

Updated 10-21-2008

WILLIAM E. AVERA

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CAPITAL STRUCTURE

UTILITY PROXY GROUP

Company	At December 31, 2006 (a)			Value Line Projected (b)		
	Long-term		Common	Long-term		Common
	Debt	Preferred	Equity	Debt	Other	Equity
1 American Elec Pwr	59.1%	0.3%	40.6%	56.5%	0.5%	43.0%
2 Avista Corp.	48.7%	5.7%	45.7%	50.5%	0.0%	49.5%
3 Black Hills Corp.	44.8%	0.0%	55.2%	39.5%	0.0%	60.5%
4 Cleco Corp.	42.8%	1.3%	56.0%	50.0%	0.0%	50.0%
5 DTE Energy Co.	57.1%	0.0%	42.9%	56.5%	0.0%	43.5%
6 Edison International	51.9%	5.0%	43.2%	47.0%	4.0%	49.0%
7 Hawaiian Elec.	50.1%	1.5%	48.4%	51.5%	1.5%	47.0%
8 IDACORP, Inc.	47.7%	0.0%	52.3%	50.0%	0.0%	50.0%
9 NiSource Inc.	51.1%	0.0%	48.9%	51.0%	0.0%	49.0%
10 Northeast Utilities	50.4%	2.0%	47.6%	56.5%	1.0%	42.5%
11 PG&E Corp.	46.4%	1.7%	51.9%	45.5%	1.5%	53.0%
12 PNM Resources	50.9%	0.3%	48.8%	48.5%	0.5%	51.0%
13 Portland General Elec.	45.0%	0.0%	55.0%	51.5%	0.0%	48.5%
14 PPL Corp.	58.6%	2.3%	39.2%	48.5%	2.0%	49.5%
15 Progress Energy	52.2%	0.5%	47.3%	49.5%	0.5%	50.0%
16 P S Enterprise Group	57.1%	1.6%	41.3%	46.0%	0.5%	53.5%
17 Westar Energy	50.0%	0.7%	49.3%	50.0%	0.5%	49.5%
18 Wisconsin Energy	53.6%	0.5%	45.9%	52.0%	0.5%	47.5%
19 Xcel Energy, Inc.	53.4%	0.8%	45.8%	54.5%	0.5%	45.0%
Average	51.1%	1.3%	47.6%	50.3%	0.7%	49.0%

(a) Company Form 10-K and Annual Reports.

(b) The Value Line Investment Survey, (Nov. 30 & Dec. 28, 2007, Feb. 8, 2008).

