



**EDISON ELECTRIC  
INSTITUTE**

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# Rate Case Summary

**Q3 2009  
FINANCIAL UPDATE**  
QUARTERLY REPORT  
OF THE U.S. SHAREHOLDER-OWNED  
ELECTRIC UTILITY INDUSTRY



#### About EEI

The Edison Electric Institute is the association of U.S. shareholder-owned electric companies. Our members serve 95% of the ultimate customers in the shareholder-owned segment of the industry, and represent approximately 70% of the U.S. electric power industry. We also have 79 international electric companies as Affiliate members and more than 190 industry suppliers and related organizations as Associate members.

#### About EEI's Quarterly Financial Updates

EEI's quarterly financial updates present industry trend analyses and financial data covering 69 U.S. shareholder-owned electric utility companies. These 69 companies include 58 electric utility holding companies whose stocks are traded on major U.S. stock exchanges and eleven electric utilities who are subsidiaries of non-utility or foreign companies. Financial updates are published for the following topics:

Dividends	Rate Case Summary
Stock Performance	SEC Financial Statements (Holding Companies)
Credit Ratings	FERC Financial Statements (Regulated Utilities)
Construction	Fuel

#### For EEI Member Companies

The EEI Finance and Accounting Division is developing current year and historical data sets that cover a wide range of industry financial and operating metrics. We look forward to serving as a resource for member companies who wish to produce customized industry financial data and trend analyses for use in:

- Investor relations studies and presentations
- Internal company presentations
- Performance benchmarking
- Peer group analyses
- Annual and quarterly reports to shareholders

#### We Welcome Your Feedback

EEI is interested in ensuring that our financial publications and industry data sets best address the needs of member companies and the financial community. We welcome your comments, suggestions and inquiries.

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#### Future EEI Finance Meetings

44th EEI Financial Conference  
November 1-4, 2009  
Westin Diplomat Resort & Spa  
Hollywood, Florida

EEI International Utility Conference  
March 14-16, 2010  
London Hilton on Park Lane  
London, United Kingdom

For more information about EEI Finance Meetings, please contact Debra Henry, (202) 508-5496, [dhenry@eei.org](mailto:dhenry@eei.org)

# The 69 U.S. Shareholder-Owned Electric Utilities

The companies listed below all serve a regulated distribution territory. Other utilities, such as transmission provider ITC Holdings, are not shown below because they do not serve a regulated distribution territory. However, their financial information is included in relevant EEI data sets, such as transmission-related construction spending.

Allegheny Energy, Inc. (AYE)  
ALLETE, Inc. (ALE)  
Alliant Energy Corporation (LNT)  
Ameren Corporation (AEE)  
American Electric Power Company, Inc. (AEP)  
Avista Corporation (AVA)  
Black Hills Corporation (BKH)  
CenterPoint Energy, Inc. (CNP)  
Central Vermont Public Service Corporation (CV)  
CH Energy Group, Inc. (CHG)  
Cleco Corporation (CNL)  
CMS Energy Corporation (CMS)  
Consolidated Edison, Inc. (ED)  
Constellation Energy Group, Inc. (CEG)  
Dominion Resources, Inc. (D)  
DPL, Inc. (DPL)  
DTE Energy Company (DTE)  
Duke Energy Corporation (DUK)  
*Duquesne Light Holdings, Inc.*  
Edison International (EIX)  
El Paso Electric Company (EE)  
Empire District Electric Company (EDE)  
*Energy East Corporation*  
*Energy Future Holdings Corp.* (formerly TXU Corp.)  
Energy Corporation (ETR)  
Exelon Corporation (EXC)  
FirstEnergy Corp. (FE)  
FPL Group, Inc. (FPL)

Great Plains Energy Incorporated (GXP)  
*Green Mountain Power Corporation*  
Hawaiian Electric Industries, Inc. (HE)  
IDACORP, Inc. (IDA)  
Integrus Energy Group, Inc. (TEG)  
*IPALCO Enterprises, Inc.*  
*Kentucky Utilities*  
*KeySpan Corporation*  
*Louisville Gas and Electric*  
Maine & Maritimes Corporation (MAM)  
MDU Resources Group, Inc. (MDU)  
MGE Energy, Inc. (MGEE)  
*MidAmerican Energy Holdings Company*  
*Niagra Mohawk Power Corporation*  
NiSource Inc. (NI)  
Northeast Utilities (NU)  
NorthWestern Corporation (NWE)  
NSTAR (NST)  
NV Energy, Inc. (NVE)  
OGE Energy Corp. (OGE)  
Otter Tail Corporation (OTTR)  
Pepco Holdings, Inc. (POM)  
PG&E Corporation (PCG)  
Pinnacle West Capital Corporation (PNW)  
PNM Resources, Inc. (PNM)  
Portland General Electric Company (POR)  
PPL Corporation (PPL)  
Progress Energy (PGN)  
Public Service Enterprise Group Inc. (PEG)

*Puget Energy, Inc.\**  
SCANA Corporation (SCG)  
Sempra Energy (SRE)  
Southern Company (SO)  
TECO Energy, Inc. (TE)  
UIL Holdings Corporation (UIL)  
UniSource Energy Corporation (UNS)  
Unitil Corporation (UTL)  
Vectren Corporation (VVC)  
Westar Energy, Inc. (WR)  
Wisconsin Energy Corporation (WEC)  
Xcel Energy, Inc. (XEL)

\* Puget Energy was acquired by Puget Energy LLC on February 6, 2009. Puget Energy LLC was formed by a group of infrastructure investors led by the Macquarie Group.

# Companies Listed by Category

## (as of 12/31/08)

Please refer to the Quarterly Financial Updates webpage for previous years' lists.

Given the diversity of utility holding company corporate strategies, no single company categorization approach will be useful for all EEI members and utility industry analysts. Nevertheless, we believe the following classification provides an informative framework for tracking financial trends and the capital markets' response to business strategies as companies depart from the traditional regulated utility model.

Regulated	80%+ of total assets are regulated
Mostly Regulated	50% to 80% of total assets are regulated
Diversified	Less than 50% of total assets are regulated

Categorization of the 58 publicly traded utility holding companies is based on year-end business segmentation data presented in 10Ks, supplemented by discussions with company IR departments. Categorization of the 11 non-publicly traded companies (*shown in italics*) is based on estimates derived from FERC Form 1 data and information provided by parent company IR departments.

The EEI Finance and Accounting Division continues to evaluate our approach to company categorization and business segmentation. In addition, we can produce customized categorization and peer group analyses in response to member company requests. We welcome comments, suggestions and feedback from EEI member companies and the financial community.

### Regulated (44 of 69)

ALLETE, Inc.  
Alliant Energy Corporation  
Ameren Corporation  
American Electric Power Company, Inc.  
Avista Corporation  
Central Vermont Public Service Corporation  
CH Energy Group, Inc.  
Cleco Corporation  
CMS Energy Corporation  
Consolidated Edison, Inc.  
DPL, Inc.  
DTE Energy Company  
*Duquesne Light Holdings, Inc.*  
El Paso Electric Company  
Empire District Electric Company  
*Energy East Corporation*  
Great Plains Energy Incorporated  
*Green Mountain Power Corporation*  
IDACORP, Inc.  
*IPALCO Enterprises, Inc.*  
*Kentucky Utilities*  
*KeySpan Corporation*  
*Louisville Gas and Electric*  
Maine & Maritimes Corporation  
*Niagara Mohawk Power Corporation*  
Northeast Utilities

NorthWestern Energy  
NSTAR  
NV Energy, Inc.  
PG&E Corporation  
Pinnacle West Capital Corporation  
PNM Resources, Inc.  
Portland General Electric Company  
Progress Energy  
*Puget Energy, Inc.*  
Southern Company  
TECO Energy, Inc.  
UIL Holdings Corporation  
UniSource Energy Corporation  
Unitil Corporation  
Vectren Corporation  
Westar Energy, Inc.  
Wisconsin Energy Corporation  
Xcel Energy, Inc.

### Mostly Regulated (19 of 69)

Black Hills Corporation  
CenterPoint Energy, Inc.  
Dominion Resources, Inc.  
Duke Energy Corporation  
Edison International  
Entergy Corporation  
Exelon Corporation  
First Energy Corp.

