

NS-PGL Ex. 39.0 WP-1

PGL Response to MGM 7.01 (PGL 0023143)

PGL MGM 7.01 Attach 01 (PGL 0023144 to PGL 0023152)

**OFFICIAL FILE**

ICC DOCKET NO. 12-0511/12-0512

Staff X ICBS Staff  
Exhibit No. Cross Ex. 8

Witness Paul Marx

Date 2/6/13 Reporter KW

<u>Year</u>	<u>Authorized Gas Returns</u>	<u>Average A-Rated Utility Bond Yield</u>	<u>Regulatory Equity Premium</u>
1990	12.67%	9.86%	2.81%
1991	12.46%	9.36%	3.10%
1992	12.01%	8.69%	3.32%
1993	11.35%	7.59%	3.76%
1994	11.35%	8.31%	3.04%
1995	11.43%	7.89%	3.54%
1996	11.19%	7.75%	3.44%
1997	11.29%	7.60%	3.69%
1998	11.51%	7.04%	4.47%
1999	10.66%	7.62%	3.04%
2000	11.39%	8.24%	3.15%
2001	10.95%	7.76%	3.19%
2002	11.03%	7.37%	3.66%
2003	10.99%	6.58%	4.41%
2004	10.59%	6.16%	4.43%
2005	10.46%	5.65%	4.81%
2006	10.43%	6.07%	4.36%
2007	10.24%	6.07%	4.17%
2008	10.37%	6.53%	3.84%
2009	10.19%	6.04%	4.15%
2010	10.08%	5.46%	4.62%
2011	10.00%	5.04%	4.96%
2012	9.94%	4.13%	5.81%

Sources: Regulatory Research Associates Regulatory  
Focus January 17, 2013 and Moody's Investors  
Service

**ICC Docket No. 12-0512**  
**The Peoples Gas Light and Coke Company's Response to**  
**Staff Data Requests MGM 7.01-7.02**  
**Dated: January 29, 2013**

**REQUEST NO. MGM 7.01:**

Please provide the source document(s) for NS-PGL Ex. 39.0, WP-1.

**RESPONSE:**

Please refer to the document Regulatory Focus "Major Rate Case Decision – Calendar 2012" published on January 17, 2013 by Regulatory Research Associates ("RRA") that is attached as PGL MGM 7.01 Attach 01.

