

BEFORE THE
PENNSYLVANIA PUBLIC SERVICE COMMISSION

In the Matter of:)	
)	
Pennsylvania Public Utility)	
Commission et al.)	Docket No. R-00049255
)	
vs.)	
)	
PPL Electric Utilities Corporation)	

DOCKETED
JUL 22 2004

Direct Testimony
Of Kenneth L. Kincel

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FOLDER**

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

FOR

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

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Direct Testimony of Kenneth L. Kincel

12 **Q. PLEASE STATE YOUR NAME, TITLE AND OCCUPATION.**

13 A. My name is Kenneth L. Kincel. I am President of Decision Analysis Corporation of
14 Virginia, an energy consulting firm located at 8009 Snowpine Way, Suite 100, McLean,
15 Virginia. Decision Analysis Corporation of Virginia was founded in 1980 and performs
16 energy modeling and forecasting, and utility market and rate analysis services for
17 government, industry associations, utility commissions and private energy firms. In this
18 capacity, I am currently providing independent expert witness services to the U.S.
19 Department of Defense in utility rate and restructuring cases at federal and state
20 regulatory commissions.

21
22 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE**

23 A. Details of my education and experience are described in Exhibit KKK-1 which is
24 attached to my testimony. A listing of my recent submissions and testimony to various
25 government utility regulatory agencies is shown in Exhibit KKK-2.

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

3 A. I am presenting testimony on behalf of the consumer interest of the U.S. Department of
4 *Defense and all other Federal Executive Agencies, hereinafter collectively referred to as*
5 *“DOD/FEA.”* In addition to representing the military establishments under his own
6 purview, the Secretary of Defense has been delegated authority by the General Services
7 *Administration to also provide representation of the consumer interest of the federal*
8 *civilian agencies in this proceeding. DOD/FEA is deeply interested and affected by the*
9 *revenue and rate increases being sought in this proceeding before the Pennsylvania*
10 *Public Utility Commission (“PPUC” or the “Commission”), because DOD/FEA is a very*
11 *large consumer of electricity from PPL Electric Utilities Corporation (“PPL” or the*
12 *“Company”).*

13
14 PPL provides electric services to several major military installations including Carlisle
15 Barracks, Tobyhanna Army Depot, the US Naval Support Activity Mechanicsburg, the
16 Defense Logistics Agency at New Cumberland and the Scranton Army Ammunition
17 Plant. PPL also provides electricity to civilian federal agencies such as the United States
18 Courthouses in Harrisburg and Scranton, the Veterans Affairs Hospital and the federal
19 penitentiary. Exhibit KLK-3 summarizes the most recent billings from PPL for the last
20 12 months to the three largest military installations served by the Company, namely,
21 Carlisle Barracks, Tobyhanna Army Depot and the US Naval Support Activity
22 Mechanicsburg. These three military installations alone account for over \$8.5 million in
23 annual billings from PPL and consume over 149,000 mega-Watt-hours (mWh) of
24 electricity each year.
25

1 Carlisle Barracks takes electricity at 69,000 volts, using two primary loops. It owns and
2 maintains the substation on the base where the electricity is received, as well as the entire
3 electricity distribution system downstream of the substation. The peak electricity demand
4 at Carlisle Barracks is about 4,900 kW. As a result, the Barracks takes electricity
5 primarily on PPL rate schedule LP-5 rather than LP-6 which requires payment for a
6 minimum of 10,000 kW of billing demand each month. On LP-5, the Barracks receives
7 25,670 mWh of electricity and pays PPL \$1.5 million annually, averaging 5.86 cents per
8 kWh. The Barracks enjoys a high load factor (average to peak day of electricity
9 consumption) of 60%, which helps keep average unit electricity costs low. Carlisle
10 Barracks also receives much smaller volumes of electricity for the more remote areas
11 located on the base, particularly the golf course and Stanwix housing, which are
12 connected directly to PPL lines and therefore employ PPL rate schedule LP-4.

13
14 Tobyhanna Army Depot has a peak load of about 10,800 kW, but takes electricity on LP-
15 5 because its monthly billing demand falls slightly below 10,000 kW for several months
16 of the year. Tobyhanna consumes about 56,300 mWh each year and accounts for over \$3
17 million in billings from PPL, averaging 5.4 cents per kWh. It has a similar load factor to
18 Carlisle Barracks, about 60%. Tobyhanna Depot took advantage of the Economic
19 Development Initiative Program offered by PPL, and receives about \$385k of reduced
20 billings each year (including related PA Tax adjustment surcharges) due to EDI credits
21 for growth over historic baseline consumption. The eventual elimination of all the EDI
22 credits alone will result in an increase in PPL billings to Tobyhanna of over 12.6%.

23
24 The US Naval Support Activity Mechanicsburg is the largest military customer of PPL. It
25 has a peak load of over 12,000 kW and never drops below 10,000 kW in monthly billing

1 demand. Therefore, it takes electricity on rate schedule LP-6. It consumes 66,773 mWh
2 and pays almost \$4 million each year to PPL for electricity, averaging 5.95 cents per
3 kWh. Surprisingly, it has the highest load factor of these three military installations,
4 63.5%, and the largest demand and consumption levels, but pays the highest average unit
5 cost of electricity. This hints at a possible failing in PPL current rate design. This Naval
6 Base takes advantage of PPL's Demand Side Management Program (DSM), and now has
7 two ongoing projects.

8
9 Company Witness Oliver G. Kasper (Table D3, Page 6A included in Exhibit Future 1)
10 estimates that the Company's proposal in this case will amount to a 4.90% total billings
11 increase for customers on LP-5 (using 2004 revenues as a base and excluding any
12 savings from shopping). This would amount to an annual increase of \$73,775 for Carlisle
13 Barracks and \$168,500 for Tobyhanna Army Depot beginning in 2005. The Company
14 also proposes the elimination of the EDI credits for distribution, which would result in an
15 increase in billings of another \$3,800 per year for Tobyhanna Army Depot. Witness
16 Kasper's testimony (Table D3, Page 6A included in Exhibit Future 1) also shows a total
17 rate increase for customers on LP-6 of 4.26%. This would amount to an increase in total
18 billings for the US Naval Support Activity Mechanicsburg of \$169,200 annually. Thus,
19 for these three military installations alone, the Company is proposing to increase annual
20 billings by a total of about \$411,500 per year. Clearly, DOD/FEA has a vital interest in
21 the outcome of this case.

22
23 **Q. IS THERE ANY REASON WHY THE COMMISSION SHOULD BE**
24 **PARTICULARLY CONCERNED ABOUT THE PROPOSED ELECTRICITY**

1 **PRICE INCREASES TO THE MILITARY INSTALLATIONS LOCATED IN**
2 **PENNSYLVANIA?**

3 A. Yes. An independent commission, called BRAC 2005, has been formed to review all
4 DOD installations for potential base closure and functional realignment and to make
5 recommendations to be announced in May 2005. This action is authorized by Congress
6 under the Defense Base Closure and Realignment Act of 1990. The final selection
7 criteria to be used by the committee were published on February 12, 2004 in the Federal
8 Register at 69FR 6948. Although "military value" is the primary consideration, these
9 criteria call specifically for the cost of operations to be used in determining how to
10 functionally realign or where to close military installations.

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

13 A. The purpose of my testimony is to address, on behalf of DOD/FEA, return on
14 equity (ROE), cost allocation and rate design issues in this proceeding. Company
15 Witness Paul R. Moul proposed an ROE for PPL of 11.50% (Direct Testimony, p. 50); I
16 propose 10.75%. Regarding cost allocation, I generally support the distribution cost of
17 service study performed by the Company, but call for a significant change in the
18 Company's customer class allocation of necessary increases in total revenue
19 requirements. The Company's proposal does not adequately redress significant cross
20 subsidies among distribution customer classes that are now occurring.

21
22 Regarding the transmission revenue requirements, I recommend that the Company's
23 proposal to recover these costs on a system-wide average kWh basis be rejected. Instead,
24 I recommend that total transmission revenue requirements be allocated by customer class
25 first using class demands provided by the PJM's Peak Load Allocation Procedure for

1 Network Integrated Transmission Service (NITS), which are based on the class
2 coincident peak demands averaged over five system peak load days each year. By doing
3 so, customer class responsibility will be fairly and justly related directly to the
4 requirement imposed by each class for transmission capacity. Given these allocated class
5 transmission revenue requirements, I propose recovery using class kWh as a basis.
6

7 Regarding distribution rate design, I generally support the Company's plan to move
8 toward greater use of demand charges, and to lesser use of energy charges wherever
9 practicable. However, I recommend that the Commission reject the Company's proposal
10 to establish a Distribution System Improvement Charge because it is flawed in design
11 and could contribute to future inequities in customer class treatment. I also recommend
12 Commission rejection of certain changes in general terms and conditions of service that
13 the Company proposes that could increase PPL billings to large military installations.
14

15 **Q. WHAT CALCULATIONS DID YOU PERFORM TO ARRIVE AT YOUR**
16 **RECOMMENDED ROE FOR PPL?**

17 A. I performed the three types of statistical tests that are normally used to determine the
18 market return on equity for a utility company in regulatory proceedings such as this,
19 namely, the discounted cash flow analysis (DCF), the industry risk premium (RP)
20 analysis and the capital asset pricing model (CAPM) test. I will first describe how I
21 performed these tests, and then contrast my methodology and data with that used by
22 Company Witness Paul R. Moul.
23

24 Because I have no major problems with the criteria used by Company Witness Moul for
25 selection of companies within the Electric Group, I used his group of nine companies to

1 determine the market-based ROE for PPL. I did not use Mr. Moul's Natural Gas Group,
2 because, despite similar cost-based regulation, I believe natural gas utilities are not
3 sufficiently similar to electric utilities that an investor will seek the same ROE for both.
4 Natural gas utilities face different market risks and opportunities than electric utilities,
5 deliver a very different commodity which can be used in applications that electricity
6 cannot, and enjoy a deregulated environment for its commodity that is more well-
7 established and stable throughout the country.
8

9 **Q. HOW WAS THE DCF ANALYSIS PERFORMED FOR ELECTRIC**
10 **OPERATIONS?**

11 A. I applied the constant growth DCF model to perform my analysis. All DCF models
12 assume that the price of a share of common stock is equal to the present value of the
13 expected cash flows derived from future dividends and changes in stock price. The
14 constant growth model further adds the constraining assumption that growth in
15 dividends, earnings and book value per share are all approximately the same. The
16 constant growth model simply states that the cost of common equity is the sum of: (1) the
17 dividend in the next period, divided by the current price per share, plus (2) the growth
18 rate in dividends. Because this model rests on the assumption that earnings and book
19 value per share both grow at nearly the same rate as dividends per share, the trends and
20 expectations of growth in these two other financial variables can also be examined to
21 estimate the constant growth rate that is needed for the model.
22

23 Exhibit KLK-5 presents average closing price over the most recent 90 days for each
24 company within the Electric Group, adjusted to eliminate the content of its dividend. I
25 use recent prices because efficient stock market theory maintains that at any given point

1 in time, the market price of a common stock represents the sum of all information that is
2 available for that stock. More dated prices would be "stale" in the sense they would not
3 be reflective of what is known about the stock and its associated market-based ROE. The
4 adjustment for dividends that I use rests on the assumption that an investor uses the last
5 paid dividend as the basis for estimating the expected dividend for the next quarter.
6 Using this assumption, the pro-rata share of the last dividend, based on the number of
7 days since the last expected dividend divided by the number of days in the current
8 quarter, is subtracted from the market price to determine the adjusted stock price in any
9 given day.

10
11 Exhibit KLK-5 also presents the sum of the last 4 dividends paid over the most recent 12
12 months for each of the comparable electric utilities. As shown in the table, dividing the
13 recent average closing price by the historic 12-month dividend provides the yield for
14 each of the companies of this group. When the nine yields are averaged, the composite
15 historic yield for the comparable electric utility group is 4.53%.

16
17 The average growth rate for this group is significantly more difficult to estimate. Exhibit
18 KLK-6 shows the historical and projected growth rates in dividends, earnings and book
19 value for each of the comparable electric utilities, as reported by *Value Line Investment*
20 *Survey*. I used the smoothed averages provided by *Value Line* because they eliminate
21 discontinuities in growth rates due to anomalous or outlier data for any given year. A
22 sharp discontinuity in growth rates expected from both the 10-year and 5-year historical
23 period to the near term is evident from Exhibit KLK-7. Dividend growth has been
24 negative for the past 5 and 10 years, but is expected by security analysts to increase to
25 4.9% over approximately the same period in the future. This is probably due to the

1 change in tax policy for dividends, which was enacted in May 2003. Earnings for the
2 group are expected to be growing at 4.3% over the next several years, which represents
3 an increase from the dismal 1.1% growth rate experienced over the past 5 years. Growth
4 in book value was negative over the past five years, and is expected to grow to 3.2%
5 annually over the next five years.

6
7 When observing these growth rates, I noticed that the ROE using the constant growth
8 model for CH Energy Group would be less than the cost of utility debt. *Value Line*
9 analysts project no growth in dividends, only a 0.5% annual growth in earnings, and a
10 1.0% annual growth in book value over the next five years. Imposing any of these growth
11 rates on the 4.69% historic dividend for this stock in order to obtain the expected yield
12 for the next period, and then adding again the growth rate would yield an ROE result that
13 would not exceed the current long term A-rated utility cost of debt. This is an
14 unreasonable ROE for PPL, and I therefore eliminated this stock from further use in
15 performing the DCF model test for ROE. Without CH Energy Group, *Value Line*
16 estimates the average annual growth rates for the remaining eight electric companies as
17 4.8% for earnings, 5.5% for dividends and 3.5% for book value, as shown in Exhibit
18 KLK-6.

19
20 I normally average the recent historical results with the near-term projected estimates to
21 calculate a growth rate for the utility group. This is because I believe that a rational
22 investor bases his purchases not only on the projections of industry analysts, but on
23 actual recent experience. However, based on Exhibit KLK-6, I don't think a rational
24 investor would purchase the stock of this group unless he heavily discounted recent past
25 results. Thus, I used only the projected estimates of growth to perform my DCF analysis.

1 The model itself assumes constant growth in earnings, dividends and book value. So, as a
2 low estimate for growth, I used the average of the three projections for the eight
3 remaining companies in the group, or 4.6%. As an upper bound on the growth estimate, I
4 used the projection for dividends alone, 5.5%. There is nothing better than hard cash
5 dividends to provide a realistic estimate of the growth rate, and the associated ROE, for a
6 group of utilities.

7
8 As a check on the reasonableness of this range in growth rates, 4.6% to 5.5%, I inspected
9 the growth rates in earnings for the Comparable Electric Group forecast by First Call and
10 Zacks. These are listed on the right side of Exhibit KLK-5. Earnings growth was
11 inspected because earnings provide the cash that can be used discriminately by each of
12 the utilities to either retain some portion, and thereby increase book value, or distribute
13 another portion as dividends. Both First Call and Zacks project earnings growth rates of
14 slightly less than 4% for the Comparable Electric Group, rendering my chosen range in
15 growth rates relatively optimistic and favorable to the Company.

16
17 On the bottom of Exhibit KLK-5, I grow the average dividend yield actually realized by
18 the comparable distribution company group (less CH Energy Group) over the past year
19 of 4.51% by each of these two growth rates to arrive at a corresponding average expected
20 dividend yield over the next twelve months. When each of these are added to the
21 corresponding growth rate, as required by the DCF constant growth model, a range for
22 the calculated ROE for the comparable company group is found, 9.30% to 10.26%. The
23 average of the upper and lower estimate is 9.78%, as shown in Exhibit KLK-4.
24
25

1 Q. HOW DID YOU APPLY THE RISK PREMIUM TEST TO DETERMINE ROE
2 FOR THE ELECTRIC UTILITY OPERATIONS OF LG&E?

3 A. I applied a historical risk premium analysis for *Moody's* (now *Mergent's*) electric utility
4 group. The result of this test is an estimated ROE of 10.44% for PPL, as calculated on
5 Exhibit KLK-4.

6
7 The expected equity risk premium is the additional return an investor expects to receive
8 to compensate for the additional risk associated with investing in equities as opposed to
9 investing in riskless assets. For the comparable group, I chose *Moody's* electric utility
10 group because data for this group are published annually, and these companies compare
11 quite reasonably closely to PPL in the nature of their business activities, the markets they
12 serve and the risks they undertake. The average risk premium over the long term
13 Government bond total return is calculated at 4.56% within Exhibit KLK-8 for the
14 longest period for which data are available, 1932 to 2002. Note that shorter time spans
15 produce smaller average risk premiums. However, I chose the longest time span for
16 which data are available, because it is most consistent with the premiums I will later
17 employ when I apply the CAPM model test for ROE.

18
19 Some financial analysts, in particular those performing research at Ibbotson Associates,
20 argue that when historic risk premia are calculated, the income return on the long term
21 Government bond should be used instead of the total return because "it represents the
22 truly riskless portion of the return" (see *Stocks, Bonds, Bills and Inflation, Valuation*
23 *Edition, 2004 Yearbook*, p. 69-70). To entertain this notion, I also calculated the risk
24 premium using the income return of the long term Government bond, as shown on
25 Exhibit KLK-9. The result is higher at 5.23%. Regardless of which basis is used, the

1 appropriate forward-looking measure of the riskless rate is the yield to maturity of the
2 long-term Government bond. I used the average yield to maturity of 20-year bonds
3 reported for the last 12 Friday closings (week ending 12/26/2003 through 3/12/2004) by
4 the *Federal Reserve Statistical Release*, or 5.21%, as shown in Exhibit KLK-7. Adding
5 the historic risk premium of 5.23%, using the income return series, to the current long
6 term Government bond yield of 5.21%, results in an expected ROE required by investors
7 of 10.44%, as shown in Exhibit KLK-4.

8
9 **Q. HOW DID YOU APPLY THE CAPM TEST FOR ROE FOR ELECTRIC**
10 **OPERATIONS OF LG&E?**

11 A. I relied on Ibbotson Associates for the methodology used to apply the capital asset
12 pricing model (CAPM). The principle feature of the CAPM model is that the expected
13 return is related to the risks taken by the investor, as measured by beta, a statistical
14 measure of the relative movement of the price for an equity to the overall market. The
15 simple formula is $k = r + b \times (R_m - R_f)$, where k is the cost of equity, r is the expected
16 return of the riskless asset, b is the beta of the stock, R_m is the total return of the market
17 and R_f is the riskless rate of return.

18
19 As a proxy for the market, I used the historical returns of the S&P 500 group of equities.
20 Ibbotson Associates provides an average historical market risk premium, $(R_m - R_f)$, of
21 7.19% for the S&P 500 over the very long period of 1926-2003, using the income return
22 of 20-year Treasury bonds as the riskless asset. I used betas for each firm within the
23 comparable group of electric utilities, as published by *Value Line Investment Survey*, as
24 shown in Exhibit KLK-10.

1 By multiplying the beta for each of these companies times the historical market risk
2 premium, and then averaging the result for all companies in the group, the long term
3 average equity risk premium for the electric utility group is determined. However, this
4 result must be adjusted because most of the members of the comparable group of utilities
5 fall within the small or mid-cap market capitalization category. The size adjustment
6 simply means that small companies require a larger ROE because they are inherently
7 more risky than accounted for by the statistical beta. As shown on Exhibit KLK-10, the
8 average ROE for the group, based on historical returns, and when properly adjusted for
9 firm size, is 11.78%.

10
11 **Q. DID YOU PERFORM A CAPM ANALYSIS BASED ON PROJECTED RETURNS**
12 **FOR THE ELECTRIC OPERATIONS OF LG&E?**

13 A. Yes I did, but I have less faith in the results. When the most recent estimate of projected
14 earnings growth of the total stock market over the next five years from First Call (11.4%)
15 is added to the current dividend rate for the S&P Super-Composite 1500 (1.63%), total
16 returns are estimated at 13.03%. By subtracting the recent average yield on long term
17 bonds (5.21%), a market risk premium of 7.82% can be derived, as shown on Exhibit
18 KLK-10. Applying then the same methodology as used for the historical CAPM analysis,
19 an estimated ROE of 12.12% is obtained, as shown in Exhibit KLK-10.

20
21 The reason that I have less faith in this test result is that I believe the stock market
22 industry tends to be biased on the high side when projecting earnings results, primarily
23 because the analysts are generally housed in the same firms that are selling the stocks.
24 My understanding is that the industry is now working to increase the independence of
25 stock analysts, thereby reducing or eliminating the upward bias in market forecasts. I

1 previously did not include this CAPM test at all, but have reluctantly added this test
2 result in order to be able to report and discuss it during cross-examination.
3

4 **Q. HOW DID YOU ARRIVE AT YOUR ESTIMATED REASONABLE RANGE FOR**
5 **ROE AND YOUR RECOMMENDED ROE FOR PPL?**

6 A. As shown in Exhibit KLK-4, the average provided by all three types of tests (CAPM, risk
7 premium and DCF) in my analysis is 10.72%. For the low end of my recommended
8 reasonable range, I look to the results of the DCF test, because this model provided a
9 lower range of ROE estimates than the other two models. When the price-to-book value
10 ratio of a stock is greater than 1.0, the DCF test result using the constant growth model
11 tends to be less reliable (i.e., a greater probability of error). This occurs because it
12 becomes less possible for the key assumption underlying that model to be realistic, that
13 is, that the growth in earnings, dividends and book value can be approximately the same
14 in the future.

15
16 Under these circumstances, the estimate of ROE produced by the DCF model can be
17 expected to be lower than the expected ROE because an investor purchasing the stock is
18 undertaking a greater risk that the price will actually decline in the near future to
19 approach book value. On the right side of Exhibit KLK-5, the average price-to-book
20 value for the Comparable Electric Group (minus CH Energy Group) is calculated at 1.45.
21 Although this ratio is not extremely high, like those observed when I performed similar
22 analyses during 1998-2000, it is still quite far above 1.0. Thus, the low estimate of ROE
23 which is based on the average of growth rates in earnings, dividends and book value, can
24 be considered low, and outside of a reasonable range for the estimate of ROE for PPL.
25 The high side of the range of results from the DCF model, however, is based on dividend

1 growth alone, which is the basis of the DCF model before adding more constraints for
2 the derivation of the constant growth model. This result therefore can be considered a
3 sounder estimate of ROE. Therefore, I choose the high estimate from the DCF model
4 test, 10.26%, rounded to the nearest quarter percentage, namely 10.25%, as the low side
5 of my recommended reasonable range for the ROE of PPL.
6

7 For the high side of my recommended reasonable range, I look to the high ROE
8 estimates provided by the CAPM test. I ignore the CAPM test result based solely on
9 projections of earnings by stock market analysts because of the inherent upward bias in
10 this result as I discussed above. This leaves one to question the applicability to PPL of
11 the test result produced using the historical CAPM test as applied to the Comparable
12 Electric Group. The primary factor that resulted in a high ROE test result from this
13 model is the firm size adjustment, as shown in Exhibit KLK-10. Without the average size
14 premium, the ROE result would have been only 10.1%, instead of 11.8%. The average
15 size adjustment was 1.6%. However, if PPL itself had common stock, and it was selling
16 this stock at the average price-to-book value of the Comparable Electric Group, PPL
17 would fall into the mid-cap range for purposes of computing a size adjustment. (Book
18 common equity is about \$1.2 billion; 1.45 times book would yield \$1.74 billion; and the
19 range of market capitalization for a mid-cap stock is \$1.17 billion to \$4.79 billion,
20 according to Ibbotson Associates' *Valuation Edition 2004 Yearbook*.) Thus, the
21 applicable ROE from the results of the historical CAPM model is the average ROE of the
22 Comparable Electric Group before size adjustment, namely 10.1%, plus the size
23 premium for a mid-cap stock, or 0.9%, summing to 11.0%. This ROE is what I conclude
24 to be the high end of a reasonable range of ROE estimates applicable to PPL.
25

1 Thus, my recommended reasonable range for ROE for PPL is 10.25% to 11.0%. I do not
2 recommend that the Commission consider an ROE for PPL outside of this reasonable
3 range.

4
5 In order to arrive at a point estimate for my recommendation to the Commission within
6 this reasonable range, I look to the mid-point of this range as well as the result from the
7 remaining ROE model, the historical risk premium model. As shown in Exhibit KLK-4,
8 using the average yield on 20-year Treasury bonds over the last 90 days, the historical
9 risk premium model provides an estimated ROE of 10.44% for electric utilities.

10 However, as shown in Exhibit KLK-7, there is a clear upward trend in Treasury bond
11 yields over this period. Inserting the most recent Treasury bond yield of 5.52% would
12 result in an estimated ROE from the historical risk premium model of 10.75% (5.23%
13 plus 5.52%). I believe this to be a credible ROE test result for two reasons: (1) because I
14 have no reason to believe that the risk premium in the near future will deviate from
15 historical averages; and (2) because I do not believe that Treasury bond yields can be
16 forecast with sufficient accuracy. The latter judgment is based on my firm's experience
17 in providing macroeconomic forecast support to the US Department of Energy over the
18 last 18 years by running the DRI Macroeconomic Model of the Economy. When a
19 variable, like Treasury bond yields, cannot be forecast with accuracy, statistically
20 speaking, the last observation becomes the best estimate of the future value of the
21 variable. Thus, instead of choosing the mid-point of my reasonable range for ROE, I
22 recommend to the Commission that the ROE for PPL be approved at 10.75%.

23 Coincidentally, this is also very close to the average of the three ROE model test results,
24 10.72%, as shown in Exhibit KLK-4. (Note that all my workpapers in support of my
25 ROE analysis are contained in Exhibit KLK-16.)

1
2
3 **Q. HOW DID YOUR METHODOLOGY AND DATA USED FOR ESTIMATING**
4 **ROE FOR PPL DIFFER FROM THE COMPANY'S?**

5 A. In my judgment, Company Witness Paul R. Moul did a professional, thorough and
6 relatively unbiased analysis of ROE for the Company. However, he and I do have
7 fundamental differences in data, methodology and judgment that were applied. I will
8 discuss the differences that have a major effect on the results.

9
10 As stated previously, I used only his Comparable Electric Utility Group and not his
11 Comparable Gas Utility Group in my analysis, because I do believe gas utilities serve
12 different markets and confront different risks, and therefore are not directly comparable
13 to PPL for purposes of computing a market-based ROE. I used only three tests, the DCF,
14 CAPM and Risk Premium tests, instead of four, in determining my recommended ROE. I
15 did not apply the Comparable Earnings Test because I submit that this test employs a
16 grouping of companies that is just too broad and disparate to be truly considered directly
17 comparable to an electric utility for purposes of computing a market-based ROE.

18
19 Regarding the DCF analysis, I adjusted prices for the pro rata accumulation of the
20 quarterly dividend since the last ex-dividend rate, as did Company Witness Moul.
21 However, in determining expected dividend yields for the next period, I adjusted the
22 dividends for the most recent 12-month period simply by applying the full estimated
23 annual growth rate. I did not apply the more complicated formulas shown in Attachment
24 E to the Direct Testimony of Mr. Moul, because, although academically accurate, I do
25 not believe that most investors resort to the use of such complicated formulas to produce

1 minor adjustments in expected dividend yields to account for details such as the time
2 value of quarterly payments over the next year. The small changes in expected dividend
3 yields produced by these academic refinements are so dwarfed by the huge uncertainty
4 involved in selecting the appropriate growth rate that they are not worth the additional
5 complexity in the calculations.

6
7 I do not agree with the use of the "Leverage Adjustment" applied by Mr. Moul to both
8 the DCF test and the betas used in the CAPM model test for ROE. The prices of a stock
9 over time, and the statistical variance in the price of a stock as measured by the beta, are
10 a result of the combined estimates of the value of a company by investors as determined
11 by employing all the data and information about the company that are available.

12 Investors, at least those that survive in the market, understand the greater risks that are
13 accompanied by greater leverage, and by a price level that is higher than book value, and
14 these risks are already reflected in stock prices as they vary over time. There is no need
15 for a further adjustment, as if the market value of a stock was determined with no
16 recognition of its relationship to book value, the leverage of the company, or the manner
17 in which state commissions set ROE for purposes of computing rates during regulatory
18 treatment.

19
20 For the CAPM and Risk Premium model tests, I employed the average of the last 90 days
21 for Treasury bond yields rather than the projections of "50 noted expert economists" like
22 Mr. Moul did, because, as I stated earlier in my testimony, my firm's experience in
23 executing one of the largest and reputed macroeconomic models in the country indicates
24 that Treasury bond yields cannot be forecast with sufficient statistical accuracy.

25

1 Regarding the Risk Premium test for ROE, I used the equity premium as measured by the
2 difference in total returns for electric utilities as published by *Mergent* (previously
3 *Moody's*) and 20-year Treasury bond income returns over the period 1931 to 2002. Mr.
4 Moul used a risk premium measured as the difference in utility stock and bond returns. I
5 believe that use of a riskless asset, like Treasury bond income returns, as a basis provides
6 more confidence that the risk premium being measured will be relatively stable over
7 time.

8
9 When comparing the CAPM test results, one of the apparent major differences in results
10 is that I applied the size adjustment to all firms within the Comparable Electric Group,
11 and then determined the average ROE, while Mr. Moul applied the size adjustment using
12 the average market capitalization of the Group (Direct Testimony, p. 47). This difference
13 appears more important than it actually is, however, because in determining my
14 reasonable range for ROE, I apply the size adjustment to the CAPM test results for the
15 expected market capitalization of common stock of PPL, if it traded, which
16 coincidentally is the mid-cap category for size adjustment, the very same category as the
17 average market capitalization of the Comparable Electric Group.

18
19 **Q. WHY DO YOU GENERALLY SUPPORT THE DISTRIBUTION COST OF**
20 **SERVICE METHODOLOGY EMPLOYED BY THE COMPANY?**

21 A. The Company uses the class maximum demand method, which is based on the highest
22 annual non-coincident peak (NCP) demand imposed by each rate class on its distribution
23 system, to allocate its demand-related distribution costs (Company Witness Joseph M.
24 Kleha, Direct Testimony, p. 16). Distribution facilities are separated between primary
25 and secondary voltages, and secondary investment is further classified as customer-

1 related and demand-related using the "minimum size system" method. Costs considered
2 customer-related are then allocated on the basis of the numbers of customers in each
3 class. The Company also provides for comparison a cost of service study based on the
4 average and excess allocation method (Exhibit JMK-1, Section V and Exhibit JMK-2,
5 Section VI).

6
7 In the Company's Response to Interrogatories of the Office of Trial Staff, Set 13, dated
8 May 4, 2004, the Company justifies its use of the maximum demand method as the most
9 appropriate method for the allocation of distribution costs for two reasons: (1) because
10 the Commission has traditionally accepted this method in all of its previous base cases;
11 and (2) because the NARUC Electric Cost Allocation Manual deems it to be the most
12 appropriate method when distribution-related facilities are generally sized to meet the
13 maximum load requirements of customers. I agree with and support both of these
14 reasons. The NARUC Manual elaborates further (p. 97):

15 There are several factors to consider when allocating the demand components of
16 distribution plant. Distribution facilities, from a design and operational
17 perspective, are installed primarily to meet localized area loads. Distribution
18 substations are designed to meet the maximum load from the distribution feeders
19 emanating from the substation. Similarly, when designing primary and secondary
20 distribution feeders, the distribution engineer ensures that sufficient conductor and
21 transformer capacity is available to meet the customer's loads at the primary- and
secondary-distribution service levels. Local area loads are the major factors in
sizing distribution equipment. Consequently, customer-class non-coincident
demands (NCPs) and individual customer maximum demands are the load
characteristics that are normally used to allocate the demand component of
distribution facilities.

22 I believe that the most important criterion to be considered in selecting an appropriate
23 methodology is that the methodology should be consistent with the utility's planning
24 process. The factors which primarily influence the utility's capacity expansion plan
25 should also serve as the basis for developing allocation factors. Otherwise costs will not

1 be assigned to the classes in the same manner in which the costs are incurred. In a
2 distribution utility, the most significant factor influencing the Company's expansion plan
3 is the level of peak demand projected for the system. The use of NCP demands as a basis
4 for allocating demand-related distribution plant, as the Company proposes, is consistent
5 with this principle.

6
7 In contrast, the use of the average and excess allocation method allocates a greater
8 portion of demand-related costs to customer groups with higher load factors. This
9 methodology rests on the assumption that while system peak demands establish the level
10 of capacity, providing continuous service creates additional incentive for such capacity
11 costs. This is not the case with distribution plant. The provision of continuous service,
12 that is, more throughput at a given peak demand level, does not cause a need for
13 additional capacity. The sole determination of the need for additional distribution
14 capacity is greater peak load requirements on the system. Thus, to burden higher load
15 factor customers with higher costs of distribution plant would be grossly inequitable.

16
17 I also support the Company's proposal to use the minimum-size system method for
18 determining the demand and customer components of secondary distribution facilities.
19 The minimum-size system method requires less data to employ and is easier to
20 understand and apply. It is also less prone than the alternative method, the minimum-
21 intercept method, to produce anomalies caused by statistically unreliable results.

22
23 **Q. DO YOU ALSO SUPPORT THE COMPANY'S PROPOSAL FOR THE**
24 **ALLOCATION OF INCREASED REVENUE REQUIREMENTS BY**
25 **CUSTOMER CLASS?**

1 A. No I do not. The Company proposes three criteria for allocating increased revenue
2 requirements: (1) that the residential class incur a total billings rate increase of less than
3 10%; (2) that the increase on a total bill basis to all other rate schedules be below 10%;
4 and (3) that the relative rate of return for each rate schedule move closer to the system
5 average rate of return. As shown in Exhibit KLK-11, column 4, enormous customer class
6 subsidies now exist. For example, the Company is earning six times its average system
7 return from customers taking service under LP-5 and over 20 times the system average
8 return from customers taking service under LP-6. Meanwhile, the Company is earning
9 only 41% of its system average return from residential customers.

10
11 The Company can continue to operate only if it receives an adequate system return from
12 all its customers combined. Thus, if some customer groups are allowed to pay less than
13 their share of total cost of service (including return), then other customer groups must
14 pay more. This is what is occurring now. This is not only patently unfair, but it leads to
15 inefficiencies. Customers paying less than their cost of service will value electricity
16 delivered by PPL at the price they are paying for it, not the higher cost of delivering it to
17 them. Thus, they will tend to limit their use of conservation measures and undervalue
18 end-use equipment technology that is more efficient in electricity use, as compared to the
19 behavior they would employ if they were receiving the proper pricing signals for
20 electricity. Meanwhile, customers paying more than the cost of service of delivering
21 electricity to them will tend to overvalue the commodity and to substitute other fuels
22 when in fact it would be cheaper to use electricity. Both customer groups are reducing
23 the general welfare of the society.

1 Optimal efficiency occurs when each customer class is paying the average system return
2 to the Company in its rates. However, the class cross subsidies currently are so large, and
3 involve so many rate schedules, that a one-step movement to unitized system returns
4 would lead to sudden and huge impacts on several customer classes, particularly the
5 residential, residential thermal storage and lighting classes. This calls for "gradualism,"
6 the principle whereby several steps are taken to approach unitized class returns.

7
8 As illustrated in column (7) of Exhibit KLK-11, the Company proposes to slightly
9 increase the percentage of total return paid by these three classes. However, the
10 Company does not go far enough in redressing the egregious gross inequities that now
11 exist. For example, as shown in column (6), the overall increase in distribution revenue
12 requirements proposed by the Company is 32.8%, but the Company is proposing only a
13 27.5% increase for the residential class, despite the fact that this class is now paying the
14 Company a return of only 41% of the system average.

15
16 I recommend that the Commission reject outright the Company's proposed criteria for
17 allocation of increased distribution and transmission revenue requirements. Instead, the
18 Commission should examine distribution revenue class allocation and transmission
19 revenue class allocation separately. By doing so, the Commission can establish the
20 appropriate price signals for transmission service during shopping, an activity that must
21 increase in the future if deregulation will ultimately be successful. And by focusing
22 separately and independently on distribution customer class allocation, the Commission
23 could move more aggressively to mitigate, and eventually eliminate, the unfair customer
24 class subsidies that now exist in distribution rates.

1 Specifically, I propose that the Commission adopt the following criteria for allocating
2 any increased distribution revenue requirement that is found in this proceeding. First, set
3 rates for all customer classes that are now unfairly burdened by paying the Company
4 more than 150% of the system average return, so that the return paid by these customers
5 falls to 150% of the newly approved system average return from this proceeding.

6 Secondly, adjust rates to all other customer classes such that they pay an equal
7 percentage of the distribution system average return.
8

9 The result of applying these criteria with the Company's proposed increase in
10 distribution revenue requirements is shown in columns 10 through 12 of Exhibit KLK-
11 11. The Company's proposed rate of return is 8.8%. All but four customer classes will
12 pay a return of 13.2%, and the remaining four will incur rate increases such that they will
13 pay the Company 80% of the system average return. Under these criteria, as expected if
14 the existing gross inequities are to be mitigated, the residential customers will receive an
15 increase in distribution billings greater than the system average increase, 40.9% versus
16 32.8%, as shown in column 12. Many of the customer classes now paying significant
17 cross subsidies will receive reductions in revenue requirements. However, no customer
18 class will be forced to pay the Company more than 150% of the system average return.
19

20 This should be considered only the first of three steps in the "gradual" process of moving
21 all customer classes to unitized class returns. In the next general rate case for PPL, I
22 recommend that the classes now set at 150% of the system average return in this
23 proceeding, be reduced to 125% of the system average return. And finally, in the
24 subsequent general rate case for PPL, all customer classes should be brought to the
25

1 system average return. I recommend that the Commission explicitly establish this multi-
2 step process within its final order in this case.

3
4 **Q. HOW DO YOU PROPOSE THAT INCREASES IN TRANSMISSION REVENUE**
5 **REQUIREMENTS BY ALLOCATED BY CUSTOMER CLASS?**

6 A. I propose that the principle of aligning cost recovery with cost causation be applied to the
7 allocation of transmission revenue requirements as well. The Company is proposing that
8 expected increases in transmission revenue requirements be collected on a system-wide
9 average kWh basis, making no distinction by customer class. This proposal should be
10 rejected because it ignores cost causation and will result in customer class cross subsidies
11 similar in perversity to those that now exist in distribution rates. Instead I propose that all
12 transmission revenue requirements, both existing and expected next year, be allocated
13 proportional to the average summer and winter, 5-day peak load for each customer class.
14 This average peak load can be determined using the existing method for the allocation of
15 peak load responsibility for Network Integration Transmission Service (NITS). After all,
16 this is how the network determines peak load responsibility by customer class, which is
17 directly related to the need for transmission capacity. Applying the principle of cost
18 causation, the same methodology should then be applied for the customer class allocation
19 of transmission revenue requirements. Subsequent to class allocation, recovery of these
20 costs can be billed on an average kWh basis within each customer class in order to
21 facilitate ease of shopping.

22
23 The results of this allocation method are shown in Exhibit KLK-12, where new
24 transmission rates for each customer class are calculated based on the Company's
25

1 projected transmission revenue requirement and the 5-day average peak loads for NITS
2 calculated for 2003 (summer peak) and 2004 (winter peak).

3
4 Exhibit KLK-13 shows the combined impact on total PPL billings to each customer class
5 using my proposed distribution and transmission revenue requirements allocation
6 procedures and Company-proposed levels of total revenue requirements in each category.
7 The residential class will incur a 14.5% overall billings increase, and both the residential
8 thermal storage and street lighting classes will incur larger total billings increases. But
9 rates to the latter two classes must increase substantially if customer class subsidies are
10 to be mitigated.

11
12 If distribution revenue requirements approved in this proceeding are less than the
13 Company's requested increase, the impact on total billings for all customer classes will
14 also be less using my customer class allocation procedure. Thomas Prisco, the other
15 DOD/FEA witness in this case, has reviewed the distribution revenue requirements
16 proposed by the Company and he is recommending several changes, which result in a
17 needed revenue requirements increase of only \$131,574 annually. Using my
18 recommended ROE for PPL of 10.75%, Mr. Prisco calculates the necessary system
19 average return to be 8.46%. When these two numbers are substituted for the
20 corresponding Company proposed values, the required increase in distribution revenue
21 requirements by customer class is computed as shown in Exhibit KLK-14, and associated
22 total billings impact by customer class is computed as shown in Exhibit KLK-15. The
23 needed overall billings increase to residential customers falls to 12.3%, and the needed
24 percentage increases in billings to residential thermal storage and lighting customers are
25 also reduced.

1
2 **Q. WHAT CHANGES IN RATE DESIGN ARE YOU RECOMMENDING?**

3 A. I generally support the Company's proposal to move toward greater use of demand and
4 customer charges for recovery of revenue requirements, and lesser use of kWh blocks.
5 *This is consistent with the principle of aligning cost responsibility with cost causation*
6 *wherever practicable, which I presented earlier.*

7
8 I do recommend that the Commission reject the Company's proposal to establish a
9 Distribution System Improvement Charge. There are several accounting problems with
10 this proposal, which are discussed on behalf of DOD/FEA by Mr. Tom Prisco, the other
11 witness in this case. However, from a rate design standpoint, such a charge would tend to
12 further increase customer class inequities in distribution rates. The Company proposes
13 recovery of these capital costs between rate cases on a system-wide kWh basis. In reality,
14 large portions of these capital costs might relate directly to certain customer classes and
15 not at all to other customer classes. A general rate case, with an updated cost of service
16 study, continues to be the most appropriate mechanism to properly assign such additional
17 capital costs (and associated return) to the customer classes that are benefiting by the
18 attendant Company investment.

19
20 **Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING THE COMPANY'S**
21 **PROPOSED CHANGES IN GENERAL TERMS AND CONDITIONS?**

22 A. On behalf of DOD/FEA, I take strong exception to the Company's proposed change in
23 Tariff Rule 8- Measurement of Service. Specifically, Company Witness Oliver G. Kasper
24 (direct testimony, p. 18) states that this section of the tariff must be revised to "clarify"
25 that measurement from separate points of delivery are not combined for billing purposes.

1 Carlisle Barracks informs me that two meters are now read and combined to determine
2 maximum billing kW for a specific time interval each month. By treating each meter
3 effectively as a separate account, PPL billings to Carlisle Barracks, and possibly to other
4 large military installations served by PPL, will be significantly increased. Such increases
5 in billings are not justified by any additional costs incurred by the Company. In addition,
6 the Company has not included any estimate of increased revenues from this change in the
7 tariff within its proposed cost of service in this proceeding. For all of these reasons, I
8 recommend Commission rejection of this change in the tariff.
9

10 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

11 **A.** Yes it does.
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1 Commonwealth of Virginia

2

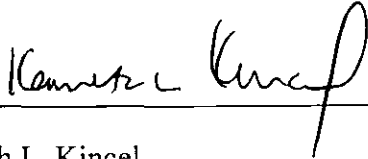
3 County of Fairfax

4

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

9

10



11

Kenneth L. Kincel

12

President, Decision Analysis Corporation of Virginia

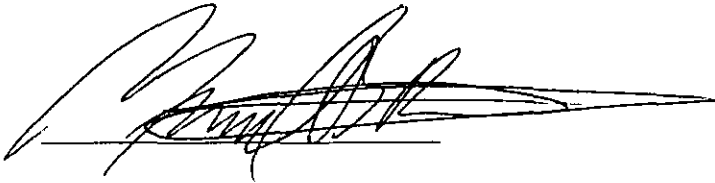
13

14

15 Subscribed to and sworn before me on this 28th day of June 2004.

16

17



18

19

Notary Public

20

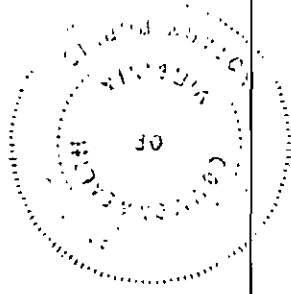
21 My Commission Expires: 10-31-07

22

23

24

25



1
2 **Exhibit KLK-1**
3 **Education and Qualifications of Kenneth L. Kincel**
4

5 PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

6 My name is Kenneth L. Kincel. My business mailing address is Decision Analysis
7 Corporation of Virginia, 8009 Snowpine Way, Suite 100, McLean, Virginia 22102.
8

9 WHAT IS YOUR OCCUPATION?

10 I am an energy consultant in the field of energy modeling, forecasting and economic
11 analysis, and I perform these services as President and Chief Executive Officer of Decision
12 Analysis Corporation of Virginia, an energy and environmental analysis consulting firm.
13

14 PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

15 I was awarded a Bachelor of Science Degree in Engineering by Rensselaer Polytechnic
16 Institute (RPI) in 1967, and a Master of Science in Business Management in 1968, also from
17 RPI. Subsequently, I served as Project Manager at Computer Sciences Corporation where I
18 performed management consulting services until the summer of 1972. From July 1972 through
19 June 1974, I served in several capacities performing industry economic analysis for the Cost of
20 Living Council of the Federal Government during the period of wage and price controls.
21 Following the oil embargo of 1973 -1974, I joined the Federal Energy Administration in the
22 capacity of Director, Office of Energy Demand Policy and Special Projects, and was later
23 promoted to Director, Office of Conservation and Resource Development Policy.
24
25

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

14
15 In August 1980 I left the Federal Government and founded Decision Analysis
16 Corporation of Virginia (DAC). DAC performs energy and environmental modeling, forecasting
17 and analysis services for utilities, industry associations, utility commissions, private firms and
18 several agencies of the Federal Government, including DOD, Commerce and Energy. Since
19 1980, DAC has performed over 600 projects involving analysis of energy issues, and I have
20 served as Project Manager for most of these projects.

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

1 testified on cost of capital, revenue requirements, deregulation/industry restructuring policy
2 and/or rate design issues before the Georgia Public Service Commission (natural gas and
3 electricity), the New York State Public Service Commission (electricity), the Federal Energy
4 Regulatory Commission (natural gas), the Kentucky Public Service Commission (electricity), the
5 Public Utility Commission of Texas (electricity), the North Carolina Utilities Commission
6 (natural gas), the New Jersey Office of Administrative Law (electricity) and the Public Service
7 Commission of Maryland (gas and electricity), as listed in Exhibit KKK-2. This is the first time
8 that I have testified before the Pennsylvania Public Utility Commission.

