

# REGULATORY FOCUS



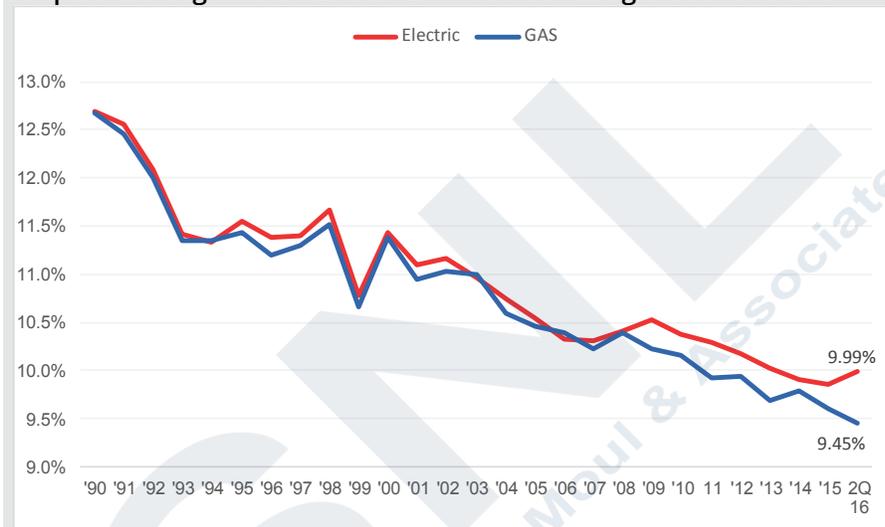
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July 15, 2016

## MAJOR RATE CASE DECISIONS — JANUARY-JUNE 2016

The average ROE authorized electric utilities was 9.99% in the first half of 2016, compared to 9.85% in 2015. There were 16 electric ROE determinations in the first six months of 2016, versus 30 in all of 2015. This data includes several limited issue rider cases; excluding these cases from the data, the average authorized ROE was 9.52% in the first six months of 2016 versus 9.6% in 2015. RRA notes that this differential in electric authorized ROEs is largely driven by Virginia statutes that authorize the State Corporation Commission to approve ROE premiums of up to 200 basis points for certain generation projects (see the [Virginia Commission Profile](#)). The average ROE authorized gas utilities was 9.45% in the first half of 2016 versus 9.6% in all of 2015. There were 12 gas cases that included an ROE determination in the first six months of 2016, compared to 16 in 2015.

Graph 1: Average authorized ROEs — electric and gas rate decisions



Source: Regulatory Research Associates, an offering of S&P Global Market Intelligence

As shown in Graph 2 below, 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, peaking in 2010 at more than 125 cases.