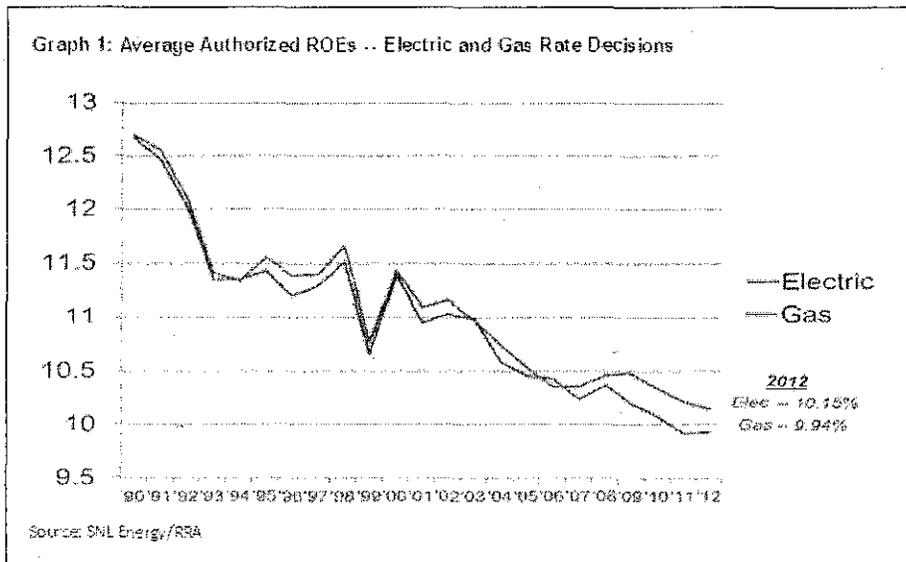


# REGULATORY FOCUS

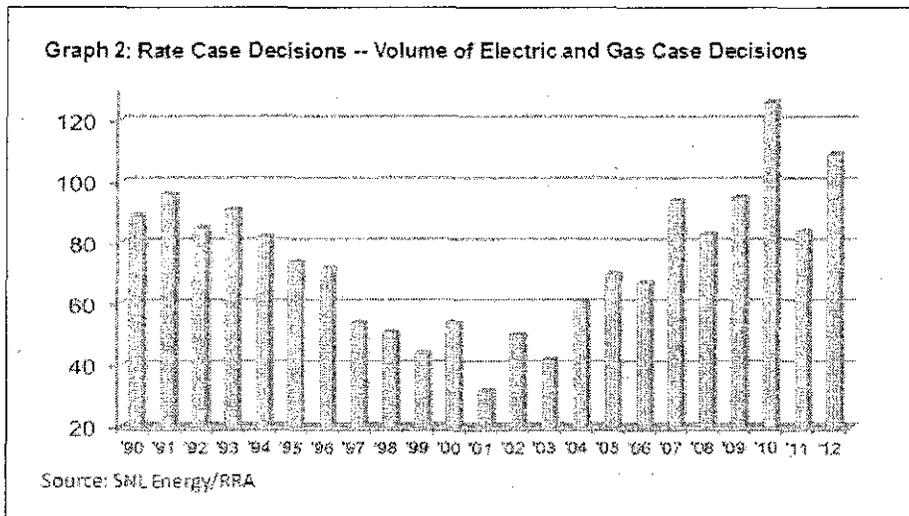
January 17, 2013

## MAJOR RATE CASE DECISIONS--CALENDAR 2012

The average return on equity (ROE) authorized electric utilities was 10.15% in 2012, compared to 10.3% in 2011. There were 57 electric ROE determinations in 2012, up from 42 in 2011. We note that the 2012 data includes several surcharge/rider generation cases in Virginia that incorporate plant-specific ROE premiums. Virginia statutes authorize the State Corporation Commission to approve ROE premiums of up to 200 basis points for certain generation projects (see the [Virginia Commission Profile](#)). Excluding these Virginia surcharge/rider generation cases from the data, the average authorized electric ROE was 10.01% in 2012. The average ROE authorized gas utilities was 9.94% in 2012, compared to 10% in 2011. There were 35 gas cases that included an ROE determination in 2012, versus only 17 in 2011. (We note that this report utilizes the simple mean for the return averages.)



After reaching a low in the early-2000s, the number of rate case decisions for energy companies has generally increased over the last several years, as shown in Graph 2 below. There were 110 electric and gas



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rate cases resolved in 2012, versus 87 in 2011, 126 in 2010, and only 32 back in 2001. Increased costs, including environmental compliance expenditures, the need for generation and delivery infrastructure upgrades and expansion, renewable generation mandates, and higher employee benefit expenses argue for the continuation of an active rate case agenda over the next few years.

As a result of electric industry restructuring, certain states unbundled electric rates and implemented retail competition for generation. Commissions in those states now have jurisdiction over the revenue requirement and return parameters for delivery operations only (which we footnote in our chronology beginning on page 5), thus complicating historical data comparability. We also note that while the heightened business risk associated with the sluggish economy may have increased corporate capital costs, average authorized ROEs have declined slightly since 2008. In fact, some state commissions have cited the lethargic economy and customer hardship as factors influencing their equity return authorizations. In addition, the Federal Reserve's continued "quantitative easing" may exert modest downward pressure on interest rates in the short-to-intermediate term.

The table on page 3 shows the average ROE authorized in major electric and gas rate decisions annually since 1990, and by quarter since 2006, followed by the number of observations in each period. The tables on page 4 show the composite electric and gas industry data for all major cases summarized annually since 1998 and by quarter for the past eight quarters. The individual electric and gas cases decided in 2012 are listed on pages 5-9, with the decision date shown first, followed by the company name, the abbreviation for the state issuing the decision, the authorized rate of return (ROR), return on equity (ROE), and percentage of common equity in the adopted capital structure. Next we show the month and year in which the adopted test year ended, whether the commission utilized an average or a year-end rate base, and the amount of the permanent rate change authorized. The dollar amounts represent the permanent rate change ordered at the time decisions were rendered. Fuel adjustment clause rate changes are not reflected in this study.

The table below tracks the average equity return authorized for all electric and gas rate cases combined, by year, for the last 23 years. As the table reveals, since 1990 the authorized ROEs have generally trended downward, reflecting the significant decline in interest rates that has occurred over this time frame. The combined average equity returns authorized for electric and gas utilities in each of the years 1990 through 2012, and the number of observations for each year are as follows:

1990	12.69%	(75)	2002	11.10%	(43)
1991	12.51	(80)	2003	10.98	(47)
1992	12.06	(77)	2004	10.67	(39)
1993	11.37	(77)	2005	10.50	(55)
1994	11.34	(59)	2006	10.39	(42)
1995	11.51	(49)	2007	10.30	(76)
1996	11.29	(42)	2008	10.42	(67)
1997	11.34	(24)	2009	10.36	(68)
1998	11.59	(20)	2010	10.24	(96)
1999	10.74	(29)	2011	10.21	(59)
2000	11.41	(24)	2012	10.07	(92)
2001	11.05	(25)			

Please note: Historical data provided in this report may not match data provided on RRA's website due to certain differences in presentation.