FPL Group, Inc.  
Integrus Energy Group  
MGE Energy, Inc.  
*MidAmerican Energy Holdings*  
NiSource Inc.  
OGE Energy Corp.  
Otter Tail Corporation  
Pepco Holdings, Inc.  
Public Service Enterprise Group, Inc.  
SCANA Corporation  
Sempra Energy

### Diversified (6 of 69)

Allegheny Energy, Inc.  
Constellation Energy Group, Inc.  
*Energy Future Holdings*  
Hawaiian Electric Industries, Inc.  
MDU Resources Group, Inc.  
PPL Corporation

Note: Based on assets at 12/31/08

# Rate Case Summary

## HIGHLIGHTS

■ Electric utilities filed 17 rate cases in Q3 bringing to 52 the number filed so far in 2009 — already ten more than were filed in 2008 and more than in any year in nearly two decades.

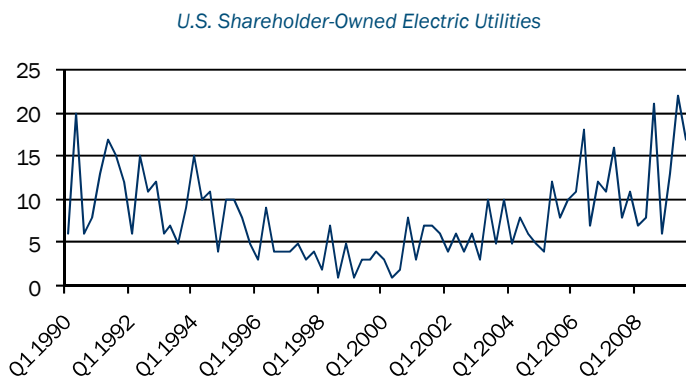
■ Consistent with the trend in recent years, capital expenditures for infrastructure investment provided the main reason for most filings. Attempts to implement riders, surcharges and other cost recovery mechanisms were another driver, as were current economic conditions and pension costs.

■ The average awarded ROE during the quarter was 10.46%, consistent with the low level of recent years and at the low end of awarded ROEs in recent decades. The average requested ROE, at 11.43%, was also near the low end of the downward trend of recent decades, and for similar reasons.

## COMMENTARY

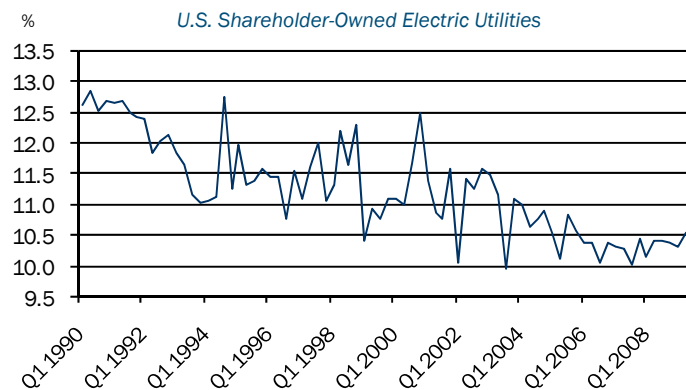
Electric utilities filed 17 new general rate cases in Q3 2009, bringing to 52 the number of cases filed during the first nine months of the year. This total is already ten more than were filed in all of 2008 and more than were filed in a single year in nearly two decades. Consistent with the trend in recent years, capital expenditures for infrastructure investment provided the main reason for most filings. The attempt to implement surcharges, cost recovery mechanisms and riders — seeking a more timely recovery of escalating costs and reduction of regulatory lag — was another common reason for filings. Utilities cited attempts to recover revenue shortfalls caused by economic conditions in many of the filings.

## I. Number of Rate Cases Filed: 1990 — Q3 2009 (Quarterly)



Source: SNL Financial / Regulatory Research Assoc. and EEI Rate Department

## II. Average Awarded ROE : 1990 — Q3 2009 (Quarterly)

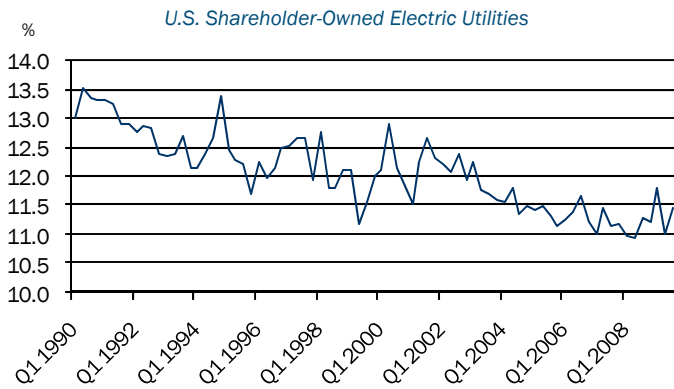


Source: SNL Financial / Regulatory Research Assoc. and EEI Rate Department

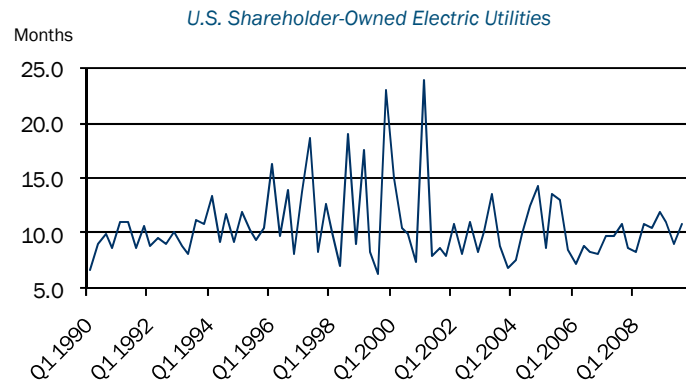
## ROE

The average awarded ROE during the quarter was 10.46%, consistent with the low level of recent years and at the low end of awarded ROEs in recent decades. Declining interest

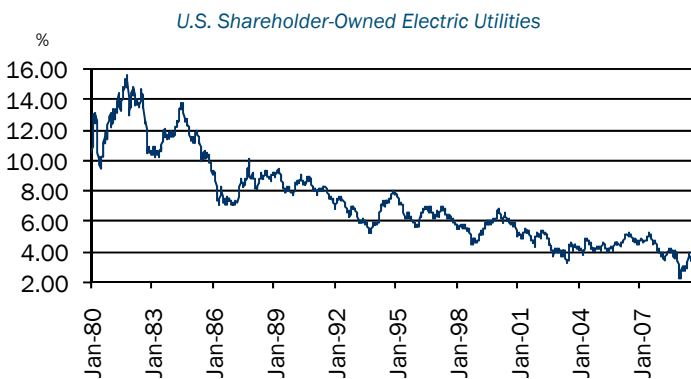
### III. Average Requested ROE: 1990 – Q3 2009 (Quarterly)



### IV. Average Regulatory Lag: 1990 – Q3 2009 (Quarterly)



### V. 10-Year Treasury Yield: 1980 – Q3 2009



rates have contributed to this trend, but efforts by state commissions to restrain rising rates have also been a factor — especially now, given the weak economy.

The average requested ROE during Q3 2009, at 11.43%, was also near the low end of the downward trend of recent decades, and for similar reasons. Utilities, as well as commissions, are attempting to minimize the rate impact on financially stressed customers from rising infrastructure investment.

#### Regulatory Lag

Regulatory lag, at an average of 10.9 months in Q3 2009, was near the average of the past two decades. During the late 1990s and early 2000s regulatory lag became volatile — largely reflecting industry restructuring. Lag in recent years has been more stable, but remains too high for many utilities.

Regulatory lag is defined as the time between when a rate case is filed and when it is decided, and generally represents the time between when a utility needs additional revenue and when it can implement rate recovery. When costs are rising, regulatory lag can strain utilities' financial stability. Commissions can moderate lag by permitting companies to

recover costs between rate cases through adjustment clauses, other tracking mechanisms, interim rate increases, recovery of construction work-in-progress (CWIP) and by allowing utilities to use projected costs in rate cases.

#### Filed Cases

Capital expenditures for infrastructure investments played a large role in most of Q3's filed cases. New generation accounted for the bulk of these expenditures, but transmission and distribution upgrades accounted for a large part as well. In Wisconsin Electric's filing in Michigan, 56% of the \$42.1 million request was for new generation. Funding new generation was essentially the entire reason for MDU Resources' request in Wyoming, and it played a part in Duke Energy Carolinas' request in South Carolina. Upgrades to transmission, distribution, and pollution control systems were also a part of Duke's request. Delmarva Power & Light's filing in Delaware was largely aimed at recovering rising capital investment for transmission and distribution system improvements and a planned automated meter infrastructure investment.

