

# Rocky Mountain Power

## Rate of Return (12 Months Ending June 30, 2012)

<u>Line</u>	<u>Description</u>	<u>Weight</u> (1)	<u>Cost</u> (2)	<b>Weighted</b> <u>Cost</u> (3)
1	Long-Term Debt	47.80%	5.81%	2.78%
2	Preferred Stock	0.30%	5.43%	0.02%
3	Common Equity	<u>51.90%</u>	<b>9.80%</b>	<u>5.09%</u>
4	<b>Total</b>	<b>100.00%</b>		<b>7.89%</b>

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Source:  
Williams Direct at 2.

# Rocky Mountain Power

## Proxy Group

<u>Line</u>	<u>Company</u>	<u>Credit Ratings<sup>1</sup></u>		<u>Common Equity Ratios</u>		<u>S&amp;P Business Risk Score<sup>3</sup></u>
		<u>S&amp;P (1)</u>	<u>Moody's (2)</u>	<u>AUS<sup>1</sup> (3)</u>	<u>Value Line<sup>2</sup> (4)</u>	
1	ALLETE	A-	Baa1	55.1%	57.2%	Strong
2	Alliant Energy Co.	A-	A2	50.7%	51.2%	Excellent
3	Black Hills Corp	BBB+	A3	43.3%	51.6%	Strong
4	DTE Energy Co.	A	A2	45.0%	46.0%	Strong
5	Edison Internat.	BBB+	A1	44.0%	46.5%	Strong
6	Empire District	BBB+	A3	47.8%	48.4%	Excellent
7	Entergy Corp.	A-	Baa1	41.5%	43.1%	Strong
8	IDACORP	A-	A2	47.7%	49.8%	Excellent
9	Nextera Energy	A	Aa3	39.9%	44.3%	Strong
10	PG&E Corp.	BBB+	A3	46.8%	47.4%	Strong
11	Portland General	A-	A3	46.5%	49.7%	Excellent
12	SCANA Corp.	A-	A3	43.0%	43.2%	Excellent
13	Sempra Energy	A+	Aa3	47.5%	54.1%	Excellent
14	Southern Co.	A	A2	43.0%	43.6%	Excellent
15	Vectren Corp.	A-	A2	44.4%	47.6%	Excellent
16	Wisconsin Energy	A-	A1	42.9%	47.7%	Excellent
17	Xcel Energy Inc.	A	A3	45.0%	47.7%	Excellent
18	<b>Average</b>	<b>A-</b>	<b>A2</b>	<b>45.5%</b>	<b>48.2%</b>	<b>Excellent</b>
19	Rocky Mountain Power	A <sup>4</sup>	A2 <sup>4</sup>		51.9 <sup>5</sup>	Excellent

Sources:

<sup>1</sup> *AUS Utility Reports*, April 2011.

<sup>2</sup> *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

<sup>3</sup> *S&P RatingsDirect*: "U.S. Regulated Electric Utilities, Strongest to Weakest," April 7, 2011.

<sup>4</sup> Hadaway Direct at 3.

<sup>5</sup> Williams Direct at 2.

# Rocky Mountain Power

## Growth Rates

<u>Line</u>	<u>Company</u>	<u>Zacks</u>		<u>SNL</u>		<u>Reuters</u>		<u>Average of Growth Rates</u> (7)
		<u>Estimated Growth %<sup>1</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>2</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>3</sup></u>	<u>Number of Estimates</u>	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	ALLETE	5.00%	N/A	5.00%	2	5.00%	3	5.00%
2	Alliant Energy Co.	5.00%	N/A	6.00%	3	5.38%	6	5.46%
3	Black Hills Corp	6.00%	N/A	6.00%	1	6.00%	1	6.00%
4	DTE Energy Co.	5.00%	N/A	4.50%	2	5.22%	4	4.91%
5	Edison Internat.	5.00%	N/A	6.00%	4	4.83%	7	5.28%
6	Empire District	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Entergy Corp.	1.50%	N/A	N/A	N/A	3.13%	3	2.32%
8	IDACORP	4.70%	N/A	5.00%	3	4.67%	3	4.79%
9	Nextera Energy	6.50%	N/A	6.00%	3	5.79%	9	6.10%
10	PG&E Corp.	5.50%	N/A	7.50%	4	6.19%	9	6.40%
11	Portland General	5.20%	N/A	6.00%	5	5.89%	7	5.70%
12	SCANA Corp.	4.60%	N/A	5.00%	3	4.47%	7	4.69%
13	Sempra Energy	7.00%	N/A	6.50%	2	5.72%	4	6.41%
14	Southern Co.	5.00%	N/A	5.00%	4	5.56%	8	5.19%
15	Vectren Corp.	5.00%	N/A	N/A	N/A	5.35%	2	5.18%
16	Wisconsin Energy	8.00%	N/A	6.00%	3	7.76%	8	7.25%
17	Xcel Energy Inc.	5.10%	N/A	5.00%	5	6.07%	9	5.39%
18	<b>Average</b>	<b>5.26%</b>	<b>N/A</b>	<b>5.68%</b>	<b>3</b>	<b>5.44%</b>	<b>6</b>	<b>5.38%</b>
19	<b>Median</b>							<b>5.33%</b>

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Sources and Notes:

<sup>1</sup> Zacks Elite, <http://www.zackselite.com/>, downloaded on April 21, 2011.

<sup>2</sup> SNL Interactive, <http://www.snl.com/>, downloaded on April 21, 2011.

<sup>3</sup> Reuters, <http://www.reuters.com/>, downloaded on April 21, 2011.

N/A: Not Available.

# Rocky Mountain Power

## Constant Growth DCF Model

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price<sup>1</sup></u> (1)	<u>Analysts' Growth<sup>2</sup></u> (2)	<u>Annualized Dividend<sup>3</sup></u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	ALLETE	\$38.06	5.00%	\$1.78	4.91%	9.91%
2	Alliant Energy Co.	\$38.68	5.46%	\$1.70	4.63%	10.09%
3	Black Hills Corp	\$31.78	6.00%	\$1.44	4.80%	10.80%
4	DTE Energy Co.	\$47.70	4.91%	\$2.24	4.93%	9.83%
5	Edison Internat.	\$36.95	5.28%	\$1.28	3.65%	8.92%
6	Empire District	\$21.55	N/A	\$1.28	N/A	N/A
7	Entergy Corp.	\$69.96	2.32%	\$3.32	4.86%	7.17%
8	IDACORP	\$37.87	4.79%	\$1.20	3.32%	8.11%
9	Nextera Energy	\$54.66	6.10%	\$2.00	3.88%	9.98%
10	PG&E Corp.	\$45.26	6.40%	\$1.82	4.28%	10.68%
11	Portland General	\$23.30	5.70%	\$1.04	4.72%	10.41%
12	SCANA Corp.	\$40.14	4.69%	\$1.94	5.06%	9.75%
13	Sempra Energy	\$52.95	6.41%	\$1.56	3.13%	9.54%
14	Southern Co.	\$37.89	5.19%	\$1.82	5.05%	10.24%
15	Vectren Corp.	\$26.58	5.18%	\$1.38	5.46%	10.63%
16	Wisconsin Energy	\$29.81	7.25%	\$1.04	3.74%	10.99%
17	Xcel Energy Inc.	\$23.81	5.39%	\$1.01	4.47%	9.86%
18	<b>Average</b>	<b>\$38.65</b>	<b>5.38%</b>	<b>\$1.64</b>	<b>4.43%</b>	<b>9.81%</b>
19	<b>Median</b>		<b>5.33%</b>			<b>9.94%</b>

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Sources and Notes:

<sup>1</sup> <http://moneycentral.msn.com>, downloaded on April 25, 2011.

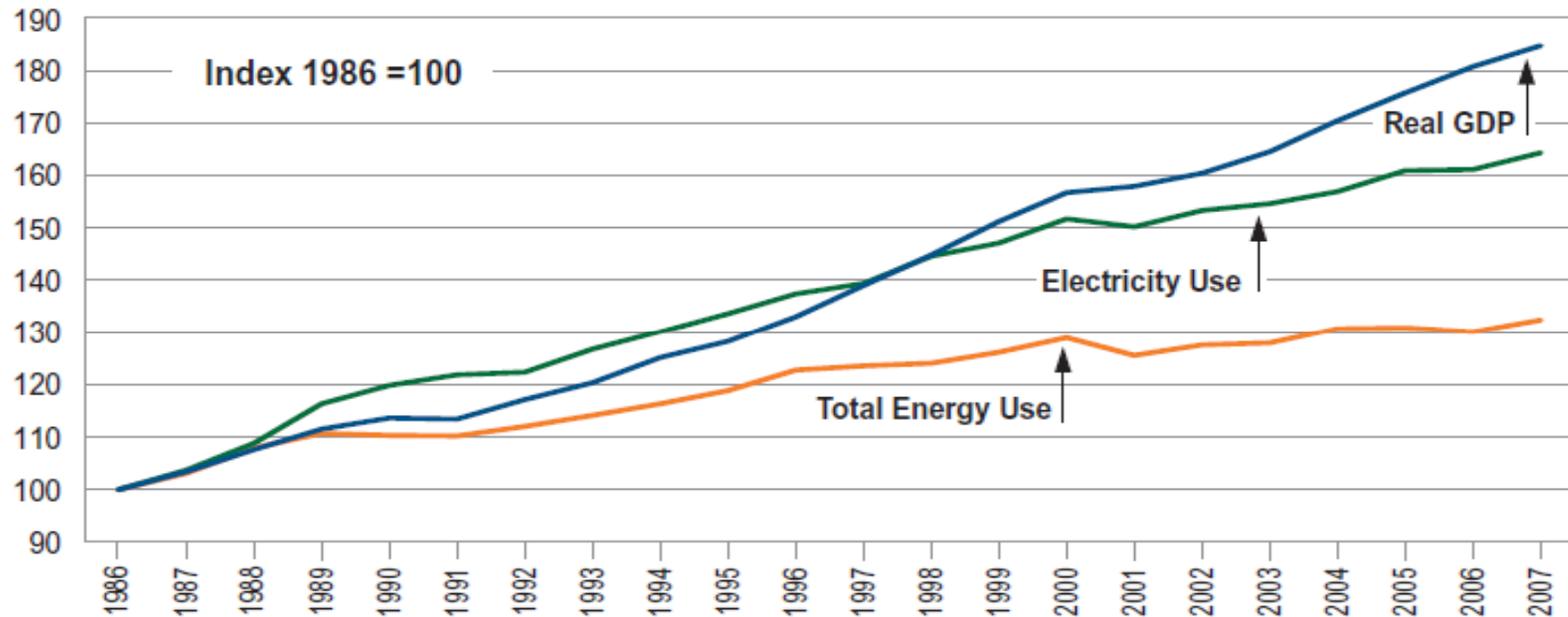
<sup>2</sup> Exhibit FEA-3 (MPG-3), Column 7.