Graph 2: Volume of electric and gas rate case decisions

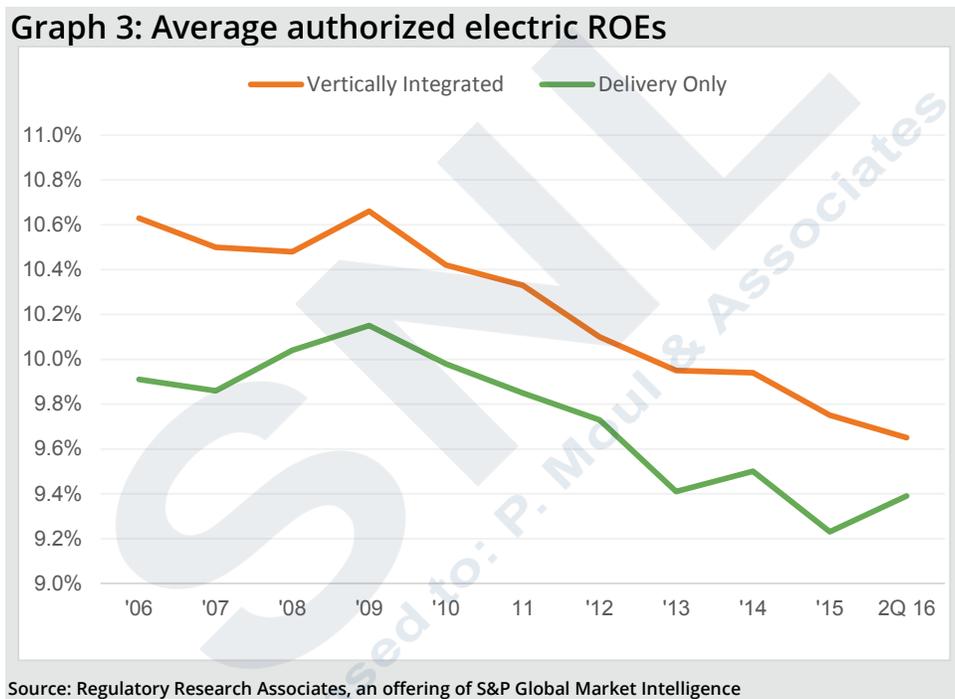


Source: Regulatory Research Associates, an offering of S&P Global Market Intelligence

Since 2010, the number of rate cases has moderated somewhat but has approximated 90 or more in the

last five calendar years. There were 92 electric and gas rate cases resolved in 2015, 99 in both 2014 and 2013, 110 in 2012 and 87 in 2011, and this level of rate case activity remains robust compared to the late 1990s/early 2000s. Increased costs associated with environmental compliance, including possible CO<sub>2</sub> reduction mandates, generation and delivery infrastructure upgrades and expansion, renewable generation mandates and employee benefits argue for the continuation of an active rate case agenda over the next few years. In addition, if the Federal Reserve continues its policy initiated in December 2015 to gradually raise the federal funds rate, utilities eventually would face higher capital costs and would need to initiate rate cases to reflect the higher capital costs in rates. However, the magnitude and pace of any additional Federal Reserve action to raise the federal funds rate is quite uncertain.

Included in tables on pages 6 and 7 of this report are comparisons, since 2006, of average authorized ROEs by settled versus fully litigated cases, general rate cases versus limited issues rider proceedings and vertically integrated cases versus delivery only cases. For both electric and gas cases, no pattern exists in average annual authorized ROEs in cases that were settled versus those that were fully litigated. In some years, the average authorized ROE was higher for fully litigated cases and in others it was higher for settled cases. Regarding electric cases that involve limited issue riders, over the last several years the annual average authorized ROEs in these cases was typically at least 100 basis points higher than in general rate cases, driven by the ROE premiums authorized in Virginia. Limited issue rider cases in which an ROE is determined have had extremely limited use in the gas industry. Comparing electric vertically integrated cases versus delivery only proceedings, RRA finds that the annual average authorized ROEs in vertically integrated cases are from roughly 40 to 70 basis points higher than in delivery only cases, arguably reflecting the increased risk associated with generation assets.



We note that this report utilizes the simple mean for the return averages. In addition, the average equity returns indicated in this report reflect the cases decided in the specified time periods and are not necessarily representative of the returns actually earned by utilities industry wide.

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 only over the revenue requirement and return parameters for delivery operations, which we footnote in our chronology beginning on page 8, thus complicating historical data comparability. We note that since 2008, interest rates declined significantly, and average authorized ROEs have declined modestly. We also note the increased utilization of limited issue rider proceedings that allow utilities to recover certain costs outside of a general rate case and typically incorporate previously-determined return parameters.

The table on page 4 shows the average ROE authorized in major electric and gas rate decisions annually since 1990, and by quarter since 2012, followed by the number of observations in each period. The tables on page 5 indicate the composite electric and gas industry data for all major cases summarized annually since 2002 and by quarter for the past six quarters. The individual electric and gas cases decided in the first 6 months of 2016 are listed on pages 8-11, with the decision date shown first, followed by the company name, the abbreviation for the state issuing the decision, the authorized rate of return, or ROR, ROE, and percentage of common equity in the

adopted capital structure. Next we indicate 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.

