

NEVADA DEPARTMENT OF TAXATION - DOAS 2014-2015 CAPITALIZATION RATE COMPARISON

	INDUSTRY	FIRMS	MODEL	STRUCTURE	EQUITY	EQUITY +	PREF.	PREF. +	DEBT	DEBT +	2014-2015		REF.	REF.	REF.
				C.E. / P.E. / D	COST	FLOTATION	COST	FLOTATION	COST	FLOTATION	WACC - DCF		2013-2014	2012-2013	2011-2012
1	AIRLINE ALL COMPANIES	12	DCF	63.5%/0.0%/36.5%	10.7150%	11.0553%	0.0000%	0.0000%	9.6801%	9.7288%	10.5716%	A	13.4118%	12.2059%	14.7854%
2	AIRLINE ALL FREIGHT	2	DCF	90.8%/0.0%/9.2%	10.0955%	10.1511%	0.0000%	0.0000%	2.9776%	2.9926%	9.4956%	A	14.0642%	13.7280%	14.5194%
3	ELECTRIC - ALL	12	DCF	59.7%/0.0%/39.0%	6.9040%	7.0308%	5.8294%	6.0221%	4.9350%	4.9598%	6.1299%	H	8.0445%	8.0805%	8.9041%
4	ELECTRIC - LARGE	4	DCF	60.1%/0.5%/37.7%	6.5708%	6.6884%	5.8294%	6.0221%	4.9350%	4.9598%	5.9229%	H	8.4303%	7.5034%	8.8114%
5	ELECTRIC - SMALL	9	DCF	59.6%/0.0%/40.4%	7.0973%	7.2272%	0.0000%	0.0000%	4.9350%	4.9598%	6.3101%	H	7.7398%	8.9022%	8.4479%
6	GAS/PIPE DISTRIBUTION	10	DCF	67.7%/0.0%/32.3%	9.7278%	9.8515%	0.0000%	0.0000%	4.9350%	4.9598%	8.2711%	H	7.8577%	9.5448%	9.6185%
7	GAS/PIPE DIVERSIFIED	9	DCF	69.0%/0.0%/31.0%	14.1288%	14.2247%	0.0000%	0.0000%	4.9350%	4.9598%	11.3552%	H	10.7891%	10.4737%	11.0493%
8	RAILROAD	5	DCF	81.9%/0.0%/18.1%	11.3518%	11.4167%	0.0000%	0.0000%	4.9350%	4.9598%	10.2495%	A	12.9131%	9.9109%	11.2443%
9	TELECOM (ALL)	7	DCF	74.3%/0.0%/25.7%	10.7436%	10.8426%	0.0000%	0.0000%	4.9350%	4.9598%	7.7402%	H	10.4243%	10.7443%	11.6417%
10	ALTERNATIVE ENERGY CO.	12	DCF	58.0%/0.0%/42.0%	5.3074%	5.3593%	0.0000%	0.0000%	4.9350%	4.9598%	10.9975%	A	12.1011%		