<sup>3</sup> *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

N/A: Not Available.

# Rocky Mountain Power

## Electricity Sales Are Linked to U.S. Economic Growth



1986 represents the base year. Graph depicts increases or decreases from the base year.

Source: U.S. Department of Energy, Energy Information Administration (EIA).

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# Rocky Mountain Power

## Payout Ratios

<u>Line</u>	<u>Company</u>	<u>Dividends Per Share</u>		<u>Earnings Per Share</u>		<u>Payout Ratio</u>	
		<u>2009</u> (1)	<u>Projected</u> (2)	<u>2009</u> (3)	<u>Projected</u> (4)	<u>2009</u> (5)	<u>Projected</u> (6)
1	ALLETE	\$1.76	\$1.95	\$1.89	\$3.00	93.12%	65.00%
2	Alliant Energy Co.	\$1.50	\$2.00	\$1.89	\$3.60	79.37%	55.56%
3	Black Hills Corp	\$1.42	\$1.55	\$2.32	\$2.50	61.21%	62.00%
4	DTE Energy Co.	\$2.12	\$2.70	\$3.24	\$4.25	65.43%	63.53%
5	Edison Internat.	\$1.25	\$1.40	\$3.24	\$3.25	38.58%	43.08%
6	Empire District	\$1.28	\$1.35	\$1.18	\$1.75	108.47%	77.14%
7	Entergy Corp.	\$3.00	\$3.70	\$6.30	\$6.75	47.62%	54.81%
8	IDACORP	\$1.20	\$1.40	\$2.64	\$3.10	45.45%	45.16%
9	Nextera Energy	\$1.89	\$2.50	\$3.97	\$5.25	47.61%	47.62%
10	PG&E Corp.	\$1.68	\$2.20	\$3.03	\$4.25	55.45%	51.76%
11	Portland General	\$1.01	\$1.20	\$1.31	\$2.00	77.10%	60.00%
12	SCANA Corp.	\$1.88	\$2.10	\$2.85	\$3.50	65.96%	60.00%
13	Sempra Energy	\$1.56	\$2.05	\$4.78	\$4.75	32.64%	43.16%
14	Southern Co.	\$1.73	\$2.20	\$2.32	\$3.25	74.57%	67.69%
15	Vectren Corp.	\$1.35	\$1.50	\$1.79	\$2.30	75.42%	65.22%
16	Wisconsin Energy	\$0.68	\$1.40	\$1.60	\$2.50	42.50%	56.00%
17	Xcel Energy Inc.	\$0.97	\$1.15	\$1.49	\$2.00	65.10%	57.50%
18	<b>Average</b>	<b>\$1.55</b>	<b>\$1.90</b>	<b>\$2.70</b>	<b>\$3.41</b>	<b>63.27%</b>	<b>57.37%</b>

Source:

*The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

# Rocky Mountain Power

## Sustainable Growth Rates

Line	Company	3 to 5 Year Projections										Growth Rate Plus S * V (11)
		Dividends	Earnings	Book Value	Book Value	ROE	Adjustment	Adjusted	Payout	Retention	Internal	
		Per Share (1)	Per Share (2)	Per Share (3)	Growth (4)	ROE (5)	Factor (6)	ROE (7)	Ratio (8)	Rate (9)	Growth Rate (10)	
1	ALLETE	\$1.95	\$3.00	\$31.25	3.42%	9.60%	1.02	9.76%	65.00%	35.00%	3.42%	4.21%
2	Alliant Energy Co.	\$2.00	\$3.60	\$30.60	4.07%	11.76%	1.02	12.00%	55.56%	44.44%	5.33%	5.85%
3	Black Hills Corp	\$1.55	\$2.50	\$30.75	2.01%	8.13%	1.01	8.21%	62.00%	38.00%	3.12%	3.52%
4	DTE Energy Co.	\$2.70	\$4.25	\$46.50	4.14%	9.14%	1.02	9.33%	63.53%	36.47%	3.40%	3.72%
5	Edison Internat.	\$1.40	\$3.25	\$40.25	5.91%	8.07%	1.03	8.31%	43.08%	56.92%	4.73%	4.73%
6	Empire District	\$1.35	\$1.75	\$17.50	2.13%	10.00%	1.01	10.11%	77.14%	22.86%	2.31%	3.17%
7	Entergy Corp.	\$3.70	\$6.75	\$63.75	6.96%	10.59%	1.03	10.94%	54.81%	45.19%	4.95%	3.94%
8	IDACORP	\$1.40	\$3.10	\$36.50	4.59%	8.49%	1.02	8.68%	45.16%	54.84%	4.76%	5.26%
9	Nextera Energy	\$2.50	\$5.25	\$48.50	9.12%	10.82%	1.04	11.30%	47.62%	52.38%	5.92%	7.11%
10	PG&E Corp.	\$2.20	\$4.25	\$36.25	5.39%	11.72%	1.03	12.03%	51.76%	48.24%	5.80%	7.38%
11	Portland General	\$1.20	\$2.00	\$23.75	2.99%	8.42%	1.01	8.54%	60.00%	40.00%	3.42%	3.92%
12	SCANA Corp.	\$2.10	\$3.50	\$36.75	5.81%	9.52%	1.03	9.79%	60.00%	40.00%	3.92%	5.92%
13	Sempra Energy	\$2.05	\$4.75	\$47.50	5.39%	10.00%	1.03	10.26%	43.16%	56.84%	5.83%	5.52%
14	Southern Co.	\$2.20	\$3.25	\$25.25	6.83%	12.87%	1.03	13.30%	67.69%	32.31%	4.30%	7.20%
15	Vectren Corp.	\$1.50	\$2.30	\$21.75	4.77%	10.57%	1.02	10.82%	65.22%	34.78%	3.76%	4.28%
16	Wisconsin Energy	\$1.40	\$2.50	\$20.25	5.82%	12.35%	1.03	12.69%	56.00%	44.00%	5.59%	5.58%
17	Xcel Energy Inc.	\$1.15	\$2.00	\$20.00	4.67%	10.00%	1.02	10.23%	57.50%	42.50%	4.35%	5.13%
18	<b>Average</b>	<b>\$1.90</b>	<b>\$3.41</b>	<b>\$33.95</b>	<b>4.94%</b>	<b>10.12%</b>	<b>1.02</b>	<b>10.37%</b>	<b>57.37%</b>	<b>42.63%</b>	<b>4.41%</b>	<b>5.08%</b>
19	<b>Median</b>											<b>5.13%</b>

Sources and Notes:

Cols. (1), (2) and (3): *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

Col. (4): [ Col. (3) / Page 2 Col. (2) ] ^ (1/5) - 1.

Col. (5): Col. (2) / Col. (3).

Col. (6): [ 2 \* (1 + Col. (4)) ] / (2 + Col. (4)).

Col. (7): Col. (6) \* Col. (5).

Col. (8): Col. (1) / Col. (2).

Col. (9): 1 - Col. (8).

Col. (10): Col. (9) \* Col. (7).

Col. (11): Col. (10) + Page 2 Col. (9).

