in CAPM**

9 **Q. What measure of the Beta Coefficient does Staff rely upon?**

10 A. Whereas my direct testimony considered Beta estimates from both Value  
11 Line and Bloomberg, along with an estimate derived from Bloomberg data  
12 over an eighteen month time period, Staff exclusively relies on Value Line  
13 for the Beta Coefficients in the CAPM analyses. Staff notes (at 84) that:

14 Bloomberg's beta calculation is based on monthly  
15 data over a 2-year period while Value Line's beta  
16 calculation is based on weekly data over a five-  
17 year period. As a result, the Bloomberg data is  
18 relatively short-term in nature and includes only  
19 24 months of data points. On the other hand,  
20 Value Line calculates its beta coefficient over five  
21 years with 260 weekly data points. The Value  
22 Line methodology helps smooth any volatility that  
23 might be present in betas. In addition, the longer-  
24 term nature of the Value Line beta represents a  
25 more accurate assessment of the long-term risk  
26 expectations of investors and the greater number  
27 of data points render the Value Line estimates  
28 statistically more reliable.

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1

2 Staff also notes (at 48-49) that “[a] beta above 1 means the stock has  
3 greater risk than the market; a beta below 1 means that the stock has less  
4 risk than the market.”

5

6 **Q. Do you share Staff’s assessment in that regard?**

7 A. As a practical matter, the average Beta Coefficients provided by  
8 Bloomberg and Value Line for the combined proxy group are within four  
9 basis points of one another. Moreover, we agree that it is reasonable to  
10 consider Value Line-reported Beta Coefficients in the CAPM analysis and  
11 that it is appropriate to use adjusted Beta Coefficients in the CAPM.  
12 However, although Staff acknowledges that the Beta Coefficient is a  
13 measure of risk derived from market information, Staff fails to recognize  
14 that the inputs used to derive it are subject to certain limiting assumptions.  
15 As such, reliance on only the Value Line reported Beta Coefficient must  
16 make sense in the context of current market relationships.

17

18 **Q. Is it appropriate to rely solely on Value Line Beta Coefficients?**

19 A. No, it is not. As a preliminary matter, Staff is incorrect that the  
20 Bloomberg Beta coefficients are calculated based on only 24 data points.  
21 In fact, the Bloomberg Beta coefficients relied upon in my analyses are



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1           calculated using weekly returns over the course of two years. Moreover,  
2           the Value Line Beta coefficient may not be calculated in all cases in the  
3           manner described by Staff. In that regard, Value Line notes that the Beta  
4           Coefficient reported for the companies it follows is:

5                     a relative measure of the historical sensitivity of  
6                     the stock's price to overall fluctuations in the New  
7                     York Stock Exchange Composite Index. A Beta of  
8                     1.50 indicates a stock tends to rise (or fall) 50%  
9                     more than the New York Stock Exchange  
10                    Composite Index. The "Beta coefficient" is  
11                    derived from a regression analysis of the  
12                    relationship between weekly percentage changes  
13                    in the price of a stock and weekly percentage  
14                    changes in the NYSE Index over a period of five  
15                    years. In the case of shorter price histories, a  
16                    smaller time period is used, but two years is the  
17                    minimum. The Betas are adjusted for their long-  
18                    term tendency to converge toward 1.00.<sup>23</sup>  
19

20           As such, while Value Line does provide a calculation of the Beta  
21           Coefficient over a five-year period in most cases, it appears that there may  
22           be cases where that time period is less.

23  
24           More importantly, however, the composition of the New York Stock  
25           Exchange Composite Index (the "NYSE Index") may not be as  
26           representative of the performance of the U.S. equity markets as the S&P

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<sup>23</sup>       *How to Invest in Common Stocks – The Guide to Using the Value Line  
Investment Survey*, Value Line Publishing, Inc., 2005, at 31.

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1           500 Index used in the default Bloomberg Beta Coefficient calculation.  
2           Moreover, the BofAML total market return used by Staff in calculating the  
3           MRP is based on the returns of the S&P 500 Index, not the NYSE Index.  
4           As such, consideration of the Bloomberg Beta Coefficients would  
5           incorporate data that is better matched to the BofAML market return  
6           estimates.

7

8   **Q.    Why is the difference between the NYSE Index and the S&P 500**  
9       **Index relevant to calculating the CAPM results?**

10   A.    Because the NYSE Index includes all securities traded on the New York  
11          Stock Exchange, a significant number of foreign companies are  
12          represented in that Index. As shown in Exhibit \_\_ (RBH-10R), of the  
13          1,846 companies included in the index, 408 of those companies (22.10  
14          percent) are domiciled outside the United States. More importantly,  
15          however, because the index is market capitalization-weighted, fully 35.96  
16          percent of the NYSE Index performance is determined by the performance  
17          of foreign corporations. By comparison, the S&P 500 Index incorporates  
18          only thirteen companies with foreign domiciles (2.60 percent) with a  
19          market capitalization comprising only 1.82 percent of the total. While the  
20          component companies of both indexes are subject to similar global market  
21          pressures, there are factors such as tax treatment, dividend policies, and

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1           differing regulatory systems that may influence overall market  
2           performance. As such, it remains prudent to consider alternative measures  
3           of utility Beta Coefficients that are less reliant on the performance of  
4           foreign equity securities, such as Bloomberg's default Beta Coefficients.  
5           Here again, Staff's concerns are misplaced.

6  
7   **Q.   Is a five-year period required to estimate a company's Beta**  
8   **Coefficient?**

9   A.   No it is not, particularly when that five-year period may not be  
10       representative of investor expectations. Indeed, as discussed in my direct  
11       testimony (at 50-51), during the early stages of the financial crisis, the  
12       relationship between the proxy group average return and the return on the  
13       overall market diverged significantly. As a result of that dislocation, Beta  
14       Coefficients calculated based on market data during that period were  
15       lower than would be expected.

16  
17       I also note that financial data services such as Bloomberg enable analysts  
18       to specify the analytical period (*e.g.*, six, twelve, twenty-four, sixty  
19       months, etc.), the holding period (*e.g.*, daily, weekly, monthly, etc.), and  
20       the index (*e.g.*, S&P 500, Dow Industrial, NYSE Composite Index, etc.)

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1        used to calculate Beta Coefficients.<sup>24</sup> It is clear, therefore, that Bloomberg  
2        recognizes that analysts and investors alike consider the nature of the  
3        current market environment, determine when the default calculations  
4        published by standard sources such as Value Line are less relevant than  
5        alternative specifications, and develop Beta Coefficients in a more  
6        meaningful manner. The calculation of Beta Coefficients based on more  
7        current data therefore is consistent with the actual practice of analysts and  
8        investors and is analogous to the use of current stock prices in the DCF  
9        model.

10  
11        As Staff notes, Value Line's Beta Coefficients are calculated using return  
12        data over a five-year period. Because the Value Line Beta Coefficients  
13        include market data from the financial market dislocation, those Beta  
14        Coefficients tend to misrepresent the "systematic" risk that investors are  
15        compensated for in the CAPM analyses. For that reason, I also include  
16        Beta Coefficients calculated over a two-year period as provided by  
17        Bloomberg.

18  
19        **Q.     What are your conclusions with regard to the selection of the**  
20        **appropriate Beta Coefficient for your CAPM?**

---

<sup>24</sup>        As noted above, Value Line also modifies the analytical period in certain cases.

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1     A.     As discussed in my direct testimony, the Beta Coefficient used to estimate  
2           the required ROE should reflect the level of unsystematic risk expected to  
3           occur for a particular equity security into the future. It remains  
4           appropriate, therefore, to consider the time period and the relevant market  
5           index selected in the calculation of the Beta Coefficient. That is  
6           particularly true in light of Staff’s assessment (at 49-50) that “[h]istorical  
7           estimates [of Beta] only reflect the past riskiness of an equity security that  
8           may not be representative of the future riskiness that is relevant to equity  
9           investors.” By extension, by exclusively relying on Value Line’s reported  
10          Beta Coefficients and not reviewing alternative market information, Staff  
11          has explicitly ignored information that may be relevant to equity investors.

12

13           **F.     Business Risks**

14     **Q.     What is Staff’s response to your discussion of business risks faced by**  
15           **the Company?**

16     A.     Staff offers no response to the discussion of specific business risks faced  
17           by the Company. Rather, Staff reviews the average business risk and  
18           financial risk profiles of the Staff proxy group companies published by  
19           Standard and Poor’s and determines (at 55) that “there are no material  
20           differences in business and financial risks between the Company and the  
21           proxy group.”

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1   **Q.     What is your response to Staff’s conclusions in that regard?**

2   A.     Staff and I disagree that the S&P business risk rankings alone should be  
3           considered a specific benchmark for equity investor risk perceptions. The  
4           business risk rankings cited by Staff are particularly directed toward the  
5           interests of debt investors. My analysis of relative regulatory risk also  
6           relied on regulatory rankings provided by Regulatory Research Associates  
7           (“RRA”), which provides regulatory risk rankings from an equity investor  
8           perspective. Exhibit \_\_ (RBH-6) of my direct testimony shows the  
9           similarities between both debt and equity investors’ perceptions of New  
10          York’s regulatory risk. To demonstrate the significance equity investors  
11          put on regulatory risk, I updated that exhibit (Exhibit \_\_ (RBH-12R)) to  
12          include all companies in the combined proxy group. As shown in Chart 2  
13          (below) and Exhibit \_\_ (RBH-12R), an analysis of each company’s  
14          regulatory risk score and the company’s Beta Coefficient calculated using  
15          Value Line’s methodology shows a significant negative relationship.<sup>25</sup>  
16          That is, as the perceived regulatory risk score of a utility decreases (*i.e.*,  
17          regulatory risk increases), the Beta Coefficient increases.<sup>26</sup> That analysis  
18          demonstrates that equity investors require higher equity returns from  
19          companies that are perceived to carry a higher regulatory risk.

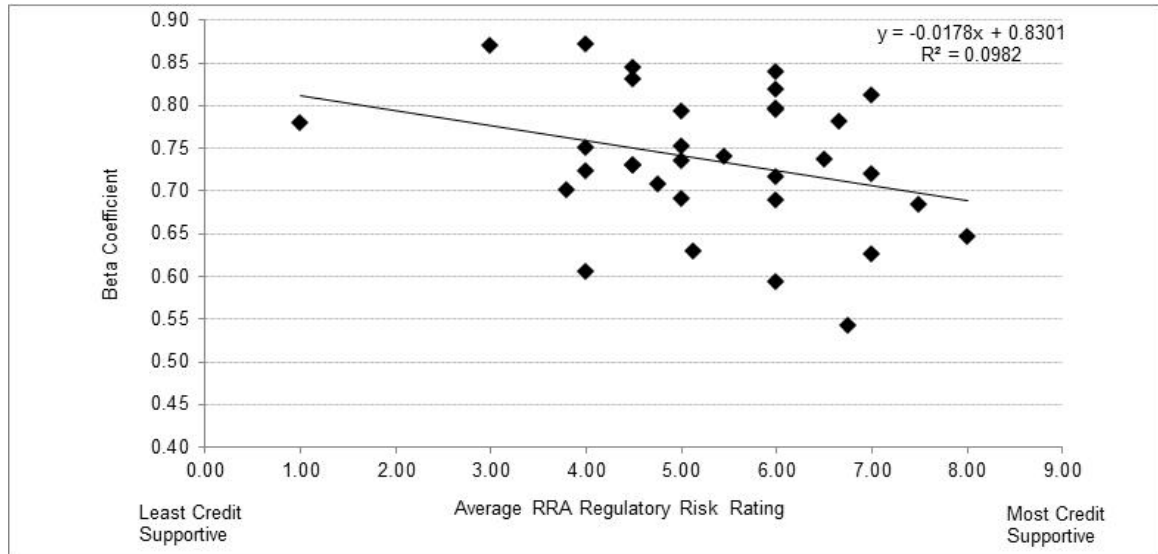
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<sup>25</sup> Value Line’s reported Beta Coefficients are only updated periodically and are rounded to the nearest 0.05 (five hundredth); therefore a more precise calculated value was used for this analysis.

<sup>26</sup> A lower regulatory risk score denotes a higher perceived regulatory risk.

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**CHART 2: Proxy Group Regulatory Risk  
Relative to Beta Coefficient**



#### **V. Summary and Conclusions**

**Q. Please summarize the updated analyses contained in your rebuttal testimony as they relate to the Cost of Equity.**

A. Using data as of June 29, 2012, I have updated my DCF (both Multi-Stage models) and CAPM analyses. I have calculated the Commission's preferred two-thirds/one-third weighting convention in my consideration of those results. For the purposes of my CAPM analyses, I have updated my forward-looking MRP, and have provided Beta coefficients based on more recent market data. Finally, I have updated the analysis of operating utility capital structures contained in my direct testimony, which continues

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1 to support the capital structure proposed by Niagara Mohawk (Exhibit \_\_  
2 (RBH-14R)). I have performed those analyses using a proxy group  
3 comprised of all the proxy companies contained in my and Staff's  
4 proposed proxy groups.

5  
6 In addition to the analyses described above, I also have performed a series  
7 of calculations to demonstrate the level of additional support for my  
8 analyses contained in independent market data, as well as data presented  
9 in Staff's direct testimony and exhibits. To that point, I have  
10 demonstrated that two simple modifications to Staff's DCF analysis (*i.e.*,  
11 the use of a mid-year discounting convention and a terminal P/E ratio)  
12 produce analytical results that are 132 basis points higher on a mean and  
13 median basis.

14

15 **Q. Please discuss your analytical results.**

16 A. As shown in Table 3 (below) and Exhibit \_\_ (RBH-15R), the range of  
17 results, performed using the combined proxy group and the Commission's  
18 preferred weighting methodology, supports an ROE of 10.22 percent.



**Rebuttal Testimony of Robert B. Hevert**

1

**Table 3: Summary of Results**

|  | <b>Combined<br/>Proxy<br/>Group</b> |
|--|-------------------------------------|
| Average DCF Results  | 10.20%                              |
| Average CAPM Results   | 10.28%                              |
| Return on Equity (NYPSC Averaging Convention 2/3 DCF+1/3 CAPM) | <u>10.22%</u>                       |

2

3 **Q. Does this conclude your testimony?**

4 A. Yes, it does.



**Rebuttal Testimony of Robert B. Hevert**

**Index of Exhibits**

|                      |   |
|----------------------|---|
| Exhibit __ (RBH-1R)  | Two-Stage DCF Model - 3 Month Average Price   |
| Exhibit __ (RBH-2R)  | Three-Stage DCF Model - 3 Month Average Price |
| Exhibit __ (RBH-3R)  | Capital Asset Pricing Model                   |
| Exhibit __ (RBH-4R)  | Dividends Coefficient of Variation            |
| Exhibit __ (RBH-5R)  | Retention Ratio Regression                    |
| Exhibit __ (RBH-6R)  | Staff Adjusted Results                        |
| Exhibit __ (RBH-7R)  | Duration                                      |
| Exhibit __ (RBH-8R)  | Institutional Ownership                       |
| Exhibit __ (RBH-9R)  | Value Line Market Risk Premium                |
| Exhibit __ (RBH-10R) | NYSE and S&P 500 Domicile                     |
| Exhibit __ (RBH-11R) | Regulatory Risk                               |
| Exhibit __ (RBH-12R) | Regulatory Risk and Beta                      |
| Exhibit __ (RBH-13R) | Stay-Out Premium                              |
| Exhibit __ (RBH-14R) | Capital Structure                             |
| Exhibit __ (RBH-15R) | Summary Table                                 |



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-1R)

Two-Stage DCF Model - 3 Month Average Price

TWO-STAGE DCF MODEL - 3 MONTH AVERAGE PRICE - EXCLUDING NEGATIVE GROWTH

| Inputs                                | [1]         | [2]   | [3]                      | [4]                      | [5]     | [6]           | [7]    | [8]    | [9]                       | [10]   | [11]                 | [12]                | [13]                |
|---------------------------------------|-------------|-------|--------------------------|--------------------------|---------|---------------|--------|--------|---------------------------|--------|----------------------|---------------------|---------------------|
| Company                               | Stock Price | Zacks | EPS Growth<br>Value Line | EPS Growth<br>First Call | Average | GDP<br>Growth | 2012   | 2016   | Long-Term<br>Payout Ratio | Delta  | Solver Cells<br>k(c) | Near Term<br>Growth | Long Term<br>Growth |
| Allele                                | \$40.28     | 5.00% | 7.50%                    | 5.00%                    | 5.83%   | 5.68%         | 75.00% | 59.00% | 66.57%                    | \$0.00 | 10.57%               | 5.24%               | 5.68%               |
| Alliant Energy Corp.                  | \$44.23     | 6.20% | 6.00%                    | 6.00%                    | 6.17%   | 5.68%         | 68.00% | 68.00% | 66.57%                    | \$0.00 | 10.37%               | 5.54%               | 5.68%               |
| American Electric Power               | \$38.60     | 3.60% | 4.50%                    | 3.54%                    | 3.88%   | 5.68%         | 61.00% | 59.00% | 66.57%                    | \$0.00 | 11.16%               | 3.49%               | 5.68%               |
| Avista Corp.                          | \$25.82     | 4.70% | 5.50%                    | 4.00%                    | 4.73%   | 5.68%         | 63.00% | 62.00% | 66.57%                    | \$0.00 | 10.37%               | 4.26%               | 5.68%               |
| Black Hills Corp.                     | \$32.51     | 6.00% | 7.00%                    | 6.00%                    | 6.33%   | 5.68%         | 71.00% | 62.00% | 66.57%                    | \$0.00 | 8.01%                | 5.69%               | 5.68%               |
| Center Point Energy                   | \$19.96     | 5.10% | 4.00%                    | 4.88%                    | 4.33%   | 5.68%         | 63.00% | 63.00% | 66.57%                    | \$0.00 | 10.16%               | 4.07%               | 5.68%               |
| Cleco Corp.                           | \$40.43     | N/A   | 6.50%                    | 3.00%                    | 4.75%   | 5.68%         | 50.00% | 56.00% | 66.57%                    | \$0.00 | 10.08%               | 4.27%               | 5.68%               |
| Consolidated Edison                   | \$59.86     | 3.60% | 4.00%                    | 3.20%                    | 3.60%   | 5.68%         | 65.00% | 57.00% | 66.57%                    | \$0.00 | 9.66%                | 3.24%               | 5.68%               |
| Dominion Resources, Inc.              | \$22.16     | 4.90% | 6.50%                    | 6.50%                    | 3.60%   | 5.68%         | 68.00% | 63.00% | 66.57%                    | \$0.00 | 9.56%                | 3.03%               | 5.68%               |
| DTE Energy Co.                        | \$36.58     | 5.00% | 4.00%                    | 4.30%                    | 4.43%   | 5.68%         | 65.00% | 60.00% | 66.57%                    | \$0.00 | 10.18%               | 3.99%               | 5.68%               |
| Edison International                  | \$44.22     | 1.50% | 1.00%                    | 0.33%                    | 0.45%   | 5.68%         | 48.00% | 45.00% | 66.57%                    | \$0.00 | 9.89%                | 0.85%               | 5.68%               |
| Empire District Electric Energy Corp. | \$65.34     | N/A   | 6.00%                    | 10.20%                   | 8.10%   | 5.68%         | 82.00% | 70.00% | 66.57%                    | \$0.00 | 11.05%               | 7.28%               | 5.68%               |
| Great Plains Energy, Inc.             | \$20.23     | 7.80% | 5.50%                    | NA                       | 1.50%   | 5.68%         | 70.00% | 63.00% | 66.57%                    | \$0.00 | 13.00%               | 1.35%               | 5.68%               |
| Hawaiian Electric                     | \$26.82     | 7.10% | 9.00%                    | 9.15%                    | 7.68%   | 5.68%         | 77.00% | 65.00% | 66.57%                    | \$0.00 | 10.62%               | 6.90%               | 5.68%               |
| IDACORP, Inc.                         | \$45.21     | 4.50% | 3.00%                    | 4.00%                    | 4.00%   | 5.68%         | 43.00% | 65.00% | 66.57%                    | \$0.00 | 10.14%               | 7.56%               | 5.68%               |
| Integrus/WPS Resources                | \$39.93     | 5.00% | 4.50%                    | 5.00%                    | 5.00%   | 5.68%         | 88.00% | 65.00% | 66.57%                    | \$0.00 | 11.19%               | 3.60%               | 5.68%               |
| MGE Energy, Inc.                      | \$45.49     | 4.00% | 4.50%                    | 4.00%                    | 4.17%   | 5.68%         | 83.00% | 76.00% | 66.57%                    | \$0.00 | 9.64%                | 4.94%               | 5.68%               |
| Northeast Utilities                   | \$36.73     | 6.90% | 8.00%                    | 5.06%                    | 6.65%   | 5.68%         | 63.00% | 53.00% | 66.57%                    | \$0.00 | 10.21%               | 5.98%               | 5.68%               |
| OGE Energy                            | \$33.02     | 5.50% | 6.00%                    | 5.00%                    | 5.08%   | 5.68%         | 42.00% | 41.00% | 66.57%                    | \$0.00 | 10.14%               | 4.94%               | 5.68%               |
| Pepco Holdings, Inc.                  | \$18.92     | 3.40% | 7.00%                    | 4.85%                    | 5.08%   | 5.68%         | 86.00% | 69.00% | 66.57%                    | \$0.00 | 10.14%               | 4.57%               | 5.68%               |
| PG&E Corp                             | \$43.90     | 2.50% | 4.50%                    | 1.45%                    | 2.82%   | 5.68%         | 82.00% | 53.00% | 66.57%                    | \$0.00 | 9.84%                | 2.53%               | 5.68%               |
| Pinnacle West Capital                 | \$48.94     | 5.70% | 5.00%                    | 6.22%                    | 5.64%   | 5.68%         | 63.00% | 64.00% | 66.57%                    | \$0.00 | 10.89%               | 5.07%               | 5.68%               |
| Portland General                      | \$25.39     | 4.10% | 5.00%                    | 3.67%                    | 4.42%   | 5.68%         | 55.00% | 54.00% | 66.57%                    | \$0.00 | 10.15%               | 3.98%               | 5.68%               |
| SCANA Corp.                           | \$46.21     | 4.70% | 4.00%                    | 4.30%                    | 4.40%   | 5.68%         | 63.00% | 56.00% | 66.57%                    | \$0.00 | 10.10%               | 3.96%               | 5.68%               |
| Sempra Energy                         | \$64.89     | 6.80% | 5.00%                    | 5.40%                    | 7.05%   | 5.68%         | 57.00% | 48.00% | 66.57%                    | \$0.00 | 9.74%                | 5.50%               | 5.68%               |
| Southern Co.                          | \$45.93     | 5.00% | 5.00%                    | 3.47%                    | 4.96%   | 5.68%         | 70.00% | 63.00% | 66.57%                    | \$0.00 | 10.66%               | 4.61%               | 5.68%               |
| TECO Energy, Inc.                     | \$17.65     | 3.90% | 7.50%                    | 3.75%                    | 4.96%   | 5.68%         | 80.00% | 71.00% | 66.57%                    | \$0.00 | 10.83%               | 4.46%               | 5.68%               |
| UIL Holdings Corp.                    | \$34.03     | 4.50% | 4.00%                    | 4.10%                    | 4.20%   | 5.68%         | 80.00% | 64.00% | 66.57%                    | \$0.00 | 10.31%               | 4.73%               | 5.68%               |
| UHL Holdings Corp.                    | \$29.11     | 4.30% | 6.50%                    | 5.00%                    | 5.77%   | 5.68%         | 69.00% | 61.00% | 66.57%                    | \$0.00 | 10.02%               | 5.18%               | 5.68%               |
| Westar Energy                         | \$28.51     | 6.20% | 6.50%                    | 4.00%                    | 4.00%   | 5.68%         | 53.00% | 63.00% | 66.57%                    | \$0.00 | 9.94%                | 5.18%               | 5.68%               |
| Wisconsin Energy                      | \$37.10     | 5.30% | 6.50%                    | 5.50%                    | 5.34%   | 5.68%         | 61.00% | 62.00% | 66.57%                    | \$0.00 | 10.19%               | 4.80%               | 5.68%               |
| Xcel Energy, Inc.                     | \$27.43     | 4.90% | 6.00%                    | 5.11%                    | 5.07%   | 5.68%         | 67.06% | 60.67% | 66.57%                    | \$0.00 | 10.25%               | 4.56%               | 5.68%               |

MEAN:

|        |                           | [14]   | [15]   | [16]   | [17]   | [18]   | [19]   | [20]   | [21]   | [22]   | [23]    | [24]    | [25]    | [26]    | [27]    | [28]    | [29]    |
|--------|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|
| Ticker | Company                   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    | 2026    |
| ALLE   | Allele                    | \$2.65 | \$2.80 | \$2.89 | \$3.05 | \$3.23 | \$3.42 | \$3.62 | \$3.82 | \$4.04 | \$4.27  | \$4.51  | \$4.77  | \$5.04  | \$5.32  | \$5.63  | \$5.94  |
| LNT    | Alliant Energy Corp.      | \$2.75 | \$2.92 | \$3.01 | \$3.20 | \$3.39 | \$3.60 | \$3.81 | \$4.02 | \$4.25 | \$4.49  | \$4.75  | \$5.02  | \$5.30  | \$5.60  | \$5.92  | \$6.26  |
| AEP    | American Electric Power   | \$3.13 | \$3.25 | \$3.31 | \$3.44 | \$3.58 | \$3.72 | \$3.93 | \$4.15 | \$4.39 | \$4.64  | \$4.90  | \$5.18  | \$5.47  | \$5.78  | \$6.11  | \$6.46  |
| AVA    | Avista Corp.              | \$1.72 | \$1.80 | \$1.84 | \$1.93 | \$2.02 | \$2.12 | \$2.24 | \$2.37 | \$2.50 | \$2.64  | \$2.79  | \$2.95  | \$3.12  | \$3.30  | \$3.48  | \$3.68  |
| BKH    | Black Hills Corp.         | \$1.01 | \$1.07 | \$1.11 | \$1.18 | \$1.25 | \$1.33 | \$1.41 | \$1.49 | \$1.57 | \$1.66  | \$1.76  | \$1.86  | \$1.96  | \$2.07  | \$2.19  | \$2.31  |
| CNP    | Center Point Energy       | \$1.27 | \$1.33 | \$1.36 | \$1.42 | \$1.48 | \$1.55 | \$1.64 | \$1.73 | \$1.83 | \$1.93  | \$2.04  | \$2.16  | \$2.28  | \$2.41  | \$2.55  | \$2.69  |
| CLEO   | Cleco Corp.               | \$2.59 | \$2.71 | \$2.78 | \$2.91 | \$3.05 | \$3.19 | \$3.37 | \$3.57 | \$3.77 | \$3.98  | \$4.21  | \$4.45  | \$4.70  | \$4.97  | \$5.25  | \$5.55  |
| ED     | Consolidated Edison       | \$3.57 | \$3.70 | \$3.77 | \$3.90 | \$4.04 | \$4.19 | \$4.42 | \$4.68 | \$4.94 | \$5.22  | \$5.52  | \$5.83  | \$6.16  | \$6.51  | \$6.88  | \$7.27  |
| D      | Dominion Resources, Inc.  | \$2.76 | \$2.91 | \$3.00 | \$3.16 | \$3.34 | \$3.53 | \$3.73 | \$3.94 | \$4.16 | \$4.40  | \$4.65  | \$4.91  | \$5.19  | \$5.49  | \$5.80  | \$6.13  |
| DTE    | DTE Energy Co.            | \$3.67 | \$3.83 | \$3.92 | \$4.09 | \$4.27 | \$4.46 | \$4.72 | \$4.98 | \$5.27 | \$5.57  | \$5.88  | \$6.22  | \$6.57  | \$6.94  | \$7.34  | \$7.75  |
| EIX    | Edison International      | \$3.23 | \$3.26 | \$3.28 | \$3.31 | \$3.34 | \$3.37 | \$3.56 | \$3.76 | \$3.98 | \$4.20  | \$4.44  | \$4.69  | \$4.96  | \$5.24  | \$5.54  | \$5.85  |
| EDE    | Empire District Electric  | \$1.31 | \$1.42 | \$1.47 | \$1.59 | \$1.72 | \$1.86 | \$1.97 | \$2.08 | \$2.20 | \$2.32  | \$2.45  | \$2.59  | \$2.74  | \$2.90  | \$3.06  | \$3.23  |
| ETR    | Energy Corp.              | \$7.55 | \$7.66 | \$7.72 | \$7.84 | \$7.95 | \$8.07 | \$8.53 | \$9.02 | \$9.53 | \$10.07 | \$10.64 | \$11.25 | \$11.89 | \$12.56 | \$13.27 | \$14.03 |
| GXP    | Great Plains Energy, Inc. | \$1.25 | \$1.35 | \$1.40 | \$1.51 | \$1.62 | \$1.75 | \$1.84 | \$1.95 | \$2.06 | \$2.18  | \$2.30  | \$2.43  | \$2.57  | \$2.72  | \$2.87  | \$3.03  |
| HE     | Hawaiian Electric         | \$1.44 | \$1.56 | \$1.63 | \$1.76 | \$1.91 | \$2.07 | \$2.19 | \$2.32 | \$2.45 | \$2.59  | \$2.73  | \$2.89  | \$3.05  | \$3.23  | \$3.41  | \$3.60  |
| IDA    | IDACORP, Inc.             | \$3.36 | \$3.49 | \$3.56 | \$3.71 | \$3.86 | \$4.01 | \$4.24 | \$4.48 | \$4.73 | \$5.00  | \$5.28  | \$5.59  | \$5.90  | \$6.24  | \$6.59  | \$6.97  |
| TEG    | Integrus/WPS Resources    | \$2.88 | \$3.04 | \$3.12 | \$3.29 | \$3.47 | \$3.67 | \$3.87 | \$4.09 | \$4.33 | \$4.57  | \$4.83  | \$5.11  | \$5.40  | \$5.70  | \$6.03  | \$6.37  |
| MGE    | MGE Energy, Inc.          | \$2.64 | \$2.75 | \$2.81 | \$2.92 | \$3.05 | \$3.17 | \$3.35 | \$3.54 | \$3.74 | \$3.96  | \$4.18  | \$4.42  | \$4.67  | \$4.94  | \$5.22  | \$5.51  |
| NU     | Northeast Utilities       | \$2.22 | \$2.37 | \$2.45 | \$2.61 | \$2.78 | \$2.97 | \$3.14 | \$3.31 | \$3.50 | \$3.70  | \$3.91  | \$4.13  | \$4.37  | \$4.62  | \$4.88  | \$5.16  |
| OGE    | OGE Energy                | \$3.45 | \$3.64 | \$3.74 | \$3.95 | \$4.16 | \$4.39 | \$4.64 | \$4.90 | \$5.18 | \$5.48  | \$5.79  | \$6.12  | \$6.46  | \$6.83  | \$7.22  | \$7.63  |
| POM    | Pepco Holdings, Inc.      | \$1.14 | \$1.20 | \$1.23 | \$1.29 | \$1.36 | \$1.43 | \$1.51 | \$1.59 | \$1.68 | \$1.78  | \$1.88  | \$1.99  | \$2.10  | \$2.22  | \$2.34  | \$2.48  |
| PCG    | PG&E Corp                 | \$2.78 | \$2.86 | \$2.90 | \$2.98 | \$3.06 | \$3.15 | \$3.33 | \$3.52 | \$3.72 | \$3.93  | \$4.15  | \$4.39  | \$4.64  | \$4.90  | \$5.18  | \$5.47  |
| PWR    | Pinnacle West Capital     | \$2.99 | \$3.16 | \$3.25 | \$3.43 | \$3.62 | \$3.83 | \$4.05 | \$4.28 | \$4.52 | \$4.78  | \$5.05  | \$5.33  | \$5.64  | \$5.96  | \$6.29  | \$6.65  |
| POR    | Portland General          | \$1.95 | \$2.04 | \$2.08 | \$2.17 | \$2.27 | \$2.37 | \$2.50 | \$2.65 | \$2.80 | \$2.96  | \$3.12  | \$3.30  | \$3.49  | \$3.69  | \$3.90  | \$4.12  |
| SCG    | SCANA Corp.               | \$2.97 | \$3.10 | \$3.17 | \$3.31 | \$3.45 | \$3.61 | \$3.81 | \$4.03 | \$4.26 | \$4.50  | \$4.75  | \$5.02  | \$5.31  | \$5.61  | \$5.93  | \$6.27  |
| SRE    | Sempra Energy             | \$4.47 | \$4.74 | \$4.89 | \$5.19 | \$5.50 | \$5.84 | \$6.17 | \$6.52 | \$6.89 | \$7.29  | \$7.70  | \$8.14  | \$8.60  | \$9.09  | \$9.60  | \$10.15 |
| SO     | Southern Co.              | \$2.55 | \$2.68 | \$2.75 | \$2.89 | \$3.04 | \$3.20 | \$3.38 | \$3.57 | \$3.77 | \$3.99  | \$4.21  | \$4.45  | \$4.70  | \$4.96  | \$5.25  | \$5.55  |
| TE     | TECO Energy, Inc.         | \$1.27 | \$1.33 | \$1.37 | \$1.43 | \$1.50 | \$1.58 | \$1.67 | \$1.76 | \$1.86 | \$1.97  | \$2.08  | \$2.20  | \$2.32  | \$2.46  | \$2.60  | \$2.74  |
| UIL    | UIL Holdings Corp.        | \$1.95 | \$2.03 | \$2.07 | \$2.16 | \$2.25 | \$2.35 | \$2.48 | \$2.63 | \$2.77 | \$2.93  | \$3.09  | \$3.27  | \$3.46  | \$3.65  | \$3.86  | \$4.08  |
| VVC    | Veccren Corp.             | \$1.73 | \$1.82 | \$1.87 | \$1.97 | \$2.07 | \$2.18 | \$2.30 | \$2.43 | \$2.57 | \$2.72  | \$2.87  | \$3.04  | \$3.21  | \$3.39  | \$3.58  | \$3.79  |
| WEC    | Wisconsin Energy          | \$2.18 | \$2.31 | \$2.37 | \$2.51 | \$2.65 | \$2.81 | \$2.97 | \$3.13 | \$3.31 | \$3.50  | \$3.70  | \$3.91  | \$4.13  | \$4.37  | \$4.61  | \$4.88  |
| XEL    | Xcel Energy, Inc.         | \$1.72 | \$1.81 | \$1.86 | \$1.96 | \$2.06 | \$2.17 | \$2.30 | \$2.43 | \$2.57 | \$2.71  | \$2.87  | \$3.03  | \$3.20  | \$3.38  | \$3.57  | \$3.78  |

TWO-STAGE DCF MODEL - 3 MONTH AVERAGE PRICE - EXCLUDING NEGATIVE GROWTH

| Company                  | Ticker | [30]   | [31]   | [32]   | [33]   | [34]   | [35]   | [36]   | [37]   | [38]   | [39]   | [40]   | [41]   | [42]   | [43]   | [44]   |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Allete                   | ALT    | 75.00% | 71.00% | 67.00% | 63.00% | 59.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Alliant Energy Corp.     | LNT    | 68.00% | 67.50% | 67.00% | 67.25% | 67.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| American Electric Power  | EP     | 61.00% | 60.50% | 60.00% | 59.50% | 59.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Avista Corp.             | AVA    | 63.00% | 62.75% | 62.50% | 62.25% | 62.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Black Hills Corp.        | BKH    | 70.00% | 70.25% | 69.50% | 64.75% | 63.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Center Point Energy      | CNP    | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Cleco Corp.              | CNL    | 50.00% | 51.50% | 53.00% | 54.50% | 56.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Consolidated Edison      | ED     | 65.00% | 63.00% | 61.00% | 59.00% | 57.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Dominion Resources, Inc. | D      | 68.00% | 67.25% | 66.50% | 65.75% | 65.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| DTE Energy Co.           | DTE    | 63.00% | 63.75% | 62.50% | 61.25% | 60.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Empire District Electric | EIX    | 48.00% | 47.25% | 46.50% | 45.75% | 45.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Empire State Electric    | ETR    | 82.00% | 79.00% | 76.00% | 73.00% | 70.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Energy Corp.             | ETD    | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Great Plains Energy Inc. | GXP    | 71.00% | 68.75% | 66.50% | 64.25% | 62.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Hawaiian Electric        | HE     | 77.00% | 74.00% | 71.00% | 68.00% | 65.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| IDACORP, Inc.            | IDA    | 43.00% | 45.75% | 48.50% | 51.25% | 54.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Integrus/WPS Resources   | ITG    | 88.00% | 82.25% | 76.50% | 70.75% | 65.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| MGE Energy, Inc.         | MGEE   | 83.00% | 81.25% | 79.50% | 77.75% | 76.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Northeast Utilities      | NU     | 83.00% | 80.50% | 78.00% | 75.50% | 73.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| OG&E Energy              | OG     | 42.00% | 41.75% | 41.50% | 41.25% | 41.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Pepco Holdings, Inc.     | PCG    | 86.00% | 81.75% | 77.50% | 73.25% | 69.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| PG&E Corp                | PCG    | 82.00% | 74.75% | 67.50% | 60.25% | 53.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Pinnacle West Capital    | PNN    | 63.00% | 63.25% | 63.50% | 63.75% | 64.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Portland General         | POR    | 55.00% | 54.75% | 54.50% | 54.25% | 54.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| SCANA Corp.              | SCG    | 63.00% | 61.25% | 59.50% | 57.75% | 56.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Sempra Energy            | SRE    | 57.00% | 54.75% | 52.50% | 50.25% | 48.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Southern Co.             | SO     | 76.00% | 74.50% | 73.00% | 71.50% | 70.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| TECO Energy, Inc.        | TE     | 67.00% | 66.00% | 65.00% | 64.00% | 63.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| UIL Holdings Corp.       | UIL    | 80.00% | 77.75% | 75.50% | 73.25% | 71.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Veeco Corp.              | VCC    | 76.00% | 73.00% | 70.00% | 67.00% | 64.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Westar Energy            | WR     | 69.00% | 67.00% | 65.00% | 63.00% | 61.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Wisconsin Energy         | WEC    | 53.00% | 55.50% | 58.00% | 60.50% | 63.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| Xcel Energy, Inc.        | XEL    | 61.00% | 61.25% | 61.50% | 61.75% | 62.00% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |

| Company                  | Ticker | [45]   | [46]   | [47]   | [48]   | [49]   | [50]   | [51]   | [52]   | [53]   | [54]   | [55]   | [56]   | [57]   | [58]   | [59]   | [60]     | [61]  |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|-------|
| Allete                   | ALT    | \$2.10 | \$2.05 | \$2.00 | \$2.04 | \$2.02 | \$2.41 | \$2.54 | \$2.69 | \$2.84 | \$3.00 | \$3.17 | \$3.35 | \$3.54 | \$3.74 | \$3.96 | \$43.40  | 14.38 |
| Alliant Energy Corp.     | LNT    | \$1.98 | \$2.04 | \$2.16 | \$2.28 | \$2.41 | \$2.53 | \$2.68 | \$2.83 | \$2.99 | \$3.16 | \$3.34 | \$3.53 | \$3.73 | \$3.94 | \$4.17 | \$85.49  | 12.83 |
| American Electric Power  | EP     | \$1.99 | \$2.01 | \$2.07 | \$2.13 | \$2.19 | \$2.61 | \$2.66 | \$2.92 | \$3.09 | \$3.26 | \$3.45 | \$3.64 | \$3.85 | \$4.07 | \$4.30 | \$82.83  | 14.99 |
| Avista Corp.             | AVA    | \$1.13 | \$1.16 | \$1.21 | \$1.26 | \$1.31 | \$1.49 | \$1.57 | \$1.66 | \$1.76 | \$1.86 | \$1.96 | \$2.08 | \$2.19 | \$2.32 | \$2.45 | \$55.26  | 15.01 |
| Black Hills Corp.        | BKH    | \$0.78 | \$0.78 | \$0.80 | \$0.81 | \$0.83 | \$0.94 | \$0.99 | \$1.05 | \$1.11 | \$1.17 | \$1.24 | \$1.31 | \$1.38 | \$1.46 | \$1.54 | \$69.77  | 30.15 |
| Center Point Energy      | CNP    | \$0.93 | \$0.93 | \$0.94 | \$0.96 | \$0.98 | \$1.09 | \$1.15 | \$1.22 | \$1.29 | \$1.36 | \$1.44 | \$1.52 | \$1.61 | \$1.70 | \$1.79 | \$42.30  | 15.70 |
| Cleco Corp.              | CNL    | \$1.36 | \$1.43 | \$1.54 | \$1.66 | \$1.79 | \$2.25 | \$2.37 | \$2.51 | \$2.65 | \$2.80 | \$2.96 | \$3.13 | \$3.31 | \$3.49 | \$3.69 | \$88.72  | 16.00 |
| Consolidated Edison      | ED     | \$2.40 | \$2.37 | \$2.38 | \$2.38 | \$2.39 | \$2.95 | \$3.11 | \$3.29 | \$3.48 | \$3.67 | \$3.88 | \$4.10 | \$4.34 | \$4.58 | \$4.84 | \$128.52 | 17.67 |
| Dominion Resources, Inc. | D      | \$1.98 | \$2.01 | \$2.10 | \$2.20 | \$2.29 | \$2.48 | \$2.62 | \$2.77 | \$2.93 | \$3.10 | \$3.27 | \$3.46 | \$3.65 | \$3.86 | \$4.08 | \$111.13 | 18.13 |
| DTE Energy Co.           | DTE    | \$2.49 | \$2.50 | \$2.56 | \$2.62 | \$2.68 | \$3.14 | \$3.32 | \$3.51 | \$3.70 | \$3.92 | \$4.14 | \$4.37 | \$4.62 | \$4.88 | \$5.16 | \$121.09 | 15.62 |
| Empire District Electric | EIX    | \$1.57 | \$1.55 | \$1.54 | \$1.53 | \$1.52 | \$2.37 | \$2.50 | \$2.65 | \$2.80 | \$2.96 | \$3.12 | \$3.30 | \$3.49 | \$3.69 | \$3.90 | \$97.87  | 16.72 |
| Empire State Electric    | ETR    | \$5.36 | \$5.27 | \$5.21 | \$5.15 | \$5.09 | \$5.68 | \$6.00 | \$6.34 | \$6.70 | \$7.08 | \$7.49 | \$7.91 | \$8.36 | \$8.84 | \$9.34 | \$134.87 | 9.62  |
| Great Plains Energy Inc. | GXP    | \$0.96 | \$0.96 | \$1.00 | \$1.04 | \$1.08 | \$1.23 | \$1.30 | \$1.37 | \$1.45 | \$1.53 | \$1.62 | \$1.71 | \$1.81 | \$1.91 | \$2.02 | \$43.40  | 13.11 |
| Hawaiian Electric        | HE     | \$1.20 | \$1.20 | \$1.25 | \$1.30 | \$1.35 | \$1.46 | \$1.54 | \$1.63 | \$1.72 | \$1.82 | \$1.92 | \$2.03 | \$2.15 | \$2.27 | \$2.40 | \$56.87  | 15.79 |
| IDACORP, Inc.            | IDA    | \$1.50 | \$1.63 | \$1.80 | \$1.98 | \$2.17 | \$2.82 | \$2.98 | \$3.15 | \$3.33 | \$3.52 | \$3.72 | \$3.93 | \$4.15 | \$4.39 | \$4.64 | \$88.90  | 12.76 |
| Integrus/WPS Resources   | ITG    | \$2.67 | \$2.57 | \$2.52 | \$2.46 | \$2.38 | \$2.82 | \$2.73 | \$2.88 | \$3.04 | \$3.23 | \$3.40 | \$3.59 | \$3.80 | \$4.01 | \$4.24 | \$113.02 | 17.74 |
| MGE Energy, Inc.         | MGEE   | \$2.28 | \$2.28 | \$2.32 | \$2.37 | \$2.41 | \$2.23 | \$2.26 | \$2.49 | \$2.63 | \$2.78 | \$2.93 | \$3.11 | \$3.29 | \$3.47 | \$3.67 | \$80.07  | 16.96 |
| Northeast Utilities      | NU     | \$1.49 | \$1.48 | \$1.51 | \$1.54 | \$1.57 | \$3.09 | \$3.26 | \$3.45 | \$3.65 | \$3.85 | \$4.07 | \$4.30 | \$4.55 | \$4.81 | \$5.08 | \$120.32 | 15.77 |
| OG&E Energy              | OG     | \$1.53 | \$1.56 | \$1.64 | \$1.72 | \$1.80 | \$3.09 | \$3.26 | \$3.45 | \$3.65 | \$3.85 | \$4.07 | \$4.30 | \$4.55 | \$4.81 | \$5.08 | \$39.08  | 15.78 |
| Pepco Holdings, Inc.     | POM    | \$1.03 | \$1.00 | \$1.00 | \$0.99 | \$0.98 | \$1.00 | \$1.06 | \$1.12 | \$1.18 | \$1.25 | \$1.31 | \$1.40 | \$1.48 | \$1.56 | \$1.65 | \$92.62  | 16.92 |
| Pinnacle West Capital    | PCG    | \$2.34 | \$2.17 | \$2.01 | \$1.85 | \$1.67 | \$2.22 | \$2.34 | \$2.48 | \$2.62 | \$2.76 | \$2.92 | \$3.09 | \$3.26 | \$3.45 | \$3.64 | \$104.78 | 15.75 |
| Portland General         | POR    | \$1.99 | \$2.05 | \$2.18 | \$2.31 | \$2.45 | \$2.69 | \$2.85 | \$3.01 | \$3.18 | \$3.35 | \$3.55 | \$3.75 | \$3.97 | \$4.19 | \$4.43 | \$55.55  | 13.49 |
| SCANA Corp.              | SCG    | \$1.12 | \$1.14 | \$1.18 | \$1.23 | \$1.28 | \$1.67 | \$1.76 | \$1.86 | \$1.97 | \$2.08 | \$2.20 | \$2.32 | \$2.45 | \$2.59 | \$2.74 | \$95.71  | 15.91 |
| Sempra Energy            | SRE    | \$1.95 | \$1.94 | \$1.97 | \$1.97 | \$2.02 | \$2.54 | \$2.68 | \$2.83 | \$2.99 | \$3.16 | \$3.34 | \$3.53 | \$3.73 | \$3.95 | \$4.17 | \$143.51 | 14.14 |
| Southern Co.             | SO     | \$2.70 | \$2.68 | \$2.72 | \$2.77 | \$2.80 | \$4.11 | \$4.34 | \$4.59 | \$4.85 | \$5.13 | \$5.42 | \$5.72 | \$6.05 | \$6.39 | \$6.76 | \$96.20  | 17.33 |
| TECO Energy, Inc.        | TE     | \$0.89 | \$0.90 | \$0.93 | \$0.96 | \$0.99 | \$1.11 | \$1.17 | \$1.24 | \$1.31 | \$1.39 | \$1.46 | \$1.55 | \$1.64 | \$1.73 | \$1.83 | \$37.49  | 13.66 |
| UIL Holdings Corp.       | UIL    | \$1.63 | \$1.61 | \$1.63 | \$1.65 | \$1.67 | \$1.65 | \$1.74 | \$1.84 | \$1.95 | \$2.06 | \$2.17 | \$2.30 | \$2.43 | \$2.57 | \$2.71 | \$70.69  | 17.33 |
| Westar Corp.             | VCC    | \$1.38 | \$1.36 | \$1.38 | \$1.39 | \$1.40 | \$1.53 | \$1.62 | \$1.71 | \$1.81 | \$1.91 | \$2.02 | \$2.14 | \$2.26 | \$2.39 | \$2.52 | \$61.36  | 16.20 |
| Wisconsin Energy         | WEC    | \$1.22 | \$1.31 | \$1.34 | \$1.37 | \$1.41 | \$1.62 | \$1.71 | \$1.81 | \$1.91 | \$2.02 | \$2.14 | \$2.26 | \$2.39 | \$2.52 | \$2.67 | \$80.85  | 15.70 |
| Xcel Energy, Inc.        | XEL    | \$1.11 | \$1.14 | \$1.21 | \$1.27 | \$1.35 | \$1.53 | \$1.62 | \$1.71 | \$1.81 | \$1.91 | \$2.02 | \$2.14 | \$2.26 | \$2.39 | \$2.52 | \$88.97  | 16.51 |
|                          |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        | Median   | 15.73 |

TWO-STAGE DCF MODEL - 3 MONTH AVERAGE PRICE - EXCLUDING NEGATIVE GROWTH

| Investor Cash Flows      | [62]      | [63]    | [64]     | [65]    | [66]    | [67]    | [68]    | [69]    | [70]    | [71]    | [72]    | [73]    | [74]    | [75]    | [76]    | [77]    | [78]     |
|--------------------------|-----------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Company                  | Initial   | 6/29/12 | 12/31/12 | 6/30/13 | 6/30/14 | 6/30/15 | 6/30/16 | 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  |
| Allele                   | (\$40.28) | \$0.00  | \$1.07   | \$2.05  | \$2.05  | \$2.04  | \$2.02  | \$2.41  | \$2.54  | \$2.69  | \$2.84  | \$3.00  | \$3.17  | \$3.35  | \$3.54  | \$3.74  | \$39.45  |
| American Electric Power  | (\$44.23) | \$0.00  | \$1.01   | \$2.04  | \$2.16  | \$2.28  | \$2.41  | \$2.53  | \$2.68  | \$2.83  | \$2.99  | \$3.16  | \$3.34  | \$3.53  | \$3.73  | \$3.94  | \$97.94  |
| Avista Corp.             | (\$25.82) | \$0.00  | \$0.58   | \$1.16  | \$1.21  | \$1.26  | \$1.31  | \$1.49  | \$1.57  | \$1.66  | \$1.76  | \$1.86  | \$1.96  | \$2.08  | \$2.19  | \$2.32  | \$87.13  |
| Black Hills Corp.        | (\$32.51) | \$0.00  | \$0.40   | \$0.78  | \$0.80  | \$0.81  | \$0.83  | \$0.94  | \$0.99  | \$1.05  | \$1.11  | \$1.17  | \$1.24  | \$1.31  | \$1.38  | \$1.46  | \$71.31  |
| Center Point Energy      | (\$19.96) | \$0.00  | \$0.47   | \$0.93  | \$0.94  | \$0.96  | \$0.98  | \$1.09  | \$1.15  | \$1.22  | \$1.29  | \$1.36  | \$1.44  | \$1.52  | \$1.61  | \$1.70  | \$44.09  |
| CNNL                     | (\$40.43) | \$0.00  | \$0.69   | \$1.43  | \$1.54  | \$1.66  | \$1.79  | \$2.25  | \$2.37  | \$2.51  | \$2.65  | \$2.80  | \$2.96  | \$3.13  | \$3.31  | \$3.49  | \$92.41  |
| Consolidated Edison      | (\$39.86) | \$0.00  | \$1.22   | \$2.37  | \$2.38  | \$2.38  | \$2.39  | \$2.95  | \$3.11  | \$3.29  | \$3.48  | \$3.67  | \$3.88  | \$4.10  | \$4.34  | \$4.58  | \$133.36 |
| Dominion Resources, Inc. | (\$32.16) | \$0.00  | \$1.00   | \$2.01  | \$2.10  | \$2.20  | \$2.29  | \$2.48  | \$2.62  | \$2.77  | \$2.93  | \$3.10  | \$3.27  | \$3.46  | \$3.65  | \$3.86  | \$115.22 |
| DTE Energy Co.           | (\$56.58) | \$0.00  | \$1.26   | \$2.50  | \$2.56  | \$2.62  | \$2.68  | \$3.14  | \$3.32  | \$3.51  | \$3.70  | \$3.92  | \$4.14  | \$4.37  | \$4.62  | \$4.88  | \$126.25 |
| Edison International     | (\$44.22) | \$0.00  | \$0.79   | \$1.55  | \$1.54  | \$1.53  | \$1.52  | \$2.37  | \$2.50  | \$2.65  | \$2.80  | \$2.96  | \$3.12  | \$3.30  | \$3.49  | \$3.69  | \$101.77 |
| Empire District Electric | (\$20.39) | \$0.00  | \$0.59   | \$1.16  | \$1.21  | \$1.26  | \$1.30  | \$1.31  | \$1.38  | \$1.46  | \$1.55  | \$1.63  | \$1.73  | \$1.82  | \$1.93  | \$2.04  | \$44.55  |
| Energy Corp.             | (\$65.54) | \$0.00  | \$2.72   | \$5.27  | \$5.21  | \$5.15  | \$5.09  | \$5.68  | \$6.00  | \$6.34  | \$6.70  | \$7.08  | \$7.49  | \$7.91  | \$8.36  | \$8.84  | \$144.21 |
| Great Plains Energy Inc. | (\$20.23) | \$0.00  | \$0.48   | \$0.96  | \$1.00  | \$1.04  | \$1.08  | \$1.23  | \$1.30  | \$1.37  | \$1.45  | \$1.53  | \$1.62  | \$1.71  | \$1.81  | \$1.91  | \$45.22  |
| Hawaiian Electric        | (\$26.82) | \$0.00  | \$0.61   | \$1.20  | \$1.25  | \$1.30  | \$1.35  | \$1.46  | \$1.54  | \$1.63  | \$1.72  | \$1.82  | \$1.92  | \$2.03  | \$2.15  | \$2.27  | \$59.26  |
| IDACORP, Inc.            | (\$39.93) | \$0.00  | \$0.76   | \$1.63  | \$1.80  | \$1.98  | \$2.17  | \$2.82  | \$2.98  | \$3.15  | \$3.33  | \$3.52  | \$3.72  | \$3.93  | \$4.15  | \$4.39  | \$93.54  |
| Integrus/WPS Resources   | (\$54.21) | \$0.00  | \$1.36   | \$2.57  | \$2.52  | \$2.46  | \$2.38  | \$2.58  | \$2.73  | \$2.88  | \$3.04  | \$3.22  | \$3.40  | \$3.59  | \$3.80  | \$4.01  | \$117.26 |
| MGE Energy, Inc.         | (\$45.49) | \$0.00  | \$1.16   | \$2.28  | \$2.32  | \$2.37  | \$2.41  | \$2.23  | \$2.36  | \$2.49  | \$2.63  | \$2.78  | \$2.94  | \$3.11  | \$3.29  | \$3.47  | \$97.15  |
| Northeast Utilities      | (\$36.73) | \$0.00  | \$0.76   | \$1.48  | \$1.51  | \$1.54  | \$1.57  | \$2.09  | \$2.21  | \$2.33  | \$2.46  | \$2.60  | \$2.75  | \$2.91  | \$3.07  | \$3.25  | \$83.50  |
| OGE Energy               | (\$53.02) | \$0.00  | \$0.52   | \$1.00  | \$1.00  | \$0.99  | \$0.98  | \$1.00  | \$1.06  | \$1.12  | \$1.18  | \$1.25  | \$1.32  | \$1.40  | \$1.48  | \$1.56  | \$40.73  |
| Pepco Holdings, Inc.     | (\$43.90) | \$0.00  | \$1.19   | \$2.17  | \$2.01  | \$1.85  | \$1.67  | \$2.22  | \$2.34  | \$2.48  | \$2.62  | \$2.76  | \$2.92  | \$3.09  | \$3.26  | \$3.45  | \$96.26  |
| PG&E Corp.               | (\$18.92) | \$0.00  | \$0.57   | \$1.04  | \$1.14  | \$1.23  | \$1.28  | \$1.67  | \$1.76  | \$1.86  | \$1.97  | \$2.08  | \$2.20  | \$2.32  | \$2.45  | \$2.59  | \$58.29  |
| Prinnacle West Capital   | (\$25.39) | \$0.00  | \$0.57   | \$1.37  | \$1.48  | \$1.57  | \$1.64  | \$2.09  | \$2.21  | \$2.33  | \$2.46  | \$2.60  | \$2.75  | \$2.91  | \$3.07  | \$3.25  | \$83.50  |
| Portland General         | (\$48.94) | \$0.00  | \$1.19   | \$2.17  | \$2.01  | \$1.85  | \$1.67  | \$2.22  | \$2.34  | \$2.48  | \$2.62  | \$2.76  | \$2.92  | \$3.09  | \$3.26  | \$3.45  | \$96.26  |
| SCANA Corp.              | (\$46.21) | \$0.00  | \$0.99   | \$1.94  | \$1.97  | \$1.99  | \$2.02  | \$2.54  | \$2.68  | \$2.83  | \$2.99  | \$3.16  | \$3.34  | \$3.53  | \$3.73  | \$3.95  | \$103.88 |
| Sempra Energy            | (\$64.89) | \$0.00  | \$1.37   | \$2.68  | \$2.72  | \$2.77  | \$2.80  | \$4.11  | \$4.34  | \$4.59  | \$4.85  | \$5.13  | \$5.42  | \$5.72  | \$6.05  | \$6.39  | \$150.27 |
| Southern Co.             | (\$45.93) | \$0.00  | \$1.03   | \$2.05  | \$2.11  | \$2.17  | \$2.24  | \$2.25  | \$2.38  | \$2.51  | \$2.65  | \$2.80  | \$2.96  | \$3.13  | \$3.31  | \$3.50  | \$99.90  |
| TECO Energy, Inc.        | (\$17.65) | \$0.00  | \$0.45   | \$0.90  | \$0.93  | \$0.96  | \$0.99  | \$1.11  | \$1.17  | \$1.24  | \$1.31  | \$1.39  | \$1.46  | \$1.55  | \$1.64  | \$1.73  | \$39.32  |
| UIL Holdings Corp.       | (\$34.03) | \$0.00  | \$0.82   | \$1.61  | \$1.63  | \$1.65  | \$1.67  | \$1.65  | \$1.74  | \$1.84  | \$1.95  | \$2.06  | \$2.18  | \$2.30  | \$2.43  | \$2.57  | \$73.40  |
| Veccren Corp.            | (\$29.11) | \$0.00  | \$0.70   | \$1.36  | \$1.38  | \$1.39  | \$1.40  | \$1.53  | \$1.62  | \$1.71  | \$1.81  | \$1.91  | \$2.02  | \$2.14  | \$2.26  | \$2.39  | \$63.88  |
| Westar Energy            | (\$28.51) | \$0.00  | \$0.66   | \$1.31  | \$1.34  | \$1.37  | \$1.41  | \$1.62  | \$1.71  | \$1.81  | \$1.91  | \$2.02  | \$2.14  | \$2.26  | \$2.39  | \$2.52  | \$63.51  |
| Wisconsin Energy         | (\$37.10) | \$0.00  | \$0.62   | \$1.32  | \$1.46  | \$1.61  | \$1.77  | \$1.97  | \$2.09  | \$2.21  | \$2.33  | \$2.46  | \$2.60  | \$2.75  | \$2.91  | \$3.07  | \$83.77  |
| Xcel Energy, Inc.        | (\$27.43) | \$0.00  | \$0.56   | \$1.14  | \$1.21  | \$1.27  | \$1.35  | \$1.53  | \$1.62  | \$1.71  | \$1.81  | \$1.91  | \$2.02  | \$2.13  | \$2.25  | \$2.38  | \$61.48  |



- [1] Source: Bloomberg Professional; based on three-month historical average
- [2] Source: Zacks
- [3] Source: Value Line
- [4] Source: Yahoo! Finance
- [5] Equals average of Columns [2], [3] and [4]
- [6] Source: EIA Annual Energy Outlook 2012, Bloomberg Professional, Bureau of Economic Analysis
- [7] Source: Value Line
- [8] Source: Value Line
- [9] Equals industry average historical payout ratio (1987-present)
- [10] Equals Column [1] + Column [62]
- [11] Equals result of Excel Solver function; goal: Column [10] equals \$0.00
- [12] Equals  $(\text{Column [19]} / \text{Column [14]})^{(1/(2016-2011))} - 1$
- [13] Equals  $(\text{Column [29]} / \text{Column [19]})^{(1/(2026-2016))} - 1$
- [14] Source: Value Line
- [15] Equals  $\text{Column [14]} \times (1 + \text{Column [5]})$
- [16] Equals  $\text{Column [15]} \times (1 + (\text{Column [5]} / 2))$
- [17] Equals  $\text{Column [16]} \times (1 + \text{Column [5]})$
- [18] Equals  $\text{Column [17]} \times (1 + \text{Column [5]})$
- [19] Equals  $\text{Column [18]} \times (1 + \text{Column [5]})$
- [20] Equals  $\text{Column [19]} \times (1 + \text{Column [6]})$
- [21] Equals  $\text{Column [20]} \times (1 + \text{Column [6]})$
- [22] Equals  $\text{Column [21]} \times (1 + \text{Column [6]})$
- [23] Equals  $\text{Column [22]} \times (1 + \text{Column [6]})$
- [24] Equals  $\text{Column [23]} \times (1 + \text{Column [6]})$
- [25] Equals  $\text{Column [24]} \times (1 + \text{Column [6]})$
- [26] Equals  $\text{Column [25]} \times (1 + \text{Column [6]})$
- [27] Equals  $\text{Column [26]} \times (1 + \text{Column [6]})$
- [28] Equals  $\text{Column [27]} \times (1 + \text{Column [6]})$
- [29] Equals  $\text{Column [28]} \times (1 + \text{Column [6]})$
- [30] Equals Column [7]
- [31] Equals  $\text{Column [30]} + ((\text{Column [34]} - \text{Column [30]}) / 4)$
- [32] Equals  $\text{Column [31]} + ((\text{Column [34]} - \text{Column [30]}) / 4)$
- [33] Equals  $\text{Column [32]} + ((\text{Column [34]} - \text{Column [30]}) / 4)$
- [34] Equals Column [8]
- [35] Equals Column [9]
- [36] Equals Column [9]
- [37] Equals Column [9]
- [38] Equals Column [9]
- [39] Equals Column [9]
- [40] Equals Column [9]
- [41] Equals Column [9]
- [42] Equals Column [9]
- [43] Equals Column [9]
- [44] Equals Column [9]
- [45] Equals  $\text{Column [15]} \times \text{Column [30]}$
- [46] Equals  $\text{Column [16]} \times \text{Column [31]}$
- [47] Equals  $\text{Column [17]} \times \text{Column [32]}$
- [48] Equals  $\text{Column [18]} \times \text{Column [33]}$
- [49] Equals  $\text{Column [19]} \times \text{Column [34]}$
- [50] Equals  $\text{Column [20]} \times \text{Column [35]}$
- [51] Equals  $\text{Column [21]} \times \text{Column [36]}$
- [52] Equals  $\text{Column [22]} \times \text{Column [37]}$
- [53] Equals  $\text{Column [23]} \times \text{Column [38]}$
- [54] Equals  $\text{Column [24]} \times \text{Column [39]}$
- [55] Equals  $\text{Column [25]} \times \text{Column [40]}$
- [56] Equals  $\text{Column [26]} \times \text{Column [41]}$
- [57] Equals  $\text{Column [27]} \times \text{Column [42]}$
- [58] Equals  $\text{Column [28]} \times \text{Column [43]}$
- [59] Equals  $\text{Column [29]} \times \text{Column [44]}$
- [60] Equals  $(\text{Column [59]} \times (1 + \text{Column [6]})) / (\text{Column [11]} - \text{Column [6]})$
- [61] Equals  $\text{Column [60]} / \text{Column [29]}$
- [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  $((12/31/12 - 6/29/2012) / 365) \times \text{Column [45]}$
- [65] Equals Column [46]
- [66] Equals Column [47]
- [67] Equals Column [48]
- [68] Equals Column [49]
- [69] Equals Column [50]
- [70] Equals Column [51]
- [71] Equals Column [52]
- [72] Equals Column [53]
- [73] Equals Column [54]
- [74] Equals Column [55]
- [75] Equals Column [56]
- [76] Equals Column [57]
- [77] Equals Column [58]
- [78] Equals  $\text{Column [59]} + \text{Column [60]}$



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-2R)

Three-Stage DCF Model - 3 Month Average Price

THREE-STAGE DCF MODEL – 3 MONTH AVERAGE PRICE • EXCLUDING NEGATIVE GROWTH

| Inputs                    |        | [1]         | [2]        | [3]        | [4]    | [5]          | [6]    | [7]    | [8]               | [9]              | [10]                | [11]             |
|---------------------------|--------|-------------|------------|------------|--------|--------------|--------|--------|-------------------|------------------|---------------------|------------------|
|                           |        | Stock Price | EPS Growth | GDP Growth | 2012   | Payoff Ratio | 2016   | Delta  | Solver Cells k(e) | Near Term Growth | Intermediate Growth | Long Term Growth |
| Company                   | Ticker |             |            |            |        |              |        |        |                   |                  |                     |                  |
| Allete                    | ALT    | \$40.28     | 5.83%      | 5.65%      | 75.00% | 59.00%       | 66.57% | \$0.00 | 10.51%            | 5.24%            | 5.74%               | 5.65%            |
| Alliant Energy Corp.      | LNT    | \$44.23     | 6.17%      | 5.65%      | 68.00% | 67.00%       | 66.57% | \$0.00 | 10.40%            | 5.54%            | 5.91%               | 5.65%            |
| American Electric Power   | AEP    | \$38.60     | 3.88%      | 5.65%      | 61.00% | 62.00%       | 66.57% | \$0.00 | 10.91%            | 3.49%            | 4.76%               | 5.65%            |
| Avista Corp.              | AVA    | \$25.82     | 4.73%      | 5.65%      | 63.00% | 69.00%       | 66.57% | \$0.00 | 10.23%            | 4.26%            | 5.19%               | 5.65%            |
| Black Hills Corp.         | BKH    | \$32.51     | 6.33%      | 5.65%      | 73.00% | 62.00%       | 66.57% | \$0.00 | 8.01%             | 5.69%            | 5.09%               | 5.65%            |
| Center Point Energy       | CNP    | \$19.96     | 4.33%      | 5.65%      | 70.00% | 63.00%       | 66.57% | \$0.00 | 10.02%            | 4.07%            | 5.09%               | 5.65%            |
| Cleco Corp.               | CNL    | \$40.43     | 4.73%      | 5.65%      | 65.00% | 56.00%       | 66.57% | \$0.00 | 9.92%             | 4.27%            | 5.20%               | 5.65%            |
| Consolidated Edison       | ED     | \$59.86     | 3.60%      | 5.65%      | 65.00% | 57.00%       | 66.57% | \$0.00 | 9.44%             | 3.24%            | 4.62%               | 5.65%            |
| Dominion Resources, Inc.  | D      | \$32.16     | 5.65%      | 5.65%      | 68.00% | 65.00%       | 66.57% | \$0.00 | 9.32%             | 5.03%            | 5.62%               | 5.65%            |
| DTE Energy Co.            | DTE    | \$36.58     | 4.43%      | 5.65%      | 65.00% | 60.00%       | 66.57% | \$0.00 | 10.02%            | 3.99%            | 5.04%               | 5.65%            |
| Edison International      | EIX    | \$44.22     | 0.94%      | 5.65%      | 48.00% | 45.00%       | 66.57% | \$0.00 | 9.39%             | 0.85%            | 3.29%               | 5.65%            |
| Empire District Electric  | EDF    | \$20.39     | 8.10%      | 5.65%      | 82.00% | 70.00%       | 66.57% | \$0.00 | 11.29%            | 7.28%            | 6.87%               | 5.65%            |
| Energy Corp.              | ETR    | \$65.54     | 1.50%      | 5.65%      | 70.00% | 63.00%       | 66.57% | \$0.00 | 12.43%            | 1.35%            | 3.57%               | 5.65%            |
| Great Plains Energy, Inc. | GXP    | \$20.23     | 7.68%      | 5.65%      | 62.00% | 65.00%       | 66.57% | \$0.00 | 10.75%            | 6.90%            | 6.67%               | 5.65%            |
| Hawaiian Electric         | HE     | \$26.82     | 8.42%      | 5.65%      | 71.00% | 62.00%       | 66.57% | \$0.00 | 10.34%            | 7.50%            | 7.03%               | 5.65%            |
| IDACORP, Inc.             | IDA    | \$39.93     | 4.00%      | 5.65%      | 84.00% | 65.00%       | 66.57% | \$0.00 | 10.91%            | 3.60%            | 4.82%               | 5.65%            |
| Integrus/WPS Resources    | TEG    | \$54.21     | 5.50%      | 5.65%      | 83.00% | 54.00%       | 66.57% | \$0.00 | 9.60%             | 4.94%            | 5.57%               | 5.65%            |
| MGE Energy, Inc.          | MGEE   | \$45.49     | 4.17%      | 5.65%      | 88.00% | 60.00%       | 66.57% | \$0.00 | 9.73%             | 3.75%            | 4.91%               | 5.65%            |
| Northeast Utilities       | NU     | \$36.73     | 6.65%      | 5.65%      | 63.00% | 53.00%       | 66.57% | \$0.00 | 10.19%            | 5.98%            | 6.15%               | 5.65%            |
| OGE Energy                | OGE    | \$33.02     | 5.50%      | 5.65%      | 83.00% | 63.00%       | 66.57% | \$0.00 | 9.96%             | 4.94%            | 5.37%               | 5.65%            |
| Pepco Holdings, Inc.      | POM    | \$18.92     | 5.08%      | 5.65%      | 86.00% | 69.00%       | 66.57% | \$0.00 | 10.08%            | 4.57%            | 5.37%               | 5.65%            |
| PG&E Corp                 | PCG    | \$43.90     | 2.82%      | 5.65%      | 82.00% | 63.00%       | 66.57% | \$0.00 | 9.53%             | 2.53%            | 4.23%               | 5.65%            |
| Pinnacle West Capital     | PNW    | \$48.94     | 5.64%      | 5.65%      | 83.00% | 64.00%       | 66.57% | \$0.00 | 10.10%            | 5.07%            | 5.64%               | 5.65%            |
| Portland General          | POR    | \$25.39     | 4.42%      | 5.65%      | 55.00% | 54.00%       | 66.57% | \$0.00 | 10.66%            | 3.98%            | 5.04%               | 5.65%            |
| SCANA Corp.               | SCG    | \$46.21     | 4.40%      | 5.65%      | 63.00% | 54.00%       | 66.57% | \$0.00 | 9.91%             | 3.96%            | 5.02%               | 5.65%            |
| Sempra Energy             | SRE    | \$64.89     | 6.12%      | 5.65%      | 57.00% | 48.00%       | 66.57% | \$0.00 | 10.55%            | 5.50%            | 5.88%               | 5.65%            |
| Southern Co.              | SO     | \$45.93     | 5.13%      | 5.65%      | 76.00% | 70.00%       | 66.57% | \$0.00 | 9.69%             | 4.61%            | 5.39%               | 5.65%            |
| TECO Energy, Inc.         | TE     | \$17.65     | 4.96%      | 5.65%      | 67.00% | 61.00%       | 66.57% | \$0.00 | 10.71%            | 4.46%            | 5.02%               | 5.65%            |
| UIL Holdings Corp.        | UIL    | \$34.03     | 4.20%      | 5.65%      | 80.00% | 71.00%       | 66.57% | \$0.00 | 9.62%             | 3.78%            | 4.92%               | 5.65%            |
| Vectren Corp.             | VVC    | \$29.11     | 5.27%      | 5.65%      | 76.00% | 64.00%       | 66.57% | \$0.00 | 9.95%             | 4.73%            | 5.46%               | 5.65%            |
| Western Energy            | WR     | \$28.51     | 5.77%      | 5.65%      | 69.00% | 61.00%       | 66.57% | \$0.00 | 10.26%            | 5.18%            | 5.71%               | 5.65%            |
| Wisconsin Energy          | WEC    | \$37.10     | 5.74%      | 5.65%      | 63.00% | 63.00%       | 66.57% | \$0.00 | 9.90%             | 5.18%            | 5.71%               | 5.65%            |
| Xcel Energy, Inc.         | XEL    | \$27.43     | 5.37%      | 5.65%      | 61.00% | 62.00%       | 66.57% | \$0.00 | 10.11%            | 4.80%            | 5.49%               | 5.65%            |
| MEAN:                     |        | \$38.94     | 5.07%      | 5.65%      | 67.06% | 60.67%       | 66.57% |        | 10.14%            | 4.56%            | 5.36%               | 5.65%            |

| Earnings per Share        |        | [12]   | [13]   | [14]   | [15]   | [16]   | [17]   | [18]   | [19]   | [20]   | [21]   | [22]   | [23]    | [24]    | [25]    | [26]    | [27]    |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| Company                   | Ticker | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022    | 2023    | 2024    | 2025    | 2026    |
| Allete                    | ALT    | \$2.65 | \$2.80 | \$2.89 | \$3.05 | \$3.23 | \$3.42 | \$3.62 | \$3.83 | \$4.05 | \$4.28 | \$4.52 | \$4.78  | \$5.05  | \$5.33  | \$5.64  | \$5.95  |
| Alliant Energy Corp.      | LNT    | \$2.75 | \$2.92 | \$3.01 | \$3.20 | \$3.39 | \$3.60 | \$3.82 | \$4.05 | \$4.29 | \$4.54 | \$4.80 | \$5.07  | \$5.36  | \$5.66  | \$5.98  | \$6.32  |
| American Electric Power   | AEP    | \$3.13 | \$3.25 | \$3.31 | \$3.44 | \$3.58 | \$3.72 | \$3.87 | \$4.04 | \$4.24 | \$4.45 | \$4.69 | \$4.95  | \$5.23  | \$5.53  | \$5.84  | \$6.17  |
| Avista Corp.              | AVA    | \$1.72 | \$1.80 | \$1.84 | \$1.93 | \$2.02 | \$2.12 | \$2.22 | \$2.33 | \$2.46 | \$2.59 | \$2.73 | \$2.88  | \$3.05  | \$3.22  | \$3.40  | \$3.59  |
| Black Hills Corp.         | BKH    | \$1.01 | \$1.07 | \$1.11 | \$1.18 | \$1.25 | \$1.33 | \$1.41 | \$1.50 | \$1.59 | \$1.68 | \$1.78 | \$1.88  | \$1.99  | \$2.10  | \$2.22  | \$2.35  |
| Center Point Energy       | CNP    | \$1.27 | \$1.33 | \$1.36 | \$1.42 | \$1.48 | \$1.55 | \$1.62 | \$1.70 | \$1.79 | \$1.88 | \$1.99 | \$2.10  | \$2.22  | \$2.34  | \$2.48  | \$2.62  |
| Cleco Corp.               | CNL    | \$2.59 | \$2.71 | \$2.78 | \$2.91 | \$3.05 | \$3.19 | \$3.35 | \$3.52 | \$3.70 | \$3.90 | \$4.11 | \$4.35  | \$4.59  | \$4.85  | \$5.12  | \$5.41  |
| Consolidated Edison       | ED     | \$3.57 | \$3.70 | \$3.77 | \$3.90 | \$4.04 | \$4.19 | \$4.35 | \$4.54 | \$4.75 | \$4.98 | \$5.25 | \$5.54  | \$5.86  | \$6.19  | \$6.54  | \$6.91  |
| Dominion Resources, Inc.  | D      | \$2.76 | \$2.91 | \$3.00 | \$3.16 | \$3.34 | \$3.53 | \$3.73 | \$3.94 | \$4.16 | \$4.39 | \$4.64 | \$4.90  | \$5.18  | \$5.47  | \$5.78  | \$6.11  |
| DTE Energy Co.            | DTE    | \$3.67 | \$3.83 | \$3.92 | \$4.09 | \$4.27 | \$4.46 | \$4.67 | \$4.89 | \$5.14 | \$5.41 | \$5.71 | \$6.03  | \$6.37  | \$6.73  | \$7.11  | \$7.51  |
| Edison International      | EIX    | \$3.23 | \$3.26 | \$3.28 | \$3.31 | \$3.34 | \$3.37 | \$3.43 | \$3.51 | \$3.63 | \$3.78 | \$3.96 | \$4.19  | \$4.42  | \$4.67  | \$4.94  | \$5.21  |
| Empire District Electric  | EDF    | \$1.31 | \$1.42 | \$1.47 | \$1.59 | \$1.72 | \$1.86 | \$2.00 | \$2.15 | \$2.30 | \$2.45 | \$2.60 | \$2.74  | \$2.90  | \$3.06  | \$3.23  | \$3.42  |
| Energy Corp.              | ETR    | \$7.55 | \$7.66 | \$7.72 | \$7.84 | \$7.95 | \$8.07 | \$8.25 | \$8.49 | \$8.79 | \$9.17 | \$9.62 | \$10.16 | \$10.74 | \$11.35 | \$11.99 | \$12.66 |
| Great Plains Energy, Inc. | GXP    | \$1.25 | \$1.35 | \$1.40 | \$1.51 | \$1.62 | \$1.75 | \$1.87 | \$2.00 | \$2.14 | \$2.27 | \$2.41 | \$2.55  | \$2.69  | \$2.84  | \$3.00  | \$3.17  |
| Hawaiian Electric         | HE     | \$1.44 | \$1.56 | \$1.63 | \$1.76 | \$1.91 | \$2.01 | \$2.14 | \$2.31 | \$2.48 | \$2.64 | \$2.81 | \$3.08  | \$3.25  | \$3.43  | \$3.63  | \$3.83  |
| IDACORP, Inc.             | IDA    | \$3.36 | \$3.49 | \$3.56 | \$3.71 | \$3.86 | \$4.01 | \$4.18 | \$4.37 | \$4.58 | \$4.82 | \$5.07 | \$5.36  | \$5.66  | \$5.98  | \$6.32  | \$6.68  |
| Integrus/WPS Resources    | TEG    | \$2.88 | \$3.12 | \$3.29 | \$3.47 | \$3.67 | \$3.87 | \$4.08 | \$4.31 | \$4.55 | \$4.81 | \$5.07 | \$5.35  | \$5.65  | \$5.97  | \$6.33  | \$6.68  |
| MGE Energy, Inc.          | MGEE   | \$2.64 | \$2.75 | \$2.81 | \$2.92 | \$3.05 | \$3.17 | \$3.31 | \$3.47 | \$3.64 | \$3.83 | \$4.03 | \$4.26  | \$4.50  | \$4.75  | \$5.02  | \$5.31  |
| Northeast Utilities       | NU     | \$2.22 | \$2.37 | \$2.44 | \$2.61 | \$2.78 | \$2.97 | \$3.16 | \$3.36 | \$3.57 | \$3.78 | \$4.00 | \$4.23  | \$4.46  | \$4.72  | \$4.98  | \$5.27  |
| OGE Energy                | OGE    | \$3.45 | \$3.64 | \$3.74 | \$3.95 | \$4.16 | \$4.39 | \$4.63 | \$4.89 | \$5.16 | \$5.45 | \$5.76 | \$6.09  | \$6.43  | \$6.79  | \$7.18  | \$7.58  |
| Pepco Holdings, Inc.      | POM    | \$1.14 | \$1.20 | \$1.23 | \$1.29 | \$1.36 | \$1.43 | \$1.50 | \$1.58 | \$1.66 | \$1.75 | \$1.85 | \$1.96  | \$2.07  | \$2.18  | \$2.31  | \$2.44  |
| PG&E Corp                 | PCG    | \$2.78 | \$2.86 | \$2.90 | \$2.98 | \$3.06 | \$3.15 | \$3.25 | \$3.38 | \$3.52 | \$3.68 | \$3.88 | \$4.09  | \$4.33  | \$4.57  | \$4.83  | \$5.10  |
| Pinnacle West Capital     | PNW    | \$2.99 | \$3.16 | \$3.25 | \$3.43 | \$3.62 | \$3.82 | \$4.04 | \$4.27 | \$4.51 | \$4.77 | \$5.04 | \$5.32  | \$5.62  | \$5.94  | \$6.28  | \$6.63  |
| Portland General          | POR    | \$1.95 | \$2.04 | \$2.08 | \$2.17 | \$2.27 | \$2.37 | \$2.48 | \$2.60 | \$2.73 | \$2.87 | \$3.03 | \$3.20  | \$3.38  | \$3.57  | \$3.77  | \$3.99  |
| SCANA Corp.               | SCG    | \$2.97 | \$3.10 | \$3.17 | \$3.31 | \$3.45 | \$3.61 | \$3.77 | \$3.95 | \$4.15 | \$4.37 | \$4.61 | \$4.87  | \$5.14  | \$5.43  | \$5.74  | \$6.06  |
| Sempra Energy             | SRE    | \$4.47 | \$4.74 | \$4.89 | \$5.19 | \$5.50 | \$5.84 | \$6.19 | \$6.56 | \$6.95 | \$7.35 | \$7.77 | \$8.21  | \$8.68  | \$9.17  | \$9.69  | \$10.23 |
| Southern Co.              | SO     | \$2.55 | \$2.68 | \$2.75 | \$2.89 | \$3.04 | \$3.20 | \$3.36 | \$3.54 | \$3.74 | \$3.94 | \$4.15 | \$4.39  | \$4.64  | \$4.90  | \$5.18  | \$5.47  |
| TECO Energy, Inc.         | TE     | \$1.27 | \$1.33 | \$1.37 | \$1.43 | \$1.50 | \$1.58 | \$1.66 | \$1.75 | \$1.84 | \$1.94 | \$2.04 | \$2.16  | \$2.28  | \$2.41  | \$2.55  | \$2.69  |
| UIL Holdings Corp.        | UIL    | \$1.75 | \$1.82 | \$1.87 | \$1.97 | \$2.06 | \$2.16 | \$2.25 | \$2.35 | \$2.45 | \$2.55 | \$2.63 | \$2.74  | \$2.84  | \$2.95  | \$3.06  | \$3.17  |
| Vectren Corp.             | VVC    | \$1.93 | \$2.03 | \$2.07 | \$2.16 | \$2.25 | \$2.35 | \$2.45 | \$2.57 | \$2.69 | \$2.83 | \$2.98 | \$3.15  | \$3.33  | \$3.52  | \$3.72  | \$3.93  |
| Western Energy            | WR     | \$1.79 | \$1.89 | \$1.95 | \$2.06 | \$2.18 | \$2.30 | \$2.44 | \$2.58 | \$2.72 | \$2.88 | \$3.04 | \$3.21  | \$3.40  | \$3.59  | \$3.79  | \$4.00  |
| Wisconsin Energy          | WEC    | \$2.18 | \$2.31 | \$2.37 | \$2.51 | \$2.65 | \$2.81 | \$2.97 | \$3.14 | \$3.32 | \$3.51 | \$3.70 | \$3.91  | \$4.13  | \$4.37  | \$4.62  | \$4.88  |
| Xcel Energy, Inc.         | XEL    | \$1.72 | \$1.81 | \$1.86 | \$1.96 | \$2.06 | \$2.17 | \$2.29 | \$2.42 | \$2.55 | \$2.69 | \$2.84 | \$3.00  | \$3.17  | \$3.35  | \$3.54  | \$3.74  |

THREE-STAGE DCF MODEL – 3 MONTH AVERAGE PRICE - EXCLUDING NEGATIVE GROWTH

| Dividend Payout Ratio |                          | [28]   | [29]   | [30]   | [31]   | [32]   | [33]   | [34]   | [35]   | [36]   | [37]   | [38]   | [39]   | [40]   | [41]   | [42]   |
|-----------------------|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Ticker                | Company                  | 75.00% | 71.00% | 67.00% | 63.00% | 59.00% | 60.26% | 61.52% | 62.78% | 64.04% | 65.31% | 66.57% | 66.57% | 66.57% | 66.57% | 2026   |
| ALTE                  | Allete                   | 68.00% | 67.75% | 67.50% | 67.25% | 67.00% | 66.93% | 66.86% | 66.78% | 66.71% | 66.64% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| LNT                   | Alliant Energy Corp.     | 61.00% | 60.50% | 60.00% | 59.50% | 59.00% | 60.26% | 61.52% | 62.78% | 64.04% | 65.31% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| AEP                   | American Electric Power  | 63.00% | 62.75% | 62.50% | 62.25% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| AVA                   | Avista Corp.             | 73.00% | 70.25% | 67.50% | 64.75% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| BKH                   | Black Hills Corp.        | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| CNP                   | Center Point Energy      | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| CLEQ                  | Cleco Corp.              | 50.00% | 51.50% | 53.00% | 54.50% | 56.00% | 57.76% | 59.52% | 61.28% | 63.04% | 64.81% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| CNLD                  | Consolidated Edison      | 65.00% | 63.00% | 61.00% | 59.00% | 57.00% | 58.59% | 60.19% | 61.78% | 63.38% | 64.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| ED                    | Dominion Resources, Inc. | 68.00% | 67.25% | 66.50% | 65.75% | 65.00% | 65.26% | 65.52% | 65.78% | 66.04% | 66.31% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| DTE                   | DTE Energy Co.           | 45.00% | 43.75% | 42.50% | 41.25% | 40.00% | 40.59% | 41.19% | 41.78% | 42.38% | 42.97% | 43.57% | 44.17% | 44.77% | 45.37% | 45.97% |
| EIX                   | Edison International     | 82.00% | 79.00% | 76.00% | 73.00% | 70.00% | 69.43% | 68.86% | 68.28% | 67.71% | 67.14% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| EDE                   | Empire District Electric | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| ETP                   | Energy Corp.             | 71.00% | 68.75% | 66.50% | 64.25% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| GXP                   | Great Plains Energy Inc. | 77.00% | 74.00% | 71.00% | 68.00% | 65.00% | 65.26% | 65.52% | 65.78% | 66.04% | 66.31% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| HE                    | Hawaiian Electric        | 43.00% | 42.57% | 42.50% | 41.25% | 40.00% | 39.09% | 38.19% | 37.28% | 36.38% | 35.47% | 34.57% | 33.67% | 32.77% | 31.87% | 30.97% |
| IDA                   | IDACORP, Inc.            | 88.00% | 85.75% | 83.50% | 81.25% | 79.00% | 76.50% | 74.00% | 71.50% | 69.00% | 66.50% | 64.00% | 61.50% | 59.00% | 56.50% | 54.00% |
| TEG                   | Integrus/WPS Resources   | 83.00% | 81.25% | 79.50% | 77.75% | 76.00% | 74.33% | 72.66% | 71.00% | 69.33% | 67.66% | 66.00% | 64.33% | 62.66% | 61.00% | 59.33% |
| MGE                   | MGE Energy, Inc.         | 63.00% | 60.50% | 58.00% | 55.50% | 53.00% | 55.26% | 57.52% | 59.78% | 62.04% | 64.31% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| NU                    | Northeast Utilities      | 42.00% | 41.75% | 41.50% | 41.25% | 41.00% | 40.76% | 40.52% | 40.28% | 40.04% | 39.80% | 39.56% | 39.32% | 39.08% | 38.84% | 38.60% |
| OGE                   | OGE Energy               | 86.00% | 81.75% | 77.50% | 73.25% | 69.00% | 68.59% | 68.19% | 67.78% | 67.38% | 66.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| PCG                   | Pepco Holdings, Inc.     | 82.00% | 74.25% | 67.50% | 63.50% | 60.25% | 55.26% | 57.52% | 59.78% | 62.04% | 64.31% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| PNW                   | Pinnacle West Capital    | 55.00% | 54.75% | 54.50% | 54.25% | 54.00% | 53.76% | 53.52% | 53.28% | 53.04% | 52.80% | 52.56% | 52.32% | 52.08% | 51.84% | 51.60% |
| POR                   | Portland General         | 63.00% | 63.25% | 63.50% | 63.75% | 64.00% | 64.33% | 64.66% | 65.00% | 65.33% | 65.66% | 66.00% | 66.33% | 66.66% | 67.00% | 67.33% |
| SCG                   | SCANA Corp.              | 63.00% | 61.25% | 59.50% | 57.75% | 56.00% | 56.09% | 56.19% | 56.28% | 56.38% | 56.47% | 56.57% | 56.67% | 56.77% | 56.87% | 56.97% |
| SRE                   | Sempra Energy            | 57.00% | 54.75% | 52.50% | 50.25% | 48.00% | 47.76% | 47.52% | 47.28% | 47.04% | 46.80% | 46.56% | 46.32% | 46.08% | 45.84% | 45.60% |
| SO                    | Southern Co.             | 76.00% | 74.50% | 73.00% | 71.50% | 70.00% | 69.43% | 68.86% | 68.28% | 67.71% | 67.14% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| SRE                   | Southern Co.             | 76.00% | 74.50% | 73.00% | 71.50% | 70.00% | 69.43% | 68.86% | 68.28% | 67.71% | 67.14% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| TE                    | TECO Energy, Inc.        | 67.00% | 66.00% | 65.00% | 64.00% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| UIL                   | UIL Holdings Corp.       | 80.00% | 77.75% | 75.50% | 73.25% | 71.00% | 70.00% | 69.52% | 68.78% | 68.04% | 67.31% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| VVC                   | Veeco Corp.              | 70.00% | 67.00% | 64.00% | 61.00% | 58.00% | 64.33% | 64.86% | 65.38% | 65.90% | 66.43% | 66.95% | 67.48% | 68.00% | 68.53% | 69.05% |
| WR                    | Westar Energy            | 69.00% | 73.00% | 70.00% | 67.00% | 64.00% | 61.93% | 62.86% | 63.78% | 64.71% | 65.64% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| WEC                   | Wisconsin Energy         | 53.00% | 55.50% | 58.00% | 60.50% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |
| XEL                   | Xcel Energy, Inc.        | 61.00% | 61.25% | 61.50% | 61.75% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% | 66.57% | 66.57% | 66.57% | 66.57% |

| Dividends per Share and Terminal Market Value |                          | [43]   | [44]   | [45]   | [46]   | [47]   | [48]   | [49]   | [50]   | [51]   | [52]   | [53]   | [54]   | [55]   | [56]   | [57]   | [58]   | [59]   | First Stage Growth |
|---|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------|
| Ticker  | Company                  | \$2.10 | \$2.05 | \$2.04 | \$2.05 | \$2.02 | \$2.16 | \$2.17 | \$2.18 | \$2.19 | \$2.20 | \$2.21 | \$2.22 | \$2.23 | \$2.24 | \$2.25 | \$2.26 | \$2.27 | 14.46              |
| ALTE  | Allete                   | \$1.99 | \$2.04 | \$2.16 | \$2.05 | \$2.04 | \$2.02 | \$2.16 | \$2.36 | \$2.74 | \$2.95 | \$3.18 | \$3.36 | \$3.55 | \$3.75 | \$3.96 | \$4.20 | \$4.46 | -1.02%             |
| LNT   | Alliant Energy Corp.     | \$1.98 | \$2.01 | \$2.16 | \$2.07 | \$2.18 | \$2.41 | \$2.56 | \$2.71 | \$2.86 | \$3.03 | \$3.27 | \$3.57 | \$3.77 | \$3.98 | \$4.11 | \$4.35 | \$4.60 | 5.00%              |
| AEP   | American Electric Power  | \$1.13 | \$1.16 | \$1.21 | \$1.21 | \$1.26 | \$1.31 | \$1.38 | \$1.48 | \$1.58 | \$1.68 | \$1.80 | \$1.92 | \$2.03 | \$2.14 | \$2.26 | \$2.39 | \$2.58 | 2.53%              |
| AVA   | Avista Corp.             | \$0.78 | \$0.80 | \$0.81 | \$0.81 | \$0.83 | \$0.83 | \$0.89 | \$0.95 | \$1.02 | \$1.10 | \$1.17 | \$1.25 | \$1.32 | \$1.40 | \$1.48 | \$1.56 | \$1.65 | 3.72%              |
| BKH   | Black Hills Corp.        | \$0.93 | \$0.94 | \$0.94 | \$0.94 | \$0.96 | \$0.98 | \$1.03 | \$1.09 | \$1.16 | \$1.23 | \$1.31 | \$1.40 | \$1.48 | \$1.56 | \$1.65 | \$1.74 | \$1.84 | 1.31%              |
| CNP   | Center Point Energy      | \$1.36 | \$1.43 | \$1.54 | \$1.66 | \$1.79 | \$1.93 | \$2.09 | \$2.27 | \$2.46 | \$2.67 | \$2.89 | \$3.16 | \$3.41 | \$3.66 | \$3.91 | \$4.20 | \$4.60 | 1.25%              |
| CNL   | Cleco Corp.              | \$2.40 | \$2.37 | \$2.38 | \$2.38 | \$2.39 | \$2.39 | \$2.43 | \$2.73 | \$2.93 | \$3.16 | \$3.41 | \$3.69 | \$3.95 | \$4.12 | \$4.35 | \$4.60 | \$4.86 | 7.14%              |
| ED  | Consolidated Edison      | \$1.98 | \$2.01 | \$2.10 | \$2.20 | \$2.20 | \$2.29 | \$2.55 | \$2.73 | \$2.90 | \$3.08 | \$3.26 | \$3.45 | \$3.62 | \$3.84 | \$4.06 | \$4.27 | \$4.57 | -0.18%             |
| D   | Dominion Resources, Inc. | \$2.49 | \$2.50 | \$2.56 | \$2.62 | \$2.68 | \$2.85 | \$3.04 | \$3.25 | \$3.48 | \$3.74 | \$4.01 | \$4.24 | \$4.48 | \$4.73 | \$5.00 | \$5.28 | \$5.60 | 3.72%              |
| DTE   | DTE Energy Co.           | \$1.57 | \$1.55 | \$1.54 | \$1.53 | \$1.52 | \$1.67 | \$1.83 | \$2.02 | \$2.24 | \$2.49 | \$2.74 | \$2.99 | \$3.11 | \$3.24 | \$3.37 | \$3.47 | \$3.59 | 1.82%              |
| EIX   | Edison International     | \$1.16 | \$1.16 | \$1.21 | \$1.21 | \$1.26 | \$1.30 | \$1.39 | \$1.48 | \$1.57 | \$1.66 | \$1.74 | \$1.83 | \$1.93 | \$2.04 | \$2.15 | \$2.27 | \$2.40 | -0.79%             |
| ETR   | Empire District Electric | \$5.36 | \$5.27 | \$5.21 | \$5.15 | \$5.09 | \$5.03 | \$4.97 | \$4.91 | \$4.85 | \$4.79 | \$4.73 | \$4.67 | \$4.61 | \$4.55 | \$4.49 | \$4.43 | \$4.37 | 2.92%              |
| ETP   | Energy Corp.             | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | \$0.96 | 3.15%              |
| GXP   | Great Plains Energy Inc. | \$1.20 | \$1.20 | \$1.25 | \$1.30 | \$1.35 | \$1.48 | \$1.58 | \$1.69 | \$1.81 | \$1.93 | \$2.05 | \$2.16 | \$2.29 | \$2.42 | \$2.55 | \$2.70 | \$2.86 | 2.90%              |
| HE  | Hawaiian Electric        | \$1.50 | \$1.63 | \$1.80 | \$1.98 | \$2.17 | \$2.35 | \$2.54 | \$2.76 | \$3.00 | \$3.27 | \$3.57 | \$3.88 | \$4.21 | \$4.55 | \$4.90 | \$5.25 | \$5.60 | 9.56%              |
| IDA   | IDACORP, Inc.            | \$2.67 | \$2.57 | \$2.52 | \$2.46 | \$2.38 | \$2.32 | \$2.26 | \$2.20 | \$2.14 | \$2.08 | \$2.02 | \$1.96 | \$1.90 | \$1.84 | \$1.78 | \$1.72 | \$1.66 | -2.84%             |
| TEG   | Integrus/WPS Resources   | \$2.28 | \$2.28 | \$2.32 | \$2.37 | \$2.41 | \$2.47 | \$2.53 | \$2.59 | \$2.67 | \$2.75 | \$2.84 | \$2.93 | \$3.02 | \$3.11 | \$3.20 | \$3.29 | \$3.38 | 1.38%              |
| MGE   | MGE Energy, Inc.         | \$1.49 | \$1.48 | \$1.51 | \$1.54 | \$1.57 | \$1.60 | \$1.63 | \$1.66 | \$1.69 | \$1.72 | \$1.75 | \$1.78 | \$1.81 | \$1.84 | \$1.87 | \$1.90 | \$1.93 | 1.34%              |
| NU  | Northeast Utilities      | \$1.53 | \$1.56 | \$1.64 | \$1.72 | \$1.80 | \$1.88 | \$1.96 | \$2.04 | \$2.12 | \$2.20 | \$2.28 | \$2.36 | \$2.44 | \$2.52 | \$2.60 | \$2.68 | \$2.76 | 4.18%              |
| OGE   | OGE Energy               | \$1.03 | \$1.00 | \$0.99 | \$0.99 | \$0.98 | \$0.98 | \$0.97 | \$0.97 | \$0.96 | \$0.96 | \$0.95 | \$0.95 | \$0.94 | \$0.94 | \$0.93 | \$0.93 | \$0.92 | -1.15%             |
| PPH   | Pepco Holdings, Inc.     | \$2.17 | \$2.01 | \$1.85 | \$1.67 | \$1.51 | \$1.35 | \$1.19 | \$1.03 | \$0.87 | \$0.71 | \$0.55 | \$0.39 | \$0.23 | \$0.07 | \$0.00 | \$0.00 | \$0.00 | -8.13%             |
| PCG   | PG&E Corp                | \$1.99 | \$2.05 | \$2.18 | \$2.31 | \$2.45 | \$2.61 | \$2.77 | \$2.95 | \$3.13 | \$3.33 | \$3.54 | \$3.74 | \$3.96 | \$4.18 | \$4.41 | \$4.68 | \$4.94 | 5.34%              |
| PNW   | Pinnacle West Capital    | \$1.12 | \$1.14 | \$1.18 | \$1.23 | \$1.28 | \$1.33 | \$1.38 | \$1.43 | \$1.48 | \$1.53 | \$1.58 | \$1.63 | \$1.68 | \$1.73 | \$1.78 | \$1.83 | \$1.88 | 3.39%              |
| POR   | Portland General         | \$1.91 | \$1.97 | \$2.03 | \$2.09 | \$2.15 | \$2.21 | \$2.27 | \$2.33 | \$2.39 | \$2.45 | \$2.51 | \$2.57 | \$2.63 | \$2.69 | \$2.75 | \$2.81 | \$2.87 | 0.83%              |
| SCG   | SCANA Corp.              | \$2.70 | \$2.68 | \$2.72 | \$2.77 | \$2.80 | \$2.83 | \$2.86 | \$2.89 | \$2.92 | \$2.95 | \$2.98 | \$3.01 | \$3.04 | \$3.07 | \$3.10 | \$3.13 | \$3.16 | 0.91%              |
| SRE   | Sempra Energy            | \$2.04 | \$2.05 | \$2.11 | \$2.17 | \$2.24 | \$2.33 | \$2.44 | \$2.55 | \$2.66 | \$2.79 | \$2.92 | \$3.09 | \$3.26 | \$3.45 | \$3.64 | \$3.83 | \$4.02 | 2.36%              |
| SO  | Southern Co.             | \$0.89 | \$0.90 | \$0.93 | \$0.96 | \$0.99 | \$1.06 | \$1.12 | \$1.19 | \$1.27 | \$1.35 | \$1.44 | \$1.52 | \$1.61 | \$1.70 | \$1.79 | \$1.88 | \$1.97 | 2.74%              |
| TE  | TECO Energy, Inc.        | \$1.63 | \$1.61 | \$1.63 | \$1.65 | \$1.67 | \$1.72 | \$1.78 | \$1.85 | \$1.93 | \$2.01 | \$2.10 | \$2.22 | \$2.34 | \$2.48 | \$2.62 | \$2.77 | \$2.92 | 0.62%              |
| UIL   | UIL Holdings Corp.       | \$1.38 | \$1.36 | \$1.38 | \$1.39 | \$1.40 | \$1.48 | \$1.57 | \$1.67 | \$1.77 | \$1.88 | \$2.00 | \$2.11 | \$2.23 | \$2.36 | \$2.49 | \$2.61 | \$2.75 | 0.20%              |
| VVC   | Veeco Corp.              | \$1.31 | \$1.31 | \$1.34 | \$1.37 | \$1.41 | \$1.48 | \$1.57 | \$1.67 | \$1.77 | \$1.86 | \$2.00 | \$2.14 | \$2.26 | \$2.39 | \$2.52 | \$2.67 | \$2.81 | 1.85%              |
| WR  | Westar Energy            | \$1.22 | \$1.32 | \$1.46 | \$1.61 | \$1.77 | \$1.99 | \$2.24 | \$2.51 | \$2.79 | \$3.07 | \$3.35 | \$3.63 | \$3.91 | \$4.19 | \$4.47 | \$4.75 | \$5.03 | 9.68%              |
| WEC   | Wisconsin Energy         | \$1.11 | \$1.14 | \$1.21 | \$1.27 | \$1.35 | \$1.44 | \$1.53 | \$1.64 | \$1.75 | \$1.87 | \$2.00 | \$2.11 | \$2.23 | \$2.36 | \$2.49 | \$2.61 | \$2.75 | 5.09%              |
| XEL   | Xcel Energy, Inc.        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        | 2.11%              |
|   | Median                   |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |                    |

THREE-STAGE DCF MODEL - 3 MONTH AVERAGE PRICE - EXCLUDING NEGATIVE GROWTH

| Investor Cash Flows      | [60]       | [61]    | [62]     | [63]    | [64]    | [65]    | [66]    | [67]    | [68]    | [69]    | [70]    | [71]    | [72]    | [73]    | [74]    | [75]    | [76]     |
|--------------------------|------------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Company                  | Initial    | 6/29/12 | 12/31/12 | 6/30/13 | 6/30/14 | 6/30/15 | 6/30/16 | 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  |
| Allete                   | (\$40,283) | \$0.00  | \$1.07   | \$2.05  | \$2.05  | \$2.04  | \$2.02  | \$2.18  | \$2.36  | \$2.54  | \$2.74  | \$2.95  | \$3.18  | \$3.36  | \$3.55  | \$3.75  | \$90.04  |
| Alliant Energy Corp.     | (\$44,233) | \$0.00  | \$1.01   | \$2.04  | \$2.16  | \$2.28  | \$2.41  | \$2.56  | \$2.71  | \$2.86  | \$3.03  | \$3.20  | \$3.37  | \$3.57  | \$3.77  | \$3.98  | \$97.79  |
| American Electric Power  | (\$38,600) | \$0.00  | \$1.01   | \$2.01  | \$2.07  | \$2.13  | \$2.19  | \$2.33  | \$2.49  | \$2.66  | \$2.85  | \$3.06  | \$3.30  | \$3.48  | \$3.68  | \$3.89  | \$86.69  |
| Avista Corp.             | (\$25,821) | \$0.00  | \$0.88   | \$1.16  | \$1.21  | \$1.26  | \$1.31  | \$1.39  | \$1.48  | \$1.58  | \$1.68  | \$1.80  | \$1.92  | \$2.03  | \$2.14  | \$2.26  | \$57.51  |
| Black Hills Corp.        | (\$32,511) | \$0.00  | \$0.40   | \$0.78  | \$0.80  | \$0.81  | \$0.83  | \$0.89  | \$0.95  | \$1.02  | \$1.10  | \$1.17  | \$1.25  | \$1.32  | \$1.40  | \$1.48  | \$71.41  |
| Center Point Energy      | (\$19,966) | \$0.00  | \$0.47   | \$0.93  | \$0.94  | \$0.96  | \$0.98  | \$1.03  | \$1.09  | \$1.16  | \$1.23  | \$1.31  | \$1.40  | \$1.48  | \$1.56  | \$1.65  | \$43.83  |
| Cleco Corp.              | (\$40,433) | \$0.00  | \$0.69   | \$1.43  | \$1.54  | \$1.66  | \$1.79  | \$1.93  | \$2.09  | \$2.27  | \$2.46  | \$2.67  | \$2.89  | \$3.06  | \$3.23  | \$3.41  | \$92.74  |
| Consolidated Edison      | (\$59,866) | \$0.00  | \$1.22   | \$2.37  | \$2.38  | \$2.38  | \$2.39  | \$2.55  | \$2.73  | \$2.93  | \$3.16  | \$3.41  | \$3.69  | \$3.90  | \$4.12  | \$4.35  | \$132.86 |
| Dominion Resources, Inc. | (\$32,168) | \$0.00  | \$1.00   | \$2.01  | \$2.10  | \$2.20  | \$2.29  | \$2.43  | \$2.58  | \$2.73  | \$2.90  | \$3.08  | \$3.26  | \$3.45  | \$3.64  | \$3.85  | \$114.92 |
| DTE Energy Co.           | (\$46,558) | \$0.00  | \$1.26   | \$2.50  | \$2.56  | \$2.62  | \$2.68  | \$2.85  | \$3.04  | \$3.25  | \$3.48  | \$3.74  | \$4.01  | \$4.24  | \$4.48  | \$4.73  | \$125.89 |
| EDF                      | (\$34,222) | \$0.00  | \$0.79   | \$1.55  | \$1.54  | \$1.53  | \$1.52  | \$1.67  | \$1.83  | \$1.97  | \$2.14  | \$2.29  | \$2.49  | \$2.64  | \$2.81  | \$2.99  | \$101.39 |
| Edison International     | (\$20,339) | \$0.00  | \$0.59   | \$1.16  | \$1.21  | \$1.26  | \$1.30  | \$1.39  | \$1.48  | \$1.57  | \$1.66  | \$1.74  | \$1.83  | \$1.93  | \$2.04  | \$2.15  | \$44.88  |
| Empire District Electric | (\$65,544) | \$0.00  | \$2.72   | \$5.27  | \$5.21  | \$5.15  | \$5.09  | \$5.25  | \$5.45  | \$5.70  | \$5.99  | \$6.35  | \$6.77  | \$7.15  | \$7.55  | \$7.98  | \$139.72 |
| Energy Corp.             | (\$20,235) | \$0.00  | \$0.48   | \$0.96  | \$1.00  | \$1.04  | \$1.08  | \$1.18  | \$1.27  | \$1.37  | \$1.48  | \$1.59  | \$1.69  | \$1.79  | \$1.89  | \$2.00  | \$45.86  |
| Great Plains Energy Inc. | (\$20,822) | \$0.00  | \$0.61   | \$1.20  | \$1.25  | \$1.30  | \$1.35  | \$1.46  | \$1.58  | \$1.69  | \$1.81  | \$1.93  | \$2.05  | \$2.16  | \$2.29  | \$2.42  | \$60.05  |
| Hawaiian Electric        | (\$39,953) | \$0.00  | \$0.76   | \$1.63  | \$1.80  | \$1.98  | \$2.17  | \$2.35  | \$2.54  | \$2.76  | \$3.00  | \$3.27  | \$3.57  | \$3.77  | \$3.98  | \$4.21  | \$93.78  |
| IDACORP, Inc.            | (\$34,211) | \$0.00  | \$1.36   | \$2.57  | \$2.52  | \$2.46  | \$2.38  | \$2.52  | \$2.68  | \$2.84  | \$3.01  | \$3.19  | \$3.38  | \$3.57  | \$3.77  | \$3.99  | \$116.90 |
| Integrus/WPS Resources   | (\$45,499) | \$0.00  | \$1.16   | \$2.28  | \$2.32  | \$2.37  | \$2.41  | \$2.47  | \$2.53  | \$2.59  | \$2.67  | \$2.75  | \$2.84  | \$3.00  | \$3.16  | \$3.32  | \$85.00  |
| MGE Energy, Inc.         | (\$83,022) | \$0.00  | \$0.77   | \$1.48  | \$1.51  | \$1.54  | \$1.57  | \$1.75  | \$1.93  | \$2.13  | \$2.35  | \$2.57  | \$2.81  | \$2.97  | \$3.14  | \$3.34  | \$95.04  |
| NEC Energy               | (\$36,733) | \$0.00  | \$0.76   | \$1.56  | \$1.64  | \$1.72  | \$1.80  | \$2.10  | \$2.42  | \$2.78  | \$3.17  | \$3.59  | \$4.05  | \$4.28  | \$4.52  | \$4.78  | \$128.60 |
| Pepco Holdings, Inc.     | (\$18,922) | \$0.00  | \$0.52   | \$1.00  | \$1.00  | \$0.99  | \$0.98  | \$1.03  | \$1.08  | \$1.13  | \$1.18  | \$1.24  | \$1.30  | \$1.38  | \$1.45  | \$1.54  | \$40.33  |
| PG&E Corp                | (\$43,900) | \$0.00  | \$1.19   | \$2.17  | \$2.01  | \$1.85  | \$1.67  | \$1.80  | \$1.94  | \$2.10  | \$2.29  | \$2.49  | \$2.73  | \$2.88  | \$3.04  | \$3.21  | \$95.94  |
| Pinnacle West Capital    | (\$25,339) | \$0.00  | \$0.57   | \$1.14  | \$1.18  | \$1.23  | \$1.28  | \$1.39  | \$1.51  | \$1.65  | \$1.79  | \$1.95  | \$2.13  | \$2.25  | \$2.38  | \$2.51  | \$58.57  |
| Portland General         | (\$46,211) | \$0.00  | \$0.99   | \$2.05  | \$2.18  | \$2.31  | \$2.45  | \$2.61  | \$2.77  | \$2.95  | \$3.13  | \$3.33  | \$3.54  | \$3.74  | \$3.96  | \$4.18  | \$109.10 |
| POR                      | (\$64,899) | \$0.00  | \$1.37   | \$2.68  | \$2.72  | \$2.77  | \$2.80  | \$3.16  | \$3.56  | \$3.98  | \$4.44  | \$4.93  | \$5.47  | \$5.78  | \$6.10  | \$6.45  | \$104.05 |
| SRE                      | (\$17,659) | \$0.00  | \$0.45   | \$0.90  | \$0.93  | \$0.96  | \$0.99  | \$1.06  | \$1.12  | \$1.19  | \$1.27  | \$1.35  | \$1.44  | \$1.52  | \$1.61  | \$1.70  | \$39.18  |
| SO                       | (\$45,953) | \$0.00  | \$1.03   | \$2.05  | \$2.11  | \$2.17  | \$2.24  | \$2.33  | \$2.44  | \$2.55  | \$2.66  | \$2.79  | \$2.92  | \$3.09  | \$3.26  | \$3.45  | \$98.88  |
| Sempra Energy            | (\$19,966) | \$0.00  | \$0.45   | \$0.90  | \$0.93  | \$0.96  | \$0.99  | \$1.06  | \$1.12  | \$1.19  | \$1.27  | \$1.35  | \$1.44  | \$1.52  | \$1.61  | \$1.70  | \$39.18  |
| TECO Energy, Inc.        | (\$34,033) | \$0.00  | \$0.82   | \$1.61  | \$1.63  | \$1.65  | \$1.67  | \$1.72  | \$1.78  | \$1.85  | \$1.93  | \$2.01  | \$2.10  | \$2.22  | \$2.34  | \$2.48  | \$72.23  |
| UIL Holdings Corp.       | (\$29,111) | \$0.00  | \$0.70   | \$1.36  | \$1.38  | \$1.39  | \$1.40  | \$1.48  | \$1.57  | \$1.67  | \$1.77  | \$1.88  | \$2.00  | \$2.14  | \$2.23  | \$2.36  | \$63.68  |
| Vectren Corp.            | (\$28,511) | \$0.00  | \$0.66   | \$1.31  | \$1.34  | \$1.37  | \$1.41  | \$1.51  | \$1.62  | \$1.74  | \$1.86  | \$2.00  | \$2.14  | \$2.26  | \$2.39  | \$2.52  | \$63.73  |
| Western Energy           | (\$37,100) | \$0.00  | \$0.62   | \$1.32  | \$1.46  | \$1.61  | \$1.77  | \$1.89  | \$2.01  | \$2.15  | \$2.29  | \$2.44  | \$2.61  | \$2.75  | \$2.91  | \$3.07  | \$83.83  |
| Wisconsin Energy         | (\$27,433) | \$0.00  | \$0.56   | \$1.14  | \$1.21  | \$1.27  | \$1.35  | \$1.44  | \$1.53  | \$1.64  | \$1.75  | \$1.87  | \$2.00  | \$2.11  | \$2.23  | \$2.36  | \$61.46  |
| Xcel Energy, Inc.        |            |         |          |         |         |         |         |         |         |         |         |         |         |         |         |         |          |

- [1] Source: Bloomberg Professional; based on three-month historical average
- [2] Yahoo! Finance, Zacks & Value Line; equals average earnings growth estimate
- [3] Source: EIA Annual Energy Outlook 2012, Bloomberg Professional, Bureau of Economic Analysis
- [4] Source: Value Line
- [5] Source: Value Line
- [6] Equals industry average historical payout ratio (1987-present)
- [7] Equals Column [1] + Column [60]
- [8] Equals result of Excel Solver function; goal: Column [7] equals \$0.00
- [9] Equals  $(\text{Column [17]} / \text{Column [12]})^{(1/(2016-2011))} - 1$
- [10] Equals  $(\text{Column [22]} / \text{Column [17]})^{(1/(2021-2016))} - 1$
- [11] Equals  $(\text{Column [27]} / \text{Column [22]})^{(1/(2026-2021))} - 1$
- [12] Source: Value Line
- [13] Equals  $\text{Column [12]} \times (1 + \text{Column [2]})$
- [14] Equals  $\text{Column [13]} \times (1 + (\text{Column [2]} / 2))$
- [15] Equals  $\text{Column [14]} \times (1 + \text{Column [2]})$
- [16] Equals  $\text{Column [15]} \times (1 + \text{Column [2]})$
- [17] Equals  $\text{Column [16]} \times (1 + \text{Column [2]})$
- [18] Equals  $(1 + (\text{Column [2]} + (((\text{Column [3]} - \text{Column [2]}) / (2021 - 2016 + 1)) \times (2017 - 2016)))) \times \text{Column [17]}$
- [19] Equals  $(1 + (\text{Column [2]} + (((\text{Column [3]} - \text{Column [2]}) / (2021 - 2016 + 1)) \times (2018 - 2016)))) \times \text{Column [18]}$
- [20] Equals  $(1 + (\text{Column [2]} + (((\text{Column [3]} - \text{Column [2]}) / (2021 - 2016 + 1)) \times (2019 - 2016)))) \times \text{Column [19]}$
- [21] Equals  $(1 + (\text{Column [2]} + (((\text{Column [3]} - \text{Column [2]}) / (2021 - 2016 + 1)) \times (2020 - 2016)))) \times \text{Column [20]}$
- [22] Equals  $(1 + (\text{Column [2]} + (((\text{Column [3]} - \text{Column [2]}) / (2021 - 2016 + 1)) \times (2021 - 2016)))) \times \text{Column [21]}$
- [23] Equals  $\text{Column [22]} \times (1 + \text{Column [3]})$
- [24] Equals  $\text{Column [23]} \times (1 + \text{Column [3]})$
- [25] Equals  $\text{Column [24]} \times (1 + \text{Column [3]})$
- [26] Equals  $\text{Column [25]} \times (1 + \text{Column [3]})$
- [27] Equals  $\text{Column [26]} \times (1 + \text{Column [3]})$
- [28] Equals Column [4]
- [29] Equals  $\text{Column [28]} + ((\text{Column [32]} - \text{Column [28]}) / 4)$
- [30] Equals  $\text{Column [29]} + ((\text{Column [32]} - \text{Column [28]}) / 4)$
- [31] Equals  $\text{Column [30]} + ((\text{Column [32]} - \text{Column [28]}) / 4)$
- [32] Equals Column [5]
- [33] Equals  $\text{Column [32]} + ((\text{Column [38]} - \text{Column [32]}) / 7)$
- [34] Equals  $\text{Column [33]} + ((\text{Column [38]} - \text{Column [32]}) / 7)$
- [35] Equals  $\text{Column [34]} + ((\text{Column [38]} - \text{Column [32]}) / 7)$
- [36] Equals  $\text{Column [35]} + ((\text{Column [38]} - \text{Column [32]}) / 7)$
- [37] Equals  $\text{Column [36]} + ((\text{Column [38]} - \text{Column [32]}) / 7)$
- [38] Equals Column [6]
- [39] Equals Column [6]
- [40] Equals Column [6]
- [41] Equals Column [6]
- [42] Equals Column [6]
- [43] Equals  $\text{Column [13]} \times \text{Column [28]}$
- [44] Equals  $\text{Column [14]} \times \text{Column [29]}$
- [45] Equals  $\text{Column [15]} \times \text{Column [30]}$
- [46] Equals  $\text{Column [16]} \times \text{Column [31]}$
- [47] Equals  $\text{Column [17]} \times \text{Column [32]}$
- [48] Equals  $\text{Column [18]} \times \text{Column [33]}$
- [49] Equals  $\text{Column [19]} \times \text{Column [34]}$
- [50] Equals  $\text{Column [20]} \times \text{Column [35]}$
- [51] Equals  $\text{Column [21]} \times \text{Column [36]}$
- [52] Equals  $\text{Column [22]} \times \text{Column [37]}$
- [53] Equals  $\text{Column [23]} \times \text{Column [38]}$
- [54] Equals  $\text{Column [24]} \times \text{Column [39]}$
- [55] Equals  $\text{Column [25]} \times \text{Column [40]}$
- [56] Equals  $\text{Column [26]} \times \text{Column [41]}$
- [57] Equals  $\text{Column [27]} \times \text{Column [42]}$
- [58] Equals  $(\text{Column [57]} \times (1 + \text{Column [3]})) / (\text{Column [8]} - \text{Column [3]})$
- [59] Equals  $\text{Column [58]} / \text{Column [27]}$
- [60] Equals negative net present value; discount rate equals Column [8], cash flows equal Column [61] through Column [76]
- [61] Equals \$0.00
- [62] Equals  $((12/31/12 - 6/29/12) / 365) \times \text{Column [43]}$
- [63] Equals Column [44]
- [64] Equals Column [45]
- [65] Equals Column [46]
- [66] Equals Column [47]
- [67] Equals Column [48]
- [68] Equals Column [49]
- [69] Equals Column [50]
- [70] Equals Column [51]
- [71] Equals Column [52]
- [72] Equals Column [53]
- [73] Equals Column [54]
- [74] Equals Column [55]
- [75] Equals Column [56]
- [76] Equals  $\text{Column [57]} + \text{Column [58]}$





**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-3R)

Capital Asset Pricing Model

CAPM AND ZERO BETA CAPM USING *EX-ANTE* MARKET RISK PREMIUM CALCULATION

|  | [3]               | [4]          | [5]                                   | [6]    | [7]               | [8]             |
|--|-------------------|--------------|---------------------------------------|--------|-------------------|-----------------|
|  | Risk-Free<br>Rate | Average Beta | Market DCF<br>Derived<br>Risk-Premium | CAPM   | Zero Beta<br>CAPM | Average<br>CAPM |
| [1] Combined Proxy Group Bloomberg Beta  | 2.94%             | 0.683        | 9.94%                                 | 9.72%  | 10.51%            | 10.12%          |
| [2] Combined Proxy Group Value Line Beta | 2.94%             | 0.720        | 9.94%                                 | 10.09% | 10.79%            | 10.44%          |
|  |                   |              | Average:                              | 9.91%  | 10.65%            | 10.28%          |