Utilities' attempts to implement riders, surcharges and other cost recovery mechanisms were another driver of filed cases in Q3. Union Electric/AmerenUE filed in Missouri for the implementation of an environmental cost recovery mechanism. Atlantic City Electric, in New Jersey, filed for a distribution infrastructure investment tracker to recover reliability-related investments. Similarly, Southwestern Electric Power's \$81.9 million request in Texas included \$16.3 million for implementation of a rider for recovery of enhanced vegetation management and reliability costs. Entergy Arkansas asked for an energy efficiency lost contribution recovery rider.

Current economic conditions and pension costs were also factors in filed cases. Wisconsin Electric, in its filing in Michigan, and Rockland Electric, in New Jersey, referenced

## VI. Rate Case Data: From Tables I-V

U.S. Shareholder-Owned Electric Utilities

Quarter	Number of Rate Cases Filed	Average Awarded ROE	Average Requested ROE	Average 10-Year Treasury Yield	Average Regulatory Lag
Q4 1988	1	NA	14.30	8.96	NA
Q1 1989	4	NA	15.26	9.21	NA
Q2 1989	4	NA	13.30	8.77	NA
Q3 1989	14	NA	13.65	8.11	NA
Q4 1989	13	NA	13.47	7.91	NA
Q1 1990	6	12.62	13.00	8.42	6.71
Q2 1990	20	12.85	13.51	8.68	9.07
Q3 1990	6	12.54	13.34	8.70	9.90
Q4 1990	8	12.68	13.31	8.40	8.61
Q1 1991	13	12.66	13.29	8.02	11.00
Q2 1991	17	12.67	13.23	8.13	11.00
Q3 1991	15	12.49	12.89	7.94	8.70
Q4 1991	12	12.42	12.90	7.35	10.70
Q1 1992	6	12.38	12.77	7.30	8.90
Q2 1992	15	11.83	12.86	7.38	9.61
Q3 1992	11	12.03	12.81	6.62	9.00
Q4 1992	12	12.14	12.36	6.74	10.10
Q1 1993	6	11.84	12.33	6.28	8.87
Q2 1993	7	11.64	12.39	5.99	8.10
Q3 1993	5	11.15	12.70	5.62	11.20
Q4 1993	9	11.04	12.12	5.61	10.90
Q1 1994	15	11.07	12.15	6.07	13.40
Q2 1994	10	11.13	12.37	7.08	9.28
Q3 1994	11	12.75	12.66	7.33	11.80
Q4 1994	4	11.24	13.36	7.84	9.26
Q1 1995	10	11.96	12.44	7.48	12.00
Q2 1995	10	11.32	12.26	6.62	10.40
Q3 1995	8	11.37	12.19	6.32	9.50
Q4 1995	5	11.58	11.69	5.89	10.60
Q1 1996	3	11.46	12.25	5.91	16.30
Q2 1996	9	11.46	11.96	6.72	9.80
Q3 1996	4	10.76	12.13	6.78	14.00
Q4 1996	4	11.56	12.48	6.34	8.12
Q1 1997	4	11.08	12.50	6.56	13.80
Q2 1997	5	11.62	12.66	6.70	18.70
Q3 1997	3	12.00	12.63	6.24	8.33
Q4 1997	4	11.06	11.93	5.91	12.70
Q1 1998	2	11.31	12.75	5.59	10.20
Q2 1998	7	12.20	11.78	5.60	7.00
Q3 1998	1	11.65	NA	5.20	19.00
Q4 1998	5	12.30	12.11	4.67	9.11
Q1 1999	1	10.40	NA	4.98	17.60
Q2 1999	3	10.94	11.17	5.54	8.33
Q3 1999	3	10.75	11.57	5.88	6.33
Q4 1999	4	11.10	12.00	6.14	23.00
Q1 2000	3	11.08	12.10	6.48	15.10
Q2 2000	1	11.00	12.90	6.18	10.50
Q3 2000	2	11.68	12.13	5.89	10.00
Q4 2000	8	12.50	11.81	5.57	7.50
Q1 2001	3	11.38	11.50	5.05	24.00
Q2 2001	7	10.88	12.24	5.27	8.00
Q3 2001	7	10.78	12.64	4.98	8.62
Q4 2001	6	11.57	12.29	4.77	8.00
Q1 2002	4	10.05	12.22	5.08	10.80
Q2 2002	6	11.41	12.08	5.10	8.16
Q3 2002	4	11.25	12.36	4.26	11.00
Q4 2002	6	11.57	11.92	4.01	8.25

## VI. Rate Case Data: From Tables I-V (cont.)

## U.S. Shareholder-Owned Electric Utilities

Quarter	Number of Rate Cases Filed	Average Awarded ROE	Average Requested ROE	Average 10-Year Treasury Yield	Average Regulatory Lag
Q1 2003	3	11.49	12.24	3.92	10.20
Q2 2003	10	11.16	11.76	3.62	13.60
Q3 2003	5	9.95	11.69	4.23	8.80
Q4 2003	10	11.09	11.57	4.29	6.83
Q1 2004	5	11.00	11.54	4.02	7.66
Q2 2004	8	10.64	11.81	4.60	10.00
Q3 2004	6	10.75	11.35	4.30	12.50
Q4 2004	5	10.91	11.48	4.17	14.40
Q1 2005	4	10.55	11.41	4.30	8.71
Q2 2005	12	10.13	11.49	4.16	13.70
Q3 2005	8	10.84	11.32	4.21	13.00
Q4 2005	10	10.57	11.14	4.49	8.44
Q1 2006	11	10.38	11.23	4.57	7.33
Q2 2006	18	10.39	11.38	5.07	8.83
Q3 2006	7	10.06	11.64	4.90	8.33
Q4 2006	12	10.38	11.19	4.63	8.11
Q1 2007	11	10.30	11.00	4.68	9.88
Q2 2007	16	10.27	11.44	4.85	9.82
Q3 2007	8	10.02	11.13	4.73	10.80
Q4 2007	11	10.44	11.16	4.26	8.75
Q1 2008	7	10.15	10.98	3.66	7.33
Q2 2008	8	10.41	10.93	3.89	10.80
Q3 2008	21	10.42	11.26	3.86	10.60
Q4 2008	6	10.38	11.21	3.25	11.90
Q1 2009	13	10.31	11.79	2.74	11.10
Q2 2009	22	10.55	11.01	3.31	9.13
Q32009	17	10.46	11.43	3.52	10.90

NA = Not available

Source: SNL Financial / Regulatory Research Assoc. and EEI Rate Department

pension and benefit funding as part of the reason for their filings. Central Hudson Gas & Electric in New York pointed to lower-than-expected revenue given the weak economy as a driver of its filing. Similarly, New York State Electric & Gas said it requested a rate increase in part to improve bond ratings to make borrowing less expensive.

#### *Mitigating the Impact of Rate Increases in Trying Economic Times*

Utilities are attempting to minimize the impact on customers of rate increases during difficult economic times. Delmarva Power & Light's request in Delaware reflects a 3-year average of certain volatile expenses, such as post-employment benefits and uncollectibles. New York State Electric & Gas and Rochester Gas & Electric in New York have implemented austerity measures including salary and hiring freezes, sharply reduced business travel and elimination of all non-essential external services. Duke Energy Carolinas' filing in South Carolina could support a 12.3% ROE, but Duke moderated its request to an 11.5% ROE to reduce the impact on customers "during extraordinarily difficult economic times."

#### *Securitization*

Entergy Arkansas is considering the merits of securitizing ice storm costs. Securitizing would net the company less than bringing these costs into rate base. However, securitizing would give the company cash to pursue other, higher-return endeavors. The commission in West Virginia authorized Monongahela Power to securitize the cost of scrubbers. However, settlement discussions for Texas-New Mexico Power's case in Texas persuaded commissioners that the small amount of storm recovery costs would not be worth the associated administrative burden.

#### *Energy Efficiency*

Central Hudson Gas & Electric in New York filed in part to recover shortfalls caused by energy efficiency measures in the utility's service territory. Atlantic City Electric's filing in New Jersey would implement a decoupling program to ensure that the utility can continue to recover fixed costs if conservation impacts sales. Similarly Delmarva Power & Light in Delaware filed to implement a modified fixed/variable revenue decoupling. Entergy Arkansas's filing

would share, on a 90/10 basis between customers and shareholders, the cost savings associated with energy efficiency programs.

