

1 **Q. Figure 15 provides Mr. Coyne’s DCF estimates for various Proxy groups.**

2  
3 **Please reproduce Figure 15, providing the estimates that would have resulted if Mr.**  
4 **Coyne had:**

- 5  
6 a) **Not adjusted the current dividend yield (Do/Po) by multiplying it by (1 + 0.5g),**  
7 **as described on page 28 (i.e., simply use Do/Po); and,**  
8 b) **Had assumed 4 years (2/2) years of high growth followed by a long-term growth**  
9 **rate to infinity, instead of assuming 10 years (5/5) of above normal growth.**

10  
11 **Provide all data and workpapers used to produce this revised version of Figure 15.**

12  
13 **A.**

14 a) Please see the table below for the estimates that would have resulted if Mr. Coyne had  
15 not adjusted the current dividend yield (Do/Po) by multiplying it by (1 + 0.5g) as described  
16 on page 28 (i.e., simply used Do/Po).  
17

<b>Proxy Group</b>	<b>Constant Growth</b>	<b>Multi-Stage</b>	<b>Average</b>
Canadian Utility	10.55%	10.01%	10.28%
U.S. Electric Utility	9.20%	8.81%	9.00%
North American Electric Utility	9.47%	8.97%	9.22%

18  
19  
20 b) Please see the table below for the estimates that would have resulted if Mr. Coyne had  
21 assumed 4 years (2/2) of high growth followed by a long-term growth rate to infinity,  
22 instead of assuming 10 years (5/5) of above normal growth.  
23

<b>Proxy Group</b>	<b>Constant Growth</b>	<b>Multi-Stage</b>	<b>Average</b>
Canadian Utility	10.68%	10.05%	10.36%
U.S. Electric Utility	9.29%	8.89%	9.09%
North American Electric Utility	9.57%	9.02%	9.29%

24  
25 Please see Attachment A for the data and workpapers used to produce these revised  
26 versions of Figure 15.

**Revised DCF Analysis**

**As Filed Results**

<b>Proxy Group</b>	<b>Constant Growth</b>	<b>Multi-Stage</b>	<b>Average</b>
Canadian Utility	10.68%	10.29%	10.49%
U.S. Electric Utility	9.29%	8.97%	9.13%
North American Electric Utility	9.57%	9.15%	9.36%

**No 0.5 g**

<b>Proxy Group</b>	<b>Constant Growth</b>	<b>Multi-Stage</b>	<b>Average</b>
Canadian Utility	10.55%	10.01%	10.28%
U.S. Electric Utility	9.20%	8.81%	9.00%
North American Electric Utility	9.47%	8.97%	9.22%

**4 Years (2/2) of high growth**

<b>Proxy Group</b>	<b>Constant Growth</b>	<b>Multi-Stage</b>	<b>Average</b>
Canadian Utility	10.68%	10.05%	10.36%
U.S. Electric Utility	9.29%	8.89%	9.09%
North American Electric Utility	9.57%	9.02%	9.29%

