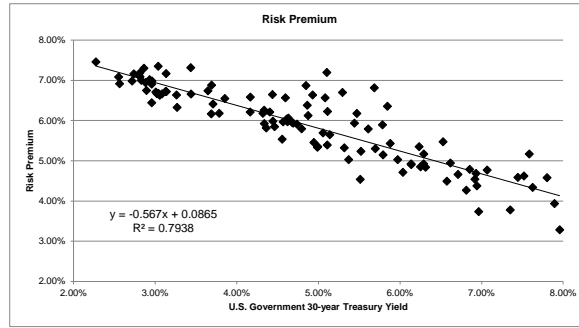


Bond Yield Plus Risk Premium

	[1]	[2]	[3]
	Average Authorized Electric ROE	U.S. Govt. 30-year Treasury	Risk Premium
1992.1	12.38%	7.80%	4.58%
1992.2	11.83%	7.89%	3.93%
1992.3	12.03%	7.45%	4.59%
1992.4	12.14%	7.52%	4.62%
1993.1	11.84%	7.07%	4.77%
1993.2	11.64%	6.86%	4.79%
1993.3	11.15%	6.31%	4.84%
1993.4	11.04%	6.14%	4.90%
1994.1	11.07%	6.57%	4.49%
1994.2	11.13%	7.35%	3.78%
1994.3	12.75%	7.58%	5.17%
1994.4	11.24%	7.98%	3.28%
1995.1	11.96%	7.63%	4.34%
1995.2	11.32%	6.94%	4.37%
1995.3	11.37%	6.71%	4.66%
1995.4	11.58%	6.23%	5.35%
1996.1	11.46%	6.29%	5.17%
1996.2	11.46%	6.92%	4.54%
1996.3	10.70%	6.96%	3.74%
1996.4	11.56%	6.62%	4.94%
1997.1	11.08%	6.81%	4.27%
1997.2	11.62%	6.93%	4.68%
1997.3	12.00%	6.53%	5.47%
1997.4	11.06%	6.14%	4.92%
1998.1	11.31%	5.88%	5.43%
1998.2	12.20%	5.85%	6.35%
1998.3	11.65%	5.47%	6.18%
1998.4	12.30%	5.10%	7.20%
1999.1	10.40%	5.37%	5.03%
1999.2	10.94%	5.79%	5.15%
1999.3	10.75%	6.04%	4.71%
1999.4	11.10%	6.25%	4.85%
2000.1	11.21%	6.29%	4.92%
2000.2	11.00%	5.97%	5.03%
2000.3	11.68%	5.79%	5.89%
2000.4	12.00%	5.69%	6.31%
2001.1	11.38%	5.44%	5.93%
2001.2	11.00%	5.70%	5.30%
2001.3	10.76%	5.52%	5.23%
2001.4	11.99%	5.30%	6.70%
2002.1	10.05%	5.51%	4.54%
2002.2	11.41%	5.61%	5.79%
2002.3	11.65%	5.08%	6.57%
2002.4	11.57%	4.93%	6.64%
2003.1	11.72%	4.85%	6.87%
2003.2	11.16%	4.60%	6.56%
2003.3	10.50%	5.11%	5.39%
2003.4	11.34%	4.88%	6.23%
2004.1	11.00%	4.88%	6.12%
2004.2	10.64%	5.32%	5.32%
2004.3	10.75%	5.06%	5.68%
2004.4	11.24%	4.86%	6.38%
2005.1	10.63%	4.69%	5.93%
2005.2	10.31%	4.47%	5.85%
2005.3	11.08%	4.44%	6.65%
2005.4	10.63%	4.68%	5.95%
2006.1	10.70%	4.63%	6.06%
2006.2	10.79%	5.14%	5.65%
2006.3	10.35%	4.99%	5.35%
2006.4	10.65%	4.74%	5.91%
2007.1	10.65%	4.80%	5.80%
2007.2	10.33%	4.99%	5.34%
2007.3	10.40%	4.95%	5.45%
2007.4	10.65%	4.61%	6.04%
2008.1	10.62%	4.41%	6.21%
2008.2	10.54%	4.57%	5.97%
2008.3	10.43%	4.44%	5.98%
2008.4	10.39%	3.65%	6.74%
2009.1	10.75%	3.44%	7.31%
2009.2	10.75%	4.17%	6.58%
2009.3	10.59%	4.32%	6.18%
2009.4	10.59%	4.34%	6.26%
2010.1	10.59%	4.62%	5.97%
2010.2	10.18%	4.36%	5.82%
2010.3	10.40%	3.86%	6.55%
2010.4	10.38%	4.17%	6.21%
2011.1	10.09%	4.56%	5.53%
2011.2	10.26%	4.34%	5.92%
2011.3	10.57%	3.69%	6.88%
2011.4	10.39%	3.04%	7.35%
2012.1	10.30%	3.14%	7.17%
2012.2	9.95%	2.93%	7.02%
2012.3	9.90%	2.74%	7.16%
2012.4	10.16%	2.86%	7.30%
2013.1	9.85%	3.13%	6.72%
2013.2	9.86%	3.14%	6.72%
2013.3	10.12%	3.71%	6.41%
2013.4	9.97%	3.79%	6.18%
2014.1	9.86%	3.69%	6.17%
2014.2	10.10%	3.44%	6.66%
2014.3	9.90%	3.26%	6.64%
2014.4	9.94%	2.96%	6.98%
2015.1	9.64%	2.55%	7.08%
2015.2	9.83%	2.88%	6.94%
2015.3	9.40%	2.96%	6.44%
2015.4	9.86%	2.96%	6.90%
2016.1	9.70%	2.72%	6.98%
2016.2	9.48%	2.57%	6.91%
2016.3	9.74%	2.28%	7.46%
2016.4	9.83%	2.83%	7.00%
2017.1	9.72%	3.04%	6.67%
2017.2	9.64%	2.90%	6.75%
2017.3	10.00%	2.82%	7.18%
2017.4	9.91%	2.82%	7.09%
2018.1	9.69%	3.02%	6.66%
2018.2	9.75%	3.09%	6.66%
2018.3	9.69%	3.06%	6.63%
2018.4	9.60%	3.27%	6.33%
2019.1	9.72%	3.01%	6.71%
AVERAGE	10.75%	4.87%	5.89%
MEDIAN	10.65%	4.85%	5.98%



