



DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
901 NORTH STUART STREET
ARLINGTON VA 22203-1837



REPLY TO
ATTENTION OF

16 APRIL 2004

Regulatory Law Office
U4117

SUBJECT: In the Matter of Adjustment of Gas and Electric Rates of Louisville Gas
and Electric Company, KY PSC Case No. 2003-00433

RECEIVED

APR 19 2004

**PUBLIC SERVICE
COMMISSION**

Hon. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Dear Mr. Dorman:

Enclosed for filing find the original and eight copies of the Responses of intervenor, the consumer interest of the United States Department of Defense and other affected Federal Executive Agencies (hereinafter "DOD") to the Initial Data Requests of the Louisville Gas & Electric Company (LG&E) in the above styled proceeding.

Copies of this pleading are being sent in accord with the Certificate of Service. Inquiries regarding this proceeding should be directed to the undersigned at the address above or at telephone number (703) 696-1646.

Sincerely yours

David A. McCormick
General Attorney

CF: Certificate of Service
Hon. Daniel M. Kininmonth, Fort Knox, KY

Certificate of Service

I certify that I have caused a copy of this document to be sent to the following addressees

by first class, postage prepaid, U.S. Mail:

Hon. Kendrick R. Riggs
Ogden, Newell, & Welch
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202-2874

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
Suite 2110
36 East Seventh Street
Cincinnati, OH 45202

Hon. Linda S. Portasik
Senior Corporate Attorney
Louisville Gas and Electric Company
220 W. Main Street
P.O. Box 32010
Louisville, KY 40232-2010

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Fort Knox, KY 40121-5000

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Vice President, Rates & Regulatory
Louisville Gas and Electric Company
P.O. Box 32010
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Hon. David C. Brown
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1800 Aegon Center
400 West Market Street
Louisville, KY 40202

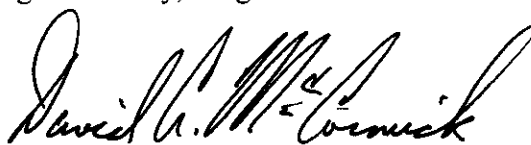
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425 Muhammad Ali Blvd.
Louisville, KY 40202

Hon. Iris Skidmore
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Environmental and Public Protection Cabinet
Fifth Floor, Capital Plaza Tower
Frankfort, KY 40601

Hon. David J. Barbarie
Department of Law
Lexington-Fayette Urban County
Government
200 East Main Street
Lexington, KY 40507

Dated this 16th day of April 2004, at Arlington County, Virginia.


David A. McConick



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David C. McConick

US DEPARTMENT OF DEFENSE RESPONSES TO
INITIAL DATA REQUEST OF LG&E

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U. S. Department of Defense**Case No. 2003-00433****Response to Initial Data Request of Louisville Gas and Electric
Company****Question No. 1****Responding Witness: Kenneth L. Kincel****Q.1.** In reference to Exhibits KLK-7 and KLK-13:

- a. Provide the data used to derive the projected growth rates.
- b. Provide the formula used to calculate the projected growth rates.

A.1.

- a. All data used to derive the projected growth rates was from *Value Line Investment Survey*, as shown in the footnote on the bottom of the table. Attached are the pages for each utility from *Value Line* that were used. Attachment 1 consists of 12 electric utilities corresponding to Exhibit KLK-7; Attachment 2 consists of 7 gas utilities shown in Exhibit KLK-13. The specific data that were employed for each utility are located under the columns near the top with yearly headings. The data were earnings per share, dividends declared per share and book value per share. Data for the year 2003 are used for the current year -- always one of the end points of the growth rate calculation. When the end point of the *Value Line* projection is a range, such as '06 -- '08, the mid point of the range was used to calculate n, the number of years used in the growth rate formula shown below; for instance, in this example, '07.
- b. The formula used to derive the constant projected growth rates for each category of data (earnings per share, dividends per share and book value per share) can be computed as follows:

$$B = A \text{ times } (1 + g)^n$$

Where:

B = Last Year Observation

A = First Year Observation

g = Constant Growth Rate over n Years

n = Number of years between First and Last Year of Observation

Solving for g:

$$B/A = (1 + g)^n$$

$$\ln(B/A) = n \text{ times } \ln(1 + g)$$

$$\ln(B/A) \text{ divided by } n = \ln(1 + g)$$

$$(1 + g) = \text{Exp}[\ln(B/A)/n]$$

$$g = \text{Exp}[\ln(B/A)/n] - 1$$

where:

Ln = natural or Napierian logarithm

Exp = Exponential raised from base e (2.7182818..)



ALLIANT ENERGY NYSE-LNT

RECENT PRICE 24.60

P/E RATIO 14.8 (Trailing: 15.9; Median: 14.8)

RELATIVE P/E RATIO 0.77

DIV'D YLD 4.1%

VALUE LINE 697

High: 36.4, 36.8, 32.9, 31.6, 32.9, 34.4, 34.8, 32.4, 37.8, 33.2, 31.0, 25.0

Low: 29.6, 31.3, 26.4, 27.3, 27.5, 26.8, 28.0, 25.2, 25.8, 27.5, 14.3, 15.0

Target Price Range

| Year | 2006 | 2007 | 2008 |
|------|------|------|------|
| 2006 | 48 | 48 | 48 |
| 2007 | 40 | 40 | 40 |
| 2008 | 32 | 32 | 32 |

TIMELINESS 2 Raised 6/29/03

SAFETY 3 Lowered 4/4/03

TECHNICAL 3 Lowered 10/17/03

BETA .75 (1.00 = Market)

2006-08 PROJECTIONS

| Price | Gain | Ann'l Total Return |
|---------|--------|--------------------|
| High 35 | (+40%) | 12% |
| Low 20 | (-20%) | N/A |

Insider Decisions

| F | M | A | M | J | J | A | S | O |
|---------|---|---|---|---|---|---|---|---|
| to Buy | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Options | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| to Sell | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Institutional Decisions

| 10/20/03 | 10/20/03 | 10/20/03 | |
|----------|----------|----------|-------|
| to Buy | 76 | 77 | 115 |
| to Sell | 69 | 67 | 46 |
| Net Buy | 24284 | 26641 | 43301 |

LEGENDS

1.00 x Dividends p sh divided by Interest Rate Relative Price Strength

Options: Yes

Shaded areas indicate recession

WPL Holdings - Alliant Energy

% TOT. RETURN 11/03

| THE STOCK | VLARITH INDEX | |
|-----------|---------------|------|
| 1 yr. | 58.3 | 34.9 |
| 3 yr. | -7.0 | 40.0 |
| 5 yr. | 9.3 | 65.3 |

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | VALUE LINE PUB., INC. | 04-08 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------------|--------|
| Revenues per sh | 25.40 | 26.52 | 26.23 | 30.31 | 29.86 | 27.45 | 27.83 | 30.44 | 30.97 | 28.26 | 27.75 | 27.85 | Revenues per sh | 29.45 |
| "Cash Flow" per sh | 4.32 | 4.93 | 5.13 | 5.11 | 5.60 | 4.85 | 5.71 | 6.57 | 5.82 | 4.52 | 4.30 | 4.60 | "Cash Flow" per sh | 5.10 |
| Earnings per sh^A | 2.11 | 2.24 | 2.33 | 2.27 | 1.90 | 1.26 | 2.19 | 2.47 | 2.42 | 1.18 | 1.60 | 1.65 | Earnings per sh ^A | 1.90 |
| Div'd Decl'd per sh^B | 1.90 | 1.92 | 1.94 | 1.97 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | Div'd Decl'd per sh ^B | 1.20 |
| Cap'l Spending per sh | 4.91 | 4.01 | 3.05 | 4.81 | 4.10 | 4.79 | 6.06 | 13.50 | 9.13 | 7.12 | 8.10 | 4.90 | Cap'l Spending per sh | 4.45 |
| Book Value per sh^C | 19.15 | 19.43 | 19.42 | 19.74 | 19.73 | 20.69 | 27.29 | 25.79 | 21.39 | 19.89 | 18.95 | 20.60 | Book Value per sh ^C | 22.70 |
| Common Shs Outst^D | 30.44 | 30.77 | 30.77 | 30.77 | 30.79 | 77.63 | 78.99 | 79.01 | 89.68 | 92.30 | 117.00 | 112.00 | Common Shs Outst ^D | 112.00 |
| Avg Ann'l P/E Ratio | 16.4 | 12.8 | 12.5 | 13.3 | 15.0 | 25.1 | 13.0 | 11.8 | 12.6 | 19.9 | 12.3 | 12.3 | Avg Ann'l P/E Ratio | 14.8 |
| Relative P/E Ratio | .97 | .84 | .84 | .83 | .86 | 1.31 | .74 | .77 | .65 | 1.08 | .72 | .72 | Relative P/E Ratio | .95 |
| Avg Ann'l Div'd Yield | 5.5% | 6.7% | 6.6% | 6.5% | 7.0% | 6.3% | 7.0% | 6.9% | 6.6% | 8.5% | 5.1% | 5.1% | Avg Ann'l Div'd Yield | 4.3% |
| Revenues (\$mil) | 773.1 | 816.2 | 807.3 | 932.8 | 919.3 | 2130.9 | 2198.0 | 2405.0 | 2777.3 | 2608.8 | 3080 | 3120 | Revenues (\$mil) | 3300 |
| Net Profit (\$mil) | 66.5 | 73.5 | 74.9 | 69.8 | 64.6 | 103.4 | 178.2 | 203.1 | 194.9 | 113.1 | 175 | 185 | Net Profit (\$mil) | 225 |
| Income Tax Rate | 27.4% | 32.5% | 32.6% | 38.2% | 30.8% | 36.0% | 40.8% | 54.0% | 23.5% | 24.2% | 24.0% | 24.0% | Income Tax Rate | 24.0% |
| AFUDC % to Net Profit | 1.6% | 1.4% | .9% | 1.3% | 4.3% | 6.6% | 4.1% | 4.3% | 5.7% | 6.8% | 4.8% | 4.0% | AFUDC % to Net Profit | 4.0% |
| Long-Term Debt Ratio | 39.8% | 40.6% | 39.6% | 35.2% | 40.7% | 47.3% | 39.6% | 47.0% | 64.7% | 56.4% | 43.0% | 43.0% | Long-Term Debt Ratio | 42.0% |
| Common Equity Ratio | 54.6% | 54.1% | 54.9% | 59.0% | 54.0% | 49.2% | 57.4% | 50.2% | 42.7% | 39.2% | 51.9% | 51.5% | Common Equity Ratio | 52.8% |
| Total Capital (\$mil) | 1068.0 | 1105.9 | 1087.8 | 1089.9 | 1125.1 | 3268.9 | 3765.0 | 4061.4 | 4480.2 | 4679.1 | 4295 | 4480 | Total Capital (\$mil) | 4855 |
| Net Plant (\$mil) | 1220.7 | 1256.3 | 1259.9 | 1294.9 | 1244.8 | 3101.7 | 3486.0 | 3719.3 | 3862.8 | 3729.2 | 4210 | 4430 | Net Plant (\$mil) | 4480 |
| Return on Total Cap¹ | 8.0% | 8.3% | 8.3% | 8.0% | 7.4% | 4.9% | 6.1% | 6.6% | 8.2% | 4.1% | 5.8% | 5.5% | Return on Total Cap ¹ | 5.5% |
| Return on Shr. Equity | 10.3% | 11.2% | 11.4% | 10.5% | 9.7% | 6.0% | 7.9% | 9.4% | 9.6% | 5.6% | 7.0% | 7.5% | Return on Shr. Equity | 8.0% |
| Return on Com Equity^E | 10.7% | 11.7% | 12.0% | 10.9% | 10.1% | 6.0% | 8.0% | 9.6% | 9.8% | 5.8% | 7.0% | 8.0% | Return on Com Equity ^E | 8.6% |
| Retained to Com Eq | 3.8% | 3.5% | 2.0% | 1.0% | NMF | NMF | 7% | 1.8% | 1.6% | NMF | 2.6% | 3.0% | Retained to Com Eq | 3.8% |
| All Div's to Net Prof | 67% | 72% | 84% | 92% | 100% | NMF | 92% | 81% | 85% | NMF | 65% | 63% | All Div's to Net Prof | 63% |

CAPITAL STRUCTURE as of 10/31/03

Total Debt \$2714.9 mil. Due in 5 Yrs \$1047.9 mil.

LT Debt \$2266.8 mil. LT Interest \$141.8 mil.

(LT interest earned: 2.1%)

Preferred Assets: 1872 \$466.7 mil. Oblig. \$608.5 mil.

Mid Stock \$243.8 mil. Mid Div'd \$16.3 mil.

449,766 shs. \$100 par. 6,999,000 shs. \$25 par.

1,127,787 shs. \$50 par.

Common Stock 110,716,697 shs. as of 10/31/03

MARKET CAP: \$2.7 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

| | 2000 | 2001 | 2002 |
|-----------------------------|-------|-------|-------|
| % Change Retail Sales (kWh) | +1.2 | +1.3 | +1.5 |
| Av. Retail Rate (¢/kWh) | 47.91 | 44.12 | 42.33 |
| Av. Wholesale Rate (¢/kWh) | 4.83 | 4.35 | 4.28 |
| Av. Retail Rate per kWh (¢) | 51.88 | 51.63 | 50.69 |
| Av. Wholesale Rate (¢/kWh) | 6.97 | 6.77 | 6.79 |
| Annual Load Factor (%) | 67.3 | 73.6 | 70.0 |
| % Change Customers (yr-end) | +1.1 | +1.5 | +1.8 |

ANNUAL RATES

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '00-'02 |
|-----------------|--------------|-------------|---------------|
| Change (per sh) | 2.5% | 5% | N/A |
| Revenues | 2.0% | 1.5% | -1.5% |
| "Cash Flow" | -1.0% | -1.5% | -1.0% |
| Earnings | 1.0% | 5% | -9.0% |
| Dividends | 3.0% | 2.5% | 5% |

QUARTERLY REVENUES (\$mil)

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | 574.1 | 523.9 | 603.2 | 703.8 | 2405.0 |
| 2001 | 852.7 | 611.8 | 686.3 | 646.6 | 2777.3 |
| 2002 | 606.6 | 570.9 | 709.4 | 719.9 | 2608.8 |
| 2003 | 885.8 | 646.3 | 750.6 | 778.3 | 3080 |
| 2004 | 800 | 700 | 800 | 820 | 3120 |

EARNINGS PER SHARE^A

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | .56 | .29 | .91 | .77 | 2.47 |
| 2001 | .42 | .29 | .78 | .93 | 2.42 |
| 2002 | .11 | .07 | .49 | .51 | 1.18 |
| 2003 | .06 | .26 | .78 | .50 | 1.60 |
| 2004 | .10 | .28 | .72 | .55 | 1.65 |

QUARTERLY DIVIDENDS Paid^B

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | .50 | .50 | .50 | .50 | 2.00 |
| 2001 | .50 | .50 | .50 | .50 | 2.00 |
| 2002 | .50 | .50 | .50 | .50 | 2.00 |
| 2003 | .25 | .25 | .25 | .25 | 1.00 |

BUSINESS: Alliant Energy, formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies elect. (63% of revs.), gas (18%), and other services (19%) in Wisconsin, Iowa, Minnesota, & Illinois. Revs. by state: WI, 44%; IA, 50%; MN, 4%; IL, 2%. Elect. rev. breakdown: resid., 36%; comm'l, 21%; ind'l, 30%; wholesale, 9%; other, 4%. Fuel sources, '02: coal & gas, 57%; nuclear, 15%; other, 1%; purch., 27%. Fuel costs: 43% of revs. '02 deprec. rate: 3.4%. Est'd plant age: 12 yrs. Has 6,970 emplos., 55,470 com. stkhdrs. Chrmn., Pres. & CEO: Errol B. Davis, Jr. Inc.: WI: Address: 4902 N. Blitmore Lane, P.O. Box 77007, Madison, WI 53707-1007. Tel: 608-458-3391. Internet: www.alliant-energy.com.

Alliant Energy has an agreement to sell its 41% stake in the Kewaunee nuclear plant. The unit will be sold to Dominion Resources. Based on a closing date of November 1, 2004, the company would receive \$90 million in cash and would retain ownership of trust assets in one of two decommissioning funds that has a pretax value of about \$74 million. Cash proceeds from the sale would be applied to debt reduction. But any gain on the transaction and on the retained decommissioning fund would be returned to customers in future rate filings. At the closing, LNT will sign a purchase-power agreement, extending through 2013, to buy the same 238 megawatts it would have received if its ownership continued. The sale is subject to regulatory approvals. At this time, LNT plans to keep its 77% interest in the Duane Arnold nuclear unit.

The company divested some non-strategic assets last year. Although Alliant realized a profit on the sale of its Australian properties, the gain was largely offset by its loss on a low-income housing investment. LNT also completed a public offering of 94% of its oil and gas assets for

book value of \$450 million. The remaining 6% will likely be sold this year. Finally, a portion of water operations in Wisconsin was sold for \$21 million. Management seeks to sell the balance to local communities. Proceeds from these sales and last July's offering of over 17 million common shares enabled the company to reduce long-term debt in 2003 by \$800 million. This helped lift the common equity ratio to a healthy 51% of total capital. **We think earnings improved substantially in 2003.** The company benefited from lower interest expense, two electric and gas rate hikes, and higher energy sales. Too, Brazilian operations probably lost less than they did in 2002. Thus, despite the dilutive effect of an increase in shares outstanding, we estimate earnings rose 36%, to \$1.60 a share. A full year of higher rates points to an uptick in 2004. **The yield is near the industry average.** But dividend growth prospects to 2006-2008 from the present reduced level exceed those of the group. Income-oriented investors might take a look at these timely shares.

Arthur H. Medalie January 2, 2004

| | |
|------------------------------|----|
| Company's Financial Strength | B+ |
| Stock's Price Stability | 15 |
| Price Growth Persistence | 95 |
| Earnings Predictability | 60 |

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(A) Diluted EPS. Excl. nonrecur. gains (losses): '94, (11¢); '95, (43¢); '96, (4¢) and 11¢; '98, 32¢; '00, \$2.56; '01, (28¢); '03, net 30¢. Next eps. rpt. due late Jan. (B) Div'ds historically paid in mid-Feb., mid-May, mid-Aug., and mid-Nov. (C) Div'd reinvest. plan avail. (D) Incl. deferred chgs. in '02. \$419.0 mil., \$4.54/sh. Regul. Clim.: WI, Above Avg.; IA, Below Avg.

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AMEREN NYSE-AEE

RECENT PRICE **45.52** P/E RATIO **15.4** (Trailing: 16.8 Median: 11.8) RELATIVE P/E RATIO **0.80** DIV'D YLD **5.6%** VALUE LINE **698**

TIMELINESS 5 Lowered 8/15/03
SAFETY 1 Raised 7/17/02
TECHNICAL 4 Lowered 12/26/03
BETA .70 (1.00 = Market)

2006-08 PROJECTIONS

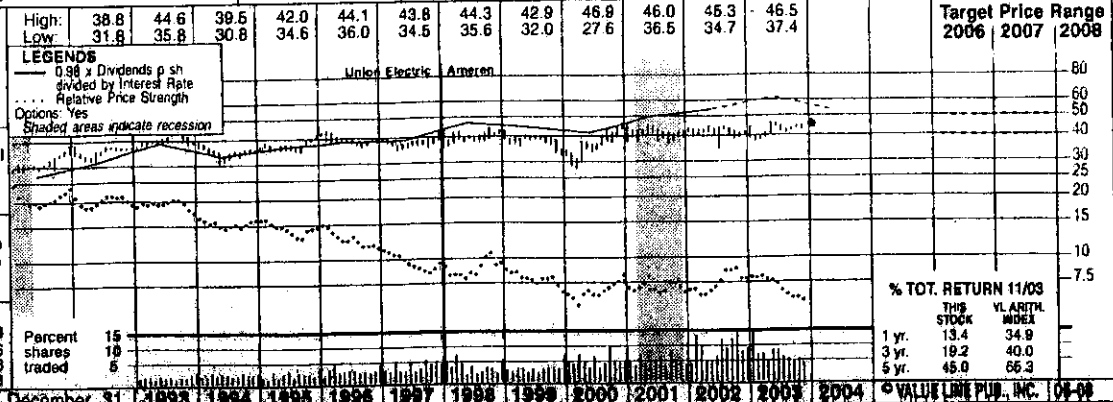
| | Price | Gain | Ann'l Total Return |
|------|-------|--------|--------------------|
| High | 50 | (+10%) | 7% |
| Low | 40 | (-10%) | 9% |

Insider Decisions

| | F | M | A | M | J | A | S | O |
|---------|---|---|---|---|---|---|---|---|
| To Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| To Sell | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Institutional Decisions

| | 10/2003 | 2/2004 | 3/2004 |
|---------|---------|--------|--------|
| To Buy | 190 | 169 | 156 |
| To Sell | 86 | 109 | 118 |
| Net Buy | 73971 | 72960 | 78773 |



Ameren was formed on December 31, 1997 through the merger of Union Electric and CIPSCO. Each common share of Union Electric was exchanged for 1.00 share of Ameren, while each common share of CIPSCO was exchanged for 1.03 Ameren shares. Premerger data are for Union Electric only and are not comparable to Ameren data.

CAPITAL STRUCTURE as of 9/30/03
Total Debt \$4548.0 mill. Due in 5 Yrs \$1704.0 mill.
LT Debt \$4046.0 mill. LT Interest \$179.7 mill.
(Incl. debt discount of \$4.6 mill.)
(LT interest earned: 5.0%)

Pension Assets-12/02 \$1.06 bill. Oblig. \$1.59 bill.

Pfd Stock \$234.0 mill. Pfd Div'd \$11.0 mill.
1,137,595 shs. \$3.50 to \$7.84 cum. (no par), stated at liquid value; 1,657,500 shs. \$1.735, \$25 par. 900,000 shs. 4.00% to 6.625%.

Common Stock 162,400,592 shs. as of 11/7/03

MARKET CAP: \$7.4 billion (Large Cap)

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenues per sh | 20.23 | 20.13 | 20.59 | 22.13 | 24.24 | 24.18 | 25.68 | 28.18 | 32.64 | 24.93 | 27.80 | 28.40 |
| "Cash Flow" per sh | 4.83 | 5.13 | 5.14 | 5.12 | 4.86 | 5.36 | 5.36 | 6.11 | 6.33 | 5.28 | 5.45 | 6.00 |
| Earnings per sh | 2.77 | 3.01 | 2.95 | 2.86 | 2.44 | 2.82 | 2.81 | 3.33 | 3.41 | 2.66 | 2.95 | 3.00 |
| Div'd per sh | 2.34 | 2.40 | 2.46 | 2.51 | 2.54 | 2.54 | 2.54 | 2.54 | 2.54 | 2.54 | 2.54 | 2.54 |
| Cap'l Spending per sh | 2.61 | 3.06 | 3.05 | 3.18 | 2.77 | 2.57 | 4.18 | 6.77 | 7.90 | 5.11 | 4.74 | 4.85 |
| Book Value per sh | 21.60 | 22.22 | 22.71 | 23.06 | 22.00 | 22.27 | 22.62 | 23.30 | 24.26 | 24.93 | 26.45 | 27.18 |
| Common Shs Outstg | 108.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 | 102.12 |
| Avg Ann'l P/E Ratio | 14.8 | 11.6 | 18.8 | 13.8 | 16.6 | 14.2 | 13.5 | 11.0 | 12.1 | 15.8 | 14.3 | 14.9 |
| Relative P/E Ratio | 86 | 76 | 84 | 86 | 89 | 74 | 77 | 72 | 62 | 86 | 89 | 89 |
| Avg Ann'l Div'd Yield | 5.8% | 6.0% | 6.6% | 5.3% | 6.7% | 6.3% | 6.7% | 6.9% | 6.2% | 6.1% | 6.0% | 6.0% |
| Revenues (\$mil) | 2068.0 | 2058.1 | 2102.7 | 2060.4 | 3326.5 | 3318.2 | 3523.6 | 3655.8 | 4505.9 | 3941.0 | 4624 | 4690 |
| Net Profit (\$mil) | 297.2 | 320.9 | 314.1 | 304.9 | 347.3 | 399.1 | 397.8 | 469.8 | 491.0 | 393.0 | 490 | 505 |
| Income Tax Rate | 37.7% | 38.2% | 40.0% | 38.3% | 40.3% | 40.1% | 38.4% | 39.1% | 38.4% | 38.6% | 38.0% | 38.0% |
| AFUDC % to Net Profit | 3.0% | 3.5% | 4.1% | 4.4% | 3.7% | 3.0% | 3.6% | 2.9% | 4.3% | 2.8% | 3.0% | 3.0% |
| Long-Term Debt Ratio | 42.1% | 48.3% | 41.0% | 41.1% | 43.5% | 41.0% | 42.4% | 44.4% | 44.2% | 46.0% | 47.8% | 47.5% |
| Common Equity Ratio | 58.0% | 52.0% | 59.0% | 58.9% | 56.4% | 54.8% | 53.5% | 51.3% | 52.2% | 51.4% | 48.5% | 50.0% |
| Total Capital (\$mil) | 4192.0 | 4311.7 | 4802.0 | 4372.6 | 6702.2 | 6580.7 | 6773.4 | 6175.9 | 6419.3 | 7488.0 | 8880 | 8823 |
| Net Plant (\$mil) | 6255.0 | 6344.5 | 6493.4 | 6382.7 | 6967.1 | 6928.0 | 7166.2 | 7706.7 | 8499.8 | 6914.0 | 9120 | 9320 |
| Return on Total Cap'l | 6.8% | 6.1% | 6.9% | 6.5% | 7.5% | 6.7% | 6.2% | 6.9% | 6.7% | 6.9% | 7.0% | 7.0% |
| Return on Str. Equity | 12.3% | 12.8% | 12.4% | 11.8% | 10.7% | 12.1% | 12.0% | 13.7% | 13.4% | 9.7% | 11.0% | 10.6% |
| Return on Com Equity | 12.8% | 13.0% | 13.0% | 12.4% | 11.1% | 12.6% | 12.5% | 14.3% | 14.0% | 9.7% | 11.0% | 11.0% |
| Retained to Com Eq | 2.0% | 2.8% | 2.2% | 1.8% | 1.1% | 1.2% | 1.2% | 3.4% | 3.6% | 2% | 1.8% | 1.8% |
| All Div'ds to Net Prof | 85% | 80% | 84% | 88% | 80% | 90% | 91% | 77% | 75% | 93% | 86% | 85% |

| | 2006 | 2007 | 2008 |
|------------------------|--------|--------|--------|
| Revenues per sh | 28.40 | 27.80 | 28.40 |
| "Cash Flow" per sh | 6.00 | 5.45 | 6.00 |
| Earnings per sh | 3.00 | 2.66 | 3.00 |
| Div'd per sh | 2.54 | 2.54 | 2.54 |
| Cap'l Spending per sh | 4.85 | 4.74 | 4.85 |
| Book Value per sh | 27.18 | 26.45 | 27.18 |
| Common Shs Outstg | 164.80 | 164.80 | 164.80 |
| Avg Ann'l P/E Ratio | 14.9 | 14.3 | 14.9 |
| Relative P/E Ratio | 89 | 89 | 89 |
| Avg Ann'l Div'd Yield | 5.7% | 6.0% | 5.7% |
| Revenues (\$mil) | 4690 | 4624 | 4690 |
| Net Profit (\$mil) | 505 | 490 | 505 |
| Income Tax Rate | 38.0% | 38.0% | 38.0% |
| AFUDC % to Net Profit | 3.0% | 2.8% | 3.0% |
| Long-Term Debt Ratio | 47.5% | 47.8% | 47.5% |
| Common Equity Ratio | 52.5% | 52.2% | 52.5% |
| Total Capital (\$mil) | 9320 | 8823 | 9320 |
| Net Plant (\$mil) | 9740 | 9320 | 9740 |
| Return on Total Cap'l | 7.0% | 7.0% | 7.0% |
| Return on Str. Equity | 11.0% | 11.0% | 11.0% |
| Return on Com Equity | 11.0% | 11.0% | 11.0% |
| Retained to Com Eq | 2.5% | 2.5% | 2.5% |
| All Div'ds to Net Prof | 86% | 86% | 86% |

ELECTRIC OPERATING STATISTICS

| | 2000 | 2001 | 2002 |
|-------------------------------|-------|-------|-------|
| % Change Retail Sales (MWH) | +2.4 | +3.0 | +3.0 |
| Avg. Retail Rate (MWH) | 2000 | 2223 | 2073 |
| Avg. Retail Price per MWH (¢) | 4.24 | 4.11 | 4.11 |
| Capacity at Peak (MW) | 12919 | 13296 | 14500 |
| Peak Load Summer (MW) | 11640 | 11805 | 11710 |
| Annual Load Factor (%) | 52.5 | 57.0 | 55.0 |
| % Change Customers (yr-end) | +8 | +4 | +19.4 |

AMEREN: Ameren Corp. is a holding company formed through the merger of Union Electric and CIPSCO. Supplies elect. and gas to 2,200,000 customers in Missouri (59% elect. revs.) and Illinois (41%). Elect. revs.: resid., 36%; commer., 29%; indust., 16%; other, 20%. Largest indust. customers: primary metals, chemicals, transportation equipment, petroleum refining. 2002 fuels: fossil, 87%;

nuclear, 6%; hydro, 5%. Fuel costs, 87% of revenues; labor costs, 12%. 2002 depreciation rate: 3.0%. Estimated plant age: 16 years. Has 7,422 employees, 89,000 stockholders. Chairman, Chief Executive Officer, and President: Gary L. Rainwater, Inc.: Missouri. Address: 1901 Chouteau Street, St. Louis, Missouri 63166. Telephone: 314-621-3222. Internet: www.ameren.com.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Past 10 '00-'03

| | | | |
|-------------|------|------|------|
| Revenues | 3.5% | 5.0% | 5% |
| "Cash Flow" | 1.5% | 3.0% | 2.0% |
| Earnings | 1.0% | 2.6% | 1.0% |
| Dividends | 1.5% | 5% | 5% |
| Book Value | 1.5% | 1.5% | 3.5% |

Ameren seeks to buy a third Illinois utility. It has entered exclusive negotiations with Dynegy for the acquisition of Illinois Power (IP), an electric and gas transmission and distribution company that serves customers in an area contiguous with Ameren's two Illinois utilities. The talks began in November, after Exelon dropped a \$425 million bid for IP because of its inability to obtain legislation allowing higher rates. AEE has stated that it would buy IP without requesting a rate increase. The prospective purchase is in line with Ameren's strategy of expanding its investment in the core business of generating and selling electricity.

Regulatory Commission must also sanction the purchase. Its consent is likely by the spring of 2004. Without the new power, the company would have to find other energy sources to eliminate the shortfall. This would entail expenditures that would be unnecessary if it obtains approval of the transfer.

QUARTERLY REVENUE (\$ mil)

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | 826.4 | 940.3 | 1195 | 895.1 | 3856.8 |
| 2001 | 1024 | 1057 | 1432 | 892.9 | 4506.9 |
| 2002 | 874.0 | 978.0 | 1166 | 823.0 | 3841.0 |
| 2003 | 1108 | 1088 | 1350 | 894 | 4530 |
| 2004 | 1140 | 1120 | 1380 | 1040 | 4680 |

The company wants to transfer generating capacity from its unregulated Illinois subsidiary to the rate base. Without the additional power, Ameren projects a capacity deficit ranging from 640 megawatts (mw) in 2003 to 890 mw in 2006. To cover the shortfall, it would buy two southern Illinois plants from its affiliate at their book value of \$258 million. The Missouri commission, which has ordered AEE to pursue plant additions, has approved the transfer. But the Federal En-

ergy Regulatory Commission must also sanction the purchase. Its consent is likely by the spring of 2004. Without the new power, the company would have to find other energy sources to eliminate the shortfall. This would entail expenditures that would be unnecessary if it obtains approval of the transfer.

EARNINGS PER SHARE

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | .45 | .83 | 1.87 | .18 | 3.33 |
| 2001 | .43 | .69 | 1.94 | .35 | 3.41 |
| 2002 | .42 | .80 | 1.64 | 0.20 | 2.66 |
| 2003 | .52 | .58 | 1.70 | .05 | 2.95 |
| 2004 | .45 | .75 | 1.65 | .15 | 3.00 |

The company wants to transfer generating capacity from its unregulated Illinois subsidiary to the rate base. Without the additional power, Ameren projects a capacity deficit ranging from 640 megawatts (mw) in 2003 to 890 mw in 2006. To cover the shortfall, it would buy two southern Illinois plants from its affiliate at their book value of \$258 million. The Missouri commission, which has ordered AEE to pursue plant additions, has approved the transfer. But the Federal En-

ergy Regulatory Commission must also sanction the purchase. Its consent is likely by the spring of 2004. Without the new power, the company would have to find other energy sources to eliminate the shortfall. This would entail expenditures that would be unnecessary if it obtains approval of the transfer.

QUARTERLY DIVIDENDS PAID

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | .635 | .635 | .635 | .635 | 2.54 |
| 2001 | .635 | .635 | .635 | .635 | 2.54 |
| 2002 | .635 | .635 | .635 | .635 | 2.54 |
| 2003 | .635 | .635 | .635 | .635 | 2.54 |
| 2004 | .635 | .635 | .635 | .635 | 2.54 |

The company wants to transfer generating capacity from its unregulated Illinois subsidiary to the rate base. Without the additional power, Ameren projects a capacity deficit ranging from 640 megawatts (mw) in 2003 to 890 mw in 2006. To cover the shortfall, it would buy two southern Illinois plants from its affiliate at their book value of \$258 million. The Missouri commission, which has ordered AEE to pursue plant additions, has approved the transfer. But the Federal En-

ergy Regulatory Commission must also sanction the purchase. Its consent is likely by the spring of 2004. Without the new power, the company would have to find other energy sources to eliminate the shortfall. This would entail expenditures that would be unnecessary if it obtains approval of the transfer.

(A) EPS basic. Excl. nonrecurr. gains: '02, 18c; '03, 11c. Next egs. report due late Jan.
(B) Div's historically paid in late March, late June, late Sept., and late Dec. = Div'd reinvest.
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ment plan avail. (C) Incl. deferred chgs. in '02, \$4.48/sh. (D) Rate base: orig. cost depreciated. Rate allowed in MO on common equity in '96: 14.0%; earned on average com. eq. in '02: 10.6%. Regul. Clim.: Average. (E) In millions.

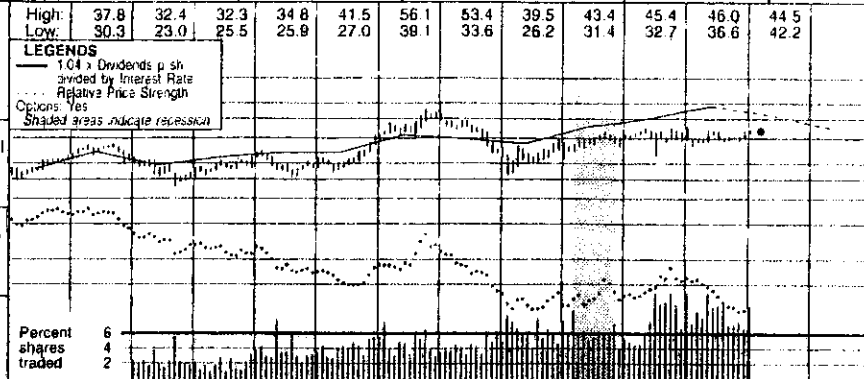
| | |
|------------------------------|-----|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 100 |
| Price Growth Persistence | 30 |
| Earnings Predictability | 80 |

To subscribe call 1-800-833-0046.

CON. EDISON NYSE-ED

RECENT PRICE **43.51** P/E RATIO **15.4** (Trailing: 15.4 Median: 12.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **5.2%** VALUE LINE **158**

TIMELINESS 4 Raised 1/30/04
SAFETY 1 New 7/27/90
TECHNICAL 2 Raised 3/5/04
BETA 60 (1.00 = Market)



| Year | High | Low | Open | Close |
|------|------|------|------|-------|
| 1998 | 37.8 | 30.3 | 32.4 | 32.3 |
| 1999 | 34.8 | 25.9 | 27.0 | 25.5 |
| 2000 | 56.1 | 38.1 | 53.4 | 33.6 |
| 2001 | 39.5 | 26.2 | 39.5 | 31.4 |
| 2002 | 45.4 | 32.7 | 46.0 | 36.6 |
| 2003 | 44.5 | 36.6 | 44.5 | 42.2 |

2007-09 PROJECTIONS

| Price | Gain | Ann'l Total Return |
|---------|--------|--------------------|
| High 50 | (+15%) | 0% |
| Low 40 | (-10%) | 3% |

Insider Decisions

| Month | A | M | J | J | A | S | O | N | D |
|---------|---|---|---|---|---|---|---|---|---|
| To Buy | 2 | 0 | 3 | 1 | 0 | 1 | 2 | 0 | 1 |
| To Sell | 0 | 3 | 1 | 0 | 1 | 1 | 0 | 0 | 0 |

Institutional Decisions

| Year | 10/2003 | 3/2003 | 3/2003 | Percent shares traded |
|---------|---------|--------|--------|-----------------------|
| To Buy | 171 | 195 | 164 | 6 |
| To Sell | 132 | 130 | 147 | 4 |
| Net Buy | 39 | 65 | 17 | 2 |

| Year | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenues per sh | 22.41 | 24.33 | 25.15 | 25.72 | 25.36 | 26.73 | 27.13 | 27.82 | 29.62 | 30.24 | 30.46 | 35.04 |
| "Cash Flow" per sh | 3.82 | 3.92 | 3.84 | 3.90 | 4.06 | 4.38 | 4.87 | 4.97 | 5.08 | 5.29 | 5.74 | 5.51 |
| Earnings per sh | 2.47 | 2.49 | 2.34 | 2.32 | 2.46 | 2.66 | 2.93 | 2.93 | 3.04 | 3.13 | 2.74 | 3.21 |
| Div'd Decl'd per sh | 1.60 | 1.72 | 1.82 | 1.86 | 1.90 | 1.94 | 2.00 | 2.04 | 2.12 | 2.14 | 2.18 | 2.20 |
| Cap'l Spending per sh | 2.52 | 2.58 | 3.05 | 3.99 | 5.40 | 9.37 | 9.22 | 2.95 | 2.78 | 2.66 | 3.17 | 4.52 |
| Book Value per sh | 18.44 | 19.21 | 19.73 | 20.18 | 20.89 | 21.63 | 22.62 | 23.51 | 24.37 | 25.18 | 25.81 | 25.81 |
| Common Shs Outst'g | 287.99 | 298.15 | 298.23 | 298.33 | 299.89 | 294.37 | 294.81 | 294.96 | 295.49 | 292.83 | 293.81 | 292.03 |
| Avg Ann'l P/E Ratio | 9.0 | 10.0 | 10.3 | 10.8 | 11.9 | 19.1 | 9.3 | 9.8 | 10.1 | 10.9 | 15.3 | 14.0 |
| Relative P/E Ratio | .75 | .76 | .77 | .69 | .72 | .77 | .61 | .66 | .63 | .63 | .80 | .78 |
| Avg Ann'l Div'd Yield | 7.2% | 6.9% | 7.5% | 7.5% | 6.5% | 5.6% | 7.2% | 7.1% | 7.0% | 6.5% | 4.6% | 4.9% |

CAPITAL STRUCTURE as of 9/30/03

Total Debt \$6929 mill. Due in 5 Yrs \$1537 mill.
 LT Debt \$6404 mill. LT Interest \$389.3 mill.
 (LT Interest earned: 3.4x)
 Pension Assets-12/02 \$5.76 bil. Oblig. \$6.43 bil.

Pfd Stock \$212.6 mill. Pfd Div'd \$12.5 mill.
 1,015,319 shs. \$5 cum. no par, cal. \$105 a sh.;
 375,626 shs. 4.55% cum. \$100 par, cal. \$101 to
 \$104.50 a sh. Sinking Fund ends 2009; 370,500
 shs. 6.125% cum. \$100 par.

Common Stock 225,326,323 shs.
MARKET CAP: \$9.8 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

| Year | 2000 | 2001 | 2002 |
|-------------------------------|------|------|------|
| % Change Retail Sales (kWh) | +3.1 | +2.9 | -2.5 |
| Avg. Index 100 (MW) | NA | NA | NA |
| Avg. Index Retail per kWh (¢) | NA | NA | NA |
| Capacity at Peak (MW) | 1500 | 629 | 629 |
| Peak Load Summer (MW) | 1123 | 1220 | 1206 |
| Plant Load Factor (%) | 59.8 | NMF | NMF |
| % Change Customers (yr-end) | +8 | +7 | +5 |

VALUE LINE PUB., INC.

| Year | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenues per sh | 22.41 | 24.33 | 25.15 | 25.72 | 25.36 | 26.73 | 27.13 | 27.82 | 29.62 | 30.24 | 30.46 | 35.04 |
| "Cash Flow" per sh | 3.82 | 3.92 | 3.84 | 3.90 | 4.06 | 4.38 | 4.87 | 4.97 | 5.08 | 5.29 | 5.74 | 5.51 |
| Earnings per sh | 2.47 | 2.49 | 2.34 | 2.32 | 2.46 | 2.66 | 2.93 | 2.93 | 3.04 | 3.13 | 2.74 | 3.21 |
| Div'd Decl'd per sh | 1.60 | 1.72 | 1.82 | 1.86 | 1.90 | 1.94 | 2.00 | 2.04 | 2.12 | 2.14 | 2.18 | 2.20 |
| Cap'l Spending per sh | 2.52 | 2.58 | 3.05 | 3.99 | 5.40 | 9.37 | 9.22 | 2.95 | 2.78 | 2.66 | 3.17 | 4.52 |
| Book Value per sh | 18.44 | 19.21 | 19.73 | 20.18 | 20.89 | 21.63 | 22.62 | 23.51 | 24.37 | 25.18 | 25.81 | 25.81 |
| Common Shs Outst'g | 287.99 | 298.15 | 298.23 | 298.33 | 299.89 | 294.37 | 294.81 | 294.96 | 295.49 | 292.83 | 293.81 | 292.03 |
| Avg Ann'l P/E Ratio | 9.0 | 10.0 | 10.3 | 10.8 | 11.9 | 19.1 | 9.3 | 9.8 | 10.1 | 10.9 | 15.3 | 14.0 |
| Relative P/E Ratio | .75 | .76 | .77 | .69 | .72 | .77 | .61 | .66 | .63 | .63 | .80 | .78 |
| Avg Ann'l Div'd Yield | 7.2% | 6.9% | 7.5% | 7.5% | 6.5% | 5.6% | 7.2% | 7.1% | 7.0% | 6.5% | 4.6% | 4.9% |

ANNUAL RATES

| Year | 2000 | 2001 | 2002 |
|-------------|------|------|------|
| Revenues | 6.5% | 8.0% | 1.0% |
| "Cash Flow" | 3.5% | 2.0% | 1.0% |
| Earnings | 2.5% | 5% | N/A |
| Dividends | 1.5% | 1.0% | 1.0% |
| Book Value | 3.0% | 2.0% | 3.0% |

QUARTERLY REVENUES (\$ mill.)

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2001 | 2886 | 2112 | 2698 | 1943 | 9634.0 |
| 2002 | 2036 | 1849 | 2540 | 2057 | 8481.9 |
| 2003 | 2603 | 2175 | 2789 | 2280 | 9827.0 |
| 2004 | 2650 | 2230 | 2820 | 2300 | 10000 |
| 2005 | 2690 | 2270 | 2860 | 2340 | 10160 |

EARNINGS PER SHARE

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2001 | .84 | .48 | 1.30 | .59 | 3.21 |
| 2002 | .78 | .46 | 1.33 | .56 | 3.13 |
| 2003 | .72 | .29 | 1.16 | .66 | 2.83 |
| 2004 | .75 | .27 | 1.15 | .63 | 2.80 |
| 2005 | .79 | .30 | 1.22 | .65 | 2.90 |

QUARTERLY DIVIDENDS PAID

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | .545 | .545 | .545 | .545 | 2.18 |
| 2001 | .55 | .55 | .55 | .55 | 2.20 |
| 2002 | .555 | .555 | .555 | .555 | 2.22 |
| 2003 | .56 | .56 | .56 | .56 | 2.24 |
| 2004 | | | | | |

BUSINESS: Consolidated Edison, Inc., parent of Consolidated Edison Company of New York, Inc., sells elect. (74% of revs.), gas (14%), steam (5%), nonutility (7%) in most of New York City and Westchester County. Acquired Orange & Rockland Utilities 7/99. Commercial rev. ratio (55%) compares with 32% for the industry. Nonincome taxes and avg. price per kwh are among the highest in U.S. Fuel costs: 52% of revs., labor costs, 14%. 2002 reported deprec. rate: 3.0%. Est'd plant age: 9 years. In '02, purch. almost all energy it sold on firm contracts with nonutility generators. Has 14,000 empls. 87,987 common shareholders. Chmn. CEO & Pres.: Eugene R. McGrath, Inc.: N.Y. Add.: 4 Irving Place, New York, N.Y. 10003. Tel.: 212-460-3903. Internet: www.coned.com.

Consolidated Edison has settled a lingering nuclear outage case. In 2000, a leak in the company's Indian Point 2 nuclear unit forced the plant to close for about a year. To replace the lost power, ED had to buy energy in the open market at a cost of \$130 million. Since the state legislature prohibited cost recovery, the company established a reserve for the entire amount, but it sued in federal court, contending that the law was illegal. The court agreed with Edison and remanded the issue to the commission. Though management believes it acted prudently in the plant's operation, it agreed to refund \$45 million to ratepayers and will forgo \$90 million in unrecovered replacement power costs. The settlement ends ED's involvement in Indian Point 2, which it sold to Entergy in late 2001.

The dispute with Northeast Utilities is in court. The parties' 1999 merger agreement fell apart a year later, with each company accusing the other of violating contract terms. ED filed suit, contending that NU entered into unprofitable deals that would eliminate most of the combination's benefits and that this constituted a

legal basis for canceling the alliance. NU countersued, seeking \$1 billion in damages for ED's breach of the pact, on the grounds that its shareholders would have received an acquisition premium of that amount if the merger had been consummated. The court has not indicated when it will rule on the case. An adverse decision would be a serious setback for the company.

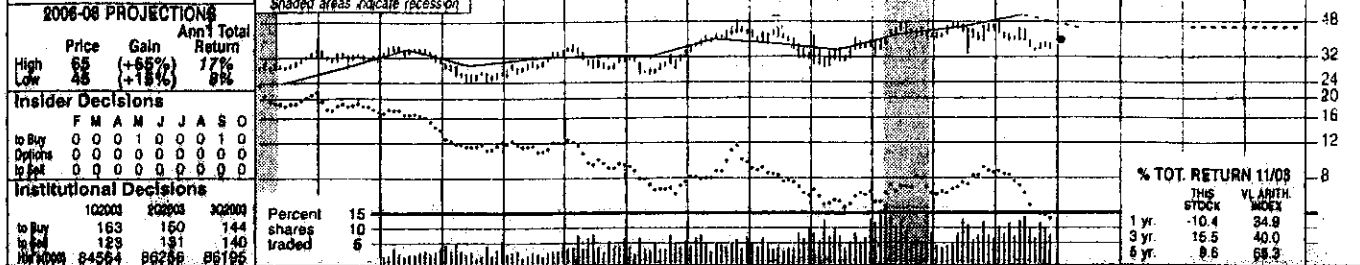
Earnings may post no gain this year. Positives include colder-than-normal winter weather to date, profits from new merchant plants in operation, and a strengthening of the local economy. But these pluses will be negated by a full year of additional shares outstanding and reduced gas rates. On balance, we estimate near-flat earnings in 2004. A likely request for higher electric rates this spring suggests improved results next year. The stock is untimely.

The yield is a full percentage point above the industry norm. And dividend growth prospects to 2007-2009 are near those of the group. That, plus ED's top-flight finances, should be sufficient reason to attract conservative utility investors.

Arthur H. Medalie
 March 5, 2004

DTE ENERGY CO. NYSE-DTE RECENT PRICE **38.92** P/E RATIO **10.2** (Trailing: 14.5 Median: 11.0) RELATIVE P/E RATIO **0.53** DIV'D YLD **5.3%** VALUE LINE **706**

| | | |
|------------------------------------|--|---|
| TIMELINESS 4 Raised 11/1/03 | High: 35.3 37.1 30.3 34.9 37.3 34.8 49.3 44.7 41.3 47.1 47.7 49.5 | Target Price Range 2006 2007 2008 |
| SAFETY 3 Lowered 10/5/01 | Low: 30.3 29.9 24.3 25.8 27.6 26.1 33.4 31.1 28.4 33.1 33.1 34.0 | 120 100 80 64 48 32 24 20 16 12 8 |
| TECHNICAL 5 Lowered 1/2/04 | LEGENDS 1.01 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recession | |
| BETA .66 (1.00 = Market) | 2006-08 PROJECTIONS Price Gain Ann'l Total High 66 (+5.6%) 17% Low 48 (-1.8%) 8% | |



| | | |
|---|---|--|
| Insider Decisions | F M A M J J A S O to Buy 0 0 0 1 0 0 0 1 0 Options 0 0 0 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0 | |
| Institutional Decisions | 1Q2001 1Q2002 1Q2003 to Buy 163 160 144 to Sell 129 191 140 Net Buy 34 29 4 | |
| Percent shares traded: 15, 10, 6 | | |
| % TOT. RETURN 11/03 THIS STOCK VS. ARTH. WISEY 1 yr. 10.4 34.9 3 yr. 15.5 40.0 5 yr. 8.6 68.3 | | |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | VALUE LINE PUBL. INC. |
|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|
| 19.47 | 21.19 | 21.81 | 22.51 | 24.44 | 24.20 | 24.18 | 24.20 | 24.18 |
| 4.87 | 4.64 | 5.13 | 6.03 | 6.46 | 6.67 | 6.43 | 6.62 | 6.67 |
| 3.25 | 2.42 | 2.65 | 3.06 | 3.64 | 3.79 | 3.34 | 2.67 | 3.02 |
| 1.69 | 1.68 | 1.68 | 1.78 | 1.89 | 1.96 | 2.06 | 2.06 | 2.06 |
| 4.83 | 1.60 | 1.66 | 1.57 | 1.85 | 2.83 | 2.71 | 2.61 | 3.18 |
| 19.90 | 15.17 | 16.14 | 17.62 | 19.37 | 21.18 | 22.41 | 22.96 | 23.73 |
| 148.75 | 148.78 | 148.88 | 148.92 | 148.98 | 147.02 | 147.06 | 144.86 | 145.12 |
| 10.5% | 11.5% | 8.0% | 6.6% | 6.2% | 6.1% | 6.0% | 7.7% | 6.9% |

| | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| CAPITAL STRUCTURE as of 3/30/03 | 3556.2 | 3518.3 | 3636.5 | 3645.4 | 3784.0 | 4221.0 | 4728.0 | 5597.0 | 7049.0 | 6749.0 | 7300 | 7600 |
| Total Debt \$9921.0 mil. Due in 5 Yrs \$3060.0 mil. | 621.9 | 419.9 | 465.7 | 422.3 | 429.0 | 448.0 | 488.0 | 468.0 | 329.0 | 632.0 | 445 | 585 |
| LT Debt \$7700.0 mil. LT Interest \$493.0 mil. | 36.7% | 38.9% | 38.8% | 38.5% | 37.5% | 28.3% | 11.0% | 1.0% | 1.9% | NMF | NF | NF |
| LT Debt \$712.0 mil. Capitalized Leases \$280.0 mil. | 2.4% | 2.7% | 8% | 1.3% | 5% | 8% | 8% | 6% | 9% | 4.9% | 6.0% | 4.0% |
| Minority Redeemable Preferred Securities | 51.8% | 51.6% | 50.8% | 50.1% | 51.4% | 53.8% | 50.9% | 60.5% | 63.3% | 63.0% | 60.5% | 58.0% |
| Equity-linked debt securities: \$ 11.6 bil. | 43.1% | 43.4% | 44.9% | 46.0% | 46.7% | 46.3% | 49.1% | 48.7% | 39.7% | 37.0% | 39.5% | 41.0% |
| Preferred bonds: | 7548.3 | 7567.7 | 7647.4 | 7453.3 | 7850.0 | 8021.0 | 7957.0 | 8077.0 | 10517 | 12950 | 13100 | 13330 |
| LT Debt \$9921.0 mil. Due in 5 Yrs \$3060.0 mil. | 8889.5 | 8913.9 | 8901.1 | 8780.9 | 8834.0 | 8943.0 | 7148.0 | 7307.0 | 9543.0 | 9812.0 | 9925 | 9975 |
| LT Debt \$7700.0 mil. Capitalized Leases \$280.0 mil. | 8.8% | 7.3% | 7.8% | 7.8% | 7.4% | 7.4% | 7.9% | 7.5% | 4.4% | 7.5% | 6.6% | 6.8% |
| Minority Redeemable Preferred Securities | 14.2% | 11.3% | 12.4% | 11.6% | 11.6% | 12.1% | 12.4% | 11.7% | 7.2% | 13.6% | 8.5% | 10.5% |
| Equity-linked debt securities: \$ 11.6 bil. | 14.9% | 11.7% | 12.7% | 11.8% | 11.7% | 12.0% | 12.4% | 11.7% | 7.9% | 13.8% | 8.5% | 10.5% |
| Preferred bonds: | 8.8% | 2.7% | 4.1% | 3.1% | 3.3% | 5.9% | 4.7% | 4.9% | 1% | 5.4% | 2.0% | 4.5% |
| LT Debt \$9921.0 mil. Due in 5 Yrs \$3060.0 mil. | 63% | 79% | 70% | 76% | 72% | 68% | 82% | 63% | 1% | 5.4% | 2.0% | 4.5% |

BUSINESS: DTE Energy Company is a holding company for The Detroit Edison Company, which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and Michigan Consolidated Gas (MichCon). Customers: 2.1 mil. electric, 1.3 mil. gas. Acqd MCN Energy 6/01. Has various nonutility ops. Owns 23% of Plug Power. Electric rev. breakdown: '02: residential, 35%, commercial: 37%, indl, 17%, other, 11%. Generating sources: '02: coal, 64%, nuclear, 16%; other, 3%; purchased, 17%. Fuel costs: 31% of revs. '02 reported deprec. rates: 3.4% elec, 3.6% gas. Has 11,300 employees; 109,000 com. stockholders. Chairman, Pres. & CEO: Anthony F. Earley, Jr. Inc. MI. Address: 2000 Second Ave., Detroit, MI 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

DTE Energy's two utilities each have significant regulatory matters pending. The utilities are faced with cost pressures in such areas as pensions, benefits, and insurance. Detroit Edison hasn't had a base rate increase for over 10 years, and Michigan Consolidated Gas is earning a low return on equity. Hence, the utilities have asked the Michigan Public Service Commission (MPSC) for rate relief. The regulatory uncertainty makes earnings tougher than usual to predict in 2004.

*** Detroit Edison:** The utility is seeking a rate hike of \$418 million, which would be phased in through 2006 as rate freezes for each customer class expire. DE is requesting an interim increase of \$274 million that would take effect next month. The filing is based on an 11.5% return on equity. The utility also wants a five-year, \$109 million surcharge to recover certain regulatory assets; reinstatement of a fuel adjustment mechanism; deferral of the \$26 million-\$30 million of costs it incurred as a result of the mid-August blackout; and compensation for costs associated with customer choice in the state. The MPSC's staff has proposed a final rate increase of \$289 million based on an 11% ROE. An order is expected by the end of March.

*** MichCon:** The utility is requesting a tariff hike of \$194 million based on an 11.6% ROE. It wants an interim increase of \$154 million by April 1st. A final order is expected in the fourth quarter of 2004.

DTE received some good news regarding its synthetic-fuels investments. The IRS is investigating whether synfuels projects (not just DTE's) are producing the significant chemical change required to qualify for tax credits. Meanwhile, it has resumed issuing private-letter rulings that allow project owners to sell their investments. DTE sold three projects in the fourth quarter, which produced a gain of \$0.07-\$0.10 a share. The company stated that the low end of its 2003 earnings goal of \$3.10-\$3.30 is "achievable, but challenging" even with this gain. Our estimate is well below this range because we include some expenses that DTE excludes.

This stock is untimely, but it offers a yield and 3- to 5-year total-return potential that are well above the utility mean.

EXELON CORP. NYSE-EXC RECENT PRICE **66.10** P/E RATIO **12.5** (Trailing: 12.5 Median: NMF) RELATIVE P/E RATIO **0.65** DIV'D YLD **3.3%** VALUE LINE **164**

| | | | | | | | | | | | | |
|-------------------------|----|------------------|--|------|------|------|------|------|--------------------|------|------|------|
| TIMELINESS | 4 | Lowered 12/19/03 | High: | 71.0 | 70.3 | 57.0 | 66.6 | 67.3 | Target Price Range | 2007 | 2008 | 2009 |
| SAFETY | 2 | New 12/8/00 | Low: | 53.9 | 38.8 | 37.8 | 46.1 | 64.4 | | | | |
| TECHNICAL | 3 | Raised 1/16/04 | LEGENDS ... Relative Price Strength Options: Yes Shaded areas indicate recession | | | | | | | | | |
| BETA | 70 | (1.00 = Market) | 2007-09 PROJECTIONS Price Gain Ann'l Total Return High 95 (+45%) 12% Low 79 (+9%) 3% | | | | | | | | | |
| Insider Decisions | | | A M J J A S O N D to Buy 0 0 0 0 0 0 0 0 0 0 to Sell 0 2 0 0 3 0 0 0 0 to Buy 0 3 0 0 3 0 0 0 0 | | | | | | | | | |
| Institutional Decisions | | | 10/20/03 10/20/03 3/20/04 to Buy 239 267 264 to Sell 154 157 154 Net Buy 85 110 110 | | | | | | | | | |

Exelon Corp. was formed on October 20, 2000 upon a merger of equals between PECO Energy Co. and Unicom Corp. (Unicom was the holding company for Commonwealth Edison Co.) PECO Energy stockholders received one common share in Exelon for each common share held. Unicom investors exchanged each of their common shares for .875 of an Exelon share and \$3.00 in cash. Exelon declared an initial annual common dividend of \$1.69 a share.

