

DOCKET NO. 13-035-184  
EXHIBITS OCS 1.1D TO 1.11D  
ACCOMPANYING THE DIRECT TESTIMONY OF  
OFFICE OF CONSUMER SERVICES WITNESS 1D  
DANIEL J. LAWTON  
APRIL 17, 2014

**DANIEL J. LAWTON**  
**LAWTON CONSULTING**  
**B.A. ECONOMICS, MERRIMACK COLLEGE**  
**M.A. ECONOMICS, TUFTS UNIVERSITY**

Prior to beginning his own consulting practice Diversified Utility Consultants, Inc., in 1986 where he practiced as a firm principal through December 31, 2005, Mr. Lawton had been in the utility consulting business with a national engineering and consulting firm. In addition, Mr. Lawton has been employed as a senior analyst and statistical analyst with the Department of Public Service in Minnesota. Prior to Mr. Lawton's involvement in utility regulation and consulting he taught economics, econometrics, statistics and computer science at Doane College.

Mr. Lawton has conducted numerous financial and cost of capital studies on electric, gas and telephone utilities for various interveners before local, state and federal regulatory bodies. In addition, Mr. Lawton has provided studies, analyses, and expert testimony on statistics, econometrics, accounting, forecasting, and cost of service issues. Other projects in which Mr. Lawton has been involved include rate design and analyses, prudence analyses, fuel cost reviews and regulatory policy issues for electric, gas and telephone utilities. Mr. Lawton has developed software systems, databases and management systems for cost of service analyses.

In addition, Mr. Lawton has developed and reviewed numerous forecasts of energy and demand used for utility generation expansion studies as well as municipal financing. Mr. Lawton has represented numerous municipalities as a negotiator in utility related matters. Such negotiations ranges from the settlement of electric rate cases to the negotiation of provisions in purchase power contracts.

A list of cases in which Mr. Lawton has provided testimony is attached.

**UTILITY RATE PROCEEDINGS IN WHICH  
TESTIMONY HAS BEEN PRESENTED BY DANIEL J. LAWTON**

<b>ALASKA REGULATORY COMMISSION</b>		
Beluga Pipe Line Company	P-04-81	Cost of Capital

<b>JURISDICTION/COMPANY</b>	<b>DOCKET NO.</b>	<b>TESTIMONY TOPIC</b>
-----------------------------	-------------------	------------------------

<b>PUBLIC UTILITIES COMMISSION OF CALIFORNIA</b>		
Southern California Edison	12-0415	Cost of Capital
San Diego Gas and Electric	12-0416	Cost of Capital
Southern California Gas	12-0417	Cost of Capital
Pacific Gas and Electric	12-0418	Cost of Capital

<b>GEORGIA PUBLIC SERVICE COMMISSION</b>		
Georgia Power Co.	25060-U	Cost of Capital

<b>FEDERAL ENERGY REGULATORY COMMISSION</b>		
Alabama Power Company	ER83-369-000	Cost of Capital
Arizona Public Service Company	ER84-450-000	Cost of Capital
Florida Power & Light	EL83-24-000	Cost Allocation, Rate Design
Florida Power & Light	ER84-379-000	Cost of Capital, Rate Design, Cost of Service
Southern California Edison	ER82-427-000	Forecasting

<b>LOUISIANA PUBLIC SERVICE COMMISSION</b>		
Louisiana Power & Light	U-15684	Cost of Capital, Depreciation
Louisiana Power & Light	U-16518	Interim Rate Relief
Louisiana Power & Light	U-16945	Nuclear Prudence, Cost of Service

<b>MARYLAND PUBLIC SERVICE COMMISSION</b>		
Baltimore Gas and Electric Company	9173	Financial
Baltimore Gas and Electric Company	9326	Financial

<b>MINNESOTA PUBLIC UTILITIES COMMISSION</b>		
Continental Telephone	P407/GR-81-700	Cost of Capital
Interstate Power Co.	E001/GR-81-345	Financial
Montana Dakota Utilities	G009/GR-81-448	Financial, Cost of Capital
New ULM Telephone Company	P419/GR81767	Financial
Norman County Telephone	P420/GR-81-230	Rate Design, Cost of Capital
Northern States Power	G002/GR80556	Statistical Forecasting, Cost of Capital
Northwestern Bell	P421/GR80911	Rate Design, Forecasting

<b>MISSOURI PUBLIC SERVICE COMMISSION</b>		
Missouri Gas Energy	GR-2009-0355	Financial
Ameren UE	ER-2010-0036	Financial

<b>FLORIDA</b>
----------------

<b>PUBLIC SERVICE COMMISSION</b>		
Progress Energy	070052-EI	Cost Recovery
Florida Power and Light	080677-EI	Financial
Florida Power and Light	090130-EI	Depreciation
Progress Energy	090079-EI	Depreciation
Florida Power and Light	120015-EI	Financial Metrics

<b>NORTH CAROLINA UTILITIES COMMISSION</b>		
North Carolina Natural Gas	G-21, Sub 235	Forecasting, Cost of Capital, Cost of Service

<b>OKLAHOMA PUBLIC SERVICE COMMISSION</b>		
Arkansas Oklahoma Gas Corporation	200300088	Cost of Capital
Public Service Company of Oklahoma	200600285	Cost of Capital
Public Service Company of Oklahoma	200800144	Cost of Capital
Public Service Company of Oklahoma	201200054	Financial and Earnings Related

<b>PUBLIC SERVICE COMMISSION OF INDIANA</b>		
Kokomo Gas & Fuel Company	38096	Cost of Capital

<b>PUBLIC UTILITY COMMISSION OF NEVADA</b>		
Nevada Bell	99-9017	Cost of Capital
Nevada Power Company	99-4005	Cost of Capital
Sierra Pacific Power Company	99-4002	Cost of Capital
Nevada Power Company	08-12002	Cost of Capital
Southwest Gas Corporation	09-04003	Cost of Capital
Sierra Pacific Power Company	10-06001 & 10-06002	Cost of Capital & Financial
Nevada Power Co. and Sierra Pacific Power Co.	11-06006 11-06007 11-06008	Cost of Capital
Southwest Gas Corp.	12-04005	Cost of Capital
Sierra Power Company	13-06002 13-06003 13-06003	Cost of Capital
NV Energy & MidAmerican Energy Holdings Co.	13-07021	Merger and Public Interest Financial

<b>PUBLIC SERVICE COMMISSION OF UTAH</b>		
PacifiCorp	04-035-42	Cost of Capital
Rocky Mountain Power	08-035-38	Cost of Capital
Rocky Mountain Power	09-035-23	Cost of Capital
Rocky Mountain Power	10-035-124	Cost of Capital
Rocky Mountain Power	11-035-200	Cost of Capital
Questar Gas Company	13-057-05	Cost of Capital

SOUTH CAROLINA PUBLIC SERVICE COMMISSION		
Piedmont Municipal Power	82-352-E	Forecasting

PUBLIC UTILITY COMMISSION OF TEXAS		
Central Power & Light Company	6375	Cost of Capital, Financial Integrity
Central Power & Light Company	9561	Cost of Capital, Revenue Requirements
Central Power & Light Company	7560	Deferred Accounting
Central Power & Light Company	8646	Rate Design, Excess Capacity
Central Power & Light Company	12820	STP Adj. Cost of Capital, Post Test-year adjustments, Rate Case Expenses
Central Power & Light Company	14965	Salary & Wage Exp., Self-Ins. Reserve, Plant Held for Future use, Post Test Year Adjustments, Demand Side Management, Rate Case Exp.
Central Power & Light Company	21528	Securitization of Regulatory Assets
El Paso Electric Company	9945	Cost of Capital, Revenue Requirements, Decommissioning Funding
El Paso Electric Company	12700	Cost of Capital, Rate Moderation Plan, CWIP, Rate Case Expenses
Entergy Gulf States Incorporated	16705	Cost of Service, Rate Base, Revenues, Cost of Capital, Quality of Service
Entergy Gulf States Incorporated	21111	Cost Allocation
Entergy Gulf States Incorporated	21984	Unbundling
Entergy Gulf States Incorporated	22344	Capital Structure
Entergy Gulf States Incorporated	22356	Unbundling

Entergy Gulf States Incorporated	24336	Price to Beat
Gulf States Utilities Company	5560	Cost of Service
Gulf States Utilities Company	6525	Cost of Capital, Financial Integrity
Gulf States Utilities Company	6755/7195	Cost of Service, Cost of Capital, Excess Capacity
Gulf States Utilities Company	8702	Deferred Accounting, Cost of Capital, Cost of Service
Gulf States Utilities Company	10894	Affiliate Transaction
Gulf States Utilities Company	11793	Section 63, Affiliate Transaction
Gulf States Utilities Company	12852	Deferred acctng., self-Ins. reserve, contra AFUDC adj., River Bend Plant specifically assignable to Louisiana, River Bend Decomm., Cost of Capital, Financial Integrity, Cost of Service, Rate Case Expenses
GTE Southwest, Inc.	15332	Rate Case Expenses
Houston Lighting & Power	6765	Forecasting
Houston Lighting & Power	18465	Stranded costs
Lower Colorado River Authority	8400	Debt Service Coverage, Rate Design
Southwestern Electric Power Company	5301	Cost of Service
Southwestern Electric Power Company	4628	Rate Design, Financial Forecasting
Southwestern Electric Power Company	24449	Price to Beat Fuel Factor
Southwestern Bell Telephone Company	8585	Yellow Pages
Southwestern Bell Telephone Company	18509	Rate Group Re-Classification
Southwestern Public Service Company	13456	Interruptible Rates



