

**Schedule 4: Comparison of Value Line Earnings and Dividends Projections for Small Cap Electric Utility Companies**

<b>Company</b>	<b>Projected Dividend Growth (%/year)</b>	<b>Projected Earnings Growth (%/year)</b>	<b>Difference: Excess/ (Shortfall) of Div. Growth v. Earnings Growth (percentage points)</b>	<b>Dividend Payout Estimate (% , 2003)</b>
Avista	4.0	0.5	3.5	52
Black Hills	3.5	0.5	3.0	55
CH Energy	0.5	1.5	-1.0	80
Central Vermont P.S.	3.0	7.5	-4.5	62
Green Mountain Power	8.5	9.5	-1.0	40
MGE Energy	0.5	6.0	-5.5	75
Otter Tail	2.0	3.0	-1.0	68
Unisource	13.5	0.5	13.0	60
<b>Averages:</b>	<b>4.4</b>	<b>3.6</b>	<b>0.8</b>	<b>62</b>
<b>Central Vermont P.S.</b>	<b>3.0</b>	<b>7.5</b>	<b>-4.5</b>	<b>62</b>

**NOTES:**

(1) Data are from Value Line, Aug, Sept, Oct 2003.

(3) Projected Dividend and Earnings Growth is for 2000-2002 to 2006-2008,

**Schedule 3:****Comparison of Spot Prices and Past Four Months' Prices of  
Small Cap Electric Utility Companies**

<b>Company</b>	<b>3-Jul Price</b>	<b>3-Aug Price</b>	<b>3-Sep Price</b>	<b>3-Oct Price</b>	<b>4-Month Average</b>	<b>Oct. 27 Price</b>	<b>Ratio of Spot to Average</b>	<b>5-Point Average</b>
Avista	14.75	15.57	15.58	16.04	15.49	16.35	1.06	15.66
Black Hills	30.69	32.41	30.86	31.17	31.28	32.15	1.03	31.46
CH Energy	43.35	44.25	44.00	44.77	44.09	43.79	0.99	44.03
CVPS	21.62	21.58	22.18	22.55	21.98	22.78	1.04	22.14
Green Mountain Pwr	21.76	21.37	22.55	22.62	22.08	22.64	1.03	22.19
MGE Energy	31.33	31.60	30.25	31.89	31.27	31.10	0.99	31.23
Otter Tail	26.20	26.62	26.06	27.20	26.52	26.88	1.01	26.59
Unisource	18.25	18.74	19.02	19.55	18.89	19.30	1.02	18.97
<b>AVERAGES:</b>	<b>25.99</b>	<b>26.52</b>	<b>26.31</b>	<b>26.97</b>	<b>26.45</b>	<b>26.87</b>	<b>1.02</b>	<b>26.53</b>
<b>CVPS</b>	<b>21.62</b>	<b>21.58</b>	<b>22.18</b>	<b>22.55</b>	<b>21.98</b>	<b>22.78</b>	<b>1.04</b>	<b>22.14</b>

**NOTES:**

(1) Historical prices from Yahoo Finance, Oct 28, 2003

**Schedule 6: Alternative Calculations of Investor-Required  
Return on Common Equity for Small Cap Group  
of Electric Utility Companies  
Using the CAPM Method**

Type of Company	Risk-Free Rate	Long-Term Market Returns	Long-Term Risk-Free Rates	Long-Term Market Premiums	Multiply by Beta	Risk Premiums for Group	Current Risk-Free Rates	Indicated Returns for Group
Large Companies	T-bond	12.2	5.8	6.4	0.62	3.97	5.27	9.24
Large Companies	T-bill	12.2	3.8	8.4	0.62	5.21	0.93	6.14
Small Companies	T-bond	16.9	5.8	11.1	0.62	6.88	5.27	12.15
Small Companies	T-bill	16.9	3.8	13.1	0.62	8.12	0.93	9.05
<b>Average of the Above Estimates=</b>								<b>9.15</b>

**Notes:**

- (1) Long-Term Market Returns and Risk-Free Rates from Ibbotson Associates 2003 Yearbook.
- (2) Long-Term Market Premium is equal to Market Return less Risk-Free Rate
- (3) Beta is from Schedule 2 above.
- (4) Current Risk-Free Rates are from NY Times, 11/1/03 for 3-month T-bills and 30-yr T-bonds.

