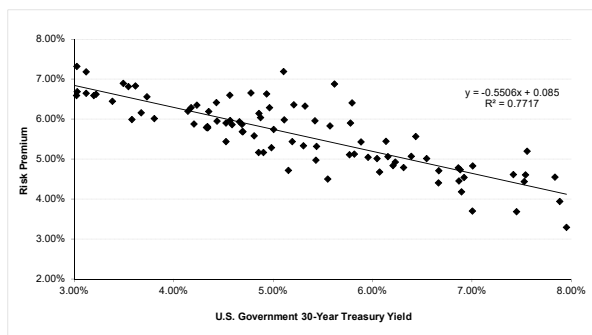


| Quarter | [1] Average Authorized Electric ROE | [2] U.S. Govt. 30-year Treasury | [3] Risk Premium |
|---------|---|--|------------------------|
| 1992.1 | 12.38% | 7.84% | 4.55% |
| 1992.2 | 11.83% | 7.88% | 3.94% |
| 1992.3 | 12.03% | 7.42% | 4.62% |
| 1992.4 | 12.14% | 7.54% | 4.60% |
| 1993.1 | 11.84% | 7.01% | 4.83% |
| 1993.2 | 11.64% | 6.86% | 4.78% |
| 1993.3 | 11.15% | 6.23% | 4.92% |
| 1993.4 | 11.04% | 6.21% | 4.84% |
| 1994.1 | 11.07% | 6.66% | 4.40% |
| 1994.2 | 11.13% | 7.45% | 3.68% |
| 1994.3 | 12.75% | 7.55% | 5.20% |
| 1994.4 | 11.24% | 7.95% | 3.29% |
| 1995.1 | 11.96% | 7.52% | 4.44% |
| 1995.2 | 11.32% | 6.87% | 4.45% |
| 1995.3 | 11.37% | 6.66% | 4.71% |
| 1995.4 | 11.58% | 6.14% | 5.45% |
| 1996.1 | 11.46% | 6.39% | 5.07% |
| 1996.2 | 11.46% | 6.92% | 4.54% |
| 1996.3 | 10.70% | 7.00% | 3.70% |
| 1996.4 | 11.56% | 6.54% | 5.02% |
| 1997.1 | 11.08% | 6.90% | 4.18% |
| 1997.2 | 11.62% | 6.88% | 4.73% |
| 1997.3 | 12.00% | 6.44% | 5.56% |
| 1997.4 | 11.06% | 6.04% | 5.02% |
| 1998.1 | 11.31% | 5.89% | 5.43% |
| 1998.2 | 12.20% | 5.79% | 6.41% |
| 1998.3 | 11.65% | 5.32% | 6.33% |
| 1998.4 | 12.30% | 5.11% | 7.20% |
| 1999.1 | 10.40% | 5.43% | 4.97% |
| 1999.2 | 10.94% | 5.82% | 5.12% |
| 1999.3 | 10.75% | 6.07% | 4.68% |
| 1999.4 | 11.10% | 6.31% | 4.79% |
| 2000.1 | 11.21% | 6.15% | 5.06% |
| 2000.2 | 11.00% | 5.95% | 5.05% |
| 2000.3 | 11.68% | 5.78% | 5.90% |
| 2000.4 | 12.50% | 5.62% | 6.88% |
| 2001.1 | 11.38% | 5.42% | 5.96% |
| 2001.2 | 10.88% | 5.77% | 5.11% |
| 2001.3 | 10.76% | 5.44% | 5.32% |
| 2001.4 | 11.57% | 5.21% | 6.36% |
| 2002.1 | 10.05% | 5.55% | 4.50% |
| 2002.2 | 11.41% | 5.57% | 5.83% |
| 2002.3 | 11.25% | 4.96% | 6.29% |
| 2002.4 | 11.57% | 4.93% | 6.63% |
| 2003.1 | 11.43% | 4.78% | 6.65% |
| 2003.2 | 11.16% | 4.57% | 6.60% |
| 2003.3 | 9.88% | 5.15% | 4.72% |
| 2003.4 | 11.09% | 5.11% | 5.98% |
| 2004.1 | 11.00% | 4.86% | 6.14% |
| 2004.2 | 10.64% | 5.31% | 5.33% |
| 2004.3 | 10.75% | 5.01% | 5.74% |
| 2004.4 | 10.91% | 4.87% | 6.04% |
| 2005.1 | 10.56% | 4.69% | 5.87% |
| 2005.2 | 10.13% | 4.34% | 5.78% |
| 2005.3 | 10.85% | 4.43% | 6.41% |
| 2005.4 | 10.59% | 4.66% | 5.93% |
| 2006.1 | 10.38% | 4.69% | 5.69% |
| 2006.2 | 10.63% | 5.19% | 5.44% |
| 2006.3 | 10.06% | 4.90% | 5.16% |
| 2006.4 | 10.39% | 4.70% | 5.69% |
| 2007.1 | 10.39% | 4.81% | 5.58% |
| 2007.2 | 10.27% | 4.98% | 5.28% |
| 2007.3 | 10.02% | 4.85% | 5.16% |
| 2007.4 | 10.43% | 4.53% | 5.90% |
| 2008.1 | 10.15% | 4.34% | 5.81% |
| 2008.2 | 10.54% | 4.57% | 5.97% |
| 2008.3 | 10.38% | 4.44% | 5.95% |
| 2008.4 | 10.39% | 3.49% | 6.89% |
| 2009.1 | 10.45% | 3.62% | 6.83% |
| 2009.2 | 10.58% | 4.23% | 6.35% |
| 2009.3 | 10.46% | 4.18% | 6.28% |
| 2009.4 | 10.54% | 4.35% | 6.19% |
| 2010.1 | 10.45% | 4.59% | 5.86% |
| 2010.2 | 10.08% | 4.20% | 5.87% |
| 2010.3 | 10.29% | 3.73% | 6.56% |
| 2010.4 | 10.34% | 4.14% | 6.20% |
| 2011.1 | 9.96% | 4.53% | 5.44% |
| 2011.2 | 10.12% | 4.33% | 5.79% |
| 2011.3 | 10.36% | 3.54% | 6.82% |
| 2011.4 | 10.34% | 3.03% | 7.32% |
| 2012.1 | 10.30% | 3.12% | 7.18% |
| 2012.2 | 9.92% | 2.84% | 7.08% |
| 2012.3 | 9.76% | 2.68% | 7.10% |
| 2012.4 | 10.07% | 2.87% | 7.20% |
| 2013.1 | 9.77% | 3.12% | 6.65% |
| 2013.2 | 9.84% | 3.22% | 6.62% |
| 2013.3 | 9.83% | 3.67% | 6.16% |
| 2013.4 | 9.82% | 3.81% | 6.02% |
| 2014.1 | 9.57% | 3.58% | 5.99% |
| 2014.2 | 9.83% | 3.38% | 6.45% |
| 2014.3 | 9.79% | 3.20% | 6.59% |
| 2014.4 | 9.78% | 2.90% | 6.88% |
| 2015.1 | 9.66% | 2.45% | 7.21% |
| 2015.2 | 9.50% | 2.92% | 6.58% |
| 2015.3 | 9.40% | 2.91% | 6.49% |
| 2015.4 | 9.65% | 2.97% | 6.68% |
| 2016.1 | 9.70% | 2.66% | 7.04% |
| 2016.2 | 9.41% | 2.54% | 6.87% |
| 2016.3 | 9.76% | 2.24% | 7.51% |
| 2016.4 | 9.55% | 2.89% | 6.66% |
| 2017.1 | 9.61% | 3.02% | 6.59% |
| 2017.2 | 9.61% | 2.88% | 6.73% |
| 2017.3 | 9.73% | 2.83% | 6.90% |
| 2017.4 | 9.73% | 2.82% | 6.92% |
| 2018.1 | 9.72% | 3.03% | 6.69% |