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OTHER 2014-2015 STUDIES

	<u>REFERENCE ONLY</u>		STRUCTURE	EQUITY	EQUITY +	PREF.	PREF. +	DEBT	DEBT +	2014-2015		REF.	REF.	REF.
	INDUSTRY	SOURCE		COST	FLOTATION	COST	FLOTATION	COST	FLOTATION	WACC		2013-2014	2012-2013	2011-2012
1	AIRLINE *	NEW YORK U.	62.9% / 0.0%/37.1%	7.7300%	NO DATA	NO DATA	NO DATA	2.5600%	NO DATA	5.8100%		7.9300%	7.5200%	7.6400%
2	ELECTRIC (West) *	NEW YORK U.	55.1%/0.0%/44.9%	5.1400%	NO DATA	NO DATA	NO DATA	1.6000%	NO DATA	3.5500%		4.2100%	5.1700%	5.4600%
3	GAS/PIPELINE DIV *	NEW YORK U.	70.9%/0.0%/29.1%	9.1600%	NO DATA	NO DATA	NO DATA	2.1500%	NO DATA	7.1200%		7.8100%	8.1400%	8.0700%
4	GAS/PIPELINE UTILITY *	NEW YORK U.	60.2%/0.0%/39.8%	4.4000%	NO DATA	NO DATA	NO DATA	1.9700%	NO DATA	3.4300%		4.1600%	5.2700%	5.5500%
5	RAILROAD *	NEW YORK U.	81.0%/0.0%/19.0%	9.4000%	NO DATA	NO DATA	NO DATA	1.9700%	NO DATA	7.9900%		8.8800%	8.3100%	8.2700%
6	TELECOM (Utility)) *	NEW YORK U.	48.0%/0.0%/52.0%	7.0800%	NO DATA	NO DATA	NO DATA	2.0200%	NO DATA	4.4500%		4.8200%	6.2400%	7.9400%
7	AIRLINE PASSENGER *	COLO. ST. BD.	43.0%/0.0%/57.0%	13.6200%	NO DATA	NO DATA	NO DATA	9.9600%	NO DATA	11.5300%		10.5000%	13.5000%	13.5000%
8	AIRLINE CARGO *	COLO. ST. BD.	75.0%/0.0%/25.0%	13.4300%	NO DATA	NO DATA	NO DATA	4.7490%	NO DATA	11.2700%		10.4300%	12.2800%	12.2800%
9	ELECTRIC *	COLO. ST. BD.	59.0%/0.0%/41.0%	10.0600%	NO DATA	NO DATA	NO DATA	4.8300%	NO DATA	7.9200%		8.2700%	8.6700%	8.8000%
10	GAS/PIPELINE DISTRI *	COLO. ST. BD.	73.0%/0.0%/27.0%	9.2300%	NO DATA	NO DATA	NO DATA	4.7700%	NO DATA	8.0300%		8.2900%	8.5900%	8.7900%
11	GAS/PIPELINE TRANSM *	COLO. ST. BD.	65.0%/0.0%/35.0%	13.3200%	NO DATA	NO DATA	NO DATA	5.2300%	NO DATA	10.4900%		10.3200%	10.0100%	10.2200%
12	RAILROAD *	COLO. ST. BD.	79.0%/0.0%/21.0%	13.4300%	NO DATA	NO DATA	NO DATA	4.4200%	NO DATA	11.5400%		11.7300%	11.8600%	11.6200%
13	TELECOM CLECS/LD TELCO	COLO. ST. BD.	65.0%/0.0%/35.0%	12.1500%	NO DATA	NO DATA	NO DATA	7.3000%	NO DATA	10.4500%		10.5800%	10.2800%	10.4700%
14	TELECOM LD *	COLO. ST. BD.	45.0%/0.0%/55.0%	11.5000%	NO DATA	NO DATA	NO DATA	8.8300%	NO DATA	10.0300%		0.0000%	12.9200%	13.5100%
15	TELECOM -WIRELESS AUS/SPRINT last yrs											9.3800%	9.3800%	10.8600%
16	TELECOM-LEC'sNonRateReg AUS /AT&T last yrs											9.3100%	9.3100%	10.6600%
17	ELECTRIC	ID. PWR.										8.5000%	9.2000%	10.3000%
18	RAILROAD *	UNION PACIFIC	80%/0%/20%	13.6000%	14.0200%	NO DATA	NO DATA	4.9400%	4.9600%	12.2100%		12.4800%	12.2400%	12.3300%
19	RAILROAD	TAX REPTS										12.4500%	0.0000%	0.0000%
20	ELECTRIC	SCE										0.0000%	0.0000%	0.0000%
21	AIRLINE	SOUTHWEST										NO DATA	NO DATA	NO DATA
22	AIRLINE-MAJOR LAST YRS	ATA-THOMSON										14.2300%	14.2300%	15.0100%
23	AIRLINE-NON MAJOR lastyrs	ATA-THOMSON										14.1600%	14.1600%	17.3300%
24	AIRLINE MAJOR	DUFF&PHELPS										12.7200%	NO DATA	NO DATA
25	AIRLINE NON-MAJOR	DUFF&PHELPS										12.8800%	NO DATA	NO DATA

NOTE: NEW YORK UNIVERSITY COST OF DEBT SHOWN ABOVE IS AFTER-TAX

CAL. ST. BD. DATA IS NOT USED BECAUSE IT IS ONLY COMPANY SPECIFIC, NOT INDUSTRY TOTALS.