

COST OF CAPITAL STUDY

YIELD CAPITALIZATION

2019 Assessment Year

APPENDIX C

Power Industry

| | | | | | | | |
|--|---------------------------------------|-----|--------|--------------|-------------|---------------|------|
| EQUITY RATE | | | | | | 10.00% | |
| CAPITAL ASSET PRICING MODEL | | | | | | | PAGE |
| | CAPM Ex Ante | | 8.09% | | | | 4 |
| DIVIDEND GROWTH MODELS Single Stage | | | | | | | |
| | Value Line, based on Dividends Growth | | 10.50% | | | | 5 |
| | Value Line, based on Earnings Growth | | 10.50% | | | | 6 |
| | Value Line, based on Return on Equity | | 9.50% | | | | 7 |
| FCFE GROWTH MODEL Multi Stage | | | | | | | |
| | | | 10.00% | | | | 8 |
| | | | | RANGE | 8.09-10.50% | | |
| DEBT RATE | | | | | | 6.00% | 9 |
| MARKET CAPITAL STRUCTURE | | | | | | | |
| | Equity | 50% | x | 10.00% | = | 5.00% | 3 |
| | Debt | 50% | x | 6.00% | = | 3.00% | 3 |
| | Marginal Tax Rate | 24% | = | (1-.24) | x | 3.00% | |
| | | | | | | <u>2.28%</u> | |
| WEIGHTED AVERAGE COST OF CAPITAL | | | | | | 7.28% | |

SUPPORT FOR GUIDELINE COMPANIES

Washington State Department of Revenue

2019 Assessment Year

Power Industry

Capital Structure at Book Value

| Company | Ticker | Beta | Fin'l Strength | P/E Ratio | Div'd Yield | Common Stock | % | Preferred Stock | % | Long Term Debt | % | Total Debt & Equity |
|--------------------------|--------|-------------|----------------|-------------|-------------|------------------------|--------------|----------------------|-------------|------------------------|--------------|------------------------|
| AES Corp | aes | 1.15 | B | 10.0 | 3.6% | 3,205,092,600 | 15.4% | | | 17,636,000,000 | 84.6% | 20,841,092,600 |
| Exelon Corp | exc | 0.70 | B++ | 22.7 | 3.1% | 30,750,909,923 | 46.8% | | | 34,909,000,000 | 53.2% | 65,659,909,923 |
| NextEra Energy Inc | nee | 0.60 | A+ | 26.2 | 2.6% | 32,643,661,053 | 54.7% | | | 27,048,000,000 | 45.3% | 59,691,661,053 |
| NRG Energy Inc | nrg | 1.30 | B+ | 76.7 | 0.3% | (1,233,336,416) | -22.6% | 250,000,000 | 4.6% | 6,449,000,000 | 118.0% | 5,465,663,584 |
| Pattern Energy Group Inc | pegi | 1.25 | B | nmf | 9.1% | 1,046,948,837 | 34.3% | | | 2,004,000,000 | 65.7% | 3,050,948,837 |
| Southern Co | so | 0.50 | A | 14.5 | 5.4% | 25,053,439,455 | 37.5% | 324,000,000 | 0.5% | 41,425,000,000 | 62.0% | 66,802,439,455 |
| TransAlta Corp | tato | 1.00 | C++ | nmf | 3.9% | 1,686,730,611 | 30.8% | 665,000,000 | 12.2% | 3,119,000,000 | 57.0% | 5,470,730,611 |
| Vistra Energy Corp | vst | 1.00 | B+ | nmf | nmf | 7,866,630,466 | 42.0% | | | 10,874,000,000 | 58.0% | 18,740,630,466 |
| Mean | | 0.94 | | 30.0 | 4.0% | 12,627,509,566 | 29.9% | | 5.7% | 17,933,000,000 | 68.0% | |
| Harmonic Mean | | 0.84 | | | | | | | 1.3% | | 62.8% | |
| Weighted Mean | | | | | | 101,020,076,529 | 41.1% | 1,239,000,000 | 0.5% | 143,464,000,000 | 58.4% | 245,723,076,529 |
| Median | | 1.00 | | | 3.6% | | | | 4.6% | | 60.0% | |