**Schedule 5: Calculation of Investor-Required Return  
on Common Equity for Small Cap Group of  
Electric Utility Companies  
Using the DCF Method and Value Line Only Earnings Forecasts**

<b>Company</b>	<b>Stock Price (Po)</b>	<b>Current Dividend (Do)</b>	<b>Growth Term (G)</b>	<b>Yr-Ahead Dividend (D1)</b>	<b>Yield Term (D1/Po)</b>	<b>Total Return (D1/Po+G)</b>
Avista Corp.	15.66	0.48	0.005	0.48	0.031	3.6%
Black Hills Corp.	31.46	1.20	0.005	1.21	0.038	4.3%
CH Energy Group	44.03	2.16	0.015	2.19	0.050	6.5%
Central Vermont Public Service	22.14	0.88	0.075	0.95	0.043	11.8%
Green Mountain Power	22.19	0.76	0.095	0.83	0.038	13.3%
MGE Energy Inc.	31.23	1.35	0.060	1.43	0.046	10.6%
Otter Tail Corp.	26.59	1.08	0.030	1.11	0.042	7.2%
Unisource Energy	18.97	0.60	0.005	0.60	0.032	3.7%
<b>Average=</b>	<b>26.53</b>	<b>1.06</b>	<b>0.036</b>	<b>1.10</b>	<b>0.040</b>	<b>7.6%</b>
<b>Central Vermont Public Service</b>	<b>22.14</b>	<b>0.88</b>	<b>0.075</b>	<b>0.95</b>	<b>0.043</b>	<b>11.8%</b>

**NOTES:**

- (1) Prices are taken from Schedule 3
- (2) Current dividend is paid dividend from Value Line Aug, Sept, Oct
- (3) Growth term is Value Line earnings growth projection -- see Schedule 4 above.
- (4) Year-ahead dividend is estimated as current dividend plus one year's growth.
- (5) Yield term is equal to Year-Ahead Dividend divided by Price.
- (6) Total Return is equal to Yield Term plus Growth Term.

**Schedule 9:**

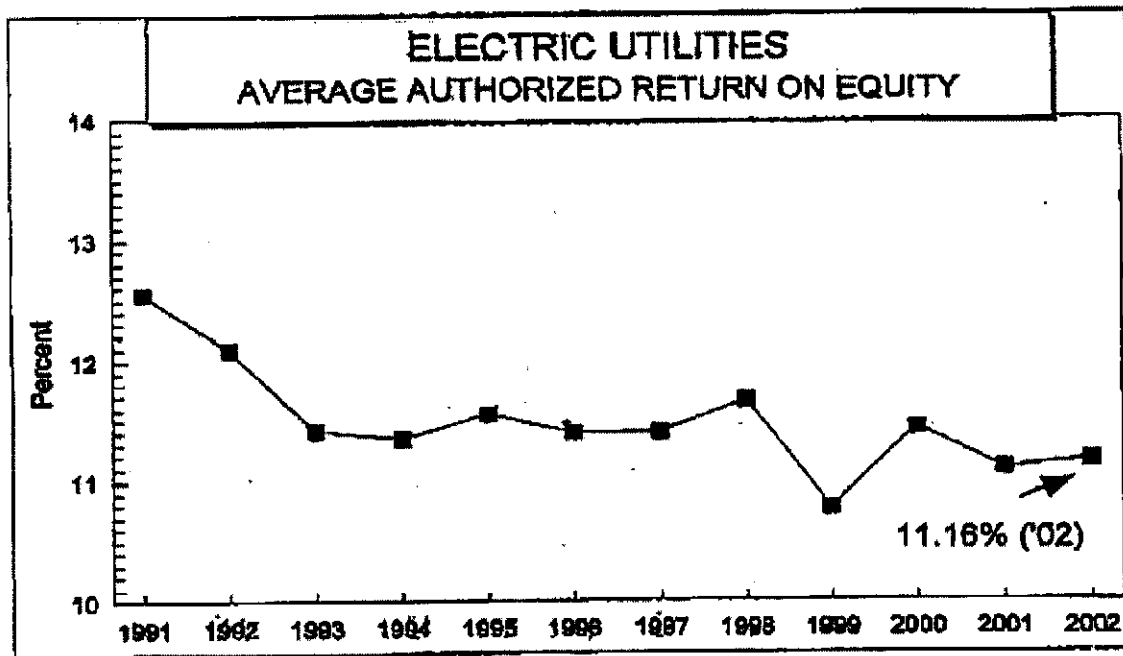
**Calculation of Investor-Required Return  
on Common Equity for Small Cap Group of  
Electric Utility Companies  
Using the DCF Method including Morningstar Growth Estimates**

