

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Consolidated Edison Company Of New York, Inc.

Case 07-E-0523

September 2007

Prepared Exhibits of:
Staff Finance Panel

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Case 07-E-0523
Exhibit ___ (FP-1)

Interrogatories Relied Upon In Finance Panel Testimony:

DPS-237

DPS-240

DPS-243

DPS-244

DPS-246

DPS-263

DPS-265

DPS-266

DPS-267

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff12
Date of Response: 05/27/2007
Responding Witness: Morin

Question No. :237

Subject: DCF Methodology - On page 8, line 10 through line 12, of his testimony, Dr. Morin states that it is the cost of capital for Con Edison's electric utility business that must be determined and not the cost of capital of the consolidated parent company. a) In his DCF methodology, does Dr. Morin use the parent company or the utility subsidiaries in his proxy groups? b) Provide the current bond ratings and Standard & Poor's business profile scores for the companies used in Dr. Morin's proxy groups. c) On average, are the bond ratings of the companies used in Dr. Morin's proxy groups higher or lower than Con Edison's bond rating? d) On average, are the business profile scores for the companies used in Dr. Morin's proxy groups higher or lower than Con Edison's business profile score? e) What percentage of the companies in Dr. Morin's proxy groups own electric production assets? f) Does Dr. Morin view electric production assets as riskier than electric distribution assets? g) For Dr. Morin's proxy groups, what percentage, on average, of revenues are derived from non-utility businesses? h) Does Dr. Morin view non-utility business risk as higher or lower than Con Edison's electric division's business risk? i) In Dr. Morin's view, are the risks of the parent companies in Dr. Morin's proxy groups equal to, less than, or greater than the risks of Con Edison's electric utility business? Explain.

Response:

- a) Dr. Morin's testimony calculates the cost of equity for the operating companies using the market data of the consolidated parent companies as a proxy. This technique is required because the operating companies do not have publicly traded common stocks.
- b) See attached extract from AUS Utility Reports July 2007 edition and S&P Report for the business profile scores.
- c) See AUS Utility Reports July 2007 edition attached in response to b). The sample was carefully constructed so as to include the parent companies of utilities designated as investment-grade and as "distribution" utilities by S&P

and further censored to include only those utilities with at least 50% of their revenues from utility operations.

- d) See attached extract from S&P Report for the business profile scores attached in response to b). Dr. Morin notes that S&P Business Risk scores only measure the business risk component of total investment risk and excludes financial risk. Moreover, business risk score examines risk from a bondholder viewpoint rather than from a shareholder viewpoint. The former is concerned mainly with ability to service debt and creditworthiness while the latter with variability.
- e) Dr. Morin does not have access to that information. However, Dr. Morin does have the percentage of revenues from regulated electric operations for these companies. See attached AUS Utility Reports July 2007 edition
- f) All else remaining constant (capital structure, size, regulatory risk, etc.), T&D operations are less risky than power generation. Dr. Morin notes that an electric utility with provider of last resort responsibility (POLR) can face a host of unique circumstances, ranging from a potential market redesign, customer base uncertainty, and supply uncertainty. All of these factors must be viewed against a recent backdrop of unprecedented electricity, gas, and emissions credit price volatility. Electric utilities with POLR responsibilities and without risk-mitigating policies are at least as risky as the typical vertically integrated electric utility ("VIU") and warrant similar returns and capital structures.

Power generation activities are generally riskier than distribution operations, although there are exceptions. For example, distribution utilities with provider of last resort obligations in retail jurisdictions, and/or distribution utilities located in high regulatory risk jurisdictions, and/or small-capitalization utilities, and/or utilities with weak balance sheets.

- g) See answer to e)
- h) Generally higher.
- i) On the whole, they are comparable in risk.

The use of parent company data to determine a utility subsidiary's cost of equity assumes that the subsidiary's risk and therefore its cost of equity is not substantially different from that of the parent company. Is the subsidiary's cost of common equity likely to change materially if it was not part of the parent company system? One can argue that as a large multi-unit company, the parent company enjoys greater diversification than its individual operating subsidiaries.

In effect, risks are pooled, so the risk of the whole is less than the sum of the risks of the parts because of diversification. Moreover, holding companies may be able to operate on a more cost-effective basis by shifting energy resources in line with the relative supply-demand situation of the geographic areas of operation.

If the risk of all the subsidiaries in the consolidated parent company system are the same, the assumption that a given subsidiary's risk, and therefore its cost of equity, is similar to that of the consolidated parent is viable.

The parent company can be seen as a portfolio of companies, including both regulated companies and unregulated companies. From a conceptual viewpoint, on a stand-alone basis, the regulated companies are probably slightly less risky than the unregulated portions of the portfolio. But as a practical matter, if the regulated operations of the parent constitute the vast majority of the parent's activities and value, there is little distinction to be made between the subsidiary and the parent. If the risk-return properties of the parent portfolio are dominated by the risk-return properties of the regulated operations component, it is appropriate to assume that the parent derives its revenues predominantly from its regulated business, and is perceived by investors as a utility company.

As an additional practical matter, to the extent that equity investors in parent company stock are less than perfectly diversified, the parent's diversification activities actually reduce investor risk. Financial theory clearly states that portfolio diversification reduces risk for a given return if the components of the portfolio are less than perfectly correlated. As an added practical matter, the diversification activities of the parent may further reduce the utility's risk through a co-insurance effect stemming from its subsidiary activities. In short, if there is no quantifiable significant risk differential between the utility subsidiary and the parent, then their respective costs of debt and equity capital are virtually indistinguishable from one another. To the extent that the aforementioned co-insurance effect exists, and to the extent that corporate diversification benefits investors rather than homemade individual diversification, ratepayers benefit from a parent company's diversification efforts.

RESEARCH

Issuer Ranking:

U.S. Utility And Power Ranking List, Strongest To Weakest

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The following list contains Standard & Poor's Ratings Services' ratings, outlooks, and business profiles for utilities. This list, dated Jan. 18, 2006, reflects the current ratings, outlooks, and rankings. Companies are grouped into five industry sub-sectors. Within each sub-sector, issuers are ranked by corporate credit rating and outlook, and then ranked by relative credit strength within the same rating and outlook profile.

A Standard & Poor's rating outlook assesses the potential direction of an issuer's long-term debt rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. "Positive" indicates that a rating may be raised; "negative" means a rating may be lowered; "stable" indicates that ratings are not likely to change; and "developing" means ratings may be raised or lowered.

Utility business profiles are categorized from '1' (excellent) to '10' (vulnerable). To determine a utility's business profile, Standard & Poor's analyzes the following qualitative business or operating characteristics typical of a utility: markets and service area economy; competitive position; fuel and power supply; operations; asset concentration; regulation; and management. Issuer credit ratings, shown as long-term rating/outlook or CreditWatch/short-term rating, are local and foreign currency unless otherwise noted. A dash (–) indicates not rated. An asterisk (*) indicates that the utility was reviewed this week and its ranking position was updated.

U.S. Utility And Power Ranking List

Company	Corporate Credit Rating	Business Profile
1. Regulated Transmission and Distribution – Electric, Gas, and Water		
Baton Rouge Water Works Co. (The)	AA/Stable/--	1
Nicor Gas Co.	AA/Negative/A-1+	2
Nicor Inc.	AA/Negative/A-1+	3
Northwest Natural Gas Co.	AA-/Stable/A-1+	1
Washington Gas Light Co.	AA-/Negative/A-1	2
WGL Holdings Inc.	AA-/Negative/A-1	3
NSTAR Electric Co.	A+/Stable/A-1	1
NSTAR	A+/Stable/A-1	1
NSTAR Gas Co.	A+/Stable/--	2
Aqua Pennsylvania Inc.	A+/Stable/--	2
California Water Service Co.	A+/Stable/--	3
New Jersey Natural Gas Co.	A+/Negative/A-1	2

U.S. Utility And Power Ranking List (cont.)

KeySpan Energy Delivery Long Island	A+/CW-Neg/—	1
KeySpan Energy Delivery New York	A+/CW-Neg/—	1
Southern California Gas Co.	A/Stable/A-1	1
Connecticut Water Service Inc.	A/Stable/—	3
Connecticut Water Co. (The)	A/Stable/—	2
Piedmont Natural Gas Co. Inc.	A/Stable/—	2
Laclede Gas Co	A/Stable/A-1	3
Laclede Group Inc. (The)	A/Stable/—	3
Central Hudson Gas & Electric Corp.	A/Stable/—	3
Consolidated Edison Co. of New York Inc.	A/Negative/A-2	2
Orange and Rockland Utilities Inc.	A/Negative/A-2	2
Rockland Electric Co.	A/Negative/—	2
Consolidated Edison Inc.	A/Negative/A-2	2
Colonial Gas Co.	A/CW-Neg/—	2
Boston Gas Co.	A/CW-Neg/—	2
Massachusetts Electric Co.	A/CW-Neg/A-1	1
Narragansett Electric Co.	A/CW-Neg/A-1	1
Aquarion Co.	A/CW-Neg/—	2
Aquarion Water Co. of Connecticut	A/CW-Neg/—	2
National Grid USA	A/CW-Neg/A-1	2
Niagara Mohawk Power Corp.	A/CW-Neg/—	3
United Water New Jersey	A-/CW-Pos/—	4
United Waterworks	A-/CW-Pos/—	4
Indiana Gas Co. Inc.	A-/Stable/—	1
York Water Co. (The)	A-/Stable/—	2
Middlesex Water Co.	A-/Stable/—	3
Golden State Water Co.	A-/Stable/—	3
American States Water Co.	A-/Stable/—	3
Public Service Co. of North Carolina Inc.	A-/Stable/A-2	2
PPL Electric Utilities Corp.	A-/Stable/A-2	3
Questar Gas Co.	A-/Stable/—	3
Atlanta Gas Light Co.	A-/Negative/—	2
Pivotal Utility Holdings	A-/Negative/—	4
North Shore Gas Co.	A-/Negative/—	3
Peoples Gas Light & Coke Co. (The)	A-/Negative/A-2	3
Wisconsin Gas LLC	A-/Negative/A-2	2
American Water Capital Corp.	A-/CW-Neg/A-2	2
Alabama Gas Corp.	BBB+/Stable/—	2
Cascade Natural Gas Corp.	BBB+/Stable/—	2
South Jersey Gas Co.	BBB+/Stable/—	3
Central Maine Power Co.	BBB+/Negative/—	3

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U.S. Utility And Power Ranking List (cont.)

Connecticut Natural Gas Corp.	BBB+/Negative/--	3
Southern Connecticut Gas Co.	BBB+/Negative/--	3
Baltimore Gas & Electric Co.	BBB+/Negative/A-2	5
PECO Energy Co.	BBB+/CW-Neg/A-2	4
Western Massachusetts Electric Co.	BBB/Stable/--	1
Connecticut Light & Power Co.	BBB/Stable/--	3
Yankee Gas Services Co.	BBB/Stable/--	3
Bay State Gas Co.	BBB/Stable/--	2
CenterPoint Energy Houston Electric LLC	BBB/Stable/--	2
CenterPoint Energy Inc.	BBB/Stable/A-3	3
CenterPoint Energy Resources Corp.	BBB/Stable/--	4
Atlantic City Electric Co.	BBB/Stable/A-2	3
Potomac Electric Power Co.	BBB/Stable/A-2	3
Delmarva Power & Light Co.	BBB/Stable/A-2	3
AEP Texas Central Co.	BBB/Stable/--	3
AEP Texas North Co.	BBB/Stable/--	3
Jersey Central Power & Light Co.	BBB/Stable/--	4
Cleveland Electric Illuminating Co.	BBB/Stable/--	5
Ohio Edison Co.	BBB/Stable/A-2	5
Pennsylvania Power Co.	BBB/Stable/--	5
Toledo Edison Co.	BBB/Stable/--	5
Metropolitan Edison Co.	BBB/Stable/--	4
Pennsylvania Electric Co.	BBB/Stable/--	4
Public Service Electric & Gas Co.	BBB/Negative/A-3	3
Texas-New Mexico Power Co.	BBB/Negative/--	4
Duquesne Light Co.	BBB/CW-Neg/--	4
Southwest Gas Corp.	BBB-/Stable/--	3
TXU Electric Delivery Co.	BBB-/Negative/--	2
Central Illinois Public Service Co.	BBB-/CW-Neg/--	8
Illinois Power Co.	BBB-/CW-Neg/--	8
Commonwealth Edison Co.	BBB-/CW-Neg/A-3	8
Potomac Edison Co.	BB+/Positive/--	3
West Penn Power Co.	BB+/Positive/--	3
NorthWestern Corp.	BB+/CW-Neg/--	5
SEMCO Energy Inc.	BB-/Positive/--	4

2. Transmission Only - Electric, Gas, and Other

American Transmission Co.	A+/Stable/A-1	1
Midwest Independent Transmission System Operator Inc.	A+/Stable/--	1

U.S. Utility And Power Ranking List (cont.)