Notes:

[1] Source: Bloomberg Professional

[2] Source: Value Line

[3] Source: Bloomberg Professional, 3-month average of 30-year Treasury

[4] *see Notes [1] and [2]*

[5] Source: Exhibit No. \_\_ (RBH-15) page 2

[6] Equals Col. [3] + (Col. [4] x Col. [5])

[7] Equals Col. [3] + (0.25 x Col. [5]) + (0.75 x Col. [4] x Col. [5])

[8] Average of Col. [6] & Col. [7]

MARKET RISK PREMIUM DERIVED FROM ANALYSTS' LONG-TERM GROWTH ESTIMATES

| [1]            | [2]            | [3]           |
|----------------|----------------|---------------|
| Estimated      | Weighted Index | S&P 500       |
| Weighted Index | Long-Term      | Est. Required |
| Dividend Yield | Growth Rate    | Market Return |
| 2.21%          | 10.56%         | 12.88%        |

[4] Current 30-Year Treasury (3-month average) 2.94%

[5] Implied Market Risk Premium: 9.94%

STANDARD AND POOR'S 500 INDEX

|                              |        | [6]             | [7]                   | [8]                                | [9]                      | [10]                        |
|------------------------------|--------|-----------------|-----------------------|------------------------------------|--------------------------|-----------------------------|
| Name                         | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| 3M CO                        | MMM    | 0.49%           | 12.50%                | 0.06%                              | 2.63%                    | 0.01%                       |
| ABBOTT LABORATORIES          | ABT    | 0.80%           | 10.02%                | 0.08%                              | 3.18%                    | 0.03%                       |
| ABERCROMBIE & FITCH CO-CL A  | ANF    | 0.02%           | 20.44%                | 0.00%                              | 1.82%                    | 0.00%                       |
| ACCENTURE PLC-CL A           | ACN    | 0.31%           | 13.67%                | 0.04%                              | 2.26%                    | 0.01%                       |
| ACE LTD                      | ACE    | 0.20%           | 7.56%                 | 0.02%                              | 2.51%                    | 0.00%                       |
| ADOBE SYSTEMS INC            | ADBE   | 0.13%           | 11.17%                | 0.01%                              | 0.00%                    | 0.00%                       |
| ADVANCED MICRO DEVICES       | AMD    | 0.03%           | 9.72%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| AES CORP                     | AES    | 0.08%           | 8.00%                 | 0.01%                              | 0.59%                    | 0.00%                       |
| AETNA INC                    | AET    | 0.11%           | 10.60%                | 0.01%                              | 1.75%                    | 0.00%                       |
| AFLAC INC                    | AFL    | 0.16%           | 13.33%                | 0.02%                              | 3.12%                    | 0.00%                       |
| AGILENT TECHNOLOGIES INC     | A      | 0.11%           | 11.38%                | 0.01%                              | 0.67%                    | 0.00%                       |
| AGL RESOURCES INC            | GAS    | 0.04%           | 4.00%                 | 0.00%                              | 4.72%                    | 0.00%                       |
| AIR PRODUCTS & CHEMICALS INC | APD    | 0.14%           | 10.09%                | 0.01%                              | 3.03%                    | 0.00%                       |
| AIRGAS INC                   | ARG    | 0.05%           | 13.37%                | 0.01%                              | 1.72%                    | 0.00%                       |
| AKAMAI TECHNOLOGIES INC      | AKAM   | 0.05%           | 14.71%                | 0.01%                              | 0.00%                    | 0.00%                       |
| ALCOA INC                    | AA     | 0.07%           | 10.00%                | 0.01%                              | 1.48%                    | 0.00%                       |
| ALEXION PHARMACEUTICALS INC  | ALXN   | 0.15%           | 41.02%                | 0.06%                              | 0.00%                    | 0.00%                       |
| ALLEGHENY TECHNOLOGIES INC   | ATI    | 0.03%           | 15.00%                | 0.00%                              | 2.27%                    | 0.00%                       |
| ALLERGAN INC                 | AGN    | 0.23%           | 14.39%                | 0.03%                              | 0.22%                    | 0.00%                       |
| ALLSTATE CORP                | ALL    | 0.14%           | 9.00%                 | 0.01%                              | 2.49%                    | 0.00%                       |
| ALPHA NATURAL RESOURCES INC  | ANR    | 0.02%           | 5.00%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| ALTERA CORP                  | ALTR   | 0.09%           | 14.71%                | 0.01%                              | 0.94%                    | 0.00%                       |
| ALTRIA GROUP INC             | MO     | 0.56%           | 7.54%                 | 0.04%                              | 4.94%                    | 0.03%                       |
| AMAZON.COM INC               | AMZN   | 0.81%           | 29.06%                | 0.24%                              | 0.00%                    | 0.00%                       |
| AMEREN CORPORATION           | AEE    | 0.06%           | -4.00%                | 0.00%                              | 4.77%                    | 0.00%                       |
| AMERICAN ELECTRIC POWER      | AEP    | 0.15%           | 4.33%                 | 0.01%                              | 4.74%                    | 0.01%                       |
| AMERICAN EXPRESS CO          | AXP    | 0.53%           | 11.60%                | 0.06%                              | 1.36%                    | 0.01%                       |
| AMERICAN INTERNATIONAL GROUP | AIG    | 0.44%           | 12.33%                | 0.05%                              | 0.00%                    | 0.00%                       |
| AMERICAN TOWER CORP          | AMT    | 0.22%           | 21.59%                | 0.05%                              | 1.24%                    | 0.00%                       |
| AMERIPRISE FINANCIAL INC     | AMP    | 0.09%           | 10.55%                | 0.01%                              | 2.44%                    | 0.00%                       |
| AMERISOURCEBERGEN CORP       | ABC    | 0.08%           | 13.00%                | 0.01%                              | 1.27%                    | 0.00%                       |
| AMGEN INC                    | AMGN   | 0.45%           | 9.84%                 | 0.04%                              | 2.03%                    | 0.01%                       |
| AMPHENOL CORP-CL A           | APH    | 0.07%           | 15.00%                | 0.01%                              | 0.72%                    | 0.00%                       |
| ANADARKO PETROLEUM CORP      | APC    | 0.26%           | 12.85%                | 0.03%                              | 0.55%                    | 0.00%                       |
| ANALOG DEVICES INC           | ADI    | 0.09%           | 12.33%                | 0.01%                              | 3.09%                    | 0.00%                       |
| AON PLC                      | AON    | 0.12%           | 10.67%                | 0.01%                              | 1.33%                    | 0.00%                       |
| APACHE CORP                  | APA    | 0.27%           | 7.68%                 | 0.02%                              | 0.78%                    | 0.00%                       |
| APARTMENT INVT & MGMT CO -A  | AIV    | 0.03%           | 9.26%                 | 0.00%                              | 2.80%                    | 0.00%                       |
| APOLLO GROUP INC-CL A        | APOL   | 0.03%           | 9.80%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| APPLE INC                    | AAPL   | 4.32%           | 21.13%                | 0.91%                              | 0.46%                    | 0.02%                       |
| APPLIED MATERIALS INC        | AMAT   | 0.12%           | 8.67%                 | 0.01%                              | 2.88%                    | 0.00%                       |
| ARCHER-DANIELS-MIDLAND CO    | ADM    | 0.15%           | 10.00%                | 0.02%                              | 2.32%                    | 0.00%                       |
| ASSURANT INC                 | AIZ    | 0.02%           | 10.33%                | 0.00%                              | 2.27%                    | 0.00%                       |
| AT&T INC                     | T      | 1.65%           | 6.33%                 | 0.10%                              | 4.96%                    | 0.08%                       |
| AUTODESK INC                 | ADSK   | 0.06%           | 12.40%                | 0.01%                              | 0.00%                    | 0.00%                       |
| AUTOMATIC DATA PROCESSING    | ADP    | 0.22%           | 10.20%                | 0.02%                              | 2.78%                    | 0.01%                       |
| AUTONATION INC               | AN     | 0.03%           | 20.33%                | 0.01%                              | n/a                      | 0.00%                       |
| AUTOZONE INC                 | AZO    | 0.11%           | 16.57%                | 0.02%                              | 0.00%                    | 0.00%                       |
| AVALONBAY COMMUNITIES INC    | AVB    | 0.11%           | 10.00%                | 0.01%                              | 2.75%                    | 0.00%                       |
| AVERY DENNISON CORP          | AVY    | 0.02%           | 7.00%                 | 0.00%                              | 3.95%                    | 0.00%                       |
| AVON PRODUCTS INC            | AVP    | 0.06%           | 5.08%                 | 0.00%                              | 5.70%                    | 0.00%                       |
| BAKER HUGHES INC             | BHI    | 0.14%           | 20.67%                | 0.03%                              | 1.45%                    | 0.00%                       |
| BALL CORP                    | BLL    | 0.05%           | 10.00%                | 0.01%                              | 0.97%                    | 0.00%                       |
| BANK OF AMERICA CORP         | BAC    | 0.70%           | 8.67%                 | 0.06%                              | 0.52%                    | 0.00%                       |
| BANK OF NEW YORK MELLON CORP | BK     | 0.21%           | 9.65%                 | 0.02%                              | 2.39%                    | 0.00%                       |
| BAXTER INTERNATIONAL INC     | BAX    | 0.23%           | 8.76%                 | 0.02%                              | 2.57%                    | 0.01%                       |
| BB&T CORP                    | BBT    | 0.17%           | 9.44%                 | 0.02%                              | 2.53%                    | 0.00%                       |
| BEAM INC                     | BEAM   | 0.08%           | 12.55%                | 0.01%                              | 1.31%                    | 0.00%                       |
| BECTON DICKINSON AND CO      | BDX    | 0.12%           | 8.00%                 | 0.01%                              | 2.38%                    | 0.00%                       |
| BED BATH & BEYOND INC        | BBBY   | 0.11%           | 14.54%                | 0.02%                              | 0.00%                    | 0.00%                       |
| BEMIS COMPANY                | BMS    | 0.03%           | 6.00%                 | 0.00%                              | 3.24%                    | 0.00%                       |
| BERKSHIRE HATHAWAY INC-CL B  | BRK/B  | 0.71%           | n/a                   | n/a                                | n/a                      | 0.00%                       |
| BEST BUY CO INC              | BBY    | 0.06%           | 7.76%                 | 0.00%                              | 3.13%                    | 0.00%                       |

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|                              |        | [6]             | [7]                   | [8]                                | [9]                      | [10]                        |
|------------------------------|--------|-----------------|-----------------------|------------------------------------|--------------------------|-----------------------------|
| Name                         | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| BIG LOTS INC                 | BIG    | 0.02%           | 10.78%                | 0.00%                              | n/a                      | 0.00%                       |
| BIOGEN IDEC INC              | BIIB   | 0.27%           | 13.65%                | 0.04%                              | 0.00%                    | 0.00%                       |
| BLACKROCK INC                | BLK    | 0.22%           | 12.50%                | 0.03%                              | 3.53%                    | 0.01%                       |
| BMC SOFTWARE INC             | BMC    | 0.05%           | 10.20%                | 0.01%                              | 0.00%                    | 0.00%                       |
| BOEING CO/THE                | BA     | 0.44%           | 11.59%                | 0.05%                              | 2.36%                    | 0.01%                       |
| BORGWARNER INC               | BWA    | 0.06%           | 17.59%                | 0.01%                              | 0.14%                    | 0.00%                       |
| BOSTON PROPERTIES INC        | BXP    | 0.13%           | 5.58%                 | 0.01%                              | 2.03%                    | 0.00%                       |
| BOSTON SCIENTIFIC CORP       | BSX    | 0.06%           | 5.44%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| BRISTOL-MYERS SQUIBB CO      | BMJ    | 0.48%           | 7.98%                 | 0.04%                              | 3.53%                    | 0.02%                       |
| BROADCOM CORP-CL A           | BRCM   | 0.13%           | 15.00%                | 0.02%                              | 1.19%                    | 0.00%                       |
| BROWN-FORMAN CORP-CLASS B    | BF/B   | 0.07%           | n/a                   | n/a                                | 1.51%                    | 0.00%                       |
| CA INC                       | CA     | 0.10%           | 10.00%                | 0.01%                              | 3.69%                    | 0.00%                       |
| CABLEVISION SYSTEMS-NY GRP-A | CVC    | 0.02%           | 16.85%                | 0.00%                              | 4.56%                    | 0.00%                       |
| CABOT OIL & GAS CORP         | COG    | 0.07%           | n/a                   | n/a                                | 0.22%                    | 0.00%                       |
| CAMERON INTERNATIONAL CORP   | CAM    | 0.08%           | 19.33%                | 0.02%                              | 0.00%                    | 0.00%                       |
| CAMPBELL SOUP CO             | CPB    | 0.08%           | 6.50%                 | 0.01%                              | 3.53%                    | 0.00%                       |
| CAPITAL ONE FINANCIAL CORP   | COF    | 0.25%           | 9.50%                 | 0.02%                              | 0.37%                    | 0.00%                       |
| CARDINAL HEALTH INC          | CAH    | 0.12%           | 11.33%                | 0.01%                              | 1.77%                    | 0.00%                       |
| CAREFUSION CORP              | CFN    | 0.05%           | 9.27%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| CARMAX INC                   | KMX    | 0.05%           | 13.16%                | 0.01%                              | n/a                      | 0.00%                       |
| CARNIVAL CORP                | CCL    | 0.16%           | 17.36%                | 0.03%                              | 3.02%                    | 0.00%                       |
| CATERPILLAR INC              | CAT    | 0.44%           | 13.33%                | 0.06%                              | 2.23%                    | 0.01%                       |
| CBRE GROUP INC - A           | CBG    | 0.04%           | 13.33%                | 0.01%                              | n/a                      | 0.00%                       |
| CBS CORP-CLASS B NON VOTING  | CBS    | 0.16%           | 11.08%                | 0.02%                              | 1.26%                    | 0.00%                       |
| CELGENE CORP                 | CELG   | 0.22%           | 25.83%                | 0.06%                              | 0.00%                    | 0.00%                       |
| CENTERPOINT ENERGY INC       | CNP    | 0.07%           | 5.33%                 | 0.00%                              | 3.91%                    | 0.00%                       |
| CENTURYLINK INC              | CTL    | 0.19%           | 3.91%                 | 0.01%                              | 7.34%                    | 0.01%                       |
| CERNER CORP                  | CERN   | 0.11%           | 19.17%                | 0.02%                              | 0.00%                    | 0.00%                       |
| CF INDUSTRIES HOLDINGS INC   | CF     | 0.10%           | 12.00%                | 0.01%                              | 0.83%                    | 0.00%                       |
| C.H. ROBINSON WORLDWIDE INC  | CHRW   | 0.08%           | 14.80%                | 0.01%                              | 2.25%                    | 0.00%                       |
| SCHWAB (CHARLES) CORP        | SCHW   | 0.13%           | 16.00%                | 0.02%                              | 1.84%                    | 0.00%                       |
| CHESAPEAKE ENERGY CORP       | CHK    | 0.10%           | 10.78%                | 0.01%                              | 1.47%                    | 0.00%                       |
| CHEVRON CORP                 | CVX    | 1.65%           | -1.15%                | -0.02%                             | 3.29%                    | 0.05%                       |
| CHIPOTLE MEXICAN GRILL INC   | CMG    | 0.10%           | 20.00%                | 0.02%                              | 0.00%                    | 0.00%                       |
| CHUBB CORP                   | CB     | 0.16%           | 7.44%                 | 0.01%                              | 2.23%                    | 0.00%                       |
| CIGNA CORP                   | CI     | 0.10%           | 10.60%                | 0.01%                              | 0.08%                    | 0.00%                       |
| CINCINNATI FINANCIAL CORP    | CINF   | 0.05%           | 5.00%                 | 0.00%                              | 4.26%                    | 0.00%                       |
| CINTAS CORP                  | CTAS   | 0.04%           | 11.40%                | 0.00%                              | 1.54%                    | 0.00%                       |
| CISCO SYSTEMS INC            | CSCO   | 0.73%           | 9.56%                 | 0.07%                              | 1.49%                    | 0.01%                       |
| CITIGROUP INC                | C      | 0.64%           | 8.33%                 | 0.05%                              | 0.29%                    | 0.00%                       |
| CITRIX SYSTEMS INC           | CTXS   | 0.12%           | 15.00%                | 0.02%                              | 0.00%                    | 0.00%                       |
| CLIFFS NATURAL RESOURCES INC | CLF    | 0.06%           | 11.00%                | 0.01%                              | 4.37%                    | 0.00%                       |
| CLOROX COMPANY               | CLX    | 0.07%           | 7.85%                 | 0.01%                              | 3.31%                    | 0.00%                       |
| CME GROUP INC                | CME    | 0.14%           | 12.67%                | 0.02%                              | 4.45%                    | 0.01%                       |
| CMS ENERGY CORP              | CMS    | 0.05%           | 5.67%                 | 0.00%                              | 4.09%                    | 0.00%                       |
| COACH INC                    | COH    | 0.13%           | 14.48%                | 0.02%                              | 1.58%                    | 0.00%                       |
| COCA-COLA CO/THE             | KO     | 1.40%           | 7.79%                 | 0.11%                              | 2.62%                    | 0.04%                       |
| COCA-COLA ENTERPRISES        | CCE    | 0.07%           | 6.25%                 | 0.00%                              | 2.27%                    | 0.00%                       |
| COGNIZANT TECH SOLUTIONS-A   | CTSH   | 0.14%           | 18.80%                | 0.03%                              | 0.00%                    | 0.00%                       |
| COLGATE-PALMOLIVE CO         | CL     | 0.39%           | 8.62%                 | 0.03%                              | 2.27%                    | 0.01%                       |
| COMCAST CORP-CLASS A         | CMCSA  | 0.53%           | 17.47%                | 0.09%                              | 1.99%                    | 0.01%                       |
| COMERICA INC                 | CMA    | 0.05%           | 23.13%                | 0.01%                              | 1.80%                    | 0.00%                       |
| COMPUTER SCIENCES CORP       | CSC    | 0.03%           | 8.00%                 | 0.00%                              | 3.22%                    | 0.00%                       |
| CONAGRA FOODS INC            | CAG    | 0.09%           | 7.00%                 | 0.01%                              | 3.87%                    | 0.00%                       |
| CONOCOPHILLIPS               | COP    | 0.56%           | 0.30%                 | 0.00%                              | 4.79%                    | 0.03%                       |
| CONSOL ENERGY INC            | CNX    | 0.05%           | 12.00%                | 0.01%                              | 1.65%                    | 0.00%                       |
| CONSOLIDATED EDISON INC      | ED     | 0.14%           | 3.35%                 | 0.00%                              | 3.89%                    | 0.01%                       |
| CONSTELLATION BRANDS INC-A   | STZ    | 0.03%           | 9.01%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| COOPER INDUSTRIES PLC        | CBE    | 0.09%           | 12.60%                | 0.01%                              | 1.83%                    | 0.00%                       |
| CORNING INC                  | GLW    | 0.16%           | 9.50%                 | 0.01%                              | 2.24%                    | 0.00%                       |
| COSTCO WHOLESALE CORP        | COST   | 0.33%           | 14.03%                | 0.05%                              | 1.05%                    | 0.00%                       |
| COVENTRY HEALTH CARE INC     | CVH    | 0.04%           | 12.33%                | 0.00%                              | 1.39%                    | 0.00%                       |
| COVIDIEN PLC                 | COV    | 0.20%           | 11.00%                | 0.02%                              | 1.64%                    | 0.00%                       |
| CR BARD INC                  | BCR    | 0.07%           | 10.20%                | 0.01%                              | 0.74%                    | 0.00%                       |
| CROWN CASTLE INTL CORP       | CCI    | 0.14%           | 29.63%                | 0.04%                              | 0.00%                    | 0.00%                       |
| CSX CORP                     | CSX    | 0.18%           | 15.00%                | 0.03%                              | 2.32%                    | 0.00%                       |
| CUMMINS INC                  | CMI    | 0.15%           | 10.00%                | 0.01%                              | 1.71%                    | 0.00%                       |
| CVS CAREMARK CORP            | CVS    | 0.47%           | 13.50%                | 0.06%                              | 1.36%                    | 0.01%                       |
| DANAHER CORP                 | DHR    | 0.29%           | 15.00%                | 0.04%                              | 0.19%                    | 0.00%                       |
| DARDEN RESTAURANTS INC       | DRI    | 0.05%           | 12.50%                | 0.01%                              | 3.94%                    | 0.00%                       |
| DAVITA INC                   | DVA    | 0.07%           | 12.57%                | 0.01%                              | 0.00%                    | 0.00%                       |
| DEAN FOODS CO                | DF     | 0.02%           | 8.25%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| DEERE & CO                   | DE     | 0.25%           | 12.25%                | 0.03%                              | 2.02%                    | 0.01%                       |
| DELL INC                     | DELL   | 0.17%           | 9.50%                 | 0.02%                              | 1.28%                    | 0.00%                       |
| DENBURY RESOURCES INC        | DNR    | 0.05%           | n/a                   | n/a                                | 0.00%                    | 0.00%                       |
| DENTSPLY INTERNATIONAL INC   | XRAY   | 0.04%           | 11.50%                | 0.00%                              | 0.56%                    | 0.00%                       |

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|                              |        | [6]             | [7]                   | [8]                                | [9]                      | [10]                        |
|------------------------------|--------|-----------------|-----------------------|------------------------------------|--------------------------|-----------------------------|
| Name                         | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| DEVON ENERGY CORPORATION     | DVN    | 0.19%           | 8.40%                 | 0.02%                              | 1.35%                    | 0.00%                       |
| DEVRY INC                    | DV     | 0.02%           | 8.91%                 | 0.00%                              | 0.97%                    | 0.00%                       |
| DIAMOND OFFSHORE DRILLING    | DO     | 0.07%           | 17.33%                | 0.01%                              | 6.02%                    | 0.00%                       |
| DIRECTV-CLASS A              | DTV    | 0.25%           | 20.17%                | 0.05%                              | 0.00%                    | 0.00%                       |
| DISCOVER FINANCIAL SERVICES  | DFS    | 0.14%           | 10.67%                | 0.02%                              | 1.24%                    | 0.00%                       |
| DISCOVERY COMMUNICATIONS-A   | DISCA  | 0.06%           | 20.71%                | 0.01%                              | 0.00%                    | 0.00%                       |
| DOLLAR TREE INC              | DLTR   | 0.10%           | 17.43%                | 0.02%                              | 0.00%                    | 0.00%                       |
| DOMINION RESOURCES INC/VA    | D      | 0.24%           | 4.85%                 | 0.01%                              | 3.86%                    | 0.01%                       |
| DOVER CORP                   | DOV    | 0.08%           | 14.67%                | 0.01%                              | 2.43%                    | 0.00%                       |
| DOW CHEMICAL CO/THE          | DOW    | 0.30%           | 5.33%                 | 0.02%                              | 3.64%                    | 0.01%                       |
| DR HORTON INC                | DHI    | 0.05%           | 4.00%                 | 0.00%                              | 0.82%                    | 0.00%                       |
| DR PEPPER SNAPPLE GROUP INC  | DPS    | 0.07%           | 7.20%                 | 0.01%                              | 3.09%                    | 0.00%                       |
| DTE ENERGY COMPANY           | DTE    | 0.08%           | 5.00%                 | 0.00%                              | 4.13%                    | 0.00%                       |
| DUKE ENERGY CORP             | DUK    | 0.24%           | 4.33%                 | 0.01%                              | 4.39%                    | 0.01%                       |
| DUN & BRADSTREET CORP        | DNB    | 0.03%           | 10.00%                | 0.00%                              | 2.14%                    | 0.00%                       |
| E*TRADE FINANCIAL CORP       | ETFC   | 0.02%           | 26.00%                | 0.00%                              | 0.00%                    | 0.00%                       |
| EASTMAN CHEMICAL CO          | EMN    | 0.05%           | 7.50%                 | 0.00%                              | 2.07%                    | 0.00%                       |
| EATON CORP                   | ETN    | 0.11%           | 10.25%                | 0.01%                              | 3.85%                    | 0.00%                       |
| EBAY INC                     | EBAY   | 0.43%           | 13.08%                | 0.06%                              | 0.00%                    | 0.00%                       |
| ECOLAB INC                   | ECL    | 0.16%           | 13.80%                | 0.02%                              | 1.16%                    | 0.00%                       |
| EDISON INTERNATIONAL         | EIX    | 0.12%           | -0.37%                | 0.00%                              | 2.84%                    | 0.00%                       |
| EDWARDS LIFESCIENCES CORP    | EW     | 0.09%           | 21.03%                | 0.02%                              | 0.00%                    | 0.00%                       |
| DU PONT (E.I.) DE NEMOURS    | DD     | 0.38%           | 8.30%                 | 0.03%                              | 3.26%                    | 0.01%                       |
| ELECTRONIC ARTS INC          | EA     | 0.03%           | 15.53%                | 0.00%                              | 0.00%                    | 0.00%                       |
| ELI LILLY & CO               | LLY    | 0.39%           | -0.84%                | 0.00%                              | 4.57%                    | 0.02%                       |
| EMC CORP/MA                  | EMC    | 0.43%           | 15.00%                | 0.06%                              | 0.00%                    | 0.00%                       |
| EMERSON ELECTRIC CO          | EMR    | 0.27%           | 12.33%                | 0.03%                              | 3.37%                    | 0.01%                       |
| ENTERGY CORP                 | ETR    | 0.10%           | 2.00%                 | 0.00%                              | 4.92%                    | 0.00%                       |
| EOG RESOURCES INC            | EOG    | 0.19%           | 11.51%                | 0.02%                              | 0.74%                    | 0.00%                       |
| EQT CORP                     | EQT    | 0.06%           | 30.00%                | 0.02%                              | 1.64%                    | 0.00%                       |
| EQUIFAX INC                  | EFX    | 0.04%           | 11.00%                | 0.00%                              | 1.51%                    | 0.00%                       |
| EQUITY RESIDENTIAL           | EQR    | 0.15%           | 7.00%                 | 0.01%                              | 2.71%                    | 0.00%                       |
| ESTEE LAUDER COMPANIES-CL A  | EL     | 0.10%           | 14.83%                | 0.02%                              | 1.06%                    | 0.00%                       |
| EXELON CORP                  | EXC    | 0.25%           | -1.85%                | 0.00%                              | 5.58%                    | 0.01%                       |
| EXPEDIA INC                  | EXPE   | 0.04%           | 10.85%                | 0.00%                              | 0.72%                    | 0.00%                       |
| EXPEDITORS INTL WASH INC     | EXPD   | 0.07%           | 9.35%                 | 0.01%                              | 1.42%                    | 0.00%                       |
| EXPRESS SCRIPTS HOLDING CO   | ESRX   | 0.36%           | 17.57%                | 0.06%                              | 0.00%                    | 0.00%                       |
| EXXON MOBIL CORP             | XOM    | 3.17%           | 4.88%                 | 0.15%                              | 2.46%                    | 0.08%                       |
| F5 NETWORKS INC              | FFIV   | 0.06%           | 19.44%                | 0.01%                              | 0.00%                    | 0.00%                       |
| FAMILY DOLLAR STORES         | FDO    | 0.06%           | 14.08%                | 0.01%                              | 1.22%                    | 0.00%                       |
| FASTENAL CO                  | FAST   | 0.09%           | 18.73%                | 0.02%                              | 1.62%                    | 0.00%                       |
| FEDERATED INVESTORS INC-CL B | FII    | 0.02%           | 8.00%                 | 0.00%                              | 4.53%                    | 0.00%                       |
| FEDEX CORP                   | FDX    | 0.23%           | 13.53%                | 0.03%                              | 0.61%                    | 0.00%                       |
| FIDELITY NATIONAL INFORMATIO | FIS    | 0.08%           | 12.40%                | 0.01%                              | 1.76%                    | 0.00%                       |
| FIFTH THIRD BANCORP          | FITB   | 0.10%           | 8.30%                 | 0.01%                              | 2.59%                    | 0.00%                       |
| FIRST HORIZON NATIONAL CORP  | FHN    | 0.02%           | 8.33%                 | 0.00%                              | 0.76%                    | 0.00%                       |
| FIRST SOLAR INC              | FSLR   | 0.01%           | 1.67%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| FIRSTENERGY CORP             | FE     | 0.16%           | 0.33%                 | 0.00%                              | 4.47%                    | 0.01%                       |
| FISERV INC                   | FISV   | 0.08%           | 12.43%                | 0.01%                              | 0.00%                    | 0.00%                       |
| FLIR SYSTEMS INC             | FLIR   | 0.02%           | 9.60%                 | 0.00%                              | 1.44%                    | 0.00%                       |
| FLOWSERVE CORP               | FLS    | 0.05%           | n/a                   | n/a                                | 1.26%                    | 0.00%                       |
| FLUOR CORP                   | FLR    | 0.07%           | 13.30%                | 0.01%                              | 1.23%                    | 0.00%                       |
| FMC CORP                     | FMC    | 0.06%           | 10.26%                | 0.01%                              | 0.62%                    | 0.00%                       |
| FMC TECHNOLOGIES INC         | FTI    | 0.07%           | 13.00%                | 0.01%                              | 0.00%                    | 0.00%                       |
| FORD MOTOR CO                | F      | 0.28%           | 9.04%                 | 0.03%                              | 2.09%                    | 0.01%                       |
| FOREST LABORATORIES INC      | FRX    | 0.07%           | 5.86%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| FOSSIL INC                   | FOSL   | 0.04%           | 18.52%                | 0.01%                              | 0.00%                    | 0.00%                       |
| FRANKLIN RESOURCES INC       | BEN    | 0.19%           | 9.00%                 | 0.02%                              | 2.50%                    | 0.00%                       |
| FREEMPORT-MCMORAN COPPER     | FCX    | 0.26%           | n/a                   | n/a                                | 3.97%                    | 0.01%                       |
| FRONTIER COMMUNICATIONS CORP | FTR    | 0.03%           | -13.24%               | 0.00%                              | 10.44%                   | 0.00%                       |
| GAMESTOP CORP-CLASS A        | GME    | 0.02%           | 9.12%                 | 0.00%                              | 1.09%                    | 0.00%                       |
| GANNETT CO                   | GCI    | 0.03%           | 6.00%                 | 0.00%                              | 5.02%                    | 0.00%                       |
| GAP INC/THE                  | GPS    | 0.11%           | 11.15%                | 0.01%                              | 1.78%                    | 0.00%                       |
| GENERAL DYNAMICS CORP        | GD     | 0.19%           | 8.40%                 | 0.02%                              | 2.99%                    | 0.01%                       |
| GENERAL ELECTRIC CO          | GE     | 1.75%           | 12.00%                | 0.21%                              | 3.19%                    | 0.06%                       |
| GENERAL MILLS INC            | GIS    | 0.20%           | 8.00%                 | 0.02%                              | 3.43%                    | 0.01%                       |
| GENUINE PARTS CO             | GPC    | 0.07%           | 8.23%                 | 0.01%                              | 3.29%                    | 0.00%                       |
| GENWORTH FINANCIAL INC-CL A  | GNW    | 0.02%           | 5.00%                 | 0.00%                              | 0.06%                    | 0.00%                       |
| GILEAD SCIENCES INC          | GILD   | 0.31%           | 19.46%                | 0.06%                              | 0.00%                    | 0.00%                       |
| GOLDMAN SACHS GROUP INC      | GS     | 0.37%           | 11.51%                | 0.04%                              | 1.80%                    | 0.01%                       |
| GOODRICH CORP                | GR     | 0.13%           | 10.80%                | 0.01%                              | 0.93%                    | 0.00%                       |
| GOODYEAR TIRE & RUBBER CO    | GT     | 0.02%           | 43.64%                | 0.01%                              | 0.05%                    | 0.00%                       |
| GOOGLE INC-CL A              | GOOG   | 1.19%           | 17.03%                | 0.20%                              | 0.00%                    | 0.00%                       |
| H&R BLOCK INC                | HRB    | 0.03%           | 11.00%                | 0.00%                              | 4.99%                    | 0.00%                       |
| HALLIBURTON CO               | HAL    | 0.21%           | 20.50%                | 0.04%                              | 1.28%                    | 0.00%                       |
| HARLEY-DAVIDSON INC          | HOG    | 0.08%           | 13.00%                | 0.01%                              | 1.36%                    | 0.00%                       |

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|------------------------------|--------|-----------------|-----------------------|------------------------------------|--------------------------|-----------------------------|
| Name                         | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| HARMAN INTERNATIONAL         | HAR    | 0.02%           | 15.00%                | 0.00%                              | 0.75%                    | 0.00%                       |
| HARRIS CORP                  | HRS    | 0.04%           | 3.50%                 | 0.00%                              | 2.89%                    | 0.00%                       |
| HARTFORD FINANCIAL SVCS GRP  | HIG    | 0.06%           | 9.50%                 | 0.01%                              | 2.29%                    | 0.00%                       |
| HASBRO INC                   | HAS    | 0.03%           | 9.00%                 | 0.00%                              | 4.15%                    | 0.00%                       |
| HCP INC                      | HCP    | 0.15%           | 5.07%                 | 0.01%                              | 4.54%                    | 0.01%                       |
| HEALTH CARE REIT INC         | HCN    | 0.10%           | 6.19%                 | 0.01%                              | 5.09%                    | 0.01%                       |
| HELMERICH & PAYNE            | HP     | 0.04%           | 8.00%                 | 0.00%                              | 0.64%                    | 0.00%                       |
| HERSHEY CO/THE               | HSY    | 0.09%           | 8.08%                 | 0.01%                              | 2.06%                    | 0.00%                       |
| HESS CORP                    | HES    | 0.12%           | 4.48%                 | 0.01%                              | 0.94%                    | 0.00%                       |
| HEWLETT-PACKARD CO           | HPQ    | 0.31%           | 10.00%                | 0.03%                              | 2.36%                    | 0.01%                       |
| HJ HEINZ CO                  | HNZ    | 0.14%           | 8.00%                 | 0.01%                              | 3.79%                    | 0.01%                       |
| HOME DEPOT INC               | HD     | 0.64%           | 15.84%                | 0.10%                              | 2.29%                    | 0.01%                       |
| HONEYWELL INTERNATIONAL INC  | HON    | 0.34%           | 11.00%                | 0.04%                              | 2.74%                    | 0.01%                       |
| HORMEL FOODS CORP            | HRL    | 0.06%           | 11.00%                | 0.01%                              | 2.16%                    | 0.00%                       |
| HOSPIRA INC                  | HSP    | 0.05%           | 5.00%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| HOST HOTELS & RESORTS INC    | HST    | 0.09%           | 11.93%                | 0.01%                              | 1.57%                    | 0.00%                       |
| HUDSON CITY BANCORP INC      | HCBK   | 0.03%           | 0.50%                 | 0.00%                              | 5.02%                    | 0.00%                       |
| HUMANA INC                   | HUM    | 0.10%           | 9.75%                 | 0.01%                              | 1.31%                    | 0.00%                       |
| HUNTINGTON BANCSHARES INC    | HBAN   | 0.04%           | 5.33%                 | 0.00%                              | 2.51%                    | 0.00%                       |
| ILLINOIS TOOL WORKS          | ITW    | 0.20%           | 9.85%                 | 0.02%                              | 2.71%                    | 0.01%                       |
| INGERSOLL-RAND PLC           | IR     | 0.10%           | 11.00%                | 0.01%                              | 1.53%                    | 0.00%                       |
| INTEGRYS ENERGY GROUP INC    | TEG    | 0.04%           | 4.30%                 | 0.00%                              | 4.78%                    | 0.00%                       |
| INTEL CORP                   | INTC   | 1.06%           | 11.76%                | 0.12%                              | 3.22%                    | 0.03%                       |
| INTERCONTINENTALEXCHANGE INC | ICE    | 0.08%           | 14.00%                | 0.01%                              | 0.00%                    | 0.00%                       |
| INTL BUSINESS MACHINES CORP  | IBM    | 1.79%           | 10.00%                | 0.18%                              | 1.65%                    | 0.03%                       |
| INTL FLAVORS & FRAGRANCES    | IFF    | 0.04%           | 3.00%                 | 0.00%                              | 2.29%                    | 0.00%                       |
| INTL GAME TECHNOLOGY         | IGT    | 0.04%           | 14.75%                | 0.01%                              | 1.52%                    | 0.00%                       |
| INTERNATIONAL PAPER CO       | IP     | 0.10%           | n/a                   | n/a                                | 3.63%                    | 0.00%                       |
| INTERPUBLIC GROUP OF COS INC | IPG    | 0.04%           | 10.75%                | 0.00%                              | 2.28%                    | 0.00%                       |
| INTUIT INC                   | INTU   | 0.14%           | 15.14%                | 0.02%                              | 0.63%                    | 0.00%                       |
| INTUITIVE SURGICAL INC       | ISRG   | 0.17%           | 21.17%                | 0.04%                              | n/a                      | 0.00%                       |
| INVESCO LTD                  | IVZ    | 0.08%           | 12.00%                | 0.01%                              | 3.02%                    | 0.00%                       |
| IRON MOUNTAIN INC            | IRM    | 0.04%           | 13.67%                | 0.01%                              | 3.80%                    | 0.00%                       |
| JABIL CIRCUIT INC            | JBL    | 0.03%           | 12.00%                | 0.00%                              | 1.54%                    | 0.00%                       |
| JACOBS ENGINEERING GROUP INC | JEC    | 0.04%           | 13.23%                | 0.01%                              | 0.00%                    | 0.00%                       |
| J.C. PENNEY CO INC           | JCP    | 0.04%           | 19.10%                | 0.01%                              | 0.86%                    | 0.00%                       |
| JDS UNIPHASE CORP            | JDSU   | 0.02%           | 14.00%                | 0.00%                              | 0.00%                    | 0.00%                       |
| JM SMUCKER CO/THE            | SJM    | 0.07%           | 8.00%                 | 0.01%                              | 2.69%                    | 0.00%                       |
| JOHNSON & JOHNSON            | JNJ    | 1.58%           | 6.65%                 | 0.10%                              | 3.55%                    | 0.06%                       |
| JOHNSON CONTROLS INC         | JCI    | 0.15%           | 17.55%                | 0.03%                              | 2.44%                    | 0.00%                       |
| JOY GLOBAL INC               | JOY    | 0.05%           | 18.50%                | 0.01%                              | 1.24%                    | 0.00%                       |
| JPMORGAN CHASE & CO          | JPM    | 1.08%           | 7.50%                 | 0.08%                              | 3.32%                    | 0.04%                       |
| JUNIPER NETWORKS INC         | JNPR   | 0.07%           | 14.88%                | 0.01%                              | 0.00%                    | 0.00%                       |
| KELLOGG CO                   | K      | 0.14%           | 8.16%                 | 0.01%                              | 3.54%                    | 0.00%                       |
| KEYCORP                      | KEY    | 0.06%           | 4.67%                 | 0.00%                              | 2.34%                    | 0.00%                       |
| KIMBERLY-CLARK CORP          | KMB    | 0.26%           | 7.96%                 | 0.02%                              | 3.52%                    | 0.01%                       |
| KIMCO REALTY CORP            | KIM    | 0.06%           | 11.52%                | 0.01%                              | 4.02%                    | 0.00%                       |
| KINDER MORGAN INC            | KMI    | 0.26%           | 11.00%                | 0.03%                              | 4.22%                    | 0.01%                       |
| KLA-TENCOR CORPORATION       | KLAC   | 0.07%           | 10.00%                | 0.01%                              | 2.83%                    | 0.00%                       |
| KOHL'S CORP                  | KSS    | 0.09%           | 12.80%                | 0.01%                              | 2.66%                    | 0.00%                       |
| KRAFT FOODS INC-CLASS A      | KFT    | 0.54%           | 8.50%                 | 0.05%                              | 3.05%                    | 0.02%                       |
| KROGER CO                    | KR     | 0.10%           | 9.46%                 | 0.01%                              | 2.07%                    | 0.00%                       |
| L-3 COMMUNICATIONS HOLDINGS  | LLL    | 0.06%           | 2.46%                 | 0.00%                              | 2.63%                    | 0.00%                       |
| LABORATORY CRP OF AMER HLDGS | LH     | 0.07%           | 12.25%                | 0.01%                              | 0.00%                    | 0.00%                       |
| LAM RESEARCH CORP            | LRCX   | 0.06%           | 10.00%                | 0.01%                              | 0.00%                    | 0.00%                       |
| LEGG MASON INC               | LM     | 0.03%           | 11.00%                | 0.00%                              | 1.69%                    | 0.00%                       |
| LEGGETT & PLATT INC          | LEG    | 0.02%           | 15.00%                | 0.00%                              | 5.30%                    | 0.00%                       |
| LENNAR CORP-A                | LEN    | 0.04%           | 4.50%                 | 0.00%                              | 0.51%                    | 0.00%                       |
| LEUCADIA NATIONAL CORP       | LUK    | 0.04%           | n/a                   | n/a                                | n/a                      | 0.00%                       |
| LEXMARK INTERNATIONAL INC-A  | LXK    | 0.01%           | -9.00%                | 0.00%                              | 3.89%                    | 0.00%                       |
| LIFE TECHNOLOGIES CORP       | LIFE   | 0.06%           | 9.11%                 | 0.01%                              | 0.00%                    | 0.00%                       |
| LINCOLN NATIONAL CORP        | LNC    | 0.05%           | 5.40%                 | 0.00%                              | 1.50%                    | 0.00%                       |
| LINEAR TECHNOLOGY CORP       | LLTC   | 0.06%           | 10.00%                | 0.01%                              | 3.14%                    | 0.00%                       |
| LOCKHEED MARTIN CORP         | LMT    | 0.22%           | 6.88%                 | 0.02%                              | 4.68%                    | 0.01%                       |
| LOEWS CORP                   | L      | 0.13%           | n/a                   | n/a                                | 0.61%                    | 0.00%                       |
| LORILLARD INC                | LO     | 0.14%           | 9.68%                 | 0.01%                              | 4.68%                    | 0.01%                       |
| LOWE'S COS INC               | LOW    | 0.26%           | 16.29%                | 0.04%                              | 2.18%                    | 0.01%                       |
| LSI CORP                     | LSI    | 0.03%           | 15.03%                | 0.00%                              | n/a                      | 0.00%                       |
| LIMITED BRANDS INC           | LTD    | 0.10%           | 12.71%                | 0.01%                              | 3.53%                    | 0.00%                       |
| M & T BANK CORP              | MTB    | 0.08%           | 13.69%                | 0.01%                              | 3.39%                    | 0.00%                       |
| MACY'S INC                   | M      | 0.11%           | 10.37%                | 0.01%                              | 2.20%                    | 0.00%                       |
| MARATHON OIL CORP            | MRO    | 0.14%           | -0.66%                | 0.00%                              | 2.65%                    | 0.00%                       |
| MARATHON PETROLEUM CORP      | MPC    | 0.12%           | 5.98%                 | 0.01%                              | 2.50%                    | 0.00%                       |
| MARRIOTT INTERNATIONAL-CL A  | MAR    | 0.10%           | 18.00%                | 0.02%                              | 1.12%                    | 0.00%                       |
| MARSH & MCLENNAN COS         | MMC    | 0.14%           | 9.08%                 | 0.01%                              | 2.74%                    | 0.00%                       |
| MASCO CORP                   | MAS    | 0.04%           | 10.00%                | 0.00%                              | 2.17%                    | 0.00%                       |

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|------------------------------|--------|-----------------|-----------------------|------------------------------------|--------------------------|-----------------------------|
| Name                         | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| MASTERCARD INC-CLASS A       | MA     | 0.41%           | 17.44%                | 0.07%                              | 0.21%                    | 0.00%                       |
| MATTEL INC                   | MAT    | 0.09%           | 9.00%                 | 0.01%                              | 3.83%                    | 0.00%                       |
| MCCORMICK & CO-NON VTG SHRS  | MKC    | 0.06%           | 9.33%                 | 0.01%                              | 2.04%                    | 0.00%                       |
| MCDONALD'S CORP              | MCD    | 0.71%           | 10.00%                | 0.07%                              | 3.23%                    | 0.02%                       |
| MCGRAW-HILL COMPANIES INC    | MHP    | 0.10%           | 9.50%                 | 0.01%                              | 2.22%                    | 0.00%                       |
| MCKESSON CORP                | MCK    | 0.17%           | 14.33%                | 0.03%                              | 0.67%                    | 0.00%                       |
| MEAD JOHNSON NUTRITION CO    | MJN    | 0.13%           | 10.67%                | 0.01%                              | 1.49%                    | 0.00%                       |
| MEADWESTVACO CORP            | MWV    | 0.04%           | 10.00%                | 0.00%                              | 3.48%                    | 0.00%                       |
| MEDTRONIC INC                | MDT    | 0.31%           | 7.43%                 | 0.02%                              | 2.70%                    | 0.01%                       |
| MERCK & CO. INC.             | MRK    | 1.00%           | 4.42%                 | 0.04%                              | 4.00%                    | 0.04%                       |
| METLIFE INC                  | MET    | 0.26%           | 9.50%                 | 0.02%                              | 3.19%                    | 0.01%                       |
| METROPCS COMMUNICATIONS INC  | PCS    | 0.02%           | 18.84%                | 0.00%                              | 0.00%                    | 0.00%                       |
| MICROCHIP TECHNOLOGY INC     | MCHP   | 0.05%           | 10.00%                | 0.01%                              | 4.29%                    | 0.00%                       |
| MICRON TECHNOLOGY INC        | MU     | 0.05%           | 11.13%                | 0.01%                              | 0.00%                    | 0.00%                       |
| MICROSOFT CORP               | MSFT   | 2.03%           | 11.00%                | 0.22%                              | 2.53%                    | 0.05%                       |
| MOLEX INC                    | MOLX   | 0.02%           | 10.00%                | 0.00%                              | 3.39%                    | 0.00%                       |
| MOLSON COORS BREWING CO -B   | TAP    | 0.05%           | -1.90%                | 0.00%                              | 3.30%                    | 0.00%                       |
| MONSANTO CO                  | MON    | 0.35%           | 9.65%                 | 0.03%                              | 1.44%                    | 0.01%                       |
| MONSTER BEVERAGE CORP        | MNST   | 0.10%           | 17.50%                | 0.02%                              | 0.00%                    | 0.00%                       |
| MOODY'S CORP                 | MCO    | 0.06%           | 12.00%                | 0.01%                              | 1.75%                    | 0.00%                       |
| MORGAN STANLEY               | MS     | 0.23%           | 10.67%                | 0.02%                              | 1.40%                    | 0.00%                       |
| MOSAIC CO/THE                | MOS    | 0.13%           | 21.42%                | 0.03%                              | 0.74%                    | 0.00%                       |
| MOTOROLA SOLUTIONS INC       | MSI    | 0.11%           | n/a                   | n/a                                | 1.94%                    | 0.00%                       |
| MURPHY OIL CORP              | MUR    | 0.08%           | 10.00%                | 0.01%                              | 2.29%                    | 0.00%                       |
| MYLAN INC                    | MYL    | 0.07%           | 10.10%                | 0.01%                              | 0.00%                    | 0.00%                       |
| NABORS INDUSTRIES LTD        | NBR    | 0.03%           | 8.00%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| NASDAQ OMX GROUP/THE         | NDAQ   | 0.03%           | 10.33%                | 0.00%                              | 1.39%                    | 0.00%                       |
| NATIONAL OILWELL VARCO INC   | NOV    | 0.22%           | 18.00%                | 0.04%                              | 0.71%                    | 0.00%                       |
| NETAPP INC                   | NTAP   | 0.09%           | 15.57%                | 0.01%                              | 0.00%                    | 0.00%                       |
| NETFLIX INC                  | NFLX   | 0.03%           | 12.11%                | 0.00%                              | 0.00%                    | 0.00%                       |
| NEWELL RUBBERMAID INC        | NWL    | 0.04%           | 9.01%                 | 0.00%                              | 2.13%                    | 0.00%                       |
| NEWFIELD EXPLORATION CO      | NFX    | 0.03%           | 11.50%                | 0.00%                              | 0.00%                    | 0.00%                       |
| NEWMONT MINING CORP          | NEM    | 0.19%           | -3.00%                | -0.01%                             | 3.12%                    | 0.01%                       |
| NEWS CORP-CL A               | NWSA   | 0.29%           | 16.95%                | 0.05%                              | 0.76%                    | 0.00%                       |
| NEXTERA ENERGY INC           | NEE    | 0.23%           | 5.00%                 | 0.01%                              | 3.47%                    | 0.01%                       |
| NIKE INC -CL B               | NKE    | 0.26%           | 13.83%                | 0.04%                              | 1.72%                    | 0.00%                       |
| NISOURCE INC                 | NI     | 0.06%           | n/a                   | n/a                                | 3.78%                    | 0.00%                       |
| NOBLE CORP                   | NE     | 0.06%           | 13.00%                | 0.01%                              | 1.72%                    | 0.00%                       |
| NOBLE ENERGY INC             | NBL    | 0.12%           | 7.00%                 | 0.01%                              | 1.02%                    | 0.00%                       |
| NORDSTROM INC                | JWN    | 0.08%           | 12.59%                | 0.01%                              | 2.04%                    | 0.00%                       |
| NORFOLK SOUTHERN CORP        | NSC    | 0.19%           | 14.67%                | 0.03%                              | 2.62%                    | 0.00%                       |
| NORTHEAST UTILITIES          | NU     | 0.10%           | 5.14%                 | 0.00%                              | 3.26%                    | 0.00%                       |
| NORTHERN TRUST CORP          | NTRS   | 0.09%           | 8.50%                 | 0.01%                              | 2.64%                    | 0.00%                       |
| NORTHROP GRUMMAN CORP        | NOC    | 0.13%           | 3.75%                 | 0.00%                              | 3.31%                    | 0.00%                       |
| NRG ENERGY INC               | NRG    | 0.03%           | 0.02%                 | 0.00%                              | 0.65%                    | 0.00%                       |
| NUCOR CORP                   | NUE    | 0.10%           | 8.50%                 | 0.01%                              | 3.84%                    | 0.00%                       |
| VIDIA CORP                   | NVDA   | 0.07%           | 14.33%                | 0.01%                              | 0.00%                    | 0.00%                       |
| NYSE EURONEXT                | NYX    | 0.05%           | 8.50%                 | 0.00%                              | 4.69%                    | 0.00%                       |
| O'REILLY AUTOMOTIVE INC      | ORLY   | 0.08%           | 18.25%                | 0.02%                              | 0.00%                    | 0.00%                       |
| OCCIDENTAL PETROLEUM CORP    | OXY    | 0.55%           | -1.99%                | -0.01%                             | 2.46%                    | 0.01%                       |
| OMNICOM GROUP                | OMC    | 0.10%           | 10.33%                | 0.01%                              | 2.46%                    | 0.00%                       |
| ONEOK INC                    | OKE    | 0.07%           | 17.00%                | 0.01%                              | 3.03%                    | 0.00%                       |
| ORACLE CORP                  | ORCL   | 1.15%           | 13.38%                | 0.15%                              | 0.80%                    | 0.01%                       |
| OWENS-ILLINOIS INC           | OI     | 0.03%           | 8.67%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| PACCAR INC                   | PCAR   | 0.11%           | 9.67%                 | 0.01%                              | 3.54%                    | 0.00%                       |
| PALL CORP                    | PLL    | 0.05%           | 11.67%                | 0.01%                              | 1.41%                    | 0.00%                       |
| PARKER HANNIFIN CORP         | PH     | 0.09%           | 6.00%                 | 0.01%                              | 2.01%                    | 0.00%                       |
| PATTERSON COS INC            | PDCO   | 0.03%           | 11.75%                | 0.00%                              | 1.62%                    | 0.00%                       |
| PAYCHEX INC                  | PAYX   | 0.09%           | 10.00%                | 0.01%                              | 4.13%                    | 0.00%                       |
| PEABODY ENERGY CORP          | BTU    | 0.05%           | 12.00%                | 0.01%                              | 1.39%                    | 0.00%                       |
| PEOPLE'S UNITED FINANCIAL    | PBCT   | 0.03%           | 7.67%                 | 0.00%                              | 5.49%                    | 0.00%                       |
| PEPCO HOLDINGS INC           | POM    | 0.04%           | 6.50%                 | 0.00%                              | 5.52%                    | 0.00%                       |
| PEPSICO INC                  | PEP    | 0.87%           | 9.30%                 | 0.08%                              | 3.00%                    | 0.03%                       |
| PERKINELMER INC              | PKI    | 0.02%           | 11.16%                | 0.00%                              | 1.08%                    | 0.00%                       |
| PERRIGO CO                   | PRGO   | 0.09%           | 11.75%                | 0.01%                              | 0.22%                    | 0.00%                       |
| PFIZER INC                   | PFE    | 1.36%           | 3.72%                 | 0.05%                              | 3.81%                    | 0.05%                       |
| P G & E CORP                 | PCG    | 0.15%           | 2.85%                 | 0.00%                              | 4.04%                    | 0.01%                       |
| PHILIP MORRIS INTERNATIONAL  | PM     | 1.18%           | 10.33%                | 0.12%                              | 3.73%                    | 0.04%                       |
| PHILLIPS 66                  | PSX    | 0.17%           | n/a                   | n/a                                | 1.40%                    | 0.00%                       |
| PINNACLE WEST CAPITAL        | PNW    | 0.04%           | 5.00%                 | 0.00%                              | 4.14%                    | 0.00%                       |
| PIONEER NATURAL RESOURCES CO | PXD    | 0.09%           | n/a                   | n/a                                | 0.14%                    | 0.00%                       |
| PITNEY BOWES INC             | PBI    | 0.02%           | n/a                   | n/a                                | 9.98%                    | 0.00%                       |
| PLUM CREEK TIMBER CO         | PCL    | 0.05%           | 5.00%                 | 0.00%                              | 4.23%                    | 0.00%                       |
| PNC FINANCIAL SERVICES GROUP | PNC    | 0.26%           | 3.86%                 | 0.01%                              | 2.55%                    | 0.01%                       |
| PPG INDUSTRIES INC           | PPG    | 0.13%           | 7.00%                 | 0.01%                              | 2.18%                    | 0.00%                       |
| PPL CORPORATION              | PPL    | 0.13%           | -8.00%                | -0.01%                             | 5.17%                    | 0.01%                       |

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| Name                         | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| PRAXAIR INC                  | PX     | 0.26%           | 11.25%                | 0.03%                              | 2.03%                    | 0.01%                       |
| PRECISION CASTPARTS CORP     | PCP    | 0.19%           | 12.63%                | 0.02%                              | 0.07%                    | 0.00%                       |
| PRICELINE.COM INC            | PCLN   | 0.26%           | 22.00%                | 0.06%                              | 0.00%                    | 0.00%                       |
| PRINCIPAL FINANCIAL GROUP    | PFG    | 0.06%           | 11.50%                | 0.01%                              | 2.76%                    | 0.00%                       |
| PROCTER & GAMBLE CO/THE      | PG     | 1.33%           | 6.90%                 | 0.09%                              | 3.44%                    | 0.05%                       |
| PROGRESS ENERGY INC          | PGN    | 0.14%           | 3.10%                 | 0.00%                              | 4.14%                    | 0.01%                       |
| PROGRESSIVE CORP             | PGR    | 0.10%           | 7.75%                 | 0.01%                              | 1.83%                    | 0.00%                       |
| PROLOGIS INC                 | PLD    | 0.12%           | 3.63%                 | 0.00%                              | 3.37%                    | 0.00%                       |
| PRUDENTIAL FINANCIAL INC     | PRU    | 0.18%           | 11.00%                | 0.02%                              | 3.34%                    | 0.01%                       |
| PUBLIC SERVICE ENTERPRISE GP | PEG    | 0.13%           | 0.30%                 | 0.00%                              | 4.35%                    | 0.01%                       |
| PUBLIC STORAGE               | PSA    | 0.20%           | 5.21%                 | 0.01%                              | 3.05%                    | 0.01%                       |
| PULTEGROUP INC               | PHM    | 0.03%           | 5.00%                 | 0.00%                              | 0.00%                    | 0.00%                       |
| QEP RESOURCES INC            | QEP    | 0.04%           | 15.00%                | 0.01%                              | 0.20%                    | 0.00%                       |
| QUALCOMM INC                 | QCOM   | 0.76%           | 16.19%                | 0.12%                              | 1.66%                    | 0.01%                       |
| QUANTA SERVICES INC          | PWR    | 0.04%           | 16.83%                | 0.01%                              | n/a                      | 0.00%                       |
| QUEST DIAGNOSTICS INC        | DGX    | 0.08%           | 11.57%                | 0.01%                              | 1.12%                    | 0.00%                       |
| RALPH LAUREN CORP            | RL     | 0.07%           | 13.00%                | 0.01%                              | 0.91%                    | 0.00%                       |
| RANGE RESOURCES CORP         | RRC    | 0.08%           | 10.00%                | 0.01%                              | 0.26%                    | 0.00%                       |
| RAYTHEON COMPANY             | RTN    | 0.15%           | 7.75%                 | 0.01%                              | 3.47%                    | 0.01%                       |
| RED HAT INC                  | RHT    | 0.09%           | 19.14%                | 0.02%                              | 0.00%                    | 0.00%                       |
| REGIONS FINANCIAL CORP       | RF     | 0.08%           | 8.00%                 | 0.01%                              | 0.64%                    | 0.00%                       |
| REPUBLIC SERVICES INC        | RSG    | 0.08%           | 16.10%                | 0.01%                              | 3.33%                    | 0.00%                       |
| REYNOLDS AMERICAN INC        | RAI    | 0.20%           | 7.41%                 | 0.02%                              | 5.20%                    | 0.01%                       |
| ROBERT HALF INTL INC         | RHI    | 0.03%           | 12.67%                | 0.00%                              | 2.08%                    | 0.00%                       |
| ROCKWELL AUTOMATION INC      | ROK    | 0.07%           | 17.00%                | 0.01%                              | 2.53%                    | 0.00%                       |
| ROCKWELL COLLINS INC         | COL    | 0.06%           | 6.75%                 | 0.00%                              | 2.16%                    | 0.00%                       |
| ROPER INDUSTRIES INC         | ROP    | 0.08%           | 14.00%                | 0.01%                              | 0.53%                    | 0.00%                       |
| ROSS STORES INC              | ROST   | 0.11%           | 13.20%                | 0.01%                              | 0.88%                    | 0.00%                       |
| ROWAN COMPANIES PLC-A        | RDC    | 0.03%           | 18.33%                | 0.01%                              | 0.00%                    | 0.00%                       |
| RR DONNELLEY & SONS CO       | RRD    | 0.02%           | 5.00%                 | 0.00%                              | 8.84%                    | 0.00%                       |
| RYDER SYSTEM INC             | R      | 0.01%           | 10.27%                | 0.00%                              | 3.43%                    | 0.00%                       |
| SAFEWAY INC                  | SWY    | 0.03%           | 10.77%                | 0.00%                              | 3.33%                    | 0.00%                       |
| SAIC INC                     | SAI    | 0.03%           | 3.87%                 | 0.00%                              | 3.96%                    | 0.00%                       |
| SALESFORCE.COM INC           | CRM    | 0.15%           | 25.88%                | 0.04%                              | 0.00%                    | 0.00%                       |
| SANDISK CORP                 | SNDK   | 0.07%           | 12.59%                | 0.01%                              | 0.00%                    | 0.00%                       |
| SCANA CORP                   | SCG    | 0.05%           | 4.55%                 | 0.00%                              | 4.14%                    | 0.00%                       |
| SCHLUMBERGER LTD             | SLB    | 0.69%           | 18.00%                | 0.12%                              | 1.66%                    | 0.01%                       |
| SCRIPPS NETWORKS INTER-CL A  | SNI    | 0.05%           | 14.96%                | 0.01%                              | 0.79%                    | 0.00%                       |
| SEALED AIR CORP              | SEE    | 0.02%           | 7.00%                 | 0.00%                              | 3.37%                    | 0.00%                       |
| SEARS HOLDINGS CORP          | SHLD   | 0.05%           | n/a                   | n/a                                | n/a                      | 0.00%                       |
| SEMPRA ENERGY                | SRE    | 0.13%           | 7.00%                 | 0.01%                              | 3.23%                    | 0.00%                       |
| SHERWIN-WILLIAMS CO/THE      | SHW    | 0.11%           | 17.50%                | 0.02%                              | 1.16%                    | 0.00%                       |
| SIGMA-ALDRICH                | SIAL   | 0.07%           | 8.69%                 | 0.01%                              | 1.11%                    | 0.00%                       |
| SIMON PROPERTY GROUP INC     | SPG    | 0.37%           | 5.13%                 | 0.02%                              | 2.60%                    | 0.01%                       |
| SLM CORP                     | SLM    | 0.06%           | n/a                   | n/a                                | 3.18%                    | 0.00%                       |
| SNAP-ON INC                  | SNA    | 0.03%           | 10.00%                | 0.00%                              | 2.27%                    | 0.00%                       |
| SOUTHERN CO/THE              | SO     | 0.32%           | 5.67%                 | 0.02%                              | 4.20%                    | 0.01%                       |
| SOUTHWEST AIRLINES CO        | LUV    | 0.06%           | 22.41%                | 0.01%                              | 0.22%                    | 0.00%                       |
| SOUTHWESTERN ENERGY CO       | SWN    | 0.09%           | n/a                   | n/a                                | 0.00%                    | 0.00%                       |
| SPECTRA ENERGY CORP          | SE     | 0.15%           | 5.00%                 | 0.01%                              | 3.91%                    | 0.01%                       |
| SPRINT NEXTEL CORP           | S      | 0.08%           | -33.45%               | -0.03%                             | 0.00%                    | 0.00%                       |
| ST JUDE MEDICAL INC          | STJ    | 0.10%           | 9.89%                 | 0.01%                              | 2.19%                    | 0.00%                       |
| STANLEY BLACK & DECKER INC   | SWK    | 0.09%           | 13.00%                | 0.01%                              | 2.67%                    | 0.00%                       |
| STAPLES INC                  | SPLS   | 0.07%           | 9.33%                 | 0.01%                              | 3.30%                    | 0.00%                       |
| STARBUCKS CORP               | SBUX   | 0.32%           | 18.08%                | 0.06%                              | 1.31%                    | 0.00%                       |
| STARWOOD HOTELS & RESORTS    | HOT    | 0.08%           | 20.20%                | 0.02%                              | 0.99%                    | 0.00%                       |
| STATE STREET CORP            | STT    | 0.17%           | 7.23%                 | 0.01%                              | 2.07%                    | 0.00%                       |
| STERICYCLE INC               | SRCL   | 0.06%           | 16.67%                | 0.01%                              | n/a                      | 0.00%                       |
| STRYKER CORP                 | SYK    | 0.17%           | 10.53%                | 0.02%                              | 1.13%                    | 0.00%                       |
| SUNOCO INC                   | SUN    | 0.04%           | -2.09%                | 0.00%                              | 1.68%                    | 0.00%                       |
| SUNTRUST BANKS INC           | STI    | 0.10%           | 14.44%                | 0.01%                              | 0.94%                    | 0.00%                       |
| SYMANTEC CORP                | SYMC   | 0.08%           | 7.67%                 | 0.01%                              | 0.00%                    | 0.00%                       |
| SYSCO CORP                   | SY     | 0.14%           | 10.00%                | 0.01%                              | 3.63%                    | 0.01%                       |
| T ROWE PRICE GROUP INC       | TROW   | 0.13%           | 12.50%                | 0.02%                              | 2.16%                    | 0.00%                       |
| TARGET CORP                  | TGT    | 0.30%           | 12.15%                | 0.04%                              | 2.10%                    | 0.01%                       |
| TE CONNECTIVITY LTD          | TEL    | 0.11%           | 15.00%                | 0.02%                              | 2.42%                    | 0.00%                       |
| TECO ENERGY INC              | TE     | 0.03%           | 3.50%                 | 0.00%                              | 4.88%                    | 0.00%                       |
| TENET HEALTHCARE CORP        | THC    | 0.02%           | 11.20%                | 0.00%                              | 0.00%                    | 0.00%                       |
| TERADATA CORP                | TDC    | 0.10%           | 14.40%                | 0.01%                              | n/a                      | 0.00%                       |
| TERADYNE INC                 | TER    | 0.02%           | 11.75%                | 0.00%                              | 0.00%                    | 0.00%                       |
| TESORO CORP                  | TSO    | 0.03%           | -3.66%                | 0.00%                              | 0.00%                    | 0.00%                       |
| TEXAS INSTRUMENTS INC        | TXN    | 0.26%           | 9.00%                 | 0.02%                              | 2.36%                    | 0.01%                       |
| TEXTRON INC                  | TXT    | 0.06%           | 33.94%                | 0.02%                              | 0.32%                    | 0.00%                       |
| THERMO FISHER SCIENTIFIC INC | TMO    | 0.15%           | 11.89%                | 0.02%                              | 0.78%                    | 0.00%                       |
| TIFFANY & CO                 | TIF    | 0.05%           | 13.37%                | 0.01%                              | 2.34%                    | 0.00%                       |
| TIME WARNER CABLE            | TWC    | 0.20%           | 15.68%                | 0.03%                              | 2.73%                    | 0.01%                       |



STANDARD AND POOR'S 500 INDEX

|                            |        | [6]             | [7]                   | [8]                                | [9]                      | [10]                        |
|----------------------------|--------|-----------------|-----------------------|------------------------------------|--------------------------|-----------------------------|
| Name                       | Ticker | Weight in Index | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. | Estimated Dividend Yield | Cap-Weighted Dividend Yield |
| TIME WARNER INC            | TWX    | 0.29%           | 12.89%                | 0.04%                              | 2.69%                    | 0.01%                       |
| TITANIUM METALS CORP       | TIE    | 0.02%           | 15.00%                | 0.00%                              | 1.99%                    | 0.00%                       |
| TJX COMPANIES INC          | TJX    | 0.25%           | 11.80%                | 0.03%                              | 1.06%                    | 0.00%                       |
| TORCHMARK CORP             | TMK    | 0.04%           | 9.00%                 | 0.00%                              | 0.97%                    | 0.00%                       |
| TOTAL SYSTEM SERVICES INC  | TSS    | 0.04%           | 9.43%                 | 0.00%                              | 1.63%                    | 0.00%                       |
| TRAVELERS COS INC/THE      | TRV    | 0.20%           | 7.75%                 | 0.02%                              | 2.84%                    | 0.01%                       |
| TRIPADVISOR INC            | TRIP   | 0.04%           | 16.80%                | 0.01%                              | n/a                      | 0.00%                       |
| TYCO INTERNATIONAL LTD     | TYC    | 0.19%           | 14.00%                | 0.03%                              | 2.00%                    | 0.00%                       |
| TYSON FOODS INC-CL A       | TSN    | 0.04%           | 7.33%                 | 0.00%                              | 0.87%                    | 0.00%                       |
| UNION PACIFIC CORP         | UNP    | 0.45%           | 13.00%                | 0.06%                              | 2.01%                    | 0.01%                       |
| UNITED PARCEL SERVICE-CL B | UPS    | 0.45%           | 9.34%                 | 0.04%                              | 2.89%                    | 0.01%                       |
| UNITED STATES STEEL CORP   | X      | 0.02%           | 6.50%                 | 0.00%                              | 0.97%                    | 0.00%                       |
| UNITED TECHNOLOGIES CORP   | UTX    | 0.54%           | 11.16%                | 0.06%                              | 2.63%                    | 0.01%                       |
| UNITEDHEALTH GROUP INC     | UNH    | 0.48%           | 11.00%                | 0.05%                              | 1.17%                    | 0.01%                       |
| UNUM GROUP                 | UNM    | 0.04%           | 9.50%                 | 0.00%                              | 2.39%                    | 0.00%                       |
| URBAN OUTFITTERS INC       | URBN   | 0.03%           | 17.08%                | 0.01%                              | 0.00%                    | 0.00%                       |
| US BANCORP                 | USB    | 0.48%           | 13.92%                | 0.07%                              | 2.44%                    | 0.01%                       |
| VALERO ENERGY CORP         | VLO    | 0.11%           | 2.23%                 | 0.00%                              | 2.48%                    | 0.00%                       |
| VARIAN MEDICAL SYSTEMS INC | VAR    | 0.05%           | 12.67%                | 0.01%                              | 0.00%                    | 0.00%                       |
| VENTAS INC                 | VTR    | 0.14%           | 5.23%                 | 0.01%                              | 3.93%                    | 0.01%                       |
| VERISIGN INC               | VRSN   | 0.05%           | 14.17%                | 0.01%                              | 0.00%                    | 0.00%                       |
| VERIZON COMMUNICATIONS INC | VZ     | 1.00%           | 6.28%                 | 0.06%                              | 4.53%                    | 0.05%                       |
| VF CORP                    | VFC    | 0.12%           | 12.97%                | 0.02%                              | 2.18%                    | 0.00%                       |
| VIACOM INC-CLASS B         | VIAB   | 0.18%           | 15.00%                | 0.03%                              | 2.17%                    | 0.00%                       |
| VISA INC-CLASS A SHARES    | V      | 0.52%           | 18.71%                | 0.10%                              | 0.71%                    | 0.00%                       |
| VORNADO REALTY TRUST       | VNO    | 0.12%           | -1.98%                | 0.00%                              | 3.33%                    | 0.00%                       |
| VULCAN MATERIALS CO        | VMC    | 0.04%           | 9.67%                 | 0.00%                              | 0.10%                    | 0.00%                       |
| WAL-MART STORES INC        | WMT    | 1.87%           | 9.75%                 | 0.18%                              | 2.31%                    | 0.04%                       |
| WALGREEN CO                | WAG    | 0.20%           | 12.83%                | 0.03%                              | 3.09%                    | 0.01%                       |
| WALT DISNEY CO/THE         | DIS    | 0.69%           | 12.11%                | 0.08%                              | 1.23%                    | 0.01%                       |
| WASHINGTON POST-CLASS B    | WPO    | 0.02%           | n/a                   | n/a                                | n/a                      | 0.00%                       |
| WASTE MANAGEMENT INC       | WM     | 0.12%           | 7.50%                 | 0.01%                              | 4.26%                    | 0.01%                       |
| WATERS CORP                | WAT    | 0.06%           | 12.64%                | 0.01%                              | 0.00%                    | 0.00%                       |
| WATSON PHARMACEUTICALS INC | WPI    | 0.07%           | 11.09%                | 0.01%                              | 0.00%                    | 0.00%                       |
| WELLPOINT INC              | WLP    | 0.17%           | 10.50%                | 0.02%                              | 1.77%                    | 0.00%                       |
| WELLS FARGO & CO           | WFC    | 1.41%           | 11.38%                | 0.16%                              | 2.57%                    | 0.04%                       |
| WESTERN DIGITAL CORP       | WDC    | 0.06%           | 16.45%                | 0.01%                              | 0.00%                    | 0.00%                       |
| WESTERN UNION CO           | WU     | 0.08%           | 11.21%                | 0.01%                              | 2.38%                    | 0.00%                       |
| WEYERHAEUSER CO            | WY     | 0.10%           | 5.00%                 | 0.00%                              | 2.68%                    | 0.00%                       |
| WHIRLPOOL CORP             | WHR    | 0.04%           | n/a                   | n/a                                | 3.27%                    | 0.00%                       |
| WHOLE FOODS MARKET INC     | WFM    | 0.14%           | 18.17%                | 0.03%                              | 0.57%                    | 0.00%                       |
| WILLIAMS COS INC           | WMB    | 0.14%           | 23.00%                | 0.03%                              | 4.16%                    | 0.01%                       |
| WINDSTREAM CORP            | WIN    | 0.04%           | 0.33%                 | 0.00%                              | 10.36%                   | 0.00%                       |
| WISCONSIN ENERGY CORP      | WEC    | 0.07%           | 4.50%                 | 0.00%                              | 3.03%                    | 0.00%                       |
| WPX ENERGY INC             | WPX    | 0.03%           | n/a                   | n/a                                | n/a                      | 0.00%                       |
| WW GRAINGER INC            | GWV    | 0.11%           | 13.88%                | 0.01%                              | 1.55%                    | 0.00%                       |
| WYNDHAM WORLDWIDE CORP     | WYN    | 0.06%           | 19.80%                | 0.01%                              | 1.74%                    | 0.00%                       |
| WYNN RESORTS LTD           | WYNN   | 0.08%           | 22.67%                | 0.02%                              | 1.91%                    | 0.00%                       |
| XCEL ENERGY INC            | XEL    | 0.11%           | 4.58%                 | 0.01%                              | 3.75%                    | 0.00%                       |
| XEROX CORP                 | XRX    | 0.08%           | n/a                   | n/a                                | 2.16%                    | 0.00%                       |
| XILINX INC                 | XLNX   | 0.07%           | 14.14%                | 0.01%                              | 2.53%                    | 0.00%                       |
| XL GROUP PLC               | XL     | 0.05%           | 10.00%                | 0.01%                              | 2.12%                    | 0.00%                       |
| XYLEM INC                  | XYL    | 0.04%           | 15.00%                | 0.01%                              | 1.61%                    | 0.00%                       |
| YAHOO! INC                 | YHOO   | 0.15%           | 14.00%                | 0.02%                              | 0.00%                    | 0.00%                       |
| YUM! BRANDS INC            | YUM    | 0.23%           | 11.50%                | 0.03%                              | 1.86%                    | 0.00%                       |
| ZIMMER HOLDINGS INC        | ZMH    | 0.09%           | 10.25%                | 0.01%                              | 0.44%                    | 0.00%                       |
| ZIONS BANCORPORATION       | ZION   | 0.03%           | 7.75%                 | 0.00%                              | 0.21%                    | 0.00%                       |

Notes:

- [1] Equals sum of Col. [10]  
[2] Equals sum of Col. [8]  
[3] Equals ((1) x (1 + (0.5 x [2]))) + [2]  
[4] Source: Bloomberg Professional  
[5] Equals [3] - [4]  
[6] Equals weight in S&P 500 based on market capitalization  
[7] Source: Bloomberg Professional  
[8] Equals Col. [6] x Col. [7] if Col. [7] ≠ n/a, otherwise equals zero  
[9] Source: Bloomberg Professional  
[10] Equals Col. [6] x Col. [9] if Col. [9] ≠ n/a, otherwise equals zero



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-4R)

Dividends Coefficient of Variation

DIVIDEND COEFFICIENT OF VARIATION

Staff's Calculation of Dividends [1]

| Company                           | Ticker | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | CoV           |
|-----------------------------------|--------|---------|---------|---------|---------|---------|---------|---------------|
| ALLETE Inc.                       | ALE    | \$ 1.84 | \$ 1.88 | \$ 1.92 | \$ 1.96 | \$ 2.00 | \$ 2.10 | 0.0472        |
| Alliant Energy Corp               | LNT    | \$ 1.80 | \$ 1.90 | \$ 2.00 | \$ 2.10 | \$ 2.20 | \$ 2.30 | 0.0912        |
| Ameren Corp.                      | AEE    | \$ 1.61 | \$ 1.68 | \$ 1.72 | \$ 1.76 | \$ 1.80 | \$ 1.84 | 0.0478        |
| American Electric Power Co. Inc.  | AEP    | \$ 1.90 | \$ 1.96 | \$ 2.02 | \$ 2.08 | \$ 2.15 | \$ 2.25 | 0.0617        |
| Avista Corp.                      | AVA    | \$ 1.16 | \$ 1.22 | \$ 1.28 | \$ 1.34 | \$ 1.40 | \$ 1.45 | 0.0844        |
| Black Hills Corp.                 | BKH    | \$ 1.48 | \$ 1.50 | \$ 1.53 | \$ 1.57 | \$ 1.60 | \$ 1.65 | 0.0407        |
| CenterPoint Energy Inc.           | CNP    | \$ 0.81 | \$ 0.83 | \$ 0.85 | \$ 0.88 | \$ 0.90 | \$ 0.94 | 0.0549        |
| Cleco Corp.                       | CNL    | \$ 1.25 | \$ 1.40 | \$ 1.55 | \$ 1.72 | \$ 1.90 | \$ 1.99 | 0.1757        |
| Consolidated Edison Inc.          | ED     | \$ 2.42 | \$ 2.44 | \$ 2.46 | \$ 2.48 | \$ 2.50 | \$ 2.59 | 0.0249        |
| DTE Energy Co.                    | DTE    | \$ 2.40 | \$ 2.49 | \$ 2.57 | \$ 2.66 | \$ 2.75 | \$ 2.86 | 0.0643        |
| Edison International              | EIX    | \$ 1.31 | \$ 1.33 | \$ 1.38 | \$ 1.44 | \$ 1.50 | \$ 1.58 | 0.0726        |
| Empire District Electric Co.      | EDE    | \$ 1.00 | \$ 1.00 | \$ 1.06 | \$ 1.13 | \$ 1.20 | \$ 1.24 | 0.0914        |
| Entergy Corp.                     | ETR    | \$ 3.32 | \$ 3.32 | \$ 3.35 | \$ 3.37 | \$ 3.40 | \$ 3.50 | 0.0204        |
| Great Plains Energy Inc.          | GXP    | \$ 0.86 | \$ 0.88 | \$ 0.95 | \$ 1.02 | \$ 1.10 | \$ 1.13 | 0.1139        |
| Hawaiian Electric Industries Inc. | HE     | \$ 1.24 | \$ 1.24 | \$ 1.26 | \$ 1.28 | \$ 1.30 | \$ 1.42 | 0.0527        |
| IDACORP Inc.                      | IDA    | \$ 1.32 | \$ 1.40 | \$ 1.55 | \$ 1.72 | \$ 1.90 | \$ 1.98 | 0.1619        |
| Integrus Energy Group Inc.        | TEG    | \$ 2.72 | \$ 2.72 | \$ 2.75 | \$ 2.77 | \$ 2.80 | \$ 2.89 | 0.0238        |
| Madison Gas & Electric Co.        | MGEE   | \$ 1.55 | \$ 1.62 | \$ 1.69 | \$ 1.76 | \$ 1.84 | \$ 1.93 | 0.0807        |
| Northeast Utilities               | NU     | \$ 1.32 | \$ 1.44 | \$ 1.52 | \$ 1.61 | \$ 1.70 | \$ 1.78 | 0.1082        |
| OGE Energy Corp.                  | OGE    | \$ 1.59 | \$ 1.66 | \$ 1.74 | \$ 1.82 | \$ 1.90 | \$ 2.03 | 0.0907        |
| Pepco Holdings Inc.               | POM    | \$ 1.08 | \$ 1.12 | \$ 1.13 | \$ 1.15 | \$ 1.16 | \$ 1.19 | 0.0325        |
| PG&E Corp.                        | PCG    | \$ 1.82 | \$ 1.82 | \$ 1.88 | \$ 1.94 | \$ 2.00 | \$ 2.10 | 0.0578        |
| Pinnacle West Capital Corp.       | PNW    | \$ 2.10 | \$ 2.18 | \$ 2.25 | \$ 2.32 | \$ 2.40 | \$ 2.50 | 0.0633        |
| Portland General Electric Co.     | POR    | \$ 1.08 | \$ 1.11 | \$ 1.15 | \$ 1.20 | \$ 1.25 | \$ 1.30 | 0.0707        |
| SCANA Corp.                       | SCG    | \$ 1.98 | \$ 2.02 | \$ 2.06 | \$ 2.11 | \$ 2.15 | \$ 2.28 | 0.0506        |
| Sempra Energy                     | SRE    | \$ 2.40 | \$ 2.50 | \$ 2.60 | \$ 2.70 | \$ 2.80 | \$ 2.97 | 0.0778        |
| Southern Co.(The)                 | SO     | \$ 1.94 | \$ 2.02 | \$ 2.09 | \$ 2.17 | \$ 2.25 | \$ 2.39 | 0.0752        |
| TECO Energy Inc.                  | TE     | \$ 0.88 | \$ 0.92 | \$ 0.98 | \$ 1.04 | \$ 1.10 | \$ 1.16 | 0.1055        |
| UIL Holdings Corp.                | UIL    | \$ 1.73 | \$ 1.73 | \$ 1.73 | \$ 1.73 | \$ 1.73 | \$ 1.78 | 0.0117        |
| Westar Energy Inc.                | WR     | \$ 1.32 | \$ 1.36 | \$ 1.40 | \$ 1.44 | \$ 1.48 | \$ 1.53 | 0.0553        |
| Wisconsin Energy Corp.            | WEC    | \$ 1.20 | \$ 1.36 | \$ 1.49 | \$ 1.64 | \$ 1.80 | \$ 1.87 | 0.1658        |
| Xcel Energy Inc.                  | XEL    | \$ 1.06 | \$ 1.11 | \$ 1.18 | \$ 1.26 | \$ 1.35 | \$ 1.42 | 0.1122        |
| <b>Mean</b>                       |        |         |         |         |         |         |         | <b>0.0746</b> |

Dividends Calculated Using Value Line Earnings and Payout Ratio Projections

| Company                           | Ticker | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | CoV           |
|-----------------------------------|--------|---------|---------|---------|---------|---------|---------|---------------|
| ALLETE Inc.                       | ALE    | \$ 1.84 | \$ 1.87 | \$ 1.90 | \$ 1.92 | \$ 1.93 | \$ 2.12 | 0.0515        |
| Alliant Energy Corp               | LNT    | \$ 1.80 | \$ 1.90 | \$ 2.01 | \$ 2.12 | \$ 2.24 | \$ 2.37 | 0.1028        |
| Ameren Corp.                      | AEE    | \$ 1.61 | n/a     | n/a     | n/a     | n/a     | n/a     | n/a           |
| American Electric Power Co. Inc.  | AEP    | \$ 1.90 | \$ 1.97 | \$ 2.04 | \$ 2.11 | \$ 2.19 | \$ 2.34 | 0.0759        |
| Avista Corp.                      | AVA    | \$ 1.16 | \$ 1.22 | \$ 1.28 | \$ 1.35 | \$ 1.41 | \$ 1.51 | 0.0975        |
| Black Hills Corp.                 | BKH    | \$ 1.48 | \$ 1.52 | \$ 1.57 | \$ 1.61 | \$ 1.65 | \$ 1.78 | 0.0671        |
| CenterPoint Energy Inc.           | CNP    | \$ 0.81 | \$ 0.82 | \$ 0.83 | \$ 0.84 | \$ 0.85 | \$ 0.90 | 0.0356        |
| Cleco Corp.                       | CNL    | \$ 1.25 | \$ 1.37 | \$ 1.50 | \$ 1.65 | \$ 1.80 | \$ 1.98 | 0.1708        |
| Consolidated Edison Inc.          | ED     | \$ 2.42 | \$ 2.44 | \$ 2.46 | \$ 2.47 | \$ 2.48 | \$ 2.65 | 0.0341        |
| DTE Energy Co.                    | DTE    | \$ 2.40 | \$ 2.45 | \$ 2.50 | \$ 2.54 | \$ 2.59 | \$ 2.74 | 0.0481        |
| Edison International              | EIX    | \$ 1.31 | \$ 1.30 | \$ 1.29 | \$ 1.29 | \$ 1.28 | \$ 1.39 | 0.0322        |
| Empire District Electric Co.      | EDE    | \$ 1.00 | \$ 1.02 | \$ 1.04 | \$ 1.06 | \$ 1.08 | \$ 1.13 | 0.0444        |
| Entergy Corp.                     | ETR    | \$ 3.32 | n/a     | n/a     | n/a     | n/a     | n/a     | n/a           |
| Great Plains Energy Inc.          | GXP    | \$ 0.86 | \$ 0.88 | \$ 0.90 | \$ 0.91 | \$ 0.93 | \$ 0.99 | 0.0515        |
| Hawaiian Electric Industries Inc. | HE     | \$ 1.24 | \$ 1.30 | \$ 1.36 | \$ 1.42 | \$ 1.48 | \$ 1.62 | 0.0962        |
| IDACORP Inc.                      | IDA    | \$ 1.32 | \$ 1.45 | \$ 1.58 | \$ 1.72 | \$ 1.87 | \$ 2.00 | 0.1544        |
| Integrus Energy Group Inc.        | TEG    | \$ 2.72 | \$ 2.72 | \$ 2.71 | \$ 2.68 | \$ 2.63 | \$ 2.83 | 0.0239        |
| Madison Gas & Electric Co.        | MGEE   | \$ 1.55 | \$ 1.59 | \$ 1.62 | \$ 1.66 | \$ 1.69 | \$ 1.73 | 0.0413        |
| Northeast Utilities               | NU     | \$ 1.32 | \$ 1.37 | \$ 1.42 | \$ 1.46 | \$ 1.51 | \$ 1.70 | 0.0919        |
| OGE Energy Corp.                  | OGE    | \$ 1.59 | \$ 1.68 | \$ 1.77 | \$ 1.86 | \$ 1.96 | \$ 2.29 | 0.1348        |
| Pepco Holdings Inc.               | POM    | \$ 1.08 | \$ 1.10 | \$ 1.11 | \$ 1.13 | \$ 1.14 | \$ 1.21 | 0.0394        |
| PG&E Corp.                        | PCG    | \$ 1.82 | \$ 1.73 | \$ 1.64 | \$ 1.53 | \$ 1.40 | \$ 1.53 | 0.0950        |
| Pinnacle West Capital Corp.       | PNW    | \$ 2.10 | \$ 2.21 | \$ 2.33 | \$ 2.46 | \$ 2.59 | \$ 2.74 | 0.0994        |
| Portland General Electric Co.     | POR    | \$ 1.08 | \$ 1.13 | \$ 1.19 | \$ 1.25 | \$ 1.31 | \$ 1.44 | 0.1052        |
| SCANA Corp.                       | SCG    | \$ 1.98 | \$ 2.00 | \$ 2.02 | \$ 2.04 | \$ 2.06 | \$ 2.21 | 0.0397        |
| Sempra Energy                     | SRE    | \$ 2.40 | \$ 2.41 | \$ 2.41 | \$ 2.41 | \$ 2.41 | \$ 2.68 | 0.0452        |
| Southern Co.(The)                 | SO     | \$ 1.94 | \$ 2.00 | \$ 2.05 | \$ 2.11 | \$ 2.17 | \$ 2.26 | 0.0563        |
| TECO Energy Inc.                  | TE     | \$ 0.88 | \$ 0.93 | \$ 0.99 | \$ 1.04 | \$ 1.11 | \$ 1.20 | 0.1141        |
| UIL Holdings Corp.                | UIL    | \$ 1.73 | \$ 1.75 | \$ 1.77 | \$ 1.78 | \$ 1.80 | \$ 1.85 | 0.0234        |
| Westar Energy Inc.                | WR     | \$ 1.32 | \$ 1.37 | \$ 1.41 | \$ 1.46 | \$ 1.50 | \$ 1.62 | 0.0746        |
| Wisconsin Energy Corp.            | WEC    | \$ 1.20 | \$ 1.34 | \$ 1.49 | \$ 1.65 | \$ 1.84 | \$ 1.97 | 0.1867        |
| Xcel Energy Inc.                  | XEL    | \$ 1.06 | \$ 1.13 | \$ 1.20 | \$ 1.28 | \$ 1.36 | \$ 1.46 | 0.1189        |
| <b>Mean</b>                       |        |         |         |         |         |         |         | <b>0.0784</b> |

DIVIDEND COEFFICIENT OF VARIATION

Value Line Payout Ratios

| Company                           | Ticker | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| ALLETE Inc.                       | ALE    | 75.00% | 71.00% | 67.00% | 63.00% | 59.00% | 60.26% | 61.52% | 62.78% | 64.04% | 65.31% | 66.57% |
| Alliant Energy Corp               | LNT    | 68.00% | 67.75% | 67.50% | 67.25% | 67.00% | 66.93% | 66.86% | 66.78% | 66.71% | 66.64% | 66.57% |
| Ameren Corp.                      | AEE    | 71.00% | 71.25% | 71.50% | 71.75% | 72.00% | 71.09% | 70.19% | 69.28% | 68.38% | 67.47% | 66.57% |
| American Electric Power Co. Inc.  | AEP    | 61.00% | 60.50% | 60.00% | 59.50% | 59.00% | 60.26% | 61.52% | 62.78% | 64.04% | 65.31% | 66.57% |
| Avista Corp.                      | AVA    | 63.00% | 62.75% | 62.50% | 62.25% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% |
| Black Hills Corp.                 | BKH    | 73.00% | 70.25% | 67.50% | 64.75% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% |
| CenterPoint Energy Inc.           | CNP    | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% |
| Cleco Corp.                       | CNL    | 50.00% | 51.50% | 53.00% | 54.50% | 56.00% | 57.76% | 59.52% | 61.28% | 63.04% | 64.81% | 66.57% |
| Consolidated Edison Inc.          | ED     | 65.00% | 63.00% | 61.00% | 59.00% | 57.00% | 58.59% | 60.19% | 61.78% | 63.38% | 64.97% | 66.57% |
| DTE Energy Co.                    | DTE    | 65.00% | 63.75% | 62.50% | 61.25% | 60.00% | 61.09% | 62.19% | 63.28% | 64.38% | 65.47% | 66.57% |
| Edison International              | EIX    | 48.00% | 47.25% | 46.50% | 45.75% | 45.00% | 48.59% | 52.19% | 55.78% | 59.38% | 62.97% | 66.57% |
| Empire District Electric Co.      | EDE    | 82.00% | 79.00% | 76.00% | 73.00% | 70.00% | 69.43% | 68.86% | 68.28% | 67.71% | 67.14% | 66.57% |
| Entergy Corp.                     | ETR    | 70.00% | 68.25% | 66.50% | 64.75% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% |
| Great Plains Energy Inc.          | GXP    | 71.00% | 68.75% | 66.50% | 64.25% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% |
| Hawaiian Electric Industries Inc. | HE     | 77.00% | 74.00% | 71.00% | 68.00% | 65.00% | 65.26% | 65.52% | 65.78% | 66.04% | 66.31% | 66.57% |
| IDACORP Inc.                      | IDA    | 43.00% | 45.75% | 48.50% | 51.25% | 54.00% | 56.09% | 58.19% | 60.28% | 62.38% | 64.47% | 66.57% |
| Integrus Energy Group Inc.        | TEG    | 88.00% | 82.25% | 76.50% | 70.75% | 65.00% | 65.26% | 65.52% | 65.78% | 66.04% | 66.31% | 66.57% |
| Madison Gas & Electric Co.        | MGEE   | 83.00% | 81.25% | 79.50% | 77.75% | 76.00% | 74.43% | 72.86% | 71.28% | 69.71% | 68.14% | 66.57% |
| Northeast Utilities               | NU     | 63.00% | 60.50% | 58.00% | 55.50% | 53.00% | 55.26% | 57.52% | 59.78% | 62.04% | 64.31% | 66.57% |
| OGE Energy Corp.                  | OGE    | 42.00% | 41.75% | 41.50% | 41.25% | 41.00% | 45.26% | 49.52% | 53.78% | 58.04% | 62.31% | 66.57% |
| Pepco Holdings Inc.               | POM    | 86.00% | 81.75% | 77.50% | 73.25% | 69.00% | 68.59% | 68.19% | 67.78% | 67.38% | 66.97% | 66.57% |
| PG&E Corp.                        | PCG    | 82.00% | 74.75% | 67.50% | 60.25% | 53.00% | 55.26% | 57.52% | 59.78% | 62.04% | 64.31% | 66.57% |
| Pinnacle West Capital Corp.       | PNW    | 63.00% | 63.25% | 63.50% | 63.75% | 64.00% | 64.43% | 64.86% | 65.28% | 65.71% | 66.14% | 66.57% |
| Portland General Electric Co.     | POR    | 55.00% | 54.75% | 54.50% | 54.25% | 54.00% | 56.09% | 58.19% | 60.28% | 62.38% | 64.47% | 66.57% |
| SCANA Corp.                       | SCG    | 63.00% | 61.25% | 59.50% | 57.75% | 56.00% | 57.76% | 59.52% | 61.28% | 63.04% | 64.81% | 66.57% |
| Sempra Energy                     | SRE    | 57.00% | 54.75% | 52.50% | 50.25% | 48.00% | 51.09% | 54.19% | 57.28% | 60.38% | 63.47% | 66.57% |
| Southern Co.(The)                 | SO     | 76.00% | 74.50% | 73.00% | 71.50% | 70.00% | 69.43% | 68.86% | 68.28% | 67.71% | 67.14% | 66.57% |
| TECO Energy Inc.                  | TE     | 67.00% | 66.00% | 65.00% | 64.00% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% |
| UIL Holdings Corp.                | UIL    | 80.00% | 77.75% | 75.50% | 73.25% | 71.00% | 70.26% | 69.52% | 68.78% | 68.04% | 67.31% | 66.57% |
| Westar Energy Inc.                | WR     | 69.00% | 67.00% | 65.00% | 63.00% | 61.00% | 61.93% | 62.86% | 63.78% | 64.71% | 65.64% | 66.57% |
| Wisconsin Energy Corp.            | WEC    | 53.00% | 55.50% | 58.00% | 60.50% | 63.00% | 63.59% | 64.19% | 64.78% | 65.38% | 65.97% | 66.57% |
| Xcel Energy Inc.                  | XEL    | 61.00% | 61.25% | 61.50% | 61.75% | 62.00% | 62.76% | 63.52% | 64.28% | 65.04% | 65.81% | 66.57% |

Value Line Earnings Growth

| Company                           | Ticker | Growth |
|-----------------------------------|--------|--------|
| ALLETE Inc.                       | ALE    | 7.50%  |
| Alliant Energy Corp               | LNT    | 6.00%  |
| Ameren Corp.                      | AEE    | N/A    |
| American Electric Power Co. Inc.  | AEP    | 4.50%  |
| Avista Corp.                      | AVA    | 5.50%  |
| Black Hills Corp.                 | BKH    | 7.00%  |
| CenterPoint Energy Inc.           | CNP    | 4.00%  |
| Cleco Corp.                       | CNL    | 6.50%  |
| Consolidated Edison Inc.          | ED     | 4.00%  |
| DTE Energy Co.                    | DTE    | 4.00%  |
| Edison International              | EIX    | 1.00%  |
| Empire District Electric Co.      | EDE    | 6.00%  |
| Entergy Corp.                     | ETR    | N/A    |
| Great Plains Energy Inc.          | GXP    | 5.50%  |
| Hawaiian Electric Industries Inc. | HE     | 9.00%  |
| IDACORP Inc.                      | IDA    | 3.00%  |
| Integrus Energy Group Inc.        | TEG    | 7.00%  |
| Madison Gas & Electric Co.        | MGEE   | 4.50%  |
| Northeast Utilities               | NU     | 8.00%  |
| OGE Energy Corp.                  | OGE    | 6.00%  |
| Pepco Holdings Inc.               | POM    | 7.00%  |
| PG&E Corp.                        | PCG    | 4.50%  |
| Pinnacle West Capital Corp.       | PNW    | 5.00%  |
| Portland General Electric Co.     | POR    | 5.50%  |
| SCANA Corp.                       | SCG    | 4.00%  |
| Sempra Energy                     | SRE    | 4.50%  |
| Southern Co.(The)                 | SO     | 5.00%  |
| TECO Energy Inc.                  | TE     | 7.50%  |
| UIL Holdings Corp.                | UIL    | 4.00%  |
| Westar Energy Inc.                | WR     | 6.50%  |
| Wisconsin Energy Corp.            | WEC    | 6.50%  |
| Xcel Energy Inc.                  | XEL    | 6.00%  |

DIVIDEND COEFFICIENT OF VARIATION

Implied Earnings per Share

| Company                           | Ticker | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    |
|-----------------------------------|--------|---------|---------|---------|---------|---------|---------|
| ALLETE Inc.                       | ALE    | \$ 2.45 | \$ 2.64 | \$ 2.84 | \$ 3.05 | \$ 3.28 | \$ 3.52 |
| Alliant Energy Corp               | LNT    | \$ 2.65 | \$ 2.81 | \$ 2.97 | \$ 3.15 | \$ 3.34 | \$ 3.54 |
| Ameren Corp.                      | AEE    | \$ 2.27 | n/a     | n/a     | n/a     | n/a     | n/a     |
| American Electric Power Co. Inc.  | AEP    | \$ 3.11 | \$ 3.25 | \$ 3.40 | \$ 3.55 | \$ 3.71 | \$ 3.88 |
| Avista Corp.                      | AVA    | \$ 1.84 | \$ 1.94 | \$ 2.05 | \$ 2.16 | \$ 2.28 | \$ 2.41 |
| Black Hills Corp.                 | BKH    | \$ 2.03 | \$ 2.17 | \$ 2.32 | \$ 2.48 | \$ 2.66 | \$ 2.84 |
| CenterPoint Energy Inc.           | CNP    | \$ 1.16 | \$ 1.20 | \$ 1.25 | \$ 1.30 | \$ 1.35 | \$ 1.41 |
| Cleco Corp.                       | CNL    | \$ 2.50 | \$ 2.66 | \$ 2.84 | \$ 3.02 | \$ 3.22 | \$ 3.43 |
| Consolidated Edison Inc.          | ED     | \$ 3.72 | \$ 3.87 | \$ 4.03 | \$ 4.19 | \$ 4.36 | \$ 4.53 |
| DTE Energy Co.                    | DTE    | \$ 3.69 | \$ 3.84 | \$ 3.99 | \$ 4.15 | \$ 4.32 | \$ 4.49 |
| Edison International              | EIX    | \$ 2.73 | \$ 2.76 | \$ 2.78 | \$ 2.81 | \$ 2.84 | \$ 2.87 |
| Empire District Electric Co.      | EDE    | \$ 1.22 | \$ 1.29 | \$ 1.37 | \$ 1.45 | \$ 1.54 | \$ 1.63 |
| Entergy Corp.                     | ETR    | \$ 4.74 | n/a     | n/a     | n/a     | n/a     | n/a     |
| Great Plains Energy Inc.          | GXP    | \$ 1.21 | \$ 1.28 | \$ 1.35 | \$ 1.42 | \$ 1.50 | \$ 1.58 |
| Hawaiian Electric Industries Inc. | HE     | \$ 1.61 | \$ 1.76 | \$ 1.91 | \$ 2.09 | \$ 2.27 | \$ 2.48 |
| IDACORP Inc.                      | IDA    | \$ 3.07 | \$ 3.16 | \$ 3.26 | \$ 3.35 | \$ 3.46 | \$ 3.56 |
| Integrus Energy Group Inc.        | TEG    | \$ 3.09 | \$ 3.31 | \$ 3.54 | \$ 3.79 | \$ 4.05 | \$ 4.34 |
| Madison Gas & Electric Co.        | MGEE   | \$ 1.87 | \$ 1.95 | \$ 2.04 | \$ 2.13 | \$ 2.23 | \$ 2.33 |
| Northeast Utilities               | NU     | \$ 2.10 | \$ 2.26 | \$ 2.44 | \$ 2.64 | \$ 2.85 | \$ 3.08 |
| OGE Energy Corp.                  | OGE    | \$ 3.79 | \$ 4.01 | \$ 4.25 | \$ 4.51 | \$ 4.78 | \$ 5.07 |
| Pepco Holdings Inc.               | POM    | \$ 1.26 | \$ 1.34 | \$ 1.44 | \$ 1.54 | \$ 1.65 | \$ 1.76 |
| PG&E Corp.                        | PCG    | \$ 2.22 | \$ 2.32 | \$ 2.42 | \$ 2.53 | \$ 2.65 | \$ 2.77 |
| Pinnacle West Capital Corp.       | PNW    | \$ 3.33 | \$ 3.50 | \$ 3.68 | \$ 3.86 | \$ 4.05 | \$ 4.25 |
| Portland General Electric Co.     | POR    | \$ 1.96 | \$ 2.07 | \$ 2.19 | \$ 2.31 | \$ 2.43 | \$ 2.57 |
| SCANA Corp.                       | SCG    | \$ 3.14 | \$ 3.27 | \$ 3.40 | \$ 3.54 | \$ 3.68 | \$ 3.82 |
| Sempra Energy                     | SRE    | \$ 4.21 | \$ 4.40 | \$ 4.60 | \$ 4.80 | \$ 5.02 | \$ 5.25 |
| Southern Co.(The)                 | SO     | \$ 2.55 | \$ 2.68 | \$ 2.81 | \$ 2.95 | \$ 3.10 | \$ 3.26 |
| TECO Energy Inc.                  | TE     | \$ 1.31 | \$ 1.41 | \$ 1.52 | \$ 1.63 | \$ 1.75 | \$ 1.89 |
| UIL Holdings Corp.                | UIL    | \$ 2.16 | \$ 2.25 | \$ 2.34 | \$ 2.43 | \$ 2.53 | \$ 2.63 |
| Westar Energy Inc.                | WR     | \$ 1.91 | \$ 2.04 | \$ 2.17 | \$ 2.31 | \$ 2.46 | \$ 2.62 |
| Wisconsin Energy Corp.            | WEC    | \$ 2.26 | \$ 2.41 | \$ 2.57 | \$ 2.73 | \$ 2.91 | \$ 3.10 |
| Xcel Energy Inc.                  | XEL    | \$ 1.74 | \$ 1.84 | \$ 1.95 | \$ 2.07 | \$ 2.19 | \$ 2.33 |

Notes:

[1] Source: Exhibit \_\_ (KXD-18) workpaper



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-5R)

Retention Ratio Regression



RETENTION RATIO REGRESSION  
SUPPORTING DATA

| Company                  | Ticker | 1995                | 1996    | 1997    | 1998    | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    |
|--------------------------|--------|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Allele                   | ALE    | Earning Per Share   | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 1.35    | 2.48    | 2.77    | 3.08    | 2.82    | 1.89    | 2.19    | 2.65    |
|                          |        | Dividends Per Share | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 0.30    | 1.25    | 1.45    | 1.64    | 1.72    | 1.76    | 1.76    | 1.78    |
|                          |        | Payout Ratio        | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 22.22%  | 50.40%  | 52.35%  | 53.25%  | 60.99%  | 93.12%  | 80.37%  | 67.17%  |
|                          |        | Earnings Growth     | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 83.70%  | 11.69%  | 11.19%  | -8.44%  | -32.98% | 15.87%  | 21.00%  |
|                          |        | Syr Avg Fwd EPS     | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 13.03%  | -0.53%  | 1.33%   | 2.69    | 2.54    | 1.89    | 2.75    | NA      |
| Alliant Energy           | LNT    | Earning Per Share   | NA      | NA      | NA      | NA      | 2.47    | 2.42    | 1.18    | 1.57    | 1.85    | 2.21    | 2.06    | 2.69    | 2.54    | 1.89    | 2.75    | 2.75    |
|                          |        | Dividends Per Share | NA      | NA      | NA      | NA      | 2.00    | 2.00    | 2.00    | 1.00    | 1.02    | 1.05    | 1.15    | 1.27    | 1.40    | 1.50    | 1.58    | 1.70    |
|                          |        | Payout Ratio        | NA      | NA      | NA      | NA      | 80.97%  | 82.64%  | 169.40% | 63.69%  | 55.14%  | 47.51%  | 55.83%  | 47.21%  | 55.12%  | 79.37%  | 57.45%  | 61.82%  |
|                          |        | Earnings Growth     | NA      | NA      | NA      | NA      | -2.02%  | -51.24% | 33.05%  | 17.83%  | 19.46%  | -6.79%  | 8.98%   | 30.58%  | -5.58%  | -25.59% | 45.50%  | 0.00%   |
|                          |        | Syr Avg Fwd EPS     | NA      | NA      | NA      | NA      | 3.42%   | 2.46%   | 18.83%  | 11.10%  | 2.42%   | 7.63%   | 2.64    | 2.86    | 2.99    | 2.97    | 2.60    | 3.13    |
| American Elec. Power     | AEP    | Earning Per Share   | NA      | NA      | NA      | NA      | 1.04    | 3.27    | 2.86    | 2.53    | 2.61    | 2.64    | 2.86    | 2.86    | 2.99    | 2.97    | 2.60    | 3.13    |
|                          |        | Dividends Per Share | NA      | NA      | NA      | NA      | 2.40    | 2.40    | 2.40    | 1.65    | 1.40    | 1.42    | 1.50    | 1.58    | 1.64    | 1.64    | 1.71    | 1.85    |
|                          |        | Payout Ratio        | NA      | NA      | NA      | NA      | 230.77% | 73.39%  | 83.92%  | 65.22%  | 53.64%  | 53.79%  | 52.45%  | 55.24%  | 54.85%  | 55.22%  | 65.77%  | 59.11%  |
|                          |        | Earnings Growth     | NA      | NA      | NA      | NA      | 214.42% | -12.54% | -11.54% | -11.54% | 3.16%   | 1.15%   | 8.33%   | 0.00%   | 4.55%   | -0.67%  | -12.46% | 20.38%  |
|                          |        | Syr Avg Fwd EPS     | NA      | NA      | NA      | NA      | 38.93%  | -2.29%  | 0.22%   | 3.44%   | 2.67%   | -0.05%  | 2.36%   | NA      | NA      | NA      | NA      | NA      |
| Avista Corp.             | AVA    | Earning Per Share   | 1.41    | 1.35    | 1.96    | 1.28    | 0.12    | 1.76    | 1.20    | 0.67    | 1.02    | 0.92    | 1.47    | 0.72    | 1.36    | 1.58    | 1.65    | 1.72    |
|                          |        | Dividends Per Share | 1.24    | 1.24    | 1.24    | 1.05    | 0.48    | 0.48    | 0.48    | 0.49    | 0.52    | 0.55    | 0.57    | 0.60    | 0.69    | 0.81    | 1.00    | 1.10    |
|                          |        | Payout Ratio        | 87.94%  | 91.85%  | 63.27%  | 82.03%  | 400.00% | 27.27%  | 40.00%  | 48.04%  | 71.23%  | 59.78%  | 38.78%  | 83.33%  | 50.74%  | 51.27%  | 60.61%  | 63.95%  |
|                          |        | Earnings Growth     | NA      | -4.26%  | 45.19%  | -34.69% | -90.63% | 136.67% | -44.17% | 52.24%  | -28.43% | 26.03%  | 59.78%  | -51.02% | 88.89%  | 16.18%  | 4.43%   | 4.24%   |
|                          |        | Syr Avg Fwd EPS     | 256.46% | 250.94% | 233.07% | 250.46% | 262.90% | -5.23%  | 13.09%  | 19.05%  | 27.97%  | 23.65%  | 12.54%  | 21.27%  | -93.28% | 118.89% | -28.45% | -39.16% |
| Black Hills Corp.        | BKH    | Earning Per Share   | 1.19    | 1.40    | 1.49    | 1.60    | 1.70    | 2.37    | 3.42    | 2.35    | 1.84    | 1.74    | 2.21    | 2.68    | 0.18    | 2.32    | 1.66    | 1.01    |
|                          |        | Dividends Per Share | 0.89    | 0.92    | 0.95    | 1.00    | 1.04    | 1.08    | 1.12    | 1.16    | 1.20    | 1.24    | 1.32    | 1.37    | 1.40    | 1.42    | 1.44    | 1.46    |
|                          |        | Payout Ratio        | 74.79%  | 65.71%  | 63.76%  | 62.50%  | 61.18%  | 45.57%  | 32.75%  | 49.79%  | 65.22%  | 71.26%  | 60.66%  | 59.73%  | 77.78%  | 61.21%  | 86.75%  | 144.55% |
|                          |        | Earnings Growth     | NA      | 17.65%  | 6.43%   | 7.38%   | 6.25%   | 39.41%  | 44.30%  | -31.87% | -21.03% | -5.43%  | 4.74%   | 21.27%  | -93.28% | 118.89% | -28.45% | -39.16% |
|                          |        | Syr Avg Fwd EPS     | 15.42%  | 20.76%  | 13.10%  | 7.41%   | 5.08%   | 1.45%   | -6.47%  | 4.16%   | -10.29% | 22.58%  | 209.85% | NA      | NA      | NA      | NA      | NA      |
| Center Point Energy      | CNP    | Earning Per Share   | NA      | NA      | NA      | NA      | NA      | NA      | 1.54    | 1.29    | 1.37    | 0.61    | 0.67    | 1.33    | 1.17    | 1.30    | 1.01    | 1.27    |
|                          |        | Dividends Per Share | NA      | NA      | NA      | NA      | NA      | NA      | 0.40    | 0.40    | 0.40    | 0.40    | 0.60    | 0.68    | 0.73    | 0.76    | 0.78    | 0.79    |
|                          |        | Payout Ratio        | NA      | NA      | NA      | NA      | NA      | NA      | 97.40%  | 82.95%  | 29.20%  | 65.57%  | 59.70%  | 45.11%  | 58.12%  | 75.25%  | 72.90%  | 62.20%  |
|                          |        | Earnings Growth     | NA      | NA      | NA      | NA      | NA      | NA      | -16.23% | 6.20%   | -55.47% | 9.84%   | 98.51%  | -12.03% | 11.11%  | -22.31% | 5.94%   | 18.69%  |
|                          |        | Syr Avg Fwd EPS     | NA      | NA      | NA      | NA      | NA      | NA      | 8.57%   | 9.41%   | 10.39%  | 17.02%  | 16.24%  | 0.28%   | NA      | NA      | NA      | NA      |
| Cleco Corporation        | CNL    | Earning Per Share   | 1.04    | 1.12    | 1.09    | 1.12    | 1.19    | 1.46    | 1.51    | 1.52    | 1.26    | 1.32    | 1.42    | 1.36    | 1.32    | 1.70    | 2.29    | 2.59    |
|                          |        | Dividends Per Share | 0.75    | 0.77    | 0.79    | 0.81    | 0.83    | 0.85    | 0.87    | 0.90    | 0.90    | 0.90    | 0.90    | 0.90    | 0.90    | 0.90    | 0.98    | 1.12    |
|                          |        | Payout Ratio        | 72.12%  | 68.75%  | 72.48%  | 72.32%  | 69.75%  | 58.22%  | 57.62%  | 59.21%  | 71.43%  | 68.18%  | 66.18%  | 68.18%  | 52.94%  | 51.14%  | 42.79%  | 43.24%  |
|                          |        | Earnings Growth     | NA      | 7.69%   | -2.68%  | 2.75%   | 6.25%   | 22.69%  | 3.42%   | 0.66%   | -17.11% | 4.76%   | 7.58%   | -2.94%  | 28.79%  | 3.53%   | 30.11%  | 13.10%  |
|                          |        | Syr Avg Fwd EPS     | 7.34%   | 6.49%   | 7.16%   | 3.18%   | 2.89%   | -1.67%  | -2.39%  | 6.79%   | 6.55%   | 11.05%  | 14.52%  | NA      | NA      | NA      | NA      | NA      |
| Consolidated Edison      | ED     | Earning Per Share   | 2.93    | 2.93    | 2.95    | 3.04    | 3.13    | 2.74    | 3.21    | 3.13    | 2.83    | 2.99    | 2.95    | 3.48    | 3.36    | 3.14    | 3.47    | 3.57    |
|                          |        | Dividends Per Share | 2.04    | 2.08    | 2.10    | 2.12    | 2.14    | 2.18    | 2.20    | 2.22    | 2.24    | 2.26    | 2.28    | 2.30    | 2.32    | 2.34    | 2.38    | 2.40    |
|                          |        | Payout Ratio        | 69.62%  | 70.99%  | 71.19%  | 69.74%  | 68.37%  | 79.56%  | 68.54%  | 70.93%  | 79.15%  | 97.41%  | 76.25%  | 77.97%  | 66.67%  | 69.64%  | 68.59%  | 67.23%  |
|                          |        | Earnings Growth     | NA      | 0.00%   | 0.68%   | 3.05%   | 2.96%   | -12.46% | 17.15%  | -2.49%  | -9.58%  | -18.02% | 28.88%  | -1.34%  | 17.97%  | -3.45%  | 10.51%  | 2.88%   |
|                          |        | Syr Avg Fwd EPS     | -1.15%  | 2.28%   | 1.64%   | -0.88%  | -5.08%  | 3.19%   | -0.51%  | 3.58%   | 4.81%   | 7.10%   | 3.43%   | 4.27%   | NA      | NA      | NA      | NA      |
| Dominion                 | D      | Earning Per Share   | 1.23    | 1.33    | 1.50    | 0.86    | 1.50    | 1.25    | 1.49    | 2.41    | 1.96    | 2.13    | 1.50    | 2.40    | 2.13    | 2.64    | 2.89    | 2.76    |
|                          |        | Dividends Per Share | 1.29    | 1.29    | 1.29    | 1.29    | 1.29    | 1.29    | 1.29    | 1.29    | 1.29    | 1.30    | 1.34    | 1.38    | 1.46    | 1.58    | 1.75    | 1.97    |
|                          |        | Payout Ratio        | 104.88% | 96.99%  | 86.00%  | 150.00% | 86.00%  | 103.20% | 86.58%  | 53.53%  | 65.82%  | 61.03%  | 89.33%  | 57.50%  | 68.54%  | 51.97%  | 66.29%  | 71.38%  |
|                          |        | Earnings Growth     | NA      | 8.13%   | 12.78%  | -42.67% | 74.42%  | -16.67% | 19.20%  | 61.74%  | -18.67% | 8.67%   | -29.58% | 60.00%  | -11.25% | 42.72%  | 9.47%   | -4.50%  |
|                          |        | Syr Avg Fwd EPS     | 7.20%   | 9.41%   | 19.21%  | 24.00%  | 10.86%  | 8.27%   | 16.43%  | 1.83%   | 14.11%  | 9.75%   | 17.56%  | 4.66%   | NA      | NA      | NA      | NA      |
| DTE Energy Co.           | DTE    | Earning Per Share   | 3.02    | 2.80    | 2.88    | 3.05    | 3.33    | 3.27    | 2.15    | 3.83    | 2.85    | 3.27    | 2.45    | 2.66    | 2.73    | 3.24    | 3.74    | 3.67    |
|                          |        | Dividends Per Share | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.06    | 2.08    | 2.12    | 2.12    | 2.18    | 2.32    |
|                          |        | Payout Ratio        | 68.21%  | 73.57%  | 71.53%  | 67.54%  | 61.86%  | 63.00%  | 95.81%  | 53.79%  | 72.28%  | 80.78%  | 84.90%  | 79.70%  | 77.66%  | 65.43%  | 58.29%  | 63.22%  |
|                          |        | Earnings Growth     | NA      | -7.28%  | 2.86%   | 5.90%   | 9.18%   | -1.80%  | -34.25% | 78.14%  | -25.59% | -10.54% | -25.08% | 8.57%   | 2.63%   | 18.68%  | 15.43%  | -1.87%  |
|                          |        | Syr Avg Fwd EPS     | 1.77%   | 3.62%   | 11.43%  | 5.14%   | 1.19%   | 7.20%   | 9.04%   | -4.88%  | 0.77%   | 6.61%   | 4.05%   | 8.69%   | NA      | NA      | NA      | NA      |
| Edison International     | EIX    | Earning Per Share   | 1.66    | 1.64    | 1.75    | 1.86    | 2.03    | NA      | 1.30    | 1.82    | 2.38    | 0.69    | 3.34    | 3.28    | 3.32    | 3.68    | 3.24    | 3.23    |
|                          |        | Dividends Per Share | 1.00    | 1.00    | 1.00    | 1.04    | 1.08    | 0.83    | NA      | NA      | NA      | 0.80    | 1.02    | 1.10    | 1.18    | 1.23    | 1.25    | 1.29    |
|                          |        | Payout Ratio        | 60.24%  | 60.98%  | 57.14%  | 55.91%  | 53.20%  | NA      | NA      | NA      | NA      | 115.94% | 30.54%  | 33.54%  | 35.54%  | 33.42%  | 38.58%  | 39.94%  |
|                          |        | Earnings Growth     | NA      | -1.20%  | 6.71%   | 6.29%   | 9.14%   | NA      | NA      | 40.00%  | 30.77%  | -71.01% | 384.06% | -1.80%  | 1.22%   | 10.84%  | -11.96% | -3.58%  |
|                          |        | Syr Avg Fwd EPS     | NA      | NA      | NA      | NA      | NA      | NA      | 76.40%  | 68.65%  | 64.66%  | 76.47%  | 0.34%   | -0.02%  | NA      | NA      | NA      | NA      |
| Empire District Electric | EDE    | Earning Per Share   | 1.18    | 1.23    | 1.29    | 1.53    | 1.13    | 1.35    | 0.59    | 1.19    | 1.29    | 0.86    | 0.92    | 1.41    | 1.09    | 1.17    | 1.18    | 1.31    |
|                          |        | Dividends Per Share | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    | 1.28    |
|                          |        | Payout Ratio        | 108.47% | 104.07% | 99.22%  | 83.66%  | 113.27% | 94.81%  | 216.95% | 107.56% | 99.22%  | 148.84% | 139.13% | 90.78%  | 117.43% | 109.40% | 108.47% | 109.40% |
|                          |        | Earnings Growth     | NA      | 4.24%   | 4.88%   | 18.60%  | -26.14% | 19.47%  | -56.30% | 101.69% | 8.40%   | -33.33% | 6.98%   | 53.26%  | -22.70% | 7.34%   | 0.85%   | 11.97%  |
|                          |        | Syr Avg Fwd EPS     | 4.21%   | -7.90%  | 11.47%  | 9.43%   | 7.99%   | 5.49%   | 27.40%  | 2.52%   | 2.31%   | 9.15%   | 7.58%   | -0.68%  | NA      | NA      | NA      | NA      |