SUMMARY OUTPUT

| Regression Statistics | |
|-----------------------|-------------|
| Multiple R | 0.878450774 |
| R Square | 0.771675762 |
| Adjusted R Square | 0.769459022 |
| Standard Error | 0.004495735 |
| Observations | 105 |

| ANOVA | | | | | |
|------------|-----|-------------|-------------|-------------|----------------|
| | df | SS | MS | F | Significance F |
| Regression | 1 | 0.007035929 | 0.007035929 | 348.1128602 | 8.22173E-35 |
| Residual | 103 | 0.002081798 | 2.02116E-05 | | |
| Total | 104 | 0.009117728 | | | |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|----------------------------|--------------|----------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Intercept | 0.084955843 | 0.001513108 | 56.1465875 | 4.60295E-79 | 0.08195495 | 0.087956735 | 0.08195495 | 0.087956735 |
| U.S. Govt.30-year Treasury | -0.55060381 | 0.029510677 | -18.65778283 | 8.22173E-35 | -0.609131279 | -0.492076342 | -0.609131279 | -0.492076342 |

| | [7] | [8] | [9] |
|--|-----------------------------------|-----------------|-------------------|
| Scenario (30-Year Treasury Bond) | U.S. Govt. 30-year Treasury | Risk Premium | Authorized ROE |
| Current 30-Day Average Treasury [4] | 3.06% | 6.81% | 9.87% |
| Blue Chip Consensus Forecast (Q2 2018 - Q2 2019) [5] | 3.48% | 6.58% | 10.06% |
| Blue Chip Consensus Forecast (2019 - 2023) [6] | 4.10% | 6.24% | 10.34% |
| MEAN | | 6.54% | 10.09% |

Notes

- [1] Source: Regulatory Research Associates, Rate Case Statistics, accessed February 28, 2018
- [2] Source: Bloomberg Professional Service. Quarterly bond yields are the average of the last trading day of each month in the quarter
- [3] Equals Column [1] - Column [2]
- [4] Source: Bloomberg Professional, 30-day average as of February 28, 2018
- [5] Source: Blue Chip Financial Forecasts, Vol. 37, No. 3, March 1, 2018
- [6] Source: Blue Chip Financial Forecasts, Vol. 36, No. 12, December 1, 2017
- [7] See notes [4], [5] & [6]
- [8] Equals 0.0850 + (Column [8] x -0.5506)
- [9] Equals Column [7] + Column [8]

| | | | |
|---------|--------|-------|-------|
| AVERAGE | 10.70% | 4.91% | 5.79% |
|---------|--------|-------|-------|