CAPITAL STRUCTURE as of 12/31/03
 Total Debt \$15,759 mill. Due in 5 Yrs \$7,366 mill.
 LT Debt \$13,289 mill. LT Interest \$730 mill.
 Includes \$5,700 mill. nonrecourse transition bonds. (LT interest earned: 4.0x)
 Pension Assets-12/02 \$5.4 bil. Oblig. \$7.9 bil.
 Pfd Stock \$87.0 mill. Pfd Div'd \$6.5 mill.
 Includes \$87.0 mill. in preferred securities of subsidiaries.

Common Stock 328,900,000 shs.
 MARKET CAP: \$21.7 billion (Large Cap)

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------------------|------|------|------|------|------|--------|--------|--------|--------|--------|--------|--------|--------|------|------|------|
| Revenues per sh | | | | | | 38.80 | 23.51 | 47.16 | 46.26 | 48.21 | 47.76 | 47.00 | 48.70 | | | |
| "Cash Flow" per sh | | | | | | 7.11 | 3.68 | 10.12 | 10.07 | 10.12 | 10.76 | 11.30 | 12.90 | | | |
| Earnings per sh A | | | | | | 3.72 | 2.77 | 4.39 | 4.79 | 4.87 | 5.50 | 5.75 | 6.60 | | | |
| Div'd Dept'd per sh B | | | | | | | | 1.82 | 1.76 | 1.92 | 2.20 | 2.30 | 2.60 | | | |
| Cap'l Spending per sh | | | | | | | | 2.38 | 6.38 | 6.65 | 5.08 | 5.38 | 4.90 | | | |
| Book Value per sh C | | | | | | | | 22.62 | 25.64 | 23.95 | 25.87 | 28.55 | 31.79 | | | |
| Common Size Outing D | | | | | | 315.10 | 318.01 | 321.01 | 323.31 | 328.00 | 335.00 | 338.00 | 347.00 | | | |
| Avg Ann'l P/E Ratio | | | | | | | 22.4 | 13.2 | 10.5 | 11.8 | 11.8 | 11.8 | 12.5 | | | |
| Relative P/E Ratio | | | | | | | 1.46 | .68 | .57 | .57 | .57 | .57 | .85 | | | |
| Avg Ann'l Div'd Yield | | | | | | | | | 3.5% | 3.4% | 3.4% | 3.4% | 3.2% | | | |
| Revenues (\$mil) | | | | | | 12225 | 7499.0 | 15140 | 14955 | 15812 | 16000 | 16160 | 17350 | | | |
| Net Profit (\$mil) | | | | | | 1233.0 | 690.0 | 1465.0 | 1599.0 | 1840.0 | 1830 | 1940 | 2285 | | | |
| Income Tax Rate | | | | | | 35.6% | 36.8% | 38.9% | 38.7% | 31.2% | 32.0% | 32.0% | 32.0% | | | |
| AFUDC % to Net Profit | | | | | | 5.1% | 1.2% | 1.2% | 1.2% | 1.0% | 1.0% | 1.0% | 1.0% | | | |
| Long-Term Debt Ratio | | | | | | 35.6% | 62.3% | 59.3% | 61.2% | 60.8% | 57.8% | 53.0% | 47.5% | | | |
| Common Equity Ratio | | | | | | 10.1% | 34.7% | 37.9% | 36.1% | 38.8% | 42.5% | 46.5% | 48.5% | | | |
| Total Capital (\$mil) | | | | | | | 20603 | 21716 | 21484 | 21680 | 22460 | 23100 | 25000 | | | |
| Net Plant (\$mil) | | | | | | | 12936 | 13742 | 17134 | 20788 | 21200 | 22600 | 25000 | | | |
| Return on Total Cap'l | | | | | | | 4.1% | 9.0% | 9.4% | 9.2% | 10.0% | 10.9% | 10.0% | | | |
| Return on Sh. Equity | | | | | | | 7.5% | 16.6% | 19.2% | 19.1% | 18.0% | 18.0% | 16.6% | | | |
| Return on Opn Equity E | | | | | | | 7.8% | 17.2% | 20.1% | 18.9% | 18.0% | 18.0% | 16.5% | | | |
| Return on Debt F | | | | | | | 7.8% | 10.1% | 12.8% | 11.6% | 11.5% | 11.5% | 9.8% | | | |
| All Div's to Net Prof | | | | | | | 4% | 43% | 38% | 40% | 41% | 40% | 40% | | | |

ELECTRIC OPERATING STATISTICS

| | 2001 | 2002 | 2003 |
|------------------------------|-------|-------|------|
| % Change Retail Sales (MWh) | 7 | 13 | 1.0 |
| Av. Indust. Use (MWh) | N/A | N/A | N/A |
| Av. Indust. Res. per kWh (¢) | N/A | N/A | N/A |
| Capacity at Peak (MW) | 41362 | 40764 | N/A |
| Peak Load (MW) | N/A | N/A | N/A |
| Nuclear Capacity Factor (%) | 84.4 | 82.7 | 83.4 |
| % Change Customers (by end) | N/A | N/A | N/A |

Fixed Charge Cov. (%) 275 307 364

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '01-'03

| | |
|-------------|------|
| Revenues | 1.0% |
| "Cash Flow" | 4.0% |
| Earnings | 6.0% |
| Dividends | 6.0% |
| Book Value | 8.0% |

BUSINESS: Exelon Corp. is the holding company of PECO Energy and Commonwealth Edison (a former unit of Unicom). Serves 5.0 million electricity and 450,000 gas distribution customers in Illinois and Pennsylvania, and markets energy in the mid-Atlantic and Midwest regions. 2003 distrib. rev. breakdown: retail, 49.6%; small comm'l & ind'l, 36.6%; large comm'l & ind'l, 6.7%; other, 8.9%. Pwr.

In 2003, Exelon tightened up its operating configuration. Last year, the company fell short of our share-net expectations. The actual bottom-line figure came in at \$4.87 a share, versus our \$5.00-a-share estimate. Mild weather, increased employee benefit expenses, reduced competitive transition charge (CTC) revenue at the Commonwealth Edison utility, and lower earnings from the nonregulated retail Enterprises unit all restrained the net-profit advance. Still, during the year, management continued with its cost reduction program (Exelon Way), which involved cutting staff, boosting plant productivity, and among other initiatives, enhancing work processes. Too, Exelon sold off underperforming assets (producing large nonrecurring asset impairments), and paid down and refinanced debt. These actions augur well for future results. Good earnings progress is likely going forward. We have raised our 2004 share-earnings assessment for Exelon by a dime, to \$5.50, and introduced a 2005 estimate of \$5.75. This year, close-to-normal temperatures would yield better power distribution results, solid market demand

likely will support the nonregulated wholesale operation's performance, losses at the scaled-down retail unit should go away, and overall operating costs and interest expense ought to fall. These positives will more than offset the negatives of lower CTC revenues (as per Illinois regulatory rules), higher depreciation and maintenance outlays, and increased employee benefit costs. To 2007-2009, we look for the wholesale business to be an important contributor to earnings growth. By that time, assuming an economic recovery, power demand will strengthen, falling more in line with capacity. This should support electricity pricing and margins. Higher cash flow will go to improve the capital structure. Exelon appears well positioned to produce rich cash flows over the next 3 to 5 years. In all likelihood, the bulk of rising cash will be used to retire debt and boost the dividend. We project that share net and dividend growth will outpace the industry averages. The stock is an attractive income investment. (Note: Our projections do not yet reflect an upcoming 2-for-1 common stock split.)

David M. Reimer
March 5, 2004

QUARTERLY REVENUES (\$ mil.)

| Calendar | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|----------|---------|---------|---------|---------|-----------|
| 2001 | 3823 | 3651 | 4285 | 3361 | 16140 |
| 2002 | 3357 | 3510 | 4370 | 3700 | 14955 |
| 2003 | 4074 | 3721 | 4441 | 3576 | 16812 |
| 2004 | 4150 | 3650 | 4600 | 3700 | 16000 |
| 2005 | 4175 | 3875 | 4575 | 3785 | 16750 |

EARNINGS PER SHARE A

| Calendar | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|----------|---------|---------|---------|---------|-----------|
| 2001 | 1.18 | .98 | 1.17 | 1.06 | 4.39 |
| 2002 | .73 | 1.14 | 1.70 | 1.22 | 4.79 |
| 2003 | 1.21 | 1.23 | 1.45 | .98 | 4.87 |
| 2004 | 1.30 | 1.35 | 1.65 | 1.20 | 5.50 |
| 2005 | 1.35 | 1.40 | 1.75 | 1.27 | 5.75 |

QUARTERLY DIVIDENDS PAID B

| Calendar | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|----------|---------|---------|---------|---------|-----------|
| 2001 | .553 | .423 | .423 | .423 | 1.82 |
| 2002 | .44 | .44 | .44 | .44 | 1.76 |
| 2003 | .46 | .46 | .50 | .50 | 1.92 |
| 2004 | .46 | .46 | .50 | .50 | 1.92 |

(A) Diluted earnings. Excludes nonrecurring items: '01, 4¢; '02, 43¢; '03, net 43¢. Next earnings report due early May. (B) Dividends historically paid in early Mar., June, Sep., and Dec. Dividend paid 1Q, '01 covers the period from 10/20/00-2/15/01. = Div'd. reinvestment program available. (C) Incl. deferred charges in Q, \$30.33/sh. (D) In mill. (E) Rate base: N/A.

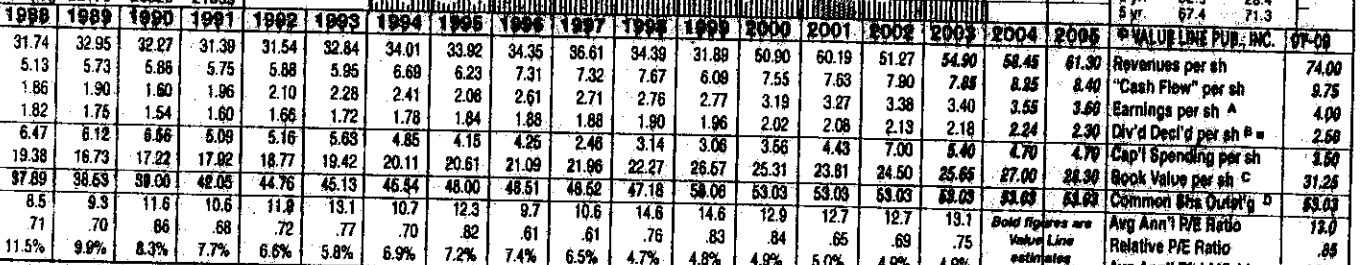
Regulatory Climate: Average. Earned on '03 average common equity: 11.2%. (F) 2000 data reflect PECO Energy and the addition of Unicom from Oct. 20th.

Company's Financial Strength **A**
 Stock's Price Stability **95**
 Price Growth Persistence **NMF**
 Earnings Predictability **NMF**

To subscribe call 1-800-833-0046.

NSTAR NYSE:NST
RECENT PRICE 50.14 **P/E RATIO** 14.3 (Trading: 14.7 Median: 13.0) **RELATIVE P/E RATIO** 0.74 **DIV'D YLD** 4.5% **VALUE LINE** 169

| TIMELINESS 5 Lowered 10/31/03 | High: 32.6 29.9 29.5 30.1 38.4 44.9 44.6 47.0 45.2 48.2 49.0 50.7 | Low: 26.4 21.5 23.1 21.8 24.6 35.1 36.4 36.4 33.9 34.0 38.7 48.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--------|---------|--------------------|----------------|--------|----|---------------|----|---------|----|--------|----|-----|-------|-------|-------|---|---|---|---|---------|---|---|---|---|---|---|---|---|---|---------|---|---|---|---|---|---|---|---|---|---------|---|---|---|---|---|---|---|---|---|
| SAFETY 1 Raised 6/11/99 | LEGENDS 1.02 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recession | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TECHNICAL 3 Raised 1/9/04 | 2007-08 PROJECTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BETA 70 (1.00 = Market) | <table border="1"> <tr><th>Price</th><th>Gain</th><th>Ann'l Total Return</th></tr> <tr><td>High 55 (+10%)</td><td></td><td>7%</td></tr> <tr><td>Low 45 (-10%)</td><td></td><td>2%</td></tr> </table> | | Price | Gain | Ann'l Total Return | High 55 (+10%) | | 7% | Low 45 (-10%) | | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Price | Gain | Ann'l Total Return | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High 55 (+10%) | | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low 45 (-10%) | | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insider Decisions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <tr><th></th><th>A</th><th>M</th><th>J</th><th>J</th><th>A</th><th>S</th><th>O</th><th>N</th><th>D</th></tr> <tr><td>to Buy</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>to Sell</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Options</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>to Sell</td><td>0</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> </table> | | | | A | M | J | J | A | S | O | N | D | to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | to Sell | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Options | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | to Sell | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | A | M | J | J | A | S | O | N | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Options | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Institutional Decisions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <tr><th></th><th>10/2003</th><th>3/2004</th><th>3/2004</th></tr> <tr><td>to Buy</td><td>92</td><td>92</td><td>96</td></tr> <tr><td>to Sell</td><td>63</td><td>82</td><td>73</td></tr> <tr><td>Net</td><td>22175</td><td>23826</td><td>21599</td></tr> </table> | | | | 10/2003 | 3/2004 | 3/2004 | to Buy | 92 | 92 | 96 | to Sell | 63 | 82 | 73 | Net | 22175 | 23826 | 21599 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 10/2003 | 3/2004 | 3/2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 92 | 92 | 96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 63 | 82 | 73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net | 22175 | 23826 | 21599 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | VALUE LINE PUB. INC. | 07-08 | | | | | | | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|-------------------------|-------|
| 31.74 | 32.95 | 32.27 | 31.39 | 31.54 | 32.84 | 34.01 | 33.92 | 34.35 | 36.61 | 34.39 | 31.89 | 60.90 | 60.19 | 61.27 | 60.93 | 61.27 | 64.90 | 68.45 | 61.30 | Revenues per sh | 74.00 | |
| 5.13 | 5.73 | 5.88 | 5.75 | 5.88 | 5.95 | 6.69 | 6.23 | 7.31 | 7.32 | 7.67 | 6.09 | 7.55 | 7.53 | 7.90 | 7.88 | 8.25 | 8.40 | 8.25 | 8.40 | 8.40 | "Cash Flow" per sh | 9.75 |
| 1.86 | 1.90 | 1.60 | 1.96 | 2.10 | 2.28 | 2.41 | 2.08 | 2.61 | 2.71 | 2.76 | 2.77 | 3.19 | 3.27 | 3.38 | 3.40 | 3.55 | 3.60 | 3.60 | 3.60 | 3.60 | Earnings per sh A | 4.00 |
| 1.82 | 1.75 | 1.54 | 1.60 | 1.66 | 1.72 | 1.78 | 1.84 | 1.88 | 1.88 | 1.90 | 1.96 | 2.02 | 2.08 | 2.13 | 2.18 | 2.24 | 2.30 | 2.30 | 2.30 | 2.30 | Div'd Decl'd per sh B = | 2.50 |
| 6.47 | 6.12 | 6.66 | 5.09 | 5.16 | 5.63 | 4.85 | 4.15 | 4.25 | 2.48 | 3.14 | 3.06 | 3.56 | 4.43 | 7.00 | 5.40 | 4.70 | 5.40 | 4.70 | 5.40 | 4.70 | Cap'l Spending per sh | 3.50 |
| 19.38 | 16.73 | 17.22 | 17.92 | 18.77 | 19.42 | 20.11 | 20.61 | 21.09 | 21.96 | 22.27 | 26.67 | 25.31 | 23.81 | 24.50 | 25.66 | 27.00 | 24.30 | 24.30 | 24.30 | 24.30 | Book Value per sh C | 31.25 |
| 97.89 | 98.63 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | 98.00 | Common Shs Outst'g D | 83.03 |
| 8.5 | 9.3 | 11.6 | 10.6 | 11.9 | 13.1 | 10.7 | 12.3 | 9.7 | 10.6 | 14.6 | 14.6 | 12.9 | 12.7 | 12.7 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | Avg Ann'l P/E Ratio | 13.0 |
| 71 | 70 | 86 | 88 | 72 | 77 | 70 | 82 | 61 | 61 | 76 | 83 | 84 | 65 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | Relative P/E Ratio | 85 |
| 11.5% | 9.9% | 8.3% | 7.7% | 6.6% | 5.8% | 6.9% | 7.2% | 7.4% | 6.5% | 4.7% | 4.8% | 4.9% | 5.0% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | Avg Ann'l Div'd Yield | 4.8% |

CAPITAL STRUCTURE as of 9/30/03
 Total Debt \$2406.6 mil. Due in 5 Yrs \$679.1 mil.
 LT Debt \$2166.6 mil. LT Interest \$148.4 mil.
 Incl. \$377.2 mil. securitized bonds.
 (LT interest earned: 2.7x)
 Leases, Uncapitalized Annual rentals \$21.9 mil.
 Pension Assets-12/02 \$665.9 mil. Oblig. \$949.6 mil.
 Pfd Stock \$43.0 mil. Pfd Div'd \$2.0 mil.
 430,000 sh. 4.25%-4.75%, cum., redeemable at \$102.60-\$103.625. Excl. redemption & issuance costs & pfd. stock due within one year.
 Common Stock 53,032,548 shs. as of 11/7/03
MARKET CAP: \$2.7 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

| | 2000 | 2001 | 2002 |
|------------------------------|------|-------|-------|
| % Change Retail Sales (kWh) | +3.9 | +6 | +1.5 |
| Avg. Index Use (kWh) | 1015 | 948 | 905 |
| Avg. Index Price per kWh (c) | 8.50 | 10.80 | 10.80 |
| Capacity of Peak (MW) | NMF | NMF | NMF |
| Peak Load (Summer Peak) | 4055 | 4057 | 4500 |
| Annual Load Factor (%) | NMF | NMF | NMF |
| % Change Customers (avg) | +3.0 | +7 | +1 |

BUSINESS: NSTAR is a holding company for Boston Edison Company, which supplies electricity to an area of approx. 590 sq. mi. in eastern Massachusetts, encompassing Boston and 39 surrounding towns and cities, and Commonwealth Energy (acq'd 8/99), which provides electric and gas service in eastern MA. Serves 1.1 million electric, 300,000 gas customers. Electric revenue breakdown, '02:

NSTAR is likely to post a moderate earnings increase in 2004. The upcoming early retirement of \$181 million in high-cost debt later this month points to lower interest expense. Electricity sales are expected to advance by 1%-2%, in line with normal growth in the utility business. These pluses should outweigh the effects of a rise in property taxes, estimated at \$5 million-\$6 million. We have lifted our 2004 earnings estimate by a nickel a share, to \$3.55 a share (the upper end of the company's target of \$3.45-\$3.55), because the year began with unusually cold weather—even colder than in the winter of 2003, which was generally favorable for the utility. Assuming continued modest growth in electricity and gas sales next year, NSTAR should post another earnings uptick. (Management has not issued any guidance for 2005.) Still, based in part on recent earnings momentum, these shares are ranked unfavorably for year-ahead relative performance.

residential, 37%; commercial, 52%; industrial, 8%; other, 3%. Sold fossil plants in '98, nuclear plant in '99. Fuel costs: 63% of revs. '02 reported deprec. rate: 3.3%. Has 3,300 employees; 28,300 common stockholders. Chairman, President & CEO: Thomas J. May, Inc.: MA. Address: 800 Boylston St., Boston, MA 02119-8003. Tel: 617-424-2000. Internet: www.nstaronline.com.

NSTAR stock offers an above-average yield, even by utility standards. The yield is more than half a percentage point above the average for the electric utility industry as a whole. Combined with the issue's high quality (Safety: 1, Highest), this should attract conservative, income-oriented investors. At the current quotation, however, the stock is trading well within our 3- to 5-year Target Price Range, so total-return potential over that time is modest.

ANNUAL RATES

| | 10 Yrs. | Past 5 Yrs. | Past 1 Yr. '00-'02 |
|-------------|---------|-------------|--------------------|
| Revenues | 5.6% | 9.0% | 4.5% |
| "Cash Flow" | 3.0% | 2.0% | 3.5% |
| Earnings | 5.5% | 6.0% | 3.5% |
| Dividends | 2.5% | 2.0% | 2.5% |
| Book Value | 3.0% | 3.0% | 3.5% |

QUARTERLY REVENUES (\$ mil.)

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2001 | 664.8 | 732.3 | 890.7 | 704.0 | 3191.8 |
| 2002 | 722.9 | 800.4 | 701.0 | 694.8 | 2719.1 |
| 2003 | 763.6 | 647.9 | 817.8 | 682.7 | 2912.0 |
| 2004 | 875 | 875 | 825 | 725 | 3100 |
| 2005 | 875 | 725 | 875 | 775 | 3250 |

EARNINGS PER SHARE A

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2001 | .76 | .63 | 1.36 | .53 | 3.27 |
| 2002 | .65 | .62 | 1.38 | .73 | 3.38 |
| 2003 | .80 | .73 | 1.19 | .68 | 3.40 |
| 2004 | .80 | .70 | 1.33 | .72 | 3.55 |
| 2005 | .80 | .70 | 1.35 | .75 | 3.60 |

QUARTERLY DIVIDENDS PAID B =

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2000 | .50 | .50 | .50 | .50 | 2.00 |
| 2001 | .515 | .515 | .515 | .515 | 2.06 |
| 2002 | .53 | .53 | .53 | .53 | 2.12 |
| 2003 | .54 | .54 | .54 | .54 | 2.16 |
| 2004 | .55 | .55 | .55 | .55 | 2.20 |

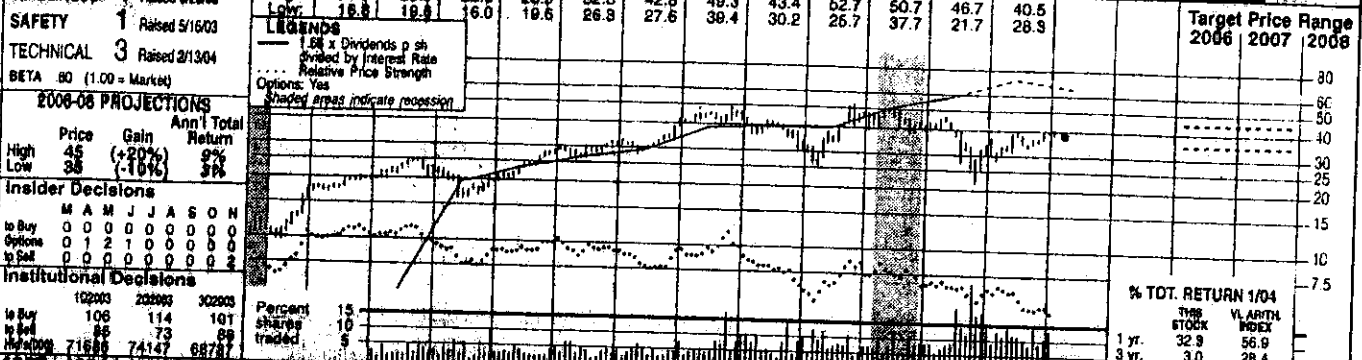
The board of directors boosted the common dividend last December. The increase was more than we estimated. In late 2002, the board hiked the annual dis-

bursement by \$0.04 a share, slightly below the \$0.06 raise that the directors had declared in each of the previous three years. Accordingly, we projected that an identical growth rate would continue over the 3- to 5-year period. However, the latest declaration was a pleasant surprise, at \$0.06 a share annually. Thanks to NSTAR's sound finances, solid cash flow, and moderate payout ratio, we project that annual dividend increases will be at least that much over the period to 2007-2009. If we're right, then NSTAR should provide better dividend growth than most electric-utility equities.

Paul E. Debbas, CFA March 5, 2004

(A) Diluted EPS. Excl. nonrecurr. gain (losses): '89, (\$2.78); '90, 41c; '01, (\$3.32) net; '02, (33c). '01 EPS don't add to full-year total due to rounding. Next earnings report due late April.
 (B) Dividends historically paid in early Feb., May, Aug., and Nov. = Dividend reinvestment plan available. (C) Incl. Intangibles in '02: \$48.78/sh. (D) In mil. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '88: 11.75%; earned on avg. com. eq., '02: 13.9%. Regulatory Climate: Average.
 Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 80
 Earnings Predictability 95
To subscribe call 1-800-833-0046.

PINNACLE WEST NYSE:PNW RECENT PRICE **37.95** P/E RATIO **13.9** (Trading: 14.0 Median: 12.0) RELATIVE P/E RATIO **0.72** DIV'D YLD **4.8%** VALUE LINE **1784**



| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Value Line Pub. Inc. | 04-06 | | | | | | | | | | |
|-------------------------|-------|-------|-------|-------|--------|-------|-------|-------|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------------------|-------|
| High | 15.26 | 24.11 | 17.30 | 16.30 | 16.85 | 19.39 | 19.66 | 19.28 | 19.06 | 20.77 | 23.52 | 25.12 | 28.57 | 43.50 | 53.66 | 28.90 | 30.85 | 32.00 | Revenues per sh ^F | 34.60 |
| Low | 5.37 | 6.10 | 3.45 | 3.27 | 0.19 | 4.70 | 5.25 | 5.09 | 5.16 | 5.90 | 7.12 | 7.34 | 7.73 | 7.99 | 8.72 | 7.01 | 7.45 | 8.00 | "Cash Flow" per sh | 8.90 |
| Open | 3.21 | 2.16 | 1.44 | .81 | (3.90) | 1.73 | 1.95 | 1.99 | 2.22 | 2.47 | 2.76 | 2.85 | 3.18 | 3.36 | 3.68 | 2.53 | 2.63 | 3.00 | Earnings per sh ^A | 3.40 |
| Close | 2.78 | 3.20 | .80 | - | - | 20 | 43 | 33 | 1.03 | 1.13 | 1.23 | 1.33 | 1.43 | 1.53 | 1.63 | 1.73 | 1.83 | 2.00 | Div'd Decl'd per sh ^B | 2.13 |
| Ann'l Total Return | 9.88 | 3.08 | 3.48 | 8.99 | 8.10 | 8.57 | 2.88 | 2.82 | 3.38 | 2.96 | 9.63 | 9.76 | 4.06 | 7.76 | 12.27 | 9.81 | 8.19 | 8.59 | Cap'l Spending per sh | 5.50 |
| Insider Decisions | 26.82 | 23.46 | 16.81 | 17.20 | 16.25 | 17.09 | 18.47 | 20.32 | 21.40 | 22.51 | 23.80 | 25.50 | 26.00 | 28.08 | 29.46 | 29.44 | 30.30 | 31.50 | Book Value per sh ^C | 35.30 |
| Institutional Decisions | 68.08 | 84.72 | 86.72 | 86.31 | 87.01 | 87.18 | 87.42 | 87.43 | 87.52 | 87.52 | 84.83 | 84.83 | 84.83 | 84.83 | 84.83 | 81.26 | 81.98 | 81.98 | Common Shs Outst'g ^D | 91.90 |
| Percent Share Traded | 9.4 | 10.8 | 8.7 | 18.9 | 10.8 | 11.5 | 9.4 | 10.8 | 11.8 | 11.8 | 11.8 | 15.2 | 11.9 | 11.9 | 12.0 | 14.4 | 13.4 | 13.4 | Avg Ann'l P/E Ratio | 12.0 |
| Options | 63 | 80 | 86 | 1.21 | 66 | 88 | 83 | 72 | 74 | 68 | 79 | 68 | 73 | 61 | 78 | 76 | 76 | 76 | Relative P/E Ratio | .80 |
| Options | 9.2% | 13.7% | 8.4% | - | 9% | 4.3% | 3.9% | 3.5% | 3.5% | 3.5% | 2.8% | 3.5% | 3.8% | 3.5% | 4.5% | 4.9% | 4.9% | 4.9% | Avg Ann'l Div'd Yield | 5.2% |

| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Value Line Pub. Inc. | 04-06 | | | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------------|-------|
| Cap'tal Structure | 1718.5 | 1885.4 | 1888.8 | 1817.8 | 1995.0 | 2130.8 | 2423.4 | 3680.2 | 4551.4 | 2637.3 | 2818.0 | 2820 | 2820 | 2820 | 2820 | 2820 | 2820 | 2820 | Revenues (\$mil) ^F | 2160 |
| Total Debt | 600.0 | 198.8 | 184.4 | 190.3 | 249.7 | 252.6 | 270.8 | 283.6 | 312.2 | 215.2 | 240.1 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | Net Profit (\$mil) | 310 |
| LT Debt | 49.4% | 38.1% | 39.7% | 39.3% | 37.7% | 38.8% | 38.9% | 44.1% | 40.6% | 38.1% | 38.9% | 38.9% | 38.9% | 38.9% | 38.9% | 38.9% | 38.9% | 38.9% | Income Tax Rate | 38.0% |
| LT Interest | 3.2% | 4.7% | 7.2% | 7.4% | 6.5% | 7.4% | 4.3% | 7.6% | 15.3% | 20.5% | 7.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | AFUDC % to Net Profit | 6.0% |
| Interest earned | 84.5% | 84.0% | 83.9% | 82.0% | 82.6% | 82.6% | 80.0% | 85.1% | 81.7% | 81.8% | 80.0% | 80.0% | 81.7% | 81.8% | 80.0% | 80.0% | 80.0% | 80.0% | Long-Term Debt Ratio | 47.8% |
| Capital Expenditures | 35.3% | 38.3% | 40.4% | 43.2% | 45.6% | 50.0% | 50.0% | 64.0% | 48.3% | 48.2% | 47.0% | 50.0% | 50.0% | 48.3% | 48.2% | 47.0% | 50.0% | 50.0% | Common Equity Ratio | 52.5% |
| Operating Assets | 3874.8 | 4884.9 | 4884.4 | 4884.1 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | Total Capital (\$mil) | 8185 |
| Plant | 4801.3 | 4884.1 | 4884.1 | 4884.1 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | 4884.9 | Net Plant (\$mil) | 6880 |
| Common Stock | 8.9% | 8.9% | 8.4% | 8.1% | 7.4% | 7.6% | 7.9% | 8.1% | 7.6% | 7.6% | 8.1% | 8.1% | 8.1% | 8.1% | 8.1% | 8.1% | 8.1% | 8.1% | Return on Total Cap'l | 8.3% |
| Market Cap | 12.2% | 12.2% | 12.2% | 12.2% | 11.3% | 11.2% | 12.3% | 11.9% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | Return on Shr. Equity | 8.5% |
| Operating | 11.1% | 8.7% | 8.9% | 8.6% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | 8.9% | Return on Com Equity ^E | 8.6% |
| Operating | 8% | 10% | 11% | 14% | 14% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | Retained to Core Eq | 8.5% |
| Operating | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | All Div'ds to Net Prof | 6% |

ELECTRIC OPERATING STATISTICS

| Year | 2000 | 2001 | 2002 |
|------------------------------|--------|--------|--------|
| 1. Output (Total Gen. (MWh)) | 13,000 | 13,000 | 13,000 |
| 2. Sales (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 3. Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 4. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 5. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 6. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 7. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 8. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 9. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |
| 10. Net Loss (Total (MWh)) | 13,000 | 13,000 | 13,000 |

BUSINESS: Pinnacle West Capital Corporation (parent of Arizona Public Service) supplies electricity to approx. 1,780,000 people in 11 of 15 Arizona counties. Electric revenue sources: residential, 60%; commercial, industrial, and other, 31%. Power costs: 30% of electric revenues; labor costs: 13% of total revenues. The mining industry is the largest industrial customer. Energy sources: coal, 24%; nuclear, 18%; gas & other, 8%; purch. power, 50%. Has 6,100 employees; 36,876 stockholders. Reported '02 depreciation rate: 3.6%. Est'd plant age: 7 years. Chairman & CEO: William J. Post. Pres.: Jack E. Davis, Inc.: Arizona. Address: 400 E. Van Buren St., Suite 700, P.O. Box 52132, Phoenix, AZ 85072-2132. Tel.: 602-379-2568. Internet: www.pinnaclewest.com.

Pinnacle West has filed for \$175 million in higher retail electric rates. Included in the request is recovery of \$234 million written off as a result of a 1999 settlement agreement. PNW also wants five generating plants built by its unregulated Pinnacle West Energy (PWE) subsidiary to serve retail customers added to the rate base. If approved, these units would be transferred from PWE to the regulated utility. Other components of the application include recovery of high natural gas prices and the cost of compliance with electric competition rules. The company also seeks an 11.50% return on common equity, up from the current 11.25%. The petition asks that the increase take effect on July 1, 2004, the date the rate freeze expires. Since the filing is PNW's first since 1991, we think the regulators will grant a reasonable portion of the request.

The noncore businesses are a mixed bag. The SunCor subsidiary, a landowner and a developer of real estate projects in the Southwest, is the group's best performer. This entity earned \$40 million in 2003, and will likely do at least as well in 2004. Moreover, it expects to sell \$80 million to \$100 million of land and buildings this year and a like amount in 2005. The proceeds will be applied to additional home construction. Ibo, the subsidiary that provided energy services since its 1998 startup had its first successful year in 2002. But earnings were only flat last year. On the down side, PNW's investment arm, El Dorado, which owns a majority interest in a company specializing in spent nuclear fuel technology, will probably generate no profit for a while.

Earnings should improve in 2004. The big plus is the rate order due in July. Furthermore, completion of the Silverhawk plant this summer will help boost energy sales. Finally, favorable local conditions point to solid sales of real estate assets. In all, we estimate a 14% rise in current-year earnings, to \$3.00 a share.

Patient investors seeking income growth might consider a commitment here. Projected earnings gains from the present level to 2006-2008 and a low payout ratio point to above-average dividend increases over the same period. Moreover, PNW's finances are strong.

Arthur H. Medalie
February 13, 2004

| Quarter | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---------|--------|--------|--------|--------|-----------|
| 2000 | 488.1 | 753.8 | 1607 | 836.8 | 3680.2 |
| 2001 | 938.8 | 1294 | 1574 | 744.6 | 4351.4 |
| 2002 | 501.5 | 818.4 | 873.0 | 644.4 | 2657.3 |
| 2003 | 588.9 | 683.4 | 871.5 | 734.2 | 2818.0 |
| 2004 | 650 | 710 | 900 | 780 | 2920 |

| Quarter | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---------|--------|--------|--------|--------|-----------|
| 2000 | .42 | 1.06 | 1.37 | .30 | 3.35 |
| 2001 | .70 | .79 | 1.77 | .42 | 3.68 |
| 2002 | .63 | .89 | 1.19 | 0.18 | 2.53 |
| 2003 | .28 | .81 | 1.20 | .54 | 2.63 |
| 2004 | .85 | .65 | 1.49 | .60 | 3.00 |

| Quarter | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---------|--------|--------|--------|--------|-----------|
| 2000 | .35 | .35 | .35 | .375 | 1.43 |
| 2001 | .375 | .375 | .375 | .40 | 1.53 |
| 2002 | .40 | .40 | .40 | .425 | 1.63 |
| 2003 | .425 | .425 | .425 | .45 | 1.73 |

(A) Diluted eps. Excl. nonrecr.: '97, 19c; '98, (32.10); '99, (\$4.68); '00, 22c; '01, \$4.91; '02, net 5c; '03, (\$1.20); '04, (77c); excl. discount: '89, (\$7.80); '90, 31c; '91, \$1.76; '92, 7c; '93, (\$1.97); '00, 22c. Next eps. rpt. due late Apr. (B) Div'ds historically paid in early Mar., early June, early Sept., and early Dec. (C) Reinvest. plan avail. (D) Incl. def. chgs. in '02: \$3.90/sh. (E) In mill. (F) Rate base: Fair value. Rate eff'd on com. eq. in '06: 11.25%; earn. on avg. com. eq. in '02: 8.3%. Regul. Clim.: Avg. (F) Excl. sales tax begin, '94.

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| Category | Rating |
|------------------------------|--------|
| Company's Financial Strength | A |
| Stock's Price Stability | B5 |
| Price Growth Persistence | B6 |
| Earnings Predictability | B5 |

To subscribe call 1-800-833-0046.

SCANA CORP. NYSE:SCG

RECENT PRICE **34.84** P/E RATIO **13.2** (Trailing: 13.2 Median: 13.0) RELATIVE P/E RATIO **0.69** DIV'D YLD **4.2%** VALUE LINE **174**

TIMELINESS 3 Raised 2/20/04
SAFETY 2 Lowered 9/10/99
TECHNICAL 3 Raised 1/30/04
BETA .65 (1.00 = Market)

High: 26.1 25.1 28.6 28.6 29.9 37.9 32.6 31.1 30.0 32.1 35.7 35.8
 Low: 20.1 20.5 20.6 25.3 23.4 27.9 21.1 22.0 24.3 23.5 28.1 33.4

LEGENDS
 1.18 x Dividends p sh
 Divided by Interest Rate
 Relative Price Strength
 2-for-1 split 5/95
 Options: Yes
 Shaded areas indicate recession

2007-09 PROJECTIONS
 Price Gain Ann'l Total
 High 50 (+4.5%) 73%
 Low 35 (Nil) 5%

Insider Decisions
 A M J J A S O N D
 to Buy 0 0 0 0 0 0 0 0 0 0
 to Sell 0 0 0 0 0 0 2 1 0
 to Hold 0 0 0 0 0 0 2 1 0

Institutional Decisions
 1Q2003 2Q2003 3Q2003
 to Buy 81 87 99
 to Sell 84 102 82
 Held 43128 49632 44438

Percent shares traded: 6, 4, 2

% TOT. RETURN 1/04
 1 yr. 17.9 56.9
 3 yr. 47.9 28.4
 5 yr. 73.9 71.3

| 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | VALUE LINE PUBL. INC. | 07-09 | | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------------------|--------|----------------------------------|------|------|------|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-----------------------------------|-------|
| 13.44 | 13.94 | 13.66 | 14.07 | 12.96 | 13.66 | 13.77 | 13.06 | 14.25 | 14.19 | 15.76 | 15.93 | 32.78 | 32.95 | 26.65 | 30.75 | 32.00 | 33.55 | Revenue per sh | | | | | 38.25 | | | | | | | | | | | | |
| 2.71 | 2.79 | 2.85 | 3.10 | 2.78 | 3.50 | 3.77 | 3.68 | 3.75 | 3.53 | 3.62 | 3.15 | 4.43 | 4.55 | 4.56 | 4.90 | 5.28 | 5.45 | "Cash Flow" per sh | | | | | 6.68 | | | | | | | | | | | | |
| 1.50 | 1.52 | 1.66 | 1.69 | 1.42 | 1.86 | 1.60 | 1.86 | 2.05 | 1.90 | 2.12 | 1.44 | 2.12 | 2.15 | 2.38 | 2.65 | 2.98 | 2.80 | Earnings per sh ^A | | | | | 3.25 | | | | | | | | | | | | |
| 1.20 | 1.23 | 1.26 | 1.31 | 1.34 | 1.37 | 1.41 | 1.44 | 1.47 | 1.51 | 1.54 | 1.32 | 1.15 | 1.20 | 1.30 | 1.38 | 1.46 | 1.54 | Div'd Decl'd per sh ^B | | | | | 1.78 | | | | | | | | | | | | |
| 2.27 | 2.25 | 2.81 | 2.83 | 3.16 | 3.46 | 4.21 | 3.09 | 2.94 | 2.45 | 2.87 | 2.37 | 3.28 | 4.84 | 8.41 | 7.85 | 4.55 | 2.85 | Cap'l Spending per sh | | | | | 3.50 | | | | | | | | | | | | |
| 11.11 | 11.39 | 12.28 | 12.62 | 13.23 | 14.30 | 14.69 | 15.90 | 15.66 | 15.86 | 16.88 | 20.27 | 18.40 | 20.95 | 19.64 | 20.76 | 21.85 | 23.20 | Book Value per sh ^C | | | | | 27.50 | | | | | | | | | | | | |
| 80.69 | 80.59 | 81.78 | 81.57 | 87.82 | 83.24 | 88.04 | 103.82 | 106.18 | 107.32 | 103.57 | 103.57 | 104.73 | 104.73 | 110.88 | 111.00 | 111.00 | 111.00 | Common Sh's Outst'g ^D | | | | | 111.00 | | | | | | | | | | | | |
| 10.4 | 10.7 | 10.0 | 11.3 | 14.5 | 12.8 | 14.0 | 12.3 | 13.1 | 13.4 | 14.5 | 17.5 | 12.5 | 12.6 | 12.2 | 13.0 | Bold figures are Value Line estimates | | Avg Ann'l P/E Ratio | | | | | 13.5 | | | | | | | | | | | | |
| 86 | 81 | 74 | 72 | 88 | 76 | 92 | 82 | 82 | 77 | 75 | 1.00 | 81 | 85 | 67 | 74 | | | Relative P/E Ratio | | | | | .90 | | | | | | | | | | | | |
| 7.7% | 7.5% | 7.6% | 6.9% | 6.5% | 6.3% | 6.3% | 6.3% | 6.5% | 6.9% | 6.0% | 6.2% | 4.3% | 4.4% | 4.5% | 4.2% | | | Avg Ann'l Div'd Yield | | | | | 4.2% | | | | | | | | | | | | |
| CAPITAL STRUCTURE as of 9/30/03 | | | | | | | | | | | | | | | | | | | | | | 1322.1 | 1353.0 | 1512.8 | 1523.0 | 1632.0 | 1650.0 | 3493.0 | 3451.0 | 2954.0 | 3416.0 | 3650 | 3728 | Revenues (\$mil) | 4280 |
| Total Debt \$3496.0 mil. Due in 5 Yrs \$1342.0 mil. | | | | | | | | | | | | | | | | | | | | | | 157.2 | 189.7 | 220.7 | 213.0 | 235.9 | 160.0 | 228.0 | 231.0 | 259.0 | 284.0 | 300 | 315 | Net Profit (\$mil) | 375 |
| LT Debt \$2852.0 mil. LT Interest \$190.0 mil. | | | | | | | | | | | | | | | | | | | | | | 34.2% | 36.2% | 35.0% | 32.8% | 35.8% | 41.0% | 38.2% | 34.9% | 32.2% | 32.2% | 38.0% | 38.8% | Income Tax Rate | 38.5% |
| (LT interest earned: 2.9x) | | | | | | | | | | | | | | | | | | | | | | 8.9% | 11.5% | 5.9% | 6.1% | 6.8% | 4.4% | 3.0% | 11.8% | 13.5% | 10.6% | 10.0% | 5.0% | AFUDC % to Net Profit | 4.0% |
| Pension Assets-12/02 \$667 mil. Obl'g. \$596 mil. | | | | | | | | | | | | | | | | | | | | | | 50.9% | 48.4% | 47.4% | 44.5% | 45.9% | 40.8% | 57.4% | 53.9% | 53.7% | 57.1% | 54.5% | 51.3% | Long-Term Debt Ratio | 47.5% |
| Fid Stock \$115.0 mil. Fid Div's \$7.0 mil. | | | | | | | | | | | | | | | | | | | | | | 48.8% | 48.0% | 50.5% | 50.8% | 49.4% | 51.9% | 40.3% | 43.8% | 42.1% | 40.8% | 43.5% | 46.5% | Common Equity Ratio | 52.5% |
| 125,209 shs. 5% cum., \$50 par., call. \$52.50. | | | | | | | | | | | | | | | | | | | | | | 3023.6 | 3215.8 | 3334.1 | 3522.0 | 3855.0 | 3829.0 | 5048.0 | 5006.0 | 5176.0 | 5648.0 | 5596 | 5588 | Total Cap'x (\$mil) | 6060 |
| 220,287 shs. 4.50% to 6.00% cum., \$50 par, call-able \$50.50 to \$51.00; 1,000,000 shs. 6.52% cum., \$100 par, call. \$100.00. | | | | | | | | | | | | | | | | | | | | | | 3993.7 | 3499.0 | 3529.0 | 3848.0 | 3764.0 | 3829.0 | 4475.0 | 4933.0 | 5474.0 | 6417.0 | 6649 | 6665 | Net Plant (\$mil) | 6850 |
| Common Stock 110,746,408 shs. as of 10/31/03 | | | | | | | | | | | | | | | | | | | | | | 7.0% | 7.7% | 8.5% | 7.7% | 8.4% | 5.9% | 8.5% | 8.9% | 8.9% | 8.0% | 7.5% | 7.5% | Return on Total Cap'l | 8.0% |
| MARKET CAP: \$3.9 billion (Mid Cap) | | | | | | | | | | | | | | | | | | | | | | 10.6% | 11.7% | 12.6% | 10.9% | 12.3% | 7.1% | 10.6% | 10.0% | 11.3% | 11.7% | 12.0% | 11.5% | Return on Shr. Equity | 12.0% |
| ELECTRIC OPERATING STATISTICS | | | | | | | | | | | | | | | | | | | | | | 10.7% | 11.6% | 12.6% | 11.4% | 12.6% | 7.1% | 10.9% | 10.2% | 11.6% | 12.0% | 12.0% | 12.0% | Return on Com Equity ^E | 12.0% |
| * Change Retail Sales (MWH) | | | | | | | | | | | | | | | | | | | | | | 1.4% | 2.9% | 5.7% | 2.4% | 3.4% | | 4.5% | 4.5% | 5.5% | 5.5% | 5.5% | 5.5% | Return to Com Eq | 4.9% |
| * Change Customers (trend) | | | | | | | | | | | | | | | | | | | | | | 88% | 76% | 72% | 80% | 74% | 99% | 57% | 56% | 54% | 56% | 56% | 56% | All Div's to Net Prof | 35% |

ANNUAL RATES
 of change (per sh)
 Revenues 8.5%
 "Cash Flow" 4.5%
 Earnings 3.5%
 Dividends -5%
 Book Value 4.5%

| Cal-ender | QUARTERLY REVENUES (\$ mil) | Full Year | | | |
|-----------|-----------------------------|-----------|-------|-------|--------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | | | | |
| 2001 | 1318.0 | 740.0 | 710.0 | 883.0 | 3451.0 |
| 2002 | 822.0 | 649.0 | 694.0 | 789.0 | 2964.0 |
| 2003 | 1069.0 | 726.0 | 761.0 | 870.0 | 3416.0 |
| 2004 | 1050 | 775 | 826 | 990 | 3650 |
| 2005 | 1125 | 890 | 850 | 950 | 3725 |

| Cal-ender | EARNINGS PER SHARE ^A | Full Year | | | |
|-----------|---------------------------------|-----------|-----|-----|------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | | | | |
| 2001 | .71 | .29 | .61 | .54 | 2.15 |
| 2002 | .74 | .36 | .74 | .54 | 2.38 |
| 2003 | .75 | .38 | .74 | .63 | 2.50 |
| 2004 | .78 | .40 | .82 | .65 | 2.65 |
| 2005 | .80 | .45 | .87 | .69 | 2.80 |

| Cal-ender | QUARTERLY DIVIDENDS PAID ^B | Full Year | | | |
|-----------|---------------------------------------|-----------|------|------|------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | | | | |
| 2000 | .275 | .288 | .288 | .288 | 1.14 |
| 2001 | .288 | .30 | .30 | .30 | 1.19 |
| 2002 | .30 | .325 | .325 | .325 | 1.28 |
| 2003 | .325 | .345 | .345 | .345 | 1.36 |
| 2004 | .345 | .365 | | | |

BUSINESS: SCANA Corporation is a holding co. for South Carolina Electric & Gas Company, which supplies electricity to 587,000 customers in South Carolina. Supplies gas & transmission service to 1,000,000 customers in North & South Carolina & Georgia. Has investments in gas & telecommunications. Acquired P.S. of North Carolina 200. Electric rev. breakdown: '02: residential, 42%; commercial, 31%; industrial, 19%; other, 8%. Generating sources: '02: coal, 69%; nuclear, 20%; oil & gas, 5%; hydro, 4%; purchased, 2%. Fuel costs: 53% of revs. '02 reported deprec. rate: 3.1%. Has 5,400 employees, 40,200 com. stockholders. Chairman, Pres. & CEO: William B. Timmerman, Inc. SC. Address: 1426 Main St., Columbia, SC 29201-2845. Tel.: 803-217-9000. Internet: www.scana.com.

SCANA is likely to post an earnings increase this year. We assume normal weather, which would benefit South Carolina Electric & Gas; milder-than-normal weather conditions trimmed the bottom line by an estimated \$0.10 a share in 2003. Also, the benefits of customer growth should slightly outweigh the effects of higher operating and maintenance expenses. Our earnings estimate of \$2.65 a share is at the midpoint of SCANA's target of \$2.55-\$2.75. The stock is ranked 3 (Average) for Timeliness.

Earnings in 2005 will depend, in part, on what happens to electric rates. A \$450 million, 875-megawatt gas-fired plant is under construction and is on track to be in service this spring. Once it is on line, SCE&G will decide whether to seek rate relief. Thanks to a tariff hike the utility was granted in February of 2003, \$276 million of the plant's cost is already reflected in rates. Our 2005 estimate is based on the assumption that SCE&G receives a rate increase. Separately, SCANA has acquired a former competitor's 50,000 customers in the Georgia gas market. The deal, which should be slightly accretive to

2005 earnings, boosted the company's customer base in the state by 12%.

SCANA wants to divest its remaining telecommunications investments. After the company took a writedown of \$30 million (\$0.27 a share, a noncash charge that we exclude from our presentation), these investments were on its books for \$110 million at yearend. The company still intends to sell them "in a prudent and timely manner" and use the proceeds for debt reduction. Our estimates and projections do not reflect a monetization of these assets.

The board of directors just raised the dividend. The increase was eight cents a share annually (5.8%). We expect similar dividend growth to continue through the 2007-2009 period, at least. This would enable SCANA to maintain its payout-ratio goal of 50%-55%.

SCANA stock is a traditional utility investment. Its yield is only slightly higher than the industry norm, but, thanks to good dividend-growth prospects, its 3- to 5-year total-return potential is above average for a utility.