Northern Natural Gas Co.	A/Stable/--	2
New England Power Co.	A/CW-Neg/A-1	
Questar Pipeline Co.	A-/Stable/--	3
ITC Holdings Corp.	BBB/Positive/--	2
International Transmission Co.	BBB/Positive/--	2
3. Integrated Electric, Gas, and Combination Utilities		
Madison Gas & Electric Co.	AA-/Stable/A-1+	4
Wisconsin Public Service Corp.	A+/CW-Neg/A-1	4
Southern Co.	A/Stable/A-1	4
Georgia Power Co.	A/Stable/A-1	4
Alabama Power Co.	A/Stable/A-1	4
Mississippi Power Co.	A/Stable/A-1	4
Gulf Power Co.	A/Stable/--	4
Savannah Electric & Power Co.	A/Stable/--	4
Florida Power & Light Co.	A/Stable/A-1	4
San Diego Gas & Electric Co.	A/Stable/A-1	5
MidAmerican Energy Co.	A-/Stable/A-1	5
Vectren Utility Holdings Inc.	A-/Stable/A-2	3
South Carolina Electric & Gas Co.	A-/Stable/A-2	4
SCANA Corp.	A-/Stable/--	4
Southern Indiana Gas & Electric Co.	A-/Stable/--	4
Wisconsin Power & Light Co.	A-/Stable/A-2	4
PacifiCorp	A-/Stable/A-1	5
Wisconsin Electric Power Co.	A-/Negative/A-2	4
AGL Resources Inc.	A-/Negative/A-2	4
Equitable Resources Inc.	A-/CW-Neg/A-2	8
Oklahoma Gas & Electric Co.	BBB+/Stable/A-2	5
Northern States Power Wisconsin	BBB+/Stable/--	4
Kentucky Utilities Co.	BBB+/Stable/A-2	5
Louisville Gas & Electric Co.	BBB+/Stable/--	5
Interstate Power & Light Co.	BBB+/Stable/A-2	5
Southern California Edison Co.	BBB+/Stable/A-2	6
ALLETE Inc.	BBB+/Stable/A-2	6
Enogex Inc.	BBB+/Stable/--	7
National Fuel Gas Co.	BBB+/Stable/A-2	7

U.S. Utility And Power Ranking List (cont.)

Questar Market Resources Inc.	BBB+/Stable/--	8
Montana-Dakota Utilities Co.	BBB+/Stable/--	6
Hawaiian Electric Co. Inc.	BBB+/Negative/A-2	5
Wisconsin Energy Corp.	BBB+/Negative/A-2	5
Portland General Electric Co.	BBB+/Negative/A-2	5
Idaho Power Co.	BBB+/Negative/A-2	5
IDACORP Inc.	BBB+/Negative/A-2	5
Energy East Corp.	BBB+/Negative/A-2	3
New York State Electric & Gas Corp.	BBB+/Negative/A-2	3
Rochester Gas & Electric Corp.	BBB+/Negative/--	3
Green Mountain Power Corp	BBB/CW-Pos/--	5
Duke Energy Carolinas LLC	BBB/Positive/A-2	4
Duke Energy Ohio Inc.	BBB/Positive/A-2	6
Duke Energy Indiana Inc.	BBB/Positive/A-2	4
Duke Energy Kentucky Inc.	BBB/Positive/--	5
Progress Energy Florida Inc.	BBB/Positive/A-2	4
Progress Energy Carolinas Inc.	BBB/Positive/A-2	5
Consolidated Natural Gas Co.	BBB/Positive/A-2	6
Virginia Electric & Power Co.	BBB/Positive/A-2	5
Public Service Co. of Colorado	BBB/Stable/A-2	4
Michigan Consolidated Gas Co.	BBB/Stable/A-2	4
Atmos Energy Corp.	BBB/Stable/A-2	4
Xcel Energy Inc.	BBB/Stable/A-2	5
Public Service Co. of New Hampshire	BBB/Stable/--	5
Northern States Power Co.	BBB/Stable/A-2	5
Southwestern Public Service Co.	BBB/Stable/A-2	5
American Electric Power Co. Inc.	BBB/Stable/A-2	5
Appalachian Power Co	BBB/Stable/--	5
Columbus Southern Power Co.	BBB/Stable/--	4
Ohio Power Co.	BBB/Stable/--	4
Indiana Michigan Power Co.	BBB/Stable/--	6
Kentucky Power Co.	BBB/Stable/--	5
Public Service Co. of Oklahoma	BBB/Stable/--	5
Southwestern Electric Power Co.	BBB/Stable/--	5
Northern Indiana Public Service Co.	BBB/Stable/--	5
NISource Inc.	BBB/Stable/--	4
Pacific Gas & Electric Co.	BBB/Stable/A-2	5
Kansas City Power & Light Co.	BBB/Stable/A-2	6
Detroit Edison Co.	BBB/Stable/A-2	6
El Paso Electric Co.	BBB/Stable/--	6
Cleco Power LLC	BBB/Negative/--	6
Public Service Co. of New Mexico	BBB/Negative/A-3	6
PNM Resources Inc.	BBB/Negative/A-3	6

U.S. Utility And Power Ranking List (cont.)

Entergy Arkansas Inc.	BBB/Negative/--	5
Entergy Louisiana LLC	BBB/Negative/--	5
Entergy Mississippi Inc.	BBB/Negative/--	6
Entergy Gulf States Inc.	BBB/Negative/--	6
Union Electric Co.	BBB/CW-Neg/A-3	5
Ameren Corp.	BBB/CW-Neg/A-3	7

Puget Sound Energy Inc.	BBB-/Stable/A-3	4
Puget Energy Inc.	BBB-/Stable/--	4
Tampa Electric Co.	BBB-/Stable/A-3	4
Arizona Public Service Co.	BBB-/Stable/A-3	6
Pinnacle West Capital Corp.	BBB-/Stable/A-3	6
Empire District Electric Co.	BBB-/Stable/A-3	6
TXU U.S. Holdings Co.	BBB-/Negative/--	8
Black Hills Power Inc.	BBB-/Negative/--	6
System Energy Resources Inc.	BBB-/Negative/--	7
Central Illinois Light Co.	BBB-/CW-Neg/--	8
CILCORP Inc.	BBB-/CW-Neg/--	8

Monongahela Power Co.	BB+/Positive/--	5
Westar Energy Inc.	BB+/Positive/--	5
Dayton Power & Light Co.	BB+/Positive/--	5
Kansas Gas & Electric Co.	BB+/Positive/--	6
Indianapolis Power & Light Co.	BB+/Positive/--	4
IPALCO Enterprises Inc.	BB+/Positive/--	4
Central Vermont Public Service Corp.	BB+/Stable/--	5

Consumers Energy Co.	BB/Stable/--	6
Tucson Electric Power Co.	BB/Stable/B-2	6

Nevada Power Co.	BB-/Stable/--	6
Sierra Pacific Power Co.	BB-/Stable/--	6
Sierra Pacific Resources	BB-/Stable/B-2	6

Aquila Inc.	B/CW-Pos/B	6
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Entergy New Orleans Inc.	D/--	8
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4. Diversified Energy and Diversified Non-Energy

KeySpan Corp.	A/CW-Neg/A-1	4
WPS Resources Corp.	A/CW-Neg/A-1	5
Vectren Corp.	A-/Stable/--	4

U.S. Utility And Power Ranking List (cont.)

MidAmerican Energy Holdings Co.	A-/Stable/--	4
Peoples Energy Corp.	A-/Negative/A-2	5
Spectra Energy Capital LLC	BBB+/Stable/A-2	4
Energen Corp.	BBB+/Stable/--	7
OGE Energy Corp.	BBB+/Stable/A-2	6
E.ON U.S. LLC	BBB+/Stable/--	6
Alliant Energy Corp.	BBB+/Stable/A-2	5
Sempra Energy	BBB+/Stable/A-2	7
Otter Tail Corp.	BBB+/Stable/--	8
Centennial Energy Holdings Inc.	BBB+/Stable/A-2	8
Constellation Energy Group Inc.	BBB+/Negative/A-2	7
Exelon Corp.	BBB+/CW-Neg/A-2	7
Duke Energy Corp.	BBB/Positive/--	6
Cinergy Corp.	BBB/Positive/A-2	6
Progress Energy Inc.	BBB/Positive/A-2	5
Dominion Resources Inc.	BBB/Positive/A-2	7
PEPCO Holdings Inc.	BBB/Stable/A-2	5
Northeast Utilities	BBB/Stable/--	4
DTE Energy Co.	BBB/Stable/A-2	6
PPL Corp.	BBB/Stable/--	7
Great Plains Energy Inc.	BBB/Stable/--	7
FirstEnergy Corp.	BBB/Stable/--	7
Public Service Enterprise Group Inc.	BBB/Negative/A-3	7
Cleco Corp.	BBB/Negative/--	6
Hawaiian Electric Industries Inc.	BBB/Negative/A-2	6
Energys Corp.	BBB/Negative/--	6
Edison International	BBB-/Stable/--	6
Potomac Capital Investment Corp.	BBB-/Stable/--	8
TXU Corp.	BBB-/Negative/--	7
Black Hills Corp.	BBB-/Negative/--	8
DPL Inc.	BB+/Positive/--	6
Allegheny Energy Inc.	BB+/Positive/B-2	7
Avista Corp.	BB+/Stable/B-1	6
New York Water Service Corp.	BB/CW-Pos/--	7
TECO Energy Inc.	BB/Stable/B-1	5
CMS Energy Corp.	BB/Stable/B-1	6

U.S. Utility And Power Ranking List (cont.)

5. Energy Merchants/Power Developers/Trading and Marketing

FPL Group Inc.	A/Stable/--	8
KeySpan Generation LLC	A/CW-Neg/--	5
Southern Power Co.	BBB+/Stable/A-2	6
Alliant Energy Resources Inc.	BBB+/Stable/--	7
Exelon Generation Co. LLC	BBB+/CW-Neg/A-2	8
PPL Energy Supply LLC	BBB/Stable/A-2	8
PSEG Power LLC	BBB/Negative/--	8
AmerenEnergy Generating Co.	BBB/CW-Neg/--	9
Duke Energy Trading and Marketing LLC	BBB-/Stable/--	10
TXU Energy Co. LLC	BBB-/Negative/--	8
Allegheny Energy Supply Co. LLC	BB+/Positive/--	8
Cogentrix Energy Inc.	BB-/Stable/--	6
AES Corp. (The)	BB-/Stable/--	8
Edison Mission Energy	BB-/Stable/--	9
Northeast Generation Co.	BB-/Stable/--	9
PSEG Energy Holdings LLC	BB-/Negative/B-2	9
Covanta Energy Corp.	B+/Stable/--	6
NRG Energy Inc.	B+/Stable/B-2	9
Mirant Corp.	B+/CW-Neg/--	9
Reliant Energy Inc.	B/Stable/B-2	8
Orion Power Holdings Inc.	B/Stable/--	9
Reliant Energy Mid-Atlantic Power Holdings LLC	B/Stable/--	9
Dynegy Inc.	B/CW-Dev/B-2	8
Dynegy Holdings Inc.	B/CW-Dev/--	9
Calpine Corp.	D/--/--	9

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ELECTRIC COMPANIES

AUS Utility Reports July 2007

COMPANY	%	S&P	MOODY'S
	ELEC REV	BOND RATING	BOND RATING
1 Allegheny Energy, Inc. (NYSE-AYE)	83	BBB	Baa3
2 ALLETE, Inc. (NYSE-ALE)	84	A	Baa1
3 American Electric Power Co. (NYSE-AEP)	93	BBB	Baa1
4 Central Vermont Public Serv. Corp. (NYSE-CV)	100	BBB	NR
5 Cleco Corporation (NYSE-CNL)	96	BBB+	Baa1
6 DPL Inc.(NYSE-DPL)	100	BBB	NR
7 Duquesne Light Holdings Inc. (NYSE-DQE)	79	BBB	Baa1
8 Edison International (NYSE-EIX)	81	BBB+	Baa1
9 El Paso Electric Company (ASE-EE)	98	BB-	Ba1
10 FirstEnergy Corporation (NYSE-FE)	87	BBB	Baa1
11 FPL Group, Inc. (NYSE-FPL)	78	A	Aa3
12 Great Plains Energy Incorporated (NYSE-GXP)	42	BBB	A3
13 Hawaiian Electric Industries, Inc. (NYSE-HE)	83	BBB	Baa2
14 IDACORP, Inc. (NYSE-IDA)	99	A-	A3
15 Maine & Maritimes Corporation (ASE-MAM)	90	NR	NR
16 OGE Energy Corp. (NYSE-OGE)	45	BBB+	Baa2
17 Otter Tail Corporation (NDQ-OTTR)	27	BBB+	A3
18 Pinnacle West Capital Corp. (NYSE-PNW)	79	BBB-	Baa2
19 Portland General Electric (NYSE-POR)	99	BBB+	Baa1
20 Progress Energy Inc. (NYSE-PGN)	88	BBB+	A2
21 Southern Company (NYSE-SO)	98	A	A1
22 TXU Corp. (NYSE-TXU)	25	BBB-	Baa2
23 UIL Holdings Corporation (NYSE-UIL)	100	NR	Baa2
24 Westar Energy, Inc. (NYSE-WR)	73	BB+	Baa3
AVERAGE	80		