RETENTION RATIO REGRESSION  
SUPPORTING DATA

| Company                  | Ticker | 1995                | 1996   | 1997      | 1998    | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    |
|--------------------------|--------|---------------------|--------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Energy Corp.             | ETR    | Earning Per Share   | 2.13   | 2.48      | 2.25    | 2.22    | 2.25    | 2.97    | 3.08    | 3.68    | 3.69    | 3.93    | 4.40    | 5.36    | 6.20    | 6.30    | 6.66    | 7.55    |
|                          |        | Dividends Per Share | 1.80   | 1.80      | 1.80    | 1.80    | 1.50    | 1.22    | 1.28    | 1.34    | 1.60    | 1.89    | 2.16    | 2.16    | 2.58    | 3.00    | 3.24    | 3.32    |
|                          |        | Payout Ratio        | 84.51% | 72.58%    | 80.00%  | 67.57%  | 53.33%  | 41.08%  | 41.56%  | 36.41%  | 43.36%  | 48.09%  | 49.09%  | 40.30%  | 46.07%  | 48.39%  | 47.62%  | 43.97%  |
|                          |        | Earnings Growth     | NA     | 16.43%    | -9.27%  | -1.33%  | 1.35%   | 32.00%  | 3.70%   | 19.48%  | 0.27%   | 6.50%   | 11.96%  | 21.82%  | 4.48%   | 10.71%  | 1.61%   | 13.36%  |
|                          |        | 5Yr Avg Fwd EPS     | 7.84%  | 5.29%     | 11.04%  | 11.36%  | 12.39%  | 8.38%   | 12.01%  | 9.01%   | 11.09%  | 10.12%  | 8.87%   | 7.18%   | NA      | NA      | NA      | NA      |
| Great Plains Energy Inc. | GXP    | Earning Per Share   | 1.92   | 1.69      | 1.69    | 1.89    | 1.26    | 2.05    | 1.59    | 2.04    | 2.27    | 2.46    | 2.18    | 1.62    | 1.86    | 1.16    | 1.03    | 1.53    |
|                          |        | Dividends Per Share | 1.54   | 1.59      | 1.62    | 1.64    | 1.66    | 1.66    | 1.66    | 1.66    | 1.66    | 1.66    | 1.66    | 1.66    | 1.66    | 0.83    | 0.83    | 0.84    |
|                          |        | Payout Ratio        | 80.21% | 94.08%    | 95.86%  | 86.77%  | 131.75% | 80.98%  | 104.40% | 81.37%  | 73.13%  | 67.48%  | 76.15%  | 102.47% | 89.25%  | 143.10% | 80.58%  | 54.25%  |
|                          |        | Earnings Growth     | NA     | -11.98%   | 0.00%   | 11.83%  | -33.33% | 62.70%  | -22.44% | 28.30%  | 11.27%  | 8.37%   | -11.38% | -25.69% | 14.81%  | -37.63% | -11.21% | 67.20%  |
|                          |        | 5Yr Avg Fwd EPS     | 5.84%  | 3.75%     | 9.41%   | 9.30%   | 17.64%  | 2.83%   | 2.18%   | -0.52%  | -10.30% | -14.22% | -2.23%  | -0.76%  | NA      | NA      | NA      | -18.30% |
| Hawaiian Electric        | HE     | Earning Per Share   | 1.33   | 1.30      | 1.38    | 1.48    | 1.45    | 1.27    | 1.60    | 1.62    | 1.58    | 1.36    | 1.46    | 1.33    | 1.11    | 1.07    | 0.91    | 1.21    |
|                          |        | Dividends Per Share | 1.19   | 1.21      | 1.22    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    | 1.24    |
|                          |        | Payout Ratio        | 89.47% | 93.08%    | 88.41%  | 83.78%  | 85.52%  | 97.64%  | 77.50%  | 76.54%  | 78.48%  | 91.18%  | 84.93%  | 93.23%  | 111.71% | 115.89% | 136.26% | 102.48% |
|                          |        | Earnings Growth     | NA     | -2.26%    | 6.15%   | 7.25%   | -2.03%  | -12.41% | 25.98%  | -2.47%  | -13.92% | -7.35%  | 7.35%   | -8.90%  | -16.54% | -3.60%  | -14.95% | 32.97%  |
|                          |        | 5Yr Avg Fwd EPS     | -0.66% | 4.99%     | 4.01%   | 2.06%   | -0.31%  | 3.64%   | -3.34%  | -6.90%  | -7.12%  | -7.33%  | -2.21%  | 3.38%   | NA      | NA      | NA      | NA      |
| IDACORP, Inc.            | IDA    | Earning Per Share   | 2.10   | 2.21      | 2.32    | 2.37    | 2.43    | 3.50    | 3.35    | 1.63    | 0.96    | 1.90    | 1.75    | 2.35    | 1.86    | 2.18    | 2.64    | 2.95    |
|                          |        | Dividends Per Share | 1.86   | 1.86      | 1.86    | 1.86    | 1.86    | 1.86    | 1.86    | 1.86    | 1.70    | 1.20    | 1.20    | 1.20    | 1.20    | 1.20    | 1.20    | 1.20    |
|                          |        | Payout Ratio        | 88.57% | 84.16%    | 80.17%  | 78.48%  | 76.54%  | 53.14%  | 55.52%  | 114.11% | 177.08% | 63.16%  | 68.57%  | 51.06%  | 64.52%  | 55.05%  | 45.45%  | 40.68%  |
|                          |        | Earnings Growth     | NA     | 5.24%     | 4.98%   | 2.16%   | 2.53%   | 44.03%  | -4.29%  | -51.34% | -71.92% | 97.92%  | -7.89%  | 34.29%  | -20.85% | 17.20%  | 21.10%  | 11.74%  |
|                          |        | 5Yr Avg Fwd EPS     | 11.79% | 9.88%     | -1.38%  | -10.03% | 9.04%   | -1.34%  | 6.37%   | 12.47%  | 24.13%  | 8.77%   | 12.70%  | 8.62%   | NA      | NA      | NA      | NA      |
| Integrus                 | ITEG   | Earning Per Share   | NA     | NA        | NA      | NA      | NA      | NA      | 2.74    | 2.74    | 2.76    | 4.07    | 4.09    | 3.51    | 2.48    | 2.28    | 3.24    | 2.88    |
|                          |        | Dividends Per Share | NA     | NA        | NA      | NA      | NA      | NA      | 2.08    | 2.12    | 2.16    | 2.20    | 2.24    | 2.28    | 2.56    | 2.68    | 2.72    | 2.72    |
|                          |        | Payout Ratio        | NA     | NA        | NA      | NA      | NA      | NA      | 75.91%  | 77.37%  | 78.26%  | 54.05%  | 54.77%  | 64.96%  | 103.22% | 169.62% | 119.30% | 83.95%  |
|                          |        | Earnings Growth     | NA     | NA        | NA      | NA      | NA      | NA      | 0.00%   | 0.73%   | 47.46%  | 0.49%   | 0.49%   | -14.18% | -29.34% | -36.29% | 44.30%  | 42.11%  |
|                          |        | 5Yr Avg Fwd EPS     | NA     | NA        | NA      | NA      | NA      | NA      | 6.90%   | 1.03%   | -6.37%  | -7.09%  | 1.33%   | 1.93%   | NA      | NA      | NA      | NA      |
| MGEE Energy, Inc.        | MGEE   | Earning Per Share   | 1.49   | 0.82      | 1.40    | 1.38    | 1.48    | 1.67    | 1.62    | 1.69    | 1.71    | 1.77    | 1.57    | 2.06    | 2.27    | 2.38    | 2.21    | 2.50    |
|                          |        | Dividends Per Share | 1.26   | 1.28      | 1.29    | 1.30    | 1.31    | 1.32    | 1.33    | 1.34    | 1.35    | 1.36    | 1.37    | 1.39    | 1.41    | 1.43    | 1.46    | 1.49    |
|                          |        | Payout Ratio        | 84.56% | 156.10%   | 92.14%  | 94.20%  | 88.51%  | 79.04%  | 82.10%  | 79.29%  | 78.95%  | 76.84%  | 87.26%  | 67.48%  | 62.11%  | 60.08%  | 66.06%  | 59.60%  |
|                          |        | Earnings Growth     | NA     | -44.97%   | 70.73%  | -1.43%  | 7.25%   | 12.84%  | -2.99%  | 4.32%   | 1.18%   | 3.51%   | -11.30% | 31.21%  | 10.19%  | 4.85%   | -7.14%  | 13.12%  |
|                          |        | 5Yr Avg Fwd EPS     | 8.88%  | 17.28%    | 4.00%   | 4.52%   | 3.77%   | -1.06%  | -5.78%  | 6.96%   | 7.69%   | 5.56%   | 10.43%  | 5.32%   | NA      | NA      | NA      | NA      |
| Northeast Utilities      | NU     | Earning Per Share   | 2.24   | 0.01      | NA      | NA      | NA      | NA      | 1.37    | 1.08    | 1.24    | 0.91    | 0.98    | 0.82    | 1.59    | 1.86    | 1.91    | 2.10    |
|                          |        | Dividends Per Share | 1.76   | 1.38      | 0.25    | 0.00    | 0.10    | 0.40    | 0.45    | 0.53    | 0.58    | 0.63    | 0.68    | 0.73    | 0.78    | 0.83    | 0.95    | 1.03    |
|                          |        | Payout Ratio        | 78.57% | 13800.00% | NA      | NA      | NA      | NA      | 32.85%  | 49.07%  | 46.77%  | 69.23%  | 89.02%  | 89.02%  | 49.06%  | 44.62%  | 49.74%  | 49.05%  |
|                          |        | Earnings Growth     | NA     | -99.55%   | NA      | NA      | NA      | NA      | -21.17% | 14.81%  | -26.61% | 7.69%   | 16.98%  | 16.98%  | 16.98%  | 2.69%   | 9.95%   | 5.71%   |
|                          |        | 5Yr Avg Fwd EPS     | NA     | NA        | NA      | NA      | NA      | NA      | -8.32%  | 14.69%  | 15.13%  | 20.99%  | 21.44%  | 25.85%  | NA      | NA      | NA      | NA      |
| OGE Energy               | OGE    | Earning Per Share   | 1.52   | 1.62      | 1.61    | 2.04    | 1.94    | 1.89    | 1.29    | 1.43    | 1.73    | 1.78    | 1.83    | 2.45    | 2.64    | 2.49    | 2.66    | 2.99    |
|                          |        | Dividends Per Share | 1.33   | 1.33      | 1.33    | 1.33    | 1.33    | 1.33    | 1.33    | 1.33    | 1.33    | 1.33    | 1.33    | 1.34    | 1.37    | 1.40    | 1.43    | 1.46    |
|                          |        | Payout Ratio        | 87.50% | 82.10%    | 82.61%  | 65.20%  | 68.56%  | 70.37%  | 103.10% | 93.01%  | 76.88%  | 74.72%  | 72.68%  | 54.69%  | 51.89%  | 56.22%  | 53.76%  | 48.83%  |
|                          |        | Earnings Growth     | NA     | 6.58%     | -0.62%  | 26.71%  | -4.90%  | -2.58%  | -31.75% | 10.85%  | 20.98%  | 2.89%   | 2.81%   | 33.88%  | 7.76%   | -5.68%  | 6.83%   | 12.41%  |
|                          |        | 5Yr Avg Fwd EPS     | 5.04%  | -2.63%    | -0.33%  | -1.48%  | 0.08%   | 1.16%   | 14.28%  | 13.66%  | 8.33%   | 9.12%   | 11.04%  | 7.34%   | NA      | NA      | NA      | NA      |
| Pepco Holdings, Inc.     | POM    | Earning Per Share   | NA     | NA        | NA      | NA      | NA      | NA      | 2.16    | 1.79    | 1.35    | 1.46    | 1.49    | 1.33    | 1.53    | 1.93    | 1.06    | 1.24    |
|                          |        | Dividends Per Share | NA     | NA        | NA      | NA      | NA      | NA      | NA      | 0.42    | 1.00    | 1.00    | 1.00    | 1.04    | 1.04    | 1.08    | 1.08    | 1.08    |
|                          |        | Payout Ratio        | NA     | NA        | NA      | NA      | NA      | NA      | NA      | 23.46%  | 74.07%  | 68.49%  | 67.11%  | 78.20%  | 67.97%  | 55.96%  | 101.89% | 94.74%  |
|                          |        | Earnings Growth     | NA     | NA        | NA      | NA      | NA      | NA      | -17.13% | -24.58% | -24.58% | 8.15%   | 2.05%   | -10.74% | 15.04%  | 26.14%  | -45.08% | 16.98%  |
|                          |        | 5Yr Avg Fwd EPS     | NA     | NA        | NA      | NA      | NA      | NA      | -8.45%  | -2.02%  | 8.13%   | -2.52%  | 0.47%   | 1.00%   | NA      | NA      | NA      | NA      |
| PG&E Corp.               | PGC    | Earning Per Share   | 2.95   | 2.16      | 1.57    | 1.88    | 2.24    | NA      | 3.02    | NA      | 2.05    | 2.12    | 2.35    | 2.76    | 2.78    | 3.22    | 3.03    | 2.82    |
|                          |        | Dividends Per Share | 1.96   | 1.77      | 1.20    | 1.20    | 1.20    | 1.20    | NA      | NA      | NA      | NA      | 1.23    | 1.32    | 1.44    | 1.56    | 1.68    | 1.82    |
|                          |        | Payout Ratio        | 66.44% | 81.94%    | 76.43%  | 63.83%  | 53.57%  | 53.57%  | NA      | NA      | NA      | NA      | 52.34%  | 47.83%  | 51.80%  | 48.45%  | 55.45%  | 64.54%  |
|                          |        | Earnings Growth     | NA     | -26.78%   | -27.31% | 19.75%  | 19.15%  | NA      | NA      | NA      | NA      | 3.41%   | 10.85%  | 17.45%  | 0.72%   | 15.83%  | -5.90%  | -1.42%  |
|                          |        | 5Yr Avg Fwd EPS     | NA     | NA        | NA      | NA      | NA      | NA      | NA      | NA      | 9.65%   | 7.70%   | 4.23%   | 0.46%   | NA      | NA      | NA      | NA      |
| Pinnacle West Capital    | PNW    | Earning Per Share   | 2.22   | 2.47      | 2.76    | 2.85    | 3.18    | 3.35    | 3.68    | 2.53    | 2.52    | 2.58    | 2.24    | 3.17    | 2.96    | 2.12    | 2.26    | 3.08    |
|                          |        | Dividends Per Share | 0.93   | 1.03      | 1.13    | 1.23    | 1.33    | 1.43    | 1.53    | 1.63    | 1.73    | 1.83    | 1.93    | 2.03    | 2.10    | 2.10    | 2.10    | 2.10    |
|                          |        | Payout Ratio        | 41.89% | 41.70%    | 40.94%  | 43.16%  | 41.82%  | 42.69%  | 41.58%  | 64.43%  | 68.65%  | 70.93%  | 86.16%  | 64.04%  | 70.95%  | 99.06%  | 92.92%  | 68.18%  |
|                          |        | Earnings Growth     | NA     | 11.26%    | 11.74%  | 3.26%   | 11.58%  | 5.35%   | 9.85%   | -31.25% | -0.40%  | 2.38%   | -13.18% | 41.52%  | -6.62%  | -28.38% | 6.60%   | 36.28%  |
|                          |        | 5Yr Avg Fwd EPS     | 8.64%  | 8.36%     | -0.24%  | -0.97%  | -2.81%  | -4.52%  | -0.18%  | -4.74%  | -0.86%  | -0.01%  | 9.88%   | 0.99%   | NA      | NA      | NA      | NA      |
| Portland General         | POR    | Earning Per Share   | NA     | NA        | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 1.02    | 1.14    | 2.33    | 1.39    | 1.31    | 1.66    |
|                          |        | Dividends Per Share | NA     | NA        | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 0.68    | 0.93    | 0.97    | 1.01    | 1.04    | 1.06    |
|                          |        | Payout Ratio        | NA     | NA        | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 59.65%  | 39.91%  | 69.78%  | 77.10%  | 62.65%  |
|                          |        | Earnings Growth     | NA     | NA        | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 11.76%  | 104.39% | -40.34% | -5.76%  | 26.72%  |
|                          |        | 5Yr Avg Fwd EPS     | NA     | NA        | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA      | 19.35%  | 20.49%  | NA      | NA      | NA      | NA      |

RETENTION RATIO REGRESSION  
SUPPORTING DATA

| Company            | Ticker              | 1995   | 1996    | 1997    | 1998    | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007   | 2008    | 2009   | 2010    | 2011   |
|--------------------|---------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|--------|---------|--------|
| SCANA Corp.        | Earning Per Share   | 1.86   | 2.05    | 1.90    | 2.12    | 1.44    | 2.12    | 2.15    | 2.38    | 2.50    | 2.67    | 2.78    | 2.59    | 2.74   | 2.95    | 2.85   | 2.98    | 2.97   |
|                    | Dividends Per Share | 1.44   | 1.47    | 1.51    | 1.54    | 1.32    | 1.15    | 1.20    | 1.30    | 1.38    | 1.46    | 1.56    | 1.68    | 1.76   | 1.84    | 1.88   | 1.90    | 1.94   |
|                    | Payout Ratio        | 77.42% | 71.71%  | 79.47%  | 72.64%  | 91.67%  | 54.25%  | 55.81%  | 54.62%  | 55.20%  | 54.68%  | 56.12%  | 64.86%  | 64.32% | 62.37%  | 65.96% | 63.76%  | 65.32% |
|                    | Earnings Growth     | NA     | 10.22%  | -7.32%  | 11.58%  | -32.08% | 47.22%  | 1.42%   | 10.70%  | 5.04%   | 6.80%   | 4.12%   | -6.83%  | 5.79%  | 7.66%   | -3.39% | 4.56%   | -0.34% |
|                    | 5yr Avg Fwd EPS     | 5.92%  | 4.16%   | 7.77%   | 14.24%  | 14.24%  | 5.61%   | 3.97%   | 2.98%   | 3.51%   | 1.47%   | 1.56%   | 2.86%   | NA     | NA      | NA     | NA      | NA     |
| Sempra Energy      | Earning Per Share   | 1.94   | 1.98    | 2.20    | 1.24    | 1.66    | 2.06    | 2.55    | 2.79    | 3.01    | 3.93    | 3.52    | 4.23    | 4.26   | 4.43    | 4.78   | 4.02    | 4.47   |
|                    | Dividends Per Share | 1.56   | 1.56    | 1.56    | 1.56    | 1.56    | 1.56    | 1.00    | 1.00    | 1.00    | 1.00    | 1.16    | 1.20    | 1.24   | 1.37    | 1.56   | 1.56    | 1.92   |
|                    | Payout Ratio        | 80.41% | 78.79%  | 70.91%  | 125.81% | 93.88%  | 48.54%  | 39.22%  | 35.84%  | 33.22%  | 25.45%  | 32.95%  | 28.37%  | 29.11% | 30.93%  | 32.64% | 38.81%  | 42.95% |
|                    | Earnings Growth     | NA     | 2.06%   | 11.11%  | -43.64% | 33.87%  | 24.10%  | 23.79%  | 9.41%   | 7.89%   | 30.56%  | -10.43% | 20.17%  | 0.71%  | 3.99%   | 7.90%  | -15.90% | 11.19% |
|                    | 5yr Avg Fwd EPS     | 5.50%  | 9.85%   | 9.51%   | 19.81%  | 19.15%  | 12.24%  | 11.52%  | 9.78%   | 9.00%   | 4.47%   | 3.37%   | 1.58%   | NA     | NA      | NA     | NA      | NA     |
| Southern Co.       | Earning Per Share   | 1.66   | 1.68    | 1.58    | 1.73    | 1.83    | 2.01    | 1.61    | 1.85    | 1.97    | 2.06    | 2.13    | 2.10    | 2.28   | 2.25    | 2.32   | 2.37    | 2.55   |
|                    | Dividends Per Share | 1.22   | 1.26    | 1.30    | 1.34    | 1.34    | 1.34    | 1.34    | 1.36    | 1.39    | 1.42    | 1.48    | 1.54    | 1.60   | 1.66    | 1.73   | 1.80    | 1.87   |
|                    | Payout Ratio        | 73.49% | 75.00%  | 82.28%  | 77.46%  | 73.22%  | 66.67%  | 83.23%  | 73.51%  | 70.56%  | 68.93%  | 69.48%  | 73.33%  | 70.18% | 73.78%  | 74.57% | 75.95%  | 73.33% |
|                    | Earnings Growth     | NA     | 1.20%   | -5.95%  | 9.49%   | 5.78%   | 9.84%   | -19.90% | 14.91%  | 6.49%   | 4.57%   | 3.40%   | -1.41%  | 8.57%  | -1.32%  | 3.11%  | 2.16%   | 7.59%  |
|                    | 5yr Avg Fwd EPS     | 4.07%  | -0.15%  | 4.02%   | 3.42%   | 3.18%   | 1.89%   | 5.59%   | 4.32%   | 2.76%   | 2.47%   | 2.22%   | 4.02%   | NA     | NA      | NA     | NA      | NA     |
| TECO Energy, Inc.  | Earning Per Share   | 1.60   | 1.71    | 1.61    | 1.52    | 1.53    | 1.97    | 2.24    | 1.95    | NA      | 0.71    | 1.00    | 1.17    | 1.27   | 0.77    | 1.00   | 1.13    | 1.27   |
|                    | Dividends Per Share | 1.05   | 1.11    | 1.17    | 1.23    | 1.29    | 1.33    | 1.37    | 1.41    | 0.93    | 0.76    | 0.76    | 0.76    | 0.78   | 0.80    | 0.80   | 0.82    | 0.85   |
|                    | Payout Ratio        | 65.63% | 64.91%  | 72.67%  | 80.92%  | 84.31%  | 67.51%  | 61.16%  | 72.31%  | NA      | 107.44% | 76.00%  | 64.96%  | 61.42% | 103.90% | 80.00% | 72.57%  | 66.93% |
|                    | Earnings Growth     | NA     | 6.87%   | -5.85%  | -5.59%  | 0.66%   | 28.76%  | 13.71%  | -12.95% | NA      | NA      | 40.85%  | 17.00%  | 8.55%  | -39.37% | 29.87% | 13.00%  | 12.39% |
|                    | 5yr Avg Fwd EPS     | 4.97%  | 6.34%   | 4.92%   | NA      | NA      | NA      | NA      | NA      | NA      | 11.38%  | 5.81%   | 4.89%   | NA     | NA      | NA     | NA      | NA     |
| UIL Holdings Corp. | Earning Per Share   | 2.18   | 1.90    | 1.96    | 1.80    | 2.23    | 2.56    | 2.53    | 1.85    | 1.24    | 1.54    | 1.30    | 1.86    | 1.87   | 1.89    | 1.94   | 1.99    | 1.95   |
|                    | Dividends Per Share | 1.69   | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73    | 1.73   | 1.73    | 1.73   | 1.73    | 1.73   |
|                    | Payout Ratio        | 77.52% | 91.05%  | 88.27%  | 96.11%  | 77.58%  | 67.58%  | 68.38%  | 93.51%  | 139.52% | 112.34% | 133.08% | 93.01%  | 92.51% | 91.53%  | 89.18% | 86.93%  | 88.72% |
|                    | Earnings Growth     | NA     | -12.84% | 3.16%   | -8.16%  | 23.89%  | 14.80%  | -1.17%  | -26.88% | -32.97% | 24.19%  | -15.58% | 43.08%  | 0.54%  | 1.07%   | 2.65%  | 2.58%   | -2.01% |
|                    | 5yr Avg Fwd EPS     | 4.17%  | 6.50%   | 0.49%   | -4.47%  | -4.41%  | -10.48% | -1.63%  | 3.85%   | 10.60%  | 6.35%   | 9.98%   | 0.96%   | NA     | NA      | NA     | NA      | NA     |
| Vectren Corp.      | Earning Per Share   | NA     | NA      | NA      | NA      | NA      | 1.17    | 1.08    | 1.68    | 1.56    | 1.42    | 1.81    | 1.44    | 1.83   | 1.63    | 1.79   | 1.64    | 1.73   |
|                    | Dividends Per Share | NA     | NA      | NA      | NA      | NA      | 0.98    | 1.03    | 1.07    | 1.11    | 1.15    | 1.19    | 1.23    | 1.27   | 1.31    | 1.35   | 1.37    | 1.39   |
|                    | Payout Ratio        | NA     | NA      | NA      | NA      | NA      | 83.76%  | 95.37%  | 63.69%  | 71.15%  | 80.99%  | 65.75%  | 85.42%  | 69.40% | 80.37%  | 75.42% | 83.54%  | 80.35% |
|                    | Earnings Growth     | NA     | NA      | NA      | NA      | NA      | NA      | -7.69%  | 55.56%  | -7.14%  | -8.97%  | 27.48%  | -20.44% | 27.08% | -10.93% | 9.82%  | -8.38%  | 5.49%  |
|                    | 5yr Avg Fwd EPS     | NA     | NA      | NA      | NA      | NA      | 11.84%  | 9.29%   | 3.60%   | 2.84%   | 6.60%   | -0.57%  | 4.62%   | NA     | NA      | NA     | NA      | NA     |
| Westar Energy      | Earning Per Share   | 2.71   | 2.60    | NA      | 2.13    | 1.48    | 0.89    | NA      | 1.00    | 1.48    | 1.17    | 1.55    | 1.88    | 1.84   | 1.31    | 1.28   | 1.80    | 1.79   |
|                    | Dividends Per Share | 2.03   | 2.07    | 2.10    | 2.14    | 2.14    | 1.44    | 1.20    | 1.20    | 0.87    | 0.80    | 0.92    | 0.98    | 1.08   | 1.16    | 1.20   | 1.24    | 1.28   |
|                    | Payout Ratio        | 74.91% | 79.62%  | NA      | 100.47% | 144.59% | 161.80% | NA      | 120.00% | 58.78%  | 68.38%  | 59.35%  | 52.13%  | 58.70% | 88.55%  | 93.75% | 68.89%  | 71.51% |
|                    | Earnings Growth     | NA     | -4.06%  | NA      | NA      | -30.22% | -39.86% | NA      | NA      | 48.00%  | -20.95% | 32.48%  | 21.29%  | -2.13% | -28.80% | -2.29% | 40.63%  | -0.56% |
|                    | 5yr Avg Fwd EPS     | NA     | NA      | NA      | NA      | NA      | NA      | NA      | 15.74%  | 0.38%   | 4.11%   | 5.74%   | 1.37%   | NA     | NA      | NA     | NA      | NA     |
| Wisconsin Energy   | Earning Per Share   | 1.07   | 0.99    | 0.27    | 0.83    | 0.94    | 0.54    | 0.92    | 1.16    | 1.13    | 0.93    | 1.28    | 1.32    | 1.42   | 1.52    | 1.60   | 1.92    | 2.18   |
|                    | Dividends Per Share | 0.73   | 0.75    | 0.77    | 0.78    | 0.78    | 0.69    | 0.40    | 0.40    | 0.40    | 0.42    | 0.44    | 0.46    | 0.50   | 0.54    | 0.68   | 0.80    | 1.04   |
|                    | Payout Ratio        | 68.22% | 75.76%  | 285.19% | 93.98%  | 82.98%  | 127.78% | 43.48%  | 34.48%  | 35.40%  | 45.16%  | 34.38%  | 34.85%  | 35.21% | 35.53%  | 42.50% | 41.67%  | 47.71% |
|                    | Earnings Growth     | NA     | -7.48%  | -72.73% | 207.41% | 13.25%  | -42.55% | 70.37%  | 26.09%  | -2.59%  | -17.70% | 37.63%  | 3.13%   | 7.58%  | 7.04%   | 5.26%  | 20.00%  | 13.54% |
|                    | 5yr Avg Fwd EPS     | 19.58% | 35.15%  | 54.91%  | 12.91%  | 6.72%   | 22.76%  | 9.31%   | 5.61%   | 7.54%   | 12.13%  | 8.60%   | 10.68%  | NA     | NA      | NA     | NA      | NA     |
| Xcel Energy, Inc.  | Earning Per Share   | 1.96   | 1.91    | 1.61    | 1.84    | 1.43    | 1.60    | 2.27    | 0.42    | 1.23    | 1.27    | 1.20    | 1.35    | 1.35   | 1.46    | 1.49   | 1.56    | 1.72   |
|                    | Dividends Per Share | 1.34   | 1.37    | 1.40    | 1.43    | 1.45    | 1.48    | 1.50    | 1.13    | 0.75    | 0.81    | 0.85    | 0.88    | 0.91   | 0.94    | 0.97   | 1.00    | 1.03   |
|                    | Payout Ratio        | 68.37% | 71.73%  | 86.96%  | 77.72%  | 101.40% | 92.50%  | 66.08%  | 269.05% | 60.98%  | 63.78%  | 70.83%  | 65.19%  | 67.41% | 64.38%  | 65.10% | 64.10%  | 59.88% |
|                    | Earnings Growth     | NA     | -2.55%  | -15.71% | 14.29%  | -22.28% | 11.89%  | 41.88%  | -81.50% | 192.86% | 3.25%   | -5.51%  | 12.50%  | 0.00%  | 8.15%   | 2.05%  | 4.70%   | 10.26% |
|                    | 5yr Avg Fwd EPS     | -2.87% | 6.01%   | -7.15%  | 28.57%  | 33.67%  | 30.19%  | 24.32%  | 40.62%  | 3.68%   | 3.44%   | 5.48%   | 5.03%   | NA     | NA      | NA     | NA      | NA     |

Notes:  
Source: Value Line  
NA denotes that no dividend payment was made, earnings were negative or financials were not available  
Average 5yr EPS Growth is only reported when data are available for all 5 years

RETENTION RATIO REGRESSION  
ANALYSIS

Niagara Mohawk Power Corporation  
d/b/a National Grid  
Cases 12-E-0201 12-G-0202  
Exhibit \_\_ (RBH-5R)  
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| Year | Ticker | Payout<br>Ratio | 5-year Average    |                 |
|------|--------|-----------------|-------------------|-----------------|
|      |        |                 | Fwd EPS<br>Growth | Retention Ratio |
| 2004 | ALE    | 22.22%          | 13.03%            | 77.78%          |
| 2005 | ALE    | 50.40%          | -0.53%            | 49.60%          |
| 2006 | ALE    | 52.35%          | 1.33%             | 47.65%          |
| 2000 | LNT    | 80.97%          | 3.42%             | 19.03%          |
| 2001 | LNT    | 82.64%          | 2.46%             | 17.36%          |
| 2002 | LNT    | 169.49%         | 18.83%            | -69.49%         |
| 2003 | LNT    | 63.69%          | 11.10%            | 36.31%          |
| 2004 | LNT    | 55.14%          | 2.42%             | 44.86%          |
| 2005 | LNT    | 47.51%          | 7.63%             | 52.49%          |
| 2006 | LNT    | 55.83%          | 8.98%             | 44.17%          |
| 2000 | AEP    | 230.77%         | 38.93%            | -130.77%        |
| 2001 | AEP    | 73.39%          | -2.29%            | 26.61%          |
| 2002 | AEP    | 83.92%          | 0.22%             | 16.08%          |
| 2003 | AEP    | 65.22%          | 3.44%             | 34.78%          |
| 2004 | AEP    | 53.64%          | 2.67%             | 46.36%          |
| 2005 | AEP    | 53.79%          | -0.05%            | 46.21%          |
| 2006 | AEP    | 52.45%          | 2.36%             | 47.55%          |
| 1995 | AVA    | 87.94%          | 256.46%           | 12.06%          |
| 1996 | AVA    | 91.85%          | 250.94%           | 8.15%           |
| 1997 | AVA    | 63.27%          | 233.07%           | 36.73%          |
| 1998 | AVA    | 82.03%          | 250.46%           | 17.97%          |
| 1999 | AVA    | 400.00%         | 262.90%           | -300.00%        |
| 2000 | AVA    | 27.27%          | -5.23%            | 72.73%          |
| 2001 | AVA    | 40.00%          | 13.09%            | 60.00%          |
| 2002 | AVA    | 71.64%          | 11.72%            | 28.36%          |
| 2003 | AVA    | 48.04%          | 19.05%            | 51.96%          |
| 2004 | AVA    | 71.23%          | 27.97%            | 28.77%          |
| 2005 | AVA    | 59.78%          | 23.65%            | 40.22%          |
| 2006 | AVA    | 38.78%          | 12.54%            | 61.22%          |
| 1995 | BKH    | 74.79%          | 15.42%            | 25.21%          |
| 1996 | BKH    | 65.71%          | 20.76%            | 34.29%          |
| 1997 | BKH    | 63.76%          | 13.10%            | 36.24%          |
| 1998 | BKH    | 62.50%          | 7.41%             | 37.50%          |
| 1999 | BKH    | 61.18%          | 5.08%             | 38.82%          |
| 2000 | BKH    | 45.57%          | 1.45%             | 54.43%          |
| 2001 | BKH    | 32.75%          | -6.47%            | 67.25%          |
| 2002 | BKH    | 49.79%          | 4.16%             | 50.21%          |
| 2003 | BKH    | 65.22%          | -10.29%           | 34.78%          |
| 2004 | BKH    | 71.26%          | 228.58%           | 28.74%          |
| 2005 | BKH    | 60.66%          | 218.63%           | 39.34%          |
| 2006 | BKH    | 59.73%          | 209.85%           | 40.27%          |
| 2001 | CNP    | 97.40%          | 8.57%             | 2.60%           |
| 2002 | CNP    | 82.95%          | 9.41%             | 17.05%          |
| 2003 | CNP    | 29.20%          | 10.39%            | 70.80%          |
| 2004 | CNP    | 65.57%          | 17.02%            | 34.43%          |
| 2005 | CNP    | 59.70%          | 16.24%            | 40.30%          |
| 2006 | CNP    | 45.11%          | 0.28%             | 54.89%          |
| 1995 | CNL    | 72.12%          | 7.34%             | 27.88%          |
| 1996 | CNL    | 68.75%          | 6.49%             | 31.25%          |
| 1997 | CNL    | 72.48%          | 7.16%             | 27.52%          |
| 1998 | CNL    | 72.32%          | 3.18%             | 27.68%          |
| 1999 | CNL    | 69.75%          | 2.89%             | 30.25%          |
| 2000 | CNL    | 58.22%          | -0.14%            | 41.78%          |
| 2001 | CNL    | 57.62%          | -1.67%            | 42.38%          |
| 2002 | CNL    | 59.21%          | -2.39%            | 40.79%          |
| 2003 | CNL    | 71.43%          | 6.79%             | 28.57%          |
| 2004 | CNL    | 68.18%          | 6.55%             | 31.82%          |
| 2005 | CNL    | 63.38%          | 11.05%            | 36.62%          |
| 2006 | CNL    | 66.18%          | 14.52%            | 33.82%          |
| 1995 | ED     | 69.62%          | -1.15%            | 30.38%          |
| 1996 | ED     | 70.99%          | 2.28%             | 29.01%          |
| 1997 | ED     | 71.19%          | 1.64%             | 28.81%          |
| 1998 | ED     | 69.74%          | -0.88%            | 30.26%          |
| 1999 | ED     | 68.37%          | -5.08%            | 31.63%          |
| 2000 | ED     | 79.56%          | 3.19%             | 20.44%          |

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| Year | Ticker | Payout<br>Ratio | 5-year Average    |                 |
|------|--------|-----------------|-------------------|-----------------|
|      |        |                 | Fwd EPS<br>Growth | Retention Ratio |
| 2001 | ED     | 68.54%          | -0.51%            | 31.46%          |
| 2002 | ED     | 70.93%          | 3.58%             | 29.07%          |
| 2003 | ED     | 79.15%          | 4.81%             | 20.85%          |
| 2004 | ED     | 97.41%          | 7.10%             | 2.59%           |
| 2005 | ED     | 76.25%          | 3.43%             | 23.75%          |
| 2006 | ED     | 77.97%          | 4.27%             | 22.03%          |
| 1995 | D      | 104.88%         | 7.20%             | -4.88%          |
| 1996 | D      | 96.99%          | 9.41%             | 3.01%           |
| 1997 | D      | 86.00%          | 19.21%            | 14.00%          |
| 1998 | D      | 150.00%         | 24.00%            | -50.00%         |
| 1999 | D      | 86.00%          | 10.86%            | 14.00%          |
| 2000 | D      | 103.20%         | 8.27%             | -3.20%          |
| 2001 | D      | 86.58%          | 16.43%            | 13.42%          |
| 2002 | D      | 53.53%          | 1.83%             | 46.47%          |
| 2003 | D      | 65.82%          | 14.11%            | 34.18%          |
| 2004 | D      | 61.03%          | 9.75%             | 38.97%          |
| 2005 | D      | 89.33%          | 17.56%            | 10.67%          |
| 2006 | D      | 57.50%          | 4.66%             | 42.50%          |
| 1995 | DTE    | 68.21%          | 1.77%             | 31.79%          |
| 1996 | DTE    | 73.57%          | -3.62%            | 26.43%          |
| 1997 | DTE    | 71.53%          | 11.43%            | 28.47%          |
| 1998 | DTE    | 67.54%          | 5.14%             | 32.46%          |
| 1999 | DTE    | 61.86%          | 1.19%             | 38.14%          |
| 2000 | DTE    | 63.00%          | 7.20%             | 37.00%          |
| 2001 | DTE    | 95.81%          | 9.04%             | 4.19%           |
| 2002 | DTE    | 53.79%          | -4.88%            | 46.21%          |
| 2003 | DTE    | 72.28%          | 0.77%             | 27.72%          |
| 2004 | DTE    | 80.78%          | 6.61%             | 19.22%          |
| 2005 | DTE    | 63.00%          | 4.05%             | 37.00%          |
| 2006 | DTE    | 84.90%          | 8.69%             | 15.10%          |
| 2004 | EIX    | 115.94%         | 76.47%            | -15.94%         |
| 2005 | EIX    | 30.54%          | 0.34%             | 69.46%          |
| 2006 | EIX    | 33.54%          | -0.02%            | 66.46%          |
| 1995 | EDE    | 108.47%         | 4.21%             | -8.47%          |
| 1996 | EDE    | 104.07%         | -7.90%            | -4.07%          |
| 1997 | EDE    | 99.22%          | 11.47%            | 0.78%           |
| 1998 | EDE    | 83.66%          | 9.43%             | 16.34%          |
| 1999 | EDE    | 113.27%         | 7.99%             | -13.27%         |
| 2000 | EDE    | 94.81%          | 5.49%             | 5.19%           |
| 2001 | EDE    | 216.95%         | 27.40%            | -116.95%        |
| 2002 | EDE    | 107.56%         | 2.52%             | -7.56%          |
| 2003 | EDE    | 99.22%          | 2.31%             | 0.78%           |
| 2004 | EDE    | 148.84%         | 9.15%             | -48.84%         |
| 2005 | EDE    | 139.13%         | 7.58%             | -39.13%         |
| 2006 | EDE    | 90.78%          | -0.68%            | 9.22%           |
| 1995 | ETR    | 84.51%          | 7.84%             | 15.49%          |
| 1996 | ETR    | 72.58%          | 5.29%             | 27.42%          |
| 1997 | ETR    | 80.00%          | 11.04%            | 20.00%          |
| 1998 | ETR    | 67.57%          | 11.36%            | 32.43%          |
| 1999 | ETR    | 53.33%          | 12.39%            | 46.67%          |
| 2000 | ETR    | 41.08%          | 8.38%             | 58.92%          |
| 2001 | ETR    | 41.56%          | 12.01%            | 58.44%          |
| 2002 | ETR    | 36.41%          | 9.01%             | 63.59%          |
| 2003 | ETR    | 43.36%          | 11.09%            | 56.64%          |
| 2004 | ETR    | 48.09%          | 10.12%            | 51.91%          |
| 2005 | ETR    | 49.09%          | 8.87%             | 50.91%          |
| 2006 | ETR    | 40.30%          | 7.18%             | 59.70%          |
| 1995 | GXP    | 80.21%          | 5.84%             | 19.79%          |
| 1996 | GXP    | 94.08%          | 3.75%             | 5.92%           |
| 1997 | GXP    | 95.86%          | 9.41%             | 4.14%           |
| 1998 | GXP    | 86.77%          | 9.30%             | 13.23%          |
| 1999 | GXP    | 131.75%         | 17.64%            | -31.75%         |
| 2000 | GXP    | 80.98%          | 2.83%             | 19.02%          |
| 2001 | GXP    | 104.40%         | 2.18%             | -4.40%          |
| 2002 | GXP    | 81.37%          | -0.52%            | 18.63%          |
| 2003 | GXP    | 73.13%          | -10.30%           | 26.87%          |

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| Year | Ticker | Payout<br>Ratio | 5-year Average    |                 |
|------|--------|-----------------|-------------------|-----------------|
|      |        |                 | Fwd EPS<br>Growth | Retention Ratio |
| 2004 | GXP    | 67.48%          | -14.22%           | 32.52%          |
| 2005 | GXP    | 76.15%          | -2.23%            | 23.85%          |
| 2006 | GXP    | 102.47%         | -0.76%            | -2.47%          |
| 1995 | HE     | 89.47%          | -0.66%            | 10.53%          |
| 1996 | HE     | 93.08%          | 4.99%             | 6.92%           |
| 1997 | HE     | 88.41%          | 4.01%             | 11.59%          |
| 1998 | HE     | 83.78%          | 2.06%             | 16.22%          |
| 1999 | HE     | 85.52%          | -0.31%            | 14.48%          |
| 2000 | HE     | 97.64%          | 3.64%             | 2.36%           |
| 2001 | HE     | 77.50%          | -3.34%            | 22.50%          |
| 2002 | HE     | 76.54%          | -6.90%            | 23.46%          |
| 2003 | HE     | 78.48%          | -7.12%            | 21.52%          |
| 2004 | HE     | 91.18%          | -7.33%            | 8.82%           |
| 2005 | HE     | 84.93%          | -2.21%            | 15.07%          |
| 2006 | HE     | 93.23%          | 3.38%             | 6.77%           |
| 1995 | IDA    | 88.57%          | 11.79%            | 11.43%          |
| 1996 | IDA    | 84.16%          | 9.88%             | 15.84%          |
| 1997 | IDA    | 80.17%          | -1.38%            | 19.83%          |
| 1998 | IDA    | 78.48%          | -10.03%           | 21.52%          |
| 1999 | IDA    | 76.54%          | 9.04%             | 23.46%          |
| 2000 | IDA    | 53.14%          | -1.34%            | 46.86%          |
| 2001 | IDA    | 55.52%          | 6.37%             | 44.48%          |
| 2002 | IDA    | 114.11%         | 12.47%            | -14.11%         |
| 2003 | IDA    | 177.08%         | 24.13%            | -77.08%         |
| 2004 | IDA    | 63.16%          | 8.77%             | 36.84%          |
| 2005 | IDA    | 68.57%          | 12.70%            | 31.43%          |
| 2006 | IDA    | 51.06%          | 8.62%             | 48.94%          |
| 2001 | TEG    | 75.91%          | 6.90%             | 24.09%          |
| 2002 | TEG    | 77.37%          | 1.03%             | 22.63%          |
| 2003 | TEG    | 78.26%          | -6.37%            | 21.74%          |
| 2004 | TEG    | 54.05%          | -7.00%            | 45.95%          |
| 2005 | TEG    | 54.77%          | 1.32%             | 45.23%          |
| 2006 | TEG    | 64.96%          | 1.93%             | 35.04%          |
| 1995 | MGEE   | 84.56%          | 8.88%             | 15.44%          |
| 1996 | MGEE   | 156.10%         | 17.28%            | -56.10%         |
| 1997 | MGEE   | 92.14%          | 4.00%             | 7.86%           |
| 1998 | MGEE   | 94.20%          | 4.52%             | 5.80%           |
| 1999 | MGEE   | 88.51%          | 3.77%             | 11.49%          |
| 2000 | MGEE   | 79.04%          | -1.06%            | 20.96%          |
| 2001 | MGEE   | 82.10%          | 5.78%             | 17.90%          |
| 2002 | MGEE   | 79.29%          | 6.96%             | 20.71%          |
| 2003 | MGEE   | 78.95%          | 7.69%             | 21.05%          |
| 2004 | MGEE   | 76.84%          | 5.56%             | 23.16%          |
| 2005 | MGEE   | 87.26%          | 10.45%            | 12.74%          |
| 2006 | MGEE   | 67.48%          | 5.32%             | 32.52%          |
| 2001 | NU     | 32.85%          | -8.32%            | 67.15%          |
| 2002 | NU     | 49.07%          | 14.69%            | 50.93%          |
| 2003 | NU     | 46.77%          | 15.13%            | 53.23%          |
| 2004 | NU     | 69.23%          | 20.99%            | 30.77%          |
| 2005 | NU     | 69.39%          | 21.44%            | 30.61%          |
| 2006 | NU     | 89.02%          | 25.85%            | 10.98%          |
| 1995 | OGE    | 87.50%          | 5.04%             | 12.50%          |
| 1996 | OGE    | 82.10%          | -2.63%            | 17.90%          |
| 1997 | OGE    | 82.61%          | -0.33%            | 17.39%          |
| 1998 | OGE    | 65.20%          | -1.48%            | 34.80%          |
| 1999 | OGE    | 68.56%          | 0.08%             | 31.44%          |
| 2000 | OGE    | 70.37%          | 1.16%             | 29.63%          |
| 2001 | OGE    | 103.10%         | 14.28%            | -3.10%          |
| 2002 | OGE    | 93.01%          | 13.66%            | 6.99%           |
| 2003 | OGE    | 76.88%          | 8.33%             | 23.12%          |
| 2004 | OGE    | 74.72%          | 9.12%             | 25.28%          |
| 2005 | OGE    | 72.68%          | 11.04%            | 27.32%          |
| 2006 | OGE    | 54.69%          | 7.34%             | 45.31%          |
| 2002 | POM    | 23.46%          | -2.02%            | 76.54%          |
| 2003 | POM    | 74.07%          | 8.13%             | 25.93%          |
| 2004 | POM    | 68.49%          | -2.52%            | 31.51%          |

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| Year | Ticker | Payout<br>Ratio | 5-year Average    |                 |
|------|--------|-----------------|-------------------|-----------------|
|      |        |                 | Fwd EPS<br>Growth | Retention Ratio |
| 2005 | POM    | 67.11%          | 0.47%             | 32.89%          |
| 2006 | POM    | 78.20%          | 1.00%             | 21.80%          |
| 2005 | PCG    | 52.34%          | 4.23%             | 47.66%          |
| 2006 | PCG    | 47.83%          | 0.46%             | 52.17%          |
| 1995 | PNW    | 41.89%          | 8.64%             | 58.11%          |
| 1996 | PNW    | 41.70%          | 8.36%             | 58.30%          |
| 1997 | PNW    | 40.94%          | -0.24%            | 59.06%          |
| 1998 | PNW    | 43.16%          | -0.97%            | 56.84%          |
| 1999 | PNW    | 41.82%          | -2.81%            | 58.18%          |
| 2000 | PNW    | 42.69%          | -6.52%            | 57.31%          |
| 2001 | PNW    | 41.58%          | -0.18%            | 58.42%          |
| 2002 | PNW    | 64.43%          | 4.74%             | 35.57%          |
| 2003 | PNW    | 68.65%          | -0.86%            | 31.35%          |
| 2004 | PNW    | 70.93%          | -0.01%            | 29.07%          |
| 2005 | PNW    | 86.16%          | 9.88%             | 13.84%          |
| 2006 | PNW    | 64.04%          | 0.99%             | 35.96%          |
| 2006 | POR    | 59.65%          | 20.49%            | 40.35%          |
| 1995 | SCG    | 77.42%          | 5.92%             | 22.58%          |
| 1996 | SCG    | 71.71%          | 4.16%             | 28.29%          |
| 1997 | SCG    | 79.47%          | 7.77%             | 20.53%          |
| 1998 | SCG    | 72.64%          | 6.46%             | 27.36%          |
| 1999 | SCG    | 91.67%          | 14.24%            | 8.33%           |
| 2000 | SCG    | 54.25%          | 5.61%             | 45.75%          |
| 2001 | SCG    | 55.81%          | 3.97%             | 44.19%          |
| 2002 | SCG    | 54.62%          | 2.98%             | 45.38%          |
| 2003 | SCG    | 55.20%          | 3.51%             | 44.80%          |
| 2004 | SCG    | 54.68%          | 1.47%             | 45.32%          |
| 2005 | SCG    | 56.12%          | 1.56%             | 43.88%          |
| 2006 | SCG    | 64.86%          | 2.86%             | 35.14%          |
| 1995 | SRE    | 80.41%          | 5.50%             | 19.59%          |
| 1996 | SRE    | 78.79%          | 9.85%             | 21.21%          |
| 1997 | SRE    | 70.91%          | 9.51%             | 29.09%          |
| 1998 | SRE    | 125.81%         | 19.81%            | -25.81%         |
| 1999 | SRE    | 93.98%          | 19.15%            | 6.02%           |
| 2000 | SRE    | 48.54%          | 12.24%            | 51.46%          |
| 2001 | SRE    | 39.22%          | 11.52%            | 60.78%          |
| 2002 | SRE    | 35.84%          | 9.78%             | 64.16%          |
| 2003 | SRE    | 33.22%          | 9.00%             | 66.78%          |
| 2004 | SRE    | 25.45%          | 4.47%             | 74.55%          |
| 2005 | SRE    | 32.95%          | 3.37%             | 67.05%          |
| 2006 | SRE    | 28.37%          | 1.58%             | 71.63%          |
| 1995 | SO     | 73.49%          | 4.07%             | 26.51%          |
| 1996 | SO     | 75.00%          | -0.15%            | 25.00%          |
| 1997 | SO     | 82.28%          | 4.02%             | 17.72%          |
| 1998 | SO     | 77.46%          | 3.42%             | 22.54%          |
| 1999 | SO     | 73.22%          | 3.18%             | 26.78%          |
| 2000 | SO     | 66.67%          | 1.89%             | 33.33%          |
| 2001 | SO     | 83.23%          | 5.59%             | 16.77%          |
| 2002 | SO     | 73.51%          | 4.32%             | 26.49%          |
| 2003 | SO     | 70.56%          | 2.76%             | 29.44%          |
| 2004 | SO     | 68.93%          | 2.47%             | 31.07%          |
| 2005 | SO     | 69.48%          | 2.22%             | 30.52%          |
| 2006 | SO     | 73.33%          | 4.02%             | 26.67%          |
| 1995 | TE     | 65.63%          | 4.97%             | 34.38%          |
| 1996 | TE     | 64.91%          | 6.34%             | 35.09%          |
| 1997 | TE     | 72.67%          | 4.92%             | 27.33%          |
| 2004 | TE     | 107.04%         | 11.38%            | -7.04%          |
| 2005 | TE     | 76.00%          | 5.81%             | 24.00%          |
| 2006 | TE     | 64.96%          | 4.89%             | 35.04%          |
| 1995 | UIL    | 77.52%          | 4.17%             | 22.48%          |
| 1996 | UIL    | 91.05%          | 6.50%             | 8.95%           |
| 1997 | UIL    | 88.27%          | 0.49%             | 11.73%          |
| 1998 | UIL    | 96.11%          | -4.47%            | 3.89%           |
| 1999 | UIL    | 77.58%          | -4.41%            | 22.42%          |
| 2000 | UIL    | 67.58%          | -10.48%           | 32.42%          |
| 2001 | UIL    | 68.38%          | -1.63%            | 31.62%          |

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| Year | Ticker | Payout<br>Ratio | 5-year Average    |                 |
|------|--------|-----------------|-------------------|-----------------|
|      |        |                 | Fwd EPS<br>Growth | Retention Ratio |
| 2002 | UIL    | 93.51%          | 3.85%             | 6.49%           |
| 2003 | UIL    | 139.52%         | 10.66%            | -39.52%         |
| 2004 | UIL    | 112.34%         | 6.35%             | -12.34%         |
| 2005 | UIL    | 133.08%         | 9.98%             | -33.08%         |
| 2006 | UIL    | 93.01%          | 0.96%             | 6.99%           |
| 2000 | VVC    | 83.76%          | 11.84%            | 16.24%          |
| 2001 | VVC    | 95.37%          | 9.29%             | 4.63%           |
| 2002 | VVC    | 63.69%          | 3.60%             | 36.31%          |
| 2003 | VVC    | 71.15%          | 2.84%             | 28.85%          |
| 2004 | VVC    | 80.99%          | 6.60%             | 19.01%          |
| 2005 | VVC    | 65.75%          | -0.57%            | 34.25%          |
| 2006 | VVC    | 85.42%          | 4.62%             | 14.58%          |
| 2002 | WR     | 120.00%         | 15.74%            | -20.00%         |
| 2003 | WR     | 58.78%          | 0.38%             | 41.22%          |
| 2004 | WR     | 68.38%          | 4.11%             | 31.62%          |
| 2005 | WR     | 59.35%          | 5.74%             | 40.65%          |
| 2006 | WR     | 52.13%          | 1.37%             | 47.87%          |
| 1995 | WEC    | 68.22%          | 19.58%            | 31.78%          |
| 1996 | WEC    | 75.76%          | 35.15%            | 24.24%          |
| 1997 | WEC    | 285.19%         | 54.91%            | -185.19%        |
| 1998 | WEC    | 93.98%          | 12.91%            | 6.02%           |
| 1999 | WEC    | 82.98%          | 6.72%             | 17.02%          |
| 2000 | WEC    | 127.78%         | 22.76%            | -27.78%         |
| 2001 | WEC    | 43.48%          | 9.31%             | 56.52%          |
| 2002 | WEC    | 34.48%          | 5.61%             | 65.52%          |
| 2003 | WEC    | 35.40%          | 7.54%             | 64.60%          |
| 2004 | WEC    | 45.16%          | 12.13%            | 54.84%          |
| 2005 | WEC    | 34.38%          | 8.60%             | 65.63%          |
| 2006 | WEC    | 34.85%          | 10.68%            | 65.15%          |
| 1995 | XEL    | 68.37%          | -2.87%            | 31.63%          |
| 1996 | XEL    | 71.73%          | 6.01%             | 28.27%          |
| 1997 | XEL    | 86.96%          | -7.15%            | 13.04%          |
| 1998 | XEL    | 77.72%          | 28.57%            | 22.28%          |
| 1999 | XEL    | 101.40%         | 33.67%            | -1.40%          |
| 2000 | XEL    | 92.50%          | 30.19%            | 7.50%           |
| 2001 | XEL    | 66.08%          | 24.32%            | 33.92%          |
| 2002 | XEL    | 269.05%         | 40.62%            | -169.05%        |
| 2003 | XEL    | 60.98%          | 3.68%             | 39.02%          |
| 2004 | XEL    | 63.78%          | 3.44%             | 36.22%          |
| 2005 | XEL    | 70.83%          | 5.48%             | 29.17%          |
| 2006 | XEL    | 65.19%          | 5.03%             | 34.81%          |



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SUMMARY OUTPUT

Y = 5-year Average Forward EPS Growth  
X = Retention Ratio

| <i>Regression Statistics</i> |       |
|------------------------------|-------|
| Multiple R                   | 0.286 |
| R Square                     | 0.082 |
| Adjusted R Square            | 0.079 |
| Standard Error               | 0.370 |
| Observations                 | 304   |

ANOVA

|            | <i>df</i> | <i>SS</i> | <i>MS</i> | <i>F</i> | <i>Significance F</i> |
|------------|-----------|-----------|-----------|----------|-----------------------|
| Regression | 1         | 3.663     | 3.663     | 26.817   | 4.1E-07               |
| Residual   | 302       | 41.248    | 0.137     |          |                       |
| Total      | 303       | 44.911    |           |          |                       |

|                 | <i>Coefficients</i> | <i>Standard Error</i> | <i>t Stat</i> | <i>P-value</i> | <i>Lower 95%</i> | <i>Upper 95%</i> |
|-----------------|---------------------|-----------------------|---------------|----------------|------------------|------------------|
| Intercept       | 0.200               | 0.025                 | 7.886         | 5.8E-14        | 0.150            | 0.249            |
| Retention Ratio | -0.303              | 0.058                 | -5.178        | 4.1E-07        | -0.418           | -0.188           |



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-6R)

Staff Adjusted Results

ADJUSTED EXHIBIT \_\_ (FP-8)  
MID-YEAR CASH FLOWS

|                                      | Beta | 04/12-06/12<br>Price | EPS<br>2015-17 | DPS<br>2012 | DPS<br>2013 | DPS<br>2015-17 | # of<br>Shares | BPS<br>2013 | BPS<br>2015-17 | # of<br>Shares | # of<br>Shares | DPS<br>2015-17 | Retention<br>Rate | Return<br>On Equity | B x R | Increase<br>in Shares | MBR<br>2011 | S<br>Factor | V<br>Factor | S x V  | Sustainable<br>Growth | As Reported<br>Long-Form<br>ROE | [1]<br>End of Year<br>Dividends<br>ROE | [2]<br>Mid-Year<br>Dividends<br>ROE | % of Total<br>NPV determined<br>by Terminal<br>Stage |
|--------------------------------------|------|----------------------|----------------|-------------|-------------|----------------|----------------|-------------|----------------|----------------|----------------|----------------|-------------------|---------------------|-------|-----------------------|-------------|-------------|-------------|--------|-----------------------|---------------------------------|--|-------------------------------------|--|
| 1 ALLETE Inc.                        | 0.70 | 40.32                | 3.50           | 1.84        | 1.88        | 2.00           | 29.45          | 30.70       | 34.50          | 38.50          | 40.50          | 2.08%          | 4.3%              | 10.34%              | 4.43% | 1.27%                 | 1.35        | 1.72%       | 0.26        | 0.43%  | 4.88%                 | 9.21%                           | 9.21%                                  | 9.40%                               | 84.52%   |
| 2 Alliant Energy Corp.               | 0.75 | 44.20                | 3.50           | 1.80        | 1.90        | 2.20           | 29.45          | 32.20       | 30.55          | 32.35          | 112.00         | 41.06%         | 37%               | 10.92%              | 4.06% | 0.88%                 | 1.50        | 1.32%       | 0.33        | 0.44%  | 4.50%                 | 8.85%                           | 8.85%                                  | 9.04%                               | 85.02%   |
| 3 Ameren Corp.                       | 0.80 | 32.47                | 2.50           | 1.61        | 1.68        | 1.80           | 31.75          | 32.20       | 34.00          | 242.65         | 255.00         | 2.33%          | 28%               | 7.42%               | 2.08% | 1.25%                 | 1.02        | 1.28%       | 0.02        | 0.03%  | 2.11%                 | 7.31%                           | 7.31%                                  | 7.50%                               | 82.02%   |
| 4 American Electric Power Co. Inc.   | 0.70 | 38.51                | 3.75           | 1.90        | 1.96        | 2.15           | 31.65          | 33.00       | 37.50          | 486.00         | 500.00         | 3.13%          | 43%               | 10.21%              | 4.36% | 0.71%                 | 1.22        | 0.87%       | 0.18        | 0.15%  | 4.51%                 | 9.42%                           | 9.42%                                  | 9.64%                               | 82.94%   |
| 5 Avista Corp.                       | 0.70 | 25.89                | 2.25           | 1.16        | 1.22        | 1.40           | 21.10          | 21.75       | 24.00          | 60.00          | 62.00          | 4.69%          | 38%               | 8.17%               | 2.94% | 0.82%                 | 1.23        | 1.01%       | 0.19        | 0.19%  | 3.79%                 | 8.61%                           | 8.61%                                  | 8.81%                               | 83.56%   |
| 6 Black Hills Corp.                  | 0.85 | 32.74                | 2.50           | 1.48        | 1.50        | 1.60           | 27.95          | 28.65       | 31.00          | 44.20          | 45.00          | 2.17%          | 36%               | 8.17%               | 2.94% | 0.42%                 | 1.17        | 0.53%       | 0.15        | 0.08%  | 3.02%                 | 7.50%                           | 7.50%                                  | 7.66%                               | 84.18%   |
| 7 CenterPoint Energy Inc.            | 0.80 | 19.96                | 1.40           | 0.81        | 0.83        | 0.90           | 10.30          | 10.65       | 12.00          | 427.00         | 431.00         | 2.74%          | 32%               | 11.90%              | 4.25% | 0.23%                 | 1.94        | 0.45%       | 0.48        | 0.22%  | 4.47%                 | 8.43%                           | 8.43%                                  | 8.60%                               | 85.83%   |
| 8 Cleco Corp.                        | 0.65 | 40.43                | 3.25           | 1.25        | 1.40        | 1.50           | 24.55          | 25.70       | 30.00          | 61.00          | 61.00          | 10.72%         | 42%               | 11.11%              | 4.62% | 0.00%                 | 1.65        | 0.00%       | 0.39        | 0.00%  | 4.62%                 | 8.67%                           | 8.67%                                  | 8.84%                               | 86.89%   |
| 9 Consolidated Edison Inc.           | 0.60 | 59.85                | 4.25           | 2.42        | 2.44        | 2.50           | 40.35          | 41.80       | 47.00          | 293.00         | 293.00         | 0.81%          | 41%               | 9.22%               | 3.80% | 0.00%                 | 1.48        | 0.00%       | 0.33        | 0.00%  | 3.80%                 | 7.55%                           | 7.55%                                  | 7.69%                               | 86.20%   |
| 10 DTE Energy Co.                    | 0.75 | 56.54                | 4.50           | 2.40        | 2.49        | 2.75           | 43.00          | 44.40       | 49.25          | 175.00         | 181.00         | 3.37%          | 39%               | 9.29%               | 3.61% | 0.85%                 | 1.31        | 1.11%       | 0.24        | 0.27%  | 3.88%                 | 8.22%                           | 8.22%                                  | 8.40%                               | 84.79%   |
| 11 Edison International              | 0.80 | 44.12                | 3.50           | 1.31        | 1.33        | 1.50           | 32.45          | 33.90       | 39.00          | 325.81         | 325.81         | 4.09%          | 37%               | 9.58%               | 5.25% | 0.00%                 | 1.36        | 0.00%       | 0.26        | 0.00%  | 5.25%                 | 8.16%                           | 8.16%                                  | 8.27%                               | 89.46%   |
| 12 Empire District Electric Co.      | 0.70 | 65.79                | 5.25           | 3.32        | 3.32        | 3.40           | 50.90          | 52.15       | 57.50          | 177.00         | 177.00         | 6.27%          | 31%               | 9.58%               | 3.01% | 0.59%                 | 1.21        | 0.71%       | 0.18        | 0.12%  | 3.14%                 | 8.48%                           | 8.48%                                  | 8.70%                               | 82.39%   |
| 13 Energy Corp.                      | 0.75 | 20.22                | 1.75           | 0.86        | 0.88        | 1.10           | 21.50          | 22.00       | 23.75          | 154.00         | 154.00         | 0.80%          | 37%               | 9.28%               | 3.27% | -0.86%                | 0.94        | -1.11%      | 0.23        | -0.25% | 3.02%                 | 7.77%                           | 7.77%                                  | 7.95%                               | 83.01%   |
| 14 Great Plains Energy Inc.          | 0.70 | 26.83                | 2.00           | 1.24        | 1.24        | 1.30           | 16.45          | 17.45       | 21.50          | 98.00          | 100.00         | 1.59%          | 35%               | 9.63%               | 3.37% | 0.00%                 | 1.63        | 15.21%      | 0.39        | 5.89%  | 9.26%                 | 13.02%                          | 13.02%                                 | 13.26%                              | 85.96%   |
| 15 Hawaiian Electric Industries Inc. | 0.70 | 40.14                | 3.55           | 1.32        | 1.40        | 1.50           | 35.35          | 37.55       | 43.75          | 77.90          | 77.90          | 0.97%          | 46%               | 8.41%               | 3.91% | 0.50%                 | 1.14        | 0.56%       | 0.12        | 0.07%  | 3.98%                 | 8.13%                           | 8.13%                                  | 8.29%                               | 86.63%   |
| 16 IDACORP Inc.                      | 0.90 | 54.09                | 4.25           | 2.72        | 2.72        | 2.80           | 38.45          | 39.50       | 43.75          | 77.90          | 77.90          | 0.97%          | 34%               | 9.88%               | 3.37% | 0.00%                 | 1.41        | 0.00%       | 0.29        | 0.00%  | 3.37%                 | 8.09%                           | 8.09%                                  | 8.27%                               | 87.15%   |
| 17 Integris Energy Group Inc.        | 0.60 | 45.35                | 3.15           | 1.55        | 1.62        | 1.84           | 25.00          | 26.20       | 30.65          | 23.20          | 23.50          | 4.34%          | 42%               | 10.55%              | 4.39% | 0.32%                 | 1.81        | 0.58%       | 0.45        | 0.26%  | 4.65%                 | 8.19%                           | 8.19%                                  | 8.33%                               | 87.48%   |
| 18 Madison Gas & Electric Co.        | 0.70 | 36.61                | 3.25           | 1.32        | 1.44        | 1.70           | 29.10          | 30.30       | 34.75          | 314.00         | 314.00         | 5.69%          | 48%               | 9.57%               | 4.56% | 0.00%                 | 1.26        | 0.00%       | 0.21        | 0.00%  | 4.56%                 | 8.61%                           | 8.61%                                  | 8.78%                               | 86.09%   |
| 19 Northeast Utilities               | 0.80 | 52.88                | 4.25           | 1.59        | 1.66        | 1.90           | 28.05          | 30.15       | 37.00          | 99.00          | 101.00         | 4.60%          | 55%               | 11.88%              | 6.57% | 0.00%                 | 1.89        | 0.95%       | 0.47        | 0.44%  | 7.01%                 | 9.94%                           | 9.94%                                  | 10.08%                              | 89.38%   |
| 20 OGE Energy Corp.                  | 0.75 | 18.88                | 1.70           | 1.08        | 1.12        | 1.16           | 19.40          | 19.70       | 21.50          | 235.00         | 235.00         | 1.18%          | 32%               | 8.02%               | 2.55% | 2.06%                 | 1.57        | 2.01%       | -0.03       | -0.06% | 2.49%                 | 8.22%                           | 8.22%                                  | 8.45%                               | 80.13%   |
| 21 Pepco Holdings Inc.               | 0.55 | 43.86                | 3.75           | 1.82        | 1.82        | 2.00           | 30.15          | 31.25       | 36.00          | 427.00         | 435.00         | 3.19%          | 47%               | 10.66%              | 4.98% | 0.78%                 | 1.45        | 0.68%       | 0.31        | 0.21%  | 5.19%                 | 9.12%                           | 9.12%                                  | 9.29%                               | 85.98%   |
| 22 PG&E Corp.                        | 0.70 | 48.70                | 3.75           | 2.10        | 2.18        | 2.40           | 36.15          | 37.35       | 41.25          | 110.00         | 118.50         | 3.26%          | 36%               | 9.24%               | 3.33% | 1.88%                 | 1.35        | 2.53%       | 0.26        | 0.65%  | 3.98%                 | 8.37%                           | 8.37%                                  | 8.55%                               | 84.61%   |
| 23 Pinnacle West Capital Corp.       | 0.75 | 25.35                | 2.25           | 1.08        | 1.11        | 1.25           | 22.90          | 23.70       | 26.50          | 75.50          | 76.50          | 4.04%          | 44%               | 8.65%               | 3.84% | 0.33%                 | 1.11        | 0.36%       | 0.10        | 0.04%  | 3.88%                 | 8.28%                           | 8.28%                                  | 8.45%                               | 84.75%   |
| 24 Portland General Electric Co.     | 0.70 | 46.10                | 3.75           | 1.98        | 2.02        | 2.15           | 31.70          | 33.80       | 39.50          | 137.00         | 160.00         | 2.10%          | 43%               | 9.74%               | 4.16% | 3.96%                 | 1.45        | 5.75%       | 0.31        | 1.80%  | 5.95%                 | 9.90%                           | 9.90%                                  | 10.09%                              | 85.67%   |
| 25 SCANA Corp.                       | 0.80 | 64.37                | 5.75           | 2.40        | 2.50        | 2.80           | 42.80          | 44.50       | 52.00          | 241.00         | 246.00         | 3.85%          | 51%               | 11.34%              | 5.82% | 0.51%                 | 1.50        | 0.77%       | 0.34        | 0.26%  | 6.08%                 | 9.73%                           | 9.73%                                  | 9.91%                               | 86.94%   |
| 26 Sempra Energy                     | 0.55 | 45.92                | 3.25           | 1.94        | 2.02        | 2.25           | 21.15          | 22.25       | 26.25          | 875.00         | 940.00         | 3.66%          | 31%               | 12.72%              | 3.91% | 1.81%                 | 2.17        | 3.92%       | 0.54        | 2.12%  | 6.03%                 | 10.16%                          | 10.16%                                 | 10.36%                              | 82.25%   |
| 27 Southern Co (The)                 | 0.85 | 17.62                | 1.75           | 0.88        | 0.92        | 1.10           | 10.90          | 11.35       | 13.25          | 217.00         | 221.00         | 6.14%          | 37%               | 13.55%              | 5.03% | 0.46%                 | 1.62        | 0.74%       | 0.38        | 0.28%  | 5.31%                 | 10.65%                          | 10.65%                                 | 10.92%                              | 83.39%   |
| 28 TECO Energy Inc.                  | 0.70 | 34.16                | 2.45           | 1.73        | 1.73        | 1.73           | 21.95          | 22.55       | 25.50          | 51.00          | 51.00          | 0.00%          | 29%               | 9.80%               | 2.88% | 0.00%                 | 1.56        | 0.00%       | 0.36        | 0.00%  | 2.88%                 | 7.57%                           | 7.57%                                  | 7.74%                               | 83.06%   |
| 29 UIL Holdings Corp.                | 0.75 | 28.38                | 2.40           | 1.32        | 1.36        | 1.48           | 23.45          | 25.00       | 28.15          | 128.00         | 135.00         | 2.86%          | 38%               | 8.69%               | 3.33% | 1.34%                 | 1.21        | 1.62%       | 0.17        | 0.28%  | 3.61%                 | 8.31%                           | 8.31%                                  | 8.50%                               | 83.59%   |
| 30 Westar Energy Inc.                | 0.65 | 37.16                | 2.75           | 1.20        | 1.36        | 1.80           | 17.95          | 18.15       | 20.25          | 230.00         | 223.00         | 9.79%          | 35%               | 13.83%              | 4.78% | -0.77%                | 2.07        | -1.59%      | 0.52        | -0.82% | 4.86%                 | 9.11%                           | 9.11%                                  | 9.30%                               | 86.17%   |
| 31 Wisconsin Energy Corp.            | 0.65 | 27.44                | 2.25           | 1.06        | 1.11        | 1.35           | 18.15          | 19.25       | 21.75          | 490.00         | 515.00         | 6.74%          | 40%               | 10.56%              | 4.22% | 1.25%                 | 1.51        | 1.89%       | 0.34        | 0.64%  | 4.86%                 | 8.74%                           | 8.74%                                  | 8.92%                               | 85.65%   |
| 32 Xcel Energy Inc.                  | 0.65 | 27.44                | 2.25           | 1.06        | 1.11        | 1.35           | 18.15          | 19.25       | 21.75          | 490.00         | 515.00         | 6.74%          | 40%               | 10.56%              | 4.22% | 1.25%                 | 1.51        | 1.89%       | 0.34        | 0.64%  | 4.86%                 | 8.74%                           | 8.74%                                  | 8.92%                               | 85.65%   |
|                                      |      |                      |                |             |             |                |                |             |                |                |                |                | Mean:             |                     |       |                       |             |             |             |        | Mean:                 |                                 |  |                                     |  |
|                                      |      |                      |                |             |             |                |                |             |                |                |                |                | Median:           |                     |       |                       |             |             |             |        | Median:               |                                 |  |                                     |  |

Notes:  
Source: Exhibit \_\_ (KXD-16) worksheet  
[1] ROE calculated using end of year dividend payments  
[2] ROE calculated using mid-year dividend payments

|      | [1]         | [2]     | [3]  | [4]  | [5]     | [6]         | [7]       | [8]            | [9]      | [10]     |  |
|------|-------------|---------|------|------|---------|-------------|-----------|----------------|----------|----------|--|
|      | 04/12-06/12 | EPS     | DPS  | DPS  | DPS     | Sustainable | As-Filed  | P/E Term. Val. | Terminal | Implied  |  |
|      | Price       | 2015-17 | 2013 | 2014 | 2015-17 | Growth      | Long-Form | ROE            | Dividend | Constant |  |
|      |             |         |      |      |         |             |           |                | Yield    | Growth   |  |
| ALE  | 40.32       | 3.50    | 1.88 | 1.92 | 2.00    | 4.88%       | 9.21%     | 11.60%         | 3.69%    | 7.91%    |  |
| LNT  | 44.20       | 3.50    | 1.90 | 2.00 | 2.20    | 4.50%       | 8.85%     | 9.54%          | 4.06%    | 5.48%    |  |
| AEE  | 32.47       | 2.50    | 1.68 | 1.72 | 1.80    | 2.11%       | 7.31%     | 9.23%          | 4.66%    | 4.57%    |  |
| AEP  | 38.51       | 3.75    | 1.96 | 2.02 | 2.15    | 4.51%       | 9.42%     | 14.37%         | 3.71%    | 10.66%   |  |
| AVA  | 25.89       | 2.25    | 1.22 | 1.28 | 1.40    | 3.79%       | 8.61%     | 11.66%         | 4.02%    | 7.64%    |  |
| BKH  | 32.74       | 2.50    | 1.50 | 1.53 | 1.60    | 3.02%       | 7.50%     | 8.62%          | 4.14%    | 4.48%    |  |
| CNP  | 19.96       | 1.40    | 0.83 | 0.85 | 0.90    | 4.47%       | 8.43%     | 6.85%          | 4.16%    | 2.70%    |  |
| CNL  | 40.43       | 3.25    | 1.40 | 1.55 | 1.90    | 4.62%       | 8.67%     | 9.34%          | 3.78%    | 5.56%    |  |
| ED   | 59.85       | 4.25    | 2.44 | 2.46 | 2.50    | 3.80%       | 7.55%     | 6.74%          | 3.80%    | 2.94%    |  |
| DTE  | 56.54       | 4.50    | 2.49 | 2.57 | 2.75    | 3.88%       | 8.22%     | 9.51%          | 3.95%    | 5.56%    |  |
| EIX  | 44.12       | 3.50    | 1.33 | 1.38 | 1.50    | 5.25%       | 8.16%     | 8.32%          | 2.77%    | 5.55%    |  |
| EDF  | 20.30       | 1.75    | 1.00 | 1.06 | 1.20    | 3.14%       | 8.48%     | 11.72%         | 4.43%    | 7.28%    |  |
| ETR  | 65.79       | 5.25    | 3.32 | 3.35 | 3.40    | 3.02%       | 7.77%     | 9.84%          | 4.19%    | 5.66%    |  |
| GXP  | 20.22       | 1.75    | 0.88 | 0.95 | 1.10    | 2.77%       | 7.72%     | 11.23%         | 4.06%    | 7.16%    |  |
| HE   | 26.83       | 2.00    | 1.24 | 1.26 | 1.30    | 9.26%       | 13.02%    | 9.34%          | 4.20%    | 5.14%    |  |
| IDA  | 40.14       | 3.55    | 1.40 | 1.55 | 1.90    | 3.98%       | 8.13%     | 11.16%         | 3.46%    | 7.70%    |  |
| TEG  | 54.09       | 4.25    | 2.72 | 2.75 | 2.80    | 3.37%       | 8.09%     | 9.60%          | 4.26%    | 5.34%    |  |
| MGEE | 45.35       | 3.15    | 1.62 | 1.69 | 1.84    | 4.65%       | 8.19%     | 6.19%          | 3.78%    | 2.41%    |  |
| NU   | 36.61       | 3.25    | 1.44 | 1.52 | 1.70    | 4.56%       | 8.61%     | 11.51%         | 3.38%    | 8.13%    |  |
| OGE  | 52.88       | 4.25    | 1.66 | 1.74 | 1.90    | 7.01%       | 9.94%     | 9.08%          | 2.89%    | 6.19%    |  |
| POM  | 18.88       | 1.70    | 1.12 | 1.13 | 1.16    | 2.49%       | 8.22%     | 13.03%         | 4.41%    | 8.62%    |  |
| PCG  | 43.86       | 3.75    | 1.82 | 1.88 | 2.00    | 5.19%       | 9.12%     | 10.93%         | 3.45%    | 7.48%    |  |
| PNW  | 48.70       | 3.75    | 2.18 | 2.25 | 2.40    | 3.98%       | 8.37%     | 8.95%          | 4.14%    | 4.81%    |  |
| POR  | 25.35       | 2.25    | 1.11 | 1.15 | 1.25    | 3.88%       | 8.28%     | 11.71%         | 3.59%    | 8.12%    |  |
| SCG  | 46.10       | 3.75    | 2.02 | 2.06 | 2.15    | 5.95%       | 9.90%     | 10.23%         | 3.71%    | 6.53%    |  |
| SRE  | 64.37       | 5.75    | 2.50 | 2.60 | 2.80    | 6.08%       | 9.73%     | 11.77%         | 3.15%    | 8.62%    |  |
| SO   | 45.92       | 3.25    | 2.02 | 2.09 | 2.25    | 6.03%       | 10.16%    | 7.66%          | 4.48%    | 3.18%    |  |
| TE   | 17.62       | 1.75    | 0.92 | 0.98 | 1.10    | 5.31%       | 10.65%    | 15.31%         | 4.06%    | 11.25%   |  |
| UIL  | 34.16       | 2.45    | 1.73 | 1.73 | 1.73    | 2.88%       | 7.57%     | 7.70%          | 4.57%    | 3.13%    |  |
| WR   | 28.38       | 2.40    | 1.36 | 1.40 | 1.48    | 3.61%       | 8.31%     | 11.02%         | 3.99%    | 7.03%    |  |
| WEC  | 37.16       | 2.75    | 1.36 | 1.49 | 1.80    | 3.95%       | 8.21%     | 7.75%          | 4.23%    | 3.52%    |  |
| XEL  | 27.44       | 2.25    | 1.11 | 1.18 | 1.35    | 4.86%       | 9.11%     | 10.05%         | 3.88%    | 6.28%    |  |
|      |             |         |      |      |         | Mean:       | 8.74%     | 10.05%         | 3.91%    | 6.14%    |  |
|      |             |         |      |      |         | Median:     | 8.40%     | 9.72%          | 4.01%    | 5.92%    |  |

Notes:

- [1] Source: Exhibit\_\_ (FP-8) worksheet  
[2] Source: Exhibit\_\_ (FP-8)  
[3] Source: Exhibit\_\_ (FP-8)  
[4] Source: Exhibit\_\_ (FP-8)  
[5] Source: Exhibit\_\_ (FP-8)  
[6] Source: Exhibit\_\_ (FP-8)  
[7] Source: Exhibit\_\_ (FP-8)  
[8] Internal rate of return; cash flows equal Column [11] through Column [17]  
[9] Column [16] / Column [17]  
[10] Column [8] - Column [9]  
[11] Source: Exhibit\_\_ (FP-8) worksheet  
[12] Source: Exhibit\_\_ (FP-8) worksheet  
[13] Source: Exhibit\_\_ (FP-8) worksheet  
[14] Source: Exhibit\_\_ (FP-8) worksheet  
[15] Source: Exhibit\_\_ (FP-8) worksheet  
[16] Source: Exhibit\_\_ (FP-8) worksheet  
[17] Column [18] x Column [19]  
[18] Column [21] x (1 + Column [2])<sup>1</sup>  
[19] Source: Bloomberg; average of combined proxy group companies' median P/E ratio over trailing 12-months; monthly data (Dec-2010 to Nov-2011)



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-7R)

Duration

DURATION CALCULATION

Staff Dividend Data from DCF Method

As-Filed

| Company                      | Long-Form<br>ROE | 04/12-06/12<br>Price | Div<br>1 | Div<br>2 | Div<br>3 | Div<br>4 | Div<br>5 | Div<br>6 | Div<br>7 | Div<br>8 | Div<br>9 | Div<br>10 | Div<br>199       | Div<br>200       |
|------------------------------|------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|------------------|------------------|
| 1 ALLETE                     | 9.21%            | 40.32                | \$ 1.88  | \$ 2.00  | \$ 1.96  | \$ 2.00  | \$ 2.10  | \$ 2.20  | \$ 2.31  | \$ 2.42  | \$ 2.54  | \$ 2.66   | \$ 21,775.82     | \$ 22,838.99     |
| 2 Alliant Energy             | 8.85%            | 44.20                | \$ 1.90  | \$ 2.00  | \$ 2.10  | \$ 2.20  | \$ 2.30  | \$ 2.40  | \$ 2.51  | \$ 2.62  | \$ 2.74  | \$ 2.86   | \$ 11,711.89     | \$ 12,238.72     |
| 3 Ameren Corp.               | 7.31%            | 32.47                | \$ 1.68  | \$ 1.80  | \$ 1.76  | \$ 1.80  | \$ 1.84  | \$ 1.88  | \$ 1.92  | \$ 1.96  | \$ 2.00  | \$ 2.04   | \$ 104.75        | \$ 106.95        |
| 4 American Electric Power    | 9.42%            | 38.51                | \$ 1.96  | \$ 2.02  | \$ 2.08  | \$ 2.15  | \$ 2.25  | \$ 2.35  | \$ 2.45  | \$ 2.57  | \$ 2.68  | \$ 2.80   | \$ 11,744.63     | \$ 12,274.55     |
| 5 Avista Corp                | 8.61%            | 25.89                | \$ 1.22  | \$ 1.28  | \$ 1.34  | \$ 1.40  | \$ 1.45  | \$ 1.51  | \$ 1.57  | \$ 1.62  | \$ 1.69  | \$ 1.75   | \$ 1,966.53      | \$ 2,041.00      |
| 6 Black Hills Corp           | 7.50%            | 32.74                | \$ 1.50  | \$ 1.53  | \$ 1.57  | \$ 1.60  | \$ 1.65  | \$ 1.70  | \$ 1.75  | \$ 1.80  | \$ 1.86  | \$ 1.91   | \$ 527.87        | \$ 543.80        |
| 7 CenterPoint Energy         | 8.43%            | 19.96                | \$ 0.83  | \$ 0.85  | \$ 0.88  | \$ 0.90  | \$ 0.94  | \$ 0.98  | \$ 1.03  | \$ 1.07  | \$ 1.12  | \$ 1.17   | \$ 4,532.88      | \$ 4,735.43      |
| 8 CH Energy Group            | 8.67%            | 40.43                | \$ 1.40  | \$ 1.55  | \$ 1.72  | \$ 1.90  | \$ 1.99  | \$ 2.08  | \$ 2.18  | \$ 2.28  | \$ 2.38  | \$ 2.49   | \$ 12,600.52     | \$ 13,182.16     |
| 9 Cleco Corp.                | 7.55%            | 59.85                | \$ 2.44  | \$ 2.46  | \$ 2.48  | \$ 2.50  | \$ 2.59  | \$ 2.69  | \$ 2.80  | \$ 2.90  | \$ 3.01  | \$ 3.13   | \$ 3,575.10      | \$ 3,710.82      |
| 10 Consolidated Edison       | 8.22%            | 56.54                | \$ 2.49  | \$ 2.57  | \$ 2.66  | \$ 2.75  | \$ 2.86  | \$ 2.97  | \$ 3.08  | \$ 3.20  | \$ 3.33  | \$ 3.46   | \$ 4,613.48      | \$ 4,792.53      |
| 11 DTE Energy Co.            | 8.16%            | 44.12                | \$ 1.33  | \$ 1.38  | \$ 1.44  | \$ 1.50  | \$ 1.58  | \$ 1.66  | \$ 1.75  | \$ 1.84  | \$ 1.94  | \$ 2.04   | \$ 32,193.31     | \$ 33,882.81     |
| 12 Edison International      | 8.48%            | 20.30                | \$ 1.00  | \$ 1.06  | \$ 1.13  | \$ 1.20  | \$ 1.24  | \$ 1.28  | \$ 1.32  | \$ 1.36  | \$ 1.40  | \$ 1.44   | \$ 494.89        | \$ 510.41        |
| 13 Empire District Electric  | 7.77%            | 65.79                | \$ 3.32  | \$ 3.35  | \$ 3.37  | \$ 3.40  | \$ 3.50  | \$ 3.61  | \$ 3.72  | \$ 3.83  | \$ 3.95  | \$ 4.06   | \$ 1,122.34      | \$ 1,156.22      |
| 14 Entergy Corp.             | 7.72%            | 20.22                | \$ 0.88  | \$ 0.95  | \$ 1.02  | \$ 1.10  | \$ 1.13  | \$ 1.16  | \$ 1.19  | \$ 1.23  | \$ 1.26  | \$ 1.30   | \$ 227.39        | \$ 233.70        |
| 15 FirstEnergy Corp.         | 13.02%           | 26.83                | \$ 1.24  | \$ 1.40  | \$ 1.28  | \$ 1.30  | \$ 1.42  | \$ 1.55  | \$ 1.70  | \$ 1.85  | \$ 2.02  | \$ 2.21   | \$ 40,808,747.35 | \$ 44,585,992.95 |
| 16 Great Plains Energy       | 8.13%            | 40.14                | \$ 1.40  | \$ 1.55  | \$ 1.72  | \$ 1.90  | \$ 1.98  | \$ 2.05  | \$ 2.14  | \$ 2.22  | \$ 2.31  | \$ 2.40   | \$ 3,806.92      | \$ 3,958.28      |
| 17 Hawaiian Electric         | 8.09%            | 54.09                | \$ 2.72  | \$ 2.75  | \$ 2.77  | \$ 2.80  | \$ 2.89  | \$ 2.99  | \$ 3.09  | \$ 3.20  | \$ 3.30  | \$ 3.42   | \$ 1,797.57      | \$ 1,858.16      |
| 18 IDACORP, Inc.             | 8.19%            | 45.35                | \$ 1.62  | \$ 1.69  | \$ 1.76  | \$ 1.84  | \$ 1.93  | \$ 2.02  | \$ 2.11  | \$ 2.21  | \$ 2.31  | \$ 2.42   | \$ 12,943.59     | \$ 13,545.17     |
| 19 MGE Energy Inc.           | 8.61%            | 36.61                | \$ 1.44  | \$ 1.52  | \$ 1.61  | \$ 1.70  | \$ 1.78  | \$ 1.86  | \$ 1.94  | \$ 2.03  | \$ 2.12  | \$ 2.22   | \$ 10,199.67     | \$ 10,665.00     |
| 20 Pepco Holdings, Inc.      | 9.94%            | 52.88                | \$ 1.66  | \$ 1.74  | \$ 1.82  | \$ 1.90  | \$ 2.03  | \$ 2.18  | \$ 2.33  | \$ 2.49  | \$ 2.67  | \$ 2.85   | \$ 1,042,098.62  | \$ 1,115,168.23  |
| 21 PG&E Corp.                | 8.22%            | 18.88                | \$ 1.12  | \$ 1.13  | \$ 1.15  | \$ 1.16  | \$ 1.19  | \$ 1.22  | \$ 1.25  | \$ 1.28  | \$ 1.31  | \$ 1.34   | \$ 141.23        | \$ 144.75        |
| 22 Pinnacle West Capital     | 9.12%            | 43.86                | \$ 1.82  | \$ 1.88  | \$ 1.94  | \$ 2.00  | \$ 2.10  | \$ 2.21  | \$ 2.33  | \$ 2.45  | \$ 2.58  | \$ 2.71   | \$ 38,350.63     | \$ 40,339.95     |
| 23 Portland General Electric | 8.37%            | 48.70                | \$ 2.18  | \$ 2.25  | \$ 2.32  | \$ 2.40  | \$ 2.50  | \$ 2.59  | \$ 2.70  | \$ 2.81  | \$ 2.92  | \$ 3.03   | \$ 4,835.52      | \$ 5,027.91      |
| 24 SCANA Corp.               | 8.28%            | 25.35                | \$ 1.11  | \$ 1.15  | \$ 1.20  | \$ 1.25  | \$ 1.30  | \$ 1.35  | \$ 1.40  | \$ 1.46  | \$ 1.51  | \$ 1.57   | \$ 2,088.59      | \$ 2,169.61      |
| 25 Sempra Energy             | 9.90%            | 46.10                | \$ 2.02  | \$ 2.06  | \$ 2.11  | \$ 2.15  | \$ 2.28  | \$ 2.41  | \$ 2.56  | \$ 2.71  | \$ 2.87  | \$ 3.04   | \$ 169,411.37    | \$ 179,495.20    |
| 26 Southern Co.              | 9.73%            | 64.37                | \$ 2.50  | \$ 2.60  | \$ 2.70  | \$ 2.80  | \$ 2.97  | \$ 3.15  | \$ 3.34  | \$ 3.55  | \$ 3.76  | \$ 3.99   | \$ 278,922.83    | \$ 295,880.61    |
| 27 TECO Energy, Inc.         | 10.16%           | 45.92                | \$ 2.02  | \$ 2.09  | \$ 2.17  | \$ 2.25  | \$ 2.39  | \$ 2.53  | \$ 2.68  | \$ 2.84  | \$ 3.02  | \$ 3.20   | \$ 205,174.12    | \$ 217,549.54    |
| 28 UIL Holdings Corp.        | 10.65%           | 17.62                | \$ 0.92  | \$ 0.98  | \$ 1.04  | \$ 1.10  | \$ 1.16  | \$ 1.22  | \$ 1.28  | \$ 1.35  | \$ 1.43  | \$ 1.50   | \$ 26,702.54     | \$ 28,121.63     |
| 29 Vectren Corp.             | 7.57%            | 34.16                | \$ 1.73  | \$ 1.73  | \$ 1.73  | \$ 1.73  | \$ 1.78  | \$ 1.83  | \$ 1.88  | \$ 1.94  | \$ 1.99  | \$ 2.05   | \$ 440.27        | \$ 452.95        |
| 30 Westar Energy             | 8.31%            | 28.38                | \$ 1.36  | \$ 1.40  | \$ 1.44  | \$ 1.48  | \$ 1.53  | \$ 1.59  | \$ 1.65  | \$ 1.71  | \$ 1.77  | \$ 1.83   | \$ 1,503.41      | \$ 1,557.75      |
| 31 Wisconsin Energy          | 8.21%            | 37.16                | \$ 1.36  | \$ 1.49  | \$ 1.64  | \$ 1.80  | \$ 1.87  | \$ 1.95  | \$ 2.02  | \$ 2.10  | \$ 2.19  | \$ 2.27   | \$ 3,457.20      | \$ 3,593.87      |
| 32 Xcel Energy, Inc.         | 9.11%            | 27.44                | \$ 1.11  | \$ 1.18  | \$ 1.26  | \$ 1.35  | \$ 1.42  | \$ 1.48  | \$ 1.56  | \$ 1.63  | \$ 1.71  | \$ 1.79   | \$ 14,173.36     | \$ 14,862.57     |



DURATION CALCULATION

| Duration calculation         | Equity<br>Duration | Div<br>1 | Div<br>2 | Div<br>3 | Div<br>4 | Div<br>5 | Div<br>6 | Div<br>7 | Div<br>8 | Div<br>9 | Div<br>10 | Div<br>199 | Div<br>200 |
|------------------------------|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|------------|------------|
| Company                      |                    |          |          |          |          |          |          |          |          |          |           |            |            |
| 1 ALLETE                     | 23.09              | 0.04     | 0.08     | 0.11     | 0.14     | 0.17     | 0.19     | 0.22     | 0.24     | 0.26     | 0.27      | 0.00       | 0.00       |
| 2 Alliant Energy Corp.       | 37.91              | 0.04     | 0.08     | 0.11     | 0.14     | 0.17     | 0.20     | 0.22     | 0.24     | 0.26     | 0.28      | 0.00       | 0.00       |
| 3 Ameren Corp.               | 21.19              | 0.05     | 0.09     | 0.13     | 0.17     | 0.20     | 0.23     | 0.25     | 0.27     | 0.29     | 0.31      | 0.00       | 0.00       |
| 4 American Electric Power    | 25.01              | 0.05     | 0.09     | 0.12     | 0.16     | 0.19     | 0.21     | 0.24     | 0.26     | 0.28     | 0.30      | 0.00       | 0.00       |
| 5 Avista Corp                | 16.07              | 0.04     | 0.08     | 0.12     | 0.16     | 0.19     | 0.21     | 0.24     | 0.26     | 0.28     | 0.30      | 0.00       | 0.00       |
| 6 Black Hills Corp           | 17.96              | 0.04     | 0.08     | 0.12     | 0.15     | 0.18     | 0.20     | 0.23     | 0.25     | 0.27     | 0.28      | 0.00       | 0.00       |
| 7 CenterPoint Energy         | 22.49              | 0.04     | 0.07     | 0.10     | 0.13     | 0.16     | 0.18     | 0.20     | 0.22     | 0.24     | 0.26      | 0.00       | 0.00       |
| 8 CH Energy Group            | 18.04              | 0.03     | 0.06     | 0.10     | 0.13     | 0.16     | 0.19     | 0.21     | 0.23     | 0.25     | 0.27      | 0.00       | 0.00       |
| 9 Cleco Corp.                | 21.61              | 0.04     | 0.07     | 0.10     | 0.12     | 0.15     | 0.17     | 0.20     | 0.22     | 0.24     | 0.25      | 0.01       | 0.01       |
| 10 Consolidated Edison       | 23.96              | 0.04     | 0.08     | 0.11     | 0.14     | 0.17     | 0.20     | 0.22     | 0.24     | 0.26     | 0.28      | 0.00       | 0.00       |
| 11 DTE Energy Co.            | 26.60              | 0.03     | 0.05     | 0.08     | 0.10     | 0.12     | 0.14     | 0.16     | 0.18     | 0.20     | 0.21      | 0.02       | 0.02       |
| 12 Edison International      | 44.56              | 0.05     | 0.09     | 0.13     | 0.17     | 0.20     | 0.23     | 0.26     | 0.28     | 0.30     | 0.32      | 0.00       | 0.00       |
| 13 Empire District Electric  | 9.84               | 0.05     | 0.09     | 0.12     | 0.15     | 0.18     | 0.21     | 0.23     | 0.26     | 0.28     | 0.29      | 0.00       | 0.00       |
| 14 Entergy Corp.             | 244.35             | 0.04     | 0.08     | 0.12     | 0.16     | 0.19     | 0.22     | 0.25     | 0.27     | 0.29     | 0.30      | 0.00       | 0.00       |
| 15 FirstEnergy Corp.         | 9.92               | 0.04     | 0.07     | 0.10     | 0.12     | 0.14     | 0.17     | 0.19     | 0.21     | 0.23     | 0.24      | 0.01       | 0.01       |
| 16 Great Plains Energy       | 9.20               | 0.03     | 0.07     | 0.10     | 0.14     | 0.17     | 0.19     | 0.22     | 0.24     | 0.26     | 0.27      | 0.00       | 0.00       |
| 17 Hawaiian Electric         | 30.21              | 0.05     | 0.09     | 0.12     | 0.15     | 0.18     | 0.21     | 0.23     | 0.25     | 0.27     | 0.29      | 0.00       | 0.00       |
| 18 IDACORP, Inc.             | 26.54              | 0.03     | 0.06     | 0.09     | 0.12     | 0.14     | 0.17     | 0.19     | 0.21     | 0.23     | 0.24      | 0.01       | 0.01       |
| 19 MGE Energy Inc.           | 37.89              | 0.04     | 0.07     | 0.10     | 0.13     | 0.16     | 0.19     | 0.21     | 0.23     | 0.25     | 0.27      | 0.00       | 0.00       |
| 20 Pepco Holdings, Inc.      | 4.47               | 0.03     | 0.05     | 0.08     | 0.10     | 0.12     | 0.14     | 0.16     | 0.18     | 0.19     | 0.21      | 0.03       | 0.02       |
| 21 PG&E Corp.                | 194.72             | 0.05     | 0.10     | 0.14     | 0.18     | 0.21     | 0.24     | 0.27     | 0.29     | 0.31     | 0.32      | 0.00       | 0.00       |
| 22 Pinnacle West Capital     | 17.85              | 0.04     | 0.07     | 0.10     | 0.13     | 0.16     | 0.18     | 0.20     | 0.22     | 0.24     | 0.26      | 0.00       | 0.00       |
| 23 Portland General Electric | 14.22              | 0.04     | 0.08     | 0.11     | 0.14     | 0.17     | 0.20     | 0.22     | 0.24     | 0.26     | 0.28      | 0.00       | 0.00       |
| 24 SCANA Corp.               | 65.73              | 0.04     | 0.08     | 0.11     | 0.14     | 0.17     | 0.20     | 0.22     | 0.24     | 0.26     | 0.28      | 0.00       | 0.00       |
| 25 Sempra Energy             | 32.96              | 0.04     | 0.07     | 0.10     | 0.13     | 0.15     | 0.18     | 0.20     | 0.22     | 0.24     | 0.26      | 0.01       | 0.00       |
| 26 Southern Co.              | 20.55              | 0.04     | 0.07     | 0.10     | 0.12     | 0.14     | 0.17     | 0.19     | 0.21     | 0.23     | 0.24      | 0.01       | 0.01       |
| 27 TECO Energy, Inc.         | 11.72              | 0.04     | 0.08     | 0.11     | 0.13     | 0.16     | 0.18     | 0.21     | 0.23     | 0.25     | 0.26      | 0.00       | 0.00       |
| 28 UIL Holdings Corp.        | 13.75              | 0.05     | 0.09     | 0.13     | 0.17     | 0.20     | 0.23     | 0.25     | 0.27     | 0.29     | 0.31      | 0.00       | 0.00       |
| 29 Vectren Corp.             | 30.51              | 0.05     | 0.09     | 0.12     | 0.15     | 0.18     | 0.21     | 0.23     | 0.25     | 0.27     | 0.29      | 0.00       | 0.00       |
| 30 Westar Energy             | 33.73              | 0.04     | 0.08     | 0.12     | 0.15     | 0.18     | 0.21     | 0.23     | 0.25     | 0.27     | 0.29      | 0.00       | 0.00       |
| 31 Wisconsin Energy          | 38.17              | 0.03     | 0.07     | 0.10     | 0.14     | 0.17     | 0.20     | 0.22     | 0.24     | 0.26     | 0.28      | 0.00       | 0.00       |
| 32 Xcel Energy, Inc.         | 17.99              | 0.04     | 0.07     | 0.11     | 0.14     | 0.17     | 0.19     | 0.22     | 0.24     | 0.26     | 0.27      | 0.00       | 0.00       |
| Average:                     | 36.34              |          |          |          |          |          |          |          |          |          |           |            |            |
| Median:                      | 22.79              |          |          |          |          |          |          |          |          |          |           |            |            |

Notes:

Source: Exhibit \_\_ (FP-8) worksheet

$$D = \frac{\sum_{t=1}^T t \times \frac{CF_t}{(1+r)^t}}{P}$$

Where:

t = time period (1 through 200)

CF = Cash Flow (i.e. dividend) at time t

r = ROE

P = Current Stock Price



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-8R)

Institutional Ownership

**COMBINED PROXY GROUP  
INSTITUTIONAL OWNERSHIP**

| <b>Company</b>           | <b>Ticker</b> | <b>Institutional<br/>Ownership</b> |
|--------------------------|---------------|------------------------------------|
| Allete                   | ALE           | 62.85%                             |
| Alliant Energy Corp.     | LNT           | 58.42%                             |
| American Electric Power  | AEP           | 71.96%                             |
| Avista Corp.             | AVA           | 72.84%                             |
| Black Hills Corp.        | BKH           | 73.11%                             |
| Center Point Energy      | CNP           | 72.53%                             |
| Cleco Corp.              | CNL           | 56.29%                             |
| Consolidated Edison      | ED            | 60.19%                             |
| Dominion Resources, Inc. | D             | 43.90%                             |
| DTE Energy Co.           | DTE           | 47.60%                             |
| Edison International     | EIX           | 79.90%                             |
| Empire District Electric | EDE           | 83.38%                             |
| Entergy Corp.            | ETR           | 73.34%                             |
| Great Plains Energy Inc. | GXP           | 36.41%                             |
| Hawaiian Electric        | HE            | 70.93%                             |
| IDACORP, Inc.            | IDA           | 57.81%                             |
| Integrus/WPS Resources   | TEG           | 33.53%                             |
| MGE Energy, Inc.         | MGEE          | 65.89%                             |
| Northeast Utilities      | NU            | 53.87%                             |
| OGE Energy               | OGE           | 77.09%                             |
| Pepco Holdings, Inc.     | POM           | 78.03%                             |
| PG&E Corp                | PCG           | 58.52%                             |
| Pinnacle West Capital    | PNW           | 93.15%                             |
| Portland General         | POR           | 50.66%                             |
| SCANA Corp.              | SCG           | 45.04%                             |
| Sempra Energy            | SRE           | 71.08%                             |
| Southern Co.             | SO            | 59.05%                             |
| TECO Energy, Inc.        | TE            | 55.26%                             |
| UIL Holdings Corp.       | UIL           | 64.39%                             |
| Vectren Corp.            | VVC           | 55.83%                             |
| Westar Energy            | WR            | 69.83%                             |
| Wisconsin Energy         | WEC           | 57.02%                             |
| Xcel Energy, Inc.        | XEL           | 64.65%                             |
| <b>Mean:</b>             |               | <b>62.86%</b>                      |

Source: SNL Financial  
Data as of Sep. 10, 2012



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-9R)

Value Line Market Risk Premium

## Value Line Universe Market Risk Premium

|                      | Total Return | Current 30-Year Treasury | Implied MRP |
|----------------------|--------------|--------------------------|-------------|
| Simple Average       | 16.11%       | 2.94%                    | 13.17%      |
| Cap-Weighted Average | 13.57%       | 2.94%                    | 10.63%      |

| Company                | Ticker | Domicile Code | Proj 3-5 Yr %       | Market Cap \$ (Mil) | Percent Total | Weighted               |
|------------------------|--------|---------------|---------------------|---------------------|---------------|------------------------|
|                        |        |               | Annual Total Return |                     | Market Cap.   | Projected Total Return |
| 1-800-FLOWERS.COM      | FLWS   | US            | 26                  | \$242               | 0.0016%       | 0.0004%                |
| 3M Company             | MMM    | US            | 15                  | \$64,804            | 0.4228%       | 0.0634%                |
| A.H. Belo              | AHC    | US            | 31                  | \$99                | 0.0006%       | 0.0002%                |
| AAR Corp.              | AIR    | US            | 26                  | \$551               | 0.0036%       | 0.0009%                |
| Aaron's Inc.           | AAN    | US            | 10                  | \$2,219             | 0.0145%       | 0.0014%                |
| Abaxis, Inc.           | ABAX   | US            | 13                  | \$848               | 0.0055%       | 0.0007%                |
| Abbott Labs.           | ABT    | US            | 13                  | \$104,251           | 0.6801%       | 0.0884%                |
| Abercrombie & Fitch    | ANF    | US            | 31                  | \$2,923             | 0.0191%       | 0.0059%                |
| Aberdeen Australia Fd. | IAF    | US            | 14                  |                     |               |                        |
| ABM Industries Inc.    | ABM    | US            | 22                  | \$1,086             | 0.0071%       | 0.0016%                |
| ACCO Brands            | ACCO   | US            | 37                  | \$815               | 0.0053%       | 0.0020%                |
| ACI Worldwide          | ACIW   | US            | 5                   | \$1,764             | 0.0115%       | 0.0006%                |
| Acme Packet            | APKT   | US            | 28                  | \$1,201             | 0.0078%       | 0.0022%                |
| Activision Blizzard    | ATVI   | US            | 28                  | \$13,197            | 0.0861%       | 0.0241%                |
| Actuant Corp.          | ATU    | US            | 13                  | \$2,089             | 0.0136%       | 0.0018%                |
| Acuity Brands          | AYI    | US            | 5                   | \$2,696             | 0.0176%       | 0.0009%                |
| Adams Express          | ADX    | US            | 12                  |                     |               |                        |
| Adobe Systems          | ADBE   | US            | 23                  | \$16,623            | 0.1084%       | 0.0249%                |
| ADTRAN, Inc.           | ADTN   | US            | 29                  | \$1,436             | 0.0094%       | 0.0027%                |
| Advance Auto Parts     | AAP    | US            | 15                  | \$5,281             | 0.0345%       | 0.0052%                |
| Advanced Energy        | AEIS   | US            | 24                  | \$501               | 0.0033%       | 0.0008%                |
| Advanced Micro Dev.    | AMD    | US            | 41                  | \$2,948             | 0.0192%       | 0.0079%                |
| Advent Software        | ADVS   | US            | 17                  | \$1,168             | 0.0076%       | 0.0013%                |
| Advisory Board         | ABCO   | US            | -4                  | \$1,446             | 0.0094%       | -0.0004%               |
| AECOM Techn.           | ACM    | US            | 30                  | \$2,139             | 0.0140%       | 0.0042%                |
| Aegion Corp.           | AEGN   | US            | 22                  | \$773               | 0.0050%       | 0.0011%                |
| Aerpostale             | ARO    | US            | 23                  | \$1,110             | 0.0072%       | 0.0017%                |
| AeroVironment          | AVAV   | US            | 21                  | \$518               | 0.0034%       | 0.0007%                |
| AES Corp.              | AES    | US            | 17                  | \$9,048             | 0.0590%       | 0.0100%                |
| Aetna Inc.             | AET    | US            | 26                  | \$13,260            | 0.0865%       | 0.0225%                |
| AFC Enterprises        | AFCE   | US            | 7                   | \$579               | 0.0038%       | 0.0003%                |
| Affiliated Managers    | AMG    | US            | 7                   | \$6,111             | 0.0399%       | 0.0028%                |
| Affymetrix Inc.        | AFFX   | US            | 19                  | \$283               | 0.0018%       | 0.0004%                |
| Aflac Inc.             | AFL    | US            | 20                  | \$21,457            | 0.1400%       | 0.0280%                |
| AGCO Corp.             | AGCO   | US            | 20                  | \$4,257             | 0.0278%       | 0.0056%                |
| Agilent Technologies   | A      | US            | 14                  | \$12,910            | 0.0842%       | 0.0118%                |
| Agilysys, Inc.         | AGYS   | US            | 15                  | \$184               | 0.0012%       | 0.0002%                |
| AGL Resources          | GAS    | US            | 15                  | \$4,706             | 0.0307%       | 0.0046%                |
| Air Products & Chem.   | APD    | US            | 14                  | \$17,925            | 0.1169%       | 0.0164%                |
| Aircastle Ltd.         | AYR    | US            | 22                  | \$868               | 0.0057%       | 0.0012%                |
| Airgas Inc.            | ARG    | US            | 15                  | \$6,466             | 0.0422%       | 0.0063%                |

| Company                  | Ticker | Domicile Code | Proj 3-5 Yr %<br>Annual Total<br>Return | Market Cap \$ (Mil) | Percent Total<br>Market Cap. | Weighted<br>Projected Total<br>Return |
|--------------------------|--------|---------------|---|---------------------|------------------------------|---------------------------------------|
| AK Steel Holding         | AKS    | US            | 65                                      | \$617               | 0.0040%                      | 0.0026%                               |
| Akamai Technologies      | AKAM   | US            | 21                                      | \$6,770             | 0.0442%                      | 0.0093%                               |
| Alaska Air Group         | ALK    | US            | 15                                      | \$2,418             | 0.0158%                      | 0.0024%                               |
| Alaska Communic.         | ALSK   | US            | 25                                      | \$96                | 0.0006%                      | 0.0002%                               |
| Albany Int'l 'A'         | AIN    | US            | 20                                      | \$646               | 0.0042%                      | 0.0008%                               |
| Albany Molecular         | AMRI   | US            | 13                                      | \$99                | 0.0006%                      | 0.0001%                               |
| Albemarle Corp.          | ALB    | US            | 14                                      | \$5,476             | 0.0357%                      | 0.0050%                               |
| Alcoa Inc.               | AA     | US            | 25                                      | \$9,357             | 0.0610%                      | 0.0153%                               |
| Alere Inc.               | ALR    | US            | 33                                      | \$1,506             | 0.0098%                      | 0.0032%                               |
| Alexion Pharmac.         | ALXN   | US            |   | \$19,983            | 0.1304%                      |                                       |
| Align Techn.             | ALGN   | US            | 10                                      | \$2,771             | 0.0181%                      | 0.0018%                               |
| Alleghany Corp.          | Y      | US            | 5                                       | \$2,863             | 0.0187%                      | 0.0009%                               |
| Allegheny Techn.         | ATI    | US            | 34                                      | \$3,480             | 0.0227%                      | 0.0077%                               |
| Allegiant Travel         | ALGT   | US            | 9                                       | \$1,288             | 0.0084%                      | 0.0008%                               |
| Allergan, Inc.           | AGN    | US            | 12                                      | \$26,108            | 0.1703%                      | 0.0204%                               |
| ALLETE                   | ALE    | US            | 5                                       | \$1,546             | 0.0101%                      | 0.0005%                               |
| Alliance Data Sys.       | ADS    | US            | 2                                       | \$6,862             | 0.0448%                      | 0.0009%                               |
| Alliance Resource        | ARLP   | US            | 16                                      | \$2,426             | 0.0158%                      | 0.0025%                               |
| AllianceBernstein Hldg.  | AB     | US            | 38                                      | \$3,576             | 0.0233%                      | 0.0089%                               |
| AllianceBernstein Income | ACG    | US            | 5                                       |                     |                              |                                       |
| Alliant Energy           | LNT    | US            | 4                                       | \$5,110             | 0.0333%                      | 0.0013%                               |
| Alliant Techsystems      | ATK    | US            | 25                                      | \$1,690             | 0.0110%                      | 0.0028%                               |
| Allscripts Healthcare    | MDRX   | US            | 16                                      | \$2,109             | 0.0138%                      | 0.0022%                               |
| Allstate Corp.           | ALL    | US            | 11                                      | \$18,606            | 0.1214%                      | 0.0134%                               |
| Alnylam Pharmac.         | ALNY   | US            | 1                                       | \$923               | 0.0060%                      | 0.0001%                               |
| Alpha Natural Res.       | ANR    | US            | 51                                      | \$1,454             | 0.0095%                      | 0.0048%                               |
| Altera Corp.             | ALTR   | US            | 17                                      | \$11,739            | 0.0766%                      | 0.0130%                               |
| Altra Holdings, Inc.     | AIMC   | US            | 16                                      | \$480               | 0.0031%                      | 0.0005%                               |
| Altria Group             | MO     | US            | 6                                       | \$71,756            | 0.4681%                      | 0.0281%                               |
| Amazon.com               | AMZN   | US            | 11                                      | \$108,698           | 0.7091%                      | 0.0780%                               |
| AMCOL Int'l              | ACO    | US            | 16                                      | \$967               | 0.0063%                      | 0.0010%                               |
| Amdocs Ltd.              | DOX    | US            | 16                                      | \$5,445             | 0.0355%                      | 0.0057%                               |
| Amedisys, Inc.           | AMED   | US            | 15                                      | \$449               | 0.0029%                      | 0.0004%                               |
| Amer. Axle               | AXL    | US            | 25                                      | \$852               | 0.0056%                      | 0.0014%                               |
| Amer. Capital, Ltd.      | ACAS   | US            | 30                                      | \$3,640             | 0.0237%                      | 0.0071%                               |
| Amer. Eagle Outfitters   | AEO    | US            | 7                                       | \$4,150             | 0.0271%                      | 0.0019%                               |
| Amer. Elec. Power        | AEP    | US            | 6                                       | \$20,976            | 0.1368%                      | 0.0082%                               |
| Amer. Express            | AXP    | US            | 14                                      | \$66,779            | 0.4357%                      | 0.0610%                               |
| Amer. Financial Group    | AFG    | US            | 12                                      | \$3,616             | 0.0236%                      | 0.0028%                               |
| Amer. Greetings          | AM     | US            | 31                                      | \$480               | 0.0031%                      | 0.0010%                               |
| Amer. Int'l Group        | AIG    | US            | -100                                    | \$62,071            | 0.4049%                      | -0.4049%                              |
| Amer. States Water       | AWR    | US            | 8                                       | \$857               | 0.0056%                      | 0.0004%                               |
| Amer. Superconductor     | AMSC   | US            | 3                                       | \$218               | 0.0014%                      | 0.0000%                               |
| Amer. Tower 'A'          | AMT    | US            | 11                                      | \$28,036            | 0.1829%                      | 0.0201%                               |
| Amer. Vanguard Corp.     | AVD    | US            | 11                                      | \$801               | 0.0052%                      | 0.0006%                               |
| Amer. Water Works        | AWK    | US            | 7                                       | \$6,705             | 0.0437%                      | 0.0031%                               |
| Amer. Woodmark           | AMWD   | US            | 12                                      | \$256               | 0.0017%                      | 0.0002%                               |
| Ameren Corp.             | AEE    | US            | 6                                       | \$8,205             | 0.0535%                      | 0.0032%                               |
| Amerigon Inc.            | THRM   | US            | 20                                      | \$368               | 0.0024%                      | 0.0005%                               |



| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Ameriprise Fin'l      | AMP    | US               | 18                     | \$12,065            | 0.0787%       | 0.0142%                   |
| AmerisourceBergen     | ABC    | US               | 19                     | \$9,440             | 0.0616%       | 0.0117%                   |
| Ametek, Inc.          | AME    | US               | 13                     | \$8,168             | 0.0533%       | 0.0069%                   |
| Amgen                 | AMGN   | US               | 12                     | \$64,909            | 0.4235%       | 0.0508%                   |
| Amkor Technology      | AMKR   | US               | 27                     | \$858               | 0.0056%       | 0.0015%                   |
| AMN Healthcare        | AHS    | US               | 25                     | \$305               | 0.0020%       | 0.0005%                   |
| Ampco-Pittsburgh      | AP     | US               | 23                     | \$185               | 0.0012%       | 0.0003%                   |
| Amphenol Corp.        | APH    | US               | 7                      | \$10,035            | 0.0655%       | 0.0046%                   |
| Anadarko Petroleum    | APC    | US               | 10                     | \$35,454            | 0.2313%       | 0.0231%                   |
| ANADIGICS Inc.        | ANAD   | US               | 60                     | \$87                | 0.0006%       | 0.0003%                   |
| Analog Devices        | ADI    | US               | 12                     | \$12,187            | 0.0795%       | 0.0095%                   |
| Analogic Corp.        | ALOG   | US               | 7                      | \$824               | 0.0054%       | 0.0004%                   |
| AngioDynamics         | ANGO   | US               | 18                     | \$263               | 0.0017%       | 0.0003%                   |
| Anixter Int'l         | AXE    | US               | 16                     | \$2,056             | 0.0134%       | 0.0021%                   |
| ANN Inc.              | ANN    | US               | 16                     | \$1,353             | 0.0088%       | 0.0014%                   |
| Annaly Capital Mgmt.  | NLY    | US               | 10                     | \$16,386            | 0.1069%       | 0.0107%                   |
| ANSYS, Inc.           | ANSS   | US               | 7                      | \$6,126             | 0.0400%       | 0.0028%                   |
| AOL, Inc.             | AOL    | US               | -1                     | \$3,136             | 0.0205%       | -0.0002%                  |
| Aon plc               | AON    | US               | 11                     | \$17,316            | 0.1130%       | 0.0124%                   |
| Apache Corp.          | APA    | US               | 17                     | \$34,077            | 0.2223%       | 0.0378%                   |
| Apartment Investment  | AIV    | US               | 9                      |                     |               |                           |
| Apogee Enterprises    | APOG   | US               | 15                     | \$457               | 0.0030%       | 0.0004%                   |
| Apollo Group 'A'      | APOL   | US               | 30                     | \$3,254             | 0.0212%       | 0.0064%                   |
| Apollo Investment     | AINV   | US               | 34                     | \$1,525             | 0.0099%       | 0.0034%                   |
| Apple Inc.            | AAPL   | US               | 21                     | \$594,966           | 3.8815%       | 0.8151%                   |
| Applied Ind'l Techn.  | AIT    | US               | 10                     | \$1,749             | 0.0114%       | 0.0011%                   |
| Applied Materials     | AMAT   | US               | 28                     | \$15,355            | 0.1002%       | 0.0280%                   |
| Applied Micro         | AMCC   | US               | 9                      | \$352               | 0.0023%       | 0.0002%                   |
| AptarGroup            | ATR    | US               | 13                     | \$3,374             | 0.0220%       | 0.0029%                   |
| Aqua America          | WTR    | US               | 6                      | \$3,518             | 0.0230%       | 0.0014%                   |
| Arbitron Inc.         | ARB    | US               | 16                     | \$949               | 0.0062%       | 0.0010%                   |
| Arch Coal             | ACI    | US               | 37                     | \$1,492             | 0.0097%       | 0.0036%                   |
| Archer Daniels Midl'd | ADM    | US               | 21                     | \$17,371            | 0.1133%       | 0.0238%                   |
| Ariba, Inc.           | ARBA   | US               | -1                     | \$4,299             | 0.0280%       | -0.0003%                  |
| Arkansas Best         | ABFS   | US               | 40                     | \$266               | 0.0017%       | 0.0007%                   |
| Armstrong World Inds. | AWI    | US               | 12                     | \$2,591             | 0.0169%       | 0.0020%                   |
| Arris Group           | ARRS   | US               | 6                      | \$1,567             | 0.0102%       | 0.0006%                   |
| Arrow Electronics     | ARW    | US               | 8                      | \$4,053             | 0.0264%       | 0.0021%                   |
| ArthroCare Corp.      | ARTC   | US               | 12                     | \$774               | 0.0051%       | 0.0006%                   |
| Asbury Automotive     | ABG    | US               | 14                     | \$840               | 0.0055%       | 0.0008%                   |
| Ascena Retail Group   | ASNA   | US               | 15                     | \$2,841             | 0.0185%       | 0.0028%                   |
| Ashland Inc.          | ASH    | US               | 16                     | \$5,835             | 0.0381%       | 0.0061%                   |
| Assoc. Banc-Corp      | ASBC   | US               | 15                     | \$2,242             | 0.0146%       | 0.0022%                   |
| Assurant Inc.         | AIZ    | US               | 13                     | \$2,978             | 0.0194%       | 0.0025%                   |
| Astec Inds.           | ASTE   | US               | 19                     | \$698               | 0.0046%       | 0.0009%                   |
| Astoria Financial     | AF     | US               | 16                     | \$966               | 0.0063%       | 0.0010%                   |
| AT&T Inc.             | T      | US               | 9                      | \$216,169           | 1.4103%       | 0.1269%                   |
| athenahealth          | ATHN   | US               | 2                      | \$3,215             | 0.0210%       | 0.0004%                   |
| Atlantic Tele-Network | ATNI   | US               | 9                      | \$604               | 0.0039%       | 0.0004%                   |

