

**Cost of Capital Study**  
2008 Assessment Year

Industry: **Electric - West Industry**

		Reference
<b>Equity:</b>		
<b>Yield Capitalization</b>		Page
CAPM (Ex Post)	9.18%	5
CAPM (Ex Ante)	9.00%	5a
<b>Dividend Growth Models</b>		
Value Line, based on Dividends Growth	9.00%	7
Value Line, based on Earnings Growth	9.00%	8
Standard & Poor's based on Earnings Growth	10.00%	9
Yield Equity Component	10.00%	
<b>Debt:</b>		
Debt Rate	6.50%	10
<b>Industry Market Capital Structure</b>		
Equity	64% x 10.00% =	6.40%
Debt	36% x 6.50% x (1-.038) =	1.45%
Marginal Tax Rate	38%	
<b>Weighted Average Cost of Capital:</b>		<b><u>7.85%</u></b>

## Support for Guideline Companies

### Electric - West Industry

### 2008 Assessment Year

Industry Overall						
Company Name	Ticker	Beta	P/E Ratio	Div'd Yield	Long Term Debt	Pref Stock Com Stock
Avista Corp	ava	0.95	17.7	3.2%	47.5%	52.5%
Black Hills Corp	bkh	0.90	18.9	3.7%	37.5%	62.5%
Edison International	eix	0.85	16.6	2.4%	49.5%	50.5%
El Paso Electric	ee	0.90	13.5	nil	51.5%	48.5%
Hawaiian Electric	he	0.75	19.7	5.6%	53.0%	47.0%
Idacorp Inc	ida	0.95	15.7	3.7%	47.5%	52.5%
MDU Resources	mdu	0.90	14.3	2.3%	36.5%	63.5%
PG&E Corp	pcg	0.85	14.7	3.8%	46.0%	54.0%
PNM Resources	pnm	0.90	13.4	5.1%	50.5%	49.5%
Pinnacle West	pnw	0.80	13.4	5.4%	48.5%	51.5%
Portland General	por	nmf	13.2	4.1%	49.5%	50.5%
Puget Energy	psd	0.90	17.4	3.8%	54.0%	46.0%
Sempra Energy	sre	0.90	13.8	2.3%	37.5%	62.5%
Sierra Pacific Res	srp	1.20	13.9	2.7%	61.0%	39.0%
Unisource Energy	uns	0.60	17.0	3.3%	68.5%	31.5%
Xcel Energy	xel	0.80	13.6	4.6%	51.5%	48.5%
<b>Mean</b>		<b>0.88</b>	<b>15.4</b>	<b>3.73%</b>	<b>49%</b>	<b>51%</b>

source: Value Line February 8, 2008

**Support for Capital Structure  
(based on Market Value)  
Electric - West Industry  
2008 Assessment Year**

Industry Overall										
Company Name	Ticker	\$Stock\$ Average	Common Shares	Common \$ Stock \$	%	Preferred \$ Stock \$	%	Long Term \$ Debt \$	%	\$ Total \$ Debt & Equity
Avista Corp	ava	21.130	52,864,428	1,117,025,364	58.4%	26,300,000	1.4%	768,600,000	40.2%	1,911,925,364
Black Hills Corp	bkh	42.847	37,759,152	1,617,853,799	77.6%		0.0%	466,100,000	22.4%	2,083,953,799
Edison International	eix	55.888	325,811,206	18,209,045,285	64.6%	915,000,000	3.2%	9,056,000,000	32.1%	28,180,045,285
El Paso Electric	ee	24.762	45,137,431	1,117,678,021	62.9%		0.0%	659,100,000	37.1%	1,776,778,021
Hawaiian Electric	he	22.640	83,040,566	1,880,038,414	60.3%	34,300,000	1.1%	1,205,000,000	38.6%	3,119,338,414
Idacorp Inc	ida	34.658	44,995,330	1,559,463,146	59.5%		0.0%	1,061,300,000	40.5%	2,620,763,146
MDU Resources	mdu	27.217	182,387,920	4,963,991,223	81.0%	15,000,000	0.2%	1,146,700,000	18.7%	6,125,691,223
PG&E Corp	pcg	46.390	378,299,413	17,549,309,769	68.9%	252,000,000	1.0%	7,674,000,000	30.1%	25,475,309,769
PNM Resources	pnm	23.398	76,777,076	1,796,455,617	59.1%	11,500,000	0.4%	1,233,600,000	40.6%	3,041,555,617
Pinnacle West	pnw	41.883	100,385,036	4,204,459,924	56.6%		0.0%	3,229,400,000	43.4%	7,433,859,924
Portland General	por	27.237	62,519,160	1,702,813,521	57.9%		0.0%	1,238,000,000	42.1%	2,940,813,521
Puget Energy	psd	27.262	117,176,878	3,194,436,989	54.4%	1,900,000	0.0%	2,678,900,000	45.6%	5,875,236,989
Sempra Energy	sre	60.983	261,411,057	15,941,717,626	77.2%	196,000,000	0.9%	4,502,000,000	21.8%	20,639,717,626
Sierra Pacific Res	srp	16.750	221,647,972	3,712,603,531	46.1%		0.0%	4,337,700,000	53.9%	8,050,303,531
Unisource Energy	uns	31.030	35,338,420	1,096,551,173	41.7%		0.0%	1,532,300,000	58.3%	2,628,851,173
Xcel Energy	xel	22.298	419,930,078	9,363,740,856	56.0%	105,000,000	0.6%	7,252,800,000	43.4%	16,721,540,856
<b>Mean:</b>					<b>61.4%</b>		<b>0.6%</b>		<b>38.1%</b>	
<b>Weighted Mean:</b>				89,027,184,257	<b>64.2%</b>	1,557,000,000	<b>1.1%</b>	48,041,500,000	<b>34.7%</b>	138,625,684,257
<b>Median:</b>					<b>59.3%</b>		<b>0.1%</b>		<b>40.3%</b>	
<b>Estimated:</b>					<b>64%</b>	<b>0%</b>	<b>36%</b>	<b>100%</b>		