## Rocky Mountain Power

### Sustainable Growth Rates

Line	Company	13-Week	2009	Market	Common Shares		Growth	S Factor <sup>3</sup>	V Factor <sup>4</sup>	S * V <sup>5</sup>
		Average	Book Value	to Book	Outstanding (in Millions) <sup>2</sup>					
		Stock Price <sup>1</sup>	Per Share <sup>2</sup>	Ratio	2009	3-5 Years	(6)	(7)	(8)	(9)
		(1)	(2)	(3)	(4)	(5)				
1	ALLETE	\$38.06	\$26.41	1.44	35.20	38.50	1.81%	2.61%	30.62%	0.80%
2	Alliant Energy Co.	\$38.68	\$25.07	1.54	110.66	116.00	0.95%	1.46%	35.19%	0.51%
3	Black Hills Corp	\$31.78	\$27.84	1.14	38.97	44.75	2.80%	3.20%	12.39%	0.40%
4	DTE Energy Co.	\$47.70	\$37.96	1.26	165.40	176.00	1.25%	1.57%	20.42%	0.32%
5	Edison Internat.	\$36.95	\$30.20	1.22	325.81	325.81	0.00%	0.00%	18.26%	0.00%
6	Empire District	\$21.55	\$15.75	1.37	38.11	42.75	2.32%	3.18%	26.93%	0.86%
7	Entergy Corp.	\$69.96	\$45.54	1.54	189.12	172.00	-1.88%	-2.89%	34.90%	-1.01%
8	IDACORP	\$37.87	\$29.17	1.30	47.90	52.00	1.66%	2.15%	22.98%	0.49%
9	Nextera Energy	\$54.66	\$31.35	1.74	413.62	448.00	1.61%	2.81%	42.64%	1.20%
10	PG&E Corp.	\$45.26	\$27.88	1.62	370.60	420.00	2.53%	4.11%	38.40%	1.58%
11	Portland General	\$23.30	\$20.50	1.14	75.21	90.00	3.66%	4.15%	12.01%	0.50%
12	SCANA Corp.	\$40.14	\$27.71	1.45	123.00	153.00	4.46%	6.46%	30.97%	2.00%
13	Sempra Energy	\$52.95	\$36.54	1.45	246.50	238.00	-0.70%	-1.01%	30.99%	-0.31%
14	Southern Co.	\$37.89	\$18.15	2.09	819.65	935.00	2.67%	5.57%	52.10%	2.90%
15	Vectren Corp.	\$26.58	\$17.23	1.54	81.10	85.00	0.94%	1.46%	35.19%	0.51%
16	Wisconsin Energy	\$29.81	\$15.26	1.95	233.82	233.80	0.00%	0.00%	48.82%	0.00%
17	Xcel Energy Inc.	\$23.81	\$15.92	1.50	457.51	495.00	1.59%	2.37%	33.14%	0.79%
18	<b>Average</b>	<b>\$38.65</b>	<b>\$26.38</b>	<b>1.49</b>	<b>221.89</b>	<b>239.15</b>	<b>1.51%</b>	<b>2.19%</b>	<b>30.94%</b>	<b>0.68%</b>

Sources and Notes:

<sup>1</sup> <http://moneycentral.msn.com>, downloaded on April 11, 2011.

<sup>2</sup> *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

<sup>3</sup> Expected Growth in the Number of Shares, Column (3) \* Column (6).

<sup>4</sup> Expected Profit of Stock Investment, [ 1 - 1 / Column (3) ].

<sup>5</sup> Column (7) \* Column (8).

# Rocky Mountain Power

## Sustainable Constant Growth DCF Model

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price<sup>1</sup></u> (1)	<u>Sustainable Growth<sup>2</sup></u> (2)	<u>Annualized Dividend<sup>3</sup></u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	ALLETE	\$38.06	4.21%	\$1.78	4.87%	9.09%
2	Alliant Energy Co.	\$38.68	5.85%	\$1.70	4.65%	10.50%
3	Black Hills Corp	\$31.78	3.52%	\$1.44	4.69%	8.21%
4	DTE Energy Co.	\$47.70	3.72%	\$2.24	4.87%	8.59%
5	Edison Internat.	\$36.95	4.73%	\$1.28	3.63%	8.36%
6	Empire District	\$21.55	3.17%	\$1.28	6.13%	9.29%
7	Entergy Corp.	\$69.96	3.94%	\$3.32	4.93%	8.87%
8	IDACORP	\$37.87	5.26%	\$1.20	3.34%	8.59%
9	Nextera Energy	\$54.66	7.11%	\$2.00	3.92%	11.03%
10	PG&E Corp.	\$45.26	7.38%	\$1.82	4.32%	11.70%
11	Portland General	\$23.30	3.92%	\$1.04	4.64%	8.56%
12	SCANA Corp.	\$40.14	5.92%	\$1.94	5.12%	11.04%
13	Sempra Energy	\$52.95	5.52%	\$1.56	3.11%	8.63%
14	Southern Co.	\$37.89	7.20%	\$1.82	5.15%	12.35%
15	Vectren Corp.	\$26.58	4.28%	\$1.38	5.41%	9.69%
16	Wisconsin Energy	\$29.81	5.58%	\$1.04	3.68%	9.27%
17	Xcel Energy Inc.	\$23.81	5.13%	\$1.01	4.46%	9.59%
18	<b>Average</b>	<b>\$38.65</b>	<b>5.08%</b>	<b>\$1.64</b>	<b>4.52%</b>	<b>9.61%</b>
19	<b>Median</b>					<b>9.27%</b>

Sources:

<sup>1</sup> <http://moneycentral.msn.com>, downloaded on April 25, 2011.

<sup>2</sup> Exhibit FEA-7 (MPG-7), Page 1 of 2, Column 11.

<sup>3</sup> *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

# Rocky Mountain Power

## Multi-Stage Growth DCF Model

Line	Company	13-Week AVG	Annualized	First Stage	Second Stage Growth					Third Stage	Multi-Stage
		Stock Price <sup>1</sup>	Dividend <sup>2</sup>	Growth <sup>3</sup>	Year 6	Year 7	Year 8	Year 9	Year 10	Growth <sup>4</sup>	Growth DCF
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	ALLETE	\$38.06	\$1.78	5.00%	4.98%	4.97%	4.95%	4.93%	4.92%	4.90%	9.84%
2	Alliant Energy Co.	\$38.68	\$1.70	5.46%	5.37%	5.27%	5.18%	5.09%	4.99%	4.90%	9.67%
3	Black Hills Corp	\$31.78	\$1.44	6.00%	5.82%	5.63%	5.45%	5.27%	5.08%	4.90%	9.98%
4	DTE Energy Co.	\$47.70	\$2.24	4.91%	4.91%	4.90%	4.90%	4.90%	4.90%	4.90%	9.83%
5	Edison Internat.	\$36.95	\$1.28	5.28%	5.21%	5.15%	5.09%	5.03%	4.96%	4.90%	8.62%
6	Empire District	\$21.55	\$1.28	N/A	N/A	N/A	N/A	N/A	N/A	4.90%	N/A
7	Entergy Corp.	\$69.96	\$3.32	2.32%	2.75%	3.18%	3.61%	4.04%	4.47%	4.90%	9.13%
8	IDACORP	\$37.87	\$1.20	4.79%	4.81%	4.83%	4.85%	4.86%	4.88%	4.90%	8.19%
9	Nextera Energy	\$54.66	\$2.00	6.10%	5.90%	5.70%	5.50%	5.30%	5.10%	4.90%	9.04%
10	PG&E Corp.	\$45.26	\$1.82	6.40%	6.15%	5.90%	5.65%	5.40%	5.15%	4.90%	9.53%
11	Portland General	\$23.30	\$1.04	5.70%	5.56%	5.43%	5.30%	5.17%	5.03%	4.90%	9.82%
12	SCANA Corp.	\$40.14	\$1.94	4.69%	4.73%	4.76%	4.80%	4.83%	4.87%	4.90%	9.90%
13	Sempra Energy	\$52.95	\$1.56	6.41%	6.16%	5.90%	5.65%	5.40%	5.15%	4.90%	8.30%
14	Southern Co.	\$37.89	\$1.82	5.19%	5.14%	5.09%	5.04%	5.00%	4.95%	4.90%	10.03%
15	Vectren Corp.	\$26.58	\$1.38	5.18%	5.13%	5.08%	5.04%	4.99%	4.95%	4.90%	10.44%
16	Wisconsin Energy	\$29.81	\$1.04	7.25%	6.86%	6.47%	6.08%	5.68%	5.29%	4.90%	9.14%
17	Xcel Energy Inc.	\$23.81	\$1.01	5.39%	5.31%	5.23%	5.15%	5.06%	4.98%	4.90%	9.49%
18	<b>Average</b>	<b>\$38.65</b>	<b>\$1.64</b>	<b>5.38%</b>	<b>5.30%</b>	<b>5.22%</b>	<b>5.14%</b>	<b>5.06%</b>	<b>4.98%</b>	<b>4.90%</b>	<b>9.43%</b>
19	<b>Median</b>										<b>9.60%</b>

### Sources and Notes:

<sup>1</sup> <http://moneycentral.msn.com>, downloaded on April 25, 2011.