Paul E. Debbas, CFA March 5, 2004

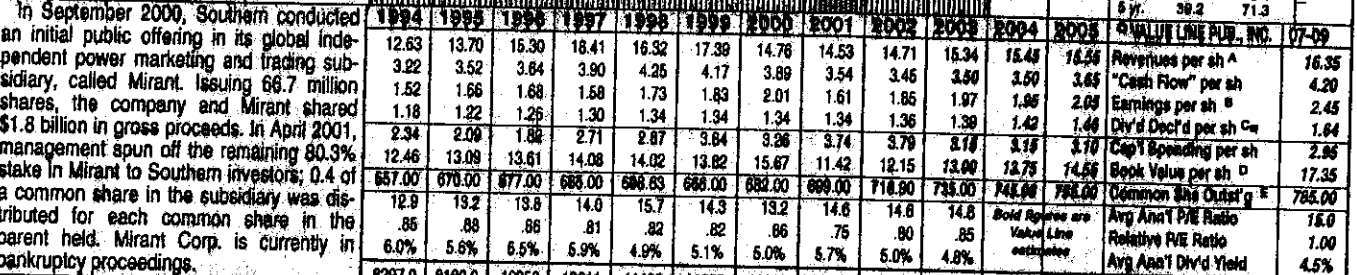
(A) Excl. nonrecurring gains (losses): '90, 67c; '95, 16c; '97, 16c; '99, 29c; '00, 28c; '01, net \$3.00; '02, (\$3.72) net; '03, 31c net. Next earnings report due late April. (B) Dividends historical. (C) Incl. intangibles. In '02: \$794 mil., \$7.16/sh. (D) In mill., adj. for split. (E) Rate

base: Net orig. cost. Rate allowed on com. eq. in '03 (electric): 12.45%; earned on avg. com. eq., '02: 10.7%. Regulatory Climate: Average.

| Company's Financial Strength | A |
|------------------------------|-----|
| Stock's Price Stability | 100 |
| Price Growth Persistence | 35 |
| Earnings Predictability | 80 |

SOUTHERN CO. NYSE-80

| | | | | | |
|---|---|---|---|---|---|
| TIMELINESS 4 Lowered 11/14/03 SAFETY 2 Lowered 12/8/00 TECHNICAL 2 Raised 3/5/04 BETA 60 (1.00 = Market) | RECENT PRICE 29.79 P/E RATIO 15.4 (Trailing: 15.1, Median: 14.0) RELATIVE P/E RATIO 0.80 DIV'D YLD 4.8% VALUE LINE 175 | High: 23.6, 22.1, 25.0, 25.9, 26.3, 31.6, 29.6, 35.0, 35.7, 31.1, 32.0, 30.6 Low: 18.5, 17.3, 18.4, 21.1, 19.8, 23.9, 22.1, 20.4, 20.9, 23.2, 27.0, 29.0 | Target Price 2007: 32, 2008: 30, 2009: 32 Range 2007: 24-32, 2008: 16-24, 2009: 8-16 | LEGENDS 1.00 x Dividends p sh divided by Interest Rate Relative Price Strength 2-yr-1 split 3/94 Options: Yes Shaded areas indicate recession | 2007-08 PROJECTIONS Price Gain Ann'l Total High 40 (+35%) 11% Low 30 (N/I) 5% |
|---|---|---|---|---|---|



| <p>In September 2000, Southern conducted an initial public offering in its global independent power marketing and trading subsidiary, called Mirant, issuing 66.7 million shares, the company and Mirant shared \$1.8 billion in gross proceeds. In April 2001, management spun off the remaining 80.3% stake in Mirant to Southern investors; 0.4 of a common share in the subsidiary was distributed for each common share in the parent held. Mirant Corp. is currently in bankruptcy proceedings.</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>1994</th><th>1995</th><th>1996</th><th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th> </tr> </thead> <tbody> <tr> <td>12.63</td><td>13.70</td><td>15.30</td><td>18.41</td><td>16.32</td><td>17.39</td><td>14.76</td><td>14.53</td><td>14.71</td><td>15.34</td><td>15.48</td><td>16.26</td><td>16.35</td><td>16.35</td><td>16.35</td><td>16.35</td> </tr> <tr> <td>3.22</td><td>3.52</td><td>3.64</td><td>3.90</td><td>4.25</td><td>4.17</td><td>3.89</td><td>3.54</td><td>3.46</td><td>3.50</td><td>3.50</td><td>3.65</td><td>3.65</td><td>3.65</td><td>3.65</td><td>3.65</td> </tr> <tr> <td>1.52</td><td>1.66</td><td>1.68</td><td>1.58</td><td>1.73</td><td>1.83</td><td>2.01</td><td>1.61</td><td>1.85</td><td>1.97</td><td>1.98</td><td>2.09</td><td>2.09</td><td>2.09</td><td>2.09</td><td>2.09</td> </tr> <tr> <td>1.18</td><td>1.22</td><td>1.29</td><td>1.30</td><td>1.34</td><td>1.34</td><td>1.34</td><td>1.34</td><td>1.36</td><td>1.39</td><td>1.42</td><td>1.46</td><td>1.46</td><td>1.46</td><td>1.46</td><td>1.46</td> </tr> <tr> <td>2.34</td><td>2.09</td><td>1.88</td><td>2.71</td><td>2.87</td><td>3.64</td><td>3.26</td><td>3.74</td><td>3.79</td><td>3.14</td><td>3.18</td><td>3.70</td><td>3.70</td><td>3.70</td><td>3.70</td><td>3.70</td> </tr> <tr> <td>12.46</td><td>13.09</td><td>13.61</td><td>14.08</td><td>14.02</td><td>13.82</td><td>15.87</td><td>11.42</td><td>12.15</td><td>13.00</td><td>13.75</td><td>14.55</td><td>14.55</td><td>14.55</td><td>14.55</td><td>14.55</td> </tr> <tr> <td>657.00</td><td>670.00</td><td>677.00</td><td>688.00</td><td>688.00</td><td>688.00</td><td>688.00</td><td>688.00</td><td>688.00</td><td>718.00</td><td>735.00</td><td>748.00</td><td>748.00</td><td>748.00</td><td>748.00</td><td>748.00</td> </tr> <tr> <td>12.9</td><td>13.2</td><td>13.8</td><td>14.0</td><td>15.7</td><td>14.3</td><td>13.2</td><td>14.6</td><td>14.8</td><td>14.8</td><td>14.8</td><td>14.8</td><td>14.8</td><td>14.8</td><td>14.8</td><td>14.8</td> </tr> <tr> <td>85</td><td>88</td><td>86</td><td>81</td><td>82</td><td>82</td><td>86</td><td>75</td><td>80</td><td>85</td><td>85</td><td>85</td><td>85</td><td>85</td><td>85</td><td>85</td> </tr> <tr> <td>6.0%</td><td>5.6%</td><td>6.5%</td><td>5.9%</td><td>4.9%</td><td>5.1%</td><td>5.0%</td><td>5.7%</td><td>5.0%</td><td>4.8%</td><td>4.8%</td><td>4.8%</td><td>4.8%</td><td>4.8%</td><td>4.8%</td><td>4.8%</td> </tr> <tr> <td>8297.0</td><td>9180.0</td><td>10358</td><td>12611</td><td>11403</td><td>11685</td><td>10068</td><td>10155</td><td>10540</td><td>11270</td><td>11500</td><td>11750</td><td>11750</td><td>11750</td><td>11750</td><td>11750</td> </tr> <tr> <td>1076.0</td><td>1191.0</td><td>1204.0</td><td>1245.0</td><td>1972.0</td><td>1457.0</td><td>1309.0</td><td>1309.0</td><td>1510.0</td><td>1816.0</td><td>1816.0</td><td>1816.0</td><td>1816.0</td><td>1816.0</td><td>1816.0</td><td>1816.0</td> </tr> <tr> <td>38.9%</td><td>39.2%</td><td>37.6%</td><td>36.9%</td><td>34.1%</td><td>26.6%</td><td>31.0%</td><td>29.9%</td><td>25.9%</td><td>27.0%</td><td>28.3%</td><td>28.3%</td><td>28.3%</td><td>28.3%</td><td>28.3%</td><td>28.3%</td> </tr> <tr> <td>2.7%</td><td>2.1%</td><td>1.9%</td><td>1.5%</td><td>1.8%</td><td>1.9%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td><td>1.5%</td> </tr> <tr> <td>44.1%</td><td>44.9%</td><td>42.8%</td><td>48.4%</td><td>45.8%</td><td>48.2%</td><td>37.1%</td><td>43.8%</td><td>43.1%</td><td>46.6%</td><td>45.9%</td><td>44.8%</td><td>44.8%</td><td>44.8%</td><td>44.8%</td><td>44.8%</td> </tr> <tr> <td>47.6%</td><td>47.4%</td><td>49.7%</td><td>43.5%</td><td>42.9%</td><td>37.8%</td><td>50.6%</td><td>48.2%</td><td>43.4%</td><td>42.6%</td><td>44.0%</td><td>45.5%</td><td>45.5%</td><td>45.5%</td><td>45.5%</td><td>45.5%</td> </tr> <tr> <td>1721</td><td>18510</td><td>18563</td><td>20156</td><td>22817</td><td>24372</td><td>21147</td><td>18826</td><td>20088</td><td>22359</td><td>23900</td><td>24500</td><td>24500</td><td>24500</td><td>24500</td><td>24500</td> </tr> <tr> <td>21117</td><td>23026</td><td>23959</td><td>23552</td><td>24124</td><td>24944</td><td>21622</td><td>23984</td><td>24642</td><td>25565</td><td>26000</td><td>26000</td><td>26000</td><td>26000</td><td>26000</td><td>26000</td> </tr> <tr> <td>7.9%</td><td>7.9%</td><td>8.1%</td><td>7.1%</td><td>7.6%</td><td>7.8%</td><td>8.4%</td><td>8.1%</td><td>8.5%</td><td>8.6%</td><td>8.6%</td><td>8.6%</td><td>8.6%</td><td>8.6%</td><td>8.6%</td><td>8.6%</td> </tr> <tr> <td>11.2%</td><td>11.7%</td><td>11.6%</td><td>10.6%</td><td>11.1%</td><td>11.5%</td><td>11.3%</td><td>12.5%</td><td>13.2%</td><td>13.6%</td><td>13.6%</td><td>13.6%</td><td>13.6%</td><td>13.6%</td><td>13.6%</td><td>13.6%</td> </tr> <tr> <td>12.1%</td><td>12.6%</td><td>12.8%</td><td>11.2%</td><td>12.2%</td><td>13.6%</td><td>12.3%</td><td>14.0%</td><td>15.1%</td><td>15.0%</td><td>14.0%</td><td>14.0%</td><td>14.0%</td><td>14.0%</td><td>14.0%</td><td>14.0%</td> </tr> <tr> <td>2.7%</td><td>3.3%</td><td>3.0%</td><td>2.0%</td><td>2.7%</td><td>3.6%</td><td>4.1%</td><td>3.5%</td><td>4.1%</td><td>4.1%</td><td>4.1%</td><td>4.1%</td><td>4.1%</td><td>4.1%</td><td>4.1%</td><td>4.1%</td> </tr> <tr> <td>79%</td><td>75%</td><td>77%</td><td>84%</td><td>81%</td><td>77%</td><td>71%</td><td>85%</td><td>76%</td><td>74%</td><td>76%</td><td>76%</td><td>76%</td><td>76%</td><td>76%</td><td>76%</td> </tr> </tbody> </table> | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 12.63 | 13.70 | 15.30 | 18.41 | 16.32 | 17.39 | 14.76 | 14.53 | 14.71 | 15.34 | 15.48 | 16.26 | 16.35 | 16.35 | 16.35 | 16.35 | 3.22 | 3.52 | 3.64 | 3.90 | 4.25 | 4.17 | 3.89 | 3.54 | 3.46 | 3.50 | 3.50 | 3.65 | 3.65 | 3.65 | 3.65 | 3.65 | 1.52 | 1.66 | 1.68 | 1.58 | 1.73 | 1.83 | 2.01 | 1.61 | 1.85 | 1.97 | 1.98 | 2.09 | 2.09 | 2.09 | 2.09 | 2.09 | 1.18 | 1.22 | 1.29 | 1.30 | 1.34 | 1.34 | 1.34 | 1.34 | 1.36 | 1.39 | 1.42 | 1.46 | 1.46 | 1.46 | 1.46 | 1.46 | 2.34 | 2.09 | 1.88 | 2.71 | 2.87 | 3.64 | 3.26 | 3.74 | 3.79 | 3.14 | 3.18 | 3.70 | 3.70 | 3.70 | 3.70 | 3.70 | 12.46 | 13.09 | 13.61 | 14.08 | 14.02 | 13.82 | 15.87 | 11.42 | 12.15 | 13.00 | 13.75 | 14.55 | 14.55 | 14.55 | 14.55 | 14.55 | 657.00 | 670.00 | 677.00 | 688.00 | 688.00 | 688.00 | 688.00 | 688.00 | 688.00 | 718.00 | 735.00 | 748.00 | 748.00 | 748.00 | 748.00 | 748.00 | 12.9 | 13.2 | 13.8 | 14.0 | 15.7 | 14.3 | 13.2 | 14.6 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 85 | 88 | 86 | 81 | 82 | 82 | 86 | 75 | 80 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 6.0% | 5.6% | 6.5% | 5.9% | 4.9% | 5.1% | 5.0% | 5.7% | 5.0% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 8297.0 | 9180.0 | 10358 | 12611 | 11403 | 11685 | 10068 | 10155 | 10540 | 11270 | 11500 | 11750 | 11750 | 11750 | 11750 | 11750 | 1076.0 | 1191.0 | 1204.0 | 1245.0 | 1972.0 | 1457.0 | 1309.0 | 1309.0 | 1510.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 38.9% | 39.2% | 37.6% | 36.9% | 34.1% | 26.6% | 31.0% | 29.9% | 25.9% | 27.0% | 28.3% | 28.3% | 28.3% | 28.3% | 28.3% | 28.3% | 2.7% | 2.1% | 1.9% | 1.5% | 1.8% | 1.9% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 44.1% | 44.9% | 42.8% | 48.4% | 45.8% | 48.2% | 37.1% | 43.8% | 43.1% | 46.6% | 45.9% | 44.8% | 44.8% | 44.8% | 44.8% | 44.8% | 47.6% | 47.4% | 49.7% | 43.5% | 42.9% | 37.8% | 50.6% | 48.2% | 43.4% | 42.6% | 44.0% | 45.5% | 45.5% | 45.5% | 45.5% | 45.5% | 1721 | 18510 | 18563 | 20156 | 22817 | 24372 | 21147 | 18826 | 20088 | 22359 | 23900 | 24500 | 24500 | 24500 | 24500 | 24500 | 21117 | 23026 | 23959 | 23552 | 24124 | 24944 | 21622 | 23984 | 24642 | 25565 | 26000 | 26000 | 26000 | 26000 | 26000 | 26000 | 7.9% | 7.9% | 8.1% | 7.1% | 7.6% | 7.8% | 8.4% | 8.1% | 8.5% | 8.6% | 8.6% | 8.6% | 8.6% | 8.6% | 8.6% | 8.6% | 11.2% | 11.7% | 11.6% | 10.6% | 11.1% | 11.5% | 11.3% | 12.5% | 13.2% | 13.6% | 13.6% | 13.6% | 13.6% | 13.6% | 13.6% | 13.6% | 12.1% | 12.6% | 12.8% | 11.2% | 12.2% | 13.6% | 12.3% | 14.0% | 15.1% | 15.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 2.7% | 3.3% | 3.0% | 2.0% | 2.7% | 3.6% | 4.1% | 3.5% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 79% | 75% | 77% | 84% | 81% | 77% | 71% | 85% | 76% | 74% | 76% | 76% | 76% | 76% | 76% | 76% |
|---|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.63 | 13.70 | 15.30 | 18.41 | 16.32 | 17.39 | 14.76 | 14.53 | 14.71 | 15.34 | 15.48 | 16.26 | 16.35 | 16.35 | 16.35 | 16.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.22 | 3.52 | 3.64 | 3.90 | 4.25 | 4.17 | 3.89 | 3.54 | 3.46 | 3.50 | 3.50 | 3.65 | 3.65 | 3.65 | 3.65 | 3.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.52 | 1.66 | 1.68 | 1.58 | 1.73 | 1.83 | 2.01 | 1.61 | 1.85 | 1.97 | 1.98 | 2.09 | 2.09 | 2.09 | 2.09 | 2.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.18 | 1.22 | 1.29 | 1.30 | 1.34 | 1.34 | 1.34 | 1.34 | 1.36 | 1.39 | 1.42 | 1.46 | 1.46 | 1.46 | 1.46 | 1.46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.34 | 2.09 | 1.88 | 2.71 | 2.87 | 3.64 | 3.26 | 3.74 | 3.79 | 3.14 | 3.18 | 3.70 | 3.70 | 3.70 | 3.70 | 3.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.46 | 13.09 | 13.61 | 14.08 | 14.02 | 13.82 | 15.87 | 11.42 | 12.15 | 13.00 | 13.75 | 14.55 | 14.55 | 14.55 | 14.55 | 14.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 657.00 | 670.00 | 677.00 | 688.00 | 688.00 | 688.00 | 688.00 | 688.00 | 688.00 | 718.00 | 735.00 | 748.00 | 748.00 | 748.00 | 748.00 | 748.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.9 | 13.2 | 13.8 | 14.0 | 15.7 | 14.3 | 13.2 | 14.6 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 85 | 88 | 86 | 81 | 82 | 82 | 86 | 75 | 80 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.0% | 5.6% | 6.5% | 5.9% | 4.9% | 5.1% | 5.0% | 5.7% | 5.0% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8297.0 | 9180.0 | 10358 | 12611 | 11403 | 11685 | 10068 | 10155 | 10540 | 11270 | 11500 | 11750 | 11750 | 11750 | 11750 | 11750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1076.0 | 1191.0 | 1204.0 | 1245.0 | 1972.0 | 1457.0 | 1309.0 | 1309.0 | 1510.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | 1816.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 38.9% | 39.2% | 37.6% | 36.9% | 34.1% | 26.6% | 31.0% | 29.9% | 25.9% | 27.0% | 28.3% | 28.3% | 28.3% | 28.3% | 28.3% | 28.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.7% | 2.1% | 1.9% | 1.5% | 1.8% | 1.9% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 44.1% | 44.9% | 42.8% | 48.4% | 45.8% | 48.2% | 37.1% | 43.8% | 43.1% | 46.6% | 45.9% | 44.8% | 44.8% | 44.8% | 44.8% | 44.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 47.6% | 47.4% | 49.7% | 43.5% | 42.9% | 37.8% | 50.6% | 48.2% | 43.4% | 42.6% | 44.0% | 45.5% | 45.5% | 45.5% | 45.5% | 45.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1721 | 18510 | 18563 | 20156 | 22817 | 24372 | 21147 | 18826 | 20088 | 22359 | 23900 | 24500 | 24500 | 24500 | 24500 | 24500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21117 | 23026 | 23959 | 23552 | 24124 | 24944 | 21622 | 23984 | 24642 | 25565 | 26000 | 26000 | 26000 | 26000 | 26000 | 26000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.9% | 7.9% | 8.1% | 7.1% | 7.6% | 7.8% | 8.4% | 8.1% | 8.5% | 8.6% | 8.6% | 8.6% | 8.6% | 8.6% | 8.6% | 8.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11.2% | 11.7% | 11.6% | 10.6% | 11.1% | 11.5% | 11.3% | 12.5% | 13.2% | 13.6% | 13.6% | 13.6% | 13.6% | 13.6% | 13.6% | 13.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.1% | 12.6% | 12.8% | 11.2% | 12.2% | 13.6% | 12.3% | 14.0% | 15.1% | 15.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.7% | 3.3% | 3.0% | 2.0% | 2.7% | 3.6% | 4.1% | 3.5% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 79% | 75% | 77% | 84% | 81% | 77% | 71% | 85% | 76% | 74% | 76% | 76% | 76% | 76% | 76% | 76% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| <p>CAPITAL STRUCTURE as of 03/30/03 Total Debt \$1.417 bil. Due in 5 Yrs \$4.660 bil. LT Debt \$9.750 bil. LT Interest \$565 mil. (LT interest earned: 4.9%) Pension Assets: 12/02 \$4.8 bil. Oblig: \$4.1 bil. Pfd Stock \$2,609 mil. Pfd Div'd \$183 mil. Incl. 980,000 shs 4.2%-7.0%, \$100 par; 8 mil. shs. 6.2%-8.83%, \$25 par; all cum. ptd. Incl. \$435 mil. 6.85%-7.00%; \$840 mil. 7.13%; \$505 mil. 7.30%; 8.18%; \$640 mil. 4.75%-5.50%; \$25 par. val. ptd. all mand. redeem. Common Stock 732,189,800 shs. as of 10/31/03 MARKET CAP: \$21.8 billion (Large Cap)</p> | <p>ELECTRIC OPERATING STATISTICS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th><th>2000</th><th>2001</th><th>2002</th></tr> </thead> <tbody> <tr> <td>% Change Retail Sales (KWH)</td><td>+4.3</td><td>+3.9</td><td>+4.7</td> </tr> <tr> <td>Avg. Indust. Use (MWH)</td><td>4053</td><td>3778</td><td>3847</td> </tr> <tr> <td>Avg. Indust. Rev. per MWH (¢)</td><td>4.03</td><td>4.06</td><td>3.95</td> </tr> <tr> <td>Capacity at Peak (MW)</td><td>32807</td><td>34879</td><td>35543</td> </tr> <tr> <td>Peak Load, Summer (MW)</td><td>31569</td><td>29700</td><td>28265</td> </tr> <tr> <td>Annual Load Factor (%)</td><td>60.2</td><td>62.0</td><td>61.1</td> </tr> <tr> <td>% Change Customers (yr-end)</td><td>+1.9</td><td>+1.4</td><td>+1.8</td> </tr> </tbody> </table> | | 2000 | 2001 | 2002 | % Change Retail Sales (KWH) | +4.3 | +3.9 | +4.7 | Avg. Indust. Use (MWH) | 4053 | 3778 | 3847 | Avg. Indust. Rev. per MWH (¢) | 4.03 | 4.06 | 3.95 | Capacity at Peak (MW) | 32807 | 34879 | 35543 | Peak Load, Summer (MW) | 31569 | 29700 | 28265 | Annual Load Factor (%) | 60.2 | 62.0 | 61.1 | % Change Customers (yr-end) | +1.9 | +1.4 | +1.8 |
|---|--|-------|-------|------|------|-----------------------------|------|------|------|------------------------|------|------|------|-------------------------------|------|------|------|-----------------------|-------|-------|-------|------------------------|-------|-------|-------|------------------------|------|------|------|-----------------------------|------|------|------|
| | 2000 | 2001 | 2002 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % Change Retail Sales (KWH) | +4.3 | +3.9 | +4.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg. Indust. Use (MWH) | 4053 | 3778 | 3847 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg. Indust. Rev. per MWH (¢) | 4.03 | 4.06 | 3.95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capacity at Peak (MW) | 32807 | 34879 | 35543 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peak Load, Summer (MW) | 31569 | 29700 | 28265 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Load Factor (%) | 60.2 | 62.0 | 61.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % Change Customers (yr-end) | +1.9 | +1.4 | +1.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

BUSINESS: The Southern Company's five operating subsidiaries supply electricity to about 122,000 square miles of Georgia (49% of 2002 revenues); Alabama (35%); Florida (8%); and Mississippi (6%). Revenue distn: (02): residential, 41%; industrial, 24%; commercial, 34%; other, 1%. Textile, chemical, and paper companies are largest customer groups, accounting for the bulk of industrial revenues. Fuel sources (02): coal, 68%; nuclear, 15%; hydro, 2%; gas, 11%; purch. pwr, 6%. Fuel & Purchased Power costs: 33% of '02 electricity revs. Has 26,180 employees, 141,785 shareholders of record. '02 deprec. rate: 2.0%. Chmn, Pres., and CEO: A. Franklin, Inc. Del. Addr.: 270 Peachtree St. N.W., Atlanta, GA 30303. Tel.: 404-506-5000. Internet: www.southernco.com.

| <p>ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '01-'03 of change (per sh)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Revenues</td><td>1.5%</td><td>-1.5%</td><td>1.5%</td></tr> <tr> <td>"Cash Flow"</td><td>2.5%</td><td>-5%</td><td>3.0%</td></tr> <tr> <td>Earnings</td><td>3.0%</td><td>2.0%</td><td>5.0%</td></tr> <tr> <td>Dividends</td><td>2.0%</td><td>1.5%</td><td>3.0%</td></tr> <tr> <td>Book Value</td><td>1.5%</td><td>-1.0%</td><td>6.0%</td></tr> </table> | Revenues | 1.5% | -1.5% | 1.5% | "Cash Flow" | 2.5% | -5% | 3.0% | Earnings | 3.0% | 2.0% | 5.0% | Dividends | 2.0% | 1.5% | 3.0% | Book Value | 1.5% | -1.0% | 6.0% | <p>QUARTERLY REVENUES (mill)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr> <td>2001</td><td>2270</td><td>2561</td><td>3165</td><td>2150</td><td>10156</td></tr> <tr> <td>2002</td><td>2214</td><td>2630</td><td>3248</td><td>2457</td><td>10549</td></tr> <tr> <td>2003</td><td>2549</td><td>2850</td><td>3319</td><td>2564</td><td>11276</td></tr> <tr> <td>2004</td><td>2600</td><td>2900</td><td>3395</td><td>2616</td><td>11500</td></tr> <tr> <td>2005</td><td>2655</td><td>2965</td><td>3480</td><td>2670</td><td>11750</td></tr> </tbody> </table> | Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 2001 | 2270 | 2561 | 3165 | 2150 | 10156 | 2002 | 2214 | 2630 | 3248 | 2457 | 10549 | 2003 | 2549 | 2850 | 3319 | 2564 | 11276 | 2004 | 2600 | 2900 | 3395 | 2616 | 11500 | 2005 | 2655 | 2965 | 3480 | 2670 | 11750 |
|--|----------|--------|--------|--------|-------------|------|-----|------|----------|------|------|------|-----------|------|------|------|------------|------|-------|------|--|-----------|--------|--------|--------|--------|-----------|------|------|------|------|------|-------|------|------|------|------|------|-------|------|------|------|------|------|-------|------|------|------|------|------|-------|------|------|------|------|------|-------|
| Revenues | 1.5% | -1.5% | 1.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| "Cash Flow" | 2.5% | -5% | 3.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earnings | 3.0% | 2.0% | 5.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dividends | 2.0% | 1.5% | 3.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Book Value | 1.5% | -1.0% | 6.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 2270 | 2561 | 3165 | 2150 | 10156 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | 2214 | 2630 | 3248 | 2457 | 10549 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | 2549 | 2850 | 3319 | 2564 | 11276 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | 2600 | 2900 | 3395 | 2616 | 11500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2005 | 2655 | 2965 | 3480 | 2670 | 11750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

APR. (C) DIVIDENDS HISTORICALLY PAID IN EARLY MAR., JUN., SEP., AND DEC. = DIV'D REINVEST. PLAN AVAILABLE. (D) INCL. DEFERRED CHGS. IN '02, \$1.25/sh. (E) IN MILL., ADJ'D FOR SPLIT. (F) RATE

Company's Financial Strength A
Stock's Price Stability 100
Price Growth Persistence NMF
Earnings Predictability 90

To subscribe call 1-800-833-0046

VECTREN CORP. NYSE-VVC

TIMELINESS 4 Raised 11/28/03
SAFETY 2 Lowered 1/5/01
TECHNICAL 4 Lowered 12/26/03
BETA .75 (1.00 = Market)

PERCENT PRICE 24.47 **P/E RATIO** 15.5 (Trailing: 14.8 Median: NMF)
RELATIVE P/E RATIO 0.81 **DIVID YLD** 4.7% **VALUE LINE** 715

LEGENDS
 1.14 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 Options: No
 Shaded areas indicate recession

2006-08 PROJECTIONS

| | Price | Gain | Ann'l Total Return |
|------|-------|--------|--------------------|
| High | 30 | (+25%) | 10% |
| Low | 25 | (Nil) | 6% |

Insider Decisions

| | F | M | A | M | J | J | A | S | O |
|---------|---|---|---|---|---|---|---|---|---|
| To Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| To Sell | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Institutional Decisions

| | 10/20/03 | 2/20/04 | 3/20/04 | Percent shares traded |
|---------|----------|---------|---------|-----------------------|
| To Buy | 80 | 66 | 101 | 6 |
| To Sell | 60 | 73 | 65 | 4 |
| Net Buy | 27238 | 26381 | 30111 | 2 |

Vectren was formed on March 31, 2000 through the merger of Indiana Energy and SIGCORP. The merger was consummated with a tax-free exchange of shares and has been accounted for as a pooling of interests. Indiana Energy common stockholders received one Vectren common share for each share held. SIGCORP stockholders exchanged each common share for 1.333 common shares of Vectren. Data prior to the merger are pro forma, except for 1998 electric operating statistics, which are actual.

CAPITAL STRUCTURE as of 6/30/03
 Total Debt \$1302.3 mil. Div in 6 Yrs \$327.6 mil.
 LT Debt \$1091.5 mil. LT Interest \$50.5 mil.
 (LT Interest covered: 1.7x)

Pension Assets 1902: \$138.8 mil. Comp. \$201.9 mil.
 Prg \$took \$2 mil. Prg Div'd \$0.1 mil.
 3,487 shs. 9.9% no par. repurch. at \$100.

Common Stock 79,617,313 shs. as of 10/31/03
MARKET CAP: \$7.9 BILION (incl. Cash)

ELECTRIC OPERATING STATISTICS

| | 2000 | 2001 | 2002 |
|---------------------------|--------|--------|--------|
| Change Retail Sales (MM) | +1.4 | +3.3 | +2.8 |
| Av. Retail Price (\$/kWh) | 133.90 | 123.80 | 127.75 |
| Av. Retail Price (\$/MWh) | 9.38 | 4.17 | 6.38 |
| Capacity Factor (%) | 1425 | 1448 | 1525 |
| Peak Load (Summer MW) | 1212 | 1209 | 255 |
| Annual Load Factor (%) | 54.6 | 55.0 | 55.1 |
| % Change Customer (Grand) | +4.5 | +7 | +1.4 |

ANNUAL RATES

| | 2000 | 2001 | 2002 |
|-------------------------|---------|--------|-------|
| Free Charge Cr. (%) | 216 | 164 | 282 |
| Rate of change (per sh) | 10 Yrs. | 5 Yrs. | 06-08 |
| Revenues | | | Nil |
| "Cash Flow" | | | 5.4% |
| Earnings | | | 7.4% |
| Dividends | | | 3.5% |
| Book Value | | | 5.0% |

QUARTERLY REVENUES (\$ mil.)

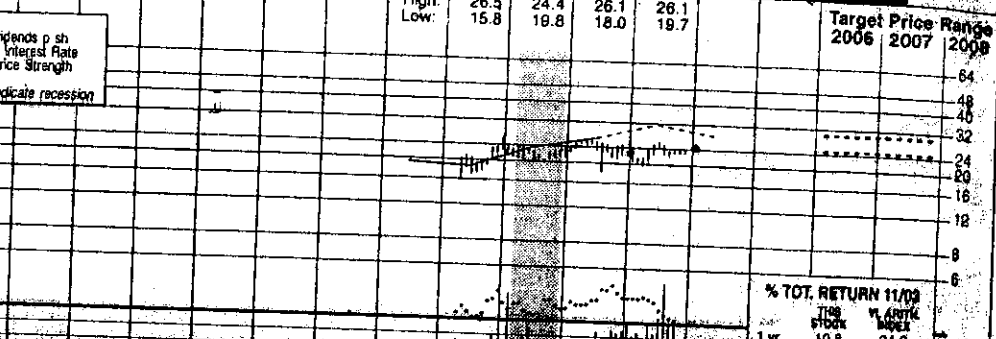
| Cat-ender | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 2000 | 359.4 | 283.5 | 317.9 | 707.9 | 1648.7 |
| 2001 | 383.1 | 432.2 | 358.4 | 496.3 | 2170.0 |
| 2002 | 630.4 | 380.1 | 304.3 | 489.5 | 1804.3 |
| 2003 | 662.5 | 283.4 | 278.8 | 625.3 | 1750 |
| 2004 | 680 | 310 | 340 | 550 | 1880 |

EARNINGS PER SHARE A

| Cat-ender | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 2000 | .36 | .19 | .25 | .49 | 1.17 |
| 2001 | .67 | d.14 | .07 | .48 | 1.08 |
| 2002 | .67 | .18 | .20 | .63 | 1.68 |
| 2003 | .82 | .10 | .10 | .58 | 1.60 |
| 2004 | .75 | .15 | .20 | .60 | 1.70 |

QUARTERLY DIVIDENDS PAID B

| Cat-ender | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 2000 | .243 | .243 | .243 | .265 | .98 |
| 2001 | .255 | .255 | .255 | .265 | 1.03 |
| 2002 | .265 | .265 | .265 | .275 | 1.07 |
| 2003 | .275 | .275 | .275 | .285 | 1.11 |



| | 1999 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue per sh | 18.88 | 26.84 | 32.05 | 26.53 | 21.10 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 | 24.75 |
| "Cash Flow" per sh | 2.87 | 2.88 | 2.89 | 3.43 | 3.25 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 |
| Earnings per sh A | 1.48 | 1.17 | 1.08 | 1.68 | 1.60 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |
| Div'd Dec'd per sh B | .95 | .98 | 1.03 | 1.07 | 1.11 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| Cap'l Spending per sh | 2.67 | 3.48 | 3.22 | 3.10 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 |
| Book Value per sh C | 11.55 | 11.91 | 12.53 | 12.79 | 14.10 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 | 14.60 |
| Common Shs Outst'g D | 61.47 | 61.42 | 67.70 | 68.01 | 78.70 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 |
| Avg Ann'l P/E Ratio | 1.13 | 1.04 | .77 | .84 | | | | | | | | | | | | |
| Relative P/E Ratio | 4.8% | 4.7% | 4.5% | 4.8% | | | | | | | | | | | | |
| Avg Ann'l Div'd Yield | | | | | | | | | | | | | | | | |
| Revenue (Mill) | 1607.4 | 1648.7 | 2170.0 | 1804.3 | 1750 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 | 1800 |
| Net Profit (Mill) | 90.8 | 72.0 | 73.1 | 114.0 | 115 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
| Income Tax Rate | 33.6% | 32.2% | 20.3% | 25.4% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% |
| AFUDC % of Net Profit | 40.0% | 45.8% | 54.4% | 52.3% | 52.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% |
| Long-Term Debt Ratio | 58.4% | 53.0% | 45.5% | 47.7% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% | 48.0% |
| Common Equity Ratio | 1816.8 | 1880.6 | 1863.1 | 1824.4 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 | 2220 |
| Total Capital (Mill) | 1336.3 | 1555.9 | 1595.0 | 1648.1 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 |
| Net Plant (Mill) | 12.4% | 8.6% | 8.6% | 13.1% | 6.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% | 7.9% |
| Return on Total Cap'l | 12.8% | 9.7% | 8.5% | 13.1% | 11.0% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% |
| Return on Shr Equity | 4.8% | 1.5% | .5% | 4.8% | 3.5% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% |
| Return on Com Equity E | 63% | 85% | 96% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 63% |

BUSINESS: Vectren is a holding company formed through the merger of Indiana Energy and SIGCORP. Supplies electricity and gas to an area nearly two-thirds of the state of Indiana. Has a customer base of 1,080,000. 2002 Elec. (gas) revs: resid. 35% (67%); comm. 26% (23%); indust. 37% (10%); 2% (nil). Revenue sources: Elec., 40%; Gas, 60%. Fuel costs: elect. 62%; gas, 63%.

Vectren's noncore businesses offer good long-term prospects. VVC owns and operates two coal mines that not only service the company's coal-fired plants but sell one million tons a year in the open market. Vectren also generates federal income tax credits through an 8.3% interest in a company that produces and sells synthetic fuel. Too, ProLiance, the 61%-owned and unregulated affiliate, trades and markets natural gas and sells gas to VVC's utility subsidiaries. This entity will likely be an important contributor to non-utility earnings for some years to come. In 2003, these enterprises probably generated 15%-20% of total corporate profits. And they should grow at a faster pace than the utility sector over the coming 3 to 5 years. The company is reducing nitrogen oxide levels under a proposed settlement of a lawsuit filed by the U.S. Environmental Protection Agency. VVC agreed to improve the efficiency of the existing scrubber at Culey's coal-fired units 2 and 3 and will either repower Culey 1 with natural gas, to reduce air emissions, or cease operation of the plant by 2007. No decision has yet been made between the

two alternatives. Furthermore, VVC will pay a \$600,000 civil penalty. In exchange, the EPA will drop all challenges of past repair activities at the Culey station. Management projects the work involved will entail capital outlays of between \$16 million and \$28 million through 2007. Except for the civil penalty, it expects full recovery through rates. Earnings probably declined in 2003. Higher gas prices took their toll, interest expense was higher, and the issuance of 7.5 million common shares last August was dilutive. Thus, despite improved energy marketing results, we estimate last year's earnings declined 5%, to \$1.60 a share. Over the next 3 to 5 years, we think earnings will rise by 5%-7% annually, driven largely by gains in the noncore area. For now, the stock is untimely. The annual dividend just jumped \$0.04 a share. And our projection of steady earnings growth starting this year suggests dividend hikes that are more than double those of the average utility through 2006-2008. The stock might interest income-oriented investors.

Also provides energy-related products and services and has an investment subsidiary: East plant age: electric, 12 years. O2 delivery rate: 3.3%. Has 1,875 employees, 13,460 shareholders. Chairman, Chief Executive Officer, and President: Niel G. Ellerbrook, Inc. Address: 20 Northwest 4th St., Evansville, Indiana 47741. Tel: 812-465-5300. Internet: www.vectren.com.

Arthur H. Medaille
 January 2, 2004

(A) Diluted EPS. Next earnings report due late Jan. Excl. nonrecurr gain (losses): '00, 8%; '01, (13%); '03, (6%); incl. charges for merger costs: '00, 60%; '01, 17%. (B) Div'ds historically paid in early March, early June, early September, and early December. Div'd reinvest. plan avail. (C) Incl. intang. in '02, \$4.08/sh. (D) In millions. (E) Electric rate base determination: fair value. Rate allowed on electric common equity in '95: 12.25%; earned on avg. com. eq. '02: 13.3%.
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 Stock's Price Stability 95
 Price Growth Persistence NMF
 Earnings Predictability NMF
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AGL RESOURCES NYSE-ATG

RECENT PRICE **28.80** P/E RATIO **14.2** (Trailing: 13.8) (Median: 12.0) RELATIVE P/E RATIO **0.77** DIVD YLD **3.9%** VALUE LINE **459**

| TIMELINESS 4 Lowered 12/19/03 | High: 19.5 | 21.3 | 19.4 | 20.0 | 22.0 | 21.6 | 23.4 | 23.4 | 23.2 | 24.6 | 25.0 | 29.0 | Target Price Range | | | | | | | | |
|--------------------------------------|--|-------------|------|------|------|------|------|------|------|------|------|------|--------------------|------|-------------|---------|--------|-----|--------|-------|----|
| SAFETY 2 New 7/27/90 | Low: 15.1 | 17.0 | 14.6 | 14.9 | 17.1 | 17.8 | 17.7 | 15.6 | 15.5 | 19.0 | 17.9 | 21.9 | 2006 2007 2008 | | | | | | | | |
| TECHNICAL 3 Lowered 4/4/03 | <p>LEGENDS 1.15 x Dividends p sh divided by Interest Rate Relative Price Strength 2-yr-1 split 12/95 Options: Yes Shaded areas indicate recession</p> | | | | | | | | | | | | | | | | | | | | |
| BETA 75 (1.00 = Market) | <p>2004-08 PROJECTIONS</p> <table border="1"> <tr> <th>Price</th> <th>Gain</th> <th>Ann'l Total</th> </tr> <tr> <td>High 49</td> <td>(+40%)</td> <td>17%</td> </tr> <tr> <td>Low 30</td> <td>(-5%)</td> <td>5%</td> </tr> </table> | | | | | | | | | | | | Price | Gain | Ann'l Total | High 49 | (+40%) | 17% | Low 30 | (-5%) | 5% |
| Price | Gain | Ann'l Total | | | | | | | | | | | | | | | | | | | |
| High 49 | (+40%) | 17% | | | | | | | | | | | | | | | | | | | |
| Low 30 | (-5%) | 5% | | | | | | | | | | | | | | | | | | | |

| <p>Insider Decisions</p> <table border="1"> <tr> <th>J</th><th>F</th><th>M</th><th>A</th><th>M</th><th>J</th><th>J</th><th>A</th><th>S</th> </tr> <tr> <td>to Buy</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>Options</td><td>0</td><td>0</td><td>0</td><td>0</td><td>2</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>to Sell</td><td>0</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> </table> | | | | | | | | | | | | J | F | M | A | M | J | J | A | S | to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Options | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | to Sell | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---------|---------|-----------------------|---|---|---|---|---|--|--|--|-------|---------|---------|-----------------------|--------|-----|----|----|---------|--------|----|----|--------|------|------|-------|---|---|---------|---|---|---|---|---|---|---|---|---------|---|---|---|---|---|---|---|---|
| J | F | M | A | M | J | J | A | S | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Options | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Institutional Decisions</p> <table border="1"> <tr> <th>12/03</th><th>2/20/03</th><th>3/20/03</th><th>Percent shares traded</th> </tr> <tr> <td>to Buy</td><td>103</td><td>95</td><td>72</td> </tr> <tr> <td>to Sell</td><td>50</td><td>77</td><td>87</td> </tr> <tr> <td>to Buy</td><td>3489</td><td>3599</td><td>34746</td> </tr> </table> | | | | | | | | | | | | 12/03 | 2/20/03 | 3/20/03 | Percent shares traded | to Buy | 103 | 95 | 72 | to Sell | 50 | 77 | 87 | to Buy | 3489 | 3599 | 34746 | | | | | | | | | | | | | | | | | | | | |
| 12/03 | 2/20/03 | 3/20/03 | Percent shares traded | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 103 | 95 | 72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 50 | 77 | 87 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 3489 | 3599 | 34746 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 26.24 | 22.97 | 21.63 | 22.58 | 20.26 | 20.43 | 22.73 | 23.59 | 19.32 | 21.91 | 22.75 | 23.36 |
| 1.84 | 1.90 | 1.93 | 2.04 | 2.07 | 2.31 | 2.25 | 2.24 | 2.33 | 2.49 | 2.42 | 2.65 |
| 1.02 | 1.13 | .96 | 1.01 | 1.04 | 1.13 | 1.06 | 1.17 | 1.33 | 1.37 | 1.41 | .91 |
| .80 | .88 | .84 | .98 | 1.02 | 1.03 | 1.04 | 1.04 | 1.04 | 1.06 | 1.08 | 1.08 |
| 3.58 | 3.68 | 2.68 | 2.73 | 2.95 | 2.74 | 2.49 | 2.37 | 2.17 | 2.37 | 2.59 | 2.05 |
| 7.89 | 8.72 | 8.83 | 8.97 | 8.42 | 8.70 | 8.90 | 10.18 | 10.12 | 10.56 | 10.99 | 11.42 |
| 37.48 | 42.47 | 43.40 | 44.32 | 47.57 | 48.69 | 48.72 | 50.88 | 55.02 | 55.70 | 58.80 | 57.30 |
| 11.5 | 11.1 | 13.7 | 14.2 | 15.3 | 15.5 | 17.9 | 15.1 | 12.8 | 13.8 | 14.7 | 13.9 |
| .77 | .82 | 1.04 | 1.05 | .98 | .94 | 1.06 | .99 | .84 | .86 | .85 | .72 |
| 6.6% | 7.1% | 7.2% | 6.8% | 6.4% | 5.9% | 5.4% | 5.9% | 6.2% | 5.6% | 5.4% | 5.5% |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| 1130.3 | 1199.9 | 1063.0 | 1220.2 | 1287.6 | 1338.6 | 1068.6 | 607.4 | 1049.3 | 868.9 | 978 | 1025 |
| 57.5 | 63.2 | 74.3 | 75.6 | 76.6 | 80.6 | 52.1 | 71.1 | 82.3 | 103.0 | 125 | 135 |
| 32.9% | 35.2% | 36.9% | 38.0% | 37.9% | 38.5% | 33.1% | 34.3% | 40.7% | 36.0% | 36.0% | 36.0% |
| 5.1% | 5.3% | 7.0% | 6.2% | 5.9% | 6.0% | 4.9% | 11.7% | 7.8% | 11.9% | 12.9% | 13.1% |
| 40.6% | 49.0% | 47.4% | 46.2% | 49.7% | 47.6% | 45.8% | 45.9% | 61.3% | 58.3% | 63.0% | 61.8% |
| 53.1% | 45.8% | 47.8% | 49.8% | 46.9% | 47.1% | 49.2% | 48.3% | 38.7% | 41.7% | 47.0% | 49.0% |
| 625.7 | 1131.5 | 1170.3 | 1201.3 | 1355.4 | 1388.4 | 1345.8 | 1286.2 | 1736.3 | 1704.3 | 1878 | 1980 |
| 1281.3 | 1297.4 | 1362.3 | 1415.4 | 1496.6 | 1594.0 | 1599.9 | 1637.5 | 2058.0 | 2194.2 | 2400 | 2600 |
| 8.6% | 7.6% | 8.2% | 8.0% | 7.3% | 7.6% | 5.7% | 7.4% | 6.5% | 8.1% | 8.8% | 8.5% |
| 10.4% | 11.0% | 12.1% | 11.7% | 11.0% | 11.1% | 7.1% | 10.2% | 12.3% | 14.5% | 13.6% | 13.5% |
| 10.8% | 11.3% | 12.5% | 12.1% | 11.3% | 12.3% | 7.9% | 11.5% | 12.3% | 14.5% | 13.5% | 13.5% |
| .4% | 3.0% | 4.6% | 3.6% | 3.2% | 4.4% | NMF | 3.2% | 4.2% | 7.0% | 6.0% | 6.6% |
| 96% | 75% | 68% | 71% | 74% | 64% | 101% | 72% | 65% | 52% | 57% | 64% |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| 32.9% | 35.2% | 36.9% | 38.0% | 37.9% | 38.5% | 33.1% | 34.3% | 40.7% | 36.0% | 36.0% | 36.0% |
| 5.1% | 5.3% | 7.0% | 6.2% | 5.9% | 6.0% | 4.9% | 11.7% | 7.8% | 11.9% | 12.9% | 13.1% |
| 40.6% | 49.0% | 47.4% | 46.2% | 49.7% | 47.6% | 45.8% | 45.9% | 61.3% | 58.3% | 63.0% | 61.8% |
| 53.1% | 45.8% | 47.8% | 49.8% | 46.9% | 47.1% | 49.2% | 48.3% | 38.7% | 41.7% | 47.0% | 49.0% |
| 625.7 | 1131.5 | 1170.3 | 1201.3 | 1355.4 | 1388.4 | 1345.8 | 1286.2 | 1736.3 | 1704.3 | 1878 | 1980 |
| 1281.3 | 1297.4 | 1362.3 | 1415.4 | 1496.6 | 1594.0 | 1599.9 | 1637.5 | 2058.0 | 2194.2 | 2400 | 2600 |
| 8.6% | 7.6% | 8.2% | 8.0% | 7.3% | 7.6% | 5.7% | 7.4% | 6.5% | 8.1% | 8.8% | 8.5% |
| 10.4% | 11.0% | 12.1% | 11.7% | 11.0% | 11.1% | 7.1% | 10.2% | 12.3% | 14.5% | 13.6% | 13.5% |
| 10.8% | 11.3% | 12.5% | 12.1% | 11.3% | 12.3% | 7.9% | 11.5% | 12.3% | 14.5% | 13.5% | 13.5% |
| .4% | 3.0% | 4.6% | 3.6% | 3.2% | 4.4% | NMF | 3.2% | 4.2% | 7.0% | 6.0% | 6.6% |
| 96% | 75% | 68% | 71% | 74% | 64% | 101% | 72% | 65% | 52% | 57% | 64% |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|
| 182.3 | 160.1 | 131.9 | 133.2 | 607.4 | 204.8 | 350.6 | 175.7 | 228.2 | 1049.3 | 269.3 | 159.2 |
| 89 | 21 | .17 | .55 | 1.82 | 98 | 29 | .27 | .46 | 2.00 | 95 | .35 |
| 27 | 27 | 27 | 27 | 1.08 | 27 | 27 | 27 | 27 | 1.08 | 27 | 27 |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| 30 | 41 | 26 | 32 | 1.29 | 41 | 83 | 17 | .09 | 1.50 | 89 | 21 |
| 27 | 27 | 27 | 27 | 1.08 | 27 | 27 | 27 | 27 | 1.08 | 27 | 27 |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| 30 | 41 | 26 | 32 | 1.29 | 41 | 83 | 17 | .09 | 1.50 | 89 | 21 |
| 27 | 27 | 27 | 27 | 1.08 | 27 | 27 | 27 | 27 | 1.08 | 27 | 27 |

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| 27 | 27 | 27 | 27 | 1.08 | 27 | 27 | 27 | 27 | 1.08 | 27 | 27 |

(A) Fiscal year ends December 31st. Ended September 30th prior to 2002. (B) Diluted earnings per share. Next earnings report due late Jan. Excl. nonrecurring gains (losses): '88, '90, '95, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '74, '75, '76, '77, '78, '79, '80, '81, '82, '83, '84, '85, '86, '87, '88, '89, '90, '91, '92, '93, '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19, '20, '21, '22, '23, '24, '25, '26, '27, '28, '29, '30, '31, '32, '33, '34, '35, '36, '37, '38, '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49, '50, '51, '52, '53, '54, '55, '56, '57, '58, '59, '60, '61, '62, '63, '64, '65, '66, '67, '68, '69, '70, '71, '72, '73, '

ATMOS ENERGY CORP. NYSE:ATO RECENT PRICE **24.38** P/E RATIO **14.4** (Trailing: 13.6 Median: 16.0) RELATIVE P/E RATIO **0.78** DIV'D YLD. **5.0%** VALUE LINE **460**

| | | | | |
|-------------------------------------|---|--|-----------------------------------|--|
| TIMELINESS 4 Lowered 9/19/03 | High: 15.9 21.2 20.3 23.0 31.0 30.5 32.3 33.0 26.3 25.8 24.5 25.5 | Low: 12.7 15.2 15.9 16.1 20.9 22.1 24.8 19.6 11.3 19.5 17.6 20.8 | Target Price Range 2006 2007 2008 | 64 48 40 32 24 16 12 8 6 |
| SAFETY 3 Lowered 5/23/00 | LEGENDS 170 x Dividends p sh divided by Interest Rate Relative Price Strength 3 for 2 split 5/94 Options: No Shaded areas indicate recession | | | |
| TECHNICAL 4 Lowered 12/19/03 | 2006-08 PROJECTIONS | | | |
| BETA 65 (1.00 = Market) | Price | Gain | Ann'l Return | |
| | High 35 | (+45%) | 14% | |
| | Low 25 | (+3%) | 6% | |
| Insider Decisions | J F M A M J J A S | | | |
| To Buy | 0 0 0 0 0 0 0 0 0 | | | |
| Options | 0 0 0 0 0 0 0 0 0 | | | |
| To Sell | 1 0 0 0 0 0 0 0 0 | | | |
| Institutional Decisions | 100000 500000 2000000 3000000 | Percent shares traded | | |
| To Buy | 65 72 61 | 6 | | |
| To Sell | 40 37 51 | 4 | | |
| Net Buy | 16669 16164 19508 | 2 | | |
| | | | % TOT. RETURN 11/03 | |
| | | | THIS STOCK | 1 yr. 16.3 |
| | | | 3 yr. 14.6 | 5 yr. 6.1 |
| | | | VS. ARITH. INDEX | 34.9 |
| | | | | 40.0 |
| | | | | 68.3 |

| | | | | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|-------|-------|-------|-------|-------|
| Atmos Energy's history dates back to 1906 in the Texas Panhandle. Over the years, through various mergers, it became part of Pioneer Corporation, and, in 1981, Pioneer named its gas distribution division Energas. In 1983, Pioneer organized Energas as a separate subsidiary and distributed the outstanding shares of Energas to Pioneer shareholders. Energas changed its name to Atmos in 1988. Atmos acquired Trans Louisiana Gas in 1986, Western Kentucky Gas Utility in 1987, Grealey Gas in 1993, United Cities Gas in 1997, and others. | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Revenue per sh ^A | 31.94 | 32.67 | 28.06 | 30.19 | 30.59 | 27.90 | 22.09 | 26.61 | 35.36 | 22.82 | 54.35 | 50.85 | 50.85 | 50.85 | 50.85 | 50.85 |
| "Cash Flow" per sh | 2.30 | 2.19 | 2.55 | 2.80 | 2.85 | 3.38 | 2.62 | 3.01 | 3.03 | 3.39 | 3.25 | 3.35 | 3.35 | 3.35 | 3.35 | 3.35 |
| Earnings per sh ^{A,B} | 1.19 | .97 | 1.22 | 1.51 | 1.34 | 1.84 | 1.11 | 1.03 | 1.47 | 1.45 | 1.71 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 |
| Div'ds Decl'd per sh ^C | .66 | .88 | .82 | .86 | 1.01 | 1.06 | 1.10 | 1.14 | 1.16 | 1.18 | 1.20 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 |
| Cap'l Spending per sh | 2.67 | 3.28 | 4.05 | 4.84 | 4.13 | 4.44 | 3.53 | 2.36 | 2.77 | 3.17 | 3.10 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 |
| Book Value per sh | 9.64 | 9.78 | 10.20 | 10.75 | 11.04 | 12.21 | 12.08 | 12.28 | 14.31 | 13.75 | 16.70 | 16.30 | 16.30 | 16.30 | 16.30 | 16.30 |
| Common Shs Outstg ^D | 14.36 | 15.90 | 15.52 | 16.02 | 29.64 | 30.40 | 31.25 | 31.95 | 40.79 | 41.68 | 51.50 | 54.00 | 54.00 | 54.00 | 54.00 | 54.00 |
| Avg Ann'l P/E Ratio | 14.7 | 19.2 | 15.0 | 15.1 | 17.9 | 15.4 | 33.0 | 18.9 | 15.2 | 13.4 | | | | | | |
| Relative P/E Ratio | .87 | 1.26 | 1.00 | .95 | 1.03 | .80 | 1.88 | 1.23 | .80 | .78 | | | | | | |
| Avg Ann'l Div'd Yield | 4.9% | 4.7% | 5.0% | 4.2% | 4.2% | 3.7% | 4.1% | 5.9% | 5.1% | 5.4% | 5.2% | | | | | |
| Revenue (\$mil) ^A | 459.4 | 469.8 | 435.8 | 483.7 | 806.8 | 848.2 | 690.2 | 850.2 | 1442.3 | 950.8 | 2799.9 | 2790 | 2790 | 2790 | 2790 | 2790 |
| Net Profit (\$mil) | 17.0 | 14.7 | 18.8 | 23.0 | 39.2 | 65.3 | 25.0 | 32.2 | 56.1 | 59.7 | 79.5 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Income Tax Rate | 37.7% | 35.6% | 39.8% | 38.7% | 37.5% | 38.5% | 35.0% | 36.1% | 37.3% | 37.1% | 37.1% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% |
| Net Profit Margin | 3.7% | 2.6% | 4.3% | 5.0% | 4.3% | 6.5% | 3.6% | 3.8% | 3.9% | 6.3% | 2.8% | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% |
| Long-Term Debt Ratio | 49.3% | 48.0% | 48.3% | 41.5% | 48.1% | 51.8% | 50.0% | 48.1% | 54.3% | 53.9% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% |
| Common Equity Ratio | 50.7% | 52.0% | 51.7% | 58.5% | 51.9% | 48.2% | 50.0% | 51.9% | 45.7% | 46.1% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% |
| Total Capital (\$mil) | 244.6 | 287.9 | 289.6 | 294.6 | 630.2 | 769.7 | 765.1 | 765.7 | 1276.3 | 1243.7 | 1720 | 1755 | 1755 | 1755 | 1755 | 1755 |
| Net Plant (\$mil) | 299.3 | 327.4 | 363.3 | 413.6 | 849.1 | 917.9 | 965.8 | 982.3 | 1335.4 | 1300.3 | 1515 | 1590 | 1590 | 1590 | 1590 | 1590 |
| Return on Shr. Equity | 9.2% | 7.2% | 8.0% | 10.6% | 8.3% | 9.0% | 5.1% | 6.5% | 5.9% | 6.8% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| Return on Com Equity | 12.3% | 8.8% | 11.9% | 13.9% | 12.0% | 14.9% | 6.6% | 8.2% | 9.6% | 10.4% | 9.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Retained to Com Eq | 12.3% | 9.8% | 11.9% | 13.9% | 12.0% | 14.9% | 5.6% | 8.2% | 9.6% | 10.4% | 8.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| All Div'ds to Net Prof | 5.6% | 1.3% | 2.0% | 6.1% | 3.9% | 6.3% | NMF | NMF | 2.1% | 1.9% | 2.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| | 54% | 86% | 76% | 64% | 67% | 58% | NMF | 112% | 79% | 82% | 78% | 76% | 76% | 76% | 76% | 76% |

| | | | |
|---|---------------------------|----------------------|-------------------------|
| CAPITAL STRUCTURE as of 6/30/03 | | | |
| Total Debt \$874.7 mil. | Due in 3 Yrs \$230.0 mil. | LT Debt \$684.9 mil. | LT Interest \$50.0 mil. |
| (LT interest earned: 2.9%; total interest coverage: 2.6x) | | | |
| (61% of Cap'l) | | | |
| Leases, Unamortized Annual rentals \$9.6 mil. | | | |
| Pfd Stock None | | | |
| Pension Assets 2002 \$209.9 mil. Oblig. \$226.2 mil. | | | |
| Common Stock 51,270,963 shs. as of 6/30/03 | | | |
| MARKET CAP: \$1.8 billion (Mkt Cap) | | | |
| CURRENT POSITION | | | |
| | 2001 | 2002 | 6/30/03 |
| Cash Assets | 15.3 | 46.8 | 17.3 |
| Other | 409.0 | 283.2 | 358.7 |
| Current Assets | 424.3 | 330.0 | 376.0 |
| Accts Payable | 84.5 | 135.6 | 203.6 |
| Debt Due | 221.9 | 187.8 | 10.4 |
| Other | 101.9 | 156.7 | 168.1 |
| Current Liab. | 511.0 | 483.1 | 382.1 |
| Fix. Chg. Cov. | 356% | 259% | 275% |

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas through five regulated natural gas utility operations: Louisiana Division (\$70,012 utility meters in service in 2002), Texas Division (313,340), Mid-States Division (310,830), Colorado-Kansas Division (216,860), and Kentucky Division (178,379). Combined 2002 sales volumes: 145 MMcf. Break-

down: 53%, residential; 25%, commercial; 22%, industrial and other. '02 depreciation rate 3.9%. Has 2,340 employees. Officers and directors own approx. 4.1% of common stock; ESOP, 5.8% (12/02 Proxy). Chairman, CEO, & President: Robert Best, Incorporated: Texas. Address: P.O. Box 650205, Dallas, TX 75265. Telephone: 972-934-9227. Internet: www.atmosenergy.com

| | | | |
|--------------------|--------------|-------------|---------------|
| ANNUAL RATES | | | |
| of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '00-'02 |
| Revenue | -2.0% | -1.0% | 8.6% |
| "Cash Flow" | 2.0% | 3.0% | 4.0% |
| Earnings | 3.5% | -6% | 7.3% |
| Dividends | 4.0% | 4.0% | 2.0% |
| Book Value | 4.0% | 5.0% | 3.0% |

We think Atmos Energy will generate solid, if less than spectacular, annual earnings gains over the coming 3- to 5-year period. Given that the utility operations are currently spread across 12 states, profits are not dependent on the weather, economy, or rate commissions in any one region of the country. Furthermore, the company's non-utility units (including Atmos Energy Marketing and Atmos Pipeline and Storage) seem to possess decent growth prospects. Too, management will undoubtedly stick to its winning strategy of acquiring less-efficient utilities and improving their profitability via cost-cutting initiatives, rate relief, and aggressive marketing efforts. In the current corporate configuration, the bottom line could well advance between 5% and 10% annually over the 2006-2008 horizon. The company and three other partners intend to sell their interest in Heritage Propane Partners, the fourth-largest retail propane marketer in the United States, for \$130 million. (Atmos Energy would receive \$24.7 million of the total amount.) Management contends that the transaction, expected to close by the

end of 2003, would enable it to focus on the key operations. The substantial rise in fiscal 2003 revenues reflects the adoption of an accounting rule requiring that income from storage and transportation contracts be recognized upon completion of the contracts. Previously, Atmos used mark-to-market accounting under these circumstances. As a result of the change, it incurred a \$0.17-a-share charge. Income-seeking accounts should note the healthy dividend, which rose again in the December quarter. Prospects for additional increases in the payout seem reasonable, given our favorable long-term projections for the company. Growth in the payout is slower than in the late Nineties, due to earnings volatility. And there's probably still room for a small dividend hike in 2004, even though share earnings may decline somewhat. These shares are ranked to underperform the year-ahead market, based on recent price and earnings momentum. Furthermore, long-term total-return potential is unexciting. Frederick L. Harris, III December 19, 2003

| | | | | | |
|------------------|---|--------|--------|--------|------------------|
| Fiscal Year Ends | QUARTERLY REVENUES (\$ mil.) ^A | | | | Full Fiscal Year |
| | Dec.31 | Mar.31 | Jun.30 | Sep.30 | |
| 2000 | 224.5 | 514.2 | 152.4 | 189.1 | 850.2 |
| 2001 | 442.8 | 675.1 | 164.3 | 160.1 | 1442.3 |
| 2002 | 271.3 | 379.5 | 161.8 | 139.2 | 950.8 |
| 2003 | 680.4 | 1194.1 | 488.5 | 436.9 | 2799.9 |
| 2004 | 670 | 1160 | 495 | 485 | 2750 |

| | | | | | |
|------------------|-----------------------------------|--------|--------|--------|------------------|
| Fiscal Year Ends | EARNINGS PER SHARE ^{A,B} | | | | Full Fiscal Year |
| | Dec.31 | Mar.31 | Jun.30 | Sep.30 | |
| 2000 | .46 | .94 | 1.14 | 1.23 | 1.03 |
| 2001 | .70 | 1.13 | 1.08 | 1.19 | 1.17 |
| 2002 | .50 | 1.01 | .08 | 1.14 | 1.45 |
| 2003 | .60 | 1.24 | | 1.05 | 1.71 |
| 2004 | .59 | 1.13 | .02 | 1.14 | 1.60 |

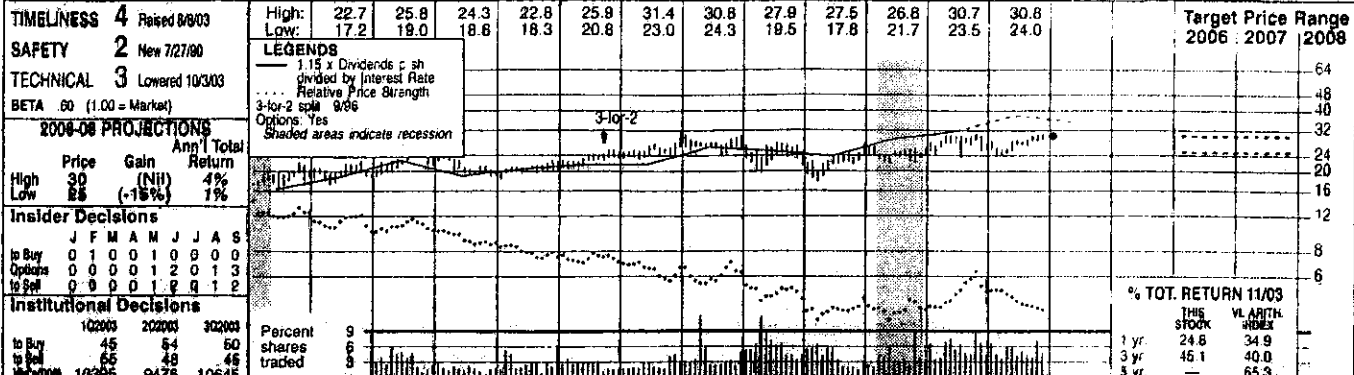
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|----------|---------------------------------------|--------|--------|--------|-----------|
| Calendar | QUARTERLY DIVIDENDS PAID ^C | | | | Full Year |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 1999 | .275 | .275 | .275 | .285 | 1.11 |
| 2000 | .285 | .285 | .285 | .29 | 1.15 |
| 2001 | .29 | .29 | .29 | .295 | 1.17 |
| 2002 | .295 | .295 | .295 | .30 | 1.19 |
| 2003 | .30 | .30 | .30 | .305 | |

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl nonrec. items: '97, d53c; '99, d23c; '00, 12c; '03, d17c. Next yrs. rpt. due early Feb. (C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. (3% discount) Direct stock purchase plan avail (D) In millions, adjusted for stock splits. (E) Years prior to 1994 are not comparable due to acquisition using pooling of interest method (F) ATC completed United Cities merger 7/97 (G) Call split add due to change in shrs out
Company's Financial Strength **B+**
Stock's Price Stability **95**
Price Growth Persistence **25**
Earnings Predictability **55**
To subscribe call 1-800-833-0046.