SUPPORT FOR CAPITAL STRUCTURE Market Value

Washington State Department of Revenue

2019 Assessment Year

Power Industry

| Company | Ticker | Stock Price | Common Shares | Common Stock | % | Preferred Stock | % | Long Term Debt | % | Total Debt & Equity |
|---------------------------------|--------|-------------|---------------|------------------------|--------------|----------------------|-------------|------------------------|---------------|------------------------|
| AES Corp | aes | 14.460 | 660,843,835 | 9,555,801,854 | 32.5% | - | | 19,846,000,000 | 67.5% | 29,401,801,854 |
| Exelon Corp | exc | 45.100 | 967,009,746 | 43,612,139,545 | 54.0% | - | | 37,218,000,000 | 46.0% | 80,830,139,545 |
| NextEra Energy Inc | nee | 173.820 | 477,945,257 | 83,076,444,572 | 73.4% | - | | 30,043,000,000 | 26.6% | 113,119,444,572 |
| NRG Energy Inc | nrg | 39.600 | 308,334,104 | 12,210,030,518 | 63.7% | 250,000,000 | 1.3% | 6,697,000,000 | 35.0% | 19,157,030,518 |
| Pattern Energy Gro | pegi | 18.620 | 97,572,119 | 1,816,792,856 | 44.8% | - | | 2,240,000,000 | 55.2% | 4,056,792,856 |
| Southern Co | so | 43.920 | 1,028,888,684 | 45,188,791,001 | 50.0% | 324,000,000 | 0.4% | 44,824,000,000 | 49.6% | 90,336,791,001 |
| TransAlta Corp | tato | 4.120 | 288,330,019 | 1,187,919,678 | 23.6% | 665,000,000 | 13.2% | 3,181,000,000 | 63.2% | 5,033,919,678 |
| Vistra Energy Corp | vst | 22.890 | 485,894,408 | 11,122,122,999 | 50.8% | - | | 10,765,000,000 | 49.2% | 21,887,122,999 |
| Mean | | | | | 49.1% | | | | 5.0% | 49.0% |
| Harmonic Mean | | | | | 43.7% | | | | 0.8% | 45.1% |
| Weighted Mean | | | | 207,770,043,023 | 57.1% | 1,239,000,000 | 0.3% | 154,814,000,000 | 42.6% | 363,823,043,023 |
| Median | | | | | 50.4% | | | | 1.3% | 49.4% |
| Std Dev | | | | | 15.9% | | | | 7.2% | 13.6% |
| Coefficient of Variation | | | | | 32.5% | | | | 144.5% | 27.7% |
| Target | | | | | 50% | | | | 50% | 100% |

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT CAPITAL ASSET PRICING MODEL