<sup>2</sup> *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

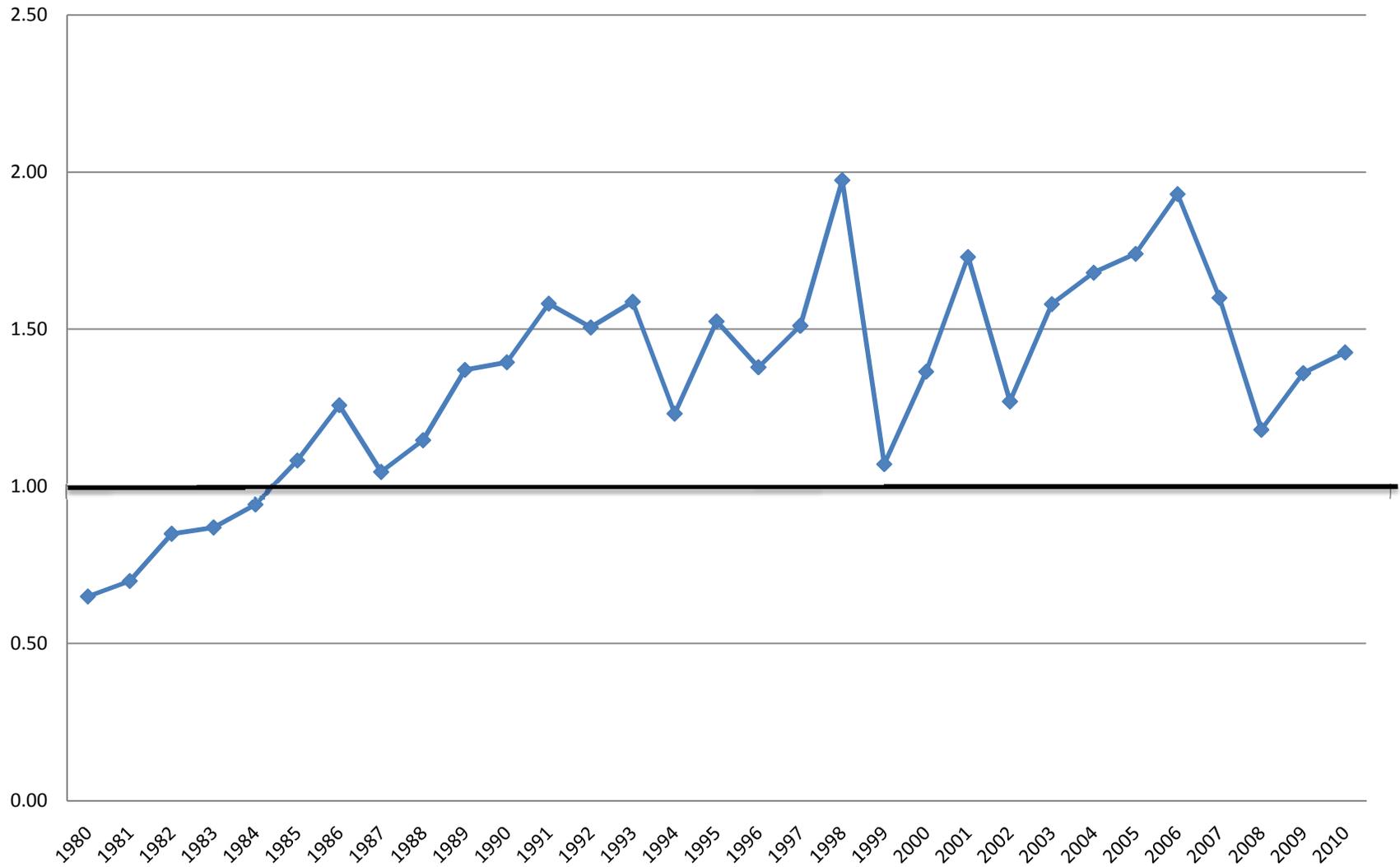
<sup>3</sup> Exhibit FEA-3 (MPG-3), Column 7.

<sup>4</sup> *Blue Chip Economic Indicators*, March 10, 2011 at 15.

N/A: Not Available.

# Rocky Mountain Power

## Electric Common Stock Market/Book Ratio



Sources:

2001 - 2010: *AUS Utility Reports*.

1980 - 2000: *Mergent Public Utility Manual*, 2003.

# Rocky Mountain Power

## Electric Equity Risk Premium - Treasury Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Electric Returns<sup>1</sup></u> (1)	<u>Treasury Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)
1	1986	13.93%	7.78%	6.15%
2	1987	12.99%	8.59%	4.40%
3	1988	12.79%	8.96%	3.83%
4	1989	12.97%	8.45%	4.52%
5	1990	12.70%	8.61%	4.09%
6	1991	12.55%	8.14%	4.41%
7	1992	12.09%	7.67%	4.42%
8	1993	11.41%	6.59%	4.82%
9	1994	11.34%	7.37%	3.97%
10	1995	11.55%	6.88%	4.67%
11	1996	11.39%	6.71%	4.68%
12	1997	11.40%	6.61%	4.79%
13	1998	11.66%	5.58%	6.08%
14	1999	10.77%	5.87%	4.90%
15	2000	11.43%	5.94%	5.49%
16	2001	11.09%	5.49%	5.60%
17	2002	11.16%	5.43%	5.73%
18	2003	10.97%	4.96%	6.01%
19	2004	10.75%	5.05%	5.70%
20	2005	10.54%	4.65%	5.89%
21	2006	10.36%	4.91%	5.45%
22	2007	10.36%	4.84%	5.52%
23	2008	10.46%	4.28%	6.18%
24	2009	10.48%	4.08%	6.40%
25	2010 <sup>3</sup>	10.34%	4.25%	6.09%
26	Q1 2011 <sup>3</sup>	10.35%	4.56%	5.79%
27	<b>Average</b>	<b>11.46%</b>	<b>6.24%</b>	<b>5.21%</b>

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Sources:

<sup>1</sup> Regulatory Research Associates, Inc., *Regulatory Focus*, Jan. 85 - Dec. 06, and April 5, 2011.

<sup>2</sup> Economic Report of the President 2010: Table 73. The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

<sup>3</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

# Rocky Mountain Power

## Electric Equity Risk Premium - Utility Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Electric Returns<sup>1</sup></u> (1)	<u>Average "A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)
1	1986	13.93%	9.58%	4.35%
2	1987	12.99%	10.10%	2.89%
3	1988	12.79%	10.49%	2.30%
4	1989	12.97%	9.77%	3.20%
5	1990	12.70%	9.86%	2.84%
6	1991	12.55%	9.36%	3.19%
7	1992	12.09%	8.69%	3.40%
8	1993	11.41%	7.59%	3.82%
9	1994	11.34%	8.31%	3.03%
10	1995	11.55%	7.89%	3.66%
11	1996	11.39%	7.75%	3.64%
12	1997	11.40%	7.60%	3.80%
13	1998	11.66%	7.04%	4.62%
14	1999	10.77%	7.62%	3.15%
15	2000	11.43%	8.24%	3.19%
16	2001	11.09%	7.76%	3.33%
17	2002	11.16%	7.37%	3.79%
18	2003	10.97%	6.58%	4.39%
19	2004	10.75%	6.16%	4.59%
20	2005	10.54%	5.65%	4.89%
21	2006	10.36%	6.07%	4.29%
22	2007	10.36%	6.07%	4.29%
23	2008	10.46%	6.53%	3.93%
24	2009	10.48%	6.04%	4.44%
25	2010 <sup>3</sup>	10.34%	5.46%	4.88%
26	Q1 2011 <sup>3</sup>	10.35%	5.60%	4.75%
27	<b>Average</b>	<b>11.46%</b>	<b>7.66%</b>	<b>3.79%</b>

Sources:

<sup>1</sup> Regulatory Research Associates, Inc., *Regulatory Focus*, Jan. 85 - Dec. 06, and April 5, 2011.

<sup>2</sup> Mergent Public Utility Manual, Mergent Weekly News Reports, 2003. The utility yields for the period 2001-2009 were obtained from the Mergent Bond Record. The utility yields were obtained from <http://credittrends.moodys.com/>.

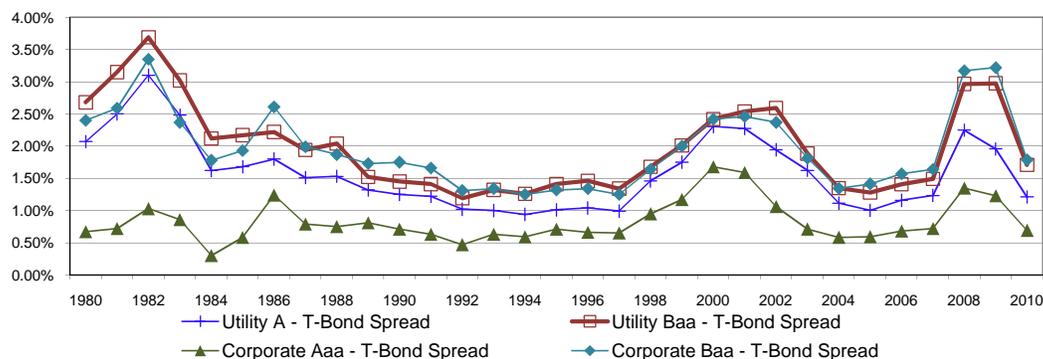
<sup>3</sup> [www.moodys.com](http://www.moodys.com), Bond Yields and Key Indicators.