COMBINATION ELECTRIC & GAS COMPANIES

COMPANY	%	S&P	MOODY'S
	ELEC REV	BOND RATING	BOND RATING
1 AES Corporation (NYSE-AES)	55	BBB-	Baa1
2 Alliant Energy Corporation (NYSE-LNT)	72	A-	A2
3 Ameren Corporation (NYSE-AEE)	82	BBB	Baa1
4 Aquila Inc. (NYSE-ILA)	56	B+	B2
5 Avista Corporation (NYSE-AVA)	49	BBB-	Baa3
6 Black Hills Corporation (NYSE-BKH)	29	BBB	Baa1
7 CenterPoint Energy (NYSE-CNP)	19	BBB	Baa2
8 CH Energy Group, Inc. (NYSE-CHG)	51	A	A2
9 CMS Energy Corporation (NYSE-CMS)	49	BBB-	Baa2
10 Consolidated Edison, Inc. (NYSE-ED)	63	A	A1
11 Constellation Energy Group, Inc. (NYSE-CEG)	11	BBB+	Baa2
12 Dominion Resources, Inc. (NYSE-D)	34	BBB+	Baa1
13 DTE Energy Company (NYSE-DTE)	52	BBB+	A3
14 Duke Energy Corporation (NYSE-DUK)	55	BBB+	A2
15 Empire District Electric Co. (NYSE-EDE)	86	BBB+	Baa1
16 Energy East Corporation (NYSE-EAS)	57	BBB+	A3
17 Entergy Corporation (NYSE-ETR)	82	BBB+	Baa3
18 Exelon Corporation (NYSE-EXC)	63	BBB-	A3
19 Florida Public Utilities Company (ASE-FPU)	39	NR	Aaa
20 Integrys Energy Group (NYSE-TEG)	15	A+	Aa2

21	MDU Resources Group, Inc. (NYSE-MDU)	5	A-	A2
22	MGE Energy, Inc. (NDQ-MGEE)	63	AA	Aa2
23	NiSource Inc. (NYSE-NI)	18	BBB	Baa2
24	Northeast Utilities (NYSE-NU)	82	BBB	Baa1
25	Northwestern Corporation (NYSE-NWEC)	59	BB+	Baa3
26	NSTAR (NYSE-NST)	81	A+	A1
27	Pepco Holdings, Inc. (NYSE-POM)	52	BBB+	Baa1
28	PG&E Corporation (NYSE-PCG)	71	BBB+	Baa1
29	PNM Resources, Inc. (NYSE-PNM)	79	BBB	Baa2
30	PPL Corporation (NYSE-PPL)	67	A-	A3
31	Public Service Enterprise Group (NYSE-PEG)	62	A-	A3
32	Puget Energy, Inc. (NYSE-PSD)	61	BBB	Baa2
33	SCANA Corporation (NYSE-SCG)	42	A-	A1
34	SEMPRA Energy (NYSE-SRE)	40	A+	A1
35	Sierra Pacific Resources (NYSE-SRP)	94	BB+	Ba1
36	TECO Energy, Inc. (NYSE-TE)	61	BBB-	Baa2
37	UniSource Energy Corporation (NYSE-UNS)	85	BBB-	Baa2
38	Unitil Corporation (ASE-UTL)	86	NR	NR
39	Vectren Corporation (NYSE-VVC)	20	A	A3
40	Wisconsin Energy Corporation (NYSE-WEC)	63	A-	A1
41	Xcel Energy Inc. (NYSE-XEL)	78	BBB+	A3
	AVERAGE	56		

COMBINED ELECTRIC/COMBINATION ELECTRIC & GAS AVERAGES

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff12
Date of Response: 05/27/2007
Responding Witness: Morin

Question No. :240

Subject: Allowed Risk Premium - On page 42 of his testimony, Dr. Morin describes an allowed risk premium analysis he performed. a) Provide this analysis, including all data which was used in the analysis. b) For each allowed return used in the analysis, identify the company and the date the return was authorized, the term of the rate case the allowed return was applied to, the equity ratio allowed in the rate case, any sharing thresholds and sharing percentages allowed in the rate case, what percentage of expenses were allowed reconciliation in each rate case, what level of sales increases were assumed relative to historical sales increases, and what the credit rating of each company was at the time the allowed return was granted.

Response:

- a) With reference to the Allowed ROE Risk Premium Analysis shown on pages 42-43 of Dr. Morin's testimony, the annual allowed ROE data was taken from Regulatory Research Associates, Inc.'s comprehensive quarterly survey of ROE decisions by regulators over the period 1997-2006 for electric utilities ("*Regulatory Focus*", Major Rate Case Decisions – Oct 5, 2006). The proprietary data cannot be disseminated electronically due to copyright restrictions that are strictly enforced by Regulatory Research Associates. The underlying data necessary for the analysis along with the statistical regression are shown in the tables below.

Number of Decisions	Year	ROE Electric	Bond Yield	Risk Premium
11	1997	11.40	6.61	4.79
10	1998	11.66	5.58	6.08
20	1999	10.77	5.87	4.90
12	2000	11.43	5.94	5.49
18	2001	11.09	5.49	5.60
22	2002	11.16	5.42	5.74
22	2003	10.97	5.05	5.92
19	2004	10.75	5.11	5.64
29	2005	10.54	4.56	5.98
15	2006	10.34	4.87	5.47
Total 167	Mean	11.01	5.45	5.56

	1997-2006	Regression	Output
Constant			8.35
Std Err of Y Est			0.98
R Squared			0.50
No. of Observations			10
Degrees of Freedom			8
X Coefficient(s)		-0.5128	
Std Err of Coef.		0.18	
t-value		-2.9	

b) Other than the equity ratio, the aforementioned RRA quarterly review does not report that information and nor did Dr. Morin rely on such information. Individual company orders, of which there are nearly 170, are presumably available on commission Websites.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff12
Date of Response: 05/27/2007
Responding Witness: Morin

Question No. :243

Subject: Dividend Payout Ratios - On page 52, line 2 through line 3, of his testimony, Dr. Morin states that it is widely expected that utilities will continue to lower their dividend payout ratio. a) Provide citations of such expectations. b) Does Con Edison plan on lowering its dividend ratio? c) Provide the current dividend payout ratio for each company in Dr. Morin's DCF proxy groups.

Response:

- a) According to Value Line Investment Survey, the dividend payout ratio of electric utilities covered by Value Line declined from 75% to 59% from 2002 to 2007. The corresponding Value Line Survey pages prior to this date clearly show the decline from the 80% to the 60% level. According to the latest edition of the Value Line Investment Analyzer, the projected growth in dividends is less than the projected growth in earnings for the electric utility industry.
- b) I have no information regarding Con Edison's future plans, if any, regarding its dividend ratio.
- c) See attached.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff12
Date of Response: 05/27/2007
Responding Witness: Morin

Question No. :244

Subject: Dividend Growth - On page 52, line 15 through line 17, of his testimony, Dr. Morin states that dividend growth has remained largely stagnant over the past several years. Provide the analysis which supports this assertion.

Response:

See attached historical dividend growth rates for electric utilities over the past five and ten years.

Company Name	Ticker	Industry	Dividend Payout	EPS Growth 5-Yr ^	EPS Growth 10-Yr	Divid Growth 5-Yr	Divid Growth 10-Yr
1 Amer. Elec. Power	AEP	UTILCENT	54.1	3.5	0.5	9.0	4.5
2 Ameren Corp.	AEE	UTILCENT	83.1	0.5	0.5		0.5
3 CenterPoint Energy	CNP	UTILCENT	55.1				
4 CH Energy Group	CHG	UTILEAST	77.4	1.5			0.5
5 Consol. Edison	ED	UTILEAST	73.6	2.0	0.5	1.0	1.5
6 Constellation Energy	CEG	UTILEAST	39.0	7.5	5.0	7.0	2.5
7 Duquesne Light Hldgs	DQE	UTILEAST	69.3	12.0	5.5	8.5	1.5
8 Energy East Corp.	EAS	UTILEAST	58.8	2.5	3.5	5.0	1.5
9 Exelon Corp.	EXC	UTILEAST	49.7	11.5			
10 FirstEnergy Corp.	FE	UTILEAST	59.0		2.0	2.5	1.5
11 Northeast Utilities	NU	UTILEAST	72.5		6.5	30.5	10.0
12 NSTAR	NST	UTILEAST	63.5	4.0	4.5	1.0	1.5
13 Pepco Holdings	POM	UTILEAST	69.0	1.0			
14 PPL Corp.	PPL	UTILEAST	47.2	8.5	7.0	8.5	
15 Public Serv. Enterprise	PEG	UTILEAST	63.5	2.0	2.5	0.5	
16 SCANA Corp.	SCG	UTILEAST	56.0	7.0	4.0	2.0	0.5
17 Sempra Energy	SRE	UTILWEST	31.0	16.0	6.5	5.0	3.5
18 TXU Corp.	TXU	UTILCENT	32.4	4.5	1.5	12.0	8.5
19 Vectren Corp.	VVC	UTILCENT	66.2	4.0		3.5	
20 Wisconsin Energy	WEC	UTILCENT	34.2	7.5	1.5	11.0	5.0
AVERAGE			57.7	5.6	3.4	7.1	3.1

Source: Value Line Investment Analyzer Feb 2007

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff12
Date of Response: 05/27/2007
Responding Witness: Morin

Question No. :246

Subject: Cost of Equity Methodology - 1) For the CAPM and the Empirical CAPM risk premium analyses Dr. Morin performed, did he consider historical studies of long-term risk premiums other than the Ibbotson Associates study, Stocks, Bonds, Bills and Inflation: Valuation Edition, 2006 Yearbook? If so, which ones? 2) For the CAPM and the Empirical CAPM risk premium analyses Dr. Morin performed, did he consider forward looking studies of long-term risk premiums other than that calculated by using Value Line's VLIA software? If so, which ones?

Response:

- 1) Yes. In the latest edition of Ibbotson Associates' (now Morningstar) widely-used Valuation Yearbook, 2007 edition, Ibbotson and Chen have updated their study of the prospective MRP and conclude:

“Contrary to several recent studies on equity risk premium that declare the forward-looking equity risk premium to be close to zero, or even negative, Ibbotson and Chen have found the long-term supply of equity risk premium to be only slightly lower than the straight historical estimate.”

In other words, prospective estimates of the MRP are virtually the same as the historical MRP.

Professor Siegel¹ from the Wharton School of Finance has also examined historical data over even longer time series, including data prior to 1926, some dating back to 1802. An obvious question is whether data on capital market behavior from the 19th century relevant for estimating return in the 21st century. The major concern with the Siegel data for a period beginning in 1802 is the reliability of the data. The stock market of the early 1800's was severely limited, embryonic in scope, with very few issues trading, and few industries represented. Dividend data were unavailable over most of this early period and stock prices were based on wide bid-ask spreads rather than on actual transaction prices. The

¹ Siegel, Jeremy (1999) “The shrinking equity premium.” Journal of Portfolio Management 26(1): 10-17.

difficulties inherent in stock market data prior to the Great Depression are discussed by Schwert.²

Published work by Dimson, Marsh, and Staunton³ report historical returns over the period 1900 to 2000 for twelve countries, representing 90% of today's world market capitalization. They report an average risk premium over long bond returns over all countries of 5.6%, with the U.S. at 7.0%. The premium was generally higher for the second half century than for the first. For example, the U.S. had 5% in the first half, compared to 7.5% in the second half.

2. Dr. Morin is well aware of the state of research on the market risk premium (MRP). The academic research on the MRP is vast and often contradictory.

Dr. Morin's estimate of the prospective MRP is quite consistent with the gist of the literature on the subject. Chapter 5 of Dr. Morin's book The New Regulatory Finance provides a comprehensive summary of that literature. To highlight some of the more salient passages, Ibbotson's (now Morningstar) *Stocks, Bonds, Bills, and Inflation 2007 Yearbook* finds that a broad market sample of U.S. common stocks outperformed long-term U.S. government bonds by 6.5 percent. The historical MRP over the income component of long-term Treasury bonds rather than over the total return is 7.1 percent. It has been common practice to assume that this historical result provides an adequate basis for the expected MRP.