source: Value Line February 8, 2008

**Support for Market Multiples**  
**Electric - West Industry**  
**2008 Assessment Year**

Industry Overall														
Company Name	Ticker	\$Stock\$ Average	Rev's	Multiple	Cash Flow	Multiple	Earnings	Multiple	Div'ds Decl'd	Multiple	Cap'l Spend	Multiple	Book Value	Multiple
Avista Corp	ava	21.130	27.35	0.77	2.70	7.83	0.80	26.41	0.60	35.22	3.60	5.87	17.75	1.19
Black Hills Corp	bkh	42.847	18.30	2.34	5.25	8.16	2.55	16.80	1.37	31.27	5.65	7.58	26.00	1.65
Edison International	eix	55.888	40.20	1.39	7.00	7.98	3.20	17.47	1.02	54.79	7.35	7.60	25.65	2.18
El Paso Electric	ee	24.762	19.65	1.26	3.60	6.88	1.55	15.98	nmf	nmf	4.55	5.44	13.70	1.81
Hawaiian Electric	he	22.640	29.95	0.76	2.85	7.94	0.90	25.16	1.24	18.26	2.80	8.09	13.60	1.66
Idacorp Inc	ida	34.658	19.80	1.75	4.25	8.15	2.00	17.33	1.20	28.88	6.80	5.10	26.05	1.33
MDU Resources	mdu	27.217	23.30	1.17	3.45	7.89	1.76	15.46	0.56	48.60	3.55	7.67	13.80	1.97
PG&E Corp	pcg	46.390	34.90	1.33	7.55	6.14	2.80	16.57	1.44	32.22	8.45	5.49	22.40	2.07
PNM Resources	pnm	23.398	32.60	0.72	3.45	6.78	1.35	17.33	0.93	25.16	3.90	6.00	22.45	1.04
Pinnacle West	pnw	41.883	35.10	1.19	6.85	6.11	2.94	14.25	2.10	19.94	10.95	3.82	35.30	1.19
Portland General	por	27.237	27.05	1.01	5.05	5.39	2.35	11.59	0.93	29.29	8.45	3.22	20.90	1.30
Puget Energy	psd	27.262	24.25	1.12	3.95	6.90	1.60	17.04	1.00	27.26	4.10	6.65	19.15	1.42
Sempra Energy	sre	60.983	44.05	1.38	6.95	8.77	4.10	14.87	1.24	49.18	7.95	7.67	31.30	1.95
Sierra Pacific Res	srp	16.750	15.60	1.07	2.70	6.20	0.95	17.63	nmf	nmf	6.45	2.60	12.85	1.30
Unisource Energy	uns	31.030	38.65	0.80	5.40	5.75	1.60	19.39	0.90	34.48	5.55	5.59	19.55	1.59
Xcel Energy	xel	22.298	23.50	0.95	3.70	6.03	1.35	16.52	0.91	24.50	4.90	4.55	14.70	1.52
<b>Mean:</b>				<b>1.19</b>		<b>7.06</b>		<b>17.49</b>		<b>32.79</b>		<b>5.81</b>		<b>1.57</b>
<b>Median:</b>				<b>1.15</b>		<b>6.89</b>		<b>16.92</b>		<b>30.28</b>		<b>5.73</b>		<b>1.55</b>
<b>Weighted Mean:</b>		<b>526.37</b>	<b>454.25</b>	<b>1.16</b>	<b>74.70</b>	<b>7.05</b>	<b>31.80</b>	<b>16.55</b>	<b>15.44</b>	<b>34.09</b>	<b>95.00</b>	<b>5.54</b>	<b>335.15</b>	<b>1.57</b>
<b>Estimated:</b>				<b>1.10</b>		<b>7.00</b>		<b>17.00</b>		<b>30.00</b>		<b>5.50</b>		<b>1.60</b>

source: Value Line Investment Survey and Finance.Yahoo.com

Note: Average Stock Price = 4th 1/4 High/Low common stock price averages

## Support for Yield Capitalization Equity Component Capital Asset Pricing Model

**Electric - West Industry**

**2008 Assessment Year**

**Ex Post**

$$\text{Ke} = \text{Rf} + \text{B} (\text{Rm} - \text{Rf})$$

<b>Ke = Cost of Equity</b>			<b>9.2%</b>
			to page 1
Rf =	risk free rate	4.5%	
Rp =	risk premium	5.2%	
B =	Beta	0.90	page 7

<b>Rp = Risk Premium</b>			<b>5.2%</b>
			to above
<b>Ibbotson SBBI, Market Report Dec 2007, Table 7 page 18</b>			
Ibbotson, SBBI, Large Co.		10.4% Geometric Rm	
	less	5.2% Average Historical Rf Return	