| KEYSPAN CORP. NYSE-KSE | | | | | | | | | | RECENT PRICE | P/E RATIO | Training: 13.7 Median: 14.0 | RELATIVE P/E RATIO | DIVD YLD | VALUE LINE | 463 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------|-----------------|--|--------|-----------|-------|-------|------|------|--------------|-----------|--------------------------------|--|------------|--------------------------------------|--------|--------|-----------|-------------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---|--------|--------|--------|-------------|------------|---------------|--------|--------|--|--------|------|------|------|------|---------|-------|-------|--|--------|--------|--------|----------|--------|--------|--------|--------|-----------|--------|---------|-------|-------|--------|---------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|------|--------|--------|--------|--------|------|------|------|------|------|------|------|-----|-----|-----|-----|------|------|------|------|------|------|------|------|--|--|--|--|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-----|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|------|------|------|------|
| TIMELINESS | 4 | Lowered 8/15/03 | High: 23.4 | 28.5 | 28.6 | 29.6 | 32.6 | 37.1 | 37.6 | 31.3 | 43.6 | 41.9 | 38.2 | 38.1 | Target Price Range 2006 2007 2008 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SAFETY | 2 | Lowered 3/26/99 | Low: 18.7 | 21.6 | 21.5 | 22.0 | 24.9 | 26.1 | 25.4 | 22.5 | 20.2 | 29.1 | 27.4 | 31.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TECHNICAL | 3 | Raised 10/31/03 | LEGENDS 1.00 x Dividends per share divided by Interest Rate Relative Price Strength 3.0 x SP500 Options: Yes Shaded areas indicate recession | | | | | | | | | | old KeySpan / new KeySpan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BETA | 75 | (1.00 = Market) | 2006-08 PROJECTIONS | | | | | | | | | | <table border="1"> <tr> <th>Price</th> <th>Gain</th> <th>Ann'l Total</th> <th>Return</th> </tr> <tr> <td>High 48</td> <td>(+30%)</td> <td>11%</td> <td>7%</td> </tr> <tr> <td>Low 35</td> <td>(Nil)</td> <td>5%</td> <td>5%</td> </tr> </table> | | | | Price | Gain | Ann'l Total | Return | High 48 | (+30%) | 11% | 7% | Low 35 | (Nil) | 5% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Price | Gain | Ann'l Total | Return | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High 48 | (+30%) | 11% | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low 35 | (Nil) | 5% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insider Decisions | | | <table border="1"> <tr> <th>J</th><th>F</th><th>M</th><th>A</th><th>M</th><th>J</th><th>J</th><th>A</th><th>S</th> </tr> <tr> <td>To Buy</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>To Sell</td><td>0</td><td>0</td><td>1</td><td>0</td><td>4</td><td>2</td><td>0</td><td>0</td> </tr> <tr> <td>Options</td><td>0</td><td>0</td><td>0</td><td>0</td><td>5</td><td>2</td><td>0</td><td>0</td> </tr> </table> | | | | | | | | | | J | F | M | A | M | J | J | A | S | To Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | To Sell | 0 | 0 | 1 | 0 | 4 | 2 | 0 | 0 | Options | 0 | 0 | 0 | 0 | 5 | 2 | 0 | 0 | <table border="1"> <tr> <th>102000</th><th>202000</th><th>302000</th> </tr> <tr> <td>To Buy</td><td>100</td><td>181</td><td>164</td> </tr> <tr> <td>To Sell</td><td>92</td><td>105</td><td>121</td> </tr> <tr> <td>Options</td><td>71369</td><td>81736</td><td>77907</td> </tr> </table> | | | | 102000 | 202000 | 302000 | To Buy | 100 | 181 | 164 | To Sell | 92 | 105 | 121 | Options | 71369 | 81736 | 77907 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| J | F | M | A | M | J | J | A | S | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Sell | 0 | 0 | 1 | 0 | 4 | 2 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Options | 0 | 0 | 0 | 0 | 5 | 2 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 102000 | 202000 | 302000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Buy | 100 | 181 | 164 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Sell | 92 | 105 | 121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Options | 71369 | 81736 | 77907 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Institutional Decisions | | | <table border="1"> <tr> <th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th> </tr> <tr> <td>27.12</td><td>25.51</td><td>26.71</td><td>26.64</td><td>23.43</td><td>24.74</td><td>25.99</td><td>28.13</td> </tr> <tr> <td>2.46</td><td>2.55</td><td>2.64</td><td>2.62</td><td>2.38</td><td>3.03</td><td>3.04</td><td>3.29</td> </tr> <tr> <td>1.62</td><td>1.66</td><td>1.68</td><td>1.62</td><td>1.45</td><td>1.35</td><td>1.73</td><td>1.85</td> </tr> <tr> <td>1.11</td><td>1.15</td><td>1.19</td><td>1.23</td><td>1.27</td><td>1.29</td><td>1.32</td><td>1.35</td> </tr> <tr> <td>2.84</td><td>3.46</td><td>4.30</td><td>3.61</td><td>3.44</td><td>3.95</td><td>4.37</td><td>4.15</td> </tr> <tr> <td>12.19</td><td>12.77</td><td>13.26</td><td>13.68</td><td>14.97</td><td>14.56</td><td>15.54</td><td>16.27</td> </tr> <tr> <td>34.08</td><td>35.83</td><td>36.29</td><td>37.90</td><td>42.96</td><td>43.45</td><td>46.98</td><td>47.59</td> </tr> <tr> <td>10.8</td><td>9.4</td><td>10.1</td><td>11.3</td><td>13.1</td><td>14.3</td><td>13.7</td><td>12.7</td> </tr> <tr> <td>7.2</td><td>7.8</td><td>7.6</td><td>8.8</td><td>8.4</td><td>9.2</td><td>8.4</td><td>9.0</td> </tr> <tr> <td>6.3%</td><td>7.4%</td><td>7.0%</td><td>6.4%</td><td>6.7%</td><td>6.4%</td><td>5.3%</td><td>5.3%</td> </tr> </table> | | | | | | | | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | <table border="1"> <tr> <th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th> </tr> <tr> <td>27.12</td><td>25.51</td><td>26.71</td><td>26.64</td><td>23.43</td><td>24.74</td><td>25.99</td><td>28.13</td> </tr> <tr> <td>2.46</td><td>2.55</td><td>2.64</td><td>2.62</td><td>2.38</td><td>3.03</td><td>3.04</td><td>3.29</td> </tr> <tr> <td>1.62</td><td>1.66</td><td>1.68</td><td>1.62</td><td>1.45</td><td>1.35</td><td>1.73</td><td>1.85</td> </tr> <tr> <td>1.11</td><td>1.15</td><td>1.19</td><td>1.23</td><td>1.27</td><td>1.29</td><td>1.32</td><td>1.35</td> </tr> <tr> <td>2.84</td><td>3.46</td><td>4.30</td><td>3.61</td><td>3.44</td><td>3.95</td><td>4.37</td><td>4.15</td> </tr> <tr> <td>12.19</td><td>12.77</td><td>13.26</td><td>13.68</td><td>14.97</td><td>14.56</td><td>15.54</td><td>16.27</td> </tr> <tr> <td>34.08</td><td>35.83</td><td>36.29</td><td>37.90</td><td>42.96</td><td>43.45</td><td>46.98</td><td>47.59</td> </tr> <tr> <td>10.8</td><td>9.4</td><td>10.1</td><td>11.3</td><td>13.1</td><td>14.3</td><td>13.7</td><td>12.7</td> </tr> <tr> <td>7.2</td><td>7.8</td><td>7.6</td><td>8.8</td><td>8.4</td><td>9.2</td><td>8.4</td><td>9.0</td> </tr> <tr> <td>6.3%</td><td>7.4%</td><td>7.0%</td><td>6.4%</td><td>6.7%</td><td>6.4%</td><td>5.3%</td><td>5.3%</td> </tr> </table> | | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% |
| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CAPITAL STRUCTURE as of 12/31/03 | | | <table border="1"> <tr> <th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th> </tr> <tr> <td>27.12</td><td>25.51</td><td>26.71</td><td>26.64</td><td>23.43</td><td>24.74</td><td>25.99</td><td>28.13</td> </tr> <tr> <td>2.46</td><td>2.55</td><td>2.64</td><td>2.62</td><td>2.38</td><td>3.03</td><td>3.04</td><td>3.29</td> </tr> <tr> <td>1.62</td><td>1.66</td><td>1.68</td><td>1.62</td><td>1.45</td><td>1.35</td><td>1.73</td><td>1.85</td> </tr> <tr> <td>1.11</td><td>1.15</td><td>1.19</td><td>1.23</td><td>1.27</td><td>1.29</td><td>1.32</td><td>1.35</td> </tr> <tr> <td>2.84</td><td>3.46</td><td>4.30</td><td>3.61</td><td>3.44</td><td>3.95</td><td>4.37</td><td>4.15</td> </tr> <tr> <td>12.19</td><td>12.77</td><td>13.26</td><td>13.68</td><td>14.97</td><td>14.56</td><td>15.54</td><td>16.27</td> </tr> <tr> <td>34.08</td><td>35.83</td><td>36.29</td><td>37.90</td><td>42.96</td><td>43.45</td><td>46.98</td><td>47.59</td> </tr> <tr> <td>10.8</td><td>9.4</td><td>10.1</td><td>11.3</td><td>13.1</td><td>14.3</td><td>13.7</td><td>12.7</td> </tr> <tr> <td>7.2</td><td>7.8</td><td>7.6</td><td>8.8</td><td>8.4</td><td>9.2</td><td>8.4</td><td>9.0</td> </tr> <tr> <td>6.3%</td><td>7.4%</td><td>7.0%</td><td>6.4%</td><td>6.7%</td><td>6.4%</td><td>5.3%</td><td>5.3%</td> </tr> </table> | | | | | | | | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | <table border="1"> <tr> <th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th> </tr> <tr> <td>27.12</td><td>25.51</td><td>26.71</td><td>26.64</td><td>23.43</td><td>24.74</td><td>25.99</td><td>28.13</td> </tr> <tr> <td>2.46</td><td>2.55</td><td>2.64</td><td>2.62</td><td>2.38</td><td>3.03</td><td>3.04</td><td>3.29</td> </tr> <tr> <td>1.62</td><td>1.66</td><td>1.68</td><td>1.62</td><td>1.45</td><td>1.35</td><td>1.73</td><td>1.85</td> </tr> <tr> <td>1.11</td><td>1.15</td><td>1.19</td><td>1.23</td><td>1.27</td><td>1.29</td><td>1.32</td><td>1.35</td> </tr> <tr> <td>2.84</td><td>3.46</td><td>4.30</td><td>3.61</td><td>3.44</td><td>3.95</td><td>4.37</td><td>4.15</td> </tr> <tr> <td>12.19</td><td>12.77</td><td>13.26</td><td>13.68</td><td>14.97</td><td>14.56</td><td>15.54</td><td>16.27</td> </tr> <tr> <td>34.08</td><td>35.83</td><td>36.29</td><td>37.90</td><td>42.96</td><td>43.45</td><td>46.98</td><td>47.59</td> </tr> <tr> <td>10.8</td><td>9.4</td><td>10.1</td><td>11.3</td><td>13.1</td><td>14.3</td><td>13.7</td><td>12.7</td> </tr> <tr> <td>7.2</td><td>7.8</td><td>7.6</td><td>8.8</td><td>8.4</td><td>9.2</td><td>8.4</td><td>9.0</td> </tr> <tr> <td>6.3%</td><td>7.4%</td><td>7.0%</td><td>6.4%</td><td>6.7%</td><td>6.4%</td><td>5.3%</td><td>5.3%</td> </tr> </table> | | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% |
| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MARKET CAP: \$5.5 billion (Large Cap) | | | <table border="1"> <tr> <th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th> </tr> <tr> <td>27.12</td><td>25.51</td><td>26.71</td><td>26.64</td><td>23.43</td><td>24.74</td><td>25.99</td><td>28.13</td> </tr> <tr> <td>2.46</td><td>2.55</td><td>2.64</td><td>2.62</td><td>2.38</td><td>3.03</td><td>3.04</td><td>3.29</td> </tr> <tr> <td>1.62</td><td>1.66</td><td>1.68</td><td>1.62</td><td>1.45</td><td>1.35</td><td>1.73</td><td>1.85</td> </tr> <tr> <td>1.11</td><td>1.15</td><td>1.19</td><td>1.23</td><td>1.27</td><td>1.29</td><td>1.32</td><td>1.35</td> </tr> <tr> <td>2.84</td><td>3.46</td><td>4.30</td><td>3.61</td><td>3.44</td><td>3.95</td><td>4.37</td><td>4.15</td> </tr> <tr> <td>12.19</td><td>12.77</td><td>13.26</td><td>13.68</td><td>14.97</td><td>14.56</td><td>15.54</td><td>16.27</td> </tr> <tr> <td>34.08</td><td>35.83</td><td>36.29</td><td>37.90</td><td>42.96</td><td>43.45</td><td>46.98</td><td>47.59</td> </tr> <tr> <td>10.8</td><td>9.4</td><td>10.1</td><td>11.3</td><td>13.1</td><td>14.3</td><td>13.7</td><td>12.7</td> </tr> <tr> <td>7.2</td><td>7.8</td><td>7.6</td><td>8.8</td><td>8.4</td><td>9.2</td><td>8.4</td><td>9.0</td> </tr> <tr> <td>6.3%</td><td>7.4%</td><td>7.0%</td><td>6.4%</td><td>6.7%</td><td>6.4%</td><td>5.3%</td><td>5.3%</td> </tr> </table> | | | | | | | | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | <table border="1"> <tr> <th>1997</th><th>1998</th><th>1999</th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th> </tr> <tr> <td>27.12</td><td>25.51</td><td>26.71</td><td>26.64</td><td>23.43</td><td>24.74</td><td>25.99</td><td>28.13</td> </tr> <tr> <td>2.46</td><td>2.55</td><td>2.64</td><td>2.62</td><td>2.38</td><td>3.03</td><td>3.04</td><td>3.29</td> </tr> <tr> <td>1.62</td><td>1.66</td><td>1.68</td><td>1.62</td><td>1.45</td><td>1.35</td><td>1.73</td><td>1.85</td> </tr> <tr> <td>1.11</td><td>1.15</td><td>1.19</td><td>1.23</td><td>1.27</td><td>1.29</td><td>1.32</td><td>1.35</td> </tr> <tr> <td>2.84</td><td>3.46</td><td>4.30</td><td>3.61</td><td>3.44</td><td>3.95</td><td>4.37</td><td>4.15</td> </tr> <tr> <td>12.19</td><td>12.77</td><td>13.26</td><td>13.68</td><td>14.97</td><td>14.56</td><td>15.54</td><td>16.27</td> </tr> <tr> <td>34.08</td><td>35.83</td><td>36.29</td><td>37.90</td><td>42.96</td><td>43.45</td><td>46.98</td><td>47.59</td> </tr> <tr> <td>10.8</td><td>9.4</td><td>10.1</td><td>11.3</td><td>13.1</td><td>14.3</td><td>13.7</td><td>12.7</td> </tr> <tr> <td>7.2</td><td>7.8</td><td>7.6</td><td>8.8</td><td>8.4</td><td>9.2</td><td>8.4</td><td>9.0</td> </tr> <tr> <td>6.3%</td><td>7.4%</td><td>7.0%</td><td>6.4%</td><td>6.7%</td><td>6.4%</td><td>5.3%</td><td>5.3%</td> </tr> </table> | | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% |
| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27.12 | 25.51 | 26.71 | 26.64 | 23.43 | 24.74 | 25.99 | 28.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.46 | 2.55 | 2.64 | 2.62 | 2.38 | 3.03 | 3.04 | 3.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.62 | 1.66 | 1.68 | 1.62 | 1.45 | 1.35 | 1.73 | 1.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | 1.15 | 1.19 | 1.23 | 1.27 | 1.29 | 1.32 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.84 | 3.46 | 4.30 | 3.61 | 3.44 | 3.95 | 4.37 | 4.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.19 | 12.77 | 13.26 | 13.68 | 14.97 | 14.56 | 15.54 | 16.27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34.08 | 35.83 | 36.29 | 37.90 | 42.96 | 43.45 | 46.98 | 47.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.8 | 9.4 | 10.1 | 11.3 | 13.1 | 14.3 | 13.7 | 12.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2 | 7.8 | 7.6 | 8.8 | 8.4 | 9.2 | 8.4 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.3% | 7.4% | 7.0% | 6.4% | 6.7% | 6.4% | 5.3% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CURRENT POSITION | | | <table border="1"> <tr> <th>2001</th><th>2002</th><th>9/30/03</th> </tr> <tr> <td>159.3</td><td>170.6</td><td>118.1</td> </tr> <tr> <td>1899.2</td><td>2045.9</td><td>1888.5</td> </tr> <tr> <td>1898.5</td><td>2218.5</td><td>2007.6</td> </tr> <tr> <td>1091.4</td><td>1061.6</td><td>893.0</td> </tr> <tr> <td>1049.4</td><td>927.1</td><td>658.8</td> </tr> <tr> <td>243.9</td><td>231.5</td><td>355.0</td> </tr> <tr> <td>2384.7</td><td>2220.0</td><td>1868.6</td> </tr> <tr> <td>216%</td><td>289%</td><td>300%</td> </tr> </table> | | | | | | | | | | 2001 | 2002 | 9/30/03 | 159.3 | 170.6 | 118.1 | 1899.2 | 2045.9 | 1888.5 | 1898.5 | 2218.5 | 2007.6 | 1091.4 | 1061.6 | 893.0 | 1049.4 | 927.1 | 658.8 | 243.9 | 231.5 | 355.0 | 2384.7 | 2220.0 | 1868.6 | 216% | 289% | 300% | <table border="1"> <tr> <th>2001</th><th>2002</th><th>9/30/03</th> </tr> <tr> <td>159.3</td><td>170.6</td><td>118.1</td> </tr> <tr> <td>1899.2</td><td>2045.9</td><td>1888.5</td> </tr> <tr> <td>1898.5</td><td>2218.5</td><td>2007.6</td> </tr> <tr> <td>1091.4</td><td>1061.6</td><td>893.0</td> </tr> <tr> <td>1049.4</td><td>927.1</td><td>658.8</td> </tr> <tr> <td>243.9</td><td>231.5</td><td>355.0</td> </tr> <tr> <td>2384.7</td><td>2220.0</td><td>1868.6</td> </tr> <tr> <td>216%</td><td>289%</td><td>300%</td> </tr> </table> | | | | 2001 | 2002 | 9/30/03 | 159.3 | 170.6 | 118.1 | 1899.2 | 2045.9 | 1888.5 | 1898.5 | 2218.5 | 2007.6 | 1091.4 | 1061.6 | 893.0 | 1049.4 | 927.1 | 658.8 | 243.9 | 231.5 | 355.0 | 2384.7 | 2220.0 | 1868.6 | 216% | 289% | 300% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 2002 | 9/30/03 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 159.3 | 170.6 | 118.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1899.2 | 2045.9 | 1888.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1898.5 | 2218.5 | 2007.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1091.4 | 1061.6 | 893.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1049.4 | 927.1 | 658.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 243.9 | 231.5 | 355.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2384.7 | 2220.0 | 1868.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 216% | 289% | 300% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 2002 | 9/30/03 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 159.3 | 170.6 | 118.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1899.2 | 2045.9 | 1888.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1898.5 | 2218.5 | 2007.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1091.4 | 1061.6 | 893.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1049.4 | 927.1 | 658.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 243.9 | 231.5 | 355.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2384.7 | 2220.0 | 1868.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 216% | 289% | 300% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ANNUAL RATES of change (per sh) | | | <table border="1"> <tr> <th>Past 10 Yrs</th><th>Past 5 Yrs</th><th>Est'd '00-'02</th> </tr> <tr> <td>5.5%</td><td>9.0%</td><td>3.0%</td> </tr> <tr> <td>7.6%</td><td>8.5%</td><td>5.0%</td> </tr> <tr> <td>4.5%</td><td>2.0%</td><td>7.0%</td> </tr> <tr> <td>3.5%</td><td>4.8%</td><td>1.8%</td> </tr> <tr> <td>4.0%</td><td>2.5%</td><td>5.0%</td> </tr> </table> | | | | | | | | | | Past 10 Yrs | Past 5 Yrs | Est'd '00-'02 | 5.5% | 9.0% | 3.0% | 7.6% | 8.5% | 5.0% | 4.5% | 2.0% | 7.0% | 3.5% | 4.8% | 1.8% | 4.0% | 2.5% | 5.0% | <table border="1"> <tr> <th>Past 10 Yrs</th><th>Past 5 Yrs</th><th>Est'd '00-'02</th> </tr> <tr> <td>5.5%</td><td>9.0%</td><td>3.0%</td> </tr> <tr> <td>7.6%</td><td>8.5%</td><td>5.0%</td> </tr> <tr> <td>4.5%</td><td>2.0%</td><td>7.0%</td> </tr> <tr> <td>3.5%</td><td>4.8%</td><td>1.8%</td> </tr> <tr> <td>4.0%</td><td>2.5%</td><td>5.0%</td> </tr> </table> | | | | Past 10 Yrs | Past 5 Yrs | Est'd '00-'02 | 5.5% | 9.0% | 3.0% | 7.6% | 8.5% | 5.0% | 4.5% | 2.0% | 7.0% | 3.5% | 4.8% | 1.8% | 4.0% | 2.5% | 5.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Past 10 Yrs | Past 5 Yrs | Est'd '00-'02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5.5% | 9.0% | 3.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.6% | 8.5% | 5.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5% | 2.0% | 7.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.5% | 4.8% | 1.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.0% | 2.5% | 5.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Past 10 Yrs | Past 5 Yrs | Est'd '00-'02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5.5% | 9.0% | 3.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.6% | 8.5% | 5.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5% | 2.0% | 7.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.5% | 4.8% | 1.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.0% | 2.5% | 5.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| QUARTERLY REVENUES (\$ mil.) ^A | | | <table border="1"> <tr> <th>Calendar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> <tr> <td>2000</td><td>1916.6</td><td>947.6</td><td>947.1</td><td>1910.2</td><td>5121.5</td> </tr> <tr> <td>2001</td><td>2576.1</td><td>1399.3</td><td>1102.4</td><td>1616.3</td><td>6633.1</td> </tr> <tr> <td>2002</td><td>1871.6</td><td>1218.1</td><td>1079.8</td><td>1803.2</td><td>5970.7</td> </tr> <tr> <td>2003</td><td>2512.5</td><td>1408.2</td><td>1131.8</td><td>1947.5</td><td>7000</td> </tr> <tr> <td>2004</td><td>2400</td><td>1500</td><td>1850</td><td>2050</td><td>7800</td> </tr> </table> | | | | | | | | | | Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 2000 | 1916.6 | 947.6 | 947.1 | 1910.2 | 5121.5 | 2001 | 2576.1 | 1399.3 | 1102.4 | 1616.3 | 6633.1 | 2002 | 1871.6 | 1218.1 | 1079.8 | 1803.2 | 5970.7 | 2003 | 2512.5 | 1408.2 | 1131.8 | 1947.5 | 7000 | 2004 | 2400 | 1500 | 1850 | 2050 | 7800 | <table border="1"> <tr> <th>Calendar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> <tr> <td>2000</td><td>1916.6</td><td>947.6</td><td>947.1</td><td>1910.2</td><td>5121.5</td> </tr> <tr> <td>2001</td><td>2576.1</td><td>1399.3</td><td>1102.4</td><td>1616.3</td><td>6633.1</td> </tr> <tr> <td>2002</td><td>1871.6</td><td>1218.1</td><td>1079.8</td><td>1803.2</td><td>5970.7</td> </tr> <tr> <td>2003</td><td>2512.5</td><td>1408.2</td><td>1131.8</td><td>1947.5</td><td>7000</td> </tr> <tr> <td>2004</td><td>2400</td><td>1500</td><td>1850</td><td>2050</td><td>7800</td> </tr> </table> | | | | Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 2000 | 1916.6 | 947.6 | 947.1 | 1910.2 | 5121.5 | 2001 | 2576.1 | 1399.3 | 1102.4 | 1616.3 | 6633.1 | 2002 | 1871.6 | 1218.1 | 1079.8 | 1803.2 | 5970.7 | 2003 | 2512.5 | 1408.2 | 1131.8 | 1947.5 | 7000 | 2004 | 2400 | 1500 | 1850 | 2050 | 7800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | 1916.6 | 947.6 | 947.1 | 1910.2 | 5121.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 2576.1 | 1399.3 | 1102.4 | 1616.3 | 6633.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | 1871.6 | 1218.1 | 1079.8 | 1803.2 | 5970.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | 2512.5 | 1408.2 | 1131.8 | 1947.5 | 7000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | 2400 | 1500 | 1850 | 2050 | 7800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | 1916.6 | 947.6 | 947.1 | 1910.2 | 5121.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 2576.1 | 1399.3 | 1102.4 | 1616.3 | 6633.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | 1871.6 | 1218.1 | 1079.8 | 1803.2 | 5970.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | 2512.5 | 1408.2 | 1131.8 | 1947.5 | 7000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | 2400 | 1500 | 1850 | 2050 | 7800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EARNINGS PER SHARE ^{A,B} | | | <table border="1"> <tr> <th>Calendar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> <tr> <td>2000</td><td>1.22</td><td>.35</td><td>.10</td><td>.43</td><td>2.10</td> </tr> <tr> <td>2001</td><td>1.61</td><td>d.06</td><td>d.26</td><td>.43</td><td>1.72</td> </tr> <tr> <td>2002</td><td>1.51</td><td>.20</td><td>.02</td><td>1.02</td><td>2.75</td> </tr> <tr> <td>2003</td><td>1.54</td><td>d.05</td><td>.07</td><td>.84</td><td>2.40</td> </tr> <tr> <td>2004</td><td>1.47</td><td>.21</td><td>.06</td><td>.97</td><td>2.65</td> </tr> </table> | | | | | | | | | | Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 2000 | 1.22 | .35 | .10 | .43 | 2.10 | 2001 | 1.61 | d.06 | d.26 | .43 | 1.72 | 2002 | 1.51 | .20 | .02 | 1.02 | 2.75 | 2003 | 1.54 | d.05 | .07 | .84 | 2.40 | 2004 | 1.47 | .21 | .06 | .97 | 2.65 | <table border="1"> <tr> <th>Calendar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> <tr> <td>2000</td><td>1.22</td><td>.35</td><td>.10</td><td>.43</td><td>2.10</td> </tr> <tr> <td>2001</td><td>1.61</td><td>d.06</td><td>d.26</td><td>.43</td><td>1.72</td> </tr> <tr> <td>2002</td><td>1.51</td><td>.20</td><td>.02</td><td>1.02</td><td>2.75</td> </tr> <tr> <td>2003</td><td>1.54</td><td>d.05</td><td>.07</td><td>.84</td><td>2.40</td> </tr> <tr> <td>2004</td><td>1.47</td><td>.21</td><td>.06</td><td>.97</td><td>2.65</td> </tr> </table> | | | | Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 2000 | 1.22 | .35 | .10 | .43 | 2.10 | 2001 | 1.61 | d.06 | d.26 | .43 | 1.72 | 2002 | 1.51 | .20 | .02 | 1.02 | 2.75 | 2003 | 1.54 | d.05 | .07 | .84 | 2.40 | 2004 | 1.47 | .21 | .06 | .97 | 2.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | 1.22 | .35 | .10 | .43 | 2.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 1.61 | d.06 | d.26 | .43 | 1.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | 1.51 | .20 | .02 | 1.02 | 2.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | 1.54 | d.05 | .07 | .84 | 2.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | 1.47 | .21 | .06 | .97 | 2.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | 1.22 | .35 | .10 | .43 | 2.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 1.61 | d.06 | d.26 | .43 | 1.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | 1.51 | .20 | .02 | 1.02 | 2.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | 1.54 | d.05 | .07 | .84 | 2.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | 1.47 | .21 | .06 | .97 | 2.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| QUARTERLY DIVIDENDS PAID ^{A,C} | | | <table border="1"> <tr> <th>Calendar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> <tr> <td>1999</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2000</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2001</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2002</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2003</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> </table> | | | | | | | | | | Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 1999 | .445 | .445 | .445 | .445 | 1.78 | 2000 | .445 | .445 | .445 | .445 | 1.78 | 2001 | .445 | .445 | .445 | .445 | 1.78 | 2002 | .445 | .445 | .445 | .445 | 1.78 | 2003 | .445 | .445 | .445 | .445 | 1.78 | <table border="1"> <tr> <th>Calendar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> <tr> <td>1999</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2000</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2001</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2002</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> <tr> <td>2003</td><td>.445</td><td>.445</td><td>.445</td><td>.445</td><td>1.78</td> </tr> </table> | | | | Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | 1999 | .445 | .445 | .445 | .445 | 1.78 | 2000 | .445 | .445 | .445 | .445 | 1.78 | 2001 | .445 | .445 | .445 | .445 | 1.78 | 2002 | .445 | .445 | .445 | .445 | 1.78 | 2003 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1999 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1999 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | .445 | .445 | .445 | .445 | 1.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BUSINESS | | | <p>KeySpan Corp. is a holding company created 5/88 via the merger of KeySpan Energy (formerly Brooklyn Union) and Long Island Lighting. Acq. Eastern Enterprises 11/6/00, making KeySpan the largest gas distributor in the Northeast, serving most of New York City and nearby Long Island, and New England. Has 2.5 mil. gas meters; its market is mainly one-family homes and apartments.</p> <p>Also generates electricity and operates transmission lines. Contract with L.I. Power Author. Parent owns 50% of Houston Exploration; 20% of Iroquois Pipeline. Non-regulated subs. market gas supplies; sell ind'l energy mgmt. svcs. Has 13,000 emp. Chmn.: R.B. Catell, Inc., NY. Address: 1 MetroTech Center, Brooklyn, NY 11201. Telephone: 718-403-1000. Web: www.keyspanenergy.com.</p> | | | | | | | | | | <p>KeySpan, though far from being a risky investment, needs to recondition its balance sheet. The company, which has been busy developing its energy-related activities, is still mostly a regulated enterprise engaged in the production and distribution of natural gas and electric power. The big gas-utility group, serving New York City, adjacent Long Island, and much of northern New England, is the sum and substance of the earnings-regulated business. Power generation, domestic field production of gas, and various residential and commercial energy services represent the nonregulated side of KeySpan, contributing between 40% and 45% of aggregate profits. But as much as the company has removed itself from state and federal oversight, its return on shareholders' investment has been mediocre. Then, too, the balance sheet has too much senior capital ahead of equity—especially since KeySpan has a high proportion of shareholder-risk businesses. Management, recognizing the problem, is working to reduce the debt ratio to a prudent level relative to earnings and cash flow. This year, KeySpan issued some \$500 million of new common shares. It has also sold some noncore assets. Though a loss was recorded on the disposal of the Canadian gas-processing business, the \$120 million proceeds obviated the need to raise that much capital in the form of borrowings. Overall, we expect debt to increase moderately in 2004, with average borrowing costs receding a bit and retained earnings adding nicely to common equity. At the moment, however, there appears to be only a slim chance the debt ratio will be low enough in 2004 to warrant a dividend boost. Directors would, perhaps, also like to feel certain the company can sustain a wider return on equity before committing to a higher payout. (Though dividend reinvestments effectively reduce the payout ratio and improve cash flow, lenders' credit ratings don't seem to fully take these factors into account.) Overall, we view KeySpan's Financial Strength as satisfactory, with the dividend looking secure. And while we don't see this stock as a performance vehicle, its liberal current yield reflects the prospect of no dividend hike in 2004.</p> <p>Gerald Holtzman December 19, 2003</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Footnote (A) | | | <p>Data for former KeySpan Energy through '97 (years end 9/30); new KeySpan Corp. began '98 on a calendar-year basis. (B) Diluted shs. Excl. nonrecur. gains (charges): '90.</p> | | | | | | | | | | <p>(C) Dividends historically paid in February, May, August, and November. Div'd reinvestment plan available.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Footnote (B) | | | <p>(\$0.19); '96, \$0.52; '97, \$0.16. Gain (loss) discount ops.: '00, (\$0.02); '01, (\$0.14); '02, (\$0.14). Next eps. report due late January.</p> | | | | | | | | | | <p>(D) Includes deferred charges. At 12/31/02: \$20.51/sh. (E) In millions, adjusted for split.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Footnote (C) | | | <p>Company's Financial Strength B++</p> | | | | | | | | | | <p>Stock's Price Stability 95</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Footnote (D) | | | <p>Price Growth Persistence 40</p> | | | | | | | | | | <p>Earnings Predictability 10</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Footnote (E) | | | <p>To subscribe call 1-800-833-0046.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(A) Data for former KeySpan Energy through '97 (years end 9/30); new KeySpan Corp. began '98 on a calendar-year basis. (B) Diluted shs. Excl. nonrecur. gains (charges): '90. (C) Dividends historically paid in February, May, August, and November. Div'd reinvestment plan available. (D) Includes deferred charges. At 12/31/02: \$20.51/sh. (E) In millions, adjusted for split. © 2003, Value Line Publishing, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, stored or transmitted in any printed, electronic or other form, or used for generating or facilitating any printed or electronic publication, service or product.

N.W. NAT'L GAS NYSE-NWN RECENT PRICE **30.01** P/E RATIO **15.8** (Trailing: 16.5 Median: 13.0) RELATIVE P/E RATIO **0.85** DIV'D YLD **4.3%** VALUE LINE **468**



| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | | | | | | | | | | | |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Price | 19.69 | 17.39 | 15.22 | 17.02 | 16.74 | 14.10 | 18.15 | 18.30 | 16.02 | 16.86 | 15.82 | 16.77 | 16.17 | 21.09 | 25.78 | 25.07 | 22.60 | 24.25 | 24.25 | 24.25 | 24.25 | 24.25 | 24.25 |
| Gain | 2.38 | 2.79 | 2.95 | 3.22 | 2.57 | 3.25 | 3.74 | 3.50 | 3.41 | 3.96 | 3.72 | 3.24 | 3.72 | 3.68 | 3.86 | 3.65 | 3.80 | 4.05 | 4.05 | 4.05 | 4.05 | 4.05 | 4.05 |
| Loss | 1.20 | 1.33 | 1.58 | 1.82 | 0.74 | 1.13 | 1.74 | 1.63 | 1.61 | 1.76 | 1.76 | 1.02 | 1.70 | 1.79 | 1.88 | 1.82 | 1.75 | 1.95 | 1.95 | 1.95 | 1.95 | 1.95 | 1.95 |
| Return | 1.04 | 1.05 | 1.07 | 1.10 | 1.13 | 1.15 | 1.17 | 1.17 | 1.18 | 1.20 | 1.21 | 1.22 | 1.23 | 1.24 | 1.25 | 1.26 | 1.27 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 |
| High | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 |
| Low | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |

| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenues per sh | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 | 29.50 |
| "Cash Flow" per sh | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| Earnings per sh | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 | 2.35 |
| Div'ds Decl'd per sh | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 |
| Cap'l Spending per sh | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 |
| Book Value per sh | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 |
| Common Shs Outst'g | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 |
| Avg Ann'l P/E Ratio | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 |
| Relative P/E Ratio | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 |
| Avg Ann'l Div'd Yield | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% |

| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenues (\$mill) | 358.7 | 368.3 | 356.3 | 380.3 | 361.8 | 416.7 | 465.8 | 532.1 | 650.3 | 641.4 | 585 | 635 |
| Net Profit (\$mill) | 37.7 | 36.5 | 38.1 | 48.8 | 43.1 | 27.3 | 44.9 | 47.8 | 50.2 | 43.8 | 45.5 | 50.5 |
| Income Tax Rate | 57.0% | 56.6% | 56.6% | 56.9% | 52.0% | 51.0% | 55.4% | 55.0% | 38.4% | 34.9% | 31.0% | 35.0% |
| Net Profit Margin | 10.5% | 9.6% | 10.7% | 12.3% | 11.9% | 6.6% | 9.9% | 9.0% | 7.7% | 6.8% | 7.8% | 8.0% |
| Long-Term Debt Ratio | 47.5% | 47.5% | 48.5% | 41.4% | 45.0% | 48.0% | 48.0% | 48.1% | 49.0% | 47.6% | 47.5% | 48.0% |
| Common Equity Ratio | 48.0% | 45.1% | 50.3% | 58.6% | 49.0% | 50.6% | 49.9% | 50.9% | 53.2% | 51.5% | 52.5% | 52.0% |
| Capital (\$mill) | 675.2 | 607.7 | 645.3 | 657.4 | 748.0 | 815.6 | 861.5 | 887.9 | 880.5 | 937.3 | 850 | 1029 |
| Net Plant (\$mill) | 606.9 | 654.3 | 597.2 | 746.3 | 827.5 | 894.7 | 955.0 | 954.0 | 965.0 | 995.6 | 1060 | 1100 |
| Return on Total Cap'l | 8.5% | 7.6% | 7.7% | 8.8% | 7.4% | 5.0% | 6.8% | 6.7% | 6.9% | 5.9% | 6.5% | 6.5% |
| Return on Shr. Equity | 12.5% | 11.2% | 10.5% | 12.1% | 10.7% | 6.1% | 9.7% | 9.5% | 10.0% | 8.9% | 9.5% | 10.0% |
| Return on Com Equity | 13.2% | 11.8% | 10.9% | 12.7% | 11.0% | 6.0% | 9.8% | 10.0% | 10.2% | 8.5% | 9.5% | 10.0% |
| Retained to Com Eq | 4.4% | 3.9% | 3.6% | 5.0% | 3.6% | NMF | 2.8% | 3.1% | 3.5% | 1.9% | 2.6% | 3.0% |
| All Div'ds to Net Prof | 70% | 74% | 74% | 63% | 70% | 118% | 74% | 70% | 67% | 79% | 73% | 67% |

CAPITAL STRUCTURE as of 9/30/03
Total Debt \$543.7 mill. Due in 4 Yrs \$165.0 mill.
LT Debt \$450.8 mill. LT Interest \$32.0 mill.
Incl. \$5.3 mill. 7 1/4% debts due 3/1/12, each conv. into 50.25 com. shs. at \$19.00.
(Total interest coverage: 2.6x)
Pension Assets-12/02 \$143.2 mill. Oblig. \$185.1 mill.
Pfd Stock None
Common Stock 25,856,816 shs.
MARKET CAP \$779 million (Small Cap)

| Year | 2001 | 2002 | 6/30/03 |
|------------------|-------|-------|---------|
| Cash Assets | 10.4 | 7.3 | 7.0 |
| Other | 199.9 | 185.7 | 124.2 |
| Current Assets | 210.3 | 193.0 | 131.2 |
| Accounts Payable | 70.7 | 74.4 | 53.0 |
| Debt Due | 148.9 | 89.8 | 89.9 |
| Other | 24.5 | 40.8 | 47.1 |
| Current Liab. | 273.8 | 208.0 | 185.0 |
| Fx. Chg. Cov. | 285% | 296% | 275% |

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '00-'09
of change (per ch)
Revenues 4.0% 8.0% 3.5%
"Cash Flow" 2.0% 0.5% 3.0%
Earnings 5.5% 5.0% 5.0%
Dividends 1.0% 1.0% 1.5%
Book Value 4.0% 4.0% 4.0%

| Year | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------|-------|-------|------|-------|-------|
| Quarterly Revenues (\$mill) | 186.5 | 86.1 | 61.2 | 188.2 | 532.1 |
| 2001 | 217.3 | 118.2 | 78.4 | 236.4 | 650.3 |
| 2002 | 278.6 | 101.9 | 78.7 | 182.2 | 641.4 |
| 2003 | 206.5 | 117.5 | 69.5 | 191.5 | 585 |
| 2004 | 299 | 129 | 89.0 | 205 | 635 |

| Year | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------|------|------|------|------|------|
| Earnings per share | 1.20 | .87 | d.22 | .74 | 1.79 |
| 2001 | .99 | .17 | d.22 | .94 | 1.88 |
| 2002 | 1.32 | d.13 | d.26 | .89 | 1.62 |
| 2003 | 1.01 | .17 | d.25 | .82 | 1.76 |
| 2004 | 1.19 | .15 | d.29 | .85 | 1.95 |

| Year | 1999 | 2000 | 2001 | 2002 | 2003 |
|--------------------------|------|------|------|------|------|
| Quarterly Dividends Paid | .305 | .305 | .305 | .31 | 1.23 |
| 2000 | .31 | .31 | .31 | .31 | 1.24 |
| 2001 | .31 | .31 | .31 | .316 | 1.26 |
| 2002 | .315 | .315 | .315 | .315 | 1.26 |
| 2003 | .315 | .315 | .315 | .325 | |

BUSINESS: Northwest Natural Gas Co. (doing business as NW Natural) distributes natural gas at retail to 90 communities, 540,931 customers, in Oregon (96% of revs.) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 2.4 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline sys to bring gas to market. Owns local underground storage. Gas revs: residential & comm'l, 88%; ind., 9%; transport. and other, 3%. Employs 1,260. Has 10,359 com. shhldrs. Insiders own about 1% of com. Chrmn: R.G. Reiten. CEO: M.S. Dodson, Inc. OR. Addr.: 220 N.W. 2nd Ave., Portland, OR 97209. Tel: 503-226-4211. Internet: www.nwnatural.com.

Northwest Natural seems pleased with its rate case settlement. This gas utility filed its rate application about a year ago and was able to achieve a negotiated settlement with its Oregon regulators late last summer. Management gave ground on some of the issues contained in the original application in order to realize the financial benefits in time for the current heating season. In essence, Northwest has been permitted a small revenue increase to cover higher operating costs and better recovery of expected increases in gas-supply costs. A portion of Oregon's approvals includes a revenue deferral for the company's expanded storage system and added distribution lines, all due for completion in 2004. (Oregon won't certify new infrastructure as part of the overall rate base until it is actually placed in service). Though the net effect of the latest rate order is a slightly lower allowed return on common equity to 10.20% from 10.25%, an expanding plant base should keep yearly earnings moving higher, giving the growing dividend better coverage. Of course, management will need to keep an eye on borrowing costs.

The rate order, importantly, includes a weather normalization clause. For the first time, NW Natural is permitted to adjust its tariffs upward to compensate for warmer-than-normal weather in the region during the heating season. By the same token, it will need to lower its rates to allow customers a break during a colder-than-normal winter. With weather being capricious, normalization accounting should result in a smoother upward earnings curve as the customer roster continues to grow in the Pacific Northwest's industrialized economy. Notably, the new rate design should establish a more predictable cash flow, making it easier for management to blueprint the capital budget and the next round of financing. **Reliable NW Natural shares are best held for current income.** Directors, seeming to take a cue from this year's rate hike, recently upped the quarterly dividend by 3.1%, the largest increase in memory for this utility. The stock's recent price takes into account the stepped-up payout, setting the current annual yield moderately below the gas-utility average. *Gerald Holtzman December 19, 2003*

PIEDMONT NAT'L NYSE-PNY

RECENT PRICE **41.26** P/E RATIO **17.8** (Trailing: 20.4 Median: 15.0) RELATIVE P/E RATIO **0.96** DIV'D YLD **4.0%** VALUE LINE **470**

TIMELINESS 5 Lowered 9/12/03
SAFETY 2 New 7/27/90
TECHNICAL 4 Lowered 12/19/03
BETA 70 (1.00 = Market)

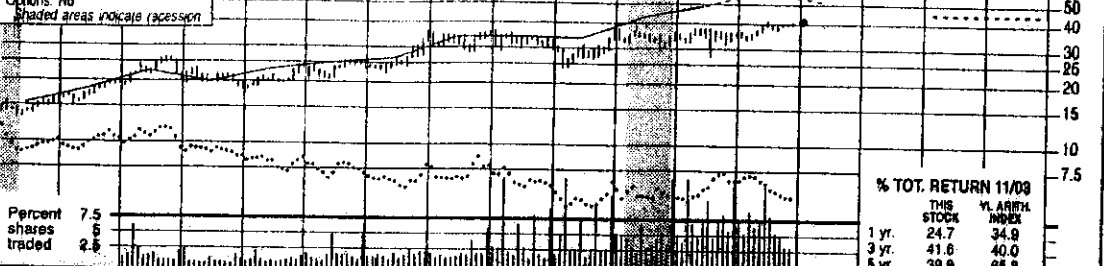
High: 20.4 26.4 23.4 24.9 25.8 36.4 36.1 36.6 39.4 38.0 38.0 41.8
 Low: 15.4 18.8 18.0 18.3 20.5 22.0 27.9 28.6 23.7 29.2 27.3 33.2

Target Price Range
 2006 2007 2008

2006-08 PROJECTIONS
 Price Gain Annt Total
 High 60 (+45%) 13%
 Low 45 (+10%) 6%

Insider Decisions
 J F M A M J J A S
 to Buy 7 3 1 0 0 4 1 0 7
 to Sell 0 0 0 0 0 0 0 0 0

Institutional Decisions
 10/2003 2/22/03 3/20/03
 to Buy 62 62 57
 to Sell 62 61 69
 Net 0 1 12



| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Value Line P/E, Inc. | 08-09 | | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 23.04 | 19.62 | 20.25 | 18.84 | 16.64 | 17.83 | 21.14 | 21.65 | 17.52 | 23.18 | 25.69 | 24.90 | 21.94 | 26.02 | 34.13 | 25.14 | 35.05 | 38.40 | 33.40 |
| 1.74 | 1.75 | 1.92 | 1.94 | 1.56 | 2.15 | 2.28 | 2.26 | 2.51 | 2.98 | 3.25 | 3.44 | 3.39 | 3.54 | 3.62 | 3.62 | 2.80 | 4.70 | 4.65 |
| 1.10 | 1.19 | 1.21 | 1.23 | 89 | 1.40 | 1.45 | 1.35 | 1.45 | 1.67 | 1.86 | 1.96 | 1.86 | 2.01 | 2.02 | 1.89 | 2.15 | 2.30 | 3.05 |
| .65 | .72 | .79 | .83 | 87 | .91 | .95 | 1.01 | 1.09 | 1.15 | 1.21 | 1.28 | 1.36 | 1.44 | 1.52 | 1.60 | 1.66 | 1.72 | 1.90 |
| 2.85 | 3.74 | 3.11 | 3.24 | 2.75 | 2.81 | 3.18 | 3.90 | 3.44 | 3.27 | 3.05 | 2.96 | 3.15 | 3.30 | 2.57 | 2.42 | 2.70 | 2.70 | 3.75 |
| 7.40 | 8.25 | 8.79 | 9.18 | 9.66 | 10.27 | 10.90 | 11.36 | 12.31 | 13.07 | 13.90 | 14.91 | 15.71 | 16.62 | 17.26 | 17.62 | 18.85 | 21.30 | 22.40 |
| 17.87 | 20.33 | 20.76 | 21.43 | 24.73 | 25.80 | 28.15 | 28.84 | 29.55 | 30.19 | 30.74 | 31.30 | 31.91 | 32.46 | 33.09 | 33.50 | 34.00 | 34.00 | 46.00 |
| 10.2 | 9.1 | 10.3 | 11.3 | 16.3 | 12.3 | 15.4 | 15.7 | 13.8 | 13.9 | 13.6 | 16.3 | 17.7 | 14.3 | 16.7 | 18.4 | 17.2 | 18.4 | 18.5 |
| .68 | .76 | .78 | .84 | 1.04 | .75 | .91 | 1.03 | .92 | .87 | .78 | .85 | 1.01 | .93 | .96 | .98 | 1.01 | 1.01 | 1.10 |
| 5.8% | 6.7% | 6.3% | 6.0% | 6.0% | 6.3% | 4.3% | 4.8% | 5.4% | 4.9% | 4.8% | 4.0% | 4.1% | 5.0% | 4.6% | 4.6% | 4.5% | 4.5% | 3.8% |

CAPITAL STRUCTURE as of 7/31/03
 Total Debt \$507.0 mill. Due in 5 Yrs \$176.0 mill.
 LT Debt \$460.0 mill. LT Interest \$41.0 mill.
 (LT interest earned: 3.3%; total interest coverage: 3.7x)

Pension Assets-1003 \$125.1 mill.
 Oblig. \$149.7 mill.

Pfd Stock None

Common Stock 33,564,851 sha.
 as of 9/2/03
MARKET CAP: \$1.4 billion (Mid Cap)

CURRENT POSITION (MILL.)

| | 8/01 | 8/02 | 7/31/03 |
|----------------|-------|-------|---------|
| Cash Assets | 5.9 | 13.1 | 13.5 |
| Other | 152.7 | 152.7 | 205.3 |
| Current Assets | 158.6 | 165.8 | 218.8 |
| Acc'ts Payable | 21.1 | 31.1 | 71.2 |
| Debt Due | 24.0 | 35.6 | 47.0 |
| Other | 73.1 | 60.5 | 54.9 |
| Current Liab. | 149.2 | 206.1 | 173.1 |
| Fix. Chg. Cov. | 307% | 290% | 283% |

| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|-------|-------|-------|
| 552.8 | 575.4 | 506.2 | 685.1 | 775.5 | 765.3 | 686.6 | 830.4 | 1107.9 | 832.0 | 1175 | 1155 | 1155 |
| 37.5 | 36.5 | 40.3 | 48.6 | 55.2 | 60.3 | 58.2 | 64.0 | 65.5 | 62.2 | 70.0 | 90.0 | 90.0 |
| 38.4% | 37.6% | 38.7% | 38.0% | 39.1% | 39.2% | 39.7% | 34.7% | 34.6% | 33.1% | 35.0% | 35.0% | 35.0% |
| 6.8% | 6.2% | 6.0% | 7.1% | 7.1% | 7.9% | 8.5% | 7.7% | 6.8% | 7.5% | 6.1% | 7.6% | 7.6% |
| 49.4% | 50.8% | 50.4% | 50.9% | 47.6% | 44.7% | 45.2% | 45.1% | 47.5% | 43.9% | 41.0% | 46.5% | 46.5% |
| 50.6% | 49.1% | 49.6% | 49.7% | 52.4% | 55.3% | 53.6% | 53.9% | 52.4% | 56.1% | 59.0% | 52.5% | 52.5% |
| 563.0 | 616.0 | 716.0 | 777.1 | 800.8 | 823.3 | 914.7 | 978.4 | 1060.4 | 1061.6 | 1125 | 1310 | 1310 |
| 654.5 | 734.9 | 801.3 | 862.0 | 941.7 | 990.6 | 1047.0 | 1072.0 | 1114.7 | 1158.5 | 1220 | 1350 | 1350 |
| 8.6% | 7.7% | 7.5% | 8.2% | 8.9% | 9.2% | 8.1% | 8.3% | 7.9% | 7.8% | 8.0% | 7.9% | 8.0% |
| 13.2% | 11.8% | 11.4% | 12.6% | 13.1% | 13.2% | 11.8% | 12.1% | 11.7% | 10.6% | 10.5% | 11.0% | 11.0% |
| 13.2% | 11.8% | 11.4% | 12.6% | 13.1% | 13.2% | 11.8% | 12.1% | 11.7% | 10.6% | 10.5% | 11.0% | 11.0% |
| 4.4% | 2.8% | 2.7% | 3.9% | 4.6% | 4.7% | 3.3% | 3.5% | 3.0% | 1.7% | 2.0% | 3.0% | 3.0% |
| 67% | 76% | 76% | 69% | 66% | 66% | 72% | 71% | 75% | 83% | 79% | 73% | 73% |

BUSINESS: Piedmont Natural Gas Company is primarily a regulated natural gas distributor, serving over 740,000 customers in North Carolina, South Carolina, and Tennessee. 2002 revenue mix: residential (30%), commercial (22%), industrial (46%), other (3%). Principal suppliers: Transco and Tennessee Pipeline. Gas costs: 53.3% of revenues. '02 depreciation rate: 3.3%. Estimated plant age: 8.7 years. Non-regulated operations: sale of gas-powered heating equipment; natural gas brokering; propane sales. Has about 1,715 employees, 18,665 shareholders of record. CEO & President: Thomas E. Skains, Incorporated: North Carolina. Address: 1915 Rexford Road, P.O. Box 33068 Charlotte, NC 28233. Telephone: 704-364-3120. Internet: www.piedmontng.com.

ANNUAL RATES Past 10 Yrs. Est'd '00-'02 of change (per %) 10 Yrs. to '04-'06

| | 10 Yrs. | Past 10 Yrs. | Est'd '00-'02 |
|-------------|---------|--------------|---------------|
| Revenues | 5.0% | 6.0% | 6.0% |
| "Cash Flow" | 5.6% | 4.4% | 6.5% |
| Earnings | 6.5% | 3.4% | 7.4% |
| Dividends | 6.8% | 6.0% | 4.0% |
| Book Value | 6.0% | 6.5% | 7.5% |

| Fiscal Year Ends | Jan.31 | Apr.30 | Jul.31 | Oct.31 | Full Fiscal Year |
|------------------|--------|--------|--------|--------|------------------|
| 2000 | 266.6 | 283.0 | 131.2 | 147.6 | 830.4 |
| 2001 | 467.6 | 406.0 | 121.8 | 110.5 | 1107.9 |
| 2002 | 288.7 | 293.9 | 127.9 | 121.5 | 832.0 |
| 2003 | 493.5 | 407.8 | 140.1 | 133.6 | 1175 |
| 2004 | 465 | 400 | 150 | 140 | 1155 |

| Fiscal Year Ends | Jan.31 | Apr.30 | Jul.31 | Oct.31 | Full Fiscal Year |
|------------------|--------|--------|--------|--------|------------------|
| 2000 | 1.40 | 1.18 | d.32 | d.25 | 2.01 |
| 2001 | 1.56 | 1.23 | d.37 | d.40 | 2.02 |
| 2002 | 1.26 | 1.27 | d.27 | d.36 | 1.99 |
| 2003 | 1.74 | .93 | d.29 | d.23 | 2.15 |
| 2004 | 1.55 | 1.25 | d.25 | d.25 | 2.30 |

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 1999 | .325 | .345 | .345 | .345 | 1.36 |
| 2000 | .345 | .365 | .365 | .365 | 1.44 |
| 2001 | .365 | .385 | .385 | .385 | 1.52 |
| 2002 | .40 | .40 | .40 | .40 | 1.60 |
| 2003 | .415 | .415 | .415 | .415 | 1.60 |

Piedmont Natural Gas completed its purchase of North Carolina Natural Gas (NCG). The company financed the \$425 million acquisition with commercial paper, but plans to issue \$250 million in long-term debt and \$200 million in equity to realign its capital structure. The deal adds about 180,000 residential, commercial and industrial natural gas customers in eastern and southern North Carolina, and will likely contribute \$0.10-\$0.15 to share earnings in fiscal 2004 (began November 1st). Piedmont plans to direct about a quarter of its 2004 capital-spending budget, targeted at \$102 million, toward NCG's operations.

We look for profits to reach \$2.30 a share in fiscal 2004, which is at the lower end of management's projected range of \$2.25-\$2.40, and about 7% higher than the \$2.15 PNY probably earned in fiscal 2003. Recently approved rate cases in Tennessee for \$10.3 million (PNY wanted \$18 million) and \$29.4 million for NCG (the company sought \$44 million) should support earnings growth going forward. And Piedmont should be able to maintain a customer growth rate of 3.0%-3.5% in 2004. But, high wholesale natural gas costs could hurt net income by as much as \$0.10-\$0.15 a share. Indeed, higher gas prices may lead some customers to switch to lower-cost fuels, as well as increase gas carrying costs and uncollectibles from low-income customers.

Piedmont has sold off some of its non-utility interests. In an effort to focus on its core gas distribution business and other energy ventures in the Southeast, the company divested its stake in Heritage Propane Partners for about \$27 million. Similarly, the company sold its interest in the Greenbrier Pipeline project to Dominion Resources for \$9.2 million. The proceeds from both sales will be used to pay down long-term debt.

This equity is presently untimely for the year ahead. Still, income-oriented investors may find favor with PNY for its good, steady dividend growth. Currently, the yield stands at 4%, about par for the LDC group. The stock's above-average Safety rank is testament to the company's stable finances and strong demographic base in the Southeast.

Edward Plank December 19, 2003

(A) Fiscal year ends October 31st.
 (B) Diluted earnings. Excl. extraordinary item: '00, '16c. Excl. nonrecurring charge: '97, 4c. Next eggs report due mid February.
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 (C) Dividends historically paid mid-January, April, July, October.
 (D) Div'd reinvest. plan available; 5% discount.
 (E) Incl. def'd chrgs. At 10/31/02: \$3.8 mill.
 (F) Qtrs. may not add to total due to change in shares outstanding.
 (G) In millions, adj. for stock split.
 (H) Qtrs. may not add to total due to change in shares outstanding.
 Company's Financial Strength B++
 Stock's Price Stability 100
 Price Growth Persistence 65
 Earnings Predictability 85
To subscribe call 1-800-833-0046.



U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 2

Responding Witness: Kenneth L. Kincel

Q.2. In reference to Exhibits KLK-6 and KLK-12:

- a. Provide the average closing prices for the period specified.
- b. Provide the quarterly dividend data used to derive the annual dividend.
- c. Provide the formula used to derive the expected dividend yield for the next twelve months and provide the inputs for the calculation.

A.2.

- a. Attachment 1 provides the average closing prices for the period specified, for each of the utilities shown in Exhibit KLK-6. Attachment 2 provides the corresponding average closing prices for each of the utilities shown in Exhibit KLK-12.
- b. The last four quarterly dividends were taken from the *Value Line Investment Survey* for the individual electric utilities in the comparable group. The individual *Value Line* reports for this group are provided in DOD Response to LG&E Question 1. The sum of the last four dividends are shown on Exhibit KLK-6. For the natural gas comparable group, because the latest reports from *Value Line* were more dated, the historical quotes database from *Yahoo Finance* was used in order to assure use of the most recent dividend data available. Attachment 3 provides the dividend data corresponding to the last 4 declared or paid dividends for the seven comparable natural gas utilities, which are summed on Exhibit KLK-12.
- c. The formula used to derive the expected dividend yield for the next twelve months is:

$$D_1 = D_0 \text{ times } (1 + g)$$

Where:

- D_1 = Dividend expected in the next year
- D_0 = Dividend declared or paid in the last 12 months
- g = Constant growth rate for the utility

This formula reduces to:

$$D_1 = D_0 + D_0 \text{ times } g$$

The inputs for that calculation are as follows:

Electric Utility Comparable Group

Low growth estimate: 4.49% = 4.29% plus (4.29% times 4.49%) (Rounding)

High growth estimate: 4.52% = 4.29% plus (4.29% times 5.26%)

Gas Utility Comparable Group

Low growth estimate: 4.59% = 4.41% plus (4.41% times 4.05%)

High growth estimate: 4.67% = 4.41% plus (4.41% times 5.76%)

There was an error in the cell reference of the spreadsheet when this formula was applied using the high growth estimate when calculating the expected dividend over the next year, as contained in Exhibits KLK-6 and KLK-12 of the Direct Testimony of K. L. Kincel. Using the low estimate for utility growth, the formula was applied correctly. Please see Attachment 4 in response to this question for a revision of estimated dividend yields for the next year using the high growth estimate. Attachment 4 contains corrected Exhibits KLK-6 and KLK-12 showing the corrected projected dividend yields and corrected ROE's using those corrected dividend yields. This correction reduced slightly the upper bound of the range for ROE found by the DCF model for both the electric utility comparable group and the natural gas utility comparable group. Thus, Attachment 4 also contains corrected versions of Exhibits KLK-5 and KLK-11 which summarize the ROE model test results for the electric utility group and the natural gas utility group, respectively.