Southwestern Public Service Company	11520	Cost of Capital
Southwestern Public Service Company	14174	Fuel Reconciliation
Southwestern Public Service Company	14499	TUCO Acquisition
Southwestern Public Service Company	19512	Fuel Reconciliation
Texas-New Mexico Power Company	9491	Cost of Capital, Revenue Requirements, Prudence
Texas-New Mexico Power Company	10200	Prudence
Texas-New Mexico Power Company	17751	Rate Case Expenses
Texas-New Mexico Power Company	21112	Acquisition risks/merger benefits
Texas Utilities Electric Company	9300	Cost of Service, Cost of Capital
Texas Utilities Electric Company	11735	Revenue Requirements
TXU Electric Company	21527	Securitization of Regulatory Assets
West Texas Utilities Company	7510	Cost of Capital, Cost of Service
West Texas Utilities Company	13369	Rate Design

RAILROAD COMMISSION OF TEXAS		
Energas Company	5793	Cost of Capital
Energas Company	8205	Cost of Capital
Energas Company	9002-9135	Cost of Capital, Revenues, Allocation
Lone Star Gas Company	8664	Rate Design, Cost of Capital, Accumulated Depr. & DFIT, Rate Case Exp.
Lone Star Gas Company-Transmission	8935	Implementation of Billing Cycle Adjustment

Southern Union Gas Company	6968	Rate Relief
Southern Union Gas Company	8878	Test Year Revenues, Joint and Common Costs
Texas Gas Service Company	9465	Cost of Capital, Cost of Service, Allocation
TXU Lone Star Pipeline	8976	Cost of Capital, Capital Structure
TXU-Gas Distribution	9145-9151	Cost of Capital, Transport Fee, Cost Allocation, Adjustment Clause
TXU-Gas Distribution	9400	Cost of Service, Allocation, Rate Base, Cost of Capital, Rate Design
Westar Transmission Company	4892/5168	Cost of Capital, Cost of Service
Westar Transmission Company	5787	Cost of Capital, Revenue Requirement
Atmos	10000	Cost of Capital

**TEXAS  
WATER COMMISSION**

Southern Utilities Company	7371-R	Cost of Capital, Cost of Service
----------------------------	--------	----------------------------------

**SCOTSBUFF, NEBRASKA CITY  
COUNCIL**

K. N. Energy, Inc.		Cost of Capital
--------------------	--	-----------------

**HOUSTON  
CITY COUNCIL**

Houston Lighting & Power Company		Forecasting
----------------------------------	--	-------------

**PUBLIC UTILITY REGULATION BOARD OF  
EL PASO, TEXAS**

Southern Union Gas Company		Cost of Capital
----------------------------	--	-----------------

DISTRICT COURT CAMERON COUNTY, TEXAS		
City of San Benito, et. al. vs. PGE Gas Transmission et. al.	96-12-7404	Fairness Hearing

DISTRICT COURT HARRIS COUNTY, TEXAS		
City of Wharton, et al vs. Houston Lighting & Power	96-016613	Franchise fees

DISTRICT COURT TRAVIS COUNTY, TEXAS		
City of Round Rock, et al vs. Railroad Commission of Texas et al	GV 304,700	Mandamus

SOUTH DAYTONA, FLORIDA		
City of South Daytona v. Florida Power and Light	2008-30441-CICI	Stranded Costs

**FEDERAL RESERVE OPEN MARKET COMMITTEE ("FOMC")  
PRESS RELEASES AND PROJECTIONS**

**FOMC PRESS RELEASE JANUARY 29, 2014**

**FOMC PRESS RELEASE MARCH 19, 2014**

**FOMC SUMMARY OF ECONOMIC PROJECTIONS DECEMBER 2013**

**FOMC SUMMARY OF ECONOMIC PROJECTIONS MARCH 2014**

What's New · What's Next · Site Map · A-Z Index · Careers · RSS ·  
All Videos · Current FAQs · Contact Us

Search  Advanced Search

## Board of Governors of the Federal Reserve System

About the Fed | News & Events | Monetary Policy | Banking Information & Regulation | Payment Systems | Economic Research & Data | Consumer Information | Community Development | Reporting Forms | Publications

- Testimony and Speeches
- Press Releases
- Regulatory Reform
- Conferences
- Other Public Communication

[Home](#) > [News & Events](#) > [2014 Monetary Policy Releases](#)

### Press Release

  Print

Release Date: January 29, 2014

#### For Immediate release

Information received since the Federal Open Market Committee met in December indicates that growth in economic activity picked up in recent quarters. Labor market indicators were mixed but on balance showed further improvement. The unemployment rate declined but remains elevated. Household spending and business fixed investment advanced more quickly in recent months, while the recovery in the housing sector slowed somewhat. Fiscal policy is restraining economic growth, although the extent of restraint is diminishing. Inflation has been running below the Committee's longer-run objective, but longer-term inflation expectations have remained stable.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with appropriate policy accommodation, economic activity will expand at a moderate pace and the unemployment rate will gradually decline toward levels the Committee judges consistent with its dual mandate. The Committee sees the risks to the outlook for the economy and the labor market as having become more nearly balanced. The Committee recognizes that inflation persistently below its 2 percent objective could pose risks to economic performance, and it is monitoring inflation developments carefully for evidence that inflation will move back toward its objective over the medium term.

Taking into account the extent of federal fiscal retrenchment since the inception of its current asset purchase program, the Committee continues to see the improvement in economic activity and labor market conditions over that period as consistent with growing underlying strength in the broader economy. In light of the cumulative progress toward maximum employment and the improvement in the outlook for labor market conditions, the Committee decided to make a further measured reduction in the pace of its asset purchases. Beginning in February, the Committee will add to its holdings of agency mortgage-backed securities at a pace of \$30 billion per month rather than \$35 billion per month, and will add to its holdings of longer-term Treasury securities at a pace of \$35 billion per month rather than \$40 billion per month. The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction. The Committee's sizable and still-increasing holdings of longer-term securities should maintain downward pressure on longer-term interest rates, support mortgage markets, and help to make broader financial conditions more accommodative, which in turn should promote a stronger economic recovery and help to ensure that inflation, over time, is at the rate most consistent with the Committee's dual mandate.

The Committee will closely monitor incoming information on economic and financial developments in coming months and will continue its purchases of Treasury and agency mortgage-backed securities, and employ its other policy tools as appropriate, until the outlook for the labor market has improved substantially in a context of price stability. If incoming information broadly supports the Committee's expectation of ongoing improvement in labor market conditions and inflation moving back toward its longer-run objective, the Committee will likely reduce the pace of asset purchases in further measured steps at future meetings. However, asset purchases are not on a preset course, and the Committee's decisions about their pace will remain contingent on the Committee's outlook for the labor market and inflation as well as its assessment of the likely efficacy and costs of such purchases.

To support continued progress toward maximum employment and price stability, the Committee today reaffirmed its view that a highly accommodative stance of monetary policy will remain appropriate for a considerable time after the asset purchase program ends and the economic recovery strengthens. The Committee also reaffirmed its expectation that the current exceptionally low target range for the federal funds rate of 0 to 1/4 percent will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored. In determining how long to maintain a highly accommodative stance of monetary policy, the Committee will also consider other information, including additional measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. The Committee continues to anticipate, based on its assessment of these factors, that it likely will be appropriate to maintain the current target range for the federal funds rate well past the time that the unemployment rate declines below 6-1/2 percent, especially if projected inflation continues to run below the Committee's 2 percent longer-run goal. When the Committee decides to begin to remove policy accommodation, it will take a balanced approach consistent with its longer-run goals of maximum employment and inflation of 2 percent.

Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; William C. Dudley, Vice Chairman; Richard W. Fisher; Narayana Kocherlakota; Sandra Pianalto; Charles I. Plosser; Jerome H. Powell; Jeremy C. Stein; Daniel K. Tarullo; and Janet L. Yellen.

[Statement Regarding Purchases of Treasury Securities and Agency Mortgage-Backed Securities](#) 

What's New · What's Next · Site Map · A-Z Index · Careers · RSS ·  
All Videos · Current FAQs · Contact Us

Search [Advanced Search](#)

## Board of Governors of the Federal Reserve System

[About the Fed](#) [News & Events](#) [Monetary Policy](#) [Banking Information & Regulation](#) [Payment Systems](#) [Economic Research & Data](#) [Consumer Information](#) [Community Development](#) [Reporting Forms](#) [Publications](#)

[Testimony and Speeches](#)

[Press Releases](#)

[Regulatory Reform](#)

[Conferences](#)

[Other Public Communication](#)

[Home](#) > [News & Events](#) > [2014 Monetary Policy Releases](#)

### Press Release

 [Print](#)

*Release Date: March 19, 2014*

#### For immediate release

Information received since the Federal Open Market Committee met in January indicates that growth in economic activity slowed during the winter months, in part reflecting adverse weather conditions. Labor market indicators were mixed but on balance showed further improvement. The unemployment rate, however, remains elevated. Household spending and business fixed investment continued to advance, while the recovery in the housing sector remained slow. Fiscal policy is restraining economic growth, although the extent of restraint is diminishing. Inflation has been running below the Committee's longer-run objective, but longer-term inflation expectations have remained stable.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with appropriate policy accommodation, economic activity will expand at a moderate pace and labor market conditions will continue to improve gradually, moving toward those the Committee judges consistent with its dual mandate. The Committee sees the risks to the outlook for the economy and the labor market as nearly balanced. The Committee recognizes that inflation persistently below its 2 percent objective could pose risks to economic performance, and it is monitoring inflation developments carefully for evidence that inflation will move back toward its objective over the medium term.