| Company                 | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                         |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Atlas Air Worldwide     | AAWW   | US               | 16                     | \$1,396             | 0.0091%       | 0.0015%                   |
| Atmel Corp.             | ATML   | US               | 30                     | \$2,496             | 0.0163%       | 0.0049%                   |
| ATMI, Inc.              | ATMI   | US               | 23                     | \$598               | 0.0039%       | 0.0009%                   |
| Atmos Energy            | ATO    | US               | 3                      | \$3,317             | 0.0216%       | 0.0006%                   |
| Autodesk, Inc.          | ADSK   | US               | 14                     | \$7,967             | 0.0520%       | 0.0073%                   |
| Autoliv, Inc.           | ALV    | US               | 24                     | \$5,891             | 0.0384%       | 0.0092%                   |
| Automatic Data Proc.    | ADP    | US               | 15                     | \$28,590            | 0.1865%       | 0.0280%                   |
| AutoNation, Inc.        | AN     | US               | 6                      | \$4,810             | 0.0314%       | 0.0019%                   |
| AutoZone Inc.           | AZO    | US               | 7                      | \$13,650            | 0.0890%       | 0.0062%                   |
| Auxilium Pharmac.       | AUXL   | US               | 6                      | \$1,220             | 0.0080%       | 0.0005%                   |
| AvalonBay Communities   | AVB    | US               | 6                      |                     |               |                           |
| Avery Dennison          | AVY    | US               | 14                     | \$3,258             | 0.0213%       | 0.0030%                   |
| Avid Technology         | AVID   | US               | 26                     | \$352               | 0.0023%       | 0.0006%                   |
| Avis Budget Group       | CAR    | US               | 20                     | \$1,733             | 0.0113%       | 0.0023%                   |
| Avista Corp.            | AVA    | US               | 7                      | \$1,545             | 0.0101%       | 0.0007%                   |
| Avnet, Inc.             | AVT    | US               | 8                      | \$4,817             | 0.0314%       | 0.0025%                   |
| Avon Products           | AVP    | US               | 24                     | \$6,874             | 0.0448%       | 0.0108%                   |
| AVX Corp.               | AVX    | US               | 22                     | \$1,774             | 0.0116%       | 0.0025%                   |
| B&G Foods               | BGS    | US               | 6                      | \$1,395             | 0.0091%       | 0.0005%                   |
| B/E Aerospace           | BEAV   | US               | 17                     | \$4,187             | 0.0273%       | 0.0046%                   |
| Babcock & Wilcox        | BWC    | US               | 13                     | \$3,194             | 0.0208%       | 0.0027%                   |
| Badger Meter            | BMI    | US               | 16                     | \$504               | 0.0033%       | 0.0005%                   |
| Baker Hughes            | BHI    | US               | 23                     | \$20,800            | 0.1357%       | 0.0312%                   |
| Ball Corp.              | BLL    | US               | 12                     | \$6,675             | 0.0435%       | 0.0052%                   |
| Bally Technologies      | BYI    | US               | 23                     | \$1,884             | 0.0123%       | 0.0028%                   |
| BancorpSouth            | BXS    | US               | 15                     | \$1,374             | 0.0090%       | 0.0013%                   |
| Bank of America         | BAC    | US               | 16                     | \$85,451            | 0.5575%       | 0.0892%                   |
| Bank of Hawaii          | BOH    | US               | 17                     | \$2,112             | 0.0138%       | 0.0023%                   |
| Bank of New York Mellon | BK     | US               | 32                     | \$26,848            | 0.1752%       | 0.0560%                   |
| Bard (C.R.)             | BCR    | US               | 14                     | \$8,245             | 0.0538%       | 0.0075%                   |
| Barnes & Noble          | BKS    | US               | -3                     | \$714               | 0.0047%       | -0.0001%                  |
| Barnes Group            | B      | US               | 17                     | \$1,315             | 0.0086%       | 0.0015%                   |
| Bassett Furniture       | BSET   | US               | 8                      | \$131               | 0.0009%       | 0.0001%                   |
| Baxter Int'l Inc.       | BAX    | US               | 12                     | \$32,279            | 0.2106%       | 0.0253%                   |
| BB&T Corp.              | BBT    | US               | 12                     | \$22,197            | 0.1448%       | 0.0174%                   |
| Beacon Roofing          | BECN   | US               | 14                     | \$1,265             | 0.0083%       | 0.0012%                   |
| Beam Inc.               | BEAM   | US               | 10                     | \$9,473             | 0.0618%       | 0.0062%                   |
| Beazer Homes USA        | BZH    | US               | 13                     | \$288               | 0.0019%       | 0.0002%                   |
| bebe stores             | BEBE   | US               | 26                     | \$524               | 0.0034%       | 0.0009%                   |
| Becton, Dickinson       | BDX    | US               | 16                     | \$15,144            | 0.0988%       | 0.0158%                   |
| Bed Bath & Beyond       | BBBY   | US               | 20                     | \$14,944            | 0.0975%       | 0.0195%                   |
| Belden Inc.             | BDC    | US               | 19                     | \$1,596             | 0.0104%       | 0.0020%                   |
| Belo Corp. 'A'          | BLC    | US               | 14                     | \$749               | 0.0049%       | 0.0007%                   |
| Bemis Co.               | BMS    | US               | 19                     | \$3,148             | 0.0205%       | 0.0039%                   |
| Benchmark Electronics   | BHE    | US               | 17                     | \$927               | 0.0060%       | 0.0010%                   |
| Berkley (W.R.)          | WRB    | US               | 10                     | \$5,196             | 0.0339%       | 0.0034%                   |
| Berkshire Hathaway 'B'  | BRK/B  | US               | 9                      |                     |               |                           |
| Berry Petroleum 'A'     | BRY    | US               | 19                     | \$2,169             | 0.0142%       | 0.0027%                   |
| Best Buy Co.            | BBY    | US               | 16                     | \$6,985             | 0.0456%       | 0.0073%                   |

| Company                 | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                         |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| BGC Partners Inc.       | BGCP   | US               | 41                     | \$662               | 0.0043%       | 0.0018%                   |
| Big 5 Sporting Goods    | BGFV   | US               | 29                     | \$167               | 0.0011%       | 0.0003%                   |
| Big Lots Inc.           | BIG    | US               | 25                     | \$2,413             | 0.0157%       | 0.0039%                   |
| Biglari Hldgs.          | BH     | US               | 8                      | \$463               | 0.0030%       | 0.0002%                   |
| Bio-Rad Labs. 'A'       | BIO    | US               | 11                     | \$2,929             | 0.0191%       | 0.0021%                   |
| Biogen Idec Inc.        | BIIB   | US               |                        | \$34,705            | 0.2264%       |                           |
| BioMarin Pharmac.       | BMRN   | US               | -15                    | \$4,703             | 0.0307%       | -0.0046%                  |
| BioScrip, Inc.          | BIOS   | US               | 12                     | \$417               | 0.0027%       | 0.0003%                   |
| BJ's Restaurants        | BJRI   | US               | 17                     | \$1,119             | 0.0073%       | 0.0012%                   |
| Black Box               | BBOX   | US               | 23                     | \$427               | 0.0028%       | 0.0006%                   |
| Black Hills             | BKH    | US               | 5                      | \$1,394             | 0.0091%       | 0.0005%                   |
| BlackRock, Inc.         | BLK    | US               | 16                     | \$30,642            | 0.1999%       | 0.0320%                   |
| Blackstone Group LP     | BX     | US               | 30                     | \$7,131             | 0.0465%       | 0.0140%                   |
| Block (H&R)             | HRB    | US               | 15                     | \$4,814             | 0.0314%       | 0.0047%                   |
| Blue Nile               | NILE   | US               | 13                     | \$472               | 0.0031%       | 0.0004%                   |
| BlueLinx Holdings       | BXC    | US               | 21                     | \$140               | 0.0009%       | 0.0002%                   |
| Blyth Inc.              | BTH    | US               | 5                      | \$747               | 0.0049%       | 0.0002%                   |
| BMC Software            | BMC    | US               | 14                     | \$6,767             | 0.0441%       | 0.0062%                   |
| Boardwalk Pipeline      | BWP    | US               | 15                     | \$5,629             | 0.0367%       | 0.0055%                   |
| Bob Evans Farms         | BOBE   | US               | 9                      | \$1,153             | 0.0075%       | 0.0007%                   |
| Body Central Corp.      | BODY   | US               | 41                     | \$145               | 0.0009%       | 0.0004%                   |
| Boeing                  | BA     | US               | 12                     | \$55,329            | 0.3610%       | 0.0433%                   |
| BOK Financial           | BOKF   | US               | 7                      | \$3,943             | 0.0257%       | 0.0018%                   |
| BorgWarner              | BWA    | US               | 18                     | \$8,167             | 0.0533%       | 0.0096%                   |
| Boston Beer 'A'         | SAM    | US               | 6                      | \$1,392             | 0.0091%       | 0.0005%                   |
| Boston Properties       | BXP    | US               | 1                      |                     |               |                           |
| Boston Scientific       | BSX    | US               | 22                     | \$7,805             | 0.0509%       | 0.0112%                   |
| Boyd Gaming             | BYD    | US               | 17                     | \$539               | 0.0035%       | 0.0006%                   |
| Brady Corp.             | BRC    | US               | 14                     | \$1,472             | 0.0096%       | 0.0013%                   |
| BRE Properties          | BRE    | US               | 1                      |                     |               |                           |
| Bridgepoint Education   | BPI    | US               | 22                     | \$546               | 0.0036%       | 0.0008%                   |
| Briggs & Stratton       | BGG    | US               | 23                     | \$861               | 0.0056%       | 0.0013%                   |
| Brightpoint, Inc.       | CELL   | US               | 23                     | \$620               | 0.0040%       | 0.0009%                   |
| Brink's (The) Co.       | BCO    | US               | 27                     | \$1,111             | 0.0072%       | 0.0020%                   |
| Brinker Int'l           | EAT    | US               | 8                      | \$2,590             | 0.0169%       | 0.0014%                   |
| Bristol-Myers Squibb    | BMJ    | US               | 15                     | \$53,594            | 0.3496%       | 0.0524%                   |
| Bristow Group           | BRS    | US               | 19                     | \$1,649             | 0.0108%       | 0.0020%                   |
| Broadcom Corp. 'A'      | BRCM   | US               | 17                     | \$20,135            | 0.1314%       | 0.0223%                   |
| Brocade Communic.       | BRCD   | US               | 14                     | \$2,577             | 0.0168%       | 0.0024%                   |
| Brookdale Senior Living | BKD    | US               | 17                     | \$2,294             | 0.0150%       | 0.0025%                   |
| Brookfield Asset Mgmt.  | BAM    | US               | 17                     | \$21,849            | 0.1425%       | 0.0242%                   |
| Brooks Automation       | BRKS   | US               | 22                     | \$526               | 0.0034%       | 0.0008%                   |
| Brown & Brown           | BRO    | US               | 13                     | \$3,675             | 0.0240%       | 0.0031%                   |
| Brown Shoe              | BWS    | US               | 13                     | \$633               | 0.0041%       | 0.0005%                   |
| Brown-Forman 'B'        | BF/B   | US               | 1                      | \$13,213            | 0.0862%       | 0.0009%                   |
| Bruker Corp.            | BRKR   | US               | 14                     | \$2,005             | 0.0131%       | 0.0018%                   |
| Brunswick Corp.         | BC     | US               | 19                     | \$2,042             | 0.0133%       | 0.0025%                   |
| Buckeye Partners L.P.   | BPL    | US               | 18                     | \$5,145             | 0.0336%       | 0.0060%                   |
| Buckle (The), Inc.      | BKE    | US               | 19                     | \$1,972             | 0.0129%       | 0.0024%                   |

| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Buffalo Wild Wings    | BWLD   | US               | 10                     | \$1,387             | 0.0090%       | 0.0009%                   |
| Bunge Ltd.            | BG     | US               | 12                     | \$9,511             | 0.0621%       | 0.0074%                   |
| C.H. Robinson         | CHRW   | US               | 18                     | \$9,221             | 0.0602%       | 0.0108%                   |
| CA, Inc.              | CA     | US               | 22                     | \$11,940            | 0.0779%       | 0.0171%                   |
| Cabela's Inc.         | CAB    | US               | 4                      | \$3,352             | 0.0219%       | 0.0009%                   |
| Cablevision Sys. 'A'  | CVC    | US               | 18                     | \$4,012             | 0.0262%       | 0.0047%                   |
| Cabot Corp.           | CBT    | US               | 13                     | \$2,328             | 0.0152%       | 0.0020%                   |
| Cabot Microelectr's   | CCMP   | US               | 25                     | \$737               | 0.0048%       | 0.0012%                   |
| Cabot Oil & Gas 'A'   | COG    | US               | 4                      | \$9,074             | 0.0592%       | 0.0024%                   |
| CACI Int'l            | CACI   | US               | 24                     | \$1,417             | 0.0092%       | 0.0022%                   |
| Cadence Design Sys.   | CDNS   | US               | 7                      | \$3,477             | 0.0227%       | 0.0016%                   |
| Caesars Entertainment | CZR    | US               | 21                     | \$1,016             | 0.0066%       | 0.0014%                   |
| Cal-Maine Foods       | CALM   | US               | 8                      | \$926               | 0.0060%       | 0.0005%                   |
| Calavo Growers Inc.   | CVGW   | US               | 23                     | \$391               | 0.0025%       | 0.0006%                   |
| Calgon Carbon         | CCC    | US               | 17                     | \$792               | 0.0052%       | 0.0009%                   |
| California Water      | CWT    | US               | 10                     | \$791               | 0.0052%       | 0.0005%                   |
| Callaway Golf         | ELY    | US               | 12                     | \$393               | 0.0026%       | 0.0003%                   |
| Cambrex Corp.         | CBM    | US               | 4                      | \$373               | 0.0024%       | 0.0001%                   |
| Camden Property Trust | CPT    | US               | 9                      |                     |               |                           |
| Cameron Int'l Corp.   | CAM    | US               | 14                     | \$13,094            | 0.0854%       | 0.0120%                   |
| Campbell Soup         | CPB    | US               | 11                     | \$10,997            | 0.0717%       | 0.0079%                   |
| Capital One Fin'l     | COF    | US               | 8                      | \$28,604            | 0.1866%       | 0.0149%                   |
| Capital Trust         | CT     | US               | 15                     | \$73                | 0.0005%       | 0.0001%                   |
| CapitalSource         | CSE    | US               | 18                     | \$1,613             | 0.0105%       | 0.0019%                   |
| Capitol Fed. Fin'l    | CFFN   | US               | 12                     | \$1,857             | 0.0121%       | 0.0015%                   |
| CARBO Ceramics        | CRR    | US               | 31                     | \$1,645             | 0.0107%       | 0.0033%                   |
| Cardinal Health       | CAH    | US               | 20                     | \$13,795            | 0.0900%       | 0.0180%                   |
| Career Education      | CECO   | US               | 47                     | \$232               | 0.0015%       | 0.0007%                   |
| CareFusion Corp.      | CFN    | US               | 14                     | \$5,942             | 0.0388%       | 0.0054%                   |
| Caribou Coffee        | CBOU   | US               | 22                     | \$259               | 0.0017%       | 0.0004%                   |
| Carlisle Cos.         | CSL    | US               | 15                     | \$3,227             | 0.0211%       | 0.0032%                   |
| CarMax, Inc.          | KMX    | US               | 16                     | \$6,794             | 0.0443%       | 0.0071%                   |
| Carpenter Technology  | CRS    | US               | 15                     | \$2,672             | 0.0174%       | 0.0026%                   |
| Carriage Services     | CSV    | US               | 9                      | \$160               | 0.0010%       | 0.0001%                   |
| Carter's Inc.         | CRI    | US               | 10                     | \$3,119             | 0.0203%       | 0.0020%                   |
| Cascade Corp.         | CASC   | US               | 18                     | \$556               | 0.0036%       | 0.0007%                   |
| Casella Waste Sys.    | CWST   | US               | 53                     | \$122               | 0.0008%       | 0.0004%                   |
| Casey's Gen'l Stores  | CASY   | US               | 7                      | \$2,212             | 0.0144%       | 0.0010%                   |
| Cash Amer. Int'l      | CSH    | US               | 18                     | \$1,169             | 0.0076%       | 0.0014%                   |
| Caterpillar Inc.      | CAT    | US               | 20                     | \$57,873            | 0.3776%       | 0.0755%                   |
| Cato Corp.            | CATO   | US               | 6                      | \$875               | 0.0057%       | 0.0003%                   |
| Cbeyond, Inc.         | CBEY   | US               | 12                     | \$237               | 0.0015%       | 0.0002%                   |
| CBRE Group            | CBG    | US               | 19                     | \$5,743             | 0.0375%       | 0.0071%                   |
| CBS Corp. 'B'         | CBS    | US               | 10                     | \$23,102            | 0.1507%       | 0.0151%                   |
| CDI Corp.             | CDI    | US               | 13                     | \$323               | 0.0021%       | 0.0003%                   |
| CEC Entertainment     | CEC    | US               | 26                     | \$514               | 0.0034%       | 0.0009%                   |
| Cedar Fair L.P.       | FUN    | US               | 13                     | \$1,813             | 0.0118%       | 0.0015%                   |
| Celgene Corp.         | CELG   | US               | 14                     | \$30,417            | 0.1984%       | 0.0278%                   |
| CenterPoint Energy    | CNP    | US               | 3                      | \$8,725             | 0.0569%       | 0.0017%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Central Europe/Russia  | CEE    | US               | 16                     |                     |               |                           |
| Central European Dist. | CEDC   | US               | -100                   | \$208               | 0.0014%       | -0.0014%                  |
| Central Garden & Pet   | CENT   | US               | 13                     | \$497               | 0.0032%       | 0.0004%                   |
| CenturyLink Inc.       | CTL    | US               | 6                      | \$26,087            | 0.1702%       | 0.0102%                   |
| Cepheid                | CPHD   | US               | 9                      | \$2,414             | 0.0157%       | 0.0014%                   |
| Ceradyne Inc.          | CRDN   | US               | 26                     | \$575               | 0.0038%       | 0.0010%                   |
| Cerner Corp.           | CERN   | US               | 10                     | \$12,623            | 0.0824%       | 0.0082%                   |
| CF Industries          | CF     | US               | 6                      | \$13,537            | 0.0883%       | 0.0053%                   |
| CH Energy Group        | CHG    | US               | -1                     | \$975               | 0.0064%       | -0.0001%                  |
| Charles River          | CRL    | US               | 17                     | \$1,780             | 0.0116%       | 0.0020%                   |
| Chart Industries       | GTLS   | US               | -1                     | \$2,188             | 0.0143%       | -0.0001%                  |
| Checkpoint Systems     | CKP    | US               | 26                     | \$288               | 0.0019%       | 0.0005%                   |
| Cheesecake Factory     | CAKE   | US               | 12                     | \$1,767             | 0.0115%       | 0.0014%                   |
| Chemed Corp.           | CHE    | US               | 12                     | \$1,249             | 0.0081%       | 0.0010%                   |
| Chemical Financial     | CHFC   | US               | 16                     | \$629               | 0.0041%       | 0.0007%                   |
| Chesapeake Energy      | CHK    | US               | 21                     | \$12,222            | 0.0797%       | 0.0167%                   |
| Chevron Corp.          | CVX    | US               | 9                      | \$222,350           | 1.4506%       | 0.1306%                   |
| Chicago Bridge & Iron  | CBI    | US               | 18                     | \$3,669             | 0.0239%       | 0.0043%                   |
| Chico's FAS            | CHS    | US               | 18                     | \$2,658             | 0.0173%       | 0.0031%                   |
| Children's Place       | PLCE   | US               | 15                     | \$1,365             | 0.0089%       | 0.0013%                   |
| China Fund (The)       | CHN    | US               | 18                     |                     |               |                           |
| Chipotle Mex. Grill    | CMG    | US               | 13                     | \$9,500             | 0.0620%       | 0.0081%                   |
| Chiquita Brands Int'l  | CQB    | US               | 17                     | \$279               | 0.0018%       | 0.0003%                   |
| Choice Hotels Int'l    | CHH    | US               | 4                      | \$2,566             | 0.0167%       | 0.0007%                   |
| Christopher & Banks    | CBK    | US               | 5                      | \$88                | 0.0006%       | 0.0000%                   |
| Chubb Corp.            | CB     | US               | 6                      | \$19,590            | 0.1278%       | 0.0077%                   |
| Church & Dwight        | CHD    | US               | 6                      | \$7,384             | 0.0482%       | 0.0029%                   |
| Ciena Corp.            | CIEN   | US               | 9                      | \$1,709             | 0.0112%       | 0.0010%                   |
| CIGNA Corp.            | CI     | US               | 23                     | \$12,820            | 0.0836%       | 0.0192%                   |
| Cimarex Energy         | XEC    | US               | 12                     | \$5,307             | 0.0346%       | 0.0042%                   |
| Cincinnati Bell        | CBB    | US               | 12                     | \$892               | 0.0058%       | 0.0007%                   |
| Cincinnati Financial   | CINF   | US               | 5                      | \$6,360             | 0.0415%       | 0.0021%                   |
| Cinemark Hldgs.        | CNK    | US               | 15                     | \$2,715             | 0.0177%       | 0.0027%                   |
| Cintas Corp.           | CTAS   | US               | 10                     | \$5,213             | 0.0340%       | 0.0034%                   |
| Cirrus Logic           | CRUS   | US               | 8                      | \$2,534             | 0.0165%       | 0.0013%                   |
| Cisco Systems          | CSCO   | US               | 19                     | \$102,385           | 0.6679%       | 0.1269%                   |
| Citi Trends            | CTRN   | US               | 7                      | \$169               | 0.0011%       | 0.0001%                   |
| Citigroup Inc.         | C      | US               | 39                     | \$84,505            | 0.5513%       | 0.2150%                   |
| Citrix Sys.            | CTXS   | US               | 10                     | \$14,350            | 0.0936%       | 0.0094%                   |
| City National Corp.    | CYN    | US               | 10                     | \$2,663             | 0.0174%       | 0.0017%                   |
| CLARCOR Inc.           | CLC    | US               | 13                     | \$2,438             | 0.0159%       | 0.0021%                   |
| Clean Energy Fuels     | CLNE   | US               | 23                     | \$1,226             | 0.0080%       | 0.0018%                   |
| Clean Harbors          | CLH    | US               | 3                      | \$3,019             | 0.0197%       | 0.0006%                   |
| Clearwire Corp.        | CLWR   | US               | 24                     | \$943               | 0.0062%       | 0.0015%                   |
| Cleco Corp.            | CNL    | US               | 4                      | \$2,564             | 0.0167%       | 0.0007%                   |
| Cliffs Natural Res.    | CLF    | US               | 37                     | \$6,044             | 0.0394%       | 0.0146%                   |
| Clorox Co.             | CLX    | US               | 13                     | \$9,383             | 0.0612%       | 0.0080%                   |
| CME Group              | CME    | US               | 18                     | \$17,701            | 0.1155%       | 0.0208%                   |
| CMS Energy Corp.       | CMS    | US               | 5                      | \$6,178             | 0.0403%       | 0.0020%                   |

| Company                 | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                         |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| CNA Fin'l               | CNA    | US               | 20                     | \$7,081             | 0.0462%       | 0.0092%                   |
| Coach Inc.              | COH    | US               | 22                     | \$16,331            | 0.1065%       | 0.0234%                   |
| Coca-Cola               | KO     | US               | 11                     | \$178,054           | 1.1616%       | 0.1278%                   |
| Coca-Cola Bottling      | COKE   | US               | 12                     | \$616               | 0.0040%       | 0.0005%                   |
| Coca-Cola Enterprises   | CCE    | US               | 21                     | \$8,658             | 0.0565%       | 0.0119%                   |
| Cognex Corp.            | CGNX   | US               | 24                     | \$1,562             | 0.0102%       | 0.0024%                   |
| Cognizant Technology    | CTSH   | US               | 21                     | \$19,427            | 0.1267%       | 0.0266%                   |
| Coherent, Inc.          | COHR   | US               | 17                     | \$1,155             | 0.0075%       | 0.0013%                   |
| Coinstar Inc.           | CSTR   | US               | 26                     | \$1,593             | 0.0104%       | 0.0027%                   |
| Coldwater Creek         | CWTR   | US               | 30                     | \$65                | 0.0004%       | 0.0001%                   |
| Colgate-Palmolive       | CL     | US               | 12                     | \$50,181            | 0.3274%       | 0.0393%                   |
| Collective Brands       | PSS    | US               | 9                      | \$1,326             | 0.0087%       | 0.0008%                   |
| Columbia Sportswear     | COLM   | US               | 9                      | \$1,709             | 0.0111%       | 0.0010%                   |
| Columbus McKinnon       | CMCO   | US               | 17                     | \$291               | 0.0019%       | 0.0003%                   |
| Comcast Corp.           | CMCSA  | US               | 14                     | \$91,353            | 0.5960%       | 0.0834%                   |
| Comerica Inc.           | CMA    | US               | 13                     | \$6,086             | 0.0397%       | 0.0052%                   |
| Commerce Bancshs.       | CBSH   | US               | 6                      | \$3,467             | 0.0226%       | 0.0014%                   |
| Commercial Metals       | CMC    | US               | 20                     | \$1,577             | 0.0103%       | 0.0021%                   |
| Commercial Vehicle      | CVGI   | US               | 22                     | \$254               | 0.0017%       | 0.0004%                   |
| Community Health        | CYH    | US               | 26                     | \$2,250             | 0.0147%       | 0.0038%                   |
| Compass Minerals Int'l  | CMP    | US               | 16                     | \$2,388             | 0.0156%       | 0.0025%                   |
| Computer Prog. & Sys.   | CPSI   | US               | 24                     | \$524               | 0.0034%       | 0.0008%                   |
| Computer Sciences       | CSC    | US               | 19                     | \$4,981             | 0.0325%       | 0.0062%                   |
| Compuware Corp.         | CPWR   | US               | 12                     | \$2,147             | 0.0140%       | 0.0017%                   |
| Comtech Telecom.        | CMTL   | US               | 8                      | \$521               | 0.0034%       | 0.0003%                   |
| Con-way Inc.            | CNW    | US               | 21                     | \$1,727             | 0.0113%       | 0.0024%                   |
| ConAgra Foods           | CAG    | US               | 14                     | \$10,271            | 0.0670%       | 0.0094%                   |
| Concur Techn.           | CNQR   | US               | 12                     | \$3,912             | 0.0255%       | 0.0031%                   |
| Conmed Corp.            | CNMD   | US               | 15                     | \$770               | 0.0050%       | 0.0008%                   |
| ConocoPhillips          | COP    | US               | 13                     | \$69,897            | 0.4560%       | 0.0593%                   |
| CONSOL Energy           | CNX    | US               | 20                     | \$7,328             | 0.0478%       | 0.0096%                   |
| Consol. Communic.       | CNSL   | US               | 18                     | \$490               | 0.0032%       | 0.0006%                   |
| Consol. Edison          | ED     | US               | 1                      | \$18,100            | 0.1181%       | 0.0012%                   |
| Consolidated Graphics   | CGX    | US               | 26                     | \$260               | 0.0017%       | 0.0004%                   |
| Constellation Brands    | STZ    | US               | 10                     | \$5,663             | 0.0369%       | 0.0037%                   |
| Convergys Corp.         | CVG    | US               | 14                     | \$1,721             | 0.0112%       | 0.0016%                   |
| Cooper Cos.             | COO    | US               | 6                      | \$3,933             | 0.0257%       | 0.0015%                   |
| Cooper Inds.            | CBE    | US               | 6                      | \$11,845            | 0.0773%       | 0.0046%                   |
| Cooper Tire & Rubber    | CTB    | US               | 13                     | \$1,256             | 0.0082%       | 0.0011%                   |
| Copano Energy           | CPNO   | US               | 12                     | \$2,150             | 0.0140%       | 0.0017%                   |
| Copart, Inc.            | CPRT   | US               | 12                     | \$3,305             | 0.0216%       | 0.0026%                   |
| Core-Mark Holding       | CORE   | US               | 7                      | \$542               | 0.0035%       | 0.0002%                   |
| Corinthian Colleges     | COCO   | US               | 36                     | \$199               | 0.0013%       | 0.0005%                   |
| Corning Inc.            | GLW    | US               | 29                     | \$17,508            | 0.1142%       | 0.0331%                   |
| Corporate Executive     | CEB    | US               | 3                      | \$1,597             | 0.0104%       | 0.0003%                   |
| Corrections Corp. Amer. | CXW    | US               | 7                      | \$3,323             | 0.0217%       | 0.0015%                   |
| CoStar Group            | CSGP   | US               | 1                      | \$2,308             | 0.0151%       | 0.0002%                   |
| Costco Wholesale        | COST   | US               | 5                      | \$41,799            | 0.2727%       | 0.0136%                   |
| Covance Inc.            | CVD    | US               | 10                     | \$2,670             | 0.0174%       | 0.0017%                   |

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|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Covanta Holding Corp. | CVA    | US               | 7                      | \$2,334             | 0.0152%       | 0.0011%                   |
| Coventry Health Care  | CVH    | US               | 10                     | \$4,939             | 0.0322%       | 0.0032%                   |
| Cracker Barrel        | CBRL   | US               | 9                      | \$1,471             | 0.0096%       | 0.0009%                   |
| Crane Co.             | CR     | US               | 21                     | \$2,340             | 0.0153%       | 0.0032%                   |
| Crawford & Co. 'B'    | CRD/B  | US               | 42                     | \$227               | 0.0015%       | 0.0006%                   |
| Cree, Inc.            | CREE   | US               | 28                     | \$3,293             | 0.0215%       | 0.0060%                   |
| Crocs, Inc.           | CROX   | US               | 23                     | \$1,515             | 0.0099%       | 0.0023%                   |
| Cross Country Health. | CCRN   | US               | 42                     | \$127               | 0.0008%       | 0.0003%                   |
| Crosstex Energy       | XTXI   | US               | 25                     | \$610               | 0.0040%       | 0.0010%                   |
| Crown Castle Int'l    | CCI    | US               | -3                     | \$18,199            | 0.1187%       | -0.0036%                  |
| Crown Holdings        | CCK    | US               | 24                     | \$5,481             | 0.0358%       | 0.0086%                   |
| CryoLife Inc.         | CRY    | US               | 42                     | \$143               | 0.0009%       | 0.0004%                   |
| CSG Systems Int'l     | CSGS   | US               | 8                      | \$635               | 0.0041%       | 0.0003%                   |
| CSX Corp.             | CSX    | US               | 19                     | \$24,117            | 0.1573%       | 0.0299%                   |
| CTS Corp.             | CTS    | US               | 14                     | \$323               | 0.0021%       | 0.0003%                   |
| Cubic Corp.           | CUB    | US               | 10                     | \$1,312             | 0.0086%       | 0.0009%                   |
| Cubist Pharm.         | CBST   | US               | 6                      | \$2,759             | 0.0180%       | 0.0011%                   |
| Cullen/Frost Bankers  | CFR    | US               | 8                      | \$3,467             | 0.0226%       | 0.0018%                   |
| Culp Inc.             | CFI    | US               | 22                     | \$129               | 0.0008%       | 0.0002%                   |
| Cummins Inc.          | CMI    | US               | 19                     | \$19,412            | 0.1266%       | 0.0241%                   |
| Curtiss-Wright        | CW     | US               | 16                     | \$1,409             | 0.0092%       | 0.0015%                   |
| Cutera, Inc.          | CUTR   | US               | 16                     | \$103               | 0.0007%       | 0.0001%                   |
| CVR Partners, LP      | UAN    | US               | 12                     | \$1,892             | 0.0123%       | 0.0015%                   |
| CVS Caremark Corp.    | CVS    | US               | 17                     | \$56,877            | 0.3711%       | 0.0631%                   |
| Cyberonics            | CYBX   | US               | 11                     | \$1,236             | 0.0081%       | 0.0009%                   |
| Cymer Inc.            | CYMI   | US               | 8                      | \$1,900             | 0.0124%       | 0.0010%                   |
| Cypress Semic.        | CY     | US               | 34                     | \$1,869             | 0.0122%       | 0.0041%                   |
| Cytex Inds.           | CYT    | US               | 5                      | \$3,009             | 0.0196%       | 0.0010%                   |
| Daktronics Inc.       | DAKT   | US               | 31                     | \$334               | 0.0022%       | 0.0007%                   |
| Dana Holding Corp.    | DAN    | US               | 20                     | \$2,139             | 0.0140%       | 0.0028%                   |
| Danaher Corp.         | DHR    | US               | 20                     | \$37,125            | 0.2422%       | 0.0484%                   |
| Darden Restaurants    | DRI    | US               | 14                     | \$6,945             | 0.0453%       | 0.0063%                   |
| DaVita Inc.           | DVA    | US               | 8                      | \$9,287             | 0.0606%       | 0.0048%                   |
| DDR Corp.             | DDR    | US               | 17                     |                     |               |                           |
| DealerTrack Hldgs.    | TRAK   | US               | 11                     | \$1,201             | 0.0078%       | 0.0009%                   |
| Dean Foods            | DF     | US               | 11                     | \$3,027             | 0.0198%       | 0.0022%                   |
| Deckers Outdoor       | DECK   | US               | 30                     | \$1,794             | 0.0117%       | 0.0035%                   |
| Deere & Co.           | DE     | US               | 15                     | \$30,033            | 0.1959%       | 0.0294%                   |
| Dell Inc.             | DELL   | US               | 29                     | \$21,537            | 0.1405%       | 0.0407%                   |
| Delta Air Lines       | DAL    | US               | 22                     | \$7,630             | 0.0498%       | 0.0110%                   |
| Deluxe Corp.          | DLX    | US               | 15                     | \$1,427             | 0.0093%       | 0.0014%                   |
| Denbury Resources     | DNR    | US               | 25                     | \$6,090             | 0.0397%       | 0.0099%                   |
| Dendreon Corp.        | DNDN   | US               | 44                     | \$719               | 0.0047%       | 0.0021%                   |
| Dentsply Int'l        | XRAY   | US               | 15                     | \$5,540             | 0.0361%       | 0.0054%                   |
| Devon Energy          | DVN    | US               | 19                     | \$23,821            | 0.1554%       | 0.0295%                   |
| DeVry Inc.            | DV     | US               | 41                     | \$1,318             | 0.0086%       | 0.0035%                   |
| DexCom Inc.           | DXCM   | US               | 17                     | \$885               | 0.0058%       | 0.0010%                   |
| Diamond Foods         | DMND   | US               | 37                     | \$409               | 0.0027%       | 0.0010%                   |
| Diamond Offshore      | DO     | US               | 17                     | \$9,428             | 0.0615%       | 0.0105%                   |

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|-------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                         |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Dick's Sporting Goods   | DKS    | US               | 12                     | \$6,093             | 0.0398%       | 0.0048%                   |
| Diebold, Inc.           | DBD    | US               | 19                     | \$2,107             | 0.0137%       | 0.0026%                   |
| Digital River           | DRIV   | US               | 21                     | \$538               | 0.0035%       | 0.0007%                   |
| DigitalGlobe, Inc.      | DGI    | US               | -1                     | \$984               | 0.0064%       | -0.0001%                  |
| Dillard's, Inc.         | DDS    | US               | 11                     | \$3,667             | 0.0239%       | 0.0026%                   |
| DineEquity Inc.         | DIN    | US               | 9                      | \$969               | 0.0063%       | 0.0006%                   |
| DIRECTV                 | DTV    | US               | 29                     | \$32,762            | 0.2137%       | 0.0620%                   |
| Discover Fin'l Svcs.    | DFS    | US               | 17                     | \$19,557            | 0.1276%       | 0.0217%                   |
| Discovery Communic.     | DISCA  | US               | 10                     | \$20,204            | 0.1318%       | 0.0132%                   |
| Dish Network 'A'        | DISH   | US               | 17                     | \$13,967            | 0.0911%       | 0.0155%                   |
| Disney (Walt)           | DIS    | US               | 9                      | \$90,897            | 0.5930%       | 0.0534%                   |
| Dixie Group             | DXYN   | US               | 32                     | \$42                | 0.0003%       | 0.0001%                   |
| DNP Select Inc. Fund    | DNP    | US               | 3                      |                     |               |                           |
| Dolby Labs.             | DLB    | US               | 20                     | \$3,721             | 0.0243%       | 0.0049%                   |
| Dole Food               | DOLE   | US               | 8                      | \$1,122             | 0.0073%       | 0.0006%                   |
| Dollar General          | DG     | US               | 15                     | \$17,022            | 0.1110%       | 0.0167%                   |
| Dollar Tree, Inc.       | DLTR   | US               | 11                     | \$11,394            | 0.0743%       | 0.0082%                   |
| Dominion Resources      | D      | US               | 5                      | \$30,932            | 0.2018%       | 0.0101%                   |
| Domino's Pizza          | DPZ    | US               | 4                      | \$2,009             | 0.0131%       | 0.0005%                   |
| Donaldson Co.           | DCI    | US               | 8                      | \$5,215             | 0.0340%       | 0.0027%                   |
| Donnelley (R.R.) & Sons | RRD    | US               | 28                     | \$2,241             | 0.0146%       | 0.0041%                   |
| Dorman Products         | DORM   | US               | 6                      | \$1,075             | 0.0070%       | 0.0004%                   |
| Douglas Dynamics        | PLOW   | US               | 11                     | \$307               | 0.0020%       | 0.0002%                   |
| Dover Corp.             | DOV    | US               | 20                     | \$10,637            | 0.0694%       | 0.0139%                   |
| Dow Chemical            | DOW    | US               | 29                     | \$36,003            | 0.2349%       | 0.0681%                   |
| Dr Pepper Snapple       | DPS    | US               | 12                     | \$9,456             | 0.0617%       | 0.0074%                   |
| DreamWorks Animation    | DWA    | US               | 11                     | \$1,486             | 0.0097%       | 0.0011%                   |
| Dresser-Rand Group      | DRC    | US               | 18                     | \$3,833             | 0.0250%       | 0.0045%                   |
| Drew Industries         | DW     | US               | 10                     | \$657               | 0.0043%       | 0.0004%                   |
| Dril-Quip, Inc.         | DRQ    | US               | 10                     | \$2,894             | 0.0189%       | 0.0019%                   |
| DSP Group               | DSPG   | US               | 4                      | \$126               | 0.0008%       | 0.0000%                   |
| DST Systems             | DST    | US               | 13                     | \$2,277             | 0.0149%       | 0.0019%                   |
| DSW Inc.                | DSW    | US               | 15                     | \$2,663             | 0.0174%       | 0.0026%                   |
| DTE Energy              | DTE    | US               | 3                      | \$10,372            | 0.0677%       | 0.0020%                   |
| DTS, Inc.               | DTSI   | US               | 30                     | \$355               | 0.0023%       | 0.0007%                   |
| Du Pont                 | DD     | US               | 24                     | \$47,037            | 0.3069%       | 0.0736%                   |
| Duke Energy             | DUK    | US               | 3                      | \$29,741            | 0.1940%       | 0.0058%                   |
| Duke Realty Corp.       | DRE    | US               | 10                     |                     |               |                           |
| Dun & Bradstreet        | DNB    | US               | 17                     | \$3,999             | 0.0261%       | 0.0044%                   |
| Dunkin' Brands Group    | DNKN   | US               | 12                     | \$3,743             | 0.0244%       | 0.0029%                   |
| DWS High Income         | KHI    | US               | -1                     |                     |               |                           |
| Dycom Inds.             | DY     | US               | 23                     | \$646               | 0.0042%       | 0.0010%                   |
| Dynamic Materials       | BOOM   | US               | 23                     | \$218               | 0.0014%       | 0.0003%                   |
| E*Trade Fin'l           | ETFC   | US               | 36                     | \$2,442             | 0.0159%       | 0.0057%                   |
| Eagle Bulk Shipping     | EGLE   | US               | 16                     | \$46                | 0.0003%       | 0.0000%                   |
| Eagle Materials         | EXP    | US               | -2                     | \$1,835             | 0.0120%       | -0.0002%                  |
| EarthLink, Inc.         | ELNK   | US               | 20                     | \$710               | 0.0046%       | 0.0009%                   |
| East West Bancorp       | EWBC   | US               | 12                     | \$3,134             | 0.0204%       | 0.0025%                   |
| Eastman Chemical        | EMN    | US               | 16                     | \$7,577             | 0.0494%       | 0.0079%                   |



| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Eaton Corp.            | ETN    | US               | 25                     | \$15,546            | 0.1014%       | 0.0254%                   |
| Eaton Vance Corp.      | EV     | US               | 25                     | \$3,077             | 0.0201%       | 0.0050%                   |
| eBay Inc.              | EBAY   | US               | 9                      | \$58,978            | 0.3848%       | 0.0346%                   |
| Echelon Corp.          | ELON   | US               | 56                     | \$145               | 0.0009%       | 0.0005%                   |
| EchoStar Corp.         | SATS   | US               | 7                      | \$2,481             | 0.0162%       | 0.0011%                   |
| Ecolab Inc.            | ECL    | US               | 7                      | \$19,531            | 0.1274%       | 0.0089%                   |
| Edison Int'l           | EIX    | US               | 3                      | \$14,684            | 0.0958%       | 0.0029%                   |
| Edwards Lifesciences   | EW     | US               | 7                      | \$11,276            | 0.0736%       | 0.0051%                   |
| Einstein Noah Rest.    | BAGL   | US               | 12                     | \$294               | 0.0019%       | 0.0002%                   |
| El Paso Electric       | EE     | US               | 6                      | \$1,337             | 0.0087%       | 0.0005%                   |
| El Paso Pipeline       | EPB    | US               | 16                     | \$7,249             | 0.0473%       | 0.0076%                   |
| Electr. for Imaging    | EFII   | US               | 19                     | \$716               | 0.0047%       | 0.0009%                   |
| Electro Scientific     | ESIO   | US               | 17                     | \$342               | 0.0022%       | 0.0004%                   |
| Electronic Arts        | EA     | US               | 31                     | \$4,392             | 0.0287%       | 0.0089%                   |
| Elizabeth Arden        | RDEN   | US               | 2                      | \$1,348             | 0.0088%       | 0.0002%                   |
| EMC Corp.              | EMC    | US               | 13                     | \$55,112            | 0.3595%       | 0.0467%                   |
| EMCOR Group            | EME    | US               | 9                      | \$1,873             | 0.0122%       | 0.0011%                   |
| EMCORE Corp.           | EMKR   | US               | -2                     | \$127               | 0.0008%       | 0.0000%                   |
| Emerson Electric       | EMR    | US               | 14                     | \$37,992            | 0.2479%       | 0.0347%                   |
| Empire Dist. Elec.     | EDE    | US               | 5                      | \$902               | 0.0059%       | 0.0003%                   |
| Emulex Corp.           | ELX    | US               | 34                     | \$616               | 0.0040%       | 0.0014%                   |
| Endo Health Solns.     | ENDP   | US               | 14                     | \$3,805             | 0.0248%       | 0.0035%                   |
| Energen Corp.          | EGN    | US               | 13                     | \$3,789             | 0.0247%       | 0.0032%                   |
| Energizer Holdings     | ENR    | US               | 19                     | \$4,322             | 0.0282%       | 0.0054%                   |
| Energy Transfer        | ETP    | US               | 13                     | \$10,059            | 0.0656%       | 0.0085%                   |
| EnergySolutions        | ES     | US               | 61                     | \$225               | 0.0015%       | 0.0009%                   |
| EnerNOC, Inc.          | ENOC   | US               | 16                     | \$255               | 0.0017%       | 0.0003%                   |
| Ensco plc              | ESV    | US               | 15                     | \$13,179            | 0.0860%       | 0.0129%                   |
| Entergy Corp.          | ETR    | US               | 5                      | \$12,335            | 0.0805%       | 0.0040%                   |
| Enterprise Products    | EPD    | US               | 12                     | \$46,949            | 0.3063%       | 0.0368%                   |
| Enzo Biochem           | ENZ    | US               | 28                     | \$59                | 0.0004%       | 0.0001%                   |
| Enzon Pharmac.         | ENZN   | US               | 3                      | \$316               | 0.0021%       | 0.0001%                   |
| EOG Resources          | EOG    | US               | 12                     | \$29,946            | 0.1954%       | 0.0234%                   |
| EQT Corp.              | EQT    | US               | 13                     | \$8,388             | 0.0547%       | 0.0071%                   |
| Equifax, Inc.          | EFX    | US               | 17                     | \$5,571             | 0.0363%       | 0.0062%                   |
| Equinix, Inc.          | EQIX   | US               | 7                      | \$8,893             | 0.0580%       | 0.0041%                   |
| Equity Residential     | EQR    | US               | 9                      |                     |               |                           |
| Erie Indemnity Co.     | ERIE   | US               | 6                      | \$3,021             | 0.0197%       | 0.0012%                   |
| ESCO Technologies      | ESE    | US               | 14                     | \$970               | 0.0063%       | 0.0009%                   |
| Esterline Technologies | ESL    | US               | 16                     | \$1,688             | 0.0110%       | 0.0018%                   |
| Ethan Allen Interiors  | ETH    | US               | 15                     | \$645               | 0.0042%       | 0.0006%                   |
| European Equity Fund   | EEA    | US               | 14                     |                     |               |                           |
| Everest Re Group Ltd.  | RE     | US               | 7                      | \$5,520             | 0.0360%       | 0.0025%                   |
| Exelixis, Inc.         | EXEL   | US               | 30                     | \$653               | 0.0043%       | 0.0013%                   |
| Exelon Corp.           | EXC    | US               | 10                     | \$31,948            | 0.2084%       | 0.0208%                   |
| Expedia Inc.           | EXPE   | US               | 15                     | \$7,089             | 0.0462%       | 0.0069%                   |
| Expeditors Int'l       | EXPD   | US               | 25                     | \$8,064             | 0.0526%       | 0.0132%                   |
| Express Scripts        | ESRX   | US               | 18                     | \$49,297            | 0.3216%       | 0.0579%                   |
| Express, Inc.          | EXPR   | US               | 31                     | \$1,414             | 0.0092%       | 0.0029%                   |

| Company                  | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|--------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                          |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Extreme Networks         | EXTR   | US               | 45                     | \$308               | 0.0020%       | 0.0009%                   |
| Exxon Mobil Corp.        | XOM    | US               | 11                     | \$409,295           | 2.6702%       | 0.2937%                   |
| EZCORP, Inc.             | EZPW   | US               | 23                     | \$1,195             | 0.0078%       | 0.0018%                   |
| F5 Networks              | FFIV   | US               | 22                     | \$8,221             | 0.0536%       | 0.0118%                   |
| Facebook Inc.            | FB     | US               | 22                     | \$42,493            | 0.2772%       | 0.0610%                   |
| FactSet Research         | FDS    | US               | 15                     | \$4,208             | 0.0275%       | 0.0041%                   |
| Fair Isaac               | FICO   | US               | 15                     | \$1,494             | 0.0097%       | 0.0015%                   |
| Fairchild Semic.         | FCS    | US               | 23                     | \$1,955             | 0.0128%       | 0.0029%                   |
| Family Dollar Stores     | FDO    | US               | 10                     | \$7,564             | 0.0493%       | 0.0049%                   |
| FARO Technologies        | FARO   | US               | 23                     | \$614               | 0.0040%       | 0.0009%                   |
| Fastenal Co.             | FAST   | US               | 9                      | \$12,844            | 0.0838%       | 0.0075%                   |
| Federal Rlty. Inv. Trust | FRT    | US               |                        |                     |               |                           |
| Federal Signal           | FSS    | US               | 16                     | \$374               | 0.0024%       | 0.0004%                   |
| Federal-Mogul Corp.      | FDML   | US               | 35                     | \$982               | 0.0064%       | 0.0022%                   |
| Federated Investors      | FII    | US               | 20                     | \$2,120             | 0.0138%       | 0.0028%                   |
| FedEx Corp.              | FDX    | US               | 20                     | \$28,448            | 0.1856%       | 0.0371%                   |
| FEI Company              | FEIC   | US               | 17                     | \$2,132             | 0.0139%       | 0.0024%                   |
| FelCor Lodging Tr.       | FCH    | US               | 28                     |                     |               |                           |
| Ferro Corp.              | FOE    | US               | 43                     | \$300               | 0.0020%       | 0.0008%                   |
| Fifth & Pacific Co.      | FPN    | US               | 2                      | \$1,414             | 0.0092%       | 0.0002%                   |
| Fifth Third Bancorp      | FITB   | US               | 17                     | \$13,184            | 0.0860%       | 0.0146%                   |
| Finisar Corp.            | FNSR   | US               | 40                     | \$1,364             | 0.0089%       | 0.0036%                   |
| Finish Line (The)        | FINL   | US               | 11                     | \$1,156             | 0.0075%       | 0.0008%                   |
| First Cash Fin'l Svcs    | FCFS   | US               | 14                     | \$1,214             | 0.0079%       | 0.0011%                   |
| First Commonwealth       | FCF    | US               | 25                     | \$726               | 0.0047%       | 0.0012%                   |
| First Horizon National   | FHN    | US               | 14                     | \$2,183             | 0.0142%       | 0.0020%                   |
| First Midwest Bancorp    | FMBI   | US               | 10                     | \$877               | 0.0057%       | 0.0006%                   |
| First Niagara Finl Group | FNFG   | US               | 28                     | \$2,853             | 0.0186%       | 0.0052%                   |
| First Solar, Inc.        | FSLR   | US               | 17                     | \$1,869             | 0.0122%       | 0.0021%                   |
| FirstEnergy Corp.        | FE     | US               | 8                      | \$19,230            | 0.1255%       | 0.0100%                   |
| FirstMerit Corp.         | FMER   | US               | 11                     | \$1,718             | 0.0112%       | 0.0012%                   |
| Fiserv Inc.              | FISV   | US               | 11                     | \$9,693             | 0.0632%       | 0.0070%                   |
| Flextronics Int'l        | FLEX   | US               | 21                     | \$4,411             | 0.0288%       | 0.0060%                   |
| FLIR Systems             | FLIR   | US               | 26                     | \$3,160             | 0.0206%       | 0.0054%                   |
| Flowers Foods            | FLO    | US               | 14                     | \$2,706             | 0.0177%       | 0.0025%                   |
| Flowserve Corp.          | FLS    | US               | 7                      | \$6,587             | 0.0430%       | 0.0030%                   |
| Fluor Corp.              | FLR    | US               | 22                     | \$9,104             | 0.0594%       | 0.0131%                   |
| Flushing Financial       | FFIC   | US               | 12                     | \$449               | 0.0029%       | 0.0004%                   |
| FMC Corp.                | FMC    | US               | 2                      | \$7,632             | 0.0498%       | 0.0010%                   |
| FMC Technologies         | FTI    | US               | 17                     | \$11,400            | 0.0744%       | 0.0126%                   |
| Foot Locker              | FL     | US               | 9                      | \$5,227             | 0.0341%       | 0.0031%                   |
| Ford Motor               | F      | US               | 28                     | \$36,576            | 0.2386%       | 0.0668%                   |
| Forest City Enterpr.     | FCE/A  | US               | 2                      | \$2,529             | 0.0165%       | 0.0003%                   |
| Forest Labs.             | FRX    | US               | 2                      | \$9,121             | 0.0595%       | 0.0012%                   |
| Forest Oil               | FST    | US               | 29                     | \$885               | 0.0058%       | 0.0017%                   |
| Forrester Research       | FORR   | US               | 18                     | \$667               | 0.0043%       | 0.0008%                   |
| Fortress Investment      | FIG    | US               | 36                     | \$880               | 0.0057%       | 0.0021%                   |
| Fortune Brands Home      | FBHS   | US               | 2                      | \$3,895             | 0.0254%       | 0.0005%                   |
| Forward Air              | FWRD   | US               | 18                     | \$983               | 0.0064%       | 0.0012%                   |

| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Fossil Inc.           | FOSL   | US               | 20                     | \$5,382             | 0.0351%       | 0.0070%                   |
| Foster Wheeler AG     | FWLT   | US               | 17                     | \$2,157             | 0.0141%       | 0.0024%                   |
| Franklin Electric     | FELE   | US               | 12                     | \$1,313             | 0.0086%       | 0.0010%                   |
| Franklin Resources    | BEN    | US               | 5                      | \$25,462            | 0.1661%       | 0.0083%                   |
| Fred's Inc. 'A'       | FRED   | US               | 14                     | \$574               | 0.0037%       | 0.0005%                   |
| Freep't-McMoRan C&G   | FCX    | US               | 17                     | \$134,037           | 0.8744%       | 0.1487%                   |
| Fresh Market (The)    | TFM    | US               | 8                      | \$2,883             | 0.0188%       | 0.0015%                   |
| Frontier Communic.    | FTR    | US               | 17                     | \$4,653             | 0.0304%       | 0.0052%                   |
| FSI Int'l             | FSII   | US               | 23                     | \$242               | 0.0016%       | 0.0004%                   |
| FTI Consulting        | FCN    | US               | 35                     | \$1,042             | 0.0068%       | 0.0024%                   |
| Fuel Sys. Solns.      | FSYS   | US               | 30                     | \$366               | 0.0024%       | 0.0007%                   |
| FuelCell Energy       | FCEL   | US               | 31                     | \$190               | 0.0012%       | 0.0004%                   |
| Fuller (H.B.)         | FUL    | US               | 9                      | \$1,487             | 0.0097%       | 0.0009%                   |
| Furniture Brands      | FBN    | US               | 40                     | \$62                | 0.0004%       | 0.0002%                   |
| G&K Services 'A'      | GKSR   | US               | 17                     | \$620               | 0.0040%       | 0.0007%                   |
| G't Plains Energy     | GXP    | US               | 3                      | \$2,975             | 0.0194%       | 0.0006%                   |
| Gabelli Equity        | GAB    | US               | 10                     |                     |               |                           |
| Gallagher (Arthur J.) | AJG    | US               | 7                      | \$4,333             | 0.0283%       | 0.0020%                   |
| GameStop Corp.        | GME    | US               | 29                     | \$2,373             | 0.0155%       | 0.0045%                   |
| Gannett Co.           | GCI    | US               | 10                     | \$3,592             | 0.0234%       | 0.0023%                   |
| Gap (The), Inc.       | GPS    | US               | 5                      | \$16,861            | 0.1100%       | 0.0055%                   |
| Gardner Denver        | GDI    | US               | 11                     | \$3,018             | 0.0197%       | 0.0022%                   |
| Garmin Ltd.           | GRMN   | US               | 7                      | \$8,016             | 0.0523%       | 0.0037%                   |
| Gartner Inc.          | IT     | US               | 3                      | \$4,512             | 0.0294%       | 0.0009%                   |
| GATX Corp.            | GMT    | US               | 12                     | \$2,006             | 0.0131%       | 0.0016%                   |
| Gaylord Entertainm.   | GET    | US               | 3                      | \$1,935             | 0.0126%       | 0.0004%                   |
| Gen'l Amer. Invest    | GAM    | US               | 12                     |                     |               |                           |
| Gen'l Cable           | BGC    | US               | 28                     | \$1,422             | 0.0093%       | 0.0026%                   |
| Gen'l Communic. 'A'   | GNCMA  | US               | 15                     | \$401               | 0.0026%       | 0.0004%                   |
| Gen'l Dynamics        | GD     | US               | 14                     | \$23,058            | 0.1504%       | 0.0211%                   |
| Gen'l Electric        | GE     | US               | 18                     | \$222,264           | 1.4500%       | 0.2610%                   |
| Gen'l Mills           | GIS    | US               | 12                     | \$24,961            | 0.1628%       | 0.0195%                   |
| Genco Shipping        | GNK    | US               | 27                     | \$149               | 0.0010%       | 0.0003%                   |
| GenCorp Inc.          | GY     | US               | 11                     | \$522               | 0.0034%       | 0.0004%                   |
| General Motors        | GM     | US               | 25                     | \$33,402            | 0.2179%       | 0.0545%                   |
| Genesco Inc.          | GCO    | US               | 8                      | \$1,661             | 0.0108%       | 0.0009%                   |
| Genesee & Wyoming     | GWR    | US               | 10                     | \$2,727             | 0.0178%       | 0.0018%                   |
| Genomic Health        | GHDX   | US               | 2                      | \$1,085             | 0.0071%       | 0.0001%                   |
| GenOn Energy          | GEN    | US               | 4                      | \$1,937             | 0.0126%       | 0.0005%                   |
| Gentex Corp.          | GNTX   | US               | 26                     | \$2,635             | 0.0172%       | 0.0045%                   |
| Genuine Parts         | GPC    | US               | 13                     | \$9,930             | 0.0648%       | 0.0084%                   |
| Genworth Fin'l        | GNW    | US               | 44                     | \$2,538             | 0.0166%       | 0.0073%                   |
| Geo Group (The)       | GEO    | US               | 12                     | \$1,558             | 0.0102%       | 0.0012%                   |
| GeoEye, Inc.          | GEOY   | US               | 19                     | \$621               | 0.0041%       | 0.0008%                   |
| Georgia Gulf          | GGC    | US               | 11                     | \$1,289             | 0.0084%       | 0.0009%                   |
| Gibraltar Inds.       | ROCK   | US               | 27                     | \$338               | 0.0022%       | 0.0006%                   |
| Gilead Sciences       | GILD   | US               | 5                      | \$42,866            | 0.2797%       | 0.0140%                   |
| Gladstone Capital     | GLAD   | US               | 21                     | \$183               | 0.0012%       | 0.0003%                   |
| Glatfelter            | GLT    | US               | 18                     | \$701               | 0.0046%       | 0.0008%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Global Payments        | GPN    | US               | 12                     | \$3,264             | 0.0213%       | 0.0026%                   |
| GNC Holdings           | GNC    | US               | 9                      | \$3,804             | 0.0248%       | 0.0022%                   |
| Goldman Sachs          | GS     | US               | 22                     | \$51,249            | 0.3343%       | 0.0736%                   |
| Goodyear Tire          | GT     | US               | 24                     | \$2,880             | 0.0188%       | 0.0045%                   |
| Google, Inc.           | GOOG   | US               | 13                     | \$219,991           | 1.4352%       | 0.1866%                   |
| Gorman-Rupp Co.        | GRC    | US               | 13                     | \$587               | 0.0038%       | 0.0005%                   |
| Graco Inc.             | GGG    | US               | 9                      | \$3,025             | 0.0197%       | 0.0018%                   |
| Grainger (W.W.)        | GWV    | US               | 5                      | \$14,364            | 0.0937%       | 0.0047%                   |
| Granite Construction   | GVA    | US               | 12                     | \$1,011             | 0.0066%       | 0.0008%                   |
| Greatbatch, Inc.       | GB     | US               | 18                     | \$559               | 0.0036%       | 0.0007%                   |
| Green Mtn. Coffee      | GMCR   | US               | 49                     | \$3,868             | 0.0252%       | 0.0124%                   |
| Greif, Inc.            | GEF    | US               | 22                     | \$1,970             | 0.0129%       | 0.0028%                   |
| Griffon Corp.          | GFF    | US               | 22                     | \$560               | 0.0037%       | 0.0008%                   |
| Group 1 Automotive     | GPI    | US               | 15                     | \$1,180             | 0.0077%       | 0.0012%                   |
| GT Advanced Tech.      | GTAT   | US               | 40                     | \$727               | 0.0047%       | 0.0019%                   |
| Guess Inc.             | GES    | US               | 26                     | \$2,954             | 0.0193%       | 0.0050%                   |
| Haemonetics Corp.      | HAE    | US               | 13                     | \$1,840             | 0.0120%       | 0.0016%                   |
| Hain Celestial Group   | HAIN   | US               | 7                      | \$2,431             | 0.0159%       | 0.0011%                   |
| Halliburton Co.        | HAL    | US               | 25                     | \$32,688            | 0.2133%       | 0.0533%                   |
| Hancock Holding        | HBHC   | US               | 20                     | \$2,571             | 0.0168%       | 0.0034%                   |
| Hanesbrands, Inc.      | HBI    | US               | 14                     | \$3,174             | 0.0207%       | 0.0029%                   |
| Hanover Insurance      | THG    | US               | 26                     | \$1,604             | 0.0105%       | 0.0027%                   |
| Harley-Davidson        | HOG    | US               | 17                     | \$9,819             | 0.0641%       | 0.0109%                   |
| Harman Int'l           | HAR    | US               | 18                     | \$3,232             | 0.0211%       | 0.0038%                   |
| Harmonic, Inc.         | HLIT   | US               | 40                     | \$521               | 0.0034%       | 0.0014%                   |
| Harris & Harris Group  | TINY   | US               | 25                     |                     |               |                           |
| Harris Corp.           | HRS    | US               | 18                     | \$5,179             | 0.0338%       | 0.0061%                   |
| Harris Teeter Super.   | HTSI   | US               | 4                      | \$1,976             | 0.0129%       | 0.0005%                   |
| Harsco Corp.           | HSC    | US               | 14                     | \$1,763             | 0.0115%       | 0.0016%                   |
| Harte-Hanks            | HHS    | US               | 29                     | \$441               | 0.0029%       | 0.0008%                   |
| Hartford Fin'l Svcs.   | HIG    | US               | 27                     | \$7,839             | 0.0511%       | 0.0138%                   |
| Hasbro, Inc.           | HAS    | US               | 12                     | \$4,981             | 0.0325%       | 0.0039%                   |
| Haverty Furniture      | HVT    | US               | 18                     | \$267               | 0.0017%       | 0.0003%                   |
| Hawaiian Elec.         | HE     | US               | 4                      | \$2,666             | 0.0174%       | 0.0007%                   |
| Hawaiian Hldgs.        | HA     | US               | 20                     | \$311               | 0.0020%       | 0.0004%                   |
| HCC Insurance Hldgs.   | HCC    | US               | 13                     | \$3,326             | 0.0217%       | 0.0028%                   |
| HCP Inc.               | HCP    | US               | 8                      |                     |               |                           |
| Headwaters Inc.        | HW     | US               | -13                    | \$429               | 0.0028%       | -0.0004%                  |
| Health Care REIT       | HCN    | US               | 11                     |                     |               |                           |
| Health Mgmt. Assoc.    | HMA    | US               | 36                     | \$1,771             | 0.0116%       | 0.0042%                   |
| Health Net             | HNT    | US               | 20                     | \$1,797             | 0.0117%       | 0.0023%                   |
| Healthcare R'lty Trust | HR     | US               | 2                      |                     |               |                           |
| Healthcare Svcs.       | HCSG   | US               | 9                      | \$1,448             | 0.0094%       | 0.0009%                   |
| Healthways Inc.        | HWAY   | US               | 19                     | \$363               | 0.0024%       | 0.0004%                   |
| Heartland Express      | HTLD   | US               | 14                     | \$1,168             | 0.0076%       | 0.0011%                   |
| HEICO Corp.            | HEI    | US               | 17                     | \$1,856             | 0.0121%       | 0.0021%                   |
| Heidrick & Struggles   | HSII   | US               | 37                     | \$227               | 0.0015%       | 0.0005%                   |
| Heinz (H.J.)           | HNZ    | US               | 12                     | \$17,767            | 0.1159%       | 0.0139%                   |
| Helen of Troy Ltd.     | HELE   | US               | 22                     | \$983               | 0.0064%       | 0.0014%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Helix Energy Solutions | HLX    | US               | 13                     | \$2,001             | 0.0131%       | 0.0017%                   |
| Helmerich & Payne      | HP     | US               | 18                     | \$5,130             | 0.0335%       | 0.0060%                   |
| Henry (Jack) & Assoc.  | JKHY   | US               | 8                      | \$3,224             | 0.0210%       | 0.0017%                   |
| Hershey Co.            | HSY    | US               | 9                      | \$16,129            | 0.1052%       | 0.0095%                   |
| Hertz Global Hldgs.    | HTZ    | US               | 28                     | \$5,363             | 0.0350%       | 0.0098%                   |
| Hess Corp.             | HES    | US               | 21                     | \$16,930            | 0.1104%       | 0.0232%                   |
| Hewlett-Packard        | HPQ    | US               | 28                     | \$38,611            | 0.2519%       | 0.0705%                   |
| Hexcel Corp.           | HXL    | US               | 8                      | \$2,412             | 0.0157%       | 0.0013%                   |
| Hi-Tech Pharmacal      | HITK   | US               | 5                      | \$468               | 0.0031%       | 0.0002%                   |
| Hibbett Sports         | HIBB   | US               | 7                      | \$1,627             | 0.0106%       | 0.0007%                   |
| Hill-Rom Hldgs.        | HRC    | US               | 19                     | \$1,695             | 0.0111%       | 0.0021%                   |
| Hillenbrand, Inc.      | HI     | US               | 16                     | \$1,176             | 0.0077%       | 0.0012%                   |
| HNI Corp.              | HNI    | US               | 16                     | \$1,273             | 0.0083%       | 0.0013%                   |
| HollyFrontier Corp.    | HFC    | US               | 11                     | \$8,208             | 0.0535%       | 0.0059%                   |
| Hologic, Inc.          | HOLX   | US               | 13                     | \$5,246             | 0.0342%       | 0.0044%                   |
| Home Depot             | HD     | US               | 7                      | \$86,154            | 0.5621%       | 0.0393%                   |
| Honeywell Int'l        | HON    | US               | 14                     | \$45,866            | 0.2992%       | 0.0419%                   |
| Hormel Foods           | HRL    | US               | 14                     | \$7,473             | 0.0488%       | 0.0068%                   |
| Horton D.R.            | DHI    | US               | 9                      | \$6,039             | 0.0394%       | 0.0035%                   |
| Hospira Inc.           | HSP    | US               | 19                     | \$5,589             | 0.0365%       | 0.0069%                   |
| Hospitality Properties | HPT    | US               | 20                     |                     |               |                           |
| Host Hotels & Resorts  | HST    | US               | 18                     |                     |               |                           |
| Hot Topic, Inc.        | HOTT   | US               | 17                     | \$414               | 0.0027%       | 0.0005%                   |
| Hovnanian Enterpr. 'A' | HOV    | US               | 24                     | \$335               | 0.0022%       | 0.0005%                   |
| HSN, Inc.              | HSNI   | US               | 12                     | \$2,480             | 0.0162%       | 0.0019%                   |
| Hub Group              | HUBG   | US               | 16                     | \$1,213             | 0.0079%       | 0.0013%                   |
| Hubbell Inc. 'B'       | HUB/B  | US               | 6                      | \$4,845             | 0.0316%       | 0.0019%                   |
| Hudson City Bancorp    | HCBK   | US               | 20                     | \$3,528             | 0.0230%       | 0.0046%                   |
| Humana Inc.            | HUM    | US               | 23                     | \$11,085            | 0.0723%       | 0.0166%                   |
| Hunt (J.B.)            | JBHT   | US               | 8                      | \$6,543             | 0.0427%       | 0.0034%                   |
| Huntington Bancshs.    | HBAN   | US               | 12                     | \$5,594             | 0.0365%       | 0.0044%                   |
| Huntington Ingalls     | HII    | US               | 3                      | \$1,999             | 0.0130%       | 0.0004%                   |
| Huntsman Corp.         | HUN    | US               | 24                     | \$3,490             | 0.0228%       | 0.0055%                   |
| Huron Consulting       | HURN   | US               | 12                     | \$735               | 0.0048%       | 0.0006%                   |
| Hutchinson Techn.      | HTCH   | US               | 18                     | \$37                | 0.0002%       | 0.0000%                   |
| Hyatt Hotels           | H      | US               | 16                     | \$6,296             | 0.0411%       | 0.0066%                   |
| IAC/InterActiveCorp    | IACI   | US               | 19                     | \$4,661             | 0.0304%       | 0.0058%                   |
| Iconix Brand Group     | ICON   | US               | 16                     | \$1,276             | 0.0083%       | 0.0013%                   |
| ICU Medical            | ICUI   | US               | 9                      | \$801               | 0.0052%       | 0.0005%                   |
| IDACORP, Inc.          | IDA    | US               | 5                      | \$2,137             | 0.0139%       | 0.0007%                   |
| IDEX Corp.             | IEX    | US               | 13                     | \$3,389             | 0.0221%       | 0.0029%                   |
| IDEXX Labs.            | IDXX   | US               | 2                      | \$5,145             | 0.0336%       | 0.0007%                   |
| IHS Inc.               | IHS    | US               | 4                      | \$7,455             | 0.0486%       | 0.0019%                   |
| II-VI Inc.             | IIVI   | US               | 18                     | \$1,164             | 0.0076%       | 0.0014%                   |
| Illinois Tool Works    | ITW    | US               | 16                     | \$27,974            | 0.1825%       | 0.0292%                   |
| Illumina Inc.          | ILMN   | US               | 18                     | \$5,075             | 0.0331%       | 0.0060%                   |
| Imation Corp.          | IMN    | US               | 8                      | \$220               | 0.0014%       | 0.0001%                   |
| Incyte Corp.           | INCY   | US               | 33                     | \$2,442             | 0.0159%       | 0.0053%                   |
| Inergy, L.P.           | NRGY   | US               | 18                     | \$2,465             | 0.0161%       | 0.0029%                   |

| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Infinera Corp.        | INFN   | US               | 27                     | \$650               | 0.0042%       | 0.0011%                   |
| Informatica Corp.     | INFA   | US               | 16                     | \$3,405             | 0.0222%       | 0.0036%                   |
| Ingersoll-Rand        | IR     | US               | 18                     | \$14,311            | 0.0934%       | 0.0168%                   |
| Ingles Markets        | IMKTA  | US               | 23                     | \$398               | 0.0026%       | 0.0006%                   |
| Ingram Micro 'A'      | IM     | US               | 24                     | \$2,343             | 0.0153%       | 0.0037%                   |
| Ingredion Inc.        | INGR   | US               | 9                      | \$4,118             | 0.0269%       | 0.0024%                   |
| Insight Enterprises   | NSIT   | US               | 25                     | \$820               | 0.0054%       | 0.0013%                   |
| Int'l Business Mach.  | IBM    | US               | 9                      | \$229,515           | 1.4973%       | 0.1348%                   |
| Int'l Flavors & Frag. | IFF    | US               | 10                     | \$5,072             | 0.0331%       | 0.0033%                   |
| Int'l Game Tech.      | IGT    | US               | 34                     | \$3,219             | 0.0210%       | 0.0071%                   |
| Int'l Paper           | IP     | US               | 18                     | \$15,257            | 0.0995%       | 0.0179%                   |
| Int'l Rectifier       | IRF    | US               | 13                     | \$1,297             | 0.0085%       | 0.0011%                   |
| Int'l Speedway 'A'    | ISCA   | US               | 11                     | \$1,177             | 0.0077%       | 0.0008%                   |
| Integra LifeSciences  | IART   | US               | 21                     | \$1,053             | 0.0069%       | 0.0014%                   |
| Integrated Device     | IDTI   | US               | 29                     | \$785               | 0.0051%       | 0.0015%                   |
| Integrus Energy       | TEG    | US               | 2                      | \$4,442             | 0.0290%       | 0.0006%                   |
| Intel Corp.           | INTC   | US               | 20                     | \$133,296           | 0.8696%       | 0.1739%                   |
| Inter Parfums         | IPAR   | US               | 19                     | \$528               | 0.0034%       | 0.0007%                   |
| IntercontinentalExch. | ICE    | US               | 19                     | \$9,868             | 0.0644%       | 0.0122%                   |
| InterDigital Inc.     | IDCC   | US               | -4                     | \$1,416             | 0.0092%       | -0.0004%                  |
| Interface Inc. 'A'    | IFSIA  | US               | 17                     | \$888               | 0.0058%       | 0.0010%                   |
| Intermec Inc.         | IN     | US               | 36                     | \$361               | 0.0024%       | 0.0008%                   |
| Interpublic Group     | IPG    | US               | 19                     | \$4,843             | 0.0316%       | 0.0060%                   |
| Intersil Corp. 'A'    | ISIL   | US               | 25                     | \$1,208             | 0.0079%       | 0.0020%                   |
| Intuit Inc.           | INTU   | US               | 16                     | \$17,680            | 0.1153%       | 0.0185%                   |
| Intuitive Surgical    | ISRG   | US               | 2                      | \$20,547            | 0.1340%       | 0.0027%                   |
| Invacare Corp.        | IVC    | US               | 17                     | \$426               | 0.0028%       | 0.0005%                   |
| Invesco Ltd.          | IVZ    | US               | 21                     | \$10,712            | 0.0699%       | 0.0147%                   |
| Investment Techn.     | ITG    | US               | 34                     | \$316               | 0.0021%       | 0.0007%                   |
| Investors Bancorp     | ISBC   | US               | 12                     | \$1,723             | 0.0112%       | 0.0013%                   |
| ION Geophysical       | IO     | US               | 21                     | \$1,211             | 0.0079%       | 0.0017%                   |
| iRobot Corp.          | IRBT   | US               | 20                     | \$704               | 0.0046%       | 0.0009%                   |
| Iron Mountain         | IRM    | US               | 13                     | \$5,726             | 0.0374%       | 0.0049%                   |
| Isis Pharmac.         | ISIS   | US               | 5                      | \$1,359             | 0.0089%       | 0.0004%                   |
| ITC Holdings          | ITC    | US               | 15                     | \$3,695             | 0.0241%       | 0.0036%                   |
| Itron Inc.            | ITRI   | US               | 20                     | \$1,757             | 0.0115%       | 0.0023%                   |
| ITT Corp.             | ITT    | US               | 19                     | \$1,918             | 0.0125%       | 0.0024%                   |
| ITT Educational       | ESI    | US               | 42                     | \$747               | 0.0049%       | 0.0020%                   |
| J&J Snack Foods       | JJSF   | US               | 4                      | \$1,084             | 0.0071%       | 0.0003%                   |
| j2 Global             | JCOM   | US               | 8                      | \$1,310             | 0.0085%       | 0.0007%                   |
| Jabil Circuit         | JBL    | US               | 23                     | \$4,734             | 0.0309%       | 0.0071%                   |
| Jack in the Box       | JACK   | US               | -1                     | \$1,154             | 0.0075%       | -0.0001%                  |
| Jacobs Engineering    | JEC    | US               | 17                     | \$5,300             | 0.0346%       | 0.0059%                   |
| Janus Capital Group   | JNS    | US               | 20                     | \$1,583             | 0.0103%       | 0.0021%                   |
| Japan Equity Fund     | JEQ    | US               | 16                     |                     |               |                           |
| Japan Smaller Cap Fd  | JOE    | US               | 17                     |                     |               |                           |
| Jarden Corp.          | JAH    | US               | 4                      | \$3,890             | 0.0254%       | 0.0010%                   |
| JDS Uniphase          | JDSU   | US               | 23                     | \$2,735             | 0.0178%       | 0.0041%                   |
| Jefferies Group       | JEF    | US               | 35                     | \$3,012             | 0.0197%       | 0.0069%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| JetBlue Airways        | JBLU   | US               | 30                     | \$1,450             | 0.0095%       | 0.0028%                   |
| Johnson & Johnson      | JNJ    | US               | 10                     | \$187,588           | 1.2238%       | 0.1224%                   |
| Johnson Controls       | JCI    | US               | 28                     | \$18,466            | 0.1205%       | 0.0337%                   |
| Jones Group (The)      | JNY    | US               | 12                     | \$869               | 0.0057%       | 0.0007%                   |
| Jones Lang LaSalle     | JLL    | US               | 14                     | \$3,112             | 0.0203%       | 0.0028%                   |
| Joseph A. Bank         | JOSB   | US               | 16                     | \$1,131             | 0.0074%       | 0.0012%                   |
| Journal Communications | JRN    | US               | 14                     | \$309               | 0.0020%       | 0.0003%                   |
| Joy Global             | JOY    | US               | 22                     | \$5,925             | 0.0387%       | 0.0085%                   |
| JPMorgan Chase         | JPM    | US               | 19                     | \$141,765           | 0.9249%       | 0.1757%                   |
| Juniper Networks       | JNPR   | US               | 24                     | \$9,781             | 0.0638%       | 0.0153%                   |
| K-Swiss, Inc.          | KSWI   | US               | 45                     | \$106               | 0.0007%       | 0.0003%                   |
| Kadant Inc.            | KAI    | US               | 21                     | \$260               | 0.0017%       | 0.0004%                   |
| Kaman Corp.            | KAMN   | US               | 17                     | \$882               | 0.0058%       | 0.0010%                   |
| Kansas City South'n    | KSU    | US               | 14                     | \$8,427             | 0.0550%       | 0.0077%                   |
| Kaydon Corp.           | KDN    | US               | 29                     | \$722               | 0.0047%       | 0.0014%                   |
| KB Home                | KBH    | US               | 12                     | \$840               | 0.0055%       | 0.0007%                   |
| KBR, Inc.              | KBR    | US               | 19                     | \$4,114             | 0.0268%       | 0.0051%                   |
| Kellogg                | K      | US               | 15                     | \$18,297            | 0.1194%       | 0.0179%                   |
| Kelly Services 'A'     | KELYA  | US               | 26                     | \$476               | 0.0031%       | 0.0008%                   |
| Kemper Corp.           | KMPR   | US               | 16                     | \$1,836             | 0.0120%       | 0.0019%                   |
| Kennametal Inc.        | KMT    | US               | 23                     | \$2,984             | 0.0195%       | 0.0045%                   |
| Kenneth Cole 'A'       | KCP    | US               | 19                     | \$279               | 0.0018%       | 0.0003%                   |
| KeyCorp                | KEY    | US               | 13                     | \$7,964             | 0.0520%       | 0.0068%                   |
| Kimball Int'l 'B'      | KBALB  | US               | 7                      | \$436               | 0.0028%       | 0.0002%                   |
| Kimberly-Clark         | KMB    | US               | 8                      | \$32,929            | 0.2148%       | 0.0172%                   |
| Kimco Realty           | KIM    | US               | 6                      |                     |               |                           |
| Kinder Morgan Energy   | KMP    | US               | 12                     | \$28,807            | 0.1879%       | 0.0226%                   |
| Kirby Corp.            | KEX    | US               | 17                     | \$3,088             | 0.0201%       | 0.0034%                   |
| KKR & Co. L.P.         | KKR    | US               | 33                     | \$3,089             | 0.0202%       | 0.0067%                   |
| KLA-Tencor             | KLAC   | US               | 18                     | \$8,920             | 0.0582%       | 0.0105%                   |
| Knight Capital Group   | KCG    | US               | 19                     | \$256               | 0.0017%       | 0.0003%                   |
| Knight Transportation  | KNX    | US               | 25                     | \$1,215             | 0.0079%       | 0.0020%                   |
| Kohl's Corp.           | KSS    | US               | 22                     | \$12,429            | 0.0811%       | 0.0178%                   |
| Korea Fund             | KF     | US               | 14                     |                     |               |                           |
| Korn/Ferry Int'l       | KFY    | US               | 21                     | \$694               | 0.0045%       | 0.0010%                   |
| Kraft Foods            | KFT    | US               | 13                     | \$72,228            | 0.4712%       | 0.0613%                   |
| Krispy Kreme           | KKD    | US               | 13                     | \$444               | 0.0029%       | 0.0004%                   |
| Kroger Co.             | KR     | US               | 21                     | \$12,149            | 0.0793%       | 0.0166%                   |
| Kronos Worldwide       | KRO    | US               | 20                     | \$2,135             | 0.0139%       | 0.0028%                   |
| Kulicke & Soffa        | KLIC   | US               | 18                     | \$886               | 0.0058%       | 0.0010%                   |
| L-3 Communic.          | LLL    | US               | 18                     | \$6,645             | 0.0434%       | 0.0078%                   |
| La-Z-Boy Inc.          | LZB    | US               | 19                     | \$694               | 0.0045%       | 0.0009%                   |
| Laboratory Corp.       | LH     | US               | 14                     | \$8,536             | 0.0557%       | 0.0078%                   |
| Laclede Group          | LG     | US               | 6                      | \$972               | 0.0063%       | 0.0004%                   |
| Lam Research           | LRCX   | US               | 24                     | \$4,215             | 0.0275%       | 0.0066%                   |
| Lamar Advertising      | LAMR   | US               | -4                     | \$3,033             | 0.0198%       | -0.0008%                  |
| Lancaster Colony       | LANC   | US               | 3                      | \$1,888             | 0.0123%       | 0.0004%                   |
| Landauer, Inc.         | LDR    | US               | 16                     | \$572               | 0.0037%       | 0.0006%                   |
| Las Vegas Sands        | LVS    | US               | 32                     | \$31,315            | 0.2043%       | 0.0654%                   |

| Company                  | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|--------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                          |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Lattice Semiconductor    | LSCC   | US               | 32                     | \$472               | 0.0031%       | 0.0010%                   |
| Lauder (Estee)           | EL     | US               | 11                     | \$23,824            | 0.1554%       | 0.0171%                   |
| Lawson Products          | LAWS   | US               | 21                     | \$80                | 0.0005%       | 0.0001%                   |
| Layne Christensen        | LAYN   | US               | 26                     | \$404               | 0.0026%       | 0.0007%                   |
| LCA-Vision               | LCAV   | US               | 21                     | \$70                | 0.0005%       | 0.0001%                   |
| Leap Wireless            | LEAP   | US               | 20                     | \$472               | 0.0031%       | 0.0006%                   |
| LeapFrog Enterpr. 'A'    | LF     | US               | 9                      | \$767               | 0.0050%       | 0.0005%                   |
| Lear Corp.               | LEA    | US               | 18                     | \$3,969             | 0.0259%       | 0.0047%                   |
| Learning Tree Int'l      | LTRE   | US               | 16                     | \$56                | 0.0004%       | 0.0001%                   |
| Legg Mason               | LM     | US               | 20                     | \$3,469             | 0.0226%       | 0.0045%                   |
| Leggett & Platt          | LEG    | US               | 16                     | \$3,322             | 0.0217%       | 0.0035%                   |
| Lennar Corp.             | LEN    | US               | 5                      | \$6,134             | 0.0400%       | 0.0020%                   |
| Lennox Int'l             | LII    | US               | 8                      | \$2,399             | 0.0157%       | 0.0013%                   |
| Lexmark Int'l 'A'        | LXK    | US               | 27                     | \$1,444             | 0.0094%       | 0.0025%                   |
| Liberty All-Star         | USA    | US               | 11                     |                     |               |                           |
| Liberty Global           | LBTYA  | US               | 1                      | \$15,159            | 0.0989%       | 0.0010%                   |
| Liberty Property         | LRV    | US               | 7                      |                     |               |                           |
| Life Technologies        | LIFE   | US               | 13                     | \$8,295             | 0.0541%       | 0.0070%                   |
| LifePoint Hospitals      | LPNT   | US               | 17                     | \$1,945             | 0.0127%       | 0.0022%                   |
| Lilly (Eli)              | LLY    | US               | 3                      | \$47,824            | 0.3120%       | 0.0094%                   |
| Limited Brands           | LTD    | US               | 6                      | \$14,267            | 0.0931%       | 0.0056%                   |
| Lincare Holdings         | LNCR   | US               |                        | \$3,436             | 0.0224%       |                           |
| Lincoln Elec Hldgs.      | LECO   | US               | 14                     | \$3,523             | 0.0230%       | 0.0032%                   |
| Lincoln Nat'l Corp.      | LNC    | US               | 21                     | \$6,850             | 0.0447%       | 0.0094%                   |
| Lindsay Corp.            | LNN    | US               | 3                      | \$914               | 0.0060%       | 0.0002%                   |
| Linear Technology        | LLTC   | US               | 16                     | \$7,642             | 0.0499%       | 0.0080%                   |
| LinkedIn                 | LNKD   | US               | 4                      | \$10,948            | 0.0714%       | 0.0029%                   |
| Linn Energy, LLC         | LINE   | US               | 18                     | \$7,863             | 0.0513%       | 0.0092%                   |
| Live Nation Entertain.   | LYV    | US               | 15                     | \$1,654             | 0.0108%       | 0.0016%                   |
| LKQ Corp.                | LKQ    | US               | 10                     | \$5,653             | 0.0369%       | 0.0037%                   |
| Lockheed Martin          | LMT    | US               | 8                      | \$29,870            | 0.1949%       | 0.0156%                   |
| LodgeNet Interactive     | LNET   | US               | 106                    | \$14                | 0.0001%       | 0.0001%                   |
| Loews Corp.              | L      | US               | 11                     | \$16,080            | 0.1049%       | 0.0115%                   |
| Logitech Int'l           | LOGI   | US               | 24                     | \$1,362             | 0.0089%       | 0.0021%                   |
| Lorillard Inc.           | LO     | US               | 19                     | \$16,899            | 0.1102%       | 0.0209%                   |
| Louisiana-Pacific        | LPX    | US               | 3                      | \$1,796             | 0.0117%       | 0.0004%                   |
| Lowe's Cos.              | LOW    | US               | 18                     | \$32,583            | 0.2126%       | 0.0383%                   |
| LSI Corp.                | LSI    | US               | 49                     | \$4,351             | 0.0284%       | 0.0139%                   |
| Lumber Liquidators       | LL     | US               | -2                     | \$1,239             | 0.0081%       | -0.0002%                  |
| M&T Bank Corp.           | MTB    | US               | 15                     | \$10,988            | 0.0717%       | 0.0108%                   |
| M.D.C. Holdings          | MDC    | US               | 9                      | \$1,619             | 0.0106%       | 0.0010%                   |
| Mack-Cali R'lty          | CLI    | US               | 16                     |                     |               |                           |
| Macquarie Infrastructure | MIC    | US               | 10                     | \$1,959             | 0.0128%       | 0.0013%                   |
| Macy's Inc.              | M      | US               | 13                     | \$16,005            | 0.1044%       | 0.0136%                   |
| Madden (Steven) Ltd.     | SHOO   | US               | 10                     | \$1,842             | 0.0120%       | 0.0012%                   |
| Madison Square Garden    | MSG    | US               | 3                      | \$2,867             | 0.0187%       | 0.0006%                   |
| Magellan Midstream       | MMP    | US               |                        | \$9,412             | 0.0614%       |                           |
| Maidenform Brands        | MFB    | US               | 17                     | \$496               | 0.0032%       | 0.0005%                   |
| Manhattan Assoc.         | MANH   | US               | 11                     | \$997               | 0.0065%       | 0.0007%                   |



| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Manitowoc Co.          | MTW    | US               | 27                     | \$1,716             | 0.0112%       | 0.0030%                   |
| Manpower Inc.          | MAN    | US               | 30                     | \$2,973             | 0.0194%       | 0.0058%                   |
| ManTech Int'l 'A'      | MANT   | US               | 38                     | \$822               | 0.0054%       | 0.0020%                   |
| Marathon Oil Corp.     | MRO    | US               | 12                     | \$19,289            | 0.1258%       | 0.0151%                   |
| Marathon Petroleum     | MPC    | US               | 9                      | \$16,901            | 0.1103%       | 0.0099%                   |
| Marcus Corp.           | MCS    | US               | 14                     | \$391               | 0.0026%       | 0.0004%                   |
| MarineMax              | HZO    | US               | 28                     | \$171               | 0.0011%       | 0.0003%                   |
| Markel Corp.           | MKL    | US               | 12                     | \$4,210             | 0.0275%       | 0.0033%                   |
| Marriott Int'l         | MAR    | US               | 16                     | \$12,201            | 0.0796%       | 0.0127%                   |
| Marsh & McLennan       | MMC    | US               | 12                     | \$18,651            | 0.1217%       | 0.0146%                   |
| Martha Stewart         | MSO    | US               | 32                     | \$209               | 0.0014%       | 0.0004%                   |
| Martin Marietta        | MLM    | US               | 12                     | \$3,579             | 0.0233%       | 0.0028%                   |
| Masco Corp.            | MAS    | US               | 20                     | \$4,804             | 0.0313%       | 0.0063%                   |
| Masimo Corp.           | MASI   | US               | 27                     | \$1,271             | 0.0083%       | 0.0022%                   |
| MasTec                 | MTZ    | US               | 13                     | \$1,483             | 0.0097%       | 0.0013%                   |
| MasterCard Inc.        | MA     | US               | 11                     | \$53,521            | 0.3492%       | 0.0384%                   |
| Materion Corp.         | MTRN   | US               | 35                     | \$418               | 0.0027%       | 0.0010%                   |
| Matson, Inc.           | MATX   | US               | 21                     | \$1,096             | 0.0072%       | 0.0015%                   |
| Mattel, Inc.           | MAT    | US               | 6                      | \$12,160            | 0.0793%       | 0.0048%                   |
| Matthews Int'l         | MATW   | US               | 24                     | \$844               | 0.0055%       | 0.0013%                   |
| Maxim Integrated       | MXIM   | US               | 12                     | \$8,415             | 0.0549%       | 0.0066%                   |
| MAXIMUS Inc.           | MMS    | US               | 10                     | \$1,801             | 0.0117%       | 0.0012%                   |
| McClatchy Co.          | MNI    | US               | 35                     | \$147               | 0.0010%       | 0.0003%                   |
| McCormick & Co.        | MKC    | US               | 11                     | \$7,937             | 0.0518%       | 0.0057%                   |
| McDermott Int'l        | MDR    | US               | 30                     | \$2,753             | 0.0180%       | 0.0054%                   |
| McDonald's Corp.       | MCD    | US               | 11                     | \$88,197            | 0.5754%       | 0.0633%                   |
| McGraw-Hill            | MHP    | US               | -55                    | \$13,763            | 0.0898%       | -0.0494%                  |
| McKesson Corp.         | MCK    | US               | 11                     | \$20,927            | 0.1365%       | 0.0150%                   |
| MDU Resources          | MDU    | US               | 8                      | \$4,217             | 0.0275%       | 0.0022%                   |
| Mead Johnson Nutrition | MJN    | US               | 6                      | \$14,894            | 0.0972%       | 0.0058%                   |
| MeadWestvaco           | MWV    | US               | 23                     | \$4,985             | 0.0325%       | 0.0075%                   |
| MedAssets              | MDAS   | US               | 7                      | \$934               | 0.0061%       | 0.0004%                   |
| Media General 'A'      | MEG    | US               |                        | \$117               | 0.0008%       |                           |
| Medical Action Inds.   | MDCI   | US               | 32                     | \$62                | 0.0004%       | 0.0001%                   |
| Medicines Company      | MDCO   | US               | 7                      | \$1,342             | 0.0088%       | 0.0006%                   |
| Medicis Pharmac.       | MRX    | US               | 32                     | \$1,886             | 0.0123%       | 0.0039%                   |
| MEDNAX, Inc.           | MD     | US               | 11                     | \$3,372             | 0.0220%       | 0.0024%                   |
| Medtronic, Inc.        | MDT    | US               | 15                     | \$41,975            | 0.2738%       | 0.0411%                   |
| MEMC Elec. Mat'ls      | WFR    | US               | 36                     | \$621               | 0.0041%       | 0.0015%                   |
| Men's Wearhouse        | MW     | US               | 20                     | \$1,514             | 0.0099%       | 0.0020%                   |
| Mentor Graphics        | MENT   | US               | 16                     | \$1,754             | 0.0114%       | 0.0018%                   |
| Merck & Co.            | MRK    | US               | 6                      | \$133,530           | 0.8711%       | 0.0523%                   |
| Mercury Computer Sys.  | MRCY   | US               | 28                     | \$288               | 0.0019%       | 0.0005%                   |
| Mercury General        | MCY    | US               | 14                     | \$2,056             | 0.0134%       | 0.0019%                   |
| Meredith Corp.         | MDP    | US               | 16                     | \$1,489             | 0.0097%       | 0.0016%                   |
| Meridian Bioscience    | VIVO   | US               | 12                     | \$750               | 0.0049%       | 0.0006%                   |
| Meritor, Inc.          | MTOR   | US               | 33                     | \$464               | 0.0030%       | 0.0010%                   |
| MetLife Inc.           | MET    | US               | 20                     | \$36,685            | 0.2393%       | 0.0479%                   |
| Metro PCS Communic.    | PCS    | US               | 13                     | \$3,459             | 0.0226%       | 0.0029%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Mettler-Toledo Int'l   | MTD    | US               | 9                      | \$5,189             | 0.0339%       | 0.0030%                   |
| Mexico Fund            | MXF    | US               | 6                      |                     |               |                           |
| MFS Multimarket        | MMT    | US               | 2                      |                     |               |                           |
| MGE Energy             | MGEE   | US               | 2                      | \$1,164             | 0.0076%       | 0.0002%                   |
| MGIC Investment        | MTG    | US               | -7                     | \$240               | 0.0016%       | -0.0001%                  |
| MGM Resorts Int'l      | MGM    | US               | 18                     | \$5,070             | 0.0331%       | 0.0060%                   |
| Micrel Inc.            | MCRL   | US               | 13                     | \$597               | 0.0039%       | 0.0005%                   |
| Microchip Technology   | MCHP   | US               | 20                     | \$6,897             | 0.0450%       | 0.0090%                   |
| Micron Technology      | MU     | US               | 20                     | \$6,574             | 0.0429%       | 0.0086%                   |
| MICROS Systems         | MCRS   | US               | 14                     | \$3,850             | 0.0251%       | 0.0035%                   |
| Microsoft Corp.        | MSFT   | US               | 19                     | \$257,967           | 1.6829%       | 0.3198%                   |
| Middleby Corp. (The)   | MIDD   | US               | 4                      | \$2,181             | 0.0142%       | 0.0006%                   |
| Middlesex Water        | MSEX   | US               | 7                      | \$302               | 0.0020%       | 0.0001%                   |
| Miller (Herman)        | MLHR   | US               | 20                     | \$1,149             | 0.0075%       | 0.0015%                   |
| Mine Safety Appliance  | MSA    | US               | 18                     | \$1,319             | 0.0086%       | 0.0015%                   |
| Minerals Techn.        | MTX    | US               | 9                      | \$1,222             | 0.0080%       | 0.0007%                   |
| MKS Instruments        | MKSI   | US               | 14                     | \$1,458             | 0.0095%       | 0.0013%                   |
| Modine Mfg.            | MOD    | US               | 26                     | \$329               | 0.0021%       | 0.0006%                   |
| Mohawk Inds.           | MHK    | US               | 8                      | \$5,118             | 0.0334%       | 0.0027%                   |
| Molex Inc.             | MOLX   | US               | 13                     | \$4,790             | 0.0312%       | 0.0041%                   |
| Monsanto Co.           | MON    | US               | 15                     | \$47,012            | 0.3067%       | 0.0460%                   |
| Monster Beverage       | MNST   | US               | 10                     | \$10,631            | 0.0694%       | 0.0069%                   |
| Monster Worldwide      | MWW    | US               | 38                     | \$794               | 0.0052%       | 0.0020%                   |
| Moody's Corp.          | MCO    | US               | 13                     | \$8,719             | 0.0569%       | 0.0074%                   |
| Moog Inc. 'A'          | MOG/A  | US               | 14                     | \$1,737             | 0.0113%       | 0.0016%                   |
| Morgan Stanley         | MS     | US               | 30                     | \$28,850            | 0.1882%       | 0.0565%                   |
| Mosaic Company         | MOS    | US               | 18                     | \$25,373            | 0.1655%       | 0.0298%                   |
| Motorola Solutions     | MSI    | US               | 14                     | \$13,791            | 0.0900%       | 0.0126%                   |
| Movado Group           | MOV    | US               | 6                      | \$695               | 0.0045%       | 0.0003%                   |
| MSC Industrial Direct  | MSM    | US               | 22                     | \$4,369             | 0.0285%       | 0.0063%                   |
| MTS Systems            | MTSC   | US               | 14                     | \$807               | 0.0053%       | 0.0007%                   |
| Mueller Inds.          | MLI    | US               | 7                      | \$1,714             | 0.0112%       | 0.0008%                   |
| Mueller Water Prod.    | MWA    | US               | 11                     | \$625               | 0.0041%       | 0.0004%                   |
| Murphy Oil Corp.       | MUR    | US               | 24                     | \$10,641            | 0.0694%       | 0.0167%                   |
| Myers Inds.            | MYE    | US               | 10                     | \$512               | 0.0033%       | 0.0003%                   |
| Mylan Inc.             | MYL    | US               | 6                      | \$9,635             | 0.0629%       | 0.0038%                   |
| Myriad Genetics        | MYGN   | US               | 10                     | \$2,046             | 0.0133%       | 0.0013%                   |
| Nasdaq OMX Group       | NDAQ   | US               | 28                     | \$3,915             | 0.0255%       | 0.0072%                   |
| Nash Finch Co.         | NAFC   | US               | 30                     | \$234               | 0.0015%       | 0.0005%                   |
| Nat'l Fin'l Partners   | NFP    | US               | 21                     | \$614               | 0.0040%       | 0.0008%                   |
| National CineMedia     | NCMI   | US               | 16                     | \$778               | 0.0051%       | 0.0008%                   |
| National Fuel Gas      | NFG    | US               | 17                     | \$4,228             | 0.0276%       | 0.0047%                   |
| National Instruments   | NATI   | US               | 16                     | \$3,212             | 0.0210%       | 0.0034%                   |
| National Oilwell Varco | NOV    | US               | 18                     | \$33,332            | 0.2175%       | 0.0391%                   |
| National Presto Ind.   | NPK    | US               | 4                      | \$513               | 0.0033%       | 0.0001%                   |
| Natural Resource       | NRP    | US               | 21                     | \$2,256             | 0.0147%       | 0.0031%                   |
| Natus Medical          | BABY   | US               | 20                     | \$360               | 0.0023%       | 0.0005%                   |
| Nautilus Inc.          | NLS    | US               | 22                     | \$78                | 0.0005%       | 0.0001%                   |
| Navigant Consulting    | NCI    | US               | 21                     | \$585               | 0.0038%       | 0.0008%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Navistar Int'l         | NAV    | US               | 16                     | \$1,741             | 0.0114%       | 0.0018%                   |
| NCI Bldg. Sys.         | NCS    | US               | 26                     | \$227               | 0.0015%       | 0.0004%                   |
| NCR Corp.              | NCR    | US               | 19                     | \$3,615             | 0.0236%       | 0.0045%                   |
| Neenah Paper           | NP     | US               | 16                     | \$442               | 0.0029%       | 0.0005%                   |
| Nektar Therapeutics    | NKTR   | US               | 25                     | \$934               | 0.0061%       | 0.0015%                   |
| NetApp, Inc.           | NTAP   | US               | 19                     | \$12,021            | 0.0784%       | 0.0149%                   |
| Netflix, Inc.          | NFLX   | US               | 25                     | \$3,571             | 0.0233%       | 0.0058%                   |
| NETGEAR                | NTGR   | US               | 17                     | \$1,467             | 0.0096%       | 0.0016%                   |
| NeuStar Inc.           | NSR    | US               | 15                     | \$2,479             | 0.0162%       | 0.0024%                   |
| Neutral Tandem         | IQNT   | US               | 20                     | \$372               | 0.0024%       | 0.0005%                   |
| New Germany Fund       | GF     | US               | 13                     |                     |               |                           |
| New Jersey Resources   | NJR    | US               | 6                      | \$1,904             | 0.0124%       | 0.0007%                   |
| New York & Co.         | NWY    | US               | 18                     | \$233               | 0.0015%       | 0.0003%                   |
| New York Community     | NYB    | US               | 17                     | \$5,792             | 0.0378%       | 0.0064%                   |
| New York Times         | NYT    | US               | 13                     | \$1,390             | 0.0091%       | 0.0012%                   |
| Newell Rubbermaid      | NWL    | US               | 24                     | \$4,970             | 0.0324%       | 0.0078%                   |
| Newfield Exploration   | NFX    | US               | 21                     | \$4,360             | 0.0284%       | 0.0060%                   |
| NewMarket Corp.        | NEU    | US               | 6                      | \$3,304             | 0.0216%       | 0.0013%                   |
| Newmont Mining         | NEM    | US               | 8                      | \$23,583            | 0.1539%       | 0.0123%                   |
| Newport Corp.          | NEWP   | US               | 25                     | \$479               | 0.0031%       | 0.0008%                   |
| News Corp.             | NWS    | US               | 9                      | \$57,850            | 0.3774%       | 0.0340%                   |
| NextEra Energy         | NEE    | US               | 6                      | \$29,415            | 0.1919%       | 0.0115%                   |
| NII Holdings           | NIHD   | US               | 55                     | \$1,104             | 0.0072%       | 0.0040%                   |
| NIKE, Inc. 'B'         | NKE    | US               | 9                      | \$43,444            | 0.2834%       | 0.0255%                   |
| NiSource Inc.          | NI     | US               | 4                      | \$7,068             | 0.0461%       | 0.0018%                   |
| NN Inc.                | NNBR   | US               | 30                     | \$155               | 0.0010%       | 0.0003%                   |
| Noble Corp.            | NE     | US               | 19                     | \$9,722             | 0.0634%       | 0.0121%                   |
| Noble Energy           | NBL    | US               | 12                     | \$16,145            | 0.1053%       | 0.0126%                   |
| Nordson Corp.          | NDSN   | US               | 6                      | \$3,540             | 0.0231%       | 0.0014%                   |
| Nordstrom, Inc.        | JWN    | US               | 13                     | \$11,798            | 0.0770%       | 0.0100%                   |
| Norfolk Southern       | NSC    | US               | 17                     | \$23,865            | 0.1557%       | 0.0265%                   |
| Northeast Utilities    | NU     | US               | 6                      | \$12,165            | 0.0794%       | 0.0048%                   |
| Northern Trust Corp.   | NTRS   | US               | 17                     | \$11,348            | 0.0740%       | 0.0126%                   |
| Northrop Grumman       | NOC    | US               | 9                      | \$17,063            | 0.1113%       | 0.0100%                   |
| Northwest Bancshares   | NWBI   | US               | 13                     | \$1,155             | 0.0075%       | 0.0010%                   |
| Northwest Nat. Gas     | NWN    | US               | 7                      | \$1,332             | 0.0087%       | 0.0006%                   |
| NorthWestern Corp.     | NWE    | US               | 5                      | \$1,340             | 0.0087%       | 0.0004%                   |
| NPS Pharmac.           | NPSP   | US               | 22                     | \$667               | 0.0044%       | 0.0010%                   |
| NRG Energy             | NRG    | US               | 6                      | \$4,781             | 0.0312%       | 0.0019%                   |
| NTELOS Hldgs.          | NTLS   | US               | 21                     | \$357               | 0.0023%       | 0.0005%                   |
| Nu Skin Enterprises    | NUS    | US               | 16                     | \$2,457             | 0.0160%       | 0.0026%                   |
| Nuance Communic.       | NUAN   | US               | 8                      | \$7,343             | 0.0479%       | 0.0038%                   |
| Nucor Corp.            | NUE    | US               | 22                     | \$12,695            | 0.0828%       | 0.0182%                   |
| NutriSystem Inc.       | NTRI   | US               | 28                     | \$295               | 0.0019%       | 0.0005%                   |
| NuVasive, Inc.         | NUVA   | US               | 20                     | \$912               | 0.0059%       | 0.0012%                   |
| Nuveen Muni Value Fund | NUV    | US               | 2                      |                     |               |                           |
| NV Energy Inc.         | NVE    | US               | 8                      | \$4,302             | 0.0281%       | 0.0022%                   |
| NVIDIA Corp.           | NVDA   | US               | 20                     | \$9,146             | 0.0597%       | 0.0119%                   |
| NVR, Inc.              | NVR    | US               | 7                      | \$4,311             | 0.0281%       | 0.0020%                   |

| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| NYSE Euronext         | NYX    | US               | 21                     | \$6,359             | 0.0415%       | 0.0087%                   |
| O'Reilly Automotive   | ORLY   | US               | 10                     | \$10,641            | 0.0694%       | 0.0069%                   |
| Occidental Petroleum  | OXY    | US               | 7                      | \$72,296            | 0.4716%       | 0.0330%                   |
| Oceaneering Int'l     | OII    | US               | 9                      | \$6,020             | 0.0393%       | 0.0035%                   |
| Office Depot          | ODP    | US               | 17                     | \$459               | 0.0030%       | 0.0005%                   |
| OfficeMax             | OMX    | US               | 27                     | \$461               | 0.0030%       | 0.0008%                   |
| OGE Energy            | OGE    | US               | 3                      | \$5,384             | 0.0351%       | 0.0011%                   |
| Oil States Int'l      | OIS    | US               | 18                     | \$4,169             | 0.0272%       | 0.0049%                   |
| Old Dominion Freight  | ODFL   | US               | 13                     | \$2,638             | 0.0172%       | 0.0022%                   |
| Old Nat'l Bancorp     | ONB    | US               | 14                     | \$1,224             | 0.0080%       | 0.0011%                   |
| Old Republic          | ORI    | US               | 23                     | \$2,286             | 0.0149%       | 0.0034%                   |
| Olin Corp.            | OLN    | US               | 13                     | \$1,686             | 0.0110%       | 0.0014%                   |
| OM Group              | OMG    | US               | 33                     | \$581               | 0.0038%       | 0.0013%                   |
| Omnicare, Inc.        | OCR    | US               | 24                     | \$3,534             | 0.0231%       | 0.0055%                   |
| Omnicell, Inc.        | OMCL   | US               | 18                     | \$481               | 0.0031%       | 0.0006%                   |
| Omnicom Group         | OMC    | US               | 16                     | \$13,711            | 0.0895%       | 0.0143%                   |
| OmniVision Techn.     | OVTI   | US               | 14                     | \$776               | 0.0051%       | 0.0007%                   |
| On Assignment         | ASGN   | US               | 21                     | \$869               | 0.0057%       | 0.0012%                   |
| ON Semiconductor      | ONNN   | US               | 33                     | \$3,017             | 0.0197%       | 0.0065%                   |
| ONEOK Inc.            | OKE    | US               | 2                      | \$9,130             | 0.0596%       | 0.0012%                   |
| Onyx Pharmac.         | ONXX   | US               | -7                     | \$4,444             | 0.0290%       | -0.0020%                  |
| Oracle Corp.          | ORCL   | US               | 13                     | \$157,107           | 1.0249%       | 0.1332%                   |
| Orbital Sciences      | ORB    | US               | 25                     | \$804               | 0.0052%       | 0.0013%                   |
| Orbitz Worldwide      | OWW    | US               | 25                     | \$316               | 0.0021%       | 0.0005%                   |
| Ormat Technologies    | ORA    | US               | 24                     | \$905               | 0.0059%       | 0.0014%                   |
| Oshkosh Corp.         | OSK    | US               | 14                     | \$2,316             | 0.0151%       | 0.0021%                   |
| OSI Systems           | OSIS   | US               | 3                      | \$1,466             | 0.0096%       | 0.0003%                   |
| Otter Tail Corp.      | OTTR   | US               | 9                      | \$834               | 0.0054%       | 0.0005%                   |
| Overseas Shipholding  | OSG    | US               | 61                     | \$218               | 0.0014%       | 0.0009%                   |
| Overstock.com         | OSTK   | US               | 12                     | \$200               | 0.0013%       | 0.0002%                   |
| Owens & Minor         | OMI    | US               | 15                     | \$1,801             | 0.0117%       | 0.0018%                   |
| Owens Corning         | OC     | US               | 26                     | \$3,681             | 0.0240%       | 0.0062%                   |
| Owens-Illinois        | OI     | US               | 29                     | \$3,095             | 0.0202%       | 0.0059%                   |
| Oxford Inds.          | OXM    | US               | 15                     | \$811               | 0.0053%       | 0.0008%                   |
| PACCAR Inc.           | PCAR   | US               | 19                     | \$14,882            | 0.0971%       | 0.0184%                   |
| Pacific Sunwear       | PSUN   | US               | 22                     | \$138               | 0.0009%       | 0.0002%                   |
| Packaging Corp.       | PKG    | US               | 16                     | \$3,087             | 0.0201%       | 0.0032%                   |
| Pall Corp.            | PLL    | US               | 12                     | \$6,391             | 0.0417%       | 0.0050%                   |
| Palomar Med. Techn.   | PMTI   | US               | 16                     | \$168               | 0.0011%       | 0.0002%                   |
| Pandora Media         | P      | US               | 31                     | \$1,616             | 0.0105%       | 0.0033%                   |
| Panera Bread Co.      | PNRA   | US               | 7                      | \$4,558             | 0.0297%       | 0.0021%                   |
| Pantry (The), Inc.    | PTRY   | US               | 13                     | \$340               | 0.0022%       | 0.0003%                   |
| Papa John's Int'l     | PZZA   | US               | 2                      | \$1,212             | 0.0079%       | 0.0002%                   |
| Par Pharmaceutical    | PRX    | US               | 9                      | \$1,824             | 0.0119%       | 0.0011%                   |
| Parametric Technology | PMTC   | US               | 20                     | \$2,624             | 0.0171%       | 0.0034%                   |
| PAREXEL Int'l         | PRXL   | US               | 19                     | \$1,655             | 0.0108%       | 0.0021%                   |
| Park Electrochemical  | PKE    | US               | 15                     | \$561               | 0.0037%       | 0.0005%                   |
| Park National         | PRK    | US               | 19                     | \$1,075             | 0.0070%       | 0.0013%                   |
| Park-Ohio             | PKOH   | US               | 21                     | \$268               | 0.0017%       | 0.0004%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Parker-Hannifin        | PH     | US               | 17                     | \$12,558            | 0.0819%       | 0.0139%                   |
| Patterson Cos.         | PDCO   | US               | 14                     | \$3,959             | 0.0258%       | 0.0036%                   |
| Paychex, Inc.          | PAYX   | US               | 17                     | \$12,065            | 0.0787%       | 0.0134%                   |
| PC Connection          | PCCC   | US               | 14                     | \$324               | 0.0021%       | 0.0003%                   |
| PDL BioPharma          | PDLI   | US               | 17                     | \$1,021             | 0.0067%       | 0.0011%                   |
| Peabody Energy         | BTU    | US               | 42                     | \$6,002             | 0.0392%       | 0.0164%                   |
| Peet's Coffee & Tea    | PEET   | US               | 13                     | \$979               | 0.0064%       | 0.0008%                   |
| Penford Corp.          | PENX   | US               | 14                     | \$96                | 0.0006%       | 0.0001%                   |
| Pengrowth Energy       | PGH    | US               | 41                     | \$2,587             | 0.0169%       | 0.0069%                   |
| Penn Nat'l Gaming      | PENN   | US               | 16                     | \$2,948             | 0.0192%       | 0.0031%                   |
| Penn Virginia Res.     | PVR    | US               | 15                     | \$1,941             | 0.0127%       | 0.0019%                   |
| Penn. R.E.I.T.         | PEI    | US               | 20                     |                     |               |                           |
| Penney (J.C.)          | JCP    | US               | 2                      | \$5,309             | 0.0346%       | 0.0007%                   |
| Penske Auto            | PAG    | US               | 19                     | \$2,310             | 0.0151%       | 0.0029%                   |
| Pentair, Inc.          | PNR    | US               | 14                     | \$4,276             | 0.0279%       | 0.0039%                   |
| People's United Fin'l  | PBCT   | US               | 24                     | \$4,185             | 0.0273%       | 0.0066%                   |
| Pep Boys               | PBY    | US               | 15                     | \$515               | 0.0034%       | 0.0005%                   |
| Pepco Holdings         | POM    | US               | 10                     | \$4,430             | 0.0289%       | 0.0029%                   |
| PepsiCo, Inc.          | PEP    | US               | 16                     | \$115,300           | 0.7522%       | 0.1204%                   |
| PerkinElmer Inc.       | PKI    | US               | 12                     | \$3,114             | 0.0203%       | 0.0024%                   |
| Perrigo Co.            | PRGO   | US               | 3                      | \$10,175            | 0.0664%       | 0.0020%                   |
| Perry Ellis Int'l      | PERY   | US               | 20                     | \$275               | 0.0018%       | 0.0004%                   |
| PetSmart, Inc.         | PETM   | US               | 5                      | \$7,645             | 0.0499%       | 0.0025%                   |
| Pfizer, Inc.           | PFE    | US               | 7                      | \$179,865           | 1.1734%       | 0.0821%                   |
| PG&E Corp.             | PCG    | US               | 4                      | \$18,739            | 0.1223%       | 0.0049%                   |
| PharMerica Corp.       | PMC    | US               | 24                     | \$376               | 0.0025%       | 0.0006%                   |
| Philip Morris Int'l    | PM     | US               | 8                      | \$157,901           | 1.0301%       | 0.0824%                   |
| Phillips 66            | PSX    | US               | 5                      | \$25,817            | 0.1684%       | 0.0084%                   |
| Phoenix (The) Cos.     | PNX    | US               | 41                     | \$184               | 0.0012%       | 0.0005%                   |
| Photronics Inc.        | PLAB   | US               | 26                     | \$380               | 0.0025%       | 0.0006%                   |
| Piedmont Natural Gas   | PNY    | US               | 6                      | \$2,305             | 0.0150%       | 0.0009%                   |
| Pier 1 Imports         | PIR    | US               | 10                     | \$1,941             | 0.0127%       | 0.0013%                   |
| Pinnacle Entertain.    | PNK    | US               | 22                     | \$698               | 0.0046%       | 0.0010%                   |
| Pinnacle West Capital  | PNW    | US               | 4                      | \$5,843             | 0.0381%       | 0.0015%                   |
| Pioneer Natural Res.   | PXD    | US               | 14                     | \$12,312            | 0.0803%       | 0.0112%                   |
| Piper Jaffray Cos.     | PJC    | US               | 28                     | \$355               | 0.0023%       | 0.0006%                   |
| Pitney Bowes           | PBI    | US               | 14                     | \$2,693             | 0.0176%       | 0.0025%                   |
| Plains All Amer. Pipe. | PAA    | US               | 9                      | \$14,054            | 0.0917%       | 0.0083%                   |
| Plantronics Inc.       | PLT    | US               | 16                     | \$1,550             | 0.0101%       | 0.0016%                   |
| Plexus Corp.           | PLXS   | US               | 17                     | \$1,069             | 0.0070%       | 0.0012%                   |
| Plum Creek Timber      | PCL    | US               | 5                      | \$6,525             | 0.0426%       | 0.0021%                   |
| PMC-Sierra             | PMCS   | US               | 31                     | \$1,252             | 0.0082%       | 0.0025%                   |
| PNC Financial Serv.    | PNC    | US               | 17                     | \$32,498            | 0.2120%       | 0.0360%                   |
| PNM Resources          | PNM    | US               | 4                      | \$1,654             | 0.0108%       | 0.0004%                   |
| Polaris Inds.          | PII    | US               | 7                      | \$5,142             | 0.0335%       | 0.0023%                   |
| Polycom, Inc.          | PLCM   | US               | 31                     | \$1,779             | 0.0116%       | 0.0036%                   |
| Pool Corp.             | POOL   | US               | 9                      | \$1,750             | 0.0114%       | 0.0010%                   |
| Popular Inc.           | BPOP   | US               | 53                     | \$1,616             | 0.0105%       | 0.0056%                   |
| Portland General       | POR    | US               | 4                      | \$2,066             | 0.0135%       | 0.0005%                   |

| Company                 | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                         |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Post Holdings           | POST   | US               | 14                     | \$1,035             | 0.0068%       | 0.0009%                   |
| Potlatch Corp.          | PCH    | US               | 6                      | \$1,433             | 0.0093%       | 0.0006%                   |
| Power-One               | PWER   | US               | 14                     | \$722               | 0.0047%       | 0.0007%                   |
| Powerwave Techn.        | PWAV   | US               |                        | \$15                | 0.0001%       |                           |
| PPG Inds.               | PPG    | US               | 7                      | \$16,802            | 0.1096%       | 0.0077%                   |
| PPL Corp.               | PPL    | US               | 10                     | \$17,116            | 0.1117%       | 0.0112%                   |
| Praxair Inc.            | PX     | US               | 14                     | \$32,411            | 0.2114%       | 0.0296%                   |
| Precision Castparts     | PCP    | US               | 7                      | \$23,533            | 0.1535%       | 0.0107%                   |
| Price (T. Rowe) Group   | TROW   | US               | 7                      | \$15,895            | 0.1037%       | 0.0073%                   |
| priceline.com           | PCLN   | US               | 23                     | \$29,237            | 0.1907%       | 0.0439%                   |
| PriceSmart              | PSMT   | US               | 11                     | \$2,184             | 0.0142%       | 0.0016%                   |
| Principal Fin'l Group   | PFG    | US               | 22                     | \$8,037             | 0.0524%       | 0.0115%                   |
| PrivateBancorp          | PVTB   | US               | 11                     | \$1,167             | 0.0076%       | 0.0008%                   |
| Procter & Gamble        | PG     | US               | 13                     | \$183,587           | 1.1977%       | 0.1557%                   |
| Progressive (Ohio)      | PGR    | US               | 13                     | \$12,102            | 0.0790%       | 0.0103%                   |
| Prologis                | PLD    | US               | 10                     |                     |               |                           |
| Protective Life         | PL     | US               | 13                     | \$2,304             | 0.0150%       | 0.0020%                   |
| Provident Fin'l Svcs.   | PFS    | US               | 11                     | \$877               | 0.0057%       | 0.0006%                   |
| Prudential Fin'l        | PRU    | US               | 21                     | \$25,526            | 0.1665%       | 0.0350%                   |
| PSS World Medical       | PSSI   | US               | 14                     | \$1,050             | 0.0068%       | 0.0010%                   |
| Public Serv. Enterprise | PEG    | US               | 9                      | \$16,422            | 0.1071%       | 0.0096%                   |
| Public Storage          | PSA    | US               | 3                      |                     |               |                           |
| Pulse Electronics       | PULS   | US               | 30                     | \$56                | 0.0004%       | 0.0001%                   |
| PulteGroup, Inc.        | PHM    | US               | 12                     | \$5,219             | 0.0340%       | 0.0041%                   |
| PVH Corp.               | PVH    | US               | 10                     | \$6,161             | 0.0402%       | 0.0040%                   |
| QEP Resources           | QEP    | US               | 19                     | \$4,737             | 0.0309%       | 0.0059%                   |
| QLogic Corp.            | QLGC   | US               | 34                     | \$1,174             | 0.0077%       | 0.0026%                   |
| Quaker Chemical         | KWR    | US               | 14                     | \$585               | 0.0038%       | 0.0005%                   |
| Qualcomm Inc.           | QCOM   | US               | 14                     | \$107,120           | 0.6988%       | 0.0978%                   |
| Quality Systems         | QSII   | US               | 47                     | \$1,101             | 0.0072%       | 0.0034%                   |
| Quanex Bldg. Prod.      | NX     | US               | 9                      | \$672               | 0.0044%       | 0.0004%                   |
| Quanta Services         | PWR    | US               | 11                     | \$5,345             | 0.0349%       | 0.0038%                   |
| Quantum Corporation     | QTM    | US               | 17                     | \$403               | 0.0026%       | 0.0004%                   |
| Quest Diagnostics       | DGX    | US               | 15                     | \$9,498             | 0.0620%       | 0.0093%                   |
| Quest Software          | QSFT   | US               | 8                      | \$2,350             | 0.0153%       | 0.0012%                   |
| Questar Corp.           | STR    | US               | 11                     | \$3,560             | 0.0232%       | 0.0026%                   |
| Questcor Pharmac.       | QCOR   | US               | 23                     | \$2,395             | 0.0156%       | 0.0036%                   |
| Quicksilver Res.        | KWK    | US               | 32                     | \$714               | 0.0047%       | 0.0015%                   |
| Quicksilver Inc.        | ZQK    | US               | 32                     | \$475               | 0.0031%       | 0.0010%                   |
| Rackspace Hosting       | RAX    | US               | 9                      | \$7,453             | 0.0486%       | 0.0044%                   |
| RadioShack Corp.        | RSH    | US               | 24                     | \$301               | 0.0020%       | 0.0005%                   |
| RailAmerica             | RA     | US               | 8                      | \$1,382             | 0.0090%       | 0.0007%                   |
| Ralcorp Holdings        | RAH    | US               | 6                      | \$3,702             | 0.0242%       | 0.0014%                   |
| Ralph Lauren            | RL     | US               | 6                      | \$13,884            | 0.0906%       | 0.0054%                   |
| Rambus Inc.             | RMBS   | US               | 23                     | \$536               | 0.0035%       | 0.0008%                   |
| Range Resources Corp.   | RRC    | US               | 6                      | \$10,936            | 0.0713%       | 0.0043%                   |
| Raymond James Fin'l     | RJF    | US               | 14                     | \$4,859             | 0.0317%       | 0.0044%                   |
| Rayonier Inc.           | RYN    | US               | 15                     | \$5,848             | 0.0382%       | 0.0057%                   |
| Raytheon Co.            | RTN    | US               | 12                     | \$18,737            | 0.1222%       | 0.0147%                   |

