

NEVADA DEPARTMENT OF TAXATION - DOAS 2011-2012 CAPITALIZATION RATE COMPARISON

	INDUSTRY	FIRMS	MODEL	STRUCTURE		EQUITY		EQUITY +		PREF.		PREF. +		DEBT		DEBT +		2011-2012		REF.	REF.
				C.E. / P.E. / D	COST	FLOTATION	COST	FLOTATION	COST	FLOTATION	COST	FLOTATION	COST	FLOTATION	WACC - DCF	2010-2011	2009-2010				
1	AIRLINE ALL COMPANIES	13	DCF	33%/0%/67%	17.5597%	17.6136%	6.9800%	7.1959%	13.3120%	13.3924%	14.7854%								16.0936%	13.3271%	
2	AIRLINE ALL FREIGHT	2	DCF	90%/0%/10%	15.4624%	15.5296%	6.9800%	7.1959%	5.3949%	5.4275%	14.5194%								16.0936%	14.0333%	
4	ELECTRIC - LARGE	4	DCF	57%/1%/42%	9.9702%	10.1062%	6.9800%	7.1959%	7.0500%	7.0926%	8.8114%								9.1697%	8.3827%	
5	ELECTRIC - SMALL I	8	DCF	51%/0%/49%	9.5796%	9.7500%	6.9800%	7.1959%	7.0500%	7.0926%	8.4479%								9.4277%	8.7870%	
6	GAS/PIPE DISTRIBUTION	11	DCF	65%/0%/35%	10.8481%	10.9787%	6.9800%	7.1959%	7.0500%	7.0926%	9.6185%								10.9077%	10.0808%	
7	GAS/PIPE DIVERSIFIED	9	DCF	74%/0%/26%	12.3345%	12.4395%	6.9800%	7.1959%	7.0500%	7.0926%	11.0493%								12.7518%	8.9724%	
8	RAILROAD	4	DCF	76%/0%/24%	12.4616%	12.5554%	6.9800%	7.1959%	7.0500%	7.0926%	11.2443%								12.1881%	12.5540%	
9	TELECOM (ALL)	8	DCF	41%/0%/59%	18.0367%	18.1880%	6.9800%	7.2070%	7.0500%	7.0926%	11.6417%								12.3659%	10.9285%	