The Committee currently judges that there is sufficient underlying strength in the broader economy to support ongoing improvement in labor market conditions. In light of the cumulative progress toward maximum employment and the improvement in the outlook for labor market conditions since the inception of the current asset purchase program, the Committee decided to make a further measured reduction in the pace of its asset purchases. Beginning in April, the Committee will add to its holdings of agency mortgage-backed securities at a pace of \$25 billion per month rather than \$30 billion per month, and will add to its holdings of longer-term Treasury securities at a pace of \$30 billion per month rather than \$35 billion per month. The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction. The Committee's sizable and still-increasing holdings of longer-term securities should maintain downward pressure on longer-term interest rates, support mortgage markets, and help to make broader financial conditions more accommodative, which in turn should promote a stronger economic recovery and help to ensure that inflation, over time, is at the rate most consistent with the Committee's dual mandate.

The Committee will closely monitor incoming information on economic and financial developments in coming months and will continue its purchases of Treasury and agency mortgage-backed securities, and employ its other policy tools as appropriate, until the outlook for the labor market has improved substantially in a context of price stability. If incoming information broadly supports the Committee's expectation of ongoing improvement in labor market conditions and inflation moving back toward its longer-run objective, the Committee will likely reduce the pace of asset purchases in further measured steps at future meetings. However, asset purchases are not on a preset course, and the Committee's decisions about their pace will remain contingent on the Committee's outlook for the labor market and inflation as well as its assessment of the likely efficacy and costs of such purchases.

To support continued progress toward maximum employment and price stability, the Committee today reaffirmed its view that a highly accommodative stance of monetary policy remains appropriate. In determining how long to maintain the current 0 to 1/4 percent target range for the federal funds rate, the Committee will assess progress--both realized and expected--toward its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. The Committee continues to anticipate, based on its assessment of these factors, that it likely will be appropriate to maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends, especially if projected inflation continues to run below the Committee's 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored.

When the Committee decides to begin to remove policy accommodation, it will take a balanced approach consistent with its longer-run goals of maximum employment and inflation of 2 percent. The Committee currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

With the unemployment rate nearing 6-1/2 percent, the Committee has updated its forward guidance. The change in the Committee's guidance does not indicate any change in the Committee's policy intentions as set forth in its recent statements.

Voting for the FOMC monetary policy action were: Janet L. Yellen, Chair; William C. Dudley, Vice Chairman; Richard W. Fisher; Sandra Pianalto; Charles I. Plosser; Jerome H. Powell; Jeremy C. Stein; and Daniel K. Tarullo.

Voting against the action was Narayana Kocherlakota, who supported the sixth paragraph, but believed the fifth

What's New · What's Next · Site Map · A-Z Index · Careers · RSS · All Videos · Current FAQs · Contact Us

Search [Advanced Search](#)

# Board of Governors of the Federal Reserve System

[About the Fed](#) · [News & Events](#) · [Monetary Policy](#) · [Banking Information & Regulation](#) · [Payment Systems](#) · [Economic Research & Data](#) · [Consumer Information](#) · [Community Development](#) · [Reporting Forms](#) · [Publications](#)

[Federal Open Market Committee](#)

[Credit and Liquidity Programs and the Balance Sheet](#)

[Policy Tools](#)

[Reports](#)

[Home](#) > [Monetary Policy](#) > [Federal Open Market Committee](#) > [Meeting calendars, statements, and minutes \(2008-2014\)](#) > [December 17-18, 2013 FOMC Meeting](#)

[Print](#)

## Accessible Version

### Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Central tendency <sup>1</sup>					Range <sup>2</sup>				
	2013	2014	2015	2016	Longer run	2013	2014	2015	2016	Longer run
Change in real GDP	2.2 to 2.3	2.8 to 3.2	3.0 to 3.4	2.5 to 3.2	2.2 to 2.4	2.2 to 2.4	2.2 to 3.3	2.2 to 3.6	2.1 to 3.5	1.8 to 2.5
September projection	2.0 to 2.3	2.9 to 3.1	3.0 to 3.5	2.5 to 3.3	2.2 to 2.5	1.8 to 2.4	2.2 to 3.3	2.2 to 3.7	2.2 to 3.5	2.1 to 2.5
Unemployment rate	7.0 to 7.1	6.3 to 6.6	5.8 to 6.1	5.3 to 5.8	5.2 to 5.8	7.0 to 7.1	6.2 to 6.7	5.5 to 6.2	5.0 to 6.0	5.2 to 6.0
September projection	7.1 to 7.3	6.4 to 6.8	5.9 to 6.2	5.4 to 5.9	5.2 to 5.8	6.9 to 7.3	6.2 to 6.9	5.3 to 6.3	5.2 to 6.0	5.2 to 6.0
PCE inflation	0.9 to 1.0	1.4 to 1.6	1.5 to 2.0	1.7 to 2.0	2.0	0.9 to 1.2	1.3 to 1.8	1.4 to 2.3	1.6 to 2.2	2.0
September projection	1.1 to 1.2	1.3 to 1.8	1.6 to 2.0	1.7 to 2.0	2.0	1.0 to 1.3	1.2 to 2.0	1.4 to 2.3	1.5 to 2.3	2.0
Core PCE inflation <sup>3</sup>	1.1 to 1.2	1.4 to 1.6	1.6 to 2.0	1.8 to 2.0		1.1 to 1.2	1.3 to 1.8	1.5 to 2.3	1.6 to 2.2	
September projection	1.2 to 1.3	1.5 to 1.7	1.7 to 2.0	1.9 to 2.0		1.2 to 1.4	1.4 to 2.0	1.6 to 2.3	1.7 to 2.3	

Note: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are from the fourth quarter of the previous year to the fourth quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The September projections were made in conjunction with the meeting of the Federal Open Market Committee on September 17-18, 2013.

1. The central tendency excludes the three highest and three lowest projections for each variable in each year. [Return to table](#)
2. The range for a variable in a given year includes all participants' projections, from lowest to highest, for that variable in that year. [Return to table](#)
3. Longer-run projections for core PCE inflation are not collected. [Return to table](#)

Figure 1. Central tendencies and ranges of economic projections, 2013-16 and over the longer run

Central tendencies and ranges of economic projections for years 2013 through 2016 and over the longer run. Actual values for years 2008 through 2012.

Change in real GDP  
Percent

2008 2009 2010 2011 2012 2013 2014 2015 2016 Longer Run

Actual	(2.8)	(0.2)	2.8	2.0	2.0	-	-	-	-	-
Upper End of Range	-	-	-	-	-	2.4	3.3	3.6	3.5	2.6
Upper End of Central Tendency	-	-	-	-	-	2.3	3.2	3.4	3.2	2.4
Lower End of Central Tendency	-	-	-	-	-	2.2	2.8	3.0	2.5	2.2
Lower End of Range	-	-	-	-	-	2.2	2.2	2.2	2.1	1.8

**Unemployment rate**  
Percent

	2008	2009	2010	2011	2012	2013	2014	2015	2016	Longer Run
Actual	6.9	9.9	9.5	8.7	7.8	-	-	-	-	-
Upper End of Range	-	-	-	-	-	7.1	6.7	6.2	6.0	6.0
Upper End of Central Tendency	-	-	-	-	-	7.1	6.6	6.1	5.8	5.8
Lower End of Central Tendency	-	-	-	-	-	7.0	6.3	5.8	5.3	5.2
Lower End of Range	-	-	-	-	-	7.0	6.2	5.5	5.0	5.2

**PCE Inflation**  
Percent

	2008	2009	2010	2011	2012	2013	2014	2015	2016	Longer Run
Actual	1.5	1.2	1.3	2.6	1.7	-	-	-	-	-
Upper End of Range	-	-	-	-	-	1.2	1.8	2.3	2.2	2.0
Upper End of Central Tendency	-	-	-	-	-	1.0	1.6	2.0	2.0	2.0
Lower End of Central Tendency	-	-	-	-	-	0.9	1.4	1.5	1.7	2.0
Lower End of Range	-	-	-	-	-	0.9	1.3	1.4	1.6	2.0

Note: Definitions of variables are in the general note to the projections table. The data for the actual values of the variables are annual.

Figure 2. Overview of FOMC participants' assessments of appropriate monetary policy

**Appropriate timing of policy firming**

	2014	2015	2016
Number of participants	2	12	3

Note: In the upper panel, the height of each bar denotes the number of FOMC participants who judge that, under appropriate monetary policy, the first increase in the target federal funds rate from its current range of 0 to ¼ percent will occur in the specified calendar year. In September 2013, the numbers of FOMC participants who judged that the first increase in the target federal funds rate would occur in 2014, 2015, and 2016 were, respectively, 2, 12, and 3.