Note from Exhibits KLK-5 and KLK-11 that Mr. Kincel's reasonable range for ROE for both LG&E's electricity component and LG&E's natural gas component were not affected by this correction. Also, Mr. Kincel's recommended ROE for LG&E's electric component (10.0%) and its natural gas component (10.5%) were not affected by this correction.



Alliant Energy

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 25.93 | 26.15 | 25.86 | 25.95 | 267900 | 25.95 |
| 15-Mar-04 | 25.7 | 25.98 | 25.56 | 25.91 | 294900 | 25.91 |
| 12-Mar-04 | 25.68 | 25.81 | 25.52 | 25.76 | 178400 | 25.76 |
| 11-Mar-04 | 25.76 | 25.94 | 25.61 | 25.75 | 518500 | 25.75 |
| 10-Mar-04 | 26.19 | 26.25 | 25.75 | 25.76 | 258700 | 25.76 |
| 09-Mar-04 | 26.25 | 26.25 | 26.02 | 26.11 | 325000 | 26.11 |
| 08-Mar-04 | 26.35 | 26.42 | 26.15 | 26.26 | 437100 | 26.26 |
| 05-Mar-04 | 25.73 | 26.4 | 25.73 | 26.35 | 590200 | 26.35 |
| 04-Mar-04 | 25.82 | 25.88 | 25.67 | 25.86 | 254000 | 25.86 |
| 03-Mar-04 | 25.8 | 25.94 | 25.62 | 25.8 | 208100 | 25.8 |
| 02-Mar-04 | 25.75 | 25.97 | 25.73 | 25.88 | 380800 | 25.88 |
| 01-Mar-04 | 25.73 | 25.93 | 25.67 | 25.86 | 288100 | 25.86 |
| 27-Feb-04 | 25.69 | 26 | 25.51 | 25.75 | 284000 | 25.75 |
| 26-Feb-04 | 25.45 | 25.66 | 25.41 | 25.58 | 179800 | 25.58 |
| 25-Feb-04 | 25.6 | 25.7 | 25.38 | 25.57 | 250300 | 25.57 |
| 24-Feb-04 | 25.45 | 25.79 | 25.44 | 25.68 | 244900 | 25.68 |
| 23-Feb-04 | 25.7 | 25.77 | 25.38 | 25.59 | 142000 | 25.59 |
| 20-Feb-04 | 25.98 | 25.98 | 25.54 | 25.74 | 175800 | 25.74 |
| 19-Feb-04 | 26.22 | 26.33 | 26.02 | 26.09 | 135900 | 26.09 |
| 18-Feb-04 | 26.32 | 26.39 | 26.17 | 26.3 | 209000 | 26.3 |
| 17-Feb-04 | 26.2 | 26.2 | 25.99 | 26.19 | 271100 | 26.19 |
| 13-Feb-04 | 26.05 | 26.24 | 25.95 | 25.96 | 166000 | 25.96 |
| 12-Feb-04 | 26.14 | 26.23 | 26.06 | 26.21 | 127000 | 26.21 |
| 11-Feb-04 | 26.18 | 26.29 | 26.03 | 26.29 | 373100 | 26.29 |
| 10-Feb-04 | 26.03 | 26.18 | 25.9 | 26.18 | 281400 | 26.18 |
| 09-Feb-04 | 25.98 | 26.01 | 25.86 | 25.96 | 211900 | 25.96 |
| 06-Feb-04 | 25.68 | 25.98 | 25.59 | 25.98 | 178500 | 25.98 |
| 05-Feb-04 | 25.7 | 25.93 | 25.57 | 25.57 | 281900 | 25.57 |
| 04-Feb-04 | 26.04 | 26.04 | 25.64 | 25.81 | 291100 | 25.81 |
| 03-Feb-04 | 25.83 | 26.05 | 25.79 | 26 | 222400 | 26 |
| 02-Feb-04 | 25.89 | 26 | 25.72 | 25.84 | 359000 | 25.84 |
| 30-Jan-04 | 25.72 | 26.11 | 25.58 | 25.89 | 687800 | 25.89 |
| 29-Jan-04 | 25.45 | 25.7 | 25.01 | 25.32 | 247700 | 25.32 |
| 28-Jan-04 | 25.55 | 25.7 | 25.34 | 25.48 | 1115400 | 25.48 |
| 27-Jan-04 | 25.47 | 25.68 | 25.36 | 25.67 | 213200 | 25.42 |
| 26-Jan-04 | 25.74 | 25.74 | 25.33 | 25.58 | 135700 | 25.33 |
| 23-Jan-04 | 25.68 | 25.86 | 25.47 | 25.64 | 134600 | 25.39 |
| 22-Jan-04 | 25.79 | 25.79 | 25.6 | 25.63 | 278100 | 25.38 |
| 21-Jan-04 | 25.63 | 25.8 | 25.57 | 25.79 | 313200 | 25.54 |
| 20-Jan-04 | 24.89 | 25.73 | 24.89 | 25.68 | 391400 | 25.43 |
| 16-Jan-04 | 24.88 | 25.07 | 24.85 | 24.95 | 100900 | 24.71 |
| 15-Jan-04 | 25.14 | 25.14 | 24.82 | 24.98 | 152900 | 24.74 |
| 14-Jan-04 | 24.98 | 25.16 | 24.85 | 25.14 | 185500 | 24.9 |
| 13-Jan-04 | 24.89 | 24.98 | 24.76 | 24.87 | 226500 | 24.63 |
| 12-Jan-04 | 24.91 | 25.08 | 24.84 | 25.03 | 420600 | 24.79 |
| 09-Jan-04 | 25.1 | 25.19 | 24.66 | 24.76 | 155700 | 24.52 |
| 08-Jan-04 | 25.18 | 25.21 | 24.85 | 25.17 | 211800 | 24.92 |
| 07-Jan-04 | 24.95 | 25.24 | 24.76 | 25.18 | 270000 | 24.93 |
| 06-Jan-04 | 24.73 | 24.99 | 24.61 | 24.95 | 395900 | 24.71 |
| 05-Jan-04 | 24.9 | 24.94 | 24.54 | 24.89 | 220600 | 24.65 |
| 02-Jan-04 | 24.91 | 25.08 | 24.71 | 24.82 | 161700 | 24.58 |
| 31-Dec-03 | 24.85 | 25 | 24.77 | 24.9 | 161800 | 24.66 |
| 30-Dec-03 | 24.67 | 25.09 | 24.67 | 24.94 | 224000 | 24.7 |
| 29-Dec-03 | 24.69 | 24.9 | 24.69 | 24.77 | 238200 | 24.53 |
| 26-Dec-03 | 24.62 | 24.82 | 24.51 | 24.77 | 92900 | 24.53 |
| 24-Dec-03 | 24.63 | 24.7 | 24.52 | 24.63 | 74100 | 24.39 |
| 23-Dec-03 | 24.39 | 24.64 | 24.36 | 24.6 | 217500 | 24.36 |
| 22-Dec-03 | 24.17 | 24.6 | 24.12 | 24.51 | 356500 | 24.27 |
| 19-Dec-03 | 24.2 | 24.29 | 24.14 | 24.29 | 286100 | 24.05 |
| 18-Dec-03 | 24.2 | 24.36 | 24 | 24.27 | 421400 | 24.03 |
| 17-Dec-03 | 24.5 | 24.5 | 24.01 | 24.15 | 299900 | 23.91 |
| Average | | | | 25.51 | | |

Ameren

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 46.32 | 46.55 | 46.05 | 46.39 | 529000 | 46.39 |
| 15-Mar-04 | 46.25 | 46.3 | 45.92 | 46.1 | 413700 | 46.1 |
| 12-Mar-04 | 46 | 46.25 | 45.66 | 46.25 | 511100 | 46.25 |
| 11-Mar-04 | 46.59 | 46.6 | 45.85 | 45.85 | 923500 | 45.85 |
| 10-Mar-04 | 47.26 | 47.26 | 46.52 | 46.59 | 373100 | 46.59 |
| 09-Mar-04 | 47.46 | 47.46 | 46.99 | 47.05 | 640300 | 47.05 |
| 08-Mar-04 | 47.55 | 47.92 | 47.21 | 47.45 | 3720600 | 47.45 |
| 05-Mar-04 | 47.95 | 48.23 | 47.88 | 48.12 | 943400 | 47.48 |
| 04-Mar-04 | 47.61 | 48 | 47.49 | 47.99 | 1091300 | 47.36 |
| 03-Mar-04 | 47.65 | 47.77 | 47.43 | 47.64 | 676400 | 47.01 |
| 02-Mar-04 | 47.82 | 48.03 | 47.53 | 47.8 | 670000 | 47.17 |
| 01-Mar-04 | 47.4 | 48.08 | 47.35 | 47.88 | 943800 | 47.25 |
| 27-Feb-04 | 46.68 | 47.45 | 46.61 | 47.4 | 1189900 | 46.77 |
| 26-Feb-04 | 46.35 | 46.67 | 46.23 | 46.65 | 1164500 | 46.03 |
| 25-Feb-04 | 46.33 | 46.5 | 46.24 | 46.34 | 505500 | 45.73 |
| 24-Feb-04 | 46.36 | 46.5 | 46.1 | 46.22 | 627400 | 45.61 |
| 23-Feb-04 | 46.28 | 46.6 | 46.16 | 46.3 | 481200 | 45.69 |
| 20-Feb-04 | 46.68 | 46.68 | 46.15 | 46.25 | 965100 | 45.64 |
| 19-Feb-04 | 46.7 | 46.84 | 46.26 | 46.65 | 807000 | 46.03 |
| 18-Feb-04 | 46.55 | 46.72 | 46.37 | 46.5 | 1097400 | 45.89 |
| 17-Feb-04 | 46.6 | 46.85 | 46.49 | 46.55 | 378700 | 45.94 |
| 13-Feb-04 | 46.48 | 46.68 | 46.25 | 46.34 | 707000 | 45.73 |
| 12-Feb-04 | 46.9 | 46.9 | 46.36 | 46.5 | 772700 | 45.89 |
| 11-Feb-04 | 46.8 | 48.91 | 46.45 | 46.91 | 866800 | 46.29 |
| 10-Feb-04 | 46.25 | 46.85 | 46.15 | 46.8 | 935900 | 46.18 |
| 09-Feb-04 | 46.28 | 46.6 | 46.06 | 46.6 | 868000 | 45.99 |
| 06-Feb-04 | 46.33 | 46.4 | 46.15 | 46.28 | 1057800 | 45.67 |
| 05-Feb-04 | 46.36 | 46.39 | 46.1 | 46.12 | 1199400 | 45.51 |
| 04-Feb-04 | 46.25 | 46.44 | 46 | 46.31 | 6115500 | 45.7 |
| 03-Feb-04 | 48.01 | 48.17 | 47.56 | 47.57 | 923400 | 46.94 |
| 02-Feb-04 | 48.29 | 48.29 | 47.8 | 47.96 | 882800 | 47.33 |
| 30-Jan-04 | 48.2 | 48.29 | 47.8 | 48.29 | 513300 | 47.65 |
| 29-Jan-04 | 47.88 | 48.34 | 47.77 | 48.2 | 687200 | 47.56 |
| 28-Jan-04 | 47.2 | 48.12 | 47.15 | 47.87 | 940100 | 47.24 |
| 27-Jan-04 | 47.19 | 47.19 | 46.77 | 47.15 | 572400 | 46.53 |
| 26-Jan-04 | 47.4 | 47.46 | 46.93 | 47.11 | 616000 | 46.49 |
| 23-Jan-04 | 47.54 | 47.91 | 47.36 | 47.52 | 473800 | 46.89 |
| 22-Jan-04 | 47.24 | 47.86 | 47.01 | 47.53 | 639100 | 46.9 |
| 21-Jan-04 | 46.44 | 47.45 | 46.3 | 47.33 | 659300 | 46.71 |
| 20-Jan-04 | 46.2 | 46.5 | 46.07 | 46.38 | 370400 | 45.77 |
| 16-Jan-04 | 46.14 | 46.17 | 45.88 | 46.1 | 413200 | 45.49 |
| 15-Jan-04 | 46 | 46.14 | 45.79 | 45.98 | 522100 | 45.37 |
| 14-Jan-04 | 45.55 | 45.99 | 45.55 | 45.94 | 372100 | 45.33 |
| 13-Jan-04 | 45.7 | 45.79 | 45.41 | 45.56 | 376000 | 44.96 |
| 12-Jan-04 | 45.41 | 45.63 | 45.39 | 45.54 | 366700 | 44.94 |
| 09-Jan-04 | 45.44 | 45.6 | 45.2 | 45.4 | 545200 | 44.8 |
| 08-Jan-04 | 45.5 | 45.69 | 45.47 | 45.54 | 531800 | 44.94 |
| 07-Jan-04 | 45.12 | 45.72 | 44.96 | 45.55 | 450900 | 44.95 |
| 06-Jan-04 | 45.48 | 45.48 | 44.91 | 45.07 | 602800 | 44.48 |
| 05-Jan-04 | 46.02 | 46.02 | 45.31 | 45.48 | 450800 | 44.88 |
| 02-Jan-04 | 46.17 | 46.41 | 45.71 | 45.8 | 507200 | 45.2 |
| 31-Dec-03 | 46.15 | 46.17 | 45.78 | 46 | 520600 | 45.39 |
| 30-Dec-03 | 45.69 | 46.08 | 45.55 | 46.08 | 518600 | 45.47 |
| 29-Dec-03 | 45.6 | 45.77 | 45.45 | 45.69 | 423500 | 45.09 |
| 26-Dec-03 | 45.57 | 45.75 | 45.41 | 45.44 | 190800 | 44.84 |
| 24-Dec-03 | 45.54 | 45.64 | 45.46 | 45.48 | 153800 | 44.88 |
| 23-Dec-03 | 45.49 | 45.7 | 45.32 | 45.52 | 417900 | 44.92 |
| 22-Dec-03 | 45.31 | 45.47 | 45.13 | 45.47 | 309400 | 44.87 |
| 19-Dec-03 | 45 | 45.29 | 45 | 45.29 | 731300 | 44.69 |
| 18-Dec-03 | 44.89 | 44.98 | 44.71 | 44.98 | 442700 | 44.39 |
| 17-Dec-03 | 44.65 | 44.89 | 44.51 | 44.89 | 460100 | 44.3 |
| Average | | | | 46.48 | | |

Con Edison (ED)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 44.15 | 44.37 | 44 | 44.17 | 809500 | 44.17 |
| 15-Mar-04 | 43.85 | 43.98 | 43.6 | 43.86 | 586500 | 43.86 |
| 12-Mar-04 | 43.55 | 43.8 | 43.42 | 43.8 | 653900 | 43.8 |
| 11-Mar-04 | 44.22 | 44.61 | 43.57 | 43.57 | 1021500 | 43.57 |
| 10-Mar-04 | 44.65 | 44.9 | 44.23 | 44.33 | 1056500 | 44.33 |
| 09-Mar-04 | 44.64 | 44.64 | 44.22 | 44.46 | 1005200 | 44.46 |
| 08-Mar-04 | 44.91 | 45.01 | 44.65 | 44.69 | 625000 | 44.69 |
| 05-Mar-04 | 44.77 | 44.99 | 44.64 | 44.9 | 1009700 | 44.9 |
| 04-Mar-04 | 44.56 | 44.86 | 44.47 | 44.72 | 692800 | 44.72 |
| 03-Mar-04 | 44.63 | 44.78 | 44.22 | 44.64 | 855400 | 44.64 |
| 02-Mar-04 | 44.55 | 44.95 | 44.25 | 44.55 | 988400 | 44.55 |
| 01-Mar-04 | 44.17 | 44.63 | 44.02 | 44.47 | 746000 | 44.47 |
| 27-Feb-04 | 42.94 | 44.22 | 42.94 | 44.17 | 1507100 | 44.17 |
| 26-Feb-04 | 43.55 | 43.72 | 43.32 | 43.63 | 667000 | 43.63 |
| 25-Feb-04 | 43.65 | 43.78 | 43.5 | 43.51 | 716100 | 43.51 |
| 24-Feb-04 | 43.55 | 43.65 | 43.1 | 43.65 | 841100 | 43.65 |
| 23-Feb-04 | 43.57 | 43.77 | 43.29 | 43.55 | 553500 | 43.55 |
| 20-Feb-04 | 44.14 | 44.14 | 43.44 | 43.57 | 720300 | 43.57 |
| 19-Feb-04 | 44 | 44.2 | 43.94 | 44.14 | 1370300 | 44.14 |
| 18-Feb-04 | 43.56 | 43.82 | 43.44 | 43.82 | 1069700 | 43.82 |
| 17-Feb-04 | 43.37 | 43.49 | 43.18 | 43.48 | 592700 | 43.48 |
| 13-Feb-04 | 43.53 | 43.63 | 43.17 | 43.34 | 752000 | 43.34 |
| 12-Feb-04 | 43.45 | 43.59 | 43.29 | 43.48 | 773600 | 43.48 |
| 11-Feb-04 | 43.2 | 43.63 | 42.9 | 43.63 | 1274900 | 43.63 |
| 10-Feb-04 | 42.97 | 43.2 | 42.9 | 43.16 | 1212900 | 43.16 |
| 09-Feb-04 | 42.5 | 43.77 | 42.45 | 42.96 | 1179900 | 42.96 |
| 08-Feb-04 | 43.65 | 43.79 | 43.4 | 43.43 | 1102900 | 42.87 |
| 05-Feb-04 | 44.25 | 44.3 | 43.54 | 43.57 | 1304700 | 43 |
| 04-Feb-04 | 44.45 | 44.45 | 43.75 | 43.85 | 1629800 | 43.28 |
| 03-Feb-04 | 44.08 | 44.49 | 43.95 | 44.47 | 1011700 | 43.89 |
| 02-Feb-04 | 43.84 | 44.12 | 43.77 | 44.08 | 1303500 | 43.51 |
| 30-Jan-04 | 43.8 | 43.86 | 43.49 | 43.83 | 1023300 | 43.26 |
| 29-Jan-04 | 43.4 | 43.95 | 43 | 43.79 | 1572700 | 43.22 |
| 28-Jan-04 | 42.45 | 43.52 | 42.35 | 43.4 | 2564500 | 42.84 |
| 27-Jan-04 | 42.65 | 42.65 | 42.21 | 42.28 | 1434000 | 41.73 |
| 26-Jan-04 | 43.25 | 43.25 | 42.48 | 42.64 | 1014000 | 42.09 |
| 23-Jan-04 | 43.3 | 43.32 | 42.75 | 43.25 | 1426800 | 42.69 |
| 22-Jan-04 | 43.39 | 44.1 | 43.16 | 43.36 | 839000 | 42.8 |
| 21-Jan-04 | 43.17 | 43.89 | 42.88 | 43.89 | 793300 | 43.32 |
| 20-Jan-04 | 42.8 | 43.17 | 42.7 | 43.17 | 407100 | 42.61 |
| 16-Jan-04 | 42.85 | 43.03 | 42.75 | 42.84 | 508500 | 42.28 |
| 15-Jan-04 | 43.15 | 43.18 | 42.72 | 42.85 | 593700 | 42.29 |
| 14-Jan-04 | 43.03 | 43.19 | 42.96 | 43.06 | 451900 | 42.5 |
| 13-Jan-04 | 42.79 | 43.15 | 42.79 | 43.02 | 860800 | 42.46 |
| 12-Jan-04 | 42.78 | 42.92 | 42.52 | 42.79 | 908000 | 42.23 |
| 09-Jan-04 | 42.83 | 42.98 | 42.57 | 42.88 | 807800 | 42.32 |
| 08-Jan-04 | 42.9 | 43.15 | 42.61 | 42.83 | 911700 | 42.27 |
| 07-Jan-04 | 42.68 | 42.9 | 42.6 | 42.9 | 1064900 | 42.34 |
| 06-Jan-04 | 42.55 | 42.71 | 42.31 | 42.68 | 888400 | 42.12 |
| 05-Jan-04 | 42.98 | 43.08 | 42.29 | 42.7 | 1703000 | 42.14 |
| 02-Jan-04 | 43.06 | 43.19 | 42.87 | 42.98 | 1145200 | 42.42 |
| 31-Dec-03 | 43.23 | 43.33 | 43 | 43.01 | 642900 | 42.45 |
| 30-Dec-03 | 43.41 | 43.47 | 43.27 | 43.29 | 817600 | 42.73 |
| 29-Dec-03 | 42.92 | 43.48 | 42.88 | 43.41 | 909300 | 42.85 |
| 26-Dec-03 | 42.98 | 42.98 | 42.78 | 42.85 | 158500 | 42.29 |
| 24-Dec-03 | 42.99 | 43.02 | 42.78 | 42.83 | 294800 | 42.27 |
| 23-Dec-03 | 42.8 | 42.99 | 42.69 | 42.99 | 799900 | 42.43 |
| 22-Dec-03 | 42.24 | 42.65 | 42.03 | 42.65 | 850000 | 42.1 |
| 19-Dec-03 | 42.3 | 42.45 | 42.1 | 42.38 | 874900 | 41.83 |
| 18-Dec-03 | 41.7 | 42.3 | 41.5 | 42.3 | 797900 | 41.75 |
| 17-Dec-03 | 41.55 | 41.78 | 41.27 | 41.78 | 790800 | 41.24 |
| Average | | | | 43.45 | | |

DTE Energy

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 41.54 | 41.92 | 41.5 | 41.73 | 1266800 | 41.73 |
| 15-Mar-04 | 41.48 | 41.58 | 41.22 | 41.5 | 758800 | 41.5 |
| 12-Mar-04 | 41.11 | 41.63 | 41.06 | 41.38 | 821000 | 41.38 |
| 11-Mar-04 | 41.6 | 41.78 | 41.1 | 41.11 | 689800 | 41.11 |
| 10-Mar-04 | 41.8 | 42.29 | 41.58 | 41.6 | 1022400 | 41.6 |
| 09-Mar-04 | 41.74 | 41.83 | 41.52 | 41.7 | 664700 | 41.7 |
| 08-Mar-04 | 41.65 | 42.03 | 41.6 | 41.75 | 1313900 | 41.75 |
| 05-Mar-04 | 40.65 | 41.8 | 40.58 | 41.75 | 1126700 | 41.75 |
| 04-Mar-04 | 40.38 | 40.81 | 40.38 | 40.65 | 719600 | 40.65 |
| 03-Mar-04 | 40.25 | 40.53 | 40.15 | 40.27 | 1152200 | 40.27 |
| 02-Mar-04 | 40.45 | 40.74 | 40.25 | 40.25 | 888400 | 40.25 |
| 01-Mar-04 | 40.7 | 40.74 | 40.25 | 40.43 | 716100 | 40.43 |
| 27-Feb-04 | 39.95 | 40.51 | 39.93 | 40.46 | 1583800 | 40.46 |
| 26-Feb-04 | 39.9 | 40.1 | 39.85 | 39.95 | 629200 | 39.95 |
| 25-Feb-04 | 39.65 | 40.02 | 39.6 | 39.95 | 665700 | 39.95 |
| 24-Feb-04 | 39.65 | 39.78 | 39.5 | 39.65 | 502000 | 39.65 |
| 23-Feb-04 | 39.7 | 39.99 | 39.69 | 39.76 | 494700 | 39.76 |
| 20-Feb-04 | 40.2 | 40.3 | 39.65 | 39.75 | 1350800 | 39.75 |
| 19-Feb-04 | 40 | 40.78 | 39.76 | 39.9 | 1241600 | 39.9 |
| 18-Feb-04 | 39.39 | 39.93 | 39.35 | 39.88 | 778700 | 39.88 |
| 17-Feb-04 | 39.33 | 39.52 | 39.25 | 39.41 | 469600 | 39.41 |
| 13-Feb-04 | 39.33 | 39.63 | 39.15 | 39.19 | 532100 | 39.19 |
| 12-Feb-04 | 39.79 | 39.83 | 39.36 | 39.4 | 743900 | 39.4 |
| 11-Feb-04 | 39.67 | 40.01 | 39.41 | 39.8 | 796800 | 39.8 |
| 10-Feb-04 | 39.63 | 39.98 | 39.48 | 39.81 | 825800 | 39.81 |
| 09-Feb-04 | 39.2 | 39.62 | 39.2 | 39.6 | 747100 | 39.6 |
| 06-Feb-04 | 38.05 | 39.14 | 38.03 | 39.1 | 1495700 | 39.1 |
| 05-Feb-04 | 38.22 | 38.39 | 37.92 | 38.07 | 1101000 | 38.07 |
| 04-Feb-04 | 38.56 | 38.74 | 38.23 | 38.35 | 692200 | 38.35 |
| 03-Feb-04 | 38.75 | 39.05 | 38.52 | 38.93 | 1001200 | 38.93 |
| 02-Feb-04 | 39.1 | 39.19 | 38.9 | 38.91 | 877100 | 38.91 |
| 30-Jan-04 | 39.06 | 39.37 | 38.95 | 39.1 | 814200 | 39.1 |
| 29-Jan-04 | 39.21 | 39.47 | 39.14 | 39.24 | 1367500 | 39.24 |
| 28-Jan-04 | 38.65 | 39.37 | 38.65 | 39.24 | 1698700 | 39.24 |
| 27-Jan-04 | 38.73 | 38.9 | 38.7 | 38.71 | 586100 | 38.71 |
| 26-Jan-04 | 39.18 | 39.28 | 38.68 | 38.73 | 643800 | 38.73 |
| 23-Jan-04 | 39.73 | 39.75 | 39.14 | 39.18 | 671400 | 39.18 |
| 22-Jan-04 | 39.55 | 39.99 | 39.55 | 39.72 | 780700 | 39.72 |
| 21-Jan-04 | 38.8 | 39.69 | 38.75 | 39.45 | 956800 | 39.45 |
| 20-Jan-04 | 38.39 | 38.63 | 38.28 | 38.61 | 674300 | 38.61 |
| 16-Jan-04 | 38.63 | 38.68 | 38.27 | 38.27 | 872100 | 38.27 |
| 15-Jan-04 | 38.86 | 38.95 | 38.64 | 38.68 | 836200 | 38.68 |
| 14-Jan-04 | 38.7 | 39.04 | 38.56 | 38.96 | 630400 | 38.96 |
| 13-Jan-04 | 38.44 | 38.6 | 38.3 | 38.54 | 593500 | 38.54 |
| 12-Jan-04 | 38.6 | 38.61 | 38.32 | 38.33 | 656800 | 38.33 |
| 09-Jan-04 | 38.93 | 38.93 | 38.61 | 38.7 | 419900 | 38.7 |
| 08-Jan-04 | 38.72 | 39 | 38.69 | 38.93 | 475400 | 38.93 |
| 07-Jan-04 | 38.91 | 39.06 | 38.65 | 38.95 | 613600 | 38.95 |
| 06-Jan-04 | 39.2 | 39.28 | 38.94 | 39.11 | 449800 | 39.11 |
| 05-Jan-04 | 39.7 | 39.73 | 38.97 | 39.28 | 705100 | 39.28 |
| 02-Jan-04 | 39.4 | 39.75 | 39.4 | 39.49 | 668400 | 39.49 |
| 31-Dec-03 | 39.62 | 39.76 | 39.33 | 39.4 | 594800 | 39.4 |
| 30-Dec-03 | 39.51 | 39.75 | 39.51 | 39.7 | 876500 | 39.7 |
| 29-Dec-03 | 38.85 | 39.59 | 38.84 | 39.51 | 1246600 | 39.51 |
| 26-Dec-03 | 38.75 | 38.95 | 38.7 | 38.86 | 232400 | 38.86 |
| 24-Dec-03 | 38.8 | 38.88 | 38.66 | 38.75 | 272600 | 38.75 |
| 23-Dec-03 | 38.6 | 38.92 | 38.6 | 38.92 | 938500 | 38.92 |
| 22-Dec-03 | 38.35 | 38.5 | 38.2 | 38.5 | 948000 | 38.5 |
| 19-Dec-03 | 38.58 | 38.6 | 38.1 | 38.41 | 1224800 | 38.41 |
| 18-Dec-03 | 38.6 | 38.6 | 38.16 | 38.52 | 1067000 | 38.52 |
| 17-Dec-03 | 39 | 39 | 38.62 | 38.93 | 929100 | 38.41 |
| Average | | | | 39.55 | | |

Excelon (EXC)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 66.84 | 67.15 | 66.34 | 66.65 | 1101400 | 66.65 |
| 15-Mar-04 | 66.9 | 67.31 | 66.51 | 66.83 | 970900 | 66.83 |
| 12-Mar-04 | 67.44 | 67.44 | 66.46 | 67.14 | 872800 | 67.14 |
| 11-Mar-04 | 67.95 | 68.26 | 67 | 67.19 | 1858600 | 67.19 |
| 10-Mar-04 | 68.24 | 68.49 | 67.79 | 67.83 | 1192200 | 67.83 |
| 09-Mar-04 | 67.66 | 68.41 | 67.51 | 68.35 | 1182000 | 68.35 |
| 08-Mar-04 | 67.5 | 67.91 | 67.49 | 67.67 | 588200 | 67.67 |
| 05-Mar-04 | 68.96 | 67.8 | 66.84 | 67.68 | 959900 | 67.68 |
| 04-Mar-04 | 68.95 | 67.49 | 66.85 | 66.94 | 640500 | 66.94 |
| 03-Mar-04 | 67.11 | 67.47 | 66.51 | 67.14 | 1008200 | 67.14 |
| 02-Mar-04 | 67.25 | 67.93 | 67.05 | 67.11 | 1327000 | 67.11 |
| 01-Mar-04 | 67.2 | 67.41 | 66.99 | 67.18 | 1032900 | 67.18 |
| 27-Feb-04 | 66.5 | 67.47 | 66.49 | 67.14 | 1656100 | 67.14 |
| 26-Feb-04 | 65.95 | 66.62 | 65.9 | 66.5 | 1066700 | 66.5 |
| 25-Feb-04 | 65.75 | 66.34 | 65.4 | 66.1 | 862900 | 66.1 |
| 24-Feb-04 | 65.71 | 65.98 | 65.11 | 65.52 | 945800 | 65.52 |
| 23-Feb-04 | 65.78 | 66.21 | 65.09 | 65.5 | 931500 | 65.5 |
| 20-Feb-04 | 66.32 | 66.32 | 65.13 | 65.52 | 1676600 | 65.52 |
| 19-Feb-04 | 66.95 | 67.17 | 66.11 | 66.31 | 1043800 | 66.31 |
| 18-Feb-04 | 66 | 67 | 65.7 | 66.86 | 1365500 | 66.86 |
| 17-Feb-04 | 66.1 | 66.22 | 65.67 | 65.95 | 656400 | 65.95 |
| 13-Feb-04 | 65.65 | 66 | 65.26 | 65.57 | 751900 | 65.57 |
| 12-Feb-04 | 65.9 | 66.21 | 65.7 | 65.82 | 876400 | 65.82 |
| 11-Feb-04 | 66.2 | 66.25 | 65.17 | 66.15 | 1719300 | 66.15 |
| 10-Feb-04 | 66.27 | 66.71 | 66.09 | 66.7 | 978700 | 66.15 |
| 09-Feb-04 | 66.07 | 66.5 | 65.79 | 66.34 | 977300 | 65.79 |
| 06-Feb-04 | 65.85 | 66.16 | 65.55 | 66.04 | 847600 | 65.5 |
| 05-Feb-04 | 66.25 | 66.25 | 65.49 | 65.7 | 985600 | 65.16 |
| 04-Feb-04 | 66.3 | 66.58 | 65.84 | 66.1 | 1254100 | 65.55 |
| 03-Feb-04 | 66.6 | 66.78 | 66.1 | 66.78 | 1144200 | 66.23 |
| 02-Feb-04 | 67 | 67.33 | 66.49 | 68.84 | 1472000 | 66.29 |
| 30-Jan-04 | 66.68 | 67 | 66.29 | 66.98 | 1106000 | 66.43 |
| 29-Jan-04 | 66.9 | 66.92 | 66.19 | 66.65 | 1360800 | 66.1 |
| 28-Jan-04 | 66 | 67 | 65.95 | 66.28 | 2673600 | 65.73 |
| 27-Jan-04 | 65.2 | 65.45 | 64.83 | 65.15 | 1108600 | 64.61 |
| 26-Jan-04 | 65.4 | 65.62 | 64.36 | 65.08 | 1052900 | 64.54 |
| 23-Jan-04 | 66.55 | 66.8 | 65.4 | 65.47 | 1180800 | 64.93 |
| 22-Jan-04 | 66.35 | 66.99 | 65.96 | 66.4 | 757700 | 65.85 |
| 21-Jan-04 | 65.88 | 66.72 | 65.51 | 66.68 | 1420200 | 66.13 |
| 20-Jan-04 | 65.75 | 65.9 | 65.19 | 65.83 | 881600 | 65.29 |
| 16-Jan-04 | 65.95 | 66.2 | 65.5 | 65.97 | 724000 | 65.43 |
| 15-Jan-04 | 65.82 | 65.98 | 65.37 | 65.68 | 907700 | 65.14 |
| 14-Jan-04 | 65.23 | 66.14 | 65.13 | 65.82 | 638500 | 65.28 |
| 13-Jan-04 | 65.18 | 65.6 | 64.69 | 65.23 | 984900 | 64.69 |
| 12-Jan-04 | 65.62 | 65.84 | 65.09 | 65.27 | 1044200 | 64.73 |
| 09-Jan-04 | 65.95 | 66.24 | 65.41 | 65.61 | 828500 | 65.07 |
| 08-Jan-04 | 66.05 | 66.25 | 65.63 | 66.23 | 801200 | 65.68 |
| 07-Jan-04 | 65.66 | 66.24 | 65.56 | 66.22 | 796700 | 65.67 |
| 06-Jan-04 | 65.8 | 66.28 | 65.6 | 65.82 | 1193600 | 65.28 |
| 05-Jan-04 | 66 | 66.54 | 65.42 | 66.3 | 980400 | 65.75 |
| 02-Jan-04 | 66.65 | 67.19 | 65.67 | 66 | 1215500 | 65.46 |
| 31-Dec-03 | 66.28 | 66.62 | 66.01 | 66.36 | 934300 | 65.81 |
| 30-Dec-03 | 65.57 | 66.4 | 65.53 | 66.16 | 964000 | 65.61 |
| 29-Dec-03 | 65.12 | 65.9 | 65.07 | 65.83 | 757800 | 65.29 |
| 26-Dec-03 | 65.18 | 65.4 | 64.9 | 65.13 | 246200 | 64.59 |
| 24-Dec-03 | 64.7 | 65.23 | 64.48 | 65.18 | 382100 | 64.64 |
| 23-Dec-03 | 64.4 | 64.94 | 64.32 | 64.85 | 822400 | 64.32 |
| 22-Dec-03 | 64.2 | 64.53 | 63.45 | 64.49 | 1383300 | 63.96 |
| 19-Dec-03 | 63.6 | 64.52 | 63.15 | 64.2 | 1866700 | 63.67 |
| 18-Dec-03 | 62.95 | 63.85 | 62.6 | 63.55 | 1605800 | 63.03 |
| 17-Dec-03 | 62.85 | 62.92 | 62.35 | 62.91 | 1063700 | 62.39 |

Average

66.11

MGE Energy (MGEE)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 30.41 | 30.8 | 30 | 30.42 | 34700 | 30.42 |
| 15-Mar-04 | 30.8 | 30.83 | 30.17 | 30.17 | 17700 | 30.17 |
| 12-Mar-04 | 30.67 | 30.81 | 30.05 | 30.8 | 21100 | 30.8 |
| 11-Mar-04 | 30.6 | 30.74 | 30 | 30.01 | 33600 | 30.01 |
| 10-Mar-04 | 30.77 | 31.18 | 30.37 | 30.37 | 37000 | 30.37 |
| 09-Mar-04 | 31.01 | 31.26 | 30.77 | 30.77 | 30900 | 30.77 |
| 08-Mar-04 | 31.44 | 31.44 | 31.01 | 31.01 | 24100 | 31.01 |
| 05-Mar-04 | 31.2 | 31.5 | 31.04 | 31.23 | 12800 | 31.23 |
| 04-Mar-04 | 31.11 | 31.39 | 31.05 | 31.35 | 18800 | 31.35 |
| 03-Mar-04 | 31 | 31.45 | 30.98 | 31.1 | 28500 | 31.1 |
| 02-Mar-04 | 31.26 | 31.47 | 31.02 | 31.02 | 27100 | 31.02 |
| 01-Mar-04 | 31.22 | 31.5 | 31.03 | 31.47 | 18600 | 31.47 |
| 27-Feb-04 | 31.7 | 31.7 | 31.01 | 31.1 | 24500 | 31.1 |
| 26-Feb-04 | 31 | 31.2 | 30.91 | 31.01 | 20200 | 31.01 |
| 25-Feb-04 | 31.83 | 31.85 | 31.2 | 31.55 | 22300 | 31.21 |
| 24-Feb-04 | 31.22 | 31.43 | 31.15 | 31.25 | 16300 | 30.92 |
| 23-Feb-04 | 31.35 | 31.4 | 31.13 | 31.31 | 21000 | 30.97 |
| 20-Feb-04 | 31.25 | 31.43 | 31.12 | 31.13 | 28900 | 30.8 |
| 19-Feb-04 | 31.77 | 31.78 | 31.25 | 31.25 | 22900 | 30.92 |
| 18-Feb-04 | 31.67 | 31.9 | 31.45 | 31.5 | 20400 | 31.16 |
| 17-Feb-04 | 31.72 | 31.72 | 31.31 | 31.63 | 23300 | 31.29 |
| 13-Feb-04 | 31.4 | 31.76 | 31.25 | 31.25 | 30200 | 30.92 |
| 12-Feb-04 | 32.14 | 32.14 | 31.45 | 31.51 | 29600 | 31.17 |
| 11-Feb-04 | 32.21 | 32.3 | 31.88 | 32.16 | 23200 | 31.82 |
| 10-Feb-04 | 32.05 | 32.2 | 31.77 | 32.2 | 28200 | 31.86 |
| 09-Feb-04 | 31.79 | 32.1 | 31.79 | 31.81 | 12900 | 31.47 |
| 06-Feb-04 | 31.44 | 32.17 | 31.12 | 32.17 | 22700 | 31.83 |
| 05-Feb-04 | 31.66 | 31.66 | 31.06 | 31.17 | 13100 | 30.84 |
| 04-Feb-04 | 31.1 | 31.67 | 31.07 | 31.1 | 31000 | 30.77 |
| 03-Feb-04 | 31.52 | 31.74 | 31.3 | 31.31 | 16800 | 30.97 |
| 02-Feb-04 | 31.78 | 31.78 | 31.3 | 31.3 | 10000 | 30.96 |
| 30-Jan-04 | 31.5 | 31.87 | 31.32 | 31.32 | 14000 | 30.98 |
| 29-Jan-04 | 31.77 | 31.89 | 31.45 | 31.46 | 18300 | 31.12 |
| 28-Jan-04 | 31.9 | 31.9 | 31.51 | 31.6 | 19900 | 31.26 |
| 27-Jan-04 | 31.98 | 31.98 | 31.6 | 31.6 | 31400 | 31.26 |
| 26-Jan-04 | 31.7 | 31.92 | 31.7 | 31.78 | 15000 | 31.44 |
| 23-Jan-04 | 31.89 | 31.9 | 31.66 | 31.9 | 9800 | 31.56 |
| 22-Jan-04 | 31.95 | 31.95 | 31.65 | 31.67 | 19800 | 31.33 |
| 21-Jan-04 | 31.64 | 31.97 | 31.64 | 31.9 | 12500 | 31.56 |
| 20-Jan-04 | 31.76 | 31.98 | 31.58 | 31.9 | 24300 | 31.56 |
| 16-Jan-04 | 31.61 | 31.98 | 31.52 | 31.9 | 14000 | 31.56 |
| 15-Jan-04 | 32.02 | 32.05 | 31.55 | 31.74 | 22100 | 31.4 |
| 14-Jan-04 | 31.95 | 32.09 | 31.83 | 32 | 20100 | 31.66 |
| 13-Jan-04 | 31.86 | 32.1 | 31.6 | 31.9 | 25000 | 31.56 |
| 12-Jan-04 | 32.08 | 32.08 | 31.64 | 31.9 | 11100 | 31.56 |
| 09-Jan-04 | 32.2 | 32.2 | 31.65 | 31.65 | 12600 | 31.31 |
| 08-Jan-04 | 31.95 | 32.2 | 31.69 | 32.19 | 16900 | 31.85 |
| 07-Jan-04 | 31.32 | 31.93 | 31.32 | 31.88 | 13500 | 31.54 |
| 06-Jan-04 | 32.02 | 32.05 | 31.61 | 31.61 | 19300 | 31.27 |
| 05-Jan-04 | 32.04 | 32.1 | 31.59 | 32 | 11600 | 31.66 |
| 02-Jan-04 | 31.68 | 31.94 | 31.5 | 31.77 | 10500 | 31.43 |
| 31-Dec-03 | 32.01 | 32.01 | 31.4 | 31.45 | 29500 | 31.11 |
| 30-Dec-03 | 32.09 | 32.1 | 31.8 | 32 | 19400 | 31.66 |
| 29-Dec-03 | 32.1 | 32.1 | 31.8 | 32.08 | 53600 | 31.74 |
| 26-Dec-03 | 31.58 | 31.99 | 31.51 | 31.99 | 11600 | 31.65 |
| 24-Dec-03 | 31.6 | 31.76 | 31.56 | 31.65 | 8400 | 31.31 |
| 23-Dec-03 | 31.7 | 31.79 | 31.25 | 31.6 | 26700 | 31.26 |
| 22-Dec-03 | 31.9 | 31.9 | 31.15 | 31.65 | 13800 | 31.31 |
| 19-Dec-03 | 31.89 | 32 | 31.1 | 31.61 | 33900 | 31.27 |
| 18-Dec-03 | 31.7 | 31.7 | 31.1 | 31.55 | 19900 | 31.21 |
| 17-Dec-03 | 31.38 | 31.46 | 31.11 | 31.25 | 17400 | 30.92 |
| Average | | | | 31.47 | | |

NSTAR (NST)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 50.6 | 50.64 | 50.44 | 50.5 | 284600 | 50.5 |
| 15-Mar-04 | 50.5 | 50.77 | 50.29 | 50.49 | 175100 | 50.49 |
| 12-Mar-04 | 50.4 | 50.6 | 50.35 | 50.5 | 190000 | 50.5 |
| 11-Mar-04 | 51.2 | 51.24 | 50.5 | 50.55 | 225900 | 50.55 |
| 10-Mar-04 | 52 | 52.09 | 51.4 | 51.4 | 84800 | 51.4 |
| 09-Mar-04 | 51.75 | 51.94 | 51.37 | 51.92 | 113200 | 51.92 |
| 08-Mar-04 | 51.9 | 52.24 | 51.7 | 51.75 | 106900 | 51.75 |
| 05-Mar-04 | 51.69 | 51.95 | 51.65 | 51.7 | 161800 | 51.7 |
| 04-Mar-04 | 51.58 | 51.8 | 51.43 | 51.69 | 92200 | 51.69 |
| 03-Mar-04 | 51.4 | 51.62 | 51.02 | 51.58 | 98400 | 51.58 |
| 02-Mar-04 | 51.2 | 52.85 | 51.1 | 51.58 | 387900 | 51.58 |
| 01-Mar-04 | 51.12 | 51.51 | 51.1 | 51.35 | 156500 | 51.35 |
| 27-Feb-04 | 50.4 | 51.2 | 50.33 | 51.15 | 270800 | 51.15 |
| 26-Feb-04 | 50 | 50.41 | 49.92 | 50.23 | 141700 | 50.23 |
| 25-Feb-04 | 50.05 | 50.24 | 49.86 | 50.14 | 85900 | 50.14 |
| 24-Feb-04 | 50 | 50.05 | 49.77 | 50 | 178600 | 50 |
| 23-Feb-04 | 49.9 | 50.12 | 49.8 | 50.08 | 115500 | 50.08 |
| 20-Feb-04 | 50.23 | 50.23 | 49.89 | 50 | 93600 | 50 |
| 19-Feb-04 | 50 | 50.65 | 49.96 | 50.2 | 167400 | 50.2 |
| 18-Feb-04 | 49.35 | 49.93 | 49.31 | 49.93 | 232300 | 49.93 |
| 17-Feb-04 | 48.95 | 49.29 | 48.9 | 49.26 | 145400 | 49.26 |
| 13-Feb-04 | 48.97 | 49.1 | 48.72 | 48.95 | 125800 | 48.95 |
| 12-Feb-04 | 49.05 | 49.08 | 48.73 | 48.87 | 79100 | 48.87 |
| 11-Feb-04 | 48.85 | 49.1 | 48.71 | 48.95 | 104700 | 48.95 |
| 10-Feb-04 | 48.95 | 49.02 | 48.8 | 49 | 62900 | 49 |
| 09-Feb-04 | 48.75 | 48.86 | 48.61 | 48.82 | 67400 | 48.82 |
| 06-Feb-04 | 48.65 | 48.78 | 48.4 | 48.73 | 46100 | 48.73 |
| 05-Feb-04 | 48.8 | 48.8 | 48.34 | 48.43 | 76600 | 48.43 |
| 04-Feb-04 | 49.21 | 49.21 | 48.4 | 48.73 | 105700 | 48.73 |
| 03-Feb-04 | 49.45 | 49.45 | 49.01 | 49.2 | 111700 | 49.2 |
| 02-Feb-04 | 49 | 49.32 | 48.92 | 49.2 | 318700 | 49.2 |
| 30-Jan-04 | 49.35 | 49.5 | 48.81 | 48.95 | 160200 | 48.95 |
| 29-Jan-04 | 48.85 | 49.45 | 48.85 | 49.25 | 81300 | 49.25 |
| 28-Jan-04 | 48.75 | 49.5 | 48.53 | 49.02 | 149600 | 49.02 |
| 27-Jan-04 | 48.35 | 48.5 | 48.16 | 48.35 | 187600 | 48.35 |
| 26-Jan-04 | 49 | 49 | 48.35 | 48.5 | 124400 | 48.5 |
| 23-Jan-04 | 49.5 | 49.79 | 49.1 | 49.15 | 127600 | 49.15 |
| 22-Jan-04 | 49.78 | 49.98 | 49.5 | 49.55 | 233200 | 49.55 |
| 21-Jan-04 | 49 | 49.78 | 49 | 49.78 | 84600 | 49.78 |
| 20-Jan-04 | 48.8 | 49.15 | 48.58 | 49.15 | 103500 | 49.15 |
| 16-Jan-04 | 48.75 | 48.78 | 48.5 | 48.75 | 82600 | 48.75 |
| 15-Jan-04 | 48.8 | 48.8 | 48.37 | 48.55 | 88800 | 48.55 |
| 14-Jan-04 | 48.65 | 48.89 | 48.5 | 48.66 | 134800 | 48.66 |
| 13-Jan-04 | 48.2 | 48.69 | 48.2 | 48.45 | 186400 | 48.45 |
| 12-Jan-04 | 48.58 | 48.65 | 48 | 48.4 | 131400 | 48.4 |
| 09-Jan-04 | 48.5 | 48.75 | 48.28 | 48.35 | 100100 | 48.35 |
| 08-Jan-04 | 48.5 | 48.68 | 48.25 | 48.67 | 86600 | 48.67 |
| 07-Jan-04 | 48.15 | 48.35 | 48 | 48.3 | 90200 | 48.3 |
| 06-Jan-04 | 48.75 | 48.98 | 48.5 | 48.8 | 156600 | 48.25 |
| 05-Jan-04 | 49 | 49.13 | 48.37 | 48.69 | 136800 | 48.14 |
| 02-Jan-04 | 48.7 | 49.15 | 48.6 | 48.92 | 85800 | 48.36 |
| 31-Dec-03 | 48.68 | 48.9 | 48.5 | 48.5 | 94500 | 47.95 |
| 30-Dec-03 | 48.55 | 48.84 | 48.55 | 48.68 | 75800 | 48.13 |
| 29-Dec-03 | 48.63 | 48.96 | 48.35 | 48.64 | 123000 | 48.09 |
| 26-Dec-03 | 48.45 | 48.84 | 48.4 | 48.64 | 43300 | 48.09 |
| 24-Dec-03 | 48.3 | 48.55 | 48.3 | 48.38 | 57800 | 47.83 |
| 23-Dec-03 | 48.38 | 48.47 | 48.25 | 48.45 | 115000 | 47.9 |
| 22-Dec-03 | 47.8 | 48.42 | 47.8 | 48.38 | 157500 | 47.83 |
| 19-Dec-03 | 48.23 | 48.49 | 48.1 | 48.34 | 213500 | 47.79 |
| 18-Dec-03 | 48 | 48.44 | 47.7 | 48.2 | 107500 | 47.65 |
| 17-Dec-03 | 48.1 | 48.14 | 47.64 | 48.08 | 69100 | 47.53 |
| Average | | | | 49.43 | | |

Pinnacle West (PNW)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 38.38 | 38.64 | 38.14 | 38.16 | 447300 | 38.16 |
| 15-Mar-04 | 38.48 | 38.55 | 38.13 | 38.23 | 431700 | 38.23 |
| 12-Mar-04 | 38.25 | 38.47 | 38.05 | 38.39 | 269400 | 38.39 |
| 11-Mar-04 | 38.37 | 38.64 | 38.02 | 38.11 | 467800 | 38.11 |
| 10-Mar-04 | 38.85 | 38.97 | 38.1 | 38.36 | 679200 | 38.36 |
| 09-Mar-04 | 39.29 | 39.29 | 38.83 | 39.04 | 412300 | 39.04 |
| 08-Mar-04 | 39.62 | 39.75 | 39.25 | 39.29 | 312200 | 39.29 |
| 05-Mar-04 | 39.14 | 39.66 | 39.02 | 39.59 | 329700 | 39.59 |
| 04-Mar-04 | 38.93 | 39.15 | 38.7 | 39.12 | 273100 | 39.12 |
| 03-Mar-04 | 38.99 | 39.1 | 38.61 | 38.8 | 333800 | 38.8 |
| 02-Mar-04 | 39.43 | 39.43 | 38.87 | 38.88 | 395000 | 38.88 |
| 01-Mar-04 | 39.09 | 39.7 | 39.02 | 39.27 | 584200 | 39.27 |
| 27-Feb-04 | 38.62 | 39.09 | 38.5 | 39.09 | 571600 | 39.09 |
| 26-Feb-04 | 37.88 | 38.44 | 37.82 | 38.41 | 447900 | 38.41 |
| 25-Feb-04 | 38 | 38.16 | 37.95 | 38.07 | 278900 | 38.07 |
| 24-Feb-04 | 38.2 | 38.22 | 37.67 | 38 | 583800 | 38 |
| 23-Feb-04 | 37.85 | 38.23 | 37.85 | 38.05 | 353800 | 38.05 |
| 20-Feb-04 | 38.47 | 38.47 | 37.82 | 37.91 | 641000 | 37.91 |
| 19-Feb-04 | 38.8 | 38.83 | 38.39 | 38.4 | 633700 | 38.4 |
| 18-Feb-04 | 38 | 38.73 | 37.96 | 38.7 | 1330500 | 38.7 |
| 17-Feb-04 | 37.45 | 37.91 | 37.44 | 37.85 | 1108000 | 37.85 |
| 13-Feb-04 | 37.4 | 37.99 | 37.4 | 37.55 | 1007200 | 37.55 |
| 12-Feb-04 | 37.45 | 37.63 | 37.35 | 37.4 | 418000 | 37.4 |
| 11-Feb-04 | 37.4 | 37.64 | 37.09 | 37.58 | 1075700 | 37.58 |
| 10-Feb-04 | 37.32 | 37.38 | 37.2 | 37.3 | 965900 | 37.3 |
| 09-Feb-04 | 37.44 | 37.44 | 37.1 | 37.26 | 900800 | 37.26 |
| 06-Feb-04 | 37.2 | 37.49 | 37.01 | 37.39 | 629800 | 37.39 |
| 05-Feb-04 | 37.85 | 37.86 | 37.34 | 37.37 | 1314900 | 37.37 |
| 04-Feb-04 | 38.22 | 38.22 | 36.9 | 37.95 | 3656700 | 37.95 |
| 03-Feb-04 | 39 | 39 | 38.59 | 38.95 | 529900 | 38.95 |
| 02-Feb-04 | 39.09 | 39.28 | 38.84 | 39.04 | 580900 | 39.04 |
| 30-Jan-04 | 39.25 | 39.4 | 38.91 | 39.25 | 422700 | 39.25 |
| 29-Jan-04 | 39.25 | 39.3 | 38.76 | 39.3 | 578700 | 39.3 |
| 28-Jan-04 | 38.5 | 39.86 | 38.5 | 39.3 | 1344100 | 38.85 |
| 27-Jan-04 | 38.33 | 38.53 | 38.18 | 38.39 | 839000 | 37.95 |
| 26-Jan-04 | 38.79 | 38.85 | 38.07 | 38.16 | 651700 | 37.72 |
| 23-Jan-04 | 39.3 | 39.44 | 38.79 | 38.79 | 401300 | 38.35 |
| 22-Jan-04 | 39.41 | 39.51 | 39.08 | 39.28 | 535600 | 38.83 |
| 21-Jan-04 | 38.96 | 39.38 | 38.85 | 39.36 | 1063400 | 38.91 |
| 20-Jan-04 | 39.04 | 39.04 | 38.7 | 38.85 | 723800 | 38.41 |
| 16-Jan-04 | 39.29 | 39.43 | 39 | 39.04 | 1002000 | 38.59 |
| 15-Jan-04 | 39.72 | 39.74 | 39.21 | 39.29 | 316700 | 38.84 |
| 14-Jan-04 | 39.45 | 39.76 | 39.36 | 39.61 | 302600 | 39.16 |
| 13-Jan-04 | 39.25 | 39.3 | 39.11 | 39.2 | 371400 | 38.75 |
| 12-Jan-04 | 39.25 | 39.26 | 39.05 | 39.12 | 342400 | 38.67 |
| 09-Jan-04 | 39.29 | 39.32 | 39.04 | 39.23 | 440800 | 38.78 |
| 08-Jan-04 | 39.17 | 39.42 | 38.95 | 39.34 | 760500 | 38.89 |
| 07-Jan-04 | 39.69 | 39.69 | 39 | 39.16 | 1244400 | 38.71 |
| 06-Jan-04 | 39.93 | 40.18 | 39.66 | 39.67 | 356700 | 39.22 |
| 05-Jan-04 | 40.51 | 40.6 | 39.76 | 40.24 | 343100 | 39.78 |
| 02-Jan-04 | 40.25 | 40.81 | 40.22 | 40.29 | 309600 | 39.83 |
| 31-Dec-03 | 40.48 | 40.48 | 40.02 | 40.02 | 349100 | 38.56 |
| 30-Dec-03 | 39.77 | 40.45 | 39.77 | 40.24 | 392400 | 39.78 |
| 29-Dec-03 | 39.19 | 39.7 | 39.12 | 39.65 | 316200 | 39.2 |
| 26-Dec-03 | 39.13 | 39.21 | 39.03 | 39.1 | 89200 | 38.65 |
| 24-Dec-03 | 39.14 | 39.23 | 38.93 | 38.97 | 131900 | 38.52 |
| 23-Dec-03 | 39 | 39.18 | 38.95 | 39.05 | 583100 | 38.6 |
| 22-Dec-03 | 38.96 | 39.12 | 38.94 | 39.09 | 577700 | 38.64 |
| 19-Dec-03 | 39 | 39.2 | 38.92 | 38.92 | 755900 | 38.47 |
| 18-Dec-03 | 38.9 | 39.07 | 38.71 | 39 | 553900 | 38.55 |
| 17-Dec-03 | 39.1 | 39.1 | 38.82 | 38.96 | 367400 | 38.51 |
| Average | | | | 38.78 | | |