| Company                    | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|----------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                            |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| RBC Bearings               | ROLL   | US               | 7                      | \$1,021             | 0.0067%       | 0.0005%                   |
| RealD Inc.                 | RLD    | US               | 36                     | \$595               | 0.0039%       | 0.0014%                   |
| RealNetworks, Inc.         | RNWK   | US               |                        | \$279               | 0.0018%       |                           |
| Realty Income Corp.        | O      | US               | 5                      |                     |               |                           |
| Red Hat, Inc.              | RHT    | US               | 12                     | \$11,234            | 0.0733%       | 0.0088%                   |
| Red Robin Gourmet          | RRGB   | US               | 11                     | \$453               | 0.0030%       | 0.0003%                   |
| Regal Beloit               | RBC    | US               | 9                      | \$2,891             | 0.0189%       | 0.0017%                   |
| Regal Entertainment        | RGC    | US               | 22                     | \$2,172             | 0.0142%       | 0.0031%                   |
| Regeneron Pharmac.         | REGN   | US               | 8                      | \$13,004            | 0.0848%       | 0.0068%                   |
| Regions Financial          | RF     | US               | 18                     | \$10,089            | 0.0658%       | 0.0118%                   |
| Regis Corp.                | RGS    | US               | 18                     | \$983               | 0.0064%       | 0.0012%                   |
| Reinsurance Group          | RGA    | US               | 5                      | \$4,230             | 0.0276%       | 0.0014%                   |
| Reliance Steel             | RS     | US               | 12                     | \$3,978             | 0.0260%       | 0.0031%                   |
| Rent-A-Center              | RCII   | US               | 10                     | \$2,159             | 0.0141%       | 0.0014%                   |
| Republic Services          | RSG    | US               | 17                     | \$10,557            | 0.0689%       | 0.0117%                   |
| ResMed Inc.                | RMD    | US               | 14                     | \$5,238             | 0.0342%       | 0.0048%                   |
| Resources Connection       | RECN   | US               | 27                     | \$502               | 0.0033%       | 0.0009%                   |
| Reynolds American          | RAI    | US               | 8                      | \$26,395            | 0.1722%       | 0.0138%                   |
| RF Micro Devices           | RFMD   | US               | 34                     | \$1,042             | 0.0068%       | 0.0023%                   |
| Rhino Resource Partners LP | RNO    | US               | 27                     | \$404               | 0.0026%       | 0.0007%                   |
| Rite Aid Corp.             | RAD    | US               | 27                     | \$1,083             | 0.0071%       | 0.0019%                   |
| RLI Corp.                  | RLI    | US               | 6                      | \$1,348             | 0.0088%       | 0.0005%                   |
| Robbins & Myers            | RBN    | US               | 10                     | \$2,557             | 0.0167%       | 0.0017%                   |
| Robert Half Int'l          | RHI    | US               | 22                     | \$4,019             | 0.0262%       | 0.0058%                   |
| Rock-Tenn 'A'              | RKT    | US               | 17                     | \$4,640             | 0.0303%       | 0.0051%                   |
| Rockwell Automation        | ROK    | US               | 15                     | \$10,284            | 0.0671%       | 0.0101%                   |
| Rockwell Collins           | COL    | US               | 20                     | \$7,108             | 0.0464%       | 0.0093%                   |
| Rofin-Sinar Techn.         | RSTI   | US               | 20                     | \$607               | 0.0040%       | 0.0008%                   |
| Rogers Corp.               | ROG    | US               | 16                     | \$658               | 0.0043%       | 0.0007%                   |
| Rollins, Inc.              | ROL    | US               | 8                      | \$3,463             | 0.0226%       | 0.0018%                   |
| Roper Inds.                | ROP    | US               | 8                      | \$10,348            | 0.0675%       | 0.0054%                   |
| Ross Stores                | ROST   | US               | 6                      | \$15,443            | 0.1007%       | 0.0060%                   |
| Rovi Corp.                 | ROVI   | US               | 42                     | \$1,604             | 0.0105%       | 0.0044%                   |
| Rowan Cos. plc             | RDC    | US               | 5                      | \$4,453             | 0.0291%       | 0.0015%                   |
| Royal Caribbean Cruises    | RCL    | US               | 22                     | \$5,641             | 0.0368%       | 0.0081%                   |
| Royal Dutch Shell 'A'      | RDS/A  | US               | 13                     | \$220,471           | 1.4383%       | 0.1870%                   |
| Royce Value Trust          | RVT    | US               | 14                     |                     |               |                           |
| RPC Inc.                   | RES    | US               | 28                     | \$2,739             | 0.0179%       | 0.0050%                   |
| RPM Int'l                  | RPM    | US               | 8                      | \$3,541             | 0.0231%       | 0.0018%                   |
| Ruby Tuesday               | RT     | US               | 33                     | \$437               | 0.0028%       | 0.0009%                   |
| rue21, inc.                | RUE    | US               | 25                     | \$671               | 0.0044%       | 0.0011%                   |
| Ryder System               | R      | US               | 24                     | \$2,133             | 0.0139%       | 0.0033%                   |
| Ryland Group               | RYL    | US               |                        | \$1,165             | 0.0076%       |                           |
| Safeway Inc.               | SWY    | US               | 28                     | \$3,846             | 0.0251%       | 0.0070%                   |
| SAIC, Inc.                 | SAI    | US               | 33                     | \$4,094             | 0.0267%       | 0.0088%                   |
| Saks Inc.                  | SKS    | US               | 9                      | \$1,824             | 0.0119%       | 0.0011%                   |
| salesforce.com             | CRM    | US               | 9                      | \$20,280            | 0.1323%       | 0.0119%                   |
| Sally Beauty               | SBH    | US               | 7                      | \$4,894             | 0.0319%       | 0.0022%                   |
| Sanderson Farms            | SAFM   | US               | 15                     | \$915               | 0.0060%       | 0.0009%                   |

| Company                  | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|--------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                          |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| SanDisk Corp.            | SNDK   | US               | 13                     | \$10,314            | 0.0673%       | 0.0087%                   |
| Sanmina-SCI Corp.        | SANM   | US               | 32                     | \$733               | 0.0048%       | 0.0015%                   |
| Sapient Corp.            | SAPE   | US               | 19                     | \$1,389             | 0.0091%       | 0.0017%                   |
| Sauer-Danfoss            | SHS    | US               | 26                     | \$1,864             | 0.0122%       | 0.0032%                   |
| SBA Communications       | SBAC   | US               | 4                      | \$7,354             | 0.0480%       | 0.0019%                   |
| SCANA Corp.              | SCG    | US               | 3                      | \$6,367             | 0.0415%       | 0.0012%                   |
| ScanSource               | SCSC   | US               | 18                     | \$821               | 0.0054%       | 0.0010%                   |
| Schein (Henry)           | HSIC   | US               | 5                      | \$6,892             | 0.0450%       | 0.0022%                   |
| Schlumberger Ltd.        | SLB    | US               | 22                     | \$99,501            | 0.6491%       | 0.1428%                   |
| Schnitzer Steel          | SCHN   | US               | 27                     | \$834               | 0.0054%       | 0.0015%                   |
| Scholastic Corp.         | SCHL   | US               | 20                     | \$969               | 0.0063%       | 0.0013%                   |
| Schulman (A.)            | SHLM   | US               | 13                     | \$693               | 0.0045%       | 0.0006%                   |
| Schwab (Charles)         | SCHW   | US               | 19                     | \$16,958            | 0.1106%       | 0.0210%                   |
| Schweitzer-Mauduit Int'l | SWM    | US               | 22                     | \$1,023             | 0.0067%       | 0.0015%                   |
| Scientific Games         | SGMS   | US               | 36                     | \$620               | 0.0040%       | 0.0015%                   |
| Scotts Miracle-Gro       | SMG    | US               | 15                     | \$2,636             | 0.0172%       | 0.0026%                   |
| Scripps (E.W.) 'A'       | SSP    | US               | 12                     | \$559               | 0.0036%       | 0.0004%                   |
| Scripps Networks         | SNI    | US               | 15                     | \$8,921             | 0.0582%       | 0.0087%                   |
| SeaChange Int'l          | SEAC   | US               | 24                     | \$251               | 0.0016%       | 0.0004%                   |
| Sealed Air               | SEE    | US               | 35                     | \$2,687             | 0.0175%       | 0.0061%                   |
| Sealy Corp.              | ZZ     | US               | 28                     | \$177               | 0.0012%       | 0.0003%                   |
| Sears Holdings           | SHLD   | US               | -2                     | \$6,391             | 0.0417%       | -0.0008%                  |
| SEI Investments          | SEIC   | US               | 23                     | \$3,783             | 0.0247%       | 0.0057%                   |
| Select Med. Hldgs.       | SEM    | US               | 13                     | \$1,469             | 0.0096%       | 0.0012%                   |
| Selective Ins. Group     | SIGI   | US               | 17                     | \$954               | 0.0062%       | 0.0011%                   |
| Sempra Energy            | SRE    | US               | 5                      | \$16,619            | 0.1084%       | 0.0054%                   |
| Semtech Corp.            | SMTC   | US               | 16                     | \$1,657             | 0.0108%       | 0.0017%                   |
| Senomyx, Inc.            | SNMX   | US               | 42                     | \$76                | 0.0005%       | 0.0002%                   |
| Sensient Techn.          | SXT    | US               | 14                     | \$1,838             | 0.0120%       | 0.0017%                   |
| Service Corp. Int'l      | SCI    | US               | 9                      | \$2,771             | 0.0181%       | 0.0016%                   |
| Shaw Group               | SHAW   | US               | 5                      | \$2,759             | 0.0180%       | 0.0009%                   |
| Shenandoah Telecom.      | SHEN   | US               | 13                     | \$387               | 0.0025%       | 0.0003%                   |
| Sherwin-Williams         | SHW    | US               | -1                     | \$14,114            | 0.0921%       | -0.0009%                  |
| Shuffle Master           | SHFL   | US               | 14                     | \$799               | 0.0052%       | 0.0007%                   |
| Sigma Designs            | SIGM   | US               | 9                      | \$224               | 0.0015%       | 0.0001%                   |
| Sigma-Aldrich            | SIAL   | US               | 10                     | \$8,731             | 0.0570%       | 0.0057%                   |
| Silgan Holdings          | SLGN   | US               | 11                     | \$2,863             | 0.0187%       | 0.0021%                   |
| Silicon Image            | SIMG   | US               | 23                     | \$433               | 0.0028%       | 0.0006%                   |
| Silicon Labs.            | SLAB   | US               | 13                     | \$1,671             | 0.0109%       | 0.0014%                   |
| Simon Property Group     | SPG    | US               | 5                      |                     |               |                           |
| Simpson Manufacturing    | SSD    | US               | 12                     | \$1,274             | 0.0083%       | 0.0010%                   |
| Sinclair Broadcast       | SBGI   | US               | 14                     | \$914               | 0.0060%       | 0.0008%                   |
| Sirona Dental            | SIRO   | US               | 12                     | \$2,879             | 0.0188%       | 0.0023%                   |
| Six Flags Entertainment  | SIX    | US               | 9                      | \$2,996             | 0.0195%       | 0.0018%                   |
| SJW Corp.                | SJW    | US               | 15                     | \$437               | 0.0029%       | 0.0004%                   |
| Skechers U.S.A.          | SKX    | US               | 18                     | \$959               | 0.0063%       | 0.0011%                   |
| Skullcandy, Inc.         | SKUL   | US               | 24                     | \$439               | 0.0029%       | 0.0007%                   |
| SkyWest                  | SKYW   | US               | 33                     | \$425               | 0.0028%       | 0.0009%                   |
| Skyworks Solutions       | SWKS   | US               | 17                     | \$5,641             | 0.0368%       | 0.0063%                   |



| Company                | Ticker | Domicile Code | Proj 3-5 Yr % Annual Total Return | Market Cap \$ (Mil) | Percent Total Market Cap. | Weighted Projected Total Return |
|------------------------|--------|---------------|-----------------------------------|---------------------|---------------------------|---------------------------------|
| SL Green Realty        | SLG    | US            | 11                                |                     |                           |                                 |
| SLM Corporation        | SLM    | US            | 13                                | \$8,185             | 0.0534%                   | 0.0069%                         |
| Smart Balance          | SMBL   | US            | -2                                | \$691               | 0.0045%                   | -0.0001%                        |
| Smith (A.O.)           | AOS    | US            | 4                                 | \$2,464             | 0.0161%                   | 0.0006%                         |
| Smith Micro Software   | SMSI   | US            | 26                                | \$59                | 0.0004%                   | 0.0001%                         |
| Smithfield Foods       | SFD    | US            | 12                                | \$3,054             | 0.0199%                   | 0.0024%                         |
| Smucker (J.M.)         | SJM    | US            | 11                                | \$8,709             | 0.0568%                   | 0.0062%                         |
| Snap-on Inc.           | SNA    | US            | 10                                | \$4,063             | 0.0265%                   | 0.0027%                         |
| Snyder's-Lance         | LNCE   | US            | 10                                | \$1,561             | 0.0102%                   | 0.0010%                         |
| Solera Hldgs.          | SLH    | US            | 24                                | \$3,040             | 0.0198%                   | 0.0048%                         |
| Sonic Automotive       | SAH    | US            | 15                                | \$956               | 0.0062%                   | 0.0009%                         |
| Sonic Corp.            | SONC   | US            | 22                                | \$529               | 0.0034%                   | 0.0008%                         |
| Sonoco Products        | SON    | US            | 19                                | \$3,105             | 0.0203%                   | 0.0038%                         |
| Sotheby's              | BID    | US            | 16                                | \$2,246             | 0.0147%                   | 0.0023%                         |
| South Jersey Inds.     | SJI    | US            | 8                                 | \$1,569             | 0.0102%                   | 0.0008%                         |
| Southern Co.           | SO     | US            | 4                                 | \$40,302            | 0.2629%                   | 0.0105%                         |
| Southwest Airlines     | LUV    | US            | 35                                | \$6,740             | 0.0440%                   | 0.0154%                         |
| Southwest Gas          | SWX    | US            | 10                                | \$2,016             | 0.0132%                   | 0.0013%                         |
| Southwestern Energy    | SWN    | US            | 15                                | \$11,357            | 0.0741%                   | 0.0111%                         |
| Spartan Stores         | SPTN   | US            | 20                                | \$329               | 0.0021%                   | 0.0004%                         |
| Spectra Energy         | SE     | US            | 13                                | \$19,151            | 0.1249%                   | 0.0162%                         |
| Spectrum Brands        | SPB    | US            | 10                                | \$1,922             | 0.0125%                   | 0.0013%                         |
| Speedway Motorsports   | TRK    | US            | 16                                | \$628               | 0.0041%                   | 0.0007%                         |
| Spirit AeroSystems     | SPR    | US            | 19                                | \$3,656             | 0.0239%                   | 0.0045%                         |
| Spirit Airlines        | SAVE   | US            | 25                                | \$1,469             | 0.0096%                   | 0.0024%                         |
| Sprint Nextel Corp.    | S      | US            | 2                                 | \$15,445            | 0.1008%                   | 0.0020%                         |
| SPX Corp.              | SPW    | US            | 18                                | \$3,326             | 0.0217%                   | 0.0039%                         |
| St. Joe Corp.          | JOE    | US            | 12                                | \$1,756             | 0.0115%                   | 0.0014%                         |
| St. Jude Medical       | STJ    | US            | 24                                | \$11,570            | 0.0755%                   | 0.0181%                         |
| Stage Stores           | SSI    | US            | 14                                | \$631               | 0.0041%                   | 0.0006%                         |
| Standard Motor Prod.   | SMP    | US            | 23                                | \$413               | 0.0027%                   | 0.0006%                         |
| Standard Pacific Corp. | SPF    | US            | 5                                 | \$1,294             | 0.0084%                   | 0.0004%                         |
| Standard Register      | SR     | US            | 44                                | \$25                | 0.0002%                   | 0.0001%                         |
| Standex Int'l          | SXI    | US            | 12                                | \$551               | 0.0036%                   | 0.0004%                         |
| Stanley Black & Decker | SWK    | US            | 13                                | \$11,396            | 0.0743%                   | 0.0097%                         |
| Staples, Inc.          | SPLS   | US            | 33                                | \$7,854             | 0.0512%                   | 0.0169%                         |
| Starbucks Corp.        | SBUX   | US            | 16                                | \$36,774            | 0.2399%                   | 0.0384%                         |
| StarTek, Inc.          | SRT    | US            | 20                                | \$44                | 0.0003%                   | 0.0001%                         |
| Starwood Hotels        | HOT    | US            | 16                                | \$10,899            | 0.0711%                   | 0.0114%                         |
| State Street Corp.     | STT    | US            | 18                                | \$20,356            | 0.1328%                   | 0.0239%                         |
| Steel Dynamics         | STLD   | US            | 28                                | \$2,869             | 0.0187%                   | 0.0052%                         |
| Steelcase, Inc. 'A'    | SCS    | US            | 26                                | \$1,176             | 0.0077%                   | 0.0020%                         |
| Stein Mart             | SMRT   | US            | 14                                | \$347               | 0.0023%                   | 0.0003%                         |
| Stericycle Inc.        | SRCL   | US            | 8                                 | \$7,822             | 0.0510%                   | 0.0041%                         |
| STERIS Corp.           | STE    | US            | 15                                | \$1,963             | 0.0128%                   | 0.0019%                         |
| Stewart Enterpr. 'A'   | STEI   | US            | 11                                | \$627               | 0.0041%                   | 0.0004%                         |
| Stifel Financial Corp. | SF     | US            | 26                                | \$1,668             | 0.0109%                   | 0.0028%                         |
| Stillwater Mining      | SWC    | US            | 22                                | \$1,128             | 0.0074%                   | 0.0016%                         |
| StoneMor Partners L.P. | STON   | US            | 11                                | \$448               | 0.0029%                   | 0.0003%                         |

| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Strayer Education     | STRA   | US               | 29                     | \$793               | 0.0052%       | 0.0015%                   |
| Stryker Corp.         | SYK    | US               | 11                     | \$20,734            | 0.1353%       | 0.0149%                   |
| Sturm, Ruger & Co.    | RGR    | US               | 17                     | \$859               | 0.0056%       | 0.0010%                   |
| Suburban Propane      | SPH    | US               | 17                     | \$1,340             | 0.0087%       | 0.0015%                   |
| Sunoco, Inc.          | SUN    | US               | 3                      | \$4,983             | 0.0325%       | 0.0010%                   |
| SunPower Corp.        | SPWR   | US               | 29                     | \$532               | 0.0035%       | 0.0010%                   |
| Sunrise Senior Living | SRZ    | US               | 2                      | \$496               | 0.0032%       | 0.0001%                   |
| SunTrust Banks        | STI    | US               | 18                     | \$13,488            | 0.0880%       | 0.0158%                   |
| Superior Inds. Int'l  | SUP    | US               | 19                     | \$492               | 0.0032%       | 0.0006%                   |
| SUPERVALU INC.        | SVU    | US               | 50                     | \$518               | 0.0034%       | 0.0017%                   |
| SurModics, Inc.       | SRDX   | US               | 9                      | \$320               | 0.0021%       | 0.0002%                   |
| Susquehanna Bancshs.  | SUSQ   | US               | 21                     | \$1,995             | 0.0130%       | 0.0027%                   |
| Swiss Helvetia Fund   | SWZ    | US               | 4                      |                     |               |                           |
| Sycamore Networks     | SCMR   | US               | 15                     | \$414               | 0.0027%       | 0.0004%                   |
| Symantec Corp.        | SYMC   | US               | 15                     | \$12,646            | 0.0825%       | 0.0124%                   |
| Synaptics             | SYNA   | US               | 14                     | \$1,012             | 0.0066%       | 0.0009%                   |
| Synchronoss Techn.    | SNCR   | US               | 32                     | \$869               | 0.0057%       | 0.0018%                   |
| Synopsys, Inc.        | SNPS   | US               | 7                      | \$4,585             | 0.0299%       | 0.0021%                   |
| Synovus Financial     | SNV    | US               | 33                     | \$1,573             | 0.0103%       | 0.0034%                   |
| Synutra Int'l         | SYUT   | US               | 47                     | \$299               | 0.0020%       | 0.0009%                   |
| Sysco Corp.           | SYU    | US               | 18                     | \$17,793            | 0.1161%       | 0.0209%                   |
| Taiwan Fund           | TWN    | US               | 18                     |                     |               |                           |
| Take-Two Interactive  | TTWO   | US               | 30                     | \$899               | 0.0059%       | 0.0018%                   |
| Target Corp.          | TGT    | US               | 13                     | \$42,245            | 0.2756%       | 0.0358%                   |
| TASER Int'l           | TASR   | US               | 13                     | \$293               | 0.0019%       | 0.0002%                   |
| TCF Financial         | TCB    | US               | 27                     | \$1,673             | 0.0109%       | 0.0029%                   |
| TD Ameritrade Holding | AMTD   | US               | 22                     | \$9,294             | 0.0606%       | 0.0133%                   |
| Team Health Hldgs.    | TMH    | US               | 2                      | \$1,873             | 0.0122%       | 0.0002%                   |
| Tech Data             | TECD   | US               | 14                     | \$2,067             | 0.0135%       | 0.0019%                   |
| Techne Corp.          | TECH   | US               | 8                      | \$2,469             | 0.0161%       | 0.0013%                   |
| TECO Energy           | TE     | US               | 9                      | \$3,862             | 0.0252%       | 0.0023%                   |
| Tecumseh Products 'A' | TECUA  | US               | 55                     | \$96                | 0.0006%       | 0.0003%                   |
| Teledyne Technologies | TDY    | US               | 6                      | \$2,384             | 0.0156%       | 0.0009%                   |
| Teleflex Inc.         | TFX    | US               | 15                     | \$2,564             | 0.0167%       | 0.0025%                   |
| Telephone & Data      | TDS    | US               | 29                     | \$2,651             | 0.0173%       | 0.0050%                   |
| TeleTech Holdings     | TTEC   | US               | 31                     | \$937               | 0.0061%       | 0.0019%                   |
| Tellabs, Inc.         | TLAB   | US               | 25                     | \$1,208             | 0.0079%       | 0.0020%                   |
| Templeton Emerg'g     | EMF    | US               | 16                     |                     |               |                           |
| Tempur-Pedic          | TPX    | US               | 24                     | \$1,951             | 0.0127%       | 0.0031%                   |
| Tenet Healthcare      | THC    | US               | 29                     | \$2,203             | 0.0144%       | 0.0042%                   |
| Tennant Co.           | TNC    | US               | 9                      | \$804               | 0.0052%       | 0.0005%                   |
| Tenneco Inc.          | TEN    | US               | 27                     | \$1,865             | 0.0122%       | 0.0033%                   |
| Teradata Corp.        | TDC    | US               | 4                      | \$12,750            | 0.0832%       | 0.0033%                   |
| Teradyne Inc.         | TER    | US               | 8                      | \$2,962             | 0.0193%       | 0.0015%                   |
| Terex Corp.           | TEX    | US               | 25                     | \$2,375             | 0.0155%       | 0.0039%                   |
| Tesla Motors          | TSLA   | US               | 16                     | \$3,191             | 0.0208%       | 0.0033%                   |
| Tesoro Corp.          | TSO    | US               | 2                      | \$5,403             | 0.0352%       | 0.0007%                   |
| Tessera Technologies  | TSRA   | US               | 24                     | \$753               | 0.0049%       | 0.0012%                   |
| Tetra Tech            | TTEK   | US               | 23                     | \$1,707             | 0.0111%       | 0.0026%                   |

| Company               | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|-----------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                       |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| TETRA Technologies    | TTI    | US               | 33                     | \$521               | 0.0034%       | 0.0011%                   |
| Texas Inds.           | TXI    | US               | -2                     | \$1,182             | 0.0077%       | -0.0002%                  |
| Texas Instruments     | TXN    | US               | 18                     | \$34,440            | 0.2247%       | 0.0404%                   |
| Texas Roadhouse       | TXRH   | US               | 19                     | \$1,209             | 0.0079%       | 0.0015%                   |
| Textron, Inc.         | TXT    | US               | 14                     | \$7,582             | 0.0495%       | 0.0069%                   |
| Thai Fund             | TTF    | US               | 9                      |                     |               |                           |
| Thermo Fisher Sci.    | TMO    | US               | 13                     | \$20,672            | 0.1349%       | 0.0175%                   |
| Thor Inds.            | THO    | US               | 13                     | \$1,742             | 0.0114%       | 0.0015%                   |
| Thoratec Corp.        | THOR   | US               | 21                     | \$1,870             | 0.0122%       | 0.0026%                   |
| TIBCO Software        | TIBX   | US               | 4                      | \$4,587             | 0.0299%       | 0.0012%                   |
| Tidewater Inc.        | TDW    | US               | 13                     | \$2,477             | 0.0162%       | 0.0021%                   |
| Tiffany & Co.         | TIF    | US               | 16                     | \$7,557             | 0.0493%       | 0.0079%                   |
| Time Warner           | TWX    | US               | 17                     | \$40,394            | 0.2635%       | 0.0448%                   |
| Time Warner Cable     | TWC    | US               | 13                     | \$27,599            | 0.1801%       | 0.0234%                   |
| Timken Co.            | TKR    | US               | 27                     | \$4,062             | 0.0265%       | 0.0072%                   |
| Titan Int'l           | TWI    | US               | 28                     | \$903               | 0.0059%       | 0.0016%                   |
| Titanium Metals       | TIE    | US               | 28                     | \$2,228             | 0.0145%       | 0.0041%                   |
| TJX Companies         | TJX    | US               | 6                      | \$33,484            | 0.2184%       | 0.0131%                   |
| Toll Brothers         | TOL    | US               | 2                      | \$5,381             | 0.0351%       | 0.0007%                   |
| Tootsie Roll Ind.     | TR     | US               | 9                      | \$1,462             | 0.0095%       | 0.0009%                   |
| Torchmark Corp.       | TMK    | US               | 5                      | \$5,057             | 0.0330%       | 0.0016%                   |
| Toro Co.              | TTC    | US               | 9                      | \$2,254             | 0.0147%       | 0.0013%                   |
| Total System Svcs.    | TSS    | US               | 12                     | \$4,488             | 0.0293%       | 0.0035%                   |
| Towers Watson & Co.   | TW     | US               | 20                     | \$3,888             | 0.0254%       | 0.0051%                   |
| Tractor Supply        | TSCO   | US               | 10                     | \$6,558             | 0.0428%       | 0.0043%                   |
| TransDigm Group       | TDG    | US               | 15                     | \$6,805             | 0.0444%       | 0.0067%                   |
| Transocean Ltd.       | RIG    | US               | 21                     | \$18,004            | 0.1175%       | 0.0247%                   |
| Travelers Cos.        | TRV    | US               | 11                     | \$24,959            | 0.1628%       | 0.0179%                   |
| Tredegar Corp.        | TG     | US               | 23                     | \$462               | 0.0030%       | 0.0007%                   |
| TreeHouse Foods       | THS    | US               | 13                     | \$1,805             | 0.0118%       | 0.0015%                   |
| Trex Co.              | TREX   | US               | 21                     | \$458               | 0.0030%       | 0.0006%                   |
| Tri-Continental       | TY     | US               | 17                     |                     |               |                           |
| Trimble Nav. Ltd.     | TRMB   | US               | 13                     | \$5,987             | 0.0391%       | 0.0051%                   |
| Trinity Inds.         | TRN    | US               | 17                     | \$2,284             | 0.0149%       | 0.0025%                   |
| TriQuint Semic.       | TQNT   | US               | 21                     | \$960               | 0.0063%       | 0.0013%                   |
| Triumph Group Inc.    | TGI    | US               | 11                     | \$3,117             | 0.0203%       | 0.0022%                   |
| True Religion Apparel | TRLG   | US               | 21                     | \$581               | 0.0038%       | 0.0008%                   |
| TRW Automotive        | TRW    | US               | 26                     | \$5,311             | 0.0346%       | 0.0090%                   |
| Tumi Holdings         | TUMI   | US               | 4                      | \$1,451             | 0.0095%       | 0.0004%                   |
| Tupperware Brands     | TUP    | US               | 23                     | \$2,994             | 0.0195%       | 0.0045%                   |
| tw telecom            | TWTC   | US               | 10                     | \$3,664             | 0.0239%       | 0.0024%                   |
| Tyson Foods 'A'       | TSN    | US               | 16                     | \$5,523             | 0.0360%       | 0.0058%                   |
| U.S. Bancorp          | USB    | US               | 10                     | \$63,132            | 0.4119%       | 0.0412%                   |
| U.S. Cellular         | USM    | US               | 16                     | \$3,273             | 0.0214%       | 0.0034%                   |
| U.S. Steel Corp.      | X      | US               | 36                     | \$3,279             | 0.0214%       | 0.0077%                   |
| UDR, Inc.             | UDR    | US               | 12                     |                     |               |                           |
| UGI Corp.             | UGI    | US               | 6                      | \$3,497             | 0.0228%       | 0.0014%                   |
| UIL Holdings          | UIL    | US               | 7                      | \$1,831             | 0.0119%       | 0.0008%                   |
| Ulta Salon            | ULTA   | US               | 16                     | \$5,676             | 0.0370%       | 0.0059%                   |

| Company                  | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|--------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                          |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Ultra Petroleum          | UPL    | US               | 30                     | \$3,466             | 0.0226%       | 0.0068%                   |
| Ultratech, Inc.          | UTEK   | US               |                        | \$896               | 0.0058%       |                           |
| Under Armour             | UA     | US               | 7                      | \$5,899             | 0.0385%       | 0.0027%                   |
| Unifi, Inc.              | UFI    | US               | 21                     | \$221               | 0.0014%       | 0.0003%                   |
| UniFirst Corp.           | UNF    | US               | 5                      | \$1,340             | 0.0087%       | 0.0004%                   |
| Union Pacific            | UNP    | US               | 10                     | \$59,158            | 0.3859%       | 0.0386%                   |
| Unisys Corp.             | UIS    | US               | 22                     | \$917               | 0.0060%       | 0.0013%                   |
| United Cont'l Hldgs.     | UAL    | US               | 31                     | \$6,079             | 0.0397%       | 0.0123%                   |
| United Natural Foods     | UNFI   | US               | 2                      | \$2,681             | 0.0175%       | 0.0003%                   |
| United Online            | UNTD   | US               | 28                     | \$458               | 0.0030%       | 0.0008%                   |
| United Parcel Serv.      | UPS    | US               | 17                     | \$73,315            | 0.4783%       | 0.0813%                   |
| United Rentals           | URI    | US               | 14                     | \$3,153             | 0.0206%       | 0.0029%                   |
| United Stationers        | USTR   | US               | 20                     | \$1,033             | 0.0067%       | 0.0013%                   |
| United Technologies      | UTX    | US               | 15                     | \$71,821            | 0.4686%       | 0.0703%                   |
| United Therapeutics      | UTHR   | US               | 26                     | \$2,910             | 0.0190%       | 0.0049%                   |
| UnitedHealth Group       | UNH    | US               | 21                     | \$55,152            | 0.3598%       | 0.0756%                   |
| Universal Corp.          | UVV    | US               | 8                      | \$1,115             | 0.0073%       | 0.0006%                   |
| Universal Electronics    | UEIC   | US               | 30                     | \$232               | 0.0015%       | 0.0005%                   |
| Universal Forest         | UFPI   | US               | 12                     | \$671               | 0.0044%       | 0.0005%                   |
| Universal Health Sv. 'B' | UHS    | US               | 24                     | \$3,904             | 0.0255%       | 0.0061%                   |
| UNS Energy               | UNS    | US               | 11                     | \$1,658             | 0.0108%       | 0.0012%                   |
| Unum Group               | UNM    | US               | 20                     | \$5,613             | 0.0366%       | 0.0073%                   |
| Urban Outfitters         | URBN   | US               | 16                     | \$4,486             | 0.0293%       | 0.0047%                   |
| URS Corp.                | URS    | US               | 20                     | \$2,979             | 0.0194%       | 0.0039%                   |
| US Airways Group         | LCC    | US               | 23                     | \$1,609             | 0.0105%       | 0.0024%                   |
| US Ecology               | ECOL   | US               | 14                     | \$363               | 0.0024%       | 0.0003%                   |
| USG Corp.                | USG    | US               | 11                     | \$2,000             | 0.0130%       | 0.0014%                   |
| UTStarcom Holdings       | UTSI   | US               | 45                     | \$160               | 0.0010%       | 0.0005%                   |
| V.F. Corp.               | VFC    | US               | 11                     | \$16,508            | 0.1077%       | 0.0118%                   |
| Vail Resorts             | MTN    | US               | 8                      | \$1,799             | 0.0117%       | 0.0009%                   |
| Valassis Communic.       | VCI    | US               | 10                     | \$972               | 0.0063%       | 0.0006%                   |
| Valero Energy            | VLO    | US               | 17                     | \$16,001            | 0.1044%       | 0.0177%                   |
| Valmont Inds.            | VMI    | US               | 7                      | \$3,455             | 0.0225%       | 0.0016%                   |
| Valspar Corp.            | VAL    | US               | 9                      | \$4,742             | 0.0309%       | 0.0028%                   |
| ValueClick Inc.          | VCLK   | US               | 25                     | \$1,166             | 0.0076%       | 0.0019%                   |
| ValueVision Media        | VVTV   | US               | 23                     | \$91                | 0.0006%       | 0.0001%                   |
| Varian Medical Sys.      | VAR    | US               | 18                     | \$6,565             | 0.0428%       | 0.0077%                   |
| VCA Antech               | WOOF   | US               | 15                     | \$1,659             | 0.0108%       | 0.0016%                   |
| Vectren Corp.            | VVC    | US               | 11                     | \$2,385             | 0.0156%       | 0.0017%                   |
| Veeco Instruments        | VECO   | US               | 21                     | \$1,421             | 0.0093%       | 0.0019%                   |
| Ventas, Inc.             | VTR    | US               | 6                      |                     |               |                           |
| Verifone Systems         | PAY    | US               | 16                     | \$3,668             | 0.0239%       | 0.0038%                   |
| VeriSign Inc.            | VRSN   | US               | 13                     | \$7,482             | 0.0488%       | 0.0063%                   |
| Verisk Analytics         | VRSK   | US               | 5                      | \$8,072             | 0.0527%       | 0.0026%                   |
| Verizon Communic.        | VZ     | US               | 12                     | \$125,692           | 0.8200%       | 0.0984%                   |
| Vertex Pharmac.          | VRTX   | US               | 9                      | \$11,488            | 0.0749%       | 0.0067%                   |
| Viacom Inc. 'B'          | VIAB   | US               | 22                     | \$25,819            | 0.1684%       | 0.0371%                   |
| Viad Corp.               | VVI    | US               | 11                     | \$380               | 0.0025%       | 0.0003%                   |
| ViaSat, Inc.             | VSAT   | US               | 16                     | \$1,677             | 0.0109%       | 0.0018%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| Village Super Market   | VLGEA  | US               | 8                      | \$507               | 0.0033%       | 0.0003%                   |
| Visa Inc.              | V      | US               | 12                     | \$105,041           | 0.6853%       | 0.0822%                   |
| Vishay Intertechnology | VSH    | US               | 26                     | \$1,438             | 0.0094%       | 0.0024%                   |
| Visteon Corp.          | VC     | US               | 21                     | \$2,146             | 0.0140%       | 0.0029%                   |
| Vitamin Shoppe         | VSI    | US               | -1                     | \$1,615             | 0.0105%       | -0.0001%                  |
| VMware, Inc.           | VMW    | US               | 9                      | \$41,893            | 0.2733%       | 0.0246%                   |
| Volcano Corp.          | VOLC   | US               | 16                     | \$1,499             | 0.0098%       | 0.0016%                   |
| Vonage Holdings        | VG     | US               | 9                      | \$489               | 0.0032%       | 0.0003%                   |
| Vornado R'lty Trust    | VNO    | US               | 8                      | \$15,161            | 0.0989%       | 0.0079%                   |
| Vulcan Materials       | VMC    | US               | -8                     | \$5,152             | 0.0336%       | -0.0027%                  |
| W.P. Carey & Co. LLC   | WPC    | US               | 4                      | \$1,854             | 0.0121%       | 0.0005%                   |
| Wabash National        | WNC    | US               | 33                     | \$465               | 0.0030%       | 0.0010%                   |
| WABCO Hlds.            | WBC    | US               | 21                     | \$3,684             | 0.0240%       | 0.0050%                   |
| Wabtec Corp.           | WAB    | US               | 5                      | \$3,878             | 0.0253%       | 0.0013%                   |
| Wal-Mart Stores        | WMT    | US               | 11                     | \$244,949           | 1.5980%       | 0.1758%                   |
| Walgreen Co.           | WAG    | US               | 17                     | \$30,493            | 0.1989%       | 0.0338%                   |
| Walter Energy          | WLT    | US               | 33                     | \$2,312             | 0.0151%       | 0.0050%                   |
| Warnaco Group          | WRC    | US               | 10                     | \$2,027             | 0.0132%       | 0.0013%                   |
| Washington Federal     | WAFD   | US               | 14                     | \$1,724             | 0.0112%       | 0.0016%                   |
| Washington Post        | WPO    | US               | 24                     | \$2,591             | 0.0169%       | 0.0041%                   |
| Washington R.E.I.T.    | WRE    | US               | 13                     |                     |               |                           |
| Waste Connections      | WCN    | US               | 12                     | \$3,747             | 0.0244%       | 0.0029%                   |
| Waste Management       | WM     | US               | 11                     | \$16,520            | 0.1078%       | 0.0119%                   |
| Waters Corp.           | WAT    | US               | 14                     | \$6,677             | 0.0436%       | 0.0061%                   |
| Watsco, Inc.           | WSO    | US               | 11                     | \$2,279             | 0.0149%       | 0.0016%                   |
| Watson Pharmac.        | WPI    | US               | 10                     | \$10,171            | 0.0664%       | 0.0066%                   |
| Watts Water Techn.     | WTS    | US               | 12                     | \$1,340             | 0.0087%       | 0.0010%                   |
| Wausau Paper           | WPP    | US               | 17                     | \$430               | 0.0028%       | 0.0005%                   |
| WD-40 Co.              | WDFC   | US               | 4                      | \$782               | 0.0051%       | 0.0002%                   |
| Weatherford Int'l      | WFT    | US               | 32                     | \$9,388             | 0.0612%       | 0.0196%                   |
| WebMD Health           | WBMD   | US               | 29                     | \$858               | 0.0056%       | 0.0016%                   |
| Websense Inc.          | WBSN   | US               | 29                     | \$560               | 0.0037%       | 0.0011%                   |
| Webster Fin'l          | WBS    | US               | 5                      | \$1,909             | 0.0125%       | 0.0006%                   |
| Weight Watchers        | WTW    | US               | 29                     | \$2,789             | 0.0182%       | 0.0053%                   |
| Weingarten Realty      | WRI    | US               | 4                      |                     |               |                           |
| Weis Markets           | WMK    | US               | 9                      | \$1,179             | 0.0077%       | 0.0007%                   |
| WellPoint, Inc.        | WLP    | US               | 20                     | \$19,192            | 0.1252%       | 0.0250%                   |
| Wells Fargo            | WFC    | US               | 18                     | \$180,061           | 1.1747%       | 0.2114%                   |
| Wendy's Company        | WEN    | US               | 21                     | \$1,713             | 0.0112%       | 0.0023%                   |
| Werner Enterprises     | WERN   | US               | 16                     | \$1,696             | 0.0111%       | 0.0018%                   |
| WESCO Int'l            | WCC    | US               | 10                     | \$2,624             | 0.0171%       | 0.0017%                   |
| West Marine            | WMAR   | US               | 15                     | \$238               | 0.0016%       | 0.0002%                   |
| West Pharmac. Svcs.    | WST    | US               | 14                     | \$1,626             | 0.0106%       | 0.0015%                   |
| Westar Energy          | WR     | US               | 4                      | \$3,735             | 0.0244%       | 0.0010%                   |
| Western Digital        | WDC    | US               | 20                     | \$11,852            | 0.0773%       | 0.0155%                   |
| Western Union          | WU     | US               | 28                     | \$10,718            | 0.0699%       | 0.0196%                   |
| Westlake Chemical      | WLK    | US               | 7                      | \$4,551             | 0.0297%       | 0.0021%                   |
| Wet Seal `A'           | WTSLA  | US               | 10                     | \$280               | 0.0018%       | 0.0002%                   |
| Weyerhaeuser Co.       | WY     | US               | 11                     | \$13,153            | 0.0858%       | 0.0094%                   |

| Company                | Ticker | Domicile<br>Code | Proj 3-5 Yr %          | Market Cap \$ (Mil) | Percent Total | Weighted                  |
|------------------------|--------|------------------|------------------------|---------------------|---------------|---------------------------|
|                        |        |                  | Annual Total<br>Return |                     | Market Cap.   | Projected Total<br>Return |
| WGL Holdings Inc.      | WGL    | US               | 5                      | \$2,096             | 0.0137%       | 0.0007%                   |
| Whirlpool Corp.        | WHR    | US               | 17                     | \$5,684             | 0.0371%       | 0.0063%                   |
| Whole Foods Market     | WFM    | US               | 8                      | \$17,704            | 0.1155%       | 0.0092%                   |
| Wiley (John) & Sons    | JW/A   | US               | 20                     | \$2,860             | 0.0187%       | 0.0037%                   |
| Williams Cos.          | WMB    | US               | 7                      | \$20,460            | 0.1335%       | 0.0093%                   |
| Williams Partners L.P. | WPZ    | US               | 14                     | \$17,688            | 0.1154%       | 0.0162%                   |
| Williams-Sonoma        | WSM    | US               | 20                     | \$3,729             | 0.0243%       | 0.0049%                   |
| Windstream Corp.       | WIN    | US               | 17                     | \$5,654             | 0.0369%       | 0.0063%                   |
| Winnebago              | WGO    | US               | 9                      | \$323               | 0.0021%       | 0.0002%                   |
| Wintrust Financial     | WTFC   | US               | 4                      | \$1,341             | 0.0088%       | 0.0004%                   |
| Wisconsin Energy       | WEC    | US               | 4                      | \$8,881             | 0.0579%       | 0.0023%                   |
| WMS Industries         | WMS    | US               | 41                     | \$852               | 0.0056%       | 0.0023%                   |
| Wolverine World Wide   | WWW    | US               | 8                      | \$2,215             | 0.0145%       | 0.0012%                   |
| Woodward, Inc.         | WWD    | US               | 18                     | \$2,557             | 0.0167%       | 0.0030%                   |
| World Wrestling Ent.   | WWE    | US               | 17                     | \$630               | 0.0041%       | 0.0007%                   |
| Worthington Inds.      | WOR    | US               | 10                     | \$1,578             | 0.0103%       | 0.0010%                   |
| Wright Express         | WXS    | US               | 12                     | \$2,573             | 0.0168%       | 0.0020%                   |
| Wright Medical         | WMGI   | US               | 16                     | \$810               | 0.0053%       | 0.0008%                   |
| Wyndham Worldwide      | WYN    | US               | 6                      | \$7,437             | 0.0485%       | 0.0029%                   |
| Wynn Resorts           | WYNN   | US               | 25                     | \$11,748            | 0.0766%       | 0.0192%                   |
| Xcel Energy Inc.       | XEL    | US               | 5                      | \$13,922            | 0.0908%       | 0.0045%                   |
| XenoPort, Inc.         | XNPT   | US               | 23                     | \$317               | 0.0021%       | 0.0005%                   |
| Xerox Corp.            | XRX    | US               | 25                     | \$9,595             | 0.0626%       | 0.0156%                   |
| Xilinx Inc.            | XLNX   | US               | 17                     | \$8,910             | 0.0581%       | 0.0099%                   |
| XO Group               | XOXO   | US               | 19                     | \$201               | 0.0013%       | 0.0002%                   |
| Yahoo! Inc.            | YHOO   | US               | 19                     | \$17,900            | 0.1168%       | 0.0222%                   |
| Yum! Brands            | YUM    | US               | 8                      | \$30,288            | 0.1976%       | 0.0158%                   |
| Zale Corp.             | ZLC    | US               | 38                     | \$117               | 0.0008%       | 0.0003%                   |
| Zebra Techn. 'A'       | ZBRA   | US               | 18                     | \$1,913             | 0.0125%       | 0.0022%                   |
| Zimmer Holdings        | ZMH    | US               | 14                     | \$10,801            | 0.0705%       | 0.0099%                   |
| Zions Bancorp.         | ZION   | US               | 8                      | \$3,543             | 0.0231%       | 0.0018%                   |
| Zipcar, Inc.           | ZIP    | US               | 28                     | \$323               | 0.0021%       | 0.0006%                   |
| Zoltek Cos.            | ZOLT   | US               | 31                     | \$299               | 0.0019%       | 0.0006%                   |
| Zumiez Inc.            | ZUMZ   | US               | 7                      | \$1,101             | 0.0072%       | 0.0005%                   |
| Zygo Corp.             | ZIGO   | US               | 30                     | \$335               | 0.0022%       | 0.0007%                   |
| Zynga Inc.             | ZNGA   | US               | 53                     | \$2,276             | 0.0148%       | 0.0079%                   |
| Total                  |        |                  |                        | \$15,328,327        | 100.0000%     | 13.5726%                  |



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-10R)

NYSE and S&P 500 Domicile



NYSE INDEX VS SP500 INDEX  
COMPONENT COMPANY ANALYSIS

Niagara Mohawk Power Corporation  
d/b/a National Grid  
Cases 12-E-0201 12-G-0202  
Exhibit \_\_ (RBH-10R)  
Page 1 of 22

Source: New York Stock Exchange, Bloomberg Professional

Number of companies domiciled outside US: 408  
% Weighting of NYSE Index domiciled outside US: 35.96%

Number of companies domiciled outside US: 13 2.60%  
% Weighting of NYSE Index domiciled outside US: 1.82%

| NYSE Index                             |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company                                | Ticker | % Weight in Index | Country of Domicile |
| Exxon Mobil Corp.                      | XOM    | 2.18% US          |                     |
| International Business Machines Corp.  | IBM    | 1.23% US          |                     |
| Chevron Corp.                          | CVX    | 1.19% US          |                     |
| General Electric Co.                   | GE     | 1.22% US          |                     |
| Procter & Gamble Co.                   | PG     | 0.99% US          |                     |
| AT&T Inc.                              | T      | 1.15% US          |                     |
| Johnson & Johnson                      | JNJ    | 0.99% US          |                     |
| Pfizer Inc.                            | PFE    | 0.95% US          |                     |
| HSBC Holdings PLC                      | HBC    | 0.89% GB          |                     |
| Wells Fargo & Co.                      | WFC    | 0.96% US          |                     |
| Novartis AG                            | NVS    | 0.85% CH          |                     |
| BP PLC                                 | BP     | 0.71% GB          |                     |
| Philip Morris International Inc.       | PM     | 0.77% US          |                     |
| JPMorgan Chase & Co.                   | JPM    | 0.80% US          |                     |
| Coca-Cola Co.                          | KO     | 0.89% US          |                     |
| Royal Dutch Shell PLC Cl A             | RDS/A  | 0.70% NL          |                     |
| Toyota Motor Corp.                     | TM     | 0.75% JP          |                     |
| Total S.A.                             | TOT    | 0.66% FR          |                     |
| BHP Billiton Ltd.                      | BHP    | 0.58% AU          |                     |
| Merck & Co. Inc.                       | MRK    | 0.72% US          |                     |
| GlaxoSmithKline PLC                    | GSK    | 0.60% GB          |                     |
| Verizon Communications Inc.            | VZ     | 0.67% US          |                     |
| Schlumberger Ltd.                      | SLB    | 0.52% US          |                     |
| Wal-Mart Stores Inc.                   | WMT    | 1.31% US          |                     |
| McDonald's Corp.                       | MCD    | 0.48% US          |                     |
| Royal Dutch Shell PLC B                | RDS/B  | 0.51% NL          |                     |
| PepsiCo Inc.                           | PEP    | 0.58% US          |                     |
| ConocoPhillips                         | COP    | 0.36% US          |                     |
| Citigroup Inc.                         | C      | 0.51% US          |                     |
| Abbott Laboratories                    | ABT    | 0.56% US          |                     |
| Siemens AG                             | SI     | 0.49% DE          |                     |
| Sanofi                                 | SNY    | 0.61% FR          |                     |
| Occidental Petroleum Corp.             | OXY    | 0.37% US          |                     |
| Rio Tinto PLC                          | RIO    | 0.37% GB          |                     |
| Bank of America Corp.                  | BAC    | 0.51% US          |                     |
| Royal Bank of Canada                   | RY     | 0.43% CA          |                     |
| Berkshire Hathaway Inc. Cl B           | BRK/B  | 0.50% US          |                     |
| Mitsubishi UFJ Financial Group Inc.    | MTU    | 0.35% JP          |                     |
| Berkshire Hathaway Inc. Cl A           | BRK/A  | 0.64% US          |                     |
| Home Depot Inc.                        | HD     | 0.45% US          |                     |
| Toronto-Dominion Bank                  | TD     | 0.40% CA          |                     |
| Walt Disney Co.                        | DIS    | 0.49% US          |                     |
| Banco Santander S.A.                   | SAN    | 0.42% ES          |                     |
| BHP Billiton PLC                       | BBL    | 0.34% GB          |                     |
| Taiwan Semiconductor Manufacturing Co. | TSM    | 0.41% TW          |                     |
| Honda Motor Co. Ltd.                   | HMC    | 0.32% JP          |                     |
| Telefonica S.A.                        | TEF    | 0.35% ES          |                     |
| Caterpillar Inc.                       | CAT    | 0.31% US          |                     |
| Westpac Banking Corp.                  | WBK    | 0.41% AU          |                     |
| United Technologies Corp.              | UTX    | 0.38% US          |                     |
| SAP AG                                 | SAP    | 0.46% DE          |                     |
| Altria Group Inc.                      | MO     | 0.36% US          |                     |
| ENI S.p.A.                             | E      | 0.44% IT          |                     |
| Kraft Foods Inc. Cl A                  | KFT    | 0.37% US          |                     |
| VISA Inc. Cl A                         | V      | 0.37% US          |                     |
| AstraZeneca PLC                        | AZN    | 0.31% GB          |                     |
| UnitedHealth Group Inc.                | UNH    | 0.29% US          |                     |
| CVS Caremark Corp.                     | CVS    | 0.31% US          |                     |
| Diageo PLC                             | DEO    | 0.36% GB          |                     |
| Suncor Energy Inc.                     | SU     | 0.27% CA          |                     |
| Bank of Nova Scotia                    | BNS    | 0.34% CA          |                     |
| Novo Nordisk A/S                       | NVO    | 0.37% DK          |                     |
| 3M Co.                                 | MMM    | 0.33% US          |                     |
| United Parcel Service Inc. Cl B        | UPS    | 0.28% US          |                     |
| EMC Corp.                              | EMC    | 0.30% US          |                     |
| Bristol-Myers Squibb Co.               | BMJ    | 0.30% US          |                     |
| U.S. Bancorp                           | USB    | 0.34% US          |                     |
| American Express Co.                   | AXP    | 0.34% US          |                     |
| China Mobile Ltd.                      | CHL    | 1.13% HK          |                     |
| Union Pacific Corp.                    | UNP    | 0.31% US          |                     |
| Hewlett-Packard Co.                    | HPQ    | 0.19% US          |                     |
| Unilever N.V.                          | UN     | 0.32% NL          |                     |
| UBS AG                                 | UBS    | 0.26% CH          |                     |
| Canon Inc.                             | CAJ    | 0.24% JP          |                     |
| Boeing Co.                             | BA     | 0.28% US          |                     |
| Petroleo Brasileiro S/A                | PBR    | 0.44% BR          |                     |
| Goldman Sachs Group Inc.               | GS     | 0.30% US          |                     |
| Anheuser-Busch InBev N.V.              | BUD    | 0.71% BE          |                     |
| Barrick Gold Corp.                     | ABX    | 0.21% CA          |                     |
| ABB Ltd.                               | ABB    | 0.23% CH          |                     |

| S&P 500 Index                |        |                   |                     |
|------------------------------|--------|-------------------|---------------------|
| Company                      | Ticker | % Weight in Index | Country of Domicile |
| 3M CO                        | MMM    | 0.47% US          |                     |
| ABBOTT LABORATORIES          | ABT    | 0.80% US          |                     |
| ABERCROMBIE & FITCH CO-CL A  | ANF    | 0.02% US          |                     |
| ACCENTURE PLC-CL A           | ACN    | 0.31% IE          |                     |
| ACE LTD                      | ACE    | 0.19% CH          |                     |
| ADOBE SYSTEMS INC            | ADBE   | 0.12% US          |                     |
| ADVANCED MICRO DEVICES       | AMD    | 0.02% US          |                     |
| AES CORP                     | AES    | 0.06% US          |                     |
| AETNA INC                    | AET    | 0.09% US          |                     |
| AFLAC INC                    | AFL    | 0.17% US          |                     |
| AGILENT TECHNOLOGIES INC     | A      | 0.10% US          |                     |
| AGL RESOURCES INC            | GAS    | 0.04% US          |                     |
| AIR PRODUCTS & CHEMICALS INC | APD    | 0.13% US          |                     |
| AIRGAS INC                   | ARG    | 0.05% US          |                     |
| AKAMAI TECHNOLOGIES INC      | AKAM   | 0.05% US          |                     |
| ALCOA INC                    | AA     | 0.08% US          |                     |
| ALEXION PHARMACEUTICALS INC  | ALXN   | 0.16% US          |                     |
| ALLEGHENY TECHNOLOGIES INC   | ATI    | 0.03% US          |                     |
| ALLERGAN INC                 | AGN    | 0.20% US          |                     |
| ALLSTATE CORP                | ALL    | 0.14% US          |                     |
| ALPHA NATURAL RESOURCES INC  | ANR    | 0.01% US          |                     |
| ALTERA CORP                  | ALTR   | 0.09% US          |                     |
| ALTRIA GROUP INC             | MO     | 0.51% US          |                     |
| AMAZON.COM INC               | AMZN   | 0.87% US          |                     |
| AMEREN CORPORATION           | AEE    | 0.06% US          |                     |
| AMERICAN ELECTRIC POWER      | AEP    | 0.16% US          |                     |
| AMERICAN EXPRESS CO          | AXP    | 0.49% US          |                     |
| AMERICAN INTERNATIONAL GROUP | AIG    | 0.38% US          |                     |
| AMERICAN TOWER CORP          | AMT    | 0.21% US          |                     |
| AMERIPRISE FINANCIAL INC     | AMP    | 0.09% US          |                     |
| AMERISOURCEBERGEN CORP       | ABC    | 0.07% US          |                     |
| AMGEN INC                    | AMGN   | 0.48% US          |                     |
| AMPHENOL CORP-CL A           | APH    | 0.07% US          |                     |
| ANADARKO PETROLEUM CORP      | APC    | 0.27% US          |                     |
| ANALOG DEVICES INC           | ADI    | 0.09% US          |                     |
| AON PLC                      | AON    | 0.13% GB          |                     |
| APACHE CORP                  | APA    | 0.27% US          |                     |
| APARTMENT INVT & MGMT CO -A  | AIV    | 0.03% US          |                     |
| APOLLO GROUP INC-CL A        | APOL   | 0.02% US          |                     |
| APPLE INC                    | AAPL   | 4.73% US          |                     |
| APPLIED MATERIALS INC        | AMAT   | 0.11% US          |                     |
| ARCHER-DANIELS-MIDLAND CO    | ADM    | 0.13% US          |                     |
| ASSURANT INC                 | AIZ    | 0.02% US          |                     |
| AT&T INC                     | T      | 1.64% US          |                     |
| AUTODESK INC                 | ADSK   | 0.06% US          |                     |
| AUTOMATIC DATA PROCESSING    | ADP    | 0.21% US          |                     |
| AUTONATION INC               | AN     | 0.04% US          |                     |
| AUTOZONE INC                 | AZO    | 0.11% US          |                     |
| AVALONBAY COMMUNITIES INC    | AVB    | 0.10% US          |                     |
| AVERY DENNISON CORP          | AVY    | 0.02% US          |                     |
| AVON PRODUCTS INC            | AVP    | 0.05% US          |                     |
| BAKER HUGHES INC             | BHI    | 0.16% US          |                     |
| BALL CORP                    | BLL    | 0.05% US          |                     |
| BANK OF AMERICA CORP         | BAC    | 0.73% US          |                     |
| BANK OF NEW YORK MELLON CORP | BK     | 0.20% US          |                     |
| BAXTER INTERNATIONAL INC     | BAX    | 0.25% US          |                     |
| BB&T CORP                    | BBT    | 0.17% US          |                     |
| BEAM INC                     | BEAM   | 0.07% US          |                     |
| BECTON DICKINSON AND CO      | BDX    | 0.12% US          |                     |
| BED BATH & BEYOND INC        | BBBY   | 0.12% US          |                     |
| BEMIS COMPANY                | BMS    | 0.02% US          |                     |
| BERKSHIRE HATHAWAY INC-CL B  | BRK/B  | 0.71% US          |                     |
| BEST BUY CO INC              | BBY    | 0.05% US          |                     |
| BIG LOTS INC                 | BIG    | 0.01% US          |                     |
| BIOMERIEV INC                | BIIB   | 0.27% US          |                     |
| BLACKROCK INC                | BLK    | 0.22% US          |                     |
| BMC SOFTWARE INC             | BMC    | 0.05% US          |                     |
| BOEING CO/THE                | BA     | 0.40% US          |                     |
| BORGWARNER INC               | BWA    | 0.06% US          |                     |
| BOSTON PROPERTIES INC        | BXP    | 0.13% US          |                     |
| BOSTON SCIENTIFIC CORP       | BSX    | 0.06% US          |                     |
| BRISTOL-MYERS SQUIBB CO      | BMJ    | 0.42% US          |                     |
| BROADCOM CORP-CL A           | BRCM   | 0.14% US          |                     |
| BROWN-FORMAN CORP-CLASS B    | BF/B   | 0.06% US          |                     |
| CA INC                       | CA     | 0.10% US          |                     |
| CABLEVISION SYSTEMS-NY GRP-A | CVC    | 0.03% US          |                     |
| CABOT OIL & GAS CORP         | COG    | 0.07% US          |                     |
| CAMERON INTERNATIONAL CORP   | CAM    | 0.11% US          |                     |
| CAMPBELL SOUP CO             | CPB    | 0.08% US          |                     |
| CAPITAL ONE FINANCIAL CORP   | COF    | 0.25% US          |                     |

NYSE INDEX VS SP500 INDEX  
COMPONENT COMPANY ANALYSIS

Niagara Mohawk Power Corporation  
d/b/a National Grid  
Cases 12-E-0201 12-G-0202  
Exhibit \_\_ (RBH-10R)  
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| NYSE Index                           |        |                   |                     | S&P 500 Index                |        |                   |                     |
|--------------------------------------|--------|-------------------|---------------------|------------------------------|--------|-------------------|---------------------|
| Company                              | Ticker | % Weight in Index | Country of Domicile | Company                      | Ticker | % Weight in Index | Country of Domicile |
| Sumitomo Mitsui Financial Group Inc. | SMFG   | 0.24%             | JP                  | CARDINAL HEALTH INC          | CAH    | 0.10%             | US                  |
| Barclays PLC                         | BCS    | 0.22%             | GB                  | CAREFUSION CORP              | CFN    | 0.05%             | US                  |
| E.I. DuPont de Nemours & Co.         | DD     | 0.25%             | US                  | CARMAX INC                   | KMX    | 0.06%             | US                  |
| America Movil S.A.B. de C.V.         | AMX    | 0.35%             | MX                  | CARNIVAL CORP                | CCL    | 0.17%             | US                  |
| Ford Motor Co.                       | F      | 0.20%             | US                  | CATERPILLAR INC              | CAT    | 0.44%             | US                  |
| MasterCard Inc. Cl A                 | MA     | 0.28%             | US                  | CBRE GROUP INC - A           | CBG    | 0.05%             | US                  |
| Deutsche Bank AG                     | DB     | 0.21%             | DE                  | CBS CORP-CLASS B NON VOTING  | CBS    | 0.16%             | US                  |
| Anadarko Petroleum Corp.             | APC    | 0.19%             | US                  | CELGENE CORP                 | CELG   | 0.24%             | US                  |
| Unilever PLC                         | UL     | 0.24%             | GB                  | CENTERPOINT ENERGY INC       | CNP    | 0.07%             | US                  |
| Apache Corp.                         | APA    | 0.19%             | US                  | CENTURYLINK INC              | CTL    | 0.20%             | US                  |
| Monsanto Co.                         | MON    | 0.25%             | US                  | CERNER CORP                  | CERN   | 0.09%             | US                  |
| Banco Bilbao Vizcaya Argentaria S.A. | BBVA   | 0.24%             | ES                  | CF INDUSTRIES HOLDINGS INC   | CF     | 0.11%             | US                  |
| Honeywell International Inc.         | HON    | 0.25%             | US                  | C.H. ROBINSON WORLDWIDE INC  | CHRW   | 0.07%             | US                  |
| Colgate-Palmolive Co.                | CL     | 0.26%             | US                  | SCHWAB (CHARLES) CORP        | SCHW   | 0.13%             | US                  |
| Freeport-McMoRan Copper & Gold Inc.  | FCX    | 0.20%             | US                  | CHESAPEAKE ENERGY CORP       | CHK    | 0.10%             | US                  |
| Canadian Natural Resources Ltd.      | CNQ    | 0.19%             | CA                  | CHEVRON CORP                 | CVX    | 1.69%             | US                  |
| Medtronic Inc.                       | MDT    | 0.22%             | US                  | CHIPOTLE MEXICAN GRILL INC   | CMG    | 0.08%             | US                  |
| Nike Inc. Cl B                       | NKE    | 0.19%             | US                  | CHUBB CORP                   | CB     | 0.15%             | US                  |
| Simon Property Group Inc.            | SPG    | 0.26%             | US                  | CIGNA CORP                   | CI     | 0.10%             | US                  |
| Potash Corp. of Saskatchewan Inc.    | POT    | 0.19%             | CA                  | CINCINNATI FINANCIAL CORP    | CINF   | 0.05%             | US                  |
| Dow Chemical Co.                     | DOW    | 0.19%             | US                  | CINTAS CORP                  | CTAS   | 0.04%             | US                  |
| Mizuho Financial Group Inc.          | MFG    | 0.21%             | JP                  | CISCO SYSTEMS INC            | CSCO   | 0.76%             | US                  |
| Goldcorp Inc.                        | GG     | 0.18%             | CA                  | CITIGROUP INC                | C      | 0.73%             | US                  |
| Eli Lilly & Co.                      | LLY    | 0.29%             | US                  | CITRIX SYSTEMS INC           | CTXS   | 0.11%             | US                  |
| Accenture PLC Cl A                   | ACN    | 0.22%             | IE                  | CLIFFS NATURAL RESOURCES INC | CLF    | 0.04%             | US                  |
| Southern Co.                         | SO     | 0.21%             | US                  | CLOROX COMPANY               | CLX    | 0.07%             | US                  |
| National Grid PLC                    | NGG    | 0.21%             | GB                  | CME GROUP INC                | CME    | 0.15%             | US                  |
| Emerson Electric Co.                 | EMR    | 0.19%             | US                  | CMS ENERGY CORP              | CMS    | 0.05%             | US                  |
| Time Warner Inc.                     | TWX    | 0.22%             | US                  | COACH INC                    | COH    | 0.13%             | US                  |
| Bank of Montreal                     | BMO    | 0.20%             | CA                  | COCA-COLA CO/THE             | KO     | 1.27%             | US                  |
| National Oilwell Varco Inc.          | NOV    | 0.19%             | US                  | COCA-COLA ENTERPRISES        | CCE    | 0.07%             | US                  |
| Halliburton Co.                      | HAL    | 0.17%             | US                  | COGNIZANT TECH SOLUTIONS-A   | CTSH   | 0.15%             | US                  |
| Deere & Co.                          | DE     | 0.16%             | US                  | COLGATE-PALMOLIVE CO         | CL     | 0.37%             | US                  |
| ING Groep N.V.                       | ING    | 0.18%             | NL                  | COMCAST CORP-CLASS A         | CMCSA  | 0.55%             | US                  |
| Lowe's Cos.                          | LOW    | 0.17%             | US                  | COMERICA INC                 | CMA    | 0.05%             | US                  |
| Canadian National Railway Co.        | CNI    | 0.21%             | CA                  | COMPUTER SCIENCES CORP       | CSC    | 0.04%             | US                  |
| CNOOC Ltd.                           | CEO    | 0.45%             | CN                  | CONAGRA FOODS INC            | CAG    | 0.08%             | US                  |
| Target Corp.                         | TGT    | 0.22%             | US                  | CONOCOPHILLIPS               | COP    | 0.52%             | US                  |
| Vale S.A.                            | VALE   | 0.32%             | BR                  | CONSOL ENERGY INC            | CNX    | 0.05%             | US                  |
| Praxair Inc.                         | PX     | 0.17%             | US                  | CONSOLIDATED EDISON INC      | ED     | 0.13%             | US                  |
| Baxter International Inc.            | BAX    | 0.17%             | US                  | CONSTELLATION BRANDS INC-A   | STZ    | 0.04%             | US                  |
| PetroChina Co. Ltd.                  | PTR    | 0.14%             | CN                  | COOPER INDUSTRIES PLC        | CBE    | 0.09%             | US                  |
| EOG Resources Inc.                   | EOG    | 0.16%             | US                  | CORNING INC                  | GLW    | 0.14%             | US                  |
| Syngenta AG                          | SYT    | 0.18%             | CH                  | COSTCO WHOLESALE CORP        | COST   | 0.33%             | US                  |
| PNC Financial Services Group Inc.    | PNC    | 0.18%             | US                  | COVENTRY HEALTH CARE INC     | CVH    | 0.04%             | US                  |
| MetLife Inc.                         | MET    | 0.19%             | US                  | COVIDIEN PLC                 | COV    | 0.21%             | IE                  |
| Yum! Brands Inc.                     | YUM    | 0.16%             | US                  | CR BARD INC                  | BCR    | 0.06%             | US                  |
| Canadian Imperial Bank of Commerce   | CM     | 0.17%             | CA                  | CROWN CASTLE INTL CORP       | CCI    | 0.14%             | US                  |
| Credit Suisse Group                  | CS     | 0.16%             | CH                  | CSX CORP                     | CSX    | 0.18%             | US                  |
| Danaher Corp.                        | DHR    | 0.20%             | US                  | CUMMINS INC                  | CMI    | 0.14%             | US                  |
| France Telecom                       | FTE    | 0.19%             | FR                  | CVS CAREMARK CORP            | CVS    | 0.45%             | US                  |
| Newmont Mining Corp.                 | NEM    | 0.14%             | US                  | DANAHER CORP                 | DHR    | 0.29%             | US                  |
| Statoil ASA                          | STO    | 0.43%             | NO                  | DARDEN RESTAURANTS INC       | DRI    | 0.05%             | US                  |
| Walgreen Co.                         | WAG    | 0.18%             | US                  | DAVITA INC                   | DVA    | 0.07%             | US                  |
| Devon Energy Corp.                   | DVN    | 0.13%             | US                  | DEAN FOODS CO                | DF     | 0.02%             | US                  |
| Prudential Financial Inc.            | PRU    | 0.14%             | US                  | DEERE & CO                   | DE     | 0.23%             | US                  |
| Cenovus Energy Inc.                  | CVE    | 0.14%             | CA                  | DELL INC                     | DELL   | 0.14%             | US                  |
| Prudential PLC                       | PUK    | 0.18%             | GB                  | DENBURY RESOURCES INC        | DNR    | 0.05%             | US                  |
| TransCanada Corp.                    | TRP    | 0.17%             | CA                  | DENTSPLY INTERNATIONAL INC   | XRAY   | 0.04%             | US                  |
| Dominion Resources Inc. (Virginia)   | D      | 0.16%             | US                  | DEVON ENERGY CORPORATION     | DVN    | 0.19%             | US                  |
| Kimberly-Clark Corp.                 | KMB    | 0.17%             | US                  | DEVRY INC                    | DV     | 0.01%             | US                  |
| BT Group PLC                         | BT     | 0.16%             | GB                  | DIAMOND OFFSHORE DRILLING    | DO     | 0.07%             | US                  |
| Duke Energy Corp.                    | DUK    | 0.24%             | US                  | DIRECTV                      | DTV    | 0.25%             | US                  |
| NTT DOCOMO Inc.                      | DCM    | 0.38%             | JP                  | DISCOVER FINANCIAL SERVICES  | DFS    | 0.15%             | US                  |
| TJX Cos.                             | TJX    | 0.18%             | US                  | DISCOVERY COMMUNICATIONS-A   | DISCA  | 0.06%             | US                  |
| Allergan Inc.                        | AGN    | 0.14%             | US                  | DOLLAR TREE INC              | DLTR   | 0.08%             | US                  |
| Bank of New York Mellon Corp.        | BK     | 0.14%             | US                  | DOMINION RESOURCES INC/VA    | D      | 0.23%             | US                  |
| Enbridge Inc.                        | ENB    | 0.17%             | CA                  | DOVER CORP                   | DOV    | 0.08%             | US                  |
| FedEx Corp.                          | FDX    | 0.15%             | US                  | DOW CHEMICAL CO/THE          | DOW    | 0.27%             | US                  |
| Covidien PLC                         | COV    | 0.14%             | IE                  | DR HORTON INC                | DHI    | 0.05%             | US                  |
| Sasol Ltd.                           | SSL    | 0.15%             | ZA                  | DR PEPPER SNAPPLE GROUP INC  | DPS    | 0.07%             | US                  |
| Exelon Corp.                         | EXC    | 0.16%             | US                  | DTE ENERGY COMPANY           | DTE    | 0.08%             | US                  |
| Hitachi Ltd.                         | HTHIY  | 0.14%             | JP                  | DUKE ENERGY CORP             | DUK    | 0.34%             | US                  |
| NextEra Energy Inc.                  | NEE    | 0.15%             | US                  | DUN & BRADSTREET CORP        | DNB    | 0.03%             | US                  |
| American Tower REIT                  | AMT    | 0.15%             | US                  | E*TRADE FINANCIAL CORP       | ETFC   | 0.02%             | US                  |
| Time Warner Cable Inc.               | TWC    | 0.15%             | US                  | EASTMAN CHEMICAL CO          | EMN    | 0.06%             | US                  |
| POSCO                                | PKX    | 0.15%             | KR                  | EATON CORP                   | ETN    | 0.12%             | US                  |
| Marathon Oil Corp.                   | MRO    | 0.11%             | US                  | EBAY INC                     | EBAY   | 0.47%             | US                  |
| ACE Ltd.                             | ACE    | 0.14%             | CH                  | ECOLAB INC                   | ECL    | 0.14%             | US                  |
| Morgan Stanley                       | MS     | 0.18%             | US                  | EDISON INTERNATIONAL         | EIX    | 0.11%             | US                  |
| CenturyLink Inc.                     | CTL    | 0.14%             | US                  | EDWARDS LIFESCIENCES CORP    | EW     | 0.09%             | US                  |
| Precision Castparts Corp.            | PCP    | 0.12%             | US                  | DU PONT (E.I.) DE NEMOURS    | DD     | 0.35%             | US                  |
| Travelers Cos. Inc.                  | TRV    | 0.14%             | US                  | ELECTRONIC ARTS INC          | EA     | 0.03%             | US                  |
| Tyco International Ltd.              | TYC    | 0.14%             | CH                  | ELI LILLY & CO               | LLY    | 0.41%             | US                  |
| Norfolk Southern Corp.               | NSC    | 0.12%             | US                  | EMC CORP/MA                  | EMC    | 0.43%             | US                  |

NYSE INDEX VS SP500 INDEX  
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Niagara Mohawk Power Corporation  
d/b/a National Grid  
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| NYSE Index                            |        |                   |                     | S&P 500 Index                |        |                   |                     |
|---------------------------------------|--------|-------------------|---------------------|------------------------------|--------|-------------------|---------------------|
| Company                               | Ticker | % Weight in Index | Country of Domicile | Company                      | Ticker | % Weight in Index | Country of Domicile |
| Illinois Tool Works Inc.              | ITW    | 0.15%             | US                  | EMERSON ELECTRIC CO          | EMR    | 0.27%             | US                  |
| China Life Insurance Co. Ltd.         | LFC    | 0.11%             | CN                  | ENSCO PLC-CL A               | ESV    | 0.10%             | GB                  |
| General Mills Inc.                    | GIS    | 0.13%             | US                  | ENTERGY CORP                 | ETR    | 0.09%             | US                  |
| Lockheed Martin Corp.                 | LMT    | 0.16%             | US                  | EOG RESOURCES INC            | EOG    | 0.23%             | US                  |
| WellPoint Inc.                        | WLP    | 0.10%             | US                  | EQT CORP                     | EQT    | 0.06%             | US                  |
| CSX Corp.                             | CSX    | 0.13%             | US                  | EQUIFAX INC                  | EFX    | 0.04%             | US                  |
| Baker Hughes Inc.                     | BHI    | 0.11%             | US                  | EQUITY RESIDENTIAL           | EQR    | 0.13%             | US                  |
| Johnson Controls Inc.                 | JCI    | 0.10%             | US                  | ESTEE LAUDER COMPANIES-CL A  | EL     | 0.11%             | US                  |
| Capital One Financial Corp.           | COF    | 0.18%             | US                  | EXELON CORP                  | EXC    | 0.22%             | US                  |
| Lloyds Banking Group PLC              | LYG    | 0.23%             | GB                  | EXPEDIA INC                  | EXPE   | 0.05%             | US                  |
| Manulife Financial Corp.              | MFC    | 0.11%             | CA                  | EXPEDITORS INTL WASH INC     | EXPD   | 0.06%             | US                  |
| AFLAC Inc.                            | AFL    | 0.12%             | US                  | EXPRESS SCRIPTS HOLDING CO   | ESRX   | 0.38%             | US                  |
| Coach Inc.                            | COH    | 0.09%             | US                  | EXXON MOBIL CORP             | XOM    | 3.11%             | US                  |
| Nokia Corp.                           | NOK    | 0.05%             | FI                  | F5 NETWORKS INC              | FFIV   | 0.06%             | US                  |
| Thermo Fisher Scientific Inc.         | TMO    | 0.11%             | US                  | FAMILY DOLLAR STORES         | FDO    | 0.06%             | US                  |
| Sony Corp.                            | SNE    | 0.06%             | JP                  | FASTENAL CO                  | FAST   | 0.10%             | US                  |
| General Dynamics Corp.                | GD     | 0.12%             | US                  | FEDERATED INVESTORS INC-CL B | FII    | 0.02%             | US                  |
| Corning Inc.                          | GLW    | 0.10%             | US                  | FEDEX CORP                   | FDX    | 0.21%             | US                  |
| Koninklijke Philips Electronics N.V.  | PHG    | 0.13%             | NL                  | FIDELITY NATIONAL INFORMATIO | FIS    | 0.07%             | US                  |
| Panasonic Corp.                       | PC     | 0.09%             | JP                  | FIFTH THIRD BANCORP          | FITB   | 0.11%             | US                  |
| Cummins Inc.                          | CMI    | 0.10%             | US                  | FIRST HORIZON NATIONAL CORP  | FDH    | 0.02%             | US                  |
| Las Vegas Sands Corp.                 | LVS    | 0.19%             | US                  | FIRST SOLAR INC              | FSLR   | 0.01%             | US                  |
| Spectra Energy Corp.                  | SE     | 0.10%             | US                  | FIRSTENERGY CORP             | FE     | 0.13%             | US                  |
| Hess Corp.                            | HES    | 0.10%             | US                  | FISERV INC                   | FISV   | 0.07%             | US                  |
| BB&T Corp.                            | BBT    | 0.12%             | US                  | FLIR SYSTEMS INC             | FLIR   | 0.02%             | US                  |
| McKesson Corp.                        | MCK    | 0.11%             | US                  | FLOWERVE CORP                | FLS    | 0.05%             | US                  |
| State Street Corp.                    | STT    | 0.11%             | US                  | FLUOR CORP                   | FLR    | 0.07%             | US                  |
| BlackRock Inc.                        | BLK    | 0.16%             | US                  | FMC CORP                     | FMC    | 0.06%             | US                  |
| ArcelorMittal                         | MT     | 0.13%             | LU                  | FMC TECHNOLOGIES INC         | FTI    | 0.09%             | US                  |
| HDFC Bank Ltd.                        | HDB    | 0.15%             | IN                  | FORD MOTOR CO                | F      | 0.29%             | US                  |
| Archer Daniels Midland Co.            | ADM    | 0.09%             | US                  | FOREST LABORATORIES INC      | FRX    | 0.07%             | US                  |
| Nippon Telegraph & Telephone Corp.    | NTT    | 0.32%             | JP                  | FOSSIL INC                   | FOSL   | 0.04%             | US                  |
| Teck Resources Ltd.                   | TCK    | 0.10%             | CA                  | FRANKLIN RESOURCES INC       | BEN    | 0.20%             | US                  |
| Public Storage                        | PSA    | 0.13%             | US                  | FREEPORT-MCMORAN COPPER      | FCX    | 0.29%             | US                  |
| Chubb Corp.                           | CB     | 0.11%             | US                  | FRONTIER COMMUNICATIONS CORP | FTR    | 0.04%             | US                  |
| China Petroleum & Chemical Corp.      | SNP    | 0.08%             | CN                  | GAMESTOP CORP-CLASS A        | GME    | 0.02%             | US                  |
| CBS Corp. CI B                        | CBS    | 0.11%             | US                  | GANNETT CO                   | GCI    | 0.03%             | US                  |
| Noble Energy Inc.                     | NBL    | 0.09%             | US                  | GAP INC/THE                  | GPS    | 0.13%             | US                  |
| FirstEnergy Corp.                     | FE     | 0.09%             | US                  | GENERAL DYNAMICS CORP        | GD     | 0.17%             | US                  |
| Air Products & Chemicals Inc.         | APD    | 0.09%             | US                  | GENERAL ELECTRIC CO          | GE     | 1.75%             | US                  |
| American Electric Power Co. Inc.      | AEP    | 0.11%             | US                  | GENERAL MILLS INC            | GIS    | 0.19%             | US                  |
| Mosaic Co.                            | MOS    | 0.09%             | US                  | GENUINE PARTS CO             | GPC    | 0.07%             | US                  |
| Franklin Resources Inc.               | BEN    | 0.14%             | US                  | GENWORTH FINANCIAL INC-CL A  | GNW    | 0.02%             | US                  |
| Brookfield Asset Management Inc. CI A | BAM    | 0.12%             | CA                  | GILEAD SCIENCES INC          | GILD   | 0.34%             | US                  |
| Raytheon Co.                          | RTN    | 0.10%             | US                  | GOLDMAN SACHS GROUP INC      | GS     | 0.43%             | US                  |
| Salesforce.com Inc.                   | CRM    | 0.11%             | US                  | GOODYEAR TIRE & RUBBER CO    | GT     | 0.02%             | US                  |
| Lorillard Inc.                        | LO     | 0.08%             | US                  | GOOGLE INC-CL A              | GOOG   | 1.36%             | US                  |
| Shinhan Financial Group Co. Ltd.      | SHG    | 0.08%             | KR                  | H&R BLOCK INC                | HRB    | 0.03%             | US                  |
| Eaton Corp.                           | ETN    | 0.08%             | US                  | HALLIBURTON CO               | HAL    | 0.25%             | US                  |
| Nomura Holdings Inc.                  | NMR    | 0.07%             | JP                  | HARLEY-DAVIDSON INC          | HOG    | 0.08%             | US                  |
| Sysco Corp.                           | SY     | 0.09%             | US                  | HARMAN INTERNATIONAL         | HAR    | 0.02%             | US                  |
| Marsh & McLennan Cos.                 | MMC    | 0.10%             | US                  | HARRIS CORP                  | HRS    | 0.04%             | US                  |
| H.J. Heinz Co.                        | HNZ    | 0.10%             | US                  | HARTFORD FINANCIAL SVCS GRP  | HIG    | 0.06%             | US                  |
| Williams Cos.                         | WMB    | 0.11%             | US                  | HASBRO INC                   | HAS    | 0.04%             | US                  |
| Consolidated Edison Inc.              | ED     | 0.09%             | US                  | HCP INC                      | HCP    | 0.15%             | US                  |
| Equity Residential                    | EQR    | 0.09%             | US                  | HEALTH CARE REIT INC         | HCN    | 0.10%             | US                  |
| Aetna Inc.                            | AET    | 0.07%             | US                  | HELMERICH & PAYNE            | HP     | 0.04%             | US                  |
| Ecolab Inc.                           | ECL    | 0.10%             | US                  | HERSHEY CO/THE               | HSY    | 0.09%             | US                  |
| PG&E Corp.                            | PCG    | 0.10%             | US                  | HESS CORP                    | HES    | 0.14%             | US                  |
| Chesapeake Energy Corp.               | CHK    | 0.07%             | US                  | HEWLETT-PACKARD CO           | HPQ    | 0.27%             | US                  |
| PPL Corp.                             | PPL    | 0.09%             | US                  | HJ HEINZ CO                  | HNZ    | 0.14%             | US                  |
| AngloGold Ashanti Ltd.                | AU     | 0.07%             | ZA                  | HOME DEPOT INC               | HD     | 0.65%             | US                  |
| Discover Financial Services           | DFS    | 0.10%             | US                  | HONEYWELL INTERNATIONAL INC  | HON    | 0.35%             | US                  |
| Transocean Ltd.                       | RIG    | 0.09%             | CH                  | HORMEL FOODS CORP            | HRL    | 0.06%             | US                  |
| Aviva PLC                             | AV     | 0.09%             | GB                  | HOSPIRA INC                  | HSP    | 0.04%             | US                  |
| Ventas Inc.                           | VTR    | 0.10%             | US                  | HOST HOTELS & RESORTS INC    | HST    | 0.09%             | US                  |
| Annaly Capital Management Inc.        | NLY    | 0.09%             | US                  | HUDSON CITY BANCORP INC      | HCBK   | 0.03%             | US                  |
| Stryker Corp.                         | SYK    | 0.11%             | US                  | HUMANA INC                   | HUM    | 0.08%             | US                  |
| Pearson PLC                           | PSO    | 0.08%             | GB                  | HUNTINGTON BANCSHARES INC    | HBAN   | 0.04%             | US                  |
| ICICI Bank Ltd.                       | IBN    | 0.11%             | IN                  | ILLINOIS TOOL WORKS          | ITW    | 0.22%             | US                  |
| Mead Johnson Nutrition Co.            | MJN    | 0.08%             | US                  | INGERSOLL-RAND PLC           | IR     | 0.11%             | IE                  |
| Becton Dickinson & Co.                | BDX    | 0.08%             | US                  | INTEGRYS ENERGY GROUP INC    | TEG    | 0.03%             | US                  |
| HCP Inc.                              | HCP    | 0.11%             | US                  | INTEL CORP                   | INTC   | 0.87%             | US                  |
| Kyocera Corp.                         | KYO    | 0.08%             | JP                  | INTERCONTINENTALEXCHANGE INC | ICE    | 0.07%             | US                  |
| Macy's Inc.                           | M      | 0.08%             | US                  | INTL BUSINESS MACHINES CORP  | IBM    | 1.75%             | US                  |
| CRH PLC                               | CRH    | 0.08%             | IE                  | INTL FLAVORS & FRAGRANCES    | IFF    | 0.04%             | US                  |
| Vornado Realty Trust                  | VNO    | 0.08%             | US                  | INTL GAME TECHNOLOGY         | IGT    | 0.03%             | US                  |
| TE Connectivity Ltd.                  | TEL    | 0.08%             | CH                  | INTERNATIONAL PAPER CO       | IP     | 0.12%             | US                  |
| ProLogis Inc.                         | PLD    | 0.09%             | US                  | INTERPUBLIC GROUP OF COS INC | IPG    | 0.04%             | US                  |
| AON Corp.                             | AON    | 0.09%             | GB                  | INTUIT INC                   | INTU   | 0.13%             | US                  |
| Public Service Enterprise Group Inc.  | PEG    | 0.08%             | US                  | INTUITIVE SURGICAL INC       | ISRG   | 0.15%             | US                  |
| Marathon Petroleum Corp.              | MPC    | 0.10%             | US                  | INVESCO LTD                  | IVZ    | 0.08%             | US                  |
| General Motors Co.                    | GM     | 0.19%             | US                  | IRON MOUNTAIN INC            | IRM    | 0.04%             | US                  |
| Fresenius Medical Care AG & Co. KGaA  | FMS    | 0.12%             | DE                  | JABIL CIRCUIT INC            | JBL    | 0.03%             | US                  |
| LyondellBasell Industries N.V. CI A   | LYB    | 0.15%             | NL                  | JACOBS ENGINEERING GROUP INC | JEC    | 0.04%             | US                  |

NYSE INDEX VS SP500 INDEX  
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| NYSE Index                                 |        |                   |                     | S&P 500 Index                |        |                   |                     |
|--|--------|-------------------|---------------------|------------------------------|--------|-------------------|---------------------|
| Company                                    | Ticker | % Weight in Index | Country of Domicile | Company                      | Ticker | % Weight in Index | Country of Domicile |
| Boston Properties Inc.                     | BXP    | 0.09% US          |                     | J.C. PENNEY CO INC           | JCP    | 0.05% US          |                     |
| Allstate Corp.                             | ALL    | 0.10% US          |                     | JDS UNIPHASE CORP            | JDSU   | 0.02% US          |                     |
| Agilent Technologies Inc.                  | A      | 0.07% US          |                     | JM SMUCKER CO/THE            | SJM    | 0.07% US          |                     |
| Rogers Communications Inc. CI B            | RCI    | 0.09% CA          |                     | JOHNSON & JOHNSON            | JNJ    | 1.41% US          |                     |
| Talisman Energy Inc.                       | TLM    | 0.08% CA          |                     | JOHNSON CONTROLS INC         | JCI    | 0.15% US          |                     |
| EnCana Corp.                               | ECA    | 0.09% CA          |                     | JOY GLOBAL INC               | JOY    | 0.05% US          |                     |
| Northrop Grumman Corp.                     | NOC    | 0.09% US          |                     | JPMORGAN CHASE & CO          | JPM    | 1.14% US          |                     |
| Humana Inc.                                | HUM    | 0.06% US          |                     | JUNIPER NETWORKS INC         | JNPR   | 0.08% US          |                     |
| Cardinal Health Inc.                       | CAH    | 0.07% US          |                     | KELLOGG CO                   | K      | 0.14% US          |                     |
| Waste Management Inc.                      | WM     | 0.08% US          |                     | KEYCORP                      | KEY    | 0.06% US          |                     |
| KB Financial Group Inc.                    | KB     | 0.07% KR          |                     | KIMBERLY-CLARK CORP          | KMB    | 0.24% US          |                     |
| Pioneer Natural Resources Co.              | PXD    | 0.07% US          |                     | KIMCO REALTY CORP            | KIM    | 0.06% US          |                     |
| Motorola Solutions Inc.                    | MSI    | 0.07% US          |                     | KINDER MORGAN INC            | KMI    | 0.28% US          |                     |
| PPG Industries Inc.                        | PPG    | 0.09% US          |                     | KLA-TENCOR CORPORATION       | KLAC   | 0.06% US          |                     |
| St. Jude Medical Inc.                      | STJ    | 0.07% US          |                     | KOHL'S CORP                  | KSS    | 0.09% US          |                     |
| Reynolds American Inc.                     | RAI    | 0.13% US          |                     | KRAFT FOODS INC-CLASS A      | KFT    | 0.53% US          |                     |
| Charles Schwab Corp.                       | SCHW   | 0.09% US          |                     | KROGER CO                    | KR     | 0.09% US          |                     |
| Valero Energy Corp.                        | VLO    | 0.10% US          |                     | L-3 COMMUNICATIONS HOLDINGS  | LLL    | 0.05% US          |                     |
| Cameron International Corp.                | CAM    | 0.08% US          |                     | LABORATORY CRP OF AMER HLDGS | LH     | 0.06% US          |                     |
| BRF-Brazil Foods S/A                       | BRFS   | 0.08% BR          |                     | LAM RESEARCH CORP            | LRCX   | 0.05% US          |                     |
| Silver Wheaton Corp.                       | SLW    | 0.07% CA          |                     | LEGG MASON INC               | LM     | 0.03% US          |                     |
| Parker Hannifin Corp.                      | PH     | 0.07% US          |                     | LEGGETT & PLATT INC          | LEG    | 0.03% US          |                     |
| Loews Corp.                                | L      | 0.09% US          |                     | LENNAR CORP-A                | LEN    | 0.04% US          |                     |
| McGraw-Hill Cos.                           | MHP    | 0.08% US          |                     | LEUCADIA NATIONAL CORP       | LUK    | 0.04% US          |                     |
| Estee Lauder Cos. Inc.                     | EL     | 0.07% US          |                     | LEXMARK INTERNATIONAL INC-A  | LXK    | 0.01% US          |                     |
| ENSCO PLC                                  | ESV    | 0.07% GB          |                     | LIFE TECHNOLOGIES CORP       | LIFE   | 0.06% US          |                     |
| Omnicom Group Inc.                         | OMC    | 0.08% US          |                     | LINCOLN NATIONAL CORP        | LNC    | 0.05% US          |                     |
| International Paper Co.                    | IP     | 0.08% US          |                     | LINEAR TECHNOLOGY CORP       | LLTC   | 0.06% US          |                     |
| Agrium Inc.                                | AGU    | 0.09% CA          |                     | LOCKHEED MARTIN CORP         | LMT    | 0.23% US          |                     |
| Yamana Gold Inc.                           | AUY    | 0.07% CA          |                     | LOEWS CORP                   | L      | 0.12% US          |                     |
| Kroger Co.                                 | KR     | 0.07% US          |                     | LORILLARD INC                | LO     | 0.11% US          |                     |
| CF Industries Holdings Inc.                | CF     | 0.07% US          |                     | LOWE'S COS INC               | LOW    | 0.24% US          |                     |
| SeaDrill Ltd.                              | SDRL   | 0.10% NO          |                     | LSI CORP                     | LSI    | 0.03% US          |                     |
| Kellogg Co.                                | K      | 0.10% US          |                     | LIMITED BRANDS INC           | LTD    | 0.11% US          |                     |
| Sempra Energy                              | SRE    | 0.08% US          |                     | LYONDELLBASELL INDU-CL A     | LYB    | 0.21% NL          |                     |
| Cigna Corp.                                | CI     | 0.07% US          |                     | M & T BANK CORP              | MTB    | 0.09% US          |                     |
| Progressive Corp.                          | PGR    | 0.07% US          |                     | MACY'S INC                   | M      | 0.12% US          |                     |
| Valeant Pharmaceuticals International Inc. | VRX    | 0.09% CA          |                     | MARATHON OIL CORP            | MRO    | 0.15% US          |                     |
| Xcel Energy Inc.                           | XEL    | 0.07% US          |                     | MARATHON PETROLEUM CORP      | MPC    | 0.14% US          |                     |
| Crown Castle International Corp.           | CCI    | 0.10% US          |                     | MARRIOTT INTERNATIONAL-CL A  | MAR    | 0.10% US          |                     |
| Ameriprise Financial Inc.                  | AMP    | 0.06% US          |                     | MARSH & MCLENNAN COS         | MMC    | 0.14% US          |                     |
| Canadian Pacific Railway Ltd.              | CP     | 0.08% CA          |                     | MASCO CORP                   | MAS    | 0.04% US          |                     |
| VF Corp.                                   | VFC    | 0.09% US          |                     | MASTERCARD INC-CLASS A       | MA     | 0.40% US          |                     |
| Kinross Gold Corp.                         | KGC    | 0.06% CA          |                     | MATTEL INC                   | MAT    | 0.09% US          |                     |
| Ingersoll-Rand Co. Ltd.                    | IR     | 0.07% IE          |                     | MCCORMICK & CO-NON VTG SHRS  | MKC    | 0.06% US          |                     |
| Edison International                       | EIX    | 0.08% US          |                     | MCDONALD'S CORP              | MCD    | 0.69% US          |                     |
| Kohl's Corp.                               | KSS    | 0.07% US          |                     | MCGRAW-HILL COMPANIES INC    | MHP    | 0.11% US          |                     |
| FMC Technologies Inc.                      | FTI    | 0.06% US          |                     | MCKESSON CORP                | MCK    | 0.15% US          |                     |
| Juniper Networks Inc.                      | JNPR   | 0.05% US          |                     | MEAD JOHNSON NUTRITION CO    | MJN    | 0.11% US          |                     |
| Murphy Oil Corp.                           | MUR    | 0.05% US          |                     | MEADWESTVACO CORP            | MWV    | 0.04% US          |                     |
| Stanley Black & Decker Inc.                | SWK    | 0.06% US          |                     | MEDTRONIC INC                | MDT    | 0.32% US          |                     |
| Avalonbay Communities Inc.                 | AVB    | 0.07% US          |                     | MERCK & CO. INC.             | MRK    | 1.02% US          |                     |
| Nucor Corp.                                | NUE    | 0.07% US          |                     | METLIFE INC                  | MET    | 0.28% US          |                     |
| Sun Life Financial Inc.                    | SLF    | 0.07% CA          |                     | METROPICS COMMUNICATIONS INC | PCS    | 0.03% US          |                     |
| Weatherford International Ltd.             | WFT    | 0.05% CH          |                     | MICROCHIP TECHNOLOGY INC     | MCHP   | 0.05% US          |                     |
| American International Group Inc.          | AIG    | 0.26% US          |                     | MICRON TECHNOLOGY INC        | MU     | 0.05% US          |                     |
| W.W. Grainger Inc.                         | GWV    | 0.08% US          |                     | MICROSOFT CORP               | MSFT   | 1.94% US          |                     |
| Dover Corp.                                | DOV    | 0.06% US          |                     | MOLEX INC                    | MOLX   | 0.02% US          |                     |
| Southwestern Energy Co.                    | SWN    | 0.07% US          |                     | MOLSON COORS BREWING CO -B   | TAP    | 0.05% US          |                     |
| Chipotle Mexican Grill Inc.                | CMG    | 0.06% US          |                     | MONSANTO CO                  | MON    | 0.35% US          |                     |
| Telecom Italia S.p.A.                      | TI     | 0.08% IT          |                     | MONSTER BEVERAGE CORP        | MNST   | 0.07% US          |                     |
| Carnival Corp.                             | CCL    | 0.12% US          |                     | MOODY'S CORP                 | MCO    | 0.07% US          |                     |
| Zimmer Holdings Inc.                       | ZMH    | 0.06% US          |                     | MORGAN STANLEY               | MS     | 0.26% US          |                     |
| SunTrust Banks Inc.                        | STI    | 0.08% US          |                     | MOSAIC CO/THE                | MOS    | 0.13% US          |                     |
| Entergy Corp.                              | ETR    | 0.06% US          |                     | MOTOROLA SOLUTIONS INC       | MSI    | 0.11% US          |                     |
| Rockwell Automation Corp.                  | ROK    | 0.05% US          |                     | MURPHY OIL CORP              | MUR    | 0.08% US          |                     |
| Nidec Corp.                                | NJ     | 0.06% JP          |                     | MYLAN INC                    | MYL    | 0.07% US          |                     |
| Limited Brands Inc.                        | LTD    | 0.07% US          |                     | NABORS INDUSTRIES LTD        | NBR    | 0.03% BM          |                     |
| Concho Resources Inc.                      | CXO    | 0.05% US          |                     | NASDAQ OMX GROUP/THE         | NDAQ   | 0.03% US          |                     |
| Ecopetrol S.A.                             | EC     | 0.63% CO          |                     | NATIONAL OILWELL VARCO INC   | NOV    | 0.27% US          |                     |
| Kubota Corp.                               | KUB    | 0.07% JP          |                     | NETAPP INC                   | NTAP   | 0.10% US          |                     |
| Grupo Televisa S.A. de C.V.                | TV     | 0.07% MX          |                     | NETFLIX INC                  | NFLX   | 0.02% US          |                     |
| Xerox Corp.                                | XRX    | 0.05% US          |                     | NEWELL RUBBERMAID INC        | NWL    | 0.04% US          |                     |
| Analog Devices Inc.                        | ADI    | 0.06% US          |                     | NEWFIELD EXPLORATION CO      | NFX    | 0.03% US          |                     |
| Gold Fields Ltd.                           | GFI    | 0.05% ZA          |                     | NEWMONT MINING CORP          | NEM    | 0.19% US          |                     |
| Chunghwa Telecom Co. Ltd.                  | CHT    | 0.12% TW          |                     | NEWS CORP-CL A               | NWSA   | 0.29% US          |                     |
| Host Hotels & Resorts Inc.                 | HST    | 0.06% US          |                     | NEXTERA ENERGY INC           | NEE    | 0.21% US          |                     |
| Weyerhaeuser Co.                           | WY     | 0.07% US          |                     | NIKE INC -CL B               | NKE    | 0.28% US          |                     |
| INVESCO Ltd.                               | IVZ    | 0.06% US          |                     | NISOURCE INC                 | NI     | 0.05% US          |                     |
| ConAgra Foods Inc.                         | CAG    | 0.05% US          |                     | NOBLE CORP                   | NE     | 0.07% CH          |                     |
| Harley-Davidson Inc.                       | HOG    | 0.05% US          |                     | NOBLE ENERGY INC             | NBL    | 0.13% US          |                     |
| Nexen Inc.                                 | NXV    | 0.07% CA          |                     | NORDSTROM INC                | JWN    | 0.09% US          |                     |
| Alcoa Inc.                                 | AA     | 0.05% US          |                     | NORFOLK SOUTHERN CORP        | NSC    | 0.18% US          |                     |
| Western Union Co.                          | WU     | 0.06% US          |                     | NORTHEAST UTILITIES          | NU     | 0.09% US          |                     |
| Teradata Corp.                             | TDC    | 0.07% US          |                     | NORTHERN TRUST CORP          | NTRS   | 0.09% US          |                     |

NYSE INDEX VS SP500 INDEX  
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Niagara Mohawk Power Corporation  
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| NYSE Index                                  |        |                   |                     | S&P 500 Index                |        |                   |                     |
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| Company                                     | Ticker | % Weight in Index | Country of Domicile | Company                      | Ticker | % Weight in Index | Country of Domicile |
| Fluor Corp.                                 | FLR    | 0.05%             | US                  | NORTHROP GRUMMAN CORP        | NOC    | 0.13%             | US                  |
| AutoZone Inc.                               | AZO    | 0.07%             | US                  | NRG ENERGY INC               | NRG    | 0.04%             | US                  |
| Reed Elsevier PLC                           | RUK    | 0.06%             | GB                  | NUCOR CORP                   | NUE    | 0.09%             | US                  |
| Starwood Hotels & Resorts Worldwide Inc.    | HOT    | 0.06%             | US                  | NVIDIA CORP                  | NVDA   | 0.06%             | US                  |
| Ralph Lauren Corp. Cl A                     | RL     | 0.05%             | US                  | NYSE EURONEXT                | NYX    | 0.05%             | US                  |
| Range Resources Corp.                       | RRC    | 0.06%             | US                  | O'REILLY AUTOMOTIVE INC      | ORLY   | 0.08%             | US                  |
| AES Corp.                                   | AES    | 0.04%             | US                  | OCCIDENTAL PETROLEUM CORP    | OXY    | 0.53%             | US                  |
| Thomson Reuters Corp.                       | TRI    | 0.13%             | US                  | OMNICOM GROUP                | OMC    | 0.11%             | US                  |
| Orix Corp.                                  | IX     | 0.06%             | JP                  | ONEOK INC                    | OKE    | 0.07%             | US                  |
| Magna International Inc.                    | MGA    | 0.06%             | CA                  | ORACLE CORP                  | ORCL   | 1.19%             | US                  |
| BCE Inc.                                    | BCE    | 0.18%             | CA                  | OWENS-ILLINOIS INC           | OI     | 0.02%             | US                  |
| Health Care REIT Inc.                       | HCN    | 0.07%             | US                  | PACCAR INC                   | PCAR   | 0.11%             | US                  |
| M&T Bank Corp.                              | MTB    | 0.06%             | US                  | PALL CORP                    | PLL    | 0.05%             | US                  |
| Marriott International Inc. Cl A            | MAR    | 0.07%             | US                  | PARKER HANNIFIN CORP         | PH     | 0.09%             | US                  |
| Noble Corp.                                 | NE     | 0.05%             | CH                  | PATTERSON COS INC            | PDCO   | 0.03%             | US                  |
| AmerisourceBergen Corp.                     | ABC    | 0.05%             | US                  | PAYCHEX INC                  | PAYX   | 0.09%             | US                  |
| IntercontinentalExchange Inc.               | ICE    | 0.05%             | US                  | PEABODY ENERGY CORP          | BTU    | 0.05%             | US                  |
| Bunge Ltd.                                  | BG     | 0.05%             | US                  | PEOPLE'S UNITED FINANCIAL    | PBCT   | 0.03%             | US                  |
| Cooper Industries PLC Cl A                  | CBE    | 0.06%             | US                  | PEPCO HOLDINGS INC           | POM    | 0.03%             | US                  |
| Cameco Corp.                                | CCJ    | 0.05%             | CA                  | PEPSICO INC                  | PEP    | 0.82%             | US                  |
| Peabody Energy Corp.                        | BTU    | 0.03%             | US                  | PERKINELMER INC              | PKI    | 0.02%             | US                  |
| Cliffs Natural Resources Inc.               | CLF    | 0.03%             | US                  | PERRIGO CO                   | PRGO   | 0.08%             | US                  |
| Genuine Parts Co.                           | GPC    | 0.05%             | US                  | PFIZER INC                   | PFE    | 1.35%             | US                  |
| Red Hat Inc.                                | RHT    | 0.06%             | US                  | P G & E CORP                 | PCG    | 0.14%             | US                  |
| Penn West Petroleum Ltd.                    | PWE    | 0.04%             | CA                  | PHILIP MORRIS INTERNATIONAL  | PM     | 1.10%             | US                  |
| Joy Global Inc.                             | JOY    | 0.03%             | US                  | PHILLIPS 66                  | PSX    | 0.22%             | US                  |
| Mobile Telesystems                          | MBT    | 0.11%             | RU                  | PINNACLE WEST CAPITAL        | PNW    | 0.04%             | US                  |
| Hershey Co.                                 | HSY    | 0.06%             | US                  | PIONEER NATURAL RESOURCES CO | PXD    | 0.10%             | US                  |
| Tenaris S.A.                                | TS     | 0.13%             | LU                  | PITNEY BOWES INC             | PBI    | 0.02%             | US                  |
| Tata Motors Ltd.                            | TTM    | 0.07%             | IN                  | PLUM CREEK TIMBER CO         | PCL    | 0.05%             | US                  |
| Amphenol Corp. Cl A                         | APH    | 0.05%             | US                  | PNC FINANCIAL SERVICES GROUP | PNC    | 0.26%             | US                  |
| Rockwell Collins Inc.                       | COL    | 0.04%             | US                  | PPG INDUSTRIES INC           | PPG    | 0.13%             | US                  |
| Boston Scientific Corp.                     | BSX    | 0.04%             | US                  | PPL CORPORATION              | PPL    | 0.13%             | US                  |
| DTE Energy Co.                              | DTE    | 0.05%             | US                  | PRAXAIR INC                  | PX     | 0.24%             | US                  |
| Western Digital Corp.                       | WDC    | 0.05%             | US                  | PRECISION CASTPARTS CORP     | PCP    | 0.17%             | US                  |
| Hartford Financial Services Group Inc.      | HIG    | 0.04%             | US                  | PRICELINE.COM INC            | PCLN   | 0.23%             | US                  |
| Reed Elsevier N.V.                          | ENL    | 0.05%             | NL                  | PRINCIPAL FINANCIAL GROUP    | PFG    | 0.06%             | US                  |
| Roper Industries Inc.                       | ROP    | 0.05%             | US                  | PROCTER & GAMBLE CO/THE      | PG     | 1.41%             | US                  |
| Republic Services Inc.                      | RSR    | 0.05%             | US                  | PROGRESSIVE CORP             | PGR    | 0.09%             | US                  |
| Clorox Co.                                  | CLX    | 0.05%             | US                  | PROLOGIS INC                 | PLD    | 0.13%             | US                  |
| Laboratory Corp. of America Holdings        | LH     | 0.05%             | US                  | PRUDENTIAL FINANCIAL INC     | PRU    | 0.20%             | US                  |
| BorgWarner Inc.                             | BWA    | 0.04%             | US                  | PUBLIC SERVICE ENTERPRISE GP | PEG    | 0.12%             | US                  |
| Quest Diagnostics Inc.                      | DGX    | 0.05%             | US                  | PUBLIC STORAGE               | PSA    | 0.19%             | US                  |
| Coca-Cola Enterprises Inc.                  | CCE    | 0.05%             | US                  | PULTEGROUP INC               | PHM    | 0.04%             | US                  |
| Aegon N.V.                                  | AEG    | 0.06%             | NL                  | QEP RESOURCES INC            | QEP    | 0.04%             | US                  |
| Sherwin-Williams Co.                        | SHW    | 0.08%             | US                  | QUALCOMM INC                 | QCOM   | 0.80%             | US                  |
| Smith & Nephew PLC                          | SNN    | 0.05%             | GB                  | QUANTA SERVICES INC          | PWR    | 0.04%             | US                  |
| Nordstrom Inc.                              | JWN    | 0.06%             | US                  | QUEST DIAGNOSTICS INC        | DGX    | 0.07%             | US                  |
| China Unicom (Hong Kong) Ltd.               | CHU    | 0.21%             | HK                  | RALPH LAUREN CORP            | RL     | 0.07%             | US                  |
| J.M. Smucker Co.                            | SJM    | 0.05%             | US                  | RANGE RESOURCES CORP         | RRC    | 0.09%             | US                  |
| Beam Inc.                                   | BEAM   | 0.05%             | US                  | RAYTHEON COMPANY             | RTN    | 0.14%             | US                  |
| Edwards Lifesciences Corp.                  | EW     | 0.06%             | US                  | RED HAT INC                  | RHT    | 0.08%             | US                  |
| TELUS Corp. Non Voting shares               | TU     | 0.05%             | CA                  | REGIONS FINANCIAL CORP       | RF     | 0.08%             | US                  |
| VMware Inc.                                 | VMW    | 0.07%             | US                  | REPUBLIC SERVICES INC        | RSG    | 0.08%             | US                  |
| Denbury Resources Inc.                      | DNR    | 0.03%             | US                  | REYNOLDS AMERICAN INC        | RAI    | 0.18%             | US                  |
| Tim Hortons Inc.                            | THI    | 0.04%             | CA                  | ROBERT HALF INTL INC         | RHI    | 0.03%             | US                  |
| Dr Pepper Snapple Group Inc.                | DPS    | 0.05%             | US                  | ROCKWELL AUTOMATION INC      | ROK    | 0.07%             | US                  |
| Tiffany & Co.                               | TIF    | 0.04%             | US                  | ROCKWELL COLLINS INC         | COL    | 0.06%             | US                  |
| Forest Laboratories Inc.                    | FRX    | 0.05%             | US                  | ROPER INDUSTRIES INC         | ROP    | 0.08%             | US                  |
| Eldorado Gold Corp.                         | EGO    | 0.05%             | CA                  | ROSS STORES INC              | ROST   | 0.11%             | US                  |
| Principal Financial Group Inc.              | PFG    | 0.04%             | US                  | ROWAN COMPANIES PLC-A        | RDC    | 0.03%             | US                  |
| China Telecom Corp. Ltd.                    | CHA    | 0.04%             | CN                  | RR DONNELLEY & SONS CO       | RRD    | 0.02%             | US                  |
| Consol Energy Inc.                          | CNX    | 0.04%             | US                  | RYDER SYSTEM INC             | R      | 0.02%             | US                  |
| Avon Products Inc.                          | AVP    | 0.04%             | US                  | SAFEWAY INC                  | SWY    | 0.03%             | US                  |
| C.R. Bard Inc.                              | BCR    | 0.04%             | US                  | SAIC INC                     | SAI    | 0.03%             | US                  |
| Companhia Siderurgica Nacional              | SID    | 0.04%             | BR                  | SALESFORCE.COM INC           | CRM    | 0.16%             | US                  |
| ONEOK Inc.                                  | OKE    | 0.05%             | US                  | SANDISK CORP                 | SNDK   | 0.08%             | US                  |
| DaVita Inc.                                 | DVA    | 0.05%             | US                  | SCANA CORP                   | SCG    | 0.05%             | US                  |
| Fidelity National Information Services Inc. | FIS    | 0.05%             | US                  | SCHLUMBERGER LTD             | SLB    | 0.74%             | US                  |
| Waters Corp.                                | WAT    | 0.04%             | US                  | SCRIPPS NETWORKS INTER-CL A  | SNI    | 0.05%             | US                  |
| NYSE Euronext                               | NYX    | 0.03%             | US                  | SEAGATE TECHNOLOGY           | STX    | 0.09%             | IE                  |
| CIT Group Inc.                              | CIT    | 0.04%             | US                  | SEALED AIR CORP              | SEE    | 0.02%             | US                  |
| EQT Corp.                                   | EQT    | 0.05%             | US                  | SEMPRA ENERGY                | SRE    | 0.12%             | US                  |
| Delta Air Lines Inc.                        | DAL    | 0.04%             | US                  | SHERWIN-WILLIAMS CO/THE      | SHW    | 0.11%             | US                  |
| Royal Bank of Scotland Group PLC            | RBS    | 0.14%             | GB                  | SIGMA-ALDRICH                | SIAL   | 0.07%             | US                  |
| Wisconsin Energy Corp.                      | WEC    | 0.05%             | US                  | SIMON PROPERTY GROUP INC     | SPG    | 0.37%             | US                  |
| Shaw Communications Inc. Cl B NV            | SJR    | 0.05%             | CA                  | SLM CORP                     | SLM    | 0.06%             | US                  |
| Companhia de Bebidas das Americas           | ABV/C  | 0.29%             | BR                  | SNAP-ON INC                  | SNA    | 0.03%             | US                  |
| Varian Medical Systems Inc.                 | VAR    | 0.04%             | US                  | SOUTHERN CO/THE              | SO     | 0.30%             | US                  |
| Ametek Inc.                                 | AME    | 0.05%             | US                  | SOUTHWEST AIRLINES CO        | LUV    | 0.05%             | US                  |
| Ameren Corp.                                | AEE    | 0.04%             | US                  | SOUTHWESTERN ENERGY CO       | SWN    | 0.09%             | US                  |
| Herbalife Ltd.                              | HLF    | 0.03%             | KY                  | SPECTRA ENERGY CORP          | SE     | 0.14%             | US                  |
| Lincoln National Corp.                      | LNC    | 0.04%             | US                  | SPRINT NEXTEL CORP           | S      | 0.12%             | US                  |
| KeyCorp                                     | KEY    | 0.04%             | US                  | ST JUDE MEDICAL INC          | STJ    | 0.09%             | US                  |
| Textron Inc.                                | TXT    | 0.04%             | US                  | STANLEY BLACK & DECKER INC   | SWK    | 0.09%             | US                  |

NYSE INDEX VS SP500 INDEX  
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| Company                                | Ticker | % Weight in Index | Country of Domicile | Company                      | Ticker | % Weight in Index | Country of Domicile |
| Celanese Corp. Series A                | CE     | 0.03% US          |                     | STAPLES INC                  | SPLS   | 0.06% US          |                     |
| Kimco Realty Corp.                     | KIM    | 0.04% US          |                     | STARBUCKS CORP               | SBUX   | 0.29% US          |                     |
| Kansas City Southern                   | KSU    | 0.05% US          |                     | STARWOOD HOTELS & RESORTS    | HOT    | 0.09% US          |                     |
| Telekomunikasi Indonesia               | TLK    | 0.10% ID          |                     | STATE STREET CORP            | STT    | 0.16% US          |                     |
| Cemex S.A.B. de C.V.                   | CX     | 0.05% MX          |                     | STERICYCLE INC               | SRCL   | 0.06% US          |                     |
| L-3 Communications Holdings Inc.       | LLL    | 0.04% US          |                     | STRYKER CORP                 | SYK    | 0.16% US          |                     |
| Digital Realty Trust Inc.              | DLR    | 0.05% US          |                     | SUNOCO INC                   | SUN    | 0.04% US          |                     |
| CenterPoint Energy Inc.                | CNP    | 0.05% US          |                     | SUNTRUST BANKS INC           | STI    | 0.11% US          |                     |
| Cabot Oil & Gas Corp.                  | COG    | 0.05% US          |                     | SYMANTEC CORP                | SYMC   | 0.10% US          |                     |
| Moody's Corp.                          | MCO    | 0.05% US          |                     | SYSCO CORP                   | SY     | 0.13% US          |                     |
| Sprint Nextel Corp.                    | S      | 0.08% US          |                     | T ROWE PRICE GROUP INC       | TROW   | 0.12% US          |                     |
| Watson Pharmaceuticals Inc.            | WPI    | 0.06% US          |                     | TARGET CORP                  | TGT    | 0.32% US          |                     |
| Cimarex Energy Co.                     | XEC    | 0.03% US          |                     | TE CONNECTIVITY LTD          | TEL    | 0.12% CH          |                     |
| Best Buy Co. Inc.                      | BBY    | 0.03% US          |                     | TECO ENERGY INC              | TE     | 0.03% US          |                     |
| Pall Corp.                             | PLL    | 0.04% US          |                     | TENET HEALTHCARE CORP        | THC    | 0.02% US          |                     |
| Whiting Petroleum Corp.                | WLL    | 0.03% US          |                     | TERADATA CORP                | TDC    | 0.10% US          |                     |
| Regions Financial Corp.                | RF     | 0.05% US          |                     | TERADYNE INC                 | TER    | 0.02% US          |                     |
| Brown-Forman Corp. Cl B                | BF/B   | 0.04% US          |                     | TESORO CORP                  | TSO    | 0.04% US          |                     |
| Macerich Co.                           | MAC    | 0.04% US          |                     | TEXAS INSTRUMENTS INC        | TXN    | 0.24% US          |                     |
| Safeway Inc.                           | SWY    | 0.02% US          |                     | TEXTRON INC                  | TXT    | 0.06% US          |                     |
| Eastman Chemical Co.                   | EMN    | 0.04% US          |                     | THERMO FISHER SCIENTIFIC INC | TMO    | 0.16% US          |                     |
| FMC Corp.                              | FMC    | 0.04% US          |                     | TIFFANY & CO                 | TIF    | 0.06% US          |                     |
| Church & Dwight Co.                    | CHD    | 0.04% US          |                     | TIME WARNER CABLE            | TWC    | 0.21% US          |                     |
| Molson Coors Brewing Co. Cl B          | TAP    | 0.04% US          |                     | TIME WARNER INC              | TWX    | 0.31% US          |                     |
| CarMax Inc.                            | KMX    | 0.04% US          |                     | TITANIUM METALS CORP         | TIE    | 0.02% US          |                     |
| United Microelectronics Corp.          | UMC    | 0.03% TW          |                     | TIJX COMPANIES INC           | TIJX   | 0.25% US          |                     |
| Unum Group                             | UNM    | 0.03% US          |                     | TORCHMARK CORP               | TMK    | 0.04% US          |                     |
| Wyndham Worldwide Corp.                | WYN    | 0.04% US          |                     | TOTAL SYSTEM SERVICES INC    | TSS    | 0.03% US          |                     |
| Southwest Airlines Co.                 | LUV    | 0.04% US          |                     | TRAVELERS COS INC/THE        | TRV    | 0.20% US          |                     |
| Baytex Energy Corp.                    | BTE    | 0.03% CA          |                     | TRIPADVISOR INC              | TRIP   | 0.03% US          |                     |
| United Continental Holdings Inc.       | UAL    | 0.04% US          |                     | TYCO INTERNATIONAL LTD       | TYC    | 0.19% CH          |                     |
| Campbell Soup Co.                      | CPB    | 0.06% US          |                     | TYSON FOODS INC-CL A         | TSN    | 0.04% US          |                     |
| Compania de Minas Buenaventura S.A.    | BVN    | 0.05% PE          |                     | UNION PACIFIC CORP           | UNP    | 0.45% US          |                     |
| Flowserve Corp.                        | FLS    | 0.04% US          |                     | UNITED PARCEL SERVICE-CL B   | UPS    | 0.40% US          |                     |
| NiSource Inc.                          | NI     | 0.04% US          |                     | UNITED STATES STEEL CORP     | X      | 0.02% US          |                     |
| HollyFrontier Corp.                    | HFC    | 0.04% US          |                     | UNITED TECHNOLOGIES CORP     | UTX    | 0.54% US          |                     |
| Plains Exploration & Production Co.    | PXP    | 0.03% US          |                     | UNITEDHEALTH GROUP INC       | UNH    | 0.41% US          |                     |
| Ball Corp.                             | BLL    | 0.04% US          |                     | UNUM GROUP                   | UNM    | 0.04% US          |                     |
| Darden Restaurants Inc.                | DRI    | 0.04% US          |                     | URBAN OUTFITTERS INC         | URBN   | 0.04% US          |                     |
| Credicorp Ltd.                         | BAP    | 0.05% PE          |                     | US BANCORP                   | USB    | 0.48% US          |                     |
| SL Green Realty Corp.                  | SLG    | 0.04% US          |                     | VALERO ENERGY CORP           | VLO    | 0.14% US          |                     |
| General Growth Properties Inc.         | GGP    | 0.10% US          |                     | VARIAN MEDICAL SYSTEMS INC   | VAR    | 0.05% US          |                     |
| XL Group PLC                           | XL     | 0.04% IE          |                     | VENTAS INC                   | VTR    | 0.14% US          |                     |
| Nabors Industries Ltd.                 | NBR    | 0.02% BM          |                     | VERISIGN INC                 | VRSN   | 0.06% US          |                     |
| InterContinental Hotels Group PLC      | IHG    | 0.04% GB          |                     | VERIZON COMMUNICATIONS INC   | VZ     | 0.96% US          |                     |
| Plum Creek Timber Co. Inc. REIT        | PCL    | 0.04% US          |                     | VF CORP                      | VFC    | 0.13% US          |                     |
| Agnico-Eagle Mines Ltd.                | AEM    | 0.04% CA          |                     | VIACOM INC-CLASS B           | VIAB   | 0.18% US          |                     |
| Northeast Utilities                    | NU     | 0.06% US          |                     | VISA INC-CLASS A SHARES      | V      | 0.53% US          |                     |
| Advance Auto Parts Inc.                | AAP    | 0.03% US          |                     | VORNADO REALTY TRUST         | VNO    | 0.12% US          |                     |
| J.C. Penney Co. Inc.                   | JCP    | 0.03% US          |                     | VULCAN MATERIALS CO          | VMC    | 0.05% US          |                     |
| Alliance Data Systems Corp.            | ADS    | 0.04% US          |                     | WAL-MART STORES INC          | WMT    | 1.87% US          |                     |
| Helmerich & Payne Inc.                 | HP     | 0.03% US          |                     | WALGREEN CO                  | WAG    | 0.25% US          |                     |
| Autoliv Inc.                           | ALV    | 0.03% SE          |                     | WALT DISNEY CO/THE           | DIS    | 0.70% US          |                     |
| Oceaneering International Inc.         | OII    | 0.03% US          |                     | WASHINGTON POST-CLASS B      | WPO    | 0.02% US          |                     |
| QEP Resources Inc.                     | QEP    | 0.03% US          |                     | WASTE MANAGEMENT INC         | WM     | 0.12% US          |                     |
| Willis Group Holdings PLC              | WSH    | 0.03% GB          |                     | WATERS CORP                  | WAT    | 0.06% US          |                     |
| Federal Realty Investment Trust        | FRT    | 0.04% US          |                     | WATSON PHARMACEUTICALS INC   | WPI    | 0.08% US          |                     |
| Elan Corp. PLC                         | ELN    | 0.03% IE          |                     | WELLPOINT INC                | WLP    | 0.14% US          |                     |
| Family Dollar Stores Inc.              | FDO    | 0.04% US          |                     | WELLS FARGO & CO             | WFC    | 1.36% US          |                     |
| Jacobs Engineering Group Inc.          | JEC    | 0.03% US          |                     | WESTERN DIGITAL CORP         | WDC    | 0.08% US          |                     |
| McCormick & Co. Inc.                   | MKC    | 0.04% US          |                     | WESTERN UNION CO             | WU     | 0.08% US          |                     |
| Calpine Corp.                          | CPN    | 0.04% US          |                     | WEYERHAEUSER CO              | WY     | 0.11% US          |                     |
| Alcatel-Lucent                         | ALU    | 0.01% FR          |                     | WHIRLPOOL CORP               | WHR    | 0.05% US          |                     |
| Franco-Nevada Corp.                    | FNV    | 0.04% CA          |                     | WHOLE FOODS MARKET INC       | WFM    | 0.13% US          |                     |
| Hospira Inc.                           | HSP    | 0.03% US          |                     | WILLIAMS COS INC             | WMB    | 0.16% US          |                     |
| Core Laboratories N.V.                 | CLB    | 0.03% NL          |                     | WINDSTREAM CORP              | WIN    | 0.05% US          |                     |
| Amdocs Ltd.                            | DOX    | 0.03% US          |                     | WISCONSIN ENERGY CORP        | WEC    | 0.06% US          |                     |
| IAMGOLD Corp.                          | IAG    | 0.03% CA          |                     | WPX ENERGY INC               | WPX    | 0.03% US          |                     |
| Korea Electric Power Corp.             | KEP    | 0.07% KR          |                     | WW GRAINGER INC              | GWV    | 0.11% US          |                     |
| American Water Works Co.               | AWK    | 0.03% US          |                     | WYNDHAM WORLDWIDE CORP       | WYN    | 0.06% US          |                     |
| Comerica Inc.                          | CMA    | 0.03% US          |                     | WYNN RESORTS LTD             | WYNN   | 0.08% US          |                     |
| Albemarle Corp.                        | ALB    | 0.03% US          |                     | XCEL ENERGY INC              | XEL    | 0.10% US          |                     |
| Tyson Foods Inc. Cl A                  | TSN    | 0.02% US          |                     | XEROX CORP                   | XR     | 0.08% US          |                     |
| CareFusion Corp.                       | CFN    | 0.03% US          |                     | XILINX INC                   | XLNX   | 0.07% US          |                     |
| Gap Inc.                               | GPS    | 0.09% US          |                     | XL GROUP PLC                 | XL     | 0.05% IE          |                     |
| Mettler-Toledo International Inc.      | MTD    | 0.03% US          |                     | XYLEM INC                    | XYL    | 0.03% US          |                     |
| Rackspace Hosting Inc.                 | RAX    | 0.05% US          |                     | YAHOO! INC                   | YHOO   | 0.14% US          |                     |
| Southern Copper Corp.                  | SCCO   | 0.15% US          |                     | YUM! BRANDS INC              | YUM    | 0.23% US          |                     |
| Empresa Nacional de Electricidad S.A.  | EOC    | 0.07% CL          |                     | ZIMMER HOLDINGS INC          | ZMH    | 0.09% US          |                     |
| New York Community Bancorp Inc.        | NYB    | 0.03% US          |                     | ZIONS BANCORPORATION         | ZION   | 0.03% US          |                     |
| Philippine Long Distance Telephone Co. | PHI    | 0.08% PH          |                     |                              |        |                   |                     |
| UDR Inc.                               | UDR    | 0.03% US          |                     |                              |        |                   |                     |
| Affiliated Managers Group Inc.         | AMG    | 0.03% US          |                     |                              |        |                   |                     |
| Delhaize Group                         | DEG    | 0.02% BE          |                     |                              |        |                   |                     |
| Leucadia National Corp.                | LUK    | 0.03% US          |                     |                              |        |                   |                     |

Source: Bloomberg, Downloaded September 12, 2012.

