Calculation of Electric ROE - DCF Method

	(B)		(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Company[1]	% Utility Revenue	Beta[2]	1/07 - 6/07 Price[3]	EPS 2010-12	DPS 2007	DPS 2008	DPS 2010-12	BPS 2007	BPS 2008	BPS 2010-12	# of Shares 2007	# of Shares 2010-12
1.	ALLETE	83.3%	0.90	$47.65	$4.00	$1.64	$1.80	$2.20	$23.35	$24.80	$29.25	30.85	32.50
2.	Alliant Energy Corp.	93.9%	0.95	41.63	2.75	1.27	1.37	1.49	22.85	24.10	28.05	109.50	113.00
3.	Ameren Corp.	90.0%	0.75	52.16	3.35	2.54	2.54	2.54	32.65	33.55	36.30	208.80	216.80
4.	American Electric Power	95.6%	1.35	46.48	4.00	1.59	1.72	2.20	25.10	26.65	31.75	399.00	406.00
5.	Cleco Corp.	96.3%	1.30	26.31	1.75	0.90	0.90	1.20	16.10	16.65	18.25	60.00	64.00
6.	Consolidated Edison	83.3%	0.75	49.14	3.40	2.32	2.34	2.40	33.80	34.85	38.05	267.00	275.00
7.	DPL Inc.	99.4%	0.95	30.11	1.90	1.04	1.08	1.20	6.40	7.05	9.10	110.40	110.40
8.	DTE Energy Co.	73.0%	0.75	49.10	3.70	2.14	2.20	2.40	34.45	35.00	37.75	175.00	167.00
9.	Duke Energy Corp.	79.2%	NMF	19.75	1.40	0.86	0.90	1.02	16.35	16.55	17.50	1,260.00	1,210.00
10.	Edison International	81.7%	1.10	50.86	3.60	1.18	1.26	1.50	25.70	27.85	34.15	326.00	326.00
11.	Empire District Electric	99.1%	0.85	24.26	2.00	1.28	1.28	1.40	15.95	16.75	18.25	31.25	33.00
12.	Entergy Corp.	83.7%	0.90	104.43	7.00	2.16	2.40	3.12	40.55	42.80	56.85	194.00	198.00
13.	Exelon Corp.	72.0%	0.90	69.50	5.50	1.78	1.86	2.10	17.05	18.60	27.00	680.00	680.00
14.	FPL Group, Inc.	99.0%	0.85	60.33	4.25	1.64	1.78	2.20	26.65	28.75	35.30	410.00	426.00
15.	Hawaiian Electric	83.5%	0.75	25.81	1.75	1.24	1.24	1.24	13.60	13.95	15.00	83.50	87.00
16.	IDACORP, Inc.	99.4%	1.05	34.49	2.30	1.20	1.20	1.20	26.60	27.90	31.20	44.30	47.50
17.	MGE Energy Inc.	99.3%	0.80	34.74	2.60	1.41	1.43	1.47	17.95	18.70	19.45	20.70	20.70
18.	NiSource Inc.	87.1%	0.95	23.55	1.50	0.92	0.92	1.00	18.75	19.15	20.75	274.75	277.00
19.	Northeast Utilities	87.2%	0.90	30.06	1.80	0.78	0.83	0.98	18.90	19.75	22.60	156.20	164.20
20.	NSTAR	95.9%	0.80	34.62	3.00	1.33	1.43	1.75	15.55	16.40	19.75	106.81	106.81
21.	PG&E Corp.	100.0%	1.20	48.17	3.05	1.40	1.48	1.72	22.45	24.05	28.55	377.00	389.00
22.	Pinnacle West Capital	77.5%	1.00	47.56	3.30	2.13	2.23	2.47	35.35	36.20	38.70	100.00	100.00
23.	Portland General Electric	90.9%	NMF	28.40	2.00	0.93	0.97	1.15	20.65	21.55	24.25	62.50	62.50
24.	Progress Energy	91.1%	0.95	49.59	3.20	2.44	2.46	2.52	32.40	32.85	34.70	260.00	272.00
25.	Southern Co.	98.1%	0.70	36.36	2.50	1.60	1.66	1.85	16.30	17.35	19.50	765.00	805.00
26.	Vectren Corp.	81.1%	0.95	28.41	2.00	1.27	1.31	1.43	16.75	17.40	19.25	80.80	81.60
27.	Westar Energy	72.2%	0.95	26.72	2.00	1.08	1.16	1.28	17.95	18.60	20.75	90.00	92.40
28.	Wisconsin Energy	99.6%	0.80	47.86	3.50	1.00	1.08	1.30	26.20	27.65	32.75	117.00	117.00
29.	Xcel Energy, Inc.	99.2%	0.90	23.44	1.75	0.93	0.99	1.15	14.75	15.25	17.00	427.00	435.00
			0.93										

Sources:

[1]Value Line Investment Survey, Electric Industry East, June 1, 2007.
Value Line Investment Survey Electric Industry West, May 11, 2007
Value Line Investment Survey Electric Industry Central, June 29, 2007

[2]Beta data is from Value Line Investment Survey.