SCANA Corp. (SCG)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 35.39 | 35.48 | 35.19 | 35.35 | 241700 | 35.35 |
| 15-Mar-04 | 35.53 | 35.53 | 35.19 | 35.24 | 238800 | 35.24 |
| 12-Mar-04 | 35.42 | 35.58 | 35.25 | 35.53 | 197000 | 35.53 |
| 11-Mar-04 | 35.52 | 35.75 | 35.4 | 35.42 | 557900 | 35.42 |
| 10-Mar-04 | 35.72 | 35.76 | 35.48 | 35.52 | 238100 | 35.52 |
| 09-Mar-04 | 35.55 | 35.74 | 35.5 | 35.56 | 234500 | 35.56 |
| 08-Mar-04 | 36.05 | 36.05 | 35.75 | 35.75 | 300000 | 35.75 |
| 05-Mar-04 | 36 | 36.29 | 35.9 | 36.21 | 351000 | 35.84 |
| 04-Mar-04 | 35.92 | 36.01 | 35.69 | 35.92 | 363100 | 35.56 |
| 03-Mar-04 | 35.73 | 35.92 | 35.43 | 35.77 | 241700 | 35.41 |
| 02-Mar-04 | 35.38 | 35.89 | 35.25 | 35.65 | 315700 | 35.29 |
| 01-Mar-04 | 35.15 | 35.44 | 35.06 | 35.38 | 186900 | 35.02 |
| 27-Feb-04 | 34.92 | 35.18 | 34.82 | 34.99 | 517200 | 34.64 |
| 26-Feb-04 | 34.95 | 34.96 | 34.65 | 34.75 | 269000 | 34.4 |
| 25-Feb-04 | 34.6 | 35 | 34.51 | 34.84 | 894600 | 34.49 |
| 24-Feb-04 | 34.67 | 34.74 | 34.41 | 34.5 | 323600 | 34.15 |
| 23-Feb-04 | 34.78 | 34.78 | 34.47 | 34.62 | 391900 | 34.27 |
| 20-Feb-04 | 35.12 | 35.12 | 34.4 | 34.63 | 548200 | 34.28 |
| 19-Feb-04 | 35.52 | 35.65 | 35 | 35.12 | 360000 | 34.77 |
| 18-Feb-04 | 35.7 | 35.78 | 35.37 | 35.52 | 277700 | 35.16 |
| 17-Feb-04 | 35.67 | 35.68 | 35.36 | 35.65 | 293600 | 35.29 |
| 13-Feb-04 | 34.95 | 35.4 | 34.59 | 35.35 | 465700 | 34.99 |
| 12-Feb-04 | 34.75 | 34.78 | 34.53 | 34.62 | 235700 | 34.27 |
| 11-Feb-04 | 35 | 35.1 | 34.65 | 34.93 | 190300 | 34.58 |
| 10-Feb-04 | 34.35 | 35.01 | 34.2 | 35.01 | 300700 | 34.66 |
| 09-Feb-04 | 34.3 | 34.3 | 34.02 | 34.3 | 135100 | 33.95 |
| 06-Feb-04 | 33.88 | 34.22 | 33.41 | 34.2 | 537900 | 33.86 |
| 05-Feb-04 | 34 | 34.1 | 33.69 | 33.75 | 259400 | 33.41 |
| 04-Feb-04 | 34.4 | 34.44 | 34 | 34.1 | 333200 | 33.76 |
| 03-Feb-04 | 34.75 | 34.75 | 34.47 | 34.47 | 193400 | 34.12 |
| 02-Feb-04 | 34.68 | 34.99 | 34.55 | 34.8 | 187000 | 34.45 |
| 30-Jan-04 | 34.55 | 34.88 | 34.5 | 34.72 | 201800 | 34.37 |
| 29-Jan-04 | 34.5 | 34.6 | 34.3 | 34.6 | 370900 | 34.25 |
| 28-Jan-04 | 34.65 | 34.82 | 34.4 | 34.41 | 227300 | 34.06 |
| 27-Jan-04 | 34.8 | 34.85 | 34.59 | 34.6 | 194900 | 34.25 |
| 26-Jan-04 | 35.39 | 35.39 | 34.5 | 34.8 | 238900 | 34.45 |
| 23-Jan-04 | 35.3 | 35.58 | 35.14 | 35.14 | 340500 | 34.79 |
| 22-Jan-04 | 35.2 | 35.57 | 35.17 | 35.42 | 308000 | 35.06 |
| 21-Jan-04 | 34.85 | 35.3 | 34.83 | 35.3 | 224900 | 34.94 |
| 20-Jan-04 | 34.8 | 34.95 | 34.65 | 34.95 | 253300 | 34.6 |
| 16-Jan-04 | 34.55 | 34.8 | 34.5 | 34.65 | 230800 | 34.3 |
| 15-Jan-04 | 34.41 | 34.56 | 34.17 | 34.55 | 341400 | 34.2 |
| 14-Jan-04 | 34.03 | 34.34 | 34 | 34.34 | 278600 | 33.99 |
| 13-Jan-04 | 33.85 | 34.09 | 33.8 | 33.93 | 364000 | 33.59 |
| 12-Jan-04 | 34.2 | 34.2 | 33.88 | 33.95 | 351300 | 33.61 |
| 09-Jan-04 | 34.05 | 34.2 | 33.95 | 34 | 338700 | 33.66 |
| 08-Jan-04 | 34 | 34.4 | 33.76 | 34.2 | 366100 | 33.86 |
| 07-Jan-04 | 33.8 | 34.09 | 33.71 | 34.04 | 252500 | 33.7 |
| 06-Jan-04 | 34.26 | 34.36 | 33.82 | 33.93 | 225700 | 33.59 |
| 05-Jan-04 | 34.55 | 34.61 | 34.18 | 34.4 | 239900 | 34.05 |
| 02-Jan-04 | 34.45 | 34.6 | 34.29 | 34.4 | 285600 | 34.05 |
| 31-Dec-03 | 34.43 | 34.68 | 34.22 | 34.25 | 323100 | 33.9 |
| 30-Dec-03 | 34.24 | 34.31 | 34.1 | 34.18 | 287900 | 33.84 |
| 29-Dec-03 | 34.15 | 34.2 | 33.91 | 34.13 | 163800 | 33.79 |
| 26-Dec-03 | 33.7 | 34.05 | 33.7 | 33.94 | 103500 | 33.6 |
| 24-Dec-03 | 33.85 | 33.94 | 33.7 | 33.7 | 56100 | 33.36 |
| 23-Dec-03 | 34.1 | 34.1 | 33.7 | 33.85 | 265500 | 33.51 |
| 22-Dec-03 | 33.95 | 34.11 | 33.85 | 34.11 | 169600 | 33.77 |
| 19-Dec-03 | 33.97 | 34.07 | 33.77 | 34.07 | 213200 | 33.73 |
| 18-Dec-03 | 33.61 | 33.97 | 33.4 | 33.97 | 216500 | 33.63 |
| 17-Dec-03 | 33.5 | 33.61 | 32.95 | 33.61 | 238000 | 33.27 |
| Average | | | | 34.71 | | |

Southern Company (SO)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 30.47 | 30.6 | 30.33 | 30.44 | 1604200 | 30.44 |
| 15-Mar-04 | 30 | 30.48 | 29.92 | 30.36 | 1639700 | 30.36 |
| 12-Mar-04 | 29.99 | 30.19 | 29.86 | 30.15 | 1932100 | 30.15 |
| 11-Mar-04 | 30.3 | 30.51 | 30.03 | 30.11 | 2355100 | 30.11 |
| 10-Mar-04 | 30.61 | 30.75 | 30.3 | 30.32 | 1966400 | 30.32 |
| 09-Mar-04 | 30.4 | 30.7 | 30.39 | 30.65 | 2324500 | 30.65 |
| 08-Mar-04 | 30.72 | 30.77 | 30.49 | 30.55 | 1932400 | 30.55 |
| 05-Mar-04 | 30.42 | 30.84 | 30.36 | 30.63 | 2558300 | 30.63 |
| 04-Mar-04 | 30.26 | 30.46 | 30.26 | 30.41 | 1805300 | 30.41 |
| 03-Mar-04 | 30.22 | 30.44 | 30.07 | 30.32 | 1994500 | 30.32 |
| 02-Mar-04 | 30.3 | 30.48 | 30.18 | 30.31 | 1726000 | 30.31 |
| 01-Mar-04 | 30.25 | 30.5 | 30.1 | 30.42 | 2023300 | 30.42 |
| 27-Feb-04 | 29.54 | 30.34 | 29.54 | 30.32 | 3252600 | 30.32 |
| 26-Feb-04 | 29.76 | 30.1 | 29.75 | 30.05 | 2480900 | 30.05 |
| 25-Feb-04 | 29.67 | 29.98 | 29.58 | 29.79 | 1385400 | 29.79 |
| 24-Feb-04 | 29.7 | 29.78 | 29.45 | 29.65 | 1545800 | 29.65 |
| 23-Feb-04 | 29.75 | 29.86 | 29.59 | 29.7 | 1518000 | 29.7 |
| 20-Feb-04 | 30.08 | 30.08 | 29.75 | 29.83 | 2065300 | 29.83 |
| 19-Feb-04 | 29.91 | 30.15 | 29.9 | 30.01 | 2281400 | 30.01 |
| 18-Feb-04 | 29.65 | 29.98 | 29.63 | 29.91 | 2081100 | 29.91 |
| 17-Feb-04 | 29.5 | 29.75 | 29.48 | 29.59 | 1678900 | 29.59 |
| 13-Feb-04 | 29.52 | 29.65 | 29.35 | 29.5 | 1628400 | 29.5 |
| 12-Feb-04 | 29.42 | 29.66 | 29.4 | 29.58 | 1716900 | 29.58 |
| 11-Feb-04 | 29.37 | 29.6 | 29.12 | 29.42 | 4169100 | 29.42 |
| 10-Feb-04 | 29.15 | 29.54 | 29.12 | 29.44 | 4232100 | 29.44 |
| 09-Feb-04 | 29.17 | 29.22 | 29.05 | 29.21 | 2466600 | 29.21 |
| 06-Feb-04 | 29.21 | 29.3 | 29.11 | 29.24 | 2470500 | 29.24 |
| 05-Feb-04 | 29.41 | 29.41 | 29.05 | 29.1 | 1934500 | 29.1 |
| 04-Feb-04 | 29.25 | 29.47 | 29.09 | 29.32 | 3135500 | 29.32 |
| 03-Feb-04 | 29.7 | 29.7 | 29.37 | 29.5 | 2499000 | 29.5 |
| 02-Feb-04 | 29.7 | 29.87 | 29.55 | 29.63 | 3132300 | 29.63 |
| 30-Jan-04 | 29.9 | 29.95 | 29.65 | 29.8 | 2568200 | 29.8 |
| 29-Jan-04 | 30.2 | 30.27 | 29.98 | 30.02 | 2913900 | 30.02 |
| 28-Jan-04 | 30.2 | 30.56 | 30.05 | 30.34 | 4226600 | 29.99 |
| 27-Jan-04 | 30.06 | 30.21 | 29.99 | 30.2 | 2263000 | 29.85 |
| 26-Jan-04 | 30.2 | 30.26 | 29.92 | 30.12 | 2731100 | 29.77 |
| 23-Jan-04 | 30.12 | 30.34 | 30.05 | 30.24 | 2256800 | 29.89 |
| 22-Jan-04 | 30 | 30.25 | 30 | 30.08 | 2340700 | 29.73 |
| 21-Jan-04 | 29.75 | 30.13 | 29.58 | 30.07 | 2589800 | 29.72 |
| 20-Jan-04 | 29.26 | 29.67 | 29.11 | 29.67 | 3554400 | 29.33 |
| 16-Jan-04 | 29.75 | 29.75 | 29.31 | 29.43 | 2490800 | 29.09 |
| 15-Jan-04 | 29.72 | 29.8 | 29.51 | 29.65 | 1949500 | 29.31 |
| 14-Jan-04 | 29.85 | 29.85 | 29.61 | 29.75 | 1939200 | 29.41 |
| 13-Jan-04 | 29.84 | 29.85 | 29.64 | 29.74 | 1865700 | 29.4 |
| 12-Jan-04 | 29.98 | 29.99 | 29.79 | 29.83 | 2065800 | 29.49 |
| 09-Jan-04 | 29.93 | 30.05 | 29.8 | 29.85 | 2291300 | 29.51 |
| 08-Jan-04 | 30.1 | 30.11 | 29.92 | 30 | 1972500 | 29.65 |
| 07-Jan-04 | 29.95 | 30.04 | 29.8 | 30 | 2618100 | 29.65 |
| 06-Jan-04 | 29.93 | 30.23 | 29.87 | 30.08 | 1911300 | 29.73 |
| 05-Jan-04 | 30.19 | 30.29 | 29.82 | 30.06 | 1979600 | 29.71 |
| 02-Jan-04 | 30.24 | 30.35 | 30.01 | 30.06 | 1573200 | 29.71 |
| 31-Dec-03 | 30.35 | 30.35 | 30.11 | 30.25 | 2276600 | 29.9 |
| 30-Dec-03 | 30.2 | 30.41 | 30.12 | 30.27 | 1548800 | 29.92 |
| 29-Dec-03 | 30 | 30.24 | 29.91 | 30.1 | 1330700 | 29.75 |
| 26-Dec-03 | 30.06 | 30.17 | 29.99 | 29.99 | 400500 | 29.64 |
| 24-Dec-03 | 30.22 | 30.23 | 30.05 | 30.06 | 683200 | 29.71 |
| 23-Dec-03 | 30.1 | 30.23 | 30 | 30.22 | 1379600 | 29.87 |
| 22-Dec-03 | 29.92 | 30.17 | 29.84 | 30.16 | 1315200 | 29.81 |
| 19-Dec-03 | 29.91 | 29.94 | 29.81 | 29.92 | 1936600 | 29.57 |
| 18-Dec-03 | 29.79 | 29.8 | 29.6 | 29.8 | 1358000 | 29.46 |
| 17-Dec-03 | 29.62 | 29.82 | 29.35 | 29.74 | 1358900 | 29.4 |
| Average | | | | 29.95 | | |

Vectren (VVC)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 24.95 | 25.06 | 24.8 | 24.9 | 143700 | 24.9 |
| 15-Mar-04 | 25.15 | 25.16 | 24.88 | 24.93 | 139200 | 24.93 |
| 12-Mar-04 | 24.84 | 25.21 | 24.73 | 25.19 | 112100 | 25.19 |
| 11-Mar-04 | 25.14 | 25.3 | 24.83 | 24.84 | 156300 | 24.84 |
| 10-Mar-04 | 25.8 | 25.87 | 25.06 | 25.06 | 150400 | 25.06 |
| 09-Mar-04 | 25.5 | 25.77 | 25.35 | 25.71 | 120100 | 25.71 |
| 08-Mar-04 | 25.75 | 25.76 | 25.45 | 25.5 | 108800 | 25.5 |
| 05-Mar-04 | 25.63 | 25.8 | 25.55 | 25.72 | 126300 | 25.72 |
| 04-Mar-04 | 25.46 | 25.69 | 25.43 | 25.6 | 113800 | 25.6 |
| 03-Mar-04 | 25.55 | 25.56 | 25.25 | 25.55 | 151800 | 25.55 |
| 02-Mar-04 | 25.38 | 25.75 | 25.25 | 25.58 | 250100 | 25.58 |
| 01-Mar-04 | 24.91 | 25.19 | 24.79 | 25.19 | 171200 | 25.19 |
| 27-Feb-04 | 24.67 | 24.91 | 24.6 | 24.91 | 148900 | 24.91 |
| 26-Feb-04 | 24.65 | 24.67 | 24.41 | 24.49 | 152900 | 24.49 |
| 25-Feb-04 | 24.47 | 24.65 | 24.39 | 24.65 | 116200 | 24.65 |
| 24-Feb-04 | 24.4 | 24.54 | 24.28 | 24.5 | 127400 | 24.5 |
| 23-Feb-04 | 24.47 | 24.63 | 24.24 | 24.35 | 107300 | 24.35 |
| 20-Feb-04 | 24.48 | 24.48 | 24.15 | 24.47 | 136500 | 24.47 |
| 19-Feb-04 | 24.79 | 24.89 | 24.36 | 24.37 | 270900 | 24.37 |
| 18-Feb-04 | 24.93 | 24.93 | 24.54 | 24.65 | 129800 | 24.65 |
| 17-Feb-04 | 24.7 | 24.83 | 24.64 | 24.83 | 148700 | 24.83 |
| 13-Feb-04 | 24.93 | 24.98 | 24.51 | 24.55 | 76400 | 24.55 |
| 12-Feb-04 | 24.85 | 24.85 | 24.6 | 24.73 | 92100 | 24.73 |
| 11-Feb-04 | 24.8 | 24.9 | 24.65 | 24.77 | 135000 | 24.77 |
| 10-Feb-04 | 24.47 | 25.04 | 24.44 | 25 | 157900 | 24.72 |
| 09-Feb-04 | 24.49 | 24.56 | 24.25 | 24.46 | 121400 | 24.18 |
| 06-Feb-04 | 24.13 | 24.42 | 24.11 | 24.37 | 133300 | 24.09 |
| 05-Feb-04 | 24.41 | 24.55 | 24.18 | 24.19 | 201400 | 23.91 |
| 04-Feb-04 | 24.75 | 24.79 | 24.4 | 24.4 | 134700 | 24.12 |
| 03-Feb-04 | 25.05 | 25.05 | 24.7 | 24.7 | 198600 | 24.42 |
| 02-Feb-04 | 24.8 | 24.9 | 24.55 | 24.77 | 151900 | 24.49 |
| 30-Jan-04 | 24.52 | 24.79 | 24.5 | 24.74 | 165900 | 24.46 |
| 29-Jan-04 | 24.45 | 25 | 24.45 | 24.54 | 294600 | 24.26 |
| 28-Jan-04 | 24.67 | 24.81 | 24.36 | 24.36 | 176200 | 24.08 |
| 27-Jan-04 | 24.84 | 24.9 | 24.61 | 24.67 | 180100 | 24.39 |
| 26-Jan-04 | 24.98 | 24.98 | 24.68 | 24.84 | 136200 | 24.56 |
| 23-Jan-04 | 24.89 | 25.05 | 24.85 | 24.95 | 187400 | 24.67 |
| 22-Jan-04 | 25 | 25.05 | 24.82 | 24.89 | 129500 | 24.61 |
| 21-Jan-04 | 24.95 | 25 | 24.8 | 24.9 | 163200 | 24.62 |
| 20-Jan-04 | 24.9 | 24.95 | 24.62 | 24.87 | 190700 | 24.59 |
| 16-Jan-04 | 24.85 | 24.89 | 24.49 | 24.55 | 113800 | 24.27 |
| 15-Jan-04 | 24.78 | 24.78 | 24.46 | 24.6 | 150100 | 24.32 |
| 14-Jan-04 | 24.4 | 24.63 | 24.4 | 24.62 | 94900 | 24.34 |
| 13-Jan-04 | 24.42 | 24.63 | 24.28 | 24.4 | 148400 | 24.12 |
| 12-Jan-04 | 24.56 | 24.68 | 24.35 | 24.43 | 136700 | 24.15 |
| 09-Jan-04 | 24.66 | 24.75 | 24.37 | 24.55 | 190900 | 24.27 |
| 08-Jan-04 | 24.87 | 24.87 | 24.52 | 24.66 | 185800 | 24.38 |
| 07-Jan-04 | 24.6 | 24.87 | 24.57 | 24.86 | 129600 | 24.58 |
| 06-Jan-04 | 24.62 | 24.68 | 24.43 | 24.59 | 137200 | 24.31 |
| 05-Jan-04 | 24.74 | 24.93 | 24.43 | 24.7 | 132600 | 24.42 |
| 02-Jan-04 | 24.65 | 24.86 | 24.59 | 24.74 | 156100 | 24.46 |
| 31-Dec-03 | 24.74 | 24.79 | 24.51 | 24.65 | 177100 | 24.37 |
| 30-Dec-03 | 24.55 | 24.82 | 24.55 | 24.59 | 201900 | 24.31 |
| 29-Dec-03 | 24.65 | 24.85 | 24.48 | 24.58 | 162100 | 24.3 |
| 26-Dec-03 | 24.48 | 24.6 | 24.48 | 24.57 | 38000 | 24.29 |
| 24-Dec-03 | 24.48 | 24.55 | 24.35 | 24.54 | 40700 | 24.26 |
| 23-Dec-03 | 24.35 | 24.48 | 24.25 | 24.47 | 98300 | 24.19 |
| 22-Dec-03 | 24.34 | 24.39 | 24.1 | 24.39 | 114400 | 24.11 |
| 19-Dec-03 | 24.3 | 24.3 | 24 | 24.29 | 161300 | 24.01 |
| 18-Dec-03 | 23.85 | 24.2 | 23.77 | 24.2 | 197000 | 23.92 |
| 17-Dec-03 | 24 | 24 | 23.76 | 23.93 | 156900 | 23.66 |

Average 24.73

Wisconsin Energy (WEC)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 32.5 | 32.66 | 32.12 | 32.12 | 226500 | 32.12 |
| 15-Mar-04 | 32.3 | 32.77 | 32.3 | 32.56 | 307900 | 32.56 |
| 12-Mar-04 | 32.3 | 32.45 | 32.27 | 32.41 | 269800 | 32.41 |
| 11-Mar-04 | 32.3 | 32.68 | 32.23 | 32.4 | 558700 | 32.4 |
| 10-Mar-04 | 33.05 | 33.21 | 32.25 | 32.25 | 412100 | 32.25 |
| 09-Mar-04 | 33.25 | 33.35 | 33 | 33.15 | 421200 | 33.15 |
| 08-Mar-04 | 33.1 | 33.3 | 33.04 | 33.15 | 594500 | 33.15 |
| 05-Mar-04 | 32.75 | 33.12 | 32.74 | 33 | 344500 | 33 |
| 04-Mar-04 | 32.55 | 32.87 | 32.52 | 32.86 | 293500 | 32.86 |
| 03-Mar-04 | 32.55 | 32.66 | 32.33 | 32.6 | 338400 | 32.6 |
| 02-Mar-04 | 32.52 | 32.77 | 32.3 | 32.65 | 697700 | 32.65 |
| 01-Mar-04 | 32.32 | 32.56 | 32.11 | 32.52 | 693700 | 32.52 |
| 27-Feb-04 | 32.1 | 32.4 | 32.06 | 32.32 | 662100 | 32.32 |
| 26-Feb-04 | 31.9 | 32.1 | 31.9 | 32.1 | 527800 | 32.1 |
| 25-Feb-04 | 32 | 32.25 | 31.78 | 32 | 650100 | 32 |
| 24-Feb-04 | 32.15 | 32.25 | 31.82 | 31.97 | 687400 | 31.97 |
| 23-Feb-04 | 32.6 | 32.7 | 32.02 | 32.25 | 633300 | 32.25 |
| 20-Feb-04 | 32.93 | 32.95 | 32.55 | 32.56 | 394100 | 32.56 |
| 19-Feb-04 | 33.25 | 33.44 | 33.02 | 33.03 | 691600 | 33.03 |
| 18-Feb-04 | 33.35 | 33.44 | 33.11 | 33.2 | 806300 | 33.2 |
| 17-Feb-04 | 33.2 | 33.75 | 33.2 | 33.35 | 569700 | 33.35 |
| 13-Feb-04 | 33.33 | 33.65 | 33.16 | 33.32 | 441000 | 33.32 |
| 12-Feb-04 | 33.46 | 33.55 | 33.38 | 33.41 | 519800 | 33.41 |
| 11-Feb-04 | 33.92 | 34.16 | 33.4 | 33.46 | 1367900 | 33.46 |
| 10-Feb-04 | 34.14 | 34.24 | 33.85 | 34.24 | 295500 | 34.04 |
| 09-Feb-04 | 33.64 | 34.3 | 33.64 | 34.2 | 349600 | 34 |
| 06-Feb-04 | 33.55 | 33.85 | 33.48 | 33.63 | 254900 | 33.63 |
| 05-Feb-04 | 33.49 | 33.65 | 33.33 | 33.55 | 385500 | 33.35 |
| 04-Feb-04 | 33.06 | 34.15 | 33.05 | 33.35 | 1211300 | 33.16 |
| 03-Feb-04 | 32.85 | 33.15 | 32.78 | 33.03 | 301900 | 32.84 |
| 02-Feb-04 | 32.98 | 33.18 | 32.85 | 32.91 | 382700 | 32.72 |
| 30-Jan-04 | 32.99 | 33.25 | 32.91 | 33.09 | 294400 | 32.9 |
| 29-Jan-04 | 33.38 | 33.65 | 32.85 | 32.98 | 420700 | 32.79 |
| 28-Jan-04 | 33.42 | 33.77 | 33.15 | 33.3 | 567100 | 33.11 |
| 27-Jan-04 | 33.2 | 33.43 | 33.12 | 33.41 | 558200 | 33.21 |
| 26-Jan-04 | 33.62 | 33.62 | 33.15 | 33.32 | 360000 | 33.13 |
| 23-Jan-04 | 33.7 | 33.84 | 33.46 | 33.62 | 185700 | 33.42 |
| 22-Jan-04 | 33.35 | 33.67 | 33.35 | 33.59 | 232500 | 33.39 |
| 21-Jan-04 | 33.28 | 33.6 | 33.12 | 33.45 | 293400 | 33.25 |
| 20-Jan-04 | 33.33 | 33.5 | 33.12 | 33.16 | 793000 | 32.97 |
| 16-Jan-04 | 33.24 | 33.47 | 33.21 | 33.45 | 447500 | 33.25 |
| 15-Jan-04 | 33.1 | 33.27 | 32.98 | 33.25 | 823400 | 33.06 |
| 14-Jan-04 | 33.2 | 33.65 | 33.2 | 33.56 | 252900 | 33.36 |
| 13-Jan-04 | 33.25 | 33.38 | 33.11 | 33.23 | 333400 | 33.04 |
| 12-Jan-04 | 33.23 | 33.5 | 33.21 | 33.29 | 241700 | 33.1 |
| 09-Jan-04 | 33.36 | 33.42 | 33.11 | 33.23 | 375000 | 33.04 |
| 08-Jan-04 | 33.25 | 33.53 | 33.09 | 33.45 | 322500 | 33.25 |
| 07-Jan-04 | 33.32 | 33.4 | 33.26 | 33.32 | 268700 | 33.13 |
| 06-Jan-04 | 33.55 | 33.66 | 33.25 | 33.32 | 478300 | 33.13 |
| 05-Jan-04 | 33.45 | 33.68 | 32.97 | 33.31 | 210800 | 33.12 |
| 02-Jan-04 | 33.28 | 33.6 | 33.27 | 33.45 | 204300 | 33.25 |
| 31-Dec-03 | 33.45 | 33.68 | 33.45 | 33.45 | 233300 | 33.25 |
| 30-Dec-03 | 33.3 | 33.67 | 33.3 | 33.46 | 210100 | 33.26 |
| 29-Dec-03 | 33.25 | 33.6 | 33.25 | 33.46 | 287600 | 33.26 |
| 26-Dec-03 | 33.22 | 33.31 | 33.09 | 33.15 | 96700 | 32.96 |
| 24-Dec-03 | 33 | 33.14 | 32.94 | 33.12 | 60000 | 32.93 |
| 23-Dec-03 | 32.99 | 33.15 | 32.87 | 33 | 202000 | 32.81 |
| 22-Dec-03 | 32.6 | 32.99 | 32.5 | 32.99 | 260500 | 32.8 |
| 19-Dec-03 | 32.38 | 32.7 | 32.3 | 32.7 | 254800 | 32.51 |
| 18-Dec-03 | 32.14 | 32.51 | 31.93 | 32.51 | 429500 | 32.32 |
| 17-Dec-03 | 31.78 | 32.11 | 31.7 | 32.08 | 244500 | 31.89 |
| Average | | | | 33.06 | | |



AGL Resources (ATG)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 28.54 | 28.59 | 28.45 | 28.5 | 250000 | 28.5 |
| 15-Mar-04 | 28.64 | 28.64 | 28.31 | 28.4 | 195600 | 28.4 |
| 12-Mar-04 | 28.51 | 28.59 | 28.45 | 28.59 | 343000 | 28.59 |
| 11-Mar-04 | 28.49 | 28.6 | 28.3 | 28.36 | 217900 | 28.36 |
| 10-Mar-04 | 28.73 | 28.73 | 28.4 | 28.49 | 229500 | 28.49 |
| 09-Mar-04 | 28.46 | 28.75 | 28.45 | 28.7 | 174800 | 28.7 |
| 08-Mar-04 | 28.68 | 28.73 | 28.52 | 28.55 | 425500 | 28.55 |
| 05-Mar-04 | 28.45 | 28.68 | 28.45 | 28.58 | 131600 | 28.58 |
| 04-Mar-04 | 28.69 | 28.75 | 28.55 | 28.6 | 332600 | 28.6 |
| 03-Mar-04 | 28.65 | 28.73 | 28.41 | 28.59 | 145600 | 28.59 |
| 02-Mar-04 | 28.78 | 28.89 | 28.62 | 28.76 | 220900 | 28.76 |
| 01-Mar-04 | 28.75 | 28.84 | 28.63 | 28.8 | 318800 | 28.8 |
| 27-Feb-04 | 28.33 | 28.68 | 28.32 | 28.68 | 225800 | 28.68 |
| 26-Feb-04 | 28.47 | 28.5 | 28.35 | 28.4 | 354000 | 28.4 |
| 25-Feb-04 | 28.37 | 28.48 | 28.15 | 28.47 | 210700 | 28.47 |
| 24-Feb-04 | 28.02 | 28.28 | 27.95 | 28.26 | 272700 | 28.26 |
| 23-Feb-04 | 28.02 | 28.1 | 27.87 | 28.01 | 222200 | 28.01 |
| 20-Feb-04 | 28.3 | 28.32 | 27.91 | 27.91 | 213300 | 27.91 |
| 19-Feb-04 | 28.37 | 28.46 | 28.24 | 28.31 | 454100 | 28.31 |
| 18-Feb-04 | 28.9 | 28.9 | 28.3 | 28.3 | 280000 | 28.3 |
| 17-Feb-04 | 28.62 | 28.87 | 28.62 | 28.8 | 182900 | 28.8 |
| 13-Feb-04 | 28.95 | 28.95 | 28.63 | 28.68 | 108200 | 28.68 |
| 12-Feb-04 | 28.93 | 28.97 | 28.81 | 28.85 | 117400 | 28.85 |
| 11-Feb-04 | 28.88 | 29.06 | 28.57 | 28.93 | 936000 | 28.93 |
| 10-Feb-04 | 28.98 | 29.11 | 28.86 | 29 | 137600 | 28.72 |
| 09-Feb-04 | 28.99 | 28.99 | 28.85 | 28.88 | 142100 | 28.6 |
| 06-Feb-04 | 28.59 | 29 | 28.55 | 28.92 | 190000 | 28.64 |
| 05-Feb-04 | 28.64 | 28.85 | 28.47 | 28.47 | 191400 | 28.2 |
| 04-Feb-04 | 29.17 | 29.17 | 28.55 | 28.55 | 249600 | 28.27 |
| 03-Feb-04 | 29.27 | 29.31 | 29.12 | 29.12 | 221900 | 28.84 |
| 02-Feb-04 | 29.39 | 29.39 | 29.1 | 29.39 | 235200 | 29.11 |
| 30-Jan-04 | 29.55 | 29.65 | 29.33 | 29.36 | 129600 | 29.08 |
| 29-Jan-04 | 29.68 | 29.95 | 29.32 | 29.65 | 205700 | 29.36 |
| 28-Jan-04 | 29.95 | 29.99 | 29.48 | 29.56 | 163200 | 29.27 |
| 27-Jan-04 | 29.84 | 30.63 | 29.61 | 29.82 | 167700 | 29.53 |
| 26-Jan-04 | 29.89 | 29.92 | 29.6 | 29.87 | 94400 | 29.58 |
| 23-Jan-04 | 29.78 | 29.92 | 29.61 | 29.79 | 98600 | 29.5 |
| 22-Jan-04 | 29.88 | 29.92 | 29.6 | 29.73 | 110600 | 29.44 |
| 21-Jan-04 | 29.53 | 29.89 | 29.53 | 29.77 | 168600 | 29.48 |
| 20-Jan-04 | 29.33 | 29.75 | 29.2 | 29.75 | 270400 | 29.46 |
| 16-Jan-04 | 29.4 | 29.4 | 29.15 | 29.31 | 114000 | 29.03 |
| 15-Jan-04 | 29.33 | 29.38 | 29 | 29.28 | 166700 | 29 |
| 14-Jan-04 | 28.96 | 29.21 | 28.96 | 29.11 | 126900 | 28.83 |
| 13-Jan-04 | 28.98 | 28.98 | 28.76 | 28.97 | 128700 | 28.69 |
| 12-Jan-04 | 28.82 | 28.98 | 28.74 | 28.89 | 153400 | 28.61 |
| 09-Jan-04 | 28.75 | 29 | 28.73 | 28.87 | 175800 | 28.59 |
| 08-Jan-04 | 28.87 | 28.91 | 28.6 | 28.91 | 215300 | 28.63 |
| 07-Jan-04 | 28.93 | 28.93 | 28.62 | 28.77 | 71700 | 28.49 |
| 06-Jan-04 | 29 | 29 | 28.7 | 28.83 | 153000 | 28.55 |
| 05-Jan-04 | 28.9 | 29.13 | 28.77 | 29 | 104100 | 28.72 |
| 02-Jan-04 | 28.94 | 29.24 | 28.92 | 28.99 | 87500 | 28.71 |
| 31-Dec-03 | 29.18 | 29.25 | 29.02 | 29.1 | 119200 | 28.82 |
| 30-Dec-03 | 29.08 | 29.25 | 29.04 | 29.06 | 164800 | 28.78 |
| 29-Dec-03 | 29.24 | 29.35 | 29.02 | 29.08 | 179800 | 28.8 |
| 26-Dec-03 | 29.11 | 29.24 | 29.11 | 29.2 | 44600 | 28.92 |
| 24-Dec-03 | 29.06 | 29.23 | 29.04 | 29.21 | 46200 | 28.93 |
| 23-Dec-03 | 29.09 | 29.16 | 28.93 | 29.16 | 121400 | 28.88 |
| 22-Dec-03 | 28.88 | 29.12 | 28.83 | 29.09 | 226800 | 28.81 |
| 19-Dec-03 | 28.99 | 29.13 | 28.9 | 29.13 | 151300 | 28.85 |
| 18-Dec-03 | 28.62 | 28.99 | 28.25 | 28.95 | 137900 | 28.67 |
| 17-Dec-03 | 28.68 | 28.68 | 28.26 | 28.52 | 184100 | 28.24 |

Average 28.91

Atmos Energy (ATO)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 26.18 | 26.2 | 25.9 | 25.96 | 222500 | 25.96 |
| 15-Mar-04 | 26.44 | 26.44 | 25.95 | 26.03 | 274900 | 26.03 |
| 12-Mar-04 | 26 | 26.44 | 26 | 26.44 | 169400 | 26.44 |
| 11-Mar-04 | 26.3 | 26.52 | 25.9 | 25.94 | 166400 | 25.94 |
| 10-Mar-04 | 26.69 | 26.82 | 26.24 | 26.3 | 177000 | 26.3 |
| 09-Mar-04 | 26.81 | 26.81 | 26.5 | 26.56 | 177000 | 26.56 |
| 08-Mar-04 | 26.98 | 26.98 | 26.68 | 26.69 | 162200 | 26.69 |
| 05-Mar-04 | 26.7 | 26.99 | 26.69 | 26.86 | 195400 | 26.86 |
| 04-Mar-04 | 26.59 | 26.75 | 26.53 | 26.75 | 151200 | 26.75 |
| 03-Mar-04 | 26.7 | 27 | 26.46 | 26.61 | 188900 | 26.61 |
| 02-Mar-04 | 26.68 | 26.75 | 26.59 | 26.65 | 180400 | 26.65 |
| 01-Mar-04 | 26.49 | 26.68 | 26.39 | 26.68 | 198300 | 26.68 |
| 27-Feb-04 | 26.16 | 26.5 | 26.15 | 26.35 | 177800 | 26.35 |
| 26-Feb-04 | 26.32 | 26.32 | 26.12 | 26.18 | 149400 | 26.18 |
| 25-Feb-04 | 26.02 | 26.33 | 25.99 | 26.33 | 163100 | 26.33 |
| 24-Feb-04 | 26.09 | 26.26 | 25.91 | 26.11 | 224300 | 26.11 |
| 23-Feb-04 | 26.15 | 26.25 | 26 | 26.09 | 271200 | 26.09 |
| 20-Feb-04 | 26.53 | 26.55 | 26.2 | 26.4 | 223800 | 26.09 |
| 19-Feb-04 | 26.52 | 26.7 | 26.41 | 26.46 | 258900 | 26.15 |
| 18-Feb-04 | 26.33 | 26.52 | 26.24 | 26.52 | 358200 | 26.21 |
| 17-Feb-04 | 26.12 | 26.44 | 26.04 | 26.44 | 285400 | 26.13 |
| 13-Feb-04 | 26.19 | 26.44 | 26.17 | 26.18 | 221800 | 25.88 |
| 12-Feb-04 | 26 | 26.29 | 25.98 | 26.25 | 299300 | 25.95 |
| 11-Feb-04 | 26.01 | 26.34 | 26.01 | 26.16 | 263500 | 25.86 |
| 10-Feb-04 | 25.58 | 26.14 | 25.57 | 26.14 | 344400 | 25.84 |
| 09-Feb-04 | 25.24 | 25.58 | 25.1 | 25.58 | 247900 | 25.28 |
| 06-Feb-04 | 25.05 | 25.3 | 24.85 | 25.24 | 181800 | 24.95 |
| 05-Feb-04 | 24.95 | 25.15 | 24.8 | 24.87 | 219000 | 24.58 |
| 04-Feb-04 | 25.4 | 25.4 | 24.82 | 24.92 | 289500 | 24.63 |
| 03-Feb-04 | 25.45 | 25.52 | 25.4 | 25.43 | 177300 | 25.14 |
| 02-Feb-04 | 25.55 | 25.58 | 25.28 | 25.46 | 129700 | 25.17 |
| 30-Jan-04 | 25.66 | 25.74 | 25.41 | 25.6 | 143300 | 25.3 |
| 29-Jan-04 | 25.6 | 25.82 | 25.57 | 25.66 | 323900 | 25.36 |
| 28-Jan-04 | 25.51 | 25.96 | 25.47 | 25.62 | 415800 | 25.32 |
| 27-Jan-04 | 25.6 | 25.62 | 25.37 | 25.51 | 223700 | 25.22 |
| 26-Jan-04 | 25.46 | 25.59 | 25.25 | 25.59 | 208600 | 25.29 |
| 23-Jan-04 | 25.25 | 25.46 | 25.2 | 25.46 | 261700 | 25.17 |
| 22-Jan-04 | 25.31 | 25.4 | 25.2 | 25.23 | 266100 | 24.94 |
| 21-Jan-04 | 25.08 | 25.3 | 25 | 25.3 | 406300 | 25.01 |
| 20-Jan-04 | 24.69 | 25.13 | 24.64 | 24.98 | 333100 | 24.69 |
| 16-Jan-04 | 24.86 | 24.87 | 24.59 | 24.59 | 185500 | 24.31 |
| 15-Jan-04 | 24.75 | 24.85 | 24.67 | 24.76 | 180600 | 24.47 |
| 14-Jan-04 | 24.68 | 24.85 | 24.62 | 24.85 | 240500 | 24.56 |
| 13-Jan-04 | 24.79 | 24.79 | 24.6 | 24.62 | 266800 | 24.34 |
| 12-Jan-04 | 24.65 | 24.78 | 24.58 | 24.75 | 221900 | 24.46 |
| 09-Jan-04 | 24.57 | 24.76 | 24.52 | 24.55 | 211100 | 24.27 |
| 08-Jan-04 | 24.5 | 24.69 | 24.42 | 24.67 | 165500 | 24.38 |
| 07-Jan-04 | 24.33 | 24.5 | 24.32 | 24.47 | 152300 | 24.19 |
| 06-Jan-04 | 24.5 | 24.66 | 24.3 | 24.32 | 231900 | 24.04 |
| 05-Jan-04 | 24.73 | 24.89 | 24.42 | 24.51 | 160900 | 24.23 |
| 02-Jan-04 | 24.55 | 24.84 | 24.55 | 24.73 | 168500 | 24.44 |
| 31-Dec-03 | 24.91 | 24.99 | 24.3 | 24.3 | 161000 | 24.02 |
| 30-Dec-03 | 24.85 | 25 | 24.8 | 24.99 | 95100 | 24.7 |
| 29-Dec-03 | 24.77 | 25 | 24.77 | 24.91 | 134900 | 24.62 |
| 26-Dec-03 | 24.75 | 24.88 | 24.74 | 24.81 | 54300 | 24.52 |
| 24-Dec-03 | 24.74 | 24.84 | 24.6 | 24.66 | 100100 | 24.38 |
| 23-Dec-03 | 24.28 | 24.74 | 24.28 | 24.73 | 268700 | 24.44 |
| 22-Dec-03 | 24.23 | 24.43 | 23.92 | 24.28 | 449000 | 24 |
| 19-Dec-03 | 24.34 | 24.48 | 24.1 | 24.15 | 461000 | 23.87 |
| 18-Dec-03 | 24.35 | 24.5 | 24.32 | 24.34 | 279300 | 24.06 |
| 17-Dec-03 | 24.51 | 24.59 | 24.35 | 24.45 | 234600 | 24.17 |

Average 25.51

Keyspan (KSE)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 37.37 | 37.45 | 37.11 | 37.33 | 379500 | 37.33 |
| 15-Mar-04 | 37.36 | 37.43 | 37.14 | 37.22 | 430300 | 37.22 |
| 12-Mar-04 | 36.92 | 37.36 | 36.87 | 37.36 | 357700 | 37.36 |
| 11-Mar-04 | 37.35 | 37.71 | 36.84 | 36.89 | 675600 | 36.89 |
| 10-Mar-04 | 38 | 38.06 | 37.54 | 37.54 | 797900 | 37.54 |
| 09-Mar-04 | 38.27 | 38.45 | 38.15 | 38.27 | 337300 | 38.27 |
| 08-Mar-04 | 38.35 | 38.51 | 38.07 | 38.4 | 393000 | 38.4 |
| 05-Mar-04 | 38.24 | 38.54 | 38.13 | 38.51 | 422200 | 38.51 |
| 04-Mar-04 | 38.35 | 38.47 | 38.14 | 38.22 | 464200 | 38.22 |
| 03-Mar-04 | 38.15 | 38.55 | 37.8 | 38.47 | 467200 | 38.47 |
| 02-Mar-04 | 38.06 | 38.6 | 38.04 | 38.32 | 892100 | 38.32 |
| 01-Mar-04 | 37.94 | 38.12 | 37.87 | 38.07 | 803000 | 38.07 |
| 27-Feb-04 | 37.27 | 38 | 37.18 | 38 | 920000 | 38 |
| 26-Feb-04 | 36.65 | 37.15 | 36.65 | 37.11 | 481000 | 37.11 |
| 25-Feb-04 | 36.55 | 36.79 | 36.43 | 36.75 | 604000 | 36.75 |
| 24-Feb-04 | 36.5 | 36.65 | 36.31 | 36.42 | 647100 | 36.42 |
| 23-Feb-04 | 36.58 | 36.89 | 36.26 | 36.41 | 404300 | 36.41 |
| 20-Feb-04 | 36.86 | 36.91 | 36.38 | 36.43 | 478000 | 36.43 |
| 19-Feb-04 | 37.24 | 37.4 | 36.79 | 36.85 | 575400 | 36.85 |
| 18-Feb-04 | 36.95 | 37.17 | 36.87 | 37.16 | 513500 | 37.16 |
| 17-Feb-04 | 36.55 | 36.95 | 36.54 | 36.95 | 359000 | 36.95 |
| 13-Feb-04 | 36.65 | 36.68 | 36.3 | 36.39 | 562800 | 36.39 |
| 12-Feb-04 | 36.6 | 36.75 | 36.35 | 36.5 | 538500 | 36.5 |
| 11-Feb-04 | 36.42 | 36.67 | 36.33 | 36.55 | 1018500 | 36.55 |
| 10-Feb-04 | 36.25 | 36.54 | 36.16 | 36.4 | 756400 | 36.4 |
| 09-Feb-04 | 36.55 | 36.74 | 36.34 | 36.35 | 855800 | 36.35 |
| 06-Feb-04 | 36.42 | 36.77 | 36.42 | 36.5 | 503600 | 36.5 |
| 05-Feb-04 | 36.8 | 36.82 | 36.41 | 36.43 | 518100 | 36.43 |
| 04-Feb-04 | 36.88 | 36.9 | 36.46 | 36.62 | 527900 | 36.62 |
| 03-Feb-04 | 37.05 | 37.09 | 36.72 | 36.93 | 538800 | 36.93 |
| 02-Feb-04 | 36.7 | 37.05 | 36.47 | 37.05 | 753800 | 37.05 |
| 30-Jan-04 | 36.55 | 36.73 | 36.46 | 36.47 | 495900 | 36.47 |
| 29-Jan-04 | 36.55 | 36.9 | 36.51 | 36.62 | 408700 | 36.62 |
| 28-Jan-04 | 36.7 | 36.95 | 36.48 | 36.5 | 480300 | 36.5 |
| 27-Jan-04 | 36.74 | 36.8 | 36.61 | 36.62 | 644300 | 36.62 |
| 26-Jan-04 | 36.75 | 36.82 | 36.54 | 36.74 | 399200 | 36.74 |
| 23-Jan-04 | 36.49 | 36.94 | 36.49 | 36.7 | 443900 | 36.7 |
| 22-Jan-04 | 36.8 | 36.84 | 36.43 | 36.56 | 446900 | 36.56 |
| 21-Jan-04 | 36.4 | 36.7 | 36.32 | 36.69 | 420000 | 36.69 |
| 20-Jan-04 | 36.2 | 36.36 | 36.08 | 36.35 | 518200 | 36.35 |
| 16-Jan-04 | 36.25 | 36.26 | 35.95 | 36.2 | 502700 | 36.2 |
| 15-Jan-04 | 36.25 | 36.28 | 35.93 | 35.99 | 543900 | 35.99 |
| 14-Jan-04 | 35.75 | 36.15 | 35.72 | 36.15 | 540900 | 36.15 |
| 13-Jan-04 | 35.98 | 36.05 | 35.77 | 35.8 | 861200 | 35.8 |
| 12-Jan-04 | 36.25 | 36.25 | 35.84 | 35.87 | 814000 | 35.87 |
| 09-Jan-04 | 36.8 | 37.02 | 36.5 | 36.55 | 803700 | 36.1 |
| 08-Jan-04 | 37.1 | 37.26 | 36.92 | 37.01 | 650900 | 36.56 |
| 07-Jan-04 | 37.19 | 37.26 | 36.96 | 37.1 | 540100 | 36.65 |
| 06-Jan-04 | 37.2 | 37.2 | 36.9 | 37.05 | 414600 | 36.6 |
| 05-Jan-04 | 36.97 | 37.17 | 36.81 | 37.06 | 650100 | 36.61 |
| 02-Jan-04 | 36.98 | 37.1 | 36.86 | 36.93 | 493700 | 36.48 |
| 31-Dec-03 | 36.88 | 36.95 | 36.71 | 36.8 | 335900 | 36.35 |
| 30-Dec-03 | 36.81 | 36.9 | 36.7 | 36.72 | 479800 | 36.27 |
| 29-Dec-03 | 36.95 | 37.09 | 36.73 | 36.8 | 565100 | 36.35 |
| 28-Dec-03 | 36.82 | 37 | 36.75 | 36.81 | 168300 | 36.36 |
| 24-Dec-03 | 36.94 | 37 | 36.66 | 36.74 | 194400 | 36.29 |
| 23-Dec-03 | 36.95 | 36.98 | 36.68 | 36.78 | 481600 | 36.33 |
| 22-Dec-03 | 36.75 | 36.88 | 36.54 | 36.85 | 450800 | 36.4 |
| 19-Dec-03 | 36.5 | 36.66 | 36.23 | 36.65 | 698300 | 36.2 |
| 18-Dec-03 | 35.82 | 36.44 | 35.75 | 36.42 | 410000 | 35.98 |
| 17-Dec-03 | 35.98 | 36.09 | 35.69 | 35.82 | 449000 | 35.38 |
| Average | | | | 36.88 | | |

Laclede Group (LG)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 30.84 | 30.9 | 30.51 | 30.7 | 47600 | 30.7 |
| 15-Mar-04 | 30.85 | 30.94 | 30.5 | 30.84 | 52000 | 30.84 |
| 12-Mar-04 | 30.3 | 31 | 30.15 | 31 | 48100 | 31 |
| 11-Mar-04 | 30.55 | 30.68 | 30.25 | 30.25 | 49100 | 30.25 |
| 10-Mar-04 | 30.76 | 31.25 | 30.6 | 30.7 | 34400 | 30.7 |
| 09-Mar-04 | 30.98 | 31.08 | 30.66 | 30.76 | 56200 | 30.76 |
| 08-Mar-04 | 31.55 | 31.87 | 31.31 | 31.32 | 72300 | 30.98 |
| 05-Mar-04 | 31.5 | 31.7 | 31.4 | 31.56 | 28200 | 31.22 |
| 04-Mar-04 | 31.14 | 31.53 | 30.96 | 31.53 | 29500 | 31.19 |
| 03-Mar-04 | 31.15 | 31.27 | 31 | 31.2 | 36400 | 30.86 |
| 02-Mar-04 | 31.45 | 31.49 | 31.15 | 31.15 | 28900 | 30.81 |
| 01-Mar-04 | 30.97 | 31.4 | 30.9 | 31.4 | 38800 | 31.06 |
| 27-Feb-04 | 30.89 | 31.19 | 30.83 | 30.97 | 31800 | 30.63 |
| 26-Feb-04 | 31 | 31.09 | 30.64 | 30.89 | 30100 | 30.55 |
| 25-Feb-04 | 30.5 | 30.85 | 30.25 | 30.85 | 44300 | 30.52 |
| 24-Feb-04 | 30.3 | 30.64 | 30.15 | 30.63 | 61000 | 30.3 |
| 23-Feb-04 | 30.5 | 30.5 | 30.16 | 30.23 | 40200 | 29.9 |
| 20-Feb-04 | 30.5 | 30.62 | 30.2 | 30.45 | 32000 | 30.12 |
| 19-Feb-04 | 30.75 | 30.9 | 30.55 | 30.6 | 29000 | 30.27 |
| 18-Feb-04 | 30.54 | 30.8 | 30.4 | 30.68 | 312300 | 30.35 |
| 17-Feb-04 | 29.9 | 30.54 | 29.9 | 30.54 | 38200 | 30.21 |
| 13-Feb-04 | 30.63 | 30.65 | 29.98 | 29.98 | 38200 | 29.65 |
| 12-Feb-04 | 30.71 | 30.81 | 30.5 | 30.53 | 22600 | 30.2 |
| 11-Feb-04 | 30.5 | 30.66 | 30.13 | 30.64 | 22000 | 30.31 |
| 10-Feb-04 | 29.86 | 30.55 | 29.84 | 30.55 | 43700 | 30.22 |
| 09-Feb-04 | 30.3 | 30.43 | 30 | 30.06 | 35000 | 29.73 |
| 06-Feb-04 | 29.75 | 30.48 | 29.67 | 30.4 | 42900 | 30.07 |
| 05-Feb-04 | 29.75 | 30.05 | 29.75 | 29.85 | 44200 | 29.53 |
| 04-Feb-04 | 30.15 | 30.2 | 29.66 | 29.66 | 61600 | 29.34 |
| 03-Feb-04 | 29.9 | 30.25 | 29.8 | 30.25 | 43300 | 29.92 |
| 02-Feb-04 | 29.7 | 30 | 29.5 | 30 | 36600 | 29.67 |
| 30-Jan-04 | 29.55 | 29.9 | 29.45 | 29.75 | 36000 | 29.43 |
| 29-Jan-04 | 29.95 | 29.95 | 29.57 | 29.65 | 45100 | 29.33 |
| 28-Jan-04 | 30.15 | 30.15 | 29.76 | 29.85 | 32700 | 29.53 |
| 27-Jan-04 | 30.05 | 30.15 | 29.86 | 30.15 | 35100 | 29.82 |
| 26-Jan-04 | 29.87 | 30.11 | 29.67 | 30.1 | 34300 | 29.77 |
| 23-Jan-04 | 29.5 | 29.87 | 29.27 | 29.87 | 51600 | 29.55 |
| 22-Jan-04 | 29.35 | 29.53 | 29.21 | 29.53 | 48300 | 29.21 |
| 21-Jan-04 | 29.05 | 29.35 | 29 | 29.29 | 31900 | 28.97 |
| 20-Jan-04 | 28.62 | 29 | 28.62 | 28.9 | 40300 | 28.59 |
| 16-Jan-04 | 29.05 | 29.05 | 28.6 | 28.6 | 29100 | 28.29 |
| 15-Jan-04 | 29.05 | 29.08 | 28.82 | 28.95 | 19200 | 28.64 |
| 14-Jan-04 | 29.2 | 29.25 | 29.05 | 29.1 | 27000 | 28.78 |
| 13-Jan-04 | 28.95 | 29.1 | 28.75 | 29.1 | 27600 | 28.78 |
| 12-Jan-04 | 28.75 | 29.06 | 28.75 | 29.05 | 24800 | 28.73 |
| 09-Jan-04 | 29.1 | 29.21 | 28.61 | 28.61 | 29900 | 28.3 |
| 08-Jan-04 | 28.75 | 29.29 | 28.7 | 29.1 | 41400 | 28.78 |
| 07-Jan-04 | 28.26 | 28.62 | 28.26 | 28.6 | 43700 | 28.29 |
| 06-Jan-04 | 28.7 | 28.8 | 28.28 | 28.28 | 32200 | 27.97 |
| 05-Jan-04 | 28.96 | 29.28 | 28.7 | 28.8 | 35100 | 28.49 |
| 02-Jan-04 | 28.65 | 28.98 | 28.65 | 28.8 | 23400 | 28.49 |
| 31-Dec-03 | 29.35 | 29.5 | 28.55 | 28.55 | 50800 | 28.24 |
| 30-Dec-03 | 29.38 | 29.4 | 29.04 | 29.19 | 23000 | 28.87 |
| 29-Dec-03 | 29.75 | 30 | 29.39 | 29.5 | 46700 | 29.18 |
| 26-Dec-03 | 29.6 | 29.74 | 29.6 | 29.73 | 4700 | 29.41 |
| 24-Dec-03 | 29.75 | 29.83 | 29.58 | 29.65 | 17800 | 29.33 |
| 23-Dec-03 | 28.9 | 29.83 | 28.75 | 29.83 | 28400 | 29.51 |
| 22-Dec-03 | 28.78 | 28.9 | 28.57 | 28.9 | 22100 | 28.59 |
| 19-Dec-03 | 28.9 | 28.9 | 28.25 | 28.78 | 33700 | 28.47 |
| 18-Dec-03 | 28.43 | 28.99 | 28.35 | 28.9 | 24400 | 28.59 |
| 17-Dec-03 | 28.62 | 28.62 | 28.25 | 28.43 | 9900 | 28.12 |
| Average | | | | 29.93 | | |

DOD Response to LG&E, Question 2(a)
Attachment 2, Page 5 of 7
Witness: K. L. Kincaid

| Northwest Natural Gas (NWN) | | | | | | |
|-----------------------------|-------|-------|-------|-------|--------|-------------|
| Date | Open | High | Low | Close | Volume | Adj. Close* |
| 16-Mar-04 | 31.86 | 31.95 | 31.61 | 31.7 | 52700 | 31.7 |
| 15-Mar-04 | 32.4 | 32.4 | 31.83 | 31.86 | 48900 | 31.86 |
| 12-Mar-04 | 31.75 | 32.46 | 31.43 | 32.46 | 54400 | 32.46 |
| 11-Mar-04 | 32.1 | 32.19 | 31.65 | 31.65 | 44400 | 31.65 |
| 10-Mar-04 | 32.25 | 32.45 | 32 | 32 | 32600 | 32 |
| 09-Mar-04 | 32.46 | 32.56 | 32.24 | 32.35 | 38900 | 32.35 |
| 08-Mar-04 | 32.67 | 32.9 | 32.45 | 32.46 | 50000 | 32.46 |
| 05-Mar-04 | 32.6 | 32.95 | 32.6 | 32.72 | 36300 | 32.72 |
| 04-Mar-04 | 32.45 | 32.7 | 32.32 | 32.7 | 37200 | 32.7 |
| 03-Mar-04 | 32.7 | 32.7 | 32.35 | 32.5 | 41900 | 32.5 |
| 02-Mar-04 | 32.55 | 33 | 32.54 | 32.7 | 62700 | 32.7 |
| 01-Mar-04 | 32 | 32.72 | 32 | 32.55 | 81800 | 32.55 |
| 27-Feb-04 | 31.7 | 32 | 31.7 | 31.97 | 61000 | 31.97 |
| 26-Feb-04 | 31.42 | 31.92 | 31.42 | 31.75 | 58400 | 31.75 |
| 25-Feb-04 | 31.35 | 31.55 | 31.27 | 31.52 | 35800 | 31.52 |
| 24-Feb-04 | 31.35 | 31.65 | 31.25 | 31.34 | 50800 | 31.34 |
| 23-Feb-04 | 31.3 | 31.35 | 31.2 | 31.25 | 55200 | 31.25 |
| 20-Feb-04 | 31.35 | 31.39 | 31.19 | 31.26 | 48900 | 31.26 |
| 19-Feb-04 | 31.25 | 31.69 | 31.25 | 31.25 | 54700 | 31.25 |
| 18-Feb-04 | 31.38 | 31.52 | 31.05 | 31.17 | 50600 | 31.17 |
| 17-Feb-04 | 31.42 | 31.45 | 31.12 | 31.28 | 57100 | 31.28 |
| 13-Feb-04 | 31.3 | 31.42 | 31.17 | 31.17 | 60500 | 31.17 |
| 12-Feb-04 | 31.35 | 31.35 | 31.2 | 31.2 | 38900 | 31.2 |
| 11-Feb-04 | 31.3 | 31.35 | 31.1 | 31.35 | 51100 | 31.35 |
| 10-Feb-04 | 30.7 | 31.3 | 30.65 | 31.3 | 55000 | 31.3 |
| 09-Feb-04 | 30.79 | 30.82 | 30.55 | 30.7 | 46500 | 30.7 |
| 06-Feb-04 | 30.4 | 30.85 | 30.3 | 30.79 | 39100 | 30.79 |
| 05-Feb-04 | 30.2 | 30.4 | 30.07 | 30.3 | 68800 | 30.3 |
| 04-Feb-04 | 30.85 | 30.85 | 30.1 | 30.1 | 60700 | 30.1 |
| 03-Feb-04 | 30.6 | 31 | 30.45 | 30.8 | 51200 | 30.8 |
| 02-Feb-04 | 30.55 | 30.76 | 30.3 | 30.61 | 68600 | 30.61 |
| 30-Jan-04 | 30.9 | 31 | 30.6 | 30.8 | 30700 | 30.8 |
| 29-Jan-04 | 31.3 | 31.3 | 30.8 | 30.85 | 47600 | 30.85 |
| 28-Jan-04 | 31.65 | 31.65 | 31.22 | 31.25 | 56400 | 31.25 |
| 27-Jan-04 | 31.81 | 31.97 | 31.65 | 31.94 | 72900 | 31.61 |
| 26-Jan-04 | 31.7 | 31.91 | 31.61 | 31.91 | 43800 | 31.59 |
| 23-Jan-04 | 31.23 | 31.75 | 31.22 | 31.73 | 68000 | 31.41 |
| 22-Jan-04 | 31.15 | 31.26 | 31.05 | 31.13 | 54100 | 30.81 |
| 21-Jan-04 | 30.8 | 31.2 | 30.65 | 31.2 | 52000 | 30.88 |
| 20-Jan-04 | 30.86 | 30.91 | 30.62 | 30.87 | 62300 | 30.56 |
| 16-Jan-04 | 30.85 | 30.85 | 30.58 | 30.61 | 45300 | 30.3 |
| 15-Jan-04 | 30.75 | 30.85 | 30.6 | 30.65 | 54300 | 30.34 |
| 14-Jan-04 | 30.78 | 30.94 | 30.7 | 30.85 | 41300 | 30.54 |
| 13-Jan-04 | 30.57 | 30.75 | 30.5 | 30.75 | 55700 | 30.44 |
| 12-Jan-04 | 30.4 | 30.57 | 29.95 | 30.52 | 61500 | 30.21 |
| 09-Jan-04 | 30.58 | 30.68 | 30.32 | 30.34 | 40900 | 30.03 |
| 08-Jan-04 | 30.75 | 30.75 | 30.51 | 30.57 | 40300 | 30.26 |
| 07-Jan-04 | 30.45 | 30.75 | 30.35 | 30.75 | 55800 | 30.44 |
| 06-Jan-04 | 30.65 | 30.77 | 30.5 | 30.5 | 49300 | 30.19 |
| 05-Jan-04 | 30.77 | 31 | 30.63 | 30.65 | 40600 | 30.34 |
| 02-Jan-04 | 30.87 | 31 | 30.55 | 30.67 | 53100 | 30.36 |
| 31-Dec-03 | 31.12 | 31.19 | 30.72 | 30.75 | 61200 | 30.44 |
| 30-Dec-03 | 31.02 | 31.3 | 31 | 31.22 | 47000 | 30.9 |
| 29-Dec-03 | 29.5 | 31.11 | 29.5 | 31.1 | 101300 | 30.78 |
| 26-Dec-03 | 30.9 | 31.09 | 30.89 | 31.07 | 17700 | 30.75 |
| 24-Dec-03 | 31 | 31.1 | 30.88 | 30.9 | 29400 | 30.59 |
| 23-Dec-03 | 30.45 | 31.05 | 30.39 | 31.04 | 77800 | 30.72 |
| 22-Dec-03 | 30.36 | 30.47 | 30.22 | 30.43 | 36400 | 30.12 |
| 19-Dec-03 | 30.44 | 30.46 | 30.09 | 30.46 | 67700 | 30.15 |
| 18-Dec-03 | 30.22 | 30.5 | 30.05 | 30.44 | 46200 | 30.13 |
| 17-Dec-03 | 30.01 | 30.21 | 29.81 | 30.21 | 46300 | 29.9 |
| Average | | | | 31.23 | | |