90-DAY CONSTANT GROWTH DCF -- U.S. PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Zacks EPS Growth	SNL EPS Growth	Value Line EPS Growth	Fist Call Growth	Average Growth Rate	Low DCF ROE	Mean DCF ROE	High DCF ROE
ALLETE, Inc.	\$2.24	\$72.79	3.08%	3.17%	6.60%	6.00%	4.50%	6.00%	5.78%	7.65%	8.94%	9.78%
Alliant Energy Corporation	\$1.34	\$40.89	3.28%	3.37%	5.30%	6.00%	6.50%	5.45%	5.81%	8.66%	9.18%	9.88%
American Electric Power Company, Inc.	\$2.48	\$70.08	3.54%	3.63%	5.40%	5.78%	4.50%	5.63%	5.33%	8.12%	8.96%	9.42%
Duke Energy Corporation	\$3.56	\$80.48	4.42%	4.52%	3.70%	4.45%	4.50%	4.24%	4.22%	8.21%	8.74%	9.02%
Edison International	\$2.42	\$65.23	3.71%	3.79%	5.50%	4.08%	4.00%	2.62%	4.05%	6.38%	7.84%	9.31%
Eversource Energy	\$2.02	\$60.74	3.33%	3.42%	5.80%	5.50%	6.50%	5.65%	5.86%	8.92%	9.29%	9.93%
OGE Energy Corporation	\$1.33	\$32.42	4.10%	4.21%	6.00%	5.95%	2.50%	5.80%	5.06%	6.65%	9.27%	10.23%
Pinnacle West Capital Corporation	\$2.78	\$81.74	3.40%	3.47%	3.00%	5.00%	5.50%	3.63%	4.28%	6.45%	7.76%	8.99%
PNM Resources, Inc.	\$1.06	\$38.90	2.73%	2.81%	5.40%	6.00%	7.50%	5.80%	6.18%	8.20%	8.98%	10.33%
Southern Company	\$2.32	\$46.36	5.00%	5.10%	4.50%	4.25%	4.00%	2.70%	3.86%	7.77%	8.96%	9.62%
MEAN			3.66%	3.75%	5.12%	5.30%	5.00%	4.75%	5.04%	7.70%	8.79%	9.65%
Flotation Costs [13]										0.50%	0.50%	0.50%
										8.20%	9.29%	10.15%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Source: Zacks at March 31, 2018
- [6] Source: SNL Financial Median Long-Term EPS Growth Rate as of April 18, 2018
- [7] Source: Value Line
- [8] Source: Yahoo! Finance at March 31, 2018
- [9] Equals Average([5], [6], [7], [8])
- [10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])
- [11] Equals [4] + [9]
- [12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])
- [13] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY CONSTANT GROWTH DCF -- CANADIAN PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Zacks EPS Growth	SNL EPS Growth	Value Line EPS Growth	Fist Call Growth	Average Growth Rate	Low DCF ROE	Mean DCF ROE	High DCF ROE
Canadian Utilities Limited	\$1.57	\$36.01	4.37%	4.45%	n/a	3.90%	n/a	3.24%	3.57%	7.68%	8.02%	8.35%
Emera Inc.	\$2.26	\$44.68	5.06%	5.25%	n/a	8.00%	8.50%	6.38%	7.63%	11.60%	12.88%	13.77%
Enbridge Inc.	\$2.68	\$45.62	5.88%	6.06%	9.00%	3.40%	5.50%	6.44%	6.09%	9.38%	12.15%	15.15%
Valer Inc.	\$1.16	\$21.77	5.33%	5.39%	n/a	2.15%	n/a	2.40%	2.28%	7.53%	7.66%	7.79%
MEAN			5.16%	5.29%	9.00%	4.36%	7.00%	4.62%	4.89%	9.05%	10.18%	11.27%
Flotation Costs [13]										0.50%	0.50%	0.50%
										9.55%	10.68%	11.77%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Source: Zacks at March 31, 2018
- [6] Source: SNL Financial Median Long-Term EPS Growth Rate as of April 18, 2018
- [7] Source: Value Line
- [8] Source: Yahoo! Finance at March 31, 2018
- [9] Equals Average([5], [6], [7], [8])
- [10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])
- [11] Equals [4] + [9]
- [12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])
- [13] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY CONSTANT GROWTH DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
	Annualized	Stock Price	Dividend	Expected	Zacks EPS	SNL EPS	Value Line	First Call	Average	Low DCF	Mean DCF	High DCF
Company	Dividend		Yield	Dividend	Growth	Growth	EPS Growth	Growth	Growth	ROE	ROE	ROE
ALLETE, Inc.	\$2.24	\$72.79	3.08%	3.17%	6.60%	6.00%	4.50%	6.00%	5.78%	7.65%	8.94%	9.78%
Alliant Energy Corporation	\$1.34	\$40.89	3.28%	3.37%	5.30%	6.00%	6.50%	5.45%	5.81%	8.66%	9.18%	9.88%