<b>Rf = Risk Free Rate</b>			<b>4.5%</b>
			to above
<b>Ibbotson SBBI, Risk Premia Over Time Report 2008, Table C1 page 5</b>			
Long Term (20 years) US Treasury Bond Yield		4.5%	
<b>Value Line Investment Survey, Selected Yields January 4, 2008, page 4353</b>			
US Treasury Securities year end data			
	5 year	3.70%	
	10 year	4.28%	
	30 year	4.67%	
	30 year Zero	4.70%	
<b>Federal Reserve Statistical Release (<a href="http://www.federalreserve.gov/Releases/H15/Current/">http://www.federalreserve.gov/Releases/H15/Current/</a>)</b>			
January 7, 2008 as of 12-31-07			
Treasury Constant Maturities			
	5 year	3.45%	
	10 year	4.04%	
	20 year	4.50%	
	20 year TIPS	2.00%	
		2.50%	Inflation Indication

## Support for Yield Capitalization Equity Component Capital Asset Pricing Model

Electric - West Industry

2008 Assessment Year

**Ex Ante**

$$\text{Ke} = \text{Rf} + \text{B} (\text{Rp})$$

<b>Ke = Cost of Equity</b>			<b>9.0%</b>
			to page 1
Rm =	rate of return	9.5%	
Rf =	risk free rate	4.5%	
Rp =	risk premium	5.0%	
B =	Beta	0.90	page 7

<b>Rp = Risk Premium</b>			<b>5.0%</b>
			to above
<b>Shannon Pratt and Roger Grabowski</b>		3.5 - 6%	
	Cost of Capital, Applications and Examples, Third Edition, 2008, Page 113.		
<b>Dr. Aswath Damodaran</b>		4.37%	
	<a href="http://pages.stern.nyu.edu/~adamodar/">http://pages.stern.nyu.edu/~adamodar/</a> 2007 Implied Premium		
<b>John Graham and Campbell Harvey</b>		3.21%	November 2006
	The Equity Risk Premium in January 2007:	3.47%	10 year average
	Evidence from the Global CEO Outlook Survey	2.39 - 4.65%	10 year average range

<b>Rf = Risk Free Rate</b>			<b>4.5%</b>
			to above
<b>Ibbotson SBBI, Risk Premia Over Time Report 2008, Table C1 page 5</b>			
Long Term (20 years) US Treasury Bond Yield		4.5%	
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US Treasury Securities year end data			
5 year		3.70%	
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30 year		4.67%	
30 year Zero		4.70%	
<b>Federal Reserve Statistical Release (<a href="http://www.federalreserve.gov/Releases/H15/Current/">http://www.federalreserve.gov/Releases/H15/Current/</a>)</b> January 7, 2008 for 12-31-07			
Treasury Constant Maturities			
5 year		3.45%	
10 year		4.04%	
20 year		4.50%	
20 year TIPS		<u>2.00%</u>	
		2.50%	Inflation Indication

**Beta Calculation for CAPM  
Electric - West Industry  
2008 Assessment Year**

<b>Beta =</b>		
<b>Industry Overall</b>		<b>ValueLine</b>
Avista Corp	ava	0.95
Black Hills Corp	bkh	0.90
Edison International	eix	0.85
El Paso Electric	ee	0.90
Hawaiian Electric	he	0.75
Idacorp Inc	ida	0.95
MDU Resources	mdu	0.90
PG&E Corp	pcg	0.85
PNM Resources	pnm	0.90
Pinnacle West	pnw	0.80
Portland General	por	nmf
Puget Energy	psd	0.90
Sempra Energy	sre	0.90
Sierra Pacific Res	srp	1.20
Unisource Energy	uns	0.60
Xcel Energy	xel	0.80
<b>Mean:</b>		<b>0.88</b>
<b>Median:</b>		<b>0.90</b>
<b>Estimated:</b>		<b>0.90</b>

**Support for Yield Capitalization Equity Component  
Electric - West Industry  
2008 Assessment Year**

**Dividend Growth Model**

(based on Value Line Dividends Growth)

$$K_e = D_1 / P_0 + G$$

where:

- Ke** = Cost of Equity
- D1** = Expected Dividends
- Po** = Current Price
- G** = Sustainable Growth

Industry Overall						
Company Name	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/P0)	Dividend Growth (G)	Ke
Avista Corp	ava	21.130	0.65	3.08%	12.50%	15.58%
Black Hills Corp	bkh	42.847	1.41	3.29%	3.00%	6.29%
Edison International	eix	55.888	1.24	2.22%	6.50%	8.72%
El Paso Electric	ee	24.762	nil	nmf	nmf	nmf
Hawaiian Electric	he	22.640	1.24	5.48%	nil	nmf
Idacorp Inc	ida	34.658	1.20	3.46%	nil	nmf
MDU Resources	mdu	27.217	0.60	2.20%	6.50%	8.70%
PG&E Corp	pcg	46.390	1.56	3.36%	nmf	nmf
PNM Resources	pnm	23.398	0.97	4.15%	6.00%	10.15%
Pinnacle West	pnw	41.883	2.12	5.06%	3.00%	8.06%
Portland General	por	27.237	0.99	3.63%	14.00%	17.63%
Puget Energy	psd	27.262	1.00	3.67%	3.00%	6.67%
Sempra Energy	sre	60.983	1.28	2.10%	4.00%	6.10%
Sierra Pacific Res	srp	16.750	0.40	2.39%	nmf	nmf
Unisource Energy	uns	31.030	0.96	3.09%	7.00%	10.09%
Xcel Energy	xel	22.298	0.95	4.26%	4.50%	8.76%
<b>Mean:</b>						<b>9.70%</b>
<b>Median:</b>						<b>8.72%</b>
<b>Range:</b>						<b>6.10% - 17.63%</b>
<b>Estimated</b>						<b>9.00%</b>

source: Value Line February 9, 2007 and Finance.Yahoo.com

Note: Stock Price = 4th ¼ High / Low average

**Support for Yield Capitalization Equity Component  
Electric - West Industry  
2008 Assessment Year**

**Dividend Growth Model**

(based on Value Line Earnings Growth)

$$K_e = D_1 / P_o + G$$

where:

- Ke** = Cost of Equity
- D1** = Expected Dividends
- Po** = Current Price
- G** = Sustainable Growth

Industry Overall						
Company Name	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/P0)	Earnings Growth (G)	Ke
Avista Corp	ava	21.130	0.65	3.08%	9.00%	12.08%
Black Hills Corp	bkh	42.847	1.41	3.29%	5.50%	8.79%
Edison International	eix	55.888	1.24	2.22%	6.50%	8.72%
El Paso Electric	ee	24.762	nil	nmf	14.00%	nmf
Hawaiian Electric	he	22.640	1.24	5.48%	1.50%	6.98%
Idacorp Inc	ida	34.658	1.20	3.46%	2.00%	5.46%
MDU Resources	mdu	27.217	0.60	2.20%	7.00%	9.20%
PG&E Corp	pcg	46.390	1.56	3.36%	4.50%	7.86%
PNM Resources	pnm	23.398	0.97	4.15%	2.50%	6.65%
Pinnacle West	pnw	41.883	2.12	5.06%	1.50%	6.56%
Portland General	por	27.237	0.99	3.63%	14.50%	18.13%
Puget Energy	psd	27.262	1.00	3.67%	6.00%	9.67%
Sempra Energy	sre	60.983	1.28	2.10%	4.50%	6.60%
Sierra Pacific Res	srp	16.750	0.40	2.39%	11.00%	13.39%
Unisource Energy	uns	31.030	0.96	3.09%	4.00%	7.09%
Xcel Energy	xel	22.298	0.95	4.26%	5.50%	9.76%
<b>Mean:</b>						<b>9.13%</b>
<b>Median:</b>						<b>8.72%</b>
<b>Range:</b>						<b>5.46% - 18.13%</b>
<b>Estimated:</b>						<b>9.00%</b>

source: Value Line February 9, 2007 and Finance.Yahoo.com

Note: Stock Price = 4th 1/4 High / Low average

**Support for Yield Capitalization Equity Component  
Electric - West Industry  
2008 Assessment Year**

**Dividend Growth Model**

(based on S&P Earnings Growth)

$$K_e = D1 / P_o + G$$

where:

- Ke** = Cost of Equity
- D1** = Expected Dividends
- Po** = Current Price
- G** = Sustainable Growth

**Industry Overall**

Company Name	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/P0)	# of Ests	Earnings Growth (G)	Ke
Avista Corp	ava	21.130	0.65	3.08%	4	5.00%	8.08%
Black Hills Corp	bkh	42.847	1.41	3.29%	4	7.00%	10.29%
Edison International	eix	55.888	1.24	2.22%			nmf
El Paso Electric	ee	24.762	nil	nmf	4	11.00%	nmf
Hawaiian Electric	he	22.640	1.24	5.48%	4	9.00%	14.48%
Idacorp Inc	ida	34.658	1.20	3.46%	5	6.00%	9.46%
MDU Resources	mdu	27.217	0.60	2.20%	10	7.00%	9.20%
PG&E Corp	pcg	46.390	1.56	3.36%	14	10.00%	13.36%
PNM Resources	pnm	23.398	0.97	4.15%	9	9.00%	13.15%
Pinnacle West	pnw	41.883	2.12	5.06%	11	6.00%	11.06%
Portland General	por	27.237	0.99	3.63%			nmf
Puget Energy	psd	27.262	1.00	3.67%	10	6.00%	9.67%
Sempra Energy	sre	60.983	1.28	2.10%	14	7.00%	9.10%
Sierra Pacific Res	srp	16.750	0.40	2.39%	8	14.00%	16.39%
Unisource Energy	uns	31.030	0.96	3.09%			nmf
Xcel Energy	xel	22.298	0.95	4.26%	9	6.00%	10.26%
<b>Mean:</b>							<b>11.21%</b>
<b>Median:</b>							<b>10.28%</b>
<b>Range:</b>							<b>8.08% - 16.39%</b>
<b>Estimated:</b>							<b>10.00%</b>

source: Standard & Poors January 2007, Earnings Guide and Finance.Yahoo.com

Note: Stock Price = 4th 1/4 High / Low average

**Support for Debt Rating and Debt Yield Rate**  
**Electric - West Industry**  
**2008 Assessment Year**

Industry Overall		---- Ratings -----	
Company	Ticker	Mergent's	S&P
Avista Corp	ava	Baa2	BB+
Black Hills Corp	bkh		BBB-
Edison International	eix		BBB-
El Paso Electric	ee	Baa2	BBB
Hawaiian Electric	he		BBB
Idacorp Inc	ida		BBB+
MDU Resources	mdu		BBB+
PG&E Corp	pcg		
PNM Resources	pnm		BBB-
Pinnacle West	pnw		BBB-
Portland General	por		BBB+
Puget Energy	psd	Ba1	BBB-
Sempra Energy	sre		BBB+
Sierra Pacific Res	srp	Ba3	BB-
Unisource Energy	uns		
Xcel Energy	xel	Baa1	BBB+
<b>Overall Average Debt Rating</b>		<b>Baa</b>	<b>BBB</b>