*Please Note: Historical data provided in this report may not match data provided on RRA's website due to certain differences in presentation, including the treatment of cases that were withdrawn or dismissed.*

Dennis Sperduto

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## Average Equity Returns Authorized January 1990 - June 2016

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)
2006	Full Year	10.32	(26)	10.40	(15)
2007	Full Year	10.30	(38)	10.22	(35)
2008	Full Year	10.41	(37)	10.39	(32)
2009	Full Year	10.52	(40)	10.22	(30)
2010	Full Year	10.37	(61)	10.15	(39)
2011	Full Year	10.29	(42)	9.92	(16)
	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	10.10	(25)	10.07	(21)
<b>2012</b>	<b>Full Year</b>	<b>10.17</b>	<b>(58)</b>	<b>9.94</b>	<b>(35)</b>
	1st Quarter	10.28	(14)	9.57	(3)
	2nd Quarter	9.84	(7)	9.47	(6)
	3rd Quarter	10.06	(7)	9.60	(1)
	4th Quarter	9.91	(21)	9.83	(11)
<b>2013</b>	<b>Full Year</b>	<b>10.03</b>	<b>(49)</b>	<b>9.68</b>	<b>(21)</b>
	1st Quarter	10.23	(8)	9.54	(6)
	2nd Quarter	9.83	(5)	9.84	(8)
	3rd Quarter	9.87	(12)	9.45	(6)
	4th Quarter	9.78	(13)	10.28	(6)
<b>2014</b>	<b>Full Year</b>	<b>9.91</b>	<b>(38)</b>	<b>9.78</b>	<b>(26)</b>
	1st Quarter	10.37	(9)	9.47	(3)
	2nd Quarter	9.73	(7)	9.43	(3)
	3rd Quarter	9.40	(2)	9.75	(1)
	4th Quarter	9.62	(12)	9.68	(9)
<b>2015</b>	<b>Full Year</b>	<b>9.85</b>	<b>(30)</b>	<b>9.60</b>	<b>(16)</b>
	1st Quarter	10.29	(9)	9.48	(6)
	2nd Quarter	9.60	(7)	9.42	(6)
<b>2016</b>	<b>Year to Date</b>	<b>9.99</b>	<b>(16)</b>	<b>9.45</b>	<b>(12)</b>

Source: Regulatory Research Associates, an offering of S&amp;P Global Market Intelligence

**Electric Utilities--Summary Table**

	Period	ROR %	(# Cases)	ROE %	(# Cases)	Cap. Struc.	(# Cases)	\$ Mil.	(# Cases)
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	8.32	(26)	10.32	(26)	48.54	(25)	1,318.1	(39)
2007	Full Year	8.18	(37)	10.30	(38)	47.88	(36)	1,405.7	(43)
2008	Full Year	8.21	(39)	10.41	(37)	47.94	(36)	2,823.2	(44)
2009	Full Year	8.24	(40)	10.52	(40)	48.57	(39)	4,191.7	(58)
2010	Full Year	8.01	(62)	10.37	(61)	48.63	(57)	4,921.9	(78)
2011	Full Year	8.00	(43)	10.29	(42)	48.26	(42)	2,595.1	(56)
2012	Full Year	7.95	(51)	10.17	(58)	50.69	(52)	3,080.7	(69)
2013	Full Year	7.66	(45)	10.03	(49)	49.25	(43)	3,328.6	(61)
2014	Full Year	7.60	(32)	9.91	(38)	50.28	(35)	2,053.7	(51)
	1st Quarter	7.74	(10)	10.37	(9)	51.91	(9)	203.6	(11)
	2nd Quarter	7.04	(9)	9.73	(7)	47.83	(6)	819.5	(17)
	3rd Quarter	7.85	(3)	9.40	(2)	51.08	(3)	379.6	(5)
	4th Quarter	7.22	(13)	9.62	(12)	48.24	(12)	488.7	(19)
<b>2015</b>	<b>Full Year</b>	<b>7.38</b>	<b>(35)</b>	<b>9.85</b>	<b>(30)</b>	<b>49.54</b>	<b>(30)</b>	<b>1,891.5</b>	<b>(52)</b>
	1st Quarter	7.03	(9)	10.29	(9)	46.06	(9)	311.2	(12)
	2nd Quarter	7.42	(7)	9.60	(7)	49.91	(7)	115.3	(9)
<b>2016</b>	<b>Year to Date</b>	<b>7.20</b>	<b>(16)</b>	<b>9.99</b>	<b>(16)</b>	<b>47.74</b>	<b>(16)</b>	<b>426.5</b>	<b>(21)</b>