Company	Stock Price (Po)	Current Dividend (Do)	Growth Term (G)	Yr-Ahead Dividend (D1)	Yield Term (D1/Po)	Total Return (D1/Po+G)
Avista Corp.	15.66	0.48	0.043	0.50	0.03	7.5%
Black Hills Corp.	31.46	1.20	0.060	1.27	0.04	10.0%
CH Energy Group	44.03	2.16	0.040	2.25	0.05	9.1%
Central Vermont Public Service	22.14	0.88	0.075	0.95	0.04	11.8%
Green Mountain Power	22.19	0.76	0.095	0.83	0.04	13.3%
MGE Energy Inc.	31.23	1.35	0.060	1.43	0.05	10.6%
Otter Tail Corp.	26.59	1.08	0.050	1.13	0.04	9.3%
Unisource Energy	18.97	0.60	0.100	0.66	0.03	13.5%
<b>Average=</b>	<b>26.53</b>	<b>1.06</b>	<b>0.07</b>	<b>1.13</b>	<b>0.04</b>	<b>10.6%</b>
Central Vermont Public Service	22.14	0.88	0.075	0.95	0.04	11.8%

**NOTES:**

- (1) Prices are taken from Schedule 3
- (2) Current dividend is paid dividend from Value Line Aug, Sept, Oct
- (3) Growth term is Value Line earnings growth projection and Morningstar projections where available  
See schedules 4 and 8.
- (4) Year-ahead dividend is estimated as current dividend plus one year's growth.
- (5) Yield term is equal to Year-Ahead Dividend divided by Price.
- (6) Total Return is equal to Yield Term plus Growth Term.

Schedule 10: Historical Authorized ROE's



**Schedule 8****Morningstar growth forecasts**

	<b>Next 5 Years' Estimated Growth% (morningstar)</b>
Avista	4.3
Black Hills Corp.	6
CH Energy	4
<b>CVPS</b>	
Green Mountain Power	
MGE	
Otter Tail	5
Unisource Energy	10

## Schedule 2:

Risk Measures for Small Cap Group  
of Electric Utility Companies

Company	2003 estimates						
	Value Line Beta	Common Equity Ratio (%)	Before Tax Cover. (times Int.)	Value Line "Safety"	Val. Line "Financial Strength"	S+P LT Corporate Rating	Market Capital- ization (millions)
Avista	0.70	41.0	1.6	3	B	BB+	725
Black Hills Corp.	0.80	41.0	4.0	3	B+	BBB	975
CH Energy	0.70	60.0	6.8	1	A	A	700
CVPS	0.45	56.5	4.1	3	B++	BBB-	250
Green Mountain Power	0.60	48.0	3.5	3	B++	BBB-	100
MGE	0.55	55.0	4.3	1	A	AA	575
Otter Tail	0.55	53.5	5.0	2	A	A+	690
Unisource Energy	0.60	19.5	1.4	4	C+	BB	600
<b>Means or Medians for Small Cap Group</b>	<b>0.62</b>	<b>46.8</b>	<b>3.8</b>	<b>3</b>	<b>B++</b>	<b>BBB/BBB-</b>	<b>577</b>
<b>CVPS</b>	<b>0.45</b>	<b>56.5</b>	<b>4.1</b>	<b>3</b>	<b>B++</b>	<b>BBB-</b>	<b>250</b>

## NOTES:

(1) Except for Standard & Poor's corporate ratings, data are from Value Line dated Aug 5, Sept 5, and Oct 3, 2003.