CONSTANT GROWTH DCF MODEL

UTILITY PROXY GROUP

Company	(a) Dividend Yield			(b) Growth Rates			(c) Cost of Equity Estimates						
	Price	Dividends	Yield	IBES	V Line	Reuters	Zacks	br+sv	IBES	V Line	Reuters	Zacks	br+sv
1 American Elec Pwr	\$ 42.65	\$ 1.67	3.9%	6.0%	6.5%	5.4%	5.0%	6.3%	9.9%	10.4%	9.3%	8.9%	10.2%
2 Avista Corp.	\$ 19.64	\$ 0.63	3.2%	4.5%	9.0%	4.5%	5.0%	3.4%	7.7%	12.2%	7.7%	8.2%	6.6%
3 Black Hills Corp.	\$ 38.95	\$ 1.40	3.6%	6.5%	5.5%	6.0%	6.5%	4.7%	10.1%	9.1%	9.6%	10.1%	8.3%
4 Cleco Corp.	\$ 25.17	\$ 0.90	3.6%	14.0%	6.5%	15.5%	9.5%	4.6%	17.6%	10.1%	19.1%	13.1%	8.1%
5 DTE Energy Co.	\$ 41.58	\$ 2.18	5.2%	5.8%	4.0%	6.4%	6.0%	2.2%	11.0%	9.2%	11.6%	11.2%	7.4%
6 Edison International	\$ 49.70	\$ 1.24	2.5%	8.8%	6.5%	8.0%	10.3%	6.6%	11.3%	9.0%	10.5%	12.8%	9.1%
7 Hawaiian Elec.	\$ 21.85	\$ 1.24	5.7%	8.5%	1.5%	3.1%	4.5%	2.6%	14.2%	7.2%	8.8%	10.2%	8.3%
8 IDACORP, Inc.	\$ 32.20	\$ 1.20	3.7%	6.0%	2.0%	6.0%	5.0%	3.5%	9.7%	5.7%	9.7%	8.7%	7.3%
9 NiSource Inc.	\$ 17.51	\$ 0.92	5.3%	2.8%	2.5%	2.7%	2.8%	2.5%	8.1%	7.8%	8.0%	8.1%	7.8%
10 Northeast Utilities	\$ 28.26	\$ 0.82	2.9%	10.4%	17.0%	10.0%	12.7%	7.6%	13.3%	19.9%	12.9%	15.6%	10.5%
11 PG&E Corp.	\$ 41.39	\$ 1.53	3.7%	9.5%	4.5%	8.5%	8.5%	5.0%	13.2%	8.2%	12.2%	12.2%	8.7%
12 PNM Resources	\$ 18.90	\$ 0.94	5.0%	9.0%	2.5%	10.3%	6.3%	3.4%	14.0%	7.5%	15.3%	11.3%	8.4%
13 Portland General Elec.	\$ 24.26	\$ 0.97	4.0%	7.9%	14.5%	7.9%	7.0%	4.1%	11.9%	18.5%	11.9%	11.0%	8.1%
14 PPL Corp.	\$ 47.68	\$ 1.31	2.7%	13.7%	14.0%	15.2%	10.3%	9.4%	16.4%	16.7%	17.9%	13.0%	12.1%
15 Progress Energy	\$ 44.42	\$ 2.46	5.5%	4.6%	3.5%	4.5%	5.2%	2.9%	10.1%	9.0%	10.0%	10.7%	8.4%
16 P S Enterprise Group	\$ 91.20	\$ 2.58	2.8%	19.7%	11.5%	14.3%	18.5%	9.2%	22.5%	14.3%	17.1%	21.3%	12.1%
17 Westar Energy	\$ 23.03	\$ 1.14	5.0%	5.6%	4.5%	4.6%	4.5%	4.0%	10.6%	9.5%	9.5%	9.5%	9.0%
18 Wisconsin Energy	\$ 45.21	\$ 1.08	2.4%	8.1%	8.0%	9.3%	9.4%	6.8%	10.5%	10.4%	11.7%	11.8%	9.1%
19 Xcel Energy, Inc.	\$ 20.71	\$ 0.94	4.5%	6.0%	5.5%	6.1%	5.2%	4.2%	10.5%	10.0%	10.7%	9.7%	8.7%
Average (h)									11.3%	10.4%	10.6%	10.9%	9.2%

(a) Recent price and estimated dividend for next 12 mos. from The Value Line Investment Survey, Summary and Index (Feb. 1, 2008).

(b) Thompson Financial Company in Context Report (Feb. 1, 2008).

(c) The Value Line Investment Survey (Nov. 30 & Dec. 28, 2007, Feb. 8, 2008).

(d) <http://stocks.us.reuters.com> (retrieved Feb. 4, 2008)

(e) <http://www.zacks.com/research> (retrieved Feb. 4, 2008)

(f) See Schedule WEA-3.