Dennis Sperduto

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Average Equity Returns Authorized January 1990 - December 2012

Year	Period	Electric Utilities		Gas Utilities	
		ROE %	(# Cases)	ROE %	(# Cases)
1990	Full Year	12.70	(44)	12.67	(31)
1991	Full Year	12.55	(45)	12.46	(35)
1992	Full Year	12.09	(48)	12.01	(29)
1993	Full Year	11.41	(32)	11.35	(45)
1994	Full Year	11.34	(31)	11.35	(28)
1995	Full Year	11.55	(33)	11.43	(16)
1996	Full Year	11.39	(22)	11.19	(20)
1997	Full Year	11.40	(11)	11.29	(13)
1998	Full Year	11.66	(10)	11.51	(10)
1999	Full Year	10.77	(20)	10.66	(9)
2000	Full Year	11.43	(12)	11.39	(12)
2001	Full Year	11.09	(18)	10.95	(7)
2002	Full Year	11.16	(22)	11.03	(21)
2003	Full Year	10.97	(22)	10.99	(25)
2004	Full Year	10.75	(19)	10.59	(20)
2005	Full Year	10.54	(29)	10.46	(26)
	1st Quarter	10.38	(3)	10.63	(6)
	2nd Quarter	10.68	(6)	10.50	(2)
	3rd Quarter	10.06	(7)	10.45	(3)
	4th Quarter	10.39	(10)	10.14	(5)
2006	Full Year	10.36	(26)	10.43	(16)
	1st Quarter	10.27	(8)	10.44	(10)
	2nd Quarter	10.27	(11)	10.12	(4)
	3rd Quarter	10.02	(4)	10.03	(8)
	4th Quarter	10.56	(16)	10.27	(15)
2007	Full Year	10.36	(39)	10.24	(37)
	1st Quarter	10.45	(10)	10.38	(7)
	2nd Quarter	10.57	(8)	10.17	(3)
	3rd Quarter	10.47	(11)	10.49	(7)
	4th Quarter	10.33	(8)	10.34	(13)
2008	Full Year	10.46	(37)	10.37	(30)
	1st Quarter	10.29	(9)	10.24	(4)
	2nd Quarter	10.55	(10)	10.11	(8)
	3rd Quarter	10.46	(3)	9.88	(2)
	4th Quarter	10.54	(17)	10.27	(15)
2009	Full Year	10.48	(39)	10.19	(29)
	1st Quarter	10.66	(17)	10.24	(9)
	2nd Quarter	10.08	(14)	9.99	(11)
	3rd Quarter	10.26	(11)	9.93	(4)
	4th Quarter	10.30	(17)	10.09	(12)
2010	Full Year	10.34	(59)	10.08	(37)
	1st Quarter	10.32	(13)	10.10	(5)
	2nd Quarter	10.23	(11)	10.12	(6)
	3rd Quarter	10.36	(8)	9.65	(2)
	4th Quarter	10.29	(10)	9.88	(4)
2011	Full Year	10.30	(42)	10.00	(17)
	1st Quarter	10.84	(12)	9.63	(5)
	2nd Quarter	9.92	(13)	9.83	(8)
	3rd Quarter	9.78	(8)	9.75	(1)
	4th Quarter	10.05	(24)	10.06	(21)
2012	Full Year	10.15	(57)	9.94	(35)

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**Electric Utilities--Summary Table\***

Period	ROR % (# Cases)	ROE % (# Cases)	Eq. as %		Amt. \$ Mil. (# Cases)
			Cap. Struc. (# Cases)		
1998	Full Year	9.44 (9)	11.66 (10)	46.14 (8)	-429.3 (31)
1999	Full Year	8.81 (18)	10.77 (20)	45.08 (17)	-1,683.8 (30)
2000	Full Year	9.20 (12)	11.43 (12)	48.85 (12)	-291.4 (34)
2001	Full Year	8.93 (15)	11.09 (18)	47.20 (13)	14.2 (21)
2002	Full Year	8.72 (20)	11.16 (22)	46.27 (19)	-475.4 (24)
2003	Full Year	8.86 (20)	10.97 (22)	49.41 (19)	313.8 (12)
2004	Full Year	8.44 (18)	10.75 (19)	46.84 (17)	1,091.5 (30)
2005	Full Year	8.30 (26)	10.54 (29)	46.73 (27)	1,373.7 (36)
2006	Full Year	8.24 (24)	10.36 (26)	48.67 (23)	1,465.0 (42)
2007	Full Year	8.22 (38)	10.36 (39)	48.01 (37)	1,401.9 (46)
2008	Full Year	8.25 (35)	10.46 (37)	48.41 (33)	2,899.4 (42)
2009	Full Year	8.23 (38)	10.48 (39)	48.61 (37)	4,192.3 (58)
2010	Full Year	7.99 (59)	10.34 (59)	48.45 (54)	5,567.7 (77)
	1st Quarter	8.12 (13)	10.32 (13)	49.05 (13)	610.5 (15)
	2nd Quarter	8.01 (10)	10.23 (11)	46.36 (10)	1,055.9 (12)
	3rd Quarter	8.09 (7)	10.36 (8)	48.33 (7)	642.4 (12)
	4th Quarter	7.61 (11)	10.29 (10)	47.91 (10)	544.7 (17)
2011	Full Year	7.95 (41)	10.30 (42)	47.97 (40)	2,853.5 (56)
	1st Quarter	8.00 (11)	10.84 (12)	50.20 (10)	970.6 (17)
	2nd Quarter	7.78 (12)	9.92 (13)	51.01 (13)	467.5 (16)
	3rd Quarter	8.10 (8)	9.78 (8)	51.16 (8)	296.4 (10)
	4th Quarter	7.97 (20)	10.05 (24)	50.21 (21)	2,075.0 (26)
<b>2012</b>	<b>Full Year</b>	<b>7.95 (51)</b>	<b>10.15 (57)</b>	<b>50.55 (52)</b>	<b>3,809.5 (69)</b>