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.8909536
R Square	0.7937983
Adjusted R Square	0.7918712
Standard Error	0.0043531
Observations	109

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.00780537	0.0078054	411.90948	1.7782E-38
Residual	107	0.0202757	1.895E-05		
Total	108	0.00983293			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.0864752	0.00142161	60.829043	7.982E-85	0.08365704	0.0892934	0.083657	0.0892934
U.S. Govt. 30-year Treasury	-0.5669692	0.02793564	-20.29555	1.778E-38	-0.6223484	-0.51159	-0.6223484	-0.51159

	[7]	[8]	[9]
	U.S. Govt. 30-year Treasury	Risk Premium	ROE
Current 30-Day Average [4]	2.99%	6.95%	9.94%
Blue Chip Consensus Forecast (Q3 2019 - Q3 2020) [5]	3.16%	6.86%	10.02%
Blue Chip Consensus Forecast (2020-2024) [6]	3.90%	6.44%	10.34%
MEAN			10.10%

Notes:

- [1] Source: Regulatory Research Associates, as of April 1, 2019
- [2] Source: Bloomberg Professional, quarterly bond yields are the average of the last price of each trading day in the quarter
- [3] Equals Column [1] - Column [2]
- [4] Source: Bloomberg Professional, as of March 29, 2019
- [5] Source: Blue Chip Financial Forecasts, Vol. 38, No. 4, April 1, 2019, at 2
- [6] Source: Blue Chip Financial Forecasts, Vol. 37, No. 12, December 1, 2018, at 14
- [7] See notes [4], [5] & [6]
- [8] Equals 0.086475 + (-0.566969 x Column [7])
- [9] Equals Column [7] + Column [8]