(g) Sum of dividend yield and respective growth rate

(h) Excludes highlighted figures

SUSTAINABLE GROWTH RATE

UTILITY PROXY GROUP

Company	(a) Projections		(a) Historical		(b) Annual Change	(c) Mid-Year Adjustment Factor	(d) "b"	(e) Adjusted "b x r" "r"	(f) growth	(g) "sv" Factor	(h) Sustainable Growth
	EPS	DPS	Net Book Value	Net Book Value							
	Value	Value	Value	Value							
1 American Elec Pwr	\$4.00	\$2.20	\$32.00	\$23.73	6.2%	1.0299	45.0%	12.9%	5.8%	0.52%	6.3%
2 Avista Corp.	\$1.75	\$1.10	\$20.75	\$17.46	3.5%	1.0173	37.1%	8.6%	3.2%	0.19%	3.4%
3 Black Hills Corp.	\$2.75	\$1.53	\$30.75	\$23.68	5.4%	1.0261	44.4%	9.2%	4.1%	0.67%	4.7%
4 Cleco Corp.	\$2.00	\$1.30	\$19.50	\$15.22	5.1%	1.0248	35.0%	10.5%	3.7%	0.88%	4.6%
5 DTE Energy Co.	\$3.50	\$2.40	\$38.00	\$33.02	2.8%	1.0140	31.4%	9.3%	2.9%	-0.75%	2.2%
6 Edison International	\$3.60	\$1.42	\$34.30	\$23.66	7.7%	1.0371	60.6%	10.9%	6.6%	0.01%	6.6%
7 Hawaiian Elec.	\$1.50	\$1.24	\$13.75	\$13.44	0.5%	1.0023	17.3%	10.9%	1.9%	0.75%	2.6%
8 IDACORP, Inc.	\$2.25	\$1.20	\$30.95	\$25.76	3.7%	1.0184	46.7%	7.4%	3.5%	0.09%	3.5%
9 NiSource Inc.	\$1.50	\$1.00	\$20.25	\$18.32	2.0%	1.0100	33.3%	7.5%	2.5%	0.01%	2.5%
10 Northeast Utilities	\$2.30	\$0.98	\$22.20	\$18.14	4.1%	1.0202	57.4%	10.6%	6.1%	1.56%	7.6%
11 PG&E Corp.	\$3.10	\$1.92	\$28.45	\$20.95	6.3%	1.0306	38.1%	11.2%	4.3%	0.72%	5.0%
12 PNM Resources	\$1.95	\$1.07	\$26.35	\$22.09	3.6%	1.0176	45.1%	7.5%	3.4%	0.04%	3.4%
13 Portland General Elec.	\$2.25	\$1.30	\$24.75	\$19.58	4.8%	1.0234	42.2%	9.3%	3.9%	0.16%	4.1%
14 PPL Corp.	\$4.50	\$2.20	\$19.75	\$13.30	8.2%	1.0395	51.1%	23.7%	12.1%	-2.72%	9.4%
15 Progress Energy	\$3.30	\$2.53	\$35.05	\$32.37	1.6%	1.0080	23.3%	9.5%	2.2%	0.68%	2.9%
16 P S Enterprise Group	\$6.20	\$2.64	\$43.15	\$25.33	11.2%	1.0532	57.4%	15.1%	8.7%	0.55%	9.2%
17 Westar Energy	\$2.00	\$1.28	\$22.35	\$17.62	4.9%	1.0238	36.0%	9.2%	3.3%	0.74%	4.0%
18 Wisconsin Energy	\$3.75	\$1.60	\$32.75	\$24.70	5.8%	1.0282	57.3%	11.8%	6.8%	0.00%	6.8%
19 Xcel Energy, Inc.	\$1.75	\$1.10	\$17.25	\$14.28	3.9%	1.0189	37.1%	10.3%	3.8%	0.36%	4.2%

(a) The Value Line Investment Survey (Nov. 30 & Dec. 28, 2007, Feb. 8, 2008).

(b) Annual growth in book value per share from historical to projected period.

(c) Equal to $2(1+b)/(2+b)$, where b = annual change in net book value.

(d) $(EPS-DPS)/EPS$.

(e) $(Projected\ EPS/Projected\ Net\ Book\ Value) \times Mid-Year\ Adjustment\ Factor$.

(f) $(d) \times (e)$.

(g) "s" equals projected market-to-book ratio x growth in common shares. "v" equals $(1 - 1/projected\ market-to-book\ ratio)$

(h) $(f) + (g)$.