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Recent Testimony and Regulatory Submissions of Kenneth L. Kincel

Regulatory Commission	Date	On Behalf Of	Submission Type	Docket No.	Utility	Issues	Topics Covered
Georgia Public Service Commission	October 18, 1996	US Dept. of Defense/FEA	Direct Testimony	6691-U	United Cities Gas Company	Natural gas rate increase	Revenue requirements, ROE
Federal Energy Regulatory Commission	December 13, 1996	US Dept. of Defense/FEA	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	US Dept. of Defense/FEA	Direct Testimony	96-E-0134	Niagara Mohawk Power Co.	Electric rate increase	Revenue requirements
Georgia Public Service Commission	October 23, 1997	US Dept. of Defense/FEA	Direct Testimony	8044-U	GPSC NOPR	Implementation of gas retail dereg.	Comments on marketers' certification
Georgia Public Service Commission	October 23, 1997	US Dept. of Defense/FEA	Direct Testimony	8053-U	GPSC NOPR	Implementation of gas retail dereg.	Comments on random assignment of customers
Georgia Public Service Commission	January 23, 1998	US Dept. of Defense/FEA	Formal Comments	8346-U	GPSC NOPR	Implementation of gas retail dereg.	Formal recommendations on unbundling methods
Maryland Public Service Commission	February 12, 1998	US Dept. of Defense/FEA	Direct Testimony	8780	Baltimore Gas & Electric Co.	Gas base rate increase	ROE, rate design
Georgia Public Service Commission	March 31, 1998	US Dept. of Defense/FEA	Direct Testimony	8390-U	Atlanta Gas Light Co.	Unbundling, Restructuring	ROE, rate design, performance rates
Georgia Public Service Commission	October 1, 1998	US Dept. of Defense/FEA	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 mechanism
Kentucky Public Service Commission	March 18, 1999	US Army	Direct Testimony	98-426	Louisville Gas & Electric Co.	Electric performance based rates	Performance based rates, earnings sharing mechanism
Maryland Public Service Commission	December 18, 1998	US Dept. of Defense/FEA	Direct Testimony	8794	Baltimore Gas & Electric Co.	Electric restructuring	Stranded costs, cost unbundling, rate design
Maryland Public Service Commission	February 3, 1999	US Dept. of Defense/FEA	Direct Testimony	8804	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	US Dept. of Defense/FEA	Direct Testimony	14000-U	Georgia Power Company	Base rate increase, earnings sharing	ROE, earnings sharing mechanism
North Carolina Utilities Commission	August 23, 2002	US Dept. of Defense/FEA	Direct Testimony	G21 Sub 431	North Carolina Natural Gas Corp.	Base rate rebalancing and increase	Rate design
New Jersey Office of Administrative Law	December 20, 2002	US Dept. of Defense/FEA	Direct Testimony	ER02080506-7 PUC7983,4-02	Jersey Central Power & Light Co.	Base rate increase, surcharges	ROE, ROI, rate design
Kansas State Corporation Commission	July 10, 2003	US Dept. of Defense/FEA	Direct Testimony	03-KGSG-602-RTS	Kansas Gas Division, ONEOK, Inc.	NG base rate increase, rate design	ROE, rate design
North Carolina Utilities Commission	August 12, 2003	US Dept. of Defense/FEA	Direct Testimony	G21 Sub 442	North Carolina Natural Gas Corp.	NG base rate increase, rate design, terms and conditions.	ROE, revenue requirements, rate design, terms and conditions for sales and transportation service
Kentucky Public Service Commission	March 19, 2004	US Dept. of Defense/FEA	Direct Testimony	2003-00433	Louisville Gas & Electric Company	NG and electric base rate increases	ROE, cost allocation, rate design, terms and conditions

Toboyhanna Army Depot Billings from PPL
PPL Rate Schedule LP-5

Cost Item/Month	Apr '04	Mar '04	Feb '04	Jan '04	Dec '03	Nov '03	Oct '03	Sep '03	Aug '03	Jul '03	Jun '03	May '04	Total
Electricity Consumed (kWh)	5,078,000	5,338,000	4,968,000	4,867,000	4,848,000	4,356,000	4,242,000	4,690,000	4,464,000	4,417,000	4,368,000	4,976,000	56,348,000
Demand (kW)	10,161	10,355	10,588	10,448	9,863	9,526	9,500	10,809	10,536	10,109	9,436	10,355	121,683
kWh Used													
Billing kWh	10,161	10,355	10,588	10,448	9,863	9,526	9,500	10,809	10,536	10,109	9,436	10,355	121,683
First 200 kWh per address at the Billing kWh	2,032,200	2,071,000	2,117,800	2,086,200	1,972,800	1,895,200	1,890,800	2,151,800	2,107,200	2,021,600	1,887,000	2,071,000	24,330,600
Next 200 kWh per kilowatt of the Billing kWh	2,032,200	2,071,000	2,117,800	2,086,200	1,972,800	1,895,200	1,900,000	2,181,600	2,107,200	2,021,800	1,887,000	2,071,000	24,336,600
Additional kWh	1,011,600	1,196,000	750,800	688,900	907,800	545,600	442,000	386,400	269,600	373,400	592,000	534,000	7,672,800
Distribution Charges													
Distribution Charge (cents/kWh)	28.90	28.90	28.90	28.90	28.90	28.90	28.90	28.90	28.90	28.90	28.90	28.90	
Distribution Charge (\$)	2,937	2,993	3,060	3,019	2,850	2,753	2,746	3,124	3,045	2,922	2,727	2,963	35,168
kWh Billing Credit (\$)	-50	-80	-84	-87	-75	-72	-69	-84	-84	-86	-82	-82	-935
kWh Billing Credit (\$)	-261	-300	-287	-259	-256	-216	-195	-248	-215	-196	-202	-249	-2,860
Total Distribution Charge (\$)	2,595	2,612	2,709	2,674	2,519	2,466	2,482	2,784	2,746	2,659	2,463	2,662	31,372
Transmission Charges													
Transmission Charge (cents/kWh)	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	
Transmission Charge (\$)	15,431	16,228	15,157	14,796	14,738	13,242	12,898	14,258	13,651	13,428	13,273	14,215	171,292
Competitive Transition Charge													
Competitive Transition Charge (cents/kWh)	26.00	26.00	26.00	26.97	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	
Charge (\$)	2,642	2,892	2,753	2,817	2,762	2,667	2,560	3,027	2,950	2,831	2,642	2,692	33,134
Competitive Transition Charge (cents/kWh)	0.249	0.249	0.249	0.258	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.249	
Charge (\$)	5,050	5,157	5,273	5,304	5,287	5,106	5,092	5,784	5,647	5,418	5,257	5,157	63,442
Competitive Transition Charge (cents/kWh)	0.213	0.213	0.213	0.221	0.229	0.229	0.229	0.229	0.229	0.229	0.229	0.213	
Charge (\$)	4,329	4,411	4,510	4,612	4,517	4,363	4,351	4,951	4,825	4,630	4,321	4,411	54,232
Competitive Transition Charge (cents/kWh)	0.185	0.185	0.185	0.192	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.185	
Charge (\$)	1,871	2,213	1,369	1,321	1,797	1,086	860	729	537	743	1,176	988	14,730
kWh Billing Credit (\$)	-321	-321	-334	-353	-313	-287	-286	-361	-348	-225	-258	-327	-3,623
kWh Billing Credit (\$)	-1,046	-1,200	-1,069	-1,047	-1,048	-884	-799	-1,007	-882	-603	-826	-696	-11,695
Total Comp Trans Charge (\$)	12,535	12,952	12,522	12,744	13,001	12,041	11,866	13,102	12,730	12,543	12,114	11,925	150,108
Intangible Transition Charge													
Intangible Transition Charge (\$/kWh)	9.257	9.433	9.645	9.339	8.940	8.345	8.322	9.469	9.230	8.655	8.265	9.433	108,234
Charge (\$)	9,261	9,861	9,861	9,850	8,839	8,839	8,839	10,339	9,839	9,839	9,839	9,861	108,234
Intangible Transition Charge (cents/kWh)	17.487	17.631	18,233	17,768	16,550	15,985	15,941	18,136	17,679	16,963	15,832	17,631	206,245
Charge (\$)	0,734	0,734	0,734	0,725	0,718	0,718	0,718	0,718	0,718	0,718	0,718	0,734	8,734
Charge (\$)	14,915	15,201	15,543	15,153	14,124	13,941	13,804	15,478	15,086	14,476	13,511	15,201	175,937
Intangible Transition Charge (cents/kWh)	0.639	0.639	0.639	0.631	0.623	0.623	0.623	0.623	0.623	0.623	0.623	0.639	
Charge (\$)	6,404	7,642	4,789	4,347	5,624	3,369	2,754	2,283	1,680	2,328	3,898	3,412	48,417
kWh Billing Credit (\$)	-1,567	-1,564	-1,630	-1,728	-1,535	-1,458	-1,400	-1,815	-1,706	-1,350	-1,263	-1,592	-18,706
kWh Billing Credit (\$)	-5,045	-5,768	-5,157	-5,104	-5,183	-4,353	-3,935	-4,961	-4,343	-3,957	-4,070	-4,808	-56,684
Total Intangible Transition Charge (\$)	41,522	42,756	41,432	39,773	38,240	35,561	35,265	38,491	37,627	37,313	35,962	39,479	463,444
Generation Charges													
Capacity and Energy (\$/kWh)	4.431	4.431	4.431	4.407	4.381	4.381	4.381	4.381	4.381	4.381	4.381	4.431	
Charge (\$)	45,023	45,883	46,915	46,033	43,210	41,733	41,820	47,354	46,156	44,288	41,335	45,883	535,436
Capacity and Energy (cents/kWh)	3.909	3.909	3.909	3.883	3.856	3.856	3.856	3.856	3.856	3.856	3.856	3.909	
Charge (\$)	79,438	80,855	82,777	81,121	76,044	73,445	73,245	83,337	81,233	77,940	72,744	80,855	943,236
Capacity and Energy (cents/kWh)	3.288	3.288	3.288	3.286	3.243	3.243	3.243	3.243	3.243	3.243	3.243	3.288	
Charge (\$)	66,819	68,094	69,627	68,238	63,971	61,766	61,817	70,107	68,306	65,567	61,195	68,094	793,452
Capacity and Energy (cents/kWh)	2.823	2.823	2,823	2,804	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,823	
Charge (\$)	28,657	33,783	21,195	19,306	25,125	15,184	12,301	10,197	7,503	10,392	16,475	15,075	215,073
kWh Billing Credit (\$)	-6,057	-6,057	-6,310	-6,504	-5,820	-5,330	-5,127	-7,018	-6,246	-4,844	-4,625	-6,164	-70,004
kWh Billing Credit (\$)	-19,788	-22,702	-20,227	-18,451	-19,093	-18,098	-14,552	-18,346	-16,061	-14,834	-15,052	-18,857	-214,861
Total Generation Charges (\$)	193,863	199,937	193,877	188,744	183,636	170,721	168,104	185,639	180,924	178,809	172,072	184,567	2,202,332
Surcharges													
PA Tax Adjustment Surcharge (%)	1.18	1.18	1.18	1.21	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.18	
Surcharge (\$)	3,068	3,184	3,083	3,128	3,177	2,949	2,919	3,204	3,120	3,081	2,972	2,938	36,841
Total Electric Billings (\$)	269,153	277,699	268,881	261,857	265,311	236,980	234,584	257,478	250,778	247,634	238,857	256,206	3,065,389
Average cents per kWh	5.30	5.20	5.39	5.38	5.27	5.44	5.53	5.49	5.59	5.61	5.47	5.48	5.42
Load Factor (Average to Peak Day)													
Total EDI Credits	34,178	38,012	35,078	34,530	33,104	28,704	28,362	33,970	29,884	28,226	26,358	33,074	379,478
Associated PA Tax Adjustment Surcharge	396	441	407	417	417	382	332	428	377	330	332	384	4,623
Total EDI Credits with Related Tax Surcharge	34,574	38,453	35,485	34,947	33,521	29,086	28,694	34,398	30,261	28,556	26,690	33,458	384,101
EDI Credits % of Billings	12.8%	13.8%	13.2%	13.3%	13.1%	12.3%	11.4%	13.4%	12.1%	10.7%	11.2%	13.1%	12.6%
EDI Credit Related to Distribution Service Only	1,367	1,520	1,403	1,400	1,361	1,160	1,064	1,397	1,229	1,079	1,084	1,323	16,429
Associated PA Tax Adjustment Surcharge	16	18	16	17	17	15	14	18	15	14	14	15	188
Total EDI Credits for Distribution With Tax Effect	1,383	1,538	1,419	1,417	1,378	1,175	1,098	1,415	1,245	1,092	1,097	1,338	16,617
EDI Credits for Distribution as % of Billings	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%

US Navy at Mechanicsburg Billings from PPL
PPL Rate Schedule LP-6

<u>Cost Item/Month</u>	Apr '04	Mar '04	Feb '04	Jan '04	Dec '03	Nov '03	Oct '03	Sep '03	Aug '03	Jul '03	Jun '03	May '04	Total
Electricity Consumed (kWh)	5,295,000	5,757,000	5,840,000	5,845,000	5,295,000	5,760,000	5,033,000	5,753,000	5,691,000	5,723,000	5,533,000	5,248,000	66,773,000
Demand (kW)	10,822	11,189	11,684	11,750	10,822	10,627	10,174	11,428	12,010	11,794	11,686	11,362	135,326
kWh Used													
Billing kW	10,822	11,189	11,684	11,750	10,822	10,627	10,174	11,428	12,010	11,794	11,686	11,362	135,326
First 400 kWh per kilowatt of the Billing kW	4,328,600	4,475,600	4,865,900	4,700,000	4,328,800	4,250,800	4,069,800	4,570,400	4,804,000	4,717,600	4,674,400	4,544,800	54,130,400
Next 200 kWh per kilowatt of the Billing kW	968,200	1,281,400	1,174,400	1,145,000	968,200	1,509,200	963,400	1,182,800	887,000	1,005,400	858,600	703,200	12,842,600
Additional kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution Charges													
Distribution Charge (cents/kWh)	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	
Distribution Charge (\$)	3,301	3,413	3,558	3,584	3,301	3,241	3,103	3,485	3,663	3,587	3,564	3,465	41,274
Transmission Charges													
Transmission Charge (cents/kWh)	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	0.304	
Transmission Charge (\$)	16,097	17,501	17,754	17,789	16,097	17,510	15,300	17,489	17,301	17,398	16,820	15,954	202,990
Competitive Transition Charge													
Competitive Transition Charge (cents/kWh)	3.30	3.30	3.30	3.30	7.70	7.70	7.70	7.70	7.70	7.70	7.70	3.30	
Charge (\$)	357	369	385	388	833	818	783	880	925	908	900	375	7,921
Competitive Transition Charge (cents/kWh)	0.025	0.025	0.025	0.025	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.025	
Charge (\$)	1,082	1,119	1,186	1,175	2,597	2,550	2,442	2,742	2,882	2,831	2,805	1,136	24,528
Competitive Transition Charge (cents/kWh)	0.015	0.015	0.015	0.015	0.036	0.036	0.036	0.036	0.036	0.036	0.036	0.015	
Charge (\$)	145	192	178	172	348	347	347	426	318	382	309	105	3,445
Competitive Transition Charge (cents/kWh)	0.012	0.012	0.012	0.012	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.012	
Charge (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Comp Trans Charge	1,584	1,880	1,727	1,735	3,778	3,912	3,572	4,048	4,126	4,101	4,014	1,817	35,894
Intangible Transition Charge													
Intangible Transition Charge (\$/kW)	1.346	1.346	1.346	1.346	1.353	1.353	1.353	1.353	1.353	1.353	1.353	1.346	
Charge (\$)	14,566	15,060	15,700	15,816	14,842	14,378	13,785	15,459	16,250	15,957	15,811	15,293	182,699
Intangible Transition Charge (cents/kWh)	1.104	1.104	1.104	1.104	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.104	
Charge (\$)	47,790	49,411	51,508	51,888	47,817	46,759	44,766	50,274	52,844	51,894	51,418	50,175	596,343
Intangible Transition Charge (cents/kWh)	0.687	0.687	0.687	0.687	0.685	0.685	0.685	0.685	0.685	0.685	0.685	0.687	
Charge (\$)	6,638	8,803	8,068	7,866	6,818	10,338	6,599	8,101	6,076	6,887	5,881	4,831	86,707
Intangible Transition Charge (cents/kWh)	0.555	0.555	0.555	0.555	0.553	0.553	0.553	0.553	0.553	0.553	0.553	0.555	
Charge (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Intangible Transition Charge	68,994	73,274	75,278	75,570	68,877	71,475	65,130	73,835	75,169	74,738	73,111	70,299	865,749
Generation Charge													
Capacity and Energy (\$/kW)	4.305	4.305	4.305	4.305	4.255	4.255	4.255	4.255	4.255	4.255	4.255	4.305	
Charge (\$)	46,589	48,169	50,214	50,584	48,048	45,218	43,290	48,818	51,103	50,183	49,724	48,913	578,651
Capacity and Energy (cents/kWh)	3.588	3.588	3.588	3.588	3.558	3.558	3.558	3.558	3.558	3.558	3.558	3.588	
Charge (\$)	155,317	160,585	167,402	168,636	154,019	151,243	144,796	162,815	170,926	167,852	166,315	163,067	1,832,774
Capacity and Energy (cents/kWh)	2.119	2.119	2.119	2.119	2.100	2.100	2.100	2.100	2.100	2.100	2.100	2.119	
Charge (\$)	20,474	27,153	24,886	24,263	20,290	31,693	20,231	24,835	18,827	21,113	18,031	14,901	266,496
Capacity and Energy (cents/kWh)	1.653	1.653	1.653	1.653	1.638	1.638	1.638	1.638	1.638	1.638	1.638	1.653	
Charge (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Generation Charges	222,380	235,906	242,501	243,482	220,357	228,155	208,318	236,067	240,656	239,149	234,070	226,882	2,777,921
Surcharges													
PA Tax Adjustment Surcharge (%)	1.16	1.16	1.16	1.16	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.16	
Surcharge (\$)	3,623	3,849	3,953	3,989	3,938	4,086	3,722	4,220	4,296	4,271	4,178	3,691	47,795
Total Electric Billings (\$)*	315,978	335,823	344,789	348,108	318,346	328,380	299,146	339,144	345,211	343,254	335,757	321,908	3,971,624
Average cents per kWh	5.97	5.83	5.90	5.92	5.97	5.70	5.94	5.90	6.07	6.00	6.07	6.13	5.95
Load Factor (Average to Peak Day)													63.5%

* These billings do not include charges for DSM projects, which are shown separately on the monthly invoices.

**Summary of Tests Results to Determine the Appropriate Regulatory Return on Common Equity
For PPL Electric Utilities Corporation**

<u>DCF Test Result</u>		
Range of DCF Test Results	9.30% to 10.26%	
Average DCF Test Result	9.78%	Exhibit KLK-5
<u>Historical Industry Equity Risk Premium Analysis</u>		
Equity Risk Premium for the Electric Utility Industry	5.23%	Exhibit KLK-9
Yield on 20-Year Treasury Bonds	5.21%	Exhibit KLK-7
ROE	10.44%	
<u>CAPM</u>		
Historical CAPM Estimated ROE	11.78%	Exhibit KLK-10
Projected CAPM Estimated ROE	12.12%	Exhibit KLK-10
Average CAPM Test Result	11.85%	
Average of CAPM, Risk Premium and DCF Test Results	10.72%	
Reasonable Range*	10.25% to 11.0%	
KLK RECOMMENDED ROE	10.75%	

* Based on test results and applying judgment of K. Kinzel

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

<u>Firm Name</u>	Average Adjusted Closing Price March 19, 2004 through June 18, 2004 (S)	Latest 12 Months Dividend (S)	Historic Yield
CH Energy Group*	46.01	2.1600	4.69%
Central Vermont Public Service Corporation	20.20	0.9000	4.46%
Consolidated Edison	40.56	2.2500	5.55%
Duquesne Light Holdings, Inc.	18.81	1.0000	5.32%
Energy East Corp.	23.77	1.0200	4.29%
Green Mountain Power Corporation	25.27	0.8200	3.24%
Northeast Utilities	18.39	0.6125	3.33%
NSTAR	47.85	2.1900	4.58%
Pepco Holdings, Inc.	18.81	1.0000	5.32%
Average of Comparable Companies			4.53%
Average of Comparable Companies Without CH Energy Group*			4.51%
KLK Low Growth Rate Estimate for Comparable Companies Without CH Energy Group from Exhibit KLK-6			4.58%
Expected Dividend Yield Next 12 Months Over Average Price at Growth Rate for Comparable Companies Without CH Energy Group**			4.72%
Lower Bound Estimate of DCF ROE for Comparable Companies Without CH Energy Group			9.30%
KLK High Growth Rate Estimate for Comparable Companies Without CH Energy Group from Exhibit KLK-6			5.50%
Expected Dividend Yield Next 12 Months Over Average Price at Growth Rate for Comparable Companies Without CH Energy Group**			4.76%
Upper Bound Estimate of DCF ROE for Comparable Companies Without CH Energy Group			10.26%

Source: Dividend values from Value Line Investment Survey, dated June 4, 2004; updated by Yahoo Finance for most recent dividend.
Source: For Average Closing Prices, Yahoo Finance, Historical Quotes Database, adjusted for dividends by K. L. Kincel.

* CH Energy Group would have a DCF ROE less than the public utility cost of debt, and therefore it has been eliminated from this group for the DCF test.
** Expected Dividend = historic dividend yield plus historic dividend yield times growth estimate.

Other Important Data for Estimating DCF ROE

End CY03 Book Value \$ per Share	Ratio Price to Book	First Call 5-Yr. Earnings Forecast	Zacks 3-5 Yr. Earnings Forecast
30.80	1.49	NA	NA
17.89	1.13	NA	NA
28.44	1.43	2.00%	2.80%
7.63	2.47	4.00%	5.00%
17.59	1.35	4.00%	4.50%
19.85	1.27	NA	NA
17.73	1.04	4.50%	4.00%
25.67	1.86	5.00%	4.30%
17.48	1.08	3.50%	3.20%
20.34	1.46	3.83%	3.97%
19.04	1.45	3.83%	3.97%

Sources:

Book Value per Share from Value Line Investment Survey, June 4, 2004
First Call 5-Yr. Earnings Forecast from First Call Earnings Evaluation Report,
June 21, 2004
Zacks 3-5 Yr. Earnings Forecast from www.Fidelity.com, Research:Earnings,
June 24, 2004

Historic and Projected Growth in Dividends, Earnings and Book Value For Comparable Electric Utility Companies

Firm Name	Past 10 Years Growth Rates			Past 5 Years Growth Rates			Projected '01-'03 to '07-'09		
	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value
CH Energy Group	-0.5%	1.0%	2.5%	-2.0%	0.0%	2.0%	0.5%	0.0%	1.0%
Central Vermont Public Service Corporation	-2.5%	-4.5%	1.5%	6.0%	0.5%	1.0%	7.5%	3.5%	4.0%
Consolidated Edison	2.0%	1.5%	3.0%	0.5%	1.0%	2.0%	-1.5%	1.0%	2.5%
Duquesne Light Holdings, Inc.	-7.0%	2.5%	-6.5%	-18.5%	-0.5%	-16.5%	11.0%	-4.0%	5.0%
Energy East Corp.	3.5%	-1.0%	4.0%	4.0%	6.0%	4.5%	1.0%	4.0%	3.0%
Green Mountain Power Corporation	-2.0%	-11.0%	-1.0%	14.5%	-16.5%	-2.5%	3.5%	12.5%	3.5%
Northeast Utilities	-4.5%	-11.5%	0.5%	0.0%	-1.0%	0.5%	10.0%	8.5%	4.5%
NSTAR	5.0%	2.5%	3.0%	4.5%	2.5%	2.5%	3.0%	2.5%	4.0%
Pepco Holdings, Inc.	--	--	--	--	--	--	3.5%	16.0%	1.5%
Mean of Comparable Companies	-0.8%	-2.6%	0.9%	1.1%	-1.0%	-0.8%	4.3%	4.9%	3.2%
Average Mean Earnings, Dividends, Book Value Growth		-0.8%			-0.2%			4.1%	
Median of Comparable Companies	-1.3%	0.0%	2.0%	2.3%	0.3%	1.5%	3.5%	3.5%	3.5%
Average Median Earnings, Dividends, Book Value Growth		0.3%			1.3%			3.5%	
Mean of Comparable Companies Without CH Energy*	-0.8%	-3.1%	0.6%	1.6%	-1.1%	-1.2%	4.8%	5.5%	3.5%
Average Mean Earnings, Dividends, Book Value Growth Without CH Energy*		-1.1%			-0.3%			4.6%	
Median of Comparable Companies Without CH Energy*	-2.0%	-1.0%	1.5%	4.0%	0.5%	1.0%	3.5%	3.8%	3.8%
Average Median Earnings, Dividends, Book Value Growth Without CH Energy*		-0.5%			1.8%			3.7%	

KLK Growth Rate for Comparable Companies Without CH Energy Group

Low Estimate - Projected Average Mean Earnings, Dividends and Book Value Growth

4.58%

High Estimate - Average Mean Projected Dividend Growth

5.50%

Source for values used in computing growth rates: Value Line Investment Survey, Annual Rates of Growth box within individual utility evaluation sheets, June 4, 2004.

* CH Energy Group would have a DCF ROE less than the public utility cost of debt, and therefore it has been eliminated from this group for the DCF test.

Exhibit KLK-7
PPL Electric Utilities Corporation
PPUC Docket No. R-00049255
Testimony of K. L. Kinzel for DOD/FEA
June 28, 2004

Yields on 20-Year Treasury Bonds

Week Ending	Yield
11-Jun-04	5.52
4-Jun-04	5.47
28-May-04	5.41
21-May-04	5.49
14-May-04	5.56
7-May-04	5.39
30-Apr-04	5.28
23-Apr-04	5.24
16-Apr-04	5.18
9-Apr-04	5.03
2-Apr-04	4.82
26-Mar-04	4.65
19-Mar-04	4.65
Average	5.21

Source: Federal Reserve Statistical Release

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

Year	Long Term	Electric Utility Common Stock Data					Equity Risk Premium
	Government Bond Total Return*	Year End Stock Price	Capital Gain/Loss	Year End Dividend	Yield	Total Return	
1931		43.21					
1932	0.1684	19.42	-0.0681	2.22	0.0514	-0.0368	-0.2052
1933	-0.0907	29.71	-0.2712	1.75	0.0444	-0.2268	-0.2261
1934	0.1003	21.86	-0.2870	1.42	0.0494	-0.2175	-0.1178
1935	0.0498	36.86	0.7123	1.31	0.0632	0.7754	0.7256
1936	0.0752	41.60	0.1536	1.79	0.0494	0.2030	0.1278
1937	0.0823	24.24	-0.4173	1.64	0.0404	-0.3769	-0.4792
1938	0.0553	27.55	0.1366	1.45	0.0598	0.1964	0.1411
1939	0.0594	28.85	0.0472	1.51	0.0548	0.1020	0.0426
1940	0.0609	22.22	-0.2208	1.57	0.0544	-0.1754	-0.2163
1941	0.0093	13.45	-0.3847	1.27	0.0572	-0.3375	-0.3468
1942	0.0322	14.29	0.0825	1.28	0.0652	0.1576	0.1254
1943	0.0229	21.01	0.4703	1.46	0.1022	0.5724	0.5516
1944	0.0281	21.99	0.0038	1.35	0.0843	0.0581	0.0489
1945	0.1073	11.14	0.4785	1.37	0.0850	0.5415	0.4341
1946	-0.0010	12.71	0.0504	1.48	0.0475	0.0979	0.0989
1947	-0.0261	25.60	-0.2174	1.58	0.0483	-0.1691	-0.1429
1948	0.0340	26.20	0.0234	1.63	0.0637	0.0871	0.0531
1949	0.0645	10.57	0.1858	1.68	0.0641	0.2309	0.1664
1950	0.0006	10.81	0.0079	1.85	0.0605	0.0884	0.0678
1951	-0.0391	11.85	0.0987	1.90	0.0617	0.1603	0.1996
1952	0.0316	17.85	0.1182	1.92	0.0567	0.1749	0.1633
1953	0.0364	19.61	0.0465	2.09	0.0552	0.1017	0.0653
1954	0.0719	47.56	0.2007	2.14	0.0540	0.2547	0.1828
1955	-0.0129	49.35	0.0378	2.27	0.0477	0.0854	0.0931
1956	-0.0559	48.06	-0.0078	2.37	0.0480	0.0401	0.0960
1957	0.0746	50.30	0.0274	2.46	0.0502	0.0778	0.0830
1958	-0.0609	66.37	0.3195	2.57	0.0511	0.3708	0.4117
1959	-0.0225	65.97	-0.0060	2.64	0.0386	0.0307	0.0513
1960	0.1378	76.82	0.1680	2.74	0.0417	0.2087	0.0719
1961	0.0097	99.32	0.2929	2.86	0.0372	0.3301	0.3264
1962	0.0689	96.49	-0.0285	3.07	0.0309	0.0024	-0.0665
1963	0.0121	102.31	0.0803	3.13	0.0345	0.0948	0.0827
1964	0.0351	115.54	0.1293	3.64	0.0360	0.1853	0.1702
1965	0.0071	114.86	-0.0059	4.02	0.0348	0.0289	0.0218
1966	0.0165	105.99	-0.0772	4.18	0.0364	-0.0408	-0.0771
1967	-0.0918	98.19	-0.0736	4.44	0.0419	-0.0317	0.0461
1968	-0.0026	104.04	0.0596	4.58	0.0488	0.1082	0.1088
1969	-0.0587	84.62	-0.1867	4.63	0.0445	-0.1422	-0.0915
1970	0.1231	88.59	0.0469	4.73	0.0556	0.1028	-0.0181
1971	0.1323	85.56	-0.0342	4.81	0.0543	0.0201	-0.1172
1972	0.0569	83.61	-0.0228	4.92	0.0575	0.0547	-0.0222
1973	-0.0111	40.87	-0.2720	5.84	0.0603	-0.2117	-0.2006
1974	0.0433	41.87	-0.3236	4.83	0.0793	-0.2443	-0.2878
1975	0.0920	55.66	0.3520	4.99	0.1212	0.4732	0.3912
1976	0.1673	66.29	0.1910	5.25	0.0943	0.2853	0.1178
1977	-0.0069	68.19	0.0287	5.43	0.0857	0.1143	0.1212
1978	-0.0118	59.35	-0.1238	5.98	0.0877	-0.0361	-0.0243
1979	-0.0123	56.41	-0.0559	6.34	0.1081	0.0502	0.0625
1980	-0.0395	54.42	-0.0353	6.67	0.1182	0.0830	0.1225
1981	0.0186	57.30	0.0511	7.16	0.1318	0.1827	0.1641
1982	0.4036	70.26	0.2283	7.64	0.1336	0.3819	-0.0417
1983	0.0065	72.03	0.0252	8.00	0.1139	0.1351	0.1326
1984	0.1548	80.36	0.1129	8.17	0.1162	0.2291	0.0741
1985	0.3097	94.98	0.1849	8.71	0.1087	0.2935	-0.0162
1986	0.2453	113.66	0.1907	8.97	0.0944	0.2911	0.0458
1987	-0.0271	94.24	-0.1709	9.12	0.0802	-0.0808	-0.0615
1988	0.0987	100.84	0.0711	8.71	0.0924	0.1635	0.0648
1989	0.1811	122.52	0.2138	8.85	0.0877	0.3015	0.1794
1990	0.0818	117.77	-0.0388	8.78	0.0715	0.0327	-0.0291
1991	0.1930	144.02	0.2229	9.02	0.0768	0.2695	0.1065
1992	0.0805	141.06	-0.0205	8.82	0.0812	0.0407	-0.0198
1993	0.1824	148.70	0.0400	9.04	0.0641	0.1041	-0.0783
1994	-0.0777	115.50	-0.2127	9.01	0.0614	-0.1513	-0.0736
1995	0.3187	142.90	0.2372	9.05	0.0784	0.3157	-0.0010
1996	-0.0093	138.00	-0.0483	9.08	0.0834	0.0151	0.0244
1997	0.1585	155.73	0.1451	9.08	0.0888	0.2117	0.0512
1998	0.1305	181.84	0.1877	8.01	0.0514	0.2191	0.0885
1999	-0.0896	137.30	-0.2449	8.06	0.0443	-0.2006	-0.1110
2000	0.2148	227.09	0.8540	8.71	0.0634	0.7174	0.5626
2001	0.0370	200.50	-0.1171	8.95	0.0394	-0.0777	-0.1147
2002	0.1784	169.50	-0.1546	8.83	0.0460	-0.1106	-0.2890
Mean '73-'02	0.0886					0.1267	0.0271
Mean '66-'02	0.0765					0.1191	0.0397
Mean '32-'02	0.0606					0.1082	0.0456

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

Sources: For Bond Data: Ibbotson Associates, Stocks, Bonds, Bills, and Inflation, Valuation Edition 2004 Yearbook, Table B6
For Electric Utility Common Stock Company Data: Merger Public Utility Manual, 2003, pages 815, 818

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

Year	Long Term Government Bond Income Return*	Electric Utility Common Stock Data					Equity Risk Premium
		Year End Stock Price	Capital Gain/Loss	Year End Dividend	Yield	Total Return	
1931		41.23					
1932	0.0309	39.42	-0.0881	2.22	0.0514	-0.0368	-0.0737
1933	0.0312	28.71	-0.2712	1.73	0.0444	-0.2268	-0.2389
1934	0.0318	21.06	-0.2870	1.42	0.0494	-0.2175	-0.2493
1935	0.0281	36.06	0.7123	1.14	0.0832	0.7754	0.7473
1936	0.0277	41.68	0.1538	1.78	0.0494	0.2020	0.1753
1937	0.0296	24.24	-0.4173	1.68	0.0404	-0.3769	-0.4015
1938	0.0264	27.35	0.1388	1.43	0.0598	0.1864	0.1700
1939	0.0248	28.85	0.0472	1.51	0.0548	0.1020	0.0789
1940	0.0221	22.22	-0.2286	1.57	0.0544	-0.1754	-0.1977
1941	0.0194	11.45	-0.3847	1.27	0.0572	-0.3375	-0.3569
1942	0.0244	14.29	0.0625	1.24	0.0692	0.1576	0.1310
1943	0.0244	21.01	0.4703	1.46	0.1022	0.5724	0.5480
1944	0.0246	21.07	0.0038	1.15	0.0843	0.0881	0.0413
1945	0.0234	31.14	0.4705	1.17	0.0650	0.5415	0.5181
1946	0.0204	12.71	0.0504	1.48	0.0475	0.0879	0.0773
1947	0.0213	23.60	-0.2174	1.38	0.0483	-0.1881	-0.1984
1948	0.0248	26.20	0.0234	1.61	0.0837	0.0871	0.0611
1949	0.0225	30.57	0.1868	1.68	0.0841	0.2308	0.2034
1950	0.0212	30.81	0.0079	1.85	0.0605	0.0684	0.0472
1951	0.0238	33.83	0.0887	1.90	0.0817	0.1800	0.1365
1952	0.0266	33.83	0.1182	1.92	0.0867	0.1749	0.1483
1953	0.0284	39.43	0.0485	2.08	0.0552	0.1017	0.0713
1954	0.0279	47.56	0.2007	2.14	0.0540	0.2547	0.2204
1955	0.0275	49.15	0.0378	2.27	0.0477	0.0854	0.0579
1956	0.0299	48.96	-0.0079	2.17	0.0480	0.0401	0.0192
1957	0.0244	30.30	0.0274	2.46	0.0502	0.0778	0.0412
1958	0.0127	46.17	0.3185	2.57	0.0511	0.3708	0.3179
1959	0.0401	65.77	-0.0030	2.64	0.0298	0.0307	-0.0894
1960	0.0426	76.82	0.1880	2.74	0.0417	0.2007	0.1671
1961	0.0381	99.12	0.2829	2.86	0.0372	0.3301	0.2918
1962	0.0400	96.49	-0.0285	3.07	0.0308	0.0224	-0.0176
1963	0.0189	102.31	0.0803	3.11	0.0345	0.0846	0.0559
1964	0.0413	115.54	0.1293	3.48	0.0380	0.1853	0.1238
1965	0.0419	114.86	-0.0058	4.02	0.0348	0.0289	-0.0110
1966	0.0449	103.99	-0.0772	4.18	0.0364	-0.0408	-0.0337
1967	0.0459	98.19	-0.0738	4.44	0.0418	-0.0317	-0.0776
1968	0.0550	104.04	0.0588	4.38	0.0488	0.1082	0.0512
1969	0.0593	84.42	-0.1887	4.61	0.0445	-0.1422	-0.2017
1970	0.0674	88.59	0.0488	4.71	0.0558	0.1028	0.0354
1971	0.0612	83.56	-0.0542	4.81	0.0543	0.0201	-0.0431
1972	0.0587	81.61	-0.0226	4.92	0.0575	0.0347	-0.0240
1973	0.0631	80.87	-0.2720	5.04	0.0600	-0.2117	-0.2768
1974	0.0727	41.17	-0.3236	4.81	0.0783	-0.2443	-0.3170
1975	0.0799	55.66	0.3520	4.99	0.1212	0.4732	0.3911
1976	0.0780	66.29	0.1910	5.23	0.0643	0.2853	0.2064
1977	0.0714	68.19	0.0287	5.48	0.0857	0.1143	0.0429
1978	0.0790	59.73	-0.1238	5.98	0.0877	-0.0381	-0.1151
1979	0.0836	36.41	-0.0550	6.14	0.1081	0.0502	-0.0384
1980	0.0797	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	0.1190	70.26	0.2283	7.64	0.1336	0.3618	0.2269
1983	0.1018	72.81	0.0252	8.00	0.1139	0.1381	0.0311
1984	0.1174	80.16	0.1129	8.17	0.1182	0.2291	0.1117
1985	0.1123	94.98	0.1849	8.31	0.1087	0.2935	0.1810
1986	0.0938	113.86	0.1867	8.97	0.0844	0.2811	0.2011
1987	0.0782	84.24	-0.1708	9.12	0.0802	-0.0008	-0.1698
1988	0.0887	100.84	0.0711	9.31	0.0824	0.1835	0.0718
1989	0.0881	122.52	0.2134	9.83	0.0877	0.3015	0.2134
1990	0.0818	117.77	-0.0388	9.78	0.0715	0.0327	-0.0492
1991	0.0822	144.02	0.2229	9.02	0.0768	0.2985	0.2171
1992	0.0726	141.08	-0.0206	9.82	0.0817	0.0407	-0.0119
1993	0.0717	148.78	0.0400	9.94	0.0841	0.1041	0.0324
1994	0.0658	115.50	-0.2127	9.01	0.0814	-0.1513	-0.2192
1995	0.0780	142.90	0.2372	9.08	0.0784	0.3157	0.2197
1996	0.0618	136.00	-0.0483	9.08	0.0834	0.0151	-0.0467
1997	0.0864	155.73	0.1451	9.06	0.0868	0.2117	0.1451
1998	0.0583	181.84	0.1877	9.01	0.0514	0.2181	0.1608
1999	0.0557	137.30	-0.2449	9.08	0.0643	-0.2005	-0.2543
2000	0.0850	227.08	0.8540	9.71	0.0834	0.7174	0.6524
2001	0.0532	200.50	-0.7171	9.85	0.0384	-0.0777	-0.1130
2002	0.0558	189.50	-0.1546	9.83	0.0440	-0.1108	-0.1165
Mean 73-'02	0.0812					0.1287	0.0455
Mean 56-'02	0.0674					0.1101	0.0427
Mean 22-'02	0.0538					0.1042	0.0533

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

Sources: For Bond Data, Ibbotson Associates, Stocks, Bonds, Bills, and Inflation, Valuation Edition 2004 Yearbook, Table B7.
For Electric Utility Common Stock Company Data, Mergent Public Utility Manual, 2003, pages #15, #18

**CAPM Estimate of ROE
For Comparable Electric Utilities
of Louisville Gas & Electric Company**

CAPM Analysis Based on Historical Returns

<u>Firm Name</u>	<u>Market Risk Premium*</u>	<u>Value Line Beta***</u>	<u>Company Risk Premium</u>	<u>Yield on 20-Yr. Treasury Bonds</u>	<u>Company ROE Before Adjustment</u>	<u>Size Premium**</u>	<u>ROE</u>
CH Energy Group	7.19%	0.80	5.75%	5.21%	10.96%	1.70%	12.66%
Central Vermont Public Service Corporation	7.19%	0.50	3.60%	5.21%	8.81%	4.01%	12.82%
Consolidated Edison	7.19%	0.60	4.31%	5.21%	9.52%	0.00%	9.52%
Duquesne Light Holdings, Inc.	7.19%	0.70	5.03%	5.21%	10.24%	0.91%	11.15%
Energy East Corp.	7.19%	0.80	5.75%	5.21%	10.96%	0.91%	11.87%
Green Mountain Power Corporation	7.19%	0.65	4.67%	5.21%	9.88%	4.01%	13.89%
Northeast Utilities	7.19%	0.70	5.03%	5.21%	10.24%	0.91%	11.15%
NSTAR	7.19%	0.70	5.03%	5.21%	10.24%	0.91%	11.15%
Pepco Holdings, Inc.	7.19%	NMF	NMF	5.21%	NMF	0.91%	NMF
Average of Comparable Companies	7.19%	0.68	4.90%	5.21%	10.11%	1.59%	11.78%

* Ibbotson Associates, Valuation Yearbook, 2004, p.66, Long-Horizon Equity Risk Premium from 1926-2003, S&P 500 basis.

** Ibbotson Associates, Valuation Yearbook, 2004, Last Page, using micro, low and mid-cap breakdown of size premia, and using market cap provided by Value Line Investment Survey for each utility.

*** Value Line Investment Survey, individual utility evaluation sheets, June 4, 2004.

CAPM Analysis Based on Projected Market Returns

First Call*	7.82%	0.68	5.33%	5.21%	10.54%	1.59%	12.12%
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* Market risk premium of First Call of 7.82% is calculated as its projected earnings growth of 11.4% for the market, plus current dividends of 1.63% (S&P June Monthly Report, p. 4 for S&P SuperComposite 1500) minus yield on 20-year bond of 5.21%.

DOD/FEA Proposed Allocation of PPL's 2004 Total Distribution Revenue Requirements Increase By Customer Class
\$(Thousands)

(1)	(2)	(3)	(4)			(5)	(6)			(7)			(8)	(9)		(10)		(11)	(12)	(1)
Rate Class	Rate Base \$	RR at Present Rates \$	Class Return at Present Rates \$ %		UROR	RR at PPL's Proposed Rates \$	PPL's % Increase in RR at Proposed Rates \$ %		Class Return at PPL's Proposed Rates \$ % UROR			Gross-Up Factor	DOD/FEA Proposed UROR at PPL's Proposed RR		DOD/FEA Proposed Return \$ %		DOD/FEA RR Increase Allocation \$	DOD/FEA Class RR Percent Increase %	Rate Class	
RS	1,216,771	293,920	19,428	1.60%	0.41	374,883	80,963	27.5%	64,422	5.29%	0.60		0.80	66,123	7.08%	120,077	40.9%	RS		
RTS	41,367	3,513	-1,636	-3.95%	-1.01	4,081	588	16.2%	-1,329	-3.21%	-0.37		0.80	2,928	7.08%	8,217	233.9%	RTS		
GS-1	179,297	61,460	16,646	9.28%	2.38	83,476	22,016	35.8%	28,986	16.17%	1.84		1.50	23,669	13.20%	12,644	20.6%	GS-1		
GS-3	250,040	84,182	26,247	10.50%	2.69	127,283	43,101	51.2%	50,186	20.07%	2.28		1.50	33,008	13.20%	12,172	14.5%	GS-3		
LP-4	61,618	21,673	6,554	10.64%	2.72	32,823	10,750	49.1%	12,385	20.10%	2.28		1.50	8,134	13.20%	2,845	13.0%	LP-4		
ISP	3,796	1,757	549	14.48%	3.70	2,141	384	21.8%	763	20.10%	2.28		1.50	501	13.20%	-86	-4.9%	ISP		
LP-5	2,036	1,774	480	23.58%	6.03	1,793	19	1.1%	495	24.31%	2.76		1.50	269	13.20%	-380	-21.4%	LP-5		
IST	716	1,717	624	87.15%	22.30	1,192	-565	-32.9%	314	43.85%	4.98		1.50	95	13.20%	-953	-55.5%	IST		
LP-6	144	283	116	80.56%	20.62	185	-98	-34.6%	63	43.75%	4.97		1.50	19	13.20%	-175	-61.7%	LP-6		
LPEP	825	314	92	11.15%	2.85	404	90	28.7%	136	16.48%	1.87		1.50	109	13.20%	30	9.7%	LPEP		
ISA	284	662	306	107.75%	27.58	661	-1	-0.2%	305	107.39%	12.20		1.50	37	13.20%	-483	-73.0%	ISA		
GH	19,682	6,222	1,921	9.76%	2.50	9,193	2,971	47.7%	3,605	18.32%	2.08		1.50	2,598	13.20%	1,219	19.6%	GH		
SL/AL	68,001	17,705	677	1.03%	0.28	19,805	2,100	11.8%	1,820	2.76%	0.31		0.80	4,672	7.08%	7,192	40.6%	SL/AL		
L5-S	177	36	10	5.65%	1.45	83	47	130.6%	37	20.90%	2.38		0.80	13	7.08%	6	12.6%	L5-S		
Total*	1,842,749	495,418	72,002	3.91%	1.00	657,763	162,345	32.8%	162,174	8.80%	1.00	1.80	1.00	162,174	8.80%	162,323	32.8%	Total*		

Sources:

Columns 2 through 7 were taken from Exhibit JMK-2; values in the remaining columns are derived.

Column 9: The UROR is set at 1.50 for all classes having a ROR of greater than 1.50 at present rates; for all other classes, the revenue requirement that will produce an equal UROR for each class having a present UROR of less than 1.50 is derived.

* Slight differences occur in totals when compared to corresponding columns on Exhibit JMK-2 for slight differences due to rounding.

**DOD/FEA Proposed Allocation
Of PPL's 2004 Transmission Revenue Requirements
By Rate Class**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rate Class	NITS 2003 Peak Load Zone Responsibility (5 Peak Load Days) (MW)	NITS 2004 Peak Load Zone Responsibility (5 Peak Load Days) (MW)	Average 2003 (Summer) and 2004 (winter) Peak Zone Responsibility (MW)	Allocation of PPL's 2004 Proposed Transmission Revenue Reqts. (\$ 1000)	Annualized Sales Customer Level (MWh)	Derived Transmission Billing Rate (cents/kWh)
RS & BL****	2,563.5	3,352.3	2,957.9	90,708		
GS-1*	477.2	352.7	414.9	12,725		
Subtotal	3,040.7	3,705.0	3,372.8	103,433	15,488,269	0.668
GS-3**	1,732.3	1,288.0	1,510.2	46,311	8,816,408	0.525
LP-4	923.5	794.7	859.1	26,347	5,393,258	0.489
ISP	63.8	54.1	59.0	1,808	415,755	0.435
LP-5***	542.0	470.9	506.4	15,530	3,244,509	0.479
IST	241.1	204.6	222.9	6,634	2,103,931	0.325
LP-6	78.5	54.9	66.7	2,046	508,302	0.403
LPEP	1.4	10.8	6.1	187	64,339	0.290
ISM	19.9	36.7	28.3	887	227,439	0.381
GH	59.1	124.1	91.6	2,808	431,555	0.651
SLJAL	0.1	22.2	11.2	342	111,271	0.307
Total	6,702.3	6,766.1	6,734.2	206,513	36,805,036	0.561

* Without BL

** Includes IS-1

*** Includes LP-5S

**** Includes RTS

Col. (1) Rate classes shown in PPL Response to Interrogatories of the PP&L Customer Alliance, Set II, A.2, dated May 25, 2004.

Col. (2) Average of 5 peak load days for 2003 for allocation of peak load responsibility to rate classes for NITS. Peak was in summer. PPL Response to PP&L Customer Alliance, Set II, A.2.

Col. (3) Average of 5 peak load days for 2004 for allocation of peak load responsibility to rate classes for NITS. Peak was in winter. PPL Response to PP&L Customer Alliance, Set II, A.2.

Col. (4) = Col. (2) plus Col. (3) divided by 2.

Col. (5) Total is for Total PUC Tariff Revenue from O.G. Kasper, D3, page 6A included in Exhibit Future 1. The other cells are a pro rata share of the total using Col. (4) shares.

Col. (6) From JMK-2, page 164.

Col. (7) = Col. (5) divided by Col. (6)

Estimated 2004 Billings Impact of DOD/FEA Proposed Transmission and Distribution Revenue Requirements Allocations By Customer Class
\$ (Thousands)

(1)	(2)	(3)		(4)	(5)	(6)		(7)	(8)	(1)
Rate Class	Total Revenue at Present Rates \$	Distribution Billings Increase Using DOD Class Allocation		Transmission Rev. Reqts. at Present Rates \$	Transmission Rev. Reqts. Using DOD Class Allocation \$	Increase in Transmission Billings Using DOD Class Allocation		Total Increase in Class Revenue Requirements		Rate Class
		\$	%			\$	%	\$	%	
RS, RTD	1,082,018	120,077	40.9%	49,194	86,227	37,033	75.3%	157,110	14.5%	RS, RTD
RTS	23,568	8,217	233.9%	482	2,658	2,176	451.9%	10,393	44.1%	RTS
GS-1, BL	217,923	12,644	20.6%	11,956	13,602	1,646	13.8%	14,290	6.6%	GS-1, BL
GS-3, IS-1	680,289	12,172	14.5%	40,849	45,947	5,098	12.5%	17,270	2.5%	GS-3, IS-1
LP-4	350,172	2,845	13.0%	21,305	27,318	6,012	28.2%	8,857	2.5%	LP-4
ISP	20,434	-86	-4.9%	1,499	1,786	287	19.1%	201	1.0%	ISP
LP-5	175,058	-380	-21.4%	10,224	15,889	5,665	55.4%	5,285	3.0%	LP-5
IST	81,741	-953	-55.5%	7,076	6,367	-709	-10.0%	-1,662	-2.0%	IST
LP-6	28,802	-175	-61.7%	1,576	2,060	484	30.7%	309	1.1%	LP-6
LPEP	4,691	30	9.7%	39	34	-4	-10.6%	26	0.6%	LPEP
ISA	5,597	-483	-73.0%	357	545	188	52.5%	-296	-5.3%	ISA
GH	34,673	1,219	19.6%	1,928	2,681	753	39.0%	1,972	5.7%	GH
SL/LAL*	23,814	7,192	40.6%	362	342	-20	-5.4%	7,172	30.1%	SL/LAL*
L5-S	1,137	5	12.6%	22	34	12	55.4%	17	1.5%	L5-S
Total**	2,729,918	162,323	32.8%	146,870	205,491	58,620	39.9%	220,944	8.1%	Total

Sources:

* Contains SA, SM, SHS, SE, TS, SI1

** Small differences in totals from Company spreadsheets exist due to rounding and approximations.

Note: PRS present total revenue of \$6,433,825 at present current rates and transmission rate revenue at present rates of \$60,274 are allocated to LP-4, LP-5, LP-6, ISP and IST by pro rata share of other total revenues by rate class shown in O. G. Kasper D3 Page 5.

Col. 2: Total present revenue from O.G. Kasper, D3, Page 5 in Exhibit Future 1.

Col. 3: From Table KLK-11.

Col. 4: From column 5 of O.G. Kasper, D3, page 5 in Exhibit Future 1.

Col. 5: Derived by taking the corresponding per kWh charge from KLK-12 and dividing by the current transmission kWh charge, then multiplying times column 4.

Col. 6: Col. 5 minus Col. 4

Col. 7: Col. 6 plus Col. 3

Col. 8: Col. 7 divided by Col. 2

**DOD/FEA Proposed Allocation of DOD's Total Distribution Revenue Requirements Increase By Customer Class
Using DOD/FEA Changes in Total Distribution Revenue Requirements
\$ (Thousands)**

(1)	(2)	(3)	(4)			(5)	(6)			(7)			(8)	(9)	(10)		(11)	(12)	(1)
Rate Class	Rate Base \$	RR at Present Rates \$	Class Return at Present Rates \$ %		UROR	RR at PPL's Proposed Rates \$	PPL's % Increase in RR at Proposed Rates \$ %		Class Return at PPL's Proposed Rates \$ % UROR			Gross-Up Factor	DOD/FEA Proposed UROR at DOD's Ceiling RR	DOD/FEA Proposed Return \$ %		DOD/FEA RR Increase Allocation \$	DOD/FEA Class RR Percent Increase %	Rate Class	
RS	1,216,771	293,920	19,428	1.60%	0.41	374,883	80,963	27.5%	64,422	5.29%	0.60		0.71	72,856	5.99%	96,204	32.7%	RS	
RTS	41,367	3,513	-1,636	-3.95%	-1.01	4,081	566	16.2%	-1,329	-3.21%	-0.37		0.71	2,477	5.99%	7,406	210.8%	RTS	
GS-1	179,297	61,460	16,646	9.28%	2.38	83,476	22,016	35.8%	28,988	16.17%	1.84		1.50	22,753	12.69%	10,996	17.9%	GS-1	
GS-3	250,040	84,182	26,247	10.50%	2.69	127,283	43,101	51.2%	50,186	20.07%	2.28		1.50	31,730	12.69%	9,873	11.7%	GS-3	
LP-4	61,618	21,873	6,554	10.64%	2.72	32,823	10,750	49.1%	12,385	20.10%	2.28		1.50	7,819	12.69%	2,278	10.4%	LP-4	
ISP	3,796	1,757	549	14.46%	3.70	2,141	384	21.9%	763	20.10%	2.28		1.50	482	12.69%	-121	-6.9%	ISP	
LP-5	2,036	1,774	480	23.58%	6.03	1,793	19	1.1%	495	24.31%	2.76		1.50	258	12.69%	-399	-22.5%	LP-5	
IST	718	1,717	624	87.15%	22.30	1,152	-565	-32.9%	314	43.85%	4.98		1.50	91	12.69%	-960	-55.9%	IST	
LP-6	144	263	116	80.56%	20.61	185	-98	-34.6%	63	43.75%	4.97		1.50	18	12.69%	-176	-62.2%	LP-6	
LPEP	825	314	92	11.15%	2.85	404	90	28.7%	136	16.48%	1.87		1.50	105	12.69%	23	7.3%	LPEP	
ISA	284	662	306	107.75%	27.57	661	-1	-0.2%	305	107.39%	12.20		1.50	36	12.69%	-486	-73.4%	ISA	
GH	19,662	6,222	1,921	9.76%	2.50	9,193	2,971	47.7%	3,605	18.32%	2.08		1.50	2,498	12.69%	1,038	16.7%	GH	
SL/LAL	66,001	17,705	677	1.03%	0.26	19,805	2,100	11.9%	1,820	2.76%	0.31		0.71	3,952	5.99%	5,897	33.3%	SL/LAL	
L5-S	177	36	10	5.65%	1.45	83	47	130.6%	37	20.90%	2.38		0.71	11	5.99%	1	3.0%	L5-S	
Total*	1,842,754	495,418	72,014	3.91%	1.00	657,763	162,345	32.8%	162,174	8.80%	1.00	1.80	1.00	145,085	8.46%	131,574	26.6%	Total*	

Sources:

Columns 2 through 7 were taken from Exhibit JMK-2; values in the remaining columns are derived.

Column 9: The UROR is set at 1.50 for all classes having a ROR of greater than 1.50 at present rates; for all other classes, the revenue requirement that will produce an equal UROR for each class having a present UROR of less than 1.50 is derived.