American Electric Power Company, Inc.	\$2.48	\$70.08	3.54%	3.63%	5.40%	5.78%	4.50%	5.63%	5.33%	8.12%	8.96%	9.42%
Duke Energy Corporation	\$3.56	\$80.48	4.42%	4.52%	3.70%	4.45%	4.50%	4.24%	4.22%	8.21%	8.74%	9.02%
Edison International	\$2.42	\$65.23	3.71%	3.79%	5.50%	4.08%	4.00%	2.62%	4.05%	6.38%	7.84%	9.31%
Eversource Energy	\$2.02	\$60.74	3.33%	3.42%	5.80%	5.50%	6.50%	5.65%	5.86%	8.92%	9.29%	9.93%
OGE Energy Corporation	\$1.33	\$32.42	4.10%	4.21%	6.00%	5.95%	2.50%	5.80%	5.06%	6.65%	9.27%	10.23%
Pinnacle West Capital Corporation	\$2.78	\$81.74	3.40%	3.47%	3.00%	5.00%	5.50%	3.63%	4.28%	6.45%	7.76%	8.99%
PNM Resources, Inc.	\$1.06	\$38.90	2.73%	2.81%	5.40%	6.00%	7.50%	5.80%	6.18%	8.20%	8.98%	10.33%
Southern Company	\$2.32	\$46.36	5.00%	5.10%	4.50%	4.25%	4.00%	2.70%	3.86%	7.77%	8.96%	9.62%
Canadian Utilities Limited	\$1.57	\$36.01	4.37%	4.45%	n/a	3.90%	n/a	3.24%	3.57%	7.68%	8.02%	8.35%
Emera Inc.	\$2.26	\$44.68	5.06%	5.25%	n/a	8.00%	8.50%	6.38%	7.63%	11.60%	12.88%	13.77%
MEAN			3.83%	3.93%	5.12%	5.41%	5.32%	4.76%	5.14%	8.02%	9.07%	9.89%
Flotation Costs [13]										0.50%	0.50%	0.50%
										8.52%	9.57%	10.39%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Source: Zacks at March 31, 2018
- [6] Source: SNL Financial Median Long-Term EPS Growth Rate as of April 18, 2018
- [7] Source: Value Line
- [8] Source: Yahoo! Finance at March 31, 2018
- [9] Equals Average([5], [6], [7], [8])
- [10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])
- [11] Equals [4] + [9]
- [12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])
- [13] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- U.S. PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
ALLEE, Inc.	\$2.24	\$72.79	5.78%	5.54%	5.30%	5.06%	4.82%	4.58%	4.35%	7.99%
Alliant Energy Corporation	\$1.34	\$40.89	5.81%	5.57%	5.32%	5.08%	4.83%	4.59%	4.35%	8.24%
American Electric Power Company, Inc.	\$2.48	\$70.08	5.33%	5.16%	5.00%	4.84%	4.67%	4.51%	4.35%	8.43%
Duke Energy Corporation	\$3.56	\$80.48	4.22%	4.24%	4.26%	4.28%	4.30%	4.33%	4.35%	9.13%
Edison International	\$2.42	\$65.23	4.05%	4.10%	4.15%	4.20%	4.25%	4.30%	4.35%	8.29%
Eversource Energy	\$2.02	\$60.74	5.86%	5.61%	5.36%	5.10%	4.85%	4.60%	4.35%	8.31%
OGE Energy Corporation	\$1.33	\$32.42	5.06%	4.94%	4.82%	4.70%	4.58%	4.47%	4.35%	9.01%
Pinnacle West Capital Corporation	\$2.78	\$81.74	4.28%	4.29%	4.30%	4.31%	4.32%	4.34%	4.35%	8.01%
PNM Resources, Inc.	\$1.06	\$38.90	6.18%	5.87%	5.57%	5.26%	4.96%	4.65%	4.35%	7.66%
Southern Company	\$2.32	\$46.36	3.86%	3.94%	4.02%	4.10%	4.18%	4.27%	4.35%	9.65%
MEAN			5.04%	4.93%	4.81%	4.69%	4.58%	4.46%	4.35%	8.47%
Flotation Costs [11]										0.50%
										8.97%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 3.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- CANADIAN PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	
Company	Ticker	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
Canadian Utilities Limited	CU	\$1.57	\$36.01	3.57%	3.60%	3.62%	3.65%	3.68%	3.71%	3.73%	8.40%
Emera Inc.	EMA	\$2.26	\$44.68	7.63%	6.98%	6.33%	5.68%	5.03%	4.38%	3.73%	10.66%
Enbridge Inc.	ENB	\$2.68	\$45.62	6.09%	5.69%	5.30%	4.91%	4.52%	4.13%	3.73%	11.10%
Valener Inc.	VNR	\$1.16	\$21.77	2.28%	2.52%	2.76%	3.00%	3.25%	3.49%	3.73%	9.00%
MEAN				4.89%	4.70%	4.50%	4.31%	4.12%	3.93%	3.73%	9.79%
Flotation Costs [11]											0.50%
											10.29%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 28.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.