**Gas Utilities--Summary Table\***

Period	ROR % (# Cases)	ROE % (# Cases)	Eq. as %		Amt. \$ Mil. (# Cases)
			Cap. Struc. (# Cases)		
1998	Full Year	9.46 (10)	11.51 (10)	49.50 (10)	93.9 (20)
1999	Full Year	8.86 (9)	10.66 (9)	49.06 (9)	51.0 (14)
2000	Full Year	9.33 (13)	11.39 (12)	48.59 (12)	135.9 (20)
2001	Full Year	8.51 (6)	10.95 (7)	43.96 (5)	114.0 (11)
2002	Full Year	8.80 (20)	11.03 (21)	48.29 (18)	303.6 (26)
2003	Full Year	8.75 (22)	10.99 (25)	49.93 (22)	260.1 (30)
2004	Full Year	8.34 (21)	10.59 (20)	45.90 (20)	303.5 (31)
2005	Full Year	8.25 (29)	10.46 (26)	48.66 (24)	458.4 (34)
2006	Full Year	8.51 (16)	10.43 (16)	47.43 (16)	444.0 (25)
2007	Full Year	8.12 (32)	10.24 (37)	48.37 (30)	813.4 (48)
2008	Full Year	8.48 (30)	10.37 (30)	50.47 (30)	884.8 (41)
2009	Full Year	8.15 (28)	10.19 (29)	48.72 (28)	475.0 (37)
2010	Full Year	7.95 (38)	10.08 (37)	48.56 (38)	816.7 (49)
	1st Quarter	8.07 (6)	10.10 (5)	52.47 (4)	48.3 (9)
	2nd Quarter	8.05 (4)	10.12 (6)	54.45 (3)	234.0 (7)
	3rd Quarter	8.09 (2)	9.65 (2)	49.44 (2)	26.5 (4)
	4th Quarter	8.07 (5)	9.88 (4)	52.03 (4)	127.5 (11)
2011	Full Year	8.57 (16)	10.00 (17)	52.33 (13)	436.3 (31)
	1st Quarter	7.63 (5)	9.63 (5)	51.40 (5)	125.3 (5)
	2nd Quarter	7.80 (6)	9.83 (8)	49.15 (7)	39.3 (8)
	3rd Quarter	8.26 (1)	9.75 (1)	59.63 (1)	47.7 (4)
	4th Quarter	8.12 (18)	10.06 (21)	51.68 (19)	50.9 (24)
<b>2012</b>	<b>Full Year</b>	<b>7.98 (30)</b>	<b>9.94 (35)</b>	<b>51.33 (32)</b>	<b>263.2 (41)</b>

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## ELECTRIC UTILITY DECISIONS