* Slight differences occur in totals when compared to corresponding columns on Exhibit JMK-2 for slight differences due to rounding

**Estimated 2004 Billings Impact of DOD/FEA Proposed Transmission and Distribution Revenue Requirements Allocations By Customer Class
Using DOD/FEA Changes in Total Distribution Revenue Requirements**
\$ (Thousands)

(1)	(2)	(3)		(4)	-5		(6)		(7)		(8)	(1)
Rate Class	Total Revenue at Present Rates \$	Distribution Billings Increase Using DOD Class Allocation		Transmission Rev. Reqs. at Present Rates \$	Transmission Rev. Reqs. Using DOD Class Allocation \$		Increase in Transmission Billings Using DOD Class Allocation		Total Increase in Class Revenue Requirements			Rate Class
		\$	%	\$	\$	\$	%	\$	\$	%		
RS, RTD	1,082,018	96,204	32.7%	49,194	86,227	37,033	75.3%	133,236	12.3%			RS, RTD
RTS	23,568	7,406	210.8%	482	2,658	2,176	451.9%	9,582	40.7%			RTS
GS-1, BL	217,923	10,996	17.9%	11,956	13,602	1,646	13.8%	12,642	5.8%			GS-1, BL
GS-3, IS-1	680,289	9,873	11.7%	40,849	45,947	5,098	12.5%	14,971	2.2%			GS-3, IS-1
LP-4	350,172	2,278	10.4%	21,305	27,318	6,012	28.2%	8,291	2.4%			LP-4
ISP	20,434	-121	-6.9%	1,499	1,786	287	19.1%	166	0.8%			ISP
LP-5	175,058	-399	-22.5%	10,224	15,889	5,665	55.4%	5,266	3.0%			LP-5
IST	81,741	-960	-55.9%	7,075	6,367	-709	-10.0%	-1,669	-2.0%			IST
LP-6	28,802	-176	-62.2%	1,576	2,060	484	30.7%	308	1.1%			LP-6
LPEP	4,691	23	7.3%	39	34	-4	-10.6%	19	0.4%			LPEP
ISA	5,597	-486	-73.4%	357	545	188	52.5%	-298	-5.3%			ISA
GH	34,673	1,038	16.7%	1,928	2,681	753	39.0%	1,791	5.2%			GH
SL/AL*	23,814	5,897	33.3%	362	342	-20	-5.4%	5,877	24.7%			SL/AL*
L5-S	1,137	1	3.0%	22	34	12	55.4%	13	1.1%			L5-S
Total**	2,729,918	131,574	26.6%	146,870	205,491	58,620	39.9%	190,194	7.0%			Total

Sources:

* Contains SA, SM, SHS, SE, TS, S11

** Small differences in totals from Company spreadsheets exist due to rounding and approximations.

Note: PRS present total revenue of \$6,433,825 at present current rates and transmission rate revenue at present rates of \$60,274 are allocated to LP-4, LP-5, LP-6, ISP and IST by pro rata share of other total revenues by rate class shown in O. G. Kasper D3 Page 5.

Col. 2: Total present revenue from O.G. Kasper, D3, Page 5 in Exhibit Future 1.

Col. 3: From Table KLK-14.

Col. 4: From column 5 of O.G. Kasper, D3, page 5 in Exhibit Future 1.

Col. 5: Derived by taking the corresponding per kWh charge from KLK-12 and dividing by the current transmission kWh charge, then multiplying times column 4.

Col. 6: Col. 5 minus Col. 4

Col. 7: Col. 6 plus Col. 3

Col. 8: Col. 7 divided by Col. 2

**BEFORE THE
PENNSYLVANIA PUBLIC SERVICE COMMISSION**

In the Matter of:)	
)	
Pennsylvania Public Utility Commission et al.)	Docket No. R-00049255
)	
vs.)	
)	
PPL Electric Utilities Corporation)	

Exhibit KLK-16
Worksheets to Support Direct Testimony
Of Kenneth L. Kincel

David A. McCormick, Attorney
Regulatory Law Office
U.S. Army Legal Services Agency
JALS-RL 4090
901 N. Stuart Street, Room 713
Office of Judge Advocate General
Arlington, VA 22203-1837

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JUN 28 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

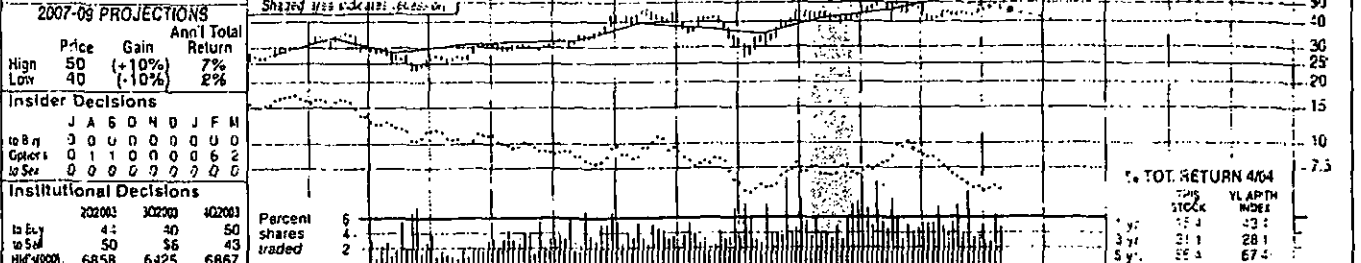
FOR

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

Dated: June 28, 2004
Filing Due: June 29, 2004

CH ENERGY GROUP NYSE:CHG

RECENT PRICE 45.49	P/E RATIO 16.0 (Trailing: 15.4 Median: 19.0)	RELATIVE P/E RATIO 0.89	DIV YLD 4.7%	VALUE LINE 156
TIMELINESS 4	SAFETY 1	TECHNICAL 3	BETA 0.70	Target Price Range 2007: 2008: 2009



Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Price	30.10	31.66	33.68	31.38	32.66	30.52	29.91	29.26	29.28	30.11	29.86	30.05	45.49
Gain	4.86	5.11	4.99	5.22	5.23	5.25	2.91	2.92	5.69	5.80	5.83	5.92	45.33
Return	1.72	2.28	2.38	2.40	2.55	2.68	2.68	2.74	2.89	2.97	2.90	2.88	26.1

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Revenue per sh	30.52	31.66	33.68	31.38	32.66	30.52	29.91	29.26	29.28	30.11	29.86	30.05	45.49
Cash Flow per sh	5.25	5.11	4.99	5.22	5.23	5.25	2.91	2.92	5.69	5.80	5.83	5.92	45.33
Earnings per sh	2.68	2.28	2.38	2.40	2.55	2.68	2.68	2.74	2.89	2.97	2.90	2.88	26.1
Dividends per sh	1.98	2.05	2.08	2.19	2.12	2.14	2.16	2.16	2.16	2.16	2.16	2.16	2.16

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Capital Structure	515.7	612.2	514.0	520.3	503.5	521.9	749.8	728.4	695.5	806.7	830	855
Debt	50.9	62.7	56.1	55.1	52.5	61.8	54.2	54.4	36.5	45.4	46.0	43.0
Equity	464.8	549.5	457.9	465.2	451.0	460.1	695.6	674.0	659.0	761.3	784.0	812.0

Year	2001	2002	2003
Operating Margin	43.8%	44.0%	43.2%
Operating Assets	1,432	1,482	1,535
Operating Income	624	652	658
Operating Expenses	808	830	877

CH Energy Group continues to search for utility assets to acquire. The company intends to invest as much as \$200 million (half debt, half equity) on low-risk assets in virtually any aspect of the electric or gas business. These assets would ideally produce a return on equity of at least 10%. If CH is unable to find a suitable investment, we think it would resume its stock-buyback program. Two years ago, the board of directors authorized the company to repurchase up to four million common shares over a five-year period, but CH suspended the program in 2003 after it bought back roughly 600,000 shares. We have raised our 2004 estimate by \$0.10 a share, to \$2.86, due to CH's strong first-quarter showing. The company has done a good job of reducing expenses at its oil-distribution operations. Our revised forecast is the high end of the company's target of \$2.60-\$2.85, and we think it might even be a bit conservative. CH's guidance, and our figures, do not assume the purchase of any assets. Earnings will likely decline in 2005. That's because some regulatory incentives that will amount to \$5.0 million this year

will expire at the end of 2004. Finances are strong. The fixed-charge coverage and common-equity ratio are well above the averages for the electric utility industry. CH's solid balance sheet contributes to a Safety rank of 1 (Highest) for its stock. The utility should benefit from regulatory stability. It has been able to earn a healthy (but not excessive) return on equity under a three-year regulatory agreement that was originally due to expire in mid-2004. Central Hudson has extended it until mid-2006, and it has the option to extend it until mid-2008. This stock continues to trade at a high price-earnings multiple, by utility standards. The yield is above average for a utility, which is understandable in view of the fact that a dividend hike is unlikely in the near future. We think take-over speculation continues to be reflected in the share price, but we don't advise investors to purchase this equity solely for buyout possibilities. At the current valuation, total-return potential to 2007-2009 is superb.

Year	2001	2002	2003
Operating Assets	1,432	1,482	1,535
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Operating Income	624	652	658
Operating Expenses	808	830	877

(A) Earnings include gains of \$2.1M, \$0.2M, \$0.2M in 2001, 2002, and 2003, respectively. (B) Dividends historically paid in early February. (C) Earnings per share based on 100,000,000 shares. (D) Earnings per share based on 100,000,000 shares. (E) Rate base. (F) Rate of return on common equity. (G) Dividend yield. (H) Payout ratio. (I) Dividend growth rate. (J) Earnings growth rate. (K) Return on equity. (L) Return on assets. (M) Return on capital. (N) Return on investment. (O) Return on operations. (P) Return on sales. (Q) Return on assets. (R) Return on capital. (S) Return on investment. (T) Return on operations. (U) Return on sales. (V) Return on assets. (W) Return on capital. (X) Return on investment. (Y) Return on operations. (Z) Return on sales.

CENT. VERMONT P.S. NYSE-CV RECENT PRICE **19.81** P/E RATIO **12.0** (Trailing: 12.6) RELATIVE P/E RATIO **0.67** DIVD YLD **4.7%** VALUE LINE **157**

TIMELINESS 4 Lowered 12/19/03	High: 25.6	22.0	14.4	15.1	15.4	15.4	14.4	13.0	19.6	19.7	24.5	24.1	Target Price	Range																																																					
SAFETY 3 Raised 9/7/01	Low: 20.1	12.1	13.3	12.0	10.4	9.6	9.6	9.8	11.6	15.7	16.5	18.5	2007	2008	2009																																																				
TECHNICAL 4 Lowered 5/21/04	<p>LEGENDS 0.95 x Dividends p sh divided by Interest Rate Relative Price Strength 3-for-2 split 2/93 Options No Shaded area indicates recession</p>																																																																		
BETA 50 (1.00 = Market)	<p>2007-09 PROJECTIONS</p> <table border="1"> <tr> <th>Price</th> <th>Gain</th> <th>Ann'l Total</th> </tr> <tr> <td>High 25</td> <td>(+25%)</td> <td>Return</td> </tr> <tr> <td>Low 18</td> <td>(-10%)</td> <td>10%</td> </tr> </table>														Price	Gain	Ann'l Total	High 25	(+25%)	Return	Low 18	(-10%)	10%																																												
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<p>Insider Decisions</p> <table border="1"> <tr> <th>J</th> <th>A</th> <th>S</th> <th>O</th> <th>N</th> <th>D</th> <th>J</th> <th>F</th> <th>M</th> </tr> <tr> <td>To Buy</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>2</td> <td>0</td> <td>2</td> </tr> <tr> <td>To Sell</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>3</td> <td>0</td> <td>1</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> </tr> <tr> <td>To Buy</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>4</td> <td>0</td> <td>6</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>1</td> </tr> </table>														J	A	S	O	N	D	J	F	M	To Buy	0	0	0	0	0	2	0	2	To Sell	0	0	0	0	0	3	0	1	Options	0	0	0	0	0	0	0	0	To Buy	2	0	0	0	0	4	0	6	To Sell	0	0	0	0	0	0	0	1
J	A	S	O	N	D	J	F	M																																																											
To Buy	0	0	0	0	0	2	0	2																																																											
To Sell	0	0	0	0	0	3	0	1																																																											
Options	0	0	0	0	0	0	0	0																																																											
To Buy	2	0	0	0	0	4	0	6																																																											
To Sell	0	0	0	0	0	0	0	1																																																											
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1998	1999	2000	2001	2002	2003	2004	2005	% TOT. RETURN 4004	THIS STOCK	VL ANNTL INDEX
22.00	22.58	22.38	21.60	24.59	24.16	23.63	24.87	25.24	26.68	26.51
2.64	2.72	2.68	2.77	2.96	2.94	2.69	2.97	2.97	2.81	1.64
1.72	1.73	1.62	1.65	1.71	1.64	1.29	1.47	1.41	1.32	.18
1.29	1.34	1.37	1.39	1.39	1.42	1.42	.80	.84	.88	.88
2.61	2.79	2.05	1.75	1.83	1.77	1.93	1.84	1.65	1.21	1.59
12.92	13.36	13.68	14.03	14.21	15.03	14.56	15.51	16.19	16.38	15.63
9.95	10.07	10.35	10.81	11.20	11.66	11.73	11.59	11.52	11.42	11.46
9.4	10.0	11.0	11.4	12.6	14.3	12.3	9.3	9.6	9.3	71.7
7.8	7.6	.82	.73	.76	.84	.81	.62	.60	.54	3.73
8.0%	7.7%	7.7%	7.3%	6.4%	6.0%	8.9%	5.8%	6.3%	7.2%	6.8%

1998	1999	2000	2001	2002	2003	2004	2005	VALUE LINE PUB. INC.	07-09
22.00	22.58	22.38	21.60	24.59	24.16	23.63	24.87	25.24	26.68
2.64	2.72	2.68	2.77	2.96	2.94	2.69	2.97	2.97	2.81
1.72	1.73	1.62	1.65	1.71	1.64	1.29	1.47	1.41	1.32
1.29	1.34	1.37	1.39	1.39	1.42	1.42	.80	.84	.88
2.61	2.79	2.05	1.75	1.83	1.77	1.93	1.84	1.65	1.21
12.92	13.36	13.68	14.03	14.21	15.03	14.56	15.51	16.19	16.38
9.95	10.07	10.35	10.81	11.20	11.66	11.73	11.59	11.52	11.42
9.4	10.0	11.0	11.4	12.6	14.3	12.3	9.3	9.6	9.3
7.8	7.6	.82	.73	.76	.84	.81	.62	.60	.54
8.0%	7.7%	7.7%	7.3%	6.4%	6.0%	8.9%	5.8%	6.3%	7.2%

CAPITAL STRUCTURE as of 3/31/04		2001	2002	2003	2004	2005	REVENUES PER SH	25.40
Total Debt \$137.3 mil.	Due In 5 Yrs \$3.0 mil.	277.2	288.3	290.8	304.7	303.8	419.8	333.9
LT Debt \$137.2 mil.	LT Interest \$11.0 mil.	17.3	19.1	18.3	17.2	4.0	16.5	14.8
Incl. \$10.4 mil. capitalized leases.	(LT interest earned: 3.7)	38.1%	35.5%	34.5%	34.8%	3.5%	38.5%	39.5%
Pension Assets-12/02 \$58.3 mil.	Obliq. \$91.5 mil.	2.1%	2.2%	2.8%	6%	2.5%	2%	7%
Pfd Stock \$15.1 mil.	Pfd Div'd \$1.0 mil.	41.4%	40.0%	38.7%	34.0%	34.1%	44.9%	43.7%
Incl. 37,856 shs. 4.15%; 10,000 shs. 4.65%;	17,682 shs. 4.75%; 15,000 shs. 5.375%; 70,000	50.3%	51.9%	53.2%	57.7%	57.5%	48.6%	50.0%
shs. 8.30%, all cum. and \$100 par.	Common Stock 12,102,961 shs. as of 4/30/04	339.5	348.3	350.2	324.5	311.5	378.4	381.7
(12.29 mil. fully diluted shs.)	MARKET CAP: \$258 million (Small Cap)	324.6	327.0	324.9	321.6	319.8	314.7	311.0
		6.5%	6.9%	6.6%	6.7%	2.9%	5.8%	5.7%
		8.7%	9.2%	8.6%	8.0%	1.9%	7.9%	6.9%
		8.9%	9.5%	8.7%	8.1%	1.1%	8.0%	6.9%
		NMF	4.3%	3.5%	2.4%	NMF	2.5%	1.5%
		109%	59%	64%	74%	NMF	72%	80%

ELECTRIC OPERATING STATISTICS		2001	2002	2003
% Change Retail Sales (MWh)		-1.9	+1.2	+5
Avg Indust. Use (MWh)		10521	N/A	N/A
Avg Indust. Rev. per kWh (¢)		8.32	8.40	8.51
Capacity of Pktd (Mw)		450	536	506
Peak Load, Winter (Mw)		412	424	417
Annual Load Factor (%)		69.5	N/A	N/A
% Change Customers (yr-end)		+1.5	N/A	N/A
Fixed Charge Cov (%)		225	251	241

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '01-'03 to '07-'08
Revenues		1.0%	1.0%	-5%
"Cash Flow"		-5%	2.0%	3.5%
Earnings		-2.5%	6.0%	7.5%
Dividends		-4.5%	.5%	3.5%
Book Value		1.5%	1.0%	4.0%

QUARTERLY REVENUES (\$ mil.)		Full Year
Cal-endar	Mar.31 Jun.30 Sep.30 Dec.31	
2001	78.0 73.8 75.1 75.5	302.5
2002	76.5 71.9 75.7 79.3	303.4
2003	79.5 73.6 73.8 79.1	306.0
2004	84.1 74.0 75.0 78.9	319
2005	84.5 74.5 75.5 80.5	315

EARNINGS PER SHARE AF		Full Year
Cal-endar	Mar.31 Jun.30 Sep.30 Dec.31	
2001	.30 .01 .29 .35	.93
2002	.37 .30 .47 .40	1.54
2003	.35 .38 .35 .33	1.41
2004	.51 .38 .39 .37	1.65
2005	.45 .40 .43 .42	1.70

(A) Basic earnings. Excl. nonrecurring items: '94, d14c; '95, 4c; '96, 10c; '97, d7c; '00, 28c; '01, d87c; '02, net d1c; '03, 12c; '04, '04 31c. Incl. gains/losses from under-recovery of purchased power costs from '97-'01. Next eps reported late July. (B) Div's hist paid in mid-Feb, May, Aug, and Nov. Divid growth: plan avail (C) Incl def'd chgs in '03 \$4.63/sk (D) In mil., adj'd for split. (E) Rate base, net orig cost. Rate allowed on com. eq. in '01 11.0%, earned in '03 9.2%. Reg. Clim: Below Avg (F) Excl Conn. Valley results beg in '03

BUSINESS: Central Vermont Public Service Corporation supplies electricity to 148,000 customers in a large portion of Vermont. Electric retail revenues ('03): residential, 47.6%; commercial, 39.0%; industrial, 12.8%; other, .6%. Generating sources ('03): nuclear, 50.0%; hydro, 33.0%; other, 17.0%. Purchased power costs: 50.0% of '03 revenues. Owns 50.5% of Vermont Electric Power Company and 58.85% of Vermont Yankee Nuclear Power Corporation. Divested Connecticut Valley Electric Co., 1/04. '03 depreciation rate: 3.2%. Has 512 employees; 8,720 stockholders. Chairman: Frederic H. Bertrand. President & CEO: Robert H. Young. Incorporated: Vermont. Address: 77 Grove St., Rutland, Vermont 05701. Telephone: 800-354-2877. Internet: www.cvsp.com.

Central Vermont P.S. is undergoing a full cost-of-service review. A stipulation of the 2002 sale of the Vermont Yankee nuclear plant to Entergy called for a state examination of CV's retail rates in 2003 and 2004. Management had hoped to avoid a review by reaching a settlement with the Department of Public Service. That agreement provided for a rate freeze to yearend 2004, a one-half percentage point reduction in the allowed return on common equity, to 10.5%, and the paydown of deferred costs with earnings above returns of 10.75% in 2003 and 10.5% in 2004 and 2005. The Vermont Public Service board approved the rate plan, but limited the return on equity to 10.25%, and ordered a step-up in deferred cost amortization and a reduction in deferred charges with the proceeds (\$21 million) from the recent sale of Connecticut Valley. CV was unsuccessful in a reconsideration of this order. As part of the ongoing cost review, management will file for a rate hike to be effective April 1, 2005. The regulatory review lends some uncertainty to CV's future earnings. The company will refinance \$75 million in second mortgage bonds this year. These bonds carry an interest rate of 8.125%. New debt securities likely will have coupons of 5% to 6%, resulting in notable interest savings. To 2007-2009, CV is responsible for less than \$5 million in additional maturities. As of March 31st, the company's long-term debt-to-total capital ratio was a modest 37.2%. Improving free cash flow should cover capital spending needs and allow for regular dividend increases in the 3 to 5 years ahead. Catamount has established new wind-power joint ventures. Earlier this year, the subsidiary inked deals with Marubeni Corp. of Japan and Statkraft of Norway to develop projects in New England and the United Kingdom, respectively. Catamount plans to bring more than 200 megawatts of wind capacity on line worldwide, within the next few years. The subsidiary will support CV's efforts to increase income through 2007-2009. Though the stock is untimely, it offers a yield and dividend growth above the industry averages. The recent share price considers much of the risk of the current rate review in our opinion.

David M. Reimer June 4, 2004

Company's Financial Strength	B+
Stock's Price Stability	B0
Price Growth Persistence	25
Earnings Predictability	45

CON. EDISON NYSE-ED		RECENT PRICE	P/E RATIO	Trailing: 13.9 Median: 12.0	RELATIVE P/E RATIO	DIV YLD	VALUE LINE				
TIMELINESS 5 Lowered 4/30/04 SAFETY 1 New 1/21/00 TECHNICAL 3 Raised 4/16/04 BETA 80 (+100 = Market)		38.78	14.9		0.83	5.9%	158				
2007-09 PROJECTIONS Price Gain Return High 45 (+16%) 9% Low 40 (+8%) 6%		High: 37.8 32.4 32.3 34.8 41.5 56.1 53.4 39.5 43.4 Low: 30.3 23.0 25.5 25.9 27.0 39.1 33.6 26.2 31.4		Target Price Range 2007: 2008: 2009:		% TOT. RETURN 4Q4 THIS STOCK VS. ARITH. VS. INDEX 1 yr. 12.0 43.4 3 yr. 29.6 28.1 6 yr. 17.4 67.4					
Insider Decisions J A S O M D J F M to Buy 1 0 1 2 0 1 1 0 0 to Sell 0 1 1 0 0 0 0 0 0 Institutional Decisions to Buy 185 164 160 to Sell 130 147 148		Percent shares traded 6 4 3		LEGENDS 098 = Dividends paid 099 = Dividends by Interest Rate Relative Price Strength Options Yes Shaded area indicates recession							
2000-03 302000 302000 402000 89918 88869 89933		1998 22.41 24.33 25.15 25.72 25.36 26.73 27.13 27.82 29.62 30.24 30.46 35.04 44.48 45.41 39.65 43.51 41.60 41.85 1999 3.82 3.82 3.84 3.90 4.06 4.38 4.77 4.87 4.97 5.08 5.29 5.74 5.51 6.70 5.44 5.12 4.85 5.20 2000 2.47 2.49 2.34 2.32 2.46 2.66 2.98 2.93 2.93 2.95 3.04 3.13 2.74 3.21 3.13 2.83 2.60 2.70 2001 1.60 1.72 1.82 1.86 1.90 1.94 2.00 2.04 2.08 2.10 2.12 2.14 2.18 2.20 2.22 2.24 2.26 2.28 2002 2.52 2.68 3.05 3.39 3.40 3.37 3.22 2.95 2.87 2.78 2.66 3.17 4.52 6.20 6.68 5.72 4.85 6.00 2003 18.44 19.21 19.73 20.18 20.89 21.63 22.92 23.51 24.37 26.18 25.88 25.31 25.81 26.71 27.68 28.44 29.95 30.45 2004 227.99 228.16 228.23 228.33 233.93 234.37 234.91 234.96 234.99 236.49 232.83 213.81 212.03 212.15 213.83 225.84 242.20 244.60		1998 8.0 10.0 10.3 10.8 11.8 13.1 9.3 9.8 10.1 10.9 15.3 14.0 12.0 12.0 19.3 14.9 1999 .75 .76 .77 .68 .72 .77 .61 .66 .63 .63 .80 .80 .78 .61 .73 .83 2000 7.2% 6.9% 7.5% 7.5% 6.5% 5.6% 7.2% 7.1% 7.0% 6.5% 4.6% 4.9% 6.0% 5.7% 5.3% 5.5% 2001 9.0 10.0 10.3 10.8 11.8 13.1 9.3 9.8 10.1 10.9 15.3 14.0 12.0 12.0 19.3 14.9 2002 .75 .76 .77 .68 .72 .77 .61 .66 .63 .63 .80 .80 .78 .61 .73 .83 2003 7.2% 6.9% 7.5% 7.5% 6.5% 5.6% 7.2% 7.1% 7.0% 6.5% 4.6% 4.9% 6.0% 5.7% 5.3% 5.5% 2004		1998 22.41 24.33 25.15 25.72 25.36 26.73 27.13 27.82 29.62 30.24 30.46 35.04 44.48 45.41 39.65 43.51 41.60 41.85 1999 3.82 3.82 3.84 3.90 4.06 4.38 4.77 4.87 4.97 5.08 5.29 5.74 5.51 6.70 5.44 5.12 4.85 5.20 2000 2.47 2.49 2.34 2.32 2.46 2.66 2.98 2.93 2.93 2.95 3.04 3.13 2.74 3.21 3.13 2.83 2.60 2.70 2001 1.60 1.72 1.82 1.86 1.90 1.94 2.00 2.04 2.08 2.10 2.12 2.14 2.18 2.20 2.22 2.24 2.26 2.28 2002 2.52 2.68 3.05 3.39 3.40 3.37 3.22 2.95 2.87 2.78 2.66 3.17 4.52 6.20 6.68 5.72 4.85 6.00 2003 18.44 19.21 19.73 20.18 20.89 21.63 22.92 23.51 24.37 26.18 25.88 25.31 25.81 26.71 27.68 28.44 29.95 30.45 2004 227.99 228.16 228.23 228.33 233.93 234.37 234.91 234.96 234.99 236.49 232.83 213.81 212.03 212.15 213.83 225.84 242.20 244.60		1998 8.0 10.0 10.3 10.8 11.8 13.1 9.3 9.8 10.1 10.9 15.3 14.0 12.0 12.0 19.3 14.9 1999 .75 .76 .77 .68 .72 .77 .61 .66 .63 .63 .80 .80 .78 .61 .73 .83 2000 7.2% 6.9% 7.5% 7.5% 6.5% 5.6% 7.2% 7.1% 7.0% 6.5% 4.6% 4.9% 6.0% 5.7% 5.3% 5.5% 2001 9.0 10.0 10.3 10.8 11.8 13.1 9.3 9.8 10.1 10.9 15.3 14.0 12.0 12.0 19.3 14.9 2002 .75 .76 .77 .68 .72 .77 .61 .66 .63 .63 .80 .80 .78 .61 .73 .83 2003 7.2% 6.9% 7.5% 7.5% 6.5% 5.6% 7.2% 7.1% 7.0% 6.5% 4.6% 4.9% 6.0% 5.7% 5.3% 5.5% 2004		1998 22.41 24.33 25.15 25.72 25.36 26.73 27.13 27.82 29.62 30.24 30.46 35.04 44.48 45.41 39.65 43.51 41.60 41.85 1999 3.82 3.82 3.84 3.90 4.06 4.38 4.77 4.87 4.97 5.08 5.29 5.74 5.51 6.70 5.44 5.12 4.85 5.20 2000 2.47 2.49 2.34 2.32 2.46 2.66 2.98 2.93 2.93 2.95 3.04 3.13 2.74 3.21 3.13 2.83 2.60 2.70 2001 1.60 1.72 1.82 1.86 1.90 1.94 2.00 2.04 2.08 2.10 2.12 2.14 2.18 2.20 2.22 2.24 2.26 2.28 2002 2.52 2.68 3.05 3.39 3.40 3.37 3.22 2.95 2.87 2.78 2.66 3.17 4.52 6.20 6.68 5.72 4.85 6.00 2003 18.44 19.21 19.73 20.18 20.89 21.63 22.92 23.51 24.37 26.18 25.88 25.31 25.81 26.71 27.68 28.44 29.95 30.45 2004 227.99 228.16 228.23 228.33 233.93 234.37 234.91 234.96 234.99 236.49 232.83 213.81 212.03 212.15 213.83 225.84 242.20 244.60	
CAPITAL STRUCTURE as of 12/31/03 Total Debt \$7058 mil. Due in 5 Yrs \$1687 mil. LT Debt \$6733 mil. LT Interest \$401.0 mil. (LT interest earned: 3.1%) Pension Assets-12/03 \$6.7 bil. Oblig. \$6.7 bil.		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690		1998 8.8% 8.8% 8.2% 8.4% 8.6% 8.6% 7.0% 7.8% 7.1% 6.3% 5.5% 8.0% 1999 12.3% 11.7% 11.5% 11.4% 11.6% 12.6% 10.4% 11.8% 11.1% 9.6% 8.5% 8.5% 2000 13.2% 12.5% 11.7% 11.7% 11.8% 12.0% 10.7% 12.0% 11.3% 9.8% 8.5% 8.0% 2001 4.3% 3.8% 3.2% 3.4% 0.6% 4.1% 2.2% 3.9% 4.0% 2.9% 1.0% 1.6% 2002 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2003 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2004		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690		1998 8.8% 8.8% 8.2% 8.4% 8.6% 8.6% 7.0% 7.8% 7.1% 6.3% 5.5% 8.0% 1999 12.3% 11.7% 11.5% 11.4% 11.6% 12.6% 10.4% 11.8% 11.1% 9.6% 8.5% 8.5% 2000 13.2% 12.5% 11.7% 11.7% 11.8% 12.0% 10.7% 12.0% 11.3% 9.8% 8.5% 8.0% 2001 4.3% 3.8% 3.2% 3.4% 0.6% 4.1% 2.2% 3.9% 4.0% 2.9% 1.0% 1.6% 2002 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2003 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2004		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690	
MARKET CAP: \$8.8 billion (Large Cap)		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690		1998 8.8% 8.8% 8.2% 8.4% 8.6% 8.6% 7.0% 7.8% 7.1% 6.3% 5.5% 8.0% 1999 12.3% 11.7% 11.5% 11.4% 11.6% 12.6% 10.4% 11.8% 11.1% 9.6% 8.5% 8.5% 2000 13.2% 12.5% 11.7% 11.7% 11.8% 12.0% 10.7% 12.0% 11.3% 9.8% 8.5% 8.0% 2001 4.3% 3.8% 3.2% 3.4% 0.6% 4.1% 2.2% 3.9% 4.0% 2.9% 1.0% 1.6% 2002 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2003 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2004		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690					
ELECTRIC OPERATING STATISTICS % Change Retail Sales (KWH) 2001 +2.9 2002 -2.3 2003 -3.4 Avg. Indust. Use (KWH) NA NA NA Avg. Indust. Res. per KWH (c) NA NA NA Capacity at Peak (MW) 629 629 630 Peak Load (Summer) (MW) 12207 12086 11875 Annual Load Factor (%) NMF NMP NMF % Change Customer (yr-ent) +7 +5 +6		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690		1998 8.8% 8.8% 8.2% 8.4% 8.6% 8.6% 7.0% 7.8% 7.1% 6.3% 5.5% 8.0% 1999 12.3% 11.7% 11.5% 11.4% 11.6% 12.6% 10.4% 11.8% 11.1% 9.6% 8.5% 8.5% 2000 13.2% 12.5% 11.7% 11.7% 11.8% 12.0% 10.7% 12.0% 11.3% 9.8% 8.5% 8.0% 2001 4.3% 3.8% 3.2% 3.4% 0.6% 4.1% 2.2% 3.9% 4.0% 2.9% 1.0% 1.6% 2002 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2003 69% 71% 74% 72% 70% 69% 80% 69% 65% 71% 87% 85% 2004		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690					
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '01-'03 to '07-'09 Revenues 5.0% 7.5% N/A "Cash Flow" 3.0% 1.0% 1.0% Earnings 2.0% .5% -1.5% Dividends 1.6% 1.0% 1.0% Book Value 3.0% 2.0% 2.5%		1998 6373.1 6536.9 6959.7 7121.3 7093.1 7491.3 9431.4 9634.0 8481.9 8827.0 10080 10240 1999 734.3 723.9 694.1 712.8 729.8 714.2 586.4 686.8 682.1 639.0 629 670 2000 37.4% 35.4% 36.4% 34.8% 36.8% 34.3% 34.8% 40.0% 36.9% 33.7% 34.0% 34.0% 2001 1.6% .8% .7% .8% .5% .8% 1.2% 1.9% 2.2% 4.2% 3.0% 3.0% 2002 40.7% 39.1% 41.2% 40.1% 39.2% 44.4% 48.6% 48.2% 50.1% 50.4% 49.0% 48.0% 2003 53.0% 54.6% 55.7% 56.8% 58.4% 53.1% 49.1% 49.6% 48.1% 48.0% 48.6% 48.6% 2004 10032 10125 10289 10437 10325 10186 11137 11417 12302 13369 14600 18009 2005 10561 10814 11067 11267 11407 11354 11883 12248 13329 15225 15830 16690		1998 8.8% 8.8% 8.2% 8.4% 8.6% 8.6% 7.0% 7.8% 7.1% 6.3% 5.5% 8.0% 1999 12.3% 11.7% 11.5% 11.4% 11.6% 12.6% 10.4% 11.8% 11.1% 9.6% 8.5% 8.5% 2000 13.2% 12.5% 11.7% 11.							

DUQUESNE LIGHT NYSE-DOE		RECENT PRICE	P/E RATIO	Trailing: 18.4 Median: 14.0	RELATIVE P/E RATIO	DIV'D YLD	5.2%	VALUE LINE	162										
TIMELINESS 3	Lowered 5/20/01	High: 24.7	23.0	30.8	31.5	36.2	44.1	44.3	53.0	33.7	22.3	18.4	20.5	Target Price Range	2007: 2008	2009			
SAFETY 4	Lowered 6/7/02	Low: 20.9	18.4	19.6	25.8	25.5	31.6	33.6	30.8	16.5	10.8	11.9	17.6						
TECHNICAL 3	Lowered 6/4/04	LEGENDS 1.17 = Dividends per share divided by Interest Rate Relative Price Strength 3-Mo-2 split 595 Options: Yes Shaded Area indicates recession																	
BETA 70	(1.00 = Market)	2007-09 PROJECTIONS Ann'l Total High Price 25 (+30%) Low Price 16 (-15%) Gain 11% Return 2%																	
Insider Decisions		J A S O N D J F M to Buy 0 0 0 0 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0 0 Options 0 0 0 0 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0 0																	
Institutional Decisions		702003 302003 402003 to Buy 86 54 96 to Sell 68 87 47 Options 34916 15736 37117 Percent shares traded 15 10 8																	
% TOT. RETURN 404		This Stock Value Line Index 1 yr. 45.3 43.4 3 yr. -23.2 28.1 6 yr. -38.2 57.4																	
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	VALUE LINE PUB. INC.	07-09
12.26	13.50	14.07	15.11	14.91	15.04	16.76	15.73	15.86	15.68	16.41	18.68	23.76	23.18	13.71	11.97	11.75	12.45	Revenues per sh ^A	13.05
3.14	3.17	3.64	3.90	4.01	3.87	4.05	4.68	5.05	5.36	5.13	5.52	7.61	6.94	3.51	2.19	2.15	2.35	"Cash Flow" per sh	2.75
1.24	1.35	1.49	1.67	1.78	1.81	1.99	2.20	2.32	2.40	2.52	2.65	1.31	31	1.23	1.03	1.10	1.25	Earnings per sh ^B	1.60
.61	.87	.92	.97	1.03	1.08	1.13	1.22	1.30	1.38	1.46	1.54	1.62	1.68	1.34	1.00	1.00	1.00	Div'd Decl'd per sh ^C	1.04
1.08	1.06	1.36	1.61	1.42	1.27	1.54	1.21	1.31	1.62	2.48	2.05	4.47	2.90	1.13	1.03	1.03	1.05	Cap'l Spending per sh	1.05
12.34	12.84	13.38	14.90	14.75	16.48	16.27	17.13	18.01	18.30	18.78	18.78	14.02	9.08	6.08	7.63	7.90	8.30	Book Value per sh ^D	16.15
86.75	83.01	80.64	78.36	78.43	78.52	78.46	77.56	77.27	77.68	77.37	71.77	65.89	56.91	74.35	76.42	76.50	77.50	Common Shs Outst'g ^E	80.60
8.2	10.2	9.9	10.7	11.3	12.8	10.2	11.0	12.3	12.6	14.4	14.9	30.5	77.1	13.7	14.8	14.8	14.8	Avg Ann'l P/E Ratio	13.0
.68	.77	.74	.68	.68	.76	.67	.74	.77	.73	.75	.85	1.98	3.95	.75	.85	.85	.85	Relative P/E Ratio	.85
8.0%	6.3%	6.2%	5.4%	5.1%	4.7%	5.6%	5.0%	4.6%	4.6%	4.0%	3.9%	4.1%	7.0%	7.9%	6.6%	6.6%	6.6%	Avg Ann'l Div'd Yield	5.0%
CAPITAL STRUCTURE as of 3/31/04		Total Debt \$1022.5 mill. Due in 5 Yrs \$90.0 mill. LT Debt \$332.3 mill. LT Interest \$57.0 mill. (LT interest earned: 3.1x) Pension Assets-12/03 \$679 mill. Oblig. \$694 mill.																	
Pld Stock \$71.4 mill. Pld Div'd \$7.7 mill.		Incl. 1.05 mill. shs. 3.76%-4.20% cum. Duquesne Light pld, \$50 par. \$60 liq. val. 10 shs 6.5% EnviroGas pld, \$100,000 par. \$100,000 liq. val. 438,243 shs series A, \$2.80. Duquesne Light pld, \$1.00 par. \$35.50 liq. val. Common Stock 76,182,342 shs. as of 4/30/04 MARKET CAP: \$1.6 billion (Mid Cap)																	
ELECTRIC OPERATING STATISTICS		2001 2002 2003 % Change Retail Sales (MMWh) -4.6 +5.1 -15.3 Avg. Indust. Use (MMWh) N/A N/A N/A Avg. Indust. Rev. per MMWh (¢) N/A 4.96 4.10 Capacity at Peak (MW) N/A N/A N/A Peak Load, Summer (MW) N/A N/A N/A Annual Load Factor (%) N/A N/A N/A % Change Customers (yr-end) N/A N/A N/A																	
ANNUAL RATES		Past 10 Yrs. Past 5 Yrs. Est'd '01-'03 to '07-'09 of change (per sh) Revenues 1.0% -5% -3.5% "Cash Flow" -5% -4.0% -7.0% Earnings -7.0% -18.5% 11.0% Dividends 2.5% -5% -4.0% Book Value -6.5% -18.5% 5.0%																	
QUARTERLY REVENUES (\$ MIL.) ^A		Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2001 320.5 313.4 351.5 310.7 1296.1 2002 265.9 249.4 273.9 230.2 1019.4 2003 220.3 215.8 246.0 220.7 902.8 2004 217.1 216 247 219.9 900 2005 235 230 265 235 965																	
EARNINGS PER SHARE ^B		Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2001 .22 .10 .25 0.26 .31 2002 .21 .22 .55 .25 .23 2003 .27 .12 .39 .25 1.03 2004 .28 .27 .38 .17 1.10 2005 .32 .31 .41 .21 1.25																	
QUARTERLY DIVIDENDS PAID ^C		Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2000 .40 .40 .40 .40 1.60 2001 .42 .42 .42 .42 1.68 2002 .42 .42 .42 .25 1.51 2003 .25 .25 .25 .25 1.00 2004 .25 .25 .25 .25 1.00																	
BUSINESS: Duquesne Light Holdings, Inc. (formerly DQE, Inc.), through its Duquesne Light Co. subsidiary, distributes electricity to 587,000 customers in an 817-square-mile service area, including Pittsburgh and municipalities in western Pennsylvania. Other subsidiaries: DQE Cap'l, DQE Comm., DQE Energy Svcs, DQE Ent's, and DQE Fin'l. 2003 elec. oper. revs: residl, 37.5%; commerc'l, 41.5%; ind'l, 17.8%; other, 3.2%. Sold generating assets to Orion Power Hldgs 4/00; Pro Am to Ferrelgas Ptnrs 12/02; AquaSource to Philadelphia Suburban 7/03. 2003 deprec. rate: 4.1%. Has about 1,405 employees; 50,780 stockholders. Chmn: R.P. Bozzone. CEO, & Pres.: M.K. O'Brien. Inc. PA. Addr.: 411 Seventh Ave., Pittsburgh, PA. 15219. Tel.: 412-393-6000. Web: www.dqe.com.		Duquesne Light Holdings hopes to extend its Provider Of Last Resort (POLR) rate plan. Under the current plan, which expires at yearend, the Duquesne Light subsidiary distributes power to retail customers, who do not choose an alternative provider of service, at a reasonable profit. Last April, the company amended its extension filing (originally made in December) to reflect resolutions of issues with lead consumer and business advocates. The revised POLR plan calls for a residential and small commercial generation rate increase of 7.0% in 2005. From 2008 to 2010, generation rates would not rise more than 5.9%. Generation rates for large commercial and industrial customers would be subject to market prices, with an allowance to request competing supply proposals annually. Distribution tariffs, barring any unusual circumstances, would hold steady from 2005 through 2007. The pending \$120 million purchase of the Sunbury coal plant (402 megawatts), and new wholesale contracts, would enable Duquesne to provide service. Positive decisions from Pennsylvania and federal regulators are likely this summer. Meanwhile, Management is rebalancing the company's capital structure. During the past few years, Duquesne paid down significant amounts of debt, with the aid of asset dispositions. Additional debt retirements and refinancings are now in progress. Annual interest expense is on the decline. Though no common stock issuances, aside from those made via the dividend reinvestment program, are planned, we expect the company's common equity ratio to improve in the coming years. Approval of the POLR plan and new market opportunities, stemming from Duquesne's membership in the Pennsylvania-New Jersey-Maryland interconnection, would support steady earnings streams. Better cash flow would allow the company to meet its yearly dividend and capital spending requirements. The stock offers a high yield. In recent time, Duquesne improved its risk profile by shedding noncore investments (technology, propane, water services) and paying debt. The risk of POLR plan disapproval appears minimal. Investors focusing on current income may now recommit. David M. Reimer June 4, 2004																	
(A) Beginning in Mar. '02, reflects discontinuation of competitive transition charge. (B) Diluted eps. Excl. nonrecurr. items: '97, 17¢; '98, 31¢; '00, 31¢; '01, 45¢; '02, 51¢. (C) Div'ds hst. paid in early Jan., Apr., July, and Oct. = Div'd reinvest. plan avail. (D) Incl. regulatory assets in '03, \$3.73/sh. (E) In mill. adj'd for split. (F) Rate base determin. fair val. Rate allowed on com. eq. in '03, 12.3%. Rtn on avg. com. eq. '03, 34.1%. (G) Excl. water ops.		Company's Financial Strength 8 Stock's Price Stability 75 Price Growth Persistence 25 Earnings Predictability 40																	

ENERGY EAST CORP. NYSE-EAS RECENT PRICE **22.81** P/E RATIO **17.5** (Trailing: 17.0 Median: 11.0) RELATIVE P/E RATIO **0.97** DIV YLD. **4.6%** VALUE LINE **163**

TIMELINESS 5 Lowered 12/2003	High: 18.3 15.3 13.4 13.2 17.9 29.0 28.6 23.6 22.1 23.1 23.7 26.0	Target Price Range 2007 2008 2009
SAFETY 2 Lowered 3/9/01	Low: 14.4 8.9 9.5 10.2 10.3 16.5 20.6 17.9 17.0 15.8 17.4 21.8	
TECHNICAL 3 Lowered 5/28/04	LEGENDS 100 x Dividends p sh divided by Interest Rate Relative Price Strength 2001-2004 Options: Yes Shaded area indicates recession	
BETA 0.61 (CO = Market)		
2007-09 PROJECTIONS		
Price Gain Return	Ann'l Total	
High 30 (+30%)	111	
Low 20 (-10%)	2%	
Insider Decisions		
J A S O N D J F M		
Buy 0 0 0 0 0 0 0 0 0 0 0 0		
Options 0 0 0 0 0 0 0 0 0 0 0 0		
Sell 0 0 0 0 0 0 0 0 0 0 0 0		
Institutional Decisions		
2020Q3 3020Q3 4020Q3	111	
Buy 103 103 103	81	
Sell 8 8 8	81	
Options 72950 66280 65433		
% TOT. RETURN 404	% TOT. RETURN 404	
1 yr. 35.2	3 yr. 43.4	
3 yr. 32.8	5 yr. 28.1	
5 yr. 5.9	5 yr. 57.4	

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	VALUE LINE PVB, INC.	07-99
11.32	12.40	11.89	12.27	12.18	12.75	13.28	14.05	14.78	15.78	19.85	20.84	25.15	32.21	27.65	31.41	32.30	22.95	Revenues per sh	36.25
2.52	2.50	2.35	2.37	2.32	2.20	2.43	2.54	2.64	2.77	3.06	3.37	3.42	3.75	3.12	4.28	4.45	4.75	"Cash Flow" per sh	5.25
1.35	1.22	1.24	1.18	1.20	1.04	1.19	1.25	1.26	1.29	1.51	1.91	2.07	2.00	1.50	1.43	1.30	1.50	Earnings per sh ^A	1.75
1.00	1.01	1.03	1.05	1.07	1.09	1.00	.70	.70	.70	.78	.84	.88	.92	.96	1.00	1.04	1.08	Div'd Dec'd per sh ^B	1.20
2.20	1.87	1.68	1.92	1.75	1.88	1.72	1.14	1.54	.92	1.04	.64	1.32	1.79	1.55	1.98	2.85	2.04	Cap'l Spending per sh	2.60
10.35	10.64	10.83	11.08	11.42	11.44	11.64	12.19	12.70	13.36	13.61	12.84	14.59	15.26	15.97	17.59	18.00	18.43	Book Value per sh ^C	28.00
113.40	115.11	124.65	126.80	128.88	141.19	143.01	143.01	139.34	135.02	125.89	109.34	117.56	118.72	144.97	146.26	147.00	148.00	Common Shs Outst'g ^D	151.00
8.4	10.4	9.9	11.1	12.3	18.2	9.9	9.3	9.1	9.7	14.8	13.4	10.1	9.8	14.0	14.6	14.6	14.6	Avg Ann'l P/E Ratio	13.8
.70	.78	.74	.71	.75	.96	.65	.62	.57	.56	.76	.76	.66	.50	.76	.85	.85	.85	Relative P/E Ratio	.90
6.8%	6.0%	8.4%	8.0%	7.3%	6.5%	8.5%	6.0%	6.1%	5.6%	3.5%	3.3%	4.2%	4.7%	4.6%	4.8%	4.8%	4.8%	Avg Ann'l Div'd Yield	5.0%
CAPITAL STRUCTURE as of 3/31/04																			
Total Debt \$4333.6 mil. Due in 5 Yrs \$946.6 mil.																			
LT Debt \$3997.8 mil. LT Interest \$249.9 mil.																			
Inc: 3345 mil. 8 1/2% mand. redeem. 2 year pld. sec.																			
ILT Interest earned: 2.3x																			
Pension Assets-1249 \$2.39 bil. Oblig. \$2.14 bil.																			
Pld Stock \$119.5 mil. Pld Div'd \$5.4 mil.																			
458,192 shs 3.50%-6.00% cum., \$100 par, redeemable at \$109-\$110; 108,706 shs. 8.0% cum., \$3 1/2 par. RG&E: 470,000 shs. 4.0%-7.0% cum. (\$100 par), callable at \$101-\$105; 226,000 shs. 6.60% cum., subject to mandatory redemption.																			
Common Stock 146,484,753 shs. as of 4/30/04																			
MARKET CAP: \$3.3 billion (Mid Cap)																			
ELECTRIC OPERATING STATISTICS																			
2001 2002 2003																			
% Change Retail Sales (MWh)																			
Avg Indust Use (MWh)																			
Avg Indust Rts (per kWh)																			
Capacity at Peak (MW)																			
Peak Load (MW) (Avg)																			
Annualized Factor (%)																			
% Change Customers (Grand)																			
Fast Charge Co. (%)																			
ANNUAL RATES																			
of change (per cent)																			
Revenues																			
"Cash Flow"																			
Earnings																			
Dividends																			
Book Value																			
Cal-endar																			
QUARTERLY REVENUES (\$ mil.)																			
Full Year																			
2001																			
2002																			
2003																			
2004																			
2005																			
Cal-endar																			
EARNINGS PER SHARE ^A																			
Full Year																			
2001																			
2002																			
2003																			
2004																			
2005																			
Cal-endar																			
QUARTERLY DIVIDENDS PAID ^B																			
Full Year																			
2000																			
2001																			
2002																			
2003																			
2004																			

BUSINESS: Energy East Corporation is a holding company for New York State Electric & Gas (NYSEG), Rochester Gas and Electric, Central Maine Power, Connecticut Natural Gas, & Southern Connecticut Gas. Serves 1.8 mil. etc., 904,000 gas customers in NY & New England. Acq'd Connecticut Energy 2002; CMP Group, CTG Resources & Berkshire Energy 9/00; RGS Energy 6/02. Elec. rev. breakdown, '03: res'l, 44%; comm'l, 22%; ind'l, 12%; other, 20%. Generating sources, '03: not available. Fuel costs: 50% of revs. '03 reported deprec. rate: 3.4%. Has 6,300 employees, 37,700 stockholders. Chairman, Pres. & CEO: Wesley W. von Schack Inc.: NY. Address: P.O. Box 12904, Albany, NY 12212-2904. Tel.: 518-434-3049. Internet: www.energyeast.com.