**Appropriate pace of policy firming**  
Number of participants with projected targets

Target federal funds rate at year-end (Percent)	2013	2014	2015	2016	Longer run
0.25	17	15	3		
0.50			3	1	
0.75		1	4		
1.00			2	1	
1.25		1	1	1	
1.50			1	2	
1.75				4	
2.00			1	1	
2.25					
2.50				2	
2.75			1	1	
3.00				1	
3.25			1	1	
3.50					4




3.75					2
4.00				1	9
4.25				1	2

Note: In the lower panel, each shaded circle indicates the value (rounded to the nearest ¼ percentage point) of an individual participant's judgment of the appropriate level of the target federal funds rate at the end of the specified calendar year or over the longer run.

Last update: December 18, 2013

[Home](#) | [Monetary Policy](#)

[Accessibility](#) [Contact Us](#) [Disclaimer](#) [Website Policies](#) [FOIA](#)

[PDF Reader](#) 

Embargoed for release at 2:00 p.m., EDT, March 19, 2014

**Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents, March 2014**  
 Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Central tendency <sup>1</sup>				Range <sup>2</sup>			
	2014	2015	2016	Longer run	2014	2015	2016	Longer run
Change in real GDP .....	2.8 to 3.0	3.0 to 3.2	2.5 to 3.0	2.2 to 2.3	2.1 to 3.0	2.2 to 3.5	2.2 to 3.4	1.8 to 2.4
December projection .....	2.8 to 3.2	3.0 to 3.4	2.5 to 3.2	2.2 to 2.4	2.2 to 3.3	2.2 to 3.6	2.1 to 3.5	1.8 to 2.5
Unemployment rate .....	6.1 to 6.3	5.6 to 5.9	5.2 to 5.6	5.2 to 5.6	6.0 to 6.5	5.4 to 5.9	5.1 to 5.8	5.2 to 6.0
December projection .....	6.3 to 6.6	5.8 to 6.1	5.3 to 5.8	5.2 to 5.8	6.2 to 6.7	5.5 to 6.2	5.0 to 6.0	5.2 to 6.0
PCE inflation .....	1.5 to 1.6	1.5 to 2.0	1.7 to 2.0	2.0	1.3 to 1.8	1.5 to 2.4	1.6 to 2.0	2.0
December projection .....	1.4 to 1.6	1.5 to 2.0	1.7 to 2.0	2.0	1.3 to 1.8	1.4 to 2.3	1.6 to 2.2	2.0
Core PCE inflation <sup>3</sup> .....	1.4 to 1.6	1.7 to 2.0	1.8 to 2.0		1.3 to 1.8	1.5 to 2.4	1.6 to 2.0	
December projection .....	1.4 to 1.6	1.6 to 2.0	1.8 to 2.0		1.3 to 1.8	1.5 to 2.3	1.6 to 2.2	

NOTE: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are from the fourth quarter of the previous year to the fourth quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The December projections were made in conjunction with the meeting of the Federal Open Market Committee on December 17-18, 2013.

1. The central tendency excludes the three highest and three lowest projections for each variable in each year.
2. The range for a variable in a given year includes all participants' projections, from lowest to highest, for that variable in that year.
3. Longer-run projections for core PCE inflation are not collected.

**ROCKY MOUNTAIN POWER  
DOCKET NO. 13-035-184  
HISTORICAL INTEREST RATES**

	A	B	C	D	E	F
						30 YEAR VERSUS 10 YEAR US BOND SPREADS
DATE	30 YEAR US TREASURY	20 YEAR US TREASURY	10 YEAR US TREASURY	AAA CORPORATE BONDS	BBB CORPORATE BONDS	
1/1/09	3.13%	3.46%	2.52%	5.05%	8.14%	-0.61%
2/1/09	3.59%	3.83%	2.87%	5.27%	8.08%	-0.72%
3/1/09	3.64%	3.78%	2.82%	5.50%	8.42%	-0.82%
4/1/09	3.76%	3.84%	2.93%	5.39%	8.39%	-0.83%
5/1/09	4.23%	4.22%	3.29%	5.54%	8.06%	-0.94%
6/1/09	4.52%	4.51%	3.72%	5.61%	7.50%	-0.80%
7/1/09	4.41%	4.38%	3.56%	5.41%	7.09%	-0.85%
8/1/09	4.37%	4.33%	3.59%	5.26%	6.58%	-0.78%
9/1/09	4.19%	4.14%	3.40%	5.13%	6.31%	-0.79%
10/1/09	4.19%	4.16%	3.39%	5.15%	6.29%	-0.80%
11/1/09	4.31%	4.24%	3.40%	5.19%	6.32%	-0.91%
12/1/09	4.49%	4.40%	3.59%	5.26%	6.37%	-0.90%
1/1/10	4.60%	4.50%	3.73%	5.26%	6.25%	-0.87%
2/1/10	4.62%	4.48%	3.69%	5.35%	6.34%	-0.93%
3/1/10	4.64%	4.49%	3.73%	5.27%	6.27%	-0.91%
4/1/10	4.69%	4.53%	3.85%	5.29%	6.25%	-0.84%
5/1/10	4.29%	4.11%	3.42%	4.96%	6.05%	-0.87%
6/1/10	4.13%	3.95%	3.20%	4.88%	6.23%	-0.93%
7/1/10	3.99%	3.80%	3.01%	4.72%	6.01%	-0.98%
8/1/10	3.80%	3.52%	2.70%	4.49%	5.66%	-1.10%
9/1/10	3.77%	3.47%	2.65%	4.53%	5.66%	-1.12%
10/1/10	3.87%	3.52%	2.54%	4.68%	5.72%	-1.33%
11/1/10	4.19%	3.82%	2.76%	4.87%	5.92%	-1.43%
12/1/10	4.42%	4.17%	3.29%	5.02%	6.10%	-1.13%
1/1/11	4.52%	4.28%	3.39%	5.04%	6.09%	-1.13%
2/1/11	4.65%	4.42%	3.58%	5.22%	6.15%	-1.07%
3/1/11	4.51%	4.27%	3.41%	5.13%	6.03%	-1.10%
4/1/11	4.50%	4.28%	3.46%	5.16%	6.02%	-1.04%
5/1/11	4.29%	4.01%	3.17%	4.96%	5.78%	-1.12%
6/1/11	4.23%	3.91%	3.00%	4.99%	5.75%	-1.23%
7/1/11	4.27%	3.95%	3.00%	4.93%	5.76%	-1.27%
8/1/11	3.65%	3.24%	2.30%	4.37%	5.36%	-1.35%
9/1/11	3.18%	2.83%	1.98%	4.09%	5.27%	-1.20%
10/1/11	3.13%	2.87%	2.15%	3.98%	5.37%	-0.98%
11/1/11	3.02%	2.72%	2.01%	3.87%	5.14%	-1.01%
12/1/11	2.98%	2.67%	1.98%	3.93%	5.25%	-1.00%
1/1/12	3.03%	2.70%	1.97%	3.85%	5.23%	-1.06%
2/1/12	3.11%	2.75%	1.97%	3.85%	5.14%	-1.14%
3/1/12	3.28%	2.94%	2.17%	3.99%	5.23%	-1.11%
4/1/12	3.18%	2.82%	2.05%	3.96%	5.19%	-1.13%
5/1/12	2.93%	2.53%	1.80%	3.80%	5.07%	-1.13%
6/1/12	2.70%	2.31%	1.62%	3.64%	5.02%	-1.08%
7/1/12	2.59%	2.22%	1.53%	3.40%	4.87%	-1.06%
8/1/12	2.77%	2.40%	1.68%	3.48%	4.91%	-1.09%
9/1/12	2.88%	2.49%	1.72%	3.49%	4.84%	-1.16%
10/1/12	2.90%	2.51%	1.75%	3.47%	4.58%	-1.15%
11/1/12	2.80%	2.39%	1.65%	3.50%	4.51%	-1.15%
12/1/12	2.88%	2.47%	1.72%	3.65%	4.63%	-1.16%
1/1/13	3.08%	2.68%	1.91%	3.80%	4.73%	-1.17%
2/1/13	3.17%	2.78%	1.98%	3.90%	4.85%	-1.19%
3/1/13	3.16%	2.78%	1.96%	3.93%	4.85%	-1.20%
4/1/13	2.93%	2.55%	1.76%	3.73%	4.59%	-1.17%
5/1/13	3.11%	2.73%	1.93%	3.89%	4.73%	-1.18%
6/1/13	3.40%	3.07%	2.30%	4.27%	5.19%	-1.10%
7/1/13	3.61%	3.31%	2.58%	4.34%	5.32%	-1.03%
8/1/13	3.76%	3.49%	2.74%	4.54%	5.42%	-1.02%
9/1/13	3.79%	3.53%	2.81%	4.64%	5.47%	-0.98%
10/1/13	3.68%	3.38%	2.62%	4.53%	5.31%	-1.06%
11/1/13	3.80%	3.50%	2.72%	4.63%	5.38%	-1.08%
12/1/13	3.89%	3.63%	2.90%	4.62%	5.38%	-0.95%
1/1/14	3.77%	3.52%	2.86%	4.49%	5.19%	-0.91%
2/1/14	3.66%	3.38%	2.71%	4.45%	5.10%	-0.95%
3/1/14	3.62%	3.35%	2.72%	4.39%	5.06%	-0.90%
AVERAGE	3.72%	3.48%	2.69%	4.56%	5.77%	-1.03%
3 MONTH AVG	3.68%	3.42%	2.76%	4.44%	5.12%	-0.92%
MINIMUM	2.59%	2.22%	1.53%	3.40%	4.51%	-1.43%
MAXIMUM	4.69%	4.53%	3.85%	5.61%	8.42%	-0.61%