OTHER 2011-2012 STUDIES **NEVADA DEPARTMENT OF TAXATION DOAS 2011-2012 CAPITALIZATION RATE COMPARISON**

REFERENCE ONLY		INDUSTRY	SOURCE	STRUCTURE	EQUITY		PREF. +		DEBT +		2011-2012		REF.	REF.
					COST	FLOTATION	COST	FLOTATION	DEBT COST	FLOTATION	WACC	2010-2011		
1	AIRLINE *	NEW YORK U.	59%/0%/41%	8.4700%	NO DATA	NO DATA	NO DATA	7.8400%	NO DATA	7.6400%	6.5800%	8.2500%		
2	ELECTRIC (West) *	NEW YORK U.	53%/1%/47%	7.1300%	NO DATA	NO DATA	NO DATA	3.6100%	NO DATA	5.4600%	4.2800%	6.0900%		
3	GAS/PIPELINE DIV *	NEW YORK U.	68%/0%/32%	9.4700%	NO DATA	NO DATA	NO DATA	5.1300%	NO DATA	8.0700%	6.3700%	7.1700%		
4	GAS/PIPELINE UTILITY *	NEW YORK U.	55%/0%/45%	6.7800%	NO DATA	NO DATA	NO DATA	4.0100%	NO DATA	5.5500%	4.3500%	5.8500%		
5	RAILROAD *	NEW YORK U.	75%/0%/25%	9.4800%	NO DATA	NO DATA	NO DATA	4.6000%	NO DATA	8.2700%	6.8300%	8.4800%		
6	TELECOM (Services) *	NEW YORK U.	68%/0%/32%	8.6400%	NO DATA	NO DATA	NO DATA	6.8400%	NO DATA	8.0600%	7.9400%	8.7100%		
7	AIRLINE NATIONAL *	COLO. ST. BD.	40.0%/0%/60.0%	14.4900%	NO DATA	NO DATA	NO DATA	12.8400%	NO DATA	13.5000%	15.0500%	11.4700%		
8	AIRLINE REGIONAL *	COLO. ST. BD.	0.00%	0.0000%	NO DATA	NO DATA	NO DATA	0.0000%	NO DATA	0.0000%	12.3000%	13.1200%		
9	AIRLINE CARGO *	COLO. ST. BD.	80.0%/0%/20.0%	13.2200%	NO DATA	NO DATA	NO DATA	8.5400%	NO DATA	12.2800%	12.1700%	12.1000%		
10	ELECTRIC *	COLO. ST. BD.	60.0%/1.0%/39.0%	10.3900%	NO DATA	6.4100%	NO DATA	6.5600%	NO DATA	8.8000%	9.5100%	9.6000%		
11	GAS/PIPELINE DISTRI *	COLO. ST. BD.	70%/0%/30%	9.8700%	NO DATA	NO DATA	NO DATA	6.2500%	NO DATA	8.7900%	9.5800%	9.6100%		
12	GAS/PIPELINE TRANSM *	COLO. ST. BD.	65%/0%/35%	12.2700%	NO DATA	NO DATA	NO DATA	6.4200%	NO DATA	10.2200%	11.3300%			
13	RAILROAD *	COLO. ST. BD.	75.0%/0%/25.0%	13.2700%	NO DATA	NO DATA	NO DATA	6.6500%	NO DATA	11.6200%	11.9000%	12.2900%		
14	TELECOM CLECS/LD TELCO *	COLO. ST. BD.	70%/0%/30%	11.6700%	NO DATA	NO DATA	NO DATA	7.6700%	NO DATA	10.4700%	11.4200%	11.3600%		
15	TELECOM LD *	COLO. ST. BD.	NO DATA	0.0000%	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	0.0000%	12.9200%	13.5100%		
16	TELECOM *	AUS/SPRINT	65%/0%/35%	0.0000%	13.4200%	NO DATA	NO DATA	NO DATA	6.1000%	10.8600%	11.9800%			
17	TELECOM *	AUS /AT&T	69%/0%/31%	0.0000%	12.6200%	NO DATA	NO DATA	NO DATA	6.3000%	10.6600%	11.8400%	13.7000%		
18	ELECTRIC	ID. PWR.	53.3%/0.7%/46.0%	11.0000%	11.3960%	6.8800%	7.0300%	6.7400%	6.8000%	9.2500%	9.2000%	10.3000%		
19	RAILROAD *	UNION PACIFIC	75%/0%/25%	13.5000%	13.9900%	NO DATA	NO DATA	7.3000%	7.3400%	12.3300%	12.2700%	12.7900%		
20	RAILROAD *	SURF TRANS BD	78.46%/0/21.54%	13.17%	NO DATA	NO DATA	NO DATA	6.57%	NO DATA	11.75%	9.4000%	9.8000%		
21	ELECTRIC *	SCE	0	0.0000%	NO DATA	0.0000%	NO DATA	0.0000%	NO DATA	0.0000%	9.3200%	8.8700%		
22	AIRLINE	SOUTHWEST	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA		
23	AIRLINE - MAJOR *	ATA-THOMSON	35.75%/0%/64.25%	17.7200%	18.4600%	NO DATA	NO DATA	12.9400%	13.0900%	15.0100%	19.4500%	13.8600%		
24	AIRLINE - NON MAJOR *	ATA-THOMSON	28.67%/0%/71.33%	20.2800%	21.1300%	NO DATA	NO DATA	15.6200%	15.8100%	17.3300%	19.2700%	13.8200%		
25	AIRLINE NATIONAL	ERNST	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA		
26	AIRLINE REGIONAL	ERNST	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	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.

ELECTRIC - LARGE OVER \$7.5 BILLION IN REVENUES
ELECTRIC - SMALL UNDER \$7.5 BILLION IN REVENUES
TELECOM (ALL) UNDER \$123 BILLION IN REVENUES