Rochester Gas and Electric (a subsidiary of Energy East) has received a rate order. The decision was similar to the settlement the utility reached with the staff of the New York State Public Service Commission. Base electric and gas tariffs were frozen through year-end 2008, but RG&E was granted electric and gas surcharges of \$7.4 million (1.4%) and \$7.2 million (2.2%), respectively. The utility will be able to recover costs it deferred from 2003 of \$36 million for an ice storm and \$15 million associated with a refueling outage for the Ginna nuclear plant. The allowed returns on equity are 12.25% (electric) and 12% gas, with a mechanism for sharing returns above these amounts with customers. The surcharges will benefit RG&E, but it had to make significant concessions; the utility was seeking an electric rate hike of \$80 million and a gas tariff increase of \$21 million. The order for RG&E also approved the sale of Ginna. The facility had been written down, so the company will wind up with a gain on the sale. The gain will boost Energy East's net income by \$2 million a year through 2008. Of the \$400 million in cash the company will receive, \$110 million will be refunded to customers in various installments through 2007, and the remainder will be used for debt reduction. The deal still awaits the approval of the Nuclear Regulatory Commission. It should close around midyear. We have cut our 2004 and 2005 earnings estimates. First-quarter earnings declined due to higher stock-option expense and warmer winter weather. Combined, these factors hurt the year-to-year comparison by \$0.16 a share. This outweighed a \$0.07 benefit of cost reductions from an ongoing program to integrate various functions among Energy East's six operating utilities. The integration program is expected to reduce annual operating expenses, capital spending, and working capital needs by \$80 million, \$28 million, and \$13 million, respectively, by 2006. Costs of implementing this program make earnings tough to forecast for now, however. The stock is ranked 5 (Lowest) for Timeliness. This stock's yield is above average. Total-return potential to 2007-2009 is about average, by utility standards. Paul E. Debbas, CFA June 4, 2004

NORTHEAST UTILITIES NYSE:NU				RECENT PRICE	19.02	P/E RATIO	13.6	(Trailing: 14.6 Median: NMF)	RELATIVE P/E RATIO	0.76	DIV'D YLD	3.4%	VALUE LINE	168					
TIMELINESS 3	Rated 7/13/02	High: 28.9	25.8	25.4	25.3	14.3	17.9	22.0	24.6	24.3	20.7	20.3	20.3	20.3	Target Price Range 2007 2008 2009				
SAFETY 3	Rated 5/6/02	Low: 22.1	20.4	21.0	9.5	7.6	11.7	13.6	18.0	16.6	12.7	13.1	17.6						
TECHNICAL 3	Rated 10/3/03	LEGENDS 1237: Dividends per share divided by Interest Rate Relative Price Strength Optima: Yes Shaded area indicates recession																	
BETA 7: (1.00 - Market)		2007-09 PROJECTIONS Price Gain Ann'l Total High 25 (+30%) 10% Low 18 (-5%) 3%																	
Insider Decisions		J A S O N D J F M Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 Options 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 Sell 0 0 0 0 2 1 0 0 0 0 0 0 0 0 0																	
Institutional Decisions		2000Q1 2000Q2 402001 Buy 72 73 101 Hold 71 62 56 Sell 88832 88444 89443 Percent shares traded 9 6 3																	
1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005																			
19.13	20.30	23.87	23.09	24.03	29.19	29.15	29.51	29.52	29.46	28.77	33.91	40.86	52.82	40.89	47.53	54.50	62.25	Revenues per sh	85.10
5.89	5.46	6.68	4.66	5.13	5.66	6.26	6.02	3.77	2.68	3.73	5.68	3.39	10.48	6.32	6.80	6.25	6.50	"Cash Flow" per sh	7.75
2.37	1.67	1.84	2.12	2.02	1.60	2.30	2.24	.01	d1.05	d.36	d1.14	d.20	1.37	1.08	1.24	1.40	1.45	Earnings per sh (A)	2.15
1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.38	.25	--	.10	.40	.45	.53	.58	.62	.66	Div'd Decl'd per sh (B)	.84
3.51	2.72	2.67	2.10	2.37	2.49	2.31	1.97	1.85	1.85	1.79	2.50	2.88	3.40	3.88	4.31	5.70	5.48	Cap'l Spending per sh	4.45
16.90	16.13	16.34	16.73	16.24	17.89	18.48	19.08	17.73	16.34	16.63	15.80	15.43	16.27	17.33	17.73	18.45	19.20	Book Value per sh (C)	22.40
158.67	108.67	109.62	119.25	193.86	124.33	124.96	127.05	128.44	130.18	130.96	191.87	143.82	130.13	127.58	127.70	128.25	128.50	Common Shs Outst'g (D)	129.25
9.7	11.2	10.3	10.1	12.3	16.6	10.0	10.9	NMF	--	--	--	--	14.1	16.1	13.4	13.4	13.4	Avg Ann'l P/E Ratio	16.5
61	.85	.77	.65	.75	.98	.66	.69	NMF	--	--	--	--	.72	.88	.78	.78	.78	Relative P/E Ratio	17.0
6.6%	8.4%	8.8%	8.3%	7.1%	6.6%	7.7%	7.6%	8.9%	2.4%	--	.6%	1.0%	2.3%	3.0%	3.5%	3.0%	3.5%	Avg Ann'l Div'd Yield	3.7%
CAPITAL STRUCTURE as of 3/31/04 Total Debt \$4325 mil. Due in 5 Yrs \$405.0 mil. LT Debt \$4247 mil. LT Interest \$235.0 mil. incl. \$1683 mil. nonrecourse rate reduction bonds. (LT Interest earned: 2.1x)																			
Pension Assets-12/03 \$1.9 bill. Oblig. \$1.9 bill. Pld Stock \$116.2 mil. Pld Div'd \$6.6 mil. Incl. 2,324,000 shs \$1.90-\$3.28 rates (\$50 par) not subject to mandatory redemption.																			
Common Stock 127,981,582 shs. as of 4/30/04 MARKET CAP: \$2.4 billion (Mid Cap)																			
ELECTRIC OPERATING STATISTICS Change Retail Sales (MWh) 2001 +2.4 2002 +1.2 2003 +3.5 Avg. Use (MWh) 878 807 814 Avg. Retail Price (¢/kWh) 8.10 7.75 8.26 Capacity (MW) N/A N/A N/A Peak Load (MW) N/A N/A N/A Max. Capacity Factor (%) N/A N/A N/A Change Customers (yr) +2.2 +.9 +1.1																			
Price Change Cor. (%) NMF 99 168																			
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '01-'03 to '07-'09 Revenues 6.5% 10.0% 10.5% Cash Flow 3.5% 17.5% .5% Earnings -4.6% -- 10.0% Dividends -11.5% -1.0% 8.6% Book Value 6% .5% 4.5%																			
QUARTERLY REVENUES (\$ mil.) Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2001 1800.5 1583.3 1723.9 1766.1 6873.8 2002 2284.5 1141.9 1414.3 1375.6 5216.3 2003 1584.2 1330.1 1640.1 1514.8 6069.2 2004 1838.3 1535 1900 1726.7 7000 2005 2100 1750 2170 1980 8000																			
EARNINGS PER SHARE (A) Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2001 .36 .35 .26 .38 1.37 2002 .23 .22 .27 .36 1.08 2003 .47 .21 .35 .21 1.24 2004 .53 .22 .40 .25 1.40 2005 .53 .25 .40 .27 1.45																			
QUARTERLY DIVIDENDS PAID (B) Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2000 .10 .10 .10 .10 .40 2001 .10 .10 .125 .125 .45 2002 .125 .125 .138 .138 .53 2003 .138 .138 .15 .15 .58 2004 .15 .15 .1625																			
BUSINESS: Northeast Utilities is the parent of the NU sys, which is the largest utility in New England and serves two million electricity and gas customers. Connecticut Light & Power provides service to most of Conn; Public Service Co. of New Hampshire supplies power to three quarters of New Hampshire's population; Western Massachusetts Electric Co. serves the western half of Mass. Acq'd Yankee Energy 3/00. 2003 revs: retail, 32%; comm'l, 27%; ind'l, 10%; other 31%. Gen. sources: nuclear, fossil (steam), hydro, and purch. pwr. Fuel & Purch. Pwr. costs: 61.4% of '03 revs. '03 deprec. rate: 7.0%. Has 6,755 employees, 63,885 stockholders. Chmn, Pres. & CEO: Charles W. Shively, Inc.: CT. Addr.: P.O. Box 270, Hartford, CT 06141. Tel: 800-999-7259. Web: www.nu.com.																			
We are optimistic about Northeast Utilities' earnings prospects. First-quarter 2004 share net of \$0.53 was measurably above our estimate of \$0.47 (equal to the prior-year result). Though net income from the regulated utilities declined, compared to that in the 2003 period, profitability markedly increased at NU's competitive group, more than making up the difference. It appears that the company now has a better handle on managing the nonregulated retail and wholesale electricity, and energy service businesses. Competitive market coverage is expanding and operating margins are favorable, suggesting sustained earnings growth through 2005 and beyond. Higher depreciation and pension expenses are currently a drag on the utilities' net income performance. But added rate relief, operating cost containment, and capital spending controls ought to shore up the bottom line. Importantly, NU is expanding the regulated transmission and distribution base, which should bring in greater earnings streams over the next several years. NU may well achieve close to a full share-net recovery (to the 1994 level) by 2007-2009.																			
An aggressive capital spending program is under way. Over the next five years, NU will spend some \$3 billion to upgrade its aging power distribution network and expand its transmission system. Too, the company plans to enlarge its regulated gas service operation. Favorable state and federal rate treatment would ensure good long-term earnings growth. Competitive businesses will be carefully expanded as well, with a close watch on operating risk. At the end of the recent March quarter, NU's long-term debt-to-total capital ratio was a reasonable 51%; this excludes nonrecourse rate reduction bonds, which are secured by regulated revenues. Rising cash flow should support the company's solid financial structure during this construction period. Indeed, The board of directors is comfortable in raising the dividend from an annual rate of \$0.60 a share, to \$0.65 a share, starting with the September 30th payment. Given the low current payout ratio, we expect further increases ahead. NU stock is a worthwhile utility holding over the pull to 2007-2009.																			
David M. Reimer June 4, 2004																			
(A) Earnings: Earnings may not add due to change in share count. Excl. nonrec. items: \$1.40, '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, 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NSTAR NYSE-NST				RECENT PRICE	P/E RATIO	(Trading: 12.9 Median: 13.0)	RELATIVE P/E RATIO	DIV YLD	VALUE LINE	169									
TIMELINESS	4	Raised 5/7/04	High: 32.6	29.9	29.5	30.1	38.4	44.9	44.6	47.0	45.2	46.2	49.0	52.8	Target Price Range 2007 2008 2009				
SAFETY	1	Raised 9/11/99	Low: 26.4	21.5	23.1	21.8	24.6	35.1	36.4	36.4	33.9	34.0	38.7	45.3					
TECHNICAL	3	Raised 1/5/04	LEGENDS 1.00 = Dividends p/sh divided by Interest Rate Relative Price Strength Options Yes Shaded Area indicates recession																
BETA	.70	(1.00 = Market)	2007-09 PROJECTIONS Price Gain Ann'l Total Return High 55 (+15%) 8% Low 45 (-5%) 4%																
Insider Decisions			J A S O N D J F M to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0																
Institutional Decisions			202003 302003 402003 to Buy 92 96 104 to Sell 82 73 73 Net Buy 23926 21599 20445 Percent shares traded 12 8 4																
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	VALUE LINE PUB. INC.	07-09
\$1.74	\$2.95	\$3.27	\$1.39	\$1.54	\$2.84	\$4.01	\$3.92	\$4.35	\$6.61	\$4.39	\$1.89	\$0.90	\$0.19	\$1.27	\$4.95	\$7.05	\$0.35	Revenues per sh	74.00
5.13	5.73	5.86	5.75	5.88	5.85	6.69	8.23	7.31	7.32	7.67	6.08	7.55	7.63	7.90	7.96	8.20	8.40	Cash Flow per sh	8.75
1.86	1.90	1.60	1.96	2.10	2.28	2.41	2.08	2.61	2.71	2.76	2.77	3.18	3.27	3.38	3.50	3.55	3.60	Earnings per sh	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	Div'd Decl'd per sh	2.50
6.47	8.12	6.56	6.09	5.16	5.63	4.85	4.15	4.25	2.46	3.14	3.08	3.56	4.43	7.00	5.89	5.85	5.90	Cap'l Spending per sh	6.00
19.38	16.73	17.22	17.92	18.77	19.42	20.11	20.61	21.09	21.96	22.27	26.57	25.31	23.81	24.50	25.67	27.00	28.30	Book Value per sh	31.50
37.89	38.63	38.00	42.06	44.76	45.13	45.54	48.00	48.61	48.52	47.18	58.06	59.03	59.03	59.03	59.03	53.03	53.03	Common Shs Outst'd	53.03
8.5	9.3	11.6	10.6	11.8	13.1	10.7	12.3	9.7	10.6	14.6	14.6	12.9	12.7	12.7	12.7	12.7	12.7	Avg Ann'l P/E Ratio	13.0
.71	.70	.86	.68	.72	.77	.70	.82	.61	.61	.76	.83	.84	.65	.68	.74	.74	.74	Relative P/E Ratio	.85
11.5%	9.9%	8.3%	7.7%	6.6%	5.8%	6.8%	7.2%	7.4%	6.5%	4.7%	4.8%	4.9%	5.0%	4.9%	4.9%	4.9%	4.9%	Avg Ann'l Div'd Yield	4.8%
CAPITAL STRUCTURE as of 12/31/03				1548.6	1628.5	1666.3	1776.2	1622.5	1851.4	2699.5	3191.8	2718.1	2914.1	3025	3200	Revenues (\$mill)	3700		
Total Debt \$2451.7 mill. Due in 5 Yrs \$679.1 mill.				125.0	112.3	141.5	144.6	141.0	146.5	181.0	179.1	181.3	188.0	190	195	Net Profit (\$mill)	200		
LT Debt \$1982.5 mill. LT Interest \$127.9 mill.				30.3%	37.2%	38.9%	36.9%	34.9%	29.1%	41.6%	41.4%	36.8%	37.6%	38.5%	38.5%	Income Tax Rate	39.5%		
Incl. \$377.2 mill. securitized bonds.				6.0%	4.2%	1.6%	.8%	1.2%	1.5%	2.5%	2.8%	1.6%	2.4%	1.0%	AFUDC % to Net Profit	1.0%			
(LT interest earned: 2.8x)				50.1%	49.1%	48.1%	48.1%	45.5%	50.0%	59.4%	59.2%	60.9%	58.5%	58.0%	Long-Term Debt Ratio	45.5%			
Leases, Uncapitalized Annual rentals \$21.0 mill.				40.4%	41.8%	44.5%	46.5%	50.1%	47.2%	39.4%	39.5%	37.8%	40.2%	41.0%	Common Equity Ratio	53.0%			
Pension Assets-12/03 \$829.1 mill. Oblig. \$961.0 mill.				2269.4	2364.7	2296.5	2291.6	2089.5	3269.3	3409.8	3197.4	3433.7	3387.1	3510	Total Capital (\$mill)	2950			
Pfd Stock \$43.0 mill. Pfd Div'd \$2.0 mill.				2930.0	2855.6	2856.6	2854.1	2270.7	2550.6	2523.6	2625.4	2847.6	3216.1	3295	3370	Net Plant (\$mill)	3425		
430,000 shs. 4.25%-4.78% cum. redeemable at \$102.80-\$103.625. Excl. redemption & issuance costs & pfd. stock due within one year.				7.5%	7.0%	6.2%	6.3%	8.7%	6.1%	7.6%	8.1%	7.5%	7.8%	7.0%	8.0%	Return on Total Cap'l	8.5%		
Common Stock 53,032,546 shs. as of 3/1/04				11.0%	9.3%	11.4%	11.7%	12.3%	9.0%	13.1%	13.7%	13.5%	13.4%	13.0%	12.5%	Return on Shr. Equity	12.5%		
MARKET CAP: \$2.5 billion (Mid Cap)				11.8%	9.8%	12.3%	12.3%	12.6%	8.1%	13.0%	13.7%	13.8%	13.7%	13.0%	12.5%	Return on Com Equity	13.0%		
ELECTRIC OPERATING STATISTICS				3.2%	1.2%	3.5%	3.7%	3.9%	2.4%	4.8%	5.0%	5.2%	5.2%	5.0%	4.5%	Retained to Com Eq	4.5%		
2001 2002 2003				76%	89%	75%	73%	71%	74%	64%	65%	63%	62%	63%	64%	All Div'ds to Net Prof	64%		
% Change Retail Sales (KWH)				+6	+1.2	+3.0	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, '03:												
Avg Indust Use (MMH)				945	907	1016	residential: 38%; commercial: 51%; industrial: 7%; other: 1%. Sold fossil plants in '98, nuclear plant in '99. Fuel costs: 55% of revs. '03 reported deprec. rate: 3.0%. Has 3,200 employees, 26,700 common stockholders. Chairman, President & CEO Thomas J. May, Inc.: MA. Address: 800 Boylston St., Boston, VA 02189-8003. Tel: 617-424-2000. Internet: www.nstaronline.com.												
Avg Indust Revs. per KWH (¢)				10.80	10.80	8.20	We estimate that NSTAR will record a solid earnings increase in 2004. The year got off to a good start, thanks to a variety of factors, including colder-than-normal weather conditions. Also, in the first quarter, the company reduced the average interest rate on long-term debt by about one-third of a percentage point through the refinancing of securities. On the other hand, property taxes are higher; in fact, this shaved \$0.02 a share off earnings in the March quarter. Still, the positive factors outweigh the negative ones. All told, our 2004 estimate is at the high end of NSTAR's target of \$3.45-\$3.66 a share.												
Capacity at Peak (MW)				NMF	NMF	NMF	the cost of an underground transmission line in Massachusetts (subject to various regulatory approvals). Although the long-term debt ratio might appear on the high side at first glance, investors should note that the balance sheet includes \$377 million in securitized bonds. When this debt is excluded from the year-end 2003 calculation, the long-term debt ratio falls from 58% of total capitalization to 53%, and the common-equity ratio rises from 40% to 45%. The company merits our A rating for Financial Strength, and its securities, and those of its utility subsidiaries, have solid A ratings with stable outlooks from the three rating agencies. NSTAR stock is ranked unfavorably for Timeliness (4: Below Average), but it offers a yield that is slightly above average by utility standards. The company has a record of annual dividend increases, which we project will continue over the next 3 to 5 years. This ought to produce an average total return (for a utility) over that time. Conservative investors should note that the stock is ranked 1 (Highest) for Safety.												
Peak Load Summer (MW)				4527	4501	4299	We look for a slight bottom-line improvement in 2005. That's based on modest kilowatt-hour sales growth. We figure share net will climb by 1%-2%, to about \$3.60. The company has not yet put forth any guidance for 2005.												
Annual Load Factor (%)				NMF	NMF	NMF	Finances are sound. The fixed-charge coverage is solid. Earned returns on equity are very healthy. And "cash flow" covers the sum of capital spending and dividends, even though NSTAR has increased its capital budget to include its share (20%) of												
% Change Customers (avg)				+7	+1	+1.1	Paul E. Debbas, CFA June 1, 2004												
Fixed Charge Cov. (%)				238	242	270	ANNUAL RATES of change (per sh) 10 Yrs. Past 5 Yrs. Est'd '01-'03												
Revenues				5.5%	9.5%	5.0%	REVENUES PER SHARE												
"Cash Flow"				3.0%	1.0%	3.6%	Earnings												
Dividends				2.5%	2.5%	2.5%	Dividends												
Book Value				3.0%	2.5%	4.0%	Quarterly Revenues (\$mill.)												
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2001 864.8 732.3 890.7 704.0 3191.8													
2002	722.9	600.4	701.0	694.8	2719.1	2003 763.6 647.9 817.8 682.7 2912.0													
2004	809.9	685.1	825	725	3025	2005 850 700 875 775 3200													
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	EARNINGS PER SHARE													
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 .93 .65 1.25 .72 3.56													
2005	.80	.70	1.35	.75	3.60	QUARTERLY DIVIDENDS PAID													
Cal-endar	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 .555 .555													

(A) Diluted EPS. Excl. nonrecurr. gain (losses). '89, '91, '92, '93, '94, '01, '02, '03 net: '02. (B) Dividends historically paid in early Feb. May, Aug., and Nov. = Dividend reinvestment plan available. (C) Incl. intangibles. in '03, \$2.4 bill. \$14.76/sh (D) in mill. (E) Rate base. Net avg. cost. Rate allowed on com. eq in '98: 11.75%; earned on avg. com. eq. '03: 13.5%. Regulatory Climate: Average.

Company's Financial Strength A
Stock's Price Stability 100
Price Growth Persistence 75
Earnings Predictability 65

PEPCO HOLDINGS NYSE-POW		RECENT PRICE	P/E RATIO	TRAILING 12-MEDIAN NMF	RELATIVE P/E RATIO	DIV YLD	VALUE LINE								
		18.20	12.1	(12.6)	0.67	5.7%	171								
TIMELINESS - G SAFETY 3 Lowered 6/6/03 TECHNICAL - G BETA NMF (1.00 = Market)		LEGENDS Relative Price Strength Opaque: Yes Shaded area indicates recession		High: 21.9 Low: 18.3	20.6 16.1	21.7 16.9	Target Price Range 2007 2008 2009								
2007-09 PROJECTIONS Price Gain Ann'l Total Return High 25 (+35%) 13% Low 18 (Nil) 6%															
Insider Decisions J A S O N D J F M to Buy 0 1 0 0 0 0 0 0 0 0 Options 0 0 0 0 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0 0															
Institutional Decisions 10/2003 3/2004 4/2004 to Buy 109 103 113 to Sell 88 86 80 Net (000) 57932 63161 64287						% TOT. RETURN 4/04 THIS STOCK VS. ARITH. INDEX 1 yr. 17.7 43.4 3 yr. 28.1 5 yr. 57.4									
Pepeco Holdings, Inc. (PHI) was formed on August 1, 2002, upon the merger of Potomac Electric Power Co. (PEPCO) and Connecticut. In the \$2.2 billion deal, PEPCO common stockholders received one common share in PHI for each of their shares, and Connecticut investors exchanged each of their common shares for \$26 worth of PHI stock and cash, prorated 50/50. An initial pro rata dividend of \$0.1658 a share was paid on 8/30/02 to stockholders of record 9/10/02.		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	VALUE LINE PUB., INC.	07-09
		45.87	50.20	41.11	42.33	41.15	41.80	41.15	41.80	41.15	41.80	41.15	41.80	Revenues per sh	44.55
		4.56	4.87	3.12	3.80	4.18	4.30	4.30	4.30	4.30	4.30	4.30	4.30	"Cash Flow" per sh	5.15
		1.51	2.16	1.79	1.35	1.50	1.85	1.85	1.85	1.85	1.85	1.85	1.85	Earnings per sh ^A	2.20
								4.2	1.00	1.02	1.02	1.02	1.02	Div'd Decl'd per sh ^B	1.14
								5.35	3.08	3.48	2.95	2.95	2.95	Cap'l Spending per sh	2.10
								17.75	18.41	18.17	17.48	17.65	18.00	Book Value per sh ^C	18.95
								165.50	158.70	164.85	171.77	175.00	177.00	Common Shs Outst'g ^D	184.00
										11.9	13.4	13.4	13.4	Avg Ann'l P/E Ratio	10.0
										62	78	78	78	Relative P/E Ratio	.65
										2.1%	5.5%	5.5%	5.5%	Avg Ann'l Div'd Yield	5.2%
CAPITAL STRUCTURE as of 3/31/04 Total Debt \$7035.0 mil. Due in 5 Yrs \$2900 mil. LT Debt \$5299.9 mil. LT Interest \$300 mil. (LT interest earned: 2.1x)								7590.7	7866.5	6777.3	7271.3	7200	7400	Revenues (\$mil)	8200
								288.3	368.0	294.9	245.2	265	290	Net Profit (\$mil)	405
								47.6%	36.8%	17.0%	18.3%	30.0%	32.0%	Income Tax Rate	35.0%
									4.5%		6.0%	4.0%	3.5%	AFUDC % to Net Profit	2.5%
Pension Assets-12/03 \$1.46 bil. Oblig. \$1.6 bil. Ptd Stock \$108.8 mil. Ptd Div'd \$2.8 mil. Incl. 800,000 shs \$3.40 mandatorily redeemable preferred; 705,292 shs \$2.28-\$2.48 serial pfd, \$51.00 redem. price; 279,003 shs 3.70%-6.75% redeem. subsidiary pfd, \$100.00 par val.								52.1%	63.1%	68.7%	63.1%	61.5%	59.5%	Long-Term Debt Ratio	53.0%
								41.0%	41.0%	36.4%	35.6%	37.5%	39.5%	Common Equity Ratio	46.5%
								7167.9	7125.0	8228.9	8439.3	8270	8125	Total Capital (\$mil)	7865
								6060.2	6350.0	8798.0	6964.9	7235	7500	Net Plant (\$mil)	8275
								8.0%	6.8%	4.6%	4.6%	4.6%	4.6%	Return on Total Cap'l	6.5%
								8.4%	11.0%	8.7%	7.9%	8.0%	9.0%	Return on Shr. Equity	10.5%
								9.8%	12.6%	9.2%	7.7%	8.5%	9.0%	Return on Com Equity ^E	11.0%
								9.8%	12.6%	5.3%	2.0%	2.6%	3.5%	Retained to Com Eq	5.0%
										46%	75%	69%	64%	All Div'ds to Net Prof	52%
Common Stock 172,171,604 shs. MARKET CAP: \$3.1 billion (Mid Cap)		BUSINESS: Pepco Holdings, Inc. consists mainly of two electric utilities, Potomac Electric Power Co., serving Washington, D.C. and adjoining areas of Maryland, and Connecticut, which serves the peninsula area of Delaware, Maryland and Virginia through its Delaware Power & Light subsidiary and a southern New Jersey area through Atlantic City Electric. Electricity customers total 1.7 million; gas customers, 113,000. Other unregulated units include: Connecticut Energy, Pepco Energy Services, and Potomac Cap'l Inv. Corp. 2003 deprec. rate: 3.9%. Has about 6,080 employees, 60,000 common stockholders. Chairman, Pres. & CEO: Dennis R. Wraase, Inc.; DE. Address: 701 Ninth St., N.W., Wash., D.C. 20068. Tel.: 202-872-2000. Internet: www.pepcoholdings.com.													
ELECTRIC OPERATING STATISTICS % Change Retail Sales (MWh) 2001 2002 2003 Avg Retail Use (MWh) N/A N/A N/A Avg Retail Revs per MWh (¢) N/A N/A N/A Capacity at Peak (MW) N/A 4273 N/A Peak Load Summer (MW) N/A N/A N/A Annual Load Factor (%) N/A N/A N/A % Change Customers (yr-end) N/A N/A N/A		Pressures on Pepco Holdings' cash flow bear watching. In 2000, Pepco sold much of its generation base to Mirant Corp., a merchant company now in bankruptcy. Last October, Mirant won price concessions on related standard offer supply contracts from Pepco in a settlement. That agreement will pressure Pepco's free cash flow into early 2005. The merchant generator is also attempting to get out of long-term purchase power contracts with Pepco. In light of a previous federal court ruling, though, we do not believe that Mirant will be successful in this endeavor. (If Mirant were to prevail, Pepco would be exposed to significant unhedged purchase power obligations under contracts with FirstEnergy and Panda-Brandywine.) In addition, Pepco's cash flow is under pressure due to higher capital spending needed to ensure distribution system reliability and other costs, which cannot be fully recovered at subsidiaries still operating under rate freeze regulation. This regulation will, however, expire over the next few years. Our estimates and projections consider the likely scenario of an easing of the pressures on free cash flow.													
Fixed Charge Cov. (%) 236 214 158		Management is striving to firm up the common equity-to-total capital ratio. Pepco is striving to maximize integration benefits from the 2002 merger of regulated Potomac Electric Power Company and Connecticut assets. Operating savings are coming from work process redesign, more efficient materials purchasing, and staff reductions. Management is continuing with its plan to cut debt by \$1 billion over the 2003-2007 period. A further firming of results at the company's unregulated energy businesses and favorable regulatory rulings in a few upcoming rate cases would support this effort. We expect Pepco to be able to raise its common equity ratio by some 10 percentage points (into the low 40% range) within the next three years. This would support an improved Financial Strength grade.													
ANNUAL RATES OF CHANGE (per sh) Past 10 Yrs. Past 5 Yrs. Est'd '01-'03 to '07-'09 Revenues .. 4.5% "Cash Flow" .. 3.6% Earnings .. 16.0% Dividends .. 1.5% Book Value .. 1.5%		The high stock yield adequately reflects Pepco's operating risk in our opinion. Recently, the issue's share price fell due to investor concerns over the cash flow pressures and possible Federal Reserve credit tightening. Pepco's risk profile should strengthen ahead.													
QUARTERLY REVENUES (\$ mil) Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2001 2117.9 2023.9 2368.4 1456.3 7865.5 2002 1441.0 1601.1 2127.7 1607.5 6777.3 2003 1928.7 1698.4 2130.6 1513.6 7271.3 2004 1764.1 1735 2160 1540.9 7200 2005 1826 1775 2225 1575 7400		David M. Reimer June 4, 2004													
EARNINGS PER SHARE^{A,F} Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2001 .. 2.18 2002 .24 .51 .88 .16 1.79 2003 .20 .31 .66 .18 1.35 2004 .30 .33 .69 .18 1.50 2005 .28 .40 .75 .22 1.65		Company's Financial Strength B Stock's Price Stability NMF Price Growth Persistence NMF Earnings Predictability NMF													
QUARTERLY DIVIDENDS PAID^B Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2000 2001 200217 .25 .42 2003 .25 .25 .25 .25 1.00 2004 .25		7.7% Reg. climate: Avg (F) 2000, 2001, and 2002 results are consolidated, pro forma data N/A; DC: 11.1%; (95); DE: 11.5%; (95); IL: 12.5% ('91); earned on '03 avg. com. eq.													

(A) Based on diluted shs. Excl. nonrecr. items '00, '96c, '01, '30c; '03, '69c. Next eps rpt due late July. (B) Divs hist paid in late Mar., June, Sept., and Dec. * Div'd reinvest. plan. (C) Incl. def'd charges: '03, \$9.05/sh. (D) In mil. (E) Rate allowed on com. eq. in MD: N/A; DC: 11.1%; (95); DE: 11.5%; (95); IL: 12.5% ('91); earned on '03 avg. com. eq. (F) 7.7% Reg. climate: Avg (F) 2000, 2001, and 2002 results are consolidated, pro forma data N/A; DC: 11.1%; (95); DE: 11.5%; (95); IL: 12.5% ('91); earned on '03 avg. com. eq. (G) No Time or Tech. ranks due to short trading history.

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CH Energy Group

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend Date	Amount
18-Jun-04	45.00	45.10	44.66	45.00	55,500	44.57		
17-Jun-04	45.24	45.25	44.84	45.12	29,400	44.69		
16-Jun-04	45.00	45.48	44.83	45.24	26,700	44.82		
15-Jun-04	44.27	45.05	44.27	45.00	31,400	44.58		
14-Jun-04	44.36	44.72	44.12	44.12	34,200	43.71		
10-Jun-04	44.34	44.62	44.18	44.46	51,900	44.07		
9-Jun-04	44.80	44.87	44.09	44.34	27,800	43.96		
8-Jun-04	45.00	45.00	44.66	44.90	13,600	44.53		
7-Jun-04	44.65	45.25	44.60	45.12	37,800	44.75		
4-Jun-04	44.52	44.95	44.49	44.50	17,200	44.15		
3-Jun-04	45.10	45.10	44.36	44.51	15,800	44.17		
2-Jun-04	44.75	45.24	44.57	45.24	15,700	44.90		
1-Jun-04	45.50	45.65	44.48	44.60	40,300	44.27		
28-May-04	45.41	45.82	45.19	45.50	15,600	45.19		
27-May-04	45.50	45.70	45.22	45.66	18,900	45.36		
26-May-04	45.19	45.49	44.93	45.49	25,200	45.19		
25-May-04	44.10	44.99	43.91	44.99	36,400	44.70		
24-May-04	44.09	44.23	43.78	44.23	24,600	43.95		
21-May-04	43.93	43.93	43.55	43.89	19,600	43.62		
20-May-04	43.74	43.99	43.52	43.75	23,300	43.49		
19-May-04	44.15	44.25	43.50	43.59	23,200	43.33		
18-May-04	43.39	44.10	43.39	44.00	23,000	43.75		
17-May-04	44.45	44.45	43.39	43.39	33,900	43.15		
14-May-04	44.20	44.70	43.88	44.60	35,200	44.37		
13-May-04	44.61	44.80	43.88	44.20	16,900	43.98		
12-May-04	44.50	44.61	43.41	44.61	28,000	44.40		
11-May-04	44.87	44.97	44.26	44.65	24,200	44.44		
10-May-04	44.59	45.02	43.52	44.62	64,000	44.42		
7-May-04	46.30	46.47	44.40	44.40	34,000	44.22		
6-May-04	46.42	46.83	45.82	46.50	31,700	46.32		
5-May-04	47.25	47.75	46.67	46.67	26,800	46.50		
4-May-04	47.28	47.66	47.09	47.41	26,000	47.24		
3-May-04	46.45	47.40	46.09	47.08	70,200	46.92		
30-Apr-04	46.35	46.97	46.02	46.30	29,100	46.16		
29-Apr-04	46.93	46.96	46.14	46.25	20,000	46.11		
28-Apr-04	47.01	47.17	46.66	46.85	29,300	46.72		
27-Apr-04	47.07	47.40	46.82	47.14	46,000	47.02		
26-Apr-04	47.83	48.11	46.99	47.27	31,300	47.15		
23-Apr-04	48.00	48.00	47.55	47.63	36,300	47.53		
22-Apr-04	46.75	47.96	46.60	47.86	49,500	47.77		
21-Apr-04	46.25	47.02	46.00	46.60	46,700	46.51		
20-Apr-04	46.20	46.60	46.04	46.37	23,000	46.29		
19-Apr-04	46.64	46.65	46.05	46.45	27,400	46.37		
16-Apr-04	46.46	46.88	46.17	46.52	41,300	46.46		
15-Apr-04	45.99	46.80	45.85	46.26	37,300	46.21		
14-Apr-04	46.70	46.71	45.96	46.18	31,500	46.13		
13-Apr-04	47.30	47.71	46.08	46.95	47,300	46.91		
12-Apr-04	47.64	47.94	47.29	47.71	43,400	47.67		
8-Apr-04	48.57	48.59	47.62	47.89	28,500	47.88		
7-Apr-04	48.32	48.59	48.06	48.35	21,600	48.34		
6-Apr-04	48.85	49.06	48.45	48.52	33,700	48.52	6-Apr-04	0.54
5-Apr-04	49.28	49.58	49.28	49.49	52,100	48.96		
2-Apr-04	49.25	49.44	49.03	49.33	50,500	48.81		
1-Apr-04	49.06	49.42	49.00	49.24	47,300	48.73		
31-Mar-04	49.06	49.21	48.78	49.09	46,800	48.59		
30-Mar-04	48.95	49.40	48.90	48.91	41,200	48.41		
29-Mar-04	48.86	49.14	48.79	48.98	46,000	48.49		
26-Mar-04	48.50	48.87	48.50	48.85	37,200	48.38		
25-Mar-04	48.44	48.74	48.18	48.60	18,800	48.13		
24-Mar-04	48.52	48.55	48.18	48.44	20,400	47.98		
23-Mar-04	48.36	48.74	48.25	48.70	26,100	48.24		
22-Mar-04	48.79	48.79	48.25	48.50	30,000	48.05		
19-Mar-04	49.16	49.16	48.61	48.66	32,000	48.23		
Average				46.27		46.01	7-Jan-04	0.54

* Adjusted for dividends by K. Kinzel; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Central Vermont PS

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend Date	Amount
18-Jun-04	20.25	20.30	20.10	20.25	49,300	20.12		
17-Jun-04	19.97	20.39	19.85	20.24	34,700	20.11		
16-Jun-04	19.90	19.98	19.83	19.91	24,500	19.78		
15-Jun-04	19.55	19.99	19.53	19.83	23,800	19.70		
14-Jun-04	19.45	19.55	19.40	19.41	36,700	19.29		
10-Jun-04	19.06	19.50	19.05	19.50	35,800	19.39		
9-Jun-04	19.25	19.42	18.97	19.06	31,200	18.95		
8-Jun-04	19.07	19.25	19.06	19.19	6,000	19.08		
7-Jun-04	19.03	19.20	19.00	19.08	37,200	18.97		
4-Jun-04	19.55	19.56	18.80	18.81	41,200	18.71		
3-Jun-04	19.70	19.76	19.45	19.55	21,700	19.45		
2-Jun-04	19.67	20.27	19.75	19.75	22,000	19.66		
1-Jun-04	19.60	19.92	19.47	19.87	20,600	19.78		
28-May-04	19.76	19.78	19.51	19.51	14,300	19.43		
27-May-04	19.71	19.76	19.40	19.76	12,100	19.68		
26-May-04	19.90	19.95	19.39	19.81	18,000	19.73		
25-May-04	19.19	19.91	19.17	19.90	30,800	19.83		
24-May-04	19.30	19.39	19.06	19.39	19,100	19.32		
21-May-04	19.25	19.40	19.03	19.24	13,700	19.18		
20-May-04	19.00	19.29	19.00	19.11	15,500	19.05		
19-May-04	19.35	19.45	18.91	19.00	29,500	18.94		
18-May-04	19.20	19.31	19.01	19.20	8,400	19.14		
17-May-04	19.28	19.50	19.00	19.11	24,400	19.06		
14-May-04	19.25	19.36	18.45	19.25	136,000	19.20		
13-May-04	19.40	19.55	19.00	19.15	26,600	19.11		
12-May-04	19.55	19.67	19.35	19.40	27,200	19.36		
11-May-04	19.55	19.66	19.30	19.65	16,100	19.61		
10-May-04	19.80	19.80	19.19	19.50	29,200	19.46		
7-May-04	20.10	20.40	19.78	19.78	33,500	19.75		
6-May-04	20.00	20.28	19.58	20.20	132,500	20.17		
5-May-04	20.15	20.39	20.10	20.10	12,900	20.08		
4-May-04	19.92	20.40	19.90	20.11	30,400	20.09		
3-May-04	20.15	20.30	19.38	20.04	44,900	20.02		
30-Apr-04	20.15	20.29	20.10	20.15	22,600	20.14		
29-Apr-04	20.15	20.23	20.05	20.15	40,500	20.14		
28-Apr-04	20.00	20.20	19.85	20.17	34,000	20.16		
27-Apr-04	19.79	20.05	19.60	20.05	40,700	20.05		
26-Apr-04	19.55	19.83	19.50	19.72	23,400	19.72	26-Apr-04	0.23
23-Apr-04	19.94	19.98	19.60	19.67	40,000	19.45		
22-Apr-04	19.28	19.95	19.22	19.94	27,200	19.72		
21-Apr-04	19.30	19.40	19.22	19.40	13,500	19.18		
20-Apr-04	19.35	19.55	19.20	19.22	29,700	19.00		
19-Apr-04	19.90	19.90	19.35	19.35	59,200	19.14		
16-Apr-04	20.00	20.05	19.80	19.85	83,700	19.64		
15-Apr-04	20.17	20.24	19.83	19.88	42,300	19.68		
14-Apr-04	20.71	20.80	20.07	20.17	23,200	19.97		
13-Apr-04	21.50	21.51	20.48	20.70	27,700	20.50		
12-Apr-04	21.65	21.90	21.35	21.53	102,300	21.33		
8-Apr-04	21.70	21.91	21.66	21.75	24,700	21.56		
7-Apr-04	21.90	21.90	21.60	21.70	21,400	21.52		
6-Apr-04	22.00	22.21	21.84	21.84	34,800	21.66		
5-Apr-04	22.15	22.50	22.00	22.02	43,400	21.84		
2-Apr-04	22.45	22.45	22.03	22.06	62,500	21.89		
1-Apr-04	22.50	22.50	22.30	22.46	11,700	22.29		
31-Mar-04	22.40	22.62	22.33	22.50	25,200	22.33		
30-Mar-04	22.50	22.55	22.39	22.46	97,500	22.30		
29-Mar-04	22.68	22.69	22.39	22.60	45,600	22.44		
26-Mar-04	22.50	22.59	22.39	22.59	36,300	22.44		
25-Mar-04	22.39	22.63	22.39	22.51	88,300	22.36		
24-Mar-04	22.41	22.49	22.35	22.49	18,400	22.34		
23-Mar-04	22.43	22.50	22.39	22.42	17,000	22.27		
22-Mar-04	22.45	22.45	22.35	22.39	27,700	22.25		
19-Mar-04	22.55	22.55	22.39	22.50	21,800	22.36		
Average				20.32		20.20	26-Jan-04	0.23

* Adjusted for dividends by K. Kincaid; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Consolidated Edison, Inc.

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend	
							Date	Amount
18-Jun-04	39.13	39.58	38.84	39.53	1,515,800	39.29		
17-Jun-04	39.02	39.20	38.77	39.12	517,800	38.88		
16-Jun-04	39.10	39.28	38.95	39.02	591,800	38.79		
15-Jun-04	39.10	39.13	38.78	38.96	1,020,900	38.74		
14-Jun-04	38.85	38.90	38.61	38.61	1,081,200	38.39		
10-Jun-04	39.00	39.06	38.77	39.06	485,500	38.87		
9-Jun-04	39.10	39.24	38.68	38.77	683,500	38.58		
8-Jun-04	39.35	39.35	38.82	39.12	957,400	38.94		
7-Jun-04	39.20	39.41	39.20	39.28	832,600	39.11		
4-Jun-04	38.90	39.33	38.85	39.20	1,077,300	39.04		
3-Jun-04	39.28	39.30	38.77	38.79	1,074,100	38.64		
2-Jun-04	39.23	39.34	39.06	39.28	693,500	39.14		
1-Jun-04	39.42	39.46	39.03	39.08	1,108,700	38.94		
28-May-04	38.90	39.27	38.78	39.26	1,386,600	39.15		
27-May-04	38.88	39.28	38.70	38.81	1,470,900	38.70		
26-May-04	38.44	38.84	38.10	38.78	1,243,800	38.68		
25-May-04	38.09	38.49	37.95	38.37	1,098,100	38.28		
24-May-04	37.86	38.19	37.76	38.09	1,026,300	38.00		
21-May-04	37.80	37.86	37.59	37.79	1,044,900	37.72		
20-May-04	37.37	37.70	37.31	37.53	1,176,600	37.47		
19-May-04	37.88	37.99	37.25	37.26	1,316,600	37.20		
18-May-04	37.78	37.86	37.61	37.77	1,621,700	37.72		
17-May-04	38.08	38.08	37.30	37.60	1,620,800	37.56		
14-May-04	37.80	38.29	37.77	38.18	2,199,300	38.16		
13-May-04	37.79	37.93	37.65	37.82	1,765,000	37.80		
12-May-04	37.85	38.24	37.50	37.85	9,518,600	37.84		
11-May-04	37.95	38.51	37.23	37.74	4,490,200	37.73		
10-May-04	39.20	39.41	38.75	38.99	1,876,000	38.99	10-May-04	0.565
7-May-04	41.47	41.47	39.94	39.98	2,596,000	39.43		
6-May-04	41.00	41.58	40.86	41.49	782,400	40.94		
5-May-04	41.20	41.45	41.10	41.25	896,600	40.71		
4-May-04	41.15	41.48	40.95	41.24	771,700	40.71		
3-May-04	41.10	41.23	40.70	41.19	923,000	40.66		
30-Apr-04	41.30	41.48	40.90	41.21	1,167,200	40.70		
29-Apr-04	41.72	41.95	41.02	41.23	933,800	40.73		
28-Apr-04	41.91	42.00	41.59	41.60	711,900	41.10		
27-Apr-04	42.10	42.14	41.74	41.94	811,200	41.45		
26-Apr-04	42.15	42.32	41.79	41.93	1,329,100	41.45		
23-Apr-04	42.28	42.28	41.72	42.14	1,243,300	41.68		
22-Apr-04	41.75	42.71	41.44	42.37	1,907,400	41.91		
21-Apr-04	41.75	41.94	41.40	41.74	867,300	41.29		
20-Apr-04	41.95	42.30	41.69	41.69	676,400	41.24		
19-Apr-04	42.15	42.20	41.91	42.03	523,500	41.59		
16-Apr-04	42.19	42.37	42.07	42.33	956,400	41.91		
15-Apr-04	42.12	42.30	41.98	42.19	1,196,200	41.78		
14-Apr-04	42.05	42.28	41.64	41.90	1,485,400	41.49		
13-Apr-04	42.70	42.70	41.65	42.15	1,751,100	41.75		
12-Apr-04	43.23	43.48	42.62	42.71	1,429,700	42.31		
8-Apr-04	43.32	43.50	43.05	43.40	702,900	43.03		
7-Apr-04	43.82	43.98	43.30	43.31	1,283,400	42.95		
6-Apr-04	44.03	44.19	43.84	43.89	541,200	43.53		
5-Apr-04	43.87	44.20	43.70	44.19	603,300	43.84		
2-Apr-04	44.15	44.15	43.73	43.87	995,600	43.54		
1-Apr-04	44.20	44.25	44.08	44.14	894,400	43.81		
31-Mar-04	44.20	44.28	43.99	44.10	745,800	43.78		
30-Mar-04	43.99	44.37	43.75	44.37	638,300	44.06		
29-Mar-04	44.10	44.10	43.71	43.99	672,900	43.68		
26-Mar-04	43.98	44.30	43.84	43.91	449,800	43.62		
25-Mar-04	44.05	44.16	43.90	44.11	463,100	43.83		
24-Mar-04	44.04	44.30	43.84	43.95	535,300	43.67		
23-Mar-04	43.69	44.13	43.61	43.98	797,600	43.71		
22-Mar-04	44.10	44.25	43.60	43.68	830,800	43.42		
19-Mar-04	44.35	44.63	44.12	44.12	531,200	43.88		
Average				40.84		40.56	9-Feb-04	0.565

* Adjusted for dividends by K. Kincel; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Duquesne Light Holdings, Inc.

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend Date	Amount
18-Jun-04	19.51	19.63	19.46	19.55	365,400	19.52		
17-Jun-04	19.42	19.59	19.42	19.55	274,900	19.53		
16-Jun-04	19.34	19.59	19.34	19.51	275,400	19.49		
15-Jun-04	19.21	19.45	19.16	19.40	347,100	19.38		
14-Jun-04	18.80	19.37	18.80	19.25	560,000	19.23		
10-Jun-04	18.93	19.03	18.88	18.95	233,600	18.94		
9-Jun-04	18.92	19.12	18.77	18.88	314,400	18.88		
8-Jun-04	19.15	19.15	18.98	18.99	231,300	18.99	8-Jun-04	0.25
7-Jun-04	19.48	19.48	19.31	19.41	165,600	19.16		
4-Jun-04	19.36	19.37	19.12	19.24	268,200	19.00		
3-Jun-04	19.35	19.35	19.15	19.26	328,100	19.02		
2-Jun-04	19.30	19.49	19.25	19.31	377,100	19.07		
1-Jun-04	19.20	19.33	19.15	19.16	233,000	18.92		
28-May-04	19.59	19.60	19.22	19.23	350,100	19.01		
27-May-04	19.25	19.60	19.25	19.60	272,800	19.38		
26-May-04	19.11	19.34	18.95	19.34	251,600	19.12		
25-May-04	18.65	19.13	18.63	19.10	264,600	18.88		
24-May-04	18.60	18.75	18.45	18.75	218,800	18.54		
21-May-04	18.16	18.49	18.16	18.42	248,000	18.21		
20-May-04	17.95	18.37	17.95	18.17	256,100	17.97		
19-May-04	18.07	18.17	17.81	17.89	215,100	17.69		
18-May-04	17.93	18.06	17.81	17.92	195,500	17.72		
17-May-04	17.98	18.02	17.71	17.71	313,300	17.52		
14-May-04	17.92	18.31	17.91	18.15	162,000	17.96		
13-May-04	17.90	18.03	17.82	17.90	192,900	17.72		
12-May-04	17.83	17.99	17.64	17.93	180,700	17.75		
11-May-04	18.05	18.13	17.86	17.90	277,700	17.72		
10-May-04	18.02	18.10	17.80	17.85	282,100	17.68		
7-May-04	18.75	18.80	18.27	18.27	205,400	18.10		
6-May-04	18.97	18.99	18.53	18.87	248,500	18.71		
5-May-04	19.08	19.13	18.92	18.97	155,400	18.81		
4-May-04	19.12	19.13	18.90	18.96	195,800	18.80		
3-May-04	18.91	19.07	18.60	19.00	332,000	18.84		
30-Apr-04	18.90	19.23	18.56	18.77	254,900	18.62		
29-Apr-04	19.33	19.50	18.84	19.02	255,700	18.88		
28-Apr-04	19.12	19.37	19.06	19.33	480,400	19.19		
27-Apr-04	19.36	19.58	19.17	19.25	246,800	19.11		
26-Apr-04	19.34	19.49	19.20	19.44	189,300	19.30		
23-Apr-04	19.26	19.38	19.02	19.33	244,700	19.20		
22-Apr-04	18.86	19.26	18.83	19.26	292,400	19.14		
21-Apr-04	18.80	18.99	18.67	18.86	515,300	18.74		
20-Apr-04	18.92	19.07	18.68	18.72	316,900	18.60		
19-Apr-04	18.55	19.14	18.44	19.00	457,500	18.88		
16-Apr-04	18.21	18.48	18.21	18.44	121,900	18.33		
15-Apr-04	18.02	18.40	18.02	18.23	186,400	18.12		
14-Apr-04	18.10	18.14	17.97	18.02	267,500	17.92		
13-Apr-04	18.84	18.84	18.00	18.25	719,500	18.15		
12-Apr-04	19.27	19.29	18.86	18.92	249,500	18.82		
8-Apr-04	19.34	19.47	19.20	19.20	216,200	19.11		
7-Apr-04	19.48	19.48	19.20	19.35	241,500	19.27		
6-Apr-04	19.54	19.64	19.46	19.59	181,300	19.51		
5-Apr-04	19.60	19.68	19.50	19.64	143,700	19.56		
2-Apr-04	19.78	19.95	19.63	19.67	190,600	19.60		
1-Apr-04	19.57	19.67	19.42	19.60	275,200	19.53		
31-Mar-04	19.25	19.51	19.12	19.50	369,400	19.44		
30-Mar-04	19.12	19.31	18.85	19.27	267,700	19.21		
29-Mar-04	19.13	19.28	19.01	19.08	253,200	19.02		
26-Mar-04	19.19	19.37	19.08	19.09	625,200	19.04		
25-Mar-04	19.18	19.29	19.00	19.09	232,900	19.04		
24-Mar-04	19.33	19.34	19.04	19.05	366,400	19.01		
23-Mar-04	19.28	19.35	19.16	19.19	221,700	19.15		
22-Mar-04	19.32	19.45	19.20	19.23	170,100	19.19		
19-Mar-04	19.58	19.72	19.39	19.42	181,400	19.39		
Average				18.94		18.81	8-Mar-04	0.25

* Adjusted for dividends by K. Kincaid; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Source: Yahoo Finance, Historical Quotes Database

Energy East Corporation

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend Date	Amount
18-Jun-04	24.00	24.15	23.78	24.15	406,400	23.97		
17-Jun-04	23.72	24.02	23.60	24.02	305,800	23.84		
16-Jun-04	23.77	23.83	23.52	23.83	278,900	23.66		
15-Jun-04	23.69	23.77	23.45	23.61	280,500	23.44		
14-Jun-04	23.56	23.56	23.31	23.42	232,400	23.25		
10-Jun-04	23.56	23.57	23.39	23.56	263,800	23.40		
9-Jun-04	23.70	23.71	23.35	23.47	254,400	23.32		
8-Jun-04	23.62	23.69	23.44	23.51	223,200	23.36		
7-Jun-04	23.73	23.73	23.54	23.71	196,500	23.56		
4-Jun-04	23.50	23.56	23.36	23.56	350,300	23.42		
3-Jun-04	23.55	23.55	23.23	23.25	339,700	23.11		
2-Jun-04	23.62	23.69	23.41	23.46	279,500	23.33		
1-Jun-04	23.50	23.59	23.36	23.39	326,400	23.26		
29-May-04	23.35	23.53	23.14	23.50	1,744,600	23.38		
27-May-04	22.92	23.08	22.72	23.08	1,101,200	22.96		
26-May-04	22.90	22.98	22.55	22.81	598,100	22.70		
25-May-04	22.65	22.78	22.58	22.64	960,200	22.53		
24-May-04	22.71	22.71	22.48	22.60	422,800	22.49		
21-May-04	22.60	22.60	22.28	22.39	255,800	22.29		
20-May-04	22.30	22.50	22.26	22.39	505,000	22.29		
19-May-04	22.74	22.80	22.32	22.33	265,500	22.24		
18-May-04	22.80	22.80	22.39	22.45	335,800	22.36		
17-May-04	22.79	22.90	22.49	22.49	305,400	22.40		
14-May-04	22.60	22.97	22.46	22.77	288,500	22.69		
13-May-04	22.23	22.61	22.23	22.52	306,300	22.44		
12-May-04	22.35	22.40	22.09	22.30	440,200	22.23		
11-May-04	22.72	22.72	21.85	22.15	465,800	22.08		
10-May-04	22.70	22.71	22.25	22.47	350,100	22.40		
7-May-04	23.50	23.72	22.82	22.90	453,900	22.84		
6-May-04	23.75	23.76	23.25	23.70	340,000	23.64		
5-May-04	23.74	23.87	23.59	23.64	290,900	23.59		
4-May-04	23.75	23.80	23.63	23.75	315,600	23.70		
3-May-04	23.55	23.75	23.41	23.75	535,800	23.70		
30-Apr-04	23.62	23.69	23.45	23.55	235,500	23.51		
29-Apr-04	24.00	24.00	23.45	23.50	245,400	23.46		
28-Apr-04	24.12	24.12	23.68	23.84	337,300	23.81		
27-Apr-04	24.40	24.40	23.99	24.07	211,900	24.04		
26-Apr-04	24.20	24.34	24.15	24.24	252,200	24.21		
23-Apr-04	24.39	24.42	24.05	24.13	350,300	24.11		
22-Apr-04	24.00	24.33	24.00	24.29	480,200	24.27		
21-Apr-04	23.84	24.10	23.75	24.10	227,600	24.09		
20-Apr-04	24.16	24.27	23.83	23.83	264,800	23.82		
19-Apr-04	24.30	24.30	24.03	24.15	230,300	24.14		
16-Apr-04	24.29	24.29	24.13	24.19	319,900	24.19	16-Apr-04	0.26
15-Apr-04	24.45	24.64	24.33	24.48	305,300	24.22		
14-Apr-04	24.65	24.69	24.38	24.44	288,800	24.18		
13-Apr-04	25.08	25.08	24.55	24.74	513,800	24.48		
12-Apr-04	25.58	25.58	24.95	25.01	329,500	24.76		
8-Apr-04	25.70	25.70	25.26	25.35	240,900	25.11		
7-Apr-04	25.62	25.65	25.42	25.48	478,400	25.24		
6-Apr-04	25.86	25.86	25.64	25.74	143,500	25.50		
5-Apr-04	25.90	25.90	25.66	25.85	173,600	25.62		
2-Apr-04	26.04	26.05	25.71	25.73	318,600	25.50		
1-Apr-04	25.30	25.83	25.29	25.83	275,800	25.61		
31-Mar-04	25.39	25.49	25.21	25.36	365,600	25.14		
30-Mar-04	25.36	25.49	25.22	25.49	211,300	25.27		
29-Mar-04	25.00	25.46	24.90	25.46	285,700	25.25		
26-Mar-04	24.80	24.95	24.72	24.85	421,200	24.64		
25-Mar-04	24.86	24.99	24.73	24.93	296,400	24.73		
24-Mar-04	24.75	24.94	24.65	24.71	432,200	24.51		
23-Mar-04	24.70	24.85	24.65	24.78	256,000	24.58		
22-Mar-04	24.85	24.90	24.64	24.77	436,300	24.58		
19-Mar-04	25.08	25.19	24.92	25.00	213,800	24.82		
Average				23.90		23.77	15-Jan-04	0.26

* Adjusted for dividends by K. Kincaid: the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Green Mountain Power Corp.