90-DAY MULTI-STAGE DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
Company	Ticker									
ALLETE, Inc.	ALE	\$2.24	5.78%	5.54%	5.30%	5.06%	4.82%	4.58%	4.35%	7.99%
Alliant Energy Corporation	LNT	\$1.34	5.81%	5.57%	5.32%	5.08%	4.83%	4.59%	4.35%	8.24%
American Electric Power Company, Inc.	AEP	\$2.48	5.33%	5.16%	5.00%	4.84%	4.67%	4.51%	4.35%	8.43%
Duke Energy Corporation	DUK	\$3.56	4.22%	4.24%	4.26%	4.28%	4.30%	4.33%	4.35%	9.13%
Edison International	EIX	\$2.42	4.05%	4.10%	4.15%	4.20%	4.25%	4.30%	4.35%	8.29%
Eversource Energy	ES	\$2.02	5.86%	5.61%	5.36%	5.10%	4.85%	4.60%	4.35%	8.31%
OGE Energy Corporation	OGE	\$1.33	5.06%	4.94%	4.82%	4.70%	4.58%	4.47%	4.35%	9.01%
Pinnacle West Capital Corporation	PNW	\$2.78	4.28%	4.29%	4.30%	4.31%	4.32%	4.34%	4.35%	8.01%
PNM Resources, Inc.	PNM	\$1.06	6.18%	5.87%	5.57%	5.26%	4.96%	4.65%	4.35%	7.66%
Southern Company	SO	\$2.32	3.86%	3.94%	4.02%	4.10%	4.18%	4.27%	4.35%	9.65%
Canadian Utilities Limited	CU	\$1.57	3.57%	3.60%	3.62%	3.65%	3.68%	3.71%	3.73%	8.40%
Emera Inc.	EMA	\$2.26	7.63%	6.98%	6.33%	5.68%	5.03%	4.38%	3.73%	10.66%
MEAN			5.14%	4.97%	4.84%	4.69%	4.54%	4.39%	4.24%	8.65%
Flotation Costs [11]										0.50%
										9.15%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 3 and 28.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY CONSTANT GROWTH DCF -- U.S. PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
	Annualized	Stock Price	Dividend	Expected	Zacks EPS	SNL EPS	Value Line	Fist Call	Average	Low DCF	Mean DCF	High DCF
Company	Dividend	Price	Yield	Dividend	Growth	Growth	EPS Growth	Growth	Growth	ROE	ROE	ROE
ALLETE, Inc.	\$2.24	\$72.79	3.08%	3.08%	6.60%	6.00%	4.50%	6.00%	5.78%	7.65%	8.85%	9.78%
Alliant Energy Corporation	\$1.34	\$40.89	3.28%	3.28%	5.30%	6.00%	6.50%	5.45%	5.81%	8.66%	9.09%	9.88%
American Electric Power Company, Inc.	\$2.48	\$70.08	3.54%	3.54%	5.40%	5.78%	4.50%	5.63%	5.33%	8.12%	8.87%	9.42%
Duke Energy Corporation	\$3.56	\$80.48	4.42%	4.42%	3.70%	4.45%	4.50%	4.24%	4.22%	8.21%	8.65%	9.02%
Edison International	\$2.42	\$65.23	3.71%	3.71%	5.50%	4.08%	4.00%	2.62%	4.05%	6.38%	7.76%	9.31%
Eversource Energy	\$2.02	\$60.74	3.33%	3.33%	5.80%	5.50%	6.50%	5.65%	5.86%	8.92%	9.19%	9.93%
OGE Energy Corporation	\$1.33	\$32.42	4.10%	4.10%	6.00%	5.95%	2.50%	5.80%	5.06%	6.65%	9.16%	10.23%
Pinnacle West Capital Corporation	\$2.78	\$81.74	3.40%	3.40%	3.00%	5.00%	5.50%	3.63%	4.28%	6.45%	7.68%	8.99%
PNM Resources, Inc.	\$1.06	\$38.90	2.73%	2.73%	5.40%	6.00%	7.50%	5.80%	6.18%	8.20%	8.90%	10.33%
Southern Company	\$2.32	\$46.36	5.00%	5.00%	4.50%	4.25%	4.00%	2.70%	3.86%	7.77%	8.87%	9.62%
MEAN			3.66%	3.66%	5.12%	5.30%	5.00%	4.75%	5.04%	7.70%	8.70%	9.65%
Flotation Costs [13]										0.50%	0.50%	0.50%
										8.20%	9.20%	10.15%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Source: Zacks at March 31, 2018
- [6] Source: SNL Financial Median Long-Term EPS Growth Rate as of April 18, 2018
- [7] Source: Value Line
- [8] Source: Yahoo! Finance at March 31, 2018
- [9] Equals Average([5], [6], [7], [8])
- [10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])
- [11] Equals [4] + [9]
- [12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])