In their widely-used textbook, Brealey, Myers, and Allen state: "We have no official position on the exact market risk premium, but we believe a range of 6 to 8 percent is reasonable for the United States."⁴

Published work by Dimson, Marsh, and Staunton⁵ reports returns over the period 1900 to 2000 for twelve countries, representing 90% of today's world market capitalization. They report an average risk premium over long bond returns over all countries of 5.6 percent, with the United States at 7.0 percent. The premium was generally higher for the second half century than for the first. For example, the U.S. had 5 percent in the first half, compared to 7.5 percent in the second half.

A second approach to estimating the MRP is prospective in nature and consists of applying the DCF model to an aggregate equity index, as Dr. Morin did in his direct testimony.

² Schwert, G. W., "Indexes of U.S. Stock Prices from 1802 to 1987," Journal of Business, 1990, Vol. 63, no. 3.

³ Dimson, Elroy, Paul Marsh and Mike Staunton (2000) "Risk and Return in the 20th and 21st centuries." *Business Strategy Review* 11(2): 1-18.

⁴ Brealey, R., Myers, S., and Allen, P., *Principles of Corporate Finance*, 8th ed. New York: McGraw-Hill, 2006.

⁵ Dimson, Elroy, Paul Marsh, and Mike Staunton (2000) "Risk and Return in the 20th and 21st centuries." *Business Strategy Review* 11(2): 1-18.

A prospective study cited in direct testimony and published in *Financial Management* by Harris, Marston, Mishra, and O'Brien ("HMMO") provides estimates of the ex ante expected returns for S&P 500 companies over the period 1983-1998.⁶ From that study, the average MRP estimate for the overall period is 7.2 percent.

In terms of the most recent credible research on the issue, in the latest edition of Ibbotson Associates' (now Morningstar) widely-used Valuation Yearbook, 2007 edition, Ibbotson and Chen have updated their study of the prospective MRP and conclude:

"Contrary to several recent studies on equity risk premium that declare the forward-looking equity risk premium to be close to zero, or even negative, Ibbotson and Chen have found the long-term supply of equity risk premium to be only slightly lower than the straight historical estimate."

In other words, prospective estimates of the MRP are virtually the same as the historical MRP.

⁶ Harris, R. S., Marston, F. C., Mishra, D. R., and O'Brien, King. J., "Ex Ante Cost of Equity Estimates of S&P 500 Firms: The Choice Between Global and Domestic CAPM," *Financial Management*, Autumn 2003, pp. 51-66.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff15
Date of Response: 07/31/2007
Responding Witness: Hoglund

Question No. :263

Subject: Cash Flow Ratios a) Provide the adjusted funds from operations (FFO) interest coverage, adjusted FFO to debt, and total debt to total capital ratios for Consolidated Edison, Inc., as calculated by S&P, for 2002-2006, as well as the forecast of each ratio for the rate year ending March 31, 2009. b) Provide the amount of external financing raised by Consolidated Edison, Inc. in each calendar year, 2002-2006.

Response:

- a) The table below shows the adjusted funds from operations (FFO) interest coverage, adjusted FFO to debt, and total debt to total capital ratios for Consolidated Edison, Inc., as calculated by S&P, for 2002-2006, as well as the forecast of each ratio for the rate year ending March 31, 2009. The rate year ratios assume full and current (as opposed to deferred) recovery of all capital expenditures at the costs of capital as submitted in the Company’s rate filing.

Consolidated Edison, Inc. S&P Ratios	2002	2003	2004	2005	2006	Forecast rate year ending March 31, 2009
FFO interest coverage	4.7x	4.5x	4.2x	3.9x	3.0x	4.1x
FFO/Debt	22.5%	22.4%	20.3%	16.7%	13.8%	18.1%
Debt/Capital	61.5%	56.4%	55.4%	61.1%	55.3%	51.6%

- b) The table below shows the amount of external financing raised by Consolidated Edison, Inc. in each calendar year, 2002-2006.

Consolidated Edison, Inc. External Financing (millions)	2002	2003	2004	2005	2006
New Debt	\$700	\$245	\$296	\$865	\$1,275
Refinanced Debt	425	530	769	126	500
Equity	0	346	660	126	579
TOTAL	\$1,125	\$1,121	\$1,725	\$1,117	\$2,354

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff15
Date of Response: 07/31/2007
Responding Witness: Hoglund

Question No. :265

Subject: Equity Ratios In Exhibit RH-1, page 1, Mr. Hoglund provides a graph showing authorized equity capitalization for the period 1992 through 2006. a) Provide the “other states” average for 2004, 2005, and 2006. b) What equity ratio was approved in Con Edison’s current gas rate plan, which was approved by the Commission in 2004? c) What equity ratio was approved in Con Edison’s current electric rate plan, which was approved by the Commission in 2005? d) What equity ratio was approved in Con Edison’s current steam rate plan, which was approved by the Commission in 2006? e) Does the equity ratio allowed for other New York utilities negatively affect Con Edison’s ability to raise capital? Please explain.

Response:

- a) The average authorized equity capitalization for the other states included in Exhibit RH-1, were 46.96% for 2004, 46.58% for 2005, and 50.07% 2006.
- b) The equity ratio used to calculate the revenue requirement in the current gas rate plan was 48%. It should be noted that the capital structure as well as many other components of the Company’s gas cost of service were adopted by the Commission as part of a Joint Proposal in this case. Additionally, solely for the purposes of assessing earnings sharing, the Company applies its actual equity ratio (up to 50%) in the computation of its earnings in each rate year.
- c) The equity ratio used to calculate the revenue requirement in the current electric rate plan was 48%. It should be noted that the capital structure as well as many other components of the Company’s electric cost of service were adopted by the Commission as part of a Joint Proposal in this case. Additionally, solely for the purposes of assessing earnings sharing, the Company applies its actual equity ratio (up to 50%) in the computation of its earnings in each rate year.
- d) The equity ratio used to calculate the revenue requirement in the current steam rate plan was 48%. It should be noted that the capital structure as well as many other components of the Company’s steam cost of service were adopted by the Commission as part of a Joint Proposal in this case. Additionally, solely for the purposes of assessing earnings sharing, the Company applies its actual equity ratio (up to 50%) in the computation of its earnings in each rate year.

- e) The equity ratio allowed for other New York utilities may affect Con Edison's ability to raise capital. Based on conversations with both debt and equity investors, regulatory actions within a given jurisdiction will change their assessments of all companies subject to that jurisdiction's regulations.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff15
Date of Response: 07/31/2007
Responding Witness: Hoglund

Question No. :267

Subject: Allowed Equity Returns In Exhibit RH-1, page 2 of his testimony, Mr. Hoglund presents the allowed equity returns for utilities from 1992 through 2006. a) For each data point, is the return the “fallout” equity return or the return when sharing of earnings with customers begin? b) For the most recent Con Edison rate plans, what ROE is used in this analysis? c) For each data point, specify the company referenced and provide the date the return was authorized, the term of the rate case the allowed return was applied to, the equity ratio allowed in the rate case, any sharing thresholds and sharing percentages allowed in the rate case, what percentage of expenses were allowed reconciliation in each rate case, what level of sales increases were assumed relative to historical sales increases, what the allowed debt cost was, and what the credit rating of each company was at the time the allowed return was granted. d) Would Mr. Hoglund agree that the allowed return must be examined in the context of many factors, including such things as the length of the rate plan, the allowed equity ratio, the aggressiveness of the imputed sales forecast, and the credit rating of the utility? Please explain.

Response:

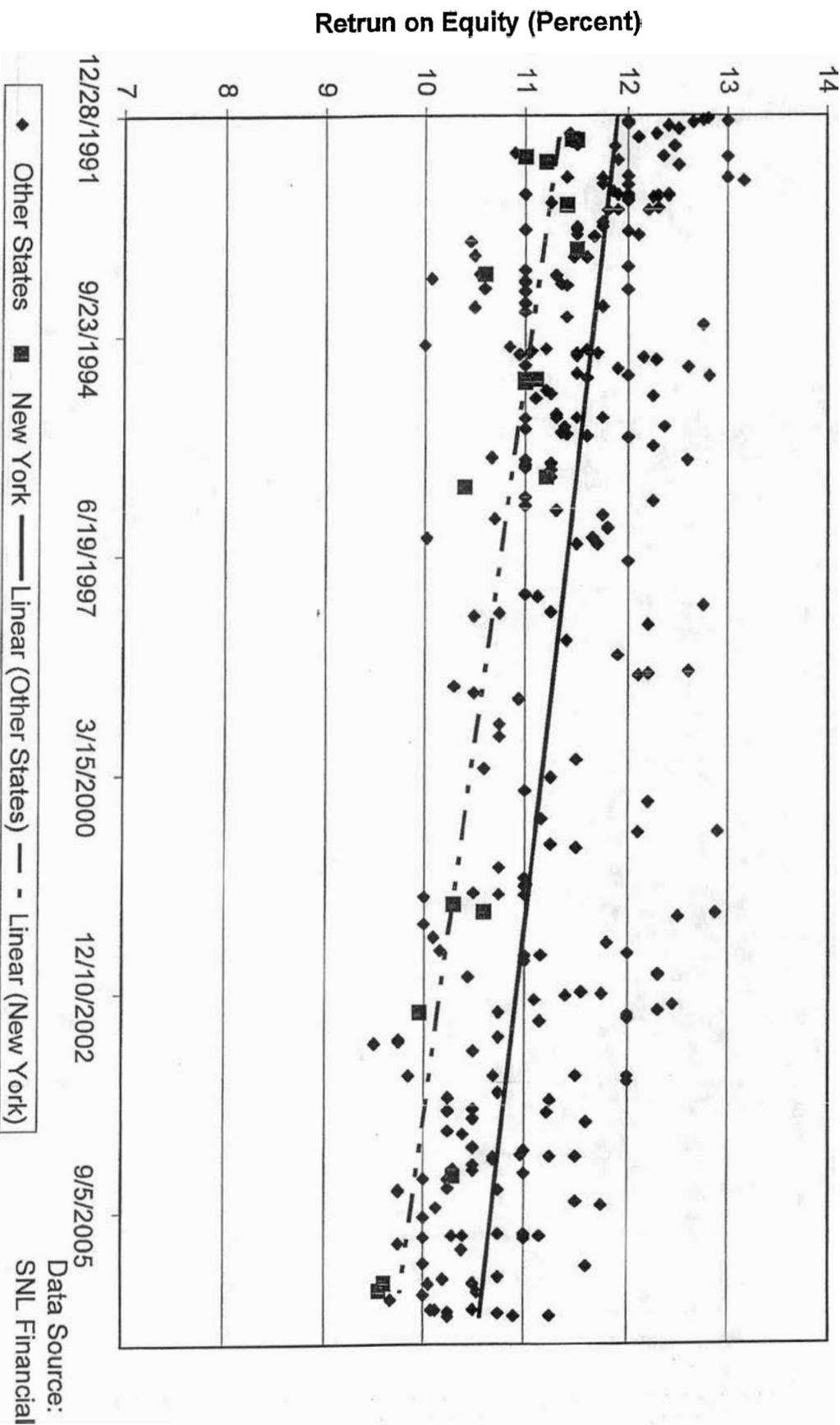
- a) RRA does not provide the information requested. The concept of “sharing” is not common in regulation: generally companies keep all of the income they earn once rates are set. The witness assumes that the intention of the question is not to suggest that a targeted return with sharing of higher than targeted earnings is somehow more favorable to equity investors than an earnings target with no sharing.
- b) The last three Con Edison rate cases listed in the RRA data are: Consolidated Edison Company of New York electric service Case 94-E-0344 with an ROE of 11.1%, Orange and Rockland Utilities Inc. electric service Cases 95-E-0491, 93-M-0849 with an ROE of 10.4% and Consolidated Edison Company of New York electric service Case 04-E-0572 with an ROE of 10.3%.
- c) See Attachment 266, which provides the RRA data from which the chart was created. Equity ratios are provided in the RRA data. The practice of taking income above certain thresholds (sharing) from the providers of equity capital is

not prevalent in other jurisdictions. The remaining data requested is not provided by RRA.

- d) The allowed return must be examined in the context of the statutory standard of just and reasonable rates. Just and reasonable rates are to reflect a fair and reasonable return, as Company witness Morin more fully describes in the context of the landmark United States Supreme Court decisions in the Bluefield and Hope cases. In that regard, the measurement of a fair and reasonable return must compare the returns that the subject business could expect to achieve absent regulation and the likelihood of achieving those returns—on the very basis that the regulator intends to establish those returns (i.e., relative to tangible historic book investment). The factors identified in the question would be among those appropriately considered in measuring the achievability of the expected returns on historic tangible book equity. Because the utility regulators in the United States collectively set target equity returns on tangible book values at a small fraction of those earned by other large-capitalization corporations in the United States, it is unlikely that the collective impact of the factors identified above would increase returns to a level sufficient to satisfy the statutory standard for just and reasonable rates that reflect a fair and reasonable return.

