

MODEL ATTRIBUTES MATRIX

Attribute #	Step	LG	Proposed DuPont	DRAFT Model for WRRRA
1	Database	Unknown	Compustat	Capital IQ
<ul style="list-style-type: none"> Use of Capital IQ data as opposed to Compustat data, since Computstat is unavailable. 				
2	Comparable Companies	198 Regulated Companies: 187 Energy Pubic Utilities, 6 Airlines and 6 Autotrans	SIC Transportation Companies: 230 Nonregulated Companies	SIC Transportation Companies that transport without transformation: 318.
<ul style="list-style-type: none"> 1/2019 staff recommendation includes natural gas and water companies, excludes water shipping and rail. 				
3	Elimination of SIC codes	n/a	(1) Eliminate of SIC codes dissimilar in risk characteristics when compared to waste collection. (2) Eliminate SIC codes with different characteristics using Chow test.	None
4	Number of Years in Analysis	10	7 years (2010-2016)	7 Years (2012-2018)
5	Calculation of PM	Gross Income Before Tax/Adjusted Revenues	EBIT/Revenue	EBIT/Revenue

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6	Calculation of ATO	Adjusted Revenues/Average Total Capital	ATO = Revenue/(Average PPE)	ATO = Revenue/(Average PPE)
7	Averaging Method	Calculate average PM and ATO for each company. Creation of 10 Groups - calculate average of PM and ATO within each group.	None	None
8	Trimming of Outliers	unknown	Excludes ATO > 400, PM > 100, and all values < 0	Uses Mahalanobis/H&V method - standard approach for identifying outliers based on underlying data. Residual negative values also excluded.
9	Number of Data Points used in Regression	10	1,216	1,545 (for 302 companies)
10	Data Transformation	natural log	log10	natural log
11	Range of Return	none	+/- one standard error of intercept coefficient in regression	none