NON-UTILITY PROXY GROUP

	(a)	(b)	Growth Rates				(e)	(f)	Cost of Equity Estimates				(f)
			(a)	(c)	(d)	(e)			(f)	(f)	(f)	(f)	
			VL	Reuters	Zacks	br+sv			IBES	EPS	Reuters	Zacks	
Company	Yield	IBES	EPS	Reuters	Zacks	br+sv	IBES	EPS	Reuters	Zacks	br+sv		
1	3M Company	2.41%	11.3%	5.0%	11.1%	10.7%	12.7%	13.7%	7.4%	13.5%	13.1%	15.1%	
2	Abbott Labs.	2.31%	11.9%	10.0%	10.4%	9.7%	14.4%	14.2%	12.3%	12.7%	12.0%	16.7%	
3	Aflac Inc.	1.57%	14.6%	14.0%	13.8%	14.0%	13.1%	16.2%	15.6%	15.4%	15.6%	14.6%	
4	Anheuser-Busch	2.84%	8.2%	7.5%	8.5%	8.7%	25.3%	11.0%	10.3%	11.3%	11.5%	28.2%	
5	Automatic Data Proc.	2.88%	14.2%	10.5%	13.3%	13.0%	12.8%	17.1%	13.4%	16.2%	15.9%	15.7%	
6	Bank of America	5.80%	9.3%	7.0%	7.6%	8.4%	7.8%	15.1%	12.8%	13.4%	14.2%	13.6%	
7	Bard (C.R.)	0.62%	14.3%	14.0%	14.5%	14.1%	11.6%	14.9%	14.6%	15.1%	14.7%	12.3%	
8	Becton, Dickinson	1.32%	13.2%	12.0%	12.8%	13.1%	13.4%	14.5%	13.3%	14.1%	14.4%	14.7%	
9	Chevron Corp.	2.79%	8.7%	5.0%	6.5%	3.5%	6.9%	11.5%	7.8%	9.3%	6.3%	9.7%	
10	Coca-Cola	2.31%	10.1%	9.0%	10.1%	9.0%	11.9%	12.4%	11.3%	12.4%	11.3%	14.2%	
11	Colgate-Palmolive	1.88%	10.9%	12.0%	10.9%	10.9%	21.0%	12.8%	13.9%	12.8%	12.8%	22.9%	
12	Commerce Bancshs.	2.25%	6.3%	4.5%	6.3%	6.5%	8.2%	8.6%	6.8%	8.5%	8.8%	10.5%	
13	ConocoPhillips	2.05%	10.9%	2.5%	6.2%	5.8%	8.9%	13.0%	4.6%	8.3%	7.9%	11.0%	
14	Ecolab Inc.	1.08%	14.0%	13.0%	14.3%	14.3%	17.0%	15.1%	14.1%	15.4%	15.4%	18.1%	
15	Exxon Mobil Corp.	1.62%	8.3%	7.0%	6.7%	5.0%	12.3%	9.9%	8.6%	8.3%	6.6%	13.9%	
16	Fortune Brands	2.40%	9.4%	6.0%	9.0%	10.2%	10.5%	11.8%	8.4%	11.4%	12.6%	12.9%	
17	Gannett Co.	4.33%	2.5%	4.0%	3.3%	3.6%	7.8%	6.8%	8.3%	7.7%	7.9%	12.1%	
18	Gen'l Mills	2.86%	8.6%	8.5%	8.7%	8.6%	7.1%	11.5%	11.4%	11.5%	11.5%	9.9%	
18	Genuine Parts	3.32%	8.9%	9.0%	8.9%	8.6%	9.3%	12.2%	12.3%	12.3%	11.9%	12.7%	
18	Heinz (H.J.)	3.57%	7.9%	8.0%	7.9%	8.2%	11.7%	11.5%	11.6%	11.5%	11.8%	15.3%	
18	Hormel Foods	1.91%	8.9%	11.5%	9.0%	8.7%	11.2%	10.8%	13.4%	10.9%	10.6%	13.1%	
18	Johnson & Johnson	2.63%	7.6%	8.0%	9.4%	9.8%	10.3%	10.2%	10.6%	12.1%	12.4%	12.9%	
18	Kimberly-Clark	3.23%	7.4%	6.5%	7.5%	8.0%	7.5%	10.6%	9.7%	10.7%	11.2%	10.8%	
18	Kraft Foods	3.69%	7.1%	5.5%	7.3%	6.9%	3.8%	10.8%	9.2%	11.0%	10.6%	7.4%	
18	Lilly (Eli)	3.66%	8.0%	7.0%	9.6%	8.8%	10.8%	11.7%	10.7%	13.3%	12.5%	14.5%	
18	Medtronic, Inc.	1.08%	13.5%	12.0%	14.2%	13.8%	12.2%	14.6%	13.1%	15.3%	14.9%	13.3%	
18	Meredith Corp.	1.58%	11.8%	11.5%	12.3%	12.7%	9.7%	13.4%	13.1%	13.9%	14.3%	11.3%	
21	NIKE, Inc. 'B'	1.50%	13.4%	13.0%	10.2%	13.9%	8.5%	14.9%	14.5%	11.7%	15.4%	10.0%	
22	Northrop Grumman	1.87%	14.0%	13.0%	10.2%	9.6%	7.5%	15.9%	14.9%	12.1%	11.5%	9.3%	
23	PepsiCo, Inc.	2.20%	10.9%	10.5%	10.8%	11.0%	9.4%	13.1%	12.7%	13.0%	13.2%	11.6%	
24	Pfizer, Inc.	5.48%	5.1%	2.0%	7.8%	5.8%	0.9%	10.6%	7.5%	13.3%	11.3%	6.4%	
25	Procter & Gamble	2.14%	13.3%	11.5%	12.8%	11.6%	6.0%	15.4%	13.6%	15.0%	13.7%	8.1%	