### **Decided Cases**

Of Q3's seven decided cases, six were settled. Settlements are often silent regarding many rate case issues, which leaves little to analyze. However, the quarter's decided cases still offer some perspective.

#### *Riders*

As with filed cases, riders played an important part in decided cases. Duke Energy's settlement in Ohio implements riders for storm costs and uncollectibles. Oklahoma Gas & Electric's settlement in Oklahoma allows the company to recover up to \$20 million in Smart Grid expenses through a rider. Texas-New Mexico Power's settlement in Texas establishes an energy efficiency cost recovery rider.

#### *Setting ROE*

Setting return on equity is a contentious issue during rate cases, especially regarding selection of comparison peer groups and calculation methodology. In Virginia, the legislature passed a law to attempt to more clearly define the process to be used to determine ROE in rate cases. Virginia state legislation requires the commission to set a "fair" ROE that must equal, but not exceed by more than 300 basis points, a 3-year average of the returns on common equity reported to

the Securities and Exchange Commission by a peer group of electric utilities consisting of a majority of non-affiliated, vertically integrated utilities operating in the southeastern US with bond ratings that are investment grade or better. The commission may modify this ROE by up to 100 basis points (1 percentage point) based on a utility's operating performance. If the earned ROE is more than 50 basis points below the fair ROE, the commission must approve a rate increase designed to bring the ROE up to the fair level. Earnings 50 basis points above the fair ROE allow the commission to require rate reductions or credits.

#### *Miscellaneous*

Southwestern Public Service's settlement in New Mexico allows the net costs or revenues associated with renewable energy credits to be split equally between customers and shareholders. Kansas City Power & Light's settlement in Kansas caps potential disallowance of some new generation in future rate cases. Texas-New Mexico Power's settlement increases the company's competition transition charge (stranded cost recovery charge) to reflect the utility's increased cost of debt. In Oncor Electric Delivery's case in Texas, the commission disallowed \$5 million in incentive compensation expenses as related to financial performance, which the commission says benefits shareholders, as opposed to operational performance, which the commission finds benefits customers.■

## VII. Summary of Rate Cases Filed in 2009

*U.S. Shareholder-Owned Electric Utilities***01 2009**

Date Filed: 1/23/2009

Company/Commission: Avista/ID

Docket: AVU-E-09-01

Request: 14.2%, \$31.2 million, 11% ROE, 8.8% ROR

Key Drivers: Increased power supply costs, capital investments for infrastructure upgrades, litigation costs, relicensing costs, miscellaneous operating costs, reducing regulatory lag – need for forecasted test year.

Expected Decision Date: 8/2009

Date Filed: 1/23/2009

Company/Commission: Avista/WA

Docket: UE-090134

Request: 17.8%, \$69.8 million, 11% ROE, 8.68% ROR

Key Drivers: Higher operating costs, infrastructure investments, litigation costs, environmental compliance costs, reducing regulatory lag – need for forecasted test year.

Expected Decision Date: 12/2009

Date Filed: 1/26/2009

Company/Commission: Detroit Edison/MI  
Docket: U-157689

Request: 7.6%, \$377.7 million, 11.5% ROE, 7.26% ROR

Key Drivers: Decreased sales (\$164 million), higher pension and other benefit expenses (\$83 million), increased uncollectibles expenses (\$33 million), higher rate of return (\$14 million), working capital changes (\$31 million), inflation (\$15 million), and other O&amp;M (\$41 million). DE also asked for a revenue decoupling mechanism and an uncollectible expense tracking mechanism.

Expected Decision Date: 1/2010

Date Filed: 1/27/2009

Company/Commission: New York State  
Electric & Gas/NY

Docket: 09-E-0082

Request: 22.7% increase, \$134.7 million, 12.2% ROE, 8.79% ROR

Key Drivers: Cash flow and liquidity issues, higher costs of capital, higher costs, reduced sales, reliability improvements, energy efficiency plans, and renewable generation.

Date Filed: 1/27/2009

Company/Commission: Rochester Gas &  
Electric/NY

Docket: 09-E-0084

Request: 23.9%, \$66.2 million, 12.2% ROE, 9.74% ROR

Key Drivers: Cash flow and liquidity issues, higher costs of capital, higher costs, reduced sales, reliability improvements, energy efficiency plans, and renewable generation.

Date Filed: 2/9/2009

Company/Commission: PacifiCorp/WA  
Docket: UE-090134

Request: 15.1%, \$38.5 million, 11% ROE, 8.51% ROR

Key Drivers: New generating facilities, increases in net power supply costs.

Expected Decision Date: 12/2009

Date Filed: 2/19/2009

Company/Commission: Southwestern Electric  
Power/AR

Docket: 09-008-U

Request: 8.3%, \$25.3 million, 11.5% ROE, 7% ROR

Key Drivers: Increased operating costs; recent infrastructure investments including generation investments, implementation of a generation recovery rider that would grant a cash return on CWIP.

Expected Decision Date: 12/2009

Date Filed: 2/27/2009

Company/Commission: Oklahoma Gas and  
Electric/OK

Docket: PUD-200800398

Request: 6.4%, \$110.3 million, 12.25% ROE, 9.64% ROR

Key Drivers: Increases in labor, health care, materials, and other expenses and infrastructure investments, implementation of a smart grid rider, equalization of rates among classes, increased time-of-use pricing and other pricing methods to encourage conservation.

Expected Decision Date: 8/2009

Date Filed: 3/13/2009

Company/Commission: Idaho Power/ID  
Docket: IPC-E-09-07

Request: 1.6%, \$11.2 million, 10.5% ROE, 8.18% ROR

Key Drivers: Installation of advanced metering infrastructure and depreciation of old system.

Expected Decision Date: 6/2009

Date Filed: 3/17/2009

Company/Commission: Interstate Power &  
Light/IA

Docket: RPU-2009-0002

Request: 16.6%, \$170.6 million, 11.54% ROE, 9.31% ROR

Key Drivers: Increased operating costs, recent infrastructure investments, recovery costs associated with ice storms and

floods, Midwest Independent Transmission System Operator costs.  
Expected Decision Date: 1/2010

Date Filed: 3/18/2009

Company/Commission: Florida Power &  
Light/FL

Docket: 080677-EI

Request: \$1,044 million, 12.5% ROE, 8% ROR

Key Drivers: Higher operating expenses, additional capital expenditures for infrastructure to enhance reliability and efficiency and to employ smart meters and other smart grid technologies, system growth, federal and state mandates and other regulatory commitments, inflation, storm fund reserve, costs associated with economic downturn.

Expected Decision Date: 12/2010

Date Filed: 3/20/2009

Company/Commission: Florida Power  
Corp./FL

Docket: 090079-EI

Request: 12%, \$500 million, 12.54% ROE, 9.21% ROR

Key Drivers: Costs associated with expanding nuclear generation capability and increasing generation efficiency through repowering and upgrades, costs associated with reducing greenhouse gas and other emissions and decreasing dependence on fossil fuels, hardening T&amp;D systems against storm damage to meet federal government standards, deferral of pension expense.

Expected Decision Date: 12/2009

Date Filed: 3/31/2009

Company/Commission: Virginia Electric &  
Power/VA

Docket: PUE-2009-00019

Request: 5.2%, \$298 million, 13.5% ROE, 10.04% ROR

Key Drivers: Seeks funding for smart grid demonstration projects, infrastructure, and conservation programs. Part of the infrastructure is intended to serve server farms in the Northern Virginia area, one of the major high-tech hubs, and other areas of the state.

Surcharges would recover some generation, transmission, energy efficiency and conservation expenses, and CWIP. Filing requests an earnings sharing mechanism based on ROE with deadband.