<u>Date</u>	<u>Company (State)</u>	<u>ROR</u> <u>%</u>	<u>ROE</u> <u>%</u>	<u>Common</u> <u>Eq. as %</u> <u>Cap. Str.</u>	<u>Test Year</u> <u>&amp;</u> <u>Rate Base</u>	<u>Amt.</u> <u>\$ Mil.</u>
1/3/12	Appalachian Power (VA)	---	11.40	---	2/13	26.1 (B,1)
1/5/12	Ameren Illinois (IL)	---	---	---	---	--- (W)
1/10/12	PacifiCorp (ID)	---	---	---	12/10	34.0 (B,Z)
1/25/12	Duke Energy Carolinas (SC)	8.10	10.50	53.00	12/10-YE	92.8 (B)
1/27/12	Duke Energy Carolinas (NC)	8.11	10.50	53.00	12/10-YE	368.0 (B,Z)
2/2/12	Virginia Electric and Power (VA)	8.77	11.40	53.25	3/13-A	34.1 (3)
2/15/12	Indiana Michigan Power (MI)	6.84	10.20	42.07 *	12/12-A	14.6 (I,B)
2/23/12	Idaho Power (OR)	7.76	9.90	49.90	12/11-A	1.8 (B)
2/22/12	Florida Power (FL)	---	---	---	---	150.0 (B,4)
2/27/12	Gulf Power (FL)	6.39	10.25	38.50 *	12/12-A	68.1 (I,Z)
2/29/12	Northern States Power-Minnesota (ND)	---	10.40	---	12/11	15.7 (B,I,Z)
3/16/12	Virginia Electric and Power (VA)	9.03	12.40	53.25	3/13-A	6.4 (5)
3/20/12	Virginia Electric and Power (VA)	8.48	11.40	53.25	3/13-A	-4.3 (6)
3/21/12	NorthWestern Corp. (MT)	---	---	---	A	39.1 (I,Z,7)
3/23/12	Virginia Electric and Power (VA)	8.48	11.40	53.25	3/13-A	46.8 (Z,8)
3/29/12	Northern States Power-Minnesota (MN)	8.32	10.37	52.56	12/11-A	72.9 (B,I,Z)
3/30/12	PacifiCorp (WA)	7.74	---	---	12/10	4.5 (B)
<b>2012</b>	<b>1ST QUARTER: AVERAGES/TOTAL</b>	<b>8.00</b>	<b>10.84</b>	<b>50.20</b>		<b>970.6</b>
	<b>OBSERVATIONS</b>	<b>11</b>	<b>12</b>	<b>10</b>		<b>17</b>
4/4/12	Hawaii Electric Light Company (HI)	8.31	10.00	55.91	12/10-A	4.5 (I,B)
4/18/12	Westar Energy/Kansas Gas & Elec. (KS)	---	---	---	3/11	50.0 (B,9)
4/26/12	Public Service Co. of Colorado (CO)	8.08	10.00	56.00	---	234.4 (B,Z)
5/2/12	Maui Electric Company (HI)	8.15	10.00	56.86	12/10-A	4.7 (I,B)
5/7/12	Puget Sound Energy (WA)	7.80	9.80	48.00 (Hy)	12/10-A	63.3
5/15/12	Arizona Public Service (AZ)	8.33	10.00	53.94	12/10-YE	0.0 (B)
5/18/12	El Paso Electric (TX)	---	---	---	9/11	-15.0 (I,B)
5/29/12	Commonwealth Edison (IL)	8.16	10.05	46.17	12/10-YE	-133.4 (R,D,10)
6/7/12	Consumers Energy (MI)	6.70	10.30	42.07 *	9/12-A	118.5 (I)
6/14/12	Orange and Rockland Utilities (NY)	7.61	9.40	48.00	6/13-A	19.4 (B,D,11)
6/15/12	Wisconsin Power and Light (WI)	---	10.40	49.31	12/13-A	0.0 (I,Z)
6/18/12	Cheyenne Light, Fuel and Power (WY)	7.99	9.60	54.00	8/11-YE	2.7 (B)
6/19/12	Northern State Power-Minnesota (SD)	7.79	9.25	53.04	12/10-A	8.0 (I)
6/26/12	Wisconsin Electric Power (MI)	6.35	10.10	43.51 *	12/12-A	9.2 (I)
6/29/12	Hawaiian Electric Company (HI)	8.11	10.00	56.29	12/11-A	43.1 (I,B,13)
6/29/12	Idaho Power (ID)	---	---	---	12/12	58.1 (14)
<b>2012</b>	<b>2ND QUARTER: AVERAGES/TOTAL</b>	<b>7.78</b>	<b>9.92</b>	<b>51.01</b>		<b>467.5</b>
	<b>OBSERVATIONS</b>	<b>12</b>	<b>13</b>	<b>13</b>		<b>16</b>
7/9/12	Oklahoma Gas & Electric (OK)	---	10.20	---	12/10-YE	4.3 (B)
7/16/12	PacifiCorp (WY)	7.67	9.80	52.10	3/13-A	50.0 (B,Z)
7/20/12	Delmarva Power & Light (MD)	7.56	9.81	50.06	12/11-A	11.3 (D)
7/20/12	Potomac Electric Power (MD)	7.96	9.31	50.13	12/11-A	18.1 (D)

