

Calculation of Return on Equity
Central Hudson Gas and Electric Corporation
Cases 00-E-0087 and 00-G-0088

Value Line: Issue 1, August 29, 2008 - Electric Industry (East)
Issue 5, September 26, 2008 - Electric Industry (Central)
Issue 11, August 8, 2008 - Electric Industry (West)

(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
<u>Company</u>	<u>Beta</u>	Avg. Hi/Low	<u>EPS</u>	<u>DPS</u>	<u>DPS</u>	<u>DPS</u>	<u>BPS</u>	<u>BPS</u>	<u>BPS</u>
		4/08 - 9/08							
		<u>Price</u> ¹	<u>2011-13</u>	<u>2008</u>	<u>2009</u>	<u>2011-13</u>	<u>2008</u>	<u>2009</u>	<u>2011-13</u>
1 ALLETE	0.85	\$34.30	3.25	1.72	1.80	2.00	25.60	27.10	32.50
2 Alliant Energy Corp.	0.80	\$29.29	3.30	1.40	1.53	1.92	25.75	27.15	31.95
3 Ameren Corp.	0.80	\$33.99	3.55	2.54	2.54	2.54	33.20	34.05	37.40
4 American Electric Powe	0.85	\$29.14	4.25	1.67	1.80	2.40	27.35	29.20	35.25
5 Avista Corp.	0.90	\$17.45	1.75	0.69	0.78	1.15	18.20	19.00	21.25
6 Cleco Corp	0.90	\$22.08	2.50	0.90	0.95	1.55	17.80	18.80	21.75
7 Consolidated Edison	0.75	\$39.33	3.3	2.34	2.36	2.42	34.2	34.85	37.70
8 DPL Inc.	0.75	\$20.34	2.35	1.10	1.16	1.34	8.30	9.40	12.40
9 DTE Energy Co.	0.75	\$35.65	3.75	2.12	2.12	2.30	36.95	38.10	42.50
10 Duke Energy Corp.	NMF	\$14.50	1.50	0.90	0.94	1.06	17.20	17.65	19.00
11 Edison International	0.90	\$32.07	4.50	1.24	1.34	1.64	28.45	31.10	39.45
12 Empire District Electric	0.80	\$16.42	2.00	1.28	1.28	1.40	17.10	17.40	19.00
13 Entergy Corp.	0.80	\$81.92	9.00	3.20	3.60	4.80	42.20	48.00	62.25
14 FirstEnergy Corp.	0.75	\$56.00	6.75	2.25	2.45	3.05	31.35	34.05	44.25
15 FPL Group, Inc.	0.80	\$45.79	5.10	1.78	1.92	2.34	28.30	30.95	39.62
16 Hawaiian Electric	0.75	\$25.87	2.00	1.24	1.24	1.30	15.10	15.40	17.00
17 IDACORP, Inc.	0.90	\$29.08	2.25	1.20	1.20	1.20	27.05	27.50	28.90
18 MGE Energy, Inc.	0.85	\$33.07	2.75	1.43	1.45	1.50	19.80	20.65	21.05
19 Northeast Utilities	0.75	\$22.59	2.20	0.83	0.88	1.03	19.75	21.55	25.15
20 NSTAR	0.80	\$34.60	3.00	1.43	1.53	1.85	16.75	17.55	20.75
21 PG&E Corp.	0.85	\$36.82	3.50	1.56	1.68	2.04	24.10	25.70	28.95
22 Pinnacle West Capital	0.80	\$29.08	3.15	2.10	2.12	2.30	35.85	36.60	39.10
23 Portland General Electr	0.80	\$18.08	2.25	0.97	1.01	1.20	21.90	23.05	26.00
24 Progress Energy	0.75	\$38.48	3.40	2.47	2.49	2.55	33.05	33.30	35.75
25 Southern Co.	0.65	\$35.52	3.00	1.66	1.73	2.00	17.20	18.30	21.50
26 UIL Holdings Corp.	0.85	\$28.64	1.75	0.80	0.82	0.90	9.65	10.25	12.50
27 TECO Energy, Inc.	0.80	\$11.72	2.15	1.73	1.73	1.73	18.65	19.35	21.05
28 Vectren Corp.	0.80	\$26.21	2.00	1.31	1.35	1.47	16.05	16.65	18.35
29 Wisconsin Energy	0.75	\$41.62	4.25	1.08	1.24	1.60	28.00	29.55	36.00
30 Xcel Energy, Inc.	0.80	\$17.89	2.00	0.94	0.97	1.06	15.25	15.90	18.50
Average		\$31.25	3.22						

	<u>Beta</u>	<u>Price</u>
Average Beta/ Price	0.80	\$31.25
Median Beta	0.80	

¹ Stock price data from <http://finance.yahoo.com/>

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Value Line:

(B)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
Company	# of Shares 2008	# of Shares 2011-13	DPS Growth 2011-13	Retention Rate 2012	Return on Equity 2012	B x R	Increase in Shares	MBR 2008	S Factor
1 ALLETE	32.30	36.50	3.57	0.38	10.30	3.96	3.10	1.34	4.16
2 Alliant Energy Corp.	111.00	119.00	7.86	0.42	10.61	4.44	1.76	1.14	2.00
3 Ameren Corp.	210.40	222.00	0.00	0.28	9.64	2.74	1.35	1.02	1.38
4 American Electric Powe	404.00	415.00	10.06	0.44	12.43	5.41	0.67	1.07	0.72
5 Avista Corp.	54.00	56.50	13.82	0.34	8.39	2.88	1.14	0.96	1.09
6 Cleco Corp	61.00	65.00	17.73	0.38	11.77	4.47	1.60	1.24	1.99
7 Consolidated Edison	274	284.00	0.84	0.27	8.87	2.36	0.90	1.15	1.04
8 DPL Inc.	113.00	113.00	4.93	0.43	19.83	8.52	0.00	2.45	0.00
9 DTE Energy Co.	163.00	163.00	2.75	0.39	8.98	3.47	0.00	0.96	0.00
10 Duke Energy Corp.	1262.00	1285.00	4.09	0.29	7.99	2.34	0.45	0.84	0.38
11 Edison International	326.00	326.00	6.97	0.64	11.86	7.54	0.00	1.13	0.00
12 Empire District Electric	37.00	37.50	3.03	0.30	10.68	3.20	0.34	0.96	0.32
13 Entergy Corp.	187.00	199.00	10.06	0.47	15.08	7.04	1.57	1.94	3.04
14 FirstEnergy Corp.	304.85	304.85	7.57	0.55	15.92	8.73	0.00	1.79	0.00
15 FPL Group, Inc.	412.00	428.00	6.82	0.54	13.40	7.25	0.96	1.62	1.55
16 Hawaiian Electric	85.50	89.00	1.59	0.35	11.96	4.19	1.01	1.71	1.73
17 IDACORP, Inc.	46.40	51.60	0.00	0.47	7.85	3.66	2.69	1.08	2.89
18 MGE Energy, Inc.	23.00	25.00	1.14	0.45	13.11	5.96	2.11	1.67	3.52
19 Northeast Utilities	158.20	192.00	5.39	0.53	8.97	4.77	4.96	1.14	5.67
20 NSTAR	106.81	106.81	6.54	0.38	14.86	5.70	0.00	2.07	0.00
21 PG&E Corp.	381.00	393.00	6.69	0.42	12.33	5.14	0.78	1.53	1.19
22 Pinnacle West Capital	100.70	101.50	2.75	0.27	8.14	2.20	0.20	0.81	0.16
23 Portland General Electr	62.60	76.00	5.91	0.47	8.83	4.12	4.97	0.83	4.10
24 Progress Energy	264.00	280.00	0.80	0.25	9.62	2.41	1.48	1.16	1.73
25 Southern Co.	777.00	815.00	4.95	0.33	14.33	4.78	1.20	2.07	2.48
26 UIL Holdings Corp.	212.00	216.00	3.15	0.49	14.46	7.02	0.47	2.97	1.39
27 TECO Energy, Inc.	25.30	26.50	0.00	0.20	10.36	2.02	1.17	0.63	0.73
28 Vectren Corp.	81.00	81.80	2.88	0.27	11.08	2.94	0.25	1.63	0.40
29 Wisconsin Energy	117.00	117.00	8.87	0.62	12.19	7.60	0.00	1.49	0.00
30 Xcel Energy, Inc.	430.00	438.00	3.00	0.47	11.08	5.21	0.46	1.17	0.54
Average			5.13		11.50				

Average Beta/ Price
Median Beta

¹ Stock price data from <http://>

Value Line:

(B)	(U)	(V)	(W)	(X)
<u>Company</u>	<u>V Factor</u>	<u>S x V</u>	<u>Sustainable Growth</u>	<u>Long-Form ROE</u>
1 ALLETE	0.25	1.05	5.02	9.99%
2 Alliant Energy Corp.	0.12	0.24	4.68	10.15%
3 Ameren Corp.	0.02	0.03	2.77	9.73%
4 American Electric Powe	0.06	0.04	5.46	12.08%
5 Avista Corp.	-0.04	-0.05	2.83	8.38%
6 Cleco Corp	0.19	0.38	4.86	10.34%
7 Consolidated Edison	0.13	0.14	2.50	8.22%
8 DPL Inc.	0.59	0.00	8.52	13.61%
9 DTE Energy Co.	-0.04	0.00	3.47	9.24%
10 Duke Energy Corp.	-0.19	-0.07	2.27	6.49%
11 Edison International	0.11	0.00	7.54	11.52%
12 Empire District Electric	-0.04	-0.01	3.19	10.85%
13 Entergy Corp.	0.48	1.47	8.51	12.88%
14 FirstEnergy Corp.	0.44	0.00	8.73	12.83%
15 FPL Group, Inc.	0.38	0.59	7.84	11.80%
16 Hawaiian Electric	0.42	0.72	4.90	9.26%
17 IDACORP, Inc.	0.07	0.20	3.87	7.57%
18 MGE Energy, Inc.	0.40	1.41	7.37	11.06%
19 Northeast Utilities	0.13	0.71	5.49	9.27%
20 NSTAR	0.52	0.00	5.70	10.08%
21 PG&E Corp.	0.35	0.41	5.55	10.11%
22 Pinnacle West Capital	-0.23	-0.04	2.16	9.47%
23 Portland General Electr	-0.21	-0.87	3.25	9.08%
24 Progress Energy	0.14	0.24	2.65	8.79%
25 Southern Co.	0.52	1.28	6.06	10.68%
26 UIL Holdings Corp.	0.66	0.92	7.95	10.40%
27 TECO Energy, Inc.	-0.59	-0.43	1.59	15.82%
28 Vectren Corp.	0.39	0.16	3.09	8.14%
29 Wisconsin Energy	0.33	0.00	7.60	10.55%
30 Xcel Energy, Inc.	0.15	0.08	5.29	10.32%
Average			5.02	10.29%
			Average ROE	10.29%
			Median ROE	10.13%

Average Beta/ Price
Median Beta

¹ Stock price data from <http://>