Expected Decision Date: NA

## VII. Summary of Rate Cases Filed in 2009 (cont.)

## U.S. Shareholder-Owned Electric Utilities

Q2 2009

Date Filed: 4/3/2009  
 Company/Commission: PacifiCorp/OR  
 Docket: UE-210  
 Request: 9.1% increase, \$92.1 million, 11% ROE, 8.55% ROR  
 Key Drivers: New plant investment, including wind.  
 Expected Decision Date: 2/2010

Date Filed: 4/29/2009  
 Company/Commission: Madison Gas and Electric/WI  
 Docket: 3270-UR-116  
 Request: 4.5% increase, \$16 million, 10.8% ROE, 9.26% ROR  
 Key Drivers: Generation costs and transmission reliability expenses. Company expressly tried to keep rates low to minimize impact on customers during current economic distress, and consequently company deferred many expenses.  
 Expected Decision Date: 12/2009

Date Filed: 5/1/2009  
 Company/Commission: Public Service Company of Colorado/CO  
 Docket: 09AL-299E  
 Request: \$240.6 million increase, 11.25% ROE, 9.15% ROR  
 Key Drivers: New generation. Seeking a forecasted test year — would be first in Colorado. Also seeking residential inverted block rates, expanded time-of-use rates, and a low income pilot program.  
 Expected Decision Date: 1/2010

Date Filed: 5/6/2009  
 Company/Commission: Delmarva Power & Light/MD  
 Docket: 9192  
 Request: 12.4% increase, \$14.1 million, 11.25% ROE, 8.58% ROR  
 Key Drivers: Higher cost of capital and pension expenses, improvements to the electric system, increased operating costs. Implementation of a surcharge for recovery of pension and other post-employment benefit costs.  
 Expected Decision Date: 12/2009

Date Filed: 5/8/2009  
 Company/Commission: Consolidated Edison Company of New York/NY  
 Docket: 09-E-0428  
 Request: 11.1% distribution-only increase, \$854.5 million, 10.9% ROE, 8.29% ROR  
 Key Drivers: Increased property taxes, operation expenses, carrying charges on infrastructure investment, pension and

post-retirement benefit costs and need for increased return on equity.  
 Expected Decision Date: 3/2010

Date Filed: 5/8/2009  
 Company/Commission: Puget Sound Energy/WA  
 Docket: UE-090704  
 Request: 7.4% increase, \$148.1 million, 10.8% ROE, 8.56% ROR  
 Key Drivers: Higher O&M, power and depreciation expenses. Filing could support an ROE in the upper 11%-11.5% range but company moderated ROE to 10.8% to be mindful of customers in difficult economic times.  
 Expected Decision Date: 4/2010

Date Filed: 5/8/2009  
 Company/Commission: Wisconsin Power and Light/WI  
 Docket: 6680-UR-117  
 Request: 9.2% increase, \$85.5 million, 10.6% ROE, 11.52% ROR  
 Key Drivers: Construction work-in-progress, reduced sales, generation expenses, increased cost of capital, higher pension and benefit expenses, and infrastructure additions. Filing would support a \$121.4 million increase but company moderated increase in recognition of the effect of tough economic times on customers.  
 Expected Decision Date: 12/2009

Date Filed: 5/22/2009  
 Company/Commission: Potomac Electric Power/DC  
 Docket: 1076  
 Request: 13.8% increase, \$51.7 million, 11.5% ROE, 8.88% ROR  
 Key Drivers: To maintain financial integrity in light of the company's currently earning 6.1% ROE, stressful economic times, need for access to capital and to preserve reliability.  
 Expected Decision Date: 2/2010

Date Filed: 5/29/2009  
 Company/Commission: El Paso Electric/NM  
 Docket: 09-00171-UT  
 Request: 10.8% increase, \$12.7 million, 11.5% ROE, 9.06% ROR  
 Key Drivers: N/A

Date Filed: 5/29/2009  
 Company/Commission: Public Service Electric and Gas/NJ  
 Docket: N/A  
 Request: 1.93% increase, \$133.7 million, 11.5% ROE, 8.86% ROR  
 Key Drivers: Pension expense tracker requested.

Expected Decision Date: 3/2010

Date Filed: 6/1/2009  
 Company/Commission: Narragansett Electric/RI  
 Docket: 4065  
 Request: 33.9% distribution-only increase, \$75.3 million, 11.6% ROE, 8.98% ROR  
 Key Drivers: Low earned return on equity (1.2%) and need to harden delivery system to provide safe and reliable service. Implementation of tracking mechanisms for pension and post-employment benefit expenses, incremental inspection and maintenance program costs, and commodity-related uncollectible accounts and administrative expenses. Also seeking to implement a decoupling mechanism.  
 Expected Decision Date: Early 2010

Date Filed: 6/1/2009  
 Company/Commission: Northern States Power - WI/WI  
 Docket: 4420-UR-116  
 Request: 5.7% increase, \$30.4 million, 10.75% ROE, 9.22% ROR  
 Key Drivers: Investments to strengthen generation, transmission, and distribution systems and add cleaner generation sources. Increased expenses and lower sales.  
 Expected Decision Date: 12/2009

Date Filed: 6/2/2009  
 Company/Commission: Kansas Gas and Electric/KS  
 Docket: 09-WSEE-925-RTS(KG&E)  
 Request: 1.5% increase, \$10 million, 10.4% ROE, 8.49% ROR  
 Key Drivers: Incremental costs associated with wind generation.  
 Expected Decision Date: 2/2010

Date Filed: 6/2/2009  
 Company/Commission: Westar Energy, Inc./KS  
 Docket: 09-WSEE-925-RTS(WR)  
 Request: 1.5% increase, \$9.7 million, 10.4% ROE, 8.49% ROR  
 Key Drivers: Incremental costs associated with wind generation.  
 Expected Decision Date: 2/2010

Date Filed: 6/2/2009  
 Company/Commission: Duke Energy Carolinas/NC  
 Docket: E-7, Sub 909  
 Request: 12.6% increase, \$496 million, 11.5% ROE, 8.84% ROR  
 Key Drivers: Increased capital expenditures for pollution control equipment, new generation, and upgrades to transmission

## VII. Summary of Rate Cases Filed in 2009 (cont.)

## U.S. Shareholder-Owned Electric Utilities

and distribution system. Filing actually supports a 12.3% ROE, but Duke moderated request to reduce impact on customers during extraordinarily difficult economic times.  
Expected Decision Date: 12/2009

Date Filed: 6/5/2009  
Company/Commission: Central Illinois Light/IL  
Docket: CILCO-E  
Request: \$28 million distribution-only increase  
Key Drivers: N/A  
Expected Decision Date: 5/2010

Date Filed: 6/5/2009  
Company/Commission: Central Illinois Public Service/IL  
Docket: CIPS-E  
Request: \$51 million distribution-only increase  
Key Drivers: N/A  
Expected Decision Date: 5/2010

Date Filed: 6/5/2009  
Company/Commission: Illinois Power/IL  
Docket: IP-E  
Request: \$102 million distribution-only increase  
Key Drivers: N/A  
Expected Decision Date: 5/2010

Date Filed: 6/23/2009  
Company/Commission: PacifiCorp/UT  
Docket: 09-035-23  
Request: 4.5% increase, \$66.9 million, 11% ROE, 8.358% ROR  
Key Drivers: Generation, distribution, and transmission plant investment.  
Expected Decision Date: 2/2010

Date Filed: 6/30/2009  
Company/Commission: Public Service Company of New Hampshire/NH  
Docket: DE-09-035  
Request: 26% increase, \$68.2 million, 10.5% ROE, 8.11% ROR  
Key Drivers: Infrastructure replacement needs, lack of sales growth, December 2008 ice storm damage, and a reliability enhancement program. Further, the company suggests several mechanisms for dealing with the company's earnings attrition, such as a decoupling mechanism, end-of-period rate base, a return-on-equity adder, an ROE collar that would allow rates to be adjusted based on the difference between earned and allowed return, a forward-looking test year, and step increases to adjust rate base.  
Expected Decision Date: 8/2010

Date Filed: 6/30/2009  
Company/Commission: Northern States Power – Minnesota/SD  
ELO9-009  
Request: 12.7% increase, \$18.6 million, 11.25% ROE, 9.02% ROR  
Key Drivers: Capital investments and O&M expenses.  
Expected Decision Date: 12/2009

**Q3 2009**

Date Filed: 7/2/2009  
Company/Commission: Wisconsin Electric Power/MI  
Docket: U-15981  
Request: 29.3% increase, \$42.1 million, 10.75% ROE, 7.66% ROR  
Key Drivers: 56% of request is for new generation. Other factors include rate base growth, higher distribution and production O&M expenses, taxes, pension and benefit expenses, and interest expense.  
Expected Decision Date: 7/2010

Date Filed: 7/15/2009  
Company/Commission: Appalachian Power/VA  
Docket: PUE-2009-00030  
Request: 10.6% increase, \$154 million, 13.35% ROE, 9.03% ROR  
Key Drivers: Surcharge for the recovery of transmission-related costs, 85 basis point management performance incentive, and implementation of a transmission rider.  
Expected Decision Date: N/A