Return on Equity-New York vs. Other States

Exhibit RH-1
Page 2



Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff15
Date of Response: 07/31/2007
Responding Witness: Hoglund

Question No. :266

Subject: Allowed Returns in New York On page 11, line 21 of his testimony, Mr. Hoglund states that allowed returns in New York “have increasingly departed from typical practice.” a) Explain what is meant by this statement and cite examples.

Response:

- a) Attachment 266 provides the data, drawn from RRA, that forms the basis for Exhibit RH-1, page2 and Mr. Hoglund’s statement.

Using the ROE data for all rate decisions (national) except for decisions in New York State, the linear regression equation is: $Y = -0.0002444 X + 11.915$.

Using the ROE data for rates decisions in New York State, the linear regression equation is: $Y = -0.0002991 X + 11.301$.

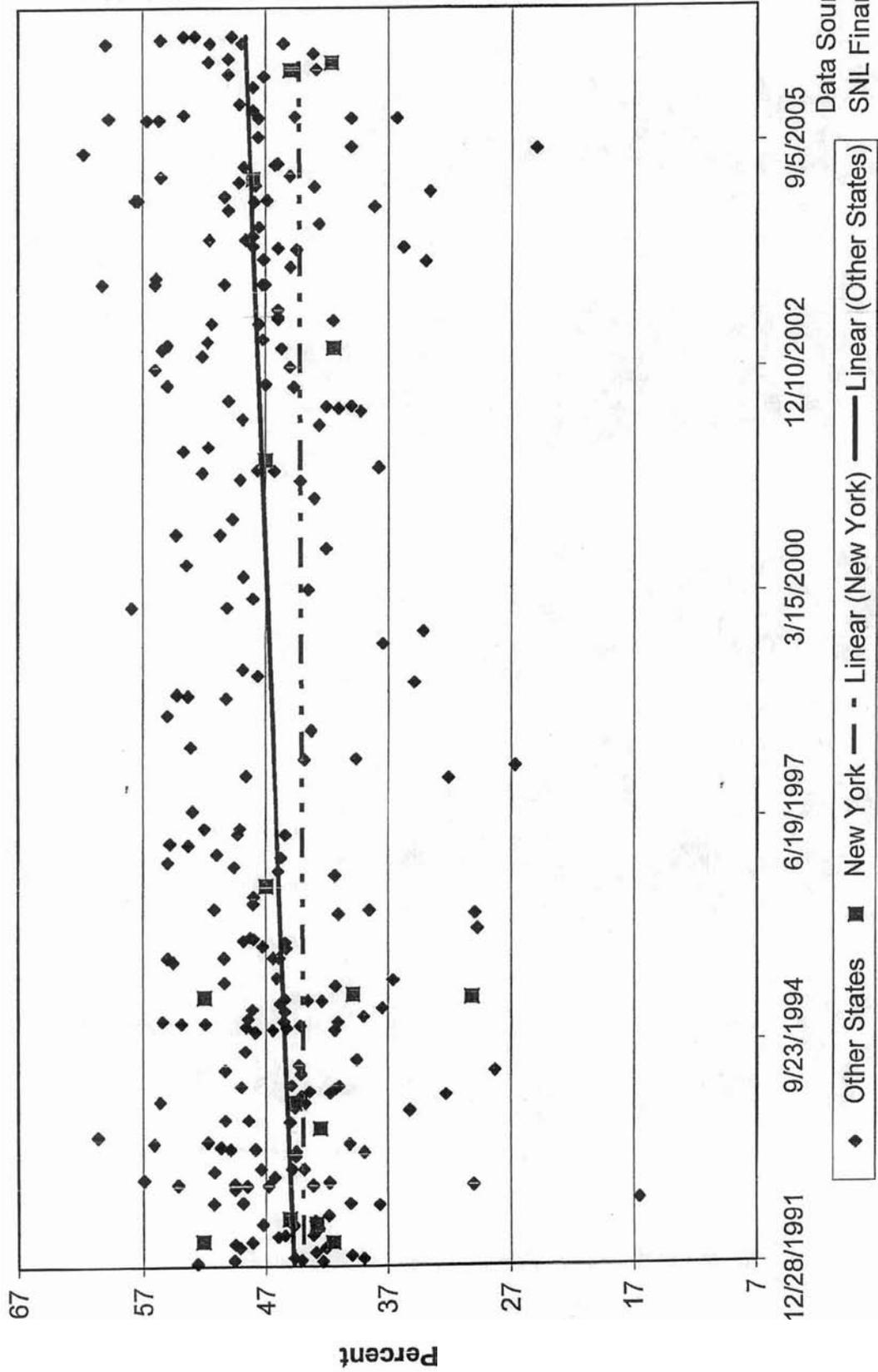
Using the beginning of 1992 as a starting reference date and the end of 2006 as an ending reference date, the extrapolated ROE is as follows:

	ROE (National, ex-NY)	ROE (NYS)	Difference (National vs. NYS)
1/92	11.92 %	11.30%	62 BPS
12/06	10.58%	9.67%	<u>91 BPS</u>
Increase in Spread			<u>29 BPS</u>

Thus over the past fifteen years there has been a 29 basis-point increase in the amount by which authorized returns in New York State lag those of the other states, hence the observation that allowed returns in New York “have increasingly departed from typical practice”. The statement was meant only as a measurement of relative performance and is not intended to imply that typical practice in other jurisdictions satisfies the standard for a “just and reasonable return.”

So, while returns in New York State have been below average since at least 1992, the regressions show that authorized returns on equity in New York have increasingly departed from the practice of the other state regulators in the US. This trend can also be measured in percentage terms. Whereas at the beginning of 1992 New York’s authorized returns were 94.8 % of the national average, by the end of 2006 authorized returns were 91.4% of the national average.

Equity as Percent of Capital-New York vs. Other States
Exhibit RH-1
Page 1



Rate Case Statistics Details

Rate Case Statistics Details

State	Company	Case Identification	Service	Filing Date	Rate Increase (\$M)	Rate Change/Revenue (%)	Return on Rate Base (%)	Return on Equity (%)	Common Equity /Total Cap	Test Year End	Rate Base (\$M)	Rate Base Valuation Method	Lag (months)
Wisconsin	Wisconsin Electric Power Co.	D-6630-UR-105	Electric	01/09/92	56.4 NA		10.65	12.8	52.56	12/1992	NA	Avg	8
Virginia	Polomac Edison Co.	C-PUE-910020	Electric	01/16/92	5.5 NA		10.28	12.75	42.3	12/1990	NA	YE	9
New Jersey	Rockland Electric Company	D-ER-9103036J	Electric	01/21/92	5.1 NA		10.17	12	44.05	10/1991	NA	YE	10
Ohio	Dayton Power and Light Co.	C-91-414-EL-AIR	Electric	01/22/92	129 NA		10.93	13	49.57	12/1991	NA	Avg	9
Maryland	Conowingo Power Co.	C-8352	Electric	01/27/92	15.7 NA		11	12.65	38.82	02/1991	NA	Avg	7
Nevada	Sierra Pacific Power Co.	D-91-7079	Electric	01/31/92	4.9 NA		10	12	44.83	03/1990	NA	YE	8
Illinois	Illinois Power Co.	D-91-0147	Electric	02/11/92	100.2 NA		10.21	12.4	39.9	12/1992	NA	Avg	10
Delaware	Dalmarva Power & Light Co.	D-91-20	Electric	02/25/92	18.5 NA		9.95	12.5	42.86	09/1991	NA	Avg	9
Rhode Island	Blackstone Valley Electric	D-2016	Electric	03/18/92	3 NA		10.26	11.43	42.05	12/1990	NA	Avg	9
Illinois	Central Illinois Public	D-91-0193	Electric	03/18/92	3.4 NA		9.77	12.28	49.11	12/1992	NA	Avg	10
Vermont	Green Mountain Power Corp.	D-5532	Electric	04/02/92	7 NA		10.64	12.1	49.48	12/1990	NA	Avg	8
Rhode Island	Narragansett Electric Co.	D-2019	Electric	04/10/92	3.5 NA		9.94	11.5	48.11	03/1993	NA	Avg	9
Kentucky	Duke Energy Kentucky Inc.	C-91-370	Electric	05/05/92	22.3 NA		10.11	11.5	45.95	07/1991	NA	YE	8
Ohio	Columbus Southern Power Co.	C-91-418-EL-AIR	Electric	05/12/92	123 NA		10.33	12.46	43.09	12/1991	NA	Avg	13
Ohio	Duke Energy Ohio Inc.	C-91-410-EL-AIR	Electric	05/12/92	114.6 NA		10.42	11.87	45.4	12/1991	NA	Avg	13
Minnesota	Interstate Power Co.	D-E-001-GR-91-605	Electric	06/12/92	4.9 NA		9.2	10.9	42.63	12/1990	NA	Avg	10
District of Columbia	Potomac Electric Power Co.	C-9120-2743	Electric	06/26/92	30.4 NA		9.96	12.35	44.68	12/1991	NA	Avg	6
Hawaii	Hawaiian Electric Co.	D-6998	Electric	06/30/92	124.3 NA		10.06	13	47.22	12/1992	NA	Avg	11
Iowa	Interstate Power Co.	D-RPU-91-7	Electric	07/13/92	10.4 NA		9.5	11.9	42.91	12/1990	NA	Avg	11
Nevada	Nevada Power Co.	D-92-1067	Electric	08/06/92	22.2 NA		10.02	12.5	41.82	10/1991	NA	YE	6
Florida	Florida Power Corp.	D-910890-EI	Electric	09/22/92	85.8 NA		8.37	12	37.82	12/1993	NA	Avg	7
Rhode Island	Newport Electric	D-2036	Electric	09/28/92	3.7 NA	NA		11.4	40	09/1993	NA	YE	9
Massachusetts	Massachusetts Electric Co.	DPU-92-78	Electric	09/30/92	45.8 NA		8.9	11.75	51.25	12/1991	NA	YE	8
Hawaii	Hawaiian Electric Co.	D-6999	Electric	10/02/92	3.9 NA		10.4	13	48.86	12/1992	NA	Avg	14
Texas	Texas-New Mexico Power Co.	D-10200	Electric	10/16/92	25.8 NA		10.53	13.16	15.55	09/1990	NA	YE	18
California	San Diego Gas & Electric Co.	AP-9111024De-921201E	Electric	12/03/92	33.5 NA		9.94	11.85	49.5	12/1993	NA	Avg	12
North Dakota	Northern States Power Co. - MN	C-PU-400-92-399	Electric	12/15/92	2.6 NA		9.3	11	48.52	12/1993	NA	Avg	7
California	Pacific Gas and Electric Co.	AP-9111036De-9212057	Electric	12/16/92	254.4 NA		10.13	11.9	48.75	12/1993	NA	Avg	12
Connecticut	United Illuminating Co.	D-92-08-05	Electric	12/18/92	33.1 NA		10.6	12.4	30.05	12/1991	NA	YE	5
Florida	Tampa Electric Co.	D-920324-EI	Electric	12/17/92	28.6 NA		8.34	12	43.08	12/1994	NA	Avg	6
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-105	Electric	12/22/92	-0.8 NA		9.94	12.4	49.53	07/1993	NA	Avg	11
Wisconsin	Wisconsin Public Service Corp	D-6690-UR-107	Electric	12/22/92	8.7 NA		10.32	12.3	54.15	12/1993	NA	Avg	21
Virginia	Virginia Electric & Power Co.	C-PUE-910047	Electric	12/29/92	45.2 NA		9.92	12.25	41.75	12/1990	NA	YE	17
Wisconsin	Northern States Power Co-WI	D-4220-UR-106	Electric	01/12/93	7.1 NA		10.44	12	56.94	12/1993	NA	Avg	7
Pennsylvania	Metropolitan Edison Co.	C-R-922314	Electric	01/21/93	11.1 NA		9.59	11.25	46.23	12/1992	NA	YE	9
Wisconsin	Wisconsin Electric Power Co.	D-6630-UR-106	Electric	02/15/93	28.7 NA		10.21	12.3	51.19	12/1993	NA	Avg	9
Maryland	Polomac Edison Co.	C-8549	Electric	02/24/93	15.2 NA		9.68	11.9	43.82	06/1992	NA	Avg	7
North Carolina	Virginia Electric & Power Co.	D-E-22,SUB333	Electric	02/28/93	10.8 NA		9.48	11.8	44.82	12/1991	NA	YE	7
New Jersey	Jersey Cntrl Power & Light Co.	D-8691-121820J	Electric	02/28/93	123.8 NA		10.28	12.2	47.38	03/1992	NA	YE	14
Maryland	Baltimore Gas and Electric Co.	C-8487	Electric	04/23/93	84.9 NA		9.4	11.75	44.55	11/1992	NA	Avg	7
Michigan	Upper Peninsula Power Co.	C-U-10094	Electric	05/11/93	3.6 NA		8.93	11.75	38.89	12/1993	NA	Avg	12
Pennsylvania	West Penn Power Co.	C-R-922378	Electric	05/14/93	53.6 NA		9.45	11.5	44.5	08/1993	NA	YE	8
South Carolina	South Carolina Electric & Gas	D-92-619-E	Electric	05/25/93	60.4 NA		9.8	11.5	47.84	09/1992	NA	YE	5
Massachusetts	Cambridge Electric Light Co	DPU-92-250	Electric	05/25/93	7 NA		9.95	11	49.89	06/1992	NA	YE	8
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-106	Electric	06/03/93	-4.4 NA		9.75	12	50.66	05/1994	NA	Avg	7
Connecticut	Connecticut Light & Power Co.	D-92-11-11	Electric	06/18/93	141.3 NA		8.84	11.5	40.1	12/1991	NA	Avg	8
North Carolina	Nanhalaha Power & Light Compan	D-E-13,SUB157	Electric	06/18/93	4.3 NA		10.32	12.1	56.11	12/1991	NA	YE	7
Missouri	Aquila Inc.	C-ER-93-42	Electric	06/25/93	-0.9 NA		10.34	11.97	51.71	09/1992	NA	YE	10
Arizona	UNS Electric Inc.	D-E-1032-92-073	Electric	07/20/93	2.6 NA		9.2	10.46	60.8	09/1991	NA	YE	16
Washington	Puget Sound Energy Inc.	D-LJE-92-1262	Electric	09/21/93	-6.4 NA		8.94	10.5	45	08/1992	NA	YE	10
Minnesota	Northern States Power Co. - MN	D-E-002-GR-92-1185	Electric	09/29/93	72.2 NA	4.7	9.08	11.47	48.39	12/1993	NA	Avg	11
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-108	Electric	09/30/93	15.6 NA		9.31	11.6	50.31	07/1994	NA	Avg	8
Indiana	Indiana Michigan Power Co.	Cs-39314	Electric	11/12/93	34.7 NA		8.78	12	35.29	12/1991	NA	YE	18
Colorado	Public Service Co. of CO	D-93S-001E	Electric	11/28/93	-13.1 NA		9.4	11	44.62	09/1992	NA	YE	10
Maine	Central Maine Power Co.	D-92-345	Electric	12/14/93	26 NA		8.52	10.55	43.74	12/1992	NA	Avg	9
Wisconsin	Wisconsin Public Service Corp	D-6690-UR-108	Electric	12/21/93	-17.4 NA		9.84	11.3	55.61	12/1994	NA	Avg	8
Arizona	Tucson Electric Power Co.	D-U-1933-93-006	Electric	01/13/94	21.8 NA		8.51	11	44.07	06/1992	NA	YE	12
Michigan	Detroit Edison Co.	C-U-10102	Electric	01/21/94	-78 NA		7.65	11	32.32	12/1994	NA	Avg	18
Texas	TXU Electric Delivery Co.	D-11735	Electric	01/28/94	435.4 NA		9.98	11.35	41.71	06/1992	NA	YE	12
Virginia	Virginia Electric & Power Co.	C-PUE-920041	Electric	02/03/94	241.9 NA		9.18	11.4	43.38	12/1991	NA	YE	20
Maine	Bangor Hydro-Electric Co.	D-93-062	Electric	02/17/94	11 NA		9.25	10.8	41.27	12/1992	NA	Avg	9