NON-UTILITY PROXY GROUP

Company	(a)	(b)	Growth Rates				Cost of Equity Estimates					
			(a)	(c)	(d)	(e)	(f)	(f)	(f)	(f)		
	Dividend	Yield	IBES	EPS	Reuters	Zacks	br+sv	IBES	EPS	Reuters	Zacks	br+sv
26 Regions Financial	6.04%	6.8%	6.5%	6.7%	6.7%	6.7%	4.9%	12.8%	12.5%	12.7%	12.7%	11.0%
27 Reinsurance Group	0.62%	10.3%	11.5%	10.0%	11.5%	11.3%	11.3%	10.9%	12.1%	10.6%	12.1%	11.9%
28 Sigma-Aldrich	0.93%	9.8%	11.5%	10.3%	10.5%	18.5%	18.5%	10.7%	12.4%	11.2%	11.4%	19.4%
29 Sysco Corp.	3.03%	13.1%	13.0%	13.1%	12.6%	10.1%	10.1%	16.1%	16.0%	16.1%	15.6%	13.2%
30 United Parcel Serv.	2.30%	13.1%	8.0%	12.8%	12.7%	12.9%	12.9%	15.4%	10.3%	15.1%	15.0%	15.2%
31 Wal-Mart Stores	1.73%	12.0%	10.0%	12.3%	11.8%	8.8%	8.8%	13.7%	11.7%	14.0%	13.5%	10.5%
32 Walgreen Co.	1.08%	13.4%	13.0%	13.4%	13.7%	13.1%	13.1%	14.5%	14.1%	14.5%	14.8%	14.2%
33 Washington Federal	3.44%	7.7%	9.5%	7.3%	6.5%	9.0%	9.0%	11.1%	12.9%	10.7%	9.9%	12.5%
34 Wells Fargo	3.64%	10.6%	9.5%	10.1%	10.9%	10.7%	10.7%	14.2%	13.1%	13.8%	14.5%	14.3%
35 Wrigley (Wm.) Jr.	2.02%	10.7%	9.5%	10.4%	10.1%	10.9%	10.9%	12.7%	11.5%	12.4%	12.1%	12.9%
Average (g)								12.9%	12.2%	12.5%	12.7%	13.0%

(a) www.valueline.com (retrieved Feb. 6, 2008).

(b) Thompson Financial, *Company in Context* (Feb. 5, 2008).

(c) http://stocks.us.reuters.com (retrieved Feb. 5, 2008).

(d) http://www.zacks.com/research (retrieved Feb. 4, 2008).

(e) See Schedule WEA-4.

(f) Sum of dividend yield and respective growth rate.

(g) Excludes highlighted figures.