Date Filed: 7/24/2009  
Company/Commission: Union Electric/MO  
Docket: ER-2010-0036  
Request: 18% increase, \$401.5 million, 11.5% ROE, 8.58% ROR  
Key Drivers: Implementation of an environmental cost recovery mechanism; increased operating costs (including fuel costs); and infrastructure investments.  
Expected Decision Date: 6/2010

Date Filed: 7/27/2009  
Company/Commission: Duke Energy Carolinas/SC  
Docket: 2009-226-E  
Request: 9.3% increase, \$132.9 million, 11.5% ROE, 8.83% ROR  
Key Drivers: Refunds to customers for over-collection for demand-side management programs, increased capital expenditures for new generation, upgrades to transmission, distribution, and pollution control systems.  
Expected Decision Date: 1/2010

Date Filed: 7/31/2009  
Company/Commission: Central Hudson Gas & Electric/NY  
Docket: 09-E-0588  
Request: 6% delivery increase, \$15.2 million, 10% ROE, 7.58% ROR  
Key Drivers: Costs and sales conditions due to economic conditions and energy efficiency measures and remediation of and associated borrowing costs related to a manufactured gas plant.  
Expected Decision Date: 6/2010

Date Filed: 7/31/2009  
Company/Commission: Idaho Power/OR  
Docket: UE-213  
Request: 22.5% increase, \$7.3 million, 11.25% ROE, 8.68% ROR  
Key Drivers: Expenses and capital expenditures for plant investment.  
Expected Decision Date: 5/2010

Date Filed: 8/13/2009  
Company/Commission: Monongahela Power/WV  
Docket: 09-1352-E-42T  
Request: 13% increase, \$122.1 million, 12.25% ROE, 9.3% ROR  
Key Drivers: Federal income tax expenses, operation and maintenance expenses for scrubbers, cost of scrubbers, other generation expenses.  
Expected Decision Date: 5/2010

Date Filed: 8/14/2009  
Company/Commission: Atlantic City Electric/NJ  
Docket: ER-09080664  
Request: 4.1% distribution increase, \$55.2 million, 11.5% ROE, 9.13% ROR  
Key Drivers: Capital investment and utility infrastructure spending, implementation of a decoupling program and a distribution infrastructure investment tracker to recover reliability-related investments.  
Expected Decision Date: 5/2010

Date Filed: 8/14/2009  
Company/Commission: Rockland Electric/NJ  
Docket: ER-09080668  
Request: 3.8% increase, \$9.8 million, 11% ROE, 8.77% ROR  
Key Drivers: New infrastructure investments, increased carrying costs on existing investments, and increases in the costs of labor, materials, employee healthcare, and retiree pension and healthcare.  
Expected Decision Date: 5/2010

## VII. Summary of Rate Cases Filed in 2009 (cont.)

*U.S. Shareholder-Owned Electric Utilities*

Date Filed: 8/14/2009  
 Company/Commission: MDU Resources Group/WY  
 Docket: 20004-81-ER-09  
 Request: 30.7% increase, \$6.2 million, 12.75% ROE, 9.62% ROR  
 Key Drivers: New generation.  
 Expected Decision Date: 6/2010

Date Filed: 8/28/2009  
 Company/Commission: Southwestern Electric Power/TX  
 Docket: 37364  
 Request: 37.7% increase, \$81.9 million, 11.5% ROE, 8.79% ROR  
 Key Drivers: \$31.7 million of the requested increase would be for implementation of riders to allow the company to earn a return on construction work-in-progress, \$16.3 million would be for implementation of a rider for recovery of enhanced vegetation management and reliability costs, \$6.9 million would be attributable to the removal of a merger-related credit, and implementation of a transmission cost recovery factor to reflect differences in FERC-approved transmission costs in a timely manner.  
 Expected Decision Date: 2/2010

Date Filed: 9/4/2009  
 Company/Commission: Entergy Arkansas/AR  
 Docket: 09-084-U  
 Request: 24.4% increase, \$223.2 million, 11.5% ROE, 6.22% ROR  
 Key Drivers: Infrastructure investments, increased operating costs, ice storm cost recovery, and implementation of a formula rate plan and energy efficiency lost contribution recovery rider.  
 Expected Decision Date: 7/2010

Date Filed: 9/17/2009  
 Company/Commission: New York State Electric & Gas/NY  
 Docket: 09-E-0715  
 Request: 26.4% distribution increase, \$169.7 million, 11.43% ROE, 8.62% ROR  
 Key Drivers: Investment in infrastructure for reliability purposes, environmental cleanup of manufactured gas plant and other sites, and improving bond ratings to make borrowing less expensive.  
 Expected Decision Date: 8/2010

Date Filed: 9/18/2009  
 Company/Commission: Delmarva Power & Light/DE  
 Docket: N/A  
 Request: 4% delivery increase, \$27.6 million, 10.75% ROE, 7.97% ROR

Key Drivers: Rising capital investment related to transmission and distribution system improvements, planned automated meter infrastructure investment, and direct load control projects, implementation of modified fixed variable revenue decoupling.  
 Expected Decision Date: 4/2010

Date Filed: 9/29/2009  
 Company/Commission: Black Hills Power/SD  
 Docket: EL09-018  
 Request: 26.6% increase, \$32 million, 11.5% ROE, 9.27% ROR  
 Key Drivers: New generation.  
 Expected Decision Date: 4/2010

Date Filed: 10/2/2009  
 Company/Commission: PacifiCorp/WY  
 Docket: 20000-352-ER-09  
 Request: 11.9% increase, \$62 million, 11% ROE, 8.63% ROR  
 Key Drivers: N/A  
 Expected Decision Date: 8/2010

Source: SNL Financial / Regulatory Research Assoc. and EEI Rate Department

## VIII. Summary of Rate Cases Decided in 2009

*U.S. Shareholder-Owned Electric Utilities***01 2009**

Date: 1/14/2009

Company/Commission: Public Service Oklahoma/OK

Docket: PUD-200800144

Allowed: 4% increase, \$59.3 million, 10.5% ROE, 8.31% ROR

Comments: Company will be able to recover an additional \$14 million in purchased power capacity costs through the fuel adjustment clause and \$8 million in vegetation management costs through the reliability cost adjustment rider beyond the \$59.3 million approved by the order. The Commission found that the purchased power capacity costs were short-term in nature, and consequently better-recovered through the clause. (The reliability cost adjustment rider is also used for expenses related to undergrounding.) The Commission said that the allowed ROE is "within the range recommended by the various parties" and "although only PSO argued that the Commission should give consideration to the current financial markets in determining an appropriate ROE for PSO, the Commission recognizes the uncertainty of the economic markets for at least the near future may have a negative impact on the expectation of investors. The Commission desires that PSO be able to raise the capital it needs to maintain its infrastructure in a safe and reliable manner. . . . The Commission believes that an authorized ROE of 10.5% will allow the company the opportunity to begin implementing the capital projects necessary to accomplish these goals." The Commission also removed half of long-term employee incentive compensation costs from revenue requirement, because these costs benefit customers and shareholders equally. The Commission postponed recovery of operation and maintenance costs associated with certain transmission reliability programs until it can determine the extent to which transmission reliability actually improved and can award recovery accordingly. The Commission awarded a debt-only return on the company's prepaid pension balance. The Commission added \$2 million that the company had not requested to the order for funding of smart grid technology.

Date: 1/21/2009

Company/Commission: Westar Energy and Kansas Gas & Electric/KS  
Docket: 08-WSEE-1041-RTS

Allowed: 11% increase, \$65 million each, \$130 million together, 10.4% ROE (implied), 8.49% ROR (implied)

Comments: This settlement allows Westar and Kansas Gas & Electric to recover costs associated with new generation, including wind generation, and \$50 million in storm costs over five years.

Date: 1/21/2009

Company/Commission: Cleveland Electric Illuminating/OH

Docket: 07-0551-EL-AIR

Allowed: 6.7% distribution increase, \$29.2 million, 10.5% ROE, 8.48% ROR

Comments: Much of the disallowance in this case stems from the Commission's denial of post date certain rate base items and expenses. These expenses are left for the companies' next rate case. Other adjustments include the PUC's disallowance of accelerated depreciation of meters and private outdoor lighting, of some advertising expenses, of maintenance costs associated with retired facilities, and of 20% of management incentive compensation deemed to be associated with achievement of financial goals.