SOURCES: COLUMNS A-E FROM [www.federalreserve.gov](http://www.federalreserve.gov); COLUMN F IS COLUMN C LESS A

**ROCKY MOUNTAIN POWER**  
**DOCKET NO. 13-035-184**

**COMPARABLE GROUP BETA, BOND RATING AND EQUITY RATIOS**

LINE NO	COMPANY	SYMBOL	BETA	EQUITY RATIO					PERCENT REGULATED REVENUES	BOND RATINGS	
				2012	2013	2014	2015	2017-19		S&P	MOODY'S
1	ALLETE, INC.*	ALE	0.80	56.30%	55.40%	55.00%	55.00%	58.50%	A-	A3	
2	ALLIANT ENERGY CORPORATION*	LNT	0.80	48.40%	47.00%	49.50%	49.50%	51.50%	A-	A2/A3	
3	AVISTA CORPORATION*	AVA	0.75	49.20%	48.50%	48.50%	49.50%	51.50%	A-	Baa1	
4	BLACK HILLS CORP.	BKH	0.90	56.80%	46.50%	43.00%	42.83%	42.50%	BBB	A3/Baa1	
5	CMS ENERGY CORP	CMS	0.70	31.60%	32.20%	31.50%	33.00%	37.50%	BBB+/BBB	A2/A3	
6	DTE ENERGY COMPANY*	DTE	0.85	51.20%	52.50%	52.00%	52.00%	50.50%	A-/BBB+	A2/A3	
7	DUKE ENERGY CORPORATION	DUK	0.70	52.90%	52.00%	51.00%	50.50%	48.50%	BBB+	A3	
8	EDISON INTERNATIONAL	EIX	0.80	46.20%	43.50%	43.50%	44.00%	45.00%	BBB+	A2/A3	
9	EMPIRE DISTRICT ELECTRIC COMPANY	EDE	0.75	50.90%	50.20%	49.50%	52.50%	51.50%	A-	Baa1	
10	IDACORP, INC.*	IDA	0.75	54.50%	53.50%	52.50%	52.00%	51.00%	A-	A3	
11	INTEGRYS ENERGY GROUP, INC.*	TEG	1.05	60.40%	52.00%	52.50%	52.50%	52.50%	A-	A3	
12	MGE ENERGY INC.	MGEE	0.70	61.80%	60.70%	61.00%	61.50%	63.50%	AA-	Aa2	
13	NEXTERA ENERGY, INC.*	NEE	0.75	40.90%	43.00%	45.00%	47.50%	52.00%	A-/BBB+	A2/A3	
14	NORTHWESTERN CORPORATION	NWE	0.70	46.20%	46.00%	48.00%	49.33%	52.00%	nr	A3	
15	OGE ENERGY CORP	OGE	0.85	49.30%	56.90%	56.00%	58.00%	58.50%	BBB+	A3	
16	PINNACLE WEST CAPITAL CORPORATION	PNW	0.75	55.40%	59.50%	58.50%	58.67%	59.00%	BBB	A3/Baa1	
17	PORTLAND GENERAL ELECTRIC CO.*	POR	0.75	52.90%	48.50%	50.50%	50.83%	51.50%	A-	A3	
18	SEMPRA ENERGY*	SRE	0.75	46.70%	45.50%	45.50%	45.33%	45.00%	A/A-	A2/A3	
19	SOUTHERN COMPANY*	SO	0.60	47.30%	46.50%	45.50%	44.00%	43.00%	A	A3/BAA1	
20	TECO ENERGY INC	TE	0.95	43.50%	45.00%	46.50%	45.00%	44.50%	BBB+/BBB	A3	
21	WESTAR ENERGY, INC.*	WR	0.80	48.80%	49.00%	49.00%	49.50%	50.00%	A-	A3/Baa1	
22	WISCONSIN ENERGY CORPORATION*	WEC	0.70	48.00%	49.00%	49.50%	50.00%	50.50%	A-/BBB+	A1/A2	
23	XCEL ENERGY, INC.*	XEL	0.65	46.70%	47.00%	47.00%	48.33%	51.00%	A-	A3	
24											
25	GROUP AVERAGE		0.77	49.82%	49.13%	49.15%	49.62%	50.48%	89.35%		
26	GROUP MEDIAN		0.75	49.20%	48.50%	49.50%	49.50%	51.00%	94.00%		
	ROCKY MOUNTAIN POWER JUNE 30, 2015					<b>51.60%</b>					
	COMPARABLE GROUP 2014 2015 AVERAGE					<b>49.39%</b>					

SOURCES:

VALUE LINE INVESTMENT SURVEY EAST FEBRUARY 21, 2014, CENTRAL MARCH 21, 2014, AND WEST JANUARY 31, 2014  
AUS UTILITY REPORTS MARCH 2014

\* INDICATES THAT COMPARABLE COMPANY IS ALSO INCLUDED IN COMPANY WITNESS HADAWAY GROUP OF COMPANIES  
EQUITY VALUES FOR 2015 IN BOLD ESTIMATED FROM VALUE LINE

**ROCKY MOUNTAIN POWER  
DOCKET NO. 13-035-184  
DIVIDEND YIELD CALCULATION**

LINE NO	COMPANY	A	B	C	D	E	F	G
		PRICE SIX WEEK		BASE YIELD	GROWTH	ADJUSTED	NEXT YEAR	ADJUSTED
		DIVIDEND	AVERAGE		RATE	YIELD	DIVIDEND	YIELD
1	ALLETE, INC.*	\$1.96	\$51.06	3.84%	6.00%	3.95%	\$1.98	3.88%
2	ALLIANT ENERGY CORPORATION*	\$2.04	\$54.45	3.75%	5.63%	3.85%	\$2.08	3.82%
3	AVISTA CORPORATION*	\$1.27	\$29.74	4.28%	5.50%	4.39%	\$1.29	4.34%
4	BLACK HILLS CORP.	\$1.56	\$56.71	2.75%	7.00%	2.85%	\$1.58	2.79%
5	CMS ENERGY CORP	\$1.08	\$28.52	3.79%	6.25%	3.91%	\$1.10	3.84%
6	DTE ENERGY COMPANY*	\$2.62	\$71.79	3.65%	5.47%	3.75%	\$2.77	3.85%
7	DUKE ENERGY CORPORATION	\$3.12	\$70.44	4.43%	3.94%	4.52%	\$3.17	4.49%
8	EDISON INTERNATIONAL	\$1.42	\$52.73	2.69%	1.88%	2.72%	\$1.47	2.79%
9	EMPIRE DISTRICT ELECTRIC COMPANY	\$1.02	\$23.90	4.27%	3.33%	4.34%	\$1.04	4.33%
10	IDACORP, INC.*	\$1.72	\$55.40	3.10%	3.16%	3.16%	\$1.80	3.24%
11	INTEGRYS ENERGY GROUP, INC.*	\$2.72	\$57.48	4.73%	4.57%	4.84%	\$2.72	4.73%
12	MGE ENERGY IN.	\$1.09	\$38.87	2.80%	6.00%	2.88%	\$1.11	2.86%
13	NEXTERA ENERGY, INC.*	\$2.90	\$93.22	3.11%	5.69%	3.20%	\$2.97	3.18%
14	NORHWESTERN CORPORATION	\$1.60	\$46.20	3.46%	5.83%	3.56%	\$1.58	3.42%
15	OGE ENERGY CORP	\$0.90	\$36.09	2.49%	5.50%	2.56%	\$0.96	2.65%
16	PINNACLE WEST CAPITAL CORPORATION	\$2.27	\$54.57	4.16%	4.24%	4.25%	\$2.32	4.24%
17	PORTLAND GENERAL ELECTRIC CO.*	\$1.10	\$31.98	3.44%	7.00%	3.56%	\$1.13	3.53%
18	SEMPRA ENERGY*	\$2.64	\$94.85	2.78%	6.09%	2.87%	\$2.67	2.81%
19	SOUTHERN COMPANY*	\$2.03	\$42.76	4.74%	3.72%	4.83%	\$2.10	4.90%
20	TECO ENERGY INC	\$0.88	\$16.74	5.26%	2.39%	5.32%	\$0.88	5.26%
21	WESTAR ENERGY, INC.*	\$1.40	\$34.49	4.06%	4.33%	4.15%	\$1.41	4.09%
22	WISCONSIN ENERGY CORPORATION*	\$1.56	\$44.65	3.49%	5.35%	3.59%	\$1.59	3.56%
23	XCEL ENERGY, INC.*	\$1.20	\$30.09	3.99%	4.44%	4.08%	\$1.19	3.94%
24								
25	GROUP AVERAGE	\$1.74	\$48.55	3.70%	4.93%	3.79%	\$1.78	3.76%
25	GROUP MEDIAN	\$1.56	\$46.20	3.75%	5.47%	3.85%	\$1.58	3.84%

SOURCES:

COLUMN A: MOST RECENT QUARTELY DIVIDEND ANNUALIZED, DATA PER YAHOO FINANCE

COLUMN B: PRICES ARE BASED ON A SIX WEEK AVERAGE OF HISTORICAL WEEKLY CLOSING PRICES PER YAHOO FINANCE ENDING WEEK OF MARCH 24, 2014