Rate Case Statistics Details

Rate Case Statistics Details

State	Company	Case Identification	Service	Filing Date	Rate Increase (\$M)	Change/Revenue (%)	Rate Base Ratio (%)	Return on Equity (%)	Common Equity /Total Cap	Test Year End	Rate Base (\$M)	Rate Base Valuation Method	Lag (months)
Oklahoma	Oklahoma Gas and Electric Co.	C-PUB-90000898-ata	Electric	02/25/94	-16.9 NA	9.99	12	12	49	05/1991	NA	YE	36
Mississippi	Entergy Mississippi Inc.	C-U-0301	Electric	03/01/94	-28.1 NA	9.92	11	11	41	06/1993	NA	AVG	4
District of Columbia	Potomac Electric Power Co.	C-929C-2743	Electric	03/04/94	25.4 NA	8.05	11	11	44.9	06/1993	NA	AVG	9
Montana	NorthWestern Energy Division	D-93.8.24	Electric	04/25/94	7.6 NA	9.09	11	11	44.12	12/1992	NA	YE	10
Michigan	Consumers Energy Co.	C-U-10335	Electric	05/10/94	57.8 NA	7.43	11,75	11,75	28.35	12/1994	NA	AVG	12
Vermont	Green Mountain Power Corp.	D-5695	Electric	05/13/94	3.7 NA	9.41	10.5	10.5	50.33	06/1993	NA	AVG	7
Iowa	Interstate Power Co.	D-RPU-93-5	Electric	06/03/94	7.4 NA	9.11	11	11	44.3	12/1992	NA	AVG	10
Virginia	Virginia Electric & Power Co.	C-PUJ-92C081	Electric	06/27/94	17.9 NA	9.55	11.4	11.4	39.51	06/1992	NA	YE	18
Hawaii	Maul Electric Company	D-7000	Electric	10/31/94	8.1 NA	10.19	12.75	12.75	48.68	12/1993	NA	AVG	33
Vermont	Central Vermont Public Service	D-5701.5724	Electric	11/09/94	8.6 NA	8.68	10	10	47.86	12/1993	NA	AVG	8
West Virginia	Monongahela Power Co.	C-94-0035-E-42T	Electric	11/09/94	23.5 NA	9.02	10.85	10.85	41.35	12/1993	NA	AVG	9
West Virginia	Potomac Edison Co.	C-940027-E-42T	Electric	11/09/94	1.5 NA	9.4	11.2	11.2	45.28	12/1992	NA	YE	9
Virginia	Potomac Edison Co.	C-PUJ-93C033	Electric	11/16/94	4.5 NA	9.51	11.6	11.6	48.61	12/1994	NA	AVG	10
Minnesota	Minnesota Power Inc.	D-E015-GR-94-1	Electric	11/22/94	19 NA	9.33	11.6	11.6	44.19	12/1992	NA	YE	10
New Mexico	Public Service Co. of NM	C-2587	Electric	11/28/94	-30 NA	8.79	11.06	11.06	53.89	12/1995	NA	AVG	7
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-107	Electric	12/09/94	-4.2 NA	9.76	11.7	11.7	51.83	12/1995	NA	AVG	10
Wisconsin	Wisconsin Power and Light Co	D-6890-UR-109	Electric	12/09/94	-12.3 NA	9.46	11.5	11.5	41.09	12/1993	NA	AVG	7
Louisiana	Entergy Gulf States Inc.	D-U-19904	Electric	12/14/94	57.3 NA	9.59	11.5	11.5	45.5	12/1994	NA	AVG	8
Pennsylvania	West Penn Power Co.	C-R-942986	Electric	12/15/94	-10.9 NA	9.75	11.5	11.5	55.43	12/1995	NA	AVG	8
Wisconsin	Wisconsin Public Service Corp	D-6590-UR-109	Electric	12/16/94	30.2 NA	9.87	12.28	12.28	38.97	12/1994	NA	AVG	17
Illinois	Commonwealth Edison Co.	D-94-0085	Electric	01/30/95	17.2 NA	9.2	11	11	45.42	12/1993	NA	AVG	7
Iaaho	Iaaho Power Co.	C-IPC-E-94-5	Electric	01/31/95	15.5 NA	9.87	12.6	12.6	48.1	12/1994	NA	AVG	14
Hawaii	Hawaiian Electric Co.	D-7764	Electric	02/10/95	37.5 NA	8.23	11.9	11.9	37.46	12/1992	NA	YE	17
Indiana	Duke Energy Indiana Inc.	C-35584.35584-S2	Electric	02/17/95	3 NA	8.71	11.5	11.5	45.8	03/1994	NA	AVG	8
Virginia	Potomac Edison Co.	C-PUJ-940045	Electric	03/09/95	52.9 NA	10.05	12	12	42.38	12/1993	NA	YE	8
Texas	Entergy Gulf States Inc.	D-12852	Electric	03/20/95	66 NA	10.06	12.81	12.81	43.58	03/1995	NA	AVG	16
Ohio	Ohio Power Co.	C-94-996-EL-AIR	Electric	03/23/95	51 NA	9.51	11.6	11.6	45.44	06/1995	NA	AVG	8
Oregon	Portland General Electric Co.	C-UJ-88	Electric	03/28/95	-40.9 NA	9.99	11.2	11.2	41.3	12/1993	NA	AVG	9
Louisiana	Entergy Louisiana Holdings	D-UJ-20225	Electric	05/25/95	12.5 NA	9.73	11.25	11.25	50.41	06/1994	NA	AVG	9
Vermont	Green Mountain Power Corp.	D-3760	Electric	05/09/95	4.6 NA	7.94	12.25	12.25	39.6	12/1993	NA	AVG	13
Indiana	Southern Indiana Gas & Elec	C-33971	Electric	06/21/95	27.9 NA	8.09	11.1	11.1	46.09	12/1994	NA	AVG	9
District of Columbia	Potomac Electric Power Co.	C-939C-2743	Electric	06/30/95	-33.8 NA	9.64	11.3	11.3	54.57	12/1996	NA	AVG	5
Wisconsin	Wisconsin Electric Power Co.	D-6530-JR-108	Electric	09/11/95	85.2 NA	9.54	11.5	11.5	45.88	06/1993	NA	AVG	9
Pennsylvania	PPL Electric Utilities Corp.	C-R-943217	Electric	09/27/95	-4.8 NA	9.89	11.3	11.3	54.99	12/1996	NA	AVG	6
Texas	AEP Texas Central Co.	D-12820	Electric	09/27/95 NA	30.9 NA	9.24	11	11	45.34	06/1995	NA	AVG	6
Wisconsin	Northern States Power Co-WI	D-4220-UR-108	Electric	09/27/95	6 NA	9.73	12.39	12.39	47.27	06/1994	NA	AVG	8
Massachusetts	Massachusetts Electric Co.	DPJ-95-40	Electric	11/03/95	14.6 NA	9.24	11	11	45.39	12/1994	NA	AVG	8
Ohio	Monongahela Power Co.	D-2280	Electric	11/03/95	6.6 NA	9.16	11.4	11.4	48.81	12/1995	NA	AVG	23
Rhode Island	Norwasset Electric Co.	D-RPU-95-1	Electric	12/04/95	-300.5 NA	9.49	11.8	11.8	48	12/1996	NA	AVG	12
Iowa	Interstate Power Co.	D-7765	Electric	12/11/95	87.5 NA	8.8	12	12	48.27	03/1995	NA	YE	5
California	Pacific Gas and Electric Co.	AP-9412005De-951205E	Electric	12/20/95	46.5 NA	8.05	12.25	12.25	29.79	12/1995	NA	AVG	15
South Carolina	South Carolina Electric & Gas	D-95-1000-E	Electric	02/27/95	2.3 NA	8.52	11	11	41.05	12/1994	NA	AVG	10
Michigan	Consumers Energy Co.	C-UJ-0865	Electric	02/25/95	83.9 NA	10.06	12.59	12.59	29.69	12/1995	NA	AVG	12
Minnesota	Interstate Power Co.	D-E-001-GR-95-501	Electric	04/09/96	35.2 NA	10.09	12.59	12.59	29.69	12/1995	NA	AVG	10
Ohio	Cleveland Elec Illuminating Co	C-95-300-EL-AIR	Electric	04/11/96	-48.5 NA	9.67	11.25	11.25	38.5	06/1995	NA	AVG	4
Ohio	Toledo Edison Co.	C-95-289-EL-AIR	Electric	04/24/96	16.1 NA	9.33	11	11	51.23	06/1995	NA	AVG	6
Arizona	Arizona Public Service Co.	D-U-1345-95-491	Electric	05/23/96	7.6 NA	9.44	11.25	11.25	48.03	06/1995	NA	AVG	8
Vermont	Central Vermont Public Service	D-5963	Electric	05/23/96	8.8 NA	9.49	11.25	11.25	48	12/1994	NA	AVG	7
Vermont	Green Mountain Power Corp.	D-5957	Electric	05/23/96	73.9 NA	8.21	11	11	41.35	12/1994	NA	YE	16
Wyoming	PacificCorp	D-20000-ER-95-99	Electric	09/27/99	-5 NA	8.83	12.25	12.25	46	03/1995	NA	AVG	17
Indiana	Duke Energy Indiana Inc.	Ca-40003	Electric	10/19/96	4.8 NA	9.22	11	11	49.61	12/1995	NA	AVG	3
Louisiana	Cleco Power LLC	D-U-21466	Electric	11/05/96	0 NA	9.55	11.3	11.3	54.98	12/1997	NA	AVG	8
North Carolina	Nantahala Power & Light Company	D-4220-UR-109	Electric	11/26/96	-15.5 NA	9.42	11.75	11.75	45.73	12/1995	NA	AVG	2
Wisconsin	Northern States Power Co-WI	D-E-1032-95-433	Electric	12/18/96	0.5 NA	8.68	10.7	10.7	51	03/1995	NA	AVG	15
Illinois	MidAmerican Energy Co.	D-E-1032-95-433	Electric	01/03/97	-7.4 NA	9.67	11.8	11.8	53.35	12/1997	NA	AVG	13
Arizona	UNS Electric Inc.	D-6630-JR-109	Electric	02/13/97	-35.5 NA	9.71	11.8	11.8	54.8	12/1997	NA	AVG	10
Wisconsin	Wisconsin Electric Power Co.	D-6630-JR-109	Electric	02/13/97	-32.3 NA	8.73	10.02	10.02	45.39	06/1995	NA	YE	17
Wisconsin	Wisconsin Public Service Corp	D-6690-UR-110	Electric	03/31/97									
Texas	AEP Texas Central Co.	D-14695	Electric										