## ELECTRIC UTILITY DECISIONS (continued)

<u>Date</u>	<u>Company (State)</u>	<u>ROR</u> <u>%</u>	<u>ROE</u> <u>%</u>	<u>Common</u> <u>Eq. as %</u> <u>Cap. Str.</u>	<u>Test Year</u> <u>&amp;</u> <u>Rate Base</u>	<u>Amt.</u> <u>\$ Mil.</u>
9/13/12	Entergy Texas (TX)	8.27	9.80	49.92	6/11-YE	27.7
9/19/12	Ameren Illinois (IL)	8.86	10.05	51.49	12/10-YE	-48.1 (D,10)
9/19/12	PacifiCorp (UT)	7.68	9.80	52.10	5/13	154.0 (B,Z)
9/20/12	Idaho Power (OR)	---	---	---	12/11-A	3.0 (B,15)
9/26/12	Potomac Electric Power (DC)	8.03	9.50	49.23	9/11-A	24.0 (D)
9/26/12	South Carolina Electric & Gas (SC)	8.75	---	54.28	6/12-YE	52.1 (16)
<b>2012</b>	<b>3RD QUARTER: AVERAGES/TOTAL</b>	<b>8.10</b>	<b>9.78</b>	<b>51.16</b>		<b>296.4</b>
	<b>OBSERVATIONS</b>	<b>8</b>	<b>8</b>	<b>8</b>		<b>10</b>
10/12/12	Lone Star Transmission (TX)	6.56	9.60	40.00	3/12-YE	14.4 (D,Z,17)
10/23/12	Atlantic City Electric (NJ)	8.05	9.75	48.33	12/11-YE	44.0 (D,B)
10/24/12	Wisconsin Public Service (WI)	---	10.30	51.61	12/13	28.5 (B)
11/9/12	Madison Gas and Electric (WI)	9.41	10.30	59.09	12/13-A	14.9
11/28/12	Wisconsin Electric Power (WI)	9.15	10.40	52.09	12/13-A	205.7 (Z)
11/29/12	California Pacific Electric (CA)	7.75	9.88	51.50	12/13-A	12.5 (B)
11/29/12	Southern California Edison (CA)	---	---	---	12/12-A	986.2 (Z)
11/29/12	Delmarva Power & Light (DE)	7.38	9.75	49.61	12/11	23.2 (D,I,B)
12/5/12	Ameren Illinois (IL)	8.66	9.71	51.00	12/11-YE	-5.1 (D,10)
12/5/12	PPL Electric Utilities (PA)	8.00	10.40	50.80	12/12-YE	71.0 (D)
12/12/12	Union Electric (MO)	7.91 (E)	9.80	52.30	9/11-YE	259.6
12/13/12	Florida Power & Light (FL)	---	10.50	---	12/13	350.0 (B)
12/13/12	Kansas City Power & Light (KS)	8.01	9.50	51.82	12/11-YE	33.2
12/14/12	Northern States Power-Wisconsin (WI)	8.57	10.40	52.37	12/13-A	35.5
12/19/12	Commonwealth Edison (IL)	7.54	9.71	42.55	12/11-YE	89.3 (D,10)
12/19/12	South Carolina Electric & Gas (SC)	8.20	10.25	52.18	12/11-YE	97.1 (B)
12/20/12	Pacific Gas and Electric (CA)	8.06	10.40	52.00	12/13	-181.2 (COC)
12/20/12	San Diego Gas & Electric (CA)	7.79	10.30	52.00	12/13	-28.0 (COC)
12/20/12	Southern California Edison (CA)	7.90	10.45	48.00	12/13	-217.0 (COC)
12/20/12	Georgia Power (GA)	---	---	---	12/13	50.2 (18)
12/20/12	Kentucky Utilities (KY)	---	10.25	---	3/12	51.0 (B)
12/20/12	Louisville Gas & Electric (KY)	---	10.25	---	3/12	33.7 (B)
12/20/12	PacifiCorp (OR)	7.66	9.80	50.00	12/13-A	20.7 (B)
12/20/12	Narragansett Electric (RI)	7.28	9.50	49.14	12/11-A	21.5 (D,B)
12/21/12	Virginia Electric and Power (NC)	7.80	10.20	51.00	12/11-YE	36.4 (Te)
12/26/12	Avista Corporation (WA)	7.64	9.80	47.00	12/11	27.7 (B,Z)
<b>2012</b>	<b>4TH QUARTER: AVERAGES/TOTAL</b>	<b>7.97</b>	<b>10.05</b>	<b>50.21</b>		<b>2,075.0</b>
	<b>OBSERVATIONS</b>	<b>20</b>	<b>24</b>	<b>21</b>		<b>26</b>
<b>2012</b>	<b>FULL-YEAR: AVERAGES/TOTAL</b>	<b>7.95</b>	<b>10.15</b>	<b>50.55</b>		<b>3,809.5</b>
	<b>OBSERVATIONS</b>	<b>51</b>	<b>57</b>	<b>52</b>		<b>69</b>

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7.