2019 Assessment Year

Ex Ante

$$K_e = R_f + B (R_p)$$

| | | | | |
|---|--|---|---------------|---------------------------|
| Ke = Cost of Equity | | | | 8.09% |
| | | | | to page 1 |
| | Rm = | rate of return | 8.65% | |
| | Rf = | risk free rate | 3.00% | |
| | Rp = | risk premium | 5.65% | |
| | B = | Beta | 0.90 | page 7 |
| Rp = Risk Premium | | | | 5.65% |
| | | | | to above |
| | Shannon Pratt and Roger Grabowski | | 3.50% - 6.00% | |
| | Cost of Capital, App & Exam, 5th Ed, 2014 | | | |
| | Dr. Aswath Damodaran | | 5.96% | chart page 13 |
| | http://pages.stern.nyu.edu/~adamodar/ | | 5.65% | adjusted for Rf |
| | 2018 Implied Premium | | | |
| | John Graham & Campbell Harvey | | 6.21% | 10 year expected real ret |
| | Duke CFO magazine Global Business Outlook survey - U | 5.89%-6.54% | | 95% Interval 10 year exp |
| | 4th Qtr 2018 | | 6.27% | adjusted for Rf |
| | | | 3.06% | Rf rate used in survey |
| Rf = Risk Free Rate | | | | 3.00% |
| | | | | to above |
| | Value Line Investment Survey, Selected Yields January 4, 2019, page 1949 | | | |
| | as of 12-26-18 | US Treasury Securities year end data | | |
| | | 5 year | 2.65% | |
| | | 10 year | 2.81% | |
| | | 30 year | 3.06% | |
| | | 30 year Zero | 3.10% | |
| | Federal Reserve Statistical Release (http://www.federalreserve.gov/Releases/H15/Current/) | | | |
| | as of 12-31-18 | Treasury Constant Maturities | | |
| | | 5 year | 2.51% | |
| | | 10 year | 2.69% | |
| | | 20 year | 2.87% | |
| | | 30 year | 3.02% | |
| | | 20 year TIPS | 1.09% | 1.78% |
| | | 30 year TIPS | 1.21% | 1.81% |
| | | | | TIPS inflation indication |
| Inflation | | | | 2.00% |
| | | | | to appraisal template |
| | Value Line Investment Survey, Economic Series January 4, 2019, page 1500 | | | |
| | | Consumer Price Index Annual Rate of Change 2021-2023 | 2.30% | |
| | The Livingston Survey December 21, 2018, page 4, 10 | | | |
| | | Inflation median (measured by the CPI) over next 10 year | 2.23% | |
| Gross Domestic Product (GDP) Nominal | | | | 3.90% |
| | | | | real GDP + inflation est |
| | Federal Reserve Projected Long Run Real GDP Growth | | | |
| | | Median Projection Value From Dec 19, 2018 Report | 1.90% | |
| | | https://www.federalreserve.gov/monetarypolicy/files/fomcprotabl20181219.pdf | | |
| | Congressional Budget Office Real GDP Economic Projections | | | Table D-1 pg 140 |
| | | The Budget and Economic Outlook 2019-2029 | 2019-2023 | 2.18% |
| | | Average Percentage Change Year to Year | 2024-2029 | 1.73% |
| | | http://www.cbo.gov/publication/54918 | | |
| | Federal Reserve Bank of Philadelphia | | | |
| | | The Livingston Survey, December 21, 2018, page 4, 10 | | |
| | | Average Annual Real GDP Growth Rate for Next Ten Years | | 2.07% |
| | | https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey | | |

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT DIVIDEND GROWTH MODEL

Washington State Department of Revenue
2019 Assessment Year
Power Industry

Based on Dividend Growth

$$K_e = (D_1 / P_o) + G$$

K_e = Cost of Equity
 D_1 = Expected Dividends
 P_o = Current Price
 G = Sustainable Growth

| Company | Ticker | Stock Price (Po) | Expected Dividend (D1) | Dividend Yield (D1/Po) | Dividend Growth (G) | Ke with Short Term Growth |
|---------------------------------|--------|------------------|------------------------|------------------------|---------------------|---------------------------|
| AES Corp | aes | 14.460 | 0.56 | 3.87% | 6.00% | 9.87% |
| Exelon Corp | exc | 45.100 | 1.45 | 3.22% | 5.00% | 8.22% |
| NextEra Energy Inc | nee | 173.820 | 5.00 | 2.88% | 10.50% | 13.38% |
| NRG Energy Inc | nrg | 39.600 | 0.14 | 0.35% | -3.50% | nmf |
| Pattern Energy Group | pegi | 18.620 | 1.69 | 9.08% | 2.50% | 11.58% |
| Southern Co | so | 43.920 | 2.46 | 5.60% | 3.00% | 8.60% |
| TransAlta Corp | tato | 4.120 | 0.18 | 4.37% | 8.00% | 12.37% |
| Vistra Energy Corp | vst | 22.890 | 0.50 | 2.18% | nmf | nmf |
| Mean | | | | | | 10.67% |
| Harmonic Mean | | | | | | 10.32% |
| Median | | | | | | 10.72% |
| Max | | | | | | 13.38% |
| Min | | | | | | 8.22% |
| Std Dev | | | | | | 2.10% |
| Coefficient of Variation | | | | | | 19.65% |
| Say | | | | | | 10.50% |