NON-UTILITY PROXY GROUP

Company	Projections			Historical		(b) Annual Change	(c) Mid-Year Adjustment Factor	(d) "b" Adjusted "r"	(e) Adjusted "b x r" growth	(f) "sv" Factor	(g) Sustainable Growth
	(a) EPS	(a) DPS	(a) Value	(a) Net Book Value	(b) Annual Change						
	(a) EPS	(a) DPS	(a) Value	(a) Net Book Value	(b) Annual Change						
1 3M Company	\$5.80	\$2.28	\$22.65	\$13.56	10.8%	1.0513	60.7%	26.9%	16.3%	-3.68%	12.7%
2 Abbott Labs.	\$4.35	\$1.60	\$18.05	\$9.14	14.6%	1.0679	63.2%	25.7%	16.3%	-1.88%	14.4%
3 Aflac Inc.	\$5.60	\$1.52	\$26.90	\$16.93	9.7%	1.0463	72.9%	21.8%	15.9%	-2.79%	13.1%
4 Anheuser-Busch	\$3.95	\$1.46	\$6.90	\$5.11	6.2%	1.0300	63.0%	59.0%	37.2%	-11.84%	25.3%
5 Automatic Data Proc.	\$3.00	\$1.25	\$17.20	\$9.61	15.7%	1.0726	58.3%	18.7%	10.9%	1.92%	12.8%
6 Bank of America	\$6.10	\$3.00	\$40.80	\$29.70	6.6%	1.0317	50.8%	15.4%	7.8%	-0.03%	7.8%
7 Bard (C.R.)	\$6.35	\$0.86	\$32.85	\$16.46	14.8%	1.0690	86.5%	20.7%	17.9%	-6.22%	11.6%
8 Becton, Dickinson	\$5.75	\$1.60	\$30.15	\$15.63	14.0%	1.0656	72.2%	20.3%	14.7%	-1.27%	13.4%
9 Chevron Corp.	\$9.15	\$2.50	\$47.55	\$28.22	11.0%	1.0521	72.7%	20.2%	14.7%	-7.78%	6.9%
10 Coca-Cola	\$3.65	\$1.84	\$15.00	\$7.30	15.5%	1.0719	49.6%	26.1%	12.9%	-1.01%	11.9%
11 Colgate-Palmolive	\$5.25	\$2.16	\$10.40	\$2.32	35.0%	1.1489	58.9%	58.0%	34.1%	-13.15%	21.0%
12 Commerce Bancshs.	\$3.70	\$1.15	\$30.00	\$19.61	8.9%	1.0425	68.9%	12.9%	8.9%	-0.66%	8.2%
13 ConocoPhillips	\$9.60	\$1.75	\$94.65	\$50.21	13.5%	1.0633	81.8%	10.8%	8.8%	0.11%	8.9%
14 Ecolab Inc.	\$2.65	\$0.65	\$11.00	\$6.69	10.5%	1.0497	75.5%	25.3%	19.1%	-2.04%	17.0%
15 Exxon Mobil Corp.	\$8.00	\$1.75	\$35.50	\$19.87	12.3%	1.0580	78.1%	23.8%	18.6%	-6.32%	12.3%
16 Fortune Brands	\$7.15	\$1.76	\$54.05	\$31.08	11.7%	1.0553	75.4%	14.0%	10.5%	0.01%	10.5%
17 Gannett Co.	\$6.15	\$1.96	\$53.80	\$35.71	8.5%	1.0410	68.1%	11.9%	8.1%	-0.35%	7.8%
18 Gen'l Mills	\$4.40	\$2.00	\$18.95	\$15.64	4.9%	1.0240	54.5%	23.8%	13.0%	-5.90%	7.1%
18 Genuine Parts	\$4.25	\$1.90	\$23.55	\$14.95	9.5%	1.0454	55.3%	18.9%	10.4%	-1.09%	9.3%
18 Heinz (H.J.)	\$3.70	\$1.90	\$10.30	\$5.72	12.5%	1.0587	48.6%	38.0%	18.5%	-6.79%	11.7%
18 Hormel Foods	\$3.50	\$1.00	\$21.80	\$13.89	11.9%	1.0563	71.4%	17.0%	12.1%	-0.93%	11.2%
18 Johnson & Johnson	\$5.50	\$2.04	\$25.95	\$13.59	13.8%	1.0646	62.9%	22.6%	14.2%	-3.92%	10.3%
18 Kimberly-Clark	\$5.50	\$2.76	\$19.00	\$13.38	7.3%	1.0351	49.8%	30.0%	14.9%	-7.40%	7.5%
18 Kraft Foods	\$2.60	\$1.20	\$24.65	\$17.45	7.2%	1.0345	53.8%	10.9%	5.9%	-2.12%	3.8%
18 Lilly (Eli)	\$4.40	\$2.12	\$18.35	\$9.70	13.6%	1.0637	51.8%	25.5%	13.2%	-2.41%	10.8%
18 Medtronic, Inc.	\$4.30	\$0.83	\$18.45	\$9.60	14.0%	1.0652	80.7%	24.8%	20.0%	-7.79%	12.2%
18 Meredith Corp.	\$4.80	\$0.90	\$29.45	\$17.28	14.3%	1.0665	81.3%	17.4%	14.1%	-4.41%	9.7%
21 NIKE, Inc. 'B'	\$4.70	\$1.50	\$23.30	\$13.94	13.7%	1.0641	68.1%	21.5%	14.6%	-6.10%	8.5%
22 Northrop Grumman	\$7.65	\$2.00	\$68.75	\$48.03	7.4%	1.0358	73.9%	11.5%	8.5%	-1.04%	7.5%
23 PepsiCo, Inc.	\$4.85	\$1.96	\$13.15	\$9.36	7.0%	1.0340	59.6%	38.1%	22.7%	-13.33%	9.4%
24 Pfizer, Inc.	\$2.30	\$1.36	\$12.25	\$9.98	4.2%	1.0205	40.9%	19.2%	7.8%	-6.96%	0.9%
25 Procter & Gamble	\$4.75	\$1.90	\$32.30	\$20.87	11.5%	1.0545	60.0%	15.5%	9.3%	-3.34%	6.0%