Peoples Energy (PGL)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|--------|-------------|
| 16-Mar-04 | 45.31 | 45.54 | 45.18 | 45.3 | 135900 | 45.3 |
| 15-Mar-04 | 45.34 | 45.43 | 45.15 | 45.31 | 132700 | 45.31 |
| 12-Mar-04 | 44.9 | 45.24 | 44.87 | 45.24 | 129200 | 45.24 |
| 11-Mar-04 | 45.1 | 45.47 | 44.76 | 44.8 | 221700 | 44.8 |
| 10-Mar-04 | 45.5 | 45.5 | 45.13 | 45.25 | 197800 | 45.25 |
| 09-Mar-04 | 45.64 | 45.83 | 45.31 | 45.31 | 106000 | 45.31 |
| 08-Mar-04 | 45.7 | 45.98 | 45.59 | 45.64 | 339500 | 45.64 |
| 05-Mar-04 | 45.19 | 45.93 | 45.19 | 45.8 | 205300 | 45.8 |
| 04-Mar-04 | 44.81 | 45.22 | 44.75 | 45.14 | 105600 | 45.14 |
| 03-Mar-04 | 44.73 | 44.96 | 44.52 | 44.93 | 101000 | 44.93 |
| 02-Mar-04 | 45.02 | 45.02 | 44.57 | 44.73 | 145000 | 44.73 |
| 01-Mar-04 | 44.75 | 45.03 | 44.61 | 44.9 | 122700 | 44.9 |
| 27-Feb-04 | 43.76 | 44.7 | 43.5 | 44.59 | 541700 | 44.59 |
| 26-Feb-04 | 43.62 | 43.7 | 43.41 | 43.6 | 84400 | 43.6 |
| 25-Feb-04 | 43.22 | 43.67 | 43.09 | 43.52 | 160500 | 43.52 |
| 24-Feb-04 | 43.15 | 43.55 | 42.92 | 43.06 | 139800 | 43.06 |
| 23-Feb-04 | 43.53 | 43.74 | 43.25 | 43.29 | 71900 | 43.29 |
| 20-Feb-04 | 43.63 | 43.67 | 43.32 | 43.56 | 147800 | 43.56 |
| 19-Feb-04 | 43.45 | 43.69 | 43.36 | 43.44 | 169700 | 43.44 |
| 18-Feb-04 | 43.33 | 43.5 | 43 | 43.3 | 142800 | 43.3 |
| 17-Feb-04 | 43.33 | 43.61 | 43.33 | 43.5 | 78000 | 43.5 |
| 13-Feb-04 | 43.3 | 43.44 | 43.11 | 43.18 | 95300 | 43.18 |
| 12-Feb-04 | 43.25 | 43.42 | 43.06 | 43.14 | 77300 | 43.14 |
| 11-Feb-04 | 43.33 | 43.43 | 42.93 | 43.35 | 166700 | 43.35 |
| 10-Feb-04 | 43.28 | 43.34 | 43.02 | 43.16 | 255800 | 43.16 |
| 09-Feb-04 | 43.14 | 43.26 | 43 | 43.17 | 177400 | 43.17 |
| 06-Feb-04 | 42.55 | 43.19 | 42.53 | 43.14 | 120000 | 43.14 |
| 05-Feb-04 | 42.91 | 43.36 | 42.47 | 42.68 | 168000 | 42.68 |
| 04-Feb-04 | 43.45 | 43.45 | 42.9 | 42.9 | 139300 | 42.9 |
| 03-Feb-04 | 43.4 | 43.54 | 43.22 | 43.45 | 172600 | 43.45 |
| 02-Feb-04 | 43.1 | 43.32 | 43 | 43.19 | 276000 | 43.19 |
| 30-Jan-04 | 42.85 | 43.03 | 42.32 | 42.46 | 140200 | 42.46 |
| 29-Jan-04 | 42.65 | 42.99 | 42.62 | 42.79 | 170500 | 42.79 |
| 28-Jan-04 | 43.05 | 43.2 | 42.61 | 42.8 | 188000 | 42.8 |
| 27-Jan-04 | 42.9 | 42.95 | 42.7 | 42.89 | 316700 | 42.89 |
| 26-Jan-04 | 43.26 | 43.26 | 42.88 | 42.89 | 145900 | 42.89 |
| 23-Jan-04 | 42.45 | 42.84 | 42.35 | 42.76 | 134300 | 42.76 |
| 22-Jan-04 | 42.25 | 42.65 | 42.25 | 42.29 | 109700 | 42.29 |
| 21-Jan-04 | 42.5 | 42.61 | 42.2 | 42.54 | 97100 | 42.54 |
| 20-Jan-04 | 42.12 | 42.46 | 41.99 | 42.38 | 108600 | 42.38 |
| 16-Jan-04 | 42.19 | 42.19 | 41.75 | 41.95 | 88700 | 41.95 |
| 15-Jan-04 | 42.3 | 42.3 | 41.77 | 41.89 | 137200 | 41.89 |
| 14-Jan-04 | 41.8 | 42.14 | 41.57 | 42.12 | 132900 | 42.12 |
| 13-Jan-04 | 41.85 | 41.9 | 41.47 | 41.63 | 256000 | 41.63 |
| 12-Jan-04 | 41.72 | 41.8 | 41.39 | 41.64 | 235500 | 41.64 |
| 09-Jan-04 | 41.68 | 41.72 | 41.37 | 41.47 | 225200 | 41.47 |
| 08-Jan-04 | 41.8 | 41.93 | 41.54 | 41.67 | 156100 | 41.67 |
| 07-Jan-04 | 41.97 | 42.03 | 41.58 | 41.8 | 198900 | 41.8 |
| 06-Jan-04 | 42 | 42 | 41.64 | 41.81 | 114600 | 41.81 |
| 05-Jan-04 | 42 | 42.22 | 41.66 | 41.94 | 127700 | 41.94 |
| 02-Jan-04 | 42.15 | 42.33 | 41.81 | 41.95 | 118600 | 41.95 |
| 31-Dec-03 | 42.07 | 42.33 | 41.94 | 42.04 | 102000 | 42.04 |
| 30-Dec-03 | 42.25 | 42.32 | 42.1 | 42.17 | 104000 | 42.17 |
| 29-Dec-03 | 42 | 42.15 | 41.95 | 42.15 | 186000 | 42.15 |
| 26-Dec-03 | 41.96 | 42.03 | 41.84 | 41.9 | 75400 | 41.9 |
| 24-Dec-03 | 42.03 | 42.03 | 41.84 | 41.84 | 66600 | 41.84 |
| 23-Dec-03 | 41.7 | 42.01 | 41.7 | 41.88 | 136900 | 41.88 |
| 22-Dec-03 | 41.91 | 41.91 | 41.67 | 41.9 | 166700 | 41.9 |
| 19-Dec-03 | 42 | 42 | 41.48 | 41.7 | 154200 | 41.7 |
| 18-Dec-03 | 42.02 | 42.02 | 41.67 | 41.8 | 167500 | 41.8 |
| 17-Dec-03 | 42.39 | 42.5 | 42.01 | 42.21 | 206100 | 41.68 |

Average

43.10

Piedmont Natural Gas (PNY)

| Date | Open | High | Low | Close | Volume | Adj. Close* |
|-----------|-------|-------|-------|-------|---------|-------------|
| 16-Mar-04 | 42.1 | 42.27 | 41.87 | 42 | 79800 | 42 |
| 15-Mar-04 | 42.55 | 42.59 | 42.07 | 42.27 | 84100 | 42.27 |
| 12-Mar-04 | 41.71 | 42.67 | 41.69 | 42.67 | 75300 | 42.67 |
| 11-Mar-04 | 42.2 | 42.69 | 41.69 | 41.7 | 100100 | 41.7 |
| 10-Mar-04 | 42.98 | 43.02 | 42.33 | 42.49 | 116100 | 42.49 |
| 09-Mar-04 | 42.76 | 43.06 | 42.62 | 42.83 | 187100 | 42.83 |
| 08-Mar-04 | 42.7 | 42.75 | 42.45 | 42.6 | 360600 | 42.6 |
| 05-Mar-04 | 42.58 | 42.7 | 42.48 | 42.56 | 119900 | 42.56 |
| 04-Mar-04 | 42.48 | 42.6 | 42.33 | 42.58 | 80600 | 42.58 |
| 03-Mar-04 | 42.48 | 42.59 | 42.33 | 42.51 | 193200 | 42.51 |
| 02-Mar-04 | 42.18 | 42.51 | 42.18 | 42.48 | 193900 | 42.48 |
| 01-Mar-04 | 41.71 | 42.19 | 41.7 | 42.18 | 133000 | 42.18 |
| 27-Feb-04 | 41.25 | 41.75 | 41.22 | 41.75 | 223000 | 41.75 |
| 26-Feb-04 | 41.18 | 41.28 | 41 | 41.06 | 116100 | 41.06 |
| 25-Feb-04 | 40.95 | 41.27 | 40.9 | 41.18 | 95700 | 41.18 |
| 24-Feb-04 | 40.75 | 41.32 | 40.75 | 41.1 | 152100 | 41.1 |
| 23-Feb-04 | 40.85 | 41.2 | 40.75 | 40.75 | 99500 | 40.75 |
| 20-Feb-04 | 41.25 | 41.29 | 40.89 | 40.95 | 79600 | 40.95 |
| 19-Feb-04 | 41.27 | 41.4 | 41.07 | 41.16 | 82200 | 41.16 |
| 18-Feb-04 | 41.2 | 41.48 | 41.02 | 41.15 | 106400 | 41.15 |
| 17-Feb-04 | 41.11 | 41.63 | 41.11 | 41.54 | 111400 | 41.54 |
| 13-Feb-04 | 41.48 | 41.6 | 41.24 | 41.3 | 98900 | 41.3 |
| 12-Feb-04 | 41.42 | 41.55 | 41.23 | 41.43 | 51800 | 41.43 |
| 11-Feb-04 | 41.3 | 41.52 | 41.13 | 41.52 | 81300 | 41.52 |
| 10-Feb-04 | 40.75 | 41.4 | 40.7 | 41.4 | 112100 | 41.4 |
| 09-Feb-04 | 41.2 | 41.2 | 40.93 | 41.04 | 70400 | 41.04 |
| 06-Feb-04 | 40.68 | 41.23 | 40.6 | 41.2 | 104600 | 41.2 |
| 05-Feb-04 | 41.06 | 41.1 | 40.39 | 40.68 | 220800 | 40.68 |
| 04-Feb-04 | 41.49 | 41.49 | 41.05 | 41.06 | 161700 | 41.06 |
| 03-Feb-04 | 41.73 | 41.73 | 41.41 | 41.5 | 100700 | 41.5 |
| 02-Feb-04 | 41.72 | 41.86 | 41.42 | 41.86 | 129700 | 41.86 |
| 30-Jan-04 | 41.85 | 41.94 | 41.27 | 41.81 | 228900 | 41.81 |
| 29-Jan-04 | 41.7 | 41.9 | 41.54 | 41.7 | 286400 | 41.7 |
| 28-Jan-04 | 42.03 | 42.1 | 41.6 | 41.6 | 194300 | 41.6 |
| 27-Jan-04 | 42.16 | 42.16 | 41.67 | 41.95 | 265200 | 41.95 |
| 26-Jan-04 | 42.09 | 42.2 | 42.08 | 42.16 | 219100 | 42.16 |
| 23-Jan-04 | 42.03 | 42.1 | 41.9 | 42.09 | 553800 | 42.09 |
| 22-Jan-04 | 42.06 | 42.23 | 42 | 42.12 | 328000 | 42.12 |
| 21-Jan-04 | 42 | 42.28 | 42 | 42.16 | 1603200 | 42.16 |
| 20-Jan-04 | 42.7 | 43.09 | 42.42 | 42.5 | 202000 | 42.5 |
| 16-Jan-04 | 43.36 | 43.37 | 42.7 | 42.7 | 131400 | 42.7 |
| 15-Jan-04 | 43.5 | 43.62 | 43.13 | 43.36 | 135700 | 43.36 |
| 14-Jan-04 | 42.62 | 43.33 | 42.62 | 43.33 | 84800 | 43.33 |
| 13-Jan-04 | 42.42 | 42.64 | 42.25 | 42.62 | 113500 | 42.62 |
| 12-Jan-04 | 42.15 | 42.53 | 42.15 | 42.32 | 114500 | 42.32 |
| 09-Jan-04 | 42.8 | 42.8 | 42.29 | 42.3 | 58900 | 42.3 |
| 08-Jan-04 | 42.6 | 42.88 | 42.49 | 42.6 | 61100 | 42.6 |
| 07-Jan-04 | 42.75 | 42.89 | 42.37 | 42.75 | 119500 | 42.75 |
| 06-Jan-04 | 43.2 | 43.24 | 42.65 | 42.65 | 84100 | 42.65 |
| 05-Jan-04 | 43.32 | 43.75 | 43.04 | 43.1 | 102100 | 43.1 |
| 02-Jan-04 | 43.21 | 43.5 | 43.21 | 43.22 | 77200 | 43.22 |
| 31-Dec-03 | 43.5 | 43.95 | 43.35 | 43.46 | 77700 | 43.46 |
| 30-Dec-03 | 43.3 | 43.62 | 43.29 | 43.43 | 96200 | 43.43 |
| 29-Dec-03 | 43.25 | 43.95 | 43.25 | 43.38 | 141500 | 43.38 |
| 26-Dec-03 | 43.2 | 43.41 | 43.09 | 43.36 | 35100 | 43.36 |
| 24-Dec-03 | 43.23 | 43.43 | 43.07 | 43.08 | 65800 | 43.08 |
| 23-Dec-03 | 43.18 | 43.35 | 42.95 | 43.35 | 86300 | 43.35 |
| 22-Dec-03 | 42.45 | 43.14 | 42.35 | 43.03 | 118700 | 43.03 |
| 19-Dec-03 | 42.53 | 42.78 | 42.14 | 42.6 | 251800 | 42.6 |
| 18-Dec-03 | 42.6 | 42.95 | 42.5 | 42.83 | 58600 | 42.83 |
| 17-Dec-03 | 41.85 | 42.85 | 41.8 | 42.71 | 71000 | 42.71 |

Average 42.18



AGL Resources (ATG)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 11-Feb-04 | 0.280 | |
| 12-Nov-03 | 0.280 | |
| 13-Aug-03 | 0.280 | |
| 14-May-03 | 0.280 | |
| Sum | | 1.120 |

Atmos Energy (ATO)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 23-Feb-04 | 0.305 | |
| 21-Nov-03 | 0.305 | |
| 21-Aug-03 | 0.300 | |
| 22-May-03 | 0.300 | |
| Sum | | 1.210 |

Keyspan (KSE)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 12-Jan-04 | 0.445 | |
| 10-Oct-03 | 0.445 | |
| 14-Jul-03 | 0.445 | |
| 14-Apr-03 | 0.445 | |
| Sum | | 1.780 |

Laclede Group (LG)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 09-Mar-04 | 0.340 | |
| 09-Dec-03 | 0.335 | |
| 09-Sep-03 | 0.335 | |
| 09-Jun-03 | 0.335 | |
| Sum | | 1.345 |

Northwest Natural Gas (NWN)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 28-Jan-04 | 0.325 | |
| 29-Oct-03 | 0.325 | |
| 29-Jul-03 | 0.315 | |
| 28-Apr-03 | 0.315 | |
| Sum | | 1.280 |

Peoples Energy (PGL)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 18-Dec-03 | 0.530 | |
| 18-Sep-03 | 0.530 | |
| 18-Jun-03 | 0.530 | |
| 19-Mar-03 | 0.530 | |
| Sum | | 2.120 |

Piedmont Natural Gas (PNY)

| <u>Date</u> | <u>Dividends</u> | |
|-------------|------------------|-------|
| 19-Dec-03 | 0.415 | |
| 22-Sep-03 | 0.415 | |
| 20-Jun-03 | 0.415 | |
| 21-Mar-03 | 0.415 | |
| Sum | | 1.660 |



**Summary of Tests Results to Determine the Appropriate Regulatory Return on Common Equity
For Louisville Gas & Electric Company (Electric Service)**

DCF Test Result

| | | |
|---------------------------|--------------|---------------|
| Range of DCF Test Results | 9.0% to 9.8% | |
| Average DCF Test Result | 9.38% | Exhibit KLK-6 |

Historical Industry Equity Risk Premium Analysis

| | | |
|---|-------|---|
| Equity Risk Premium for the Electric Utility Industry | 4.27% | Exhibit KLK-9 |
| Yield on 20-Year Treasury Bonds | 4.95% | Average of last 12 Friday closings, as reported by Federal Reserve Statistical Releases |
| ROE | 9.22% | |

CAPM

| | | |
|-------------------------------|--------|----------------|
| Historical CAPM Estimated ROE | 10.21% | Exhibit KLK-10 |
| Projected CAPM Estimated ROE | 11.70% | Exhibit KLK-10 |
| Average CAPM Test Result | 10.96% | |

Average of CAPM, Risk Premium and DCF Test Results 9.85%

Reasonable Range provided by all three tests 9.2% - 10.2%

KLK RECOMMENDED ROE 10.0%

* Average of 12 Friday closing yields for Treasury fixed-income bonds with 20 years remaining to maturity, starting with week ending December 26, 2003 and continuing through March 12, 2004.

**ROE Based on Discounted Cash Flow Model
 For Comparable Electric Utilities**

| Firm Name | Average Closing Price | Latest 12 Months | Historic |
|---|--|------------------|----------|
| | December 17, 2003 through March 16, 2004 | Dividend | Yield |
| | (\$) | (\$) | |
| Alliant Energy Corporation | 25.51 | 1.00 | 3.92% |
| Ameren Corporation | 46.48 | 2.54 | 5.46% |
| Consolidated Edison | 43.45 | 2.24 | 5.16% |
| DTE Energy Company | 39.55 | 2.06 | 5.21% |
| Exelon Corporation | 66.11 | 2.01 | 3.04% |
| MGE Energy | 31.47 | 1.35 | 4.29% |
| NSTAR | 49.43 | 2.18 | 4.40% |
| Pinnacle West Capital Corporation | 38.78 | 1.73 | 4.46% |
| SCANA Corporation | 34.71 | 1.40 | 4.03% |
| Southern Company | 29.95 | 1.39 | 4.65% |
| Vectren Corporation | 24.73 | 1.11 | 4.49% |
| Wisconsin Energy Corporation | 33.06 | 0.80 | 2.42% |
| Average of Comparable Companies | | | 4.29% |
| KLK Low Growth Rate Estimate for Comparable Companies from Exhibit KLK-7 | | | 4.49% |
| Expected Dividend Yield Next 12 Months Over Average Price at Growth Rate for Comparable Companies | | | 4.49% |
| ROE for Comparable Companies | | | 8.98% |
| KLK High Growth Rate Estimate for Comparable Companies from Exhibit KLK-7 | | | 5.26% |
| Expected Dividend Yield Next 12 Months Over Average Price at Growth Rate for Comparable Companies | | | 4.52% |
| ROE for Comparable Companies | | | 9.78% |

Source: Dividend values from Value Line Investment Survey, January 2, February 13 and March 5, 2004 (most recent on March 15, 2004).
 Source: For Average Closing Prices, Yahoo Finance, Historical Quotes Database.

**Summary of Tests Results to Determine the Appropriate Regulatory Return on Common Equity
For Louisville Gas & Electric Company (Natural Gas Service)**

DCF Test Result

| | | |
|---------------------------|---------------|----------------|
| Range of DCF Test Results | 8.6% to 10.4% | |
| Average DCF Test Result | 9.54% | Exhibit KLK-12 |

Historical Industry Equity Risk Premium Analysis

| | | |
|---|--------|--|
| Equity Risk Premium for the Natural Gas Distribution Industry | 5.45% | Exhibit KLK-15 |
| Yield on 20-Year Treasury Bonds | 4.95% | Average of last 12 Friday closings, as reported by Federal Reserve Statistical Release |
| ROE | 10.40% | |

CAPM

| | | |
|-------------------------------|--------|----------------|
| Historical CAPM Estimated ROE | 10.75% | Exhibit KLK-16 |
| Projected CAPM Estimated ROE | 12.24% | Exhibit KLK-16 |
| Average CAPM Test Result | 11.50% | |

| | | |
|--|--------|--|
| Average of CAPM, Risk Premium and DCF Test Results | 10.48% | |
|--|--------|--|

| | | |
|--|----------------|--|
| Reasonable Range provided by all three tests | 9.5% to 10.75% | |
|--|----------------|--|

| | | |
|---------------------|-------|--|
| KLK RECOMMENDED ROE | 10.5% | |
|---------------------|-------|--|

* Average of 12 Friday closing yields for Treasury fixed-income bonds with 20 years remaining to maturity, starting with week ending December 26, 2003 and continuing through March 12, 2004.

**ROE Based on Discounted Cash Flow Model
For Comparable Natural Gas Utilities**

| Firm Name | Average Closing Price | Latest 12 Months | Historic |
|---|--|------------------|----------|
| | December 17, 2003 through March 16, 2004 | Dividend | Yield |
| | (\$) | (\$) | |
| AGL Resources | 28.91 | 1.120 | 3.87% |
| Atmos Energy | 25.51 | 1.210 | 4.74% |
| KeySpan | 36.88 | 1.780 | 4.83% |
| Laclede Group | 29.93 | 1.345 | 4.49% |
| Northwest Natural Gas | 31.23 | 1.280 | 4.10% |
| Peoples Energy | 43.10 | 2.120 | 4.92% |
| Piedmont Natural Gas | 42.18 | 1.660 | 3.94% |
| Average of Comparable Companies | | | 4.41% |
| KLK Low Growth Rate Estimate for Comparable Companies from Exhibit KLK-13 | | | 4.05% |
| Expected Dividend Yield Next 12 Months Over Average Price at Growth Rate for Comparable Companies | | | 4.59% |
| ROE for Comparable Companies | | | 8.64% |
| KLK High Growth Rate Estimate for Comparable Companies from Exhibit KLK-13 | | | 5.76% |
| Expected Dividend Yield Next 12 Months Over Average Price at Growth Rate for Comparable Companies | | | 4.67% |
| ROE for Comparable Companies | | | 10.43% |

Source: For both last 4 dividends and average closing prices, Yahoo Finance, Historical Quotes Database.



U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 3

Responding Witness: Kenneth L. Kincel

- Q.2.** In reference to Exhibit KLK-9, indicate why Mr. Kincel started his analysis in 1954, when there are data available earlier than that year.
- A.2.** Mr. Kincel used the same period for the electric utility industry as was available for the natural gas distribution industry, in order to perform a comparable analysis of industry risk premiums. If the data on Exhibit KLK-9 is extended to include all the data available, as shown in Attachment 1 to this response, the electric utility industry risk premium is increased from 4.27% to 5.23%. This is probably due to the Government's heavy drive to sell bonds, and the extended period of rationing where little else could be bought, during World War II. This is a period of time not truly comparable to the present, but one could argue that all available electric utility data should be used for the industry risk premium analysis when the comparable CAPM analysis employs risk premium data going back to 1926.

Using the 5.23% in the ROE calculation shown on Exhibit KLK-5, that is, adding the yield on 20-year Treasury bonds of 4.95%, results in an estimated ROE of 10.18%. This is near the high side, but within the reasonable range of ROE recommended by Mr. Kincel for the electric component of LG&E, namely 9.2% to 10.2%. This calculation is provided in this response only to indicate that use of all the available electric industry data would result in an ROE that would fall within Mr. Kincel's recommended reasonable range for ROE in his Direct Testimony, and would not change his recommended ROE for the electric utility component of LG&E of 10.0%.



Extended Exhibit KLK-9

**Annual Long Term Risk Premium Analysis
For Electric Utility Common Stocks
Using Government Bond Income Returns**

| <u>Year</u> | <u>Bond Income Return*</u> | Electric Utility Common Stock Data | | | | | <u>Equity Risk Premium</u> |
|-------------|--------------------------------|---|------------------------------|------------------------------|--------------|---------------------|--------------------------------|
| | | <u>Year End Stock Price</u> | <u>Capital Gain/Loss</u> | <u>Year End Dividend</u> | <u>Yield</u> | <u>Total Return</u> | |
| 1931 | | 43.23 | | | | | |
| 1932 | 0.0369 | 39.42 | -0.0881 | 2.22 | 0.0514 | -0.0368 | -0.0737 |
| 1933 | 0.0312 | 28.73 | -0.2712 | 1.75 | 0.0444 | -0.2288 | -0.2580 |
| 1934 | 0.0318 | 21.06 | -0.2670 | 1.42 | 0.0494 | -0.2175 | -0.2493 |
| 1935 | 0.0281 | 36.06 | 0.7123 | 1.33 | 0.0632 | 0.7754 | 0.7473 |
| 1936 | 0.0277 | 41.60 | 0.1536 | 1.78 | 0.0494 | 0.2030 | 0.1753 |
| 1937 | 0.0266 | 24.24 | -0.4173 | 1.68 | 0.0404 | -0.3789 | -0.4035 |
| 1938 | 0.0264 | 27.55 | 0.1366 | 1.45 | 0.0598 | 0.1964 | 0.1700 |
| 1939 | 0.0240 | 28.85 | 0.0472 | 1.51 | 0.0548 | 0.1020 | 0.0780 |
| 1940 | 0.0223 | 22.22 | -0.2298 | 1.57 | 0.0544 | -0.1754 | -0.1977 |
| 1941 | 0.0194 | 13.45 | -0.3947 | 1.27 | 0.0572 | -0.3375 | -0.3569 |
| 1942 | 0.0246 | 14.29 | 0.0625 | 1.28 | 0.0952 | 0.1576 | 0.1330 |
| 1943 | 0.0244 | 21.01 | 0.4703 | 1.46 | 0.1022 | 0.5724 | 0.5480 |
| 1944 | 0.0246 | 21.09 | 0.0038 | 1.35 | 0.0643 | 0.0681 | 0.0435 |
| 1945 | 0.0234 | 31.14 | 0.4765 | 1.37 | 0.0650 | 0.5415 | 0.5181 |
| 1946 | 0.0204 | 32.71 | 0.0504 | 1.48 | 0.0475 | 0.0979 | 0.0775 |
| 1947 | 0.0213 | 25.60 | -0.2174 | 1.58 | 0.0483 | -0.1691 | -0.1904 |
| 1948 | 0.0240 | 26.20 | 0.0234 | 1.63 | 0.0637 | 0.0871 | 0.0631 |
| 1949 | 0.0225 | 30.57 | 0.1668 | 1.68 | 0.0641 | 0.2309 | 0.2084 |
| 1950 | 0.0212 | 30.81 | 0.0079 | 1.85 | 0.0605 | 0.0684 | 0.0472 |
| 1951 | 0.0238 | 33.85 | 0.0887 | 1.90 | 0.0617 | 0.1603 | 0.1365 |
| 1952 | 0.0266 | 37.85 | 0.1182 | 1.92 | 0.0567 | 0.1749 | 0.1483 |
| 1953 | 0.0284 | 39.61 | 0.0465 | 2.09 | 0.0552 | 0.1017 | 0.0733 |
| 1954 | 0.0279 | 47.56 | 0.2007 | 2.14 | 0.0540 | 0.2547 | 0.2268 |
| 1955 | 0.0275 | 49.35 | 0.0376 | 2.27 | 0.0477 | 0.0854 | 0.0579 |
| 1956 | 0.0299 | 48.96 | -0.0079 | 2.37 | 0.0480 | 0.0401 | 0.0102 |
| 1957 | 0.0344 | 50.30 | 0.0274 | 2.46 | 0.0502 | 0.0776 | 0.0432 |
| 1958 | 0.0327 | 66.37 | 0.3195 | 2.57 | 0.0511 | 0.3706 | 0.3379 |
| 1959 | 0.0401 | 65.77 | -0.0090 | 2.64 | 0.0398 | 0.0307 | -0.0094 |
| 1960 | 0.0426 | 76.82 | 0.1680 | 2.74 | 0.0417 | 0.2097 | 0.1671 |
| 1961 | 0.0383 | 99.32 | 0.2929 | 2.86 | 0.0372 | 0.3301 | 0.2918 |
| 1962 | 0.0400 | 96.49 | -0.0285 | 3.07 | 0.0309 | 0.0024 | -0.0376 |
| 1963 | 0.0389 | 102.31 | 0.0603 | 3.33 | 0.0345 | 0.0948 | 0.0559 |
| 1964 | 0.0415 | 115.54 | 0.1293 | 3.68 | 0.0360 | 0.1653 | 0.1238 |
| 1965 | 0.0419 | 114.86 | -0.0059 | 4.02 | 0.0348 | 0.0289 | -0.0130 |
| 1966 | 0.0449 | 105.99 | -0.0772 | 4.18 | 0.0364 | -0.0408 | -0.0857 |
| 1967 | 0.0459 | 98.19 | -0.0736 | 4.44 | 0.0419 | -0.0317 | -0.0776 |
| 1968 | 0.0550 | 104.04 | 0.0596 | 4.58 | 0.0486 | 0.1062 | 0.0512 |
| 1969 | 0.0595 | 84.62 | -0.1867 | 4.63 | 0.0445 | -0.1422 | -0.2017 |
| 1970 | 0.0674 | 88.59 | 0.0469 | 4.73 | 0.0559 | 0.1028 | 0.0354 |
| 1971 | 0.0632 | 85.56 | -0.0342 | 4.81 | 0.0543 | 0.0201 | -0.0431 |
| 1972 | 0.0587 | 83.61 | -0.0228 | 4.92 | 0.0575 | 0.0347 | -0.0240 |
| 1973 | 0.0651 | 60.87 | -0.2720 | 5.04 | 0.0603 | -0.2117 | -0.2768 |

| | | | | | | | |
|--------------|--------|--------|---------|------|--------|---------|---------|
| 1974 | 0.0727 | 41.17 | -0.3236 | 4.83 | 0.0793 | -0.2443 | -0.3170 |
| 1975 | 0.0799 | 55.66 | 0.3520 | 4.99 | 0.1212 | 0.4732 | 0.3933 |
| 1976 | 0.0789 | 66.29 | 0.1910 | 5.25 | 0.0943 | 0.2853 | 0.2064 |
| 1977 | 0.0714 | 68.19 | 0.0287 | 5.68 | 0.0857 | 0.1143 | 0.0429 |
| 1978 | 0.0790 | 59.75 | -0.1238 | 5.98 | 0.0877 | -0.0361 | -0.1151 |
| 1979 | 0.0886 | 56.41 | -0.0559 | 6.34 | 0.1061 | 0.0502 | -0.0384 |
| 1980 | 0.0997 | 54.42 | -0.0353 | 6.67 | 0.1182 | 0.0830 | -0.0167 |
| 1981 | 0.1155 | 57.20 | 0.0511 | 7.16 | 0.1316 | 0.1827 | 0.0672 |
| 1982 | 0.1350 | 70.26 | 0.2283 | 7.64 | 0.1336 | 0.3619 | 0.2269 |
| 1983 | 0.1038 | 72.03 | 0.0252 | 8.00 | 0.1139 | 0.1391 | 0.0353 |
| 1984 | 0.1174 | 80.16 | 0.1129 | 8.37 | 0.1162 | 0.2291 | 0.1117 |
| 1985 | 0.1125 | 94.98 | 0.1849 | 8.71 | 0.1087 | 0.2935 | 0.1810 |
| 1986 | 0.0898 | 113.66 | 0.1967 | 8.97 | 0.0944 | 0.2911 | 0.2013 |
| 1987 | 0.0792 | 94.24 | -0.1709 | 9.12 | 0.0802 | -0.0906 | -0.1698 |
| 1988 | 0.0897 | 100.94 | 0.0711 | 8.71 | 0.0924 | 0.1635 | 0.0738 |
| 1989 | 0.0881 | 122.52 | 0.2138 | 8.85 | 0.0877 | 0.3015 | 0.2134 |
| 1990 | 0.0819 | 117.77 | -0.0388 | 8.76 | 0.0715 | 0.0327 | -0.0492 |
| 1991 | 0.0822 | 144.02 | 0.2229 | 9.02 | 0.0766 | 0.2995 | 0.2173 |
| 1992 | 0.0728 | 141.06 | -0.0206 | 8.82 | 0.0612 | 0.0407 | -0.0319 |
| 1993 | 0.0717 | 146.70 | 0.0400 | 9.04 | 0.0641 | 0.1041 | 0.0324 |
| 1994 | 0.0659 | 115.50 | -0.2127 | 9.01 | 0.0614 | -0.1513 | -0.2172 |
| 1995 | 0.0760 | 142.90 | 0.2372 | 9.06 | 0.0784 | 0.3157 | 0.2397 |
| 1996 | 0.0618 | 136.00 | -0.0483 | 9.06 | 0.0634 | 0.0151 | -0.0467 |
| 1997 | 0.0664 | 155.73 | 0.1451 | 9.06 | 0.0666 | 0.2117 | 0.1453 |
| 1998 | 0.0583 | 181.84 | 0.1677 | 8.01 | 0.0514 | 0.2191 | 0.1608 |
| 1999 | 0.0557 | 137.30 | -0.2449 | 8.06 | 0.0443 | -0.2006 | -0.2563 |
| 2000 | 0.0650 | 227.09 | 0.6540 | 8.71 | 0.0634 | 0.7174 | 0.6524 |
| 2001 | 0.0553 | 200.50 | -0.1171 | 8.95 | 0.0394 | -0.0777 | -0.1330 |
| 2002 | 0.0559 | 169.50 | -0.1546 | 8.83 | 0.0440 | -0.1106 | -0.1665 |
| Mean '66-'02 | 0.0674 | | | | | 0.1101 | 0.0427 |
| Mean '32-'02 | 0.0539 | | | | | 0.1062 | 0.0523 |

* Ibbotson Associates utilizes Treasury bonds with 20 years to maturity.

Sources: For Bond Data: Ibbotson Associates, Stocks, Bonds, Bills, and Inflation, Valuation Edition 2003 Yearbook, Table B7.
For Electric Utility Common Stock Company Data: Mergent Public Utility Manual, 2003, pages a15, a16.



U. S. Department of Defense**Case No. 2003-00433****Response to Initial Data Request of Louisville Gas and Electric
Company****Question No. 4****Responding Witness: Kenneth L. Kincel**

- Q.2.** Provide the data underlying the 4.95 percent average yield on 20-year Treasury bonds referenced at page 13, line 15 of Mr. Kincel's testimony.
- A.2.** The data for the 20-year Treasury Bond, as reported by the *Federal Reserve Statistical Release*, for the following 12 weeks was used:

| <u>Week Ending</u> | <u>Yields (percent per annum)</u> |
|--------------------|-----------------------------------|
| 12/26/2003 | 5.03 |
| 01/02/2004 | 5.13 |
| 01/09/2004 | 5.11 |
| 01/16/2004 | 4.92 |
| 01/23/2004 | 4.92 |
| 01/30/2004 | 5.02 |
| 02/06/2004 | 4.99 |
| 02/13/2004 | 4.93 |
| 02/20/2004 | 4.92 |
| 02/27/2004 | 4.90 |
| 03/05/2004 | 4.86 |
| 03/12/2004 | 4.66 |
| Average | 4.95 |



U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 5

Responding Witness: Kenneth L. Kincel

- Q.2.** In reference to the statement at page 15, lines 22-23 of Mr. Kincel's testimony:
- a. Explain the concept of "gradualism."
 - b. Putting aside the concept of gradualism, what would Mr. Kincel's cost of equity recommendation be for LG&E's electric operations?

A.2.

- a. Mr. Kincel recognizes that that yields on long-term Treasury bonds are near 40-year lows and have been very volatile over the last few years. In addition, utility stock market prices have been very volatile over the same period. These are critical inputs to the ROE test models that Mr. Kincel employed in his analysis. Some, but not all of this volatility is eliminated by averaging these inputs to the ROE models over the last 90 days, in order to obtain estimates of "current" values, as required by the models. Confronted with this volatility, Mr. Kincel recommends that the Commission move only gradually from the current, higher authorized ROE for electric and natural gas operations toward the mid-point of Mr. Kincel's corresponding reasonable ROE range, while staying within that range. Thus, Mr. Kincel recommends that the Commission move from the current authorized ROE for LG&E's electric operations of 11.25%, to Mr. Kincel's recommended ROE of 10.0%, which is on the high side of his reasonable range of 9.2% to 10.2%. Correspondingly, Mr. Kincel recommends that the Commission move from its current authorized ROE rate of 11.5% for LG&E's natural gas operations to Mr. Kincel's recommended 10.5%, which is near the high side, but still within Mr. Kincel's reasonable range of 9.5% to 10.75%.
- b. Putting aside the concept of gradualism, Mr. Kincel would recommend the centerpoint of his reasonable range for both electric and natural gas operations. That is because, of the reported ROE test results that Mr. Kincel finds usable, he doesn't believe any one model test result is more credible than the others. Thus, Mr. Kincel's recommended ROE for electric operations would be 9.7%, gradualism aside; his recommended ROE for natural gas operations would be 10.1%.



U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 6

Responding Witness: Kenneth L. Kincel

- Q.2.** Provide a copy of the First Call and Standard & Poor's sources underlying the growth projections cited on page 14, lines 20-24 of Mr. Kincel's testimony.
- A.2.** See attached. Mr. Kincel used the five-year average projected growth rate for the sub-industry returns from Standard & Poor's. First Call publishes the market's projected annual growth rate with each individual company report. Attached is the extracted page from the earnings report for Cisco Systems, Inc. dated March 17, 2004, with the overall market's five-year growth rate asterisked.



FIRST CALL® EARNINGS VALUATION REPORT

Cisco Systems, Inc.

continued

Stock Price

| | |
|------------------|----------------|
| Price as of 3/15 | \$22.78 |
| Dividend Yield | NA |
| Beta | 2.2 |
| Industry | Communications |
| Sector | Technology |
| Fiscal Year Ends | July |

Expected Annual Growth Rates

Five year estimates from 26 analysts

| | |
|-----------------|--------------|
| CSCO | 15.0% |
| Industry | 14.5% |
| Sector | 15.0% |
| Market | 11.4% |

PEG Ratio

A Way To Value Growth

| | | |
|-----------------|------------------|------------------|
| | ← LESS EXPENSIVE | MORE EXPENSIVE → |
| CSCO | 1.95 | |
| Industry | 2.17 | |
| Sector | 1.53 | |
| Market | 1.34 | |

CSCO's next earnings announcement is expected on **May 11th**.

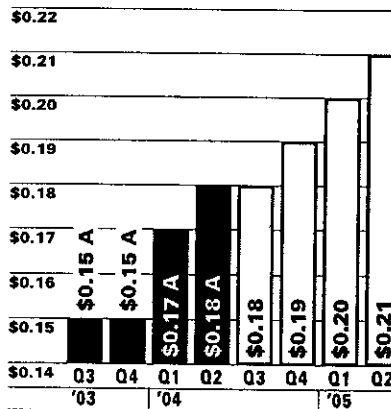
For comparison purposes, CSCO's average growth rate during the last 5 years was 7.3% per year.

The PEG Ratio is the P/E Ratio divided by the expected growth rate. The higher the PEG ratio, the more expensive the stock.

Quarterly EPS Consensus Expectations

| | Q3 '04 | Q4 '04 | Q1 '05 | Q2 '05 |
|--------------------|-------------|-------------|-------------|-------------|
| Mean as of 2/28/04 | \$0.18 | \$0.19 | \$0.20 | \$0.21 |
| Previous Mean | \$0.17 | \$0.18 | \$0.19 | \$0.20 |
| # of Brokers | 42 | 40 | 27 | 27 |
| Range (low/high) | \$0.17/0.20 | \$0.18/0.22 | \$0.19/0.23 | \$0.20/0.25 |
| Std. Deviation | \$0.01 | \$0.01 | \$0.01 | \$0.01 |
| Announce Date | 5/11 | Wk of 8/5 | Wk of 11/5 | Wk of 2/3 |
| Same Qtr. Last Yr. | \$0.15 A | \$0.15 A | \$0.17 A | \$0.18 A |

Quarterly EPS Trend



Change Over Same Quarter Last Year*

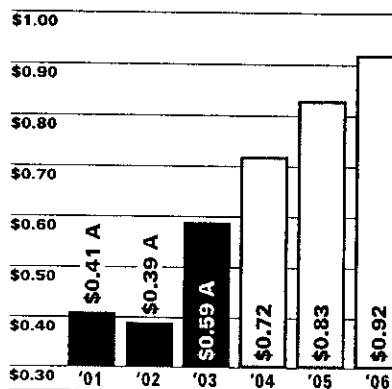
| Calendar Year | Mar | June | Sept | Dec |
|---------------------------|-------|-------|-------|-------|
| Cisco Systems, Inc. | 20.0% | 26.7% | 17.6% | 16.7% |
| Industry - Communications | 79.9% | 92.2% | 31.9% | 38.5% |
| Sector - Technology | 38.4% | 42.9% | 37.9% | 32.5% |
| WSJ/DJ US Index | 14.5% | 17.0% | 18.5% | 17.5% |

* CSCO quarters have been converted to a calendar year.

Annual EPS Consensus Expectations

| | FY '04 | FY '05 | FY '06 |
|--------------------|-------------|-------------|-------------|
| Mean as of 2/28/04 | \$0.72 | \$0.83 | \$0.92 |
| Previous Mean | \$0.71 | \$0.84 | \$0.91 |
| # of Brokers | 45 | 44 | 7 |
| Range (low/high) | \$0.69/0.76 | \$0.77/1.03 | \$0.82/1.00 |
| Std. Deviation | \$0.01 | \$0.05 | \$0.06 |
| Announce Date | Wk of 8/5 | | |
| Year Ago EPS | \$0.59 A | | |

Annual EPS Trend



Change Over Previous Year*

| Calendar Year | '04 | '05 | '06 |
|---------------------------|-------|-------|------|
| Cisco Systems, Inc. | 20.0% | 10.3% | 9.3% |
| Industry - Communications | 54.3% | NA | NA |
| Sector - Technology | 34.1% | NA | NA |
| WSJ/DJ US Index | 15.5% | NA | NA |

* CSCO fiscal years have been converted to a calendar year.



U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 7

Responding Witness: Kenneth L. Kincel

- Q.2.** Provide a copy of Mr. Kincel's testimonies and exhibits on the topics of ROE and earnings sharing mechanism in the Georgia Power proceedings, Docket No. 9355-U and Docket No. 14000-U.
- A.2.** See attached.



STATE OF GEORGIA
BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:)
)
Georgia Power Company's 1988 Rate Case &) Docket No. 9355-U
Alternate Rate Plan Filing)
and Tariff Revisions)

DIRECT TESTIMONY OF
KENNETH L. KINCEL

ROBERT N. KITTEL
Chief
Regulatory Law Office
Office of Judge Advocate General
U.S. Army Litigation Center
901 North Stuart Street
Arlington, VA 22203-1837

FOR
U.S. DEPARTMENT OF DEFENSE
AND
ALL FEDERAL EXECUTIVE AGENCIES

David A. McCormick
General Attorney

Dated: October 1, 1998
Date Due: October 2, 1998

1 Q. WOULD YOU PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS?

2 A. My name is Kenneth L. Kincl. My office address is Decision Analysis Corporation of Virginia,
3 8009 Snowpine Way, Suite 100, McLean, Virginia 22102.
4

5 Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

6 A. I am President and Chief Executive Officer of Decision Analysis Corporation of Virginia (DAC),
7 an energy consulting firm based in McLean, Virginia. DAC performs energy modeling,
8 forecasting and market and rate analysis services for government, industry associations, utility
9 commissions and private energy firms. In this capacity, I am currently providing independent
10 expert witness services in utility rate cases to the U.S. Department of Defense under contract No.
11 DACA31-97-D-0044.
12

13 Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

14 A. Details are given in Appendix A to this testimony.
15

16 Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

17 A. I am presenting testimony on behalf of the consumer interest of the U.S. Department of Defense
18 and all other Federal Executive Agencies, hereinafter collectively referred to as "DoD." The
19 Secretary of Defense has been delegated authority by the General Services Administration (GSA)
20 to also provide representation of the consumer interest of federal civilian agencies in this
21 proceeding. DoD is a very large consumer of electricity from Georgia Power Corporation (GPC).
22 During fiscal year 1997, DoD provided over \$44.5 million of revenue to GPC and consumed
23 over 1.11 billion kWh of electricity. Thus, DoD has a vital economic interest in the rates set by
24 the Georgia Public Service Commission (GPSC or "the Commission") in this proceeding.
25

26 The major military installations purchasing electricity from GPC are: (1) five U.S. Army forts,
27 namely, Fort Gordon, Fort Gillem, Fort McPherson, Fort Benning, and Fort Stewart; (2) the
28

1 Warner-Robbins Air Force Base; and (3) the U.S. Naval Submarine Base at Kings Bay.
2 Predominantly, these DoD installations receive electricity service on the GPC Multiple Load
3 Management (MLM-1) rate schedule in conjunction with Hour Ahead Real Time Pricing (RTP-
4 HA-1). Currently, electricity is usually delivered by GPC to high voltage meters located near
5 the gates of the installations, which is then transmitted through large transformers and
6 distribution systems owned and operated by the military installations themselves. However, the
7 Secretary of Defense has announced a decision to privatize all utility systems owned and
8 operated by the installations by January 1, 2000, except those needed for unique security reasons
9 or when privatization is uneconomical.

10
11 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

12 A. I have reviewed the filing submitted by GPC under GPSC Docket No. 9355-U and offer several
13 alternative recommendations regarding the proposed extension of the Accounting Order decided
14 by the Commission on February 16, 1996. Specifically, in my testimony: (1) I recommend a
15 lower return on common equity (ROE) of 10.8 percent than that proposed by GPC (12.50
16 percent), and therefore lower revenue requirements; (2) I propose that the Accounting Order be
17 extended, but modified to reflect an allowed range of earnings centered around my recommended
18 ROE of 10.8 percent, which then would be automatically adjusted yearly to reflect changes in
19 a newly defined ROE index; and (3) I propose immediate rate base and retail rate reductions,
20 and suggest a manner of allocating of excess earnings above the allowed earnings ceiling.
21 Although I do not take a position at this time on other issues in this case, such as the adequacy
22 of the load forecast, depreciation changes, nuclear commissioning cost increases, and other
23 expense items, I would like to reserve the opportunity to comment upon these issues on behalf
24 of DoD during rebuttal and subsequent phases of this proceeding.
25
26
27
28

1 Q. PLEASE COMMENT ON THE PROPOSED COST OF COMMON EQUITY OF 12.5
2 PERCENT.

3 A. I have carefully reviewed the data and methodologies of calculating the costs of common equity
4 presented by Benfore Financial Consulting, Inc. (Volume 2, Exhibit 4). I also have read the
5 financial and public policy arguments advanced by Company Witness Cicchetti (direct testimony
6 Dr. Cicchetti, p. 13-17) for not changing in this proceeding the ROE range set forth in the 1996
7 Accounting Order. I disagree with Dr. Cicchetti that the proposed 12.5% ROE falls within a
8 reasonable range of returns, based on the data and methodologies provided by Mr. Benfore.
9 Later in my testimony I will show that by updating the long term Treasury Bond interest rate data
10 to current levels, and by revising the methodology employed as needed, a probable range of 10.4
11 percent to 11.2 percent for the cost of common equity capital can be derived, yielding my
12 recommended centerpoint for the allowable ROE range of 10.8 percent.

13
14 I also disagree with Dr. Cicchetti that it would be unreasonable from a regulatory perspective to
15 re-base GPC rates to the mid-point of the allowed ROE range. GPC was given the opportunity
16 to grow its earnings from the centerpoint ROE found in 1996 of 11.25% to the 12.5% earnings
17 cap, and did so by 1997. The Company reaped the benefits of responding to that incentive
18 mechanism for more than two years, which, in my view, is adequate compensation. There was
19 no guarantee provided in 1996 by the Commission that the benefits to GPC of cutting costs
20 would be perpetual. By setting rates now at the top of the allowed ROE range, as GPC proposes,
21 there would be no further incentive for the GPC to cut costs and increase efficiency. What is
22 needed as an important outcome of this proceeding, in my opinion, is a reestablishment of the
23 incentive mechanism for GPC. This can be achieved by re-basing GPC's rates to the mid-point
24 of a newly defined, allowable ROE range. This would provide the ratepayer his first opportunity
25 to begin to share in the benefits of the efficiency gains made when GPC increased its ROE from
26 11.25 percent to 12.5 percent in the 1996-1998 period. It also would provide a renewed
27 incentive for GPC to further increase its efficiency in order to take advantage of the refreshed
28

1 opportunity to increase its actual ROE up to the newly established cap on the allowable ROE
2 range.

3
4 Q. HOW DID YOU ARRIVE AT YOUR REASONABLE ROE RANGE AND RECOMMENDED
5 CENTERPOINT ROE OF 10.8 PERCENT?

6 A. I did not perform an independent analysis of GPC's cost of common equity, but relied principally
7 on the data Mr. Benfore provided in his exhibit. I did not feel an independent analysis was
8 necessary because the sample of firms I would have chosen for this analysis would not likely
9 differ significantly from the electric utilities selected by Mr. Benfore. However, I have made
10 several adjustments to the methodology presented by Mr. Benfore, and I have updated the results
11 to reflect current long term Treasury Bond yields of 5.10 percent (*Wall Street Journal*,
12 September 30, 1998, August 2018 Treasury Bond yield, p. C15). A summary of the
13 methodology results (comparable to Mr. Benfore's Exhibit CAB-7) appears as Exhibit KKK-1
14 at the end of my testimony.

15
16 The methodological changes I made to arrive at a reasonable ROE range are several. First,
17 although I agree that it is difficult to apply the DCF model accurately when the price to book
18 ratio is far greater than 1.0 (and The Southern Company's price to book ratio now is
19 approximately 2.0 according to *Value Line*), I rejected the use of the End-Results Model
20 Adjustment because, at its name applies, it employs circular reasoning. This adjustment
21 postulates the return sought by investors (based on comparable market returns now in demand)
22 and back-derives the adjustment needed to the DCF Model results. As a result, the End-Results
23 Model Adjustment provides little new information than the Comparable Earnings Test, and
24 therefore, is of little additional use in providing a reasonable ROE range. Due to the observed
25 current high price to book ratio for The Southern Company, I chose instead to give less weight
26 to the results provided by the standard DCF Model when compiling my reasonable ROE range,
27 as described below.

1 For the Equity Risk Premium Test, I simply reduced Mr. Benfore's observed yield of 5.90
2 percent in early 1998 for long term U.S. Government bonds to that recently observed, namely
3 5.10 percent. This results in two Equity Risk Premium Test Results for the GPC cost of
4 common equity capital in absence of flotation costs based on the data provided on Exhibit CAB-
5 4, pages 4 and 5, namely, 11.17 percent (6.07 plus 5.10) for comparable companies, and 10.83
6 percent (5.73 plus 5.10) for The Southern Company.

7
8 For the Capital Asset Pricing Model (CAPM) tests, I rejected Mr. Benfore's arguments for
9 adjusting the observed stock betas of Southern Company and GPC comparable electric utility
10 companies due to the existence of an investor population that does not properly diversify its
11 portfolio. I see no reason to reward these investors with a higher return for their naively incurred
12 greater risk levels. The results using the observed stock betas are shown in Exhibit KLK-2,
13 which is a revision of Mr. Benfore's Exhibit CAB-5, page 19. Note that the cost of common
14 equity based on historical returns is a tighter, lower range of 9.91 percent to 10.64 percent.
15 Estimates of the cost of common equity using projected total returns are significantly higher,
16 primarily because stock analysts tend to be more optimistic about future returns, resulting in a
17 range of 9.72 percent to 12.20 percent.

18
19 Since the cost of equity established in this proceeding will be established for the next three years,
20 for the Comparable Earnings Test I employed the expected return for 1999 as well as the long-
21 term expected return, as shown on Exhibit KLK-3. Estimates for the cost of common equity
22 based solely on *Value Line* analyst projections constitute a much higher range than the other
23 model test results, namely 12.9 percent to 13.2 percent for comparable companies. Again this
24 reflects the optimistic tendencies of stock analysts when estimating returns.

25
26 The arithmetic average of the four tests provides a point estimate for the common cost of equity
27 of 10.68 percent for The Southern Company and 10.91 percent for the comparable electrics, as
28

1 shown in Exhibit KLK-1. However, in my judgment, the results from the DCF model and the
2 Comparable Earnings Test should be weighted by only half of the weight given to the results
3 from the CAPM model and the Equity Risk Premium Model when compiling the average. This
4 is because the DCF model can be applied less accurately when the price to book value of the
5 utility stock far exceeds 1.0, as pointed out above. In addition, the Comparable Earnings Test
6 tends to provide a bias for high returns due to optimistic tendencies of stock analysts, and the
7 return estimates provided by this test, as acknowledged by Mr. Benfore, relate more directly to
8 accounting book return requirements rather than market return requirements associated with the
9 issuance of common stock. With this judgmental weighting applied, however, the average cost
10 of common equity provided by the four tests does not change appreciably, as shown on Exhibit
11 KLK-1. In my judgment, the most probable range (and therefore the reasonable range) for the
12 cost of common equity is provided using only results from the Equity Risk Premium Model and
13 the CAPM Model, namely 10.4 percent to 11.2 percent. My recommended cost of common
14 equity is 10.8 percent, which is the middle of this range. Coincidentally, when the average of
15 the four test results for both the Southern Company and the comparable electrics is again
16 averaged, using either the arithmetic average or the judgmental-weighted averaging process I
17 described above, a 10.8 percent cost of common equity is also obtained (i.e., 10.8 percent is the
18 average of 10.91 and 10.68 percent, and is also the average of 10.94 and 10.65 percent, shown
19 at the bottom of Exhibit KLK-1)

20
21 Given the capital structure proposed by GPC for the test year ending July 31, 1999 (as shown on
22 Volume 1, Exhibit 1, Schedule 3, Workpaper 1, page 1), my recommended ROE of 10.8 percent
23 would reduce the overall rate of return applied to the rate base from 9.92 percent to 9.00 percent.
24 This in itself would reduce revenue requirements by over \$58 million (employing the calculation
25 method shown on Volume 1, Exhibit 1, Schedule 1, page 1 and substituting 9.0 percent for the
26 requested rate of return).

1 Q. WHY DID YOU NOT ADD A FLOATATION COST WHEN YOU CALCULATED YOUR
2 RECOMMENDED COST OF COMMON EQUITY?

3 A. There has been a great deal of variation by state commissions across the country as to whether
4 such a floatation or financing cost should be included in the authorized return on equity used for
5 rate making purposes. I did not include it partly because I do not know whether The Southern
6 Company actually has firm plans to issue more common equity over the period of time that these
7 rates will be in effect, or whether and how it would allocate floatation costs to its subsidiary,
8 Georgia Power Corporation. If The Southern Company provides specific plans to the
9 Commission for the issuance of large volumes of additional common shares to the general public
10 each year over the next few years, an argument could be made for adding to the estimated cost
11 of equity calculated by the methods above, approximately 0.2 percentage points for floatation
12 costs, as requested by Mr. Benfore. If not, there should be no addition for floatation or financing
13 costs, because such costs will not be incurred when only internal capital is applied. I leave this
14 issue open for Commission consideration and resolution during the course of this proceeding.
15
16

17 Q. HOW SHOULD THE ALLOWABLE RANGE ON EARNINGS BE ESTABLISHED USING
18 YOUR RECOMMENDED COST OF COMMON EQUITY OF 10.8 PERCENT?

19 A. Assuming no floatation costs need be added, the Commission's extended Accounting Order
20 should set new rates using my recommended centerpoint ROE of 10.8 percent. In the interests
21 of symmetry and continuity, the allowable range of earnings should be established using the
22 same bandwidth of 2.5 percent as specified in the 1996 Accounting Order. Thus, GPC should
23 not be allowed to request a rate change unless its ROE falls below 9.55 percent (10.8 minus
24 1.25), and GPC should be allowed to earn up to 12.05 percent (10.8 plus 1.25) without sharing
25 excess earnings with the ratepayers or providing additional funds for accelerated depreciation
26 of the rate base other than mandated in what will become the 1998 Accounting Order.
27
28

1 When I say that new rates should be set using my recommended ROE of 10.8 percent, however,
2 I do not mean that the entire change in revenue requirements stemming from difference between
3 the 12.5 percent ROE now being earned by GPC, and my recommended 10.8 percent, be used
4 to reduce retail rates. Recognizing the need to reduce what will become almost \$2 billion of
5 stranded costs if and when deregulation takes place, and in the interests of longer term price
6 stability, I recommend that one third of the change in revenue requirements when the ROE is
7 reduced to 10.8 percent be applied to reducing retail rates and two-thirds be applied to
8 accelerated depreciation of the rate base. The latter can be accomplished by increasing the
9 annual mandated depreciation amounts in the 1998 Accounting Order resulting from this
10 proceeding.