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend Date	Amount
18-Jun-04	25.70	25.71	25.55	25.70	13,900	25.68		
17-Jun-04	25.48	25.66	25.45	25.66	5,200	25.64		
16-Jun-04	25.48	25.48	25.45	25.46	8,800	25.45		
15-Jun-04	25.49	25.49	25.46	25.49	1,400	25.48		
14-Jun-04	25.34	25.60	25.33	25.48	7,700	25.47		
10-Jun-04	25.13	25.30	25.08	25.29	20,300	25.29	10-Jun-04	0.22
9-Jun-04	25.45	25.55	25.37	25.41	10,000	25.19		
8-Jun-04	25.62	25.62	25.45	25.48	6,400	25.26		
7-Jun-04	25.79	25.79	25.67	25.67	2,400	25.45		
4-Jun-04	25.80	25.90	25.80	25.85	2,000	25.64		
3-Jun-04	25.58	25.80	25.58	25.76	2,200	25.55		
2-Jun-04	25.69	25.69	25.64	25.65	800	25.44		
1-Jun-04	25.76	25.76	25.64	25.65	2,300	25.45		
28-May-04	25.70	25.80	25.69	25.71	1,600	25.52		
27-May-04	25.70	25.70	25.64	25.66	500	25.47		
26-May-04	25.64	25.66	25.64	25.66	500	25.47		
25-May-04	25.20	25.80	25.20	25.67	9,200	25.48		
24-May-04	25.02	25.12	25.01	25.12	4,000	24.94		
21-May-04	25.01	25.08	25.00	25.01	5,800	24.83		
20-May-04	24.61	25.06	24.61	25.00	10,000	24.83		
19-May-04	24.60	24.61	24.60	24.61	700	24.44		
18-May-04	24.79	24.83	24.40	24.81	9,300	24.44		
17-May-04	24.60	24.77	24.60	24.74	5,700	24.57		
14-May-04	24.70	24.70	24.63	24.64	1,000	24.48		
13-May-04	24.70	24.72	24.66	24.70	1,400	24.54		
12-May-04	24.58	24.73	24.49	24.73	3,300	24.58		
11-May-04	24.56	24.56	24.50	24.55	1,400	24.40		
10-May-04	24.85	24.85	24.46	24.55	7,400	24.40		
7-May-04	25.38	25.38	25.10	25.10	1,400	24.96		
6-May-04	25.56	25.57	25.43	25.43	3,000	25.29		
5-May-04	25.55	25.64	25.55	25.63	2,900	25.49		
4-May-04	25.60	25.65	25.55	25.60	2,100	25.47		
3-May-04	25.55	25.66	25.55	25.60	2,500	25.47		
30-Apr-04	25.62	25.69	25.57	25.57	7,900	25.45		
29-Apr-04	25.60	25.77	25.55	25.77	6,400	25.65		
28-Apr-04	25.64	25.70	25.64	25.66	2,200	25.54		
27-Apr-04	25.50	25.70	25.46	25.70	4,100	25.58		
26-Apr-04	25.73	25.73	25.47	25.52	8,200	25.41		
23-Apr-04	25.28	25.68	25.25	25.68	7,100	25.57		
22-Apr-04	25.23	25.34	25.20	25.33	3,400	25.22		
21-Apr-04	24.90	25.29	24.90	25.28	11,100	25.18		
20-Apr-04	24.90	24.90	24.82	24.90	5,700	24.80		
19-Apr-04	24.89	24.91	24.83	24.83	6,800	24.73		
16-Apr-04	24.81	24.89	24.65	24.89	6,000	24.80		
15-Apr-04	24.88	24.91	24.85	24.86	13,300	24.77		
14-Apr-04	25.05	25.06	24.92	24.92	6,900	24.83		
13-Apr-04	25.24	25.40	25.05	25.05	21,500	24.97		
12-Apr-04	25.79	25.79	25.10	25.46	24,400	25.38		
8-Apr-04	25.83	25.89	25.74	25.83	3,100	25.76		
7-Apr-04	25.70	25.79	25.65	25.79	4,500	25.72		
6-Apr-04	25.63	25.80	25.62	25.70	2,200	25.63		
5-Apr-04	25.80	25.80	25.57	25.68	11,900	25.62		
2-Apr-04	25.63	25.98	25.63	25.89	28,000	25.83		
1-Apr-04	25.83	25.84	25.64	25.66	3,800	25.61		
31-Mar-04	25.84	25.93	25.71	25.87	16,700	25.82		
30-Mar-04	25.58	25.70	25.55	25.69	4,600	25.64		
29-Mar-04	25.59	25.62	25.59	25.62	2,600	25.57		
26-Mar-04	25.43	25.65	25.43	25.61	3,700	25.57		
25-Mar-04	25.48	25.48	25.39	25.40	3,000	25.36		
24-Mar-04	25.45	25.54	25.45	25.45	3,200	25.42		
23-Mar-04	25.58	25.58	25.53	25.53	2,000	25.50		
22-Mar-04	25.77	25.77	25.56	25.56	14,600	25.53		
19-Mar-04	25.82	25.82	25.76	25.76	8,000	25.74	10-Mar-04	0.22
Average				25.39		25.27		

* Adjusted for dividends by K. Kincaid; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Northeast Utilities

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend	
							Date	Amount
18-Jun-04	19.35	19.39	19.23	19.28	337,300	19.24		
17-Jun-04	19.02	19.26	18.98	19.21	234,300	19.18		
16-Jun-04	18.91	19.12	18.90	19.12	285,000	19.09		
15-Jun-04	18.92	19.10	18.92	19.03	411,100	19.00		
14-Jun-04	18.95	19.09	18.88	18.89	151,000	18.86		
10-Jun-04	19.06	19.09	18.91	19.03	216,200	19.01		
9-Jun-04	19.00	19.15	18.86	18.93	468,500	18.91		
8-Jun-04	19.10	19.15	19.00	19.06	446,900	19.04		
7-Jun-04	19.10	19.27	19.10	19.25	182,500	19.23		
4-Jun-04	19.20	19.25	19.04	19.04	364,200	19.03		
3-Jun-04	19.21	19.24	19.07	19.17	796,400	19.16		
2-Jun-04	19.06	19.22	18.98	19.20	433,400	19.19		
1-Jun-04	19.13	19.21	18.96	19.10	695,400	19.09		
28-May-04	19.18	19.24	19.10	19.10	731,100	19.10		
27-May-04	19.07	19.15	18.91	19.15	752,500	19.15	27-May-04	0.15
26-May-04	18.80	19.08	18.76	19.02	736,200	18.87		
25-May-04	18.53	18.94	18.42	18.88	595,400	18.73		
24-May-04	18.39	18.63	18.39	18.63	447,400	18.48		
21-May-04	18.40	18.42	18.24	18.31	1,076,100	18.17		
20-May-04	18.20	18.41	18.15	18.36	718,800	18.22		
19-May-04	18.25	18.29	18.05	18.26	2,062,400	18.12		
18-May-04	18.35	18.51	18.34	18.47	527,800	18.33		
17-May-04	18.20	18.48	17.99	18.36	681,200	18.23		
14-May-04	18.05	18.37	18.03	18.32	471,600	18.19		
13-May-04	18.00	18.08	17.95	18.02	473,900	17.89		
12-May-04	17.94	18.03	17.75	17.96	638,800	17.83		
11-May-04	18.00	18.08	17.82	17.94	1,229,500	17.82		
10-May-04	17.82	17.95	17.61	17.76	632,600	17.64		
7-May-04	18.20	18.48	17.84	17.95	982,500	17.83		
6-May-04	18.10	18.30	17.85	18.30	488,900	18.18		
5-May-04	18.15	18.32	18.04	18.21	507,200	18.10		
4-May-04	18.11	18.34	18.05	18.09	774,300	17.98		
3-May-04	18.18	18.36	18.00	18.11	890,600	18.00		
30-Apr-04	18.14	18.40	18.14	18.35	447,000	18.24		
29-Apr-04	18.39	18.55	18.05	18.13	353,500	18.03		
28-Apr-04	18.08	18.42	17.94	18.42	599,100	18.32		
27-Apr-04	18.11	18.23	18.02	18.13	303,500	18.03		
26-Apr-04	18.05	18.21	18.05	18.20	239,400	18.10		
23-Apr-04	18.20	18.20	17.93	18.05	638,800	17.96		
22-Apr-04	17.95	18.27	17.92	18.22	457,700	18.13		
21-Apr-04	17.92	18.02	17.71	17.92	551,500	17.83		
20-Apr-04	17.90	17.93	17.76	17.80	389,200	17.71		
19-Apr-04	17.92	17.95	17.80	17.86	246,600	17.77		
16-Apr-04	17.80	18.01	17.76	18.01	446,300	17.93		
15-Apr-04	17.66	17.97	17.66	17.80	321,800	17.72		
14-Apr-04	17.87	17.95	17.70	17.70	236,400	17.62		
13-Apr-04	18.40	18.45	17.72	17.87	684,700	17.79		
12-Apr-04	18.35	18.35	17.76	17.87	406,100	17.79		
8-Apr-04	18.35	18.39	18.19	18.26	319,900	18.19		
7-Apr-04	18.41	18.43	18.26	18.35	273,400	18.28		
6-Apr-04	18.35	18.48	18.30	18.37	381,100	18.30		
5-Apr-04	18.49	18.50	18.20	18.50	295,300	18.44		
2-Apr-04	18.66	18.66	18.19	18.38	395,300	18.32		
1-Apr-04	18.60	18.73	18.52	18.65	716,600	18.59		
31-Mar-04	18.65	18.69	18.51	18.65	394,800	18.59		
30-Mar-04	18.50	18.60	18.45	18.57	311,000	18.52		
29-Mar-04	18.30	18.55	18.28	18.50	389,000	18.45		
26-Mar-04	18.55	18.55	18.34	18.35	307,200	18.30		
25-Mar-04	18.47	18.58	18.36	18.48	567,900	18.43		
24-Mar-04	18.66	18.70	18.35	18.35	1,248,600	18.31		
23-Mar-04	18.67	18.67	18.50	18.55	378,600	18.51		
22-Mar-04	18.92	18.92	18.54	18.54	782,400	18.50		
19-Mar-04	18.63	18.99	18.61	18.91	702,500	18.87		
Average				18.46		18.39	26-Feb-04	0.15

* Adjusted for dividends by K. Kincel; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

NSTAR

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend	
							Date	Amount
18-Jun-04	47.99	48.13	47.81	48.00	151,700	47.55		
17-Jun-04	47.95	48.14	47.72	48.07	86,200	47.63		
16-Jun-04	47.77	48.05	47.77	47.85	87,000	47.42		
15-Jun-04	47.64	48.09	47.58	47.77	131,700	47.34		
14-Jun-04	47.80	47.91	47.63	47.63	80,700	47.21		
10-Jun-04	47.82	47.94	47.75	47.85	94,000	47.45		
9-Jun-04	47.95	48.18	47.79	47.82	91,900	47.43		
8-Jun-04	48.20	48.20	47.97	48.00	163,500	47.62		
7-Jun-04	47.70	48.26	47.70	48.26	66,300	47.88		
4-Jun-04	47.52	47.84	47.22	47.70	131,600	47.34		
3-Jun-04	47.42	47.56	47.02	47.42	119,300	47.07		
2-Jun-04	47.63	47.75	47.16	47.49	92,600	47.14		
1-Jun-04	47.35	47.50	47.12	47.40	78,900	47.06		
28-May-04	47.34	47.39	47.16	47.28	62,100	46.96		
27-May-04	47.03	47.43	46.96	47.22	82,900	46.91		
26-May-04	46.70	47.00	46.40	46.98	77,200	46.68		
25-May-04	46.02	46.61	45.80	46.60	103,800	46.30		
24-May-04	45.90	46.17	45.82	45.96	68,200	45.67		
21-May-04	46.00	46.20	45.41	45.68	77,500	45.41		
20-May-04	45.60	45.89	45.55	45.80	98,100	45.53		
19-May-04	46.00	46.07	45.30	45.40	158,600	45.14		
18-May-04	45.75	46.15	45.75	45.75	52,500	45.49		
17-May-04	46.15	46.15	45.62	45.65	85,200	45.40		
14-May-04	45.90	46.35	45.82	46.15	136,300	45.82		
13-May-04	45.96	46.20	45.77	45.95	63,100	45.72		
12-May-04	46.06	46.10	45.67	46.02	102,800	45.80		
11-May-04	46.49	46.58	45.92	46.05	136,800	45.84		
10-May-04	47.04	47.08	46.45	46.48	135,600	46.27		
7-May-04	48.30	48.35	46.85	47.06	158,100	46.87		
6-May-04	48.70	48.75	48.17	48.48	104,300	48.30		
5-May-04	48.65	48.98	48.50	48.79	192,900	48.61		
4-May-04	48.50	48.64	48.25	48.50	182,000	48.33		
3-May-04	48.41	48.50	48.14	48.25	207,800	48.09		
30-Apr-04	48.20	48.52	48.11	48.40	170,100	48.25		
29-Apr-04	48.49	48.58	47.77	48.00	78,700	47.86		
28-Apr-04	48.46	48.65	48.25	48.41	138,000	48.28		
27-Apr-04	48.37	48.72	48.36	48.40	63,400	48.27		
26-Apr-04	48.20	48.70	48.20	48.42	67,900	48.30		
23-Apr-04	47.90	48.47	47.84	48.35	97,500	48.25		
22-Apr-04	47.40	47.95	47.29	47.70	175,900	47.60		
21-Apr-04	47.50	47.71	47.28	47.40	107,700	47.31		
20-Apr-04	48.00	48.32	47.64	47.70	76,400	47.61		
19-Apr-04	48.10	48.16	47.98	48.00	87,500	47.92		
16-Apr-04	47.85	48.34	47.80	48.07	148,600	48.01		
15-Apr-04	47.97	48.21	47.79	47.92	274,800	47.87		
14-Apr-04	47.85	48.12	47.48	47.77	228,500	47.72		
13-Apr-04	48.69	48.69	47.72	47.85	314,900	47.81		
12-Apr-04	49.34	49.52	48.50	48.75	121,100	48.71		
8-Apr-04	49.51	49.60	49.45	49.54	95,600	49.53		
7-Apr-04	49.65	49.74	49.37	49.42	100,400	49.41		
6-Apr-04	50.20	50.24	49.80	49.80	97,800	49.80	6-Apr-04	0.555
5-Apr-04	50.80	50.80	50.57	50.68	124,100	50.13		
2-Apr-04	51.25	51.30	50.62	50.68	111,200	50.15		
1-Apr-04	50.85	51.06	50.85	51.00	108,700	50.48		
31-Mar-04	50.85	50.85	50.65	50.72	179,900	50.20		
30-Mar-04	50.24	50.81	50.23	50.73	194,100	50.22		
29-Mar-04	50.25	50.30	50.00	50.30	155,500	49.79		
26-Mar-04	50.35	50.50	49.90	50.00	150,900	49.51		
25-Mar-04	50.55	50.70	50.18	50.20	109,100	49.72		
24-Mar-04	50.72	50.83	50.38	50.38	107,300	49.91		
23-Mar-04	50.55	50.60	50.55	50.73	155,000	50.26		
22-Mar-04	51.04	51.04	50.45	50.45	138,200	49.99		
19-Mar-04	51.10	51.10	50.80	51.00	184,100	50.56		
Average				48.13		47.85	7-Jan-04	0.555

* Adjusted for dividends by K. Kinzel; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.

Pepco Holdings, Inc.

Date	Open	High	Low	Close	Volume	Adj. Close*	Dividend	
							Date	Amount
18-Jun-04	18.50	18.58	18.34	18.45	390,800	18.42		
17-Jun-04	18.32	18.53	18.29	18.53	222,100	18.51		
16-Jun-04	18.33	18.50	18.33	18.50	247,900	18.48		
15-Jun-04	18.40	18.49	18.29	18.41	355,100	18.39		
14-Jun-04	18.30	18.37	18.20	18.20	447,000	18.18		
10-Jun-04	18.05	18.32	17.90	18.32	320,100	18.31		
9-Jun-04	18.06	18.20	17.87	17.90	352,700	17.90		
8-Jun-04	18.32	18.32	18.10	18.14	291,500	18.14	8-Jun-04	0.25
7-Jun-04	18.25	18.61	18.25	18.57	540,500	18.32		
4-Jun-04	18.44	18.44	18.25	18.25	328,900	18.01		
3-Jun-04	18.26	18.32	18.10	18.29	544,600	18.05		
2-Jun-04	18.35	18.36	18.25	18.26	372,500	18.02		
1-Jun-04	18.50	18.50	18.31	18.31	567,900	18.07		
28-May-04	18.41	18.53	18.30	18.40	465,900	18.18		
27-May-04	18.25	18.45	18.24	18.40	559,800	18.18		
26-May-04	17.95	18.29	17.84	18.20	861,500	17.98		
25-May-04	17.51	17.94	17.51	17.84	633,600	17.62		
24-May-04	17.40	17.62	17.32	17.57	325,000	17.36		
21-May-04	17.41	17.42	17.21	17.25	334,300	17.04		
20-May-04	17.16	17.24	17.10	17.18	273,300	16.98		
19-May-04	17.30	17.36	17.04	17.04	327,700	16.84		
18-May-04	17.28	17.40	17.18	17.20	494,000	17.00		
17-May-04	17.30	17.39	16.94	17.24	645,900	17.05		
14-May-04	17.41	17.50	17.28	17.41	622,600	17.22		
13-May-04	17.46	17.48	17.35	17.41	380,500	17.23		
12-May-04	17.65	17.65	17.34	17.45	663,300	17.27		
11-May-04	17.80	17.85	17.44	17.53	781,700	17.35		
10-May-04	18.03	18.20	17.60	17.79	795,500	17.62		
7-May-04	18.42	18.60	17.78	18.03	526,900	17.86		
6-May-04	18.56	18.61	18.30	18.54	628,100	18.38		
5-May-04	18.95	18.95	18.39	18.55	976,800	18.39		
4-May-04	19.18	19.18	18.81	18.98	965,800	18.82		
3-May-04	18.90	19.09	18.78	19.09	434,800	18.93		
30-Apr-04	19.14	19.23	18.91	18.94	434,100	18.79		
29-Apr-04	19.57	19.62	19.05	19.22	293,200	19.08		
28-Apr-04	19.51	19.62	19.38	19.50	633,000	19.36		
27-Apr-04	19.58	19.72	19.56	19.64	412,400	19.50		
26-Apr-04	19.55	19.69	19.47	19.63	665,600	19.49		
23-Apr-04	19.68	19.77	19.50	19.57	828,500	19.44		
22-Apr-04	19.42	19.66	19.33	19.63	1,078,200	19.51		
21-Apr-04	19.18	19.52	19.08	19.52	1,358,400	19.40		
20-Apr-04	19.67	19.68	19.43	19.53	837,800	19.41		
19-Apr-04	19.50	19.55	19.30	19.53	454,100	19.41		
16-Apr-04	19.51	19.60	19.37	19.40	305,000	19.29		
15-Apr-04	19.20	19.51	19.20	19.45	345,400	19.34		
14-Apr-04	19.33	19.35	19.15	19.29	342,500	19.19		
13-Apr-04	19.89	19.89	19.21	19.40	544,400	19.30		
12-Apr-04	20.13	20.23	19.72	19.79	605,600	19.69		
8-Apr-04	20.30	20.30	20.11	20.21	246,700	20.12		
7-Apr-04	20.25	20.28	20.11	20.18	511,400	20.10		
6-Apr-04	20.35	20.40	20.27	20.34	251,700	20.26		
5-Apr-04	20.50	20.50	20.36	20.46	359,400	20.38		
2-Apr-04	20.70	20.70	20.43	20.50	617,300	20.43		
1-Apr-04	20.50	20.62	20.45	20.62	1,094,100	20.55		
31-Mar-04	20.63	20.63	20.41	20.44	576,000	20.38		
30-Mar-04	20.59	20.59	20.40	20.55	720,100	20.49		
29-Mar-04	20.45	20.60	20.36	20.60	282,600	20.54		
26-Mar-04	20.40	20.53	20.34	20.40	592,500	20.35		
25-Mar-04	20.15	20.43	20.15	20.39	383,200	20.34		
24-Mar-04	20.22	20.24	20.07	20.07	381,400	20.03		
23-Mar-04	20.11	20.27	20.00	20.22	412,700	20.18		
22-Mar-04	20.25	20.30	20.00	20.10	504,400	20.06		
19-Mar-04	20.52	20.52	20.27	20.31	418,500	20.28		
Average				18.93		18.81	8-Mar-04	0.25

* Adjusted for dividends by K. Kincaid; the last dividend times the ratio of the number of days since ex-dividend date divided by the number of days in the calendar quarter, is subtracted from the closing price.



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For immediate release
June 14, 2004

Instruments	2004	2004	2004	2004	2004	Week Ending		2004 May
	Jun 7	Jun 8	Jun 9	Jun 10	Jun 11 *	Jun 11	Jun 4	
Federal funds (effective) ^{1 2 3}	0.99	0.97	0.99	1.00	1.00	0.99	1.01	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	1.06	1.05	1.05	1.10		1.07	1.01	1.00
2-month	1.14	1.13	1.19	1.16		1.16	1.10	1.04
3-month	1.27	1.25	1.29	n.a.		1.27	1.22	1.07
Financial								
1-month	1.08	1.07	1.08	1.08	1.07	1.08	1.04	1.02
2-month	1.19	1.17	1.20	1.21	1.22	1.20	1.15	1.08
3-month	1.28	1.29	1.34	1.36	1.36	1.33	1.26	1.16
CDs (secondary market) ^{3 6}								
1-month	1.12	1.15	1.15	1.18	1.21	1.16	1.10	1.05
3-month	1.36	1.37	1.39	1.43	1.48	1.41	1.32	1.20
6-month	1.67	1.67	1.69	1.74	1.81	1.72	1.61	1.46
Eurodollar deposits (London) ^{3 7}								
1-month	1.10	1.13	1.11	1.16		1.13	1.07	1.03
3-month	1.34	1.34	1.35	1.42		1.36	1.29	1.18
6-month	1.64	1.63	1.66	1.72		1.66	1.56	1.44
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.93	1.02	1.01	1.00		0.99	0.94	0.89
3-month	1.23	1.25	1.25	1.27		1.25	1.16	1.02
6-month	1.51	1.53	1.58	1.61		1.56	1.43	1.31
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.97	1.03	1.03	1.02		1.01	0.97	0.91
3-month	1.24	1.27	1.27	1.30		1.27	1.18	1.04
6-month	1.54	1.56	1.61	1.65		1.59	1.46	1.33
1-year	1.96	2.02	2.14	2.14		2.07	1.92	1.78
2-year	2.67	2.73	2.79	2.81		2.75	2.65	2.53
3-year	3.22	3.24	3.31	3.32		3.27	3.19	3.10
5-year	3.95	3.96	4.01	4.00		3.98	3.91	3.85
7-year	4.39	4.40	4.44	4.43		4.42	4.35	4.31
10-year	4.78	4.78	4.82	4.81		4.80	4.74	4.72
20-year ¹¹	5.51	5.50	5.54	5.52		5.52	5.47	5.46
Inflation Indexed ¹²								
5-year	1.37	1.43	1.47	1.45		1.43	1.30	1.34
7-year	1.78	1.83	1.87	1.87		1.84	1.71	1.77
10-year	2.11	2.15	2.20	2.18		2.16	2.04	2.09
Inflation-indexed long-term average ¹³	2.42	2.46	2.50	2.49		2.47	2.38	2.45
Interest rate swaps ¹⁴								
1-year	2.26	2.27	2.33	2.39		2.31	2.20	2.03
2-year	3.10	3.10	3.15	3.22		3.14	3.04	2.90
3-year	3.69	3.68	3.71	3.77		3.71	3.62	3.53
4-year	4.12	4.10	4.12	4.17		4.13	4.05	3.98
5-year	4.44	4.43	4.44	4.48		4.45	4.37	4.33
7-year	4.89	4.87	4.88	4.91		4.89	4.82	4.79
10-year	5.29	5.28	5.28	5.30		5.29	5.22	5.21
30-year	5.86	5.87	5.86	5.87		5.86	5.81	5.80
Corporate bonds								
Moody's seasoned								
Aaa ¹⁵	6.07	6.06	6.10	6.08		6.08	6.04	6.04
Baa	6.83	6.82	6.85	6.84		6.84	6.80	6.75
State & local bonds ¹⁶				5.10		5.10	5.03	5.07
Conventional mortgages ¹⁷					6.30	6.30	6.28	6.27

See overleaf for footnotes

* Markets closed
n.a. -- not available

FOOTNOTES

1. The daily effective federal funds rate is a weighted average of rates on brokered trades.
2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. On a discount basis.
5. Interest rates interpolated from data on certain commercial paper trades settled by The Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). The 1-, 2-, and 3-month rates are equivalent to the 30-, 60-, and 90-day dates reported on the Board's Commercial Paper Web page (www.federalreserve.gov/releases/cp).
6. An average of dealer offering rates on nationally traded certificates of deposit.
7. Bid rates for Eurodollar deposits collected around 9:30 a.m. Eastern time.
8. Rate posted by a majority of top 25 (by assets in domestic offices) insured U.S.-chartered commercial banks. Prime is one of several base rates used by banks to price short-term business loans.
9. The rate charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program, which became effective January 9, 2003. This rate replaces that for adjustment credit, which was discontinued after January 8, 2003. For further information, see www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm. The rate reported is that for the Federal Reserve Bank of New York. Historical series for the rate on adjustment credit as well as the rate on primary credit are available at www.federalreserve.gov/releases/h15/data.htm.
10. Yields on actively traded non-inflation-indexed issues adjusted to constant maturities. Source: U.S. Treasury.
11. A factor for adjusting the daily nominal 20-year constant maturity in order to estimate a 30-year nominal rate can be found at www.treas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.html.
12. Yields on Treasury inflation protected securities (TIPS) adjusted to constant maturities. Source: U.S. Treasury. Additional information on both nominal and inflation-indexed yields may be found at www.treas.gov/offices/domestic-finance/debt-management/interest-rate/index.html.
13. Based on the unweighted average of the bid yields for all TIPS with remaining terms to maturity of more than 10 years.
14. International Swaps and Derivatives Association (ISDA) mid-market par swap rates. Rates are for a Fixed Rate Payer in return for receiving three month LIBOR, and are based on rates collected at 11:00 a.m. by Garban Intercapital plc and published on Reuters Page ISDAFIX1. Source: Reuters Limited.
15. Moody's Aaa rates through December 6, 2001 are averages of Aaa utility and Aaa industrial bond rates. As of December 7, 2001, these rates are averages of Aaa industrial bonds only.
16. Bond Buyer Index, general obligation, 20 years to maturity, mixed quality; Thursday quotations.
17. Contract interest rates on commitments for fixed-rate first mortgages. Source: FHLMC.

Note: Weekly and monthly figures on this release, as well as annual figures available on the Board's historical H.15 web site (see below), are averages of business days unless otherwise noted.

Current and historical H.15 data are available on the Federal Reserve Board's web site (www.federalreserve.gov/). For information about individual copies or subscriptions, contact Publications Services at the Federal Reserve Board (phone 202-452-3244, fax 202-728-5886). For paid electronic access to current and historical data, call STAT-USA at 1-800-782-8872 or 202-482-1986.

DESCRIPTION OF THE TREASURY NOMINAL AND INFLATION-INDEXED CONSTANT MATURITY SERIES

Yields on Treasury nominal securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve for non-inflation-indexed Treasury securities. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 3 and 6 months and 1, 2, 3, 5, 7, 10 and 20 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity. Similarly, yields on inflation-indexed securities at "constant maturity" are interpolated from the daily yield curve for Treasury inflation protected securities in the over-the-counter market. The inflation-indexed constant maturity yields are read from this yield curve at fixed maturities, currently 5, 7, and 10 years.

FEDERAL RESERVE statistical release



H.15 (519)
SELECTED INTEREST RATES

For immediate release
June 7, 2004

Notice to Users of the H.15

In accordance with its announcement of May 5, 2004, the Treasury has ceased publication of its long-term average nominal yield, effective June 1, 2004. The Treasury commenced publishing this rate on February 19, 2002, coinciding with the discontinuance of its 30-year constant maturity rate. At that time, the Treasury also began to publish an "extrapolation factor," to allow users to calculate a proxy for the 30-year constant maturity nominal yield. An extrapolation factor to calculate a proxy for the 30-year constant maturity yield will continue to be published, but, as of June 1, it will be based on an extrapolation from the 20-year yield curve point. The extrapolation factor is available at the Treasury website, www.treas.gov/offices/domestic-finance/debt-management/interest-rate/index.html, as reported in footnote 11 of this release.



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

For immediate release

Yields in percent per annum

June 7, 2004

Instruments	2004 May 31	2004 Jun 1	2004 Jun 2	2004 Jun 3	2004 Jun 4	Week Ending		2004 May
						Jun 4	May 28	
Federal funds (effective) ^{1 2 3}	1.02	1.02	0.98	0.99	0.99	1.01	0.99	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month		1.00	1.02	0.98	1.04	1.01	1.00	1.00
2-month		1.07	1.12	1.11	1.11	1.10	1.08	1.04
3-month		1.20	1.22	1.23	n.a.	1.22	n.a.	1.07
Financial								
1-month		1.03	1.03	1.04	1.04	1.04	1.03	1.02
2-month		1.14	1.15	1.14	1.18	1.15	1.13	1.08
3-month		1.24	1.23	1.26	1.32	1.26	1.21	1.16
CDs (secondary market) ^{3 6}								
1-month		1.09	1.09	1.12	1.10	1.10	1.06	1.05
3-month		1.29	1.31	1.33	1.35	1.32	1.26	1.20
6-month		1.57	1.59	1.62	1.64	1.61	1.53	1.46
Eurodollar deposits (London) ^{3 7}								
1-month		1.05	1.06	1.08	1.09	1.07	1.03	1.03
3-month		1.25	1.27	1.30	1.32	1.29	1.23	1.18
6-month		1.52	1.55	1.58	1.59	1.56	1.51	1.44
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week		0.93	0.95	0.94	0.93	0.94	0.92	0.89
3-month		1.15	1.15	1.15	1.18	1.16	1.06	1.02
6-month		1.41	1.42	1.42	1.47	1.43	1.37	1.31
Treasury constant maturities								
Nominal ¹⁰								
1-month		0.97	0.97	0.96	0.96	0.97	0.94	0.91
3-month		1.17	1.17	1.17	1.21	1.18	1.07	1.04
6-month		1.44	1.45	1.45	1.51	1.46	1.39	1.33
1-year		1.89	1.92	1.91	1.97	1.92	1.82	1.78
2-year		2.60	2.65	2.63	2.70	2.65	2.54	2.53
3-year		3.14	3.19	3.17	3.25	3.19	3.11	3.10
5-year		3.86	3.91	3.89	3.97	3.91	3.83	3.85
7-year		4.31	4.35	4.34	4.41	4.35	4.29	4.31
10-year		4.71	4.74	4.71	4.78	4.74	4.68	4.72
20-year ¹¹		5.45	5.47	5.46	5.51	5.47	5.41	5.46
Inflation Indexed ¹²								
5-year		1.22	1.29	1.31	1.37	1.30	1.25	1.34
7-year		1.63	1.71	1.73	1.78	1.71	1.68	1.77
10-year		1.97	2.04	2.05	2.11	2.04	2.00	2.09
Inflation-indexed long-term average ¹³		2.32	2.37	2.39	2.42	2.38	2.36	2.45
Interest rate swaps ¹⁴								
1-year		2.15	2.19	2.20	2.26	2.20	2.10	2.03
2-year		2.99	3.04	3.03	3.10	3.04	2.94	2.90
3-year		3.58	3.61	3.62	3.68	3.62	3.54	3.53
4-year		4.01	4.04	4.05	4.10	4.05	3.98	3.98
5-year		4.34	4.36	4.37	4.42	4.37	4.31	4.33
7-year		4.79	4.81	4.82	4.86	4.82	4.77	4.79
10-year		5.20	5.22	5.22	5.24	5.22	5.18	5.21
30-year		5.79	5.81	5.81	5.82	5.81	5.78	5.80
Corporate bonds								
Moody's seasoned								
Aaa ¹⁵		6.02	6.04	6.03	6.07	6.04	6.00	6.04
Baa		6.76	6.80	6.79	6.84	6.80	6.72	6.75
State & local bonds ¹⁶				5.03		5.03	5.01	5.07
Conventional mortgages ¹⁷					6.28	6.28	6.32	6.27

See overleaf for footnotes

* Markets closed
n.a.-- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES Yields in percent per annum

For immediate release
June 1, 2004

Instruments	2004 May 24	2004 May 25	2004 May 26	2004 May 27	2004 May 28	Week Ending		2004 Apr 29
						May 28	May 21	
Federal funds (effective) ^{1 2 3}	1.00	1.00	0.99	1.00	1.02	0.99	1.02	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	1.01	1.00	1.00	1.00	1.01	1.00	1.00	1.00
2-month	1.09	1.07	n.a.	n.a.	n.a.	1.08	1.05	1.01
3-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.09	1.05
Financial								
1-month	1.02	1.03	1.02	1.04	1.02	1.03	1.03	1.02
2-month	1.11	1.14	1.09	1.17	1.15	1.13	1.08	1.03
3-month	1.19	1.22	1.21	1.22	1.23	1.21	1.17	1.06
CDs (secondary market) ^{3 6}								
1-month	1.06	1.05	1.05	1.07	1.07	1.06	1.05	1.04
3-month	1.24	1.25	1.25	1.27	1.28	1.26	1.22	1.08
6-month	1.54	1.53	1.53	1.54	1.53	1.53	1.50	1.21
Eurodollar deposits (London) ^{3 7}								
1-month	1.03	1.03	1.03	1.03	1.04	1.03	1.03	1.02
3-month	1.22	1.22	1.23	1.24	1.25	1.23	1.20	1.07
6-month	1.52	1.51	1.52	1.51	1.50	1.51	1.47	1.19
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.89	0.93	0.92	0.92	0.92	0.92	0.89	0.89
3-month	1.06	1.06	1.06	1.04	1.06	1.06	1.03	0.94
6-month	1.39	1.38	1.36	1.34	1.36	1.37	1.34	1.09
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.92	0.95	0.94	0.94	0.94	0.94	0.91	0.91
3-month	1.07	1.07	1.08	1.06	1.08	1.07	1.04	0.96
6-month	1.41	1.41	1.39	1.37	1.39	1.39	1.37	1.11
1-year	1.86	1.84	1.81	1.77	1.83	1.82	1.83	1.43
2-year	2.59	2.58	2.52	2.46	2.54	2.54	2.57	2.07
3-year	3.17	3.16	3.08	3.02	3.10	3.11	3.14	2.57
5-year	3.90	3.89	3.81	3.74	3.91	3.83	3.88	3.39
7-year	4.36	4.34	4.27	4.20	4.26	4.29	4.34	3.89
10-year	4.75	4.73	4.67	4.60	4.66	4.68	4.74	4.35
20-year	5.48	5.45	5.41	5.34	5.39	5.41	5.49	5.16
Inflation Indexed ¹¹								
5-year	1.27	1.29	1.23	1.19	1.26	1.25	1.31	1.02
7-year	1.71	1.72	1.66	1.62	1.68	1.68	1.73	1.49
10-year	2.01	2.03	1.99	1.97	2.00	2.00	2.03	1.90
Treasury long-term average								
Nominal ^{12 13}	5.50	5.47	5.43	5.38	5.40	5.44	5.51	5.20
Inflation indexed ¹⁴	2.37	2.38	2.36	2.32	2.35	2.36	2.37	2.28
Interest rate swaps ¹⁵								
1-year	2.13	2.11	2.09	2.06	2.10	2.10	2.07	1.63
2-year	3.01	2.98	2.94	2.87	2.91	2.94	2.93	2.38
3-year	3.62	3.58	3.54	3.46	3.50	3.54	3.56	2.97
4-year	4.07	4.03	3.99	3.90	3.92	3.98	4.01	3.43
5-year	4.41	4.37	4.33	4.23	4.25	4.31	4.35	3.78
7-year	4.86	4.82	4.78	4.69	4.71	4.77	4.82	4.28
10-year	5.27	5.23	5.19	5.12	5.12	5.18	5.23	4.75
30-year	5.84	5.82	5.78	5.73	5.73	5.78	5.82	5.47
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	6.06	6.03	6.00	5.93	5.97	6.00	6.08	5.73
Baa	6.77	6.75	6.72	6.65	6.69	6.72	6.79	6.46
State & local bonds ¹⁷				5.01		5.01	5.13	4.82
Conventional mortgages ¹⁸					6.32	6.32	6.30	5.83

See overleaf for footnotes
n.a. -- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

For immediate release
May 24, 2004

Yields in percent per annum

Instruments	2004 May 17	2004 May 18	2004 May 19	2004 May 20	2004 May 21	Week Ending		2004 Apr
						May 21	May 14	
Federal funds (effective) ^{1 2 3}	1.05	1.00	1.00	1.00	0.99	1.02	0.99	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.99	1.01	1.00	1.01	1.01	1.00	1.00	1.00
2-month	1.04	n.a.	1.05	1.05	1.05	1.05	1.05	1.01
3-month	1.09	n.a.	n.a.	n.a.	n.a.	1.09	n.a.	1.05
Financial								
1-month	1.03	1.02	1.03	1.03	1.02	1.03	1.02	1.02
2-month	1.06	1.07	1.09	1.09	1.09	1.08	1.06	1.03
3-month	1.15	1.15	1.17	1.19	1.18	1.17	1.15	1.06
CDs (secondary market) ^{3 6}								
1-month	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.04
3-month	1.20	1.20	1.22	1.23	1.23	1.22	1.19	1.08
6-month	1.48	1.49	1.51	1.52	1.51	1.50	1.48	1.21
Eurodollar deposits (London) ^{3 7}								
1-month	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.02
3-month	1.18	1.18	1.20	1.21	1.21	1.20	1.17	1.07
6-month	1.46	1.47	1.48	1.47	1.48	1.47	1.45	1.19
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.87	0.90	0.89	0.88	0.89	0.89	0.87	0.89
3-month	1.05	1.04	1.02	1.01	1.01	1.03	1.02	0.94
6-month	1.33	1.34	1.35	1.33	1.35	1.34	1.32	1.09
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.90	0.91	0.91	0.90	0.91	0.91	0.89	0.91
3-month	1.06	1.05	1.04	1.03	1.03	1.04	1.03	0.96
6-month	1.35	1.37	1.38	1.36	1.39	1.37	1.34	1.11
1-year	1.80	1.83	1.85	1.81	1.84	1.83	1.83	1.43
2-year	2.51	2.58	2.61	2.55	2.60	2.57	2.62	2.07
3-year	3.07	3.13	3.18	3.12	3.18	3.14	3.19	2.57
5-year	3.83	3.87	3.93	3.86	3.91	3.88	3.96	3.39
7-year	4.29	4.34	4.39	4.33	4.37	4.34	4.41	3.89
10-year	4.70	4.74	4.79	4.72	4.76	4.74	4.81	4.35
20-year	5.47	5.48	5.54	5.47	5.50	5.49	5.56	5.16
Inflation Indexed ¹¹								
5-year	1.33	1.33	1.32	1.25	1.34	1.31	1.46	1.02
7-year	1.75	1.75	1.74	1.67	1.75	1.73	1.88	1.49
10-year	2.07	2.05	2.03	1.96	2.04	2.03	2.19	1.90
Treasury long-term average								
Nominal ^{12 13}	5.49	5.51	5.55	5.49	5.51	5.51	5.56	5.20
Inflation indexed ¹⁴	2.41	2.38	2.36	2.32	2.39	2.37	2.53	2.28
Interest rate swaps ¹⁵								
1-year	2.02	2.05	2.09	2.09	2.07	2.07	2.07	1.63
2-year	2.87	2.93	2.97	2.96	2.92	2.93	2.99	2.38
3-year	3.51	3.56	3.61	3.58	3.53	3.56	3.64	2.97
4-year	3.97	4.01	4.06	4.03	3.98	4.01	4.11	3.43
5-year	4.32	4.35	4.40	4.36	4.31	4.35	4.46	3.78
7-year	4.80	4.82	4.87	4.82	4.78	4.82	4.92	4.28
10-year	5.22	5.23	5.28	5.24	5.19	5.23	5.33	4.75
30-year	5.82	5.82	5.86	5.82	5.78	5.82	5.89	5.47
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	6.06	6.08	6.12	6.05	6.08	6.08	6.13	5.73
Baa	6.78	6.79	6.82	6.77	6.79	6.79	6.82	6.46
State & local bonds ¹⁷				5.13		5.13	5.14	4.82
Conventional mortgages ¹⁸					6.30	6.30	6.34	5.83

See overleaf for footnotes
n.a.-- not available



FEDERAL RESERVE statistical release

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H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For immediate release
May 17, 2004

Instruments	2004 May 10	2004 May 11	2004 May 12	2004 May 13	2004 May 14	Week Ending		2004 Apr
						May 14	May 7	
Federal funds (effective) ^{1,2,3}	1.00	0.96	0.98	1.00	1.02	0.99	1.02	1.00
Commercial paper ^{3,4,5}								
Nonfinancial								
1-month	0.99	1.02	0.99	0.99	0.99	1.00	1.00	1.00
2-month	1.06	1.03	1.04	n.a.	1.05	1.05	1.02	1.01
3-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.06	1.05
Financial								
1-month	1.03	1.02	1.01	1.01	1.02	1.02	1.02	1.02
2-month	1.05	1.07	1.06	1.07	1.07	1.06	1.05	1.03
3-month	1.14	1.14	1.16	1.15	1.15	1.15	1.09	1.06
CDs (secondary market) ^{3,6}								
1-month	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.04
3-month	1.18	1.19	1.19	1.20	1.21	1.19	1.13	1.08
6-month	1.48	1.48	1.47	1.49	1.50	1.48	1.34	1.21
Eurodollar deposits (London) ^{3,7}								
1-month	1.03	1.03	1.03	1.02	1.03	1.03	1.03	1.02
3-month	1.14	1.18	1.17	1.17	1.19	1.17	1.11	1.07
6-month	1.42	1.46	1.44	1.46	1.49	1.45	1.32	1.19
Bank prime loan ^{2,3,8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2,9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3,4}								
4-week	0.86	0.90	0.88	0.86	0.85	0.87	0.87	0.89
3-month	1.07	1.04	1.02	0.98	0.97	1.02	1.00	0.94
6-month	1.34	1.33	1.30	1.31	1.31	1.32	1.20	1.09
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.89	0.91	0.90	0.88	0.87	0.89	0.89	0.91
3-month	1.08	1.05	1.04	1.00	0.99	1.03	1.01	0.96
6-month	1.36	1.35	1.33	1.34	1.34	1.34	1.23	1.11
1-year	1.85	1.83	1.81	1.84	1.81	1.83	1.63	1.43
2-year	2.61	2.61	2.62	2.67	2.59	2.62	2.41	2.07
3-year	3.18	3.19	3.19	3.24	3.16	3.19	2.96	2.57
5-year	3.95	3.94	3.96	4.01	3.92	3.96	3.74	3.39
7-year	4.41	4.39	4.41	4.46	4.39	4.41	4.21	3.89
10-year	4.81	4.79	4.83	4.85	4.79	4.81	4.62	4.35
20-year	5.54	5.53	5.57	5.61	5.54	5.56	5.39	5.16
Inflation Indexed ¹¹								
5-year	1.53	1.49	1.42	1.43	1.41	1.46	1.33	1.02
7-year	1.95	1.91	1.86	1.86	1.84	1.88	1.79	1.49
10-year	2.25	2.21	2.17	2.18	2.16	2.19	2.14	1.90
Treasury long-term average								
Nominal ^{12,13}	5.54	5.53	5.57	5.61	5.56	5.56	5.42	5.20
Inflation indexed ¹⁴	2.58	2.54	2.52	2.51	2.50	2.53	2.54	2.28
Interest rate swaps ¹⁵								
1-year	2.07	2.05	2.06	2.09	2.09	2.07	1.87	1.63
2-year	2.98	2.97	2.98	3.02	2.99	2.99	2.73	2.38
3-year	3.64	3.63	3.62	3.66	3.64	3.64	3.37	2.97
4-year	4.10	4.10	4.09	4.13	4.11	4.11	3.83	3.43
5-year	4.46	4.45	4.44	4.48	4.46	4.46	4.18	3.78
7-year	4.92	4.92	4.90	4.96	4.93	4.92	4.65	4.28
10-year	5.33	5.32	5.31	5.37	5.35	5.33	5.08	4.75
30-year	5.87	5.87	5.87	5.92	5.93	5.89	5.69	5.47
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	6.12	6.08	6.13	6.18	6.12	6.13	5.95	5.73
Baa	6.79	6.78	6.83	6.87	6.82	6.82	6.66	6.46
State & local bonds ¹⁷				5.14		5.14	5.01	4.82
Conventional mortgages ¹⁸					6.34	6.34	6.12	5.83

See overleaf for footnotes
n.a. -- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES Yields in percent per annum

For immediate release
 May 10, 2004

Instruments	2004 May 3	2004 May 4	2004 May 5	2004 May 6	2004 May 7	Week Ending		2004 Apr
						May 7	Apr 30	
Federal funds (effective) ^{1 2 3}	1.03	1.00	0.99	1.00	0.99	1.02	1.00	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.99	1.00	1.02	1.00	1.01	1.00	0.98	1.00
2-month	1.00	1.03	1.01	1.02	1.04	1.02	1.03	1.01
3-month	1.07	n.a.	n.a.	1.05	1.07	1.06	1.08	1.05
Financial								
1-month	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
2-month	1.05	1.05	1.04	1.05	1.05	1.05	1.04	1.03
3-month	1.08	1.08	1.09	1.09	1.12	1.09	1.08	1.06
CDs (secondary market) ^{3 6}								
1-month	1.04	1.05	1.04	1.05	1.05	1.05	1.05	1.04
3-month	1.11	1.12	1.11	1.12	1.17	1.13	1.11	1.08
6-month	1.31	1.32	1.31	1.32	1.43	1.34	1.30	1.21
Eurodollar deposits (London) ^{3 7}								
1-month	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.02
3-month	1.10	1.10	1.10	1.10	1.16	1.11	1.09	1.07
6-month	1.31	1.29	1.29	1.31	1.42	1.32	1.27	1.19
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.80	0.92	0.89	0.87	0.88	0.87	0.85	0.89
3-month	0.99	0.99	0.97	0.98	1.05	1.00	0.96	0.94
6-month	1.19	1.17	1.15	1.18	1.31	1.20	1.15	1.09
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.83	0.93	0.90	0.89	0.90	0.89	0.87	0.91
3-month	1.00	1.00	0.99	1.00	1.07	1.01	0.98	0.96
6-month	1.21	1.19	1.17	1.21	1.35	1.23	1.17	1.11
1-year	1.60	1.57	1.56	1.61	1.83	1.63	1.55	1.43
2-year	2.34	2.32	2.34	2.39	2.64	2.41	2.29	2.07
3-year	2.86	2.88	2.91	2.94	3.19	2.96	2.82	2.57
5-year	3.63	3.66	3.71	3.72	3.96	3.74	3.60	3.39
7-year	4.11	4.15	4.18	4.20	4.41	4.21	4.08	3.89
10-year	4.53	4.56	4.61	4.63	4.79	4.62	4.49	4.35
20-year	5.30	5.34	5.38	5.41	5.53	5.39	5.28	5.16
Inflation Indexed ¹¹								
5-year	1.28	1.26	1.29	1.34	1.50	1.33	1.24	1.02
7-year	1.73	1.74	1.76	1.80	1.93	1.79	1.71	1.49
10-year	2.09	2.10	2.10	2.15	2.24	2.14	2.08	1.90
Treasury long-term average								
Nominal ^{12 13}	5.34	5.38	5.41	5.43	5.53	5.42	5.32	5.20
Inflation indexed ¹⁴	2.50	2.52	2.53	2.56	2.59	2.54	2.45	2.28
Interest rate swaps ¹⁵								
1-year	1.82	1.82	1.81	1.87	2.05	1.87	1.79	1.63
2-year	2.67	2.66	2.65	2.72	2.97	2.73	2.61	2.38
3-year	3.29	3.28	3.29	3.36	3.62	3.37	3.23	2.97
4-year	3.75	3.73	3.76	3.84	4.09	3.83	3.67	3.43
5-year	4.08	4.08	4.12	4.20	4.43	4.18	4.01	3.78
7-year	4.55	4.55	4.60	4.68	4.89	4.65	4.48	4.28
10-year	4.97	4.99	5.04	5.12	5.29	5.08	4.92	4.75
30-year	5.60	5.62	5.67	5.73	5.86	5.69	5.57	5.47
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.87	5.92	5.91	5.98	6.06	5.95	5.84	5.73
Baa	6.58	6.63	6.66	6.69	6.76	6.66	6.56	6.46
State & local bonds ¹⁷				5.01		5.01	4.95	4.82
Conventional mortgages ¹⁸					6.12	6.12	6.01	5.83