COLUMN C: COLUMN A DIVIDED BY COLUMN B

COLUMN D: PER EXHIBIT OCS\_1-6 COLUMN M FORECAST EPS GROWTH

COLUMN E: COLUMN C INCREASED BY 1/2 OF COLUMN D GROWTH

COLUMN F: PER VALUE LINE SEE WP SHEET 1

COLUMN G: COLUMN F / COLUMN B

(\*\*\*) MGEE CLOSING PRICES ADJUSTED TO REFLECT A 3:2 STOCK SPLIT ON FEBRUARY 10, 2014

**ROCKY MOUNTAIN POWER  
DOCKET NO. 13-035-184**

**COMPARABLE GROUP GROWTH RATES**

LINE NO	COMPANY	SYMBOL	10 YEAR EPS	10 YEAR DPS	10 YEAR BVPS	5 YEAR EPS	5 YEAR DPS	5 YEAR BVPS	HISTORICAL AVERAGE	EPS	DPS	BVPS	ZACKS	THOMSON FORECAST	AVERAGE EPS	RETENTION GROWTH	AVERAGE GROWTH ESTIMATE FUTURE
1	ALLETE, INC.*	ALE							4.00%	6.00%	4.00%	4.50%	6.00%	6.00%	4.67%	4.33%	
2	ALLIANT ENERGY CORPORATION*	LNT	3.50%		2.00%	3.00%	5.00%	3.50%	4.20%	6.00%	4.50%	4.00%	5.50%	5.40%	5.14%	5.38%	
3	AVISTA CORPORATION*	AVA	2.50%	8.50%	3.00%	8.00%	4.00%	4.00%	6.75%	6.50%	4.50%	3.00%	5.00%	5.00%	3.88%	4.69%	
4	BLACK HILLS CORP.	BKH	2.50%	2.00%	5.00%	2.00%	3.00%	3.13%	13.00%	13.00%	3.50%	3.50%	4.00%	4.00%	4.59%	5.80%	
5	CMS ENERGY CORP.	CMS	2.00%	1.00%	1.50%	4.00%	4.00%	4.00%	4.88%	6.50%	6.00%	6.00%	6.00%	6.24%	6.25%	6.09%	
6	DTE ENERGY COMPANY*	DTE	1.00%	1.00%	4.00%	2.00%	4.00%	4.00%	3.17%	5.00%	5.00%	4.00%	6.20%	5.21%	5.47%	4.79%	
7	DUKE ENERGY CORPORATION	DUK				4.50%	18.00%		11.25%	4.00%	2.00%	3.00%	3.90%	3.92%	3.94%	3.38%	
8	EDISON INTERNATIONAL	EIX	3.00%		11.50%	3.00%	5.50%	5.50%	5.63%	2.50%	6.50%	4.00%	2.20%	0.95%	1.88%	4.08%	
9	EMPIRE DISTRICT ELECTRIC COMPANY	EDE	1.50%		1.50%	2.50%	1.50%	1.50%	2.13%	4.00%	4.50%	3.00%	3.00%	3.00%	3.19%	3.26%	
10	IDACORP, INC.*	IDA	3.00%	2.50%	4.00%	10.00%	1.00%	5.50%	4.40%	2.00%	7.00%	4.50%	4.00%	4.00%	3.48%	3.41%	
11	INTEGRYS ENERGY GROUP, INC.*	TEG	5.50%	1.50%	6.50%	5.50%	2.00%	2.00%	4.42%	8.00%	1.50%	3.50%	5.70%	5.70%	3.35%	3.98%	
12	MGE ENERGY IN.	MGEE	8.50%	7.00%	8.00%	10.00%	7.50%	8.50%	8.25%	4.50%	8.50%	6.00%	4.50%	4.00%	5.35%	5.67%	
13	NEXTERA ENERGY CORPORATION	NEE				9.00%	4.00%	2.50%	5.17%	4.50%	4.00%	7.00%	6.10%	6.48%	5.88%	5.79%	
14	NORTHWESTERN CORPORATION	NWE	9.50%	2.00%	8.00%	7.50%	3.00%	8.50%	6.42%	5.50%	9.00%	6.50%	6.00%	7.00%	5.83%	5.00%	
15	OGE ENERGY CORP	OGE	4.00%	4.00%	2.00%	2.50%	2.50%	8.50%	2.75%	4.00%	2.00%	3.50%	4.60%	4.13%	4.24%	5.93%	
16	PINNACLE WEST CAPITAL CORPORATION	PNW				4.00%	14.50%		6.83%	3.50%	3.00%	3.50%	6.60%	10.89%	3.93%	5.46%	
17	PORTLAND GENERAL ELECTRIC CO.*	POR	5.50%	7.00%	12.00%	1.50%	10.50%	7.50%	7.33%	4.50%	7.50%	4.50%	7.50%	6.28%	5.21%	5.65%	
18	SEMPRA ENERGY*	SRE	3.50%	3.50%	4.50%	3.00%	4.00%	5.50%	4.00%	3.50%	3.50%	4.00%	4.10%	3.55%	3.72%	3.98%	
19	SOUTHERN COMPANY*	SO				0.50%	2.00%	4.00%	2.17%	2.00%	1.50%	2.00%	5.00%	0.17%	2.99%	2.93%	
20	TECO ENERGY INC	TE	16.00%			1.50%	5.00%	4.50%	6.75%	6.00%	3.00%	5.00%	4.40%	2.60%	4.33%	4.34%	
21	WESTAR ENERGY, INC.*	WR	9.50%	7.50%	7.00%	10.00%	17.00%	7.00%	9.67%	6.00%	11.00%	2.50%	5.20%	4.86%	4.74%	5.04%	
22	WISCONSIN ENERGY CORPORATION*	WEC	2.00%		1.50%	5.50%	3.00%	4.50%	3.50%	4.50%	4.50%	4.50%	4.20%	4.62%	4.35%	4.40%	
23	XCEL ENERGY, INC.*	XEL				5.39%	4.00%	4.80%	5.23%	5.02%	4.83%	4.22%	5.00%	4.74%	4.93%	4.71%	
24	GROUP AVERAGE		3.50%	3.00%	4.50%	5.67%	3.00%	4.50%	4.42%	4.50%	4.50%	4.00%	5.00%	4.86%	5.47%	4.34%	
25	GROUP MEDIAN																

SOURCES:  
COLUMNS A-J: VALUE LINE INVESTMENT SURVEY EAST FEBRUARY 21, 2014, CENTRAL MARCH 21, 2014, AND WEST JANUARY 31, 2014  
COLUMN K: PER ZACKS.COM RETRIEVED 3/19/14

COLUMN L: PER YAHOO FINANCE RETRIEVED 3/19/14  
COLUMN M: AVERAGE OF COLUMNS H,K AND L

COLUMN N: "brvs" CALCULATED FROM VALUE LINE DATA SEE WORKPAPER SHEETS 5 AND 6  
COLUMN O: AVERAGE COLUMNS M AND N

NEGATIVE AND ZERO GROWTH ESTIMATES OMITTED

**ROCKY MOUNTAIN POWER  
DOCKET NO. 13-035-184  
CONSTANT GROWTH DCF**

LINE NO	COMPANY	SYMBOL	A PRICE	B DIVIDEND	C BASE YIELD	D GROWTH	E ADJUSTED YIELD	F EQUITY RETURN	G EQUITY RETURN	H HADAWAY GROUP DCF EQUITY RETURN
1	ALLETE, INC.*	ALE	\$51.06	\$1.96	3.84%	6.00%	3.95%	9.95%	9.95%	9.95%
2	ALLIANT ENERGY CORPORATION*	LNT	\$54.45	\$2.04	3.75%	5.63%	3.85%	9.49%	9.49%	9.49%
3	AVISTA CORPORATION*	AVA	\$29.74	\$1.27	4.28%	5.50%	4.39%	9.89%	9.89%	9.89%
4	BLACK HILLS CORP.	BKH	\$56.71	\$1.56	2.75%	7.00%	2.85%	9.85%	9.85%	
5	CMS ENERGY CORP	CMS	\$28.52	\$1.08	3.79%	6.25%	3.91%	10.15%	10.15%	
6	DTE ENERGY COMPANY*	DTE	\$71.79	\$2.62	3.65%	5.47%	3.75%	9.22%	9.22%	9.22%
7	DUKE ENERGY CORPORATION	DUK	\$70.44	\$3.12	4.43%	3.94%	4.52%	8.46%	8.46%	
8	EDISON INTERNATIONAL	EIX	\$52.73	\$1.42	2.69%	1.88%	2.72%	4.60%		
9	EMPIRE DISTRICT ELECTRIC COMPANY	EDE	\$23.90	\$1.02	4.27%	3.33%	4.34%	7.67%		
10	IDACORP, INC.*	IDA	\$55.40	\$1.72	3.10%	3.33%	3.16%	6.49%		
11	INTEGRYS ENERGY GROUP, INC.*	TEG	\$57.48	\$2.72	4.73%	4.57%	4.84%	9.41%	9.41%	9.41%
12	MGE ENERGY IN.	MGEE	\$38.87	\$1.09	2.80%	6.00%	2.88%	8.88%	8.88%	
13	NEXTERA ENERGY, INC.*	NEE	\$93.22	\$2.90	3.11%	5.69%	3.20%	8.89%	8.89%	8.89%
14	NORHWESTERN CORPORATION	.NWE	\$46.20	\$1.60	3.46%	5.83%	3.56%	9.40%	9.40%	
15	OGE ENERGY CORP	OGE	\$36.09	\$0.90	2.49%	5.50%	2.56%	8.06%	8.06%	
16	PINNACLE WEST CAPITAL CORPORATION	PNW	\$54.57	\$2.27	4.16%	4.24%	4.25%	8.49%	8.49%	
17	PORTLAND GENERAL ELECTRIC CO.*	POR	\$31.98	\$1.10	3.44%	7.00%	3.56%	10.56%	10.56%	10.56%
18	SEMPRA ENERGY*	SRE	\$94.85	\$2.64	2.78%	6.09%	2.87%	8.96%	8.96%	8.96%
19	SOUTHERN COMPANY*	SO	\$42.76	\$2.03	4.74%	3.72%	4.83%	8.55%	8.55%	8.55%
20	TECO ENERGY INC	TE	\$16.74	\$0.88	5.26%	2.39%	5.32%	7.71%		
21	WESTAR ENERGY, INC.*	WR	\$34.49	\$1.40	4.06%	4.33%	4.15%	8.48%	8.48%	8.48%
22	WISCONSIN ENERGY CORPORATION*	WEC	\$44.65	\$1.56	3.49%	5.35%	3.59%	8.94%	8.94%	8.94%
23	XCEL ENERGY, INC.*	XEL	\$30.09	\$1.20	3.99%	4.44%	4.08%	8.52%	8.52%	8.52%
24										
25	GROUP AVERAGE		\$48.55	\$1.74	3.70%	4.93%	3.79%	8.72%	9.17%	9.24%
26	GROUP MEDIAN		\$46.20	\$1.56	3.75%	5.47%	3.85%	8.89%	8.96%	9.09%