(2) Long-term corporate financial capacity is from Standard & Poor's *Global Ratings Handbook*, June 2003.



**Schedule 11: Historical Interest Rates from the Federal Reserve**

	30 year bond historical rates		3 month treasuries	
	(1944-2002)	(1990-2002)	(1990-2003)	
	%	%		%
1977	7.75		1990	7.51
1978	8.49		1991	5.42
1979	9.28		1992	3.45
1980	11.27		1993	3.02
1981	13.45		1994	4.29
1982	12.76		1995	5.51
1983	11.18		1996	5.02
1984	12.41		1997	5.07
1985	10.79		1998	4.81
1986	7.78		1999	4.66
1987	8.59		2000	5.66
1988	8.96		2001	3.47
1989	8.45		2002	1.63
1990	8.61	8.61	2003(year to date)	1.05
1991	8.14	8.14	<b>Average</b>	<b>4.33</b>
1992	7.67	7.67		
1993	6.59	6.59		
1994	7.37	7.37		
1995	6.88	6.88		
1996	6.71	6.71		
1997	6.61	6.61		
1998	5.58	5.58		
1999	5.87	5.87		
2000	5.94	5.94		
2001	5.49	5.49		
2002	5.43	5.43		
<b>Average</b>	<b>8.39</b>	<b>6.68</b>		

## Schedule 7:

**ROE and Market Book Ratios  
of Small Cap Electric Utility Companies**

<b>Company</b>	<b>Estd. 2003.00 ROE (%)</b>	<b>Average Share Price</b>	<b>Book Value/ Share</b>	<b>Market: Book Ratio</b>
Avista	6.50	15.66	15.15	103%
Black Hills Corp.	10.00	31.46	21.40	147%
CH Energy	9.50	44.03	29.30	150%
Central Vermont P. S.	8.50	22.14	17.10	129%
Green Mountain Pwr	9.50	22.19	19.65	113%
MGE	12.00	31.23	15.35	203%
Otter Tail	12.50	26.59	12.80	208%
Unisource Energy	7.50	18.97	13.45	141%
<b>Means</b>				
<b>for Small Cap Group</b>	<b>9.50</b>	<b>26.53</b>	<b>18.03</b>	<b>149%</b>
<b>Central Vermont P. S.</b>	<b>8.50</b>	<b>22.14</b>	<b>17.10</b>	<b>129%</b>

## NOTES:

(1) Share prices are from Yahoo above.

(2) Book values are from Value Line issues of August, Sept, Oct 2003

**Schedule 1: CVPS Comparables based on size, positive earnings growth and dividends. Selection of Comparable Company Group of Small Cap Electric Utility Companies**

<b>Value Line Small Cap Companies</b>	<b>Exclude Companies Without Positive Earnings and Dividends Projections</b>	<b>Remaining Group of Companies</b>
Aquila, Inc.	XXX	
Avista Corp.		XXX
Black Hills Corp.		XXX
CH Energy Group		XXX
Cleco Corp.	XXX	
CVPS		XXX
El Paso Electric	XXX	
Empire District	XXX	
Green Mountain Power		XXX
IDACORP	XXX	
MGE Energy		XXX
Otter Tail Corp.		XXX
Sierra Pacific Resources	XXX	
UIL Holdings	XXX	
Unisource Energy		XXX
<b>15 Companies</b>	<b>Exclude 7 Companies</b>	<b>8 Companies Remain</b>

**NOTES:**

**(1) Data from Value Line issues dated Aug 5, Sept 5, and Oct 3, 2003.**