# Rocky Mountain Power

## Utility Bond Yield Spreads

Line	Year	Public Utility Bond Yields					Corporate Bond Yields				
		T-Bond Yield <sup>1</sup> (1)	A <sup>2</sup> (2)	Baa <sup>2</sup> (3)	A-T-Bond Spread (4)	Baa-T-Bond Spread (5)	Aaa <sup>1</sup> (6)	Baa <sup>1</sup> (7)	Aaa-T-Bond Spread (8)	Baa-T-Bond Spread (9)	Baa Utility - Corporate (10)
1	1980	11.27%	13.34%	13.95%	2.07%	2.68%	11.94%	13.67%	0.67%	2.40%	0.28%
2	1981	13.45%	15.95%	16.60%	2.50%	3.15%	14.17%	16.04%	0.72%	2.59%	0.56%
3	1982	12.76%	15.86%	16.45%	3.10%	3.69%	13.79%	16.11%	1.03%	3.35%	0.34%
4	1983	11.18%	13.66%	14.20%	2.48%	3.02%	12.04%	13.55%	0.86%	2.37%	0.65%
5	1984	12.41%	14.03%	14.53%	1.62%	2.12%	12.71%	14.19%	0.30%	1.78%	0.34%
6	1985	10.79%	12.47%	12.96%	1.68%	2.17%	11.37%	12.72%	0.58%	1.93%	0.24%
7	1986	7.78%	9.58%	10.00%	1.80%	2.22%	9.02%	10.39%	1.24%	2.61%	-0.39%
8	1987	8.59%	10.10%	10.53%	1.51%	1.94%	9.38%	10.58%	0.79%	1.99%	-0.05%
9	1988	8.96%	10.49%	11.00%	1.53%	2.04%	9.71%	10.83%	0.75%	1.87%	0.17%
10	1989	8.45%	9.77%	9.97%	1.32%	1.52%	9.26%	10.18%	0.81%	1.73%	-0.21%
11	1990	8.61%	9.86%	10.06%	1.25%	1.45%	9.32%	10.36%	0.71%	1.75%	-0.30%
12	1991	8.14%	9.36%	9.55%	1.22%	1.41%	8.77%	9.80%	0.63%	1.66%	-0.25%
13	1992	7.67%	8.69%	8.86%	1.02%	1.19%	8.14%	8.98%	0.47%	1.31%	-0.12%
14	1993	6.59%	7.59%	7.91%	1.00%	1.32%	7.22%	7.93%	0.63%	1.34%	-0.02%
15	1994	7.37%	8.31%	8.63%	0.94%	1.26%	7.96%	8.62%	0.59%	1.25%	0.01%
16	1995	6.88%	7.89%	8.29%	1.01%	1.41%	7.59%	8.20%	0.71%	1.32%	0.09%
17	1996	6.71%	7.75%	8.17%	1.04%	1.46%	7.37%	8.05%	0.66%	1.34%	0.12%
18	1997	6.61%	7.60%	7.95%	0.99%	1.34%	7.26%	7.86%	0.65%	1.25%	0.09%
19	1998	5.58%	7.04%	7.26%	1.46%	1.68%	6.53%	7.22%	0.95%	1.64%	0.04%
20	1999	5.87%	7.62%	7.88%	1.75%	2.01%	7.04%	7.87%	1.17%	2.00%	0.01%
21	2000	5.94%	8.24%	8.36%	2.30%	2.42%	7.62%	8.36%	1.68%	2.42%	0.00%
22	2001	5.49%	7.76%	8.03%	2.27%	2.54%	7.08%	7.95%	1.59%	2.46%	0.08%
23	2002	5.43%	7.37%	8.02%	1.94%	2.59%	6.49%	7.80%	1.06%	2.37%	0.22%
24	2003	4.96%	6.58%	6.84%	1.62%	1.89%	5.67%	6.77%	0.71%	1.81%	0.07%
25	2004	5.05%	6.16%	6.40%	1.11%	1.35%	5.63%	6.39%	0.58%	1.34%	0.00%
26	2005	4.65%	5.65%	5.93%	1.00%	1.28%	5.24%	6.06%	0.59%	1.41%	-0.14%
27	2006	4.91%	6.07%	6.32%	1.16%	1.41%	5.59%	6.48%	0.68%	1.57%	-0.16%
28	2007	4.84%	6.07%	6.33%	1.23%	1.49%	5.56%	6.48%	0.72%	1.64%	-0.15%
29	2008	4.28%	6.53%	7.25%	2.25%	2.97%	5.63%	7.45%	1.35%	3.17%	-0.20%
30	2009	4.08%	6.04%	7.06%	1.96%	2.98%	5.31%	7.30%	1.23%	3.22%	-0.24%
31	2010	4.25%	5.46%	5.96%	1.21%	1.71%	4.94%	6.04%	0.69%	1.79%	-0.08%
32	<b>Average</b>	<b>7.40%</b>	<b>9.00%</b>	<b>9.39%</b>	<b>1.59%</b>	<b>1.99%</b>	<b>8.24%</b>	<b>9.36%</b>	<b>0.83%</b>	<b>1.96%</b>	<b>0.03%</b>

**Yield Spreads**  
Treasury Vs. Corporate & Treasury Vs. Utility



Sources:

<sup>1</sup> Economic Report of the President 2008: Table 73 at 316. The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

<sup>2</sup> *Mergent Public Utility Manual* 2003. Moody's Daily News Reports.

# Rocky Mountain Power

## Utility and Treasury Bond Yields

<u>Line</u>	<u>Date</u>	<u>Treasury Bond Yield<sup>1</sup></u> (1)	<u>"A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>"Baa" Rated Utility Bond Yield<sup>2</sup></u> (3)
1	04/21/11	4.46%	5.52%	5.94%
2	04/15/11	4.55%	5.52%	5.95%
3	04/08/11	4.57%	5.68%	6.11%
4	04/01/11	4.51%	5.55%	5.98%
5	03/25/11	4.46%	5.57%	5.98%
6	03/18/11	4.44%	5.50%	5.91%
7	03/11/11	4.59%	5.57%	5.96%
8	03/04/11	4.55%	5.63%	6.03%
9	02/25/11	4.56%	5.55%	5.96%
10	02/18/11	4.67%	5.71%	6.13%
11	02/11/11	4.73%	5.75%	6.17%
12	02/04/11	4.65%	5.77%	6.21%
13	01/28/11	4.54%	5.56%	6.01%
14	<b>13-Wk Average</b>	<b>4.56%</b>	<b>5.61%</b>	<b>6.03%</b>
15	<b>Spread</b>		<b>1.05%</b>	<b>1.47%</b>

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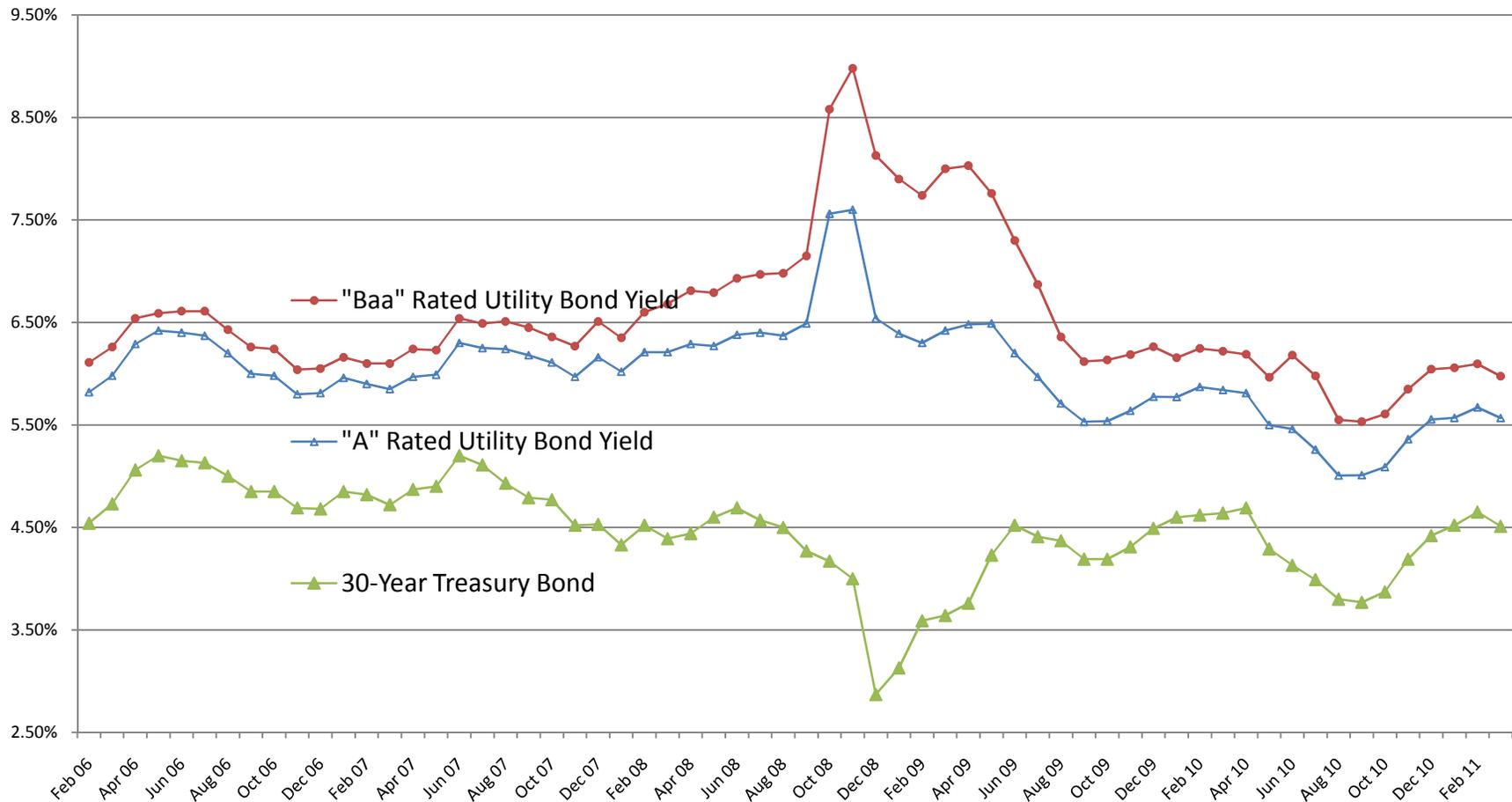
Sources:

<sup>1</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.

<sup>2</sup> [www.moodys.com](http://www.moodys.com), Bond Yields and Key Indicators.