**Gas Utilities--Summary Table**

	Period	ROR %	(# Cases)	ROE %	(# Cases)	Cap. Struc.	(# Cases)	\$ Mil.	(# Cases)
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	8.44	(17)	10.40	(15)	47.24	(16)	392.5	(23)
2007	Full Year	8.11	(31)	10.22	(35)	48.47	(28)	645.3	(43)
2008	Full Year	8.49	(33)	10.39	(32)	50.35	(32)	700.0	(40)
2009	Full Year	8.15	(29)	10.22	(30)	48.49	(29)	438.6	(36)
2010	Full Year	7.99	(40)	10.15	(39)	48.70	(40)	776.5	(50)
2011	Full Year	8.09	(18)	9.92	(16)	52.49	(14)	367.0	(31)
2012	Full Year	7.98	(30)	9.94	(35)	51.13	(32)	264.0	(41)
2013	Full Year	7.39	(20)	9.68	(21)	50.60	(20)	494.9	(38)
2014	Full Year	7.65	(27)	9.78	(26)	51.11	(28)	529.2	(48)
	1st Quarter	6.41	(2)	9.47	(3)	50.41	(2)	168.9	(9)
	2nd Quarter	7.29	(3)	9.43	(3)	50.71	(3)	34.9	(8)
	3rd Quarter	7.35	(1)	9.75	(1)	42.01	(1)	103.9	(8)
	4th Quarter	7.54	(10)	9.68	(9)	50.40	(10)	186.5	(15)
<b>2015</b>	<b>Full Year</b>	<b>7.34</b>	<b>(16)</b>	<b>9.60</b>	<b>(16)</b>	<b>49.93</b>	<b>(16)</b>	<b>494.1</b>	<b>(40)</b>
	1st Quarter	7.12	(6)	9.48	(6)	50.83	(6)	120.2	(11)
	2nd Quarter	7.38	(6)	9.42	(6)	50.01	(6)	274.8	(15)
<b>2016</b>	<b>Year to Date</b>	<b>7.25</b>	<b>(12)</b>	<b>9.45</b>	<b>(12)</b>	<b>50.42</b>	<b>(12)</b>	<b>395.0</b>	<b>(26)</b>

Source: Regulatory Research Associates, an offering of S&amp;P Global Market Intelligence

## Electric Average Authorized ROEs: 2006 — 2016 YTD

### Settled versus Fully Litigated Cases

Year	All Cases		Settled Cases		Fully Litigated Cases	
	ROE %	(# Cases)	ROE %	(# Cases)	ROE %	(# Cases)
2006	10.32	(26)	10.26	(11)	10.37	(15)
2007	10.30	(38)	10.42	(14)	10.23	(24)
2008	10.41	(37)	10.43	(17)	10.39	(20)
2009	10.52	(40)	10.64	(16)	10.45	(24)
2010	10.37	(61)	10.39	(34)	10.35	(27)
2011	10.29	(42)	10.12	(16)	10.39	(26)
2012	10.17	(58)	10.06	(29)	10.28	(29)
2013	10.03	(49)	10.12	(32)	9.85	(17)
2014	9.91	(38)	9.73	(17)	10.05	(21)
2015	9.85	(30)	10.07	(14)	9.66	(16)
2016 YTD	9.99	(16)	9.55	(5)	10.19	(11)

