

DCF RESULTS: CONSTANT GROWTH MODEL
DPU Exhibit 6.7
DPU Witness: Artie Powell
Docket No. 01-035-01

Constant Growth DCF Model
Average Earnings Growth
Without CP&L

Company	Price P	Quarterly Dividend D ₀	Average Growth Rate g	Adjusted Dividend D ₁ = 4*D ₀ *(1+g)	Dividend Yield Y = D ₁ /P	Estimated ROE k = Y + g
Ameren Corp.	41.23	0.6350	5.82%	2.6877	6.52%	12.34%
Cleco Corp.	45.38	0.4250	10.20%	1.8734	4.13%	14.33%
Con Edison	36.39	0.5500	3.51%	2.2772	6.26%	9.77%
DPL Inc.	28.52	0.2350	10.08%	1.0348	3.63%	13.71%
DQE	30.84	0.4200	8.18%	1.8173	5.89%	14.07%
DTE Energy	38.33	0.5150	6.22%	2.1882	5.71%	11.93%
Energy East Corp.	18.53	0.2300	7.01%	0.9845	5.31%	12.33%
FPLGroup	61.91	0.5600	6.97%	2.3961	3.87%	10.84%
IDACORP, Inc.	37.82	0.4650	8.17%	2.0119	5.32%	13.49%
IPALCOEnterprises	20.27	0.1630	4.00%	0.6781	3.35%	7.34%
NSTAR	38.73	0.5150	7.49%	2.2144	5.72%	13.21%
PinnacleWestCapital	45.43	0.3750	7.34%	1.6102	3.54%	10.89%
Potomac Elec Pwr	21.91	0.2500	6.88%	1.0688	4.88%	11.76%
PugetSound Energy	23.01	0.4600	5.28%	1.9371	8.42%	13.70%
UILHoldings	48.50	0.7200	4.60%	3.0124	6.21%	10.81%
Mean						12.03%
Median						12.33%
Minimum						7.34%
First Quartile						10.83%
Third Quartile						13.54%
Maximum						14.33%
Inner Quartile Range						2.71%
Lower Fence						6.76%
Upper Fence						17.61%
Low Outlier						NO
High Outlier						NO

Constant Growth DCF Model
Value Line Dividend Growth
Without CP&L

Company	Price P	Quarterly Dividend D_0	VL Dividend Growth g	Adjusted Dividend $D_1 = 4 * D_0 * (1+g)$	Dividend Yield $Y = D_1 / P$	Estimated ROE $k = Y + g$
Ameren Corp.	41.23	0.6350	1.16%	2.5695	6.23%	7.39%
Cleco Corp.	45.38	0.4250	2.68%	1.7456	3.85%	6.53%
Con Edison	36.39	0.5500	0.90%	2.2197	6.10%	7.00%
DPL Inc.	28.52	0.2350	1.56%	0.9547	3.35%	4.91%
DQE	30.84	0.4200	4.84%	1.7614	5.71%	10.56%
DTE Energy	38.33	0.5150	0.48%	2.0699	5.40%	5.88%
Energy East Corp.	18.53	0.2300	4.09%	0.9576	5.17%	9.26%
FPLGroup	61.91	0.5600	3.29%	2.3138	3.74%	7.03%
IDACORP, Inc.	37.82	0.4650	0.00%	1.8600	4.92%	4.92%
IPALCOEnterprises	20.27	0.1630	5.25%	0.6862	3.39%	8.63%
NSTAR	38.73	0.5150	3.02%	2.1221	5.48%	8.49%
PinnacleWestCapital	45.43	0.3750	5.10%	1.5765	3.47%	8.57%
Potomac Elec Pwr	21.91	0.2500	0.00%	1.0000	4.56%	4.56%
PugetSound Energy	23.01	0.4600	0.00%	1.8400	8.00%	8.00%
UILHoldings	48.50	0.7200	0.00%	2.8800	5.94%	5.94%
Mean						7.18%
Median						7.03%
Minimum						4.56%
First Quartile						5.64%
Third Quartile						8.51%
Maximum						10.56%
Inner Quartile Range						2.87%
Lower Fence						1.33%
Upper Fence						12.82%
Low Outlier						NO
High Outlier						NO