# Rocky Mountain Power

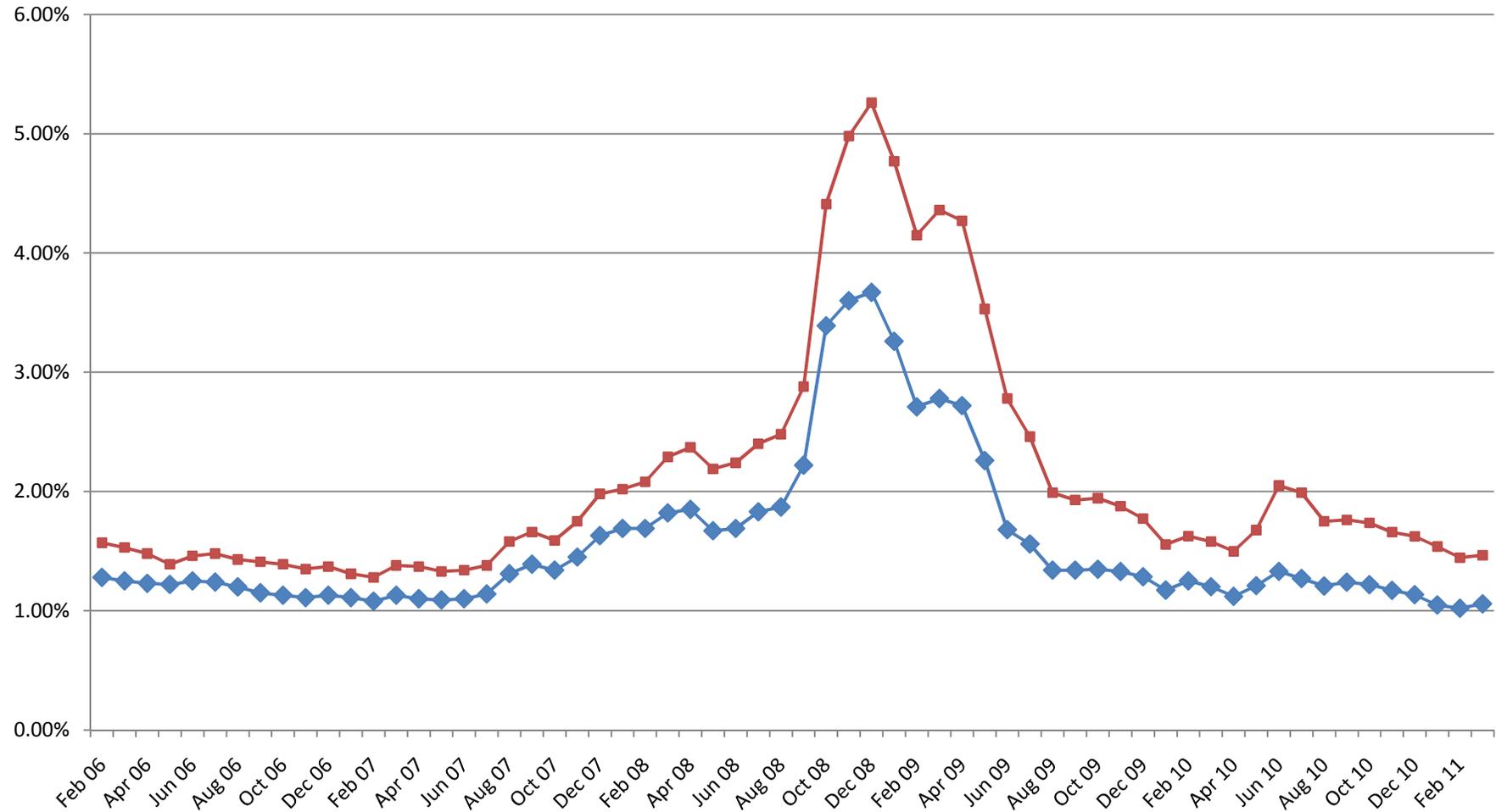
## Trends in Utility Bond Yields



Sources:  
Merchant Bond Record.  
www.moodys.com, Bond Yields and Key Indicators.  
St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>

# Rocky Mountain Power

## Spread Between "A" and "Baa" Rated Utility Bond Yield and 30-Year Treasury Bond Yield



Sources:  
 Merchant Bond Record.  
 www.moodys.com, Bond Yields and Key Indicators.  
 St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>

◆ A Spread    ■ Baa Spread

# Rocky Mountain Power

## Value Line Beta

<u>Line</u>	<u>Company</u>	<u>Beta</u>
1	ALLETE	0.70
2	Alliant Energy Co.	0.70
3	Black Hills Corp	0.80
4	DTE Energy Co.	0.75
5	Edison Internat.	0.80
6	Empire District	0.70
7	Entergy Corp.	0.70
8	IDACORP	0.70
9	Nextera Energy	0.75
10	PG&E Corp.	0.55
11	Portland General	0.75
12	SCANA Corp.	0.70
13	Sempra Energy	0.85
14	Southern Co.	0.55
15	Vectren Corp.	0.70
16	Wisconsin Energy	0.60
17	Xcel Energy Inc.	0.65
18	<b>Average</b>	<b>0.70</b>

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Source:

*The Value Line Investment Survey*,  
February 4, February 25 and March 25, 2011.

# Rocky Mountain Power

## CAPM Return

<u>Line</u>	<u>Description</u>	<u>Gorman Market Risk Premium (1)</u>	<u>Morningstar Market Risk Premium (2)</u>
1	Risk-Free Rate <sup>1</sup>	5.20%	5.20%
2	Risk Premium <sup>2</sup>	6.00%	6.70%
3	Beta <sup>3</sup>	0.70	0.70
4	CAPM	9.40%	9.89%

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Sources:

<sup>1</sup> *Blue Chip Financial Forecasts*; April 1, 2011, at 2.

<sup>2</sup> Morningstar, Inc. *Ibbotson SBBI 2011 Classic Yearbook*, at 86, and Morningstar, Inc. *Ibbotson SBBI 2011 Valuation Yearbook* at 54 and 66.

<sup>3</sup> *The Value Line Investment Survey*, February 4, February 25 and March 25, 2011.

# Rocky Mountain Power

## Standard & Poor's Credit Metrics

<u>Line</u>	<u>Description</u>	Retail	S&P Benchmark <sup>1/2</sup>			<u>Reference</u>
		Cost of Service <u>Amount</u> (1)	<u>Intermediate</u> (2)	<u>Significant</u> (3)	<u>Aggressive</u> (4)	
1	Rate Base	\$ 5,494,814,774				Exhibit RMP____(SRM-3), page 1.1.
2	Weighted Common Return	5.09%				Page 2, Line 3, Col. 4.
3	Pre-Tax Rate of Return	11.03%				Page 2, Line 4, Col. 5.
4	Income to Common	\$ 279,686,072				Line 1 x Line 2.
5	EBIT	\$ 606,026,172				Line 1 x Line 3.
6	Depreciation & Amortization	\$ 253,398,474				Exhibit RMP____(SRM-3), page 1.1.
7	Imputed Amortization	\$ 17,720,286				Page 4, Line 14, Col 1.
8	Deferred Income Taxes & ITC	\$ 160,597,973				Exhibit RMP____(SRM-3), page 1.1.
9	Funds from Operations (FFO)	\$ 711,402,805				Sum of Line 4 and Lines 6 through 8.
10	Imputed Interest Expense	\$ 12,386,568				Page 4, Line 13, Col 1.
11	EBITDA	\$ 889,531,499				Sum of Lines 5 through 7 and Line 10.
12	Total Debt Ratio	49%	35% - 45%	45% - 50%	50% - 60%	Page 3, Line 3, Col. 2.
13	Debt to EBITDA	3.1x	2.0x - 3.0x	3.0x - 4.0x	4.0x - 5.0x	(Line 1 x Line 12) / Line 11.
14	FFO to Total Debt	26%	30% - 45%	20% - 30%	12% - 20%	Line 9 / (Line 1 x Line 12).

Sources:

<sup>1</sup> Standard & Poor's: "Criteria Methodology: Business Risk/Financial Risk Matrix Expanded," May 27, 2009.

<sup>2</sup> S&P RatingsDirect: "U.S. Regulated Electric Utilities, Strongest to Weakest," April 7, 2011.

Note:

Based on the May 2009 S&P metrics, PacifiCorp has an "Excellent" business profile and a "Significant" financial profile.

# Rocky Mountain Power

## Standard & Poor's Credit Metrics (Pre-Tax Rate of Return)

<u>Line</u>	<u>Description</u>	<u>Amount (000)</u> (1)	<u>Weight</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Pre-Tax Weighted Cost</u> (5)
1	Long-Term Debt	\$ 6,628,729	47.80%	5.81%	2.78%	2.78%
2	Preferred Stock	41,603	0.30%	5.43%	0.02%	0.02%
3	Common Equity	<u>7,197,302</u>	<u>51.90%</u>	<b>9.80%</b>	<u>5.09%</u>	<u>8.23%</u>
4	<b>Total</b>	<b>\$ 13,867,635</b>	<b>100.00%</b>		<b>7.89%</b>	<b>11.03%</b>
5	Tax Conversion Factor*					1.6167

Sources:

Exhibit RMP\_\_\_(BNW-4), page 1 of 4, and Williams Direct at 18.

\* Exhibit RMP\_\_\_(SRM-3), page 1.2.