Date: 1/21/2009

Company/Commission: Ohio Edison/OH  
Docket: 07-0551-EL-AIR

Allowed: 13.6% distribution increase, \$68.8 million, 10.5% ROE, 8.48% ROR

Comments: Much of the disallowance in this case stems from the Commission's denial of post date certain rate base items and expenses. These expenses are left for the companies' next rate case. Other adjustments include the PUC's disallowance of accelerated depreciation of meters and private outdoor lighting, of some advertising expenses, of maintenance costs associated with retired facilities, and of 20% of management incentive compensation deemed to be associated with achievement of financial goals.

Date: 1/21/2009

Company/Commission: Toledo Edison/OH  
Docket: 07-0551-EL-AIR

Allowed: 24.6% distribution increase, \$38.5 million, 10.5% ROE, 8.48% ROR

Comments: Much of the disallowance in this case stems from the Commission's denial of post date certain rate base items and expenses. These expenses are left for the companies' next rate case. Other adjustments include the PUC's disallowance of accelerated depreciation of meters and private outdoor lighting, of some advertising expenses, of maintenance costs associated with retired facilities, and of 20% of management incentive compensation deemed to be associated with achievement of financial goals.

Date: 1/30/2009

Company/Commission: Idaho Power/ID  
Docket: IPC-E-08-10

Allowed: 3.1% increase, \$27 million, 10.5% ROE, 8.18% ROR

Comments: The Commission said that "rate increases are not the only means to increase earned return on equity. We expect Idaho Power to demonstrate its ongoing efforts to reduce operating costs and increase efficiencies. We caution the company that in the current economic climate, Idaho Power's fiscal responsibility will be reviewed extensively and continually. . . . The volatility of the market, and general financial distress on both a state and national level, have triggered significant commission concern about ambitious financial projections of Idaho Power. . . ." In setting ROE at 10.5%, the Commission said, "this rate takes into account results of the analyses provided by the witnesses, and also the deteriorated economic and financial markets since the company's last contested rate case where we approved a return of 10.25%. . . . The evidence supports a finding that a slightly higher rate of return is required to attract investors. We are primarily concerned, however, with establishing a rate that is 'reasonably sufficient to assure confidence in the financial soundness of the utility.'" The Commission disallowed, saying this was an area where the company has the most discretion to control costs, \$13 million in O&M costs the company had attributed to growth. The Commission also disallowed \$3 million in employee incentive compensation costs, finding that the company's "argument that customers benefit by O&M budget management . . . does not create the necessary nexus between incentive pay and customer benefit." \$1 million of the disallowance was attributed to employee "purchase card expenses," such as expenditures for gifts, awards, restaurants, cell phone charges, bottled water, coffee, and charitable donations. The company has asked for reconsideration of this case.

Date: 2/4/2009

Company/Commission: United Illuminating/CT

Docket: 08-07-04

Allowed: \$6.1 million distribution increase, 8.75% ROE, 7.59% ROR

Comments: 8.75% ROE awarded to company is lowest in the industry in at least the last 30 years. Further, the company must flow to customers 50% of any return in excess of the 8.75% ROE. On the other hand, the Commission approved a

## VIII. Summary of Rate Cases Decided in 2009 (cont.)

*U.S. Shareholder-Owned Electric Utilities*

decoupling pilot program for the utility and has allowed the utility to implement tracking mechanisms for pension cost changes and volatility in the cost of debt. In approving the low ROE, the Commission mentioned factoring in concern about the impact of rate increases on consumers in the current economic malaise, as well as the trackers. The company has filed with the Commission for reconsideration of the case. The Commission rejected the company's sales forecast, saying the "forecast was made in a tumultuous time for the financial markets" and referencing the Commission's allowance of a pilot decoupling mechanism. The Commission also disallowed \$10 million in revenue requirement for compensation expense, adopting a payroll escalation factor of 2%, saying the Commission "is not inclined to allow large pay raises . . . in these difficult times." The Commission also expressed concerns about overtime costs. The Commission capped incentive compensation at \$4 million, saying "appropriate service at reasonable cost in these difficult economic times appears to far out-shadow the potential shareholder and executive expectations of increasing personal wealth." The Commission also disallowed \$4 million in pension and other post employment benefit (OPEB) expenses, largely because the Commission adopted a lower average wage rate in calculating those expenses than that proposed by the utility. However, the Commission established a \$10.2 million regulatory asset, as recommended by the company, to reflect a portion of increased pension and OPEB expenses expected to be recovered in the next rate proceeding.

Date: 2/5/2009

Company/Commission: Kentucky Utilities/KY

Docket: 2008-00252

Allowed: 0.8% decrease, \$8.9 million decrease

Comments: Much of the difference between the company's application and the results of this stipulation can be accounted for by differences in the adopted depreciation methodology. The stipulation is silent on many rate matters, but does amortize over a five-year period the \$6.8 million in costs associated with the company's exit from the Midwest Independent System Operator.

Date: 2/5/2009

Company/Commission: Louisville Gas & Electric/KY

Docket: 2008-00251

Allowed: 1.7% decrease, \$13.2 million decrease,

Comments: Much of the difference between the company's application and the results of this stipulation can be accounted for by differences in the adopted depreciation methodology. The stipulation is silent on many rate matters, but does amortize over a five-year period the \$6.8 million in costs associated with the company's exit from the Midwest Independent System Operator.

Date: 2/10/2009

Company/Commission: Union Electric/MO

Docket: ER-2008-0318

Allowed: 7.8% increase, \$161.7 million, 10.76% ROE, 8.34% ROR

Comments: Order authorizes company to implement a fuel adjustment clause (with a 95%/5% sharing mechanism as proposed by the company) and a mechanism to track reliability-related expenses. After a major customer experienced severe storm damages, the company asked the Commission to reopen the case, but the Commission declined. The Commission disallowed all of long-term employee incentive compensation costs (\$7 million) as based on financial return and thus should, according to the Commission, be paid by shareholders, who most benefit from that financial return. The Commission added \$2 million for employee training and \$1 million for low-income weatherization to the company's request. The fuel adjustment clause approved by the Commission flows through to customers 95% of variances in fuel costs and off-system sales revenues.

Date: 3/4/2009

Company/Commission: Indiana Michigan Power/IN

Docket: 43306

Allowed: 2.1% increase, \$19.1 million, 10.5% ROE, 7.62% ROR

Comments: This order approves a settlement, with modifications, that approves various trackers, such as a tracker to recover costs associated with the company's involvement with the PJM RTO, an environmental compliance tracker that would reflect prospective sales of emission allowances, and a DSM and energy efficiency tracker. The settlement also specifies parameters for sharing off-system sales margins.

Date: 3/11/2009

Company/Commission: Entergy Texas/TX  
Docket: 34800

Allowed: 3.3% increase, \$30.5 million

Comments: Settlement says that a 10.0% ROE would be reasonable. The agreement indicates a \$2 million increase in storm cost accruals, a \$2 million increase in public benefit program funding, no amounts for financial-based incentive compensation, implementation of a rate case expense rider, and emission related costs and revenues will flow through the fuel adjustment clause, among other features.

Date: 3/17/2009

Company/Commission: Southern California Edison/CA

Docket: NA

Allowed: \$308.1 million increase

Comments: NA

**Q2 2009**

Date: 4/2/2009

Company/Commission: Entergy New Orleans/LA

Docket: UD-08-03

Allowed: 13.4% decrease, \$24.7 million, 11.1% ROE

Comments: Settlement implements a formula rate plan for the utility with the 11.1% ROE as a mid-point within an 80-basis-point dead band and rewards the utility 30 basis points for certain demand-side management savings targets. The rate decrease comes in part as a result of faster than expected storm recovery. The settlement also allows the utility to purchase additional generation resources and addresses other storm cost recovery details. Extraordinary cost changes can be recovered outside the formula rate plan under certain circumstances.

Date: 4/16/2009

Company/Commission: PacifiCorp/ID

Docket: E-08-07

Allowed: 3.1% increase, \$4.4 million

Comments: This settlement is silent on most rate parameters.

Date: 4/21/2009

Company/Commission: PacifiCorp/UT

Docket: 08-035-38

Allowed: 3.3% increase, \$45 million, 10.608% ROE, 8.358% ROR

Comments: The outcome of this case is the result of settlements that are silent on most rate parameters.