SUSTAINABLE GROWTH RATE

NON-UTILITY PROXY GROUP

Company	Projections			Historical		(b)	(c)	(d)	(e)	(f)	(g)	(h)
	(a)	(a)	(a)	Net Book Value	Net Book Value							
	EPS	DPS	Value	Annual Change	Mid-Year Adjustment Factor							
26 Regions Financial	\$3.50	\$1.60	\$34.45	\$28.36	\$28.36	4.0%	1.0195	54.3%	10.4%	5.6%	-0.70%	4.9%
27 Reinsurance Group	\$7.60	\$0.50	\$65.65	\$45.85	\$45.85	7.4%	1.0359	93.4%	12.0%	11.2%	0.05%	11.3%
28 Sigma-Aldrich	\$3.60	\$0.62	\$16.15	\$10.56	\$10.56	8.9%	1.0425	82.8%	23.2%	19.2%	-0.76%	18.5%
29 Sysco Corp.	\$2.70	\$1.25	\$7.80	\$5.36	\$5.36	9.8%	1.0469	53.7%	36.2%	19.5%	-9.32%	10.1%
30 United Parcel Serv.	\$5.40	\$2.10	\$22.45	\$14.47	\$14.47	9.2%	1.0439	61.1%	25.1%	15.3%	-2.40%	12.9%
31 Wal-Mart Stores	\$4.65	\$1.20	\$22.30	\$14.91	\$14.91	8.4%	1.0402	74.2%	21.7%	16.1%	-7.34%	8.8%
32 Walgreen Co.	\$3.15	\$0.56	\$19.50	\$11.20	\$11.20	14.9%	1.0692	82.2%	17.3%	14.2%	-1.11%	13.1%
33 Washington Federal	\$2.75	\$1.00	\$19.40	\$15.07	\$15.07	6.5%	1.0316	63.6%	14.6%	9.3%	-0.29%	9.0%
34 Wells Fargo	\$3.90	\$1.44	\$22.90	\$13.58	\$13.58	11.0%	1.0522	63.1%	17.9%	11.3%	-0.65%	10.7%
35 Wrigley (Wm.) Jr.	\$3.25	\$1.38	\$15.05	\$8.65	\$8.65	11.7%	1.0553	57.5%	22.8%	13.1%	-2.23%	10.9%

(a) www.valueline.com (retrieved Feb. 6, 2008).

(b) Annual growth in book value per share from historical to projected period.

(c) Equal to $2(1+b)/(2+b)$, where b = annual change in net book value.

(d) $(EPS-DPS)/EPS$.

(e) $(Projected\ EPS/Projected\ Net\ Book\ Value) \times Mid-Year\ Adjustment\ Factor$.

(f) $(d) \times (e)$.

(g) "s" equals projected market-to-book ratio \times growth in common shares. "v" equals $(1 - 1/\text{projected market-to-book ratio})$.

(h) $(f) + (g)$.

FORWARD-LOOKING CAPM

Schedule WEA-9

Page 1 of 1

UTILITY PROXY GROUP

Market Rate of Return

Dividend Yield (a)	2.2%	
Growth Rate (b)	<u>11.0%</u>	
Market Return (c)		13.2%

Less: Risk-Free Rate (d)

Long-term Treasury Bond Yield		<u>4.4%</u>
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Market Risk Premium (e)

8.8%

Proxy Group Beta (f)

0.89

Proxy Group Risk Premium (g)

7.8%

Plus: Risk-free Rate (d)

Long-term Treasury Bond Yield		<u>4.4%</u>
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Implied Cost of Equity (h)

12.2%

- (a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (Retrieved Dec. 11, 2007).
- (b) Weighted average of IBES and Value Line growth rates for the dividend paying firms in the S&P 500 based on data from Standard & Poor's Earnings Guide (Nov. 2007) and www.valueline.com (Retrieved Dec. 11, 2007).
- (c) (a) + (b)
- (d) Average yield on 20-year Treasury bonds for January 2008 from the Federal Reserve Board at http://www.federalreserve.gov/releases/h15/data/Monthly/H15_TCMNOM_Y20.txt.
- (e) (c) - (d).
- (f) The Value Line Investment Survey (Nov. 30 & Dec. 28, 2007, Feb. 8, 2008).
- (g) (e) x (f).
- (h) (d) + (g).

FORWARD-LOOKING CAPM

Schedule WEA-10

Page 1 of 1

NON-UTILITY PROXY GROUP

Market Rate of Return

Dividend Yield (a) 2.2%

Growth Rate (b) 11.0%

Market Return (c) 13.2%

Less: Risk-Free Rate (d)

Long-term Treasury Bond Yield 4.4%

Market Risk Premium (e)

8.8%

Proxy Group Beta (f)

0.80

Proxy Group Risk Premium (g)

7.0%

Plus: Risk-free Rate (d)

Long-term Treasury Bond Yield 4.4%

Implied Cost of Equity (h)

11.4%

(a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (Retrieved Dec. 11, 2007).

