CAPITAL ASSET PRICING MODEL - Projected Treasury Bond Yield

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
			Adjusted Betas						
Company		Value Line	Bloomberg	Mean Beta	30-Yr Treasury	Market Risk Premium	Low CAPM	CAPM k(e)	High CAPM
American Electric Power	AEP	0.85	0.94	0.90	4.65%	7.10%	10.69%	11.02%	11.35%
Cleco Corp.	CNL	0.90	0.92	0.91	4.65%	7.10%	11.04%	11.12%	11.20%
Edison International	EIX	0.90	0.98	0.94	4.65%	7.10%	11.04%	11.32%	11.59%
Empire District Electric	EDE	0.80	0.85	0.82	4.65%	7.10%	10.33%	10.50%	10.66%
Entergy Corp.	ETR	0.80	0.97	0.89	4.65%	7.10%	10.33%	10.94%	11.54%
IDACORP, Inc.	IDA	0.90	0.85	0.87	4.65%	7.10%	10.65%	10.84%	11.04%
Northeast Utilities	NU	0.75	0.93	0.84	4.65%	7.10%	9.98%	10.60%	11.23%
Pinnacle West Capital	PNW	0.80	0.78	0.79	4.65%	7.10%	10.18%	10.26%	10.33%
Portland General	POR	0.80	0.85	0.82	4.65%	7.10%	10.33%	10.50%	10.68%
Progress Energy	PGN	0.75	0.85	0.80	4.65%	7.10%	9.98%	10.33%	10.68%
Westar Energy	WR	0.85	0.92	0.88	4.65%	7.10%	10.69%	10.92%	11.16%
MEAN		0.83	0.89	0.86			10.47%	10.76%	11.04%
						Flotation Adjustment	0.16%	0.16%	0.16%
						Adjusted Mean ROE	10.63%	10.92%	11.20%

Notes
[1] Source: Value Line
[2] Source: Bloomberg
[3] Equals mean of Cols. [1], [2]
[4] Source: Blue Chip Financial Forecast, October 1, 2008
[5] Source: Morningstar, Inc.
[6] Equals Col [4] + (Min (Cols [1], [2]) x Col [5])
[7] Equals Col. [4] +(Col. [3] x Col [5])
[8] Equals Col [4] + (Max (Cols [1], [2]) x Col [5])