See overleaf for footnotes
 n.a. -- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES Yields in percent per annum

For immediate release
May 3, 2004

Instruments	2004 Apr 26	2004 Apr 27	2004 Apr 28	2004 Apr 29	2004 Apr 30	Week Ending		2004 Apr
						Apr 30	Apr 23	
Federal funds (effective) ^{1 2 3}	1.01	0.99	1.01	1.03	1.03	1.00	1.00	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.99	0.99	0.98	0.97	0.99	0.98	1.01	1.00
2-month	1.06	1.01	1.01	1.03	1.02	1.03	1.00	1.01
3-month	1.09	1.06	1.08	1.07	1.08	1.08	1.05	1.05
Financial								
1-month	1.02	1.03	1.02	1.01	1.01	1.02	1.02	1.02
2-month	1.04	1.04	1.03	1.03	1.06	1.04	1.04	1.03
3-month	1.07	1.08	1.07	1.08	1.11	1.08	1.06	1.06
CDs (secondary market) ^{3 6}								
1-month	1.05	1.05	1.05	1.05	1.05	1.05	1.04	1.04
3-month	1.11	1.10	1.10	1.11	1.12	1.11	1.09	1.08
6-month	1.29	1.28	1.28	1.31	1.33	1.30	1.22	1.21
Eurodollar deposits (London) ^{3 7}								
1-month	1.03	1.03	1.03	1.03	1.03	1.03	1.02	1.02
3-month	1.09	1.09	1.08	1.10	1.10	1.09	1.07	1.07
6-month	1.26	1.26	1.26	1.28	1.29	1.27	1.21	1.19
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.86	0.90	0.86	0.83	0.81	0.85	0.88	0.89
3-month	0.98	0.97	0.96	0.95	0.96	0.96	0.96	0.94
6-month	1.17	1.15	1.14	1.13	1.14	1.15	1.13	1.09
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.88	0.91	0.87	0.85	0.83	0.87	0.89	0.91
3-month	0.99	0.98	0.97	0.97	0.98	0.98	0.97	0.96
6-month	1.19	1.17	1.16	1.15	1.17	1.17	1.15	1.11
1-year	1.57	1.53	1.54	1.55	1.55	1.55	1.50	1.43
2-year	2.28	2.21	2.30	2.34	2.31	2.29	2.17	2.07
3-year	2.78	2.74	2.82	2.88	2.86	2.82	2.67	2.57
5-year	3.57	3.52	3.60	3.66	3.63	3.60	3.49	3.39
7-year	4.05	4.01	4.08	4.14	4.11	4.08	3.99	3.89
10-year	4.46	4.43	4.50	4.55	4.53	4.49	4.43	4.35
20-year	5.25	5.22	5.28	5.33	5.31	5.28	5.24	5.16
Inflation Indexed ¹¹								
5-year	1.20	1.14	1.26	1.32	1.29	1.24	1.10	1.02
7-year	1.66	1.63	1.72	1.78	1.75	1.71	1.57	1.49
10-year	2.03	2.00	2.10	2.15	2.11	2.08	1.98	1.90
Treasury long-term average								
Nominal ^{12 13}	5.29	5.27	5.32	5.36	5.34	5.32	5.28	5.20
Inflation indexed ¹⁴	2.40	2.37	2.46	2.51	2.51	2.45	2.35	2.28
Interest rate swaps ¹⁵								
1-year	1.78	1.77	1.77	1.81	1.82	1.79	1.68	1.63
2-year	2.60	2.58	2.58	2.64	2.67	2.61	2.46	2.38
3-year	3.20	3.19	3.19	3.25	3.29	3.23	3.07	2.97
4-year	3.64	3.64	3.64	3.70	3.75	3.67	3.53	3.43
5-year	3.98	3.98	3.97	4.04	4.09	4.01	3.88	3.78
7-year	4.45	4.45	4.44	4.51	4.56	4.48	4.38	4.28
10-year	4.89	4.89	4.88	4.95	5.00	4.92	4.84	4.75
30-year	5.55	5.55	5.56	5.59	5.63	5.57	5.54	5.47
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.81	5.80	5.85	5.89	5.87	5.84	5.81	5.73
Baa	6.52	6.51	6.56	6.61	6.58	6.56	6.53	6.46
State & local bonds ¹⁷				4.95		4.95	4.89	4.82
Conventional mortgages ¹⁸					6.01	6.01	5.94	5.83

See overleaf for footnotes



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For immediate release
April 26, 2004

Instruments	2004 Apr 19	2004 Apr 20	2004 Apr 21	2004 Apr 22	2004 Apr 23	Week Ending		2004 Mar
						Apr 23	Apr 16	
Federal funds (effective) ^{1 2 3}	1.00	0.99	0.99	1.00	0.99	1.00	1.01	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	1.00	1.00	1.06	1.03	0.97	1.01	1.01	0.99
2-month	1.00	1.00	1.01	1.01	1.00	1.00	1.01	1.00
3-month	1.04	n.a.	1.07	1.04	1.05	1.05	1.02	1.00
Financial								
1-month	1.02	1.02	1.02	1.01	1.01	1.02	1.02	1.01
2-month	1.03	1.04	1.03	1.04	1.04	1.04	1.03	1.02
3-month	1.05	1.06	1.06	1.08	1.06	1.06	1.05	1.03
CDs (secondary market) ^{3 6}								
1-month	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.03
3-month	1.08	1.08	1.09	1.09	1.09	1.09	1.08	1.05
6-month	1.19	1.20	1.25	1.24	1.24	1.22	1.19	1.09
Eurodollar deposits (London) ^{3 7}								
1-month	1.01	1.02	1.01	1.02	1.02	1.02	1.02	1.02
3-month	1.05	1.07	1.08	1.08	1.07	1.07	1.06	1.04
6-month	1.17	1.19	1.24	1.25	1.21	1.21	1.17	1.08
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.90	0.92	0.92	0.79	0.85	0.88	0.91	0.95
3-month	0.95	0.96	0.98	0.95	0.96	0.96	0.93	0.94
6-month	1.09	1.11	1.15	1.12	1.17	1.13	1.07	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.92	0.93	0.93	0.81	0.87	0.89	0.92	0.96
3-month	0.96	0.97	0.99	0.97	0.98	0.97	0.94	0.95
6-month	1.11	1.13	1.17	1.14	1.20	1.15	1.09	1.01
1-year	1.43	1.46	1.52	1.49	1.59	1.50	1.41	1.19
2-year	2.07	2.11	2.22	2.15	2.29	2.17	2.04	1.58
3-year	2.58	2.62	2.71	2.64	2.78	2.67	2.53	2.00
5-year	3.42	3.45	3.52	3.46	3.58	3.49	3.38	2.79
7-year	3.93	3.97	4.01	3.95	4.07	3.99	3.90	3.31
10-year	4.39	4.43	4.45	4.40	4.48	4.43	4.36	3.83
20-year	5.22	5.24	5.25	5.20	5.27	5.24	5.18	4.72
Inflation Indexed ¹¹								
5-year	0.96	1.07	1.07	1.10	1.29	1.10	0.98	0.52
7-year	1.45	1.55	1.54	1.56	1.74	1.57	1.45	0.98
10-year	1.87	1.97	1.96	1.98	2.12	1.98	1.88	1.47
Treasury long-term average								
Nominal ^{12 13}	5.26	5.28	5.29	5.25	5.31	5.28	5.21	4.79
Inflation indexed ¹⁴	2.26	2.32	2.33	2.36	2.46	2.35	2.24	1.93
Interest rate swaps ¹⁵								
1-year	1.61	1.64	1.70	1.70	1.75	1.68	1.59	1.33
2-year	2.35	2.41	2.51	2.49	2.56	2.46	2.33	1.87
3-year	2.95	3.03	3.12	3.09	3.16	3.07	2.93	2.38
4-year	3.41	3.50	3.58	3.55	3.62	3.53	3.40	2.81
5-year	3.77	3.87	3.94	3.90	3.96	3.88	3.77	3.16
7-year	4.28	4.38	4.43	4.39	4.44	4.38	4.28	3.68
10-year	4.76	4.84	4.89	4.84	4.88	4.84	4.76	4.19
30-year	5.49	5.55	5.57	5.54	5.57	5.54	5.48	5.05
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.79	5.82	5.82	5.78	5.84	5.81	5.74	5.33
Baa	6.51	6.53	6.54	6.50	6.55	6.53	6.46	6.11
State & local bonds ¹⁷				4.89		4.89	4.89	4.41
Conventional mortgages ¹⁸					5.94	5.94	5.89	5.45

See overleaf for footnotes
n.a. -- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For immediate release
April 19, 2004

Instruments	2004	2004	2004	2004	2004	Week Ending		2004
	Apr 12	Apr 13	Apr 14	Apr 15	Apr 16	Apr 16	Apr 9	Mar
Federal funds (effective) ^{1 2 3}	1.00	1.00	1.01	1.03	0.99	1.01	1.01	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.99	1.02	1.04	1.00	1.00	1.01	1.00	0.99
2-month	1.01	1.00	1.00	1.01	1.02	1.01	1.01	1.00
3-month	1.03	n.a.	n.a.	1.02	1.02	1.02	1.01	1.00
Financial								
1-month	1.02	1.03	1.02	1.03	1.02	1.02	1.01	1.01
2-month	1.03	1.03	1.04	1.03	1.03	1.03	1.02	1.02
3-month	1.04	1.04	1.07	1.06	1.06	1.05	1.04	1.03
CDs (secondary market) ^{3 6}								
1-month	1.03	1.04	1.05	1.05	1.05	1.04	1.04	1.03
3-month	1.06	1.07	1.09	1.09	1.08	1.08	1.07	1.05
6-month	1.15	1.17	1.22	1.23	1.20	1.19	1.16	1.09
Eurodollar deposits (London) ^{3 7}								
1-month	1.02	1.02	1.02	1.03	1.02	1.02	1.02	1.02
3-month	1.05	1.05	1.07	1.07	1.07	1.06	1.06	1.04
6-month	1.14	1.14	1.19	1.18	1.19	1.17	1.15	1.08
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.91	0.90	0.91	0.91	0.90	0.91	0.93	0.95
3-month	0.93	0.93	0.94	0.93	0.92	0.93	0.93	0.94
6-month	1.04	1.06	1.11	1.10	1.06	1.07	1.03	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.92	0.91	0.92	0.92	0.91	0.92	0.94	0.96
3-month	0.94	0.94	0.95	0.95	0.94	0.94	0.94	0.95
6-month	1.06	1.08	1.13	1.12	1.08	1.09	1.05	1.01
1-year	1.34	1.39	1.48	1.46	1.40	1.41	1.32	1.19
2-year	1.91	2.01	2.13	2.10	2.03	2.04	1.88	1.58
3-year	2.41	2.52	2.60	2.59	2.53	2.53	2.37	2.00
5-year	3.26	3.37	3.44	3.45	3.39	3.38	3.21	2.79
7-year	3.78	3.89	3.95	3.96	3.90	3.90	3.73	3.31
10-year	4.25	4.35	4.40	4.42	4.37	4.36	4.21	3.83
20-year	5.08	5.17	5.21	5.22	5.20	5.18	5.03	4.72
Inflation indexed ¹¹								
5-year	0.91	0.98	1.01	1.03	0.95	0.98	0.86	0.52
7-year	1.38	1.46	1.49	1.49	1.43	1.45	1.35	0.98
10-year	1.81	1.88	1.91	1.93	1.87	1.88	1.78	1.47
Treasury long-term average								
Nominal ^{12 13}	5.12	5.20	5.23	5.26	5.24	5.21	5.09	4.79
Inflation indexed ¹⁴	2.17	2.23	2.27	2.29	2.25	2.24	2.15	1.93
Interest rate swaps ¹⁵								
1-year	1.52	1.56	1.64	1.65	1.60	1.59	1.51	1.33
2-year	2.22	2.29	2.40	2.40	2.35	2.33	2.19	1.87
3-year	2.81	2.89	2.99	3.01	2.95	2.93	2.76	2.38
4-year	3.27	3.36	3.47	3.48	3.43	3.40	3.22	2.81
5-year	3.65	3.74	3.85	3.83	3.80	3.77	3.59	3.16
7-year	4.16	4.25	4.36	4.34	4.31	4.28	4.10	3.68
10-year	4.65	4.74	4.84	4.81	4.79	4.76	4.59	4.19
30-year	5.39	5.46	5.53	5.51	5.50	5.48	5.34	5.05
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.64	5.73	5.76	5.80	5.77	5.74	5.61	5.33
Baa	6.38	6.46	6.48	6.51	6.48	6.46	6.36	6.11
State & local bonds ¹⁷				4.89		4.89	4.76	4.41
Conventional mortgages ¹⁸					5.89	5.89	5.79	5.45

See overleaf for footnotes
n.a. -- not available

FEDERAL RESERVE statistical release



These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

For immediate release

Yields in percent per annum

April 12, 2004

Instruments	2004	2004	2004	2004	2004	Week Ending		2004 Mar
	Apr 5	Apr 6	Apr 7	Apr 8	Apr 9	Apr 9	Apr 2	
Federal funds (effective) ^{1 2 3}	1.01	1.00	1.00	1.02	1.01	1.01	1.01	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.99	1.00	1.00	1.00		1.00	1.01	0.99
2-month	1.01	1.00	1.01	1.00		1.01	1.00	1.00
3-month	n.a.	n.a.	n.a.	1.01		1.01	1.01	1.00
Financial								
1-month	1.01	1.02	1.03	1.01	1.00	1.01	1.02	1.01
2-month	1.04	1.02	1.03	1.01	1.02	1.02	1.03	1.02
3-month	1.04	1.04	1.04	1.04	n.a.	1.04	1.04	1.03
CDs (secondary market) ^{3 6}								
1-month	1.04	1.04	1.04	1.04		1.04	1.04	1.03
3-month	1.07	1.07	1.07	1.06		1.07	1.06	1.05
6-month	1.16	1.16	1.15	1.15		1.16	1.11	1.09
Eurodollar deposits (London) ^{3 7}								
1-month	1.02	1.02	1.03	1.02		1.02	1.02	1.02
3-month	1.06	1.07	1.06	1.06		1.06	1.04	1.04
6-month	1.15	1.15	1.14	1.14		1.15	1.08	1.08
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.93	0.93	0.93	0.92		0.93	0.94	0.95
3-month	0.93	0.92	0.93	0.92		0.93	0.93	0.94
6-month	1.04	1.02	1.02	1.02		1.03	1.00	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.94	0.94	0.94	0.93		0.94	0.95	0.96
3-month	0.94	0.94	0.95	0.93		0.94	0.95	0.95
6-month	1.06	1.04	1.04	1.04		1.05	1.02	1.01
1-year	1.34	1.31	1.31	1.32		1.32	1.23	1.19
2-year	1.91	1.86	1.87	1.88		1.88	1.67	1.58
3-year	2.40	2.35	2.36	2.37		2.37	2.10	2.00
5-year	3.24	3.19	3.19	3.22		3.21	2.91	2.79
7-year	3.76	3.70	3.71	3.73		3.73	3.43	3.31
10-year	4.24	4.19	4.19	4.21		4.21	3.95	3.83
20-year	5.05	5.01	5.02	5.04		5.03	4.82	4.72
Inflation Indexed ¹¹								
5-year	0.84	0.82	0.91	0.88		0.86	0.59	0.52
7-year	1.32	1.30	1.39	1.37		1.35	1.06	0.98
10-year	1.75	1.73	1.82	1.80		1.78	1.53	1.47
Treasury long-term average								
Nominal ^{12 13}	5.10	5.07	5.08	5.09		5.09	4.89	4.79
Inflation indexed ¹⁴	2.12	2.11	2.19	2.16		2.15	1.97	1.93
Interest rate swaps ¹⁵								
1-year	1.53	1.51	1.48	1.51		1.51	1.39	1.33
2-year	2.22	2.19	2.15	2.20		2.19	1.97	1.87
3-year	2.79	2.76	2.72	2.78		2.76	2.49	2.38
4-year	3.25	3.22	3.18	3.23		3.22	2.93	2.81
5-year	3.62	3.58	3.54	3.60		3.59	3.28	3.16
7-year	4.14	4.10	4.06	4.11		4.10	3.81	3.68
10-year	4.62	4.59	4.55	4.60		4.59	4.32	4.19
30-year	5.37	5.35	5.31	5.35		5.34	5.16	5.05
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.62	5.60	5.59	5.62		5.61	5.43	5.33
Baa	6.37	6.35	6.34	6.36		6.36	6.21	6.11
State & local bonds ¹⁷				4.76		4.76	4.59	4.41
Conventional mortgages ¹⁸					5.79	5.79	5.52	5.45

See overleaf for footnotes

* Markets closed

n.a. -- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES Yields in percent per annum

For immediate release
 April 5, 2004

Instruments	2004 Mar 29	2004 Mar 30	2004 Mar 31	2004 Apr 1	2004 Apr 2	Week Ending		2004 Mar
						Apr 2	Mar 26	
Federal funds (effective) ^{1 2 3}	1.00	0.98	1.05	1.03	1.00	1.01	0.99	1.00
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	1.05	1.00	0.99	1.00	1.01	1.01	0.98	0.99
2-month	0.99	1.00	1.01	0.99	1.00	1.00	1.00	1.00
3-month	1.00	1.00	1.02	n.a.	n.a.	1.01	1.01	1.00
Financial								
1-month	1.03	1.02	1.02	1.01	1.02	1.02	1.01	1.01
2-month	1.04	1.03	1.02	1.04	1.03	1.03	1.02	1.02
3-month	1.03	1.04	1.04	1.04	1.06	1.04	1.03	1.03
CDs (secondary market) ^{3 6}								
1-month	1.03	1.04	1.04	1.04	1.04	1.04	1.03	1.03
3-month	1.05	1.06	1.06	1.05	1.08	1.06	1.04	1.05
6-month	1.09	1.09	1.10	1.09	1.16	1.11	1.08	1.09
Eurodollar deposits (London) ^{3 7}								
1-month	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
3-month	1.03	1.04	1.05	1.04	1.04	1.04	1.04	1.04
6-month	1.06	1.09	1.09	1.09	1.09	1.08	1.07	1.08
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.94	0.96	0.95	0.94	0.92	0.94	0.94	0.95
3-month	0.95	0.94	0.93	0.92	0.93	0.93	0.93	0.94
6-month	1.00	0.99	0.99	1.00	1.01	1.00	0.98	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.95	0.97	0.96	0.95	0.93	0.95	0.95	0.96
3-month	0.96	0.96	0.95	0.93	0.95	0.95	0.94	0.95
6-month	1.02	1.01	1.01	1.02	1.03	1.02	1.00	1.01
1-year	1.21	1.21	1.20	1.23	1.30	1.23	1.17	1.19
2-year	1.63	1.63	1.60	1.65	1.86	1.67	1.53	1.58
3-year	2.05	2.05	1.99	2.06	2.33	2.10	1.93	2.00
5-year	2.86	2.86	2.80	2.87	3.15	2.91	2.71	2.79
7-year	3.39	3.39	3.33	3.38	3.66	3.43	3.24	3.31
10-year	3.91	3.91	3.86	3.91	4.15	3.95	3.76	3.83
20-year	4.80	4.80	4.77	4.77	4.97	4.82	4.65	4.72
Inflation Indexed ¹¹								
5-year	0.55	0.57	0.51	0.53	0.77	0.59	0.45	0.52
7-year	1.02	1.04	0.99	1.01	1.25	1.06	0.93	0.98
10-year	1.50	1.52	1.48	1.48	1.69	1.53	1.42	1.47
Treasury long-term average								
Nominal ^{12 13}	4.86	4.86	4.83	4.86	5.03	4.89	4.73	4.79
Inflation indexed ¹⁴	1.94	1.96	1.93	1.93	2.08	1.97	1.90	1.93
Interest rate swaps ¹⁵								
1-year	1.36	1.35	1.35	1.38	1.52	1.39	1.30	1.33
2-year	1.93	1.90	1.90	1.95	2.16	1.97	1.81	1.87
3-year	2.45	2.42	2.41	2.47	2.72	2.49	2.31	2.38
4-year	2.89	2.85	2.85	2.91	3.15	2.93	2.73	2.81
5-year	3.25	3.20	3.20	3.26	3.51	3.28	3.07	3.16
7-year	3.78	3.73	3.73	3.79	4.02	3.81	3.60	3.68
10-year	4.29	4.25	4.25	4.30	4.51	4.32	4.11	4.19
30-year	5.14	5.10	5.09	5.15	5.29	5.16	4.98	5.05
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.40	5.41	5.37	5.40	5.55	5.43	5.28	5.33
Baa	6.19	6.19	6.15	6.18	6.32	6.21	6.09	6.11
State & local bonds ¹⁷				4.59		4.59	4.41	4.41
Conventional mortgages ¹⁸					5.52	5.52	5.40	5.45

See overleaf for footnotes
 n.a. -- not available



FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release is announced on (202) 452-3206.

H.15 (519) SELECTED INTEREST RATES

For immediate release

Yields in percent per annum

March 29, 2004

Instruments	2004 Mar 22	2004 Mar 23	2004 Mar 24	2004 Mar 25	2004 Mar 26	Week Ending		2004 Feb
						Mar 26	Mar 19	
Federal funds (effective) ^{1 2 3}	1.01	0.99	0.99	1.02	1.00	0.99	1.00	1.01
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.98	0.98	0.97	0.99	0.99	0.98	0.99	0.99
2-month	1.00	1.00	1.00	0.99	0.99	1.00	0.99	1.01
3-month	1.02	n.a.	1.01	1.00	1.02	1.01	1.01	1.01
Financial								
1-month	1.02	1.01	1.02	1.01	1.01	1.01	1.01	1.01
2-month	1.02	1.02	1.02	1.02	1.03	1.02	1.02	1.02
3-month	1.03	1.02	1.03	1.03	1.02	1.03	1.02	1.03
CDs (secondary market) ^{3 6}								
1-month	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
3-month	1.04	1.04	1.04	1.04	1.05	1.04	1.04	1.05
6-month	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.11
Eurodollar deposits (London) ^{3 7}								
1-month	1.02	1.01	1.02	1.02	1.02	1.02	1.02	1.02
3-month	1.04	1.03	1.04	1.04	1.04	1.04	1.04	1.04
6-month	1.07	1.06	1.07	1.08	1.08	1.07	1.07	1.10
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.93	0.95	0.94	0.92	0.93	0.93	0.93	0.90
3-month	0.94	0.93	0.92	0.94	0.93	0.93	0.93	0.93
6-month	1.00	0.99	0.98	0.97	0.98	0.98	0.99	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.94	0.96	0.95	0.95	0.94	0.95	0.94	0.92
3-month	0.95	0.95	0.93	0.94	0.95	0.94	0.94	0.94
6-month	1.02	1.01	1.00	0.99	1.00	1.00	1.01	1.01
1-year	1.17	1.17	1.16	1.15	1.19	1.17	1.18	1.24
2-year	1.52	1.52	1.50	1.51	1.59	1.53	1.54	1.74
3-year	1.93	1.92	1.91	1.91	2.00	1.93	1.94	2.25
5-year	2.69	2.69	2.68	2.70	2.81	2.71	2.70	3.07
7-year	3.22	3.21	3.21	3.23	3.33	3.24	3.23	3.59
10-year	3.74	3.73	3.73	3.75	3.85	3.76	3.75	4.08
20-year	4.63	4.62	4.62	4.65	4.75	4.65	4.65	4.94
Inflation Indexed ¹¹								
5-year	0.45	0.45	0.41	0.44	0.51	0.45	0.45	0.86
7-year	0.93	0.92	0.88	0.91	0.99	0.93	0.92	1.31
10-year	1.42	1.41	1.38	1.40	1.47	1.42	1.41	1.76
Treasury long-term average								
Nominal ^{12 13}	4.71	4.70	4.70	4.73	4.81	4.73	4.73	4.99
Inflation indexed ¹⁴	1.92	1.91	1.87	1.89	1.92	1.90	1.90	2.15
Interest rate swaps ¹⁵								
1-year	1.30	1.30	1.29	1.31	1.32	1.30	1.31	1.41
2-year	1.81	1.81	1.79	1.81	1.82	1.81	1.82	2.05
3-year	2.31	2.30	2.28	2.31	2.33	2.31	2.32	2.63
4-year	2.74	2.71	2.69	2.74	2.77	2.73	2.73	3.09
5-year	3.08	3.05	3.04	3.08	3.11	3.07	3.07	3.45
7-year	3.60	3.57	3.56	3.60	3.54	3.60	3.59	3.97
10-year	4.12	4.09	4.07	4.12	4.16	4.11	4.10	4.46
30-year	4.98	4.96	4.95	4.99	5.03	4.98	4.97	5.25
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.24	5.26	5.26	5.28	5.36	5.28	5.28	5.50
Baa	6.06	6.06	6.06	6.09	6.16	6.09	6.07	6.27
State & local bonds ¹⁷				4.41		4.41	4.35	4.55
Conventional mortgages ¹⁸					5.40	5.40	5.38	5.64

See overleaf for footnotes
n.a.-- not available



FEDERAL RESERVE statistical release

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H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For immediate release
March 22, 2004

Instruments	2004 Mar 15	2004 Mar 16	2004 Mar 17	2004 Mar 18	2004 Mar 19	Week Ending		2004 Feb
						Mar 19	Mar 12	
Federal funds (effective) ^{1 2 3}	1.05	0.99	1.00	1.00	0.99	1.00	1.00	1.01
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.97	0.99	0.99	0.99	0.99	0.99	0.99	0.99
2-month	1.00	0.98	1.00	0.99	1.00	0.99	1.00	1.01
3-month	1.00	n.a.	n.a.	1.01	1.01	1.01	1.00	1.01
Financial								
1-month	1.01	1.01	1.02	1.01	1.01	1.01	1.01	1.01
2-month	1.02	1.04	1.01	1.01	1.03	1.02	1.02	1.02
3-month	1.02	1.02	1.03	1.02	1.03	1.02	1.03	1.03
CDs (secondary market) ^{3 6}								
1-month	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
3-month	1.04	1.04	1.04	1.05	1.04	1.04	1.04	1.05
6-month	1.08	1.09	1.07	1.08	1.08	1.08	1.08	1.11
Eurodollar deposits (London) ^{3 7}								
1-month	1.02	1.02	1.02	1.02	1.01	1.02	1.01	1.02
3-month	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04
6-month	1.07	1.08	1.07	1.07	1.07	1.07	1.07	1.10
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window, primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.93	0.96	0.93	0.92	0.92	0.93	0.95	0.90
3-month	0.95	0.94	0.92	0.92	0.92	0.93	0.94	0.93
6-month	1.00	0.99	0.99	0.98	0.99	0.99	0.98	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.94	0.97	0.94	0.93	0.93	0.94	0.96	0.92
3-month	0.96	0.96	0.93	0.93	0.94	0.94	0.96	0.94
6-month	1.02	1.01	1.01	1.00	1.01	1.01	1.00	1.01
1-year	1.18	1.17	1.18	1.17	1.19	1.18	1.16	1.24
2-year	1.56	1.51	1.53	1.55	1.56	1.54	1.53	1.74
3-year	1.97	1.89	1.92	1.96	1.97	1.94	1.94	2.25
5-year	2.74	2.65	2.66	2.72	2.75	2.70	2.72	3.07
7-year	3.25	3.17	3.18	3.25	3.28	3.23	3.23	3.59
10-year	3.78	3.70	3.71	3.76	3.80	3.75	3.75	4.08
20-year	4.67	4.61	4.62	4.66	4.68	4.65	4.66	4.94
Inflation Indexed ¹¹								
5-year	0.54	0.45	0.39	0.40	0.48	0.45	0.53	0.86
7-year	0.99	0.92	0.87	0.88	0.95	0.92	0.98	1.31
10-year	1.47	1.40	1.36	1.37	1.44	1.41	1.46	1.76
Treasury long-term average								
Nominal ^{12 13}	4.75	4.69	4.70	4.74	4.76	4.73	4.74	4.99
Inflation indexed ¹⁴	1.92	1.87	1.86	1.89	1.94	1.90	1.91	2.15
Interest rate swaps ¹⁵								
1-year	1.31	1.33	1.29	1.31	1.31	1.31	1.30	1.41
2-year	1.82	1.87	1.79	1.82	1.83	1.82	1.80	2.05
3-year	2.32	2.38	2.26	2.32	2.33	2.32	2.31	2.63
4-year	2.73	2.78	2.66	2.72	2.76	2.73	2.73	3.09
5-year	3.08	3.12	2.99	3.05	3.09	3.07	3.07	3.45
7-year	3.60	3.65	3.52	3.58	3.62	3.59	3.60	3.97
10-year	4.11	4.15	4.03	4.09	4.13	4.10	4.12	4.46
30-year	4.98	5.01	4.92	4.97	4.99	4.97	4.99	5.25
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.28	5.27	5.27	5.28	5.31	5.28	5.27	5.50
Baa	6.09	6.04	6.04	6.08	6.10	6.07	6.06	6.27
State & local bonds ¹⁷				4.35		4.35	4.35	4.55
Conventional mortgages ¹⁸					5.38	5.38	5.41	5.64

See overleaf for footnotes
n.a. -- not available



FEDERAL RESERVE statistical release

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H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For immediate release
 March 15, 2004

Instruments	2004	2004	2004	2004	2004	Week Ending		2004 Feb
	Mar 8	Mar 9	Mar 10	Mar 11	Mar 12	Mar 12	Mar 5	
Federal funds (effective) ^{1 2 3}	1.00	0.99	1.00	1.01	0.99	1.00	1.03	1.01
Commercial paper ^{3 4 5}								
Nonfinancial								
1-month	0.99	0.98	0.99	0.98	0.99	0.99	0.99	0.99
2-month	1.00	1.00	1.00	0.99	0.99	1.00	1.00	1.01
3-month	1.00	0.99	n.a.	1.00	n.a.	1.00	1.00	1.01
Financial								
1-month	1.02	1.01	1.02	1.01	1.01	1.01	1.01	1.01
2-month	1.03	1.02	1.02	1.02	1.02	1.02	1.02	1.02
3-month	1.03	1.03	1.03	1.02	1.04	1.03	1.03	1.03
CDs (secondary market) ^{3 6}								
1-month	1.02	1.03	1.03	1.03	1.03	1.03	1.03	1.03
3-month	1.04	1.04	1.04	1.04	1.04	1.04	1.05	1.05
6-month	1.08	1.07	1.08	1.07	1.08	1.08	1.10	1.11
Eurodollar deposits (London) ^{3 7}								
1-month	1.02	1.01	1.02	1.01	1.01	1.01	1.02	1.02
3-month	1.04	1.03	1.04	1.04	1.04	1.04	1.04	1.04
6-month	1.08	1.08	1.07	1.07	1.06	1.07	1.09	1.10
Bank prime loan ^{2 3 8}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Discount window primary credit ^{2 9}	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.94	0.97	0.96	0.95	0.95	0.95	0.96	0.90
3-month	0.95	0.94	0.94	0.95	0.94	0.94	0.94	0.93
6-month	0.99	0.98	0.98	0.98	0.99	0.98	1.00	0.99
Treasury constant maturities								
Nominal ¹⁰								
1-month	0.95	0.98	0.97	0.96	0.96	0.96	0.97	0.92
3-month	0.96	0.96	0.96	0.97	0.96	0.96	0.96	0.94
6-month	1.01	1.00	1.00	1.00	1.01	1.00	1.02	1.01
1-year	1.15	1.15	1.17	1.15	1.18	1.16	1.23	1.24
2-year	1.52	1.51	1.54	1.52	1.54	1.53	1.69	1.74
3-year	1.95	1.92	1.94	1.95	1.95	1.94	2.16	2.25
5-year	2.74	2.68	2.71	2.72	2.73	2.72	2.98	3.07
7-year	3.26	3.20	3.21	3.23	3.24	3.23	3.49	3.59
10-year	3.78	3.73	3.74	3.74	3.78	3.75	4.00	4.08
20-year	4.69	4.64	4.65	4.66	4.68	4.66	4.86	4.94
Inflation Indexed ¹¹								
5-year	0.49	0.48	0.53	0.57	0.59	0.53	0.61	0.86
7-year	0.94	0.92	0.97	1.02	1.04	0.98	1.07	1.31
10-year	1.43	1.40	1.45	1.50	1.52	1.46	1.56	1.76
Treasury long-term average								
Nominal ^{12 13}	4.76	4.72	4.72	4.74	4.76	4.74	4.91	4.99
Inflation indexed ¹⁴	1.90	1.88	1.90	1.92	1.95	1.91	1.99	2.15
Interest rate swaps ¹⁵								
1-year	1.29	1.29	1.31	1.31	1.30	1.30	1.39	1.41
2-year	1.81	1.80	1.82	1.80	1.80	1.80	2.00	2.05
3-year	2.35	2.30	2.31	2.29	2.29	2.31	2.57	2.63
4-year	2.78	2.73	2.73	2.70	2.70	2.73	3.02	3.09
5-year	3.13	3.08	3.07	3.04	3.05	3.07	3.39	3.45
7-year	3.66	3.61	3.60	3.57	3.58	3.60	3.91	3.97
10-year	4.17	4.13	4.11	4.08	4.10	4.12	4.40	4.46
30-year	5.03	5.00	4.99	4.97	4.97	4.99	5.19	5.25
Corporate bonds								
Moody's seasoned								
Aaa ¹⁶	5.29	5.24	5.26	5.27	5.29	5.27	5.43	5.50
Baa	6.08	6.03	6.05	6.06	6.09	6.06	6.20	6.27
State & local bonds ¹⁷				4.35		4.35	4.54	4.55
Conventional mortgages ¹⁸					5.41	5.41	5.59	5.64

See overleaf for footnotes
 n.a. -- not available

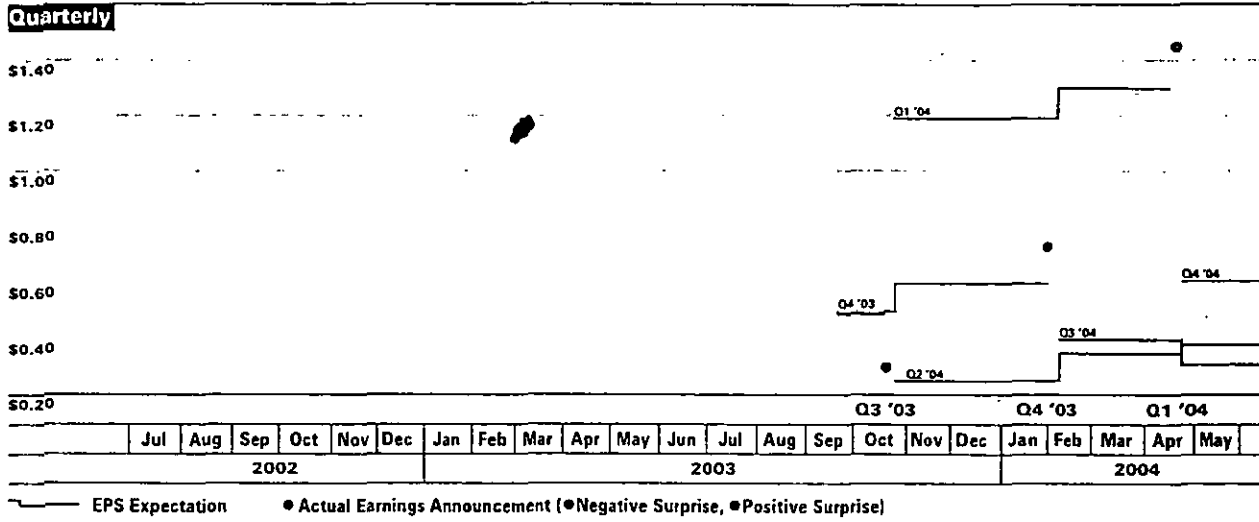
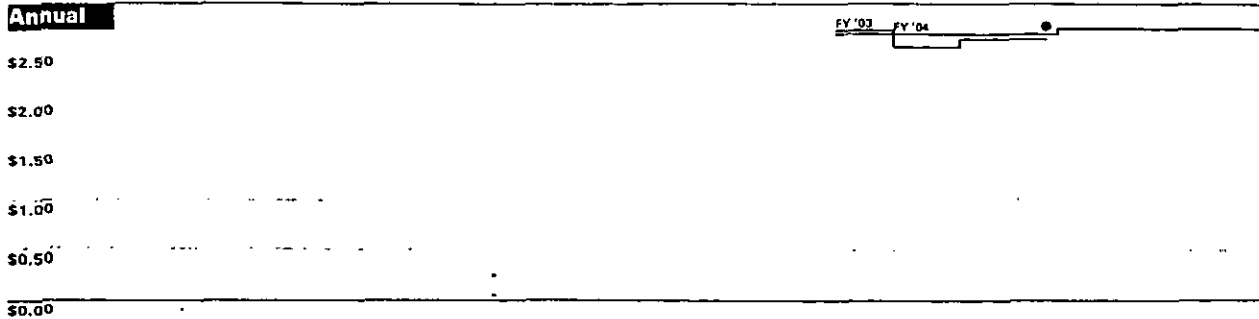
FIRST CALL® EARNINGS VALUATION REPORT

CH Energy Group Inc. (CHG)

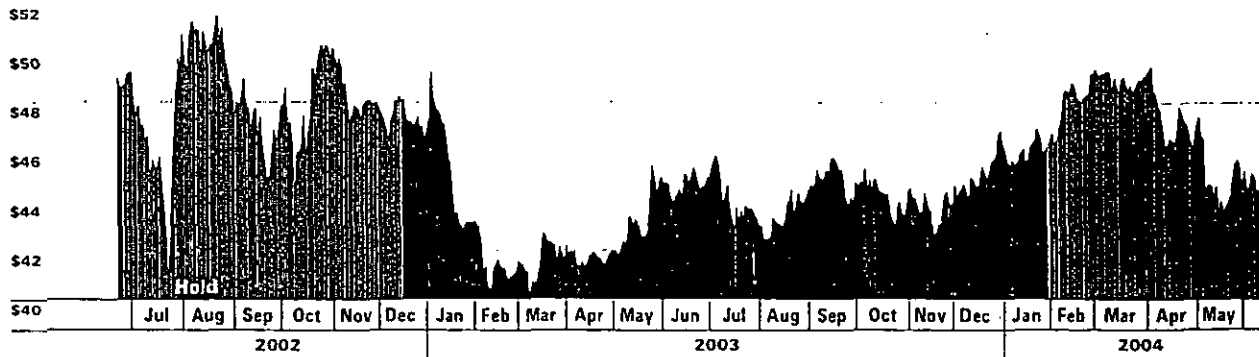
Report as of 6/21/04

Historical EPS Consensus Expectations

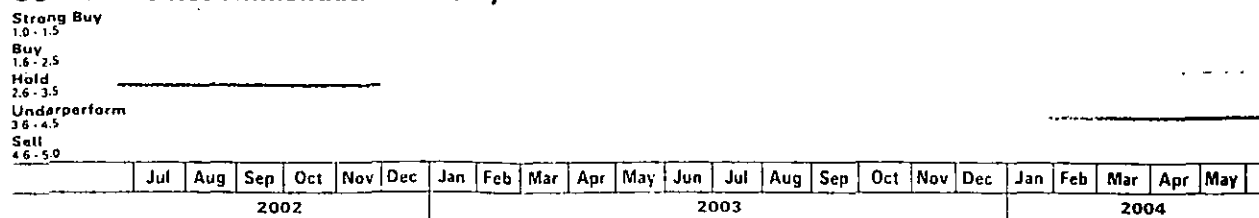
Fiscal year ends Dec.



Stock Price and Recommendation History



Consensus Recommendation History



FIRST CALL® EARNINGS VALUATION REPORT

CH Energy Group Inc.

continued

Stock Price

Price as of 6/18	\$45.00
Dividend Yield	NA
Beta	0.3
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates

Five year estimate

CHG	NA
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio

A Way To Value Growth

	← Less Expensive	More Expensive →
CHG	NA	
Industry	2.20	
Sector	2.19	
Market	1.34	

CHG's next earnings announcement is expected during the week of July 21st.

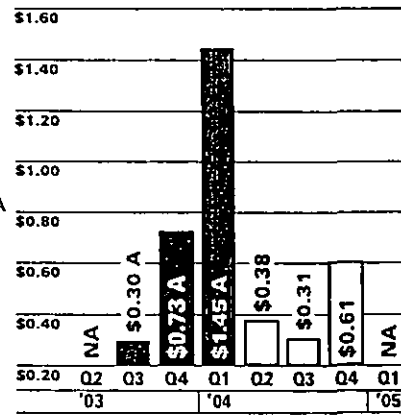
For comparison purposes, CHG's average growth rate during the last 5 years was -3.6% per year.

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

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 2/3/04	\$0.38	\$0.31	\$0.61	NA
Previous Mean	NA	NA	NA	NA
# of Brokers	1	1	1	0
Range (low/high)	NM	NM	NM	NA/NA
Std. Deviation	NA	NA	NA	NA
Announce Date	Wk of 7/21	Wk of 10/20	Wk of 1/31	Wk of 4/21
Same Qtr. Last Yr.	NA	\$0.30 A	\$0.73 A	\$1.45 A

Quarterly EPS Trend



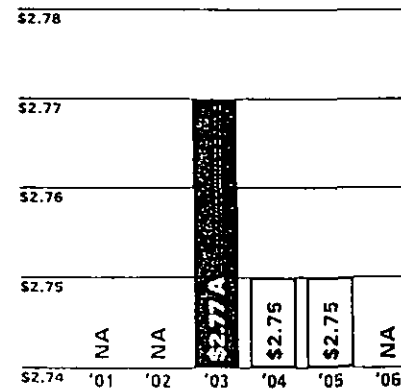
Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
CH Energy Group Inc.	NA	3.3%	-16.4%	NA
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 2/3/04	\$2.75	\$2.75	NA
Previous Mean	NA	NA	NA
# of Brokers	1	1	NA
Range (low/high)	NM	NM	NA/NA
Std. Deviation	NA	NA	NA
Announce Date	Wk of 1/31		
Year Ago EPS	\$2.77 A		

Annual EPS Trend



Change Over Previous Year

	'04	'05	'06
CH Energy Group Inc.	-0.7%	0.0%	NA
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

FIRST CALL® EARNINGS VALUATION REPORT

CH Energy Group Inc.

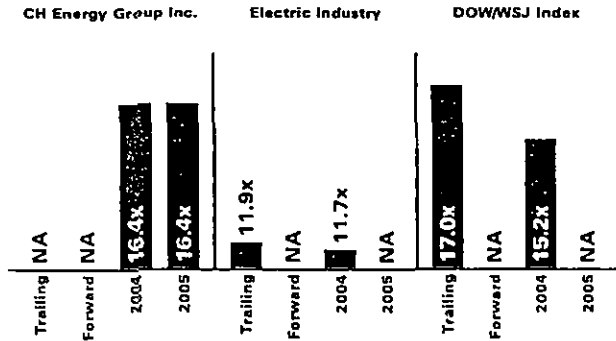
continued

Historical P/E



FFQ is Price divided by Forward Four Quarters EPS estimate, TFQ is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

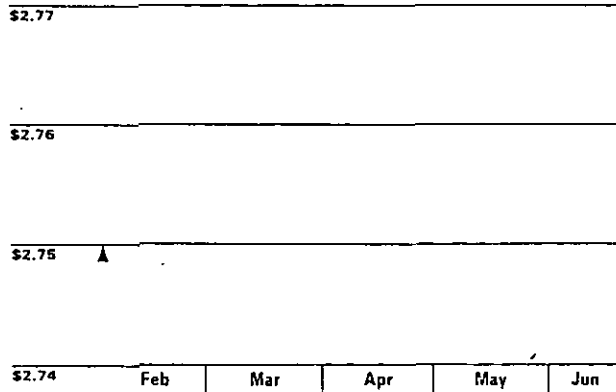
Current P/E



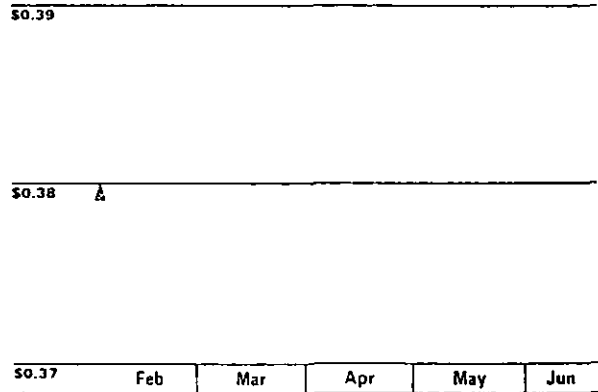
Current Recommendation

Opinion	Analysts with Opinion
Strong Buy	
Buy	
Hold	1
Underperform	
Sell - 5.0	1
Analysts Included in Consensus	2

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, • and initial estimates.

FIRST CALL® EARNINGS VALUATION REPORT

CH Energy Group Inc.

continued

Earnings Notes and Announcements

Q1 '04 ↑ On 30-Jan-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.69. On 30-Jan-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.69. On 30-Jan-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.69. On 30-Jan-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.69. On 30-Jan-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.69. On 21-Apr-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.75. On 21-Apr-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.75. On 21-Apr-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.75. On 21-Apr-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.75.

estimates to between 2.60 and 2.85 -- Est at annc 2.75. On 21-Apr-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.75. On 21-Apr-04, the company guided FY '04 estimates to between 2.60 and 2.85 -- Est at annc 2.75. On 21-Apr-04, the company announced a Positive Surprise of \$1.45 vs. expectation of \$1.30 (+11.5%).

Q4 '03 ↑ On 31-Jan-03, the company guided FY '03 estimates to between 2.55 and 2.75. On 21-Apr-03, the company guided FY '03 estimates to between 2.55 and 2.75. On 30-Jan-04, the company announced a Positive Surprise of \$0.73 vs. expectation of \$0.60 (+21.7%). FY '03 of \$2.77 vs. expectation of NA.

Footnotes

No footnotes are available for CHG.

FIRST CALL® EARNINGS VALUATION REPORT

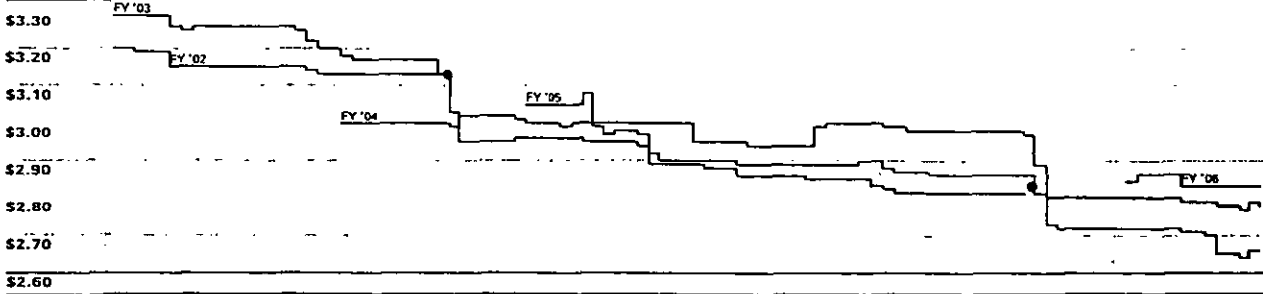
Consolidated Edison Inc (ED)

Report as of 6/21/04

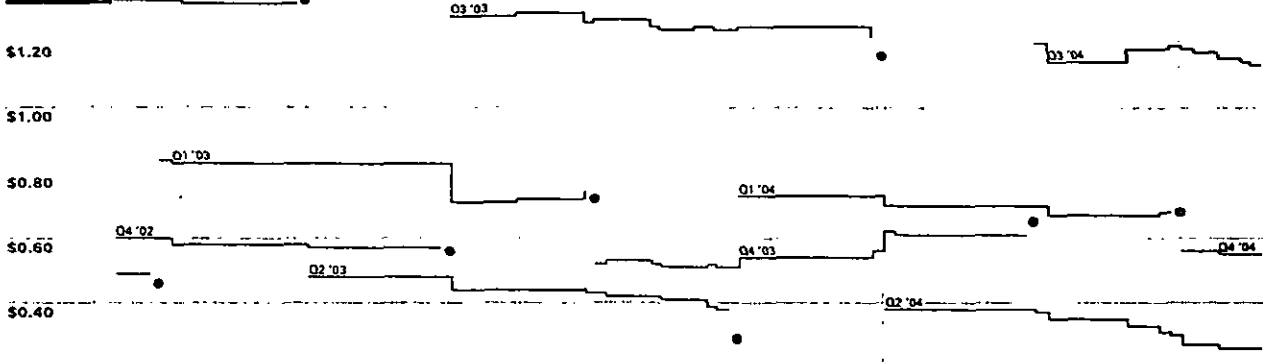
Historical EPS Consensus Expectations

Fiscal year ends Dec.

Annual



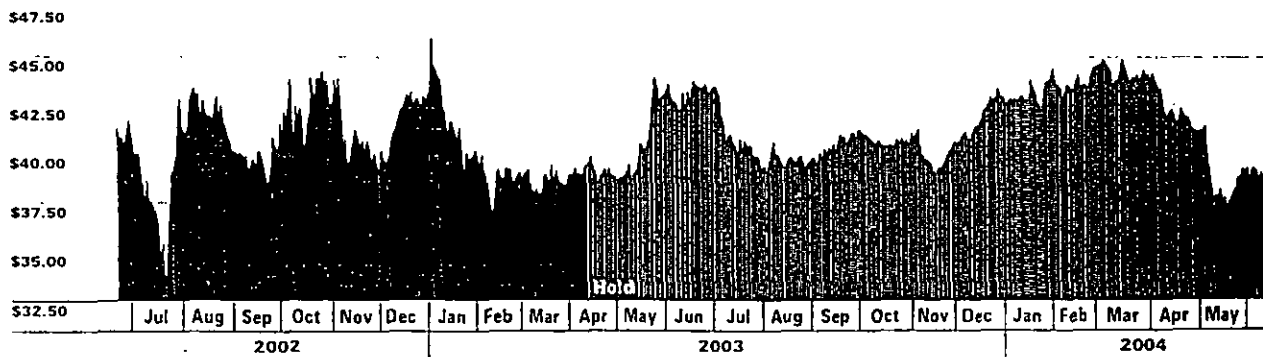
Quarterly



	2002				2003				2004														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Q2 '02																							
Q3 '02																							
Q4 '02																							
Q1 '03																							
Q2 '03																							
Q3 '03																							
Q4 '03																							
Q1 '04																							

— EPS Expectation ● Actual Earnings Announcement (● Negative Surprise, ● Positive Surprise)

Stock Price and Recommendation History



Consensus Recommendation History

Strong Buy
1.0 - 1.5
Buy
1.6 - 2.5
Hold
2.6 - 3.5
Underperform
3.6 - 4.5
Sell
4.6 - 5.0

	2002				2003				2004														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Jul 2002																							
Aug 2002																							
Sep 2002																							
Oct 2002																							
Nov 2002																							
Dec 2002																							
Jan 2003																							
Feb 2003																							
Mar 2003																							
Apr 2003																							
May 2003																							
Jun 2003																							
Jul 2003																							
Aug 2003																							
Sep 2003																							
Oct 2003																							
Nov 2003																							
Dec 2003																							
Jan 2004																							
Feb 2004																							
Mar 2004																							
Apr 2004																							
May 2004																							

FIRST CALL® EARNINGS VALUATION REPORT

Consolidated Edison Inc

continued

Stock Price

Price as of 6/18	\$39.53
Dividend Yield	NA
Beta	0.8
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates

Five year estimates from 7 analysts

ED	2.0%
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio

A Way To Value Growth

	← LESS EXPENSIVE	MORE EXPENSIVE →
ED	7.45	
Industry	2.20	
Sector	2.19	
Market	1.34	

ED's next earnings announcement is expected on **July 22nd**.