(b) Weighted average of IBES and Value Line growth rates for the dividend paying firms in the S&P 500 based on data from Standard & Poor's Earnings Guide (Nov. 2007) and www.valueline.com (Retrieved Dec. 11, 2007).

(c) (a) + (b)

(d)

Average yield on 20-year Treasury bonds for January 2008 from the Federal Reserve Board at http://www.federalreserve.gov/releases/h15/data/Monthly/H15_TCMNOM_Y20.txt.

(e) (c) - (d).

(f) www.valueline.com (retrieved Feb. 6, 2008).

(g) (e) x (f).

(h) (d) + (g).

HISTORICAL CAPM

Schedule WEA-11

Page 1 of 1

UTILITY PROXY GROUP

Market Risk Premium

Long-Horizon Equity Risk Premium (a) 7.1%

Proxy Group Beta (b) 0.89

Proxy Group Risk Premium (c) 6.3%

Plus: Risk-free Rate (d)
Long-term Treasury Bond Yield 4.4%

Implied Cost of Equity (e) 10.7%

(a) Arithmetic mean risk premium on Large Company Stocks from 1926-2006 reported by Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation, Valuation Edition, 2007 Yearbook*, at Appendix C, Table C-1, p. 262.

(b) The Value Line Investment Survey (Nov. 30 & Dec. 28, 2007, Feb. 8, 2008).

(c) (a) x (b).

(d) Average yield on 20-year Treasury bonds for January 2008 from the Federal Reserve Board at http://www.federalreserve.gov/releases/h15/data/Monthly/H15_TCMNOM_Y20.txt.

(e) (c) + (d).

HISTORICAL CAPM

Schedule WEA-12

Page 1 of 1

NON-UTILITY PROXY GROUP

Market Risk Premium

Long-Horizon Equity Risk Premium (a) 7.1%

Proxy Group Beta (b) 0.80

Proxy Group Risk Premium (c) 5.6%

Plus: Risk-free Rate (d)

Long-term Treasury Bond Yield 4.4%

Implied Cost of Equity (e) **10.0%**

(a) Arithmetic mean risk premium on Large Company Stocks from 1926-2006 reported by Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation, Valuation Edition, 2007 Yearbook*, at Appendix C, Table C-1, p. 262.

(b) www.valueline.com (retrieved Feb. 6, 2008).

(c) (a) x (b).

(d)

Average yield on 20-year Treasury bonds for January 2008 from the Federal Reserve Board at http://www.federalreserve.gov/releases/h15/data/Monthly/H15_TCMNOM_Y20.txt.

(e) (c) + (d).

EXPECTED EARNINGS APPROACH

Schedule WEA-13
Page 1 of 1

UTILITY PROXY GROUP

	(a)	(b)	(c)
Company	Expected Return on Common Equity	Adjustment Factor	Adjusted Return on Common Equity
1 American Elec Pwr	12.5%	1.0299	12.9%
2 Avista Corp.	8.5%	1.0173	8.6%
3 Black Hills Corp.	9.5%	1.0261	9.7%
4 Cleco Corp.	10.5%	1.0248	10.8%
5 DTE Energy Co.	9.0%	1.0140	9.1%
6 Edison International	10.5%	1.0371	10.9%
7 Hawaiian Elec.	11.0%	1.0023	11.0%
8 IDACORP, Inc.	7.0%	1.0184	7.1%
9 NiSource Inc.	7.5%	1.0100	7.6%
10 Northeast Utilities	10.5%	1.0202	10.7%
11 PG&E Corp.	11.0%	1.0306	11.3%
12 PNM Resources	7.0%	1.0176	7.1%
13 Portland General Elec.	8.5%	1.0234	8.7%
14 PPL Corp.	23.5%	1.0395	24.4%
15 Progress Energy	9.5%	1.0080	9.6%
16 P S Enterprise Group	14.5%	1.0532	15.3%
17 Westar Energy	9.0%	1.0238	9.2%
18 Wisconsin Energy	11.5%	1.0282	11.8%
19 Xcel Energy, Inc.	10.0%	1.0189	10.2%
Average (d)			10.5%

(a) 3-5 year projections from The Value Line Investment Survey (Nov. 30 & Dec. 28, 2007, Feb. 8, 2008).

(b) Adjustment to convert year-end "r" to an average rate of return from Schedule WEA-3.

(c) (a) x (b).

(d) Excludes highlighted figures.