**Mergent's Bond Record, Jan 2008, pg 210**

Corporate	Aaa	Aa	A	Baa
October	5.66%	5.94%	6.13%	6.48%
November	5.44%	5.78%	5.97%	6.40%
December	5.49%	5.91%	6.19%	6.65%
<b>Average</b>	<b>5.53%</b>	<b>5.88%</b>	<b>6.10%</b>	<b>6.51%</b>

Public Utilities	Aaa	Aa	A	Baa
October		6.04%	6.11%	6.36%
November		5.87%	5.97%	6.27%
December		6.03%	6.16%	6.51%
<b>Average</b>		<b>5.98%</b>	<b>6.08%</b>	<b>6.38%</b>

Industrials	Aaa	Aa	A	Baa
October	5.66%	5.84%	6.14%	6.60%
November	5.44%	5.67%	5.97%	6.51%
December	5.49%	5.78%	6.22%	6.78%
<b>Average</b>	<b>5.53%</b>	<b>5.76%</b>	<b>6.11%</b>	<b>6.63%</b>

<b>DEBT YIELD RATE</b>
<b>6.50%</b>

**Support for Equity Component of Direct Capitalization Rates  
Electric - West Industry  
2008 Assessment Year**

<b>Industry Overall</b>			<b>Actual</b>		<b>Projected</b>		<b>Actual</b>		<b>Projected</b>	
<b>Company Name</b>	<b>Ticker</b>	<b>\$Stock\$ Average</b>	<b>Earnings</b>	<b>Ratio</b>	<b>Earnings</b>	<b>Ratio</b>	<b>Cash Flow</b>	<b>Ratio</b>	<b>Cash Flow</b>	<b>Ratio</b>
Avista Corp	ava	21.130	0.80	3.8%	1.40	6.6%	2.70	12.8%	3.40	16.1%
Black Hills Corp	bkh	42.847	2.55	6.0%	2.35	5.5%	5.25	12.3%	5.20	12.1%
Edison International	eix	55.888	3.20	5.7%	3.30	5.9%	7.00	12.5%	7.30	13.1%
El Paso Electric	ee	24.762	1.55	6.3%	1.80	7.3%	3.60	14.5%	3.95	16.0%
Hawaiian Electric	he	22.640	0.90	4.0%	1.25	5.5%	2.85	12.6%	3.20	14.1%
Idacorp Inc	ida	34.658	2.00	5.8%	2.15	6.2%	4.25	12.3%	4.55	13.1%
MDU Resources	mdu	27.217	1.76	6.5%	1.80	6.6%	3.45	12.7%	3.60	13.2%
PG&E Corp	pcg	46.390	2.80	6.0%	2.90	6.3%	7.55	16.3%	7.90	17.0%
PNM Resources	pnm	23.398	1.35	5.8%	1.65	7.1%	3.45	14.7%	4.00	17.1%
Pinnacle West	pnw	41.883	2.94	7.0%	2.55	6.1%	6.85	16.4%	7.45	17.8%
Portland General	por	27.237	2.35	8.6%	1.85	6.8%	5.05	18.5%	5.05	18.5%
Puget Energy	psd	27.262	1.60	5.9%	1.60	5.9%	3.95	14.5%	4.20	15.4%
Sempra Energy	sre	60.983	4.10	6.7%	4.00	6.6%	6.95	11.4%	7.20	11.8%
Sierra Pacific Res	srp	16.750	0.95	5.7%	1.05	6.3%	2.70	16.1%	2.85	17.0%
Unisource Energy	uns	31.030	1.60	5.2%	1.75	5.6%	5.40	17.4%	5.70	18.4%
Xcel Energy	xel	22.298	1.35	6.1%	1.50	6.7%	3.70	16.6%	4.00	17.9%
	<b>Mean:</b>			<b>5.9%</b>		<b>6.3%</b>		<b>14.5%</b>		<b>15.5%</b>
	<b>Median:</b>			<b>5.9%</b>		<b>6.3%</b>		<b>14.5%</b>		<b>16.0%</b>
	<b>Say:</b>			<b>6.0%</b>		<b>6.0%</b>		<b>14.5%</b>		<b>15.5%</b>

source: Value Line February 8, 2008

Qtr 4 Average Stock Price  
Yahoo Finance

<b>Avista</b>		<b>ava</b>						
Date	Open	High	Low	Close	Volume	Adj Close	Average	
12/03/2007	21.34	22.24	21.01	21.54	361800	21.54		
11/01/2007	21.86	21.90	19.58	21.38	438500	21.38		
10/01/2007	20.38	22.05	20.00	22.05	273600	21.89		
09/04/2007	19.56	20.69	18.90	20.35	343100	20.20		
08/01/2007	18.95	20.93	18.19	19.57	480600	19.43		
07/02/2007	21.33	22.38	19.53	19.82	477700	19.53		
06/01/2007	23.45	23.56	21.17	21.55	405700	21.23		
05/01/2007	23.65	24.29	22.88	23.42	360600	23.08		
04/02/2007	24.30	24.89	23.50	23.59	344500	23.10		
03/01/2007	23.10	24.70	22.91	24.23	383300	23.73		
02/01/2007	25.25	25.81	23.07	23.37	370600	22.88		
01/03/2007	25.36	25.77	24.34	25.15	272800	24.48	<b>21.13</b>	