Rate Case Statistics Details

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Hawaii	Hawaiian Electric Co.	D-84-0140	Electric	04/02/87	6.8 NA		8.34	11.85	11.85	49.3	12/1986	NA	Avg	24
Hawaii	Maul Electric Company	D-94-0345	Electric	04/28/87	3.9 NA		8.27	11.5	11.5	49.12	12/1986	NA	Avg	26
Wisconsin	Wisconsin Power and Light Co	D-6680-JR-110	Electric	04/28/87	-10.6 NA		9.53	11.7	11.7	52	12/1987	NA	Avg	13
Wisconsin	Madison Gas and Electric Co.	D-3270-JR-108	Electric	07/17/87	4.9 NA		9.76	12	12	53.01	06/1988	NA	Avg	10
Arkansas	Entergy Arkansas Inc.	D-96-360U	Electric	12/12/87	-16.9 NA		6.99	11	11	48.58	12/1987	NA	YE	13
Hawaii	Maul Electric Company	D-88-0040	Electric	12/23/87	0 NA		9.13	11.12	11.12	28.72	12/1986	NA	Avg	19
Maine	Bangor Hydro-Electric Co.	D-97-116	Electric	02/02/88	13.2 NA		8.65	12.75	12.75	43.82	03/1987	NA	Avg	9
Vermont	Green Mountain Power Corp.	D-5993	Electric	03/02/88	5.6 NA		8.21	11.25	11.25	38.59	12/1986	NA	Avg	8
Missouri	Aquila Inc.	C-ER-97-384	Electric	03/06/88	-16.9 NA		9.1	12.2	12.2	53.14	12/1988	NA	YE	11
Wisconsin	Wisconsin Electric Power Co.	D-6630-JR-110	Electric	04/30/88	-122 NA		8.72	11.4	11.4	43.28	06/1988	NA	YE	7
Texas	Entergy Gulf States Inc.	D-16705	Electric	07/10/88	-111.5 NA		9.72	11.9	11.9	50.22	12/1986	NA	YE	19
Wisconsin	Northern States Power Co-WI	D-4220-JR-110	Electric	09/15/88	7.3 NA		9.88	12.6	12.6	53.35	12/1988	NA	YE	10
New Mexico	Public Service Co. of NM	C-2761	Electric	11/30/88	8.4 NA		9.57	12.1	12.1	54.22	12/1988	NA	YE	13
Wisconsin	Madison Gas and Electric Co.	D-3270-JR-109	Electric	12/10/88	26.1 NA		8.76	10.3	10.3	34.93	12/1987	NA	Avg	7
Wisconsin	Wisconsin Public Service Corp	D-6690-JR-111	Electric	02/05/89	-231.9 NA		8.84	10.94	10.94	48.84	12/1989	NA	Avg	25
Wisconsin	Connecticut Light & Power Co.	D-98-01-02	Electric	02/07/89	-87.8 NA		8.84	10.5	10.5	47.6	12/1987	NA	Avg	8
Wisconsin	PacificCorp	D-98-035-01	Electric	04/28/89	11.3 NA		8.83	10.94	10.94	48.84	12/1989	NA	Avg	8
Hawaii	Maul Electric Company	D-87-0348	Electric	07/28/89	8.3 NA		8.88	10.75	10.75	37.42	12/1987	NA	Avg	15
Idaho	Avista Corp.	C-WWP-E-98-11	Electric	09/23/89	-5.4 NA		8.82	10.75	10.75	34.2	06/1988	NA	YE	4
Arkansas	Southwestern Electric Power Co	D-88-339-U	Electric	01/07/00	-30.4 NA		8.47	11.5	11.5	57.91	12/1988	NA	YE	15
Kentucky	Kentucky Utilities Co.	C-98-474	Electric	02/17/00	183 NA		8.75	10.6	10.6	48	12/1988	NA	YE	14
Kentucky	Louisville Gas & Electric Co.	C-88-426	Electric	03/28/00	10.6 NA		8.85	11.25	11.25	43.5	12/1988	NA	YE	26
California	Pacific Gas and Electric Co.	AP-97120200De-000204E	Electric	02/17/00	17 NA		9.02	12.2	12.2	48.8	12/1988	NA	YE	8
Wyoming	PacificCorp	D-20000-ER-99-145	Electric	05/25/00	84 NA		9.77	11.16	11.16	55.45	12/2000	NA	Avg	8
Utah	PacificCorp	D-98-035-10	Electric	07/18/00	-2.8 NA		9.03	10.14	10.14	42	12/1988	NA	Avg	10
Wisconsin	Wisconsin Electric Power Co.	D-6630-JR-111	Electric	09/28/00	7.5 NA		9.74	12.1	12.1	50.69	12/2001	NA	Avg	7
Washington	Avista Corp.	D-UE-99-1606	Electric	11/28/00	27.2 NA		9.14	11.5	11.5	54.28	12/2001	NA	Avg	8
Wisconsin	Madison Gas and Electric Co.	D-3270-JR-110	Electric	11/30/00	8.4 NA		8.46	10.75	10.75	43	12/1989	NA	Avg	15
Wisconsin	Wisconsin Public Service Corp	D-6690-JR-112	Electric	02/08/01	16 NA		8.08	11.02	11.02	44.14	06/2000	NA	YE	9
Hawaii	Maul Electric Company	D-98-0207	Electric	05/08/01	25.4 NA		8.9	11	11	48.06	NA	NA	NA	7
Montana	NorthWestern Energy Division	D-2000.8.113	Electric	07/25/01	440 NA		8.8	10.5	10.5	52.16	12/2002	NA	Avg	11
Kansas	Weslar Energy Inc.	D-01-WSRE-436-RTS	Electric	07/31/01	64.4 NA		8.61	10.75	10.75	46.3	12/2001	NA	Avg	10
Wisconsin	PacificCorp	D-20000-ER-00-162	Electric	08/31/01	40.5 NA		8.87	11	11	47.6	12/1989	NA	Avg	8
Wisconsin	Portland General Electric Co.	C-UE-115	Electric	09/07/01	17.1 NA		8.75	10	10	37.78	12/2000	NA	YE	10
Oregon	PacificCorp	D-01-035-01	Electric	09/20/01	39 NA		9.9	12.89	12.89	53.68	12/2002	NA	Avg	4
Utah	PacificCorp	C-ER-2001-289	Electric	12/03/01	-118 NA		9.71	10.1	10.1	51.67	12/2002	NA	Avg	5
Missouri	Empire District Electric Co.	D-01-035-01	Electric	12/20/01	-40.2 NA		8.37	10.1	10.1	42.99	05/2001	NA	YE	7
Mississippi	Mississippi Power Co.	C-ER-2001-289	Electric	04/22/02	-4.3 NA		10.24	10.17	10.17	38.19	07/2001	NA	YE	5
Georgia	Georgia Power Co.	D-01-UN-0548	Electric	05/28/02	53.2 NA		7.92	12	12	41.02	05/2003	NA	Avg	9
Nevada	Nevada Power Co.	D-UE-01-1585	Electric	09/18/02	45.7 NA		8.76	11.16	11.16	42	NA	NA	NA	6
North Dakota	MDU Resources Group Inc.	D-01-10001	Electric	05/20/02	59 NA		8.71	12.3	12.3	54.99	12/2002	NA	NA	6
Florida	Sierra Pacific Power Co.	C-PU-398-01-186	Electric	09/20/02	58.0 NA		6.43	11	11	50	07/2003	NA	Avg	14
Florida	Gulf Power Co.	D-01-1030	Electric	07/15/02	4.8 NA		8.81	12.3	12.3	44.67	12/2002	NA	Avg	8
Washington	Avista Corp.	D-UE-01-1585	Electric	09/26/02	-30.3 NA		8.41	10.45	10.45	47	12/2000	NA	YE	10
Washington	Puget Sound Energy Inc.	D-UE-01-1570	Electric	12/04/02	-25 NA		9.09	11.75	11.75	44.99	12/2002	NA	YE	16
Wisconsin	Wisconsin Public Service Corp	D-6690-JR-113	Electric	01/31/03	70.7 NA		8.71	12.3	12.3	55.42	12/2003	NA	YE	5
Vermont	Citizens Communications Co.	D-6598	Electric	03/06/03	20.3 NA		8.45	10.75	10.75	45.7	06/2006	NA	YE	10
Wisconsin	Wisconsin Public Service Corp	D-6680-JR-111	Electric	03/20/03	21.4 NA		9.24	12	12	55	12/2003	NA	YE	10
Wisconsin	Wisconsin Power and Light Co	D-6680-JR-114	Electric	04/03/03	77.1 NA		9.04	11.15	11.15	51.72	12/2003	NA	Avg	11
Connecticut	United Illuminating Co.	D-01-10-10	Electric	04/15/03	25.8 NA		9.08	10.75	10.75	47.2	12/2001	NA	Avg	12
Oklahoma	Oklahoma Gas and Electric Co.	Ca-PUD-200100455	Electric	05/25/03	-16 NA		8.07	10.75	10.75	47.5	06/2002	NA	Avg	8
Mississippi	Entergy Mississippi Inc.	D-02-UN-0528	Electric	07/09/03	159.5 NA		8.18	9.75	9.75	41.45	12/2002	NA	YE	13
South Carolina	South Carolina Electric & Gas	D-2002-223-E	Electric	07/16/03	-7.2		8.02	9.75	9.75	46	04/2003	NA	YE	9
Wisconsin	Madison Gas and Electric Co.	D-3270-JR-111	Electric											
Wisconsin	Wisconsin Public Service Corp	D-2000-ER-02-184	Electric											
Wisconsin	Wisconsin Power and Light Co	D-6680-JR-112	Electric											
Wisconsin	Interstate Power & Light Co.	D-RPU-02-3	Electric											
Iowa	Avista Inc.	D-02S-594E	Electric											
Colorado	Public Service Co. of CO	D-02S-315E	Electric											
New Jersey	Public Service Electric Gas	D-ER-02050303	Electric											
New Jersey	Rockland Electric Company	D-ER-02100724	Electric											