- [13] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY CONSTANT GROWTH DCF -- CANADIAN PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Zacks EPS Growth	SNL EPS Growth	Value Line EPS Growth	Fist Call Growth	Average Growth Rate	Low DCF ROE	Mean DCF ROE	High DCF ROE
Canadian Utilities Limited	\$1.57	\$36.01	4.37%	4.37%	n/a	3.90%	n/a	3.24%	3.57%	7.68%	7.94%	8.35%
Emera Inc.	\$2.26	\$44.68	5.06%	5.06%	n/a	8.00%	8.50%	6.38%	7.63%	11.60%	12.68%	13.77%
Enbridge Inc.	\$2.68	\$45.62	5.88%	5.88%	9.00%	3.40%	5.50%	6.44%	6.09%	9.38%	11.97%	15.15%
Valer Inc.	\$1.16	\$21.77	5.33%	5.33%	n/a	2.15%	n/a	2.40%	2.28%	7.53%	7.60%	7.79%
MEAN			5.16%	5.16%	9.00%	4.36%	7.00%	4.62%	4.89%	9.05%	10.05%	11.27%
Flotation Costs [13]										0.50%	0.50%	0.50%
										9.55%	10.55%	11.77%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Source: Zacks at March 31, 2018
- [6] Source: SNL Financial Median Long-Term EPS Growth Rate as of April 18, 2018
- [7] Source: Value Line
- [8] Source: Yahoo! Finance at March 31, 2018
- [9] Equals Average([5], [6], [7], [8])
- [10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])
- [11] Equals [4] + [9]
- [12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])
- [13] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY CONSTANT GROWTH DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
	Annualized	Stock Price	Dividend	Expected	Zacks	SNL	Value Line	First Call	Average	Low DCF	Mean DCF	High DCF
Company	Dividend		Yield	Dividend	Growth	EPS	EPS	Growth	Growth	ROE	ROE	ROE
Ticker				Yield		Growth	Growth	Growth	Rate	ROE	ROE	ROE
ALLETE, Inc.	\$2.24	\$72.79	3.08%	3.08%	6.60%	6.00%	4.50%	6.00%	5.78%	7.65%	8.85%	9.78%
Alliant Energy Corporation	\$1.34	\$40.89	3.28%	3.28%	5.30%	6.00%	6.50%	5.45%	5.81%	8.66%	9.09%	9.88%
American Electric Power Company, Inc.	\$2.48	\$70.08	3.54%	3.54%	5.40%	5.78%	4.50%	5.63%	5.33%	8.12%	8.87%	9.42%
Duke Energy Corporation	\$3.56	\$80.48	4.42%	4.42%	3.70%	4.45%	4.50%	4.24%	4.22%	8.21%	8.65%	9.02%
Edison International	\$2.42	\$65.23	3.71%	3.71%	5.50%	4.08%	4.00%	2.62%	4.05%	6.38%	7.76%	9.31%
Eversource Energy	\$2.02	\$60.74	3.33%	3.33%	5.80%	5.50%	6.50%	5.65%	5.86%	8.92%	9.19%	9.93%
OGE Energy Corporation	\$1.33	\$32.42	4.10%	4.10%	6.00%	5.95%	2.50%	5.80%	5.06%	6.65%	9.16%	10.23%
Pinnacle West Capital Corporation	\$2.78	\$81.74	3.40%	3.40%	3.00%	5.00%	5.50%	3.63%	4.28%	6.45%	7.68%	8.99%
PNM Resources, Inc.	\$1.06	\$38.90	2.73%	2.73%	5.40%	6.00%	7.50%	5.80%	6.18%	8.20%	8.90%	10.33%
Southern Company	\$2.32	\$46.36	5.00%	5.00%	4.50%	4.25%	4.00%	2.70%	3.86%	7.77%	8.87%	9.62%
Canadian Utilities Limited	\$1.57	\$36.01	4.37%	4.37%	n/a	3.90%	n/a	3.24%	3.57%	7.68%	7.94%	8.35%
Emera Inc.	\$2.26	\$44.68	5.06%	5.06%	n/a	8.00%	8.50%	6.38%	7.63%	11.60%	12.68%	13.77%
MEAN			3.83%	3.83%	5.12%	5.41%	5.32%	4.76%	5.14%	8.02%	8.97%	9.89%
Flotation Costs [13]										0.50%	0.50%	0.50%
										8.52%	9.47%	10.39%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Source: Zacks at March 31, 2018
- [6] Source: SNL Financial Median Long-Term EPS Growth Rate as of April 18, 2018
- [7] Source: Value Line
- [8] Source: Yahoo! Finance at March 31, 2018
- [9] Equals Average([5], [6], [7], [8])
- [10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])
- [11] Equals [4] + [9]