NYSE INDEX VS SP500 INDEX  
COMPONENT COMPANY ANALYSIS

Niagara Mohawk Power Corporation  
d/b/a National Grid  
Cases 12-E-0201 12-G-0202  
Exhibit \_\_ (RBH-10R)  
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| NYSE Index                              |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company                                 | Ticker | % Weight in Index | Country of Domicile |
| Crown Holdings Inc.                     | CCK    | 0.03% US          |                     |
| CMS Energy Corp.                        | CMS    | 0.03% US          |                     |
| Continental Resources Inc.              | CLR    | 0.08% US          |                     |
| CBRE Group Inc. Cl A                    | CBG    | 0.03% US          |                     |
| KBR Inc.                                | KBR    | 0.02% US          |                     |
| Rayonier Inc. REIT                      | RYN    | 0.03% US          |                     |
| Whirlpool Corp.                         | WHR    | 0.03% US          |                     |
| Newell Rubbermaid Inc.                  | NWL    | 0.03% US          |                     |
| Avnet Inc.                              | AVT    | 0.02% US          |                     |
| Vulcan Materials Co.                    | VMC    | 0.03% US          |                     |
| Energizer Holdings Inc.                 | ENR    | 0.02% US          |                     |
| Interpublic Group of Cos.               | IPG    | 0.03% US          |                     |
| Airgas Inc.                             | ARG    | 0.03% US          |                     |
| Iron Mountain Inc.                      | IRM    | 0.03% US          |                     |
| TransDigm Group Inc.                    | TDG    | 0.04% US          |                     |
| Sociedad Quimica y Minera De Chile S.A. | SQM    | 0.04% CL          |                     |
| SM Energy Co.                           | SM     | 0.02% US          |                     |
| Scana Corp.                             | SCG    | 0.03% US          |                     |
| Advanced Semiconductor Engineering Inc. | ASX    | 0.03% TW          |                     |
| LG Display Co. Ltd.                     | LPL    | 0.05% KR          |                     |
| MeadWestvaco Corp.                      | MWV    | 0.03% US          |                     |
| OGE Energy Corp.                        | OGE    | 0.03% US          |                     |
| Wipro Ltd.                              | WIT    | 0.11% IN          |                     |
| Pinnacle West Capital Corp.             | PNW    | 0.03% US          |                     |
| Carnival PLC                            | CUK    | 0.04% GB          |                     |
| Equifax Inc.                            | EFX    | 0.03% US          |                     |
| Torchmark Corp.                         | TMK    | 0.03% US          |                     |
| Luxottica Group S.p.A.                  | LUX    | 0.09% IT          |                     |
| Dollar General Corp.                    | DG     | 0.09% US          |                     |
| Tempur-Pedic International Inc.         | TPX    | 0.01% US          |                     |
| AGCO Corp.                              | AGCO   | 0.02% US          |                     |
| Donaldson Co. Inc.                      | DCI    | 0.03% US          |                     |
| PVH Corp.                               | PVH    | 0.03% US          |                     |
| Enerasis S.A.                           | ENI    | 0.06% CL          |                     |
| Xylem Inc.                              | XYL    | 0.02% US          |                     |
| H&R Block Inc.                          | HRB    | 0.02% US          |                     |
| Harris Corp.                            | HRS    | 0.03% US          |                     |
| Jabil Circuit Inc.                      | JBL    | 0.02% US          |                     |
| Realty Income Corp.                     | O      | 0.03% US          |                     |
| Computer Sciences Corp.                 | CSC    | 0.03% US          |                     |
| Rowan Cos. Inc.                         | RDC    | 0.02% US          |                     |
| Newfield Exploration Co.                | NFX    | 0.02% US          |                     |
| LSI Corp.                               | LSI    | 0.02% US          |                     |
| VeriFone Systems Inc.                   | PAY    | 0.02% US          |                     |
| Yanzhou Coal Mining Co. Ltd.            | YZC    | 0.01% CN          |                     |
| Rock-Tenn Co. Cl A                      | RKT    | 0.03% US          |                     |
| Coventry Health Care Inc.               | CVH    | 0.03% US          |                     |
| STMicroelectronics N.V.                 | STM    | 0.03% CH          |                     |
| Lear Corp.                              | LEA    | 0.02% US          |                     |
| Essex Property Trust Inc.               | ESS    | 0.03% US          |                     |
| CGI Group Inc. Cl A                     | GIB    | 0.04% CA          |                     |
| Alliant Energy Corp.                    | LNT    | 0.03% US          |                     |
| Harmony Gold Mining Co. Ltd.            | HMY    | 0.02% ZA          |                     |
| TRW Automotive Holdings Corp.           | TRW    | 0.03% US          |                     |
| Veolia Environnement S.A.               | VE     | 0.03% FR          |                     |
| Allegheny Technologies Inc.             | ATI    | 0.02% US          |                     |
| Banco de Chile                          | BCH    | 0.07% CL          |                     |
| AGL Resources Inc.                      | GAS    | 0.03% US          |                     |
| Transalta Corp.                         | TAC    | 0.02% CA          |                     |
| Cobalt International Energy Inc.        | CIE    | 0.05% US          |                     |
| Superior Energy Services Inc.           | SPN    | 0.02% US          |                     |
| International Flavors & Fragrances Inc. | IFF    | 0.03% US          |                     |
| Alpha Natural Resources Inc.            | ANR    | 0.01% US          |                     |
| International Game Technology           | IGT    | 0.02% US          |                     |
| Arrow Electronics Inc.                  | ARW    | 0.02% US          |                     |
| Brookfield Office Properties Inc.       | BPO    | 0.05% CA          |                     |
| MGM Resorts International               | MGM    | 0.03% US          |                     |
| Camden Property Trust                   | CPT    | 0.03% US          |                     |
| Ashland Inc.                            | ASH    | 0.03% US          |                     |
| Chicago Bridge & Iron Co. N.V.          | CBI    | 0.02% NL          |                     |
| Genworth Financial Inc. Cl A            | GNW    | 0.01% US          |                     |
| IHS Inc. Cl A                           | IHS    | 0.04% US          |                     |
| Pepco Holdings Inc.                     | POM    | 0.02% US          |                     |
| HCA Holdings Inc.                       | HCA    | 0.07% US          |                     |
| CGG Veritas                             | CGV    | 0.03% FR          |                     |
| LAN Airlines S.A.                       | LFL    | 0.06% CL          |                     |
| Foot Locker Inc.                        | FL     | 0.03% US          |                     |
| Diamond Offshore Drilling Inc.          | DO     | 0.05% US          |                     |
| Alexandria Real Estate Equities Inc.    | ARE    | 0.02% US          |                     |
| Oil States International Inc.           | OIS    | 0.02% US          |                     |
| SK Telecom Co. Ltd.                     | SKM    | 0.06% KR          |                     |
| PartnerRe Ltd.                          | PRE    | 0.02% BM          |                     |
| Quanta Services Inc.                    | PWR    | 0.03% US          |                     |
| Polaris Industries Inc.                 | PII    | 0.03% US          |                     |
| ResMed Inc.                             | RMD    | 0.03% US          |                     |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                      |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company   | Ticker | % Weight in Index | Country of Domicile |
| Corn Products International Inc.                | INGR   | 0.02%             | US                  |
| Dick's Sporting Goods Inc.                      | DKS    | 0.03%             | US                  |
| NRG Energy Inc.                                 | NRG    | 0.03%             | US                  |
| SAIC Inc.                                       | SAI    | 0.02%             | US                  |
| Advanced Micro Devices Inc.                     | AMD    | 0.01%             | US                  |
| Total System Services Inc.                      | TSS    | 0.02%             | US                  |
| Abercrombie & Fitch Co.                         | ANF    | 0.02%             | US                  |
| Reinsurance Group of America Inc.               | RGA    | 0.02%             | US                  |
| Integrus Energy Group Inc.                      | TEG    | 0.02%             | US                  |
| AU Optronics Corp.                              | AUO    | 0.02%             | TW                  |
| Sunoco Inc.                                     | SUN    | 0.03%             | US                  |
| Robert Half International Inc.                  | RHI    | 0.02%             | US                  |
| Embraer S/A                                     | ERJ    | 0.03%             | BR                  |
| Dr. Reddy's Laboratories Ltd.                   | RDY    | 0.03%             | IN                  |
| Signet Jewelers Ltd.                            | SIG    | 0.02%             | BM                  |
| Timken Co.                                      | TKR    | 0.02%             | US                  |
| Hormel Foods Corp.                              | HRL    | 0.04%             | US                  |
| Masco Corp.                                     | MAS    | 0.03%             | US                  |
| MSCI Inc. CI A                                  | MSCI   | 0.02%             | US                  |
| Walter Energy Inc.                              | WLT    | 0.01%             | US                  |
| Axis Capital Holdings Ltd.                      | AXS    | 0.02%             | BM                  |
| Ralcorp Holdings Inc.                           | RAH    | 0.02%             | US                  |
| W.R. Berkley Corp.                              | WRB    | 0.03%             | US                  |
| Global Payments Inc.                            | GPV    | 0.02%             | US                  |
| Assurant Inc.                                   | AIZ    | 0.02%             | US                  |
| Dresser-Rand Group Inc.                         | DRC    | 0.02%             | US                  |
| Reliance Steel & Aluminum Co.                   | RS     | 0.02%             | US                  |
| Dun & Bradstreet Corp.                          | DNB    | 0.02%             | US                  |
| Constellation Brands Inc. CI A                  | STZ    | 0.03%             | US                  |
| Owens-Illinois Inc.                             | OI     | 0.02%             | US                  |
| United States Steel Corp.                       | X      | 0.02%             | US                  |
| Valspar Corp.                                   | VAL    | 0.03%             | US                  |
| Hubbell Inc. CI B                               | HUBB   | 0.02%             | US                  |
| Taubman Centers Inc.                            | TCO    | 0.03%             | US                  |
| WABCO Holdings Inc.                             | WBC    | 0.02%             | US                  |
| Energen Corp.                                   | EGN    | 0.02%             | US                  |
| Markel Corp.                                    | MKL    | 0.02%             | US                  |
| Martin Marietta Materials Inc.                  | MLM    | 0.02%             | US                  |
| Omnicare Inc.                                   | OCR    | 0.02%             | US                  |
| Everest Re Group Ltd.                           | RE     | 0.03%             | BM                  |
| Tesoro Corp.                                    | TSO    | 0.03%             | US                  |
| Companhia de Saneamento Basico do Estado de Sao | SBS    | 0.05%             | BR                  |
| Scripps Networks Interactive Inc. CI A          | SNI    | 0.04%             | US                  |
| Universal Health Services Inc. CI B             | UHS    | 0.02%             | US                  |
| National Fuel Gas Co.                           | NFG    | 0.02%             | US                  |
| VimpelCom Ltd.                                  | VIP    | 0.10%             | NL                  |
| Royal Caribbean Cruises Ltd.                    | RCL    | 0.03%             | US                  |
| Turkcell Iletisim Hizmetleri A.S.               | TKC    | 0.07%             | TR                  |
| D.R. Horton Inc.                                | DHI    | 0.03%             | US                  |
| Liberty Property Trust                          | LPV    | 0.02%             | US                  |
| Arthur J. Gallagher & Co.                       | AJG    | 0.02%             | US                  |
| Regency Centers Corp.                           | REG    | 0.02%             | US                  |
| Fidelity National Financial Inc.                | FFB    | 0.02%             | US                  |
| ITC Holdings Corp.                              | ITC    | 0.02%             | US                  |
| SPX Corp.                                       | SPW    | 0.02%             | US                  |
| MetroPCS Communications Inc.                    | PCS    | 0.02%             | US                  |
| MDU Resources Group Inc.                        | MDU    | 0.02%             | US                  |
| Pentair Inc.                                    | PNR    | 0.02%             | US                  |
| Kirby Corp.                                     | KEX    | 0.02%             | US                  |
| Sealed Air Corp.                                | SEE    | 0.02%             | US                  |
| RenaissanceRe Holdings Ltd.                     | RNR    | 0.02%             | BM                  |
| Tupperware Brands Corp.                         | TUP    | 0.02%             | US                  |
| Rockwood Holdings Inc.                          | ROC    | 0.02%             | US                  |
| NV Energy Inc.                                  | NVE    | 0.02%             | US                  |
| Cooper Cos.                                     | COO    | 0.02%             | US                  |
| Level 3 Communications Inc.                     | LVT    | 0.03%             | US                  |
| BRE Properties Inc.                             | BRE    | 0.02%             | US                  |
| ManpowerGroup                                   | MAN    | 0.02%             | US                  |
| URS Corp.                                       | URS    | 0.02%             | US                  |
| Legg Mason Inc.                                 | LM     | 0.02%             | US                  |
| MSC Industrial Direct Co.                       | MSM    | 0.02%             | US                  |
| Mednax Inc.                                     | MD     | 0.02%             | US                  |
| Kinder Morgan Inc.                              | KMI    | 0.20%             | US                  |
| Woori Finance Holdings Co. Ltd.                 | WF     | 0.04%             | KR                  |
| FactSet Research Systems Inc.                   | FDS    | 0.02%             | US                  |
| WPX Energy                                      | WPX    | 0.02%             | US                  |
| Williams-Sonoma Inc.                            | WSM    | 0.02%             | US                  |
| Coca-Cola Hellenic Bottling Co. S.A.            | CCH    | 0.04%             | GR                  |
| Gannett Co. Inc.                                | GCI    | 0.02%             | US                  |
| Teco Energy Inc.                                | TE     | 0.02%             | US                  |
| Gardner Denver Inc.                             | GDI    | 0.02%             | US                  |
| Kennametal Inc.                                 | KMT    | 0.02%             | US                  |
| Sterlite Industries (India) Ltd.                | SLT    | 0.03%             | IN                  |
| Ultra Petroleum Corp.                           | UPL    | 0.02%             | US                  |
| Cablevision Systems Corp.                       | CVC    | 0.02%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |



| NYSE Index                                     |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company  | Ticker | % Weight in Index | Country of Domicile |
| Portugal Telecom SGPS S/A                      | PT     | 0.02%             | PT                  |
| Smithfield Foods Inc.                          | SFD    | 0.02%             | US                  |
| Gartner Inc.                                   | IT     | 0.02%             | US                  |
| Raymond James Financial Inc.                   | RJF    | 0.03%             | US                  |
| Waste Connections Inc.                         | WCN    | 0.02%             | US                  |
| Senior Housing Properties Trust                | SNH    | 0.02%             | US                  |
| IDEX Corp.                                     | IEX    | 0.02%             | US                  |
| Jones Lang LaSalle Inc.                        | JLL    | 0.02%             | US                  |
| Snap-On Inc.                                   | SNA    | 0.02%             | US                  |
| Wabtec   | WAB    | 0.02%             | US                  |
| Duke Realty Corp.                              | DRE    | 0.02%             | US                  |
| Questa Corp.                                   | STR    | 0.02%             | US                  |
| Harman International Industries Inc.           | HAR    | 0.02%             | US                  |
| Owens Corning                                  | OC     | 0.02%             | US                  |
| Lennar Corp. Cl A                              | LEN    | 0.03%             | US                  |
| W.R. Grace & Co.                               | GRA    | 0.02%             | US                  |
| Solera Holdings Inc.                           | SLH    | 0.02%             | US                  |
| Domtar Corp.                                   | UFS    | 0.01%             | CA                  |
| KT Corp.                                       | KT     | 0.04%             | KR                  |
| Hertz Global Holdings Inc.                     | HTZ    | 0.03%             | US                  |
| Mohawk Industries Inc.                         | MHK    | 0.03%             | US                  |
| Health Net Inc.                                | HNT    | 0.01%             | US                  |
| Lazard Ltd.                                    | LAZ    | 0.02%             | BM                  |
| NCR Corp.                                      | NCR    | 0.02%             | US                  |
| Telecom Corp. of New Zealand Ltd.              | NZTCY  | 0.02%             | NZ                  |
| Towers Watson & Co. Cl A                       | TW     | 0.02%             | US                  |
| Eaton Vance Corp.                              | EV     | 0.02%             | US                  |
| NVR Inc.                                       | NVR    | 0.02%             | US                  |
| Toll Brothers Inc.                             | TOL    | 0.03%             | US                  |
| SandRidge Energy Inc.                          | SD     | 0.02%             | US                  |
| Under Armour Inc. Cl A                         | UA     | 0.03%             | US                  |
| New Oriental Education & Technology Group Inc. | EDU    | 0.01%             | CN                  |
| Pitney Bowes Inc.                              | PBI    | 0.02%             | US                  |
| AMERIGROUP Corp.                               | AGP    | 0.02%             | US                  |
| Precision Drilling Corp.                       | PDS    | 0.01%             | CA                  |
| HCC Insurance Holdings Inc.                    | HCC    | 0.02%             | US                  |
| American Financial Group Inc.                  | AFG    | 0.02%             | US                  |
| Aptargroup Inc.                                | ATR    | 0.02%             | US                  |
| Avery Dennison Corp.                           | AVY    | 0.02%             | US                  |
| Cullen/Frost Bankers Inc.                      | CFR    | 0.02%             | US                  |
| Sally Beauty Holdings Inc.                     | SBH    | 0.03%             | US                  |
| McDermott International Inc.                   | MDR    | 0.02%             | US                  |
| RPM International Inc.                         | RPM    | 0.02%             | US                  |
| Jarden Corp.                                   | JAH    | 0.02%             | US                  |
| Sonoco Products Co.                            | SON    | 0.02%             | US                  |
| Clean Harbors Inc.                             | CLH    | 0.01%             | US                  |
| Alumina Ltd.                                   | AWC    | 0.01%             | AU                  |
| Westar Energy Inc.                             | WR     | 0.02%             | US                  |
| Bemis Co. Inc.                                 | BMS    | 0.02%             | US                  |
| Leggett & Platt Inc.                           | LEG    | 0.02%             | US                  |
| Banco Santander-Chile                          | SAN    | 0.42%             | ES                  |
| DDR Corp.                                      | DDR    | 0.02%             | US                  |
| Goodyear Tire & Rubber Co.                     | GT     | 0.02%             | US                  |
| UGI Corp.                                      | UGI    | 0.02%             | US                  |
| GameStop Corp. Cl A                            | GME    | 0.01%             | US                  |
| Navistar International Corp.                   | NAV    | 0.01%             | US                  |
| National Bank of Greece S.A.                   | NBG    | 0.01%             | GR                  |
| Nu Skin Enterprises Inc. Cl A                  | NUS    | 0.01%             | US                  |
| Tidewater Inc.                                 | TDW    | 0.01%             | US                  |
| Chimera Investment Corp.                       | CIM    | 0.01%             | US                  |
| Hospitality Properties Trust                   | HPT    | 0.02%             | US                  |
| Aqua America Inc.                              | WTR    | 0.02%             | US                  |
| White Mountains Insurance Group Ltd.           | WTM    | 0.02%             | US                  |
| Graco Inc.                                     | GGG    | 0.02%             | US                  |
| World Fuel Services Corp.                      | INT    | 0.01%             | US                  |
| PerkinElmer Inc.                               | PKI    | 0.02%             | US                  |
| Piedmont Office Realty Trust Inc. Cl A         | PDM    | 0.02%             | US                  |
| Apartment Investment & Management Co.          | AIV    | 0.02%             | US                  |
| Broadridge Financial Solutions Inc.            | BR     | 0.02%             | US                  |
| Babcock & Wilcox Co.                           | BWC    | 0.02%             | US                  |
| Arch Coal Inc.                                 | ACI    | 0.01%             | US                  |
| Carlisle Cos.                                  | CSL    | 0.02%             | US                  |
| Gildan Activewear Inc.                         | GIL    | 0.02%             | CA                  |
| Teradyne Inc.                                  | TER    | 0.02%             | US                  |
| WellCare Health Plans Inc.                     | WCG    | 0.01%             | US                  |
| Centrais Eletricas Brasileiras S/A             | EBR    | 0.03%             | BR                  |
| Weingarten Realty Investors                    | WRI    | 0.02%             | US                  |
| Assured Guaranty Ltd.                          | AGO    | 0.02%             | BM                  |
| Ingram Micro Inc. Cl A                         | IM     | 0.01%             | US                  |
| Fortune Brands Home & Security Inc.            | FBHS   | 0.02%             | US                  |
| Kilroy Realty Corp.                            | KRC    | 0.02%             | US                  |
| Lexmark International Inc.                     | LXK    | 0.01%             | US                  |
| Packaging Corp. of America                     | PKG    | 0.02%             | US                  |
| Covance Inc.                                   | CVD    | 0.01%             | US                  |
| Cyt Industries Inc.                            | CYT    | 0.02%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                               |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company                                  | Ticker | % Weight in Index | Country of Domicile |
| BioMed Realty Trust Inc.                 | BMR    | 0.02%             | US                  |
| American Campus Communities Inc.         | ACC    | 0.02%             | US                  |
| Atmos Energy Corp.                       | ATO    | 0.02%             | US                  |
| Big Lots Inc.                            | BIG    | 0.01%             | US                  |
| PulteGroup Inc.                          | PHM    | 0.03%             | US                  |
| Home Properties Inc.                     | HME    | 0.02%             | US                  |
| Great Plains Energy Inc.                 | GXP    | 0.02%             | US                  |
| Spirit AeroSystems Hldgs Inc. Cl A       | SPR    | 0.02%             | US                  |
| Terex Corp.                              | TEX    | 0.01%             | US                  |
| Trinity Industries Inc.                  | TRN    | 0.01%             | US                  |
| Brown & Brown Inc.                       | BRO    | 0.02%             | US                  |
| Wesco International Inc.                 | WCC    | 0.01%             | US                  |
| American Eagle Outfitters Inc.           | AEO    | 0.02%             | US                  |
| Telephone & Data Systems Inc.            | TDS    | 0.01%             | US                  |
| Sims Metal Management Ltd.               | SMS    | 0.03%             | US                  |
| CAE Inc.                                 | CAE    | 0.01%             | CA                  |
| Dril-Quip Inc.                           | DRQ    | 0.02%             | US                  |
| Visteon Corp.                            | VC     | 0.01%             | US                  |
| Berry Petroleum Co. Cl A                 | BRY    | 0.01%             | US                  |
| Governor & Co. of the Bank of Ireland    | IRE    | 0.02%             | IE                  |
| Konami Corp.                             | KNM    | 0.02%             | JP                  |
| Coca-Cola Femsa S.A.B. de C.V.           | KOF    | 0.03%             | MX                  |
| Arcos Dorados Holdings Inc. Cl A         | ARCO   | 0.01%             | AR                  |
| Hanesbrands Inc.                         | HBI    | 0.02%             | US                  |
| Sotheby's                                | BID    | 0.01%             | US                  |
| Douglas Emmett Inc.                      | DEI    | 0.02%             | US                  |
| AuRico Gold Inc.                         | AUQ    | 0.01%             | CA                  |
| Waddell & Reed Financial Inc.            | WDR    | 0.01%             | US                  |
| Acuity Brands Inc.                       | AYI    | 0.02%             | US                  |
| Key Energy Services Inc.                 | KEG    | 0.01%             | US                  |
| Flowers Foods Inc.                       | FLO    | 0.01%             | US                  |
| Ryder System Inc.                        | R      | 0.01%             | US                  |
| United Rentals Inc.                      | URI    | 0.02%             | US                  |
| Kodiak Oil & Gas Corp.                   | KOG    | 0.01%             | US                  |
| Regal-Beloit Corp.                       | RBC    | 0.02%             | US                  |
| Huntsman Corp.                           | HUN    | 0.02%             | US                  |
| Atwood Oceanics Inc.                     | ATW    | 0.02%             | US                  |
| MFA Financial Inc.                       | MFA    | 0.02%             | US                  |
| Equity Lifestyle Properties Inc.         | ELS    | 0.01%             | US                  |
| ProAssurance Corp.                       | PRA    | 0.01%             | US                  |
| Old Republic International Corp.         | ORI    | 0.01%             | US                  |
| Progressive Waste Solutions Ltd.         | BIN    | 0.01%             | CA                  |
| Allied World Assurance Co. Holdings Ltd. | AWH    | 0.01%             | CH                  |
| Clarcor Inc.                             | CLC    | 0.01%             | US                  |
| Alleghany Corp.                          | Y      | 0.03%             | US                  |
| National Retail Properties Inc.          | NNN    | 0.02%             | US                  |
| CVR Energy Inc.                          | CVI    | 0.02%             | US                  |
| Chico's Fas Inc.                         | CHS    | 0.02%             | US                  |
| Service Corp. International              | SCI    | 0.02%             | US                  |
| Coeur d'Alene Mines Corp.                | CDE    | 0.01%             | US                  |
| Six Flags Entertainment Corp.            | SIX    | 0.02%             | US                  |
| Warnaco Group Inc.                       | WRC    | 0.01%             | US                  |
| Triumph Group Inc.                       | TGI    | 0.02%             | US                  |
| CBL & Associates Properties Inc.         | CBL    | 0.02%             | US                  |
| Crane Co.                                | CR     | 0.01%             | US                  |
| Extra Space Storage Inc.                 | EXR    | 0.02%             | US                  |
| Hexcel Corp.                             | HXL    | 0.01%             | US                  |
| Tenet Healthcare Corp.                   | THC    | 0.01%             | US                  |
| Tanger Factory Outlet Centers Inc.       | SKT    | 0.02%             | US                  |
| Mack-Cali Realty Corp.                   | CLI    | 0.01%             | US                  |
| First Republic Bank                      | FRC    | 0.02%             | US                  |
| Valmont Industries Inc.                  | VMI    | 0.02%             | US                  |
| Mindray Medical International Ltd.       | MR     | 0.02%             | CN                  |
| AECOM Technology Corp.                   | ACM    | 0.01%             | US                  |
| Cabot Corp.                              | CBT    | 0.01%             | US                  |
| First Horizon National Corp.             | FHN    | 0.01%             | US                  |
| Teleflex Inc.                            | TFX    | 0.01%             | US                  |
| Wright Express Corp.                     | WXS    | 0.01%             | US                  |
| Alaska Air Group Inc.                    | ALK    | 0.01%             | US                  |
| Centene Corp.                            | CNC    | 0.01%             | US                  |
| Oasis Petroleum Inc.                     | OAS    | 0.02%             | US                  |
| Cleco Corp.                              | CNL    | 0.01%             | US                  |
| Hawaiian Electric Industries Inc.        | HE     | 0.01%             | US                  |
| Unit Corp.                               | UNT    | 0.01%             | US                  |
| Compass Minerals International Inc.      | CMP    | 0.01%             | US                  |
| Diebold Inc.                             | DBD    | 0.01%             | US                  |
| Genesee & Wyoming Inc. Cl A              | GWR    | 0.01%             | US                  |
| Vectren Corp.                            | VVC    | 0.01%             | US                  |
| Weight Watchers International Inc.       | WTW    | 0.02%             | US                  |
| Protective Life Corp.                    | PL     | 0.01%             | US                  |
| Piedmont Natural Gas Co.                 | PNY    | 0.01%             | US                  |
| Dana Holding Corp.                       | DAN    | 0.01%             | US                  |
| John Wiley & Sons Inc. Cl A              | JW/A   | 0.01%             | US                  |
| Corrections Corp. of America             | CXW    | 0.02%             | US                  |
| Tenneco Inc.                             | TEN    | 0.01%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                 |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company                                    | Ticker | % Weight in Index | Country of Domicile |
| Mid-America Apartment Communities Inc.     | MAA    | 0.01%             | US                  |
| Highwoods Properties Inc.                  | HIW    | 0.01%             | US                  |
| NeuStar Inc. Cl A                          | NSR    | 0.01%             | US                  |
| City National Corp.                        | CYN    | 0.02%             | US                  |
| Ritchie Bros. Auctioneers Inc.             | RBA    | 0.01%             | CA                  |
| Valley National Bancorp                    | VLV    | 0.01%             | US                  |
| Community Health Systems Inc.              | CYH    | 0.01%             | US                  |
| LaSalle Hotel Properties                   | LHO    | 0.01%             | US                  |
| Copa Holdings S.A. Cl A                    | CPA    | 0.01%             | PA                  |
| Carpenter Technology Corp.                 | CRS    | 0.01%             | US                  |
| Jefferies Group Inc.                       | JEF    | 0.02%             | US                  |
| Post Properties Inc.                       | PPS    | 0.01%             | US                  |
| Dean Foods Co.                             | DF     | 0.02%             | US                  |
| Hill-Rom Holdings Inc.                     | HRC    | 0.01%             | US                  |
| Alere Inc.                                 | ALR    | 0.01%             | US                  |
| Teledyne Technologies Inc.                 | TDY    | 0.01%             | US                  |
| SolarWinds Inc.                            | SWI    | 0.02%             | US                  |
| Carters Inc.                               | CRI    | 0.02%             | US                  |
| Dollar Thrifty Automotive Group Inc.       | DTG    | 0.01%             | US                  |
| Oshkosh Corp.                              | OSK    | 0.01%             | US                  |
| Bank of Hawaii Corp.                       | BOH    | 0.01%             | US                  |
| Guess? Inc.                                | GES    | 0.01%             | US                  |
| Omega Healthcare Investors Inc.            | OHI    | 0.01%             | US                  |
| Shaw Group Inc.                            | SHAW   | 0.01%             | US                  |
| Validus Holdings Ltd.                      | VR     | 0.02%             | BM                  |
| DeVry Inc.                                 | DV     | 0.01%             | US                  |
| ITT Corp.                                  | ITT    | 0.01%             | US                  |
| First Majestic Silver Corp.                | AG     | 0.01%             | CA                  |
| Aluminum Corp. of China Ltd.               | ACH    | 0.01%             | CN                  |
| Avantest Corp.                             | ATE    | 0.02%             | JP                  |
| Brunswick Corp.                            | BC     | 0.01%             | US                  |
| SEACOR Holding Inc.                        | CKH    | 0.01%             | US                  |
| Brinker International Inc.                 | EAT    | 0.01%             | US                  |
| Medicis Pharmaceutical Corp.               | MRX    | 0.01%             | US                  |
| Hatteras Financial Corp.                   | HTS    | 0.02%             | US                  |
| WGL Holdings Inc.                          | WGL    | 0.01%             | US                  |
| HudBay Minerals Inc.                       | HBM    | 0.01%             | CA                  |
| Anixter International Inc.                 | AXE    | 0.01%             | US                  |
| Manitowoc Co.                              | MTW    | 0.01%             | US                  |
| CPFL Energia S.A.                          | CPL    | 0.06%             | BR                  |
| Entertainment Properties Trust             | EPR    | 0.01%             | US                  |
| Federated Investors Inc.                   | FII    | 0.01%             | US                  |
| Life Time Fitness Inc.                     | LTM    | 0.01%             | US                  |
| TreeHouse Foods Inc.                       | THS    | 0.01%             | US                  |
| Cinemark Holdings Inc.                     | CNK    | 0.01%             | US                  |
| YPF S.A.                                   | YPF    | 0.03%             | AR                  |
| Dillard's Inc.                             | DDS    | 0.02%             | US                  |
| Dolby Laboratories Inc. Cl A               | DLB    | 0.01%             | US                  |
| Cosan Cl A                                 | CZZ    | 0.01%             | BR                  |
| IDACORP Inc.                               | IDA    | 0.01%             | US                  |
| Stifel Financial Corp.                     | SF     | 0.01%             | US                  |
| Esterline Technologies Corp.               | ESL    | 0.01%             | US                  |
| Scotts Miracle-Gro Co.                     | SMG    | 0.01%             | US                  |
| Men's Wearhouse Inc.                       | MW     | 0.01%             | US                  |
| Alliant Techsystems Inc.                   | ATK    | 0.01%             | US                  |
| ITT Educational Services Inc.              | ESI    | 0.00%             | US                  |
| GATX Corp.                                 | GMT    | 0.01%             | US                  |
| HealthSouth Corp.                          | HLS    | 0.01%             | US                  |
| Toro Co.                                   | TTC    | 0.01%             | US                  |
| Nielsen Holdings N.V.                      | NLSN   | 0.06%             | US                  |
| Actuant Corp. Cl A                         | ATU    | 0.01%             | US                  |
| DST Systems Inc.                           | DST    | 0.01%             | US                  |
| New Jersey Resources Corp.                 | NJR    | 0.01%             | US                  |
| Exelis Inc.                                | XLS    | 0.01%             | US                  |
| Washington Real Estate Investment Trust    | WRE    | 0.01%             | US                  |
| Bio-Rad Laboratories Inc. Cl A             | BIO    | 0.01%             | US                  |
| Forest City Enterprises Inc. Cl A          | FCE/A  | 0.01%             | US                  |
| Southwest Gas Corp.                        | SWX    | 0.01%             | US                  |
| Invesco Mortgage Capital Inc.              | IVR    | 0.01%             | US                  |
| Aspen Insurance Holdings Ltd.              | AHL    | 0.01%             | BM                  |
| Helix Energy Solutions Group Inc.          | HLX    | 0.01%             | US                  |
| Huaneng Power International Inc.           | HNP    | 0.01%             | CN                  |
| Owens & Minor Inc.                         | OMI    | 0.01%             | US                  |
| Robbins & Myers Inc.                       | RBN    | 0.01%             | US                  |
| Aaron's Inc.                               | AAN    | 0.01%             | US                  |
| Washington Post Co. Cl B                   | WPO    | 0.01%             | US                  |
| Darling International Inc.                 | DAR    | 0.01%             | US                  |
| Prosperity Bancshares Inc.                 | PB     | 0.01%             | US                  |
| Bally Technologies Inc.                    | BYI    | 0.01%             | US                  |
| Brookdale Senior Living Inc.               | BKD    | 0.01%             | US                  |
| Belden Inc.                                | BDC    | 0.01%             | US                  |
| Covanta Holding Corp.                      | CVA    | 0.01%             | US                  |
| Fairchild Semiconductor International Inc. | FCS    | 0.01%             | US                  |
| GenOn Energy Inc.                          | GEN    | 0.01%             | US                  |
| Lender Processing Services Inc.            | LPS    | 0.01%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                    |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company                                       | Ticker | % Weight in Index | Country of Domicile |
| Lennox International Inc.                     | LII    | 0.01% US          |                     |
| Celestica Inc.                                | CLS    | 0.01% CA          |                     |
| Charles River Laboratories International Inc. | CRL    | 0.01% US          |                     |
| Moog Inc. Cl A                                | MOG/A  | 0.01% US          |                     |
| Starwood Property Trust Inc.                  | STWD   | 0.01% US          |                     |
| Sensient Technologies Corp.                   | SXT    | 0.01% US          |                     |
| CARBO Ceramics Inc.                           | CRR    | 0.01% US          |                     |
| Health Management Associates Inc. Cl A        | HMA    | 0.01% US          |                     |
| Portland General Electric Co.                 | POR    | 0.01% US          |                     |
| Hanover Insurance Group Inc.                  | THG    | 0.01% US          |                     |
| EMCOR Group Inc.                              | EME    | 0.01% US          |                     |
| Domino's Pizza Inc.                           | DPZ    | 0.01% US          |                     |
| GNC Holdings Inc. Cl A                        | GNC    | 0.02% US          |                     |
| Watsco Inc.                                   | WSO    | 0.01% US          |                     |
| Wolverine World Wide Inc.                     | WWW    | 0.01% US          |                     |
| Alexander & Baldwin Inc.                      | ALEX   | 0.01% US          |                     |
| Colonial Properties Trust                     | CLP    | 0.01% US          |                     |
| Harsco Corp.                                  | HSC    | 0.01% US          |                     |
| StanCorp Financial Group Inc.                 | SFG    | 0.01% US          |                     |
| UIL Holdings Corp.                            | UIL    | 0.01% US          |                     |
| Vishay Intertechnology Inc.                   | VSH    | 0.01% US          |                     |
| A.O. Smith Corp.                              | AOS    | 0.01% US          |                     |
| CapitalSource Inc.                            | CSE    | 0.01% US          |                     |
| Pier 1 Imports Inc.                           | PIR    | 0.01% US          |                     |
| Ruddick Corp.                                 | HTSI   | 0.01% US          |                     |
| Two Harbors Investment Corp.                  | TWO    | 0.02% US          |                     |
| Air Lease Corp.                               | AL     | 0.01% US          |                     |
| AOL Inc.                                      | AOL    | 0.02% US          |                     |
| Cabela's Inc.                                 | CAB    | 0.02% US          |                     |
| Curtiss-Wright Corp.                          | CW     | 0.01% US          |                     |
| Haemonetics Corp.                             | HAE    | 0.01% US          |                     |
| Mueller Industries Inc.                       | MLI    | 0.01% US          |                     |
| Plantronics Inc.                              | PLT    | 0.01% US          |                     |
| Corporate Office Properties Trust             | OFC    | 0.01% US          |                     |
| Michael Kors Holdings Ltd.                    | KORS   | 0.05% HK          |                     |
| Just Energy Group Inc.                        | JE     | 0.01% CA          |                     |
| Diamondrock Hospitality Co.                   | DRH    | 0.01% US          |                     |
| NewMarket Corp.                               | NEU    | 0.02% US          |                     |
| MI Developments Inc.                          | GRP    | 0.01% CA          |                     |
| Stone Energy Corp.                            | SGY    | 0.01% US          |                     |
| Steris Corp.                                  | STE    | 0.01% US          |                     |
| FTI Consulting Inc.                           | FCN    | 0.01% US          |                     |
| MBIA Inc.                                     | MBI    | 0.01% US          |                     |
| Stillwater Mining Co.                         | SWC    | 0.01% US          |                     |
| EnerSys Inc.                                  | ENS    | 0.01% US          |                     |
| Genpact Ltd.                                  | G      | 0.02% US          |                     |
| Express Inc.                                  | EXPR   | 0.01% US          |                     |
| Fibria Celulose S.A.                          | FBR    | 0.03% BR          |                     |
| CorpBanca S.A.                                | BCA    | 0.02% CL          |                     |
| CNO Financial Group Inc.                      | CNO    | 0.01% US          |                     |
| Bristow Group Inc.                            | BRS    | 0.01% US          |                     |
| Hyatt Hotels Corp.                            | H      | 0.01% US          |                     |
| GrafTech International Ltd.                   | GTI    | 0.01% US          |                     |
| F.N.B. Corp.                                  | FNB    | 0.01% US          |                     |
| TCF Financial Corp.                           | TCB    | 0.01% US          |                     |
| Huntington Ingalls Industries Inc.            | HII    | 0.01% US          |                     |
| Webster Financial Corp.                       | WBS    | 0.01% US          |                     |
| Janus Capital Group Inc.                      | JNS    | 0.01% US          |                     |
| Molycorp Inc.                                 | MCP    | 0.01% US          |                     |
| LinkedIn Corp. Cl A                           | LNKD   | 0.05% US          |                     |
| Healthcare Realty Trust Inc.                  | HR     | 0.01% US          |                     |
| South Jersey Industries Inc.                  | SJI    | 0.01% US          |                     |
| First American Financial Corp.                | FAF    | 0.01% US          |                     |
| Brady Corp. Cl A                              | BRC    | 0.01% US          |                     |
| Con-way Inc.                                  | CNW    | 0.01% US          |                     |
| Endurance Specialty Holdings Ltd.             | ENH    | 0.01% BM          |                     |
| CommonWealth REIT                             | CWH    | 0.01% US          |                     |
| International Rectifier Corp.                 | IRF    | 0.01% US          |                     |
| Polypore International Inc.                   | PPO    | 0.01% US          |                     |
| CACI International Inc. Cl A                  | CACI   | 0.01% US          |                     |
| Commercial Metals Co.                         | CMC    | 0.01% US          |                     |
| Genesco Inc.                                  | GCO    | 0.01% US          |                     |
| Live Nation Entertainment Inc.                | LYV    | 0.01% US          |                     |
| Rollins Inc.                                  | ROL    | 0.02% US          |                     |
| Colfax Corp.                                  | CFX    | 0.02% US          |                     |
| Applied Industrial Technologies Inc.          | AIT    | 0.01% US          |                     |
| Fair Isaac Corp.                              | FICO   | 0.01% US          |                     |
| General Cable Corp.                           | BGC    | 0.01% US          |                     |
| McMoRan Exploration Co.                       | MMR    | 0.01% US          |                     |
| Telecom Argentina S.A.                        | TEO    | 0.01% AR          |                     |
| Compania Cervecerias Unidas S.A.              | CCU    | 0.02% CL          |                     |
| Vail Resorts Inc.                             | MTN    | 0.01% US          |                     |
| Ocwen Financial Corp.                         | OCN    | 0.02% US          |                     |
| Olin Corp.                                    | OLN    | 0.01% US          |                     |
| Thor Industries Inc.                          | THO    | 0.01% US          |                     |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                      |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company   | Ticker | % Weight in Index | Country of Domicile |
| Forest Oil Corp.                                | FST    | 0.01% US          |                     |
| H.B. Fuller Co.                                 | FUL    | 0.01% US          |                     |
| Hecla Mining Co.                                | HL     | 0.01% US          |                     |
| Youku Inc.                                      | YOKU   | 0.01% CN          |                     |
| Kosmos Energy Ltd.                              | KOS    | 0.02% BM          |                     |
| Targa Resources Corp.                           | TRGP   | 0.01% US          |                     |
| St. Joe Co.                                     | JOE    | 0.01% US          |                     |
| Synovus Financial Corp.                         | SNV    | 0.01% US          |                     |
| Avista Corp.                                    | AVA    | 0.01% US          |                     |
| Brandywine Realty Trust                         | BDN    | 0.01% US          |                     |
| Brown-Forman Corp. Cl A                         | BF/A   | 0.03% US          |                     |
| CoreLogic Inc.                                  | CLGX   | 0.01% US          |                     |
| Gulfmark Offshore Inc. (Cl A)                   | GLF    | 0.00% US          |                     |
| Maximus Inc.                                    | MMS    | 0.01% US          |                     |
| NetSuite Inc.                                   | N      | 0.02% US          |                     |
| Hillenbrand Inc.                                | HI     | 0.01% US          |                     |
| CYS Investments Inc.                            | CYS    | 0.01% US          |                     |
| Sappi Ltd.                                      | SPP    | 0.01% ZA          |                     |
| Eagle Materials Inc.                            | EXP    | 0.01% US          |                     |
| Corporate Executive Board Co.                   | CEB    | 0.01% US          |                     |
| Imax Corp.                                      | IMAX   | 0.01% CA          |                     |
| PNM Resources Inc.                              | PNM    | 0.01% US          |                     |
| West Pharmaceutical Services Inc.               | WST    | 0.01% US          |                     |
| Aeropostale Inc.                                | ARO    | 0.01% US          |                     |
| DSW Inc. Cl A                                   | DSW    | 0.01% US          |                     |
| Supervalu Inc.                                  | SVU    | 0.00% US          |                     |
| Dupont Fabros Technology Inc.                   | DFT    | 0.01% US          |                     |
| DCT Industrial Trust Inc.                       | DCT    | 0.01% US          |                     |
| Howard Hughes Corp.                             | HHC    | 0.01% US          |                     |
| Chemtura Corp.                                  | CHMT   | 0.01% US          |                     |
| Convergys Corp.                                 | CVG    | 0.01% US          |                     |
| El Paso Electric Co.                            | EE     | 0.01% US          |                     |
| Cash America International Inc.                 | CSH    | 0.01% US          |                     |
| Swift Energy Co.                                | SFY    | 0.00% US          |                     |
| Stantec Inc.                                    | STN    | 0.01% CA          |                     |
| UniSource Energy Corp.                          | UNS    | 0.01% US          |                     |
| Grupo Aeroportuario del Sureste S.A.B. de C.V.  | ASR    | 0.01% MX          |                     |
| Allete Inc.                                     | ALE    | 0.01% US          |                     |
| Thompson Creek Metals Co. Inc.                  | TC     | 0.00% US          |                     |
| Intrepid Potash Inc.                            | IPI    | 0.01% US          |                     |
| Atlantic Power Corp.                            | AT     | 0.01% US          |                     |
| Barnes Group Inc.                               | B      | 0.01% US          |                     |
| Black Hills Corp.                               | BKH    | 0.01% US          |                     |
| Buckeye Technologies Inc.                       | BKI    | 0.01% US          |                     |
| Hornbeck Offshore Services Inc.                 | HOS    | 0.01% US          |                     |
| Par Pharmaceutical Cos. Inc.                    | PRX    | 0.01% US          |                     |
| Platinum Underwriters Holdings Ltd.             | PTP    | 0.01% BM          |                     |
| Sovran Self Storage Inc.                        | SSS    | 0.01% US          |                     |
| Chemed Corp.                                    | CHE    | 0.01% US          |                     |
| EastGroup Properties Inc.                       | EGP    | 0.01% US          |                     |
| Greenhill & Co. Inc.                            | GHL    | 0.01% US          |                     |
| Knight Capital Group Inc. Cl A                  | KCG    | 0.00% US          |                     |
| Saks Inc.                                       | SKS    | 0.01% US          |                     |
| Silvercorp Metals Inc.                          | SVM    | 0.01% CA          |                     |
| CubeSmart                                       | CUBE   | 0.01% US          |                     |
| Deluxe Corp.                                    | DLX    | 0.01% US          |                     |
| Medical Properties Trust Inc.                   | MPW    | 0.01% US          |                     |
| TERNIUM S.A.                                    | TX     | 0.02% LU          |                     |
| Gafisa S/A                                      | GFA    | 0.00% BR          |                     |
| PolyOne Corp.                                   | POL    | 0.01% US          |                     |
| Northwest Natural Gas Co.                       | NWN    | 0.01% US          |                     |
| Kemper Corp.                                    | KMPR   | 0.01% US          |                     |
| WMS Industries Inc.                             | WMS    | 0.00% US          |                     |
| Ann Inc.  | ANN    | 0.01% US          |                     |
| NorthWestern Corp.                              | NWE    | 0.01% US          |                     |
| Grupo Aeroportuario del Pacifico S.A.B. de C.V. | PAC    | 0.01% MX          |                     |
| RLI Corp.                                       | RLI    | 0.01% US          |                     |
| Titanium Metals Corp.                           | TIE    | 0.01% US          |                     |
| Greif Inc. Cl A                                 | GEF    | 0.01% US          |                     |
| Gaylord Entertainment Co.                       | GET    | 0.01% US          |                     |
| Meredith Corp.                                  | MDP    | 0.01% US          |                     |
| Simpson Manufacturing Co.                       | SSD    | 0.01% US          |                     |
| Choice Hotels International Inc.                | CHH    | 0.01% US          |                     |
| Kaydon Corp.                                    | KDN    | 0.00% US          |                     |
| Primerica Inc.                                  | PRI    | 0.01% US          |                     |
| AerCap Holdings N.V.                            | AER    | 0.01% NL          |                     |
| Bill Barrett Corp.                              | BBG    | 0.01% US          |                     |
| Lexington Realty Trust                          | LXP    | 0.01% US          |                     |
| Mine Safety Appliances Co.                      | MSA    | 0.01% US          |                     |
| PS Business Parks Inc.                          | PSB    | 0.01% US          |                     |
| AutoNation Inc.                                 | AN     | 0.03% US          |                     |
| Teekay Corp.                                    | TK     | 0.01% BM          |                     |
| Vitamin Shoppe Inc.                             | VSI    | 0.01% US          |                     |
| FleetCor Technologies Inc.                      | FLT    | 0.02% US          |                     |
| Buckle Inc.                                     | BKE    | 0.01% US          |                     |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                      |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company   | Ticker | % Weight in Index | Country of Domicile |
| Equity One Inc.                                 | EQY    | 0.01%             | US                  |
| Valassis Communications Inc.                    | VCI    | 0.01%             | US                  |
| Watts Water Technologies Inc. Cl A              | WTS    | 0.01%             | US                  |
| Group 1 Automotive Inc.                         | GPI    | 0.01%             | US                  |
| Empresas ICA S.A.B. de C.V.                     | ICA    | 0.01%             | MX                  |
| Minerals Technologies Inc.                      | MTX    | 0.01%             | US                  |
| Old National Bancorp                            | ONB    | 0.01%             | US                  |
| Brink's Co.                                     | BCO    | 0.01%             | US                  |
| RLJ Lodging Trust                               | RLJ    | 0.01%             | US                  |
| CNH Global N.V.                                 | CNH    | 0.05%             | NL                  |
| Mercury General Corp.                           | MCY    | 0.01%             | US                  |
| MasTec Inc.                                     | MTZ    | 0.01%             | US                  |
| Tyler Technologies Inc.                         | TYL    | 0.01%             | US                  |
| Capstead Mortgage Corp.                         | CMO    | 0.01%             | US                  |
| US Airways Group Inc.                           | LCC    | 0.01%             | US                  |
| Schweitzer-Mauduit International Inc.           | SWM    | 0.01%             | US                  |
| AbitibiBowater Inc.                             | RFP    | 0.01%             | CA                  |
| Westlake Chemical Corp.                         | WLK    | 0.03%             | US                  |
| Montpelier Re Holdings Ltd.                     | MRH    | 0.01%             | BM                  |
| National Health Investors Inc.                  | NHI    | 0.01%             | US                  |
| Cloud Peak Energy Inc.                          | CLD    | 0.01%             | US                  |
| Pebblebrook Hotel Trust                         | PEB    | 0.01%             | US                  |
| Universal Corp.                                 | UVV    | 0.01%             | US                  |
| Geo Group Inc.                                  | GEO    | 0.01%             | US                  |
| EXCO Resources Inc.                             | XCO    | 0.01%             | US                  |
| Georgia Gulf Corp.                              | GGC    | 0.01%             | US                  |
| B&G Foods Inc.                                  | BGS    | 0.01%             | US                  |
| Bankrate Inc.                                   | RATE   | 0.01%             | US                  |
| McEwen Mining Inc.                              | MUX    | 0.00%             | CA                  |
| Alexander's Inc.                                | ALX    | 0.01%             | US                  |
| Glimcher Realty Trust                           | GRT    | 0.01%             | US                  |
| Regal Entertainment Group Cl A                  | RGC    | 0.01%             | US                  |
| Sunstone Hotel Investors Inc.                   | SHO    | 0.01%             | US                  |
| Penske Automotive Group Inc.                    | PAG    | 0.01%             | US                  |
| Armstrong World Industries Inc.                 | AWI    | 0.01%             | US                  |
| Collective Brands Inc.                          | PSS    | 0.01%             | US                  |
| Titan International Inc.                        | TWI    | 0.00%             | US                  |
| Harry Winston Diamond Corp.                     | HWD    | 0.01%             | CA                  |
| ABM Industries Inc.                             | ABM    | 0.01%             | US                  |
| Heartland Payment Systems Inc.                  | HPY    | 0.01%             | US                  |
| Louisiana-Pacific Corp.                         | LPX    | 0.01%             | US                  |
| Molina Healthcare Inc.                          | MOH    | 0.01%             | US                  |
| Regis Corp.                                     | RGS    | 0.01%             | US                  |
| Community Bank System Inc.                      | CBU    | 0.01%             | US                  |
| CH Energy Group Inc. (Holding Co.)              | CHG    | 0.01%             | US                  |
| Granite Construction Inc.                       | GVA    | 0.01%             | US                  |
| 3D Systems Corp.                                | DDD    | 0.01%             | US                  |
| Pretium Resources Inc.                          | PVG    | 0.01%             | CA                  |
| Benchmark Electronics Inc.                      | BHE    | 0.00%             | US                  |
| SunCoke Energy Inc.                             | SXC    | 0.01%             | US                  |
| Western Refining Inc.                           | WNR    | 0.01%             | US                  |
| SYNNEX Corp.                                    | SNX    | 0.01%             | US                  |
| Accretive Health Inc.                           | AH     | 0.01%             | US                  |
| Sengroup Corp. Cl A                             | SEMG   | 0.01%             | US                  |
| Cooper Tire & Rubber Co.                        | CTB    | 0.01%             | US                  |
| Knight Transportation Inc.                      | KNX    | 0.01%             | US                  |
| Lions Gate Entertainment Corp.                  | LGF    | 0.01%             | US                  |
| Boise Inc.                                      | BZ     | 0.00%             | US                  |
| W&T Offshore Inc.                               | WTI    | 0.01%             | US                  |
| ESCO Technologies Inc.                          | ESE    | 0.01%             | US                  |
| Fresh Del Monte Produce Inc.                    | FDP    | 0.01%             | US                  |
| First Industrial Realty Trust Inc.              | FR     | 0.01%             | US                  |
| HNI Corp.                                       | HNI    | 0.01%             | US                  |
| Liz Claiborne Inc.                              | FNP    | 0.01%             | US                  |
| OM Group Inc.                                   | OMG    | 0.00%             | US                  |
| Semiconductor Manufacturing International Corp. | SMI    | 0.01%             | CN                  |
| MEMC Electronic Materials Inc.                  | WFR    | 0.00%             | US                  |
| Arbitron Inc.                                   | ARB    | 0.01%             | US                  |
| Heico Corp. Cl A                                | HEI/A  | 0.00%             | US                  |
| Orient Express Hotels Ltd.                      | OEH    | 0.00%             | BM                  |
| Magnum Hunter Resources Corp.                   | MHR    | 0.00%             | US                  |
| Strategic Hotels & Resorts Inc.                 | BEE    | 0.01%             | US                  |
| Seaspan Corp.                                   | SSW    | 0.01%             | HK                  |
| Sun Communities Inc.                            | SUI    | 0.01%             | US                  |
| Swift Transportation Co. Cl A                   | SWFT   | 0.00%             | US                  |
| Worthington Industries Inc.                     | WOR    | 0.01%             | US                  |
| Embotelladora Andina S.A. (Series B)            | AKO/B  | 0.01%             | CL                  |
| BancorpSouth Inc.                               | BXS    | 0.01%             | US                  |
| Education Realty Trust Inc.                     | EDR    | 0.01%             | US                  |
| LTC Properties Inc.                             | LTC    | 0.01%             | US                  |
| Rite Aid Corp.                                  | RAD    | 0.01%             | US                  |
| Companhia Energetica de Minas Gerais-Cemig      | CIG/C  | 0.02%             | BR                  |
| Endeavour Silver Corp.                          | EXK    | 0.00%             | CA                  |
| Vina Concha y Toro S.A.                         | VCO    | 0.01%             | CL                  |
| AAR Corp.                                       | AIR    | 0.00%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                  |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company                                     | Ticker | % Weight in Index | Country of Domicile |
| Acadia Realty Trust                         | AKR    | 0.01% US          |                     |
| Kaman Corp.                                 | KAMN   | 0.00% US          |                     |
| New York Times Co. Cl A                     | NYT    | 0.01% US          |                     |
| WuXi Phamtech (Cayman) Inc.                 | WX     | 0.01% CN          |                     |
| Kraton Performance Polymers Inc.            | KRA    | 0.00% US          |                     |
| BankUnited Inc.                             | BKU    | 0.01% US          |                     |
| Exterran Holdings Inc.                      | EXH    | 0.01% US          |                     |
| UniFirst Corp.                              | UNF    | 0.01% US          |                     |
| Emulex Corp.                                | ELX    | 0.00% US          |                     |
| ION Geophysical Corp.                       | IO     | 0.01% US          |                     |
| SINOPEC Shanghai Petrochemical Co. Ltd.     | SHI    | 0.00% CN          |                     |
| TAL International Group Inc.                | TAL    | 0.01% US          |                     |
| USG Corp.                                   | USG    | 0.01% US          |                     |
| China Southern Airlines Co. Ltd.            | ZNH    | 0.01% CN          |                     |
| AK Steel Holding Corp.                      | AKS    | 0.00% US          |                     |
| Briggs & Stratton Corp.                     | BGG    | 0.00% US          |                     |
| Empire District Electric Co.                | EDE    | 0.00% US          |                     |
| Laclede Group Inc.                          | LG     | 0.00% US          |                     |
| M.D.C. Holdings Inc.                        | MDC    | 0.01% US          |                     |
| MGIC Investment Corp.                       | MTG    | 0.00% US          |                     |
| Monster Worldwide Inc.                      | MWW    | 0.01% US          |                     |
| Government Properties Income Trust          | GOV    | 0.01% US          |                     |
| Anworth Mortgage Asset Corp.                | ANH    | 0.01% US          |                     |
| Calgon Carbon Corp.                         | CCC    | 0.00% US          |                     |
| Redwood Trust Inc.                          | RWT    | 0.01% US          |                     |
| KapStone Paper & Packaging Corp.            | KS     | 0.01% US          |                     |
| Post Holdings Inc.                          | POST   | 0.01% US          |                     |
| Blount International Inc.                   | BLT    | 0.00% US          |                     |
| CNA Financial Corp.                         | CNA    | 0.04% US          |                     |
| Deltic Timber Corp.                         | DEL    | 0.00% US          |                     |
| DineEquity Inc.                             | DIN    | 0.01% US          |                     |
| Boston Beer Co. Cl A                        | SAM    | 0.00% US          |                     |
| Armour Residential REIT Inc.                | ARR    | 0.01% US          |                     |
| Fortuna Silver Mines Inc.                   | FVI CN | 0.00% CA          |                     |
| Asbury Automotive Group Inc.                | ABG    | 0.00% US          |                     |
| Jones Group Inc.                            | JNY    | 0.01% US          |                     |
| Prestige Brands Holdings Inc.               | PBH    | 0.00% US          |                     |
| Sturm Ruger & Co.                           | RGR    | 0.00% US          |                     |
| Texas Industries Inc.                       | TXI    | 0.01% US          |                     |
| Delphi Automotive PLC                       | DLPH   | 0.05% GB          |                     |
| Astoria Financial Corp.                     | AF     | 0.01% US          |                     |
| American Axle & Manufacturing Holdings Inc. | AXL    | 0.00% US          |                     |
| Greif Inc. Cl B                             | GEF/B  | 0.01% US          |                     |
| Office Depot Inc.                           | ODP    | 0.00% US          |                     |
| Orbital Sciences Corp.                      | ORB    | 0.00% US          |                     |
| RPC Inc.                                    | RES    | 0.02% US          |                     |
| Clearwater Paper Corp.                      | CLW    | 0.00% US          |                     |
| K12 Inc.                                    | LRN    | 0.00% US          |                     |
| AMCOL International Corp.                   | ACO    | 0.01% US          |                     |
| Cubic Corp.                                 | CUB    | 0.01% US          |                     |
| Hersha Hospitality Trust Cl A               | HT     | 0.01% US          |                     |
| Lindsay Corp.                               | LNN    | 0.00% US          |                     |
| Provident Financial Services Inc.           | PFS    | 0.01% US          |                     |
| Ryland Group Inc.                           | RYL    | 0.01% US          |                     |
| Steelcase Inc. Cl A                         | SCS    | 0.00% US          |                     |
| Tetra Technologies Inc.                     | TTI    | 0.00% US          |                     |
| Pandora Media Inc.                          | P      | 0.01% US          |                     |
| China Eastern Airlines Corp. Ltd.           | CEA    | 0.01% CN          |                     |
| California Water Service Group              | CWT    | 0.00% US          |                     |
| Korn/Ferry International                    | KFY    | 0.00% US          |                     |
| Koppers Holdings Inc.                       | KOP    | 0.00% US          |                     |
| EnPro Industries Inc.                       | NPO    | 0.00% US          |                     |
| Pep Boys-Manny Moe & Jack                   | PBY    | 0.00% US          |                     |
| PHH Corp.                                   | PHH    | 0.01% US          |                     |
| Symetra Financial Corp.                     | SYA    | 0.01% US          |                     |
| Cato Corp. Cl A                             | CATO   | 0.00% US          |                     |
| Dycom Industries Inc.                       | DY     | 0.00% US          |                     |
| KB Home                                     | KBH    | 0.01% US          |                     |
| Nordic American Tankers Ltd.                | NAT    | 0.00% NO          |                     |
| Parker Drilling Co.                         | PKD    | 0.00% US          |                     |
| A.F.P. Provida S.A.                         | PVD    | 0.01% CL          |                     |
| Crexus Investment Corp.                     | CXS    | 0.00% US          |                     |
| Banco Macro S.A.                            | BMA    | 0.00% AR          |                     |
| Cincinnati Bell Inc.                        | CBB    | 0.01% US          |                     |
| Evercore Partners Inc. Cl A                 | EVR    | 0.00% US          |                     |
| Knoll Inc.                                  | KNL    | 0.00% US          |                     |
| La-Z-Boy Inc.                               | LZB    | 0.00% US          |                     |
| Opko Health Inc.                            | OPK    | 0.01% US          |                     |
| Patriot Coal Corp.                          | PCXCQ  | 0.00% US          |                     |
| Generac Holdings Inc.                       | GNRC   | 0.01% US          |                     |
| Unisys Corp.                                | UIS    | 0.01% US          |                     |
| Wabash National Corp.                       | WNC    | 0.00% US          |                     |
| American Equity Investment Life Holding Co. | AEL    | 0.00% US          |                     |
| Meritor Inc.                                | MTOR   | 0.00% US          |                     |
| Vector Group Ltd.                           | VGR    | 0.01% US          |                     |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index  |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company   | Ticker | % Weight in Index | Country of Domicile |
| CEC Entertainment Inc.                            | CEC    | 0.00%             | US                  |
| Comstock Resources Inc.                           | CRK    | 0.00%             | US                  |
| Heico Corp.                                       | HEI    | 0.00%             | US                  |
| Quicksilver Resources Inc.                        | KWK    | 0.00%             | US                  |
| Navigant Consulting Inc.                          | NCI    | 0.00%             | US                  |
| Newpark Resources Inc.                            | NR     | 0.00%             | US                  |
| Oxford Industries Inc.                            | OXM    | 0.00%             | US                  |
| Pennsylvania Real Estate Investment Trust         | PEI    | 0.00%             | US                  |
| Spectrum Brands Holdings Inc.                     | SPB    | 0.01%             | US                  |
| Tennant Co.                                       | TNC    | 0.00%             | US                  |
| Freescale Semiconductor Holdings I Ltd.           | FSL    | 0.01%             | US                  |
| Marriott Vacations Worldwide Corp.                | VAC    | 0.01%             | US                  |
| Insperty Inc.                                     | NSP    | 0.00%             | US                  |
| Cellcom Israel Ltd.                               | CEL    | 0.00%             | IL                  |
| Glatfelter  | GLT    | 0.00%             | US                  |
| Nelnet Inc. Cl A                                  | NNI    | 0.00%             | US                  |
| RTI International Metals Inc.                     | RTI    | 0.00%             | US                  |
| RadioShack Corp.                                  | RSH    | 0.00%             | US                  |
| Renren Inc. Cl A                                  | RENN   | 0.01%             | CN                  |
| American States Water Co.                         | AWR    | 0.00%             | US                  |
| Belo Corp. Series A                               | BLC    | 0.00%             | US                  |
| Cohen & Steers Inc.                               | CNS    | 0.01%             | US                  |
| First Potomac Realty Trust                        | FPO    | 0.00%             | US                  |
| Graphic Packaging Holding Co.                     | GPK    | 0.01%             | US                  |
| Pinnacle Entertainment Inc.                       | PNK    | 0.00%             | US                  |
| Adecoagro S.A.                                    | AGRO   | 0.01%             | LU                  |
| ACCO Brands Corp.                                 | ACCO   | 0.00%             | US                  |
| AVX Corp.   | AVX    | 0.01%             | US                  |
| Aircastle Ltd.                                    | AYR    | 0.00%             | US                  |
| Employers Holdings Inc.                           | EIG    | 0.00%             | US                  |
| Hanger Orthopedic Group Inc.                      | HGR    | 0.01%             | US                  |
| Horace Mann Educators Corp.                       | HMN    | 0.00%             | US                  |
| Desarrolladora Homex S.A.B. de C.V.               | HXM    | 0.00%             | MX                  |
| Inland Real Estate Corp.                          | IRC    | 0.00%             | US                  |
| Kenexa Corp.                                      | KNXA   | 0.01%             | US                  |
| TrueBlue Inc.                                     | TBI    | 0.00%             | US                  |
| Meritage Homes Corp.                              | MTH    | 0.01%             | US                  |
| Stepan Co.  | SCL    | 0.01%             | US                  |
| U.S. Cellular Corp.                               | USM    | 0.01%             | US                  |
| Advantage Oil & Gas Ltd.                          | AAV    | 0.00%             | CA                  |
| Ethan Allen Interiors Inc.                        | ETH    | 0.00%             | US                  |
| Indosat   | IIT    | 0.02%             | ID                  |
| Mechel OAO  | MTL    | 0.02%             | RU                  |
| Tootsie Roll Industries Inc.                      | TR     | 0.01%             | US                  |
| Quanex Building Products Corp.                    | NX     | 0.00%             | US                  |
| American Assets Trust Inc.                        | AAT    | 0.01%             | US                  |
| Albany International Corp. Cl A                   | AIN    | 0.00%             | US                  |
| Materion Corp.                                    | MTRN   | 0.00%             | US                  |
| Interline Brands Inc.                             | IBI    | 0.00%             | US                  |
| LSB Industries Inc.                               | LXU    | 0.00%             | US                  |
| National Financial Partners Corp.                 | NFP    | 0.00%             | US                  |
| Green Dot Corp. Cl A                              | GDOT   | 0.00%             | US                  |
| Lone Pine Resources Inc.                          | LPR    | 0.00%             | CA                  |
| Western Alliance Bancorp.                         | WAL    | 0.00%             | US                  |
| Associated Estates Realty Corp.                   | AEC    | 0.00%             | US                  |
| AZZ Inc.  | AZZ    | 0.00%             | US                  |
| Cousins Properties Inc.                           | CUZ    | 0.00%             | US                  |
| Quantum Corp.                                     | QTM    | 0.00%             | US                  |
| First Commonwealth Financial Corp. (Pennsylvania) | FCF    | 0.00%             | US                  |
| Rogers Corp.                                      | ROG    | 0.00%             | US                  |
| Team Inc.   | TISI   | 0.00%             | US                  |
| Textainer Group Holdings Ltd.                     | TGH    | 0.01%             | BM                  |
| Fusion-io Inc.                                    | FIO    | 0.01%             | US                  |
| Circor International Inc.                         | CIR    | 0.00%             | US                  |
| Resolute Energy Corp.                             | REN    | 0.00%             | US                  |
| Team Health Holding Inc.                          | TMH    | 0.01%             | US                  |
| Spancion Inc. Cl A                                | CODE   | 0.00%             | US                  |
| Quicksilver Inc.                                  | ZQK    | 0.00%             | US                  |
| Ashford Hospitality Trust Inc.                    | AHT    | 0.00%             | US                  |
| Basic Energy Services Inc.                        | BAS    | 0.00%             | US                  |
| Diana Shipping Inc.                               | DSX    | 0.00%             | GR                  |
| Ferro Corp.                                       | FOE    | 0.00%             | US                  |
| Newcastle Investment Corp.                        | NCT    | 0.01%             | US                  |
| Sonic Automotive Inc. Cl A                        | SAH    | 0.00%             | US                  |
| Sauer-Danfoss Inc.                                | SHS    | 0.01%             | US                  |
| Forestar Group Inc.                               | FOR    | 0.00%             | US                  |
| Gazit-Globe Ltd.                                  | GZT    | 0.01%             | IL                  |
| Embotelladora Andina S.A. (Series A)              | AKO/A  | 0.01%             | CL                  |
| Greatbatch Inc.                                   | GB     | 0.00%             | US                  |
| Greenbrier Cos.                                   | GBX    | 0.00%             | US                  |
| NACCO Industries Inc. Cl A                        | NC     | 0.00%             | US                  |
| Ship Finance International Ltd.                   | SFL    | 0.01%             | BM                  |
| Emeritus Corp.                                    | ESC    | 0.00%             | US                  |
| Flotek Industries Inc.                            | FTK    | 0.00%             | US                  |
| Griffon Corp.                                     | GFF    | 0.00%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |



| NYSE Index                                      |        |                   |                     |
|---|--------|-------------------|---------------------|
| Company   | Ticker | % Weight in Index | Country of Domicile |
| Guangshen Railway Co. Ltd.                      | GSH    | 0.00%             | CN                  |
| Park Electrochemical Corp.                      | PKE    | 0.00%             | US                  |
| Trina Solar Ltd.                                | TSL    | 0.00%             | CN                  |
| DigitalGlobe Inc.                               | DGI    | 0.01%             | US                  |
| Colony Financial Inc.                           | CLNY   | 0.00%             | US                  |
| Chesapeake Lodging Trust                        | CHSP   | 0.00%             | US                  |
| American Greetings Corp. Cl A                   | AM     | 0.00%             | US                  |
| Banco Latinoamericano de Comercio Exterior S.A. | BLX    | 0.00%             | PA                  |
| Cott Corp.                                      | COT    | 0.00%             | CA                  |
| Drew Industries Inc.                            | DW     | 0.00%             | US                  |
| HFF Inc. Cl A                                   | HF     | 0.00%             | US                  |
| Invacare Corp.                                  | IVC    | 0.00%             | US                  |
| Kindred Healthcare Inc.                         | KND    | 0.00%             | US                  |
| Quaker Chemical Corp.                           | KWR    | 0.00%             | US                  |
| Nordion Inc.                                    | NDZ    | 0.00%             | CA                  |
| Tredegar Corp.                                  | TG     | 0.00%             | US                  |
| Jaguar Mining Inc.                              | JAG    | 0.00%             | US                  |
| iStar Financial Inc.                            | SFI    | 0.00%             | US                  |
| Lithia Motors Inc. Cl A                         | LAD    | 0.00%             | US                  |
| Landauer Inc.                                   | LDR    | 0.00%             | US                  |
| Tutor Perini Corp.                              | TPC    | 0.00%             | US                  |
| Standard Motor Products Inc.                    | SMP    | 0.00%             | US                  |
| Vanceinfo Technologies Inc.                     | VIT    | 0.00%             | CN                  |
| Barnes & Noble Inc.                             | BKS    | 0.00%             | US                  |
| Energy Partners Ltd.                            | EPL    | 0.00%             | US                  |
| Meadowbrook Insurance Group Inc.                | MIG    | 0.00%             | US                  |
| Northstar Realty Finance Corp.                  | NRF    | 0.00%             | US                  |
| Oriental Financial Group Inc.                   | OFG    | 0.00%             | PR                  |
| Standex International Corp.                     | SXI    | 0.00%             | US                  |
| John Bean Technologies Corp.                    | JBT    | 0.00%             | US                  |
| Higher One Holdings Inc.                        | ONE    | 0.00%             | US                  |
| Badger Meter Inc.                               | BMI    | 0.00%             | US                  |
| Cascade Corp.                                   | CASC   | 0.00%             | US                  |
| Biglari Holdings Inc.                           | BH     | 0.00%             | US                  |
| Dynex Capital Inc.                              | DX     | 0.00%             | US                  |
| Felcor Lodging Trust Inc.                       | FCH    | 0.00%             | US                  |
| KBW Inc.  | KBW    | 0.00%             | US                  |
| Maidenform Brands Inc.                          | MFB    | 0.00%             | US                  |
| Ruby Tuesday Inc.                               | RT     | 0.00%             | US                  |
| Lumber Liquidators Holdings Inc.                | LL     | 0.01%             | US                  |
| PennyMac Mortgage Investment Trust              | PMT    | 0.01%             | US                  |
| KAR Auction Services Inc.                       | KAR    | 0.01%             | US                  |
| RealD Inc.                                      | RLD    | 0.00%             | US                  |
| Elster Group SE                                 | ELTTY  | 0.01%             | DE                  |
| OfficeMax Inc.                                  | OMX    | 0.00%             | US                  |
| Clear Channel Outdoor Holdings Inc.             | CCO    | 0.00%             | US                  |
| Getty Realty Corp.                              | GTU    | 0.00%             | US                  |
| Investment Technology Group Inc.                | ITG    | 0.00%             | US                  |
| Krispy Kreme Doughnuts Inc.                     | KKD    | 0.00%             | US                  |
| National Presto Industries Inc.                 | NPK    | 0.00%             | US                  |
| Petrobras Argentina S.A.                        | PZE    | 0.00%             | AR                  |
| Premiere Global Services Inc.                   | PGI    | 0.00%             | US                  |
| Radian Group Inc.                               | RDN    | 0.00%             | US                  |
| Skechers USA Inc. Cl A                          | SKX    | 0.00%             | US                  |
| Triple-S Management Corp. Cl B                  | GTS    | 0.00%             | PR                  |
| Bridgepoint Education Inc.                      | BPI    | 0.00%             | US                  |
| Pampa Energia S.A.                              | PAM    | 0.00%             | AR                  |
| Laredo Petroleum Holdings Inc.                  | LPI    | 0.02%             | US                  |
| Vaalco Energy Inc.                              | EGY    | 0.00%             | US                  |
| Weis Markets Inc.                               | WMK    | 0.01%             | US                  |
| Wausau Paper Corp.                              | WPP    | 0.00%             | US                  |
| Brown Shoe Co. Inc.                             | BWS    | 0.00%             | US                  |
| Boyd Gaming Corp.                               | BYD    | 0.00%             | US                  |
| Chiquita Brands International Inc.              | CQB    | 0.00%             | US                  |
| Comfort Systems USA Inc.                        | FIX    | 0.00%             | US                  |
| Mueller Water Products Inc.                     | MWA    | 0.00%             | US                  |
| Piper Jaffray Cos.                              | PJC    | 0.00%             | US                  |
| Standard Pacific Corp.                          | SPF    | 0.01%             | US                  |
| Stage Stores Inc.                               | SSI    | 0.00%             | US                  |
| TNS Inc.  | TNS    | 0.00%             | US                  |
| LDK Solar Co. Ltd.                              | LDK    | 0.00%             | CN                  |
| Dice Holdings Inc.                              | DHX    | 0.00%             | US                  |
| Giant Interactive Group Inc.                    | GA     | 0.01%             | CN                  |
| Select Medical Holdings Corp.                   | SEM    | 0.01%             | US                  |
| Kennedy-Wilson Holdings Inc.                    | KW     | 0.00%             | US                  |
| Promotora de Informaciones S.A. Cl B            | PRIS/B | 0.00%             | ES                  |
| Universal Health Realty Income Trust            | UHT    | 0.00%             | US                  |
| Citizens Inc. Cl A                              | CIA    | 0.00%             | US                  |
| Checkpoint Systems Inc.                         | CKP    | 0.00%             | US                  |
| Cantel Medical Corp.                            | CMN    | 0.00%             | US                  |
| Endeavour International Corp.                   | END    | 0.00%             | US                  |
| FBL Financial Group Inc.                        | FFG    | 0.00%             | US                  |
| Goodrich Petroleum Corp.                        | GDP    | 0.00%             | US                  |
| Kronos Worldwide Inc.                           | KRO    | 0.01%             | US                  |
| Modine Manufacturing Co.                        | MOD    | 0.00%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                 |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company                                    | Ticker | % Weight in Index | Country of Domicile |
| Myers Industries Inc.                      | MYE    | 0.00%             | US                  |
| RailAmerica Inc.                           | RA     | 0.01%             | US                  |
| InterXion Holding N.V.                     | INXN   | 0.01%             | NL                  |
| Universal American Corp.                   | UAM    | 0.00%             | US                  |
| Consolidated Graphics Inc.                 | CGX    | 0.00%             | US                  |
| Ennis Inc.                                 | EBF    | 0.00%             | US                  |
| Callaway Golf Co.                          | ELY    | 0.00%             | US                  |
| Kemet Corp.                                | KEM    | 0.00%             | US                  |
| McCormick & Co. Inc. Com. Vtg.             | MKC/V  | 0.00%             | US                  |
| Patni Computer Systems Ltd.                | PTI    | 0.01%             | IN                  |
| Ramco-Gershenson Properties Trust          | RPT    | 0.00%             | US                  |
| Resource Capital Corp.                     | RSO    | 0.00%             | US                  |
| Sunrise Senior Living Inc.                 | SRZ    | 0.00%             | US                  |
| Superior Industries International Inc.     | SUP    | 0.00%             | US                  |
| CoreSite Realty Corp.                      | COR    | 0.00%             | US                  |
| American Vanguard Corp.                    | AVD    | 0.00%             | US                  |
| Chesapeake Utilities Corp.                 | CPK    | 0.00%             | US                  |
| Viad Corp.                                 | VVI    | 0.00%             | US                  |
| Harte-Hanks Inc.                           | HHS    | 0.00%             | US                  |
| Neenah Paper Inc.                          | NP     | 0.00%             | US                  |
| Texas Pacific Land Trust Sub Share Ctf     | TPL    | 0.00%             | US                  |
| Tejon Ranch Co.                            | TRC    | 0.00%             | US                  |
| Flagstone Reinsurance Holdings Ltd.        | FSR    | 0.00%             | LU                  |
| Duff & Phelps Corp. Cl A                   | DUF    | 0.00%             | US                  |
| iSoftStone Holdings Ltd.                   | ISS    | 0.00%             | CN                  |
| Yingli Green Energy Holding Co. Ltd.       | YGE    | 0.00%             | CN                  |
| Vanguard Health Systems Inc.               | VHS    | 0.00%             | US                  |
| Urstadt Biddle Properties Inc. Cl A        | UBA    | 0.00%             | US                  |
| Intermec Inc.                              | IN     | 0.00%             | US                  |
| Movado Group Inc.                          | MOV    | 0.00%             | US                  |
| PetroQuest Energy Inc.                     | PQ     | 0.00%             | US                  |
| Suntech Power Holdings Co. Ltd.            | STP    | 0.00%             | CN                  |
| ExamWorks Group Inc.                       | EXAM   | 0.00%             | US                  |
| Accuride Corp.                             | ACW    | 0.00%             | US                  |
| BPZ Resources Inc.                         | BPZ    | 0.00%             | US                  |
| CTS Corp.                                  | CTS    | 0.00%             | US                  |
| Emergent Biosolutions Inc.                 | EBS    | 0.00%             | US                  |
| Methode Electronics Inc.                   | MEI    | 0.00%             | US                  |
| Ormat Technologies Inc.                    | ORA    | 0.00%             | US                  |
| Trex Co. Inc.                              | TREX   | 0.00%             | US                  |
| MFC Industrial Ltd.                        | MIL    | 0.00%             | CA                  |
| Pros Holdings Inc.                         | PRO    | 0.00%             | US                  |
| PharMerica Corp.                           | PMC    | 0.00%             | US                  |
| E-House (China) Holdings Ltd.              | EJ     | 0.00%             | CN                  |
| EnergySolutions Inc.                       | ES     | 0.00%             | US                  |
| Dole Food Co. Inc.                         | DOLE   | 0.01%             | US                  |
| Mistras Group Inc.                         | MG     | 0.00%             | US                  |
| Calix Inc.                                 | CALX   | 0.00%             | US                  |
| Excel Trust Inc.                           | EXL    | 0.00%             | US                  |
| Hudson Pacific Properties Inc.             | HPP    | 0.00%             | US                  |
| China Kanghui Holdings                     | KH     | 0.00%             | CN                  |
| Vonage Holdings Corp.                      | VG     | 0.00%             | US                  |
| Hilltop Holdings Inc.                      | HTH    | 0.00%             | US                  |
| BLYTH Inc.                                 | BTH    | 0.00%             | US                  |
| Celadon Group Inc.                         | CGI    | 0.00%             | US                  |
| Gruma S.A.B. de C.V.                       | GMK    | 0.01%             | MX                  |
| LeapFrog Enterprises Inc. Cl A             | LF     | 0.00%             | US                  |
| Metropolitan Health Networks Inc.          | MDF    | 0.00%             | US                  |
| Monmouth Real Estate Investment Corp. Cl A | MNR    | 0.00%             | US                  |
| OneBeacon Insurance Group Ltd. Cl A        | OB     | 0.00%             | US                  |
| Provident New York Bancorp                 | PBNY   | 0.00%             | US                  |
| Fly Leasing Ltd.                           | FLY    | 0.00%             | IE                  |
| Zep Inc.                                   | ZEP    | 0.00%             | US                  |
| Fabrinet                                   | FN     | 0.00%             | KY                  |
| WNS (Holdings) Ltd.                        | WNS    | 0.00%             | IN                  |
| Assisted Living Concepts Inc. Cl A         | ALC    | 0.00%             | US                  |
| Brookfield Residential Properties Inc.     | BRP    | 0.01%             | CA                  |
| China Yuchai International Ltd.            | CYD    | 0.00%             | SG                  |
| Safeguard Scientifics Inc.                 | SFE    | 0.00%             | US                  |
| STR Holdings Inc.                          | STRI   | 0.00%             | US                  |
| Campus Crest Communities Inc.              | CCG    | 0.00%             | US                  |
| E-Commerce China Dangdang Inc.             | DANG   | 0.00%             | CN                  |
| Valhi Inc.                                 | VHI    | 0.02%             | US                  |
| Tata Communications Ltd.                   | TCL    | 0.01%             | IN                  |
| Cal Dive International Inc.                | DVR    | 0.00%             | US                  |
| GenCorp Inc.                               | GY     | 0.00%             | US                  |
| Kite Realty Group Trust                    | KRG    | 0.00%             | US                  |
| SJW Corp.                                  | SJW    | 0.00%             | US                  |
| Apollo Commercial Real Estate Finance Inc. | ARI    | 0.00%             | US                  |
| Pilgrim's Pride Corp.                      | PPC    | 0.01%             | US                  |
| Wesco Aircraft Holdings Inc.               | WAIR   | 0.01%             | US                  |
| Saul Centers Inc.                          | BFS    | 0.00%             | US                  |
| CBIZ Inc                                   | CBZ    | 0.00%             | US                  |
| Callon Petroleum Co.                       | CPE    | 0.00%             | US                  |
| Alliance One International Inc.            | AOI    | 0.00%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                                   |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company                                      | Ticker | % Weight in Index | Country of Domicile |
| DRDGOLD Ltd.                                 | DRD    | 0.00%             | ZA                  |
| Federal Signal Corp.                         | FSS    | 0.00%             | US                  |
| Winthrop Realty Trust                        | FUR    | 0.00%             | US                  |
| Hudson Valley Holding Corp.                  | HVB    | 0.00%             | US                  |
| Navios Maritime Holdings Inc.                | NM     | 0.00%             | GR                  |
| E.W. Scripps Co. Cl A                        | SSP    | 0.00%             | US                  |
| 7 Days Group Holdings Ltd.                   | SVN    | 0.00%             | CN                  |
| Quad/Graphics Inc.                           | QUAD   | 0.00%             | US                  |
| Promotora de Informaciones S.A. Cl A         | PRIS   | 0.00%             | ES                  |
| USANA Health Sciences Inc.                   | USNA   | 0.00%             | US                  |
| Universal Technical Institute Inc.           | UTI    | 0.00%             | US                  |
| Unitil Corp.                                 | UTL    | 0.00%             | US                  |
| Venoco Inc.                                  | VQ     | 0.00%             | US                  |
| Ciber Inc.                                   | CBR    | 0.00%             | US                  |
| Frontline Ltd.                               | FRO    | 0.00%             | BM                  |
| Furmanite Corp.                              | FRM    | 0.00%             | US                  |
| XO Group Inc.                                | XOXO   | 0.00%             | US                  |
| CapLease Inc.                                | LSE    | 0.00%             | US                  |
| Symmetry Medical Inc.                        | SMA    | 0.00%             | US                  |
| Sterling Bancorp                             | STL    | 0.00%             | US                  |
| Kadant Inc.                                  | KAI    | 0.00%             | US                  |
| The Dolan Co.                                | DM     | 0.00%             | US                  |
| Brasil Telecom S/A                           | OIBR/C | 0.01%             | BR                  |
| Douglas Dynamics Inc.                        | FLOW   | 0.00%             | US                  |
| Noranda Aluminum Holding Corp.               | NOR    | 0.00%             | US                  |
| Envestnet Inc.                               | ENV    | 0.00%             | US                  |
| Inphi Corp.                                  | IPHI   | 0.00%             | US                  |
| Booz Allen & Hamilton Inc.                   | BAH    | 0.01%             | US                  |
| Thermon Group Holdings Inc.                  | THR    | 0.00%             | US                  |
| Winnebago Industries Inc.                    | WGO    | 0.00%             | US                  |
| Cedar Realty Trust Inc.                      | CDR    | 0.00%             | US                  |
| Global Cash Access Holdings Inc.             | GCA    | 0.00%             | US                  |
| GFI Group Inc.                               | GFIG   | 0.00%             | US                  |
| Marcus Corp.                                 | MCS    | 0.00%             | US                  |
| Overseas Shipholding Group Inc.              | OSG    | 0.00%             | US                  |
| CAI International Inc.                       | CAP    | 0.00%             | US                  |
| HHGregg Inc.                                 | HGG    | 0.00%             | US                  |
| Summit Hotel Properties Inc.                 | INN    | 0.00%             | US                  |
| CBS Corp. Cl A                               | CBS/A  | 0.01%             | US                  |
| Westwood Holdings Group Inc.                 | WHG    | 0.00%             | US                  |
| Agree Realty Corp.                           | ADC    | 0.00%             | US                  |
| Beazer Homes USA Inc.                        | BZH    | 0.00%             | US                  |
| Capital Senior Living Corp.                  | CSU    | 0.00%             | US                  |
| GP Strategies Corp.                          | GPX    | 0.00%             | US                  |
| Hubbell Inc. Cl A                            | HUB/A  | 0.00%             | US                  |
| Medifast Inc.                                | MED    | 0.00%             | US                  |
| Cenveo Inc.                                  | CVO    | 0.00%             | US                  |
| OMNOVA Solutions Inc.                        | OMN    | 0.00%             | US                  |
| Stoneridge Inc.                              | SRI    | 0.00%             | US                  |
| Stewart Information Services Corp.           | STC    | 0.00%             | US                  |
| Teekay Tankers Ltd.                          | TNK    | 0.00%             | BM                  |
| Global Geophysical Services Inc.             | GGG    | 0.00%             | US                  |
| Ameresco Inc. Cl A                           | AMRC   | 0.00%             | US                  |
| C&J Energy Services Inc.                     | CJES   | 0.01%             | US                  |
| World Wrestling Entertainment Inc. Cl A      | WWE    | 0.00%             | US                  |
| Alamo Group Inc.                             | ALG    | 0.00%             | US                  |
| Aegean Marine Petroleum Network Inc.         | ANW    | 0.00%             | GR                  |
| BBVA Banco Frances S.A.                      | BFR    | 0.00%             | AR                  |
| Harvest Natural Resources Inc.               | HNR    | 0.00%             | US                  |
| Haverty Furniture Cos. Inc.                  | HVT    | 0.00%             | US                  |
| M/I Homes Inc.                               | MHO    | 0.00%             | US                  |
| NCI Building Systems Inc.                    | NCS    | 0.00%             | US                  |
| Panhandle Oil & Gas Inc.                     | PHX    | 0.00%             | US                  |
| Phoenix Cos. Inc.                            | PNX    | 0.00%             | US                  |
| Rex American Resources Corp.                 | REX    | 0.00%             | US                  |
| Systemax Inc.                                | SYX    | 0.00%             | US                  |
| IntraLinks Holdings Inc.                     | IL     | 0.00%             | US                  |
| Demand Media Inc.                            | DMD    | 0.00%             | US                  |
| Qihoo 360 Technology Co. Ltd.                | QIHU   | 0.01%             | CN                  |
| Sanchez Energy Corp.                         | SN     | 0.00%             | US                  |
| Cementos Pacasmayo S.A.A.                    | CPAC   | 0.01%             | PE                  |
| Willbros Group Inc.                          | WG     | 0.00%             | US                  |
| AMN Healthcare Services Inc.                 | AHS    | 0.00%             | US                  |
| American Reprographics Co.                   | ARC    | 0.00%             | US                  |
| A.M. Castle & Co.                            | CAS    | 0.00%             | US                  |
| Cambrex Corp.                                | CBM    | 0.00%             | US                  |
| Constellation Brands Inc. Cl B               | STZ/B  | 0.00%             | US                  |
| CDI Corp.                                    | CDI    | 0.00%             | US                  |
| Genco Shipping & Trading Ltd.                | GNK    | 0.00%             | US                  |
| IRSA-Inversiones y Representaciones S.A. GDS | IRS    | 0.00%             | AR                  |
| One Liberty Properties Inc.                  | OLP    | 0.00%             | US                  |
| Parkway Properties Inc.                      | PKY    | 0.00%             | US                  |
| Penn Virginia Corp.                          | PVA    | 0.00%             | US                  |
| RAIT Financial Trust                         | RAS    | 0.00%             | US                  |
| Talbots Inc.                                 | TLB    | 0.00%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

| NYSE Index                               |        |                   |                     |
|--|--------|-------------------|---------------------|
| Company                                  | Ticker | % Weight in Index | Country of Domicile |
| Speedway Motorsports Inc.                | TRK    | 0.00%             | US                  |
| MagnaChip Semiconductor Corp.            | MX     | 0.00%             | LU                  |
| SouFun Holdings Ltd.                     | SFUN   | 0.00%             | CN                  |
| AG Mortgage Investment Trust Inc.        | MITT   | 0.00%             | US                  |
| Phoenix New Media Ltd. Cl A              | FENG   | 0.00%             | CN                  |
| Rouse Properties Inc.                    | RSE    | 0.00%             | US                  |
| U.S. Silica Holdings Inc.                | SLCA   | 0.00%             | US                  |
| Delek US Holdings Inc.                   | DK     | 0.01%             | US                  |
| Entercom Communications Corp. Cl A       | ETM    | 0.00%             | US                  |
| GAMCO Investors Inc. Cl A                | GBL    | 0.00%             | US                  |
| MarineMax Inc.                           | HZO    | 0.00%             | US                  |
| Imation Corp.                            | IMN    | 0.00%             | US                  |
| Journal Communications Inc. Cl A         | JRN    | 0.00%             | US                  |
| Lennar Corp. Cl B                        | LEN/B  | 0.00%             | US                  |
| Steinway Musical Instruments Inc.        | LVB    | 0.00%             | US                  |
| MoneyGram International Inc.             | MGI    | 0.00%             | US                  |
| Miller Industries Inc.                   | MLR    | 0.00%             | US                  |
| SWS Group Inc.                           | SWS    | 0.00%             | US                  |
| Transportadora de Gas del Sur S.A.       | TGS    | 0.00%             | AR                  |
| China Digital TV Holding Co. Ltd.        | STV    | 0.00%             | CN                  |
| Orion Marine Group Inc.                  | ORN    | 0.00%             | US                  |
| Terreno Realty Corp.                     | TRNO   | 0.00%             | US                  |
| Scorpio Tankers Inc.                     | STNG   | 0.00%             | MC                  |
| Roadrunner Transportation Systems Inc.   | RRTS   | 0.00%             | US                  |
| SeaCube Container Leasing Ltd.           | BOX    | 0.00%             | US                  |
| Costamare Inc.                           | CMRE   | 0.01%             | GR                  |
| Aeroflex Holding Corp.                   | ARX    | 0.00%             | US                  |
| Bonanza Creek Energy Inc.                | BCEI   | 0.00%             | US                  |
| American Safety Insurance Holdings Ltd.  | ASI    | 0.00%             | US                  |
| Federal Agricultural Mortgage Corp. Cl C | AGM    | 0.00%             | US                  |
| Ameco-Pittsburgh Corp.                   | AP     | 0.00%             | US                  |
| CSS Industries Inc.                      | CSS    | 0.00%             | US                  |
| Headwaters Inc.                          | HW     | 0.00%             | US                  |
| Doral Financial Corp.                    | DRL    | 0.00%             | PR                  |
| Five Star Quality Care Inc.              | FVE    | 0.00%             | US                  |
| Oppenheimer Holdings Inc.                | OPY    | 0.00%             | US                  |
| Hovnanian Enterprises Inc. Cl A          | HOV    | 0.00%             | US                  |
| Industrias Bachoco S.A.B. de C.V.        | IBA    | 0.01%             | MX                  |
| North American Energy Partners Inc.      | NOA    | 0.00%             | CA                  |
| Omega Protein Corp.                      | OME    | 0.00%             | US                  |
| Revlon Inc. Cl A                         | REV    | 0.00%             | US                  |
| SeaBright Holdings Inc.                  | SBX    | 0.00%             | US                  |
| Spartech Corp.                           | SEH    | 0.00%             | US                  |
| Tsakos Energy Navigation Ltd.            | TNP    | 0.00%             | GR                  |
| Simcere Pharmaceutical Group             | SCR    | 0.00%             | CN                  |
| ReneSola Ltd.                            | SOL    | 0.00%             | CN                  |
| Safe Bulkers Inc.                        | SB     | 0.00%             | GR                  |
| Metals USA Holdings Corp.                | MUSA   | 0.00%             | US                  |
| Active Network Inc.                      | ACTV   | 0.00%             | US                  |
| Apollo Residential Mortgage Inc.         | AMTG   | 0.00%             | US                  |
| Teavana Holdings Inc.                    | TEA    | 0.00%             | US                  |
| InvenSense Inc.                          | INVN   | 0.01%             | US                  |
| Imperva Inc.                             | IMPV   | 0.00%             | US                  |
| Guidewire Software Inc.                  | GWRE   | 0.01%             | US                  |
| Roundy's Inc.                            | RNDY   | 0.00%             | US                  |
| USEC Inc.                                | USU    | 0.00%             | US                  |
| Vishay Precision Group Inc.              | VPG    | 0.00%             | US                  |
| Arlington Asset Investment Corp. Cl A    | AI     | 0.00%             | US                  |
| Hyperdynamics Corp.                      | HDY    | 0.00%             | US                  |
| Kenneth Cole Productions Inc. Cl A       | KCP    | 0.00%             | US                  |
| Lydall Inc.                              | LDL    | 0.00%             | US                  |
| Mahanagar Telephone Nigam Ltd.           | MTE    | 0.00%             | IN                  |
| Natural Gas Services Group Inc.          | NGS    | 0.00%             | US                  |
| Nam Tai Electronics Inc.                 | NTE    | 0.00%             | CN                  |
| Pike Electric Corp.                      | PIKE   | 0.00%             | US                  |
| Mac-Gray Corp.                           | TUC    | 0.00%             | US                  |
| Artio Global Investors Inc. Cl A         | ART    | 0.00%             | US                  |
| Chatham Lodging Trust                    | CLDT   | 0.00%             | US                  |
| China Ming Yang Wind Power Group Ltd.    | MY     | 0.00%             | CN                  |
| FXCM Inc.                                | FXCM   | 0.00%             | US                  |
| FutureFuel Corp.                         | FF     | 0.00%             | US                  |
| TMS International Corp. Cl A             | TMS    | 0.00%             | US                  |
| Primerio Mining Corp.                    | P CN   | 0.00%             | CA                  |
| Genie Energy Ltd. Cl B                   | GNE    | 0.00%             | US                  |
| Manning & Napier Inc.                    | MN     | 0.00%             | US                  |
| Matador Resources Co.                    | MTDR   | 0.00%             | US                  |
| Schiff Nutrition International Inc. Cl A | SHF    | 0.00%             | US                  |
| CryoLife Inc.                            | CRY    | 0.00%             | US                  |
| Ducommun Inc.                            | DCO    | 0.00%             | US                  |
| Flagstar Bancorp Inc.                    | FBC    | 0.00%             | US                  |
| Hill International Inc.                  | HIL    | 0.00%             | US                  |
| Dynegy Inc.                              | DYNIQ  | 0.00%             | US                  |
| Miller Energy Resources Inc.             | MILL   | 0.00%             | US                  |
| Met-Pro Corp.                            | MPR    | 0.00%             | US                  |
| Lin TV Corp.                             | TVL    | 0.00%             | US                  |

| S&P 500 Index |        |                   |                     |
|---------------|--------|-------------------|---------------------|
| Company       | Ticker | % Weight in Index | Country of Domicile |

Niagara Mohawk Power Corporation  
d/b/a National Grid  
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| NYSE Index                               |        |                   |                     | S&P 500 Index |        |                   |                     |
|--|--------|-------------------|---------------------|---------------|--------|-------------------|---------------------|
| Company                                  | Ticker | % Weight in Index | Country of Domicile | Company       | Ticker | % Weight in Index | Country of Domicile |
| China Nepstar Chain Drugstore Ltd.       | NPD    | 0.00%             | CN                  |               |        |                   |                     |
| Sequans Communications S.A.              | SQNS   | 0.00%             | FR                  |               |        |                   |                     |
| Pacific Drilling S.A.                    | PACD   | 0.01%             | LU                  |               |        |                   |                     |
| FX Alliance Inc.                         | FXAI   | 0.00%             | US                  |               |        |                   |                     |
| Urstadt Biddle Properties Inc.           | UBP    | 0.00%             | US                  |               |        |                   |                     |
| Feihe International Inc.                 | ADY    | 0.00%             | CN                  |               |        |                   |                     |
| Alliance HealthCare Services Inc.        | AIQ    | 0.00%             | US                  |               |        |                   |                     |
| American Oriental Bioengineering Inc.    | AOBI   | 0.00%             | CN                  |               |        |                   |                     |
| Alon Holdings-Blue Square-Israel Ltd.    | BSI    | 0.00%             | IL                  |               |        |                   |                     |
| Bluegreen Corp.                          | BXG    | 0.00%             | US                  |               |        |                   |                     |
| Crawford & Co. Cl B                      | CRD/B  | 0.00%             | US                  |               |        |                   |                     |
| Capital Trust Inc. Cl A                  | CT     | 0.00%             | US                  |               |        |                   |                     |
| Par Technology Corp.                     | PAR    | 0.00%             | US                  |               |        |                   |                     |
| Kid Brands Inc.                          | KID    | 0.00%             | US                  |               |        |                   |                     |
| Skyline Corp.                            | SKY    | 0.00%             | US                  |               |        |                   |                     |
| Theragenics Corp.                        | TGX    | 0.00%             | US                  |               |        |                   |                     |
| Paragon Shipping Inc. Cl A               | PRGN   | 0.00%             | GR                  |               |        |                   |                     |
| Pzena Investment Management Inc.         | PZN    | 0.00%             | US                  |               |        |                   |                     |
| Universal Travel Group                   | UTRA   | 0.00%             | CN                  |               |        |                   |                     |
| China Hydroelectric Corp.                | CHC    | 0.00%             | CN                  |               |        |                   |                     |
| Daqo New Energy Corp.                    | DQ     | 0.00%             | CN                  |               |        |                   |                     |
| ShangPharma Corp.                        | SHP    | 0.00%             | CN                  |               |        |                   |                     |
| Lentuo International Inc.                | LAS    | 0.00%             | CN                  |               |        |                   |                     |
| Fortegra Financial Corp.                 | FRF    | 0.00%             | US                  |               |        |                   |                     |
| Imperial Holdings Inc.                   | IFT    | 0.00%             | US                  |               |        |                   |                     |
| NetQin Mobile Inc.                       | NQ     | 0.00%             | CN                  |               |        |                   |                     |
| China Zenix Auto International Ltd.      | ZX     | 0.00%             | CN                  |               |        |                   |                     |
| Harbinger Group Inc.                     | HRG    | 0.01%             | US                  |               |        |                   |                     |
| Grupo Casa Saba S.A.B. de C.V.           | SAB    | 0.00%             | MX                  |               |        |                   |                     |
| BankAtlantic Bancorp Inc. Cl A           | BBX    | 0.00%             | US                  |               |        |                   |                     |
| Dover Downs Gaming & Entertainment Inc.  | DDE    | 0.00%             | US                  |               |        |                   |                     |
| Forest City Enterprises Inc. Cl B        | FCE/B  | 0.00%             | US                  |               |        |                   |                     |
| Kingsway Financial Services Inc.         | KFS    | 0.00%             | CA                  |               |        |                   |                     |
| First Acceptance Corp.                   | FAC    | 0.00%             | US                  |               |        |                   |                     |
| Maui Land & Pineapple Co. Inc.           | MLP    | 0.00%             | US                  |               |        |                   |                     |
| Moog Inc. Cl B                           | MOG/B  | 0.00%             | US                  |               |        |                   |                     |
| Standard Register Co.                    | SR     | 0.00%             | US                  |               |        |                   |                     |
| Acorn International Inc.                 | ATV    | 0.00%             | CN                  |               |        |                   |                     |
| Maxcom Telecomunicaciones S.A.B. de C.V. | MXT    | 0.00%             | MX                  |               |        |                   |                     |
| AGRIA Corp.                              | GRO    | 0.00%             | CN                  |               |        |                   |                     |
| Global Ship Lease Inc. Cl A              | GSL    | 0.00%             | GB                  |               |        |                   |                     |
| General Steel Holdings Inc.              | GSI    | 0.00%             | CN                  |               |        |                   |                     |
| China Distance Education Holdings Ltd.   | DL     | 0.00%             | CN                  |               |        |                   |                     |
| China Xiniya Fashion Ltd.                | XNY    | 0.00%             | CN                  |               |        |                   |                     |
| Zuoan Fashion Ltd.                       | ZA     | 0.00%             | CN                  |               |        |                   |                     |
| Digital Domain Media Group Inc.          | DDMGQ  | 0.00%             | US                  |               |        |                   |                     |
| Amrep Corp.                              | AXR    | 0.00%             | US                  |               |        |                   |                     |
| Central Pacific Financial Corp.          | CPF    | 0.00%             | US                  |               |        |                   |                     |
| Dover Motorsports Inc.                   | DVD    | 0.00%             | US                  |               |        |                   |                     |
| Haverty Furniture Cos. Inc. Cl A         | HVT/A  | 0.00%             | US                  |               |        |                   |                     |
| K-V Pharmaceutical Co. Cl B              | KVPBQ  | 0.00%             | US                  |               |        |                   |                     |
| Startek Inc.                             | SRT    | 0.00%             | US                  |               |        |                   |                     |
| Molson Coors Brewing Co. Cl A            | TAP/A  | 0.00%             | US                  |               |        |                   |                     |
| Grupo TMM S.A.B.                         | GTMAV  | 0.00%             | MX                  |               |        |                   |                     |
| Qiao Xing Mobile Communication Co. Ltd.  | QXMCF  | 0.00%             | CN                  |               |        |                   |                     |
| Noah Education Holdings Ltd.             | NED    | 0.00%             | CN                  |               |        |                   |                     |
| WSP Holdings Ltd.                        | WH     | 0.00%             | CN                  |               |        |                   |                     |
| Gushan Environmental Energy Ltd.         | GU     | 0.00%             | CN                  |               |        |                   |                     |
| Verso Paper Corp.                        | VRS    | 0.00%             | US                  |               |        |                   |                     |
| IFM Investments Ltd.                     | CTC    | 0.00%             | CN                  |               |        |                   |                     |
| China New Borun Corp.                    | BORN   | 0.00%             | CN                  |               |        |                   |                     |
| Syswin Inc.                              | SYSW   | 0.00%             | CN                  |               |        |                   |                     |
| American Realty Investors Inc.           | ARL    | 0.00%             | US                  |               |        |                   |                     |
| Gray Television Inc. Cl A                | GTN/A  | 0.00%             | US                  |               |        |                   |                     |
| Transcontinental Realty Investors        | TCI    | 0.00%             | US                  |               |        |                   |                     |
| China Mass Media Corp.                   | CMMCY  | 0.00%             | CN                  |               |        |                   |                     |



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-11R)

Regulatory Risk



COMBINED PROXY GROUP COMPANIES' REGULATORY RANKING BY JURISDICTION

|                                       |                | [1]                    | [2]          | [3]               | [4]          |
|---------------------------------------|----------------|------------------------|--------------|-------------------|--------------|
|                                       |                | S&P                    |              | RRA               |              |
|                                       |                | Rank                   | Numeric Rank | Rank              | Numeric Rank |
| Allete                                | Minnesota      | Credit supportive      | 3            | Average / 2       | 5            |
|                                       | Wisconsin      | More credit supportive | 4            | Above Average / 2 | 8            |
| Alliant Energy Corp.                  | Wisconsin      | More credit supportive | 4            | Above Average / 2 | 8            |
|                                       | Iowa           | More credit supportive | 4            | Above Average / 3 | 7            |
|                                       | Minnesota      | Credit supportive      | 3            | Average / 2       | 5            |
| American Electric Power Company, Inc. | Arkansas       | Credit supportive      | 3            | Average / 3       | 4            |
|                                       | Indiana        | More credit supportive | 4            | Above Average / 3 | 7            |
|                                       | Kentucky       | Credit supportive      | 3            | Average / 1       | 6            |
|                                       | Louisiana      | Less credit supportive | 2            | Average / 1       | 6            |
|                                       | Michigan       | Credit supportive      | 3            | Average / 1       | 6            |
|                                       | Ohio           | Credit supportive      | 3            | Average / 2       | 5            |
|                                       | Oklahoma       | Credit supportive      | 3            | Average / 2       | 5            |
|                                       | Tennessee      | NA                     | NA           | Average / 1       | 6            |
|                                       | Texas          | Less credit supportive | 2            | Below Average / 1 | 3            |
|                                       | Virginia       | Credit supportive      | 3            | Above Average / 2 | 8            |
|                                       | West Virginia  | Less credit supportive | 2            | Average / 3       | 4            |
| Avista Corp.                          | Washington     | Less credit supportive | 2            | Average / 3       | 4            |
|                                       | Idaho          | Credit supportive      | 3            | Average / 2       | 5            |
| Black Hills Corp.                     | Colorado       | Credit supportive      | 3            | Average / 1       | 6            |
|                                       | South Dakota   | Credit supportive      | 3            | Average / 3       | 4            |
|                                       | Wyoming        | Less credit supportive | 2            | Average / 2       | 5            |
|                                       | Montana        | Less credit supportive | 2            | Below Average / 1 | 3            |
| Center Point Energy                   | Texas          | Less credit supportive | 2            | Below Average / 1 | 3            |
| Cleco Corp.                           | Louisiana      | Less credit supportive | 2            | Average / 1       | 6            |
| Consolidated Edison                   | New York       | Less credit supportive | 2            | Average / 3       | 4            |
|                                       | New Jersey     | Credit supportive      | 3            | Average / 3       | 4            |
|                                       | Pennsylvania   | Credit supportive      | 3            | Average / 3       | 4            |
| Dominion Resources, Inc.              | Virginia       | Credit supportive      | 3            | Above Average / 2 | 8            |
|                                       | North Carolina | Credit supportive      | 3            | Above Average / 3 | 7            |
| DTE Energy Co.                        | Michigan       | Credit supportive      | 3            | Average / 1       | 6            |
| Edison International                  | California     | More credit supportive | 4            | Average / 1       | 6            |
| Empire District Electric              | Arkansas       | Credit supportive      | 3            | Average / 3       | 4            |
|                                       | Kansas         | Credit supportive      | 3            | Average / 2       | 5            |
|                                       | Missouri       | Less credit supportive | 2            | Average / 2       | 5            |
|                                       | Oklahoma       | Credit supportive      | 3            | Average / 2       | 5            |
| Entergy Corp.                         | Arkansas       | Credit supportive      | 3            | Average / 3       | 4            |
|                                       | Louisiana      | Less credit supportive | 2            | Average / 1       | 6            |
|                                       | Mississippi    | Credit supportive      | 3            | Above Average / 3 | 7            |
|                                       | Texas          | Less credit supportive | 2            | Below Average / 1 | 3            |
| Great Plains Energy Inc.              | Kansas         | Credit supportive      | 3            | Average / 2       | 5            |
|                                       | Missouri       | Less credit supportive | 2            | Average / 2       | 5            |
| Hawaiian Electric                     | Hawaii         | Less credit supportive | 2            | Average / 2       | 5            |

|                                   |                      | S&P                     |              | RRA               |              |
|-----------------------------------|----------------------|-------------------------|--------------|-------------------|--------------|
|                                   |                      | Rank                    | Numeric Rank | Rank              | Numeric Rank |
| IDACORP, Inc.                     | Idaho                | Credit supportive       | 3            | Average / 2       | 5            |
|                                   | Oregon               | Credit supportive       | 3            | Average / 3       | 4            |
| Integrus/WPS Resources            | Michigan             | Credit supportive       | 3            | Average / 1       | 6            |
|                                   | Wisconsin            | More credit supportive  | 4            | Above Average / 2 | 8            |
| MGE Energy, Inc.                  | Wisconsin            | More credit supportive  | 4            | Above Average / 2 | 8            |
| Northeast Utilities               | Connecticut          | Less credit supportive  | 2            | Below Average / 3 | 1            |
|                                   | Massachusetts        | Credit supportive       | 3            | Average / 2       | 5            |
|                                   | Maine                | Less credit supportive  | 2            | Average / 2       | 5            |
|                                   | New Hampshire        | Credit supportive       | 3            | Average / 3       | 4            |
|                                   | Vermont              | Less credit supportive  | 2            | Average / 3       | 4            |
| OGE Energy                        | Arizona              | Least credit supportive | 1            | Average / 3       | 4            |
|                                   | Oklahoma             | Credit supportive       | 3            | Average / 2       | 5            |
| Pepco Holdings, Inc.              | District of Columbia | Least credit supportive | 1            | Average / 2       | 5            |
|                                   | Delaware             | Least credit supportive | 1            | Average / 2       | 5            |
|                                   | Maryland             | Less credit supportive  | 2            | Below Average / 2 | 2            |
|                                   | New Jersey           | Credit supportive       | 3            | Average / 3       | 4            |
| PG&E                              | California           | More credit supportive  | 4            | Average / 1       | 6            |
| Pinnacle West Capital             | Arizona              | Least credit supportive | 1            | Average / 3       | 4            |
| Portland General Electric Company | Oregon               | Credit supportive       | 3            | Average / 3       | 4            |
| SCANA Corp.                       | South Carolina       | More credit supportive  | 4            | Average / 1       | 6            |
| Sempra Energy                     | California           | More credit supportive  | 4            | Average / 1       | 6            |
| Southern Company                  | Alabama              | More credit supportive  | 4            | Above Average / 2 | 8            |
|                                   | Florida              | Credit supportive       | 3            | Average / 1       | 6            |
|                                   | Georgia              | More credit supportive  | 4            | Average / 1       | 6            |
|                                   | Mississippi          | Credit supportive       | 3            | Above Average / 3 | 7            |
| TECO Energy, Inc.                 | Florida              | Credit supportive       | 3            | Average / 1       | 6            |
| UIL Holdings Corp.                | Connecticut          | Less credit supportive  | 2            | Below Average / 3 | 1            |
| Vectren Corp.                     | Indiana              | More credit supportive  | 4            | Above Average / 3 | 7            |
| Westar Energy                     | Kansas               | Credit supportive       | 3            | Average / 2       | 5            |
| Wisconsin Energy                  | Wisconsin            | More credit supportive  | 4            | Above Average / 2 | 8            |
|                                   | Michigan             | Credit supportive       | 3            | Average / 1       | 6            |
| Xcel Energy, Inc.                 | Minnesota            | Credit supportive       | 3            | Average / 2       | 5            |
|                                   | Wisconsin            | More credit supportive  | 4            | Above Average / 2 | 8            |
|                                   | North Dakota         | Credit supportive       | 3            | Average / 1       | 6            |
|                                   | South Dakota         | Credit supportive       | 3            | Average / 3       | 4            |
|                                   | Michigan             | Credit supportive       | 3            | Average / 1       | 6            |
|                                   | Colorado             | Credit supportive       | 3            | Average / 1       | 6            |
|                                   | Texas                | Less credit supportive  | 2            | Below Average / 1 | 3            |
|                                   | New Mexico           | Least credit supportive | 1            | Below Average / 1 | 3            |
| Combined Proxy Group Average      |                      |                         | 2.81         |                   | 5.23         |
| Niagara Mohawk                    |                      |                         |              |                   |              |
|                                   | New York             | Less credit supportive  | 2.00         | Average / 3       | 4.00         |

Notes

[1] Source: Standard & Poor's Rating Service, Assessing U.S. Utility Regulatory Environments, March 12, 2010, at 1-2

[2] Most Credit Supportive = 5, More Credit Supportive = 4, Credit Supportive = 3, Less Credit Supportive = 2, Least Credit Supportive = 1

[3] Source: State Regulatory Evaluations, Regulatory Research Associates, October 14, 2011, at 2