Rate Case Statistics Details

Rate Case Statistics Details

State	Company	Case Identification	Service	Filing Date	Rate Increase (\$/M)	Change/Revenue (%)	Rate (%)	Return on Rate Base (%)	Return on Equity (%)	Common Equity /Total Cap	Test Year End	Rate Base (\$/M)	Rate Base Valuation Method	Lag (months)
New Jersey	Jersey Centrl Power & Light Co.	D-ER-02080508Phase	Electric	07/25/03	-222.7 NA			8.38	8.5	46	12/2002	NA	YE	11
Oregon	PacificCorp	C-JE-147	Electric	06/28/03	8.5 NA			8.28	10.5	46	03/2004	NA	AVG	5
Connecticut	Connecticut Light & Power Co.	D-03-07-02	Electric	12/17/03	70.5 NA			8.19	9.85	47.22	12/2002	NA	YE	4
Utah	MDU Resources Group Inc.	C-PU-399-03-288	Electric	12/17/03	65 NA			8.43	10.7	47.04	03/2003	NA	AVG	4
North Dakota	Wisconsin Power and Light Co	D-6690-UR-113	Electric	12/18/03	1 NA			10.02	11.5	60.27	12/2004	NA	AVG	6
Wisconsin	Wisconsin Public Service Corp	D-6690-UR-115	Electric	12/19/03	14.5 NA			9.5	12	56	12/2004	NA	AVG	8
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-112	Electric	12/19/03	59.4 NA			9.2	12	56	12/2004	NA	AVG	9
Wyoming	PacificCorp	D-20000-ER-03-188	Electric	01/13/04	11.7 NA			8.37	12	55.91	12/2004	NA	AVG	7
Nevada	Nevada Power Co.	D-03-10001	Electric	03/28/04	22.9 NA			8.42	10.75	44.95	09/2002	NA	YE	9
Minnesota	Interstate Power Co.	D-E-001/GR-03-767	Electric	04/05/04	0.8 NA			9.03	10.25	33.97	05/2003	NA	YE	5
Indiana	Duke Energy Indiana Inc.	Ca-42359	Electric	05/18/04	107.3 NA			7.3	10.5	44.44	09/2002	NA	AVG	10
Idaho	Idaho Power Co.	D-IPC-E-03-13	Electric	05/25/04	39.5 NA			7.85	10.25	45.67	12/2003	NA	AVG	16
Nevada	Sierra Pacific Power Co.	D-03-12002	Electric	06/02/04	46.7 NA			8.24	10.25	35.77	07/2003	NA	YE	7
California	Pacific Gas and Electric Co.	AP-021107De-040505S	Electric	06/30/04	46.1 NA			7	10.5	51.58	09/2003	NA	AVG	5
Kentucky	Kentucky Utilities Co.	C-2003-00434	Electric	07/18/04	43.4 NA			6.79	11.8	48.6	09/2003	NA	YE	6
Kentucky	Louisville Gas & Electric Co.	C-2003-00433	Electric	07/18/04	73 NA			9.39	10.5	48	12/2003	NA	AVG	6
California	Southern California Edison Co.	AP-0205004De-040702Z	Electric	08/25/04	8.2 NA			9.25	10.25	42.59	12/2002	NA	AVG	20
Colorado	Aquila Inc.	D-04S-035E	Electric	08/25/04	8.2 NA			9.25	10.4	42.59	12/2002	NA	AVG	8
Idaho	Avista Corp.	C-AVU-E-04-1	Electric	09/09/04	24.7 NA	16.9		8.78	10.4	47.5	06/2003	NA	AVG	7
Rhode Island	Narragansett Electric Co.	D-3917	Electric	11/09/04	-10.2 NA			8.89	10.5	50 NA	NA	NA	NA	4
Michigan	Detroit Edison Co.	C-U-13808	Electric	11/23/04	373.7 NA			7.24	11	39.08	12/2002	NA	AVG	17
Iowa	Interstate Power & Light Co.	D-RPU-04-1	Electric	12/14/04	106.7 NA			8.83	10.97	47.69	12/2003	NA	AVG	9
Wisconsin	Wisconsin Public Service Corp	D-6690-UR-116	Electric	12/21/04	81 NA	7.1		8.89	10.7	57.35	12/2005	NA	AVG	8
Pennsylvania	PPL Electric Utilities Corp.	C-R-00049255	Electric	12/22/04	194.3 NA			8.43	10.7	46.87	12/2004	NA	AVG	6
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-113	Electric	12/22/04	27.4 NA			8.18	11.5	57.64	12/2005	NA	AVG	8
South Carolina	South Carolina Electric & Gas	D-2004-178-E	Electric	07/08/05	41.4 NA			8.84	10.7	50.31	12/2004	NA	AVG	7
Kansas	Aquila Inc.	D-04-AQLE-106S-RTS	Electric	07/28/05	7.4 NA			8.73	10.5	33.63	12/2003	NA	YE	8
Washington	Puget Sound Energy Inc.	D-UJ-04064-1	Electric	02/18/05	58.6 NA			8.4	10.3	43	09/2003	NA	AVG	10
Utah	PacificCorp	D-04-035-42	Electric	02/25/05	51 NA			8.37	10.5	47.8	03/2008	NA	AVG	6
Missouri	Empire District Electric Co.	C-ER-2004-0570	Electric	03/10/05	25.7 NA			9.19	11	48.14	12/2003	NA	YE	10
Vermont	Central Vermont Public Service	D-6946/6988	Electric	04/07/05	-7.2 NA			8.14	10	55.53	12/2005	NA	AVG	8
Arizona	Arizona Public Service Co.	D-U-1345A-03-0437	Electric	04/07/05	75.5 NA			7.8	10.25	45	12/2002	NA	AVG	21
Louisiana	Entergy Louisiana Holdings	D-U-20925 (2004 RRF)	Electric	05/18/05	0 NA			8.14	9.75	46.22	12/2002	NA	AVG	16
New Jersey	Alliant City Electric Co.	D-ER-0302110	Electric	05/26/05	-0.3 NA			8.5	9.75	46	12/2002	NA	AVG	28
New Jersey	Jersey Centrl Power & Light Co.	D-ER-02080508PhaseII	Electric	09/10/05	51.1 NA			9.41	11.5	61.75	06/2006	NA	AVG	10
Wisconsin	Wisconsin Power and Light Co	D-8980-UR-114	Electric	07/19/05	18.6 NA	2.2		6.17	11.5	25	09/2003	NA	AVG	17
Texas	Cape Rock Energy Corp.	D-28813	Electric	09/05/05	-1.3 NA			7.48	10.13	40	06/2003	NA	YE	10
Texas	AEP Texas Central Co.	D-28840	Electric	09/15/05	-8.8 NA			8.06	10	47.56	12/2006	NA	AVG	21
Oregon	PacificCorp	C-JE-170	Electric	09/28/05	25.9 NA			8.88	11	56.65	12/2006	NA	AVG	7
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-114	Electric	12/12/05	35.9 NA			8.88	10.75	55.69	12/2004	NA	AVG	6
Oklahoma	Oklahoma Gas and Electric Co.	Ca-PUD-200500151	Electric	12/13/05	42.3 NA			8.24	10.28	47.53	09/2005	NA	AVG	10
Ohio	Duke Energy Ohio Inc.	C-05-59-EL-AIR	Electric	12/21/05	51.5 NA			9.11	10.4	40	12/2004	NA	AVG	8
Washington	Avista Corp.	D-UJ-05-0482	Electric	12/21/05	22.1 NA	7.7		6.78	11.5	38.31	12/2003	NA	AVG	12
Michigan	Consumers Energy Co.	C-U-14347	Electric	12/22/05	177.4 NA			8.83	11	44.59	12/2004	NA	AVG	8
Wisconsin	Wisconsin Public Service Corp	D-6690-UR-117 (elec.)	Electric	12/22/05	79.9 NA			7.99	10	44.58	12/2004	NA	AVG	8
Kansas	Kansas Gas and Electric Co.	D-05-WSEE-991-RTS (K Electric)	Electric	12/28/05	-21.2 NA			7.89	11.00	53.66	12/2005	NA	AVG	6
Kansas	Wester Energy Inc.	D-4220-UR-114 (elec.)	Electric	12/28/05	24.2 NA			9.87	9.75	48.00	12/2004	NA	AVG	8
Wisconsin	Northern States Power Co-W	D-4220-UR-114 (elec.)	Electric	01/05/06	43.4 NA			8.68	10.36	48.10	12/2004	NA	AVG	9
Connecticut	United Illuminating Co.	D-05-06-04	Electric	01/23/06	35.6 NA			8.58	11.80	48.00	12/2006	NA	AVG	16
Minnesota	Interstate Power & Light Co.	D-E-001-GR-05-748	Electric	02/23/06	1.2 NA			8.77	10.75	47.12	12/2005	NA	AVG	5
California	Southern California Edison Co.	A-04-12-014	Electric	05/11/06	133.9 NA			7.75	10.05	50.00	12/2004	NA	AVG	11
California	Upper Peninsula Edison Co.	C-U-14745	Electric	06/27/06	3.8 NA			8.45	10.5	42.66	12/2004	NA	AVG	10
Michigan	Maine Public Service Co.	D-2005-024	Electric	07/03/06	1.8 NA			8.01	10.5	51.87	12/2006	NA	AVG	6
Maine	Commonwealth Edison Co.	D-05-0587	Electric	07/28/06	82.5 NA			8.81	10.00	50.00	12/2007	NA	AVG	11
Illinois	Northern States Power Co. - MN	D-E-002-GR-05-1428	Electric	09/07/06	131.5 NA			8.16	9.57	43.10	06/2005	NA	AVG	7
Minnesota	Northern States Power Co. - MN	D-E-002-GR-05-1428	Electric	09/14/06	43.0 NA			8.70	10.00	45.57	12/2004	NA	AVG	10
Oregon	PacificCorp	D-UJ-179	Electric	09/14/06	2.3 NA			8.70	10.8	80.00	12/2005	NA	AVG	11
New Hampshire	Unitil Energy Systems Inc.	DE-05-178	Electric	11/09/06	107.0 NA			8.95	10.12	48.92	12/2004	NA	AVG	10
Colorado	Public Service Co. of CO	D-09S-234-EG	Electric	11/21/06	20.7 NA			8.00	10.08	48.92	12/2004	NA	AVG	10
Illinois	Central Illinois Light Co.	D-06-0070	Electric	11/21/06	20.7 NA			8.00	10.08	48.92	12/2004	NA	AVG	10
Illinois	Central Illinois Public	D-06-0071	Electric	11/21/06	-8.0 NA			8.00	10.08	48.92	12/2004	NA	AVG	10

Rate Case Statistics Details

Rate Case Statistics Details

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Illinois	Illinois Power Co.	D-05-0072	Electric	11/21/08	84.0	32.80	8.33	10.08	51.56	12/2004	1,206.70	YE	10
Vermont	Central Vermont Public Service	D-7181	Electric	12/07/08	10.8	NA	8.55	10.75	55.57	12/2005	300.70	AVG	6
Missouri	Empire District Electric Co.	C-ER-2005-0315	Electric	12/21/08	29.4	9.60	9.07	10.90	48.74	09/2005	620.00	YE	10
Missouri	Kansas City Power & Light	C-ER-2006-0314	Electric	12/21/08	50.6	10.30	8.89	11.25	53.69	12/2005	1,288.60	YE	10
Vermont	Green Mountain Power Corp.	D-7175	Electric	12/22/05	19.0	9.09	8.65	10.25	52.78	12/2005	NA	AVG	8

Rate Case Statistics Details

Rate Case Statistics Details

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New York	Central Hudson Gas & Electric	C-90-E-0505	Electric	04/09/92	18.3 NA		9.08	11.45	41.48	04/1993	NA	Avg	10
New York	Consolidated Edison Co. of NY	C-91-E-0482	Electric	04/14/92	250.5 NA		9.31	11.5	52.08	03/1993	NA	Avg	11
New York	Rochester Gas & Electric Corp.	C-91-E-7855.6	Electric	05/29/92	32.2 NA		9.74	11.2	42.79	05/1993	NA	Avg	11
New York	NY State Electric & Gas Corp.	C-91-E-0863.4	Electric	07/22/92	48 NA		9.46	11.5	45.02	07/1993	NA	Avg	10
New York	Rochester Gas & Electric Corp.	C-92-E-0739.40	Electric	08/24/93	18.5 NA		8.58	10.6	44.61	08/1994	NA	Avg	13
New York	Central Hudson Gas & Electric	C-92-E-1095	Electric	12/16/93	5.1 NA		9.18	11.1	52	03/1995	NA	Avg	11
New York	Consolidated Edison Co. of NY	C-94-E-0344	Electric	04/07/95	0 NA		9.45	11	30.22	11/1995	NA	Avg	15
New York	Long Island Lighting Co	C-93-E-1123	Electric	04/19/95	36.6 NA		8.79	10.4	39.85	12/1995	NA	Avg	14
New York	Niagara Mohawk Power Corp.	C-94-E-0068.9	Electric	08/12/98	-13.9 NA		7.53	9.86	48.98	03/1997	NA	Avg	14
New York	Orange & Rockland Utilities Inc.	C-95-E-0491.93-M-0949	Electric	10/24/01	-2 NA		8.11	10.3	47	06/2002	NA	Avg	14
New York	Central Hudson Gas & Electric	C-00-E-1273	Electric	03/07/03	-15.6 NA		10.50	9.60	41.4	08/2003	NA	Avg	12
New York	Rochester Gas & Electric Corp.	C-02-E-0198	Electric	07/24/06	17.9	1.3	7.05	9.55	45.00	03/2006	9260.7	Avg	10
New York	Consolidated Edison Co. of NY	C-04-E-0572	Electric	08/26/06	-36.3	-6.00	7.16		41.60	12/2007	1,459.90	Avg	11
New York	Central Hudson Gas & Electric	C-05-E-0834	Electric										
New York	NY State Electric & Gas Corp.	C-05-E-1222	Electric										