SOURCES:

COLUMNS A,B,C,E: PER EXHIBIT OCS-1.5

COLUMN D: PER OCS- 1.6 AVERAGE EPS FORECAST GROWTH

COLUMN F: SUM OF COLUMNS E AND D

COLUMN G: OMITTS ROE RESULTS BELOW 7.75% AS OUTLIERS

COLUMN H: INCLUDES ONLY DR. HADAWAY GROUP RESULTS ADJUSTED FOR OUTLIERS

**ROCKY MOUNTAIN POWER CASE  
DOCKET NO. 13-035-184  
TWO-STAGE DCF**

LINE NO	COMPANY	SYMBOL	2015		2018		CHANGE	PRICE	YEAR 1 DIVID	YEAR 2 DIVID	YEAR 3 DIVID	YEAR 4 DIVID	YEAR 5 DIVID	GROWTH RATE	ROE BASED IRR	ROE BASED IRR	HADAWAY GROUP ROE
			DIVIDEND	DIVIDEND	ROE	ROE											
1	ALLETE, INC.*	ALE	\$2.04	\$2.30	\$0.09	\$51.06	\$2.04	\$2.13	\$2.21	\$2.30	\$2.44	\$2.44	6.00%	9.78%	9.78%	9.78%	
2	ALLIANT ENERGY CORPORATION*	LNT	\$2.20	\$2.40	\$0.07	\$54.45	\$2.20	\$2.27	\$2.33	\$2.40	\$2.54	\$2.54	5.63%	9.37%	9.37%	9.37%	
3	AVISTA CORPORATION*	AVA	\$1.32	\$1.40	\$0.03	\$29.74	\$1.32	\$1.35	\$1.37	\$1.40	\$1.48	\$1.48	5.50%	9.52%	9.52%	9.52%	
4	BLACK HILLS CORP.	BKH	\$1.64	\$1.80	\$0.05	\$56.71	\$1.64	\$1.69	\$1.75	\$1.80	\$1.93	\$1.93	7.00%	9.53%	9.53%	9.53%	
5	CMS ENERGY CORP	CMS	\$1.14	\$1.35	\$0.07	\$28.52	\$1.14	\$1.21	\$1.28	\$1.35	\$1.43	\$1.43	6.25%	10.18%	10.18%	10.18%	
6	DTE ENERGY COMPANY*	DTE	\$2.87	\$3.35	\$0.16	\$71.79	\$2.87	\$3.03	\$3.19	\$3.35	\$3.53	\$3.53	5.47%	9.43%	9.43%	9.43%	
7	DUKE ENERGY CORPORATION	DUK	\$3.21	\$3.40	\$0.06	\$70.44	\$3.21	\$3.27	\$3.34	\$3.40	\$3.53	\$3.53	3.94%	8.25%	8.25%	8.25%	
8	EDISON INTERNATIONAL	EIX	\$1.53	\$1.90	\$0.12	\$52.73	\$1.53	\$1.65	\$1.78	\$1.90	\$1.94	\$1.94	1.88%	5.23%	5.23%	5.23%	
9	EMPIRE DISTRICT ELECTRIC COMPANY	EDE	\$1.05	\$1.15	\$0.03	\$23.90	\$1.05	\$1.08	\$1.12	\$1.15	\$1.19	\$1.19	3.33%	7.69%	7.69%	7.69%	
10	IDACORP, INC.*	IDA	\$1.91	\$2.20	\$0.10	\$55.40	\$1.91	\$2.00	\$2.10	\$2.20	\$2.27	\$2.27	3.33%	6.90%	6.90%	6.90%	
11	INTEGRYS ENERGY GROUP, INC.*	TEG	\$2.72	\$3.00	\$0.09	\$57.48	\$2.72	\$2.81	\$2.91	\$3.00	\$3.14	\$3.14	4.57%	9.14%	9.14%	9.14%	
12	MGE ENERGY IN.	MGEE	\$1.14	\$1.30	\$0.05	\$38.87	\$1.14	\$1.19	\$1.25	\$1.30	\$1.38	\$1.38	6.00%	8.75%	8.75%	8.75%	
13	NEXTERA ENERGY, INC.*	NEE	\$3.16	\$3.90	\$0.25	\$93.22	\$3.16	\$3.41	\$3.65	\$3.90	\$4.12	\$4.12	5.69%	9.20%	9.20%	9.20%	
14	NORHWESTERN CORPORATION	.NWE	\$1.64	\$1.80	\$0.05	\$46.20	\$1.64	\$1.69	\$1.75	\$1.80	\$1.91	\$1.91	5.83%	9.10%	9.10%	9.10%	
15	OGE ENERGY CORP	OGE	\$1.03	\$1.35	\$0.11	\$36.09	\$1.03	\$1.14	\$1.24	\$1.35	\$1.42	\$1.42	5.50%	8.63%	8.63%	8.63%	
16	PINNACLE WEST CAPITAL CORPORATION	PNW	\$2.39	\$2.60	\$0.07	\$54.57	\$2.39	\$2.46	\$2.53	\$2.60	\$2.71	\$2.71	4.24%	8.45%	8.45%	8.45%	
17	PORTLAND GENERAL ELECTRIC CO.*	POR	\$1.16	\$1.25	\$0.03	\$31.98	\$1.16	\$1.19	\$1.22	\$1.25	\$1.34	\$1.34	7.00%	10.17%	10.17%	10.17%	
18	SEMPRA ENERGY*	SRE	\$2.76	\$3.00	\$0.08	\$94.85	\$2.76	\$2.84	\$2.92	\$3.00	\$3.18	\$3.18	6.09%	8.68%	8.68%	8.68%	
19	SOUTHERN COMPANY*	SO	\$2.15	\$2.36	\$0.07	\$42.76	\$2.15	\$2.22	\$2.29	\$2.36	\$2.45	\$2.45	3.72%	8.67%	8.67%	8.67%	
20	TECO ENERGY INC	TE	\$0.88	\$0.95	\$0.02	\$16.74	\$0.88	\$0.90	\$0.93	\$0.95	\$0.97	\$0.97	2.39%	7.67%	7.67%	7.67%	
21	WESTAR ENERGY, INC.*	WR	\$1.44	\$1.56	\$0.04	\$34.49	\$1.44	\$1.48	\$1.52	\$1.56	\$1.63	\$1.63	4.33%	8.32%	8.32%	8.32%	
22	WISCONSIN ENERGY CORPORATION*	WEC	\$1.68	\$2.10	\$0.14	\$44.65	\$1.68	\$1.82	\$1.96	\$2.10	\$2.21	\$2.21	5.35%	9.34%	9.34%	9.34%	
23	XCEL ENERGY, INC.*	XEL	\$1.23	\$1.35	\$0.04	\$30.09	\$1.23	\$1.27	\$1.31	\$1.35	\$1.41	\$1.41	4.44%	8.37%	8.37%	8.37%	
24																	
25	GROUP AVERAGE		\$1.84	\$2.08	\$0.08	\$48.55	\$1.84	\$1.92	\$2.00	\$2.08	\$2.18	\$2.18	4.93%	8.71%	8.71%	8.71%	
26	GROUP MEDIAN		\$1.64	\$1.90	\$0.07	\$46.20	\$1.64	\$1.69	\$1.78	\$1.90	\$1.94	\$1.94	5.47%	8.75%	8.75%	8.75%	