## GAS UTILITY DECISIONS

<u>Date</u>	<u>Company (State)</u>	<u>ROR</u> <u>%</u>	<u>ROE</u> <u>%</u>	<u>Common</u> <u>Eq. as %</u> <u>Cap. Str.</u>	<u>Test Year</u> <u>&amp;</u> <u>Rate Base</u>	<u>Amt.</u> <u>\$ Mil.</u>
1/10/12	Ameren Illinois (IL)	8.33	9.06	53.27	12/12-A	32.2
1/10/12	North Shore Gas (IL)	7.43	9.45	50.00 (Hy)	12/12-A	1.9
1/10/12	Peoples Gas Light & Coke (IL)	6.94	9.45	49.00 (Hy)	12/12-A	57.8
1/23/12	Piedmont Natural Gas (TN)	7.98	10.20	52.71	2/13-A	11.9 (B)
1/31/12	New Mexico Gas (NM)	7.48	10.00	52.00	9/10-YE	21.5 (B)
<b>2012</b>	<b>1ST QUARTER: AVERAGES/TOTAL</b>	<b>7.63</b>	<b>9.63</b>	<b>51.40</b>		<b>125.3</b>
	<b>OBSERVATIONS</b>	<b>5</b>	<b>5</b>	<b>5</b>		<b>5</b>
4/24/12	UNS Gas (AZ)	8.27	9.75	50.82	12/10-YE	2.7
4/24/12	Northern Utilities (NH)	7.24	9.50	40.25	12/10-YE	2.7 (I,B,19)
5/7/12	Puget Sound Energy (WA)	7.80	9.80	48.00 (Hy)	12/10-A	13.4
5/22/12	SourceGas Distribution (NE)	7.67	9.60	51.16	3/11-YE	5.0 (I)
5/24/12	Minnesota Energy Resources (MN)	7.83	9.70	50.48	12/11-A	11.0 (I)
6/7/12	Consumers Energy (MI)	---	10.30	---	12/12	16.0 (I,B)
6/15/12	Wisconsin Power and Light (WI)	---	10.40	49.31	12/13-A	-13.1 (20)
6/18/12	Cheyenne Light, Fuel and Power (WY)	7.99	9.60	54.00	8/11-YE	1.6 (B)
<b>2012</b>	<b>2ND QUARTER: AVERAGES/TOTAL</b>	<b>7.80</b>	<b>9.83</b>	<b>49.15</b>		<b>39.3</b>
	<b>OBSERVATIONS</b>	<b>6</b>	<b>8</b>	<b>7</b>		<b>8</b>
7/2/12	Washington Gas Light (VA)	8.26	9.75	59.63	9/10	20.0 (I,B)
7/19/12	ONEOK (OK)	---	---	---	12/11	9.5 (B,21)
8/22/12	Atmos Energy (KS)	---	---	---	9/11	2.8 (B)
9/27/12	Peoples Natural Gas (PA)	---	---	---	10/12	15.4 (B)
<b>2012</b>	<b>3RD QUARTER: AVERAGES/TOTAL</b>	<b>8.26</b>	<b>9.75</b>	<b>59.63</b>		<b>47.7</b>
	<b>OBSERVATIONS</b>	<b>1</b>	<b>1</b>	<b>1</b>		<b>4</b>

## GAS UTILITY DECISIONS (continued)

<u>Date</u>	<u>Company (State)</u>	<u>ROR</u> <u>%</u>	<u>ROE</u> <u>%</u>	<u>Common</u> <u>Eq. as %</u> <u>Cap. Str.</u>	<u>Test Year</u> <u>&amp;</u> <u>Rate Base</u>	<u>Amt.</u> <u>\$ Mil.</u>
10/2/12	Atmos Energy--West Texas Div. (TX)	---	---	---	9/11	6.6 (B)
10/11/12	South Carolina Electric & Gas (SC)	8.34	---	54.28	3/12-YE	7.5 (M)
10/24/12	Wisconsin Public Service (WI)	---	10.30	51.61	12/13	-1.0 (B)
10/26/12	Northwest Natural Gas (OR)	7.78	9.50	50.00	10/13-A	8.7
10/31/12	Southwest Gas-Southern Division (NV)	6.49	9.85	42.60 (Hy)	11/11-YE	5.8
10/31/12	Southwest Gas-Northern Division (NV)	8.01	9.20	65.64 (Hy)	11/11-YE	1.2
10/31/12	Mountaineer Gas (WV)	8.94	9.90	48.03	9/11-A	6.3
11/1/12	Bay State Gas (MA)	7.84	9.45	53.70	12/11-YE	7.9
11/8/12	Atmos Energy (TN)	8.28	10.10	51.32	11/13-A	7.1 (B)
11/9/12	Madison Gas and Electric (WI)	8.44	10.30	59.09	12/13-A	1.6
11/26/12	Interstate Power & Light (IA)	7.76	10.00	45.03 (U)	12/11-A	10.5 (B)
11/28/12	Wisconsin Electric Power (WI)	9.15	10.40	52.09	12/13-A	-8.1
11/28/12	Wisconsin Gas (WI)	8.96	10.50	46.75	12/13-A	-34.3
12/4/12	Atmos Energy--Mid-Tex Division (TX)	8.57	10.50	51.69	9/11-YE	25.1
12/4/12	CenterPoint Energy Res.--BETST (TX)	8.51	10.00	58.00	12/11	6.2 (B)
12/5/12	ONEOK (KS)	---	---	---	12/11	28.0 (B)
12/14/12	Northern States Power-Wisconsin (WI)	---	10.40	---	12/13	2.7 (22)
12/20/12	Pacific Gas and Electric (CA)	8.06	10.40	52.00	12/13	-55.8 (COC)
12/20/12	San Diego Gas & Electric (CA)	7.79	10.30	52.00	12/13	-6.0 (COC)
12/20/12	Southern California Gas (CA)	8.02	10.10	52.00	12/13	-22.0 (COC)
12/20/12	Louisville Gas & Electric (KY)	---	10.25	---	3/12	15.0 (B)
12/20/12	Michigan Consolidated Gas (MI)	---	10.50	---	10/13	19.9 (I,B,23)
12/20/12	Narragansett Electric (RI)	7.65	9.50	49.14	12/11-A	11.3 (B)
12/26/12	Avista Corporation (WA)	7.64	9.80	47.00	12/11	6.7 (B,Z)
<b>2012</b>	<b>4TH QUARTER: AVERAGES/TOTAL</b>	<b>8.12</b>	<b>10.06</b>	<b>51.68</b>		<b>50.9</b>
	<b>OBSERVATIONS</b>	<b>18</b>	<b>21</b>	<b>19</b>		<b>24</b>
<b>2012</b>	<b>FULL-YEAR: AVERAGES/TOTAL</b>	<b>7.98</b>	<b>9.94</b>	<b>51.33</b>		<b>263.2</b>
	<b>OBSERVATIONS</b>	<b>30</b>	<b>35</b>	<b>32</b>		<b>41</b>