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT DIVIDEND GROWTH MODEL

Washington State Department of Revenue
2019 Assessment Year
Power Industry

Based on Earnings Growth

$$K_e = (D_1 / P_0) + G$$

K_e = Cost of Equity
 D_1 = Expected Dividends
 P_0 = Current Price
 G = Sustainable Growth

| Company | Ticker | Stock Price (Po) | Expected Dividend (D1) | Dividend Yield (D1/Po) | Earnings Growth (G) | Ke with Short Term Growth |
|---------------------------------|--------|------------------|------------------------|------------------------|---------------------|---------------------------|
| AES Corp | aes | 14.460 | 0.56 | 3.87% | nmf | nmf |
| Exelon Corp | exc | 45.100 | 1.45 | 3.22% | 7.50% | 10.72% |
| NextEra Energy Inc | nee | 173.820 | 5.00 | 2.88% | 9.00% | 11.88% |
| NRG Energy Inc | nrg | 39.600 | 0.14 | 0.35% | nmf | nmf |
| Pattern Energy Gro | pegi | 18.620 | 1.69 | 9.08% | nmf | nmf |
| Southern Co | so | 43.920 | 2.46 | 5.60% | 3.50% | 9.10% |
| TransAlta Corp | tato | 4.120 | 0.18 | 4.37% | nmf | nmf |
| Vistra Energy Corp | vst | 22.890 | 0.50 | 2.18% | nmf | nmf |
| Mean | | | | | | 10.56% |
| Harmonic Mean | | | | | | 10.44% |
| Median | | | | | | 10.72% |
| Max | | | | | | 11.88% |
| Min | | | | | | 9.10% |
| Std Dev | | | | | | 1.39% |
| Coefficient of Variation | | | | | | 13.19% |
| Say | | | | | | 10.50% |

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

DIVIDEND GROWTH MODEL

Washington State Department of Revenue

2019 Assessment Year

Power Industry

Based on Return on Equity $K_e = (D1 / P_o) + G$

K_e = Cost of Equity
 $D1$ = Expected Dividends
 $E1$ = Expected Earnings
 P_o = Current Price
 G = Sustainable Growth
 b = Retained Earnings % = (1-Payout Ratio)
 ROE = Return on Equity = ($E1/P_o$)