<b>Black Hills</b>		<b>bkh</b>						
Date	Open	High	Low	Close	Volume	Adj Close		
12/03/2007	41.99	45.41	41.69	44.10	265600	44.10		
11/01/2007	43.65	44.29	40.21	41.66	334500	41.66		
10/01/2007	41.18	44.74	40.74	44.42	220800	44.05		
09/04/2007	40.98	43.09	40.81	41.02	237300	40.67		
08/01/2007	37.24	44.48	36.84	41.19	444400	40.84		
07/02/2007	40.05	41.53	37.28	37.30	344200	36.68		
06/01/2007	41.23	41.73	38.46	39.75	449000	39.09		
05/01/2007	39.85	42.59	39.64	40.99	522000	40.31		
04/02/2007	36.92	40.00	36.86	39.81	326300	38.82		
03/01/2007	35.96	37.53	35.40	36.77	256100	35.86		
02/01/2007	37.26	39.63	35.55	35.98	215600	35.09		
01/03/2007	37.19	37.90	36.71	37.07	205900	35.84	<b>42.85</b>	

<b>Edison</b>		<b>eix</b>						
Date	Open	High	Low	Close	Volume	Adj Close		
12/03/2007	55.74	58.00	53.14	53.37	1880700	53.37		
11/01/2007	57.85	58.55	53.75	55.98	2010300	55.67		
10/01/2007	55.89	58.31	53.58	58.15	1523700	57.83		
09/04/2007	52.94	58.02	52.35	55.45	1609400	55.14		
08/01/2007	52.89	57.18	50.64	52.71	2622300	52.15		
07/02/2007	56.37	59.57	51.79	52.89	2265800	52.33		
06/01/2007	58.11	58.75	53.51	56.12	2376600	55.52		
05/01/2007	52.60	60.26	52.34	58.27	2026600	57.35		
04/02/2007	49.30	54.27	49.13	52.35	1733300	51.52		
03/01/2007	46.20	50.83	46.20	49.13	2541100	48.35		
02/01/2007	45.00	51.00	45.00	47.00	1881900	45.99		
01/03/2007	46.17	46.28	42.76	44.98	2464600	44.01	<b>55.89</b>	

<b>El Paso</b>		<b>ee</b>						
Date	Open	High	Low	Close	Volume	Adj Close		
12/03/2007	25.49	26.81	25.05	25.57	242800	25.57		
11/01/2007	23.42	26.16	23.42	25.71	359600	25.71		
10/01/2007	23.06	24.86	22.27	24.35	303300	24.35		
09/04/2007	22.19	23.95	22.11	23.13	311400	23.13		
08/01/2007	23.24	24.03	20.76	22.32	504500	22.32		
07/02/2007	24.72	25.58	22.78	23.27	278200	23.27		
06/01/2007	27.41	27.61	24.08	24.56	330100	24.56		
05/01/2007	26.80	28.19	25.76	27.21	382500	27.21		
04/02/2007	26.44	27.78	26.19	26.40	364200	26.40		
03/01/2007	23.50	27.24	22.95	26.35	481100	26.35		
02/01/2007	24.35	24.97	23.39	23.52	219200	23.52		
01/03/2007	24.50	24.70	23.15	24.30	196800	24.30	<b>24.76</b>	

<b>Hawaiian Electric</b>		<b>he</b>						
Date	Open	High	Low	Close	Volume	Adj Close		
12/03/2007	22.94	23.95	22.60	22.77	251400	22.77		
11/01/2007	22.92	23.49	20.92	23.15	592000	23.15		
10/01/2007	21.68	23.20	21.68	23.20	323800	22.87		
09/04/2007	20.97	21.87	20.62	21.71	388900	21.40		
08/01/2007	22.69	23.90	20.25	20.97	704100	20.67		
07/02/2007	23.71	23.91	22.60	22.81	286500	22.15		
06/01/2007	24.50	24.56	22.81	23.69	477700	23.01		
05/01/2007	26.31	26.73	24.32	24.50	387200	23.79		
04/02/2007	26.02	26.60	25.97	26.32	221000	25.25		
03/01/2007	26.07	26.48	25.10	25.99	288200	24.93		
02/01/2007	26.80	27.42	25.78	26.17	252000	25.11		
01/03/2007	27.10	27.49	26.45	26.79	195100	25.41	<b>22.64</b>	

<b>Idacorp</b>		<b>ida</b>						
Date	Open	High	Low	Close	Volume	Adj Close		
12/03/2007	34.89	36.72	33.68	35.22	439700	35.22		
11/01/2007	34.30	35.74	33.00	35.16	579400	35.16		
10/01/2007	32.86	36.45	32.36	34.89	418200	34.59		
09/04/2007	32.41	33.90	31.20	32.74	401500	32.46		
08/01/2007	31.00	36.57	30.28	32.47	898000	32.19		
07/02/2007	32.06	32.38	30.07	30.96	537800	30.41		
06/01/2007	33.35	33.67	31.30	32.04	675200	31.47		
05/01/2007	34.37	34.89	31.22	33.21	524500	32.62		
04/02/2007	33.98	35.18	33.21	34.45	405000	33.54		
03/01/2007	34.48	35.06	32.00	33.84	408700	32.95		
02/01/2007	36.75	38.39	33.34	34.77	463500	33.85		
01/03/2007	38.81	39.19	36.38	36.95	310400	35.68	<b>34.66</b>	

<b>MDU</b>	<b>mdu</b>						
Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	27.11	27.99	26.02	27.61	714600	27.61	
11/01/2007	27.80	28.14	25.89	27.29	840100	27.15	
10/01/2007	27.81	28.69	26.57	28.16	776100	28.01	
09/04/2007	27.02	28.22	26.05	27.84	539600	27.69	
08/01/2007	27.23	28.60	24.64	27.05	745600	26.76	
07/02/2007	28.23	30.40	26.50	27.26	677900	26.97	
06/01/2007	30.45	30.56	27.40	28.04	680900	27.74	
05/01/2007	30.26	31.15	29.50	30.31	683600	29.85	
04/02/2007	28.92	31.79	28.84	30.30	760000	29.84	
03/01/2007	26.10	29.00	25.25	28.74	533300	28.30	
02/01/2007	25.98	27.50	25.84	26.40	440700	25.86	
01/03/2007	25.80	26.45	24.39	25.85	492600	25.32	<b>27.22</b>