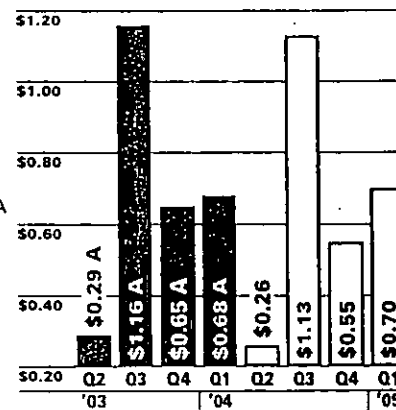
For comparison purposes, ED's average growth rate during the last 5 years was -2.3% per year.

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

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 6/9/04	\$0.26	\$1.13	\$0.55	\$0.70
Previous Mean	\$0.27	\$1.14	\$0.56	\$0.71
# of Brokers	7	7	7	2
Range (low/high)	\$0.22/0.30	\$1.06/1.20	\$0.49/0.62	NM
Std. Deviation	\$0.03	\$0.05	\$0.05	\$0.00
Announce Date	7/22	Wk of 10/18	Wk of 1/24	Wk of 4/22
Same Qtr. Last Yr.	\$0.29 A	\$1.16 A	\$0.65 A	\$0.68 A

Quarterly EPS Trend



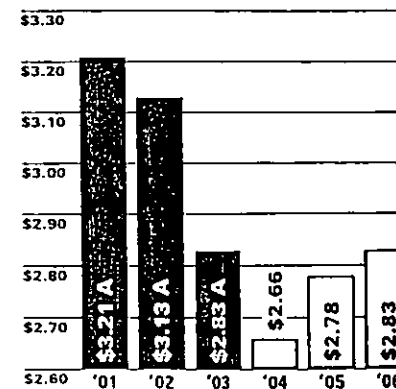
Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
Consolidated Edison Inc	-10.3%	-2.6%	-15.4%	2.9%
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 6/9/04	\$2.66	\$2.78	\$2.83
Previous Mean	\$2.64	\$2.79	\$2.86
# of Brokers	15	14	2
Range (low/high)	\$2.55/2.95	\$2.65/2.95	\$2.80/2.86
Std. Deviation	\$0.09	\$0.08	\$0.04
Announce Date	Wk of 1/24		
Year Ago EPS	\$2.83 A		

Annual EPS Trend



Change Over Previous Year

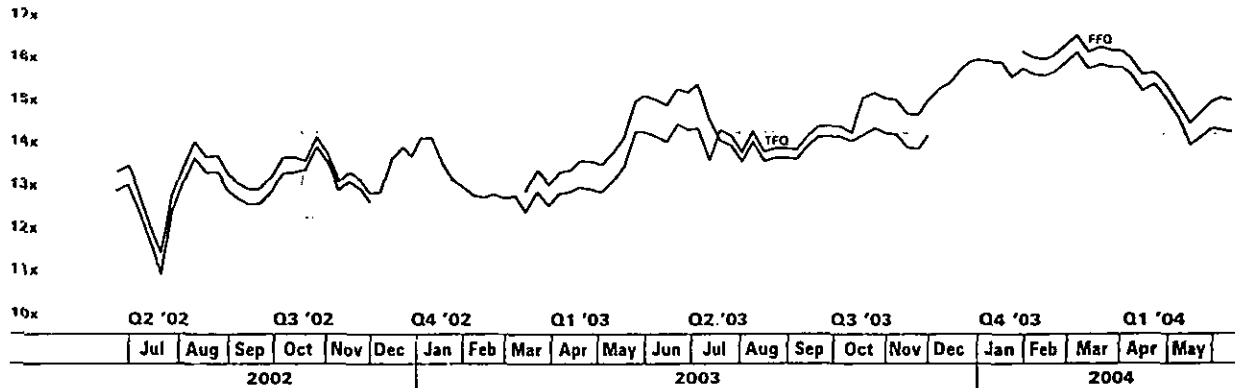
	'04	'05	'06
Consolidated Edison Inc	-6.0%	4.5%	1.8%
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

FIRST CALL® EARNINGS VALUATION REPORT

Consolidated Edison Inc

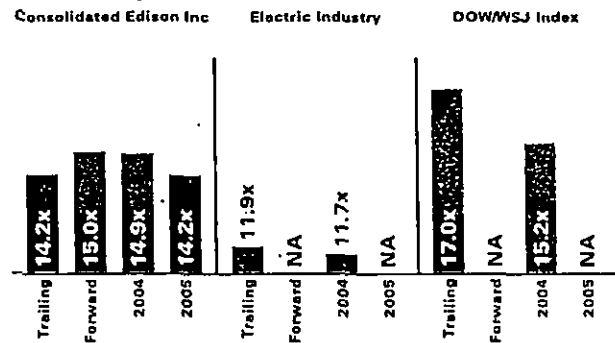
continued

Historical P/E



FFQ is Price divided by Forward Four Quarters EPS estimate, TFQ is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

Current P/E

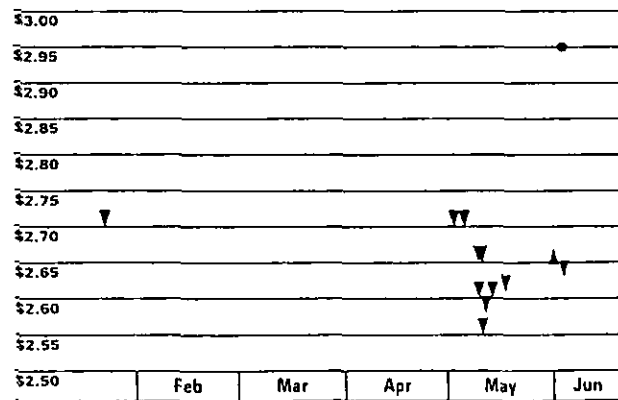


Current Recommendation

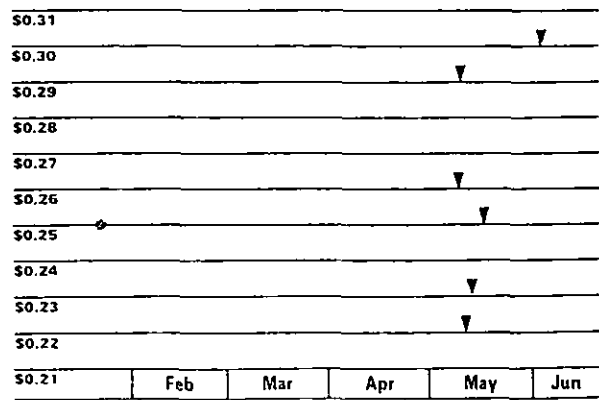
Opinion	Analysts with Opinion	Count
Strong Buy	1	1
Buy	11	11
Hold - 3.2	4	4
Underperform	1	1
Sell	17	17

Analysts Included in Consensus: 17

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, • and initial estimates.

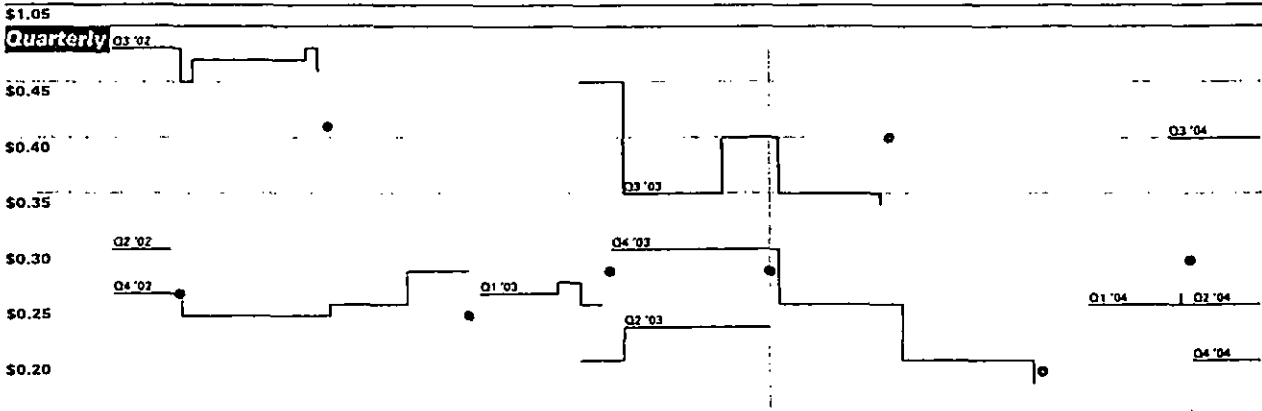
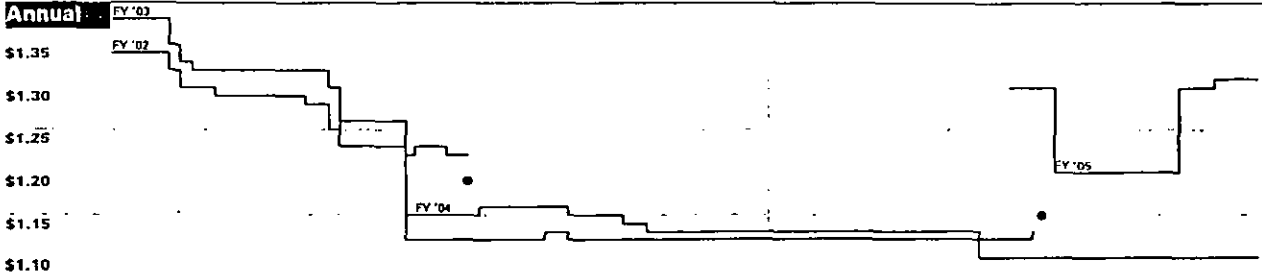
FIRST CALL® EARNINGS VALUATION REPORT

Duquesne Light Holdings Inc (DQE)

Report as of 6/21/04

Historical EPS Consensus Expectations

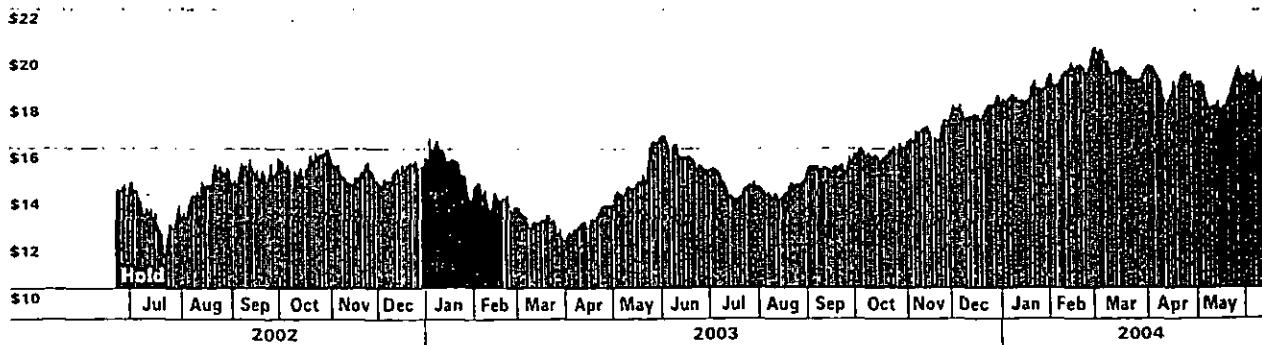
Fiscal year ends Dec.



2002				2003				2004				
Q2 '02	Q3 '02	Q4 '02	Q1 '03	Q2 '03	Q3 '03	Q4 '03	Q1 '04					
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul

— EPS Expectation ● Actual Earnings Announcement (◆ Negative Surprise, ● Positive Surprise)

Stock Price and Recommendation History



Consensus Recommendation History

Strong Buy
1.0 - 1.5
Buy
1.6 - 2.5
Hold
2.6 - 3.5
Underperform
3.6 - 4.5
Sell
4.6 - 5.0

2002				2003				2004				
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul

FIRST CALL® EARNINGS VALUATION REPORT

Duquesne Light Holdings Inc

continued

Stock Price

Price as of 6/18	\$19.55
Dividend Yield	NA
Beta	0.7
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates

Five year estimates from 3 analysts

DQE	4.0%
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio

A Way To Value Growth

	← Less Expensive	More Expensive →
DQE	4.45	
Industry	2.20	
Sector	2.19	
Market	1.34	

DQE's next earnings announcement is expected during the week of **August 11th**.

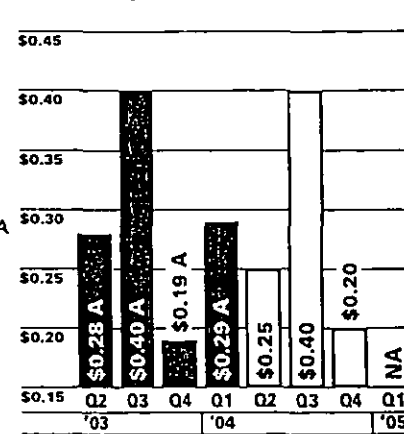
For comparison purposes, DQE's average growth rate during the last 5 years was -25.1% per year.

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

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 5/14/04	\$0.25	\$0.40	\$0.20	NA
Previous Mean	NA	NA	NA	NA
# of Brokers	2	1	1	0
Range (low/high)	NM	NM	NM	NA/NA
Std. Deviation	\$0.00	NA	NA	NA
Announce Date	Wk of 8/11	Wk of 10/25	Wk of 1/31	Wk of 4/29
Same Qtr. Last Yr.	\$0.28 A	\$0.40 A	\$0.19 A	\$0.29 A

Quarterly EPS Trend



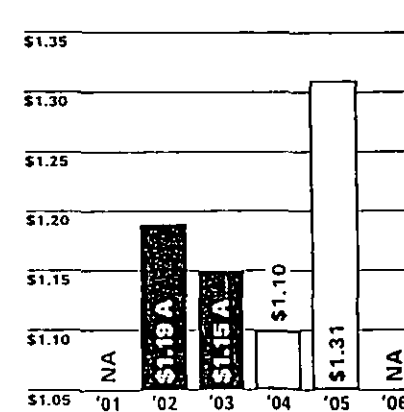
Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
Duquesne Light Holdings Inc	-10.7%	0.0%	5.3%	NA
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 5/14/04	\$1.10	\$1.31	NA
Previous Mean	\$1.11	\$1.30	NA
# of Brokers	5	5	NA
Range (low/high)	\$1.08/1.10	\$1.25/1.35	NA/NA
Std. Deviation	\$0.01	\$0.04	NA
Announce Date	Wk of 1/31		
Year Ago EPS	\$1.15 A		

Annual EPS Trend



Change Over Previous Year

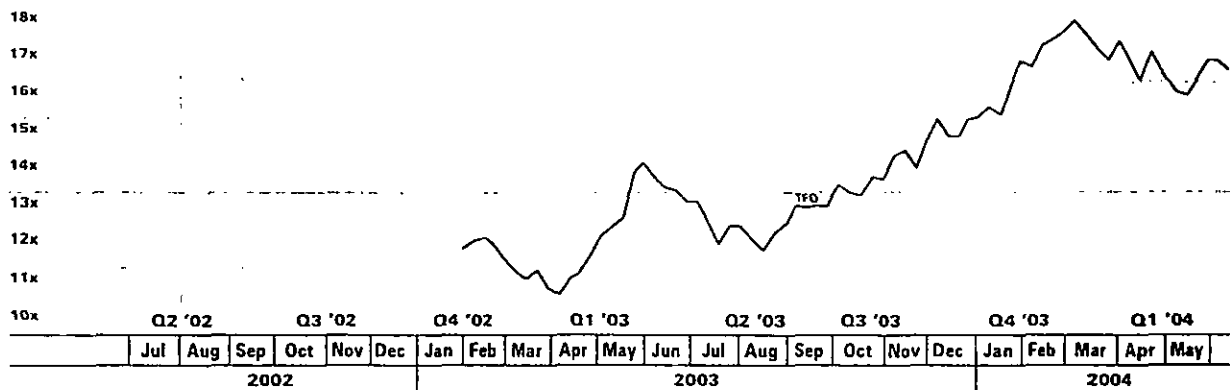
	'04	'05	'06
Duquesne Light Holdings Inc	-4.3%	19.1%	NA
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

FIRST CALL® EARNINGS VALUATION REPORT

Duquesne Light Holdings Inc

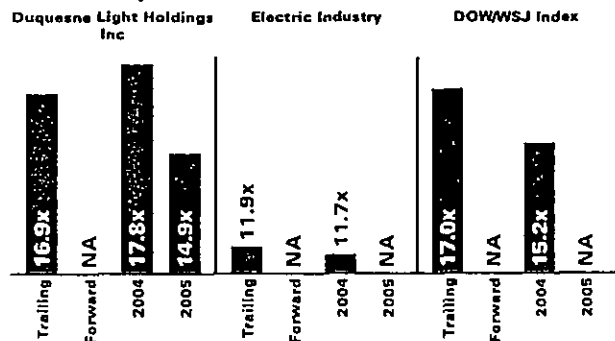
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Historical P/E



FFQ is Price divided by Forward Four Quarters EPS estimate, TFQ is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

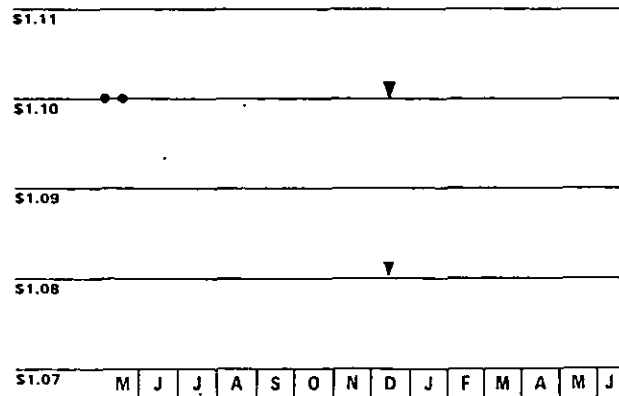
Current P/E



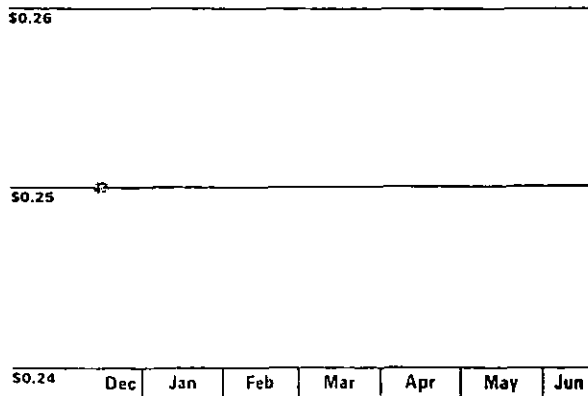
Current Recommendation

Opinion	Analysts with Opinion
Strong Buy	
Buy	
Hold - 3.4	3
Underperform	2
Sell	
Analysts included in Consensus	5

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, ● and initial estimates.

FIRST CALL® EARNINGS VALUATION REPORT

Duquesne Light Holdings Inc

continued

Earnings Notes and Announcements

Q1 '04 ↑ On 29-Apr-04, the company guided FY '04 estimates to between 1.05 and 1.11 -- Est at ann 1.10. On 29-Apr-04, the company announced a Positive Surprise of \$0.29 vs. expectation of \$0.26 (+11.5%).

Q4 '03 ↑ On 29-Jan-04, the company announced a Positive Surprise of \$0.19 vs. expectation of \$0.18 (+5.6%). FY '03 of \$1.15 vs. expectation of \$1.13. On 29-Jan-04, the company issued this footnote: 0.89 income from discontinued operations.

Q3 '03 ↑ On 23-Oct-03, the company announced a Positive Surprise of \$0.40 vs. expectation of \$0.34 (+17.6%).

Q2 '03 ↑ On 11-Aug-03, the company announced a Positive Surprise of \$0.28 vs. expectation of \$0.23 (+21.7%).

Q1 '03 ↑ On 1-May-03, the company announced a Positive Surprise of \$0.28 vs. expectation of \$0.25 (+12.0%).

Q4 '02 ↓ On 31-Jan-03, the company announced a Negative Surprise of \$0.24 vs. expectation of \$0.28 (-14.3%). FY '02 of \$1.19 vs. expectation of \$1.22.

Q3 '02 • On 31-Oct-02, the company announced a Negative Report of \$0.41 vs. expectation of \$0.43 (-4.7%).

Q2 '02 ↓ On 1-Aug-02, the company announced a Negative Surprise of \$0.26 vs. expectation of \$0.30 (-13.3%).

Footnotes

No footnotes are available for DQE.

FIRST CALL® EARNINGS VALUATION REPORT

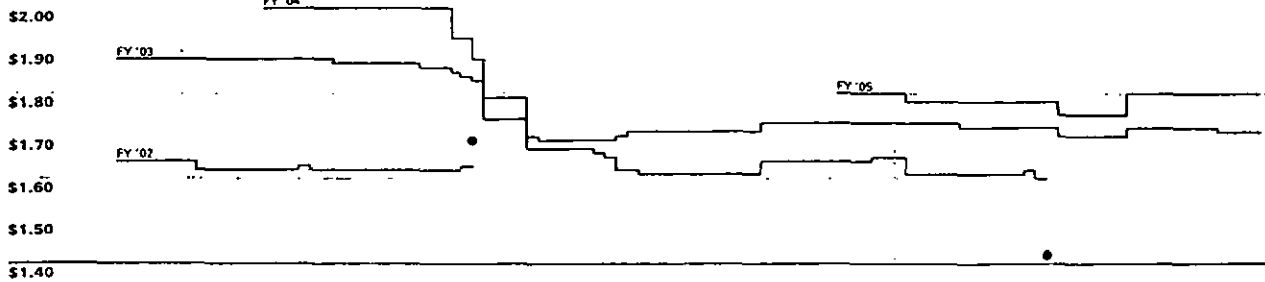
Energy East Corp (EAS)

Report as of 6/21/04

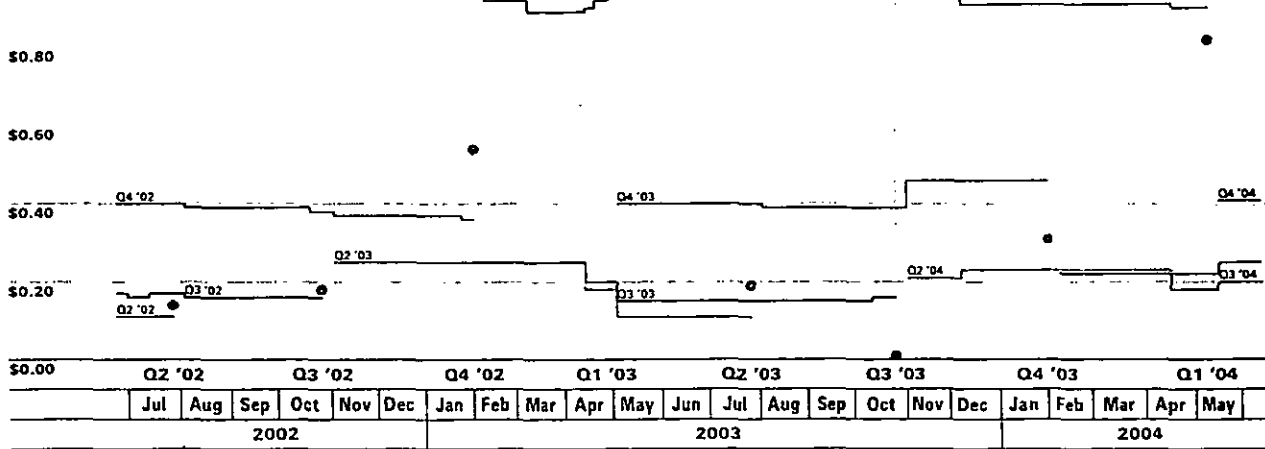
Historical EPS Consensus Expectations

Fiscal year ends Dec.

Annual

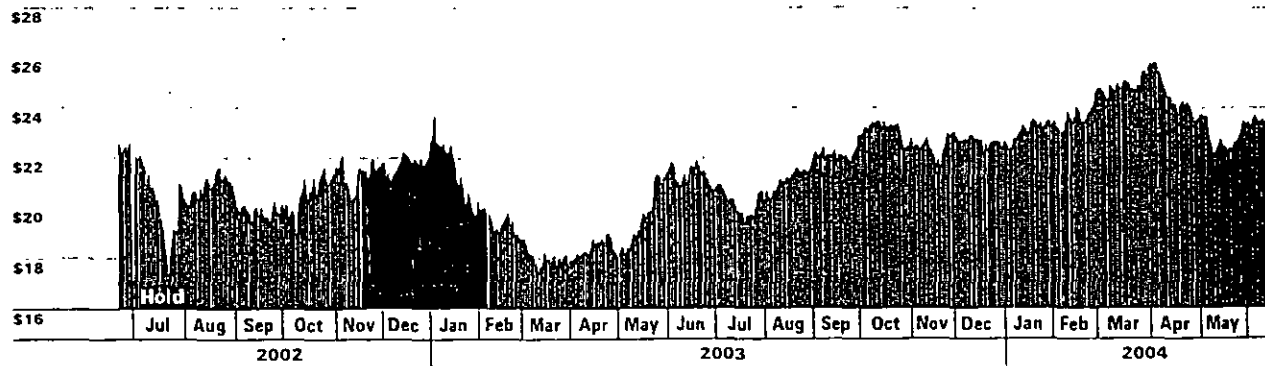


Quarterly



— EPS Expectation ● Actual Earnings Announcement (● Negative Surprise, ● Positive Surprise)

Stock Price and Recommendation History



Consensus Recommendation History

Strong Buy
1.0 - 1.5
Buy
1.5 - 2.5
Hold
2.6 - 3.5
Underperform
3.6 - 4.5
Sell
4.6 - 5.0

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	2002						2003						2004										

FIRST CALL® EARNINGS VALUATION REPORT

Energy East Corp

continued

Stock Price

Price as of 6/18	\$24.15
Dividend Yield	NA
Beta	0.5
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates

Five year estimates from 6 analysts

EAS	4.0%
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio

A Way To Value Growth

	← LESS EXPENSIVE →	←	→	MORE EXPENSIVE
EAS	3.53			
Industry	2.20			
Sector	2.19			
Market	1.34			

EAS's next earnings announcement is expected during the week of August 6th.

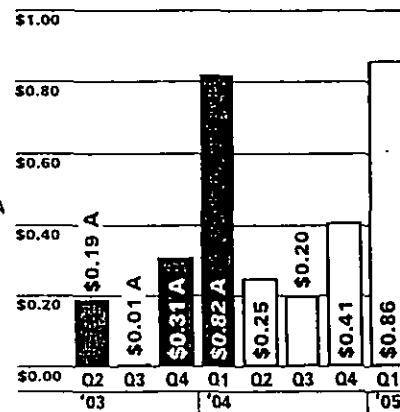
For comparison purposes, EAS's average growth rate during the last 5 years was -7.8% per year.

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

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 5/14/04	\$0.25	\$0.20	\$0.41	\$0.86
Previous Mean	\$0.22	\$0.18	\$0.42	NA
# of Brokers	4	3	3	1
Range (low/high)	\$0.23/0.30	\$0.17/0.22	\$0.40/0.43	NM
Std. Deviation	\$0.03	\$0.03	\$0.02	NA
Announce Date	Wk of 8/6		Wk of 1/31	Wk of 5/9
Same Qtr. Last Yr.	\$0.19 A	\$0.01 A	\$0.31 A	\$0.82 A

Quarterly EPS Trend



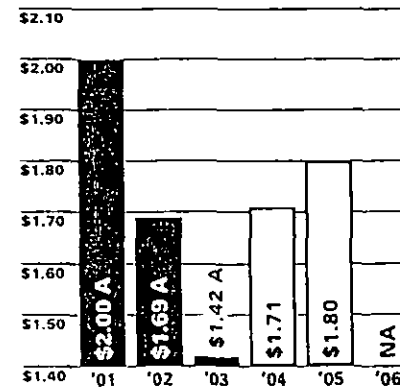
Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
Energy East Corp	31.6%	NA	32.3%	4.9%
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 5/14/04	\$1.71	\$1.80	NA
Previous Mean	\$1.72	\$1.77	NA
# of Brokers	9	9	NA
Range (low/high)	\$1.65/1.75	\$1.80/1.83	NA/NA
Std. Deviation	\$0.03	\$0.01	NA
Announce Date	Wk of 1/31		
Year Ago EPS	\$1.42 A		

Annual EPS Trend



Change Over Previous Year

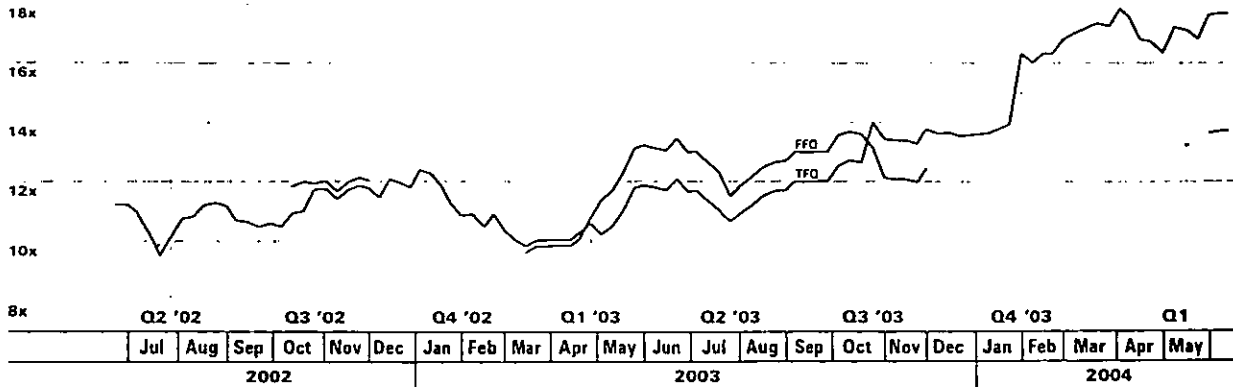
	'04	'05	'06
Energy East Corp	20.4%	5.3%	NA
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

FIRST CALL® EARNINGS VALUATION REPORT

Energy East Corp

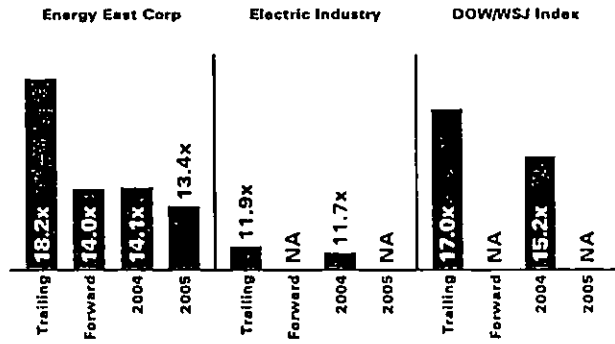
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Historical P/E



FFQ is Price divided by Forward Four Quarters EPS estimate, TFO is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

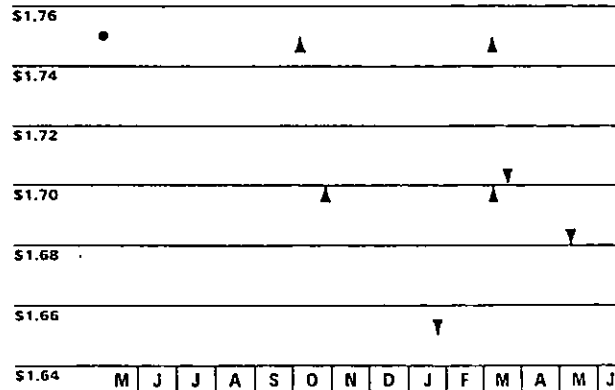
Current P/E



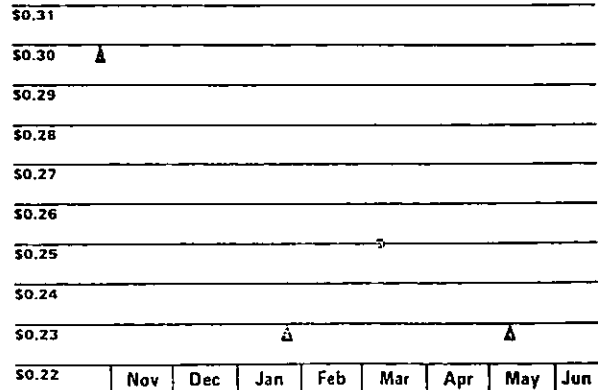
Current Recommendation

Opinion	Analysts with Opinion
Strong Buy	
Buy	
Hold - 3.0	9
Underperform	
Sell	
Analysts Included in Consensus	9

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, • and initial estimates.

FIRST CALL[®] EARNINGS VALUATION REPORT

Energy East Corp continued

Earnings Notes and Announcements

Q1 '04 ↓ On 7-May-04, the company announced a Negative Surprise of \$0.82 vs. expectation of \$0.90 (-8.9%).

Q4 '03 ↓ On 25-Apr-03, the company guided FY '03 estimates to between 1.55 and 1.70. On 24-Oct-03, the company guided FY '03 estimates to between 1.55 and 1.70 -- Est at annc 1.65. On 24-Oct-03, the company guided FY '03 estimates to between 1.55 and 1.70 -- Est at annc 1.65. On 24-Oct-03, the company guided FY '03 estimates to between 1.55 and 1.70 -- Est at annc 1.65. On 24-Oct-03, the company guided FY '03 estimates to between 1.55 and 1.70 -- Est at annc 1.65. On 24-Oct-03, the company guided FY '03 estimates to between 1.55 and 1.70 -- Est at annc 1.65. On 24-Oct-03, the company guided FY '03 estimates to between 1.55 and 1.70 -- Est at annc 1.65. On 30-Jan-04, the company announced a Negative Surprise of \$0.31 vs. expectation of \$0.46 (-32.6%). FY '03 of \$1.42 vs. expectation of \$1.60.

Q3 '03 ↓ On 24-Oct-03, the company announced a Negative Surprise of \$0.01 vs. expectation of \$0.16 (-93.8%). On 24-Oct-03, the company issued this footnote: 0.05 Loss from discontinued operations.

Q2 '03 ↑ On 25-Jul-03, the company announced a Positive Surprise of \$0.19 vs. expectation of \$0.11 (+72.7%).

Q1 '03 ● On 25-Apr-03, the company announced a Positive Report of \$0.93 vs. expectation of \$0.92 (+1.1%).

Footnotes

25-Nov-03 announced purchase of R.E. Ginna plant by Constellation Energy Group.

FIRST CALL® EARNINGS VALUATION REPORT

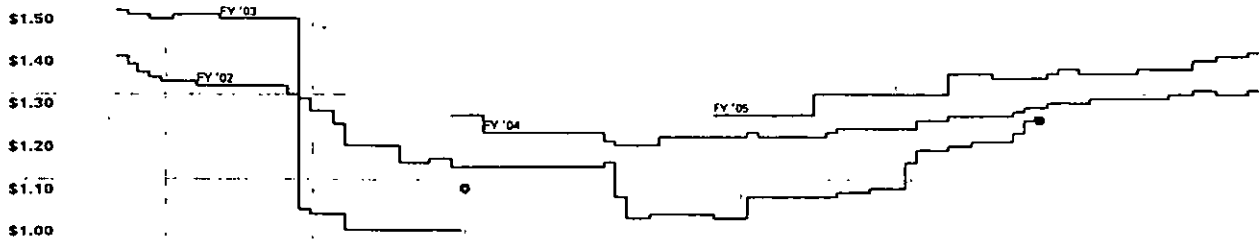
Northeast Utilities (NU)

Report as of 6/21/04

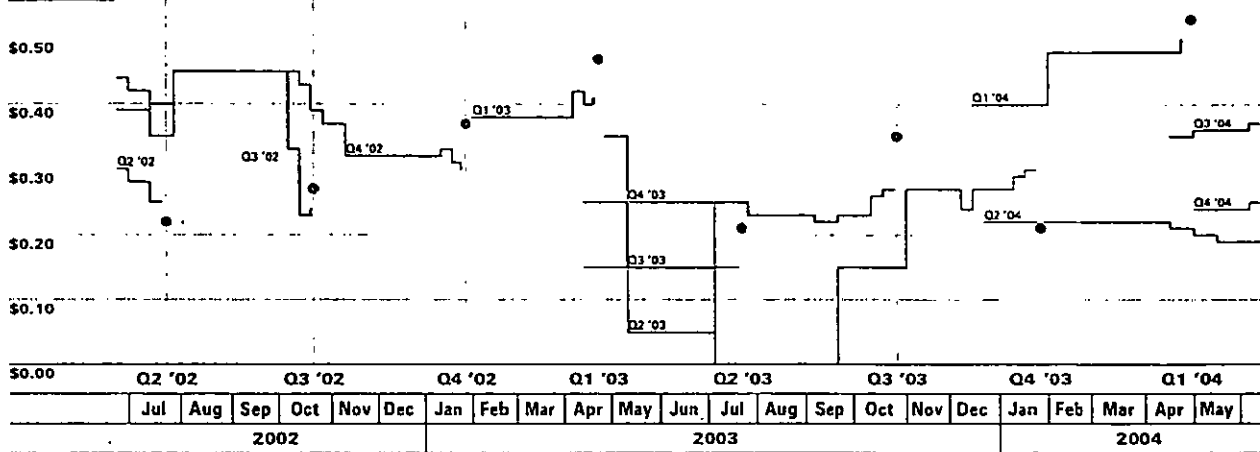
Historical EPS Consensus Expectations

Fiscal year ends Dec.

Annual:

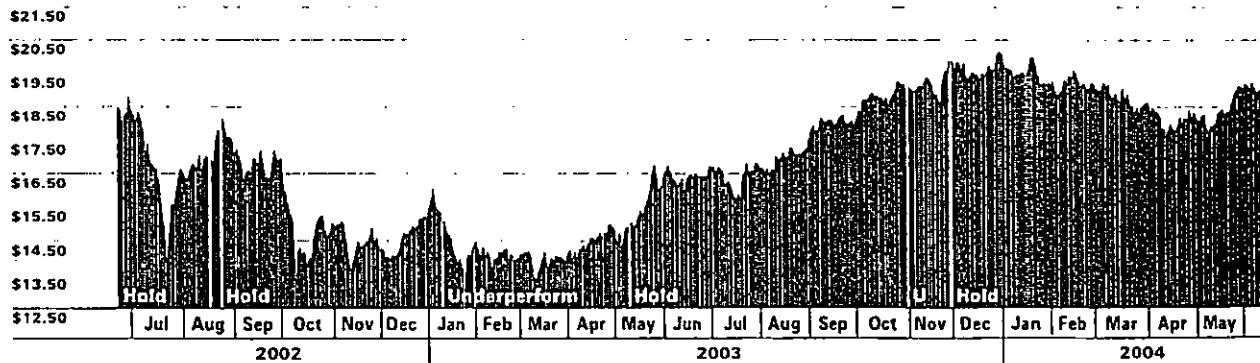


Quarterly

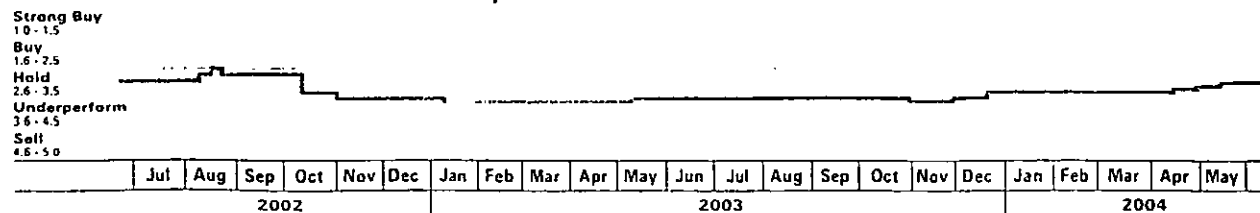


— EPS Expectation ● Actual Earnings Announcement (● Negative Surprise, ● Positive Surprise)

Stock Price and Recommendation History



Consensus Recommendation History



FIRST CALL® EARNINGS VALUATION REPORT

Northeast Utilities

continued

Stock Price

Price as of 6/18	\$19.28
Dividend Yield	NA
Beta	0.3
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates

Five year estimates from 4 analysts

NU	4.5%
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio

A Way To Value Growth

NU	3.27
Industry	2.20
Sector	2.19
Market	1.34

NU's next earnings announcement is expected during the week of **July 28th**.

For comparison purposes, NU's average growth rate during the last 5 years was 3.0% 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.

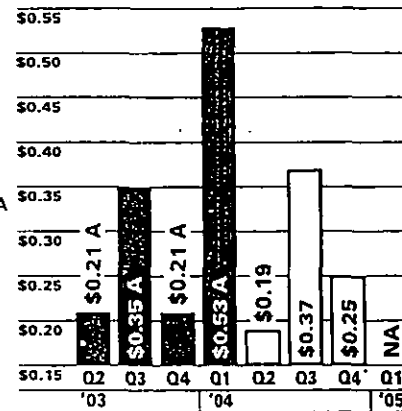
Quarterly EPS Consensus Expectations

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 5/31/04	\$0.19	\$0.37	\$0.25	NA
Previous Mean	\$0.20	\$0.36	\$0.24	NA
# of Brokers	4	4	4	0
Range (low/high)	\$0.17/0.21	\$0.35/0.39	\$0.20/0.28	NA/NA
Std. Deviation	\$0.02	\$0.02	\$0.04	NA
Announce Date	Wk of 7/28	Wk of 10/27	Wk of 1/27	Wk of 4/29
Same Qtr. Last Yr.	\$0.21 A	\$0.35 A	\$0.21 A	\$0.53 A

Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
Northeast Utilities	-9.5%	5.7%	19.0%	NA
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Quarterly EPS Trend



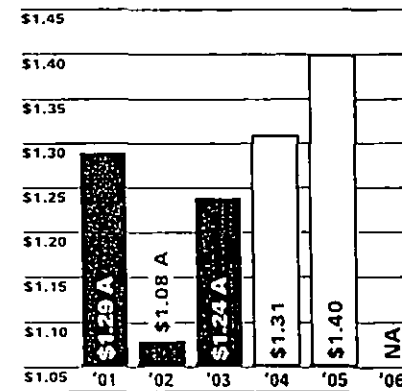
Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 5/31/04	\$1.31	\$1.40	NA
Previous Mean	\$1.30	\$1.39	NA
# of Brokers	9	8	NA
Range (low/high)	\$1.25/1.36	\$1.35/1.47	NA/NA
Std. Deviation	\$0.04	\$0.04	NA
Announce Date	Wk of 1/27		
Year Ago EPS	\$1.24 A		

Change Over Previous Year

	'04	'05	'06
Northeast Utilities	5.6%	6.9%	NA
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

Annual EPS Trend

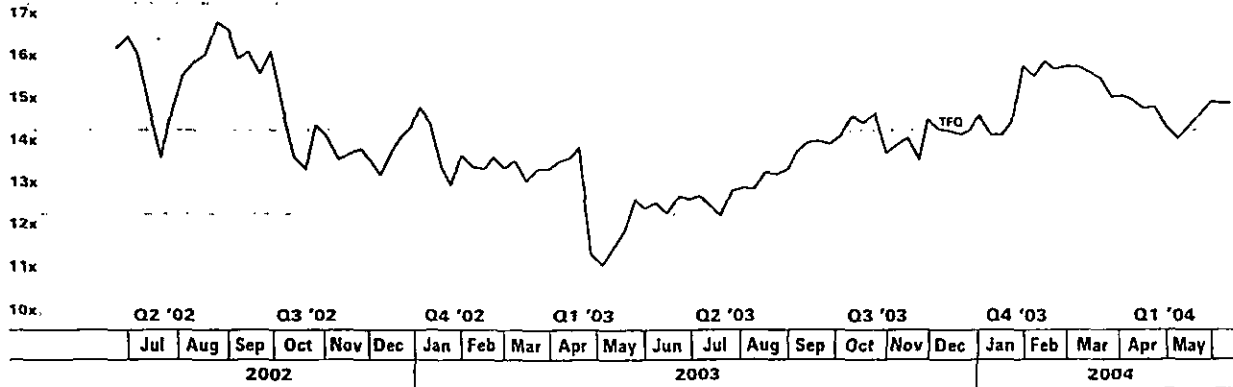


FIRST CALL EARNINGS VALUATION REPORT

Northeast Utilities

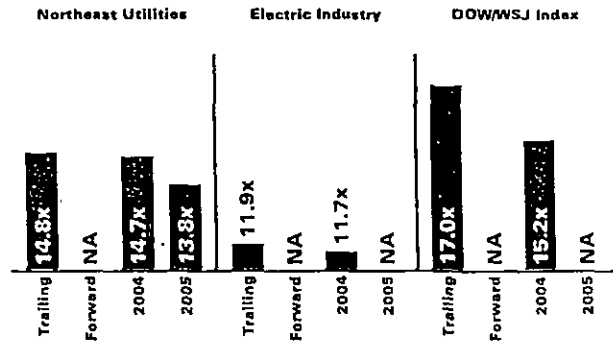
continued

Historical P/E



FFQ is Price divided by Forward Four Quarters EPS estimate, TFO is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

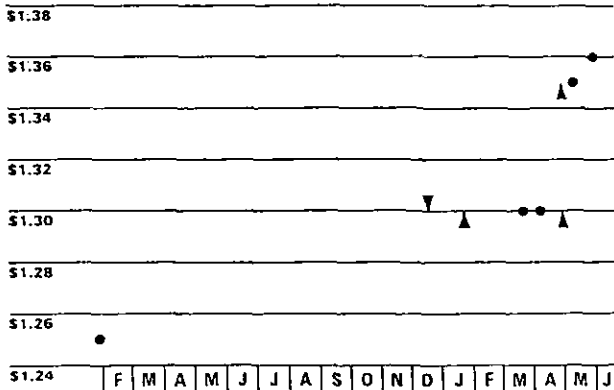
Current P/E



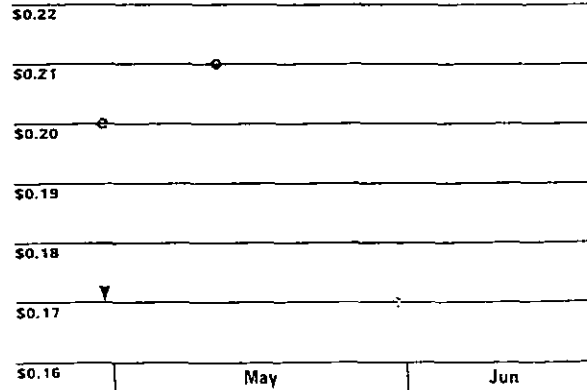
Current Recommendation

Opinion	Analysts with Opinion
Strong Buy	
Buy	1
Hold - 3.1	8
Underperform	2
Sell	
Analysts Included in Consensus	11

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, ● and initial estimates.

FIRST CALL® EARNINGS VALUATION REPORT

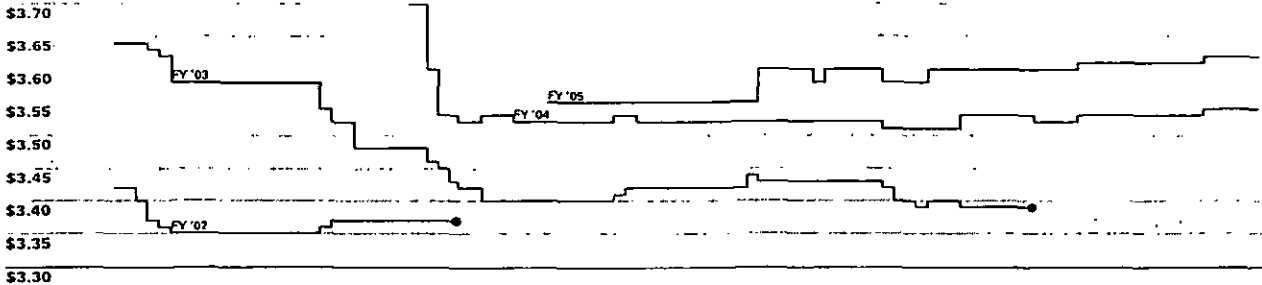
NSTAR (NST)

Report as of 6/21/04

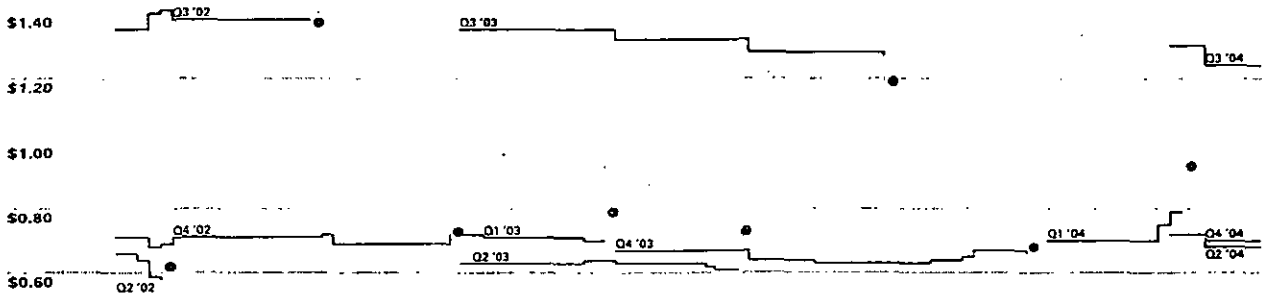
Historical EPS Consensus Expectations

Fiscal year ends Dec.

Annual



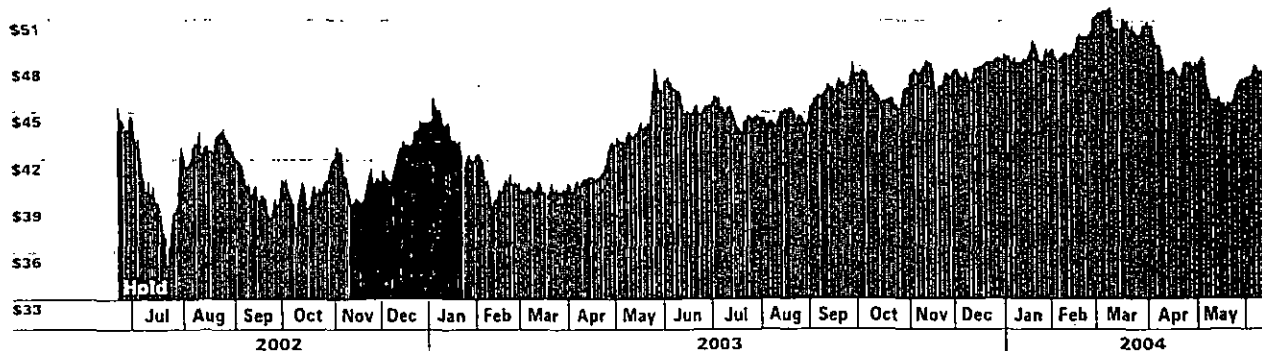
Quarterly



\$0.40	Q2 '02				Q3 '02				Q4 '02				Q1 '03				Q2 '03				Q3 '03				Q4 '03				Q1 '04							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
	2002												2003												2004											

— EPS Expectation ● Actual Earnings Announcement (● Negative Surprise, ● Positive Surprise)

Stock Price and Recommendation History



Consensus Recommendation History

Strong Buy	Q2 '02				Q3 '02				Q4 '02				Q1 '03				Q2 '03				Q3 '03				Q4 '03				Q1 '04							
1.0 - 1.5	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Buy	2002												2003												2004											

Buy 1.5 - 2.5
Hold 2.0 - 3.5
Underperform 3.6 - 4.5
Sell 4.6 - 5.0

FIRST CALL® EARNINGS VALUATION REPORT

NSTAR

continued

Stock Price	
Price as of 6/18	\$48.00
Dividend Yield	NA
Beta	0.4
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates	
Five year estimates from 3 analysts	
NST	5.0%
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio	
A Way To Value Growth	
	← Less EXPENSIVE →
	More EXPENSIVE →
NST	2.72
Industry	2.20
Sector	2.19
Market	1.34

NST's next earnings announcement is expected on **July 22nd**.