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**FOOTNOTES**

- A- Average
  - B- Order followed stipulation or settlement by the parties. Decision particulars not necessarily precedent-setting or specifically adopted by the regulatory body.
  - COC- Case involved only the determination of cost-of-capital parameters.
  - CWIP- Construction work in progress
    - D- Applies to electric delivery only
    - E- Estimated
  - Hy- Hypothetical capital structure utilized
    - I- Interim rates implemented prior to the issuance of final order, normally under bond and subject to refund.
    - M- "Make-whole" rate change based on return on equity or overall return authorized in previous case.
    - R- Revised
  - Te- Temporary rates implemented prior to the issuance of final order.
    - U- Double leverage capital structure utilized.
  - W- Case withdrawn
  - YE- Year-end
  - Z- Rate change implemented in multiple steps.
    - \* Capital structure includes cost-free items or tax credit balances at the overall rate of return.
- (1) Rate increase authorized through a generation rider/adjustment clause, the G-RAC.
  - (2) The approved/stipulated \$368 million base rate increase includes \$51 million that the company is to defer until its next rate case, representing a cash return on construction work in progress.
  - (3) Increase authorized through a surcharge, Rider W, which reflects in rates the investment in the Warren County Power Station and associated transmission facilities.
  - (4) PSC adopted a settlement that addresses base rates and issues related to the company's nuclear plants. Effective January 2013, the company is to increase base rates by \$150 million, and base rates would then be frozen through 2016, except as otherwise provide for by the settlement.
  - (5) Increase authorized through a surcharge (Rider B) related to generation conversion project investments.
  - (6) Rate change approved through surcharge (Rider R) related to the Bear Garden Generating Station.
  - (7) Case is a limited-issue rate proceeding, covering NorthWestern's incremental investment in the Dave Gates (formerly Mill Creek) generating facility.
  - (8) Increase authorized through a surcharge, Rider S, associated with the Virginia City Hybrid Energy Center.
  - (9) Authorized base rate increase is \$104.3 million after the transfer to base rates, from a rider, of \$54.3 million of certain environmental compliance costs.
  - (10) This proceeding is a formula rate plan (FRP) filing made pursuant to legislation that requires the state's large electric utilities to invest specific amounts in their transmission and distribution systems, with recovery of these investments to occur in annual FRP proceedings, subject to Commission approval.
  - (11) Approved Joint Proposal includes three-year rate plan specifying \$19.4 million, \$8.8 million, and \$15.2 million rate increases, based upon 9.4%, 9.5%, and 9.6% ROEs, respectively. A levelized plan was adopted, whereby rates in each of the three years are to be increased by \$15.2 million.
  - (12) PSC adopted the company's proposal to freeze base rates for 2013 and 2014.
  - (13) Rate increase excludes amounts being recovered through the company's alternative regulation framework.
  - (14) The rate increase reflects the recovery of the company's investment in the Langley Guich natural gas-fired combined cycle plant. The rate request and authorization are premised upon the 7.86% overall return authorized in the company's last rate case that was decided on 12/30/11.
  - (15) The rate increase reflects the recovery of the company's investment in the Langley Guich natural gas-fired, combined cycle plant. The rate request and authorization are premised upon the 9.9% ROE and 7.757% ROR authorized in the company's last rate case that was decided on 2/23/12.
  - (16) Authorized rate increase represents a current cash return on incremental V.C. Summer nuclear plant CWIP. The increase incorporates a previously authorized 11% ROE and incremental CWIP of \$436.2 million as of 6/30/12.
  - (17) This is the first case for Lone Star Transmission in Texas.
  - (18) The authorized \$50.2 million incremental rate increase represents the recovery of a cash return on 2013 CWIP and a preliminary true-up of the cash return on 2012 CWIP for Plant Vogtle Units 3 and 4 under the company's legislatively-enabled nuclear construction cost recovery tariff. The authorized \$50.2 million incremental rate increase incorporates the previously authorized 11.15% ROE.
  - (19) An additional \$1 million step adjustment rate increase also authorized.
  - (20) PSC adopted the company's proposal to reduce base rates by \$13.1 million for 2013 and then to freeze base rates for 2014.
  - (21) Case filed pursuant to company's performance-based ratemaking plan.
  - (22) Rate case was limited to a single issue, the funding of the environmental cleanup of the Ashland Site, the site of a former manufactured gas plant.
  - (23) Effective 1/1/13, the company's name was changed to DTE Gas.

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