<b>PG&amp;E</b>	<b>pcg</b>						
Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	46.67	47.61	43.04	43.09	1938200	43.09	
11/01/2007	49.10	49.39	43.70	46.27	2999500	45.89	
10/01/2007	48.19	49.52	45.08	48.93	1733800	48.53	
09/04/2007	45.55	48.78	43.54	47.80	2379100	47.41	
08/01/2007	43.59	47.00	42.58	44.50	2763400	43.81	
07/02/2007	45.65	46.77	42.70	42.81	2607500	42.14	
06/01/2007	49.40	49.52	44.70	45.30	2516700	44.59	
05/01/2007	50.70	51.95	48.49	49.26	1423100	48.11	
04/02/2007	48.90	52.17	48.51	50.60	1560700	49.42	
03/01/2007	46.26	49.44	45.10	48.27	1950800	47.14	
02/01/2007	46.63	49.32	45.50	46.43	1539900	45.01	
01/03/2007	47.30	47.95	45.34	46.68	1489200	45.25	<b>46.39</b>

<b>PNM Resources</b>	<b>pnm</b>						
Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	22.02	23.95	21.41	21.45	625600	21.45	
11/01/2007	24.30	25.06	21.71	22.18	1018100	22.18	
10/01/2007	23.21	25.21	23.05	25.01	810900	25.01	
09/04/2007	23.14	23.62	21.19	23.28	891800	23.06	
08/01/2007	25.87	27.48	21.05	23.12	1510100	22.9	
07/02/2007	28.03	28.71	25.11	25.83	768800	25.59	
06/01/2007	29.70	30.06	26.50	27.79	916400	27.28	
05/01/2007	32.59	33.37	28.50	29.51	733000	28.96	
04/02/2007	32.36	34.28	32.31	32.55	487300	31.95	
03/01/2007	30.36	32.70	29.32	32.30	588700	31.49	
02/01/2007	30.62	31.65	29.46	30.56	597200	29.79	
01/03/2007	31.30	31.57	29.62	30.48	564700	29.71	<b>23.40</b>

<b>Pinnacle pnw</b>							
Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	43.10	44.50	42.00	42.41	525400	42.41	
11/01/2007	40.33	43.64	39.04	42.86	1235500	42.86	
10/01/2007	39.50	42.62	39.50	40.40	886600	40.40	
09/04/2007	39.94	40.70	39.48	39.51	851100	39.01	
08/01/2007	37.30	41.76	36.79	39.84	1165300	39.33	
07/02/2007	39.99	41.30	37.23	37.48	1292100	37.00	
06/01/2007	46.59	46.66	39.38	39.85	1320900	38.80	
05/01/2007	48.47	49.45	45.05	46.43	668100	45.21	
04/02/2007	48.14	50.68	48.14	48.29	656900	47.02	
03/01/2007	47.42	48.89	46.43	48.25	723900	46.49	
02/01/2007	48.71	49.05	47.21	47.42	793200	45.69	
01/03/2007	50.69	51.67	48.09	48.79	674600	47.01	<b>41.88</b>

<b>Portland General por</b>							
Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	26.7	28.1	26.2	27.8	423500	27.78	
11/01/2007	28.0	28.0	25.7	26.8	532600	26.53	
10/01/2007	27.9	28.8	26.6	28.2	297600	27.90	
09/04/2007	26.4	28.6	26.3	27.8	355900	27.55	
08/01/2007	26.8	29.1	25.5	26.6	775700	26.13	
07/02/2007	27.6	28.6	26.6	26.9	712400	26.45	
06/01/2007	29.7	29.7	26.4	27.4	1179600	26.97	
05/01/2007	29.0	31.3	28.7	29.3	346900	28.59	
04/02/2007	29.3	30.0	28.1	29.0	372000	28.24	
03/01/2007	28.3	30.2	27.9	29.2	387300	28.45	
02/01/2007	26.2	29.3	26.2	28.3	216500	27.36	
01/03/2007	27.4	27.5	25.6	26.1	171100	25.28	<b>27.24</b>

<b>Puget Energy psd</b>							
Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	28.03	28.17	27.20	27.43	900900	27.43	
11/01/2007	28.25	28.30	27.90	28.07	1291400	28.07	
10/01/2007	24.52	28.60	23.40	28.25	1092700	28.25	
09/04/2007	23.31	24.69	23.19	24.47	610200	24.22	
08/01/2007	23.26	25.38	22.47	23.33	791900	23.09	
07/02/2007	24.23	24.95	23.10	23.15	748700	22.91	
06/01/2007	25.24	25.42	23.58	24.18	760200	23.69	
05/01/2007	25.80	26.50	24.86	25.21	541600	24.70	
04/02/2007	25.77	26.91	25.62	25.82	560500	25.29	
03/01/2007	24.47	25.84	24.00	25.68	506700	24.92	
02/01/2007	24.65	25.65	24.20	24.67	485300	23.94	
01/03/2007	25.43	25.80	24.23	24.56	659900	23.83	<b>27.26</b>