# Rocky Mountain Power

## Standard & Poor's Credit Metrics (Financial Capital Structure)

<u>Line</u>	<u>Description</u>	<u>Amount (000)</u> <u>(1)</u>	<u>Weight</u> <u>(2)</u>
1	Long-Term Debt	\$ 6,628,729	46.36%
2	Off Balance Sheet Debt*	<u>432,200</u>	<u>3.02%</u>
3	<b>Total Long-Term Debt</b>	<b>\$ 7,060,929</b>	<b>49.38%</b>
4	Preferred Stock	41,603	0.29%
5	Common Equity	<u>7,197,302</u>	<u>50.33%</u>
6	<b>Total</b>	<b>\$ 14,299,835</b>	<b>100.00%</b>

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Sources:

\* Page 4, Line 6, Col. 1.

# Rocky Mountain Power

## Standard and Poor's Credit Metrics (Off-Balance Sheet Debt Equivalents)

<u>Line</u>	<u>Description</u>	<u>Amount (000)</u> (1)	<u>Reference</u> (2)
<b><u>Rocky Mountain Power Utah Allocator<sup>1</sup></u></b>			
1	June 2012 Normalized Utah Rate Base	\$ 5,494,814,774	
2	June 2012 Normalized Total Company Rate Base	\$ 12,465,462,393	
3	<b>Allocation Factor</b>	<b>0.44</b>	Line 1 / Line 2
<b><u>Total Company<sup>2</sup></u></b>			
<b>Off-Balance Sheet Debt</b>			
4	Operating Leases	\$ 36,500	
5	Purchased Power Agreements	395,700	
6	<b>Total Off-Balance Sheet Debt</b>	<b>\$ 432,200</b>	
<b>Imputed Interest Expense</b>			
7	Operating Leases	\$ 2,300	
8	Purchased Power Agreements	25,800	
9	<b>Total Imputed Interest Expense</b>	<b>\$ 28,100</b>	
<b>Imputed Amortization Expense</b>			
10	Operating Leases	\$ 2,700	
11	Purchased Power Agreements	37,500	
12	<b>Total Imputed Amortization Expense</b>	<b>\$ 40,200</b>	
<b><u>Rocky Mountain Power Utah Allocation</u></b>			
13	Imputed Interest Expense	\$ 12,387	Line 3 x Line 9
14	Imputed Amortization	\$ 17,720	Line 3 x Line 12

Sources:

<sup>1</sup> Exhibit RMP\_\_\_\_(SRM-3), page 2.2.

<sup>2</sup> Standard & Poor's: "PacifiCorp," October 7, 2010, Table 3, at 6.

# Rocky Mountain Power

## Summary of Adjusted Hadaway DCF

<u>Line</u>	<u>Description</u>	<u>Hadaway (1)</u>	<u>Hadaway Adjusted*</u> (2)
<b><u>Constant Growth DCF</u></b>			
1	Average	10.1%	10.1%
2	Median	10.1%	10.1%
<b><u>Long-Term Constant Growth DCF</u></b>			
3	Average	10.6%	9.5%
4	Median	10.7%	9.6%
<b><u>Multi-Stage Growth DCF</u></b>			
5	Average	10.3%	9.3%
6	Median	10.3%	9.3%

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Sources:

Pages 2 to 4.

\* The adjustment reflects changing the GDP Growth Rate to 4.9%.

## Rocky Mountain Power

### Adjusted Hadaway Constant Growth DCF Model Analysts' Growth Rates

<u>Line</u>	<u>Company</u>	<u>Stock Price</u> (1)	<u>Dividend</u> (2)	<u>Dividend Yield</u> (3)	<u>EPS Analysts' Growth Rates</u>				<u>Average Growth Rate</u> (8)	<u>Constant Growth DCF</u> (9)
					<u>Value Line</u> (4)	<u>Zacks</u> (5)	<u>Thomson</u> (6)	<u>Reuters</u> (7)		
1	ALLETE	\$36.44	\$1.76	4.83%	1.00%	4.00%	5.33%	5.33%	3.92%	8.7%
2	Alliant Energy Co.	\$36.60	\$1.65	4.51%	7.00%	3.50%	8.20%	7.13%	6.46%	11.0%
3	Black Hills Corp	\$31.31	\$1.48	4.73%	4.50%	6.00%	6.00%	6.00%	5.63%	10.4%
4	DPL Inc.	\$26.29	\$1.28	4.87%	7.00%	N/A	5.90%	11.80%	8.23%	13.1%
5	DTE Energy Co.	\$46.10	\$2.30	4.99%	6.50%	5.00%	4.55%	4.37%	5.11%	10.1%
6	Duke Energy	\$17.81	\$0.99	5.56%	5.00%	1.30%	4.40%	5.59%	4.07%	9.6%
7	Edison Internat.	\$37.12	\$1.34	3.61%	N/A	3.00%	2.84%	4.85%	3.56%	7.2%
8	Empire District	\$21.38	\$1.28	5.99%	7.50%	N/A	6.00%	N/A	6.75%	12.7%
9	Entergy Corp.	\$73.35	\$3.38	4.61%	2.00%	3.00%	1.50%	6.45%	3.24%	7.8%
10	IDACORP	\$36.70	\$1.20	3.27%	5.50%	4.70%	4.67%	4.67%	4.89%	8.2%
11	Nextera Energy	\$52.87	\$2.10	3.97%	5.50%	6.40%	6.61%	6.53%	6.26%	10.2%
12	PG&E Corp.	\$47.25	\$1.92	4.06%	6.00%	7.00%	6.49%	6.29%	6.45%	10.5%
13	Portland General	\$21.28	\$1.07	5.00%	3.00%	5.60%	5.40%	5.29%	4.82%	9.8%
14	Progress Energy	\$44.29	\$2.52	5.69%	3.50%	4.00%	3.58%	3.69%	3.69%	9.4%
15	SCANA Corp.	\$40.95	\$1.92	4.69%	3.50%	3.80%	4.78%	4.67%	4.19%	8.9%
16	Sempra Energy	\$52.27	\$1.68	3.21%	N/A	8.50%	6.63%	6.47%	7.20%	10.4%
17	Southern Co.	\$37.91	\$1.88	4.96%	4.50%	4.80%	5.39%	5.34%	5.01%	10.0%
18	Vectren Corp.	\$26.21	\$1.39	5.30%	4.50%	5.00%	4.80%	4.80%	4.78%	10.1%
19	Wisconsin Energy	\$59.29	\$2.10	3.54%	9.50%	8.50%	10.07%	8.84%	9.23%	12.8%
20	Xcel Energy Inc.	\$23.62	\$1.03	4.36%	5.50%	5.50%	6.45%	6.07%	5.88%	10.2%
21	<b>Average</b>	<b>\$38.45</b>	<b>\$1.71</b>	<b>4.59%</b>	<b>5.08%</b>	<b>4.98%</b>	<b>5.48%</b>	<b>6.01%</b>	<b>5.47%</b>	<b>10.1%</b>
22	<b>Median</b>			<b>4.71%</b>					<b>5.06%</b>	<b>10.1%</b>

Source:

Exhibit RMP\_\_\_(SCH-4), page 2 of 5.

## Rocky Mountain Power

### Adjusted Hadaway Constant Growth DCF Model Long-Term GDP Growth

<u>Line</u>	<u>Company</u>	<u>Stock Price</u> (1)	<u>Dividend</u> (2)	<u>Dividend Yield</u> (3)	<u>GDP Growth</u> <sup>1</sup> (4)	<u>Long-Term Constant Growth DCF</u> (5)
1	ALLETE	\$36.44	\$1.76	4.83%	4.90%	9.7%
2	Alliant Energy Co.	\$36.60	\$1.65	4.51%	4.90%	9.4%
3	Black Hills Corp	\$31.31	\$1.48	4.73%	4.90%	9.6%
4	DPL Inc.	\$26.29	\$1.28	4.87%	4.90%	9.8%
5	DTE Energy Co.	\$46.10	\$2.30	4.99%	4.90%	9.9%
6	Duke Energy	\$17.81	\$0.99	5.56%	4.90%	10.5%
7	Edison Internat.	\$37.12	\$1.34	3.61%	4.90%	8.5%
8	Empire District	\$21.38	\$1.28	5.99%	4.90%	10.9%
9	Entergy Corp.	\$73.35	\$3.38	4.61%	4.90%	9.5%
10	IDACORP	\$36.70	\$1.20	3.27%	4.90%	8.2%
11	Nextera Energy	\$52.87	\$2.10	3.97%	4.90%	8.9%
12	PG&E Corp.	\$47.25	\$1.92	4.06%	4.90%	9.0%
13	Portland General	\$21.28	\$1.07	5.00%	4.90%	9.9%
14	Progress Energy	\$44.29	\$2.52	5.69%	4.90%	10.6%
15	SCANA Corp.	\$40.95	\$1.92	4.69%	4.90%	9.6%
16	Sempra Energy	\$52.27	\$1.68	3.21%	4.90%	8.1%
17	Southern Co.	\$37.91	\$1.88	4.96%	4.90%	9.9%
18	Vectren Corp.	\$26.21	\$1.39	5.30%	4.90%	10.2%
19	Wisconsin Energy	\$59.29	\$2.10	3.54%	4.90%	8.4%
20	Xcel Energy Inc.	\$23.62	\$1.03	4.36%	4.90%	9.3%
21	<b>Average</b>	<b>\$38.45</b>	<b>\$1.71</b>	<b>4.59%</b>	<b>4.90%</b>	<b>9.5%</b>
22	<b>Median</b>			<b>4.71%</b>		<b>9.6%</b>

Sources:

Exhibit RMP\_\_(SCH-4), page 3 of 5.

<sup>1</sup> *Blue Chip Economic Indicators*, March 10, 2011, at 15.