- [12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])
- [13] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- U.S. PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
ALLETE, Inc.	\$2.24	\$72.79	5.78%	5.54%	5.30%	5.06%	4.82%	4.58%	4.35%	7.86%
Alliant Energy Corporation	\$1.34	\$40.89	5.81%	5.57%	5.32%	5.08%	4.83%	4.59%	4.35%	8.09%
American Electric Power Company, Inc.	\$2.48	\$70.08	5.33%	5.16%	5.00%	4.84%	4.67%	4.51%	4.35%	8.27%
Duke Energy Corporation	\$3.56	\$80.48	4.22%	4.24%	4.26%	4.28%	4.30%	4.33%	4.35%	8.92%
Edison International	\$2.42	\$65.23	4.05%	4.10%	4.15%	4.20%	4.25%	4.30%	4.35%	8.14%
Eversource Energy	\$2.02	\$60.74	5.86%	5.61%	5.36%	5.10%	4.85%	4.60%	4.35%	8.16%
OGE Energy Corporation	\$1.33	\$32.42	5.06%	4.94%	4.82%	4.70%	4.58%	4.47%	4.35%	8.82%
Pinnacle West Capital Corporation	\$2.78	\$81.74	4.28%	4.29%	4.30%	4.31%	4.32%	4.34%	4.35%	7.87%
PNM Resources, Inc.	\$1.06	\$38.90	6.18%	5.87%	5.57%	5.26%	4.96%	4.65%	4.35%	7.53%
Southern Company	\$2.32	\$46.36	3.86%	3.94%	4.02%	4.10%	4.18%	4.27%	4.35%	9.41%
MEAN			5.04%	4.93%	4.81%	4.69%	4.58%	4.46%	4.35%	8.31%
Flotation Costs [11]										0.50%
										8.81%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 3.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- CANADIAN PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	
Company	Ticker	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
Canadian Utilities Limited	CU	\$1.57	\$36.01	3.57%	3.60%	3.62%	3.65%	3.68%	3.71%	3.73%	8.21%
Emera Inc.	EMA	\$2.26	\$44.68	7.63%	6.98%	6.33%	5.68%	5.03%	4.38%	3.73%	10.33%
Enbridge Inc.	ENB	\$2.68	\$45.62	6.09%	5.69%	5.30%	4.91%	4.52%	4.13%	3.73%	10.73%
Valener Inc.	VNR	\$1.16	\$21.77	2.28%	2.52%	2.76%	3.00%	3.25%	3.49%	3.73%	8.78%
MEAN				4.89%	4.70%	4.50%	4.31%	4.12%	3.93%	3.73%	9.51%
Flotation Costs [11]											0.50%
											10.01%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 28.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
ALLETE, Inc.	\$2.24	\$72.79	5.78%	5.54%	5.30%	5.06%	4.82%	4.58%	4.35%	7.86%
Alliant Energy Corporation	\$1.34	\$40.89	5.81%	5.57%	5.32%	5.08%	4.83%	4.59%	4.35%	8.09%
American Electric Power Company, Inc.	\$2.48	\$70.08	5.33%	5.16%	5.00%	4.84%	4.67%	4.51%	4.35%	8.27%
Duke Energy Corporation	\$3.56	\$80.48	4.22%	4.24%	4.26%	4.28%	4.30%	4.33%	4.35%	8.92%
Edison International	\$2.42	\$65.23	4.05%	4.10%	4.15%	4.20%	4.25%	4.30%	4.35%	8.14%
Eversource Energy	\$2.02	\$60.74	5.86%	5.61%	5.36%	5.10%	4.85%	4.60%	4.35%	8.16%
OGE Energy Corporation	\$1.33	\$32.42	5.06%	4.94%	4.82%	4.70%	4.58%	4.47%	4.35%	8.82%
Pinnacle West Capital Corporation	\$2.78	\$81.74	4.28%	4.29%	4.30%	4.31%	4.32%	4.34%	4.35%	7.87%
PNM Resources, Inc.	\$1.06	\$38.90	6.18%	5.87%	5.57%	5.26%	4.96%	4.65%	4.35%	7.53%
Southern Company	\$2.32	\$46.36	3.86%	3.94%	4.02%	4.10%	4.18%	4.27%	4.35%	9.41%
Canadian Utilities Limited	\$1.57	\$36.01	3.57%	3.60%	3.62%	3.65%	3.68%	3.71%	3.79%	8.21%
Emera Inc.	\$2.26	\$44.68	7.63%	6.98%	6.33%	5.68%	5.03%	4.38%	3.73%	10.33%
MEAN			5.14%	4.97%	4.84%	4.69%	4.54%	4.39%	4.24%	8.47%
Flotation Costs [11]										0.50%
										8.97%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 3 and 28.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- U.S. PROXY GROUP