**Sempra sre**

Date	Open	High	Low	Close	Volume	Adj Close
12/03/2007	61.81	64.21	60.79	61.88	1007200	61.88
11/01/2007	60.98	62.88	58.6	62.62	1557000	62.30
10/01/2007	58.4	61.8	57.62	61.51	1365000	61.20
09/04/2007	54.99	60.33	53.59	58.12	1794000	57.82
08/01/2007	53.75	57.67	50.95	55.03	2432000	54.46
07/02/2007	59.82	62.25	52.27	52.72	2466600	52.18
06/01/2007	61.32	62.4	57.04	59.23	1743800	58.62
05/01/2007	63.63	65.44	61	61.32	1576300	60.37
04/02/2007	60.15	66.38	60.13	63.48	1501700	62.50
03/01/2007	59.75	63.03	57.85	61.01	1397800	60.06
02/01/2007	57.38	62.53	57.25	60.05	1207900	58.82
01/03/2007	55.95	58.01	54.73	57.38	1079900	56.20

**60.98****Sierra Pacific srp**

Date	Open	High	Low	Close	Volume	Adj Close
12/03/2007	17.34	17.76	16.74	16.98	1928400	16.98
11/01/2007	16.68	17.64	16.49	17.20	2262000	17.20
10/01/2007	15.82	16.98	14.89	16.87	1238900	16.79
09/04/2007	15.24	16.04	14.76	15.73	1066100	15.66
08/01/2007	15.89	16.37	14.06	15.32	1979400	15.25
07/02/2007	17.65	18.15	15.49	15.89	1349100	15.73
06/01/2007	19.03	19.15	16.87	17.56	1338300	17.39
05/01/2007	18.70	19.60	18.10	18.96	1601100	18.77
04/02/2007	17.44	18.56	17.27	18.26	997500	18.08
03/01/2007	17.22	17.75	16.38	17.38	1284200	17.21
02/01/2007	17.10	18.26	16.76	17.36	984700	17.19
01/03/2007	16.94	17.36	16.47	17.02	1126400	16.85

**16.75****Unisource uns**

Date	Open	High	Low	Close	Volume	Adj Close
12/03/2007	30.8	32.7	30.3	31.6	242500	31.55
11/01/2007	31.4	31.9	29.1	30.9	360400	30.71
10/01/2007	29.9	32.3	29.9	31.7	292000	31.50
09/04/2007	29.6	30.8	28.3	29.9	324900	29.68
08/01/2007	30.2	31.4	27.6	29.6	425700	29.19
07/02/2007	33.0	33.7	30.1	30.4	358200	29.98
06/01/2007	36.6	37.0	32.7	32.9	477000	32.41
05/01/2007	38.5	39.9	36.0	36.5	288300	35.99
04/02/2007	37.6	40.0	37.5	38.4	241300	37.63
03/01/2007	37.5	38.4	36.8	37.6	362300	36.78
02/01/2007	37.7	39.2	37.3	37.9	444200	37.14
01/03/2007	36.7	37.9	35.5	37.5	311000	36.54

**31.03**

**Xcel energy xel**

Date	Open	High	Low	Close	Volume	Adj Close	
12/03/2007	23.22	23.5	22.49	22.57	2714500	22.57	
11/01/2007	22.510	23.130	21.350	23.110	4056300	22.880	
10/01/2007	21.670	22.620	20.700	22.550	2787300	22.330	
09/04/2007	20.500	22.410	20.300	21.540	2649600	21.330	
08/01/2007	20.340	21.400	19.590	20.610	3314900	20.190	
07/02/2007	20.590	21.350	19.960	20.300	3541800	19.890	
06/01/2007	22.940	23.190	19.970	20.470	3369900	20.050	
05/01/2007	23.690	24.460	22.380	22.950	2157700	22.230	
04/02/2007	24.730	25.030	24.090	24.090	1860100	23.340	
03/01/2007	23.500	24.940	22.750	24.690	1708800	23.920	
02/01/2007	23.390	24.730	23.290	23.630	1680200	22.690	
01/03/2007	23.180	23.620	22.780	23.330	1880600	22.400	<b>22.30</b>

Washington State Department of Revenue

(instructions: any data entered on this page will flow to the applicable worksheets)

**Industry:** Electric - West Industry  
**Assessment Year:** 2008 Assessment Year

Guideline Companies:		Stock Price (4th 1/4 average)	Revenues Per Share	Cash Flow Per Share	Earnings Per Share	Dividends Per Share
Name	Ticker					
Avista Corp	ava	21.130	27.35	2.70	0.80	0.60
Black Hills Corp	bkh	42.847	18.30	5.25	2.55	1.37
Edison International	eix	55.888	40.20	7.00	3.20	1.18
El Paso Electric	ee	24.762	19.65	3.60	1.55	nil
Hawaiian Electric	he	22.640	29.95	2.85	0.90	1.24
Idacorp Inc	ida	34.658	19.80	4.25	2.00	1.20
MDU Resources	mdu	27.217	23.30	3.45	1.76	0.56
PG&E Corp	pcg	46.390	34.90	7.55	2.80	1.44
PNM Resources	pnm	23.398	32.60	3.45	1.35	0.93
Pinnacle West	pnw	41.883	35.10	6.85	2.94	2.10
Portland General	por	27.237	27.05	5.05	2.35	0.93
Puget Energy	psd	27.262	24.25	3.95	1.60	1.00
Sempra Energy	sre	60.983	44.05	6.95	4.10	1.24
Sierra Pacific Res	srp	16.750	15.60	2.70	0.95	0.16
Unisource Energy	uns	31.030	38.65	5.40	1.60	0.90
Xcel Energy	xel	22.298	23.50	3.70	1.35	0.91