[4] AA/1= 9, AA/2= 8, AA/3= 7, A/1= 6, A/2= 5, A/3= 4, BA/1= 3, BA/2= 2, BA/3= 1



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-12R)

Regulatory Risk and Beta

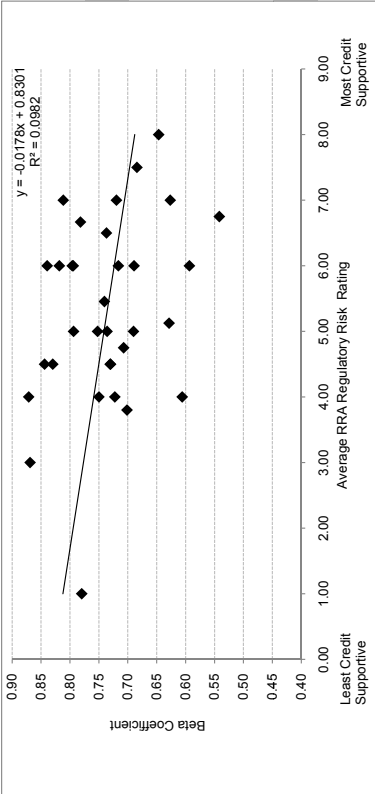
COMBINED PROXY GROUP  
REGULATORY RISK VS. VALUE LINE BETA

| Company                  | Ticker | [1]<br>Beta<br>(Value Line<br>Method) | [2]<br>Average RRA<br>Regulatory<br>Risk |
|--------------------------|--------|---------------------------------------|--|
| Allite                   | ALE    | 0.74                                  | 6.50                                     |
| Alliant Energy Corp.     | LNT    | 0.78                                  | 6.67                                     |
| American Electric Power  | AEP    | 0.74                                  | 5.45                                     |
| Avista Corp.             | AVA    | 0.73                                  | 4.50                                     |
| Black Hills Corp.        | BKH    | 0.84                                  | 4.50                                     |
| Center Point Energy      | CNP    | 0.87                                  | 3.00                                     |
| Cleco Corp.              | CNL    | 0.72                                  | 6.00                                     |
| Consolidated Edison      | ED     | 0.61                                  | 4.00                                     |
| Dominion Resources, Inc. | D      | 0.68                                  | 7.50                                     |
| DTE Energy Co.           | DTE    | 0.80                                  | 6.00                                     |
| Edison International     | EIX    | 0.84                                  | 6.00                                     |
| Empire District Electric | EDE    | 0.71                                  | 4.75                                     |
| Energy Corp.             | ETR    | 0.69                                  | 5.00                                     |
| Great Plains Energy Inc. | GXP    | 0.79                                  | 5.00                                     |
| Hawaiian Electric        | HE     | 0.74                                  | 5.00                                     |
| IDACORP, Inc.            | IDA    | 0.73                                  | 4.50                                     |
| Integrus/WPS Resources   | TEG    | 0.81                                  | 7.00                                     |
| MGE Energy, Inc.         | MGEE   | 0.65                                  | 8.00                                     |
| Northeast Utilities      | NU     | 0.70                                  | 3.80                                     |
| OGE Energy               | OGE    | 0.83                                  | 4.50                                     |
| Pepero Holdings, Inc.    | POM    | 0.87                                  | 4.00                                     |
| PG&E Corp                | PCG    | 0.59                                  | 6.00                                     |
| Pinnacle West Capital    | PNW    | 0.75                                  | 4.00                                     |
| Portland General         | POR    | 0.72                                  | 4.00                                     |
| SCANA Corp.              | SCG    | 0.69                                  | 6.00                                     |
| Sempra Energy            | SRE    | 0.79                                  | 6.00                                     |
| Southern Co.             | SO     | 0.54                                  | 6.75                                     |
| TECO Energy, Inc.        | TE     | 0.82                                  | 6.00                                     |
| UIL Holdings Corp.       | UIL    | 0.78                                  | 1.00                                     |
| Vectren Corp.            | VVC    | 0.72                                  | 7.00                                     |
| Westar Energy            | WR     | 0.75                                  | 5.00                                     |
| Wisconsin Energy         | WEC    | 0.63                                  | 7.00                                     |
| Xcel Energy, Inc.        | XEL    | 0.63                                  | 5.13                                     |

| Legend [3]        |   |
|-------------------|---|
| Above Average / 1 | 9 |
| Above Average / 2 | 8 |
| Above Average / 3 | 7 |
| Average / 1       | 6 |
| Average / 2       | 5 |
| Average / 3       | 4 |
| Below Average / 1 | 3 |
| Below Average / 2 | 2 |
| Below Average / 3 | 1 |

Notes

- [1] Source: ValueLine  
[2] Source: Exhibit No. \_\_ (RBH-23), simple average of numeric rank of each state of operation  
[3] Source: State Regulatory Evaluations, Regulatory Research Associates, September 7, 2012, at 2



SUMMARY OUTPUT

| Regression Statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.313304253 |
| R Square              | 0.098159855 |
| Adjusted R Square     | 0.069067928 |
| Standard Error        | 0.0783385   |
| Observations          | 33          |

| ANOVA      |    |             |             |                |
|------------|----|-------------|-------------|----------------|
|            | df | SS          | MS          | Significance F |
| Regression | 1  | 0.020706899 | 0.020706899 | 3.374151401    |
| Residual   | 31 | 0.19024454  | 0.006136921 |                |
| Total      | 32 | 0.21095144  |             |                |

|              | Coefficients | Standard Error | t Stat       | P-value     | Lower 95%    | Upper 95%   | Lower 95.0%  | Upper 95.0% |
|--------------|--------------|----------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Intercept    | 0.830082688  | 0.053192528    | 15.60524972  | 3.12775E-16 | 0.721595811  | 0.938569565 | 0.721595811  | 0.938569565 |
| X Variable 1 | -0.017753852 | 0.009665188    | -1.836886333 | 0.075831342 | -0.037466133 | 0.001958429 | -0.037466133 | 0.001958429 |



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-13R)

Stay-Out Premium

## STAYOUT PREMIUM CALCULATION

| Date                                 | Treasury Yields [1] |        |
|--------------------------------------|---------------------|--------|
|                                      | 1-Year              | 3-Year |
| Jul-07                               | 4.96                | 4.82   |
| Aug-07                               | 4.47                | 4.34   |
| Sep-07                               | 4.14                | 4.06   |
| Oct-07                               | 4.10                | 4.01   |
| Nov-07                               | 3.50                | 3.35   |
| Dec-07                               | 3.26                | 3.13   |
| Jan-08                               | 2.71                | 2.51   |
| Feb-08                               | 2.05                | 2.19   |
| Mar-08                               | 1.54                | 1.80   |
| Apr-08                               | 1.74                | 2.23   |
| May-08                               | 2.06                | 2.69   |
| Jun-08                               | 2.42                | 3.08   |
| Jul-08                               | 2.28                | 2.87   |
| Aug-08                               | 2.18                | 2.70   |
| Sep-08                               | 1.91                | 2.32   |
| Oct-08                               | 1.42                | 1.86   |
| Nov-08                               | 1.07                | 1.51   |
| Dec-08                               | 0.49                | 1.07   |
| Jan-09                               | 0.44                | 1.13   |
| Feb-09                               | 0.62                | 1.37   |
| Mar-09                               | 0.64                | 1.31   |
| Apr-09                               | 0.55                | 1.32   |
| May-09                               | 0.50                | 1.39   |
| Jun-09                               | 0.51                | 1.76   |
| Jul-09                               | 0.48                | 1.55   |
| Aug-09                               | 0.46                | 1.65   |
| Sep-09                               | 0.40                | 1.48   |
| Oct-09                               | 0.37                | 1.46   |
| Nov-09                               | 0.31                | 1.32   |
| Dec-09                               | 0.37                | 1.38   |
| Jan-10                               | 0.34                | 1.49   |
| Feb-10                               | 0.35                | 1.40   |
| Mar-10                               | 0.40                | 1.51   |
| Apr-10                               | 0.44                | 1.64   |
| May-10                               | 0.37                | 1.32   |
| Jun-10                               | 0.32                | 1.17   |
| Jul-10                               | 0.29                | 0.98   |
| Aug-10                               | 0.26                | 0.78   |
| Sep-10                               | 0.26                | 0.75   |
| Oct-10                               | 0.23                | 0.57   |
| Nov-10                               | 0.25                | 0.67   |
| Dec-10                               | 0.29                | 0.99   |
| Jan-11                               | 0.27                | 1.03   |
| Feb-11                               | 0.29                | 1.28   |
| Mar-11                               | 0.26                | 1.17   |
| Apr-11                               | 0.25                | 1.21   |
| May-11                               | 0.19                | 0.94   |
| Jun-11                               | 0.18                | 0.71   |
| Jul-11                               | 0.19                | 0.68   |
| Aug-11                               | 0.11                | 0.38   |
| Sep-11                               | 0.11                | 0.36   |
| Oct-11                               | 0.11                | 0.47   |
| Nov-11                               | 0.11                | 0.39   |
| Dec-11                               | 0.12                | 0.39   |
| Jan-12                               | 0.11                | 0.36   |
| Feb-12                               | 0.16                | 0.38   |
| Mar-12                               | 0.19                | 0.51   |
| Apr-12                               | 0.18                | 0.43   |
| May-12                               | 0.19                | 0.39   |
| Jun-12                               | 0.19                | 0.39   |
| 5-Yr. Avg.                           | 0.98                | 1.54   |
| Differential                         |                     | 0.56   |
| Stay-Out Premium (.5 x Differential) |                     | 0.28   |
| 4-Yr. Avg.                           | 0.46                | 1.13   |
| Differential                         |                     | 0.67   |
| Stay-Out Premium (.5 x Differential) |                     | 0.34   |
| 3-Yr. Avg.                           | 0.26                | 0.93   |
| Differential                         |                     | 0.67   |
| Stay-Out Premium (.5 x Differential) |                     | 0.34   |
| 2-Yr. Avg.                           | 0.20                | 0.68   |
| Differential                         |                     | 0.48   |
| Stay-Out Premium (.5 x Differential) |                     | 0.24   |
| 1-Yr. Avg.                           | 0.15                | 0.43   |
| Differential                         |                     | 0.28   |
| Stay-Out Premium (.5 x Differential) |                     | 0.14   |

## Notes

[1] Source: Bloomberg Professional Service; derived from Federal Reserve Statistical Release H.15



Current vs 3-Yr Forward Long-Term Treasury Yields (three-month average): 0.45%

|            | [1]            | [2]             | [3]             | [4]                                | [5]                                     | [6]        |
|------------|----------------|-----------------|-----------------|------------------------------------|---|------------|
|            | 3-yr<br>Treas. | 10-yr<br>Treas. | 30-yr<br>Treas. | Implied<br>Forward<br>27-yr Treas. | Interpolated<br>Current<br>27-yr Treas. | Difference |
| 06/29/2012 | 0.41%          | 1.67%           | 2.76%           | 3.02%                              | 2.60%                                   | 0.43%      |
| 06/28/2012 | 0.40%          | 1.60%           | 2.67%           | 2.93%                              | 2.51%                                   | 0.42%      |
| 06/27/2012 | 0.42%          | 1.65%           | 2.70%           | 2.96%                              | 2.54%                                   | 0.41%      |
| 06/26/2012 | 0.42%          | 1.66%           | 2.71%           | 2.97%                              | 2.55%                                   | 0.42%      |
| 06/25/2012 | 0.39%          | 1.63%           | 2.69%           | 2.95%                              | 2.53%                                   | 0.42%      |
| 06/22/2012 | 0.42%          | 1.69%           | 2.75%           | 3.01%                              | 2.59%                                   | 0.42%      |
| 06/21/2012 | 0.41%          | 1.63%           | 2.68%           | 2.94%                              | 2.52%                                   | 0.41%      |
| 06/20/2012 | 0.41%          | 1.65%           | 2.72%           | 2.98%                              | 2.56%                                   | 0.42%      |
| 06/19/2012 | 0.39%          | 1.64%           | 2.73%           | 2.99%                              | 2.57%                                   | 0.43%      |
| 06/18/2012 | 0.38%          | 1.59%           | 2.67%           | 2.93%                              | 2.51%                                   | 0.42%      |
| 06/15/2012 | 0.37%          | 1.60%           | 2.70%           | 2.96%                              | 2.54%                                   | 0.43%      |
| 06/14/2012 | 0.41%          | 1.64%           | 2.73%           | 2.99%                              | 2.57%                                   | 0.42%      |
| 06/13/2012 | 0.40%          | 1.61%           | 2.70%           | 2.96%                              | 2.54%                                   | 0.42%      |
| 06/12/2012 | 0.41%          | 1.67%           | 2.77%           | 3.04%                              | 2.61%                                   | 0.43%      |
| 06/11/2012 | 0.37%          | 1.60%           | 2.71%           | 2.97%                              | 2.54%                                   | 0.43%      |
| 06/08/2012 | 0.39%          | 1.65%           | 2.77%           | 3.04%                              | 2.60%                                   | 0.44%      |
| 06/07/2012 | 0.37%          | 1.66%           | 2.75%           | 3.02%                              | 2.59%                                   | 0.43%      |
| 06/06/2012 | 0.37%          | 1.66%           | 2.73%           | 3.00%                              | 2.57%                                   | 0.43%      |
| 06/05/2012 | 0.34%          | 1.57%           | 2.63%           | 2.89%                              | 2.47%                                   | 0.42%      |
| 06/04/2012 | 0.35%          | 1.53%           | 2.56%           | 2.81%                              | 2.41%                                   | 0.40%      |
| 06/01/2012 | 0.34%          | 1.47%           | 2.53%           | 2.78%                              | 2.37%                                   | 0.41%      |
| 05/31/2012 | 0.35%          | 1.59%           | 2.67%           | 2.93%                              | 2.51%                                   | 0.42%      |
| 05/30/2012 | 0.38%          | 1.63%           | 2.72%           | 2.98%                              | 2.56%                                   | 0.43%      |
| 05/29/2012 | 0.42%          | 1.74%           | 2.85%           | 3.12%                              | 2.68%                                   | 0.44%      |
| 05/25/2012 | 0.41%          | 1.75%           | 2.85%           | 3.12%                              | 2.69%                                   | 0.44%      |
| 05/24/2012 | 0.42%          | 1.77%           | 2.86%           | 3.13%                              | 2.70%                                   | 0.44%      |
| 05/23/2012 | 0.40%          | 1.73%           | 2.81%           | 3.08%                              | 2.65%                                   | 0.43%      |
| 05/22/2012 | 0.41%          | 1.79%           | 2.88%           | 3.16%                              | 2.72%                                   | 0.44%      |
| 05/21/2012 | 0.41%          | 1.75%           | 2.80%           | 3.07%                              | 2.64%                                   | 0.43%      |
| 05/18/2012 | 0.42%          | 1.71%           | 2.80%           | 3.07%                              | 2.64%                                   | 0.43%      |
| 05/17/2012 | 0.40%          | 1.70%           | 2.80%           | 3.07%                              | 2.64%                                   | 0.44%      |
| 05/16/2012 | 0.40%          | 1.76%           | 2.90%           | 3.18%                              | 2.73%                                   | 0.45%      |
| 05/15/2012 | 0.38%          | 1.76%           | 2.91%           | 3.20%                              | 2.74%                                   | 0.46%      |
| 05/14/2012 | 0.37%          | 1.78%           | 2.95%           | 3.24%                              | 2.77%                                   | 0.47%      |
| 05/11/2012 | 0.36%          | 1.84%           | 3.02%           | 3.32%                              | 2.84%                                   | 0.48%      |
| 05/10/2012 | 0.37%          | 1.89%           | 3.07%           | 3.37%                              | 2.89%                                   | 0.48%      |
| 05/09/2012 | 0.36%          | 1.87%           | 3.03%           | 3.33%                              | 2.86%                                   | 0.48%      |
| 05/08/2012 | 0.36%          | 1.88%           | 3.03%           | 3.33%                              | 2.86%                                   | 0.47%      |
| 05/07/2012 | 0.37%          | 1.92%           | 3.07%           | 3.37%                              | 2.90%                                   | 0.48%      |
| 05/04/2012 | 0.37%          | 1.91%           | 3.07%           | 3.37%                              | 2.90%                                   | 0.48%      |
| 05/03/2012 | 0.40%          | 1.96%           | 3.12%           | 3.43%                              | 2.95%                                   | 0.48%      |
| 05/02/2012 | 0.39%          | 1.96%           | 3.11%           | 3.42%                              | 2.94%                                   | 0.48%      |
| 05/01/2012 | 0.39%          | 1.98%           | 3.16%           | 3.47%                              | 2.98%                                   | 0.49%      |
| 04/30/2012 | 0.38%          | 1.95%           | 3.12%           | 3.43%                              | 2.94%                                   | 0.48%      |
| 04/27/2012 | 0.39%          | 1.96%           | 3.12%           | 3.43%                              | 2.95%                                   | 0.48%      |
| 04/26/2012 | 0.39%          | 1.98%           | 3.13%           | 3.44%                              | 2.96%                                   | 0.48%      |
| 04/25/2012 | 0.39%          | 2.01%           | 3.15%           | 3.46%                              | 2.98%                                   | 0.48%      |
| 04/24/2012 | 0.40%          | 2.00%           | 3.12%           | 3.43%                              | 2.95%                                   | 0.47%      |
| 04/23/2012 | 0.39%          | 1.96%           | 3.08%           | 3.38%                              | 2.91%                                   | 0.47%      |
| 04/20/2012 | 0.40%          | 1.99%           | 3.12%           | 3.43%                              | 2.95%                                   | 0.48%      |
| 04/19/2012 | 0.40%          | 1.98%           | 3.12%           | 3.43%                              | 2.95%                                   | 0.48%      |
| 04/18/2012 | 0.40%          | 2.00%           | 3.13%           | 3.44%                              | 2.96%                                   | 0.48%      |
| 04/17/2012 | 0.42%          | 2.03%           | 3.15%           | 3.46%                              | 2.98%                                   | 0.48%      |
| 04/16/2012 | 0.42%          | 2.00%           | 3.12%           | 3.42%                              | 2.95%                                   | 0.47%      |
| 04/13/2012 | 0.41%          | 2.02%           | 3.14%           | 3.45%                              | 2.97%                                   | 0.48%      |
| 04/12/2012 | 0.43%          | 2.08%           | 3.22%           | 3.53%                              | 3.05%                                   | 0.49%      |
| 04/11/2012 | 0.43%          | 2.05%           | 3.18%           | 3.49%                              | 3.01%                                   | 0.48%      |
| 04/10/2012 | 0.42%          | 2.01%           | 3.13%           | 3.44%                              | 2.96%                                   | 0.47%      |
| 04/09/2012 | 0.46%          | 2.06%           | 3.18%           | 3.49%                              | 3.01%                                   | 0.47%      |
| 04/06/2012 | 0.45%          | 2.07%           | 3.21%           | 3.52%                              | 3.04%                                   | 0.48%      |
| 04/05/2012 | 0.50%          | 2.19%           | 3.32%           | 3.64%                              | 3.15%                                   | 0.49%      |
| 04/04/2012 | 0.53%          | 2.25%           | 3.37%           | 3.69%                              | 3.20%                                   | 0.49%      |
| 04/03/2012 | 0.56%          | 2.30%           | 3.41%           | 3.73%                              | 3.24%                                   | 0.49%      |
| 04/02/2012 | 0.50%          | 2.22%           | 3.35%           | 3.67%                              | 3.18%                                   | 0.49%      |

## Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional

[3] Source: Bloomberg Professional

[4]  $((1 + \text{Column [3]})^{30} / (1 + \text{Column [1]})^{30})^{(1/27)} - 1$ [5] Equals  $((\text{Column [3]} - \text{Column [2]}) / 20) \times 17 + \text{Column [2]}$ 

[6] Equals Column [4] - Column [5]



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-14R)

Capital Structure

Common Equity Ratio

Summary Data

| Company Name             | Ticker | 2012 Q2 | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 | Overall Average |
|--------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| Allete                   | ALE    | 57.42%  | 59.34%  | 56.15%  | 57.72%  | 58.90%  | 58.71%  | 56.67%  | 57.45%  | 57.80%          |
| Alliant Energy Corp.     | LNT    | 49.80%  | 49.82%  | 50.21%  | 50.29%  | 49.40%  | 49.34%  | 49.07%  | 49.61%  | 49.69%          |
| American Electric Power  | AEP    | 46.95%  | 46.49%  | 48.24%  | 48.83%  | 47.45%  | 46.81%  | 46.92%  | 45.73%  | 47.18%          |
| Avista Corp.             | AVA    | 48.49%  | 48.74%  | 47.79%  | 48.48%  | 48.64%  | 48.70%  | 46.93%  | 47.95%  | 48.22%          |
| Black Hills Corp.        | BKH    | 49.13%  | 50.42%  | 50.39%  | 50.71%  | 50.62%  | 50.71%  | 51.93%  | 52.15%  | 50.76%          |
| Center Point Energy      | CNP    | 33.46%  | 32.23%  | 32.67%  | 32.90%  | 27.77%  | 27.22%  | 26.10%  | 27.28%  | 29.95%          |
| Cleco Corp.              | CNL    | 48.07%  | 47.56%  | 47.29%  | 46.76%  | 47.01%  | 46.26%  | 46.63%  | 49.85%  | 47.43%          |
| Consolidated Edison      | ED     | 64.01%  | 64.18%  | 64.10%  | 64.20%  | 63.91%  | 63.67%  | 63.61%  | 62.65%  | 63.79%          |
| Dominion Resources, Inc. | D      | 52.25%  | 52.74%  | 51.86%  | 53.05%  | 51.77%  | 52.49%  | 52.26%  | 52.38%  | 52.35%          |
| DTE Energy Co.           | DTE    | 46.30%  | 48.32%  | 48.47%  | 48.06%  | 47.26%  | 48.35%  | 48.81%  | 48.77%  | 48.04%          |
| Edison International     | EIX    | 44.80%  | 45.49%  | 46.89%  | 47.20%  | 47.14%  | 48.02%  | 48.60%  | 48.36%  | 47.06%          |
| Empire District Electric | EDF    | 51.41%  | 51.63%  | 51.44%  | 51.40%  | 49.87%  | 50.22%  | 49.63%  | 49.89%  | 50.69%          |
| Entergy Corp.            | ETR    | 47.88%  | 47.24%  | 47.47%  | 48.26%  | 47.20%  | 47.30%  | 47.45%  | 47.36%  | 47.52%          |
| Great Plains Energy Inc. | GXP    | 47.28%  | 49.03%  | 49.97%  | 50.64%  | 49.09%  | 49.35%  | 50.25%  | 50.60%  | 49.53%          |
| Hawaiian Electric        | HE     | 55.16%  | 55.06%  | 55.07%  | 55.05%  | 54.83%  | 54.32%  | 54.21%  | 54.47%  | 54.77%          |
| IDACORP, Inc.            | IDA    | 50.14%  | 50.72%  | 50.41%  | 50.33%  | 48.79%  | 48.69%  | 46.59%  | 46.19%  | 48.98%          |
| Integrus/WPS Resources   | TEG    | 57.19%  | 56.46%  | 56.10%  | 57.63%  | 56.30%  | 56.36%  | 57.15%  | 56.81%  | 56.75%          |
| MGE Energy, Inc.         | MGEE   | 59.66%  | 59.67%  | 59.19%  | 59.45%  | 59.02%  | 58.86%  | 61.59%  | 61.93%  | 59.92%          |
| Northeast Utilities      | NU     | 48.12%  | 49.16%  | 50.92%  | 50.11%  | 49.87%  | 49.28%  | 49.28%  | 48.61%  | 49.42%          |
| OGE Energy               | OGE    | 54.90%  | 54.34%  | 54.23%  | 54.04%  | 52.40%  | 53.90%  | 54.02%  | 53.88%  | 53.96%          |
| Pepco Holdings, Inc.     | POM    | 43.36%  | 43.95%  | 44.87%  | 45.64%  | 44.76%  | 44.49%  | 44.03%  | 44.51%  | 44.45%          |
| PG&E Corp                | PCG    | 48.45%  | 47.84%  | 46.35%  | 47.53%  | 47.04%  | 46.37%  | 45.88%  | 46.08%  | 46.94%          |
| Pinnacle West Capital    | PNW    | 53.23%  | 52.23%  | 53.93%  | 51.58%  | 51.92%  | 52.07%  | 52.47%  | 52.49%  | 52.49%          |
| Portland General         | POR    | 49.34%  | 49.25%  | 48.39%  | 47.79%  | 47.66%  | 47.65%  | 46.49%  | 46.52%  | 47.88%          |
| SCANA Corp.              | SCG    | 49.75%  | 50.19%  | 51.34%  | 51.06%  | 50.56%  | 50.96%  | 52.22%  | 52.15%  | 51.03%          |
| Sempra Energy            | SRE    | 49.06%  | 49.49%  | 50.47%  | 51.17%  | 53.06%  | 52.58%  | 50.36%  | 49.51%  | 50.71%          |
| Southern Co.             | SO     | 44.84%  | 43.85%  | 44.63%  | 48.86%  | 47.46%  | 47.67%  | 45.89%  | 46.62%  | 46.23%          |
| TECO Energy, Inc.        | TE     | 49.01%  | 50.32%  | 49.83%  | 50.38%  | 49.89%  | 49.70%  | 48.99%  | 49.98%  | 49.76%          |
| UIL Holdings Corp.       | UIL    | 49.07%  | 43.02%  | 43.34%  | 45.82%  | 46.38%  | 46.81%  | 45.32%  | 45.43%  | 45.65%          |
| Vectren Corp.            | VVC    | 50.54%  | 50.82%  | 50.48%  | 50.06%  | 49.34%  | 49.41%  | 48.94%  | 50.04%  | 49.95%          |
| Westar Energy            | WR     | 57.03%  | 57.84%  | 58.94%  | 57.51%  | 55.95%  | 56.62%  | 57.29%  | 57.86%  | 57.38%          |
| Wisconsin Energy         | WEC    | 58.35%  | 55.51%  | 54.30%  | 56.40%  | 58.21%  | 58.93%  | 57.84%  | 59.37%  | 57.36%          |
| Xcel Energy, Inc.        | XEL    | 53.39%  | 53.78%  | 53.25%  | 54.49%  | 53.99%  | 54.07%  | 53.21%  | 54.33%  | 53.81%          |
| Proxy Group Average      |        |         |         |         |         |         |         |         |         | 50.53%          |

Common Equity Ratio

Underlying Data

| Company Name                                      | Ticker | Common Equity Ratio |         |         |         |         |         |         |         |
|---|--------|---------------------|---------|---------|---------|---------|---------|---------|---------|
|   |        | 2012 Q2             | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 |
| AEP Texas Central Company                         | AEP    | 46.97%              | 45.78%  | 62.61%  | 60.66%  | 47.07%  | 44.82%  | 44.66%  | 44.58%  |
| AEP Texas North Company                           | AEP    | 44.43%              | 44.81%  | 45.25%  | 45.11%  | 43.60%  | 43.15%  | 45.37%  | 42.44%  |
| Appalachian Power Company                         | AEP    | 43.25%              | 43.02%  | 42.42%  | 43.68%  | 42.63%  | 41.07%  | 42.69%  | 42.84%  |
| Columbus Southern Power Company                   | AEP    |                     |         |         | 50.76%  | 50.43%  | 50.35%  | 50.30%  | 48.02%  |
| Indiana Michigan Power Company                    | AEP    | 49.01%              | 49.13%  | 48.72%  | 48.59%  | 48.13%  | 48.35%  | 47.31%  | 46.34%  |
| Kentucky Power Company                            | AEP    | 45.13%              | 44.77%  | 44.63%  | 44.68%  | 44.49%  | 44.61%  | 43.97%  | 43.37%  |
| Kingsport Power Company                           | AEP    | 44.93%              | 46.03%  | 45.76%  | 44.81%  | 48.09%  | 45.00%  | 44.34%  | 40.59%  |
| Ohio Power Company                                | AEP    | 53.59%              | 53.14%  | 51.78%  | 53.53%  | 53.95%  | 54.14%  | 53.03%  | 51.99%  |
| Public Service Company of Oklahoma                | AEP    | 47.73%              | 47.20%  | 47.30%  | 47.24%  | 46.25%  | 44.08%  | 43.18%  | 44.96%  |
| Southwestern Electric Power Company               | AEP    | 48.47%              | 47.75%  | 49.26%  | 50.59%  | 49.48%  | 48.80%  | 48.40%  | 48.38%  |
| Wheeling Power Co                                 | AEP    | 45.98%              | 43.28%  | 44.73%  | 47.51%  | 47.88%  | 50.57%  | 52.82%  | 49.48%  |
| ALLETE (Minnesota Power)                          | ALE    | 57.42%              | 57.68%  | 56.91%  | 56.27%  | 58.10%  | 57.48%  | 56.81%  | 56.78%  |
| Superior Water, Light and Power Company           | ALE    |                     | 60.99%  | 55.39%  | 59.18%  | 59.70%  | 59.93%  | 56.54%  | 58.12%  |
| Avista Corporation                                | AVA    | 48.49%              | 48.74%  | 47.79%  | 48.48%  | 48.64%  | 48.70%  | 46.93%  | 47.95%  |
| Black Hills Colorado Electric Utility Company, LP | BKH    | 37.86%              | 37.64%  | 38.45%  | 40.55%  | 41.62%  | 42.70%  | 45.28%  | 47.09%  |
| Black Hills Power, Inc.                           | BKH    | 52.97%              | 55.21%  | 54.80%  | 54.30%  | 53.49%  | 53.19%  | 52.72%  | 52.17%  |
| Cheyenne Light, Fuel and Power Company            | BKH    | 56.56%              | 58.42%  | 57.92%  | 57.28%  | 56.77%  | 56.25%  | 57.80%  | 57.19%  |
| Cleco Power LLC                                   | CNL    | 48.07%              | 47.56%  | 47.29%  | 46.76%  | 47.01%  | 46.26%  | 46.63%  | 49.85%  |
| CenterPoint Energy Houston Electric, LLC          | CNP    | 33.46%              | 32.23%  | 32.67%  | 32.90%  | 27.77%  | 27.22%  | 26.10%  | 27.28%  |
| Virginia Electric and Power Company               | D      | 52.25%              | 52.74%  | 51.86%  | 53.05%  | 51.77%  | 52.49%  | 52.26%  | 52.38%  |
| Detroit Edison Company                            | DTE    | 46.30%              | 48.32%  | 48.47%  | 48.06%  | 47.26%  | 48.35%  | 48.81%  | 48.77%  |
| Consolidated Edison Company of New York, Inc.     | ED     | 47.85%              | 49.73%  | 49.93%  | 49.87%  | 49.42%  | 48.36%  | 49.24%  | 46.46%  |
| Orange and Rockland Utilities, Inc.               | ED     | 47.59%              | 47.45%  | 46.59%  | 47.53%  | 46.89%  | 47.00%  | 46.34%  | 45.91%  |
| Pike County Light & Power Company                 | ED     | 61.90%              | 60.94%  | 61.12%  | 60.66%  | 60.54%  | 60.55%  | 60.00%  | 59.42%  |
| Rockland Electric Company                         | ED     | 98.70%              | 98.58%  | 98.77%  | 98.76%  | 98.77%  | 98.76%  | 98.88%  | 98.81%  |
| Empire District Electric Company                  | EDE    | 51.41%              | 51.63%  | 51.44%  | 51.40%  | 49.87%  | 50.22%  | 49.63%  | 49.89%  |
| Southern California Edison Co.                    | EIX    | 44.80%              | 45.49%  | 46.89%  | 47.20%  | 47.14%  | 48.02%  | 48.60%  | 48.36%  |
| Entergy Arkansas, Inc.                            | ETR    | 45.35%              | 44.63%  | 44.45%  | 44.38%  | 44.58%  | 44.04%  | 43.90%  | 45.02%  |
| Entergy Gulf States Louisiana, L.L.C.             | ETR    | 49.35%              | 48.05%  | 47.88%  | 47.86%  | 49.75%  | 49.65%  | 50.21%  | 49.18%  |
| Entergy Louisiana, LLC                            | ETR    | 52.82%              | 51.57%  | 53.26%  | 56.94%  | 48.89%  | 49.40%  | 51.17%  | 48.31%  |
| Entergy Mississippi, Inc.                         | ETR    | 45.10%              | 44.67%  | 44.46%  | 43.25%  | 42.25%  | 43.85%  | 43.42%  | 43.45%  |
| Entergy New Orleans, Inc.                         | ETR    | 47.24%              | 46.28%  | 46.53%  | 48.92%  | 48.47%  | 48.30%  | 47.93%  | 50.14%  |
| Entergy Texas, Inc.                               | ETR    | 47.45%              | 48.27%  | 48.22%  | 48.21%  | 49.24%  | 48.55%  | 48.07%  | 48.08%  |
| Kansas City Power & Light Company                 | GXP    | 47.44%              | 48.14%  | 48.62%  | 49.64%  | 48.01%  | 48.56%  | 49.36%  | 49.86%  |
| KCP&L Greater Missouri Operations Company         | GXP    | 47.12%              | 49.93%  | 51.33%  | 51.65%  | 50.16%  | 50.15%  | 51.14%  | 51.35%  |
| Hawaiian Electric Company, Inc.                   | HE     | 55.16%              | 55.06%  | 55.07%  | 55.05%  | 54.83%  | 54.32%  | 54.21%  | 54.47%  |
| Idaho Power Co.                                   | IDA    | 50.14%              | 50.72%  | 50.41%  | 50.33%  | 48.79%  | 48.69%  | 46.59%  | 46.19%  |
| Interstate Power and Light Company                | LNT    | 46.89%              | 46.90%  | 47.80%  | 47.56%  | 46.24%  | 47.15%  | 47.24%  | 47.60%  |
| Wisconsin Power and Light Company                 | LNT    | 52.71%              | 52.75%  | 52.62%  | 53.02%  | 52.57%  | 51.53%  | 50.91%  | 51.62%  |
| Madison Gas and Electric Company                  | MGEE   | 59.66%              | 59.67%  | 59.19%  | 59.45%  | 59.02%  | 58.86%  | 61.59%  | 61.93%  |
| Connecticut Light and Power Company               | NU     | 46.19%              | 46.97%  | 49.10%  | 49.03%  | 48.73%  | 48.47%  | 49.30%  | 48.31%  |
| NSTAR Electric Company                            | NU     | 51.89%              | 53.99%  | 54.96%  | 55.54%  | 52.89%  | 51.12%  | 51.65%  | 51.13%  |
| Public Service Company of New Hampshire           | NU     | 48.81%              | 48.81%  | 50.02%  | 46.99%  | 49.91%  | 49.60%  | 48.12%  | 47.26%  |
| Western Massachusetts Electric Company            | NU     | 45.61%              | 46.85%  | 49.62%  | 48.85%  | 47.95%  | 47.93%  | 48.05%  | 47.73%  |
| Oklahoma Gas and Electric Company                 | OGE    | 54.90%              | 54.34%  | 54.23%  | 54.04%  | 52.40%  | 53.90%  | 54.02%  | 53.88%  |
| Pacific Gas and Electric Company                  | PCG    | 48.45%              | 47.84%  | 46.35%  | 47.53%  | 47.04%  | 46.37%  | 45.88%  | 46.08%  |
| Arizona Public Service Company                    | PNW    | 53.23%              | 52.23%  | 53.93%  | 51.58%  | 51.92%  | 52.07%  | 52.47%  | 52.49%  |
| Atlantic City Electric Company                    | POM    | 39.19%              | 40.52%  | 40.27%  | 40.17%  | 37.01%  | 37.42%  | 37.04%  | 38.70%  |
| Delmarva Power & Light Company                    | POM    | 44.59%              | 45.36%  | 46.88%  | 47.93%  | 49.07%  | 48.40%  | 47.70%  | 47.66%  |
| Potomac Electric Power Company                    | POM    | 46.31%              | 45.99%  | 47.45%  | 48.82%  | 48.20%  | 47.65%  | 47.35%  | 47.18%  |
| Portland General Electric Company                 | POR    | 49.34%              | 49.25%  | 48.39%  | 47.79%  | 47.66%  | 47.65%  | 46.49%  | 46.52%  |
| South Carolina Electric & Gas Co.                 | SCG    | 49.75%              | 50.19%  | 51.34%  | 51.06%  | 50.56%  | 50.96%  | 52.22%  | 52.15%  |
| Alabama Power Company                             | SO     | 43.82%              | 42.72%  | 43.55%  | 44.35%  | 43.78%  | 43.53%  | 43.58%  | 44.10%  |
| Georgia Power Company                             | SO     | 46.67%              | 47.25%  | 48.93%  | 50.59%  | 48.56%  | 48.43%  | 48.36%  | 48.91%  |
| Gulf Power Company                                | SO     | 43.72%              | 44.28%  | 43.05%  | 44.54%  | 43.21%  | 43.39%  | 42.48%  | 42.95%  |
| Mississippi Power Company                         | SO     | 45.14%              | 41.14%  | 42.99%  | 55.96%  | 54.30%  | 55.33%  | 49.14%  | 50.52%  |
| San Diego Gas & Electric Co.                      | SRE    | 49.06%              | 49.49%  | 50.47%  | 51.17%  | 53.06%  | 52.58%  | 50.36%  | 49.51%  |
| Tampa Electric Company                            | TE     | 49.01%              | 50.32%  | 49.83%  | 50.38%  | 49.89%  | 49.70%  | 48.99%  | 49.98%  |
| Upper Peninsula Power Company                     | TEG    | 58.89%              | 58.15%  | 58.50%  | 60.34%  | 58.82%  | 59.51%  | 59.22%  | 58.46%  |
| Wisconsin Public Service Corp                     | TEG    | 55.48%              | 54.77%  | 53.70%  | 54.92%  | 53.78%  | 53.21%  | 55.08%  | 55.15%  |
| United Illuminating Company                       | UIL    | 49.07%              | 43.02%  | 43.34%  | 45.82%  | 46.38%  | 46.81%  | 45.32%  | 45.43%  |
| Southern Indiana Gas and Electric Company, Inc.   | VVC    | 50.54%              | 50.82%  | 50.48%  | 50.06%  | 49.34%  | 49.41%  | 48.94%  | 50.04%  |
| Wisconsin Electric Power Company                  | WEC    | 58.35%              | 55.51%  | 54.30%  | 56.40%  | 58.21%  | 58.93%  | 57.84%  | 59.37%  |
| Kansas Gas and Electric Company                   | WR     | 58.00%              | 57.56%  | 57.27%  | 57.42%  | 56.50%  | 56.26%  | 56.74%  | 56.97%  |
| Westar Energy (KPL)                               | WR     | 56.07%              | 58.12%  | 60.61%  | 57.61%  | 55.39%  | 56.99%  | 57.84%  | 58.74%  |
| Northern States Power Company - MN                | XEL    | 52.71%              | 53.04%  | 52.02%  | 52.24%  | 52.23%  | 52.16%  | 51.11%  | 51.12%  |
| Northern States Power Company - WI                | XEL    | 54.07%              | 54.53%  | 54.49%  | 56.75%  | 55.75%  | 55.98%  | 55.30%  | 57.53%  |
| Public Service Company of Colorado                | XEL    | 56.73%              | 56.59%  | 56.36%  | 56.36%  | 56.77%  | 57.57%  | 55.24%  | 59.85%  |
| Southwestern Public Service Company               | XEL    | 49.36%              | 50.26%  | 51.65%  | 52.03%  | 49.44%  | 50.61%  | 50.14%  | 50.28%  |

Long Term Debt Ratio

Summary Data

| Company Name             | Ticker | 2012 Q2 | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 | Overall Average |
|--------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| Allete                   | ALE    | 42.56%  | 40.63%  | 40.08%  | 42.24%  | 41.06%  | 41.26%  | 41.09%  | 42.50%  | 41.43%          |
| Alliant Energy Corp.     | LNT    | 45.48%  | 45.85%  | 45.31%  | 45.75%  | 46.56%  | 45.48%  | 45.48%  | 45.82%  | 45.72%          |
| American Electric Power  | AEP    | 44.73%  | 45.59%  | 44.00%  | 44.99%  | 46.79%  | 47.46%  | 47.54%  | 45.28%  | 45.80%          |
| Avista Corp.             | AVA    | 47.59%  | 49.37%  | 49.31%  | 47.12%  | 47.82%  | 48.19%  | 47.85%  | 48.13%  | 48.17%          |
| Black Hills Corp.        | BKH    | 29.88%  | 28.51%  | 28.85%  | 29.25%  | 29.71%  | 29.98%  | 29.62%  | 30.02%  | 29.48%          |
| Center Point Energy      | CNP    | 66.30%  | 67.71%  | 66.85%  | 66.45%  | 71.32%  | 72.78%  | 73.47%  | 72.08%  | 69.62%          |
| Cleco Corp.              | CNL    | 47.34%  | 50.74%  | 50.63%  | 51.64%  | 51.44%  | 52.21%  | 51.90%  | 47.64%  | 50.44%          |
| Consolidated Edison      | ED     | 33.45%  | 34.11%  | 33.89%  | 33.71%  | 33.94%  | 33.68%  | 34.30%  | 33.98%  | 33.88%          |
| Dominion Resources, Inc. | D      | 42.90%  | 43.56%  | 40.67%  | 41.16%  | 40.54%  | 41.71%  | 41.27%  | 43.25%  | 41.88%          |
| DTE Energy Co.           | DTE    | 53.42%  | 50.79%  | 51.23%  | 50.87%  | 51.06%  | 49.92%  | 50.67%  | 50.66%  | 51.08%          |
| Edison International     | EIX    | 43.83%  | 44.77%  | 44.36%  | 43.14%  | 44.80%  | 43.64%  | 44.73%  | 44.90%  | 44.27%          |
| Empire District Electric | EDE    | 46.51%  | 45.95%  | 46.93%  | 47.55%  | 47.99%  | 48.20%  | 47.83%  | 47.95%  | 47.36%          |
| Entergy Corp.            | ETR    | 46.96%  | 47.55%  | 47.31%  | 46.65%  | 47.61%  | 47.41%  | 47.23%  | 47.42%  | 47.27%          |
| Great Plains Energy Inc. | GXP    | 48.43%  | 45.51%  | 46.24%  | 48.42%  | 43.65%  | 42.74%  | 46.00%  | 46.12%  | 45.89%          |
| Hawaiian Electric        | HE     | 42.95%  | 43.53%  | 43.52%  | 43.54%  | 43.75%  | 43.69%  | 43.80%  | 44.10%  | 43.61%          |
| IDACORP, Inc.            | IDA    | 49.40%  | 48.91%  | 49.23%  | 49.44%  | 50.89%  | 51.00%  | 53.36%  | 53.74%  | 50.75%          |
| Integrus/WPS Resources   | TEG    | 34.50%  | 33.43%  | 35.52%  | 36.52%  | 39.19%  | 38.21%  | 38.38%  | 39.23%  | 36.87%          |
| MGE Energy, Inc.         | MGEE   | 40.32%  | 40.31%  | 40.80%  | 40.54%  | 40.98%  | 41.13%  | 38.01%  | 36.42%  | 39.82%          |
| Northeast Utilities      | NU     | 42.89%  | 43.80%  | 44.86%  | 45.84%  | 43.84%  | 43.62%  | 43.74%  | 44.03%  | 44.08%          |
| OGE Energy               | OGE    | 43.38%  | 44.21%  | 44.34%  | 44.54%  | 46.15%  | 44.16%  | 44.41%  | 44.55%  | 44.47%          |
| Pepco Holdings, Inc.     | POM    | 52.34%  | 49.50%  | 51.28%  | 52.03%  | 52.48%  | 51.08%  | 51.57%  | 51.64%  | 51.49%          |
| PG&E Corp                | PCG    | 45.51%  | 44.87%  | 45.48%  | 46.37%  | 46.59%  | 46.58%  | 48.84%  | 47.96%  | 46.53%          |
| Pinnacle West Capital    | PNW    | 44.27%  | 43.84%  | 45.09%  | 47.50%  | 47.10%  | 46.98%  | 46.59%  | 46.58%  | 45.99%          |
| Portland General         | POR    | 50.40%  | 50.51%  | 50.49%  | 51.98%  | 52.09%  | 52.16%  | 52.77%  | 53.04%  | 51.68%          |
| SCANA Corp.              | SCG    | 41.92%  | 42.89%  | 40.90%  | 41.33%  | 42.02%  | 41.31%  | 41.37%  | 42.05%  | 41.72%          |
| Sempra Energy            | SRE    | 47.04%  | 48.64%  | 47.64%  | 46.85%  | 44.84%  | 45.36%  | 47.49%  | 48.31%  | 47.02%          |
| Southern Co.             | SO     | 50.15%  | 50.62%  | 49.54%  | 46.55%  | 46.91%  | 46.42%  | 48.05%  | 48.95%  | 48.40%          |
| TECO Energy, Inc.        | TE     | 47.80%  | 45.47%  | 46.97%  | 46.49%  | 46.78%  | 47.15%  | 47.95%  | 46.46%  | 46.88%          |
| UIL Holdings Corp.       | UIL    | 49.21%  | 43.10%  | 43.55%  | 45.84%  | 46.38%  | 47.01%  | 49.94%  | 49.87%  | 46.86%          |
| Vectren Corp.            | VVC    | 42.67%  | 43.17%  | 43.21%  | 45.15%  | 45.62%  | 45.77%  | 45.33%  | 45.99%  | 44.61%          |
| Westar Energy            | WR     | 39.07%  | 38.59%  | 37.31%  | 37.51%  | 38.15%  | 39.13%  | 39.33%  | 39.50%  | 38.57%          |
| Wisconsin Energy         | WEC    | 34.93%  | 38.74%  | 38.74%  | 40.45%  | 36.45%  | 37.09%  | 37.18%  | 38.72%  | 37.79%          |
| Xcel Energy, Inc.        | XEL    | 41.45%  | 41.94%  | 42.52%  | 43.36%  | 43.91%  | 44.02%  | 44.61%  | 45.30%  | 43.39%          |
| Proxy Group Average      |        |         |         |         |         |         |         |         |         | 45.24%          |

Long Term Debt Ratio

Underlying Data

| Company Name                                      | Ticker | Long Term Debt Ratio |         |         |         |         |         |         |         |
|---|--------|----------------------|---------|---------|---------|---------|---------|---------|---------|
|   |        | 2012 Q2              | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 |
| AEP Texas Central Company                         | AEP    | 49.07%               | 54.22%  | 35.57%  | 39.04%  | 52.53%  | 54.80%  | 54.92%  | 55.01%  |
| AEP Texas North Company                           | AEP    | 49.62%               | 49.94%  | 51.17%  | 52.23%  | 51.00%  | 50.90%  | 54.29%  | 51.49%  |
| Appalachian Power Company                         | AEP    | 53.44%               | 53.40%  | 53.83%  | 55.17%  | 56.19%  | 57.81%  | 53.88%  | 54.82%  |
| Columbus Southern Power Company                   | AEP    |                      |         |         | 48.23%  | 48.54%  | 48.62%  | 48.70%  | 51.06%  |
| Indiana Michigan Power Company                    | AEP    | 50.16%               | 50.03%  | 50.43%  | 50.38%  | 49.99%  | 50.60%  | 50.30%  | 52.67%  |
| Kentucky Power Company                            | AEP    | 52.71%               | 53.06%  | 53.23%  | 53.27%  | 53.47%  | 53.44%  | 54.09%  | 54.73%  |
| Kingsport Power Company                           | AEP    | 30.02%               | 30.24%  | 31.08%  | 31.57%  | 33.41%  | 31.11%  | 32.17%  | 0.00%   |
| Ohio Power Company                                | AEP    | 45.76%               | 46.20%  | 47.56%  | 45.76%  | 45.33%  | 45.16%  | 46.21%  | 47.29%  |
| Public Service Company of Oklahoma                | AEP    | 49.81%               | 50.32%  | 50.19%  | 50.04%  | 51.10%  | 53.42%  | 49.78%  | 51.41%  |
| Southwestern Electric Power Company               | AEP    | 49.91%               | 50.61%  | 45.73%  | 46.72%  | 48.84%  | 49.61%  | 50.07%  | 50.22%  |
| Wheeling Power Co                                 | AEP    | 16.78%               | 17.87%  | 21.17%  | 22.49%  | 24.30%  | 26.60%  | 28.57%  | 29.40%  |
| ALLETE (Minnesota Power)                          | ALE    | 42.56%               | 42.30%  | 43.07%  | 43.71%  | 41.89%  | 42.51%  | 43.18%  | 43.20%  |
| Superior Water, Light and Power Company           | ALE    |                      | 38.95%  | 37.09%  | 40.76%  | 40.24%  | 40.01%  | 39.01%  | 41.80%  |
| Avista Corporation                                | AVA    | 47.59%               | 49.37%  | 49.31%  | 47.12%  | 47.82%  | 48.19%  | 47.85%  | 48.13%  |
| Black Hills Colorado Electric Utility Company, LP | BKH    | 0.00%                | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Black Hills Power, Inc.                           | BKH    | 46.84%               | 44.55%  | 45.02%  | 45.54%  | 46.35%  | 46.64%  | 47.11%  | 47.68%  |
| Cheyenne Light, Fuel and Power Company            | BKH    | 42.81%               | 40.98%  | 41.54%  | 42.22%  | 42.77%  | 43.29%  | 41.76%  | 42.37%  |
| Cleco Power LLC                                   | CNL    | 47.34%               | 50.74%  | 50.63%  | 51.64%  | 51.44%  | 52.21%  | 51.90%  | 47.64%  |
| CenterPoint Energy Houston Electric, LLC          | CNP    | 66.30%               | 67.71%  | 66.85%  | 66.45%  | 71.32%  | 72.78%  | 73.47%  | 72.08%  |
| Virginia Electric and Power Company               | D      | 42.90%               | 43.56%  | 40.67%  | 41.16%  | 40.54%  | 41.71%  | 41.27%  | 43.25%  |
| Detroit Edison Company                            | DTE    | 53.42%               | 50.79%  | 51.23%  | 50.87%  | 51.06%  | 49.92%  | 50.67%  | 50.66%  |
| Consolidated Edison Company of New York, Inc.     | ED     | 47.06%               | 48.86%  | 47.62%  | 47.68%  | 48.12%  | 47.01%  | 48.34%  | 47.17%  |
| Orange and Rockland Utilities, Inc.               | ED     | 49.79%               | 49.91%  | 50.70%  | 49.82%  | 50.40%  | 50.29%  | 50.88%  | 50.17%  |
| Pike County Light & Power Company                 | ED     | 36.93%               | 37.68%  | 37.25%  | 37.35%  | 37.23%  | 37.42%  | 37.99%  | 38.58%  |
| Rockland Electric Company                         | ED     | 0.00%                | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Empire District Electric Company                  | EDE    | 46.51%               | 45.95%  | 46.93%  | 47.55%  | 47.99%  | 48.20%  | 47.83%  | 47.95%  |
| Southern California Edison Co.                    | EIX    | 43.83%               | 44.77%  | 44.36%  | 43.14%  | 44.80%  | 43.64%  | 44.73%  | 44.90%  |
| Entergy Arkansas, Inc.                            | ETR    | 48.58%               | 49.25%  | 49.47%  | 49.58%  | 49.43%  | 49.97%  | 50.19%  | 48.95%  |
| Entergy Gulf States Louisiana, L.L.C.             | ETR    | 48.57%               | 49.84%  | 49.95%  | 50.06%  | 48.24%  | 48.34%  | 47.83%  | 48.86%  |
| Entergy Louisiana, LLC                            | ETR    | 43.40%               | 44.57%  | 42.72%  | 39.27%  | 46.82%  | 46.17%  | 44.20%  | 47.26%  |
| Entergy Mississippi, Inc.                         | ETR    | 48.58%               | 48.98%  | 49.21%  | 50.32%  | 51.25%  | 49.22%  | 49.63%  | 49.62%  |
| Entergy New Orleans, Inc.                         | ETR    | 42.19%               | 42.99%  | 42.77%  | 40.92%  | 41.30%  | 41.49%  | 41.82%  | 40.09%  |
| Entergy Texas, Inc.                               | ETR    | 50.46%               | 49.68%  | 49.73%  | 49.77%  | 48.62%  | 49.26%  | 49.69%  | 49.71%  |
| Kansas City Power & Light Company                 | GXP    | 44.27%               | 45.37%  | 45.63%  | 49.96%  | 40.23%  | 43.65%  | 43.94%  | 43.93%  |
| KCP&L Greater Missouri Operations Company         | GXP    | 52.59%               | 45.65%  | 46.85%  | 46.88%  | 47.07%  | 41.83%  | 48.07%  | 48.32%  |
| Hawaiian Electric Company, Inc.                   | HE     | 42.95%               | 43.53%  | 43.52%  | 43.54%  | 43.75%  | 43.69%  | 43.80%  | 44.10%  |
| Idaho Power Co.                                   | IDA    | 49.40%               | 48.91%  | 49.23%  | 49.44%  | 50.89%  | 51.00%  | 53.36%  | 53.74%  |
| Interstate Power and Light Company                | LNT    | 47.34%               | 47.71%  | 46.60%  | 46.98%  | 48.18%  | 46.16%  | 46.09%  | 45.78%  |
| Wisconsin Power and Light Company                 | LNT    | 43.61%               | 43.98%  | 44.03%  | 44.51%  | 44.94%  | 44.80%  | 44.87%  | 45.86%  |
| Madison Gas and Electric Company                  | MGEE   | 40.32%               | 40.31%  | 40.80%  | 40.54%  | 40.98%  | 41.13%  | 38.01%  | 36.42%  |
| Connecticut Light and Power Company               | NU     | 44.99%               | 45.23%  | 46.39%  | 47.02%  | 47.29%  | 47.34%  | 46.77%  | 46.77%  |
| NSTAR Electric Company                            | NU     | 38.61%               | 39.55%  | 39.29%  | 40.08%  | 39.80%  | 38.40%  | 38.66%  | 38.49%  |
| Public Service Company of New Hampshire           | NU     | 45.81%               | 46.07%  | 46.28%  | 48.48%  | 43.43%  | 43.20%  | 43.44%  | 44.93%  |
| Western Massachusetts Electric Company            | NU     | 42.16%               | 44.36%  | 47.47%  | 47.78%  | 44.83%  | 45.52%  | 46.11%  | 45.93%  |
| Oklahoma Gas and Electric Company                 | OGE    | 43.38%               | 44.21%  | 44.34%  | 44.54%  | 46.15%  | 44.16%  | 44.41%  | 44.55%  |
| Pacific Gas and Electric Company                  | PCG    | 45.51%               | 44.87%  | 45.48%  | 46.37%  | 46.59%  | 46.58%  | 48.84%  | 47.96%  |
| Arizona Public Service Company                    | PNW    | 44.27%               | 43.84%  | 45.09%  | 47.50%  | 47.10%  | 46.98%  | 46.59%  | 46.58%  |
| Atlantic City Electric Company                    | POM    | 53.80%               | 55.98%  | 56.27%  | 56.14%  | 57.98%  | 52.64%  | 53.12%  | 53.36%  |
| Delmarva Power & Light Company                    | POM    | 54.07%               | 46.15%  | 48.94%  | 50.36%  | 49.28%  | 49.86%  | 50.54%  | 50.33%  |
| Potomac Electric Power Company                    | POM    | 49.14%               | 46.37%  | 48.63%  | 49.59%  | 50.20%  | 50.74%  | 51.04%  | 51.23%  |
| Portland General Electric Company                 | POR    | 50.40%               | 50.51%  | 50.49%  | 51.98%  | 52.09%  | 52.16%  | 52.77%  | 53.04%  |
| South Carolina Electric & Gas Co.                 | SCG    | 41.92%               | 42.89%  | 40.90%  | 41.33%  | 42.02%  | 41.31%  | 41.37%  | 42.05%  |
| Alabama Power Company                             | SO     | 49.80%               | 51.01%  | 50.05%  | 49.43%  | 49.94%  | 50.16%  | 50.07%  | 49.61%  |
| Georgia Power Company                             | SO     | 50.76%               | 46.93%  | 45.66%  | 46.82%  | 47.15%  | 46.22%  | 45.87%  | 48.48%  |
| Gulf Power Company                                | SO     | 46.78%               | 47.31%  | 47.36%  | 48.67%  | 47.85%  | 47.91%  | 48.47%  | 51.65%  |
| Mississippi Power Company                         | SO     | 53.25%               | 57.23%  | 55.08%  | 41.29%  | 42.69%  | 41.38%  | 47.79%  | 46.07%  |
| San Diego Gas & Electric Co.                      | SRE    | 47.04%               | 48.64%  | 47.64%  | 46.85%  | 44.84%  | 45.36%  | 47.49%  | 48.31%  |
| Tampa Electric Company                            | TE     | 47.80%               | 45.47%  | 46.97%  | 46.49%  | 46.78%  | 47.15%  | 47.95%  | 46.46%  |
| Upper Peninsula Power Company                     | TEG    | 34.38%               | 32.76%  | 35.91%  | 36.81%  | 35.16%  | 33.97%  | 34.94%  | 36.71%  |
| Wisconsin Public Service Corp                     | TEG    | 34.62%               | 34.11%  | 35.14%  | 36.23%  | 43.22%  | 42.46%  | 41.82%  | 41.75%  |
| United Illuminating Company                       | UIL    | 49.21%               | 43.10%  | 43.55%  | 45.84%  | 46.38%  | 47.01%  | 49.94%  | 49.87%  |
| Southern Indiana Gas and Electric Company, Inc.   | VVC    | 42.67%               | 43.17%  | 43.21%  | 45.15%  | 45.62%  | 45.77%  | 45.33%  | 45.99%  |
| Wisconsin Electric Power Company                  | WEC    | 34.93%               | 38.74%  | 38.74%  | 40.45%  | 36.45%  | 37.09%  | 37.18%  | 38.72%  |
| Kansas Gas and Electric Company                   | WR     | 41.48%               | 41.94%  | 42.25%  | 42.10%  | 43.02%  | 43.27%  | 42.80%  | 42.57%  |
| Westar Energy (KPL)                               | WR     | 36.66%               | 35.23%  | 32.38%  | 32.93%  | 33.27%  | 34.99%  | 35.85%  | 36.44%  |
| Northern States Power Company - MN                | XEL    | 45.24%               | 45.93%  | 46.63%  | 46.71%  | 47.61%  | 47.63%  | 48.80%  | 48.79%  |
| Northern States Power Company - WI                | XEL    | 37.65%               | 37.96%  | 38.42%  | 40.00%  | 40.22%  | 40.40%  | 40.42%  | 41.80%  |
| Public Service Company of Colorado                | XEL    | 42.66%               | 42.92%  | 43.13%  | 43.14%  | 40.72%  | 41.34%  | 40.65%  | 39.57%  |
| Southwestern Public Service Company               | XEL    | 50.01%               | 46.60%  | 47.64%  | 47.51%  | 43.72%  | 45.14%  | 46.79%  | 46.06%  |

Preferred Equity Ratio

Summary Data

| Company Name        | Ticker    | 2012 Q2 | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 | Overall Average |
|---------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| 0.574210327         | 0.5933782 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.497971557         | 0.4982367 | 3.60%   | 3.68%   | 3.66%   | 3.73%   | 3.80%   | 4.36%   | 4.35%   | 4.34%   | 3.94%           |
| 0.469482244         | 0.4649126 | 0.00%   | 0.00%   | 0.00%   | 0.16%   | 0.17%   | 0.17%   | 0.17%   | 0.17%   | 0.11%           |
| 0.484860197         | 0.4874459 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.491334447         | 0.5042019 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.334646582         | 0.3222556 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.480741158         | 0.4756062 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.640125605         | 0.6417505 | 0.00%   | 0.00%   | 0.26%   | 0.26%   | 0.26%   | 0.26%   | 0.26%   | 0.26%   | 0.19%           |
| 0.522466396         | 0.5274177 | 1.52%   | 1.54%   | 1.54%   | 1.55%   | 1.53%   | 1.57%   | 1.59%   | 1.66%   | 1.56%           |
| 0.463004482         | 0.4832351 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.447954057         | 0.454899  | 8.91%   | 7.08%   | 5.50%   | 5.61%   | 5.80%   | 5.98%   | 5.40%   | 5.42%   | 6.21%           |
| 0.51407915          | 0.5162679 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.478846506         | 0.4724453 | 2.26%   | 2.29%   | 2.31%   | 2.26%   | 2.32%   | 2.38%   | 2.41%   | 2.38%   | 2.33%           |
| 0.472808989         | 0.4903376 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.551552639         | 0.5506246 | 1.39%   | 1.41%   | 1.41%   | 1.41%   | 1.42%   | 1.42%   | 1.42%   | 1.43%   | 1.41%           |
| 0.501388344         | 0.507151  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.571859354         | 0.5645974 | 1.23%   | 1.21%   | 1.25%   | 1.29%   | 1.27%   | 1.25%   | 1.23%   | 1.23%   | 1.24%           |
| 0.596558048         | 0.5967062 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.481243478         | 0.4915641 | 0.82%   | 0.83%   | 0.86%   | 0.87%   | 0.87%   | 0.86%   | 0.86%   | 0.85%   | 0.85%           |
| 0.548993864         | 0.5433922 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.433607783         | 0.4395328 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.11%   | 0.11%   | 0.03%           |
| 0.484456212         | 0.4783531 | 0.98%   | 0.98%   | 0.99%   | 1.02%   | 1.02%   | 1.04%   | 1.03%   | 1.05%   | 1.01%           |
| 0.53230521          | 0.5222604 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.493356745         | 0.4924739 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.497458209         | 0.5019445 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.490574801         | 0.494939  | 0.98%   | 1.01%   | 1.06%   | 1.12%   | 1.20%   | 1.21%   | 1.27%   | 1.29%   | 1.14%           |
| 0.448374307         | 0.4384812 | 2.99%   | 2.99%   | 3.09%   | 3.23%   | 3.27%   | 3.34%   | 3.33%   | 3.39%   | 3.20%           |
| 0.490117701         | 0.5032391 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.490683615         | 0.43017   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.50537365          | 0.5081972 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| 0.570312256         | 0.5784138 | 0.00%   | 0.23%   | 0.23%   | 0.24%   | 0.24%   | 0.25%   | 0.26%   | 0.26%   | 0.21%           |
| 0.583475897         | 0.5551068 | 0.54%   | 0.52%   | 0.52%   | 0.54%   | 0.56%   | 0.57%   | 0.57%   | 0.60%   | 0.55%           |
| 0.533888625         | 0.5378223 | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| Proxy Group Average |           |         |         |         |         |         |         |         |         | 0.73%           |



Preferred Equity Ratio

Underlying Data

| Company Name                                      | Ticker | Preferred Equity Ratio |         |         |         |         |         |         |         |
|---|--------|------------------------|---------|---------|---------|---------|---------|---------|---------|
|   |        | 2012 Q2                | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 |
| AEP Texas Central Company                         | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.30%   | 0.40%   | 0.38%   | 0.41%   | 0.41%   |
| AEP Texas North Company                           | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.33%   | 0.32%   | 0.32%   | 0.34%   | 0.33%   |
| Appalachian Power Company                         | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.26%   | 0.27%   | 0.26%   | 0.27%   | 0.27%   |
| Columbus Southern Power Company                   | AEP    |                        |         |         | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Indiana Michigan Power Company                    | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.22%   | 0.22%   | 0.23%   | 0.23%   | 0.22%   |
| Kentucky Power Company                            | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Kingsport Power Company                           | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Ohio Power Company                                | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.29%   | 0.29%   | 0.29%   | 0.28%   | 0.27%   |
| Public Service Company of Oklahoma                | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.26%   | 0.26%   | 0.26%   | 0.25%   | 0.26%   |
| Southwestern Electric Power Company               | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.13%   | 0.13%   | 0.14%   | 0.14%   | 0.14%   |
| Wheeling Power Co                                 | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| ALLETE (Minnesota Power)                          | ALE    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Superior Water, Light and Power Company           | ALE    |                        | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Avista Corporation                                | AVA    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Black Hills Colorado Electric Utility Company, LP | BKH    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Black Hills Power, Inc.                           | BKH    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Cheyenne Light, Fuel and Power Company            | BKH    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Cleco Power LLC                                   | CNL    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| CenterPoint Energy Houston Electric, LLC          | CNP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Virginia Electric and Power Company               | D      | 1.52%                  | 1.54%   | 1.54%   | 1.55%   | 1.53%   | 1.57%   | 1.59%   | 1.66%   |
| Detroit Edison Company                            | DTE    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Consolidated Edison Company of New York, Inc.     | ED     | 0.00%                  | 0.00%   | 1.04%   | 1.04%   | 1.05%   | 1.03%   | 1.05%   | 1.03%   |
| Orange and Rockland Utilities, Inc.               | ED     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Pike County Light & Power Company                 | ED     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Rockland Electric Company                         | ED     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Empire District Electric Company                  | EDE    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Southern California Edison Co.                    | EIX    | 8.91%                  | 7.08%   | 5.50%   | 5.61%   | 5.80%   | 5.98%   | 5.40%   | 5.42%   |
| Entergy Arkansas, Inc.                            | ETR    | 3.52%                  | 3.57%   | 3.58%   | 3.59%   | 3.58%   | 3.62%   | 3.64%   | 3.75%   |
| Entergy Gulf States Louisiana, L.L.C.             | ETR    | 0.35%                  | 0.36%   | 0.36%   | 0.35%   | 0.34%   | 0.34%   | 0.34%   | 0.34%   |
| Entergy Louisiana, LLC                            | ETR    | 2.01%                  | 2.07%   | 2.16%   | 2.04%   | 2.31%   | 2.39%   | 2.51%   | 2.41%   |
| Entergy Mississippi, Inc.                         | ETR    | 2.65%                  | 2.67%   | 2.68%   | 2.74%   | 2.79%   | 2.99%   | 3.01%   | 3.03%   |
| Entergy New Orleans, Inc.                         | ETR    | 5.02%                  | 5.11%   | 5.08%   | 4.86%   | 4.90%   | 4.91%   | 4.95%   | 4.74%   |
| Entergy Texas, Inc.                               | ETR    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Kansas City Power & Light Company                 | GXP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| KCP&L Greater Missouri Operations Company         | GXP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Hawaiian Electric Company, Inc.                   | HE     | 1.39%                  | 1.41%   | 1.41%   | 1.41%   | 1.42%   | 1.42%   | 1.42%   | 1.43%   |
| Idaho Power Co.                                   | IDA    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Interstate Power and Light Company                | LNT    | 5.06%                  | 5.19%   | 5.16%   | 5.25%   | 5.38%   | 6.51%   | 6.49%   | 6.44%   |
| Wisconsin Power and Light Company                 | LNT    | 2.15%                  | 2.17%   | 2.17%   | 2.20%   | 2.22%   | 2.21%   | 2.21%   | 2.25%   |
| Madison Gas and Electric Company                  | MGEE   | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Connecticut Light and Power Company               | NU     | 2.24%                  | 2.25%   | 2.37%   | 2.40%   | 2.42%   | 2.42%   | 2.39%   | 2.39%   |
| NSTAR Electric Company                            | NU     | 1.04%                  | 1.07%   | 1.06%   | 1.08%   | 1.06%   | 1.03%   | 1.03%   | 1.03%   |
| Public Service Company of New Hampshire           | NU     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Western Massachusetts Electric Company            | NU     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Oklahoma Gas and Electric Company                 | OGE    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Pacific Gas and Electric Company                  | PCG    | 0.98%                  | 0.98%   | 0.99%   | 1.02%   | 1.02%   | 1.04%   | 1.03%   | 1.05%   |
| Arizona Public Service Company                    | PNW    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Atlantic City Electric Company                    | POM    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.33%   | 0.32%   |
| Delmarva Power & Light Company                    | POM    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Potomac Electric Power Company                    | POM    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Portland General Electric Company                 | POR    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| South Carolina Electric & Gas Co.                 | SCG    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Alabama Power Company                             | SO     | 5.67%                  | 5.58%   | 5.70%   | 5.54%   | 5.59%   | 5.62%   | 5.65%   | 5.60%   |
| Georgia Power Company                             | SO     | 1.39%                  | 1.42%   | 1.46%   | 1.47%   | 1.46%   | 1.47%   | 1.49%   | 1.49%   |
| Gulf Power Company                                | SO     | 3.76%                  | 3.83%   | 3.83%   | 3.94%   | 3.87%   | 3.91%   | 3.96%   | 3.98%   |
| Mississippi Power Company                         | SO     | 1.13%                  | 1.15%   | 1.37%   | 1.97%   | 2.16%   | 2.36%   | 2.23%   | 2.50%   |
| San Diego Gas & Electric Co.                      | SRE    | 0.98%                  | 1.01%   | 1.06%   | 1.12%   | 1.20%   | 1.21%   | 1.27%   | 1.29%   |
| Tampa Electric Company                            | TE     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Upper Peninsula Power Company                     | TEG    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Wisconsin Public Service Corp                     | TEG    | 2.46%                  | 2.42%   | 2.49%   | 2.57%   | 2.54%   | 2.49%   | 2.46%   | 2.45%   |
| United Illuminating Company                       | UIL    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Southern Indiana Gas and Electric Company, Inc.   | VVC    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Wisconsin Electric Power Company                  | WEC    | 0.54%                  | 0.52%   | 0.52%   | 0.54%   | 0.56%   | 0.57%   | 0.57%   | 0.60%   |
| Kansas Gas and Electric Company                   | WR     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Westar Energy (KPL)                               | WR     | 0.00%                  | 0.45%   | 0.47%   | 0.48%   | 0.48%   | 0.51%   | 0.52%   | 0.53%   |
| Northern States Power Company - MN                | XEL    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Northern States Power Company - WI                | XEL    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Public Service Company of Colorado                | XEL    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Southwestern Public Service Company               | XEL    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |

Customer Deposit Ratio

Summary Data

| Company Name             | Ticker | 2012 Q2 | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 | Overall Average |
|--------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| Allite                   | ALE    | 0.01%   | 0.03%   | 0.03%   | 0.04%   | 0.04%   | 0.04%   | 0.05%   | 0.05%   | 0.04%           |
| Alliant Energy Corp.     | LNT    | 0.15%   | 0.16%   | 0.16%   | 0.17%   | 0.17%   | 0.16%   | 0.16%   | 0.16%   | 0.16%           |
| American Electric Power  | AEP    | 1.51%   | 1.52%   | 1.52%   | 1.44%   | 1.49%   | 1.41%   | 1.40%   | 1.34%   | 1.45%           |
| Avista Corp.             | AVA    | 0.25%   | 0.33%   | 0.36%   | 0.37%   | 0.35%   | 0.34%   | 0.33%   | 0.34%   | 0.33%           |
| Black Hills Corp.        | BKH    | 0.42%   | 0.43%   | 0.39%   | 0.38%   | 0.39%   | 0.39%   | 0.38%   | 0.38%   | 0.39%           |
| Center Point Energy      | CNP    | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| Cleco Corp.              | CNL    | 1.71%   | 1.70%   | 1.66%   | 1.60%   | 1.55%   | 1.53%   | 1.47%   | 1.54%   | 1.59%           |
| Consolidated Edison      | ED     | 1.17%   | 1.27%   | 1.30%   | 1.39%   | 1.45%   | 1.40%   | 1.37%   | 1.36%   | 1.34%           |
| Dominion Resources, Inc. | D      | 0.61%   | 0.63%   | 0.63%   | 0.64%   | 0.65%   | 0.70%   | 0.71%   | 0.75%   | 0.66%           |
| DTE Energy Co.           | DTE    | 0.28%   | 0.30%   | 0.30%   | 0.31%   | 0.30%   | 0.31%   | 0.31%   | 0.32%   | 0.30%           |
| Edison International     | EIX    | 0.97%   | 0.99%   | 1.05%   | 1.09%   | 1.16%   | 1.21%   | 1.27%   | 1.32%   | 1.13%           |
| Empire District Electric | EDE    | 0.77%   | 0.76%   | 0.74%   | 0.74%   | 0.73%   | 0.75%   | 0.73%   | 0.72%   | 0.74%           |
| Entergy Corp.            | ETR    | 2.89%   | 2.91%   | 2.91%   | 2.82%   | 2.87%   | 2.92%   | 2.92%   | 2.84%   | 2.89%           |
| Great Plains Energy Inc. | GXP    | 0.18%   | 0.19%   | 0.19%   | 0.19%   | 0.19%   | 0.20%   | 0.20%   | 0.21%   | 0.19%           |
| Hawaiian Electric        | HE     | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| IDACORP, Inc.            | IDA    | 0.14%   | 0.33%   | 0.36%   | 0.23%   | 0.33%   | 0.31%   | 0.05%   | 0.07%   | 0.22%           |
| Integrus/WPS Resources   | TEG    | 0.40%   | 0.37%   | 0.39%   | 0.15%   | 0.14%   | 0.13%   | 0.13%   | 0.13%   | 0.23%           |
| MGE Energy, Inc.         | MGEE   | 0.02%   | 0.02%   | 0.01%   | 0.01%   | 0.01%   | 0.01%   | 0.00%   | 0.01%   | 0.01%           |
| Northeast Utilities      | NU     | 0.17%   | 0.17%   | 0.18%   | 0.18%   | 0.19%   | 0.19%   | 0.19%   | 0.19%   | 0.18%           |
| OGE Energy               | OGE    | 1.44%   | 1.45%   | 1.43%   | 1.42%   | 1.45%   | 1.58%   | 1.57%   | 1.56%   | 1.49%           |
| Pepco Holdings, Inc.     | POM    | 1.34%   | 1.39%   | 1.48%   | 1.50%   | 1.49%   | 1.54%   | 1.52%   | 1.53%   | 1.47%           |
| PG&E Corp                | PCG    | 0.98%   | 0.98%   | 0.88%   | 0.89%   | 0.87%   | 0.84%   | 0.83%   | 0.91%   | 0.90%           |
| Pinnacle West Capital    | PNW    | 1.02%   | 1.00%   | 0.99%   | 0.92%   | 0.97%   | 0.95%   | 0.94%   | 0.94%   | 0.97%           |
| Portland General         | POR    | 0.26%   | 0.25%   | 0.25%   | 0.23%   | 0.25%   | 0.19%   | 0.19%   | 0.19%   | 0.22%           |
| SCANA Corp.              | SCG    | 0.57%   | 0.58%   | 0.58%   | 0.57%   | 0.58%   | 0.60%   | 0.62%   | 0.63%   | 0.59%           |
| Sempra Energy            | SRE    | 0.77%   | 0.86%   | 0.83%   | 0.87%   | 0.90%   | 0.85%   | 0.88%   | 0.88%   | 0.86%           |
| Southern Co.             | SO     | 0.92%   | 0.93%   | 0.95%   | 1.00%   | 1.01%   | 1.03%   | 1.01%   | 1.03%   | 0.98%           |
| TECO Energy, Inc.        | TE     | 3.19%   | 3.29%   | 3.20%   | 3.13%   | 3.15%   | 3.16%   | 3.06%   | 3.07%   | 3.16%           |
| UIL Holdings Corp.       | UIL    | 0.12%   | 0.12%   | 0.12%   | 0.13%   | 0.13%   | 0.13%   | 0.14%   | 0.14%   | 0.13%           |
| Vectren Corp.            | VVC    | 0.87%   | 0.90%   | 0.92%   | 0.91%   | 0.87%   | 0.87%   | 0.79%   | 0.87%   | 0.88%           |
| Westar Energy            | WR     | 0.39%   | 0.38%   | 0.38%   | 0.37%   | 0.37%   | 0.38%   | 0.38%   | 0.37%   | 0.38%           |
| Wisconsin Energy         | WEC    | 0.43%   | 0.41%   | 0.42%   | 0.45%   | 0.47%   | 0.44%   | 0.44%   | 0.43%   | 0.44%           |
| Xcel Energy, Inc.        | XEL    | 0.12%   | 0.12%   | 0.13%   | 0.13%   | 0.13%   | 0.14%   | 0.14%   | 0.14%   | 0.13%           |
| Proxy Group Average      |        |         |         |         |         |         |         |         |         | 0.74%           |

Customer Deposit Ratio

Underlying Data

| Company Name                                      | Ticker | Customer Deposit Ratio |         |         |         |         |         |         |         |
|---|--------|------------------------|---------|---------|---------|---------|---------|---------|---------|
|   |        | 2012 Q2                | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 |
| AEP Texas Central Company                         | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| AEP Texas North Company                           | AEP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Appalachian Power Company                         | AEP    | 0.89%                  | 0.90%   | 0.89%   | 0.89%   | 0.91%   | 0.86%   | 0.88%   | 0.88%   |
| Columbus Southern Power Company                   | AEP    |                        |         |         | 1.00%   | 1.03%   | 1.02%   | 1.00%   | 0.92%   |
| Indiana Michigan Power Company                    | AEP    | 0.83%                  | 0.84%   | 0.85%   | 0.81%   | 0.83%   | 0.82%   | 0.82%   | 0.77%   |
| Kentucky Power Company                            | AEP    | 2.16%                  | 2.16%   | 2.14%   | 2.05%   | 2.04%   | 1.95%   | 1.94%   | 1.91%   |
| Kingsport Power Company                           | AEP    | 5.26%                  | 5.25%   | 5.20%   | 5.19%   | 5.46%   | 5.00%   | 5.07%   | 4.69%   |
| Ohio Power Company                                | AEP    | 0.65%                  | 0.66%   | 0.65%   | 0.42%   | 0.43%   | 0.41%   | 0.48%   | 0.45%   |
| Public Service Company of Oklahoma                | AEP    | 2.46%                  | 2.48%   | 2.52%   | 2.46%   | 2.39%   | 2.24%   | 2.11%   | 2.16%   |
| Southwestern Electric Power Company               | AEP    | 1.62%                  | 1.64%   | 1.42%   | 1.41%   | 1.54%   | 1.46%   | 1.40%   | 1.27%   |
| Wheeling Power Co                                 | AEP    | 1.22%                  | 1.28%   | 1.55%   | 1.62%   | 1.73%   | 1.78%   | 1.70%   | 1.68%   |
| ALLETE (Minnesota Power)                          | ALE    | 0.01%                  | 0.01%   | 0.01%   | 0.02%   | 0.02%   | 0.02%   | 0.02%   | 0.02%   |
| Superior Water, Light and Power Company           | ALE    |                        | 0.05%   | 0.05%   | 0.06%   | 0.06%   | 0.06%   | 0.08%   | 0.08%   |
| Avista Corporation                                | AVA    | 0.25%                  | 0.33%   | 0.36%   | 0.37%   | 0.35%   | 0.34%   | 0.33%   | 0.34%   |
| Black Hills Colorado Electric Utility Company, LP | BKH    | 0.45%                  | 0.45%   | 0.45%   | 0.48%   | 0.54%   | 0.54%   | 0.53%   | 0.55%   |
| Black Hills Power, Inc.                           | BKH    | 0.19%                  | 0.25%   | 0.17%   | 0.16%   | 0.17%   | 0.17%   | 0.17%   | 0.15%   |
| Cheyenne Light, Fuel and Power Company            | BKH    | 0.63%                  | 0.61%   | 0.53%   | 0.50%   | 0.46%   | 0.45%   | 0.44%   | 0.44%   |
| Cleco Power LLC                                   | CNL    | 1.71%                  | 1.70%   | 1.66%   | 1.60%   | 1.55%   | 1.53%   | 1.47%   | 1.54%   |
| CenterPoint Energy Houston Electric, LLC          | CNP    | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Virginia Electric and Power Company               | D      | 0.61%                  | 0.63%   | 0.63%   | 0.64%   | 0.65%   | 0.70%   | 0.71%   | 0.75%   |
| Detroit Edison Company                            | DTE    | 0.28%                  | 0.30%   | 0.30%   | 0.31%   | 0.30%   | 0.31%   | 0.31%   | 0.32%   |
| Consolidated Edison Company of New York, Inc.     | ED     | 1.37%                  | 1.41%   | 1.41%   | 1.42%   | 1.41%   | 1.36%   | 1.37%   | 1.31%   |
| Orange and Rockland Utilities, Inc.               | ED     | 0.86%                  | 0.89%   | 0.92%   | 0.90%   | 0.93%   | 0.95%   | 0.99%   | 0.93%   |
| Pike County Light & Power Company                 | ED     | 1.17%                  | 1.38%   | 1.63%   | 2.00%   | 2.23%   | 2.03%   | 2.02%   | 2.00%   |
| Rockland Electric Company                         | ED     | 1.30%                  | 1.42%   | 1.23%   | 1.24%   | 1.23%   | 1.24%   | 1.12%   | 1.19%   |
| Empire District Electric Company                  | EDE    | 0.77%                  | 0.76%   | 0.74%   | 0.74%   | 0.73%   | 0.75%   | 0.73%   | 0.72%   |
| Southern California Edison Co.                    | EIX    | 0.97%                  | 0.99%   | 1.05%   | 1.09%   | 1.16%   | 1.21%   | 1.27%   | 1.32%   |
| Entergy Arkansas, Inc.                            | ETR    | 2.56%                  | 2.55%   | 2.50%   | 2.45%   | 2.41%   | 2.37%   | 2.27%   | 2.29%   |
| Entergy Gulf States Louisiana, L.L.C.             | ETR    | 1.72%                  | 1.75%   | 1.80%   | 1.73%   | 1.67%   | 1.67%   | 1.63%   | 1.62%   |
| Entergy Louisiana, LLC                            | ETR    | 1.76%                  | 1.80%   | 1.86%   | 1.75%   | 1.98%   | 2.04%   | 2.12%   | 2.02%   |
| Entergy Mississippi, Inc.                         | ETR    | 3.68%                  | 3.68%   | 3.65%   | 3.69%   | 3.71%   | 3.94%   | 3.94%   | 3.90%   |
| Entergy New Orleans, Inc.                         | ETR    | 5.55%                  | 5.62%   | 5.62%   | 5.30%   | 5.33%   | 5.30%   | 5.30%   | 5.03%   |
| Entergy Texas, Inc.                               | ETR    | 2.09%                  | 2.05%   | 2.05%   | 2.03%   | 2.14%   | 2.19%   | 2.24%   | 2.21%   |
| Kansas City Power & Light Company                 | GXP    | 0.14%                  | 0.14%   | 0.14%   | 0.14%   | 0.15%   | 0.15%   | 0.16%   | 0.16%   |
| KCP&L Greater Missouri Operations Company         | GXP    | 0.22%                  | 0.23%   | 0.24%   | 0.24%   | 0.24%   | 0.24%   | 0.25%   | 0.26%   |
| Hawaiian Electric Company, Inc.                   | HE     | 0.00%                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Idaho Power Co.                                   | IDA    | 0.14%                  | 0.33%   | 0.36%   | 0.23%   | 0.33%   | 0.31%   | 0.05%   | 0.07%   |
| Interstate Power and Light Company                | LNT    | 0.19%                  | 0.20%   | 0.20%   | 0.20%   | 0.21%   | 0.19%   | 0.19%   | 0.18%   |
| Wisconsin Power and Light Company                 | LNT    | 0.12%                  | 0.12%   | 0.13%   | 0.14%   | 0.14%   | 0.14%   | 0.14%   | 0.15%   |
| Madison Gas and Electric Company                  | MGEE   | 0.02%                  | 0.02%   | 0.01%   | 0.01%   | 0.01%   | 0.01%   | 0.00%   | 0.01%   |
| Connecticut Light and Power Company               | NU     | 0.23%                  | 0.23%   | 0.25%   | 0.26%   | 0.27%   | 0.27%   | 0.27%   | 0.27%   |
| NSTAR Electric Company                            | NU     | 0.12%                  | 0.13%   | 0.13%   | 0.14%   | 0.13%   | 0.13%   | 0.13%   | 0.13%   |
| Public Service Company of New Hampshire           | NU     | 0.16%                  | 0.16%   | 0.16%   | 0.16%   | 0.16%   | 0.14%   | 0.14%   | 0.14%   |
| Western Massachusetts Electric Company            | NU     | 0.16%                  | 0.16%   | 0.18%   | 0.17%   | 0.20%   | 0.21%   | 0.20%   | 0.20%   |
| Oklahoma Gas and Electric Company                 | OGE    | 1.44%                  | 1.45%   | 1.43%   | 1.42%   | 1.45%   | 1.58%   | 1.57%   | 1.56%   |
| Pacific Gas and Electric Company                  | PCG    | 0.98%                  | 0.98%   | 0.88%   | 0.89%   | 0.87%   | 0.84%   | 0.83%   | 0.91%   |
| Arizona Public Service Company                    | PNW    | 1.02%                  | 1.00%   | 0.99%   | 0.92%   | 0.97%   | 0.95%   | 0.94%   | 0.94%   |
| Atlantic City Electric Company                    | POM    | 1.23%                  | 1.25%   | 1.30%   | 1.21%   | 1.22%   | 1.26%   | 1.20%   | 1.17%   |
| Delmarva Power & Light Company                    | POM    | 1.34%                  | 1.40%   | 1.56%   | 1.70%   | 1.66%   | 1.74%   | 1.76%   | 1.83%   |
| Potomac Electric Power Company                    | POM    | 1.44%                  | 1.50%   | 1.57%   | 1.59%   | 1.60%   | 1.61%   | 1.61%   | 1.59%   |
| Portland General Electric Company                 | POR    | 0.26%                  | 0.25%   | 0.25%   | 0.23%   | 0.25%   | 0.19%   | 0.19%   | 0.19%   |
| South Carolina Electric & Gas Co.                 | SCG    | 0.57%                  | 0.58%   | 0.58%   | 0.57%   | 0.58%   | 0.60%   | 0.62%   | 0.63%   |
| Alabama Power Company                             | SO     | 0.70%                  | 0.69%   | 0.69%   | 0.67%   | 0.69%   | 0.69%   | 0.69%   | 0.69%   |
| Georgia Power Company                             | SO     | 1.17%                  | 1.17%   | 1.15%   | 1.12%   | 1.09%   | 1.08%   | 1.09%   | 1.10%   |
| Gulf Power Company                                | SO     | 1.35%                  | 1.38%   | 1.37%   | 1.41%   | 1.40%   | 1.41%   | 1.41%   | 1.42%   |
| Mississippi Power Company                         | SO     | 0.48%                  | 0.48%   | 0.56%   | 0.79%   | 0.86%   | 0.93%   | 0.84%   | 0.91%   |
| San Diego Gas & Electric Co.                      | SRE    | 0.77%                  | 0.86%   | 0.83%   | 0.87%   | 0.90%   | 0.85%   | 0.88%   | 0.88%   |
| Tampa Electric Company                            | TE     | 3.19%                  | 3.29%   | 3.20%   | 3.13%   | 3.15%   | 3.16%   | 3.06%   | 3.07%   |
| Upper Peninsula Power Company                     | TEG    | 0.57%                  | 0.54%   | 0.57%   | 0.08%   | 0.08%   | 0.08%   | 0.10%   | 0.10%   |
| Wisconsin Public Service Corp                     | TEG    | 0.22%                  | 0.20%   | 0.20%   | 0.23%   | 0.21%   | 0.17%   | 0.17%   | 0.16%   |
| United Illuminating Company                       | UIL    | 0.12%                  | 0.12%   | 0.12%   | 0.13%   | 0.13%   | 0.13%   | 0.14%   | 0.14%   |
| Southern Indiana Gas and Electric Company, Inc.   | VVC    | 0.87%                  | 0.90%   | 0.92%   | 0.91%   | 0.87%   | 0.87%   | 0.79%   | 0.87%   |
| Wisconsin Electric Power Company                  | WEC    | 0.43%                  | 0.41%   | 0.42%   | 0.45%   | 0.47%   | 0.44%   | 0.44%   | 0.43%   |
| Kansas Gas and Electric Company                   | WR     | 0.52%                  | 0.49%   | 0.48%   | 0.47%   | 0.47%   | 0.48%   | 0.46%   | 0.46%   |
| Westar Energy (KPL)                               | WR     | 0.25%                  | 0.26%   | 0.27%   | 0.27%   | 0.26%   | 0.29%   | 0.29%   | 0.28%   |
| Northern States Power Company - MN                | XEL    | 0.06%                  | 0.06%   | 0.06%   | 0.06%   | 0.06%   | 0.07%   | 0.07%   | 0.06%   |
| Northern States Power Company - WI                | XEL    | 0.18%                  | 0.18%   | 0.19%   | 0.20%   | 0.20%   | 0.21%   | 0.21%   | 0.22%   |
| Public Service Company of Colorado                | XEL    | 0.48%                  | 0.49%   | 0.51%   | 0.50%   | 0.51%   | 0.52%   | 0.52%   | 0.58%   |
| Southwestern Public Service Company               | XEL    | 0.63%                  | 0.47%   | 0.47%   | 0.47%   | 0.46%   | 0.48%   | 0.52%   | 0.53%   |

Hawaiian Electric & CenterPoint Energy were excluded from this analysis due to unavailable data on customer deposits

Ameren Illinois Company is composed of recently merged operating utilities and historical data is not available

"NA" indicates the operating company capital structure is not reported.

Notes Payable

Summary Data

| Company Name             | Ticker | 2012 Q2 | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 | Overall Average |
|--------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| Allete                   | ALE    | 0.00%   | 0.00%   | 3.73%   | 0.00%   | 0.00%   | 0.00%   | 2.19%   | 0.00%   | 0.74%           |
| Alliant Energy Corp.     | LNT    | 0.97%   | 0.49%   | 0.65%   | 0.07%   | 0.07%   | 0.66%   | 0.93%   | 0.06%   | 0.49%           |
| American Electric Power  | AEP    | 6.82%   | 6.40%   | 6.24%   | 4.57%   | 4.09%   | 4.14%   | 3.97%   | 7.48%   | 5.46%           |
| Avista Corp.             | AVA    | 3.67%   | 1.55%   | 2.53%   | 4.04%   | 3.18%   | 2.77%   | 4.89%   | 3.58%   | 3.28%           |
| Black Hills Corp.        | BKH    | 20.56%  | 20.64%  | 20.37%  | 19.66%  | 19.28%  | 18.92%  | 18.06%  | 17.46%  | 19.37%          |
| Center Point Energy      | CNP    | 0.23%   | 0.07%   | 0.48%   | 0.66%   | 0.91%   | 0.00%   | 0.43%   | 0.64%   | 0.43%           |
| Cleco Corp.              | CNL    | 2.87%   | 0.00%   | 0.43%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.98%   | 0.53%           |
| Consolidated Edison      | ED     | 1.37%   | 0.44%   | 0.45%   | 0.44%   | 0.44%   | 1.00%   | 0.45%   | 1.76%   | 0.79%           |
| Dominion Resources, Inc. | D      | 2.73%   | 1.52%   | 5.30%   | 3.59%   | 5.51%   | 3.53%   | 4.17%   | 1.95%   | 3.54%           |
| DTE Energy Co.           | DTE    | 0.00%   | 0.59%   | 0.00%   | 0.76%   | 1.38%   | 1.42%   | 0.21%   | 0.25%   | 0.58%           |
| Edison International     | EIX    | 1.49%   | 1.67%   | 2.21%   | 2.95%   | 1.11%   | 1.14%   | 0.00%   | 0.00%   | 1.32%           |
| Empire District Electric | EDE    | 1.31%   | 1.67%   | 0.89%   | 0.30%   | 1.40%   | 0.84%   | 1.81%   | 1.44%   | 1.21%           |
| Entergy Corp.            | ETR    | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%           |
| Great Plains Energy Inc. | GXP    | 4.11%   | 5.27%   | 3.60%   | 0.75%   | 7.07%   | 7.71%   | 3.54%   | 3.06%   | 4.39%           |
| Hawaiian Electric        | HE     | 0.51%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.58%   | 0.57%   | 0.00%   | 0.21%           |
| IDACORP, Inc.            | IDA    | 0.32%   | 0.05%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.05%           |
| Integrus/WPS Resources   | TEG    | 6.69%   | 8.53%   | 6.75%   | 4.41%   | 3.10%   | 4.05%   | 3.11%   | 2.60%   | 4.91%           |
| MGE Energy, Inc.         | MGEE   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.40%   | 1.64%   | 0.25%           |
| Northeast Utilities      | NU     | 7.99%   | 6.04%   | 3.18%   | 3.01%   | 5.23%   | 6.05%   | 5.94%   | 6.32%   | 5.47%           |
| OGE Energy               | OGE    | 0.29%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.36%   | 0.00%   | 0.00%   | 0.08%           |
| Pepco Holdings, Inc.     | POM    | 2.97%   | 5.16%   | 2.38%   | 0.83%   | 1.26%   | 2.89%   | 2.77%   | 2.21%   | 2.56%           |
| PG&E Corp                | PCG    | 4.08%   | 5.33%   | 6.30%   | 4.19%   | 4.48%   | 5.17%   | 3.41%   | 4.00%   | 4.62%           |
| Pinnacle West Capital    | PNW    | 1.49%   | 2.93%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.55%           |
| Portland General         | POR    | 0.00%   | 0.00%   | 0.87%   | 0.00%   | 0.00%   | 0.00%   | 0.55%   | 0.25%   | 0.21%           |
| SCANA Corp.              | SCG    | 7.76%   | 6.34%   | 7.18%   | 7.03%   | 6.83%   | 7.12%   | 5.79%   | 5.17%   | 6.65%           |
| Sempra Energy            | SRE    | 2.15%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.27%           |
| Southern Co.             | SO     | 1.10%   | 1.61%   | 1.80%   | 0.36%   | 1.35%   | 1.55%   | 1.72%   | 0.00%   | 1.19%           |
| TECO Energy, Inc.        | TE     | 0.00%   | 0.92%   | 0.00%   | 0.00%   | 0.19%   | 0.00%   | 0.00%   | 0.50%   | 0.20%           |
| UIL Holdings Corp.       | UIL    | 1.60%   | 13.76%  | 12.99%  | 8.20%   | 7.11%   | 6.05%   | 4.60%   | 4.55%   | 7.36%           |
| Vectren Corp.            | VVC    | 5.91%   | 5.11%   | 5.39%   | 3.89%   | 4.17%   | 3.95%   | 4.95%   | 3.10%   | 4.56%           |
| Westar Energy            | WR     | 3.51%   | 2.97%   | 3.13%   | 4.36%   | 5.30%   | 3.61%   | 2.75%   | 2.01%   | 3.45%           |
| Wisconsin Energy         | WEC    | 5.75%   | 4.81%   | 6.02%   | 2.16%   | 4.31%   | 2.96%   | 3.97%   | 0.87%   | 3.86%           |
| Xcel Energy, Inc.        | XEL    | 5.04%   | 4.15%   | 4.10%   | 2.02%   | 1.96%   | 1.77%   | 2.05%   | 0.23%   | 2.67%           |
| Proxy Group Average      |        |         |         |         |         |         |         |         |         | 2.76%           |

Notes Payable

Underlying Data

| Company Name                                      | Ticker | Notes Payable Ratio |         |         |         |         |         |         |         |
|---|--------|---------------------|---------|---------|---------|---------|---------|---------|---------|
|   |        | 2012 Q2             | 2012 Q1 | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 Q1 | 2010 Q4 | 2010 Q3 |
| AEP Texas Central Company                         | AEP    | 3.97%               | 0.00%   | 1.82%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| AEP Texas North Company                           | AEP    | 5.95%               | 5.26%   | 3.58%   | 2.33%   | 5.08%   | 5.63%   | 0.00%   | 5.75%   |
| Appalachian Power Company                         | AEP    | 2.43%               | 2.67%   | 2.86%   | 0.00%   | 0.00%   | 0.00%   | 2.27%   | 1.18%   |
| Columbus Southern Power Company                   | AEP    |                     |         |         | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Indiana Michigan Power Company                    | AEP    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.83%   | 0.00%   | 1.34%   | 0.00%   |
| Kentucky Power Company                            | AEP    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Kingsport Power Company                           | AEP    | 19.79%              | 18.48%  | 17.96%  | 18.43%  | 13.04%  | 18.89%  | 18.42%  | 54.73%  |
| Ohio Power Company                                | AEP    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Public Service Company of Oklahoma                | AEP    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 4.68%   | 1.22%   |
| Southwestern Electric Power Company               | AEP    | 0.00%               | 0.00%   | 3.60%   | 1.15%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Wheeling Power Co                                 | AEP    | 36.02%              | 37.57%  | 32.54%  | 28.38%  | 26.10%  | 21.05%  | 16.91%  | 19.43%  |
| ALLETE (Minnesota Power)                          | ALE    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Superior Water, Light and Power Company           | ALE    |                     | 0.00%   | 7.47%   | 0.00%   | 0.00%   | 0.00%   | 4.37%   | 0.00%   |
| Avista Corporation                                | AVA    | 3.67%               | 1.55%   | 2.53%   | 4.04%   | 3.18%   | 2.77%   | 4.89%   | 3.58%   |
| Black Hills Colorado Electric Utility Company, LP | BKH    | 61.69%              | 61.92%  | 61.10%  | 58.97%  | 57.84%  | 56.76%  | 54.18%  | 52.36%  |
| Black Hills Power, Inc.                           | BKH    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Cheyenne Light, Fuel and Power Company            | BKH    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Cleco Power LLC                                   | CNL    | 2.87%               | 0.00%   | 0.43%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.98%   |
| CenterPoint Energy Houston Electric, LLC          | CNP    | 0.23%               | 0.07%   | 0.48%   | 0.66%   | 0.91%   | 0.00%   | 0.43%   | 0.64%   |
| Virginia Electric and Power Company               | D      | 2.73%               | 1.52%   | 5.30%   | 3.59%   | 5.51%   | 3.53%   | 4.17%   | 1.95%   |
| Detroit Edison Company                            | DTE    | 0.00%               | 0.59%   | 0.00%   | 0.76%   | 1.38%   | 1.42%   | 0.21%   | 0.25%   |
| Consolidated Edison Company of New York, Inc.     | ED     | 3.71%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 2.24%   | 0.00%   | 4.03%   |
| Orange and Rockland Utilities, Inc.               | ED     | 1.75%               | 1.76%   | 1.78%   | 1.75%   | 1.77%   | 1.77%   | 1.79%   | 2.99%   |
| Pike County Light & Power Company                 | ED     | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Rockland Electric Company                         | ED     | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Empire District Electric Company                  | EDE    | 1.31%               | 1.67%   | 0.89%   | 0.30%   | 1.40%   | 0.84%   | 1.81%   | 1.44%   |
| Southern California Edison Co.                    | EIX    | 1.49%               | 1.67%   | 2.21%   | 2.95%   | 1.11%   | 1.14%   | 0.00%   | 0.00%   |
| Entergy Arkansas, Inc.                            | ETR    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Entergy Gulf States Louisiana, L.L.C.             | ETR    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Entergy Louisiana, LLC                            | ETR    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Entergy Mississippi, Inc.                         | ETR    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Entergy New Orleans, Inc.                         | ETR    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Entergy Texas, Inc.                               | ETR    | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Kansas City Power & Light Company                 | GXP    | 8.15%               | 6.35%   | 5.61%   | 0.26%   | 11.61%  | 7.64%   | 6.55%   | 6.05%   |
| KCP&L Greater Missouri Operations Company         | GXP    | 0.07%               | 4.19%   | 1.59%   | 1.24%   | 2.53%   | 7.78%   | 0.54%   | 0.08%   |
| Hawaiian Electric Company, Inc.                   | HE     | 0.51%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.58%   | 0.57%   | 0.00%   |
| Idaho Power Co.                                   | IDA    | 0.32%               | 0.05%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Interstate Power and Light Company                | LNT    | 0.52%               | 0.00%   | 0.24%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Wisconsin Power and Light Company                 | LNT    | 1.42%               | 0.98%   | 1.06%   | 0.13%   | 0.13%   | 1.32%   | 1.87%   | 0.12%   |
| Madison Gas and Electric Company                  | MGEE   | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.40%   | 1.64%   |
| Connecticut Light and Power Company               | NU     | 6.35%               | 5.32%   | 1.90%   | 1.28%   | 1.29%   | 1.50%   | 1.27%   | 2.26%   |
| NSTAR Electric Company                            | NU     | 8.34%               | 5.27%   | 4.56%   | 3.17%   | 6.11%   | 9.32%   | 8.53%   | 9.21%   |
| Public Service Company of New Hampshire           | NU     | 5.22%               | 4.96%   | 3.54%   | 4.37%   | 6.51%   | 7.06%   | 8.30%   | 7.66%   |
| Western Massachusetts Electric Company            | NU     | 12.07%              | 8.62%   | 2.73%   | 3.20%   | 7.02%   | 6.34%   | 5.64%   | 6.14%   |
| Oklahoma Gas and Electric Company                 | OGE    | 0.29%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.36%   | 0.00%   | 0.00%   |
| Pacific Gas and Electric Company                  | PCG    | 4.08%               | 5.33%   | 6.30%   | 4.19%   | 4.48%   | 5.17%   | 3.41%   | 4.00%   |
| Arizona Public Service Company                    | PNW    | 1.49%               | 2.93%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Atlantic City Electric Company                    | POM    | 5.79%               | 2.25%   | 2.16%   | 2.48%   | 3.79%   | 8.68%   | 8.31%   | 6.44%   |
| Delmarva Power & Light Company                    | POM    | 0.00%               | 7.09%   | 2.63%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.18%   |
| Potomac Electric Power Company                    | POM    | 3.11%               | 6.14%   | 2.35%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Portland General Electric Company                 | POR    | 0.00%               | 0.00%   | 0.87%   | 0.00%   | 0.00%   | 0.00%   | 0.55%   | 0.25%   |
| South Carolina Electric & Gas Co.                 | SCG    | 7.76%               | 6.34%   | 7.18%   | 7.03%   | 6.83%   | 7.12%   | 5.79%   | 5.17%   |
| Alabama Power Company                             | SO     | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Georgia Power Company                             | SO     | 0.01%               | 3.23%   | 2.79%   | 0.01%   | 1.74%   | 2.80%   | 3.19%   | 0.02%   |
| Gulf Power Company                                | SO     | 4.39%               | 3.20%   | 4.39%   | 1.44%   | 3.66%   | 3.39%   | 3.69%   | 0.00%   |
| Mississippi Power Company                         | SO     | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| San Diego Gas & Electric Co.                      | SRE    | 2.15%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Tampa Electric Company                            | TE     | 0.00%               | 0.92%   | 0.00%   | 0.00%   | 0.19%   | 0.00%   | 0.00%   | 0.50%   |
| Upper Peninsula Power Company                     | TEG    | 6.16%               | 8.55%   | 5.03%   | 2.77%   | 5.95%   | 6.45%   | 5.75%   | 4.73%   |
| Wisconsin Public Service Corp                     | TEG    | 7.22%               | 8.51%   | 8.46%   | 6.04%   | 0.25%   | 1.66%   | 0.48%   | 0.48%   |
| United Illuminating Company                       | UIL    | 1.60%               | 13.76%  | 12.99%  | 8.20%   | 7.11%   | 6.05%   | 4.60%   | 4.55%   |
| Southern Indiana Gas and Electric Company, Inc.   | VVC    | 5.91%               | 5.11%   | 5.39%   | 3.89%   | 4.17%   | 3.95%   | 4.95%   | 3.10%   |
| Wisconsin Electric Power Company                  | WEC    | 5.75%               | 4.81%   | 6.02%   | 2.16%   | 4.31%   | 2.96%   | 3.97%   | 0.87%   |
| Kansas Gas and Electric Company                   | WR     | 0.00%               | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| Westar Energy (KPL)                               | WR     | 7.02%               | 5.93%   | 6.27%   | 8.72%   | 10.59%  | 7.22%   | 5.50%   | 4.02%   |
| Northern States Power Company - MN                | XEL    | 1.99%               | 0.97%   | 1.30%   | 0.99%   | 0.10%   | 0.14%   | 0.03%   | 0.03%   |
| Northern States Power Company - WI                | XEL    | 8.09%               | 7.33%   | 6.90%   | 3.05%   | 3.83%   | 3.41%   | 4.07%   | 0.44%   |
| Public Service Company of Colorado                | XEL    | 0.13%               | 0.00%   | 0.00%   | 0.00%   | 1.99%   | 0.57%   | 3.60%   | 0.00%   |
| Southwestern Public Service Company               | XEL    | 0.00%               | 2.67%   | 0.24%   | 0.00%   | 6.38%   | 3.77%   | 2.55%   | 3.13%   |



**Case 12-E-0201**

**Case 12-E-0202**

**Rebuttal Testimony of Robert B. Hevert**

Exhibit \_\_ (RBH-15R)

Summary Table

SUMMARY OF RESULTS

|   | <b>Combined<br/>Proxy Group</b> |
|---|---------------------------------|
| Average DCF Results                         | 10.20%                          |
| Average CAPM Results                        | 10.28%                          |
| NYPSC Averaging Convention 2/3 DCF+1/3 CAPM | 10.22%                          |
| Flotation Cost                              |                                 |
| Return on Equity                            | <u><u><u>10.22%</u></u></u>     |



Rebuttal Testimony of  
Mustally A. Hussain

**Before the Public Service Commission**

**NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID**

**Rebuttal Testimony**

**of**

**Mustally A. Hussain**

**Case 12-E-0201**  
**Case 12-G-0202**

**Rebuttal Testimony of Mustally A. Hussain**

1   **Q.    Please state your name and business address.**

2    A.    My name is Mustally A. Hussain. My business address is One MetroTech  
3           Center, Brooklyn, New York, 11201.

4  
5   **Q.    Are you the Mustally A. Hussain who previously submitted direct**  
6           **testimony in these proceedings?**

7    A.    Yes, I am.

8  
9   **Q.    What is the purpose of your rebuttal testimony?**

10   A.    I address certain cost of capital and capital structure proposals and  
11           assertions made by Department of Public Service Staff (“Staff”) Witness  
12           Kwaku Duah in this proceeding and explain why they are incorrect or  
13           should be rejected. Specifically, I will address Mr. Duah’s proposal to  
14           utilize a hypothetical capital structure consisting of 48 percent common  
15           equity to establish Niagara Mohawk’s revenue requirements in these  
16           proceedings and explain why that proposal should be rejected. In  
17           connection with this discussion, I will explain why Staff’s overall revenue  
18           requirements proposal including Mr. Duah’s capital structure and cost of  
19           capital recommendations would, if adopted by the Commission, likely  
20           place the Company’s current “A” credit ratings in jeopardy. Furthermore,  
21           I will discuss why it is inappropriate to impose a hypothetical capital

**Rebuttal Testimony of Mustally A. Hussain**

1 structure where: (i) Niagara Mohawk has satisfied the Commission's  
2 requirement that it implement robust "ring fencing" measures to  
3 financially insulate itself from its parent; (ii) Niagara Mohawk's actual  
4 standalone capital structure is not the product of double leverage as  
5 claimed by Mr. Duah; and (iii) the Company has consistently maintained a  
6 historical common equity ratio that has exceeded 51 percent and such  
7 equity ratio is in line with that of the United States electric utility industry.  
8 I will also discuss various errors made by Mr. Duah in calculating the  
9 Company's projected cost of long-term debt for the Rate Year.

10

11 **Q. Do you sponsor any exhibits as part of your rebuttal testimony?**

12 A. Yes. I sponsor the following exhibits, which were prepared or compiled  
13 under my direction and supervision:

- 14 1. Exhibit \_\_ (MAH-1R) consists of two schedules:
- 15 a. Schedule 1, which is similar to Exhibit \_\_ (KXD-10)  
16 sponsored by Mr. Duah, sets forth, after correcting for  
17 errors by Mr. Duah, the Company's projected standalone  
18 credit metrics under the revenue requirement proposals of  
19 the Company and Staff in these proceedings;
- 20 b. Schedule 2 sets forth the application of Moody's credit  
21 ratings methodology to Niagara Mohawk's projected

**Rebuttal Testimony of Mustally A. Hussain**

1 financial results under the revenue requirement proposals

2 of Staff and the Company in these proceedings;

3 2. Exhibit \_\_ (MAH-2R) contains the Company's responses to  
4 information requests KXD-10 and KXD-21;

5 3. Exhibit \_\_ (MAH-3R) are Staff's responses to Information  
6 Requests NMPC-32 and NMPC-33;

7 4. Exhibit \_\_ (MAH-4R) sets forth the projected capital structures of  
8 the utility companies included in the combined proxy group of Company  
9 Witness Robert Hevert;

10 5. Exhibit \_\_ (MAH-5R) sets forth Niagara Mohawk's actual capital  
11 structure on a rolling 12-month basis for the period December 31, 2011  
12 through August 31, 2012;

13 6. Exhibit \_\_ (MAH-6R), which is similar to Exhibit \_\_ (KXD-12)  
14 sponsored by Mr. Duah, corrects for several errors made by Mr. Duah in  
15 the calculation of the Company's cost of long term debt.

16

17 **Capital Structure**

18 **Q. Please describe Mr. Duah's capital structure recommendation.**

19 A. Mr. Duah recommends that Niagara Mohawk's common equity ratio be  
20 set at 48 percent exclusive of goodwill. He asserts that this hypothetical  
21 equity level will be sufficient to permit Niagara Mohawk to maintain the

**Rebuttal Testimony of Mustally A. Hussain**

1 current single “A” credit ratings assigned to it by S&P and Moody’s  
2 assuming that Staff’s revenue requirement proposals are adopted by the  
3 Commission in these proceedings.

4

5 **Q. What capital structure did you recommend be adopted for Niagara**  
6 **Mohawk in your direct testimony?**

7 A. I recommended that a capital structure consisting of 51.4 percent common  
8 equity exclusive of goodwill be adopted for the Company. This  
9 approximates Niagara Mohawk’s current capital structure and is the  
10 targeted structure that the Company plans to maintain going forward  
11 through the implementation of the financing plan described in my direct  
12 testimony.

13

14 **Q. Why did Mr. Duah propose that your recommended capital structure**  
15 **be rejected?**

16 A. Mr. Duah advances a number of claims in support of his recommendation.  
17 First, Mr. Duah concludes (at 16), based on his review of various credit  
18 reports, that the ratings agencies “have not recognized that the Company is  
19 significantly insulated from its parent.” Second, Mr. Duah claims (at 25)  
20 that he is “concerned with the existence of double leverage in National  
21 Grid’s financing of Niagara Mohawk.” While Mr. Duah recognizes (at

**Rebuttal Testimony of Mustally A. Hussain**

1           16) that Niagara Mohawk has implemented strong measures to ring fence  
2           the Company from its parent, Mr. Duah contends that such ring fencing  
3           only provides the Company with the opportunity to request a standalone  
4           capital structure. Mr. Duah contends (at 29) that to support such a capital  
5           structure, the Company must demonstrate that it is reasonable, cost  
6           effective and supportive of the utility's credit rating. Mr. Duah ultimately  
7           concludes (at 31-32) that his recommended capital structure is preferable  
8           to the Company's proposal because it will permit the Company to  
9           maintain its A-/A3 bond ratings at a lower cost to customers.  
10          I will address each of these points in detail and demonstrate why the  
11          Company's standalone capital structure with a 51.4 percent equity  
12          component should be adopted for ratemaking purposes in this proceeding.

13

14   **Q.    What likely impact will Staff's revenue requirement proposals,**  
15       **including Mr. Duah's capital structure and cost of capital**  
16       **recommendation, have on the Company's credit ratings if adopted by**  
17       **the Commission in these proceedings?**

18   A.    I believe there is a strong likelihood that Staff's overall revenue  
19       requirement proposals, including Mr. Duah's capital structure and return  
20       on equity recommendations, will, if adopted, cause Moody's and/or S&P  
21       to downgrade the Company's credit ratings from A3/A- to as low as

### Rebuttal Testimony of Mustally A. Hussain

1           Baa2/BBB, or at a minimum place the Company on credit watch for a  
2           possible downgrade.

3

4   **Q.    How did you estimate the impact of Staff’s revenue requirement**  
5           **proposals on the Company’s credit ratings?**

6   A.    As shown on Schedule 1 of Exhibit \_\_ (MAH-1R) and set forth below,  
7           Mr. Duah’s recommendations produce S&P credit metrics for Niagara  
8           Mohawk that result in an average financial risk profile of “Aggressive.”  
9           Niagara Mohawk is considered by S&P to have a business risk profile of  
10          “Excellent.” According to S&P’s credit rating matrix, which is shown  
11          below, such metrics (*i.e.* financial risk of “Aggressive” and business risk  
12          of “Excellent”) would be indicative of a downgrade of two notches from  
13          A- to BBB. In contrast, the Company’s proposal produces S&P credit  
14          metrics that result in an average financial risk profile of “Significant,”  
15          which implies a credit rating of A-, which is the same as the credit rating  
16          currently assigned to the Company by S&P.

#### BUSINESS AND FINANCIAL RISK PROFILE MATRIX

| Business Risk Profile | Financial Risk Profile |        |              |             |            |                  |
|-----------------------|------------------------|--------|--------------|-------------|------------|------------------|
|                       | Minimal                | Modest | Intermediate | Significant | Aggressive | Highly Leveraged |
| Excellent             | AAA                    | AA     | A            | A- →        | BBB        | -                |
| Strong                | AA                     | A      | A-           | BBB         | BB         | BB-              |
| Satisfactory          | A-                     | BBB+   | BBB          | BB+         | BB-        | B+               |
| Fair                  | -                      | BBB-   | BB+          | BB          | BB-        | B                |
| Weak                  | -                      | -      | BB           | BB-         | B+         | B-               |



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1 Similarly, as also shown on Exhibit \_\_ (MAH-1R), Schedule 2, the credit  
2 metrics resulting from Mr. Duah's proposal would be indicative of at least  
3 a one notch downgrade and possibly a two notch downgrade under  
4 Moody's ratings methodology.

5

6 **Q. Why did you reach a different conclusion than Mr. Duah regarding the**  
7 **credit ratings impact of Staff's revenue requirement**  
8 **recommendations?**

9 A. While Mr. Duah estimated the Company's credit metrics based on his  
10 proposal, he did not show or calculate how the results support the  
11 Company's current "A" credit ratings under the ratings methodologies  
12 used by S&P or Moody's. Furthermore, Mr. Duah made an error in  
13 calculating his credit metrics. He did not include the cost impact of the  
14 additional \$174 million of debt that he added to the capital structure to  
15 reduce the Company's equity ratio to 48 percent. Schedule 1 of Exhibit \_\_  
16 (MAH-1R) sets forth in the column labeled "Per Staff" a revised version  
17 of Mr. Duah's Exhibit \_\_ (KXD-10) that reflects this correction. While  
18 Mr. Duah did supply a corrected Exhibit \_\_ (KXD-10) as part of Staff's  
19 response to Information Request NMPC-36, the full interest cost  
20 associated with the \$174 million does not appear to be reflected in the  
21 revised Exhibit. Exhibit \_\_ (MAH-1R) includes the appropriate interest

**Rebuttal Testimony of Mustally A. Hussain**

1 expense in the column labeled “Per Staff.”

2

3 Schedule 2 of Exhibit \_\_ (MAH-1R) clearly shows that under Moody’s

4 ratings methodology Mr. Duah’s corrected credit metrics would be

5 indicative of at least a one notch and possibly a two notch downgrade.

6 This rating downgrade is strictly the product of applying Moody’s credit

7 rating methodology to the results of Staff’s revenue requirement

8 recommendations.

9

10 If Staff’s revenue requirement proposals are adopted, the Company’s

11 projected cash flow credit metrics will fall below the levels required to

12 maintain its current A-/A3 credit ratings. This, by itself fully refutes Mr.

13 Duah’s conclusion (at 32) that “the 48% common equity ratio will provide

14 adequate overall financial metrics consistent with Niagara Mohawk’s

15 existing A-/A3 bond rating,” and demonstrates that Mr. Duah’s capital

16 structure and cost of capital recommendations are unreasonable.

17

18 **Q. If Niagara Mohawk’s credit ratings were downgraded by S&P and/or**

19 **Moody’s, would there be an adverse impact on the costs of debt that**

20 **Niagara Mohawk plans to issue between now and the end of the Rate**

21 **Year?**

**Rebuttal Testimony of Mustally A. Hussain**

1 A. Yes. Based on credit spreads as of May 2012 as set forth in Exhibit \_\_  
2 (KXD-12), the impact of a one or two notch downgrade on Niagara  
3 Mohawk's planned long term debt issuances would be to increase the  
4 interest rates by 26 basis points and 51 basis points for a one and two-  
5 notch downgrade, respectively. In terms of the actual cost impacts,  
6 downgrades of between one and two notches would cause the Company to  
7 incur increased interest costs on the proposed debt issuances through the  
8 Rate Year of between \$1.4 million and \$2.8 million annually.

9

10 **Q. Are you aware of instances in which the ratings agencies have**  
11 **downgraded utilities as a result of rate case decisions by regulatory**  
12 **authorities?**

13 A. Yes. Following the Commission's decision in Consolidated Edison  
14 Company of New York, Inc.'s ("Con Ed") 2008 rate proceeding, Con Ed  
15 was downgraded by two of the three major ratings agencies.  
16 Standard & Poor's ("S&P") made the following statement in its research  
17 update entitled *Consolidated Edison Inc Downgraded to 'A-' From 'A' on*  
18 *Rate Decision:*

19

20 *"The rating action reflects our expectations that the firm's*  
21 *financial measures will be commensurate with 'A-' after the recent*  
22 *New York Public Service Commission's \$425 million rate order for*  
23 *subsidiary Consolidated Edison Co. of New York Inc. becomes*

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1       *effective at month's end."*

2  
3       Fitch Ratings ("Fitch") also issued research reports on Con Ed on March  
4       20, 2008 ("Fitch Downgrades Con Ed of NY & Con Ed Inc. to 'A-' on  
5       Rate Decision") and March 28, 2008 ("Fitch Completes Review of Con Ed  
6       Inc. Group"). Fitch made the following comments:

7  
8       *The outcome of yesterday's rate decision by the New York Public*  
9       *Service Commission (NYPSC) will not produce cash flow credit*  
10       *measures consistent with the prior credit ratings ... The authorized*  
11       *return on equity of 9.1% is below the average for utilities of*  
12       *comparable risk, and in Fitch's view is inconsistent with the heavy*  
13       *investment program and capital raising needs facing the utility ...*  
14       *Fitch's prior ratings were based on the historical support shown*  
15       *by the NYPSC to preserve this urban utility's strong access to*  
16       *capital. However, the rate decision and the related discussion by*  
17       *commissioners in the hearing indicate the NYPSC's low regard for*  
18       *maintaining ratings at Consolidated Edison Co. of New York*  
19       *Inc...above the lowest rungs of investment grade.*

20  
21       *Also, the authorized ROE for Consolidated Edison Co. of New*  
22       *York, Inc. of 9.1% is not only well below the sector average but is*  
23       *also below average for utilities of comparable risk and in Fitch's*  
24       *view is not supportive of the projected need to raise equity and*  
25       *debt capital.*

26  
27       Lastly, Moody's, in its Credit Opinion of March 21, 2008 made the  
28       following comments:

29       *Moody's affirmed the ratings of Consolidated Edison Co. of New*  
30       *York Inc. and O&R but revised the rating outlook for all three*  
31       *companies to negative from stable. This action reflected our*  
32       *growing concern with regard to the ability of the three companies*  
33       *to achieve a materially stronger financial profile given the*  
34       *persistent weakness in key credit metrics for the companies*  
35       *relative to what we typically see for companies in the "A" rating*

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1        *category coupled with the decision by the NYPSC with respect to*  
2        *Consolidated Edison Co. of New York Inc.'s latest rate case ....The*  
3        *change to negative rating outlooks for the companies also takes*  
4        *into account our more guarded view than we have had in the past*  
5        *about the extent to which the New York regulatory environment*  
6        *will be supportive in future rate case decisions for Consolidated*  
7        *Edison Co. of New York Inc. and O&R. In particular, we note the*  
8        ***9.1% allowed return on equity (ROE) used by the NYPSC in late***  
9        ***2007 for O&R's rate investigation.... And the recent fully litigated***  
10       ***decision in Consolidated Edison Co. of New York Inc.'s electric***  
11       ***rate case, which granted only about 35% of the \$1.2 billion rate***  
12       ***increase requests...also based on a 9.1% allowed ROE (reportedly***  
13       ***the lowest ROE granted to an electric utility in over 30 years).***  
14       ***(emphasis added)***  
15

16       It is abundantly clear from these credit reports that the ratings agencies  
17       will closely review decisions in base rate cases and may downgrade the  
18       Company if it receives insufficient rate relief to support its current credit  
19       rating.