[3]Historical price data is from Yahoo.com

Calculation of Electric ROE - DCF Method

	(B)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)
	Company[1]	DPS Growth 2010-12	Retention Rate 2011	Return on Equity 2011	B x R	Increase in Shares	MBR 2007	S Factor	V Factor	S x V	Sustainable Growth	Long-Form ROE
1.	ALLETE	6.92	0.45	14.05	6.32	1.31	2.04	2.68	0.51	1.36	7.69	11.39%
2.	Alliant Energy Corp.	2.84	0.46	10.05	4.61	0.79	1.82	1.44	0.45	0.65	5.25	8.33%
3.	Ameren Corp.	0.00	0.24	9.35	2.26	0.94	1.60	1.51	0.37	0.56	2.82	7.34%
4.	American Electric Power	8.55	0.45	12.97	5.83	0.44	1.85	0.81	0.46	0.37	6.21	10.14%
5.	Cleco Corp.	10.06	0.31	9.74	3.06	1.63	1.63	2.66	0.39	1.03	4.09	8.09%
6.	Consolidated Edison	0.85	0.29	9.07	2.67	0.74	1.45	1.08	0.31	0.34	3.00	7.49%
7.	DPL Inc.	3.57	0.37	21.77	8.02	0.00	4.70	0.00	0.79	0.00	8.02	11.20%
8.	DTE Energy Co.	2.94	0.35	9.92	3.49	(1.16)	1.43	(1.66)	0.30	(0.49)	2.99	7.47%
9.	Duke Energy Corp.	4.26	0.27	8.07	2.19	(1.01)	1.21	(1.22)	0.17	(0.21)	1.98	6.82%
10.	Edison International	5.98	0.58	10.90	6.36	0.00	1.98	0.00	0.49	0.00	6.36	8.78%
11.	Empire District Electric	3.03	0.30	11.12	3.33	1.37	1.52	2.09	0.34	0.71	4.05	9.19%
12.	Entergy Corp.	9.14	0.55	12.90	7.15	0.51	2.58	1.32	0.61	0.81	7.95	10.29%
13.	Exelon Corp.	4.13	0.62	21.63	13.37	0.00	4.08	0.00	0.75	0.00	13.37	15.41%
14.	FPL Group, Inc.	7.32	0.48	12.45	6.01	0.96	2.26	2.18	0.56	1.22	7.22	10.17%
15.	Hawaiian Electric	0.00	0.29	11.81	3.44	1.03	1.90	1.96	0.47	0.93	4.37	8.64%
16.	IDACORP, Inc.	0.00	0.48	7.51	3.59	1.76	1.30	2.28	0.23	0.52	4.11	7.21%
17.	MGE Energy Inc.	0.92	0.43	13.46	5.85	0.00	1.94	0.00	0.48	0.00	5.85	9.45%
18.	NiSource Inc.	2.82	0.33	7.33	2.44	0.20	1.26	0.26	0.20	0.05	2.49	6.43%
19.	Northeast Utilities	5.69	0.46	8.14	3.71	1.26	1.59	2.00	0.37	0.74	4.45	7.29%
20.	NSTAR	6.96	0.42	15.66	6.53	0.00	2.23	0.00	0.55	0.00	6.53	10.70%
21.	PG&E Corp.	5.14	0.44	10.99	4.79	0.79	2.15	1.69	0.53	0.90	5.69	8.71%
22.	Pinnacle West Capital	3.47	0.25	8.62	2.17	0.00	1.35	0.00	0.26	0.00	2.17	7.02%
23.	Portland General Electric	5.84	0.43	8.41	3.57	0.00	1.38	0.00	0.27	0.00	3.57	7.20%
24.	Progress Energy	0.81	0.21	9.31	1.98	1.13	1.53	1.74	0.35	0.60	2.58	7.31%
25.	Southern Co.	3.68	0.26	13.07	3.40	1.28	2.23	2.86	0.55	1.58	4.98	9.39%
26.	Vectren Corp.	2.96	0.29	10.56	3.01	0.25	1.70	0.42	0.41	0.17	3.18	7.77%
27.	Westar Energy	3.34	0.36	9.81	3.53	0.66	1.49	0.98	0.33	0.32	3.86	8.14%
28.	Wisconsin Energy	6.38	0.63	10.99	6.91	0.00	1.83	0.00	0.45	0.00	6.91	9.09%
29.	Xcel Energy, Inc.	5.12	0.34	10.48	3.59	0.47	1.59	0.74	0.37	0.27	3.87	8.23%
											5.02	
										Median		8.33%

Sources:

[1]Value Line Investment Survey, Electric Industry East, June 1, 2007.
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Value Line Investment Survey Electric Industry Central, June 29, 2007

[2]Beta data is from Value Line Investment Survey.

[3]Historical price data is from Yahoo.com

Calculation of GFC Cost of Equity - Staff Proxy Group

Merrill Lynch Cost of Market[1]: 10.85%

	Treasury Rates[2]	
	10 year	*30 year*
Jan-07	4.76%	4.85%
Feb-07	4.72%	4.82%
Mar-07	4.56%	4.72%
Apr-07	4.69%	4.87%
May-07	4.75%	4.90%
Jun-07	5.10%	5.20%

Risk Free Rate (1/07 - 6/07)	4.83%
Proxy Group Beta	0.93
Proxy Group DCF ROE	8.33%
Traditional CAPM ROE	10.43%
Zero Beta CAPM ROE	10.53%
Generic CAPM ROE	10.48%
2/3 DCF 1/3 CAPM Weighting ROE	9.04%
Credit Quality Adjustment	(0.29%)
Issuance Expense Adjustment	0.20%
RDM Adjustment	(0.10%)
RECOMMENDED ROE:	**8.85%**

Sources:
[1]Merrill Lynch, *Quantitative Profiles* , July 13, 2007.
[2]Federal Reserve Statistical Release, FRB: Federal Reserve Statistical Release H.15 - Historical Data