### General Rate Cases versus Limited Issue Riders

Year	All Cases		General Rate Cases		Limited Issue Riders	
	ROE %	(# Cases)	ROE %	(# Cases)	ROE %	(# Cases)
2006	10.32	(26)	10.34	(25)	9.80	(1)
2007	10.30	(38)	10.31	(37)	9.90	(1)
2008	10.41	(37)	10.37	(35)	11.11	(2)
2009	10.52	(40)	10.52	(38)	10.55	(2)
2010	10.37	(61)	10.29	(58)	11.87	(3)
2011	10.29	(42)	10.19	(40)	12.30	(2)
2012	10.17	(58)	10.01	(52)	11.57	(6)
2013	10.03	(49)	9.81	(42)	11.34	(7)
2014	9.91	(38)	9.75	(33)	10.96	(5)
2015	9.85	(30)	9.60	(24)	10.87	(6)
2016 YTD	9.99	(16)	9.52	(8)	10.46	(8)

### Vertically Integrated Cases versus Delivery Only Cases

Year	All Cases		Vertically Integrated Cases		Delivery Only Cases	
	ROE %	(# Cases)	ROE %	(# Cases)	ROE %	(# Cases)
2006	10.32	(26)	10.63	(15)	9.91	(10)
2007	10.30	(38)	10.50	(26)	9.86	(11)
2008	10.41	(37)	10.48	(26)	10.04	(9)
2009	10.52	(40)	10.66	(28)	10.15	(10)
2010	10.37	(61)	10.42	(41)	9.98	(17)
2011	10.29	(42)	10.33	(28)	9.85	(12)
2012	10.17	(58)	10.10	(39)	9.73	(13)
2013	10.03	(49)	9.95	(31)	9.41	(11)
2014	9.91	(38)	9.94	(19)	9.50	(14)
2015	9.85	(30)	9.75	(17)	9.23	(7)
2016 YTD	9.99	(16)	9.65	(4)	9.39	(4)

Source: Regulatory Research Associates, an offering of S&P Global Market Intelligence

## Gas Average Authorized ROEs: 2006 — 2016 YTD

### Settled versus Fully Litigated Cases

Year	All Cases		Settled Cases		Fully Litigated Cases	
	ROE %	(# Cases)	ROE %	(# Cases)	ROE %	(# Cases)
2006	10.40	(15)	10.26	(7)	10.53	(8)
2007	10.22	(35)	10.24	(22)	10.20	(13)
2008	10.39	(32)	10.34	(20)	10.47	(12)
2009	10.22	(30)	10.43	(13)	10.05	(17)
2010	10.15	(39)	10.30	(12)	10.08	(27)
2011	9.92	(16)	10.08	(8)	9.76	(8)
2012	9.94	(35)	9.99	(14)	9.92	(21)
2013	9.68	(21)	9.80	(9)	9.59	(12)
2014	9.78	(26)	9.51	(11)	9.98	(15)
2015	9.60	(16)	9.60	(11)	9.58	(5)
2016 YTD	9.45	(12)	9.36	(7)	9.57	(5)

### General Rate Cases versus Limited Issue Riders

Year	All Cases		General Rate Cases		Limited Issue Riders	
	ROE %	(# Cases)	ROE %	(# Cases)	ROE %	(# Cases)
2006	10.40	(15)	10.40	(15)	—	(0)
2007	10.22	(35)	10.22	(35)	—	(0)
2008	10.39	(32)	10.39	(32)	—	(0)
2009	10.22	(30)	10.22	(30)	—	(0)
2010	10.15	(39)	10.15	(39)	—	(0)
2011	9.92	(16)	9.91	(15)	10.00	(1)
2012	9.94	(35)	9.93	(34)	10.40	(1)
2013	9.68	(21)	9.68	(21)	—	(0)
2014	9.78	(26)	9.78	(26)	—	(0)
2015	9.60	(16)	9.60	(16)	—	(0)
2016 YTD	9.45	(12)	9.45	(12)	—	(0)