20

21       **Q.    Are you aware of proposals in these proceedings that might affect the**  
22       **way the ratings agencies view the Company's business risks?**

23       A.    Yes. My understanding is that Staff is recommending certain changes in  
24       the gas safety performance mechanism that would increase the Company's  
25       exposure to downward revenue adjustments if certain performance  
26       mechanisms are not met. The adoption of such mechanisms increases the  
27       Company's business risks. To the extent the ratings agencies determine  
28       that the Company's business risks have increased as a result of these

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1           proceedings, such increase in risks coupled with the impact of Staff's  
2           recommendations on the Company's financial credit metrics would make  
3           it even more likely that the Company's credit ratings would be  
4           downgraded.

5

6   **Q.   Do you agree with Mr. Duah's conclusion regarding the degree to**  
7       **which Niagara Mohawk is financially separated from National Grid**  
8       **plc ("National Grid")?**

9   A.   I agree with Mr. Duah's statement (at 16) that "... Niagara Mohawk has  
10       implemented strong financial measures to ring fence the Company from its  
11       parent company." However, Mr. Duah then says that "the rating agencies  
12       have not recognized that the Company is significantly insulated from its  
13       parent. As illustrated by the statements of S&P and Moody's, the bond  
14       ratings of Niagara Mohawk continue to be tied to the financial health of  
15       National Grid." Mr. Duah goes on to note that he believes that the  
16       analyses provided by the ratings agencies are "perplexing."

17

18   **Q.   Mr. Duah states (at 16) that you have recognized that Niagara**  
19       **Mohawk's credit rating is linked with that of National Grid. Do you**  
20       **have any comments concerning this claim?**

21   A.   While it is certainly the case that the credit reports issued by Moody's and

**Rebuttal Testimony of Mustally A. Hussain**

1 S&P frequently discuss Niagara Mohawk and National Grid in the same  
2 report, the facts are as follows:

3 (i) Niagara Mohawk's unsecured debt ratings of A3 and A- are one  
4 notch higher than National Grid's unsecured debt ratings of Baa1  
5 and BBB+. From this alone it is clear that the two entities are  
6 viewed differently. This is further illustrated by a comparison of  
7 the analytical rating factors assigned to each entity by Moody's.  
8 Attached as part of Exhibit \_\_ (MAH-2R) is the Company's  
9 response to Information Request KXD-21. The response indicates  
10 clearly that Moody's views Niagara Mohawk and National Grid as  
11 very different companies from a credit quality perspective even  
12 though Moody's concludes that there is only a one notch difference  
13 between Niagara Mohawk and National Grid. It is also clear from  
14 this response that the credit rating benefits of the Company's  
15 robust ring fencing measures are being offset by Moody's  
16 assessment of the relatively less favorable regulatory environment  
17 in New York as compared to that in the United Kingdom ("UK"),  
18 as evidenced by the ratings assigned to the "regulatory framework"  
19 and "ability to recover costs and earn returns" factors. If Niagara  
20 Mohawk were assigned the same ratings as National Grid for these  
21 categories, under Moody's ratings methodology, the Company's

**Rebuttal Testimony of Mustally A. Hussain**

1 implied credit rating would be A1, or 3 notches higher than

2 National Grid's current rating of Baa1.

3 (ii) Niagara Mohawk's ability to access the capital markets on a  
4 standalone basis was demonstrated in 2009 when it issued long-

5 term debt at very favorable interest rates. Had National Grid

6 issued such debt, the rates on 10-year debt and 5-year debt would

7 have been higher by 66 basis points and 33 basis points,

8 respectively, as described in my direct testimony (at 13).

9 (iii) Exhibit \_\_ (MAH-2R) contains Moody's report from July 22, 2009  
10 that discusses the regulatory ring fencing that insulates Niagara

11 Mohawk from its parent. Specifically, on page 4, it states:

12 We note that strengthened regulatory ring fencing was introduced  
13 as required by the NYPSC when it approved the KeySpan  
14 acquisition in 2007, which affords additional insulation from the  
15 potential need for cash elsewhere within the family. While the ring  
16 fencing changes did not contribute to a change in NiMo's rating  
17 level, they are viewed as a credit positive, albeit to the possible  
18 detriment of creditworthiness elsewhere within the National Grid  
19 family.  
20

21 In its September 22, 2010 credit report (also Exhibit \_\_ (MAH-  
22 2R), page 9, S&P states:

23 The corporate credit ratings of the two New York distribution  
24 companies KeySpan Delivery New York (KEDNY) and KeySpan  
25 Delivery Long Island (KEDLI) are rated one notch higher than the  
26 consolidated corporate credit rating, reflecting the presence of  
27 regulatory insulation and their healthier stand-alone financial



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1 profiles.

2

3 The Commission approved additional financial protections for Niagara  
4 Mohawk in July 2012 that are similar to those in place for KEDNY and  
5 KEDLI and referenced in the above-quoted opinion. These additional  
6 provisions were only fairly recently adopted by the Commission and the  
7 Company has no reason to believe that the rating agencies will not  
8 recognize these protections in the same way that they have recognized  
9 those adopted by KEDNY and KEDLI.

10

11 More significantly, it is undisputed in this proceeding that the ring fencing  
12 provisions for Niagara Mohawk provide strong financial insulation  
13 between Niagara Mohawk and National Grid. Thus, regardless of how  
14 Moody's and S&P actually write their credit reports, the facts are that  
15 strong financial insulation between Niagara Mohawk and National Grid  
16 exists and that these agencies, and more importantly the capital markets,  
17 recognize a significant credit rating distinction between National Grid and  
18 Niagara Mohawk. These facts support a finding that the Company is  
19 adequately ring fenced such that the Commission should approve the use  
20 of Niagara Mohawk's standalone capital structure to set rates in this  
21 proceeding.

**Rebuttal Testimony of Mustally A. Hussain**

1   **Q.    Do you agree with Mr. Duah’s claims on pages 25-29 of his testimony**  
2           **that double leverage exists between National Grid and its**  
3           **subsidiaries?**

4    A.   No. I do not. Mr. Duah (at 26) defines double leverage as “a situation  
5           where a holding company raises funds through debt and downstreams it as  
6           equity capital to a subsidiary.” Under this definition, double leverage  
7           would not exist. As discussed in my direct testimony, since its acquisition  
8           by National Grid in 2002, Niagara Mohawk has increased its equity ratio  
9           from approximately 25 percent to approximately 51 percent by retaining  
10          its earnings, not as a result of any significant equity infusions by National  
11          Grid. Thus, under the definition of double leverage adopted by Mr. Duah,  
12          double leverage does not exist.

13

14   **Q.    Mr. Duah also asserts that in the case of double leverage a**  
15           **“subsidiary’s equity is greater than that of the parent” (at 26).**  
16           **Assuming that the common equity percentage reflected in Niagara**  
17           **Mohawk’s capital structure exceeds the percentage of equity in**  
18           **National Grid’s capital structure, would such a difference support**  
19           **Mr. Duah’s claim that it is not reasonable to use Niagara Mohawk’s**  
20           **standalone capital structure for ratemaking purposes?**

21   A.   No. As long as the equity on Niagara Mohawk’s books is devoted to and

**Rebuttal Testimony of Mustally A. Hussain**

1 legitimately supports its public utility operations, there is no reason why  
2 the Company's actual standalone capital structure should not be used for  
3 ratemaking purposes. The Commission does not regulate National Grid's  
4 return. Moreover, even if the Commission did regulate National Grid's  
5 return, Mr. Duah has presented no evidence other than a hypothetical  
6 illustration in Exhibit \_\_ (KXD-7) that double leverage produces a return  
7 in excess of the cost of National Grid's capital. Mr. Duah has provided no  
8 evidence whatsoever to support a claim that double leverage somehow  
9 results in excessive earnings for National Grid.

10

11 **Q. Are you aware of whether Mr. Duah has previously submitted**  
12 **testimony in a Commission proceeding in which he contended that**  
13 **concerns about double leverage do not arise where a utility is**  
14 **sufficiently ring fenced?**

15 A. Yes. In Cases 09-E-0715 *et al.* involving New York State Electric and  
16 Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation  
17 ("RGE"), Mr. Duah submitted testimony as part of the Staff Finance Panel  
18 that states (at 50) as follows:

19 Q. Is Staff concerned about double leverage in this  
20 proceeding?

21 A. No. We are not concerned about double leverage in this  
22 proceeding because at this time NYSEG and RG&E are  
23 sufficiently ring-fenced from their parents and are being

**Rebuttal Testimony of Mustally A. Hussain**

1           treated on a stand-alone basis. This obviates concerns  
2           about double leverage that Staff has enumerated in prior  
3           cases and allows us to view Iberdrola USA's infusion of  
4           equity to be treated the same as an external equity issuance  
5           in the capital markets. In substance, due to the ring fencing  
6           measures in place, equity capital infused in the Companies  
7           by the parent takes the characteristics of equity. This is  
8           because the parents cannot make unfettered claims to that  
9           capital once it is in possession of the Companies.  
10

11   **Q.    Are you aware of any material differences in the ring fencing**  
12           **provisions pertaining to NYSEG and RGE and those pertaining to**  
13           **Niagara Mohawk that would result in a different conclusion as to the**  
14           **applicability of double leverage?**

15   A.    No. My understanding is that the ring fencing provisions that apply to  
16           NYSEG and RGE are not meaningfully different from those that apply to  
17           Niagara Mohawk. This is Mr. Duah's understanding as well, as shown in  
18           Exhibit \_\_ (MAH-3R), page 1.  
19

20   **Q.    Mr. Duah points out (at 33-34) that the Commission adopted capital**  
21           **structures with 48 percent equity components for Niagara Mohawk in**  
22           **its previous electric base rate case and other New York utilities in**  
23           **their recent cases. Do you have any comments concerning these**  
24           **statements?**

25   A.    Yes. With respect to Niagara Mohawk, while it may have been the case in

**Rebuttal Testimony of Mustally A. Hussain**

1 the 2010 Electric Case that a capital structure with a 48 percent equity  
2 component was sufficient to enable the Company to maintain its current  
3 A-/A3 bond ratings, the credit metrics set forth in Exhibit \_\_ (MAH-1R)  
4 indicate that this would no longer be the case. Indeed, as Exhibit \_\_  
5 (MAH-1R) shows, the Company faces a significant challenge in  
6 maintaining its A3 rating from Moody's even if its revenue requirement  
7 proposals in this proceeding are adopted in full. In addition, of the other  
8 utilities cited by Mr. Duah, only Con Ed has the same A-/A3 credit ratings  
9 as Niagara Mohawk. As set forth on Exhibit \_\_ (MAH-3R), Orange and  
10 Rockland Utilities, Inc.'s rating is slightly below the Company's rating  
11 and NYSEG and RGE each have significantly lower ratings from both  
12 S&P and Moody's.

13

14 **Q. Do you have any comments concerning Mr. Duah's suggestion (at 32)**  
15 **that your proposed capital structure causes "unwarranted costs to**  
16 **ratepayers and is thus not cost-effective"?**

17 A. As I stated in my direct testimony, the capital structure that I am  
18 recommending is the Company's projected actual Rate Year capital  
19 structure, and is designed to permit the Company to maintain its current  
20 A3/A- bond ratings. Mr. Duah appears to agree that it is appropriate to  
21 establish a capital structure that will permit the Company to maintain its

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1 current bond ratings. As stated in my direct testimony, it is cheaper for the  
2 Company to issue its own debt than to have it issued by its ultimate parent,  
3 given the credit rating difference between National Grid and Niagara  
4 Mohawk. Indeed, the Company's customers will save an estimated \$57.8  
5 million in interest expense over the life of the most recent \$1.25 billion  
6 debt issue as a result of the fact that Niagara Mohawk was able to issue  
7 this debt more cost effectively than National Grid. This estimate does not  
8 include the benefit from future issuances, which may be substantial given  
9 that the Company continues to make substantial capital expenditures that  
10 will be financed with a mix of long-term debt and equity. If Mr. Duah's  
11 capital structure recommendation is adopted in this proceeding and the  
12 Company's credit rating is downgraded, its debt funding costs will rise  
13 significantly and its access to capital markets will be unnecessarily  
14 jeopardized. Under these circumstances, the Company's proposed equity  
15 ratio is cost effective for the customers.

16

17 **Q. Is there other evidence that the Company's capital structure is**  
18 **reasonable?**

19 A. Yes. The Company's proposed equity ratio (51.40 percent) is similar to  
20 the mean equity ratio of 50.53 percent of the utility subsidiaries from the  
21 combination of proxy group companies used by Company Witness Hevert

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1 and Staff Witness Duah to estimate the Company's cost of equity. *See*  
2 Exhibit \_\_ (RBH-14R). In addition, Exhibit \_\_ (MAH-4R) shows that the  
3 mean equity ratio of the utility companies in the combined proxy group is  
4 projected by Value Line to be 50.3 percent for 2013 and 50.6 percent for  
5 the 2015-2017 period. Thus, the Company's standalone capital structure  
6 with an equity component of 51.4 percent is more comparable to the utility  
7 companies in the combined proxy group than Mr. Duah's hypothetical  
8 capital structure in terms of financial risk.

9

10 **Q. What capital structure has Niagara Mohawk maintained in the recent**  
11 **past?**

12 A. The Company's actual capital structure since December 31, 2011 is  
13 presented in Exhibit \_\_ (MAH-5R). As shown on this exhibit, the  
14 Company's actual capital structure on a rolling 12-month basis has  
15 remained above 50 percent since December 31, 2011. In addition, the  
16 Company's capital structure, on average, has consistently been in the 50  
17 percent to 52 percent range over the last 5 years.

18

19 **Interest Rates**

20 **Q. Have you reviewed Mr. Duah's calculation of the Company's**  
21 **proposed cost of long-term debt?**

**Rebuttal Testimony of Mustally A. Hussain**

1     A.     Yes. Mr. Duah made several errors in the calculation of his proposed cost  
2           of long-term debt, which I have corrected in Exhibit \_\_ (MAH-6R). First,  
3           Mr. Duah mistook the yearly amortization of debt discount and expense  
4           (DD&E) for the unamortized balance of DD&E and incorrectly amortized  
5           it again. This resulted in the issuance expense being amortized twice.  
6           Second, Mr. Duah used the net proceeds method whereby the outstanding  
7           balance of long-term debt is reduced by the unamortized balance of  
8           DD&E to generate a return on this balance. This results in another double  
9           count because the Company has already included the unamortized balance  
10          of DD&E in rate base to achieve the same result. Correcting these errors  
11          changes Mr. Duah's cost of long-term debt to 4.08 percent instead of 3.92  
12          percent.

13

14    **Q.     Does this conclude your rebuttal testimony?**

15    A.     Yes.





**Rebuttal Testimony of Mustally A. Hussain**

**List of Exhibits**

|                     |  |
|---------------------|--|
| Exhibit __ (MAH-1R) | Schedule 1 – Company’s Projected Standalone Credit Metrics and Schedule 2 – Application of Moody’s Credit Ratings’ Methodology to Niagara Mohawk’s Projected Financial Results |
| Exhibit __ (MAH-2R) | Company’s Responses to Information Requests KXD-10 and KXD-21  |
| Exhibit __ (MAH-3R) | Staff’s Responses to Information Requests NMPC-32 and NMPC-33  |
| Exhibit __ (MAH-4R) | Projected Capital Structure of Utility Companies   |
| Exhibit __ (MAH-5R) | Niagara Mohawk’s Capital Structure on a Rolling 12 Month Basis for the Period December 31, 2011 through August 31, 2012  |
| Exhibit __ (MAH-6R) | Correction of Staff Witness Duah’s Exhibit __ (KXD-12)   |



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Exhibit \_\_ (MAH-1R)

Schedule 1 – Company’s Projected Standalone Credit Metrics  
and  
Schedule 2 – Application of Moody’s Credit Ratings’ Methodology to Niagara  
Mohawk’s Projected Financial Results

Cases 12-E-0201 & 12-G-0202  
**NIAGARA MOHAWK POWER CORPORATION**  
**Comparative Analysis of Niagara Mohawk's Credit Metrics**

|  | Per Company (\$1000) | Ratings Category | Per Staff (\$1000) | Ratings Category |
|--|----------------------|------------------|--------------------|------------------|
|  | <b>2014</b>          |                  | <b>2014</b>        |                  |
| Net Income   | \$305,664            |                  | 245,898            |                  |
| Depreciation and Amortization                        | \$231,297            |                  | 223,925            |                  |
| Amortization of stranded costs and deferrals         | \$7                  |                  | 3,714              |                  |
| Pensions, deferrals and other non-cash items         | (177,071)            |                  | (162,690)          |                  |
| Deferred Income Taxes                                | \$61,667             |                  | 63,896             |                  |
| Funds From Operation                                 | \$421,564            |                  | \$374,743          |                  |
| Changes in Working Capital                           | \$151,070            |                  | 151,070            |                  |
| Net Income   | \$305,664            |                  | 245,898            |                  |
| Interest Expense                                     | \$76,516             |                  | 77,363             |                  |
| Interest Expense from Addtl Debt for Equity of 48% * |                      |                  | 7,200              |                  |
| Income Taxes   | \$131,398            |                  | 138,896            |                  |
| Deferred Income Taxes                                | \$61,667             |                  | 63,896             |                  |
| Amortization of stranded costs and deferrals         | \$7                  |                  | 3,714              |                  |
| Depreciation and Amortization                        | \$231,297            |                  | 223,925            |                  |
| EBITDA   | \$806,549            |                  | \$760,893          |                  |
| Capital Expenditures                                 | \$597,341            |                  | 565,566            |                  |
| Dividend Payments                                    | \$126,060            |                  | 126,060            |                  |
| Total Average Debt                                   | \$2,602,589          |                  | 2,632,080          |                  |
| Total Average Capitalization                         | \$5,455,913          |                  | 5,189,560          |                  |
| <b>Standard &amp; Poor's Credit Metrics</b>          |                      |                  |                    |                  |
| Funds from Operation/Debt                            | 16.2%                | Aggressive       | 14.2%              | Aggressive       |
| Debt/EBITDA (x)                                      | 3.2                  | Significant      | 3.5                | Significant      |
| Debt/Capital   | 48%                  | Significant      | 50.7%              | Aggressive       |
| <b>Moody's Credit Metrics</b>                        |                      |                  |                    |                  |
| Cash Flow Interest Coverage (x)                      | 6.5                  | Aa               | 5.4                | A                |
| Cash Flow/Debt                                       | 16.2%                | Baa              | 14.2%              | Baa              |
| Retained Cash Flow/Debt                              | 11.4%                | Baa              | 9.4%               | Baa              |
| Debt/Capital   | 36%                  | A                | 38.3%              | A                |

\* The indicated credit rating for Cash Flow Interest Coverage does not change from the level indicated if the additional interest expense of \$7.2M associated with the \$174M of debt is not included.

**NIAGARA MOHAWK'S IMPLIED CREDIT RATINGS  
PER MOODY'S RATINGS METHODOLOGY**

| Factor                       | Description   | Weight        | Latest Credit Report - 8/15/2012 |               |                | Company Position |               |                | Staff Position |               |                |
|------------------------------|---|---------------|----------------------------------|---------------|----------------|------------------|---------------|----------------|----------------|---------------|----------------|
|                              |   |               | Rating                           | Numeric Score | Weighted Score | Rating           | Numeric Score | Weighted Score | Rating         | Numeric Score | Weighted Score |
| 1                            | Regulatory Framework                                  | 25.0%         | Baa                              | 9             | 2.3            | Baa              | 9             | 2.3            | Baa            | 9             | 2.3            |
| 2                            | Ability to Recover Cost and Earn Returns              | 25.0%         | Baa                              | 9             | 2.3            | Baa              | 9             | 2.3            | Baa            | 9             | 2.3            |
| 3                            | Diversity   | 10.0%         | Baa                              | 9             | 0.9            | Baa              | 9             | 0.9            | Baa            | 9             | 0.9            |
|                              | <u>Financial Strength, Liquidity, and Key Metrics</u> | <u>40.0%</u>  |                                  |               |                |                  |               |                |                |               |                |
| 4 (a)                        | Liquidity   | 10.0%         | Baa                              | 9             | 0.9            | Baa              | 9             | 0.9            | Baa            | 9             | 0.9            |
| 4 (b)                        | Cash Flow Interest Coverage                           | 7.5%          | Aa                               | 3             | 0.2            | Aa               | 3             | 0.2            | A              | 6             | 0.5            |
| 4 (c)                        | Cash Flow/Debt  | 7.5%          | Aa                               | 3             | 0.2            | Baa              | 9             | 0.7            | Baa            | 9             | 0.7            |
| 4 (d)                        | Retained Cash Flow/Debt                               | 7.5%          | A                                | 6             | 0.5            | Baa              | 9             | 0.7            | Baa            | 9             | 0.7            |
| 4 (e)                        | Debt/Capital  | 7.5%          | Aa                               | 3             | 0.2            | A                | 6             | 0.5            | A              | 6             | 0.5            |
| <b>Total</b>                 |   | <b>100.0%</b> |                                  |               | <b>7.4</b>     |                  |               | <b>8.3</b>     |                |               | <b>8.6</b>     |
| <b>Implied Credit Rating</b> |   |               |                                  |               | <b>A3</b>      |                  |               | <b>Baa1</b>    |                |               | <b>Baa2</b>    |
| <b>Actual Credit Rating</b>  |   |               |                                  |               |                |                  | <b>A3</b>     |                |                |               |                |



**Case 12-E-0201**  
**Case 12-G-0202**

**Rebuttal Testimony of Mustally A. Hussain**

Exhibit \_\_ (MAH-2R)

Company's Responses to Information Requests KXD-10 and KXD-21



Date of Request: May 11, 2012  
Due Date: May 21, 2012

Request No. DPS-27(KXD-10)  
NMPC Req. No. NM-27

NIAGARA MOHAWK POWER CORPORATION  
Case No. 12-E-0201 and 12-G-0202 - Niagara Mohawk Power Corporation d/b/a  
National Grid - Electric and Gas Rates

Request for Information

FROM: Kwaku Duah  
TO: Mustally A. Hussain  
SUBJECT: Structural Subordination and Holding Company Ratings

Request:

Reference page 47 of your Exhibit MAH-3 in which Moody's stated  
*"We then assess the degree of legal and regulatory insulation that exists between the generally lower-risk regulated entities and the generally higher-risk unregulated entities. The degree of notching (or rating differential) between entities in a single family of companies depends on the degree of insulation that exists between the regulated and unregulated entities, as well as the amount of debt at the holding company in comparison to the consolidated entity. If there is minimal insulation or ring-fencing between the parent and subsidiary and little to no debt at the parent, there is typically a one notch differential between the two to reflect structural subordination of the parent company debt compared to the operating subsidiary debt. If there is substantial insulation between the two and/or debt at the parent company is a material percentage of the overall debt, there could be two or more notches between the ratings of the parent and the subsidiary."*

- a. Provide any report from either S&P or Moody's demonstrating that Niagara Mohawk is substantially insulated or ring-fenced from the parent.
- b. Provide any report from either S&P or Moody's demonstrating that Niagara Mohawk's current rating of A- is not linked with the ultimate parent.

Response:

- a. Attachment 1 to DPS-27(KXD-10) contains Moody's report from July 22, 2009 reflecting the regulatory ring fencing that insulates Niagara Mohawk from its parent. Specifically, it states:

"We note that strengthened regulatory ring fencing was introduced as required by the NYPSC when it approved the KeySpan acquisition in 2007, which affords

additional insulation from the potential need for cash elsewhere within the family. While the ring fencing changes did not contribute to a change in NiMo's rating level, they are viewed as a credit positive, albeit to the possible detriment of creditworthiness elsewhere within the National Grid family”

In its September 22, 2010 credit report (Attachment 2 to DPS-27), S&P states:

“The corporate credit ratings of the two New York distribution companies KeySpan Delivery New York (KEDNY) and KeySpan Delivery Long Island (KEDLI) are rated one notch higher than the consolidated corporate credit rating, reflecting the presence of regulatory insulation and their healthier stand-alone financial profiles.”

Niagara Mohawk has financial protections in place that are similar to those in place for KEDNY / KEDLI and has pending before the Commission some additional protections. While S&P has not explicitly recognized the financial protections at Niagara Mohawk, the Company has no reason to believe that similar recognition of Niagara Mohawk’s financial protections will not be forthcoming.

- b. No such report is available from S&P.

Moody’s has recognized the ring fencing of Niagara Mohawk from its parent, as described in part (a) above. Neither Moody’s nor the Company is claiming that Niagara Mohawk’s current rating is not linked with the ultimate parent in any way.

Name of Respondent:  
Mustally Hussain

Date of Reply:  
May 21, 2012



Global Credit Research  
Credit Opinion  
22 JUL 2009

Credit Opinion: [Niagara Mohawk Power Corporation](#)

**Niagara Mohawk Power Corporation**

*Syracuse, New York, United States*

#### Ratings

| Category                             | Moody's Rating |
|--------------------------------------|----------------|
| Outlook                              | Stable         |
| Issuer Rating                        | A3             |
| Senior Secured                       | A2             |
| Senior Unsecured MTN                 | A3             |
| Preferred Stock                      | Baa2           |
| <b>Ult Parent: National Grid Plc</b> |                |
| Outlook                              | Stable         |
| Issuer Rating                        | Baa1           |
| Senior Unsecured                     | Baa1           |
| Commercial Paper                     | P-2            |
| Other Short Term                     | P-2            |
| <b>Parent: National Grid USA</b>     |                |
| Outlook                              | Stable         |
| Issuer Rating                        | A3             |
| Senior Unsecured                     | A3             |
| Commercial Paper                     | P-2            |

#### Contacts

| Analyst                  | Phone        |
|--------------------------|--------------|
| Kevin G. Rose/New York   | 212.553.0389 |
| William L. Hess/New York | 212.553.3837 |

#### Key Indicators

[1][2]

**Niagara Mohawk Power Corporation**

|   | FY 2009 | FY 2008 | FY 2007 | FY 2006 |
|---|---------|---------|---------|---------|
| (CFO Pre-W/C + Interest) / Interest Expense | 5.7     | 4.9     | 5.5     | 4.4     |
| (CFO Pre-W/C) / Debt                        | 28%     | 28%     | 31%     | 21%     |
| (CFO Pre-W/C - Dividends) / Debt            | 28%     | 28%     | 31%     | 21%     |
| (CFO Pre-W/C - Dividends) / Capex           | 165%    | 225%    | 306%    | 316%    |
| Debt / Book Capitalization                  | 30%     | 35%     | 37%     | 42%     |
| EBITA Margin %                              | 23%     | 24%     | 24%     | 24%     |

[1] All ratios calculated in accordance with the Global Regulated Electric Utilities Rating Methodology using Moody's standard adjustments [2] Fiscal Year End March 31st

*Note: For definitions of Moody's most common ratio terms please see the accompanying [User's Guide](#).*

#### Opinion

##### Rating Drivers

Generally low risk electric and gas transmission and distribution (T&D) operations

Regulatory support under performance-based rate plans in New York

Sound financial performance expected to continue

Significant financial and operational interdependencies within the National Grid family

#### **Corporate Profile**

Niagara Mohawk Power Corporation (NiMo), is a wholly-owned subsidiary of National Grid USA (NG USA), which is the United States-based intermediate level holding company for the U.S. regulated utility businesses ultimately owned by National Grid plc, a holding company headquartered in the United Kingdom (UK) for a range of largely regulated T&D businesses in the U.S. and the UK.

NiMo provides electric T&D service in upstate New York and delivers natural gas in eastern, northern, and central New York. NiMo's retail rates are subject to the jurisdiction of the New York Public Service Commission (NYPSC).

#### **SUMMARY RATING RATIONALE**

Using the Moody's Rating Methodology for Global Regulated Electric Utilities in concert to some degree with the Rating Methodology for European Complex Holding Company Structures as a framework, NiMo's A3 senior unsecured rating reflects its favorable business and operating risk profile; support provided by the NYPSC which has allowed NiMo to institute a performance-based rate (PBR) plan that provides a means for the utility to receive cash recovery of its significant regulatory assets; key financial metrics in recent periods that are typical of A-rated electric T&D utility peers; and a liquidity position that is viewed as sufficient, albeit taking into account that NiMo has historically supplemented its internally generated cash flow by being an active borrower under the NG USA money pool.

#### **DETAILED RATING CONSIDERATIONS**

##### **FAVORABLE BUSINESS, OPERATING, AND REGULATORY RISK PROFILES**

NiMo's business activities remain entirely focused on the transmission and distribution of electricity and delivery of natural gas, which contributes to its generally low business risk profile. Since divesting its generation assets, NiMo has been recovering the significant regulatory assets created by the sales under the terms provided by the ten-year merger rate plan, which runs through February 2012. In particular, the rate plan provides for accelerated amortization of the regulatory assets in the latter years, which is apparent in the favorable trend noted for key credit metrics (see Financial Metrics below for more specifics). Also, NiMo is able to retain a portion of excess earnings above the allowed 10.6% return on equity as defined in the agreement.

Meanwhile, NiMo retains the provider of last resort (POLR) role for its electric customers. Supplies have been routinely arranged by purchasing power under long-term purchase power agreements (PPAs) and other open market purchases through the New York Independent System Operator. The arrangements with the NYPSC have been providing for generally timely and virtually full recovery of the costs associated with serving as the POLR. This is a heavily weighted consideration in our overall assessment of the degree of support provided to NiMo by the NYPSC. Since commodity prices can tend to be volatile at times, any shift by the NYPSC to restrict timely and full recovery of these costs could contribute to weaker financial results and downward rating pressure.

Although revenues generated by delivery of natural gas comprised only 20% of NiMo's consolidated revenues for FY'08, it is still important for NiMo to maintain sufficient access to the lowest possible cost supplies in fulfilling its responsibility to meet gas demands of retail customers in its franchise service territory. The company has done reasonably well in this regard, thanks in part to the multiple points of direct connections with interstate pipelines. The future financial performance of NiMo's gas distribution operations is expected to benefit from a recent gas distribution rate case, which resulted in approval of a two-year settlement granting a \$39.4 million rate increase in the first year (new rates effective May 20, 2009) and rate adjustments in the second year to address a variety of changes in costs related to pension and post-retirement plans and environmental remediation, and to true up the actual cost of any new long-term debt. This outcome, resulting in the first gas delivery rate increase since 1996, also included approval of a revenue decoupling mechanism and expanded capital infrastructure investments, among other requests.

We note that strengthened regulatory ring fencing was introduced as required by the NYPSC when it approved the Keyspan acquisition in 2007, which affords additional insulation from the potential need for cash elsewhere within the family. While the ring fencing changes did not contribute to a change in NiMo's rating level, they are viewed as a credit positive, albeit to the possible detriment of creditworthiness elsewhere within the National Grid family.

Prospectively, we anticipate that NiMo will prepare to file a general electric rate case probably towards Q1-2010 in anticipation of expiration of its long-term merger rate plan in February 2012 and to address recovery of capital expenditures that will likely be in excess of recent periods. Our ratings assume that Niagara Mohawk will be successful in these filings, with new rates anticipated to take effect by January 2011, thereby establishing a reasonable opportunity to earn on its utility investments and maintain earnings and cash flow levels to help sustain key metrics at levels commensurate with what is typically seen for regulated utilities at the A3 senior unsecured level. In the event that settlement negotiations are part of the process for future rate filings, we would likely expect

shorter tenors given current market dynamics and a desire to retain more flexibility with respect to timing of future rate cases.

#### STRONG FINANCIAL METRICS EXPECTED TO BE THE NORM FOR MEDIUM TERM

Profitable utility operations and cash recovery through accelerated amortization of regulatory assets under the ten-year rate plan have resulted in healthy levels of positive free cash flow for NiMo over the past four years. NiMo has used this cash to achieve significant reduction in the utility's gross debt level, which has contributed to corresponding favorable improvements in key credit metrics. For FY 2009, NiMo's cash flow from operations (exclusive of changes in working capital) covered its interest and debt by 6.3x and 31.5%, respectively (subject to potential further adjustments upon clarification of underfunded pension obligations). Also, as of March 31, 2009, NiMo's adjusted debt to adjusted capitalization, calculated in accordance with Moody's Global Rating Methodology for Regulated Electric Utilities (i.e., including non-current deferred income taxes as part of total capitalization) was 30.8% (subject to potential further adjustments upon clarification of underfunded pension obligations). These levels leave NiMo comfortably positioned relative to peers. We note that the ultimate parent has not historically relied upon NiMo for dividends; however, prospectively we would not be surprised to see the parent take dividends from NiMo, consistent with financial strategies to realign the utility's capital structure with an equity level closer to that used as a basis for establishing revenue requirements in rate case proceedings (i.e. 43.7% in NiMo's recently concluded gas rate case). At the same time, it is our understanding that management will manage this realignment process in a credit neutral way and we will be wary of any unexpected change in support provided to NiMo by the NYPSC that might jeopardize achieving this objective.

#### Liquidity

NiMo maintains sufficient liquidity by supplementing its cash on hand and internally generated cash flow from operating activities with borrowings from other NG USA companies through the inter-company money pool. Cash management in the NG USA system is conducted through an inter-company pool, which serves as an investment vehicle for the participants' excess cash as well as a relatively inexpensive short-term liquidity reserve. The quality of alternate liquidity could, however, be improved upon in our opinion by arranging for more substantial committed standalone multi-year bank credit facilities not burdened by a material adverse change clause. Participating regulated utility subsidiary companies contribute their excess cash to the pool. The surplus cash invested in the pool is first used to meet the short-term borrowing needs of eligible subsidiaries. Companies borrowing from the pool pay rates linked to A1/P-1 30-day commercial paper rates. Any remaining cash is typically invested into Aaa rated money funds with same day liquidity. As a measure of additional security, NG USA's parent, the UK-based National Grid plc, has the ability to increase the amount of cash in the pool through direct loans to NG USA. Alternatively, NG USA can also issue commercial paper and medium term notes in lieu of or to supplement direct loans from the UK parent.

NiMo has historically been a borrower under the money pool and, while we expect that it will continue to take advantage of that source of short term funds, we anticipate that NiMo will revert in the near term to issuance of third party long-term debt to repay the large borrowings outstanding under the money pool as of March 31, 2009 and as it moves ahead with its T&D utility capital expenditure plans. At this stage, NiMo has no standalone bank credit facility. It does, however, have \$100 million of sub-limit availability for letters of credit under a joint arrangement among NG USA and several other affiliates in the US, which expires November 29, 2009. We expect that the need for this facility will be addressed within the context of an ongoing consolidated liquidity planning strategy ahead of its expiration date. We are particularly focused on liquidity for corporate rated issuers, particularly in light of current bank market conditions, which make it likely that pricing will increase and tenors will be shortened along with the possibility of stricter covenants and other conditionality. The existing joint arrangement has a traditional material adverse change clause that does not apply beyond closing and does not contain any rating triggers that would result in any acceleration or put of obligations. The arrangement also contains a 65% maximum allowable debt level (as defined) that applies to NiMo. As of March 31, 2009, there was significant headroom versus the 65% level allowed for NiMo and we expect that to remain the norm for the foreseeable future.

As of March 31, 2009, NiMo had about US\$23.1 million of unrestricted cash on hand, while owing about US\$650.6 million to affiliates under the money pool and reporting US\$350 million as the current portion of long-term debt (CPLTD). The significantly higher than typical amount of short term borrowing under the money pool results from use of that source to repay a \$600 million long-term senior note issue that matured in October 2008 and the \$350 million CPLTD relates to \$350 million intercompany note due July 31, 2009. With regard to recent past practices, NiMo has been repaying debt with positive free cash flow or otherwise refinancing with inter-company instead of third party debt. Going forward, we expect NiMo to again begin issuing third party long-term debt once it receives clarification from the NYPSC on its May 2009 decision authorizing NiMo to issue up to \$2.0 billion of long-term debt through March 31, 2012. Although we expect that NiMo will address the impending inter-company note maturity with internal borrowing, we anticipate a long-term debt issue later this year to address repayment of a substantial portion of borrowings under the money pool. In addition to the US\$350 million inter-company note due July 31, 2009, NiMo's next material long-term debt maturity is another US\$350 million inter-company note due June 30, 2010. In considering NiMo's other near term calls on cash, the company is following through on a Reliability Enhancement Program (REP) aimed at improving the utility's overall performance and reliability as well as enhancing opportunities to achieve financial benefits under performance based regulation currently in place. Setting aside long-term debt maturities, but taking into account spending for the REP, which could result in NiMo again making capital expenditures in excess of US\$400 million in FY 2010, and the likely commencement of dividends to be paid to National Grid USA, we anticipate that NiMo will still be cash flow positive, albeit considerably less so than in recent years. As a result, we would expect the pace of NiMo's debt reduction to taper

off considerably going forward.

#### Rating Outlook

The stable rating outlook for NiMo mirrors the stable rating outlook for its ultimate parent National Grid plc and all the other rated entities in the group, largely reflecting the significant interdependencies that exist within the National Grid group of companies and our view that on the whole the National Grid Group's credit quality will strengthen during FY 2010, thereby solidifying ratings for NiMo and those of the other rated entities within the family. Under this scenario, we believe that there would be additional headroom within existing ratings, thereby providing a degree of flexibility that does not currently exist.

#### What Could Change the Rating - Up

Assuming some guidance under the Moody's Rating Methodology for Complex European Holding Company Structures, it is unlikely that the ratings for NiMo will go up in the near future, unless there is a change in the view of the overall group rating for the National Grid plc family. While we do not anticipate upward rating pressure in the near to medium term, ratings would become more strongly positioned if the consolidated National Grid performance improves as expected during FY 2010.

#### What Could Change the Rating - Down

NiMo's ratings could go down if there is a downgrade to our assessment of the overall group credit quality for National Grid plc or if there is significant change to the standalone financial metrics resulting from an increase in its dividend obligation. Ratings could also be pressured if National Grid plc decides to increase the leverage at the company as part of its further expansion in the US. For example, ratings could be pressured down if NiMo's coverage of interest and debt by cash flow from operations (exclusive of the effects of changes in working capital) falls below 4.5x and 22%, respectively, for a sustained period.

#### Rating Factors

##### Niagara Mohawk Power Corporation

Select Key Ratios for Global Regulated Electric Utilities

| Rating                                  | Aa     | Aa  | A       | A       | Baa     | Baa   | Ba     | Ba  |
|---|--------|-----|---------|---------|---------|-------|--------|-----|
| Level of Business Risk                  | Medium | Low | Medium  | Low     | Medium  | Low   | Medium | Low |
| CFO pre-W/C to Interest (x) [1]         | >6     | >5  | 3.5-6.0 | 3.0-5.7 | 2.7-5.0 | 2-4.0 | <2.5   | <2  |
| CFO pre-W/C to Debt (%) [1]             | >30    | >22 | 22-30   | 12-22   | 13-25   | 5-13  | <13    | <5  |
| CFO pre-W/C - Dividends to Debt (%) [1] | >25    | >20 | 13-25   | 9-20    | 8-20    | 3-10  | <10    | <3  |
| Total Debt to Book Capitalization (%)   | <40    | <50 | 40-60   | 50-75   | 50-70   | 60-75 | >60    | >70 |

[1] CFO pre-W/C, which is also referred to as FFO in the Global Regulated Electric Utilities Rating Methodology, is equal to net cash flow from operations less net changes in working capital items

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# Global Credit Portal

## RatingsDirect®

September 22, 2010

## Niagara Mohawk Power Corp.

**Primary Credit Analyst:**

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### Table Of Contents

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Major Rating Factors:

Rationale

Related Research

[www.standardandpoors.com/ratingsdirect](http://www.standardandpoors.com/ratingsdirect)

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## Niagara Mohawk Power Corp.

### Major Rating Factors:

#### Strengths:

- Consistent focus on low-risk electricity and natural gas transmission and distribution operations;
- Predictable revenues and cash flows from regulated activities, which account for 95% of operating profits;
- Operating, market, and regulatory diversity;
- Relatively supportive regulatory environments; and
- Parent National Grid PLC's proven track record of managing large acquisitions.

#### Corporate Credit Rating

A-/Stable/A-2

#### Weaknesses:

- Parent's high consolidated financial leverage as a result of previous acquisitions;
- Substantial capital expenditures and dividends that will likely result in negative free cash flows over the medium term;
- Rate relief needs during time of economic weakness; and
- Exposure to foreign exchange risk and inflation, which add volatility to adjusted credit measures.

### Rationale

The ratings on Niagara Mohawk Power Corp. are based on the consolidated credit profile of its ultimate parent, U.K.-based National Grid PLC (NG) and its family of companies. Niagara Mohawk is a wholly owned subsidiary of U.S.-based utility holding company, National Grid USA, a wholly owned subsidiary of NG. Its main U.S.-based operating subsidiaries include Niagara Mohawk, KeySpan Corp. and its units, New England Power, Massachusetts Electric, Narragansett Electric Boston Gas, and Colonial Gas. The corporate credit ratings of the two New York distribution companies KeySpan Delivery New York (KEDNY) and KeySpan Delivery Long Island (KEDLI) are rated one notch higher than the consolidated corporate credit rating, reflecting the presence of regulatory insulation and their healthier stand-alone financial profiles.

NG has an 'excellent' business risk profile (utility business risk profiles are ranked from 'excellent' to 'vulnerable') and a 'significant' consolidated financial risk profile (financial profiles are ranked from 'minimal' to 'highly leveraged'). The ratings on NG and its units reflect the strong and predictable cash flows from the group's low-operating-risk electricity and gas network operations in the U.K. and the U.S.; regulatory regimes in each of those countries that are relatively supportive of credit quality; a consistently applied strategic and financial policy; and a proven track record of managing large acquisitions. These strengths are offset by NG's relatively high financial leverage; a substantial capital expenditure program and unchanged dividend policy that will likely result in negative free cash flows over the medium term; regulatory reset risk in the U.S. and the U.K.; and exposure to foreign exchange risks and inflation, which add volatility to Standard and Poor's adjusted credit measures.

National Grid USA's operations serve about 8 million electric and gas customers in New York, Massachusetts, Rhode Island, and New Hampshire. The 2007 acquisition of KeySpan added about 1,700 MW of generation



*Niagara Mohawk Power Corp.*

capacity in Long Island, N.Y. National Grid USA's consolidated business risk profile is also excellent, although slightly weaker at KeySpan due to its riskier nonregulated generation operations. National Grid USA's business position is characterized by a focus on relatively low-risk regulated electric and natural gas transmission and distribution operations and regulatory, market, and operating diversification.

Historically, regulation has been reasonably supportive of creditworthiness, but long-term rate plans, rate moratoriums, and regulatory lag have resulted in earned returns that are below the national average in most jurisdictions. In light of the company's heavy capital expenditure phase and escalating cost pressures, timely and sufficient rate relief and alternative cost recovery rate mechanisms or separate tariff provisions, as well as credit supportive action by management will be important to enhance cash flow and earnings protection. Various commissions, however, will be reviewing prospective rate requests at a time of unusual economic weakness, so the subsidiaries' ability to manage regulatory risk will be critical to credit quality.

Pending before the New York Public Service Commission (NYPSC) is Niagara Mohawk's proposed three year rate base plan commencing Jan. 1, 2011 through 2013. Although the company's revenue requirement is \$369 million based upon an 11.1% ROE, the company has proposed to defer some costs and to extend the amortization schedule for recovery of certain fixed stranded costs to offset the total increase in transmission and distribution revenue. The staff of the NYPSC has recommended a \$14.1 million rate cut, which is not binding on the commission. A final order is expected in December 2010. In addition, the Massachusetts gas subsidiaries have filed a request for a total rate increase of \$106 million based upon an 11.3% ROE and include. The filings include a revenue decoupling proposal. Rate Orders are expected to be issued in October 2010.

NG's business risk has not materially changed during the past 12 months, in our view. The group remains focused on owning and operating regulated network assets in the U.K. and U.S., which account for about 95% of consolidated operating profit. NG faces some regulatory reset risk in the U.S. because about 35% of regulated revenues are derived from rate plans that are currently pending decisions. In addition, U.S. revenues remain subject to an element of volume risk, although we expect this to diminish over time as rate plans are renewed that protect NG from fluctuations in volumes sold.

NG's consolidated robust performance in 2009-2010 has resulted in strengthened credit metrics for the group, which in 2008-2009 fell below the level we consider commensurate for the 'A-' long-term corporate credit rating. Reported net operating cash flow in the 12 months to March 31, 2010, increased by 24% to £4.1 billion, while reported net debt was broadly flat at £22.1 billion. Consequently, NG's adjusted funds from operations (FFO)-to-debt ratio increased to 12.8%, which compares with the rating threshold of 12%. In 2008-2009, this ratio had fallen below 11%, mainly due to adverse foreign exchange movements and an increase in the U.S. pension deficit.

In May 2010, NG announced a fully underwritten, £3.2 billion rights issue to support funding for a significant increase in the group's capital expenditure program. The program allows for £22 billion of capital outlays in the next five years, compared with £14 billion in the five years to March 2010. We expect the rights issue to position NG more comfortably within the existing ratings, and to provide a degree of headroom that was previously lacking. In our opinion, the rights issue also underlines NG's unchanged goal of maintaining an 'A' category rating for its U.K. operating subsidiaries.



*Niagara Mohawk Power Corp.*

### Short-term credit factors

The short-term rating on NG, National Grid USA and subsidiaries is 'A-2' and largely reflects the companies long-term credit ratings and our view of the group's 'adequate' liquidity under Standard & Poor's corporate liquidity methodology, which categorizes liquidity in five standard descriptors. Projected sources of liquidity, mainly operating cash flow and available bank lines, exceed projected uses, mainly necessary capital expenditures, debt maturities, and dividends, by over 1.2 times. NG's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending or sell assets, its sound bank relationships, its solid standing in credit markets, and generally prudent risk management further support our description of liquidity as 'adequate'

NG's funding requirements are substantial, at about £3 billion each year, due to ongoing debt maturities and annual negative discretionary cash flows (after capex and dividends) of £1.0 billion-£1.5 billion. The group was, however, able to maintain full access to the bond markets during the financial crisis, and its recent £3.2 billion rights issue was fully underwritten. The rights issue will in our view significantly strengthen NG's liquidity position in 2010-2011.

As of June 30, 2010, NG has approximately £3.94 billion of unrestricted cash, and undrawn committed facilities of £2.7 billion. Against these sources of cash (totaling about £6.6 billion), NG has about £1.7 billion of debt maturing in the next 12 months, and the company expects discretionary cash flow to be negative by about £1.35 billion. Looking forward over a 24-month horizon, we expect debt maturities and negative prefinancing cash flows to be about £3.3 billion and £2.9 billion, respectively. NG aims to keep its committed credit lines undrawn, since they provide backup for commercial paper, the issuance of which is limited to the undrawn committed lines available.

### Outlook

The stable outlook on Niagara Mohawk mirrors that of ultimate parent NG and reflects our view that the group's operational and financial performance will continue to be solid. It also reflects our belief that NG will continue to focus on regulated gas and electricity network businesses in the U.K. and the U.S., while maintaining consolidated adjusted FFO to total debt of more than 12%.

A downgrade could occur if NG's financial performance were to deviate materially from our forecasts without the implementation of offsetting measures, or if the group were to undertake a significant acquisition. In that regard, if consolidated FFO to total debt were to decline to 10%-11% due to higher capital outlays and acquisitions and associated debt financing, we could lower the ratings. Although we view the May 2010 rights issue as providing a more comfortable degree of headroom than existed previously at the current rating level, we continue to view an upgrade as unlikely because of NG's ambitious growth plans and expected financial performance.

### Related Research

- Methodology And Assumptions: Standard & Poor's Standardizes Liquidity Descriptors For Global Corporate Issuers, July 2, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009.
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008.
- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009.
- Corporate Criteria--Parent/Subsidiary Links; General Principles; Subsidiaries/Joint Ventures/Nonrecourse



Niagara Mohawk Power Corp.

Projects; Finance Subsidiaries; Rating Link to Parent, Oct. 28, 2004.

Table 1.

**National Grid PLC -- Peer Comparison\***

Industry Sector: Electric Utility

|   | --Fiscal year ended March 31, 2010-- |                                      |               |                                   |                       |               |                                |
|---|--------------------------------------|--------------------------------------|---------------|-----------------------------------|-----------------------|---------------|--------------------------------|
|   | National<br>Grid PLC†                | Elia System<br>Operator<br>S.A./N.V. | Terna SpA†    | Red Electrica<br>Corporacion S.A. | Bord Gais<br>Eireann† | Fingrid Oyj†  | N.V.<br>Nederlandse<br>Gasunie |
| Rating as of Aug.<br>24, 2010                 | A-/Stable/A-2                        | A-/Negative/A-2                      | A+/Stable/A-1 | AA-/Negative/A-1+                 | A-/Stable/A-2         | A+/Stable/A-1 | AA-/Stable/A-1+                |
| (Mil. mix curr.)                              | £                                    | €                                    | €             | €                                 | €                     |               |                                |
| Revenues                                      | 13,988.0                             | 733.7                                | 1,360.7       | 1,212.9                           | 1,349.2               | 361.2         | 1,668.7                        |
| Net income from<br>cont. oper.                | 1,386.0                              | 84.3                                 | 354.0         | 330.4                             | 104.2                 | 24.7          | 121.8                          |
| Funds from<br>operations (FFO)                | 3,212.5                              | 230.3                                | 1,032.7       | 595.8                             | 235.1                 | 73.9          | 963.7                          |
| Capital<br>expenditures                       | 3,141.8                              | 138.2                                | 833.7         | 684.0                             | 275.7                 | 127.5         | 1,071.2                        |
| Debt  | 25,164.1                             | 2,698.9                              | 4,402.5       | 3,139.5                           | 1,903.4               | 857.9         | 4,179.5                        |
| Equity  | 4,235.5                              | 1,412.1                              | 2,501.5       | 1,439.2                           | 1,401.7               | 447.8         | 5,309.7                        |
| <b>Adjusted ratios</b>                        |                                      |                                      |               |                                   |                       |               |                                |
| Oper. income<br>(bef.<br>D&A)/revenues<br>(%) | 33.0                                 | 47.4                                 | 75.0          | 66.7                              | 24.2                  | 31.9          | 65.1                           |
| EBIT interest<br>coverage (x)                 | 2.7                                  | 1.9                                  | 4.4           | 4.9                               | 2.7                   | 2.1           | 4.4                            |
| EBITDA interest<br>coverage (x)               | 3.6                                  | 2.5                                  | 6.1           | 7.1                               | 4.3                   | 4.5           | 5.2                            |
| Return on capital<br>(%)                      | 10.6                                 | 6.3                                  | 10.8          | 11.9                              | 6.7                   | 3.9           | 9.3                            |
| FFO/debt (%)                                  | 12.8                                 | 8.5                                  | 23.5          | 19.0                              | 12.4                  | 8.6           | 23.1                           |
| Debt/EBITDA (x)                               | 5.5                                  | 7.9                                  | 4.3           | 3.9                               | 5.7                   | 7.6           | 3.9                            |

\*Fully adjusted (including postretirement obligations). †Excess cash and investments netted against debt.

Table 2.

**National Grid PLC -- Financial Summary\***

Industry Sector: Electric Utility

|                                       | --Fiscal year ended March 31-- |               |               |                 |                 |
|---------------------------------------|--------------------------------|---------------|---------------|-----------------|-----------------|
|                                       | 2010                           | 2009          | 2008          | 2007            | 2006            |
| Rating history                        | A-/Stable/A-2                  | A-/Stable/A-2 | A-/Stable/A-2 | A/Watch Neg/A-1 | A/Watch Neg/A-1 |
| (Mil. £)                              |                                |               |               |                 |                 |
| Revenues                              | 13,988.0                       | 15,624.0      | 11,423.0      | 8,778.0         | 9,273.0         |
| Net income from continuing operations | 1,386.0                        | 919.0         | 1,572.0       | 1,308.0         | 1,327.0         |
| Funds from operations (FFO)           | 3,212.5                        | 2,548.3       | 2,575.6       | 2,127.3         | 2,457.7         |
| Capital expenditures                  | 3,141.8                        | 3,290.8       | 2,839.2       | 2,037.0         | 1,542.5         |
| Cash and short-term investments       | 0                              | 0             | 0             | 0               | 0               |



Niagara Mohawk Power Corp.

Table 2.

| National Grid PLC -- Financial Summary* (cont.) |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Debt  | 25,164.1 | 24,919.1 | 18,589.1 | 13,615.2 | 13,700.0 |
| Preferred stock                                 | 0        | 0        | 0        | 0        | 0        |
| Equity  | 4,235.5  | 4,006.3  | 5,372.6  | 4,103.8  | 3,482.5  |
| Debt and equity                                 | 29,399.6 | 28,925.5 | 23,961.7 | 17,719.0 | 17,182.5 |
| <b>Adjusted ratios</b>                          |          |          |          |          |          |
| EBIT interest coverage (x)                      | 2.7      | 2.0      | 2.9      | 2.9      | 3.3      |
| FFO int. cov. (x)                               | 3.3      | 2.8      | 3.3      | 3.2      | 4.0      |
| FFO/debt (%)                                    | 12.8     | 10.2     | 13.9     | 15.6     | 17.9     |
| Discretionary cash flow/debt (%)                | (0.8)    | (5.3)    | (5.6)    | (4.1)    | (14.6)   |
| Net Cash Flow / Capex (%)                       | 80.4     | 52.0     | 62.3     | 67.3     | (15.8)   |
| Debt/debt and equity (%)                        | 85.6     | 86.1     | 77.6     | 76.8     | 79.7     |
| Return on common equity (%)                     | 33.9     | 19.7     | 33.2     | 34.4     | 45.3     |
| Common dividend payout ratio (un-adj.) (%)      | 68.6     | 94.3     | 52.9     | 59.5     | 53.4     |

\*Fully adjusted (including postretirement obligations). Excess cash and investments netted against debt.

Table 3.

| Reconciliation Of National Grid PLC Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. £)* |           |                      |          |                               |                               |                              |                  |                           |                           |                      |
|--|-----------|----------------------|----------|-------------------------------|-------------------------------|------------------------------|------------------|---------------------------|---------------------------|----------------------|
| --Fiscal year ended March 31, 2010--   |           |                      |          |                               |                               |                              |                  |                           |                           |                      |
| National Grid PLC reported amounts   |           |                      |          |                               |                               |                              |                  |                           |                           |                      |
|  | Debt      | Shareholders' equity | Revenues | Operating income (before D&A) | Operating income (before D&A) | Operating income (after D&A) | Interest expense | Cash flow from operations | Cash flow from operations | Capital expenditures |
| Reported   | 25,124.0  | 4,199.0              | 14,007.0 | 4,487.0                       | 4,487.0                       | 3,293.0                      | 919.0            | 4,516.0                   | 4,516.0                   | 3,111.0              |
| Standard & Poor's adjustments  |           |                      |          |                               |                               |                              |                  |                           |                           |                      |
| Operating leases   | 652.3     | --                   | --       | 86.5                          | 39.6                          | 39.6                         | 39.6             | 46.9                      | 46.9                      | 30.8                 |
| Postretirement benefit obligations   | 1,919.0   | 24.5                 | --       | 57.0                          | 57.0                          | 57.0                         | 212.0            | 258.5                     | 258.5                     | --                   |
| Surplus cash and near cash investments   | (1,760.0) | --                   | --       | --                            | --                            | --                           | --               | --                        | --                        | --                   |
| Capitalized interest   | --        | --                   | --       | --                            | --                            | --                           | 99.0             | --                        | --                        | --                   |
| Share-based compensation expense   | --        | --                   | --       | --                            | 25.0                          | --                           | --               | --                        | --                        | --                   |
| Asset retirement obligations   | 69.8      | --                   | --       | --                            | --                            | --                           | 2.0              | 1.4                       | 1.4                       | --                   |
| Reclassification of nonoperating income (expenses)   | --        | --                   | --       | --                            | --                            | 26.0                         | --               | --                        | --                        | --                   |
| Reclassification of interest, dividend, and tax cash flows   | --        | --                   | --       | --                            | --                            | --                           | --               | (964.0)                   | (964.0)                   | --                   |

Niagara Mohawk Power Corp.

Table 3.

| Reconciliation Of National Grid PLC Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. £)* (cont.) |         |      |        |        |        |        |       |         |           |      |
|--|---------|------|--------|--------|--------|--------|-------|---------|-----------|------|
| Reclassification of working-capital cash flow changes  | --      | --   | --     | --     | --     | --     | --    | --      | (431.0)   | --   |
| Reclassification of other non operating expenses   | --      | --   | (19.0) | (19.0) | (19.0) | (19.0) | --    | --      | --        | --   |
| Minority interests   | --      | 12.0 | --     | --     | --     | --     | --    | --      | --        | --   |
| Value of Principal Hedges on Currency Derivatives  | (841.0) | --   | --     | --     | --     | --     | --    | --      | --        | --   |
| Reclassification of replacement expenditure (replex; 50% as operating cost)                                    | --      | --   | --     | --     | --     | --     | --    | (215.3) | (215.3)   | --   |
| Indexation on inflation linked debt  | --      | --   | --     | --     | --     | --     | --    | (17.2)  | --        | --   |
| Total adjustments  | 40.1    | 36.5 | (19.0) | 124.5  | 102.6  | 103.6  | 352.6 | (889.7) | (1,303.5) | 30.8 |

Standard & Poor's adjusted amounts

|          | Debt     | Equity  | Revenues | Operating income (before D&A) | EBITDA  | EBIT    | Interest expense | Cash flow from operations | Funds from operations | Capital expenditures |
|----------|----------|---------|----------|-------------------------------|---------|---------|------------------|---------------------------|-----------------------|----------------------|
| Adjusted | 25,164.1 | 4,235.5 | 13,988.0 | 4,611.5                       | 4,589.6 | 3,396.6 | 1,271.6          | 3,626.3                   | 3,212.5               | 3,141.8              |

\*Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts.

Ratings Detail (As Of September 22, 2010)\*

Niagara Mohawk Power Corp.

|                             |               |
|-----------------------------|---------------|
| Corporate Credit Rating     | A-/Stable/A-2 |
| Preferred Stock (3 Issues)  | BBB           |
| Senior Secured (5 Issues)   | A             |
| Senior Unsecured (5 Issues) | A-            |

Corporate Credit Ratings History

|             |                 |
|-------------|-----------------|
| 24-Aug-2007 | A-/Stable/A-2   |
| 25-Jun-2007 | A/Watch Neg/A-1 |
| 24-Feb-2006 | A/Watch Neg/--  |

Business Risk Profile

Excellent

Financial Risk Profile

Significant

Related Entities

Boston Gas Co.

|                      |              |
|----------------------|--------------|
| Issuer Credit Rating | A-/Stable/NR |
|----------------------|--------------|



*Niagara Mohawk Power Corp.*

**Ratings Detail** (As Of September 22, 2010)\* (cont.)

|   |               |
|---|---------------|
| Senior Unsecured (20 Issues)                      | A-            |
| <b>Colonial Gas Co.</b>                           |               |
| Issuer Credit Rating                              | A-/Stable/--  |
| Senior Secured (5 Issues)                         | A             |
| <b>KeySpan Corp.</b>                              |               |
| Issuer Credit Rating                              | A-/Stable/A-2 |
| Senior Unsecured (7 Issues)                       | A-            |
| <b>KeySpan Energy Delivery Long Island</b>        |               |
| Issuer Credit Rating                              | A/Stable/--   |
| <b>KeySpan Energy Delivery New York</b>           |               |
| Issuer Credit Rating                              | A/Stable/NR   |
| Senior Secured (2 Issues)                         | A             |
| Senior Secured (1 Issue)                          | A/Developing  |
| Senior Unsecured (6 Issues)                       | A             |
| Senior Unsecured (1 Issue)                        | AAA           |
| <b>KeySpan Generation LLC</b>                     |               |
| Issuer Credit Rating                              | A-/Stable/--  |
| Senior Unsecured (1 Issue)                        | A             |
| <b>Lattice Group PLC</b>                          |               |
| Issuer Credit Rating                              | A-/Stable/--  |
| <b>Massachusetts Electric Co.</b>                 |               |
| Issuer Credit Rating                              | A-/Stable/A-2 |
| Preferred Stock (1 Issue)                         | BBB           |
| Senior Secured (1 Issue)                          | A             |
| Senior Unsecured (1 Issue)                        | A-            |
| Senior Unsecured (4 Issues)                       | A-/A-2        |
| <b>Narragansett Electric Co.</b>                  |               |
| Issuer Credit Rating                              | A-/Stable/A-2 |
| Preferred Stock (1 Issue)                         | BBB           |
| Senior Secured (1 Issue)                          | A             |
| Senior Unsecured (2 Issues)                       | A-            |
| <b>National Grid Electricity Transmission PLC</b> |               |
| Issuer Credit Rating                              | A-/Stable/A-2 |
| Commercial Paper                                  |               |
| Foreign Currency                                  | A-2           |
| Senior Unsecured (26 Issues)                      | A-            |
| Senior Unsecured (1 Issue)                        | BBB+          |
| <b>National Grid Gas Holdings PLC</b>             |               |
| Issuer Credit Rating                              | A-/Stable/--  |
| <b>National Grid Gas PLC</b>                      |               |
| Issuer Credit Rating                              | A-/Stable/A-2 |
| Senior Unsecured (43 Issues)                      | A-            |
| <b>National Grid Holdings One PLC</b>             |               |
| Issuer Credit Rating                              | A-/Stable/A-2 |

*Niagara Mohawk Power Corp.*

**Ratings Detail (As Of September 22, 2010)\* (cont.)**

|                              |               |
|------------------------------|---------------|
| Senior Unsecured (1 Issue)   | BBB+          |
| <b>National Grid PLC</b>     |               |
| Issuer Credit Rating         | A-/Stable/A-2 |
| Commercial Paper             |               |
| <i>Foreign Currency</i>      | A-2           |
| Senior Unsecured (14 Issues) | BBB+          |
| <b>National Grid USA</b>     |               |
| Issuer Credit Rating         | A-/Stable/A-2 |
| Commercial Paper             |               |
| <i>Local Currency</i>        | A-2           |
| Senior Unsecured (2 Issues)  | BBB+          |
| <b>New England Power Co.</b> |               |
| Issuer Credit Rating         | A-/Stable/A-2 |
| Preferred Stock (1 Issue)    | BBB           |
| Senior Unsecured (4 Issues)  | A-/A-2        |
| <b>Providence Gas Co.</b>    |               |
| Senior Secured (2 Issues)    | A             |

\*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.



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The McGraw-Hill Companies

Date of Request: May 11, 2012  
Due Date: May 21, 2012

Request No. DPS-38(KXD-21)  
NMPC Req. No. 38

NIAGARA MOHAWK POWER CORPORATION

Case No. 12-E-0201 and 12-G-0202 - Niagara Mohawk Power Corporation d/b/a  
National Grid - Electric and Gas Rates

Request for Information

FROM: Kwaku Duah

TO: Mustally A. Hussain

SUBJECT: Rating Agencies' Assessment of Niagara Mohawk's Financial Protection

Request:

Reference page 11, line 9 to line 16 of your direct testimony in which you stated

The Company's senior unsecured debt ratings assigned to it by Moody's and S&P are both one notch higher than those assigned to National Grid plc. The Company's senior unsecured debt is currently rated A3 by Moody's and A- by S&P whereas National Grid plc's ratings are Baa1 and BBB+, respectively. Also, the issuer rating assigned to the Company by Moody's is one notch higher than that assigned to National Grid plc. The current issuer ratings of Niagara Mohawk and National Grid plc are A3 and Baa1, respectively.

Also reference page 47 of your Exhibit MAH-3 in which Moody's stated  
*"The degree of notching (or rating differential) between entities in a single family of companies depends on the degree of insulation that exists between the regulated and unregulated entities, as well as the amount of debt at the holding company in comparison to the consolidated entity. If there is minimal insulation or ring-fencing between the parent and subsidiary and little to no debt at the parent, there is typically a one notch differential between the two to reflect structural subordination of the parent company debt compared to the operating subsidiary debt. If there is substantial insulation between the two and/or debt at the parent company is a material percentage of the overall debt, there could be two or more notches between the ratings of the parent and the subsidiary."*

Based on the above references, which of the two descriptions below is the ranking of the degree of Niagara Mohawk's insulation:

- a. Minimal
- b. Substantial?

Response:

The Company believes that the degree of Niagara Mohawk’s financial insulation is Substantial. Moody’s has recognized the regulatory ring-fencing at Niagara Mohawk and considers it a “credit positive” as detailed in Attachment 1 to DPS-27(KXD-10).

S&P has recognized the substantial insulation of National Grid’s downstate New York utilities, The Brooklyn Union Gas Company and KeySpan Gas East Corporation. Specifically, in its September 22, 2010 credit report (Attachment 2 to DPS-27(KXD-10), the agency recognizes the financial protections in place at The Brooklyn Union Gas Company and KeySpan Gas East Corporation.

As discussed in the response to DPS-27, Niagara Mohawk has in place financial protections that are similar to those in place for National Grid’s downstate New York utilities and has pending before the Commission some additional protections that were filed on January 31, 2012 in Case 10-E-0050. These protections range from dividend restrictions if the bond rating falls below a certain level or if the Company’s leverage increases beyond certain levels. Additionally, Niagara Mohawk is not allowed to enter into any cross-default provisions with affiliates and has established a “golden share.” These protections provide a substantial degree of ring fencing for Niagara Mohawk. The overall financial protections at Niagara Mohawk are among the strongest in the utility sector and the Company certainly views them as substantial.

In addition, it is readily apparent from Moody’s recent analyses of National Grid plc and Niagara Mohawk that Moody’s sees a substantial distinction between the two entities. Attached in responses to DPS-20 and Schedule \_\_ (MAH-3) are credits reports (1) Moody’s June 7, 2011 credit opinion of National Grid plc and (2) Moody’s August 9, 2011 credit opinion of Niagara Mohawk. While these credit opinions establish Niagara Mohawk’s credit issuer rating at A3 and National Grid plc’s rating at Baa1 – a one notch difference, it is clear that the two entities are viewed very differently as illustrated by a comparison of the analytical rating factors assigned to each entity by Moody’s.

These factors are as follows:

| <u>Rating Factor</u>  | <u>National Grid plc</u> | <u>Niagara Mohawk</u> | <u>Notch Differences</u> |
|---|--------------------------|-----------------------|--------------------------|
| 1. Regulatory Framework<br>(25%)                              | Aa                       | Baa                   | 2                        |
| 2. Ability to Recover Costs<br>And Earn Returns<br>(25%)      | A                        | Baa                   | 1                        |
| 3. Diversification – Market<br>Position (10%)                 | Aa                       | Baa                   | 2                        |
| 4. Financial Strength, Liquidity<br>And Key Financial Metrics |                          |                       |                          |

|                                   |     |     |   |
|-----------------------------------|-----|-----|---|
| (40%)                             |     |     |   |
| a. Liquidity                      | Baa | Baa | 0 |
| b. CFO pre WC & Interest/Interest | Baa | Aa  | 2 |
| c. CFO pre WC/Debt                | Baa | Aa  | 2 |
| d. CFO pre WC Dividends/Debt      | Baa | Aa  | 2 |
| e. Debt/Capitalization            | B   | Aa  | 4 |

The average difference in rating factors between National Grid plc and Niagara Mohawk is 1.875 notches and the weighted average difference is 1.91 notches. Moreover, if Niagara Mohawk had National Grid's Debt/Capitalization and other Financial Metrics, its resulting rating factors clearly would not support its current A3 rating and would likely result in an overall credit rating downgrade of one notch or more. Under these circumstances, it is reasonable to conclude that Moody's views Niagara Mohawk as being substantially separated from National Grid plc from a credit ratings perspective.

Name of Respondent:  
Mustally Hussain

Date of Reply:  
May 16, 2012



**Case 12-E-0201**  
**Case 12-G-0202**

**Rebuttal Testimony of Mustally A. Hussain**

Exhibit \_\_ (MAH-3R)

Staff's Responses to Information Requests NMPC-32 and NMPC-33

Date of Request: September 7, 2012  
Due Date: September 17, 2012

Request No. MAH-3  
NMPC Req. No. NMPC-32

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case No. 12-E-0201 and 12-G-0202 - Niagara Mohawk Power Corporation d/b/a National Grid  
Electric and Gas Rates

Request for Information

FROM: Mustally Hussain

TO: Kwaku Duah (DPS-25)

Request:

1. Please refer to pages 11 to 14 of Staff Witness Duah's testimony. Is it Mr. Duah's understanding that Niagara Mohawk Power Corporation financial ring-fencing is stronger, weaker or the same as the other New York utilities:
  - a. Consolidated Edison,
  - b. Orange & Rockland Utilities,
  - c. NYSEG or
  - d. RG&E.

Response:

- a. Consolidated Edison does not have strong ring fencing protections in place.
- b. Orange & Rockland Utilities does not have strong ring fencing protections in place
- c. NYSEG and Niagara Mohawk have similar ring fencing
- d. RG&E and Niagara Mohawk have similar ring fencing

Name of Respondent:  
Kwaku Duah

Date of Reply:  
September 14, 2012

Date of Request: September 7, 2012  
Due Date: September 17, 2012

Request No. MAH-4  
NMPC Req. No. NMPC-33

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case No. 12-E-0201 and 12-G-0202 - Niagara Mohawk Power Corporation d/b/a National Grid  
Electric and Gas Rates

Request for Information

FROM: Mustally Hussain

TO: Kwaku Duah (DPS-26)

Request:

1. Please refer to page 33-34 of Witness Duah's testimony.
  - a. What are the credit ratings of the four 'comparable companies' mentioned: NYSEG, RG&E, O&R and Consolidated Edison?
  - b. Does Mr. Duah believe that a 48% equity ratio has permitted NYSEG and RG&E to achieve a "low A" credit rating similar to Niagara Mohawk Power Corporation? If so, please explain why.
  - c. Do these companies have the same level of financial insulation as Niagara Mohawk Power Corporation, as discussed in Question 1? Please compare and contrast the degree of financial insulation and its impact on their credit rating relative to Niagara Mohawk Power Corporation.

Please provide all supporting analysis and research in deriving your conclusion.

Response:

- a) All the comparable companies cited on page 33-34 of Mr. Duah's testimony have investment grade credit ratings. Orange & Rockland Utilities has Baa1/A- with stable outlook; Consolidated Edison Company of New York, Inc. has A3/A- with stable outlook; NYSEG has Baa1/ BBB+ with stable outlook; and RG&E has Baa2/BBB+ with stable outlook.
- b) NYSEG's and RG&E's credit ratings are Baa1/BBB+ and Baa2/BBB+ respectively. Mr. Duah's opinion is that the overall financial metrics combined with the company's business risks were the determinants of the ratings provided by S&P and Moody's. The equity ratio is only one of such metrics analyzed by the rating agencies. Moreover, the Spanish financial crisis is impacting Iberdrola, the parent of NYSEG and RG&E. It is likely that such situation is impacting any potential credit rate increases at NYSEG and RG&E.
- c) Mr. Duah has not analyzed the financial insulations of NYSEG, RG&E, Orange & Rockland Utilities and Consolidated Edison. Mr. Duah has testified to the impact that the financial insulation measures implemented by Niagara Mohawk has had upon Niagara



Mohawk. As such his testimony does not compare and contrast the insulation of Niagara Mohawk with NYSEG, RG&E, Orange & Rockland Utilities and Consolidated Edison.

Name of Respondent:  
Kwaku Duah

Date of Reply:  
September 14, 2012



**Rebuttal Testimony of Mustally A. Hussain**

Exhibit \_\_ (MAH-4R)

Projected Capital Structure of Utility Companies

**Projected Capital Structure of Utility Companies  
in Combined Proxy Group**

|                                   | <b>2013<br/>Debt</b> | <b>2015-2017<br/>Debt</b> | <b>2013<br/>Equity</b> | <b>2015-2017<br/>Equity</b> |
|-----------------------------------|----------------------|---------------------------|------------------------|-----------------------------|
| ALLETE Inc.                       | 44.0%                | 40.0%                     | 56.0%                  | 60.0%                       |
| Alliant Energy Corp               | 46.0%                | 47.0%                     | 54.0%                  | 53.0%                       |
| American Electric Power Co. Inc.  | 50.0%                | 48.5%                     | 50.0%                  | 51.5%                       |
| Avista Corp.                      | 50.5%                | 52.0%                     | 49.5%                  | 48.0%                       |
| Black Hills Corp.                 | 47.0%                | 50.5%                     | 53.0%                  | 49.5%                       |
| CenterPoint Energy Inc.           | 67.5%                | 65.0%                     | 32.5%                  | 35.0%                       |
| Cleco Corp.                       | 46.0%                | 42.0%                     | 54.0%                  | 58.0%                       |
| Consolidated Edison Inc.          | 46.0%                | 45.5%                     | 54.0%                  | 54.5%                       |
| Dominion Resources, Inc.          | 58.0%                | 56.0%                     | 42.0%                  | 44.0%                       |
| DTE Energy Co.                    | 49.0%                | 50.0%                     | 51.0%                  | 50.0%                       |
| Edison International              | 55.5%                | 56.0%                     | 44.5%                  | 44.0%                       |
| Empire District Electric Co.      | 49.0%                | 49.5%                     | 51.0%                  | 50.5%                       |
| Entergy Corp.                     | 55.0%                | 57.5%                     | 45.0%                  | 42.5%                       |
| Great Plains Energy Inc.          | 48.5%                | 47.5%                     | 51.5%                  | 52.5%                       |
| Hawaiian Electric Industries Inc. | 40.5%                | 45.0%                     | 59.5%                  | 55.0%                       |
| IDACORP Inc.                      | 46.0%                | 46.5%                     | 54.0%                  | 53.5%                       |
| Integrus Energy Group Inc.        | 41.5%                | 43.5%                     | 58.5%                  | 56.5%                       |
| Madison Gas & Electric Co.        | 36.5%                | 34.0%                     | 63.5%                  | 66.0%                       |
| Northeast Utilities               | 45.5%                | 46.0%                     | 54.5%                  | 54.0%                       |
| OGE Energy Corp.                  | 51.0%                | 50.0%                     | 49.0%                  | 50.0%                       |
| Pepco Holdings Inc.               | 50.0%                | 50.0%                     | 50.0%                  | 50.0%                       |
| PG&E Corp.                        | 46.5%                | 48.5%                     | 53.5%                  | 51.5%                       |
| Pinnacle West Capital Corp.       | 44.0%                | 42.5%                     | 56.0%                  | 57.5%                       |
| Portland General Electric Co.     | 47.5%                | 45.5%                     | 52.5%                  | 54.5%                       |
| SCANA Corp.                       | 53.0%                | 53.0%                     | 47.0%                  | 47.0%                       |
| Sempra Energy                     | 51.0%                | 51.5%                     | 49.0%                  | 48.5%                       |
| Southern Co.(The)                 | 52.0%                | 53.0%                     | 48.0%                  | 47.0%                       |
| TECO Energy Inc.                  | 58.5%                | 55.5%                     | 41.5%                  | 44.5%                       |
| UIL Holdings Corp.                | 57.0%                | 54.0%                     | 43.0%                  | 46.0%                       |
| Vectren Corp.                     | 52.0%                | 52.0%                     | 48.0%                  | 48.0%                       |
| Westar Energy Inc.                | 49.5%                | 50.0%                     | 50.5%                  | 50.0%                       |
| Wisconsin Energy Corp.            | 54.0%                | 53.0%                     | 46.0%                  | 47.0%                       |
| Xcel Energy Inc.                  | 52.5%                | 50.0%                     | 47.5%                  | 50.0%                       |
| <b>Average</b>                    | <b>49.7%</b>         | <b>49.4%</b>              | <b>50.3%</b>           | <b>50.6%</b>                |

Source: Valueline, downloaded September 11, 2012.



**Rebuttal Testimony of Mustally A. Hussain**

Exhibit \_\_ (MAH-5R)

Niagara Mohawk's Capital Structure on a Rolling 12 Month Basis for the Period  
December 31, 2011 through August 31, 2012

**Niagara Mohawk Power Corporation**  
**Twelve Month Rolling Average Capital Structure And Capitalization Ratios**

|                                    | <u>12/31/2011</u> | <u>01/31/2012</u> | <u>02/28/2012</u> | <u>03/31/2012 *</u> | <u>04/31/2012 *</u> |
|------------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
|                                    | \$                | \$                | \$                | \$                  | \$                  |
| Long-Term Debt                     | 2,400,065,000     | 2,400,065,000     | 2,400,065,000     | 2,400,065,000       | 2,400,065,000       |
| Short-term Debt                    | 20,634,011        | 20,634,011        | 20,634,011        | 6,817,005           | 0                   |
| Preferred Stock                    | 28,984,700        | 28,984,700        | 28,984,700        | 28,984,700          | 28,984,700          |
| Customer Deposits                  | 36,952,578        | 37,079,179        | 37,238,686        | 37,377,634          | 37,512,242          |
| Common Equity                      | 3,806,335,238     | 3,792,031,401     | 3,777,702,301     | 3,791,749,952       | 3,806,606,808       |
| Goodwill                           | 6,292,971,526     | 6,278,794,290     | 6,264,624,698     | 6,264,994,291       | 6,273,168,750       |
| CE less Goodwill                   | 1,289,132,075     | 1,289,132,075     | 1,289,132,075     | 1,289,132,075       | 1,289,132,075       |
| Total Capitalization less Goodwill | 2,517,203,163     | 2,502,899,325     | 2,488,570,226     | 2,502,617,876       | 2,517,474,733       |
|                                    | 5,003,839,451     | 4,989,662,215     | 4,975,492,622     | 4,975,862,216       | 4,984,036,675       |
|                                    | 100.0%            | 100.0%            | 100.0%            | 100.0%              | 100.0%              |
|                                    | 48.0%             | 48.1%             | 48.1%             | 48.2%               | 48.2%               |
|                                    | 0.4%              | 0.4%              | 0.4%              | 0.4%                | 0.1%                |
|                                    | 0.6%              | 0.6%              | 0.6%              | 0.6%                | 0.6%                |
|                                    | 0.7%              | 0.7%              | 0.7%              | 0.7%                | 0.8%                |

|                                    | <u>05/31/2012 *</u> | <u>06/30/2012 *</u> | <u>07/31/2012</u> | <u>08/31/2012</u> |
|------------------------------------|---------------------|---------------------|-------------------|-------------------|
|                                    | \$                  | \$                  | \$                | \$                |
| Long-Term Debt                     | 2,400,065,000       | 2,400,065,000       | 2,400,065,000     | 2,400,065,000     |
| Short-term Debt                    | 0                   | 0                   | 0                 | 0                 |
| Preferred Stock                    | 28,984,700          | 28,984,700          | 28,984,700        | 28,984,700        |
| Customer Deposits                  | 37,649,515          | 37,751,163          | 37,761,412        | 37,706,448        |
| Common Equity                      | 3,821,047,437       | 3,836,058,411       | 3,851,873,767     | 3,868,842,097     |
| Goodwill                           | 6,287,746,652       | 6,302,859,274       | 6,318,684,879     | 6,335,598,245     |
| CE less Goodwill                   | 1,289,132,075       | 1,289,132,075       | 1,289,132,075     | 1,289,132,075     |
| Total Capitalization less Goodwill | 2,531,915,361       | 2,546,926,336       | 2,562,741,691     | 2,579,710,021     |
|                                    | 4,998,614,576       | 5,013,727,199       | 5,029,552,804     | 5,046,466,169     |
|                                    | 100.0%              | 100.0%              | 100.0%            | 100.0%            |
|                                    | 50.7%               | 50.8%               | 51.0%             | 51.1%             |
|                                    | 0.0%                | 0.0%                | 0.0%              | 0.0%              |
|                                    | 0.6%                | 0.6%                | 0.6%              | 0.6%              |
|                                    | 0.8%                | 0.8%                | 0.8%              | 0.7%              |

\* Common Equity balances have been updated for post closing adjustments. The adjustments did not have an impact on the debt/equity weighting.





**Case 12-E-0201**  
**Case 12-G-0202**

**Rebuttal Testimony of Mustally A. Hussain**

Exhibit \_\_ (MAH-6R)

Correction of Staff Witness Duah's Exhibit \_\_ (KXD-12)

**NIAGARA MOHAWK POWER CORPORATION**

Cost Rate of Long-Term Debt for the Rate Year

Reproduced Exhibit \_\_ (KXD-12 revised on 9/14/2012)

|  | 1 | 2                    | 3             | 4                | 5                  | 6                       | 7                        | 8                                       | 9   | 10  | 11                       |
|--|---|----------------------|---------------|------------------|--------------------|-------------------------|--------------------------|---|---|---|--------------------------|
|  |   |                      |               |                  |                    | C2xC5                   |                          |   |   | C6 +C7                                    | C10/C5                   |
|  |   | Stated Interest Rate | Date of Issue | Date of Maturity | Principal Amt      | Yearly Interest Expense | Annual DD&E Amortization | Yearly Amortization on Issuance Expense | Rate Year Average Balance of Unamtlzd Debt Exp. | Corrected Interest & Expense Amortization | Corrected Effective Rate |
| <b>General Mortgage Bonds:</b>                   |   |                      |               |                  |                    |                         |                          |   |   |   |                          |
| 4.881% Senior Notes                              |   | 4.88%                | 08/01/2009    | 08/15/2019       | \$750,000          | \$36,608                | \$390                    | \$51                                    | \$352   | \$36,998                                  | 4.93%                    |
| 3.553% Senior Notes                              |   | 3.55%                | 10/01/2009    | 10/01/2014       | \$500,000          | \$17,765                | \$360                    | \$131                                   | \$262   | \$18,125                                  | 3.62%                    |
| 5.15% Pollution Control Tax Exempt               |   | 5.15%                | 11/01/1998    | 11/01/2025       | \$75,000           | \$3,863                 | \$156                    | \$11                                    | \$148   | \$4,019                                   | 5.36%                    |
| 1985 Series A Pollution Control Revenue Bonds    |   | 0.96%                | 07/01/1985    | 07/01/2015       | \$100,000          | \$957                   | \$300                    | \$86                                    | \$236   | \$1,257                                   | 1.26%                    |
| 1985 Series B Pollution Control Revenue Bonds    |   | 0.74%                | 12/01/1985    | 12/01/2025       | \$37,500           | \$279                   | \$90                     | \$6                                     | \$85  | \$369                                     | 0.98%                    |
| 1985 Series C Pollution Control Revenue Bonds    |   | 0.74%                | 12/01/1985    | 12/01/2025       | \$37,500           | \$277                   | \$90                     | \$6                                     | \$85  | \$367                                     | 0.98%                    |
| 1986 Series A Pollution Control Revenue Bonds    |   | 0.95%                | 12/01/1986    | 12/01/2026       | \$50,000           | \$477                   | \$80                     | \$5                                     | \$76  | \$557                                     | 1.11%                    |
| 1987 Series A Pollution Control Revenue Bonds    |   | 0.73%                | 03/01/1987    | 03/01/2027       | \$25,760           | \$188                   | \$51                     | \$3                                     | \$48  | \$239                                     | 0.93%                    |
| 1987 Series B-1 Pollution Control Revenue Bonds  |   | 0.95%                | 07/01/1987    | 07/01/2027       | \$68,200           | \$650                   | \$74                     | \$5                                     | \$70  | \$724                                     | 1.06%                    |
| 1987 Series B-2 Pollution Control Revenue Bonds  |   | 0.96%                | 07/01/1987    | 07/01/2027       | \$25,000           | \$239                   | \$74                     | \$5                                     | \$70  | \$313                                     | 1.25%                    |
| 1988 Series A Pollution Control Revenue Bonds    |   | 0.94%                | 12/01/1988    | 12/01/2023       | \$69,800           | \$657                   | \$134                    | \$11                                    | \$126   | \$791                                     | 1.13%                    |
| 1991 Series A Pollution Control Revenue Bonds    |   | 0.74%                | 12/01/2003    | 10/01/2013       | \$45,600           | \$337                   | \$336                    | \$192                                   | \$192   | \$673                                     | 1.48%                    |
| 2004 Series A Pollution Control Revenue Bonds    |   | 0.94%                | 07/01/1994    | 07/01/2029       | \$115,705          | \$1,090                 | \$301                    | \$17                                    | \$288   | \$1,391                                   | 1.20%                    |
| Note payable to NMHI (Interco. Note)             |   | 5.80%                | 10/27/2003    | 11/01/2012       | \$500,000          | \$29,000                | \$0                      | \$0                                     | \$0   | \$29,000                                  | 5.80%                    |
| Amortization of Required Debt, Call Premiums etc |   |                      |               |                  |                    | \$2,716                 |                          |   | \$2,716   |   |                          |
| <b>Total</b>                                     |   |                      |               |                  | <b>\$2,400,065</b> | <b>\$92,387</b>         | <b>\$5,152</b>           |   | <b>\$4,754</b>                                  | <b>\$97,539</b>                           | <b>4.06%</b>             |

Post Test-Year / Pre-Rate Year Repayments and IssuancesRepayments:

Note payable to NMHI (Interco. Note)

(\$29,000)

(\$29,000)

5.80%

New Issuances:

4.85% 30-Year Senior Notes Issued Nov 2012

\$29,436

\$29,601

4.49%

Total

\$2,560,065

\$5,317

\$4,915

\$98,140

3.83%

\* As explained in Witness Hussain's Rebuttal Testimony, Columns [8] and [9] lead to double amortization and incorrect cost of debt.

Cases 12-E-0201 & 12-G-0202  
 NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID  
ESTIMATED COST OF SENIOR SECURITIES (RATE YEAR)  
AND RATE OF RETURN  
 (\$000)  
 Estimated Cost of Long-Term Debt for 12-months period ending March 31, 2014

|   | MATURITY<br>DATE | Principal<br>Amount | Effective<br>Rate | Total Interest<br>and Annual<br>Amortization |
|---|------------------|---------------------|-------------------|--|
| As of March 31, 2013 (Per Schedule 1, Page 1)         |                  | 2,560,065           | 3.83%             | \$98,140                                     |
| <b><u>Variable Interest Rate Changes:</u></b>         |                  |                     |                   |  |
| 1985 Series A Pollution Control Revenue Bonds         | 07/01/2015       | 100,000             | 1.00%             | 999  |
| 1985 Series B Pollution Control Revenue Bonds         | 12/01/2025       | 37,500              | 1.00%             | 374  |
| 1985 Series C Pollution Control Revenue Bonds         | 12/01/2025       | 37,500              | 1.00%             | 375  |
| 1986 Series A Pollution Control Revenue Bonds         | 12/01/2026       | 50,000              | 1.00%             | 501  |
| 1987 Series A Pollution Control Revenue Bonds         | 03/01/2027       | 25,760              | 1.01%             | 259  |
| 1987 Series B-1 Pollution Control Revenue Bonds       | 07/01/2027       | 68,200              | 1.00%             | 684  |
| 1987 Series B-2 Pollution Control Revenue Bonds       | 07/01/2027       | 25,000              | 1.00%             | 250  |
| 1988 Series A Pollution Control Revenue Bonds         | 12/01/2023       | 69,800              | 1.00%             | 698  |
| 1991 Series A Pollution Control Revenue Bonds         | 10/01/2013       | 45,600              | 1.00%             | 457  |
| 2004 Series A Pollution Control Revenue Bonds         | 07/01/2029       | 115,705             | 1.00%             | 1,156  |
| <b><u>Repayments:</u></b>                             |                  |                     |                   |  |
| 1991 \$45.6M Series A Pollution Control Revenue Bonds | 10/01/2013       | (22,738)            | 2.48%             | (564)  |
| <b><u>New Issuances:</u></b>                          |                  |                     |                   |  |
| 5.00% \$45.6M 30-Year Senior Notes Issued August 2013 | 08/01/2043       | 30,358              | 5.03%             | 1,527  |
| Amortization of Required Debt Call Premiums & DD&E    |                  |                     | (8)               |  |
| <b>Total Long-Term Debt</b>                           |                  | <b>\$2,567,686</b>  | <b>4.08%</b>      | <b>\$104,849</b>                             |

Corporate Bond Yield Averages

Public Utility Bond Yield Averages By Ratings Categories

| Moody's:<br>S&P: | Aa2  | Aa3  | Aa-  | A1   | A2   | A3   | Baa1 | Baa2 | Difference Between A-/A3 & |          |
|------------------|------|------|------|------|------|------|------|------|----------------------------|----------|
|                  |      |      |      |      |      |      |      |      | BBB+/Baa1                  | BBB/Baa2 |
| Jan-12           | 4.03 | 4.13 | 4.13 | 4.24 | 4.34 | 4.58 | 4.82 | 5.06 |                            |          |
| Feb-12           | 4.02 | 4.13 | 4.27 | 4.25 | 4.36 | 4.58 | 4.80 | 5.02 |                            |          |
| Mar-12           | 4.16 | 4.27 | 4.37 | 4.37 | 4.48 | 4.70 | 4.91 | 5.13 |                            |          |
| Apr-12           | 4.10 | 4.20 | 4.30 | 4.30 | 4.40 | 4.64 | 4.87 | 5.11 |                            |          |
| May-12           | 3.92 | 4.01 | 4.11 | 4.11 | 4.20 | 4.46 | 4.71 | 4.97 | 0.26                       | 0.51     |

Estimated Issuance Expense

Yield on A3/A- (%)

Marginal Cost of Debt for NiMo(%)

0.75  
4.46  
5.21



**Before The Public Service Commission**  
**NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID**

**Rebuttal Testimony**

**of**

**Dr. Ronald E. White**

**Case 12-G-0202**

**Rebuttal Testimony of Dr. Ronald E. White**

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**Rebuttal Testimony of Dr. Ronald E. White**

1   **Q.     Please state your name and business address.**

2   A.     My name is Ronald E. White. My business address is 17595 S. Tamiami Trail,  
3           Suite 212, Fort Myers, Florida 33908.

4

5   **Q.     Are you the Ronald E. White of Foster Associates who filed direct testimony**  
6           **on behalf of Niagara Mohawk in this proceeding?**

7   A.     Yes.

8

9   **I.     Purpose of Testimony**

10  **Q.     What is the purpose of your rebuttal testimony?**

11  A.     I was asked by Niagara Mohawk to respond to the testimony of Department of  
12           Public Service Staff Witnesses Seshadri and Dickens (“Depreciation Panel” or  
13           “Staff”). In particular, I was asked to review and comment on adjustments  
14           advocated by the Depreciation Panel to the depreciation rates recommended by  
15           Foster Associates for gas properties owned and operated by Niagara Mohawk.

16

17  **Q.     Please summarize your conclusions regarding the adjustments advocated by**  
18           **Staff.**

19  A.     Staff is advocating significant adjustments to estimated service lives and the  
20           treatment of net salvage recommended by Foster Associates. None of these  
21           adjustments is warranted or appropriate.



**Rebuttal Testimony of Dr. Ronald E. White**

1        Staff's adjustments to service lives estimated by Foster Associates are based upon  
2        little more than a visual inspection of survivor curves fitted to observed  
3        proportions surviving. The fitted curves were plotted by Foster Associates. It  
4        does not appear that Staff conducted any independent statistical analyses, visited  
5        any of the properties, or investigated any operational factors relevant to an  
6        assessment of service lives appropriate for Niagara Mohawk. Adjusting service  
7        life statistics because "the best fit survivor curve has a life over 100 years"  
8        (Depreciation Panel at 11, lines 2–4 and lines 10–11) does not evidence a  
9        consideration of the forces of retirement acting upon a plant category or the extent  
10       to which future forces (and the response to these forces) will be similar to those  
11       observed in the past.

12  
13       The theory advanced by Staff for reducing accruals for net salvage is inconsistent  
14       with the longstanding ratemaking practice of accruing for future net salvage as a  
15       component of depreciation rates. Staff's theory that "there is little need to accrue  
16       salvage costs above current costs for future retirements" (Depreciation Panel at  
17       16, lines 21–24) is applied by reducing net salvage rates to produce an allowance  
18       closely equal to "the recent five year average of actual dollars of net salvage  
19       incurred." (Depreciation Panel at 15, lines 6–8). This treatment is directionally  
20       equivalent to current period recognition of realized net salvage in which the  
21       burden for cost recovery is shifted to future customers no longer served by the

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1           assets that created a revenue requirement for cost of removal.

2

### 3   **II.    Summary of Positions**

4   **Q.    What is your understanding of the difference in depreciation rates and**  
5       **accruals proposed by the Company and those advocated by Staff?**

6   A.    Table 1 below provides a summary of the difference in annual depreciation rates  
7       and accruals requested by the Company and those advocated by Staff. (Staff's  
8       rates and accruals are as reported in Staff's response to NMPC-6 (corrected)  
9       Attachment 1.xls restated to reflect the rounding convention adopted in Exhibit  
10      \_\_\_ (REW-2)).

11

| Function           | Accrual Rate |       |            | 2011 Annualized Accrual |              |               |
|--------------------|--------------|-------|------------|-------------------------|--------------|---------------|
|                    | Company      | Staff | Difference | Company                 | Staff        | Difference    |
| A                  | B            | C     | D=C-B      | E                       | F            | G=F-E         |
| Transmission Plant | 1.62%        | 1.41% | -0.21%     | \$2,016,742             | \$1,755,206  | (\$261,536)   |
| Distribution Plant | 2.35%        | 2.01% | -0.34%     | 38,364,615              | 32,731,101   | (5,633,514)   |
| General Plant      | 4.61%        | 4.61% | 0.00%      | 3,603,416               | 3,603,416    | 0             |
| Total              | 2.40%        | 2.08% | -0.32%     | \$43,984,773            | \$38,089,723 | (\$5,895,050) |

**Table 1. Company vs Staff Depreciation Rates and Accruals**

12       This comparison is based on December 31, 2010 plant and reserves reported in  
13       the 2011 Gas Depreciation Rate Study contained in Exhibit \_\_\_ (REW-2).

14

15       It can be observed from Table 1 that Staff is advocating a composite depreciation  
16       rate reduction of 0.32 percentage points from a composite rate of 2.40 percent

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requested by the Company. The depreciation rate adjustments advocated by Staff produce a reduction in 2011 annualized depreciation expense of \$5,895,050 or 13.4 percent below the annualized accruals requested by the Company. The reduction attributable to service-life adjustments is approximately \$2.2 million and the reduction attributable to the treatment of net salvage is approximately \$3.7 million.

### III. Adjustments to Estimated Service Lives

**Q. How do the service life statistics proposed by the Company compare with those advocated by Staff?**

A. Table 2 below provides a comparison of service life statistics for plant categories in which Staff is advocating adjustments to the parameters proposed by the Company.

| Account Description       |  | Company | Staff   |
|---------------------------|--|---------|---------|
| A                         |  | B       | C       |
| <b>TRANSMISSION PLANT</b> |  |         |         |
| 367.00                    | Mains                                    | 80-R3   | 85-R3   |
| 369.15                    | Regulating Station Equipment             | 35-L1.5 | 40-R0.5 |
| <b>DISTRIBUTION PLANT</b> |  |         |         |
| 376.14                    | Mains - Valves                           | 80-R3   | 90-S2   |
| 380.10                    | Services - Metallic                      | 70-R1.5 | 60-R1.5 |
| 380.20                    | Services - Plastic                       | 50-R4   | 60-R4   |
| 385.00                    | Industrial Meas. and Reg. Station Equip. | 30-R5   | 40-R5   |

**Table 2. Company vs Staff Service-Life Statistics.**

The two-part designations shown in Columns B and C describe the projection lives and projection curves selected for each plant account. The designation 80-

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1 R3, for example, denotes a projection life of 80 years with an associated R3  
2 projection curve.

3

4 **Q. What is a projection life?**

5 A. A *projection life* is the estimated mean or average service life of the population of  
6 each plant category from which observed retirements are viewed as a random  
7 sample. The mean derived from a sample, however, may or may not provide a  
8 reasonable estimate of the mean service life of the population from which future  
9 retirements will be drawn. Changing forces of retirement and changing physical  
10 responses to these forces necessitate tempering sample statistics with informed  
11 judgment to estimate the timing of future retirements and the projection life  
12 descriptive of the future population. The estimated average service life of a plant  
13 category will be equal to the estimated projection life when depreciation rates are  
14 developed using the broad-group procedure prescribed by the Commission.

15

16 **Q. What is a projection curve?**

17 A. A *projection curve* (or survivor curve) is derived from a probability density  
18 function selected to describe future forces of retirement acting upon a plant  
19 category and the timing of future retirements. The functional form of a density  
20 function is dictated by the family of functions selected to describe the hazard (or  
21 retirement) rate of physical property. A function related to a projection curve

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1 (called a *hazard function*) is used to graduate (or smooth) hazard rates estimated  
2 from observed retirement activity and to extend (or project) censored data to an  
3 age at which the conditional probability of retirement is 1.0. (The term *censoring*  
4 refers to the proportion of plant remaining in service from which inferences are  
5 drawn regarding the mean service life of all current and future vintages. A highly  
6 censored life table diminishes confidence in the accuracy of service life statistics  
7 estimated from a relatively small sample of retirements).

8  
9 While the concept and application of projection lives and curves in setting  
10 depreciation rates may appear somewhat arcane, a failure to appreciate the  
11 richness and limitations of these statistics will inevitably lead to erroneous  
12 conclusions. The objective of a statistical life analysis is not to find “the best fit  
13 survivor curve;” the objective is to estimate the mean service life and probability  
14 distribution of the population from which future retirements will be drawn.

15  
16 **Q. Why are projection lives recommended by the Company for Accounts**  
17 **367.00, 369.15, 376.14, 380.20 and 385.00 shorter than average service lives**  
18 **advocated by Staff?**

19 A. The principle reason, as discussed above, is that Foster Associates estimated the  
20 mean service life and probability distribution of the population from which future  
21 retirements will likely be drawn. Staff, by comparison, selected various

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1 projection lives and survivor curves from our work, implying that Foster  
2 Associates did not select “the best fit survivor curve.” Staff did not conduct an  
3 independent statistical analysis or an independent depreciation study. I remain of  
4 the opinion that the study presented in this proceeding produces just and  
5 reasonable depreciation rates for Niagara Mohawk. The recommendations  
6 offered by Foster Associates are fully supported in the 2011 Depreciation Rate  
7 Study contained in Exhibit \_\_ (REW-2) and in the 443 pages of workpapers  
8 contained in Exhibit \_\_ (REW-3), which sets forth quantitative and qualitative  
9 factors considered in estimating service lives recommended for Niagara Mohawk.

10

11 **Q. With regard to the service life comparisons shown in Table 2 above, would**  
12 **you further explain the basis for your selection of recommended service**  
13 **lives?**

14 A. Consider, for example, Account 367.00 (Transmission Mains), for which the  
15 Depreciation Panel proposes to increase the estimated projection life from 80 to  
16 85 years because “80 years is still well below the stub curve [and] increasing the  
17 average service life to 85 years [is] a movement toward the 95 year life for  
18 distribution mains.” (Depreciation Panel at 10, lines 10–24).

19

20 As reported in Exhibit \_\_ (REW-3), the currently approved projection life was  
21 advocated by Staff in Case 08-G-0609 based on retirements of \$173,270

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1 recorded over the period 1996–2007 relative to a plant balance of \$106,938,230 at  
2 December 31, 2010. An additional \$1,470 was retired in 2008 with no  
3 retirements in 2009 or 2010. Noting the continuing indeterminacy of service life  
4 indications derived from a statistical life analysis and lacking any evidence that  
5 forces for retirement have changed over the period 2008–2010, a continuation of  
6 the currently approved projection life was recommended for this account. It  
7 remains the opinion of Foster Associates that a mean life of 80 years with  
8 probabilities of survival approaching 135 years is well within a zone of  
9 reasonableness for transmission mains.

10  
11 Regarding Account 369.15 (Regulating Station Equipment), Staff believes that  
12 recent retirements of odorizing equipment are abnormal and should be excluded  
13 from a statistical analysis evidencing a shorter mean service life than currently  
14 approved. Having observed that odorizing equipment is the largest category of  
15 property units classified in this account and forces of retirement are best described  
16 by low modal dispersions with relatively high probabilities of infant mortality  
17 (*i.e.*, retirements at young ages), it remains the opinion of Foster Associates that  
18 functional obsolescence and discontinued manufacturer support are not abnormal  
19 forces of retirement that “should not be considered for mortality purposes.”  
20 (Depreciation Panel, page 12, lines 12-13). Retirements since 2008 clearly  
21 evidence a shorter projection life and a slightly higher modal dispersion than

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1 previously estimated. The recommended projection life of 35 years and L1.5  
2 dispersion are well supported by the statistical analysis and well within a zone of  
3 reasonableness for odorizing and associated equipment.

4  
5 Regarding Account 376.14 (Mains-Valves), Staff observed that the best fit  
6 survivor curve has a life of over 100 years and recommends adjusting the current  
7 service life parameters from 80–R3 to 90–S2. Foster Associates, by comparison,  
8 noted the currently approved projection life and dispersion were advocated by  
9 Staff in Case 08–G–0609 based on indeterminate service life indications and  
10 irregular observed life tables. Service life indications are no more predictive  
11 today than in the 2008 study. Given the indeterminacy of service life indications  
12 derived from a statistical analysis, it is the opinion of Foster Associates that the  
13 currently approved service life of 80 years with probabilities of survival  
14 approaching 135 years – as proposed by Staff only a few years ago – is more than  
15 reasonable and should be retained for this account.

16  
17 The adjustments recommended by Foster Associates for Account 380.10  
18 (Services–Metallic) and Account 380.20 (Services–Plastic) reflect our efforts to  
19 adhere to the agreement of the parties in Case 08–G–0609 to “establish two sub  
20 accounts, Account 380 – Services *i.e.*, metallic and nonmetallic, and prospectively  
21 classify and record gas services in these subaccounts.” With regard to Account



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1           380.10, the following discussion of metallic service lives was provided in Exhibit

2           \_\_\_ (REW-3):

3           The statistical service life analysis for the metallic subaccount indicates  
4           average service lives declining to about 96 years by the end of 2010  
5           while the majority of trials indicate lives exceeding 120 years and, in  
6           some instances, approaching 190 years. While service lives exceeding  
7           100 years are conceivable, the reliability of such measurements is  
8           dependent upon historical field reporting of retirements and the  
9           accuracy of assigned vintages.

10  
11           Questionable vintaging and classifications by material type were  
12           identified in the course of developing age distributions for metallic and  
13           non-metallic services at December 31, 2010 from the previously  
14           combined account. While every effort was made to reconstruct history  
15           as accurately as possible, the resulting age distributions and estimation  
16           of prior recorded retirements undoubtedly contribute to inaccuracies in  
17           the measurement of average service lives. Additionally, the earliest  
18           identifiable activity year by material type was 2004, resulting in a  
19           maximum width observation band of seven years. The degree of  
20           censoring derived from the narrow observation band further reduces the  
21           amount of confidence that can be placed in the statistical analysis.

22  
23           Based on these considerations, the currently approved 60-L1 projection  
24           curve was extended to a 70-R1.5 projection life-curve pending more  
25           definitive service life indications derived in future depreciation studies.  
26           The recommendation to adopt a longer projection life is intended to  
27           recognize the initialization of a database by material type that may  
28           produce longer service life indications as future retirements are posted  
29           to the reconstructed age distributions.

30           Further discussion of the analysis of plastic service lives was provided as follows:

31           The statistical service life analysis for this subaccount indicates average  
32           service lives declining from about 45 years to under 40 years by the end  
33           of 2010. As discussed for metallic services, the reliability of these  
34           measurements is dependent upon historical field reporting of retirements  
35           and the accuracy of assigned vintages.

36  
37           Based on these considerations, the currently approved 60-L1 projection

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1 curve was shortened to a 50-R4 projection life-curve pending more  
2 definitive service life indications derived in future depreciation studies.  
3 The recommendation to adopt a shorter projection life for non-metallic  
4 services is intended to recognize the initialization of a database by  
5 material type that may produce shorter service life indications as future  
6 retirements are posted to the reconstructed age distributions.

7 Based in the above reasoning, I disagree with the Staff Depreciation Panel that  
8 “because the Company is continuing to find and correct errors and widening the  
9 observation band, both the metallic and plastic services [should] remain at the  
10 current 60 years.” The adjustments recommended by Foster Associates are  
11 indicative of the direction service lives (distinguished by material type) have been  
12 moving and are likely to move and should be recognized as improved estimates  
13 for the disaggregated services account.

14  
15 Regarding Account 385.00 (Industrial Measuring and Regulating Station  
16 Equipment), Staff again concluded that the best fit survivor curve has a life of  
17 over 100 years and the current service life of 25 years should be extended to 40  
18 years rather than the 30 years recommended by Foster Associates. The  
19 adjustment recommended by Foster Associates was derived from an inconclusive  
20 life analysis of \$33,543 retired in 2008 and 2010 from an average plant base  
21 exceeding \$4.8 million over the period 1997–2010. Foster Associates further  
22 observed that the age distribution of surviving plant indicates an average age of  
23 20.7 years, which suggests that the currently approved 25-year projection life is

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1 most likely understated. Foster Associates recommended a movement of the  
2 projection life in the direction of a likely longer average service life. The  
3 movement to 30 years was not based on a finding that “the best fit survivor curve  
4 has a life of over 100 years.” The adjustment reflects the professional judgment  
5 of Foster Associates given the absence of any statistical life indications for this  
6 account.

7  
8 **Q. What would be the impact of adopting the service lives proposed by the Staff**  
9 **Depreciation Panel?**

10 A. Service lives advocated by Staff would reduce depreciation expense and, if the  
11 Commission so desires, shift the burden of cost recovery to future customers. The  
12 amount and timing of capital recovery is a policy decision for regulators. A  
13 decision to postpone capital recovery, however, is not without costs. A reduction  
14 in depreciation accruals achieved by deliberately shifting the timing of capital  
15 recovery will reduce internal cash generation and potentially subject current  
16 customers to higher marginal costs of additional external financing. This is not to  
17 suggest that internal cash generation should be substituted for the goals of  
18 depreciation accounting. However, the potential for increasing (or reducing) the  
19 marginal cost of external financing by shifting the timing of depreciation expense  
20 is a consequence that should not be ignored.

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1   **Q.**    Are you familiar with the Commission's Order dated June 22, 2009 in  
2           Central Hudson Gas & Electric (Case 08-E-0887, *et al.* at 76) regarding the  
3           estimation of service lives?

4    A.    Yes. It is my understanding that the Commission concurred with a  
5           Recommended Decision that "we are not required to accept the judgment of the  
6           Company's expert witness concerning likely changes in the historic pattern of  
7           retirements as being superior to the conclusions reached by Staff through  
8           evaluation of the historical results."

9

10   **Q.**    Do you agree with this finding?

11   A.    I certainly agree that the Commission is not required to accept the application of  
12           informed judgment over an evaluation of historical results. The Commission's  
13           finding, however, appears to deny the fact that history is not always the best  
14           predictor of the future. Estimating service-life parameters is not an exact science.  
15           Statistical techniques used in conducting a life analysis are applied to data that are  
16           most often erratic, incomplete (*i.e.*, censored), non-homogeneous and  
17           inadequately described by any commonly used survival functions. This is not to  
18           suggest that statistically derived indications should be ignored in estimating  
19           service lives. It is imperative, however, to recognize the limitations of statistics  
20           and acknowledge the fact that judgment must be exercised in both life analysis  
21           and estimation. The amount of weight given to the factors considered in life

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1           estimation may be debatable, but the necessity for applying informed judgment  
2           cannot be denied.

3

4   **IV.   Treatment of Net Salvage**

5   **Q.   What is your understanding of the theory of net salvage advocated by Staff**  
6       **in this proceeding?**

7   A.   According to Staff, “there is little need to accrue salvage costs significantly above  
8       current costs for future retirements.” (Depreciation Panel at 16 lines 21–24).  
9       Having found “significant differences between the Company’s proposed salvage  
10      rate accruals and the current actual salvage expenses, [Staff recommends] that the  
11      rates be adjusted to more closely reflect the recent, five year average of actual  
12      dollars of net salvage incurred.” (Depreciation Panel at 15, lines 2–8). Staff’s  
13      derivation of net salvage rates produces an estimate approaching an allowance for  
14      net salvage nearly equivalent to current period recognition.

15

16   **Q.   What is the theory for including net salvage in depreciation rates?**

17   A.   Depreciation is a measurement of the service potential of an asset that is  
18       consumed during an accounting interval. The cost of obtaining a bundle of  
19       service units (*i.e.*, a future net revenue stream) is represented by an initial capital  
20       expenditure that creates a revenue requirement for return and depreciation, and a  
21       future expenditure that creates a revenue requirement for cost of removal reduced

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1 by salvage proceeds. The service potential of an asset is the present value of  
2 future net revenue (*i.e.*, revenue less expenses exclusive of depreciation and other  
3 non-cash expenses) or cash inflows attributable to the use of that asset alone. The  
4 matching principle of accounting provides that both the initial and future  
5 expenditures should be allocated to the accounting periods in which the service  
6 potential of an asset is consumed. The standard or criterion that should be used to  
7 determine a proper net salvage rate is, therefore, cost allocation over economic  
8 life in proportion to the consumption of service potential. If some other standard  
9 (such as cash flow or revenue requirements) is considered more important in  
10 setting depreciation rates, then cost allocation theory must be abandoned as the  
11 foundation for depreciation accounting.

12  
13 The need to include net salvage in the development of depreciation rates is widely  
14 recognized and accepted by a substantial majority of state regulatory commissions  
15 as a standard ratemaking principle. The FERC Uniform System of Accounts, for  
16 example, describes depreciation as the "... loss in service value" where service  
17 value is defined as "... the difference between original cost and net salvage value  
18 of gas plant." Net salvage value means "salvage value of property retired less  
19 cost of removal." (18 CFR Part 101, Definitions 12, 19, and 36).

20  
21 The economic principle underlying both the accounting and ratemaking treatment

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1 of net salvage is that, in addition to return of and return on invested capital and  
2 taxes, a revenue requirement for cost of removal (or a reduction in revenue  
3 requirements attributable to gross salvage) is created when an asset is placed in  
4 service. It is appropriate, therefore, to include a net salvage component in  
5 depreciation rates to more nearly achieve the goals of depreciation accounting and  
6 to equitably distribute the revenue requirement for cost of removal over the period  
7 in which the assets that created the requirement are used to provide utility service.

8  
9 **Q. How are net salvage rates estimated in a depreciation study?**

10 A. Average and future net salvage rates are ideally estimated from a historical  
11 analysis of the cost per unit to install and the net cost per unit to retire major  
12 retirement units. A per unit analysis explicitly recognizes that the cost per unit to  
13 retire an asset is independent of the age of the asset when it is retired from  
14 service. The cost to retire a gas main today, for example, is no different for a  
15 main that was installed yesterday or a main that was installed many years ago.  
16 The percentage rate applied to the cost of an old asset to accrue the same cost per  
17 unit to retire a new asset, however, depends upon the relative difference in the  
18 cost per unit incurred to install the assets. The percentage rate required to accrue  
19 for \$100 of cost of removal on a plant item costing \$50 to install is twice the rate  
20 required to accrue the same amount on a plant item costing \$100 to install.

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1 Average and future net salvage rates can be estimated for the current installation  
2 and net retirement costs using a multiplier derived from a selected projection  
3 curve and an estimated inflation rate. The distinction between average and future  
4 net salvage rates is achieved through a consideration of the locus of the vintage  
5 survivors described by the selected projection curve. The multiplier developed at  
6 age zero for all future retirements is used in the calculation of an average net  
7 salvage rate. The multiplier developed at any other age for all future retirements  
8 is used in the calculation of a future net salvage rate at that age. Although a per  
9 unit analysis of installation and retirement costs is the most desirable treatment of  
10 net salvage, time and cost considerations (as well as the availability of the  
11 requisite data) often dictate a less rigorous analysis. Net salvage rates are  
12 commonly developed from a historical analysis using a three- to ten-year moving  
13 average of the ratio of realized salvage and removal expense to associated  
14 retirements. Net salvage estimates are also obtained from engineering studies of  
15 the cost to dismantle or abandon existing facilities.

16

17 **Q. Do you agree with Staff's criticism that "[t]he Company's approach implies**  
18 **that a direct relationship exists between the net salvage and the original cost**  
19 **of the plant"?**

20 A. No. According to the Depreciation Panel, "[a] negative net salvage ... has a  
21 closer relationship to the current labor costs of plant removal than to the original



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1 cost of the plant retired” [and] “using the relationship of plant removal costs to  
2 original costs [generally] accrues more than current actual costs.” (Depreciation  
3 Panel at 16, lines 10–17).

4  
5 First, I disagree with the suggestion that required accrual rates for net salvage  
6 have no direct relationship to the original cost of plant retired. Net salvage is not  
7 caused by current labor costs; net salvage is only incurred when the original cost  
8 of plant is retired from service. The reason net salvage is related to retirements in  
9 estimating accrual rates was illustrated earlier in noting that the percentage rate  
10 required to accrue for \$100 of cost of removal on a plant item costing \$50 to  
11 install is twice the rate required to accrue the same amount on a plant item costing  
12 \$100 to install. Plant in service today and subject to retirement and replacement  
13 in the future is composed of vintages of varying ages and varying per unit costs to  
14 install. Realized net salvage expressed as a ratio to the original cost of plant units  
15 previously retired from service and applied to corresponding vintages of plant  
16 currently in service provides an estimator of the dollar amount of net salvage that  
17 should be accrued if these costs are to be charged to operations over the estimated  
18 remaining life of the associated vintages.

19  
20 The Depreciation Panel is correct, however, in noting that “using the relationship  
21 of plant removal costs to original costs [generally] accrues more than current

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1 actual costs.” This is precisely the difference between the standard of accruing  
2 for net salvage over the service life of an asset and the standard Staff has adopted  
3 in advocating a reduction in the net salvage rates estimated in the 2011  
4 depreciation study.

5

6 **Q. What is the standard that Staff has adopted in advocating net salvage rates**  
7 **that “more closely reflect the recent five year average of actual dollars of net**  
8 **salvage incurred”?**

9 A. The standard that Staff has subtly introduced is expense recognition at the time an  
10 asset is retired from service. Net salvage rates advocated by Staff are derived (in  
11 part) from a consideration of the ratio of average net salvage realized over the past  
12 five years to plant in service at the beginning of a depreciation study year. The  
13 product of this ratio and plant in service provides an estimate of the amount of net  
14 salvage that will be incurred each year the ratio is applied.

15

16 This view of net salvage is the net salvage counterpart to the retirement method of  
17 depreciation accounting, which has never been adopted by regulators. Unlike  
18 apportionment methods in which the cost of the service potential of an asset (or  
19 group of assets) is allocated over an estimate of economic life, the retirement  
20 method charges the total cost of an asset to operations in the accounting year in  
21 which the asset is retired from service. Stated differently, the cost of an asset is

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1 recognized as a current period expense in the year of retirement.

2

3 **Q. Are you familiar with the Commission's Opinion and Order No. 80-8 dated**  
4 **March 7, 1980 in Consolidated Edison Company of New York (Case 27544)**  
5 **regarding the treatment of net salvage?**

6 A. Yes. The Commission was very clear in stating (at page 15):

7 We disagree with staff that the accounting for removal costs should be  
8 changed so that future customers are charged for this expense. Our  
9 Uniform System of Accounts requires that removal costs incurred at the  
10 end of the useful service life of plant should be estimated and charged to  
11 expense over its useful service life. This method ensures that customers  
12 who received the benefit of the plant pay for the expense associated  
13 with its removal, and we intend to follow that principle.

14 In my opinion, the Commission was correct in rejecting current period recognition  
15 of net salvage in Order No. 80-8 and the same standard should be applied in this  
16 proceeding.

17

18 **Q. Are you aware that in recent decisions, the Commission has adopted Staff's**  
19 **position that net salvage expense should reflect the recent five-year average**  
20 **of actual dollars of net salvage incurred?**

21 A. Yes. It appears that the Commission now accepts Staff's view that "there is little  
22 need to accrue salvage costs significantly above current costs for future  
23 retirements." In my opinion, the impact of Staff's adjustment is that future  
24 customers will be required to bear the burden of paying net salvage costs that

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1           would be more equitably apportioned to all users of plant over its useful life.  
2           However, regulation must ultimately decide, as a policy matter, if shifting  
3           accruals for net salvage to future customers is in the public interest and leads to  
4           just and reasonable utility rates. I firmly believe that the 2011 depreciation study  
5           presents a competent analysis and sound judgments supporting service lives, net  
6           salvage rates and depreciation rates that are appropriate for Niagara Mohawk.

7

8   **V.    Conclusion**

9   Q.    Does this conclude your rebuttal testimony?

10 A.    Yes, it does.