Company	Ticker	Annualized Dividend	Stock Price	Growth Rate, Years 1-2	GDP Growth (perpetuity)		ROE
					Year 3	Year 4	
ALLETE, Inc.	ALE	\$2.24	\$72.79	5.78%	5.30%	4.82%	7.82%
Alliant Energy Corporation	LNT	\$1.34	\$40.89	5.81%	5.32%	4.83%	8.05%
American Electric Power Company, Inc.	AEP	\$2.48	\$70.08	5.33%	5.00%	4.67%	8.30%
Duke Energy Corporation	DUK	\$3.56	\$80.48	4.22%	4.26%	4.30%	9.15%
Edison International	EIX	\$2.42	\$65.23	4.05%	4.15%	4.25%	8.33%
Eversource Energy	ES	\$2.02	\$60.74	5.86%	5.36%	4.85%	8.12%
OGE Energy Corporation	OGE	\$1.33	\$32.42	5.06%	4.82%	4.58%	8.91%
Pinnacle West Capital Corporation	PNW	\$2.78	\$81.74	4.28%	4.30%	4.32%	8.02%
PNM Resources, Inc.	PNM	\$1.06	\$38.90	6.18%	5.57%	4.96%	7.45%
Southern Company	SO	\$2.32	\$46.36	3.86%	4.02%	4.18%	9.73%
MEAN				5.04%	4.81%	4.58%	8.39%
Flotation Costs [11]							0.50%
							8.89%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals  $[3] - ([3] - [9]) / 6$
- [5] Equals  $[4] - ([3] - [9]) / 6$
- [6] Equals  $[5] - ([3] - [9]) / 6$
- [7] Equals  $[6] - ([3] - [9]) / 6$
- [8] Equals  $[7] - ([3] - [9]) / 6$
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 3.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.