Source: Regulatory Research Associates, an offering of S&P Global Market Intelligence

## Electric Utility Decisions

Date	Company	State	Common Equity as % of			Test Year	Rate Base	Amt. \$ Mil. Footnotes
			ROR %	ROE %	Capital Structure			
1/5/16	MDU Resources Group	ND	7.95	10.50	50.27	12/16	—	15.1 (B,LIR,1)
1/6/16	Avista Corporation	WA	7.29	9.50	48.50	9/14	—	-8.1 (B)
1/28/16	Northern Indiana-- Public Service Company	IN	—	—	—	—	—	0.0 (LIR,2)
2/2/16	Kentucky Utilities Company	VA	—	—	—	12/14	—	5.5 (B)
2/23/16	Entergy Arkansas	AR	4.52	9.75	28.46	3/15	—	219.7 (B,*)
2/29/16	Virginia Electric and Power Company	VA	7.90	11.60	49.99	3/17	Average	21.0 (LIR,3)
2/29/16	Virginia Electric and Power Company	VA	7.40	10.60	49.99	3/17	Average	-9.3 (LIR,4)
2/29/16	Virginia Electric and Power Company	VA	7.40	10.60	49.99	3/17	Average	6.6 (LIR,5)
2/29/16	Virginia Electric and Power Company	VA	7.40	10.60	49.99	3/17	Average	-16.8 (LIR,6)
3/16/16	Indianapolis Power & Light Company	IN	6.51	9.85	37.33	6/14	Year-end	29.6 (*)
3/25/16	MDU Resources Group	MT	—	—	—	12/14	—	7.4 (B,Z)
3/29/16	Virginia Electric and Power Company	VA	6.90	9.60	49.99	3/17	Average	40.4 (LIR,7)
<b>2016</b>	<b>1ST QUARTER: AVERAGES/TOTAL OBSERVATIONS</b>		<b>7.03</b> 9	<b>10.29</b> 9	<b>46.06</b> 9			<b>311.2</b> 12
4/29/16	Fitchburg Gas and Electric Light Company	MA	8.46	9.80	52.17	12/14	Year-end	2.1 (D)
6/3/16	Baltimore Gas and Electric Company	MD	7.28	9.75	51.90	11/15	Average	41.7 (D)
6/8/16	El Paso Electric Company	NM	7.67	9.48	49.29	12/14	Year-end	1.1
6/15/16	New York State Electric & Gas Corporation	NY	6.68	9.00	48.00	4/17	Average	29.6 (B,D,Z,8)
6/15/16	Rochester Gas and Electric Corporation	NY	7.55	9.00	48.00	4/17	Average	3.0 (B,D,Z,8)
6/23/16	San Diego Gas & Electric Co.	CA	—	—	—	12/16	Average	3.0 (B,Z,9)
6/30/16	Appalachian Power Company	WV	—	—	—	—	—	55.1 (B,LIR,10)
6/30/16	Virginia Electric and Power Company	VA	7.40	10.60	49.99	8/17	Average	-25.7 (LIR,11)
6/30/16	Virginia Electric and Power Company	VA	6.90	9.60	49.99	8/17	Average	5.4 (LIR,12)
<b>2016</b>	<b>2ND QUARTER: AVERAGES/TOTAL OBSERVATIONS</b>		<b>7.42</b> 7	<b>9.60</b> 7	<b>49.91</b> 7			<b>115.3</b> 9
<b>2016</b>	<b>YEAR-TO-DATE: AVERAGES/TOTAL OBSERVATIONS</b>		<b>7.20</b> 16	<b>9.99</b> 16	<b>47.74</b> 16			<b>426.5</b> 21