| Company | Ticker | Stock Price (P_o) | Expected Dividend ($D1$) | Expected Earnings ($E1$) | Dividend Yield ($D1/P_o$) | Retained Earnings (b) | ROE ($E1/P_o$) | Growth ($b*ROE$) | K_e Dividends | K_e Earnings |
|---------------------------------|--------|-----------------------|----------------------------|----------------------------|-----------------------------|---------------------------|------------------|--------------------|-----------------|----------------|
| AES Corp | aes | 14.460 | 0.56 | 1.30 | 3.87% | 71.0% | 8.99% | 6.38% | 10.26% | 15.37% |
| Exelon Corp | exc | 45.100 | 1.45 | 3.15 | 3.22% | 37.0% | 6.98% | 2.58% | 5.80% | 9.57% |
| NextEra Energy Inc | nee | 173.820 | 5.00 | 8.25 | 2.88% | 34.0% | 4.75% | 1.61% | 4.49% | 6.36% |
| NRG Energy Inc | nrg | 39.600 | 0.14 | 2.05 | 0.35% | 86.0% | 5.18% | 4.45% | 4.81% | 9.63% |
| Pattern Energy Group | pegi | 18.620 | 1.69 | 0.50 | 9.08% | nmf | 2.69% | nmf | nmf | nmf |
| Southern Co | so | 43.920 | 2.46 | 3.05 | 5.60% | 20.0% | 6.94% | 1.39% | 6.99% | 8.33% |
| TransAlta Corp | tato | 4.120 | 0.18 | 0.05 | 4.37% | nmf | 1.21% | nmf | nmf | nmf |
| Vistra Energy Corp | vst | 22.890 | 0.50 | 1.50 | 2.18% | nmf | 6.55% | nmf | nmf | nmf |
| Mean | | | | | | | | | 6.47% | 9.85% |
| Harmonic Mean | | | | | | | | | 5.93% | 9.08% |
| Median | | | | | | | | | 5.80% | 9.57% |
| Std Dev | | | | | | | | | 2.33% | 3.36% |
| Coefficient of Variation | | | | | | | | | 36.04% | 34.09% |

Say **9.50%**

**SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT
FREE CASH FLOW TO EQUITY MODEL MULTI STAGE**

Washington State Department of Revenue

2019 Assessment Year

Power Industry

| Company | Ticker | Stock Price | Expected Earnings | P/E | Payout Ratio | ROE | Ke |
|-------------------------|--------|-------------|-------------------|--------------|---------------|---------------|---------------|
| AES Corp | aes | 14.46 | 1.30 | 11.12 | 43.00% | 26.00% | 13.50% |
| Exelon Corp | exc | 45.10 | 3.15 | 14.32 | 45.00% | 9.50% | 10.65% |
| NextEra Energy Inc | nee | 173.82 | 8.25 | 21.07 | 59.00% | 12.00% | 6.39% |
| NRG Energy Inc | nrg | 39.60 | 2.05 | 19.32 | 7.00% | nmf | 8.15% |
| Pattern Energy Group | pegi | 18.62 | 0.50 | 37.24 | nmf | 4.50% | 3.73% |
| Southern Co | so | 43.92 | 3.05 | 14.40 | 78.00% | 12.00% | 10.40% |
| TransAlta Corp | tato | 4.12 | 0.05 | 82.40 | nmf | 0.50% | 11.67% |
| Vistra Energy Corp | vst | 22.89 | 1.50 | 15.26 | 33.00% | 8.50% | 11.39% |
| Mean | | | | 26.89 | 44.17% | 10.43% | 9.49% |
| Harmonic Mean | | | | 18.48 | 24.15% | 2.64% | 8.12% |
| Median | | | | 17.29 | 44.00% | 9.50% | 10.52% |
| Industry Summary | | | | 18.00 | 44.00% | 10.00% | |
| | | | | | | Say | 10.00% |

SUPPORT FOR DEBT RATING AND DEBT YIELD RATE

Washington State Department of Revenue

2019 Assessment Year

Power Industry

| Company | Ticker | Mergent's Ratings | S&P Ratings |
|------------------------------------|--------|-------------------|-------------|
| AES Corp | aes | Ba1 | BB+ |
| Exelon Corp | exc | Baa2 | BBB |
| NextEra Energy Inc | nee | Baa1 | A- |
| NRG Energy Inc | nrg | Ba2 | BB |
| Pattern Energy Group | pegi | Ba3 | BB- |
| Southern Co | so | Baa2 | A- |
| TransAlta Corp | tato | Ba1 | BBB- |
| Vistra Energy Corp | vst | Ba2 | BB |
| Overall Average Debt Rating | | Baa3 | BBB- |