## Rocky Mountain Power

### Adjusted Hadaway Low Near-Term Growth Two-Stage Growth DCF Model

Line	Company	Stock Price (1)	Dividend (2)	2014 Forecasted Dividend (3)	Annual Change to 2013 (4)	Cash Flows					GDP Growth <sup>1</sup> (10)	Two-Stage Growth DCF (11)
						2011 Dividend (5)	2012 Dividend (6)	2013 Dividend (7)	2014 Dividend (8)	2015 Dividend (9)		
1	ALLETE	\$36.44	\$1.76	\$1.85	\$0.03	\$1.76	\$1.79	\$1.82	\$1.85	\$1.94	4.90%	9.3%
2	Alliant Energy Co.	\$36.60	\$1.65	\$1.92	\$0.09	\$1.65	\$1.74	\$1.83	\$1.92	\$2.01	4.90%	9.4%
3	Black Hills Corp	\$31.31	\$1.48	\$1.60	\$0.04	\$1.48	\$1.52	\$1.56	\$1.60	\$1.68	4.90%	9.3%
4	DPL Inc.	\$26.29	\$1.28	\$1.50	\$0.07	\$1.28	\$1.35	\$1.43	\$1.50	\$1.57	4.90%	9.8%
5	DTE Energy Co.	\$46.10	\$2.30	\$2.70	\$0.13	\$2.30	\$2.43	\$2.57	\$2.70	\$2.83	4.90%	10.0%
6	Duke Energy	\$17.81	\$0.99	\$1.05	\$0.02	\$0.99	\$1.01	\$1.03	\$1.05	\$1.10	4.90%	10.0%
7	Edison Internat.	\$37.12	\$1.34	\$1.50	\$0.05	\$1.34	\$1.39	\$1.45	\$1.50	\$1.57	4.90%	8.4%
8	Empire District	\$21.38	\$1.28	\$1.35	\$0.02	\$1.28	\$1.30	\$1.33	\$1.35	\$1.42	4.90%	10.4%
9	Entergy Corp.	\$73.35	\$3.38	\$3.60	\$0.07	\$3.38	\$3.45	\$3.53	\$3.60	\$3.78	4.90%	9.2%
10	IDACORP	\$36.70	\$1.20	\$1.40	\$0.07	\$1.20	\$1.27	\$1.33	\$1.40	\$1.47	4.90%	8.2%
11	Nextera Energy	\$52.87	\$2.10	\$2.40	\$0.10	\$2.10	\$2.20	\$2.30	\$2.40	\$2.52	4.90%	8.8%
12	PG&E Corp.	\$47.25	\$1.92	\$2.20	\$0.09	\$1.92	\$2.01	\$2.11	\$2.20	\$2.31	4.90%	8.9%
13	Portland General	\$21.28	\$1.07	\$1.20	\$0.05	\$1.07	\$1.11	\$1.16	\$1.20	\$1.26	4.90%	9.8%
14	Progress Energy	\$44.29	\$2.52	\$2.58	\$0.02	\$2.52	\$2.54	\$2.56	\$2.58	\$2.71	4.90%	10.0%
15	SCANA Corp.	\$40.95	\$1.92	\$2.00	\$0.03	\$1.92	\$1.95	\$1.97	\$2.00	\$2.10	4.90%	9.2%
16	Sempra Energy	\$52.27	\$1.68	\$2.05	\$0.12	\$1.68	\$1.80	\$1.93	\$2.05	\$2.15	4.90%	8.3%
17	Southern Co.	\$37.91	\$1.88	\$2.10	\$0.07	\$1.88	\$1.95	\$2.03	\$2.10	\$2.20	4.90%	9.7%
18	Vectren Corp.	\$26.21	\$1.39	\$1.50	\$0.04	\$1.39	\$1.43	\$1.46	\$1.50	\$1.57	4.90%	9.9%
19	Wisconsin Energy	\$59.29	\$2.10	\$2.70	\$0.20	\$2.10	\$2.30	\$2.50	\$2.70	\$2.83	4.90%	8.8%
20	Xcel Energy Inc.	\$23.62	\$1.03	\$1.15	\$0.04	\$1.03	\$1.07	\$1.11	\$1.15	\$1.21	4.90%	9.1%
21	<b>Average</b>	<b>\$38.45</b>	<b>\$1.71</b>	<b>\$1.92</b>	<b>\$0.07</b>	<b>\$1.71</b>	<b>\$1.78</b>	<b>\$1.85</b>	<b>\$1.92</b>	<b>\$2.01</b>	<b>4.90%</b>	<b>9.3%</b>
22	<b>Median</b>											<b>9.3%</b>

Sources:

Exhibit RMP\_\_\_\_(SCH-4), page 4 of 5.

<sup>1</sup> Blue Chip Economic Indicators, March 10, 2011, at 15.

# Rocky Mountain Power

## Accuracy of Interest Rate Forecasts (Long-Term Treasury Bond Yields - Projected Vs. Actual)

Line	Date	Publication Data			Actual Yield in Projected Quarter	Projected Yield Higher (Lower) Than Actual Yield*
		Prior Quarter Actual Yield (1)	Projected Yield (2)	Projected Quarter (3)		
1	Dec-00	5.8%	5.8%	1Q, 02	5.6%	0.2%
2	Mar-01	5.7%	5.6%	2Q, 02	5.8%	-0.2%
3	Jun-01	5.4%	5.8%	3Q, 02	5.2%	0.6%
4	Sep-01	5.7%	5.9%	4Q, 02	5.1%	0.8%
5	Dec-01	5.5%	5.7%	1Q, 03	5.0%	0.7%
6	Mar-02	5.3%	5.9%	2Q, 03	4.7%	1.2%
7	Jun-02	5.6%	6.2%	3Q, 03	5.2%	1.0%
8	Sep-02	5.8%	5.9%	4Q, 03	5.2%	0.7%
9	Dec-02	5.2%	5.7%	1Q, 04	4.9%	0.8%
10	Mar-03	5.1%	5.7%	2Q, 04	5.4%	0.3%
11	Jun-03	5.0%	5.4%	3Q, 04	5.1%	0.3%
12	Sep-03	4.7%	5.8%	4Q, 04	4.9%	0.9%
13	Dec-03	5.2%	5.9%	1Q, 05	4.8%	1.1%
14	Mar-04	5.2%	5.9%	2Q, 05	4.6%	1.4%
15	Jun-04	4.9%	6.2%	3Q, 05	4.5%	1.7%
16	Sep-04	5.4%	6.0%	4Q, 05	4.8%	1.2%
17	Dec-04	5.1%	5.8%	1Q, 06	4.6%	1.2%
18	Mar-05	4.9%	5.6%	2Q, 06	5.1%	0.5%
19	Jun-05	4.8%	5.5%	3Q, 06	5.0%	0.5%
20	Sep-05	4.6%	5.2%	4Q, 06	4.7%	0.5%
21	Dec-05	4.5%	5.3%	1Q, 07	4.8%	0.5%
22	Mar-06	4.8%	5.1%	2Q, 07	5.0%	0.1%
23	Jun-06	4.6%	5.3%	3Q, 07	4.9%	0.4%
24	Sep-06	5.1%	5.2%	4Q, 07	4.6%	0.6%
25	Dec-06	5.0%	5.0%	1Q, 08	4.4%	0.6%
26	Mar-07	4.7%	5.1%	2Q, 08	4.6%	0.5%
27	Jun-07	4.8%	5.1%	3Q, 08	4.5%	0.7%
28	Sep-07	5.0%	5.2%	4Q, 08	3.7%	1.5%
29	Dec-07	4.9%	4.8%	1Q, 09	3.5%	1.4%
30	Mar-08	4.6%	4.8%	2Q, 09	4.0%	0.8%
31	Jun-08	4.4%	4.9%	3Q, 09	4.3%	0.6%
32	Sep-08	4.6%	5.1%	4Q, 09	4.3%	0.8%
33	Dec-08	4.5%	4.6%	1Q, 10	4.6%	0.0%
34	Mar-09	3.7%	4.1%	2Q, 10	4.4%	-0.3%
35	Jun-09	3.5%	4.6%	3Q, 10	3.9%	0.8%
36	Sep-09	4.0%	5.0%	4Q, 10	4.2%	0.8%
37	Oct-09	4.3%	5.1%	1Q, 11		
38	Nov-09	4.3%	5.0%	1Q, 11		
39	Dec-09	4.3%	5.0%	1Q, 11		
40	Jan-10	4.3%	5.2%	2Q, 11		
41	Feb-10	4.3%	5.2%	2Q, 11		
42	Mar-10	4.3%	5.2%	2Q, 11		
43	Apr-10	4.6%	5.3%	3Q, 11		
44	May-10	4.6%	5.3%	3Q, 11		
45	Jun-10	4.6%	5.2%	3Q, 11		
46	Jul-10	4.4%	5.1%	4Q, 11		
47	Aug-10	4.4%	4.9%	4Q, 11		
48	Sep-10	4.4%	4.7%	4Q, 11		
49	Oct-10	3.9%	4.7%	1Q, 12		
50	Nov-10	3.9%	4.5%	1Q, 12		
51	Dec-10	3.9%	4.6%	1Q, 12		
52	Jan-11	4.2%	5.0%	2Q, 12		
53	Feb-11	4.2%	5.0%	2Q, 12		
54	Mar-11	4.2%	5.1%	2Q, 12		
55	Apr-11	4.6%	5.2%	3Q, 12		

Source:  
Blue Chip Financial Forecasts, Various Dates.  
\* Col. 2 - Col. 4.