Source: Regulatory Research Associates, an offering of S&amp;P Global Market Intelligence

## Gas Utility Decisions

Date	Company	State	Common Equity as % of			Test Year	Rate Base	Amt. \$ Mil. Footnotes
			ROR %	ROE %	Capital Structure			
1/6/16	Oklahoma Natural Gas Company	OK	7.31	9.50	60.50	3/15	Year-end	30.0 (B)
1/6/16	Avista Corporation	WA	7.29	9.50	48.50	09/14	—	10.8 (B)
1/28/16	SourceGas Arkansas	AR	5.33	9.40	39.46	3/15	Year-end	8.0 (B,*)
2/10/16	Liberty Utilities (New England Natural Gas)	MA	7.99	9.60	50.00	12/14	Year-end	7.8 (B)
2/16/16	Public Service Company of Colorado	CO	7.33	9.50	56.51	12/14	Average	39.2 (I,Z,R)
2/25/16	Black Hills Kansas Gas Utility Company	KS	—	—	—	10/15	Year-end	0.8 (LIR,13)
2/29/16	Avista Corporation	OR	7.46	9.40	50.00	12/16	Average	4.5
3/17/16	Atmos Energy Corporation	KS	—	—	—	3/15	—	2.2 (B)
3/30/16	Indiana Gas Company, Inc.	IN	—	—	—	6/15	Year-end	7.0 (LIR,14)
3/30/16	Northern Indiana Public Service Company	IN	—	—	—	6/15	Year-end	7.6 (LIR,15)
3/30/16	Southern Indiana Gas and Electric Company	IN	—	—	—	6/15	Year-end	2.3 (LIR,14)
<b>2016</b>	<b>1ST QUARTER: AVERAGES/TOTAL OBSERVATIONS</b>		<b>7.12</b> 6	<b>9.48</b> 6	<b>50.83</b> 6			<b>120.2</b> 11
4/21/16	Consumers Energy Company	MI	—	—	—	12/16	—	40.0 (I,B)
4/29/16	Fitchburg Gas and Electric Light Company	MA	8.46	9.80	52.17	12/14	Year-end	1.6
5/5/16	CenterPoint Energy Resources Corp.	MN	7.07	9.49	50.00	9/16	Average	27.5 (I)
5/11/16	Liberty Utilities (Midstates Natural Gas) Corp	MO	—	—	—	1/16	—	0.2 (LIR,16)
5/19/16	Laclede Gas Company	MO	—	—	—	2/16	Year-end	5.4 (LIR,17)
5/19/16	Missouri Gas Energy	MO	—	—	—	2/16	Year-end	3.6 (LIR,17)
6/1/16	Maine Natural Gas	ME	7.28	9.55	50.00	9/14	Average	2.5 (B,Z)
6/3/16	Baltimore Gas and Electric Company	MD	7.23	9.65	51.90	11/15	Average	47.8
6/15/16	New York State Electric & Gas Corporation	NY	6.68	9.00	48.00	4/17	Average	13.1 (B,Z,7)
6/15/16	Rochester Gas and Electric Corporation	NY	7.55	9.00	48.00	4/17	Average	8.8 (B,Z,7)
6/22/16	Northern Indiana Public Service Company	IN	—	—	—	12/15	Year-end	6.7 (LIR,E,18)
6/23/16	San Diego Gas & Electric Co.	CA	—	—	—	12/16	Average	-1.6 (B,Z,19)
6/23/16	Southern California Gas Company	CA	—	—	—	12/16	Average	106.9 (B,Z,9)
6/29/16	Indiana Gas Company, Inc.	IN	—	—	—	12/15	Year-end	10.2 (LIR,20)
6/29/16	Southern Indiana Gas and Electric Company	IN	—	—	—	12/15	Year-end	2.1 (LIR,20)
<b>2016</b>	<b>2ND QUARTER: AVERAGES/TOTAL OBSERVATIONS</b>		<b>7.38</b> 6	<b>9.42</b> 6	<b>50.01</b> 6			<b>274.8</b> 15
<b>2016</b>	<b>YEAR TO DATE: AVERAGES/TOTAL OBSERVATIONS</b>		<b>7.25</b> 12	<b>9.45</b> 12	<b>50.42</b> 12			<b>395.0</b> 26