| Mergent's Bond Record January 2019, page 250 | | | | |
|--|--------------|--------------|--------------|--------------|
| Corporate | Aaa | Aa | A | Baa |
| October | 4.14% | 4.28% | 4.46% | 5.07% |
| November | 4.22% | 4.37% | 4.53% | 5.22% |
| December | 4.02% | 4.20% | 4.37% | 5.13% |
| 4th Qtr Average | 4.13% | 4.28% | 4.45% | 5.14% |
| Public Utilities | Aaa | Aa | A | Baa |
| October | | 4.31% | 4.45% | 4.91% |
| November | | 4.40% | 4.52% | 5.03% |
| December | | 4.24% | 4.37% | 4.92% |
| 4th Qtr Average | | 4.32% | 4.45% | 4.95% |

| Industrials | Aaa | Aa | A | Baa |
|------------------------|--------------|--------------|--------------|--------------|
| October | 4.14% | 4.24% | 4.45% | 5.22% |
| November | 4.22% | 4.34% | 4.53% | 5.42% |
| December | 4.02% | 4.16% | 4.36% | 5.34% |
| 4th Qtr Average | 4.13% | 4.25% | 4.45% | 5.33% |

| | | Ave YTM | Med YTM |
|---------------------------------------|-------------|---------|---------|
| S&P's Long Term Bond Yield | BBB- | 6.53% | 6.49% |
| Moody's Long Term Bond Yield | Baa3 | 6.04% | 5.90% |

| Bloomberg Dec 2018 | 20y | 25Y | 30Y |
|--------------------|-------|-------|-------|
| BBB- | 6.15% | 6.16% | 6.19% |

Debt Yield Rate **6.00%**

to page 1

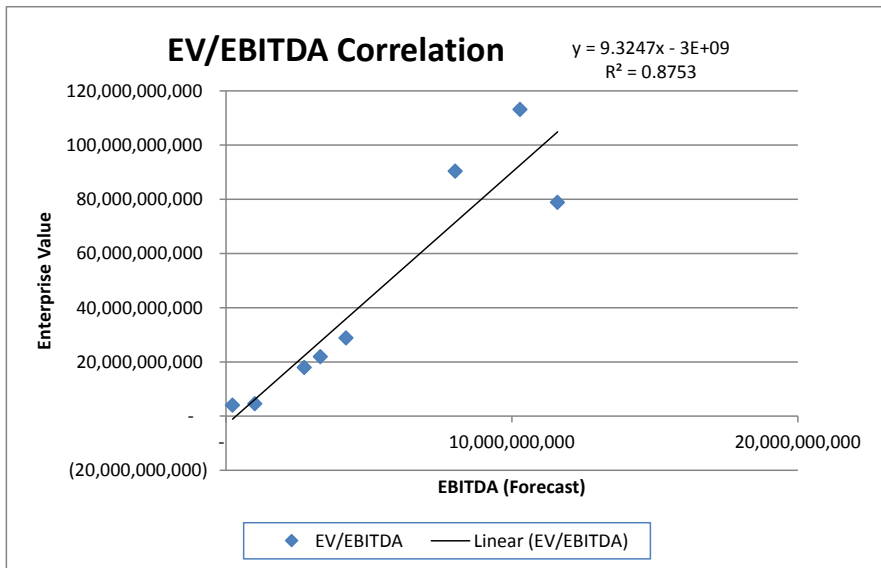
SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