11
12 Q. SHOULD THE RANGE ON ALLOWABLE EARNINGS BE CONSTANT OVER THE
13 DURATION OF THE EXTENDED ACCOUNTING ORDER?

14 A. No. I believe that simple, automatic annual adjustments to the allowable ROE range would tend
15 to preserve the efficacy of the incentive mechanism established by the 1998 Accounting Order
16 within an environment of volatile interest rates. It would also tend to reduce the need for future
17 rate case submissions. I suggest for Commission consideration the establishment of a baseline
18 ROE index consisting of one-half of the long term Treasury Bond yield used to compute the cost
19 of equity capital in this proceeding, and one-half of the book-value-weighted average of annual
20 dividend yields of comparable electric companies. Then, at the end of each full year of operation
21 under the 1998 Accounting Order, the entire range on allowable ROE would be automatically
22 adjusted to reflect annual changes in the ROE index, based on a simple filing by GPC to the
23 Commission. Retail rates set in this proceeding would not be changed as long as the actual ROE
24 experienced by GPC falls within the annually adjusted allowable ROE range. Retail rate
25 adjustments for actual ROE's below the allowable range would be set by a new rate case
26 proceeding. Retail rate adjustments based on actual ROE's above the allowable range would be
27 automatically implemented based on revenue requirement reduction allocations specified within
28

1 the 1998 Accounting Order. In the interests of consumer protection, the Commission should still
2 reserve the right to review and/or revise the 1998 Accounting Order after another three years.
3

4 Q. DO YOU AGREE WITH THE GPC PROPOSED ALLOCATION OF EXCESS REVENUES
5 WHEN THE ACTUAL ROE IS HIGHER THAN THE ALLOWED EARNINGS CAP?

6 A. GPC proposes that excess revenues above the earnings ceiling be shared by applying one-third
7 for retail rate reductions and two-thirds for accelerated depreciation of the rate base. In the
8 interests of long term price stability, and on behalf of DoD, we will not oppose the proposed one-
9 third/two-thirds sharing formula. However, when performing the immediate retail rate
10 reductions ordered by the Commission at the end of this proceeding, resulting partly from my
11 recommended lower ROE of 10.8 percent, and when reducing retail rates due to excess earnings
12 above the allowed earnings ceiling in subsequent years, I further propose that the Commission
13 mandate retail rate reductions that would move toward equal returns on investment for each class
14 of customer. GPC's cost of service study projected test year returns on investment of 15.75
15 percent for commercial customers, 10.09 percent for industrial customers and only 4.62 percent
16 for residential customers (Volume 1, Exhibit 3, Schedule 1, page 1). Thus, I propose that the
17 revenue requirement reductions be allocated entirely to commercial customers until the class
18 return reaches unity with the class return on sales to industrial customers. Based on GPC's cost
19 of service study, this means that the first \$135.8 million of revenue requirement reductions
20 should be allocated to commercial customers. Additional revenue requirement reductions should
21 be allocated both to industrial and commercial customers to maintain return on investment parity
22 until (and if) the residential return on investment level of 4.62 percent is attained for both
23 classes. At this point, further revenue requirement reductions should be allocated to all three
24 customer classes to retain return on investment parity. By this process, cross-subsidization of
25 customer classes will be eliminated, thereby providing optimal incentives for electric use
26 efficiency, while paving the way for an easy transition to deregulation.
27
28

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes.

3

4

5

AFFIDAVIT

6

7 Commonwealth of Virginia

8 County of Fairfax

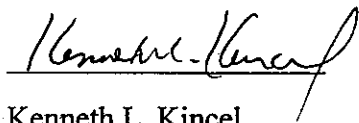
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10 Before me, the undersigned Notary Public, personally appeared Kenneth L. Kincl, who being duly
11 sworn on oath deposes and says that the foregoing prepared direct testimony and statement of facts
12 contained therein are true and correct to the best of his knowledge, information and belief.

13

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16

Kenneth L. Kincl

17

President, Decision Analysis Corporation of Virginia

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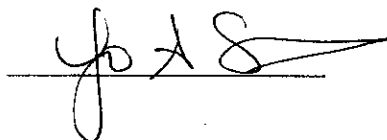
19

Subscribed to and sworn before me on this first day of October 1998.

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Notary Public

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My Commission Expires: 3/31/02

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Qualifications of Kenneth L. Kincl

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Kenneth L. Kincl. My business mailing address is Decision Analysis Corporation of Virginia, 8009 Snowpine Way, Suite 100, McLean, Virginia 22102.

Q. WHAT IS YOUR OCCUPATION?

A. I am an energy consultant in the field of energy expert services and modeling, forecasting and economic analysis, and I perform these services as President and Chief Executive Officer of Decision Analysis Corporation of Virginia, an energy and environmental analysis consulting firm.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I was awarded a Bachelor of Science Degree in Engineering by Rensselaer Polytechnic Institute (RPI) in 1967, and a Master of Science in Business Management in 1968, also from RPI. Subsequently, I served as Project Manager at Computer Sciences Corporation where I performed business organizational and management consulting services until the summer of 1972. From July 1972 through June 1974, I served in several capacities performing industry economic analysis for the Cost of Living Council of the Federal Government during the period of wage and price controls. Following the oil embargo, I joined the Federal Energy Administration in the capacity of Director, Office of Energy Demand Policy and Special Projects, and was later promoted to Director, Office of Conservation and Resource Development Policy. During this period, I testified in several natural gas import cases before the Federal Energy Regulatory Commission as to the economic benefits to the nation of limiting liquefied natural gas imports. I also appeared before several committees of the U.S. Senate and the U.S. House of

1 Representatives on issues such as the availability of winter fuels, the domestic supply and price
2 of natural gas and horizontal oil company divestiture. I headed the Interagency Natural Gas
3 Emergency Task Force, the Synthetic Natural Gas Task Force and the Liquefied Natural Gas
4 Task Force for FEA. When the Department of Energy (DOE) was formed in 1977, I joined the
5 Energy Information Administration of DOE, and ultimately became the Deputy Assistant
6 Administrator for Energy Applied Analysis (Modeling and Forecasting). In this capacity, I
7 managed over 200 professional economists, energy analysts and computer scientists in the
8 conduct of energy modeling and forecasting services to produce both the *National Energy*
9 *Outlook* and the *International Energy Outlook*, the two major forecasting publications of DOE.

10
11 In August 1980 I left the Federal Government and founded Decision Analysis Corporation of
12 Virginia (DAC). DAC performs energy and environmental modeling, forecasting and analysis
13 services for utilities, industry associations, utility commissions, private firms and several
14 agencies of the Federal Government, including DoD, Commerce and Energy. Since 1980 DAC
15 has performed over 500 projects involving analysis of energy issues. For example, in 1997 Mr.
16 Kincel led a DAC team that developed the modeling and forecasting methodology in support of
17 the restructuring of the California electric utility industry for the California Public Utility
18 Commission. DAC is also assisting DOE in the development of the National Energy Modeling
19 System, and is providing expert witness services to DoD on utility rate cases and in support of
20 the privatization of utilities now owned by DoD.

21
22 In support of DoD, DAC has provided expert witness support services for utility cases before:
23 the Board of Regulatory Commissioners, State of New Jersey Department of Environmental
24 Protection and Energy (water and waste disposal); the New York State Public Service
25 Commission (electricity); the Georgia Public Service Commission (natural gas); the Public
26 Utility Commission of Texas (electricity), the Maryland Public Service Commission (natural
27 gas) and the Federal Energy Regulatory Commission (natural gas). Mr. Kincel has himself

1 testified on cost of capital, revenue requirements and rate design issues before the Georgia Public
2 Service Commission, the New York State Public Service Commission, the Federal Energy
3 Regulatory Commission, and the Public Service Commission of Maryland.
4

5 I have appeared before the Georgia Public Service Commission most recently in Docket No.
6 8390-U regarding the election and filing of rates by Atlanta Gas Light Company. Previously,
7 I appeared before the Commission in Docket No. 6691-U, a United Cities Gas Company rate
8 case. With respect to Georgia Senate Bill 215 (the Natural Gas Competition and Deregulation
9 Act), I have submitted comments to the GPSC regarding the random customer assignment
10 methodology in Docket Nos. 7556-U and 8053-U, the marketer certificates of authority in
11 Docket Nos. 7546-U and 8044-U, alternate forms of regulation (performance based rates) in
12 Docket No. 7677-U, and the unbundling of rates in Docket No. 8346-U. I also attended the
13 workshop on electricity deregulation sponsored by the GPSC in the summer of 1997.
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SUMMARY OF TESTS TO DETERMINE THE COST OF COMMON STOCK FOR GEORGIA POWER

**Exhibit KLK-1
October 2, 1998**

| Tests | GPC Comparables | Southern Company |
|--|--------------------|---------------------|
| 1. Bond Yield Plus Equity Risk Premium Model | 11.17% | 10.83% |
| 2. CAPM (see KLK-2) | | |
| Historical Total Return | 10.35% | 9.91% |
| Historical Income Return | 10.64% | 10.17% |
| Expected Return with Value Line Composite | 10.14% | 9.72% |
| Expected Return with S&P 500 | 12.20% | 11.70% |
| Average CAPM | 10.84% | 10.38% |
| 3. Comparable Earnings Test (see KLK-3) | | |
| 1999 | 12.85% | 12.50% |
| 2001-2003 | 13.17% | 13.50% |
| Average Comparable Earnings Test | 13.01% | 13.00% |
| 4. DCF Model (Without End-Result Model Adjustment) | 8.60% | 8.50% |
| Aithmetic Average of 4 Tests | 10.91% | 10.68% |
| KLK Judgment-Weighted Average of 4 Tests* | 10.94% | 10.65% |

**CAPM COST OF COMMON STOCK FOR GEORGIA POWER'S COMPARABLE COMPANIES
AND SOUTHERN COMPANY**

**Exhibit KLK-2
October 2, 1998**

| | GPC Comparables | Southern Company |
|--|--------------------|---------------------|
| Historical Tests | | |
| Ibbotson Associates, Long-Term Historical Total Return Premium | 7.40% | 7.40% |
| Beta (Unadjusted) | 0.71 | 0.65 |
| Equity Risk Premium | 5.25% | 4.81% |
| Yield on 30-Year U.S. Treasury Bonds (Sept. 30, 1998) | 5.10% | 5.10% |
| Investor Required Return | 10.35% | 9.91% |
| | | |
| Ibbotson Associates, Long-Term Historical Yield Risk Premium | 7.80% | 7.80% |
| Beta (Unadjusted) | 0.71 | 0.65 |
| Equity Risk Premium | 5.54% | 5.07% |
| Yield on 30-Year U.S. Treasury Bonds (Sept. 30, 1998) | 5.10% | 5.10% |
| Investor Required Return | 10.64% | 10.17% |
| Projected Tests | | |
| Value Line Indicated Total Return (Growth Plus Yield) | 12.20% | 12.20% |
| Yield on 30-Year U.S. Treasury Bonds | 5.10% | 5.10% |
| Market Equity Risk Premium | 7.10% | 7.10% |
| Beta (Unadjusted) | 0.71 | 0.65 |
| Equity Risk Premium | 5.04% | 4.62% |
| Yield on 30-Year U.S. Treasury Bonds | 5.10% | 5.10% |
| Investor Required Return | 10.14% | 9.72% |
| | | |
| S&P 500 Indicated Total Return (Growth Plus Yield) | 15.10% | 15.10% |
| Yield on 30-Year U.S. Treasury Bonds | 5.10% | 5.10% |
| Market Equity Risk Premium | 10.00% | 10.00% |
| Beta (Unadjusted) | 0.71 | 0.65 |
| Equity Risk Premium | 7.10% | 6.50% |
| Yield on 30-Year U.S. Treasury Bonds | 5.10% | 5.10% |
| Investor Required Return | 12.20% | 11.70% |
| | | |
| Average of All CAPM Tests | 10.84% | 10.38% |

**BOOK VALUE AND EXPECTED RETURN ON COMMON STOCK EQUITY
FOR GEORGIA POWER'S COMPARABLE COMPANIES**

**Exhibit KLK-3
October 2, 1998**

| | 1998 Book Value (\$ Per Share) | 1999 ROE (Percent) | 2001-2003 ROE (Percent) |
|------------------------------------|---|-----------------------------------|--|
| American Electric Power (AEP) | 25.80 | 12.50 | 12.50 |
| Baltimore Gas & Electric (BGE) | 20.15 | 12.00 | 12.50 |
| Carolina Power & Light (CPL) | 19.55 | 14.50 | 14.50 |
| Florida Progress (FPC) | 19.50 | 13.00 | 12.00 |
| FPL Group (FPL) | 27.80 | 13.00 | 14.00 |
| Kansas City Power & Light (KLT) | 14.55 | 15.00 | 15.00 |
| Northern States Power (NSP) | 16.45 | 11.00 | 11.50 |
| SCANA Corp. (SCG) | 17.30 | 12.00 | 12.50 |
| Book-Value Weighted Average | | 12.85 | 13.17 |
| The Southern Company (SO) | 14.20 | 12.50 | 13.50 |

Source: Value Line

**STATE OF GEORGIA
BEFORE THE GEORGIA PUBLIC SERVICE
COMMISSION**

IN RE:

Georgia Power Company's Filing
Pursuant to Docket No. 9355-U
Accounting Order

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Docket No. 14000-U

**Direct Testimony
of Kenneth L. Kincel**

ROBERT N. KITTEL
Chief
Regulatory Law Office
Office of Judge Advocate General
Arlington, VA 22203-1837

FOR

U.S. DEPARTMENT OF DEFENSE
AND
ALL FEDERAL EXECUTIVE AGENCIES

Dated: October 11, 2001
Date Due: October 12, 2001



1 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

2 A. I am presenting testimony on behalf of the consumer interest of the U.S. Department of
3 Defense and all other Federal Executive Agencies, hereinafter collectively referred to as
4 "DoD." The Secretary of Defense has been delegated authority by the General Services
5 Administration (GSA) to also provide representation of the consumer interest of federal
6 civilian agencies in this proceeding. DoD is a very large consumer of electricity from
7 Georgia Power Corporation (GPC or the "Company"). During the most recent 12 months
8 period for which copies of invoices are available, GPC billed the major accounts of DoD
9 a total of \$47.7 million for 1.17 billion kWh of electricity, as listed in Exhibit KLK-3.
10 These major DoD accounts alone represent 1.2% of GPC's total retail revenues and
11 1.43% of GPC's total retail kWh sales in year 2000.

12
13 The major military installations purchasing electricity from GPC are: (1) five U.S. Army
14 forts, namely Fort Gordon, Fort Gillem, Fort McPherson, Fort Benning, and Fort
15 Stewart; (2) the Warner-Robins Air Force Base; (3) the Naval Submarine Base at Kings
16 Bay, and (4) the U.S. Marine Corps Log Base in Albany. The most predominantly used
17 GPC rate schedule by DoD installations is Multiple Load Management in conjunction
18 with Real Time Pricing (Hour or Day Ahead).

19
20 Currently, electricity is usually delivered by GPC to high voltage metering locations near
21 the gates of the installations, which is then transmitted through large transformers and
22 distribution systems owned and operated by the military installations themselves.

23 However, there is underway implementation of a DoD policy to privatize all utility
24 systems owned and operated by the installations when it is economic to do so, but except
25 those needed for unique security reasons.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A. I have reviewed the filing submitted by GPC under GPSC Docket No. 14000-U and I
3 offer several recommendations regarding the Company's proposed extension of the 1998
4 Accounting Order. Specifically, I recommend, and will support later in my testimony,
5 that: (1) the Accounting Order should be extended for three years instead of five; (2) the
6 earnings surveillance reporting range, usually referred to as the "deadband" component
7 of the earnings sharing mechanism, should be maintained at the existing range of 10% to
8 12.5%, which is consistent with an updated required return on common equity (ROE) of
9 11.1%; (3) the requirements for annual set asides for accelerated depreciation and
10 amortization contained in the 1998 Accounting Order should be eliminated; (4) earnings
11 above the deadband should be maintained at the ratepayer/shareholder, 2/3 to 1/3
12 proportion respectively, that is contained in the 1998 Accounting Order, with no
13 adjustment for weather influences; and (5) the creation of a new Certified Capacity Cost
14 Recovery (CCCR) tariff should be rejected.

15
16 Furthermore, I recommend that the large existing Liability Account, obtained from set
17 asides for accelerated depreciation and amortization within the 1998 Accounting Order,
18 be applied to reduce the rate base at the beginning of 2002, in the manner chosen by the
19 Commission. The application of the Liability Account to the rate base, the use of my
20 recommended 11.1% as the ROE (shown in Exhibit KKK-6), and any additional
21 adjustments to the rate base found as part of this proceeding, should yield a revenue
22 surplus projected for 2002. If so, base rates should be reduced for 2002 to eliminate such
23 a revenue surplus, by allocating the surplus among the various classes of customer on an
24 equal proportion of projected revenues in 2002.

1 **Q. WHY DO YOU THINK THE ACCOUNTING ORDER SHOULD BE EXTENDED,**
2 **AND WHY THEN FOR ONLY THREE YEARS?**

3 A. The 1998 Accounting Order has been successful in that it has benefited both customers
4 and the GPC. As stated by Company Witness Ron Hinson (p. 3) customers have realized
5 substantial rate refunds over the course of this Accounting Order. In addition, over the
6 first two years, the Company has realized more earnings and a greater ROE than
7 specified by the top of the deadband of the existing earnings sharing mechanism, or
8 12.5%. The incentives embedded in the Accounting Order for increased productivity by
9 the Company have apparently been very successful, as evidenced by these high earnings.
10 Therefore, due to its obvious success, the Accounting Order should be extended. Also, I
11 see no reason to make unnecessary structural changes to a complex incentive package
12 that is now working well, and all of my recommendations explained hereafter are rooted
13 in that premise.

14
15 The Company proposes to extend the Accounting Order for five years, instead of three,
16 in order to provide for "longer-term rate predictability," and to allow the Company to
17 benefit from "a broader range of productivity improvement initiatives" that it could
18 evaluate and implement with more time (Company Witness Hinson, p. 13). However,
19 GPC provides no examples of productivity improvement initiatives that would require
20 five years, instead of just three, to gain adequate return benefits. Instead, the Company
21 identifies several sources of uncertainty in future costs that render a review of the whole
22 incentive package necessary, in my judgment, in just three years. I refer in particular to
23 the notion that the rate base has stopped declining and is now increasing; that operating
24 and maintenance costs have begun increasing as well; and that there are no large
25 declining costs (Company Witness Ratcliffe, p. 5). Indeed, in my view, if there are such

1 dramatic shifts in the near future costs of providing electricity to Georgians, this
2 Commission should reserve the right to review the incentive package in no more than
3 three years. Only in that way can the allocation of future costs between ratepayers and
4 shareholders, and among various classes of customer, be maintained at just and
5 reasonable levels.

6
7 **Q. ON WHAT DO YOU BASE YOUR RECOMMENDED ROE OF 11.1%?**

8 A. I have carefully reviewed the data and methodology provided by Witness Charles A
9 Benore of Benore Financial Consulting, Inc. and disagree with certain adjustments he
10 applied and substitutes he used. I did not perform an independent analysis of a new
11 financial data set because I did not take exception to the selection of comparable utilities
12 chosen by Mr. Benore, the data sources he referenced or the principles he cited that
13 guided his analysis. However, I did take exception to his use of an adjustment to the long
14 term Treasury Bond rate to obtain the risk-free rate, and to the application of his ROE
15 “transformation process” to many of the test results. When I instead used the current 30
16 year Treasury Bond rate of 5.315% (*Wall Street Journal*, October 8, 2001, p. C12) as the
17 risk-free rate, and ignored his ROE “transformation process,” the tests resulted in a
18 judgment-weighted average ROE of 11.1%, as summarized in Exhibit KLK-4. The
19 supporting calculations are shown in Exhibit KLK-5. I will explain each of my
20 adjustments.

21
22 Mr. Benore argues (in Exhibit CAB-8, p. 4) that the yield on long-term Treasury bonds
23 must be adjusted or “normalized” because it has been artificially reduced by the
24 Treasury’s buy-back program. This conclusion is refuted clearly by the most recent
25 evidence. Over the past few weeks, a variety of new fiscal spending initiatives have been

1 announced, and it is becoming clear that the Federal Government will probably return to
2 a policy of deficit spending, at least for the next fiscal year and perhaps beyond, due
3 mostly to the new War on Terrorism. Investors know that the Treasury buy-back
4 program will probably have to be suspended, at least for the near term. Instead of
5 increasing as one would expect under Mr. Benore's theory, the yield on long-term
6 Treasury bonds has actually fallen slightly over the past few weeks (from 5.375% on
7 August 24, 2001 to 5.315% on October 9.). This recent movement supports my view that
8 the market for long-term Treasury bonds remains efficient, and that the yield on long-
9 term Treasury bonds, without adjustment, still represents the best indicator of a risk-free
10 return. Correspondingly, it is the most appropriate yield for use in the CAPM tests which
11 require application of the risk-free investment concept.

12
13 Regarding the Equity Premium test, Mr. Benore uses as a basis to measure the equity risk
14 premium, the difference between the unadjusted yield on long-term Treasury Bonds and
15 the total return on Moody's Electric Companies (Exhibit CAB-8, p. 9). Therefore, in
16 order to maintain consistency, the yield on long-term Treasury bonds, unadjusted, must
17 also be used also when attempting to apply the equity risk premium to determine the
18 GPC ROE.

19
20 The "Transformation" that Mr. Benore applies to the DCF, CAPM and Equity Premium
21 ROE test results is based on the premise that all three tests rely on an assumption that the
22 price to book ratio is 1.0. In fact, only the DCF model relies on that assumption, and I
23 would agree that the DCF model results are less accurate when the price to book ratio
24 significantly exceeds 1.0, as it does in this instance. The methodologies and assumptions
25

1 underlying the CAPM and Equity Premium tests, however, are independent of the price
2 to book ratio, and should be considered accurate and in no need for any adjustment.

3
4 Mr. Benore argues throughout his testimony that these three tests produce only a market
5 return, which must be used to back-derive a regulatory return, when the price to book
6 ratio exceeds 1.0. He further argues that if the return from these three tests is used as a
7 regulated return, the price of the utility stock will be driven down to book value,
8 investors will not have a reasonable opportunity to earn their required market return, and
9 therefore investors will shun the stock as an investment (Witness Benore, p. 15). In
10 contrast, I believe that investors have accurately observed that utilities frequently are able
11 to earn more than their allowed regulatory returns, often through increases in sales
12 volumes, productivity or non-regulated business lines. A high price to book ratio
13 indicates that the utility stock is in relatively high demand, not that it is viewed as a
14 losing investment. It is also an indication that investors generally believe that the utility
15 will be able to meet or beat historical returns, which are usually higher than regulatory
16 returns.

17
18 When Mr. Benore applies his "Transformation" to the DCF, Equity Risk Premium and
19 CAPM tests, he is essentially converting these test results to the ROE provided by the
20 Comparable Earnings test, and in the process, losing the unique and valuable information
21 provided by these different tests. This is evident by observing his results shown on page
22 3a of his testimony; all of the other test results after transformation fall within 0.2% of
23 the 13.7% ROE given by the Comparable Earnings test.

1 After I substituted use of the current long-term Treasury rate and ignored use of Mr.
2 Benore's "Transformation" process, the ROE test results were 11.5% for the DCF model,
3 10.3% for the Equity Premium test, 10.4% for the CAPM test, and 13.7% for the
4 Comparables Earnings test (Exhibit KKK-4). When averaging the results, I took into
5 account the relative accuracy of the four tests. I gave only half the weight applied to the
6 CAPM and the Equity Premium test results to the DCF model and the Comparable
7 Earnings test results. The DCF model test results are relatively less accurate for the
8 reasons I stated earlier, namely, that the underlying methodological assumption of a price
9 to book ratio of unity is stretched when using the selected comparable utilities. I also
10 view the Comparable Earnings test as less accurate because it is based on long-term
11 predictions of ROE by investment analysts, who, by the inherent incentives in their
12 profession, tend to be somewhat optimistic. This was observed most readily during 1998-
13 2000 when investment analysts were offering absurdly high predictions of future
14 earnings of technology stocks. After applying these judgments regarding relative
15 accuracy, my weighted average of ROE test results is 11.1%, as shown in Exhibit KKK-
16 4, which I recommend to the Commission as the ROE to be applied in this case for GPC.

17
18 **Q. IF YOUR RECOMMENDED ROE IS 11.1%, WHY DO YOU SUPPORT**
19 **RETENTION OF THE 10% TO 12.5% DEADBAND FOR THE EARNINGS**
20 **SHARING MECHANISM?**

21 A. Recently, there has been sufficiently high volatility in yields on long-term Treasury
22 Bonds, and uncertainty inherent within all the ROE test results, to justify leaving the
23 centerpoint of the deadband at 11.25%, instead of adjusting it downward to 11.1%.
24 Retention of the current deadband is also consistent with my principle stated earlier of
25 not making changes to the existing, successful incentive package unless absolutely

1 necessary. This leaves some room for a floatation adjustment, if later found needed. I do
2 believe a floatation adjustment should be applied if, and only if, Southern Company
3 provides specific plans to this Commission for the issuance of large volumes of
4 additional common shares to the general public each year over the next three years, in
5 order to finance GPC's activities. The floatation adjustment should then be calculated
6 based only on such costs associated with these new issuances. In absence of such plans, I
7 recommend that 11.1% be used as the ROE for ratemaking purposes.
8

9 **Q. WHY DO YOU RECOMMEND THAT THE SET ASIDES FOR ACCELERATED**
10 **DEPRECIATION AND AMORTIZATION WITHIN THE 1998 ACCOUNTING**
11 **ORDER BE ELIMINATED?**

12 A. These set asides were established by the GPSC primarily to reduce the magnitude of
13 stranded assets that would be encountered if and when Georgia eventually moved to
14 customer choice of electricity provider. Specifically, the 1998 Accounting Order called
15 for GPC to record \$85 million annually, and the first \$50 million of any earnings above
16 the deadband during the second and third year of the Accounting Order, for accelerated
17 amortization or depreciation of assets. These set asides have been retained by GPC in an
18 interest-bearing Liability Account that now amounts to about \$380 million (Company
19 Witness Hinson, p. 14).
20

21 Given the obvious shortcomings of electricity competition that were experienced in
22 California, and the clear success of this Commission's performance based rate-making
23 with GPC, it is less likely that Georgia will move to restructuring for competition in the
24 near term. Even if it did, there is a high possibility that stranded generation assets might
25 turn out to be negative, due to high expected marginal costs of power generation from

1 natural gas. This happened recently in Texas during the proceeding for the unbundling of
2 rates by the TXU Electric Company (Public Utility Commission of Texas Docket No.
3 22350). In that case, stranded costs were found to be a negative \$1.4 billion. For these
4 reasons, there is no longer adequate reason to accelerate the decline of the existing
5 generation rate base of GPC, in my opinion, and therefore the set asides should be
6 eliminated.

7
8 **Q. HOW THEN SHOULD THE LIABILITY ACCOUNT BE APPLIED?**

9 A. GPC recommends that the proceeds of the Liability Account be applied to reducing
10 regulatory assets (Company Witness Hinson, p.14). I take no exception to the Company
11 recommendation, but defer to the Commission and its Staff on how these funds should be
12 best applied to reduce the rate base. I do recommend, however, that these funds be
13 applied in this proceeding, so as to lower base rates for 2002.

14
15 **Q. HOW SHOULD EARNINGS OVER THE DEADBAND BE ALLOCATED?**

16 A. I recommend that these "excess" earnings be allocated on a 2/3 to 1/3 ratio, ratepayer to
17 shareholder respectively. This maintains the current incentive for all excess earnings over
18 \$50 million, and extends this incentive to the first \$50 of excess earnings also. Thus, my
19 recommendation constitutes an increase in the incentive for the Company, relating to
20 retention of one-third of the first \$50 million each year. As stated earlier, the 2/3 to 1/3
21 ratio has proven successful, and therefore represents an appropriate incentive level that
22 should be retained.

23
24 I further recommend that the Commission reject dividing excess earnings into two
25 categories for separate treatment, namely those that stem from weather-related revenues

1 and those that stem from "all other revenues," as recommended by GPC (Company
2 Witness Hinson, p. 7). Mr. Hinson justifies this separate treatment because "weather-
3 related revenue variances are unexpected and out of the Company's control," and "the
4 Company bears all of the downside risk of mild summer weather." In my view, it is
5 precisely because weather-related revenues are outside the Company's control that the
6 Company should not be granted a higher reward for obtaining them than for other
7 revenues. As far as downside risk is concerned, it is only true that the Company bears all
8 of the downside risk of mild summer weather when the Company is operating within or
9 below the deadband. Above the deadband, where the Company has been operating over
10 the course of the 1998 Accounting Order, the ratepayer incurs two-thirds of the risk
11 related to a mild summer. Furthermore, the calculation of any such split of excess
12 earnings between weather-related and "other" categories would constitute unnecessary
13 and complicated calculations, that would prove to be speculative and uncertain even if
14 the best econometric techniques were applied.

15
16 **Q. WHY DO YOU OPPOSE THE CREATION OF A NEW CCCR TARIFF?**

17 **A.** The new CCCR tariff is necessitated primarily by the Company proposal to extend the
18 Accounting Order for five years, instead of three. After three years, uncertainty regarding
19 customer growth, the demand for electricity and the need for additional generation
20 capacity is much higher than in the near term, rendering greater urgency to the
21 consideration of a more flexible instrument for recovering costs. I have already proposed
22 rejection of the five-year extension because I believe the Commission should review both
23 the rate base and retail rates at least once every three years anyway, to ensure that rates
24 across all rate classes continue to be reasonable and just. Thus, I see no remaining
25 justification for a more flexible instrument for recovering increasing capacity costs than

1 provided by the possibility of a new rate case within three years, if and when GPC's
2 earnings were to fall below the deadband due to such capacity additions.

3
4 In addition, I believe the only sufficient way to recover huge generation capacity cost
5 additions, as visualized by the Company, is through a full-blown rate case, when possible
6 changes in cost allocation and rate design can be considered simultaneously. It is too
7 simplistic to spread these costs proportionately over customer classes like the CCCR
8 would do, particularly over a long timeframe. Such a process would gradually erode
9 customer class rate equity on GPC's system.

10
11 **Q. HOW DO YOU PROPOSE BASE RATES SHOULD BE REDUCED, IF**
12 **NECESSARY, IN THIS PROCEEDING?**

13 A. As shown in Exhibit KLK-6, with the application of my recommended ROE of 11.1%
14 and no other changes to the retail rate base, there is a surplus of GPC retail revenues in
15 year 2000 of over \$52 million dollars. I suspect that the application of the Liability
16 Account to the rate base, the elimination of set asides for depreciation and amortization,
17 and other adjustments that will result from this proceeding, will further increase this
18 revenue surplus. In that event, I recommend that base rates be reduced immediately for
19 2002 to remove the surplus, and to incorporate existing mandated refunds from the 1998
20 Accounting Order as the Company proposes. Consistent with the cost of service study
21 provided by the Company for 2002, which shows relative returns by class of customer
22 under the existing base rate structure that are consistent with relative returns previously
23 approved by this Commission for GPC in 1998, I recommend that base rate reductions be
24 allocated among customer classes proportional to projected revenues in 2002.

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes.

3
4

5 Commonwealth of Virginia

6

7 County of Fairfax

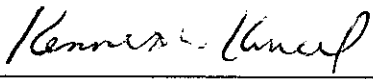
8

9 Before me, the undersigned Notary Public, personally appeared Kenneth L. Kincel, who being
10 duly sworn on oath deposes and says that the foregoing prepared direct testimony and statement
11 of facts contained therein are true and correct to the best of his knowledge, information and
12 belief.

13

14

15



16

Kenneth L. Kincel

17

President , Decision Analysis Corporation of Virginia

18

19 Subscribed to and sworn before me on this 11th day of October 2001.

20

21

22

23



24

Notary Public

25

My Commission Expires: APR 30 2003

1 **Exhibit KLK-1**

2 **Education and Qualifications of Kenneth L. Kincel**

3
4 PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

5 My name is Kenneth L. Kincel. My business mailing address is Decision Analysis
6 Corporation of Virginia, 8009 Snowpine Way, Suite 100, McLean, Virginia 22102.

7
8 WHAT IS YOUR OCCUPATION?

9 I am an energy consultant in the field of energy modeling, forecasting and economic
10 analysis, and I perform these services as President and Chief Executive Officer of Decision
11 Analysis Corporation of Virginia, an energy and environmental analysis consulting firm.

12
13 PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

14 I was awarded a Bachelor of Science Degree in Engineering by Rensselaer Polytechnic
15 Institute (RPI) in 1967, and a Master of Science in Business Management in 1968, also from
16 RPI. Subsequently, I served as Project Manager at Computer Sciences Corporation where I
17 performed management consulting services until the summer of 1972. From July 1972 through
18 June 1974, I served in several capacities performing industry economic analysis for the Cost of
19 Living Council of the Federal Government during the period of wage and price controls.
20 Following the oil embargo of 1973 -1974, I joined the Federal Energy Administration in the
21 capacity of Director, Office of Energy Demand Policy and Special Projects, and was later
22 promoted to Director, Office of Conservation and Resource Development Policy.

23
24 During this period, I testified in several natural gas import cases before the Federal
25 Energy Regulatory Commission as to the economic benefits to the nation of limiting liquefied

1 natural gas imports. I also appeared before several committees of the U.S. Senate and the U.S.
2 House of Representatives on issues such as the availability of winter fuels, the domestic supply
3 and price of natural gas and horizontal oil company divestiture. I headed the Interagency Natural
4 Gas Emergency Task Force, the Synthetic Natural Gas Task Force and the Liquefied Natural Gas
5 Task Force for FEA. When the Department of Energy (DOE) was formed in 1977, I joined the
6 Energy Information Administration of DOE, and ultimately became the Deputy Assistant
7 Administrator for Energy Applied Analysis (Modeling and Forecasting). In this capacity, I
8 managed over 200 professional economists, energy analysts and computer scientists in the
9 conduct of energy modeling and forecasting services to produce both the *National Energy*
10 *Outlook* and the *International Energy Outlook*, the two major forecasting publications of DOE.

11
12 In August 1980 I left the Federal Government and founded Decision Analysis
13 Corporation of Virginia (DAC). DAC performs energy and environmental modeling, forecasting
14 and analysis services for utilities, industry associations, utility commissions, private firms and
15 several agencies of the Federal Government, including DOD, Commerce and Energy. Since
16 1980, DAC has performed over 600 projects involving analysis of energy issues, and I have
17 served as Project Manager for most of these projects. For example, in 1997 - 1998 I led a DAC
18 team that developed the modeling and forecasting methodology in support of the restructuring of
19 the California electric utility industry for the California Public Utility Commission.

20
21 Since 1994 and to the present, DAC has assisted DOE in the development of the National
22 Energy Modeling System. Since the mid-1980's and to the present, DAC has also provided
23 energy analysis and expert witness services to DOD on utility rate cases and cases involving the
24 restructuring of the natural gas or electric utility industry for competition.

1
2 I myself have testified on cost of capital, revenue requirements, deregulation/industry
3 restructuring policy and/or rate design issues before the Georgia Public Service Commission
4 (natural gas and electricity), the New York State Public Service Commission (electricity), the
5 Federal Energy Regulatory Commission (natural gas), the Kentucky Public Service Commission
6 (electricity), the Public Utility Commission of Texas (electricity) and the Public Service
7 Commission of Maryland (gas and electricity), as listed in Exhibit KLK-2.
8

9 I have appeared before the Georgia Public Service Commission most recently in 1998
10 under Docket No. 9355-U regarding extension of the Accounting Order that treated electricity
11 base rate levels and earnings sharing by the Georgia Power Company. Previously, I appeared
12 before this Commission in Docket No. 8390-U regarding the election to competition and filing of
13 natural gas rates by Atlanta Gas Light Company, and in Docket No. 6691-U, a United Gas
14 Company rate case. I also filed several sets of comments to this Commission regarding suggested
15 ways of implementing Georgia Senate Bill 215 (the Natural Gas Competition and Deregulation
16 Act) and attended the workshop on electricity deregulation sponsored by the GPSC in the
17 summer of 1997.
18
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24
25

Testimony and Regulatory Submissions of Kenneth L. Kincaid

| Regulatory Commission | Date | On Behalf Of | Submission Type | Docket No. | Utility | Issue | Topics Covered |
|--------------------------------------|--------------------|------------------|------------------|-------------|-------------------------------|--------------------------------------|--|
| Georgia Public Service Commission | October 18, 1996 | Dept. of Defense | Direct Testimony | 6691-U | United Cities Gas Company | Natural gas rate increase | Revenue requirements, ROE |
| Federal Energy Regulatory Commission | December 13, 1996 | Dept. of Defense | Direct Testimony | RP96-190-00 | Colorado Interstate Gas Co. | Interstate gas transportation rates | Cost allocation, rate design |
| New York Public Service Commission | January 7, 1997 | Dept. of Defense | Direct Testimony | 96-E-0134 | Niagara Mohawk Power Co. | Electric rate increase | Revenue requirements |
| Georgia Public Service Commission | October 23, 1997 | Dept. of Defense | Direct Testimony | 8044-U | GPSC NOPR | Implementation of gas retail dereg. | Comments on marketers' certification |
| Georgia Public Service Commission | October 23, 1997 | Dept. of Defense | Direct Testimony | 8053-U | GPSC NOPR | Implementation of gas retail dereg. | Comments on random assignment of customers |
| Georgia Public Service Commission | January 23, 1998 | Dept. of Defense | Formal Comments | 8346-U | GPSC NOPR | Implementation of gas retail dereg. | Formal recommendations on unbundling methods |
| Maryland Public Service Commission | February 12, 1998 | Dept. of Defense | Direct Testimony | 8780 | Baltimore Gas & Electric Co. | Gas base rate increase | ROE, rate design |
| Georgia Public Service Commission | March 31, 1998 | Dept. of Defense | Direct Testimony | 8390-U | Atlanta Gas Light Co. | Unbundling, Restructuring | ROE, rate design, performance rates |
| Georgia Public Service Commission | October 1, 1998 | Dept. of Defense | Direct Testimony | 9355-U | Georgia Power Company | Base rate increase, earnings sharing | ROE, earnings sharing mechanism |
| Kentucky Public Service Commission | March 18, 1999 | US Army | Direct Testimony | 98-474 | Kentucky Utilities | Electric performance based rates | Performance based rates, earnings sharing |
| Kentucky Public Service Commission | March 18, 1999 | US Army | Direct Testimony | 98-474 | Louisville Gas & Electric Co. | Electric performance based rates | Performance based rates, earnings sharing |
| Maryland Public Service Commission | December 18, 1998 | Dept. of Defense | Direct Testimony | 8794 | Baltimore Gas & Electric Co. | Electric restructuring | Stranded costs, cost unbundling, rate design |
| Maryland Public Service Commission | February 3, 1999 | Dept. of Defense | Direct Testimony | 8904 | Baltimore Gas & Electric Co. | Base rates | ROE, rate design |
| Texas Public Utility Commission | September 15, 2000 | US Army | Affidavit | 23040 | TXU Electric Company | Wholesale electric purchaser status | Information in support of petition for Fort Hood |
| Texas Public Utility Commission | February 2, 2001 | US Army | Direct Testimony | 22350 | TXU Electric Company | Unbundling, Restructuring | Rate design |
| Georgia Public Service Commission | October 12, 2001 | Dept. of Defense | Direct Testimony | 14000-U | Georgia Power Company | Base rate increase, earnings sharing | ROE, earnings sharing mechanism |

GPC Billings on Major Accounts to DoD Installations

| <u>DoD Installation Name</u> | <u>Account Name</u> | <u>GPC Account No.</u> | <u>Rate Schedule</u> | <u>12 Months Ending</u> | <u>Total kWh</u> | <u>Total Billings</u> | <u>Cents per kWh</u> |
|--------------------------------|---------------------|------------------------|----------------------|-------------------------|------------------|-----------------------|----------------------|
| Fort Benning | Main Post | 00031-99200 | RTPDAAL | July 2001 | 247,584,144 | \$10,726,133 | 4.33 |
| Fort McPherson | 1901 Lee Street | 00035-31502 18 | GOVT | August 2001 | 41,472,584 | \$1,955,122 | 4.71 |
| Fort Stewart | Hero Road | 00031-47804 18 | RTPDA/MLM | August 2001 | 153,847,621 | \$6,775,379 | 4.40 |
| Total Fort Stewart | Highway 144E/Evans | 00030-55219 18 | RTPDA/PLL | August 2001 | 3,444,671 | \$182,272 | 5.29 |
| | | | | | 157,292,292 | \$6,957,651 | 4.42 |
| Fort Gordon | Main Post | 00031-18901 21 | RTPHA/MLM | August 2001 | 114,864,833 | \$4,468,264 | 3.89 |
| | Hospital | 00031-20803 18 | RTPDA/MLM | August 2001 | 22,707,595 | \$962,923 | 4.24 |
| Total Fort Gordon | Recreation Area | 72176-14006 21 | PLM | August 2001 | 559,620 | \$41,299 | 7.38 |
| | | | | | 138,132,048 | \$5,472,486 | 3.96 |
| Fort Gillem | Main Post | 00035-55708 21 | RTPDA/MLM | July 2001 | 31,035,666 | \$1,489,167 | 4.80 |
| Total Army | | | | | 615,516,734 | \$26,600,559 | 4.32 |
| Robins Air Force Base | D Street | 00032-61407 21 | RTPHA/MLM | August 2001 | 180,723,636 | \$6,569,393 | 3.64 |
| Total Air Force | 9th Street | 00032-62306 21 | RTPHAAL | August 2001 | 98,479,377 | \$3,812,490 | 3.87 |
| | | | | | 279,203,013 | \$10,381,883 | 3.72 |
| Kings Bay Naval Submarine Base | Kings Bay NSB | 00031-72003 21 | RTPHAAL/IS | June 2001 | 201,242,709 | \$7,093,500 | 3.52 |
| US Marine Corps Log Base | Albany MCLB | 00032-13509 21 | RTPDAAL | June 2001 | 57,456,912 | \$2,673,330 | 4.65 |
| US Navy Supply Corps School | Athens NSCS | 00030-64202 21 | RTPDAAL | June 2001 | 9,062,036 | \$420,112 | 4.64 |
| US Naval Air Station Atlanta | Atlanta NAS | 00034-89503 21 | RTPDAAL | June 2001 | 11,001,856 | \$528,934 | 4.81 |
| Total Navy | | | | | 278,763,513 | \$10,715,876 | 3.84 |
| Total DoD | | | | | 1,173,483,260 | \$47,698,318 | 4.06 |

**Summary of Tests to Determine the Appropriate Regulatory Return
 For Georgia Power Company's Common Stock**

| <u>Tests</u> | <u>Georgia Power's Comparables</u> | <u>Source</u> |
|---|------------------------------------|----------------|
| 1. DCF | | |
| Standard DCF | 11.5% | CAB-7, Page 14 |
| 2. Equity Risk Premium | 10.3% | KLK-5 |
| 3. CAPM | | |
| Historical Total Return | 9.2% | KLK-5 |
| Historical Income Return | 9.5% | KLK-5 |
| Expected Return with Value Line Composite | 11.4% | KLK-5 |
| Expected Return with S&P 500 | 11.4% | KLK-5 |
| Average CAPM | 10.4% | KLK-5 |
| 4. Comparable Earnings Test | 13.7% | CAB-10, Page 5 |
| Average of 4 Tests | 11.5% | |
| KLK Weighted Average of 4 tests* | 11.1% | |
| Recommended ROE | 11.1% | |

*Half weight given to DCF and Comparable Earnings tests; full weight given to Equity Risk Premium and CAPM tests.

**Details of Tests to Determine the Appropriate Regulatory Return
 For Georgia Power Company's Common Stock**

| <u>Equity Risk Premium</u> | | <u>Source</u> |
|---|-------|--|
| Equity Risk Premium | 5.0% | CAB-8 , Page 15 |
| Long-term Interest Rates for Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| ROE | 10.3% | |
| <u>CAPM</u> | | |
| <u>Long-Term Historical Test</u> | | |
| Ibbotson Long-Term Historical Total Return Premium | 7.3% | CAB-9, p. 13 |
| Beta | 0.54 | CAB-9, p. 13 |
| Equity Risk Premium | 3.9% | |
| Yield on 30-Year Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| ROE | 9.2% | |
| Ibbotson Long-Term, Historical Yield Risk Premium | 7.8% | CAB-9, p. 13 |
| Beta | 0.54 | CAB-9, p. 13 |
| Equity Risk Premium | 4.2% | |
| Yield on 30-Year Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| ROE | 9.5% | |
| <u>Projected Tests</u> | | |
| Value Line Indicated Total Return (Growth plus Yield) | 16.6% | CAB-9, p. 13 |
| Yield on 30-Year Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| Market Equity Risk Premium | 11.3% | |
| Beta | 0.54 | CAB-9, p. 13 |
| Equity Risk Premium | 6.1% | |
| Yield on 30-Year Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| ROE | 11.4% | |
| S&P500 Indicated Total Return (Growth plus Yield) | 16.6% | CAB-9, p. 13 |
| Yield on 30-Year Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| Market Equity Risk Premium | 11.3% | |
| Beta | 0.54 | CAB-9, p. 13 |
| Equity Risk Premium | 6.1% | |
| Yield on 30-Year Treasury Bonds | 5.3% | Wall Street Journal, October 8, 2001, p. C12 |
| ROE | 11.4% | |
| Average of 4 CAPM Tests | 10.4% | |

Georgia Power Company

Revised Computation of Retail Revenue Deficiency Estimated for the Twelve Months Ending December 31, 2002 (Amounts in Thousands)

| <u>Line No.</u> | <u>Description</u> | <u>Total Revenue Deficiency</u> |
|-----------------|---|---------------------------------|
| 1 | Retail Rate Base | \$ 8,287,265 |
| 2 | Calculated Rate of Return (Exhibit KKK-7) | 8.98% |
| 3 | Earnings Requirement | \$ 744,196 |
| 4 | Deduct - Earnings Available for Return | \$ 775,532 |
| 5 | Earnings Deficiency (Surplus) | \$ (31,336) |
| 6 | Income Expansion Factor | 59.873% |
| 7 | Total Revenue Deficiency (Surplus) | \$ (52,337) |

Basis: Exhibit RH-2, Schedule 1 and Exhibit KKK-7

Georgia Power Company

Revised Retail Rate of Return Summary Estimated As Of December 31, 2002

| <u>Line No.</u> | <u>Component</u> | <u>Adjusted Balance 12/31/2002</u> | <u>Cost</u> | <u>Component Cost</u> |
|-----------------|----------------------|--|-------------|---------------------------|
| 1 | Long-Term Debt | \$3,215,492 | 6.40% | 2.42% |
| 2 | Preferred Securities | \$884,446 | 7.91% | 0.82% |
| 3 | Preferred stock | \$14,569 | 4.18% | 0.01% |
| 4 | Common Equity | \$4,398,970 | 11.10% | 5.74% |
| 5 | TOTAL | \$8,513,477 | | 8.98% |

Basis: Exhibit RH-2, Schedule 3, Workpaper 1, Page 1 of 1 and KKK ROE of 11.1%

U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 8

Responding Witness: Kenneth L. Kincl

Q.2. Provide on a computer disk all of Mr. Kincl's data, calculations, spreadsheets, etc., with cell formulas intact.

A.2. See enclosed.



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1000
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U. S. Department of Defense

Case No. 2003-00433

**Response to Initial Data Request of Louisville Gas and Electric
Company**

Question No. 9

Responding Witness: Kenneth L. Kincl

- Q.2.** Provide copies of all workpapers, supporting documentation, articles, studies and other material cited and/or relied upon by Mr. Kincl in preparing his testimony, other than those already provided in response to the above requests.
- A.2.** The only other inputs were the invoices from LG&E to Fort Knox for both electricity and natural gas transportation service over the test period. Since the Company itself was the source of these invoices, and is the request of this data, they are not attached here. Other than meter readings, there is no other relevant data on these invoices other than is shown on Exhibits KKK-3 and KKK-4, for electricity and natural gas service, respectively.

Attached is a news article that supports Mr. Kincl's judgment found on page 15, line 6 that stock market industry analysts tend to be biased on the high side.



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 Posted by [La Lupa](#) (Thursday, December 20, 2001)

Wall Street Strategists Missed S&P 500's Drop in 2001

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New York, Dec. 20 (Bloomberg) -- UBS Warburg's Ed Kerschner, the top-ranked investment strategist last year, predicted a 30 percent advance in the benchmark Standard & Poor's 500 Index this year. Goldman, Sachs & Co.'s Abby Joseph Cohen, No. 1 in the prior two years, pointed to a 25 percent rise. Strategists at every major securities firm missed the second straight annual drop in the stock benchmark, which slid 13 percent this year. In the most bearish call, J.P. Morgan Chase & Co.'s Douglas Cliggott saw a 6 percent gain. On average, they forecast a 21 percent rise.

The failure underscored criticism by investors, regulators and lawmakers that analysts are reluctant to recommend against stocks, potentially costing their firms business. On average, strategists see a 10 percent gain in the S&P next year, extending the 19 percent increase the past three months. "There's a natural optimistic bias across all analysts and strategists," said Henry Cavanna, who manages \$6 billion at J.P. Morgan Fleming Asset Management. "They don't factor in the one-in-three or one-in-four possibilities that are negative." In lawsuits and in testimony before Congress, critics have said Internet analysts such as Morgan Stanley Dean Witter & Co.'s Mary Meeker stayed too bullish as computer-related stocks tumbled.

Blodget Quits

By the end of the year, Merrill Lynch & Co.'s

Internet analyst, Henry Blodget, had quit. The firm paid \$400,000 to satisfy an investor who had sued Merrill, claiming he was misled by Blodget's advice.

And Congress was collecting testimony about the collapse of power trader Enron Corp., which was the second most highly rated stock in the S&P 500 less than two months before it filed for bankruptcy protection.

Looking ahead, Cliggott has sharpened his standing as a Wall Street bear. He's the only strategist among the biggest firms to forecast a decline in the S&P next year. Kerschner, whom an Institutional Investor magazine poll of money managers ranked as the best strategist in 2000, remains bullish. While global economies are slumping, he sees "the first synchronized global recovery" in two decades. Some investors said he may be repeating past mistakes by underestimating the depth of the current recession. "Wall Street strategists have not understood the nature of the economic times we're in, and still don't," said David Webb, who manages \$1 billion for Shaker Investments Inc. in Cleveland. For more than a year, Webb said, analysts have expected a quick economic rebound: "It's always two quarters out."

Right Calls

Investors credit strategist Barton Biggs and economist Stephen Roach at Morgan Stanley as the first to warn that the U.S. would in fact fall into a recession. They said in January that the U.S. was in recession. They had to revise that opinion three months later to say the slump would begin in the second quarter. The economy fell into recession in March, according to the National Bureau of Economic Research. The official arbiter of business cycles made that call in November. To be sure, some investors and analysts say the U.S. economy might have avoided recession, or recovered by now, if not for the Sept. 11 terrorist attacks, which crippled the airline and travel industries and shut down much of Wall Street for almost a week. "In a year when everyone was wrong, we had an event that no one anticipated," said Jerry Castellini, who manages \$1.5 billion as president of CastleArk Management in Chicago. "We all get

to say we wouldn't have had as deep a recession if not for the events of Sept. 11."

Finding the Low

The best call this year was recognizing stocks were cheap after the selloff triggered by the assault on lower Manhattan and the Pentagon, investors said.

In the first week of post-attack trading, the Dow Jones Industrial Average had its steepest decline since the depression; benchmark indexes all hit their lows for the year on Sept. 21. The biggest rally of the year followed. "The guys who get the most credit are the ones who jumped in and bought in September," Castellini said. He said he was not among them, concerned another attack would derail any gains. Thomas McManus at Banc of America Securities and Goldman Sachs's Cohen both told investors on Sept. 24 they should shift more money into stocks.

"It's time to buy U.S. stocks," Cohen said. The impact of Cohen's shift was muted because she had been already made several bullish calls that didn't pan out earlier in the year. "There is a very good opportunity in technology," she said on June 26, ahead of a 31 percent slide in the Nasdaq Composite Index. In March, with the S&P index 9 percent above today's level, she said "attractive equity valuation has been restored."

Misplaced Optimism

While the economy was slowing a year ago, Cohen and most other strategists were expecting a rebound in the second half of 2001. "Recession in the U.S. is extremely, extremely unlikely," Cohen said in a Dec. 15, 2000 speech. Misplaced optimism about corporate profits formed the basis of Cohen's view. She said in her speech that operating profits for S&P 500 companies would grow about 7 percent in 2001, down from 16 percent in 2000.

"Where the strategists went wrong is not realizing how quickly earnings would deteriorate," said John Snyder, manager of the \$2 billion John Hancock Sovereign Investors Fund in Berwyn, Pennsylvania. Snyder's fund has fallen 6.1 percent, outperforming the S&P 500,

which has dropped 13 percent to 1149.56. S&P 500 operating profits will fall about 16 percent this year, according to Thomson Financial/First Call, hurt by a collapse in demand at companies such as network equipment maker Cisco Systems Inc., chipmaker Intel Corp. and phone gear manufacturer Lucent Technologies Inc. Per share profit for Cisco and Intel fell by more than three-fourths in the most recent quarter. Lucent posted an \$8.2 billion loss in its most recent quarter on charges for unsold inventory and layoffs, which have cut its workforce by half.

Contrary Indicators

One strategist who saw the earnings slide coming was Richard Bernstein of Merrill Lynch & Co. At a luncheon on Dec. 14, 2000, he said that, since 1970, periods of decelerating corporate profits have always lasted at least six quarters. Profit growth peaked in the first quarter of 2000 at 33 percent and has slowed or fallen since. The year over year decline in profits is estimated to have been 45 percent in the third quarter of 2001, according to Merrill data, and that will be a sixth quarter of deceleration.

He said this month another quarter or two of deceleration appears possible. "Our theme for the past year has been that earnings will likely be weaker for longer than most expect," he wrote.

For Bernstein, Merrill's chief quantitative strategist, his fellow strategists' optimism has been one of his favorite "contrary" indicators, he said. It reached record highs this year, which he takes as a "sell" signal. In a final twist, Bernstein was named Merrill's chief U.S. strategist this month, taking the job from Christine Callies, who began this year predicting -- in line with the Wall Street consensus -- that the S&P 500 would rise to 1600 by now. With Bernstein's ascension, a decidedly more bearish analyst gets control of the firm's official U.S. stock forecasts, and Bernstein's favorite contrary indicator moves about 1 percentage point closer to a "buy" signal.

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Story illustration: For a table showing strategist's asset allocation recommendation and index forecasts, enter {TNI ADVISE WGT <GO} and look for the headline, ``U.S. Strategists' Recommended Allocations.''

U.S. Strategists' Recommended Asset Allocations, Price Targets

New York, Dec. 14 (Bloomberg) -- The following is a table of recommended asset allocations and forecasts for stock indexes by strategists surveyed by Bloomberg News. Forecasts are for the end of 2002, unless noted. Assets are broken into stocks, bonds and ``cash," or short-term securities. Average weightings and index forecasts are at the bottom. Footnotes appear below the table.

Firm Strategist Stocks Bonds Cash Dow S&P500

A.G. Edwards Mark Keller 70 20 10 a a
 BancAmerica Thomas McManus b 55 40 5 c
 10,400 c 1200
 Bear Stearns d
 CIBC Subodh Kumar e 75 20 2 11,500 1450
 CSFB Thomas Galvin 70 20 10 11,400 1375
 Deutsche Banc Ed Yardeni 80 20 0 11,500 1260
 First Union Rod Smyth 74 25 1 c 11,000 b 1250
 Goldman Sachs Abby Joseph Cohen f 75 22 0 g
 g
 J.P. Morgan Douglas Cliggott 50 25 25 a 950
 Most bearish Lehman Jeffrey Applegate 80 10 10
 11,500 1350
 Merrill Lynch Richard Bernstein h 60 20 20 h h
 New entry for ML Morgan Stanley Steve
 Galbraith 75 i 25 5 a b 1250 Prudential Greg
 Smith j 55 20 10 a k 1050
 Salomon SB By Committee 70 25 5 10,800 1350

UBS Warburg Ed Kerschner l 80 20 0 a 1570
 Most bullish Averages 64 24 7 11,157 1,278

(Totals may not equal 100 because of rounding and other recommended investment types. The average forecasts for the Dow and S&P 500 include only year-end 2002 targets.)

Footnotes:

- a - The firm doesn't have a forecast.
- b - BancAmerica's McManus changed his allocation to 60 percent stocks and 35 bonds.
- c - Targets are 12-month forecasts.
- d - Strategist Liz Mackay left Bear Stearns on July 25th; the firm is looking for a replacement.
- e - CIBC recommends placing 3 percent in real estate investments, including real estate investment trusts and shares of development companies.
- f - Goldman recommends placing 3 percent in commodities.
- g - Goldman forecasts a range of 11,300 to 12,400 for the Dow and a range of 1300 to 1425 for the S&P 500 by the end of 2002.
- h - The firm hasn't yet set forecasts for the Dow and S&P 500.
- i - Morgan Stanley's Galbraith changed his allocations from 75 percent stocks and 20 percent bonds.
- j - Prudential's Greg Smith recommends placing 15 percent of assets in real estate investments. He changed his allocation from 25 percent bonds and 10 percent real estate.
- k - Target is for 2001.
- l - UBS Warburg's Kerschner changed his asset allocation from 84 percent stocks and 16 percent bonds.

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