

**SCHEDULE 1**  
**SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS**  
**FOR ELECTRIC UTILITIES**

**FILED WITH**  
**Executive Secretary**  
**October 10, 2014**  
**IOWA UTILITIES BOARD**

LINE	COMPANY	MOST RECENT QUARTERLY DIVIDEND (D <sub>0</sub> )	STOCK PRICE (P <sub>0</sub> )	DIVIDEND	FORECAST OF FUTURE EARNINGS GROWTH	DCF MODEL RESULT
1	ALLETE	0.490	48.893	2.141	6.00%	10.6%
2	Alliant Energy	0.510	58.335	2.159	4.70%	8.6%
3	Amer. Elec. Power	0.500	53.189	2.166	4.79%	9.1%
4	Ameren Corp.	0.400	39.220	1.830	8.90%	13.8%
5	Avista Corp.	0.318	32.023	1.368	5.00%	9.5%
6	Black Hills	0.390	56.648	1.720	7.00%	10.2%
7	CenterPoint Energy	0.238	24.668	0.984	3.87%	8.1%
8	Cleco Corp.	0.400	55.847	1.690	7.00%	10.2%
9	CMS Energy Corp.	0.270	29.921	1.183	6.80%	11.0%
10	Consol. Edison	0.630	56.262	2.629	2.72%	7.6%
11	Dominion Resources	0.600	68.917	2.596	6.02%	10.0%
12	DTE Energy	0.655	75.610	2.874	5.85%	9.9%
13	Duke Energy	0.795	71.995	3.376	4.19%	9.1%
14	El Paso Electric	0.280	38.382	1.193	7.00%	10.3%
15	G't Plains Energy	0.230	25.681	1.001	5.17%	9.3%
16	Hawaiian Elec.	0.310	24.462	1.336	4.00%	9.7%
17	ITC Holdings	0.163	36.108	0.691	11.48%	13.5%
18	NextEra Energy	0.725	97.803	3.125	6.47%	9.8%
19	Northeast Utilities	0.393	45.295	1.706	6.31%	10.3%
20	NorthWestern Corp.	0.400	49.062	1.734	7.00%	10.7%
21	OGE Energy	0.225	37.186	0.979	7.05%	9.8%
22	Otter Tail Corp.	0.303	28.843	1.330	6.00%	10.9%
23	PG&E Corp.	0.455	46.206	2.016	6.44%	11.0%
24	Pinnacle West Capital	0.568	55.593	2.430	3.75%	8.4%
25	PNM Resources	0.185	27.350	0.812	8.32%	11.4%
26	Portland General	0.280	33.363	1.312	12.11%	16.2%
27	SCANA Corp.	0.525	51.620	2.231	4.60%	9.1%
28	Sempra Energy	0.660	101.807	2.856	6.88%	9.8%
29	Southern Co.	0.525	43.962	2.200	3.35%	8.6%
30	TECO Energy	0.220	17.803	0.961	5.08%	10.8%
31	UIL Holdings	0.432	36.830	1.898	5.58%	11.0%
32	Vectren Corp.	0.360	39.940	1.552	4.50%	8.6%
33	Wisconsin Energy	0.390	45.010	1.682	5.24%	9.2%
34	Xcel Energy Inc.	0.300	31.251	1.250	4.49%	8.7%
35	Average					10.1%

Notes:

- $d_0$  = Most recent quarterly dividend.
- $d_1, d_2, d_3, d_4$  = Next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line by the factor  $(1 + g)$ .
- $P_0$  = Average of the monthly high and low stock prices during the three months ending August 2014 per Thomson Reuters.
- FC = Flotation cost allowance (5 percent) as a percent of stock price.
- $g$  = I/B/E/S forecast of future earnings growth August 2014 from Thomson Reuters.
- $k$  = Cost of equity using the quarterly version of the DCF model.

$$k = \frac{d_1(1+k)^{.75} + d_2(1+k)^{.50} + d_3(1+k)^{.25} + d_4}{P_0(1-FC)} + g$$