Date: 4/24/2009

Company/Commission: Consolidated Edison of New York/NY

Docket: 08-E-0539

## VIII. Summary of Rate Cases Decided in 2009 (cont.)

*U.S. Shareholder-Owned Electric Utilities*

Allowed: 7.2% distribution-only increase, \$523.4 million, 10% ROE, 7.79% ROR  
 Comments: The commission reduced recovery of capital expenditures in this case by \$125 million, because "for many of the Company's capital programs and projects, the Company historically invested or expended fewer dollars than it had budgeted." The commission also reduced recovery by \$60 million due to an "austerity imputation adjustment." The commission supported this adjustment by saying "We generally allow some level of costs that are discretionary. . . . Expenditures that are reasonable during average or good economic times are not necessarily reasonable . . . when consumers are experiencing the extraordinary harsh economic realities we see today. . . . Con Ed could achieve these savings by reducing . . . management and executive compensation and benefits; research and development; and informational advertising." The ruling requires the company to report on its austerity efforts.

Date: 4/30/2009  
 Company/Commission: Tampa Electric/FL  
 Docket: 080317-EI  
 Allowed: 6% increase, \$137.9 million, 11.25% ROE, 8.11% ROR  
 Comments: First general rate case by company in 16 years. The order reduced Tampa Electric's requested staffing level by 90 positions, saying the company's initiatives to improve operational efficiency should obviate the need for this staffing.

Date: 5/4/2009  
 Company/Commission: Minnesota Power/MN  
 Docket: E-015/GR-08-415  
 Allowed: 4.5% increase, \$21.1 million, 10.74% ROE, 8.45% ROR  
 Comments: In this order, the commission reduced Minnesota Power's administrative and general expenses by \$9.6 million. Part of this was a reduction to employee incentive compensation (\$1.5 million).

Date: 5/20/2009  
 Company/Commission: Oklahoma Gas & Electric/AR  
 Docket: 08-103-U  
 Allowed: 7% increase, \$13.3 million, 10.25% ROE, 6.43% ROR  
 Comments: Settlement allows company to raise its customer charge to \$7.15 from \$6.50.

Date: 5/20/2009  
 Company/Commission: PacifiCorp/WY  
 Docket: 20000-333-ER-8  
 Allowed: 3.8% increase, \$18 million  
 Comments: Settlement approved by commission assumes a 10.25% ROE. Company agreed to file a decreased power cost adjustment as part of the settlement. Settlement also allows PacifiCorp to increase its residential customer charge from \$10.80 to \$20.

Date: 5/28/2009  
 Company/Commission: Public Service New Mexico/NM  
 Docket: 08-00273-UT  
 Allowed: 7.6% increase, \$77.1 million, 10.5% ROE, 8.77% ROR  
 Comments: Settlement incorporates a fuel cost reduction, making the effective increase \$51.8 million. Settlement also reflects the result of a resource stipulation that reclassifies some generation assets as regulated rather than merchant. Settlement also requires Public Service New Mexico (PNM) to implement a rider to credit customers with proceeds from PNM's sale of SO2 allowances. The settlement makes permanent a temporary fuel and purchased power adjustment.

Date: 6/2/2009  
 Company/Commission: Southwestern Public Service/TX  
 Docket: 35763  
 Allowed: 5% increase, \$57.4 million  
 Comments: Settlement is quiet on many rate parameters, but allows Southwestern Public Service to implement a true-up mechanism to recover energy efficiency program costs and requires that the company not seek to implement retail electric generation in its service territory.

Date: 6/9/2009  
 Company/Commission: Public Service Company of Colorado/CO  
 Docket: 08S-520E  
 Allowed: 12.7% increase, \$122.2 million  
 Comments: Settlement is silent on many rate parameters, but specifies previously approved parameters, including a 10.5% ROE, for use in other proceedings.

Date: 6/10/2009  
 Company/Commission: Kansas City Power & Light/MO  
 Docket: ER-2009-0089  
 Allowed: 16.4% increase, \$95 million  
 Comments: Settlements determine many aspects of the case, including implementation of an off-system sales margin

tracking mechanism, pension issues, new generation, pollution control issues associated with that new generation, etc.

Date: 6/10/2009  
 Company/Commission: Kansas City Power & Light MPS and L&P/MO  
 Docket: ER-2009-0090  
 Allowed: MPS - 10.5% increase, \$48 million, L&P - 12% increase, \$15 million  
 Comments: Settlements determine many aspects of the case, including pension issues, new generation, pollution control issues associated with that new generation, fuel adjustment modifications, etc.

Date: 6/22/2009  
 Company/Commission: Central Hudson Gas & Electric/NY  
 Docket: 08-E-0887  
 Allowed: 18.1% delivery-only increase, \$38 million, 10% ROE, 7.28% ROR  
 Comments: Commission authorized a revenue decoupling mechanism based on a "revenue per class" model rather than a "unit per customer" model, because the commission feels the latter model allows the utility to inappropriately retain incremental benefits associated with the addition of new customers. The commission also implemented a capital expenditure target mechanism with a one-way true-up. If the company spends more than forecast, it receives no return on the excess. If the company spends less than forecast, the company would lose a return on part of its rate base. The commission also asked the utility to describe any austerity measures it is undertaking.

Date: 6/24/2009  
 Company/Commission: Nevada Power/NV  
 Docket: 08-12002  
 Allowed: 10% increase, \$221 million, 10.5% ROE, 8.53% ROR  
 Comments: Decision phases in rate increase to lessen the impact on customers, particularly during the summer months. In determining ROE, the commission cited company's improved financial health as evidenced by improved credit ratings and the resumption of a dividend. The commission denied company recovery of post-certification CWIP for some new generation. The commission also disallowed expenses associated with long-term incentive pay and part of short-term incentive pay and supplemental executive retirement plan expenses.

## VIII. Summary of Rate Cases Decided in 2009 (cont.)

*U.S. Shareholder-Owned Electric Utilities***Q3 2009**

Date: 7/8/2009

Company/Commission: Duke Energy/OH

Docket: 08-0709-EL-AIR

Allowed: 2.5% delivery increase, \$55.3 million, 10.63% ROE, 8.61% ROR

Comments: While this settlement is silent on many ratemaking issues, it does implement riders for costs related to storms and uncollectibles, among other features.

Date: 7/14/2009

Company/Commission: Southwestern Public Service/NM

Docket: 08-00354-UT

Allowed: 5% increase, \$14.2 million

Comments: This settlement is silent on most rate parameters, but approves a purchased power agreement, allocates net costs or revenues associated with renewable energy credits to be split equally between customers and shareholders, and flows 90% (up from 75%) of net margins from off-system sales to customers.

Date: 7/17/2009

Company/Commission: Avista Corp./ID

Docket: AVU-E-09-01

Allowed: 5.7% increase, \$12.5 million, 10.5% ROE, 8.55% ROR

Comments: Settlement allows for recovery of licensing costs associated with hydro-power projects.

Date: 7/24/2009

Company/Commission: Kansas City Power & Light/KS

Docket: 09-KCPE-246-RTS

Allowed: 14.4% increase, \$59 million

Comments: Settlement allows company to recover \$18 million in additional contributions in aid of construction to meet credit metrics that are part of its regulatory plan, caps potential disallowance on some new generation, and reflects \$178 million in environmental costs of new generation.

Date: 7/24/2009

Company/Commission: Oklahoma Gas & Electric/OK

Docket: PUD 200800398

Allowed: 2.8% increase, \$48.3 million

Comments: Settlement increases customer charge and allows company to recover up to \$20 million in Smart Grid expenses through a rider.

Date: 8/21/2009

Company/Commission: Texas-New Mexico Power/TX

Docket: 36025

Allowed: 8.3% increase, \$12.7 million

Comments: Settlement is silent on most rate parameters, but determines that a 10.25% ROE should be applied in cases in which cost of capital must be considered. Settlement also allows for the recovery of storm expenses and increases

the company's competition transition charge (stranded cost recovery), which is intended to reflect the company's increased cost of debt, and establishes an energy efficiency cost recovery rider. In settlement discussions, the Commissioners were persuaded that securitizing the small amount of storm recovery costs would not be worth the associated administrative burden.

Date: 8/31/2009

Company/Commission: Oncor Electric Delivery/TX

Docket: 35717

Allowed: 4.7% delivery increase, \$115.1 million, 10.25% ROE, 8.28% ROR

Comments: The Commission disallowed \$5 million in incentive compensation expenses as related to financial performance, as opposed to operational performance that the Commission finds benefits customers. The Commission says financial performance benefits shareholders.

Source: SNL Financial / Regulatory Research Assoc. and EEI Rate Department