90-DAY MULTI-STAGE DCF -- CANADIAN PROXY GROUP

	[1]	[2]	[3]	[4]	[5]	[9]	[10]
Company	Annualized Dividend	Stock Price	Growth Rate, Years 1-2	Year 3	Year 4	GDP Growth (perpetuity)	ROE
Canadian Utilities Limited	\$1.57	\$36.01	3.57%	3.62%	3.68%	3.73%	8.42%
Emera Inc.	\$2.26	\$44.68	7.63%	6.33%	5.03%	3.73%	9.90%
Enbridge Inc.	\$2.68	\$45.62	6.09%	5.30%	4.52%	3.73%	10.61%
Valener Inc.	\$1.16	\$21.77	2.28%	2.76%	3.25%	3.73%	9.26%
MEAN			4.89%	4.50%	4.12%	3.73%	9.55%
Flotation Costs [11]							0.50%
							10.05%

Notes:

- [1] Source: Bloomberg Professional  
[2] Source: Bloomberg Professional, 90-day average as of March 31, 2018  
[3] Source: Constant Growth DCF  
[4] Equals [3] - ([3] - [9]) / 6  
[5] Equals [4] - ([3] - [9]) / 6  
[6] Equals [5] - ([3] - [9]) / 6  
[7] Equals [6] - ([3] - [9]) / 6  
[8] Equals [7] - ([3] - [9]) / 6  
[9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 28.  
[10] Internal rate of return  
[11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.

90-DAY MULTI-STAGE DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

Company	Ticker	Annualized Dividend	Stock Price	[3] Growth Rate, Years 1-2	[4] Year 3	[5] Year 4	[9] GDP Growth (perpetuity)	[10] ROE
ALLETE, Inc.	ALE	\$2.24	\$72.79	5.78%	5.30%	4.82%	4.35%	7.82%
Alliant Energy Corporation	LNT	\$1.34	\$40.89	5.81%	5.32%	4.83%	4.35%	8.05%
American Electric Power Company, Inc.	AEP	\$2.48	\$70.08	5.33%	5.00%	4.67%	4.35%	8.30%
Duke Energy Corporation	DUK	\$3.56	\$80.48	4.22%	4.26%	4.30%	4.35%	9.15%
Edison International	EIX	\$2.42	\$65.23	4.05%	4.15%	4.25%	4.35%	8.33%
Eversource Energy	ES	\$2.02	\$60.74	5.86%	5.36%	4.85%	4.35%	8.12%
OGE Energy Corporation	OGE	\$1.33	\$32.42	5.06%	4.82%	4.58%	4.35%	8.91%
Pinnacle West Capital Corporation	PNW	\$2.78	\$81.74	4.28%	4.30%	4.32%	4.35%	8.02%
PNM Resources, Inc.	PNM	\$1.06	\$38.90	6.18%	5.57%	4.96%	4.35%	7.45%
Southern Company	SO	\$2.32	\$46.36	3.86%	4.02%	4.18%	4.35%	9.73%
Canadian Utilities Limited	CU	\$1.57	\$36.01	3.57%	3.62%	3.68%	3.73%	8.42%
Emera Inc.	EMA	\$2.26	\$44.68	7.63%	6.33%	5.03%	3.73%	9.90%
MEAN				5.14%	4.84%	4.54%	4.24%	8.52%
Flotation Costs [11]								0.50%
								9.02%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, 90-day average as of March 31, 2018
- [3] Source: Constant Growth DCF
- [4] Equals [3] - ([3] - [9]) / 6
- [5] Equals [4] - ([3] - [9]) / 6
- [6] Equals [5] - ([3] - [9]) / 6
- [7] Equals [6] - ([3] - [9]) / 6
- [8] Equals [7] - ([3] - [9]) / 6
- [9] Consensus Economics Inc., Consensus Forecasts, April 9, 2018, at 3 and 28.
- [10] Internal rate of return
- [11] The Board allows 50 bps adjustment for flotation cost and financial flexibility.