Source: Regulatory Research Associates, an offering of S&amp;P Global Market Intelligence

## 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.
CWIP-	Construction work in progress
D-	Applies to electric delivery only
DCt	Date certain rate base valuation
E-	Estimated
F-	Return on fair value rate base
Hy-	Hypothetical capital structure utilized
I-	Interim rates implemented prior to the issuance of final order, normally under bond and subject to refund.
LIR	Limited-issue rider proceeding
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 approved in renewable resource cost recovery rider.
- (2) Case represents the company's transmission, distribution, and storage system improvement charge, or TDSIC rate adjustment mechanism. The case was dismissed by the Commission, with no rate change authorized.
- (3) Proceeding determines the revenue requirement for Rider B, which is the mechanism through which the company recovers costs associated with its plan to convert the Altavista, Hopewell, and Southampton Power Stations to burn biomass fuels.
- (4) Represents rate decrease associated with the company's Rider R proceeding, which is the mechanism through which the company recovers the investment in the Bear Garden generating facility.
- (5) This proceeding determines the revenue requirement for Rider S, which recognizes in rates the company's investment in the Virginia City Hybrid Energy Center.
- (6) Decrease authorized through a surcharge, Rider W, which reflects in rates investment in the Warren County Power Station.
- (7) Proceeding involves a new gas-fired generation facility, the Greenville County project, and creation of a new rider mechanism, Rider GV, to reflect the related revenue requirement in rates.
- (8) Rate increase effective 5/1/16; additional increases to be effective 5/1/17 and 5/1/18.
- (9) Settlement adopted with modifications. Rate increase effective retroactive to 1/1/16; additional increases to be effective 1/1/17 and 1/1/18.
- (10) Represents the company's joint expanded net energy cost, or ENEC, proceeding.
- (11) Represents rate decrease associated with the company's Rider BW proceeding, which is the mechanism through which the company recovers the investment in its Brunswick County Power Station.
- (12) Represents the rate increase associated with the company's Rider US-2, which is the mechanism through which the company recovers the revenue requirement associated with three new solar generation facilities.
- (13) Case involves the company's gas system reliability surcharge, or GSRS, rider and reflects investments made from July 1, 2014 through Oct. 31, 2015.
- (14) Case involves company's "compliance and system improvement adjustment" mechanism, and includes compliance-related investments made between Jan. 1 and June 30, 2015, and certain other investments made between July 1, 2014 and June 30, 2015.
- (15) Case establishes the rates to be charged to customers under the company's transmission, distribution and storage system improvement charge rate adjustment mechanism, and reflects investments made between July 1, 2014 and June 30, 2015.
- (16) Case involves the company's infrastructure system replacement surcharge, or ISRS, rider and reflects incremental investments made from 6/1/15 through 1/31/16.
- (17) Case involves the company's infrastructure system replacement surcharge, or ISRS, rider and reflects incremental investments made from 9/1/15 through 2/29/16.
- (18) Case establishes the rates to be charged to customers under the company's transmission, distribution and storage system improvement charge rate adjustment mechanism, and reflects investments made between 7/1/15 and 12/31/15.

- (19) Settlement adopted with modifications. Rate decrease effective retroactive to 1/1/16; rate increases to be effective 1/1/17 and 1/1/18.
- (20) Case involves company's "compliance and system improvement adjustment" mechanism, and includes compliance-related investments made between 7/1/15 and 12/31/15.

Dennis Sperduto

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