SOURCES

COLUMNS: A - 1 PER VALUE LINE INVESTMENT SURVEY SEE WP SHEETS 1-3  
 COLUMN J: EXHIBIT OCS-1.6 COLUMN M: AVERAGE EPS GROWTH ESTIMATE  
 COLUMN K: IRR ESTIMATE OVER 150 YEARS  
 COLUMN L: OMMITS OUTLIER VALUES BELOW 7.75%  
 COLUMN M: IRR EMPLOYING ONLY DR. HADAWAY COMPANIES ADJUSTED FOR OUTLIERS



**ROCKY MOUNTAIN POWER CASE  
DOCKET NO. 13-035-184  
RISK PREMIUM ROE ESTIMATE**

YEAR	A	B	C	D	E	F
	30 YEAR US TREASURY BOND YIELD	AUTHORIZED ELECTRIC EQUITY RETURN	RISK PREMIUM	BAA CORPORATE BOND YIELDS	AUTHORIZED ELECTRIC EQUITY RETURN	RISK PREMIUM
1980	11.27%	14.23%	2.96%	13.67%	14.23%	0.56%
1981	13.45%	15.22%	1.77%	16.04%	15.22%	-0.82%
1982	12.76%	15.78%	3.02%	16.11%	15.78%	-0.33%
1983	11.18%	15.36%	4.18%	13.55%	15.36%	1.81%
1984	12.41%	15.32%	2.91%	14.19%	15.32%	1.13%
1985	10.79%	15.20%	4.41%	12.72%	15.20%	2.48%
1986	7.78%	13.93%	6.15%	10.39%	13.93%	3.54%
1987	8.59%	12.99%	4.40%	10.58%	12.99%	2.41%
1988	8.96%	12.79%	3.83%	10.83%	12.79%	1.96%
1989	8.45%	12.97%	4.52%	10.18%	12.97%	2.79%
1990	8.61%	12.70%	4.09%	10.36%	12.70%	2.34%
1991	8.14%	12.55%	4.41%	9.80%	12.55%	2.75%
1992	7.67%	12.09%	4.42%	8.98%	12.09%	3.11%
1993	6.59%	11.41%	4.82%	7.93%	11.41%	3.48%
1994	7.37%	11.34%	3.97%	8.63%	11.34%	2.71%
1995	6.88%	11.55%	4.67%	8.20%	11.55%	3.35%
1996	6.71%	11.39%	4.68%	8.05%	11.39%	3.34%
1997	6.61%	11.40%	4.79%	7.87%	11.40%	3.53%
1998	5.58%	11.66%	6.08%	7.22%	11.66%	4.44%
1999	5.87%	10.77%	4.90%	7.88%	10.77%	2.89%
2000	5.94%	11.43%	5.49%	8.37%	11.43%	3.06%
2001	5.49%	11.09%	5.60%	7.95%	11.09%	3.14%
2002	5.43%	11.16%	5.73%	7.80%	11.16%	3.36%
2003	4.96%	10.97%	6.01%	6.76%	10.97%	4.21%
2004	5.04%	10.75%	5.71%	6.39%	10.75%	4.36%
2005	4.64%	10.54%	5.90%	6.06%	10.54%	4.48%
2006	4.91%	10.36%	5.45%	6.48%	10.36%	3.88%
2007	4.84%	10.36%	5.52%	6.48%	10.36%	3.88%
2008	4.28%	10.46%	6.18%	7.44%	10.46%	3.02%
2009	4.08%	10.48%	6.40%	7.29%	10.48%	3.19%
2010	4.25%	10.34%	6.09%	6.04%	10.34%	4.30%
2011	3.91%	10.29%	6.38%	5.66%	10.29%	4.63%
2012	2.92%	10.17%	7.25%	4.94%	10.17%	5.23%
2013	3.45%	10.02%	6.57%	5.10%	10.02%	4.92%
AVERAGE	7.05%	12.03%	4.98%	9.00%	12.03%	3.03%

G			H		
DESCRIPTION	SPOT	AVERAGE	DESCRIPTION	SPOT	AVERAGE
CURRENT 30 YEAR US TREASURY	3.55%	3.68%	CURRENT "BAA" BOND RATE	4.98%	5.12%
AVERAGE YIELD IN STUDY PERIOD	7.05%	7.05%	AVERAGE YIELD IN STUDY PERIOD	9.00%	9.00%
INTEREST RATE DELTA	-3.50%	-3.37%	INTEREST RATE DELTA	-4.02%	-3.88%
INTEREST RATE CHANGE IN STUDY	-0.39874111	-0.39874111	INTEREST RATE CHANGE IN STUDY	-0.43264247	-0.43264247
ADJUSTMENT TO RISK PREMIUM	1.40%	1.34%	ADJUSTMENT TO RISK PREMIUM	1.74%	1.68%
BASIC RISK PREMIUM PER STUDY	4.98%	4.98%	BASIC RISK PREMIUM PER STUDY	3.03%	3.03%
ADJUSTED RISK PREMIUM	6.38%	6.32%	ADJUSTED RISK PREMIUM	4.77%	4.71%
RISK PREMIUM EQUITY RETURN	<b>9.93%</b>	<b>10.01%</b>	RISK PREMIUM EQUITY RETURN	<b>9.75%</b>	<b>9.83%</b>

SOURCES:

COLUMNS A & D: [www.federalreserve.gov](http://www.federalreserve.gov)

COLUMNS B & E: RRA MAJOR RATE CASE DECISIONS AND 2013 VALUE PER EEI 4Q FINANCIAL UPDATE RATE CASE SUMMARY AT 2

COLUMNS G & H CURRENT YIELDS: EXHIBIT OCS 2.3 3 MONTH AVERAGE CURRENT YIELD

SPOT YIELD IS THE MARCH 28, 2014 CLOSING YIELD, AVERAGE YIELD IS BASED ON MOST RECENT 3 MONTH AVERAGE

INTEREST RATE CHANGE: RATE OF CHANGE SLOPE OF RISK PREMIUM TO YIELD



**ROCKY MOUNTAIN POWER CASE  
DOCKET NO. 13-035-184  
FINANCIAL METRICS**

**ROCKY MOUNTAIN POWER REQUESTED CAPITAL STRUCTURE COST RATES AND RETURN**

DESCRIPTION	CAPITAL AT JUNE 30, 2015	RATIO	COST RATE	WEIGHTED COST	WEIGHTED COST W/ FIT GROSS UP	RETURN	RETURN AND FIT
LONG TERM DEBT	\$2,916,989,104	48.38%	0.0528	2.55%	2.55%	\$154,017,025	\$154,017,025
PREFERRED STOCK	\$1,205,866	0.02%	0.0675	0.00%	0.00%	\$81,396	\$125,225
COMMON EQUITY	\$3,111,133,480	51.60%	0.1	5.16%	7.94%	\$311,113,348	\$478,635,920
TOTAL CAPITAL	\$6,029,328,450	100.00%		7.72%	10.50%	\$465,211,769	\$632,778,169
RATE BASE			\$6,029,328,450				

**ALTERNATIVE CAPITAL STRUCTURE COST RATES AND RETURN**

DESCRIPTION	CAPITAL AT JUNE 30, 2015	RATIO	COST RATE	WEIGHTED COST	WEIGHTED COST W/ FIT GROSS UP	RETURN	RETURN AND FIT
LONG TERM DEBT	\$2,916,989,104	48.38%	5.28%	2.55%	2.55%	\$154,017,025	\$154,017,025
PREFERRED STOCK	\$1,205,866	0.02%	6.75%	0.00%	0.00%	\$81,396	\$125,225
COMMON EQUITY	\$3,111,133,480	51.60%	9.20%	4.75%	7.30%	\$286,224,280	\$440,345,046
TOTAL CAPITAL	\$6,029,328,450	100.00%		7.30%	9.86%	\$440,322,701	\$594,487,296
RATE BASE			\$6,029,328,450				

LINE NO.	DESCRIPTION	COMPANY REQUESTED 10% ROE	ROE ADJUSTED TO 9.20%	Moody's Benchmarks SINGLE-"A" Bonds
1	RATE BASE	\$6,029,328,450	\$6,029,328,450	
2	RATE OF RETURN	7.72%	7.30%	
3	RETURN	\$465,211,769	\$440,322,701	
4	FEDERAL TAXES @ 35%	\$167,566,401	\$154,164,595	
5	DEPRECIATION	\$262,390,668	\$262,390,668	
6	AMORTIZATION	\$22,885,961	\$22,885,961	
7	PRE-TAX CASH FLOW	\$918,054,798	\$879,763,925	
8	AFTER TAX CASH FLOW	\$750,488,398	\$725,599,330	
9				
10	TOTAL DEBT	\$2,916,989,104	\$2,916,989,104	
11	TOTAL INTEREST	\$154,017,025	\$154,017,025	
12	PRE TAX METRICS			
13	CASH FLOW/INTEREST	5.96	5.71	4.5x-6.0x
14	CASH FLOW/DEBT	31.47%	30.16%	22%-30%
15	DEBT PERCENTAGE	48.38%	48.38%	35%-45%
16	AFTER TAX METRICS			
17	CASH FLOW/INTEREST	4.87	4.71	3.5-6.0
18	CASH FLOW/DEBT	25.73%	24.87%	22-30
19	DEBT PERCENTAGE	48.38%	48.38%	40%-60%

SOURCES:  
MOODY'S METHODOLOGY, REGULATED ELECTRIC AND GAS UTILITIES  
RMP Rate Filing Revenue Requirement Schedule