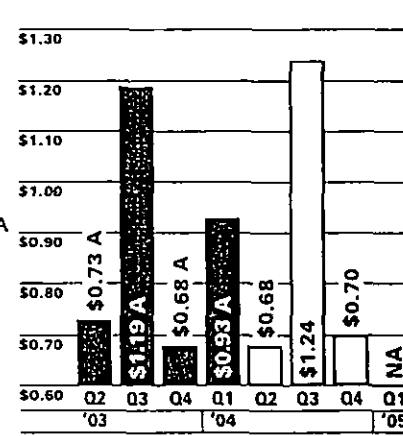
For comparison purposes, NST's average growth rate during the last 5 years was 3.4% per year.

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

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 5/3/04	\$0.68	\$1.24	\$0.70	NA
Previous Mean	\$0.72	\$1.30	\$0.72	NA
# of Brokers	3	3	3	0
Range (low/high)	\$0.65/0.70	\$1.22/1.25	\$0.69/0.70	NA/NA
Std. Deviation	\$0.03	\$0.02	\$0.01	NA
Announce Date	7/22	Wk of 10/25	Wk of 1/24	Wk of 4/29
Same Qtr. Last Yr.	\$0.73 A	\$1.19 A	\$0.68 A	\$0.93 A

Quarterly EPS Trend



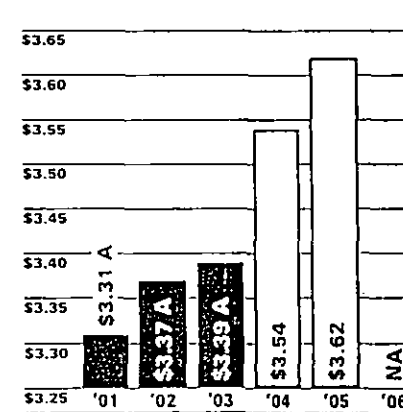
Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
NSTAR	-6.8%	4.2%	2.9%	NA
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 5/3/04	\$3.54	\$3.62	NA
Previous Mean	\$3.53	\$3.61	NA
# of Brokers	6	5	NA
Range (low/high)	\$3.50/3.55	\$3.58/3.65	NA/NA
Std. Deviation	\$0.02	\$0.03	NA
Announce Date	Wk of 1/24		
Year Ago EPS	\$3.39 A		

Annual EPS Trend



Change Over Previous Year

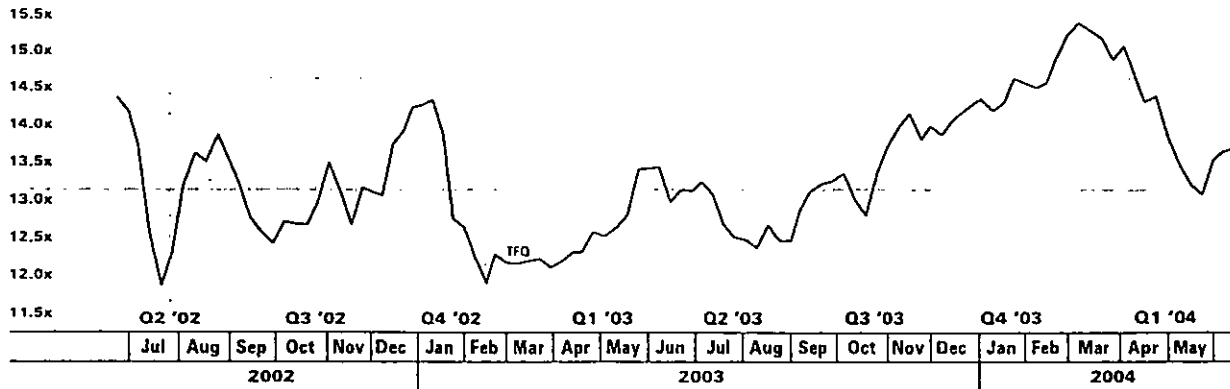
	'04	'05	'06
NSTAR	4.4%	2.3%	NA
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

FIRST CALL® EARNINGS VALUATION REPORT

NSTAR

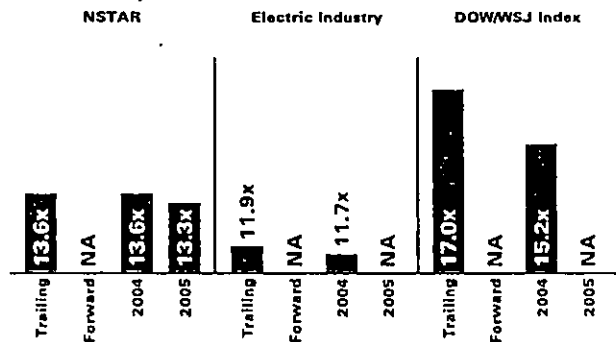
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Historical P/E



FFO is Price divided by Forward Four Quarters EPS estimate, TFO is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

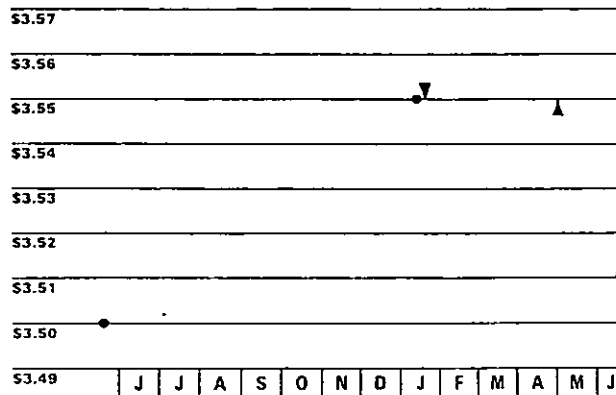
Current P/E



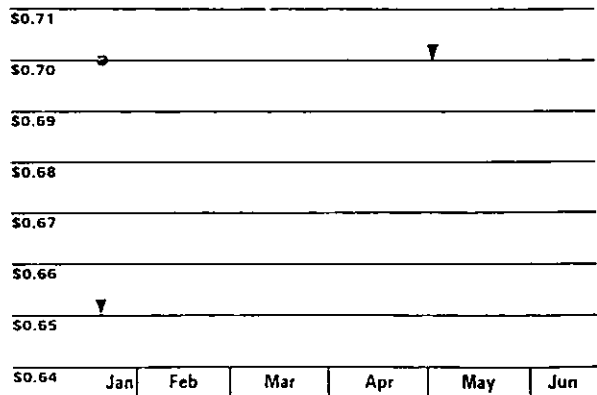
Current Recommendation

Opinion	Analysts with Opinion
Strong Buy	
Buy	1
Hold - 2.8	6
Underperform	
Sell	
Analysts Included in Consensus	7

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, ● and initial estimates.

FIRST CALL® EARNINGS VALUATION REPORT

NSTAR

continued

Earnings Notes and Announcements

Q1 '04 ↑ On 22-Jan-04, the company guided FY '04 estimates to between 3.45 and 3.55 -- Est at annc 3.53. On 22-Jan-04, the company guided FY '04 estimates to between 3.45 and 3.55 -- Est at annc 3.53. On 22-Jan-04, the company guided FY '04 estimates to between 3.45 and 3.55 -- Est at annc 3.53. On 22-Jan-04, the company guided FY '04 estimates to between 3.45 and 3.55 -- Est at annc 3.53. On 29-Apr-04, the company announced a Positive Surprise of \$0.93 vs. expectation of \$0.79 (+17.7%).

Q4 '03 • On 24-Jul-03, the company guided FY '03 estimates to between 3.34 and 3.44 -- Est at annc 3.42. On 22-Jan-04, the company announced a Positive Report of \$0.68 vs. expectation of \$0.66 (+3.0%). FY '03 met expectation of \$3.39.

Q3 '03 ↓ On 23-Oct-03, the company announced a Negative Surprise of \$1.19 vs. expectation of \$1.27 (-6.3%).

Q2 '03 ↑ On 24-Jul-03, the company announced a Positive Surprise of \$0.73 vs. expectation of \$0.60 (+21.7%).

Q1 '03 ↑ On 1-May-03, the company announced a Positive Surprise of \$0.79 vs. expectation of \$0.70 (+12.9%).

Q4 '02 • On 24-Jan-02, the company guided FY '02 estimates to between 3.45 and 3.55. On 23-Jan-03, the company met Q4 expectation of \$0.73. FY '02 met expectation of \$3.37. On 23-Jan-03, the company issued this footnote: 0.19 tax adjustment gain.

Q3 '02 • On 24-Oct-02, the company announced a Negative Report of \$1.37 vs. expectation of \$1.38 (-0.7%).

Q2 '02 ↑ On 25-Jul-02, the company announced a Positive Surprise of \$0.62 vs. expectation of \$0.57 (+8.8%).

Footnotes

22-Jan-04 DEC03Q exclude 0.08 gain from tax hedged on invest. of RCN Corp.

22-Jan-04 DEC03Q excludes 0.08 loss for invstmt in RCN Corp offset by tax gai.

Q Quarters may not add to annual due to changes in shares outstanding.

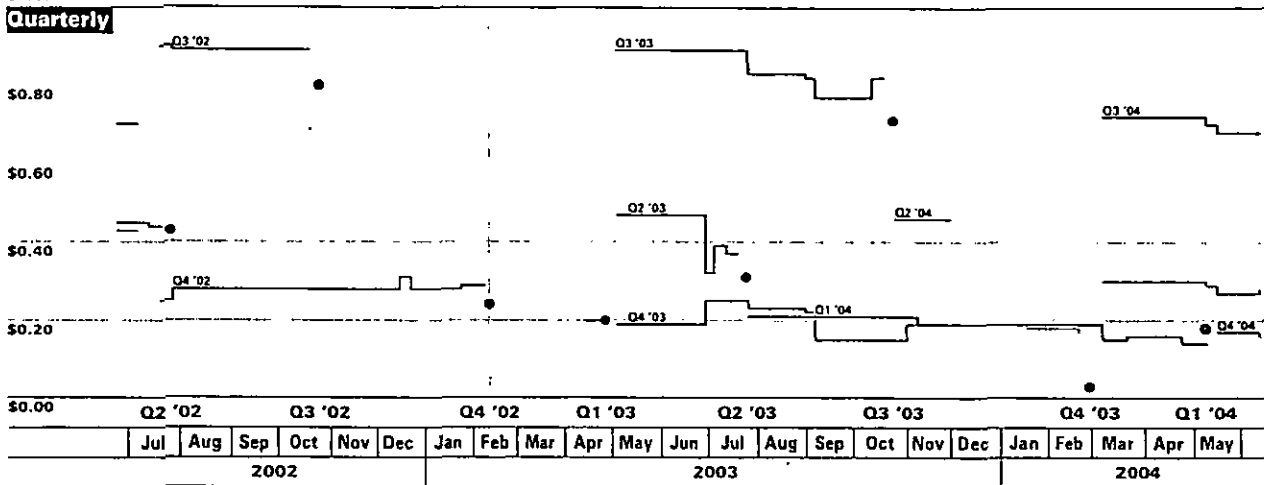
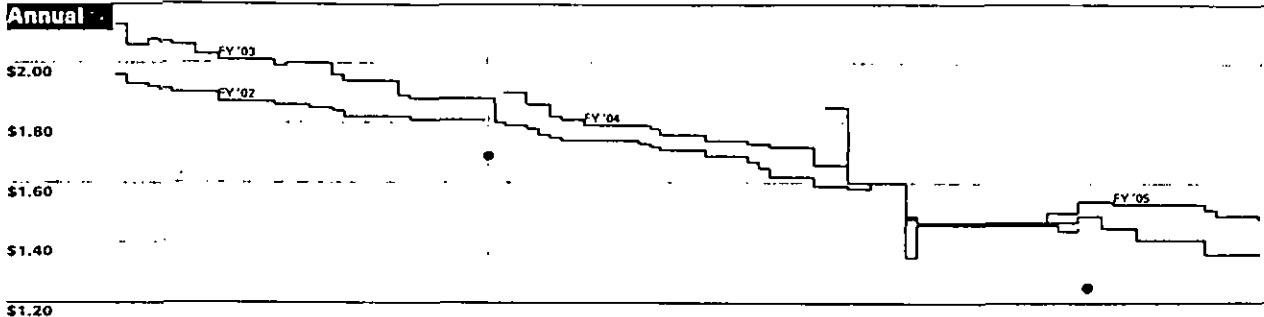
FIRST CALL® EARNINGS VALUATION REPORT

PEPCO HOLDINGS (POM)

Report as of 6/21/04

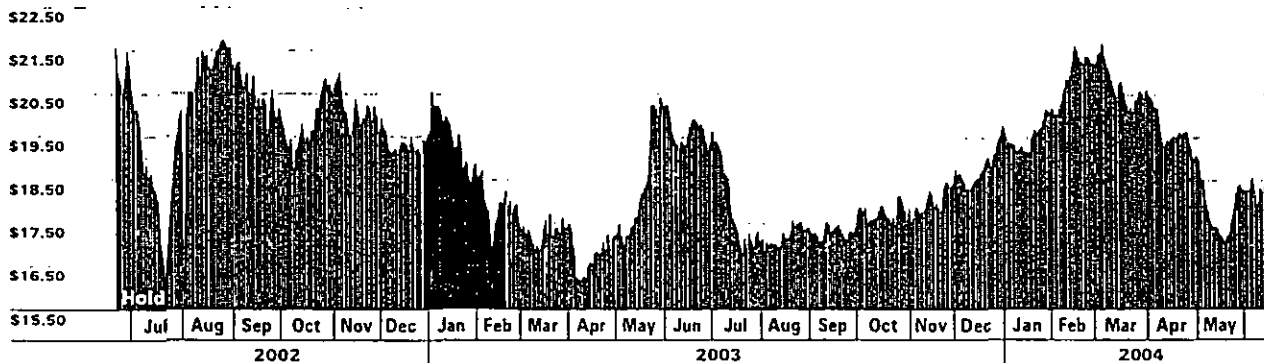
Historical EPS Consensus Expectations

Fiscal year ends Dec.

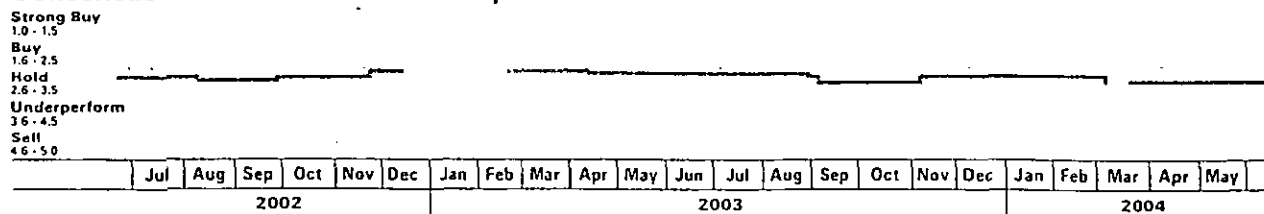


— EPS Expectation ● Actual Earnings Announcement (● Negative Surprise, ● Positive Surprise)

Stock Price and Recommendation History



Consensus Recommendation History



FIRST CALL® EARNINGS VALUATION REPORT

PEPCO HOLDINGS

continued

Stock Price

Price as of 6/18	\$18.45
Dividend Yield	NA
Beta	0.4
Industry	Electric
Sector	Utilities
Fiscal Year Ends	December

Expected Annual Growth Rates

Five year estimates from 6 analysts

POM	3.5%
Industry	5.3%
Sector	5.4%
Market	11.4%

PEG Ratio

A Way To Value Growth

	← LESS EXPENSIVE →	MORE EXPENSIVE →
POM	3.89	
Industry	2.20	
Sector	2.19	
Market	1.34	

POM's next earnings announcement is expected during the week of **July 26th**.

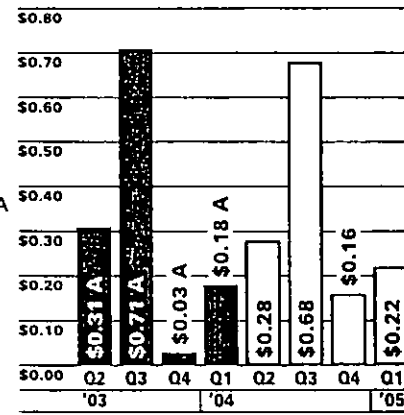
For comparison purposes, POM's average growth rate during the last 5 years was -7.5% per year.

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

	Q2 '04	Q3 '04	Q4 '04	Q1 '05
Mean as of 6/9/04	\$0.28	\$0.68	\$0.16	\$0.22
Previous Mean	\$0.27	\$0.69	\$0.17	NA
# of Brokers	4	3	3	1
Range (low/high)	\$0.27/0.28	\$0.66/0.69	\$0.14/0.20	NM
Std. Deviation	\$0.01	\$0.02	\$0.03	NA
Announce Date	Wk of 7/26	Wk of 10/25	Wk of 2/28	Wk of 5/9
Same Qtr. Last Yr.	\$0.31 A	\$0.71 A	\$0.03 A	\$0.18 A

Quarterly EPS Trend



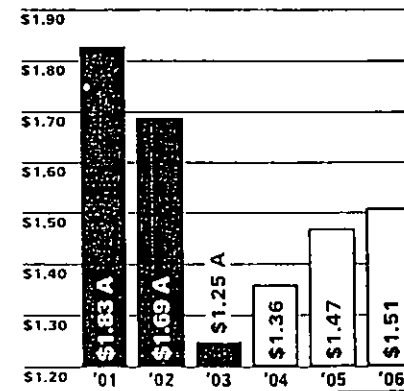
Change Over Same Quarter Last Year

	June	Sept	Dec	Mar
PEPCO HOLDINGS	-9.7%	-4.2%	433.3%	22.2%
Industry - Electric	3.5%	-1.3%	11.6%	NA
Sector - Utilities	3.1%	-2.2%	9.8%	NA
WSJ/DJ US Index	17.0%	18.5%	17.5%	NA

Annual EPS Consensus Expectations

	FY '04	FY '05	FY '06
Mean as of 6/9/04	\$1.36	\$1.47	\$1.51
Previous Mean	\$1.35	\$1.48	NA
# of Brokers	8	7	1
Range (low/high)	\$1.25/1.50	\$1.40/1.60	NM
Std. Deviation	\$0.09	\$0.07	NA
Announce Date	Wk of 2/28		
Year Ago EPS	\$1.25 A		

Annual EPS Trend



Change Over Previous Year

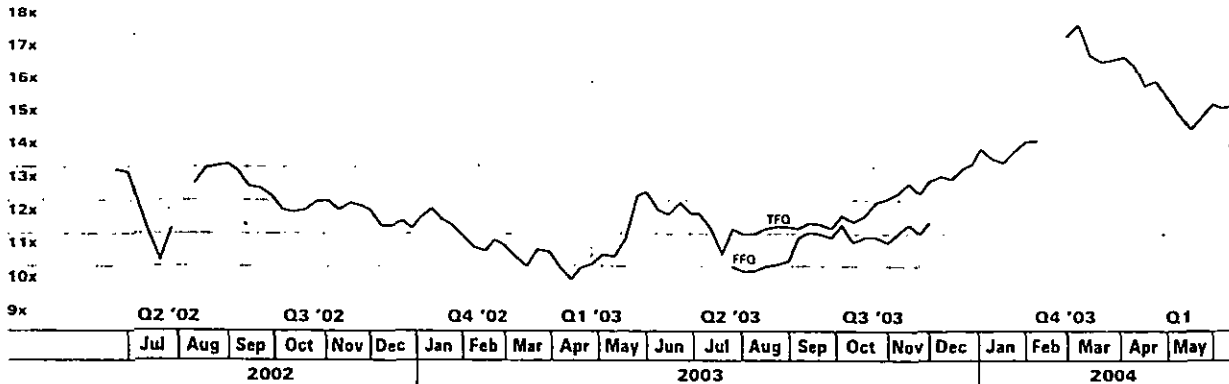
	'04	'05	'06
PEPCO HOLDINGS	8.8%	8.1%	2.7%
Industry - Electric	3.4%	NA	NA
Sector - Utilities	3.9%	NA	NA
WSJ/DJ US Index	15.5%	NA	NA

FIRST CALL® EARNINGS VALUATION REPORT

PEPCO HOLDINGS

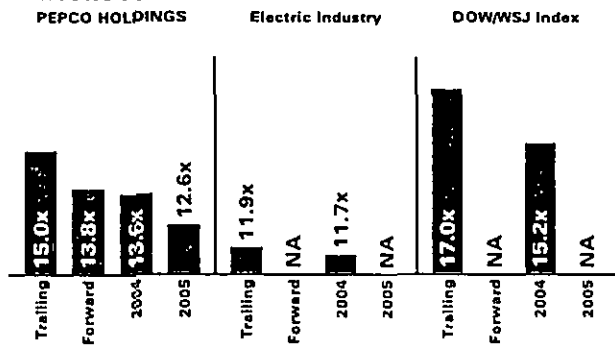
continued

Historical P/E



FFQ is Price divided by Forward Four Quarters EPS estimate, TFQ is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.

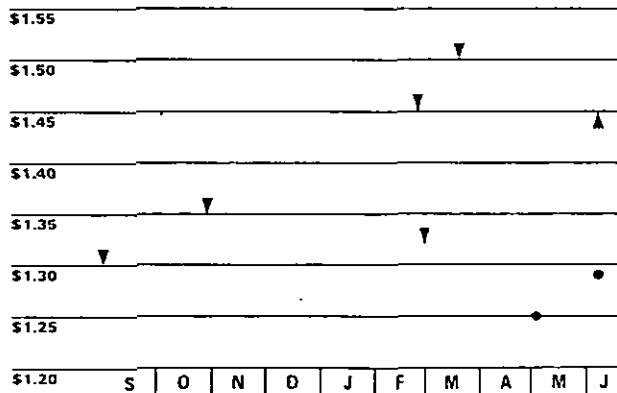
Current P/E



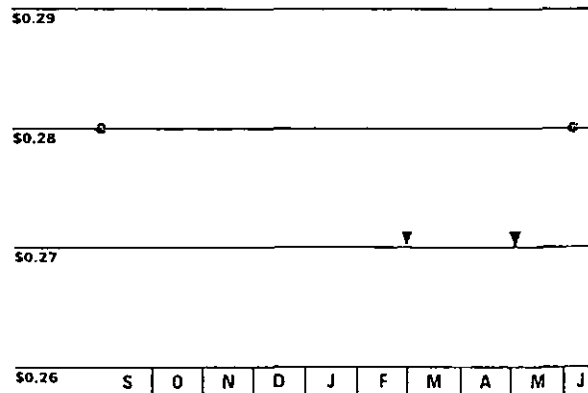
Current Recommendation

Opinion	Analysts with Opinion
Strong Buy	
Buy	
Hold - 3.0	10
Underperform	
Sell	
Analysts Included in Consensus	10

Current Distribution of Estimates for This Year (FY '04)



Current Distribution of Estimates for This Quarter (Q2 '04)



▲ Analysts revising upwards, ▼ analysts revising downwards, ● and initial estimates.

FIRST CALL® EARNINGS VALUATION REPORT

PEPCO HOLDINGS

continued

Earnings Notes and Announcements

Q1 '04 ↑ On 7-May-04, the company announced a Positive Surprise of \$0.18 vs. expectation of \$0.14 (+28.6%).

Q4 '03 ↓ On 26-Feb-04, the company announced a Negative Surprise of \$0.03 vs. expectation of \$0.17 (-82.4%). FY '03 of \$1.25 vs. expectation of \$1.45.

Q3 '03 ↓ On 23-Oct-03, the company announced a Negative Surprise of \$0.71 vs. expectation of \$0.82 (-13.4%).

Q2 '03 ↓ On 24-Jul-03, the company announced a Negative Surprise of \$0.31 vs. expectation of \$0.37 (-16.2%).

Q1 '03 • On 25-Apr-03, the company met Q1 expectation of \$0.20.

Q4 '02 ↓ On 11-Feb-03, the company announced a Negative Surprise of \$0.24 vs. expectation of \$0.29 (-17.2%). FY '02 of \$1.69 vs. expectation of \$1.78.

Q3 '02 ↓ On 24-Oct-02, the company announced a Negative Surprise of \$0.80 vs. expectation of \$0.89 (-10.1%).

Q2 '02 • On 25-Jul-02, the company announced a Negative Report of \$0.43 vs. expectation of \$0.44 (-2.3%).

Footnotes

25-Apr-03 MAR03Q exclude 0.16 charge from contract impact & trading items.

25-Apr-03 MAR03Q exclude 0.19 loss for Conectiv Energy cancellation contract.

27-Feb-03 announced acquisition of CMS Viron's Federal Government Business Uni.

11-Feb-03 DEC02Q excludes 0.08 charge, mostly from severance costs.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission et al) Docket Nos. R-00049255
v.) and R00049255C0001-5
PPL Electric Utilities Corporation)

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the foregoing document to be sent this day,
by first class, postage prepaid U.S. Mail (or private courier) to the following addressees:

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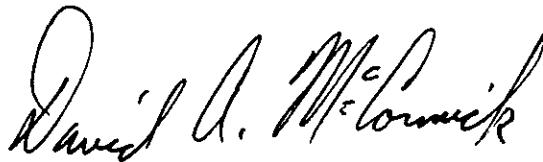
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1314 Harwood Street, S.E.
WASHINGTON NAVY YARD
WASHINGTON, DC 20374-5018

Dated this 28th day of June, 2004 at Arlington County, Virginia.



OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	R-00049255, R-00049255C0001-C0005	Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Case Name:	PA PUC v. PPL Electric Utilities Corporation	Hearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Testimony Taken:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Location:	HBG	Further Hearing Needed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	June 28, 2004 @ 7:00 p.m.	Estimated Add'l Days:		
ALJ:	Susan D. Colwell	RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		DATE:		
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
RECEIVED 2004 JUN 29 PM 4:11 SECRETARY'S BUREAU CASE DOCKET		REMARKS:		
		PUBLIC INPUT HEARING		
		FOR PROPOSED RATE INCREASE		

DOCUMENT FOLDER

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

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✓ CAROL F. PENNINGTON Telephone: (717) 783-2525	300 N. SECOND STREET SUITE 1102 City: HARRISBURG State: PA Zip: 17101	Office of Small Business Advocate Fax Number: (717) 783-2831
✓ Aron Beatty Telephone: 717-783-5048	555 Walnut St, Forum Place, Fifth Floor City: Harrisburg State: PA Zip: 17101	Office of Consumer Advocate Fax Number: 717-783-7152
✓ PAUL E. RUSSELL Telephone: (610) 774-4254	2 N. 9TH STREET City: ALLENTOWN State: PA Zip: 18101	PPL ELECTRIC UTILITIES Fax Number: (610) 774-6726

Check this box if additional parties or attendees appear on back of form.


 Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
✓ RICHARD A. KANASKIE	P.O. Box 3265			OFFICE OF TRIAL STAFF
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Telephone: 717 783-6184	E-mail Address: RKANASKIE@STATE.PA.US		Fax Number: 717 772-2677	
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	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	

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SECRETARY'S BUREAU

June 29, 2004

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VIA-EMAIL AND FIRST CLASS MAIL

DOCUMENT

Honorable Allison K. Turner
Administrative Law Judge
Pennsylvania Public Utility Commission
1400 West Spring Garden Street
State Office Building, Room 1302
Philadelphia, PA 19130

Re: Pennsylvania Public Utility Commission *et al.* v. PPL Electric Utilities Corporation; Docket No. R-00049255 *et al.*; **PPL PLUG STATEMENTS NOS. 1 THROUGH 3**

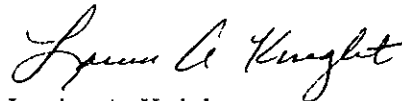
Dear Judge Turner:

Enclosed please find a copy of the prepared DIRECT TESTIMONY of the PPL Public Lighting Users Group witnesses in the above-referenced matter:

John E. Bradley	PPL PLUG Statement No. 1
Joseph V. Link	PPL PLUG Statement No. 2
Michael G. Musser	PPL PLUG Statement No. 3

As indicated on the Certificate of Service, a copy of the Statements have been served on all parties of record. Please do not hesitate to contact me if you have any questions.

Very truly yours,



Louise A. Knight

c: James J. McNulty, Secretary (cover letter and COS only)
As Per Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a copy of PPL PLUG Statements Nos. 1 through 3 upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

2004 JUN 30 AM 9:36

SECRETARY'S BUREAU

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Dated: June 29, 2004



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June 29, 2004

VIA EMAIL & FIRST CLASS MAIL

Hon. Allison K. Turner
Administrative Law Judge
Pennsylvania Public Utility Commission
1302 Philadelphia State Office Bldg.
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DOCUMENT

Re: Pennsylvania Public Utility Commission v. PPL Electric
Utilities Corporation; Docket No. R-00049255

Dear Judge Turner:

Enclosed please find direct testimony of James P. McCormick on behalf of Strategic Energy L.L.C., with regard to the above referenced matter. A copy has been served on all parties in accordance with the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Kevin Moody/jls
Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls

cc: Certificate of Service (w/enc)
Hon. Susan D. Colwell (w/enc)
Hon. Ember Jandebour (w/enc)

DSH:41642.1/STR163-220694

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

2004 JUN 30 AM 9:37

PENNSYLVANIA PUBLIC UTILITY
COMMISSION
V.
PPL ELECTRIC UTILITIES CORP.

DOCKET NO. R-00049255
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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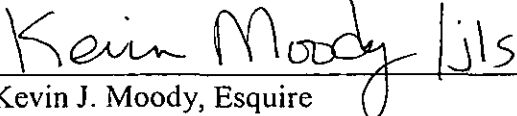
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Date: June 29, 2004


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June 29, 2004

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
P.O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

RE: PP&L Electric Utilities - Request for Rate Increase
Docket No. R-00049255

Dear Secretary McNulty:

Enclosed for filing please find an original and two copies of the Certificate of Service regarding the above.

Respectfully submitted,

DOCUMENT

Joseph L. Vullo

JLV/jar
encls.

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION :
:
:
v. : R-00049255
:
:
PP&L ELECTRIC UTILITIES : Request for a Rate Increase

CERTIFICATE OF SERVICE

I hereby certify that on the 29 day of June, 2004, I served a true and correct copy of the Direct Testimony Commission on Economic Opportunity Witnesses, Eugene M. Brady and John Howat (expert) via first class mail, postage prepaid, upon the following:

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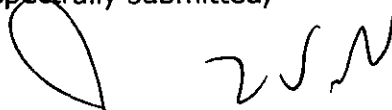
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I also certify that I served by electronic mail transmission, copies of the above upon all parties of record.

Respectfully submitted,

Handwritten signature of Joseph L. Vullo, consisting of a large loop followed by the initials 'JLV'.

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I.D. #41279

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Attorney for Commission on Economic
Opportunity



June 29, 2004

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**DOCUMENT
FOLDER**

SECRETARY'S BUREAU

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Re: PA PUC et al. v. PPL Electric Utilities Corporation
Docket Number R-00049255

Dear Secretary McNulty:

Enclosed for filing in the above-captioned proceeding is the Certificate of Service indicating that the Direct Testimony of John Hanger has been served on the parties of record and the Administrative Law Judges in the referenced proceeding.

Sincerely,

Peter Adels

cc: Honorable Allison Turner
Certificate of Service

PENNFUTURE PARTIES STATEMENT NO. 1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION, et al.

v.

PPL ELECTRIC UTILITIES
CORPORATION

:
:
:
:

Docket No. R- 0004925

DOCKETED
JUL 22 2004

**DOCUMENT
FOLDER**

DIRECT TESTIMONY OF
JOHN HANGER

SECRETARY'S BUREAU

2004 JUN 29 PM 3:09

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Dated: June 29, 2004

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A:** My name is John Hanger. My business address is 610 North Third Street,
3 Harrisburg, PA 17101.

4 **Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 **A:** I have been President and Chief Executive Officer of Citizens for
6 Pennsylvania's Future ("PennFuture") since it was founded in 1998.

7 **Q: PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL**
8 **EXPERIENCE.**

9 **A:** I am a 1979 graduate of Duke University and a 1984 graduate of the
10 University of Pennsylvania School of Law. From April 1993 to June 1998, I
11 was a Commissioner with the Pennsylvania Public Utility Commission. During
12 that time, I served on the Electricity Committee, the Consumer Affairs
13 Committee, and the Committee on Energy Resources and the Environment of
14 the National Association of Regulatory Utility Commissioners (NARUC). Prior
15 to becoming Commissioner, I was legal counsel to Pennsylvania Public Utility
16 Commissioner Joseph Rhodes from 1988 to 1993. From 1984 to 1988 I
17 worked at Community Legal Services, Inc. of Philadelphia, serving as Public
18 Advocate representing 500,000 municipal customers of the City of
19 Philadelphia's municipal gas, water, and sewer utilities.

20 **Q: WHAT ARE YOUR RESPONSIBILITIES AS PRESIDENT AND CEO OF**
21 **PENNFUTURE?**

22 **A:** I am responsible for all aspects of the work of the organization, which has a
23 staff of 16 at offices in Philadelphia, Pittsburgh and Harrisburg. PennFuture

1 engages in a wide range of activities, through litigation, public education,
2 public policy and other means to improve the environment and economy of
3 Pennsylvania.

4 A major objective of PennFuture is to promote efficient restructured
5 electricity markets and to integrate cleaner electricity solutions into the
6 electricity system. I work on these issues on a daily basis. I am frequently
7 asked by the press to comment on such issues. I have been regularly asked
8 by policymakers for information and recommendations on electricity policy. I
9 have testified before the United States Congress and state legislatures. I
10 have authored numerous articles, written leading regulatory decisions and
11 lectured to diverse audiences. More information is available through our
12 website at www.pennfuture.org.

13 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 **A:** The primary purpose of my testimony is to support the continuation of the
15 Sustainable Energy Fund of Central Eastern Pennsylvania (SEF) with
16 increased funding so that it may more effectively serve its mission.

17 **Q: PLEASE SUMMARIZE YOUR CONCLUSIONS AND**
18 **RECOMMENDATIONS.**

19 **A:** SEF has had an excellent start. PPL should be commended for recognizing
20 the importance of SEF to PPL, its customers, and the public interest, as well
21 as for recognizing that the job has just begun. PPL should be commended for
22 including continued funding of the SEF at current levels in its own filing in this
23 case. However, SEF remains significantly underfunded, hindering the

1 opportunity to make even greater progress. Funding for SEF should be
2 doubled to 2 mills, or 2/100 of one cent per kilowatt hour of electricity
3 delivered to its customers.

4 **Q: WHY DO YOU SAY THAT SEF IS SIGNIFICANTLY UNDERFUNDED?**

5 **A:** For two primary reasons. First, there is so much more work left to do.

6 Second, funding of SEF is at a dramatically lower rate than funds to support
7 renewable energy and energy efficiency in other states.

8 **Q: WHY DO YOU SAY THERE IS SO MUCH MORE WORK TO BE DONE?**

9 **A:** The SEF list of project commitments to date is impressive indeed. Yet, even

10 a cursory review makes clear how many kinds of projects are not being

11 funded. With additional funding, SEF could establish ongoing programs to

12 *provide grants, low interest loans, or performance subsidies for installing fuel*

13 *cells, small wind turbines, or solar panels. None exists now, even though that*

14 *is just what is needed to get new technologies to an economy of scale*

15 *making them more cost-effective for all. SEF funding, along with that*

16 *provided by the other sustainable energy funds in Pennsylvania, played a*

17 *crucial role in developing the Pennsylvania wind industry, the strongest in the*

18 *east, to where it is today. Yet, there is no longer substantial funding available*

19 *to support the expansion of this still fledgling industry. SEF does not have*

20 *enough funds to support crucial renewable energy and energy efficiency*

21 *public education and marketing programs. SEF does not have enough*

22 *money to invest in new energy efficiency companies. The list of unmet needs*

23 *goes on and on.*

1 Q: HOW DO YOU KNOW THAT SEF FUNDING IS LOWER THAN OTHER
2 FUNDS?

3 A: SEF has been funded at the rate of 1/100 of one cent per kwh of electricity
4 delivered to its customers, or 0.1 mills per kwh. According to the Clean
5 Energy States Alliance¹, a non-profit organization of 17 clean energy funds in
6 12 different states, the average rate of funding is 1.3 mills, and the dollar
7 weighted average funding is over 2.0 mills. Adoption of my recommendation
8 to double the funding to 0.2 mills still would leave the SEF funding rate less
9 than 1/6 of the average and less than 1/10 of the weighted average.

10 Q: AREN'T THESE FUNDS DIFFERENT FROM EACH OTHER?

11 A: Yes, there are many differences, but many similarities as well. The
12 commonality is that the clean energy funds are the primary initiative within
13 each state to dedicate utility and/or ratepayer funding to support renewable
14 energy and energy efficiency projects. In most cases, the funds represent the
15 primary state initiative to support such important work, and separate taxpayer
16 funded initiatives are secondary or do not exist.

17 Q: HOW WOULD YOU COMPARE FUNDING LEVELS?

18 A: My point is to emphasize the general magnitude of the different *rates of*
19 *funding*. Many states devote ratepayer and/or utility funds to support
20 renewable energy and energy efficiency at far higher rates. I am not

¹ www.cleanenergystates.org

1 suggesting that a precise comparison of total funding levels or of the different
2 funds are appropriate.

3 **Q: DON'T STATE OR QUASI-STATE AGENCIES NEED MUCH HIGHER**
4 **FUNDING RATES?**

5 **A:** Perhaps. Some of the funds are state agencies staffed with hundreds of
6 employees, and they certainly require large staff and administration budgets.
7 On the other hand, the fact that SEF operates with a very small staff and
8 limited overhead is hardly a reason to deny sufficient funds for the lean
9 operation.

10 **Q: HOW IS SEF FUNDED?**

11 **A:** Most perceive SEF as ratepayer funded because the 0.1 mills is a portion of
12 the distribution rate. (PPL Statement No. 7 at 22). However, ratepayers have
13 not really contributed any funds thus far; PPL in fact has been the benefactor.

14 **Q: WHY DO YOU SAY THAT?**

15 **A:** Because PPL distribution rates have been subject to rate caps until now. If
16 the 0.1 mills had not been allocated to SEF and SEF did not exist, PPL would
17 have had the same capped unbundled distribution rate and been allowed to
18 use the same funding for other purposes.

19 **Q: WHO SHOULD PAY TO FUND SEF?**

20 **A:** I don't really have a preference, so long as there is sufficient funding. It's a
21 pretty easy argument that PPL, its ratepayers and the general public benefit
22 directly from the success of SEF activities. All can and should fund such
23 programs, but for better or for worse, meaningful taxpayer funding is not

1 likely. This is true not only in Pennsylvania, but in other states and indeed
2 nationally. That is why utilities and ratepayers are the primary funding
3 sources nationally for public benefit renewable energy and efficiency
4 programs.

5 **Q: WHY IS IT PPL'S OR RATEPAYERS' PROBLEM?**

6 **A:** Renewable energy and energy efficiency certainly is a public good, for
7 reasons we all know, such as economic development, public health, and
8 environmental reasons. But, renewable energy and energy efficiency also
9 provide direct utility and ratepayer benefits. Both are a key part of a balanced
10 energy supply that provides reliability benefits and a hedge against
11 fluctuations in natural gas prices or the market price of electricity. PPL and
12 each and every customer—large and small—are the beneficiaries of effective
13 investment in renewable energy and energy efficiency. While more taxpayer
14 support for such initiatives certainly is needed, utilities and ratepayers in
15 many states support such efforts for very good reason.

16 **Q: WITH A RATE INCREASE REQUESTED FOR OTHER ITEMS, WHY**
17 **SHOULD RATEPAYERS START FUNDING SEF NOW?**

18 **A:** PPL has contributed about \$20 million to support SEF thus far. Ratepayers
19 have not yet contributed anything. The funding under consideration here is a
20 tiny, tiny amount. For a residential customer using about 750 kwh monthly,
21 the annual contribution as proposed by PPL—1 mill—comes to *about 90*
22 *cents per year*. If the contribution is doubled to 2 mills as I recommend, the
23 residential customer still would be contributing *only about 15 cents per*

1 *month.* If PPL were to contribute a portion of that amount, the ratepayer
2 contribution would be even less.

3 **Q: DO YOU AGREE THAT CONTRIBUTIONS TO SEF SHOULD SUNSET IN**
4 **2009 AS PROPOSED BY PPL?**

5 **A:** *No. The distribution rates being established in this case will remain in effect*
6 *until changed in the next distribution rate case. There is no reason to isolate*
7 *one tiny component of rates, SEF funding, and treat it differently. Whether*
8 *the next distribution rate case is in 2007, 2009, or any other year, proper*
9 *funding for SEF should be considered at that time. Perhaps one or more of*
10 *SEF's investments will have really done well and reduced funding may be*
11 *appropriate. Perhaps other funding sources besides PPL and its customers*
12 *will be sufficient. Perhaps there will be a crisis in energy supply and the need*
13 *for dramatic increases in renewable energy and efficiency will be recognized.*
14 *There is no reason to decide now.*

15 **Q: ISN'T SEF REQUIRED TO BE SELF-SUSTAINING?**

16 **A:** No, there is no such requirement. When approving the sustainable energy
17 fund bylaws, the Commission specifically rejected the dissolution provision as
18 "inconsistent with the goal of these funds. It is the Commission's intent that
19 these funds themselves become sustainable through efficient management
20 and the leveraging of monies received from other funding sources." (PUC
21 Order entered 6/2/2000 at Docket No. R-00973954). I am aware of no
22 requirement in the settlement agreement that established SEF or any
23 Commission Order since that imposes any assumption that PPL/customer

1 funding for SEF "should" expire or that SEF "should" be entirely self-funded at
2 all, let alone by any particular time frame.

3 **Q: THEN WHAT DOES IT MEAN FOR THE FUND ITSELF TO BECOME**
4 **"SUSTAINABLE" AS THE COMMISSION DIRECTED?**

5 **A:** Sustainable means able to stay in existence, to be maintained or prolonged.
6 It simply does not mean that outside funding from PPL or its ratepayers is
7 inappropriate or temporary.

8 **Q: HAS SEF ACTED TO BECOME "SUSTAINABLE"?**

9 **A:** Yes. SEF has successfully emphasized "revolving" or "sustainable" funding
10 based upon repayment of loans, returns on equity investments, and the like.
11 PPL witness Dahl indicates that that more than 90% of program funds have
12 been investments and only about 9% grants. (PPL Statement No. 7 at 22-23.)
13 The sustainable energy funds generally leverage several times their own
14 project investment with applicant or other loan or equity funds. In other words,
15 for every dollar that SEF invests in a project, there may be another \$1, \$2 or
16 \$3 leveraged from the applicants own funds or from other investors. Along
17 with minimal staffing and overhead, the Commission directive is being taken
18 very seriously. Moreover, it would be most unfortunate if SEF were required
19 to be sustainable without PPL or ratepayers support.

20 **Q: WHY IS THAT?**

21 **A:** Requiring SEF to be self-supporting would undermine the performance of a
22 large part of its mission. If required to be self-funded, SEF would have limited
23 ability to provide grants. If required to be self-funded, SEF would have a

1 disincentive to invest in exactly the kind of cutting edge projects that cannot
2 obtain funding through traditional avenues. SEF is not a for-profit financial
3 institution and it should not behave entirely like one.

4 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A:** Yes.

CERTIFICATE OF SERVICE

PA PUC v. PPL Electric Utilities Co.

Docket No. R-00049255

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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PC: ALJ Susan Colwell
ALJ Ember Jandebeur
Henry Deichmiller
Cindi Muriceak
Eric Levis

OALJ Hearing Report

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Docket No.:	R-00049255, R-00049255C0001-C0005	PLEASE DOCKET	
Case Name:	Pennsylvania Public Utility Commission, et al. v. PPL Electric Utilities Corporation	Prehearing Held:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Location:	Bethlehem, PA	Hearing Held:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date:	June 29, 2004	Testimony Taken:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
ALJ:	Allison K. Turner	Transcript Due:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
RECEIVED 2004 JUL -8 PM 12:59 SECRETARY'S BUREAU DOCUMENT FOLDER		Further Hearing Needed:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Estimated Add'l Days:	<i>As scheduled</i>
		RECORD CLOSED:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
		Briefs to be Filed:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Bench Decision:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
		DATE:	<i>much later</i>
		REMARKS:	

PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.

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Shawn A. Sparks Telephone: 717-783-5848	535 Walnut Street 5th Floor, Forum Place City: Harrisburg, State: Pa, Zip: 17101	Office of Consumer Advocate
RICHARD A. KANASKIE Telephone: 717 783-6184	P.O. Box 3265 City: HARRISBURG, State: PA, Zip: 17105	OFFICE OF TRIAL STAFF

Check this box if additional parties or attendees appear on back of form.

John A. Kelly CRC, Inc.
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
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OALJ Hearing Report

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Please Check Those Blocks Which Apply

Docket No.:	R-00049255, R-00049255C0001-C0005	YES	NO
Case Name:	Pennsylvania Public Utility Commission, et al. v. PPL Electric Utilities Corporation	Prehearing Held:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Location:	Allentown, PA	Hearing Held:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date:	June 29, 2004	Testimony Taken:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
ALJ:	Allison K. Turner	Transcript Due:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<p style="text-align: center;">DOCUMENT FOLDER</p>		Further Hearing Needed:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Estimated Add'l Days:	<i>As scheduled</i>
		RECORD CLOSED:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Bench Decision:		DATE:	
REMARKS:		DATE: <i>Eventually</i>	

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Name and Telephone Number	Address	Who are you representing?
<i>RICHARD A. KANASKIE</i> Telephone: <i>717-783-6184</i>	<i>P.O. Box 3265</i> City: <i>HARRISBURG</i> State: <i>PA</i> Zip: <i>17105</i>	<i>OFFICE OF TRIAL STAFF</i>
<i>ANGELA T. JONES</i> Telephone: <i>717-783-2525</i>	<i>1102 COMMERCE BLDG, 300 N. 2ND ST.</i> City: <i>HARRISBURG</i> State: <i>PA</i> Zip: <i>17101</i>	<i>OFFICE OF SMALL BUSINESS ADVOCATE</i>
<i>Shavn A. Sparks</i> Telephone: <i>717-783-5048</i>	<i>555 Walnut Street Forum Place 5th Floor -</i> City: <i>Harrisburg</i> State: <i>Pa</i> Zip: <i>17101</i>	<i>Office of Consumer Advocate</i>

Check this box if additional parties or attendees appear on back of form.

William J. Horst - CRC, Inc
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
PAUL E. RUSSELL	2 NORTH 9TH STREET			PPL ELECTRIC UTILITIES
	City ACCENTOWN	State PA	Zip 18101	
Telephone: (610) 774-4254	E-mail Address: perussell@pplweb.com			
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:

Please Check Those Blocks Which Apply

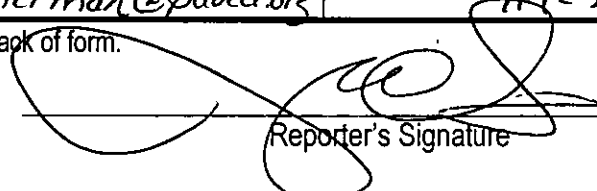
Docket No.:	R-00049255, R-00049255C0001-C0005	YES	NO
Case Name:	PA PUC v. PPL Electric Utilities Corporation	Prehearing Held:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
		Hearing Held:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Testimony Taken:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Transcript Due:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Hearing Concluded:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Location:	SCR	Further Hearing Needed:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date:	June 30, 2004 @ 2:00 p.m.	Estimated Add'l Days:	
ALJ:	Ember S. Jandebour	RECORD CLOSED:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Reporting Firm:	Commonwealth Reporting	Briefs to be Filed:	<input type="checkbox"/> YES <input type="checkbox"/> NO
		Bench Decision:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<p>DOCUMENT FOLDER</p>		REMARKS:	
		<p>PUBLIC INPUT HEARING</p>	

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Name and Telephone Number	Address	Who are you representing?
RICHARD A. KANASKIE Telephone: 717 783-6184	P.O. Box 3265 City: HARRISBURG State: PA Zip: 17105	OFFICE OF TRIAL STAFF
ANGELA T. JONES Telephone: 717 783 2525	1102 COMMERCE 300 N. 2ND ST. City: HARRISBURG State: PA Zip: 17101	OFFICE OF SMALL BUSINESS ADVOCATE
Lori A. Herman Telephone: 717-783 --5048	555 Walnut St. HARRISBURG City: Harrisburg State: Pa Zip: 17101	OFFICE OF CONSUMER ADVOCATE

Check this box if additional parties or attendees appear on back of form.


 Reporter's Signature

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Name and Telephone Number	Address			Who are you representing?
PAUL E. RUSSELL	2 NORTH 9TH ST			PPL ELECTRIC UTILITIES
	City ALLENTOWN	State PA	Zip 18101	
	E-mail Address: perussell@pplweb.com			Fax Number: (610) 774-6726
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:
	City	State	Zip	Telephone:
	E-mail Address:			Fax Number:

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OALJ Hearing Report

PLEASE PRINT CLEARLY
Please Check Those Blocks Which Apply

Docket No.:	R-00049255, R-00049255C0001-C0005	Prehearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Case Name:	PA PUC v. PPL Electric Utilities Corporation	Hearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Testimony Taken:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Location:	SEA W-B	Further Hearing Needed:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Estimated Add'l Days:		
Date:	June 30, 2004 @ 7:00 p.m.	RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ALJ:	Ember S. Jandebaur	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	DATE:		
		Bench Decision:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		REMARKS:	PUBLIC INPUT HEARING	

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Name and Telephone Number	Address	Who are you representing?
ANGELA T. JONES	1102 COMMERCE BLDG, 300 N. 2 ND ST. <small>City: HARRISBURG State: PA Zip: 17101</small>	OFFICE OF SMALL BUSINESS ADVOCATE
Telephone: 717 783 2525	E-mail Address: anjones@state.pa.us	Fax Number: 717-783-2831
Lori A. Lherman	555 Walnut St. <small>City: HARRISBURG State: PA Zip: 17101</small>	OFFICE OF CONSUMER ADVOCATE
Telephone: 717-783-5048	E-mail Address: Lherman@paoca.org	Fax Number: 717-783-7152
RICHARD A. KANASKIE	P.O. Box 3265 <small>City: HARRISBURG State: PA Zip: 17105</small>	OFFICE OF TRIAL STAFF
Telephone: 717 783-6184	E-mail Address: RKANASKIE@STATE.PA.US	Fax Number: 717 778-2677

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Reporter's Signature

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Name and Telephone Number	Address			Who are you representing?
PAUL RUSSELL	2 NORTH 9TH STREET			PPL ELECTRIC UTILITIES
	City ALLENTOWN	State PA	Zip 18101	
Telephone: (610) 774-4254	E-mail Address: prussell.pplweb.com			Fax Number: (610) 774-6726
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:

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