2019 Assessment Year

| Company | Ticker | Stock Price | Enterprise Value | EBITDA Historical | Annual Change VL | EBITDA Forecast | EV / EBITDA Forecast | Revenue Forecast | EV / Sales Forecast | Cashflow Forecast | Debt Service | EV / CF Forecast |
|--------------------------|--------|-------------|------------------|-------------------|------------------|-----------------|----------------------|------------------|---------------------|-------------------|---------------|------------------|
| AES Corp | aes | 14.46 | 28,785,801,854 | 3,385,000,000 | 24.00% | 4,197,400,000 | 6.86 | 10,870,881,086 | 2.65 | 1,916,447,122 | 1,190,760,000 | 9.26 |
| Exelon Corp | exc | 45.10 | 78,874,139,545 | 9,813,000,000 | 18.18% | 11,597,181,818 | 6.80 | 38,341,936,429 | 2.06 | 9,428,345,024 | 2,233,080,000 | 6.76 |
| NextEra Energy Inc | nee | 173.82 | 113,119,444,572 | 9,473,000,000 | 8.53% | 10,281,276,451 | 11.00 | 17,588,385,458 | 6.43 | 7,599,329,586 | 1,802,580,000 | 12.03 |
| NRG Energy Inc | nrg | 39.60 | 17,955,030,518 | 1,691,000,000 | 61.70% | 2,734,382,979 | 6.57 | 9,789,607,802 | 1.83 | 1,171,669,595 | 401,820,000 | 11.41 |
| Pattern Energy Group Inc | pegi | 18.62 | 4,056,792,856 | 282,000,000 | -18.39% | 230,137,931 | 17.63 | 546,403,866 | 7.42 | 346,381,022 | 134,400,000 | 8.44 |
| Southern Co | so | 43.92 | 90,336,791,001 | 7,659,000,000 | 4.69% | 8,018,015,625 | 11.27 | 24,693,328,416 | 3.66 | 6,893,554,183 | 2,689,440,000 | 9.43 |
| TransAlta Corp | tato | 4.12 | 4,594,919,678 | 933,000,000 | 7.89% | 1,006,657,895 | 4.56 | 2,176,891,643 | 2.11 | 591,076,539 | 190,860,000 | 5.88 |
| Vistra Energy Corp | vst | 22.89 | 21,887,122,999 | 2,024,000,000 | 63.04% | 3,300,000,000 | 6.63 | 10,203,782,568 | 2.15 | 2,186,524,836 | 645,900,000 | 7.73 |
| 8 | | | | | | | Mean | 8.91 | | 3.54 | | 8.87 |
| | | | | | | | Harmonic Mean | 7.61 | | 2.75 | | 8.41 |
| | | | | | | | Median | 6.83 | | 2.40 | | 8.85 |
| | | | | | | | Std Dev | 4.21 | | 2.18 | | 2.13 |

Source: **Say** **6.25** **3.00** **8.50**

Value Line & Morning Star



Forecast EV/EBITDA By Rank

| Guideline Companies | EV/EBITDA forecast | |
|--------------------------|--------------------|---------------------------------|
| TransAlta Corp | 4.56 | 5.98 Low Harmonic Mean |
| NRG Energy Inc | 6.57 | 6.14 Low Average |
| Vistra Energy Corp | 6.63 | 6.60 Low Median |
| Exelon Corp | 6.80 | 6.25 Say |
| AES Corp | 6.86 | 10.47 High Harmonic Mean |
| NextEra Energy Inc | 11.00 | 11.69 High Average |
| Southern Co | 11.27 | 11.13 High Median |
| Pattern Energy Group Inc | 17.63 | 11.00 Say |

SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

2019 Assessment Year

Power Industry

| Company | Ticker | Stock Price | 2018 | | 2019 | | 2018 | | 2019 | |
|--------------------------|--------|---------------------------------|-------------------------------|--------------|-----------------------------------|--------------|------------------------|--------------|---------------------------|--------------|
| | | | Actual Earnings Ratio (EPS/P) | | Projected Earnings Ratio (PEPS/P) | | Cash Flow Ratio (CF/P) | | Projected Cash Flow Ratio | |
| AES Corp | aes | 14.46 | 1.81 | 12.5% | 1.30 | 9.0% | 3.35 | 23.2% | 2.90 | 20.1% |
| Exelon Corp | exc | 45.10 | 2.07 | 4.6% | 3.15 | 7.0% | 8.25 | 18.3% | 9.75 | 21.6% |
| NextEra Energy Inc | nee | 173.82 | 6.68 | 3.8% | 8.25 | 4.7% | 14.65 | 8.4% | 15.90 | 9.1% |
| NRG Energy Inc | nrg | 39.60 | 0.87 | 2.2% | 2.05 | 5.2% | 2.35 | 5.9% | 3.80 | 9.6% |
| Pattern Energy Group Inc | pegi | 18.62 | 1.45 | 7.8% | 0.50 | 2.7% | 4.35 | 23.4% | 3.55 | 19.1% |
| Southern Co | so | 43.92 | 2.90 | 6.6% | 3.05 | 6.9% | 6.40 | 14.6% | 6.70 | 15.3% |
| TransAlta Corp | tato | 4.12 | (0.86) | nmf | 0.05 | 1.2% | 1.90 | 46.1% | 2.05 | 49.8% |
| Vistra Energy Corp | vst | 22.89 | (0.11) | nmf | 1.50 | 6.6% | 2.76 | 12.1% | 4.50 | 19.7% |
| | | Mean | | 6.3% | | 5.4% | | 19.0% | | 20.5% |
| | | Harmonic Mean | | | | 3.7% | | 13.3% | | 16.0% |
| | | Median | | 5.6% | | 5.9% | | 16.4% | | 19.4% |
| | | Max | | 12.5% | | 9.0% | | 46.1% | | 49.8% |
| | | Min | | 2.2% | | 1.2% | | 5.9% | | 9.1% |
| | | Std Dev | | 3.7% | | 2.5% | | 12.7% | | 12.7% |
| | | Coefficient of Variation | | 58.4% | | 46.6% | | 66.7% | | 62.1% |
| | | Say | | 6.0% | | 5.5% | | 15.0% | | 18.0% |

Source: Value Line / yr end stock price

SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

2019 Assessment Year

Power Industry

| Company | Ticker | Stock Price | Revenues | Multiple | Cash Flow | Multiple | Earnings | Multiple | Book Value | Multiple |
|----------------------|--------|-------------|-------------|----------|--------------|----------|--------------|----------|-------------|----------|
| AES Corp | aes | 14.46 | 16.25 | 0.89 | 3.35 | 4.32 | 1.81 | 7.99 | 4.85 | 2.98 |
| Exelon Corp | exc | 45.10 | 37.15 | 1.21 | 8.25 | 5.47 | 2.07 | 21.79 | 31.80 | 1.42 |
| NextEra Energy Inc | nee | 173.82 | 33.45 | 5.20 | 14.65 | 11.86 | 6.68 | 26.02 | 68.30 | 2.54 |
| NRG Energy Inc | nrg | 39.60 | 30.74 | 1.29 | 2.35 | 16.85 | 0.87 | 45.52 | (4.00) | nmf |
| Pattern Energy Group | pegi | 18.62 | 4.95 | 3.76 | 4.35 | 4.28 | 1.45 | 12.84 | 10.73 | 1.74 |
| Southern Co | so | 43.92 | 23.10 | 1.90 | 6.40 | 6.86 | 2.90 | 15.14 | 24.35 | 1.80 |
| TransAlta Corp | tato | 4.12 | 7.80 | 0.53 | 1.90 | 2.17 | (0.86) | nmf | 5.85 | 0.70 |
| Vistra Energy Co | vst | 22.89 | 18.82 | 1.22 | 2.76 | 8.29 | (0.11) | nmf | 16.19 | 1.41 |
| Mean | | | 2.00 | | 7.51 | | 21.55 | | 1.80 | |
| Harmonic Mean | | | 1.25 | | 5.27 | | 15.98 | | 1.49 | |
| Median | | | 1.25 | | 6.16 | | 18.47 | | 1.74 | |
| Max | | | 5.20 | | 16.85 | | 45.52 | | 2.98 | |
| Min | | | 0.53 | | 2.17 | | 7.99 | | 0.70 | |
| Say | | | 1.25 | | 6.50 | | 17.00 | | 1.50 | |